

APRIL PRICE DEVELOPMENTS

May 6, 2025



Summary

Consumer prices rose by 3.00% in April, and annual inflation edged down by 0.24 points to 37.86%. Annual inflation increased in energy and core goods groups but decreased in others. Energy and core goods groups stood out with monthly price increases. The price increase in the energy group was driven by the electricity item following the adjustment in residential tariffs. Fuel prices, which declined somewhat due to the fall in international crude oil prices being largely offset by exchange rate developments, curbed the monthly inflation in the energy group. The recent depreciation of the Turkish lira affected prices of core goods, notably durable consumption goods. Furthermore, the start of the new season led to a stronger price increase in clothing and footwear compared to previous years, which further pushed up monthly core goods inflation. Price increases in the food group slowed month-on-month, mainly due to the correction in vegetable prices. In the services group, monthly price increases were somewhat higher compared to the previous month, headed by transport services, which saw a significant price increase due to the holiday effect, and the restaurants-hotels subgroup, which was impacted by the red meat price developments. Monthly producer inflation posted a month-on-month increase, while annual producer inflation remained on a downtrend. In seasonally adjusted terms, the B and C indices registered stronger monthly increases, yet their annual rates of increase kept declining. When all indicators were considered together, the underlying inflation went up in April.

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

Consumer prices rose by 3.00% in April, and annual inflation edged down by 0.24 points to 37.86% (Chart 1). The annual rate of change in the B and C indices dropped by 0.18 and 0.30 points to 36.81% and 37.12%, respectively (Table 1).

Contributions of the energy and core goods groups to annual consumer inflation increased month-on-month by 0.45 and 0.35 points, while those of the services, alcohol-tobacco-gold, and food and non-alcoholic beverages groups decreased by 0.40, 0.34, and 0.30 points, respectively.

In seasonally adjusted terms, the monthly increases in consumer prices remained almost flat compared to the previous month, whereas they strengthened in the B and C indices (Charts 2 and 3). Across the components of the B index, price increases accelerated, most significantly in core goods and processed food (Chart 4). Indicators monitored by the CBRT point to an increase in the underlying inflation in April on a monthly basis (Chart 5) and to an almost flat outlook on a three-month average basis (Chart 6).

Services prices increased by 3.00% month-on-month, and the group's annual inflation decreased by 1.74 points to 54.60%. Annual services inflation was down across all subgroups, notably in communication (Chart 7). On a monthly basis, prices of transport services rose by 5.75% due to the holiday effect. The rise was mainly driven by significant increases in intercity transport by road (13.22%) and passenger transport by air (42.10%). The downward course in monthly rent inflation seen in the last two months continued due in part to the fall in the contract renewal rate and stood at 3.20%. Monthly inflation in the restaurants-hotels group, which weakened after January, picked up in April driven by both catering and accommodation services. Prices in the catering services were led by red meat prices, while those in accommodation services were shaped by the depreciation in the Turkish lira. In education services, the lowest monthly increase was recorded since the start of the year with 2.28%. In the communication group, monthly inflation remained moderate at 0.38%.

In April, core goods prices rose by 3.74 points amid the depreciation in the Turkish lira, and the group's annual inflation crept up by 0.89 points to 20.28%. Annual inflation went down in the other core goods subgroup, but went up in the durable goods and clothing and footwear subgroups (Chart 8). Price increases grew stronger with 3.43% month-on-month in durable consumption goods, due mostly to the price hike in automobile prices (4.68%), which has a high exchange rate pass-through. Furniture prices also posted a high monthly increase (4.42%), while prices of white goods remained relatively flat in April. Having declined in five months in a row, prices in the clothing and footwear subgroup rose by 6.57% on a monthly basis due to the upcoming new season, and remained above the April averages of recent years. In the other core goods subgroup, monthly inflation recorded an uptick with 2.38 compared to the previous month.

Energy prices rose by 4.32% in April, and annual energy inflation increased by 6.13 points to 48.11% (Chart 9). Electricity prices, included in the index on a daily basis within the framework of the end-source supply tariff, surged by 20.80% in April due to the residential electricity tariff adjustment. It should be noted that this adjustment will have a carry-over effect in May. Meanwhile, despite the depreciation of the Turkish lira, fuel prices decreased by 0.36% due to the significant decline in international crude oil prices. During this period, municipal water prices increased by 1.66% month-on-month.

In April, prices in the food and non-alcoholic beverages group were up by 2.01%, and annual inflation in this group decreased by 1.03 points to 36.09% (Chart 9). Annual inflation dropped by 2.51 points to 37.06% in unprocessed food but increased by 0.39 points to 35.35% in processed food (Chart 10). In April, despite the significant uptick in the prices of fresh fruits (19.84%), red meat (5.92%) and eggs (7.19%), unprocessed food prices remained relatively moderate owing to the correction (-17.32%) in vegetables prices. In April, prices in the processed food group rose by 2.04%. This development was mainly driven by breads and cereals, fats and oils, canned processed vegetable products and confectionary-chocolate items.

Domestic producer prices rose by 2.76% in April, and annual inflation fell by 1.00 point to 22.50% due to the high base effect (Chart 11 and Table 2). In this period, across main industrial groupings, prices in the capital goods, intermediate goods, nondurable consumption goods, durable consumption goods (excluding jewelry) and energy groups increased by 3.69%, 3.08%, 2.78%, 1.36% and 0.61%, respectively (Chart 12). An analysis of monthly price developments by sectors reveals that other manufactured goods, metal ores, paper and paper products, motor vehicles and tobacco products stood out in terms of their price hikes.

Charts and Tables

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

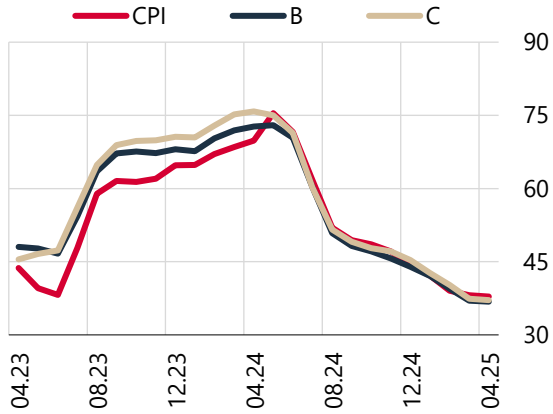


Chart 2. CPI and CPI Excluding Food
(Seasonally Adjusted, Monthly % Change)

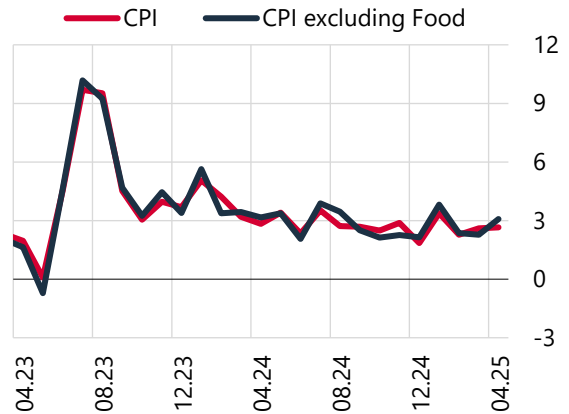


Chart 3. B and C Indices
(Seasonally Adjusted, Monthly % Change)

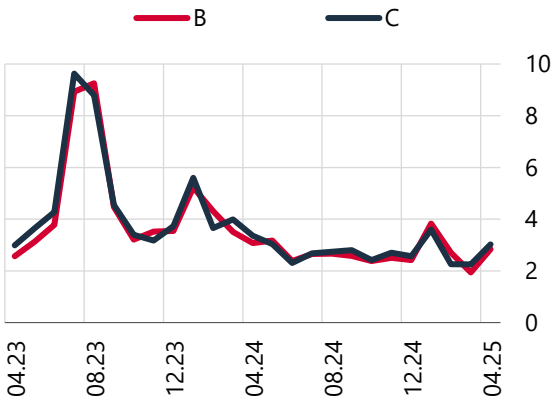
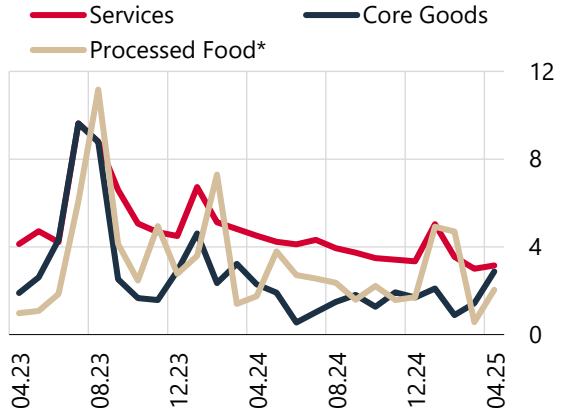


Chart 4. Main Components of B Index
(Seasonally Adjusted, Monthly % Change)



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

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

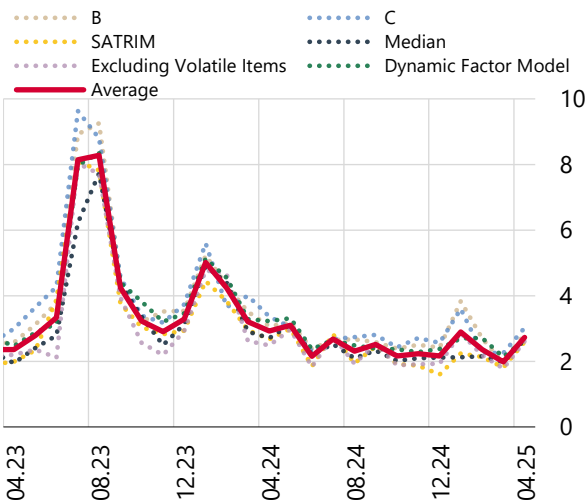


Chart 6. Underlying Inflation Indicators
(Seasonally Adjusted, Monthly % Change, 3 Month Average)

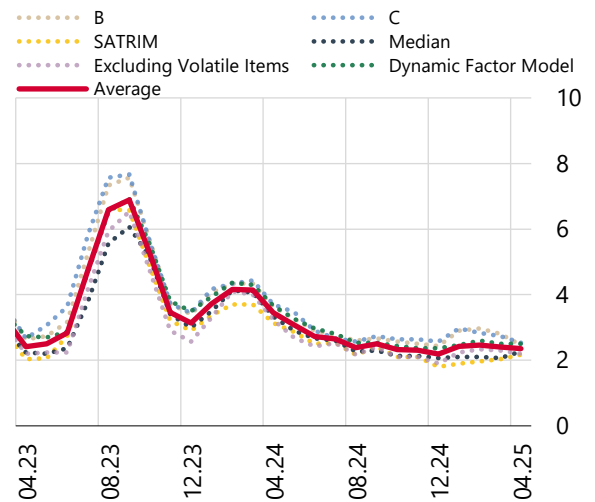


Chart 7. Services
(Annual % Change)

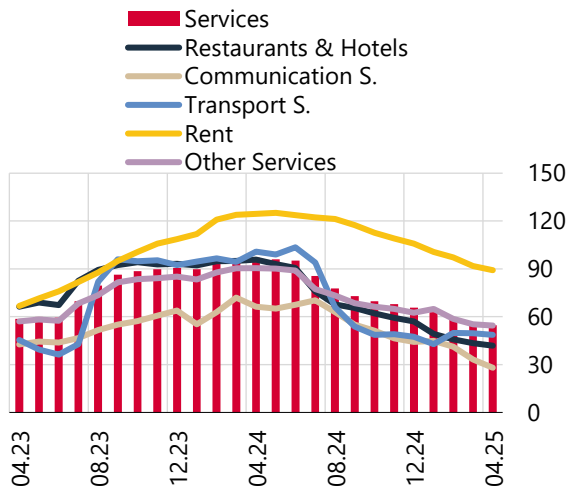


Chart 8. Core Goods
(Annual % Change)

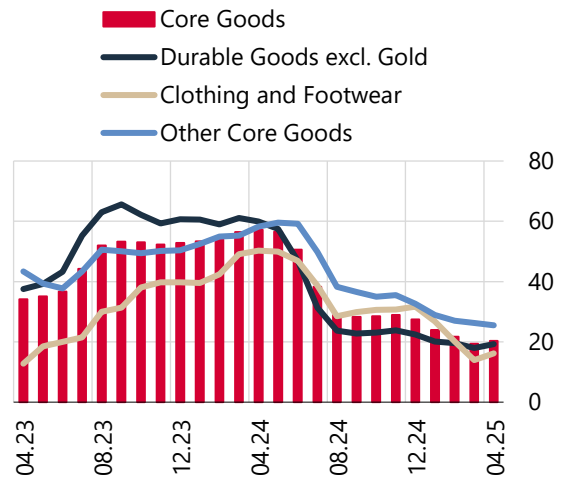


Chart 9. Food and Non-alcoholic Beverages and Energy (Annual % Change)

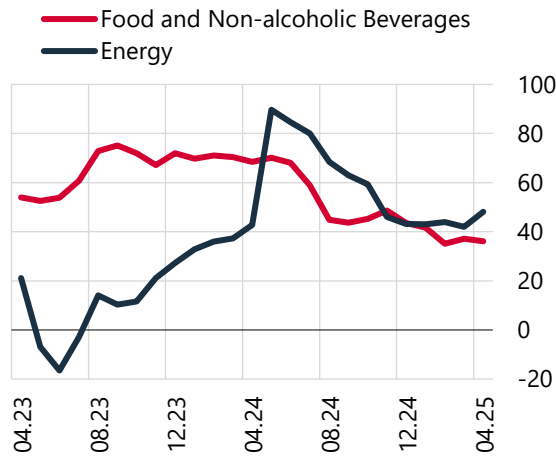


Chart 10. Processed and Unprocessed Food (Annual % Change)

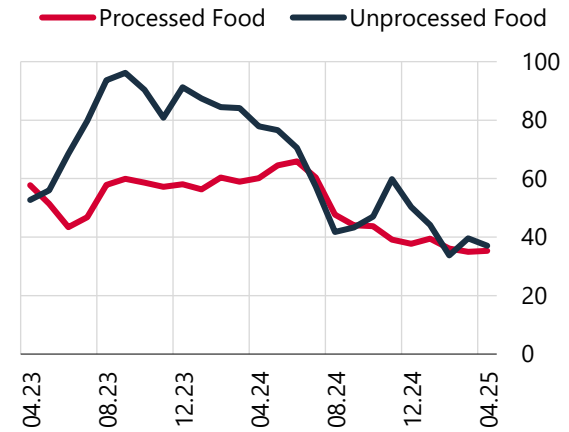


Chart 11. D-PPI and Manufacturing (Annual % Change)

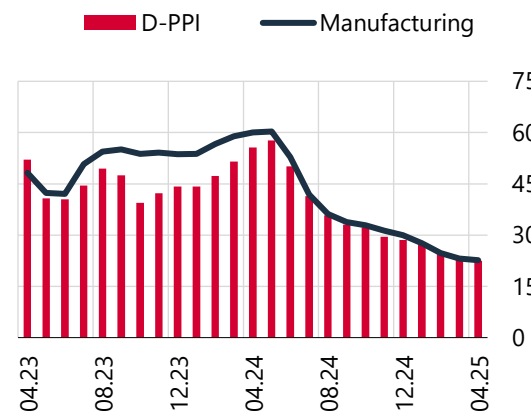


Chart 12. D-PPI Main Industrial Groupings (Monthly % Change)

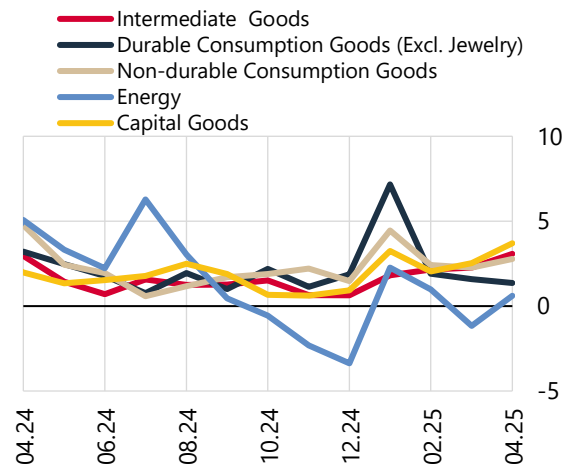


Table 1. CPI and Subcategories (% Change)

	Monthly		Annual	
	April 2025	April 2024	April 2025	April 2024
CPI	3.00	3.18	37.86	69.80
1. Goods	2.99	2.76	30.79	59.67
Energy	4.32	0.00	48.11	42.83
Food and non-alcoholic beverages	2.01	2.78	36.09	68.50
Unprocessed food	1.98	3.85	37.06	77.85
Fresh fruits and vegetables	-1.49	0.66	59.00	77.96
Other unprocessed food	4.69	5.83	24.13	78.05
Processed food	2.04	1.75	35.35	60.19
Bread and cereals	2.61	2.02	44.90	60.61
Other processed food	1.74	1.63	30.88	59.97
Goods excluding energy and food	3.36	3.64	21.86	59.64
Core goods	3.74	2.96	20.28	57.14
Durable goods (excluding gold)	3.43	2.28	19.28	59.90
Clothing and footwear (*)	6.57	4.60	16.14	50.27
Other core goods	2.38	3.01	25.50	58.19
Alcoholic beverages and tobacco	-0.06	9.56	33.85	78.53
Gold	7.04	2.91	32.92	77.51
2. Services	3.00	4.16	54.60	96.99
Rents	3.20	4.61	89.19	124.47
Restaurants and hotels	3.59	4.69	41.87	95.82
Transport	5.75	6.44	48.66	100.75
Communication	0.38	4.45	28.02	66.32
Other	2.27	2.73	54.49	90.47
3. Core Measures				
B - CPI excluding unprocessed food, energy, alcoholic beverages tobacco and gold	3.10	3.24	36.81	72.72
C - CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold	3.34	3.56	37.12	75.81
D - CPI excluding unprocessed food, alcoholic beverages and tobacco	3.27	2.82	38.18	68.35
F – CPI excluding administered prices	2.96	3.39	34.74	74.67

Source: TURKSTAT.

* Does not cover clothing services.

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

	Weight (%)	April 2025		April 2024	
		Monthly	Annual	Monthly	Annual
D-PPI	100	1.88	23.50	3.29	51.47
Mining	3.43	2.76	22.50	3.60	55.66
Manufacturing	88.09	3.47	29.59	4.51	74.68
Manufacturing excl. petroleum products	85.41	2.85	22.65	3.26	60.03
Manufacturing excl. petroleum products and base metals	77.29	3.00	23.77	3.33	59.47
Electricity, gas, steam and air-conditioning sup.	7.80	2.97	25.48	3.57	60.71
Water supply	0.68	1.36	14.45	7.30	4.79
D-PPI (MIGs Classification)					
Intermediate Goods		3.08	19.93	2.95	54.88
Durable Consumption Goods		2.73	31.74	3.63	65.83
Durable Consumption Goods (Excl. Jewelry)		1.36	28.14	3.22	64.98
Non-Durable Consumption Goods		2.78	28.41	4.77	66.35
Capital Goods		3.69	25.20	1.98	66.33
Energy		0.61	12.00	5.08	29.84

Source: TURKSTAT.