

Central government budget gave a deficit of 50.2 billion TRY in April.

In April, budget revenues increased by 75% yoy and became 164.1 billion TRY, while the budget expenditures nearly doubled and amounted to 214.3 billion TRY. Thus, the central government budget deficit widened rapidly by 197% yoy and reached 50.2 billion TRY. In this period, interest expenditures did not show a significant change compared to the same period of last year, while the primary balance, which posted a surplus of 1.7 billion TRY in April 2021, gave a deficit of 31 billion TRY. In the first four months of the year, budget revenues increased by 75.1% yoy and budget expenditures by 81.9% yoy. Thus, the budget balance, which gave a surplus of 5.9 billion TRY in the January-April 2021 period, posted a deficit of 19.4 billion TRY in the same period of this year.

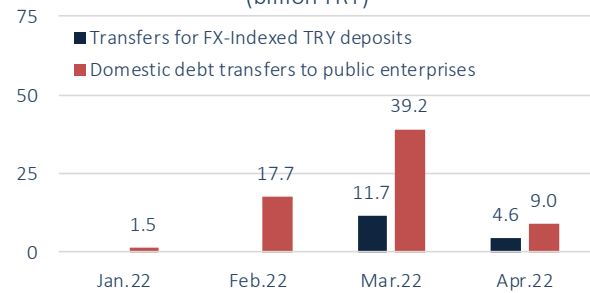
VAT on imports increased rapidly.

Tax revenues expanded by 78.6% yoy in April and reached 136.3 billion TRY. The value added tax on imports, which rose by 131.3% yoy due to the rapid increase in import volume and exchange rate developments, contributed the most to the increase in tax revenues. In addition, despite the limiting effect of the contraction in the domestic automotive market in April, in parallel with the increase in vehicle prices, the SCT taken from motor vehicles went up by 126% on an annual basis. The annual increase in the SCT taken from oil and natural gas products by 3.9 billion TRY also supported the tax revenues. Interest incomes, which were at the level of 6 billion TRY in April 2021, increased by 4 billion TRY on an

Current transfers increased by 128% yoy.

In April, current transfers went up by 128% yoy and amounted to 95 billion TRY. The treasury aid, which rose by 2.4 times due to the rapid increase in health, retirement and social aid expenditures, played an important role in this expansion. In this period, the annual rise in non-interest expenditures was 111.8%, above the annual CPI inflation. While the fertilizer and diesel support made within the scope of area-based agricultural supports decreased by 4.4 billion TRY in April compared to March, domestic debt transfers to public enterprises pushed up the budget expenditures by 11.5 points. Due to the increase in natural gas prices, a total of 7.6 billion TRY payments were made to BOTAŞ and Elektrik Üretimi A.Ş. Thus, in the January-April period, domestic debt transfers to PEs increased approximately 11 times on an annual basis and reached 75.2 billion TRY. In the March-April period, expenses related to the FX-indexed Turkish Lira deposit product were realized as 16.3 billion TRY.

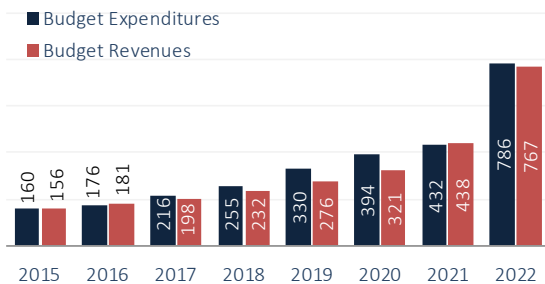
Budget Expenditures
(billion TRY)



Expectations...

In April, the increase in budget expenditures above the revenues led by the continued high rise in energy prices affected the central government budget negatively. The loss of impetus in domestic demand in the face of rising inflation is expected to put pressure on budget revenues in the upcoming period.

Budget Figures
(January-April, TRY billion)



annual basis.

Central Government Budget

	April		%	January-April		%	2022 Budget	
	2021	2022		2021	2022		Target	Real./ Target (%)
Expenditures	110.7	214.3	93.6	432.0	786.0	81.9	1,751.0	44.9
Interest Expenditures	18.6	19.1	3.0	67.5	104.0	54.0	240.4	43.3
Non-Interest Expenditures	92.1	195.1	111.8	364.5	682.0	87.1	1,510.6	45.1
Revenues	93.8	164.1	75.0	437.9	766.6	75.1	1,472.6	52.1
Tax Revenues	76.3	136.3	78.6	331.4	591.4	78.5	1,258.3	47.0
Other Revenues	17.5	27.8	59.3	106.5	175.2	64.5	214.3	81.8
Budget Balance	-16.9	-50.2	196.6	5.9	-19.4	-	-278.4	7.0
Primary Balance	1.7	-31.0	-	73.4	84.6	15.3	-38.0	-

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

Source: Datastream , Ministry of Treasury and Finance

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