CHAMBER OF SWORN-IN CERTIFIED PUBLIC ACCOUNTANTS OF ISTANBUL

ECONOMIC EXPECTATION INDEX

MAIN ISSUES FACED BY FIRMS/SECTORS AND PROPOSED SOLUTIONS

2026 QUARTER I.

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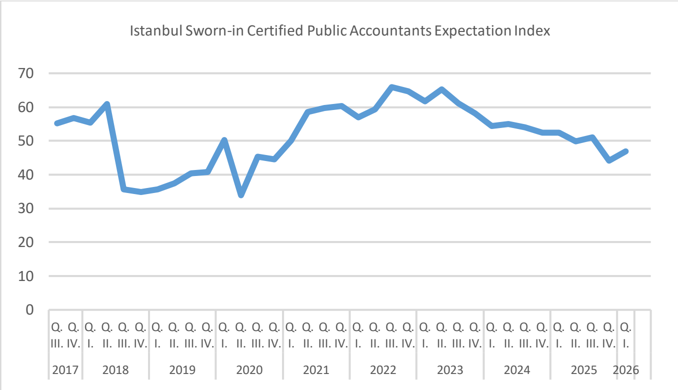
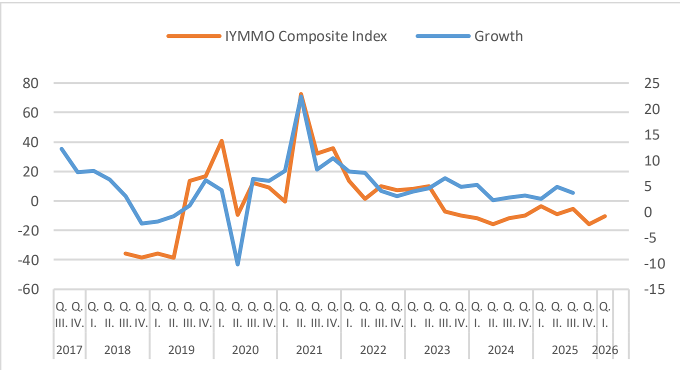
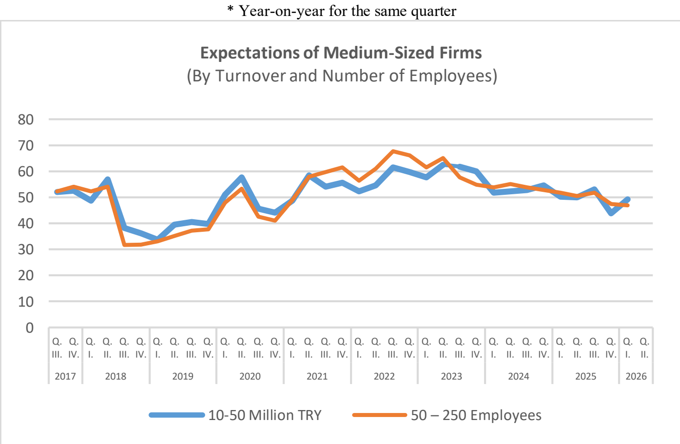
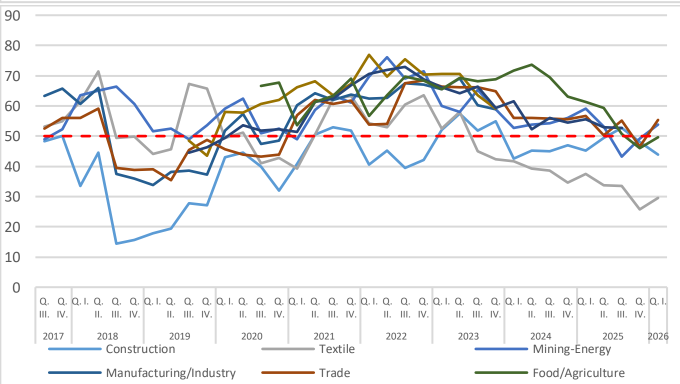




* Year-on-year for the same quarter





When the results for the first quarter of 2026 are examined, it is observed that the health, trade, and mining–energy sectors are the areas that diverge most positively in terms of expectations. In contrast, the textile, construction, and banking/finance sectors stand out as the areas where expectations followed the weakest course in the first quarter of 2026.

The Istanbul Chamber of Sworn Financial Advisors Expectation Index, calculated on the basis of survey results conducted for the first quarter of 2026, stood at 46.9. Although the index showed a limited increase compared to the previous quarter, it points to a significant decline compared to the same period of the previous year. While the level of 46.9 recorded in the period under review indicates that the negative outlook observed in the previous quarter has partially eased, it is understood that this improvement remained limited. The fact that the index remains below the threshold value of 50 and is lower on an annual basis reveals that a cautious stance persists rather than a strong recovery in economic expectations. Within this framework, it is observed that economic actors continue to take uncertainty factors into account in their evaluations regarding the near term. The first quarter data for 2026 reflects a search for a limited recovery within a weakened outlook compared to last year, rather than a clear improvement in economic expectations. It appears that the ability of expectations to settle on a more permanent and sounder basis depends on the strengthening of predictability in the economic environment and the decrease in risk perception.

It is observed that the trends for the GDP growth rate and the Istanbul Chamber of Sworn Financial Advisors (ISMMO) Composite Expectation Index for the 2017–2025 period generally followed a similar course. However, the differences in the calculation methodologies of the indicators do not mandate that the two series follow exactly the same trends in every period. Despite this, it is seen that the composite index, which reflects the assessments of sworn financial advisors who have direct contact with economic and commercial changes in sectors through primary data, generates meaningful signals regarding the general course of the Turkish economy. The rise of the index to the level of 46.9 in the first quarter of 2026 indicates that the negative outlook formed in the previous quarter has partially improved. However, despite the aforementioned increase, the fact that the index continues to remain below the threshold value of 50 shows that a cautious stance persists rather than a strong and widespread recovery in economic expectations. In this framework, the limited recovery observed in the first quarter of 2026 following the sharp decline in the last quarter of 2025 points to an outlook where the search for equilibrium comes to the fore following a moderate view in expectations.

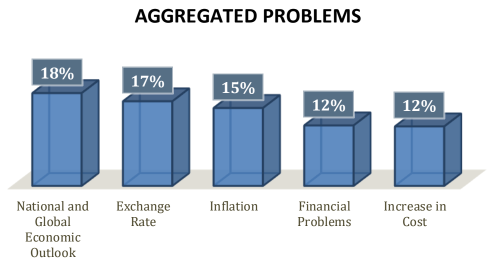
When the expectations of enterprises according to their turnover levels for the first quarter of 2026 are examined, it has been determined that the index value is 42.3 for small-scale enterprises, 49.3 for medium-scale enterprises, and 46.3 for large-scale enterprises. When the expectations of enterprises according to their number of employees in 2025 are examined, it has been determined that the index value in the first quarter is 50.0 for small-scale enterprises, 47.0 for medium-scale enterprises, and 44.1 for large-scale enterprises. Although the expectations of enterprises of different scales according to turnover and number of employees follow a similar course in terms of their general direction, it is observed that the weakness in expectations has become more pronounced in large-scale enterprises during this period, whereas medium-scale enterprises maintain a relatively more moderate level of expectation. In small-scale enterprises, it is understood that expectations exhibit a fluctuating outlook, albeit at a low level. The evaluations of enterprises regarding economic activity in the first quarter of 2026 point to a more cautious and measured framework compared to previous periods. This situation suggests that enterprises maintain their risk perception regarding economic conditions and continue to act prudently in their decision-making processes.

As of the first quarter of 2026, the trends of improvement and weakening observed in sectoral expectations diverge largely based on demand structure, cost dynamics, and the degree of exposure to uncertainties. In sectors following a relatively positive course, the primary sources of improvement are more stable demand, costs remaining at partially manageable levels, and the ability to maintain pricing power. Particularly in the trade, food/agriculture, and mining–energy sectors, the relatively resilient course of domestic demand and the nature of activities based on essential consumption or commodities contribute to expectations remaining above the threshold value.

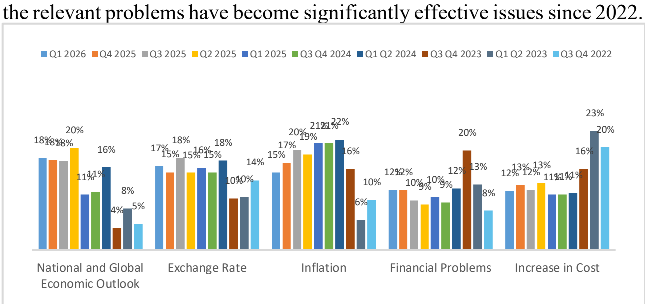
In contrast, in sectors where the deterioration of expectations stands out, contraction in demand, high cost pressures, and problems in accessing financing are the decisive factors. In sectors such as textiles, construction, and manufacturing/industry, the weakening in both domestic and foreign demand, cost increases that cannot be fully reflected in prices, and the erosion in profitability suppress expectations. In the banking and finance sector, economic uncertainties and the limited revival in credit demand cause a more cautious outlook to persist. Along with these developments, it is observed that visible changes and shifts in the relative balances of sectors have begun to emerge. While some sectors that stood out in previous periods are losing momentum, the relative weight of more defensive sectors with low demand elasticity is increasing. This picture shows that the economic recovery is not homogeneous but proceeds at different speeds and directions on a sectoral basis.

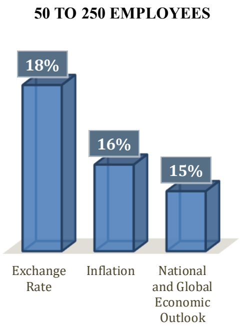
The aggregated problems encountered in the first quarter of 2026 were realized as the national and global economic outlook, exchange rate, inflation, financing problems, and cost increases.

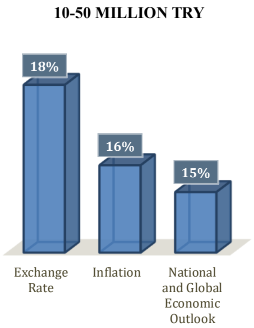
In light of the responses given to the survey regarding the primary problems encountered by firms in the first quarter of 2026 and their proposed solutions; the national and global economic outlook, exchange rate, inflation, financing problems, and cost increases emerge as the most significant issues. While providing information on the sources of these categorized problems, Sworn Financial Advisors also offer solution proposals. Considering that the impact of these proposals presented according to aggregated findings may vary depending on sectors, economic conditions, and other factors, it is necessary to address firms separately according to their sectors and scales for the policies to be implemented by the public authority.



When the primary problems encountered and the proposed solutions in the first quarter of 2026 are compared with other periods, it is determined that the relevant problems have become significantly effective issues since 2022.







In terms of reducing uncertainties regarding the **national and global economic outlook**, it is of great importance that medium-term goals guiding economic policies are presented in a more clear, consistent, and traceable manner. In the face of deepening geopolitical tensions and financial fluctuations on a global scale, a policy approach that observes internal economic balances and takes into account inter-sectoral differentiations will contribute to the formation of sounder expectations. In this context, ensuring a regular flow of information between decision-makers and the real sector, and sharing policy choices with the public along with their justifications, will play a complementary role in reducing the perception of uncertainty.

It appears that the stabilization of expectations regarding the **exchange rate** depends on the implementation of an exchange rate policy conducted with a predictable approach that is compatible with inflation dynamics and the structure of foreign trade. Sudden and directionally unclear movements in the exchange rate deepen economic uncertainty by complicating firms' pricing behaviours and long-term contract decisions. In this context, expanding financial instruments that will enable enterprises to manage exchange rate risk, and facilitating access to these tools particularly for small and medium-sized enterprises, will contribute to alleviating the pressure on expectations.

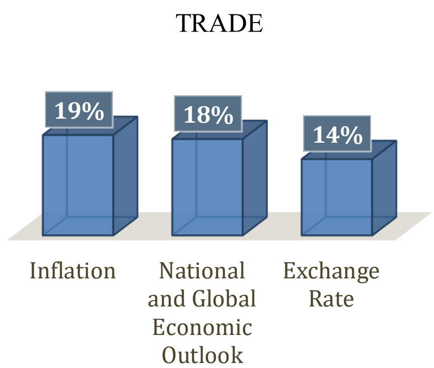
In the fight against **inflation**, it is necessary to go beyond temporary demand-limiting practices and prioritize structural steps that directly target cost elements. In an environment where energy, raw material, and labour costs—which are decisive in the production process—remain high, strengthening supply-side policies and implementing regulations that support competition will help settle price stability on a more permanent basis. Furthermore, strengthening the coordination between monetary and fiscal policies stands out as a critical element for anchoring inflation expectations more firmly.

Financing problems continue to be one of the fundamental constraints directly affecting the investment, production, and employment decisions of enterprises. Within this framework, rather than a general narrowing of credit channels, it is of importance to prioritize selective financing mechanisms directed toward areas with production capacity and export potential. Increasing financing opportunities with long-term and predictable cost structures is considered a decisive necessity, particularly for SMEs to maintain their economic activities and preserve their investment appetite.

In order to lighten the pressures regarding **cost increases**, burdens arising from labor, energy, and taxation must be brought into a more predictable and stable framework. Incentivizing investments that increase energy efficiency and expanding the use of technology in production processes may provide lasting relief on costs in the medium term. Additionally, strengthening stability in tax and social security practices will contribute to enterprises making sounder cost planning and to the reduction of the perception of uncertainty.

Findings from the first quarter of 2026 show that, although there are some differentiations based on firm size, the problems encountered by companies are largely concentrated around similar headings. In small, medium, and large-scale enterprises, inflation, exchange rate, and national-global economic outlook stand out as common areas of sensitivity; this suggests that current economic conditions are effective regardless of firm scale. While pressures on turnover and cash flow are felt more distinctly in small-scale enterprises, the inability to reflect increasing costs in prices and constraints in access to finance make expectations more cautious. Although the perception of problems in medium-scale enterprises is relatively more balanced, it is observed that national and global economic uncertainties, as well as exchange rate and inflation, are decisive for expectations. In large-scale enterprises, exchange rate and inflation risks are monitored more systematically, yet economic and political uncertainties complicate long-term planning. In this framework, it can be said that expectations across all scales exhibit a cautious and measured outlook rather than strong optimism.

The findings show that despite the relatively positive course of expectations in the trade sector in the first quarter of 2026, the perception of problems possesses a broad and multidimensional structure. In the evaluations of sworn advisors, it is observed that the problems of inflation, exchange rate, and national-global economic outlook stand out in the sector. This situation reveals that expectations in the trade sector are strongly linked not only to demand conditions but also to perceptions regarding the macroeconomic framework. Inflation continues to be the most frequently emphasized problem area for the trade sector. It is stated that high inflation distorts the cost structure, complicates pricing behaviours, and leads to a contraction on the demand side. It is emphasized that the settlement of past cost increases into prices and the limited downward flexibility of prices strengthen price stickiness in the sector; this causes turnover increases not to be sufficiently reflected in profitability and leads to the widespread perception that the principle of the "prudent merchant" is weakening. The exchange rate is a significant source of uncertainty, particularly for firms engaged in import-based trade. The lack of predictability in the exchange rate level and volatility creates pressure on inventory costs and pricing decisions. Finally, the national and global economic outlook, along with economic and political uncertainties, are among the fundamental elements framing expectations.



Istanbul Sworn-in Certified Public Accountants' Expectations Index by Firm Size

		Turnover Level			Number of Employees		
	Period	**0-10 million TRY**	**10-50 million TRY**	**50 million and above**	**Less than 50**	**50 – 250 employees**	**More than 250**
2023	Q. I.	67.3	57.6	62.4	63.8	61.6	59.8
	Q. II.	65.2	62.5	65.9	65.8	65.1	65.0
	Q. III.	58.0	61.8	61.1	64.2	57.6	62.8
	Q IV.	57.2	60.0	57.7	61.7	54.8	58.9
2024	Q. I.	52.1	51.7	58.3	53.2	53.9	55.9
	Q. II.	56.6	52.3	57.1	54.4	55.1	55.1
	Q. III.	53.8	52.8	55.5	54.1	53.9	54.0
	Q. IV.	52.9	54.5	51.3	54.8	52.7	50.9
2025	Q. I.	59.2	50.2	51.9	57.1	51.8	50.0
	Q. II.	42.9	49.9	51.3	49.8	50.6	48.9
	Q. III.	45.6	53.0	50.9	54.6	51.7	47.1
	Q. IV.	41.6	43.8	45.2	44.1	47.5	39.8
2026	**Q. I.**	42.3	49.3	46.3	50.0	47.0	44.1

Istanbul Sworn-in Certified Public Accountants' Expectations Index by Sectors

	2023				2024				**2025**				**2026**
	Q. I.	Q. II.	Q. III.	Q. IV.	Q. I.	Q. II.	Q. III.	Q. IV.	Q. I.	Q. II.	Q. III.	Q. IV.	**Q. I.**
Construction	52.0	57.4	51.9	54.9	42.6	45.1	44.9	47.0	45.1	49.4	52,7	48.0	**43.8**
Automative	57.9	62.8	62.8	60.1	54.8	56.3	52.5	46.5	45.0	47.4	36,7	49.6	**46.0**
Textile	52.5	58.1	45.1	42.4	41.6	39.2	38.5	34.7	37.5	33.8	33,5	25.7	**29.6**
Tourism	61.2	75.1	74.9	49.5	53.1	63.8	53.2	42.9	46.5	59.2	68,1	41.5	**52.9**
Mining-Energy	59.9	58.1	65.4	59.0	52.8	53.8	54.2	56.1	59.2	53.2	43,2	49.1	**53.9**
Banking and Financial Institutions	62.3	57.4	64.2	61.4	56.7	58.3	59.0	62.0	66.6	54.0	71,7	52.1	**45.8**
Manufacturing/ Industry	65.4	69.1	60.2	58.8	58.0	58.7	56.1	51.7	50.4	47.5	49,6	43.2	**46.5**
Trade	66.3	66.2	66.3	64.9	55.9	56.1	55.8	55.5	56.6	50.4	55,1	46.5	**55.4**
Information and Communication Technologies	63.1	64.5	67.4	67.1	55.3	58.7	58.9	62.7	64.3	55.5	61,5	54.2	**47.0**
Healthcare	70.6	70.6	63.5	59.1	63.4	61.4	63.8	66.7	66.9	67.8	62,2	46.9	**64.5**
Logistic-Transportation	66.2	64.1	66.4	59.2	61.5	52.3	56.1	54.4	55.6	52.9	52,8	51.0	**48.5**
Food/ Agriculture	65.6	69.2	68.2	68.9	71.7	73.6	69.5	63.0	61.3	59.3	50,8	46.0	**49.7**

Top Three Primary Problems for Q1 2026

	Problem 1	Problem 2	Problem 3
General	National And Global Economic Outlook (%18)	Exchange Rate (%17)	Inflation (%15)
Turnover 0-10 million TRY	National And Global Economic Outlook (%21)	Exchange Rate (%14)	Inflation / Financing Problems (%13)
Turnover 10-50 million TRY	Exchange Rate (%18)	Inflation (%16)	National And Global Economic Outlook (%15)
Turnover 50 million and above	National And Global Economic Outlook (%19)	Exchange Rate (%16)	Inflation (%15)
Less than 50 Employees	National And Global Economic Outlook (%21)	Exchange Rate (%14)	Inflation / Financing Problems (%13)
50 – 250 Employees	Exchange Rate (%18)	Inflation (%16)	National And Global Economic Outlook (%15)
More than 250 Employees	National And Global Economic Outlook (%19)	Exchange Rate (%16)	Inflation (%15)
Construction	Inflation (%22)	National And Global Economic Outlook (%20)	Financing Problems (%19)
Automative	National And Global Economic Outlook (%23)	Exchange Rate (%21)	Financing / Inflation (%17–15)
Textile	Exchange Rate (%21)	National And Global Economic Outlook (%19)	Increase in Cost (%15)
Tourism	Exchange Rate (%27)	National And Global Economic Outlook (%18)	Bureaucracy / Qualified Personnel (%11)
Mining-Energy	National And Global Economic Outlook (%21)	Exchange Rate (%16)	Inflation (%13)
Banking and Financial Institutions	National And Global Economic Outlook (%27)	Financing Problems (%12)	Exchange Rate (%9)
Manufacturing/ Industry	Exchange Rate (%19)	National And Global Economic Outlook (%17)	Inflation (%16)
Trade	Inflation (%19)	National And Global Economic Outlook (%18)	Exchange Rate (%14)
Information and Communication Technologies	National And Global Economic Outlook (%20)	Financing Problems (%14)	Inflation (%14)
Healthcare	Increase in Cost (%11)	Qualified Personnel (%11)	Bureaucracy (%11)
Logistic-Transportation	Exchange Rate (%19)	Increase in Cost (%16)	Decrease in Demand (%10)
Food/ Agriculture	Financing Problems (%19)	Increase in Cost (%17)	Exchange Rate (%17)

*The table includes the top three problems. Problems with the same value are listed together in the relevant column.