

AUGUST PRICE DEVELOPMENTS

September 4, 2025



Summary

Consumer prices rose by 2.04%, while annual inflation fell by 0.57 percentage points to 32.95% in August. In monthly terms, food and tobacco stood out with price increases. In this period, adverse weather conditions had a negative impact on food prices. The supportive trend that had been observed for some time in the unprocessed food group was reversed, while price increases in processed food strengthened. The rise in tobacco products prices continued as companies deferred part of the increase in the Special Consumption Tax (ÖTV) rate scheduled for July to August. Meanwhile, energy inflation followed a weak trend during this period. Services inflation slowed month-on-month, while rent inflation continued to stand out among sub-groups. Demand-sensitive services items displayed a more moderate outlook. Core goods inflation continued its positive trend. Producer prices rose significantly during this period, increasing by 2.48% led by energy, tobacco, and food items, and producer inflation rose on an annual basis. Against this backdrop, food-related effects became the primary factor affecting consumer prices in August, while the underlying inflation fell.

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 the Monetary Policy Committee meeting.

Evaluations

In August, consumer prices rose by 2.04%, and annual inflation decreased by 0.57 percentage points to 32.95% (Chart 1). The annual rate of change of the B index fell by 1.06 points to 32.71%, while that of the C index declined by 1.70 points to 33.00% (Table 1).

Contributions of the energy, services, and core goods groups decreased compared to the previous month by 0.77, 0.60, and 0.31 points, respectively, while contributions of the food and non-alcoholic beverages and alcohol-tobacco-gold groups increased by 1.04 and 0.07 points, respectively.

In seasonally adjusted terms, the monthly rise in consumer prices slowed slightly compared to the previous month. Meanwhile, excluding food, consumer inflation eased significantly (Chart 2). The monthly increase was similar to that of the previous month in the B index but waned in the C index (Chart 3). Among the components of the B index, price increases weakened in services and core goods while gaining momentum in processed food (Chart 4). Indicators monitored by the CBRT suggest that the underlying inflation slowed month-on-month in August but was flat in three-month averages (Charts 5 and 6).

In August, the increase in services prices moderated month-on-month by 2.65%, and the annual services inflation fell by 2.77 points to 45.77%. Annual inflation declined across all subgroups except communications (Chart 7). Monthly price increases were led by rents and transport services, while other subitems displayed a relatively milder trend. Monthly rent inflation stood at 4.61% also due to high contract renewal rates, while annual rent inflation fell by 4.62 points to 74.33%. The significant monthly price increase in transport services was mainly driven by passenger transport by air (36.43%). In other services, maintenance and repair services stood out.

In August, prices of core goods remained relatively flat, and the group's annual inflation stood at 19.85%. Annual inflation declined across all subgroups (Chart 8). Price increases in durable consumer goods lost pace month-on-month with 0.73%. This was driven by the decline in furniture prices (-0.67%) coupled with the slowdown in automobile price increases. The impact of changes in special consumption tax rates appeared limited on overall automobile prices. Meanwhile, white goods recorded a monthly price increase of 1.20%. Following a significant fall in the previous month, prices declined at a lower rate of 0.77% in the clothing and footwear subgroup in this period. Monthly inflation in the other core goods subgroup weakened compared to the previous month with 1.01%.

Energy prices rose by 0.64% in August, and the group's annual inflation rate dropped by 8.23 points to 33.66 % due to the high base effect (Chart 9). In this period, bottled gas and tap water prices rose by 2.11% and 1.29%, respectively, while fuel prices remained almost unchanged.

Prices of food and non-alcoholic beverages, which had been supportive in recent months, surged by 3.02% in August, and the group's annual inflation rate hit 33.28 % (Chart 9). In this development, the impact of adverse weather conditions such as frost and drought has been felt. Annual inflation in the unprocessed and processed food subgroups rose by 9.14 points to 34.94% and 1.85 points to 31.35%, respectively (Chart 10). On a monthly basis, unprocessed food prices rose by 2.02%, with fresh fruits, red and white meat, and eggs in the lead. The monthly price increase in processed food was 3.83%, significantly stronger than in the previous month. Price increases spread across the group, led by bread and cereals (5.77%), milk and dairy products, and non-alcoholic beverages.

Prices of alcoholic beverages and tobacco products rose by 6.04% in August, pushing the group's annual inflation up by 1.93 points to 29.71%. This development was driven by firms deferring part of the July increase in the SCT rate on tobacco products to August.

Domestic producer prices rose sharply by 2.48% in August, and annual inflation was up by 0.97 points to 25.16% (Chart 11 and Table 2). In this period, across main industrial groupings, the price increase in the energy group stood out with 6.39%, while prices in the non-durable consumption goods, intermediate goods, durable consumption goods, and capital goods groups increased by 3.21%, 1.34%, 1.26%, and 1.11%, respectively (Chart 12). On a sectoral basis, tobacco products, electricity and natural gas, clothing, and food manufacturing subgroups stood out with price increases.

Charts and Tables

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

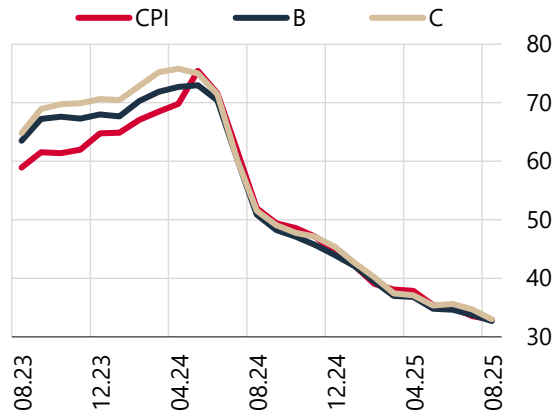


Chart 2. CPI and CPI Excluding Food
(Seasonally Adjusted, Monthly % Change)

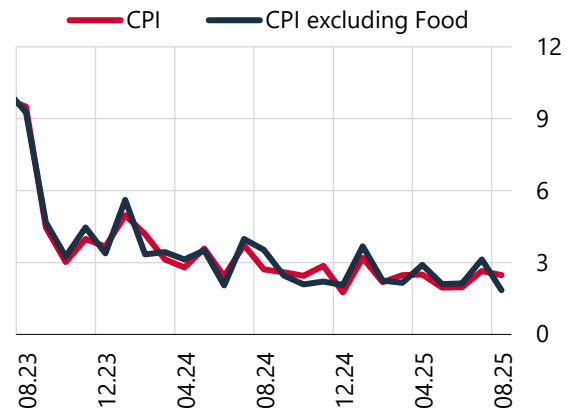


Chart 3. B and C Indices
(Seasonally Adjusted, Monthly % Change)

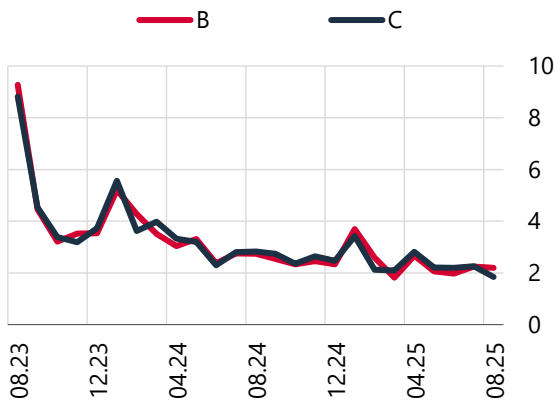
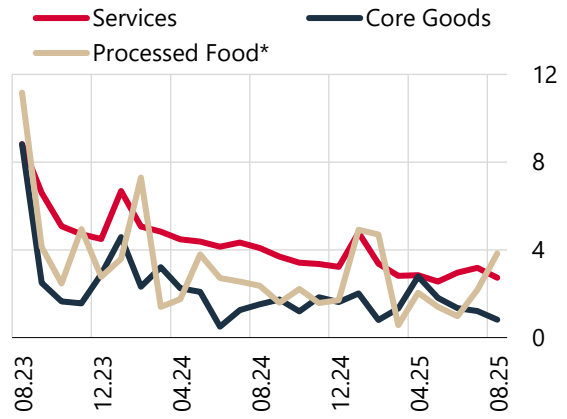


Chart 4. Main Components of B Index
(Seasonally Adjusted, Monthly % Change)



* 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)

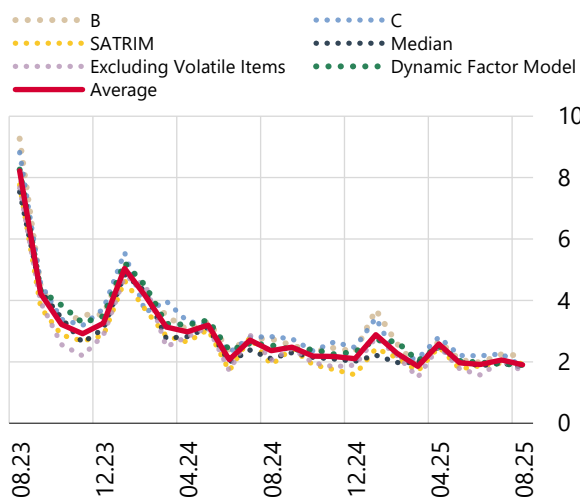


Chart 6. Underlying Inflation Indicators
(Seasonally Adjusted, Monthly % Change, 3 Month Average)

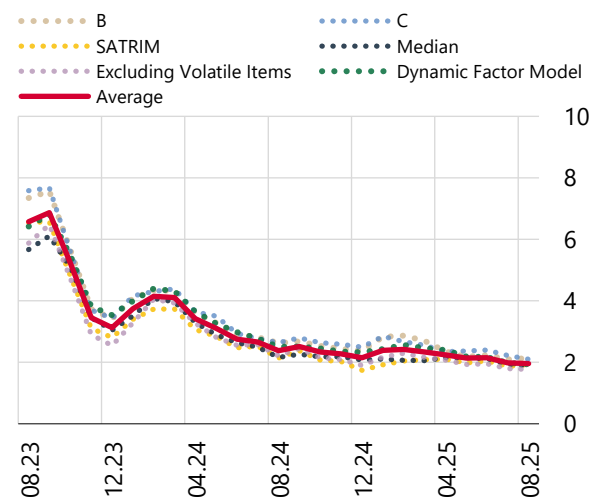


Chart 7. Services
(Annual % Change)

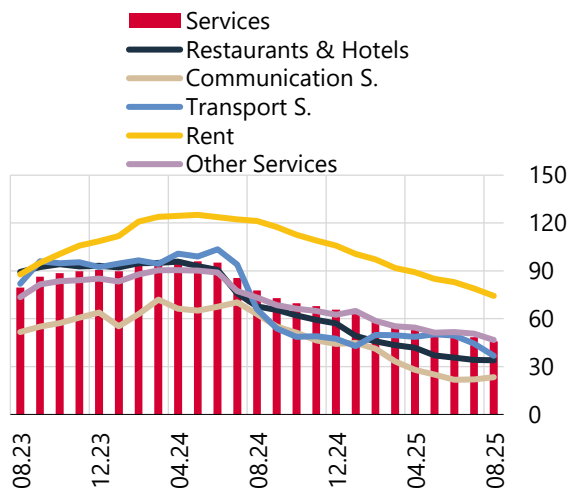


Chart 8. Core Goods
(Annual % Change)

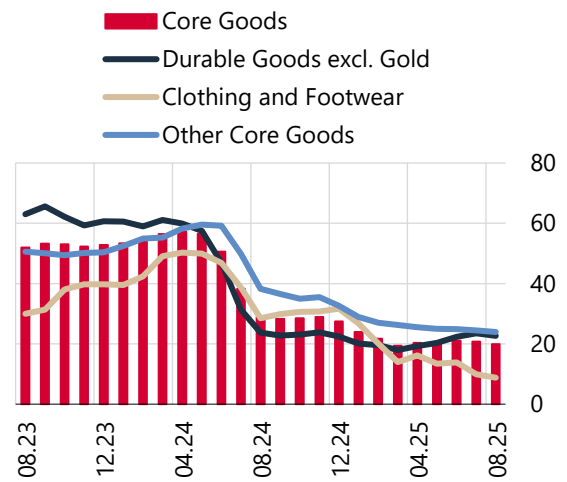


Chart 9. Food and Non-alcoholic Beverages and Energy (Annual % Change)

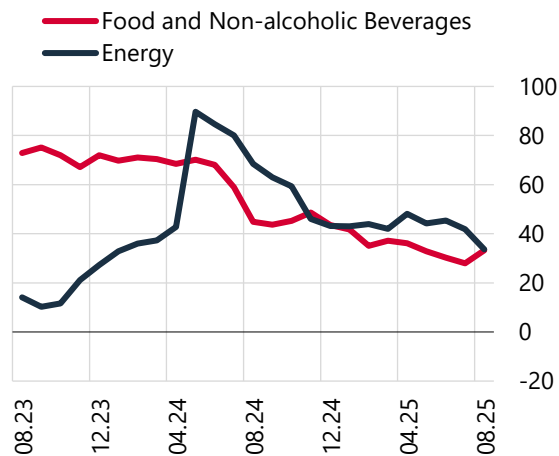


Chart 10. Processed and Unprocessed Food (Annual % Change)

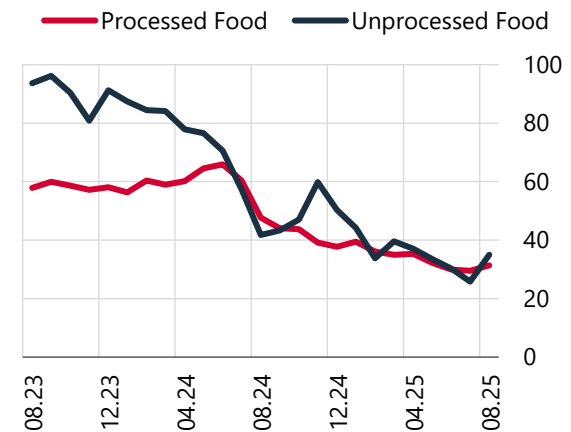


Chart 11. D-PPI and Manufacturing (Annual % Change)

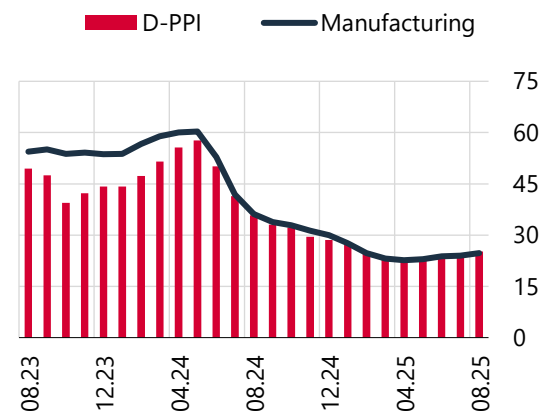


Chart 12. D-PPI Main Industrial Groupings (Monthly % Change)

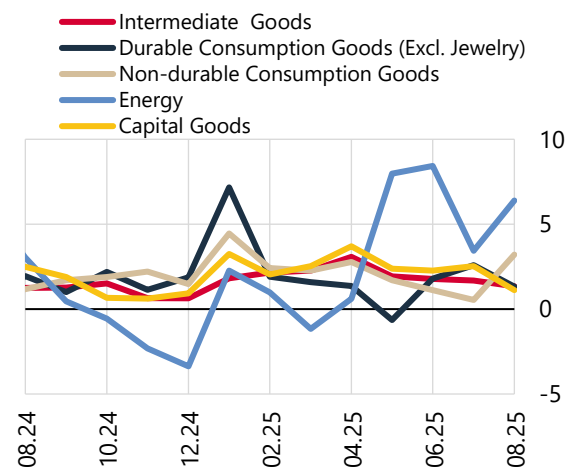


Table 1. CPI and Subcategories (% Change)

	Monthly		Annual	
	August 2025	August 2024	August 2025	August 2024
CPI	2.04	2.47	32.95	51.97
1. Goods	1.72	1.51	27.22	42.13
Energy	0.64	6.84	33.66	68.45
Food and non-alcoholic beverages	3.02	-1.10	33.28	44.88
Unprocessed food	2.02	-4.89	34.94	41.75
Fresh fruits and vegetables	2.25	-10.00	51.78	28.93
Other unprocessed food	1.86	-1.67	25.09	50.05
Processed food	3.83	2.37	31.35	47.66
Bread and cereals	5.77	1.95	38.82	44.89
Other processed food	2.82	2.57	27.69	49.20
Goods excluding energy and food	1.12	1.64	21.10	32.30
Core goods	0.52	1.23	19.85	28.91
Durable goods (excluding gold)	0.73	1.50	22.60	23.69
Clothing and footwear (*)	-0.77	0.30	8.78	28.52
Other core goods	1.01	1.44	23.93	38.26
Alcoholic beverages and tobacco	6.04	4.46	29.71	60.94
Gold	0.22	3.87	36.76	41.33
2. Services	2.65	4.60	45.77	77.83
Rents	4.61	7.38	74.33	121.26
Restaurants and hotels	1.88	2.03	33.96	67.70
Transport	3.36	9.20	36.76	65.93
Communication	1.65	0.61	23.26	62.90
Other	1.92	4.74	46.69	73.26
3. Core Measures				
B - CPI excluding unprocessed food, energy, alcoholic beverages tobacco and gold	2.07	2.88	32.71	50.87
C - CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold	1.69	2.99	33.00	51.56
D - CPI excluding unprocessed food, alcoholic beverages and tobacco	1.88	3.42	32.77	53.02
F – CPI excluding administered prices	2.04	1.44	32.19	48.22

Source: TURKSTAT.

* Does not cover clothing services.

Table 2. D-PPI and Subcategories (% Change)

	Weight (%)	August 2025		August 2024	
		Monthly	Annual	Monthly	Annual
D-PPI	100	2.48	25.16	1.68	35.75
Mining	3.43	1.97	27.62	2.51	49.43
Manufacturing	88.09	1.78	24.73	1.20	36.18
Manufacturing excl. petroleum products	85.41	1.90	25.15	1.44	38.26
Manufacturing excl. petroleum products and base metals	77.29	1.98	25.94	1.57	40.28
Electricity, gas, steam and air-conditioning sup.	7.80	10.09	26.68	6.10	20.66
Water supply	0.68	0.82	55.35	1.07	65.87
D-PPI (MIGs Classification)					
Intermediate Goods		1.34	22.02	1.25	33.56
Durable Consumption Goods		1.26	30.22	2.14	40.70
Durable Consumption Goods (Excl. Jewelry)		1.33	25.73	1.95	39.58
Non-Durable Consumption Goods		3.21	28.94	1.17	48.79
Capital Goods		1.11	26.61	2.49	37.98
Energy		6.39	24.76	3.04	18.20

Source: TURKSTAT.