



The current account deficit was 9.7 billion USD in March.

In March, the current account deficit reached its highest level since January 2023 at 9.7 billion USD. During this period, the rapid expansion of the balance of payments defined trade deficit, caused the current account deficit to nearly double on an annual basis. Thus, the current account deficit, which stood at 23.7 billion USD in the first quarter of the year, rose to 39.7 billion USD as of March, according to 12-month cumulative data.

The trade deficit increased by 96.1% yoy.

In March, when exports fell by 7.4% yoy while imports rose by 10.4%, the trade deficit widened by 96.1% yoy and reached 9.5 billion USD. During the same period, net service revenues decreased by 3.4% yoy to 2.6 billion USD, while the primary income account posted a deficit of 2.5 billion USD.

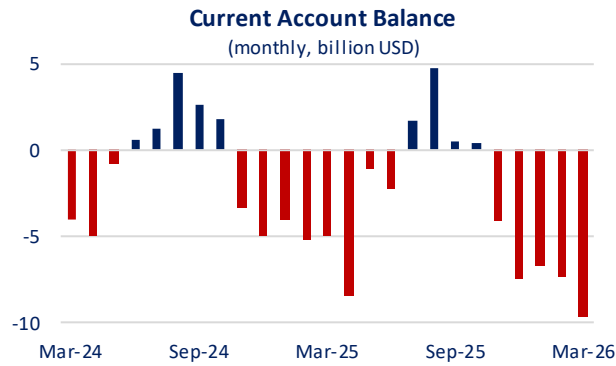
In March, net non-monetary gold imports amounted to 1.6 billion USD, and net energy imports were 4.2 billion USD. Excluding net gold and energy trade, the current account balance recorded a deficit of 3.9 billion USD, marking its highest deficit since March 2011.

Rapid capital outflow from portfolio investments...

Following a total net capital inflow of 10.2 billion USD in the first two months of the year, portfolio investments recorded a rapid capital outflow of 14.8 billion USD in March as geopolitical developments negatively impacted global risk appetite. During this period, domestic residents' net acquisition of foreign assets reached 3.4 billion USD, the highest level in the data set. In March, a total outflow of 7.3 billion USD was recorded in the debt securities market, parallel to the 7.6 billion USD outflow from general government debt securities. While there was a limited outflow of 817 million USD from non-banking sector debt securities, a limited inflow of 865 million USD was observed into banking sector debt securities. This month, the CBRT began reporting liabilities arising from investment fund shares held by non-residents, along with equity shares, under a separate subheading. Accordingly, a capital outflow of 1.1 billion USD from equity shares and 3.1 billion USD from investment fund shares was recorded in March.

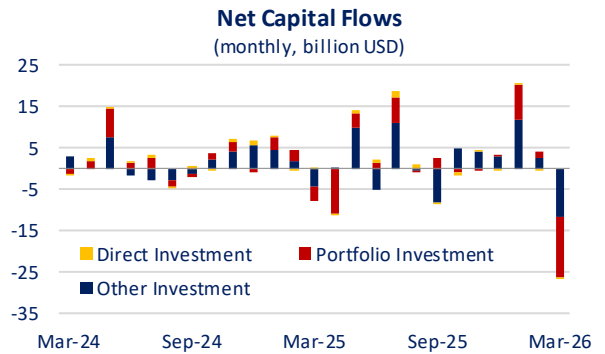
The highest outflow from other investments since August 2018...

Following a total net capital inflow of 14.5 billion USD in January and February, other investments recorded a net capital outflow of 11.7 billion USD in March, the highest since August 2018. In March, non-residents reduced their holdings of domestic cash and deposits by 6.5 billion USD, while residents increased their holdings of foreign cash and deposits by 10.6 billion USD, reaching a historic high. During this period, non-banking sectors utilized 1.2 billion USD net credit from abroad, while banks utilized 1 billion USD. According to 12-month cumulative data, the long-term debt rollover ratio stood at 151.5% in the banking sector and 213.6% in other sectors.



Capital outflows in net direct investment continued.

The capital outflow in net direct investment in February (84 million USD) continued in March with 212 million USD. During this period, net liabilities amounted to 1.0 billion USD, while domestic residents' net asset acquisitions abroad reached 1.2 billion USD, the highest level since August 2021. While non-residents made 711 million USD capital investments in Türkiye, residents made 1.2 billion USD capital investments abroad. In March, net real estate purchases by non-residents within Türkiye and by residents from abroad were recorded at 243 million USD and 187 million USD, respectively.

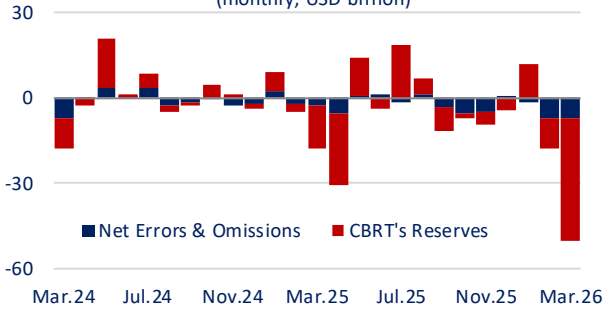


Balance of Payments

March 2026

CBRT Reserves & Net Errors and Omissions

(monthly, USD billion)



Expectations...

In March, as geopolitical tensions escalated rapidly, the current account balance recorded a deficit of 9.7 billion USD, the highest in over three years. On the other hand, according to preliminary foreign trade data from the Ministry of Trade, exports rose sharply by 22.3% yoy in April, partly driven by front-loaded demand, while the increase in imports remained limited at 3.1%. Thus, the trade deficit remained high at 8.5 billion USD, although declining by approximately 30% yoy. Despite the peace talks that began between the U.S. and Iran in April, the lack of a consensus is causing oil prices to remain elevated. In this environment, the effects of geopolitical developments on energy prices, global economic activity, and tourism will continue to be closely monitored.

Reserves and net errors&omissions...

In March, reserve assets recorded their largest-ever monthly decline of 43.4 billion USD. During this period, capital outflows via the net errors and omissions item continued at 7.0 billion USD.

Balance of Payments

(million USD)

	Mar. 2026	Jan. - 2025	Mar. 2026	% Change	12-month Cumulative
Current Account Balance	-9,672	-14,141	-23,696	67.6	-39,724
Foreign Trade Balance	-9,515	-15,865	-23,905	50.7	-77,845
Services Balance	2,592	7,992	7,578	-5.2	63,084
Travel (net)	2,246	6,477	7,159	10.5	51,710
Primary Income	-2,503	-6,113	-6,611	8.1	-23,818
Secondary Income	-246	-155	-758	389.0	-1,145
Capital Account	-11	20	-74	-	-235
Financial Account	-16,679	-16,398	-39,936	143.5	-73,235
Direct Investment (net)	212	-748	274	-	-2,103
Portfolio Investment (net)	14,800	-2,135	4,648	-	3,303
Net Acquisition of Financial Assets	3,351	1,215	6,348	422.5	19,181
Net Incurrence of Liabilities	-11,449	3,350	1,700	-49.3	15,878
Equity Securities	-4,173	330	-798	-	6,172
Debt Securities	-7,276	3,020	2,498	-17.3	9,706
Other Investment (net)	11,729	-1,920	-2,804	46.0	-21,949
Currency and Deposits	17,128	9,095	14,520	59.6	19,715
Net Acquisition of Financial Assets	10,648	7,013	11,461	63.4	16,294
Net Incurrence of Liabilities	-6,480	-2,082	-3,059	46.9	-3,421
Central Bank	124	-5,103	-1,335	-73.8	-8,040
Banks	-6,604	3,021	-1,724	-	4,619
Foreign Banks	-6,915	2,833	-2,729	-	3,624
Foreign Exchange	-2,784	1,242	-3,097	-	-943
Turkish Lira	-4,131	1,591	368	-76.9	4,567
Non-residents	311	188	1,005	434.6	995
Loans	-4,256	-12,588	-13,778	9.5	-38,611
Net Acquisition of Financial Assets	-2,062	626	-6,635	-	-4,538
Net Incurrence of Liabilities	2,194	13,214	7,143	-45.9	34,073
Banking Sector	1,026	8,810	2,641	-70.0	8,433
Non-bank Sectors	1,190	4,435	4,367	-1.5	23,459
Trade Credit and Advances	-1,140	1,581	-3,543	-	-3,028
Other Assets and Liabilities	-3	-8	-3	-62.5	-25
Reserve Assets (net)	-43,420	-11,595	-42,054	262.7	-52,486
Net Errors and Omissions	-6,996	-2,277	-16,166	610.0	-33,276

Source: Datastream, Ministry of Trade, CBRT

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