

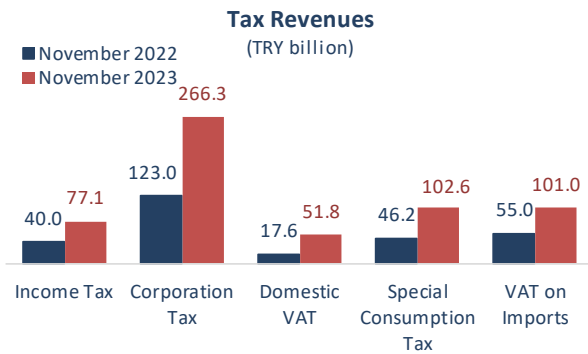


Central government budget posted a surplus of 75.6 billion TRY in November.

In November, budget revenues increased by 114.8% yoy to 746.8 billion TRY, while expenditures rose by 180.3% yoy to 671.2 billion TRY. Thus, the central government budget posted a surplus of 75.6 billion TRY in this period. In January-November period, central government budget deficit was realized as 532.4 billion TRY. In this period, primary balance posted a surplus of 99.8 billion TRY.

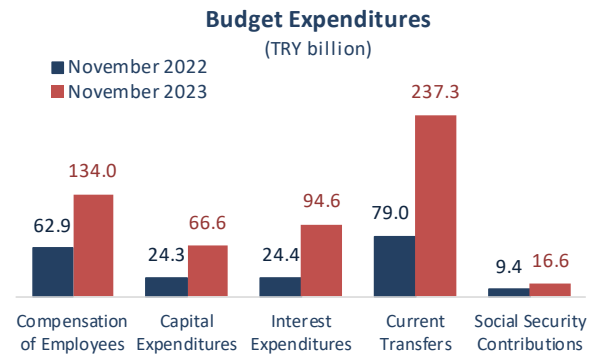
Tax revenues were realized as 668.5 billion TRY.

In November, tax revenues increased by 114.3% yoy to 668.5 billion TRY. The rapid increase in tax revenues was mainly driven by the provisional corporate tax, which more than doubled compared to the same period of the previous year and reached 261.6 billion TRY. In addition, special consumption tax (SCT) revenues, which reached 102.6 billion TRY due to the rapid increases in SCT on petroleum and natural gas products and motor vehicles, also supported tax revenues in this period. In November, domestic value added tax (VAT) increased almost 2-fold compared to the same period of the previous year, while VAT on imports rose by 83.9% yoy to 101 billion TRY.



Budget expenditures were mainly driven by the rise in current transfers.

In November, primary budget expenditures increased by 168.1% yoy. This development was mainly driven by current transfers, which tripled on an annual basis. The 10-fold increase in capital transfers on a yearly-basis in November was noteworthy. Under the lending item, 7.2 billion TRY was paid to State Railways, while under the assignment item, Social Security Institutions (SGK), Petroleum Pipeline Corporation (BOTAŞ) and Electricity Generation Corporation (EÜAŞ) were paid 75.8 billion TRY, 12 billion TRY and 10.1 billion TRY, respectively. Interest expenditures also quadrupled on a yearly-basis in November. Thus, budget expenditures increased by 102.2% yoy to 5.2 trillion TRY in January-November period.



Expectations...

Central government budget posted a surplus in November thanks to the high realizations in budget revenues, particularly corporate tax revenues. Thus, in January-November 2023 period, the budget deficit was 32.6% of the Middle Term Programme's projected level for the year-end. Although the budget deficit is usually realized at higher levels in December; the cumulative deficit in the first 11 months of the year indicates that calendar years' total budget deficit will be below the targeted level of 1.6 trillion TRY at the year-end.

Central Government Budget

	November			January-November			(billion TRY)	
	2022	2023	% Change	2022	2023	% Change	MTP Target	Real./ MTP Target (%)
Expenditures	239.4	671.2	180.3	2,567.6	5,193.0	102.2	6,562.6	79.1
Interest Expenditures	24.4	94.6	287.7	292.7	632.3	116.0	646.1	97.9
Non-Interest Expenditures	215.0	576.6	168.1	2,274.9	4,560.7	100.5	5,916.5	77.1
Revenues	347.7	746.8	114.8	2,547.2	4,660.5	83.0	4,929.7	94.5
Tax Revenues	312.0	668.5	114.3	2,141.8	4,060.0	89.6	4,270.7	95.1
Other Revenues	35.7	78.3	119.2	405.4	600.6	48.2	659.0	91.1
Budget Balance	108.3	75.6	-30.2	-20.4	-532.4	2,503.8	-1,633.0	32.6
Primary Balance	132.7	170.2	28.3	272.2	99.8	-63.3	-986.8	-

Numbers may not add up to total value due to rounding.

Source: Datastream , Ministry of Treasury and Finance

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