

Türkiye Household Inflation Expectations Survey (TEBA) Results¹

May'24

- Annual inflation expectations as of May 2024: **115%** (Previous: 121%)
- Year-end inflation expectations: **94%** (Previous: 97%)

Summary Statistics

	I Annual inflation expectations	II Year-end inflation expectations
	<i>How much do you think prices have increased on average from May 2023 to this May?</i>	<i>By the end of 2024, what percentage increase will prices have experienced from January to December?</i>
1. Mean	115	94
2. Median	100	95
3. Inter Quartile Range (IQR)	70	50
4. Standard Deviation	58	54

* Outliers that are three standard deviations away from the mean are excluded.

Household annual inflation expectations decreased by 6 points in May compared to the previous month, dropping to 115%.

Similarly, household year-end inflation expectations fell by 34 points in May, reaching 94%.

Analyzing the trend for the rest of the year, household inflation expectations indicate a 21-point decrease in inflation for the May-December period.

The average value of annual inflation expectations is higher than the median value, suggesting a right-skewed distribution. This means that more households expect annual inflation to be below 115% than above it. In contrast, the average and median values for year-end inflation forecasts are close to each other, indicating a symmetric distribution.

The interquartile range (IQR), which measures the variability of responses among participants, is notably high (3rd row). This metric indicates the difference in expectations between the 25th and 75th percentiles after sorting the survey responses from lowest to highest. The decrease in IQR for the 2024 year-end inflation expectation suggests an increasing consensus on the year-end inflation forecast.

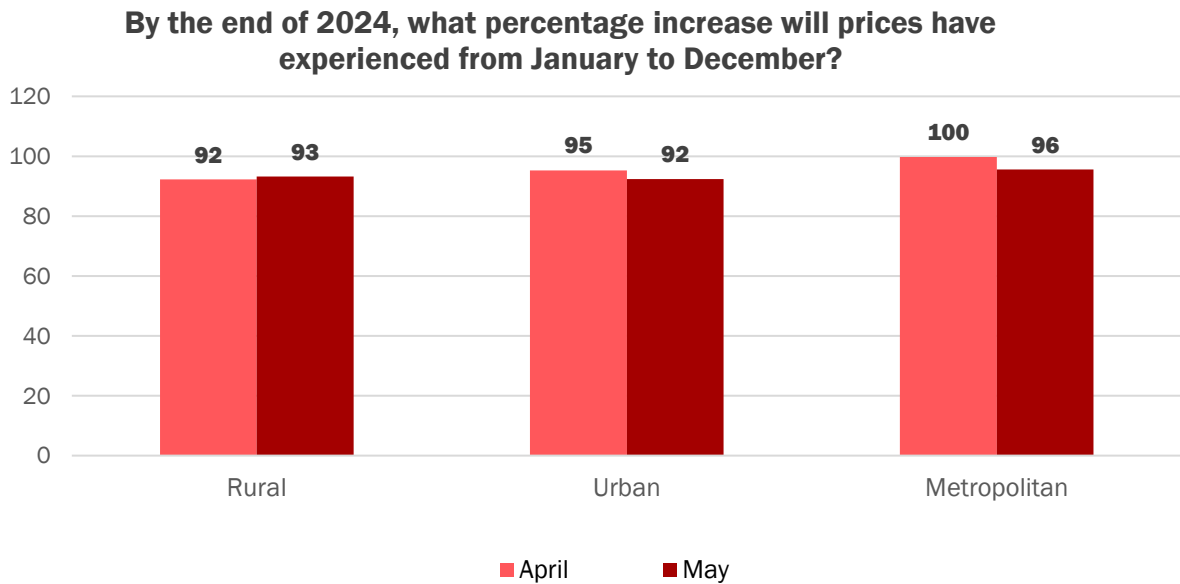
¹ This report has been updated to reflect the revisions made to the weighting system as of December 2024.

Another question in the survey asked, "Is now a good time to buy durable goods like refrigerators and electronics, or would you prefer to wait and purchase in six months?" Last month, 92% of participants answered yes to this question, but this month the proportion has decreased to 85%.

Demographic Analysis

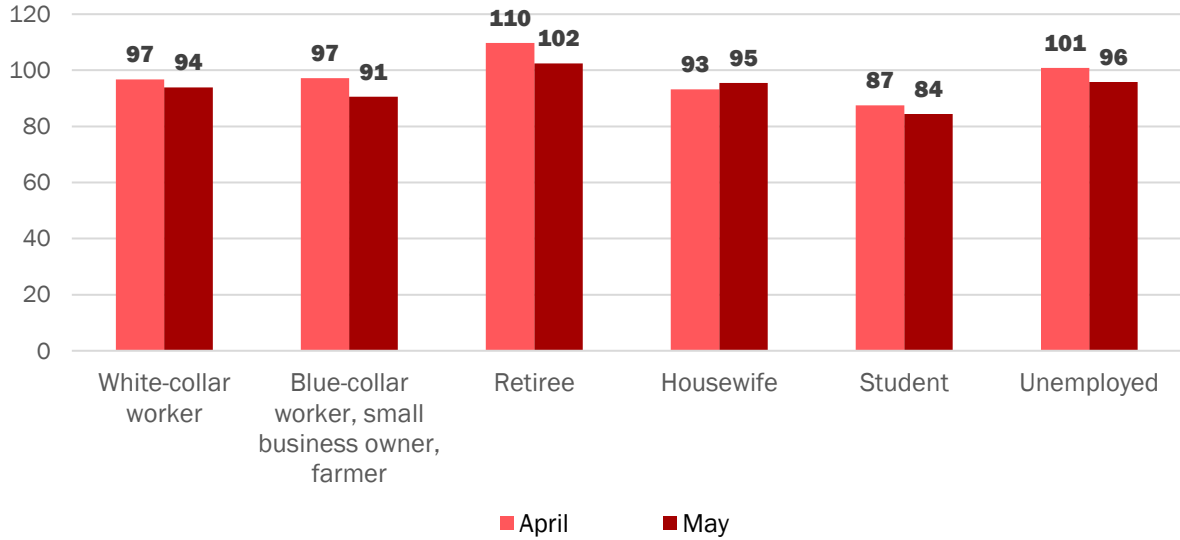
In this section, year-end household inflation expectations are examined according to demographic characteristics.

- 1) When individuals are categorized by where they live—rural, urban, or metropolitan—we notice a growing expectation of price increases as we move from rural to metropolitan areas. Currently, over half the population lives in cities.



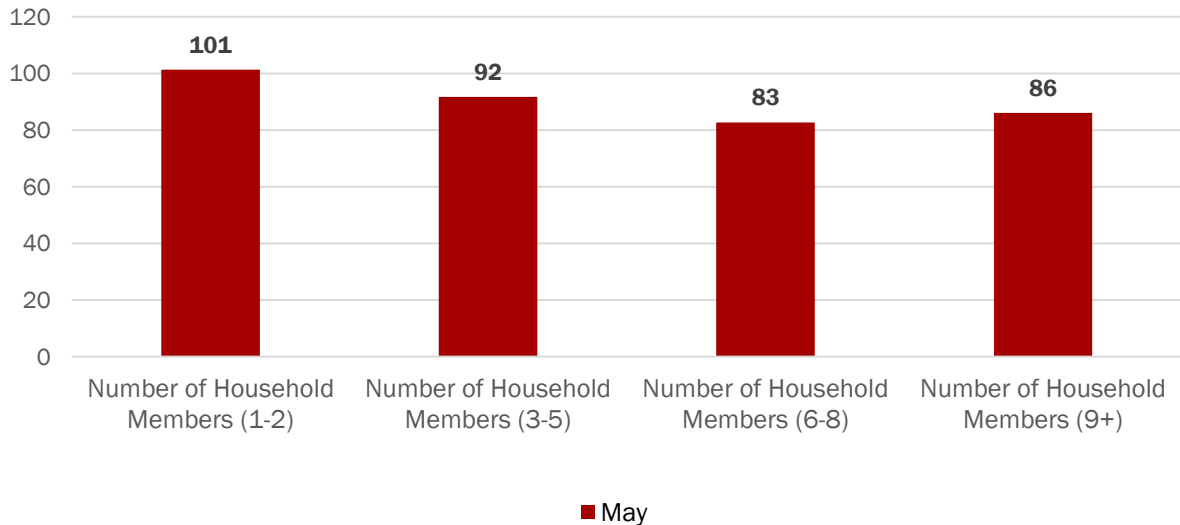
- 2) When analyzing the employment status of individuals, retirees have the highest inflation expectations, followed by the unemployed. These groups also express the most difficulty with their living conditions.

By the end of 2024, what percentage increase will prices have experienced from January to December?



- 3) When grouped by household size, the highest inflation expectations are observed in households with 1-2 people.

By the end of 2024, what percentage increase will prices have experienced from January to December?



KONDA 2024 Household Inflation Expectations Survey Credits

This report and the underlying research data were produced by KONDA Research and Consultancy Inc. for Koç University.

This research aims to measure the inflation expectations of the population aged 18 and over in Turkey.

The research was conducted through phone calls with individuals who agreed to participate in the KONDA Mediated Panel on May 17-20, 2024. Panelists voluntarily joined our panel system. Each panelist conducts the survey through a mediator affiliated with KONDA. 2867 individuals were interviewed in this study, living in 1414 different neighborhoods across 74 provinces.

The research was designed and implemented to determine and monitor trends and changes in the preferences of subjects representing the adult population aged 18 and over in Turkey. The margin of error for the research findings is +/- 1.83 at a 95% confidence level and +/- 2.41 at a 99% confidence level.

The sample was prepared by layering the population sizes and education levels of neighborhoods and villages based on ADNKS (Address-Based Population Registration System) data and the results of the May 14, 2023 General Elections. Settlements were initially categorized as rural/ urban/ metropolitan and the sample was determined based on 12 regions.