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TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION

THE TURKISH ECONOMY '92

TÜSİAD TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION

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FOREWORD

"Turkish Economy 1992" is the 17th consecutive Annual Report published in English by the Secretariat of "TÜSİAD", The Turkish Industrialists' and Businessmen's Association. This Report is now accepted throughout the business world as an authoritative work of reference on the Turkish Economy.

The main sources used in the preparation of this Report were the various publications of the State Planning Organization, the Ministries, the Central Bank, the State Institute of Statistics, the ANKA Agency, OECD and the World Bank.

This report was prepared by the TÜSİAD research group, which included Nilgün Demirtaş, Head of Economic Research Department and, Veyis Fertekligil, Ümit İzmen, Dilek Dayanç. Profs. Dr. Erdoğan Alkin, Süleyman Özmucur, and adviser Dr. Adnan Büyükdeniz and Azmi Fertekligil made contributions and comments in their respective fields of specialisation. Many thanks are due to Dr. Alfred Kuehn for his close collaboration on the manuscript with TÜSİAD research group. Also thanks to Prof.Dr. Savaş Akat for his valuable insight and comments on the final manuscript.

Final editing of this Report rested with Mr. E.İhsan Özol, the TÜSİAD Secretary General. It is emphasised that the Report does not necessarily reflect the views of TÜSİAD members nor, of course, is it to be considered in anyway whatever to be an official publication.

Thanks are due to Günay Bilge and Zerrin Tezel for their secretarial and production work.

Copies of this report are available from the Association on a single order or subscription basis.

BASIC STATISTICS /OF TURKEY (1991)

Population & Employment (000 persons)

Total population	:	57,705
Annual average population increase (%)	:	2.17
Urban population as a percentage of total (%)	:	52.9
Life expectancy (years)	:	66.8
Crude mortality (per 1000)	:	7.3
Infant mortality (per 1000 live births)	:	56.5
Total civilian labour force	:	20,237
Civilian employment	:	19,237
Agriculture	:	9,602
Industry	:	2,870
Services	:	6,765
Unemployment rate (%)	:	7.1

Culture, Education &Welfare Indicators

Literacy Rate (%)	:	90.0
Radios per 1000 persons (First 6 months of the year)	:	200
TV per 1000 persons (First 6 months of the year)	:	215
Telephone per 1000 persons	:	139

Population per doctor	:	1140
Population per hospital bed	:	410

Gross National Product (TL Billion)

at current prices	:	630,785
at 1968 prices	:	86.3
Real growth rate (%)	:	0.3
Per capita ($)	:	2,605

Balance of Payments ($ Million)

Balance of Trade	:	-7,326
Current Account Balance	:	272
Workers' Remittances	:	2,819
Tourism Revenues	:	2,654
Tourism Expenditures	:	592

Foreigners Arriving in Turkey (persons) : 5,487,554

Foreign Trade ($ Million)

Imports	:	21,038
Imports by commodity groups (as % of total)		
Investment goods	:	28.8
Consumer goods	:	13.8
Raw materials	:	57.4

Foreign Exchange Buying Rates (TL, End of Year)

US Dollar	:	5,074.8
Deutsche Mark	:	3,339.8

Consolidated Budget (TL Billion)

Total Revenue	:	99,105
Tax Revenues	:	78,542
Expenditure	:	130,865
Budget Balance	:	-31,760

Gross Electricity Production (10^6 kwh)

Total	:	60,220
Energy consumption per capita (Kg of oil)	:	984

Prices & Wages (annual increase %)

Wholesale Prices Index (1987 = 100)	:	51.6
Consumer Prices (1987 = 100)	:	60.4
Average gross wages of insured workers (TL per day)		
Public Sector	:	113,844
Private Sector	:	170,593

International Reserves ($ Million)

Gold	:	1,493
Convertible foreign exchange	:	12,250

Public Debts (Cumulative)

Foreign ($ Million)	:	48,661
Domestic (TL Billion)	:	93,683

Monetary Indicators (TL Billion)

Banknotes in circulation	:	18,546
Money Supply (M2)	:	113,566
Total Bank Savings	:	100,161
Total Bank Credits	:	88,934

Gross Fixed Investments (TL Billion)

Total	:	102,523
as percentage of GNP (%)	:	22.5

SUMMARY AND CONCLUSIONS

Stagnation of economic growth in 1991

In marked contrast to developments in 1990 - when domestic demand expanded vigorously and GNP rose by ten percent - total domestic demand contracted and output stagnated last year. At constant market prices, GNP is estimated to have risen by no more than 0.3 percent. This low rate of growth of output was principally accounted for by a fall in agricultural production of 1.5 percent, a similar reduction in total new construction, and the sluggish rise in industrial output. Overall, industrial value added continued to expand to a modest degree, but in several branches of the manufacturing industry output contracted. This was notably the case in textiles and leather, paper and printing, and basic metal production.

Apart from the fall in agricultural output, due mainly to less favourable weather conditions, weak growth can be traced to a number of exceptional circumstances. First and foremost, it should be noted that performance in 1991 was handicapped by its comparison with exceptionally high growth in all sectors, and of all domestic demand components during the previous year. It is evident that when particularly strong investment demand falls to more normal levels, output in related industries, such as building materials, will be negatively affected. Indeed, of all investments, building activity has a high multiplier effect in the Turkish economy since most building components are now domestically produced. Hence, any adverse change in policy in regard to building investment, will have a negative effect on the economy. Whilst this phenomenon calls for special care in devising economic policy -which may have been somewhat lacking in the recent past- its dampening effect on economic growth in 1991 should not be unduly stressed.

Economic activity slowed in 1988 and 1989 as a result of a tightening of economic policy in 1988 which was aimed at decreasing public sector deficits and curbing the high rate of inflation. However, the real effective exchange rate appreciation which was begun in 1988

levelled off only in the course of 1991. The real appreciation reflected the combined effect of the high nominal interest rate differential between Turkey and the international market and capital market liberalization. Although only a modest success was registered on the inflation front in 1989, monetary and fiscal policies were relaxed again in the course of the year. Public sector wages were raised substantially and strong real wage increases were also recorded in the private sector, boosting household consumption. Hence, economic growth recovered rapidly in 1990. However, as a result of uncertainty and pessimistic expectations engendered by the Gulf crisis, this expansion had come to a halt by the end of 1990 and stragnated in the first quarter of 1991. Thus, the tourism sector and foreign trade were negatively affected. Besides the tensions in the Middle East, developments in the economy in 1991 were also influenced by the mounting economic problems of the formerly socialist states. Finally, to some extent expectations, and hence demand, were damped down by the increasing domestic political problems which resulted in an early general election, in the autumn.

High and accelerating inflation

It is now generally accepted that the most important problem of the Turkish economy is the high rate of inflation. Other problems, such as high interest rates, the rapid depreciation of the Turkish Lira, and stagnation in investment, production and exports, are all the by-products or indirect results of inflation, but not the causes, as is sometimes being propounded.

Inflation, which had been more or less stable for some time, thanks to efforts by the monetary authorities to keep a relatively tight lid on money creation, began to rise again in the course of last year. Consumer price inflation rose from around 62 percent (year-to-year rate) in 1990 to 71.1 percent in December 1991 and 65.8 percent in June 1992. The acceleration of inflation from the last quarter of 1991 onwards was, of course, partly due to price adjustments by the State Enterprises, whose large deficits the incoming government tried to reduce.

Controlling high inflation has been a major policy concern for decades. By the mid-eighties, tight wage policies and relatively strict control of government spending had reduced the rate of price increases to around 30 percent, per annum. But, when wage controls were abandoned, Budget policy became more lax, and local administrations and private investors

participated in the construction boom, so that inflationary pressures mounted. These pressures could only partially be neutralised by tight monetary policy, especially as rising interest rates added to cost inflation and foreign capital inflows via the balance of payments account inflated the money supply.

Thus, in 1991, the public sector borrowing requirement, or overall deficit, rose to an all-time high of 12.6 percent of GNP, and money supply (M2) rose from the relatively modest rate of growth of 43.9 percent in 1990 to a record 60.6 percent, last year.

Deteriorating balance of payments

The strong growth of domestic demand, together with the further liberalization of imports, the phasing out of export rebates and the real revaluation of Turkish Lira, resulted in a record current account deficit in 1990. A negative balance of $ 2.6 billion followed a current-account surplus on the balance of payments account in each of the two preceding years.

In 1991, due to economic stagnation and accelerating devaluation of the Lira, imports fell, whilst merchandise exports remained more or less stable in dollar terms. The current account balance showed a small surplus, but, this largely resulted from a marked increase in grants from abroad, which more than compensated for the decline in tourism earnings and workers' remittances. The fall in the latter two items will probably be reversed in the current year, as the political situation in the Middle East has improved, but any margin for manoeuvre is likely to remain small. As foreign government grants will be reduced again, and imports are likely to increase with the resumption of economic growth, whether or not the balance of transactions with the world at large will remain positive will crucially depend upon the renewed growth of exports. Continued devaluation of the Lira, and export subsidies may help in the short term; but much more important in securing a healthy balance of payments in the longer run will be price stability and the growth in productivity which will lead to improved competitiveness in world markets.

That the balance of payments performance of last year must be considered as atypical can also be deduced from the erratic short term capital movements observed in both 1990 and 1991. Thus, net inflows of $ 3 billion in the former year became outflows of $ 3 billion, in 1991.

It is evident that neither can be considered as being healthy developments. These flows owe more to shifting interest rate differentials and exchange rate movements than to real developments in the economy. Nevertheless, they have an influence on monetary conditions and overall demand, and are indicative of underlying imbalances in the economy, and of inadequate, policy responses.

The need for economic policy reorientation

The above comments are in no way meant to belittle, the great efforts made by successive Turkish governments in the past decade to modernize the economy and to introduce the principles of a market economy. Some major problems were indeed unavoidable, as neglect in building up an adequate social and economic infrastructure for a whole generation had to be corrected within a relatively short time span. But, given the lack of domestic resources, the accelerated development effort in the past decade led to bottlenecks of various kinds. When physical and financial resources are scarce their cost is bound to rise, and if the pressures persist, they will set in motion an inflationary spiral and lead to balance of payments problems, as foreign creditors and investors distance themselves from increased risks.

Last year's Report had already addressed this issue. It pointed out that forcing up the rate of growth of domestic demand in the last four or five years had in fact led to greater fluctuations in all economic magnitudes from one year to another. It is, moreover, doubtful if over the full period average annual gains in economic growth were higher than they would have been under a steadier policy structure. For example, taking the period 1989-1991, average annual GNP growth was no higher than 4 percent. But at the same time, the fight against inflation and crippling interest rates suffered a severe set -back, real purchasing power of the Lira is now far below that of 1989, and Turkeys' domestic debts are very much bigger.

Lack of any notable improvement in income distribution adds fuel to social discontent. Organised groups of workers, and to some extent civil servants, obtained nominal wage increases of well over 100 percent in 1991, despite the fact that most business concerns experienced even more adverse conditions than had generally been expected.

The outlook for 1992

These problems have been inherited by the coalition government which came to power last autumn. Although it has set lower targets for the Budget deficit and inflation, the governments room for manoeuvre is certainly minimal. In fact, trends in the first half of the year point to a further rise in the public sector borrowing requirements, and to continued inflationary pressures. It remains to be seen whether the second half of the year will bring any easing of price pressures as a result of what promises to be a more plentiful harvest.

The recent survey of TÜSİAD members at least indicates that 1992 is unlikely to prove worse, in terms of the economy, than last year; in fact, in real terms, a 4.1 percent rise in GNP, with a 2.0 percent improvement in manufacturing output, is expected. Members predict an increase in production, and in both overall sales and exports. A modest increase in authorisations for new construction work and in overall fixed capital investment is also foreseen. On the other hand, members anticipate that there will be reduction in the rate of inflation, whilst wage awards are expected to exceed the level of inflation and thus increase producers' real costs.

All in all, there would appear to be little likelihood that the current year will afford any notable relief in so far as the numerous outstanding economic problems are concerned.

A consensus on economic policy is now essential

As was stated a year ago, in TÜSİAD's view, solution of the country's economic problems, which result mainly from the desire for rapid growth a the expense of overall stability, calls for the review of all economic targets and strategies and, at the same time, re-examination and, most probably, the overhaul, of the institutional set-up for policy formulation and implementation. With -barring unpredictable developments - the next general election four years hence, it should now be politically possible to adopt and implement the deflationary measures which are essential if Turkey is to become a valid member of the family of industrialized nations.

The Turkish business sector fully supports successive governments' desire for full membership of the European Community and it is now nearly thirty years since the EC

expressed its conviction that the Turkish economy would make the progress necessary for the country to become a full member by the end of this century. Certainly, the Turkish economy is now much more advanced at the technical level but it has also to be admitted that the lack of price stability and the apparently uncontrolled rise in the public sector's deficit, and that is to say the public debt, could cause some delay in attaining this goal. At the same time, sight must not be lost of the fact that Turkey has overcome much greater difficulties in the not so distant past; for example, the severe recession and balance of payments crisis at the end of the 1970's.

But it is esential that parliament, government and private sector organisations should now work together in taking radical steps to overcome those problems which stand in the way of the nation's well-being without, as is so often the case, giving priority to the interests of particular groups or to politically more sensitive but at the same time less important issues.

Any new economic policy orientation should adopt as a first principle the pursuit of the balanced growth of production, demand, and incomes. In the past, discussions about the desirable physical rate of growth have all too often relegated considerations of stability and sustained development to the sidelines. Henceforth, such practises should be avoided at all costs. When the national currency and the State's finances are in good order the physical growth of GNP may be expected to be faster in the long term than would otherwise be the case.

The successful implementation of a medium-term stabilization programme aimed at restructuring and maintaining macro-ecnomic balances must not be jeopardized by direct intervention in the money, capital or foreign exchange markets.

The principal reason for the recently rapid depreciation of the Turkish Lira was that an unduly large proportion of the Central Bank's foreign exchange reserves was put on to the currency market with object of reducing domestic interest rates. In the event, the decline in interest rates was short-lived and the need for additional domestic borrowing forced up interest rates to an even higher level than previously. The demand for financial assets accordingly shifted from TL to foreign exchange and, inevitably, accelerated the rate of depreciation of the former.

Reducing budget deficits

The basic cause of the high rate of inflation is the PSBR; ever-bigger public sector deficits have brought about a marked, unhealthy, increase in the PSBR:GNP ratio in recent years.

To finance these deficits (in the Concolidated Budget, and in the SEE and municipal budgets), the Treasury has generally relied upon short-term advances from the Central Bank, and heavy domestic borowing; in addition, prices of public sector goods and services have been raised from time to time.

These methods of financing the public deficit create a vicious circle of continuous monetary expansion, and incessant interest rate increases, stimulating inflation on both the demand and the supply sides.

If this vicious circle is to be broken, it is necessary to make drastic cuts in public deficits, and in the short-term this means that expenditure must be reduced to a more realistic level. Fiscal reform must follow at the earliest possible moment.

Since the public sector's borrowing requirement has soared to no less than 13 percent of GNP, no time must be lost in imposing significant cuts in the expenditure of all the administrative services and public enterprises.

For the more efficient control of expenditure, the Central Administration must take over the more or less independent "Funds" and eventually integre them with the Budget proper. Whilst it is certainly true that these Funds have played a useful role in speeding up investment and overcoming bureaucratic inertia, they have proliferated and themselves become difficult to administer. At this time of need for the rapid adjustment of public sector finances, the Funds must become the responsibility of a single authority - that is to say, the Treasury.

The need for independent monetary management

For some years prior to 1991, the Central Bank endeavoured to control the growth of the money supply by various means, notably by restricting its short-term credit line to the Treasury. This did not prevent inflation because of the contrary effects of the net inflow of foreign

exchange from credits from abroad and the Dresdner Bank scheme, but it did much to curb the inflationary spiral.

The Central Bank cannot be held responsible for the fact that, as a consequence of its policy of not funding public sector deficits, the Treasury resorted to the market for large scale bond financing at understandably high rates of interest.

As already stated, there is no doubt that the country's excessive PSBR is the principal cause of inflation, and the remedy for this persistent ill accordingly lies in the public sector's budgets. As for the Central Bank, it has demonstrated that monetary targetting can be made to work in Turkey. The Bank should therefore be given the opportunity to pursue an independent monetary policy within the framework of a medium-term stabilization programme.

It is obvious that the reduction of the public sector's deficits, as is recommended here, would affect domestic demand both directly and indirectly, since expenditure would inevitably be cut back. The immediate result would mean almost certain hardship and economies in many, indeed most, quarters. Business turnover and employment would suffer and it would seem likely that those traditionally protected sectors of the economy would be forced to adapt to the strains of market forces much sooner than they presently anticipate.

This would be the short-term price to be paid for the policy errors of the past, but such sufferance would be of short duration and quickly forgotten once the positive results of the application of stabilizing policies showed themselves in terms of falling inflation and keener competitiveness in the business world. And both these advantages would be bound to lead to the enhanced well-being of all Turkey's citizens.

TÜSİAD Recommendations

TÜSİAD wishes here to express the hope that the following points will be given the new administration's most careful consideration.

Given the present-day situation, the preparation and implementation of a programme for rapid economic adjustment is of critical importance. *Turkey can no longer afford to live beyond her means.* Without such a programme in the immediate future, the adverse economic

situation will be further aggravated; adjustment can no longer be sought simply by further increasing the already large domestic debt.

It is accepted that an economic adjustment programme, such as is called for here, must entail social sacrifices in the reduction of the rate of absorption of external and internal resources, *but it is the politicians' responsibility to ensure that the cost of adjustment is equally borne by each of the various economic sectors and social groups.*

Turkish economy certainly needs a comprehensive structural reform. In order to restore the stability in the economy and to fully reap the benefit of any structural improvements, *the PSBR should be cut to reasonable level. The reduction of Budget deficits and PSBR calls for the introduction of a tax reform, on the one hand and the process of privatisation* which has so far proceeded at a sluggish pace, should be facilitated, on the other.

The macro economic discipline and further structural reforms should enable the Turkish Economy to achieve high and balanced growth in the medium term.

CHAPTER I

GROSS NATIONAL PRODUCT,

INVESTMENT,

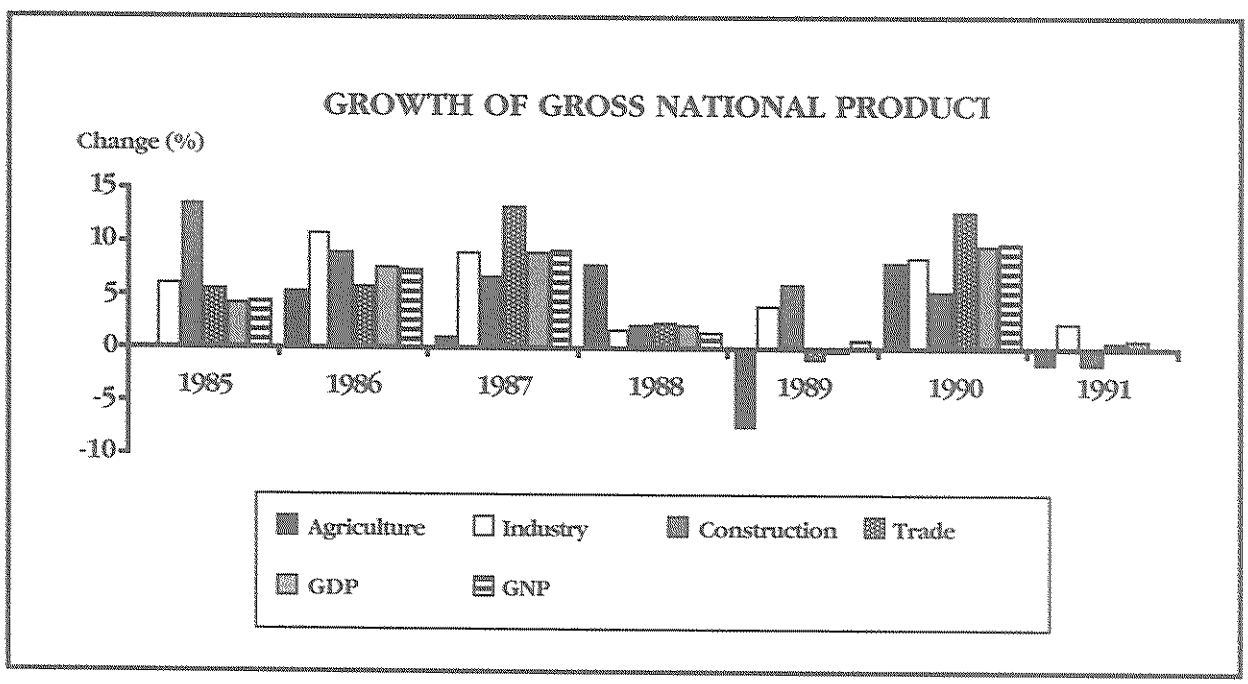
PRODUCTION AND LABOUR MARKET

GROSS NATIONAL PRODUCT, INVESTMENT, PRODUCTION AND LABOUR MARKET

I. GNP PERFORMANCE

Turkey's Gross National Product stagnated in 1991. According to the final figures released by the State Institute of Statistics, GNP growth for the year as a whole was a mere 0.3 percent,as growth was negative in all but the third quarter (+2.7 percent). Economic expansion in 1991 had initially been targeted at 5.9 percent, compared to 9.9 percent actually realized in 1990.

According to the SIS data, the GNP declined by 1.1 percent and 0.6 percent , respectively, in the first and second quarters. Following the 2.7 percent rise in the third quarter, it again fell, by 0.8 percent, in the final three months, resulting in an annual increase of only 0.3 percent.

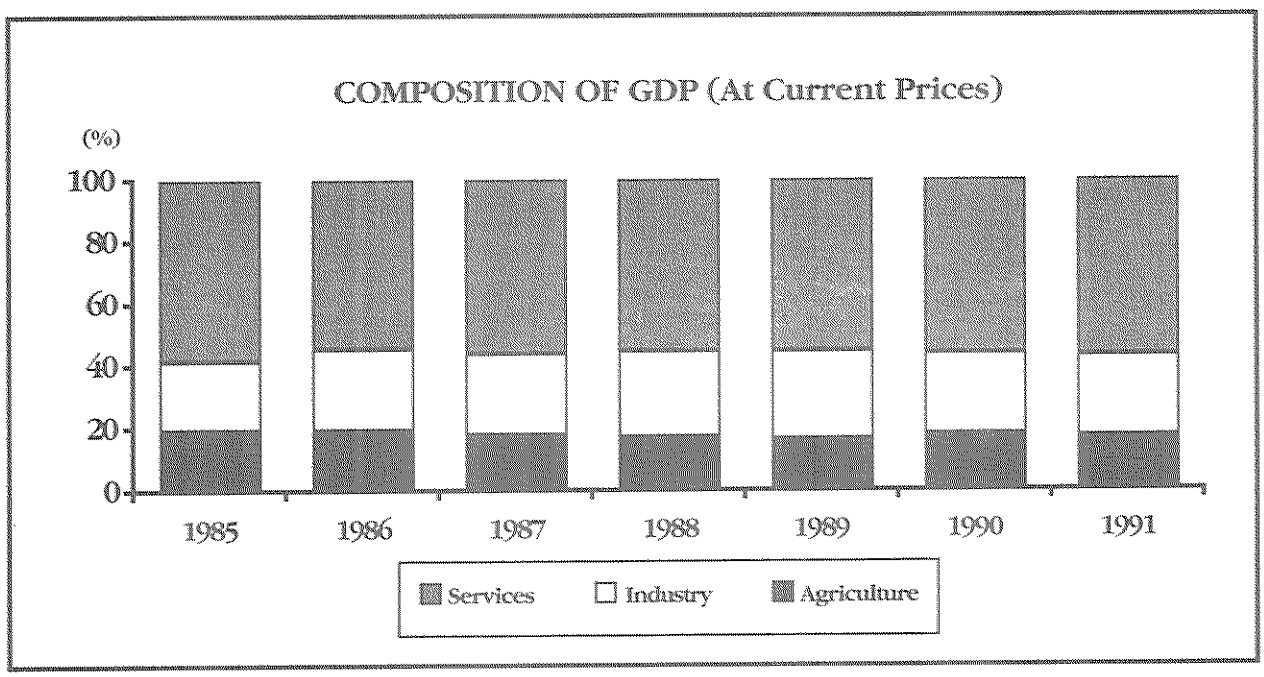


GNP GROWTH BY MAIN ECONOMIC SECTORS (%)

(At 1987 Prices)

	1985	1986	1987	1988	1989	1990	1991
Sectors	In Producers' Value						
Agriculture	0.1	5.4	1.1	7.9	-7.4	8.2	-1.5
Industry	6.2	11.0	9.1	1.8	4.0	8.7	2.6
Construction	13.6	9.1	6.7	2.3	6.1	5.5	-1.6
Trade	5.7	6.0	13.3	2.4	-1.1	13.0	0.6
GDP	4.4	7.8	9.0	2.2	-0.5	9.8	0.9
GNP	4.5	7.5	9.3	1.5	0.9	9.9	0.3

Source: SIS



The growth rates in the agricultural and construction sectors dropped by 1.5 and 1.6 percent, respectively. Whilst the increase in industry materialized at 2.6 percent, the growth rate in trade was 0.6 percent. At current prices, GNP rose by 57.8 percent to TL 630,785 billion and the implicit GNP deflator worked out at 52 percent. The current prices' growth rate was 47.7 percent in agriculture, 61.8 percent in industry, 66.6 percent in construction, and 54.9 percent in trade.

Given the strong population growth of about 2.5 percent, per capita income fell for the first time since 1984. Calculated at $ 2705.5 in 1990, this went down by 3.7 percent to $ 2604.6, last year. At constant prices, per capita income fell from TL 1,534,000 in 1990 to TL 1,506,000 last

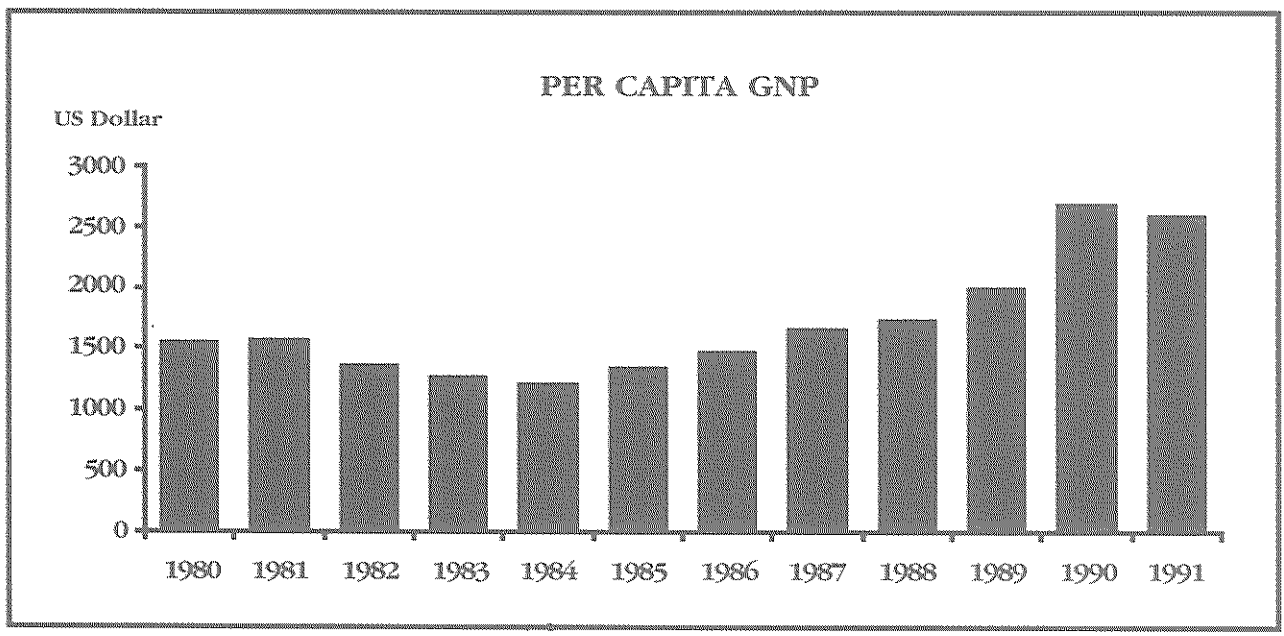
GDP SHARES BY MAIN ECONOMIC SECTORS (%)

In Producers' Value							
	1985	1986	1987	1988	1989	1990	1991
Sectors	At Constant 1987 prices						
Agriculture	19.2	18.7	17.4	18.3	17.1	16.8	16.3
Industry	25.6	26.4	26.4	26.3	27.5	27.2	27.7
Services	55.2	54.9	56.2	55.4	55.4	56.0	56.0
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	At Current Prices						
Agriculture	18.9	19.1	17.4	16.6	16.5	17.4	16.8
Industry	22.4	26.0	26.4	27.9	27.8	26.4	26.6
Services	58.7	54.9	56.2	55.5	55.7	56.2	56.6
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source:SIS

year. This disappointing performance was due to political uncertainty as a result of the Gulf War, whilst the weak conjuncture in domestic growth also played a role.

In 1992, the government is targeting a GNP growth of 5.5 percent at constant prices. According to 1992 programme targets, the agricultural sector is expected to expand by 3 percent, the industrial sector by 6.3 percent, and services by 5.1 percent. The GNP would accordingly rise to TL 729,378 billion at current prices, of which TL 111,622 billion would be accounted for by agriculture, TL 191,896 billion by industry, and TL 335,502 billion by services.The 1992 GNP deflator has been calculated at 52 percent.



II. MACRO EQUILIBRIUM OF THE ECONOMY

According to the SPO realization estimates, the foreign balance was TL 2.172.7 billion in 1991 ,meaning that total domestic demand decreased by around 1 percent.

MACRO EQUILIBRIUM OF THE ECONOMY
(At Constant Prices, TL Billion)

	1990	1991*	Change (%)
GNP	111,871.0	113,549.1	1.5
Foreign Balance	5,037.9	2,172.7	-56.9
Total Domestic Demand	116,908.9	115,721.8	-1.0
Total Investment	31,229.6	26,361.2	-15.6
Fixed Investment	27,260.9	26,994.6	-1.0
Public	11,636.6	11,853.3	1.9
Private	15,624.3	15,141.3	-3.1
Stockbuilding	3,968.7	-633.4	-116.0
Public	2,534.6	-45.0	-101.8
Private	1,434.0	-628.9	-143.9
Total Consumption	85,679.3	89,360.6	4.3
Public Disposable Income	15,582.3	13,385.2	-14.1
Public Consumption	10,475.7	11,107.7	6.0
Public Savings	5,106.6	2,277.5	-55.4
Public Investment	14,171.2	11,848.7	-16.4
Public Savings - Investment Gap	-9,064.6	-9,571.2	5.6
Private Disposable Income	96,288.7	100,163.9	4.0
Private Consumption	75,203.6	78,252.9	4.1
Private Savings	21,085.1	21,911.0	3.9
Private Investment	17,058.4	14,512.5	-14.9
Private Savings - Investment Gap	4,026.7	7,398.5	83.7

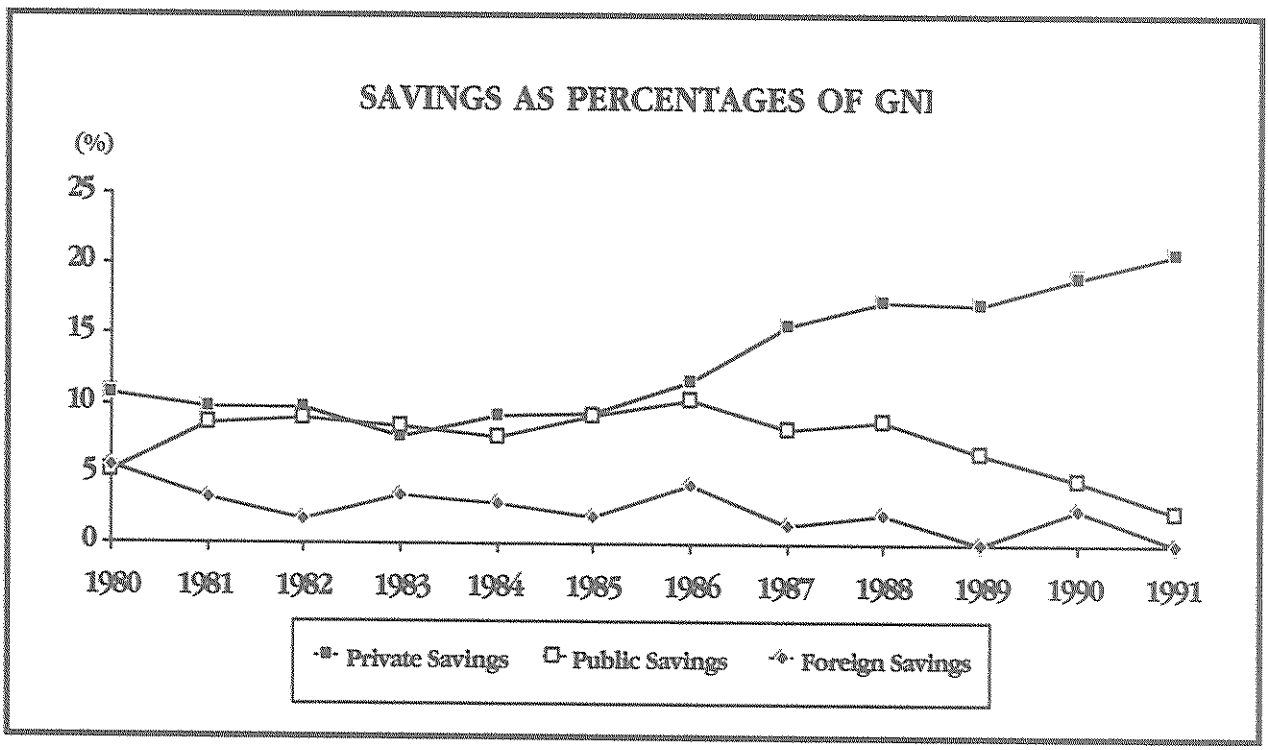
** Realization Estimate*
Source: SPO

In 1991, at constant prices the public sector's disposable income fell by around 14.1 percent, whereas private disposable income rose by 4.0 percent. The decrease in the public sector's factor revenues caused the fall in its disposable income.

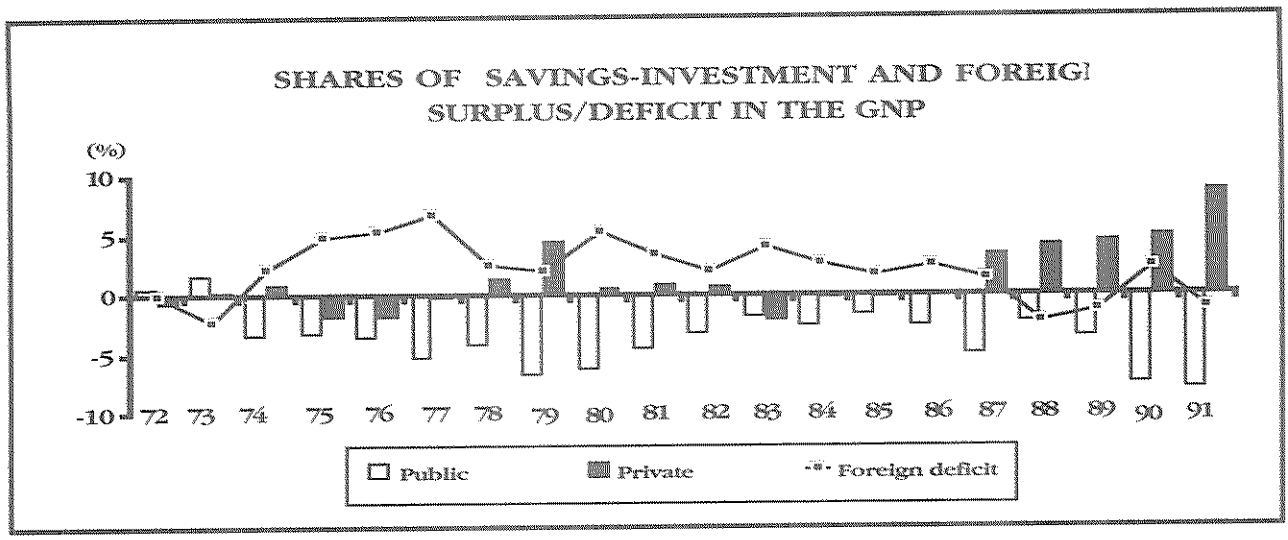
In 1991,both total investment and fixed capital investment decreased. The fall was of 15.6 percent in total investment , as against 1.0 percent in fixed investment, due to a sharp decline in stock building. In the previous year, total investment and fixed investment had risen by 31.7

Whilst at constant prices, private savings rose in 1991, public savings fell and the total savings share within GNP, which was 23.4 percent in 1990, decreased to 21.3 percent last year.

Total resources in 1991 fell by 1.0 percent to around TL 115,721.8 billion at constant prices. The share of total consumption within total resources, which was 74.5 percent in 1990, increased to 77.8 percent in 1991, whereas the share of total investment within total resources decreased to 22.2 percent, from 25.5 percent in 1990. Public and private consumption increased by 6.0 and 4.1 percent, respectively.



There is a meaningful statistical relationship between the public savings-investment deficit and the inflation rate. Calculations made on the basis of 1972-1990 data, indicate that a decrease of 1 percent in the public savings-investment deficit causes around 5 percent decrease in the inflation rate.On the other hand, the statistical relationship between the public-savings investment deficit and the growth rate is less marked.



III.INVESTMENT

Fixed Capital Investment

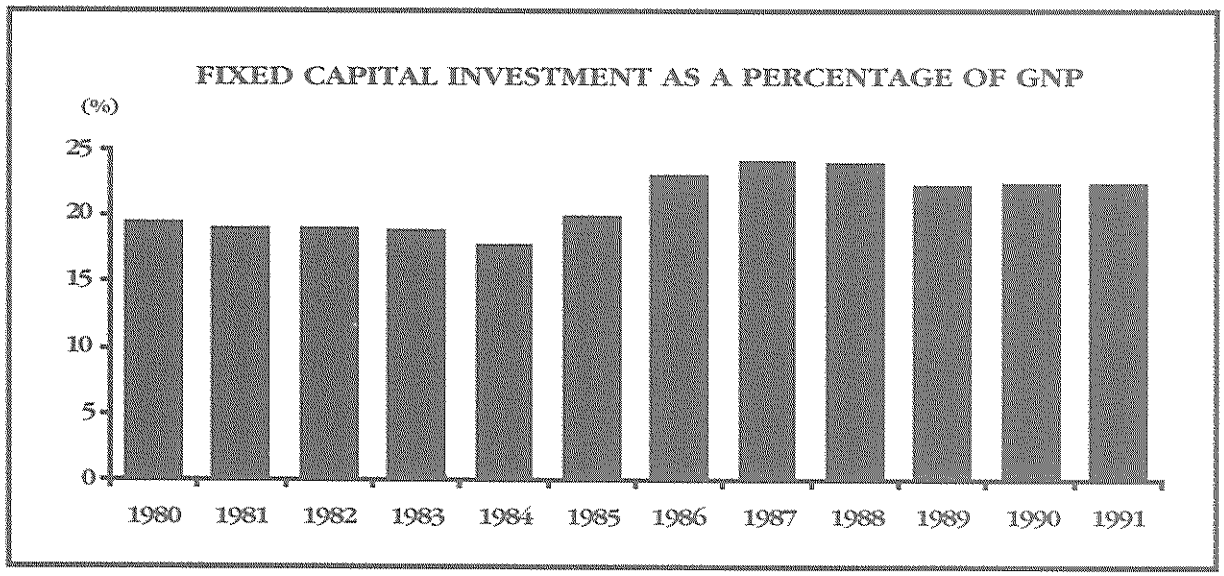
The share of total fixed investment within GNP was around 22.5 percent, whilst the share of total investment was 22.0 percent. These rates were 22.5 and 26.1 percent, respectively, in 1990. The share of private fixed investment within GNP decreased to 12.3 percent in 1991 from a level of 12.7 percent in 1990, whereas the share of public fixed investment rose to 10.2 percent from 9.8 percent.

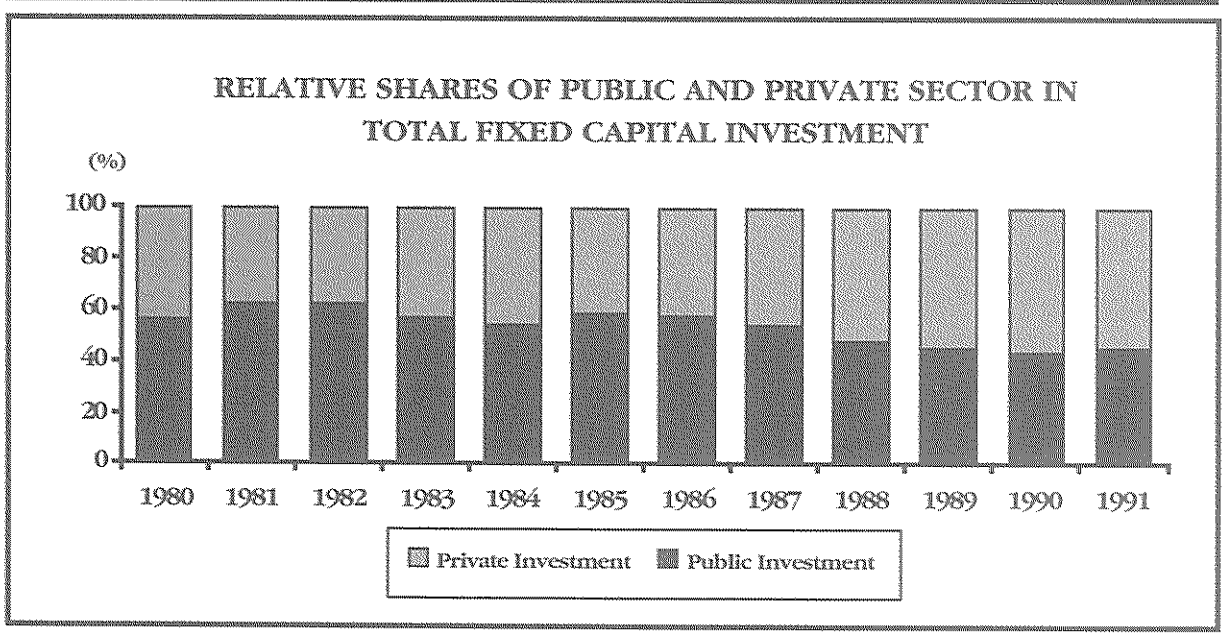
Transportation and communications and energy were the leading sectors within total public investment in 1991. Their shares were 36.5 and 19.4 percent, respectively. These sectors were followed by the other services with 13.5 percent, and by agriculture with 10.7 percent. The education sector's share which was 7.0 percent 1990, decreased to 5.6 percent last year.

DISTRIBUTION OF FIXED CAPITAL INVESTMENT
(As Percentage of Total)

	Public		Private		Total	
Sectors	**1990**	**1991**	**1990**	**1991**	**1990**	**1991**
Agriculture	9.5	10.7	4.8	4.5	6.9	7.3
Mining	3.4	3.4	1.2	1.3	2.2	2.3
Manufacturing	4.5	5.1	27.5	26.4	17.5	16.7
Energy	21.4	19.4	1.6	1.8	10.2	9.8
Transport & Communications	34.1	36.5	12.7	13.7	22.1	24.1
Tourism	1.3	1.5	6.2	6.1	4.0	4.0
Housing	4.0	1.6	41.1	40.5	25.0	22.8
Education	7.0	5.6	0.6	0.7	3.4	2.9
Health	2.8	2.7	0.9	1.5	1.7	2.0
Others	12.1	13.5	3.4	3.4	7.2	8.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: SPO





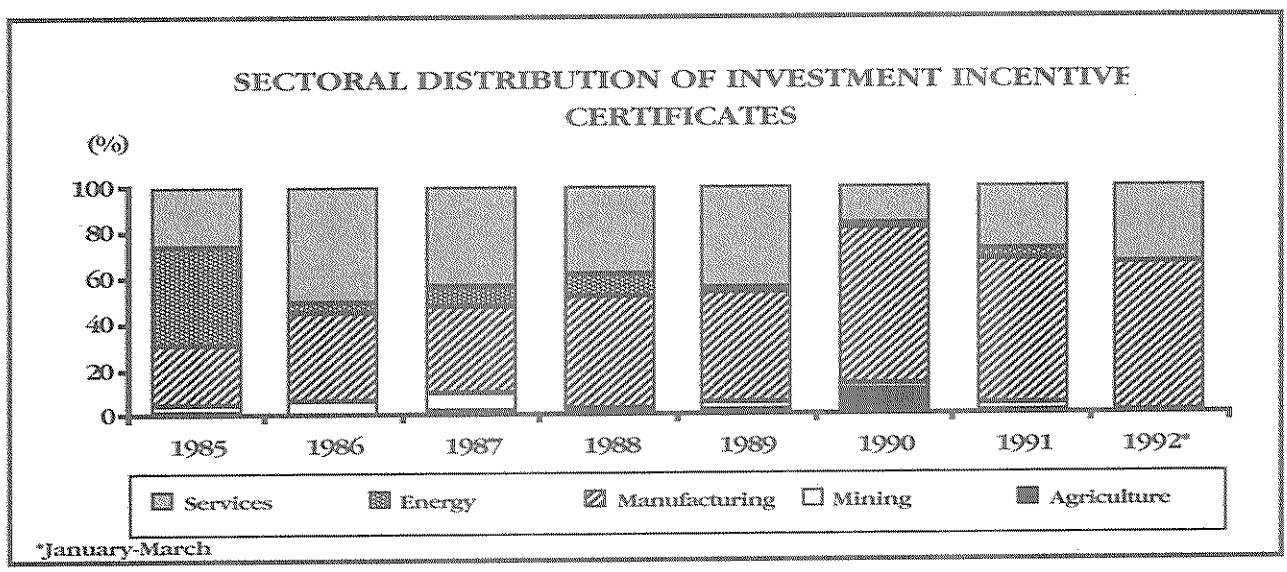
In the public sector, fixed capital investment continued to expand but much more slowly than in 1990. The slow down was primarily due to shrinking investment in energy production,public housing and education.There was a strong pick-up in public manufacturing investment in 1991, although from the very low level reached after a steep fall during the 1980s.

Fixed private investment, which had increased by around 19.2 percent at constant prices in 1990, fell by some 3.1 percent last year as a result of the weak conjuncture, the Gulf War and, last but not least, in reaction to the strong increase in investment in 1990. The decrease was of 8.1 percent in housing, 6.7 percent in agriculture, 5.1 percent in manufacturing, and 3.8 percent in tourism.

Investment Incentive Certificates

The sum of private investment within the total of incentive certificates issued last year rose by 69 percent at current prices, from TL 22,629 billion in 1990 to TL 38,131 billion.

At current prices, incentive-backed investments expanded by 53 percent to TL 23,858 billion in manufacturing, by 120 percent to TL 1,365 billion in mining , by 197 percent to TL 10,686 billion in services and by 256 percent to TL 1,647 billion in energy. In contrast, incentive-backed investments declined sharply at current prices in the agricultural sector ,by 76 percent to only TL 575 billion .



DISTRIBUTION OF INVESTMENT INCENTIVE CERTIFICATES ACCORDING TO THEIR APPLICATION

(As Percentage of Total)

Type of Investment	1986	1987	1988	1989	1990	1991
New Investments	72.4	63.9	74.4	78.8	76.7	69.0
Expansions	15.3	9.1	12.0	8.1	11.3	18.8
Completions	1.9	0.6	1.5	0.9	1.4	3.7
Renewals	4.5	3.0	0.7	1.1	0.8	1.5
Quality Improvement	2.1	0.4	0.3	0.1	0.2	0.1
Elimination of Bottlenecks	1.0	1.5	2.0	1.0	1.6	0.6
Modernization	1.6	20.6	7.4	8.0	5.4	5.2
Integration of Facilities	1.2	0.8	1.6	1.8	1.6	0.3
Financial Leasing	0.0	0.1	0.1	0.0	0.5	0.2
Transfers	0.0	0.0	0.0	0.1	0.5	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: SPO

The sectoral distribution of investment incentive certificates issued in 1991 again showed a heavy concentration in manufacturing (62.6 percent), followed by services (28 percent) and energy (4.3 percent).

By sub-sectors, incentive-backed investments rose significantly in fisheries products, chemicals, glassware, non-ferrous metals, machinery, cement, construction, transportation, trade, education, and health.

SECTORAL DISTRIBUTION OF INVESTMENT INCENTIVE CERTIFICATES
(January-March)

Sectors	1991 Share (%)	1992 Share (%)
Agriculture	4.0	0.2
Mining	5.9	1.3
Manufacturing	58.2	64.8
Energy	7.7	0.0
Services	24.1	33.7
Total	100.0	100.0
Total (TL Billion)	9,408.8	9,761.7

Source: SPO

In real terms, investment intentions -in the form of investment incentive certificates- in the first quarter of 1992 were markedly below those of the corresponding period of last year.

INVESTMENT INCENTIVE CERTIFICATES ACCORDING TO THEIR APPLICATION
(January-March)

Type of Investment	1991 Share (%)	1992 Share (%)
Transfers	0.7	0.0
New Investments	80.5	73.9
Expansions	12.8	13.2
Completions	0.5	5.6
Renewals	0.6	0.1
Quality Improvement	0.0	0.0
Elimination of Bottlenecks	0.1	0.4
Modernization	1.3	6.8
Integration of Facilities	0.1	0.9
Financial Leasing	0.0	0.6
Total	100.0	100.0
Total (TL Billion)	9,408.8	9,761.7

Source: SPO

Reverting to 1991, within total investment, the share of incentive-backed private investment in priority regions fell back . Thus, the share of East Anatolia decreased from 10.9 percent in 1990 to only 4.4 percent, and the share of South-east Anatolia went down from 22.7 to 12.6 percent.

Between sectors, the composition of investment certificates issued during the January-March period of 1992, as compared to the same months of last year, showed important changes. Share of energy, agriculture, and mining decreased sharply; whilst investment certificates for manufacturing and services rose considerably, but the total of investment certificates for this period increased only 3.8 percent in nominal terms, to TL 9,762 billion from TL 9,409 billion in 1990.

Despite the generous incentives made available by the State, investors' interest in regions of first priority in the development effort continued to decrease in early 1992. The joint share of East and South-east Anatolia in total incentive-backed private sector investment fell to only 4.4 percent in January-March period this year, as compared with 25.3 percent in the first quarter of 1991.

New Investment Incentives

New incentives for investment were announced in March 1992. According to the related decrees, credits will be extended to support incomplete investments. These loans will have a duration of five years with a two-year grace period. Some TL 200 billion worth of credit has been earmarked for the leather sector, which was particularly hard hit by the recession.TL 150 billion has been earmarked for the shipbuilding sector, to finance the completion of 18 ships worth TL 750 billion; and TL 500 billion has been set aside for the animal husbandry sector.

VAT raised on domestic machinery purchased by investors will be refunded in cash. This measure is aimed at eliminating unfair competition to the detriment of local producers, arising from a previous decision to refund the VAT raised on imported machinery and equipment.

Credits financed from the various special Funds raised by the Treasury will be increased, taking into account the amount of fixed investment on a selective sectoral basis.

In order to increase the rate of utilization of the $ 400 million long-term credit, extended by Japan's Exim Bank and the World Bank, 90 percent of the real interest on this credit will be refunded to investors.

Investments of TL 25 billion in priority development areas and of TL 200 billion in other areas are considered as "big" investments. The State will finance 30 percent of the power consumption, 50 percent of the Social Security premiums paid by employers, and the whole of the Housing Purchase Aid premiums paid by employers in the first year of operation in investments of between TL 25 billion and TL 50 billion realized in priority development areas. For investments of between TL 50 and 100 billion, these incentives will be secured for the first two years of operation and for investments of over TL 100 billion for the first 3 years. In all other areas, these incentives will be applied in the first operational year for investments of between TL 200 and 400 billion, in the first two years for investments of between TL 400 and 750 billion, and in the first three years for investments of over TL 750 billion.

Raw material imports for large investments in priority development areas will be free of "Fund" levies during the first year. In the case of large investments in other areas, the 10 percent Fund contribution will be reduced to nil on raw material imports during the first six months.

Small and medium-sized investments which have not been covered by incentive certificates, will be supported with credits for the purchase of machinery and equipment. In addition, plants employing more than 10 workers will not have to pay the premiums for Housing Purchase Aid and Compulsory Savings.

Construction

Building costs rose faster than inflation in 1991, despite the general stagnation in the construction sector.

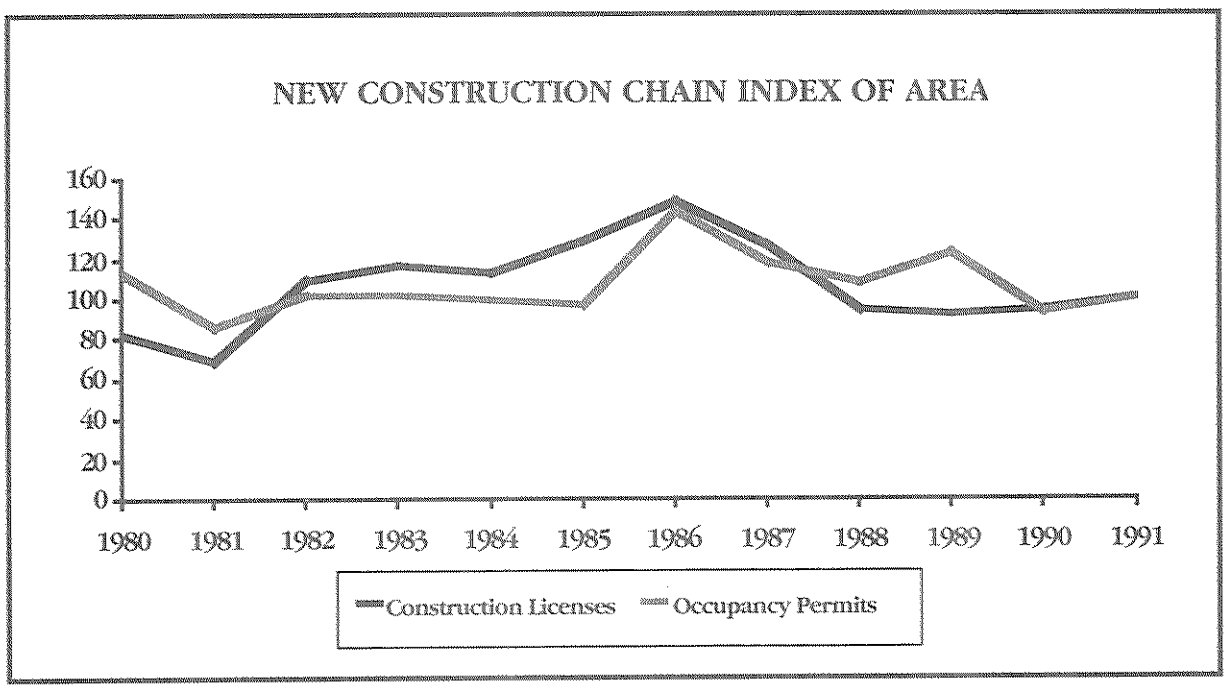
Calculations based on figures released by the State Institute of Statistics show that the cost per square metre of building an apartment flat in 1991, land excluded, rose by 73.5 percent to TL 726,850, from TL 439,563 in 1990. Therefore the cost of a 100 m2 apartment flat last year averaged TL 72.7 million.

As against the 73.5 percent increase in building costs, the annual average rise in wholesale prices materialized at 55.3 percent in 1991. Hence, the increase in average building costs exceeded by 18.2 points the rise in wholesale prices.

NEW CONSTRUCTION (Construction Licences)

Years	TL Million	Square Metres (000)	Chain Index	Cost Per Square Metre	Chain Index
1971	7,171.4	16,909.5	85.7	424.0	103.1
1972	8,686.4	19,230.9	113.7	452.0	106.5
1973	13,351.1	24,485.0	127.3	545.0	120.7
1974	15,136.0	20,347.6	83.1	744.0	136.4
1975	23,669.1	23,337.5	114.7	1,014.0	136.3
1976	32,682.9	29,618.7	126.9	1,103.0	108.8
1977	40,339.0	28,972.6	97.8	1,392.0	126.2
1978	92,729.1	32,237.3	111.3	2,876.0	206.6
1979	76,700.8	34,080.0	105.7	2,251.0	78.2
1980	249,539.7	28,422.4	83.4	8,780.0	390.1
1981	209,336.5	19,884.3	70.0	10,528.0	119.9
1982	288,052.0	21,728.7	109.3	13,257.0	125.9
1983	485,336.4	25,554.9	117.6	18,992.0	143.3
1984	799,095.0	28,888.6	113.1	27,661.0	145.7
1985	1,615,191.0	37,251.0	129.0	43,360.0	156.8
1986	3,881,419.0	55,624.0	149.3	69,780.0	160.9
1987	6,668,935.6	70,912.1	127.5	94,045.0	134.8
1988	12,174,500.0	67,861.3	95.7	179,403.0	190.8
1989	17,232,579.0	62,923.9	92.7	273,864.0	152.7
1990	26,077,451.0	60,083.0	95.5	434,023.8	158.5
1991	44,002,667.0	61,213.9	101.9	718,834.6	165.6

Source:SIS



NEW CONSTRUCTION (Occupancy Permits)

Years	TL Million	Square Metres (000)	Chain Index	Cost Per Square Metre	Chain Index
1971	3,308.3	8,068.7	99.7	410.0	110.5
1972	4,247.8	9,676.3	119.9	439.0	107.1
1973	5,598.1	10,879.8	112.4	515.0	117.2
1974	7,318.1	9,808.3	90.2	746.0	145.0
1975	11,648.0	11,551.4	117.8	1,008.0	135.2
1976	13,306.2	12,273.6	106.3	1,084.0	107.5
1977	18,818.6	14,158.6	115.4	1,329.0	122.6
1978	44,643.2	14,934.1	105.5	2,989.0	224.9
1979	80,261.5	15,635.9	104.7	5,133.0	171.7
1980	145,303.5	17,835.1	114.1	8,147.0	158.7
1981	166,449.9	15,469.9	86.7	1,076.0	132.1
1982	210,283.6	15,945.1	103.1	13,188.0	122.6
1983	297,300.0	15,931.0	103.0	18,662.0	173.4
1984	445,820.0	15,882.0	99.7	28,071.0	150.4
1985	675,054.0	15,489.0	97.5	43,583.0	155.3
1986	1,524,261.0	22,295.0	143.9	68,368.0	156.9
1987	2,421,119.3	26,385.6	118.4	91,759.0	134.2
1988	5,131,898.3	28,777.4	109.1	178,331.0	194.4
1989	9,761,683.0	35,588.1	123.7	274,296.0	153.8
1990	14,542,782.0	33,322.6	93.6	436,424.0	159.1
1991	23,905,990.0	33,050.9	99.2	723,308.3	165.7

Source:SIS

CONSTRUCTION LICENCES ISSUED AND OCCUPANCY PERMITS (January-March)

	1991	1992	Changes (%)
Construction Licences			
Number	21,491.0	23,569.0	9.7
Area (000 sqm)	11,635,285.0	13,601,051.0	16.9
Value (TL million)	7,106,146.0	13,460,321.0	89.4
Number of dwelling units	74,357.0	80,038.0	7.6
Occupancy Permits			
Number	17,073.0	16,186.0	-5.2
Area (000 sqm)	6,624,194.0	6,298,930.0	-4.9
Value (TL million)	3,975,189.0	6,115,123.0	53.8
Number of dwelling units	44,111.0	41,523.0	-5.9

Source: SIS

The average cost per square metre of a house amounted to TL 628,288 in 1991, up by 69.1 percent on 1990.

According to SIS figures, in 1991 the number of construction licences and the number of occupancy permits declined by 2.5 percent and 3.7 percent, respectively, on 1990. Last year, the municipalities issued 120,229 building licences and 90,991 occupancy permits.

In 1991, the value of the licensed buildings increased by 68.7 percent and their area rose by 1.9 percent compared to 1990.

The total area for which construction permits were issued amounted to 61,213,854 square metres. The number of dwelling units for which construction permits were granted fell from 123,304 in 1990 to 120,229 in 1991.Of the buildings given construction permits, 66,350 were houses, 41,651 apartments, 6,238 commercial premises, 2,122 industrial buildings, and 989 were health, social and cultural buildings.

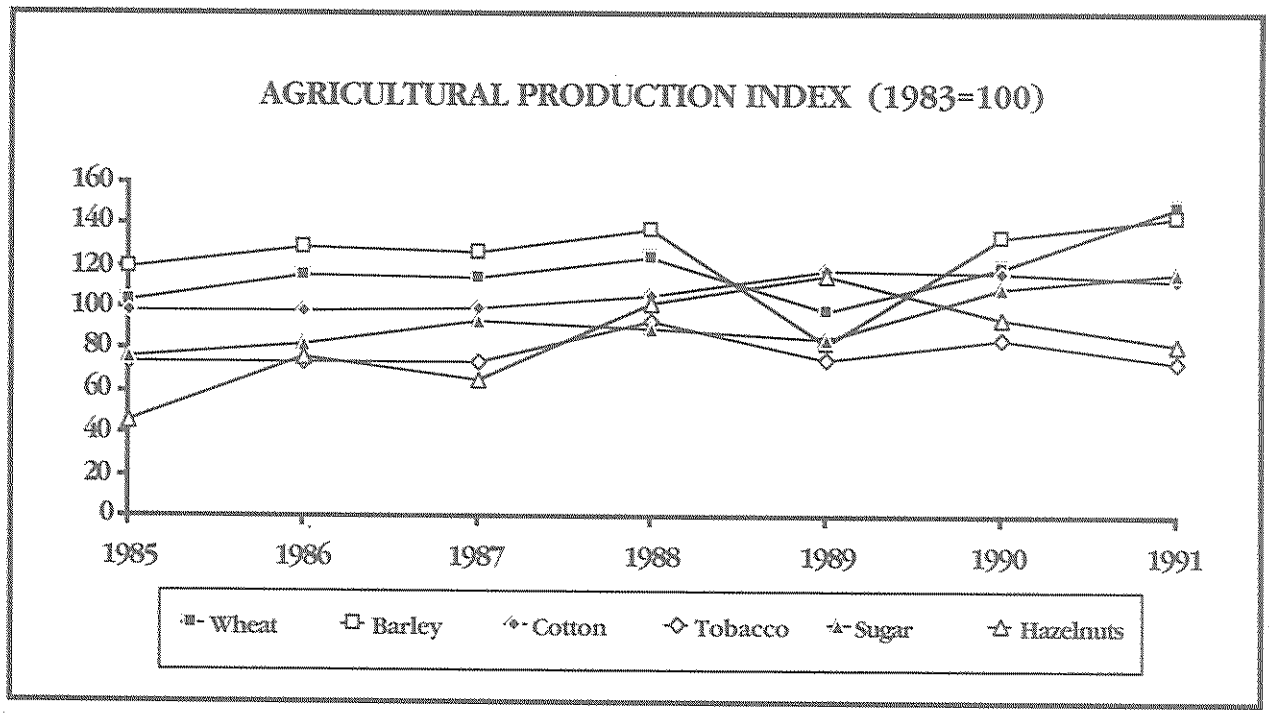
Compared to the previous year, the number of construction permits rose by 3.8 percent for apartments, 13.2 percent for commercial premises and 13.9 percent for health, social and cultural buildings. On the other hand, the number of contstruction permits fell by 4.2 for houses, by 46.5 for industrial constructions and by 19.2 percent for other buildings.

IV. PRODUCTION

Agricultural Production

After a very poor performance in 1989, when GNP growth in the agricultural sector, at constant prices, was negative and actually fell by 7.4 percent, agriculture registered an outstanding improvement of 8.2 percent in 1990. Unfortunately, however, this trend was reversed in 1991, with a negative growth rate of - 1.5 percent.

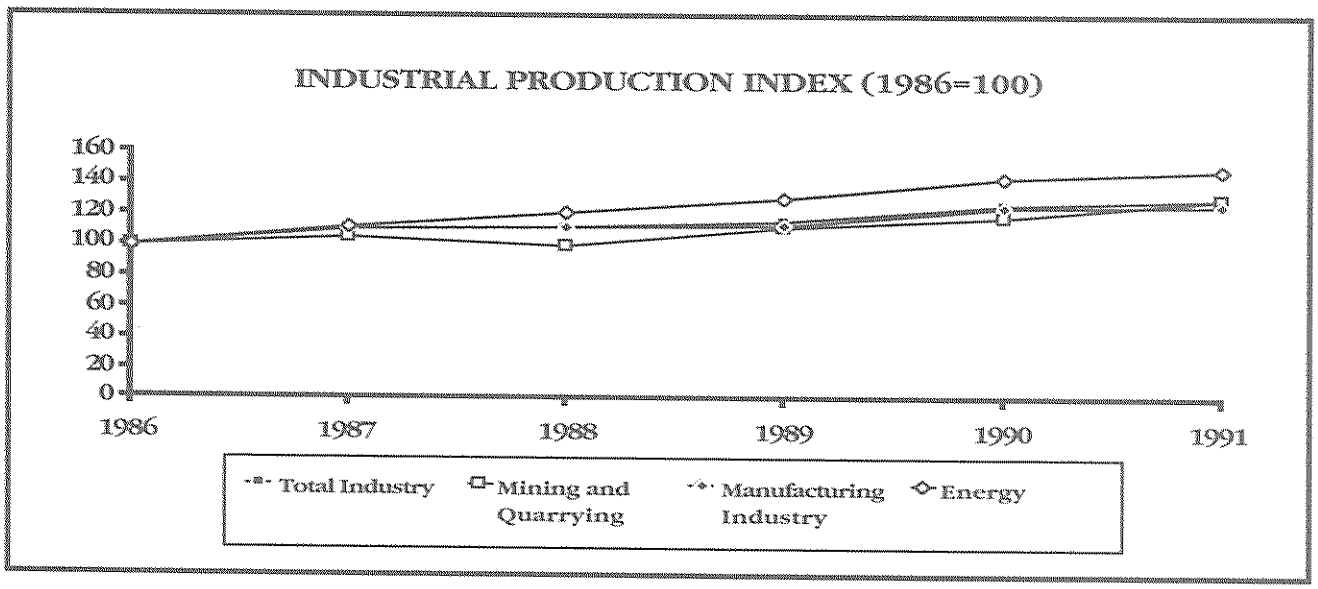
Wheat production was more or less stagnant; it increased from 20 million tonnes to 20.4 million tonnes in 1991 (up by 2 percent), and barley production went up from 7.3 million tonnes in 1990 to 7.8 millon tonnes. Tobacco and cotton production fell by 18.1 percent and 3.0 percent, respectively, whilst, hazelnut production also did badly, recording a 14.7 percent decrease as compared to the previous year.



Industrial Production

Industrial production grew by only 2.6 percent last year, which compared unfavourably with the improvement of 9.5 percent in 1990.

According to State Institute of Statistics data, industrial output last year expanded by 3.9 percent in the public sector against a rise of only 1.6 percent in the private sector. By sectors,



the highest output increase was recorded in the mining industry, up 10.1 percent. Instrumental in this increase was a 21.5 percent rise in crude oil and natural gas output. However,this rate was, below the 29.3 percent achieved in 1990. Last year, output of iron ore expanded by 14.4 percent, whilst production of coal declined by 4.8 percent, and output of other mining products fell by 12 percent.

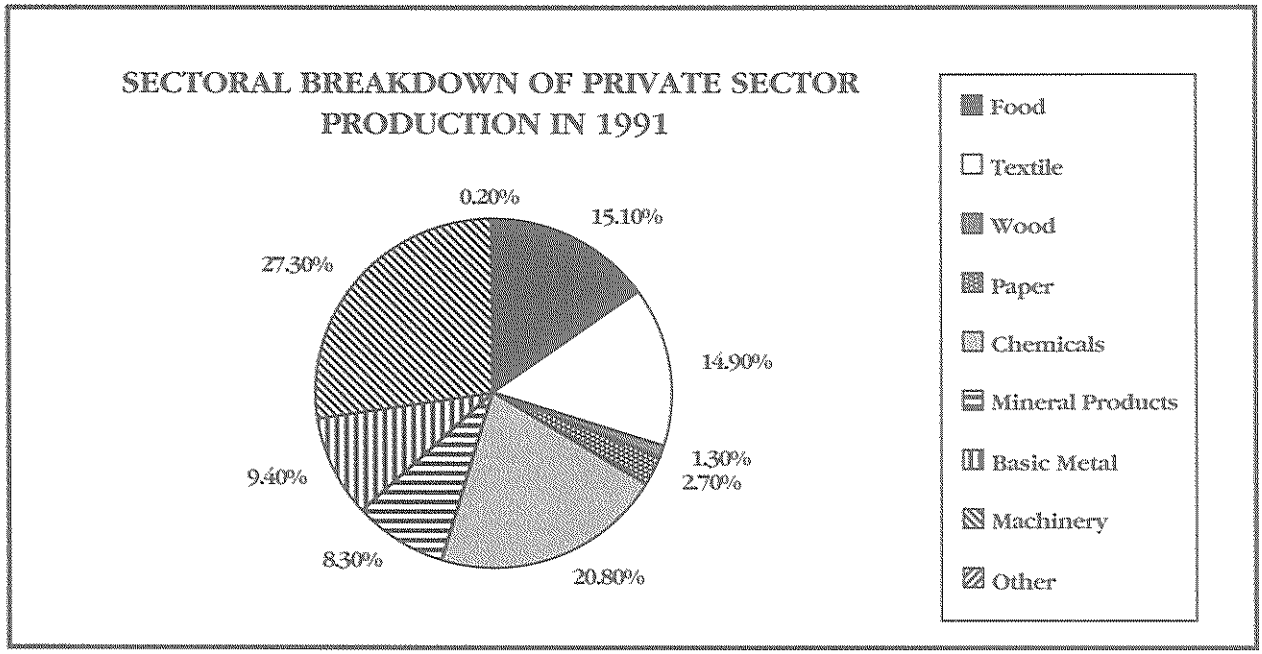
The manufacturing industry performed poorly last year, with an output rise of a mere 1.8 percent as against 9.5 percent in 1990.There was a sharp fall in manufacturing output across most major branches. According to industrial production index, within the manufacturing industry, the highest output growth was into the machinery sector, up by 11.8 percent. Rises of 9.2 percent and 4.6 percent were recorded for the food industry and the soil products industry. Production fell by 8.6 percent in textiles , by 6.2 percent in forestry products, by 5.9 percent in the paper and printing industry, by 7.8 percent in the metal industry, by 0.6 percent in the chemicals industry and by 22.7 in other manufacturing industry sub-sectors.Production of energy went up by only 3.8 percent last year, well below the 10.8 percent increase recorded in 1990.

Industrial output recovered in the second half of 1991, raising its average annual growth rate to some 3 percent. However, electricity consumption in industry - often used as concurrent indicator of industrial activity - remained weak throughout 1991, falling by some 3 percent for the year on average.In the first quarter of 1992, industrial output rose by 10.2 percent as compared to the same period of the previous year.

PERCENTAGE CHANGES IN INDUSTRIAL PRODUCTION INDEX COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR

					Annual Average		
	I.Quart.	II.Quar.	III.Quar.	IV.Quar.	Public	Private	Total
Industry							
1990	10.8	8.9	9.0	9.3	8.1	10.7	9.5
1991	-2.1	2.4	6.5	3.4	3.9	1.6	2.6
1992	10.2						
Mining							
1990	8.8	2.0	7.4	5.6	13.5	-13.5	6.2
1991	12.1	15.2	7.6	8.1	13.7	-2.7	10.1
1992	3.8						
Manufacturing Ind.							
1990	10.7	9.6	8.7	9.1	5.4	11.7	9.5
1991	-4.3	2.0	6.4	2.8	1.6	1.9	1.8
1992	9.5						
Energy							
1990	12.3	8.1	10.9	11.7	11.4	3.9	10.8
1991	3.8	0.4	6.3	4.3	5.1	-10.4	3.8
1992	15.9						

Source: SIS



THE SHARE OF THE PRIVATE SECTOR IN MANUFACTURING INDUSTRIES (%)

	1990	1991
Food-Beverages-Tobacco	59.1	54.5
Textiles-Leather	92.2	92.3
Wood Products, Furniture	68.0	76.7
Paper Products, Printing	67.1	71.9
Chem.,Petr.,Rubber,Plas.	46.3	48.9
Non-Metallic Mineral Pr.	87.7	86.4
Basic Metal Industry	62.0	62.5
Mach.,Equip.,Trans.Vehi.	94.6	87.4
Other Manufacturing	93.9	92.5
Total	68.5	67.6

SECTORAL BREAKDOWN OF PRIVATE SECTOR PRODUCTION (%)

	1990	1991
Food-Beverages-Tobacco	13.9	15.1
Textiles-Leather	16.5	14.9
Wood Products, Furniture	1.0	1.3
Paper Products, Printing	2.7	2.7
Chem.,Petr.,Rubber,Plas.	20.9	20.8
Non-Metallic Mineral Pr.	8.8	8.3
Basic Metal Industry	10.2	9.4
Mach.,Equip.,Trans.Vehi.	25.9	27.3
Other Manufacturing	0.2	0.2
Total	100.0	100.0

Source: SIS

PRODUCTION VALUES OF THE MANUFACTURING INDUSTRY & RATES OF CHANGES (TL Billion)

Industry Groups	1990 Current Prices	1991 Current Prices	1991* At 1990 Prices	1991 Share in Total MFG.	1991 Growth (%) Current
Food-Beverages-Tobacco	22,681	42,918	31,641	18.7	89.2
(Public)	9,278	19,486	10,317	8.5	110.0
(Private)	13,403	23,432	21,324	10.2	74.8
Textiles-Leather	17,287	25,209	16,520	11.0	45.8
(Public)	1,354	1,936	1,217	0.8	43.0
(Private)	15,933	23,273	15,303	10.1	46.1
Wood Products, Furniture	1,411	2,342	1,701	1.0	66.0
(Public)	451	544	510	0.2	20.6
(Private)	960	1,798	1,191	0.8	87.3
Paper Products, Printing	3,917	5,986	3,807	2.6	52.8
(Public)	1,290	1,680	1,158	0.7	30.2
(Private)	2,627	4,306	2,649	1.9	63.9
Chem.,Petr.,Rubber,Plas.	43,724	66,078	41,999	28.8	51.1
(Public)	23,499	33,726	21,368	14.7	43.5
(Private)	20,225	32,352	20,631	14.1	60.0
Non-Metallic Mineral Pr.	9,658	14,828	9,939	6.5	53.5
(Public)	1,191	2,002	1,345	0.9	68.1
(Private)	8,467	12,826	8,594	5.6	51.5
Basic Metals Industry	15,931	23,329	15,253	10.2	46.4
(Public)	6,052	8,730	5,752	3.8	44.2
(Private)	9,879	14,599	9,501	6.4	47.8
Mach.,Equip.,Trans.Vehi.	26,414	48,388	29,129	21.1	83.2
(Public)	1,419	6,089	1,739	2.7	329.1
(Private)	24,995	42,299	27,390	18.4	69.2
Other Manufacturing	209	308	189	0.1	47.4
(Public)	13	23	14	0.0	76.9
(Private)	196	285	175	0.1	45.4
TOTAL	141,231	229,383	144,100	100.0	62.4
(Public)	44,546	74,213	44,241	32.4	66.6
(Private)	96,685	155,170	99,859	67.6	60.5

**Provisional*
Source : SIS

In 1991, the chemical industry was leading within the manufacturing industry with a share of 28.8 percent.The machinery and food sectors were following with shares of 21.1 and 18.7 percent.

Overall utilization of installed industrial production capacity was 73.9 percent in 1991 ,as against 74.3 percent in the previous year. The manufacturing industry's failure to work at full capacity during 1991 was attributed largely to insufficient domestic and foreign demand.For the January-March 1992 period, capacity utilization materialized at 73.7 percent, compared to 71.6 percent for the same period of 1991.

Productivity

The average labour productivity in the period of 1983-1990 was realized around TL 43.88 million in the private and TL 28.42 million in the public sector, according to the "500 Largest Industrial Firms" publication of the Istanbul Chamber of Industry. The net value added/fixed assets ratio, the capital productivity , was realized at around 1.037 in the private sector and at 0.337 in the public sector.

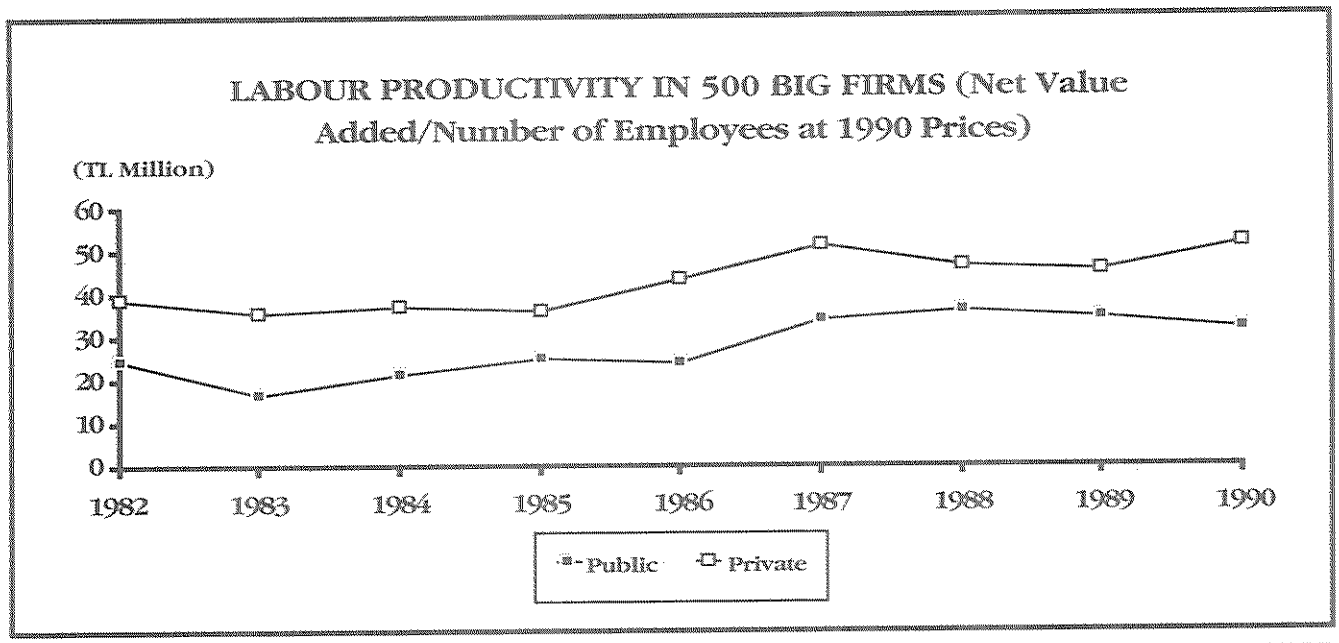
LABOUR,CAPITAL AND TOTAL FACTOR PRODUCTIVITY (AT 1990 PRICES)

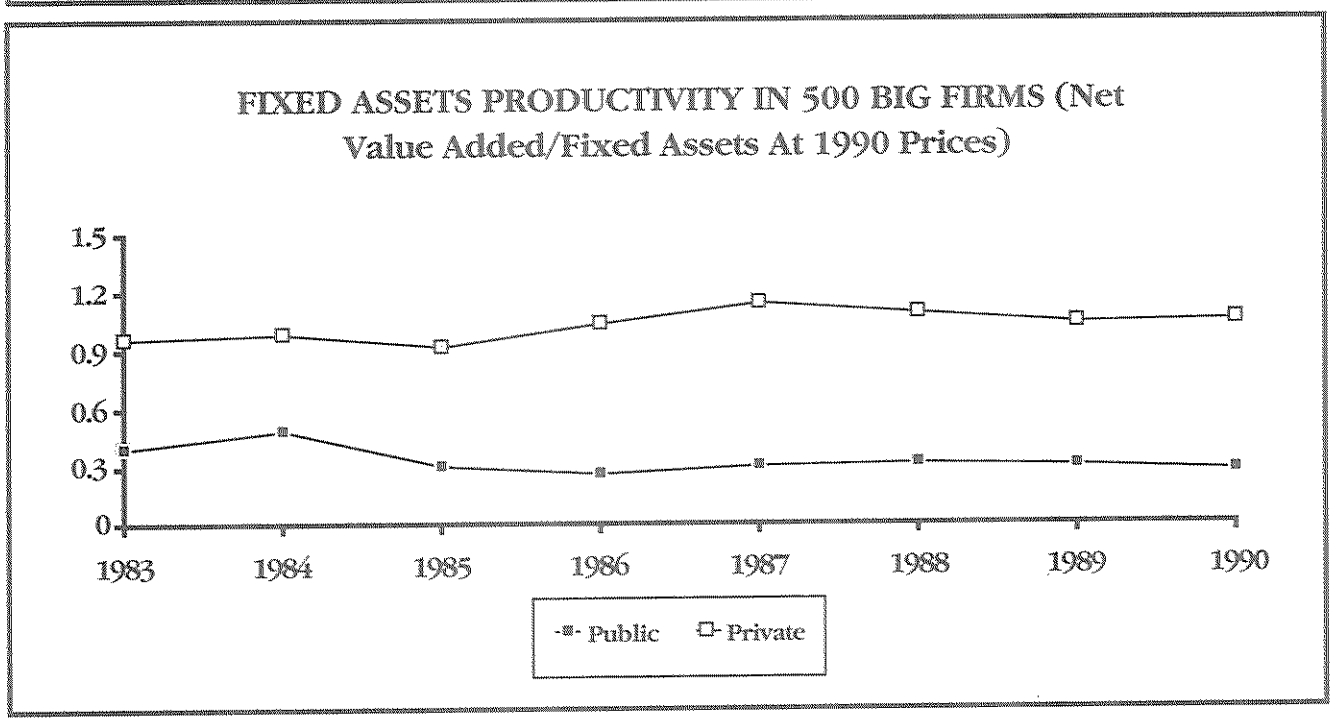
	Net Value Added/Number of Employees (TL Thousand)			Net Value Added/Fixed Assets			Total Factor Productivity (TL Thousand)		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
1982	24,830	39,293	31,589						
1983	17,322	36,014	25,205	0.407	0.969	0.625	21,589	38,860	32,432
1984	21,641	37,366	28,671	0.496	0.992	0.700	30,239	40,199	38,147
1985	25,433	36,372	30,020	0.304	0.933	0.463	25,578	38,240	30,147
1986	24,450	44,066	32,871	0.268	1.046	0.468	23,409	44,184	31,713
1987	34,275	51,821	42,169	0.306	1.152	0.515	29,245	49,631	36,893
1988	36,570	47,135	41,271	0.316	1.096	0.495	30,183	46,615	35,645
1989	35,180	46,194	40,184	0.310	1.049	0.491	31,184	45,090	36,102
1990	32,463	52,099	41,611	0.287	1.063	0.499	30,475	48,426	38,193
Average	28,417	43,883	35,250	0.337	1.037	0.532	27,738	43,906	34,940

LABOUR, CAPITAL AND TOTAL PRODUCTIVITY INDICES (1990=100)

	Labour Productivity Index			Capital Productivity Index			Total Factor Productivity Index		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
1982	76.5	75.4	75.9						
1983	53.4	69.1	60.6	141.9	91.1	125.2	75.6	81.7	89.4
1984	66.7	71.7	68.9	173.0	93.3	140.1	11.9	85.0	107.1
1985	78.3	69.8	72.1	106.2	87.7	92.7	94.7	80.7	84.4
1986	75.3	84.6	79.0	93.4	98.4	93.7	85.4	93.9	88.1
1987	105.6	99.5	101.3	106.8	108.3	103.2	106.3	105.7	102.5
1988	112.7	90.5	99.2	110.3	103.1	99.2	111.1	99.1	99.2
1989	108.4	88.7	96.6	108.4	98.7	98.4	108.4	94.8	97.5
1990	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

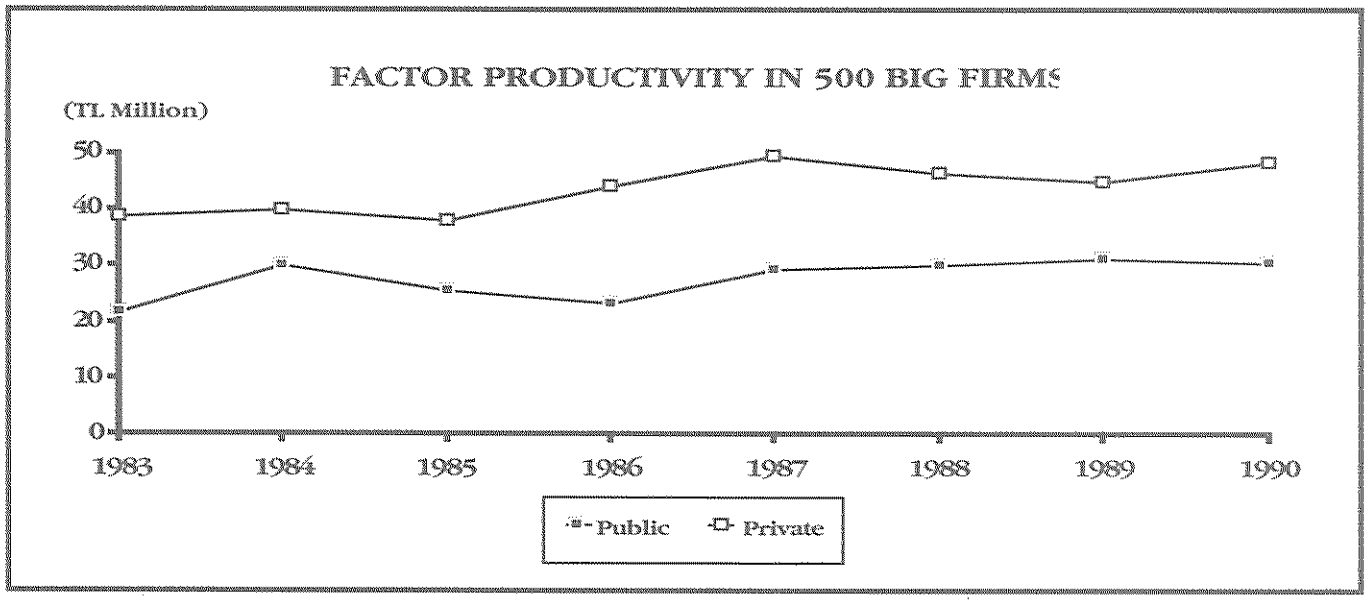
Source: Istanbul Chamber of Industry





The factor productivity ,that is the weighted average of labour and capital productivity, was TL 43.91 million in the private sector and TL 27.74 million in the public sector for the same period.

If the productivity levels are analyzed with a help of an index, it will be seen that the private sector reached its highest level in total factor productivity in 1987, whilst the highest levels achieved by the public sector were in 1989 and 1990



V. LABOUR MARKET

Employment

As will be seen from the table, the available statistics put the civilian labour force at 20.7 million and civilian employment at 19.2 million, leaving 1.5 million unemployed as of April 1991. The official rate of unemployment was 7.1 percent and thus lower than in 1990 (7.3 percent). The rate of employment growth was a high 5.7 percent in 1991, compared to only 1 percent in the boom growth year 1990.

Recent labour market statistics should be interpreted with a caution. The statistics suggest a slowdown of total employment growth from 2.3 percent in 1989 to 1.1 percent in 1990, when the economy was booming. The provisional figures for April 1991, when economic activity slowed down, suggest an acceleration of total employment growth to 5.7 percent.On the other hand, according to the provisional estimate for the whole year of 1991 employment growth was 2.8 percent. Therefore, estimated total employment gain in 1991 is among the highest for more than a decade.

The SIS estimates the 1992 unemployment rate at 7.3 percent. Accordingly, in 1992 Turkey's civilian labour force will reach 21,173,000, civilian employment 19,620,000 and the number of the jobless 1,553,000. By sectors, it is estimated that the share of agriculture in total employment will fall to 49.1 percent, from 49.9 percent in 1991, whilst the share of industry will rise to 15.1 percent, from 14.9 percent.

DEVELOPMENTS IN THE LABOUR MARKET
(15+AGE, IN THOUSANDS)

	1989	1990		1991*	Change	
	Oct. (1)	Apr. (2)	Oct. (3)	Apr. (4)	(3/1)	(4/2)
Civilian Labour Force	20,139	19,844	20,163	20,707	0.1	4.3
Civilian Employment	18,479	18,208	18,681	19,237	1.1	5.7
Unemployed	1,663	1,636	1,482	1,471	-10.9	-10.1
Unemployment rate (%)	8.3	8.2	7.3	7.1		
CIVILIAN EMPLOYMENT by SECTORS						
AGRICULTURE	9,096	9,037	8,616	9,602	-5.3	6.3
INDUSTRY	2,804	2,573	2,955	2,870	5.4	11.5
Mining	147	172	223	133	51.7	-22.7
Manufacturing Ind.	2,627	2,360	2,720	2,722	3.5	15.3
Electricity,Gas and Water	31	41	12	14	-61.3	-65.9
SERVICES	6,576	6,598	7,110	6,765	8.1	2.5
Construction	974	847	895	882	-8.1	4.1
Transportation	812	762	844	785	3.9	3.0
Commerce	2,003	2,005	2,173	2,104	8.5	4.9
Financial Institutions	431	388	409	406	-5.1	4.6
Other Services	2,356	2,596	2,789	2,587	18.4	-0.3
TOTAL	18,476	18,208	18,681	19,237	1.1	5.7

**Provisional*
Source: SPO

Collective Bargaining Agreements

During 1991, 5,030 collective bargaining agreements were made; these involved 1,089,549 wokers and 13,169 establisments. In the first four months of 1992, 624 collective bargaining agreements were concluded.

COLLECTIVE BARGAINING AGREEMENTS

	1988	1989	1990	1991	1992*
Number of Collective Barg. Agre.	2,454	2,725	1,954	5,030	624
Public	705	566	881	782	-
Private	1,749	2,159	1,073	4,248	-
Number of Workers Involved	629,303	829,341	483,852	1,089,549	64,556
Public	248,177	631,197	278,590	630,844	-
Private	381,126	198,144	205,262	458,705	-
Number of Establishments	10,576	10,329	11,399	13,169	3,865
Public	7,000	7,706	7,799	7,485	-
Private	3,576	2,623	3,600	5,684	-

** January - April*
Source : Ministry of Labour and Social Security

Wages

A reversal of wage trends took place in 1989 when average nominal wages in the private and public sector were raised by 123 and 138 percent, respectively.

As a result of labour union pressure and pre-election pressures,nominal wage increases were well over 100 percent in many sectors, in 1991, so real wages rose sharply.The increase in labour cost in real terms was 56.6 percent in the public sector, and 50.6 percent in the private sector.

WORKERS' WAGES AND DEVELOPMENTS IN LABOUR COSTS (TL/DAY)

	Public Sector		Private Sector	
Years	Nominal Wage	Total Labour Cost	Nominal Wage	Total Labour Cost
1987	6,175.0	9,934.0	9,847.4	12,165.9
1988	9,226.0	14,842.2	16,423.3	20,103.6
1989	21,698.0	36,835.0	36,577.5	44,220.0
1990 (1)	43,786.0	74,333.0	68,237.0	83,115.0
1991(2)	113,843.6	193,265.8	170,592.5	207,787.5

(1) Provisional for the Public Sector

(2)Estimate

Source:TISK,SPO,SIS

REAL INCREASES(*)

	Public Sector		Private Sector	
Years	Nominal Wages (%)	Total Labour Cost (%)	Nominal Wages (%)	Total Labour Cost (%)
1987	1.5	20.2	12.6	10.7
1988	-14.8	-14.8	-4.9	-5.8
1989	38.1	46.3	31.3	29.7
1990 (1)	25.9	25.9	16.4	17.3
1991(2)	56.6	56.6	50.6	50.6

(1) Provisional for the Public Sector

(2)Estimate

(*)SIS Consumer Prices Index was used in real increases calculations

The base is 1987=100 since 1990

Source:TISK,SPO,SIS

CHAPTER II

FOREIGN ECONOMIC RELATIONS

FOREIGN ECONOMIC RELATIONS

In spite of the downturn in world trade and diminishing government export subsidies, export growth has been particularly strong over the past decade. This welcome improvement has been especially due to the many internationally competitive industries which sprung up during the 'eighties. Helped by a substantially real devaluation of the TL, and in spite of the slump in the domestic economy, exports continued to grow in 1991. On the other hand, domestic market pressures, along with lower oil prices, brought about a decline in imports, and the balance of payments showed a current account surplus of $272 million, as against the deficit of $2.6 billion recorded in 1990.

This surplus resulted from the reduction in the visible trade deficit, along with a very substantial increase in foreign governments' aid related to the Gulf crisis. Indeed, tourism revenues declined by $600 million to $2.6 billion, and workers' remittances fell by $427 million to only $2.8 billion.

I. FOREIGN TRADE

Although exports in 1991 increased by 4.9 percent, totalling $ 13.6 billion, they fell $ 500 million short of the official target. Meanwhile, imports declined by 5.7 percent matching the targeted level of $ 21 billion. As a result, the trade deficit narrowed by $ 1.9 billion to $ 7.4 billion.

The primary reason behind the fall in imports was the reduction of about $1 billion in outgo on imports of crude oil. Other notable decreases occurred in the imports of wheat and in the automotive sector.

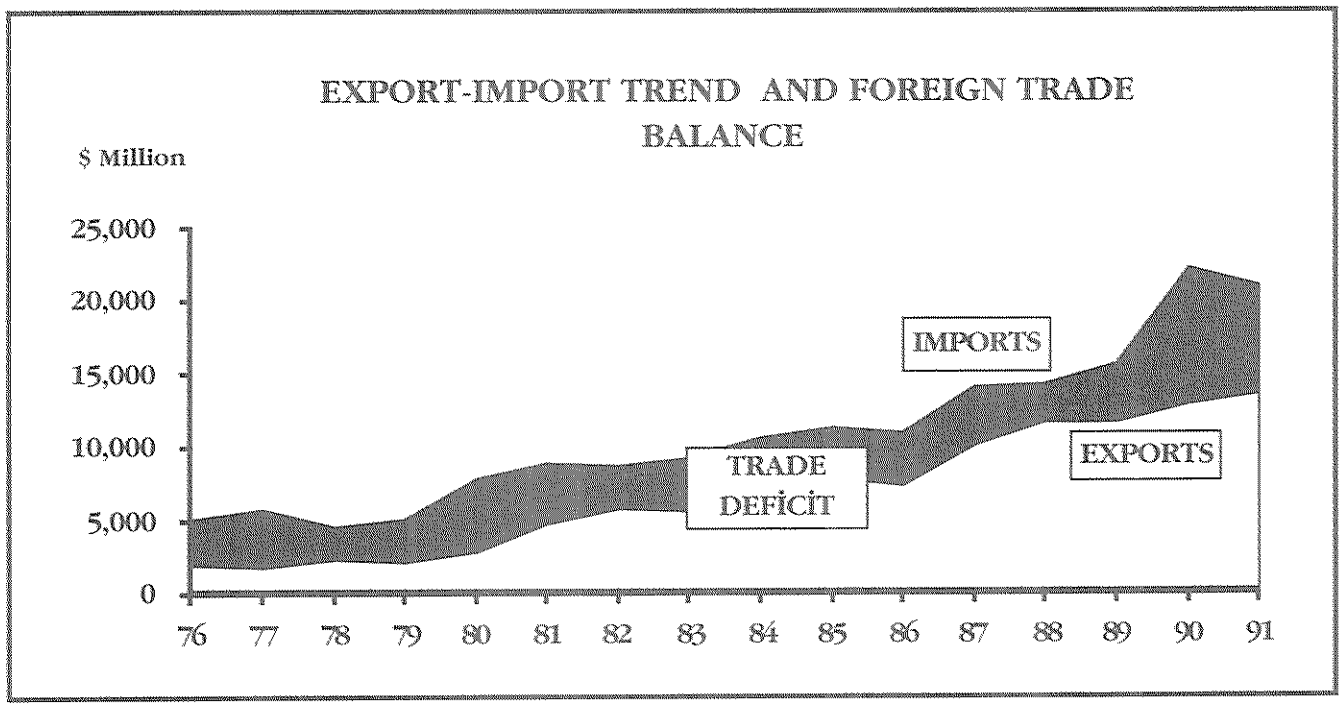
Exports of industrial goods increased by only 3.4 percent (by 12.7 percent in 1990) and had a 78.2 percent (79.3 percent in 1990) share in total exports, whilst exports of agricultural produce grew rapidly, increasing its share to 19.7 percent from 18.1 percent.

FOREIGN TRADE AND GROSS DOMESTIC PRODUCT

		1989	1990	1991 (*)
GDP	TL Billion	170,412.4	287,254.2	454,838.0
Exports	TL Billion	24,819.3	34,071.0	57,373.4
	$ Million	11,624.7	12,959.5	13,597.9
Imports	TL Billion	33,762.2	58,755.2	88,914.2
	$ Million	15,792.1	22,302.3	21,038.3
Foreign Trade Volume	TL Billion	58,581.5	92,826.2	146,287.6
	$ Million	27,416.8	35,261.8	34,636.2
Exports in GDP (%)		14.6	11.9	12.6
Imports in GDP (%)		19.8	20.5	19.5
Foreign Trade in GDP (%)		34.4	32.3	32.2
Share of Exports in Total Trade (%)		42.4	36.8	39.3
Share of Imports in Total Trade (%)		57.6	63.2	60.7
Export/Import (%)		73.6	58.1	64.6

(*) SPO estimate
Source: SPO

Textiles held the biggest share of total exports, with 32 percent (the same as in 1990) followed by iron and steel with 10.6 percent (12.4 percent in 1991).



SECTORAL DISTRIBUTION OF FOREIGN TRADE
($ Million)

	1989	1990	Share (%)	Change (%)	1991*	Share (%)	Change (%)
A. IMPORTS	15,792.1	22,302.0	100.0	41.2	21,038.4	100.0	-5.7
1. PUBLIC	6,579.7	7,471.1	33.5	13.5	6,938.0	33.0	-7.1
- Consumption Goods	604.7	874.5	3.9	44.6	847.2	4.0	-3.1
- Investment Goods	1,440.0	1,178.4	5.3	-18.2	1,667.6	7.9	41.5
- Raw Materials	4,535.0	5,418.2	24.3	19.5	4,423.2	21.0	-18.4
2. PRIVATE	9,212.5	14,833.6	66.5	61.0	14,100.4	67.0	-4.9
- Consumption Goods	784.2	2,149.9	9.6	174.2	2,052.8	9.8	-4.5
- Investment Goods	2,405.2	4,609.1	20.7	91.6	4,385.8	20.8	-4.8
- Raw Materials	6,023.1	8,074.6	36.2	34.1	7,661.8	36.4	-5.1
3. TOTAL			100.0			100.0	
- Consumption Goods	1,388.9	3,024.4	13.6	117.8	2,900.0	13.8	-4.1
- Investment Goods	3,845.1	5,787.5	26.0	50.5	6,053.4	28.8	4.6
- Raw Materials	10,558.1	13,492.8	60.5	27.8	12,085.0	57.4	-10.4
B. EXPORTS	11,624.7	12,959.0	100.0	11.5	13,598.3	100.0	4.9
1. PUBLIC	1,085.8	673.5	5.2	-38.0	1,105.2	8.1	64.1
2. PRIVATE	10,538.9	12,285.5	94.8	16.6	12,493.1	91.9	1.7
C. FOREIGN TRADE BALANCE	-4,167.4	-9,345.7		124.3	-7,440.1		-20.4
1. PUBLIC	-5,493.8	-6,797.6		23.7	-5,832.8		-14.2
2. PRIVATE	1,326.4	-2,548.1		-	-1,607.3		-36.9

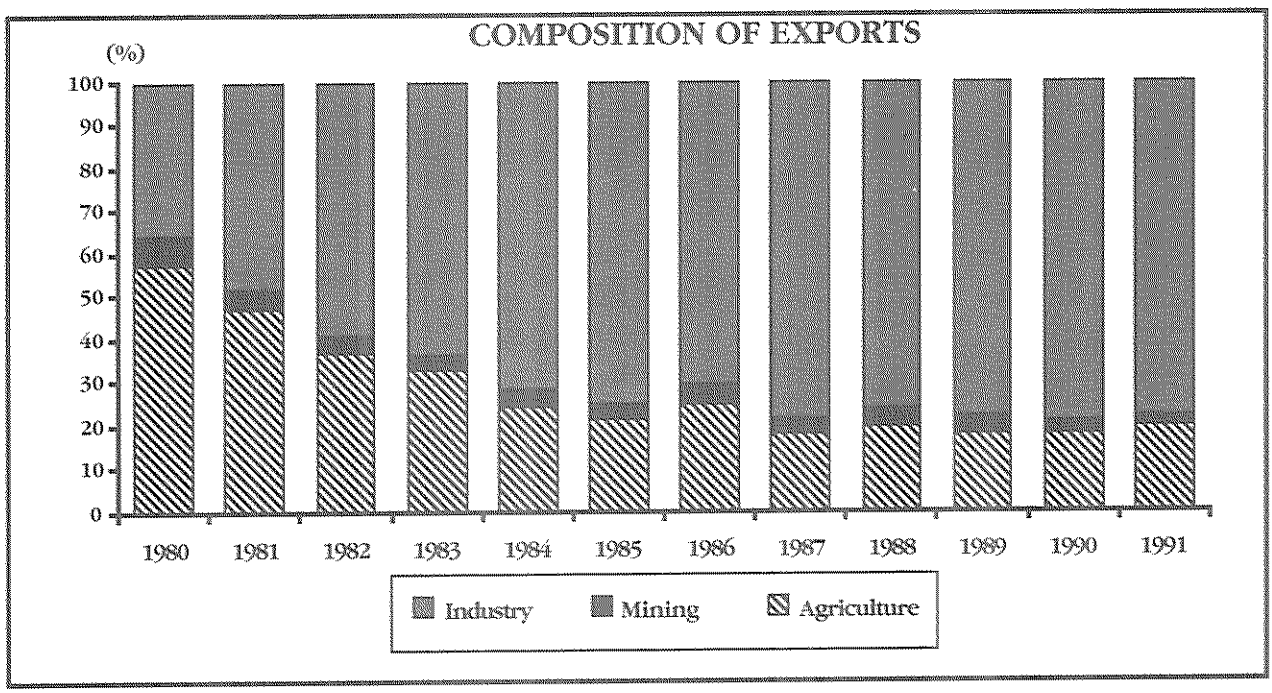
** Provisional*
Source: SPO

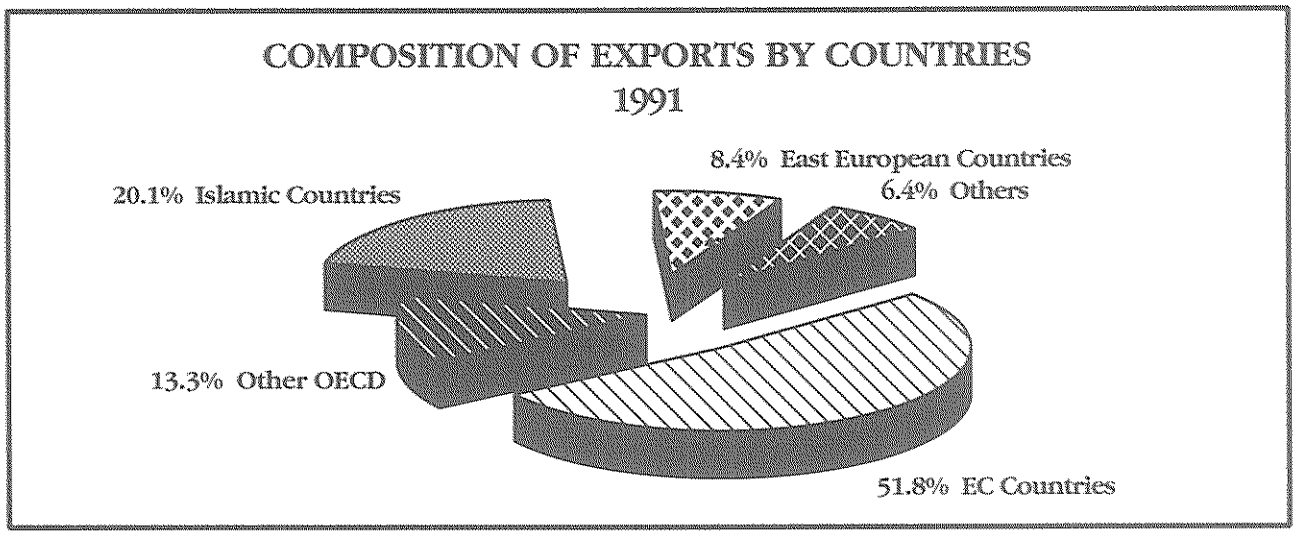
Imports of investment goods which had a share of 28.8 percent in total imports (26.0 percent in 1990) experienced an increase of 4.6 percent, whilst imports of consumption goods, with a share of 13.8 percent, and raw materials with 57.4 percent, declined by 4.1 percent and 10.4 percent, respectively. The share of crude oil imports in the total fell to 11.7 percent in 1991, from 15.7 percent in 1990.

EXPORTS BY SECTORS AND BY COUNTRY GROUPS ($ Million)

	1990	Share (%)	1991	Share (%)	Change (%)	1992(*)	Share (%)
BY SECTORS							
Agriculture	2,347	18.1	2,683	19.7	14.3	445.8	19.3
Mining	332	2.6	286	2.1	-13.8	47.8	2.1
Industry	10,281	79.3	10,629	78.2	3.4	1,811.9	78.6
BY COUNTRY GROUPS							
EC Countries	6,893	53.2	7,042	51.8	2.2	1,178.1	51.1
Other OECD	1,917	14.8	1,814	13.3	-5.4	312.7	13.6
Islamic Countries	2,498	19.3	2,730	20.1	9.3	477.4	20.7
East European Countries	987	7.6	1,136	8.4	15.1	175.2	7.6
Others	664	5.1	877	6.4	31.9	162.2	7.0
TOTAL	12,959		13,598		4.9	2,305.6	

**January-February, Provisional*
Source: SIS, SPO





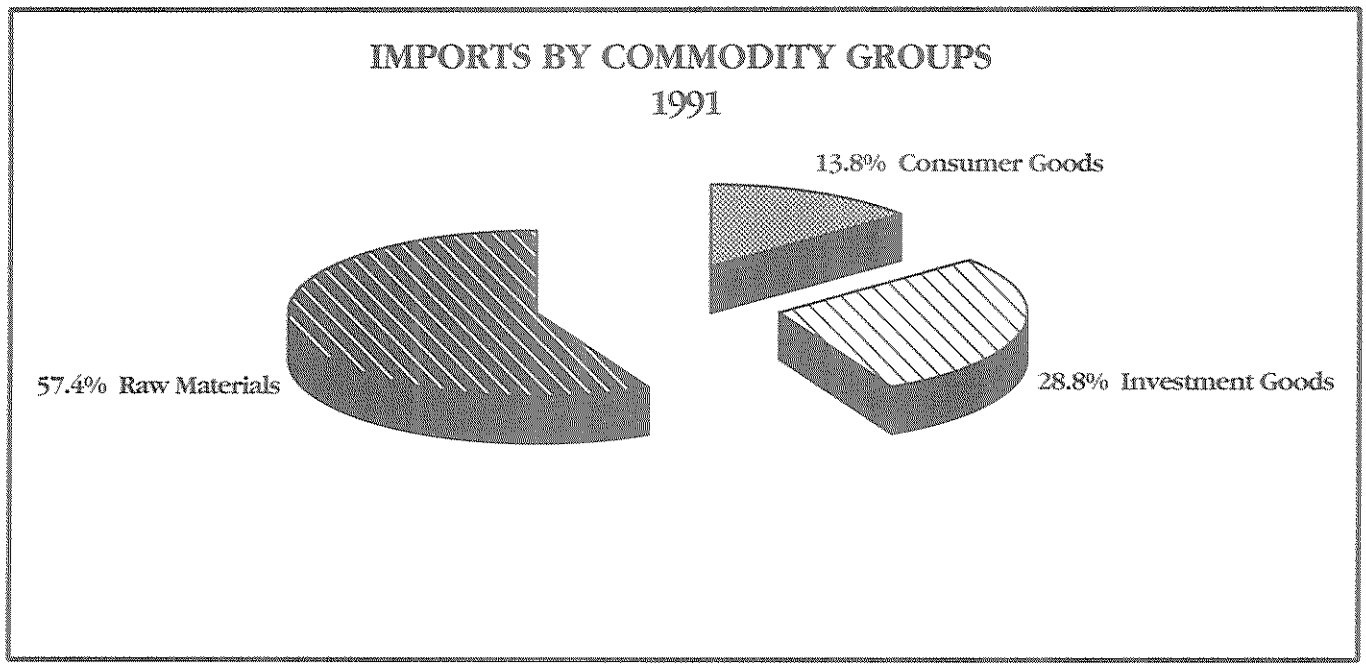
Exports to the EC countries accounted for 51.8 percent of the total whilst the share of imports from those countries was 43.8 percent.

Exports to Germany constituted 25 percent of the total, whilst imports from that country totalled 15 percent. The USA had a share of 6.7 percent in total exports and of 10.7 percent in total imports. On the other hand, exports to Saudi Arabia, Iran and Eastern European countries resumed a strong growth in 1991.

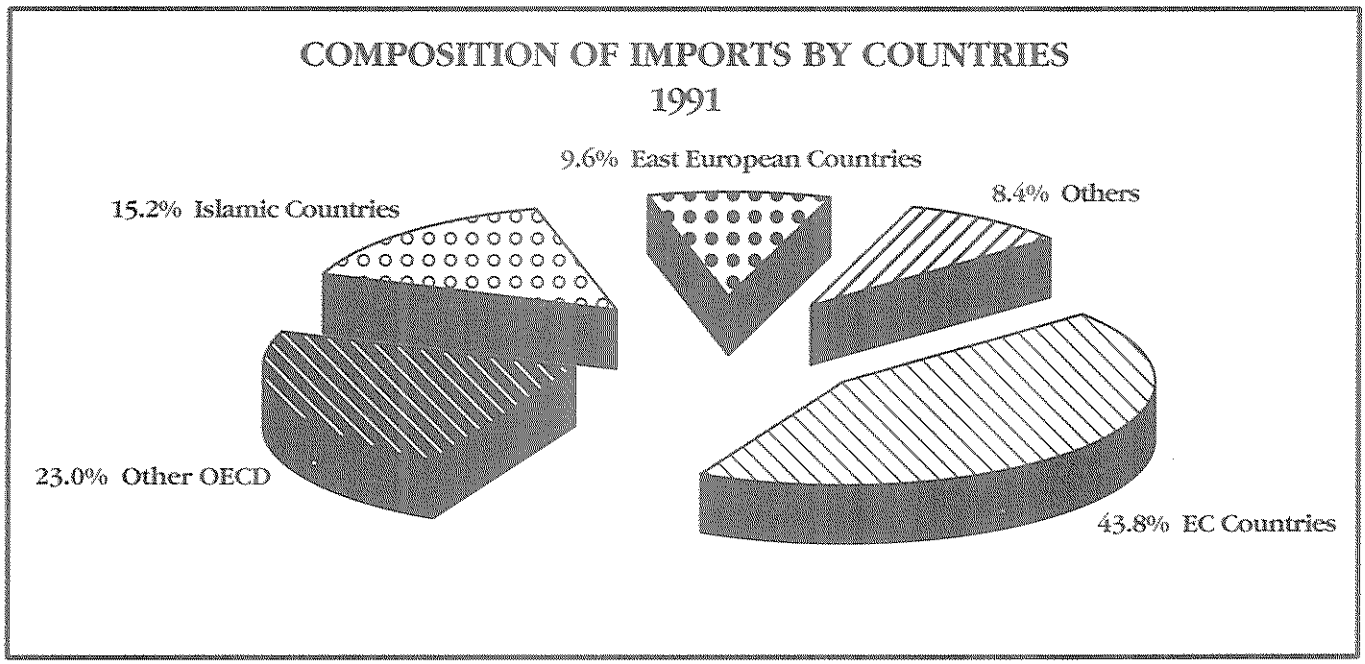
IMPORTS BY COMMODITY AND BY COUNTRY GROUPS ($ Million)

	1990	Share (%)	1991	Share (%)	Change (%)	1992(*)	Share (%)
BY COMMODITY							
Investment Goods	5,788	26.0	6,053	28.8	4.6	842.3	26.4
Raw Materials	13,493	60.5	12,085	57.4	-10.4	433.3	13.6
Consumer Goods	3,024	13.6	2,900	13.8	-4.1	1,915.2	60.0
BY COUNTRY GROUPS							
EC Countries	9,332	41.8	9,220	43.8	-1.2	1,445.3	45.3
Other OECD	4,888	21.9	4,828	23.0	-1.2	799.4	25.1
Islamic Countries	3,939	17.7	3,198	15.2	-18.8	421.1	13.2
East European Countries	2,257	10.1	2,020	9.6	-10.5	257.0	8.1
Others	1,886	8.5	1,765	8.4	-6.4	268.0	8.4
TOTAL	22,302		21,038		-5.7	3,190.8	

** January-February, Provisional*
Source: SIS, SPO



In the 1992 Economic Programme, exports are expected to rise to $ 15.8 billion and imports to $ 23.3 billion. In the first two months of 1992, exports rose to $ 2,305.5 billion, from $ 2,109.4 billion, and imports increased to $ 3,190.8 billion from $ 3,095 billion in the same months of 1991. This means that during the January-February period, exports climbed by 9.3 percent and imports by 3.1 percent over the same period of 1991.



In the first two months of 1992, mining, industrial and agricultural exports expanded by 33.9 percent, 10.2 percent and 3.7 percent, respectively. Whilst investment goods' imports increased by 13.8 percent and imports of consumption goods decreased by 3.4 percent, raw material imports remained almost constant. The ratio of exports to imports increased to 72.3 percent from 68.1 percent in the same period of last year.

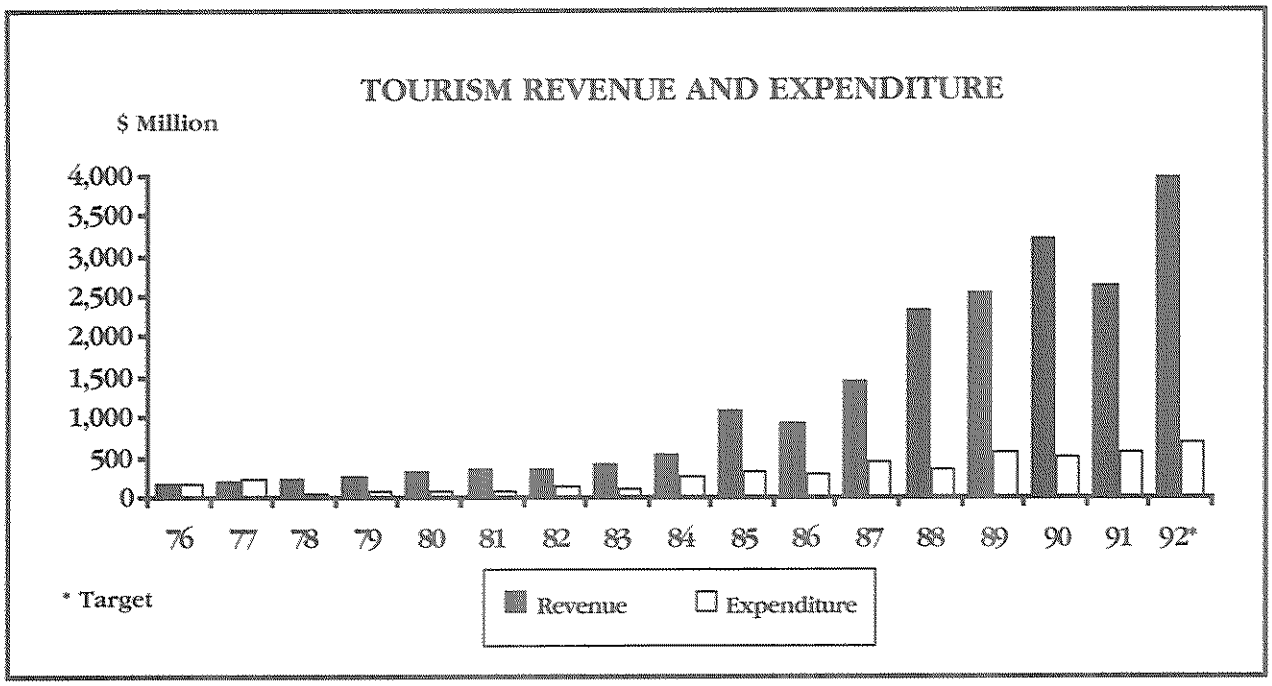
During this period, Turkey's trade balance improved with all countries other than the OECD countries. Exports to OECD countries showed a 4.7 percent decrease, whereas imports from these countries rose by 15 percent. The trade gap with OECD countries widened by 57.8 percent. On the other hand, exports to Islamic countries increased sharply, by 38.1 percent, and imports from this group decreased by 21.2 percent. As a result, the trade balance with the Islamic countries showed a surplus of $ 56.3 million.

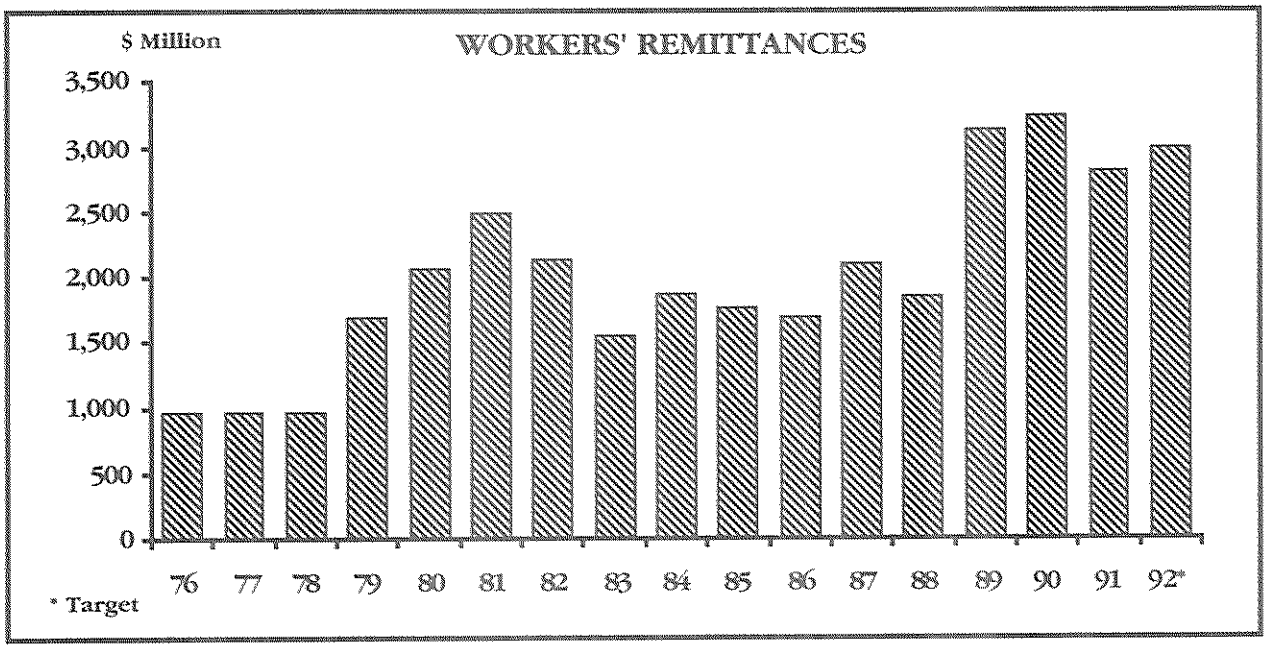
The new Decree For The Promotion of Exports and Foreign Exchange Generating Activities came into force in mid-March 1992. The new regulations comprise various incentives to support exports at the production stage. A reduction of 25 percent will be granted in the cost of electricity used in the production of export goods. Manufacturer exporters are entitled to purchase fuel-oil needed in the production of export goods at international prices, free of Customs duties and "Fund" levies. Exporters have also been granted the right to engage in barter transactions with the Commonwealth of Independent States of the former USSR.

II. BALANCE OF PAYMENTS

Current Account

As a result of the Gulf War, tourism revenues fell from $ 3,225 million in 1990 to $ 2,654 million in 1991. Workers' remittances were also lower, falling from $ 3,246 million to $ 2,819 million. Official transfers mainly doubled to $ 2.2 billion in 1991 from 1.1 in 1990, because of the strong increase in official grants to compansate Turkey for losses from the participation in the embargo on Iraq. Together with the narrowing trade deficit, as discussed at length in the first section of this chapter, increase in unrequited transfers caused a swing in the current external account from a deficit of $ 2.6 billion in 1990 to a surplus of $ 272 million in 1991.





Capital Balance

Long-term capital inflows, including direct and portfolio investment, were reduced from $ 966 million in 1990 to $ 623 million last year.

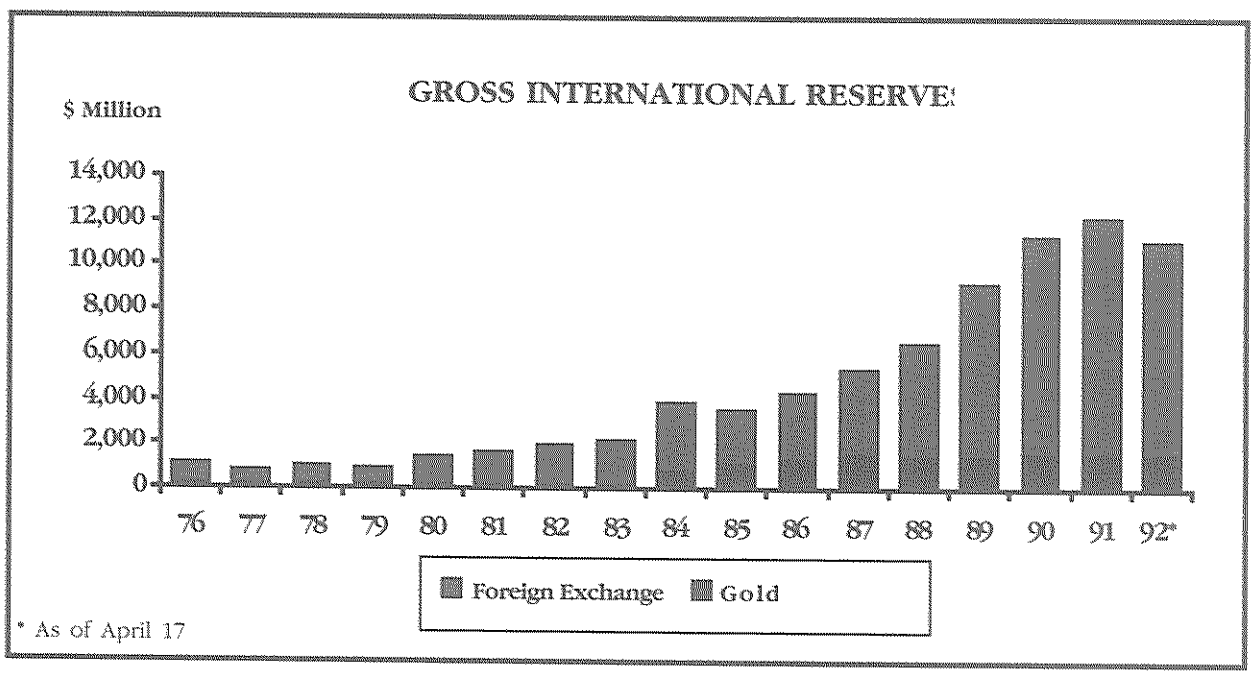
Despite the unfavourable impact of the economic and political uncertainties of 1991, net foreign investments amounted $ 783 million, as opposed to $ 713 million in 1990.

As a result of the Gulf conflict, the total of portfolio investments, which had amounted to $ 1,586 million in 1989, decreased to $ 547 million in 1990 but rose marginally, to $ 648 million in 1991.

Anxiety over the war in the Gulf, and expectations of a marked fall in the value of TL, led to a serious reversal of the short-term capital situation. Whereas there was a net inflow of $ 3.2 billion in short-term funds in 1990, there was a net outflow of $ 3 billion last year

International Reserves

As the current account surplus was not large enough to compensate for short-term outflows, Turkey's international reserves declined by $ 1 billion in 1991, against an increase of $ 1.3 billion in 1990.



International reserves continued to decrease in the first quarter of 1992. Central Bank's foreign exchange reserves declined by 35.4 percent, or $ 1,286 million from $ 4,918 million at the beginning of the year to $ 3,632 million at the end of March. Meanwhile, the decrease in Central Bank's reserves is partially compansated by the increase in commercial banks' foreign exchange reserves, which increased from $5,842 at the end of 1991 to $6,385 at the end of March 1992. Hence, total foreign exchange reserves went down by approximately 0.5 billion dollars during January-March 1992.

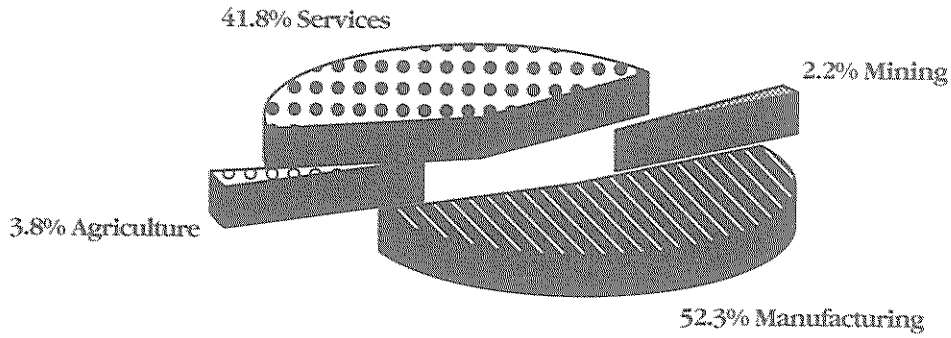
BALANCE OF PAYMENTS
($ Million)

	1988	1989	1990	1991*
A. CURRENT ACCOUNT BALANCE	1,596	961	-2,625	272
1. Trade Balance	-1,777	-4,219	-9,555	-7,326
a. Merchandise Exports (FOB)	11,929	11,780	13,026	13,672
- Exports (FOB)	11,662	11,625	12,959	13,598
- Transit Trade	267	155	67	74
b. Merchandise Imports	-13,706	-15,999	-22,581	-20,998
- Imports (CIF)	-14,335	-15,792	-22,302	-21,038
- Gold Imports	-32	-1,058	-1,532	-1,161
- Transit Trade	-161	-76	-46	-64
- Freight-Insurance	822	927	1,299	1,265
2. Balance of Invisibles	1,214	1,622	2,437	2,499
a. Invisible Earnings	6,026	7,098	8,933	9,315
- Tourism	2,355	2,557	3,225	2,654
- Others	3,671	4,541	5,708	6,661
b. Invisible Expenditure	-4,812	-5,476	-6,496	-6,816
- Tourism	-358	-565	-520	-592
- Foreign Debt Interest	-2,799	-2,907	-3,264	-3,430
- Others	-1,655	-2,004	-2,712	-2,794
3. Unrequited Transfers	2,159	3,558	4,506	5,099
a. Private Incomes	1,846	3,171	3,374	2,879
- Workers' Remittances	1,776	3,040	3,246	2,819
- Import Waivers	70	108	128	60
- Migrants' Transfers	0	23	0	0
b. Private Unrequited Transfer	-19	-36	-25	-25
c. Official Unrequited Transfer	332	423	1,144	2,245
B. CAPITAL EXCLUDING RESERVES	-958	780	3,966	-2,397
1. Private Foreign Capital	354	663	713	783
2. Portfolio Investments	1,178	1,586	547	648
3. Long-term Capital	-209	-885	-294	-808
- Credit Use	3,124	2,620	3,595	3,784
- Dresdner	594	518	49	-497
- Principal Accounts Repayments	-3,927	-4,023	-3,938	-4,095
4. Short-term Capital	-2,281	-584	3,000	-3,020
- Assets	-1,428	371	-409	-2,563
- Liabilities	-853	-955	3,409	-457
C. NET ERRORS & OMISSIONS	515	971	-411	926
D. EXCEPTIONAL FINANCING	0	0	0	0
E. COUNTERPART ITEMS	-263	50	364	170
F. RESERVE TRANSACTIONS	-890	-2,762	-1,308	1,029
- IMF	-469	-252	-53	0
- Official	-421	-2,510	-1,255	1,029

** Provisional*
Source: The Central Bank

III. FOREIGN CAPITAL INVESTMENT

FOREIGN CAPITAL IN TURKEY BY SECTORS 1991



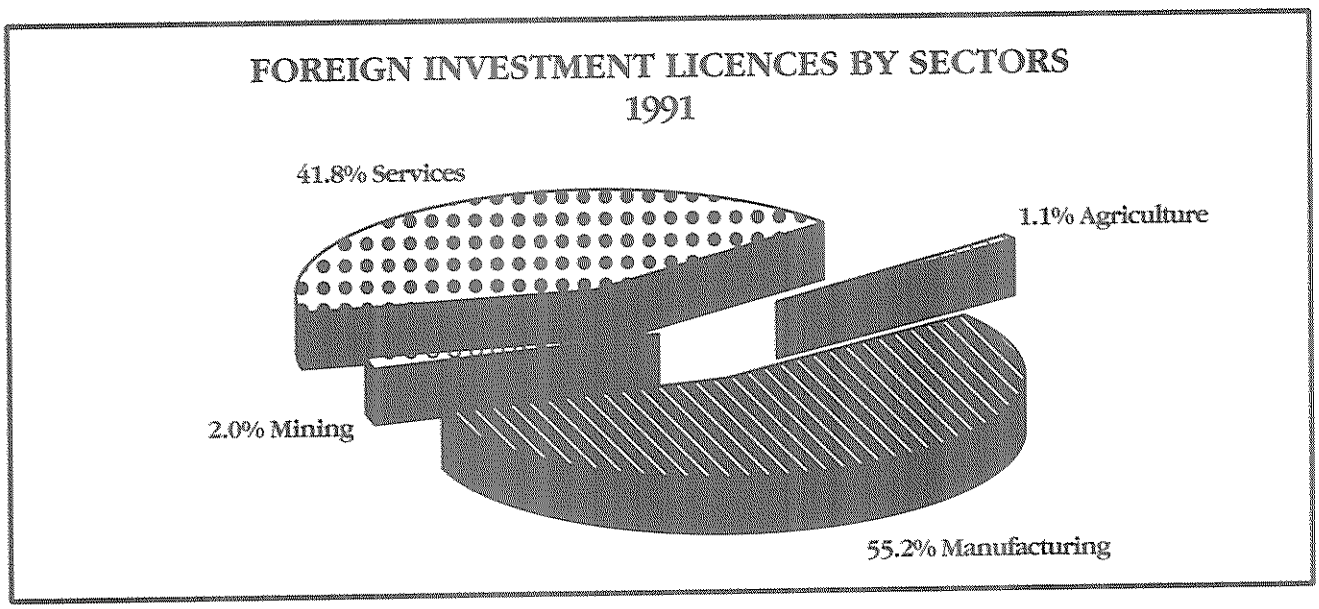
In value, more foreign investment permits were issued in 1991; the total reached $1,909 million, compared to $ 1,784 million in 1990. New investments and capacity increases made up the bulk of total investments, with shares of 44 percent and 40.3 percent, respectively, whilst portfolio investments constituted 9 percent of the total.

FOREIGN CAPITAL INVESTMENT APPROVALS UNDER LAW NO: 6224 & DECREE NO: 86/10353

YEARS	NUMBER OF FIRMS	AMOUNTS $ Million	CUMULATIVE $ Million	ENTRY $ Million
BEFORE 1979			234.9	
1979	91	-6.4	228.5	
1980	100	97.0	325.5	
1981	127	337.5	663.0	141.0
1982	170	167.0	830.0	103.0
1983	185	102.7	932.7	87.0
1984	267	271.4	1,204.1	162.0
1985	317	234.5	1,438.6	158.0
1986	474	364.0	1,802.6	170.0
1987	698	536.5	2,339.1	171.0
1988	827	824.5	3,163.6	406.0
1989	990	1,470.5	4,634.1	738.0
1990	943	1,784.3	6,418.4	789.0
1991	945	1,909.4	8,327.8	910.0
1992(*)	199	462.4	8,790.2	-

(*) January-March
Source: SPO, ANKA

The manufacturing and services sectors respectively accounted for 55 percent and 42 percent of total permits issued. The major part of permits in the manufacturing sector went to the food, tobacco, chemicals, electrical machinery, iron and steel, and cement sectors. The banking, tourism and commercial sub-sectors made up the bulk of the permits in the services sector.



The OECD countries held 91 percent of total permits issued; 54 percent belonged to the EC countries and 6 percent to Islamic countries. In terms of industrial countries, the USA ranked first with 24 percent, followed by the Netherlands with 15 percent, and France with 13 percent.

During the first quarter of 1992, 39.2 percent of the investment permits issued by the SPO were in the manufacturing sector, 53.8 percent in services, 3.0 percent in mining, and 4.0 percent in agriculture. Only 19.7 percent of the total value of $ 462 million investment licences was in the form of new investment. The largest share 43.7 percent, was represented by portfolio investments. The biggest single investment permit ($ 114.1 million) was in respect of food processing, followed by petroleum and coal products.

The total number of foreign companies operating in Turkey rose to 2,085, with an aggerate of foreign capital of TL 7,492 billion. But, the share of total foreign capital in the manufacturing sector decreased to 45.4 percent and in the services sector to 51.7 percent.

IV. FOREIGN EXCHANGE RATES

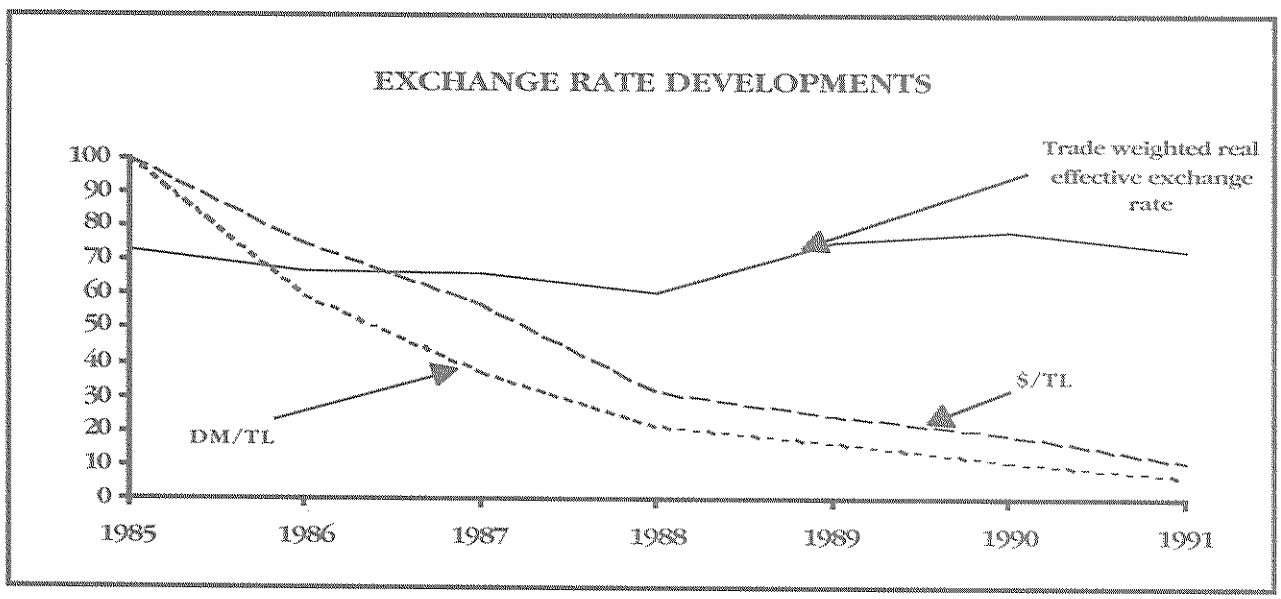
The 1991 Lira devaluation rates against the US dollar, sterling and the Deutsche Mark were 72.0 percent, 70.0 percent, and 73.2 percent, respectively. The percentages for the Swiss Franc, Belgian Franc, French Franc, Austrian Schilling and Japanese Yen were, in that order, 65.9 percent, 73.6 percent, 72.2 percent, 73.1 percent, and 86.7 percent.

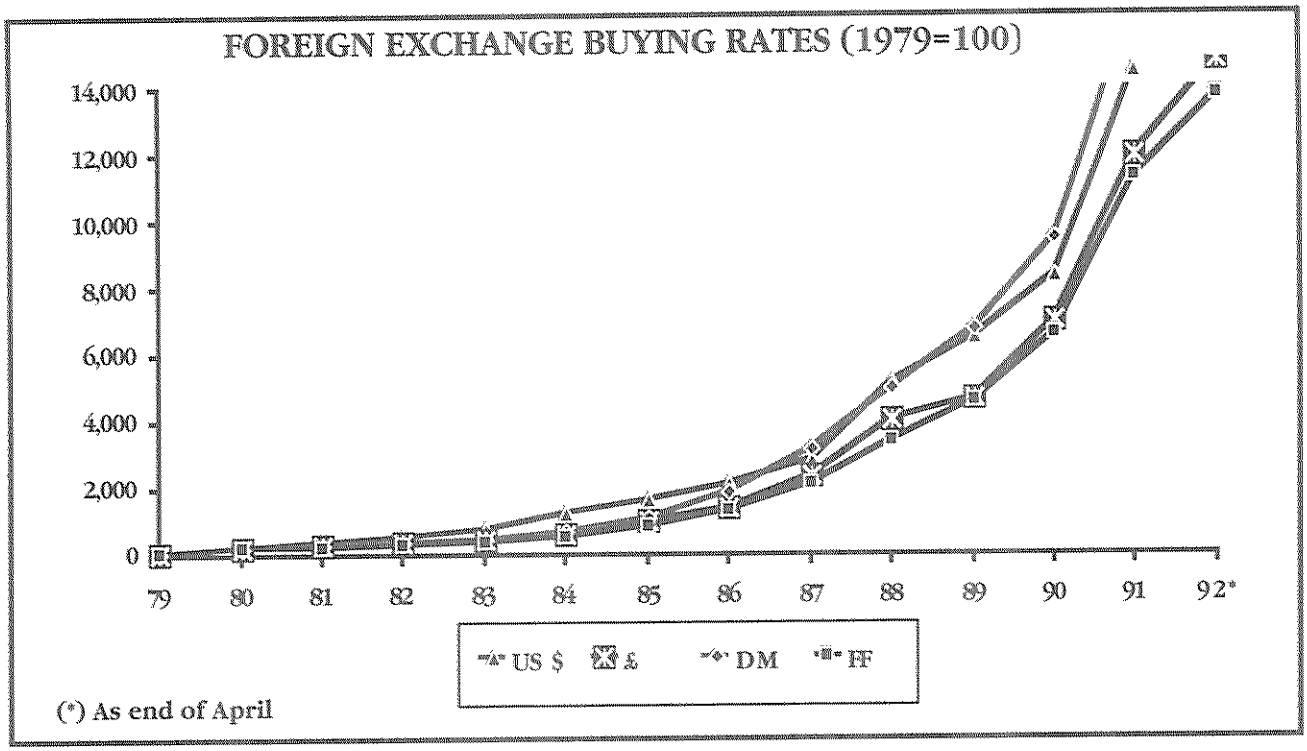
EXCHANGE BUYING RATES
(End of Year, TL)

	1990	1991	Change (%)	1992(*)	Change (%)
US Dollar	2,951.1	5,074.8	72.0	6,593.8	29.9
Sterling	5,579.0	9,482.3	70.0	11,700.7	23.4
DM	1,928.8	3,339.8	73.2	3,985.4	19.3
French Franc	568.1	978.3	72.2	1,181.5	20.8
Swiss Franc	2,259.6	3,748.0	65.9	4,332.3	15.6
Belgian Franc	93.4	162.1	73.6	193.7	19.5
Austrian Schilling	274.2	474.7	73.1	566.2	19.3
Japanese Yen	21.6	40.3	86.7	49.4	22.4

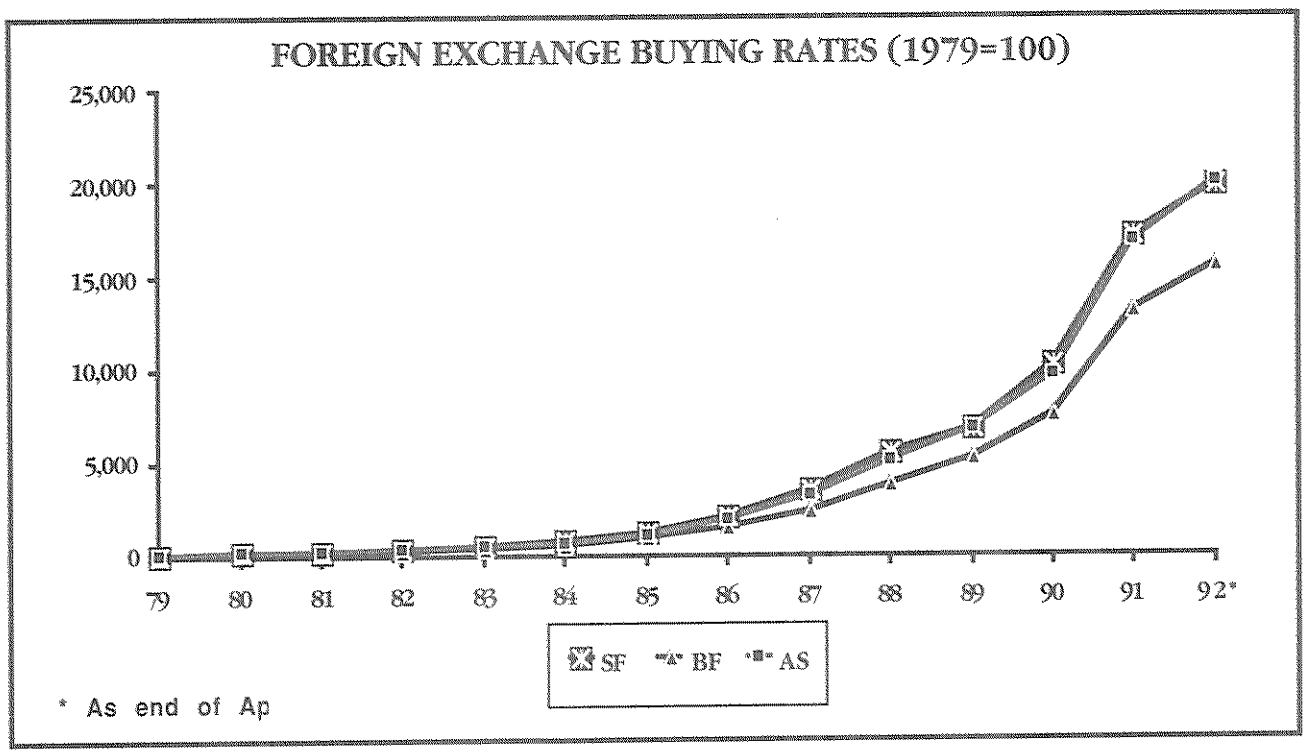
(*) As at the end of April
Source: Central Bank

The real appreciation of the TL, which has begun in the fourth quarter of 1988 became to an halt in 1990. There was a return to real devaluation policy in 1991. The trade weighted real effective exchange rate depreciated nearly continuously throughout 1991 with an average rate of 6.5 percent for the year.



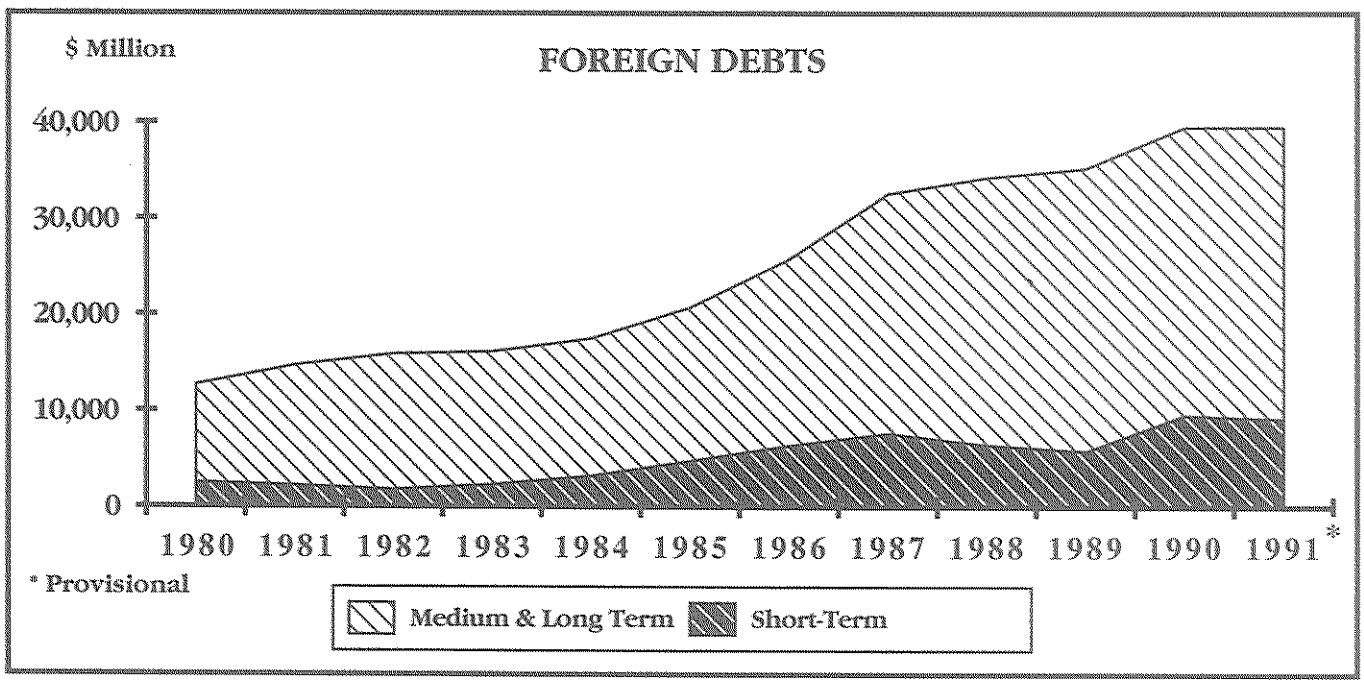


The Lira continued to depreciate in the current year. As at the end of April 1992, the post-1991 Lira devaluation rate against the US dollar was 29.9 percent, and against sterling it was 23.4 percent. The average loss of Lira value against the other major currencies was 19.5 percent.



V. FOREIGN DEBTS

The external debt stock decreased to $ 48.7 billion at the end of 1991 from $ 49 billion at the year end of 1990. The decrease of $ 374 million in the total debt stock came mainly from the decline in short-term debts, whilst medium and long term debts mainly retained their level of 1991. The cross currency effect resulted in an increase of the amount $ 153 million in the total debt stock.



OUTSTANDING FOREIGN DEBTS
($ Million)

	1990	Share (%)	1991(*)	Share (%)	Change (%)
Medium&Long-term	39,535	80.6	39,544	81.3	0.0
Consolidated Budget	23,660	48.3	24,631	50.6	4.1
Other Public Sector	14,077	28.7	13,228	27.2	-6.0
Private Sector	1,798	3.7	1,685	3.5	-6.3
Short-term	9,500	19.4	9,117	18.7	-4.0
Central Bank	855	1.7	557	1.1	-34.9
Deposit Money Banks	5,373	11.0	5,216	10.7	-2.9
Other Sectors	3,272	6.7	3,344	6.9	2.2
TOTAL	49,035	100.0	48,661	100.0	-0.8

(*) Provisional
Source: SPO

In terms of GNP, the level of the foreign debt cannot be considered excessive: in fact, its share fell from 58.8 percent in 1987 to 44.6 percent in 1991 . A more worrying aspect is the high level of the short-term debts. The ratio of short-term debt within the total foreign debt rised to 19.4 percent in 1990 after it has fallen from to 13.8 percent in 1989. Nevertheless, the rising trend seems to have terminated in 1991.

FOREIGN DEBT INDICATORS
(%)

	1986	1987	1988	1989	1990	1991
Debt Ratio to GNP	55.5	58.8	57.5	52.0	44.5	44.6
Short Term/Total Debt	19.8	18.9	15.8	13.8	19.4	18.7
Total Debt/Exports	422.3	389.7	241.4	354.4	376.4	355.9
Payments Ratio to GNP	8.1	8.1	10.1	8.9	6.6	6.9
Debt Servicing Ratio*	37.3	32.6	35.6	31.9	27.4	26.8

** External debt payments expressed as the percentage of earnings from exports and other goods and services (net) and unrequited transfers.*

Foreign Debt Payments

Over the year 1991, total debt servicing payments reached $7,525 million, of which $4,095 million was in repayments of principal and $3,430 million interest payments. The total figure represents a 1.04 percent increase over the previous year's $ 7,250 million. In 1990 total external debt payments had been $7.2 billion, of which $3.3 billion in interest and $3.9 billion in principal. During January 1992, total debt servicing amounted to $466 million, of which $282 million was principal and $184 million interest payments.

ANNUAL DEBT SERVICING PAYMENTS
($ Million)

	1986	1987	1988	1989	1990	1991*	1992**
Principal	2,551	3,130	4,359	4,263	3,986	4,095	4,481
Interest	2,134	2,387	2,799	2,907	3,264	3,430	2,633
TOTAL	4,685	5,517	7,158	7,170	7,250	7,525	7,114

** Provisional* *** Projection*

Source: Undersecretariat of Treasury and Foreign Trade

CHAPTER III

ECONOMIC AND FISCAL POLICIES

ECONOMIC AND FISCAL POLICIES

Current economic policy discussion focuses on the extent of the inflationary trend which became ever more marked in 1991, and on the measures to be applied in order to reverse it. At the heart of the discussion are the vast public sector borrowing requirement, and overall monetary policy, two factors which have naturally had an important influence on developments in the money, foreign exchange, and capital markets.

I. PUBLIC FINANCE

Performance of the public accounts took a decisive turn for the worse in 1991. Unforeseen expenditure resultant from the Gulf War, and the sharp rise in civil servants' wages and salaries, coupled with the deferment of State Economic Enterprise (SEE) selling price increases, boosted the Budget deficit far beyond initial expectations.

In fact, the public sector borrowing requirement is estimated to have risen to 12.6 percent of GNP, following a 10.5 percent requirement in 1990. In particular, the ratio of the Consolidated Budget Deficit to GNP was 7.1 percent, and that of the SEE's deficit was 4.3 percent.

It is now generally accepted that the acceleration in the rate of inflation has mainly been caused by the ever bigger PSBR, and that until such time as the PSBR:GNP ratio can be reduced to more realistic levels, inflationary pressures on the economy are bound to remain.

Contrary to all original intentions, the PSBR:GNP ratio has in fact shown an upward trend since 1988. Having accepted the exhorbitant rate of its borrowing as the major source of persistently high rates of inflation, the government aimed at reducing the overall PSBR to 7.5 percent of GNP in 1991. In the event, largely because of additional spending in the run-up to the October general elections, it is provisionally estimated that the Central Government's deficit alone increased by 2 percentage points to 7.1 percent of GNP.

PUBLIC SECTOR BORROWING REQUIREMENTS
(TL Billion, %)

	1990	1991*	1992**
Public Sector Deficit	30,239	57,205	63,970
General Government	15,123	37,556	39,574
SEEs	11,116	19,649	24,396
Public Sector Deficit/GNP	10.5	12.6	8.8
General Government/GNP	5.2	8.3	5.5
Central Government/GNP	4.2	7.1	4.4
SEEs/GNP	5.3	4.3	3.3
Gen.Government Debt /GNP	43.5	43.7	-

*Provisional
**Programme
Source:OECD

Consolidated Budget

Budget revenue and expenditure in 1991 amounted to TL 99,105 billion and TL 130,865 billion, with 77.5 percent and 58.9 percent increases, respectively over 1990. The Budget deficit, therefore, amounted to TL 31,760 billion, exceeding the targeted level by TL 15,000 billion. During this period, the share of direct taxes in total revenue was 41 percent, followed by indirect taxes with a share of 38 percent, and the official grants compensating losses resultant from the Gulf Crisis and War with 8.5 percent.

CONSOLIDATED BUDGET
(TL Billion)

	1991*	1992**	Change (%)	Share in GNP (%) 1991	Share in GNP (%) 1992
EXPENDITURE	130,865	207,880	58.9	28.8	28.5
Current	59,901	130,490	117.8	13.2	17.9
Personnel	48,789	83,000	70.1	10.7	11.4
Other Current	11,112	20,490	84.4	2.4	2.8
Investment	18,961	27,000	42.4	4.2	3.7
Transfers	52,003	77,390	48.8	11.4	10.6
REVENUE	99,105	175,880	77.5	21.8	24.1
Tax Revenues	78,542	139,750	77.9	17.3	19.2
Non-Tax Revenues	4,407	33,480	659.7	1.0	4.6
Special Revenues and Funds	16,156	2,650	-83.6	3.6	0.4
BUDGET DEFICIT	31,760	32,000	0.8	7.1	4.4

* Provisional
** Programme
Source: Undersecretariat of Treasury and Foreign Trade

It is noteworthy that whilst the share of investment in total expenditure was reduced, transfers to the SEEs jumped to 10 percent in 1991 from only 1.8 percent in 1990.

Transfers to the SEE's accelerated, especially in the second half of the year. The ratio of transfers to the Budget deficit rose from 11 percent in 1990 to 25 percent in the first half of 1991 and to 39 percent in the year as a whole. Meanwhile, personnel expenditure maintained its share in total expenditure at around 37 percent, whereas the share of interest payments declined.

The 1992 Consolidated Budget foresees an overall shortfall of TL 32,000 billion, which is equal to last year's deficit, and implies a drastic cut in the ratio of the deficit to GNP (to only 4.4 percent).

Of the TL 207,880 billion expenditure, TL 83,000 billion is earmarked for personnel and TL 20,490 billion for other current expenditure. An amount of TL 27,000 billion has been set aside for investments, and TL 77,390 billion for transfers. Expenditure is projected to rise by 58.9 percent in 1992, stabilizing their share in GNP at around 28.7 percent.

Personnel expenditure is expected to increase by 70.1 percent, and investment outlay by 42.4 percent. The 48.8 percent increase in transfers represents, to a large extent, interest payments on foreign and domestic debts.

The share of personnel expenditure in the Budget has been increased from 37.3 percent last year to 40.0 percent for 1992 ,whilst the share of investment expenditure has been reduced to 12.9 percent, from 14.5 percent in 1991. Transfer payments, have fallen from 39.7 percent to 37.2 percent of total outgo.

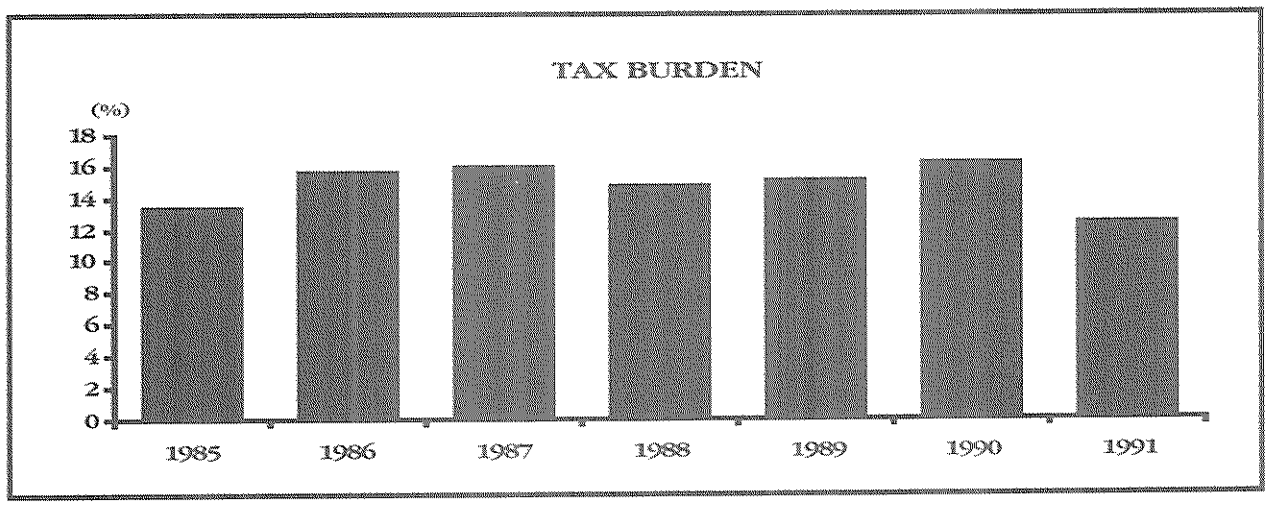
CONSOLIDATED BUDGET REALIZATION
(January-March, TL Billion)

	1991	1992	Change (%)
EXPENDITURE	20,490	36,813	79.7
Current	10,568	20,972	98.4
Personnel	9,509	19,768	107.9
Other Current	1,059	1,204	13.7
Investment	1,358	2,165	59.4
Transfers	8,564	13,676	59.7
REVENUE	17,607	31,947	81.4
Tax Revenue	13,424	24,391	81.7
Non-Tax Revenue	942	1,387	47.2
Special Revenues and Funds	3,241	6,169	90.3
BUDGET DEFICIT	2,883	4,866	68.8

Source: Undersecretariat of Treasury and Foreign Trade

Overall Budget revenue is estimated at TL 175,880 billion, of which TL 139,750 billion is reckoned as tax revenue, an expected increase of 77.9 percent over 1991. Revenues are budgeted to grow by 77 percent, about 20 percentage points faster than expenditures which would raise their share in GNP by 3 percentage points in 1992.

In the first quarter of 1992, the reported Budget deficit has increased sharply compared to the corresponding period of 1991 and reached TL4,866 billion, as against TL 2,883 billion.



An economy's willingness to hold money -that is its demand for money- generally grows with its real GNP. If the money issue exceeds the increase in economy's willingness to hold money, the result is inflation, which operates like tax. The below table provides estimates of inflation tax as a share of GNP. When the money stock held by the economy is a small percentage of GNP, the inflation tax will be correspondingly small.

Since notes and coins are a government liability and an asset of the private domestic sector, the reduction in their real value is similar to a tax on currency.

INFLATION TAX*

	Inflation Rate**	GNP TL Billion	Reserve Money*** TL Billion	Reserve Money As % of GNP	Inflation Tax As % of GNP
1986	30.7	39,369	3,516	8.9	2.1
1987	55.1	58,564	4,807	8.2	2.9
1988	75.2	100,582	7,774	7.7	3.3
1989	68.8	170,412	13,492	7.9	3.2
1990	60.4	287,254	20,504	7.1	2.7
1991	71.1	454,838	30,018	6.6	2.7

Source: SIS, Central Bank, World Bank

**Inflation tax is calculated as M*(i/1+i) where M is the average reserve money and i is the decimal inflation rate. Over any interval for which the prices rise by i, each money unit loses i(1+i) of its purchasing power.*

***Consumer Price Index 1986-1988 1977=100*
1989-1991 1987=100

****Average of reserve money at year-end and year beginning*

Domestic Debts

Already depressed by the Gulf Crisis, financial markets were last year also confronted with the uncertainties concerning the possibility of early elections and, consequently, the higher risks perceived by lenders hampered the public sector borrowing at improved terms.

Furthermore, the public sector's massive credit demand continued to reduce the funds available to the private sector. Hence interest rates rose, especially in respect of short-term facilities.

In fact, average interest rates on government bonds increased from 52 percent to 72 percent. As to Treasury Bills, interest rates rose from 49 percent to 70 percent for nine months' maturities, from 49 percent to 69 percent for six months', and from 48 percent to 68 percent for three months' money.

In 1990, 59.6 percent of the borrowing and 77.5 percent of the debt stock had been in the form of long term papers (one to six years maturity), whereas in 1991 the ratios were only 25.1 percent and 57.5 percent, respectively.

Outstanding domestic debts over GNP is estimated to have stayed around 19.8 percent in 1991, whilst the ratio of domestic debt servicing to GNP rose from 9.9 percent to 10.5 percent due to the change in the maturity structure of government paper.

DOMESTIC DEBT INDICATORS (%)

	1985	1986	1987	1988	1989	1990	1991*	1992**
Interest Payments/GNP	0.9	1.6	2.2	3.1	3.0	3.3	3.7	4.2
Outstanding Domestic Debt/GNP	25.1	26.7	29.4	28.3	24.6	19.9	19.8	17.6

**Provisional*
***Programme*
Source: Undersecretariat of Treasury and Foreign Trade

NET DOMESTIC BORROWING (TL Billion)

Years	Net Borrowing	Share in GNP (%)	Share in Exp. (%)
1985	497	1.8	9.2
1986	476	1.2	5.6
1987	896	1.5	6.9
1988	2,433	2.4	11.3
1989	5,982	3.5	15.4
1990	7,942	2.8	11.6
1991	2,279	0.5	1.7
1992*	7,972	1.1	3.8

**Programme*
Source: SPO

MATURITY COMPOSITION OF DOMESTIC BORROWING
(TL Billion)

	1990		1991		1992 Feb		1992*	
	Amount	%	Amount	%	Amount	%	Amount	%
1 Year	2,861	13.7	8,351	18.2	5,762	38.4	14,613	16.7
1.5 Years	0	0.0	0	0.0	0	0.0	0	0.0
2 Years	4,734	22.7	1,469	3.2	694	4.6	4,283	4.9
3 Years	2,908	13.9	1,090	2.4	712	4.7	2,520	2.9
4,5,6 Years	1,695	2.8	37	0.1	0	0.0	2,772	3.1
Other	266	6.5	564	1.2	56	0.4	1,007	1.1
Bonds Total	12,458	59.6	11,510	25.1	7,225	48.1	25,195	28.7
1 Month								
3 Months	2,843	13.6	17,096	37.3	2,301	15.3	24,993	28.5
6 Months	3,183	15.2	10,453	22.8	2,791	18.6	18,745	21.4
9 Months	2,416	11.6	6,247	13.6	2,683	17.9	18,745	21.4
Private T.B 4 months	0	0.0	240	0.5	0	0.0	0	0.0
Private T.B 6 months	0	0.0	240	0.5	0	0.0	0	0.0
T. Bills Total	8,443	40.4	34,277	74.7	7,775	51.8	62,483	71.3
General Total	20,901		45,788		15,000		87,678	

** Programme*
Source: Treasury and Foreign Trade General Directorate of Public Finance

II.STATE ECONOMIC ENTERPRISES

In 1991, SEEs sales reached 16 percent of GNP whilst the Enterprises' investments comprised 14 percent of total investment.The SEEs' labour force, which constitutes 3 percent of total employment (excluding agriculture), declined to 547 thousand in 1991, from 610 thousand in 1990. Nonetheless, personnel expenditure increased by an average of 171 percent during the 1989-1991 period, forcing the SEEs to incur losses of TL 1,380 billion in 1990 ,against profits of TL 817 billion in 1989.The SEEs' losses are estimated to have reached TL 13,200 billion in 1991, as they-with elections in the offing- were not permitted to raise prices in line with cost inflation.

The SEEs operating loss is estimated to be as high as 13 percent of sales revenue. Operating expenditures rose by 86 percent, exceeding the growth of current revenues by more

FINANCING OF OPERATIONAL SEEs
(TL Billion)

Sources and Uses of Funds	1988	1989	1990	1991*	1992**
Total Fund Resources	24,740	42,704	63,143	50,706	67,671
Total Use of Funds	22,240	38,574	56,874	51,136	60,487
Surplus or Deficit	2,500	4,130	6,268	-430	7,183
Fixed Investment	5,130	6,929	9,861	14,119	20,446
Financing Requirement	2,630	2,799	3,592	14,549	13,263
Budgetary Transfers	1,025	1,223	1,265	12,200	8,530
Foreign Project Loans	1,605	1,576	2,327	2,349	4,733
Surplus or Deficit/GNP	2.5	2.4	2.2	-0.1	1.0
Financing Requirement of SEEs/GNP	2.6	1.6	1.3	3.2	1.8
Budget Transfers to Sees/GNP	1.0	0.7	0.4	2.7	1.2
SEEs Consolidated Profit-Loss/GNP	1.2	0.7	-0.3	-2.7	-1.6

** Estimate*

*** Programme*

Source: Treasury and Foreign Trade General Directorate of Public Finance

than 20 percentage points. The decision-related to the general election in October- to postpone the adjustment of prices to cost increases was the main reason behind the relatively slow growth increases in sales revenues.

The SEEs financing needs would have been much bigger in 1991, had transfers from Treasury not provided for TL 12,200 billion after only TL 1,265 billion in 1990. But with smaller transfers from budget and an increase in fixed investment the financing requirement of the SEEs may widen further.

The financial performance of the State Economic Enterprises deteriorated in 1991 as to threaten macro economic stability. Although some recovery is expected in 1992, the current worsening conditions of the SEEs is likely to continue unless a comprehensive reform focusing on privatisation is carried through to restructure this sector and to bring about a fundamental change in ways in which they are run. A broad reform plan for the SEEs has been outlined but concrete steps are yet to be determined.

Any reform plan must tackle the root causes of the problems confronting the SEEs.The first step should be a radical change in the institutional and legal framework governing the SEES so that they will be run like normal business enterprises. According to the announced plans they will become limited liability joint-stock companies subject to commercial codes, run by professional managers and audited by independent certified accountants.

III . MONETARY TRENDS

The Turkish monetary authorities , which in 1990 had aimed to achieve better management of the monetary aggregates through a previously established "monetary programme" did not announce or implement a similar programme in 1991. The Central Bank's reluctance to announce a monetary programme stemmed from the uncertainties with respect to fiscal and budgetary developments in the economy, which were further aggravated by "election fever" in the latter half of the year.

As a result, there was a strong acceleration in monetary expansion, as measured by such major monetary magnitudes as reserve money, the money supply (broad definiton), total bank deposits, etc. The monetary expansion benefited the public sector, which was in sharp contrast to the Central Bank's reasonably conservative (restrictive) money/credit policies of recent years. The Central Bank's financing of Budget deficits had declined in importance, especially since 1985, when deficits were being financed mainly by domestic borrowing of an ever-increasing magnitude. But this policy line was abandoned in 1991, and Central Bank financing of Budget deficits once again became an important factor.

The Consolidated Budget deficit , which had stood at TL 11,954 billion in 1990, almost tripled during 1991 , reaching a peak of TL 31,760 billion. The Budget's cash deficit was largely financed through short-term borrowing (around 75 percent of the cash deficit); in fact , the share of net borrowing from the Central Bank in financing the deficit increased from a low 2.5 percent in 1990, to 34 percent in 1991. The share of net sales of Treasury Bills also increased, from around 15.5 percent in 1990 to some 40 percent, indicating an increased reliance on short-term borrowing.

The Central Bank of Turkey which had utilized its international reserves (foreign currency sales against TL) mainly to support the external value of the TL during 1989 and 1990,appears to have relied on this policy to a lesser extent last year. As a result , the TL depreciated faster against major currencies ; indeed the rate of depreciation against the US dollar increased from around 28 percent in 1990, to no less than 72 percent in 1991.

In recent years, the Central Bank had attempted to curtail the expansionary effect of the increase in international reserves on the domestic money stock through exchange rate policies aimed at supporting the external value of the TL. Thus , the relative decline in international reserves which occured in 1991 contributed to some extend to the control

of the domestic money stock, thus somewhat reducing the increased impact of domestic credit expansion by the Central Bank.

In 1991, the relative decline in international reserves stemmed partly from the repayment of foreign debt by drawing down existing reserves rather than by fresh borrowing from the international markets, and partly from the Central Bank's occasional intervention in the foreign exchange market with TL purchases against the sale of US dollar.

MAIN MONETARY INDICATORS

	(TL Billion)			Change (%)		
	1990	1991	1992(*)	1990	1991	1992(***)
Banknotes Issued	14,265	20,707	23,951	70.5	45.1	15.6
Reserve Money	23,269	37,249	41,149	41.6	60.0	10.4
M1Money Supply	29,326	42,116	44,054	44.0	43.6	4.6
M2Money Supply (**)	89,989	158,967	193,390	48.7	76.6	21.6
Central Bank Credits (direct)	4,526	17,671	30,325	16.4	290.0	71.6
Deposit Banks' Credits	51,385	78,663	100,302	69.0	53.0	27.5
Total Credit Stock	61,746	106,605	141,824	61.9	72.6	33.0
Total Deposits	61,395	100,161	114,657	39.9	63.1	14.4
Sight	16,607	23,487	22,741	24.7	41.4	-3.1
Time (Inclusive of C5)	41,381	71,450	85,665	43.7	72.6	19.9
Wholesale Prices Index (****)	-	-	-	48.6	59.2	(*****)24.5
Consumer Prices Index (****)	-	-	-	60.4	71.1	(*****)25.0

(*) As of April 10
(**) Inclusive of foreign currency deposits of domestic origin
(***) Since end of previous year to April 10
(****) Percentage change
(*****) December to April

The Central Bank announced its 1992 programme in February. The programme had been prepared taking into account the anticipated TL 32,000 billion deficit on the 1992 Budget; year end inflation is reckoned to be at an annual rate of about 43 percent. Targets of the Bank's 1992 monetary programme are as follows:

- Central Bank money will be increased by between 40 and 50 percent , from TL 44,000 billion to TL 61,000 - 66,000 billion.

- Total domestic liabilities will be augmented by between 38 and 48 percent , from TL 58,000 billion to TL 80,700- 86,500 billion.

- Net domestic asssets are to rise by 27 to 39 percent , from TL 58,100 billion to TL 73,700 and 80,700 billion.

- The Central Bank's balance sheet total will expand by between 37 and 47 percent from TL 96,800 billion to TL 132,600 - 142,300 billion.

- The expansion of the Central Bank's money stock is projected to slow to a rate of between 40 and 50 percent, which is broadly in line with anticipated inflation during 1992.

FINANCING OF CONSOLIDATED BUDGET DEFICIT
(TL Billion)

				February	
	1990	1991(**)	1992(*)	1991	1992(**)
Budget Revenue	56,573	99,105	175,880	11,428	20,791
Budget Expenditure	68,527	130,865	207,880	13,167	23,914
Budget Balance (Deficit)	-11,954	-31,760	-32,000	-1,739	-3,123
Advances and Deferred Payments (net)	-400	24	0	909	1,341
Cash Balance (Deficit)	-12,354	-31,736	-32,000	-830	-4,464
Financing of Cash Deficit	12,354	31,736	32,000	830	4,464
- Net Foreign Borrowing	41	1,721	-2,092	202	318
- Net Domestic Borrowing	7,942	2,279	7,972	74	3,661
- Short-term Borrowing:	2,263	23,509	26,120	-490	2,463
From Central Bank (net)	331	10,719	11,000	-91	2,693
Treasury Bills (net sales)	1,932	12,790	15,120	-399	-230
- Other	2,108	4,227	0	1,044	-1,978

(*) Programme,
(**) Provisional
Source: SPO

Reserve Money and Money Supply

Whereas banknotes issued displayed a slower rate of growth in 1991 (around 45 percent growth) as compared to the previous year , (some 70 percent growth), the rates of growth of other monetary magnitudes (notably, reserve money and the M2 money supply) accelerated sharply. The banknote issue reached TL 20,707 billion by the end of the year. Whereas the increase in gold/foreign currency holdings of the Central Bank had been the main factor influencing banknote issue in the preceding year , the principal cause of this in 1991 was domestic credit expansion by that bank.

Reserve money expanded at a faster pace during 1991 (by around 60 percent), as compared to the previous year's 41.6 percent. The accelerated growth of reserve money stemmed largely from the increase in net domestic assets resulting from the increased domestic credit expansion, in particular , a substantial increase in Central Bank credits to the public sector.

The slower rate of growth of the M1 money supply (narrow definition) also continued during 1991, this definition of money supply increasing by around 43.6 percent. There was, however, a marked acceleration in the growth of M2 money supply (new broad definition inclusive of foreign currency deposits of domestic origin), from around 48.7 percent in 1990 to about 76.6 percent.

The money creation multiplier displayed a relatively firm trend during 1991, largely as a result of a marked stability in deposit interest rates throughout most of the year. There was no substantial change in the income velocity of money, indicating a relatively constant demand for money within the economy.

The government's continued substantial cash requirements were reflected in the accelerated growth of banknotes issued during the first quarter of 1992. It is to be noted, however, that this growth was dampened by the Central Bank's policy of absorbing excess liquidity through both (a) open market operations and (b) intervention in the inter-bank foreign exchange market with substantial TL purchases.This absorption of excess liquidity in the economy could be achieved only at the expense of some considerable decline in the Bank's US dollar reserves, and some upward movement in the interest rates payable on government securities. The banknote issue increased at a rate of around 15 percent, reaching TL 23,951 billion TL, as of April 10 of this year. Reserve money expanded at about 10 percent during the first quarter, whilst that M2 money supply grew by some 20 percent.

The monetary programme for the year 1992 sets reasonably conservative ceilings for the growth of major monetary magnitudes on the assumption that the PSBR will be kept within acceptable limits during the year. However, the fiscal and budgetary trends observed in the first 4 to 5 months of 1992, and the projections for the latter half of the year, point to major difficulties in keeping the PSBR within such limits. Given the limited capacity of the government to tap sound (non-inflationary) sources for bridging Budget deficits in the short-run, it appears that there will be either substantial pressure on market interest rates (if the government relies principally on domestic borrowing), or continuing

DETERMINATION OF MONEY SUPPLY

(TL Billion)

	1990	1991	1992*
BANKNOTES ISSUED	14,265	20,707	23,951
(-) Bank Vaults	1,566	2,161	2,665
Currency in Circulation	12,699	18,546	21,286
(+) Sight Deposits	16,607	23,487	22,741
Deposits with Central Bank	020	083	027
M1 MONEYSUPPLY	29,326	42,116	44,054
(+) Time Deposits	39,018	68,112	81,973
Certificates of Deposits	2,363	3,338	3,692
M2 MONEY SUPPLY	70,707	113,566	129,719
(+) Foreign Currency Deposits of Domestic Origin	19,282	45,401	63,671
M2 MONEY SUPPLY (new definition)	89,989	158,967	19? ,390
(+) Public Deposits	3,407	5,224	6,251
Other Deposits with Central Bank	1,014	2,022	3,458
M3 MONEY SUPPLY	94,410	166,213	203,099

** As of April 10*
Source: Central Bank, ANKA

FACTORS DETERMINING BANKNOTES ISSUED

(TL Billion)

	1990	1991	1992*
A-Expansionary Factors	64,642.9	100,595.9	109,846.9
1.Gold/Foreign Currrency Holdings	22,409.9	33,474.1	33,972.2
2.Foreign Credits	3,288.8	5,509.0	6,432.3
3.Securities Portfolio	1,723.9	600.6	48.2
4.Domestic Credits	7,641.2	21,631.7	27,825.8
5.Accounts to Be Redeemed	26,165.9	32,426.3	32,521.3
6.Other Assets	3,473.3	6,954.2	9,047.1
B-Contractionary Factors	50,377.6	79,889.0	87,167.0
1.Deposits	20,150.6	29,822.6	32,238.5
2.Foreign Credits Received	25,201.2	37,152.5	40,463.3
3.Import Deposits/Guarantees	192.7	73.7	43.9
4.Other Liabilities	4,883.0	12,840.3	14,421.2
(A)-(B)=Banknotes Issued	14,265.3	20,706.8	22,679.9

**End of February 1992*
Source:Central Bank,SPO

strong monetary expansion (if the government relies more on Central Bank financing). In short, the fate of the monetary programme will again depend on the government's Budget performance during the year. In point of fact, the actual growth rates of the major monetary variables during the first three or four months of the year suggest the likely failure on the part of the monetary authorities to attain the targets set for 1992. Therefore, a revision of the monetary programme in the light of actual developments is to be expected in the second half of the year.

INCOME VELOCITY OF MONEY*

Change (%)

	1990	1991
M1/GNP	6.0	5.7
M2/GNP	17.7	18.0

(*) based on the newly adopted GNP series

MONEY CREATION MULTIPLIER

	1990	1991	1992*
M1 Money Supply/Reserve Money	1.22	1.16	1.07
M2 Money Supply*/Reserve Money	3.75	4.4	4.69

** inclusive of foreign currency deposits of domestic origin*
*** As of April 10*

IV . BANK DEPOSITS, CREDITS AND INTEREST RATES

Deposits

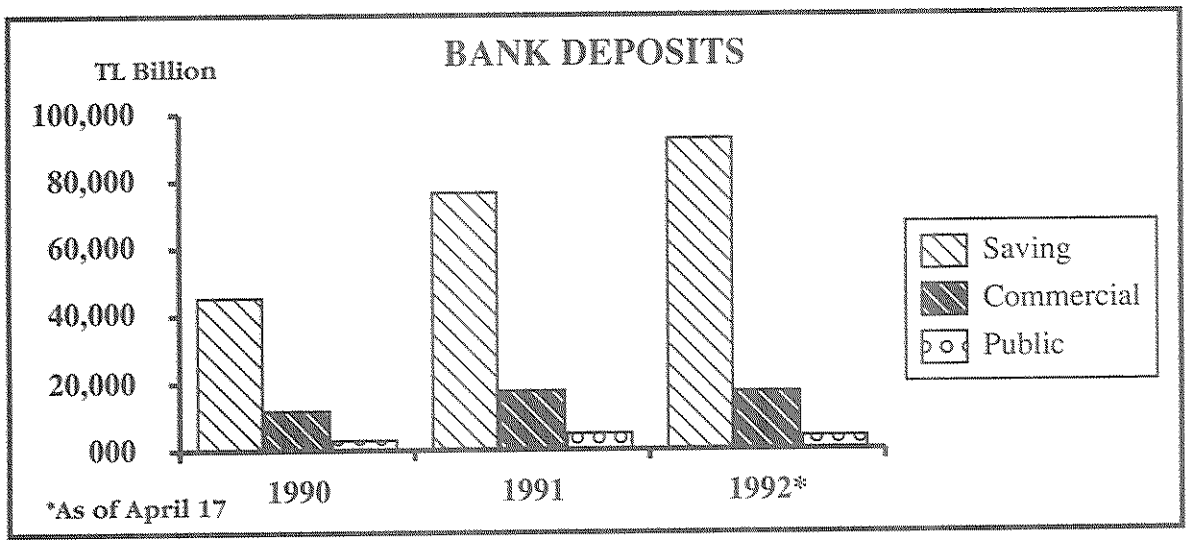
The nominal interest rates on bank deposits, which had remained fairly stable throughout 1990 and the first quarter of 1991, rose again from then onwards in the face of a more rapid rate of inflation, and this trend has continued into the first half of 1992.

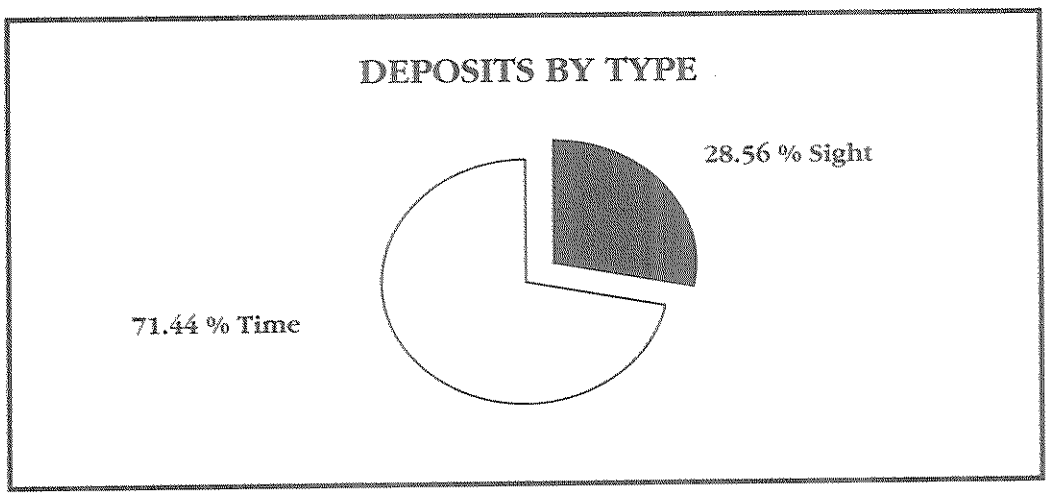
Total bank deposits grew by around 63 percent in 1991, as compared to the previous year's 40 percent rise. Sight deposits, comprising around 30 percent of total deposits, also grew at a higher rate in 1991, by 41.5 percent as against the 25 percent of

BANK DEPOSITS

	(TL Billion)			Change (%)	
	1990	1991	1992*	1991**	1992***
SAVINGS DEPOSITS	45,759	76,958	92,915	12.0	20.7
Sight	6,833	9,301	10,858	-1.9	16.7
Time****	38,926	67,757	82,057	14.5	21.3
COMMERCIAL DEPOSITS	12,229	17,979	17,659	-10.0	-1.8
Sight	9,774	14,186	13,172	-13.3	-7.1
Time	2,455	3,793	4,487	3.4	18.3
PUBLIC DEPOSITS	3,407	5,224	4,325	-22.7	-17.2
Sight	3,244	5,120	4,203	-21.4	-17.9
Time	163	104	122	-49.7	17.3
TOTAL DEPOSITS	61,395	100,161	114,899	5.7	14.7

* *As of April 17*
** *From end of previous year to April 19*
*** *From end of previous year to April 1* **** *Inclusive of certificates of deposits,* ** *As of April 17*
Source: Central Bank, Anka





the previous year. Time deposits (inclusive of certificates of deposits) grew almost at therate of inflation for the year (by around 73 percent), implying no real increase in the size of the Turkish banking system in terms of time deposits.

Focusing on the first quarter of 1992, bank deposits were observed to have been growing at a faster rate, as compared to the corresponding period of the previous year. Total deposits grew at a rate of 14.7 percent (as of April 17), against the previous year's rate of 20.7 percent. The rate of growth in time savings deposits was 21.3 percent (as of April 17), whilst commercial time deposits grew at a rate of 18.3 percent. When compared with the 3.4 percent growth of commercial time deposits in the corresponding period of the previous year, the faster growth of these deposits in the first quarter of 1992 can be interpreted as a sign of excess liquidity in the corporate sector, due to uncertain business expectations of the economy during that period.

Credits

In 1991, the total credit stock in the economy expanded by 75.2 percent, compared to 62 percent in the previous year; the higher rate of expansion last year did not, however, mean any real growth, as inflation also accelerated at around the same rate. The high rate of growth of Central Bank credits was a main factor in the expansion of the total credit stock in the economy; as a result, the share of Central Bank credits began to rise again, to over 20 percent. Of the TL 14 trillion increase in Central Bank credits during 1991, around 95 percent consisted of advances to the Treasury and the financing of State Economic Enterprises, particularly the Soil Products Office.

DISTRIBUTION OF CENTRAL BANK DOMESTIC CREDITS

(TL Billion)

	1990	1991	1992**
PUBLIC SECTOR	4,526	17,671	33,551
a) Treasury	2,748	12,207	25,966
b) SEEs	1,778	5,464	7,585
PRIVATE SECTOR (through banks)	3,115	3,961	5,036
a) Commercial	2,404	3,397	4,507
b) Industrial	711	564	529
TOTAL*	7,641	21,632	38,587

* *total of direct/indirect credits*

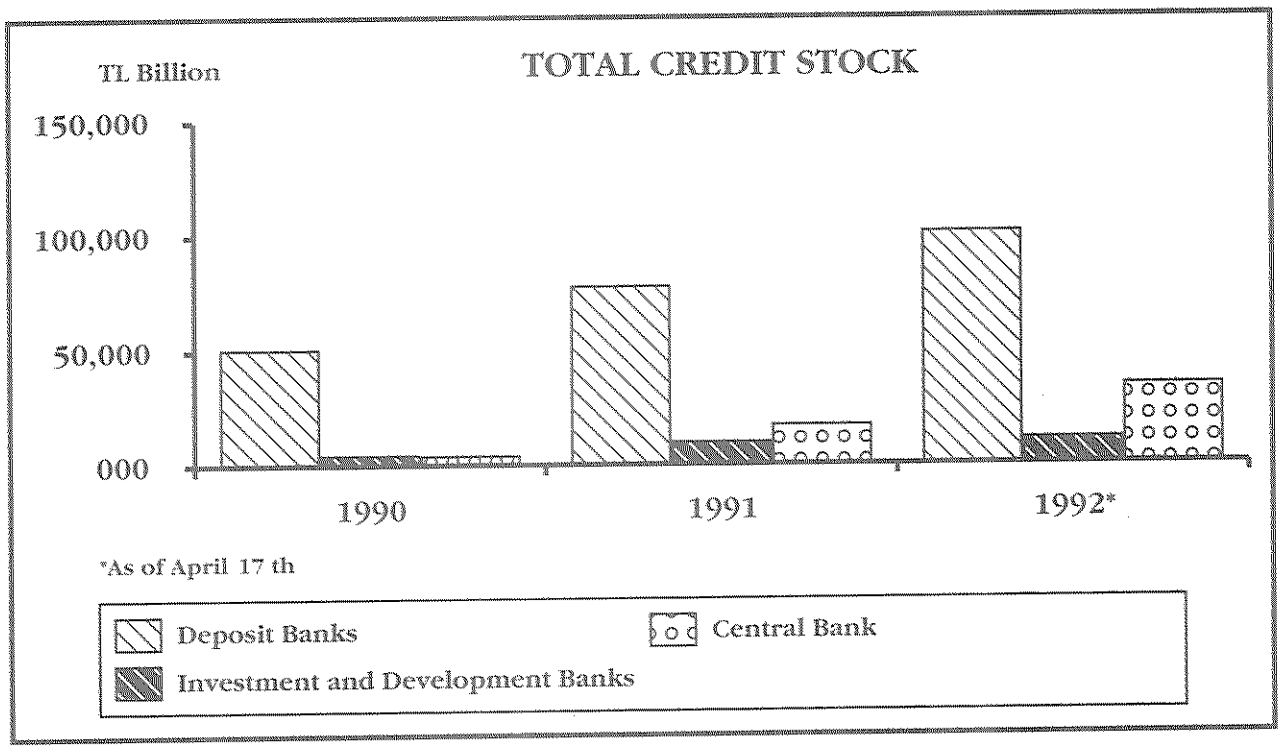
** *as of May 1 st, 1992*

Source:Central Bank

TOTAL CREDIT STOCK

	(TL Billion)			Change (%)	
	1990	1991	1992*	1991**	1992***
I. BANK CREDITS	56,288	88,934	113,382	21.1	27.5
a) Deposit Banks	51,385	78,663	101,890	17.1	29.5
b) Invest. and Develop Banks	4,903	10,271	11,492	62.9	11.9
II. CENTRAL BANK DIRECT CREDITS	4,526	17,671	34,943	82.8	97.7
I+II TOTAL CREDIT STOCK	60,814	106,605	148,325	25.7	39.1

** As of April 17*
*** from end of previous year to April 19*
**** From end ofprevious year to April 17*
Source: Central Bank



High growth of Central Bank credits-still almost entirely towards the public sector-continued in the current year; the Bank's direct credits expanded at a rate of 97.7 percent in the first three-and- an half months. In contrast, Bank credits to the private sector (made available through the banks) increased by around only 27 percent in the first quarter of 1992.

Insofar as the growth of deposit banks' credits are concerned, such credits grew at a somewhat lower rate (by around 53 percent) in 1991, as compared to the previous year's growth of 62 percent. Focusing on the first three months of 1992, credits extended by the commercial (deposit) banks showed more growth than in the corresponding period of 1991 - a rise of about 30 percent, as against 17 percent last year. Despite the more buoyant demand for loanable funds in the current year, the banking sector is actually experiencing some degree of difficulty in placing idle funds in the corporate sector, largely as a result of uncertain business expectations.

Credits extended by the investment and development banks grew by some 63 percent in 1991 and by 12 percent during the first quarter of 1992.

Interest Rates

The nominal interest rates payable on bank deposits, having followed a relatively stable trend throughout 1990 and in the first quarter of 1991, rose again from the second quarter of the year. Varying deposit rates are applied by different banks, but market rates can be as high as 81 percent at present. Bank loan interest rates also being determined freely, range between 65 and 85 percent, with the final cost of bank funds to the user amounting to 97.5 to 115 percent including taxes and "Fund" levies. Central Bank rediscount rates remained unchanged from the second quarter of 1991, levelling off at 48 percent for rediscount credits and at 54.5 percent for advances.

The inter-bank money market rates reflect short-term liquidity trends in the Turkish commercial banking systems. Having climbed to a level as high as 108.10 percent (for overnight borrowings) and 116.40 percent (for weekly borrowings) in early 1991, they have steadied at around 60 percent (overnight) and 70 percent (weekly), since the second half of last year, when the Central Bank abandoned its restrictive credit stance, and economic activity slowed down.

Developments which took place in the interbank foreign exchange market were also influential in the determination of inter-bank money market rates, as the Central Bank tried to support the external value of the TL through direct intervention in the foreign exchange market and, indirectly, through the inter-bank money market.

NOMINAL AND REAL DEPOSIT INTEREST RATES

(%)

	Nominal Deposit Interest Rate*	Price Inflation **	Real Deposit Interest Rate***
1989			
September	63.88	65.1	-0.74
December	58.83	64.3	-3.33
1990			
March	56.66	62.3	-3.77
June	56.83	62.6	-3.55
September	56.94	59.3	-1.48
December	59.35	60.4	-0.65
1991			
March	64.39	62.3	1.28
June	61.91	64.9	-1.8
September	61.00	66.9	-3.5
December	70 .00	71.1	-0.6
1992			
January	69.33	78.5	-5.1
February	69.00	77.8	-4.9
March	69.00	78.7	-5.4
April	71.67	74.0	-1.3

** Payable on one-year bank deposits (weighted average of commercial banks)*

*** Annual percentage change in SIS's Consumer Prices Index*

**** Computed by using Fisher's Formula of: Real Deposit Interest Rate =((1+ Nominal Interest Rate)/ (1+Inflation Rate))-1*100*

VARIOUS LENDING RATES

Type of Lending	1991				1992	
	Jan	June	Sept	Dec	Jan	March
A. CENTRAL BANK REDISCOUNT RATES						
Rediscount	45.0	48.0	48.0	48.0	48.0	48.0
Advance (1)	50.8	54.5	54.5	54.5	54.5	54.5
B. TURKISH DEVELOPMENT BANK (TDB)						
* **Credits of Foreign Origin:**						
Fixed	45.0	45.0	45.0	45.0	45.0	45.0
Floating	48.5	64.0	67.49	69.15	70.0	67.94
* **Credits of TDB Origin:**						
Medium Term Investment	50.0	-	64.0	70.0	70.0	70.0
Medium Term Operating Capital	58.0	-	75.0	75.0	75.0	75.0
Short Term (general)	68.0	85.0	90.0	95.0	95.0	95.0
C. TURKISH EXIMBANK						
Preshipment	42.0	45.0	46.0	46.0	46.0	46.0

(1) As effective from the begining of 1990, discount window practice is applied

Source: Central Bank and SPO.

INTERBANK MONEY MARKET

	Volume of Daily Transactions (TL Billion)	Overnight Average Interest Rate (%)	Weekly Average Interest Rate (%)
1991	3,650.1	63.7	62.70
January	3,033.9	73.35	89.72
February	2,675.4	104.27	102.23
March	3,018.1	108.10	116.4
April	2,340.0	80.78	-
May	2,678.6	72.04	-
June	2,363.3	71.77	74.00
July	3,408.1	64.42	71.00
August	2,891.5	62.76	71.54
September	2,706.6	61.82	70.84
October	1,954.1	61.69	69.47
November	2,579.3	59.87	70.53
December			
1992			
January	4,076.6	60.39	62.41
February	1,902.3	63.12	71.11
March	1,492.5	63.76	75.32

V. PRICES AND INFLATION

High inflation continued to be a matter of major policy concern in 1991, when both wholesale and consumer prices rose more rapidly than in the previous year. The annual (December-on-December) rate of change in the SIS's Consumer Prices Index rose from 60.4 percent in December 1990, to 71.7 percent in December 1991, despite repressed public sector prices in the latter half of the year due to general election considerations. Regarded generally as an indicator of cost-push inflation, the rate of acceleration in the Wholesale Prices Index was also quite strong, rising from 48.6 percent at the end of 1990, to 59.2 percent in December 1991.

The main features of inflation experienced in 1991 can be summarized as follows:

a) Continuing the previous year's trend, the rate of increase in consumer prices was well ahead of the rate of increase in wholesale prices: consumer prices rose by 71.7 percent compared to 59.2 percent for wholesale prices. Expansionary (inflationary) fiscal and monetary policies throughout the year boosted aggregate effective demand and further pushed up final consumer prices.

b) On the supply (cost) side of the economy, amongst the major factors responsible for the re-acceleration of inflation in 1991 was the substantial increase in import costs due to the more rapid depreciation of the TL against major currencies and its chain effects on the economy. The US dollar's appreciation against the TL was of around 72 percent in 1991. Otherwise, the impact of "imported inflation " through the depreciation of the TL against major currencies remained relatively small.

c) By sectors, the highest rate of increase was recorded in energy prices (75.1 percent), followed by mined products (63.2 percent), manufacturing prices (55.3 percent) and agricultural produce prices (50.8 percent). As a result, the overall Wholesale Prices Index rose at a rate of 59.2 percent.

d) Despite the fact that, especially in the final quarter, prices of public sector goods and services were frozen at uneconomic levels, the overall Wholesale Prices Index showed the year's rise in public sector prices at 61.3 percent, whilst private sector prices increased by only 53 percent. Given that industrial inputs of the private sector are largely provided by the SEEs, the constant and high rate of increase in SEE product prices continued to fuel overall inflation to a greater extent than is immediately apparent.

Fortunately, there has been some decline in the rate of inflation since February 1992, following the record January rise in both consumer and wholesale prices (9.4 percent and 11 percent, respectively) which was largely the result of an adjustment of the earlier repressed public sector's selling prices. The wholesale prices rise was of 5.2 percent in February, of 4.3 percent in March, of 2.2 percent in April and of 0.7 percent in May. A si-

milarly downward trend was to be observed in consumer prices - from 9.4 percent in January, to 5 percent in February, 4.9 percent in March 3.8 percent in April and, finally, to 0.9 percent in May. In spite of the improvement in the four months to May, it is as yet too early to conclude that the rate of inflation is in steady decline. In the first place, increases in public sector prices have been restricted to a minimum in recent months, partly with a view to offsetting inbred inflationary fears at the outset of the government's anti-inflationary programme. Of course, failure to apply true, economic prices of SEE outputs at present can only result in even bigger price rises later on, or the inflationary financing of the public sector deficits - losses - so created.

Secondly, monetary and fiscal trends in the first four or five months of the year suggest the likelihood of an accelaration in the rate of monetary expansion in the latter half of 1992.

Thirdly, the rate of depreciation of the TL against major currencies in the first four months of the year has been at a much faster rate than that targeted by the government. A higher-than-targeted rate of depreciation of the TL will inevitably lead to a more rapid rate of increase in the general level of prices.

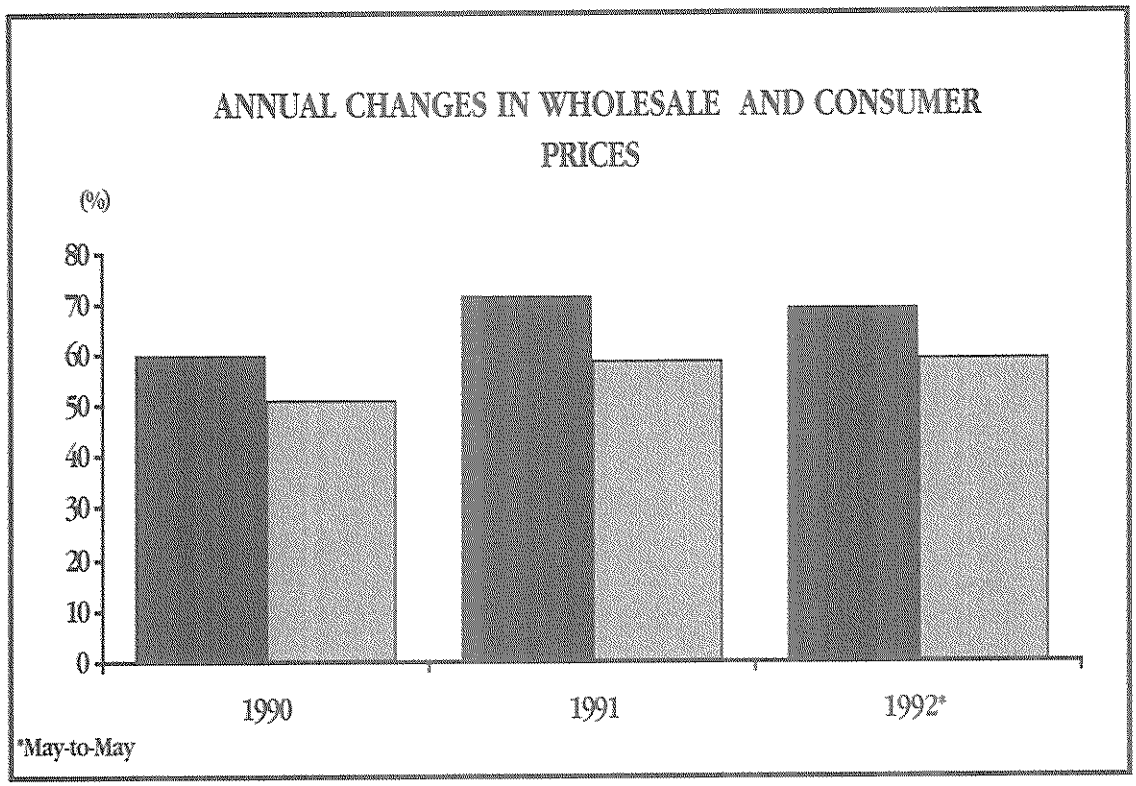
Given the first five months' increases of 25.4 percent in wholesale and 26.1 percent in consumer prices,it is unlikely that the aim of reducing inflation below 1991 level for the full year 1992 will be achieved.

CHANGES IN WHOLESALE AND CONSUMER PRICES

	Annual Percentage Changes		
	1990	1991	1992**
Consumer Prices*	60.4	71.7	69.9
Wholesale Prices*	51.6	59.2	59.5

*** As of May 1992*

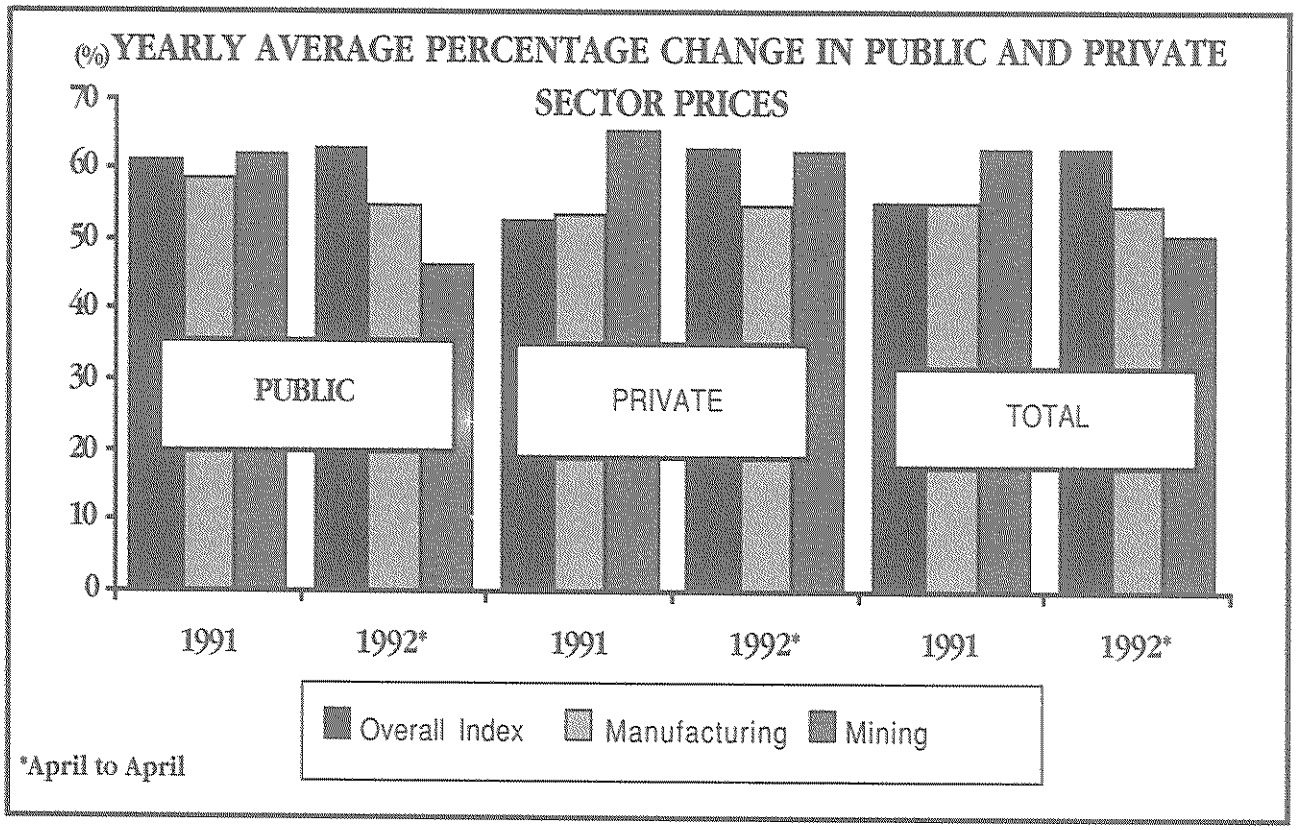
Source:SIS



YEARLY AVERAGE PERCENTAGE CHANGE IN PUBLIC AND PRIVATE SECTOR PRICES(*)

	Public (%)		Private (%)		Total (%)	
	1991	1992**	1991	1992**	1991	1992**
Overall Index	61.3	62.9	53.0	63.1	55.3	63.0
Agriculture	-	-	-	78.0	50.8	78.0
Manufacturing	58.8	55.2	58.8	55.2	55.3	55.2
Energy	-	111.9	-	-	75.1	111.9
Mining	62.3	46.6	65.8	62.5	63.2	50.7

(*)SIS's Wholesale Prices Index(1987=100)
(**)April to April (Annual)



MONTHLY PRICE MOVEMENTS

	Wholesale Prices	Consumer Prices
1991		
January	4.6	4.9
February	5.3	5.4
March	4.9	4.4
April	5.4	6.6
May	2.9	3.3
June	1.4	3.0
July	2.2	1.3
August	4.7	4.0
September	4.4	6.1
October	3.5	6.6
November	3.8	5.2
December	4.4	4.4
1992		
January	11.0	9.4
February	5.2	5.0
March	4.3	4.9
April	2.2	3.8
May	0.7	0.9

**Monthly Percentage Change;SIS. (1987=100)*

VI . GOLD PRICES

In the London market, the value of one ounce of gold declined by 2.5 percent - from US$ 375.80 at the end of 1990 to $366.30 at the end of last year - which was at a lesser rate than in 1990. In the Istanbul market a somewhat similar decline, in US dollar terms, was recorded. The price of one gram of gold rose from TL 35,563 at the end of December 1990 to TL 59,325 at the end of 1991. Against this TL price increase of 66.8 percent must be reckoned, however, the fact that, in US dollar terms, the value of the TL was depreciated by 72 percent over the year 1991.

Turkish Lira gold prices in the Istanbul market have continued to rise since the beginning of the current year, but chiefly as a result of the TL's further deprecation against the US dollar. In fact, high deposit interest rates, and the premiums earned by foreign currency holdings have rendered gold a far less attractive savings instrument than in the past.

GOLD PRICES

	İstanbul Gold Market				London Gold Market	
Years	Gold Billion		Cumhuriyet			
1990	(TL/gr)	Annual Change(%)	(TL/each)	Annual Change(%)	(USD/ounce)	Annual Change(%)
December	35,563	161.1	236.5	13.6	375.8	-8.1
1991						
January	37,788	22.3	254,750	22.3	380.9	
March	42,300	21.9	272,000	32.8	362.0	-11.5
June	46,440	54.3	309,750	54.4	365.5	3.3
September	52,967	52.9	356,000	52.9	347.0	-11.0
December	59,325	66.8	396,750	67.4	366.3	-2.5
1992						
January	61,980	64.0	412,200	61.0	368.1	-3.1
February	66,050	68.9	440,000	61.7	371.1	0.5
March	68,750	62.5	463,750	65.0	357.1	0.1

Source:Central Bank

VII . THE CAPITAL MARKET AND STOCK EXHANGE

Important capital market reforms have been proposed for 1992, and these will involve various amendments to the Capital Market Law (Law No.2499), introduced ten years ago. Whilst the principal aim of these reforms will be to improve and expand the primary market, many of the anticipated changes will relate to the improvement of operating conditions in the Istanbul Stock Exchange, and to the further development of the secondary market.

The expected changes in the Capital Market Law are aimed at:

- Closing loopholes in Law No:2499,
- Increasing the flexibility of the regulations,
- Increasing the categories of authorised intermediaries and financial instruments,
- Attracting institutional investors,
- Supplying more and more explicit information to the general public as regards the operations of the Stock Exchange,
- More effective control of the market,
- Prevention of fraudulent activities,
- And revising and up-dating the Capital Market Board's responsibilities .

The establishment of investment funds will no longer be the monopoly of the banks. The rules and procedures as regards the foundation and operation of investment funds will be revised. There will be rules concerning the portfolio management of gold, and of other precious metals, as well as new regulations for the establishment of such intermediaries as "Venture Capital Institutions", "Consumer Finance Companies", "Investment Consultancies", and "Portfolio Managers".

A gold and other precious metals exchange will be set up, as well as futures and option markets, and other specialised markets such as are operated in the USA. Regulations concerning re-purchase agreements (REPO), open account sales, and credit transactions are also expected. There will be a narrowing of the differences in the legal status of the banks and the various financial intermediaries.

The Law now also contains new regulations as to the right to issue shares against all receivables and fixed assets; joint stock companies may now issue shares which have no voting rights; the equal treatment of old and newly issued shares in so far as the distribution of dividends is now called for; and measures have been taken to prevent insider trading and share price manipulation. Againts these new provisions, the Capital Market Board has already issued several decrees and communiques, effective from January 1992.

It is to be expected that the changes outlined above will result in the Stock Exchange becoming a much more dependable, stable, open and intelligible institution; that investors' savings will be better protected, and that longer-term funds will become available.

Meantime, the capital market and Stock Exchange entered the year 1992 on a negative note, for a variety of reasons, including continuing reactions to the Gulf war and its aftermath, the change in government, ever-increasing public debts, and the still very high rate of inflation. This latter has eroded company capital and, as a result, the demand for new credits and funds from the capital market has naturally increased. On the other hand, the profitability, in real terms, of companies (and business generally) has been reduced and dividends distributed by joint stock companies remain below the returns on foreign currency holdings and bank and other interest rates. Thus, the Stock Exchange has no longer been able to attract new investors, whilst the government's "Privatisation" and "Sales to the Public" programmes have created an excess supply of investment opportunities.

Transactions in the Primary Market

Issue permits granted by the Capital Market Board in the January-April 1992 period amounted to TL 1,339.2 billion which represents a 12.2 percent increase as compared to the same period of 1991. Of the new issues, 77.9 percent are shares, 15.4 percent commercial papers, 5.2 percent joint certificates, and 1.5 percent bonds. The total nominal value of the "Stocks and Bonds" in issue was TL 85.2 trillion in February 1992; 43.4 percent of this total was private sector securities and 56.6 percent public sector securities. The ratio of the nominal "securities" issued by the private sector to the GNP increased to 5.9 percent in February 1992, from 2.4 percent in 1986.

Improvements in the Secondary and Stock Exchange Markets

The volume of transactions in the secondary market was TL 35,310.3 billion in January 1992 and TL 32,595.6 billion in February 1992; transactions increased by 84.1 percent and 71.1 percent, respectively, as compared to the same months of last year.

The nominal value of the stocks and bonds quoted on the Stock Exchange by private sector companies on March 31, 1992 was TL 36,218,154 million. The biggest portion belonged to bank shares with 29.76 percent of all shares and the second most important belonged to Investment Companies and Holdings, with 17.48 percent. The nominal amount of the company shares in Stock Exchange quotations was TL 1,129,832 million at the same date. Sector-wise, the largest proportion of these share were those of the machinery-motors-assembly, and pharmaceuticals and chemicals groups.

On March 31,1992, a total of 1,197 companies were registered with the Stock Exchange, but only 138 of these companies' shares are traded in the market. Detailed information is available only in respect of these 138 companies as the remainder do not issue shares.

Transactions in the İstanbul Stock Exchange

The first quarter of 1992 was not very favourable for share prices. The market was not able to hold the price level prevailing during the last months of 1991; at times, the Share Index rose to the level of four thousand, at others it fell below it.

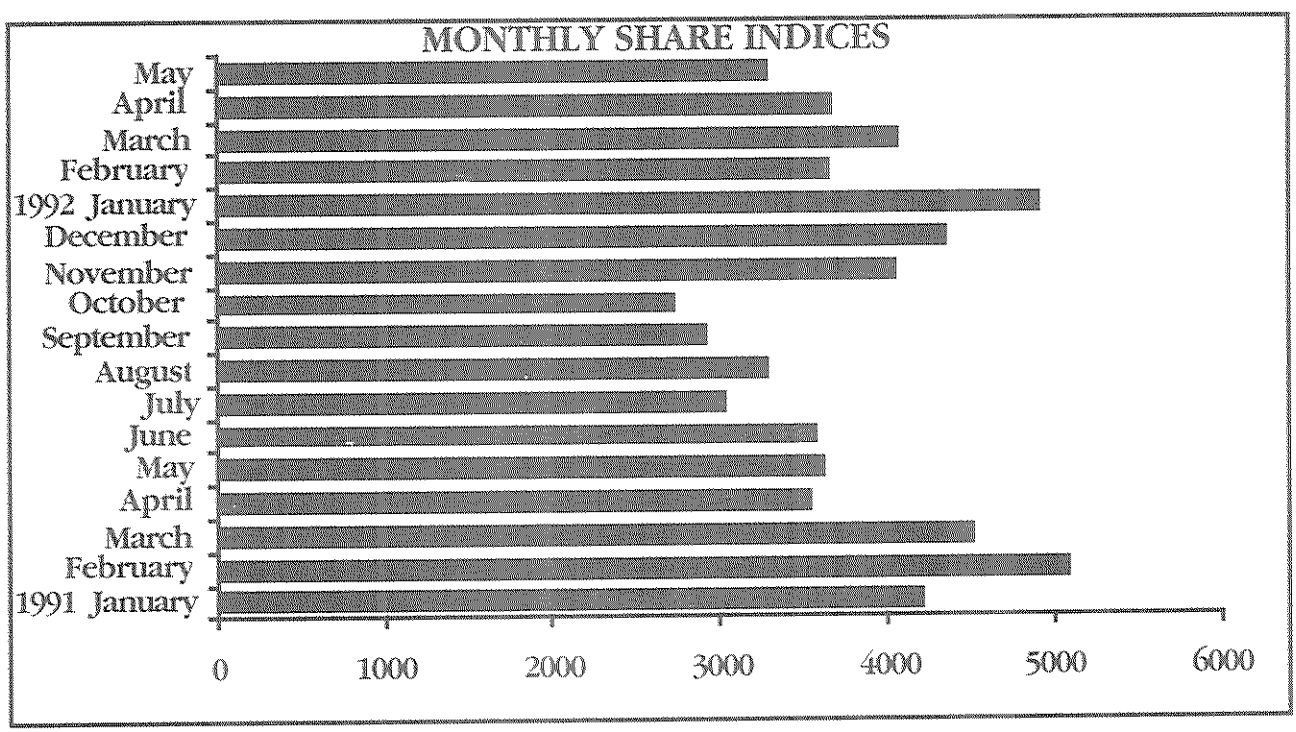
The share prices index has in fact fluctuated widely since June 1990. With the effects of the Gulf Crisis and "Privatisation", prices fell after October 1990. In early 1991, most people expected that the war in the Gulf was about to end, and prices climbed towards the 5000 level. Later in the year the depressed economic outlook drove prices down and the Share Price Index fell as low as 2,746.84, in October .

The volume of share transactions has continued to rise. In 1990 it was TL 15.313 billion. In 1991, it increased by 129 percent to TL 35.487 billion, but 30 percent of these transactions were realized in November-December, when prices rose following the October general elections. Hence, the strength of Stock Exchange , which had been rather poor, has improved considerably.

MOVEMENTS IN THE SHARE PRICES INDEX IN ISTANBUL STOCK EXCHANGE (month-end closing prices)

	1990	1991	1992
January	3,641.25	4,213.48	4,926.19
February	3,516.12	5,102.57	3,664.36
March	3,294.31	4,519.95	4,076.62
April	3,308.23	3,554.25	3,686.37
May	3,852.02	3,626.36	3,297.36
June	4,132.98	3,587.36	
July	5,384.48	3,041.44	
August	4,939.23	3,301.29	
September	5,085.15	2,937.64	
October	4,570.44	2,746.84	
November	3,256.96	4,058.47	
December	3,255.75	4,369.15	

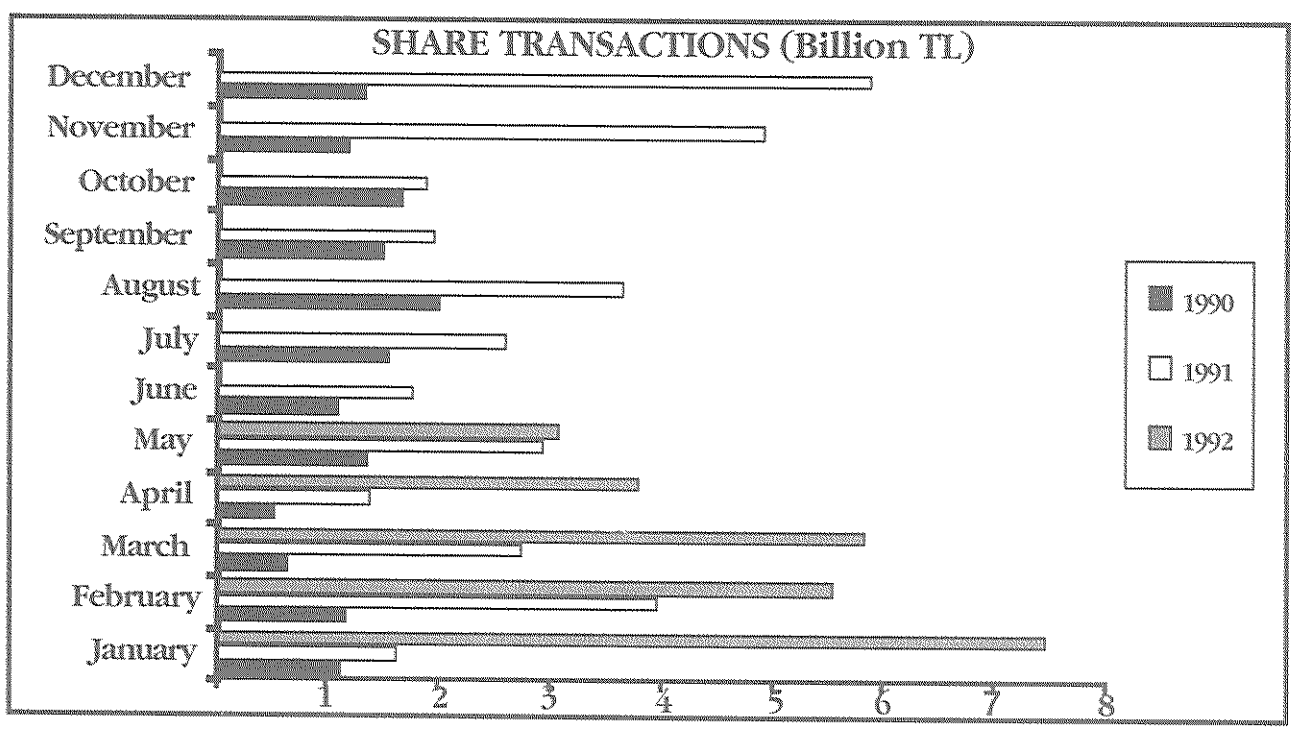
Source: İstanbul Stock Exchange



SHARE TRANSACTIONS
(Million TL)

	1990	1991	1992
January	1,128,273	1,644,689	7,477,408
February	1,184,413	3,981,934	5,556,016
March	649,658	2,753,075	5,853,188
April	528,699	1,401,092	3,820,128
May	1,383,897	2,960,401	3,104,253
June	1,115,649	1,770,307	
July	1,556,685	2,628,244	
August	2,018,507	3,663,055	
September	1,512,348	1,960,500	
October	1,690,362	1,903,284	
November	1,200,453	4,944,484	
December	1,344,120	5,893,738	
TOTAL	15,313,064	35,487,078	25,810,993

Source: İstanbul Stock Exchange



Trading volumes have continued at a high level in 1992. Transactions of TL 25,810 billion in the period of January-May 1992 were equal to approximately 72.7 percent of the total transactions last year and twice those in the same five months of 1991. However, there was a sharp fall in turnover in April.

Transactions in Certificates of Debt

The securities other than shares traded in the Stock Exchange are Treasury bills, government bonds, revenue sharing certificates, foreign exchange-indexed bonds, housing certificates and other bonds, commercial papers, bank bills, and bank-guaranteed bills issued by the private sector .

TRANSACTIONS OF DEBT INSTRUMENTS
(TL Million)

	Public Sector Treasury Bills, Government Bonds, and Others	Private Sector Company Shares, Commercial Papers Bank Bonds	Total
1990	94,565,943	3,874,839	100,440,782
1991	278,722,813	13,088,254	291,811,067
1992*	89,507,994	3,342,588	92,850,582

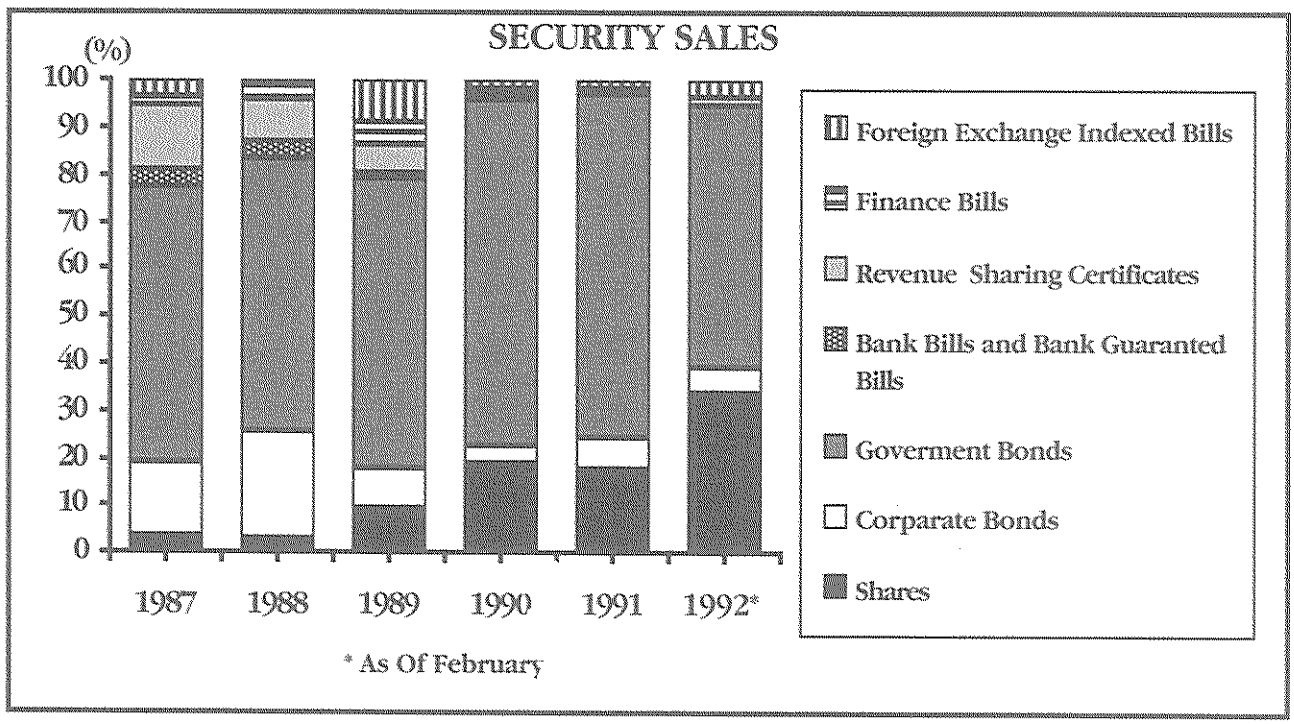
**(January-March).*
Source: Capital Market Board and Istanbul Stock Exchange Bulletins.

The above table shows that transactions were concentrated mainly on public sector securities, especially on government bonds and Treasury bills (94.5 percent in 1991; 96.5 percent in 1992). The share of the private sector was much less (4.5 percent in 1991, 3.5 percent in 1992). This is the natural result of the government's tradionally monopolising the market's resources.

Transactions in The Securities Market

By the middle of 1991, a new market - "The Securities Market" - was set up in the Stock Exchange. The main aim of this market is to assure the orderly trading of securities with fixed revenues. Government bonds, Treasury bills and revenue sharing certificates

have been traded since June 1991 and private sector debt certificates have been included in this market from February 1992. The services of a number of international communications companies are employed in this market's operations.



MOVEMENTS IN THE STOCK EXCHANGE MARKET
(TL Million)

	1991 (June-December)		1992 (January-March)	
	Volume of Transactions	Nominal Transaction Amount	Volume of Transactions	Nominal Amount of Transaction
Public Sector, Goverment Bonds, Treasury Bills, Revenue-Sharing Certificates	1,475,503	1,684,750	1,250,090	1,617,350
Private Sector Shares, Commercial papers and Bank Bonds	-	3,251	2,770	
TOTAL	1,475,503	1,684,750	1,253,341	1,620,120

The most important part of the transactions realized in the Securities Market was in Treasury Bills and Government Bonds.

Share Transactions Outside the Stock Exchange Market

Among the transactions in the Stock Exchange, there are also transactions called "Under Lot" or "Decimal Transactions", that are handled by intermediaries. There are only fourteen foundations which have permission to carry on such share trading. The main aim of this market is to provide a secure and orderly environment for small transactions.

The volume of share transactions realized in this market since the beginning of 1990 is shown below:

(TL Million)

Years	Purchases	Sales	Total
1990	4,529	4,249	8,778
1991	45,862	39,582	85,444
1992 (January-March)	12,598	10,815	23,413

The Profitability of Shares and Alternative Investments

In Turkey, investment in shares is a rather new phenomenon. In the past, most people prefered to invest in gold, hard currencies, or to deposit their savings with the banks.

However, after the re-establishment of the Istanbul Stock Exchange in 1986, investors saw the advantages of such a market. The Shares Index reached the level of 5,000 in 4-5 years from 100 in 1986, meaning that the assets of companies operating on the Stock Exchange are now better appraised. The total market capitalization of the companies was TL 76,876.8 billion and the prices earnings ratio was 10.8 as of March 1992.

The factors which affect the market value of shares in Turkey are different from those prevailing in the principal industrialized countries. In these countries, the dividends distributed to the shareholders by the companies are based on the value of the shares in the market. But in Turkey, for such reasons as the level of costs, and companies' self-financing needs, dividends are distributed at a less satisfactory level. As a result,

speculative attitudes prevail in the market which, as was demonstrated above, has lately been exceptionally volatile. The Stock Exchange has to compete with such other forms of speculative investment as gold, bank deposits, and foreign currency.

The increase in the foreign exchange rate, especially in the U.S. dollar, gained speed in 1991 and this trend continued in 1992. This situation has had a markedly negative effect on the stock market in the first months of 1992 as it had in 1991.

CENTRAL BANK FOREIGN CURRENCY (BUYING) RATES

Foreign Currency	End of 1991	End of March1992	End of April 1992	Change %	
				End of 1991	Monthly
US Dollar	5,074.8	6,241.4	6,593.8	29.93	5.6
DM	3,339.8	3,595.3	3,985.4	19.33	10.8
British Ster.	9,482.8	10,841.9	11,700.7	23.40	7.9
Swiss Fr.	3.748	4,164.3	4,332.3	15.58	4.1
French Fr.	978.3	1,118.9	1,181.5	20.77	5.5

For example, the price of gold increased 17.86 percent between January and March 1992, and deposit interest rates increased again in April; thus, yearly deposit interest rates rose to above 70 percent and in some cases to as much as 81 percent. The interest rate on the Treasury's debt instruments followed suit.

CALENDAR OF MAIN ECONOMIC POLICY MEASURES 1991/1992

CALENDAR OF MAIN ECONOMIC POLICY MEASURES

1991/1992

1991

January

The import regime is amended. Taxes and Funds on 265 items are changed. While taxes and Funds levied on several industrial raw materials, cars and automotive industry products are reduced, the Funds levied on imports of livestock, sugar and milk powder are revised upwards.

Customs Entrance Tariff Schedules are adjusted in line with the Harmonized System Nomenclature.

Banks operating in free zones (off-shore banking inclusive) are not subject to disponibility and legal reserve requirements through their deposits from the banks established in Turkey and deposits from persons resident abroad.

It is announced by the Central Bank that heavier sanctions will be applied to those banks which do not fulfill the legal requirements to which they are subject.

Besides the Customs Duty and/or Funds already applied, it is decided to levy 100 percent surtax against dumping on the import of the items from Poland and Czechoslovakia that are covered by Customs Tariff Statistical Position No: 8466.20.90.

Tax rebate rates paid to the wage and salary earners are rearranged upwards.

The Fund levy of 10 percent to the Support and Price Stabilization Fund from the petroleum products produced from domestic crude oil is abolished. On the other hand, the government levy of 10 percent to the same Fund from the import of petroleum is raised to 15 percent.

In case of import of normal gasoline and super gasoline, for the period 1/2/1991 to 30/4/1991, the Support and Price Stabilization Fund levy is

raised from 7.5 percent to 30 percent and the Petroleum Stabilization Fund ratio from 5 percent to 10 percent.

Funds levied on imports of several agricultural products are raised and some further products are included in the Fund list. On the other hand, imports of some hygienic materials for human life are exempted from Customs Duty.

February

It is announced by the Central Bank that interest rates on foreign exchange deposits by Turkish residents abroad at the Central Bank are raised by 1 or 2 points and determined by a minimum level for these deposit accounts.

The Regulation for the Thrace Free Zone is published. Companies intending to operate in the zone will have to pay $ 5 rent per square metre in covered areas. The sale price per square metre in built-up areas will not be below $ 500. The minimum sale price per square meter for plots of land is fixed at $ 150. Companies will be allowed to operate for 20 years. However, companies investing over $ 5 million will be entitled to extend that period for a further 10 years.

Under an agreement signed by Turkey and the Soviet Union, this year Turkey will import from the Soviet Union over 4 billion cubic metres of natural gas and $ 170 million of the cost of the Soviet gas will be paid for against exports of Turkish goods and $ 100 million will be used to finance construction projects in the Soviet Union to be built by Turkish contractors. The agreement incorporates the list of goods that Turkey will export to the Soviet Union against supplies of gas this year. Turkey also to provide $ 26 million in goods to service Soviet credits made available to finance installations constructed in Turkey with Soviet assistance. Turkey is to sell against gas supplies $ 30 million in vegetable oils, $ 27 million in medicines, $ 20 million in iron and steel products, $ 20 million in soap and detergents, $ 17 million worth of tea, $ 10 million in cigarettes, $ 5 million in ready-to-wear clothing and leather products, $ 6 million in nuts, and $ 2 million in baby food and $ 16 million in industrial products and other commodities.

An anti-dumping surtax is levied on imports of some articles from Romania, Taiwan and China in order to prevent unfair competition. Anti-dumping tax rates and corresponding articles are as follows: 100 percent of the CIF value of the imports from Romania of rolled, drawn and blown glass; 30 percent of the CIF value of the imports of all kinds of pulley chains from Taiwan excluding two companies (KMC Chain Ind. Co. Ltd. and Chain Tiger Ind. Co. Ltd.); $ 2 per kilogramme on imports of porcelain tableware, kitchenware, and other household and toilet articles from China.

The principles of directions and incentives of investments and foreign exchange earning services by the Resource Utilization and Support Fund are modified. Loan terms and Fund levies regarding investment inventives are changed, too. The following interest rates are applied to the corresponding regions: First priority regions 10 percent, second priority regions 15 percent, others 20-25 percent and developed regions 30 percent.

Off-shore banking regulations covering operations at İstanbul Atatürk Airport are issued. Banks willing to operate at the İstanbul off-shore banking centre have to obtain a license from the State Planning Organization. Licenses will be issued for a period of 10 years but may be extended for a further period.

March

Two loans amounting to $ 103,500,000 are extended by the Council of Europe's Resettlement Fund to Turkey. Turkey will pay Libor plus 0.25 percent interest for the larger portion of the two credits, worth $ 100 million. The second portion, $ 3,150,000 in total, bears annual interest of 1 percent. Both loans are to be repaid on October 1, 2000.

The regulation that governs the operation of the Trabzon Free Zone is published. Companies willing to operate in the Zone will have to pay $5,000 for a license. The fees for banks and insurance companies are fixed at $ 75,000 and $ 50,000, respectively. Applications to be made the SPO in Ankara or the Trabzon Free Zone Directorate in Trabzon.

The foundation agreement of the European Reconstruction and Development Bank is approved and an upper limit of ECU 115 million participation is undertaken by Turkey. However, it is also accepted that the Council of Ministers is authorised to raise the share amount up to threefold. On the other hand, Turkey's participation to the foundation agreement of Asian Development Bank is approved as well. Capital participation limit to this foundation by Turkey is SDR 60.2 million and again Council of Ministers can raise it three- fold.

April

The State Planning Organization's Free Zone General Directorate announced that applications for the Adana-Yumurtalık Free Zone are to be accepted until June 15, 1991. $ 50,000 is to be charged as an application fee for banks and insurance companies. The fee for companies is fixed at $ 2,000.

A bloc sale of State shares under the privatisation programme is again carried out after an interval of two years. Sixteen percent of the shares of the automotive company TOFAŞ Oto is sold to FİAT Auto SPA. As a result, the State stake in TOFAŞ Oto drops to 23 percent from 39 percent.

May

Customs duties and Funds on a few items covered by the Import Regime are adjusted.

The State Monopoly of cigarettes and other tobacco products is abolished. A Council of Minister's decree ending the State Monopoly in the tobacco and cigarette markets was published in the Official Gazette.

It is announced by a Decree of Council of Ministers that several new items are added to the consolidated liberation list of European Community and consolidation ratio increased to 80 percent in line with the 22nd article of the Additional Protocol.

The import regime is amended. Customs duty and Funds levied on a few items, such as cotton yarn, woven cotton, are changed.

June

The government announced that the minimum amount for which it is mandatory to issue notarised invoices has been raised from TL 300,000 to TL 500,000. The minimum outgo which may be directly capitalised to Fixed Assests is raised from TL 100,000 to TL 200,000.

The Ninth Period Conformity Protocol of the Turkey-Iran Joint Additional Committee is approved. Both Turkey and Iran confirmed their intention to further develop their relationship in the fields of economic affairs, industrial and technical co-operation, trade and banking, transportation, communications, and agriculture.

The Decree For The Encouragement of Exports and Foreign Exchange Generating Activities is revised.

A Communique setting out the terms upon which the description "Foreign Trade Company" may be adopted or withdrawn, as well as the responsibilities of such companies, are issued.

The government's earlier decision to increase the VAT rate on basic foodstuff, newspapers, books and natural gas from 6 to 8 percent in June 1991 is postponed to 1st August.

The government introduced a new rate of tax on "Customs Free Shops" operations; at the same time, persons authorised to import household effects and appliances free of Customs duty were empowered to use such authority in respect of purchases from "Customs Free Shops".

Regulations aimed at the support and development of yacht tourism areissued.

The City of Mardin is authorised to carry on border trade with Syria through the Nusaybin Frontier Post.

Wheat exports are liberalised.

Foreign borrowing by municipalities are made subject to the approval of Undersecretariat of Treasury and Foreign Trade.

July

Legal reserve ratios are changed. The ratio on Turkish Lira deposits will be lowered:

- for sight and one-month deposits: from 17.5 to 16.5 percent and, after 6th September, to 17.5 percent.
- for three-month to one-year deposits: from 8.25 to 7.75 percent and, after 6th September, to 8.25 percent.

The principles governing tne encouragement of Foreign Exchange Earning Services are revised. Upward adjustments were made to the credit payment rates applied certain areas of the country in respect of the Resource Utilization and Support Fund financing.

New minimum wage rates for 1991 is issued by the Minimum Wages Commission.

The surcharge on exports of wheat and barley is abolished.

August

The planned increase in VAT rate on basic goods from 6 to 8 percent is again postponed to 1st January, 1992.

Banking and Insurance Tax Rates are modified with effect from January, 1992. The new rate applicaple to interbank deposit transactions is 1 percent.

A new Export Finance Decision is published; regulations governing the issue of credit facilities to manufacturers and exporters are laid down.

New minimum export values are set in regard to access to various export incentive concessions.

Rates of Income Tax Deductions from wages and other earnings, securities, and capital gains, are modified. Rates of tax deductions on

certain categories of interest and capital gains on Foreign Currency Deposit Accounts are also adjusted.

A new Communique is issued in regard to tax refunds to wage and salary earners in relation to their bona fide household and personal purchases. Such refunds may not in any way relate to trading agricultural, or professional operations.

The State Planning Organisation and the Undersecretariat for the Treasury and Foreign Trade are reorganised. The departments of Incentive Implementation, Foreign Capital, and Free Trade Zones are shifted from the State Planning Organisation to the Treasury.

The subsidy on fertilizers is increased by 25 to 36 percent.

A supplementary budget of TL 21,191 billion is approved by the Parliament.

September

Goods purchased from companies or shops which are exempted from corporation tax are excluded from the expenditure rebate scheme.

The Spanish Peseta is added to the list of currencies authorised by the Central Bank in so far as trade, deposit, and other banking operations are concerned.

A Communique is issued to regulate the type of paper to be used and style, layout, and printing of bonds issued to the public.

A Double Taxation Agreement is signed by Turkey and Belgium.

The Undersecretariat of the Treasury and Foreign Trade issued a Decision to the effect that, in view of complaints about the "dumping" of woven cotton goods from Pakistani origin, a 20 percent surcharge is being raised on such goods when imported into Turkey.

The surcharge on oil earmarked for the Support and Price Stabilisation Fund is lowered from 30 to 10 percent.

October	The Decision governing the Establishment of Private Financial Foundations is amended. Such Foundations must now be established as joint stock companies with at least 100 shareholders, and a paid-up share capital of not less than TL 75 billion. Foreign shareholders are required to invest their capital in cash in a foreign currency which is freely traded by the commercial banks. Turkey's IMF Quota is raised from SDR 429.1 million to 642 SDR million. The private sector's production of electricity in the cities of Muğla, Aydın, Denizli, Isparta, Eskişehir, Bilecik, Balıkesir, and İzmir, is authorised for a period of thirty years. Newly decided principles governing the issue of credits from the Resource Utilization and Support Fund are announced.
November	The dates on which it is mandatory to use registered machines for recording sale sare announced by the authorities and these dates are based on turnovers in 1991.
December	The Central Bank announced that interest of 71.88 per annum will be applied to variable interest rate credits related to the Foreign Credits Differentials Fund. A surcharge of 20 percent of CIF value is introduced in respect of cotton yarn imports under Tariff 52.05 from Pakistan. Several tax laws are amended. Income tax brackets are revised:

Annual Income Brackets		Income Tax Rates
Old	New	Percent
Up to TL 12 million	Up to TL 20 million	25
TL 12 to 24 million	Tl 20 to 40 million	30
TL 24 to 48 millon	Tl 40 to 80 million	35
TL 48 to 96 million	TL 80 to 160 million	40
TL 96 to 128 million	TL 160 to 320 million	45
TL 128 million and more	TL 320 million and more	50

1992

January

Customs Tariff schedules are adjusted.

The Cabinet re-organized the Money and Credit Board and renamed it The Money, Credit and Co-ordination Board. This Board will decide to adopt and announce policies regarding domestic and foreign economic activities and money, credit, and financial operations.

An economic and commercial co-operation agreement is signed by Turkey and the Türkmenistan Republic.

Revised targets within Sixth Five Year Development Plan are published. Public sector enterprises and entities are to prepare and report their five year investment programmes within these targets.

The government announced the minimum fees payable to free-lance accountants and financial consultants as from 1992.

Communique is issued regarding Foreign Trade Companies.

It is announced by the Central Bank that the average maturity of government securities held in commercial banks' liquidity requirement must not be less than 210 days.

The Capital Market Board issued new regulations regarding the activities of intermediary financial institutions; these latter may undertake the management of customers' portfolios only with the Board's specific authority.

February

The Central Bank announced that as from February 1, 1992, the interest rate on variable interest rate credits related to the Foreign Credits Differentials Fund will be 70.40 percent p.a.

The government's 1992 Annual Economic Programme is published in the Official Gazette.

The 1992 export regime is announced.

The Law on Ownership of Apartment Flats is amended in regard to the operation of natural gas services.

Surcharges and customs duties on many imported items are increased.

The Turkey-EEC Financial Agreement was signed.

A commercial, economic, and cultural co-operation agreement is signed by Turkey, Uzbekistan and Kyrghyzstan

The Communique concerning the prevention of unfair competition in import is revised.

A DM 100 million credit agreement is signed by and between the European Community Housing Fund and Turkey.

March

The Central Bank announced that as from March 1, 1992 (for one month only), the interest rate on variable interest rate credits related to the Foreign Credits Differentials Fund will be 67.94 percent.

A Project Agreement between the government of Turkey and the UN Population Fund and FAO is signed.

The Ministry of Finance and Customs issued regulations regarding the filing of VAT returns by taxpayers.

The Ministry of Finance and Customs issued a revised General Communique on Income Tax matters.

A Communique is issued in respect of the Law Regulating Freelance Accountants and Financial Consultants.

Amendments to the Decree For The Encouragement of Exports and Foreign Exchange Generating Activities is published. Electricity used in the production of export goods becomes subject to a 25 percent cost reduction. Manufacturer-exporters are now entitled to purchase fuel oil needed for the production of goods for export at international prices, free of Custom duties and "Fund" charges.

Customs Security Regulations relevant to vessels passing through the Bosphorus are revised.

Henceforth, the authority of the Treasury Council will be required in respect of foreign capital investments valued at up to TL 150 million; investments of amounts in excess of TL 150 million will have to be authorised by the Cabinet.

It became mandatory for the tenants to complete "The Information Data Sheet" for submission to the Incomes Secretariat-General of the Ministry of Finance and Customs.

The Ministry of Finance and Customs extended the periods within which tax payers are required to begin to use automatic cash registers in 1992.

Regulations issued by the Ministry of Transportation require that transport companies insure their drivers and passengers for all journeys undertaken. Agencies handling such insurance have a capital of not less than TL 20 million.

The Cabinet has ruled out henceforth, Investment Incentive

Certificates will be issued only for investment projects valued at least 1 billion in the "free zones" and "priority development regions", and for those involving at least TL 5 billion in other regions.

The government has announced that credit facilities will be available to Turkish businessmen to make investments and undertake contracts in the Commonwealth of Independent States.

A Communique is issued concerning the consolidated finances' tables to be prepared by Holding Companies, groups of firms, and the like.

April

The principles and procedures for the application of export incentive measures are set forth by the Undersecretariat of Treasury and Foreign Trade. Moreover, the exporters are supported by means of delivering cheaper power supply amounting to TL 600 billion, and fuel-oil exempt from funds amounting to TL 120 billion. The applications with respect to the guidance and encouragement of investments, services capable of yielding foreign exchange, and operations, are clarified by the Undersecretariat of Treasury and Foreign Trade. The Communique is put in force as of March, 28.

"The Coordinating Committee for Foreign Trade and Marketing" is founded within the body of Undersecretariat of Treasury and Foreign Trade.

A cooperation protocol is concluded by and between the Turkish Government and the EEC covering the policies and measures on industrial, technological, cultural, and social cooperation, and customs union between the parties in 1992.

A mutual cooperation protocol is concluded by and between The Republic of Turkey, and Rumania on electricity.

The Conformity Protocol on the development of existing cooperation in the field of tourism between the Republic of Turkey, and Bulgaria is ratified.

The Conformity Protocol of the 5 th Period Meeting of Turkish-

Indian Mixed Committee for Economic and Technical Cooperation is ratified.

The principles of determination and payment of Resource Utilization Support Premium to be paid for husbandry investments with Certificate of Encouragement are revised by a decision of the Board of Ministers.

The Agreement, to be put into force as of April 1, 1992, on the development of economic and commercial cooperation concluded by and between Turkey, and EFTA Countries (the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Kingdom of Sweden, and the Confederation of Switzerland) is ratified.

Regulations providing that some goods to be imported by real and legal persons are to be exempted from customs taxes and charges provided that established conditions are met are revised by the Ministry of Finance and Customs.

The Cultural Agreement concluded by an and between the Republic of Turkey, and the Republic of Portugal is ratified.

The limit for the obligation to issue notarised invoices is raised from TL 500,000 to TL 800,000.

The Agreement on the technical cooperation in environmental protection concluded by and between the Republic of Turkey, and USA Office for Environmental Protection is ratified so as to be in force as of December 10, 1991.

The decision is published by the Board of Ministers on the ratification of project document on the "Determination of Factors Contributing to the Population Policies and Programs" concluded by and between, the Republic of Turkey and the United Nations Population Fund.

The "Agreement on the Cooperation in Medical and Hygienic Studies" concluded by and between the Republic of Turkey, and the EEC is ratified.

The regulations are published on the establishment and activities of financial leasing companies to be operated in accordance with the Law on Financial Leasing.

May

The interest rates applicable in May 1992 to Regulating Reserves of Exchange Deposits to be established with the Central Bank of Turkey are announced.

The variable interest rate applicable to loans within the framework of Fund for Exchange Rate Differences in Foreign Loans is fixed as of 1 May 1991.

A decision is adopted by the Board of Ministers for the participation of the Republic of Turkey in the European Agreement on the International Principal Flight Corridors (AGR).

A decision is adopted by the Board of Ministers for the extension of coverage of the agreement concluded by and between the Republic of Turkey, and the Socialist Federative Republic of Yugoslavia on the mutual cancellation of visa application so as to cover the Republics of Sloven, and Croatia.

The Province of Erzincan is included in the list of Provinces with the Precedence of First Degree.

Regulations for Insurance Exports are published.

The decree on the revision of Law on the Stocks Market, and the amendment of an article of Law on Banking is published.

The decision for the participation of the Republic of Turkey in AGR is published.

A Loan Agreement is concluded by and between the Republic of Turkey and International Agricultural Development Fund for the financing of Bingöl-Muş Rural Development Project, and a decision is adopted for the foundation of a "Trust Fund" to this end.

The Agreement on the loan to be granted by the Italian Goverment to Turkey within the framework of Gulf Crisis is ratified. A decision is adopted for the ratification of Conformity Protocol for 10th Period of Turkey-Iran Mixed Economic Committee.

The Agreement concluded by and between the Republic of Turkey, and the Republic of Federal Germany on the Consultation Project for the Electronic Data Processing System is ratified so as to be valid as of 20 December 1991.

The Agreement concluded by and between the Republic of Turkey, and the Kingdom of Denmark on the mutual encouragement of investments is ratified.

A decision is adopted by the Board of Directors for the privatization of Et ve Balık Kurumu, Türkiye Süt Endüstrisi Kurumu, Orman Ürünleri Kurumu, Denizcilik Bankası T.A.Ş., and Yem Sanayii T.A.Ş.

A decision is adopted for the ratification of 12 th Period Protocol of the Mixed Economic Committee between the Republic of Turkey, and the Turkish Republic of Northern Cyprus. The Communique on the supply of loan to the mass housing projects that previously did not receive any loans from the Mass Housing Fund is published.

A decision is adopted for the ratification of Protocol of 9th Meeting convened by the Turkish-Kuwait Mixed Transportation Committee.

June

The Protocol of 2nd meeting convened by Mixed Committee for the commercial, economical,. and technical cooperation between the Republic of Turkey, and the People's Republic of Bangladesh is ratified.

The interest rates to be applicable to regulating reserves for exchange deposit accounts are fixed as of 1 June 1992.

The variable interest rate applicable to loans within the framework of the Fund for Differences in Exchange Rates for Foreign Loans is fixed as 68.63%.

An announcement is made by the Ministry of Finance and Customs on the application of value added tax.

The Communique on the loans for travel agencies to be allocated from the Fund for investments and services capable of yielding foreign exchange is published by the Board of Directors.

A decision is adopted for investigation by the General Directorate of Imports, the Undersecretary of Treasury and Foreign Trade for the "tiles" included in the customs tarriff no 69.08 as per the provisions of the Law on the Prevention of Unfair Competition in Imports.

APPENDIX I

TÜSİAD FORECASTS FOR 1992

TÜSİAD started its first exercise with an econometric model in 1983. The first "annual econometric model" was completed and published under the title "A Model for Forecasting Turkish Economy 1965-1983" in 1984. The same model was revised with 1965-84 data and the results were published ("An Econometric Model for Turkey, 1965-84"). A quarterly econometric model was published in 1987.

In this Appendix we present the results based on our short-term econometric model. It is assumed that there will be no significant changes in present economic policies or in the present business environment.

SUMMARY OF TÜSİAD FORECASTS FOR 1992

Real Growth Rate (%):	
Agriculture	3.1
Industry	4.8
Services	4.8
GNP	4.4
Total Fixed Capital Investments	4.3
Total Consumption	4.5
Inflation rate (%)	68.0
Exports ($ Billion)	14.5
Imports ($ Billion)	22.0
Foreign Exchange Rate (TL/$)	
Year End	9,500
Percentage Change (1992/1991)	87.0
Annual Average	7,000
Percentage Change (1992/1991)	68.0

The 1992 GNP growth rate is expected to be 4.4 percent. The growth rate in agriculture is forecast at 3.1 percent, that in industry 4.8 percent. Services are expected to grow by 4.8 percent.

Total investment is expected to increase by 4.3 percent, and total consumption by 4.5percent.

The inflation rate will be around 68.0 percent.

Imports will be $ 22.0 billion and exports $ 14.5 billion.

As a year-end figure for 1992, the exchange rate is expected to be 9,500 TL/$.

APPENDIX II

RESULTS OF A QUESTIONNAIRE ON TÜSİAD MEMBERS'FUTURE EXPECTATIONS

In May 1992, TÜSİAD prepared and distributed to all its members a questionnaire which was aimed at providing a thorough survey of economic developments in Turkey.

The results of this TÜSİAD initiative were indicative of the importance which is now placed on the forecasting of economic development.

No less than 74.5 percent of the respondents have special sections or staff concerned with forecasting in their companies. Fixty-six percent of these companies employ 1 to 9 persons and 8.5 percent of thein employ were than 9 persons in forecasting work. Overall, these forecasting groups average about five persons each.

NUMBER OF PERSONS DEALING WITH FORECASTS

Persons	(%)
0	25.5
1-9	66.0
10+	8.5

Of the respondents , 70.2 percent use market research, 66.6 percent use managers' judgement, 57.4 percent compare current year's results with those of the previous year, 48.9

METHODS EMPLOYED FOR FORECASTS

Method	Firms Employing These Methods(%)
Market research	70.2
Judgement of managers	66.0
Comparison of previous year's results, statistical analyses, extrapolation	57.4
Sales agents' forecasts	48.9
Consumer surveys	38.3
Regression, correlation	31.9
Technological forecasts	25.5
Econometric models	14.9
Time series analyses	8.5
Exponential smooting	4.3

percent depend upont the forecasts of regional sales agents, 38.3 percent use consumer surveys, 31.9 percent use regression and correlation techniques 25.5 percent use technological forecasts, and 8.5 percent use time series analyses.

No less than 72.3 percent of TÜSİAD members use our Association's forecasts, whereas 68.1 percent utilize SPO forecasts and 83 percent those of other institutions. On the other hand, 10.6 percent of TÜSİAD members do not make use of any institution's forecasts.

INSTITUTIONAL HELP IN FORECASTING

Institution	(%)
TÜSİAD	72.3
SPO	68.1
Others	83.0
None	10.6

Results obtained by the questionnaires may further be summarised as follows:

Among the variables that affect fixed capital investments negatively, 31.8 percent of members cite high interest rates as the major cause. Other important factors are economic instability, stagnating domestic demand, insufficiency of credits, political instability and inadequacy of external demand.

FACTORS NEGATIVELY EFFECTING INVESTMENTS

Factors	(%)
High interest rates	31.8
Economic instability	29.5
Inadequate domestic demand	25.0
Insufficient credit facilities	6.8
Political instability	4.5
Inadequate external demand	2.3

According to 52.1 percent of TÜSİAD's members, inflation is the major problem of the Turkish economy in 1992, whereas 20.8 percent point out to public sector expenditure as the most important problem.

Unemployment is ranked first among the major problems of Turkish economy in 1996 by the 23.9 percent of TÜSİAD members.

Education and health continue to be important. Inflation will lose its weight in the preceeding years. Whilst 52.1 percent of the members consider that inflation is the most important problem of 1992, this ratio falls to only 13 percent regarding 1996.

THE MOST IMPORTANT PROBLEMS OF 1992

Problems	(%)
Inflation	52.1
Budget expenditure	20.8
High interest rates	8.3
Education and health	6.2
Growth rate	4.2
Domestic debts	4.2

THE MOST IMPORTANT PROBLEMS TO BE RESOLVED IN 1996

Problems	(%)
Unemployment	23.9
Education and health	19.6
Inflation	13.0
Lack of technology	10.9
Income distribution	8.7
Budget expenditure	6.6
Foreign debts	4.3
Growth rate	4.3
Domestic debts	2.2

In all, 60.9 percent of the respondents expect that the period 1992-1996 will be more successful than was the previous half decade.

EXPECTATIONS AS REGARDS THE PERIOD 1992-1996 IN COMPARISON WITH 1987-1991 (%)

Period	(%)
1992-1996 period will be more succesful	60.9
1987-1991 period was more succesful	39.1

EVALUATION OF ECONOMIC STAND IN 1991 COMPARED TO 1990

	Increased	No Change	Decreased
Production	51.2	24.4	24.4
Capacity utilisation	40.0	32.5	27.5
Fixed capital investments	35.0	32.5	32.5
Average stocks	39.5	36.8	23.7
Total sales	35.9	43.6	20.5
Exports	34.3	42.8	22.9
Price level	63.2	21.0	15.8

Questionnaire results suggest that the economic stand of TÜSİAD members improved in 1991. More than half of the respondents reported that they increased their production in 1991 as compared to 1990. Only 24.4 percent declared a fall in production levels. Furthermore 40 percent of the members reported an increase in their capacity utilization. Fixed capital investments increased in 35 percent, stayed at the level of previous year in 32.5 percent and decreased in 32.5 percent of the respondent firms.

EXPECTATIONS OF ECONOMIC STAND IN 1992 AS COMPARED TO 1991

	Increase	No Change	Decrease
Production	54.8	33.3	11.9
Capacity utilisation	43.9	41.5	14.6
Fixed capital investments	29.3	36.6	34.1
Average stocks	36.8	42.1	21.1
Total sales	45.0	37.5	17.5
Exports	52.6	31.6	15.8
Price level	55.3	23.7	21.1

TÜSİAD members expect that 1992 will not be worse than 1991 and 54.8 percent of the respondents expect to increase production with respect to the previous year. Moreover, 45 percent predicts increases in sales volume, whereas only 17.5 percent predict a decrease. A majority of respondents (52.6 percent) also expects increases in exports.

Forecasts of TÜSİAD members regarding the Turkish economy are as follows:

In 1992, in real terms, GNP is expected to grow by 3 percent, and the manufacturing industry by 1.25 percent.

It is expected that the number of building permits will increase by 1 percent in 1992, and by a further 1.5 percent in 1993.

Fixed capital investment will increase by 1 percent in 1992 and by 2.6 percent in 1993.

In 1992, exports and imports will reach $ 14.7 billion and $ 22 billion, respectively. Foreign debts are expected to decrease, to total $ 48 billion.

According to respondents, the inflation rate will be 70 percent in 1992, 56 percent in 1993.

Interest rates on credits and deposits are expected to increase compared to 1991 but, to decrease in 1993 .

Wage increases will be 30 percentage points above the rate of inflation expected in 1992.

The rate of increase in gold prices will be below the inflation rate.

The percentage increase in the money supply, 65 percent in 1992 and 60 percent in 1993, will be below the rate of inflation.

In 1992, tax revenues are expected to increase by 70 percent and in 1993 by 62.5 percent. The Budget deficit will increase to TL 50,000 billion in 1992, and drop to TL 46,000 billion in 1993.

Time deposits are expected to increase by a smaller margin (70 percent) than bank credits (80.0 percent).

FORECASTS OF TÜSİAD MEMBERS REGARDING THE TURKISH ECONOMY*				
	1991	1992	1993	1994
I. INCOME/PRODUCTION/INVESTMENT				
Real Growth Rate (%)				
-GNP	0.3	3.0	4.1	5.0
-Manufacturing Sector	-1.5	1.3	2.0	3.0
-Number of Building Permits	-2.5	1.0	1.5	2.0
-Fixed Capital Investment	-1.0	1.0	2.6	3.0
II. FOREIGN ECONOMY				
Exports ($ Billion)	13.6	14.7	16.0	17.0
IMports ($ Billon)	21.0	22.0	23.3	25.0
Foreign Exchange Buying Rate (End of year)				
-TL/$	507,483.0	9,000	13,500	20,000
- TL/DM	333,981.0	5,500	8,500	12,150
Workers' Remittances ($ Billion)	2.8	3.0	3.0	3.0
Foreign Debts ($ Billion)	45.7	48.0	48.0	50.0
III. WAGES/PRICES/INTEREST RATES				
Inflation (%)	66.0	70.0	56.0	45.5
Interest Rate on One Year Deposits (%)	72.7	75.0	65.0	55.0
Interest Rate on Credits (%)	100.8	100.0	87.5	75.0
Gold Ingot (gr., end of year)	59,325	95,000	134,000	195,000
Average Wage Increase (%)	157.2	100.0	75.0	67.5
IV. PUBLIC FINANCE/MONEY/CREDITS				
Increase in Tax Revenues (%)	60.3	70.0	62.5	60.0
Growth in Money Supply (M2) (%)	60.6	65.0	60.0	50.0
Budget Deficits (TL Billion)	31,760	50,000	46,000	40,000
Increase in Bank Credits (%)	80.4	80.0	75.0	70.0
Increase in Time Deposits (%)	72.1	70.0	65.0	61.2

(*) Median values; half of the respondents' forecasts are below and the other half's are above the values given in the table above. 1991 figures are actual, 1992-1994 are the forecasts of TÜSİAD members.

APPENDIX III

A YEARLY ASSESSMENT OF TÜSİAD LEADING INDICATORS INDEX

The study entitled "TÜSİAD's Leading Indicators for Turkish Economy" was published in June 1991, and since then a leading indicators index has been published every month.

This study is based on the fact that in every economy fluctuations are occur in a sequential manner. Therefore, analysis of the short-term fluctuations in economic activity has many uses. Analysis of short-term movements in the major macroeconomic indicators may also provide useful information concerning structural aspects of short term macro economic policy making.

By using the most suitable economic indicators and techniques, it is possible to determine the state of the economy and also to forecast economic performance in the very near future. A selection and analysis of the major indicators yields useful information for policy makers and households and improves their decision making process.

In this study, the methodology was applied to monthly time series data of 65 variables from the Turkish Economy. The approach in dealing with these series was first to determine some coincident indicators and then process these series to ascertain if there were any series to lead these coincident indicators.

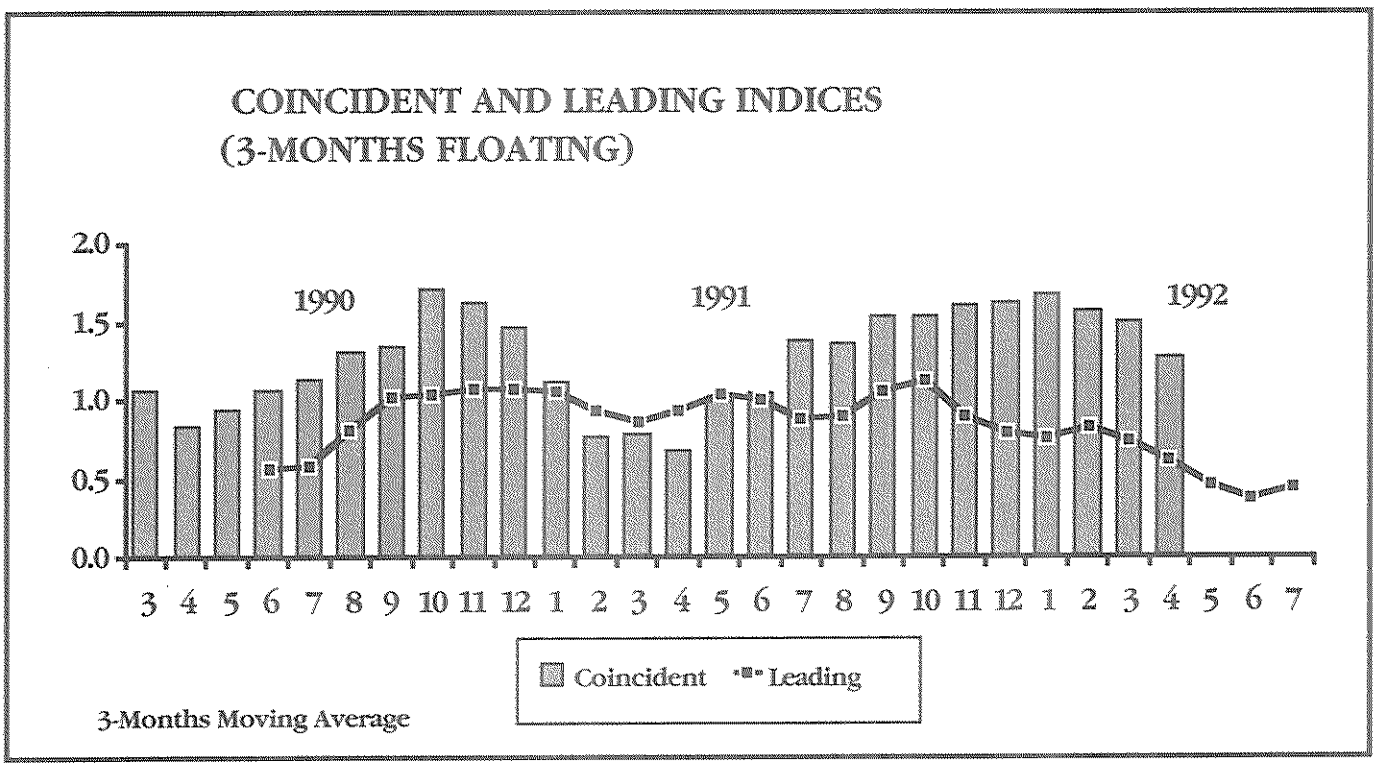
As a result, the manufacturing production index, imports, the number of newly established firms, and railway freight were selected as coincident indicators.

On the other hand, the available time series yielded eight leading indicators: narrow definition of real money supply (M1), broader definition of real money supply (M2), real Central Bank credits to the banking sector, ratio of Central Bank credits to M2, capital reinvested in real terms, the total floor area in new building permits, real value of Government's Consolidated budget expenditure and demand for jobs in the non-agricultural sectors as reported by the Labour Placement Office. If these two series (leading and coincident indicators) are plotted together, it can be easily seen that fluctuations in leading indicators are followed by the coincident indicator which shows

the state of the economy for the time being, with a time lag of 3-4 months. This time lag is shorter in the expansionary period of the economy and higher in contractions and stagnations. Therefore it can be said that the leading indicator index can forecast stagnation in the economy earlier than it can forecast expansion.

The major constraint for the leading indicator to forecast the future is that statistical figures for other than monetary variables are published by governmental institutions with considerable delay.

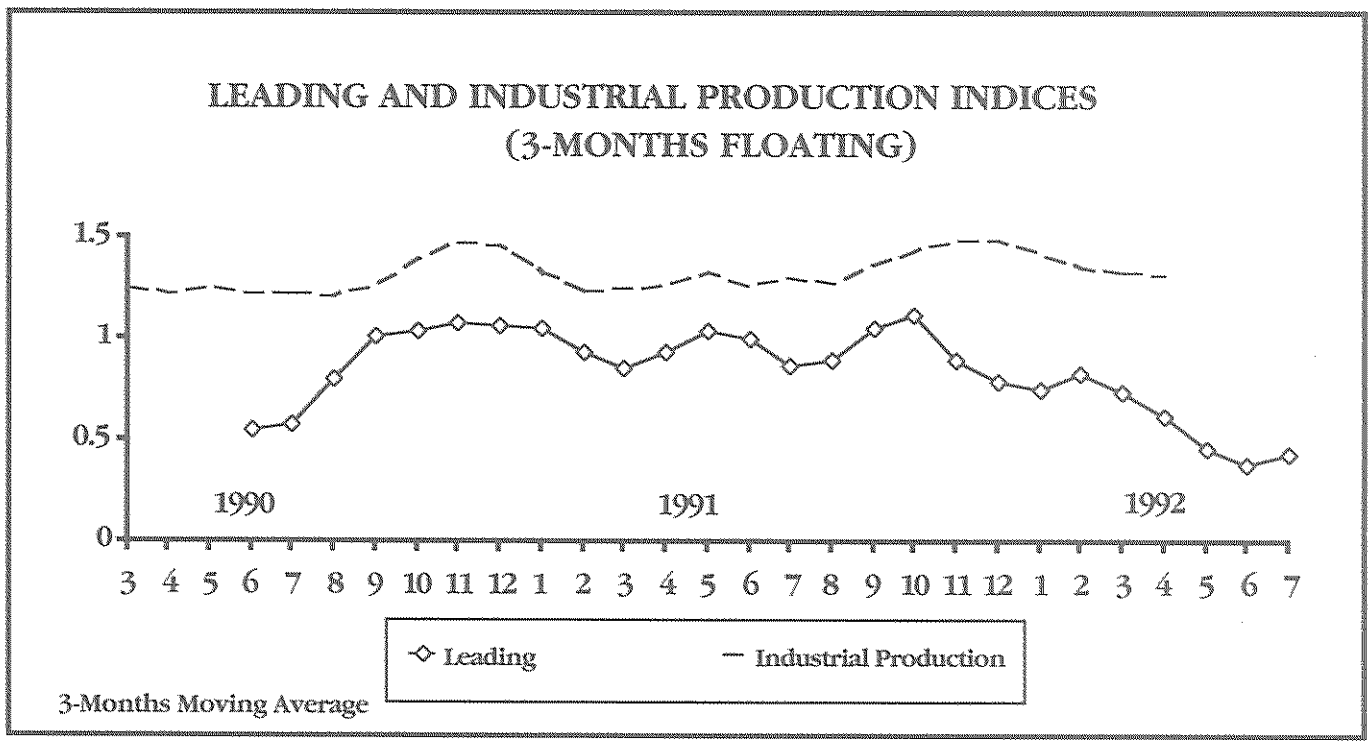
The performance of monthly indices (leading and coincident) in 1990, 1991 and the first four months of 1992, can be analyzed from the graph below.



It is assumed that the time lag between two indices is three months, and the graph is plotted accordingly. Therefore, the coincident indicator for a specific month shows the actual situation of the economy and the leading indicator series shows the forecast made three months earlier for that specific month.

TÜSİAD leading and coincident indices are seasonally adjusted. However, in order to eliminate any remaining seasonal component of the monthly data and the effects of random shocks, a three months moving average was applied to each series.

The comparison of the leading indicator with the industrial production index for March 1990 - April 1992 period also gives positive results. There is a high correlation between the leading indicator and industrial production index which is an element of the coincident series.



STATISTICAL ANNEX
FOR
CHAPTER I

GROSS NATIONAL PRODUCT (GNP)

(Producers' Values at 1987 Prices)

KIND OF ACTIVITY	Value TL Million	1990 Sectoral Share (%)	Growth Rate (%)	Value TL Million	1991 Sectoral Share (%)	Growth Rate (%)
Agriculture	14,198,023.1	16.5	7.1	13,991,900.3	16.2	-1.5
-Agriculture & Livestock	13,206,623.6	15.3	8.5	13,022,227.3	15.1	-1.4
-Forestry	698,779.5	0.8	-6.7	655,106.6	0.8	-6.2
-Fishing	292,620.0	0.3	-12.6	314,566.4	0.4	7.5
Industry	23,187,709.8	26.9	8.7	23,801,669.5	27.6	2.6
-Mining & Quarrying	1,549,911.1	1.8	-2.5	1,619,573.1	1.9	4.5
-Manufacturing	19,723,007.0	22.9	9.7	20,181,103.1	23.4	2.3
-Electricity, Gas, Water	1,914,791.7	2.2	8.6	2,000,993.3	2.3	4.5
Construction	4,761,129.4	5.5	-0.1	4,683,343.6	5.4	-1.6
Trade	16,646,519.4	19.3	13.0	16,742,750.1	19.4	0.6
Transportation & Commun.	11,787,150.4	13.7	11.5	11,788,586.5	13.7	0.0
Financial Institutions	2,496,156.1	2.9	2.0	2,515,369.3	2.9	0.8
Ownership of Dwellings	4,615,993.6	5.4	2.5	4,725,186.9	5.5	2.4
Business & Personal Serv.	1,933,704.1	2.2	8.5	1,951,386.6	2.3	0.9
(-)Imputed Banking	2,161,224.6	2.5	1.9	2,166,011.8	2.5	0.2
Services Charges		0.0	8.7			
Sectoral Total	77,465,161.4	90.0	2.9	78,034,181.1	90.4	0.7
Government Services	4,135,979.8	4.8	8.4	4,237,182.8	4.9	2.4
TOTAL	81,601,141.1	94.8	48.0	82,271,363.8	95.3	0.8
Import Duties	3,435,743.9	4.0	9.6	3,555,740.0	4.1	3.5
GDP (In Purch.Values)	85,036,885.1	98.8	19.3	85,827,103.9	99.4	0.9
Net Factor Income from the Rest of the World	1,013,252.8	1.2	7.0	520,772.9	0.6	-48.6
GNP (In Purch.Values)	86,050,137.9	100.0	9.7	86,347,876.8	100.0	0.3

Source : SIS

GROSS NATIONAL PRODUCT (GNP)

KIND OF ACTIVITY	Value TL Million	1990 Sectoral Share (%)	Growth Rate (%)	Value TL Million	1991 Sectoral Share (%)	Growth Rate (%)
Agriculture	71,174,161.7	17.8	85.8	105,099,775.4	16.7	47.7
-Agriculture & Livestock	66,298,570.1	16.6	87.0	98,560,621.9	15.6	48.7
-Forestry	2,619,911.0	0.7	38.6	3,544,527.4	0.6	35.3
-Fishing	2,255,680.6	0.6	135.9	2,994,626.1	0.5	32.8
Industry	103,139,433.3	25.8	59.8	166,923,194.1	26.5	61.8
-Mining & Quarrying	7,639,323.4	1.9	48.0	11,895,266.5	1.9	55.7
-Manufacturing	87,168,459.0	21.8	60.6	140,139,251.0	22.2	60.8
-Electricity, Gas, Water	8,331,650.9	2.1	63.2	14,888,676.6	2.4	78.7
Construction	23,957,610.9	6.0	58.6	39,908,091.2	6.3	66.6
Trade	72,640,420.0	18.2	69.2	112,493,888.0	17.8	54.9
Transportation & Commun.	53,626,110.9	13.4	70.5	84,627,278.7	13.4	57.8
Financial Institutions	12,868,538.5	3.2	98.0	25,393,880.9	4.0	97.3
Ownership of Dwellings	13,218,396.4	3.3	57.5	23,227,599.8	3.7	75.7
Business & Personal Serv.	8,759,722.5	2.2	69.2	13,957,332.9	2.2	59.3
(-)Imputed Banking Services Charges	10,711,572.3	2.7	243.8	26,244,832.8	4.2	145.0
Sectoral Total	348,672,821.5	87.2	66.6	545,386,208.3	86.5	56.4
Government Services	33,652,775.0	8.4	108.9	58,878,934.0	9.3	75.0
TOTAL	382,325,596.5	95.6	69.6	604,265,142.3	95.8	58.0
Import Duties	13,396,841.2	3.4	95.5	22,206,002.2	3.5	65.8
GDP (In Purch.Values)	395,722,437.7	99.0	70.4	626,471,144.5	99.3	58.3
Net Factor Income from the Rest of the World	4,117,376.9	1.0	35.2	4,314,167.1	0.7	4.8
GNP (In Purch.Values)	399,839,814.6	100.0	69.9	630,785,311.6	100.0	57.8

Source : SIS

MACRO EQUILIBRIUM OF THE ECONOMY

(TL Billion)

	1990 (1)*	1990 (2)**	1991(3)*	1991(4)**	1990*	1990**	1991*	1991**	(3)/(1)	(4)/(2)
	Macro Equilibrium				Percentages of GNP(%)				Changes	(%)
GNP	111,871.0	287,254.2	113,549.1	454,838.4	100.0	100.0	100.0	100.0	1.5	58.3
Foreign Balance	5,037.9	6,809.5	2,172.7	-4,124.3	4.5	2.4	1.9	-0.9	2.6	3.8
Total Domestic Demand	116,908.9	294,063.8	115,721.8	450,714.0	104.5	102.4	101.9	99.1	-1.0	53.3
Total Investment	31,229.6	74,882.5	26,361.2	99,969.7	27.9	26.1	23.2	22.0	-15.6	33.5
Fixed Investment	27,260.9	64,579.9	26,994.6	102,523.3	24.4	22.5	23.8	22.5	-1.0	58.8
Public	11,636.6	28,096.5	11,853.3	46,632.7	10.4	9.8	10.4	10.3	1.9	66.0
Private	15,624.3	36,483.4	15,141.3	55,890.5	14.0	12.7	13.3	12.3	-3.1	53.2
Stockbuilding	3,968.7	10,302.6	-633.4	-2,535.3	3.5	3.6	-0.6	-0.6	-4.1	-4.5
Public	2,534.6	6,579.8	-4.5	-18.3	2.3	2.3	-0.0	-0.0	-2.3	-2.3
Private	1,434.0	3,722.7	-628.9	-2,535.3	1.3	1.3	-0.6	-0.6	-1.8	-2.2
Total Consumption	85,679.3	219,181.3	89,360.6	350,744.3	76.6	76.3	78.7	77.1	4.3	60.0
Public Disposable Income	15,582.3	53,234.3	13,385.2	83,497.0	13.9	18.5	11.8	18.4	-14.1	56.8
Public Consumption	10,475.7	39,962.1	11,107.7	73,695.9	9.4	13.9	9.8	16.2	6.0	84.4
Public Savings	5,106.6	13,272.2	2,277.5	9,801.0	4.6	4.6	2.0	2.2	-55.4	-26.2
Public Investment	14,171.2	34,676.4	11,848.7	46,614.5	12.7	12.1	10.4	10.2	-16.4	34.4
Public Savings - Investment	-9,064.6	-21,404.2	-9,571.3	-36,813.5	-8.1	-7.5	-8.4	-8.1	5.6	72.0
Private Disposable Income	96,288.7	234,019.9	100,163.9	371,341.4	86.1	81.5	88.2	81.6	4.0	58.7
Private Consumption	75,203.6	179,219.2	78,252.9	277,048.4	67.2	62.4	68.9	60.9	4.1	54.6
Private Savings	21,085.1	54,800.7	21,911.0	94,293.0	18.8	19.1	19.3	20.7	3.9	72.1
Private Investment	17,058.4	40,206.1	14,512.5	53,355.2	15.2	14.0	12.8	11.7	-14.9	32.7
Private Savings - Investment	4,026.7	14,594.6	7,398.5	40,937.8	3.6	5.1	6.5	9.0		
Private Savings Ratio					21.9	23.4	21.9	25.4		
Fixed Investment / GNP					24.4	22.5	23.8	22.5		
Domestic Savings / GNP					23.4	23.7	21.3	22.9		

* *At 1988 Prices*

** *At Current Prices*

Source : SPO

FIXED CAPITAL INVESTMENT AT CURRENT PRICES
(TL Billion)

SECTORS	1990			1991			Percent Changes		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
Agriculture	2,664	1,768	4,432	4,999	2,516	7,515	87.6	42.3	69.6
Mining	948	445	1,393	1,603	731	2,334	69.1	64.3	67.6
Manufacturing	1,257	10,016	11,273	2,382	14,782	17,164	89.5	47.6	52.3
Energy	6,008	571	6,579	9,033	1,026	10,059	50.3	79.7	52.9
Transportation	9,595	4,651	14,246	17,016	7,649	24,665	77.3	64.5	73.1
Tourism	362	2,246	2,608	683	3,412	4,095	88.7	51.9	57.0
Housing	1,115	15,008	16,123	767	22,649	23,416	-31.2	50.9	45.2
Education	1,958	210	2,168	2,592	367	2,959	32.4	74.8	36.5
Health	777	317	1,094	1,244	834	2,078	60.1	163.1	89.9
Other Services	3,412	1,251	4,663	6,313	1,925	8,238	85.0	53.9	76.7
Total	28,097	36,483	64,580	46,633	55,890	102,523	66.0	53.2	58.8

Source : SPO

GROSS FIXED INVESTMENT IN THE PRIVATE SECTOR

SECTORS	1991(TL Billion) (1988 Prices)	Share(%)	1983	1984	1985	1986	1987	1988	1989	1990	1991
Agriculture	690.2	4.6	7.0	2.1	-16.4	-12.2	20.4	-12.2	-25.7	46.1	-6.7
Mining	193.7	1.3	4.4	4.3	25.4	7.9	35.1	7.7	2.1	5.0	0.8
Manufacturing	4,428.6	29.2	1.0	5.9	6.0	13.9	-4.2	0.7	-4.3	63.7	-5.1
Energy	290.9	1.9	5.7	12.8	-91.0	145.0	-7.2	65.8	29.4	10.9	13.5
Transport.& Comm.	2,287.6	15.1	9.3	13.8	9.2	-5.9	3.9	-5.5	-0.7	55.0	9.0
Tourism	885.6	5.8	5.7	88.7	31.7	61.8	48.2	44.4	37.8	9.9	-3.8
Housing	5,514.3	36.4	5.0	8.8	14.9	36.7	44.6	29.2	6.3	-8.0	-8.1
Education	96.7	0.6	2.4	9.0	103.2	35.1	27.5	5.5	27.0	24.6	11.7
Health	219.0	1.4	1.7	7.0	140.2	44.5	20.0	-17.6	51.3	58.9	62.9
Other Services	534.6	3.5	2.6	10.1	8.7	8.6	8.5	3.9	4.5	12.5	1.6
Total	15,141.3	100.0	4.7	8.4	8.2	16.4	18.6	13.5	3.3	19.2	-3.1
Private Sector Total	15141.3	56.1	4.7	8.4	8.2	16.4	18.6	13.5	3.3	19.2	-3.1
Public Sector Total	11853.3	43.9	1.9	-5.3	23.2	7.6	-4.1	-13.5	-5..7	7.9	1.9
Grand Total	26994.6	100.0	3.0	0.1	16.7	10.9	5.1	-1.2	-0.9	14.1	0.9

Source : SPO

FIXED CAPITAL INVESTMENTS BY SECTORS IN 1991*
(Current Prices, TL Billion)

SECTORS	General + Annexed Budgets	SEEs	Funds	İller Bank	Revolving Fund	Sub-Total	Percent Distri.	Local Administ.	Total Public	Percent Distri.	Private Sector	Percent Distri.	General Total	Percent Distri.
Agriculture	4,134.2	321.5	0.0	0.0	500.1	4,955.8	11.6	43.0	4,998.8	10.7	2,515.9	4.5	7,514.7	7.3
Mining	430.6	1,172.2	0.0	0.0	0.0	1,602.8	3.8	0.0	1,602.8	3.4	730.6	1.3	2,333.4	2.3
Manufacturing	34.2	1,415.3	886.0	3.6	2.1	2,341.1	5.5	40.7	2,381.8	5.1	14,782.2	26.4	17,164.0	16.7
Energy	2,349.3	5,869.3	810.0	0.0	0.0	9,028.6	21.1	4.8	9,033.4	19.4	1,025.5	1.8	10,058.9	9.8
Transportation	4,161.1	5,333.3	6,072.7	0.0	140.0	15,707.1	36.8	1,308.8	17,015.9	36.5	7,648.8	13.7	24,664.7	24.1
Tourism	181.1	0.0	100.3	13.6	100.0	395.0	0.9	287.8	682.8	1.5	3,412.2	6.1	4,095.0	4.0
Housing	147.1	0.0	498.7	0.0	5.0	650.8	1.5	116.6	767.4	1.6	22,649.2	40.5	23,416.6	22.8
Education	1,667.4	0.7	433.4	0.0	204.5	2,305.9	5.4	286.0	2,591.9	5.6	366.5	0.7	2,958.4	2.9
Health	793.6	6.3	137.0	0.0	255.0	1,191.9	2.8	52.7	1,244.6	2.7	834.2	1.5	2,078.8	2.0
Other Services	2,701.4	444.5	38.3	1,275.9	83.0	4,543.1	10.6	1,770.4	6,313.5	13.5	1,925.4	3.4	8,238.9	8.0
Economic	1,356.4	444.5	38.3	19.8	83.0	1,942.0	4.5	135.8	2,077.8	4.5			2,077.8	2.0
Social	1,345.0	0.0	0.0	1,256.1	0.0	2,601.1	6.1	1,634.6	4,235.7	9.1			4,235.7	4.1
TOTAL	16,600.0	14,563.0	8,976.4	1,293.0	1,289.7	42,722.1	100.0	3,910.6	46,632.7	100.0	55,890.5	100.0	102,523.2	100.0
% Distribution	35.6	31.2	16.9	2.7	2.7	90.1		9.9	100.0 45.7		54.3		100.0	

Realization estimate

Source:SPO

SECTORAL DISTRIBUTION OF INVESTMENT INCENTIVE CERTIFICATES IN 1991

SECTORS	Total Investment Number	Total Investment TL Million	Capital TL Million	Foreign Exchange Requirement ($ 000)	Employment (Persons)
Agriculture	142	574,502	79,606	27,805	2,905
-Crops	9	44,134	3,170	1,987	228
-Livestock	106	439,097	59,526	20,439	2,259
-Fisheries	20	74,181	15,180	5,379	328
-Forestry	7	17,090	1,730	0	90
Mining	70	1,365,426	36,715	220,155	3,605
Manufacturing	1,014	23,858,169	1,131,334	3,263,229	123,699
-Food Beverages	174	2,715,636	222,868	280,697	10,361
-Textiles & Clothing	253	7,683,203	339,622	1,392,502	59,927
-Forestry Products	41	386,524	26,822	48,015	2,004
-Paper	13	143,843	9,281	20,766	1,597
-Leather Products	29	244,405	37,026	22,885	2,382
-Rubber & Plastics	48	384,530	31,530	35,965	1,450
-Chemicals	55	3,843,296	109,976	442,117	4,094
-Glass & Glassware	10	238,683	8,100	29,908	3,821
-Iron & Steel	21	604,682	51,975	68,883	1,492
-Non-Ferrous Metals	16	481,379	18,120	81,823	656
-Transport Vehicles	74	1,784,176	67,933	227,029	8,729
-Metal Goods	61	1,076,359	61,061	131,634	9,723
-Prof.Data Meas.Eq.	7	102,826	7,530	16,564	446
-Machinery	38	292,649	21,721	22,902	2,359
-Electrical Machinery	24	406,394	30,080	44,738	1,117
-Electronics	16	292,564	12,650	42,893	1,368
-Cement	40	1,662,306	24,700	157,631	3,809
-Clay & Cement Prod.	37	359,740	15,540	25,458	1,819
-Ceramics	10	204,946	2,225	30,724	2,218
-Construction	11	618,543	15,790	92,977	1,582
-Others	36	331,485	16,784	47,118	2,745
Energy	20	1,647,245	4,300	339,473	245
Services	529	10,685,910	120,182	1,299,736	41,732
-Transportation	149	3,437,018	14,922	500,511	8,300
-Tourism	141	1,511,295	33,973	62,818	10,747
-Trade	57	824,536	21,540	65,555	3,955
-Education	53	470,828	11,377	9,626	6,008
-Health	66	1,167,086	10,315	186,315	8,505
-Others	63	3,275,147	28,055	474,911	4,217
TOTAL	1,775	38,131,252	1,372,137	5,150,398	172,186

Source : SPO

DISTRIBUTION OF INVESTMENT INCENTIVE CERTIFICATES ACCORDING TO THEIR APPLICATION IN 1991

	Number	Total Investment TL Million	Capital TL Million	Foreign Exchange Requirement ($ 000)	Employment (Persons)
Restoration	15	5,268	76	166	30
Transfer	1,288	256,435	9,570	22,008	3,072
New Investment	281	26,306,764	1,006,292	3,612,059	114,397
Expansion	48	7,151,438	272,603	942,123	26,844
Completion	24	1,415,145	32,866	154,300	3,369
Renewals	11	575,125	14,473	70,198	3,762
Quality Improvement	68	22,965	100	3,279	90
Elimination of Bottlenecks	13	229,704	4,390	24,698	364
Modernization	23	1,984,351	20,383	296,375	17,869
Integration of Facilities	1	120,245	11,384	16,436	1,787
Financial Leasing	3	63,812	0	8,756	602
TOTAL	1,775	38,131,252	1,372,137	5,150,398	172,186

SECTORAL DISTRIBUTION OF INVESTMENT INCENTIVE CERTIFICATES (Percentages)

	1986	1987	1988	1989	1990	1991
Agriculture	0.7	2.3	1.1	2.6	10.6	1.5
Mining	5.9	7.6	2.0	2.7	2.7	3.6
Manufacturing	38.7	37.5	49.2	48.3	68.8	62.6
Energy	4.0	9.4	9.3	1.9	2.0	4.3
Services	50.7	43.2	38.4	44.5	15.9	28.0
Transportation	30.2	19.0	17.2	14.3	2.7	9.0
Tourism	6.0	12.2	16.8	18.5	7.4	4.0
Trade	1.3	3.9	0.7	3.2	-	-
Export	0.0	0.0	0.0	0.0	-	-
Others	13.2	8.1	3.7	8.5	5.7	15.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Source : SPO

REGIONAL DISTRIBUTION OF INVESTMENT INCENTIVE CERTIFICATES IN 1991

	Number	Total Investment TL Million	Capital TL Million	Foreign Exchange Requirement ($ 000)	Employment (Persons)
Marmara	541	11,913,374	454,208	1,536,567	55,201
Central Anatolia	227	6,680,768	188,388	829,198	21,681
Aegean Coast	178	4,085,761	103,301	424,506	13,874
Mediterranean	169	4,415,752	169,840	618,323	17,628
Black Sea	181	1,864,062	91,376	251,646	11,658
East Anatolia	191	1,673,198	101,715	198,601	9,587
Southeast Anatolia	260	4,793,070	246,563	798,546	19,341
Inv. in more than one region	28	2,705,267	16,746	505,011	23,216
TOTAL	1,775	38,131,252	1,372,137	5,150,398	172,186

Source : SPO

REGIONAL DISTRIBUTION OF INVESTMENT INCENTIVE CERTIFICATES AS PERCENTAGE OF TOTAL

	1986	1987	1988	1989	1990	1991
Marmara	39.9	28.6	43.1	41.2	33.6	31.2
Central Anatolia	25.9	8.2	11.5	8.0	6.6	17.5
Aegean Coast	8.1	14.8	14.5	11.5	8.7	10.7
Mediterranean	9.8	11.6	10.5	11.4	11.7	11.6
Black Sea	6.6	4.3	3.7	4.4	5.6	4.9
East Anatolia	3.1	1.4	2.6	3.9	10.9	4.4
Southeast Anatolia	6.6	5.4	11.7	8.2	22.7	12.6
Inv. in more than one region	0.0	25.7	2.4	11.4	0.2	7.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Source : SPO

SECTORAL BREAKDOWN OF INVESTMENT INCENTIVE CERTIFICATES (Jan-March 1992)

SECTORS	No. of Licences	Total Investment TL Million	Share in Total (%)	Capital TL Million	Foreign Exchange Requirement($ 000)	Employment Persons
Agriculture	3	20,100	0.2	400	2,425	55
-Agricultural Products	1	8,100	0.1	400	589	55
-Fishery Products	2	12,000	0.1	0	1,836	0
Mining	14	130,147	1.3	5,160	11,882	385
Manufacturing	189	6,322,771	64.8	326,462	439,577	18,688
-Food & Beverages	30	1,915,671	19.6	65,989	65,517	5,803
-Textiles & Clothing	45	970,822	9.9	38,107	105,402	2,604
-Forestry Products	2	24,189	0.2	1,897	1,895	87
-Leather & Hides	7	130,047	1.3	10,303	6,409	421
-Rubber	13	155,553	1.6	5,844	13,077	527
-Chemicals	8	621,112	6.4	113,005	38,242	524
-Glass	4	108,933	1.1	100	9,853	1,121
-Iron & Steel	3	215,605	2.2	26,700	17,565	388
-Non-Ferrous Metals	4	153,097	1.6	7,915	16,574	340
-Motor Vehicles	15	604,076	6.2	12,950	59,613	1,254
-Metallic Goods	15	642,294	6.6	13,270	45,256	3,710
-Meas.&Optical Devices	1	9,800	0.1	1,245	781	14
-Machinery	7	42,609	0.4	4,755	1,505	386
-Electrical Machines	1	4,607	0.0	1,000	148	76
-Electronics	5	54,300	0.6	4,500	4,948	177
-Cement	15	384,975	3.9	7,950	26,776	387
-Clay & Cement Pro.	2	14,125	0.1	800	834	165
-Ceramics	4	182,820	1.9	2,800	16,613	258
-Building	1	4,200	0.0	0	293	200
-Others	7	83,936	0.9	7,252	8,269	246
Energy	-	-		-	-	-
Services	81	3,288,717	33.7	29,850	295,295	9,698
-Transportation	24	1,376,528	14.1	710	156,476	3,542
-Tourism	26	393,577	4.0	8,190	19,496	2,427
-Trade	11	1,107,705	11.3	15,700	81,697	2,144
-Education	3	61,996	0.6	1,300	1,414	469
-Health	8	263,216	2.7	2,550	26,508	897
-Others	19	85,695	0.9	1,400	10,102	217
GRAND TOTAL	447	9,761,735	100.0	361,892	749,179	28,826

Source: SPO

NEW CONSTRUCTION

		(According to Cons truction Licences)			(According to Occupancy Permits)		
		Cumulative 1990	1991	Changes (%)	Cumulative 1990	1991	Changes (%)
General Total	A	123,304	120,229	-2.5	94,489	90,991	-3.7
	B	60,083,035	61,213,854	1.9	33,169,629	33,050,882	-0.4
	C	26,077,451	44,002,667	68.7	14,424,549	23,905,990	65.7
	D	381,408	388,974	2.0	232,018	225,390	-2.9
Houses	A	69,291	66,350	-4.2	36,048	36,860	2.3
	B	10,025,730	10,068,278	0.4	4,110,786	4,392,733	6.9
	C	4,056,807	6,840,667	68.6	1,678,795	3,030,797	80.5
	D	87,948	87,948	0.0	40,185	41,769	3.9
Apartment buildings	A	40,107	41,651	3.8	53,169	49,576	-6.8
	B	33,892,831	36,091,649	6.5	21,581,218	21,193,896	-1.8
	C	14,965,544	26,316,148	75.8	9,487,169	15,577,185	64.2
	D	290,002	301,026	3.8	191,833	183,621	-4.3
Commercial buildings	A	5,513	6,238	13.2	2,676	2,083	-22.2
	B	8,278,613	8,330,099	0.6	4,656,375	4,473,447	-3.9
	C	3,600,643	6,027,701	67.4	1,993,664	3,092,506	55.1
Industrial buildings	A	3,964	2,122	-46.5	1,077	1,081	0.4
	B	4,755,727	3,204,773	-32.6	1,708,516	1,797,952	5.2
	C	2,050,152	2,283,331	11.4	771,511	1,331,681	72.6
Medical,social and cultural buildings	A	868	989	13.9	264	245	-7.2
	B	1,489,087	1,751,099	17.6	483,369	437,626	-9.5
	C	698,731	1,305,787	86.9	223,549	321,361	43.8
Other buildings	A	3,561	2,879	-19.2	1,255	1,146	-8.7
	B	1,641,047	1,767,956	7.7	629,365	755,228	20.0
	C	705,575	1,229,033	74.2	269,862	552,461	104.7

A : Number
B : Area (000 sq.m)
C : Value (TL Million)
D : Number of dwelling units
Source : SIS

REALIZATION OF THE CONSOLIDATED BUDGET BALANCE

(TL Billion)

	1990(1) Provisional	1991(2) Provisional	1992(3) Programme	Changes (%) (2/1)	(3/2)
Revenues	56,573	99,105	175,880	75.2	77.5
Direct Taxes	23,657	40,746	69,230	72.2	69.9
Indirect Taxes	21,742	37,692	70,520	73.4	87.1
Non-tax Revenues	8,032	9,463	33,480	17.8	253.8
Grants	1,636	8,434	1,650	415.5	-80.4
Annexed Budget	1,506	2,770	1,000	83.9	-63.9
Expenditures	68,527	130,865	207,880	91.0	58.9
Personnel	26,465	48,789	83,000	84.4	70.1
Other Current	6,987	11,112	20,490	59.0	84.4
Investment	10,055	18,961	27,000	88.6	42.4
Interest Payments	13,966	24065	42,000	72.3	74.5
Transfer to SEEs	1,265	12,443	6,000	883.6	-51.8
Other Transfers	9,789	14,495	29,390	48.1	102.8
Budget Balance	-11,954	-31,760	-32,000	165.7	0.8
Deferred Payments	1,161	2,989	0	157.5	-100.0
Advance Payments	-1,561	-2,965	0	89.9	-100.0
Cash Balance	-12,354	-31,736	-32,000	156.9	0.8
Financing	12,354	31,736	32,000	156.9	0.8
Foreign Borrowing,Net	41	1,721	-2,092	4,097.6	-221.6
Domestic Borrowing,Net	7,942	2,279	7,972	-71.3	249.8
Short Term Borrowing	2,263	23,509	26,120	938.8	11.1
Other	2,108	4,228	4,228	100.6	0.0

Source : Undersecretariat of Treasury and Foreign Trade

ESTIMATED QUANTITIES OF AGRICULTURAL PRODUCTION
(000 Tonnes)

CROPS	1990	1991*	Changes (%)	CROPS	1990	1991*	Changes (%)
Cereals				**Citrus**			
-Wheat	20,000.0	20,400.0	2.0	-Lemons	357.0	370.0	3.6
-Barley	7,300.0	7,800.0	6.8	-Mandarins	345.0	350.0	1.4
-Rye	240.0	250.0	4.2	-Oranges	735.0	770.0	4.8
-Oats	270.0	265.0	-1.9	**Nuts in Shell**			
-Maize	2,100.0	2,100.0	0.0	-Walnuts	115.0	110.0	-4.3
-Rice in husk	230.0	200.0	-13.0	-Hazelnuts	375.0	320.0	-14.7
Pulses				**Grapelike Fruits**			
-Broad beans	75.0	70.0	-6.7	-Mulberries	80.0	80.0	0.0
-Chickpeas	860.0	860.0	0.0	-Figs	300.0	330.0	10.0
-Dry beans	210.0	220.0	4.8	-Grapes	3,500.0	3,500.0	0.0
-Lentils	630.0	500.0	-20.6	**Tea**	608.4	676.0	11.1
-Cow vetch	175.0	180.0	2.9	**Leafy Vegetables**			
Indus.Crops				-Cabbage	575.0	575.0	0.0
-Tobacco	287.5	242.5	-15.7	-Black cab.	124.0	125.0	0.8
-Sugarbeet	13,985.7	15,097.0	7.9	-Spinach	160.0	161.0	0.6
-Cotton	1,650.0	1,600.0	-3.0	-Leeks	340.0	336.0	-1.2
Oilseeds				**Fruit Bearing Vege.**			
-Sunflower	860.0	800.0	-7.0	-Melon-water	4,950.0	5,300.0	7.1
-Peanuts	63.0	60.0	-4.8	-Squash	294.0	226.0	-23.1
-Soyabeans	162.0	110.0	-32.1	-Cucumbers	1,000.0	1,100.0	10.0
Tuber Crops				-Eggplants	735.0	731.0	-0.5
-Dry onion	1,550.0	1,650.0	6.5	-Tomatoes	6,000.0	6,200.0	3.3
-Dry garlic	70.0	70.0	0.0	-Stuff peppers	320.0	350.0	9.4
-Potatoes	4,300.0	4,600.0	7.0	-Green peppers	580.0	600.0	3.4
Pome Fruits				**Leguiminous Vege.**			
-Pears	413.0	405.0	-1.9	-Green beans	430.0	450.0	4.7
-Quinces	79.0	80.0	1.3	-Green broard beans	62.0	63.0	1.6
-Apples	1,900.0	1,900.0	0.0	-Calavance	31.0	31.0	0.0
Stone Fruits				**Rootbulb & Tuberous Vege.**			
-Plums	188.0	185.0	-1.6	-Green garlic	25.0	25.0	0.0
-Apricots	240.0	283.0	17.9	-Green onions	186.0	200.0	7.5
-Cherries	143.0	143.0	0.0	-Carrots	168.0	180.0	7.1
-Peaches	350.0	350.0	0.0				
-Olives	1,100.0	720.0	-34.5				

Source : SIS

**The second provisional estimate*

SECTORAL DISTRIBUTION OF PRODUCTION

(Constant 1988 Prices TL Billion)

	1990 Realization			1991 Estimate			1992 Programme			Changes (%)	
	Value	Sectoral Share (%)	Percent Distrib.	Value	Sectoral Share (%)	Percent Distrib.	Value	Sectoral Share (%)	Percent Distrib.	91/90	92/91
AGRICULTURE	27,364.4	12.9	100.0	27,590.4	12.8	100.0	28,429.9	12.5	100.0	0.8	3.0
-Agricultural Production	15,282.3	7.2	53.5	15,221.2	7.1	55.2	15,641.9	6.9	55.0	-0.4	2.8
-Animal Husbandry	9,696.3	4.6	35.4	9,967.8	4.6	36.1	10,316.7	4.5	36.3	2.8	3.5
-Forestry	1,714.6	0.8	6.3	1,684.0	0.8	6.1	1,700.0	0.7	6.0	-1.8	1.0
-Fisheries	671.2	0.3	2.5	717.4	0.3	2.6	771.3	0.3	2.7	6.9	7.5
INDUSTRY	96,989.6	45.9	100.0	99,418.2	46.2	100.0	105,545.7	46.5	100.0	2.5	6.2
-Mining	3,682.0	1.7	3.8	3,798.4	1.8	3.8	3,990.6	1.8	3.8	3.2	5.1
-Manufacturing	89,326.1	42.3	92.1	91,445.3	42.5	92.0	97,057.8	42.8	92.0	2.4	6.1
-Consumption Goods	31,674.2	15.0	32.7	33,086.1	15.4	33.3	34,785.3	15.3	33.0	4.5	5.1
-Intermediate Goods	38,722.0	18.3	39.9	38,683.1	18.0	38.9	41,258.5	18.2	39.1	-0.1	6.7
-Investment Goods	18,929.9	9.0	19.5	19,676.1	9.1	19.8	21,014.0	9.3	19.9	3.9	6.8
-Electricity,Gas,Water	3,991.6	1.9	4.1	4,174.5	1.9	4.2	4,497.2	2.0	4.3	4.6	7.7
PRODUCTION (PHYSICAL)	124,364.1	58.8		127,008.7	59.0		133,975.5	59.0		2.1	5.5
SERVICES	86,970.5	41.2		88,362.0	41.0		92,956.8	41.0		1.6	5.2
GRAND TOTAL	211,334.5	100.0		215,370.6	100.0		226,932.3	100.0		1.9	5.4

Source: SPO

PRODUCTION OF SELECTED INDUSTRIAL COMMODITIES

ITEMS	Jan-Feb,91	Jan-Feb,92	Changes (%)
Writing Paper	10,244.0	11,291.0	10.2
Newsprint	17,600.0	17,653.0	0.3
Sulphuric acid	62,605.0	132,703.0	112.0
Ammonium sulfate	30,022.0	62,599.0	108.5
Compound Fertilizer	133,902.0	150,085.0	12.1
Crude petroleum	724,837.0	661,249.0	-8.8
Liquified petroleum gas	114,172.0	102,221.0	-10.5
Gasoline (Normal)	285,415.0	283,200.0	-0.8
Gasoline (Super)	105,366.0	116,766.0	10.8
Kerosene	34,849.0	37,100.0	6.5
Diesel fuel	951,095.0	931,604.0	-2.0
Fuel oil	268,646.0	299,188.0	11.4
Cement	2,238,954.0	2,447,052.0	9.3
Pipes	0.0	0.0	0.0
Molten Steel	1,293,240.0	1,583,768.0	22.5
Pig iron	34,205.0	70,169.0	105.1
Slab	285,391.0	223,811.0	-21.6
Bloom	393,529.0	376,997.0	-4.2
Ingot	299,810.0	334,218.0	11.5
Rolled Products	141,249.0	167,959.0	18.9
Angles	3,405.0	1,018.0	-70.1
Profiles	15,688.0	11,191.0	-28.7
Plate	39,334.0	25,346.0	-35.6
Sheet	198,214.0	161,923.0	-18.3
Blister copper	4,654.0	4,768.0	2.4

Source : SIS

PRODUCTION OF SELECTED DURABLE CONSUMER GOODS

ITEMS	Cumulative Quantity Produced		Changes (%)
	Jan-Feb,91	Jan-Feb,92	
Refrigerators	90,156.0	141,671.0	57.1
Washing Machines	63,165.0	154,663.0	144.9
Oven	70,091.0	156,656.0	123.5
Vacuum Cleaners	62,083.0	105,121.0	69.3
Sewing Machines	34,671.0	46,166.0	33.2
Television Sets(Colour)	359,484.0	395,934.0	10.1
Videos	12,544.0	29,857.0	138.0
Music Sets	31,636.0	15,545.0	-50.9
Automobiles	17,165.0	42,640.0	148.4
Buses	111.0	253.0	127.9
Trucks	1,663.0	3,294.0	98.1
Pick-ups	976.0	2,732.0	179.9
Tractors	1,908.0	2,934.0	53.8
Minibuses	1,360.0	2,938.0	116.0

Source : SIS

PRODUCTION INDEX OF MANUFACTURING INDUSTRY
(1986=100)

	1988			1989			1990			1991		
	PUBLIC	PRIVATE	TOTAL	PUBLIC	PRIVATE	TOTAL	PUBLIC	PRIVATE	TOTAL	PUBLIC	PRIVATE	TOTAL
FOOD-BEVERAGES-TOBACCO	102.1	116.4	108.2	105.0	129.2	115.4	108.3	144	123.7	120.8	153.0	134.6
I. QUARTER	108.0	96.6	103.1	100.5	100.5	100.5	107.3	111.2	109	110.6	117.0	113.4
II. QUARTER	73.8	113.3	90.8	82.8	126.4	101.5	89.6	152.4	116.6	98.8	144.1	118.3
III. QUARTER	90.8	133.4	109.1	100.9	161.8	127.1	95.0	160.8	123.3	120.2	197.4	153.4
IV. QUARTER	135.7	122.2	129.9	135.9	128.1	132.5	141.2	151.6	145.7	153.5	153.3	153.4
TEXTILES-CLOTHING-LEATHER	108.6	110.7	110.4	91.9	116.8	113.9	110.5	117.3	116.5	83.7	109.5	106.5
I. QUARTER	117.9	114.6	115.0	85.4	109.3	106.5	113.5	117.0	116.6	79.7	107.6	104.4
II. QUARTER	114.5	109.4	110.0	89.5	104.7	103.0	101.1	112.6	111.3	85.5	102.5	100.5
III. QUARTER	103.7	100.7	101.1	92.4	120.4	117.2	121.2	109.2	110.6	92.2	108.8	106.9
IV. QUARTER	98.2	118.0	115.7	100.4	132.8	129.0	106.1	130.4	127.6	77.3	119.2	114.3
WOOD	100.8	101.8	101.4	102.7	104.0	103.5	109.7	128.8	121.5	102.4	121.1	114.0
I. QUARTER	100.5	112.1	107.7	102.7	94.0	97.3	109.0	131.3	122.8	102.4	115.3	110.4
II. QUARTER	107.5	97.9	101.6	97.9	97.4	97.6	102.4	126.9	117.6	81.4	115.3	102.4
III. QUARTER	97.2	91.2	93.5	96.8	101.9	100.0	109.6	122.1	117.3	101.0	122.0	114.0
IV. QUARTER	98.1	106.1	103.1	113.3	122.5	119.0	117.7	134.8	128.3	124.7	131.9	129.2
PAPER-PRINTING	84.8	112.4	105.9	102.2	110.7	108.7	113.6	128.7	125.2	98.5	123.8	117.9
I. QUARTER	123.9	120.7	121.5	93.7	106.5	103.5	108.7	119.8	117.2	87.0	122.1	113.8
II. QUARTER	119.5	114.7	115.9	114.2	104.8	107.0	110.2	124.8	121.4	88.1	112.9	107.1
III. QUARTER	87.3	111.6	105.9	95.4	110.9	107.2	114.2	125.7	123.0	95.3	127.2	119.7
IV. QUARTER	8.2	102.5	80.3	105.7	120.4	117.0	121.3	144.4	139.0	123.5	133.0	130.8
CHEMICALS-PETROL.-RUBBER	132.6	104.8	118.2	120.9	116.8	118.7	122.8	122.5	122.7	121.5	122.3	122.0
I. QUARTER	131.3	104.5	117.5	130.9	107.5	118.7	116.8	124.3	120.7	119.6	114.6	117.0
II. QUARTER	134.1	91.3	112.0	105.7	120.8	113.5	119.3	96.4	107.4	112.7	113.6	113.2
III. QUARTER	132.9	109.7	120.9	126.6	118.2	122.2	129.2	140.7	135.2	127.6	129.9	128.8
IV. QUARTER	132.2	113.9	122.7	120.3	120.6	120.5	125.8	128.7	127.3	126.2	131.2	128.8
SOIL PRODUCTS	109.2	121.8	119.9	120.2	126.5	125.5	115.0	133.0	130.4	129.9	137.5	136.4
I. QUARTER	75.5	113.4	107.7	88.3	114.0	110.1	84.6	121.4	115.9	74.4	124.0	116.5
II. QUARTER	125.5	124.7	124.8	136.1	130.7	131.5	106.0	131.5	127.7	146.6	123.2	126.7
III. QUARTER	133.4	127.0	127.9	146.1	132.8	134.8	144.1	141.1	141.6	167.1	158.8	160.0
IV. QUARTER	102.2	122.2	119.2	110.4	128.6	125.8	125.3	138.1	136.2	131.4	144.1	142.2
BASIC METALS	106.0	116.2	112.0	89.7	130.2	113.4	117.4	143.0	132.4	108.5	131.8	122.2
I. QUARTER	101.5	125.6	115.6	99.9	117.9	110.5	120.0	141.7	132.7	96.1	112.9	106.0
II. QUARTER	108.5	116.2	113.1	79.9	125.5	106.6	112.7	137.3	127.1	113.5	136.6	127.0
III. QUARTER	99.1	107.7	104.1	78.7	129.2	106.2	113.5	140.9	129.6	110.7	137.8	126.6
IV. QUARTER	114.8	115.4	115.1	105.4	148.1	130.4	123.5	151.9	140.2	113.7	139.9	129.1
MACHINERY & TRANS.EQUIP.	77.2	103.8	101.2	76.7	102.5	100.0	93.8	135.9	131.7	108.9	151.5	147.3
I. QUARTER	74.0	114.3	110.3	56.9	88.2	85.1	75.6	121.7	117.2	91.9	111.7	109.7
II. QUARTER	71.3	109.7	105.9	67.4	96.7	93.8	86.8	140.3	135.0	88.8	155.0	148.5
III. QUARTER	67.9	85.4	83.7	61.7	97.8	94.3	80.2	123.7	119.4	106.2	154.1	149.4
IV. QUARTER	95.6	105.7	104.7	120.9	127.5	126.8	132.7	157.8	155.3	148.4	183.9	180.4
T.MANUFACTURING INDUSTRY	116.4	109.3	111.8	110.0	116.5	114.2	115.6	130.1	125.1	117.7	132.5	127.3
I. QUARTER	117.0	110.3	112.7	112.3	103.8	106.8	111.4	122.0	118.2	110.0	114.1	112.7
II. QUARTER	110.7	106.5	108.0	99.7	113.8	107.4	107.6	123.2	117.7	106.9	127.1	120.0
III. QUARTER	112.9	106.4	108.7	110.2	120.6	117.0	115.7	133.4	127.2	122.0	142.7	135.4
IV. QUARTER	125.1	114.0	117.9	121.9	127.9	125.8	129.2	141.6	137.2	131.9	145.8	140.9

Source : SIS

OPEN UNEMPLOYMENT

MONTHS	1987	Changes* (%)	1988	Changes (%)	1989	Changes (%)	1990	Changes (%)	1991	Changes (%)
January	1,093,882	9.8	1,143,240	4.5	1,170,864	2.4	979,513	-16.3	881,381	-10.0
February	1,104,640	8.3	1,149,495	4.1	1,108,172	-3.6	1,018,890	-8.0	872,095	-14.4
March	1,126,199	8.3	1,155,081	2.6	1,119,171	-3.1	1,030,810	-7.9	874,874	-15.1
April	1,137,106	8.2	1,154,503	1.5	1,112,148	-3.7	1,002,707	-9.8	887,115	-11.5
May	1,128,866	6.6	1,151,332	2.0	1,091,865	-5.2	1,014,035	-7.1	875,316	-13.7
June	1,128,686	6.8	1,153,475	2.2	1,066,102	-7.6	1,008,803	-5.4	855,407	-15.2
July	1,123,366	5.9	1,153,762	2.7	1,056,214	-8.5	977,524	-7.5	841,946	-13.9
August	1,123,922	5.8	1,157,642	3.0	1,071,157	-7.5	966,825	-9.7	847,507	-12.3
September	1,130,562	5.0	1,162,556	2.8	1,049,395	-9.7	955,831	-8.9	861,993	-9.8
October	1,127,629	4.7	1,161,560	3.0	1,036,853	-10.7	953,146	-8.1	848,092	-11.0
November	1,128,416	5.0	1,159,496	2.8	1,022,469	-11.8	917,755	-10.2	836,820	-8.8
December	1,134,884	5.0	1,162,548	2.4	1,009,840	-13.1	896,132	-11.3	825,567	-7.9

Source : Labour Placemenet Office **Change relative to the same month of the previous year*

SECTORAL DISTRIBUTION OF MANPOWER DEMAND (000)

	1990*		1991*		Changes	
	Demand	Share	Demand	Share	Absolute	Percent
Agriculture	9,037	49.6	9,602	49.9	565.0	6.3
Industry	2,573	14.1	2,870	14.9	297.0	11.5
-Mining	172	0.9	133	0.7	-39.0	-22.7
-Manufacturing	2,360	13.0	2,722	14.2	362.0	15.3
-Electricity,Gas,Water	41	0.2	14	0.1	-27.0	-65.9
Construction	847	4.7	882	4.6	35.0	4.1
Commerce	2,005	11.0	2,104	10.9	99.0	4.9
Transportation	762	4.2	785	4.1	23.0	3.0
Financial Institutions	388	2.1	406	2.1	18.0	4.6
Other Services	2,596	14.3	2,587	13.4	-9.0	-0.3
Total	18,208	100.0	19,236	100.0	1,028.0	5.6
Non-Agricultural Employment	9,171	50.4	9,634	52.9	463.0	5.0

**April*

Source : SPO

APPLICATIONS TO AND PLACEMENTS BY THE LABOUR PLACEMENT OFFICE, REGISTERED UNEMPLOYED AND WORKERS MIGRATING ABROAD

		1990	1991	Changes (%)
Applications	(T)	672,110	673,053	0.1
	(M)	513,174	509,336	-0.7
	(F)	158,936	163,717	3.0
Labour Demand by Establishments	(T)	293,742	266,355	-9.3
	(M)	201,017	180,974	-10.0
	(F)	92,725	85,381	-7.9
Placements	(T)	283,243	268,411	-5.2
	(M)	191,528	182,074	-4.9
	(F)	91,715	86,337	-5.9
Public Sector	(T)	146,783	144,167	-1.8
	(M)	134,487	132,459	-1.5
	(F)	12,296	11,708	-4.8
Private Sector	(T)	136,460	124,244	-9.0
	(M)	57,041	49,615	-13.0
	(F)	79,419	74,629	-6.0
Agricultural	(T)	89,002	91,785	3.1
	(M)	25,817	26,604	3.0
	(F)	63,185	65,181	3.2
Non-agricultural	(T)	194,241	176,626	-9.1
	(M)	165,711	155,470	-6.2
	(F)	28,530	21,156	-25.8
Registered Unemployed (1)	(T)	896,132	825,567	-7.9
	(M)	738,703	674,294	-8.7
	(F)	157,429	151,273	-3.9
Workers Migrating Abroad	(T)	47,707	53,020	11.1
	(M)	47,439	52,719	11.1
	(F)	268	301	12.3

Source : Labour Placement Office

(1) Unemployed registrations include those seeking work who are not employed at a minimum wage rate. It excludes those already employed but looking for a better job, those who will consider work only at certain places and retired persons drawing a pension.

T: Total

M: Male

F: Female

STATISTICAL ANNEX
FOR
CHAPTER II

E X P O R T S
($ Million)

MONTHS	1989	1990	1991	Changes (%) 90/89	Changes (%) 91/90	Cumulative 1989	Cumulative 1990	Cumulative 1991	Changes (%) 89/88	Changes (%) 90/89
January	771.6	1,024.8	1,068.1	32.8	4.2	771.6	1,024.8	1,068.1	32.8	4.2
February	946.9	987.7	1,041.4	4.3	5.4	1,718.5	2,012.5	2,109.5	17.1	4.8
March	1,084.8	981.8	1,269.3	-9.5	29.3	2,803.3	2,994.3	3,378.8	6.8	12.8
April	977.3	872.2	883.7	-10.8	1.3	3,780.6	3,866.5	4,262.5	2.3	10.2
May	700.5	920.4	1,058.4	31.4	15.0	4,481.1	4,786.9	5,320.9	6.8	11.2
June	896.0	952.8	962.7	6.3	1.0	5,377.1	5,739.7	6,283.6	6.7	9.5
July	749.0	781.9	993.8	4.4	27.1	6,126.1	6,521.6	7,277.4	6.5	11.6
August	822.8	985.2	1,067.9	19.7	8.4	6,948.9	7,506.8	8,345.3	8.0	11.2
September	966.3	1,091.4	1,151.4	12.9	5.5	7,915.2	8,598.2	9,496.7	8.6	10.4
October	1,100.6	1,310.0	1,325.1	19.0	1.2	9,015.8	9,908.2	10,821.8	9.9	9.2
November	1,200.0	1,388.0	1,332.2	15.7	-4.0	10,215.8	11,296.2	12,154.0	10.6	7.6
December	1,378.9	1,663.1	1,444.0	20.6	-13.2	11,594.7	12,959.3	13,598.0	11.8	4.9

I M P O R T S
($ Million)

MONTHS	1989	1990	1991	Changes (%) 90/89	Changes (%) 91/90	Cumulative 1989	Cumulative 1990	Cumulative 1991	Changes (%) 89/88	Changes (%) 90/89
January	1,063.3	1,501.4	1,675.7	41.2	11.6	1,063.3	1,501.4	1,675.7	41.2	11.6
February	1,045.7	1,491.1	1,419.3	42.6	-4.8	2,109.0	2,992.5	3,095.0	41.9	3.4
March	1,210.2	1,714.1	1,820.7	41.6	6.2	3,319.2	4,706.6	4,915.7	41.8	4.4
April	1,274.8	1,317.5	1,309.6	3.3	-0.6	4,594.0	6,024.1	6,225.3	31.1	3.3
May	1,178.1	1,990.5	1,814.1	69.0	-8.9	5,772.1	8,014.6	8,039.4	38.9	0.3
June	1,354.2	1,567.4	1,620.0	15.7	3.4	7,126.3	9,582.0	9,659.4	34.5	0.8
July	1,266.6	1,523.9	1,758.0	20.3	15.4	8,392.9	11,105.9	11,417.4	32.3	2.8
August	1,388.5	2,007.3	1,735.3	44.6	-13.6	9,781.4	13,113.2	13,152.7	34.1	0.3
September	1,399.4	1,903.4	1,744.4	36.0	-8.4	11,180.8	15,016.6	14,897.1	34.3	-0.8
October	1,546.2	2,423.8	1,869.1	56.8	-22.9	12,727.0	17,440.4	16,766.2	37.0	-3.9
November	1,542.3	2,409.4	1,914.0	56.2	-20.6	14,269.3	19,849.8	18,680.2	39.1	-5.9
December	1,582.9	2,452.4	2,358.3	54.9	-3.8	15,852.2	22,302.2	21,038.5	40.7	-5.7

Source: SIS, SPO

EXPORTS BY SECTORS
($ Million)

	1990	Share in Total (%)	1991*	Share in Total (%)	Changes (%)
I. AGRICULTURAL & LIVESTOCK	2,347	18.1	2,683.0	19.7	14.3
1. Agricultural Products	2,062	15.9	2,405.0	17.7	16.6
- Cereals	11	0.1	280.0	2.1	2,445.5
- Leguminous Vegetables	292	2.3	242.0	1.8	-17.1
- Industrial Plants	655	5.1	795.0	5.8	21.4
- Fruits	956	7.4	853.0	6.3	-10.8
- Vegetables	109	0.8	192.0	1.4	76.1
- Others	39	0.3	43.0	0.3	10.3
2. Livestock & Animal Products	216	1.7	218.0	1.6	0.9
3. Fishery Products	57	0.4	50.0	0.4	-12.3
4. Forestry Products	12	0.1	10.0	0.1	-16.7
				0.0	
II. MINING & QUARRYING	332	2.6	286.0	2.1	-13.6
III. INDUSTRY	10,281	79.3	10,625.0	78.1	3.3
A. Agro-based Processed Products	941	7.3	1,212.0	8.9	28.9
B. Petroleum Products	287	2.2	277.0	2.0	-3.5
C. Other Industrial Products	9,054	69.9	9,135.0	67.2	0.9
- Cement	77	0.6	111.0	0.8	44.2
- Chemicals	616	4.8	463.0	3.4	-24.8
- Rubber & Plastics	238	1.8	316.0	2.3	32.8
- Leather & Hides	749	5.8	620.0	4.6	-17.2
- Forestry Products	21	0.2	16.0	0.1	-23.8
- Textiles	4,061	31.3	4,328.0	31.8	6.6
- Glass & Ceramics	326	2.5	358.0	2.6	9.8
- Iron & Steel	1,612	12.4	1,451.0	10.7	-10.0
- Non-ferrous Metals	262	2.0	174.0	1.3	-33.6
- Metallic Goods	26	0.2	33.0	0.2	26.9
- Machinery	205	1.6	232.0	1.7	13.2
- Electrical Appliances	440	3.4	533.0	3.9	21.1
- Motor Vehicles	211	1.6	255.0	1.9	20.9
- Others	210	1.6	245.0	1.8	16.7
TOTAL	12,959	100.0	13,598.0	100.0	4.9

** Provisional*

Source: SIS

EXPORTS BY SECTORS

(January-March, $ Million)

	1991	Share in Total (%)	1992	Share in Total (%)	Changes (%)
I. AGRICULTURAL & LIVESTOCK	645.0	19.1	627.7	17.7	-2.7
1. Agricultural Products	575.1	17.0	588.6	16.6	2.3
- Cotton (Raw)	104.6	3.1	26.2	0.7	-75.0
- Tobacco	168.7	5.0	172.6	4.9	2.3
- Hazelnuts	73.8	2.2	68.6	1.9	-7.0
- Sultana	31.0	0.9	22.3	0.6	-28.1
- Others	179.7	5.3	298.9	8.4	66.3
2. Livestock & Animal Products	52.1	1.5	25.0	0.7	-52.0
3. Fishery Products	15.4	0.5	10.1	0.3	-34.4
4. Forestry Products	2.3	0.1	4.0	0.1	73.9
II. MINING & QUARRYING	53.8	1.6	69.3	2.0	28.8
III. INDUSTRY	2,679.7	79.3	2,853.3	80.4	6.5
A. Agro-based Processed Products	240.2	7.1	296.1	8.3	23.3
B. Petroleum Products	95.4	2.8	27.3	0.8	-71.4
C. Other Industrial Products	2,344.1	69.4	2,529.9	71.3	7.9
- Cement	16.0	0.5	35.3	1.0	120.6
- Chemicals	122.1	3.6	120.3	3.4	-1.5
- Rubber & Plastics	72.2	2.1	93.6	2.6	29.6
- Leather & Hides	138.8	4.1	110.3	3.1	-20.5
- Forestry Products	2.7	0.1	4.3	0.1	59.3
- Textiles	1,208.8	35.8	1,290.0	36.3	6.7
- Glass & Ceramics	95.1	2.8	100.4	2.8	5.6
- Iron & Steel	388.0	11.5	352.4	9.9	-9.2
- Non-ferrous Metals	38.9	1.2	44.0	1.2	13.1
- Metallic Goods	7.4	0.2	8.4	0.2	13.5
- Machinery	51.6	1.5	76.6	2.2	48.4
- Electrical Appliances	123.0	3.6	124.9	3.5	1.5
- Motor Vehicles	24.4	0.7	103.1	2.9	322.5
- Others	55.1	1.6	66.3	1.9	20.3
TOTAL	3,378.7	100.0	3,549.9	100.0	5.1

** Provisional*

Source: SIS

EXPORTS BY COUNTRIES

($ Million)

COUNTRIES	1990	Share in Total (%)	1991*	Share in Total (%)	Changes (%)
OECD COUNTRIES	8,810	68.0	8,856	65.1	0.5
A) EEC COUNTRIES	6,893	53.2	7,042	51.8	2.2
- West Germany	3,064	23.6	3,413	25.1	11.4
- Belgium-Luxembourg	312	2.4	287	2.1	-7.8
- Denmark	87	0.7	87	0.6	0.6
- France	737	5.7	689	5.1	-6.5
- Netherlands	435	3.4	475	3.5	9.1
- United Kingdom	745	5.7	676	5.0	-9.2
- Ireland	25	0.2	19	0.1	-23.0
- Italy	1,106	8.5	972	7.1	-12.2
- Greece	139	1.1	144	1.1	3.1
- Spain	199	1.5	238	1.8	19.5
- Portugal	44	0.3	43	0.3	-4.1
B) OTHER OECD COUNTRIES	1,917	14.8	1,814	13.3	-5.4
- USA	968	7.5	913	6.7	-5.6
- Japan	239	1.8	226	1.7	-5.6
- Switzerland	293	2.3	246	1.8	-15.9
- Austria	178	1.4	213	1.6	19.3
- Others	239	1.8	216	1.6	-9.7
ISLAMIC COUNTRIES	2,490	19.2	2,730	20.1	9.3
- Iran	495	3.8	487	3.6	-1.7
- Iraq	215	1.7	122	0.9	-42.9
- Saudi Arabia	338	2.6	485	3.6	43.2
- Kuwait	92	0.7	16	0.1	-82.2
- TRNC	155	1.2	132	1.0	-15.0
- Libya	221	1.7	238	1.7	7.7
- Egypt	160	1.2	169	1.2	5.3
- Algeria	201	1.6	206	1.5	2.4
- Tunisia	40	0.3	54	0.4	34.9
- Others	581	4.4	822	6.0	41.5
EAST EUROPEAN COUNTRIES	987	7.6	1,136	8.4	15.1
- USSR	531	4.1	611	4.5	15.0
- Germany Democratic Republic	13	0.1	0	0.0	-98.5
- Bulgaria	10	0.1	76	0.6	631.7
- Czechoslovakia	64	0.5	64	0.5	-0.5
- Hungary	31	0.2	35	0.3	13.1
- Poland	103	0.8	143	1.0	37.8
- Romania	83	0.6	110	0.8	31.6
- Yugoslavia	145	1.1	77	0.6	-47.1
- Albania	6	0.0	21	0.2	273.7
OTHER COUNTRIES	664	5.2	877	6.4	31.9
- India	62	0.5	47	0.3	-23.1
- China	38	0.3	20	0.2	-46.9
- South Korea	109	0.1	239	1.8	120.0
- Hong Kong	35	0.1	30	0.2	-16.2
- Other	420	4.2	540	4.0	28.4
TOTAL	12,959	100.0	13,598	100.0	4.9

** Provisional*

Source: SIS

EXPORTS BY COUNTRIES

(January-March, $ Million)

COUNTRIES	1991	Share in Total (%)	1992	Share in Total (%)	Changes (%)
OECD COUNTRIES	2,382.0	70.5	2,265.4	63.8	-4.9
A) EEC COUNTRIES	1,919.3	56.8	1,787.7	50.4	-6.9
- West Germany	920.2	27.2	866.0	24.4	-5.9
- Belgium-Luxembourg	90.5	2.7	71.8	2.0	-20.7
- Denmark	21.7	0.6	21.5	0.6	-0.9
- France	172.6	5.1	183.9	5.2	6.5
- Netherlands	135.3	4.0	124.8	3.5	-7.8
- United Kingdom	170.1	5.0	183.0	5.2	7.6
- Ireland	4.7	0.1	4.2	0.1	-10.6
- Italy	284.6	8.4	218.5	6.2	-23.2
- Greece	48.1	1.4	33.7	0.9	-29.9
- Spain	55.1	1.6	69.6	2.0	26.3
- Portugal	16.5	0.5	10.7	0.3	-35.2
B) OTHER OECD COUNTRIES	462.7	13.7	477.7	13.5	3.2
- USA	225.0	6.7	247.8	7.0	10.1
- Japan	60.6	1.8	63.9	1.8	5.4
- Switzerland	77.1	2.3	57.3	1.6	-25.7
- Austria	49.9	1.5	53.1	1.5	6.4
- Others	50.1	1.5	55.6	1.6	11.0
ISLAMIC COUNTRIES	595.0	17.6	709.6	20.0	19.3
- Iran	154.0	4.6	153.6	4.3	-0.3
- Iraq	0.0	0.0	0.0	0.0	-
- Saudi Arabia	94.0	2.8	94.0	2.6	0.0
- Jordan	16.1	0.5	54.0	1.5	235.4
- TRNC	29.6	0.9	29.7	0.8	0.3
- Libya	55.5	1.6	55.5	1.6	0.0
- Egypt	34.3	1.0	34.3	1.0	0.0
- Algeria	65.5	1.9	65.5	1.8	0.0
- Syria	55.6	1.6	51.9	1.5	-6.7
- Others	90.4	2.7	171.1	4.8	89.3
EAST EUROPEAN COUNTRIES	239.7	7.1	284.4	8.0	18.6
- USSR *	80.6	2.4	111.5	3.1	-
- Azerbaidjan	-	-	11.5	0.3	-
- Bulgaria	21.8	0.6	20.2	0.6	-7.3
- Czechoslovakia	15.5	0.5	13.5	0.4	-12.9
- Hungary	10.6	0.3	6.1	0.2	-42.5
- Poland	51.5	1.5	42.4	1.2	-17.7
- Romania	21.8	0.6	40.4	1.1	85.3
- Yugoslavia	30.0	0.9	30.0	0.8	0.0
- Others	7.9	0.2	8.8	0.2	11.4
OTHER COUNTRIES	162.0	4.8	290.5	8.2	79.3
- India	12.5	0.4	10.2	0.3	-18.4
- China	1.2	0.0	10.6	0.3	783.3
- South Korea	62.6	1.9	115.2	3.2	84.0
- Taiwan	17.1	0.5	51.7	1.5	202.3
- Other	68.6	2.0	102.8	2.9	49.9
TOTAL	3,378.7	100.0	3,549.9	100.0	5.1

Source: SIS

** Federation of Russia for 1992*

IMPORTS BY SECTORS
($ Million)

	1990	Share in Total (%)	1991*	Share in Total (%)	Changes (%)
I. AGRICULTURAL & LIVESTOCK	1,318	5.9	808	3.8	-38.7
- Vegetable Products	856	3.8	377	1.8	-56.0
- Livestock and Animal Products	325	1.5	288	1.4	-11.4
- Fishery Products	11	0.0	10	0.0	-9.1
- Forestry Products	126	0.6	133	0.6	5.6
		0.0		0.0	
II. MINING & QUARRYING	3,989	17.9	2,992	14.2	-25.0
- Non-metallic and Metallic Ores	91	0.4	87	0.4	-4.4
- Fuels, Coals, etc.	82	0.4	111	0.5	35.4
- Others	3,817	17.1	2,793	13.3	-26.8
III. INDUSTRY	16,995	76.2	17,248	82.0	1.5
A. Agro-based Processed Products	1,403	6.3	1,172	5.6	-16.5
- Food	739	3.3	598	2.8	-19.0
- Tobacco	316	1.4	298	1.4	-5.7
- Forestry	89	0.4	79	0.4	-11.2
- Fibres for Textile	260	1.2	196	0.9	-24.6
B. Petroleum Products	805	3.6	962	4.6	19.5
C. Other Industrial Products	14,787	66.3	15,113	71.8	2.2
- Cement	45	0.2	22	0.1	-51.1
- Chemicals	2,449	11.0	2,464	11.7	0.6
- Rubber & Plastics	804	3.6	841	4.0	4.6
- Leather & Hides	125	0.6	117	0.6	-6.4
- Forestry Products	22	0.1	22	0.1	0.0
- Textiles	579	2.6	557	2.6	-3.8
- Glass & Ceramics	183	0.8	181	0.9	-1.1
- Iron & Steel	1,933	8.7	2,010	9.6	4.0
- Non-ferrous Metals	535	2.4	451	2.1	-15.7
- Metallic Goods	106	0.5	121	0.6	14.2
- Machinery	3,751	16.8	3,756	17.9	0.1
- Electrical Appliances	1,572	7.0	1,858	8.8	18.2
- Motor Vehicles	1,603	7.2	1,558	7.4	-2.8
- Others	1,081	4.8	1,153	5.5	6.7
TOTAL	22,302	100.0	21,038	100.0	-5.6

*Provisional
Source: SIS

IMPORTS BY SECTORS
(January-March, $ Million)

	1991	Share in Total (%)	1992	Share in Total (%)	Changes (%)
I. AGRICULTURAL & LIVESTOCK	198.6	4.0	214.8	4.3	8.2
- Wheat	3.5	0.1	1.5	0.0	-57.1
- Rice	12.4	0.3	27.2	0.6	119.4
- Merinos	9.8	0.2	10.7	0.2	9.2
- Others	172.0	3.5	175.4	3.5	2.0
II. MINING & QUARRYING	715.8	14.6	617.1	12.5	-13.8
- Crude Oil	592.0	12.0	506.2	10.2	-14.5
- Hard Coal	71.2	1.4	64.3	1.3	-9.7
- Others	52.6	1.1	46.6	0.9	-11.4
III. INDUSTRY	4,001.5	81.4	4,111.2	83.2	2.7
A. Agro-based Processed Products	232.3	4.7	204.4	4.1	-12.0
- Soya Oil	16.3	0.3	14.5	0.3	-11.0
- Vegetables & Liquid Oils	59.8	1.2	73.2	1.5	22.4
- Cigarettes	72.2	1.5	26.4	0.5	-63.4
- Others	84.0	1.7	90.3	1.8	7.5
B. Petroleum Products	238.9	4.9	197.6	4.0	-17.3
C. Other Industrial Products	3,530.3	71.8	3,709.2	75.0	5.1
- Cement	3.8	0.1	1.0	0.0	-73.7
- Chemicals	592.1	12.0	611.6	12.4	3.3
- Rubber & Plastics	194.9	4.0	214.0	4.3	9.8
- Leather & Hides	25.9	0.5	24.1	0.5	-6.9
- Forestry Products	3.8	0.1	3.9	0.1	2.6
- Textiles	198.6	4.0	183.1	3.7	-7.8
- Glass & Ceramics	41.7	0.8	42.8	0.9	2.6
- Iron & Steel	464.2	9.4	461.4	9.3	-0.6
- Non-ferrous Metals	120.2	2.4	95.9	1.9	-20.2
- Metallic Goods	25.6	0.5	27.3	0.6	6.6
- Machinery	792.6	16.1	842.0	17.0	6.2
- Electrical Appliances	474.3	9.6	434.3	8.8	-8.4
- Motor Vehicles	295.0	6.0	499.4	10.1	69.3
- Others	297.8	6.1	267.3	5.4	-10.2
TOTAL	4,915.9	100.0	4,943.1	100.0	0.6

Source: SIS

IMPORTS BY COUNTRIES
($ Million)

COUNTRIES	1990	Share in Total (%)	1991*	Share in Total (%)	Changes (%)
OECD COUNTRIES	14,220	3.8	14,048	66.8	-1.2
A) EEC COUNTRIES	9,332	41.8	9,220	43.8	-1.2
- West Germany	3,500	15.7	3,230	15.4	-7.7
- Belgium-Luxembourg	523	2.3	557	2.6	6.6
- Denmark	10	0.5	95	0.5	-6.5
- France	1,341	6.0	1,227	5.8	-8.5
- Netherlands	573	2.6	642	3.0	11.9
- United Kingdom	1,014	4.5	1,166	5.5	15.0
- Ireland	61	0.3	43	0.2	-30.6
- Italy	1,727	7.7	1,845	8.8	6.8
- Greece	129	0.6	77	0.4	-40.0
- Spain	345	1.5	320	1.5	-7.3
- Portugal	17	0.1	18	0.1	5.2
B) OTHER OECD COUNTRIES	4,888	21.9	4,828	22.9	-1.2
- USA	2,283	10.2	2,241	10.7	-1.8
- Japan	1,119	5.0	1,092	5.2	-2.4
- Switzerland	537	2.4	489	2.3	-9.0
- Austria	253	1.1	323	1.5	27.6
- Others	697	3.1	684	3.3	-1.8
ISLAMIC COUNTRIES	3,939	17.7	3,198	15.2	-18.8
- Iran	578	2.6	91	0.4	-84.3
- Iraq	1,047	4.7	1	0.0	-100.0
- Saudi Arabia	724	3.2	1,829	8.7	152.8
- Kuwait	54	0.2	0	0.0	-99.4
- TRNC	9	0.0	11	0.1	15.2
- Libya	487	2.2	281	1.3	-42.2
- Egypt	37	0.2	48	0.2	31.5
- Algeria	287	1.3	52	0.2	-81.9
- Tunisia	30	0.1	21	0.1	-30.1
- Others	688	3.1	865	4.1	25.7
EAST EUROPEAN COUNTRIES	2,257	10.1	2,020	9.6	-10.5
- USSR	1,271	5.7	1,090	5.2	-14.3
- Germany Democratic Republic	26	0.1	1	0.0	-95.3
- Bulgaria	32	0.1	140	0.7	338.6
- Czechoslovakia	143	0.6	158	0.7	9.9
- Hungary	110	0.5	134	0.6	21.2
- Poland	210	0.9	151	0.7	-28.4
- Romania	203	0.9	199	0.9	-1.9
- Yugoslavia	260	1.2	148	0.7	-43.0
- Albania	2	0.0	1	0.0	60.0
OTHER COUNTRIES	1,886	8.5	1,765	8.4	-6.4
- India	78	0.4	87	0.4	11.2
- China	161	0.7	172	0.8	6.8
- South Korea	302	1.4	361	1.7	19.6
- Hong Kong	77	0.3	77	0.4	-1.2
- Other	1,268	5.7	1,069	5.1	-15.7
TOTAL	22,302	100.0	21,038	100.0	-5.7

**Provisional*

Source: SIS

IMPORTS BY COUNTRIES
(January-March, $ Million)

COUNTRIES	1991	Share in Total (%)	1992	Share in Total (%)	Changes (%)
OECD COUNTRIES	3,193.9	65.0	3,487.1	70.5	9.2
A) EEC COUNTRIES	2,076.7	42.2	2,216.1	44.8	6.7
- West Germany	738.9	15.0	817.7	16.5	10.7
- Belgium-Luxembourg	150.5	3.1	127.0	2.6	-15.6
- Denmark	29.3	0.6	23.4	0.5	-20.1
- France	260.0	5.3	290.7	5.9	11.8
- Netherlands	142.6	2.9	174.0	3.5	22.0
- United Kingdom	282.5	5.7	266.5	5.4	-5.7
- Ireland	10.2	0.2	11.2	0.2	9.8
- Italy	352.7	7.2	422.3	8.5	19.7
- Greece	14.1	0.3	17.5	0.4	24.1
- Spain	90.6	1.8	61.2	1.2	-32.5
- Portugal	5.3	0.1	4.6	0.1	-13.2
B) OTHER OECD COUNTRIES	1,117.9	22.7	1,271.0	25.7	13.7
- USA	536.0	10.9	354.9	7.2	-33.8
- Japan	260.5	5.3	250.9	5.1	-3.7
- Switzerland	105.5	2.1	207.2	4.2	96.4
- Austria	55.8	1.1	65.3	1.3	17.0
- Others	160.1	3.3	392.7	7.9	145.3
ISLAMIC COUNTRIES	803.0	16.3	645.1	13.1	-19.7
- Iran	6.8	0.1	15.1	0.3	122.1
- Iraq	0.1	0.0	0.0	0.0	-100.0
- Saudi Arabia	402.0	8.2	361.8	7.3	-10.0
- Kuwait	0.2	0.0	0.0	0.0	-100.0
- TRNC	1.7	0.0	1.0	0.0	-41.2
- Libya	132.9	2.7	98.4	2.0	-26.0
- Egypt	19.0	0.4	12.1	0.2	-36.3
- Algeria	19.1	0.4	3.2	0.1	-83.2
- United Arab Emirates	77.6	1.6	63.7	1.3	-17.9
- Others	143.6	2.9	89.8	1.8	-37.5
EAST EUROPEAN COUNTRIES	465.2	9.5	423.2	8.6	-9.0
- USSR	265.3	5.4	202.0	4.1	-
- Ukraine	-	-	9.1	0.2	-
- Bulgaria	20.9	0.4	43.9	0.9	110.0
- Czechoslovakia	31.0	0.6	34.4	0.7	11.0
- Hungary	34.3	0.7	23.6	0.5	-31.2
- Poland	48.5	1.0	16.1	0.3	-66.8
- Romania	32.0	0.7	54.0	1.1	68.8
- Yugoslavia	32.6	0.7	37.3	0.8	14.4
- Others	0.6	0.0	2.8	0.1	366.7
OTHER COUNTRIES	453.7	9.2	388.0	7.8	-14.5
- India	30.6	0.6	17.2	0.3	-43.8
- China	26.3	0.5	59.6	1.2	126.6
- South Korea	102.4	2.1	81.7	1.7	-20.2
- Taiwan	51.5	1.0	43.9	0.9	-14.8
- Other	242.9	4.9	185.6	3.8	-23.6
TOTAL	4,915.9	100.0	4,943.1	100.0	0.6

Source: SIS

[a] Federation of Russia for 1992

IMPORTS BY COMMODITY GROUPS
($ Million)

	1988		1989		1990		1991	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
Investment Goods	3,988.9	27.8	3,845.1	24.3	5,789.7	26.0	6,053.4	28.8
- Construction Goods	670.9	4.7	690.3	4.4	769.6	3.5	821.8	3.9
- Machinery & Equipment	3,286.9	22.9	3,134.5	19.8	4,930.1	22.1	5,139.8	24.4
- Livestock	31.1	0.2	20.4	0.1	89.9	0.4	91.8	0.4
Raw Materials	9,236.6	64.4	10,558.1	66.9	13,489.0	60.5	12,085.0	57.4
				0.0		0.0		
Consumer Goods	1,109.9	7.7	1,388.9	8.8	3,023.5	13.6	2,900.0	13.8
TOTAL	14,335.4	100.0	15,792.1	100.0	22,302.1	100.0	21,038.4	100.0

IMPORTS BY SOURCE OF FINANCING
($ Million)

	1987	1988	1989	1990	1991
PROGRAMMED IMPORTS	12,864	12,970	14,340	20,876	19,288
- Financial Letting				227	99
- Liberalization	11,476	12,159	13,685	20,587	19,189
- Allocation					0
- Subject to Licence	1,388	811	655	62	0
NON-PROGRAMMED IMPORTS	1,294	1,365	1,453	1,426	1,750
- NATO	91	142	107	113	86
- Foreign Capital in Kind	38	14	10	18	106
- Project Credits	1,100	1,140	1,229	896	531
- Imports With Waivers	65	69	107	400	1,027
TOTAL	14,158	14,335	15,792	22,302	21,038

Source: SIS

TRADE DEFICIT
($ million)

MONTHS	1987	1988	1989	1990	1991	1992
January	202.0	141.0	291.8	476.6	607.6	414.0
February	373.8	183.8	98.6	503.4	378.2	471.0
March	276.0	366.0	125.4	732.4	551.1	506.0
April	382.7	323.6	297.5	445.3	426.0	
May	156.5	362.3	477.6	1,070.0	755.0	
June	254.6	370.7	458.3	614.6	657.0	
July	575.2	208.5	517.6	741.9	764.0	
August	194.2	323.8	565.6	1,022.1	667.0	
September	111.3	140.8	343.1	811.8	593.0	
October	379.1	106.7	445.6	1,113.8	544.0	
November	489.0	143.7	342.4	1,021.4	582.0	
December	573.4	2.5	204.0	789.2	914.0	

CUMULATIVE

MONTHS	1987	1988	1989	1990	1991	1992
January	202.0	141.0	291.8	476.6	607.6	414.0
February	575.8	324.8	390.4	979.9	985.8	885.0
March	851.8	690.8	515.8	1,712.3	1,536.9	1,391.0
April	1,234.5	1,014.4	813.3	2,157.6	1,962.9	
May	1,391.0	1,376.7	1,290.9	3,227.7	2,717.9	
June	1,645.6	1,747.3	1,749.2	3,842.3	3,374.9	
July	2,220.8	1,955.8	2,266.7	4,584.3	4,138.9	
August	2,415.0	2,279.6	2,832.4	5,606.4	4,805.9	
September	2,526.3	2,420.4	3,175.5	6,418.2	5,398.9	
October	2,905.4	2,527.1	3,621.1	7,532.1	5,942.9	
November	3,394.4	2,670.9	3,963.5	8,553.5	6,524.9	
December	3,967.8	2,673.4	4,167.4	9,342.7	7,440.1	

Source: SIS, SPO

WORKERS' REMITTANCES BY MONTHS (1)

($ million)

MONTHS	1989	1990	1991(*)	Changes (%) 90/89	Changes (%) 91/90	Cumulative 1989	Cumulative 1990	Cumulative 1991	Changes (%) 90/89	Changes (%) 91/90
January	190.0	187.0	222.0	-1.6	18.7	190.0	187.0	222.0	-1.6	18.7
February	236.0	213.0	219.0	-9.7	2.8	426.0	400.0	441.0	-6.1	10.3
March	190.0	240.0	236.0	26.3	-1.7	616.0	640.0	677.0	3.9	5.8
April	172.0	224.0	200.0	30.2	-10.7	788.0	864.0	877.0	9.6	1.5
May	185.0	272.0	224.0	47.0	-17.6	973.0	1,136.0	1,101.0	16.8	-3.1
June	243.0	282.0	213.0	16.0	-24.5	1,216.0	1,418.0	1,314.0	16.6	-7.3
July	319.0	334.0	306.0	4.7	-8.4	1,535.0	1,752.0	1,620.0	14.1	-7.5
August	424.0	363.0	305.0	-14.4	-16.0	1,959.0	2,115.0	1,925.0	8.0	-9.0
September	374.0	359.0	259.0	-4.0	-27.9	2,333.0	2,474.0	2,184.0	6.0	-11.7
October	315.0	301.0	234.0	-4.4	-22.3	2,648.0	2,775.0	2,418.0	4.8	-12.9
November	232.0	262.0	232.0	12.9	-11.5	2,880.0	3,037.0	2,650.0	5.5	-12.7
December	258.0	288.0	254.0	11.6	-11.8	3,138.0	3,325.0	2,904.0	6.0	-12.7

(1)Including official remittances
**Provisional*
Source: SPO

TOURISM REVENUE - MONTHLY

($ Million)

MONTHS	1989	1990	1991	Changes (%) 90/89	Changes (%) 91/90	Cumulative 1989	Cumulative 1990	Cumulative 1991	Changes (%) 90/89	Changes (%) 91/91
January	68.7	85.0	84.0	23.7	-1.2	68.7	85.0	84.0	23.7	-1.2
February	58.9	79.0	86.0	34.1	8.9	127.6	164.0	170.0	34.1	3.7
March	108.2	130.0	125.0	20.1	-3.8	235.8	294.0	295.0	20.1	0.3
April	148.4	339.0	144.0	128.4	-57.5	384.2	633.0	439.0	128.4	-30.6
May	266.5	360.0	186.0	35.1	-48.3	650.7	993.0	625.0	35.1	-37.1
June	282.8	296.0	250.0	4.7	-15.5	933.5	1,289.0	875.0	4.7	-32.1
July	315.6	320.0	320.0	1.4	0.0	1,249.1	1,609.0	1,195.0	1.4	-25.7
August	387.3	499.0	434.0	28.8	-13.0	1,636.4	2,108.0	1,629.0	28.8	-22.7
September	368.1	435.0	384.0	18.2	-11.7	2,004.5	2,543.0	2,013.0	18.2	-20.8
October	333.5	339.0	308.0	1.6	-9.1	2,338.0	2,882.0	2,321.0	1.6	-19.5
November	134.6	184.0	201.0	36.7	9.2	2,472.6	3,066.0	2,522.0	36.7	-17.7
December	83.9	159.0	131.0	89.5	-17.6	2,556.5	3,225.0	2,653.0	89.5	-17.7

** Provisional*
Source:SPO

BREAKDOWN BY COUNTRIES OF FOREIGN CAPITAL COMPANIES OPERATING IN TURKEY
(As of the end of 1991, TL Billion)

COUNTRIES	Number of Companies	Current Foreign Capital	Share in Total For. Cap. (%)	Companies' Total Capital	Far. Cap. As % of Total
Afghanistan	2	0.3	0.0	0.4	67.8
Algeria	2	4.1	0.1	8.1	50.4
Australia	2	0.6	0.0	0.6	100.0
Austria	42	30.1	0.5	52.9	56.9
Bahrain	4	33.4	0.5	34.4	96.9
Belgium	25	48.7	0.8	91.0	53.5
Bermuda	1	0.2	0.0	0.2	100.0
Bulgaria	4	1.9	0.0	4.3	44.7
Canada	8	36.9	0.6	215.1	17.2
Cayman Islands	5	31.8	0.5	37.7	84.3
China	5	1.4	0.0	1.5	96.5
Denmark	16	50.5	0.8	117.1	43.1
Egypt	4	3.4	0.1	4.0	84.3
Federal Rep. of Germany	362	685.5	10.6	1,952.0	35.1
Finland	10	10.7	0.2	20.3	52.7
France	98	944.6	14.6	1,267.3	74.5
Greece	13	5.7	0.1	6.5	88.0
Netherlands	84	547.9	8.5	859.2	63.8
Hong Kong	5	3.5	0.1	4.7	73.8
Inter. Finance Corp.	2	37.0	0.6	475.2	7.8
Iran	192	39.1	0.6	43.6	89.8
Iraq	26	18.5	0.3	39.9	46.4
Ireland	3	4.4	0.1	8.9	49.4
Islamic Development Bank	10	11.1	0.2	209.7	5.3
Israel	12	2.3	0.0	6.2	36.3
Italy	63	347.4	5.4	640.1	54.3
Japan	31	503.0	7.8	909.5	55.3
Joint	152	0.0	0.0	0.0	0.0
Jordan	26	4.7	0.1	6.5	72.3
Kuwait	7	24.2	0.4	42.8	56.5
Lebanon	38	18.7	0.3	21.4	87.5
Liberia	3	21.2	0.3	23.0	92.3
Libya	13	84.1	1.3	175.2	48.0
Liechtenstein	9	60.4	0.9	61.4	98.3
Luxembourg	14	73.3	1.1	209.8	34.9
Norway	7	12.1	0.2	16.4	73.5
Pakistan	8	6.2	0.1	6.4	96.8
Panama	8	20.6	0.3	82.0	25.1
Qatar	5	26.9	0.4	53.3	50.4
Saudi Arabia	49	125.1	1.9	300.8	41.6
South Korea	6	19.1	0.3	42.8	44.7
Spain	12	41.9	0.7	72.5	57.8
Sweden	21	59.6	0.9	76.7	77.8
Switzerland	137	602.7	9.3	1,766.8	34.1
Syria	92	15.3	0.2	19.6	78.1
TRNC	21	16.2	0.3	18.5	87.6
United Arap Emirates	11	27.2	0.4	43.9	61.9
United Kingdom	165	949.3	14.7	1,319.6	71.9
USA	152	677.2	10.5	1,163.5	58.2
Yugoslavia	9	4.0	0.1	9.3	43.3
Others	183	185.6	2.9	558.6	33.2
TOTAL	2,040	6,479.4	100.0	13,100.9	49.5

Source:ANKA

BREAKDOWN BY COUNTRIES OF FOREIGN CAPITAL COMPANIES OPERATING IN TURKEY

(As of the end of March 1992, TL Billion)

COUNTRIES	Number of Companies	Current Foreign Capital	Share in Total For. Cap. (%)	Companies' Total Capital	Far. Cap. As % of Total
Afghanistan	2	0.3	0.0	0.4	67.8
Algeria	2	4.1	0.1	8.1	50.4
Australia	3	0.9	0.0	8.6	10.8
Austria	42	45.9	0.6	75.4	60.8
Bahrain	4	33.4	0.5	34.4	96.9
Belgium	28	50.0	0.7	93.0	53.7
Bermuda	1	0.0	0.0	0.0	100.0
Bulgaria	4	1.9	0.0	4.3	44.7
Canada	9	36.9	0.5	215.1	17.2
Cayman Islands	5	31.8	0.4	37.7	84.3
China	5	1.4	0.0	1.5	96.5
Denmark	17	51.5	0.7	119.1	43.2
Egypt	4	3.4	0.0	4.0	84.3
Federal Rep. of Germany	369	738.1	9.9	2,074.9	35.6
Finland	10	10.7	0.1	20.3	52.7
France	104	1,101.4	14.7	1,538.0	71.6
Greece	13	6.3	0.1	7.6	82.4
Netherlands	85	765.8	10.2	1,127.3	67.9
Hong Kong	5	3.8	0.1	4.9	76.9
Inter. Finance Corp.	2	47.5	0.6	505.2	9.4
Iran	192	45.1	0.6	49.6	91.0
Iraq	27	18.8	0.3	40.2	46.7
Ireland	3	4.4	0.1	8.9	49.4
Islamic Development Bank	10	11.1	0.2	209.7	5.3
Israel	12	2.3	0.0	6.2	36.3
Italy	70	573.6	7.7	1,006.7	57.0
Japan	33	505.3	6.7	911.8	55.4
Joint	157	0.0	0.0	0.0	0.0
Jordan	28	5.1	0.1	7.2	70.6
Kuwait	7	25.0	0.3	43.8	57.0
Lebanon	39	19.0	0.3	21.7	87.5
Liberia	3	21.2	0.3	23.0	92.3
Libya	13	112.8	1.5	232.7	48.5
Liechtenstein	8	59.2	0.8	60.2	98.3
Luxembourg	14	83.2	1.1	230.9	36.1
Norway	7	12.1	0.2	16.4	73.5
Pakistan	9	6.5	0.9	7.3	88.5
Panama	8	20.6	0.3	82.0	25.1
Qatar	5	26.9	0.4	53.3	50.4
Saudi Arabia	49	161.7	2.2	825.8	19.6
South Korea	7	23.4	0.3	53.4	43.8
Spain	12	41.9	0.6	72.5	57.8
Sweden	21	63.6	0.9	81.5	78.0
Switzerland	139	753.6	10.1	2,089.7	36.1
Syria	92	15.3	0.2	19.6	78.1
TRNC	21	16.2	0.2	18.5	87.6
United Arap Emirates	11	27.2	0.4	43.9	61.9
United Kingdom	168	955.6	12.8	1,349.1	70.8
USA	150	748.0	10.0	1,259.9	59.4
Yugoslavia	9	4.0	0.1	9.3	43.3
Others	47	194.5	2.6	605.8	32.1
TOTAL	2,085	7,491.9	100.0	15,320.4	48.9

Source: ANKA

BREAKDOWN BY COUNTRIES OF FOREIGN CAPITAL COMPANIES OPERATING IN TURKEY

(As of the end of 1991, TL Million)

SECTORS	Number of Companies	Current Foreign Capital	Share in Total For. Cap. (%)	Companies' Total Capital	Far. Cap. As % of Total
AGRICULTURE	58	243,937	3.8	300,432	81.2
Agriculture	10	22,283	0.3	24,041	92.7
Vegetable Products	15	32,106	0.5	73,802	43.5
Animal Husbandry	9	5,682	0.1	10,367	54.8
Fishery Products	1	648	0.0	4,160	15.6
Agricultural Services	23	183,218	2.8	188,062	97.4
MINING	34	142,714	2.0	188,647	75.7
Metal Ore Mining	3	19,173	0.3	38,840	49.4
Other Mining	31	123,541	1.9	149,807	82.5
MANUACTURING	583	3,386,404	52.3	7,446,612	45.5
Food	71	287,044	4.4	547,174	52.5
Beverages	3	1,879	0.0	4,543	41.4
Tobacco	5	29,723	0.5	41,843	71.0
Ready-Made Garments	2	384	0.0	390	98.5
Textiles	29	75,454	1.2	212,137	35.6
Wearing apparel exc. knitted prd.	68	65,715	1.0	174,041	37.8
Leather and Leather Products	13	5,076	0:1	6,775	74.9
Forestry Products	9	29,635	0.5	54,250	54.6
Paper	14	98,562	1.5	167,326	58.9
Printing-Publishing	6	29,450	0.5	34,670	84.9
Chemicals	13	52,817	0.8	109,370	48.3
Industrial Chemicals	17	88,939	1.4	167,186	53.2
Other Chemicals	43	312,750	4.8	400,117	78.2
Other Petroleum and Coal Products	2	17,961	0.3	25,962	69.2
Rubber	1	8,590	0.1	9,000	95.4
Plastics	23	39,116	0.6	82,015	47.7
Tires	6	98,935	1.5	237,468	41.7
Fertilizer	2	11,120	0.2	20,135	55.2
Ceramics, Clay and Cement Prod.	12	29,374	0.5	111,811	26.3
Glass	7	29,960	0.5	301,896	9.9
Cement	10	554,781	8.6	562,737	98.6
Basic Metals Ind.	2	2,316	0.0	4,116	56.3
Iron and Steel	11	219,961	3.4	1,266,600	17.4
Non-Ferrous Metals	11	12,719	0.2	110,630	11.5
Machinery	5	763	0.0	985	77.5
Metalic Goods	25	37,548	0.6	56,595	66.4
Non-Electrical Machinery	20	27,646		97,524	28.4
Electrical Machinery	37	147,843	2.3	386,479	38.3
Electronics	30	328,989	5.1	496,379	66.3
Motor Vehicles	13	531,538	8.2	1,328,454	40.0
Motor Vehicles Aux. Ind.	25	111,054	1.7	236,825	46.9
Measuring and Controlling Devices	8	39,336	0.6	73,213	53.7
Airways	2	13,597	0.2	27,750	49.0
Others	38	45,799	0.7	90,279	50.7

SECTORS	Number of Companies	Current Foreign Capital	Share in Total For. Cap. (%)	Companies' Total Capital	Far. Cap. As % of Total
SERVICES	1,365	2,706,450	41.8	5,165,345	52.4
Trade	762	367,625	5.7	727,217	50.6
Restaurants	44	136,866	2.1	155,358	88.1
Hotels	180	880,601	13.6	2,054,236	42.9
Construction	24	15,384	0.2	27,565	55.8
Land Transportation	15	2,643	0.0	5,267	50.2
Marine Transportation	11	38,521	0.6	55,398	69.5
Air Transportation	39	19,947	0.3	43,099	46.3
Other Transportation	20	4,062	0.1		
Banking and Other Financing	35	676,550	10.4	1,236,960	54.7
Finance of Investments	17	245,736	3.8	275,718	89.1
Insurance	29	137,348	2.1	292,583	46.9
Leasing	2	9,075	0.1	15,500	58.6
Private Education	3	1,044	0.0	1,290	80.9
Research and Development	6	2,363	0.0	3,475	68.0
Health	6	21,819	0.3	32,392	67.4
Other Civil Services	69	81,041	1.3	90,869	89.6
Cinema and Entertainment	1	240	0.0	240	100.0
Others	102	65,225	1.0	142,348	45.8
TOTAL	2,040	6,479,505	100.0	13,101,036	49.5

Source: ANKA

BREAKDOWN BY SECTORS OF FOREIGN CAPITAL COMPANIES OPERATING IN TURKEY

(As of end of March, 1992, TL Million)

SECTORS	Number of Companies	Current Foreign Capital	Share in Total For. Cap. (%)	Companies' Total Capital	Far. Cap. As % of Total
AGRICULTURE	58	285,415	3.8	387,007	73.8
Agriculture	10	22,283	0.3	24,041	92.7
Vegetable Products	15	67,752	0.9	150,302	42.1
Animal Husbandry	9	5,682	0.1	10,367	54.8
Fishery Products	1	648	0.0	4,160	15.6
Agricultural Services	23	189,050	2.5	198,137	95.4
MINING	34	142,714	1.9	188,647	75.7
Metal Ore Mining	3	19,173	0.3	38,840	49.4
Other Mining	31	123,541	1.7	149,807	82.5
MANUACTURING	597	4,024,349	53.7	8,863,530	45.4
Food	73	389,282	5.2	655,847	59.4
Beverages	3	1,879	0.0	4,543	41.4
Tobacco	6	179,723	2.4	241,843	74.3
Ready-Made Garments	2	384	0.0	390	98.5
Textiles	30	76,604	1.0	213,287	35.9
Wearing apparel exc. knitted prd.	73	89,029	1.2	202,510	44.0
Leather and Leather Products	13	5,076	0.1	6,775	74.9
Forestry Products	9	29,635	0.4	54,250	54.6
Paper	14	98,592	1.3	167,326	58.9
Printing-Publishing	6	29,450	0.4	34,670	84.9
Chemicals	13	55,817	0.8	112,307	49.7
Industrial Chemicals	16	91,200	1.2	173,216	52.7
Other Chemicals	44	314,186	4.2	406,139	77.4
Other Petroleum and Coal Products	2	45,061	0.6	45,062	100.0
Rubber	1	15,032	0.2	15,750	95.4
Plastics	23	190,716	2.6	233,615	81.6
Tires	5	110,085	1.5	258,168	42.6
Fertilizer	2	11,120	0.2	20,135	55.2
Ceramics, Clay and Cement Prod.	11	31,554	0.4	161,111	19.6
Glass	7	29,960	0.4	301,896	9.9
Cement	10	554,781	7.4	562,737	98.6
Basic Metals Ind.	2	2,316	0.0	4,116	56.3
Iron and Steel	12	289,087	3.9	1,857,700	15.6
Non-Ferrous Metals	11	12,719	0.2	110,630	11.5
Machinery	6	775	0.0	1,266	61.2
Metalic Goods	25	42,094	0.6	75,415	55.8
Non-Electrical Machinery	20	43,162	0.6	158,524	27.2
Electrical Machinery	37	147,843	2.0	386,479	38.3
Electronics	32	331,147	4.4	498,709	66.4
Motor Vehicles	13	579,938	7.7	1,438,454	40.3
Motor Vehicles Aux. Ind.	25	122,757	1.6	261,968	45.9
Measuring and Controlling Devices	8	39,336	0.5	73,213	53.7
Airways	2	13,597	0.2	27,750	49.0
Others	41	50,412	0.7	29,929	51.6

SECTORS	Number of Companies	Current Foreign Capital	Share in Total For. Cap. (%)	Companies' Total Capital	Far. Cap. As % of Total
SERVICES	1,396	3,039,511	40.6	5,881,321	51.7
Trade	779	462,022	6.2	827,236	55.9
Restaurants	43	123,622	1.7	157,524	78.5
Hotels	184	998,885	13.3	2,329,577	42.9
Construction	26	20,187	0.3	36,165	55.8
Land Transportation	15	2,643	0.0	5,267	50.2
Marine Transportation	11	38,521	0.5	55,398	69.5
Air Transportation	39	19,947	0.3	43,099	46.3
Other Transportation services	21	6,262	0.1	9,830	63.7
Banking and other financing	36	762,619	10.2	1,463,300	52.1
Financial institutions	16	233,736	3.1	263,718	88.6
Insurance	30	163,251	2.2	356,583	45.8
Leasing	2	9,075	0.1	15,500	58.6
Private education	3	1,044	0.0	1,290	80.9
Research and Development	6	21,819	0.3	32,392	67.4
Health	70	85,189	1.1	98,369	86.6
Other Civil Services	2	539	0.0	8,240	6.5
Cinema and Entertainment	1	500	0.0	1,000	50.0
Others	106	87,287	1.2	173,358	50.4
TOTAL	2,085	7,491,894	100.0	15,320,366	48.9

Source: ANKA

EXCHANGE RATES
(Monthly Average, TL)

	US Dollar	Sterling	Deutsche Mark	French Franc	Swiss Franc	Belgian Franc	Japanese Yen
1989							
January	1,848.1	3,287.3	1,011.5	296.8	1,189.9	48.3	14.6
February	1,909.2	3,355.3	1,031.2	303.0	1,213.4	49.3	15.0
March	1,978.1	3,398.6	1,061.3	313.3	1,234.1	50.7	15.2
April	2,054.6	3,492.5	1,097.6	324.8	1,246.5	52.5	15.6
May	2,067.4	3,387.2	1,066.4	315.5	1,200.6	51.0	15.1
June	2,115.9	3,292.2	1,068.4	315.1	1,238.3	51.1	14.7
July	2,139.5	3,464.4	1,128.1	333.0	1,311.3	53.9	15.2
August	2,185.6	3,487.5	1,134.3	336.0	1,316.8	54.3	15.5
September	2,240.5	3,486.8	1,144.5	339.2	1,325.1	54.7	15.4
October	2,275.8	3,617.6	1,218.2	359.1	1,394.8	58.1	16.0
November	2,312.3	3,637.3	1,261.1	371.1	1,427.2	60.1	16.1
December	2,309.6	3,692.1	1,329.3	389.2	1,474.7	63.3	16.1
1990							
January	2,328.5	3,840.7	1,376.7	404.6	1,536.1	65.7	16.1
February	2,377.6	4,029.4	1,417.0	417.5	1,596.5	67.9	16.4
March	2,452.7	3,992.8	1,439.4	426.6	1,625.7	69.4	16.1
April	2,502.7	4,100.0	1,482.0	441.4	1,677.7	71.7	15.8
May	2,547.5	4,274.4	1,533.1	455.0	1,795.6	74.4	16.6
June	2,626.4	4,480.8	1,557.9	463.2	1,841.2	75.8	17.1
July	2,662.2	4,777.8	1,617.8	482.5	1,904.2	78.7	17.8
August	2,677.3	5,088.3	1,704.0	508.4	2,046.5	83.0	18.2
September	2,715.8	5,106.5	1,729.6	516.6	2,080.2	84.2	19.5
October	2,739.7	5,327.3	1,795.3	536.6	2,139.1	87.3	21.1
November	2,773.8	5,449.3	1,865.3	554.7	2,208.9	90.5	21.6
December	2,871.1	5,522.7	1,914.6	564.2	2,241.2	92.6	21.5
1991							
January	2,987.7	5,773.9	1,978.1	582.7	2,349.1	96.1	18.2
February	3,131.4	6,161.8	2,117.5	622.4	2,476.6	102.9	24.0
March	3,527.0	6,452.8	2,199.9	646.7	2,549.3	106.8	25.8
April	3,826.8	6,650.5	2,229.8	659.9	2,640.2	108.5	27.7
May	3,983.5	6,861.1	2,313.6	683.0	2,733.0	112.5	28.8
June	4,227.0	6,986.4	2,373.9	700.0	2,772.2	115.4	30.3
July	4,373.1	7,215.9	2,446.7	721.2	2,825.3	118.9	31.7
August	4,507.8	7,587.8	2,584.3	760.7	2,962.7	125.6	33.0
September	4,647.4	7,994.6	2,729.7	802.6	3,123.0	132.6	34.5
October	4,842.9	8,345.3	2,865.8	841.0	3,277.4	139.2	37.1
November	4,946.4	8,781.2	3,040.7	890.1	3,438.7	147.6	38.1
December	5,049.3	9,230.1	3,230.5	945.6	3,647.2	156.8	39.4
1992							
January	5,306.8	9,625.0	3,373.1	988.7	3,795.4	163.8	42.3
February	5,659.6	10,072.9	3,502.1	1,028.5	3,897.1	170.1	44.5
March	6,091.1	10,507.6	3,667.7	1,079.2	4,042.5	178.0	45.9

Source: SPO, Central Bank

FOREIGN DEBTS ($ Million)				
	1988	1989	1990	1991*
TOTAL DEBT	40,722	41,751	49,035	48,661
A. BY MATURITY				
1. Medium & Long-term	34,305	36,006	39,535	39,544
2. Short-term	6,417	5,745	9,500	9,117
B. BY BORROWERS				
1. Medium & Long-term	34,305	36,006	39,535	39,544
a. Consolidated Budget	20,746	21,213	22,660	24,631
- Direct Borrowing	11,756	12,230	13,219	14,332
- Annexed Budget	3,480	3,333	3,646	3,381
- Onlending	5,510	5,650	6,795	6,917
b. Other Public Sector	12,034	13,187	14,077	13,228
- Central Bank	6,546	6,975	7,321	6,530
- SEE's	3,988	4,392	4,785	4,750
- Local Administration	512	998	1,032	1,192
- Extra Budgetary Funds	988	822	939	756
c. Private Sector	1,525	1,606	1,798	1,685
2. Short-term	6,417	5,745	9,500	9,117
- Central Bank	1,830	799	855	557
- Deposit Banks	2,767	3,118	5,373	5,216
- Other Sectors	1,820	1,828	3,272	3,344
C. BY CREDITORS				
1. Medium & Long-term	34,305	36,006	39,535	39,544
- Multilateral Agencies	9,192	8,740	9,564	9,684
- Bilateral Lenders	11,382	11,431	12,984	13,658
- Commercial Banks	8,891	10,269	10,720	10,478
- Private Creditors	4,840	5,566	6,267	5,724
2. Short-term	6,417	5,745	9,500	9,117
- Commercial Banks	2,950	1,841	3,845	4,144
- Private Creditors	3,467	3,904	5,655	4,973
D. BY TYPE OF LOANS				
1. Medium & Long-term	34,305	36,006	39,535	39,544
- Project-program Loans	19,495	18,929	21,116	22,069
- Euro Currency Loans	8,505	10,269	10,720	10,478
- Rescheduled Debts	503	66	12	11
. CTLD's	329	0	0	0
. Banker's Credits	57	0	0	0
. NGTA's	117	66	12	11
- Private Sector	5,802	6,742	7,687	6,986
2. Short-term	6,417	5,745	9,500	9,117
a. Credits	3,984	2,950	5,524	6,134
- Banker's Credits	914	35	51	0
- Overdrafts	168	30	24	3
- Acceptance Credits	903	891	1,386	1,504
- Pre-Export Financing	131	218	146	486
- Foreign Exchange Loans	1,868	1,776	3,833	4,141
b. Private Sector	2,433	2,795	2,983	2,983
- Foreign Exchange Deposits Ac.	1,685	2,061	2,429	2,429
- Dresdner Bank	747	733	553	553
- CTDL's	1	1	1	1

** Provisional*

Source: Undersecretariat of Treasury and Foreign Trade

STATISTICAL ANNEX
FOR
CHAPTER III

MAIN MONETARY INDICATORS

	TL Billion				Percentage Change			
	1989	1990	1991	1992**	1989	1990	1991	1992**
Banknotes Issued	8,365	14,265	20,707	28,235	86.5	70.5	45.2	36.4
Reserve Money	17,035	23,967	36,069	44,867	71.3	40.7	50.5	24.4
Money Supply (M1)	20,357	29,326	42,116	49,705	79.9	44.1	43.6	18.0
Money Supply (M2)	49,152	70,707	113,566	139,594	80.7	43.9	60.6	22.9
Central Bank Credit (Direct)	3,887	4,526	17,671	38,362	46.4	16.4	290.4	117.1
Deposit Banks' Credits	30,404	51,385	78,663	106,071	80.3	69.0	53.1	34.8
Total Credit Stock* **	38,143	61,746	106,605	156,227	33.0	61.9	72.7	46.5
Total Deposit	43,889	61,395	100,161	119,111	73.1	39.9	63.1	18.9
Sight	13,318	16,607	23,487	24,465	75.3	24.7	41.4	4.2
Time	28,795	41,381	71,450	89,889	86.3	43.7	72.7	25.8
Wholesale Prices' Index*	-	-	-	-		48.6	59.2	24.5
Consumer Prices' Index*	-	-	-	-		60.4	71.1	25.0

** Percentage change (annual averages)*
*** As of May ,15*
****Included Investment and Development Bank Credits*
Source: Central Bank

DISTRIBUTION OF DEPOSIT BANK CREDITS BY ECONOMIC SECTORS

(Percentages)

	1983	1984	1985	1986	1987	1988	1989	1990	1991
Agriculture	21.2	16.9	17.2	13.9	18.4	19.9	19.9	20.0	18.0
Industry	21.7	27.2	31.2	25.7	22.8	18.6	14.3	12.8	12.5
Small Artisans	5.2	5.3	4.6	4.7	4.3	4.2	4.0	3.9	3.5
Construction	5.4	7.9	10.6	13.6	16.8	18.1	15.0	13.2	10.0
Tourism	0.1	0.2	0.1	0.1	0.0	1.1	1.2	1.3	1.2
Export	22.6	18.1	12.8	18.8	14.1	13.2	16.0	14.5	19.5
Import	1.9	4.3	4.6	1.0	0.6	0.8	-	0.9	0.9
Domestic Trade	19.9	17.5	15.0	20.6	21.5	21.8	26.0	29.8	30.1
Other Financial Institutions	0.4	0.6	0.3	0.2	0.0	0.6	2.1	0.9	1.1
Undistributed	1.6	2.0	3.6	1.4	1.5	1.7	1.5	2.7	3.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

DISTRIBUTION OF CENTRAL BANK CREDITS BY ECONOMIC SECTORS

(Percentages)

	1983	1984	1985	1986	1987	1988	1989	1990	1991
Advances to Treasury	27.4	60.0	61.1	59.7	40.9	40.5	38.3	44.0	59.2
Agricultural Support	15.6	5.2	9.5	11.8	22.2	21.0	19.7	18.9	23.6
Agriculture	3.8	3.7	3.5	2.7	13.4	13.5	13.8	11.2	5.3
Industry	27.2	21.9	19.8	20.7	18.0	16.3	17.6	13.3	4.2
Small Trader's and Artisans	1.6	0.8	2.1	1.6	4.5	1.1	1.2	1.4	0.6
Export	14.7	3.8	0.5	0.0	1.6	6.7	8.7	2.8	0.0
Trade	9.5	2.0	1.9	1.8	1.1	0.3	0.1	8.5	6.9
Other	-	0.6	1.5	1.6	0.9	0.5	0.6	0.0	0.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SIS

WHOLESALE PRICE INDICES (1987=100)

	General	Changes (%)	Agriculture	Changes (%)	Mining	Changes (%)	Manufacturing	Changes (%)	Energy	Changes (%)
1989	279.5	69.6	247.3	75.7	270.7	58.0	293.3	57.8	238.3	75.5
January	224.6	7.2	187.4	3.4	221.4	7.6	238.8	7.5	200.0	19.8
June	273.9	3.2	241.4	0.2	263.5	0.4	287.4	3.9	242.3	9.3
December	340.2	4.9	318.3	7.0	325.1	2.0	350.6	4.1	292.9	7.4
1990	425.7	51.6	421.9	47.8	402.5	61.3	430.8	48.5	373.1	45.1
January	355.3	4.4	344.7	8.3	335.5	3.2	362.0	3.3	313.1	6.9
February	371.7	4.6	391.9	13.7	344.2	2.6	369.3	2.0	317.5	1.4
March	387.2	4.2	417.1	6.4	350.0	1.7	381.8	3.4	336.0	5.8
April	396.5	2.4	421.9	1.2	349.3	-0.2	391.9	2.6	361.2	7.5
May	402.6	1.5	421.0	-0.2	348.5	-0.2	400.5	2.2	368.9	2.1
June	408.5	1.5	423.3	0.5	356.2	2.2	407.4	1.7	376.4	2.0
July	415.4	1.7	423.9	0.1	367.5	3.2	416.5	2.2	382.1	1.5
August	433.8	4.4	432.4	2.0	393.6	7.1	438.4	5.3	388.8	1.8
September	458.8	5.8	431.4	-0.2	450.9	14.6	471.5	7.6	393.5	1.2
October	480.0	4.6	434.7	0.8	497.6	10.4	498.1	5.6	403.4	2.5
November	493.3	2.8	450.0	3.5	512.4	3.0	511.2	2.6	410.6	1.8
December	505.6	2.5	470.6	4.6	524.3	2.3	520.7	1.9	425.1	3.5
1991	661.4	59.2	636.4	68.9	657.1	56.3	669.1	55.1	653.2	84.6
January	528.8	4.6	494.0	5.0	511.9	-2.4	540.6	3.8	517.6	21.8
February	556.6	5.3	555.0	12.3	524.5	2.5	558.8	3.4	529.6	2.3
March	583.6	4.9	598.6	7.8	574.0	9.4	580.7	3.9	542.8	2.5
April	615.0	5.4	651.6	8.9	597.7	4.1	606.6	4.5	554.3	2.1
May	632.9	2.9	619.5	-4.9	614.7	2.8	638.9	5.3	603	8.8
June	641.5	1.4	607.8	-1.9	626.4	1.9	652.9	2.2	632.4	4.9
July	655.9	2.2	596.6	-1.8	653.9	4.4	675.1	3.4	647.7	2.4
August	686.9	4.7	611.4	2.5	690.6	5.6	707.3	4.8	727.8	12.4
September	717.0	4.4	655.6	7.2	716.7	3.8	733.8	7.5	747.1	2.7
October	742.2	3.5	693.0	5.7	756.3	5.5	755.2	5.6	766.4	2.6
November	770.8	3.8	759.1	9.5	798.9	5.6	771.7	2.6	784.9	2.4
December	805.0	4.4	795.0	4.7	819.4	2.6	807.8	4.7	784.9	0.0
1992		24.5		45.9		9.9		16.5		49.6
January	893.8	11.0	915.8	15.2	861.1	5.1	872.4	8.0	1,097.1	39.8
February	940.7	5.2	1,063.7	16.1	872.4	1.3	888.9	1.9	1,120.3	2.1
March	981.0	4.3	1,168.9	9.9	890.1	2.0	909.7	2.3	1,147.8	2.5
April	1,002.5	2.2	1,160.0	-0.8	900.5	1.2	941.4	3.5	1,174.3	2.3

Source:Ministry of Finance and Custom

SECURITIES ISSUED (TL Billion)							
	1986	1987	1988	1989	1990	1991	1992
PUBLIC SECTOR	3,277.3	6,508.9	8,931.1	17,679.2	21,712.9	45,787.7	32,529.8
Public Borrowing Bonds	1,269.4	2,045.4	3,816.2	9,061.1	12,670.2	11,510.4	19283.9**
Treasury Bills	1,787.9	3,954.5	5,114.9	7,634.3	8,442.7	34,277.3	13245.9**
Revenue Sharing Bonds	220.0	509.0	0.0	983.8	600.0	-	-
PRIVATE SECTOR	274.3	682.5	1,137.6	2,298.2	3,973.5	5,893.6	358.6
Bonds	111.1	317.5	210.9	604.5	762.4	813.3	83.22*
Shares	102.0	187.2	364.5	966.8	1,807.0	3,607.0	468*
P/L Sharing Bonds	0.9	0.8	0.2	2.0	4.0	15.0	60*
Banking Bills	60.3	76.2	238.0	98.0	330.0	726.0	250*
Other Commercial Paper	0.0	55.8	271.0	465.4	215.1	667.3	334.13*
P/L Sharing certificates	0.0	45.0	53.0	161.5	855.0	65.0	24.5*
GRAND TOTAL	3,551.6	7,191.4	10,068.7	19,977.4	25,686.4	51,681.3	32,888.4

(*) January-March
(**) January - April
Source: Undersecretariat of Treasury and Foreign Trade and CMB

ISTANBUL STOCK EXCHANGE SHARE INDICES					
	1988	1989	1990	1991	1992
January	857.7	379.7	3,641.3	4,213.5	4,926.2
February	721.0	487.1	3,516.1	5,102.6	3,664.4
March	635.3	465.9	3,294.3	4,520.0	4,076.6
April	554.0	533.6	3,308.2	3,554.3	3,686.4
May	553.1	654.0	3,852.1	3,626.4	3,297.4
June	468.9	795.9	4,133.0	3,587.4	
July	492.9	701.4	5,384.5	3,041.4	
August	428.1	876.0	4,939.2	3,301.3	
September	455.2	1,475.3	5,085.2	2,937.6	
October	404.1	1,664.0	4,570.4	2,746.8	
November	405.8	1,507.5	3,257.0	4,058.5	
December	373.9	2,217.7	3,255.8	4,369.2	

Source: ISE

TRANSACTIONS VOLUMES OF VARIOUS SECURITIES

(TL Billion)

1990	S	CB	GB	TB	BB	RSC	FB	FEIB	HC	Total
January	1,128.3	49.7	1,727.6	2,442.5	13.2	118.9	95.1	90.5	4.0	5,669.8
February	1,184.4	108.0	1,836.5	2,281.5	11.6	125.9	51.3	93.2	19.9	5,712.3
March	649.7	139.3	2,687.5	2,382.7	4.0	161.0	85.6	117.8	12.2	6,239.8
April	872.0	149.5	2,715.0	1,826.3	4.7	68.3	94.5	103.5	2.4	5,836.2
May	1,384.0	249.9	4,713.8	1,978.3	30.8	181.6	84.0	173.5	6.1	8,802.0
June	1,435.2	205.7	5,262.3	2,016.8	32.8	89.5	67.9	186.5	38.2	9,334.9
July	1,556.7	195.2	5,435.4	1,776.2	37.8	43.4	24.1	140.6	17.5	9,226.9
August	2,018.5	400.3	6,554.5	2,182.0	2.5	24.6	14.3	148.8	5.2	11,350.7
September	1,512.3	320.8	6,450.4	2,784.5	16.8	35.3	13.7	145.4	26.8	11,306.0
October	1,839.3	364.9	8,018.4	3,745.7	23.3	31.3	22.7	153.1	3.6	14,202.3
November	1,216.9	321.7	8,399.4	4,000.4	6.9	15.8	70.9	121.9	23.2	14,177.1
December	1,350.8	501.0	8,002.0	4,627.8	13.3	22.5	46.4	156.7	8.7	14,729.2
Total	16,148.1	3,006.0	61,802.8	32,044.7	197.7	918.1	670.5	1,631.5	167.8	116,587.2
1991										
January	1,650.3	771.2	9,461.1	6,258.7	6.0	864.4	35.9	126.6	2.1	19,176.3
February	4,063.9	686.8	8,970.5	5,160.8	6.0	14.0	29.1	113.6	7.7	19,052.4
March	2,785.2	783.8	9,055.8	7,319.0	7.5	36.4	28.5	174.4	2.5	20,193.1
April	1,405.6	743.2	9,937.7	5,416.4	4.6	4.8	20.8	289.3	1.8	17,824.2
May	3,046.4	1,151.3	13,523.5	14,168.3	13.8	19.5	30.1	230.3	4.3	32,187.5
June	1,808.3	875.3	15,627.4	11,311.7	12.4	196.8	29.3	166.0	1.5	30,028.7
July	2,636.5	1,135.4	18,256.0	14,612.6	3.1	70.4	34.0	621.2	3.0	37,372.2
August	3,674.4	1,040.5	11,348.1	12,488.3	8.7	16.7	33.5	289.6	3.5	28,903.3
September	1,960.5	1,210.0	10,686.7	11,928.6	7.0	9.6	65.5	186.8	3.2	26,057.9
October	1,905.7	1,413.3	11,215.0	13,948.9	21.4	1.8	83.0	138.0	4.3	28,731.4
November	4,944.5	1,400.5	13,270.4	13,308.2	6.6	10.5	76.1	176.4	4.5	33,197.7
December	5,893.7	1,217.6	10,828.5	15,843.8	49.6	657.9	47.0	315.8	7.8	34,861.7
Total	35,775.0	12,428.9	142,180.7	131,765.3	146.7	1,902.8	512.8	2,828.0	46.2	327,586.4
1992										
January	7,489.3	991.7	10,590.8	15,516.4	19.4	261.3	26.4	576.9	2.1	35,474.3
February	5,562.7	1,019.3	10,816.4	14,070.5	18.6	312.6	32.9	761.2	1.5	32,595.7
Total	13,052.0	2,011.0	21,407.2	29,586.9	38.0	573.9	59.3	1,338.1	3.6	68,070.0

S: Shares
CB: Corporate Bonds
GB: Government Bonds
TB:Treasury Bills
BB: Bank Bills-Bank Guaranteed Bills
RSC: Revenue Sharing Certificates
FB: Finance Bills
FEIB: Foreign Exchange Indexed Bonds
HC:Housing Certificates

HISTORICAL STATISTICS

PER CAPITA GNP
(1968-1991)

YEARS	Population Mid-Year (000)	At Current Producers' Prices	At US $	Changes (%)	At 1987 Constant Prices	Real Changes (%)
1968	33,585	4,686	516	-	911,879	-
1969	34,442	5,148	567	9.9	929,170	1.9
1970	35,321	5,715	523	-7.7	949,913	2.2
1971	36,215	7,007	463	-11.6	994,543	4.7
1972	37,132	8,259	578	24.8	1,063,241	6.9
1973	38,072	10,219	716	23.9	1,089,753	2.5
1974	39,036	13,756	978	36.7	1,101,652	1.1
1975	40,078	16,943	1,164	18.9	1,140,778	3.6
1976	40,915	20,875	1,291	10.9	1,221,714	7.1
1977	41,768	26,446	1,462	13.2	1,233,009	0.9
1978	42,640	38,724	1,572	7.5	1,224,880	-0.7
1979	43,530	64,694	1,837	16.9	1,191,830	-2.7
1980	44,438	120,663	1,556	-15.3	1,140,436	-4.3
1981	45,540	176,551	1,574	1.1	1,172,097	2.8
1982	46,688	229,169	1,387	-11.9	1,185,985	1.2
1983	47,864	294,814	1,280	-7.7	1,209,691	2.0
1984	49,070	462,932	1,234	-3.6	1,271,681	5.1
1985	50,306	715,117	1,353	9.6	1,295,851	1.9
1986	51,433	1,012,259	1,487	9.9	1,362,790	5.2
1987	52,561	1,457,601	1,671	12.4	1,457,601	7.0
1988	53,715	2,495,766	1,475	4.6	1,448,383	-0.6
1989	54,893	4,286,621	2,005	14.7	1,429,497	-1.3
1990	56,098	7,026,991	2,667	33.0	1,536,746	7.5

Source : SIS

GENERAL EQUILIBRIUM OF THE ECONOMY
(In Current Prices, TL Billion)

	1983	1984	1985	1986	1987	1988	1989	1990	1991
GNP	11,552	18,375	27,789	39,177	58,391	100,154	170,633	287,254	454,838
Foreign Balance	410	513	525	1,023	840	-2,129	-2,049	6,810	-4,124
Total Resources	11,961	18,888	28,314	40,200	59,231	98,025	168,585	294,064	450,714
Total Investment	2,311	3,550	5,796	9,655	14,823	24,047	38,138	74,883	99,970
Fixed Capital Investment	2,182	3,286	5,554	9,121	14,101	24,166	38,304	64,580	102,523
-Public	1,226	1,776	3,228	5,299	7,558	11,510	17,351	28,097	46,633
-Private	956	1,510	2,326	3,821	6,543	12,656	20,953	36,484	55,891
Stock Changes	129	263	242	534	723	-119	-167	10,303	-2,554
-Public	-46	2	-48	43	233	-520	-464	65,780	-18
-Private	175	261	289	491	490	401	297	3,723	-2,535
Total Consumption	9,650	15,339	22,513	30,545	44,408	73,979	130,447	219,181	350,744
Public Disposable Income	2,187	2,953	5,044	7,600	10,149	17,546	30,257	53,234	83,497
Public Consumption	1,173	1,648	2,368	3,553	5,323	8,815	19,395	39,962	73,696
Public Savings	1,014	1,304	2,676	4,047	4,826	8,731	10,862	13,272	9,801
Public Investment	1,180	1,777	3,181	5,343	7,790	10,990	16,887	34,676	46,615
Public Investment- Savings Gap	-166	-473	-505	-1,295	-2,964	-2,260	-6,025	-21,404	-36,814
Private Disposable Income	9,365	15,422	22,745	31,577	48,242	82,609	140,376	234,019	371,341
Private Consumption	8,478	13,691	20,150	26,993	39,085	65,164	11,052	179,219	277,048
Private Savings	888	1,732	2,595	4,584	9,157	17,445	29,324	54,800	94,293
Private Investment	1,131	1,772	2,615	4,312	7,033	13,057	21,251	40,206	53,355
Private Investment-Savings Gap	-243	-40	-20	272	2,124	4,388	8,074	14,595	40,938
Private Savings Ratio	10	11	11	15	19	21	21	23	25
Total Domestic Savings	1,901	3,036	5,271	8,632	13,983	26,176	40,186	68,073	104,094
Fixed Capital Investment/GNP	19	18	20	23	24	24	22	23	23
Domestic Savings/GNP	17	17	19	22	24	26	24	24	23

Source: SPO

GROSS NATIONAL PRODUCT

(In Current Prices, TL Million)

	1988	1989	1990	1991
Agriculture	22,249,794.4	38,302,414.5	67,877,335.9	105,099,775.4
-Agriculture and Livestock	20,287,139.5	35,455,586.9	63,194,156.9	98,560,621.9
-Forestry	1,300,031.4	1,890,657.0	2,808,369.6	3,544,527.4
-Fishing	662,623.5	956,170.6	1,874,809.4	2,994,626.1
Industry	37,422,608.0	64,549,869.5	103,139,433.3	166,923,194.1
-Mining	2,577,554.8	5,162,776.1	7,639,323.4	11,895,266.5
-Manufacturing	3,201,577.9	54,280,403.7	87,168,459.0	140,139,251.0
-Electricity,Gas and Water	2,829,275.3	5,106,689.7	8,331,650.9	14,888,676.6
Construction	10,506,274.3	15,108,539.3	23,957,610.5	39,908,091.2
Trade	25,282,256.8	42,942,835.2	71,594,864.3	112,493,888.0
Transportation and Communication	18,233,308.1	31,443,361.6	53,218,670.7	84,627,278.7
Financial Institutions	4,282,232.4	6,498,931.4	12,590,927.6	25,393,880.9
Ownership of Dwellings	5,854,558.9	8,390,268.6	13,218,396.4	23,227,599.8
Business and Personal Services	3,093,797.2	5,175,954.2	8,632,617.7	13,957,332.9
(Less)Imputed Bank Service Charges	3,613,201.2	3,116,016.7	10,538,808.9	26,244,832.8
Sectoral Total	123,311,628.9	209,296,157.6	343,691,047.5	545,386,208.3
Government Services	6,552,302.0	16,109,393.0	32,994,893.0	58,878,934.0
Total	129,863,930.9	225,405,551.0	376,685,940.5	604,265,142.3
Import Duties	4,245,554.9	6,853,998.7	13,396,841.2	22,206,002.2
GDP (In Purchasers' Value)	134,109,485.8	232,259,549.3	390,082,781.7	67,647,114.5
Net Factor Income From The Rest Of The World	-49,400.9	3,045,929.0	4,117,376.9	4,314,167.1
GNP (In Purchasers' Value)	134,060,084.9	235,305,478.3	394,200,158.6	630,785,311.6

Source: SIS

GNP CHAIN INDEX

(At 1968 Factor Prices)

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Agriculture	102.8	101.7	100.1	106.4	99.9	103.5	102.4	107.9	102.1	108.00	89.20	111.60
-Agriculture & Livestock	102.7	101.5	99.9	106.8	99.6	103.7	103.0	108.1	102.1	108.20	89.40	111.80
-Forestry	100.5	102.2	104.2	90.2	105.3	98.4	92.0	99.6	95.5	96.50	98.30	97.30
-Fishing	122.5	117.0	108.3	107.3	110.6	101.7	80.8	103.1	110.50	109.80	62.30	110.50
Industry	94.4	94.0	107.4	104.9	108.0	110.1	106.3	108.7	109.6	103.10	103.10	109.00
-Mining	83.7	95.9	92.7	94.5	107.5	107.9	111.9	93.7	104.20	108.70	96.30	100.40
-Manufacturing	94.7	93.6	109.5	105.4	108.7	110.2	105.5	109.6	109.9	101.80	103.20	110.00
-Electricity,Gas and Water	108.0	95.5	107.0	111.7	102.2	111.1	107.8	115.5	110.9	109.80	107.10	107.30
Services	100.2	100.8	103.7	103.5	103.9	105.3	104.0	106.4	106.8	104.10	104.10	106.60
-Construction	104.2	100.8	100.4	100.5	100.9	101.9	102.9	108.3	106.7	102.30	101.00	101.30
-Trade	97.7	97.6	107.4	104.6	106.9	108.0	104.6	109.4	109.8	103.80	106.20	112.70
-Transportation & Communi.	95.6	99.4	100.9	102.2	103.2	107.7	104.8	104.5	106.4	103.00	102.10	103.10
-Financial Institutions	103.0	101.8	101.9	101.6	100.5	104.5	103.5	103.7	103.6	104.70	101.80	104.80
-Ownership of Dwellings	103.9	104.1	102.7	102.7	102.8	102.8	102.6	103.5	103.9	103.90	104.40	103.90
-Business and Personal Services	99.1	99.0	104.4	104.8	103.5	106.1	104.9	108.8	106.9	104.00	100.40	108.80
-Government Services	104.2	105.8	104.0	105.4	104.2	102.6	103.3	103.7	104.8	106.50	106.50	103.60
GDP (At Factor Cost)	99.4	99.5	103.6	104.5	103.9	106.0	104.2	107.3	106.5	104.70	100.60	108.20
Indirect Taxes	91.2	96.9	106.1	105.8	106.3	107.1	109.6	108.7	114.9	99.70	103.80	117.40
Subsidies	74.6	98.1	73.1	73.9	154.1	137.5	80.2	36.6	96.7	161.20	65.20	100.00
GDP (In Purchers' Values)	99.1	99.3	104.4	105.0	103.7	105.7	105.1	108.3	107.4	103.90	101.10	109.20
Net Factor Income From the Rest of the World	152.8	75.8	84.6	52.6	12.6	501.2	105.9	25.7	258.2	-	-	104.70
GNP (In Purchers' Values)	99.6	98.9	104.1	104.5	103.3	105.9	105.1	108.1	107.5	103.60	101.90	109.20

Source: SIS

SAVINGS AND DISPOSABLE INCOMES AS PERCENTAGES OF GNP

YEARS	Pr.Dis.Inc. / GNP	Pr.Savings /PR.DIS.INC.	Pr.Sav/ GNP	Pub.Dis.Inc./ GNP	Pub.Sav./ Pub.Dis.Inc.	Pub.Sav./ GNP	Dom.Sav./ GNP	For.Sav./ GNP	Tot.Sav./ GNP
1965	80.9	10.8	8.7	19.0	36.7	7.0	15.7	0.9	16.0
1966	80.8	11.9	9.6	19.1	40.0	7.7	17.3	1.5	18.8
1967	80.2	11.8	9.5	19.8	40.4	8.0	17.5	1.0	18.5
1963/1967	81.2	10.5	8.5	18.7	37.9	7.1	15.6	1.8	17.5
1968	79.5	11.7	9.3	20.5	43.3	8.9	18.2	1.8	20.0
1969	79.3	12.3	9.7	20.7	42.9	8.9	18.6	1.5	20.1
1970	79.6	12.6	10.0	20.4	41.5	8.5	18.5	1.3	19.8
1971	79.5	13.2	10.3	20.5	36.8	7.5	17.8	0.8	18.6
1972	79.4	11.7	9.3	20.6	43.6	9.0	18.3	0.0	18.3
1968/1972	79.5	12.3	9.8	20.5	41.5	8.6	18.3	1.3	19.6
1973	79.3	14.3	11.4	20.7	42.5	8.8	20.2	2.1	18.1
1974	81.7	12.5	10.2	18.7	40.1	7.4	17.4	2.3	19.7
1975	79.0	11.1	8.8	20.9	42.9	8.9	17.7	5.2	22.9
1976	78.6	12.0	9.4	20.6	39.2	8.1	17.5	5.6	23.1
1977	79.0	13.8	10.8	21.1	29.7	6.8	17.0	7.0	24.0
1973/1977	79.3	12.7	10.1	20.3	38.8	7.9	18.0	3.6	21.6
1978	81.3	14.7	13.0	18.7	34.9	6.7	19.8	2.7	22.5
1979	84.0	20.6	17.2	15.3	16.3	2.6	19.7	2.0	21.7
1980	82.5	12.9	10.6	17.5	30.0	5.2	15.8	5.5	21.3
1981	80.6	12.2	9.8	19.3	44.7	8.6	18.4	3.2	21.9
1982	80.3	12.3	9.8	19.7	45.3	8.9	18.7	1.7	20.4
1978/1982	81.8	14.5	12.1	18.2	34.2	6.4	18.5	3.0	22.5
1983	81.5	9.4	7.7	18.5	44.9	8.3	16.0	3.5	19.5
1984	83.6	9.1	9.2	16.4	46.3	7.6	16.8	2.8	19.6
1985	82.3	11.4	9.4	17.7	52.4	9.2	18.6	1.9	20.5
1986	80.6	14.5	11.7	19.4	53.2	10.3	22.0	4.1	26.1
1987	82.6	19.0	15.7	17.4	47.5	8.2	24.0	1.4	25.4
1983/1987	82.1	12.7	10.7	17.9	48.8	8.7	19.5	2.7	22.2
1988	82.5	21.1	17.4	17.5	49.7	8.7	25.7	2.1	26.1
1989	82.3	20.9	17.2	17.7	35.9	6.4	23.6	-0.1	22.3
1990	81.5	23.4	19.1	18.5	24.9	4.6	23.7	2.4	26.1
1991	81.6	25.3	20.7	18.4	11.7	2.2	22.9	-0.1	22.0

RELATIVE SHARES OF THE PUBLIC & PRIVATE SECTOR IN TOTAL FIXED CAPITAL INVESTMENT

YEARS	Total Fixed Investment	Public Fixed Investment TL Billion	Public Fixed Investment Share (%)	Private Fixed Investment TL Billion	Private Fixed Investment Share (%)
1975	106.7	53.8	50.4	52.9	49.6
1976	146.0	75.2	51.5	70.8	48.5
1977	195.0	108.0	55.4	87.0	44.6
1978	280.0	135.0	48.2	145.0	51.8
1979	479.0	238.0	49.7	241.0	50.3
1980	864.0	482.0	55.8	382.0	44.2
1981	1,254.0	780.0	62.2	474.0	37.8
1982	1,664.0	1,023.0	61.5	641.0	38.5
1983	2,182.0	1,226.1	56.2	955.9	43.8
1984	3,285.7	1,775.5	54.0	1,510.2	46.0
1985	5,554.1	3,228.4	58.1	2,325.7	41.9
1986	9,114.5	5,258.2	57.7	3,856.3	42.3
1987	14,128.1	7,557.5	53.5	6,570.6	46.5
1988	24,182.3	11,494.0	47.5	12,688.3	52.5
1989	38,158.9	17,355.5	45.5	20,803.4	54.5
1990	64,579.9	28,096.5	43.5	36,483.4	56.5
1991	102,523.3	46,632.7	45.5	55,890.5	54.5

Source:SPO

PRIVATE INVESTMENT IN HOUSING

	Investments in Housing (TL Million)	GNP (TL Billion)	As Percentage of GNP (%)
1977	29.4	872.8	3.4
1978	67.7	1,290.7	5.2
1979	134.5	2,199.5	6.1
1980	186.8	4,435.2	4.2
1981	145.3	6,553.6	2.2
1982	195.3	8,735.0	2.2
1983	262.5	11,551.9	2.3
1984	415.0	18,374.8	2.3
1985	745.0	27,789.4	2.7
1986	1,355.5	39,309.6	3.4
1987	2,857.0	58,390.0	4.9
1988	6,348.6	100,582.2	6.3
1989	10,732.4	170,412.4	6.3
1990	16,122.7	287,254.2	5.6
1991	23,416.6	454,838.4	5.1

Source: SPO

CONSOLIDATED BUDGET

(TL Billion)

	1986	1987	1988	1989	1990	1991
Revenue	6,754	10,139	17,587	31,662	56,573	99,105
-Direct Taxes	3,106	4,483	7,066	13,569	23,657	40,746
-Indirect Taxes	2,866	4,560	7,166	11,968	21,742	37,692
-Non-Tax Revenues	585	921	2,540	4,844	8,032	9,463
-Annexed Budget	124	160	774	1,166	1,506	2,770
-Special Revenues	73	15	41	115	1,636	8,434
Expenditure	8,160	12,599	21,447	38,660	68,527	130,865
-Personnel	1,840	2,987	5,053	12,465	26,465	48,789
-Other Current Exp.	1,211	1,518	2,407	4,048	6,987	11,112
-Interest Payments	1,330	2,266	4,978	8,259	13,966	24,065
-Foreign	682	1,006	1,816	3,144	4,353	7,132
-Domestic	649	1,260	3,159	5,115	9,613	16,934
-Investments	1,619	2,331	3,564	5,836	10,055	18,961
-Transfers	138	445	1,025	1,253	11,054	27,940
Budget Deficit	- 1,406	- 2,460	- 3,860	-6,998	-11,954	-31,760
Delayed and Advance Payments	- 196	-	- 81	-637	-400	24
Cash Deficit	- 1,602	- 2,164	- 3,941	-7,635	-12,354	-31,736
Financing	1,602	2,164	3,941	7,635	12,354	31,736
Net Foreign Indebtedness	- 8	175	176	-444	41	1,721
-Borrowings	686	941	2,379	2,808	4,834	9,691
-Transferred Credits	70	106	152	545	655	998
-Payments	- 764	872	- 2,355	-3,797	-5,448	-8,968
Net Domestic Indebtedness	476	767	2,433	5,982	7,942	2,279
-Borrowings	1,269	1,908	3,816	8,983	12,523	11,510
-Payments	- 793	- 1,141	- 1,383	-3,001	-4,581	-9,231
Short-Term Borrowing	925	1,185	1,064	1,452	2,263	23,509
-Central Bank (net)	257	355	675	457	331	10,719
-Treasury Bonds (net)	668	830	389	995	1,932	12,790
Other	209	37	268	645	2,108	4,228

Source: Undersecretariat of Treasury and Foreign Trade

AGRICULTURAL PRODUCTION
(000 Tonnes)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
CERAALS												
Wheat	16,500	17,000	17,500	16,400	17,200	1,700	19,000	18,900	20.5	16	20,000	20,400
Barley	5,300	5,900	6,400	5,425	6,500	6,500	7,000	6,900	7.5	5	7,300	7,800
Maize	1,240	1,200	1,360	1,480	1,500	1,900	2,300	2,400	2	2	2,100	2,100
Rye	525	530	430	380	360	360	350	380	263	191	240	250
Other	849	780	841	807	754	733	-	-	-	546	600	465
Pulses	810	868	1,222	1,363	1,287	1,457	1,900	2,120	2,080	1,453	1,950	1,830
INDUSTRIAL CROPS												
Sugar Beet	6,766	11,165	12,732	12,770	11,100	9,830	10,662	12,717	11,534	10,929	13,986	15,097
Tobacco	234	168	210	229	178	170	1,584	182	313	270	288	243
Cotton	500	488	488	520	542	577	1,408	1,450	1,500	1,580	1,650	1,600
Oilseeds	1,653	1,656	1,507	1,690	1,746	1,961	1,190	1,430	2360	1,361	1,085	970
Wool	59	62	64	62	-	-	-	-	-	-	-	-
FRUIT AND NUTS												
Grapes	3,600	3,700	3,650	3,400	3,300	3,300	3,000	3,300	3,350	5430	3,500	3,500
Figs	205	250	280	330	330	340	370	355	350	279	300	330
Hazelnuts	250	350	220	392	300	180	300	280	403	550	375	320
Citrus Fruit	1,182	1,225	1,235	1,299	1,299	996	1,360	1,310	1,410	1411	1,437	1,490

Source : SIS & SPO

AGRICULTURAL PRODUCTION INDEX
(1983=100)

YEARS	Wheat	Barley	Rice	Potatoes	Cotton	Tobacco	Sugar	Sunflower Seed	Olives	Hazelnuts	Grapes	Figs
1970	61.0	59.9	84.7	62.8	76.6	65.4	33.3	52.4	170.3	65.1	113.2	64.9
1971	82.3	76.9	92.6	68.9	100.0	75.9	46.6	65.0	81.6	42.4	113.3	59.1
1972	74.4	68.6	64.6	72.1	104.1	78.5	46.2	78.3	254.8	48.5	101.0	65.4
1973	61.0	53.4	84.2	72.1	98.2	65.1	39.9	78.3	83.1	64.0	98.4	57.6
1974	67.1	61.4	79.3	74.6	114.6	88.9	44.7	58.7	210.0	62.3	98.4	47.4
1975	89.9	83.0	79.3	81.6	91.9	87.3	54.4	68.2	140.3	80.9	95.4	53.0
1976	100.6	90.3	83.7	93.4	90.9	141.5	73.6	76.9	274.4	62.5	90.6	56.9
1977	101.5	87.6	87.3	91.8	110.1	108.3	70.4	63.6	100.0	74.0	93.5	53.0
1978	101.8	87.6	100.6	90.1	91.0	127.7	69.2	67.8	275.0	79.1	102.8	56.0
1979	106.7	96.6	119.1	94.1	91.2	94.6	68.6	82.5	107.5	76.5	102.9	60.6
1980	100.6	97.7	75.7	98.4	95.8	99.5	53.0	104.9	337.5	63.8	105.8	62.1
1981	103.7	108.7	104.8	98.4	93.5	73.4	87.4	80.4	100.0	89.3	108.8	75.7
1982	106.7	117.9	111.1	98.4	93.6	90.8	99.7	83.9	330.0	56.1	107.3	84.8
1983	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984	104.9	119.8	88.9	104.9	111.1	77.7	86.9	99.3	200.1	76.5	97.0	100.0
1985	103.7	119.8	85.7	134.4	99.2	74.7	77.0	111.9	150.0	45.9	97.0	72.8
1986	115.9	129.0	87.3	131.1	99.2	74.7	83.5	131.5	252.6	76.5	88.2	112.1
1987	115.2	127.2	88.9	137.7	99.8	74.7	93.9	167.8	175.1	66.4	88.2	111.5
1988	125.0	138.2	83.1	142.6	106.2	93.6	90.3	160.8	241.0	102.5	98.5	106.0
1989	98.8	82.9	104.8	133.1	118.2	76.0	85.6	174.8	125.0	115.4	100.9	84.5
1990	119.5	134.6	73.0	141.0	111.2	85.9	109.5	120.3	275.0	94.9	102.9	90.9
1991	143.9	143.8	63.5	150.8	113.8	74.0	116.7	111.9	200.0	83.5	105.9	97.0

Source: Ministry Finance and Customs

INDUSTRIAL PRODUCTION

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
MINING FUEL, ENERGY (1000 TONNES)											
Coal (Run of mine)	7,285	7,223	6,725	7,103	7,260	7,015	3,459	3,256	3,100	2,744	2,761
Lignite (Run of mine)	18,951	20,542	23,847	27,199	39,437	45,455	37,234	30,210	42,137	36,663	37,740
Chrome ore (Run of mine)	574	618	515	688	876	861	189	160	271	210	247
Iron ore (Run of mine)	2,935	3,055	3,630	4,049	3,994	5,248	-	-	-	-	-
Copper (Run of mine)	2,656	2,699	2,184	2,466	2,228	2,374	137	168	167	180	179
Crude Petroleum	2,364	2,333	2,203	2,087	2,110	2,383	2,629	2,565	2,868	3,715	4,451
Petroleum Products	12,388	15,367	14,764	16,460	16,465	-	17344	18277	15841	17,303	17,359
Electricity (mn Gwh)	25	26	27	30	34	40	44	48	52	58	60
MANUFACTURING (1000 TONNES)											
Iron	1,727	2,102	2,645	2,792	3,094	3,735	4,068	4,442	3,509	4,826	4,595
Steel for Casting	1,744	1,998	2,479	2,753	3,578	3,596	4,059	4,172	3,217	4,827	-
Sheets and Pipes	433	526	676	928	920	1,019	1,223	-	-	-	-
Cement	15,043	15,778	13,595	15,738	17,581	20,034	21,980	22,675	23,801	24,418	26,028
Coke	1,875	2,102	2,501	2,501	2,604	-	-	3,296	2,812	3,364	3,333
Superphosphate	2,485	1,892	2,446	2,881	2,348	2,130	-	-	-	248	197
Glass	243	303	293	379	-	-	-	-	391	490	500
Paper	365	398	393	488	470	475	532	368	450	519	397
Sugar	1,117	1,617	1,714	2,254	2,859	-	1,346	1,531	1,432	1,789	1,824
Olive Oil	38	39	78	53	-	-	-	-	-	-	-
Woollen and Cotton Yarns (Mn.Meters)	46	52	57	60	-	55	59	-	-	-	-
Woollen and Cotton Fabrics (Mn.Meters)	233	241	251	266	-	214	245	212	169	188	164

Source: SPO,SIS

PRODUCTION GROWTH RATE INDEX IN MANUFACTURING SECTOR
(Change Over the Previous Year's Same Quarter)

	1985	1986	1987	1988	1989	1990	1991
FOOD-BEVERAGES-TOBACCO							
I. QUARTER	-0.41	4.23	11.40	14.20	2.50	5.5	0.9
II. QUARTER	-5.41	9.17	15.30	3.40	10.30	3.6	-1.5
III. QUARTER	16.12	1.15	5.40	11.10	11.70	-5.2	11.2
IV. QUARTER	-0.99	14.62	14.90	-8.40	6.40	1.9	1
TEXTILES-CLOTHING-LEATHER							
I. QUARTER	5.96	27.73	0.20	30.50	-14.20	7.5	-6.3
II. QUARTER	1.48	25.32	10.30	12.40	-5.50	3.6	-11.3
III. QUARTER	9.07	18.39	6.60	0.40	7.40	-1.9	-2.5
IV. QUARTER	15.65	6.70	15.30	-5.00	4.50	-8.4	-3.3
WOOD							
I. QUARTER	11.85	27.78	19.70	-1.70	-13.70	13	-32.9
II. QUARTER	-8.58	25.55	0.70	-8.70	1.10	9.3	-13.6
III. QUARTER	-28.93	39.35	21.70	-0.40	3.50	-3	-8.6
IV. QUARTER	-10.30	-2.21	2.50	-16.30	10.00	-3.4	1.3
PAPER-PRINTING							
I. QUARTER	2.91	-2.37	14.80	15.30	-12.20	5.8	-16.4
II. QUARTER	1.01	5.03	15.30	-3.60	-5.40	3.5	-9.1
III. QUARTER	-26.09	3.96	20.40	-9.60	5.90	6.2	-6.2
IV. QUARTER	6.94	8.08	-1.20	-13.70	9.50	12.7	-9.5
CHEMICALS-PETROLEUM PROD.-RUBBER							
I. QUARTER	-0.57	0.74	1.50	11.20	-6.00	9.3	-12.9
II. QUARTER	-4.65	3.95	9.80	2.10	6.70	-7.7	12.3
III. QUARTER	4.40	-0.23	8.60	-3.90	6.10	-2.2	2.8
IV. QUARTER	5.74	-2.55	10.40	-1.70	13.30	-12.1	4.7
SOIL PRODUCTS							
I. QUARTER	-5.37	7.37	-1.40	17.60	5.00	-3.5	-3.6
II. QUARTER	5.91	16.27	17.90	5.70	5.70	2.1	-11.2
III. QUARTER	10.38	10.60	17.70	4.30	3.70	4.2	9.6
IV. QUARTER	2.95	19.03	19.80	-2.20	6.10	-2.8	12
BASIC METALS							
I. QUARTER	8.36	21.93	21.80	0.80	-3.60	12.7	-19.8
II. QUARTER	20.44	23.53	24.10	-1.90	20.60	-1.3	2.3
III. QUARTER	25.97	50.45	4.40	-13.50	19.30	6.3	-1.3
IV. QUARTER	17.58	11.73	11.30	-6.10	4.40	19.7	-10.9
MACHINERY & TRANS.EQUIP.							
I. QUARTER	10.81	21.67	3.70	20.40	-28.50	33.6	-0.4
II. QUARTER	10.84	13.99	0.20	-2.20	-13.00	33.6	7.2
III. QUARTER	0.28	8.38	8.00	-12.20	5.50	27.1	14.3
IV. QUARTER	10.03	4.95	15.10	-21.80	14.00	24.8	10.9
OTHER MANUFACTURING INDUSTRY							
I. QUARTER	4.66	14.64	5.00	16.20	-13.70	15	-21
II. QUARTER	3.77	13.60	8.50	1.60	0.00	7.6	-19.6
III. QUARTER	5.76	11.48	8.00	-5.60	8.40	6.7	8.5
IV. QUARTER	9.14	5.59	13.20	-11.00	9.80	5.4	-15.2

Source : Istanbul Chamber of Industry

LABOUR MARKET AND SECTORAL EMPLOYMENT IN TURKEY (1)

(AGE 15+, IN THOUSANDS)

	1983	1984	1985	1986	1987	1988	1989	1990(2)	1991(3)
Civilian Labour Force	16,662.0	17,024.0	17,395.0	17,708.0	18,027.0	19,674	20,139	20,163	20,707
Civilian Employment	14,649.0	15,019.0	15,362.0	15,842.0	16,316.0	18,093	18,476	18,681	19,237
Unemployed	2,013	2,005	2,033	1,866	1,711	1,581	1,663	1,482	1,471
Unemployment Rate (%)	12	11.7	11.5	10.5	9.4	8	8	7	7
Civilian Emplyment by Sector									
Agriculture	7,852.0	7,975.0	8,095.0	8,206.0	8,321.0	8,745	9,096	8,616	9,602
Industry	2,116.0	2,205.0	2,271.0	2,388.0	2,495.0	2,730	2,804	2,955	2,870
-Mining	188.0	192.0	202.0	216.0	219.0	214	147	223	133
-Manufacturing	1,821.0	1,902.0	1,954.0	2,052.0	2,152.0	2488	2,627	2,720	2,722
-Electricity,Gas,Water	107.0	111.0	115.0	120.0	124.0	28	31	12	14
Construction	710.0	723.0	743.0	798.0	847.0	1002	974	895	882
Commerce	1,381.0	1,440.0	1,493.0	1,575.0	1,658.0	2003	2,003	2,173	2,104
Transportation	541.0	563.0	581.0	604.0	628.0	766	812	844	785
Banking	325.0	336.0	346.0	357.0	367.0	421	431	409	406
Other Services	1,724.0	1,777.0	1,833.0	1,914.0	2,000.0	2426	2,356	2,789	2,587
Total	14,649.0	15,019.0	15,362.0	15,842.0	16,316.0	18,093	18,477	18,681	19,235

(1)A new series has been established on the basis of the provisional results of 1988 Household and Labour Force Survey .
**Provisional*
2 October
3 April
Source : SPO

MONEY AND BANKING
(End of Period , TL Billion)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992*
MONEY SUPPLY													
M1	704.1	972.0	1,341.9	1,941.0	2,252.5	3,420.0	5,357.4	8,682.3	11,311.5	20,357.0	29,326.0	42,116.0	49,705.0
- Money In Circulation	217.5	280.6	411.9	547.5	735.5	1,011.4	1,415.1	2,274.7	3,425.6	7,015.0	12,699.0	18,546.0	25,121.0
- Sight Deposits	483.5	686.9	926.7	1,374.0	1,485.3	2,388.7	3,926.5	6,400.8	7,873.8	13,317.0	16,607.0	23,487.0	24,465.0
- Deposits With Central Bank	3.1	4.5	3.3	19.5	31.7	19.9	15.8	6.8	12.1	25.0	20.0	83.0	119.0
M2	882.0	1,637.1	2,554.1	3,287.4	5,178.7	8,539.7	12,276.3	17,702.0	27,195.2	49,152.0	70,707.0	113,566.0	139,594.0
- Time Deposits	155.7	514.6	954.6	1,232.6	2,652.5	4,446.4	6,131.6	7,652.4	14,643.5	26,841.0	39,018.0	68,112.0	86,007.0
- Certificates of Deposits	22.2	150.5	257.6	113.8	273.7	673.3	787.3	1,367.3	1,240.2	1,954.0	2,363.0	3,338.0	3,882.0
M3	1,072.0	2,140.1	3,174.1	3,977.7	5,932.8	9,185.1	13,111.2	19,050.3	29,465.3	51,832.0	75,128.0	120,812.0	148,154.0
- Other Quasi Money	190.0	503.0	620.0	690.3	754.1	645.4	834.9	1,348.3	2,270.1	2,680.0	4,421.0	7,246.0	8,560.0
CREDITS													
- Central Bank (Net)	655.2	925.5	910.5	1,234.1	879.9	1,299.6	1,130.2	2,169.9	3,164.0	3,887.0	4,526.0	17,671.0	38,362.0
- Deposit Money Banks	789.5	1,318.7	1,800.5	2,417.5	3,149.2	5,604.6	7,683.7	16,024.3	22,769.6	30,404.0	51,385.0	78,663.0	106,071.0
- Investment and Dev.Bank	169.8	245.2	345.4	428.2	535.0	646.0	1,008.1	1,465.3	2,734.4	3,852.0	4,903.0	10,271.0	11,794.0
BANK DEPOSITS													
- Total	745.5	1,509.5	2,357.4	3,083.2	4,980.7	8,061.6	10,390.3	14,382.8	25,351.4	43,889.0	61,395.0	100,161.0	119,111.0
- Sight	483.5	686.9	926.7	1,374.0	1,905.0	2,658.8	896.0	1,332.8	7,596.4	13,318.0	16,607.0	23,487.0	24,465.0
- Time	155.7	514.6	954.6	1,232.6	3,075.1	5,402.8	5,122.8	7,355.3	15,449.0	28,795.0	41,381.0	71,450.0	89,889.0

** As of May , 15*

Source: Central Bank

EXPORTS, IMPORTS AND GROSS DOMESTIC PRODUCT

(TL Billion)

YEARS	Gross Domestic Product	Exports (FOB)	Imports (CIF)	Exports in GDP (%)	Imports in GDP(%)	Foreign Trade in GDP (%)
1976	663.9	30.8	82.9	4.6	12.5	17.1
1977	862.9	31.3	104.9	3.6	12.2	15.8
1978	1,274.8	55.4	113.3	4.3	8.9	13.2
1979	2,155.9	75.7	178.5	3.5	8.3	11.8
1980	4,328.0	221.5	613.3	5.1	14.2	19.3
1981	6,411.2	530.7	1,002.4	8.3	15.6	23.9
1982	8,607.1	937.1	1,461.4	10.9	17.0	27.9
1983	11,531.8	1,299.0	2,127.1	11.3	18.4	29.7
1984	18,212.1	2,608.3	4,034.9	14.3	22.2	36.5
1985	27,513.6	4,153.0	5,994.9	15.1	21.8	36.9
1986	39,168.7	5,012.3	7,561.2	12.8	19.3	32.1
1987	58,299.0	12,228.0	16,995.6	21.0	29.2	50.1
1988	100,573.0	16,909.9	20,793.0	16.8	20.7	37.5
1989	170,412.4	24,819.3	33,762.2	14.8	20.2	35.0
1990	287,254.2	34,071.0	58,755.2	12.0	20.7	32.8
1991	454,838.0	57,373.4	88,914.2	12.6	19.5	32.2

Source: SPO

SHARE OF EXPORTS & IMPORTS IN TOTAL VOLUME OF TRADE

($ Million)

YEARS	Exports (FOB)	Imports (CIF)	Volume of Trade	Share of Exports (%)	Share of Imports (%)	Export Import (%)
1975	1,401	4,739	6,140	22.8	77.2	29.6
1976	1,960	5,129	7,089	27.6	72.4	38.2
1977	1,753	5,796	7,549	23.2	76.8	30.2
1978	2,288	4,599	6,887	33.2	66.8	49.7
1979	2,261	5,069	7,330	30.8	69.2	44.6
1980	2,910	7,909	10,819	26.9	73.1	36.8
1981	4,703	8,933	13,636	34.5	65.5	52.6
1982	5,746	8,843	14,589	39.4	60.6	65.0
1983	5,728	9,235	14,963	38.3	61.7	62.0
1984	7,134	10,757	17,891	39.9	60.1	66.3
1985	7,958	11,344	19,302	41.2	58.8	70.2
1986	7,457	11,105	18,562	40.2	59.8	67.1
1987	10,190	14,158	24,348	41.9	58.1	72.0
1988	11,662	14,335	25,997	44.9	55.1	81.4
1989	11,625	15,792	27,417	42.4	57.6	73.6
1990	12,960	22,302	35,262	36.8	63.2	58.1
1991	13,598	21,038	34,636	39.3	60.7	64.6
1992 (*)	3,550	4,943	8,493	41.8	58.2	71.8

(*) January-March

Source: SIS, SPO

TURKISH EXPORTS BY MAIN SECTORS
($ Million)

YEARS	Agriculture	Share in Total (%)	Mining	Share in Total (%)	Industry	Share in Total (%)
1975	792.6	56.6	105.6	7.5	502.9	35.9
1976	1,254.4	64.0	110.0	5.6	595.8	30.4
1977	1,041.4	59.4	125.9	7.2	585.8	33.4
1978	1,542.8	67.4	124.1	5.4	621.3	27.2
1979	1,343.6	59.4	132.5	5.9	785.1	34.7
1980	1,671.7	57.4	193.4	6.6	1,047.4	36.0
1981	2,219.4	47.2	193.4	4.1	2,290.1	48.7
1982	2,140.5	37.3	175.5	3.1	3,430.1	59.7
1983	1,880.7	32.8	188.9	3.3	3,658.2	63.9
1984	1,748.9	24.5	239.8	3.4	5,145.0	72.1
1985	1,719.4	21.6	243.8	3.1	5,994.8	75.3
1986	1,885.6	25.2	266.9	3.6	5,324.3	71.2
1987	1,852.5	18.2	272.3	2.7	8,065.2	79.1
1988	2,341.4	20.1	377.3	3.2	8,943.5	76.7
1989	2,126.0	16.4	413.0	3.2	9,086.0	70.1
1990	2,347.0	18.1	332.0	2.6	10,281.0	79.3
1991	2,683.0	19.7	286.0	2.1	10,629.0	78.2
1992(*)	672.6	17.7	69.3	1.9	2,853.0	80.4

(*) January-March
Source: SIS

WORKERS' REMITTANCES BY MONTHS[1]

($ Million)

MONTHS	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 *	1991*
January	83.1	83.3	134.9	149.2	121.2	83.4	151.9	97.6	115.2	96.0	190.0	187.0	222.0
February	75.4	173.3	143.5	130.8	105.6	98.5	134.0	100.3	98.7	96.0	236.0	213.0	219.0
March	55.7	111.7	139.7	147.3	129.3	98.7	122.8	91.1	137.3	105.0	190.0	240.0	236.0
April	128.6	114.8	159.1	152.4	117.1	81.7	123.1	118.7	149.4	137.0	172.0	224.0	200.0
May	639.3	103.2	162.1	160.1	107.7	119.2	128.5	106.1	171.6	158.0	185.0	272.0	224.0
June	106.2	155.0	212.4	165.6	109.9	139.8	98.3	121.4	186.1	133.0	243.0	282.0	213.0
July	100.9	279.4	313.2	246.5	164.0	233.8	216.0	216.6	231.4	172.0	319.0	334.0	306.0
August	111.4	279.5	377.7	300.9	191.6	242.8	182.8	192.4	238.3	225.0	424.0	363.0	305.0
September	110.7	207.3	266.4	196.5	139.7	172.9	183.5	183.7	224.7	172.0	374.0	359.0	259.0
October	90.5	205.1	211.8	203.6	140.0	160.2	162.3	166.3	216.3	170.0	315.0	301.0	234.0
November	99.5	172.6	183.2	143.1	103.8	183.3	136.6	137.6	153.6	187.0	232.0	262.0	232.0
December	93.2	185.9	185.7	190.7	123.8	266.9	134.4	164.2	179.4	214.0	258.0	288.0	254.0
TOTAL	1,694.5	2,071.1	2,489.7	2,186.7	1,553.7	1,881.2	1,774.2	1,696.0	2,102.0	1,865.0	3,138.0	3,325.0	2,904.0

(1): Including official remittances

** Provisional*

Source: Central Bank, SPO

BALANCE OF PAYMENTS

($ Million)

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991 *
Exports (FOB)	2,261	2,910	4,703	5,890	5,905	7,389	8,255	7,583	10,322	11,929	11,780	13,026	13,672
Imports (FOB)	-4,815	-7,513	-8,567	-8,518	-8,895	-10,331	-11,230	-10,664	-13,551	-13,706	-15,999	-22,580	-20,998
Trade Balance	-2,554	-4,603	-3,864	-2,628	-2,990	-2,942	-2,975	-3,081	-3,229	-1,777	-4,219	-9,554	-7,326
Invisible Earnings	708	762	1,316	2,038	2,041	2,366	3,162	3,338	4,195	6,026	7,098	8,933	9,315
Tourism	281	326	380	373	420	548	1,094	950	1,476	2,355	2,557	3,225	2,654
Others	427	436	936	1,665	1,621	1,818	2,068	2,388	2,719	3,671	4,541	5,708	6,661
Invisible Expenditures	-1,377	-1,738	-1,946	-2,639	-2,734	-2,945	-3,184	-3,646	-4,162	-4,812	-5,476	-6,496	-6,816
Tourism	-83	-104	-103	-149	-128	-277	-324	-313	-448	-358	-565	-520	-592
Interest Payments	-1,010	-1,138	-1,443	-1,565	-1,511	-1,586	-1,753	-2,134	-2,387	-2,799	-2,907	-3,264	-3,430
Others	-284	-496	-400	-925	-1,095	-1,082	-1,107	-1,199	-1,327	-1,655	-2,004	-2,712	-2,794
Unrequited Tran. (Private) Credit	1,819	2,166	2,559	2,189	1,569	1,901	1,782	1,718	2,088	1,846	3,171	3,374	2,879
Workers' Remittances	1,695	2,071	2,490	2,140	1,513	1,807	1,714	1,634	2,021	1,776	3,040	3,246	2,819
Others	124	95	69	49	56	94	68	84	67	70	131	128	60
Unrequited Tran. (Private) Debit	-19	-13	0	0	-20	-16	-20	-15	-22	-19	-36	-25	-25
Unrequited Transfers (Official)	11	18	-1	88	211	197	222	221	324	332	423	1,157	2,245
CURRENT ACC.BALANCE	-1,412	-3,408	-1,936	-952	-1,923	-1,439	-1,013	-1,465	-806	1,596	961	-2,611	272
CAPITAL EXC. RESERVES	-393	672	899	280	883	73	1,065	2,124	1,891	-958	780	3,966	-2,397
Direct Investments	75	18	95	55	46	113	99	125	106	354	663	713	783
Portfolio Investments	0	0	0	0	0	0	0	146	282	1,178	1,586	547	648
Capital Movements	-468	654	804	225	837	-40	966	1,853	1,503	-2,490	-1,469	2,706	-3,828
Other Long-term	532	656	683	127	39	612	-513	1,041	1,453	-209	-885	-294	-808
Short-term	-1,000	-2	121	98	798	-652	1,479	812	50	-2,281	-584	3,000	-3,020
NET ERRORS & OMISSIONS	651	1,434	649	-75	409	469	-837	-118	-506	515	971	-411	926
EXCEPTIONAL FINANCING	1,003	1,373	315	902	622	1,002	676	0	0	0	0	0	0
COUNTERPART ITEMS	40	19	68	13	161	-171	233	249	390	-263	50	364	170
Overall Balance	-111	90	-5	168	152	-66	124	790	969	890	2,762	1,308	-1,029
CHANGES IN RESERVES	111	-90	5	-168	-152	66	-124	-790	-969	-890	-2,762	-1,308	1,029

** Provisional*

Source: Central Bank, SPO

INTERNATIONAL RESERVES
($ Million)

YEARS	Gold	Gross Foreign Exchange Reserves	Gross International Reserves	Over-Drafts	Net Reserves
1975	146	1,097	1,243	51	1,192
1976	146	1,058	1,204	124	1,080
1977	146	721	867	240	627
1978	150	902	1,052	341	711
1979	155	795	950	244	706
1980	155	1,308	1,463	254	1,209
1981	155	1,571	1,726	69	1,657
1982	155	1,873	2,028	48	1,980
1983	155	2,098	2,253	164	2,089
1984	800	3,099	3,899	417	3,482
1985	1,040	2,615	3,655	376	3,279
1986	1,237	3,187	4,424	77	4,347
1987	1,535	3,959	5,494	282	5,212
1988	1,368	5,228	6,596	168	6,429
1989	1,354	7,762	9,116	30	9,086
1990	1,468	9,943	11,411	24	11,387
1991	1,493	10,760	12,253	3	12,250
1992 (*)	1,576	9,670	11,246	9	11,237

GROSS FOREIGN EXCHANGE RESERVES
($ Million)

YEARS	Central Bank	Banks	Gross Foreign Exchange Reserves
1980	1,077	231	1,308
1981	928	643	1,571
1982	1,080	793	1,873
1983	1,253	845	2,098
1984	1,239	1,860	3,099
1985	1,020	1,595	2,615
1986	1,368	1,819	3,187
1987	1,719	2,240	3,959
1988	2,307	2,921	5,228
1989	4,831	3,128	7,762
1990	5,972	3,971	9,943
1991	4,918	5,842	10,760
1992 (*)	3,306	6,364	9,670

(*) As of April 24

Source: Central Bank

EXCHANGE BUYING RATES
(END OF YEAR, TL)

YEARS	US Dollar	Sterling	Deutsche Mark	French Franc	Swiss Franc	Belgian Franc	Austrian Schilling
1975	15.0	31.1	6.0	3.5	5.6	0.4	0.9
1976	16.5	26.4	6.9	3.8	6.8	0.5	1.0
1977	19.3	34.7	8.6	3.9	8.9	0.5	1.2
1978	25.0	50.1	13.9	6.0	16.7	0.9	1.9
1979	35.0	79.0	20.2	8.6	21.9	1.2	2.8
1980	89.3	210.1	45.2	19.5	50.2	2.8	6.4
1981	132.3	250.3	58.4	23.1	73.4	3.5	8.3
1982	184.9	300.6	78.3	27.6	93.1	4.0	11.1
1983	280.0	401.4	101.8	33.3	128.0	5.1	14.4
1984	444.3	514.3	141.1	46.2	170.4	7.1	20.1
1985	574.0	826.6	233.2	76.1	276.8	11.4	33.1
1986	755.9	1,109.3	388.0	117.2	464.6	18.7	55.2
1987	1,018.4	1,892.6	638.7	188.3	788.5	29.8	90.8
1988	1,816.0	3,252.4	1,015.4	297.9	1,200.6	48.5	144.6
1989	2,304.4	3,723.9	1,369.6	400.6	1,501.2	65.1	194.7
1990	2,951.1	5,579.0	1,928.8	568.1	2,259.6	93.4	274.2
1991	5,069.8	9,472.8	3,336.8	977.3	3,744.3	160.5	474.2
1992 (*)	6,690.9	12,184.1	4,148.6	1,236.0	4,529.4	199.8	589.4

CHANGES IN FOREIGN EXCHANGE RATES
(1975 = 100)

YEARS	US Dollar	Sterling	Deutsche Mark	French Franc	Swiss Franc	Belgian Franc	Austrian Schilling
1975	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1976	110.0	85.0	115.1	110.1	121.4	112.5	109.0
1977	128.3	111.8	144.5	112.1	158.0	135.0	131.5
1978	166.7	161.4	233.1	171.6	297.7	220.0	212.4
1979	233.3	254.5	339.8	247.1	390.2	310.0	316.9
1980	595.0	676.7	758.8	561.5	896.4	702.5	714.6
1981	882.0	806.0	980.7	662.9	1,310.4	865.0	934.8
1982	1,232.7	968.0	1,315.1	793.1	1,661.6	992.5	1,249.4
1983	1,866.7	1,292.7	1,710.1	955.5	2,285.2	1,272.5	1,612.4
1984	2,962.0	1,656.3	2,370.6	1,327.3	3,043.4	1,762.5	2,261.8
1985	3,826.7	2,662.0	3,918.5	2,186.2	4,942.1	2,855.0	3,719.1
1986	5,039.3	3,572.6	6,520.2	3,366.4	8,296.4	4,662.5	6,200.0
1987	6,789.0	6,095.3	10,733.6	5,410.9	14,080.4	7,457.5	10,206.7
1988	12,106.5	10,474.8	17,065.0	8,561.5	21,440.0	12,127.5	16,244.9
1989	15,362.5	11,993.2	23,018.8	11,512.4	26,807.5	16,275.0	21,874.2
1990	19,674.0	17,967.8	32,416.8	16,324.7	40,350.0	23,350.0	30,809.0
1991	33,798.4	30,508.3	56,080.0	28,083.3	66,862.1	40,127.5	53,282.0
1992(*)	44,605.9	39,240.2	69,724.7	35,516.1	80,882.7	49,960.0	66,221.3

(*) As of May 18

Source: Central Bank

SECTORAL DISTRIBUTION OF CUMULATIVE INFLOW OF FOREIGN CAPITAL (TL Million)

YEARS	Manufacturing	Agriculture	Mining	Services	TOTAL
1979	1,999	1	20	499	2,519
1980	8,413	1	20	1,208	9,642
1981	15,573	641	120	2,680	19,014
1982	31,661	1,018	300	10,668	43,647
1983	41,660	1,488	432	17,774	61,354
1984	71,837	2,293	631	38,431	113,192
1985	118,169	6,101	813	83,327	208,410
1986	155,120	8,795	3,274	135,725	302,914
1987	248,063	23,956	5,917	157,632	435,568
1988	419,294	39,272	8,867	317,282	784,715
1989	998,609	53,320	17,208	880,418	1,949,555
1990	2,018,268	81,133	39,546	1,728,553	3,867,500
1991	3,386,404	243,937	142,714	2,706,450	6,479,505
	CHANGES (%)				
1979	-	-	-	-	-
1980	320.9	0.0	0.0	142.1	282.8
1981	85.1	64,000.0	500.0	121.9	97.2
1982	103.3	58.8	150.0	298.1	129.6
1983	31.6	46.2	44.0	66.6	40.6
1984	72.4	54.1	46.1	116.2	84.5
1985	64.5	166.1	28.8	116.8	84.1
1986	31.3	44.2	302.7	62.9	45.3
1987	59.9	172.4	80.7	16.1	43.8
1988	69.0	63.9	49.9	101.3	80.2
1989	138.2	35.8	94.1	177.5	148.4
1990	102.1	52.2	129.8	96.3	98.4
1991	67.8	200.7	260.9	56.6	67.5
	SHARE (%)				
1979	79.4	0.0	0.8	19.8	100.0
1980	87.3	0.0	0.2	12.5	100.0
1981	81.9	3.4	0.6	14.1	100.0
1982	72.5	2.3	0.7	24.4	100.0
1983	67.9	2.4	0.7	29.0	100.0
1984	63.5	2.0	0.6	34.0	100.0
1985	56.7	2.9	0.4	40.0	100.0
1986	51.2	2.9	1.1	44.8	100.0
1987	57.0	5.5	1.4	36.2	100.0
1988	53.4	5.0	1.1	40.4	100.0
1989	51.2	2.7	0.9	45.2	100.0
1990	52.2	2.1	1.0	44.7	100.0
1991	52.3	3.8	2.2	41.8	100.0

Source: SPO, ANKA

FOREIGN CAPITAL INVESTMENT IN TURKEY ($ Million)						
YEARS	Number Of Firms	Annual Inflow	Annual Growth Rate (%)	Cumulative Inflow	Cumulative Growth Rate (%)	Share of Annual Inflow In Cumulative
Before 1975	-	-	-	189.6	-	-
1975	106	15.1	-	204.7	8.0	7.4
1976	99	8.9	-41.1	213.6	4.3	4.2
1977	99	9.2	3.4	222.8	4.3	4.1
1978	97	11.7	27.2	234.5	5.3	5.0
1979	91	-6.4	-	228.1	-2.7	-
1980	100	97.0	-	325.1	42.5	29.8
1981	127	337.5	247.9	662.6	103.8	50.9
1982	170	167.0	-50.5	829.6	25.2	20.1
1983	185	102.7	-38.5	932.3	12.4	11.0
1984	267	271.4	164.3	1,203.7	29.1	22.5
1985	317	234.5	-13.6	1,438.2	19.5	16.3
1986	474	364.0	55.2	1,802.2	25.3	20.2
1987	698	536.5	47.4	2,338.7	29.8	22.9
1988	827	824.5	53.7	3,163.2	35.3	26.1
1989	990	1,470.5	78.3	4,633.7	46.5	31.7
1990	943	1,784.3	21.3	6,418.0	38.5	27.8
1991	945	1,909.4	7.0	8,327.4	29.8	22.9

Source: SPO, ANKA

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"TÜSİAD"
THE TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION

What is TÜSİAD?

TÜSİAD stands for "Türk Sanayicileri ve İşadamları Derneği" ("Turkish Industrialists' and Businessmen's Association") which was founded in 1971 by a group of leading names in Turkish industry and business.

TÜSİAD is an independent, non-profit institution whose primary purpose is to promote public welfare through private enterprise, to which end it brings together the views, experience and support of those engaged in industry and business.

TÜSİAD conducts its research in the fields of economic trends and prospects, fiscal and monetary developments, marketing, industrial performance, the world economy, public affairs, and related areas. The Association uses the most modern, scientific methods in carrying out its research and is naturally discreet in its handling of confidential information.

TÜSİAD brings together at its meetings, leaders in industry, business, labour, the academic world, and government to discuss economic policies, business prospects, and the experiences of entrepreneurs and executives.

Membership of the Association, which is officially recognized by the government as a body of "national importance and interest", is entirely voluntary.

TÜSİAD has been a member of UNICE (Union of Industrial and Employers' Confederations of Europe) since 1988.

Aims and Objectives

The Association's basic objective is to contribute to the success of Turkey's industrial development and to assist in the country's attaining the welfare standards enjoyed by the Western industrialised world, while maintaining the principles of a market economy and observing the precepts established by modern Turkey's founder, Mustafa Kemal Atatürk.

TÜSİAD recognizes Turkey's industrialists as the power behind the development process and pursues the aim of bringing together within the Association industrialists from the private and public sectors, members of the professions, academics and businesspeople for the purpose of strengthening democratic government and private enterprise.

Functions

While observing the principles of a market economy, TÜSİAD emphasises the critical importance of private enterprise within Turkey's economic and social structure and urges and encourages private enterprise to exercise its responsibilities in furthering the country's development in ways which are in the nation's best interest.

TÜSİAD gives its support to all activities designed to channel investments into fields which have a high priority from the national standpoint and to investments in areas which can provide new and additional exports or otherwise increase Turkey's foreign exchange earnings.

TÜSİAD provides guidance and counsel to the country's industrial and commercial enterprises in their efforts to obtain the maximum benefit from Turkey's associate membership of the European Economic Community and to build up their competitive power both inside and outside the Community.

In furthering its efforts to stimulate the Turkish economy, TÜSİAD takes the initiative in recording and evaluating business-people's points of view and drawing them to the attention of those ministers and other representatives of government who are or may be interested. The Association engages in all activities concerned with Turkey's industrial structure.

TÜSİAD cooperates closely with Turkish and foreign, private and public institutions, chambers of commerce and industry, trade and professional associations, foundations, stock markets and societies which have interests similar or related to its own.

TÜSİAD is one of the founding members of the newly established private sector Foreign Economic Relations Board.

Within Board, business councils have been established for mainly the USA, the European Countries, the Commonwealth of Independent States, the Magrebian Countries, the Balkan Countries, the Scandinavian Countries and others. Many TÜSİAD members take part in the activities of these councils.

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