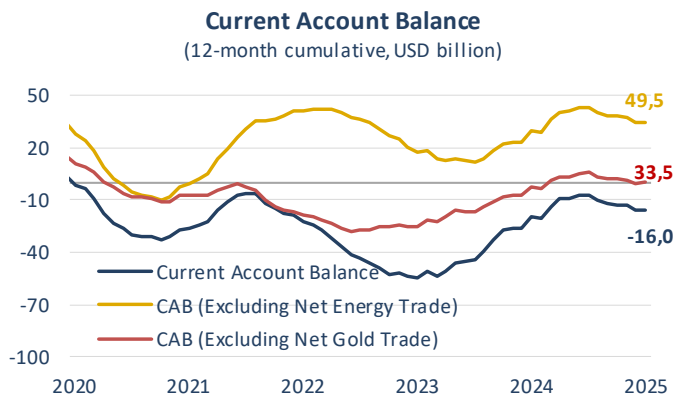




## Current account deficit narrowed to 684 million USD in May.

In May, current account posted a deficit of 684 million USD, below the market expectations. Market expectations were shaped around 830 million USD for current account deficit in this period. In January-May period, current account deficit increased by 38.5% yoy to 21 billion USD, while 12-month cumulative current account deficit was realized as 16 billion USD, the highest level since June last year.



## Increase in services revenues supported the current account balance outlook.

Net services revenues, which increased by 4.0% yoy to 5.6 billion USD in May, were effective in the favorable outlook of the current account balance. Composition of services revenues suggested that tourism revenues, which had a 49% share in total revenues as of May, increased by 1.7% yoy to 5 billion USD. In the same period, transportation revenues, which accounted for 35% of services revenues, rose by 4.9% yoy.

In May, balance of payments-defined foreign trade deficit increased by 14.6% yoy to 4.8 billion USD. In this period, energy imports declined by 17.6% yoy to 4.3 billion USD due

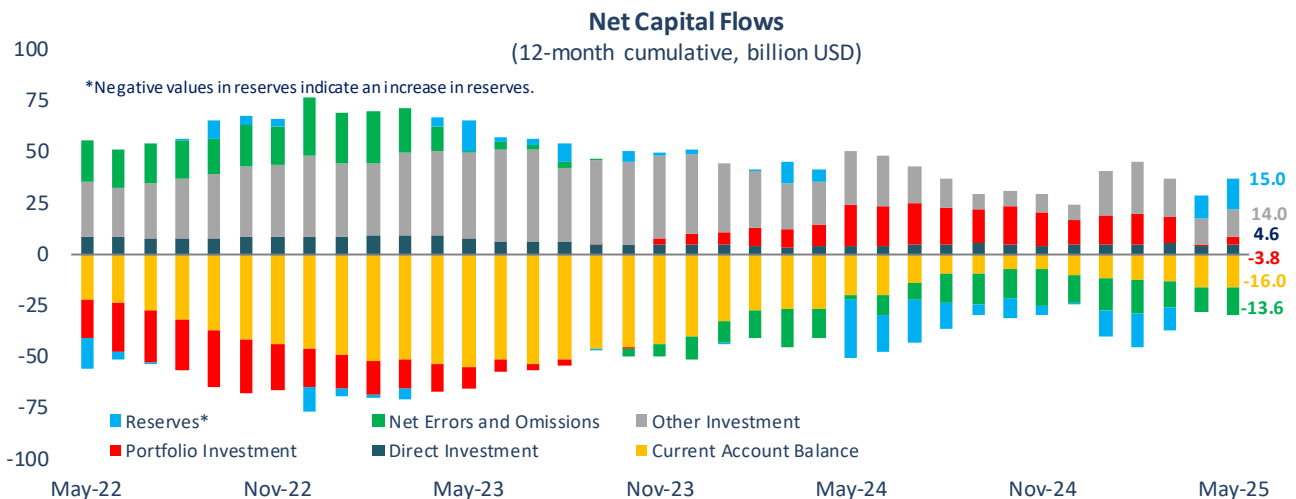
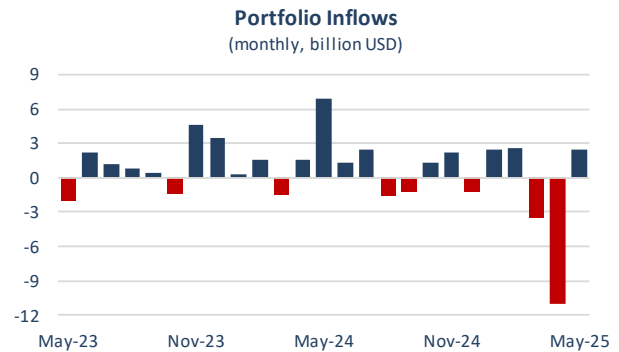
to the annual decline in oil prices, shrinking to its lowest level since July 2021. On the other hand, non-monetary gold imports surged by 47.8% yoy in May, while other non-energy import items recorded rapid increases as well. In May, the current account surplus excluding net gold trade and the current account surplus excluding net energy and gold trade were realized as 1.1 billion USD and 4.1 billion USD, respectively, reaching their highest levels since October 2024.

## Foreign direct investments...

In May, non-residents' direct investments in Türkiye recorded a capital inflow of 1.4 billion USD. In this period, residents' net asset acquisitions abroad continued with 675 million USD, leading to a net capital inflow of 702 million USD in direct investments.

## Net portfolio inflows were realized as 2.5 billion USD...

Portfolio investments recorded a net capital inflow of 2.5 billion USD in May, following the high capital outflow in April. In this period, debt securities, mainly government bonds, attracted inflows of 3.2 billion USD. In addition, there was a net capital inflow of 396 million USD in the equity market.



### The highest net capital inflow in other investments since May 2020...

In May, net capital inflow in other investments was realized as 9.6 billion USD, the highest level since May 2020. In this period, net capital inflow of 7.3 billion USD in currency and deposits was the main factor supporting other investments. Net credit utilization was realized as 3.2 billion USD. As of May, according to 12-month cumulative data, long-term debt rollover ratio was 168% for banks and 145% for other sectors.

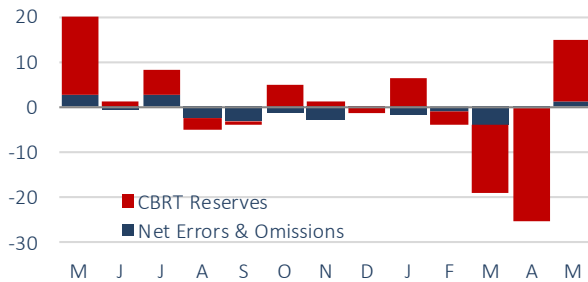
### Reserve assets recorded the highest increase in a year.

In May, reserve assets recorded the strongest increase in a year with 13.5 billion USD. In this period, net errors and omissions posted an inflow of 1.3 billion USD.

### Expectations...

According to preliminary data released by the Ministry of Trade, foreign trade deficit widened by 38.8% yoy to 8.2 billion USD in June. As of the first half of July, geopolitical risks being left behind and weak expectations for global demand due to US' protectionist trade policies caused oil prices to remain flat. In this environment with high uncertainties, the outlook in our main export markets and the course of tourism revenues with the start of the summer season will be the main factors determining the current account balance outlook in the coming months.

CBRT Reserves and Net Errors & Omissions  
(monthly, billion USD)



Balance of Payments (USD million)

	May. 2025	2024	Jan. - May. 2025	% Change	12-month Cumulative
<b>Current Account Balance</b>	<b>-684</b>	<b>-9.731</b>	<b>-12.279</b>	<b>26,2</b>	<b>-16.039</b>
Foreign Trade Balance	-4.804	-14.090	-15.865	12,6	-61.010
Services Balance	5.635	8.231	8.022	-2,5	62.245
Travel (net)	4.368	6.479	6.435	-0,7	49.174
Primary Income	-1.484	-3.386	-4.276	26,3	-17.206
Secondary Income	-31	-486	-160	-67,1	-68
<b>Capital Account</b>	<b>-12</b>	<b>1</b>	<b>20</b>	<b>1.900,0</b>	<b>-103</b>
<b>Financial Account</b>	<b>647</b>	<b>-17.470</b>	<b>-18.947</b>	<b>8,5</b>	<b>-29.763</b>
Direct Investment (net)	-702	-379	-829	118,7	-4.582
Portfolio Investment (net)	-2.498	-215	-1.446	572,6	3.841
Net Acquisition of Financial Assets	1.102	2.905	1.212	-58,3	9.159
Net Incurrence of Liabilities	3.600	3.120	2.658	-14,8	5.318
Equity Securities	396	286	-362	-	-2.711
Debt Securities	3.204	2.834	3.020	6,6	8.029
Other Investment (net)	-9.619	5.842	-5.077	-	-13.980
Currency and Deposits	-7.288	2.647	10.187	284,9	14.532
Net Acquisition of Financial Assets	-4.808	7.247	9.396	29,7	8.184
Net Incurrence of Liabilities	2.480	4.600	-791	-	-6.348
Central Bank	-44	63	-5.103	-	-16.573
Banks	2.524	4.537	4.312	-5,0	10.225
Foreign Banks	2.461	3.041	4.124	35,6	8.562
Foreign Exchange	156	1.152	2.533	119,9	5.075
Turkish Lira	2.305	1.889	1.591	-15,8	3.487
Non-residents	63	1.496	188	-87,4	1.663
Loans	-3.229	-1.628	-13.132	706,6	-25.093
Net Acquisition of Financial Assets	-1.135	147	634	331,3	3.799
Net Incurrence of Liabilities	2.094	1.775	13.766	675,5	28.892
Banking Sector	815	2.424	11.618	379,3	19.897
Non-bank Sectors	1.277	-555	2.179	-	8.274
Trade Credit and Advances	903	4.827	-2.119	-	-3.351
Other Assets and Liabilities	-5	-4	-13	225,0	-68
Reserve Assets (net)	13.466	-22.718	-11.595	-49,0	-15.042
<b>Net Errors and Omissions</b>	<b>1.343</b>	<b>-7.740</b>	<b>-6.688</b>	<b>-13,6</b>	<b>-13.621</b>

Source: Datastream, Ministry of Trade, CBRT

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