



Türkiye Macroeconomic Outlook

February 2026

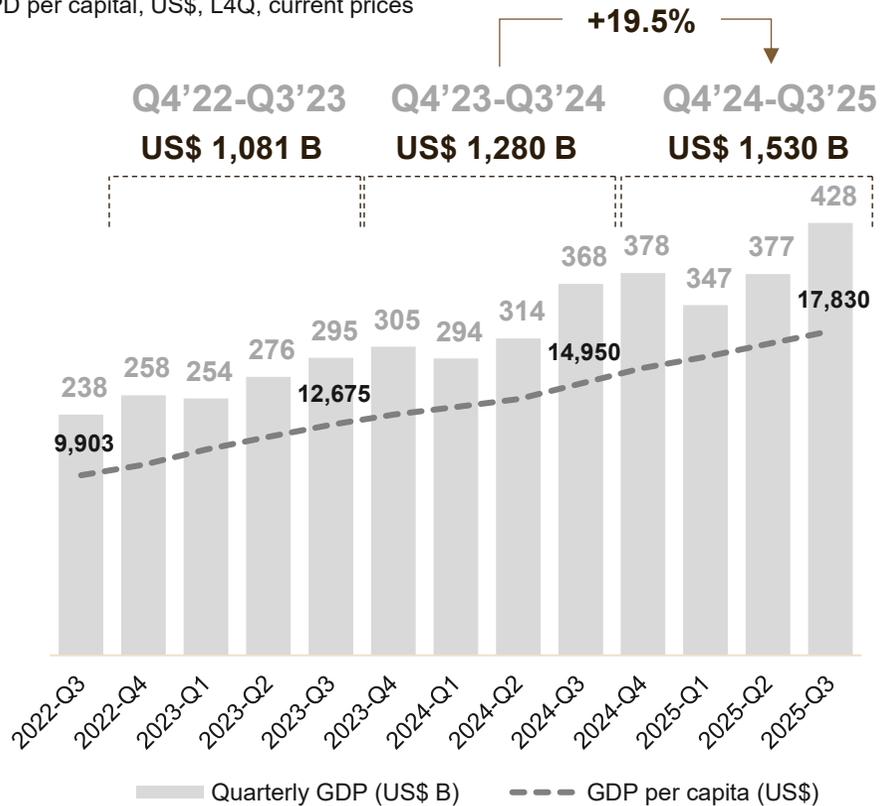
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Real GDP grew 3.7% y-o-y in 2025 Q3 supported by capital investments, household consumption and imports

Nominal GDP vs GDP per capita ¹⁾

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

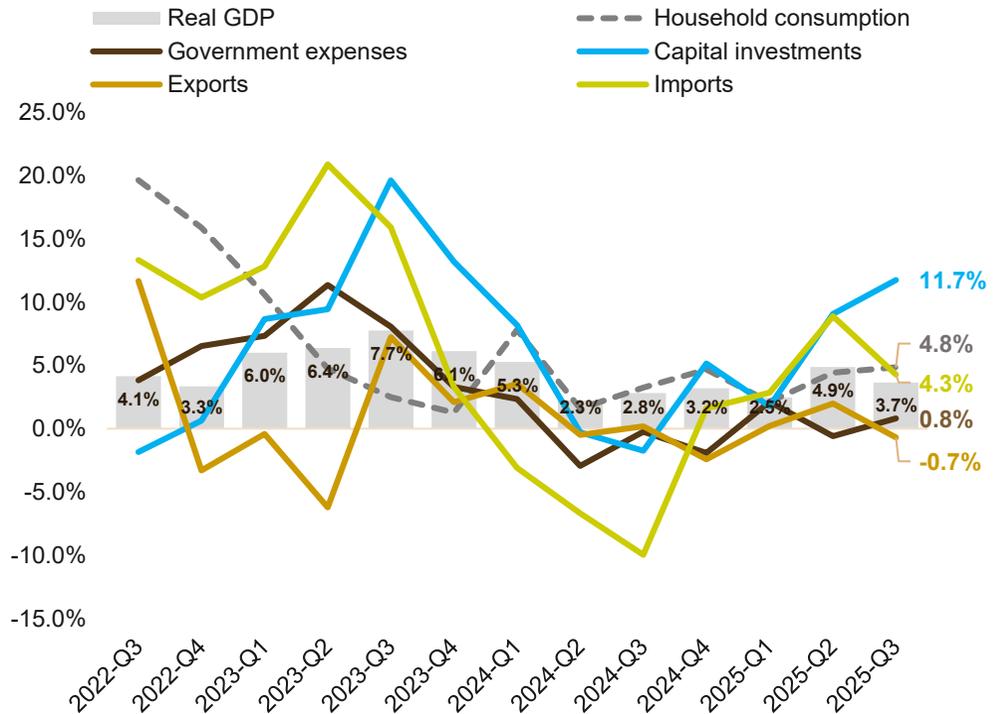


Source: CBRT, TurkStat

1) Please note due to updates on public data sources, there can be data misalignment with our previously published reports.

Real GDP Growth

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

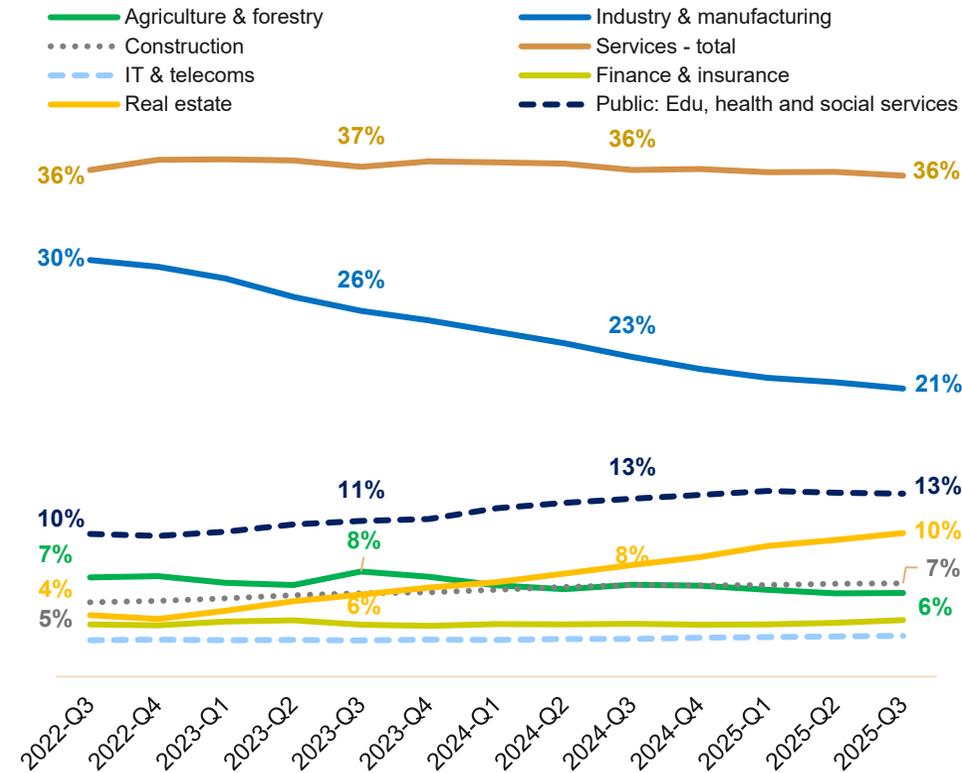


Source: CBRT, TurkStat

Real estate sector grew significantly in 2025, while production continued its gradual decline to converge LT average

Breakdown of Nominal GDP by Industries

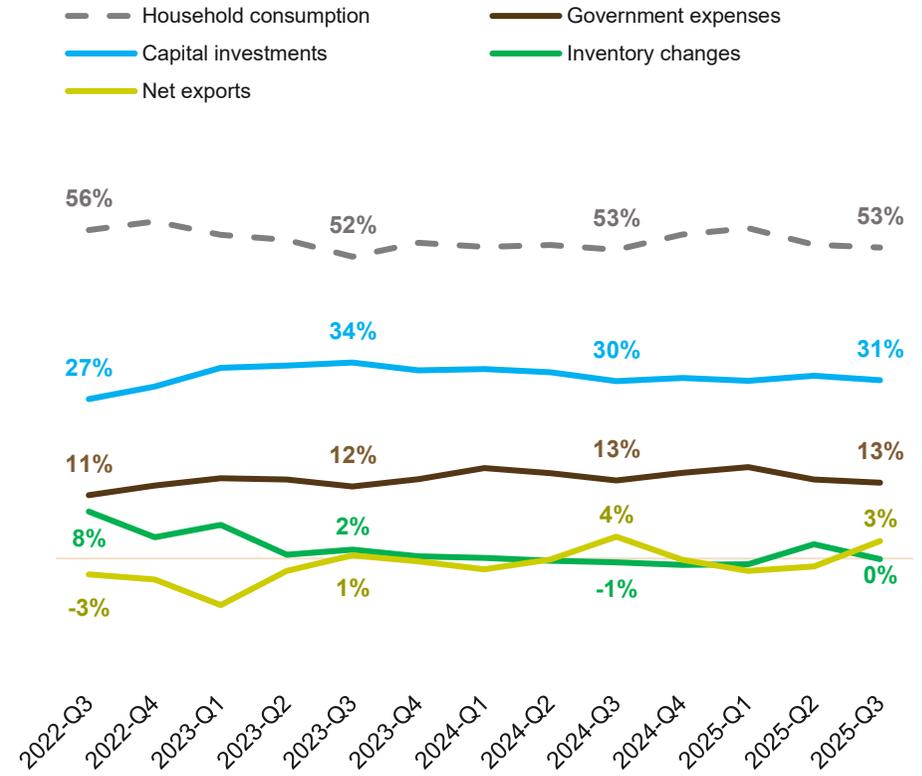
As per economic activity groups, excludes net taxes in GDP
Nominal figures as % of nominal sectoral GDP, L4Q



Source: CBRT, TurkStat

Breakdown of Nominal GDP by Expense Types

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

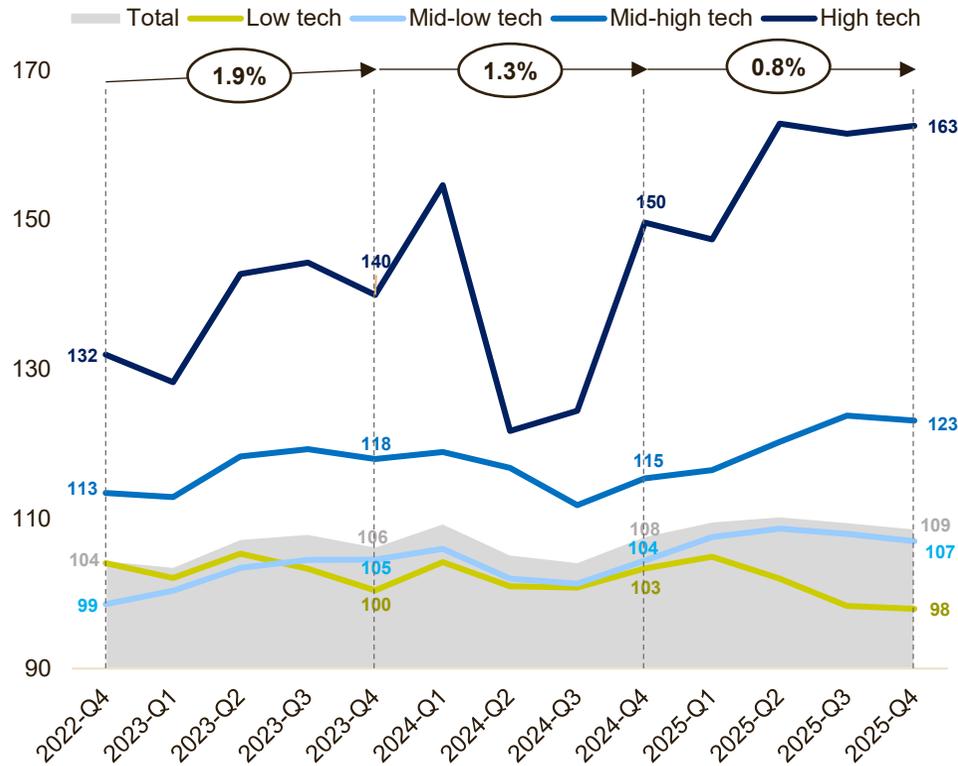


Source: CBRT, TurkStat

Industrial output growth slowed in 2025 mainly due to decreased durable and consumer goods production

Industrial Output Index by Technology

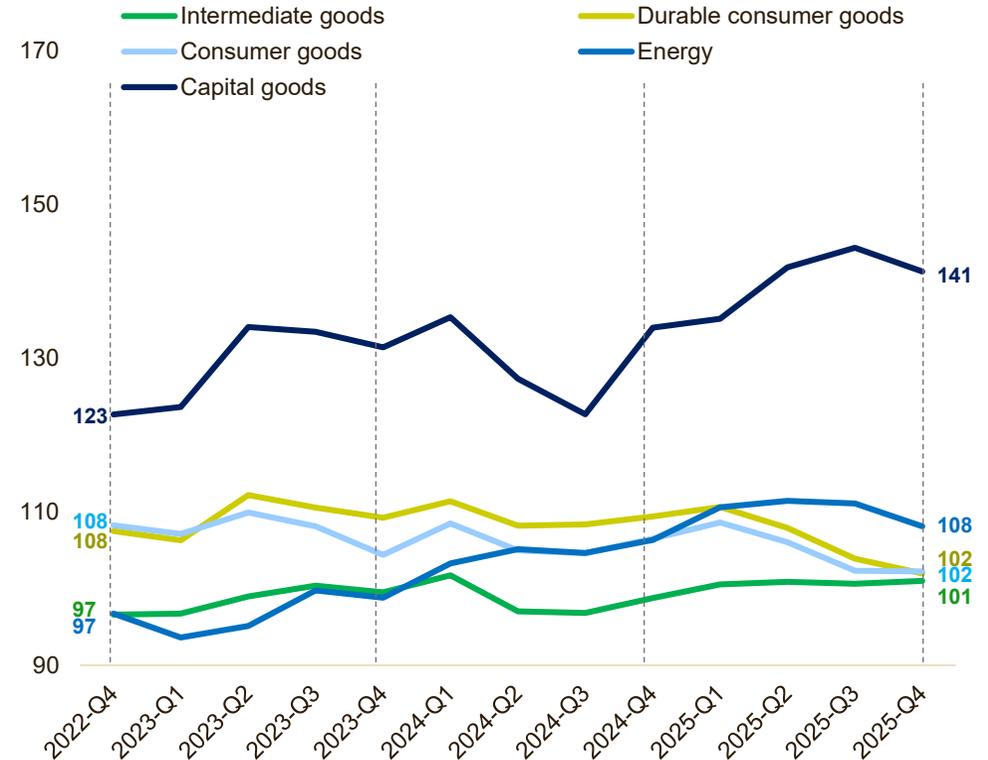
Calendar and seasonally adjusted index (2021 = 100)
2025-Q4 excludes December



Source: CBRT, TurkStat

Industrial Output Index by Product Group

Calendar and seasonally adjusted index (2021 = 100)
2025-Q4 excludes December

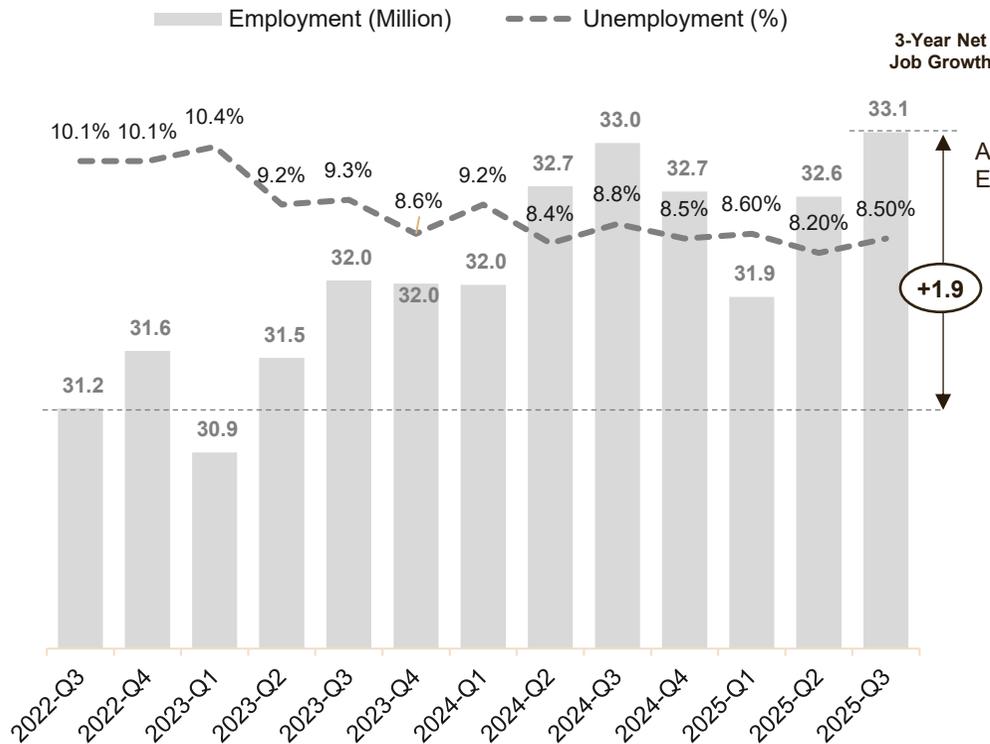


Source: CBRT, TurkStat

Official unemployment seems to be stabilized $\approx 8\%$, but jobs only grew 0.4% in 2025 compared to 3.7% real GDP growth

Employment development

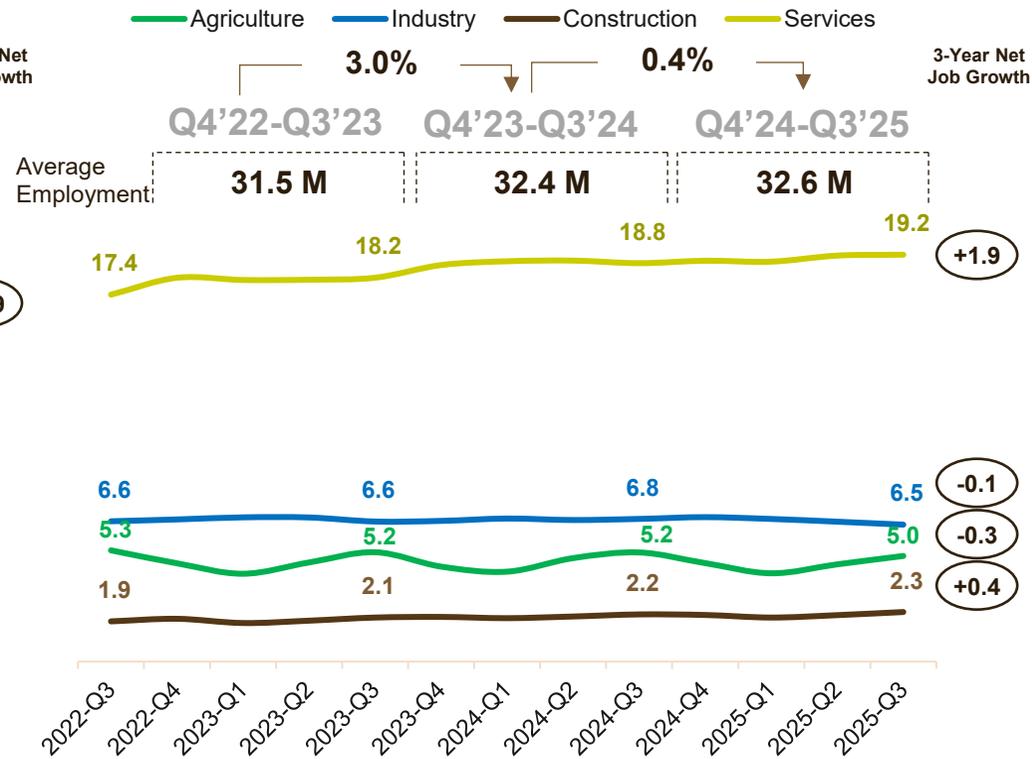
Employment, TR, 15+ age group, million people
Unemployment, TR, 15+ age group



Source: TurkStat

Employment by Sector

TR, 15+ age group, million people

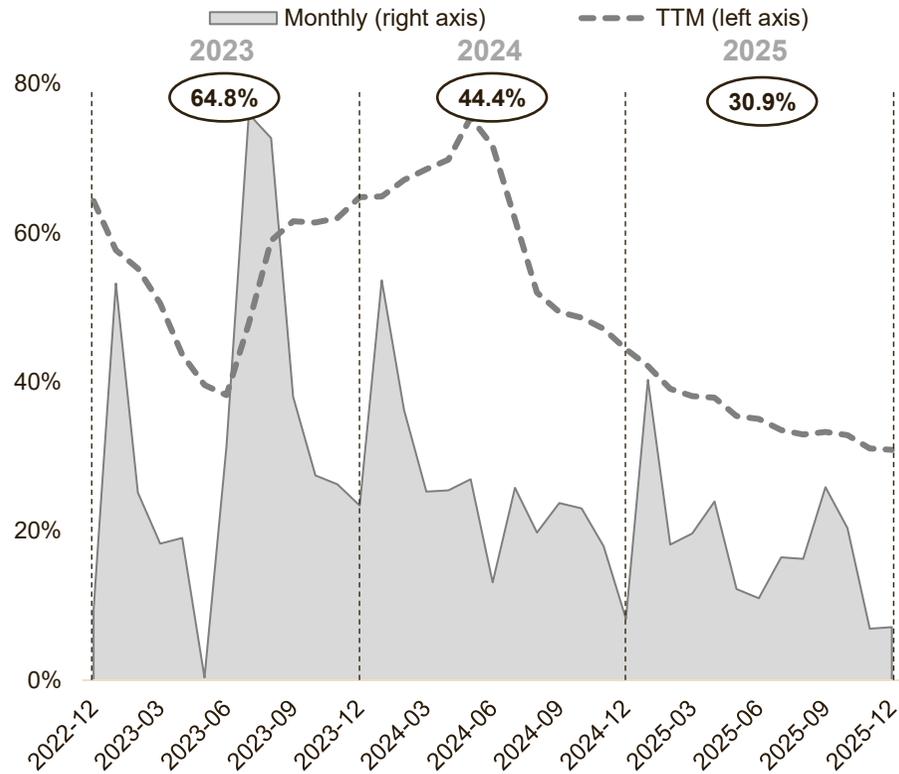


Source: TurkStat

Inflation continues its gradual decline but essential consumption item prices are still subject to high increase

Consumer Price Index Change

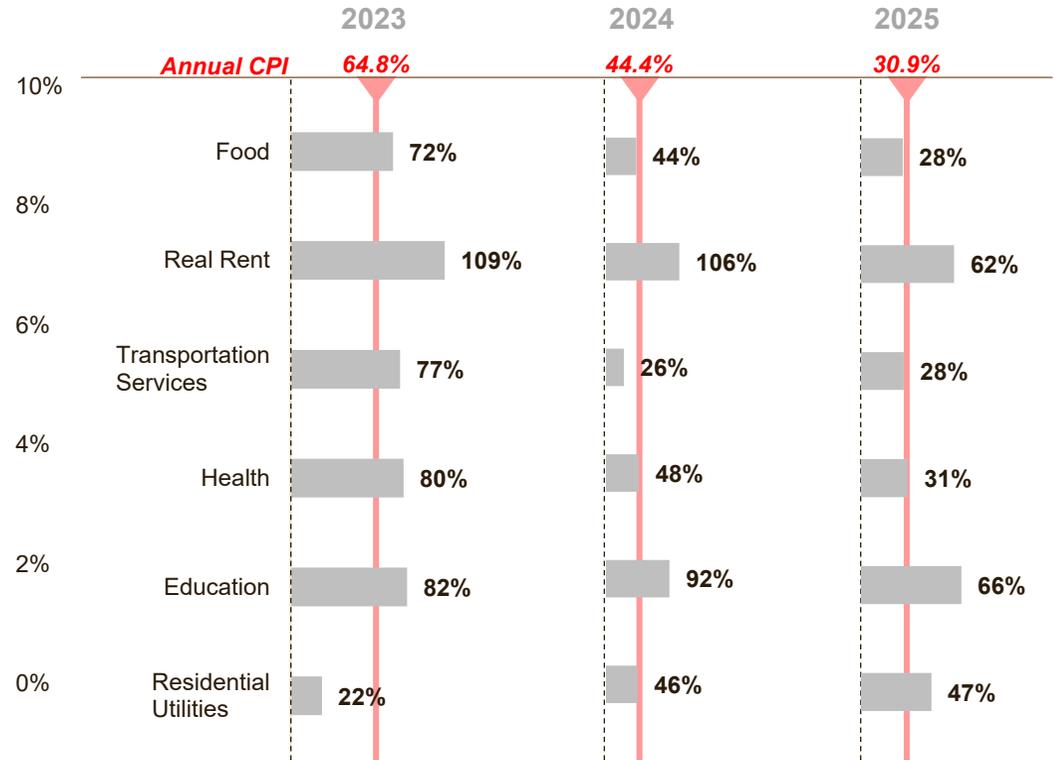
% change based on CPI Index (2003=100)
TTM: Trailing twelve months total



Source: TurkStat

Annual Inflation in Selected Spending Items

% change based on CPI Index (2003=100)

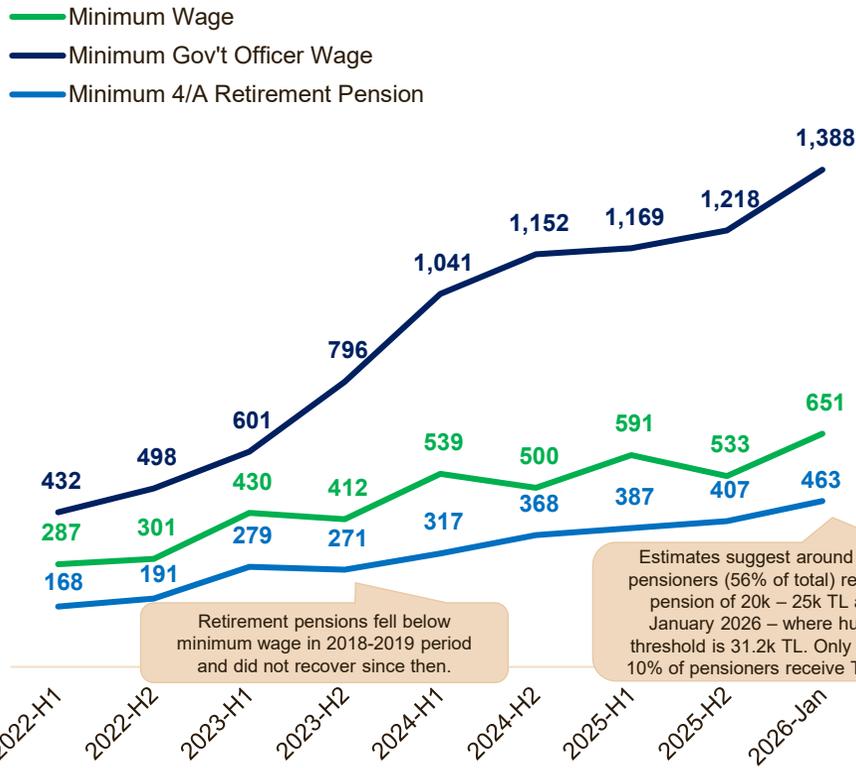


Source: TurkStat

Hunger threshold surged above US\$ 700 per month, putting minimum wage workers and majority of pensioners in difficulty

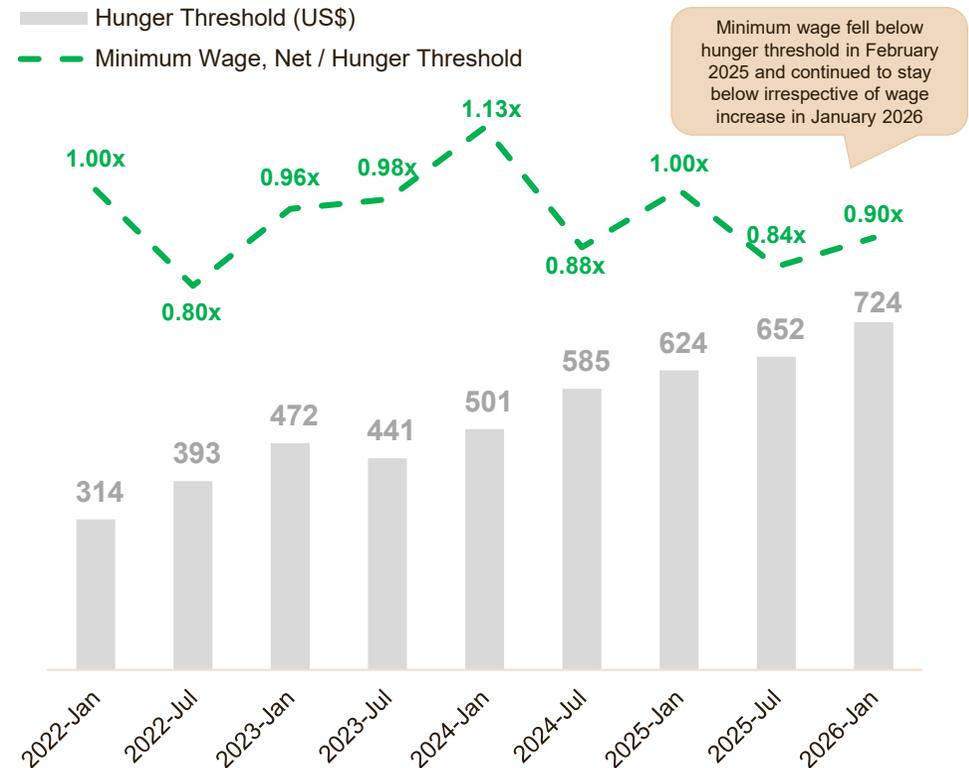
Monthly Wages, Net

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



Hunger Threshold vs Minimum Wage

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



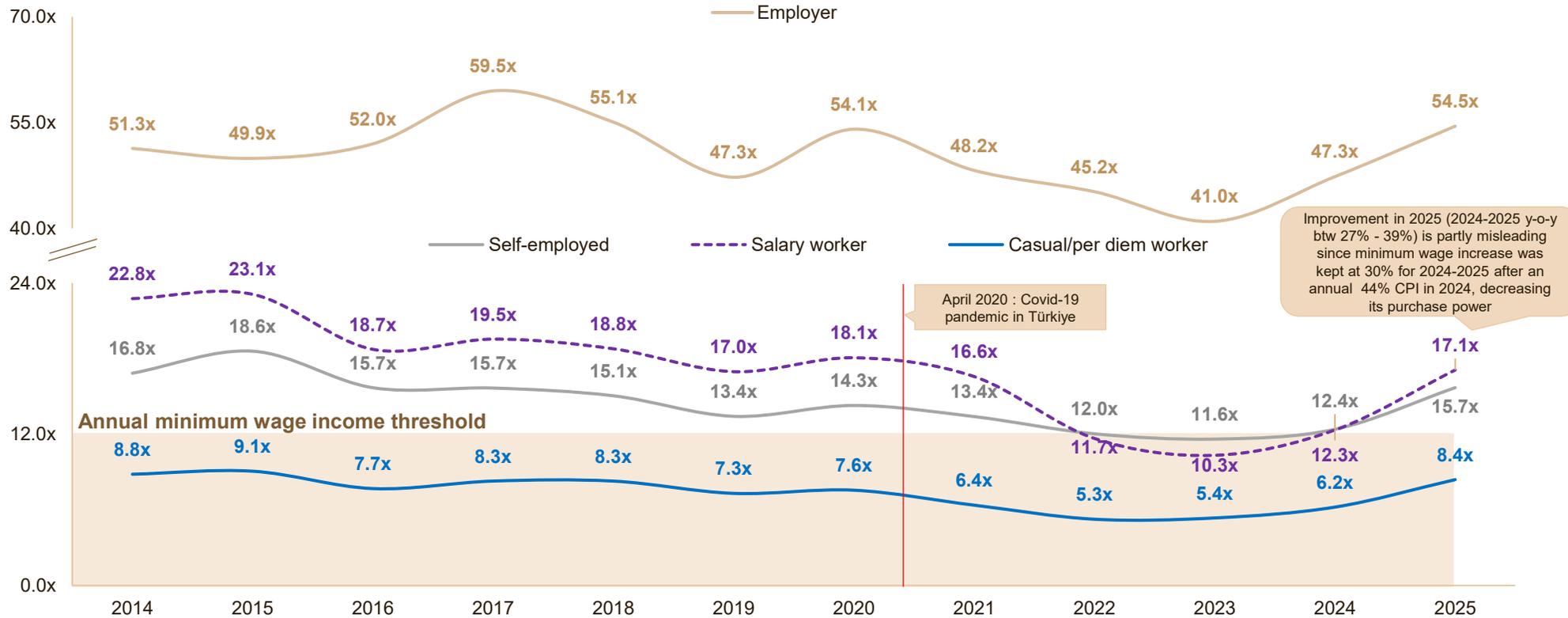
Source: Min of Labour, Min of Treasury and Finance, TurkStat

Source: Turk-İs, TurkStat, LC analysis

Average nominal income of all groups improved relatively in 2025 compared to pre-Covid levels

Annual Average Income as Multiples of Minimum Wage

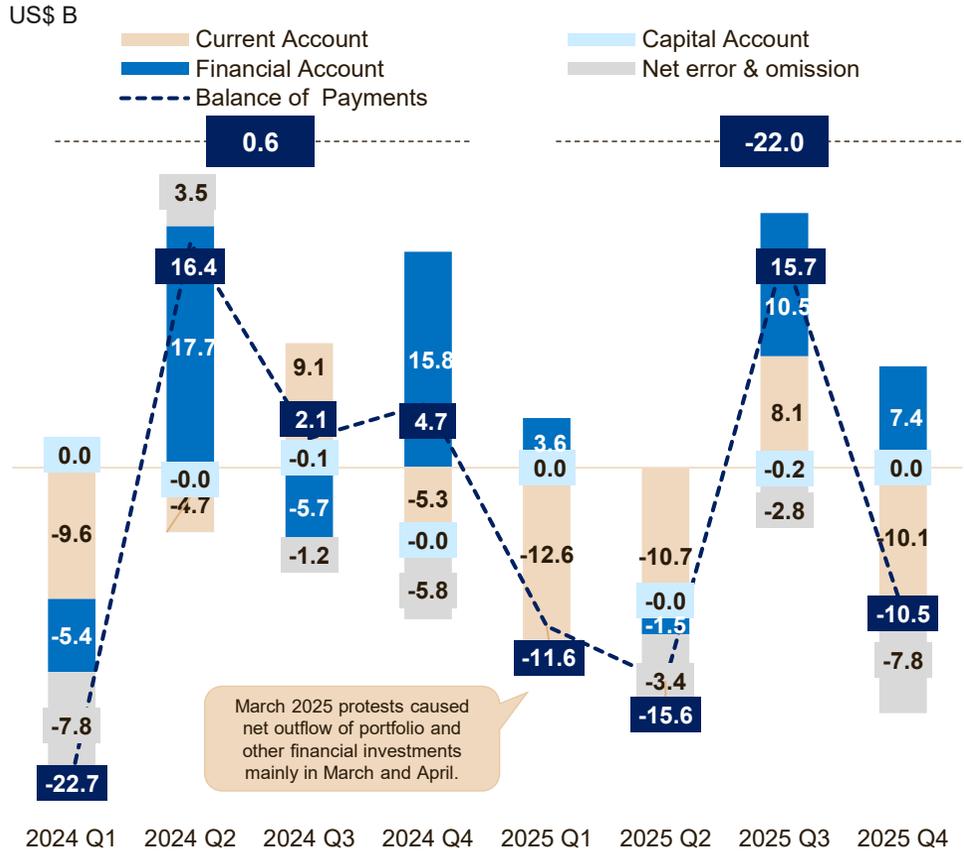
Annual TL income / Net Minimum Wage monthly average



Source: TurkStat, LC analysis

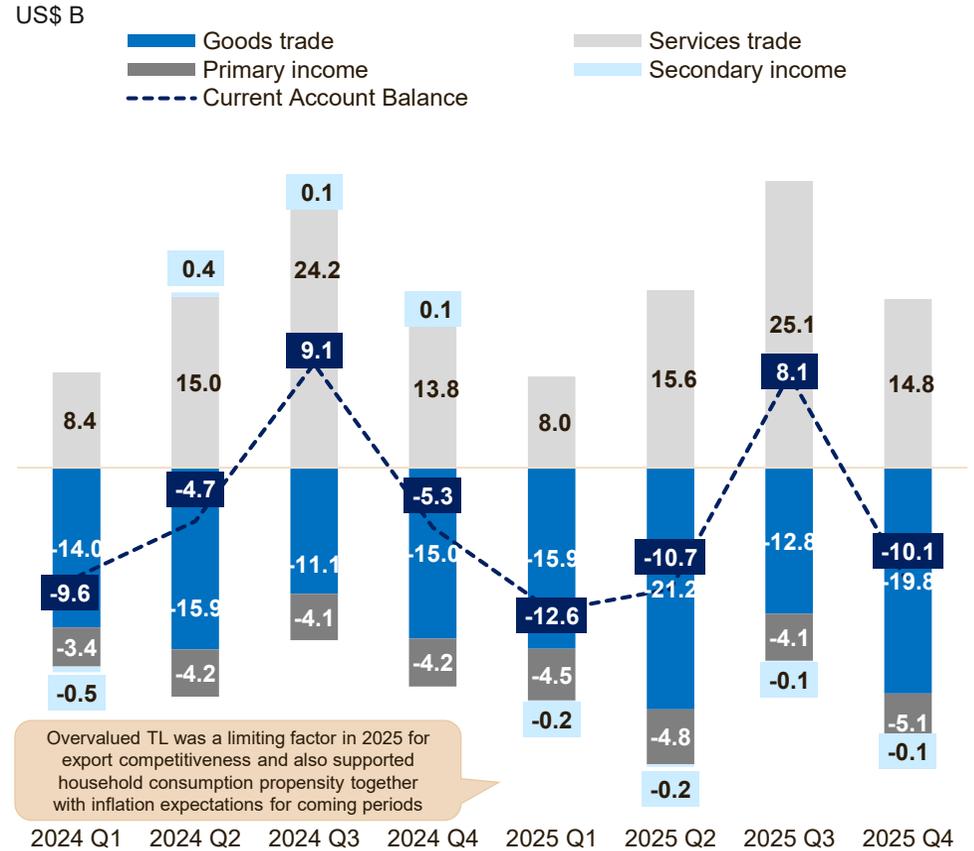
2025 was comparatively a bad year for balance of payments due to increased imports and insufficient net portfolio investments

Balance of Payments



Source: CBRT, TurkStat

Composition of Current Account

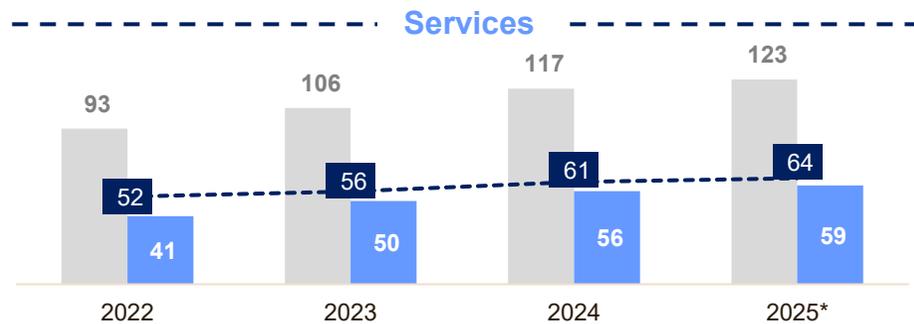
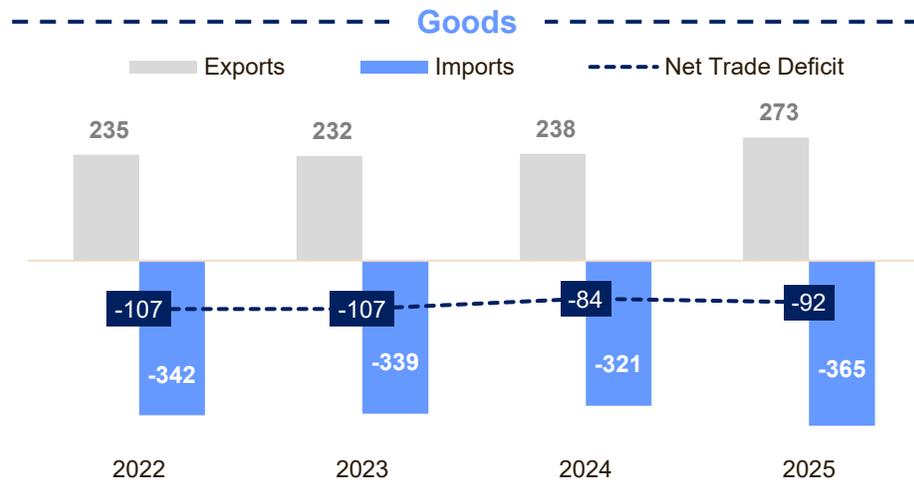


Source: CBRT, TurkStat

Foreign trade deficit increased in 2025 mostly due to higher goods imports

Foreign Trade Performance

US\$ B



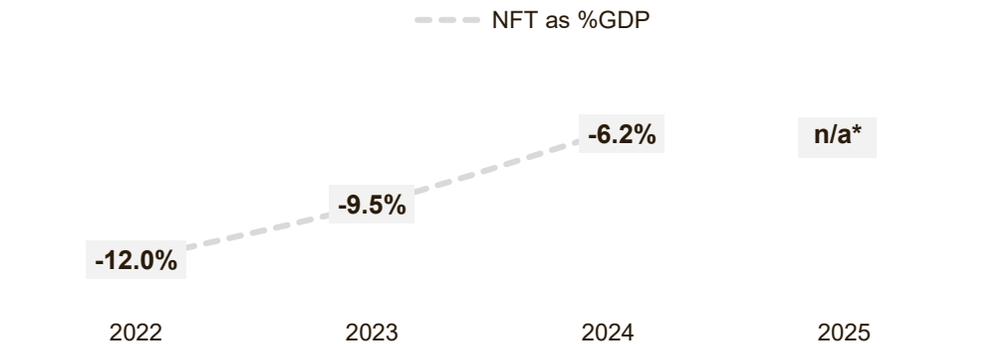
Source: TurkStat, Min of Trade

*) Ministry brief, detailed breakdown not available

Overall Foreign Trade Performance

US\$ B

% of Nominal GDP



Source: TurkStat, Min of Trade

*) 2025 full year GDP data not available as of the publication date of this report

Past five years transformed foreign trade of key product groups structurally due to macroeconomic factors

Net Foreign Trade of Goods

US\$ B	2021	2022	2023	2024	2025
Agri & aquaculture products	7.2	6.6	6.8	10.9	6.6
Earth materials & cement	2.8	3.0	2.6	2.4	2.7
Mineral fuels	-42.6	-80.6	-53.2	-49.4	-47.2
Organic chemistry & pharmacy prod	-2.6	-6.5	-4.9	-4.9	-4.1
Plastic products	-8.1	-7.9	-6.2	-5.4	-4.4
Rugs/floor covers & other knitted prod	4.9	4.3	4.1	4.2	4.0
Clothes and accessories	16.5	16.8	15.0	13.5	12.2
Precious metals	3.9	-11.3	-19.6	-11.8	-14.7
Iron & steel	-10.1	-12.9	-15.1	-13.0	-11.5
Machinery & equipment	-10.3	-11.8	-15.9	-14.5	-15.7
Electrical equipment	-8.2	-8.0	-12.8	-11.4	-12.2
Motor vehicles & bicycles	9.0	8.9	-1.5	0.3	-0.1
Precision equipment	-3.6	-3.8	-4.7	-5.0	-5.7
Aerospace vehicles & parts	-1.4	-1.4	-1.5	-2.0	-2.2
Ships and nautical vehicles	0.4	0.1	0.9	1.3	1.7
Guns & ammo	0.9	0.9	1.5	2.2	3.6
Furniture and similar products	3.6	4.0	3.7	3.6	3.8
Others	-9.3	-7.6	-6.0	-5.0	-8.7
Total Balance	-47.1	-107.0	-106.9	-83.9	-92.0

- With easing petrol prices, 2025 mineral fuels net trade was in line with 2024 – we expect a similar performance in 2026 due to supply-side surplus expectations (mainly due to Venezuela) and overall declining demand
- Türkiye is still net importer in precious metals as domestic demand for gold surged
- Textile continued to weaken due to diminishing competitiveness with valued TL and factor emigration to cost-effective countries
- Automotive net trade were sharply hit by Chinese imports in 2023, yet no recovery is in sight
- Momentum in nautical vehicles and military equipment exports is expected to continue in 2026

Source: TurkStat, LC analysis

Net Foreign Trade of Services

US\$ B	2021	2022	2023	2024	2025
Goods in process	0.1	0.2	-0.0	-0.3	
Repair & maintenance	0.9	1.1	1.1	1.2	
Transportation	13.1	18.2	19.9	19.6	
Travel	26.2	41.0	42.2	48.9	
Construction	0.2	0.3	0.4	0.4	
Insurance & retirement	-1.3	-1.7	-0.8	-1.8	
Financial	-0.1	-0.1	-0.1	-0.2	
Intellectual property rights	-2.4	-2.5	-3.1	-3.7	
Telecoms & IT	-0.6	-0.6	-0.4	0.4	
Other trade services	-2.5	-2.8	-2.6	-2.2	
Personal & cultural	-0.1	-0.1	-0.2	-0.2	
Official services	-0.7	-0.6	-0.7	-0.9	
Total Balance	32.8	52.5	55.7	61.4	63.5

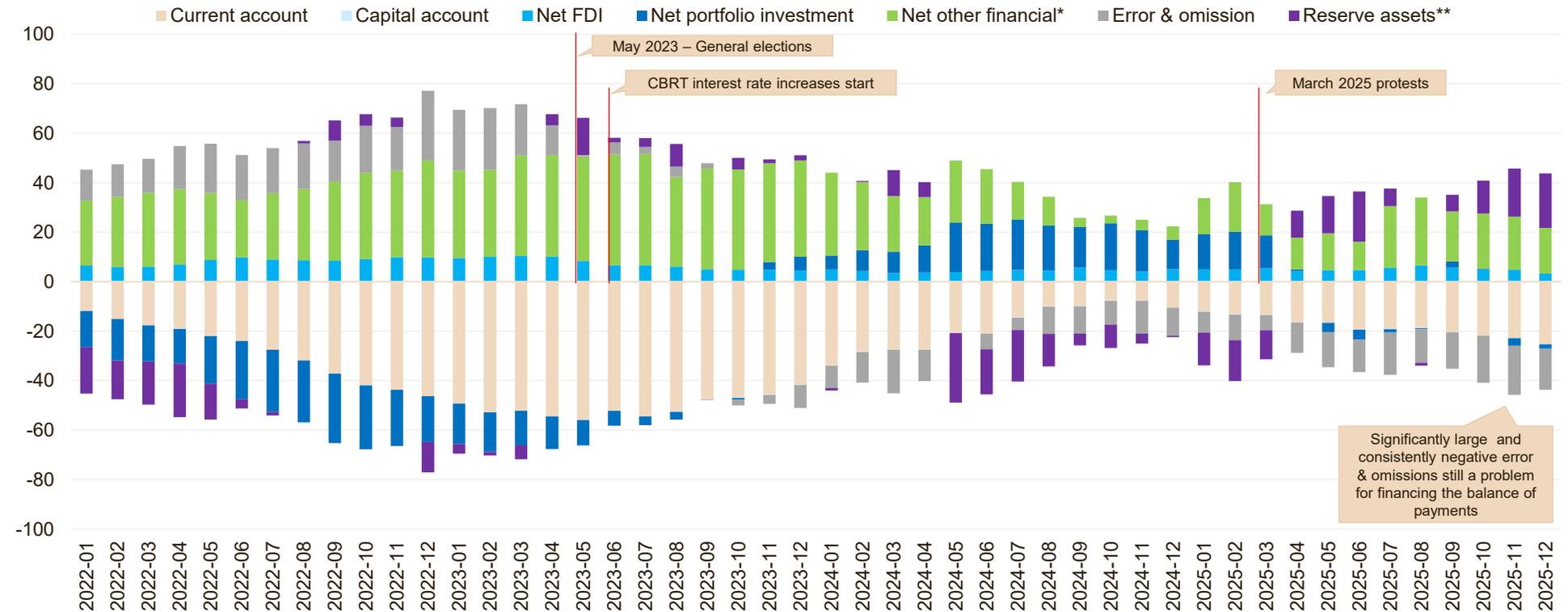
- Travel & tourism is by far the core exports of Türkiye and it continues to contribute significantly, with fast recovery after Covid
- Transportation exports are mainly fuelled with airline passenger transportation (2024 US\$ 20B), comparable to total freight (2024 US\$ 22B)
- Travel exports are roughly attributable to food & beverage services, accommodation and merchandise exports. Additionally, Türkiye has growing exports in health services (2024 US\$ 3B)
- Türkiye imported US\$ 4B (2024) in IP rights and similar – of which US\$ 1.3B is for software licenses. Yet, exports are limited to US\$ 0.5B (2024), most of it thanks to audiovisual product (TV series and music) distribution rights
- Majority of other trade services deficit is due to professional business services (2024)

Source: TurkStat, LC analysis

Increased current deficit in 2025 financed by reserves and loans w/o recovery in net portfolio investments

Net Cash Flow

US\$ B, annualized L12M



*) Composed of Central bank, government, banks and other industries

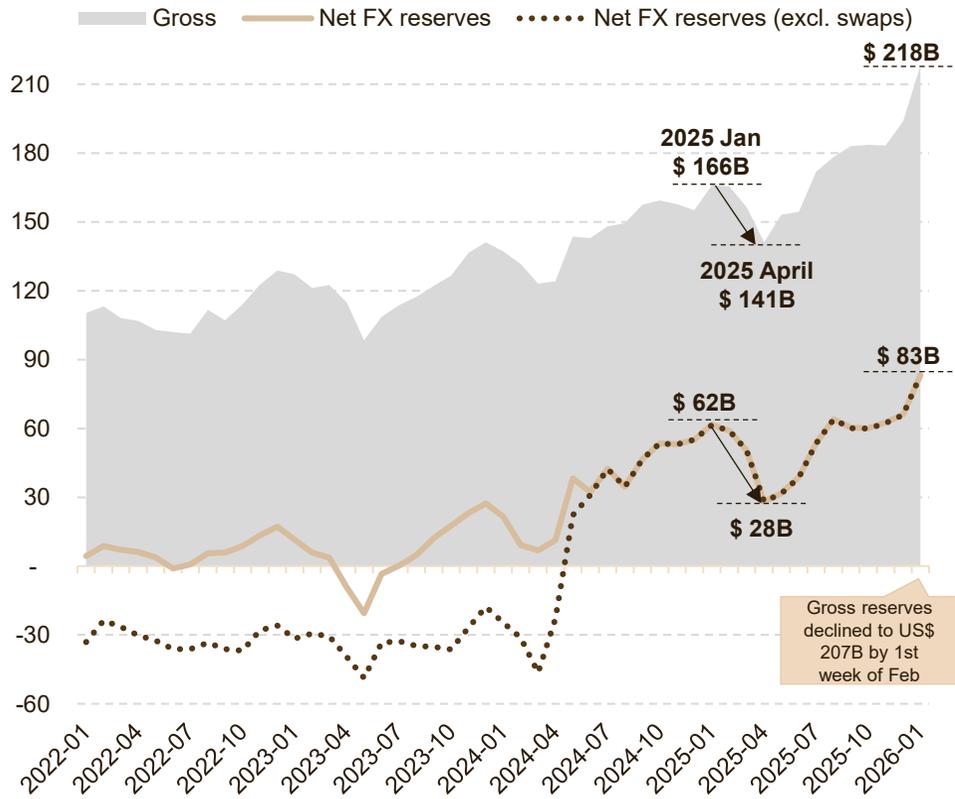
***) Negative values to be considered as an increase in reserves

Source: CBRT

Reserves topped US\$ 200B by 2026, signalling liquidity and resilience in policies for 2026

Central Bank Reserves

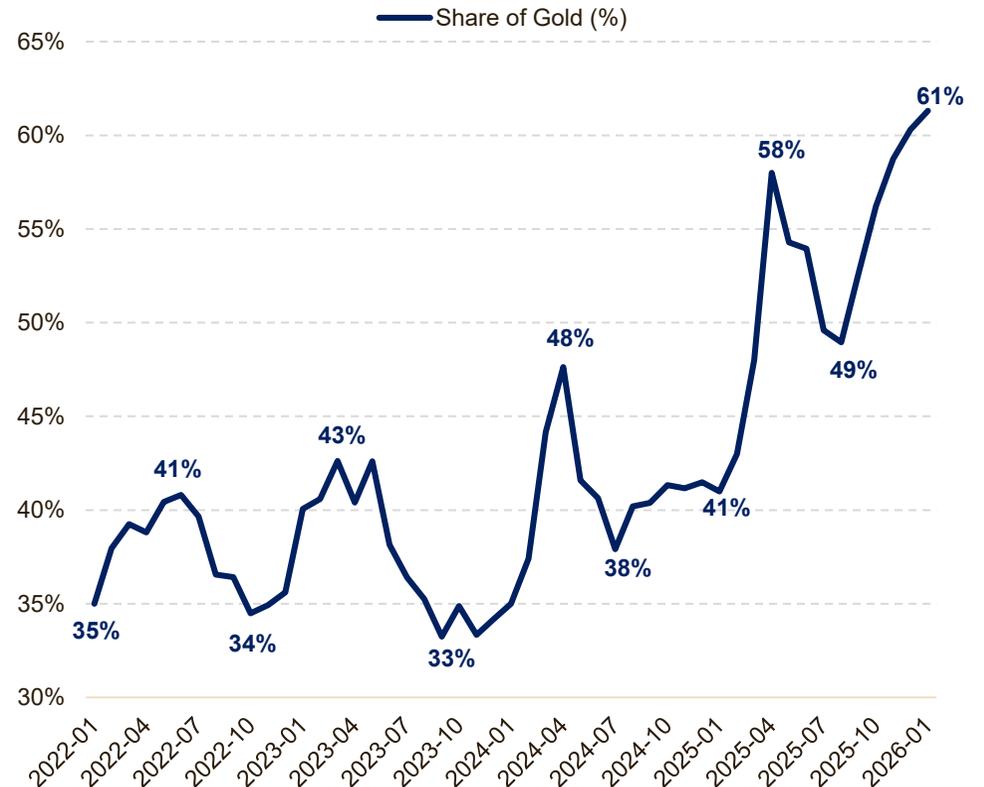
US\$ B



Source: CBRT, LC analysis

Gold Share in Gross Reserves

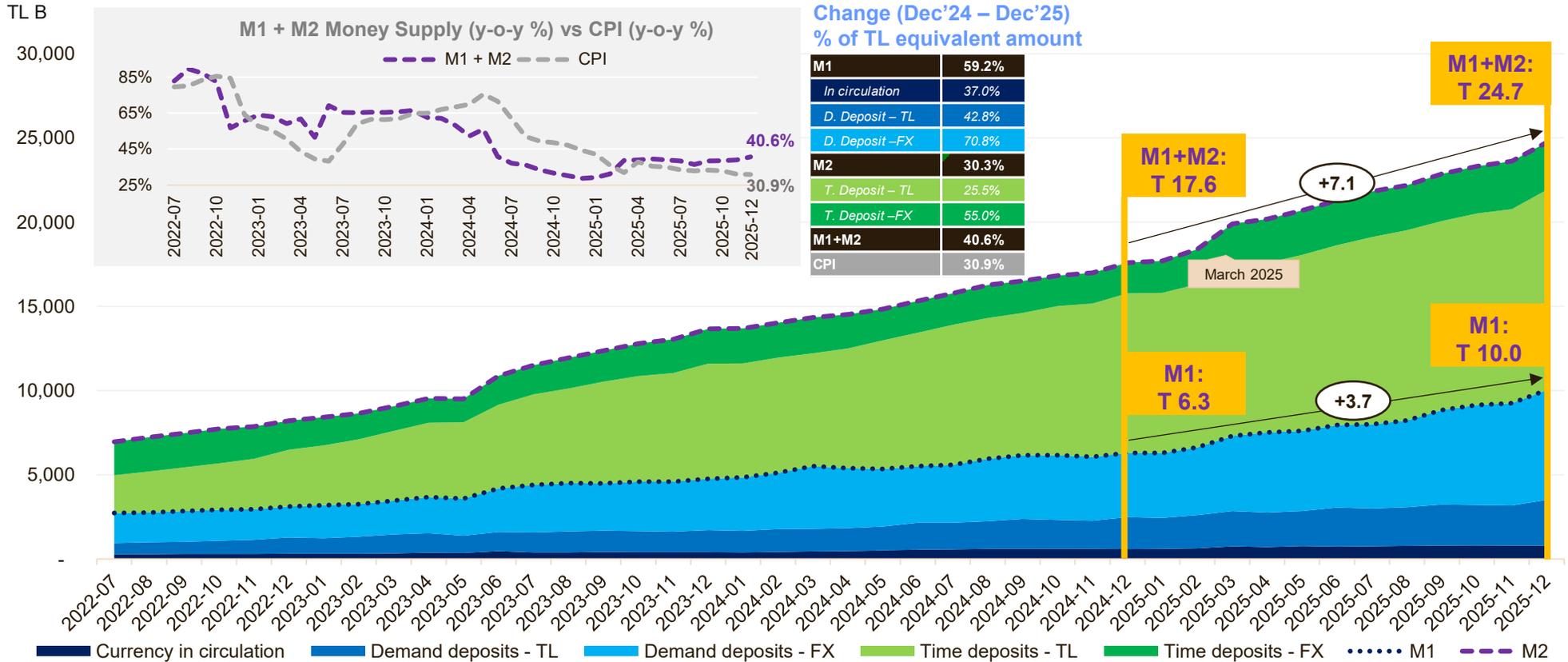
% of Gross, US\$ current value



Source: CBRT

2025 M1+M2 growth rate shadowed CPI and real GDP growth combined

Money Supply



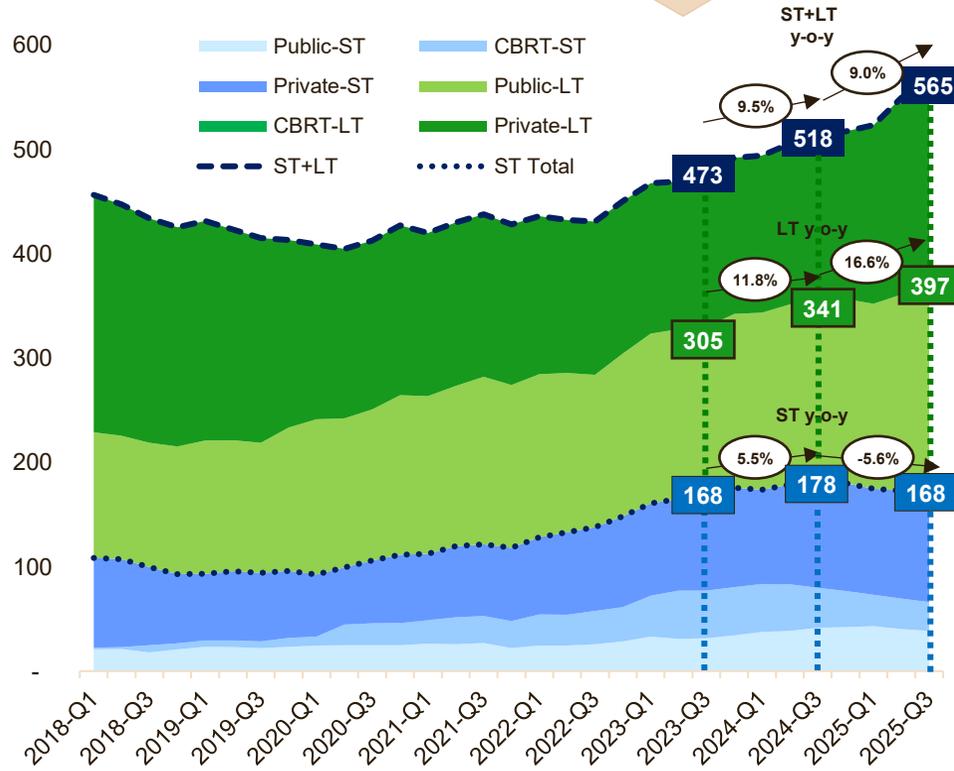
Source: CBRT, TurkStat

External debt increased +US\$ 47B in L4Q, with mix gaining weight on LT after the gradual shift to ST since pandemic

Türkiye External Debt Composition

US\$ B

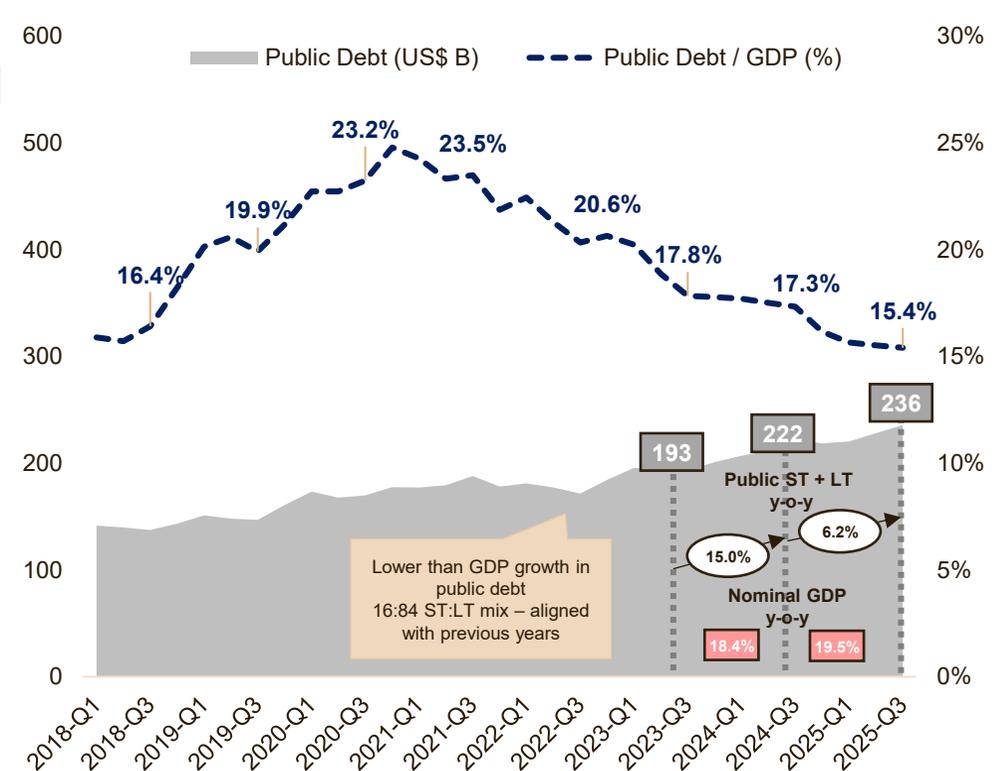
ST: Short Term, LT: Long Term



Public External Debt

US\$ B

Public Debt (L4Q) / GDP (L4Q)



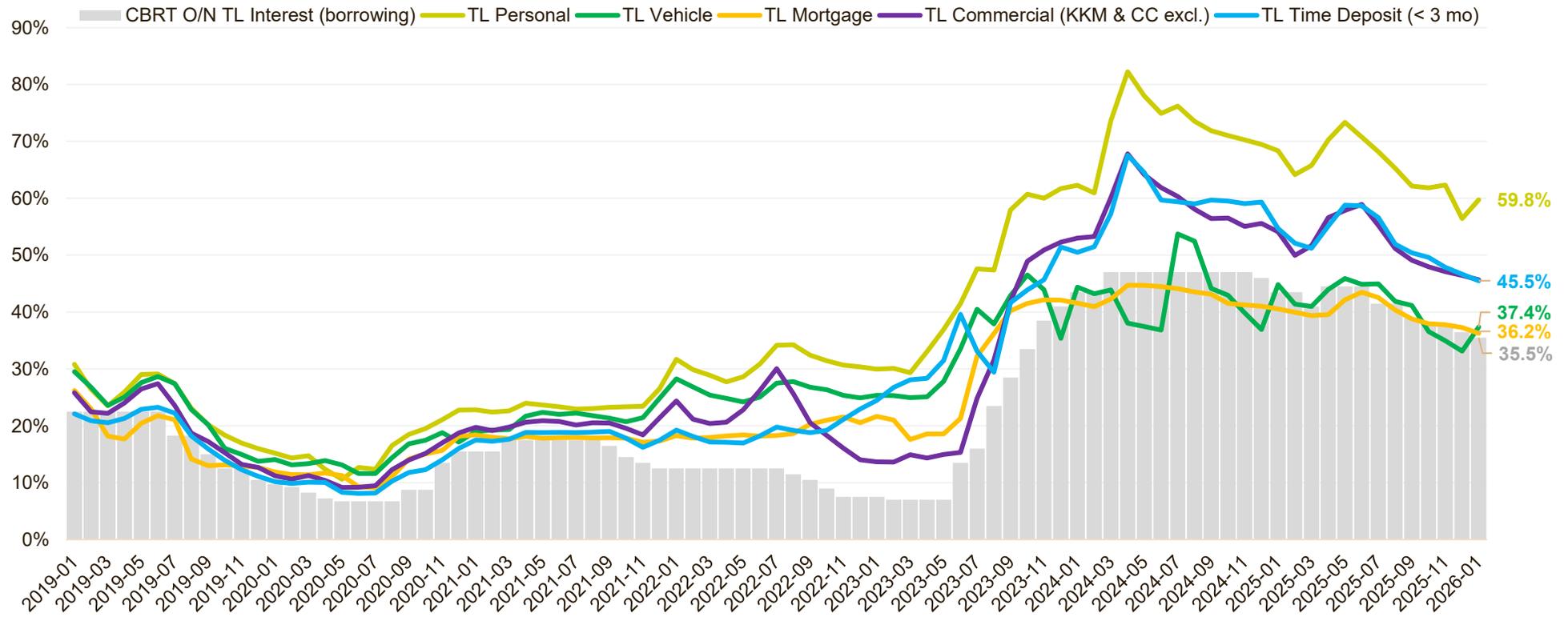
Source: Min of Treasury and Finance

Source: Min of Treasury and Finance

CBRT rate cuts are expected to continue in 2026 after a two year long high interest period

Interest Rates

Annual rate, flow data

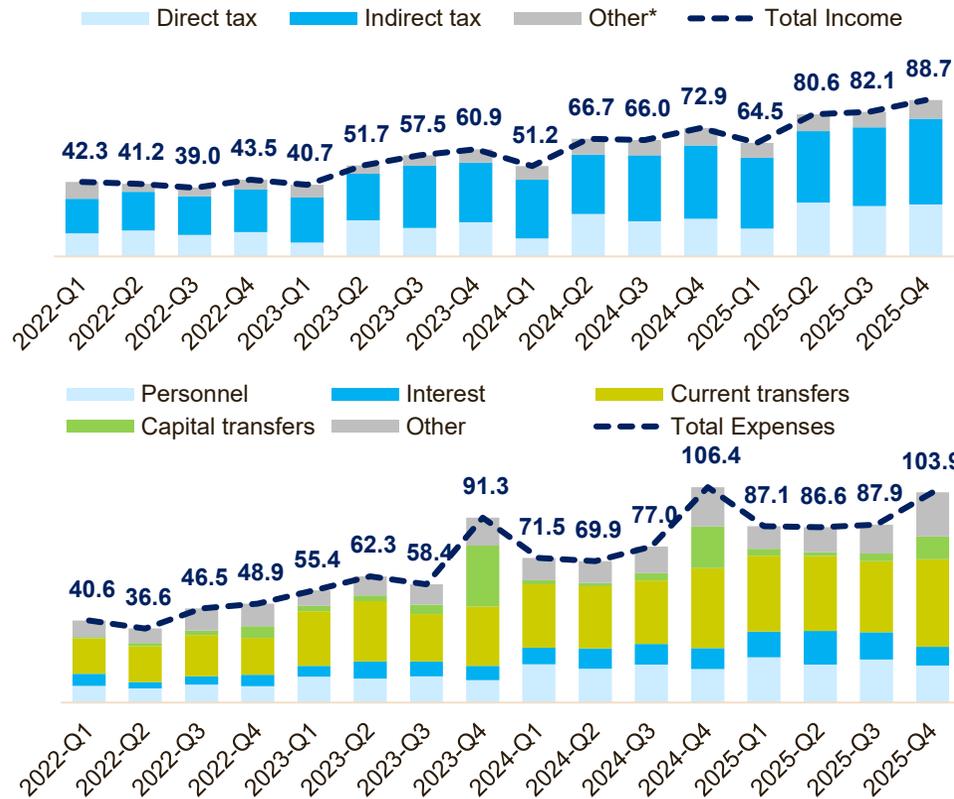


Source: CBRT

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

Government Revenue and Expense Composition

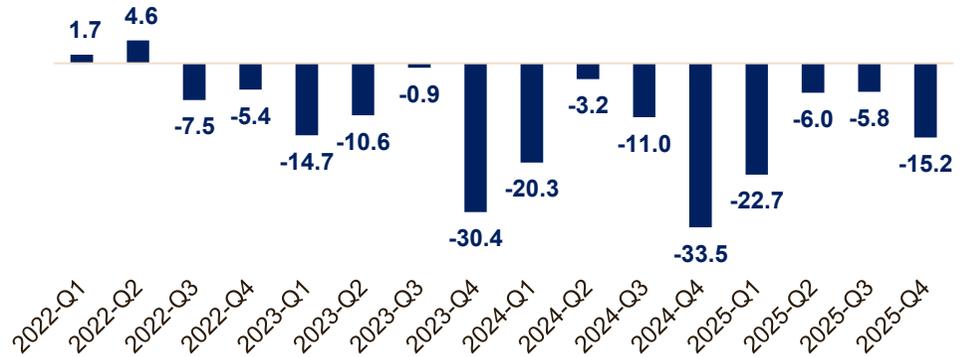
US\$ B



*) 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

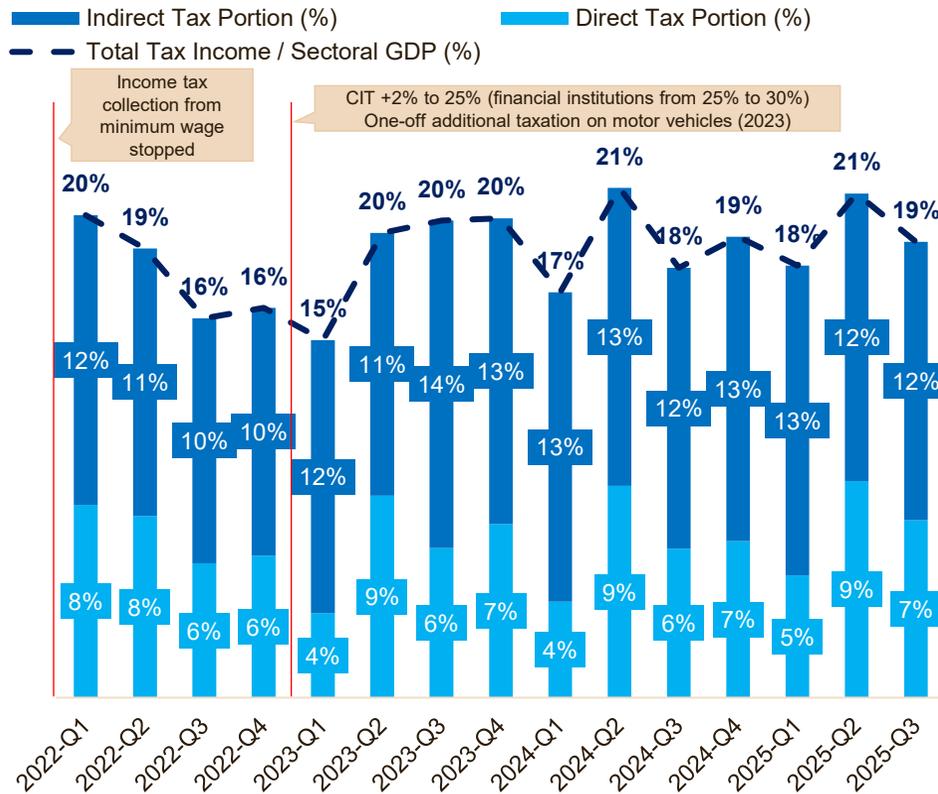
Budget Balance (L4Q) / Nominal GDP (L4Q)



*) 2025 full year GDP data not available as of the publication date of this report
 Source: Min of Treasury and Finance, CBRT

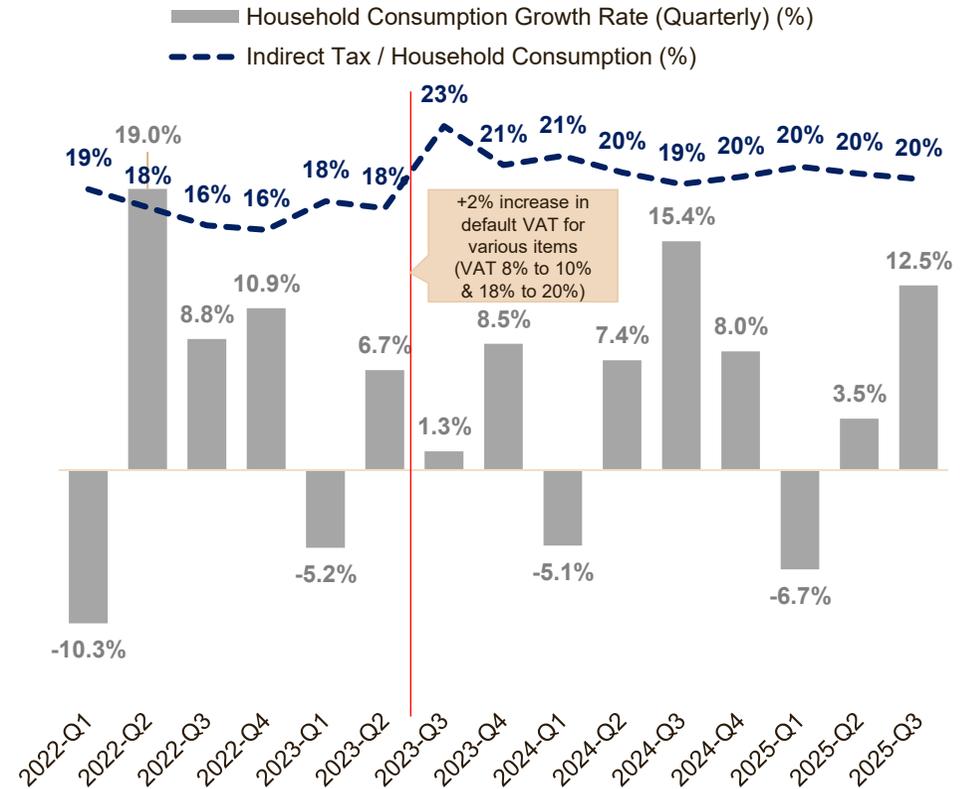
With the additional measures since 2023, tax revenue performance increased

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

Central government 2026 budget hits US\$ 407B (+9.6%), constituting 24.6% of the forecasted 2026 GDP

Central Government Budget, as approved at TBMM

US\$ B

2024, 2025 figures converted with annual average Exchange rate.

2026 figures converted as per Gov't expectation of 46.60 TL



- Central government budget increased 28.8% in TL terms for 2026, compared to 16% CPI expectation in the MTP
- Interest expenses compose 14.4%, a US\$ 10B increase compared to 2025 budget
- Major changes include \approx 2.3% increase in share of staff expenses, against \approx 3.3% decrease in current transfers
- Of the US\$ 147B current transfers, US\$ 121B is budgeted under Min of Finance & Treasury – which is mainly transferred in the form of Treasury or state aids

Source: Official gazette, Presidency of Strategy and Budget, Min of Treasury and Finance, LC analysis

Tax revenues are expected to increase below the revaluation rate and inflation

Tax Revenues by Category

US\$ B

2025 figures converted with annual average exchange rate.

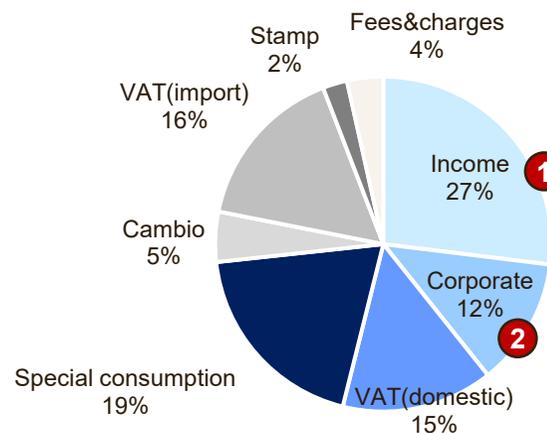
2026 figures converted as per Gov't expectation of 46.60 TL

2025 figures show actual collection.

Tax category	2025A	2026B	\$% (y-o-y)	TL% (y-o-y)
Income	71.4	75.5	5.7%	25.0%
Corporate	31.1	34.6	11.5%	31.8%
VAT (domestic)	39.5	40.8	3.3%	22.1%
VAT (imports)	43.8	44.9	2.7%	21.4%
Special consumption (ÖTV)	51.4	54.3	5.8%	25.1%
Cambio (BSMV)	14.0	13.6	-3.2%	14.5%
Stamp	5.7	6.6	15.2%	36.2%
Fees and charges	8.6	9.7	13.8%	34.6%
TOTAL	280.4	294.9	5.2%	24.3%
CPI	30.9%	16.0% (B)		

2026 Tax Revenues Budgeted by Category

% Share



- 1 Although income tax revenue is budgeted to increase less than the CPI, lower-than-inflation revaluation might lead to higher income taxes for as the bracket thresholds will remain lower than wage increases
- 2 Increase in corporate tax revenues is significant, yet the realization might stagnate due to economic conditions (concordats, inflation accounting, etc.)

Source: Official gazette, Presidency of Strategy and Budget, Min of Treasury and Finance, LC analysis

Under assumption of similar performance, central government is likely to have a budget deficit of US\$ 55B in 2026

Central Government Revenues and Budget Deficit

US\$ B

2024, 2025 figures converted with annual average Exchange rate.

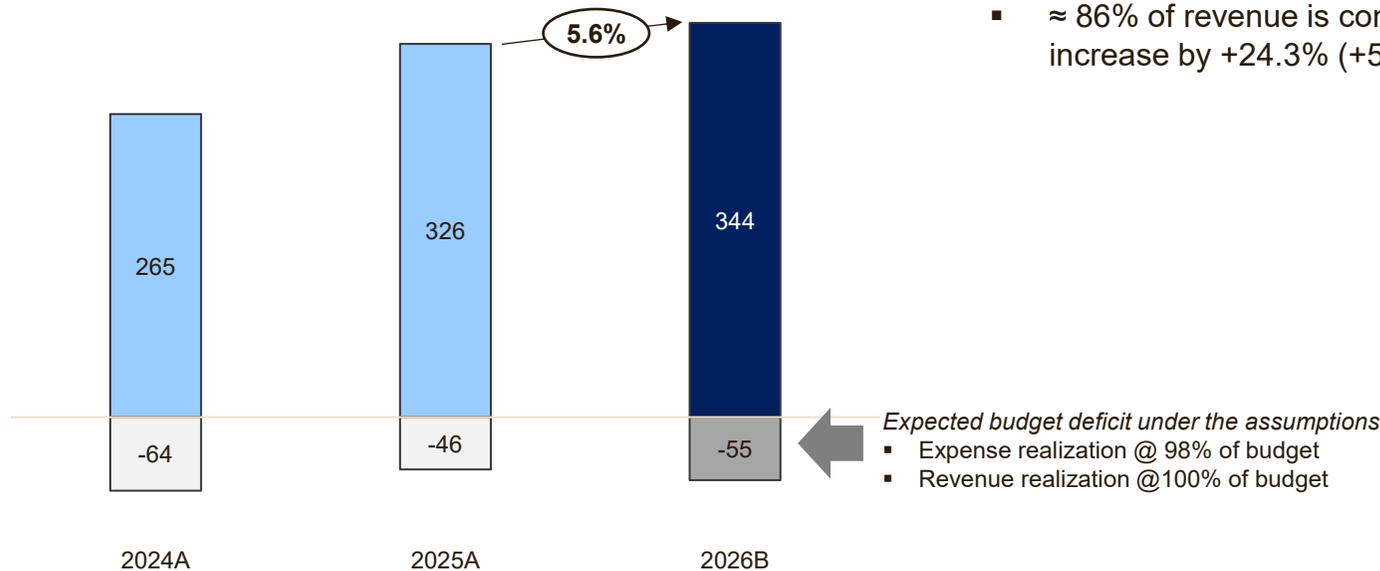
2026 figures converted as per Gov't expectation of 46.60 TL

Expense budget realization (inc. interest expenses)

97.2%

99.3%

■ Revenue □ Budget Deficit



- Central government revenue is forecasted to increase by +24.9% in 2026 in TL terms (*compared to approved revaluation rate of 25.49%*)
- Growth is mostly from tax revenue and revenue from special-budget administrations and other institutions, whereas no growth is budgeted for non-tax revenues
- ≈ 86% of revenue is composed of taxes, which is expected to increase by +24.3% (+5.2% in \$ terms)

Source: Official gazette, Presidency of Strategy and Budget, Min of Treasury and Finance, LC analysis



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