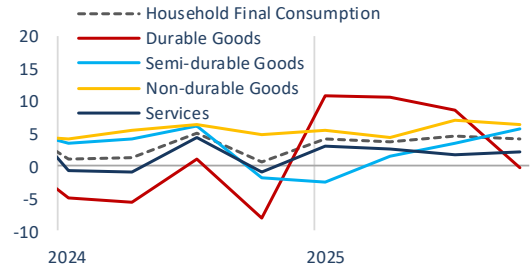


Turkish economy grew by 2.5% yoy in the first quarter.

According to the chain linked volume index, the Turkish economy grew by 2.5% yoy (2.6% calendar adjusted) in the first quarter of 2026, close to market expectations of 2.7%. According to seasonally and calendar adjusted data, the Turkish economy lost momentum in the first quarter, recording a limited growth of 0.1% on a quarterly basis. Quarterly growth had been 0.4% in the fourth quarter of 2025.

As of the first quarter of 2026, the annualized GDP of the Turkish economy reached 67.5 trillion TRY at current prices and approximately 1.6 billion USD.

Household Final Consumption Expenditures
(chain linked vol. index, annual % change)



Sectors except for industry made positive contributions to growth.

According to production approach, contracting by 0.8% yoy in the first quarter (contribution to growth: -0.2 percentage points) due to the 1.4% decline in manufacturing output, the industrial sector was the only sector limiting growth. During this period, the services sector grew by 3.5%. The construction sector, losing momentum compared to previous quarters, grew by 3.2% in the first quarter and contributed 0.2 percentage points to growth, marking its lowest contribution since the first quarter of 2023. The agriculture sector, which contracted by 8.8% in 2025 due to the effects of frost and drought, grew by 4.6% in the first quarter, making a positive contribution of 0.1 percentage points to growth for the first time since the fourth quarter of 2024.

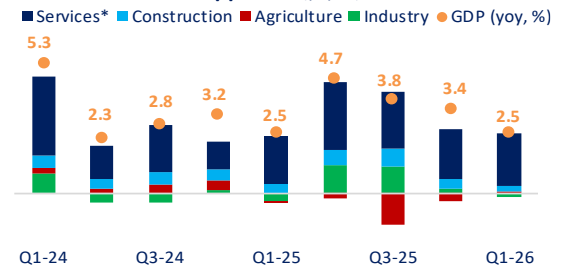
Contributions to Growth	(% points)					
	2025					2026
	Q1	Q2	Q3	Q4	Annual	Q1
Consumption	1.5	3.1	3.2	3.5	2.9	3.7
Private	1.3	3.1	2.8	3.7	2.8	3.4
Public	0.3	0.0	0.3	-0.1	0.1	0.3
Investment	0.5	2.3	2.8	1.4	1.8	0.8
Stock Change	0.9	0.6	-1.1	-0.2	0.0	0.5
Net Exports	-0.5	-1.3	-1.0	-1.4	-1.1	-2.5
Exports	0.1	0.4	-0.2	-0.5	-0.1	-2.9
Imports	-0.5	-1.8	-0.8	-0.9	-1.0	0.4
GDP (yoy, %)	2.5	4.7	3.8	3.4	3.6	2.5

Note: Numbers may not add to total due to rounding.

The decline in net exports deepened.

According to the chain linked volume index, private consumption expenditures, which increased by 4.8% yoy in the first quarter, contributed 3.4 percentage points to growth, while public expenditures contributed 0.3 percentage points. Thus, the contribution of total consumption expenditures to growth reached its highest level since the first quarter of 2024. Analysis of household consumption expenditures revealed that spending on durable goods contracted by 0.2% yoy, while the annual increase in demand was primarily driven by spending on non-durable and semi-durable goods. Additionally, investment expenditures continued to make positive contribution to growth with 0.8 percentage points in the first quarter. On the other hand, despite a 2% decline in imports of goods and services during the same period, the 12.7% annual decline in exports caused the limiting effect of net exports on growth to rise to 2.5 percentage points - the highest level since the third quarter of 2023. In the first quarter, the contribution of inventory changes to growth was 0.5 percentage points.

Contributions to Growth, Production Approach
(yoy, %)



Expectations...

In the first quarter of 2026, household consumption expenditures continued its strong growth and the contraction in net exports deepened. While industrial production declined on an annual basis during this period, all other sectors supported the growth. For the remainder of the year, the growth outlook will continue to be influenced by the effects of geopolitical developments on domestic and external demand, as well as the trajectory of domestic monetary policy. On the other hand, as indicated by the crop production estimates released by the TurkStat, we expect the agricultural sector's positive contribution to growth to increase in the coming months.

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