

DECEMBER PRICE DEVELOPMENTS

January 6, 2026



Summary

In December, consumer prices increased by 0.89% and annual inflation decreased by 0.18 points, ending the year at 30.89%. While annual inflation rose in the food group, it declined across other groups. Following the decrease in the previous month, food price inflation was driven by rising unprocessed food prices, led by red meat and vegetables. The impact of the rise in red meat prices was also reflected in processed meat products. In December, energy prices remained flat. As for the services group, monthly rent inflation continued to weaken while communication services prices accelerated. In fact, seasonally adjusted services inflation remained flat compared to the previous month. In the core goods group, clothing and footwear prices declined due to seasonal factors, while the monthly price increase in durable consumer goods slowed. The rise in other core goods inflation was largely driven by price developments in drugs. Seasonally adjusted core goods prices decelerated slightly. In December, the monthly producer inflation continued to slow down at 0.75%, while annual producer inflation stood at 27.67%. Against this background, underlying monthly inflation declined in December.

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 the Monetary Policy Committee meeting.

Evaluations

In December, consumer prices were up by 0.89% and annual inflation decreased by 0.18 points to end the year at 30.89% (Chart 1). The annual rate of change in the B index dropped by 0.51 points to 31.66%, and that in the C index declined by 0.57 points to 31.08% (Table 1).

Over the previous month, contributions of core goods, energy and services to annual consumer inflation decreased by 0.25, 0.12, and 0.08 points, respectively, whereas contributions of the food and non-alcoholic beverages and alcohol-tobacco-gold groups increased by 0.24 and 0.03 points, respectively.

In seasonally adjusted terms, consumer prices saw higher monthly increases compared to the previous month (Chart 2). Monthly increases remained flat in the B and C indices compared to the previous month (Chart 3). Among the components of the B index, price increases did not show a significant change (Chart 4). Meanwhile, distribution-based indicators monitored by the CBRT pointed to a decline in underlying inflation in December (Chart 5). These indicators also showed a slowdown in terms of quarterly averages (Chart 6).

Services prices were up by 0.89% in December, and the group's annual inflation ended the year at 43.99% after a decline of 0.22 points. Seasonally adjusted data pointed to the continuation of the recent flat trend in monthly services inflation (Chart 7). Rent inflation weakened further at 1.65% on a monthly basis driven by the slowdown in the rate of rent increase in contracts as well as the seasonal decline in the contract renewal rate, and the group's annual inflation dropped to 61.61%. In the restaurants-hotels subgroup, prices increased by 1.51%, led by the rise in prices of catering services, while the fall in accommodation prices limited a further increase. The monthly price increase in the communication subgroup reached 3.63% due to the rise in phone call and internet charges, registering a significant acceleration compared to the previous four months. Meanwhile, prices in transportation services decreased by 2.66% on the back of seasonal effects from passenger transport by air (-32.95%) and intercity passenger transport (-4.32%). In this period, the price increase in the other services subgroup remained moderate at 0.36%.

In December, the annual core goods inflation fell by 0.91 points to 17.71% (Chart 8). Annual inflation went down in durable goods (excluding gold) and clothing and footwear but edged up in other core goods. Monthly price increases in durable consumption goods slowed to 0.72% compared to the previous month. During this period, prices of automobiles remained flat, while those of furniture and white goods rose by 1.56%. Clothing and footwear prices dropped by 3.05% due to seasonal effects. Monthly inflation in other core goods strengthened to 2.07% compared to the previous four months. In this development, the impact of the rise in drug prices was felt. It should be noted that this increase occurred mid-month and will therefore have a carry-over effect into January.

In December, energy prices decreased by 0.08%, bringing annual energy inflation down by 0.99 points to 35.06% (Chart 9). During this period, following developments in crude oil prices, fuel prices (-2.51%) declined, while bottled gas (4.07%) and solid fuel (1.56%) prices went up. Other energy items saw moderate price increases.

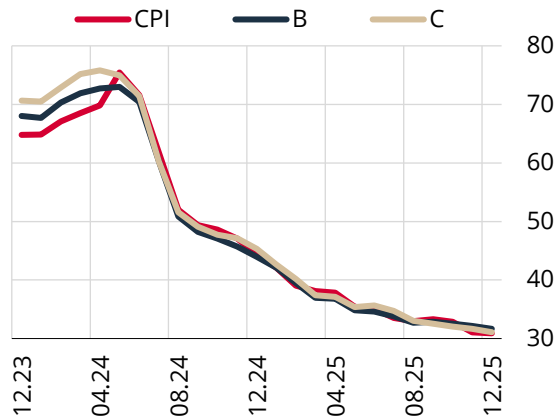
Prices of food and non-alcoholic beverages group increased by 1.99% in December, and the group's annual inflation rose by 0.87 points, ending the year at 28.31% (Chart 9). Annual inflation in the unprocessed subgroup increased by 2.11 points and stood at 21.53% while that in processed food subgroup went down by 0.32 points to 34.29% (Chart 10). In December, the increase in unprocessed food prices (2.64%) was driven by the rise in red meat (7.86%) and vegetables (5.89%) prices. The increase in red meat prices was also reflected in processed meat products (5.54%), and processed food prices rose by 1.47% in this period. Confectionery, chocolate-cocoa, and non-alcoholic beverages stood out as other notable items in this development.

Domestic producer prices rose by 0.75% in December, and annual inflation was up by 0.44 points to 27.67% amid the low base effect (Chart 11 and Table 2). In this period, energy prices (-3.63%) declined while capital goods (1.98%) and intermediate goods (1.61%) stood out with relatively strong price hikes (Chart 12). On a sectoral basis, basic pharmaceutical products, metal ores, other manufactured goods, as well as computer, electronic and optical products stood out as subgroups with price increases.

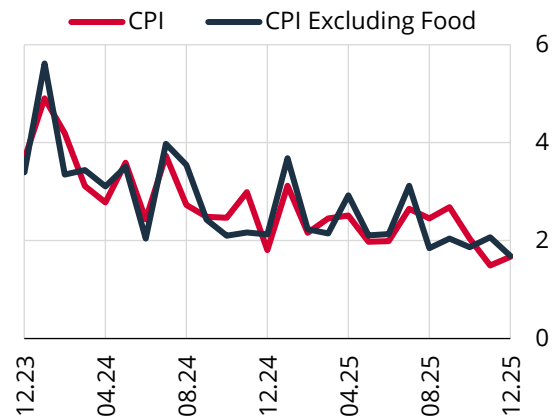
Charts and Tables

Chart 1. CPI, B and C

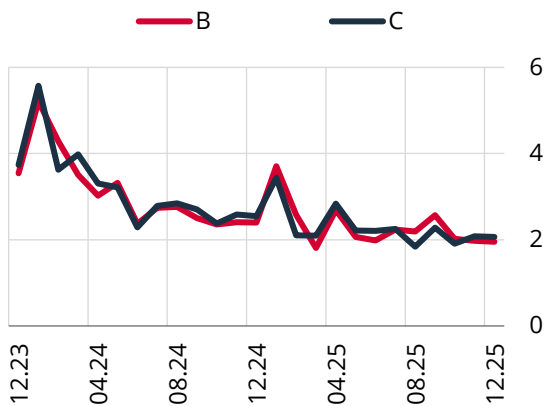
(Annual % Change)

**Chart 2. CPI and CPI Excluding Food**

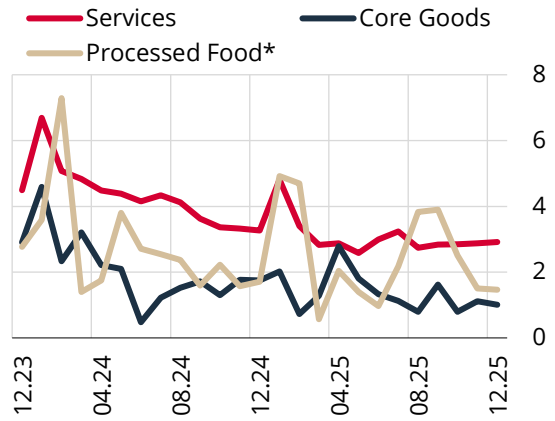
(Seasonally Adjusted, Monthly % Change)

**Chart 3. B and C Indices**

(Seasonally Adjusted, Monthly % Change)

**Chart 4. Main Components of B Index**

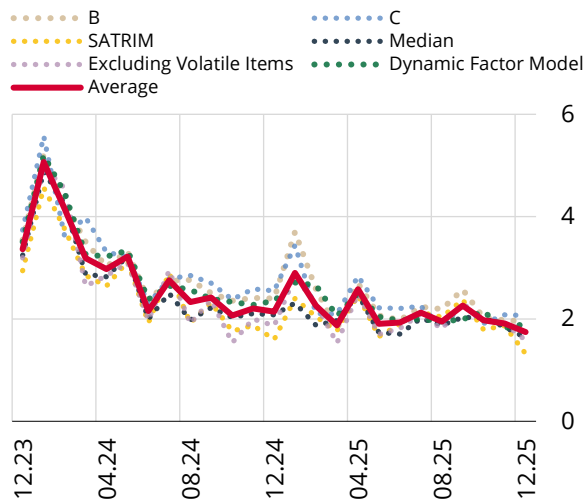
(Seasonally Adjusted, Monthly % Change)



* 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)

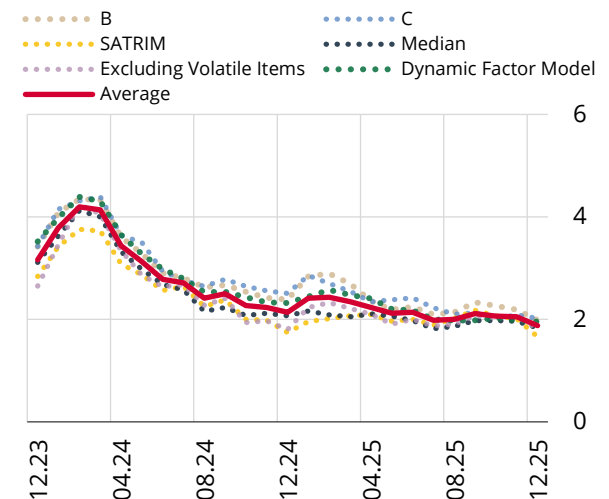
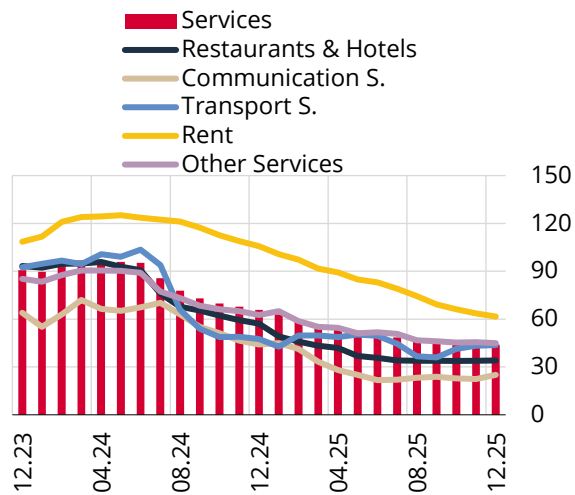
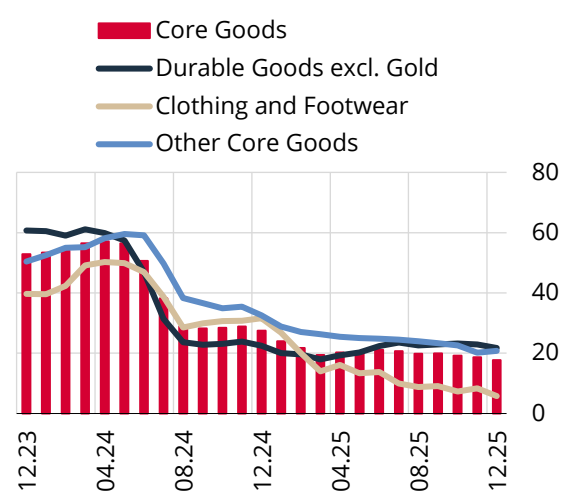


Chart 7. Services

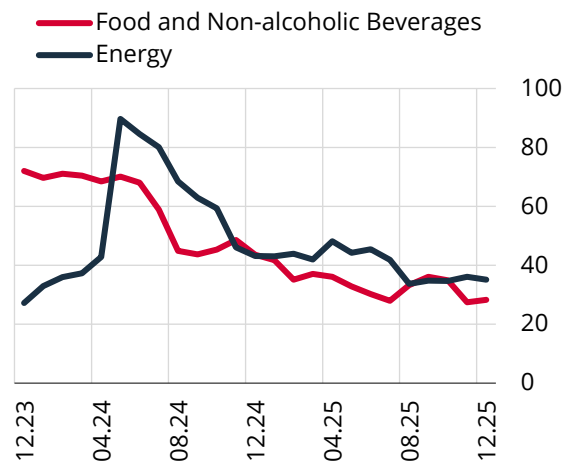
(Annual % Change)

**Chart 8. Core Goods**

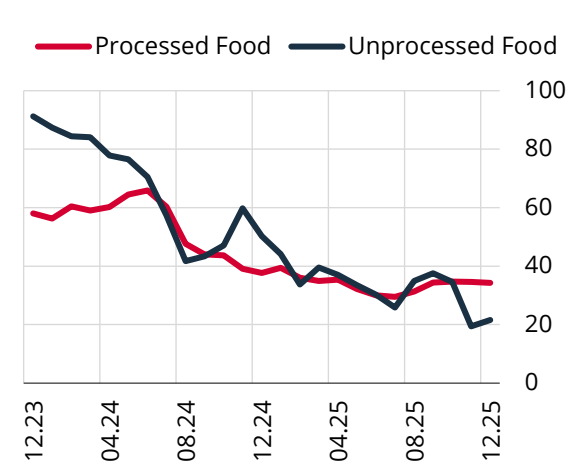
(Annual % Change)

**Chart 9. Food and Non-alcoholic Beverages and Energy**

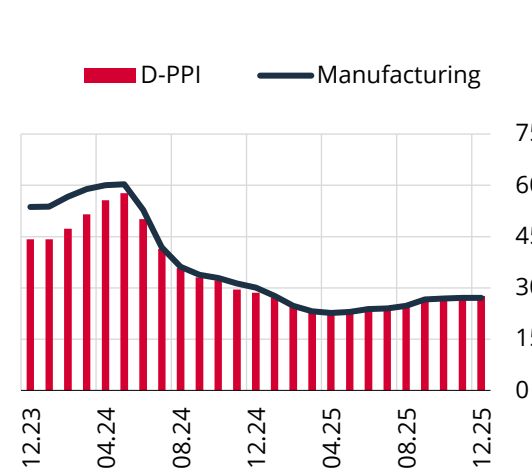
(Annual % Change)

**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)

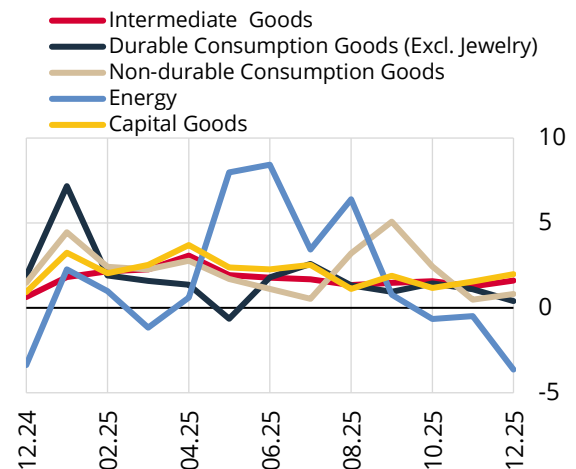


Table 1. CPI and Subcategories (% Change)

	Monthly		Annual	
	Dec.25	Dec.24	Dec.25	Dec.24
CPI	0.89	1.03	30.89	44.38
1. Goods	0.89	1.02	25.02	36.14
Energy	-0.08	0.65	35.06	43.11
Food and non-alcoholic beverages	1.99	1.29	28.31	43.58
Unprocessed food	2.64	0.86	21.53	50.29
Fresh fruits and vegetables	-0.11	-1.65	9.72	68.78
Other unprocessed food	4.43	2.85	30.24	38.78
Processed food	1.47	1.71	34.29	37.67
Bread and cereals	1.22	1.47	38.50	41.87
Other processed food	1.60	1.82	32.21	35.72
Goods excluding energy and food	0.36	0.94	19.56	28.77
Core goods	0.30	1.07	17.71	27.43
Durable goods (excluding gold)	0.72	1.62	21.78	22.46
Clothing and footwear (*)	-3.05	-0.73	5.79	31.67
Other core goods	2.07	1.56	20.78	32.62
Alcoholic beverages and tobacco	0.06	-0.02	30.80	39.28
Gold	5.91	0.64	53.69	36.01
2. Services	0.89	1.05	43.99	65.73
Rents	1.65	2.89	61.61	105.82
Restaurants and hotels	1.51	1.35	34.11	57.13
Transport	-2.66	-3.02	43.77	47.51
Communication	3.63	1.44	25.04	44.19
Other	0.36	0.71	44.93	62.55
3. Core Measures				
B - CPI excluding unprocessed food, energy, alcoholic beverages tobacco and gold	0.78	1.17	31.66	43.94
C - CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold	0.63	1.06	31.08	45.34
D - CPI excluding unprocessed food, alcoholic beverages and tobacco	0.70	1.10	32.19	43.79
F – CPI excluding administered prices	0.93	1.14	29.44	44.06

Source: TURKSTAT.

* Does not cover clothing services.

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

	Weight (%)	December 2025		December 2024	
		Monthly	Annual	Monthly	Annual
D-PPI	100	0.75	27.67	0.40	28.52
Mining	3.43	1.63	33.92	0.63	36.17
Manufacturing	88.09	1.05	27.10	1.00	30.02
Manufacturing excl. petroleum products	85.41	1.34	27.37	1.01	31.10
Manufacturing excl. petroleum products and base metals	77.29	1.30	28.04	1.11	32.41
Electricity, gas, steam and air-conditioning sup.	7.80	-3.00	28.69	-5.84	11.21
Water supply	0.68	1.27	57.15	1.57	34.48
D-PPI (MIGs Classification)					
Intermediate Goods		1.61	24.28	0.64	27.01
Durable Consumption Goods		1.30	33.03	1.41	35.69
Durable Consumption Goods (Excl. Jewelry)		0.40	22.91	1.87	33.84
Non-Durable Consumption Goods		0.82	30.81	1.48	39.26
Capital Goods		1.98	29.79	0.92	29.21
Energy		-3.63	27.06	-3.37	11.92

Source: TURKSTAT.