

T.C.
MINISTRY OF FINANCE
General Directorate of Budget and Fiscal Control



MONTHLY BUDGET REVIEW

MAY 2014

IN MAY 2014, BUDGET RAN 1.5 BILLION TL SURPLUS COMPARED TO THE BUDGET SURPLUS OF 4.6 BILLION TL IN MAY 2013.

IN MAY 2014, PRIMARY SURPLUS WAS RECORDED AS 8.6 BILLION TL COMPARED TO THE PRIMARY SUPRLUS OF 8.1 BILLION TL IN MAY 2013.

IN MAY 2014, BUDGET REVENUES AMOUNTED TO 37.6 BILLION TL, AN INCREASE OF 7.6 PERCENT COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. BUDGET EXPENDITURES AMOUNTED TO 36.1 BILLION TL INCREASING BY 18.9 PERCENT.

IN MAY 2014, TAX REVENUES AMOUNTED TO 32.4 BILLION, AN INCREASE OF 7.3 PERCENT COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. NON-INTEREST BUDGET EXPENDITURES AMOUNTED TO 29 BILLION TL INCREASING BY 8.2 PERCENT.

A. MAY 2014 CENTRAL GOVERNMENT BUDGET REVIEW

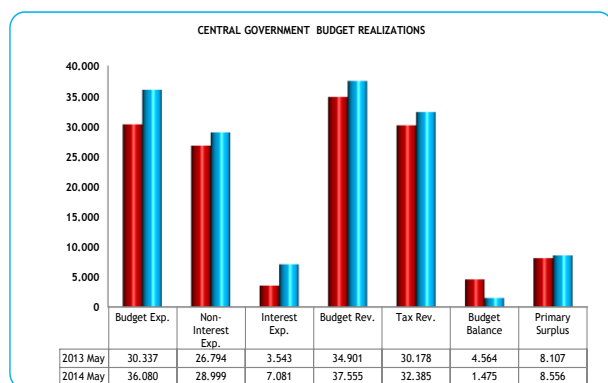
1. BUDGET BALANCE

Central government budget expenditures, budget revenues, budget balance and primary surplus in May 2014 are listed in the table on the right side.

In May 2014, central government budget ran 1 billion 475 million TL surplus, compared to the surplus of 4 billion 564 million TL in May 2013.

In May 2014, central government budget ran 8 billion 556 million TL primary surplus, compared to the primary surplus of 8 billion 107 million TL in May 2013.

Million TL	CENTRAL GOVERNMENT BUDGET REALIZATIONS						
	2013			2014			Rate of Change
	Annual	May		Target	May		May
	Real.	Real.	%	Real.	%		
Budget Exp.	407.890	30.337	7,4	436.433	36.080	8,3	18,9
Non-Interest Exp.	357.904	26.794	7,5	384.433	28.999	7,5	8,2
Interest Exp.	49.986	3.543	7,1	52.000	7.081	13,6	99,9
Budget Rev.	389.441	34.901	9,0	403.175	37.555	9,3	7,6
Tax Rev.	326.125	30.178	9,3	348.353	32.385	9,3	7,3
Budget Balance	-18.449	4.564	-24,7	-33.258	1.475	-4,4	-67,7
Primary Surplus	31.537	8.107	25,7	18.742	8.556	45,7	5,5



In May 2014, budget expenditures rose to 36 billion 80 million, an increase of 18.9 percent from the budget expenditures of 30 billion 337 million TL in May 2013.

In May 2014, non-interest budget expenditures amounted to 28 billion 999 million TL, an increase of 8.2 percent from non-interest budget expenditures of 26 billion 794 million TL in May 2013.

On the other hand, in May 2014, interest expenditures rose to 7 billion 81 million, an increase of 99.9 percent compared to the same month of the previous year..

In May 2014, the budget revenues were recorded as 37 billion 555 million TL, an increase of 7.6 percent from 34 billion 901 million TL in May 2013. Tax revenues increased by 7.3 percent amounting to 32 billion 385 million TL.

2. BUDGET EXPENDITURES

May 2014 Budget Expenditures based on the economic classification are listed in the table on the right side.

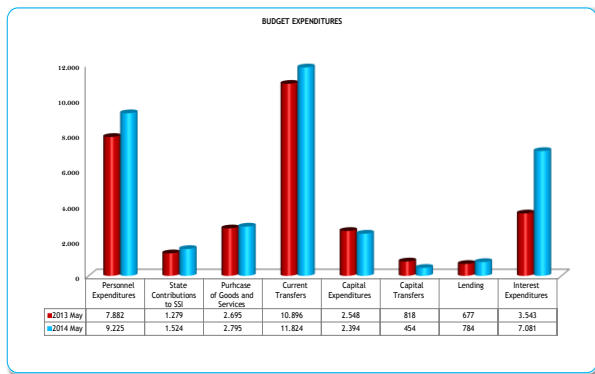
In May 2014, 36 billion 80 million TL was spent from the appropriation for 2014 central government budget expenditures allocated as 436 billion 433 million TL. The expenditure was 30 billion 337 million TL on a year-on-year basis.

Million TL	BUDGET EXPENDITURES						Rate of Change (%)
	2013			2014			
	Annual	May		Target	May		
Real.	Real.	%		Real.	%	May	
Budget Expenditures	407.890	30.337	7,4	436.433	36.080	8,3	18,9
Non-Interest Expenditures	357.904	26.794	7,5	384.433	28.999	7,5	8,2
Personnel Expenditures	96.237	7.882	8,2	109.969	9.225	8,4	17,0
State Contributions to SSI	16.305	1.279	7,8	18.875	1.524	8,1	19,1
Purchase of Goods and Services	36.268	2.695	7,4	37.590	2.795	7,4	3,7
Current Transfers	148.735	10.896	7,3	163.554	11.824	7,2	8,5
Capital Expenditures	43.609	2.548	5,8	36.689	2.394	6,5	-6,1
Capital Transfers	7.655	818	10,7	6.518	454	7,0	-44,5
Lending	9.094	677	7,4	7.645	784	10,3	15,9
Contingency Appropriations	0	0		3.593	0	0,0	
Interest Expenditures	49.986	3.543	7,1	52.000	7.081	13,6	99,9

For the non-interest expenditures, 28 billion 999 million TL was spent in May 2014 and 7.5 percent of the appropriation allocated as 384 billion 433 million TL was used.

Personnel expenditures were recorded as 9 billion 225 million TL, an increase of 17 on a year on year basis. For the personnel expenditures, 8.4 percent of the appropriation allocated as 109 billion 969 million TL was used in May 2014.

In May 2014 state contributions to social security institutions were 1 billion 524 million TL, an increase of 19.1 on a year on year basis and 8.1 percent of 18 billion 875 million TL appropriation allocated in the budget was used.



In May 2014, the expenditures on the purchase of goods and services were recorded as 2 billion 795 million TL, an increase of 3.7 percent compared to the same month of the previous year and 7.4 percent of 37 billion 590 million TL appropriation allocated in the budget was used this month.

In May 2014, current transfers increased by 8.5 percent compared to the same month of the previous year and were recorded as 11 billion 824 million TL and 7.2 percent of 163 billion 554 million TL appropriation allocated in the budget was used this month.

In May 2014, the amount transferred for health, retirement and social aid expenditures was 4 billion 990 million TL. The amount of the transfer to the Treasury for the payment of 5 percentages in employer's social security premium was 685 million TL.

In May 2014, agricultural support payments included in current transfers were recorded as 1 billion 580 million TL, and shares of local administrations were recorded as 2 billion 924 million TL.

In March 2014, capital expenditures amounted to 2 billion 394 million TL, and capital transfers amounted to 454 million TL. In May 2014, lending expenditures were 784 million TL.

On the other hand, In May 2014, interest expenditures were 7 billion 81 million, an increase of 99.9 percent compared to the same month of the previous year. This increase in the interest expenditures shows a periodical outturn that arises based on the maturity structure of the debt stock and makes a progress in line with the program targets of interest expenditures.

3. BUDGET REVENUES

May 2014 Budget Revenues are listed on the right side.

In May 2014, budget revenues was recorded as 37 billion 555 million TL, increasing by 7.6 percent from the budget revenues of 34 billion 901 million TL in May 2013.

May 2014 tax collections were recorded as 32 billion 385 million TL, increasing by 7.3 percent

BUDGET REVENUES							
Million TL	2013		2014		Rate of Change (%)		
	Annual Real.	May	Target	May	May		
		Real.		Real.			
Budget Revenues	389,441	34,901	9,0	403,175	37,555	9,3	7,6
General Budget Revenues	376,105	33,770	9,0	392,968	36,346	9,2	7,6
Tax Revenues	326,125	30,178	9,3	348,353	32,385	9,3	7,3
Non-Tax Revenues	49,980	3,592	7,2	44,615	3,961	8,9	10,3
Own Rev. of Special Budget Adm.	10,662	971	9,1	7,223	977	13,5	0,6
Rev. of Reg. and Sup. Agencies	2,673	160	6,0	2,984	232	7,8	45,1

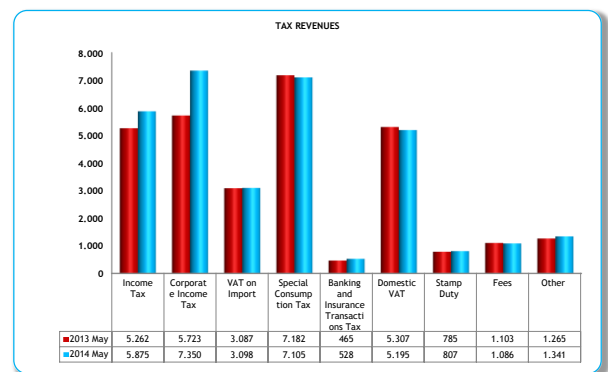
compared to the same month of the previous year.

In May 2014, general budget non-tax revenues amounted to 3 billion 961 million TL increasing by 10.3 percent compared to the same month of the previous year.

In May 2014, revenues of special budget administrations were 977 million TL and revenues of regulatory and supervisory agencies were 232 million TL.

TAX REVENUES							
Million TL	2013		2014		Rate of Change (%)		
	Annual Real.	May	Target	May	May		
		Real.		Real.			
Income Tax	63,760	5,262	8,3	70,768	5,875	8,3	11,7
Corporate Income Tax	28,988	5,723	19,7	31,095	7,350	23,6	28,4
VAT on Import	37,995	3,087	8,1	39,626	3,098	7,8	0,4
Special Consumption Tax	85,461	7,182	8,4	89,391	7,105	7,9	-1,1
Banking and Insurance Transactions Tax	6,160	465	7,5	7,131	528	7,4	13,6
Domestic VAT	62,726	5,307	8,5	64,820	5,195	8,0	-2,1
Stamp Duty	9,416	785	8,3	10,384	807	7,8	2,8
Fees	12,906	1,103	8,5	14,964	1,086	7,3	-1,5
Other	18,712	1,265	6,8	20,175	1,341	6,6	6,0
Total Gen Budget Tax Rev.	326,125	30,178	9,3	348,353	32,385	9,3	7,3

In May 2014, the changes in taxes on a year-over-year basis are as follows; 28.4 percent increase in corporate tax; 13.6 percent increase in banking and insurance transactions tax; 11.7 percent increase in income tax; 2.8 percent increase in stamp tax; 0.04 percent increase in domestic VAT and 6 percent increase in the collection of other taxes, while 2.1 percent decrease in VAT on import; 1.5 percent decrease in fees and 1.1 percent decrease in special consumption tax.



IN JANUARY-MAY PERIOD 2014, BUDGET RAN 2.8 BILLION TL DEFICIT WHILE IT HAD 4.3 BILLION DEFICIT IN JANUARY-MAY PERIOD 2013.

IN JANUARY-MAY 2014, PRIMARY SURPLUS WAS RECORDED AS 22.1 BILLION TL COMPARED TO THE PRIMARY SURPLUS OF 26 BILLION TL IN JANUARY-MAY 2013.

IN JANUARY-MAY PERIOD 2014, BUDGET REVENUES AMOUNTED TO 175.9 BILLION TL, AN INCREASE OF 10.3 PERCENT COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. BUDGET EXPENDITURES AMOUNTED TO 178.7 BILLION TL INCREASING BY 15.1 PERCENT.

IN JANUARY-MAY 2014, TAX REVENUES AMOUNTED TO 143.3 BILLION TL, AN INCREASE OF 8.9 PERCENT COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. NON-INTEREST BUDGET EXPENDITURES AMOUNTED TO 153.8 BILLION TL INCREASING BY 15.2 PERCENT.

B. JANUARY-MAY 2014 CENTRAL GOVERNMENT BUDGET REVIEW

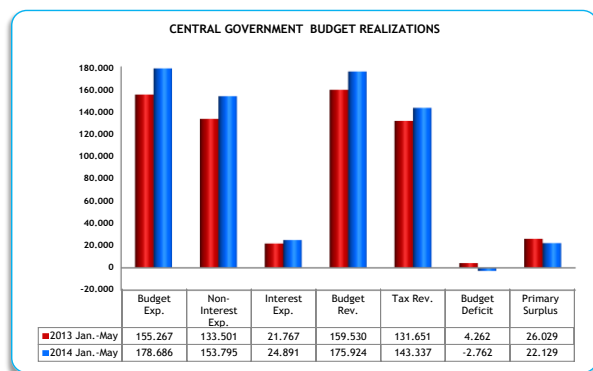
1. BUDGET BALANCE

Central government budget expenditures, budget revenues, budget balance and primary surplus in January-May 2014 are listed in the table on the right side.

In January-May period 2014, central government budget ran 2 billion 762 million TL deficit while it had run 4 billion 262 million TL surplus in the same period of the previous year.

Million TL	CENTRAL GOVERNMENT BUDGET REALIZATIONS						
	2013			2014			Rate of Change (%)
	Annual Real.	Jan.-May Real.	%	Target	Jan.-May Real.	%	
Budget Exp.	407.890	155.267	38,1	436.433	178.686	40,9	15,1
Non-Interest Exp.	357.904	133.501	37,3	384.433	153.795	40,0	15,2
Interest Exp.	49.986	21.767	43,5	52.000	24.891	47,9	14,4
Budget Rev.	389.441	159.530	41,0	403.175	175.924	43,6	10,3
Tax Rev.	326.125	131.651	40,4	348.353	143.337	41,1	8,9
Budget Deficit	-18.449	4.262	-23,1	-33.258	-2.762	8,3	
Primary Surplus	31.537	26.029	82,5	18.742	22.129	118,1	-15,0

In January-May period 2014, primary surplus was recorded as 22 billion 129 million TL.



In January- May 2014, budget expenditures rose to 178 billion 686 million, an increase of 15.1 percent from the budget expenditures of 155 billion 267 million TL in January-May 2014.

In January-May 2014, non-interest budget expenditures amounted to 153 billion 795 million TL, an increase of 15.2 percent from non-interest budget expenditures of 133 billion 501 million TL in January-May 2013.

On the other hand, In January- May 2014, interest expenditures were 24 billion 891 million, an increase of 14.4 percent compared to the same period of the previous year.

In January- May 2014, budget expenditures rose to 175 billion 924 million, an increase of 10.3 percent from the budget expenditures of 159 billion 530 million TL in January-May 2013. In the related period, tax revenues increased by 8.9 percent amounting to 143 billion 337 million TL.

2. BUDGET EXPENDITURES

January-May 2014 Budget Expenditures based on the economic classification are listed in the table on the right side.

In January-May 2014, central government budget expenditures were recorded as 178 billion 686 million TL.

In January-May 2014, personnel expenditures were recorded as 47 billion 860 million TL, an increase of 16.6 on a year on year basis.

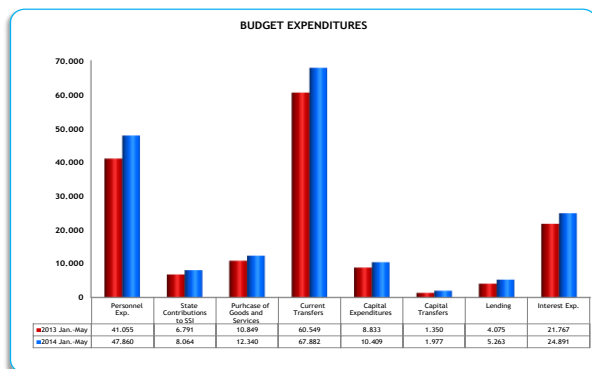
In January-May 2014, state contributions to social security institutions were recorded as 8 billion 64 million TL, an increase of 18.8 on a year on year basis.

In January-May 2014, the expenditures on the purchase of goods and services were recorded as 12 billion 340 million TL, an increase of 13.7 on a year on year basis.

In January- May 2014, current transfers were 67 billion 882 million, an increase of 12.1 percent compared to the same period of the previous year.

In January-May 2014, the amount transferred for health, retirement and social aid expenditures was 33 billion 158 million TL, an increase of 8.1 percent compared to the same period of previous year. The amount of the transfer to the Treasury for the payment of 5 percentages in employer's social security premium was 3 billion 388 million TL in the same period.

In January-May 2014, agricultural support payments included in current transfers were recorded as 5 billion 953 million TL.



Million TL	BUDGET EXPENDITURES						Rate of Change (%)
	2013			2014			
	Annual Real.	Jan.-May Real.	%	Target	Jan.-May Real.	%	
Budget Exp.	407.890	155.267	38,1	436.433	178.686	40,9	15,1
Non-Interest Exp.	357.904	133.501	37,3	384.433	153.795	40,0	15,2
Personnel Exp.	96.237	41.055	42,7	109.969	47.860	43,5	16,6
State Contributions to SSI	16.305	6.791	41,6	18.875	8.064	42,7	18,8
Purchase of Goods and Services	36.268	10.849	29,9	37.590	12.340	32,8	13,7
Current Transfers	148.735	60.549	40,7	163.554	67.882	41,5	12,1
Capital Expenditures	43.609	8.833	20,3	36.689	10.409	28,4	17,8
Capital Transfers	7.655	1.350	17,6	6.518	1.977	30,3	46,4
Lending	9.094	4.075	44,8	7.645	5.263	68,8	29,2
Contingency Appropriations	0	0		3.593	0	0,0	
Interest Exp.	49.986	21.767	43,5	52.000	24.891	47,9	14,4

In January-May 2014, shares of local administrations were recorded as 14 billion 638 million TL, an increase of 15,4 percent compared to the same period of the previous year.

In January-May 2014, capital expenditures amounted to 10 billion 409 million TL, and capital transfers amounted to 1 billion 977 million TL.

In January-May 2014, lending expenditures were

recorded as 5 billion 263 million TL.

In January-May 2014, personnel expenditures were recorded as 24 billion 891 million TL, an increase of 14.4 on a year on year basis.

3. BUDGET REVENUES

January-May 2014 Budget Revenues are listed on the right side.

In January- May 2014, budget expenditures rose to 175 billion 924 million, an increase of 10.3 percent from the budget expenditures of 159 billion 530 million TL in January-May 2013.

January-May 2014 tax collections were recorded as 143 billion 337 million TL, increasing by 8.9 percent

Million TL	BUDGET REVENUES						Rate of Change (%)
	2013			2014			
	Annual Real.	Jan.-May Real.	% Target	Jan.-May Real.	% Target		
Budget Revenues	389,441	159,530	41,0	403,175	175,924	43,6	10,3
General Budget Revenues	376,105	153,959	40,9	392,968	169,159	43,0	9,9
Tax Revenues	326,125	131,651	40,4	348,353	143,337	41,1	8,9
Non-Tax Revenues	49,980	22,308	44,6	44,615	25,821	57,9	15,7
Own Revenues of Special Budget Adm	10,662	3,916	36,7	7,223	4,962	68,7	26,7
Revenues of Regulatory and Supervisc	2,673	1,655	61,9	2,984	1,804	60,4	9,0

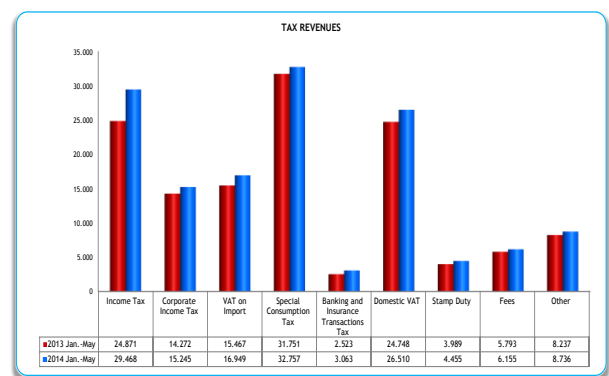
compared to the same month of the previous year.

In January-May 2014, general budget non-tax revenues amounted to 25 billion 821 million TL increasing by 15.7 percent compared to the same month of the previous year.

In January-May 2014, revenues of special budget administrations were 4 billion 962 million TL and revenues of regulatory and supervisory agencies were 1 billion 804 million TL.

Million TL	TAX REVENUES						Rate of Change (%)
	2013			2014			
	Annual Real.	Jan.-May Real.	% Target	Jan.-May Real.	% Target		
Income Tax	63,760	24,871	39,0	70,768	29,468	41,6	18,5
Corporate Income Tax	28,988	14,272	49,2	31,095	15,245	49,0	6,8
VAT on Import	37,995	15,467	40,7	39,626	16,949	42,8	9,6
Special Consumption Tax	85,461	31,751	37,2	89,391	32,757	36,6	3,2
Banking and Insurance Transactions Tax	6,160	2,523	41,0	7,131	3,063	43,0	21,4
Domestic VAT	62,726	24,748	39,5	64,820	26,510	40,9	7,1
Stamp Duty	9,416	3,989	42,4	10,384	4,455	42,9	11,7
Fees	12,906	5,793	44,9	14,964	6,155	41,1	6,2
Other	18,712	8,237	44,0	20,175	8,736	43,3	6,1
Total Gen Budget Tax Rev.	326,125	131,651	40,4	348,353	143,337	41,1	8,9

In May 2013, the changes in taxes on a year-over-year basis are as follows; 21.4 percent increase in banking and insurance transactions tax; 18.5 percent increase in income tax; 11.7 percent increase in stamp tax; 9.6 percent increase in domestic VAT, 7.1 percent increase in VAT on import, 6.8 percent increase in corporate tax, 6.2 percent increase in fees; 3.2 percent in special consumption tax and 6.1 percent increase in the collection of other taxes.



On the other hand, total amount of general budget tax revenues, enterprise and ownership revenues as well as interest, share and fine revenues collected within the scope of Law No:6111 as of May 31th, 2014 was 26 billion 366 million TL.