



Budget Balance - November 2013

Economic Research Division



Central government budget posted a surplus in November.

According to the data released by the Ministry of Finance, budget revenues increased by 10.7% in November compared to the same month of previous year and were realized as 36.9 billion TL. During the same period, expenditures increased by 9.1% to 30.5 billion TL. Thus, central budget, which posted a surplus of 5.4 billion TL in November 2012, gave a surplus of 6.4 billion TL in November 2013.

Regarding the first 11 months of 2013, budget revenues and expenditures increased by 17.3% and 12.7% compared to the same period of the previous year, respectively. Rate of increase in the budget revenues surpassed that of budget expenditures, thus, budget deficit decreased by 90.7% annually and was realized as 1.2 billion TL. In this period, primary surplus increased by 40.1% and reached 46.8 billion TL.

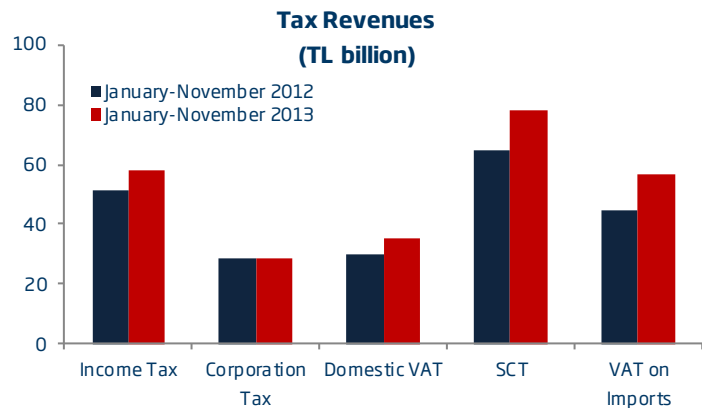
Tax revenues, which lost momentum in October, rebounded in November again.

Rate of increase in tax revenues, which lost momentum in October, rebounded in November and increased by 12.2% compared to the same month of the previous year. Thus, tax revenues were realized as 33.1 billion TL in November. Analyzing the sub-items revealed that revenues collected from Domestic VAT, Special Consumption Tax and VAT on Imports increased by 18%, 16.2% and 21.2%, respectively and kept their positive outlook.

As of the first 11 months of the year, it was seen that majority of the revenue items displayed an outlook parallel to the year-end targets except revenues collected from alcoholic beverages.

Budget expenditures...

In November, non-interest budget expenditures increased by 17.4% compared to the same month of previous year and were realized as 28.7 billion TL while interest expenditures



decreased by 49.3% and limited the increase in the budget expenditures. The increase in non-interest expenditures mainly stemmed from the health, retirement and social aid expenditures monitored under the current transfers item. Besides, salary payments made to the people who are over the age of 65 and in need according to the law no. 2022 together with the agricultural subsidies also made an upward contribution the current transfers.

Analyzing the first 11 month cumulative figures, it was seen that central government budget expenditures reached 88.7% of the year-end target and were realized as 358.2 billion TL. In the same period interest and non-interest expenditures increased by 2.7% and 14.5%, respectively.

Expectations...

During the first 11 months of the year, budget realizations were in line with the year-end targets. In addition, it was seen that the momentum loss in tax revenues recorded in October was temporary and this pointed out that the budget performance would continue its favorable outlook in the coming period. On the other hand, considering the high level of spending recorded in the last month of previous years, it is anticipated that the budget expenditures might accelerate in December and budget deficit might approach to the year-end target.

Central Government Budget

	November		% Change	January-November		% Change	Budget Target	Real./ Target (%)	MTP Real. Estimates
	2012	2013		2012	2013				
Expenditures	27.9	30.5	9.1	317.7	358.2	12.7	404.0	88.7	406.6
Interest Expenditures	3.5	1.8	-49.3	46.7	48.0	2.7	53.0	90.6	50.5
Non-interest Expenditures	24.5	28.7	17.4	271.0	310.2	14.5	351.0	88.4	356.1
Revenues	33.4	36.9	10.7	304.4	357.0	17.3	370.1	96.5	387.2
Tax Revenues	29.5	33.1	12.2	255.7	299.4	17.1	317.9	94.2	325.1
Other Revenues	3.9	3.8	-0.9	48.7	57.6	18.2	52.1	110.5	62.0
Budget Balance	5.4	6.4	18.5	-13.3	-1.2	-90.7	-34.0	3.7	-19.4
Primary Balance	8.9	8.2	-7.9	33.4	46.8	40.1	19.0	245.5	31.1

Numbers may not add up to total due to rounding

Source: Ministry of Finance

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