

# FEBRUARY PRICE DEVELOPMENTS

March 4, 2026



## Summary

Consumer prices rose by 2.96% in February and annual inflation increased by 0.88 points to 31.53%. While annual inflation went up significantly in the food and alcohol-tobacco-gold groups, it declined in other main groups. In this period, the food group was the most prominent driver of the monthly increase in consumer prices, with the rise in non-food consumer prices remaining limited to 1.66%. In February, unprocessed food prices were largely driven by vegetable and white meat prices, while particularly milk and dairy products had a marked impact on the processed food group. In this period, the effect of weather conditions as well as Ramadan-specific factors has been felt on food prices. In seasonally adjusted terms, services inflation rose compared to the previous month due in part to the acceleration in prices of communication services. The moderate course of core goods inflation continued, spreading across subgroups. Meanwhile, producer prices remained elevated in February, with a monthly increase of 2.43%, and annual producer inflation rose by 0.39 points to 27.56%. Against this background, underlying inflation was almost flat in February.

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 February, consumer prices were up by 2.96% and annual inflation increased by 0.88 points to 31.53% (Chart 1). Despite the rise in annual consumer inflation, the annual rate of change in the B index dropped by 0.20 points to 29.91%, and that in the C index declined by 0.34 points to 29.46% (Table 1).

Contributions of core goods and energy to annual consumer inflation declined month-on-month by 0.45 points and 0.25 points, respectively, whereas contributions of the food and non-alcoholic beverages, services, and alcohol-tobacco-gold groups increased by 1.24 points, 0.24 points, and 0.10 points, respectively.

In seasonally adjusted terms, the monthly increase in consumer prices was relatively flat compared to the previous month. Meanwhile, consumer inflation excluding food decelerated during this period (Chart 2). Monthly increases rose slightly in the B index but fell in the C index (Chart 3 and Table 2). This divergence was driven by the significant increase in processed food prices. Among the components of the B index, price increases were higher in processed food and services groups but notably weaker in core goods (Chart 4). Indicators monitored by the CBRT pointed to a near-flat trend in underlying inflation in February (Chart 5 and Table 2). These indicators recorded a limited increase in terms of quarterly averages (Chart 6 and Table 2).

In February, services prices increased by 3.19%, and the annual services inflation decreased by 0.56 points to 39.67%. Annual inflation rose in the communication and other services groups but declined in other subgroups (Chart 7). Among subgroups, communication services stood out with a monthly increase of 8.73%, which was driven by mobile phone call charges. In the other services group, financial services saw the most notable increase at 11.06%, followed by maintenance and repair at 5.00%. The monthly price increase in education services was 3.97%, down from the same period of the previous year. In February, rents increased by 3.46%, and annual inflation in this group fell by 2.64 points to 53.91%. Prices in the restaurants-hotels group saw a relatively modest increase of 2.82%, despite the unfavorable trend in food. Prices in transport services remained moderate, reflecting the seasonal decline in airfares.

In February, core goods prices dropped by 1.00% and the annual core goods inflation went down by 0.88 points to 16.57% (Chart 8). During this period, durable goods prices (excluding gold) rose moderately by 1.04%. In February, price increases in furniture and white goods slowed down significantly (0.47 and 0.45%, respectively), and prices of other electrical and non-electrical appliances dropped by 1.19%, while automobiles registered price increases of 2.44%. In this period, clothing and footwear prices fell by 5.43% due to seasonal factors. Meanwhile, prices in the other core goods subgroup remained almost unchanged.

In February, energy prices rose by 1.97%, and annual energy inflation went down by 2.02 points to 28.19% (Chart 9). In this period, following the developments in international energy prices, fuel (4.52%) and bottled gas (5.58%) prices saw increases. On the other hand, the fall in electricity prices (-3.74%) due to the end-source supply tariff (ESST) limited a more negative outlook, amid the developments in electricity market exchange rates.

In February, inflation in the food and non-alcoholic beverages group remained high with 6.90% on a monthly basis, and stood at 36.45% on an annual basis with an increase of 4.76 percentage points (Chart 9). Both processed and unprocessed food groups saw higher annual inflation rates, with the latter registering a more notable increase (Chart 10). Unprocessed food prices posted a significant monthly increase by 9.03%, led mainly by vegetable and white meat prices. In the processed food subgroup, the increase in the raw milk price reflected in milk and dairy products, while the increase in meat prices weighed on processed meat products. Overall, adverse weather conditions as well as factors specific to the month of Ramadan were also influential on food prices.

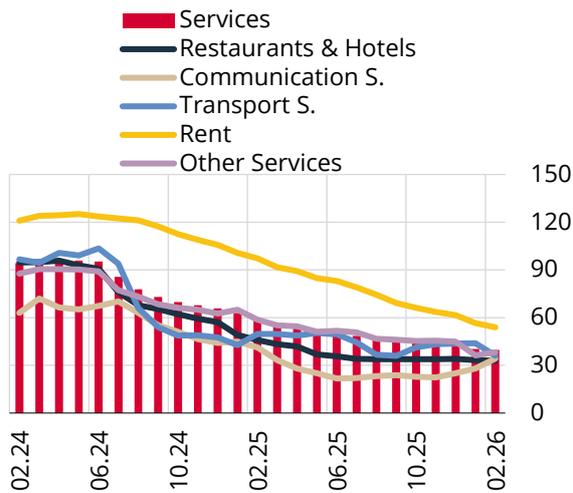
Regarding alcoholic beverages and tobacco, as the effect of the January tax adjustment became visible in February, prices in the tobacco group rose. It should be noted that this price increase will also have carry-over effects in March. Moreover, prices of alcoholic beverages also went up slightly in this period.

Domestic producer prices rose by 2.43% in February, and annual inflation edged up 0.39 points to 27.56% (Chart 11 and Table 3). In this period, energy prices (-0.22%) declined, while durable (4.47%) and non-durable (3.30%) consumption goods stood out with significant price increases (Chart 12). On a sectoral basis, refined petroleum products, other manufactured goods (affected by prices of precious metals), and metal ores stood out as subgroups with significant price increases.



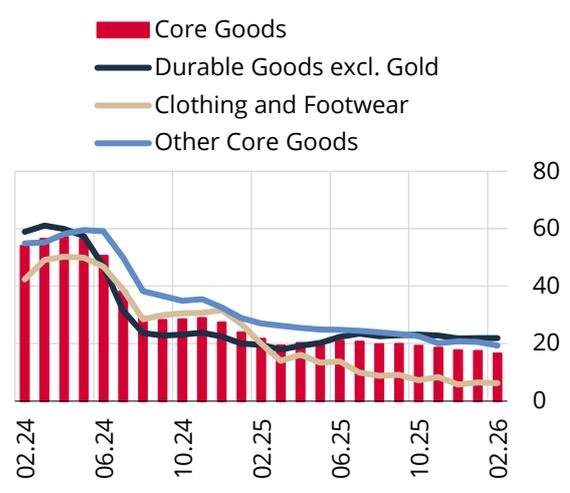
**Chart 7. Services**

(Annual % Change)



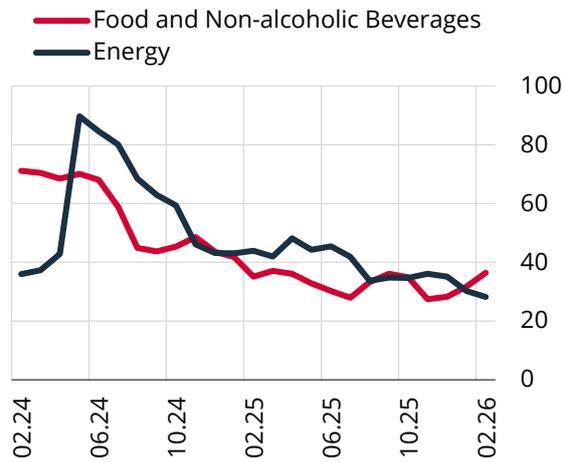
**Chart 8. Core Goods**

(Annual % Change)



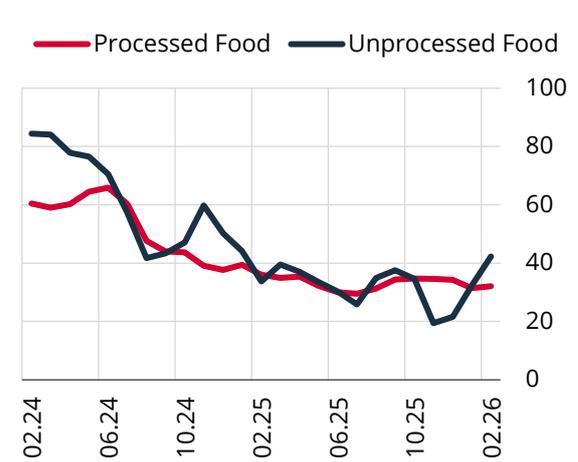
**Chart 9. Food and Non-alcoholic Beverages and Energy**

(Annual % Change)



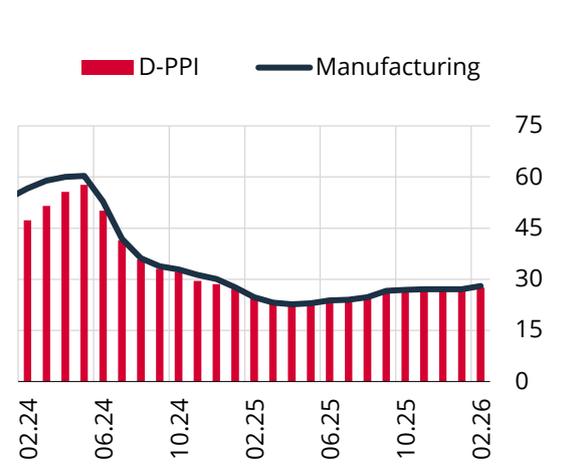
**Chart 10. Processed and Unprocessed Food**

(Annual % Change)



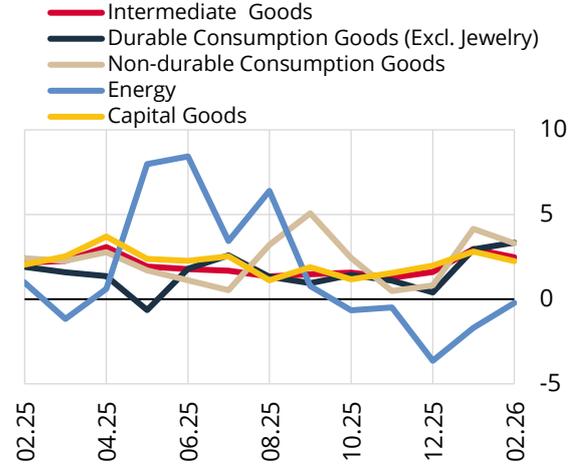
**Chart 11. D-PPI and Manufacturing**

(Annual % Change)



**Chart 12. D-PPI Main Industrial Groupings**

(Monthly % Change)



**Table 1. CPI and Subcategories (% Change)**

	Monthly		Annual	
	Feb.26	Feb.25	Feb.26	Feb.25
<b>CPI</b>	<b>2.96</b>	<b>2.27</b>	<b>31.53</b>	<b>39.05</b>
<b>1. Goods</b>	<b>2.82</b>	<b>1.63</b>	<b>27.17</b>	<b>30.53</b>
Energy	1.97	3.58	28.19	43.92
Food and non-alcoholic beverages	6.90	3.17	36.45	35.11
Unprocessed food	9.03	1.40	42.30	33.75
Fresh fruits and vegetables	17.55	-1.21	54.06	40.82
Other unprocessed food	3.26	3.36	34.81	28.96
Processed food	5.16	4.70	32.04	36.07
Bread and cereals	2.65	5.02	27.92	45.17
Other processed food	6.16	4.53	33.71	31.80
Goods excluding energy and food	-0.48	-0.16	19.14	23.16
Core goods	-1.00	-0.25	16.57	21.71
Durable goods (excluding gold)	1.04	1.11	21.89	19.59
Clothing and footwear (*)	-5.43	-5.26	6.29	20.07
Other core goods	0.16	1.26	19.34	27.04
Alcoholic beverages and tobacco	3.86	-0.01	36.55	33.43
Gold	3.21	4.78	63.84	39.18
<b>2. Services</b>	<b>3.19</b>	<b>3.61</b>	<b>39.67</b>	<b>59.78</b>
Rents	3.46	5.24	53.91	97.21
Restaurants and hotels	2.82	3.12	32.92	45.90
Transport	1.43	7.30	36.10	49.81
Communication	8.73	3.66	34.37	41.27
Other	3.58	2.02	38.35	58.67
<b>3. Core Measures</b>				
B - CPI excluding unprocessed food, energy, alcoholic beverages tobacco and gold	2.16	2.32	29.91	39.47
C - CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold	1.53	1.80	29.46	40.21
D - CPI excluding unprocessed food, alcoholic beverages and tobacco	2.15	2.48	29.99	40.02
F - CPI excluding administered prices	3.06	2.43	31.05	36.91

Source: TURKSTAT.

\* Does not cover clothing services.

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

	Monthly		3-Month Average	
	Feb.26	Jan.26	Feb.26	Jan.26
B	2.40	2.27	2.20	2.06
C	1.80	2.18	2.01	2.10
SATRIM	2.42	2.45	2.22	1.99
Median	2.12	2.08	2.03	1.90
Excluding Volatile Items	2.27	2.40	2.12	1.94
Dynamic Factor Model	2.05	2.06	1.99	1.87
<b>Average</b>	<b>2.18</b>	<b>2.24</b>	<b>2.10</b>	<b>1.98</b>

Source: CBRT, TURKSTAT.

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

	Weight (%)	February 2026		February 2025	
		Monthly	Annual	Monthly	Annual
<b>D-PPI</b>	<b>100</b>	<b>2.43</b>	<b>27.56</b>	<b>2.12</b>	<b>25.21</b>
Mining	3.94	3.31	31.88	4.16	33.24
Manufacturing	85.82	2.95	27.98	2.24	24.76
Manufacturing excl. petroleum products	83.43	2.80	28.30	2.22	25.84
Manufacturing excl. petroleum products and base metals	75.36	2.94	28.70	2.34	27.82
Electricity, gas, steam and air-conditioning sup.	9.49	-3.04	22.53	-0.34	23.95
Water supply	0.74	3.65	38.22	2.90	57.58
<b>D-PPI (MIGs Classification)</b>					
Intermediate Goods		2.48	26.09	2.15	21.16
Durable Consumption Goods		4.47	32.14	2.83	34.52
Durable Consumption Goods (Excl. Jewelry)		3.34	19.71	1.90	31.65
Non-Durable Consumption Goods		3.30	31.57	2.41	33.52
Capital Goods		2.25	29.51	2.04	24.16
Energy		-0.22	20.68	0.98	19.18

Source: TURKSTAT.