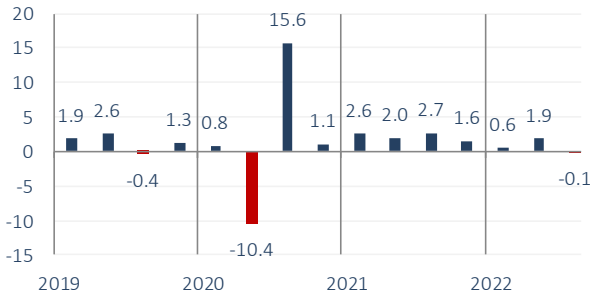


Turkish economy grew by 3.9% yoy in the third quarter.

According to chain linked volume index, Turkish economy grew by 3.9% yoy in the third quarter of 2022. The annual growth rate for the second quarter of the year was revised from 7.6% to 7.7%. Thus, in the first nine months of the year, Turkish economy grew by 6.2% compared to the same period of the previous year. On the other hand, according to seasonally and calendar adjusted figures, GDP contracted by 0.1% compared to the previous quarter, decreasing for the first time since the second quarter of 2020, when the effects of pandemic on economic activity were distinct.

Seasonally and Calendar Adjusted GDP
(quarterly % change)



Turkish economy expanded by 120.5% yoy at current prices in the third quarter of 2022 due to the effect of high inflation. Thus, at current prices, the cumulative size of the Turkish economy for the last four quarters exceeded 12.5 trillion TRY as of the third quarter. In this period, GDP in USD terms became 842.3 billion USD.

High contribution of private consumption expenditures continued.

According to the chain linked volume index, the contribution of private consumption expenditures to growth continued to be high with 12 points in the third quarter. In this period, public expenditures made the highest contribution to GDP growth in the last four years with 1.1 points. Net exports recorded the lowest contribution of the last two years with 0.7 points, parallel

Contributions to Growth (% point)

	2021		2022		
	Annual	Q1	Q2	Q3	9M
Consumption	9.5	13.3	13.9	13.1	13.4
Private	9.1	12.6	13.6	12.0	12.7
Public	0.4	0.6	0.3	1.1	0.7
Investment	1.9	1.1	1.3	-0.3	0.6
Stock Change	-4.9	-9.8	-10.2	-9.6	-9.8
Net Exports	4.8	3.0	2.7	0.7	2.0
Exports	5.3	3.4	3.9	2.9	3.4
Imports	-0.5	-0.4	-1.1	-2.2	-1.3
GDP (yoy, %)	11.4	7.5	7.7	3.9	6.2

Numbers may not add to total due to rounding.

(*) Taxes and subsidies excluded.

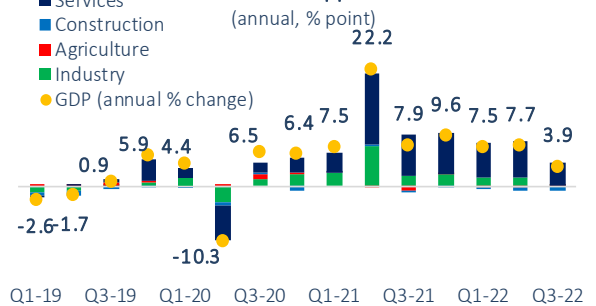
to the rapid increase in imports and the loss of momentum in exports.

Investment expenditures, which contributed positively to growth in the first two quarters of the year, limited the growth by 0.3 points in the third quarter. The decline in construction investments drew attention in this period, while the rise in machinery-equipment investments continued despite losing momentum. The stock change figure, which has been putting pressure on growth since the last quarter of 2020, decreased the growth by 9.6 points in the third quarter of the year.

Construction sector contracted by 14.1% on an annual basis.

Analyzing the GDP figures by production approach revealed that growth performance of all main sectors except agriculture weakened in real terms in the third quarter of the year. The agricultural sector, which contracted in the first half of the year, grew by 1.1% on an annual basis in the third quarter, contributing 0.1 point to GDP growth. In this period, the contribution of industry sector fell to its lowest level since the second quarter of 2020 with 0.1 point. Due to the strong performance of tourism and finance sectors, the services sector pushed growth by 4.3 points. The construction sector, which recorded the fastest annual contraction in 2 years with 14.1% according to the chain linked volume index, limited the GDP growth by 0.8 points.

Contributions to GDP Growth by
Production Approach*



Expectations...

Following strong growth performance in the first half of the year, loss of momentum in the Turkish economy became evident in the third quarter of the year. Although the contribution of private consumption continued, the contribution of net exports tended to decline due to the weakening of economic activity in export markets and strong course of imports. In addition, decline in investment expenditures, which limited the growth after a year was another negative development. The slowdown in global economic activity and the inflationary environment are expected to continue putting pressure on growth in the upcoming period.

Source: Datastream, Turkstat

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