

IMF Executive Board Concludes 2025 Article IV Consultation with Türkiye

February 13, 2026

Washington, DC – February 13, 2026: The Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Türkiye.^[1] (#_ftn1)

Since the 2024 Article IV, Türkiye’s disinflation program has shown successes. Inflation fell from 49.4 percent (y/y) in September 2024 to 30.9 percent in December 2025 on the back of strong fiscal consolidation, prudent income policies, and a tight monetary policy stance. Following a temporary deceleration in mid-2024, GDP growth has remained strong, forecast at 4.1 percent in 2025. Lira demand has strengthened, bolstering international reserves, and the current account deficit remains adequately financed.

The current policy mix continues to balance disinflation with steady growth. Tight monetary policy, moderate wage growth, and broadly neutral fiscal policy are expected to support gradual disinflation. End-2026 inflation is expected at 23 percent (y/y), as domestic demand remains strong. Boosted by further policy rate cuts and rising confidence, growth is expected at 4.2 percent for 2026. The current account deficit would remain adequately financed, while depositor confidence and strong gold prices would allow reserves to stay at around 80 percent of the IMF’s adequacy metric.

While growth should remain solid and inflation will fall, this approach bears risks and costs. External risks remain elevated due to persistent global trade uncertainty and regional conflicts. The materialization of an adverse shock, like an increase of energy prices or a negative weather event, could further extend the period of still-high inflation. Moreover, the gradual approach to disinflation has weighed on the financial sector and slowed productivity growth.

Executive Board Assessment^[2] (#_ftn2)

Executive Directors commended the authorities for the important successes of their disinflation policies, which have reduced macroeconomic imbalances and improved confidence while preserving solid growth. Noting that inflation remains well above target and the economy is highly vulnerable to shocks, Directors stressed the need for a tighter macroeconomic policy mix combined with ambitious structural reforms to entrench disinflation, further strengthen external buffers, and support inclusive medium-term growth.

Directors commended the authorities for their strong fiscal effort in 2025. They noted that continued tightening, bringing the budget deficit temporarily below the 3 percent medium-term target, is needed to support disinflation. Directors emphasized the role of measures to broaden the tax base and improve compliance, together with further efforts to streamline expenditures through phasing out energy subsidies. They called for carefully sequenced and well communicated measures to minimize second-round inflationary impacts while mitigating the impact on vulnerable households. As fiscal space expands, additional resources could be redirected to social priorities. Directors also supported full alignment of wage policies with inflation targets, as well as stronger oversight of PPPs and SOEs.

Directors generally called for tighter monetary policy to achieve decisive disinflation, while emphasizing the need for policy rate adjustments to remain data dependent and mindful of their macro-financial implications. To bolster policy credibility and strengthen transmission, Directors emphasized the importance of a simplified monetary policy framework firmly centered on the policy rate, with enhanced central bank independence and communication. Directors recommended limiting FX interventions to

smoothing volatility, while gradually allowing greater exchange rate flexibility as inflation expectations become better anchored and reserve buffers recover.

Directors noted that the financial sector remains robust, supported by the authorities' swift and effective response to market stress. They stressed that continued vigilance is warranted, particularly for still high FX liquidity risks. Directors supported ongoing efforts to strengthen the supervisory and resolution frameworks along with enhanced oversight, including of crypto assets.

Directors urged structural reforms to foster productivity, resilience, and medium-term growth. Top priorities include improvements in labor, education, and governance and legal frameworks, support for SMEs, and raising the share of renewables in the energy mix.

Türkiye: Selected Economic Indicators, 2021–31

Population
(2024): 85.7
million

Per capita GDP
(2024):
US\$15,882

Quota: SDR
4,658.6 million

2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031

Proj.

Real sector *(Percent)*

Real GDP growth rate	11.8	5.4	5.0	3.3	4.1	4.2	4.1	4.0	4.0	4.0	4.0
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Contributions
to real GDP
growth

Private consumption	8.9	9.5	6.8	2.9	2.6	3.5	2.5	2.2	2.4	2.3	2.5
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Public consumption	0.6	0.6	0.3	-0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.4
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Investment (incl. inventories)	-2.7	-5.6	1.0	-0.5	2.3	0.3	1.1	1.4	1.2	1.3	1.2
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Net exports	5.0	0.9	-3.0	1.0	-0.9	0.0	0.2	0.1	0.0	0.0	0.0
Output gap	1.4	1.5	1.4	0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	0.0
GDP deflator growth rate	29.3	95.5	68.3	59.3	34.0	22.2	19.5	17.7	14.7	13.7	14.1
Inflation (period- average)	19.6	72.3	53.9	58.5	34.9	25.9	20.9	17.0	15.0	15.0	15.0
Inflation (end- year)	36.1	64.3	64.8	44.4	30.9	23.0	19.0	15.0	15.0	15.0	15.0
Unemployment rate	12.0	10.4	9.4	8.7	8.3	8.3	8.7	9.1	9.1	9.1	9.1

Fiscal sector *(Percent of GDP)*

Nonfinancial public sector overall balance	-2.9	-2.6	-5.6	-5.6	-3.6	-4.1	-4.2	-3.8	-3.7	-3.5	-3.4
General government overall balance (headline) 1/	-2.6	-0.8	-5.1	-4.7	-3.5	-3.8	-3.9	-3.5	-3.3	-3.2	-3.1
General government gross debt (EU definition)	38.9	29.4	28.2	23.6	23.1	24.7	25.7	25.5	25.6	26.2	25.7

External sector *(Percent of GDP)*

Current account balance	-0.8	-5.0	-3.6	-0.8	-1.4	-1.4	-1.4	-1.4	-1.5	-1.5	-1.5
Gross external debt	51.7	48.7	42.7	38.1	34.5	35.6	36.2	35.2	34.4	33.9	33.3
Gross financing requirement	20.5	22.5	20.5	17.3	16.5	18.2	18.3	17.9	17.7	17.6	17.3

Monetary conditions

(Percent)

Real average
cost of CBRT
funding to
banks

-1.9	-59.4	-35.4	-9.5	...	...	...	...	...	...
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Growth of
broad money
(M2)

53.0	59.2	70.1	36.9	40.0	...	...	...	...	...
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Growth of
credit to
private sector

37.0	54.7	54.0	37.5	...	...	...	...	...	...
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Sources: Turkish authorities; and IMF staff
estimates and projections.

1/ Headline (or authorities' definition), which
includes items excluded from the IMF
'program' definition.

[1](#_ftnref1) Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

[2](#_ftnref2) At the conclusion of the discussion, the Managing Director, as Chair of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here:

<http://www.IMF.org/external/np/sec/misc/qualifiers.htm> (<http://www.IMF.org/external/np/sec/misc/qualifiers.htm>).

IMF Communications Department

MEDIA RELATIONS

PRESS OFFICER: EVA GRAF

PHONE: +1 202 623-7100 | **EMAIL:** MEDIA@IMF.ORG

[X](#) [@IMFSPOKESPERSON](#) ([HTTPS://TWITTER.COM/IMFSPOKESPERSON](https://twitter.com/IMFSPOKESPERSON))