



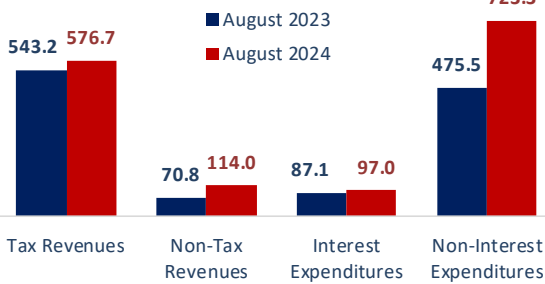
Central government budget posted a deficit of 129.6 billion TRY in August.

In August, central government budget revenues recorded a limited increase by 12.5% yoy and became 690.7 billion TRY, while budget expenditures rose by 45.8% yoy to 820.3 billion TRY. Thus, central government budget posted a deficit of 129.6 billion TRY in August. In this period, primary budget deficit was realized as 32.5 billion TRY. In January-August period, central government budget deficit widened by 153.9% yoy to 973.5 billion TRY.

Tax revenues posted a limited annual increase in August.

In August, tax revenues increased slightly by 6.2% yoy to 576.7 billion TRY. In this period, banking and insurance transaction tax (197.5%), income tax (99.6%) and domestic value-added tax (71.7%) continued to rise rapidly, while corporate tax revenues declined by 87.3% yoy due to the differences in collection periods. Analysis of the sub-items of domestic value-added tax (VAT) reveals that VAT collection based on declaration decreased by 51.1% yoy, while VAT collection through excises from payments surged by 23 times in the same period. In August, special consumption tax (SCT) on tobacco products nearly doubled on an annual basis, while SCT on petroleum and natural gas products increased by 42.3% yoy, below the consumer inflation. On the other hand, the annual decline in SCT on motor vehicles caused the rise in total SCT revenues to be limited by 23.2% yoy.

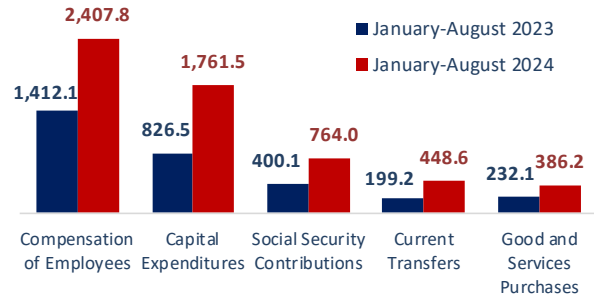
Main Budget Items
(TRY billion)



Capital expenditures rose by 106.5% yoy in August.

Capital expenditures, which increased by 195.6% yoy in July, rose by 106.5% yoy to 75.9 billion TRY in August, due to the rise in real estate capital production expenditures. In this period, personnel expenditures (77.7%), social security premium expenditures (71.4%) and current transfers (61.5%) increased above the annual CPI inflation. In August, interest expenditures rose moderately by 11.4% yoy to 97 billion TRY. On the other hand, it was noteworthy that capital transfers and lending items decreased by 56.1% and 46.1% yoy, respectively.

Budget Expenditures
(TRY billion)



Expectations...

In August, expenditures recorded a relatively moderate rise compared to the annual CPI inflation, while tax revenues increased only slightly, leading the central government budget deficit to widen further. On the other hand, the cumulative budget deficit, which rose to 973.6 billion TRY in the January-August period, constituted 45.3% of the 2,149 billion TRY forecast for the whole year in the Medium-Term Program covering the 2025-2027 period, indicating that realizations continued to be in line with the plan.

Central Government Budget

	August			January-August			(billion TRY)	
	2023	2024	% Change	2023	2024	% Change	MTP Target	Real./ MTP Target (%)
Expenditures	562.7	820.3	45.8	3,382.1	6,226.6	84.1	11,213.1	55.5
Interest Expenditures	87.1	97.0	11.4	400.1	764.0	91.0	1,297.8	58.9
Non-Interest Expenditures	475.5	723.3	52.1	2,982.0	5,462.6	83.2	9,915.4	55.1
Revenues	614.0	690.7	12.5	2,998.7	5,253.0	75.2	9,064.7	58.0
Tax Revenues	543.2	576.7	6.2	2,595.8	4,401.8	69.6	7,605.5	57.9
Other Revenues	70.8	114.0	61.1	402.9	851.2	111.3	1,459.2	58.3
Budget Balance	51.3	-129.6	-	-383.4	-973.6	153.9	-2,148.5	45.3
Primary Balance	138.4	-32.5	-	16.7	-209.5	-	-850.7	24.6

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

Source: Datastream , Ministry of Treasury and Finance

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