

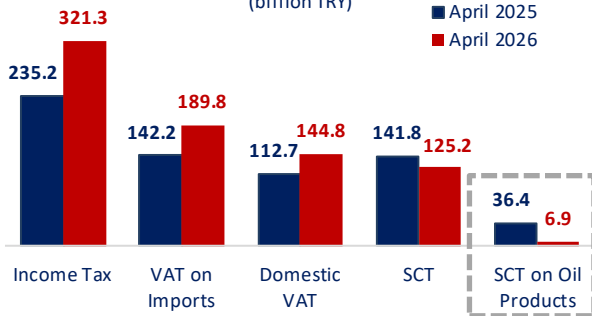


### Central government budget deficit was 338.7 billion TRY in April.

In April, central government budget expenditures rose by 34.7% yoy to 1.5 trillion TRY, while budget revenues increased more moderately by 23.9% yoy to 1.2 trillion TRY. Thus, the central government budget deficit nearly doubled on an annual basis reaching 338.7 billion TRY in April. In this period, Treasury cash flows indicated a deficit of 251.2 billion TRY. Meanwhile, the primary budget balance, which had recorded a surplus in the first three months of the year, posted a deficit of 81.1 billion TRY in April.

The budget deficit, which amounted to 758.8 billion TRY in the January-April period, declined by 14.3% yoy. The primary budget balance, which posted a deficit of 160.9 billion TRY in the first four months of 2025, recorded a surplus of 374.9 billion TRY in the same period of this year.

#### Tax Revenues (billion TRY)



#### The sliding-scale system limited the increase in tax revenues.

In April, tax revenues, which accounted for 85.3% of central government budget revenues, increased by 28.5% yoy (March: 63.9%), below the annual inflation, and became 1.0 trillion TRY. Due to the delayed collection structure of special consumption tax (SCT) on oil products, the impact of the sliding-scale system introduced on March 5 became evident in April. During this period, SCT revenues from petroleum and natural gas products declined by 81.2% yoy to 6.9 billion TRY. Meanwhile, SCT revenues from tobacco products decreased by 4.0% yoy, while the increase in SCT revenues from motor vehicles was limited to 9.5%. On the other hand, income tax rose by 36.6% yoy to 321.3 billion TRY in April, while corporate tax increased by 12.4% to 33.4 billion TRY. During this period, annual increases in value added tax (VAT) on domestic sales and imports were 28.5% and 33.5%, respectively.

#### Central Government Budget

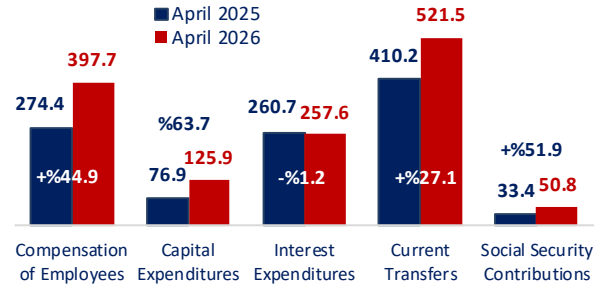
	April		%	January-April		%	2026 Budget Target	Real/ Budget Target (%)
	2025	2026		2025	2026			
<b>Expenditures</b>	<b>1,132.1</b>	<b>1,524.9</b>	<b>34.7</b>	<b>4,249.7</b>	<b>5,950.3</b>	<b>40.0</b>	<b>18,978.8</b>	<b>31.4</b>
Interest Expenditures	260.7	257.6	-1.2	724.6	1,133.7	56.5	2,741.7	41.4
Non-Interest Expenditures	871.5	1,267.3	45.4	3,525.1	4,816.6	36.6	16,237.2	29.7
<b>Revenues</b>	<b>957.4</b>	<b>1,186.2</b>	<b>23.9</b>	<b>3,364.2</b>	<b>5,191.5</b>	<b>54.3</b>	<b>16,266.1</b>	<b>31.9</b>
Tax Revenues	787.4	1,012.2	28.5	2,810.1	4,372.6	55.6	13,833.1	31.6
Other Revenues	170.0	174.0	2.3	554.1	819.0	47.8	2,433.0	33.7
<b>Budget Balance</b>	<b>-174.7</b>	<b>-338.7</b>	<b>93.9</b>	<b>-885.5</b>	<b>-758.8</b>	<b>-14.3</b>	<b>-2,712.7</b>	<b>28.0</b>
<b>Primary Balance</b>	<b>85.9</b>	<b>-81.1</b>	<b>-</b>	<b>-160.9</b>	<b>374.9</b>	<b>-</b>	<b>29.0</b>	<b>-</b>

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

### Interest expenses declined yoy in April.

In April, interest expenses fell by 1.2% yoy, marking the first decline in four months. Consequently, the share of interest expenses in total budget expenditures, which stood at 23% in April 2025, declined to 17% in the same month this year. In this period, non-interest expenditures rose by 45.4% yoy to 1.3 trillion TRY. Current transfers, which accounted for 41% of non-interest expenditures, increased by 27.1% yoy, while the three categories comprising 22% of total expenditures, Social Security Institution state premium expenditures, goods and services procurement expenditures, and capital expenditures rose by 51.9%, 60.9%, and 63.7%, respectively, exceeding inflation and putting pressure on the budget. When examined by growth rate, the highest annual increases in expenditures were in capital transfers and lending, at 750% and 396%, respectively. In April, 24.7 billion TRY was transferred to public enterprises and 91.2 billion TRY to social security institutions under current transfers.

#### Budget Expenditures (billion TRY)



#### Expectations...

In April, the budget deficit widened on an annual basis, partly due to the impact of the sliding-scale system on tax revenues. On the other hand, as interest expenses slowed down during this period, the cumulative budget deficit remains below the level recorded in the same period last year. As of the first four months of the year, the budget deficit accounted for 28% of the target for the full year 2026. The continued pressure on tax revenues from the sliding-scale system due to high oil prices, along with potential pressures on economic activity in the coming period, remain the most significant risk factors for the central government budget outlook.

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