

JANUARY PRICE DEVELOPMENTS

February 4, 2026



Summary

Consumer prices rose by 4.84% in January and annual inflation decreased by 0.24 points to 30.65%. While annual inflation increased in the food and alcohol-tobacco-gold groups, it declined in other main groups. In this period, the food and services groups were the prominent drivers of the monthly price increase. Unprocessed food, vegetables and meat in particular, had a marked impact on monthly food inflation. In January, monthly services inflation went up compared to the previous month, led by labor costs and items with strong time-dependent pricing and backward-indexation behavior. On the other hand, annual services inflation maintained its downward course, with a decline of 3.76 points. Meanwhile, core goods inflation remained relatively mild. In this period, administered price and lump-sum tax adjustments were at lower rates than previous years, supporting the disinflation process. The monthly price increase in the energy group was limited compared to the same month of the previous year. In producer prices, the moderate upward course of the last two months strengthened somewhat in this period. Against this background, underlying consumer inflation posted a month-specific rise in January.

Price Developments are published within one working day following the announcement of price statistics by the Turkish Statistical Institute (TURKSTAT). Price Developments, which include the CBRT's initial remarks on the inflation figures of the previous month, aim to contribute to a sounder interpretation of the monthly inflation developments by the public during the period between the announcement of the official price statistics and announcements regarding the Monetary Policy Committee meetings.

Evaluations

In January, consumer prices were up by 4.84% and annual inflation decreased by 0.24 points to 30.65% (Chart 1). The annual rate of change in the B index dropped by 1.55 points to 30.11%, and that in the C index declined by 1.28 points to 29.80% (Table 1).

In this period, the CPI consumption basket classification and base year were changed and the index's weighting structure was updated. The share of the services sector in the index increased by 7.4 points to 38.4%, while that of goods decreased to 61.6%. The weights of the B and C indices increased by 5.2 points and 4.5 points, respectively.

Contributions of energy, core goods, and alcohol-tobacco-gold to annual consumer inflation declined month-on-month by 1.07 points, 0.34 points, and 0.24 points, respectively, whereas contributions of the food and non-alcoholic beverages, and services groups increased by 1.23 points and 0.18 points, respectively.

In seasonally adjusted terms, consumer prices saw higher monthly increases compared to the previous month (Chart 2). Monthly increases recorded a rise in the B and C indices compared to the previous month (Chart 3). Price developments in core goods and processed food contributed to the increase in B index (Chart 4). Indicators monitored by the CBRT pointed to a month-specific increase in underlying inflation in January (Chart 5). These indicators recorded a limited increase in terms of quarterly averages (Chart 6).

In January, services prices increased by 7.39%, and the group's annual inflation rate decreased by 3.76 points to 40.23%. Annual inflation rose in the communication and transportation groups, but declined in other subgroups (Chart 7). Among subgroups, the other services group stood out with a monthly increase of 9.74%. This development was driven by high price increases in health (18.12%), financial services (14.78%), education services (6.61%) as well as maintenance and repair items where seasonal pricing and indexation to past inflation are common. The transportation services subgroup (8.05% increase), particularly passenger transport by air (36.9% increase), stood out with its high inflation. Prices in the restaurants-hotels subgroup, which were affected by labor costs and developments in food prices, increased by 5.86%, while the monthly rise in the communication group was significant at 5.35%. With the additional impact of the seasonal rise in contract renewal rates, the monthly increase in rents was 5.26%, while annual inflation in this group fell by 5.06 points to 56.55%. During this period, price increases in administered services items were lower than in previous years.

In January, core goods prices rose moderately by 0.51%, bringing the annual core goods inflation down by 0.26 points to 17.45% (Chart 8). Price increases in durable consumption goods (2.91%) strengthened compared to the previous month. This was mainly driven by the prices of automobiles, furniture, white goods, and consumer electronics. Clothing and footwear prices declined by 4.83% due to seasonal factors. Monthly inflation in other core goods strengthened to 2.40% compared to the previous month. The carry-over effect of the rising drug prices contributed to this uptrend as well.

In January, energy prices were up by 2.29%, and annual energy inflation dropped by 4.85 points to 30.21% (Chart 9). The increases in the water tariffs set by municipalities (7.32%) and electricity prices (3.04%) following the update to the consumption limit under the end-source supply tariff stood out in this development. While the lump-sum tax increase in January was lower than the rise implied by D-PPI, fuel prices (1.59%) went up due to developments in crude oil prices.

Food and non-alcoholic beverages were another subgroup that stood out with a significant price increase at 6.59%. Annual food inflation increased by 3.38 points to 31.69% in this period (Chart 9). Annual inflation decreased in processed food, but increased notably in unprocessed food (Chart 10). Unprocessed food prices posted a significant monthly increase by 11.79%, led by vegetable and meat prices. In the processed food subgroup, the increase in meat prices weighed on processed meat products, while the increase in the raw milk price reflected in milk and dairy products.

The lump-sum SCT adjustment in the alcoholic beverages and tobacco group led to an increase in alcoholic beverage prices, while its effect will be mirrored in February in the tobacco group.

Domestic producer prices rose by 2.67% in January, and annual inflation was down by 0.50 points to 27.17% (Chart 11 and Table 2). In this period, energy prices (-1.69%) declined while non-durable (4.16%) and durable (4.02%) consumption goods prices stood out with significant price increases (Chart 12). On a sectoral basis, other manufactured goods (affected by the price of gold), metal ores, printing and recording services, beverages, and basic pharmaceutical products stood out as subgroups with significant price increases.

Charts and Tables

Chart 1. CPI, B and C
(Annual % Change)

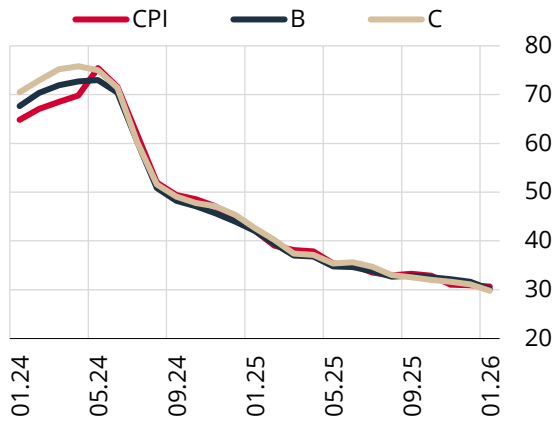


Chart 2. CPI and CPI Excluding Food
(Seasonally Adjusted, Monthly % Change)

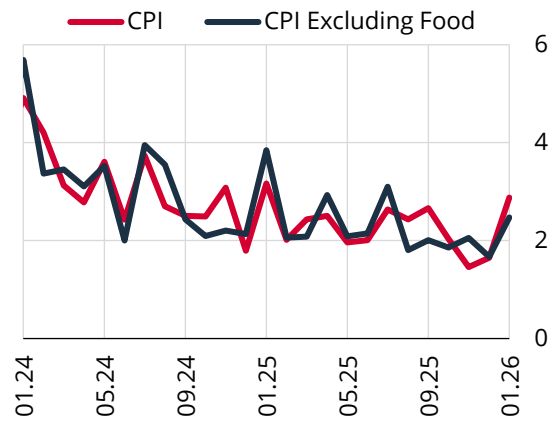


Chart 3. B and C Indices
(Seasonally Adjusted, Monthly % Change)

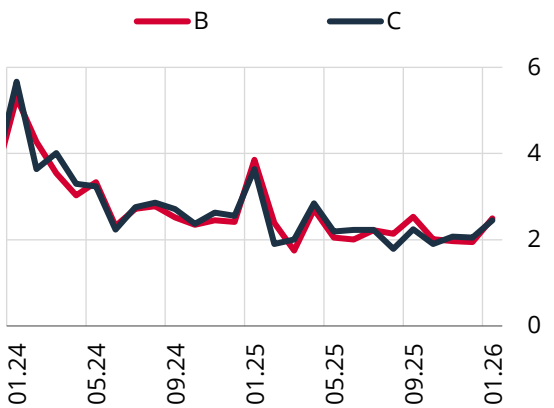
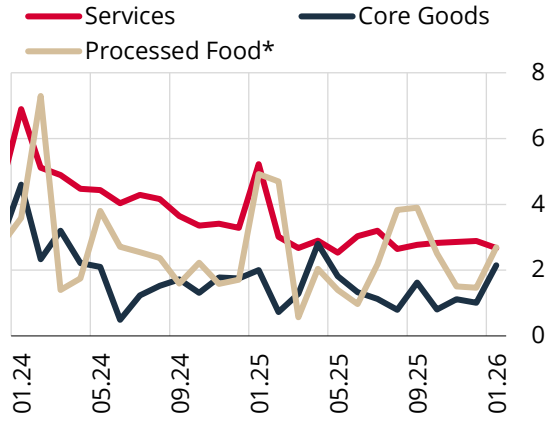


Chart 4. Main Components of B Index
(Seasonally Adjusted, Monthly % Change)



* In the processed food subgroup, no statistically significant seasonality is detected. Therefore, processed food subgroup data is presented without seasonal adjustments.

Chart 5. Underlying Inflation Indicators
(Seasonally Adjusted, Monthly % Change)

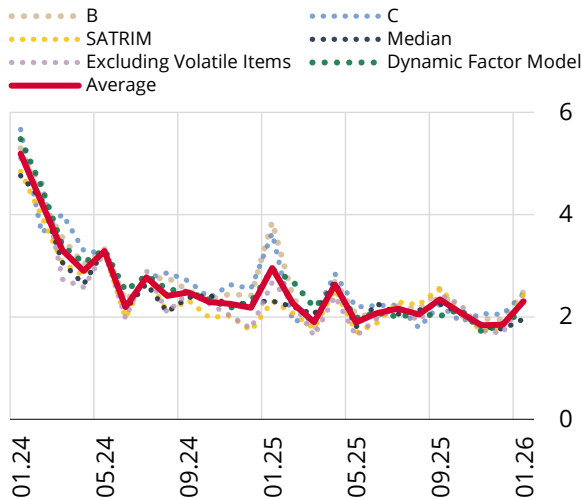


Chart 6. Underlying Inflation Indicators
(Seasonally Adjusted, Monthly % Change, 3 Month Average)

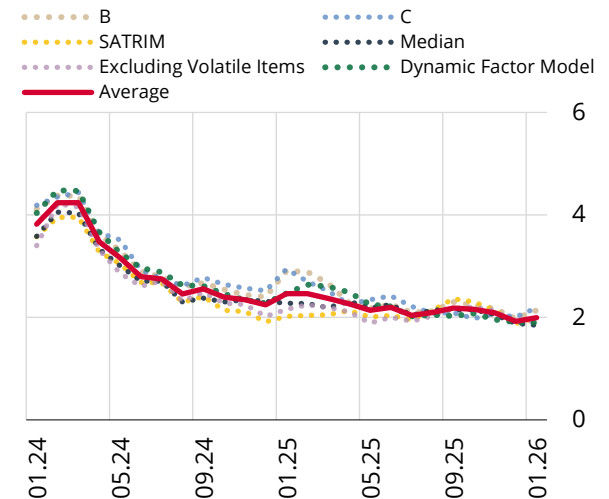


Chart 7. Services

(Annual % Change)

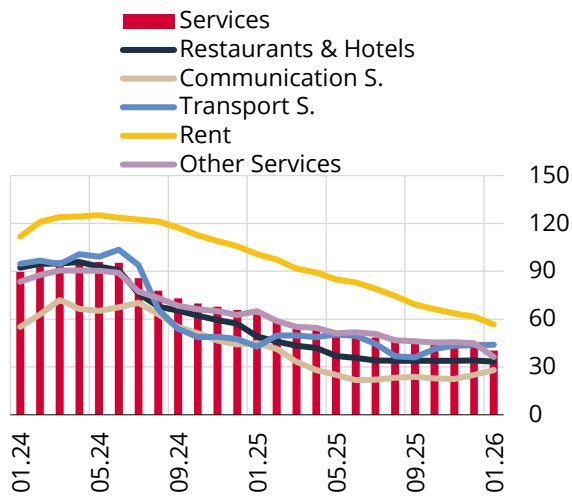


Chart 8. Core Goods

(Annual % Change)

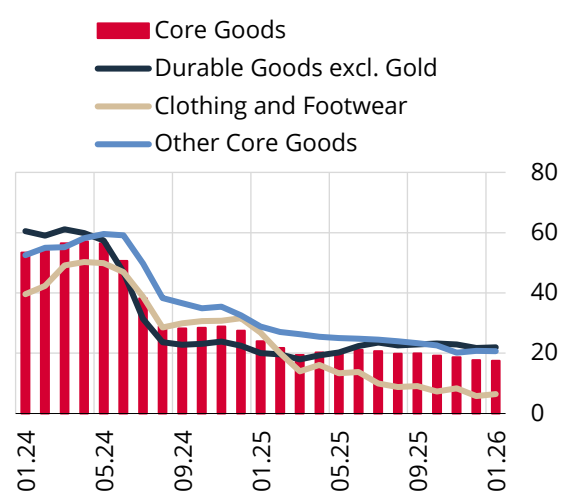


Chart 9. Food and Non-alcoholic Beverages and Energy

(Annual % Change)

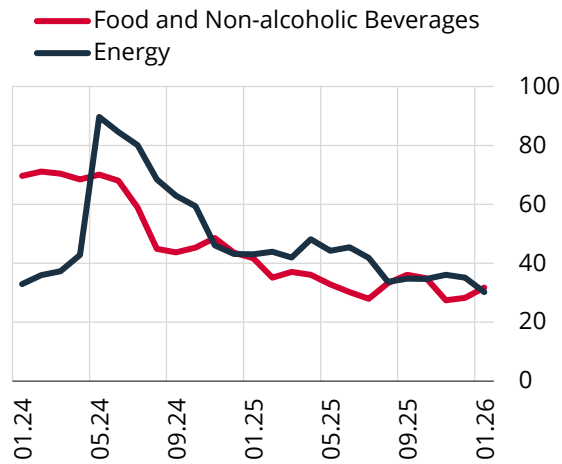


Chart 10. Processed and Unprocessed Food

(Annual % Change)

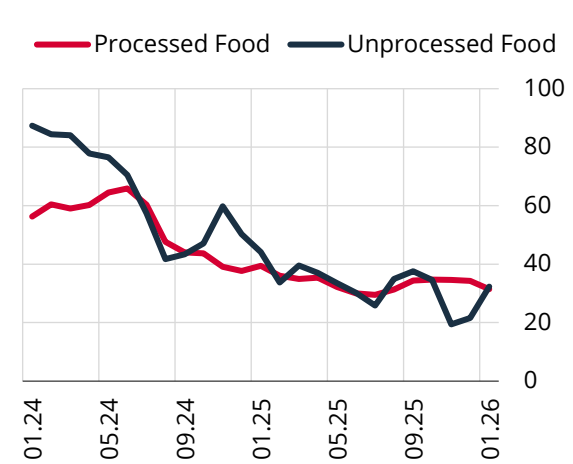


Chart 11. D-PPI and Manufacturing

(Annual % Change)

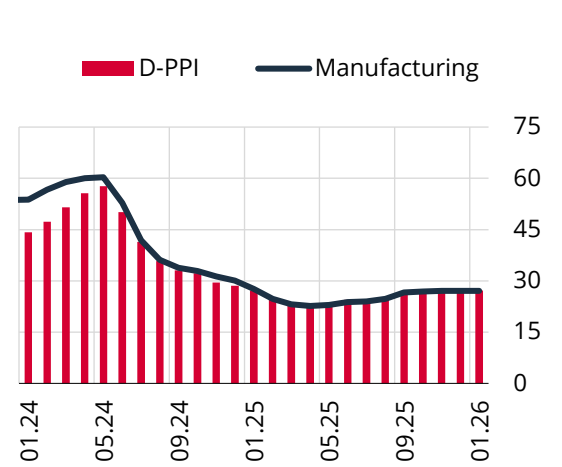


Chart 12. D-PPI Main Industrial Groupings

(Monthly % Change)

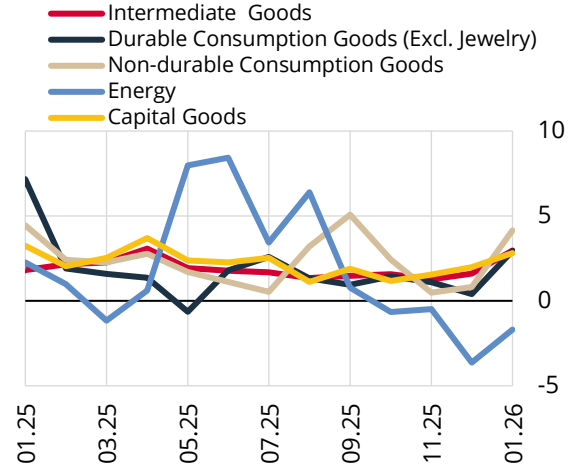


Table 1. CPI and Subcategories (% Change)

	Monthly		Annual	
	Jan.26	Jan.25	Jan.26	Jan.25
CPI	4.84	5.03	30.65	42.12
1. Goods	3.25	2.69	25.70	33.65
Energy	2.29	6.10	30.21	43.05
Food and non-alcoholic beverages	6.59	3.86	31.69	41.76
Unprocessed food	11.79	2.66	32.35	44.17
Fresh fruits and vegetables	22.03	3.41	29.47	62.14
Other unprocessed food	5.79	2.10	34.95	32.90
Processed food	2.69	4.92	31.45	39.44
Bread and cereals	2.13	8.08	30.87	46.17
Other processed food	2.92	3.34	31.66	36.21
Goods excluding energy and food	0.77	0.80	19.52	25.16
Core goods	0.51	0.74	17.45	23.95
Durable goods (excluding gold)	2.91	2.74	21.97	20.05
Clothing and footwear (*)	-4.83	-5.46	6.49	26.83
Other core goods	2.40	2.52	20.64	28.90
Alcoholic beverages and tobacco	1.53	1.02	31.45	34.10
Gold	11.17	1.92	82.36	38.84
2. Services	7.39	10.26	40.23	62.95
Rents	5.26	8.66	56.55	100.64
Restaurants and hotels	5.86	6.50	33.31	49.18
Transport	8.05	7.89	43.99	42.75
Communication	5.35	2.82	28.11	44.83
Other	9.74	16.72	36.27	64.99
3. Core Measures				
B - CPI excluding unprocessed food, energy, alcoholic beverages tobacco and gold	4.22	5.47	30.11	42.08
C - CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold	4.55	5.59	29.80	42.65
D - CPI excluding unprocessed food, alcoholic beverages and tobacco	4.10	5.53	30.40	42.15
F – CPI excluding administered prices	4.80	4.15	30.25	40.58

Source: TURKSTAT.

* Does not cover clothing services.

Table 2. D-PPI and Subcategories (% Change)

	Weight (%)	January 2026		January 2025	
		Monthly	Annual	Monthly	Annual
D-PPI	100	2.67	27.17	3.06	27.20
Mining	3.94	2.84	32.97	3.57	33.40
Manufacturing	85.82	3.24	27.10	3.25	27.60
Manufacturing excl. petroleum products	83.43	3.33	27.57	3.16	28.42
Manufacturing excl. petroleum products and base metals	75.36	3.45	27.94	3.54	30.19
Electricity, gas, steam and air-conditioning sup.	9.49	-2.57	25.94	-0.44	18.20
Water supply	0.74	2.02	37.21	16.84	54.39
D-PPI (MIGs Classification)					
Intermediate Goods		2.96	25.69	1.81	23.27
Durable Consumption Goods		4.02	30.07	6.39	37.44
Durable Consumption Goods (Excl. Jewelry)		2.94	18.04	7.18	36.35
Non-Durable Consumption Goods		4.16	30.44	4.45	37.42
Capital Goods		2.82	29.24	3.25	25.61
Energy		-1.69	22.14	2.27	18.05

Source: TURKSTAT.