



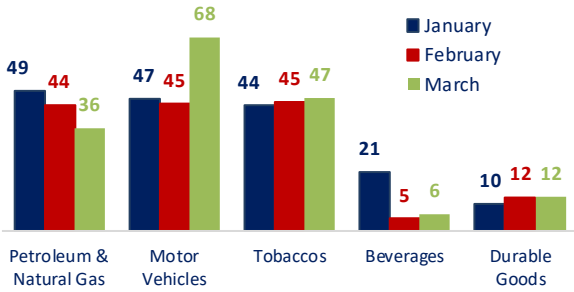
**The central government budget recorded a deficit of 229.9 billion TRY in March.**

In March, central government budget revenues rose by 60.6% yoy to 1.2 trillion TRY, while budget expenditures increased relatively more modest by 42.1% yoy, reaching 1.5 trillion TRY. Consequently, the central government budget deficit decreased by 12.1% yoy in March, standing at 229.9 billion TRY. During the same period, the Treasury cash deficit was 279.6 billion TRY. In March, the primary budget balance recorded a surplus of 6.1 billion TRY. In the first quarter of the year the budget deficit, which stood at 420 billion TRY, decreased by 40.9% compared to the same period last year, while the primary budget balance, which had recorded a deficit of 246.9 billion TRY in the same period of 2025, posted a surplus of 456 billion TRY.

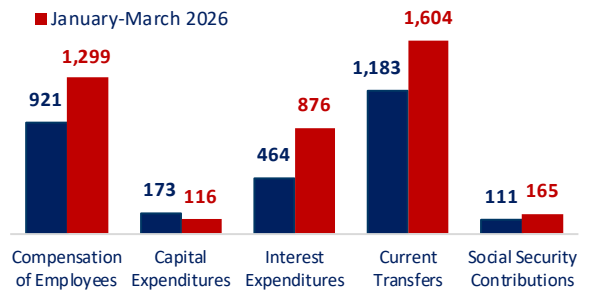
**Interest expenditures rose by 89% yoy in the first quarter.**

In March, interest expenditures increased by 46.3% yoy to reach 236 billion TRY, accounting for 16% of total budget expenditures. During this period, 180.2 billion TRY of interest expenses consisted of domestic debt, while 30.2 billion TL consisted of foreign debt. In March, non-interest expenditures rose by 41.3% yoy to 1.2 trillion TRY. Personnel expenses, which accounted for 33% of non-interest expenditures, rose by 44% yoy to 406.4 billion TRY, while current transfers, which accounted for 44%, increased by 45.1% to 542.2 billion TRY. In March, expenditures in the categories of SGK state premium expenses (49.6%), goods and services procurement expenses (41.1%), capital transfers (436%), and lending (129%) also rose above the annual inflation rate, putting pressure on the budget balance, while capital expenditures were the only category to contract by 30%, thereby limiting overall spending.

**Special Consumption Tax Revenues**  
(2026, billion TRY)



**Budget Expenditures**  
(billion TRY)



**Tax revenues reached 1.1 trillion TRY in March.**

Tax revenues, which accounted for 85.9% of the central government's budget revenues in March, rose by 63.9% yoy to 1.1 trillion TRY. Income tax increased by 81% yoy to 312.3 billion TRY, while corporate tax became 22.3 billion TRY. In March, special consumption tax (SCT) revenues increased by 29% yoy to 171.1 billion TRY. Due to the impact of the sliding-scale system implemented on March 5, the increase in SCT on petroleum and natural gas products remained relatively limited at 11.6% yoy. During this period, the increase in SCT on motor vehicles also remained limited at 11.8%, while SCT on tobacco products rose by 99.8%. Meanwhile, the annual increases of 127.2% and 86.3% in domestic VAT and in "interest, dividends, and penalties", respectively, supported budget revenues.

**Expectations...**

In March, despite the sliding-scale system and high interest expenses, the budget deficit narrowed by 12.1% yoy as budget revenues grew at a faster pace than expenditures, presenting a relatively positive outlook. As of the first quarter, the budget deficit also accounted for 15.5% of the 2026 annual budget target. On the other hand, the persistence of high oil prices and the potential pressure on economic activity stand out as the most significant risk factors for the central government budget in the coming period.

**Central Government Budget**

	March			January-March			2026 Budget	
	2025	2026	% Change	2025	2026	% Change	Target	Real/ Budget Target (%)
<b>Expenditures</b>	<b>1,027.7</b>	<b>1,460.4</b>	<b>42.1</b>	<b>3,117.6</b>	<b>4,425.4</b>	<b>42.0</b>	<b>18,978.8</b>	<b>23.3</b>
Interest Expenditures	161.2	236.0	46.3	463.9	876.1	88.8	2,741.7	32.0
Non-Interest Expenditures	866.5	1,224.5	41.3	2,653.6	3,549.4	33.8	16,237.2	21.9
<b>Revenues</b>	<b>766.3</b>	<b>1,230.5</b>	<b>60.6</b>	<b>2,406.8</b>	<b>4,005.4</b>	<b>66.4</b>	<b>16,266.1</b>	<b>24.6</b>
Tax Revenues	645.1	1,057.2	63.9	2,022.7	3,360.4	66.1	13,833.1	24.3
Other Revenues	121.2	173.4	43.1	384.0	645.0	68.0	2,433.0	26.5
<b>Budget Balance</b>	<b>-261.5</b>	<b>-229.9</b>	<b>-12.1</b>	<b>-710.8</b>	<b>-420.0</b>	<b>-40.9</b>	<b>-2,712.7</b>	<b>15.5</b>
<b>Primary Balance</b>	<b>-100.2</b>	<b>6.1</b>	<b>-</b>	<b>-246.9</b>	<b>456.0</b>	<b>-</b>	<b>29.0</b>	<b>1,574.5</b>

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](mailto:alper.gurler@isbank.com.tr)

Bra Ceylan  
Asst. Economist  
[busra.ceylan@isbank.com.tr](mailto:busra.ceylan@isbank.com.tr)

H. Erhan Gl  
Unit Manager  
[erhan.gul@isbank.com.tr](mailto:erhan.gul@isbank.com.tr)

Onuray Gnaydın  
Asst. Economist  
[onuray.gunaydin@isbank.com.tr](mailto:onuray.gunaydin@isbank.com.tr)

Dilek Sarsın Kaya  
Asst. Manager  
[dilek.kaya@isbank.com.tr](mailto:dilek.kaya@isbank.com.tr)

---

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

### LEGAL NOTICE

This report has been prepared by Trkiye İ Bankası A.. economists and analysts by using the information from publicly available sources believed to be reliable, solely for information purposes; and they are not intended to be construed as an offer or solicitation for the purchase or sale of any financial instrument or the provision of an offer to provide investment services. The views, opinions and analyses expressed do not represent the official standing of Trkiye İ Bankası A.. and are personal views and opinions of the analysts and economists who prepare the report. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained in this report. All information contained in this report is subject to change without notice, Trkiye İ Bankası A.. accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents

This report is copyright-protected. Reproducing, publishing and/or distributing this report in whole or in part is therefore prohibited. All rights reserved.