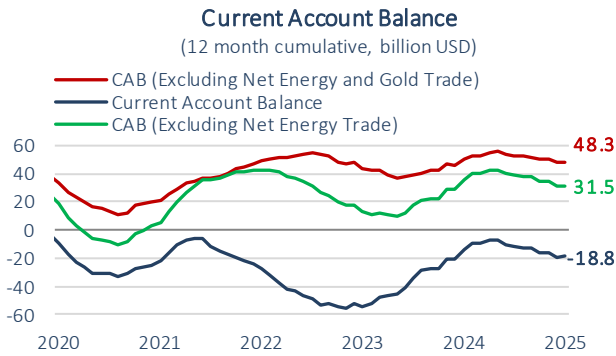




The current account balance posted a surplus of 1.8 billion USD in July.

The current account surplus exceeded market expectations in July, realizing at 1.8 billion USD. Markets expected a surplus of 1.6 billion USD during this period. In January-July period, current account deficit increased by 64.6% yoy to 21.2 billion USD. The 12-month cumulative current account deficit became 18.8 billion USD during this period.



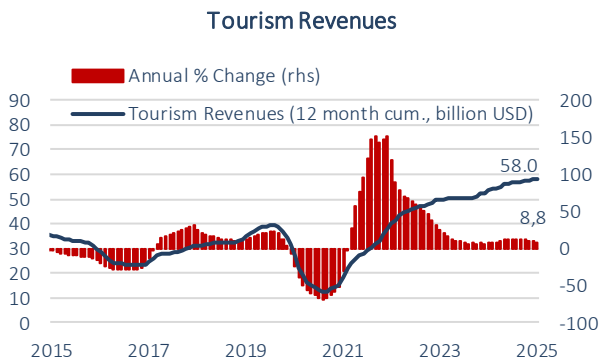
The foreign trade deficit narrowed in July.

The foreign trade deficit, as defined by the balance of payments methodology, fell by 8.5% yoy in July to 4.6 billion USD. During this period, the general merchandise trade balance recorded a 13.8% decline, while non-monetary gold imports fell by 5.5% yoy to 943 million USD, the lowest level since April 2022. Thus, the current account surplus excluding net gold trade was 2.3 billion USD in July. Energy imports fell by 2.8% yoy to 5.2 billion USD during this period, while the current account balance excluding net energy and gold trade recorded a surplus of 6 billion USD, the highest level since October 2024.

In the first seven months of the year, the balance of payments defined trade deficit increased by 19.0% yoy, while net gold imports increased by 45.8% yoy and net energy imports increased by 0.6% yoy during this period.

Tourism revenues reached 30.6 billion USD in the first seven months of the year.

Net services revenues rose by 4.1% yoy in July, reaching 8.0 billion USD.



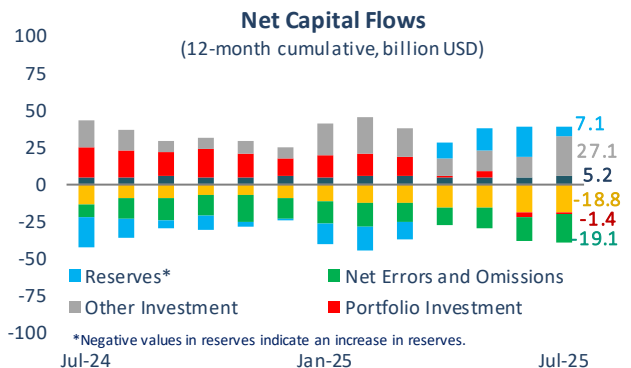
billion USD. Services revenues increased by 2.9%, while services expenses rose by a limited 0.9%. Tourism revenues, which accounted for 53% of total services revenues during this period, fell by 0.8% yoy to 6.8 billion USD. Tourism expenses fell by 7.2% yoy to 617 million USD. Thus, net tourism revenues remained relatively flat, falling by 0.1% yoy to 6.2 billion USD. Transportation revenues, which accounted for 32% of service revenues during this period, increased by 5.5% to 4.1 billion USD.

In the first seven months of the year, net tourism revenues increased by 1.3% to 25.1 billion USD, while tourism revenues increased by 5.8% to 30.6 billion USD.

On the financing side, other investments and portfolio investments inflows stood out in July.

In July, net capital inflows in other investments reached 11.2 billion USD, the highest level since May 2020. Net capital inflows of 8.8 billion USD were recorded in the currency and deposits items, while net capital inflows in the loans item amounted to 3.1 billion USD. In July, banks borrowed 3.1 billion USD against 1.6 billion USD in long-term debt repayments, while other sectors borrowed 2.1 billion USD against 1.1 billion USD in long-term debt repayments. According to 12-month cumulative data, the long-term debt rollover ratios of banks and other sectors continued to exceed their long-term averages at 164% and 149%, respectively.

In portfolio investments, a capital inflow of 5.1 billion USD was recorded in July. During this period, net foreign capital inflows into the Government Domestic Debt Securities market amounted to 2.0 billion USD, while net purchases of the Treasury's Eurobond securities reached 2.4 billion USD. The equity market also recorded the highest monthly net foreign capital inflow since December 2023, amounting to 859 million USD.



Net foreign direct investment inflows reached 2 billion USD in July...

Net direct investments made by non-residents in Türkiye

recorded the strongest inflow since May 2022 in July, reaching 2.0 billion USD. During this period, capital investments amounted to 1.5 billion USD, while real estate investments reached 358 million USD.

In July, net asset acquisitions abroad by residents amounted to 802 million USD. Thus, net direct investment inflows became 1.2 billion USD.

Reserve assets expanded at a record pace in July.

Reserve assets reached a historic high in July, increasing by 18.6 billion USD. In the first seven months of the year, reserve assets contributed to the financing of the current account deficit. During this period, reserve assets decreased by 8.6 billion USD.

A capital outflow of 4.9 billion USD was recorded in the net error and omission item in the first seven months of the year.

In July, there was an outflow of 582 million USD in the net error and omission item. As of the first seven months of the year, an outflow of 4.9 billion USD was recorded.

Expectations...

The current account balance, which recorded a deficit of 2 billion USD in June, posted a surplus above expectations in July. The 12-month cumulative current account deficit declined slightly compared to the previous month. Following the narrowing of the foreign trade deficit in July, preliminary data published by the Ministry of Trade for August also points to a 16.7% decline in the foreign trade deficit on an annual basis. Against this backdrop, current expectations for the year-end deficit seems achievable.

The current account deficit to GDP ratio, which stood at 0.8% at the end of last year, was recorded at 1.3% as of the first half of this year, according to 12-month cumulative data. The year-end expectation for the said ratio in the Medium Term Program announced last week is 1.4%. In US dollar terms, the MTP forecasts a current account deficit of 22.6 billion USD at the end of 2025, while the market expectation for the year-end current account deficit stands at 20.9 billion USD, according to the results of the CBRT's Survey of Market Participants published today.

Balance of Payments			(USD million)		
	Jul. 2025	Jan. - Jul. 2024	2025	% Change	12-month Cumulative
Current Account Balance	1,766	-12,895	-21,224	64.6	-18,786
Foreign Trade Balance	-4,635	-35,037	-41,695	19.0	-62,680
Services Balance	8,024	31,077	31,726	2.1	62,018
Travel (net)	6,209	24,731	25,057	1.3	49,246
Primary Income	-1,462	-8,912	-10,780	21.0	-17,744
Secondary Income	-161	-23	-475	1,965.2	-380
Capital Account	-120	-98	-125	27.6	-153
Financial Account	1,064	-16,639	-26,249	57.8	-38,023
Direct Investment (net)	-1,224	-3,035	-3,098	2.1	-5,194
Portfolio Investment (net)	-5,097	-12,550	790	-	1,363
Net Acquisition of Financial Assets	1,091	5,122	5,314	3.7	9,724
Net Incurrence of Liabilities	6,188	17,672	4,524	-74.4	8,361
Equity Securities	859	-1,271	1,387	-	177
Debt Securities	5,329	18,943	3,137	-83.4	8,184
Other Investment (net)	-11,212	-145	-15,371	10,500.7	-27,089
Currency and Deposits	-8,816	8,556	-5,416	-	-74
Net Acquisition of Financial Assets	-6,554	9,273	-1,405	-	1,689
Net Incurrence of Liabilities	2,262	717	4,011	459.4	1,763
Central Bank	-503	-7,710	-6,878	-10.8	-11,034
Banks	2,765	8,427	10,889	29.2	12,797
Foreign Banks	2,569	5,124	10,283	100.7	11,884
Foreign Exchange	442	1,008	4,768	373.0	6,325
Turkish Lira	2,127	4,116	5,515	34.0	5,559
Non-residents	196	3,303	606	-81.7	913
Loans	-3,056	-12,559	-9,651	-23.2	-23,206
Net Acquisition of Financial Assets	-1,172	334	1,980	492.8	3,907
Net Incurrence of Liabilities	1,884	12,893	11,631	-9.8	27,113
Banking Sector	-4	13,206	3,914	-70.4	15,774
Non-bank Sectors	1,361	-421	7,252	-	10,303
Trade Credit and Advances	668	3,872	-291	-	-3,744
Other Assets and Liabilities	-8	-14	-13	-7.1	-65
Reserve Assets (net)	18,597	-909	-8,570	842.8	-7,103
Net Errors and Omissions	-582	-3,646	-4,900	34.4	-19,084

Source: Datastream, Ministry of Trade, CBRT

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