



Türkiye Macroeconomic Outlook

March 2025

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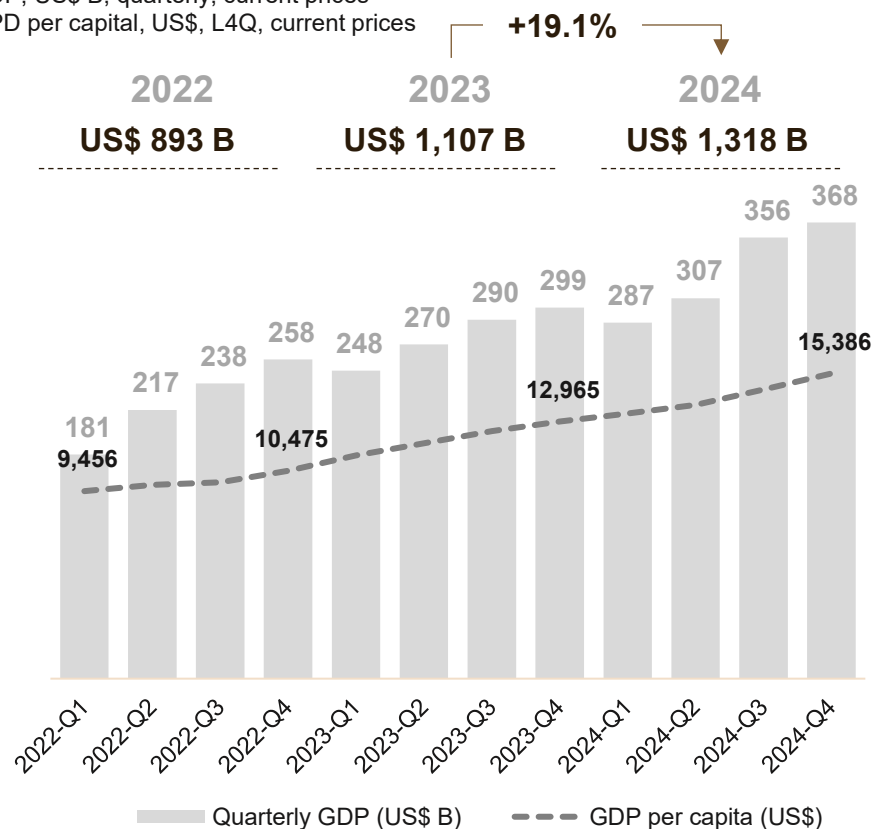
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Real GDP grew 3% at 2024 Q4 y-o-y fueled with capital and household expenses

While overvalued TL still supported imports and consumption for the last quarter, 2024 in general experienced the slowdown of growth compared to 2023

Nominal GDP vs GDP per capita

GDP, US\$ B, quarterly, current prices
GPD per capital, US\$, L4Q, current prices

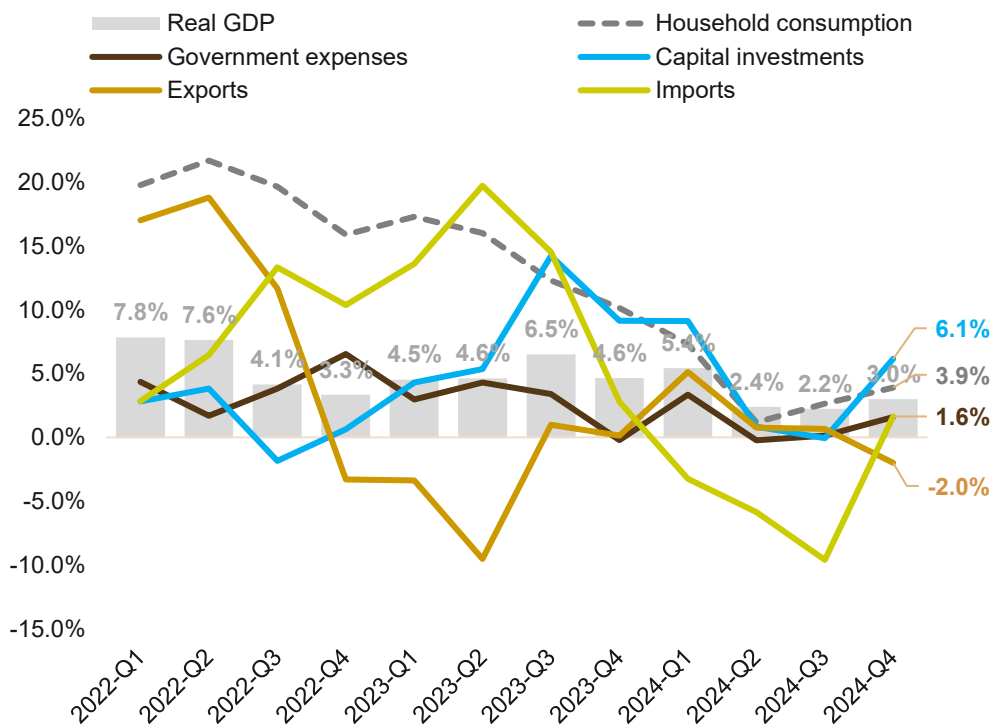


Source: CBRT, TurkStat

March 2025

Real GDP Growth

Chained volume GDP by expense types, quarterly, y-o-y

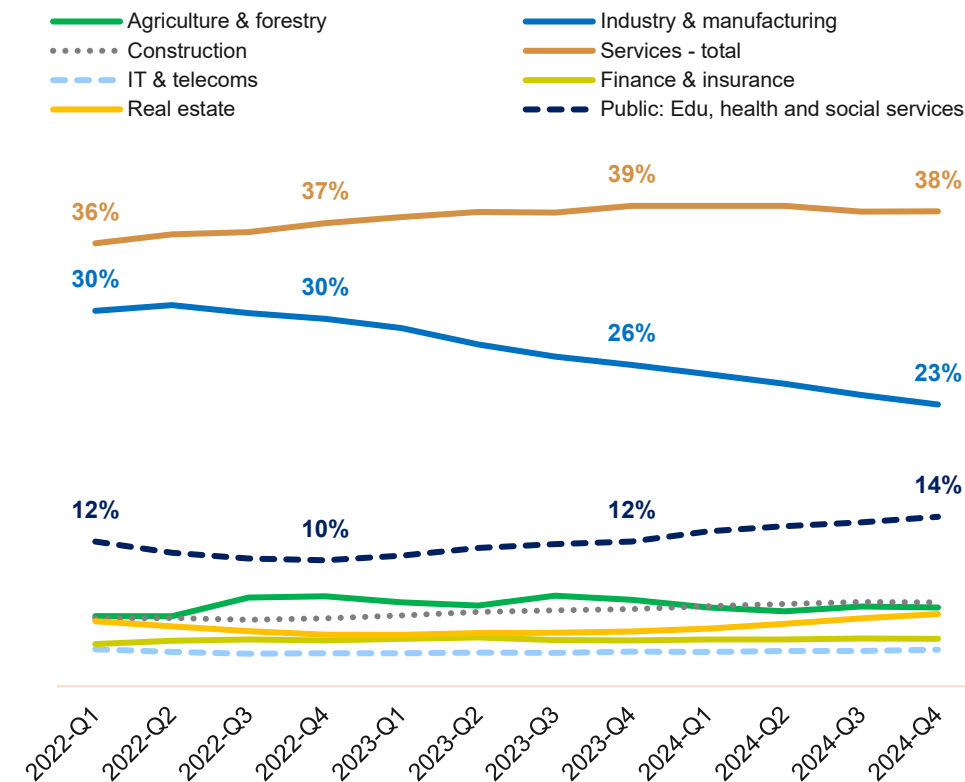


Source: CBRT, TurkStat

Share of production in GDP declines to converge its long term average – public services recovered to its pre-Covid share

Breakdown of Nominal GDP by Industries

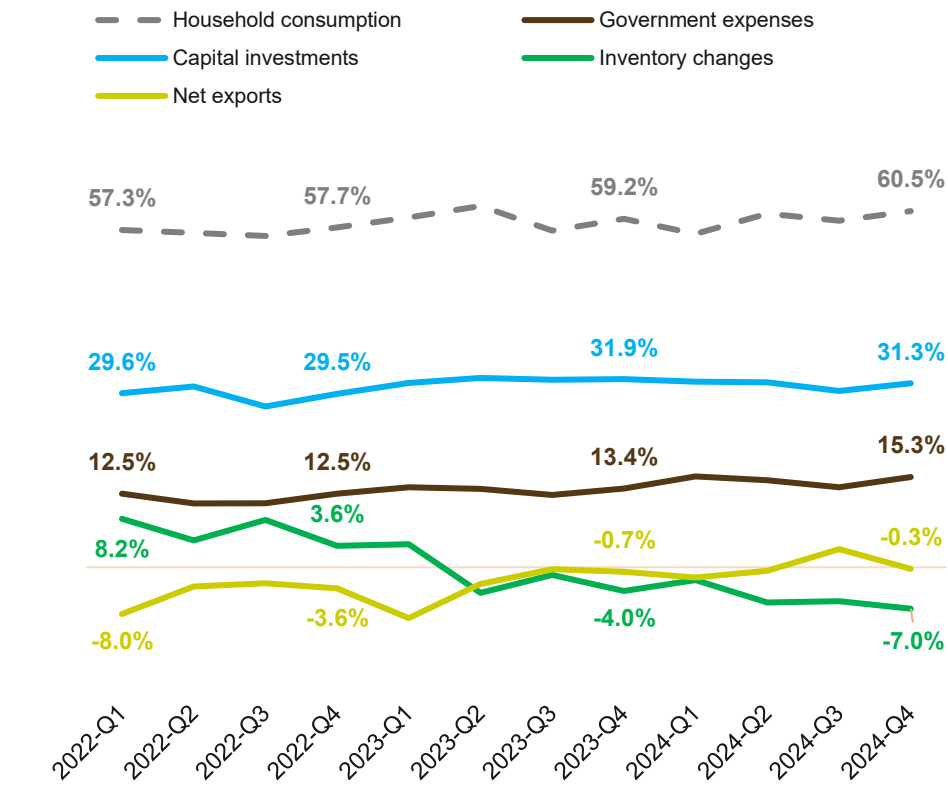
As per economic activity groups, excludes net taxes in GDP
Nominal figures as % of nominal sectoral GDP, L4Q



Source: CBRT, TurkStat

Breakdown of Nominal GDP by Expense Types

Nominal US\$ figures as % of nominal GDP, quarterly

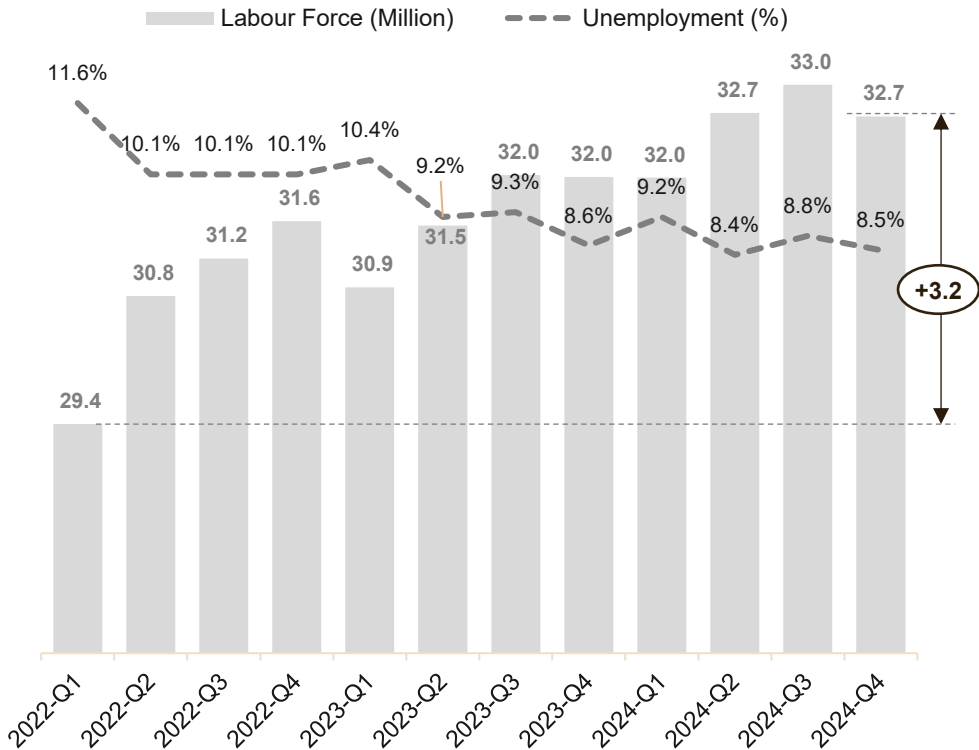


Source: CBRT, TurkStat

2024 unemployment level seems stabilized around 8.7% with increase in labour mostly absorbed by service sector

Workforce and unemployment development

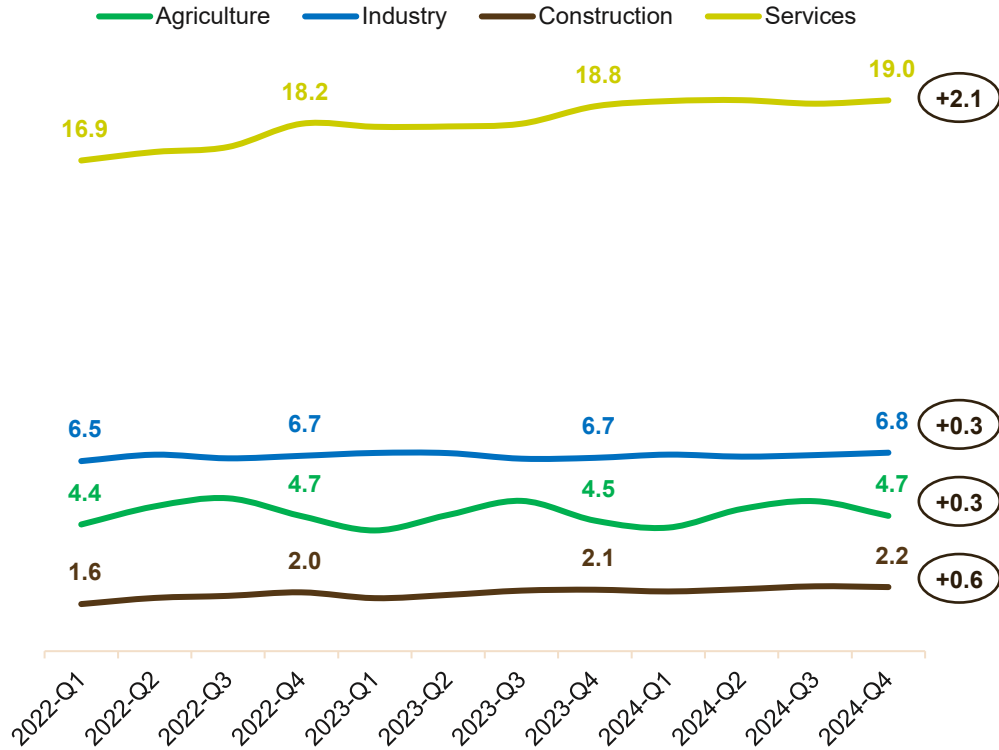
Labour force, TR, million people
Unemployment, TR, 15+ age group



Source: TurkStat

Employment by Sector

TR, 15+ age group, million people

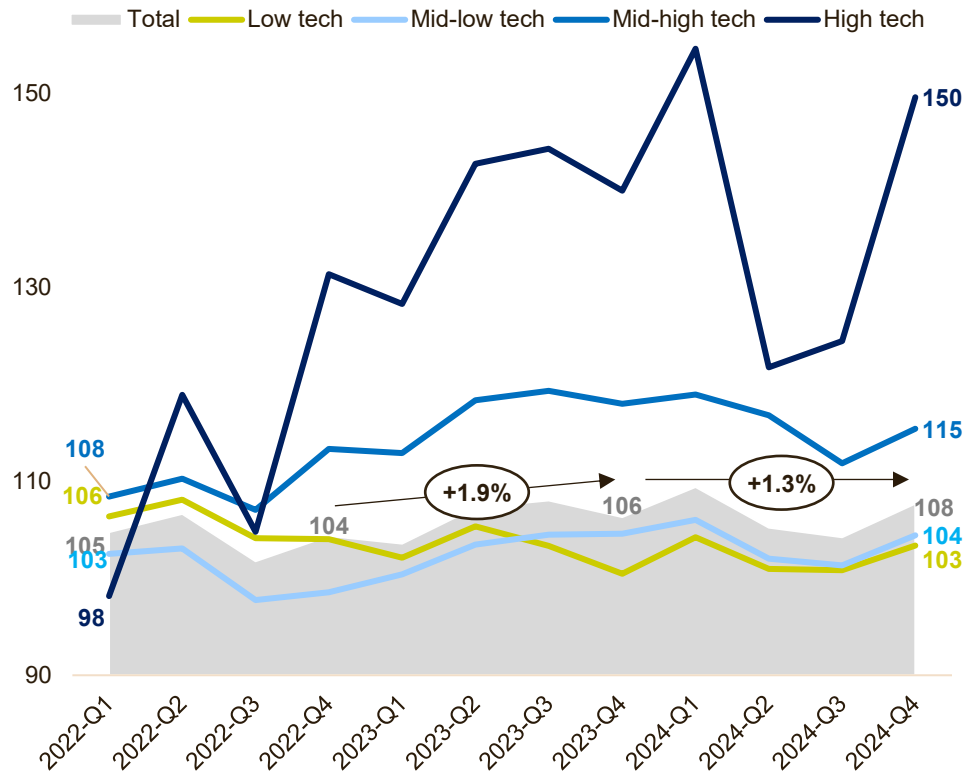


Source: TurkStat

Although high growth in high-tech subsectors and capital goods, overall industrial output showed slow growth

Industrial Output Index by Technology

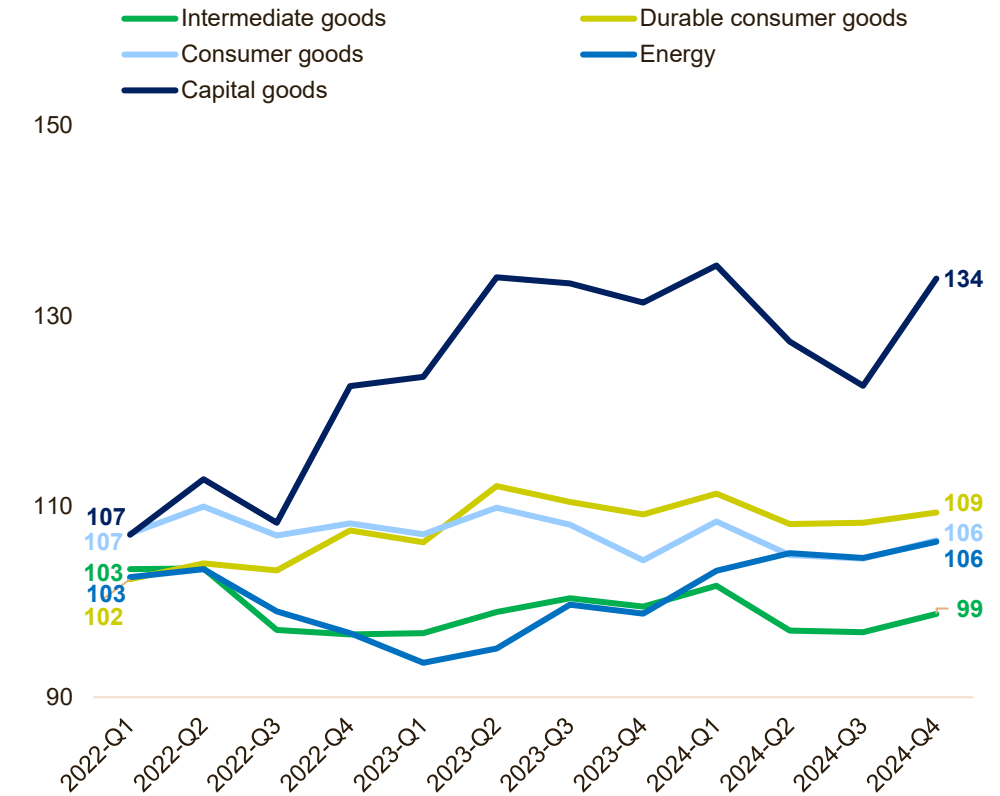
Calendar and seasonally adjusted index (2021 = 100)



Source: CBRT, TurkStat

Industrial Output Index by Product Group

Calendar and seasonally adjusted index (2021 = 100)

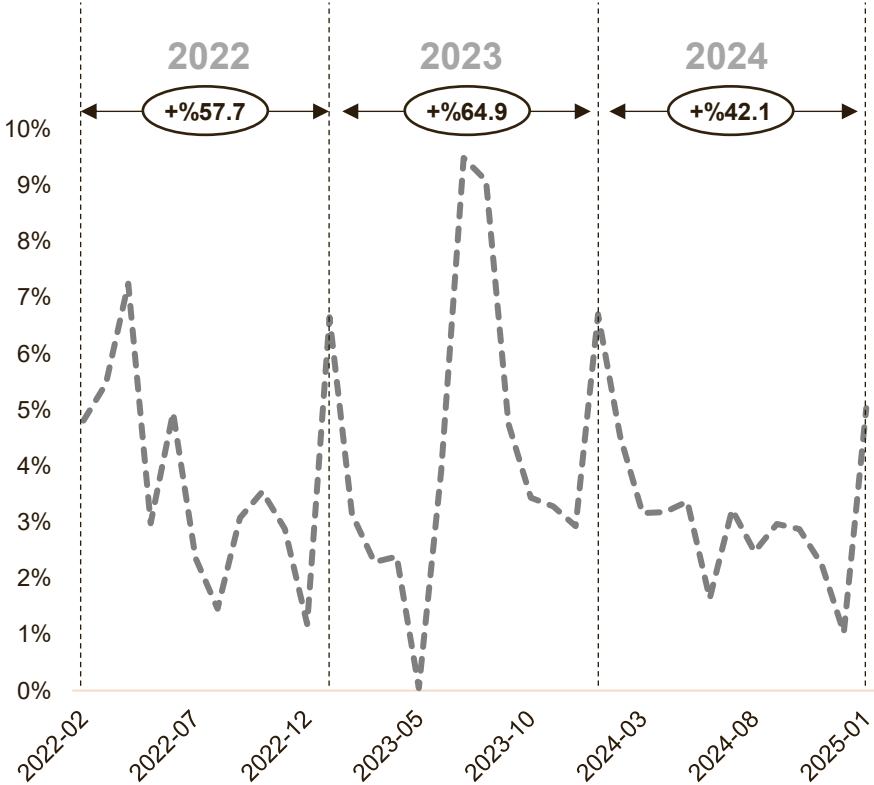


Source: CBRT, TurkStat

Inflation is still a major issue, with real rent and education service prices show a lagging behaviour

Consumer Price Index Monthly Change

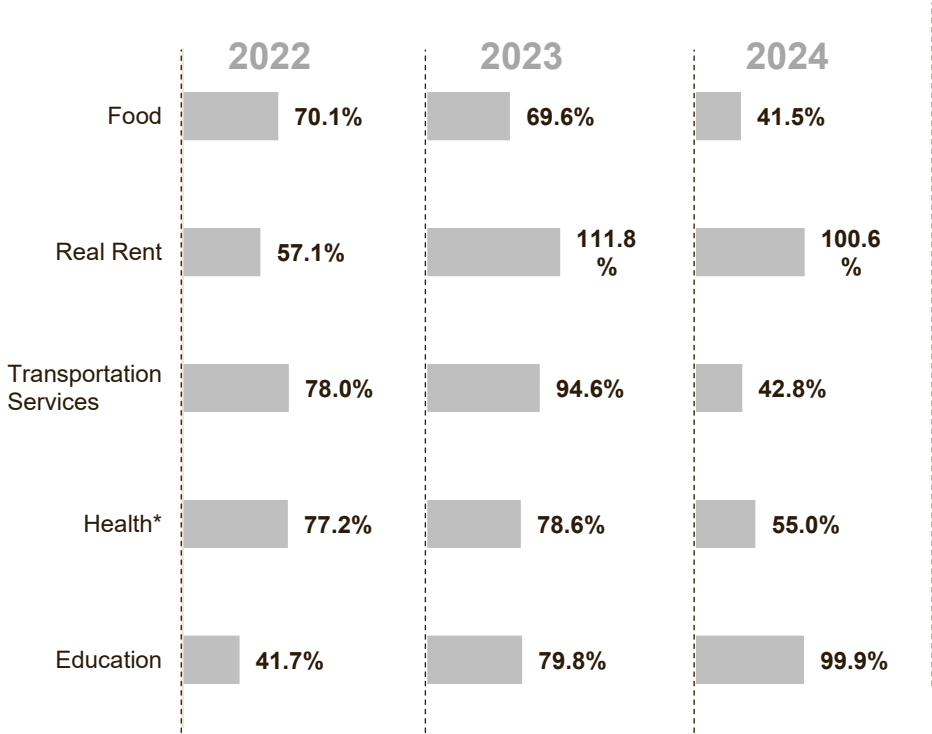
% change based on CPI Index (2003=100)
Annual % change, from January to January



Source: TurkStat

Annual Inflation in Selected Spending Items

% change based on CPI Index (2003=100)
Annual % change, from January to January

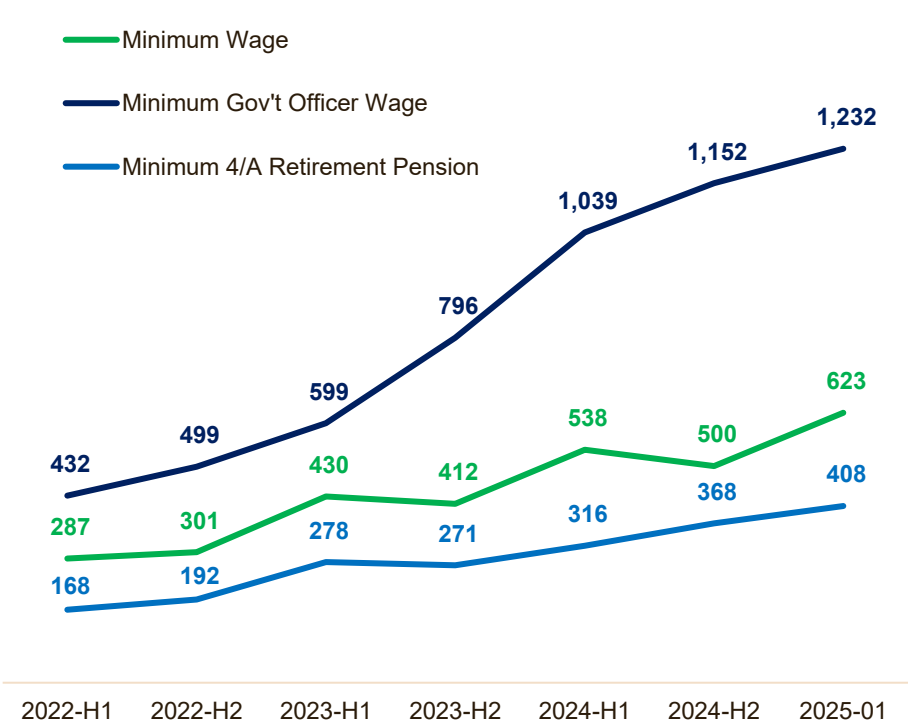


Source: TurkStat

Although nominal wages increased significantly in US\$ terms, welfare of minimum wage workers and the retired did not

Monthly Wages, Net

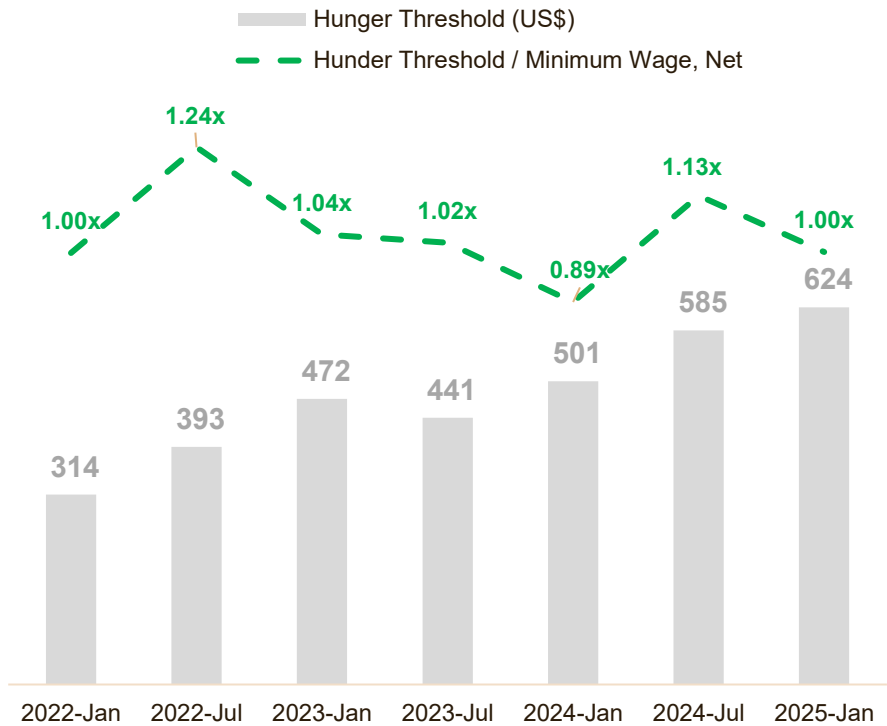
US\$, 6 month period average



Source: Min of Labour, Min of Treasury and Finance, TurkStat

Hunger Threshold vs Minimum Wage

Hunger threshold, US\$, values for January and July

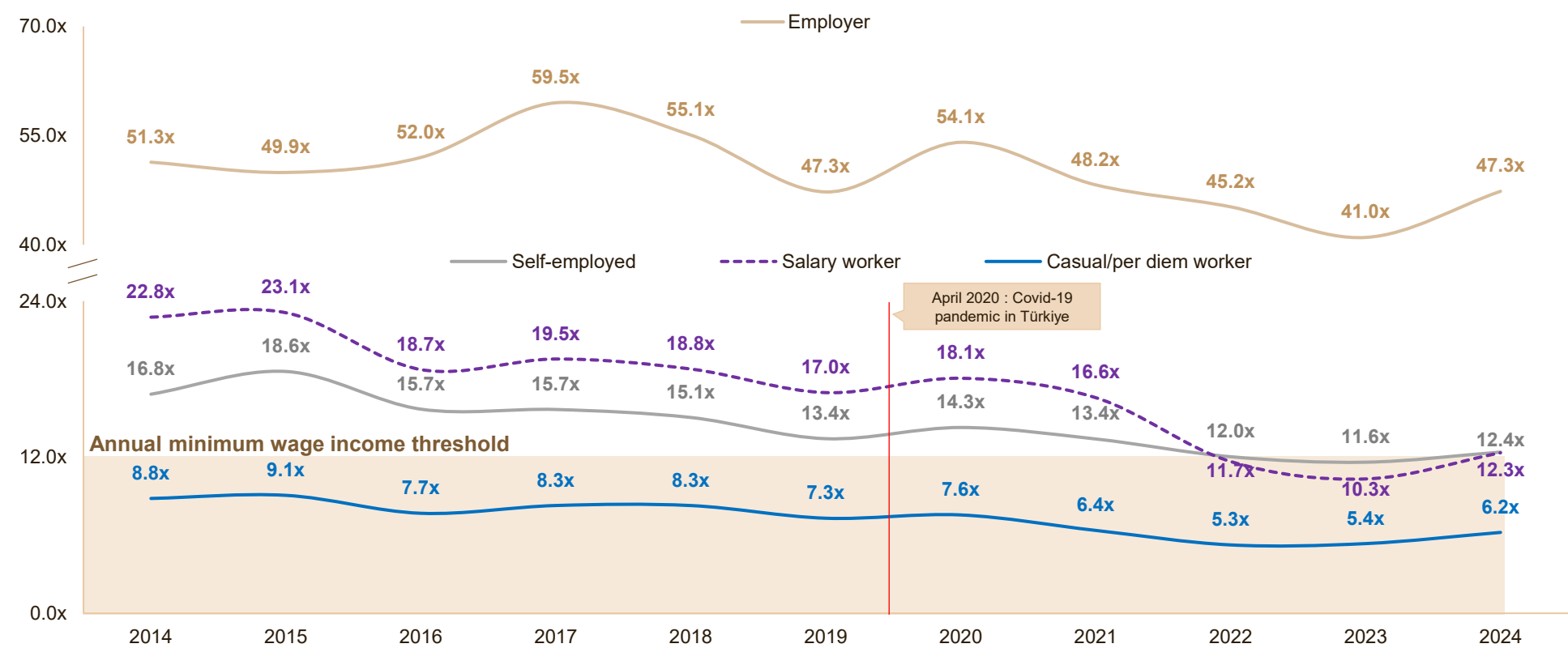


Source: Turk-İs, TurkStat, LC analysis

Average income level of overall salary workers decreased to minimum wage levels by 2022 onwards

Annual Average Income as Multiples of Minimum Wage

Annual TL income / Net Minimum Wage monthly average

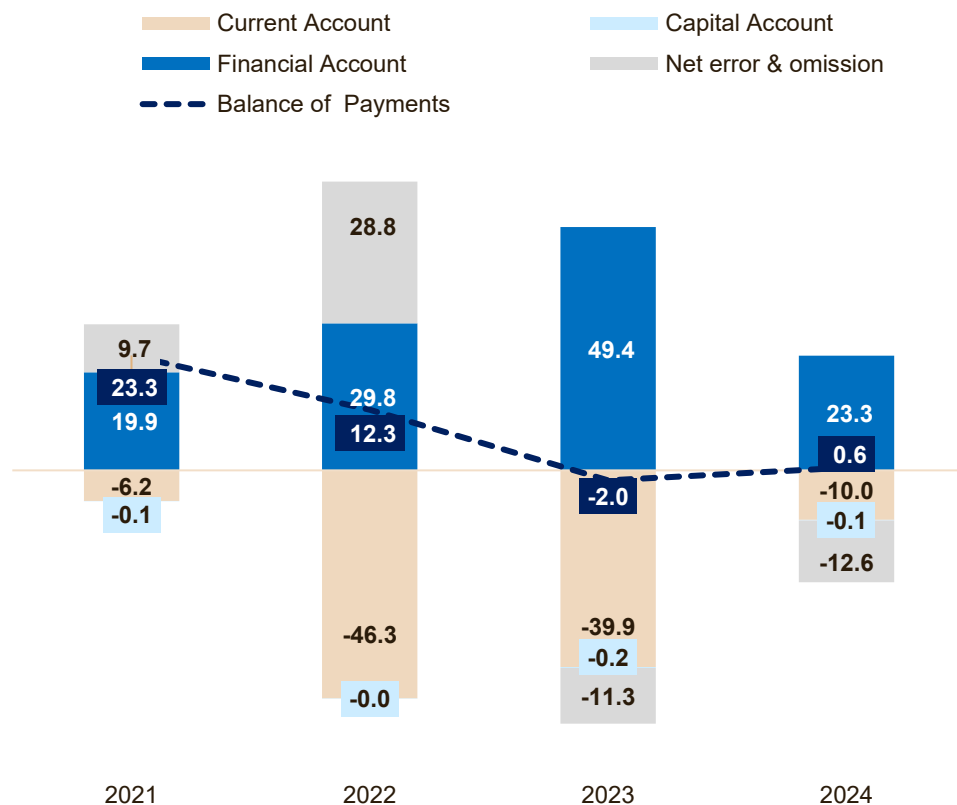


Source: TurkStat, LC analysis

Strong improvement in current account deficit resulted in positive payment balance in 2024

Balance of Payments

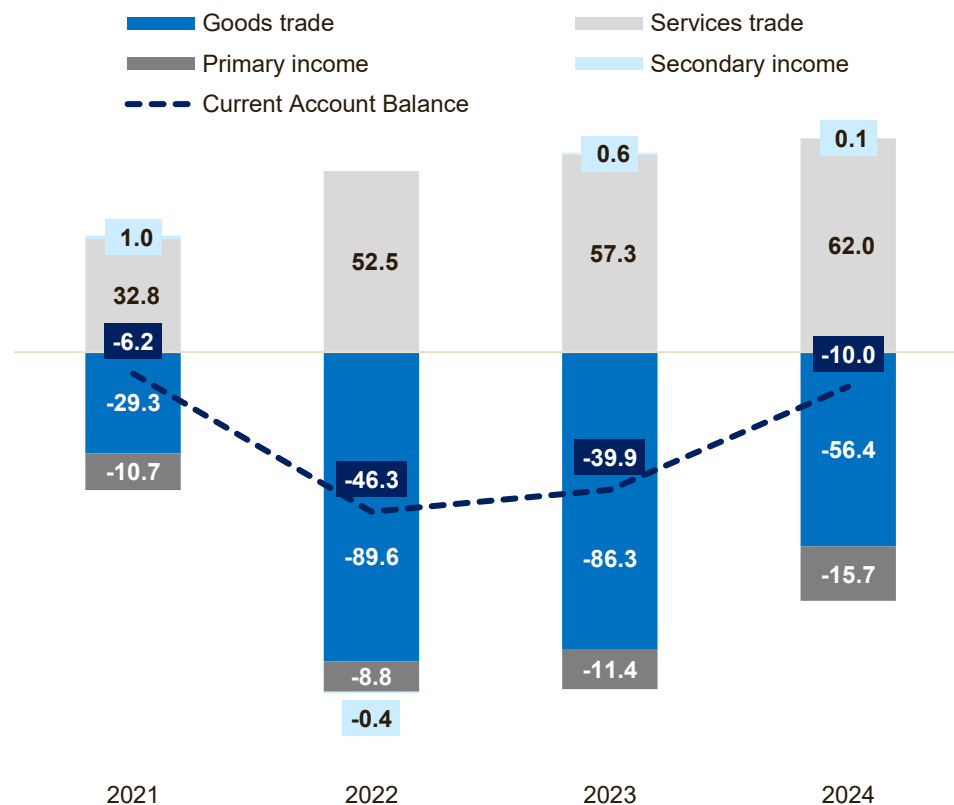
US\$ B



Source: CBRT, TurkStat

Composition of Current Account

US\$ B

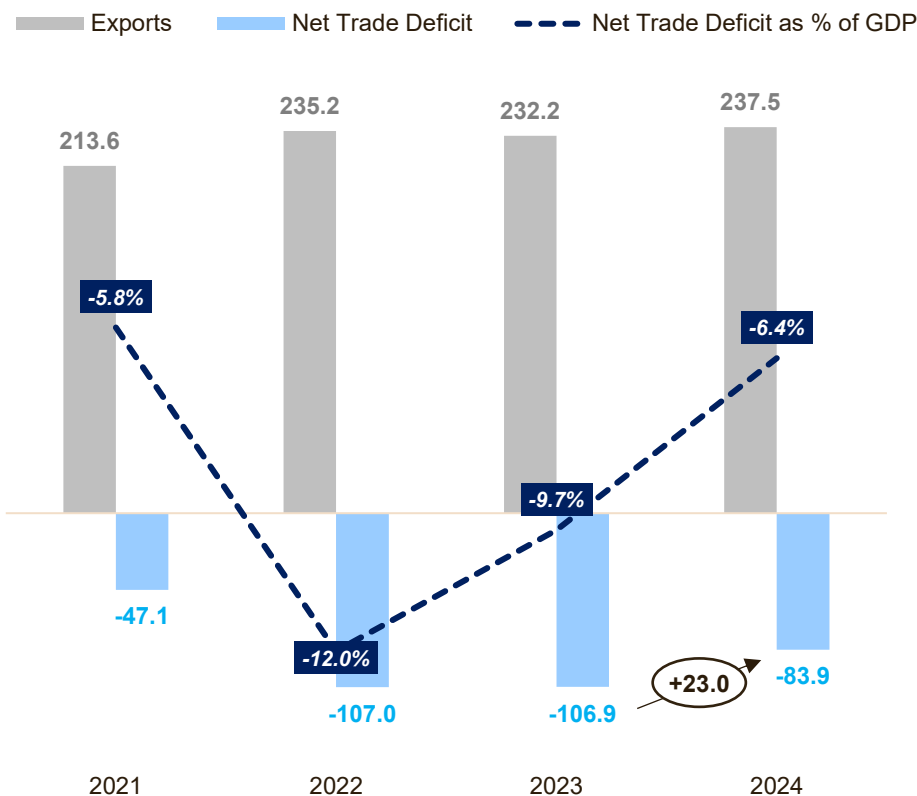


Source: CBRT, TurkStat

2024 goods foreign trade deficit shrank due to decrease in import of precious metals, mineral fuel and agriculture products

Foreign Trade Performance of Goods

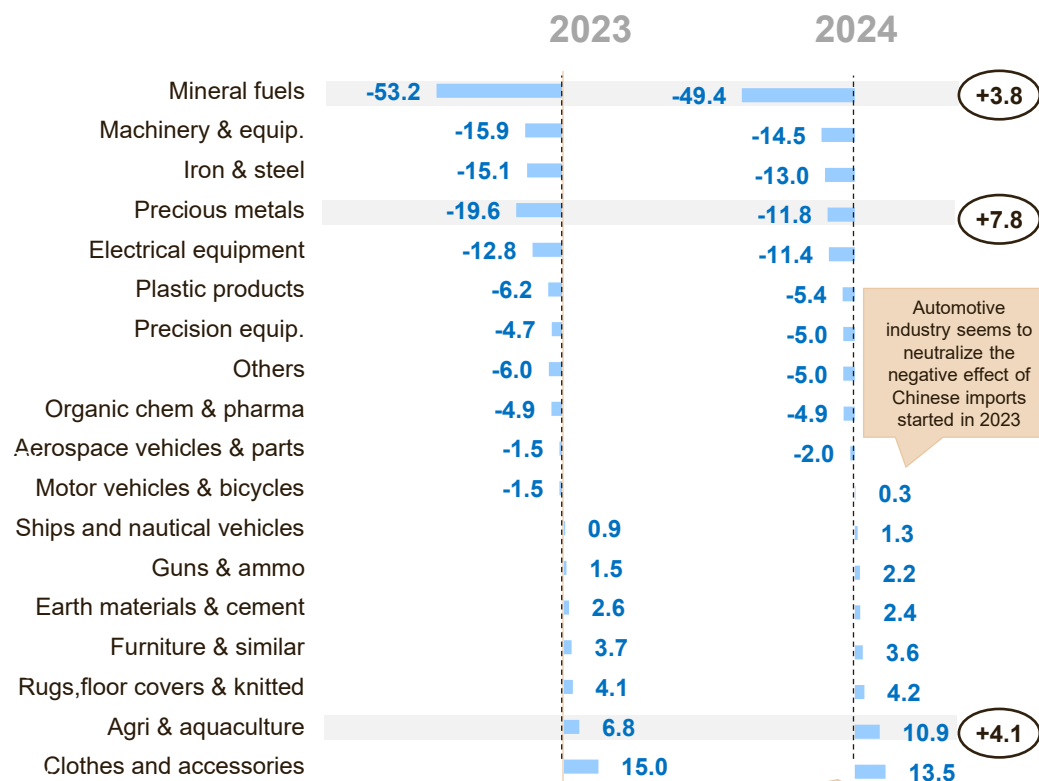
US\$



Source: TurkStat

Composition of Net Trade Deficit on Goods

US\$

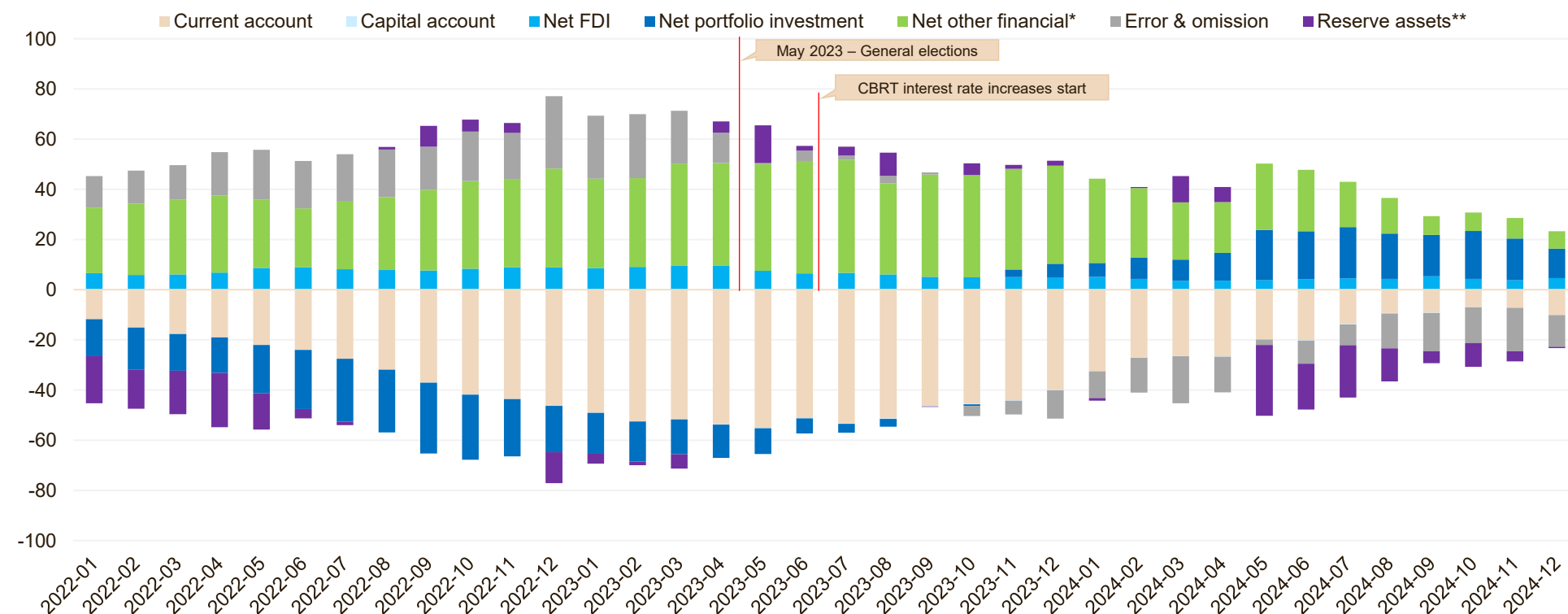


Source: TurkStat, LC analysis

Declining current account deficit and increased portfolio investments helped reserve assets recover in 2024

Net Cash Flow

US\$ B, annualized L12M



*) Central bank, government and banks

**) Negative values to be considered as an increase in reserves

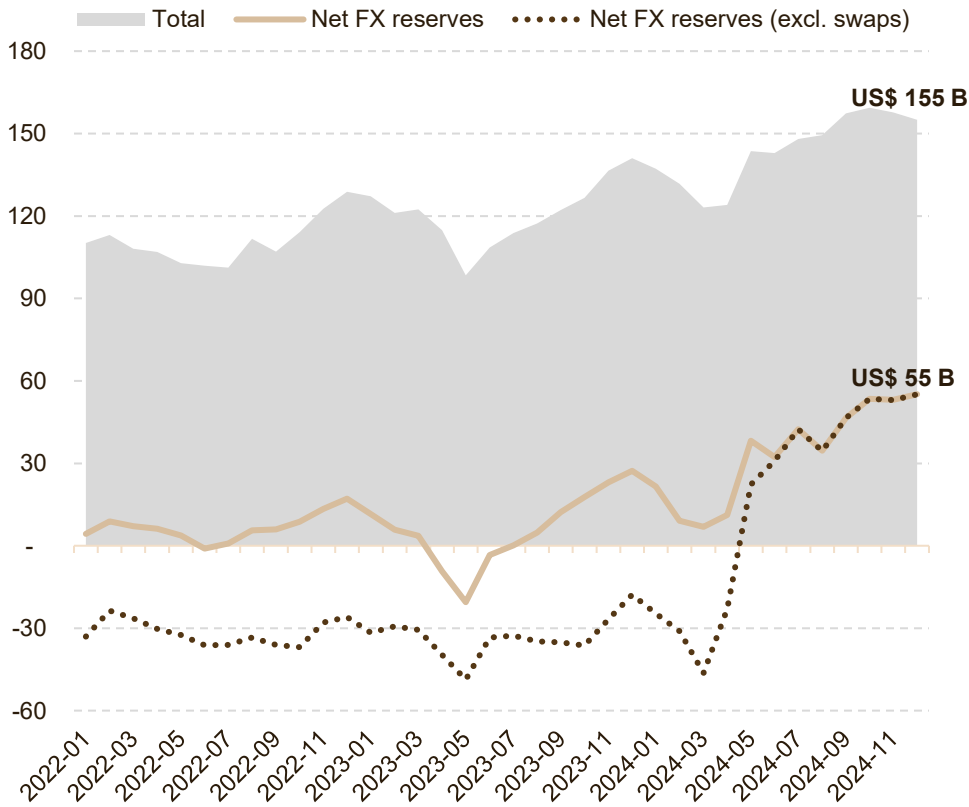
Source: CBRT

Source: CBRT

Central bank reserves grew in 2024 with improved net FX positions and increased weight in gold

Central Bank Reserves

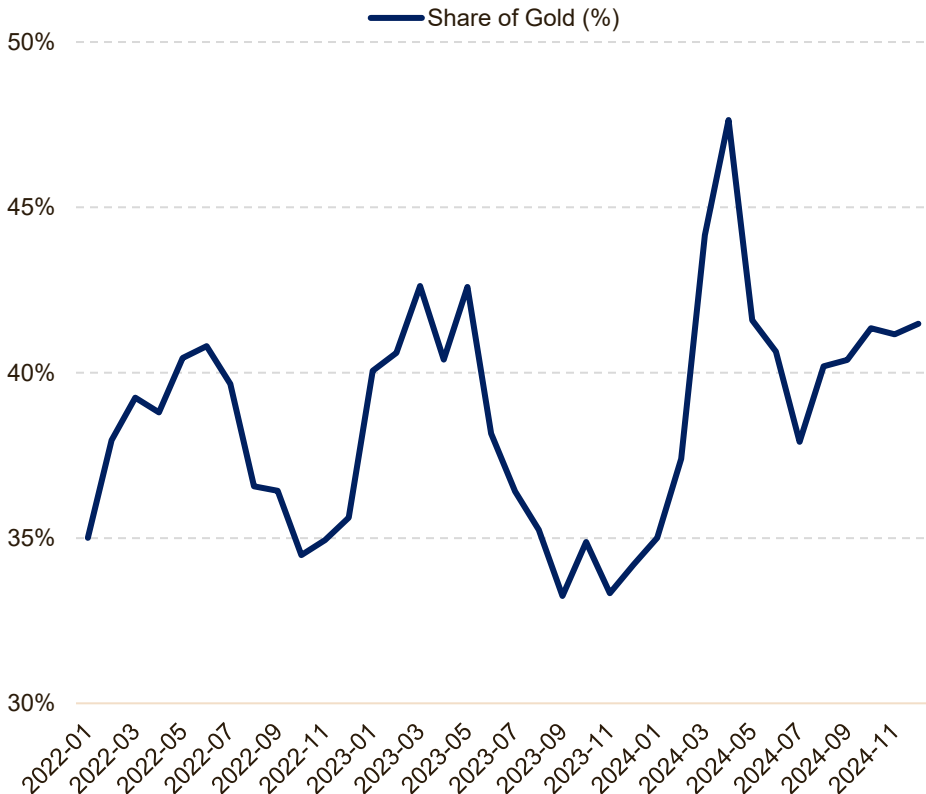
US\$ B



Source: CBRT, LC analysis

Gold Share in Total Reserve

% of Total, US\$ current value

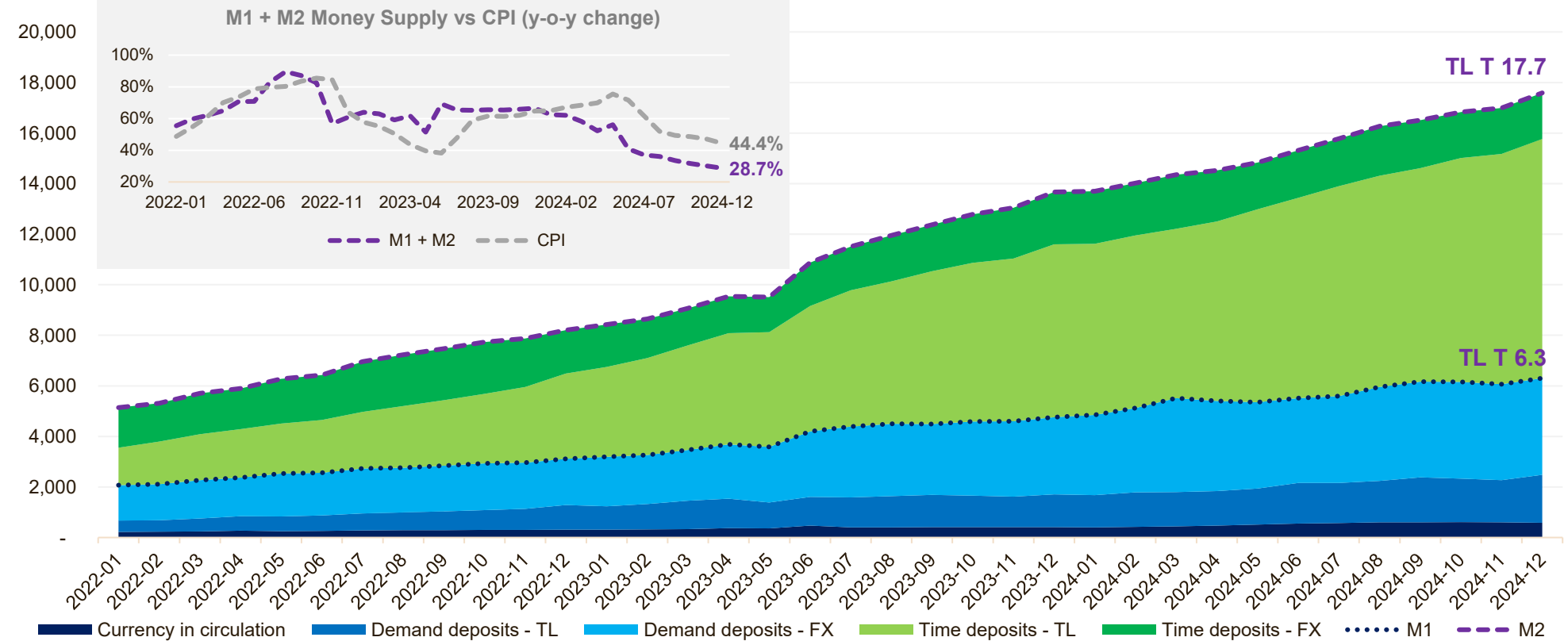


Source: CBRT

2024 brought tighter monetary policies with money supply growing lower than the inflation

Money Supply

TL B

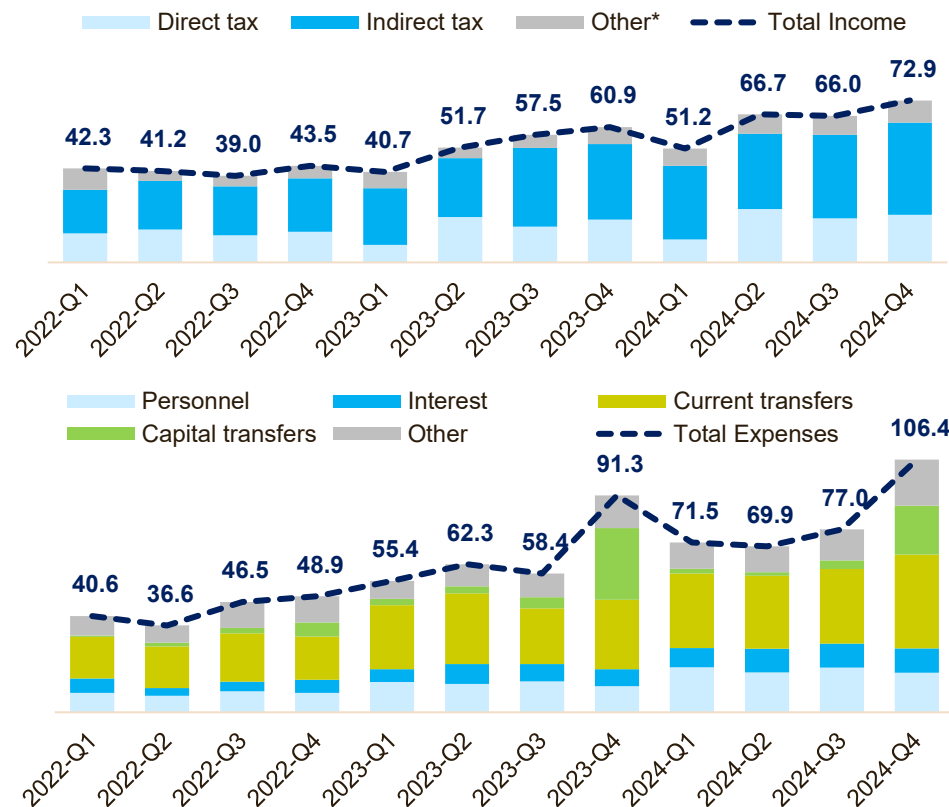


Source: CBRT, TurkStat

Government budget balance degraded since 2023, particularly due to current and capital transfers

Government Revenue and Expense Composition

US\$ B

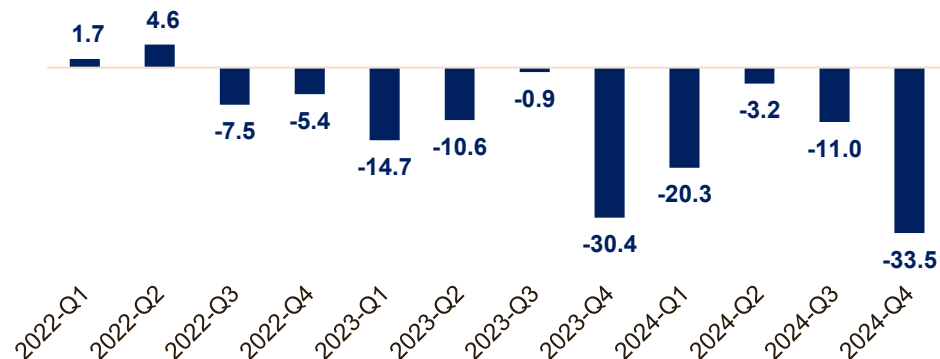


*) Mainly composed of income from interest and fines

Source: Min of Treasury and Finance, CBRT

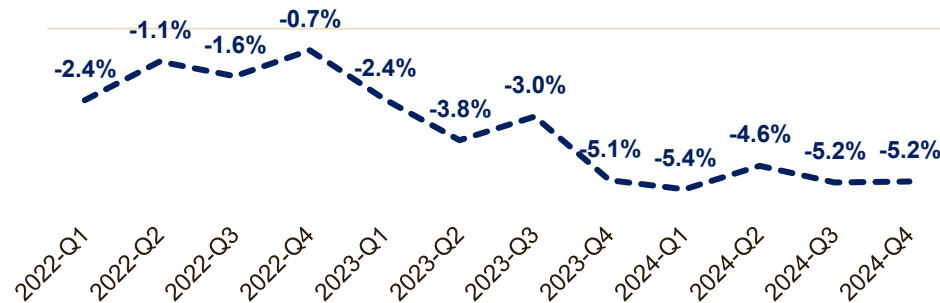
Budget Balance

US\$ B, quarterly



Budget Balance as % of GDP

Budget Balance (L4Q) / Nominal GDP (L4Q)



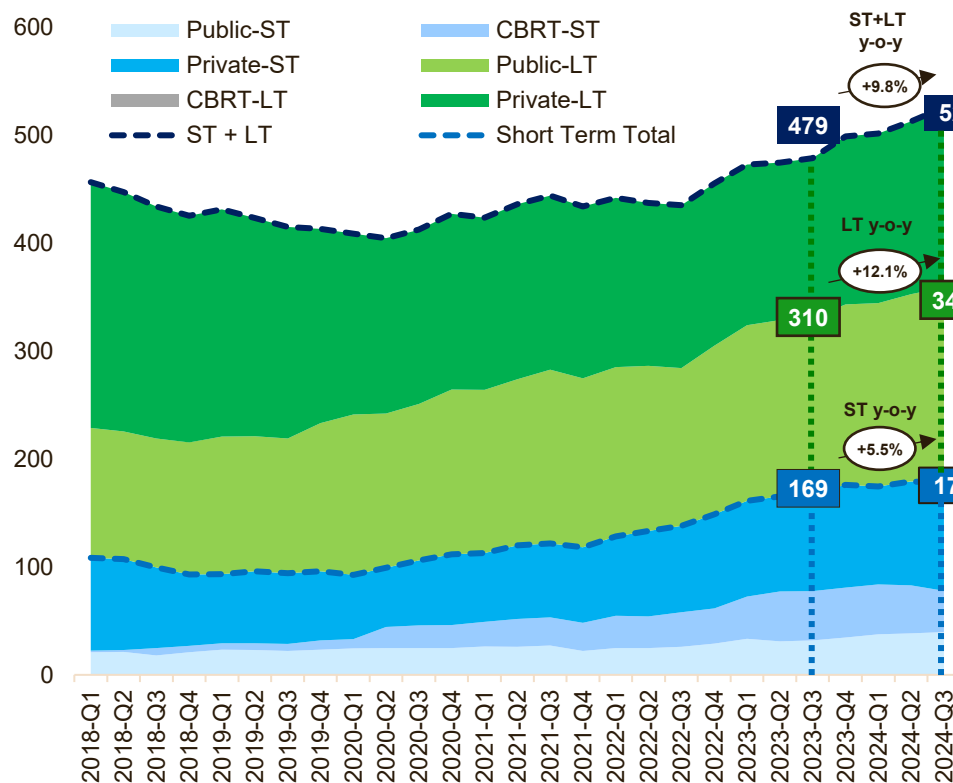
Source: Min of Treasury and Finance, CBRT

External debt increased +US\$ 46.9 B in L4Q, public sector and CBRT contributing US\$ 19.7 B and private sector US\$ 27.2 B

Türkiye External Debt Composition

US\$ B

ST: Short Term, LT: Long Term

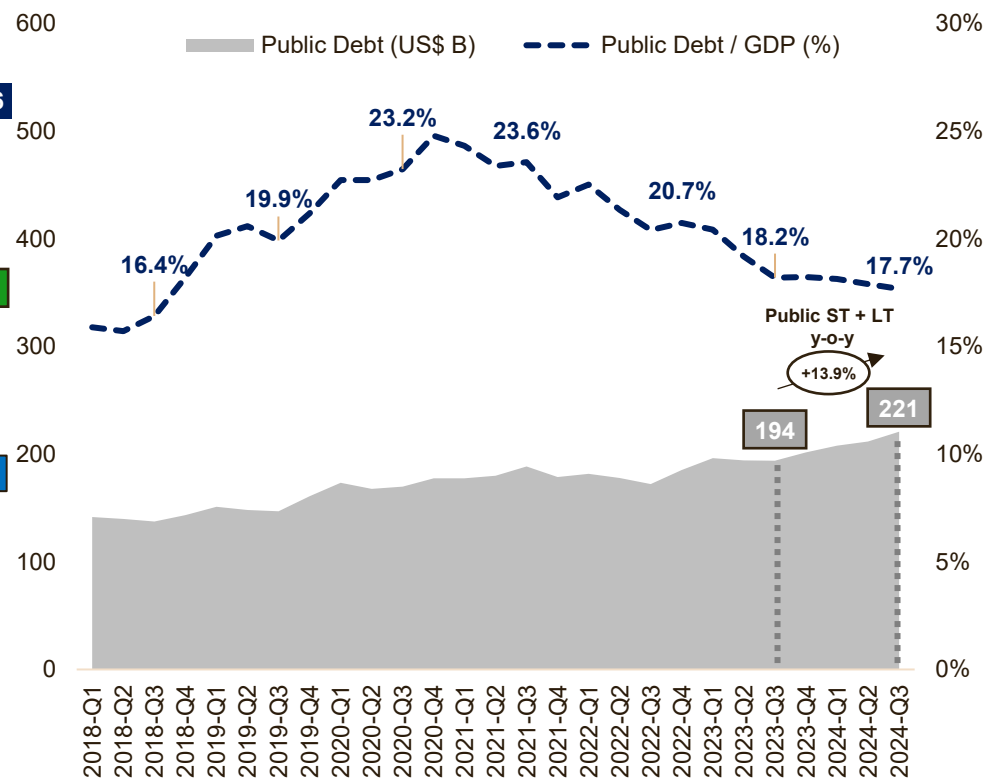


Source: Min of Treasury and Finance

Public External Debt

US\$ B

Public Debt (L4Q) / GDP (L4Q)

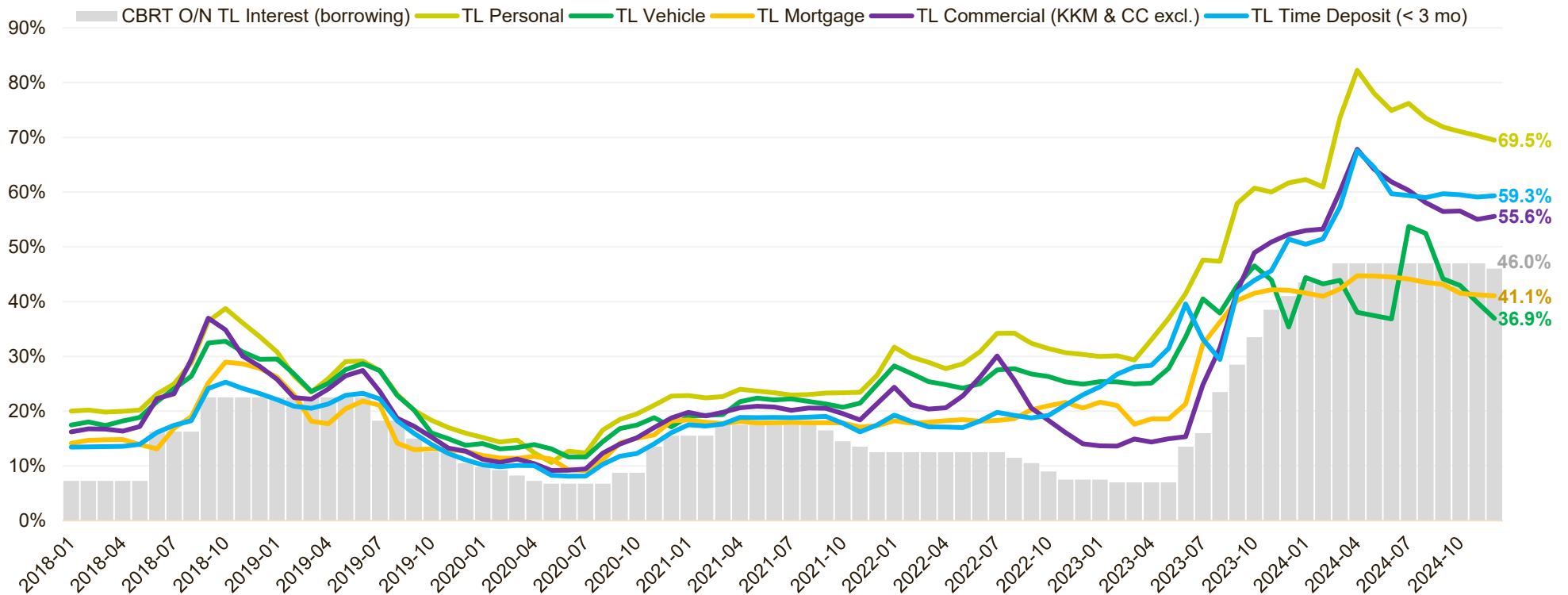


Source: Min of Treasury and Finance

CBRT signaled the start of easing cycle with the rate cuts in December 2024

Interest Rates

Annual rate, flow data



Source: CBRT



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