

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



MONTHLY BUDGET REVIEW

SEPTEMBER 2014

IN SEPTEMBER 2014, BUDGET RAN 9.2 BILLION TL DEFICIT COMPARED TO THE BUDGET DEFICIT OF 4.7 BILLION TL IN SEPTEMBER 2013.

IN SEPTEMBER 2014, PRIMARY DEFICIT WAS RECORDED AS 4.6 BILLION TL COMPARED TO THE PRIMARY SUPRLUS OF 1.4 BILLION TL IN SEPTEMBER 2013.

IN SEPTEMBER 2014, BUDGET REVENUES AMOUNTED TO 30.3 BILLION TL, AN INCREASE OF 7 PER THOUSAND COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. BUDGET EXPENDITURES AMOUNTED TO 39.6 BILLION TL INCREASING BY 13.5 PERCENT.

IN SEPTEMBER 2013, TAX REVENUES AMOUNTED TO 26.2 BILLION, AN INCREASE OF 8.3 PERCENT COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. NON-INTEREST BUDGET EXPENDITURES AMOUNTED TO 34.9 BILLION TL INCREASING BY 21.5 PERCENT.

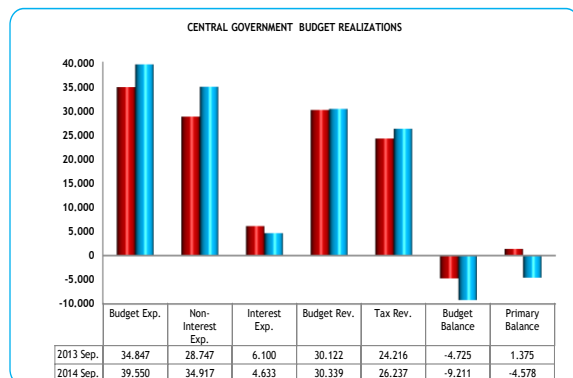
A. SEPTEMBER 2014 CENTRAL GOVERNMENT BUDGET REVIEW

1. BUDGET BALANCE

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

In September 2014, central government budget ran 9 billion 211 million TL deficit, compared to the deficit of 4 billion 725 million TL in September 2013.

In September 2014, central government budget had 4 billion 578 million TL primary surplus, compared to the primary surplus of 1 billion 375 million TL in September 2013.



In September 2014, budget expenditures rose to 39 billion 550 million, an increase of 13.5 percent from the budget expenditures of 34 billion 847 million TL in September 2013.

In September 2014, non-interest budget expenditures amounted to 34 billion 917 million TL, an increase of 21.5 percent from non-interest budget expenditures of 28 billion 747 million TL in September 2013.

Million TL	CENTRAL GOVERNMENT BUDGET REALIZATIONS						
	2013			2014			Rate of Change
	Annual Real.	Sep. Real.	%	Target	Sep. Real.	%	
Budget Exp.	408.225	34.847	8,5	436.433	39.550	9,1	13,5
Non-Inter est Exp.	358.239	28.747	8,0	384.433	34.917	9,1	21,5
Interest Exp.	49.986	6.100	12,2	52.000	4.633	8,9	-24,0
Budget Rev.	389.682	30.122	7,7	403.175	30.339	7,5	0,7
Tax Rev.	326.169	24.216	7,4	348.353	26.237	7,5	8,3
Budget Balance	-18.543	-4.725	25,5	-33.258	-9.211	27,7	-95,0
Primary Balance	31.443	1.375	4,4	18.742	-4.578	-24,4	-433,0

On the other hand, In September 2014, interest expenditures were recorded as 4 billion 633 million, a decrease of 24 percent compared to the same month of the previous year.

In September 2014, budget revenues were recorded as 30 billion 339 million TL, an increase of 7 per thousand from 30 billion 122 million TL in September 2013. Tax revenues increased by 8.3 percent amounting to 26 billion 237 million TL.

2. BUDGET EXPENDITURES

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

In September 2014, 39 billion 550 million TL was spent from the appropriation for 2014 central government budget expenditures allocated as 436 billion 433 million TL. The expenditure was 34 billion 847 million TL on a year-on-year basis.

Million TL	BUDGET EXPENDITURES						Rate of Change (%)
	2013			2014			
	Annual Real.	Sep. Real.	%	Target	Sep. Real.	%	
Budget Expenditures	408.225	34.847	8,5	436.433	39.550	9,1	13,5
Non-Interest Expenditures	358.239	28.747	8,0	384.433	34.917	9,1	21,5
Personnel Expenditures	96.235	8.421	8,8	109.969	9.516	8,7	13,0
State Contributions to SSI	16.306	1.349	8,3	18.875	1.540	8,2	14,2
Purchase of Goods and Services	36.386	2.589	7,1	37.590	2.970	7,9	14,7
Current Transfers	148.743	11.436	7,7	163.554	15.300	9,4	33,8
Capital Expenditures	43.767	3.563	8,1	36.689	4.462	12,2	25,2
Capital Transfers	7.666	625	8,2	6.518	522	8,0	-16,5
Lending	9.135	764	8,4	7.645	606	7,9	-20,7
Contingency Appropriations	0	0		3.593	0	0,0	
Interest Expenditures	49.986	6.100	12,2	52.000	4.633	8,9	-24,0

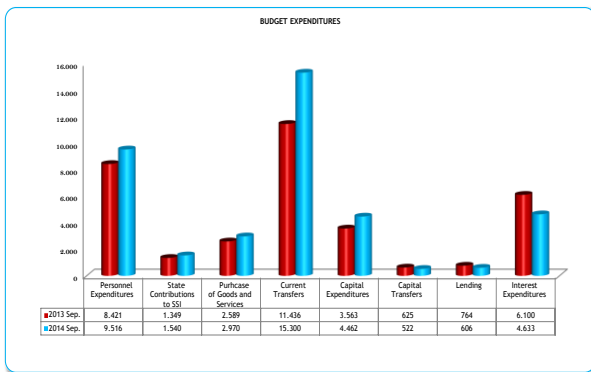
For the non-interest expenditures, 34 billion 917 million TL was spent in September 2014 and 9.1 percent of the appropriation allocated as 384 billion 433 million TL was used.

Personnel expenditures were recorded as 9 billion 516 million TL, an increase of 13 percent on a year on year basis. For the personnel expenditures, 8.7 percent of the appropriation allocated as 109 billion 969 million TL was used in September 2014.

In September 2014 state contributions to social security institutions were 1 billion 540 million TL, an increase of 14.2 on a year on year basis and 8.2 percent of 18 billion 875 million TL appropriation allocated in the budget was used.

In September 2014, the expenditures on the purchase of goods and services were recorded as 2 billion 970 million TL, an increase of 14.7 percent compared to the same month of the previous year and 7.9 percent of 37 billion 590 million TL appropriation allocated in the budget was used this month.

In September 2014, current transfers increased by 33.8 percent compared to the same month of the previous year and were recorded as 15 billion 300 million TL and 9.4 percent of 163 billion 554 million TL appropriation allocated in the budget was used this month.



In September 2014, the amount transferred for health, retirement and social aid expenditures was 8 billion 292 million TL. The amount of the transfer to the Treasury for the payment of 5 percentages in employer's social security premium was 769 million TL.

In September 2014, agricultural support payments included in current transfers were recorded as 284 million TL, and shares of local administrations were recorded as 3 billion 851 million TL.

In September 2014, capital expenditures amounted to 4 billion 462 million TL, and capital transfers amounted to 522 million TL. In September 2014, lending expenditures were 606 million TL.

On the other hand, in September 2014, interest expenditures were 4 billion 633 million, a decrease of 24 percent compared to the same month of the previous year.

3. BUDGET REVENUES

September 2014 Budget Revenues are listed on the right side.

In September 2014, budget revenues was recorded as 30 billion 339 million TL, increasing by 7 per thousand from the budget revenues of 30 billion 122 million TL in September 2013.

September 2014 tax collections were recorded as 26 billion 237 million TL, increasing by 8.3 percent compared to the same month of the previous year.

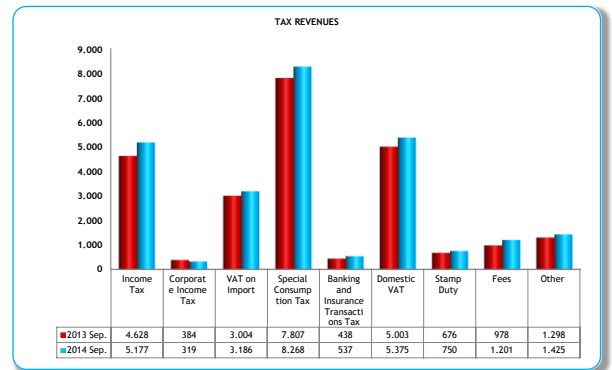
BUDGET REVENUES							
Million TL	2013		2014		Rate of Change (%)		
	Annual Real.	Sep. Real. %	Target	Sep. Real. %	Sep.		
Budget Revenues	389.682	30.122 7,7	403.175	30.339 7,5	0,7		
General Budget Revenues	375.564	28.982 7,7	392.968	29.390 7,5	1,4		
Tax Revenues	326.169	24.216 7,4	348.353	26.237 7,5	8,3		
Non-Tax Revenues	49.395	4.766 9,6	44.615	3.153 7,1	-33,8		
Own Rev. of Special Budget Adm.	11.445	942 8,2	7.223	808 11,2	-14,2		
Rev. of Reg. and Sup. Agencies	2.673	198 7,4	2.984	141 4,7	-29,0		

TAX REVENUES							
Million TL	2013		2014		Rate of Change (%)		
	Annual Real.	Sep. Real. %	Target	Sep. Real. %	Sep.		
Income Tax	63.761	4.628 7,3	70.768	5.177 7,3	11,9		
Corporate Income Tax	28.988	384 1,3	31.095	319 1,0	-17,0		
VAT on Import	37.995	3.004 7,9	39.626	3.186 8,0	6,0		
Special Consumption Tax	85.462	7.807 9,1	89.391	8.268 9,2	5,9		
Banking and Insurance Transactions Tax	6.160	438 7,1	7.131	537 7,5	22,6		
Domestic VAT	62.727	5.003 8,0	64.820	5.375 8,3	7,4		
Stamp Duty	9.416	676 7,2	10.384	750 7,2	11,0		
Fees	12.948	978 7,6	14.964	1.201 8,0	22,8		
Other	18.712	1.298 6,9	20.175	1.425 7,1	9,7		
Total Gen Budget Tax Rev.	326.169	24.216 7,4	348.353	26.237 7,5	8,3		

In September 2014, general budget non-tax revenues amounted to 3 billion 153 million TL decreasing by 33.8 percent compared to the same month of the previous year.

In September 2014, revenues of special budget administrations were 808 million TL and revenues of regulatory and supervisory agencies were 141 million TL.

In March 2014, the changes in taxes on a year-over-year basis are as follows; 22.8 percent increase in fees, 22.6 percent increase in banking and insurance transactions tax, 11.9 percent increase in income tax, 11 percent increase in stamp tax, 7.4 percent increase in VAT on import, 6 percent increase in domestic VAT, 5.9 percent increase in special consumption tax and 9.7 percent increase in other taxes collection and 17 percent decrease in corporate tax.



JANUARY-SEPTEMBER 2014

IN JANUARY-SEPTEMBER PERIOD 2014, BUDGET RAN 11.9 BILLION TL DEFICIT WHILE IT HAD RUN 4.5 BILLION TL DEFICIT IN JANUARY-SEPTEMBER PERIOD 2013.

IN JANUARY-SEPTEMBER 2014, PRIMARY SURPLUS WAS RECORDED AS 26.3 BILLION TL COMPARED TO THE PRIMARY SUPRLUS OF 39.3 BILLION TL IN JANUARY-SEPTEMBER 2013.

IN JANUARY-SEPTEMBER PERIOD 2014, BUDGET REVENUES AMOUNTED TO 313.5 BILLION TL, AN INCREASE OF 8.1 PERCENT COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. BUDGET EXPENDITURES AMOUNTED TO 325.4 BILLION TL INCREASING BY 10.5 PERCENT.

IN JANUARY-SEPTEMBER 2014, TAX REVENUES AMOUNTED TO 258.7 BILLION TL, AN INCREASE OF 7.7 PERCENT COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. NON-INTEREST BUDGET EXPENDITURES AMOUNTED TO 287.2 BILLION TL INCREASING BY 14.5 PERCENT.

B. JANUARY-SEPTEMBER 2014 CENTRAL GOVERNMENT BUDGET REVIEW

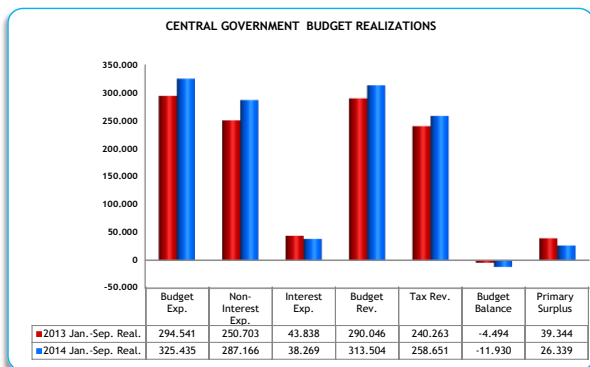
1. BUDGET BALANCE

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

In January-September period 2014, central government budget ran 11 billion 930 million TL deficit while it had run 4 billion 494 million TL deficit in the same period of the previous year.

Million TL	CENTRAL GOVERNMENT BUDGET REALIZATIONS						
	2013			2014			Rate of Change (%)
	Annual Real.	Jan.-Sep. Real.	%	Target	Jan.-Sep. Real.	%	
Budget Exp.	408.225	294.541	72,2	436.433	325.435	74,6	10,5
Non-Interest Exp.	358.239	250.703	70,0	384.433	287.166	74,7	14,5
Interest Exp.	49.986	43.838	87,7	52.000	38.269	73,6	-12,7
Budget Rev.	389.682	290.046	74,4	403.175	313.504	77,8	8,1
Tax Rev.	326.169	240.263	73,7	348.353	258.651	74,2	7,7
Budget Balance	-18.543	-4.494	24,2	-33.258	-11.930	35,9	
Primary Surplus	31.443	39.344	125,1	18.742	26.339	140,5	-33,1

In January-September period 2014, primary surplus was recorded as 26 billion 339 million TL.



In January-September 2014, budget expenditures rose to 325 billion 435 million, an increase of 10.5 percent from the budget expenditures of 294 billion 541 million TL in January-September 2013.

In January-September 2014, non-interest budget expenditures amounted to 287 billion 166 million TL, an increase of 14.5 percent from non-interest budget

expenditures of 250 billion 703 million TL in January-September 2013.

On the other hand, In January-September 2014, interest expenditures were 38 billion 269 million, a decrease of 12.7 percent compared to the same period of the previous year.

In January-September 2014, budget expenditures rose to 313 billion 504 million, an increase of 8.1 percent from the budget expenditures of 290 billion 46 million TL in January-September 2013. In the related period, tax revenues increased by 7.7 percent amounting to 258 billion 651 million TL.

2. BUDGET EXPENDITURES

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

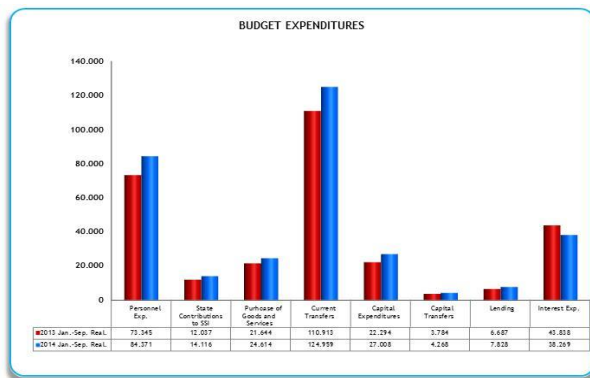
In January-September 2014, central government budget expenditures were recorded as 325 billion 435 million TL.

In January-September 2014, personnel expenditures were recorded as 84 billion 371 million TL, an increase of 15 percent on a year on year basis.

In January-September 2014, state contributions to social security institutions were recorded as 14 billion 116 million TL, an increase of 17.3 on a year on year basis.

In January-September 2014, the expenditures on the purchase of goods and services were recorded as 24 billion 614 million TL, an increase of 13.7 on a year on year basis.

In January-September 2013, current transfers were 124 billion 959 million, an increase of 12.7 percent compared to the same period of the previous year.



as 7 billion 790 million TL.

In January-September 2014, shares of local administrations were recorded as 28 billion 670 million TL, an increase of 19.3 percent compared to the same period of the previous year.

In January-September 2014, capital expenditures amounted to 27 billion 8 million TL, and capital transfers amounted to 4 billion 268 million TL.

Million TL	BUDGET EXPENDITURES						
	2013			2014			Rate of Change (%)
	Annual Real.	Jan.-Sep. Real.	%	Target	Jan.-Sep. Real.	%	
Budget Exp.	408.225	294.541	72,2	436.433	325.435	74,6	10,5
Non-Interest Exp.	358.239	250.703	70,0	384.433	287.166	74,7	14,5
Personnel Exp.	96.235	73.345	76,2	109.969	84.371	76,7	15,0
State Contributions to SS	16.306	12.037	73,8	18.875	14.116	74,8	17,3
Purchase of Goods and Serv	36.386	21.644	59,5	37.590	24.614	65,5	13,7
Current Transfers	148.743	110.913	74,6	163.554	124.959	76,4	12,7
Capital Expenditures	43.767	22.294	50,9	36.689	27.008	73,6	21,1
Capital Transfers	7.666	3.784	49,4	6.518	4.268	65,5	12,8
Lending	9.135	6.687	73,2	7.645	7.828	102,4	17,1
Contingency Appropriations	0	0		3.593	0	0,0	
Interest Exp.	49.986	43.838	87,7	52.000	38.269	73,6	-12,7

In January-September 2014, the amount transferred for health, retirement and social aid expenditures was 62 billion 278 million TL, an increase of 13.5 on a year on year basis. The amount of the transfer to the Treasury for the payment of 5 percentages in employer's social security premium was 6 billion 439 million TL in the same period.

In January-September 2014, agricultural support payments included in current transfers were recorded

In January-September 2014, lending expenditures were recorded as 7 billion 828 million TL.

In January- September 2014, interest expenditures were 38 billion 269 million, a decrease of 12.7 percent compared to the same period of the previous year.

3. BUDGET REVENUES

The figures for the January- September 2014 Budget Revenues are listed on the right side.

In January- September 2014, budget expenditures rose to 313 billion 504 million, an increase of 8.1 percent from the budget expenditures of 290 billion 46 million TL in January-September 2013.

January-September 2014 tax collections were recorded as 258 billion 651 million TL, increasing by 7.7 percent compared to the same month of the previous year.

Million TL	BUDGET REVENUES						
	2013			2014			Rate of Change (%)
	Annual Real.	Jan.-Sep. Real.	Target	Jan.-Sep. Real.	Target		
Budget Revenues	389.682	290.046	74,4	403.175	313.504	77,8	8,1
General Budget Revenues	375.564	280.699	74,7	392.968	301.497	76,7	7,4
Tax Revenues	326.169	240.263	73,7	348.353	258.651	74,2	7,7
Non-Tax Revenues	49.395	40.436	81,9	44.615	42.846	96,0	6,0
Own Revenues of Special Budget Adm	11.445	7.155	62,5	7.223	9.398	130,1	31,3
Revenues of Regulatory and Supervisc	2.673	2.192	82,0	2.984	2.610	87,5	19,1

Million TL	TAX REVENUES						
	2013			2014			Rate of Change (%)
	Annual Real.	Jan.-Sep. Real.	Target	Jan.-Sep. Real.	Target		
Income Tax	63.761	45.732	71,7	70.768	53.180	75,1	16,3
Corporate Income Tax	28.988	21.089	72,7	31.095	24.116	77,6	14,4
VAT on Import	37.995	28.969	76,2	39.626	29.253	73,8	1,0
Special Consumption Tax	85.462	62.579	73,2	89.391	65.351	73,1	4,4
Banking and Insurance Transactions Tax	6.160	4.562	74,1	7.131	5.537	77,7	21,4
Domestic VAT	62.727	45.687	72,8	64.820	47.087	72,6	3,1
Stamp Duty	9.416	6.871	73,0	10.384	7.507	72,3	9,3
Fees	12.948	9.754	75,3	14.964	10.552	70,5	8,2
Other	18.712	15.020	80,3	20.175	16.067	79,6	7,0
Total Gen Budget Tax Rev.	326.169	240.263	73,7	348.353	258.651	74,2	7,7

In January-September 2014, general budget non-tax revenues amounted to 42 billion 846 million TL increasing by 6 percent compared to the same month of the previous year.

In January-September 2014, revenues of special budget administrations were 9 billion 398 million TL and revenues of regulatory and supervisory agencies were 2 billion 610 million TL.

In September 2014, the changes in taxes on a year-over-year basis are as follows; 21.4 percent increase in banking and insurance transactions tax; 16.3 percent increase in income tax; 14.4 percent increase in corporate tax; 9.3 percent increase in stamp tax; 8.2 percent increase in fees, 4.4 percent increase in special consumption tax, 3.1 percent increase in VAT on import, 1 percent increase in domestic VAT and 7 percent increase in the collection of other taxes.

