



# Türkiye Macroeconomic Outlook

## 2025 H1 Update

September 2025

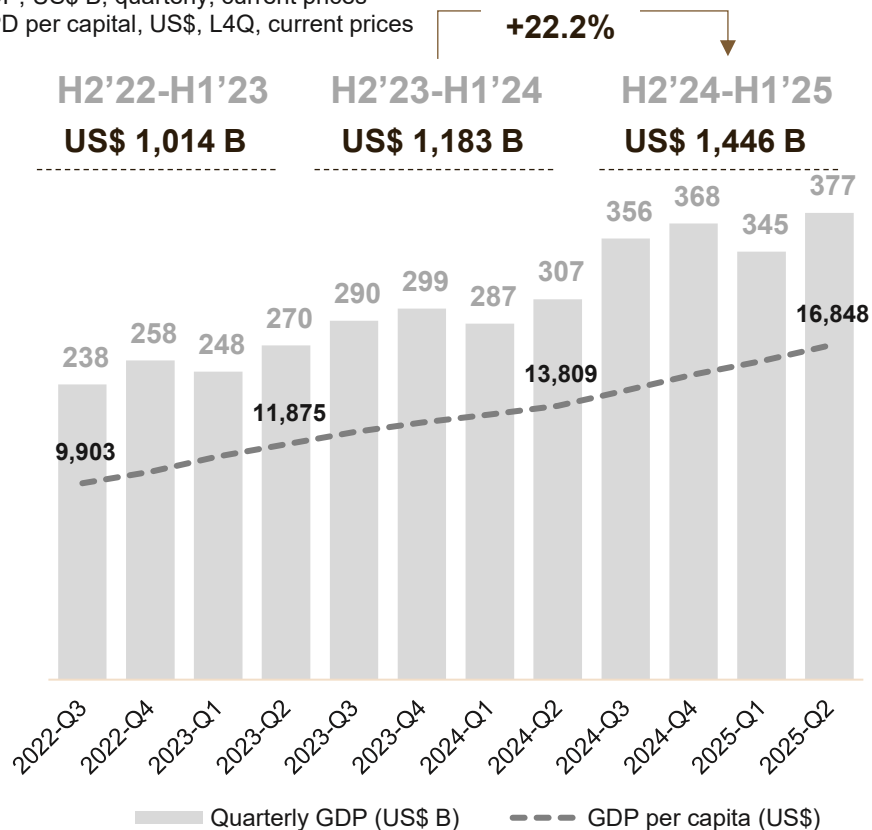
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# Real GDP grew 6.4% at 2025 Q2 y-o-y supported by capital investments, household consumption continued its decline

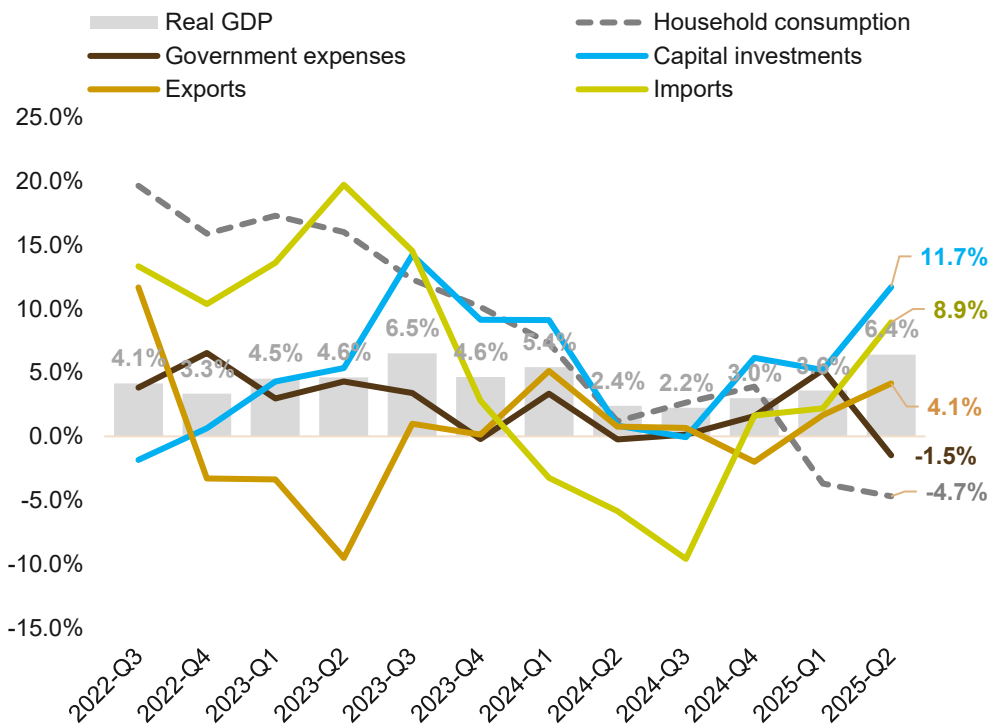
## Nominal GDP vs GDP per capita

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



## Real GDP Growth

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



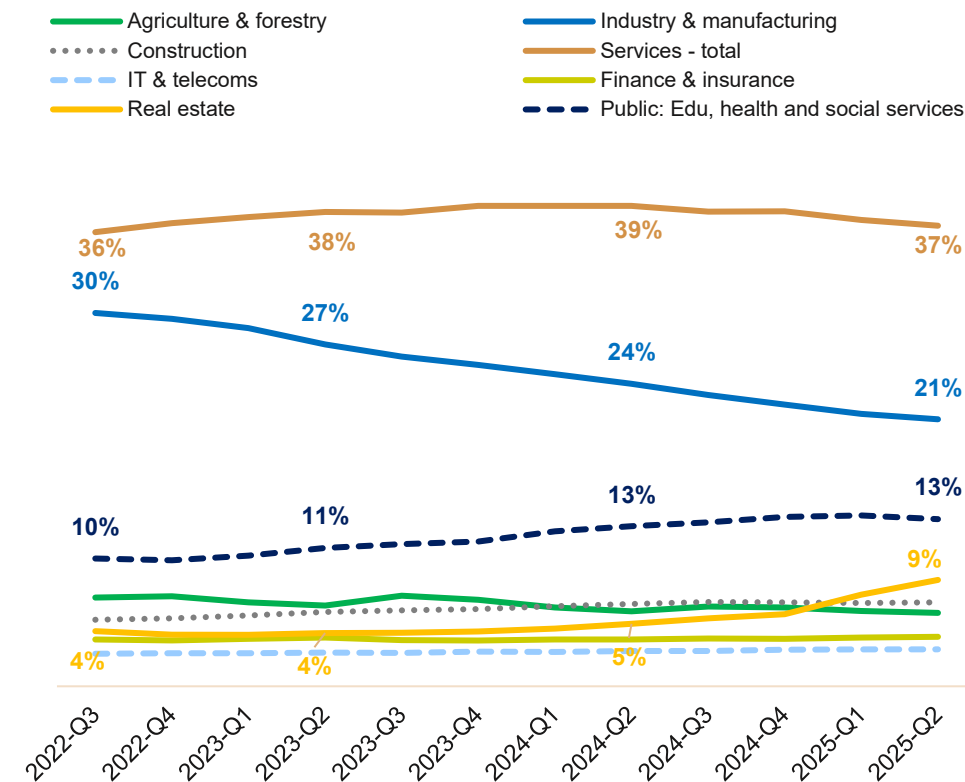
Source: CBRT, TurkStat

Source: CBRT, TurkStat

# Production continued its decline to converge long term average while real estate flourished in first half of 2025

## Breakdown of Nominal GDP by Industries

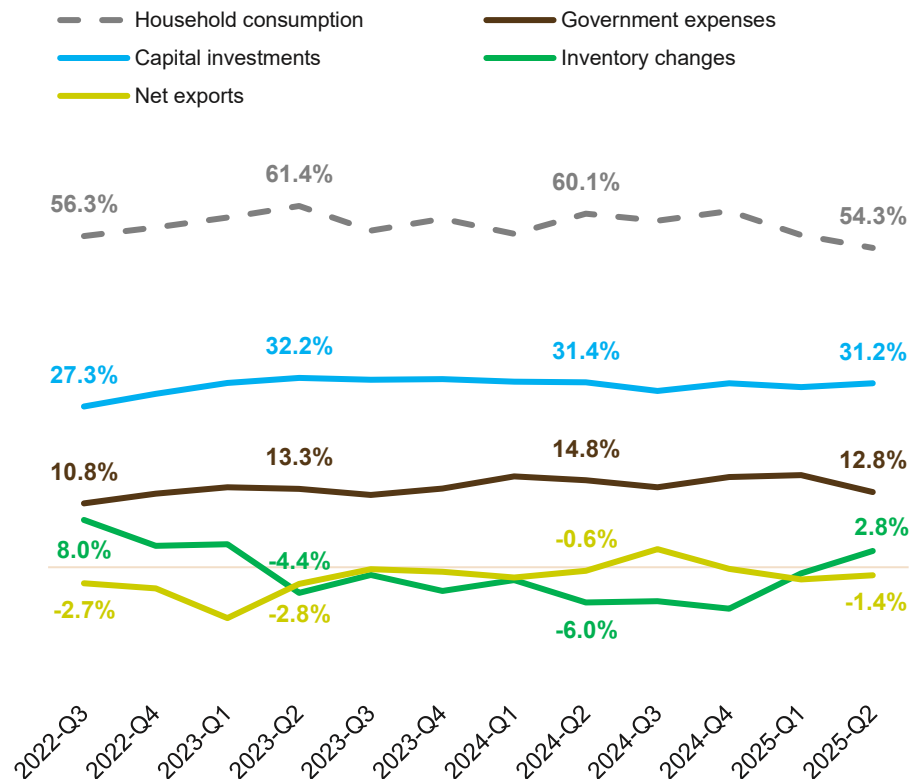
As per economic activity groups, excludes net taxes in GDP  
Nominal figures as % of nominal sectoral GDP, L4Q



Source: CBRT, TurkStat

## Breakdown of Nominal GDP by Expense Types

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

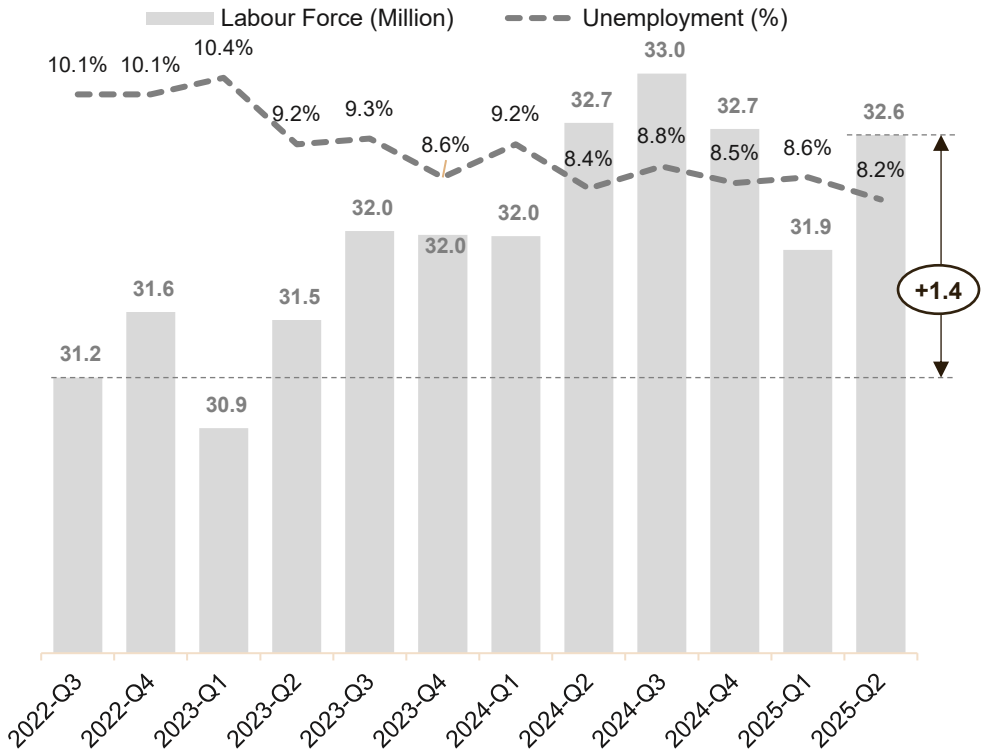


Source: CBRT, TurkStat

# Unemployment continues declining with jobs mainly created in services and construction industries in the last 3 years

## Workforce and unemployment development

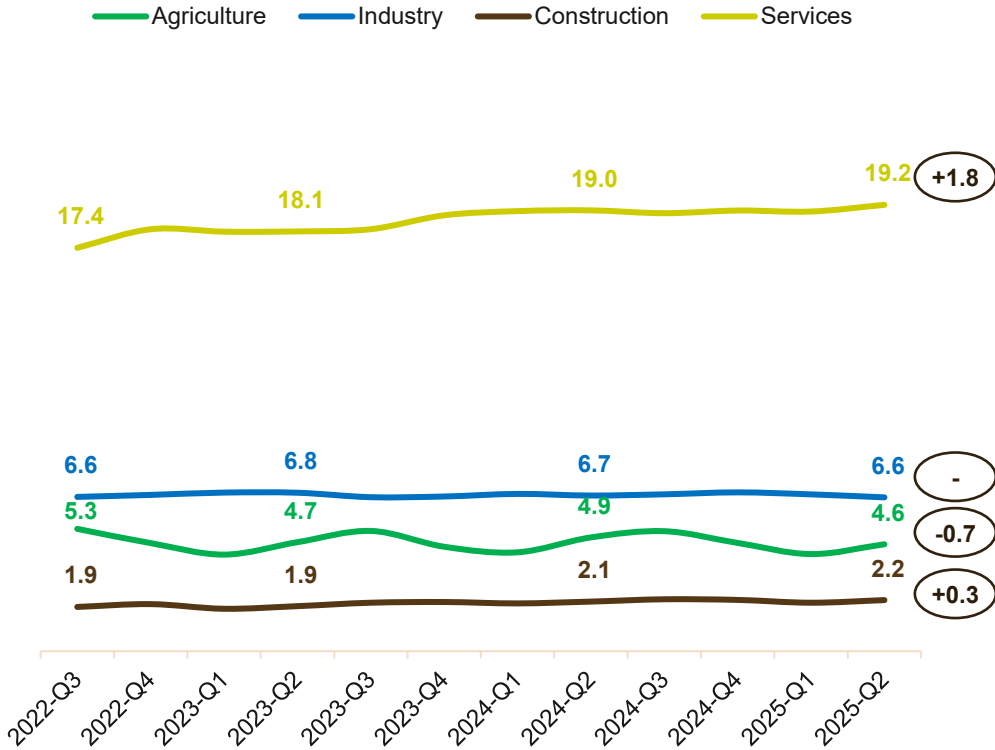
Labour force, TR, million people  
Unemployment, TR, 15+ age group



Source: TurkStat

## Employment by Sector

TR, 15+ age group, million people

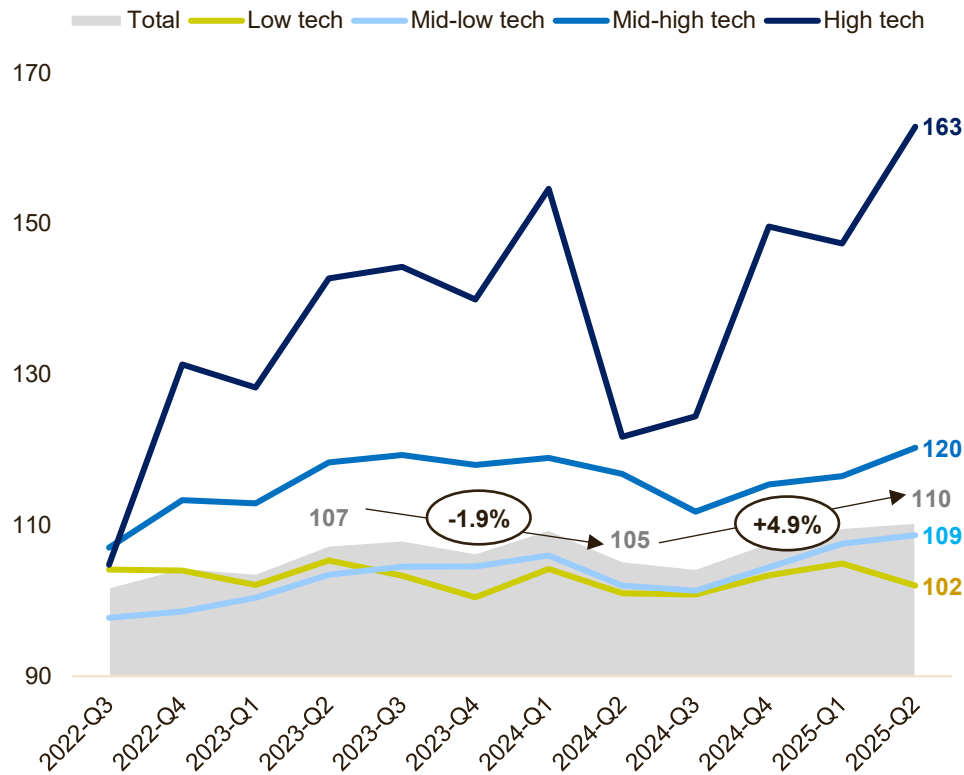


Source: TurkStat

# High-tech subsector and capital goods product group helped industrial output to recover since 2024 H2

## Industrial Output Index by Technology

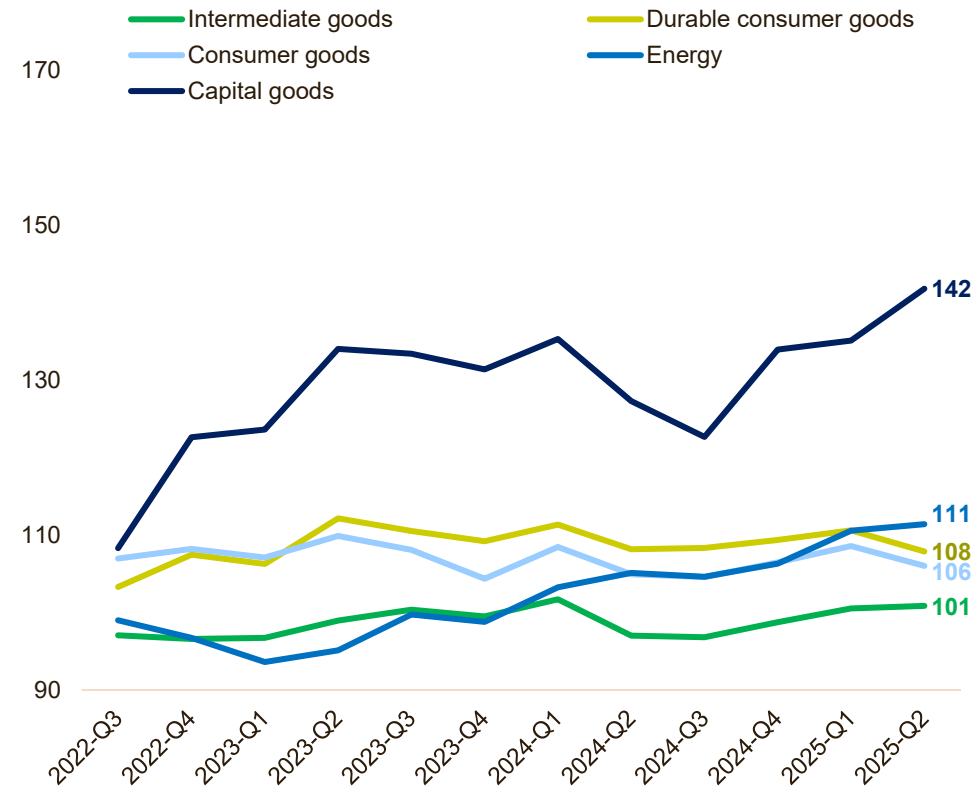
Calendar and seasonally adjusted index (2021 = 100)



Source: CBRT, TurkStat

## Industrial Output Index by Product Group

Calendar and seasonally adjusted index (2021 = 100)

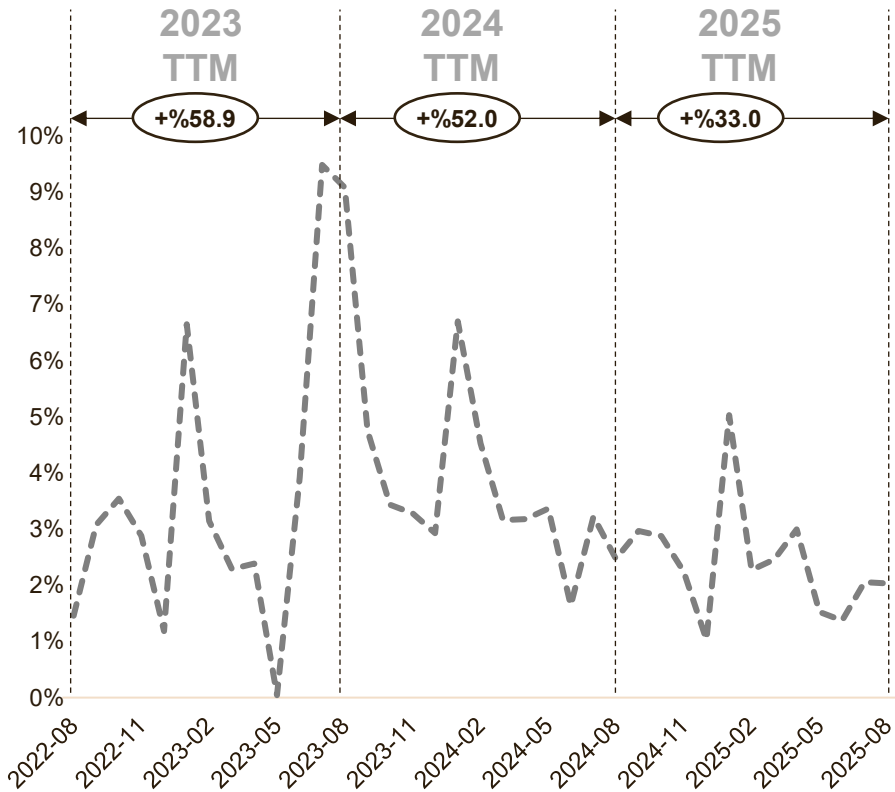


Source: CBRT, TurkStat

# Inflation is at gradual decline trend but still very high for essential services

## Consumer Price Index Monthly Change

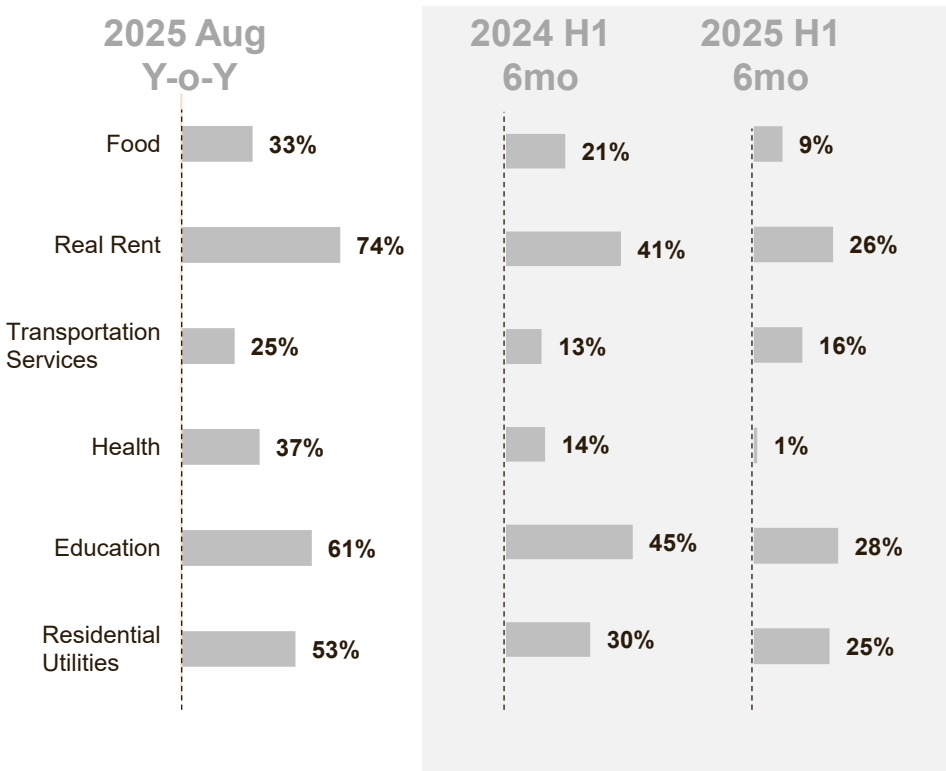
% change based on CPI Index (2003=100)  
TTM: Trailing twelve months total



Source: TurkStat

## Annual Inflation in Selected Spending Items

% change based on CPI Index (2003=100)  
Y-o-Y, year on year  
H1 figures are for 6 months and not annualized

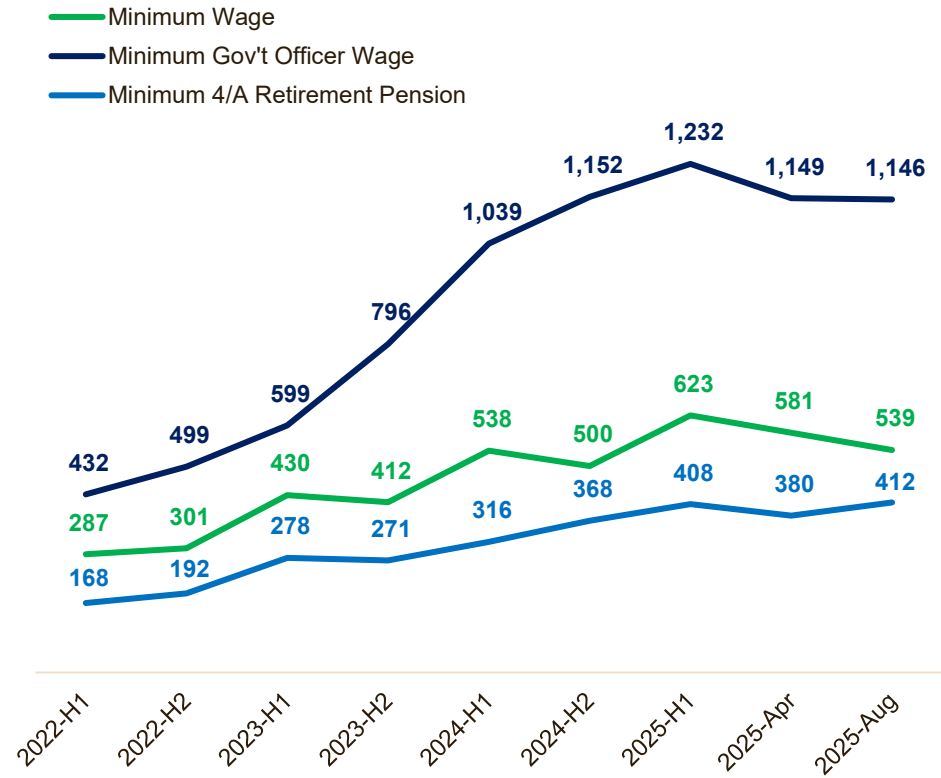


Source: TurkStat

# Minimum wage workers and the retired are still earning below the hunger threshold

## Monthly Wages, Net

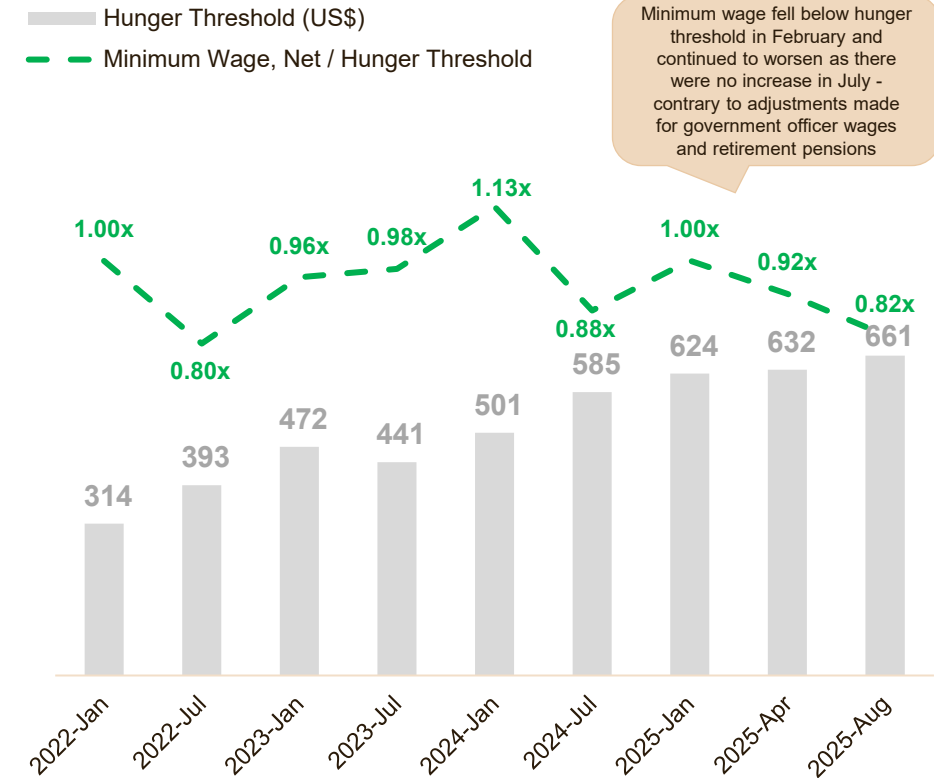
US\$, 6 month period average for half years, monthly average for specific months



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

## Hunger Threshold vs Minimum Wage

Hunger threshold, US\$, converted from TL values for specific months

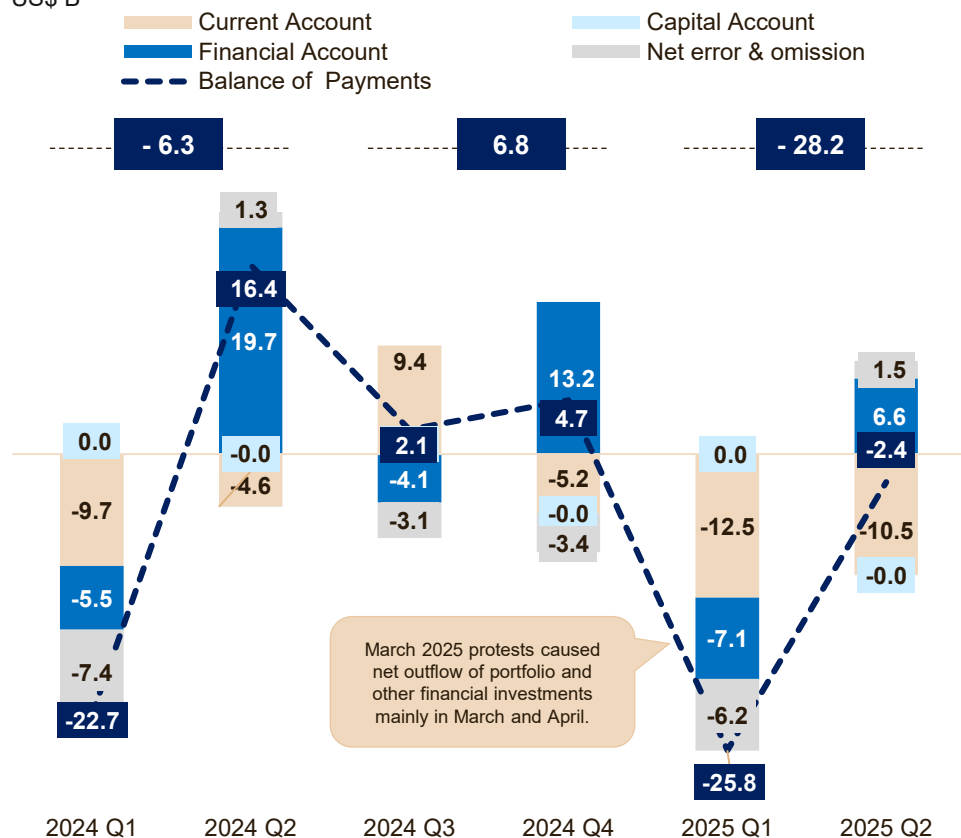


Source: Turk-İs, TurkStat, LC analysis

# Increased imports and outflow of portfolio investments due to March 2025 protests degraded balance of payments in 2025 H1

## Balance of Payments

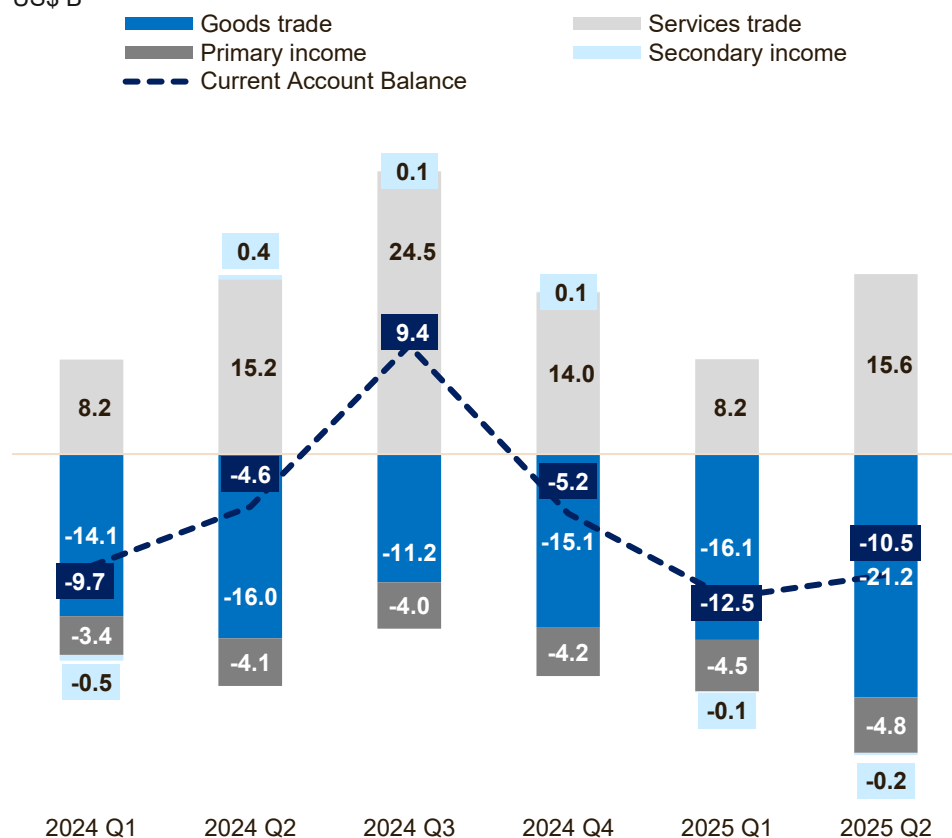
US\$ B



Source: CBRT, TurkStat

## Composition of Current Account

US\$ B



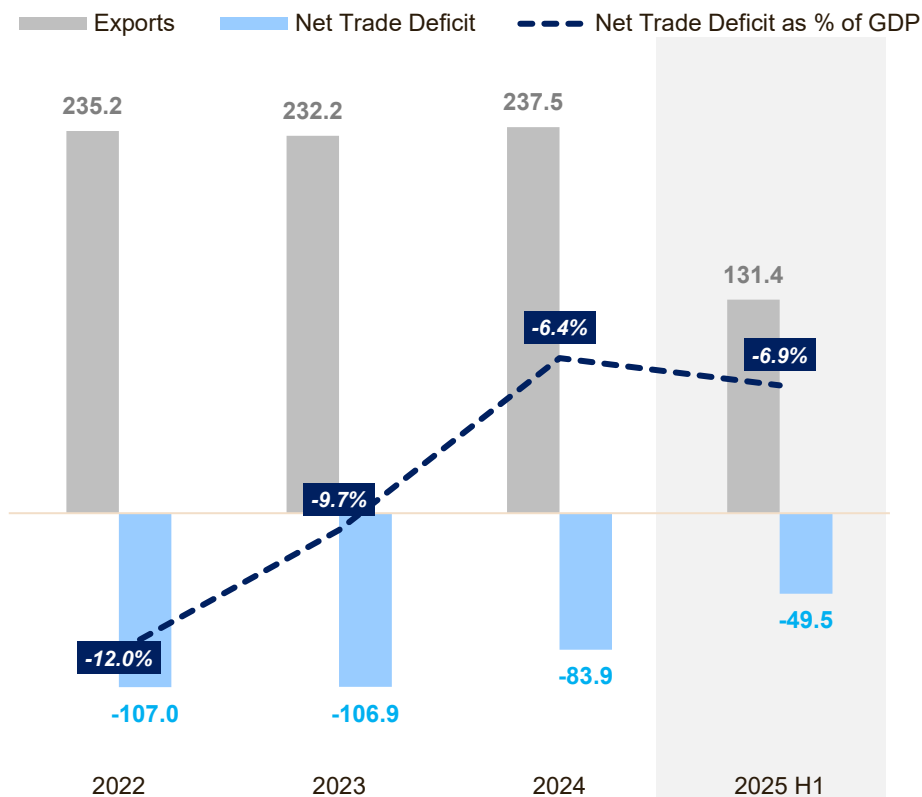
Source: CBRT, TurkStat



# Goods foreign trade performance signals an increased deficit for 2025 year-end

## Foreign Trade Performance of Goods

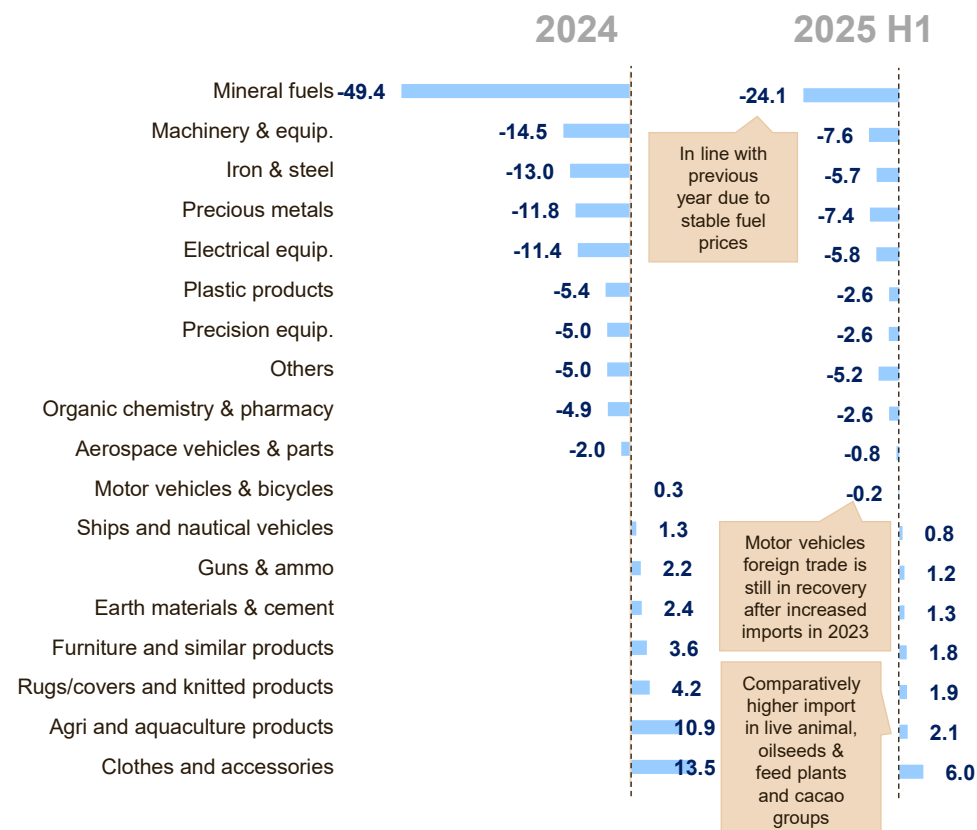
US\$ B



Source: TurkStat

## Composition of Net Trade Deficit on Goods

US\$ B

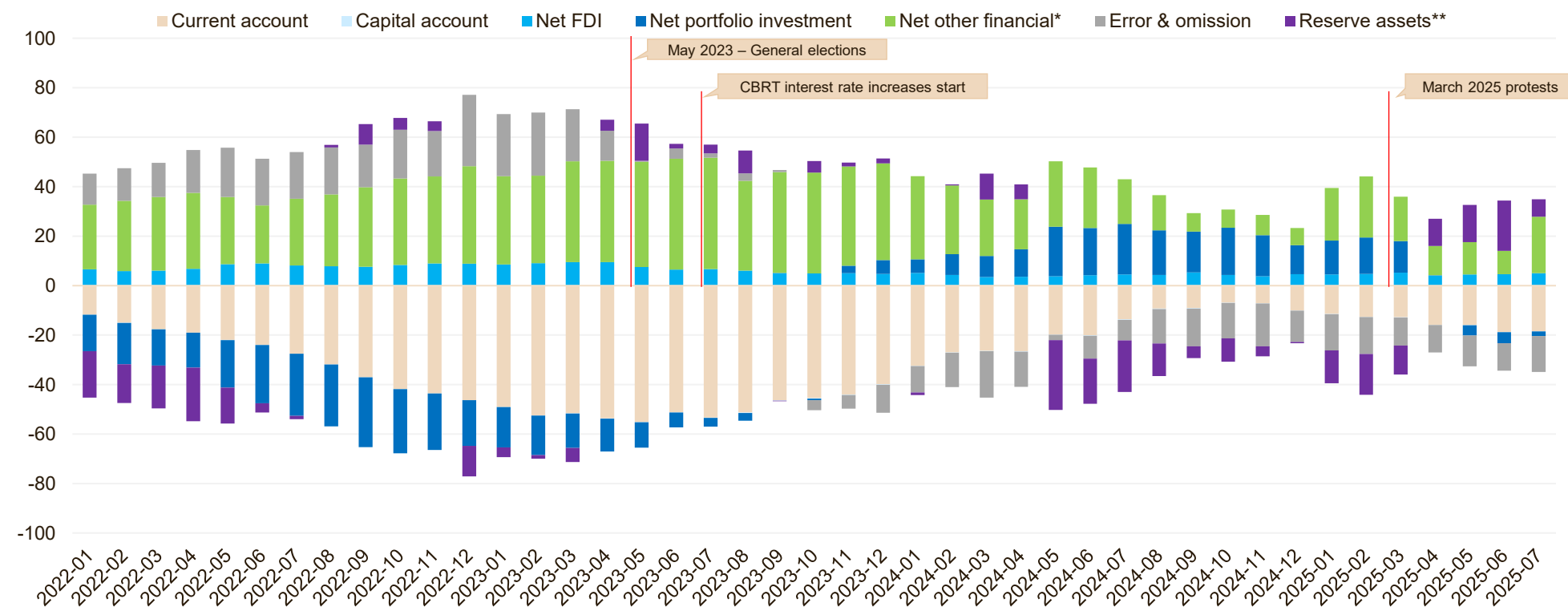


Source: TurkStat, LC analysis

# Although increase in current account deficit is not significant, net portfolio investments turned negative since April 2025

## Net Cash Flow

US\$ B, annualized L12M



\*) Central bank, government and banks

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

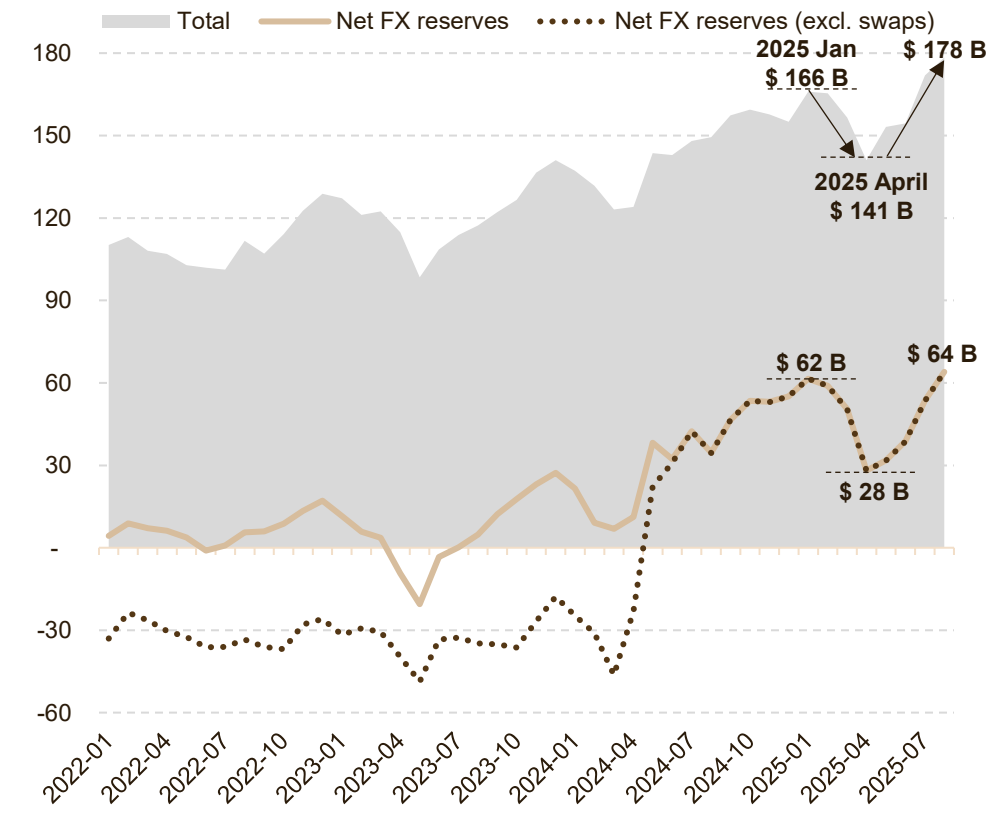
Source: CBRT

Source: CBRT

# Central bank gross reserves topped US\$ 178 B in Aug'25, with gold gradually increased to US\$ 87 B (+ US\$ 23 B in 2025 8 mo)

Central Bank Reserves

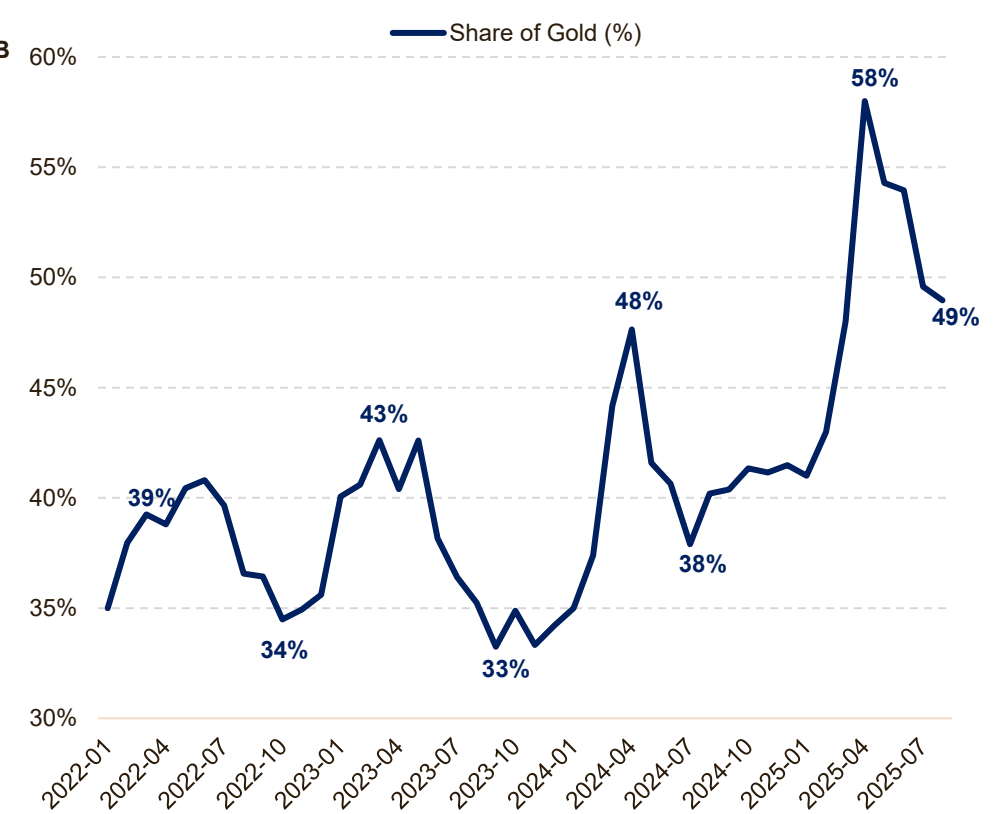
US\$ B



Source: CBRT, LC analysis

Gold Share in Total Reserve

% of Total, US\$ current value

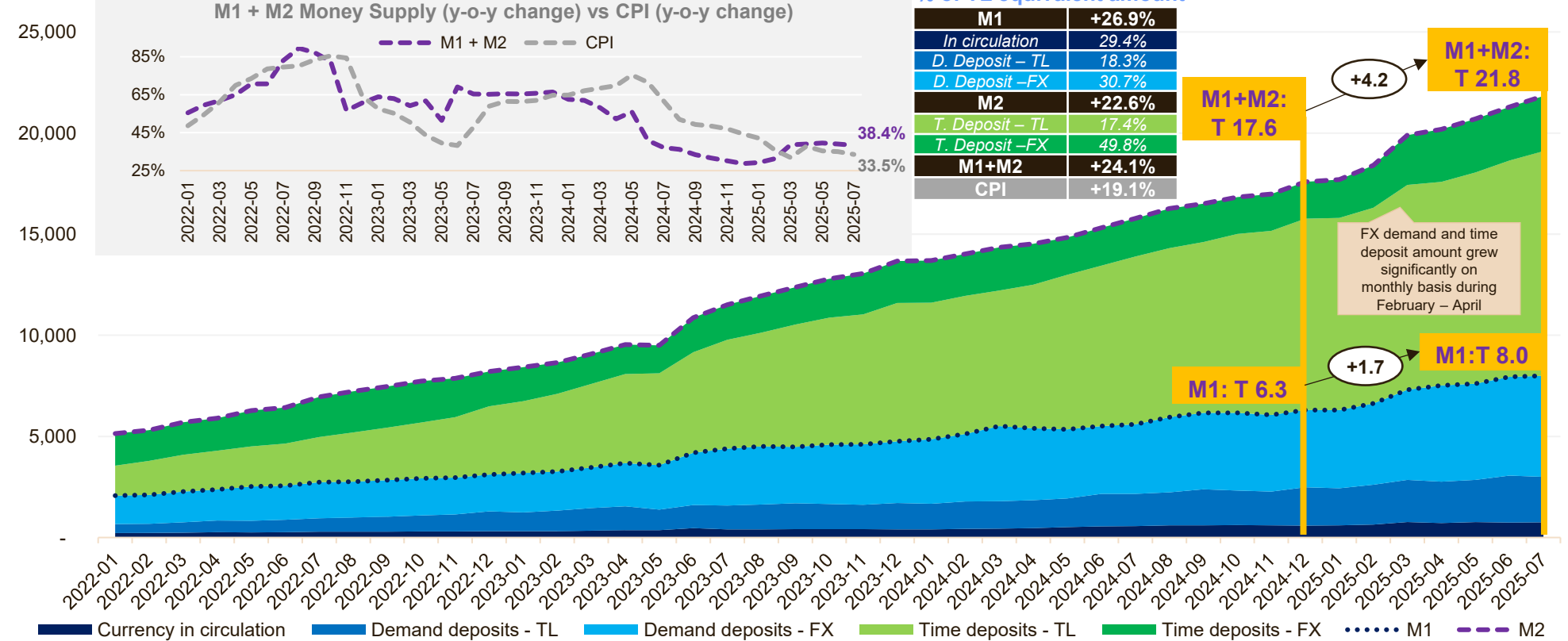


Source: CBRT

# 2025 M1+M2 growth rate continues to shadow inflation in 2025

## Money Supply

TL B

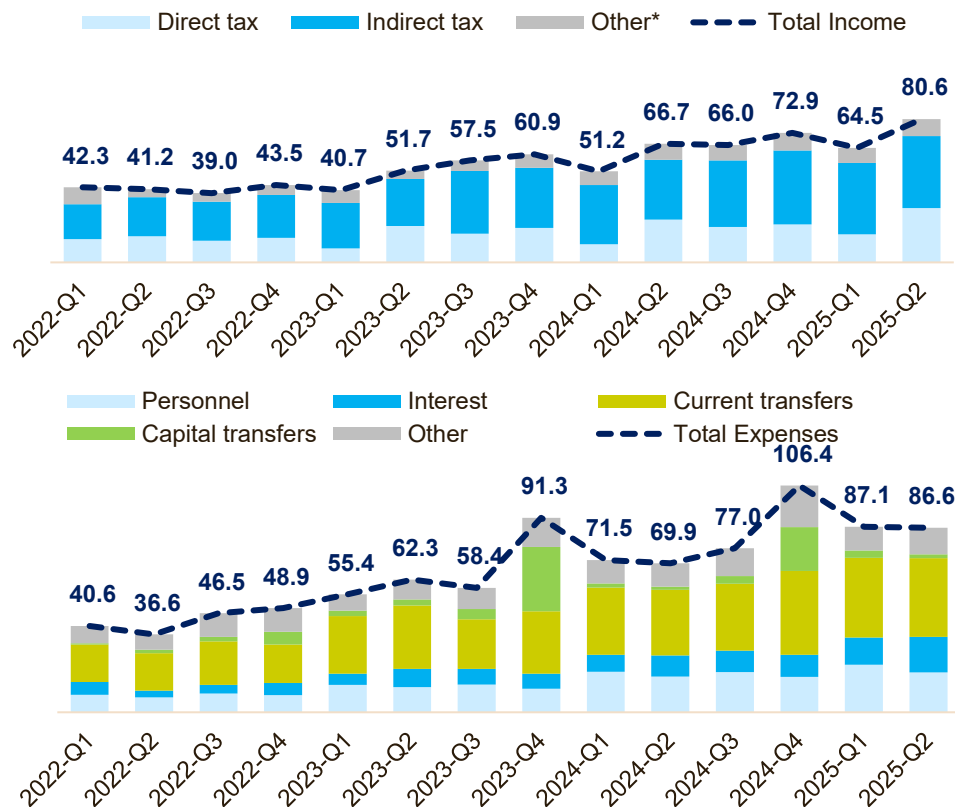


Source: CBRT, TurkStat

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

## Government Revenue and Expense Composition

US\$ B

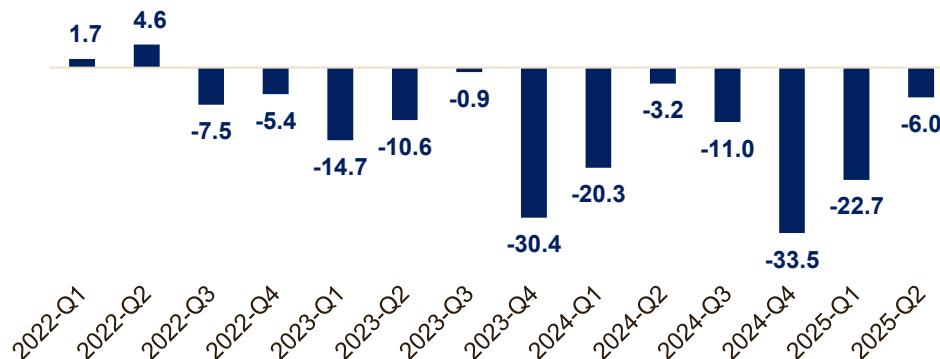


\*) Mainly composed of income from interest and fines

Source: Min of Treasury and Finance, CBRT

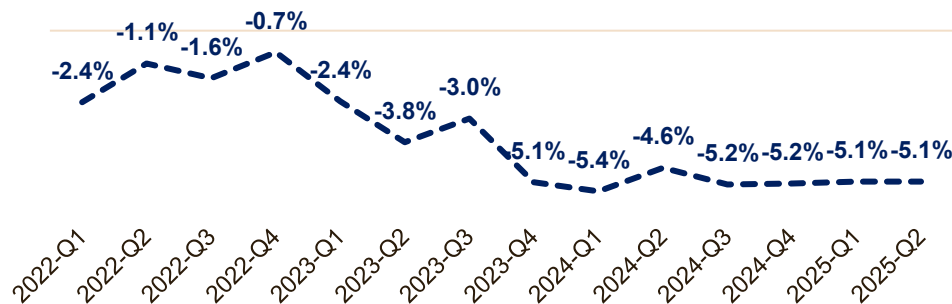
## Budget Balance

US\$ B, quarterly



## Budget Balance as % of GDP

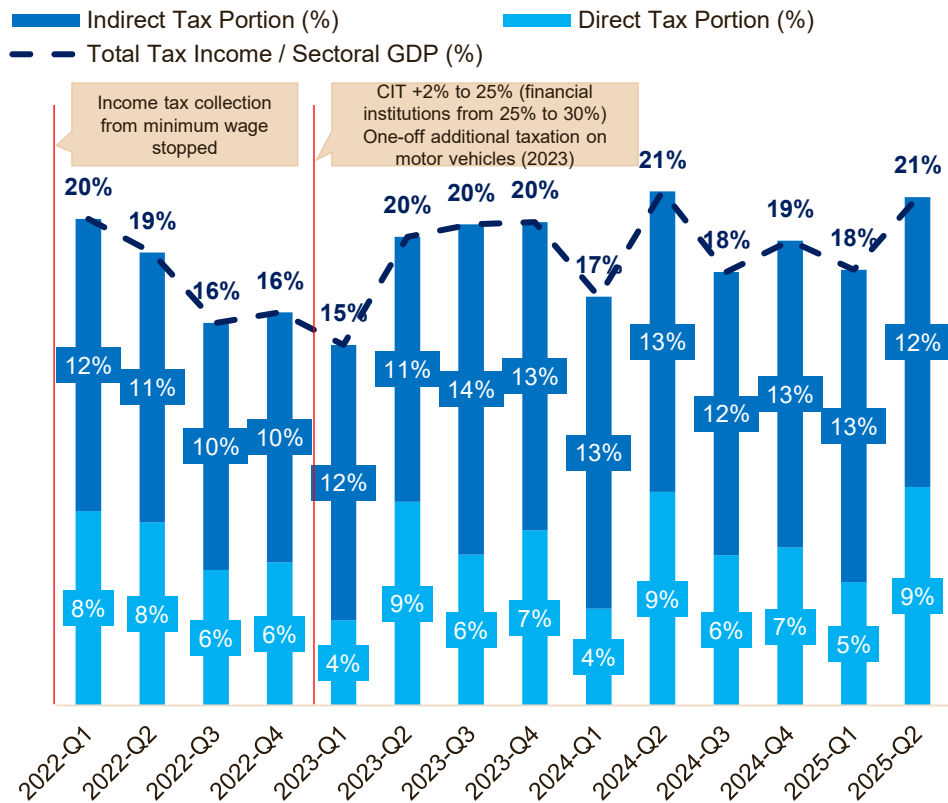
Budget Balance (L4Q) / Nominal GDP (L4Q)



Source: Min of Treasury and Finance, CBRT

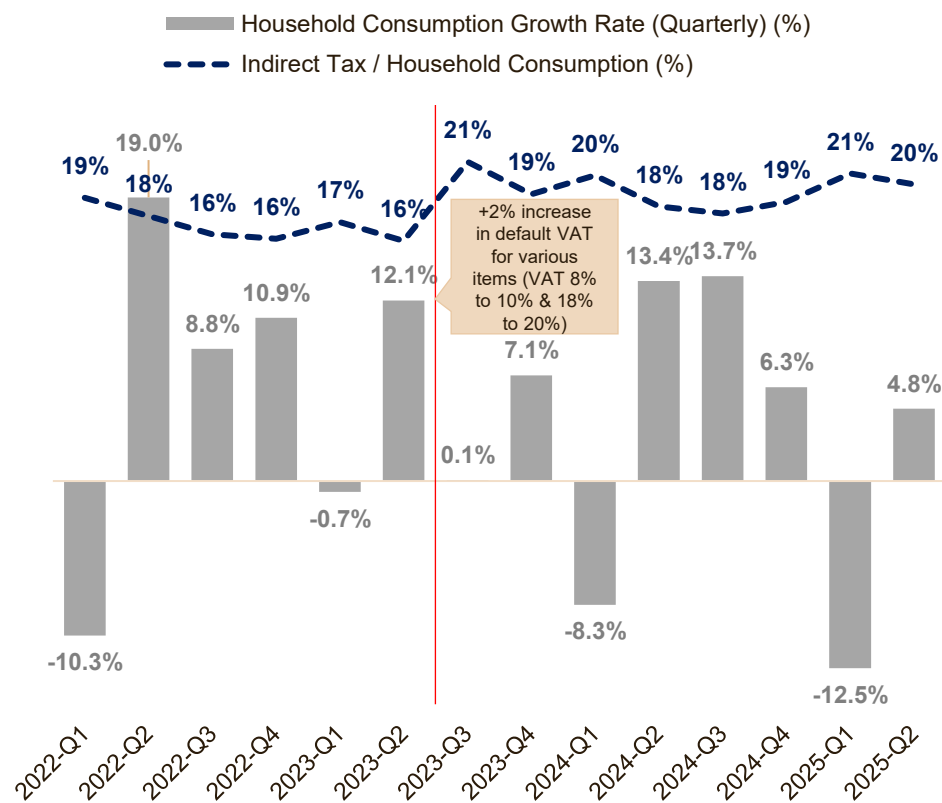
# Government budget balance degradation led to additional measures in taxation since 2023

Government Tax Revenue as % of Sectoral GDP



Source: Min of Treasury and Finance, CBRT

Household Consumption Growth vs Indirect Tax / Household Consumption (%)

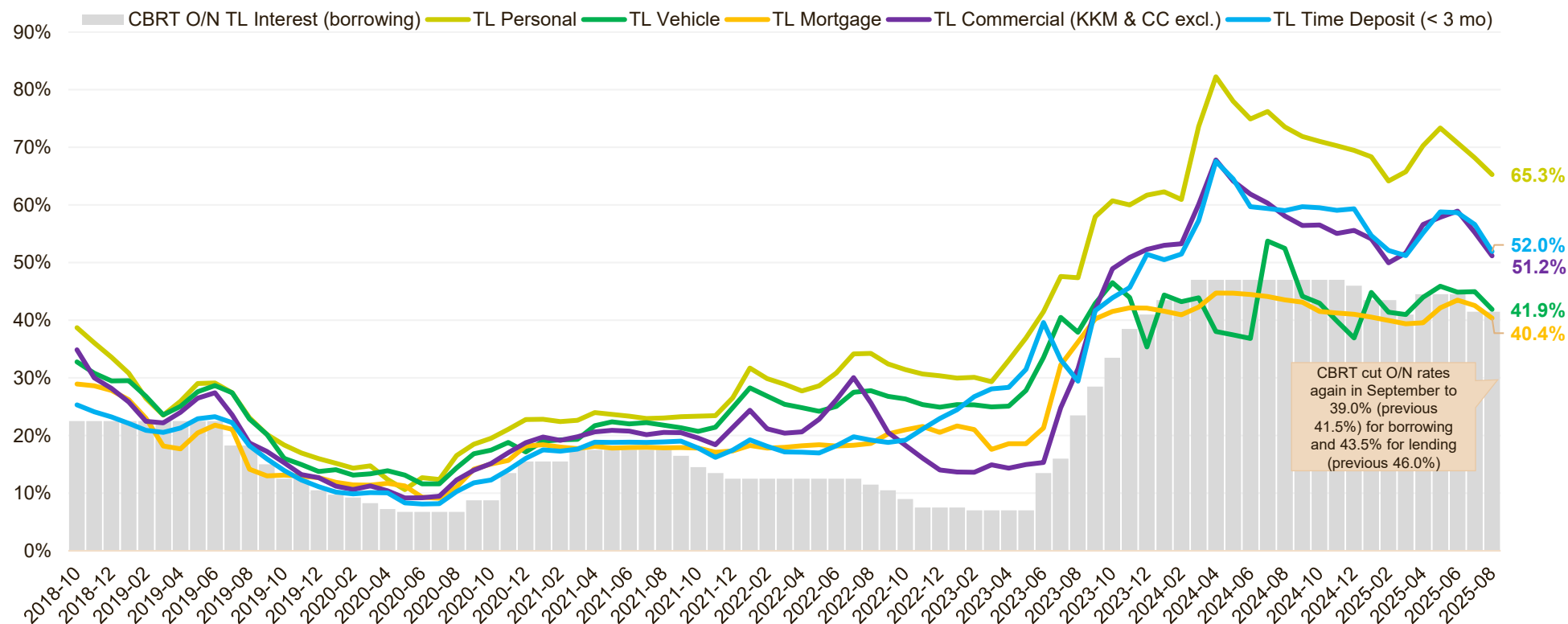


Source: Min of Treasury and Finance, CBRT

# CBRT started to gradually decrease O/N rates in July after a delay in spring

## Interest Rates

Annual rate, flow data



Source: CBRT



## **CONTACT**

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