

MAY PRICE DEVELOPMENTS

June 8, 2026



Summary

Consumer prices increased by 1.71% in May, and annual inflation edged up by 0.24 points to 32.61%. In May, monthly consumer inflation was largely driven by price developments in transportation services, clothing and processed food, while a decline in unprocessed food prices limited inflation. Adjusted for seasonal effects, monthly services inflation followed a course similar to that in the previous month and stand out by prices of transportation services due to the ongoing impact of developments in fuel prices. While clothing and footwear were the primary drivers of core goods inflation, monthly inflation remained moderate in other core goods subgroups. The decline in food prices in May was led by the unprocessed food group, with vegetables taking the lead. On the other hand, processed food inflation posted a month-on-month deceleration, yet remained high due to milk and dairy products. In May, energy prices dropped slightly in tandem with fuel prices, being the primary driver in this development, amid the decline in international oil prices. In this period, global energy price developments continued to impact domestic producer prices. Accordingly, producer prices rose by 2.75% and annual inflation edged up by 0.34 points to 28.93%. Against this background, the underlying monthly consumer inflation receded in May compared to previous month.

Price Developments are published within one working day following the announcement of price statistics by the Turkish Statistical Institute (TURKSTAT). Price Developments, which include the CBRT's initial remarks on the inflation figures of the previous month, aim to contribute to a sounder interpretation of the monthly inflation developments by the public during the period between the announcement of the official price statistics and announcements regarding the Monetary Policy Committee meetings.

Evaluations

Consumer prices increased by 1.71% in May, and annual inflation edged up by 0.24 points to 32.61% (Chart 1). The annual rate of change went up by 0.79 points to 31.30% in the B index and 0.61 points to 30.44% in the C index (Table 1).

Compared to the previous month, the contributions of energy, food and non-alcoholic beverages, and alcohol-tobacco-gold groups to annual consumer inflation decreased by 0.29, 0.12, and 0.03 points, respectively, while the contributions of services and core goods groups increased by 0.40 and 0.28 points.

In seasonally adjusted terms, the monthly increase in consumer prices weakened compared to the previous month (Chart 2). Likewise, monthly inflation also declined in the B and C indices (Chart 3 and Table 2). Among the components of the B index, price increases remained relatively flat in services but weakened in core goods and processed food (Chart 4). Indicators monitored by the CBRT pointed to a month-on-month fall in underlying inflation in May (Chart 5 and Table 2). These indicators showed no significant change in terms of quarterly averages (Chart 6 and Table 2).

Services prices rose by 2.30% in May, bringing the annual services inflation up by 0.77 points to 41.07%. Annual inflation increased in transportation and communication, with a more marked rise in transportation, while it remained almost flat in restaurants-hotels, and declined in rents and other services (Chart 7). In May, the increase in transportation prices remained strong at 5.61% due to the religious holiday as well as fuel price developments. Air passenger transportation (15.22%) continued to be the main driver of the price increase in this group. Intercity bus fares rose by 5.46%, while urban transport tariffs (trams, minibuses, taxis, etc.) also saw increases. In this period, annual communication services inflation continued to rise. On the other hand, the monthly increase in rents was 2.15%, while annual rent inflation declined by 1.39 points to 49.77%. In May, restaurants-hotels inflation slowed to 1.87% compared to the previous month, while inflation in other services also remained relatively moderate at 1.14%.

In May, core goods prices rose by 3.91% and the group's annual inflation edged up by 0.74 points to 17.26%. Annual inflation increased in clothing and footwear, but declined in durable goods and other core goods (Chart 8). As the transition to the new season continues in the clothing and footwear subgroup, a higher monthly price increase was seen in May (11.40%) compared to its historical trend. In this period, durable goods prices went up by 1.32%, a modest increase compared to the previous month. In May, furniture prices maintained their strong trend with a 3.36% increase. White goods prices picked up pace with a 2.79% increase compared to the previous month, while automobile prices rose moderately by 0.70%. On the other hand, prices of other electrical and non-electrical appliances fell by 0.85% in this period. Monthly inflation in the other core goods subgroup weakened compared to the previous month, remaining moderate.

Energy prices decreased by 0.17% in May, and annual energy inflation fell by 3.34 points to 43.88% (Chart 9). This was mainly due to a decline in fuel prices (-3.04%) in line with crude oil prices. On the other hand, residential natural gas prices increased by 4.57% as a result of the tiered tariff practice. Meanwhile, other subgroups were relatively moderate.

In May, prices in food and non-alcoholic beverages dropped by 0.48%, and the annual inflation in this group went up by 0.31 points to 34.86% (Chart 9). Annual inflation rose by 1.64 points to 35.31% in processed food while declining by 1.45 points to 34.76% in unprocessed food (Chart 10). In May, unprocessed food prices went down due to lower vegetable (-14.63%) and meat (-1.76%) prices. Meanwhile, monthly inflation in the processed food subgroup remained relatively strong at 2.63%. This was mainly driven by price increases in bread and cereals, meat products, and milk and dairy products, following the rise in raw milk prices.

In May, domestic producer prices increased by 2.75%, and annual producer inflation was up by 0.34 points to 28.93% (Chart 11 and Table 3). An analysis by main industrial groupings reveals that geopolitically-driven energy prices continued to increase at a high rate of 6.60% (Chart 12). While intermediate goods prices rose by 2.94%, capital goods and durable and non-durable consumption goods saw relatively smaller price increases. On a sectoral basis, there were significant price increases in subgroups that were strongly affected by geopolitical developments, such as natural gas, crude oil, rubber-plastics, and chemical products.

Charts and Tables

Chart 1. CPI, B and C
(Annual % Change)

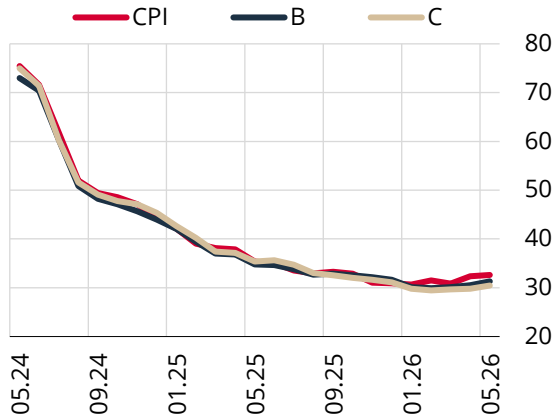


Chart 2. CPI and CPI Excluding Food
(Seasonally Adjusted, Monthly % Change)

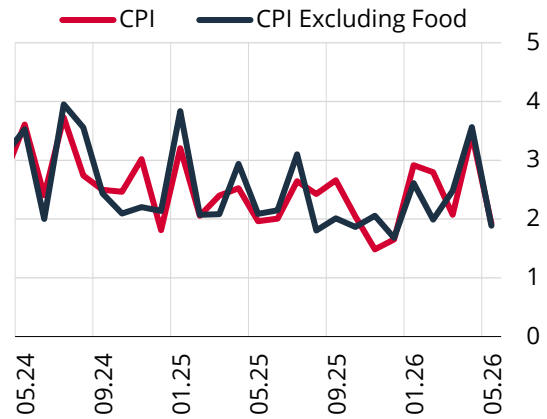


Chart 3. B and C Indices
(Seasonally Adjusted, Monthly % Change)

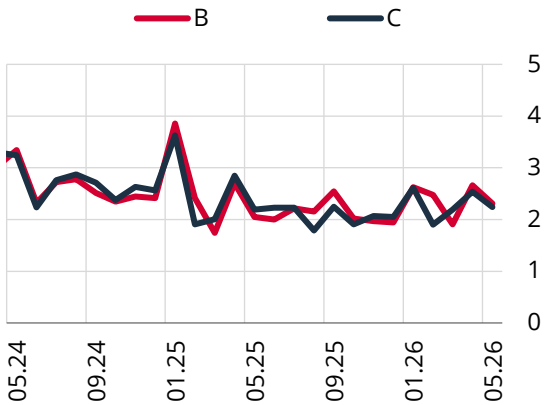
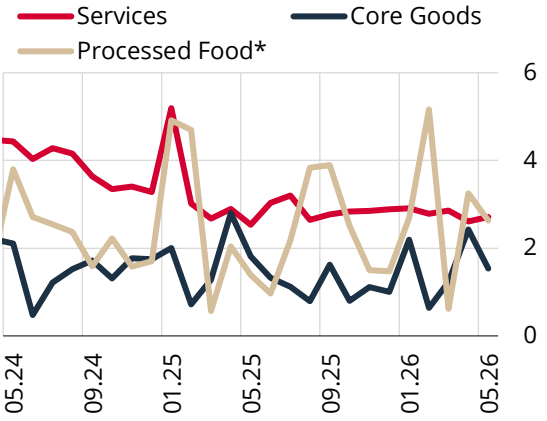


Chart 4. Main Components of B Index
(Seasonally Adjusted, Monthly % Change)



* In the processed food subgroup, no statistically significant seasonality is detected. Therefore, processed food subgroup data is presented without seasonal adjustments.

Chart 5. Underlying Inflation Indicators
(Seasonally Adjusted, Monthly % Change)

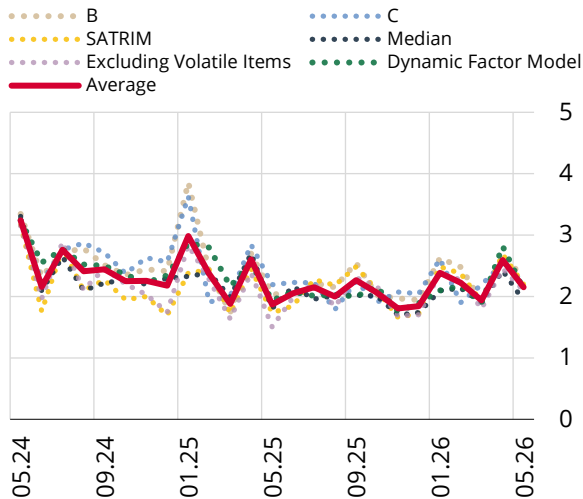


Chart 6. Underlying Inflation Indicators
(Seasonally Adjusted, Monthly % Change, 3 Month Average)

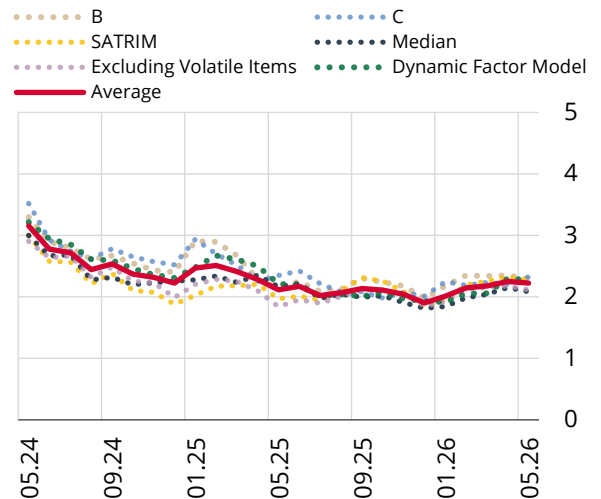


Chart 7. Services

(Annual % Change)

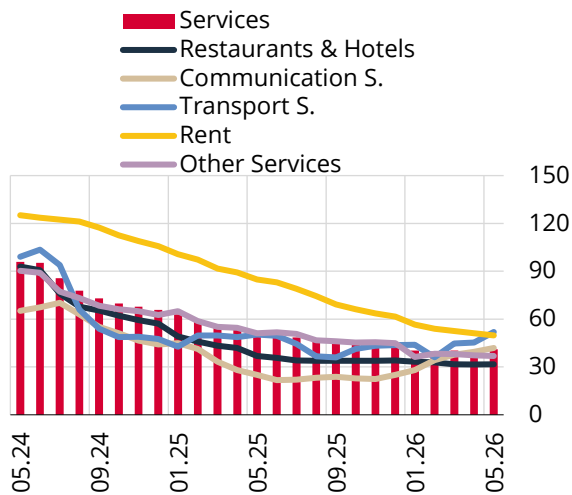


Chart 8. Core Goods

(Annual % Change)

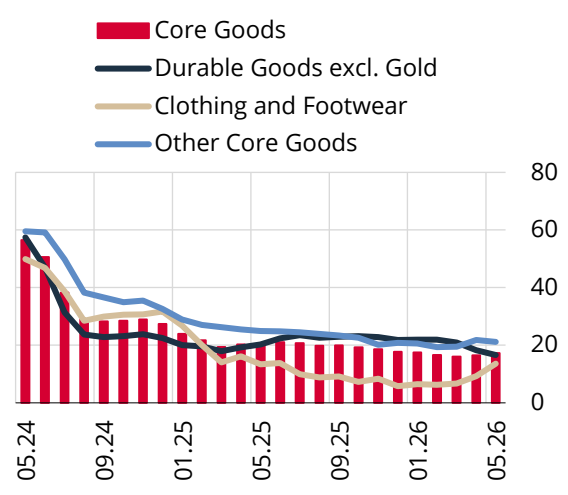


Chart 9. Food and Non-alcoholic Beverages and Energy

(Annual % Change)

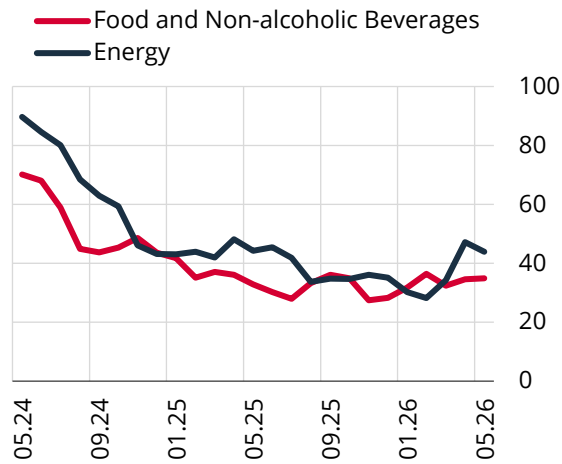


Chart 10. Processed and Unprocessed Food

(Annual % Change)

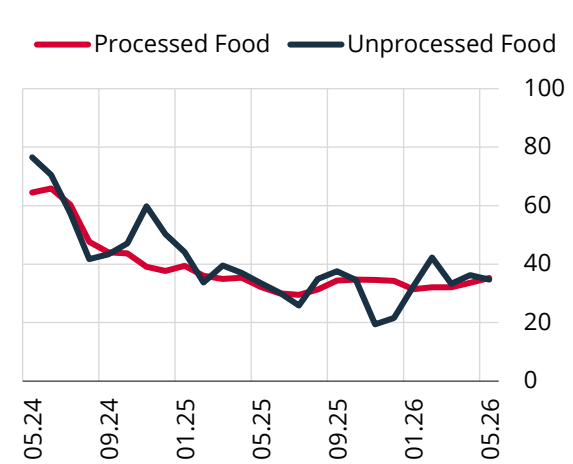


Chart 11. D-PPI and Manufacturing

(Annual % Change)

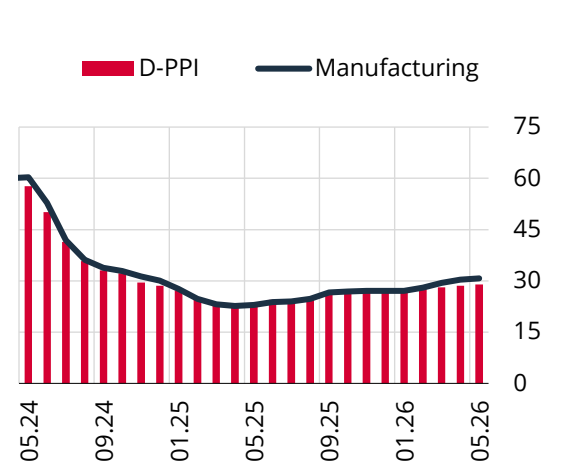


Chart 12. D-PPI Main Industrial Groupings

(Monthly % Change)

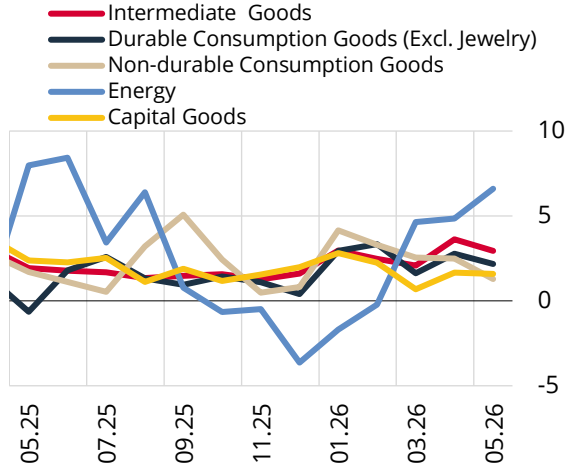


Table 1. CPI and Subcategories (% Change)

	Monthly		Annual	
	May 26	May 25	May 26	May 25
CPI	1.71	1.53	32.61	35.41
1. Goods	1.34	1.43	28.13	28.70
Energy	-0.17	2.15	43.88	44.21
Food and non-alcoholic beverages	-0.48	-0.71	34.86	32.87
Unprocessed food	-4.05	-3.01	34.76	33.53
Fresh fruits and vegetables	-9.34	-4.67	39.96	56.53
Other unprocessed food	0.14	-1.79	31.66	20.51
Processed food	2.63	1.39	35.31	32.21
Bread and cereals	2.63	1.17	33.80	40.87
Other processed food	2.63	1.51	35.93	28.14
Goods excluding energy and food	3.46	2.90	18.92	21.08
Core goods	3.91	3.26	17.26	20.02
Durable goods (excluding gold)	1.32	2.73	16.60	20.26
Clothing and footwear (*)	11.40	7.09	13.62	13.38
Other core goods	0.96	1.49	21.20	24.99
Alcoholic beverages and tobacco	-0.02	0.06	29.85	27.87
Gold	-0.46	3.45	47.76	48.36
2. Services	2.30	1.74	41.07	51.19
Rents	2.15	3.10	49.77	84.94
Restaurants and hotels	1.87	1.83	31.59	36.91
Transport	5.61	0.99	52.02	50.29
Communication	1.69	-0.14	41.98	25.01
Other	1.14	1.39	36.89	51.18
3. Core Measures				
B - CPI excluding unprocessed food, energy, alcoholic beverages tobacco and gold	2.87	2.25	31.30	34.81
C - CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold	2.92	2.43	30.44	35.37
D - CPI excluding unprocessed food, alcoholic beverages and tobacco	2.58	2.24	32.44	35.99
F - CPI excluding administered prices	1.66	1.49	31.35	32.90

Source: TURKSTAT.

* Does not cover clothing services.

Table 2. Underlying Inflation Indicators (Seasonally Adjusted, % Change)

	Monthly		3-Month Average	
	May 26	April 26	May 26	April 26
B	2.31	2.66	2.29	2.35
C	2.24	2.54	2.32	2.21
SATRIM	2.20	2.69	2.26	2.32
Median	1.93	2.42	2.08	2.15
Excluding Volatile Items	2.10	2.45	2.12	2.18
Dynamic Factor Model	2.11	2.82	2.28	2.30
Average	2.15	2.60	2.23	2.25

Source: CBRT, TURKSTAT.

Table 3. D-PPI and Subcategories (% Change)

	Weight (%)	May 2026		May 2025	
		Monthly	Annual	Monthly	Annual
D-PPI	100	2.75	28.93	2.48	23.13
Mining	3.94	2.85	42.74	1.18	28.11
Manufacturing	85.82	1.99	30.72	1.72	22.99
Manufacturing excl. petroleum products	83.43	2.18	28.36	1.77	23.83
Manufacturing excl. petroleum products and base metals	75.36	2.18	28.69	1.72	25.04
Electricity, gas, steam and air-conditioning sup.	9.49	12.04	6.88	12.36	19.83
Water supply	0.74	3.37	35.00	5.86	57.57
D-PPI (MIGs Classification)					
Intermediate Goods		2.94	27.76	1.92	20.50
Durable Consumption Goods		1.31	31.39	0.05	29.22
Durable Consumption Goods (Excl. Jewelry)		2.18	24.87	-0.64	24.24
Non-Durable Consumption Goods		1.29	31.05	1.70	27.48
Capital Goods		1.58	23.73	2.38	26.48
Energy		6.60	31.45	7.98	17.05

Source: TURKSTAT.