



Budget Balance - January 2013

Economic Research Division



Central Government Budget gave a surplus in January.

According to data announced by Ministry of Finance, central government budget, which gave 1.7 billion TL surplus in January 2012, posted a surplus of 5.9 billion TL in the first month of 2013. The increase in budget surplus in January was due to the higher annual increase in budget revenues compared to the budget expenditures thanks to the increased tax collections. In addition, 82% increase in other revenues (excluding the tax revenues) was also noteworthy. Thus, the primary surplus increased by 57% compared to the same month of the previous year and amounted 11.2 billion TL in January.

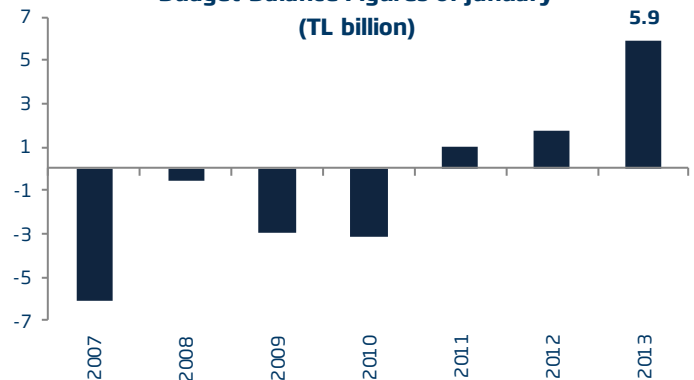
2013 year-end privatization revenue target was reached only in the 1st month of the year.

In January 2013, the central government budget revenue increased by 31% compared to the same month of the previous year. Analysis of the breakdown of budget revenues revealed that the expansion in tax revenues mostly stemmed from the increase in domestic taxes on goods and services thanks to the 55% increase in special consumption tax revenues. During this period, 933 million TL premium income realized from the sale of debt securities also had a positive impact on budget revenues. On the other hand, the privatization tenders in January contributed an additional 4.2 billion TL to budget revenues. Thus, 2013 year-end privatization revenue target of 4 billion TL has already been reached in the first month of the year.

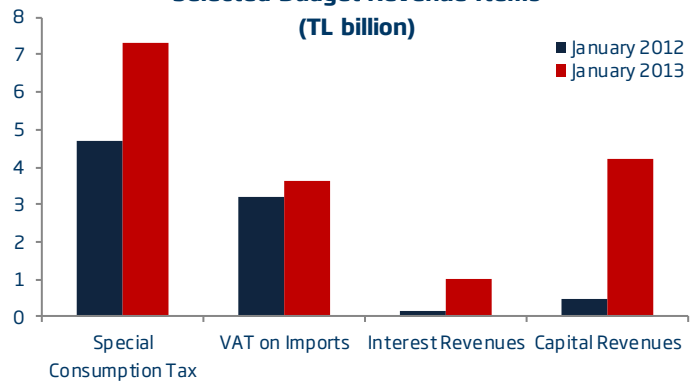
Increase in budget expenditures mostly stemmed from the current transfers.

On the expenditures side, budget expenditures increased by 17% compared to the same month of the previous year. The rise in budget expenditures stemmed from the current transfers which reached 11.2 billion TL due to the release of the funding towards social security system and the local governments in January. On the other hand, limited decline in interest expenditures also made a positive impact on the central government budget in the same period.

Budget Balance Figures of January
(TL billion)



Selected Budget Revenue Items
(TL billion)



Central Government Budget is expected to maintain its favorable outlook in 2013.

The central government budget displayed a favorable performance in the first month of 2013. In the forthcoming period, tax revenues are expected to maintain their upward trend due to the expected recovery in domestic demand and the budget performance is anticipated to follow a favorable course throughout the year. On the other hand, the local elections which will be held in March 2014 might put pressure on budget expenditures in the last quarter of 2013.

Central Government Budget	(TL billion)				
	January		%	Budget Target	Real./Target(%)
	2012	2013	Change		
Expenditures	26.3	30.9	17.4	404.0	7.7
Interest Expenditures	5.4	5.2	-3.1	53.0	9.9
Non-interest Expenditures	21.0	25.7	22.7	351.0	7.3
Revenues	28.1	36.9	31.3	370.1	10.0
Tax Revenues	23.5	28.4	21.3	317.9	8.9
Other Revenues	4.6	8.4	82.1	52.1	16.2
Budget Balance	1.7	5.9	241.2	-34.0	-
Primary Balance	7.1	11.2	56.5	19.0	58.6

Numbers may not add up to total due to rounding

Source: Ministry of Finance

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