



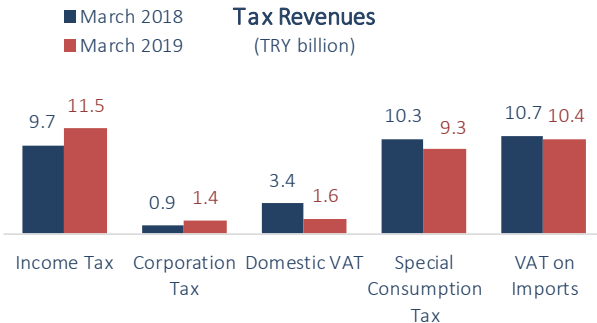
Central government budget deficit was 24.5 billion TRY in March.

Central government budget deficit increased by 21.0% yoy to 24.5 billion TRY in March. During this period, budget expenditures and budget revenues expanded by 15.2% and 12.8%, respectively. The primary deficit, which was 10.6 billion TRY in March 2018, rose by 23.1% to 13.1 billion TRY in the same period this year.

In the first quarter of the year, budget performance was weaker than in the same period of the previous year. While central government budget deficit expanded by 77.1% to 36.2 billion TRY, primary balance posted a deficit of 2.8 billion TRY.

Tax revenues declined on annual basis.

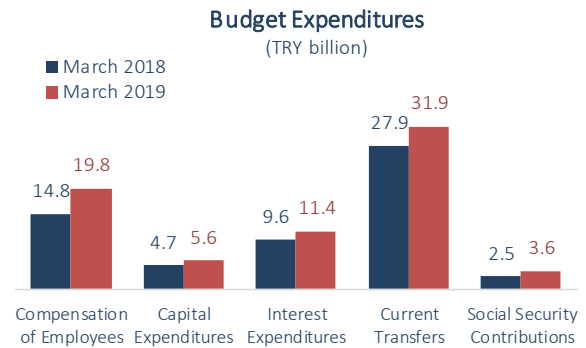
Tax revenues, playing a key role in budget revenues, declined by 0.4% yoy in March. The weak course in domestic VAT and SCT revenues were responsible for this development. Indeed, the said items decreased by 51.1% and 9.8% yoy, respectively. On the other hand, non-tax revenues continue to support budget performance. Portfolio revenues of Treasury and interest, shares and fines contributed to the annual increase in budget revenues (12.8%) by 7.8 and 3.5 points, respectively.



In the first quarter of the year, the rapid rise in property income revenues thanks to increase in portfolio revenues of Treasury stood out. The said item drove budget revenues up by 40.6 billion TRY. On the other hand, tax revenues decreased in real terms by increasing only 5.8% compared to the same period of last year.

Budget expenditures...

In March, personnel expenditures and current transfers made the highest contribution to the rise in budget expenditures (15.2%) by 7.3 points and 5.8 points, respectively. Interest expenditures surged up by 18.7% yoy in March in parallel to the high level of borrowing costs.



Expectations...

In January-March period, budget performance has weakened compared to the same period of the previous year. The course of borrowing costs and economic activity will continue to be influential on budget performance in the rest of the year.

Central Government Budget

(billion TRY)

	March			January-March			2018 Budget Target	Real./Target (%)
	2018	2019	% change	2018	2019	% change		
Expenditures	68.4	78.8	15.2	187.9	254.4	35.4	961.0	26.5
Interest Expenditures	9.6	11.4	18.7	22.3	33.4	49.8	117.3	28.4
Non-Interest Expenditures	58.9	67.5	14.6	165.6	221.1	33.5	843.7	26.2
Revenues	48.2	54.4	12.8	167.4	218.3	30.4	880.4	24.8
Tax Revenues	41.2	41.1	-0.4	145.8	154.3	5.8	756.5	20.4
Other Revenues	7.0	13.3	90.6	21.6	64.0	195.9	123.9	51.7
Budget Balance	-20.2	-24.5	21.0	-20.4	-36.2	77.1	-80.6	44.9
Primary Balance	-10.6	-13.1	23.1	1.9	-2.8	-250.8	36.7	-

Numbers may not add up to total value due to rounding.

Source: Datastream , Ministry of Treasury and Finance

Economic Research Division

izlem Erdem Chief Economist izlem.erdem@isbank.com.tr	ilker Şahin Economist ilker.sahin@isbank.com.tr
Alper Gürler Unit Manager alper.gurler@isbank.com.tr	Gamze Can Economist gamze.can@isbank.com.tr
Hatice Erkiletliođlu Asst. Manager hatice.erkiletlioglu@isbank.com.tr	Ayşim Kalkan Asst. Economist aysim.kalkan@isbank.com.tr

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