

## GDP Growth Q1-2024

### Turkish economy grew by 5.7% in the first quarter of 2024.

According to chain linked volume index, Turkish economy grew by 5.7% yoy in the first quarter of 2024, in line with market expectations. Having grown by 1.0% qoq in the last quarter of 2023 according to seasonally and calendar adjusted figures, Turkish economy gained momentum and expanded by 2.4% qoq in 2024 Q1.

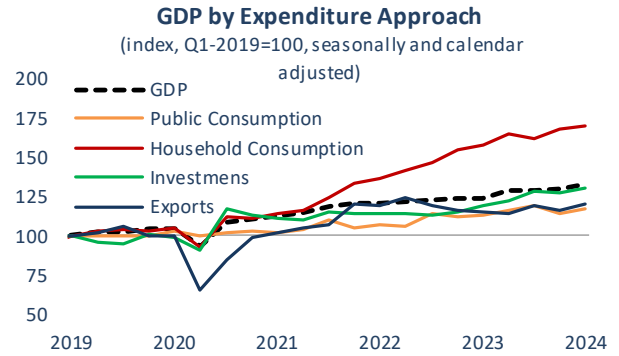
As of the first quarter of 2024, the annualized GDP of Türkiye reached 30.5 trillion TRY at current prices and approximately 1.2 trillion in USD terms.

Contributions to Growth	(% points)					
	2023					2024
	Q1	Q2	Q3	Q4	Annual	Q1
<b>Consumption</b>	<b>12.0</b>	<b>11.3</b>	<b>8.6</b>	<b>7.0</b>	<b>9.6</b>	<b>6.0</b>
Private	11.2	10.5	7.7	6.7	8.9	5.5
Public	0.8	0.8	1.0	0.2	0.7	0.5
<b>Investment</b>	<b>0.9</b>	<b>1.4</b>	<b>3.4</b>	<b>2.6</b>	<b>2.2</b>	<b>2.6</b>
<b>Stock Change</b>	<b>-5.5</b>	<b>-2.5</b>	<b>-3.4</b>	<b>-5.0</b>	<b>-4.1</b>	<b>-4.4</b>
<b>Net Exports</b>	<b>-3.4</b>	<b>-6.3</b>	<b>-2.6</b>	<b>-0.6</b>	<b>-3.1</b>	<b>1.6</b>
Exports	-0.8	-2.5	0.3	0.1	-0.7	0.9
Imports	-2.6	-3.8	-2.9	-0.6	-2.4	0.6
<b>GDP (yoy, %)</b>	<b>4.0</b>	<b>3.9</b>	<b>6.1</b>	<b>4.0</b>	<b>4.5</b>	<b>5.7</b>

Numbers may not add to total due to rounding.

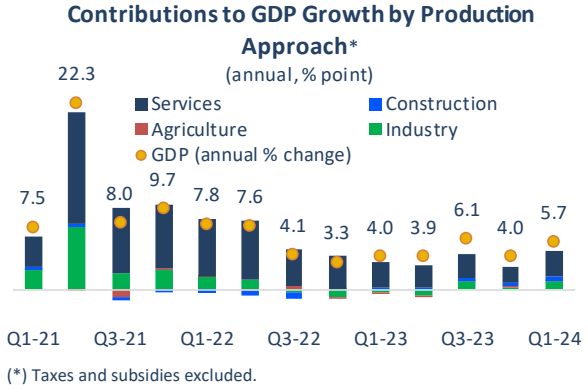
### Net exports made a positive contribution to growth.

According to chain linked volume index, the contribution of private consumption expenditures to growth continued to decelerate gradually in the first quarter of the year and became 5.5 points, the lowest level since the first quarter of 2021. In this period, the contribution of public expenditures to growth was realized as 0.5 points. Construction as well as machinery and equipment investments continued to support growth in the first quarter of the year due to ongoing effects of the earthquake disaster. In this period, investment expenditures, which increased by 10.3% yoy in real terms, made a contribution of 2.6 points to growth. Thus, consumption and investment expenditures made a total contribution of 8.5 points to growth in the first quarter of the year. Net exports also made a positive contribution to growth (by 1.6 points) for the first time since 2022 Q3. The positive contribution was driven by the increase in exports as well as the relatively weak outlook in imports.



### Services sector made a strong contribution to growth.

According to production approach, services sector expanded by 4.8% yoy and made the highest contribution to growth by 2.9 points in the first quarter of the year. In this period, industrial sector grew by 4.9% yoy and contributed 1.0 point to annual GDP growth. It was also noteworthy that construction sector's production grew by 11.1% yoy. Thus, the sector recorded double-digit growth for two consecutive quarters, and contributed 0.5 points to growth in the first quarter. Agriculture sector made a limited contribution of 0.1 points, hence, all sectors contributed positively to growth in the first quarter of the year.



### Expectations...

Due to the lagged effects of the monetary tightening steps taken to fight inflation, we anticipate that domestic demand will remain under pressure as of the second quarter of the year, thus the contribution of private consumption to growth will continue to decline. Considering the limited real appreciation of Turkish lira and the acceleration of imports in April, we believe that net exports' effect on growth will be more determinant.

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