

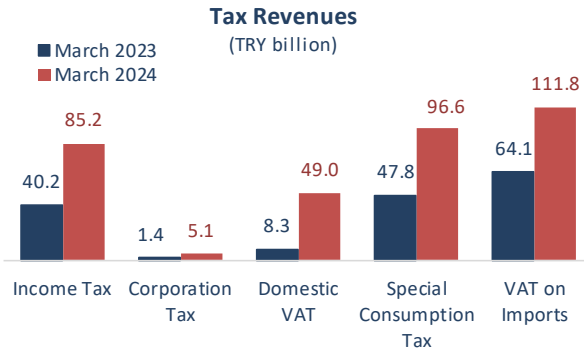


Central government budget posted a deficit of 209 billion TRY in March.

In March, the central government budget deficit increased by 3.5 times yoy to 209 billion TRY due to the rapid rise in expenditures. In this period, budget expenditures increased by 107.4% yoy, while budget revenues rose by 68.7% yoy. In March, primary budget deficit was realized as 134.4 billion TRY. Thus, in the first quarter of the year, total budget deficit became 513.5 billion TRY and primary deficit was 263 billion TRY.

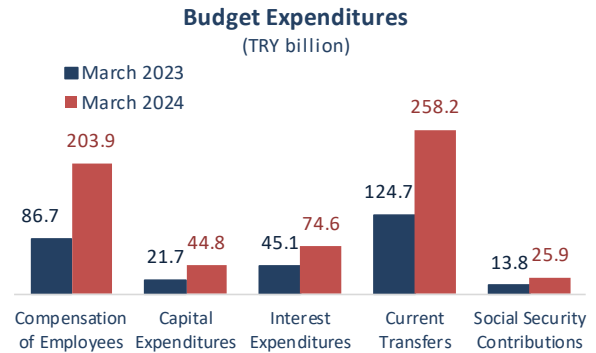
Tax revenues rose rapidly in March.

In March, tax revenues increased by 111.7% yoy to 420.5 billion TRY. In this period, domestic value added tax revenues surged by 491.7% yoy to 49 billion TRY, while special consumption tax revenues from petroleum and natural gas products rose by 3.6 times yoy. In addition, income tax increased by 111.9% compared to the same period of last year and reached 85.2 billion TRY. Corporate tax revenues went up by 3.5 times on an annual basis with the effect of the base created by the postponement of tax collections due to the earthquake disaster last year. Due to the base effect created by the activity income transfer of the CBRT to the Treasury in March 2023, enterprises and ownership revenues decreased by 89.3% yoy to 6.1 billion TRY in the same month of this year.



In March, personnel expenditures increased by 135.3% yoy.

In March, personnel expenditures increased by 135.3% yoy to 203.9 billion TRY, and current transfers rose by 107.1% yoy to 258.2 billion TRY. In this period, 49.7 billion TRY was paid to Social Security Institutions and 18.4 billion TRY to Electricity Generation Corporation (EÜAŞ) under the item of duty losses. In March, domestic lending increased more than 5 times compared to the same month of last year and reached 33.6 billion TRY, and under this item 18.4 billion TRY was paid to the Produce of Soil Office (TMO). Capital expenditures increased by 106.5% yoy to 44.8 billion TRY due to the 20.8 billion TRY rise in real estate capital production expenditures. On the other hand, capital transfers item that were high last year due to earthquake expenditures, declined by 65.5% yoy in March, following the 85.2% drop in February. In the same period, interest expenditures recorded a relatively moderate increase of 65.4% yoy.



Expectations...

In the first quarter of the year, budget deficit was realized as 513.5 billion TRY and constituted 19.4% of the target set for the whole 2024, thus presented a relatively positive outlook. In the upcoming period, the course of domestic demand and the steps to be taken to cool inflation down will continue to be decisive on the budget outlook.

Central Government Budget

							(billion TRY)	
	March 2023	March 2024	% Change	January-March 2023	January-March 2024	% Change	MTP Target	Real./ MTP Target (%)
Expenditures	334.0	692.8	107.4	1,044.8	2,150.7	105.9	11,089.0	19.4
Interest Expenditures	45.1	74.6	65.4	100.7	250.5	148.8	1,254.0	20.0
Non-Interest Expenditures	289.0	618.3	114.0	944.1	1,900.2	101.3	9,835.0	19.3
Revenues	286.8	483.8	68.7	794.7	1,637.2	106.0	8,437.1	19.4
Tax Revenues	198.6	420.5	111.7	631.0	1,344.0	113.0	7,407.7	18.1
Other Revenues	88.2	63.4	-28.2	163.7	293.2	79.1	1,029.4	28.5
Budget Balance	-47.2	-209.0	342.5	-250.0	-513.5	105.4	-2,651.9	19.4
Primary Balance	-2.1	-134.4	6,158.6	-149.4	-263.0	76.1	-1,397.9	18.8

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

Source: Datastream , Ministry of Treasury and Finance

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