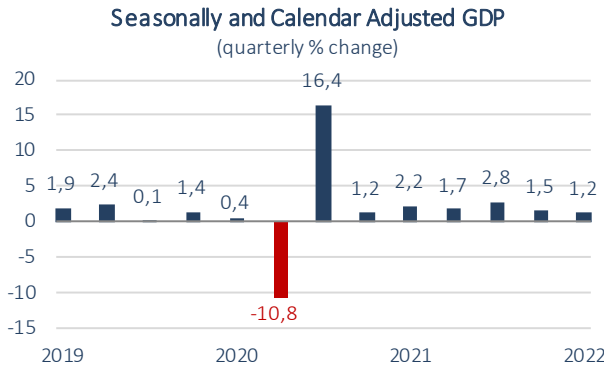


The Turkish economy grew by 7.3% in the first quarter.

According to the chain-linked volume index, the Turkish economy grew by 7.3% on an annual basis in the first quarter of 2022, in line with market expectations. Thus, strong performance of economic activity since the past year continued, albeit losing some momentum in the first quarter of this year.

	2021					2022
	Q1	Q2	Q3	Q4	Annual	Q1
Consumption	4.2	14.5	6.4	12.2	9.3	11.7
Private	4.2	14.0	5.5	12.5	9.0	11.6
Public	0.0	0.5	1.0	-0.3	0.3	0.1
Investment	3.1	5.5	-0.5	-0.2	1.7	0.3
Stock Change	-1.2	-5.1	-5.4	-7.0	-4.8	-8.1
Net Exports	1.2	7.0	6.9	4.2	4.9	3.5
Exports	0.9	11.0	5.0	4.8	5.3	3.9
Imports	0.2	-4.0	1.9	-0.6	-0.4	-0.5
GDP (yoy, %)	7.3	21.9	7.5	9.1	11.0	7.3

According to the seasonally and calendar adjusted figures, the Turkish economy grew by 1.2% in the first quarter of 2022 compared to the previous quarter. Economic activity had expanded by 1.5% qoq in the last quarter of 2021.



Due to the rapid rise in inflation, in the first quarter of 2022, the Turkish economy expanded by 79.5% at current prices compared to the same period of the previous year. Thus, at current prices, the cumulative size of the Turkish economy for 4 quarters exceeded 8.3 trillion TRY as of the first quarter. In this period, GDP in USD was 793.8 billion USD.

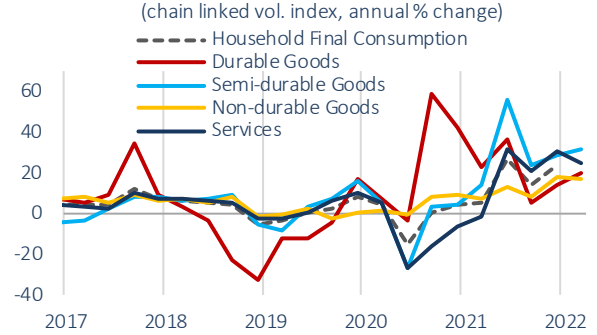
The strong contribution of private consumption continued.

The contribution of private consumption expenditures came to the fore in the strong growth performance recorded in the first quarter of 2022. Pulled-forward demand due to the deterioration in inflation expectations also played an important role in this development. In the first quarter of the year, the annual increase in expenditures on durable and semi-durable goods accelerated compared to the last quarter of 2021, while consumption expenditures on non-durable goods and services lost momentum.

Numbers may not add to total due to rounding.

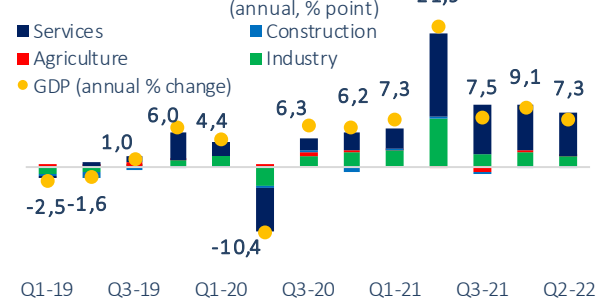
(*) Taxes and subsidies excluded.

Household Final Consumption Expenditures



According to the chain-linked volume index, the contribution of net exports to growth remained strong with 3.5 points due to the expansion in export volume in the first quarter of the year. Investment expenditures, which limited growth in the second half of last year, supported growth in the first quarter of 2022 with the increase in machinery-equipment investments. The stock change, including the statistical error margin, limited the growth by 8.1 points in the first quarter of the year.

Contributions to GDP Growth by Production Approach*



The construction industry continued to limit growth.

Analyzing the contributions by production method, in the first quarter of the year services and industry sectors contributed to growth by 6.6 and 1.6 points, respectively. The construction sector, which had limited growth since the second half of last year, maintained the same course and reduced GDP growth by 0.4 points.

Analyzing growth figures in accordance with economic activity reveal that 24.2% annual increase in finance and insurance activities and the 7.2% contraction in construction sector activities in the first quarter of the year drew attention.

Expectations...

Leading indicators point out that the economic activity, which displayed a rapid growth in the first quarter of the year due to the pulled-forward consumption demand and strong export performance, lost some momentum in the second quarter. Domestic price developments may also put pressure on growth in the following period.

Source: Datastream, Turkstat

Economic Research Division

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

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

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

İlker Şahin
Economist
ilker.sahin@isbank.com.tr

Our reports are available on our website <https://research.isbank.com.tr>

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