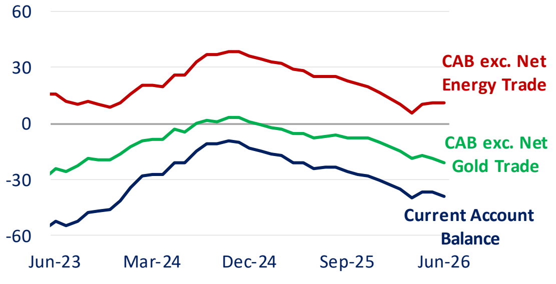
## Current account deficit stood at 4.2 billion USD in June.

The widening in the foreign trade deficit as defined by the balance of payments led the current account deficit to increase by 85% yoy in June. Nevertheless, supported by the favorable performance of services revenues, the current account posted a deficit of 4.2 billion USD, below the market expectations of 5.0 billion USD. In the January–June period, the current account deficit rose by 33% yoy to 34.5 billion USD, while the 12-month cumulative deficit stood at 38.9 billion USD.

**Current Account Balance**
(12-month cumulative, billion USD)




## The foreign trade deficit increased by 18.0% in the first half of the year.

In June, the current account-defined trade deficit widened by 31% yoy to 8.5 billion USD. During this period, net non-monetary gold imports amounted to 1.2 billion USD, and net energy imports to 4.5 billion USD. The current account balance, excluding net gold and energy trade, posted a surplus of 1.5 billion USD. In parallel with the rapid rise in imports, the annual increase in the foreign trade deficit in January-June period was 18.0%. During this period, in line with price developments, net non-monetary gold imports decreased by 21%, while net energy imports increased by 10.3%.

## Net services revenues rose by 12.5% yoy in June.

In June, net services revenues supported the current account balance, rising by 12.5% yoy to 6.9 billion USD. During this period, services revenues increased by 7.2%, while services expenditures recorded a limited rise of 1.1%. This was mainly driven by the 15.7% increase in transportation revenues, which accounted for 35% of total services revenues, as well as the marked decline in other business services expenditures. On the other hand, tourism revenues, which made up 48% of services revenues, declined by 2.6% yoy to 5.8 billion USD, while tourism expenditures remained broadly flat at 942 million USD. Thus, net tourism revenues fell by 3.2% to 4.9 billion USD. In the first half of the year, net tourism revenues and total net services revenues increased by 1.7% and 1.0% yoy, respectively.

## CBRT revised the financial account and net errors & omissions data.

Following the revisions made by the CBRT to the financial account, the cumulative outflow recorded under net errors and omissions for the January 2023–May 2026 period was revised down from 57.8 billion USD to 23.5 billion USD. Net errors and omissions posted a limited surplus of 39 million USD in June, while recording a cumulative deficit of 14.7 billion USD in the first half of the year.

With these revisions, the CBRT began reporting financial derivative transactions, which had not previously been included in the statistics, as a separate item under the financial account. Under this item, assets and liabilities declined by 1.6 billion USD and 2.1 billion USD, respectively, in June, resulting in a net capital outflow of 467 million USD.

**Effects of the CBRT Revisions on Net Errors and Omissions Item (NEO)**

| *(billion USD)* | 2014-2024 | 2025 | 2026* | Total |
|---|---|---|---|---|
| **Pre-Revision NEO** | **-26.6** | **-18.8** | **-18.5** | **-34.3** |
| External Deposit Movements | -13.0 | -4.9 | -1.1 | -13.3 |
| Financial Derivatives | 0.0 | -4.8 | -2.3 | -6.5 |
| Domestic Foreign Banknote Mov. | -29.0 | -3.0 | -0.9 | 0.0 |
| **Post-Revision NEO** | **0.0** | **-6.1** | **-14.2** | **-14.5** |

**January-May*

## Net capital outflows from direct investment continued.

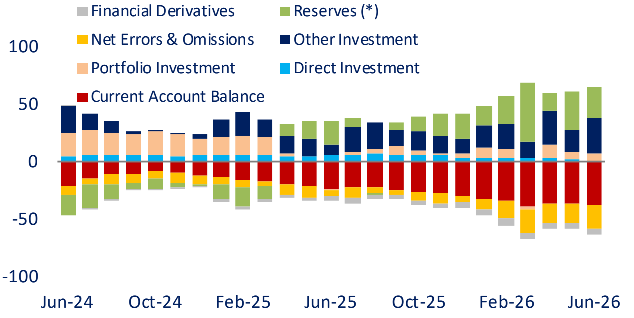
In June, non-residents' direct investments in Türkiye stood at 210 million USD, the lowest level in eight months, while residents' direct investments abroad amounted to 1.1 billion USD. Consequently, direct investment continued to post a net capital outflow, amounting to 899 million USD during the month. In the first half of this year, the direct investment item recorded a net capital outflow of 1.1 billion USD, compared with a net inflow of 1.7 billion USD in the same period last year.

## Net capital inflow of 2.5 billion USD into portfolio investments…

Portfolio investments, which have displayed a volatile course since the beginning of the year due to geopolitical developments, recorded a net capital inflow of 2.5 billion USD in June. The 3.3 billion USD increase in investment fund shares held by non-residents was the main driver of this inflow. During the same period, non-residents' purchases of debt securities accelerated to 1.7 billion USD. In the first six months of the year, net capital inflows through portfolio investments declined by 72% yoy to 1.1 billion USD.

**Net Capital Flows**

(12-month cumulative, billion USD)




*Negative values in reserves indicate an increase in reserves.

### Capital inflows accelerated in other investments.

Net capital inflows under other investments accelerated to 4.0 billion USD in June. During this period, net capital inflows under loans reached 6.8 billion USD, the highest level in the past six months, making it the main factor supporting the other investments item. Banks utilized 3.5 billion USD net loans from abroad, while the non-banking sectors utilized 1.8 billion USD. According to 12-month cumulative data, long-term debt rollover ratios remained at high levels as of June, standing at 151.3% in the banking sector and 231.4% in other sectors. On the other hand, a 3.6 billion USD decline in foreign banks' foreign exchange and deposit holdings with domestic correspondent banks limited capital inflows under other investments.

In the first six months of the year, net capital inflows under other investments amounted to 22.1 billion USD, compared to 3.6 billion USD in the same period of last year.

### Expectations...

Preliminary data released by the Ministry of Trade indicate that the foreign trade deficit continued to widen on an annual basis in July, rising by 14.0% in parallel with higher energy prices. In this context, the impact of ongoing geopolitical uncertainties in the Middle East on commodity prices, particularly energy prices, will remain closely monitored in terms of the current account outlook. Economic activity in Türkiye's main export markets, particularly in European countries, and the course of tourism revenues as the summer season continues will also be key determinants of the current account outlook.

**Balance of Payments** (million USD)

| | Jun. | Jan. - Jun. | | % | 12-month |
|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | Change | Cumulative |
| **Current Account Balance** | **-4,194** | **-25,998** | **-34,548** | **32.9** | **-38,888** |
| Foreign Trade Balance | -8,533 | -37,063 | -43,720 | 18.0 | -76,515 |
| Services Balance | 6,851 | 23,563 | 23,807 | 1.0 | 63,747 |
| Travel (net) | 4,857 | 18,848 | 19,164 | 1.7 | 51,344 |
| Primary Income | -1,785 | -12,132 | -12,849 | 5.9 | -24,156 |
| Secondary Income | -727 | -366 | -1,786 | 388.0 | -1,964 |
| **Capital Account** | **-13** | **-5** | **-103** | **1,960.0** | **-239** |
| **Financial Account** | **-4,168** | **-26,238** | **-49,386** | **88.2** | **-59,563** |
| Direct Investment (net) | 899 | -1,709 | 1,118 | - | -312 |
| Portfolio Investment (net) | -2,537 | 4,016 | 1,128 | -71.9 | -6,368 |
| Net Acquisition of Financial Assets | 2,115 | 4,223 | 12,098 | 186.5 | 21,923 |
| Net Incurrence of Liabilities | 4,652 | 207 | 10,970 | 5,199.5 | 28,291 |
| Equity Securities | 2,920 | 2,399 | 3,603 | 50.2 | 8,504 |
| Debt Securities | 1,732 | -2,192 | 7,367 | - | 19,787 |
| Other Investment (net) | -4,036 | -3,565 | -22,052 | 518.6 | -31,048 |
| Currency and Deposits | 3,078 | 9,631 | 9,316 | -3.3 | 21,846 |
| Net Acquisition of Financial Assets | -570 | 9,989 | 10,716 | 7.3 | 20,444 |
| Net Incurrence of Liabilities | -3,648 | 358 | 1,400 | 291.1 | -1,402 |
| Central Bank | -8 | -6,375 | -1,642 | -74.2 | -7,075 |
| Banks | -3,640 | 6,733 | 3,042 | -54.8 | 5,673 |
| Foreign Banks | -3,889 | 6,323 | 946 | -85.0 | 3,809 |
| Foreign Exchange | -1,721 | 2,935 | -1,274 | - | -813 |
| Turkish Lira | -2,168 | 3,388 | 2,220 | -34.5 | 4,622 |
| Non-residents | 249 | 410 | 2,096 | 411.2 | 1,864 |
| Loans | -6,759 | -12,098 | -27,904 | 130.6 | -52,938 |
| Net Acquisition of Financial Assets | -1,461 | 3,152 | -6,946 | - | -7,375 |
| Net Incurrence of Liabilities | 5,298 | 15,250 | 20,958 | 37.4 | 45,563 |
| Banking Sector | 3,495 | 7,711 | 10,300 | 33.6 | 17,191 |
| Non-bank Sectors | 1,800 | 7,601 | 10,459 | 37.6 | 26,096 |
| Trade Credit and Advances | -350 | -1,092 | -3,446 | 215.6 | 88 |
| Other Assets and Liabilities | -5 | -6 | -18 | - | -44 |
| Reserve Assets (net) | 1,039 | -27,167 | -32,308 | 18.9 | -27,168 |
| **Net Errors and Omissions** | **39** | **-235** | **-14,735** | **-** | **-20,436** |



Source: Datastream, Ministry of Trade, CBRT

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