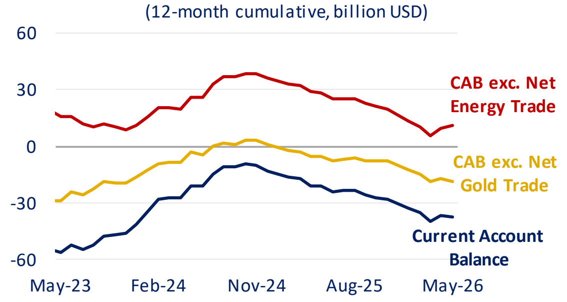
Balance of Payments
May 2026

TÜRKİYE İŞ BANKASI | ekonomi.isbank

Current account deficit stood at 1.5 billion USD in May.

In May, the current account posted a deficit of 1.5 billion USD, exceeding market expectations. During the same period last year, the current account deficit was 1.1 billion USD. Rising by 29.3% yoy to 30.7 billion USD during the January-May period, the current account deficit increased to 37.3 billion USD based on 12-month cumulative data. Meanwhile, excluding net gold and energy trade, the current account balance posted a surplus of 3.6 billion USD in May, marking the second consecutive month of surplus.

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



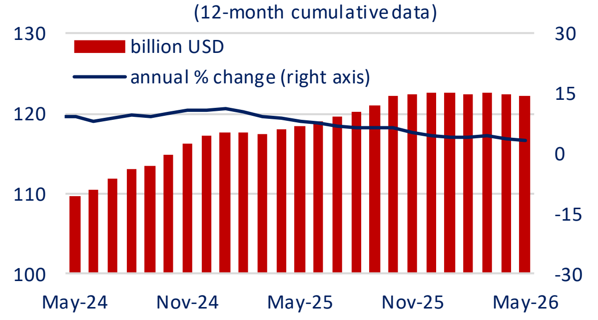
Foreign trade deficit narrowed by 9.2% yoy.

In May, the current account-defined trade deficit decreased by 9.2% yoy to 4.3 billion USD. During this period, driven in part by the decline in gold prices, net non-monetary gold imports fell by 68.3% yoy to 563 million USD, while net energy imports expanded by 53.3% to 4.5 billion USD. During the same period, service revenues fell by 1.2%, while tourism revenues, which account for approximately half of service revenues, declined by 3.2%. On the other hand, tourism expenditures gained momentum during the same period, rising by 39.7% yoy to reach a historic high of 1.1 billion USD. Consequently, net tourism revenues fell by 11.2% yoy in May, to 3.8 billion USD. In the first five months of the year, the trade deficit widened by approximately 15% compared to the same period last year to 35.1 billion USD, while net service revenues declined by approximately 6% yoy to 16.4 billion USD.

Capital outflow in net direct investment…

In the direct investment account, there was a net capital outflow of 455 million USD in May. During this period, a capital inflow of 296 million USD was realized from direct investments made by non-residents, while a capital outflow of 751 million USD was recorded due to domestic residents' net asset acquisitions abroad. In May, net real estate purchases by non-residents in Türkiye totaled 184 million USD. In the first five months of the year, a net capital outflow of 220 million USD was observed in direct investments.

Services Revenues
(12-month cumulative data)



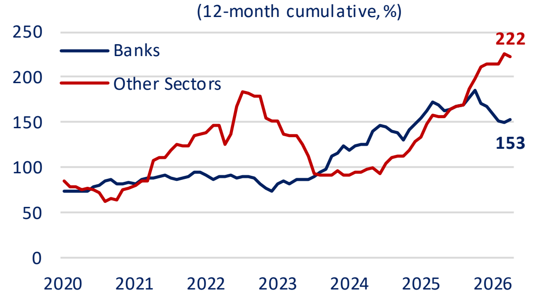
Portfolio investments…

In May, non-residents made net sales of 2.8 billion USD in the stock and investment fund markets and net purchases of 983 million USD in the debt securities market, resulting in a net decrease of 1.8 billion USD in portfolio investments towards Türkiye. During this period, while domestic residents acquired 1.3 billion USD in net assets abroad, there was a net capital outflow of 3.1 billion USD in the portfolio investments account. In the first five months of the year, a total outflow of 3.7 billion USD was recorded in the portfolio investments account.

Capital inflows under the other investments account slowed in May.

Capital inflows under the other investments accounts, which reached a record high of 14.9 billion USD in April, continued at 1.8 billion USD in May. During this period, inflows of 2.4 billion USD under the "loans" account were the main factor supporting the other investments account. Banks utilized 2.7 billion USD in net loans from abroad, while the non-banking sectors utilized 755 million USD. According to 12-month cumulative data, long-term debt rollover ratios remained at high levels as of May, standing at 153% in the banking sector and 222% in other sectors.

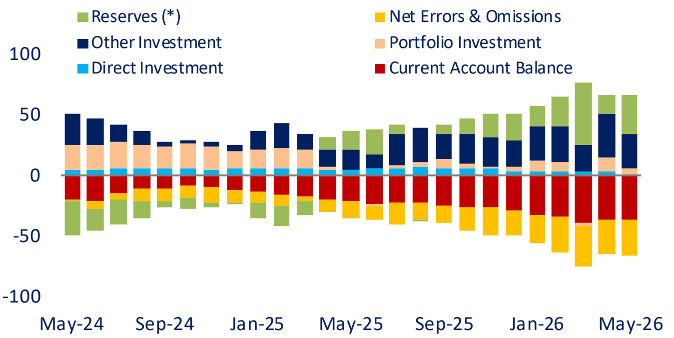
Long-term Debt Rollover Ratios
(12-month cumulative, %)



Source: Datastream, Turkstat, CBRT

Net Capital Flows

(12-month cumulative, billion USD)



*Negative values in reserves indicate an increase in reserves.

Expectations...

In May, when the trade deficit narrowed on an annual basis, a sharp decline in net service revenues caused the current account deficit to widen on a yearly basis. Preliminary foreign trade data for June released by the Ministry of Trade also indicated that the trade deficit rose by 26.3% yoy to 10.4 billion USD. Although service revenues are expected to provide more support to the current account balance in the coming months due to seasonal effects, the ongoing geopolitical tensions in the Middle East and the trend in energy prices will continue to be decisive factors in terms of their direct and indirect effects on the current account balance.

Reserves and net errors & omissions...

With a decline of 3.3 billion USD recorded in May, reserve assets fell by 33.3 billion USD in the first five months of the year. While capital outflows were limited to 77 million USD under the net errors and omissions account in May, total outflows recorded during the January–May period amounted to 18.5 billion USD.

Balance of Payments (million USD)

	May.	Jan. - May.		%	12-month
	2026	2025	2026	Change	Cumulative
Current Account Balance	**-1,459**	**-23,728**	**-30,679**	**29.3**	**-37,287**
Foreign Trade Balance	-4,340	-30,542	-35,050	14.8	-74,363
Services Balance	5,207	17,475	16,448	-5.9	62,476
Travel (net)	3,815	13,833	13,856	0.2	51,051
Primary Income	-2,165	-10,377	-11,017	6.2	-24,080
Secondary Income	-161	-284	-1,060	273.2	-1,320
Capital Account	**-5**	**1**	**-90**	**-**	**-232**
Financial Account	**-1,541**	**-31,097**	**-49,247**	**58.4**	**-67,447**
Direct Investment (net)	455	-1,208	220	-	-1,755
Portfolio Investment (net)	3,069	5,480	3,665	-33.1	-5,295
Net Acquisition of Financial Assets	1,266	3,703	9,983	169.6	20,328
Net Incurrence of Liabilities	-1,803	-1,777	6,318	-	25,623
Equity Securities	-2,786	1,343	683	-49.1	6,640
Debt Securities	983	-3,120	5,635	-	18,983
Other Investment (net)	-1,765	-12,252	-19,785	61.5	-28,140
Currency and Deposits	-187	-157	4,373	-	18,833
Net Acquisition of Financial Assets	3,724	-106	9,421	-	21,386
Net Incurrence of Liabilities	3,911	51	5,048	9,798.0	2,553
Central Bank	10	-6,125	-1,634	-73.3	-7,317
Banks	3,901	6,176	6,682	8.2	9,870
Foreign Banks	3,529	5,829	4,835	-17.1	8,192
Foreign Exchange	1,754	2,260	447	-80.2	1,583
Turkish Lira	1,775	3,569	4,388	22.9	6,609
Non-residents	372	347	1,847	432.3	1,678
Loans	-2,389	-11,680	-21,044	80.2	-46,727
Net Acquisition of Financial Assets	839	1,393	-5,485	-	-4,155
Net Incurrence of Liabilities	3,228	13,073	15,559	19.0	42,572
Banking Sector	2,653	5,949	6,806	14.4	15,459
Non-bank Sectors	755	7,150	8,632	20.7	24,951
Trade Credit and Advances	816	-415	-3,101	647.2	-201
Other Assets and Liabilities	-5	0	-13	-	-45
Reserve Assets (net)	-3,300	-23,117	-33,347	44.3	-32,257
Net Errors and Omissions	**-77**	**-7,370**	**-18,478**	**151**	**-29,928**

Source: Datastream, Ministry of Trade, CBRT

Economic Research Division

Alper Gürler
Division Head
alper.gurler@isbank.com.tr

H. Erhan Gül
Unit Manager
erhan.gul@isbank.com.tr

Dilek Sarsın Kaya
Asst. Manager
dilek.kaya@isbank.com.tr

Büşra Ceylan
Asst. Economist
busra.ceylan@isbank.com.tr

Onuray Günaydın
Asst. Economist
onuray.gunaydin@isbank.com.tr

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