



World Food Programme

SAVING LIVES  
CHANGING LIVES

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# Market Bulletin

## World Food Programme—Türkiye

### HIGHLIGHTS

- **USD Appreciation and Exchange Rate Fluctuations:** The USD experienced significant appreciation in early 2024, influencing the USD/TRY exchange rate, which increased from TRY 29.02 in December 2023 to TRY 31.73 in March 2024, partly impacted by uncertainties surrounding local elections.
- **Inflation Dynamics:** The annual inflation rate continued to rise, reaching 68.5 percent in March 2024. Notably, health expenses saw the highest increase in January, followed by education expenditures in February and March. The food inflation rate remained high but relatively stable, recorded at 70.4 percent in March 2024. The gap between food and annual inflation is narrowing.
- **Production and Economic Growth:** The Turkish economy grew by 5.7 percent in Q1 2024, with investment making the highest contribution at 10.3 percent. Construction led with an 11.1 percent growth, followed by manufacturing and agriculture.
- **Domestic Producers' Price Index (D-PPI):** Reflecting inflationary pressures, the D-PPI increased to 51.5 percent in March 2024, signaling continued high inflation rates. This index continued its upward trajectory, indicating input cost inflation.
- **Unemployment Trends:** As of March 2024, the unemployment rate is 8.6 percent. Despite a decrease in overall unemployment rates in Q1 2024, youth unemployment remained high. However, employment opportunities expanded, with a higher increase observed among men compared to women.
- **Global Food Price Index and MEB Calculation:** The global food price index saw an uptick in March 2024, driven by increases in vegetable oil, dairy, and meat prices. The cost of the Minimum Expenditure Basket (MEB)<sup>1</sup> is TRY 2,525 per person per month as of March 2024, representing a yearly increase of 70 percent compared to March 2023 (TRY 1,482). The Earthquake MEB costs TRY 2,726 per person per month, highlighting heightened humanitarian needs in affected areas.

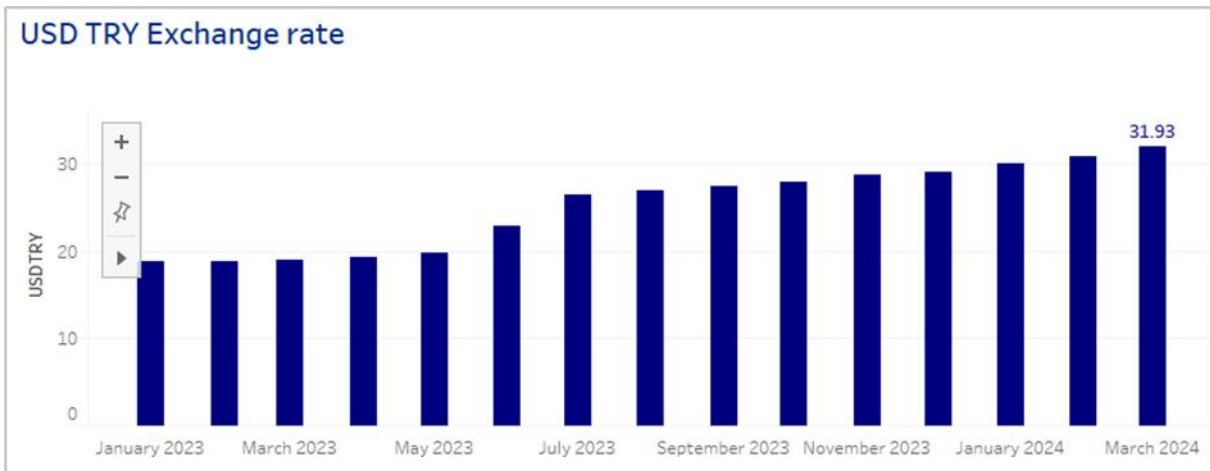
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# Currency exchange

In early 2024, the USD experienced significant appreciation due to the expectations that the Federal Reserve (US central bank) would keep policies unchanged in the near future.<sup>2</sup> The USD/TRY exchange rate started the year at TRY 30.00 in January 2024, and increased to TRY 30.70 in February. By March the exchange rate had reached 31.73 in March, influenced by the uncertainty surrounding the local elections held on March 31, 2024. In January, the central bank increased the policy interest rate by 250 base-point and stated that the necessary level of monetary tightening

to achieve disinflation had been reached.<sup>3</sup> However, while the rate remained unchanged in February, it unexpectedly increased by 500 base points to 50 percent in March 2024, surprising economy experts.<sup>4</sup> In line with that, the expectation survey conducted by the Central Bank of the Republic of Türkiye (CBRT) with experts and sector representatives showed that the year-end exchange rate projections increased from 42.96 to TRY 44.19, between February 2024 and March 2024.<sup>5</sup>

**FIGURE 1: EXCHANGE RATE BETWEEN TRY AND USD, 2023—2024**

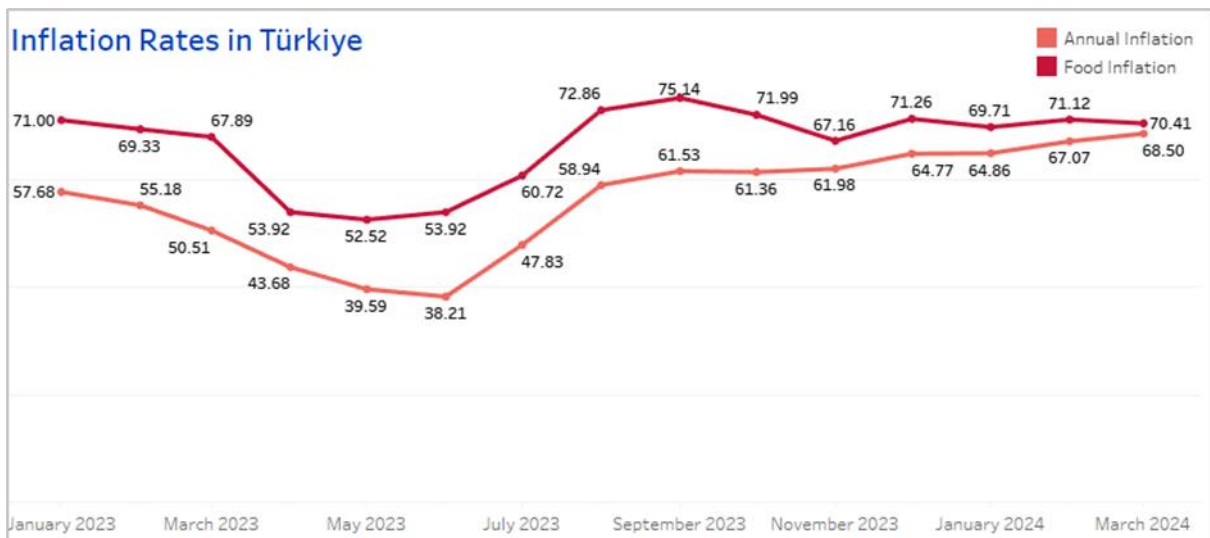


# Inflation

After being stable at 65 percent between December 2023 and January 2024, the annual inflation rate – as measured by the Consumer Price Index (CPI) – continued to increase, reaching 67 percent in February and 68.5 percent in March 2024.<sup>6</sup> The highest monthly increase in January 2024 was in health expenses, which increased by 17.7 percent. In February and March, education expenditures had the highest

increases by 12.8 percent and 13.1 percent, respectively.<sup>7</sup> In Q1 2024, food inflation rates were more stable compared to the overall annual inflation rates, although they remained higher. In January, the food inflation rate was 69.7 percent, which increased to 71.1 percent before slightly decreasing to 70.4 percent in March.

**FIGURE 2: TURKSTAT'S CONSUMER PRICE INDEX TREND, 2023—2024**

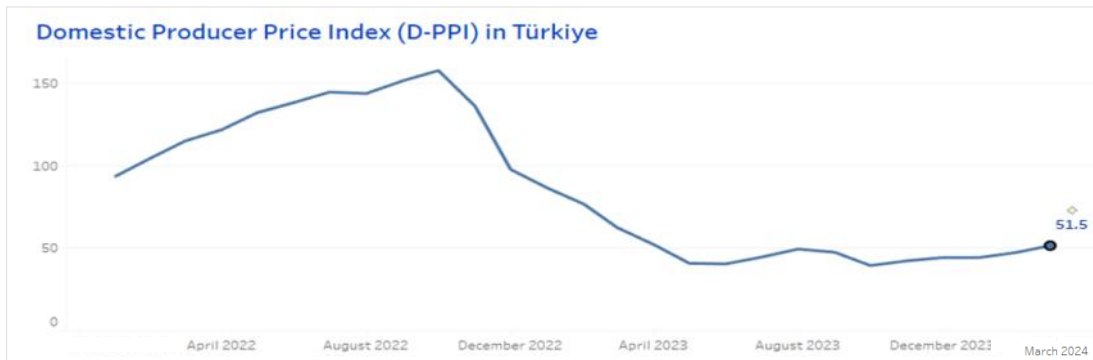


\* Domestic Producer Price Index refers to the measure regarding the prices of products during the manufacturing phase, excluding the tax, transport and other additional costs.

The Domestic Producers' Price Index (D-PPI)<sup>8</sup> continued to increase in Q1 2024, indicating that inflationary pressures are also affecting input costs.<sup>9</sup> Despite remaining unchanged at 44.2 percent between December 2023 and January 2024, the D-PPI increased to 47.3 percent in February, a

monthly rise of 3.74 percent – the highest in 5 months. Another significant monthly increase of 3.29 percent occurred in March, pushing the D-PPI to 51.5 percent. These high D-PPI figures suggest that elevated inflation rates are likely to persist in the coming period.

**FIGURE 3: DOMESTIC PRODUCER PRICE INDEX TRENDS, 2022—2024**

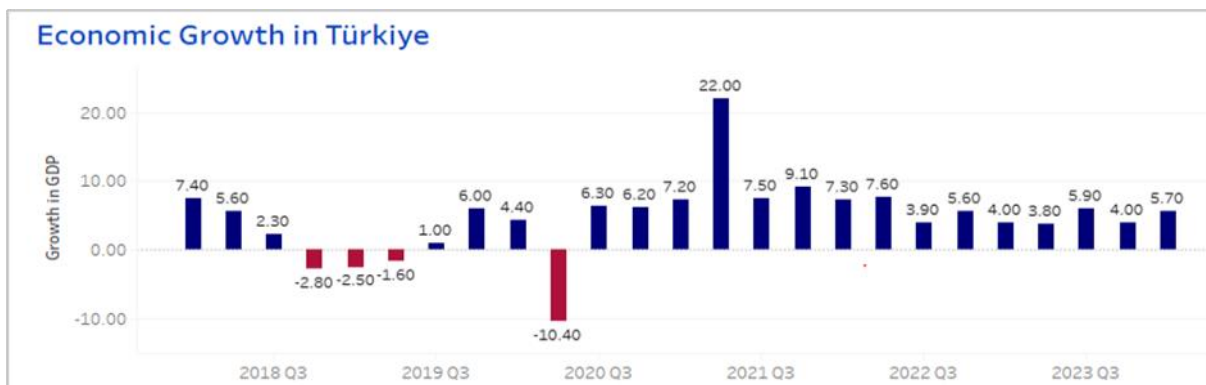


## Economic Growth

The Turkish economy grew by 5.7 percent in Q1 2024; with investment making the highest contribution at 10.3 percent, followed by consumption at 7.3 percent. While the contributions of exports (4%) and government expenditure (3.9%) to GDP growth were similar, imports negatively affected growth by 3.1 percent.<sup>10</sup> The construction sector grew by 11.1 per-

cent in Q1 2024 compared to the same period a year ago, while the manufacturing and agriculture sectors grew by 4.9 percent and 4.5 percent, respectively. These positive developments were recognized by credit rating firms. In early March, Fitch upgraded Türkiye's credit rating from "B" to "B+" and revised the outlook from 'stable' to 'positive'.<sup>11</sup>

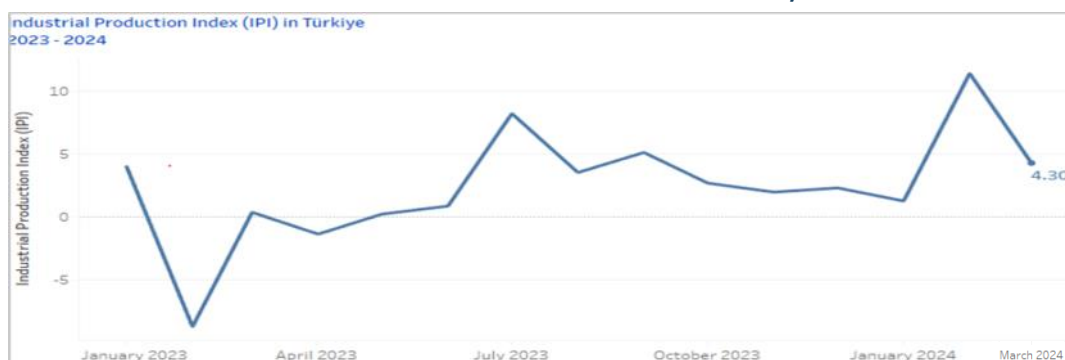
**FIGURE 4: ANNUAL GROWTH RATES – 2018 - 2024\***



In January 2024, the Industrial Production Index (IPI) decreased to 1.3 percent from 2.3 percent in December 2023. However, in February, it increased by 11.2 percent compared to the same month a year ago, when the devastating earthquake in Southeast of Türkiye had significantly inter-

rupted manufacturing. By March 2024, the IPI had increased by 4.3 percent. Among the subsectors, production in the mining and quarrying sector increased by 7.5 percent annually, followed by the electricity, gas, and steam sector, which increased by 5.1 percent.

**FIGURE 5: INDUSTRIAL PRODUCTION INDEX CHANGE RATES, 2023—2024**



\* Quarterly Gross Domestic Product, Quarter I: January—March 2024.

# Unemployment

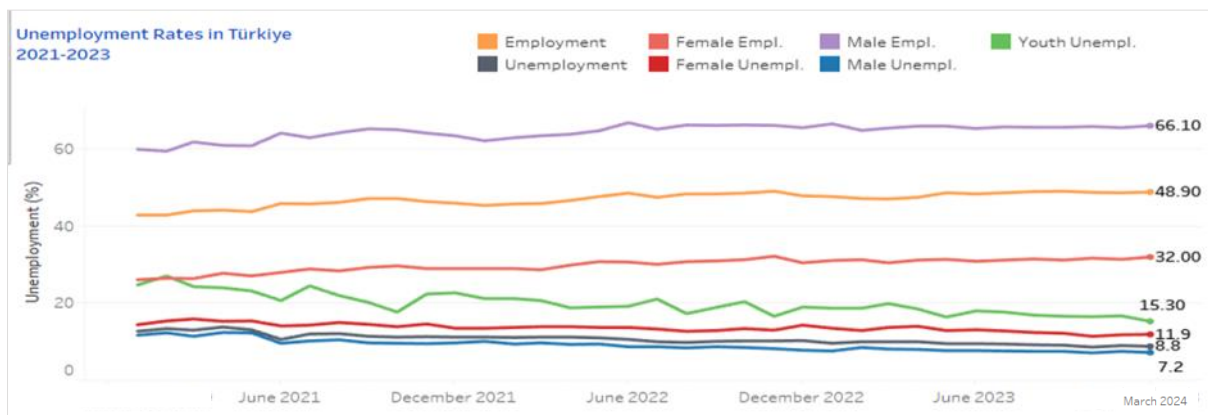
In January 2024, the unemployment rate increased by 0.2 percent to 9.0 percent. It then decreased to 8.7 percent in February and 8.6 percent in March 2024. Interrelated with economic growth, employment opportunities expanded, leading to a gradual increase in the employment rate\* in Q1 2024. The employment rate increased from 49 percent in January to 49.3 percent in February, and reached 49.5 percent in March 2024. As of March 2024, 32.6 million people are employed in the country while 3 million 57 thousand people remain unemployed.<sup>12</sup>

Unemployment is more prevalent among the youth despite the decreasing trend overall. Youth unemployment

was 16.4 percent in January, decreasing to 15.5 percent in February and 15.1 percent in March 2024.

Q1 2024 data shows that the increase in employment rate is higher among men than women. The quarterly increase in male employment was 0.7 percent, compared to 0.5 percent for female employment. As of March 2024, the unemployment rate for men was 6.8 percent, while for women it was almost double at 12 percent. This parity is partly due to an increase in the number of women entering the labour force and seeking jobs. Between December 2023 and March 2024, 233 thousand women entered the labor force.

**FIGURE 6: UNEMPLOYMENT RATES BETWEEN 2021—2024**

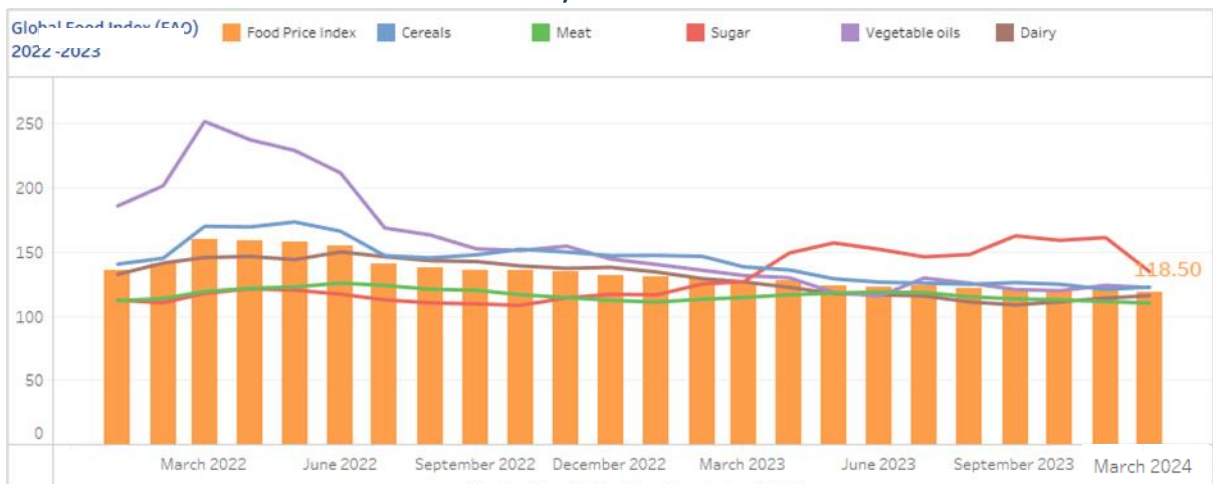


# Food prices

After decreasing for 7 consecutive months, the global food price index had an uptick in March 2024, reaching 118.3 points.<sup>13</sup> The rise in the prices of vegetable oil, dairy products, and meat was the primary factor driving this increase. Vegetable oil prices increased due to higher price quotations. Dairy product prices increased due to higher demand in Western Europe and Asia as well as the fall

season in Oceania, where dairy has a significant share. Increased import demands drove up meat prices. Meanwhile, competition among the US, the EU, and Russia in cereal exports led to a decrease in cereal prices. Additionally, increased production and favorable forecasts in Asia resulted in a decrease in sugar prices.

**FIGURE 7: FAO GLOBAL FOOD PRICE INDEX, 2022—2024**



\* 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 for people living in Türkiye, using staple food item prices and their monthly inflated figures published by TurkStat. As of March 2024, the food basket cost per person per month is TRY 989, representing a 10

percent quarterly increase. Among the staple items, the price per kilogram of bread reached TRY 31.5, rice costs TRY 50.6/kg, dry beans cost TRY 47.5/kg, and bulgur costs TRY 20.7/kg.

**FIGURE 8: QUARTERLY FOOD PRICE TRENDS, 2021—2024**

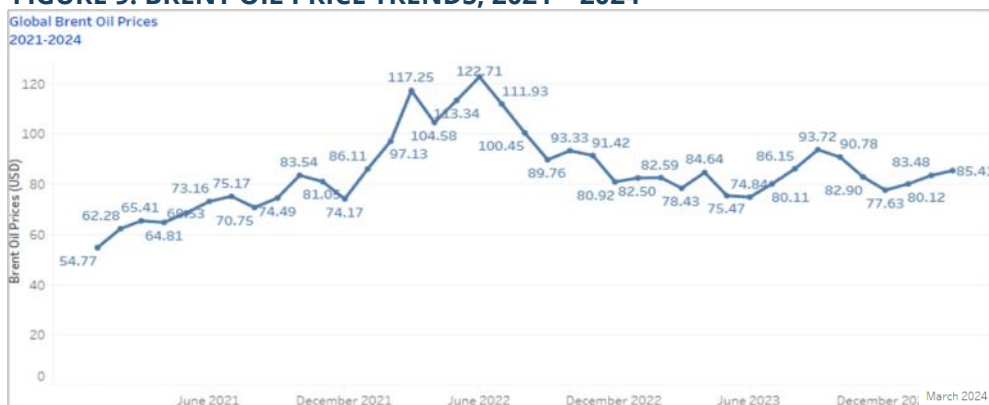


## Energy prices

Energy prices followed an increasing trend in Q1 2024. While the price of a barrel of Brent crude oil was USD 77.6 in December 2023, tensions in the Middle East increased the price to USD 80.12. In February, Israel's rejection of a

ceasefire in its war in Gaza escalated concerns, pushing oil prices up sharply to USD 83.5, and further to USD 85.4 as of March 2024.<sup>14</sup>

**FIGURE 9: BRENT OIL PRICE TRENDS, 2021—2024\***



Affected by the global price increase and the depreciation of the TRY against the USD, energy prices in Türkiye also increased.<sup>15</sup> The price of petrol per liter increased from TRY 34.5 in December to TRY 42.4 in March 2024. Diesel

prices increased from TRY 37.0 to TRY 42.1 during the same period. Additionally, the price of a 15-liter gas canister increased by 23 percent quarterly, from TRY 528 in December 2023 to TRY 649.9 in March 2024.

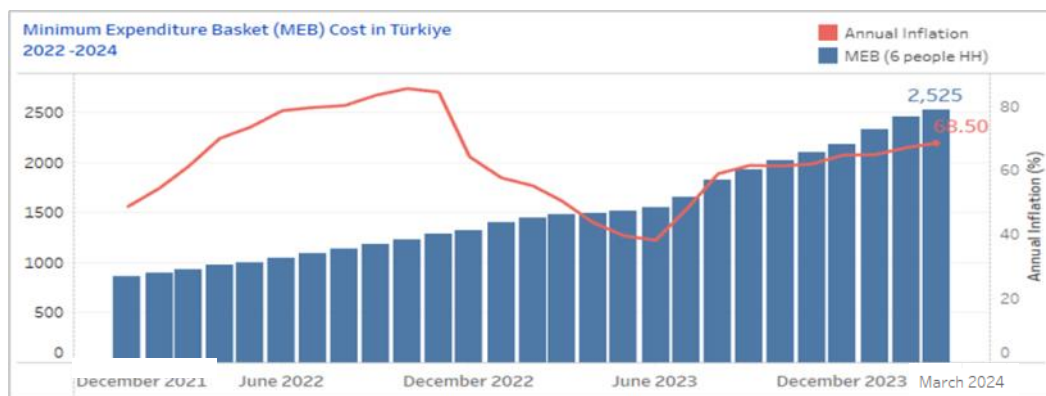
**FIGURE 10: ENERGY PRICE TRENDS (TL/UNIT) 2021—2024**



# Minimum Expenditure Basket

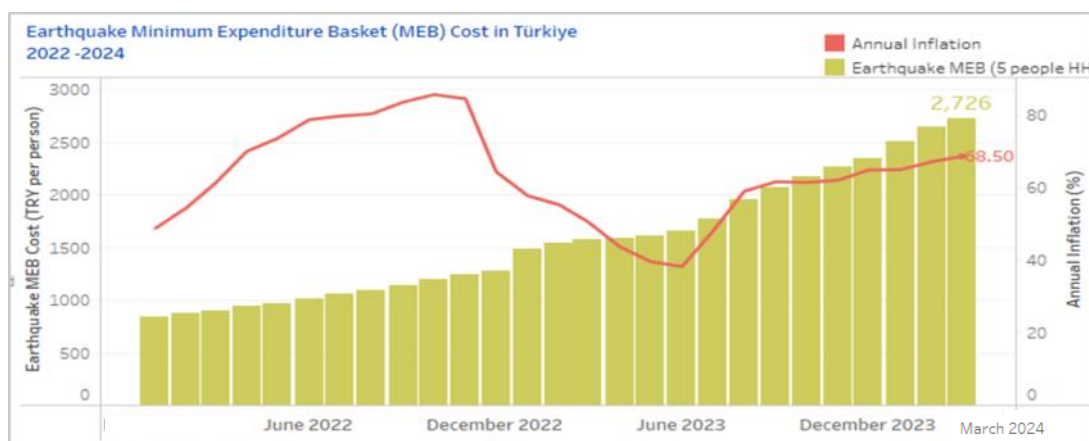
WFP calculates the MEB based on a six-person refugee household, using commodity prices and inflation rates published by TurkStat (Turkish Statistical Institute). This calculation reflects the household profile of the refugee population in Türkiye. This calculation reflects the household profile of the refugee population in Türkiye. Using monthly inflation rates since April 2022 (when item prices were available) for different MEB dimensions (food, non-food items, health, education, accommodation, communication, and transportation), the current estimated MEB cost is TRY 2,525 per person per month as of March 2024, which represents a 70 percent increase compared to a year ago.

**FIGURE 11: MEB COSTS FOR A 6-PEOPLE HOUSEHOLD, BETWEEN 2022 - 2024**



The earthquake, affecting over 13 million people residing in the region, prompted humanitarian agencies to adapt their programmes to address the needs of the affected populations. Aiming to quantify these needs, considering household profiles and consumer habits, WFP collaborated with TRC and IFRC to develop a methodology and calculate an MEB for this population.<sup>16</sup> As of March 2024, the MEB for the earthquake-affected population is calculated at TRY 2,726 per person per month. The analysis, conducted retrospectively for 2022, 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 2022-2024**



## Notes & Citations

1. The Minimum Expenditure Basket is constructed based on the monthly basic needs of a person living in a 6-people household, and by using TurkStat data.

- <https://www.bloomberght.com/dolar-neden-yila-hizli-girdi-2344982>
- <https://www.tcmb.gov.tr/wps/wcm/connect/tr/tcmb+tr/main+menu/duyurular/basin/2024/duy2024-01>
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- <https://data.tuik.gov.tr/Bulten/Index?p=tuketici-fiyat-endeksi-mart-2024-53613&dil=1>
- <https://data.tuik.gov.tr/Bulten/Index?p=tuketici-fiyat-endeksi-mart-2024-53613&dil=1>
- Domestic Production Price Index (D-PPI) refers to the monthly average changes of cost in production of goods and services.
- [https://ekonomi.isbank.com.tr/contentmanagement/Documents/tr03\\_aylik/2024/DTEG\\_202403.pdf](https://ekonomi.isbank.com.tr/contentmanagement/Documents/tr03_aylik/2024/DTEG_202403.pdf)
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