

INFLATION REPORT

2023-II

May 4, 2023



Contents

1. Overview	1
1.1 Monetary Policy Decisions	2
2. Economic Outlook	5
2.1 Global Economic Developments	5
2.2 Financial Conditions.....	9
2.3 Economic Activity	12
2.4 Inflation	20
3. Medium-Term Projections	40
3.1 Current State, Short-Term Outlook and Assumptions.....	40
3.2 Medium-Term Projections	42
3.3 Key Risks to Inflation Forecasts and Possible Impact Channels	44
Boxes	
Box 2.1 Findings from Interviews with Firms.....	28
Box 2.2 A Detailed Look at Economic Activity after the February 6 Kahramanmaraş Earthquake	31
Box 2.3 Broadening the Exports Base and Resilience to External Demand Shocks	36