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WFP
World Food Programme

SAVING LIVES
CHANGING LIVES

# Market Bulletin

## World Food Programme—Türkiye

### HIGHLIGHTS

- **USD/TRY Exchange Rate:** In the first quarter of 2025, the exchange rate rose from TRY 34.97 in December 2024 to **TRY 37.04** in March 2025. During the same period, the interest rate declined from 47.5 percent to **42.5 percent**.
- **Inflation Dynamics:** Disinflation continued in Q1 2025, though at a slower pace. Annual inflation stood at **38.10 percent** in March 2025. Following an initial decline early in the quarter, food inflation rose to **37.12 percent** by March.
- **Production and Economic Growth:** Türkiye's economy grew by **3 percent** in the fourth quarter of 2024, with full-year growth for 2024 recorded at **3.2 percent**, primarily driven by the construction sector. However, industrial production has been declining since December 2024.
- **Domestic Producer Price Index (D-PPI):** In line with disinflation trends, the Domestic Producer Price Index fell from 28.5 percent in December 2024 to **23.5 percent** in March 2025.
- **Unemployment Trends:** The unemployment rate decreased from 8.5 percent in December 2024 to **7.9 percent** in March 2025. Employment rates fluctuated throughout the first quarter, ending at 49.2 percent in March.
- **Global Food Price Index and MEB Calculation:** The global food price index fluctuated during Q1 2025 but returned to December 2024 levels (127 points) by March. The cost of the Minimum Expenditure Basket (MEB) rose to **TRY 3,927** per person per month in March 2025 — a 56 percent increase compared to March 2024 (TRY 2,525). For individuals affected by the earthquake, the MEB cost reached **TRY 4,304** per person per month, reflecting a 58 percent annual increase.

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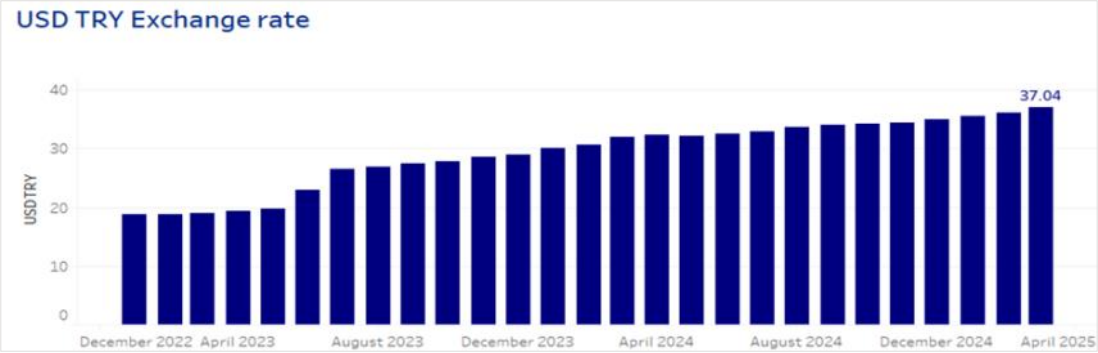
# Currency exchange

The USD/TRY exchange rate rose from TRY 34.97 in December 2024 to TRY 37.04 in March 2025. The US policies on the global economy, such as the increase in tariffs, strengthened the USD against the currencies in the emerging markets.[1] The arrest of the Istanbul mayor in March further created pressure on the USDTRY exchange rate and led to the depreciation of TRY.[2]

CBRT (Central Bank of the Republic of Türkiye) decreased the interest rates* from 47.5 points to 45 points in January and further to 42.5 in early March 2025 in line with expectations.[3] However, due to volatility in TRY and risks threatening the disinflation process, an interim meeting was held on March 20th, 2025. While the policy interest rate remained unchanged, reinforcing the tight monetary policy stance, the bank took measures such as including an increase of the overnight lending rate to 46 percent and suspending 1-week repo auctions.[4]

**FIGURE 1: EXCHANGE RATE BETWEEN TRY AND USD, 2023—2025**



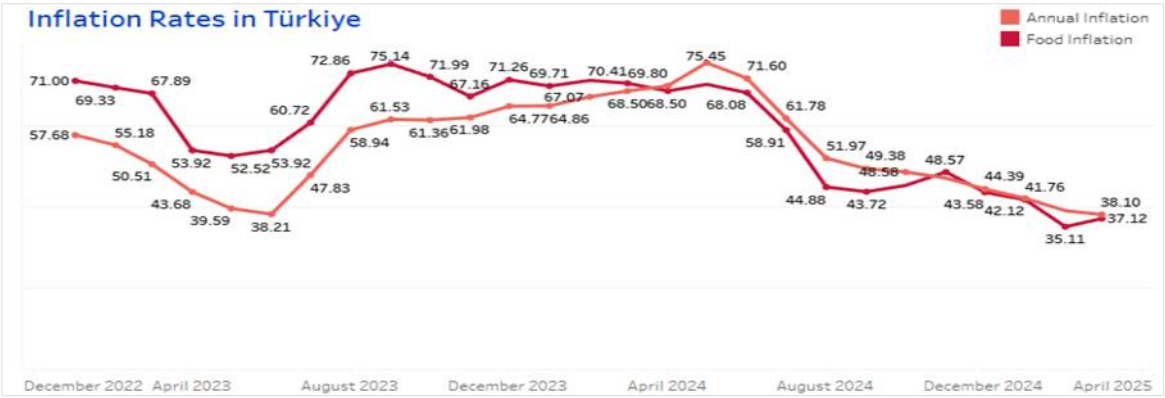

# Inflation

Inflation continued to decline throughout the first quarter of 2025, with the annual rate falling from 44.39 percent in December 2024 to 42.1 percent in January 2025. It dropped further to 39.5 percent in February and 38.1 percent in March.[5] In February, the CBRT revised its year-end inflation forecast upward from 21 percent to 24 percent, citing the increased weight of the services sector in the Consumer Price Index. The price increase in unprocessed food prices and the increase in medical examination copayments also contributed to the revision.[6]

Education recorded the highest annual inflation in the first quarter of 2025, with a 99.9 percent increase in January and remained the leading inflation basket component until March at 80.4 percent. Housing inflation remained the second-highest contributor, hovering around 69 percent throughout the quarter. It was followed by price increases in alcoholic beverages and tobacco (46.7%), as well as in hotels, cafes, and restaurants (43.4%).[7]

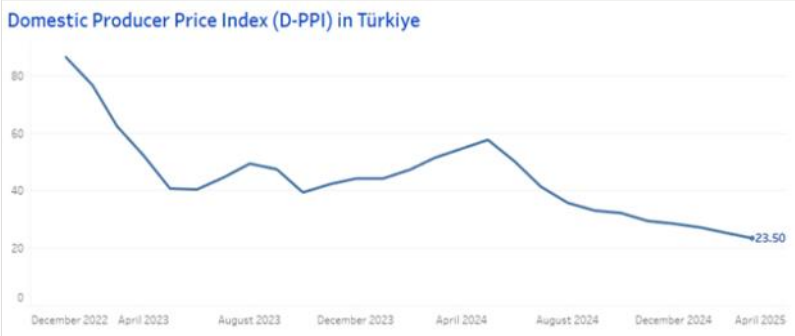
The food inflation rates that started to decline in Q4 2024 continued in January (41.8%), and February (35.11%). However, it was raised to 37.12 in March, following the end of Ramadan, the month of fasting. Among the food items, lemon (53%), potatoes (39%), apples (20%), and long green peppers (20%) had the highest monthly price increase in the markets in March 2025.[8] According to the Chamber of Agriculture, climate-related natural disasters affected production negatively. While frost experienced in Q1 2025 affected the citrus and potatoes in the south (with a minimum of 30-35 percent damage), floods and snowfalls harmed the farms and greenhouses in the north, resulting in a decrease in the supply of the products in the markets, and accordingly, increased food prices.[9]

**FIGURE 2: TURKSTAT'S CONSUMER PRICE INDEX TREND, 2023—2025**




* The interest rate set by a country's monetary authority (such as the central bank) to guide key monetary variables in the economy, including consumer prices, exchange rates, and credit growth, among others.

### FIGURE 3: DOMESTIC PRODUCER PRICE INDEX** TRENDS, 2023—2025




Production costs also reflect the overall slowdown in the annual inflation rates. The index decreased from 28.52 percent to 23.5 percent between December 2024 and January 2025.[10] The producer price of water, water treatment, and supply services has the highest annual increase, with 58 percent in March 2025, followed by tobacco products (57%), metal ores (48%), and beverages (45%).[11]

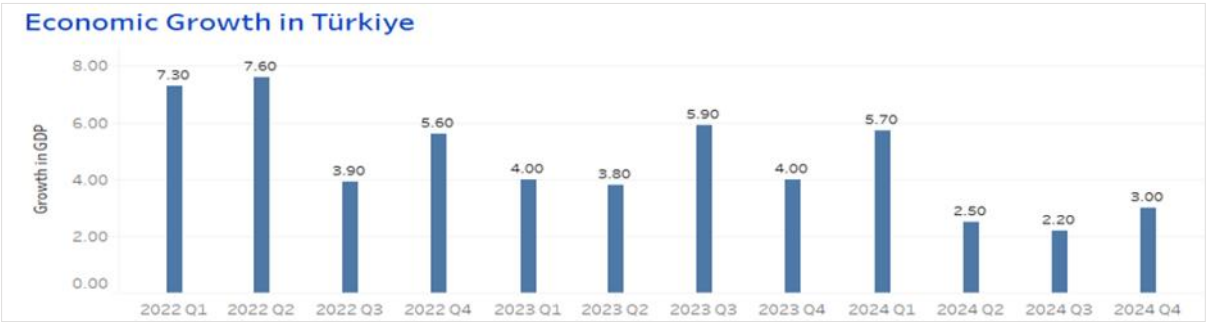
# Economic Growth

The The Turkish economy grew by 3 percent in the fourth quarter of 2024, exceeding the market expectations.[12] The yearly economic growth in Turkiye for 2024 was recorded as 3.2 percent, which is above the global economic growth expectations (2.6%).[13] In 2024, the GDP in the Turkish economy reached about 1.3 trillion USD, reaching a historically high GDP per capita of USD 15,463.[14] However, despite being the fastest-growing economy among the OECD countries, there is a significant gap between income-per-capita in Turkiye and the OECD countries (USD 46,724 in 2023).[15]

Growth in 2024 was primarily driven by the construction sector, which expanded by 9.3 percent, largely due to reconstruction efforts following the devastating earthquakes of 2023.[16] Taxes, excluding subsidies, ranked second with a contribution of 7.7 percent, followed by the finance and insurance sector at 4.9 percent. The agriculture sector also supported growth with a 3.9 percent increase.

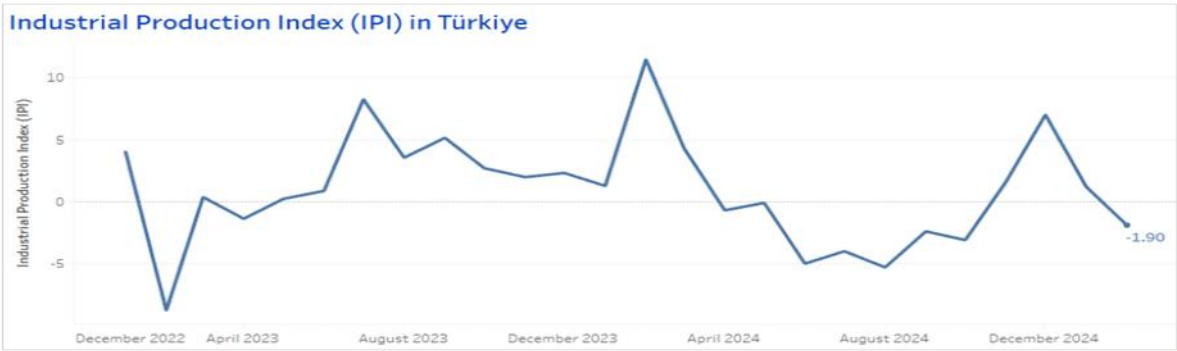
Gross fixed capital formation*** rose by 3.9 percent in 2024, while private consumption grew by 3.7 percent.[17] Government expenditures increased more modestly, by 1.2 percent. Exports of goods and services edged up by 0.9 percent, whereas imports contracted significantly by 4.1 percent. However, in the first quarter of 2025, imports began to rise again, leading to an expanded trade deficit compared to the previous quarter.[18]

### FIGURE 4: ANNUAL GROWTH RATES[19], 2022 —2024*




After contracting in the second and third quarters of 2024, the industrial sector rebounded with 1.5 percent growth in the fourth quarter, bringing the overall annual growth of the sector to 0.5 percent. This trend was also reflected in the Industrial Production Index for Q4 2024. However, the index increased only slightly by 1.2 percent in January 2025, then fell by 1.9 percent in February 2025, the latest data available.[20] In February 2025, among all industrial subsectors, only the energy sector recorded positive growth, with an 8.9 percent increase. Experts continue to highlight the importance of industrial production as a key driver of sustainable growth and employment and suggest that investments should be promoted.[21]

### FIGURE 5: INDUSTRIAL PRODUCTION INDEX CHANGE RATES, 2023—2025






* Quarterly Gross Domestic Product, Quarter IV, October—December 2024.
** Domestic Producer Price Index refers to the measure regarding the prices of products during the manufacturing phase, excluding the tax, transport and other additional costs.

*** Gross fixed capital formation refers to investment in fixed assets such as buildings, machinery, equipment, and infrastructure, intended to support long-term production in the economy.

# Unemployment

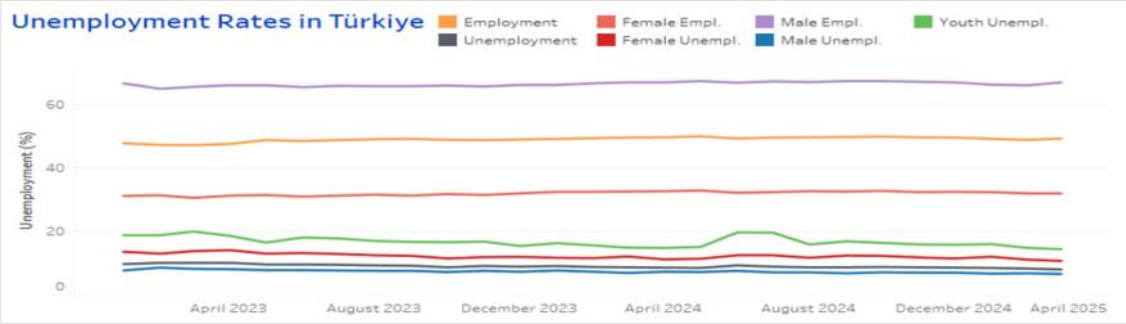
The Unemployment rates showed a downward trend in the first quarter of 2025, falling from 8.5 percent in December 2024 to 7.9 percent in March 2025.[22] Employment rates fluctuated slightly during the same period—dropping from 49.3 in December to 48.9 percent in January to 48.6 percent in February, before rising back to 49.2 percent in March.

Male unemployment decreased from 6.9 percent in December 2024 to 6.5 percent in March 2025. While experiencing some slight decrease in January and February, the male employment rates reversed back to December 2024 figures (66.9%). Female unemployment rates also indicated a decrease from 11.4 percent in December 2024 to 10.6 percent in March 2025. However, employment rates dropped by 0.5 percent from 32.4 percent to 31.9 percent in the same period.

Youth unemployment had a notable decrease from 15.7 percent to 14.3 percent between December 2024 and March 2025. Also experiencing some minor fluctuation, the youth employment rate is actualized at 39.7 percent as of March 2025.

Consistent with overall growth trends, annual employment data from 2024 indicate increases in the services, construction, and agriculture sectors, while employment in industry remained almost unchanged. Given that the industrial sector accounts for 21 percent of GDP, the recent recession in the sector is likely to affect employment levels.

**FIGURE 6: UNEMPLOYMENT RATES BETWEEN 2023—2025**




# Food prices

With the start of the new year, the global Food Price Index declined from 127.4 points in December 2024 to 124.7 in January, driven by lower prices for meat, vegetable oils, and sugar.[23] However, the index rebounded to 126.8 in February and 127.1 in March, reflecting shifts in supply, demand, and seasonal factors. While still below its March 2022 peak, the index was 6.9 percent higher than a year earlier.

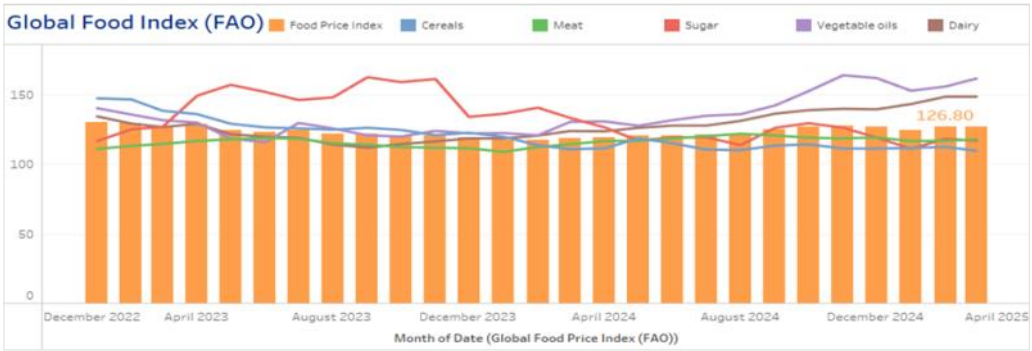
Vegetable oil prices rose steadily, driven by higher quotations for palm, rapeseed, soy, and sunflower oils. The index climbed from 153 points in January to 156 in February and reached 161.8 in March, with the rising global demand.

Dairy prices saw a notable increase from 141.9 in December to 148.7 in February and remained stable in March. This represents a 20 percent year-on-year rise as of March 2025, largely due to higher butter and milk powder prices. Meat prices experienced a gradual increase throughout Q1 2025, with the pressure of stronger demand for ovine and bovine meat, and rising pig meat prices. The meat price index stood at 118 points in March 2025.

Sugar prices increased in February 2025 from 111.2 points to 118.5 points, fueled by concerns over tighter global supplies following reduced production in India and dry weather conditions affecting the upcoming crop in Brazil. The signs of weaker global demand and favourable weather in Brazil decreased the sugar price index, yet partially by 1.4 points, due to concerns over the production outputs in the upcoming period.

The cereal prices increased slightly from December (111.4) to January (111.8) and further to 112.56 points in February, with concerns over global supply. However, the supply conditions became favourable for wheat and maize prices and the decrease in rice demand dropped the cereal price index to 109.7 points in March 2025, despite the increase in barley prices.

**FIGURE 7: FAO GLOBAL FOOD PRICE INDEX, 2023—2025**



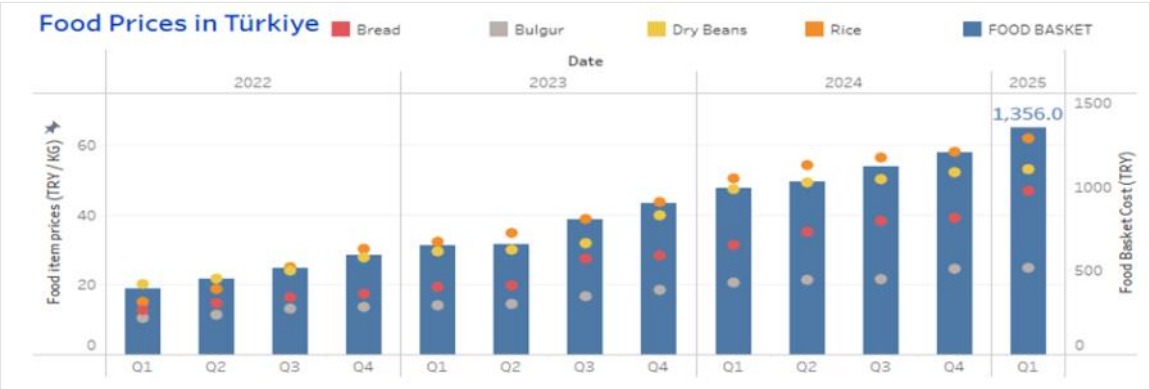



* Employment rate refers to the ratio of employed people among those who are in the labor force excluding the elderly, in education, or stay-at-home parents.

WFP calculates the minimum cost of a nutritionally balanced food basket composed of commonly available staple food items, reflecting the consumption habits of Turkish people and refugees living in Turkiye. The calculation uses item prices and their monthly inflated figures published by TurkStat. As of March 2025, the food basket cost per person per month reached TRY 1,356 – which is a 15 percent increase since December 2024.

The sharp rise in the cost of the food basket was mainly driven by a 20 percent increase in bread prices, from TRY 39.30 to TRY 47.04 per kilogram. Given the bread's substantial weight in the basket (7.5 kg), this had a significant impact on the food basket cost increase. Rice prices also rose by 7 percent between December 2024 and March 2025, contributing further to the increase, as rice holds a 3 kg weight in the food basket. Between Q4 2024 and Q1 2025, dry bean prices saw a slight rise from TRY 52.34/kg to TRY 53.25/kg, while bulgur prices increased marginally from TRY 24.67/kg to TRY 24.96/kg.

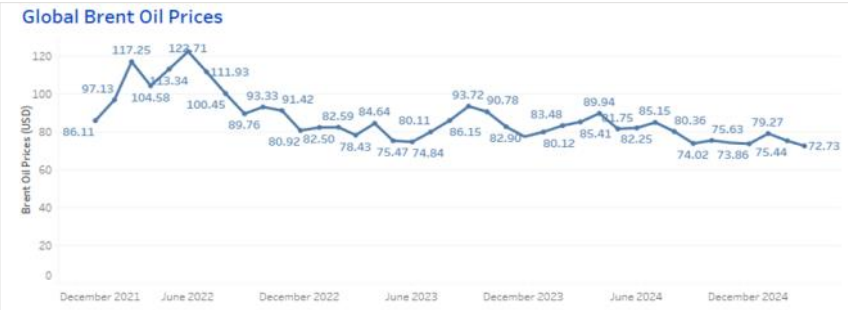
**FIGURE 8: QUARTERLY FOOD PRICE TRENDS, 2022—2025**




# Energy prices

The oil prices were volatile in Q1 2025 due to political tensions, potential economic risks, and supply production plans. In January, Brent oil prices increased from USD 73.86 per barrel to USD 79.27, with the announcement of the new foreign trade policies and tariffs by the US, which included the neighbouring countries, Canada and Mexico, where the US imports oil.[24] In the following period, the possibility of exempting oil trade from the increased tariffs relatively eased the oil prices.[25] The high tariffs also have the potential to limit global trade activities, which reduces the demand and lowers the prices. In February and March, the OPEC+ started to reduce its daily production to prevent further price falls.[26] As of March 2025, the barrel price is USD 72.73.

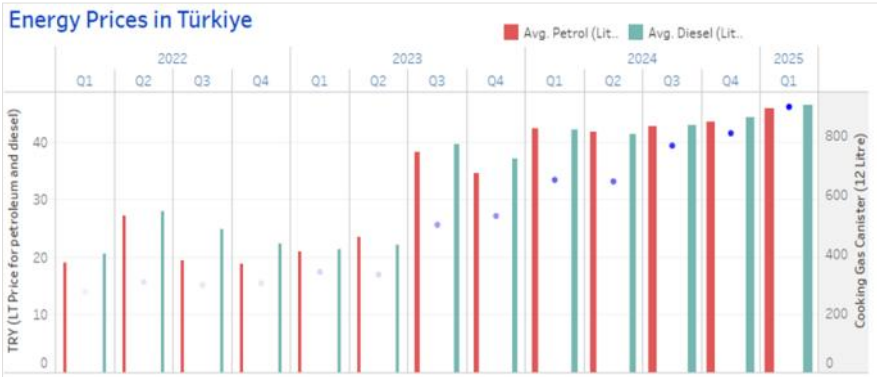
**FIGURE 9: BRENT OIL PRICE TRENDS, 2022—2025***




Global instability in crude oil prices, rising exchange rates, and changes in taxation have impacted energy prices in Türkiye.[27] In January 2025, both petrol and diesel prices rose by 6 percent month-on-month, reaching TRY 46.08 per liter and TRY 46.72 per liter, respectively. Prices continued to climb in February, reaching TRY 47.18 for petrol and TRY 47.35 for diesel. However, in March 2025, they declined to TRY 45.72 and TRY 46.40 per liter, respectively.[28]

Meanwhile, the price of a 12-liter cooking gas canister increased by 11 percent between December and March, reaching TRY 896.

**FIGURE 10: ENERGY PRICE TRENDS (TL/UNIT) 2021—2024**



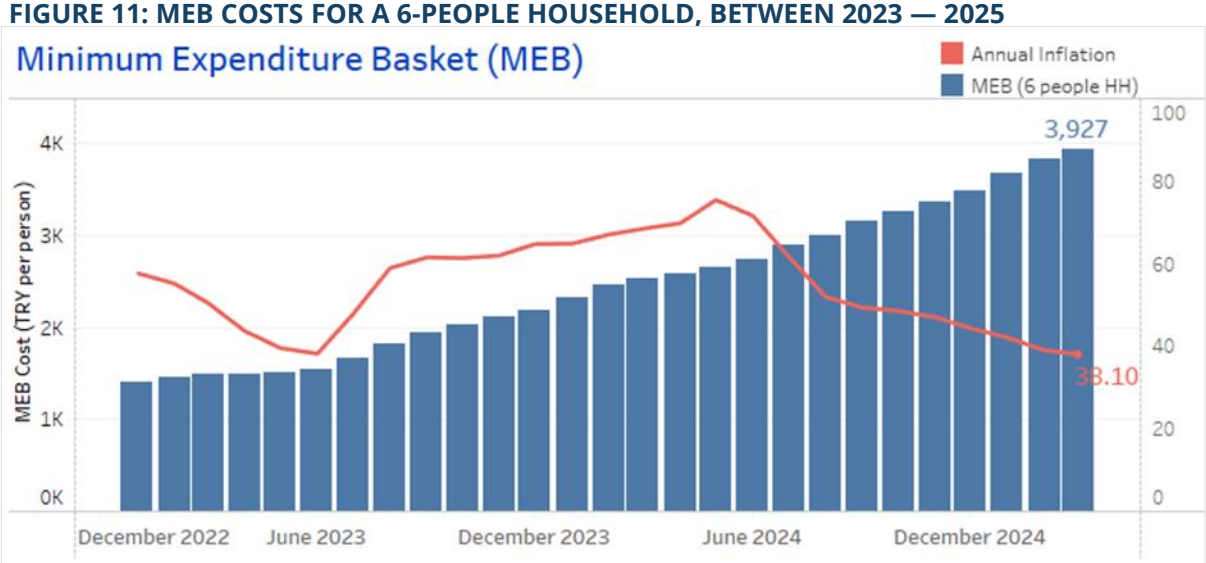

* Data is received from Statista.

# Minimum Expenditure Basket

WFP calculates the MEB based on a six-person refugee household, using commodity prices and inflation rates published by TurkStat (Turkish Statistical Institute). This calculation reflects the household profile of the refugee population in Turkiye.

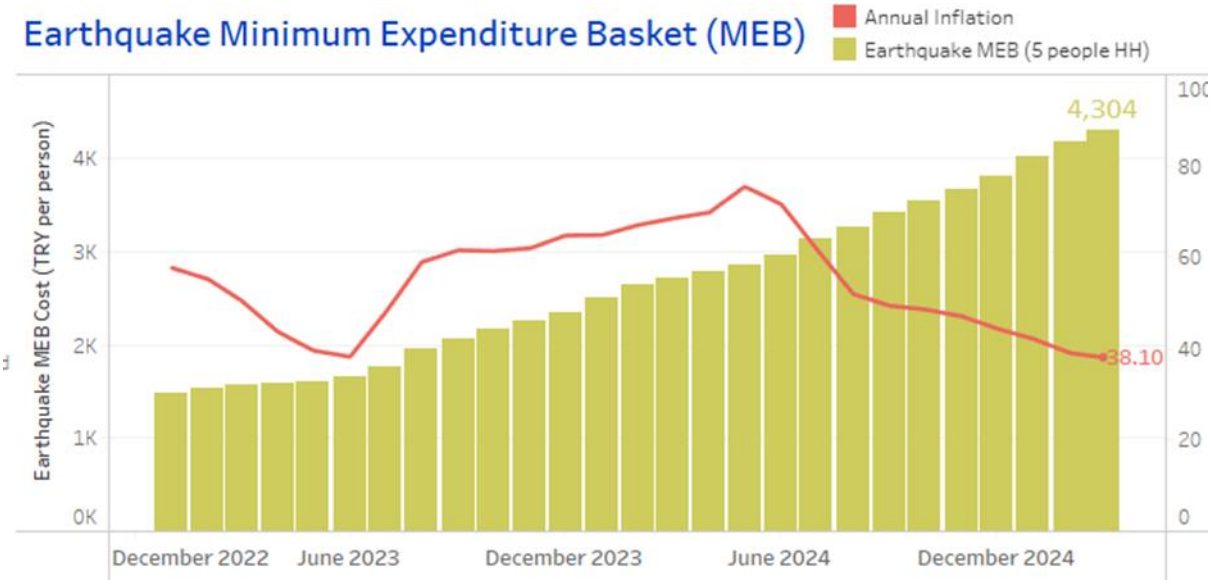
The MEB cost is TRY 3,927 per person per month as of March 2025, which represents a 56 percent increase compared to a year ago.

**FIGURE 11: MEB COSTS FOR A 6-PEOPLE HOUSEHOLD, BETWEEN 2023 — 2025**




The Kahramanmaras Earthquake in February 2023, affecting over 13 million people residing in the region, prompted humanitarian agencies to adapt their programmes to address the needs of the affected populations since then. Aiming to quantify these needs, considering household profiles and consumer habits, WFP collaborated with Türk Kızılay (Turkish Red Crescent) to develop a methodology and calculate an MEB for this population.[29] As of March 2025, the MEB for the earthquake-affected population is calculated at TRY 4,304 per person per month. The analysis aims to observe trends and contribute to the design of earthquake response programs by quantifying basic needs.

**FIGURE 12: EARTHQUAKE MEB COSTS FOR A 5-PEOPLE HOUSEHOLD, BETWEEN 2023—2025**



# Notes & Citations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