

## GDP Growth

### Q2-2025

#### Turkish economy grew by 4.8% yoy in the second quarter.

According to chain-linked volume index, Turkish economy grew by 4.8% yoy in the second quarter of 2025, exceeding market expectations. Turkstat revised annual growth for 2024 from 3.2% to 3.3% and for the first quarter of 2025 from 2% to 2.3%. Thus, Turkish economy grew by 3.6% yoy in the first half of the year.

In the second quarter of the year, calendar-adjusted annual growth was realized as 4.6%. According to seasonally and calendar-adjusted figures Turkish economy grew by 1.6% qoq in the second quarter of the year. On the other hand, GDP growth was revised down from 1% to 0.7% in the first quarter of the year as a result of the upward revision to last year's figures.

As of the second quarter of 2025, the annualized GDP of Türkiye was recorded at 52.4 trillion TRY at current prices and approximately 1.5 trillion USD.

Contributions to Growth		(% points)			
	2023	2024	2025		
	Annual	Annual	Q1	Q2	H1
<b>Consumption</b>	<b>7.1</b>	<b>2.8</b>	<b>1.4</b>	<b>2.8</b>	<b>2.1</b>
Private	6.8	3.0	1.1	3.4	2.3
Public	0.3	-0.1	0.2	-0.6	-0.2
<b>Investment</b>	<b>1.8</b>	<b>0.7</b>	<b>0.5</b>	<b>2.2</b>	<b>1.4</b>
<b>Stock Change</b>	<b>-0.9</b>	<b>-1.2</b>	<b>0.9</b>	<b>1.2</b>	<b>1.0</b>
<b>Net Exports</b>	<b>-3.0</b>	<b>1.0</b>	<b>-0.5</b>	<b>-1.4</b>	<b>-0.9</b>
Exports	-0.6	0.0	0.0	0.4	0.2
Imports	-2.4	1.0	-0.5	-1.8	-1.2
<b>GDP (yoy, %)</b>	<b>5.0</b>	<b>3.3</b>	<b>2.3</b>	<b>4.8</b>	<b>3.6</b>

Note: Numbers may not add to total due to rounding.

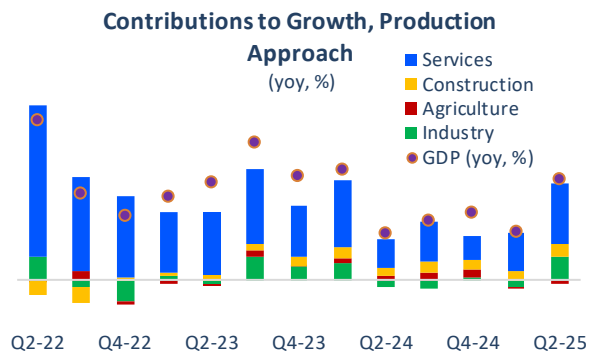
#### Private consumption expenditures rose rapidly in the second quarter.

According to the chain-linked volume index, private consumption expenditures expanded by 5.1% yoy in the second quarter of the year, contributing 3.4 points to growth, the highest level since the first quarter of 2024. The increase in private consumption expenditures was driven by the rapid rise in durable goods and service expenditures in the second quarter. During this period, public consumption expenditures decreased by 5.2% yoy, limiting growth by 0.6 points. Investment spending, which was weak in the first quarter of the year, contributed 2.2 points to growth in the second quarter, the highest record since the second quarter of 2023. Construction and machinery&equipment investments contributed equally to growth with 1.1 points each, indicating that investment spending was balanced well during this period. Thus, consumption and investment expenditures contributed a total of 5.0 points to growth in the second quarter of the year. On the other hand, although exports gained some momentum in the second quarter compared to the first quarter,

increasing by 1.7% on an annual basis, net exports had a limiting effect on growth by 1.4 points due to imports accelerating more rapidly during the same period, rising by 8.8%. Thus, net exports continued to limit the growth since the last quarter of 2024. The inventory change item, which also includes the statistical error margin, contributed positively to growth (by 1.2 points) in the second quarter, as it did in the first quarter.

#### In the second quarter, all sectors contributed positively to growth, except agriculture.

According to production approach, the services sector, whose annual production growth accelerated to 4.7%, continued to be the sector with the highest contribution to growth with 2.8 points. Additionally, the contribution of the services sector to growth reached its highest level since the first quarter of 2024. On the other hand, industrial production, which contracted by 1.7% yoy in the first quarter of 2025, expanded rapidly by 6.1% in the second quarter. Thus, the industrial production made a positive contribution of 1.2 points to growth in the second quarter. During this period, the construction sector, whose production surged by 10.9% yoy, continued its positive contribution to growth, which has been ongoing since the last quarter of 2022, with 0.6 points. On the other hand, in the second quarter agriculture sector limited growth (by 0.1 points) for the first time since the first quarter of 2023.



#### Expectations...

The acceleration in private consumption expenditures in the second quarter of the year indicated that domestic demand remained robust despite the tight monetary policy stance. During this period, the annual decline in public consumption expenditures was noteworthy for the disinflation process, while the balanced contribution of construction and machinery&equipment investments to growth was a positive development for sustainable growth performance. In the upcoming period, the effects of disinflationary policies on demand conditions will be the key determinant of growth performance.

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