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## ONE-WAY TICKET: STRUCTURAL REFORMS

### Summary and Conclusion

**The methods, targets and phases of the macroeconomic stabilisation program failed to be conveyed to the public comprehensively.**

Considering the unsustainable growth path of the economy and unfavourable international conditions, the commencement of the macroeconomic stabilisation program was timely. The widespread belief in the necessity of a stabilisation program supplied the required sufficient "initial support" for the program. However, this support could not be fully utilised by the policy makers, due to the failure in explaining the program to the public extensively. Considering that the credibility is crucial to achieve the goals of the stabilisation program, constructing and controlling the public opinion and support deserves the lion's share.

**A well grasp of targets is a prerequisite for the evaluation of the program.**

The main goal of the program is to institute the required structural reforms and measures to construct a sound macroeconomic infrastructure for sustainable development. Although the final target of the program is to bring down the inflation to one-digit rates, the contents of the program prevent it to be labelled solely as a disinflation program. Structural reforms envisaged in the program require significant rejuvenation in the public sector. These reforms and their realisation processes, for which the policy makers are fully accountable, were defined as structural performance criteria or benchmarks and should be monitored closely.

**Despite the financial turmoil at the end of the year, realisations in 2000 were promising.**

As a result of detailed monetary and FX rate policies, and the resolute attitude of the government for privatisation and structural reforms, the expectations shifted rapidly to optimism. Accordingly, the interest rates declined sharply in January and consequently domestic demand expanded strongly in the following months pushing the economic activities up by 5.4% in the first 9 months.

Although the end-year targets of 25% and 20% increases in CPI and WPI are overshot, the respective realisations of 39% and 32.7% increases are the lowest levels since 1986. The main culprits behind exceeding the targets were the increase in crude oil prices and the sharp devaluation of Euro against USD. On the other hand, beside the pressures imposed by external prices, the core inflation has recorded an annual increase of %33.6 despite the extensive public sector price adjustments at the end of 1999.

In 2000, public finance was another area of success. Counting on the maintained fiscal discipline, the government expects to lower the budget deficit to 3.4% of GNP and raise the primary surplus to 7.5% of GNP in 2001. To achieve a sustainable enhancement in the public finance, policies such as modernising the tax system or aiming transparency in the budget expenditures should be implemented rather than levying one-off taxes as permanent ones.

**The government failed to be successful in income policies.**

As in the case of the stabilisation program, the government also failed to explain the incomes policy to the society. The required action taken by the government should be instituting the fair coordination between the employers and the employees. Considering the necessity for a joint-body, the failure to institute the Economic and Social Council caused a crucial deficiency with respect to social compromise and program-based support.

**The main obstacle that restrains the success of the program has been the reluctance for structural reforms.**

Considering the inertial characteristic of the inflation in Turkey, the so far achieved progress cannot be ignored, keeping in mind that later than usual-adjustment is often experienced in similar stabilisation programs. Since the vigorous economic activity boosted the current account during the year, the program has been imposed to criticisms such as the disinflation program had been facing an important resistance and leading to a balance of payment crisis. However, the weak structural efforts, which the government was fully accountable rather than the current account, have not been addressed much in the evaluations. Since the decrease in inflation had been aimed via structural reforms, especially in the public sector, resuming the reform efforts and accelerating the privatisation would certainly pace the adjustment process. The governments' hitherto adopted strategy of aiming to minimise the losses in case of a failure should promptly be substituted by the perspective to maximise the gains by achieveing the reforms.

**According to the third supplementary letter of intend, structural reforms are a must for the continuation of the program.**

The main body of the third letter of intend constitutes the weakest stance of the program, that is structural reforms. With respect to related areas, some of the highlighted action steps in the first half will be as follows: action plan for the banks under SDIF and regulations on banking sector, a new central bank law, increasing public finance discipline, accelerating privatisation, especially in Turkish Airlines and Turkish Telecom and enactment of the electricity markets' law.

**The deficiency of the decision-making process in the administrative levels contributed to the emergence of the liquidity crisis.**

In the second half of the year, less than expected inflow of capital from international markets and the dominance of FX deposits in the composition of M2Y squeezed the liquidity gradually. This, in turn, pushed the interest rates up and the maturity risks of the banks increased their fragility. After the crisis triggered by the successive capital outflows, the Central Bank announced a policy change about Net Domestic Assets. However, when the announced ceiling was overshot promptly, the uncertainty in the markets increased and among many other consequences, the Central Bank lost credibility through the crisis.

**The recent turmoil has demonstrated the fragility of the banking sector.**

The crisis proved that the level of government's adherence to the structural reforms highly affects the investors' confidence. More important, this confidence determines the success of the program and sustaining the support for the policies requires sound signalling in line with the targets. Another lesson derived from the crisis is the inadequacy of the state to regulate the markets it participates in, which of course addresses the need to effective regulatory bodies. It's also experienced that if the market mechanisms are forced to initiate the regulation and supervision instead of the regulatory body, it would be much more costly.

## I. Output and Inflation

**The trends in the growth performance continued in the third quarter.**

While the increases in GNP and GDP were 6.9% and 7.4% in the third quarter, the yoy growth rates reached 5.4% and 6.5% respectively as of September. Trade sector was still the main actor of the vigorous economic activity by 11.1% of growth. After experiencing 5% of contraction in the previous year, the industrial production had accelerated since the second quarter and reached an expansion of 5.7% as of third quarter. The poorest contribution among the sectors was made by the construction sector and despite the 12.5% of contraction in the previous year, its growth limited to 3.6%. Although there was a slight slow-down in the hike of imports, the import taxes grew 27.7% in the first three-quarters.

**In the last quarter, the increase in industrial production became sectors-wide.**

Due to the weak base effect of 1999, the industrial production soared from August onwards. The production of petroleum products recorded a yoy increase of 32.4% in November but decreased 11.6% on average in 2000 due to low capacities. As of November, the industrial and manufacturing industry production rose 10.5% and 12% respectively on yearly average. Also the capacity utilisation rates exceeded their previous year levels in the last quarter and rose to 81.9% and 79.8% respectively in October and November. Considering the weighted contributions to the manufacturing industry production, the leading sectors have been the motor vehicles, basic metals, machinery, textiles, food and wearing apparels.

**Despite the increase in private sector production and partial productivity, the manufacturing industry failed to create new employment opportunities and real wages declined.**

In the first three-quarters, as a consequence of public sector price setting policies, the public sector production fell 11.9% and its partial productivity per production worked hours declined 5.6%. In the corporate sector, since the utilisation of the idle capacities had continued, the production soared by 10.6% while the productivity increased 10.3%. As of September, the average annual decreases of the production workers in the public and private sectors were 7% and 2% respectively. In the same period while the real wages of the public sector production workers rose 15%, the private sector workers experienced a real decline of 4.2% in their wages. On aggregate, the employment and the real wages in the manufacturing industry decreased 2.8% and 1.2% respectively on average in the same period.

**December price increases were lower than expected.**

In December, the wholesale and consumer prices rose 1.9% and 2.5% respectively. Consequently, the annual increases in WPI and CPI accumulated to 32.7% and 39% as of December. On annual basis, the increase in the wholesale prices amounts to 24.7% and 35.7% in the public and private sector respectively.

The yoy increase in the core inflation has reached to 33.6% and exceeded the public sector price increases significantly. However, considering the high price adjustments of the public sector in 1999, the yearly average growths of the public and private sectors are 72.1% and 50.1% respectively. In the same period, the yoy increases in agricultural and manufacturing industry prices recorded 39.8% and 29.4%.

**Domestic demand expansion throughout 2000 caused the consumer prices to rise relatively higher.**

The vigorous economic activity caused prices of the non-tradable goods and services to be higher than envisaged. Despite of the regulations to limit rental increases to %25, as of December the rents rose 49.1%. The increases in health expenditures and other goods and services prices, which include the communication and financial services' prices, were 51% and 48.3% respectively.

## II. Fiscal and Monetary Policies

**Better than expected performance in primary surplus was promising.**

As of November, the incomes have risen by %87 reaching to 31,4 quadrillion TL and the expenditures have risen by %66 reaching to 42,4 quadrillion TL, where the budget deficit realized as 10,9 quadrillion TL. 24,6 quadrillion TL of tax revenues exceeded the 19,9 quadrillion TL of interest payments. In the same period, the primary surplus has reached to 9 quadrillion TL, satisfying its end-year target and the targeted foreign borrowing of 6 billion dolars for 2000 has been overshot by 1,5 billion USD.

**Consolidated government sector's primary and overall balance targets had been achieved as of September.**

As an end-year target, the consolidated government sector primary surplus had been targeted as 4.500 trillion TL. The realised amount, which exceeds the upper limits, was 5.967 trillion TL as of September. The consolidated government sector primary surplus is expected to reach 3% and 5% of GNP respectively in 2000 and 2001.

**The Central Bank announced a policy switch for the Net Domestic Assets and the monetary policy.**

In the first 10 months, Net Domestic Assets (NDA), which had been set as the performance criteria, stayed between its upper and lower targets. Unfortunately, from the second half of November, the crisis in the financial markets and the increasing foreign exchange demand caused erosion in the Central Bank's reserves. The Central Bank abandoned the NDA limits to give the required liquidity to the sector and consequently the end-year targets were revised. At the end of December, NDA rose to 3,324 trillion TL. While the Net Foreign Assets decreased 2.354 trillion TL in the same period, the NDA soared by 3.164 trillion TL with the expanding OMO stock and the base money increased. In the composition of NDA, the net credits to public sector increased and the interventions carried the OMO stock to 5,2 quadrillion TL while the supplied liquidity caused the net credits to banking sector to rise to 500 trillion. Abandoning the parallel band for NDA, CB will continue the policy of reducing the excess liquidity created during the crisis.

**The composition of M2Y has changed in favour of TL time deposits.**

The yoy real increases in M1, M2 and M2Y are 27,8%, 11,5% and 9,4% respectively in December. The share of FX deposits and TL time deposits in M2Y was 43% and 42,6%. During the crisis, the composition of M2Y has changed in favour of TL time deposits because of the high interest rates. In the same period, the currency in circulation increased by 1.9 quadrillion TL due to the long religious holiday.

**The era of domestic credit expansion has been closed.**

Deposit money banks' consumer loans and credit cards total has reached to 6.7 quadrillions as of end-year. The increase has reached 4.5 quadrillions with respect to previous end-year level. In December, because of the hiked interest rates and liquidity squeeze from the second half of November onwards, the consumer, automobile and other credits decreased 3%, 3% and 6% and the housing credits increased only 1% according to the previous month. The expansion in total credits that financed the internal demand intensively has diminished in the post-crisis period and probably will display a poorer performance in 2001.

## III. Foreign Trade and Balance of Payments

**Foreign trade balance deteriorated sharply**

Although, the depreciation of TL against FX basket was in line with pre-announced rates, real appreciation of TL against euro and USD reached to 16.7% and 3% in real terms in 2000. At the same time, real appreciation of TL versus FX basket remained 8.6%. Accordingly, consumption and intermediate goods' imports soared by 47.6% and 35.4% respectively, whilst the annual increase in total imports and exports were 35.4% and 0.8% correspondingly.

When the foreign trade is analyzed by destination, it is observed that the share of exports designated to EU declined to 52.8%, owing to decrease of 0.7% yoy in exports to EU. At the imports side, even the imports from EU increased by 25.9%, its share in total dropped to 48.9%. However, as a result of significant increase of 59.3%, the share of imports from non-OECD European and CIS countries augmented by 13.3%. The rise in raw material prices throughout 2000, especially crude oil prices, could account for this increase.

**External terms of trade continue to deteriorate.**

In the fist nine months, real increase in exports triggered to 8.3% and rested above the nominal increase, while that of total import remained 27.2% and laid below the nominal one. These figures show that the external terms of trade deteriorate against exports. This deterioration is expected to come to an end as of 2001.

**Tourism revenues compensated worsening in the current account deficit to some extent.**

As of October, foreign trade deficit reached to 18.4 billion dollars and current account deficit soared to 7.5 billion dollar. At the same period, net tourism revenues showed annual increase of 58% and attained to 5.3 billion dollar. Even though the net interest payments rose 6.5%, rise of 40% in others item caused net other goods and services revenues to grow by 79%. At the same period, the workers' remittance reduced by 3%, while the invisibles item yielded an annual expansion of 35.3% in the help of tourism revenues.

**The record current account deficit mainly financed through external borrowing.**

After the issuing of 1.5 billion dollar worth Treasury's bond on international markets in July, external financing had been supplied as short-term capital inflows. As of October, net capital inflows excluding reserves accumulation reached to 12.5 billion dollar and this increase had been driven mainly from portfolio investments of 6 billion dollar, which included government bond issues. Short-term capital inflows, which accelerated in the last months, attained to 3.4 billion dollar, whilst long-term capital movements rested to 3.2 billion dollar.

## IV. Prospects for 2001

**The financial sector crisis at the end of 2000 will affect other sectors in the first half of 2001**

The financial sector experienced significant losses during the liquidity crisis and entered the new-year with serious financial problems. The Treasury, that is the main customer of banking sector will also realise the adverse effects via soared real interest rates. Considering the high repayment schedule of the Treasury in the first quarter, its financing need will impose some pressures on public finance. Assuming that the privatisation will not contribute extra-funds rather than the program, the levy of indirect taxes will cool down the economic activity. TÜSİAD expects that the budget revenues and expenditures will stay below the targets and reach 41 and 47 quadrillion TL respectively. The primary surplus and the budget deficit are expected to reach 7.3%and 4% of the GNP.

**The adoption of the overloaded structural agenda in the first quarter constitutes a stepping-stone for the achievement of the program.**

Considering the will of government to curb aggregate demand and deterioration in the current account balance, the additional taxes and expenditure reducing precautions seem to be more than sufficient. Due to the liquidity crisis and consequent lack of confidence, the interest rates are expected to stay high in the first quarter and a gradual decrease will take place rather than a sharp decline. If the reluctant attitude of the government experienced in the previous year towards the structural reforms and privatisation would not be repeated in the first half of 2001, with the restored confidence the economy might turn out to be vigorous in the second half of the year. TÜSİAD expects that the poor performance in the first half will lead the economic growth to reach 2.4% at the end of the year.

**The downward trend in inflation will continue.**

While the increased interest rates and financing costs pose an upward pressure on inflation, the slackened economic performance due to poor domestic demand will tame it and the net effect will be much clearer in the following days. Assuming that the actions disclosed in the letter of intend will be taken by the government and the international price of crude oil and euro will be more favourable comparing to 2000, TÜSİAD expects the continuation of the downward trend in inflation and the end-year and average inflation estimations are 16.4% and 21.4% respectively.

**The current account deficit is expected to shrink in 2001.**

TÜSİAD estimated that the realisation in the current account would be below the official target of 3.5% of GNP, assuming slower economic growth compared to government targets, the convergence of the FX basket to the upper bound from June onwards, the value of Euro would affect Turkish exports positively, the slow economic performance would tame the imports and finally the soared interest rates would increase saving surplus.

## TABLE 1.1 MAIN ECONOMIC INDICATORS (1999-2000) PRODUCTION AND PRICES

| | 1999 | 2000 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Agu. | Sep. | Oct. | Nov. | Dec. |
| **INDUSTRIAL PRODUCTION INDEX (SIS, 1997=100)** | | | | | | | | | | | | | |
| Annual % Increase | 3.3 | 3.7 | 7.2 | 0.5 | 2.2 | 2.0 | 2.0 | 3.1 | 17.2 | 6.4 | 13.3 | 10.5 | .. |
| Monthly % Increase | -0.7 | -17.0 | 9.6 | -0.2 | 3.7 | 6.8 | 1.1 | -2.8 | 2.1 | 1.4 | 8.9 | -0.2 | .. |
| Monthly % Increase (seasonally adjusted) | 3.4 | 5.0 | 6.9 | 0.7 | 2.0 | 1.9 | 1.7 | 3.1 | 17.3 | 6.3 | 13.5 | 10.5 | .. |
| **CAPACITY UTILISATION RATE (SIS, %)** | 74.1 | 73.0 | 74 | 74 | 76.9 | 77.1 | 76.7 | 75.9 | 75.8 | 73.3 | 81.9 | 79.8 | .. |
| **WHOLESALE PRICE INDEX (SIS, 1994=100)** | | | | | | | | | | | | | |
| Annual % Increase | 62.9 | 66.4 | 67.5 | 66.1 | 61.5 | 59.2 | 56.8 | 52.3 | 48.9 | 43.9 | 41.4 | 39.1 | 32.7 |
| Monthly % Increase | 6.8 | 5.8 | 4.1 | 3.1 | 2.4 | 1.7 | 0.3 | 1.0 | 0.9 | 2.3 | 2.8 | 2.4 | 1.9 |
| Monthly % Increase (seasonally adjusted) | 6.2 | 4.9 | 3.5 | 2.8 | 1.4 | 3.0 | 2.5 | 2.0 | 2.0 | 1.2 | 2.0 | 2.2 | 1.3 |
| **CONSUMER PRICE INDEX (SIS, 1994=100)** | | | | | | | | | | | | | |
| Annual % Increase | 68.8 | 68.9 | 69.7 | 67.9 | 63.8 | 62.7 | 58.6 | 56.2 | 53.1 | 49.0 | 44.4 | 43.8 | 39.1 |
| Monthly % Increase | 5.9 | 4.9 | 3.7 | 2.9 | 2.3 | 2.2 | 0.7 | 2.2 | 2.2 | 3.1 | 3.1 | 3.7 | 2.5 |
| Monthly % Increase (seasonally adjusted) | 5.9 | 4.1 | 4.0 | 3.1 | 2.2 | 3.1 | 2.9 | 3.3 | 2.5 | 1.6 | 1.2 | 3.1 | 2.3 |
| **EXCHANGE RATE (CB buying rate)** | | | | | | | | | | | | | |
| TL/USD (monthly average) | 526,390 | 545,273 | 563,071 | 580,175 | 595,474 | 616,336 | 615,254 | 627,236 | 645,110 | 663,669 | 676,511 | 682,893 | 677,455 |
| Annual % Increase | 71.7 | 69.6 | 65.0 | 61.2 | 56.9 | 56.1 | 49.3 | 47.3 | 48.4 | 46.5 | 45.0 | 37.6 | 28.7 |
| Monthly % Increase | 6.1 | 3.6 | 3.3 | 3.0 | 2.6 | 3.5 | -0.2 | 2.0 | 2.8 | 2.9 | 1.9 | 0.9 | -0.8 |
| **TERMS OF TRADE (SIS, 1994=100)*** | | | | | | | | | | | | | |
| External (Export/Import) | 92.5 | 94.0 | 93.6 | 93.4 | 94.2 | 92.7 | 91.7 | 92.1 | 91.2 | 89.9 | .. | .. | .. |
| Internal (Agriculture/Manufacturing) | 113.9 | 114.0 | 114.1 | 113.0 | 112.5 | 113.9 | 113.8 | 117.2 | 118.8 | 118.4 | 118.4 | 119.8 | 122.9 |
| **DOMESTIC BORROWING (weighted by sales volume)** | | | | | | | | | | | | | |
| Compounded Annual Interest Rate (%) | ** | 37.7 | 41.7 | 38.9 | 34.1 | 38.7 | 41.3 | 33.4 | 33.4 | 33.6 | 37.7 | 40.5 | ** |
| Average Maturity (days) | ** | 453 | 392 | 496.9 | 390 | 421 | 503.0 | 341.0 | 358.1 | 532.0 | 366.0 | 352.0 | ** |
| **WAGE INDEXES (SIS, quarterly, 1997=100, Manufacturing Industry)** | | | | | | | | | | | | | |
| Real Wage per hour (annual % increase) | 8.9 | | | -0.4 | | | -0.8 | | | -2.3 | | | .. |
| Real Income (annual % increase) | 7.9 | | | 0.3 | | | 0.7 | | | -2.0 | | | .. |

*(..) Not available*
*(*) Seasonally adjusted series are used in calculation*
*(**) There is no auction*

## TABLE 1.2 MAIN ECONOMIC INDICATORS (1999-2000)
## FOREIGN TRADE

| | 1999 | 2000 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Agu. | Sep. | Oct. | Nov. | Dec. |
| **FOREIGN TRADE (annual % increase)** | | | | | | | | | | | | | |
| Value (Current $ prices) | | | | | | | | | | | | | |
| Imports | 14.7 | 44.6 | 40.6 | 36.6 | 34.2 | 37.2 | 33.2 | 27.5 | 52.6 | 15.7 | 38.8 | .. | .. |
| Exports | -0.3 | 11.2 | 2.3 | -4.0 | 26.6 | 0.6 | 5.3 | 0.0 | 0.4 | -4.5 | -20.4 | .. | .. |
| Price Index (1994=100) | | | | | | | | | | | | | |
| Imports | 3.1 | 3.4 | 6.4 | 7.6 | 5.7 | 3.4 | 10.8 | 7.4 | 4.7 | 5.7 | .. | .. | .. |
| Exports | -8.9 | -9.3 | -7.6 | -5.7 | -4.2 | -4.8 | -1.3 | -2.0 | -3.7 | -0.5 | .. | .. | .. |
| Quantity Index (1994=100) | | | | | | | | | | | | | |
| Imports | 19.5 | 50.6 | 41.3 | 40.1 | 33.8 | 42.5 | 27.2 | 26.2 | 53.3 | 16.3 | .. | .. | .. |
| Exports | 12.8 | 23.1 | 14.6 | 7.5 | 35.5 | 13.7 | 17.0 | 11.5 | 17.1 | 6.0 | .. | .. | .. |
| **FOREIGN TRADE BALANCE (million $)** | | | | | | | | | | | | | |
| **(Monthly)** | | | | | | | | | | | | | |
| Imports | 4,439 | 3,219 | 3,920 | 4,158 | 4,476 | 4,678 | 4,798 | 4,614 | 4,850 | 4,214 | 4,939 | .. | .. |
| Exports | 2,232 | 2,094 | 2,244 | 2,305 | 2,472 | 2,240 | 2,236 | 2,253 | 1,947 | 2,170 | 2,114 | .. | .. |
| Foreign Trade Balance | -2,207 | -1,124 | -1,676 | -1,853 | -2,004 | -2,439 | -2,562 | -2,360 | -2,902 | -2,043 | -2,824 | .. | .. |
| **Cumulative For The Last 12 Months** | | | | | | | | | | | | | |
| Imports | 40,692 | 41,684 | 42,815 | 43,928 | 45,070 | 46,339 | 47,535 | 48,531 | 50,204 | 50,775 | 52,155 | .. | .. |
| Exports | 26,588 | 26,799 | 26,849 | 26,752 | 27,271 | 27,285 | 27,399 | 27,397 | 27,406 | 27,303 | 26,759 | .. | .. |
| Foreign Trade Balance | -14,103 | -14,884 | -15,966 | -17,176 | -17,799 | -19,054 | -20,136 | -21,133 | -22,798 | -23,472 | -25,396 | .. | .. |
| **BALANCE OF PAYMENTS (million $)** | | | | | | | | | | | | | |
| **Monthly** | | | | | | | | | | | | | |
| Current Account Balance | -1089 | -150 | -1086 | -1065 | -872 | -1129 | -1232 | -364 | -780 | -67 | -765 | .. | .. |
| Foreign Trade Balance* | -1746 | -857 | -1375 | -1586 | -1601 | -2131 | -2215 | -2,034 | -2,585 | -1,666 | -2,370 | .. | .. |
| Invisibles | 657 | 707 | 289 | 521 | 729 | 1002 | 983 | 1,670 | 1,805 | 1,599 | 1,605 | .. | .. |
| **Cumulative For The Last 12 Months** | | | | | | | | | | | | | |
| Current Account Balance | -1,364 | -2,384 | -3,615 | -4,941 | -5,099 | -6,097 | -6,795 | -7,056 | -8,193 | -8,134 | -9,210 | .. | .. |
| Foreign Trade Balance* | -10,447 | -11,184 | -12,227 | -13,434 | -13,923 | -15,131 | -16,118 | -17,020 | -18,602 | -19,282 | -21,139 | .. | .. |
| Invisibles | 9,083 | 8,800 | 8,612 | 8,493 | 8,824 | 9,034 | 9,323 | 9,964 | 10,409 | 11,148 | 11,929 | .. | .. |
| Capital Account and Reserve Movements | | | | | | | | | | | | | |
| Net Foreign Direct Investment | 138 | 119 | 25 | 27 | -46 | -216 | 35 | -656 | -573 | -200 | -166 | .. | .. |
| Portfolio Investment | 3,429 | 4,277 | 4,423 | 4,338 | 4,662 | 4,383 | 5,327 | 7,805 | 7,178 | 7,732 | 8,510 | .. | .. |
| Net Long-Term Capital | 345 | 277 | 393 | 960 | 1,312 | 2,270 | 3,516 | 3,536 | 3,745 | 3,799 | 3,865 | .. | .. |
| Net Short-Term Capital | 759 | 1,251 | 1,986 | 1,645 | 2,021 | 1,925 | 2,323 | 772 | 3,218 | 2,382 | 2,701 | .. | .. |
| Net Errors and Omissions | 1,899 | 642 | 869 | 789 | -845 | -347 | -1,053 | -2,350 | -2,872 | -3,369 | -3,690 | .. | .. |
| Reserve Changes** | -5,206 | -4,182 | -4,081 | -2,818 | -2,005 | -1,918 | -3,353 | -2,022 | -2,474 | -2,181 | -1,981 | .. | .. |
| **THE CENTRAL BANK RESERVES (billion $)** | **23.2** | **23.2** | **23.6** | **22.9** | **22.3** | **22.6** | **24.5** | **24.7** | **24.4** | **24.2** | **23.2** | **21.6** | **19.6** |
| **FOREIGN DEBT STOCK (billion $)** | **111.2** | | | **103.5** | | | **106** | | | .. | | | .. |

*(*) Exports(FOB)-Imports(FOB), including shuttle trade*
*(**) Positive sign indicates decrease in reserves*
*(..) Not available*

# TABLE 1.3 MAIN ECONOMIC INDICATORS (1999-2000)
## CONSOLIDATED BUDGET BALANCE

| | 1999 Dec. | 2000 Jan. | Feb. | March | April | May | June | July | Agu. | Sep. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **CUMULATIVE FOR THE LAST 12 MONTHS (trillion TL)** | | | | | | | | | | | | | |
| **Revenues** | **18,973** | **19,996** | **21,931** | **23,459** | **24,553** | **25,710** | **26,985** | **28,032** | **30,177** | **31,334** | **32,531** | **33,560** | .. |
| Tax Revenues | 14,807 | 15,697 | 17,422 | 18,577 | 19,450 | 20,161 | 21,202 | 22,100 | 23,745 | 24,649 | 25,648 | 26,358 | .. |
| Non-Tax Revenues | 3,879 | 3,987 | 4,178 | 4,477 | 4,684 | 5,120 | 5,359 | 5,500 | 5,975 | 6,235 | 6,415 | 6,739 | .. |
| **Expenditures** | **28,018** | **29,730** | **32,166** | **33,952** | **36,444** | **38,375** | **39,212** | **39,863** | **42,816** | **43,217** | **44,117** | **44,928** | .. |
| Current | 9,148 | 9,376 | 9,641 | 9,906 | 10,335 | 10,714 | 11,098 | 11,490 | 11,848 | 12,177 | 12,668 | 13,071 | .. |
| Investment | 1,540 | 1,539 | 1,547 | 1,539 | 1,630 | 1,716 | 1,741 | 1,877 | 1,987 | 2,026 | 2,185 | 2,268 | .. |
| Transfers | 17,330 | 18,815 | 20,978 | 22,507 | 24,479 | 25,945 | 26,372 | 26,497 | 28,981 | 29,014 | 29,264 | 29,589 | .. |
| **Primary Balance*** | **1,676** | **2,268** | **3,591** | **4,486** | **4,967** | **5,461** | **6,127** | **6,380** | **7,800** | **8,225** | **8,464** | **8,544** | .. |
| **Budget Balance** | **-9,044** | **-9,734** | **-10,235** | **-10,493** | **-11,891** | **-12,665** | **-12,227** | **-11,831** | **-12,639** | **-11,883** | **-11,586** | **-11,368** | .. |
| Financing | 9,097 | 9,614 | 10,500 | 10,842 | 12,200 | 12,965 | 12,591 | 12,217 | 13,028 | 12,356 | 11,892 | 11,496 | .. |
| Foreign Borrowing (net) | 460 | 1,211 | 1,153 | 1,079 | 1,082 | 990 | 2,039 | 3,070 | 2,681 | 3,211 | 2,801 | 2,594 | .. |
| Domestic Borrowing (net) | 12,234 | 13,535 | 13,372 | 13,250 | 13,763 | 14,587 | 14,369 | 14,093 | 12,600 | 11,529 | 10,855 | 10,289 | .. |
| Short-term Borrowing (net) | -2,493 | -3,265 | -2,745 | -2,754 | -2,523 | -2,643 | -2,855 | -3,575 | -2,118 | -1,785 | -1,646 | -1,524 | .. |
| Other | -1,103 | -1,867 | -1,280 | -749 | -460 | -307 | -1,420 | -1,829 | -678 | -1,141 | -661 | -405 | .. |
| **CUMULATIVE FOR THE LAST 12 MONTHS (billion $)** | | | | | | | | | | | | | |
| **Revenues** | **44.7** | **45.3** | **47.6** | **49.2** | **49.7** | **49.9** | **50.9** | **51.4** | **53.3** | **53.9** | **54.5** | **54.7** | .. |
| Tax Revenues | 34.8 | 35.5 | 37.7 | 39.0 | 39.4 | 39.1 | 40.0 | 40.5 | 41.9 | 42.4 | 43.0 | 43.0 | .. |
| Non-Tax Revenues | 9.1 | 9.0 | 9.1 | 9.4 | 9.5 | 10.0 | 10.2 | 10.1 | 10.6 | 10.7 | 10.8 | 10.9 | .. |
| **Expenditures** | **67.3** | **68.0** | **70.3** | **71.5** | **73.3** | **74.4** | **73.9** | **72.8** | **75.6** | **74.7** | **74.1** | **73.8** | .. |
| Current | 21.5 | 21.2 | 21.1 | 20.9 | 21.1 | 21.1 | 21.2 | 21.2 | 21.2 | 21.1 | 21.3 | 21.4 | .. |
| Investment | 3.4 | 3.4 | 3.4 | 3.3 | 3.4 | 3.4 | 3.4 | 3.5 | 3.6 | 3.5 | 3.7 | 3.7 | .. |
| Transfers | 42.3 | 43.4 | 45.8 | 47.2 | 48.8 | 49.9 | 49.4 | 48.1 | 50.3 | 50.1 | 49.1 | 48.6 | .. |
| **Primary Balance*** | **3.7** | **5.0** | **7.3** | **8.9** | **9.7** | **10.1** | **11.1** | **11.4** | **13.4** | **13.9** | **14.1** | **13.8** | .. |
| **Budget Balance** | **-22.6** | **-22.7** | **-22.7** | **-22.3** | **-23.7** | **-24.5** | **-23.0** | **-21.4** | **-22.3** | **-20.8** | **-19.5** | **-19.1** | .. |
| Financing | 22.8 | 22.7 | 23.3 | 23.0 | 24.3 | 25.0 | 23.6 | 22.1 | 22.9 | 21.6 | 20.0 | 19.3 | .. |
| Foreign Borrowing (net) | 0.7 | 2.2 | 2.1 | 1.8 | 1.7 | 1.6 | 3.6 | 5.4 | 4.8 | 5.7 | 5.0 | 4.5 | .. |
| Domestic Borrowing (net) | 30.5 | 31.4 | 29.8 | 28.2 | 27.9 | 28.5 | 27.5 | 26.2 | 23.3 | 20.9 | 18.9 | 17.4 | .. |
| Short-term Borrowing (net) | -6.3 | -7.2 | -5.9 | -5.4 | -5.0 | -4.9 | -5.4 | -6.8 | -4.3 | -3.6 | -3.2 | -2.7 | .. |
| Other | -2.1 | -3.7 | -2.7 | -1.6 | -1.0 | -0.8 | -2.8 | -3.4 | -1.7 | -2.4 | -1.5 | -0.7 | .. |
| **DOMESTIC DEBT STOCK** | **22.9** | **24.2** | **25.9** | **26.7** | **28.5** | **29.8** | **30.4** | **30.9** | **31.4** | **30.9** | **32.2** | **32.5** | .. |
| 1000 trillion TL | 43.5 | 44.4 | 46.0 | 45.9 | 47.9 | 48.4 | 49.4 | 49.3 | 48.1 | 46.6 | 46.8 | 47.2 | .. |
| Billion $ | 57.1 | 58.9 | 62.4 | 62.0 | 64.0 | 66.1 | 64.1 | 62.3 | 62.6 | 59.7 | 61.3 | 60.0 | .. |
| Domestic Debt / M2Y | | | | | | | | | | | | | |

** Revenues- Non-interest Expenditure*
*(..) Not available*

## TABLE 1.4 MAIN ECONOMIC INDICATORS (1999-2000)
## MONETARY AGGREGATES

| | 1999 | 2000 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | Mar. | Apr. | May. | June | July | Agu. | Sep. | Oct. | Nov. | Dec. |
| **MONEY SUPPLY (annual % change)** | | | | | | | | | | | | | |
| Currency in Circulation | 81.1 | 69.7 | 72.0 | 17.6 | 51.5 | 76.7 | 77.7 | 85.9 | 67.9 | 56.8 | 55.3 | 72.3 | 60.4 |
| Sight Deposits | 148.6 | 74.6 | 102.6 | 114.2 | 79.9 | 96.8 | 136.5 | 83.0 | 84 | 129.3 | 60.4 | 102.5 | 70.6 |
| **M1** | **115.9** | **72.6** | **88.6** | **63.4** | **67.9** | **87.9** | **109.1** | **84.2** | **76.4** | **93.6** | **58.1** | **88.8** | **66.4** |
| Time Deposits | 106.1 | 92.4 | 75.6 | 71.6 | 70.2 | 55.3 | 54.7 | 50.4 | 41.2 | 33.9 | 31.9 | 32.8 | 39.3 |
| **M2** | **108.1** | **88.0** | **78.2** | **69.7** | **69.6** | **62.0** | **65.4** | **57.2** | **48.3** | **45.2** | **37.1** | **42.9** | **45.2** |
| Foreign Exchange Deposits (TL) | 104.5 | 110.3 | 111.4 | 109.6 | 97.3 | 103.8 | 99.1 | 91.5 | 87.9 | 81.9 | 70.8 | 56.7 | 38.9 |
| **M2Y** | **106.5** | **97.4** | **92.4** | **86.6** | **81.8** | **80.3** | **80.0** | **71.8** | **65.2** | **61.0** | **51.7** | **49.2** | **42.4** |
| Official Deposits | 23.0 | 143.9 | 128.6 | 18.0 | 20.7 | 29.5 | 25.8 | 81.9 | 84.9 | 40.5 | 63.9 | -8.3 | 64.4 |
| Other Deposits with CBRT | -49.7 | 175.7 | 517.6 | 707.4 | 174.8 | 58.0 | 769.8 | 256.6 | 163.5 | 229.6 | 224.6 | 455.5 | 278.7 |
| **M3Y** | **100.4** | **98.8** | **96.2** | **87.8** | **81.3** | **78.1** | **81.6** | **74.3** | **66.8** | **62.5** | **54.3** | **40.2** | **44.2** |
| **M2Y (trillion TL)** | **40,119** | **41,062** | **41,465** | **43,010** | **44,581** | **45,137** | **47,445** | **49,685** | **50,161** | **51,850** | **52,618** | **54,214** | **57,167** |
| **Composition of M2Y (%)** | | | | | | | | | | | | | |
| Currency in Circulation | 5.0 | 4.5 | 4.7 | 4.5 | 4.6 | 4.9 | 5.1 | 5.1 | 5.4 | 5.2 | 5.2 | 5.2 | 5.6 |
| Sight Deposits | 7.3 | 6.6 | 6.6 | 7.5 | 7.5 | 6.9 | 7.8 | 7.3 | 6.9 | 7.8 | 6.5 | 7.3 | 8.7 |
| Time Deposits | 44.0 | 44.0 | 41.6 | 40.2 | 40.1 | 38.6 | 39.1 | 40.2 | 39.3 | 38.4 | 39.4 | 39.7 | 43.0 |
| Foreign Exchange Deposits | 43.7 | 44.9 | 46.9 | 47.7 | 47.8 | 49.5 | 48.0 | 47.4 | 48.4 | 48.6 | 48.9 | 47.7 | 42.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **CREDIT STOCK (domestic, annual % change)** | **52.6** | **53.2** | **55.1** | **53.3** | **50.2** | **54.3** | **59.3** | **61.5** | **64.6** | **69.2** | **67.0** | **64** | **62.6** |
| Central Bank Direct Credits | 118.8 | 84.5 | 81.3 | 21.2 | -17.4 | -17.0 | -99.0 | -18.0 | -17.4 | -16.9 | -15.6 | -18.4 | -19.9 |
| Deposit Bank Credits | 51.0 | 53.2 | 53.9 | 52.2 | 49.3 | 53.4 | 60.2 | 61.1 | 64.6 | 69.9 | 67.9 | 64.8 | 63.8 |
| Invest. and Develop.Bank Credits | 81.5 | 53.4 | 74.1 | 69.7 | 64.8 | 68.0 | 75.7 | 69.5 | 65.2 | 59.2 | 54.2 | 51.3 | 46.0 |
| **CB BALANCE SHEET SELECTED ITEMS (million $)** | | | | | | | | | | | | | |
| Net Domestic Assets | -1,670 | -2,071 | -2,334 | -2,272 | -2,125 | -2,343 | -2,640 | -2,760 | -2,289 | -2,520 | -2,408 | -464 | 3,918 |
| Net Foreign Assets | 9,140 | 9,027 | 9,514 | 9,396 | 9,112 | 9,204 | 10,356 | 10,201 | 10,201 | 10 | 9,811 | 7,929 | 4,916 |
| Net Position of Public Sector | -1,662 | -2,362 | -3,171 | -2,720 | -2,614 | -1,937 | -3,660 | -5,166 | -2,716 | -3,135 | -3,158 | -2,973 | 64 |
| Liabilities Due to Open Market Operations | -4,572 | -4,907 | -3,556 | -3,462 | -3,568 | -2,351 | -3,949 | -5,451 | -3,495 | -3,899 | -4,193 | -6,179 | -7,750 |
| **CB RESERVES/(DOMESTIC DEBT STOCK+M2Y, %)** | **19.4** | **19.4** | **19.7** | **19.1** | **18.2** | **18.6** | **19.4** | **19.2** | **19.1** | **19.4** | **18.5** | **17.0** | .. |

*Net Foreign Assets = Foreign Assets - (Liabilities to Non-Residents + FX Deposits of Banking Sector)*
*Net Domestic Assets = Net Position of Public Sector + Credits to Banking Sector + Net Open Market Operations + Others + FX Revaluation Account*
*Net Position of Public Sector = Credits to Public Sector - (Deposits of Public Sector + FX Deposits of Non-Banking Sector)*
*Reserve Money = Net Foreign Assets + Net Domestic Assets*

# TABLE 2 GROSS DOMESTIC PRODUCT (at 1987 prices, TL)

**By Kind of Expenditure**

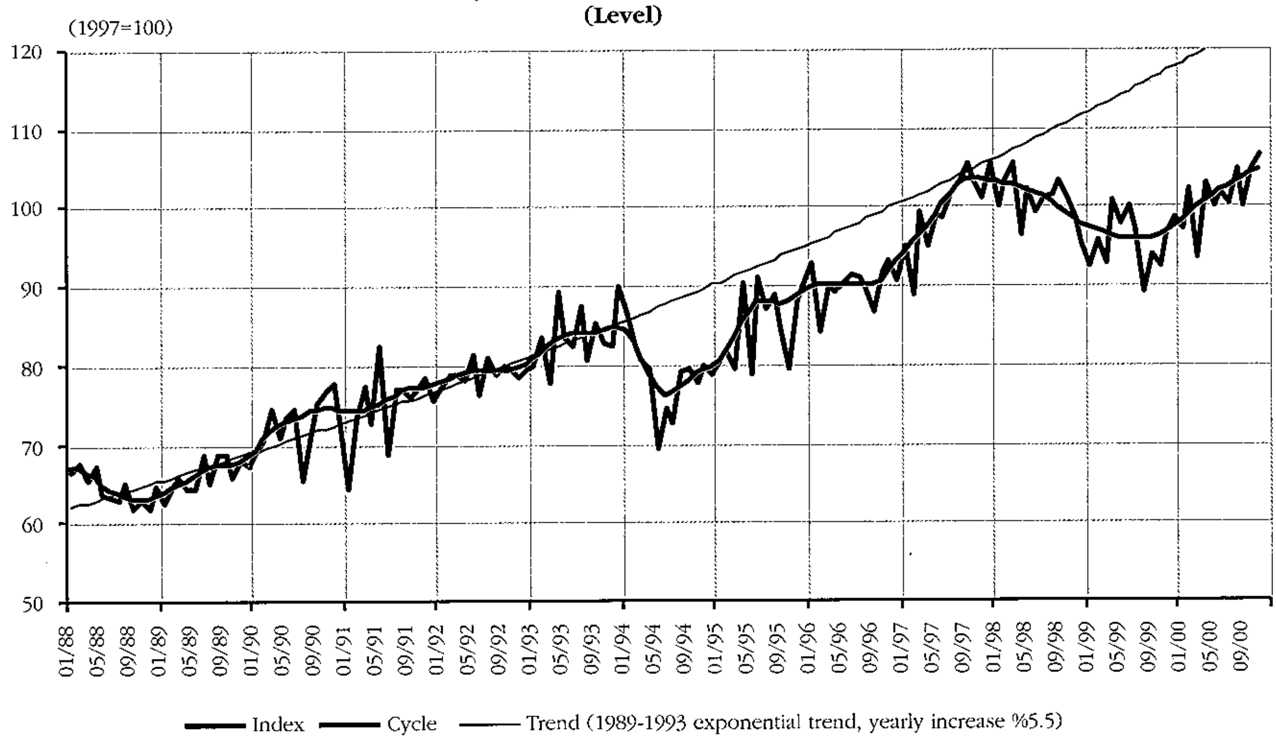
| | Annual % Change | | % Share | Annual % Change | | |
|---|---|---|---|---|---|---|
| | 1998 | 1999 | 1999 | 2000-1 | 2000-2 | 6 Month |
| **Private Final Cons. Exp.** | **0.6** | **-3.1** | **68.4** | **4.6** | **7.0** | **5.8** |
| Food, Beverage | -11.2 | 13.3 | 24.5 | 3.6 | 5.3 | 4.5 |
| Durable Goods | -0.8 | -0.3 | 11.2 | 21.8 | 29.9 | 26.0 |
| Semi-dur, Non-dur Goods | 0.3 | -8.2 | 10.8 | -1.7 | -1.1 | -1.4 |
| Energy, Trans., Commun. | 4.9 | -5.2 | 9.7 | -3.7 | -5.9 | -4.8 |
| Services | -0.8 | -11.8 | 6.6 | 9.0 | 15.0 | 12.4 |
| Ownership of Dwelling | 2.1 | 1.1 | 5.6 | -1.0 | -1.0 | -1.0 |
| **Gov. Final Cons. Exp.** | **7.8** | **6.5** | **8.7** | **0.3** | **12.3** | **6.9** |
| Compensation of Empl. | 5.9 | 2.7 | 4.4 | 2.2 | 2.1 | 2.2 |
| Purchases of Goods, Services | 10.0 | 10.6 | 4.3 | -4.1 | 25.3 | 14.6 |
| **Gross Fixed Capital Form.** | **-3.9** | **-16.0** | **25.6** | **10.6** | **19.8** | **15.8** |
| **Public Sector** | **13.9** | **-4.1** | **6.8** | **3.0** | **24.4** | **17.8** |
| Machinery Equipment | 19.1 | 11.2 | 2.3 | 37.6 | 43.5 | 42.0 |
| Building Construction | 25.0 | -1.6 | 1.7 | 4.9 | 6.7 | 6.1 |
| Other Construction | 6.3 | -15.0 | 2.8 | -19.0 | 15.2 | 3.3 |
| **Private Sector** | **-8.3** | **-19.6** | **18.8** | **11.9** | **18.3** | **15.3** |
| Machinery Equipment | -12.3 | -26.4 | 10.2 | 22.9 | 38.2 | 30.9 |
| Building Construction | -1.8 | -9.8 | 8.6 | -3.1 | -6.0 | -4.7 |
| **Change in Stock** | - | - | **1.8** | - | - | |
| **Export of Godds, Services** | **12.0** | **-7.0** | **29.7** | **7.4** | **16.1** | **11.9** |
| **Import of Goods, Services** | **2.3** | **-3.7** | **34.2** | **25.0** | **14.5** | **19.1** |
| **GDP (Demand)** | **3.2** | **-5.1** | **100.0** | **5.1** | **5.3** | **5.2** |
| **GDP (Supply)** | **3.1** | **-5.0** | - | **5.6** | **5.8** | **5.7** |

**By Sectors**

| | Annual % Change | | % Share | Annual % Change | | | |
|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 1999 | 2000-1 | 2000-2 | 2000-3 | 9 Month |
| **Agriculture** | **8.4** | **-4.6** | **13.8** | **1.4** | **1.9** | **1.9** | **1.8** |
| Agriculture and Livestock Prod. | 8.6 | -4.8 | 12.8 | 2.6 | 1.3 | 1.7 | 1.7 |
| Forestry | -0.6 | -4.2 | 0.6 | -1.3 | 8.2 | 9.4 | 5.4 |
| Fishing | 18.5 | 2.4 | 0.3 | -4.2 | 4.4 | 5.7 | 1.2 |
| **Industry** | **2.0** | **-5.0** | **28.5** | **2.8** | **4.0** | **9.8** | **5.7** |
| Mining and Quarrying | 9.3 | -7.3 | 1.5 | 0.3 | -1.1 | -4.0 | -1.9 |
| Manufacturing | 1.2 | -5.7 | 23.8 | 2.5 | 3.8 | 10.9 | 5.9 |
| Electricity, Gas, Water | 5.3 | 1.3 | 3.2 | 6.0 | 8.0 | 9.2 | 7.7 |
| **Construction** | **0.7** | **-12.8** | **5.1** | **-2.1** | **2.9** | **7.9** | **3.6** |
| **Trade** | **1.4** | **-6.8** | **21.2** | **9.9** | **10.6** | **12.2** | **11.1** |
| Wholesale and Retail Trade | 2.0 | -5.6 | 18.2 | 10.0 | 9.4 | 10.9 | 10.1 |
| Hotels, Rest. Services | -1.9 | -13.6 | 3.0 | 9.4 | 18.3 | 19.9 | 16.9 |
| Transportation and Comm. | 4.9 | -4.0 | 13.1 | 4.7 | 4.5 | 4.0 | 4.4 |
| Financial Institutions | 6.9 | 5.3 | 2.6 | 2.2 | 1.6 | 1.9 | 1.9 |
| Ownership of Dwelling | 2.1 | 1.1 | 5.1 | -1.1 | -1.1 | 0.1 | -0.7 |
| Business and Pers. Services | 3.4 | -4.8 | 2.3 | 3.9 | 4.6 | 6.3 | 5.2 |
| (-)Imputed Bank Serv. Changes | 6.0 | 6.1 | 2.1 | 2.9 | 0.8 | 0.2 | 1.3 |
| **Sectoral Total** | **3.2** | **-5.4** | **89.4** | **4.1** | **5.2** | **6.9** | **5.6** |
| Government Services | 5.9 | 2.7 | 4.4 | 2.2 | 2.1 | 2.3 | 2.2 |
| Private Non-profit Inst. | 1.7 | 2.5 | 0.4 | 0.7 | -0.4 | 0.7 | 0.4 |
| **Total** | **3.3** | **-5.0** | **94.2** | **4.0** | **5.0** | **6.7** | **5.5** |
| Import Duties | -1.0 | -5.7 | 4.6 | 32.5 | 26.5 | 25.0 | 27.7 |
| **GDP** | **3.1** | **-5.0** | **98.7** | **5.5** | **6.0** | **7.4** | **6.5** |

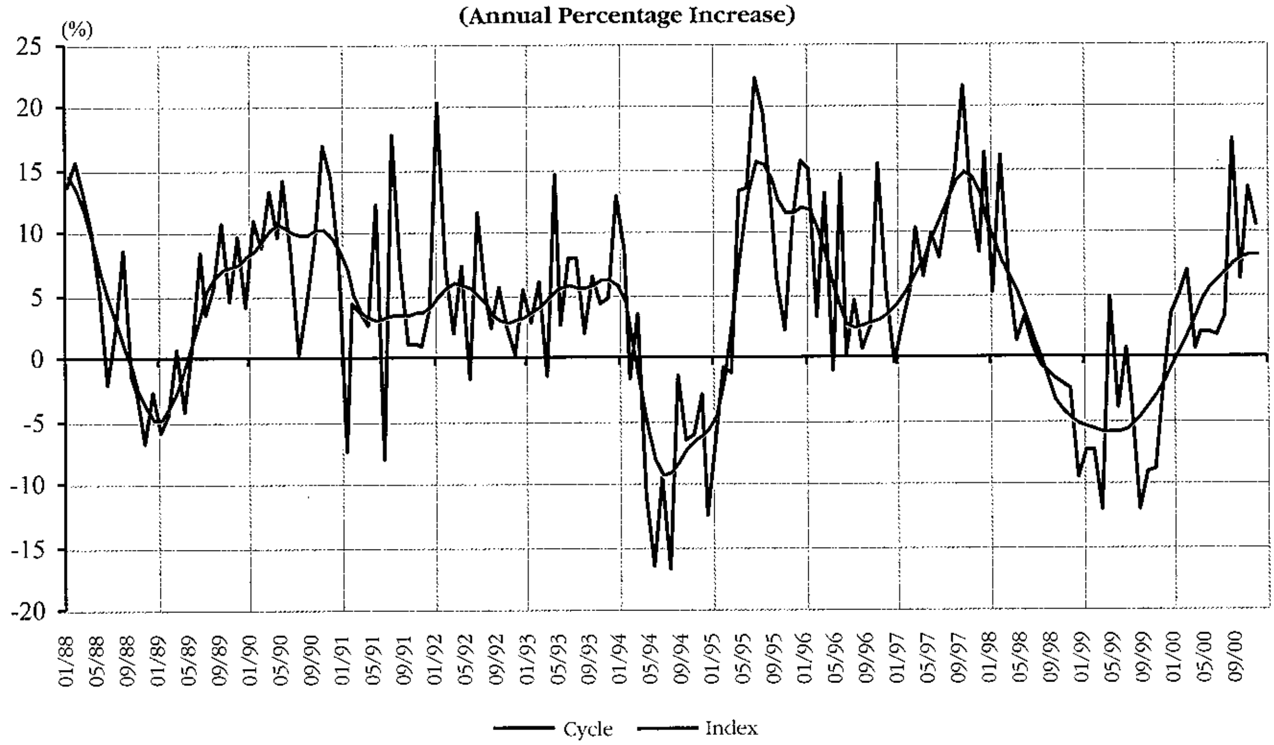
**GRAPH 1**

**SEASONALLY ADJUSTED INDUSTRIAL PRODUCTION INDEX**
**(Level)**



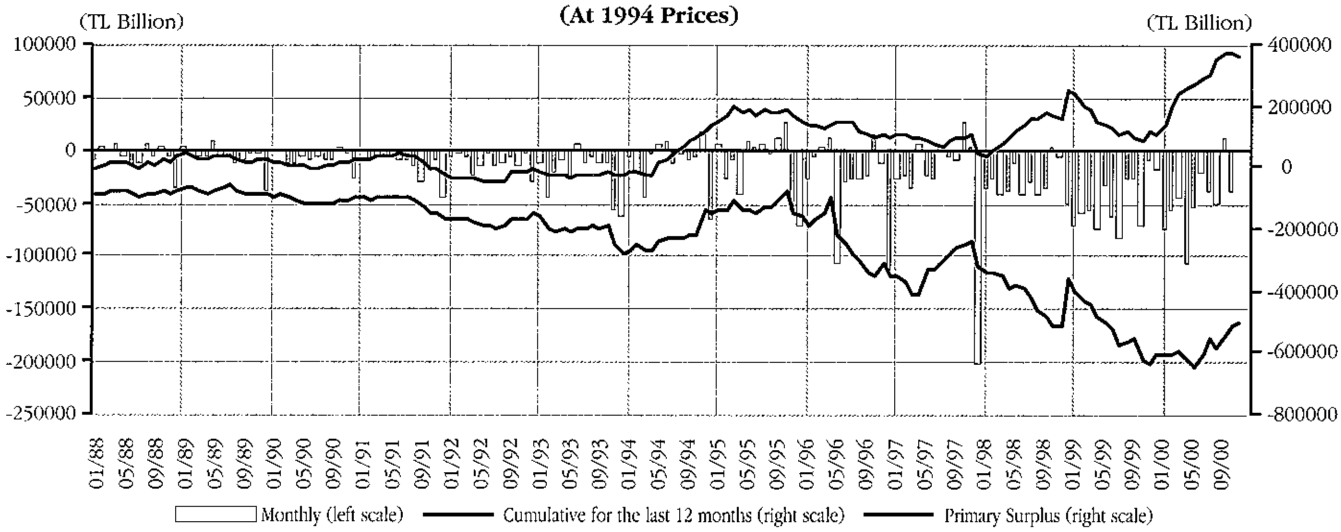

**GRAPH 2**

**SEASONALLY ADJUSTED INDUSTRIAL PRODUCTION INDEX**
**(Annual Percentage Increase)**



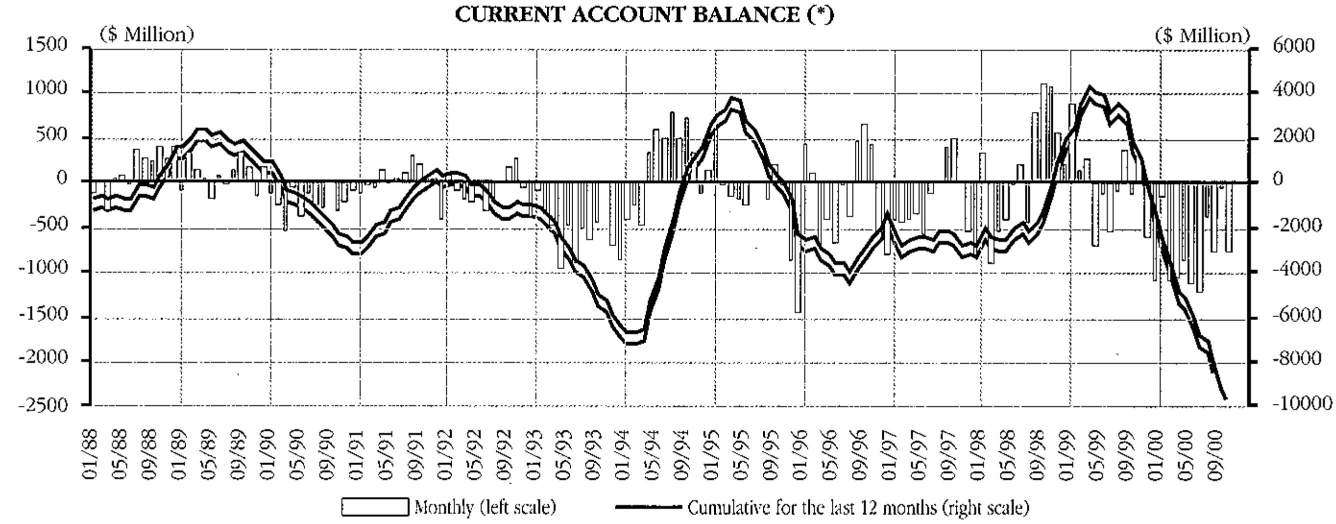
**GRAPH 3**

**BUDGET DEFICIT**
**(At 1994 Prices)**




**GRAPH 4**

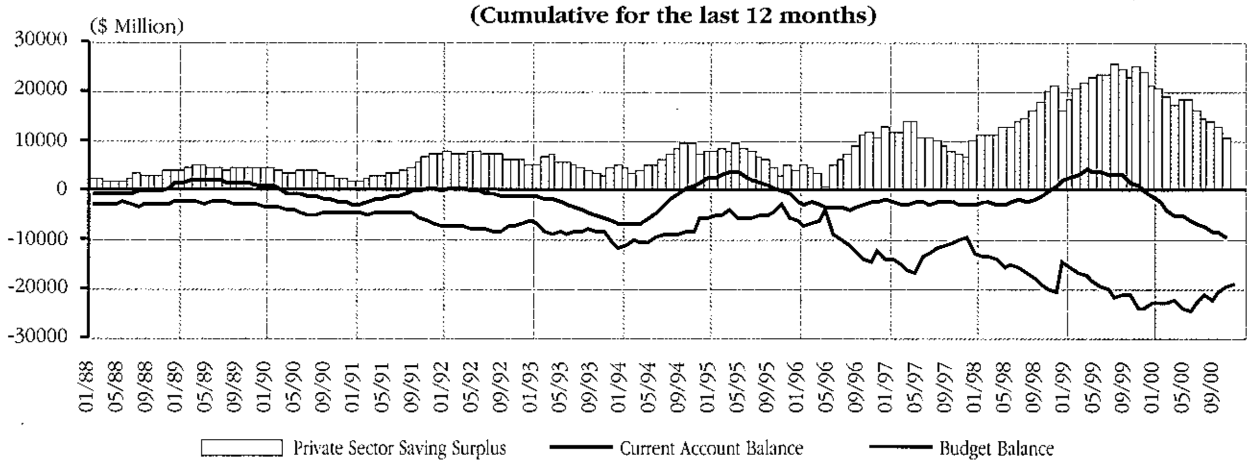
**CURRENT ACCOUNT BALANCE (*)**




*(*) Monthly figures include shuttle trade since 01/96.*

**GRAPH 5**

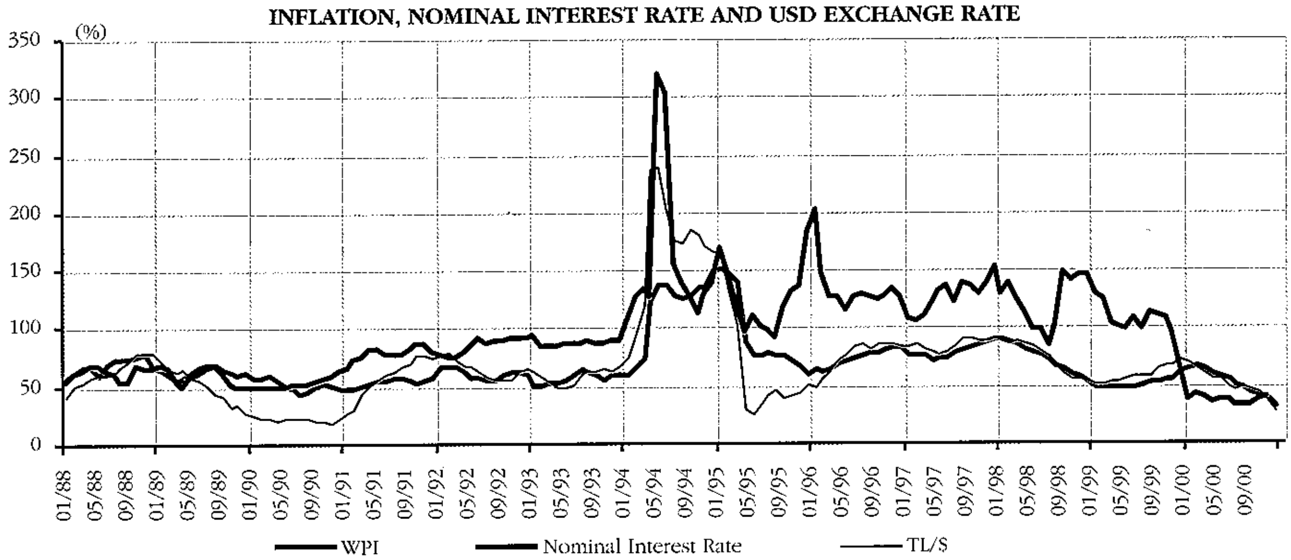
**SAVING-INVESTMENT BALANCE (*)**
**(Cumulative for the last 12 months)**




*(*) Budget Balance is used as a proxy for the Public Sector Deficit due to lack of monthly data on the latter. Private Sector Saving Surplus figures are calculated as the sum of Budget Deficit and Current Account Balance. Monthly figures include shuttle trade since 01/96.*

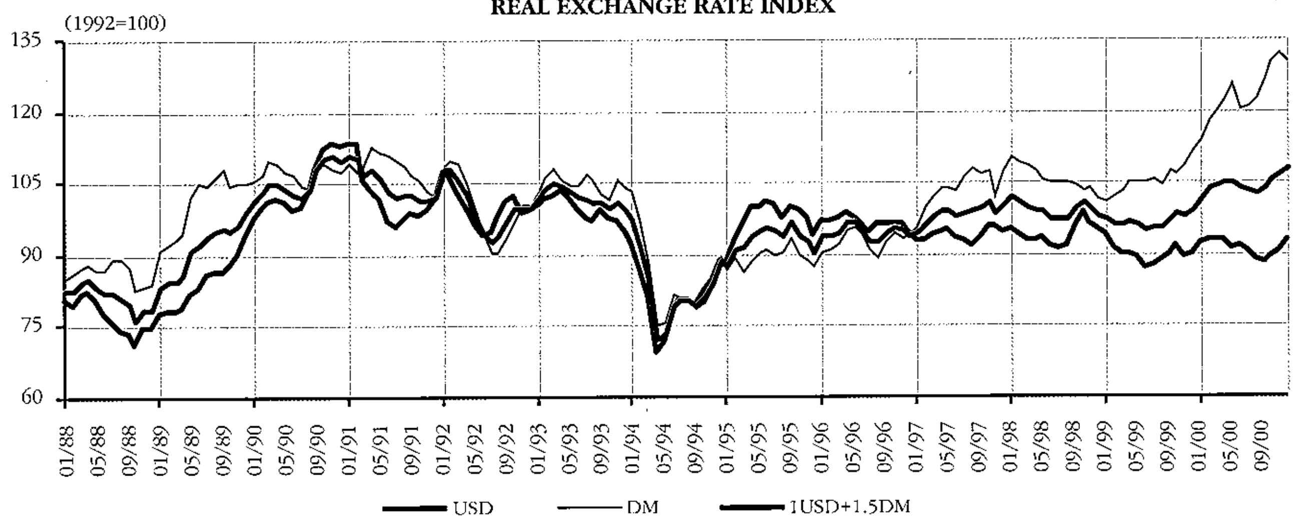
GRAPH 6

**INFLATION, NOMINAL INTEREST RATE AND USD EXCHANGE RATE**



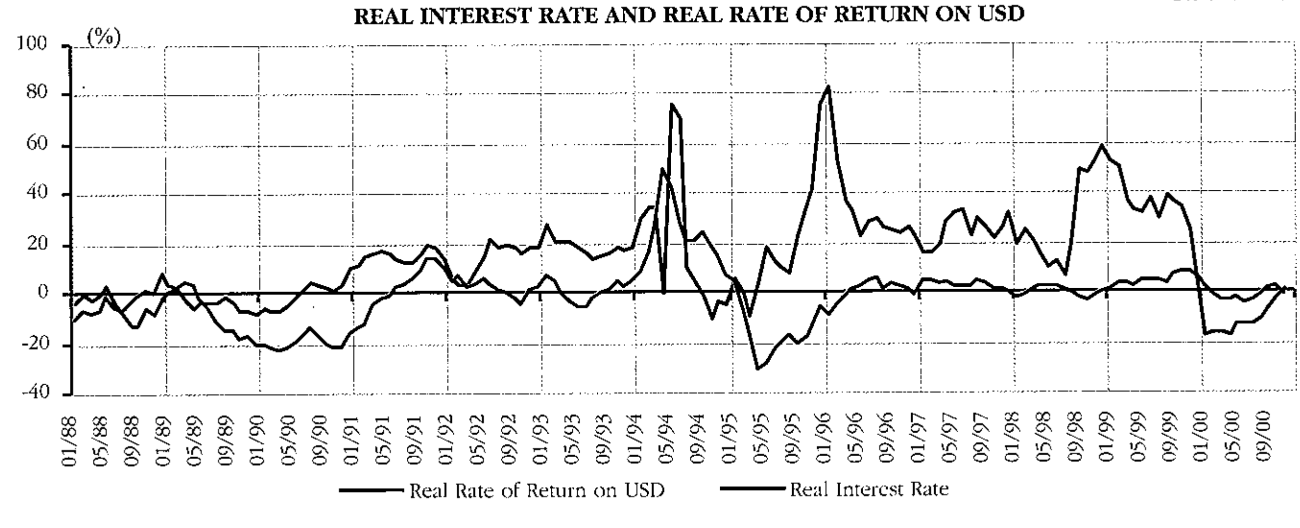

GRAPH 7

**REAL EXCHANGE RATE INDEX**



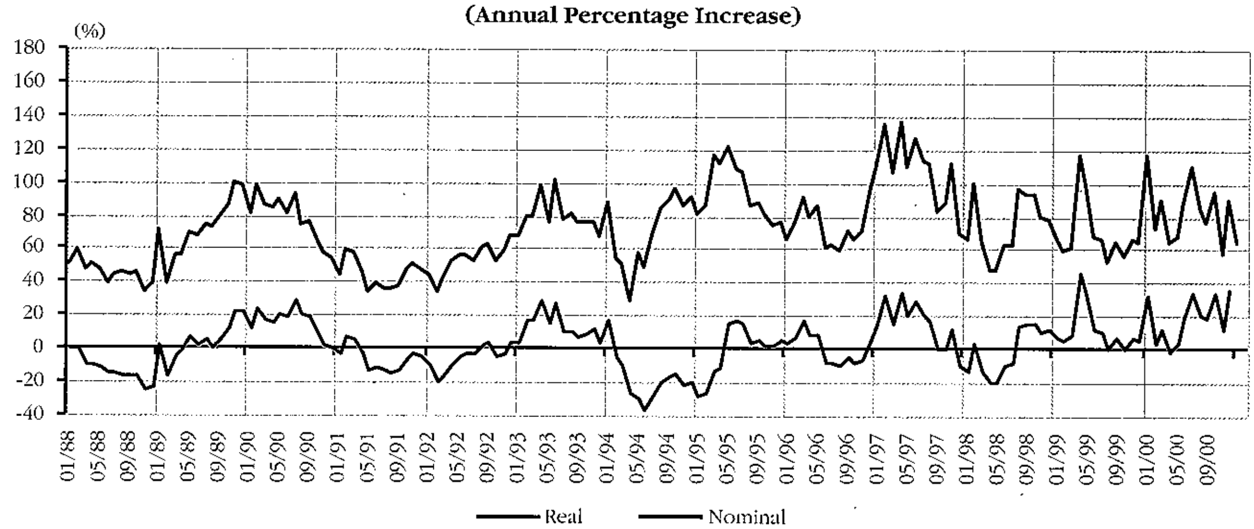

GRAPH 8

**REAL INTEREST RATE AND REAL RATE OF RETURN ON USD**



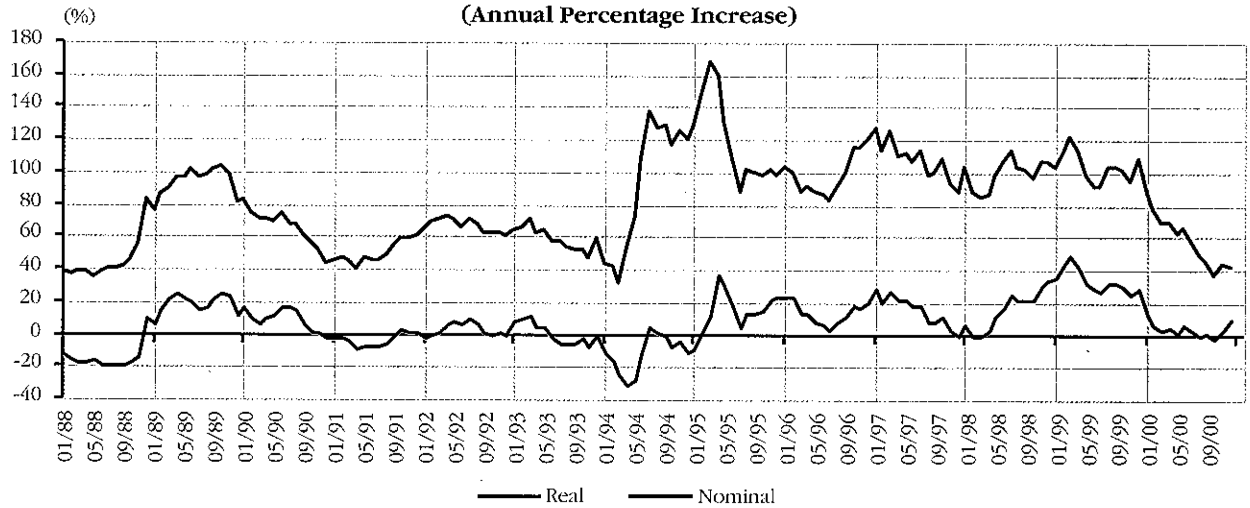
**GRAPH 9**

**M1**
**(Annual Percentage Increase)**



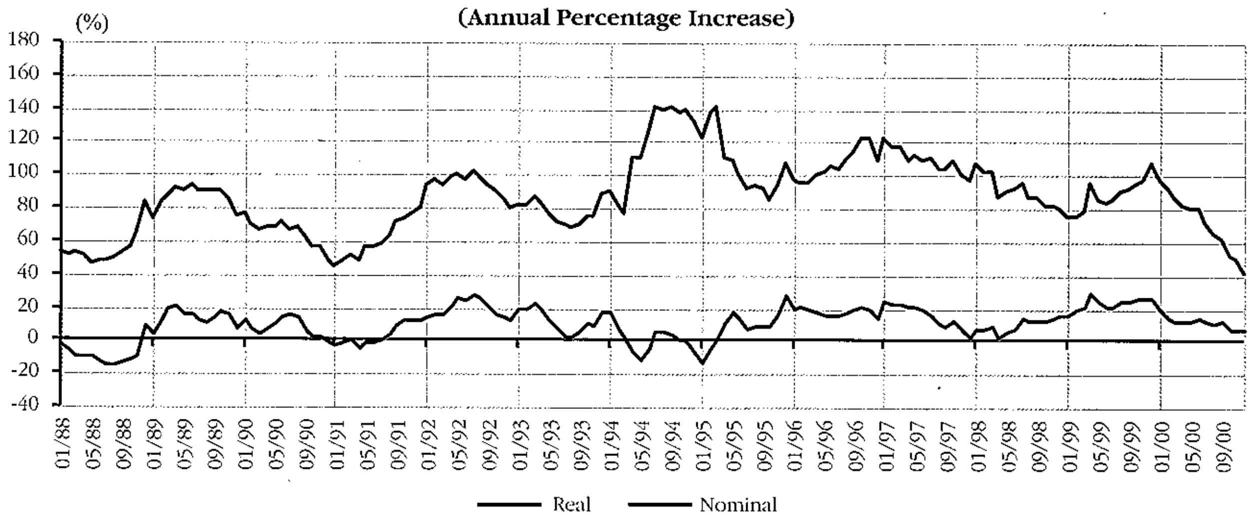

**GRAPH 10**

**M2**
**(Annual Percentage Increase)**

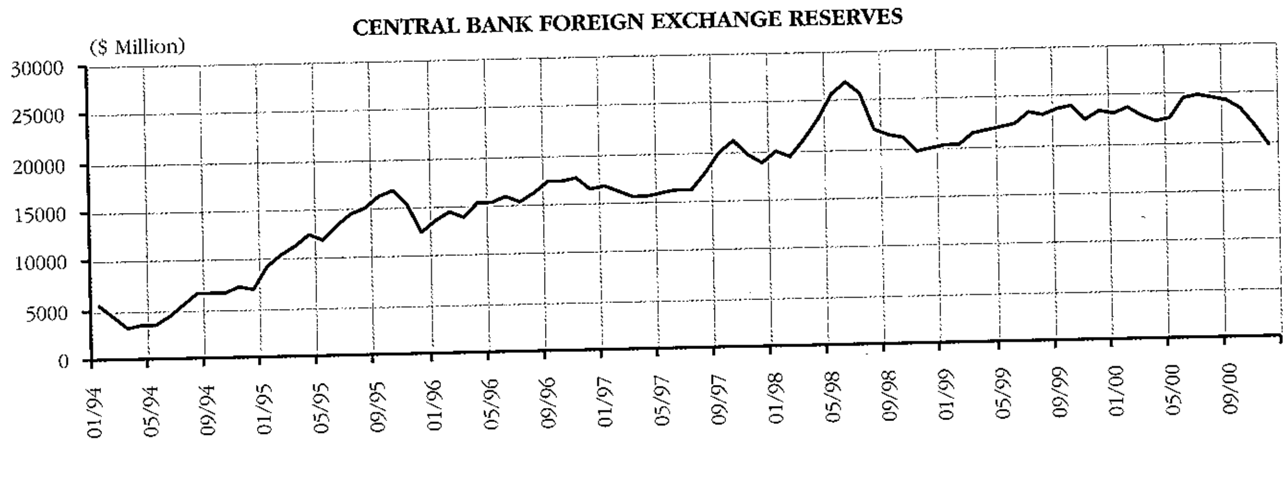



**GRAPH 11**

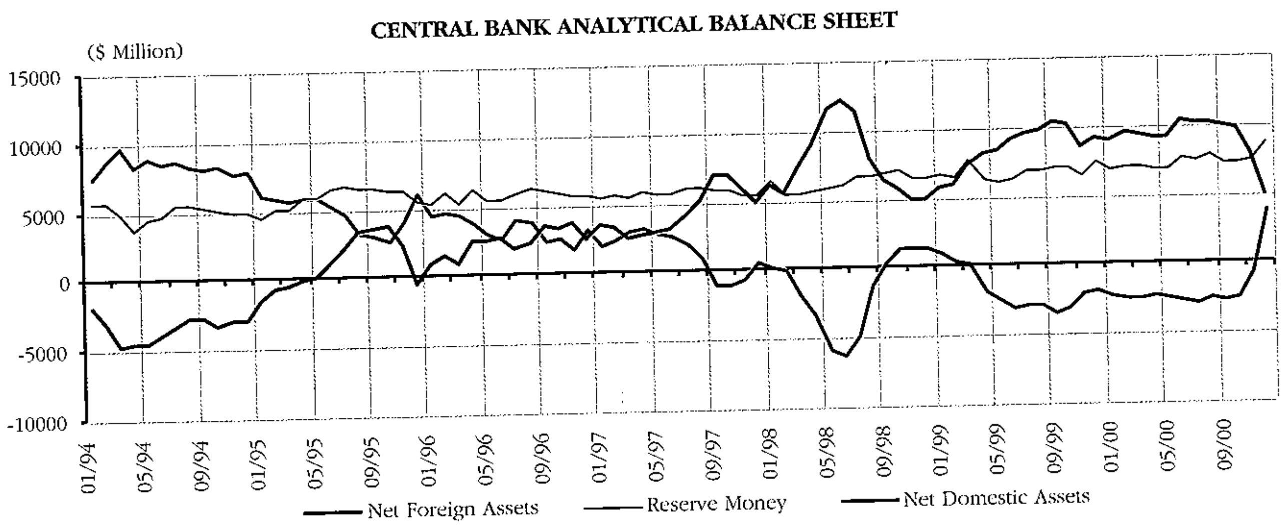
**M2Y**
**(Annual Percentage Increase)**



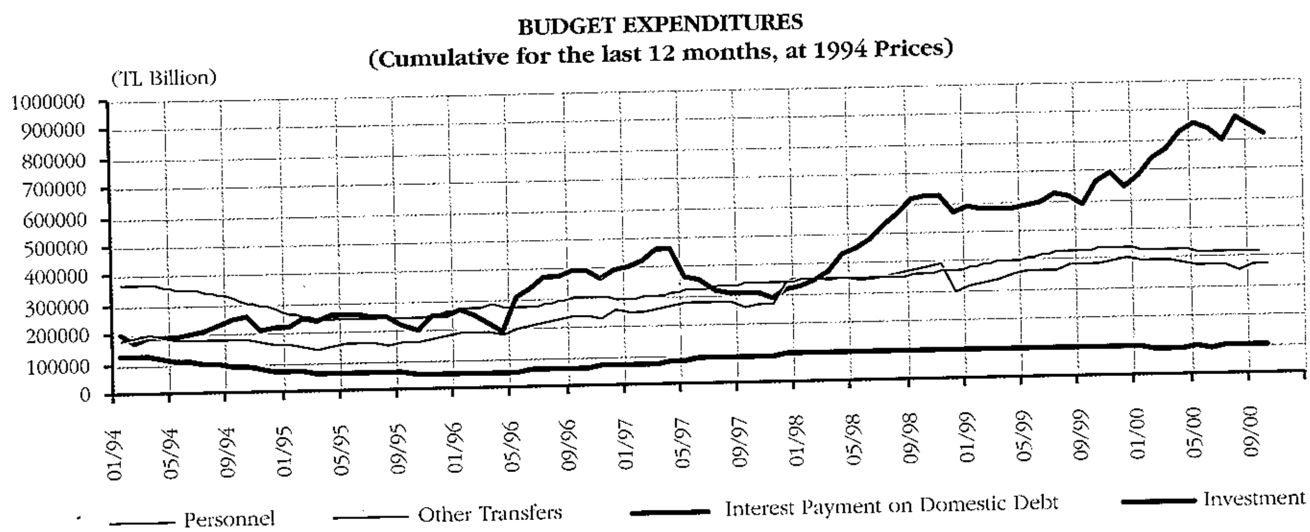
**GRAPH 12**




**GRAPH 13**



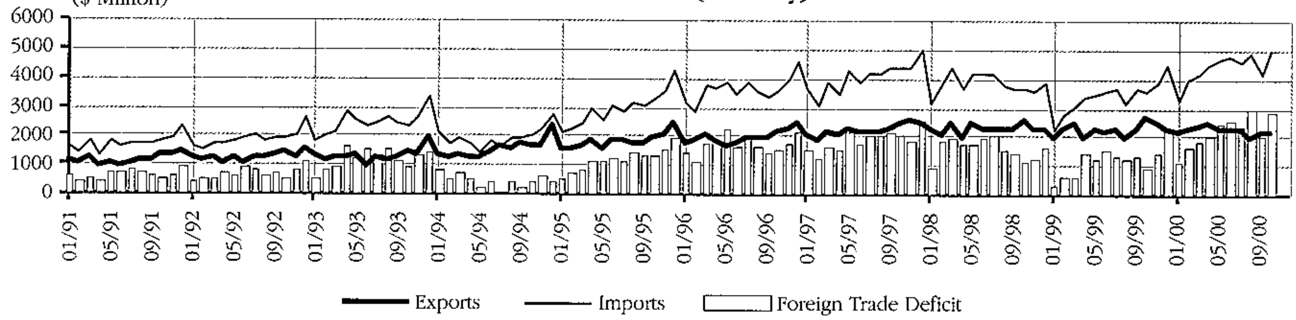

**GRAPH 14**



**GRAPH 15**

**FOREIGN TRADE (Monthly)**

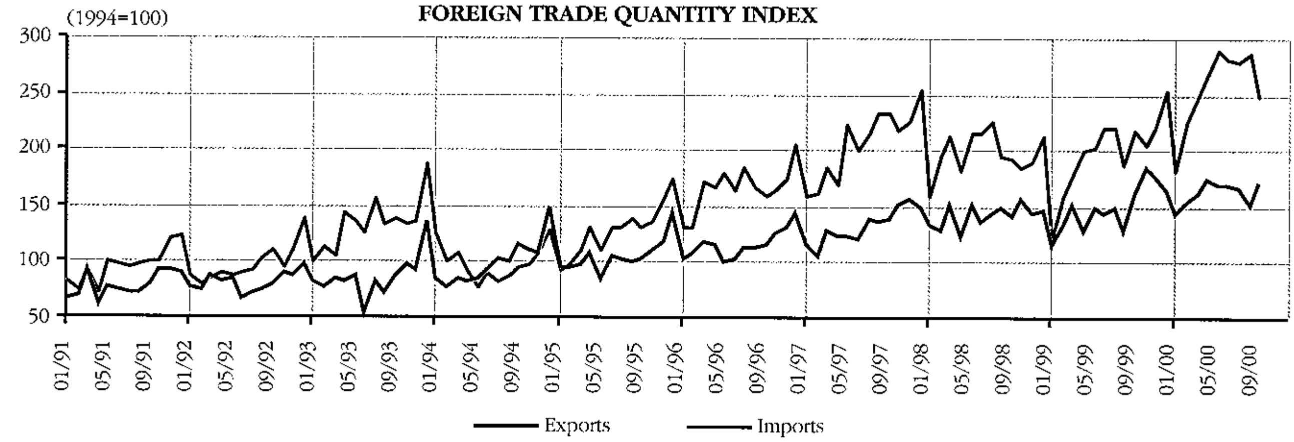
($ Million)




**GRAPH 16**

**FOREIGN TRADE QUANTITY INDEX**

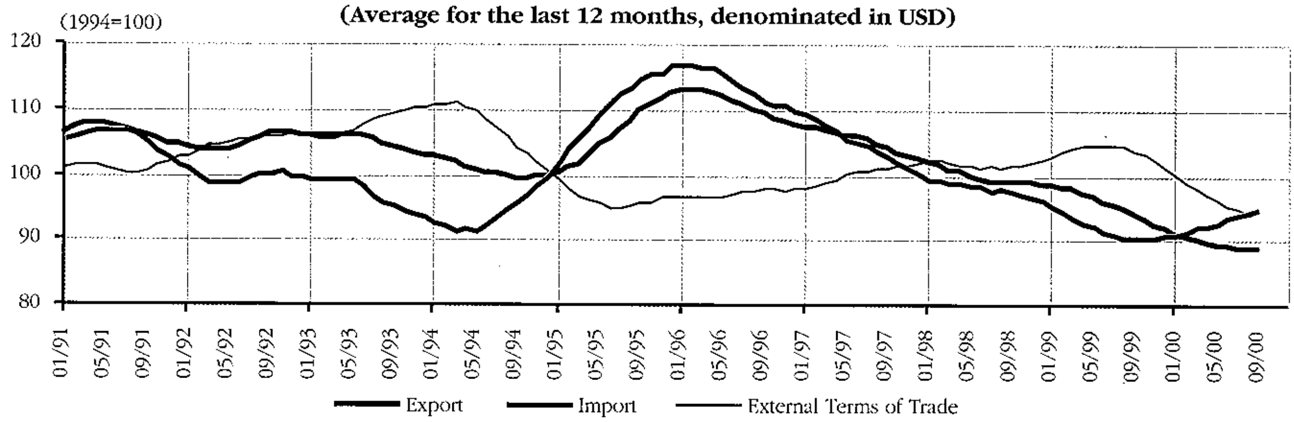
(1994=100)




**FOREIGN TRADE PRICE INDICES AND TERMS OF TRADE**
**(Average for the last 12 months, denominated in USD)**

**GRAPH 17**

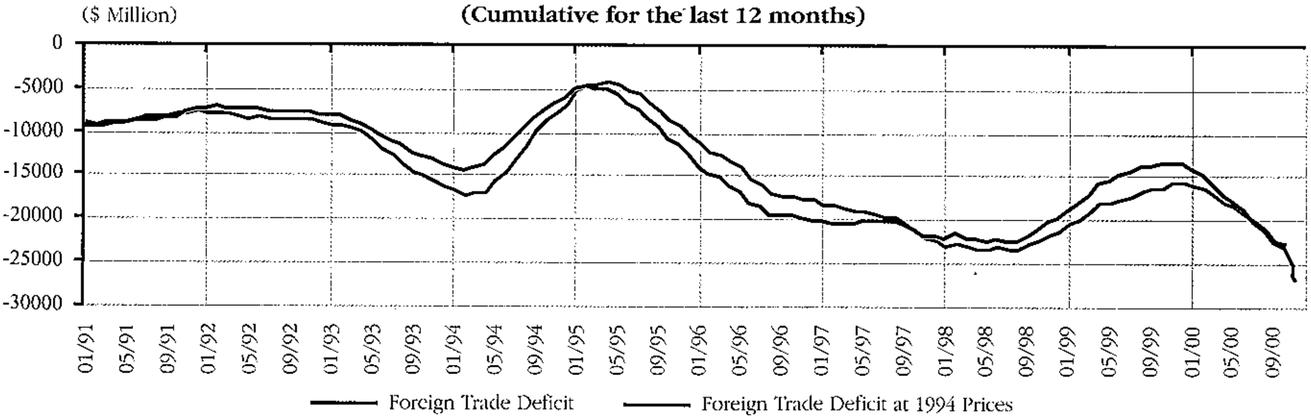
(1994=100)




**FOREIGN TRADE DEFICIT**
**(Cumulative for the last 12 months)**

**GRAPH 18**

($ Million)



January 2001

# TÜSİAD MACROECONOMIC SCENARIO

| | 1999 | | | | | 2000 | | | | | 2001 | | | | | Government |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Annual | Q1 | Q2 | Q3 | Q4 | Annual | Q1 | Q2 | Q3 | Q4 | Annual | Proramme |
| GNP (1987 prices, annual %)* | -7.9 | -3.7 | -7.6 | -4.9 | **-6.1** | 4.1 | 4.6 | 6.9 | *4.9* | ***5.3*** | *0.3* | *1.5* | *3.2* | *3.8* | ***2.4*** | **4.5** |
| Inflation (WPI)* | 48.8 | 50.1 | 53.6 | 58.2 | **53.1** | 66.6 | 59.1 | 48.3 | 37.6 | **51.4** | *26.5* | *21.3* | *20.5* | *18.2* | ***21.4*** | **15.2** |
| Reserve Money* | 84.1 | 66.2 | 64.1 | 71.7 | **70.7** | 76.6 | 75.1 | 69.4 | 55.6 | **68.0** | *43.2* | *37.5* | *26.8* | *24.2* | ***32.1*** | - |
| Budget Revenues (trillion TL) | 2,994 | 4,519 | 5,092 | 6,367 | **18,973** | 7,480 | 8,046 | 9,441 | *9,094* | ***34,061*** | *9,278* | *9,864* | *10,071* | *11,788* | ***41,001*** | **43,127** |
| Budget Expenditures (trillion TL) | 5,447 | 7,021 | 7,331 | 8,216 | **28,014** | 11,381 | 12,281 | 11,340 | *11,483* | ***46,485*** | *10,085* | *11,583* | *11,983* | *13,323* | ***46,975*** | **48,360** |
| Budget Balance (trillion TL) | -2,452 | -2,501 | -2,239 | -1,849 | **-9,041** | -3,901 | -4,235 | -1,898 | *-2,390* | ***-12,424*** | *-806* | *-1,720* | *-1,913* | *-1,535* | ***-5,974*** | **-5,233** |
| Interest Expenditure (trillion TL) | 2,344 | 3,054 | 2,803 | 2,521 | **10,721** | 6,602 | 6,428 | 4,557 | *2,778* | ***20,365*** | *3,978* | *3,746* | *3,854* | *5,108* | ***16,685*** | **16,680** |
| Budget Balance (billion $) | -7.2 | -6.3 | -5.1 | -3.7 | **-22.4** | -6.9 | -7.0 | -2.9 | *-3.5* | ***-20.3*** | *-1.2* | *-2.4* | *-2.6* | *-2.0* | ***-8.2*** | **-7.3** |
| Primary Surplus (over GNP, %) | | | | | **2.1** | | | | | *6.7* | | | | | *7.3* | **7.5** |
| Budget Balance (over GNP, %) | | | | | **-11.6** | | | | | ***-10.4*** | | | | | ***-4.0*** | **-3.4** |
| Nominal Exchange Rate (TL/USD) | 340,696 | 395,326 | 437,887 | 496,351 | **417,565** | 562,840 | 609,022 | 645,348 | 678,953 | **624,041** | *684,786* | *704,906* | *730,826* | *764,034* | ***721,138*** | **714,000** |
| Nominal Exchange Rate* | 55.3 | 56.5 | 61.0 | 69.5 | **61.1** | 65.2 | 54.1 | 47.4 | 36.8 | **49.4** | *21.7* | *15.7* | *13.2* | *12.5* | ***15.6*** | **14.5** |
| Real Exchange Rate (1992=100) | 88.7 | 88.7 | 90.3 | 92.5 | **89.8** | 91.6 | 89.2 | 90.8 | 96.2 | **91.0** | *96.2* | *96.0* | *94.9* | *95.3* | ***95.6*** | **93.3** |
| Real Exchange Rate* | -4.2 | -4.1 | -4.6 | -6.7 | **-4.9** | 0.9 | 3.3 | 0.6 | 0.6 | **1.3** | *4.0* | *4.8* | *6.4* | *5.0* | ***5.0*** | **2.9** |
| Nominal Int. Rate (compounded, %) | 119.7 | 103.3 | 107.9 | 102.5 | **108.3** | 39.4 | 38.0 | 33.5 | 39.2 | **37.5** | *58.9* | *49.1* | *39.3* | *31.5* | ***44.7*** | - |
| Real Int. Rate (compounded, %) | 47.6 | 35.4 | 35.4 | 28.0 | **36.6** | -16.3 | -13.3 | -10.0 | 1.2 | **-9.6** | *25.6* | *22.9* | *15.6* | *11.3* | ***18.9*** | - |
| Imports (billion $) | 8.1 | 10.3 | 10.4 | 11.8 | **40.7** | 11.3 | 14.0 | 13.7 | *12.9* | ***51.9*** | *12.4* | *12.6* | *13.0* | *12.9* | ***50.9*** | **54.5** |
| Exports(billion $) | 6.5 | 6.3 | 6.5 | 7.3 | **26.6** | 6.6 | 6.9 | 6.4 | *7.3* | ***27.4*** | 6.9 | *7.2* | 7.7 | 8.9 | ***30.9*** | **31** |
| Foreign Trade Balance (billion $) | -1.6 | -4.0 | -4.0 | -4.5 | **-14.1** | -4.7 | -7.0 | -7.3 | -5.6 | ***-24.5*** | -5.4 | *-5.4* | *-5.3* | *-4.0* | ***-20.1*** | **-23.5** |

*Red figures are TÜSİAD estimates.*

*(*) Denotes annual average percentage change on the same period of previous year.*

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