

MARCH PRICE DEVELOPMENTS

April 6, 2026



Summary

Consumer prices rose by 1.94% in March and annual inflation decreased by 0.66 points to 30.87%. In March, consumer inflation was led by geopolitically-driven energy prices and their repercussions on transport services. In this period, while energy prices increased by 4.75%, led by fuel prices in response to developments in crude oil prices, the sliding-scale system has significantly limited the impact of international energy price fluctuations on inflation. Monthly consumer inflation excluding energy stood at a more moderate level of 1.74%. The elevated course of food inflation observed in the first two months of the year decelerated in March. Core goods inflation remained partly low due to the outlook in durable consumption goods. Meanwhile, adjusted for seasonal effects, monthly services inflation remained elevated due to transport prices that rose on the back of geopolitical developments. Domestic producer prices increased by 2.30% in March, maintaining a high course, and annual producer inflation rose by 0.52 points to 28.08%. While the sliding-scale system had a curbing effect on consumer prices, tax-excluded producer prices appear to be more affected by global developments. Against this backdrop, underlying consumer inflation posted a monthly decline in March.

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

In March, consumer prices were up by 1.94% and annual inflation decreased by 0.66 points to 30.87% (Chart 1). Despite the decrease in annual consumer inflation, annual rates of change in the B and C indices increased by around 0.20 points each, standing at 30.11% and 29.68%, respectively (Table 1).

Compared to the previous month, contributions of food and non-alcoholic beverages, core goods, and the alcohol-tobacco-gold group to annual consumer inflation decreased by 0.84 points, 0.30 points and 0.22 points, respectively, while the contributions of energy and services increased by 0.36 points and 0.34 points, respectively.

In seasonally adjusted terms, the monthly increase in consumer prices weakened compared to the previous month. Food inflation slowed in this period while consumer inflation excluding food increased due to energy price developments (Chart 2). Monthly increases fell in the B index but rose in the C index (Chart 3 and Table 2). Among the components of the B index, price increases were somewhat higher in core goods, remained flat in services, and declined significantly in processed food group (Chart 4). Indicators monitored by the CBRT pointed to a downward trend in underlying inflation in March (Chart 5 and Table 2). These indicators showed no significant change in terms of quarterly averages (Chart 6 and Table 2).

In March, services prices increased by 2.39%, and the annual services inflation rose by 0.59 points to 40.26%. This was mainly driven by transport services, with annual inflation rising in the transport and communication but falling in other subgroups (Chart 7). In March, transport services prices rose by 6.07% on a monthly basis, driven by rising fuel prices amid geopolitical developments. In this period, international air passenger transport prices (10.94%) stood out, while urban transport services prices rose due to the realized and carry-over effects of price adjustments, and intercity bus fares were affected by the religious holiday, as well as fuel costs. Monthly inflation in communication services remained relatively high at 3.03%. While the monthly increase in rents stood at 2.41%, annual rent inflation fell by 1.46 points to 52.45%. On the other hand, other services, particularly education, and the restaurants-hotels subgroups were relatively mild during this period.

In March, core goods prices edged up by 0.44% and the group's annual inflation fell by 0.51 points to 16.06% (Chart 8). During this period, durable goods prices (excluding gold) rose moderately by 0.81%. In March, prices in white goods, automobiles and furniture increased by 2.39%, 0.93% and 0.76%, respectively, while prices of other electrical and non-electrical appliances dropped by 0.26%. In this period, clothing and footwear prices fell by 2.17%. Meanwhile, monthly inflation in the other core goods subgroup gained strength month-on-month with 2.20%.

In March, energy prices rose by 4.75%, and annual energy inflation increased by 6.05 points to 34.24% (Chart 9). This development is due to fuel prices that surged (by 9.52%) in tandem with crude oil prices. Under the sliding-scale system, the lump-sum SCT covered a vast portion of increases in refined product prices, limiting a more adverse outlook. Moreover, the increased share of hydroelectric in electricity generation backed by the rainfall led to a sustained decline in electricity prices (-1.24%) amid the end-source supply tariff (ESST) practice, which had favorable contributions.

Price increases in the food and non-alcoholic beverages group decelerated compared to the last two months with 1.79%, and the group's annual inflation fell by 4.09 points to 32.36% (Chart 9). Annual inflation declined significantly in unprocessed food, but remained relatively flat in processed food (Chart 10). In addition, monthly price increases lost momentum in both groups. In the unprocessed food group, the sharp increases observed in vegetable prices in the first two months of the year were followed by a relatively low rise in March, while the strong trend in meat prices continued. In March, the monthly price increase in processed food was recorded at 0.62%, denoting a significant slowdown compared to the previous two months.

Prices in the alcoholic beverages and tobacco group increased by 4.36% due to the carry-over effect of the price increase made in February.

In March, domestic producer prices remained high and rose by 2.30%, while annual producer inflation rose by 0.52 points to 28.08% (Chart 11). An analysis by main industrial groupings reveals that energy prices displayed a high rate of increase with 4.65% due to the geopolitical developments (Chart 12). On the other hand, the 11.2 %-decrease in electricity producer prices owing to the course of precipitation prevented a more adverse outlook in energy. Moreover, a moderate trend was observed in durable consumption goods and capital goods (0.89% and 0.68%, respectively). While the sliding-scale system has a restrictive effect on consumer prices, producer prices compiled excluding taxes are affected by global developments more severely. Therefore, a decoupling might be observed between producer prices and consumer prices in the upcoming period.

Chart 7. Services

(Annual % Change)

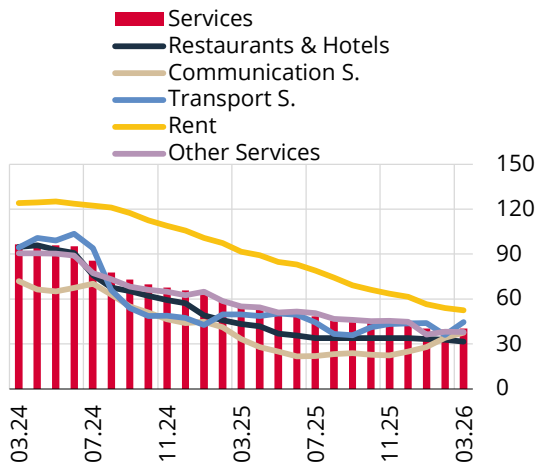


Chart 8. Core Goods

(Annual % Change)

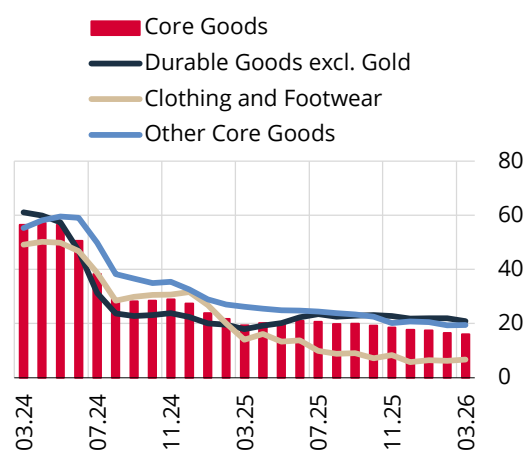


Chart 9. Food and Non-alcoholic Beverages and Energy (Annual % Change)

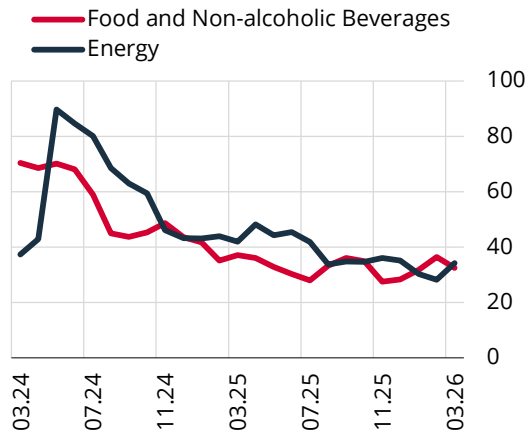


Chart 10. Processed and Unprocessed Food (Annual % Change)

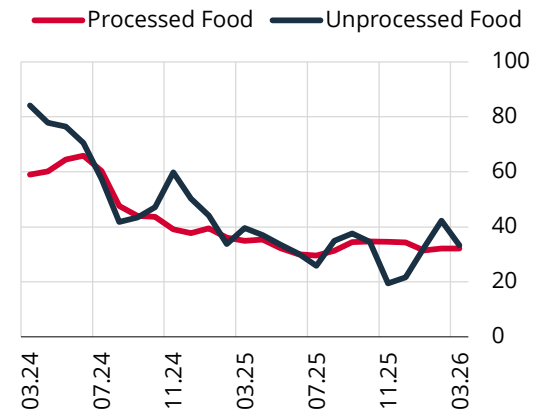


Chart 11. D-PPI and Manufacturing (Annual % Change)

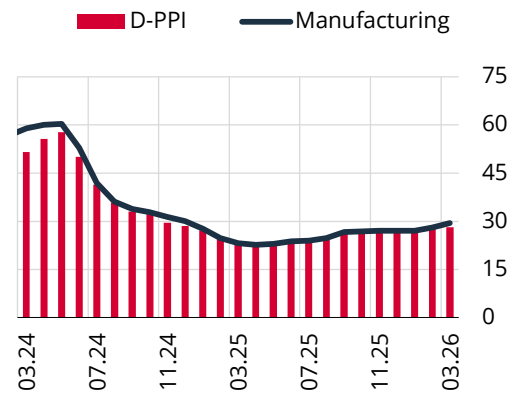


Chart 12. D-PPI Main Industrial Groupings (Monthly % Change)

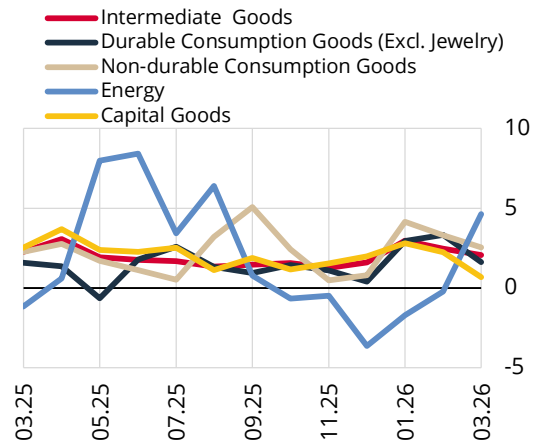


Table 1. CPI and Subcategories (% Change)

	Monthly		Annual	
	March 26	March 25	March 26	March 25
CPI	1.94	2.46	30.87	38.10
1. Goods	1.65	2.71	25.87	30.50
Energy	4.75	0.03	34.24	41.98
Food and non-alcoholic beverages	1.79	4.94	32.36	37.12
Unprocessed food	3.18	10.17	33.29	39.57
Fresh fruits and vegetables	3.08	16.03	36.86	62.46
Other unprocessed food	3.27	5.98	31.36	25.47
Processed food	0.62	0.57	32.10	34.96
Bread and cereals	0.01	0.18	27.70	44.05
Other processed food	0.85	0.77	33.82	30.73
Goods excluding energy and food	0.77	1.84	17.88	22.19
Core goods	0.44	0.89	16.06	19.39
Durable goods (excluding gold)	0.81	1.63	20.90	17.95
Clothing and footwear (*)	-2.17	-2.59	6.75	13.99
Other core goods	2.20	2.09	19.46	26.27
Alcoholic beverages and tobacco	4.36	9.96	29.59	46.74
Gold	-2.43	1.33	57.75	27.79
2. Services	2.39	1.96	40.26	56.34
Rents	2.41	3.39	52.45	91.77
Restaurants and hotels	1.17	2.15	31.66	43.38
Transport	6.07	-0.29	44.78	49.64
Communication	3.03	0.55	37.69	33.22
Other	1.62	1.83	38.07	55.20
3. Core Measures				
B - CPI excluding unprocessed food, energy, alcoholic beverages tobacco and gold	1.45	1.30	30.11	36.99
C - CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold	1.64	1.46	29.68	37.42
D - CPI excluding unprocessed food, alcoholic beverages and tobacco	1.70	1.15	30.69	37.57
F - CPI excluding administered prices	1.67	2.39	30.12	35.30

Source: TURKSTAT.

* Does not cover clothing services.

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

	Monthly		3-Month Average	
	Mar.26	Feb.26	Mar.26	Feb.26
B	1.84	2.42	2.26	2.29
C	2.11	1.83	2.14	2.12
SATRIM	1.90	2.40	2.27	2.24
Median	1.83	2.15	2.02	1.98
Excluding Volatile Items	1.77	2.26	2.17	2.14
Dynamic Factor Model	1.84	2.14	2.06	2.06
Average	1.88	2.20	2.15	2.14

Source: CBRT, TURKSTAT.

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

	Weight (%)	March 2026		March 2025	
		Monthly	Annual	Monthly	Annual
D-PPI	100	2.30	28.08	1.88	23.50
Mining	3.94	1.83	32.28	1.52	30.89
Manufacturing	85.82	3.28	29.43	2.12	23.14
Manufacturing excl. petroleum products	83.43	1.99	27.93	2.29	24.16
Manufacturing excl. petroleum products and base metals	75.36	1.96	28.24	2.32	26.21
Electricity, gas, steam and air-conditioning sup.	9.49	-7.51	14.32	-0.87	21.15
Water supply	0.74	2.94	38.25	2.92	58.02
D-PPI (MIGs Classification)					
Intermediate Goods		2.07	25.84	2.28	19.78
Durable Consumption Goods		0.89	30.45	2.19	32.91
Durable Consumption Goods (Excl. Jewelry)		1.63	19.75	1.60	30.49
Non-Durable Consumption Goods		2.56	31.95	2.26	30.89
Capital Goods		0.68	27.18	2.53	23.14
Energy		4.65	27.78	-1.17	16.98

Source: TURKSTAT.