



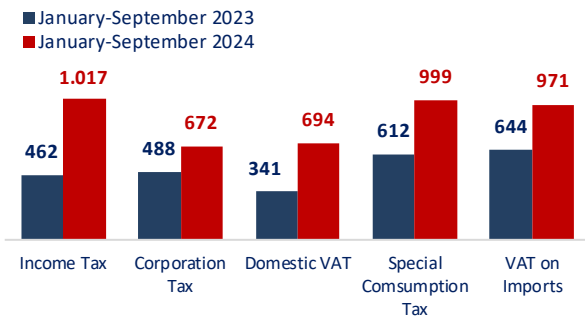
Central government budget posted a deficit of 100.5 billion TRY in September.

In September, budget revenues increased by 88.5% yoy to 831.6 billion TRY, while budget expenditures rose by 63.4% yoy to 932.1 billion TRY due to the increases in personnel expenditures and current transfers. Central government budget deficit narrowed by 22.3% yoy to 100.5 billion TRY in September, while the primary deficit was realized as 48.2 billion TRY. The budget deficit more than doubled to 1.1 trillion TRY in the first 9 months of the year, while the primary deficit reached 161.3 billion TRY.

The annual increase in tax revenues gained momentum in September.

In September, tax revenues increased by 89.6% yoy to 732.2 billion TRY. While the rapid increase in corporate tax was the main driver of this surge, income tax (119%) and domestic value-added tax (62.4%) contributed 140.8 billion TRY and 90.8 billion TRY, respectively. Analysis of the sub-items of domestic value added tax (VAT) reveals that VAT collection based on declaration decreased by 47.4% yoy, while VAT collection through excises from payments continued to increase rapidly by 1.610% yoy. On the other hand, special consumption tax (SCT) on motor vehicles contracted by 5.8% yoy due to the ongoing negative course in the automobile market, causing the annual increase in total SCT revenues to be limited to 28.7%.

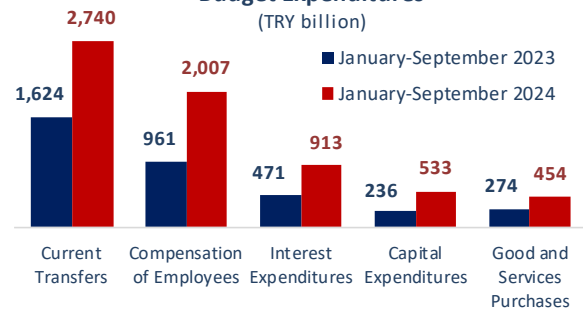
Tax Revenues
(billion TRY)



Interest expenditures rose by 110.1% yoy in September.

Interest expenditures surged by 110.1% yoy in September. In September, capital expenditures increased by 127% compared to the same month of the previous year and reached 84.3 billion TRY due to the rapid increase in immovable capital produce expenditures. In this period, compensation of employees (82.5%), social security contributions (75.5%), and current transfers (56.9%) also increased above the annual CPI inflation rate. On the other hand, it was noteworthy that capital transfers and lending items decreased by 79.2% yoy and 33.8% yoy, respectively.

Budget Expenditures
(TRY billion)



Expectations...

In September, budget expenditures increased at a slower pace than revenues on an annual basis, pointing to a favorable outlook. Moreover, the cumulative budget deficit, which reached 1.1 trillion TRY in the January-September period, constituted 50% of the 2,149 TRY billion target set for the whole year in the Medium Term Program. In this framework, according to the MTP target, there is enough room in the last 3 months of the year to cover the budget deficit recorded in the first 9 months.

Central Government Budget

(billion TRY)

	September		% Change	January-September		% Change	MTP Target	Real./ MTP Target (%)
	2023	2024		2023	2024			
Expenditures	570.5	932.1	63.4	3,952.6	7,158.6	81.1	11,213.1	63.8
Interest Expenditures	70.8	148.7	110.1	470.9	912.7	93.8	1,297.8	70.3
Non-Interest Expenditures	499.7	783.4	56.8	3,481.7	6,246.0	79.4	9,915.4	63.0
Revenues	441.3	831.6	88.5	3,440.0	6,084.6	76.9	9,064.7	67.1
Tax Revenues	386.2	732.2	89.6	2,982.0	5,134.1	72.2	7,605.5	67.5
Other Revenues	55.0	99.4	80.5	457.9	950.6	107.6	1,459.2	65.1
Budget Balance	-129.2	-100.5	-22.3	-512.6	-1,074.0	109.5	-2,148.5	50.0
Primary Balance	-58.5	48.2	-	-41.7	-161.3	286.5	-850.7	19.0

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

Source: Datastream , Ministry of Treasury and Finance

Economic Research Division

Alper Grler
Division Head
alper.gurler@isbank.com.tr

Berkay Arık
Asst.Economist
berkay.arik@isbank.com.tr

H.Erhan Gl
Unit Manager
erhan.gul@isbank.com.tr

Utkan İnam
Asst.Economist
utkan.inam@isbank.com.tr

Dilek Sarsın Kaya
Asst.Manager
dilek.kaya@isbank.com.tr

Hilal Bşra Ceylan
Asst.Economist
bsra.ceylan@isbank.com.tr

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