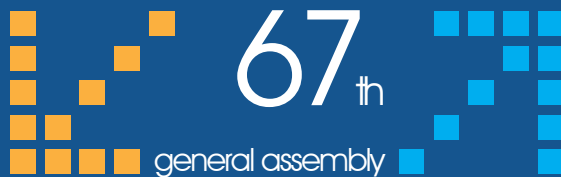
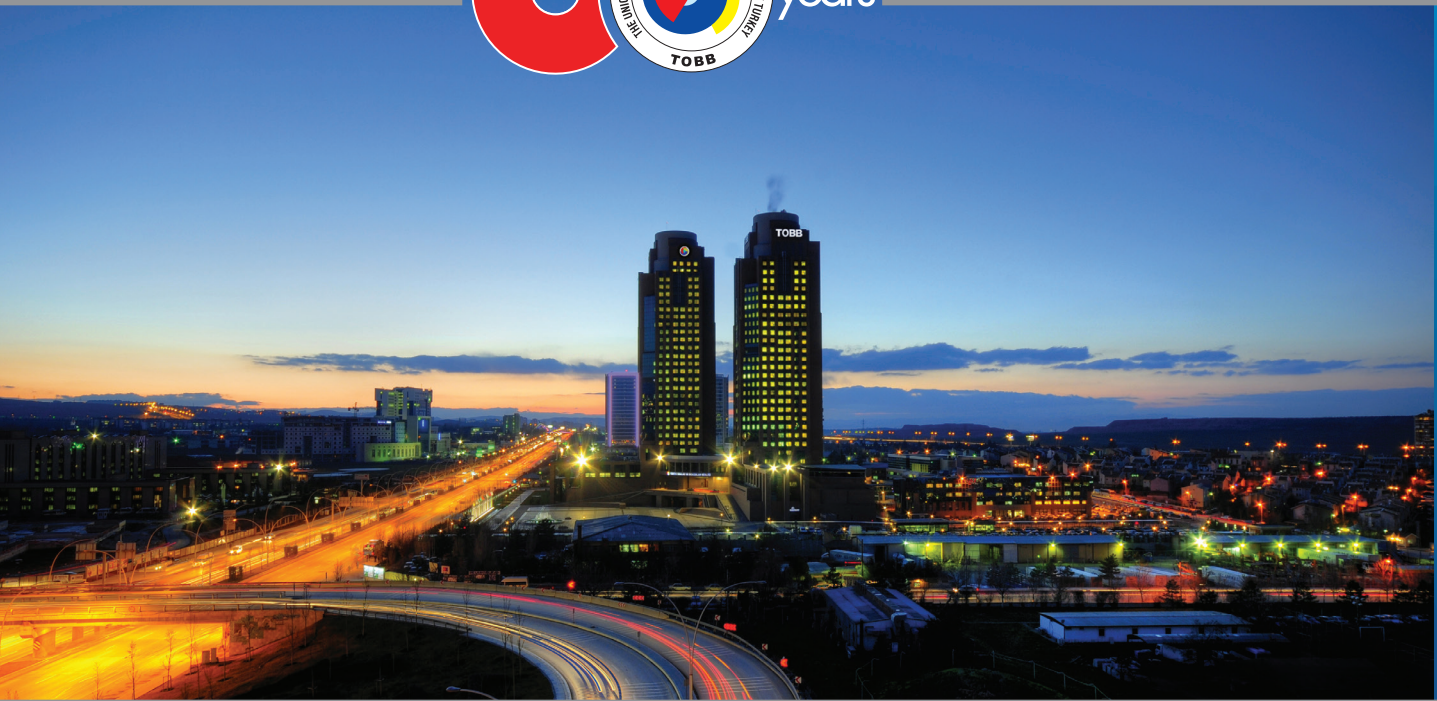
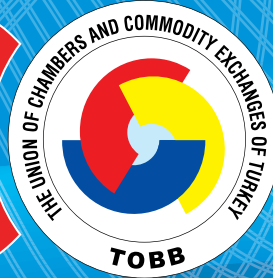


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FOREWORD



As one of the fastest recovering nations of the recent global economic crisis, Turkey downsized by 4.7% during 2009 and then became the fastest growing economy of the European continent, with a growth rate in its GDP of 9.2% in 2010, which further maintained its positive stance with an overall growth of 8.5% for 2011 ranking the nation first among European member states and at third, among G-20 countries.

Roughly five per cent share attained by BRIC countries, a grouping formed up of Brazil, Russia, India and China, as the world's fastest growing and becomingly more dominant economies of the world, in global economy as of the present day, draws attention as a development beyond predictions. In the forthcoming decade, such other economically outperforming countries as Mexico, Indonesia, South Korea and Turkey are expected to join the G8, the grouping of the 8 most powerful economies of the world, together with the BRIC countries. Moreover, predictions come to state that Turkey would be one of the ten nations that will contribute most to global production and business volumes, during the next decade.

In IMF's publication titled "World Economic Outlook 2011", the central point of interest is laid upon the current deficit, in projections for Turkey. In the pace of a current deficit to GDP ratio of 6.6% realized for the term 2010, IMF staff forecasts the same to be at 8.0% for the term 2011 and 8.2% for the term 2012 in our country, based on their presumptions. The economic growth and the increase in loan volumes have brought about a drawback that amplifies the current deficit. The rising trend maintained in oil and other commodity prices is also an add-on to the bill of importation transactions. In our country, the current deficit to GDP ratio is generally perceived as a signal of distress in economy. Besides, the concurrent deterioration in quality of financings for the current deficit, which largely founded by debt inflows rather than foreign direct investment has resulted in regrowth of concerns.

The importation volumes retain a high level, especially for such intermediate goods that are utilised and further processed by ferrous steel, machinery, car making, chemical and textiles-garments industries, in our country. The need is

obvious for conducting a thorough, elaborative assessment of the kind of goods, which may be produced in our country to help elimination of the foreign trade deficit and accordingly giving support through incentives and etc. for their production and for taking constructive steps to deal with the issue effectively. The export-import ratio for our country declined to 56.0% in 2011, from a baseline of 61.4% in 2010. Especially, the dependency on foreign sources in the supply of intermediate goods, which alone has a share of 70.0% in overall imports of the country, makes it mandatory to work out and implement the design of a novel investment-production model in the above mentioned industries, with utmost priority. Today, 55 countries give current surplus versus 128 countries giving current deficits, among which our country is placed near the top.

Our country has become an attractive market for global management advisers during the last decade. This is due to two fundamental reasons; first of which is the intention shown by several family-owned business enterprises that managed to hatch into the broadened context of business world to move on as an institution, driven by an understanding of corporate governance, while the second being the Turkish economy's getting more integrated to the world compared to its past stage right at beginning of the last decade.

Energy sector lures attention as the fastest growing industrial area of engagement, in our country. The demand for energy, which maintained a level of 4.7% in average between 2005 and 2009, is expected to rise up in a range of 6.3 to 7.0%, in the time frame between 2009 and 2018.

Agriculture still remains a key part of Turkey's economy, employing about 5.5 million of the workforce. Nowadays, where lowering foreign trade deficit is a top-priority concern and policy, the need is evident for providing support to the growth of agricultural sector which provides steady foreign trade surplus, through a strategic planning, along with appropriate identification of locations to receive / host agricultural practices and elimination of such problems as fractured farmlands and high input costs.

SMEs, being the capillary vessels of economy in our country have increased their overall share in country's exports volumes, during the last decade. In a decade, the overall share of SMEs in country's overall exports has risen up from 20.0% to around 60.0%. SMEs clearly need to further enhance their competitive powers. First impressions obtained from the resultant findings of a variety of surveys hitherto performed, that only one among every four SMEs has a website built and up and running and that more than half of them lack an actively used e-mail address with 90.0% not ever recruited or employed an IT specialist at all, come to reveal that an urgent requirement exists for helping them gain the set of required technological skills and capacities for and eventually attain a competitive structuring.

In the Euro zone, the debt crisis that started from Greece and then extended over Spain and Portugal with high risk of infecting other countries as well, is a stimulant of deep concern. If Europe, with which our country holds almost half of her current exports, enters recession, our Country will unavoidably face the adverse consequences thereof. At this point, another impact of the foretold consequences will be felt in capital flows. While more financial and economic integration is what Europe needs to maintain and uphold its economic stability and Euro, implications come to state that European leaders have the intention to take steps addressing this issue properly, by a variety of measures they have adopted and put in implementation lately.

In the case of US, while hot debates are held in an on-going stance about leveraging up the maximum public debt threshold, the main problem of concern seems to be the supply-demand balance in real property sector, which tends to favour supply over demand, and inability still felt in real property and financial sectors of the country to recuperate fully. On the other hand, due to the US Central Bank's announcing intent to maintain with its low interest rate policy over a long term, in combination with a variety of positive signals in the labour market, the US economy has restarted its journey on the path of growth.

I personally hope that this economic report published by our organization to present and interpret a select of economic and social indicators of the world and our country would be helpful and guiding for you.

M. Rifat HİSARCIKLIOĞLU

President

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CONTENTS

	<u>Page</u>
FOREWORD	iii
CONTENTS	viii
LIST OF TABLES AND FIGURES	xiii
SYMBOLS AND ABBREVIATIONS	xxiii
EXPLANATIONS	xxvi
CHAPTER I. AN OUTLOOK TO WORLD ECONOMY	
OVERALL ASSESSMENT	3
1. AN OUTLOOK TO WORLD ECONOMY	
FROM A MACRO PERSPECTIVE	7
1.1 Economic Indicators for Selected Countries	12
1.1.1 Index of Economic Diversity	12
1.1.2 Global Competitiveness Index	19
1.1.3 Indicators for International Entrepreneurship	22
1.1.4 Overheating Indicators for the G20 Economies	26
1.1.5 Risks Inherent with the Arabic World and Assessments	29
1.1.6 Growth Rates of Gross Domestic Product	32
1.1.7 Consumer Price Index	32
1.1.8 Purchasing Power Parity	35
1.2 Social Indicators for Selected Countries	35
1.2.1 Rates of Unemployment	35
1.2.2 Perception of Security and Gender Indicators of Countries	38
1.2.3 International Human Development Index	40
1.2.4 Per Capita Income and Expenditure	43
1.2.5 International Poverty	46
1.2.6 International Overall Life Satisfaction	48
2. INTERNATIONAL COMMODITY MARKETS	53
3. FORECASTS OF INTERNATIONAL ORGANIZATIONS	
CONCERNING GROSS DOMESTIC PRODUCT AND	
CONSUMER PRICE INDEX	59
3.1 Forecasting for Gross Domestic Product	59
3.2 Forecasting for Consumer Price Index	60
CHAPTER II. A GENERAL OUTLOOK TO TURKISH ECONOMY	63
OVERALL ASSESSMENT	65
1. AT MICRO SCALE	73
1.1 Distribution of Household Income	73
1.2 Consumption Expenditures of Households	74
1.3 Human Development Indices	77
1.4 Poverty	83

1.5	Life Satisfaction	87
1.6	Consumer Confidence Indices	94
1.7	Participation of Youth in Labour Force and Youth Unemployment	96
1.7.1	Rate of Participation of Youth in Labour Force at Regional Level and Rate of Unemployment	97
1.8	Educated and Uneducated Unemployment	100
1.8.1	Educated and Uneducated Unemployment at Regional Level	100
1.9	Use of Information Technologies among Households	103
1.9.1	Use of Information Technologies among Households at Regional Level	108
2.	AT MACRO SCALE	113
2.1	Small and Medium Sized Enterprises	113
2.1.1	General Structure of Small and Medium Sized Enterprises	113
2.1.2	Workplace Size Ratios of Small to Medium Sized Enterprises in Overall Enterprises by Fields of Activity at Regional Level	116
2.1.3	Distribution of Small and Medium Sized Enterprises over Provinces by Establishment Size and Economic Activities at Regional Level	122
2.1.4	Distribution of Small and Medium Sized Enterprises over Provinces by Establishment Size and Sector at Regional Level	133
2.2	National Income	139
2.3	Sectoral Analysis	146
2.3.1	Agriculture	146
2.3.1.1	Herbal Product Balances	150
2.3.1.2	Herbal Production Areas at Regional Level	155
2.3.1.3	Herbal Production and Productivity at Regional Level	156
2.3.1.4	Livestock Quantities and Animal Production at Regional Level	164
2.3.1.5	International Trades of Agricultural and Animal Products	171
2.3.2	Industry	173
2.3.2.1	Mining and Quarry Operations	176
2.3.2.2	Manufacturing Industry	177
2.3.2.3	Energy	183
2.3.3	Services	184
2.3.3.1	Commodity Exchanges and Companies	184
2.3.3.2	Tourism	188
2.3.3.3	Transportation	191
2.3.4	Use of Information Technologies at Enterprises	193

2.4	Investments	196
2.4.1	Investments at Regional Level	204
2.5	Money and Banks	208
2.5.1	Money, Banks and Capital Markets	208
2.5.2	Public Finances	221
2.5.2.1	Central Government Budget	223
2.5.2.2	Funds	230
2.5.2.3	State Economic Enterprises	231
2.5.2.4	Public Sector Financing Deficit	233
2.5.2.5	Privatization	233
2.5.2.6	Central Government Debt Stock	234
2.5.3	Financial Investment Instruments	239
2.5.3.1	Developments in Gold Prices	240
2.5.3.2	Developments in Foreign Exchange Rates	241
2.5.3.3	Istanbul Stock Exchange	247
2.5.3.4	Developments in Interest Rates	249
2.6	Foreign Trade	251
2.6.1	Foreign Trade	251
2.6.1.1	Foreign Trade Indicators	251
2.6.1.2	Exports	252
2.6.1.3	Imports	255
2.6.1.4	Foreign Trade at Regional Level	257
2.6.1.5	Foreign Trade by Country Groups	258
2.6.1.6	Foreign Trade with Neighbouring Countries	266
2.6.2	Balance of Payments	266
2.6.3	International Direct Investment	271
2.6.4	Foreign Debts	274
2.7	Indices	279
2.7.1	Consumer Price Index	279
2.7.1.1	Consumer Price Index at Regional Level	284
2.7.2	Producer Price Index	285
2.7.3	Industrial Turnover Indices	288
2.7.4	Industrial Order Indices	290
2.7.5	Industrial Workforce and Input Indices	292
2.7.5.1	Employment	292
2.7.5.2	Number of Hours Worked	293
2.7.5.3	Gross Wages-Salaries	294
2.7.6	Labour Cost Indices	295
2.7.6.1	Hourly Labour Cost Index	295
2.7.6.2	Hourly Earnings Index	296
2.7.6.3	Hourly Labour Cost Excluding Earnings Index	297
2.7.7	Foreign Trade Indices	297
2.7.7.1	Export and Import Unit Value Indices	297
2.7.7.2	Export and Import Volume Indices	298
2.7.8	Sectoral Confidence Indices	299

2.8	Purchasing Power Parity	304
2.8.1	Volume Indices	304
2.8.2	Price Level by Expenditure Groups	306
2.8.3	Regional Price Level	308
2.8.4	Price Level by Regional Expenditure Groups	309
2.9	Summary Indicators Selected at Regional Level	312
2.9.1	Nomenclature of Territorial Units for Statistics by Level-2	312
2.9.1.1	Number of Municipalities	312
2.9.1.2	Ratio of Cultivated Land to Total Area of Tillage	313
2.9.1.3	Population Density	314
2.9.1.4	Sex Ratios	314
2.9.1.5	Rate of Participation of Males in Labour Force	315
2.9.1.6	Unemployment Rate of Males	315
2.9.1.7	Rate of Participation of Females in Labour Force	316
2.9.1.8	Unemployment Rate of Females	317
2.9.1.9	Gross Value Added Per Capita	318
2.9.1.10	Number of Enterprises	318
2.9.1.11	Foreign Trade Volume	319
2.9.1.12	Ratio of Basic Requirements Expenditures to Total Expenditures	320
2.9.1.13	Annual Average CPI Rate of Change	320
2.9.1.14	Average Number of Overnight Stays by Citizens at Facilities Certified by Municipalities	321
2.9.1.15	Average Number of Overnight Stays of Foreign Visitors at Facilities Certified by Municipalities	322
2.9.2	Nomenclature of Territorial Units for Statistics by Level-3	322
2.9.2.1	Rate of Participation in Labour Force	322
2.9.2.2	Unemployment Rate	323
2.9.2.3	Number of Small and Medium Sized Enterprises	324
2.9.2.4	Proportion of Exports Coverage Imports	324
3.	SOCIO-ECONOMIC INDICATORS	327
3.1	Population	327
3.1.1	Sex Ratios	334
3.1.2	Fertility Rates	334
3.1.2.1	Fertility Rates at Regional Level	334
3.1.3	Schooling Ratios	335
3.1.3.1	Schooling Ratios at Regional Level	336
3.1.4	Labour Force Indicators by Gender	340
3.1.4.1	Labour Force Indicators by Gender at Regional Levels	343
3.1.5	Mortality Rates	345
3.1.5.1	Mortality Rates at Regional Level	345
3.1.6	Median Age	346

3.1.7 Life Expectancy at Birth	347
3.2 Working Life	348
3.2.1 Employment	348
3.2.2 Employment at Regional Level	351
3.2.3 Wages	356
4. TARGETS AND REALIZATION STATUS	361
4.1 National Income	362
4.2 Inflation	363
4.3 Central Government Budget	363
4.4 Balance of Current Accounts	365
4.5 Labour Force Indicators	366
4.6 Forecasts of Different National and International Sources on Selected Indicators	366
APPENDICES	
Appendix 1 Economic and Social Indicators Selected for the Period Between 2006 and 2011	371
Appendix 2 List of Institutions/Organisations Responsible for Data According to the Official Statistical Program	374
Appendix 3 Nomenclature of Territorial Units for Statistics Level Codes and Names	389
Appendix 4 IMF's Grouping of Countries and Countries in Each Group	390
Appendix 5 Country Groupings Included in AEC Publication and Countries in Groups	391
Appendix 6 Countries in Economic Development Level Included in Section Titled Indicators for International Entrepreneurship	392
REFERENCES	395

LIST OF TABLES AND FIGURES**CHAPTER I. AN OUTLOOK TO WORLD ECONOMY****OVERALL ASSESSMENT****1. AN OUTLOOK TO WORLD ECONOMY
FROM A MACRO PERSPECTIVE****Tables**

1. Economic Outlook at Level of Selected Variables	8
2. World Trade Volume Rates of Change	11
3. Economic Complexity Index of Countries	14
4. Rates of Change the Index of Economic Diversity between 1964 and 2008	15
5. Expected Growth of Gross National Product Until 2020	16
6. Expected Growth in Per Capita National Income for the term 2020	17
7. Projection of Contributions of Countries to World Economic Growth Until 2020	18
8. Indicators Related with Global Competitiveness	21
9. Summary Indicators on Entrepreneurship for Selected Countries	24
10. Overheating Indicators for the G20 Economies	28
11. Risks Inherent with the Arabic World and Assessments	31
12. Growth Rates of Gross Domestic Product for Selected Countries	33
13. Year-End Consumer Price Index for Selected Countries and Rates of Change	34
14. Per Capita National Income by Purchasing Power Parity for Selected Countries	36
15. Unemployment Rates of Countries	37
16. Perception of Security and Gender Indicators of Countries for the Term 2011	39
17. International Human Development Index and Selected Key Indicators	43
18. Per Capita Income and Expenditure	45
19. International Poverty Indicators	48
20. Overall Life Satisfaction Levels of Individuals in Selected Countries	50

Figures

1. Growth Rates of Gross Domestic Product by Annual and Quarterly Periods	9
2. Rates of Change in Consumer Price Index for Advanced and Developing Economies by Years	11
3. Global Industrial Production and Rates of Changes in World Trade by Years and Months (Annualised with Quarterly Changes)	12
4. Entrepreneurship Indicators for Selected Countries	23
5. Distribution of Early Stage Ventures according to Three Different Levels of Economic Development on the Basis of Age Groups	25
6. Comparison of Early Stage Ventures in 54 Country Economies according to Levels of Economic Growth on the basis of Gender	25
7. Overall Life Satisfaction Levels of Individuals in Selected Countries	49

2. INTERNATIONAL COMMODITY MARKETS

Tables

21. Prices of Selected Products in International Markets	55
22. World Commodity Price Index	56

3. FORECASTS OF INTERNATIONAL ORGANISATIONS CONCERNING GROSS DOMESTIC PRODUCT AND CONSUMER PRICES

Tables

23. Forecasts of International Organisations on Ground Domestic Product and Consumer Price Index for Selected Countries	62
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CHAPTER II. AN OUTLOOK TO TURKISH ECONOMY

OVERALL ASSESSMENT

1. AT MICRO SCALE

Tables

24. Share Obtained from the Total Income of the Quintile Groups Listed according to Disposable Incomes of the Equivalent Households	74
25. Share of Total Household Consumption Expenditures in Total Expenditures by Expenditure Groups	76
26. Share Obtained from the Total Consumption Expenditures of the Quintile Groups Listed according to Disposable Income	77
27. Turkey's Place in the World according to the Human Development Index	79
28. Human Development Index Components in 2011	80
29. Indicators of Human Development for Turkey	82
30. Number and Rates of Poor Individuals according to Poverty Methods	83
31. Hunger and Poverty Thresholds by Household Size	85
32. Ratio of Poor Households and Individuals by Household Size	85
33. Poverty Rates of Economically Active Household Members by Employment Status and Sector	86
34. Rates of Happiness of Individuals by Gender, Age Category, Level of Education and Marital Status, Distributed Over Years	88
35. Levels of Satisfaction of Households' Income according to Monthly Disposable Income Groups	89
36. Level of Hope for the Future in Individuals by Gender	90
37. People and Values Being Source of Happiness for Individuals by Gender	91
38. Index Values and Rates of Chance in Levels of Consumer Confidence Index for Selected Months	95
39. Rates of Participation in Labour Force and Unemployment of Population in Age Groups for 15-24 and 15+ according to NUTS Level-1, by Gender	99
40. Unemployment Rates of Population in Age Group of 15+ by Level of Education and NUTS Level-1	102
41. Computer and Internet Usage Rates of Individuals according to Nomenclature of Territorial Units for Statistics Level-1 in 2011	103
42. Rate of Ownership of Information Technologies by Households in Turkey	104
43. Rate of Internet Usage by Gender according to Location and Frequency of Usage of the Internet in 2011	105

44. Rate of Internet Users for the Last Quarter according to User Profile Information by Gender	107
Figures	
8. Share Obtained from the Total Income of the Quintile Groups Listed according to Disposable Incomes of the Equivalent Households	74
9. Average Monthly Expenditure Per Household Consumption Expenditure by Expenditure Groups	75
10. Share Obtained from the Total Consumption Expenditures of the Quintile Groups Listed according to Disposable Income	77
11. Turkey's Place in the World according to the Human Development Index	80
12. Average and Expected Years of Schooling for the Term 2011	81
13. Gross National Income Per Capita (on the Basis of \$ at Fixed Price as of 2005 according to PPP)	81
14. Human Development Index Components in 2011	82
15. Hunger and Poverty Thresholds for the Terms 2009 and 2010, according to Household Size	84
16. Ratio of Poor Households and Individuals by Household Size	85
17. Poverty Rates by Employment Status and Sector	86
18. People as a Source of Happiness for Men in 2011	92
19. People as a Source of Happiness for Women in 2001	92
20. Values as a Source of Happiness for Men in 2011	93
21. Values as a Source of Happiness for Women in 2011	93
22. Consumer Confidence Indices for Selected Months for the Terms Between 2009-2011	96
23. Household Ratios by Frequency of Internet Usage, in Turkey	105
24. Highest Internet Usage Rates by Profile Variables at Gender Level	107
25. Ratios Selected for Orders or Purchases of Goods and Services Over the Internet	108
26. Rate of Households with and without Access to Internet in 2011 according to NUTS Level-1	109
2. AT MACRO SCALE	
Tables	
45. Rate of Sectors of Engagement of Small and Medium Sized Enterprises by Number of Employee in Provinces	118
46. Rate of Provinces by Sectors of Engagement and Number of Employee at Small and Medium Sized Enterprises	120
47. Rate of Economic Activities of Small and Medium Sized Enterprises by Number of Employee in Provinces	123
48. Rate of Provinces by Economic Activities and Number of Employee of Small and Medium Sized Enterprises	128
49. Rate of Economic Activities, Number of Employee and Provinces in Total Number of Small and Medium Sized Enterprises	134
50. Gross Domestic Product in Constant Prices	140
51. Gross Domestic Product in Current Prices	141

52. Sectoral Contributions to the Gross Domestic Product	142
53. Shares of Sectors within the Gross Domestic Product	142
54. Gross Domestic Product by the Expenditure Method (1998 Prices)	144
55. Gross Domestic Product by the Expenditure Method (Current Prices)	144
56. Contributions to the Gross Domestic Product by the Expenditure Method (1998 Prices)	145
57. Gross Domestic Product Per Capita	146
58. Production Quantities of Cereals and Other Vegetable Products	147
59. Production Quantities of Vegetable Products	149
60. Production Quantities of Fruit Products	151
61. Crop Balances for Selected Products	152
62. Crop Production Areas by NUTS Level-1	156
63. Agricultural Production and Yield by NUTS Level-1	157
64. Vegetable Production by NUTS Level-1	160
65. Fruit Production, Number of Trees and Yield Per Tree by NUTS Level-1	162
66. Number of Cattle (Bovine) and Animal Production by NUTS Level-1	165
67. Number of Sheep (Ovine) and Animal Production by NUTS Level-1	167
68. Number of Poultry by NUTS Level-1	168
69. Apicultural Production by NUTS Level-1	169
70. Seri-cultural Production by NUTS Level-1	170
71. Agricultural Support Payments	171
72. Foreign Trade of Selected Agricultural and Animal Products	172
73. Rates of Change in Value Added of Industrial Sector	173
74. Share of the Industrial Sector Value Added within the GDP	174
75. Industrial Production Index by Sectors	174
76. Industrial Production Index by Main Industrial Groups	176
77. Production Index of Mining and Quarrying Sectors	176
78. Production Index of Manufacturing Industry Sub-sectors	177
79. Rates of Capacity Utilization by Sectors	178
80. Rates of Capacity Utilization by Product Groups	179
81. Industrial Capacity Reports by Main Economic Activity Groups	181
82. Number of Industrial Capacity Report and Total Employee by Provinces	182
83. Industrial Capacity Reports by Technology Groups	183
84. Production Index of Energy Sector	183
85. Distribution of Electrical Energy Production over Sources of Energy	184
86. Trading Volume of Commodity Exchanges	185
87. Trading Volume of Commodity Exchanges by Selected Provinces and Districts	186
88. Number of Newly Founded, Closed, Capital Increasing and Winding up Companies and Cooperatives	187
89. Protested Bills and Bad Checks	187
90. Number of Departing Visitors and Arriving Citizens	188
91. Number of Foreign Visitors Departing Turkey by Nationality	189
92. Tourism Income and Expenditure Balance and Average Expenditures	190

93. Loan Allocated and Made Available to Tourism Industry by the Turkish Development Bank	191
94. Transportation Statistics	192
95. Rate of Enterprises Having Access to Internet in 2011	194
96. Rate of Employee Making Use of Internet by Enterprises in 2011	195
97. Purposes of Use by Enterprises Having Access to Internet of the Service in 2010	196
98. Rate of Enterprises Receiving/Issuing Goods/Service Purchase Orders on Electronic Media or Through the Web in 2010	196
99. Fixed Capital Investments	197
100. Rate of Sectors in Fixed Capital Investment	198
101. Building Surface Areas by Construction Permits and Intended Purpose of Use of the Building	200
102. Building Surface Areas Per Occupancy Permits and Intended Purposes of Occupation	201
103. Investment Incentive Certificates by Sectors	202
104. Investment Incentive Certificates by Types	203
105. Investment Incentive Certificates by Regions	204
106. Distribution of Investment Incentive Certificates according to NUTS Level-2	206
107. Interest Rate Decisions of the Monetary Policies Council for the Term 2010	210
108. Money Supplies	211
109. Deposits at Saving Deposits Banks	213
110. Bank Loans	214
111. International Reserves	215
112. Central Bank Reserves and Import Coverage Ratio	216
113. Information on Bank, Branch and Working Staff in the Turkish Banking System	217
114. Marketable Security Issue Permits	218
115. Private Sector Marketable Security Issue Permits	220
116. Trading Volume in Secondary Markets	221
117. General State Revenues	222
118. General State Expenditures	223
119. Realization Central Government Budgets	224
120. Central Government Budget Revenues	226
121. Tax Burden and Tax Elasticity Coefficients	227
122. Central Government Budget Expenses	229
123. Balance of Funds	231
124. Financing Balance of Operational State Economic Enterprise	232
125. Public Sector Borrowing Requirement	233
126. Privatization Transactions	234
127. Total Debt Stock of the Central Government	236
128. Domestic Debt Stock	236
129. Maturity Composition and Annual Compound Real Interest of the Domestic Debt Stock	237

130. Foreign Exchange/Interest Composition of the Domestic Debt Stock	238
131. Distribution of Domestic Debt Stock by Lenders	239
132. Real Average Annual Rate of Return on Financial Investment Instruments	240
133. Gold Prices	241
134. Foreign Exchange Buying-Selling Auctions by the Central Bank	243
135. Annual Average Foreign Exchange Buying Rates	244
136. The Monthly Average Foreign Exchange Buying Rates by Years and Months	245
137. The Real Effective Foreign Exchange Rate Indices by Years and Months	246
138. Istanbul Stock Exchange	248
139. Deposit Interest Rates of " by Maturity	250
140. Foreign Trade Indicators	251
141. Exports by Sectors	253
142. Exports by Broad Economic Classification	253
143. The First Ten Chapters in Exports	254
144. Imports by Sectors	255
145. Imports by Broad Economic Classification	256
146. The First Ten Chapters in Imports	256
147. Foreign Trade Indicators according to by NUTS Level-1	257
148. Foreign Trade Indicators by Country Groups	259
149. Foreign Trade Indicators by Selected National and International Organisations and Countries	262
150. Top Ten Countries to which We Export Most	265
151. Top Ten Countries from which We Import Most	266
152. Foreign Trade with Neighbouring Countries	268
153. Balance of Payments	270
154. Actual Inflows of International Direct Investments	271
155. International Direct Investment Inflows by Economic Activities	272
156. International Direct Investment Inflows by Country Groups	274
157. Outstanding External Debt Stock	275
158. Long-Term Debts Received from Abroad by the Private Sector according to Sectors	278
159. Consumer Price Index by Main Expenditure Groups	280
160. Consumer Price Index by Special Coverage and Groups	283
161. Main Expenditure Groups Showing the Highest and Lowest Price Increases at Year-end according to NUTS Level-2	286
162. Producer Price Index by Sectors	287
163. Annual Average Industrial Turn-over and Industrial Order Indices by Main Industrial Groups	289
164. Annual Average Industrial Turn-over and Industrial Order Indices by Sub-sectors of the Manufacturing Industry	291
165. Industrial Employment Index by Economic Activities	292
166. Index of Hours Worked in Industry by Economic Activities	293
167. Productivity Per Hour Worked by Economic Activities	294
168. Gross Wage/Salary Index in Industry by Economic Activities	295

169. Labour Cost Index	296
170. Foreign Trade Index Rates of Change in 2011	298
171. Confidence Index by Sector, Sub-Indices and Rates of Change	299
172. Confidence Index Figures and Rates of Change for Sector-Based Trend Questions	302
173. Rates at which Enterprises Can Increase Their Activities against an Increase in Demand without Making any Change in their Existing Resources	303
174. Rates of Basic Factors Limiting Activities by Sectors	303
175. Volume Indices Per Capita	305
176. Price Level Indices for Selected Sub-categories of Goods and Services of Consumption in Turkey, by Purchasing Power Parity	307
177. Consumption Expenditure Price Levels on the basis of NUTS Level-2 by Purchasing Power Parity	309
178. Purchasing Power Parity at level of Main Expenditure Groups by NUTS Level-2	311
Figures	
27. Growth Rates of the Gross Domestic Product (according to 1998 Basic Prices)	139
28. Gross Domestic Product in Constant Prices (109 ¨)	141
29. Sectoral Distribution of the Gross Domestic Product (Current Prices)	143
30. Rates of Change in Plant Production by Years	148
31. Total Industrial Production Index by Months (2005=100)	175
32. Rates of Change in Industrial Production by Years	175
33. Distribution of Electrical Energy Production by Energy Sources and Years	184
34. Trading Volume of Commodity Exchanges by Years	185
35. Protested Bills and Bad Checks by Years	188
36. Tourism Income, Expenses and Net Revenues by Years	190
37. Computer Usage, Internet Access and Web Page Ownership Rate of Enterprises by Years	193
38. Ratio of Fixed Capital Investment Components in 2011	197
39. Construction Surface Area of the Buildings Receiving Construction Permits and Occupancy Permits by Years	200
40. Sectoral Distribution of Investment Incentives for the Term 2011	203
41. Regional Distribution of Fixed Capital Investments for the Term 2011	205
42. Money Supplies by Years	212
43. The Rate of ¨ Deposits and Foreign Exchange Deposits in the Deposit Banks	213
44. International Reserves	215
45. Permits for Issuing Public and Private Sector Securities by Years	219
46. Central Government Budget Realizations	225
47. Tax Burden	227
48. Tax Elasticity Coefficients	228
49. Total Debt Stock of the Central Government	237
50. Real Effective Foreign Exchange Rate Indices (1995=100)	247
51. Foreign Trade Indicators by Years	252
52. Proportion of Exports Coverage Imports by Years	252

53. Tourism Revenues and Worker Remittances by Years	269
54. Sectoral Distribution of International Direct Investment Inflows by Years	273
55. Distribution of International Direct Investment Inflows by Country Groups	273
56. Outstanding External Debt Stock	275
57. Distribution of the Outstanding External Debt Stock by Borrowers	276
58. CPI and PPI Monthly Rates of Change	281
59. Rates of Change in Consumer Price Index by Main Expenditure Groups (By Year-end)	282
60. Rates of Change in the Consumer Price Index Having Specified Coverage (by the End of Year)	284
61. Rates of Change in the Producer Price Index (by the End of Year)	288
62. Rates of Change in the Industrial Sector Producer Price Index (by the End of Year)	288
63. Rates of Change in Industrial Turnover and Order Indices	290
64. Rates of Change of Industrial Labour Input Indicators	292
65. Labour Cost Index by Years and Quarters	295
66. Foreign Trade Indices	298
67. Sectoral Confidence Indices by Months in 2011	300
68. Per Capita Gross Domestic Product Volume Indices in 2010	306
69. Consumption Expenditure Price Level Indices according to NUTS Level-2 by Purchasing Power Parity	308
70. Number of Municipalities by NUTS Level-2 in 2011	313
71. Ratio of Cultivated Land to Total Area of Tillage by NUTS Level-2 in 2011	313
72. Population Density in 2010 by NUTS Level-2	314
73. Gender Ratios in 2011 by NUTS Level-2	315
74. Rate of Male Labour Force Participation in 2010 by NUTS Level-2	316
75. Rate of Male Unemployment in 2010 by NUTS Level-2	316
76. Rate of Female Labour Force Participation in 2010 by NUTS Level-2	317
77. Rate of Female Unemployment in 2010 by NUTS Level-2	317
78. Per Capita Gross Value Added in 2010 by NUTS Level-2	318
79. Total Number of Enterprises in 2010 by NUTS Level-2	319
80. Foreign Trade Volume in 2011 by NUTS Level-2	319
81. Ratio of Basic Requirements Expenditures to Overall Expenditures in 2010 by NUTS Level-2	320
82. Annual Average Rates of Change in CPI in 2011 by NUTS Level-2	321
83. Average Number of Overnight Stays Performed by Citizens in 2011, at Temporary Accommodation Facilities Certified by Municipalities according to NUTS Level-2	321
84. Average Number of Overnight Stays Performed by Foreigners in 2011, according to NUTS Level-2 at Facilities Certified by Municipalities	322
85. Rate of Labour Force Participation in 2010 by NUTS Level-3	323
86. Rate of Unemployment in 2010 by NUTS Level-3	323
87. Number of Small and Medium Sized Enterprises in 2011 by NUTS Level-3	324
88. Proportion of Exports Coverage Imports in 2011 by NUTS Level-3	324

3. SOCIO-ECONOMIC INDICATORS

Tables

179. Selected Population Indicators by NUTS Level-1	328
180. City-Village Populations and Annual Growth Rates of Population	329
181. Migration Data by NUTS Level-3	332
182. Annual Population Growth Rate and Population Density by NUTS Level -3	333
183. Basic Fertility Indicators by NUTS Level-1	335
184. Gross and Net Schooling Ratios by Years of Education and Gender	336
185. Gross and Net Schooling Ratios by Gender according to NUTS Level-3	337
186. Domestic Labour Force Market Indicators for Non-Institutional Age 15+ Population by Gender	341
187. Labour Force Indicators of Non-Institutional Age 15+ Population in 2011 by Gender and NUTS Level-1	344
188. Proportional Distribution of Causes of Death by Gender	345
189. Adult and Infant Mortality Rates by Gender according to NUTS Level-1	346
190. Median Age by Gender and Years	346
191. Life Expectancy at Birth by Years	347
192. Sectoral Employment of Non-Institutional Population with 15+ Years of Age	349
193. Rates of Employment and Unemployment of Non-Institutional Population with 15+ Years of Age in 2011, by NUTS Level-1 and Gender	351
194. Sectors of Employment of Non-Institutional Age 15+ Population in 2011 by NUTS Level-1	353
195. Employment Status of Non-Institutional Age 15+ Population in 2011 by NUTS Level-1	355
196. Number of Workplaces and Workers Included in the Collective Labour Agreements	356
197. Strike Implementations	357
198. Developments in Workers' Wages within the Scope of the Collective Labour Agreement	357
199. Daily and Monthly Gross Minimum Wages as of Years	358
200. Nominal and Real Changes in Civil Servant Salaries	358

Figures

89. Urban and Rural Populations by Years	329
90. Rate of Labour Force Participation by Gender and Years	342
91. Rates of Unemployment by Years	343
92. Life Expectancy at Birth by Years	348
93. Employment of Non-Institutional Population with 15+ Years of Age in Agricultural and Non-Agricultural Sectors by Months	350
94. Sectoral Employment of Non-Institutional Population with 15+ Years of Age, by Years	350
95. Sectors of Employment of Non-Institutional Age 15+ Population in 2011 by Gender	354
96. Status at Work of Non-Institutional Age 15+ Population in 2011 by Gender	354

4. TARGETS AND REALIZATION STATUS

Tables

201. Gross Domestic Product and Sectoral Growth	362
202. Shares of Sectors within the Gross Domestic Product	363
203. Central Government Budget	364
204. Balance of Current Accounts	365
205. Labour Force Indicators	366
206. Forecasts of Different National and International Sources about Selected Indicators for the Period between 2012 and 2014	368

SYMBOLS AND ABBREVIATIONS

SYMBOLS

-	: Denotes magnitude nil
...	: Data not available
₺	: Turkish Lira
\$	: US Dollar
€	: Euro
m ²	: Square meter
m ³	: Cubic meter
Ha	: Hectare
Km ²	: Square kilometer
Sm ³	: Standard cubic meter, a value used to express volumetric space under standard temperature at 15 degrees Celsius and pressure of 1 atmosphere (Sm ³)
bbl	: Barrel (1 bbl=159 liters)
lb	: 1 lb=0.4536 Kg
MT	: Metric Ton
cts	: Cents
Year (X)=100	: It is the year taken as the basis for index studies
Share Ratio (S80/S20)	: This is a criteria to measure individual income distribution and it is the ratio of total equivalised income received by the 20% of persons with the highest income (top quintile) to that received by the 20% of persons with the lowest income (lowest quintile).
2010/'11	: The academic term between 2010 and 2011
000	: Represents value in thousands
000 000	: Represents value in millions
10 ⁹	: Represents value in billions
Person/Km ²	: Population Density
%	: Thousandth, Rate of increase, Rate

ABBREVIATIONS

ABPRS	: Address Based Population Registration System
ASEAN	: Association of South-East Asian Nations
BAT	: Banks Association of Turkey
BOTAŞ	: Petroleum Pipeline Corporation
BRSA	: Banking Regulation and Supervision Agency
BSEC	: Black Sea Economic Cooperation
CEUT	: Confederation of Employers' Unions of Turkey
CIS	: Commonwealth of Independent States
CiF	: Cost, Insurance and Freight
CMB	: Capital Market Board
CPI	: Consumer Price Index
ÇAYKUR	: General Directorate of Tea Enterprises
DBT	: Development Bank of Turkey
DIS	: Direct Income Support
ECO	: Economic Cooperation Organisation
EFTA	: European Free Trade Association
EMRA	: Energy Market Regulatory Authority
EU	: European Union
EUROSTAT	: European Union Statistics Office
FCD	: Foreign Currency Deposits
FoB	: Free on Board
GCI	: Global Competitiveness Index
GDP	: Gross Domestic Product
GDPCA	: General Directorate of Population and Citizenship Affairs
GEM	: Global Entrepreneur Monitor
HDE	: Human Development Index
IC	: Foreign Currency
IF	: Investment Fund
IIF	: International Institute of Finance
ILO	: International Labour Organisation
IMF	: International Monetary Fund
İMKB	: Istanbul Stock Exchange
KOSGEB	: Small and Medium Enterprises Development Organization
MD	: Ministry of Development
MDPI	: Multidimensional Poverty Index
MF	: Ministry of Finance
MİG's	: Main Industrial Group Classification
MLSS	: Ministry of Labour and Social Security
Nec	: Not elsewhere classified
NGO	: Non-Governmental Organisation
OECD	: Organisation for Economic Cooperation and Development

OIC	: Organization of Islamic Conference
OPEC	: Organization of the Oil Exporting Countries
PA	: Privatization Administration
PAEP	: Pre-Accession Economic Program
PPI	: Producer Price Index
PWA	: Public Waterworks Administration
RTSC	: Radio and Television Supreme Council
SDIF	: Savings Deposit Insurance Fund
SDR	: Special Drawing Right
SEE	: State Economic Enterprise
SIF	: Securities Investment Fund
SME	: Small and Medium Sized Enterprises
SSI	: Social Security Institution
TAMRA	: Tobacco and Alcohol Market Regulatory Authority
TCMB	: Central Bank of the Republic of Turkey
THY	: Turkish Airlines
TOBB	: Union of Chambers and Commodity Exchanges of Turkey
TUBITAK	: Scientific and Technical Research Council of Turkey
TURKSTAT	: Turkish Statistical Institute
UN	: The United Nations
UNDP	: United Nations Development Programme
USA	: United States of America
UT	: Under-Secretariat of Treasury of the Turkish Republic
WB	: World Bank
WPI	: Wholesale Price Index

EXPLANATIONS

In the “Economic Report” publication prepared annually by the TOBB, the important parameters, variables and views of Turkey have been chosen as indicators for the related year and are presented to the users at a national level. In this issue of “Economic Report” publication prepared for 2011, a rearrangement has been made according to the “Satisfaction Survey” administered over the web base, in relation to the preceding report. Acting from the thought that it would be insufficient to interpret the economic outlook, summary information and interpretations were presented for a very limited number of social variables.

An organisation was also made for the reference periods of the data in the 2011 Economic Report publication, which included the last three years, i.e. 2009, 2010 and 2011 for the main variables contained in the Report. However, since resultant data for the term 2011 for certain variables were not available on the publication date of this report, the reference periods were limited to 2008 and 2009, for these types of variables. Despite the fact that it is preferable to use longer year data in the time series analyses for some variables, it is possible to access data in an electronic medium from the websites of the related institutions/organizations and from the TOBB website.

The information on the Institution/Organization responsible for the related subjects within the scope of the Official Statistics Program was taken as the basis for all of the macro-economic and micro dimension statistics given in the report. For the related years, it focused on the figures and interpretations at the level of “rates of change” for the statistics given.

Within this scope, some concepts and definitions that are basic to the entire report have been presented below in summary. However, for these definitions given, it is possible to provide access from the websites of the related institutions/organisations, to the basic definitions and concepts for the related subject titles. Here, the “concepts” thought to be beneficial from the aspect of terminology have been presented.

Corporations: A corporation is a type of business undertaking that is convenient for operations realised with huge capital investments, which can be shared among an unlimited number of subscribers, where the original working capital is registered and shared pro-rata contributions of these subscribers therein, and overall corporate liabilities are only limited to and covering all owned assets. In Turkey, a corporation can be constituted with at least five partners. The founders may either be or any combination of natural persons and/or legal entities.

Building: A building is any independent structure comprising one or more rooms or other spaces, covered by a roof, enclosed with external walls or dividing walls which extend from the foundations to the roof, and intended for residential, agricultural, industrial, commercial, or cultural purposes.

Gross Schooling Ratio: It is the ratio of the total of those attending school at any level of education to the total population within the theoretical population. For example, the gross middle schooling ratio is calculated with the formula:

Gross Middle Schooling Ratio = [A/B] * 100

Where;

A: Number of students attending middle school,

B: Expresses the population between 11-13 years of age.

Current Price: The full, VAT inclusive price, payable in respect of goods and services, in time of the respective sale transactions.

CiF Price: The price of a good delivered or service supplied at a location within or to a resident of the importing country, before all taxes, dues and charges applicable to importation procedures, as well as inland trades and freight rates applicable within the importing country.

Sex Ratio: It is the expression of the percentage ratio of the male population to the female population.

The following formula is used to calculate this ratio:

Sex Ratio= (Male Population/Female Population)*100

Core Inflation: An indicator with high predictive power of inflation in future, by setting the inflationary trend, that helps creation of monetary policy. Core inflation means an increase in overall price levels, as a result of refinement of all temporary effects observed on prices.

Rate of Change: It is the expression as percentage of the difference between values for two specific periods. It is the rate of change between a value at the (X) level at a (t) previous time and (Y) the present-day value.

$[(X/Y) - 1] * 100$ formula is used for calculating this value.

Foreign Trade Deficit: A condition where imports is higher than exports.

Balance of Trade: Represents the difference between exports and imports at a certain period.

Foreign Trade Volume: Represents the total of export and import transactions realized by a country at a certain period.

Life Expectancy at Birth: It is the average number of years an infant is expected to live having been exposed to age-specific mortality rates at certain periods throughout his/her life.

Cultivated Farmland: Defines a piece of land or terrain, reserved and used for the purpose of growing, at seasonal or annual intervals, cereals and such plants as pulses, industrial crops, fodder crops, and etc.

Equivalence Scale: Coefficients that set forth how many adults are equal to the size of each household, under the hypothesis that the extra expenditures brought by every additional household member are not the same as the other individuals and that the consumptions of the individuals are also different due to a difference in age-gender of the household individuals.

Equivalent Individual: An approach that puts forth the actual size of households and how many equivalent individuals it corresponds, using the equivalence scale. This way, it is possible to make comparisons between households in different sizes and compositions (by numbers of adults and minors).

Operational Equipment: This term purports the production of certain goods and services, by combining together such resources as labour, manufacturing techniques, information networks or products.

FoB Price: The Price payable by the importer following the loading of goods on shipping vessels and payment of all exportation taxes as well as other taxes levied or imposed on each and every transaction, at the borders of the country of the exporter.

Food Poverty Rate: Rate of population with per capita food consumption and food poverty line.

Food Poverty Line: The cost of a food basket including nutrients sufficient enough to give minimum 2.100 calories of energy to an individual, daily, is defined as the “food poverty line”.

Enterprise: It is an organizational unit, which is the smallest resultant of the legal units in the production of goods and services and which has an certain autonomy on the subject of making decisions from the aspect of the use of existing resources, in particular.

Gini Coefficient: It is a criterion of inequality that shows the real level of distribution when compared with a hypothetical situation where an equal share from a distribution is received by everyone from income, consumption expenditures or from a similar variable. In this index that changes between a minimum of “0” and a maximum of “1”; 0 (zero) is absolute equality, whereas, 1 (one) shows the largest inequality possible to realize. As this coefficient reaches zero, it sets forth that the injustice in the distribution of income has decreased.

Relative Poverty: The state in individuals, of having a level of welfare below that defined for the society in average. By definition, those individuals or households with income and expenses remained below a certain threshold relative to the general level of the society, are called impoverished. It is possible to select level of consumption or income depending on purpose, in the scale of well-being.

Household: It is a group formed of one or several persons, whether or not they are related, who live in the same house or in a part of the same house, whose income and expenditures are not separate and who participate in the services and management of the household.

Household Disposable Income: It is the total of the activity incomes, such as salaries, wages, and daily wages, enterprise incomes obtained in specie or in kind of all the individuals of the household and of the non-activity incomes, such as real estate, securities and single-party transfers.

Household Consumption Expenditures: It is every type of expenditure as of the 12 main spending groups according to the Classification of Individual Consumption according to Purpose (COICOP) of the households within the survey month and includes all of the goods and services expenditures in the manner of single-party transfers and all kinds of goods and services obtained in the in kind form.

Exports: The sales of goods and services by people and entities resident in a country, to other countries.

Imports: The procurement of goods and services by people and entities resident in a country, from other countries.

Proportion of Exports Coverage Imports: The ratio of exports realised to 100 units of imports.

İMKB National 100 Index: Represents prices at closing of 1st and 2nd sessions of the Istanbul Stock Exchange.

Construction: It is a part of construction which is done at construction site or formed by mounting the available parts.

Employment: Any and all individuals at or above 15 years of age, pursuing economic activities or persevering involvement in a particular job or business, either as a wagger, stipendiary, casual jobber, employer or self-employed or unpaid family worker even for at least one hour as of any date taken as reference, in order to earn an income for living, whether income in cash or income in kind.

Labour Force: Comprises all employed persons and all unemployed.

Labour Force Participation Rate: Indicates the ratio of the labour force to non-institutional working age population.

Labour Cost Index: A nominal measure of the change in hourly cost of employing a wagger to an Employer, engaged in industrial, building construction and services sectors.

Unemployed: The unemployed comprises all persons 15 years of age and over who were not employed during the reference period had used at least one channel for seeking a job during the last three months and were available to start work within two weeks. Persons who have already found a job and will start to work within 3 months, or established his/her own job but were waiting to complete necessary documents to start work were also considered to be unemployed.

Employer: An employer is a person who employs at least one person in his field of activity.

Workplace: By definition, a business or an industrial unit that produces goods or perform services at a single physical location (like a factory, workshop, hairdresser's etc.). A workplace can be either a single, solitary unit or a combination of multiple work sites spread across different geographical boundaries or different industrial modes of engagement. The workplace is the match of EU's definition of local unit.

Self Employed: A self employed person is a person working in his own business by himself or together with unpaid family workers to obtain income in cash and or in kind.

Urban Areas: Settlements that have population equal to or above 20,001.

Urban Population Rate: It is the rate within the total population of the population living in settlement places having a population of 20,001 persons or more that was defined as an urban area at a specific date.

Rural Areas: Settlements that have population equal to or below 20,000.

Unlimited Company: Private firm (such as a sole proprietorship or general partnership) whose owner(s), partners, or stockholders accept personal and unlimited liability for its debts and obligations against creditors.

Limited Partnership: A type of company where the responsibilities of one or a few of the partners are unlimited to the company credits and where the responsibilities of the other partner or partners are limited to a specific capital, which is formed with the objective of operating under a trade name.

Non-Institutional Population: A demographic group of people, with daily living requirements met whether partly or as a whole at private or legal entities / organisations based on a legal arrangement, who act whether in part or as a whole according to the rules of the competent authority in their personal decisions and behavioural conduct, however, containing members who have the initiative of taking decisions about their personal expenditures.

Cohort: The group of people experiencing similar kinds of events at the same period of time. A birth generation is a group of infants born in the same period of time. The members of this generation will stay in the same age range, as they age throughout their life span. In the absence of any given determinant, a generation generally purports to a birth generation (age generation).

Cohort Components Method of Population Projections: The calculation of the size of a population in the forthcoming years, based on the age distribution in a given reference year, adopting assumptions regarding birth, mortality and immigration movements, which collectively form part of the demographic change. Calculations are carried out separately for each age generation. The generation components projection can also be used to reconstruct the population at times in the past.

Likert Scale: Based on the total of grading, this scale allows calculations with scores assigned to choices representing/denoting a grade.

Limited Liability Company: It is a type of company that restricts the responsibilities of the partners to the capital they commit to preserve and that has a specific capital and is formed by two or more real or juristic persons under a trade name. Limited liability companies can be founded for all kinds of legal economic activities other than banking and insurance. The number of partners cannot be less than two or more than fifty.

Median Age: It is the age of the person exactly in the middle when the persons forming a population are listed according to ages. Accordingly, half of the population is younger than this age and the other half are older than this age. It can be defined as the age that divides the population into two equal parts.

Satisfaction: The feeling of satisfaction arising from satisfied needs and demands.

Happiness: A state or mood characterised by presence of such feelings as joy, fun and satisfaction, instead of pain, grief and anguish, which do not exist at all, where the individual seems to be happy with life, in general.

Net Migration: The difference between **immigrant inflows** (of people coming to the related settlement from another settlement or abroad) and **emigrant outflows** (of people moving from the related settlement to another settlement or on abroad), in a specified period of time.

Net Schooling Ratio: The rate of the total of those attending school at any educational level and the real population in that age group. For example, the net primary schooling rate is calculated with the following formula:

Net Primary Schooling Rate= $[A (B+C-D)]*100$ Where;

A: Number of students attending primary school,

B: population in the 6-10 years of age group,

C: Number of students attending primary school excluding 6-10 years of age,

D: Number of students 6-10 years of age attending middle school.

Population Projections: The estimates about the future structure of the population, based on certain predictions on future trends of birth, death and migration flows.

Population Density: The number of people living per square kilometre.

Average Milk Yield: The average amount of milk obtained from a milking animal during a year.

Average Yield: Amount of crops obtained per unit area in a farmland.

Average Wool, Hair and Lint Yield: The average amount of wool, hair and lint obtained from shaving of an animal, in one year.

Cause of Death: The original condition or sickness which entails to or results in death.

Market Price: Prices applicable at a certain date, in the market place.

Real Gross Domestic Product: It is the value of the Gross Domestic Product transformed to a common currency by using the purchasing power parity. In this manner, the purchasing power of the currency of every country is made equal and consequently, it provides for comparing the real amounts of goods and services produced by countries.

Rate of Real Change: It becomes difficult to follow the real price trends in environments where there is inflation, since it affects the value and prices of all goods and services. It is a more correct approach technically to interpret the real value or the rates of real change in situations like these.

Real Value= $\{(1 + \text{Ratio of Related Variable}) / (1 + \text{Inflation Rate}) - 1\} * 100$ is the formula used to calculate this value.

Constant Price: The price of any given year, taken to eliminate the effects of price increases.

Fixed Capital Investment: It expresses the buildings, machinery, transport vehicles, vacant lots, office equipment and furnishing of the movable property type and extending their usable life-spans, changes that increase productivities, renovation and development activities and major repairs set aside as amortization share and whose use is for more than a year.

Health: The state and condition of being healthy in physical or mental terms.

Purchasing Power Parity: It is a rate that transforms different currency units, which provides the opportunity for equalizing the purchasing power of different currency units and for comparing the real prices and volumes in its international meaning.

Sectoral Confidence Index: Calculated by measuring the existing business loads and expectations for the next quarter of enterprises having industrial engagements in each sector of employment, through Monthly Workplace Tendencies Survey for construction, retail trades and services sectors, this index can take values in a range of 0 to 200, which, when gets above 100, is indicative of optimism for the current and upcoming periods for the sector being inferred, or, when falls below 100, is indicative of pessimism for the same periods and the same sector.

Free Zone: Special areas aiming at promoting international trades of goods and local production industry, by lifting up measures that are way outdated or no longer necessary and carried out beyond the customs boundaries, but within the political borders of a given country. Free Trade zones and free industrial zones are the most widely known types of free zones.

Classifications: Represent a single, yet, common language and encoding system used in gathering, processing and presentation of data in a harmonious manner. Classifications constitute an important factor affecting the quality of statistical data and allow comparison of existing statistical data and knowledge in economic, social and cultural areas, between countries.

Class: A titled/ heading used to denote a certain level taking part in the order of hierarchy, within a given system of classification. For example like part, section, group, class etc.

Unit of Classification: The most basic unit of sorting used for the purpose of classification. For instance, it may take the form of an organisation or enterprise, in classification of operation categories or individuals with six years of age and above, in case of educational classifications.

Standard Occupancy Permit: A permit the issue of which to building owners is necessary by municipal administrations within municipal borders or by governors outside the boundaries thereof (through City Civil Works and Inhabitation Departments), in respect of buildings the construction of which has been complete whether in part or as a whole, pursuant to section 30 of the 3194 numbered Law on Construction and Zoning.

Standard Building License: A permit the issue of which to building owners is necessary by municipal administrations within municipal borders or by governors outside the boundaries thereof (through Provincial Civil Works and Inhabitation Departments), in respect of buildings the construction of which has been complete whether in part or as a whole, pursuant to section 21 of the 3194 numbered Law on Construction and Zoning.

Agricultural Area (Cultivated Land): The total area comprised of both the land which is covered by vegetables, flowers, fruit trees and other similar long lasting plantation and fallow areas.

Base Year: Represents the period of time based on which a comparison is made for an index. Generally, an annual term is taken as the base year and the average value of index calculated for this period is 100.

Consumer Price Index: The variation in retail prices paid for consumer goods and services by a certain group of people in a given period of time.

Tourism Revenue: The income and earnings collectively gained through payments of international visitors paying visit to a country, for goods and services they receive /consume, in terms of consumption expenditures through international currency.

Tourism Expenditure: The expenditures and costs collectively made through payments of visitors paying visit to a country, for goods and services they receive /consume, in terms of consumption expenditures through international currency.

Consumer Confidence Index: In economics, consumer behaviours are pretty much of importance for both decision-makers and predictions concerning the future of economy. The optimism in consumer's trust may cause a rise in the tendency of borrowing, combined with desire to widen coverage of expenditures, resulting in the consumer's delimiting the extent and amount of expenditures in addition to rechecking financial capabilities. A Consumer Confidence Index higher than 100 generally denotes favourable conditions for confidence in customer, while a value below that level exhibits a pessimistic approach in consumer's confidence and when this value equals to 100, it means that consumer confidence is indeterminate, or, to put it in other words, not good or bad.

International Poverty Rates: The rate of poor populations in society with consumption rates remained below predefined poverty lines such as 1 \$, 2.15 \$ or 4,30 \$ per capita head individual per diem, according to the purchasing power parity.

Salary or Wage Earner: A salary or wage earner is a person employed by an employer against a remuneration income in cash or in kind.

Unpaid Family Workers: The unpaid family workers are household members employed in the family business without receiving a salary.

Producer Price: Represents the difference between the value redeemable by a producer from the purchaser, for one unit of goods or services produced by the same as an industrial output and all sorts of taxes including VAT, levied or imposable in future. All kinds of transport and freight charges as invoiced by the Manufacturer are outside the coverage of this term.

Producer Price Index: A measure of average changes in prices received by domestic producers for their output by comparing such output to producer's quoted prices over time, in a certain reference period.

Structure: Any fixed or moving facility, plant or premise placed and positioned or operated whether permanently or temporarily on any segment of terrain or in water, directly or indirectly connected to the ground including, but not limited to, public or private buildings and the like, roads, bridges, tunnels, airports, dams, fills, piers, harbours, towers, retaining walls, embracing walls and garden/courtyard surrounding walls, installations, facilities and infrastructure for the delivery and supply of water, sewer, gas, electricity, telecommunications, power plants and stations, power transmission and distribution lines, etc., any and all energy and communications infrastructure, facilities and installations as well as their attachments, and all the space above and below them all kinds in the construction, installation, plant, manufacturing, installation, modification, drilling, including strengthening and substantial repair, including construction job.

Structural Surface Area: The total usage area available within the external walls of a structure, excluding balconies, basement and loft sections, that can be occupied, across floors.

Age Dependency Ratio: The ratio of the total number of 65+ years old people and youth in an age range of 0 to 14, to the population with ages varying in a range of 15 to 64 years.

Age Dependency Ratio= $[(A+B)/C]*100$ is the formula generally used for calculating this value. Where;

A: Population in the 0-14 years of age group,

B: Population with 65 years of age or older,

C: Population between 15-64 years of age.

Casual Employee: A person who is depending upon employer not orderly and working seasonal and temporarily according to job.

Poverty Gap/Depth: The average shortfall of the total population from the poverty line.

Yearly Population Growth Rate: Yearly increase in population for every 1000 individuals, between two annual periods.

Poverty Rate: Rate of population with per capita food consumption retained below the poverty line.

Poverty Line: The threshold for individuals to gather food and non-food products and services as basic amenities, to sustain a living.

Severity of Poverty: A method that propounds weight upon households the overall consumption expenditures of which are relatively distant from the poverty line, due to a lack of coverage in

measurement of poverty gap, of changes in the intensity of poverty that exists. A notably superb aspect of this measure is that it allows for getting access to those persevering life at poverty extremes.

Quintile Groups: Represent a class in community, artificially set up to consist of 5 equal frequencies (the so called “quintiles”) in equal numbers, each class, after sorting household from smaller to higher values, according to monthly disposable income or overall consumption expenditure.

Chain Index: An index implemented with the renewal every year of the products included in the basket in the scope of the index calculated and the weights of these. In general, at the end of every year new items (products) are put into the basket and added to the index or the products that have lost importance are removed from the index and new products in their place are taken into account in the calculation of the index. For example, in the Laspeyres index, the index is calculated by dividing the new price reference period of the current prices by a previous December price, which is P_0 and a chain operation is made by multiplying the December index.. It can be formulated as follows:

$I = w * (P_i/P_0)$. Where, it expresses the;

I: Index,

W: Weights,

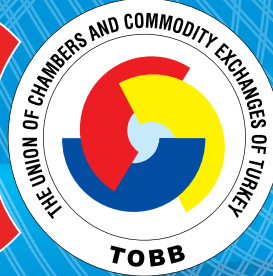
P_i : Current month prices,

P_0 : Basic year prices.

Visitor: Any person travelling to a place other than that of his/her usual environment for less than twelve months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited. This definition includes “Tourist” and “Same-day visitors”.

Note: Turkish Economic Report 2011 rankings are based on the term broadcasting.

6



years

CHAPTER I. AN OUTLOOK TO WORLD ECONOMY

OVERALL ASSESSMENT

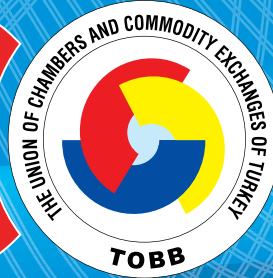
Following the global economic crisis that emerged in the final quarter of 2008 and negatively influenced financially all the world economies, a recovering trend emerged as of 2010, contributing to a favourable stance in growth rates, compared to figures of the preceding term. Especially sustainability of this recovering trend noted in economic growth during the first half of the year has become difficult, along with an increase in certain risks. The expansionist policies adopted and implemented for reviving economy in the aftermath of the global economic crisis have resulted in a boost in public debts, putting countries at unease, financially. As a direct outcome of the linkage of problems encountered in debt stock to the banking sector, especially EU member states were hit badly by the resultant situation. Besides, the massive earthquake hitting Japan from Tohoku epicentre on March 11, 2011, in a magnitude of 8,9 measured on Richter Scale and the tsunami coming thereafter have deeply moved the Asian territory, economically. Oil prices rouse tremendously in the aftermath of this natural disaster affecting the entire region. Moreover, the formation known as the Arab Spring in the Middle East Region caused immense civil commotion and rebels against governments, all contributing to a sharp rise in oil prices.

Despite the regression felt in growth rates of industrial states under the influence of financial odds occurring intensely in the EU member state economies by the second half of 2011, the economic developments in developing countries turned out to be more favourable. Particularly driven by the ever rising demand and consequently the rising prices, encountered has been an economic enlivening in Latin American countries, but, the growth took rather moderate stance in certain Asian economies, due to such factors as the persistent ambiguities about supply in exports of products originating from developed states and producers' election towards causing a reduction in stock quantities already retained in their possession. While the main point of observation focused around globally developing inflationary pressures in world's developing economies, especially the core inflation retained a high level, in these countries.

Another fact noticeable to plain eye through a review of the data supplied in IMF staff's "World Economic Outlook" report, incorporating results last updated in January, 2012, is that predictions regarding global growth were revised downwardly, in general. IMF draws a pessimistic picture concerning expectations for the forthcoming period, about global economy, in this updated report. Near the final quarter of 2012, warnings were spread across continents that a recession in global economy is very likely, together with the predicted adverse effects of the crisis encountered in the Euro Area on developing countries and countries under development, led by developed states. IMF enlists a number of precautionary measures that may be taken to cope up with these troubles as may occur during the forthcoming period. Most remarkable, among the measures listed, is the restitution of the environment of confidence, which was recently lost as a result of the

series of oddities encountered in markets, worldwide. For the purpose, the topmost concern seems to be relayed on causing a reduction in ever-increasing public debts, along with provision of more input to the market following the overcoming of the liquidity crisis. In the report, it is indicated that the most essential requirement for world's leading developed states to fulfil is adopting and implementing significant policies aimed at preventing recurrence of oddities encountered with the financial system in the medium run. In 2011, the delays and disruptions encountered by banking sector, in repayment of loans as a result of high public debt ratios at European Union (EU) countries are expected to have a shrinking effect on banking sector credit limits. Such shrinkage as may occur in credibility of banks during the upcoming period may create some odds in EU's leading economies. It is also considered as a salient need for emerging and developing economies to concentrate efforts around recovering the slowing domestic demand, while replenishing the external demand originating from developed economies.

6



years

I. AN OUTLOOK TO WORLD ECONOMY FROM A MACRO PERSPECTIVE

 67th 
general assembly 

1. AN OUTLOOK TO WORLD ECONOMY FROM A MACRO PERSPECTIVE

Following the crisis that occurred in the final quarter of 2008, laying deep impacts on global economy, the world economy entered in a downsizing stance in the first three quarters of 2009. The series of political measures taken to provide relief from the outcomes of the crisis have now started to inset, making 2010, a year with all growth figures turned positive. The world economy recorded a 5.8% growth in the first quarter of 2010, which rate gradually sloped down to 5.5% and fell to 3.7% in second and third quarters, respectively. In the final quarter of the year inferred, however, the growth rate moved forward by 1.0 point and yielded a figure of 4.7%. The growth rates at developed countries retained a lower level than those of the emerging and developing countries, throughout the year.

By the final quarter of 2010, the debt crisis which was broken out in Greece had major influence in the Euro Area, massively consisted of developed countries and has been the major cause of the subsequent low levels seen in growth rates. This fact alone served more widening of the gap between the developed and developing world. Especially those developing states struggling for alleviating their ever increasing public debts, lived prolonged times of hardship, in the area of banking, due to the deterioration in financial structure. Apart from this, the increasing unemployment rates led to deprivation in both economic and social aspects, bringing these countries face to face with the pressure created by rising inflation in economy.

By merger of 2011, even though predictions were towards a global growth in the upward direction, the downward facing tendency of risks shadowed these expectations, in a sense. According to the “World Economic Outlook” publication of the International Monetary Fund (IMF) in January, 2012, the global growth rate retrogressed to 3.8% in 2011, from baseline of 5.2% in 2010. The same report indicates that the global growth rate is expected to be 3.3% and 3.9%, for 2012 and 2013, respectively. In 2010, the growth rates realised at 3.2% in developed countries and 7.3% in emerging and developing countries, relatively declined to 1.6% and 6.2%, in 2011, respectively (See; Table 1, Figure 1). Under the global growth rate’s maintaining a lower level compared to 2010 lies a variety of factors such as in ability of central governments to put in practice and implement policies that are sufficiently effective and efficient financial and fiscal arrangements since 2010 to eliminate the adverse effects of the global crisis, shrinkage of domestic demand due to ambiguities and debt related problems suffer by European States and countries of the America.

Table 1. Economic Outlook at Level of Selected Variables

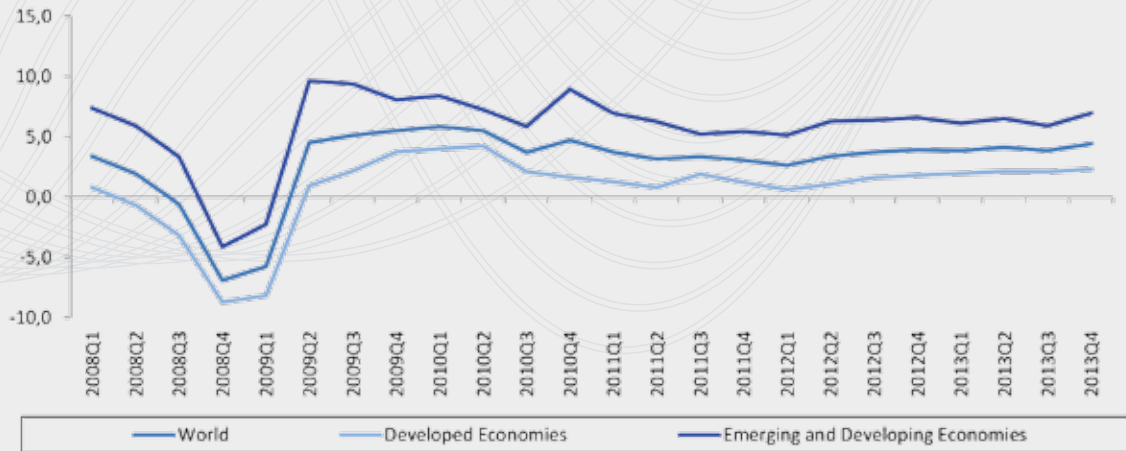
Country Groups ⁽¹⁾ , Countries, Categories	2009	2010	2011
	Rates of Growth in National Income		
Global production	-0.7	5.2	3.8
Developed economies	-3.7	3.2	1.6
USA	-3.5	3.0	1.8
Germany	-5.1	3.6	3.0
Japan	-6.3	4.4	-0.9
Canada	-2.8	3.2	2.3
Emerging and developing economies	2.8	7.3	6.2
China	9.2	10.4	9.2
India	6.8	9.9	7.4
ASEAN-5 ⁽²⁾	1.7	6.9	4.8
Mexico	-6.2	5.4	4.1
South Africa	-1.7	2.9	3.1
	Rate of Change in Commodity Prices (\$)		
Oil ⁽³⁾	-36,3	27,9	31,9
Non-fuel (average based on world commodity exports weights)	-15,7	26,3	17,7
	Consumer Price Index		
Developed economies	0.1	1.6	2.7
Emerging and developing economies ⁽⁴⁾	5.2	6.1	7.2
	LIBOR Interest Rate⁽⁵⁾		
US \$ based interest rates on deposits	1.1	0.5	0.5
Euro based interest rates on deposits	1.2	0.8	1.4
Japanese Yen based interest rates on deposits	0.7	0.4	0.4

Source: IMF, World Economic Outlook, January 2012.

- (1): These are the country groups used by IMF staff, which differ from classification of country groups of The Atlas of Economic Complexity, used in other sections of their publication titled Economic Report 2011.
For country group classification of IMF please refer to Annex 4.
- (2): Include Indonesia, Malaysia, Philippines, Thailand and Vietnam.
- (3): Represents the average crude oil prices at U.K. Brent, Dubai and West Texas Intermediate.
- (4): Approximately 80 % of emerging and developing national economies were taken into account in the forecasts and projects for the quarter.
- (5): London Interbank Offered Rate is the average interest rate estimated by leading banks in London that they would be charged if borrowing from other banks. It indicates semi-annual rates for USA and Japan, and quarterly rates for EU member states.

The most significant contribution to the global world has come from the developing economies as in the case for the preceding term while the developed countries remain to pose a fragile structure. Persistence of unemployment at high rates as a result of hardships encountered by developed countries in the field of employment, in combination with the newly emerging problems regarding the public debt stock, have been among the most notable factors recessing growth, in these countries. The main source of origin of economic depression of 2008, the USA being the homesteads of the mortgage market is still in a sense in a challenge against the various problems brought about by the recent crisis. With the crisis heating the globe, the real sector which has had suffered from oddities for along time kept continuing to draw an unstable picture while, the very loose demand for first hand (brand new, dwellings) versus the low interest rates in connection with property foreclosures have affected the market, badly. As a matter of fact the US Central Bank (FED) announced that these problems suffered by the housing sector would remain on national agenda for a longer period of time, pinpointing a prolonged process of recovery. Another problem of the country is the inflation. According to data supplied for month June this year it is obvious that core inflation rates have hit the climax showing the sharpest increase for the last five years. Besides, due to the landing problem the internation-

ally renowned rating organization standard and poor (S&P) lower the credit rating of the United States for the first time in history from AAA to AA+ which, caused earth thrill on the US soil for the economic reputation of the country. According to the announcement made by the S&P officials the alleviating effects of problems encountered in financial and economic life in the countries overall stability and predictability while was noted along with the statement of increasing budget deficits and debt load as the main reason of the lowering down of the credit rating for these country.



Source: IMF, World Economic Outlook, January 2012.

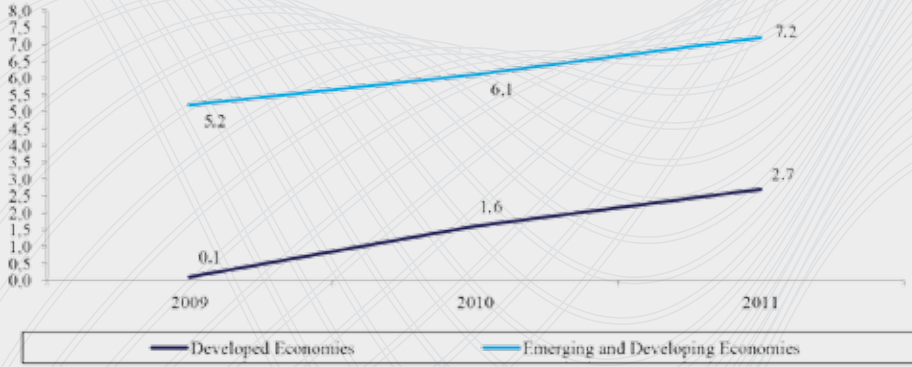
Figure 1. Growth Rates of Gross Domestic Product by Annual and Quarterly Periods

Japan, one of the world's most developed economies was hit by an earthquake in March 2011, with a magnitude of 8.9 according to Richter scale which deeply affected the national economy. The country had almost all of its infrastructure systems and networks especially suffering a great loss in his energy sector as a result of the tsunami that came right after the earthquake. With the investor public's preference over relatively safer instruments the deals in the national exchanges of the country and the world reduced dramatically. There had been a drop in the prices of commodities attributable to expectations of reduced global demand, but, these retained a certain level. The problems suffered in the country have had their reflections in the countries national revenue figures as well, causing a negative change in the growth rate figures of the country throughout the initial 3 quarters of 2011 which shifted in a positive direction as a development in terms of national income forthwith upon the general recovery of the country in the last quarter. While the national growth rate was realized as %9.0 as at the end of 2011 this can be translated a negative growth in the national economy of the country from 2009 afterwards.

The debt crisis which was spread over the EU Member states by the second quarter of 2010 has gained a buoyant magnitude in the year 2011. In the core of the crisis suffered lies the economic depression which infected the entire world shortly after its origination in US, 2008. Following this crisis, a shrinkage at a rate of 4.3% occurred in the EURO AREA in 2009, while this area was bound by a severe amount of debt. The crisis spread fast across countries of the European continent, due to the single and common use of Euro as the sole unit of currency among the member states putting financial policies elaborated

by State governments on the agenda of hot debates in favour of the general public.

The debt crisis in the Euro area has occurred in Greece towards the end of 2010. In an effort to finance it Greece called the European Community for help, which request was responded by a recovery package which was publicly announced on May 10, 2010. The government officials indicated that a budget of EUR 110 billion was reserved for the exclusive use of Greece, as part of the recovery package jointly prepared with IMF. Due to the structural partnerships of neighbouring economies, problems persisting in the areas of public administration and banking also jumped to such other countries as Ireland, Portugal, Iceland, Spain and Italy. This was followed by the official requests of help made by the Irish and Portuguese governments on 28 November 2010 and 6 April 2011, which were duly responded by a financial support of EUR 85.109 for Ireland and EUR 78.109 for Portugal, respectively, under a joint financing facility of EU and IMF. Although strict policies were enacted and introduced to cover all of his fiscal and financial aspects as a major taken against economic drawbacks in Greece, the economic problems resulted in a number of community-wide disturbances in the country. The debt crisis also had negative outcomes in terms of prices of goods and services. In the first quarter of 2011, prices of such commodities as precious metals, Oil and agricultural crops entered an increasing trend in both developed and developing countries which resulted in an eventual rise in the inflation rates applicable to consumer prices. Furthermore, proportionately high inclinations were observed during the first month of the year in energy and food prices of the developed countries while the pressure formed towards this demand had a levering effect on inflation rates, in the case of developing countries. With a view by conjuncture of year 2011, notice should be drawn to the rising trend in oil and non-fuel product prices, which proved to be at 31.9% and 17.7% respectively. According to IMF's "World Economic Outlook" report for January, 2012, the consumer prices were realised at a rate of 2.7% in developed countries and 7.2%, at emerging and developing economies of the world, during 2011 (See; Table 1, Figure 2). During 2012, on the other hand, this rate is expected to recede to 1.3% in developed economies and to 5.5% in emerging and developing economies. Forecasts tend to predict a 2.3% rise in the yearly inflation rate, in the Euro Area, after passing a full troublesome year, due to the debt crisis. In 2011, the environment required for employment could not have been achieved due to economic instabilities and prolonged crisis situations suffered worldwide, led, particularly, by those in Euro Area, as a result of which rates of unemployment showed a significant increase. Unemployment, which leaps out as an economic and social problem, retains a level of 9.9% in Euro Area and 7.9% in developed economies, in 2011. The countries of Euro Area gathered in Brussels on October 26th, 2011, with a view to elaborate concrete solutions for the debt crisis, as the main cause of economic instabilities in the Area and during the meeting, their assigned delegations submitted a number of proposals on such topics as restructuring of confidence in the banking sector, which was deleted throughout the term of crisis, simplifying access by banks to community funds and setting up and implementation of structural reforms aimed at improving public finances in all member states.



Source: IMF, World Economic Outlook, January 2012.

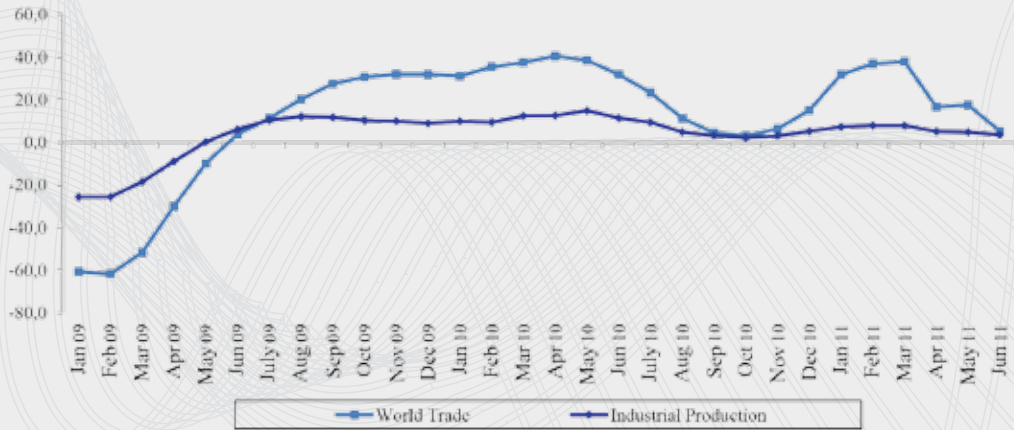
Figure 2. Rates of Change in Consumer Price Index for Advanced and Developing Economies by Years

Influenced mostly by the global economic crisis of 2008, the world trade volume that fall below zero in 2009 has re-entered a rising trend with a push of positive ambience in markets during 2010, but receded again in 2011 especially with the deepening of the debt crisis in Euro area and the subsequent hardships realized by these countries in payments. With a world trade volume rate of change falling at 6.9% in 2011 the resultant levels have been realized at 5.5% in developed economies and 9.0% in emerging and developing economies for exports while the same figures for imports receded to 4.8% and 11.3% respectively in developed economies and emerging and developing economies (See also; Table 2, Figure 3).

Table 2. World Trade Volume Rates of Change

Components	2009	2010	2011
World trade volume (Trades of goods and services)	-10.7	12.7	6.9
Exports			
Developed economies	-11.9	12.2	5.5
Emerging and developing economies	-7.7	13.8	9.0
Imports			
Developed economies	-12.4	11.5	4.8
Emerging and developing economies	-8.0	15.0	11.3

Source: IMF, World Economic Outlook, January 2012.



Source: IMF, World Economic Outlook, September 2011.

Figure 3. Global Industrial Production and Rates of Changes in World Trade by Years and Months (Annualised with Quarterly Changes)

1.1 Economic Indicators for Selected Countries

In this sub-section included will be evaluations and assessments with respect to selected countries under a variety of headings for both economic and social aspects. The countries taken to these assessments have been identified by a selection made based on the country classifications given in the publication title ‘The Atlas of Economic Complexity (AEC)’ the Harvard University International Centre for development. Selection was made to cover the top three countries in each country grouping based on the ‘Economy Complexity Index (ECI)’ included in the AEC and the results of the analysis performed were presented in the report excluding exceptional cases¹.

1.1.1 Economic Complexity Index

The ECI which is based upon the production diversity of countries from an economic point of view intends to establish a linear relationship between the diversity of product types manufactured in a country and national income of that country and the time reference has been taken as the period between 1968 and 2008 for products of countries cover by this section.

The ECI results, when analysed in selected countries for the term 2008, reveal that Japan from East Asia and Pacific region is the country yielding the highest value as 2.316 thanks to its technological product diversity. Japan is followed by Germany, Switzerland and Sweden from the Western Europe region with ECI values of 1.985, 1.935, and 1.859, respectively. While the list ranks USA a country of North America and one of the biggest economies of the world as 13th with a figure of 1.447, while Turkey is shown at the 43rd line with an index value of 0.444. Speaking generally those countries having superior

¹ China, Indonesia, Malaysia; the Philippines, Thailand, Cambodia and Vietnam that fall outside the coverage of countries included in the ‘south Asia’ Group as well as the top three countries of the ‘East Asia and Pacific’ group under AEC have been brought together under the group titled ‘recently developing selected countries’. For this reason, not any separate inclusion has been made for the ‘South Asia’ group for avoidance of repetition. Ten countries from the East Asia and the Pacific group and three countries from the remainder of groups, totally making 30, were taken under evaluation in the economic report (ER) for 2011. Also included among these countries, Turkey has been taken under a special assessment despite her ranking 16th from the aspect of ECI in the ‘East Asia’ and the ‘Middle Asia’ group.

technological capabilities and realizing the domestic and international trading of their production possess high index values in terms of economic complexity. Japan and Germany, for instance, are mass exporters whose income mostly relies upon products sold to international markets in addition to the fact that they rank among the first in terms of product ranges and complexity.

Those countries yielding negative values in terms of ECI are generally under developed or emerging economies. On the list, these countries are shown to fall within Sub-Saharan Africa and Asia regions. While Cambodia seems to be at the bottom of the list with an ECI value of -0.702 among the selected countries, it is followed by Pakistan with an index value of -0.398 and Kenya with an index value of -0.276.

By a comparison of values of GDP per capita for the term 2009 in selected countries, the list ranks Japan on 17th row with US \$ 39,738, Germany from the Western Europe on 16th row with US \$ 40,670, Switzerland on the 3rd row with US \$ 63,629 and finally Sweden on the 13th row with US \$ 43,654. These results are clearly affirmative of the positive relationship between diversity of production and the national income. It is possible for one to state that countries with high GDP per capita values are rich in terms of product complexity. Note that Cambodia ranks 117th with US \$ 706, among countries with lowest ECI index values and that this country is preceded by Pakistan at 111th row with US \$ 955 and Kenya at 115th row with US \$ 738. The closer the absolute value of the difference between row numbers at which countries are listed according to the GDP per capita and ECI values gets towards 0, the more stable structure the countries unveil in both respects. Countries that fall within the group defined above are Switzerland of the Western Europe group of countries and Namibia of the Sub Saharan country grouping.

Turkey, on the other hand, ranks the 43rd among 128 countries according to the ECI values but steps back towards 47th row in the listing for GDP per capita values yielding a difference between the row numbers in both listings in terms of absolute value of 4 (Please refer to Table 3).

Table 3. Index of Economic Diversity by Countries

Region	Country	Economic Complexity Index (ECI)				
		Row No. according to ECI Listing for term 2008	ECI Value for term 2008	Row No. according to GDP Per Capita for the term 2009 (\$)	GDP Per Capita for the term 2009 (\$)	Difference between row numbers (GDP Per Capita - ECI)
East Asia and Pacific	Japan	1	2.316	17	39,738	16
	Singapore	7	1.639	19	36,537	12
	Republic of Korea	12	1.469	30	17,078	18
Western Europe	Germany	2	1.985	16	40,670	14
	Switzerland	3	1.935	3	63,629	0
	Sweden	4	1.859	13	43,654	9
Eastern Europe and Central Asia	Czech Republic	8	1.628	29	18,139	21
	Slovenia	10	1.523	27	23,726	17
	Turkey	43	0.444	47	8,215	4
North America	USA	13	1.447	9	45,989	-4
	Canada	41	0.571	18	39,599	-23
Middle East and Northern Africa	Israel	19	1.164	26	26,256	7
	Lebanon	44	0.403	48	8,175	4
	Jordan	45	0.325	73	4,216	28
Latin America and The Caribbean	Mexico	20	1.145	49	8,143	29
	Panama	30	0.831	54	7,155	24
	Costa Rica	49	0.278	58	6,386	9
Sub-Saharan Africa	Republic of South Africa	55	0.131	61	5,786	6
	Namibia	72	-0.271	72	4,267	0
	Kenya	73	-0.276	115	738	42
Recently Developing Selected Countries ⁽¹⁾	China	29	0.894	81	3,744	52
	Indonesia	61	-0.007	89	2,349	28
	Malaysia	34	0.759	55	7,030	21
	The Philippines	59	0.032	95	1,752	36
	Thailand	31	0.814	78	3,893	47
	Cambodia	98	-0.702	117	706	19
	Vietnam	67	-0.181	105	1,113	38
	India ⁽²⁾	51	0.247	99	1,192	48
	Sri Lanka ⁽²⁾	71	-0.265	92	2,068	21
Pakistan ⁽²⁾	82	-0.398	111	955	29	

Source: The Atlas of Economic Complexity, 2011.

(1): A selected group of recently developing Asian countries is included.

(2): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

PS: All countries in country groupings included in the AEC publication can be accessed from Appendix 5.

An examination of the above table shows that Thailand has been the country which had shown the greatest change which is 1.484 in positive manner in ECI figures between 1964 and 2008 for the selected countries and this was followed by Malaysia on the 2nd row with a rate of change of 1.429 and Singapore with a change of 1.049 placed in the 3rd row. A review of value variations in this decade or another words between 2008 and 1998 reveals that the country showing the highest rate of change in positive directions

in terms of index values among the selected countries has been Panama with a value of 0.961; it being followed by Kenya and Costa Rica with figures of 0.844 and 0.818. It can be concluded for both reference periods that countries with highest rate of change in the direction of growth in terms of ECI have been under developed and developing countries (Please refer to Table 4 below).

Table 4. Rates of Change the Index of Economic Diversity between 1964 and 2008

Region	Country	Change in Economic Complexity Index									
		1964	1968	1978	1988	1998	2008	Difference in ECI Value (2008-1964)	Ranking of Difference in ECI Value (2008-1964)	Difference in ECI Value (2008-1998)	Ranking of Difference in ECI Value (2008-1998)
East Asia and Pacific	Japan	1.870	1.930	1.490	2.110	2.210	2.316	0.446	17	0.106	57
	Singapore	0.590	0.570	0.660	0.840	1.220	1.639	1.049	4	0.419	24
	Republic of Korea	1.040	0.970	0.890	0.930	0.940	1.469	0.429	18	0.529	19
Western Europe	Germany ⁽¹⁾	-	-	-	-	2.180	1.985	-	-	-0.195	82
	Switzerland	2.040	1.890	1.440	1.900	2.080	1.935	-0.105	51	-0.145	78
	Sweden	2.000	1.880	1.460	2.020	2.030	1.859	-0.141	53	-0.171	79
Eastern Europe and Central Asia	Czech Republic ⁽¹⁾	-	-	-	-	1.520	1.628	-	-	0.108	59
	Slovenia ⁽¹⁾	-	-	-	-	1.430	1.523	-	-	0.093	60
North America	Turkey	-0.350	-0.490	0.310	0.380	0.280	0.444	0.794	10	0.164	53
	USA	1.780	1.760	1.350	1.580	1.810	1.447	-0.333	72	-0.363	99
Middle East and Northern Africa	Canada	1.020	1.040	1.060	0.970	1.020	0.571	-0.449	82	-0.449	107
	Israel	1.040	0.780	0.950	1.180	1.240	1.164	0.124	38	-0.076	73
Latin America and The Caribbean	Lebanon	0.110	0.860	0.530	0.350	0.080	0.403	0.293	21	0.323	37
	Jordan	0.580	0.820	1.030	0.420	0.430	0.325	-0.255	64	-0.105	75
Sub-Saharan Africa	Mexico	0.390	0.240	0.740	0.800	0.800	1.145	0.755	12	0.345	30
	Panama	1.020	1.140	0.030	0.300	-0.130	0.831	-0.189	57	0.961	2
Recently Developing Selected Countries ⁽³⁾	Costa Rica	0.220	0.630	-0.040	-0.440	-0.540	0.278	0.058	41	0.818	4
	Republic of South Africa	-0.020	-0.200	0.220	0.130	0.410	0.131	0.151	32	-0.279	91
Recently Developing Selected Countries ⁽³⁾	Namibia ⁽²⁾	-	-	-	-	-	-0.271	-	-	-	-
	Kenya	-0.840	-0.680	0.150	-0.870	-1.120	-0.276	0.564	14	0.844	3
Recently Developing Selected Countries ⁽³⁾	China	0.740	0.750	0.570	0.400	0.330	0.894	0.154	31	0.564	16
	Indonesia	-1.040	-1.040	-0.890	-0.620	-0.190	-0.007	1.033	5	0.183	51
Recently Developing Selected Countries ⁽³⁾	Malaysia	-0.670	-0.490	-0.020	0.020	0.480	0.759	1.429	3	0.279	43
	The Philippines	-0.460	-0.180	0.250	-0.150	-0.310	0.032	0.492	15	0.342	32
Recently Developing Selected Countries ⁽³⁾	Thailand	-0.670	-0.610	0.140	0.090	0.170	0.814	1.484	2	0.644	11
	Cambodia	-0.710	-1.060	0.090	-0.820	-1.190	-0.702	0.008	47	0.488	20
Recently Developing Selected Countries ⁽³⁾	Vietnam	-0.400	-0.020	0.020	-0.600	-0.590	-0.181	0.219	28	0.409	25
	India ⁽⁴⁾	0.120	0.290	0.400	0.190	0.210	0.247	0.127	37	0.037	63
Recently Developing Selected Countries ⁽³⁾	Sri Lanka ⁽⁴⁾	-0.730	-0.890	-0.150	-0.470	-0.640	-0.265	0.465	16	0.375	27
	Pakistan ⁽⁴⁾	-0.060	-0.120	0.190	-0.490	-0.720	-0.398	-0.338	73	0.322	34

Kaynak: The Atlas of Economic Complexity, 2011.

(1): 1998 yılında kapsama alındığı için 1964-1988 yılları arası veriler mevcut değildir.

(2): 2008 yılında kapsama alındığı için 1964-1998 yılları arası veriler mevcut değildir.

(3): Son dönemde büyüme gösteren Asya ülkelerinden seçilmiş olanlara yer verilmiştir.

(4): Güney Asya bölgesinde yer alan bu ülkeler, son dönemde büyüme gösterdiği için bu kategoride değerlendirilip tabloda ayrıca Güney Asya başlığı açılmamıştır.

According to AEC's expected GDP forecasts for the term 2020, the GDP and GDP per capita figures and expected GDP growth seem to be at Kenya with 6.10%, for the period between 2009 and 2020. Kenya ranks the 2nd, among 128 countries covered by the analysis, with this rate of it's. India is the close chaser of Kenya, with an expected GDP growth of 5.51%, coming right after this country, while grabbing the 8th place in the

overall listing. It is followed by Jordan occupying the third row, which is predicted to get to the 11th row on the listing (Please refer to Table 5).

Table 5. Expected Growth of Gross National Product until 2020

Region	Country	Ranking Per Expected Growth in GDP	Growth in GDP (2009-2020)	Growth in GDP (1998-2008)	Expected Population Growth Rate (%)
East Asia and Pacific	Japan	102	2.57	1.1	-14
	Singapore	66	3.27	4.1	96
	Republic of Korea	56	3.42	4.8	33
Western Europe	Germany	118	2.17	1.5	-16
	Switzerland	120	2.13	1.3	36
	Sweden	100	2.61	2.5	57
Eastern Europe and Central Asia	Czech Republic	60	3.35	3.8	23
	Slovenia	83	2.90	4.2	18
	Turkey	40	3.88	2.4	105
North America	USA	88	2.84	1.6	83
	Canada	103	2.56	1.9	89
Middle East and Northern Africa	Israel	37	4.03	1.8	157
	Lebanon	47	3.71	2.3	66
	Jordan	11	5.18	3.9	176
Latin America and The Caribbean	Mexico	22	4.56	1.8	105
	Panama	13	4.97	4.0	139
	Costa Rica	34	4.21	3.0	124
Sub-Saharan Africa	Republic of South Africa	58	3.37	2.5	48
	Namibia	35	4.15	2.7	159
	Kenya	2	6.10	0.9	264
Recently Developing Selected Countries ⁽¹⁾	China	20	4.66	9.4	34
	Indonesia	32	4.22	3.4	91
	Malaysia	15	4.83	3.5	151
	The Philippines	12	5.14	2.8	164
	Thailand	25	4.47	3.8	42
	Cambodia	41	3.84	7.6	118
	Vietnam	27	4.41	5.9	93
	India ⁽²⁾	8	5.51	5.4	125
	Sri Lanka ⁽²⁾	49	3.66	4.1	69
	Pakistan ⁽²⁾	18	4.80	2.2	169

Source: The Atlas of Economic Complexity, 2011.

(1): A selected group of recently developing Asian countries is included.

(2): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

Looking up at the expected GDP per capita growth forecasts for the period between 2009 and 2020, China appears to grasp the first place with 4.32% and is followed by India with 4.26% and Thailand with 4.05%, in respective order. In the meanwhile, USA ranks the 91th with 2.01% and Turkey, the 43th with 2.83%, among the 128 countries inferred. A pandemic interpretation of these data drives one to conclude that emerging countries would make a jump towards production in 2020. Based on the GDP per capita forecasts

for the term 2020, it is predicted that China would be the longest jumper, climbing up in the list by 11 rows at a time, in 2020. China, being placed on the 81st row with a GDP per capita figure of US \$ 3,744 in 2009, is predicted to hit the 70th rank in the list, improving this figure by US \$ 2,218 and subsequently yielding US \$ 5,962, as of 2020. Predictions also reach at a consensus on the possibility that the places and positions represented with the ranking numbers on the list, of Singapore, Republic of Korea, Czech Republic, Slovenia, Turkey, USA, Canada, Israel and Namibia would remain unchanged, among the 128 countries of coverage. Furthermore, it is foreseen that the highest GDP per capita figure among the selected countries would belong to Switzerland, with US \$ 77,233 in 2020, similar to the situation for 2009, and the lowest figures be once again attained by Cambodia with US \$ 942, in terms of GDP per capita.

Table 6. Expected Growth in Per Capita National Income for the Term 2020

Region	Country	Expected GDP Per Capita Growth to 2020						
		Ranking Expected GDP Per capita Growth to 2020	Expected GDP Per Capita Growth (2009-2020)	Expected Ranking GDP Per Capita Growth (1999-2009)	Ranking GDP Per Capita Growth in 2009	GDP Per Capita in 2009 (\$)	Ranking GDP Per Capita Growth in 2020	Expected GDP Per Capita in 2020 (\$)
East Asia and Pacific	Japan	50	2.71	0.6	17	39,738	14	53,304
	Singapore	68	2.30	3.1	19	36,537	19	46,943
	Republic of Korea	28	3.09	3.9	30	17,078	30	23,866
Western Europe	Germany	67	2.34	0.8	16	40,670	15	52,428
	Switzerland	100	1.78	0.9	3	63,629	2	77,233
	Sweden	87	2.04	1.5	13	43,654	12	54,522
Eastern Europe and Central Asia	Czech Republic	26	3.11	3.1	29	18,139	29	25,415
	Slovenia	49	2.72	2.7	27	23,726	27	31,881
	Turkey	43	2.83	2.3	47	8,215	47	11,168
North America	USA	91	2.01	0.8	9	45,989	9	57,260
	Canada	104	1.67	1.1	18	39,599	18	47,520
Middle East and Northern Africa	Israel	64	2.46	1.6	26	26,256	26	34,309
	Lebanon	33	3.05	3.3	48	8,175	46	11,373
	Jordan	14	3.42	3.7	73	4,216	68	6,101
Latin America and The Caribbean	Mexico	10	3.50	0.8	49	8,143	44	11,894
	Panama	9	3.58	3.9	54	7,155	51	10,529
	Costa Rica	38	2.97	2.1	58	6,386	56	8,807
Sub-Saharan Africa	Republic of South Africa	41	2.90	2.2	61	5,786	60	7,920
	Namibia	60	2.56	2.7	72	4,267	72	5,637
	Kenya	13	3.46	0.9	115	738	114	1,073
Recently Developing Selected Countries ⁽¹⁾	China	1	4.32	9.6	81	3,744	70	5,962
	Indonesia	21	3.32	3.8	89	2,349	86	3,363
	Malaysia	20	3.32	2.8	55	7,030	53	10,071
	The Philippines	11	3.50	2.6	95	1,752	93	2,560
	Thailand	3	4.05	3.1	78	3,893	69	6,023
	Cambodia	51	2.66	6.3	117	706	116	942
	Vietnam	12	3.48	6.0	105	1,113	99	1,622
	India ⁽²⁾	2	4.26	5.6	99	1,192	97	1,886
	Sri Lanka ⁽²⁾	37	2.97	4.1	92	2,068	91	2,852
	Pakistan ⁽²⁾	27	3.11	2.2	111	955	107	1,336

Source: The Atlas of Economic Complexity, 2011..

(1): A selected group of recently developing Asian countries is included.

(2): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

According to the forecasts concerning individual contributions of countries to the world economic growth till 2020, USA is predicted to be the prime contributor with a rate of 22.41%, while China would rank the 2nd with 14.21%, Japan rank the third with 7.11%, India the 4th with 3.88% and Germany the 5th with 3.88% (Please refer to Table 7).

Table 7. Projection of Contributions of Countries to World Economic Growth Until 2020

Region	Country	Ranking-Predicted Contribution to World GDP Growth to 2020	Predicted Contribution to World GDP Growth to 2020
East Asia and Pacific	Japan	3	7.11
	Singapore	43	0.34
	Republic of Korea	13	1.63
Western Europe	Germany	5	3.88
	Switzerland	27	0.56
	Sweden	25	0.58
Eastern Europe and Central Asia	Czech Republic	39	0.36
	Slovenia	78	0.08
	Turkey	15	1.41
North America	USA	1	22.41
	Canada	12	1.88
Middle East and Northern Africa	Israel	33	0.47
	Lebanon	80	0.07
	Jordan	73	0.08
Latin America and The Caribbean	Mexico	10	2.44
	Panama	79	0.08
	Costa Rica	81	0.07
Sub-Saharan Africa	Republic of South Africa	28	0.55
	Namibia	107	0.02
	Kenya	64	0.12
Recently Developing Selected Countries ⁽¹⁾	China	2	14.21
	Indonesia	16	1.37
	Malaysia	26	0.58
	The Philippines	30	0.53
	Thailand	21	0.71
	Cambodia	106	0.02
	Vietnam	49	0.26
	India ⁽²⁾	4	4.89
	Sri Lanka ⁽²⁾	70	0.09
	Pakistan ⁽²⁾	31	0.48

Source: The Atlas of Economic Complexity, 2011.

(1): A selected group of recently developing Asian countries is included.

(2): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

1.1.2 Global Competitiveness Index

The competitiveness has gradually become a major issue especially during the recent periods for world's globalising economies. It is a prerequisite, for countries, of attaining success and stability in an international sense, to make use of their national sources more effectively and efficiently and set up and implement adaptive policies by assuring resistivity at some certain major indicators, to be able to persevere especially during times of crisis and other similar turmoil, throughout which, the markets remain fragile.

The concept of competitiveness is a criterion that is related with the capability, in an economy, of producing goods and services that meet the market demand at both local and international levels, under liberated business and market conditions. At the present day, where globalisation in economic perspective takes precedence with utmost intensity, competitiveness serves as a measure of adaptability of countries to the new situation. This concept has recently become one of the top agenda items on many international platforms, led by the European Community. Lisbon Strategy, seen as an important development plan that sets out the general perspective of the European Community and meant as an instrument principally aiming at rebuilding the European economy, brings forth a number of criteria regarding competitiveness. At this end, the World Economic Forum draws up reports on competitiveness annually, which it subsequently shares with the public opinion. The "Global Competitiveness Index (GDI)" having been calculated since 2004 allows countries compare themselves with other countries on the international platform to identify their strengths and weaknesses and revise their policies under implementation and take and enforce newer and further decisions, accordingly.

A review of the GDI values for three separate terms between the period 2009 and 2011 reveals that Switzerland takes precedence over and above all other countries, in terms of competitiveness. In another way of speaking, Switzerland is in the position of the country which best fulfils the requisites of competitiveness. Of the 142 countries included in GDI calculations for the period 2011/2012, Switzerland takes the 2nd place, in order of precedence in terms of index values and is followed by Singapore in the 3rd place, Sweden in the 5th place, USA in the 6th place and Japan in the 9th place. While Pakistan takes the 118th place in the sorting of 142 selected countries, Kenya and Cambodia occupy the 102th and 97th places, respectively.

Our Country seems to have earned an index value of 4.3, placing it in the 59th place among the 142 countries covered, compared to a baseline of 61th place she earned with 4.2 index points, among 139 countries of the index listing made for the preceding year. Our Country has climbed up in the listing of index values for the period between 2011 and 2012 by 2 rows and despite inclusion of 3 new countries in the list, all by an increment of 0.1 points.

When a comparison is made between the rankings among 139 countries based on the GDI values for the term 2010/2011 and the rankings of countries among 142 countries according to GDI values for the term 2011/2012, the number of countries that climb up in the listing appears to be 13 (for selected countries). In this listing, the countries making the highest jumps are led by Sri Lanka and the Philippines, which moved upwards by 10

rows, followed by Mexico, which has moved up by 8 rows and Pakistan and Malaysia, which have moved up by 5 rows. The countries showing the worst performance in terms of GDI values for the term 2011/2012 include Slovenia which was demoted by 12 rows on the list, as well as Namibia, which fell back by 9 rows and Vietnam and Jordan, which were de-ranked by 6 positions backwards, on the list.

The Global Competitiveness Report embodies very interesting results also in evaluations made for determination of the most problematic 5 factors frequently encountered when doing business. There are profiles changing at country level for 7, out of a variety of factors included in the Global Competitiveness Report for the Selected Countries and rated as the most problematic by participants. “Tax rates” are specified to be the most problematic factor encountered when doing business in only 2, out of 30 countries including Turkey.

On top of the list of countries which lay proportionate precedence on “tax rates” among the most important concerns of doing business on the basis of countries, listed are our country with a rating of 15.4% and USA with a rating of 14.8%. The number of countries finding “unproductive government bureaucracy” among the concerns listed as the most important problem against a smooth course of business appears to be 17, among the selected countries. While Israel and Costa Rica takes precedence over countries which sees especially the “unproductive government bureaucracy” as the relatively most important problem when doing business in the first place on the ranking, they are followed by the Philippines with 18.3% and Canada with 17.7%, at 3rd and 4th positions, in respective order.

Germany is the one among selected countries that sees “tax legislation” as the second most important problem when doing business, with a rate of 18.1%. For the rest of the countries, “tax legislation” problem is not listed among the top priority concerns when doing business, in proportion.

The countries that treat “restrictive arrangements concerning labour” among problems encountered when doing business as the relatively the top concern are Germany with 20.7% and Sweden with 24.1%. Of the selected countries, only Japan draws notice on its most important problem as the “unstable policies” when doing business with a rate of 24.3%, which is followed by Pakistan with 11.2%. The top ranks among countries seeing “inflation” as the most important problem encountered when doing business belong to Singapore with 29.1%, Vietnam with 11.6% and China with 11.6%, in respective order.

The most important problem encountered when doing business in our country is believed to be “tax rates” by 15.4%, “unproductive government policies” by 14.0%, “tax legislation” by 10.3%, “exchange rate regulations” by 8.7%, “restrictive labour arrangements” by 7.8%, “unstable policies” by 7.3% and inflation by 1.2% of the population (Please refer to Table 8).

Table 8. Indicators Related with Global Competitiveness

Region	Country	Global Competitiveness Index (GCI)				Selected Few of the Most Problematic Factors Encountered When Doing Business									
		GCI 2011-2012 Ranking ⁽¹⁾	GCI 2010-2011 Score	GCI 2010-2011 Ranking ⁽²⁾	GCI 2009-2010 Ranking ⁽³⁾	GCI 2009-2010 Score	Tax Rates	Unproductive Government Bureaucracy	Tax Legislation	Forex Regulations	Restrictive Arrangements Concerning Labour Force	Unstable Policies	Inflation		
East Asia and Pacific	Japan	9	5.4	6	5.4	8	5.4	20.2	8.7	0.3	7.4	24.3	0.3		
	Singapore	2	5.6	3	5.5	3	5.5	7.0	3.7	2.8	16.8	0.7	29.1		
	Republic of Korea	24	5.0	22	4.9	19	5.0	4.9	7.4	3.2	9.3	16.7	6.9		
Western Europe	Germany	6	5.4	5	5.4	7	5.4	11.2	18.1	1.1	20.7	5.5	2.4		
	Switzerland	1	5.7	1	5.6	1	5.6	7.1	12.1	4.2	14.6	5.8	2.5		
	Sweden	3	5.6	2	5.6	4	5.5	22.0	9.8	2.1	24.1	5.6	1.6		
Eastern Europe and Central Asia	Czech Republic	38	4.5	36	4.6	31	4.7	7.8	9.7	2.2	8.2	9.2	1.3		
	Slovenia	57	4.3	45	4.4	37	4.6	13.6	13.0	0.3	14.5	2.1	1.2		
	Turkey	59	4.3	61	4.2	61	4.2	15.4	10.3	8.7	7.8	7.3	1.2		
North America	USA	5	5.4	4	5.4	2	5.6	14.8	10.9	1.9	5.4	5.7	9.8		
	Canada	12	5.3	10	5.3	9	5.3	12.9	10.0	2.1	7.2	8.5	3.3		
Middle East and Northern Africa	Israel	22	5.1	24	4.9	27	4.8	13.3	10.2	6.5	5.3	9.0	3.3		
	Lebanon	89	3.9	92	3.9	...	...	1.3	1.5	0.4	2.1	9.4	2.0
	Jordan	71	4.2	65	4.2	50	4.3	12.1	9.6	0.7	5.6	4.9	7.3		
	Mexico	58	4.3	66	4.2	60	4.2	5.0	10.3	0.6	9.0	3.7	1.1		
Latin America and The Caribbean	Panama	49	4.4	53	4.3	59	4.2	2.5	4.9	0.1	11.9	2.4	2.6		
	Costa Rica	61	4.3	56	4.3	55	4.2	5.2	8.9	4.2	6.1	0.8	5.5		
	Republic of South Africa	50	4.3	54	4.3	45	4.3	0.5	0.8	1.9	16.1	3.2	1.1		
Sub-Saharan Africa	Namibia	83	4.0	74	4.1	74	4.0	5.1	1.5	3.4	9.8	1.3	2.2		
	Kenya	102	3.8	106	3.6	98	3.7	10.1	1.9	2.7	3.3	3.8	7.6		
	China	26	4.9	27	4.8	29	4.7	6.9	6.4	3.8	4.5	9.9	11.6		
Recently Developing Selected Countries ⁽⁴⁾	Indonesia	46	4.4	44	4.4	54	4.3	4.2	6.0	2.3	3.6	7.4	6.1		
	Malaysia	21	5.1	26	4.9	24	4.9	4.0	2.9	4.0	5.5	10.4	8.3		
	The Philippines	75	4.1	85	4.0	87	3.9	5.7	5.6	0.5	4.6	7.9	2.0		
	Thailand	39	4.5	38	4.5	36	4.6	5.6	2.8	6.8	1.2	12.9	5.1		
	Cambodia	97	3.9	109	3.6	110	3.5	4.5	9.3	2.5	2.5	4.7	5.1		
	Vietnam	65	4.2	59	4.3	75	4.0	3.6	6.8	9.8	1.8	11.8	16.7		
	India ⁽⁵⁾	56	4.3	51	4.3	49	4.3	5.3	8.7	2.3	6.0	6.1	8.5		
	Sri Lanka ⁽⁵⁾	52	4.3	62	4.2	79	4.0	15.7	14.6	4.0	5.7	9.3	10.8		
	Pakistan ⁽⁵⁾	118	3.6	123	3.5	101	3.6	4.7	4.4	4.0	3.3	11.2	7.9		

Source: World Economic Forum, The Global Competitiveness Report, 2011-2012..

(1): The report covers 142 countries.

(2): The report covers 139 countries.

(3): The report covers 133 countries.

(4): A selected group of recently developing Asian countries is included.

(5): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

... Information not available.

1.1.3 Indicators for International Entrepreneurship

The purpose of Global Entrepreneurship Report 2011 published by the Global Entrepreneurship Monitor (GEM) consortium is, in the broadest sense of the word, to identify the level of entrepreneurship activities, assess the role of entrepreneurship in economic development and unveil the factors supporting the formation of entrepreneurship or causing differences between countries.

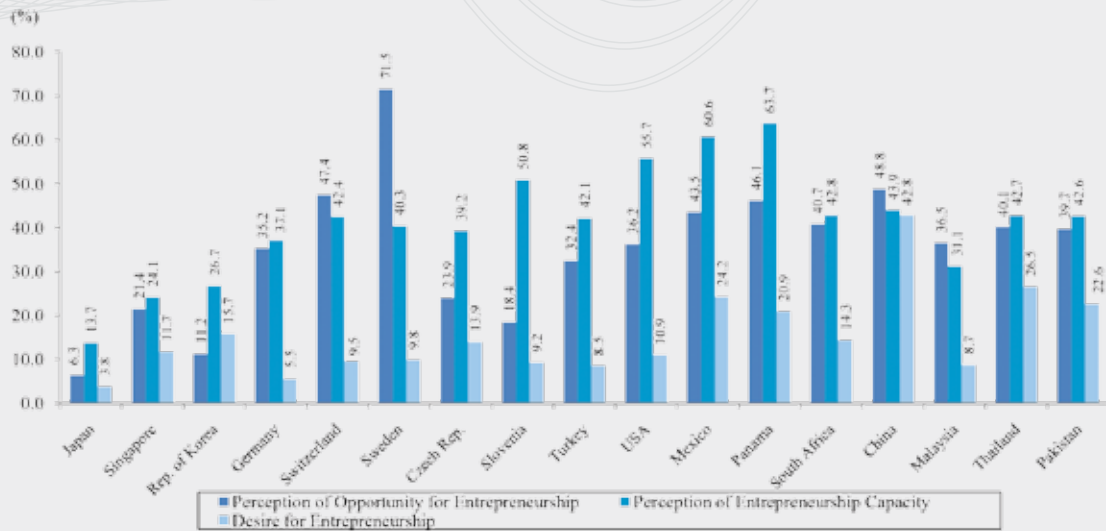
GEM, in their report of 2011, puts 54 economies under the magnifying glass for entrepreneurial activities conducted in various sectors. The potential entrepreneurs in these economies are thoroughly handled for a variety of aspects dependent upon intentions of starting a new business and, in case of entrepreneurs who have newly started a business, their conditions and capabilities of sustaining that business. The countries covered by this report are arranged in three separate categories, formed up in the Global Competitiveness Report of the World Economic Forum. Under the category of “Factor-driven economies”, there are 7 countries while there are 24 countries in the “Event-driven economies” category and 23 classified under the category of “Innovation-driven economies” (Please refer to Appendix 6). At certain parts of its reviews, however, the report has given inclusion to typical country groupings and countries as shown in Table 9 here.

Sweden appears to be the country with the highest perception of entrepreneurial opportunity, given its rating of 71.5%. Sweden’s closest chasers are China with a rating of 48.8% in the second, Switzerland with a rating of 47.4% in the third, Panama with a rating of 46.1% in the fourth and Mexico with a rating of 43.5% in the fifth places on the ranking. With an evaluation with reference to the group in which these top tiers are included, it is observed that three countries fall within the category of event-driven economies, while the remaining two are classified as innovation-driven economies. In selected countries with lowest perception of opportunity for entrepreneurship include Japan with 6.3%, the Republic of Korea with 11.2% and Slovenia with 18.4% of population matching this criterion. In our country, this rate reveals to be 32.4%.

Sweden, albeit having a very high value in terms of perception of entrepreneurial opportunity, achieves not so high, in perception of entrepreneurial capacity. This fact explains that entrepreneurs pursuing activities in Sweden find several opportunities for initial investment, but, only a certain part of them act fearless and fully exploit the same, knowing or assuming that not everyone, except themselves, can possibly have the capacities to fulfil the requirements of that investment environment. In the category of perception of entrepreneurial capacity among the selected countries, Panama turns out to be the highest performer with 63.7% and is chased by Mexico 60.6% and USA with 55.7%, on its tail, in competition. The bottommost three, meaning the lowest perceivers of this capacity, on the other hand, are Japan reported with a rate of 13.7%, Singapore with %24.1 and Republic of Korea with 26.7%, whereas Turkey has 42.1% perception of entrepreneurial capacity.

Apart from this, the entrepreneurial willingness purports the level or degree of willingness to become an entrepreneur during the forthcoming period of three years. The countries where this level or degree reveals to be the highest are China with 42.8%, Thailand with 26.5% and Mexico with 24.2% (Please refer to Figure 4). Accordingly, conclusion can

be drawn that the number of people qualifying themselves as entrepreneurs prospectively is higher in emerging and developing economies. Similarly, the rate of those considering Entrepreneurship as a Career Opportunity retains higher levels in these economies than in the rest of the world. This rate turns out to be at 73.4% in China and 79.1% in Thailand. This rate also remains pretty high, - i.e. at 78.3%, in Germany of the world's advanced economies. Media attention for entrepreneurship also counts as a significant indicator of nascent entrepreneurs. It is recently observed that media covers this subject intensively in the countries of the Far East. Countries with highest media attention and coverage on entrepreneurship have been Thailand at a rate of 84.0%, Singapore at 76.5%, China at 75.9% and Malaysia and Republic of South Africa, at 73.5%. Besides, the highest value the rate of newly emerging ventures gets is 12.0% in Panama and then 10.1% in China and 8.3% in Thailand and the USA, in subordination. The countries where new business ownership rates hit the climax, on the other hand, are China at 14.2% and Thailand at 12.2% (Please refer to Table 9).



Source: Global Entrepreneurship Monitor, 2011.

Figure 4. Entrepreneurship Indicators for Selected Countries

Pulling the looking glass over distribution of newly opened early stage ventures by age range on the basis of country groups retrieves a scenery, where young venturers falling in the age range of 25 to 34 years take the biggest slice of the cake in both factor and event driven economies and they are followed by entrepreneurs falling within the age range of 35 to 44 years. In the meanwhile, it is observed that entrepreneurs in the age range of 55 to 64 years perform the lowest in all three categories. The rate of younger entrepreneurs falling within the age range of 18 to 24 years, although performing a wee bit better than the former, still lies below that of the group of 45 to 54 years old venturers (Please refer to Figure 5).

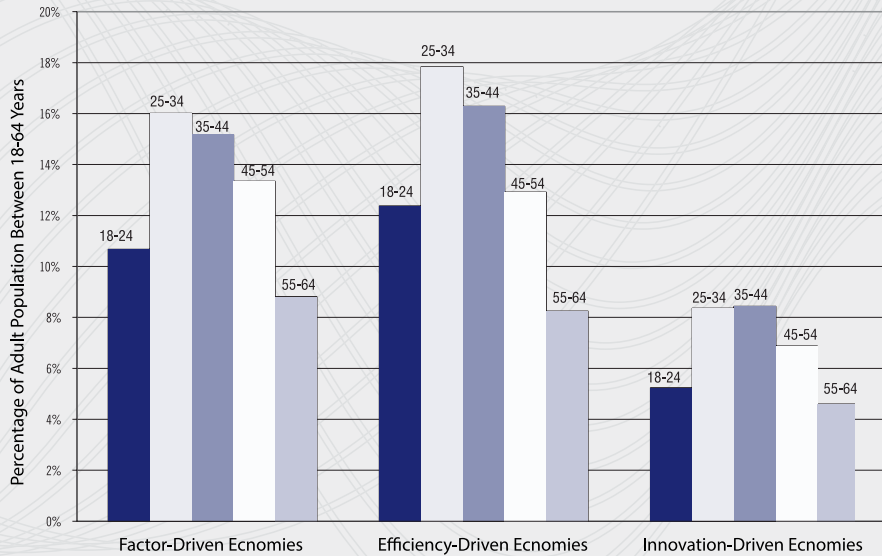
Table 9. Summary Indicators on Entrepreneurship for Selected Countries

(2011)

Region	Country ⁽¹⁾	Perception of Opportunity for Entrepreneurship	Perception of Entrepreneurship Capacity	Desire for Entrepreneurship ⁽²⁾	Rate of Those Considering Entrepreneurship as a Career Opportunity ⁽³⁾	Media attention for Entrepreneurship	Rate of Nascent Entrepreneurs	Rate of New Business Ownership
East Asia and Pacific	Japan	6.3	13.7	3.8	54.7	57.0	3.3	2.0
	Singapore	21.4	24.1	11.7	62.9	76.5	3.8	2.8
	Republic of Korea	11.2	26.7	15.7	67.2	62.2	2.9	5.1
Western Europe	Germany	35.2	37.1	5.5	78.3	49.7	3.4	2.4
	Switzerland	47.4	42.4	9.5	-	-	3.7	2.9
	Sweden	71.5	40.3	9.8	70.8	62.3	3.5	2.3
Eastern Europe and Central Asia	Czech Republic	23.9	39.2	13.9	48.7	-	5.1	2.7
	Slovenia	18.4	50.8	9.2	69.7	45.1	1.9	1.7
Asia	Turkey	32.4	42.1	8.5	-	-	6.3	6.0
North America	USA	36.2	55.7	10.9	-	-	8.3	4.3
	Canada	-	-	-	-	-	-	-
Middle East and Northern Africa	Israel	-	-	-	-	-	-	-
	Lebanon	-	-	-	-	-	-	-
	Jordan	-	-	-	-	-	-	-
Latin America and The Caribbean	Mexico	43.5	60.6	24.2	57.9	47.6	5.7	4.0
	Panama	46.1	63.7	20.9	-	-	12.0	9.1
	Costa Rica	-	-	-	-	-	-	-
Sub-Saharan Africa	Republic of South Africa	40.7	42.8	14.3	72.1	73.5	5.2	4.0
	Namibia	-	-	-	-	-	-	-
	Kenya	-	-	-	-	-	-	-
Recently Developing Selected Countries ⁽⁴⁾	China	48.8	43.9	42.8	73.4	75.9	10.1	14.2
	Indonesia	-	-	-	-	-	-	-
	Malaysia	36.5	31.1	8.7	51.3	73.5	2.5	2.5
	The Philippines	-	-	-	-	-	-	-
	Thailand	40.1	42.7	26.5	79.1	84.0	8.3	12.2
	Cambodia	-	-	-	-	-	-	-
	Vietnam	-	-	-	-	-	-	-
	India ⁽⁵⁾	-	-	-	-	-	-	-
Sri Lanka ⁽⁵⁾	-	-	-	-	-	-	-	
Pakistan ⁽⁵⁾	39.7	42.6	22.6	72.7	47.7	7.5	1.7	

Source: Global Entrepreneurship Monitor, 2011.

- (1): Since calculation on the basis of selected variables for the table was impossible in respect of some countries, this variable's values are indicated with "-" sign.
- (2): This value represents the intention to become an entrepreneur within the next three years, on the basis of individual. This ratio has also a straight line relation with total entrepreneur activity.
- (3): This ratio represents those who believe that entrepreneurship is the best career option, in line the dropping level of economic development.
- (4): A selected group of recently developing Asian countries is included.
- (5): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

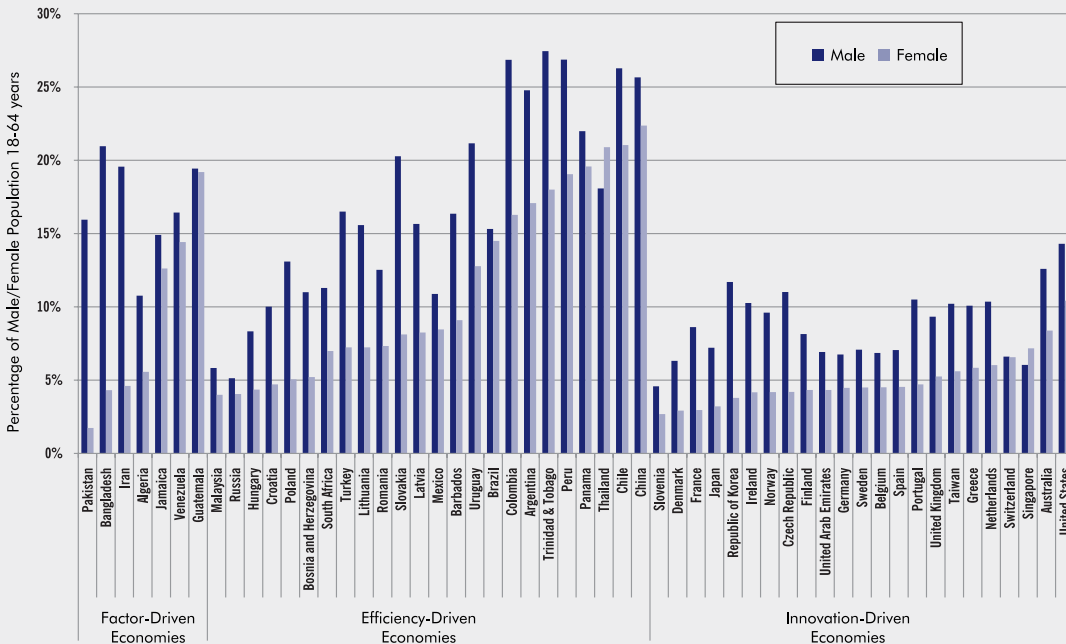


Source: Adult Population Survey, Global Entrepreneurship Monitor 2011

Note: There are 7 countries in Group (1), 24 in group (2) and 23 in group (3).

Figure 5. Distribution of Early Stage Ventures according to Three Different Levels of Economic Development on the Basis of Age Groups

A vast majority of entrepreneurs pursuing activities in all countries do so, in event-driven economies. Redirecting the looking glass over the gender as classifier, Trinidad and Tobago turns out to be the country with the highest rate of male entrepreneurs, and China, with the highest rate of their sexual counterparts. As for our country’s ratings, approximately 17.0% of 18 to 64 years old population consist of male entrepreneurs while female entrepreneurs form only 7.0% of it (Please refer to Figure 6).



Source: Adult Population Survey, Global Entrepreneurship Monitor 2011

Figure 6. Comparison of Early Stage Ventures in 54 Country Economies according to Levels of Economic Growth on the basis of Gender

1.1.4 Overheating Indicators for the G20 Economies

In the IMF staff's report titled "World Economic Outlook", indicators with high potential to have direct influence on the progression course of economy during 2011 were reviewed for countries of G-20. Being evaluated and assessed in different categories such as domestic, external and financial, these indicators include the level of capital outflows, output deficit, unemployment, trade volumes, capital flows, current accounts, credit growth, house prices, share prices, financial stability and real interest rates.

Now putting the magnifying glass on output values by production trends for G-20 countries, we observe that the production figures of Argentina, Brazil, India, Indonesia and China in the current term are higher than 0.025 folds of that the same countries have had achieved during the pre-crisis period, which is totally the opposite of the situation in the USA, United Kingdom, France, Italy, Canada, Japan, Turkey, Australia, South Africa, Mexico, Republic of Korea and Russia, where the same figures tend to be lower than 0.025 times of the figures attained during the pre-crisis period. Germany and Saudi Arabia have identical production values in the current and pre-crisis periods.

The output gap, which is defined as the difference between actual GDP or actual output and potential GDP, is an important indicator that plays a role in determining the level and extent of inflationist pressure on the economy. To put it in other words, output gap is an indication of the difference between the potential production that a given economy can achieve with the capacity and level of technology it possesses and the production it actually achieves. The presence of output gap in an economy is directly translated into the argument that there is a positive growth in that economy, in terms of GDP. Should an output gap exist, the economy starts relieving from its inflation concern, while in the opposite case, setting up and enforcement of tight monetary policies becomes a must. With an evaluation in this context, the value in the current period of the output gap can be seen to have been less than 0.5 folds of the standard deviation that belongs to the pre-crisis mean value in countries highlighted in blue colour. In the meantime, there are only three countries marked in yellow colour (i.e. Turkey, Brazil and China). This means that the current term figure of the output gap in these countries fall in between 0.5 and 1.5 folds of the standard deviation belonging to the pre-crisis average.

An analysis of the unemployment index reveals that the unemployment figures achieved in the USA, United Kingdom, France, Canada, Turkey, Mexico and China during the current term are less than half of the deviation that belongs to the average unemployment figure of the pre-crisis period. The unemployment figures of Italy, Australia, South Africa, Brazil, Indonesia, Republic of Korea and Russia for the current term are greater than the standard deviation of the average unemployment figure in the pre-crisis period by 1.5 times. The unemployment figures of Germany and Argentina reported for the current term are greater than half but less than one and a half of the standard deviation of average unemployment of the pre-crisis period.

A point to note here is that inflation is smaller than 0.05 for countries like the USA, France, Germany, Italy and Japan, but is greater than 0.10 in Argentina and the United Kingdom, during the current term.

A review of the trade and capital indicators categorised under the main title of external indicators, reveals that the figures attained in the current period by the United Kingdom, France, Germany and Republic of Korea are less than half (or, more statistically speaking, 0,5 folds) of the standard deviation of the average figure attained before the crisis. These results should be read as trade figures of the current period retaining a lower level than of the pre-crisis period.

The financial indicators, consisted of credit growth, house and stock certificate prices, were exposed to extremely harsh effects, especially due to the period earmarked by the global economic crisis of 2008. In 13 countries (i.e. USA, United Kingdom, Germany, Italy, Canada, Japan, Australia, Republic of South Africa, Mexico, Indonesia, Republic of Korea, Russian Federation and China), house prices retain a lower course in the current term than they followed during the pre-crisis period.

The arrows used in the illustrative of the financial stability indicator mean the changes in forecasts of the structural stability as a function of GDP, throughout the 2010-2011 period. The up arrow used in the illustration suggests a more than 5% growth in GDP, while the down arrow symbolizes a fall by more than 5.0% in the GDP. So, there has been an increase by more than 5.0% in GDP of the United Kingdom, France, Canada, Australia, Brazil, India, Russia and China, concurrent with a decrease by more than 5.0% experienced in Turkey, Argentina and Indonesia. The USA, German, Italy, Japan, Republic of South Africa and Republic of Korea, on the other hand, maintained their stable condition during the period concerned.

The downwards arrow shown in the real interest rates is construed to purport a rate below 0, while an upwards arrow suggests that the real interest rate is 3.0% or above and the (-) sign, represents stable status. With this clarification in mind, it becomes obvious that in most of the G-20 countries interest rates fell below zero, with the only exception being Brazil, where the rates went 3% and above (Please refer to Table 10).

Table 10. Overheating Indicators for the G20 Economies

Countries	Indicators ⁽¹⁾													
	Local					External								
	Trend Driven Output ⁽²⁾	Output Gap	Unemployment	Inflation ⁽³⁾	Summary	Trade	Capital Flow	Current Accounts	Summary	Loan Growth ⁽⁴⁾	House Prices ⁽⁴⁾	Share Prices ⁽⁴⁾	Financial Balance ⁽⁵⁾	Real Interest Rates ⁽⁶⁾
USA	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
United Kingdom	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
France	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Germany	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Italy	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Canada	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Japan	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Turkey	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Australia	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Republic of South Africa	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Argentina	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Brazil	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Mexico	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Saudi Arabia	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
India	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Indonesia	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Republic of Korea	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
Russian Federation	●	●	●	●	●	●	●	●	●	●	●	●	●	↗
China	●	●	●	●	●	●	●	●	●	●	●	●	●	↗

Source: Australia Bureau of Statistics; Bank for International Settlements; CEIC China Database; Global Property Guide; Haver Analytics; IMF, Balance of Payments Statistics; IMF, International Financial Statistics; Organization for Economic Cooperation and Development and IMF staff calculations.

(1): Unless expressed otherwise, the 2011 values of national economies predicted during the current period for each indicator a colour assignment was made by comparison to the pre-crisis period. The value of the related variable during the current period (Xc) when compared to 1997-2006 period average (Xd.ort).
 If, $Xc < 0.5cXd.ort$ then displayed in blue colour.
 If $0.5cXd.ort \leq Xc < 1.5cXd.ort$ then, displayed in yellow colour.
 If $Xc \geq 1.5cXd.ort$ then, displayed in red colour.
 As for the approach used in colouring the "Summary" indicator, the total of scores of components that collectively make up the indicator within the group was proportioned to the highest score value to obtain a certain figure (OG). Here the colour scores of components were evaluated in such a manner that red would correspond to "-2", yellow would correspond to "-1" and blue would correspond to "0".
 If, $OG \geq 0.66$ then colour used was red.
 If, $0.33 \leq OG < 0.66$ then colour used was yellow.
 If $OG < 0.33$ then colour used was blue.
 (2): When the current period output value (Cc) is compared to the pre-crisis period output value (Ck);
 If, $Cc > 0.025Ck$ then red colour.
 If, $Cc < 0.025Ck$ then blue colour.
 (3): In countries making use of inflation targeting (i.e. Australia, Brazil, Canada, Indonesia, Republic of Korea, Mexico, Republic of South Africa, Turkey, United Kingdom), the target inflation rate is used instead of 1997-2006 period average and colour assignment has been made accordingly.
 For countries not making use of target inflation system, in inflation indicators
 If, Inflation ≥ 0.10 then red colour.
 If, $0.05 \leq$ Inflation ≥ 0.09 then yellow colour.
 If Inflation < 0.05 then blue colour was used.
 (4): Credit growth, house and share prices have been calculated according to the average growth in production during the 1997/2006 period.
 (5): Here, the arrows show the variations in forecasts of the structural balance, in percentage of the national income, throughout the 2010/11 Period. An arrow with head upwardly oriented suggests an increase by more than 5% in national income, while a downward looking arrow means a decline by more than 5% therein.
 (6): A downward arrow is interpreted as real policy interest rates falling below 0, while an upward arrow purports a level of 3% or above, of the real interest rates.
 — indicates that neither any increase or decrease has taken place in interest rates, but a balance, established.
 ... Information not available.

1.1.5. Risks Inherent with the Arabic World and Assessments

The debt crisis affecting almost all European economies by merger of 2010 has put all countries of the world at unease in terms of access to finances by influencing flow of capital in a short period of time. Tight monetary policies were then introduced and implemented, in combination with measures taken for reducing expenditures, in these countries, for the purpose. While the Europe was busied with troubles of this kind, political insurrections took place in the Middle East. Sparkled by the public protests of the government in Tunisia, on December of 2010 and subsequently spread across many other Arabic countries, these riots and insurrections were characterised as the “Arab Spring”, bringing about an abundant number of severe problems, as well. The troubles that prevailed affected all countries, especially those importing oil from these countries, in a chain reaction. In the core of the chaos and public protests occurring in the region lied a number of reasons such as restraints brought against freedom of expression, inflation in food prices and increasingly compelling nature of living conditions, led particularly by unemployment, which served as a gateway to even greater commotions that took place lately in Libya, October 20th, 2011, which ended up in the killing of Muammer Gaddafi, the official ruler and leader of the country.

In an effort to bring a spotlight on the political problems on-going with the Arabic world during the recent years and the economic impacts of these problems in the entire world as well as our country, this section includes findings of a study performed in 2011/9th edition of the Economist Magazine. The study involved 17 Arabic countries.

According to the data retrieved from the knowledge base of the Centre for Systemic Peace regarding the regimes of the 17 countries made part of the study, it becomes clearly visible that “autocracy” is the form of government, or in more discrete words, all political power is possessed by the President of the State, in Morocco, Algeria, Tunisia, Libya, Egypt, Yemen, Oman, United Arab Emirates (UAE), Qatar, Bahrain, Kuwait, Jordan, Saudi Arabia, Iran, Iraq and Syria, with only Lebanon striking the eye, as holder of a “democratic” form of government.

An assessment of the scores assigned to countries for their forms of government shows that Qatar and Saudi Arabia are the top two countries with a form of government score of “-10”, where, autocracy takes its most stringent form. These countries are followed by Oman and UAE with a score of “-8”, Libya, Bahrain, Kuwait, Iran and Syria with a score of “-7”, Morocco with a score of “-6”, Tunisia with a score of “-4”, Egypt and Jordan with a score of “-3”, Yemen with a score of “-2” and Algeria with a score of “+2”. 17 countries with a score of “+7” in Lebanon has the highest score in the form of government.

Risks of political chaos reflect the dimensions of the political problems persisting in the Arabic countries, during the recent times. As regards this indicator, a country’s getting higher average score according to the political chaos risk scoring calculation, as a result of assessment made based on specialised opinions approaching the problems of countries of the region in different angles means higher risk for political chaos, rendering countries assessed with lower average scores less risky in terms of political chaos. When evaluated in this sense, Libya is observed to present the highest value with a full political chaos

risk scoring of “5”. Libya is followed by Yemen with a score of 4.5 in the second place and thereafter Iran with a score of 4.0; Lebanon and Algeria with a score of 3.5; Tunisia, Jordan, Iraq and Syria with a score of 3.0; and Morocco, Egypt, Oman and Bahrain with a score of 2.5. The countries with the lowest chaos risk are left to be UAE, Qatar, Kuwait and Saudi Arabia, with a score of 2.0.

Political troubles seen through by the Arabic world also had some indirect effects on our country, which has live relations with the same, in both political and economic aspects. The Arab World poses great importance as a current and potential market to our economy, thanks to the good bilateral economic relations we entered for the last five years and our almost full dependence on these countries in our oil imports. The denser engagement of our country’s investors in especially the civil works industry in the Arab World is another matter that poses grave importance.

Our Country has realised its highest export volumes to Iraq with US \$ 8,315 million and its highest imports volumes from Iran with US \$ 12,461 million, in 2011. The exports made to Iraq has a share of 6.2%, while the imports made from Iran (mostly consisted of oil and natural gas) has a share of 5.1% in our country’s overall exports and imports volumes. During the year inferred, our minimum exports have been realised with Bahrain, in a volume of US \$ 160 million, representing only 1.0‰ of our country’s overall exports for 2011, while we realised no imports from Yemen.

An examination of the rate of change in quantities of exports realised to these 17 Arabic countries by our country during the last three years, shows that our exports to Iraq evolved by 112.3%, with reference to 2009.

Over the last three years, exports to Arabic countries have made a downward slope in 9 over 7 countries in 2011, with reference to 2009, showing the highest fall in Qatar, with 82.5%, which country is followed by UAE with 53.4%, Kuwait with 39.7% and Libya, with 30.4%.

For the same period, the highest rise in imports appears to have taken place from Oman. While the importation quantities from Oman showed a prim rise to 433.0% during 2011, relative to 2009, Kuwait has been the second best source of imports with an eventual rise of 235.4% and Qatar, the third, with 201.9%. Showing a change in decreasing pattern in 2011 compared to 2009, Libya takes the first place with 58.4% and is followed by Yemen and Tunisia with 33.9% and 31.6%, respectively.

In conclusion, countries among the 17 Arab states with which our country had foreign trade deficits for the term 2011 are Qatar and Iran. The export transactions we have entered with the remaining 15 countries are higher in numbers and value than the import transactions we concluded with the same (Please refer to Table 11).

Table 11. Risks Inherent with the Arabic World and Assessments

Country	Regime	Regime Score ⁽¹⁾	Political Chaos Risk ⁽²⁾	Our Exports (Million \$) ⁽³⁾	Share in Overall Exports	Rate of Change in Exports, Last 3 Years	Our Imports (Million \$) ⁽³⁾	Share in Total Imports	Rate of Change in Imports, Last 3 Years
Morocco	Autocracy	-6	2.5	921	0.7	-3.9	420	0.2	16.5
Algeria	Autocracy	2	3.5	1,471	1.1	-8.8	1,150	0.5	-27.5
Tunisia	Autocracy	-4	3.0	803	0.6	3.2	250	0.1	-31.6
Libya	Autocracy	-7	5.0	748	0.6	-30.4	140	0.1	-58.4
Egypt	Autocracy	-3	2.5	2,759	2.0	93.4	1,382	0.6	56.0
Yemen	Autocracy	-2	4.5	273	0.2	-22.7	0	0.0	-33.9
Oman	Autocracy	-8	2.5	215	0.2	-0.3	57	0.0	433.0
UAE	Autocracy	-8	2.0	3,713	2.8	-53.4	1,649	0.7	138.6
Qatar	Autocracy	-10	2.0	188	0.1	-82.5	481	0.2	201.9
Bahrain	Autocracy	-7	2.5	160	0.1	-47.9	111	0.0	16.7
Kuwait	Autocracy	-7	2.0	297	0.2	-39.7	270	0.1	235.4
Jordan	Autocracy	-3	3.0	507	0.4	10.0	66	0.0	162.1
Saudi Arabia	Autocracy	-10	2.0	2,764	2.0	25.5	2,002	0.8	120.3
Iran	Autocracy	-7	4.0	3,590	2.7	76.9	12,461	5.2	52.0
Iraq	Autocracy	...	3.0	8,315	6.2	112.3	87	0.0	-34.7
Syria	Autocracy	-7	3.0	1,612	1.2	44.5	337	0.1	4.0
Lebanon	Democracy	7	3.5	719	0.5	8.0	283	0.1	58.2

Source: The Economist Journal, 2011/9 and TURKSTAT.

- (1): Regime scores of countries were obtained from the "Polity IV" database of the Centre for Systemic Peace. In this database countries are rated within a value range of -10 to +10, according to their regimes. Countries achieving scores between +6 and +10 are considered as "democratic". As the latest data stored in the database belong in 2009, they were integrated into the table cells, "as is". Furthermore the table lacks data on Iraq, which couldn't manage to establish its regime due to long lasting war and political crisis environment.
- (2): The political chaos risk was established through consulting opinions of experts, capable of properly assessing these countries from various angles. The scores assigned to each of the countries concerned by experts as a result of appraisals made were averaged and the "political chaos risk" was then calculated. According to the table, an increase in the average score for a country means chaos risk growing higher. The risk assessment follows a 5-points scale, where lesser scores are intended to indicate relatively less political chaos risks in the countries to which they belong.
- (3): Data belong to exports and imports undertaken by our country with related countries during the term 2011.
 ...: Information not available.

1.1.6 Growth Rates of Gross Domestic Product

During the year, especially because of the crisis encountered by Europe some odds were confronted for financial and economic aspects, in the pace of which, both advanced and developing economies, led particularly by countries in Euro Area, had to take serious measures. Such factors as high commodity prices, countries' facing troubles in their payments due to the debt crisis and severe collapse of both regional and world economies in the aftermath of the earthquake disaster that Japan has passed through, have mainly forced countries to revise their production strategies, consequently causing less production made with reference to the past year.

Based on data supplied in IMF staff's "World Economic Outlook" report, a review of the rates of growth of selected countries during 2011 reveals that the rates generally maintained a lower level compared to that of 2010, however, higher growth rates were achieved by those advanced economies which form part of the Asian continent than the rest of the world economies. China, which is included among the recently developing selected countries group, has grown by 9.2% in 2011, representing a 1.1 points shortfall, from 10.3%, its original rate of growth recorded for 2010. Of the selected countries, the achievers of second best rates of growth after China have been India and Panama, with 7.4%. Showing a record-breaking growth with 14.5% in 2010, Singapore got severely affected by the global economic concerns and performed an instant downfall by 9.2 points, yielding a rate of growth as low as 5.3%. Japan, hardly hit and literally devastated also in economic terms by the major earthquake of 2011, had her economy shrunk by 9.0%, in natural course. However, forecasts assume that growth figures attained by this country turn back to positive during 2012, with the help of investment packages introduced for reviving national economy. USA, one of the greatest economies of the world, showed shrinkage by 1.2 points with reference to the preceding term, recording an eventual growth of 1.8%, for 2011. Turkey, on the other hand, after managing a growth at 8.9% in 2010 and accordingly ranking the 4th among selected countries, fell back to 6th line, receding 2 rows in the ranking with a growth of 6.6%, based on forecasts for 2011 (See also Table 12).

1.1.7 Consumer Price Index

A review of consumer prices across the world suggests that rises have occurred in prices of commodities in both advanced and emerging and developing economies, from the start of 2011. Judging by the first quarter of this year, core inflation, a major indicator, remained low in advanced economies, in contrast with the high levels in emerging and developing economies. The second quarter testified a continuing rise in rates of inflation, especially centred around advanced economies. According to the data announced in the US, for June this year, core inflation has shown its highest rise in the last five years. Despite the fluctuating stance inflation takes for emerging and developing economies of the world in 2011, the positive trends in domestic demand, in combination with developments in the market attributable to rates of exchange, seem to have exacerbated inflationist pressures. Particularly, the massive rise in food prices appears to be the most significant factor that triggered inflation in these countries. In advanced countries, on the other hand, led by problems originating from the Euro Area, the domestic demands keeping steady at a certain level, among others, contributed the containment of inflation within an admissible range.

Table 12. Growth in Gross Domestic Product for Selected Countries

Region	Country	Growth Rates		
		2009	2010	2011 ⁽¹⁾
East Asia and Pacific	Japan	-6.3	4.0	-0.9
	Singapore	-0.8	14.5	5.3
	Republic of Korea	0.3	6.2	3.9
Western Europe	Germany	-5.1	3.6	3.0
	Switzerland	-1.9	2.7	2.1
	Sweden	-5.3	5.7	4.4
Eastern Europe and Central Asia	Czech Republic	-4.1	2.3	2.0
	Slovenia	-8.1	1.2	1.9
	Turkey	-4.8	8.9	6.6
North America	USA	-3.5	3.0	1.8
	Canada	-2.8	3.2	2.3
Middle East and Northern Africa	Israel	0.8	4.8	4.8
	Lebanon	8.5	7.5	1.5
	Jordan	5.5	2.3	2.5
Latin America and The Caribbean	Mexico	-6.2	5.4	4.1
	Panama	3.2	7.5	7.4
	Costa Rica	-1.3	4.2	4.0
Sub-Saharan Africa	Republic of South Africa	-1.7	2.8	3.1
	Namibia	-0.7	4.8	3.6
	Kenya	2.6	5.6	5.3
Recently Developing Selected Countries ⁽²⁾	China	9.2	10.3	9.2
	Indonesia	4.6	6.1	6.4
	Malaysia	-1.6	7.2	5.2
	The Philippines	1.1	7.6	4.7
	Thailand	-2.4	7.8	3.5
	Cambodia	-2.0	6.0	6.7
	Vietnam	5.3	6.8	5.8
	India ⁽³⁾	6.8	10.1	7.4
	Sri Lanka ⁽³⁾	3.5	8.0	7.0
Pakistan ⁽³⁾	1.7	3.8	2.6	

Source: IMF, World Economic Outlook, January 2012.

(1): These are projected values. However, the figures given for Japan, Germany, US, Canada, Mexico, South African Republic, China and India are actual values.

(2): A selected group of recently developing Asian countries is included.

(3): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

A review of the consumer price index by the year-end for selected countries based on the IMF's "World Economic Outlook" report, reveals that during 2011, a rise has taken place in index values of all countries of the world, by generality, with reference to the preceding year, with the exception of Japan. The forecasts predict that the index value, which was 99.6 in 2010, would recede back to 99.3 after a drop by 3.0% in 2011, Japan. The 2011 year-end inflation rate with reference to the preceding year is expected to be realised at 2.5% in USA, 2.6% in Canada, 2.2% in Germany and 4.1% in the Republic of Korea, among advanced economies. Of the emerging and developing economies, China, Mexico, Indonesia and Malaysia are expected to show a rise in terms of inflation rates by the end

of year 2011 with reference to the preceding year, by 5.1%, 3.3%, 5.0% and 3.2%, in respective order. As shown in the results of the forecasts, the highest rise in rates of inflation by 2011 year-end is observable in Vietnam with 19.0%, Pakistan with 13.1% and Kenya with 11.8%. In Turkey on the other hand, the CPI, which showed a rise by 6.4% at the end of year 2010 compared to the year before, is expected to improve by 1.6 points to 8.0%, at the end of 2011 (Please refer to Table 13).

Expectations for 2012 are towards a rise in the costs based inflation rates attributable to a potential rise in oil and food prices and there is certain thought that the demand would remain low, in which case a declining tendency would be eminent in global inflation.

Table 13. Year-End Consumer Price Index for Selected Countries and Rates of Change

Region	Country	Consumer Price Index			Rates of Change		
		2009	2010	2011 ⁽¹⁾	2009	2010	2011
East Asia and Pacific	Japan	100.0	99.6	99.3	-1.7	-0.4	-0.3
	Singapore	100.4	104.4	106.3	-0.8	4.0	1.8
	Republic of Korea	113.8	117.8	122.6	2.8	3.5	4.1
Western Europe	Germany	108.0	110.0	112.5	0.8	1.9	2.2
	Switzerland	103.6	104.4	105.1	0.3	0.7	0.7
	Sweden	110.0	112.3	115.5	2.8	2.1	2.9
Eastern Europe and Central Asia	Czech Republic	112.9	115.5	117.3	1.0	2.3	1.6
	Slovenia	112.8	114.9	117.3	1.8	1.9	2.1
	Turkey	170.9	181.9	196.4	6.5	6.4	8.0
North America	USA	217.2	220.9	226.3	1.9	1.7	2.5
	Canada	115.2	117.8	120.8	0.8	2.2	2.6
Middle East and Northern Africa	Israel	99.2	101.8	104.0	4.0	2.6	2.2
	Lebanon	109.1	114.6	121.2	3.4	5.1	5.7
	Jordan	121.3	128.7	135.0	2.7	6.1	4.9
Latin America and The Caribbean	Mexico	95.5	99.7	103.0	3.6	4.4	3.3
	Panama	143.8	150.8	159.1	1.9	4.9	5.5
	Costa Rica	135.2	143.1	151.7	4.0	5.8	6.0
Sub-Saharan Africa	Republic of South Africa	175.8	181.9	192.6	6.3	3.5	5.9
	Namibia	181.7	187.3	198.0	7.0	3.1	5.7
	Kenya	184.8	193.1	215.8	8.0	4.5	11.8
Recently Developing Selected Countries ⁽²⁾	China	127.4	133.4	140.2	0.7	4.7	5.1
	Indonesia	117.0	125.2	131.4	2.8	7.0	5.0
	Malaysia	99.1	101.2	104.4	1.1	2.1	3.2
	The Philippines	247.2	254.8	266.4	4.3	3.1	4.6
	Thailand	105.7	108.9	113.5	3.5	3.0	4.2
	Cambodia	134.0	138.2	149.6	5.3	3.1	8.2
	Vietnam	198.7	222.0	264.3	6.5	11.8	19.0
	India ⁽³⁾	169.0	185.0	201.6	15.0	9.5	8.9
	Sri Lanka ⁽³⁾	213.5	228.3	244.6	4.8	6.9	7.1
	Pakistan ⁽³⁾	243.7	274.7	310.7	13.1	12.7	13.1

Source: IMF, World Economic Outlook, September 2011.

(1): These are projected values.

(2): A selected group of recently developing Asian countries is included.

(3): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

1.1.8 Purchasing Power Parity

The Purchasing Power Parity (PPP) is an essential indicator that allows for the comparison of GDP per capita values of countries in a given period of time, by removing differential price levels amongst them and thereby, provides means for obtaining more significant results.

An investigation of rates of change in GDP per capita by PPP for selected countries in line with the results shown in the IMF's "World Economic Outlook" report highlights China as the country, which has shown the highest rise in 2011, compared to the preceding year. China has improved her GDP per capita to US \$ 8,394 by an 11.3% increase in 2011, from a baseline of US \$ 7,544, in 2010. Among the other economies that showed high levels of growth in terms of GDP per capita during 2011, included, in order of precedence, is India with 8.7%, Sri Lanka with 8.5%, Cambodia with 7.9%, Panama with 7.8 % and Turkey, with 7.7%. The high levels retained in rates of increase in GDP per capita values in emerging and developing economies throughout 2011 were notable. On the other hand, Japan has been the lowest GDP per capita yielding country for 2011, among the selected countries, with a rise of 1.4%. Japan has improved her GDP per capita to US \$ 34,362 by this rate in 2011, from a baseline of US \$ 33,885, in 2010. The top three countries with the highest GDP per capita values for 2011, among the selected countries have been Singapore with US \$ 59,937, USA with US \$ 48,157 and Switzerland with US \$ 43,509, while the least performing three countries in terms of GDP per capita for the given period have been listed as Kenya with US \$ 1,751, Cambodia with US \$ 2,286 and Pakistan with US \$ 2,792 (Please refer to Table 14).

1.2 Social Indicators for Selected Countries

1.2.1 Rates of Unemployment

The year 2011 has been a tough period of time, especially due to the financial problems encountered in the Euro Area. Consequently, there has been a rise in rates of unemployment in many economies belonging to the Euro Area, led particularly by Greece. ILO's Global Employment Trends 2012 report indicates that job creation opportunities were tremendously lost on a global scale with the investing public's getting adversely affected by persisting macro-economic problems in certain economically advanced countries, from 2011 summer. Notably high rates of unemployment and distrust issues by sectors mostly attributable to high unemployment rates and low wage structure in advanced economies were experienced, resulting in companies' faint behaviour about making investments and hiring and employing new recruits. In the world as a whole, there were nearly 29 million fewer people in the labour force in 2011 than expected based on pre-crisis trends in 2008, with 6.4 million fewer youth and 22.3 million fewer adults. This figure corresponds at 15.0% of the overall unemployment, and approximately 1.0% of the total employed labour worldwide, during 2011.

Table 14. Per Capita National Income by Purchasing Power Parity for Selected Countries

Region	Country	GNI Per Capita by PPP			Rates of Change		
		2009	2010	2011 ⁽¹⁾	2009	2010	2011
East Asia and Pacific	Japan	32,233	33,885	34,362	-5.2	5.1	1.4
	Singapore	49,815	56,694	59,937	-1.5	13.8	5.7
	Republic of Korea	28,008	29,997	31,754	1.1	7.1	5.9
Western Europe	Germany	34,375	36,081	37,936	-3.8	5.0	5.1
	Switzerland	40,619	41,950	43,509	-2.1	3.3	3.7
	Sweden	35,842	38,204	40,614	-5.1	6.6	6.3
Eastern Europe and Central Asia	Czech Republic	24,191	24,950	25,934	-3.9	3.1	3.9
	Slovenia	27,460	28,073	29,179	-7.2	2.2	3.9
	Turkey	12,461	13,577	14,616	-4.9	9.0	7.7
North America	USA	45,348	46,860	48,147	-3.3	3.3	2.7
	Canada	37,955	39,171	40,458	-2.9	3.2	3.3
Middle East and Northern Africa	Israel	28,526	29,602	31,005	-0.3	3.8	4.7
	Lebanon	14,197	15,239	15,597	8.2	7.3	2.3
	Jordan	5,697	5,767	5,900	4.3	1.2	2.3
Latin America and The Caribbean	Mexico	13,645	14,406	15,121	-5.9	5.6	5.0
	Panama	11,810	12,615	13,595	2.4	6.8	7.8
	Costa Rica	10,807	11,043	11,562	0.3	2.2	4.7
Sub-Saharan Africa	Republic of South Africa	10,219	10,518	10,977	-1.7	2.9	4.4
	Namibia	6,597	6,935	7,276	-1.5	5.1	4.9
	Kenya	1,616	1,676	1,751	0.7	3.7	4.5
Recently Developing Selected Countries ⁽²⁾	China	6,794	7,544	8,394	9.8	11.0	11.3
	Indonesia	4,160	4,347	4,668	4.4	4.5	7.4
	Malaysia	13,771	14,744	15,579	-1.9	7.1	5.7
	The Philippines	3,670	3,920	4,111	0.2	6.8	4.9
	Thailand	8,505	9,221	9,693	-1.5	8.4	5.1
	Cambodia	1,995	2,118	2,286	-1.9	6.2	7.9
	Vietnam	2,945	3,143	3,355	5.2	6.7	6.7
	India ⁽³⁾	3,104	3,408	3,703	6.4	9.8	8.7
	Sri Lanka ⁽³⁾	4,769	5,169	5,609	3.8	8.4	8.5
	Pakistan ⁽³⁾	2,647	2,721	2,792	-1.6	2.8	2.6

Source: IMF, World Economic Outlook, September 2011.

(1): These are projected values.

(2): A selected group of recently developing Asian countries is included.

(3): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

The IMF staff's "World Economic Outlook" report draws a calculation of 2011 forecasts for unemployment rates. If we look at the unemployment rates for selected economies included in the report for changes with reference to the preceding year, Mexico, Germany and Israel come forward as the top three economies showing the highest drop. The rates of unemployment show a decline by 16.7% in Mexico, 15.5% in Germany and 11.9% in Israel, during 2011. The economies yielding the highest growth in rates of unemployment, on the other hand, are led by Thailand with 20.0% and include Slovenia with 12.3% and Singapore with 4.5%, in descending order. Jordan, the Philippines, Vietnam, Sri Lanka and Pakistan are the economies in which the report assumes not any change to occur at unemployment rates, for 2011. The predicted unemployment rates for these economies in the report for 2011 are 12.5%, 7.2%, 5.0%, 4.9% and 6.2%, respectively.

Unemployment rate for Turkey is assumed to recede to 10.5%, showing an 11.8% change in the declining trend in 2011, from a baseline of 11.9% during 2010.

Table 15. Unemployment Rates of Countries

Region	Country	Unemployment Rate					
		Years			Rates of Change		
		2009	2010	2011 ⁽¹⁾	2009	2010	2011
East Asia and Pacific	Japan	5.1	5.1	4.9	27.5	0.0	-3.9
	Singapore	3.0	2.2	2.3	36.4	-26.7	4.5
	Rep. of Korea	3.7	3.7	3.3	15.6	0.0	-10.8
Western Europe	Germany	7.7	7.1	6.0	1.3	-7.8	-15.5
	Switzerland	3.6	3.6	3.4	44.0	0.0	-5.6
	Sweden	8.3	8.4	7.4	33.9	1.2	-11.9
Eastern Europe and Central Asia	Czech Rep.	6.7	7.3	6.7	52.3	9.0	-8.2
	Slovenia	5.9	7.3	8.2	34.1	23.7	12.3
	Turkey	14.0	11.9	10.5	28.4	-15.0	-11.8
North America	USA	9.3	9.6	9.1	60.3	3.2	-5.2
	Canada	8.3	8.0	7.6	33.9	-3.6	-5.0
Middle East and Northern Africa	Israel	7.6	6.7	5.9	22.6	-11.8	-11.9
	Lebanon	...	...	...	...	...	...
	Jordan	12.9	12.5	12.5	1.6	-3.1	0.0
Latin America and The Caribbean	Mexico	5.5	5.4	4.5	37.5	-1.8	-16.7
	Panama	5.0	4.5	4.2	-13.8	-10.0	-6.7
	Costa Rica	8.4	6.9	6.5	71.4	-17.9	-5.8
Sub-Saharan Africa	South Africa	23.9	24.9	24.5	4.4	4.2	-1.6
	Namibia	...	...	...	...	...	...
	Kenya	...	...	...	...	...	...
Recently Developing Selected Countries ⁽²⁾	China	4.3	4.1	4.0	2.4	-4.7	-2.4
	Indonesia	7.9	7.1	6.8	-6.0	-10.1	-4.2
	Malaysia	3.6	3.3	3.2	9.1	-8.3	-3.0
	The Philippines	7.5	7.2	7.2	1.4	-4.0	0.0
	Thailand	1.5	1.0	1.2	7.1	-33.3	20.0
	Cambodia	...	...	...	...	...	...
	Vietnam	6.0	5.0	5.0	27.7	-16.7	0.0
	India ⁽³⁾
	Sri Lanka ⁽³⁾	5.9	4.9	4.9	-1.7	-16.9	0.0
Pakistan ⁽³⁾	6.2	6.2	6.2	0.0	0.0	0.0	

Source: IMF, World Economic Outlook, September 2011.

(1): These are projected values.

(2): A selected group of recently developing Asian countries is included.

(3): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

...: Information not available.

1.2.2 Perception of Security and Gender Indicators of Countries

Considered as a social phenomenon, gender inequality is a major indicator, which is mainly used to determine the level of development in countries.

The “Gender Inequality Index” is the term used by the United Nations Development Programme (UNDP) in their Human Development Report as a means for comparisons of level of development between countries, from a social perspective. Generally this index reflects the inequality between sexes in terms of gains obtained throughout life, in various dimensions (i.e. health, reinforcement and labour market etc.). With assignable values varying between 0 and 1, the index may gain the value 0, which is interpreted as “equal wages received by either sexes”, and all the remainder of values would refer to an inequality. In other words, the index value is inversely proportional to the perception of gender inequality, in a society. Consequently, the more the value of this index approximates to zero, the higher the perception of “equality” in a country will tend to be.

A review of the gender inequality index, as included in UNDP’s Human Development Report for 2011, reveals that Sweden is the country with the lowest gender inequality index of 0.049. It is followed by Switzerland with 0.067, Germany with 0.085 and Singapore with 0.086 values of the index.

Turkey, on the other hand, is listed somewhere in the mid-line of the ranking, with an index value of 0.443. It is conspicuous from a reading of the report that perception of gender inequality retains a high levels in advanced economies, led by EU member states, but, falls low in emerging and developing economies. Given the fact that the value of 0.492 serves as the median for gender inequality index calculated for the entire world in 2011, it should be interpreted as a show of mild perception of gender inequality, not high, or not low, either.

Another major indicator is the rate of participation by women in parliaments of the countries. Women’s having a voice in the parliament as much as men do, depend much on the value posed in their ideas and opinions. Generally, there is a linear relation between the level of development that a country has achieved and the number and rate of women members occupying seats in the parliament of that country. A review of the 2011 results for selected economies reveals that Sweden ranks the top as the country with highest rate of women’s participation in its parliament with a rate of 45.0%, and this is followed by South Africa, Costa Rica, Germany and Switzerland with rates of 42.7%, 38.6%, 31.7% and 27.6%, respectively.

Turkey, on the other hand, lures attention as one of the countries with lowest parliamentary participation of women, with 9.1%. For the generality of the world, this rate appears to be 17.7% (Please refer to Table 16).

Table 16. Perception of Security and Gender Indicators of Countries for the Term 2011

Region	Country	Gender Inequality Index ⁽¹⁾	Rate of Female Participation in the Parliament ⁽¹⁾	Security Perception (%) ⁽¹⁾
World in General		0.492	17.7	
East Asia and Pacific	Japan	0.123	13.6	73
	Singapore	0.086	23.4	98
	Republic of Korea	0.111	14.7	60
Western Europe	Germany	0.085	31.7	72
	Switzerland	0.067	27.6	76
	Sweden	0.049	45.0	69
Eastern Europe and Central Asia	Czech Republic	0.136	21.0	60
	Slovenia	0.175	10.8	79
	Turkey	0.443	9.1	42
North America	USA	0.299	16.8	75
	Canada	0.140	24.9	76
Middle East and Northern Africa	Israel	0.145	19.2	70
	Lebanon	0.440	3.1	56
	Jordan	0.456	12.2	84
Latin America and The Caribbean	Mexico	0.448	25.5	44
	Panama	0.492	8.5	47
	Costa Rica	0.361	38.6	44
Sub-Saharan Africa	Republic of South Africa	0.490	42.7	20
	Namibia	0.466	25.0	33
	Kenya	0.627	9.8	35
Recently Developing Selected Countries⁽³⁾	China	0.209	21.3	74
	Indonesia	0.505	18.0	83
	Malaysia	0.286	14.0	49
	The Philippines	0.427	21.5	66
	Thailand	0.382	14.0	65
	Cambodia	0.500	19.0	60
	Vietnam	0.305	25.8	80
	India ⁽⁴⁾	0.617	10.7	74
	Sri Lanka ⁽⁴⁾	0.419	5.3	72
Pakistan ⁽⁴⁾	0.573	21.0	44	

Source: UNDP Human Development Report, 2010 and 2011..

(1): These are the results for 2011.

(2): Represents the results of the period between 2006 and 2009 and shows the weight, in percentage, of affirmative responses provided to the question: "Do you feel safe when walking down a road in the middle of the night?"

(3): A selected group of recently developing Asian countries is included.

(4): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

PS: The countries selected in the above regional groupings are the top three economies in their respective regional groups, by "Economic Complexity Index".

Another indicator that needs to be evaluated in a social perspective is the perception of security every individual would acquire by way of emotions in daily life as part of the community of a country or nation. The feeling of safety or security in people may be explained with their leading a free, independent life, dissolute from all kinds of pressures from the surrounding and in comfort. According to the results of a survey conducted by

the UNDP as the last in the line of a series so as to encompass the period between 2006 and 2009 for the purpose of measuring the perception of security, where the respondents were asked to state if they feel safe when walking down a street alone, in the middle of the night and their answers received as “yes” or “no”, Singapore ranks the top on the list as the country with the highest score of 98.0% in perception of security and is immediately followed by Jordan with 84.0%, Indonesia with 83.0%, Vietnam with 80.0% and Slovenia, with 79.0%.

Turkey’s rating on this list appears to be 42.0%. On the other hand, in the descending list of selected countries by perception of security, the three bottommost rows were shared by South Africa with 20.0%, Namibia with 33.0% and Kenya with 35.0%.

1.2.3 International Human Development Index

The Human Development Report is an internationally accepted, prestigious publication of UNDP, prepared and published by this organisation since 1990 at yearly intervals, to assess and evaluate all countries of the world for their performances in terms of human development. Although different approaches were taken about methodology in the Human Development report over time, a consensus was finally reached about methodology as of 2000. One of the most important indicators included in this report is the Human Development Index (HDI).

HDI mainly consists of three basic components. These basic components of the index are the life expectancy at birth, years of schooling and gross national income per capita. Its ability of being calculated easily following a simple, yet, efficient method widens HDI’s areas of application, however, it is not that easy to interpret and conclude about world’s economic development policies with the help of HDI. The approach adopted for use in calculating HDI can shortly be summarised, as follows:

$$\text{HDI} = (\text{Actual value} - \text{Min. value}) / (\text{Max. value} - \text{Min. value})$$

The above formula is used to calculate each index component, separately. To reach at the overall HDI figure:

$$\text{HDI} = (1/3) \text{LEAB} + (1/3) \text{SI} + (1/3) \text{GNI}$$

is the formula used.

Where;

LEAB : is the Life Expectancy at Birth index,

SI : is the Schooling index,

GNI : is the Gross National Income index.

The Index receives values in a range of 0 to 1. The countries have been divided into four groups based on their index values, by the UNDP. The lower and higher limit values of groups are, as follows:

<u>Index Value</u>	<u>Definition by Category</u>
0-0.479	Low
0.480-0.670	Medium
0.671-0.780	High
0.781-1	Very High

classification based on the definitions provided.

The UNDP Report for 2011 highlights that environmental sustainability plays a vital role in intra-generational sustainability of human rights and fundamental freedoms and lays focus on the fact that they are integral parts of a whole, which cannot be severed. The point of departure in the Human Development Report is that the remarkable progress in human development over recent decades that the Human Development Report has documented cannot continue without bold global steps to reduce environmental risks and inequality. Equality is one of the conditions that must essentially be met for the environmental sustainability of the mankind and the communities, nations and international society it has so far created and will so create, in the future. The Human Development Report for 2011 also makes notion of the fact that understanding the links between environmental sustainability and equality, as well as broadening fundamental rights and freedoms of people in an intra-generational course of progress, is of critical importance.

It appears, from a review of UNDP's Human Development Report for 2011, that very high HDI countries consist of advanced economies, for the year inferred. It also appears that USA leads the list of very high HDI countries with an index value of 0.910. Canada, Germany, Sweden and Switzerland are its closest chasers on the list, with index values of 0.908, 0.905, 0.904, 0.903 and 0.901, in respective order. The medium HDI countries among the selected economies appear to be Kenya with an index value of 0.509 and Pakistan, with an index value of 0.504. The HDI value calculated for the generality of the world is 0.682, according to which threshold; the world seems to fall in the "high HDI" category.

Turkey is also included in the "high HDI" category of the HDI listing, with an index value of 0.699 it has gained. However, when Turkey is analysed for its ranking position in the listings for 2010 and 2011 comparatively, it becomes obvious that the country has fallen back by 3 rows in 2011, from its original position in 2010. This finding can be associated with better performance shown by the remaining countries, despite the progress achieved by our country in terms of HDI values.

Among the selected economies, the countries with unchanging row numbering per HDI values in the listing for 2011 include Japan, Singapore, Republic of Korea, Germany, Switzerland, Sweden, Czech Republic, Slovenia, USA, Canada, Israel, Mexico, China, Thailand, Vietnam, India and Pakistan.

An examination by mean years of schooling for the term 2011 of selected countries reveals that USA leads the list with 12.4 years and is followed by Czech Republic with 12.3 years and Germany, with 12.2 years. India, Pakistan and Vietnam rank the lowest among these countries with least mean years of schooling of 4.4 years, 4.9 years and 5.5 years, respectively.

Turkey appears to have an average schooling of 6.5 years, which can be construed as low, among the emerging and developing countries put up on the list.

An investigation of the P80/P20 criterion, which represents the ratio of the richest quintile to poorest quintile in countries, reveals that Japan with 3.4 is the country with fairest income distribution, among the selected group of countries, and followed by Czech Republic and Sweden with 3.5 and 4.0 values. On the other hand, Namibia, Panama and

Thailand are the countries with the most unfair distribution of income among the economies inferred, with rates of 52.2, 15.8 and 15.0, in respective order.

The 2011 P80/P20 criterion for our country appears to have a value of 8.0, which is highly critical.

With an examination of the table for the Gini coefficients of selected economies, it appears that the top three countries where this coefficient gets its lowest values are Sweden with 25.0, Germany with 28.3 and Slovenia with 31.2. The bottommost three countries where income inequality can be said evident judging by the highest values the coefficient takes are South African Republic with a score of 57.8, Thailand with a score of 53.6 and Panama, with a score of 52.3.

The Gini coefficient value at 39.7 for Turkey places the country in a position where an equal distribution of income is hardly arguable.

Women's participation in labour, which has an important place in the concept of human development gets its highest value from Kenya, at 76.4%. This country is followed by Cambodia with 73.6% and Vietnam with 68.0%. Pakistan, Lebanon and Jordan rank the lowest among these countries with least values of women's rates of participation in labour of 21.7%, 22.3% and 23.3%, respectively.

This rate is 24.0% for our country, which is very close in value to the least performing countries in this regard.

Gasses released to the environment in increasingly higher doses with expansion of industrial existence to a grade threatening the world, which is already at imminent threat of global warming are known to cause adverse conditions by creating "greenhouse effect", during the recent years. Of the selected countries, those with highest greenhouse gas emissions include Namibia with 4.4 tons and USA with 3.7 tons, led by Canada with 4.7 tons. Of the selected countries, those with lowest greenhouse gas emissions include Lebanon with 0.4 tons and Jordan with 0.5 tons, after Sri Lanka with 0.6 tons.

Our country possesses a value at 1.4 tons, which is identical to that of Singapore and Panama, among the other selected countries.

One of the environmental factors is the forest areas of countries. While the list ranks Sweden on top as the possessor of the largest forest area with a percentile rate of 68.7%, this is followed by Japan with 68.5% and Republic of Korea with 64.3%. For our country, this rate equals to 14.4%, which is at a pretty low level. Of the countries selected for study, the three topmost in terms of land coverage for forest areas are Jordan with 1.1%, Pakistan with 2.3% and Singapore with 3.3%. A forest area in a country's whole land coverage of 1.7% should be considered as a considerable amount, for the generality of the world (Please refer to Table 17).

Table 17. International Human Development Index and Selected Key Indicators

Region	Country	HDI in 2011	Change in HDI Ranking over Years (2011-2010)	Mean Years of Schooling ⁽¹⁾	Gross Rate of Schooling (Elementary) (2001-2010)	Excuding Income HDI Rank - HDI Rank	P80/20 Criterion ⁽²⁾	Gini Labour Force Coefficient ⁽²⁾	Participation Rate of Females ⁽³⁾	Greenhouse Emission Per Capita (in Tons) ⁽⁴⁾	Forest Area (% of Total Land) ⁽⁵⁾
World in General		0.682	-	7.4	106.9	-	-	-	-	-	1.7
East Asia and Pacific	Japan	0.901	0	11.6	102.3	-2	3.4	-	47.9	1.0	68.5
	Singapore	0.866	0	8.8	-	14	9.8	-	53.7	1.4	3.3
	Republic of Korea	0.897	0	11.6	104.3	-10	4.7	-	50.1	1.2	64.3
Western Europe	Germany	0.905	0	12.2	103.6	0	4.3	28.3	53.1	1.9	31.8
	Switzerland	0.903	0	11.0	103.4	4	5.4	33.7	60.6	1.2	30.8
	Sweden	0.904	0	11.7	96.2	2	4.0	25.0	60.6	2.1	68.7
Eastern Europe and Central Asia	Czech Republic	0.865	0	12.3	103.5	-8	3.5	-	48.8	2.1	34.3
	Slovenia	0.884	0	11.6	98.4	-8	4.8	31.2	52.8	2.6	62.0
	Turkey	0.699	3	6.5	99.3	24	8.0	39.7	24.0	1.4	14.4
North America	USA	0.910	0	12.4	98.2	10	8.5	40.8	58.4	3.7	33.2
	Canada	0.908	0	12.1	98.4	1	5.5	32.6	62.7	4.7	34.1
Middle East and Northern Africa	Israel	0.888	0	11.9	111.1	-6	7.9	39.2	51.9	1.1	7.1
	Lebanon	0.739	-1	7.9	103.2	16	-	-	22.3	0.4	13.4
	Jordan	0.698	-1	8.6	96.8	-17	6.3	37.7	23.3	0.5	1.1
Latin America and The Caribbean	Mexico	0.770	0	8.5	116.6	0	14.4	51.7	43.2	1.7	33.5
	Panama	0.768	1	9.4	109.0	-3	15.8	52.3	48.4	1.4	44.0
	Costa Rica	0.744	-1	8.3	109.9	1	13.2	50.3	45.1	0.9	50.1
Sub-Saharan Africa	Republic of South Africa	0.619	1	8.5	101.2	9	20.2	57.8	47.0	1.9	7.6
	Namibia	0.625	1	7.4	112.1	7	52.2	-	51.8	4.4	9.0
	Kenya	0.509	1	7.0	112.7	-6	11.3	47.7	76.4	0.9	6.1
Recently Developing Selected Countries⁽⁶⁾	China	0.687	0	7.5	112.7	6	8.4	41.5	67.4	1.5	21.6
	Indonesia	0.617	1	5.8	120.8	-3	5.9	36.8	52.0	1.5	52.9
	Malaysia	0.761	3	9.5	94.6	5	11.4	46.2	44.4	2.4	62.8
	The Philippines	0.644	1	8.9	110.1	-6	9.0	44.0	49.2	0.8	25.3
	Thailand	0.682	0	6.6	91.1	9	15.0	53.6	65.5	1.6	37.1
	Cambodia	0.523	2	5.8	116.5	-3	7.8	44.4	73.6	1.9	58.6
	Vietnam	0.593	0	5.5	104.1	-2	6.2	37.6	68.0	1.3	43.6
	India ⁽⁷⁾	0.547	0	4.4	116.9	5	5.6	36.8	32.8	0.7	22.9
	Sri Lanka ⁽⁷⁾	0.691	1	8.2	96.9	-16	6.9	40.3	34.2	0.6	30.1
	Pakistan ⁽⁷⁾	0.504	0	4.9	85.1	2	4.7	32.7	21.7	1.1	2.3

Source: UNDP Human Development Report, 2011..

(1): These are the results for 2011.

(2): These are the results for the 2000/2011 period.

(3): These are the results for 2009.

(4): These are the results for 2005.

(5): These are the results for 2008.

(6): A selected group of recently developing Asian countries is included.

(7): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

1.2.4 Per Capita Income and Expenditure

One of the indicators, which truly reflect a country's level of welfare, is Gross National Income (GNI) per capita. States must absolutely increase their GNI per capita, insofar as any progress can be achieved in economic terms. With a view of the world conjuncture, this value maintains dramatically high in advanced economies and some emerging and developing economies. A review of the GNI per capita figures given for selected countries

in the UNDP's Human Development Report for 2011 leads to the observation that Singapore occupies leadership with the highest figure assigned to this value in the amount of US \$ 52,569 and is followed by USA with US \$ 43,017, Switzerland with US \$ 39,924 and Sweden with US \$ 35,837.

The figure of GNI per capita for Turkey, on the other hand, is US \$ 12,246. In certain countries where progress maintains low in an economic sense, the GNI per capita figures relay a down-sizing curve, accordingly suggesting a retardation in standards of living. Generally speaking, this value falls below the world average in countries of the African continent, struggling with starvation as well as in some emerging and developing economies with denser populations. Among the selected countries, Kenya ranks the first as the beholder of the highest GNI per capita value at US \$ 1,492, which is followed by Cambodia with US \$ 1,848, Pakistan with US \$ 2,550 and Vietnam with US \$ 2,805, in order of appearance. Based on UNDP supplied data, the highest figure assigned to GNI value in the case of Singapore is 35 folds of that in Kenya, the beholder of the lowest value. It is possible to interpret this result as the average income earned by an individual in Singapore is 35 times more than that earned by an individual in Kenya. Given the results for our country, the GNI per capita figure established is 4.3 times lower than that in Singapore and 8.2 times higher than that of Kenya. This is a crystal clear show of income inequality across the world and amongst the selected economies.

When total per capita expenditure figures are analysed by countries put up on the list, a picture that distantly varies from the composition of income is observed. The situation for Singapore, the country ranking the top with the highest GNI per capita value in that classification among selected countries tumbles down, positioning the country at 10th row, by a listing according to overall expenditure per capita.

In Turkey's case, the per capita expenditure amounts to US \$ 2,572, annually. Among the selected countries, Cambodia ranks the first as the beholder of the lowest per capita expenditure value at US \$ 83, which is followed by Pakistan with US \$ 150 and India Vietnam with US \$ 153, in order of appearance. As the expenditure figures included in the list suggests, the overall expenditure of a Swedish person is approximately 312 times higher than that of an individual staying in Cambodia. Redirecting our view of the table with focus on our country, the per capita expenditure of a Swedish person is approximately 10 folds of that made by a citizen of our country, which, in turn, is 31 times higher than that of a Cambodian individual.

While it is obvious that inequality between per capita expenditure figures of countries is ever rising to and beyond its extremes, the gap across economies tend to tear apart even more, for so long as per capita expenditure is concerned (Please refer to Table 18).

Table 18. Per Capita Income and Expenditure

Region	Country	GDP Per Capita	Budgetary Expenditure Per Capita	(\$)
East Asia and Pacific	Japan	32,295	12,297	
	Singapore	52,569	6,699	
	Republic of Korea	28,230	4,604	
Western Europe	Germany	34,854	17,633	
	Switzerland	39,924	25,223	
	Sweden	35,837	25,855	
Eastern Europe and Central Asia	Czech Republic	21,405	7,330	
	Slovenia	24,914	9,476	
	Turkey	12,246	2,572	
North America	USA	43,017	9,066	
	Canada	35,166	16,658	
Middle East and Northern Africa	Israel	25,849	8,345	
	Lebanon	13,076	2,590	
	Jordan	5,300	1,406	
Latin America and The Caribbean	Mexico	13,245	2,090	
	Panama	12,335	2,070	
	Costa Rica	10,497	1,517	
Sub-Saharan Africa	Republic of South Africa	9,469	2,524	
	Namibia	6,206	1,672	
	Kenya	1,492	186	
Recently Developing Selected Countries ⁽³⁾	China	7,476	948	
	Indonesia	3,716	541	
	Malaysia	13,685	2,282	
	The Philippines	3,478	360	
	Thailand	7,694	848	
	Cambodia	1,848	83	
	Vietnam	2,805	231	
	India ⁽⁴⁾	3,468	153	
	Sri Lanka ⁽⁴⁾	4,943	541	
Pakistan ⁽⁴⁾	2,550	150		

Source: UNDP Human Development Report, 2011 and CIA World Factbooks via NationMaster.

(1): These are the results for 2011 by fixed rates of 2005 per PPP.

(2): The years to which the figures of consumption belong change on the web page accessible from <http://www.nationmaster.com>, which has been used as the source of data on per capita consumption expenditure.

(3): A selected group of recently developing Asian countries is included.

(4): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

PS: There may be methodical differences in the coverage of expenditures at sources from which the table data were retrieved, by country.

1.2.5 International Poverty

Seen as one of the most crucial problems that mankind has ever encountered throughout the history of his existence, poverty is an open-ended, solution-pending issue, on which studies are conducted constantly. There is the need for a broad, multidimensional analysis of this issue in both economic and social terms. The requirement also persists for policies to be adopted and implemented as a counter-measure to be considered from a variety of different aspects and in a variety of different forms, as poverty has a multidimensional scope. As a result of poverty, societies face even worsening conditions of inequality, which keeps gaining a more broadened area of influence as the day passes, due to prolonged exposition to social exclusion. Consequently, the need is obvious in plain view for finding and implementing solutions to effectively deal with and eliminate the existing inequalities, as a requisite for attaining further economic growth, on an international scale.

Agreement in several concerns has hitherto been obtained within the framework of UNDP about poverty, placing it as one of the main subjects of concern on programme's agenda, in line with numerous studies conducted across diverse territories of the world, on poverty. In an effort to perform a quantitative analysis of poverty as a problem, UNDP has been calculating a Multidimensional Poverty Index (MPI) and using it for measuring the impacts of poverty on countries, as of the present day.

MPI identifies multiple deprivations at the individual level in a variety of dimensions, within a given time frame. This Index allows comparisons to be made across the world, among countries and between regions, based on a number of micro and macro scaled geographical classifications.

In addition to being a measure for the level of poverty faced in real life by communities having regard to three different components consisting of standard of living, health and education dimensions, similar to the structuring of Human Development Indexes, MDI further unveils the average number of people living in poverty as well as the deprivations in which poor households are set to live. In order for a household to be accounted as in "multidimensional poverty" according to MDI, deprivation qualities should demonstrably exist for more than one measure. A person is considered as "multidimensionally poor", if he or she is individually "deprived" in at least 30% of the component indicators, in time of calculation of this index. The index includes such other factors than income standards as household's "accessibility to clean water, fuel for heating and cooking and health services" and "ownership of basic household items".

With a perspective of the MDI values based on selected countries, non-existence of the index especially for advanced economies versus its existing in rather emerging and developing country groupings also means comparability for more homogenised groups, in a sense. A high MDI value represents higher rates of population in deprivation of measures covered by the index. As for the selected countries, India ranks the first as the country with the highest MDI value at 0.283 and is followed by Pakistan with 0.264, Cambodia with 0.251, Kenya with 0.229 and Namibia with 0.187. Our country ranks immediately after Sri Lanka with an MDI value of 0.028. In reference to multidimensional poverty rates in populations, India takes precedence with such an extremely high score of 53.7%

and is subordinated by Cambodia at the 2nd line with a rate of 52.0%, Pakistan at the 3rd line with 49.4%, Kenya at the 4th line with 47.8% and Namibia at 5th line with 39.6%. The rate of multidimensional poverty in Turkish population is also as significantly high as 6.6%. With this rating, Turkey is sorted after Sri Lanka in the list, just like in the case for MDI values.

One of the approaches to poverty rate, which is used commonly in comparisons of poverty on an international scale, yet forming a core subject of hot discussions in an extreme number of occasions is the “international poverty threshold”. According to this approach, which is based upon categorisation of people earning income below the poverty threshold which is taken as US \$ 1.25 per day as poor, the country with highest poverty rate is India with 41.6%. At its leading position as the country with highest rate of population with daily yields of income below US \$ 1.25, this country is followed by Cambodia with a rate of 28.3% at the second place, the Philippines and Pakistan with a rate of 22.6% at the third place, Kenya with a rate of 19.7% at the 5th, Indonesia with a rate of 18.7% at the 6th and the Republic of South Africa with 17.4% at 7th places. Through a statistical evaluation of the data supplied by the programme, it can be concluded that the daily income of approximately every one person in a group of two falls below the level of US \$ 1.25 in India, while every one person in a group of three earns less than US \$ 1.25 daily in Cambodia and every one person in a group of five get paid by less than US \$ 1.25 in Pakistan and the Philippines.

The rate of population earning daily income below US \$ 1.25 in our country is 2.7%. To put it in other words, every 3 individuals in a group of 100 people earn less than US \$ 1.25, daily (Please refer to Table 19).

Table 19. International Poverty Indicators

Region	Country	Multidimensional Poverty Index	Rate of Population in Multidimensional Poverty	The Depth of Poverty Rate	The Severity of Poverty Rate	Population Below Income International Poverty Line ⁽¹⁾
East Asia and Pacific	Japan	...	...	...	...	...
	Singapore	...	...	...	...	...
	Republic of Korea	...	...	...	...	...
Western Europe	Germany	...	...	...	...	...
	Switzerland	...	...	...	...	...
	Sweden	...	...	...	...	...
Eastern Europe and Central Asia	Czech Republic	0.010	3.1	0.0	0.0	...
	Slovenia	0.000	0.0	0.4	0.0	0.0
	Turkey	0.028	6.6	7.3	1.3	2.7
North America	USA	...	...	...	...	...
	Canada	...	...	...	...	...
Middle East and Northern Africa	Israel	...	...	...	...	...
	Lebanon	...	...	...	...	...
	Jordan	0.008	2.4	1.3	0.1	0.4
Latin America and The Caribbean	Mexico	0.015	4.0	5.8	0.5	3.4
	Panama	...	...	...	...	9.5
	Costa Rica	...	...	...	...	0.7
Sub-Saharan Africa	Republic of South Africa	0.057	13.4	22.2	2.4	17.4
	Namibia	0.187	39.6	23.6	14.7	...
	Kenya	0.229	47.8	27.4	19.8	19.7
Recently Developing Selected Countries ⁽²⁾	China	0.056	12.5	6.3	4.5	15.9
	Indonesia	0.095	20.8	12.2	7.6	18.7
	Malaysia	...	...	...	...	0.0
	The Philippines	0.064	13.4	9.1	5.7	22.6
	Thailand	0.006	1.6	9.9	0.2	10.8
	Cambodia	0.251	52.0	21.3	22.0	28.3
	Vietnam	0.084	17.7	18.5	6.0	13.1
	India ⁽³⁾	0.283	53.7	16.4	28.6	41.6
	Sri Lanka ⁽³⁾	0.021	5.3	14.4	0.6	7.0
	Pakistan ⁽³⁾	0.264	49.4	11.0	27.4	22.6

Source: UNDP, Human Development Report, 2011.

(1): Calculated for the period between 2000-2009, basing on the assumption that PPP would be US \$ 1,25 per diem.

(2): A selected group of recently developing Asian countries is included.

(3): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

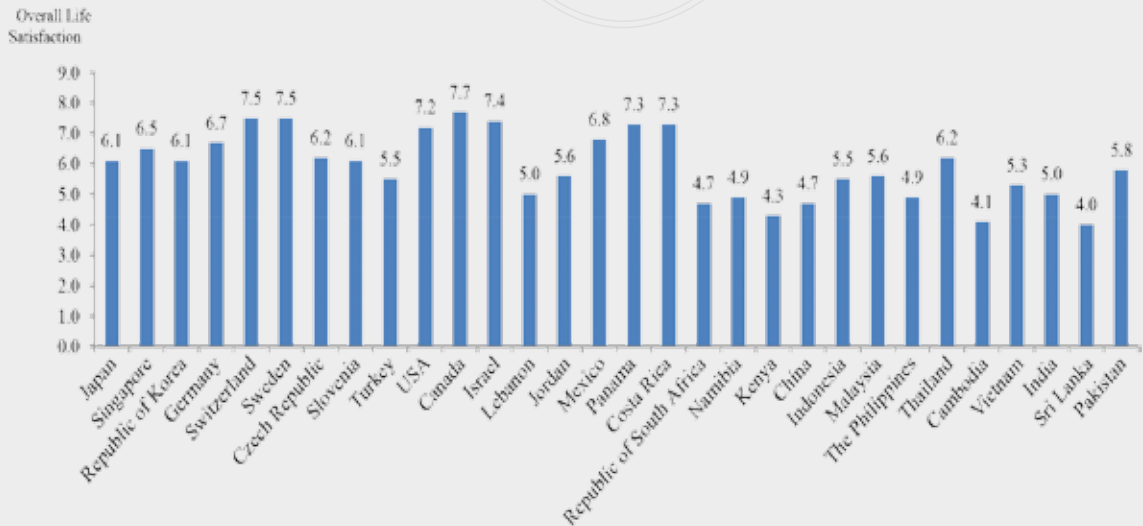
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1.2.6 International Overall Life Satisfaction

The senses of well-being and life satisfaction are concepts that can be considered in several dimensions. The measurement and evaluation of the level of satisfaction that individuals get from the life itself, depending on their standards of living is also a matter that lures attention at an international level. The sense of well-being is a state of mind, body and spirit that is totally free of pain, grief and misery, but instead, dominated by the feelings of joy, pleasure and satisfaction. To put it more concisely, it is the state and mood of being satisfied from all aspects of life.

The UNDP’s “Human Development Report” publication for 2011 defines overall life satisfaction of individuals by selected countries on a survey conducted using Likert’s 10-point scale with categorisation of 3 groups, where scores in a range of “1-3” represent least satisfaction, “4-6” represent moderate satisfaction and “7-10”, most satisfaction, as a result of which, in 15 countries out of 30 from which samples were taken (50%) individuals appear to be most satisfied from their life by generality. The sorting of countries where people who are most satisfied from life in overall, live by magnitude of overall life satisfaction scores, is as follows: Canada, Switzerland, Sweden, Israel, Panama, Costa Rica, USA, Mexico, Germany, Singapore, Thailand, Czech Republic, Japan, Republic of Korea and Slovenia.

The number of countries hosting individuals who have overall life satisfaction counts as 15. Among the 30 selected countries, there is not any country with people not satisfied from life at all. For Turkey, it is evident that people have overall life satisfaction with the score of 5.5 (Please refer to Table 20, Figure 7).



Source: UNDP, Human Development Report, 2011.

Figure 7. Overall Life Satisfaction Levels of Individuals in Selected Countries

Table 20. Overall Life Satisfaction Levels of Individuals in Selected Countries

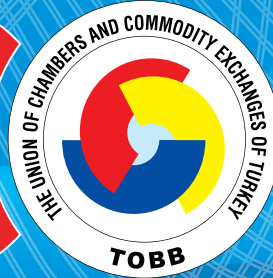
Region	Country	Overall Life Satisfaction Score ⁽¹⁾
East Asia and Pacific	Japan	6.1
	Singapore	6.5
	Republic of Korea	6.1
Western Europe	Germany	6.7
	Switzerland	7.5
	Sweden	7.5
Eastern Europe and Central Asia	Czech Republic	6.2
	Slovenia	6.1
	Turkey	5.5
North America	USA	7.2
	Canada	7.7
Middle East and Northern Africa	Israel	7.4
	Lebanon	5.0
	Jordan	5.6
Latin America and The Caribbean	Mexico	6.8
	Panama	7.3
	Costa Rica	7.3
Sub-Saharan Africa	Republic of South Africa	4.7
	Namibia	4.9
	Kenya	4.3
	China	4.7
Recently Developing Selected Countries⁽²⁾	Indonesia	5.5
	Malaysia	5.6
	The Philippines	4.9
	Thailand	6.2
	Cambodia	4.1
	Vietnam	5.3
	India ⁽³⁾	5.0
	Sri Lanka ⁽³⁾	4.0
Pakistan ⁽³⁾	5.8	

Source: UNDP, Human Development Report, 2011.

- (1): A Likert 10-point scale was used to measure overall life satisfaction, with score “0” identifying the least satisfied and “10” the most satisfied and results obtained were accordingly disseminated in the 0-10 range.
- (2): A selected group of recently developing Asian countries is included.
- (3): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name “South Asia”.

The countries which can be accounted as a surprise based on data supplied on this table are Slovenia, Israel, Costa Rica, Panama and Thailand. This is because of the lowest or closest to the lowest positions that these countries appear to have taken in other rankings made with respect to many other economic and social indicators, which reveal people with overall life satisfaction, which, in turn, is interesting.

6



years

2. INTERNATIONAL COMMODITY MARKETS



2. INTERNATIONAL COMMODITY MARKETS

2010 has been a year of economic recovery thanks to various economical and financial policies implemented as a counter-measure due to the adverse climate arising in the aftermath of the global economic crisis, which influenced all world economies fast shortly after its first occurrence in the mortgage based housing loans market of the US, in 2008. By the final quarter of 2010, the debt crisis which took place in Greece and had major influence in the Euro Area, started to kick in gradually during 2011. While a major part of the advanced world came in struggle with the challenges brought up by this debt crisis, the emerging and developing countries exhibited a mild growth pattern, under the indefinite risk environment. Sudden surges in raw material prices observed in emerging and developing countries are notable as the most striking, major risks, along with very high liquidity of capital in these markets.

Price increases were observed in commodity markets in the last quarter of 2010, along with the recovery trend that dominated global markets throughout the year. The problems faced by agricultural sector in the relevant period together with the unworthy weather conditions entailed to an upward acceleration in prices of products, wielding a supply-oriented impact. Furthermore, the oil prices showed an increase, affected in the direction of demand, for similar reasons, leading to the spot rate of oil per barrel at Brent Oil of US \$ 94.7, as of December.

The increase in commodity prices appears to continue by merger of 2011. In this period, political disturbances in the Middle East inflicted immense pressure on oil prices, resulting in a rise in the predictions for average oil price per barrel towards US \$ 90, from an original projection of US \$ 79 made by IMF for 2011. The rising trend also covered the prices of industrial metals for the period. The prices slightly dropped with the expectation of lowered demand for oil, in the pace of odds brought about by the earthquake and tsunami disasters in Japan, March of this year. However, the continuing stance of disturbances and conflicts especially in Libya caused oil prices to retain their high levels. By the end of March, the world witnessed a rise in brent oil prices towards the level of US \$ 117. In the same period, there had been fluctuations in gold prices, eventually arriving at an actual level of 1,430 \$ per ounce, by the end of this month.

The economic problems encountered in line with food and commodity prices entering a rising stance during the recent years have constituted the major agenda items for discussion in the G-20 meeting held on February 18th-19th, 2011, in Paris of France. The report issued in consequence of the G-20 summit held in Paris, France indicated that steady rise in food and raw material prices in combination with high amounts of capital flow would trigger the risk of inflation in most economies.

The second quarter witnessed drops in commodity prices, especially in agricultural and energy sectors. Moreover, the deepening of the debt crisis in Euro Area along with persistence of the Arab Spring and problems reported in Middle East and North Africa had been the cause of unprecedented rises in metal prices. The Euro/Dollar parity hit the highest level of the last 1.5 years in May, while record-breaking levels were achieved in the prices of certain precious metals. Palladium, platinum and silver reached their highest price

levels in recent years. High rates of increase were observed in prices of the bull markets at global scale, with the intense demand shown by investors for gold, getting extremely affected by the debt crisis in Euro Area. Gold that generally maintained an average price level of US \$ 1,700 per ounce throughout 2011, hit the climax with US \$ 2,000 during the year.

The economic concerns regarding China, one of the largest economies of the world reached at serious proportions during the year and as a result, production of the country showed a slowing trend. The commodity prices climbed up to their highest levels attained in a year, with contribution of the tight monetary policy introduced and implemented by the country's administration, by the third quarter of 2011. In the meantime, there had been drops in the prices of industrial metal products and energy, in this period. Although the agricultural crop prices presented a fluctuating pattern as of the third quarter, they showed a falling trend in general. The price falls observed during this period are mainly driven by situations on the supply side of the chain, while total elimination of the risk of draught which persisted especially during summer and subsequent increase in the number of cultivated lands earmark the period.

The second G-20 convention of the year took place between 3rd and 4th of November, 2011 in Cannes, France. This meeting put up similar issues on the table, making highlight of the fact that global imbalances continue to persist in world economy and the fluctuating course the commodity prices have already entered constitutes a risk against growth and resulting in adoption of a decision for strengthening of market integrity by reorganisation of the financial sector, with particular reference to and after a thorough assessment of problems encountered by the Euro Area. Discussions were held on the felt need for implementing subvention policies in favour of agricultural sector, in the meanwhile preventing fluctuations in commodity prices. Mention was made of the potential positive outcomes of exchange of ideas and information on expectations between oil, coal and gas producers and consumers in gatherings to be organised once in every year, for the optimisation of the course of business and related processes in the energy sector.

Speaking for the final quarter of the year inferred, not any particular change has been observed in significant nature, in the time curves of metal product prices due to the slowing Chinese Economy or the adverse effects of the debt crisis encountered in the Euro Area, however, relative fluctuations have taken place in the prices of precious metals. Moreover, the oil prices entered in a rising trend as a result of such factors as Iran's threat of closing the Strait of Hormuz to oil trades and transport and unwillingness among OPEC (Organisation of Petroleum Exporting Countries) countries for increasing their production quantities.

For 2012, oil production rates and quantities are expected to rise, however, with a subsequent drop in prices by the second half of the year, as a result of slowing demand for oil. Furthermore, a recession in average pricing of such metals as aluminium, nickel, copper, zinc and etc. as well as of natural gas supplies is expected to take place in line with the predictions of Morgan Stanley, the renowned US based investment bank, versus a rise in the prices of gold, silver and platinum. Despite the extreme rise of cotton prices in 2011, a downward sloping is expected to occur for the next two years, in line with the gradual

decrease in demand. Another area where a fall is expected in prices is Brazil, a major exporter of sugar, due to prevalence of a positive atmosphere in the country, favouring sugar production. Predictions also pinpoint a potential rise in prices in the forthcoming quarter, attributable to the recession in production quantities in Brazil, Colombia and Vietnam, the three major coffee exporters of the world.

A review of the international commodity prices published in the IMF staff's "World Economic Outlook" report reveals that corn has been the commodity which the highest price increase in 2011 compared to the preceding year, with a rate of 56.9%, and this is followed by cotton with 49.4% and wool with 47.4%. With an examination of the metal product prices in 2011, there appears an increase in the prices of copper by 17.0%, aluminium by 10.5%, nickel by 5.0% and zinc, by 1.6%. The spot price of oil increased by 31.6% compared to the previous year, achieving a rise from a baseline of U.S. \$ 79,0 per barrel to U.S. \$ 104,0. The natural gas prices made an increase by 28.9% in 2011, following a decline by 7.1% in 2010. The product with the most declined price for 2011 has been orange with a rate of 13.3% (Please refer to Table 21).

Table 21. Prices of Selected Products in International Markets

Selected Products ⁽¹⁾	Unit of Measure ⁽²⁾	Product Prices			Rate of Change ⁽⁴⁾		
		2009	2010	2011	2009	2010	2011
Wheat	\$/MT	223.4	223.7	316.2	-31.5	0.1	41.4
Corn	\$/MT	165.5	186.0	291.8	-25.8	12.4	56.9
Rice	\$/MT	589.4	520.6	551.7	-15.8	-11.7	6.0
Soy-beans	\$/MT	378.5	384.9	484.2	-16.5	1.7	25.8
Peanuts	\$/MT	994.6	1,239.4	1,717.0	-36.6	24.6	38.5
Sunflower seed oil	\$/MT	1,041.7	1,186.0	1,621.8	-38.5	13.9	36.7
Olive oil	\$/MT	3,509.3	3,171.3	3,070.3	-15.8	-9.6	-3.2
Orange	\$/MT	909.0	1,028.4	891.2	-17.9	13.1	-13.3
Banana	\$/MT	848.0	881.4	975.9	0.5	3.9	10.7
Sugar (free market)	cts/lb	18.2	20.9	26.2	45.8	15.2	25.4
Tea	cts/Kg	314.0	316.7	346.2	16.5	0.9	9.3
Coffee	cts/lb	77.1	84.1	116.0	-27.4	9.1	37.9
Cotton	cts/lb	62.8	103.5	154.6	-12.1	64.9	49.4
Wool (23 microns)	cts/Kg	611.4	820.1	1,209.2	-13.8	34.1	47.4
Rubber	cts/lb	87.2	165.7	218.5	-26.5	90.1	31.9
Leather	cts/lb	44.9	72.0	82.0	-30.0	60.5	13.9
Aluminium	\$/MT	1,669.2	2,173.0	2,400.6	-35.3	30.2	10.5
Copper	\$/MT	5,165.3	7,538.4	8,823.5	-25.8	45.9	17.0
Nickel	\$/MT	14,672.4	21,810.0	22,909.1	-30.6	48.6	5.0
Zinc	\$/MT	1,658.4	2,160.4	2,195.5	-12.0	30.3	1.6
Natural Gas (Russia ⁽³⁾)	\$/000 m ³	318.8	296.0	381.5	-32.6	-7.1	28.9
Oil (spot)	\$/bbl	61.8	79.0	104.0	-36.3	27.8	31.6

Source: IMF Primary Commodity Prices Database.

(1): Products gaining weight at a certain extent in global commodity market trades are selected.

(2): lb=0.4536 Kg, bbl (barrel)=159 l, cts, MT: Metric Ton, m³: cubic meter, Kg: Kilogram.

(3): Natural gas (Russian natural gas in Germany)

(4): Rates of change may vary, due to the round-up in products' market prices.

There had been a sharp decline in all world commodity price indexes under the influence of the global crisis in 2009, which was followed by a relative recuperation in 2010, and the increasing trend continued to persist in a moderate stance, during 2011. While the overall commodity price index showed an increase by 26.3% in 2011, compared to its base level in the preceding year, the prices of food and beverages rose up by 19.3%, the energy price index by 31.7% and oil prices index by 31.9%. An examination of the rates of change in indexes by quarterly periods in 2011 shows an increasing trend for all index components for the initial quarter, however, with subsequent drops in the third quarter. The final quarter made record of shrinkage in all index components but, the energy and oil price indexes, which slightly improved by 1.0%. The world trade got adversely affected by such factors as the problems of the Chinese economy, implementation of tight economic policies in the USA and especially the debt crisis in the Euro Area, which in turn had a role to play in the drops observed during the third and fourth quarters, in the index values.

Table 22. World Commodity Price Index

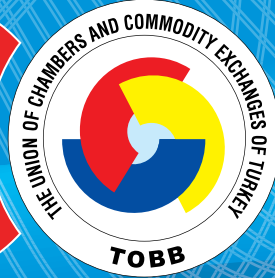
Components	(2005=100) (US \$)						
	2009 ⁽¹⁾	2010 ⁽¹⁾	2011 ⁽²⁾	2011 Quarters			
				1. Quarter	2. Quarter	3. Quarter	4. Quarter ⁽²⁾
Overall commodity price index	120.7	152.2	192.2	190.4	201.6	192.6	184.3
Non-oil commodity price index	127.4	161.0	189.6	200.4	199.3	190.7	168.0
Food and beverages price index	136.0	152.0	181.4	188.6	189.1	181.9	165.8
Industrial inputs price index	118.7	170.0	197.9	212.2	209.5	199.6	170.2
Agricultural raw material price index	94.1	125.4	153.8	161.8	164.9	153.2	135.4
Metal products price index	136.5	202.3	229.7	248.6	241.8	233.1	195.4
Energy price index	116.8	147.1	193.8	184.5	203.0	193.6	193.8
Oil price index	116.2	148.5	195.9	187.6	207.3	194.3	194.4
	Rate of Change Relative to the Preceding Year/Quarter						
Overall commodity price index	-29.9	26.1	26.3	14.6	5.9	-4.5	-4.3
Non-oil commodity price index	-15.7	26.4	17.8	11.7	-0.5	-4.3	-11.9
Food and beverages price index	-13.1	11.8	19.3	11.0	0.3	-3.8	-8.9
Industrial inputs price index	-18.5	43.2	16.4	12.3	-1.3	-4.7	-14.7
Agricultural raw material price index	-16.9	33.3	22.6	15.3	1.9	-7.1	-11.6
Metal products price index	-19.2	48.2	13.5	10.9	-2.7	-3.6	-16.2
Energy price index	-36.8	25.9	31.7	16.4	10.0	-4.6	0.1
Oil price index	-36.2	27.8	31.9	16.8	10.5	-6.3	0.1

Source: IMF Primary Commodity Prices Database.

(1): Data supplied in this table may differ from those supplied in the previous publication of Economic Report for 2010, due to the update made by the issuing entity on prices.

(2): These are projected values.

6



years

3. FORECASTS OF INTERNATIONAL ORGANIZATIONS CONCERNING GROSS DOMESTIC PRODUCT AND CONSUMER PRICE INDE

3. FORECASTS OF INTERNATIONAL ORGANIZATIONS CONCERNING GROSS DOMESTIC PRODUCT AND CONSUMER PRICE INDEX

International organisations prepare forecast for key economic variables, with a view to acquire prospective information about the course of progress of the global economy and help countries formalise their policies accordingly, at a certain extent. In a period where most countries implement tight policies for the sake of setting their economies on a straight course, particularly in the pace of economic problems encountered recently, it becomes of crucial importance to properly foresee the expectations for the future.

By merger of the third quarter of 2011, risks threatening the world economy were amplified. Peculiarly owing to the constraints faced by EU member states in combination with the economic troubles caused by globalisation, many countries had to revise their annual rates of growth in the downward direction. Also, reports of such reputable international organisations as IMF and OECD concerning the world economy received future-oriented revisions for the part of projections they include.

This section makes an evaluation of forecasts readily made by these international organisations for the forthcoming three years, concerning GDP and CPI.

3.1 Forecasting for Gross Domestic Product

The 2012 GDP growth rate projections for selected countries fell below the levels that can be achieving during the next couple of years, in the light of economic troubles encountered in 2011. By a short overview, OECD forecasts predict the highest rate of growth to be achieved in 2012 by China with a rate of 8.5%, which would be succeeded by India with 7.2% and Indonesia with 6.1%. On the other hand, the same predictions point Slovenia as the country achieving the least rate of growth by 3.0%, which is expected to be preceded by Germany by 6.0% and Switzerland by 8.0%, at the bottom lines of the list. On the other hand, OECD's forecast for Turkey of rate of growth during 2012 is 3.0%.

A thorough examination of the 2013 forecasts of OEC for the selected countries leads to the predictions that the highest rate of growth in GDP during 2013 would be achieved by China, as in the case for 2012, with a rate of 9.5%, through a 1.0 point increment, which would be followed by India in the second place with a rate of 8.2%, improved by 1.0 point from the baseline of 2012 and by Indonesia in the third place with a rate of 6.5% showing an improvement gradually degrading in relation to the countries filling the top two lines in the list for rates of growth, compared to 2012. It is notable that no change appears in the top three countries of the descending list by GDP rates of growth, in the forecasts for both 2012 and 2013. According to the expected rates of growth in GDP during 2013, Japan takes the last place with 1.6%, among selected economies, while it is predicted that the rate of growth that this country could achieve in 2012 would take a value below 0.4 points.

Turkey is one of the countries with highest expected rates of growth in GDP for the periods 2012 and 2013, according to the forecasts of OECD. In 2012 our country is predicted to achieve a GDP growth rate of 3.0%, which will improve to 4.5% with a 1.5 points increase in 2013, positioning it among the two top countries with the highest rates of growth among the selected 30 countries.

A review of IMF forecasts regarding GDP reveals that China is predicted to be the highest growth rate yielding country, between the terms 2012 and 2014. For 2013, both OECD and IMF forecasts seem to reach at consensus about China's precedence in the ranking by rates of growth in GDP, with a rate of 9.5%. The IMF forecast of the GDP growth rates between 2012 and 2014 places India in the second place with a predicted rate of 8.1% for 2013, which appears to fall shorter than what OECD predicts, by 0.1 points. 3rd place belongs to Cambodia, in the same forecast. The OECD forecasts differ in that they exclude Cambodia from coverage.

According to OECD forecast of rate of growth in GDP our country will achieve 2.0%, 3.0% and 3.4% growth rates in 2012, 2013 and 2014, in respective order. What is spectacular about the forecasts of OECD and IMF for 2013 is the difference by 1.5 points in between the two.

Generally speaking, IMF Forecast for Expected GDP Growth Rates for the 2012-2014 period lay focus of interest on 16 countries with an anticipated change, which include: the Czech Republic, Turkey, USA, Canada, Lebanon, Jordan, Costa Rica, Namibia, Kenya, China, Indonesia, the Philippines, Cambodia, Vietnam, India and Pakistan.

The World Bank's forecasts for expected GDP growth rates for the period between 2012 and 2014 makes no change in the name of the country leading the list, which is China, with a predicted rate of growth by 8.4% in 2012 and 8.3% in 2013. However, the World Bank projections divert much from those of OECD and IMF for 2013. According to World Bank's forecast, the second and third places in the ranking for expected GDP growth belong to Sri Lanka and Vietnam, in respective order. The sorting of the first three countries in World Bank's forecast of expected GDP growth rates differs from those of OECD and IMF, except the first row.

World Bank's forecasts of expected GDP growth rates assign a rate of 2.9% for our country for 2012, which is 0.1 points worse than the OECD's forecast and 0.9 points better than IMF forecast.

In the expected GDP Growth Rates Forecast of the World Bank for 2013, only two of the selected countries -i.e. China and Vietnam- are expected to show a declining stance compared to the preceding year, while all the remainder would show an upward change.

To summarise, a collated review of the forecasts of all three international organisations about GDP leads to expectations for a change in the rising direction in GDP of all countries selected, for the term 2013, according to OECD. IMF anticipates a downwardly change in 5 and no change in 2 out of 30 countries included in its forecast of expected GDP growth rates, with a change in the rising direction for the 23 remaining economies. Similarly, the World Bank predicts a decline in only 2 of the 30 selected countries in its forecast, while expecting an increase in the remaining 19 economies in terms of GDP growth rates for the term 2013.

3.2 Forecasting for Consumer Price Index

The OECD forecasts of year-end CPI rates of change draws notice for their predictions of an overall drop of 6.0‰ and 3.0‰ respectively for 2012 and 2013, in Japan only, out of

12 countries inferred. According to the outlay put forth by the forecasts for the 12 countries, Turkey appears to be the country that achieves the highest score in terms of annual rates of change in CPI both during 2012 and 2013. In 2012, the annual CPI rate of change is predicted to be 7.9% and 6.5% in 2013, according to OECD's forecasts. The Republic of Korea would be the immediate chaser of Turkey in the listing of highest rates of change in CPI, in the second place. However, Korea's expected rate of change in CPI for 2012 is 4.3 points below that predicted for our country, while it is still worse by 3.5 points according to the forecasting for 2013.

With a view of IMF forecasts of rates of change in CPI, Pakistan grabs the first place with a rate of 9.0% for 2014 among 30 countries and is followed by Vietnam positioned in the second place with a rate of 5.5% and India in the third place, with 5.3%.

Our country is placed in 5th position in the ranking with a rate of 5.0%, for 2014. According to the forecast of IMF concerning our country, the rate of change in CPI has been predicted to be 6.4% in 2012, 5.6 % in 2013 with a drop by 0.8 points and 5.0% in 2014, with a further drop by 0.6 points. According to the projections of IMF, 5 out of 30 countries will enter in a rising trend in terms of rates of change in CPI between 2012 and 2014, while 18 will show a declining trend and 4 countries keep their scores steady. The countries in a rising trend in terms of CPI predictions for the period between 2012 and 2014 are Switzerland, Japan, USA, Germany and Sri Lanka.

A summarised assessment of the forecasts of OECD and IMF of the rates of change in CPI in 2013 suggests that predictions come to state the same level for the Republic of Korea, while IMF's projection for Switzerland is 0.6 points higher than OECD's projection for the same country, with a rate of 2.0%.

The IMF forecast is lower than OECD forecast for our county by 0.9 points, which appears to be 5.6% on the list (Please refer to Table 23).

Table 23. Forecasts of International Organisations on Ground Domestic Product and Consumer Price Index for Selected Countries

Region	Country	GDP Growth Rate						CPI Rate of Change								
		Organisation for Economic Cooperation and Development (OECD)			International Monetary Fund (IMF)			World Bank (WB)			Organisation for Economic Cooperation and Development (OECD)			International Monetary Fund (IMF)		
		2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
East Asia and Pacific	Japan	2.0	1.6	...	2.3	2.0	2.0	2.6	2.0	...	-0.6	-0.3	...	-0.2	0.1	0.4
	Singapore	...	...	...	4.3	4.2	4.2	...	...	...	...	...	...	5.1	1.2	2.4
	Republic of Korea	3.8	4.3	...	4.4	4.2	4.0	...	...	...	3.6	3.0	...	3.0	3.0	3.0
Western Europe	Germany	0.6	1.9	...	1.3	1.5	1.5	...	...	...	1.6	1.5	...	1.3	1.6	1.9
	Switzerland	0.8	1.9	...	1.4	1.8	1.8	...	...	...	0.0	0.3	...	0.9	1.0	1.0
	Sweden	1.3	2.3	...	3.8	3.5	3.0	...	...	...	1.1	1.4	...	2.2	2.0	2.0
Eastern Europe and Central Asia	Czech Republic	1.6	3.0	...	1.8	2.5	2.9	...	...	...	3.1	2.0	...	2.2	2.0	2.0
	Slovenia	0.3	1.8	...	2.0	2.4	2.3	...	...	...	1.3	1.7	...	2.3	2.4	2.0
	Turkey	3.0	4.5	...	2.0	3.0	3.4	2.9	4.2	...	7.9	6.5	...	6.4	5.6	5.0
North America	USA	2.0	2.5	...	1.8	2.5	3.1	2.9	2.7	...	2.4	1.4	...	0.9	1.0	1.2
	Canada	1.9	2.5	...	1.9	2.5	2.5	...	...	...	1.6	1.4	...	2.0	2.0	2.0
Middle East and Northern Africa	Israel	2.9	3.9	...	3.6	3.7	3.7	...	...	...	2.0	2.1	...	2.0	2.0	2.0
	Lebanon	...	...	...	3.5	4.0	4.0	3.8	4.4	...	...	...	...	4.2	3.0	2.2
	Jordan	...	...	...	2.9	3.5	4.1	1.7	3.0	...	...	...	...	4.8	4.3	3.8
Latin America and The Caribbean	Mexico	3.3	3.6	...	3.6	3.7	3.8	3.2	3.7	...	3.5	3.4	...	3.0	3.0	3.0
	Panama	...	...	...	7.2	6.6	5.8	6.1	6.3	...	...	...	...	3.3	3.0	3.0
	Costa Rica	...	...	...	4.1	4.4	4.5	3.5	4.5	...	...	...	...	7.5	5.5	4.5
Sub-Saharan Africa	Republic of South Africa	3.6	4.7	...	3.6	4.0	3.8	3.1	3.7	...	...	...	...	4.8	5.0	4.9
	Namibia	...	...	...	4.2	4.3	4.3	4.2	5.1	...	...	...	...	5.5	5.2	5.2
	Kenya	...	...	...	6.1	6.5	6.5	5.0	5.5	...	...	...	...	6.0	5.0	5.0
Recently Developing Selected Countries (2)	China	8.5	9.5	...	9.0	9.5	9.5	8.4	8.3	...	...	...	...	3.0	3.0	3.0
	Indonesia	6.1	6.5	...	6.3	6.7	7.0	6.2	6.5	...	...	...	...	6.4	5.5	5.2
	Malaysia	...	...	...	5.1	5.1	5.1	4.9	5.3	...	...	...	...	2.5	2.4	2.4
	The Philippines	...	...	...	4.9	5.0	5.0	4.2	5.0	...	...	...	...	4.2	4.0	4.0
	Thailand	...	...	...	4.8	4.8	4.9	4.2	4.9	...	...	...	...	5.6	2.8	4.3
	Cambodia	...	...	...	6.5	7.0	7.3	6.5	6.5	...	...	...	...	4.1	3.4	3.0
	Vietnam	...	...	...	6.3	6.8	7.2	6.8	6.5	...	...	...	...	8.1	6.0	5.5
	India (3)	7.2	8.2	...	7.5	8.1	8.1	6.0	7.5	...	...	...	...	8.5	5.9	5.3
	Sri Lanka (4)	...	...	...	6.5	6.5	6.5	6.8	7.7	...	...	...	...	6.0	5.5	5.5
	Pakistan (5)	...	...	...	3.8	4.5	5.0	4.0	4.2	...	...	...	...	12.0	10.0	9.0

Source: IMF, OECD, WB.

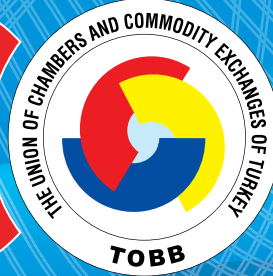
(1): As data covered by the report belong to the last three years, forecasts were adjusted to the next three years.

(2): A selected group of recently developing Asian countries is included.

(3): These countries located in the South Asia region are considered in this category because they have shown development in the recent period, for which reason not a particular title was inserted into the table under the name "South Asia".

...: Information not available.

6



years

CHAPTER II. A GENERAL OUTLOOK TO TURKISH ECONOMY

OVERALL ASSESSMENT

While the poorest quintile group took a 5.6% share from the total household disposable income in our country, 2009, this share improved by a 0.2 point increase to 5.8%, in 2010. The richest quintile of income earners had 47.6% of the total household disposable income in 2009, which shrank to 46.4% by a 1.2 points decrease, in the year then coming. While the share of the poorest quintile in total income was 8.5 times higher than the share of the richest quintile in total income in 2009, this share receded to 8.0 times in 2010, as a sign of a bit more fair distribution of income. The Gini coefficient displayed an unfair distribution of income in our country by 2009, with a value of 0.415 and although it shrank to 0.402 in 2010, it is still extremely hard to argue about a fair distribution of income in our country.

With a thorough examination of the shares of each quintile group in the overall consumption expenditure by household consumption expenditure figures, the poorest quintile had a share in overall expenditure which remained the same for 2009 and 2010, at a rate of 9.1%, contrary to the share of the richest quintile therein, which fell back to 36.1%, from a baseline of 36.6%. However, the share of the richest quintile group in total expenditures compared to the share of the poorest quintile group therein showed a decline towards 3.97 times in 2010, from its 2009 reference of 4.02 times.

In short, the cumulative share of three quintile groups in total expenditures improved only to 31.7% in 2010, from 31.0% in 2009. The cumulative share of three quintile groups in total expenditures rouse only to 40.7% in 2010, compared to the preceding year's value of 40.5%. These results can as well be construed in such a way that makes it viable to state that while there had been an increase of only 0.7 points in the share of three quintile groups in household income, the increase in total expenditure could only be by 0.2 points.

In addition to the resultant finding that there has especially been an unfair distribution and structuring between households in terms of income earned and the total expenditures made accordingly, in our country, the country was demoted by 9 positions as of 2011, in the ranking of countries by HDI being calculated by UNDP, from its 83th place in 2010. The failure of the country to show a good performance relative to other countries in terms of GNI per capita by PPP at fixed prices had a particular role in this performance. According to the UNDP report for 2011, the GNI per capita value achieved in our country retains a higher than the average income of "high" category, in the categorisation of countries made therein, by US \$ 667 and is better than the world average income by US \$ 2,164, however, it is still shorter from the grouping of very high HDI countries by US \$ 21,106.

There is a still an inequality, at considerable extent, between male and female genders in our country in 2011, judging by the gender inequality index value it has achieved. Our country is one of the most demographically dense countries of the world by global population size, with a population of 73.6 million individuals, where child mortality rates below 5 years of age maintain pretty high, at 20.0% and adult female mortality rate and rate of urban population prove to be extremely high with rates of 73.0% and 70.1% respectively and a quite young community of people forms up the population with a median age of 28.3, although, being economically dependent.

If the international standard poverty line is taken as US \$ 2.15, our country had 22.0% of its population formed up by poor individuals in 2009, which rate shrank to 21.0%, in 2010. However, if the international income poverty line is taken as US \$ 4.3, then the ratio

of poor to overall country population has shrank to 3.66% in 2010, from 4.35% in 2009. The starvation line for a household size of “1” is ₺ 141, and for a household size of “4”, ₺ 318 in country, for 2010. The higher the household size gets, the ratio of poor households and of poor household members tend an increase, which is interestingly notable. While the rate of poverty hits the climax among free family workers and casual jobbers (per diem workers) from a perspective of economically active household members, every member in a group of three workers of the agricultural sector interestingly experiences poverty. The poverty line’s getting this high in the agricultural sector is attributable to weighed recruitment of free family workers to conduct work.

In 2011, 42.9% of households have opportunity to access the Internet in Turkey, country-wide, and within these households, 45.0% of members falling in an age range of 16-74 or 54.9% of the male and 35.3% of the female members have opportunity to access the Internet. Male members have much more means and opportunities to access and frequent usage of Internet than female members of the households, yielding a statistically significant difference. During the recent years, there has been a considerable increase in ownership rates of portable PCs, palmtop PCs and digital photoFigureey cameras versus a notable decrease in ownership rates of land phones, in our country.

Women are happier than men in our country, in 2011. The rate of happy individuals drops as the age groups rise. The rate of unhappy individuals increases in line with the drop in level of education. Married individuals are happier than bachelors, while income satisfaction tends a rise in line with improvements in levels of income and men are more hopeful than women, about the future. Both men and women see the entire family as their eventual source of happiness and they perceive health as another major cause thereof.

By actual situation in our country as at the end of 2011, 70.2% of SMEs holding positions as tax-payers constitute business groupings of $1 \leq \text{Number of Workers} \leq 9$, while another 26.0% constitute business groupings of $10 \leq \text{Number of Workers} \leq 49$, leaving only a 3.8% to constitute business groupings of $50 \leq \text{Number of Workers} \leq 249$. In other words, approximately $\frac{3}{4}$ of the SMEs pursuing business in our country hire and employ 1 to 9 workers.

At regional level, SMEs based in Istanbul comprise 25.7% of all business enterprises with 1 to 9 employees, 34.3% of all business enterprises with 10 to 49 employees and 36.6% of all business enterprises with 50 to 249 employees, which pursued professional activities during the year, across the country. As these results would immediately suggest, Istanbul grabs approximately one third of all SMEs of our country alone, regardless of establishment size. No matter what their establishment sizes are, the activity fields of SMEs appear to massively relate the services sector, by a proportionate weighing. The rate of engagement in services sector reveals to be 66.9% in SMEs with an establishment size of 1-9, 57.7% in SMEs with an establishment size of 10-49 and 56.9% in SMEs with an establishment size of 50-249. Based on these results, it can be concluded that there has been a slight shift from services sector to other sectors, concomitant with increasing number of workers in SMEs.

During 2010, the GDP showed an annual growth of 15.4% in terms of ₺ at current prices, which rate improved by 1.5 points to 17.98% in 2011, yielding a total improvement from ₺ 1,098,799 million to ₺ 1,294,893 million. GDP, which had grown by 18.6% in 2010 in terms of US \$ have slowed its growth rate by 13 points to 5.6% in 2011, resulting in a total GDP of US \$ 772,298 million in 2011, compared to US \$ 731,608 million in 2010.

During 2010, the GDP showed an annual growth of 9.2% in terms of Turkish currency at constant prices, which rate declined by 0.7 points to 8.5% in 2011, yielding a total from ₺ 114,874 million to ₺ 105,886 million.

The share of agricultural, hunting and forestry activities regressed to 8.9% in 2011, from a baseline of 9.2% in 2010, at fixed prices. Fisheries had no change in respect of their shares in GDP, retaining a level of 3.0% in 2011, compared to the preceding year. Mining and quarrying operations had a recession in their shares in GDP by 0.1 points to 7.0% in 2011, compared to the preceding year. The manufacturing industry had a 24.4% share in GDP with a growth by 0.2 points compared to the preceding year, while the construction activities had a share of 5.8% therein, with a growth by 0.1 points. Electricity, gas, steam and hot water production and distribution activities along with hotel and restaurant operations had no change in respect of their shares in GDP during 2011 compared to the preceding year and these have been 2.1% and 1.8%, respectively. On the other hand, GDP share of wholesale and retail trades improved by the highest achieved rate of 0.4 points to 13.1% in 2011, from a baseline of 12.7% in 2010. The shares of transport, storage and communication activities in GDP also showed a rise towards 14.9% in 2011, representing a progress by 0.3 points.

With a comparative analysis of GDP growth rates by quarters, the GDP rate of growth grasping a level of 12.6% in the first quarter of 2010, has attained a level of 11.9%, 9.1% and 8.4% in the first, second and third quarters of 2011, respectively. The GDP growth rate figures, which showed a declining trend over quarterly periods of 2011 has only been able to achieve a level of 5.2% in the final quarter of the same year.

As regards the agricultural production, there has been an increase in produced quantities of cereals, fruits and vegetables, thanks to viable climatic conditions that sustained throughout 2011. Based on data supplied for 2010, only 164,595,049 decares out of a total of farmland assets owned by Turkey of 244,359,848 decares are tillable. The region where the ratio of this tillable land to the total land gets its maximum is the TR1 (Istanbul) region, which effectively uses 90.7% of its land possession for tillage and cultivation purposes. In 2010, a total of 174,727,240 decares of land were cultivated and 173,779,708 decares harvested, giving a yield of 94,928,898 tons. While TR7 (Central West Anatolia) region takes the lead with the highest produced quantities of Turkey overall of 15.6%, it is followed by TR3 (Aegean) and TR5 (West Anatolia) regions with 13.9% and TRC (South East Anatolia) region with 10.1%.

As of 2010, the livestock inventory of our country included 11,454,526 bovine heads, of which 8,639,636 were at adult age and the remaining 2,814,890 youngsters and new-borns and which consisted of 4,707,188 hybrid, 4,197,890 culturally adapted and 2,464,722 home-bred cattle species as well as 84,726 heads of buffalo species. By 2010, our country possessed a total of 29,382,924 ovine livestock, precisely consisting of 22,003,299 indigenous sheep, 1,086,392 merino sheep, 6,140,627 hair goats and 152,606 angora goats. As of the same year, our country had a poultry inventory of 238,972,961 heads, including 163,984,725 broiler hens, 70,993,660 laying hens, 2,924,170 turkeys, 715,555 goose and 396,851 ducks.

The industrial sector output showed an undisrupted growing trend for 25 months from December 2009 till 2011 year-end, following the global economic crisis, which became predominant by late 2008. The increase in industrial production during 2011 is largely

attributable to and has been driven by domestic demand. The total industrial production grew by 8.9% along with growth in mining and quarrying sector output by 3,0%, manufacturing industry's sectoral output by 9,2% and electricity, gas and water supply sector production by 8.6%, throughout the year.

In 2009, the post-crisis period, capacity usage rate receded to 65.3% but then rouse back to 75.4% in 2011, following the faster-than-expected recovery in the economy. While the capacity usage rate for food and beverages commodity group dropped to 69.4%, it rose to 74.5% for consumer durables, to 72.1% for consumer non-durables, to 72.5% for intermediate goods and to 74.9% for capital goods in 2011, compared to the preceding year.

The number of industrial capacity reports drawn up during the last three years with validities covering the term ending 2011 in our country counts to be 57,041. The business enterprises who sought and obtained these capacity reports employ a total of 2,107,988 people. As for the grouping made based on sizes of employed populations, the industrial capacity report solicitation and reclamation rates were realised as 41.6% for enterprises having 1 to 9 employees, 45.6% for enterprises having 10 to 49 employees and 2.2% for enterprises having 250 employees or more.

During 2011, the tourism revenues of our country increased by 10.6% and reached at US \$ 23,020 million, versus an increase in tourism expenditures by 3.1% amounting to US \$ 4,976 million, yielding overall net earnings from tourism operations of US \$ 18,044 million, with a 12.9% increase. The average expenditure per capita head visitor departing from our country rose to US \$ 637 in 2011, showing an increase by 1.1% compared to the preceding year and the average expenditure per capita head visitor entering the country rose to US \$ 792, with a 7.6 % increase, compared to the same.

While 94.0% of all business enterprises used PCs in regular course of their business activities in Turkey, countrywide, a 92.4% had permanent access to the internet, in 2011. A 59.9% of enterprises having access to the internet possess a self-owned website on the fly.

The year 2011 hosted a continuing increase in investments related decision-making processes, resulting in a subsequent increase in public sector fixed capital investments by 21.3%, in private sector fixed capital investments by 38.1% and in total fixed capital investments by 34.4%. Along with the shrinking share of agricultural, energy, transportation and healthcare sectors only, in public sector fixed capital investments, an increase was observed in the shares of mining, tourism, housing, education and other services and the manufacturing industry's sector share remained unchanged, during 2011. Of the private sector fixed capital investments, agriculture, mining, energy and manufacturing sectors gained an increase in their shares, simultaneously with a decrease in that of tourism, housing, education and other services.

The TCMB furthered its monetary policy procedures, with the first and foremost objective of ensuring and maintaining price stability within the framework of inflation targeting regime, also during 2011. At this context, the medium term target inflation rate was preserved at 5.5%. The TCMB has come up with and introduced a set of new policies aimed at delimiting short term capital flows and preventing over-valuation of exchange rates on one hand and at ensuring growth of domestic loans and demand in a more controlled manner, on the other. Following expectations of recurring increase in inflationary rates back to figures with dual decimal points during the final quarter of 2011, the Bank announced a monetary policy formulated for implementation during extraordinary periods,

bringing about additional monetary tightening measures. The year 2011 has been a period when especially the expansion in consumer loans retained a high level. Continued growth in branches of economic activity along with interest rates' maintaining a low stance and prolonged loan maturities had particular effect on the increase in demand for loans.

Especially concerns for sustainability of public debts especially in the Euro Area had an adverse effect on global economic activities, during 2011. In the case of Medium Term Programme of Turkey, the country's financial policy was implemented strictly in line with its financial discipline, which yielded a positive performance in public finance balances in 2011.

The recuperation in public debt stock was extended to and continued during 2011, thanks to the positive performance of the central administrative budget and the debt management policies implemented. By generality of 2011, there has been a reduction in public loaning rates, a drop in real costs of loaning to minimal levels and a regression in the share of debenture notes sensitive to interest and exchange rates in the debt stock as well as a recession in the domestic debt roll-over ratio.

As a result of speeding in global growth and recovery of external demand, our exports rouse to US \$ 135 billion, by a 18.5% increase, reaching at a level almost equivalent to the levels before the outbreak of the global crisis. Along with an increase in growth rates in line with production, our imports also improved by 29.8% reaching at a value of US \$ 241 billion, in 2011. Depending on these developments, the exports-imports ratio declined by 5.4 points compared to its level in 2010 and ended up at a rate of 56.0%, from a baseline of 61.4% recorded during the former.

Together with the recovery in economy starting with 2010, the increase in investments and consumer demands versus domestic savings falling short resulted in a boost in rate of growth in current deficit, which eventually showed a slight recession, yet still maintaining a high level, during 2011. In 2011 the current account deficit increased by 65.4% compared to 2010 to US \$ 46,643 million from a baseline of US \$ 77,157 million. This rise was largely attributable to the foreign trade deficit which had grown at 58.4% during 2011.

The rate of change of CPI, which had attained its lowest value for the last 41 years of 6.40% in 2010 rose to double digits for the first time since 2008, during 2011. The developments in food prices along with loss of value in Turkish currency, the adverse effects of the rise in international commodity prices on basic commodity prices and rises in administered prices had particularly been effective in this escalation. Basic (core) inflation measures, while following a fluctuating course in 2010, maintained low levels, in line with the seasonally adjusted basic commodity prices and service rates tracing a horizontal course spontaneous with the drops in commodity prices of durable goods. However, H-core price index, one of the core inflation indicators (excluding unprocessed food, energy, alcoholic beverages, tobacco products and gold), and I price indicator (excluding energy, food and soft drinks, alcoholic beverages and tobacco products and gold) began to rise from the first quarter of 2011. This rising trend continued till the end of the year, with the effects of developments in basic commodity prices.

Not only developments were observed in economic indicators of our country, but also, variations took place in her social indicators as well, during 2011. The annual population growth rate of our country was realised at 13.5‰, with our population reaching at

74,724,269, yielding in an increase in population in every Km² by 1 person, to give a number of 97. The total population consisted of males by 52.2% and the gender ratio, which had been 101, remained unchanged, compared to the preceding year. The annual population growth rate across the country on the other hand receded to 13.49‰, in 2011.

The median age of our country reached at 29.7 in total, with an increase of 5 months, and in particular, at 29.1 for male and 30.3 for female members of the society, during 2011. The median age of females was improved by 1 year, in 2011, compared to the preceding year.

While “increasing employment rates” has been targeted among the objectives of the programme for 2011, the basic priorities were set in the Pre-Accession Economic Programme (PAEP) for 2011-2013, as “enhancing job opportunities, lowering unemployment, bringing labour market a more flexible structure without compromising from security, establishing a relation between education and employment and community-wide spreading of active labour force programmes, serving the ultimate purpose of attaining a competitive economic and information society, within the auspices of a sustainable growth pattern centred around employment”.

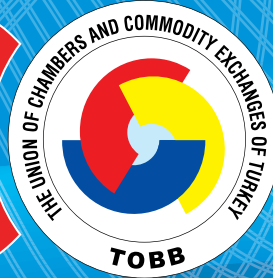
The rate of unemployment shrank to 9.8% nationwide by a 2.1 points drop, which meant a decrease to 9.2% for males with a decrement of 2.2 points and to 11.3% for females with a decrement of 1.7 points, with reference to the preceding year. The unemployment rates of young population showed a decline beyond the unemployment rate of population aged 15+.

The increase in the rate of participation in labour force of civilian non-institutional population aged 15+ was realised at 2.3% in 2011 with reference to the preceding year across the country, while the individual rates of participation in labour force of male and female members of the society showed a change towards an increase by 4.3% for males and 1.3% for females, compared to the preceding year.

As of 2011, 25.5% of the total employment was realised in agricultural sector, with 26.5% realised in industrial sector and 48.1% in services sector. Of the female workforce, a 42.6% was employed at services and 42.2% in agricultural sector, while 50.3% of male workforce is employed at services and 31.1%, in industrial sector.

In the academic period of 2010/'11, the gross schooling ratio retained a level of 107.6% in overall elementary level of education level and achieved a level of 93.3% in secondary level of education. While the gross schooling ratio proved to be higher in females than in males in elementary level of education, the situation turned upside down against favour of females, in secondary level of education, during the 2010/'11 academic period.

6



years

1. AT MICRO SCALE



1. AT MICRO SCALE

1.1 Distribution of Household Income

Based on the approach of adult equivalent² as announced by Turkish Statistical Institute (TURKSTAT) for the term 2011, a review, of shares of each quintile group in total disposable income for every quintile group formed up of equal number and frequency of people after being sorted in an ascending list of earned income suggests that the poorest quintile had only a share of 5.6% of the total income, while the richest quintile got 47.6% share from the same, in 2009. The share that the richest quintile had from the total income is 8.5 times higher than the total income received by the poorest quintile, in 2009. Stepping on this finding, it can be said that there is an unfair structure in existence in distribution of income among households.

An evaluation of results for 2010 lures attention to the poorest quintile's getting a share of 5.8% from the total income, while the richest gained a 46.4% share from the same. Consequently, the share that the richest quintile had from the total income is 8.0 times higher than the total income received by the poorest quintile, in 2010. It can therefore be said that there has been an improvement in the unfair distribution structure of income in 2010, compared to the preceding year. The first group of three getting share from the total income 31.0% in 2009, this ratio reached 31.7% in 2011. An examination of the rates of change in shares received by quintile groups from the total disposable income during 2010 following the adult equivalent approach leads one to the finding that they were realised as an increase by 3.6% for the poorest quintile, 2.9% for the 2nd quintile and 1.3% for the 3rd quintile, while the share of the richest quintile lowered by 2.5%.

The Gini coefficient is one of the most significant and widely used indicators for personal income distribution. Being one of the income distribution measures frequently used for measuring personal income distribution, this coefficient is based upon the Lorenz curve and calculated by division of the segment falling above the curve by the entire area that falls below the equality line sloping 45 degrees. A Gini coefficient taking the value of "0" means that everybody in a given society has equal income earnings, while a value of "1" purports to sole possession of entire income in that society by a single person. In another manner of speaking, the higher this rate gets, the higher the inequality in the distribution of income will become, or, controversially, the smaller this rate gets, the better the chances for getting a fairer structure of distribution will become. This coefficient took the value of 0.415 for our country in 2009 and receded to 0.402 in 2010. Looking to the Gini coefficient value assigned to our country as of 2009, it can easily be said that there was an unfair income distribution in the country and that the coefficient grew by 2.5% in the falling direction in 2009 to represent a further deterioration in the already unfair income distribution structure compared to the preceding year and that the coefficient obtained a value of 0.402 with a slight recovery of 3.1% which is insignificant, in the fair distribution of income with reference to the preceding year however, that there is still an unfair income distribution in our country (Please refer to Table 24, Figure 8).

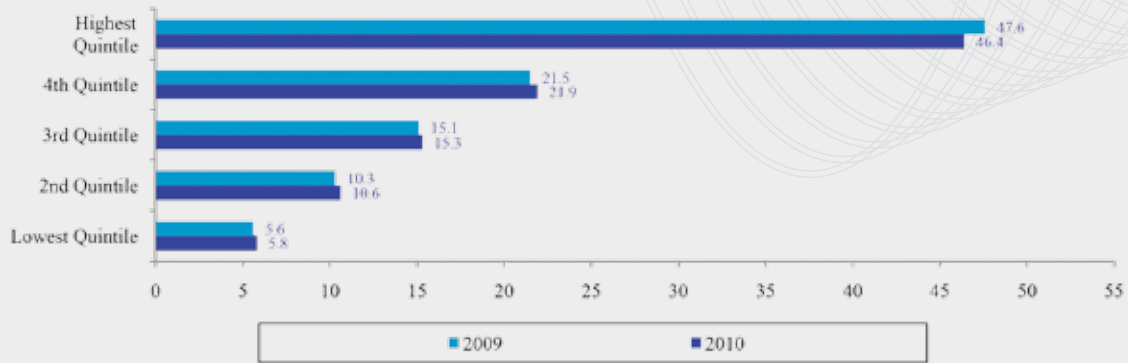
2 Coefficients that set forth how many adults are equal to the size of each household, under the hypothesis that the extra expenditures brought by every additional household member are not the same as the other individuals and that the consumptions of the individuals are also different due to a difference in age-gender of the household individuals.

Table 24. Share Obtained from the Total Income of the Quintile Groups Listed according to Disposable Incomes of the Equivalent Households

Income Quintile Groups	2009	2010	Rate of Change	
			2009	2010
Lowest Quintile	5.6	5.8	-3.4	3.6
2nd Quintile	10.3	10.6	-1.0	2.9
3rd Quintile	15.1	15.3	-0.7	1.3
4th Quintile	21.5	21.9	-1.8	1.9
Highest Quintile	47.6	46.4	1.9	-2.5
Total	100.0	100.0		
P80/P20	8.5	8.0	4.9	-5.9
Gini Coefficient	0.415	0.402	2.5	-3.1

Source: TURKSTAT.

PS: The preceding calendar year has been taken as reference for income.



Source: TURKSTAT.

Figure 8. Share Obtained from the Total Income of the Quintile Groups Listed according to Disposable Incomes of the Equivalent Households

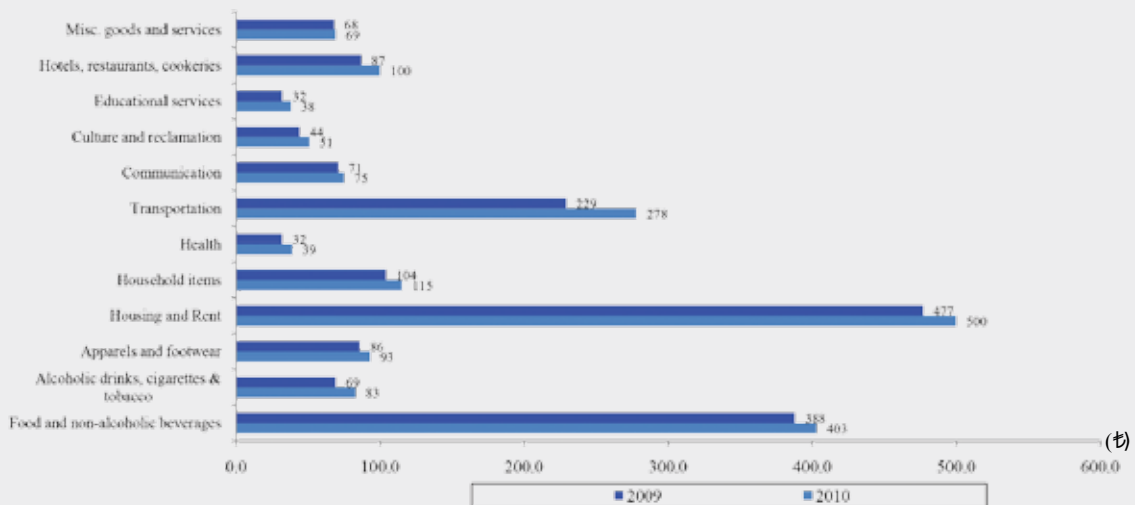
1.2 Consumption Expenditures of Households

A review of the shares of main expenditure groups in total expenditures during 2009, according to the Classification of Individual Consumption by Purpose (COICOP) by households reveals that the first place is occupied by the category of housing and rent expenses by 28.2%, which is followed by the main expenditure group of food and non-alcoholic beverages with 23.0% in the second place and the transportation main expenditure group with 13.6%, in the third place. A further comparison of 2010 results with those of the preceding year shows that the first rank on the list is occupied by the housing and rent expenses main category with a 27.1% share in the total expenditure, achieving a relative change in declining direction by 4.0% compared to the preceding year, and this is followed by food and non-alcoholic beverage expenses main category taking the second place with a change in downward direction of 5.0% and a share in total expenditures of 21.9% and the transportation expenses main category taking the third place with a change in upward direction of 10.9% and a share in total expenditures of 15.1%. When the respective shares of main expenditure groups in total expenditure for 2010 are compared to that of the preceding year, the highest drop has been achieved in various goods and services group

with 7.7%, the percentile share of which in the total expenditures has regressed to 3.7% in 2011, from a baseline of 4.1%. The communication expenditures group which has taken a share of 4.2% from the total expenditure in 2009, showed a change in downward direction to 3.4%, in 2010. The changes in rates of expenditure for 2010 relative to the preceding year have shown the highest increasing trend in health expenses category with 11.1%, and then in transportation expenses category with 10.9% and finally in educational service expenses category with 8.7%.

A review of the monthly average consumption expenditure per capita household reveals that the monthly average expenditure per capita household rose to ₺ 1,843, showing a growth by 9.2% in 2010, from a baseline of ₺ 1,688, in 2009. A comparison of average expenditure per capita household by values current for 2009 and 2010 reveals that average expenditures have increased in all main expenditure categories in 2010. The highest rise in per capita household average expenditures in 2010 compared to 2009 was achieved in the health expenses main category with 21.9%, while the least rise was observed in various goods and services expenditure main category with 1.5%. An analysis of per capita household average figures for main expense categories that take the first three places on the scale of total expenditures brings forth the fact that the per capita household housing and rent expense monthly average figure, which was realised at ₺ 477 during 2009, improved by 4.8% in 2010, reaching at ₺ 500. The households spent ₺ 388 in monthly averages under the food and non-alcoholic beverages main category during 2009, which expenditure rose to ₺ 403, by an increase of 3.9%, in 2010. The costs of transport borne by households, which originally took a level of ₺ 229 in monthly average during 2009 improved to ₺ 278, showing a 9.6% increase, in 2010.

A review of per household median expenditure figures pulls notice on housing and rent expenditures, which rose to ₺ 448 in 2010, from a baseline of ₺ 426, in 2009 (Please refer to Table 25, Figure 9).



Source: TURKSTAT.

Figure 9. Average Monthly Expenditure Per Household Consumption Expenditure by Expenditure Groups

An analysis of the share of households in total expenditure by quintile income groups sorted according to household disposable income for 2009 suggests that the poorest quintile had only a 9.1% share in total expenditure, while the richest had a share of 36.6%. The share that the richest quintile had from the total income is 4.02 times higher than the total income received by the poorest quintile. With an analysis of the table for 2010, it becomes apparent that the share of richest quintile in total expenditure was 36.1% whilst the poorest quintile getting a share of only 9.1%, leading to the conclusion that the share of richest quintile in total expenditure was 3.97 times higher than that of the poorest. From the perspective of rates of change in shares of quintile income groups in total expenditures during 2009 and 2010, the poorest quintile had a lesser share in total expenditure by 4.0‰ in 2010, while the 2nd quintile had 4.5% more share and the richest quintile a 1.1% less share in total expenditures, compared to the preceding year. While the P80/P20 criterion was originally 4.02 in 2009, it declined by 1.2% to a value of 3.97, in favour of equitable distribution of expenditure among quintile groups, in 2010 (Please refer to Table 26, Figure 10).

Table 25. Share of Total Household Consumption Expenditures in Total Expenditures by Expenditure Groups

Expenditure Groups	Share in Total Expenditure		Rate of Change	Average Monthly Expenditure Per Household (₺)				Rate of Change	
	2009	2010		2009		2010		2011	
			2010	Average	Median	Average	Median	Average	Median
Food and non-alcoholic beverages	23.0	21.9	-5.0	388	332	403	345	3.9	3.9
Alcoholic drinks, cigarettes and tobacco	4.1	4.5	9.7	69	35	83	33	20.3	-5.7
Garments and footwear	5.1	5.1	-0.4	86	35	93	40	8.1	14.3
Housing and rent	28.2	27.1	-4.0	477	426	500	448	4.8	5.2
Household utensils	6.2	6.3	1.5	104	48	115	49	10.6	2.1
Health	1.9	2.1	11.1	32	4	39	7	21.9	75.0
Transportation	13.6	15.1	10.9	229	94	278	103	21.4	9.6
Communication	4.2	4.1	-3.4	71	48	75	51	5.6	6.3
Cultural activities and entertainment	2.6	2.8	5.6	44	8	51	10	15.9	25.0
Educational services	1.9	2.0	8.7	32	0	38	0	18.8	
Hotels, restaurants, pastry shops	5.2	5.4	5.1	87	44	100	59	14.9	34.1
Miscellaneous goods and services	4.1	3.7	-7.7	68	25	69	28	1.5	12.0
Total	100.0	100.0	0.0	1,688	1,402	1,843	1,503	9.2	7.2

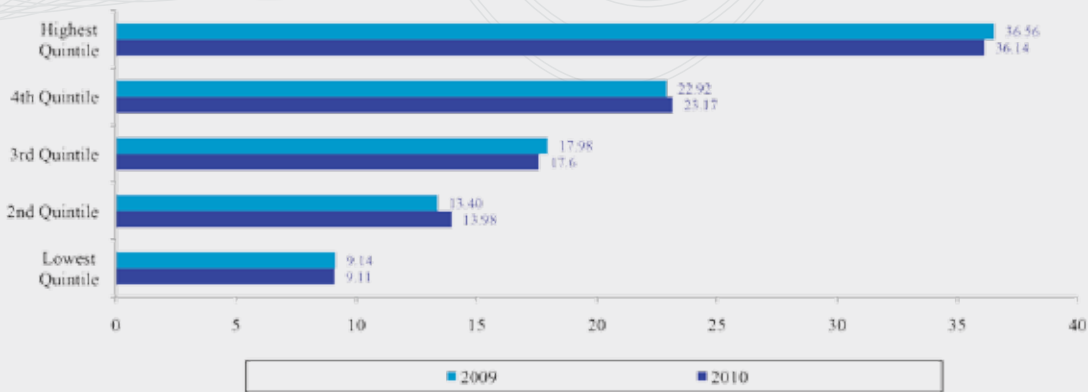
Source: TURKSTAT.

Table 26. Share Obtained from the Total Consumption Expenditures of the Quintile Groups Listed according to Disposable Income

Income Quintile Groups	2009	2010	Rate of Change	
			2009	2010
Lowest Quintile	9.1	9.1	0.9	-0.4
2nd Quintile	13.4	14.0	-2.9	4.5
3rd Quintile	18.0	17.6	1.7	-2.1
4th Quintile	22.9	23.2	0.6	1.1
Highest Quintile	36.6	36.1	-0.3	-1.1
Total	100.0	100.0		
P80/P20	4.02	3.97	-1.2	-1.2

Source: TURKSTAT.

PS: Rates may differ due to round-ups.



Source: TURKSTAT.

Figure 10. Share Obtained from the total Consumption Expenditures of the Quintile Groups Listed according to Disposable Income

1.3 Human Development Indices

The Human Development Report, the 20th edition of which is put up in print lately, is an internationally recognised, prestigious publication, published and disseminated every year, which evaluates the performances of all countries of the world in terms of human development. In almost every development report, the calculations of Human Development Index (HDI) followed a different methodology and Turkey's individual rises and falls among the ranking of countries included in the report's coverage depended on the scope of coverage, presumptions and the relative differences of each calculation methodology adopted for use, as well as the number of countries included, rather than her individual achievements and failures within the periods of time inferred.

Based fundamentally on three component indicators that consist of life expectancy, education and per capita GNI, the main purpose of HDI has been to extend the context of development analysis. Its ability of being calculated easily following a simple, yet, efficient method widens HDI's areas of application. However, it is not that easy to interpret and conclude about world's economic development policies with the help of HDI.

The HDI dwells up quality of life more than economic cycles. The HDI's low sensitivity to economic crises should not negatively influence putting into practice of the development policies targeted on the subject of human development. Basically, the human development policies target the groups, which are affected the most from economic crises and those who are weak socially and in need of protection. In this connection, the investments made for human development can also be evaluated as the most important strategy for overcoming the economic crises effectively and within societal peace.

Despite the fact that there is an increase in Turkey's HDI values, it loses rank in the country listings due to changes in the number of countries included in the index and due to the fact that the developments recorded for index components are higher in the other countries.

$$\text{HDI} = (\text{Real value} - \text{Min. value}) / (\text{Max. value} - \text{Min. value}) \quad (1)$$

With this approach, the Education Index (EI) is composed of two components that are the following: Adult Literacy Index (ALI) and the Schooling Index (SI). The Life Expectancy at Birth Index (LEBI) and the Income Index (II) are calculated in the manner given below:

$$\text{LEAB} = (\text{Real value LEB} - \text{Min. value LEB}) / (\text{Max LEB} - \text{Min. value LEB})$$

$$\text{ALI} = (\text{Real value LR} - \text{Min. value LR}) / (\text{Max LR} - \text{Min value LR})$$

$$\text{SI} = (\text{Real value SR} - \text{Min. value SR}) / (\text{Max SR} - \text{Min value SR})$$

$$\text{EI} = (2/3 \times \text{ALI}) + (1/3 \times \text{SI}) \quad (2)$$

$$\text{II} = (\log \text{ real value}_{\text{PCI}} - \log \text{ min. value}_{\text{PCI}}) / (\log \text{ max}_{\text{PCI}} - \log \text{ min value}_{\text{PCI}})$$

Where;

LEB: Life Expectancy at Birth,

LR: Literacy Ratio,

SR: Gross Schooling Ratio,

PCI: Per Capita Income,

Min: Minimum value,

Max: Maximum value.

From the formulations given in this component, to calculate the HDI:

$$\text{HDI} = (1/3 \times \text{LEBI}) + (1/3 \times \text{EI}) + (1/3 \times \text{II}) \quad (3)$$

is the formula used. The Index receives values varying in a range of 0 to 1. The countries have been divided into 4 groups based on their index values, by the UNDP. These are:

<u>Index Value</u>	<u>Definition by Category</u>
0-0,479	Low
0,480-0,670	Medium
0,671-0,780	High
0,781-1	Very High

When the HDI values for 2010 and 2011 are studied, while the HDI figure for the entire world was 0.624 in 2010, with an 0.058 points improvement in 2011, it reached 0.682, however the category in which it is included, remained unchanged. According to the country groupings made by UNDP, the index figure of the countries having a very high HDI value was 0.878 in 2010 and with an 0.011 points increase, rose to 0.889 in 2011.

The index figure of countries having very high HDI rose up by 0.024, from 0.717 to 0.741. The HDI figure of countries having medium level HDI rose up by 0.038, from 0.592 to 0.630. The most eminent rise was recorded in the HDI figures of countries having low HDI, which was improved from 0.393 to 0.456, by 0.063 points.

Turkey's 2011 HDI figure rose up by 0.020 points to 0.699, from a baseline of 0.679 in 2010. Turkey preserved her position in the "high HDI" countries group with her HDI figures in 2011, in succession of 2010, however, suffering a fall in her place by 4 positions in the listings of 2010 and 2011, from 41st row to 45th, among countries of the world in line with a regression by 9 rows, from her original 83rd position in the ranking of 2010. As a review of our country's performance at the level of component indicators immediately suggests, the life expectancy at birth rose up by 1.8 years to 74.0 years in 2011, from a baseline of 72.2 years in 2010, with average years of schooling remaining unchanged with reference to the preceding year and the GNI per capita dropped from US \$ 13,359 to US \$ 12,246, which caused the demotion of the country's ranking among all world nations, by 9 places. Our country also experienced a decline in its place in the order of ranks by HDI for 2010 by 14 rows compared to 1980 and for 2011, by 5 rows compared to the same year. While the rate of increase in HDI between 2000 and 2010 has been 0.76, the same rate achieved a value of 0.90, for the period between 2000 and 2011, per annum (Please refer to Table 27, Figure 11).

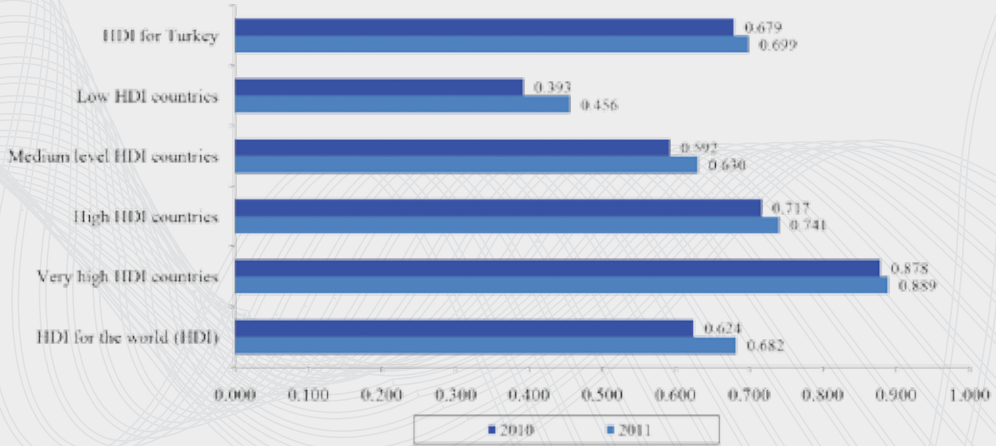
Table 27. Turkey's Place in the World according to the Human Development Index

Indicators	2010 ⁽¹⁾	2011 ⁽¹⁾	Difference ⁽²⁾
HDI for the world (HDI)	0.624	0.682	0.058
Very high HDI countries	0.878	0.889	0.011
High HDI countries	0.717	0.741	0.024
Medium level HDI countries	0.592	0.630	0.038
Low HDI countries	0.393	0.456	0.063
HDI for Turkey	0.679	0.699	0.020
Ranking in the index	83	92	
Index grouping	High HDI	High HDI	
Number of countries for the index grouping	43	47	
Ranking in the index grouping	41	45	
Ranking by improvement in HDI for 1980-2010/2011	14	5	
HDI average annual rate of increase for 2000-2010/2011	0.76	0.90	

Source: UNDP, Human Development Report, 2011.

(1): The date of publication of the Human Development Index Report.

(2): The difference between values taken by the index in 2011 and 2010.



Source: UNDP, Human Development Report, 2011.

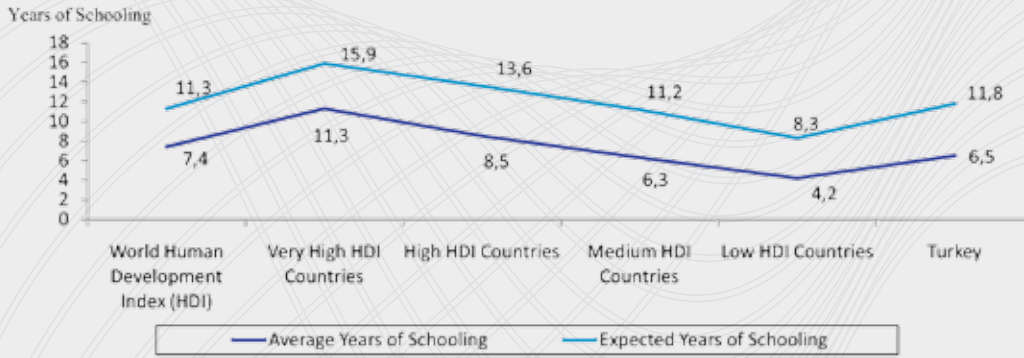
Figure 11. Turkey’s Place in the World according to the Human Development Index

From the perspective of HDI’s basic component indicators for 2011 at the level of country groupings, very high HDI countries have a life expectancy at birth of 80.0 years, which is 74.0 years for our country. The average life expectancy for a newly borne individual in very high HDI countries is 6 years longer than that of an infant waking to life, in our country. The average years of schooling for very high HDI countries count to be 11.3 years, versus 6.5 years achieved in our country. The expected years of schooling on the other hands take the values of 15.9 years for very high HDI countries and 11.8 years for our country. According to the Purchasing Power Parity (PPP) on the basis of US \$, the per capita GNI figure of the very high HDI countries group was US \$ 33,352 and this figure was US \$ 12,246 in Turkey and 2.7 times lower than the income figures achieved by the very high HDI countries group. With a sorting of our country by GNI per capita according to PPP at fixed rates, she falls back in the resultant ranking by 25 rows, ending up at the 92th place by HDI value, while demoting as far as back to the 117th raw by GNI per capita (Please refer to Table 28, Figures 12, Figure 13 and Figure 14).

Table 28. Human Development Index Components in 2011

Indicators	HDI Values	Life Expectancy at Birth (Years)	Average Years of Schooling	Expected Years of National Income Schooling	Per Capita Gross National Income (on the Basis of \$ at Fixed Price as of 2005)	Rank (GNI-HDI)
HDI for the world	0.682	69.8	7.4	11.3	10,082	
Very high HDI countries	0.889	80.0	11.3	15.9	33,352	
High HDI countries	0.741	73.1	8.5	13.6	11,579	
Medium level HDI countries	0.630	69.7	6.3	11.2	5,276	
Low HDI countries	0.456	58.7	4.2	8.3	1,585	
Turkey	0.699	74.0	6.5	11.8	12,246	-25

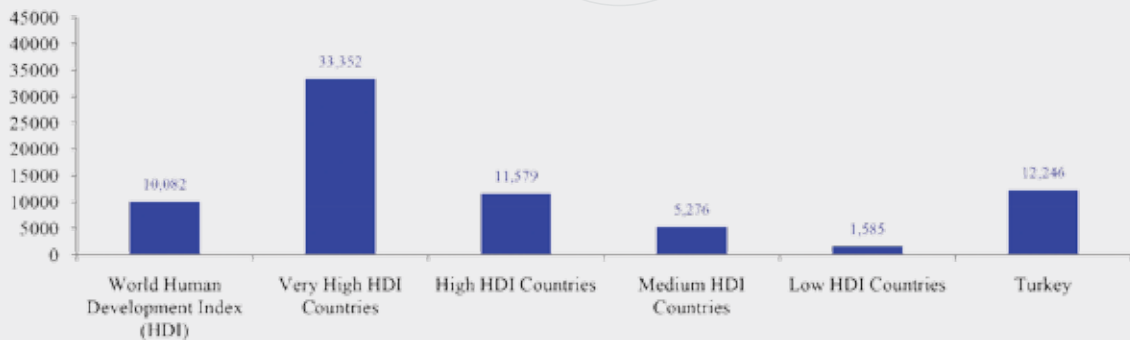
Source: UNDP, Human Development Report, 2011.



Source: UNDP, Human Development Report, 2011.

Figure 12. Average and Expected Years of Schooling for the Term 2011

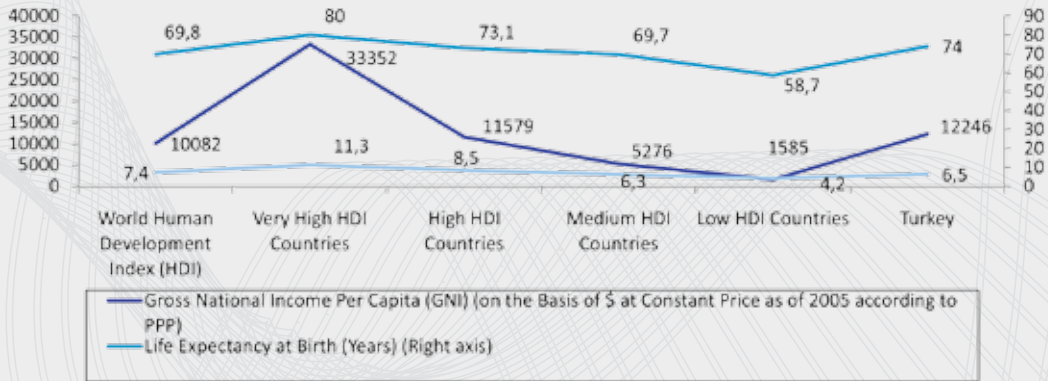
A review of the indicators included by UNDP in their report as part of their HDI assessments reveals that multidimensional poverty index is assigned with a value of 0.028. With this value, Turkey leads in the grouping of very high HDI countries, immediately followed by Peru, filling the second place.



Source: UNDP, Human Development Report, 2011.

Figure 13. Gross National Income Per Capita (On the Basis of \$ at Fixed Price as of 2005 according to PPP)

With comparison of countries included in the very high HDI countries grouping in the HDI ranking, it may be said that poverty is a major problem that needs resolved, in Turkey. Turkey has a gender inequality index value of 0.443, with which it is placed in 77th position of the ranking. The per capita green house gas emission based on data supplied for 2005 in our country is 1.4 tons and the rate of forest lands in overall lands is 14.4%. The mortality rate among children under five years of age retains a pretty high level of 20.0‰, in our country.



Source: UNDP, Human Development Report, 2011.

Figure 14. Human Development Index Components in 2011

Adult female mortality rate is 73.0‰, versus an adult male mortality rate of 134.0‰. These figures help delivery of the conclusion that mortality rate is higher in adult males than in adult females, in our country. The population count of our country by 2011 is 73.6 million and the expected population size for 2030, 86.7 million, according to the projections. The average annual rate of population growth was calculated to be 1.7‰ for the period between 1990 and 1995 and 1.1‰ for the period between 2010 and 2015. Based on these results, the annual rate of population growth appears to further its decleration trend in the forthcoming years. Moreover, the urban population rate for 2011 is 70.1%, median age for 2010 is 28.3, dependency ratio for 2011 is 47.3% and the GNI per capita according to PPP for 2010 amounts to US \$ 12,246 (Please refer to Table 29).

Table 29. Indicators of Human Development for Turkey

Selected Indicators	Year to which the Indicator Belongs	Value
Multidimensional poverty index ⁽¹⁾	2003	0.028
Overall life satisfaction ⁽²⁾	2006-2010	5.5
Gender inequality index (GII)	2011	0.443
Ranking per GII	2011	77
Per capita greenhouse gas emission (CO ₂ equivalent-in tons)	2005	1.4
Forest land (share of total land)	2008	14.4
Under-five mortality rate (at 1,000 live births)	2009	20.0
Adult female mortality rate (per 1,000 individuals)	2009	73.0
Adult male mortality rate (per 1,000 individuals)	2009	134.0
Total population (in million)	2011	73.6
Expected total population (in million)	2030	86.7
Average annual population growth rate (‰)	1990-1995	1.7
Average annual population growth rate (‰)	2010-2015	1.1
Urban population rate (% of total)	2011	70.1
Median age	2010	28.3
Dependency ratio	2011	47.3
GDP per capita (SGP - \$)	2010	12,246

Source: UNDP, Human Development Report, 2011.

(1): Values are calculated using data obtained from demographic and health surveys for 2003.

(2): Value current for the period 2006-2010 and dataset arranged according to a 10-point Likert scale, where “0” represents least satisfaction and “10”, most satisfaction.

1.4 Poverty

The first of a series of studies on poverty unveiling the socio-economic structure of our country and also enabling comparisons internationally formed the basis for the Household Budget Survey implemented during 2002 jointly by TURKSTAT and the World Bank, in cooperation. The term poverty can roughly be defined as “the state of an individual or community of facing the imminent threat of death due to starvation and of lacking a shelter for accommodation” or “the state of an individual or community of having needs that fall way behind the general levels of the society which he/she or they form part of, albeit being capable of sustaining a living with least, yet, sufficient means of feeding, clothing and accommodation”.

The poverty line is an indicator having an important role and place in studies focusing on poverty and for the purpose, it takes such levels of US \$ 1, US \$ 2.15 or US \$ 4.30 per capita daily head living individual, as internationally accepted. Aside from this, the state in which the individual is below the average welfare level of the society is defined as “relative poverty”. For this respect, a 50.0% of the median value of adult equivalent per capita consumption expenditure is taken as the relative poverty line.

According to the results of the poverty survey conducted by TURKSTAT for 2010, the individuals with per capita daily expenditure falling below US \$ 2.15 by PPP took the value of 22.0% during 2009 and subsequently fell back by 0.1 points to 21.0%, in 2010. While the number of individuals with per capita daily expenditure falling below US \$ 4.3 by PPP was 4.35% of the society during 2009, this rate receded by 0.68 points to 3.66%, in 2010. Based on both international poverty lines, there is a remarkable decrease in the rate of poor individuals, in our country (Please refer to Table 30).

Table 30. Number and Rates of Poor Individuals according to Poverty Methods

Methods	Turkey		
	Year	Number of Poor Individuals (000 Person)	Poverty Rate
Food poverty (hunger)	2009	339	0.5
Poverty (food + non-food)	2009	12,751	18.1
Below US \$ 1 per capita head individual ⁽¹⁾	2009	...	...
	2008	...	0.47
Below US \$ 2.15 per capita head individual ⁽¹⁾	2009	159	0.22
	2010	...	0.21
	2008	...	6.83
Below US \$ 4.3 per capita head individual ⁽¹⁾	2009	3,066	4.35
	2010	...	3.66
Expenditure based relative poverty ⁽²⁾	2009	10,669	15.1

Source: TURKSTAT.

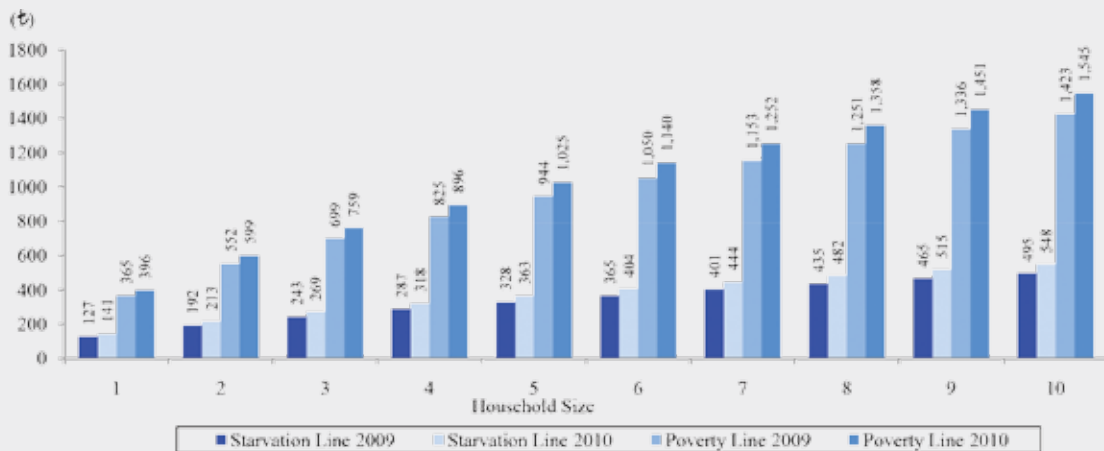
(1): As Purchasing Power Parity (PPP) equivalent of 1 US \$, ₺0,926, ₺0,983 and ₺0,917 was taken for 2007, 2008 and 2009 respectively.

(2): A 50 percent of the median value was taken as basis for calculation of equivalent consumption expenditure per capita head individual.

While, according to the approach of adult equivalent individuals, the food poverty (starvation) line had been ₺127 for households with a size of “1” in 2009, this line rose up to ₺141, by an 11.02% increase, during 2010. For households with a size of “2”, the starvation line rose to ₺213 in 2010, from a baseline of ₺192 in 2009. Based on the general assumption of a average household size of “4” for our country, the household food poverty line changed to ₺381, by a 10.80% increase in 2010, from its baseline of ₺287 in 2009.

With a view of conjuncture in Turkey in terms of poverty line figures (both food and non-food), the figure for households with a size of “1” grew by 8.5 percent to ₺396 in 2010, from an original value of ₺365 in 2009. If the average household size is taken as “4” for Turkey, the poverty line rose to ₺896 in 2010, from a baseline of ₺825 in 2009. The starvation and poverty lines retain a level as high as 3.9 times in households with a size of “10” with reference to that of households with a size of “1”, both during 2009 and 2010 (Please refer to Table 31, Figure 15).

The ratio of poor households to general population across Turkey appears to be 14.5% and the rate of poor individuals 18.1%, as of 2009. With an overview of rates of poor households and poor individuals by household size, these rates are observed to be at 38.5% and 40.0% for household sizes of 7 and above, respectively. In the ranking of rates of poor households and individuals, households with a size of 5 to 6 grabbed the second place with 21.8% and 22.2%, which were followed by households with sizes of 1 to 2 in the third place with 11.5% and 10.6% (Please refer to Table 32, Figure 16).



Source: TURKSTAT.

Figure 15. Hunger and Poverty Thresholds for the Terms 2009 and 2010 according to Household Size

Table 31. Hunger and Poverty Thresholds by Household Size

Household Size	Starvation Line ⁽¹⁾ (₺)		Starvation Line Difference (2010-2009)	Poverty Line ⁽²⁾ (₺)		Poverty Line Difference (2010-2009)
	2009	2010 ⁽³⁾		2009	2010 ⁽³⁾	
1	127	141	14	365	396	31
2	192	213	21	552	599	47
3	243	269	26	699	759	60
4	287	318	31	825	896	71
5	328	363	35	944	1,025	81
6	365	404	39	1,050	1,140	90
7	401	444	43	1,153	1,252	99
8	435	482	47	1,251	1,358	107
9	465	515	50	1,336	1,451	115
10	495	548	53	1,423	1,545	122

Source: TURKSTAT.

(1): Data represents the poverty line consisted of food expenditures.

(2): Data represents the poverty line consisted of both food and non-food expenditures.

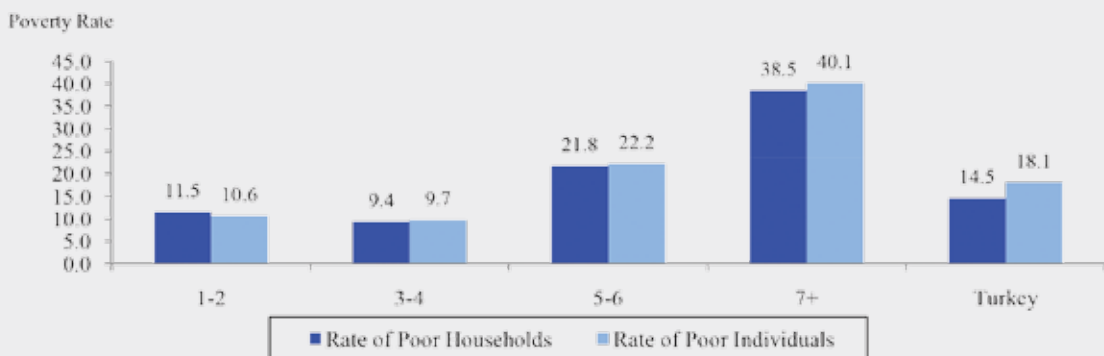
(3): The food poverty line was broadened with the food main category index of the Consumer Price Index based on year 2003 and the poverty line that encompasses both food and non-food component indicators, by general index values to attain the figures for 2010.

Table 32. Ratio of Poor Households and Individuals by Household Size

(2009)

Household Size	Rate of Poor Households	Rate of Poor Individuals
1-2	11.5	10.6
3-4	9.4	9.7
5-6	21.8	22.2
7+	38.5	40.1
Turkey	14.5	18.1

Source: TURKSTAT.



Source: TURKSTAT.

Figure 16. Ratio of Poor Households and Individuals by Household Size

When the poverty rates of economically active household members by employment status are analysed, a 15.4% of individuals working under an employment contract appear to be poor, speaking for the generality of Turkey. Nevertheless, there are major differences observed in poverty rates depending on employment status and sectors of employment. The poverty rates of economically active individuals by their statuses at work takes a

value of 26.9% in the branching for individuals working as casual employee, which, in a manner of speaking, remarkably leads to the conclusion that every one out of three works is poor. The individuals working as unpaid family workers represented at a rate of 29.6% are also poor. The poverty rate of 22.5% observed in individual self employed is a situation that calls for urgent attention. The poverty rate among individuals who work for a regular employee is 6.0%.

The agricultural sector workers' taking the lead in the ranking with a rate of 33.0% following an analysis of poverty rates by sectors is in fact an expected outcome of the poverty rates by status at work. Since, the poverty rates climb this high due to unpaid family workers employment attitudes of our country especially for unpaid family workers and female members of the society in rural areas. The poverty rate among workers of industrial sector reveals to be 9.6% and 7.2% for workers in services sector (Please refer to Table 33, Figure 17).

Table 33. Poverty Rates of Economically Active Household Members by Employment Status and Sector

Employment Status and Sector	Individual Poverty Rate (2009)
Individuals under employment	15.4
Employment Status	
Regular Employee	6.0
Casual Worker	26.9
Employer	2.3
Self-Employed	22.5
Unpaid Family Worker	29.6
Sector	
Agriculture	33.0
Industry	9.6
Services	7.2

Source: TURKSTAT.



Source: TURKSTAT.

Figure 17. Poverty Rates by Employment Status and Sector

1.5 Life Satisfaction

Based on the results for 2011 of the Life Satisfaction Surveys performed annually by TURKSTAT since 2003, in order to measure the level of satisfaction in individuals in such areas as perception of happiness in individuals, hopes, values, personal advancements, health, income and working life throughout the country, a 62.1% of individuals residing in our country is happy showing an increase of 0.9 points compared to the preceding year, while the rate of unhappy individuals is 9.9%, presenting a decline by 0.8 points from the baseline of 10.7%, in 2010. A 59.5% of male members of the society expressed happiness at high levels during 2011, while another 30.0% expressed happiness at moderate levels, in addition to a further 10.5%, who expressed unhappiness. Compared to the results of 2010, the “happy” category showed a decline by 0.1 points, along with a decline by 1.1 points in “moderate” category and by 1.0 in the “unhappy” category. For 2011, the rate of happy females is 64.6% versus a rate of unhappy females of 9.3%. With reference to 2010, the rate of happy women improved by 1.9 points, versus a drop by 0.7 points in unhappy ones. In light of these results, it is apparent that women are happier than men. Similarly, the rate of unhappy females falls below the rate of their male peers.

By 2011, the age range 18-24 is the happiest and 65+ is the unhappiest community group. Accordingly, one may draw the conclusion that rate of unhappiness shows a gradually increasing trend with increasing age unlike rate of happiness which seems to be inversely proportional to ageing. When these findings are compared to those of 2010, there has been an obvious rise in the rate of happy individuals in all other age categories than ranges of 25-34 and 65+ in the “happy” category. In the “unhappy” category, there has been an obvious reduction in the rate of unhappy individuals in all age categories but 23-34, 55-64 and 65+ groups.

While 66.7% of individuals who have graduated from an institution of higher education are happy, 16.0% of illiterate individuals are unhappy, in 2011. There is a considerable drop in the rate of unhappy individuals concomitant with a rise in the rate of happy individuals, as the level of education tends to increase, during 2011. When compared to the results of 2010, rate of unhappiness is lower in all groups, except graduates of institutions of higher education.

A review of impact of individual’s marital status on the individual’s perception of happiness reveals that, while 65.5% of married couples are happy versus an 8.0% feeling unhappy, a 52.9% of unmarried singles are happy versus a 15.0%, who are not. This result means that married couples are happier than unmarried singles, in the society. When compared to the results of 2010, there seems a significant rise in the rate of happiness of married couples, versus a drop in that of unmarried people, in reciprocity (Please see Table 34).

Table 34. Rates of Happiness by Gender, Age Category, Level of Education and Marital Status, Distributed Over Years

Profile Variables	Level of Happiness ⁽¹⁾					
	Happy			Unhappy		
	2009	2010	2011	2009	2010	2011
	Medium					
	Gender					
Male	50.2	59.6	59.5	32.7	28.9	30.0
Female	58.1	62.7	64.6	29.6	27.3	26.2
	Age Groups					
18-24	57.4	63.9	69.5	31.5	26.5	25.0
25-34	55.9	64.4	62.0	31.4	26.3	28.1
35-44	53.5	57.5	60.7	33.2	31.2	30.3
45-54	51.3	58.9	59.7	31.0	29.2	28.6
55-64	52.0	61.3	62.3	29.2	27.8	26.4
65+	54.3	60.0	57.8	27.8	27.1	28.6
	Educational Status					
Illiterate	52.4	56.5	56.7	24.7	28.5	27.3
Literate but not any school graduate	50.3	56.0	58.3	33.1	29.7	28.5
Primary school graduates	52.5	60.5	61.1	32.8	29.0	28.8
Primary or secondary school	56.1	61.6	64.4	32.3	27.6	27.7
High school graduates	54.7	62.7	63.9	32.4	27.1	28.0
Higher education	63.2	67.7	66.7	27.8	26.2	26.4
	Marital Status					
Married	57.3	63.7	65.5	29.9	27.1	26.6
Unmarried	46.8	53.5	52.9	34.1	31.2	32.0
	General					
Turkey	54.3	61.2	62.1	31.1	28.1	28.0
				14.6	10.7	9.9

Source: TURKSTAT.

(1): Happy people consist of the aggregated total of “very happy” and “happy” people, while unhappy people consist of the aggregated total of “unhappy” and “totally unhappy” people.

By a comparison of the level of satisfaction of households from their earnings by categories of their monthly disposable income, it appears that the happiest category has been the households with a level of income of ₺ 3,851 and above, achieving happiness rate of 67.2%, in 2011. The second place in the ranking is taken by households with level of income range of ₺ 2,751-3,850. Stepping on the results of 2010, the level of perception of satisfaction that households, who are part of the highest level of income community group has dropped by 4.8 points, versus an increase by 5.2 percentile points in that of households with level of income in the range of ₺ 2,751-3,850, in the current year.

In plain absence of households who are dissatisfied with their earnings among highest level of income category, the lowest level of income group, represented by households with a level of income of ₺ 630 and below encompasses households, who are dissatisfied with their earnings by more than half, that is, 58.6% to be exact, suggesting a drop by 0.9 points with reference to the preceding year. The level of dissatisfaction appears to have risen by 48.0% among the community group within the level of income range of ₺ 631-990, by 6.5 percentile points, compared to the preceding year. In short, the rate of happiness goes head-to-head with the level of income generated by households, rising as it tends an increase and falling as it tends a decline (Please refer to Table 35).

Table 35. Levels of Satisfaction of Households' Income according to Monthly Disposable Income Groups

Income Groups (₺) ⁽²⁾	Level of Satisfaction ⁽¹⁾ (%)								
	Satisfied			Medium			Dissatisfied		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
0-630	16.2	19.3	21.1	19.9	21.3	20.3	64.0	59.5	58.6
631-990	25.4	31.2	25.3	28.3	27.3	26.7	46.3	41.5	48.0
991-1,650	34.4	39.2	35.4	29.9	26.3	31.1	35.7	34.5	33.5
1,651-2,750	42.8	51.0	50.0	25.2	26.6	27.3	32.1	22.5	22.6
2,751-3,850	61.5	60.3	65.5	23.4	23.3	21.5	15.2	16.3	13.0
3,851+	70.7	72.0	67.2	20.8	17.8	17.9	8.5	10.2	15.0

Kaynak: TÜİK.

(1): The satisfied consists of aggregation of “most satisfied” and “satisfied”, while the dissatisfied consists of “unsatisfied” and “least satisfied” categories, in total.

(2): Income groups present a difference for 2009.

When the level of hope for the future in individual is examined, a 75.5% of the male population expressed hope for the future, whilst a 74.9% of female population has hope for the future, in 2011, representing a 0.6 points negative difference. The category of those without hope for the future is represented by 24.5% in male and 25.1% in female population, respectively. So, the level of hope for the future in both male and female members of the society tend an increase in 2011 compared to 2010, versus a dropping tendency felt in shares of male and female members who hold no hope for it, at all (Please see Table 36).

Table 36. Level of Hope for the Future in Individuals by Gender

Gender	Level of Hope for the Future in Individuals					
	Hopeful			Hopeless		
	2009	2010	2011	2009	2010	2011
Male	62.8	72.7	75.5	37.2	27.3	24.5
Female	67.9	72.9	74.9	32.1	27.1	25.1
Total	65.5	72.8	75.2	34.5	27.2	24.8

Source: TURKSTAT.

An inquiry of values that serve as source of happiness for men and women entails to the finding that 69.7% of males perceived whole family as their source of happiness, showing a 3.8 points increase compared to the preceding year, while those of this gender, who perceived love as the source of happiness rose to 13.0%, by a 1.4 points increase compared to the preceding year. While 94.0% of male members of the society sees success as a source of happiness, a 3.7% thereof work career as a source of happiness, by 2011. As of 2011, the number of males who perceive whole family as the source of happiness has improved by 1.9 to 78.0%, while the rate of males who perceive children as the source of happiness maintained a level of 7.4%, compared to the preceding year.

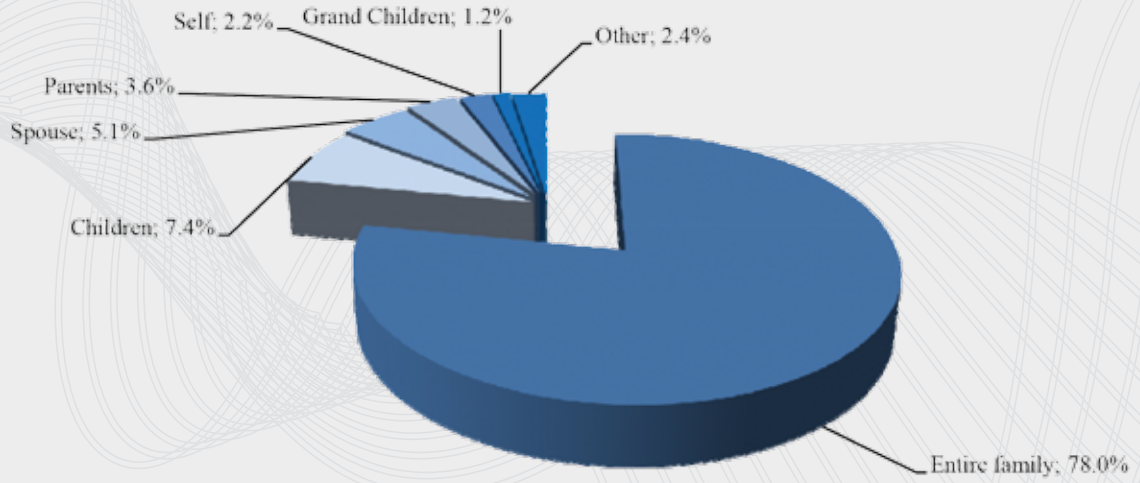
As regards the female part of the society, a 77.4% of ladies, which is superior to that of males by such a considerable difference of 9.5 points, perceive health as the source of happiness, which showed an increase by 1.2 points with reference to the preceding year. The share of women perceiving love as the source of happiness is 13.0%, which is rather closer to that of men, in quantitative terms. Rate of females who see success as a source of happiness retains a level of 4.4%, which is almost half of that achieved by males. The share of women who see work as the source of happiness appears to be only 1.1% of the whole. Of the female kind, while a 69.7% sees entire family as the source of happiness, another 16.7% perceives children in the same way, which is 2.3 times higher than that of their male equivalents (Please see Table 37, Figure 18, Figure 19, Figure 20 and Figure 21).

Table 37. People and Values Being Source of Happiness for Individuals by Gender

Gender	People Being Source of Happiness	Rate of Being Seen as a Source of Happiness ⁽¹⁾		
		2009	2010	2011
Male	Entire family	75.7	76.1	78.0
	Children	7.5	6.9	7.4
	Spouses	5.5	7.1	5.1
	Parents	3.8	3.8	3.6
	Self	3.1	2.2	2.2
	Grand children	1.5	0.9	1.2
	Other	2.9	3.1	2.4
	Values Being Source of Happiness	Rate of Being Seen as a Source of Happiness ⁽¹⁾		
	Health	64.9	66.0	67.9
	Love	12.1	11.6	13.0
	Success	9.4	10.1	9.4
	Money	6.8	5.7	5.3
	Career	5.9	5.5	3.7
	Other	0.9	1.1	0.6
Female	People being Source of Happiness	Rate of Being Seen as a Source of Happiness ⁽¹⁾		
		2009	2010	2011
	Entire family	66.9	65.9	69.7
	Children	17.6	19.3	16.7
	Spouses	8.2	7.9	7.2
	Parents	2.6	2.5	2.1
	Self	1.8	1.6	1.4
	Grand children	1.4	1.5	1.6
	Other	1.6	1.4	1.3
	Values being Source of Happiness	Rate of Being Seen as a Source of Happiness ⁽¹⁾		
	Health	76.0	76.2	77.4
	Love	14.3	14.3	13.1
	Success	4.0	3.7	4.4
	Money	3.7	3.7	3.3
Career	1.3	1.6	1.1	
Other	0.7	0.6	0.7	

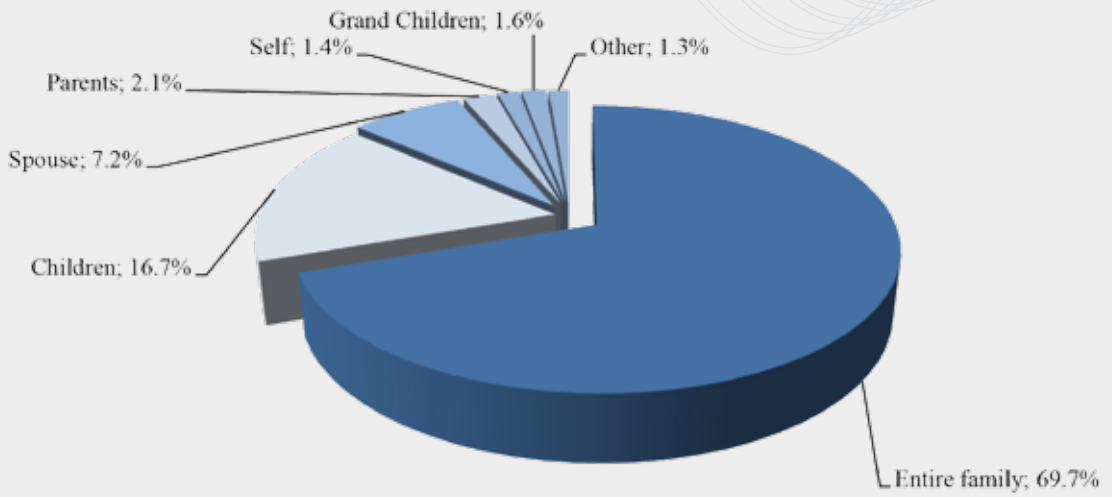
Source: TURKSTAT.

(1): The total of rates may not sum up to a whole of 100, due to round-ups.



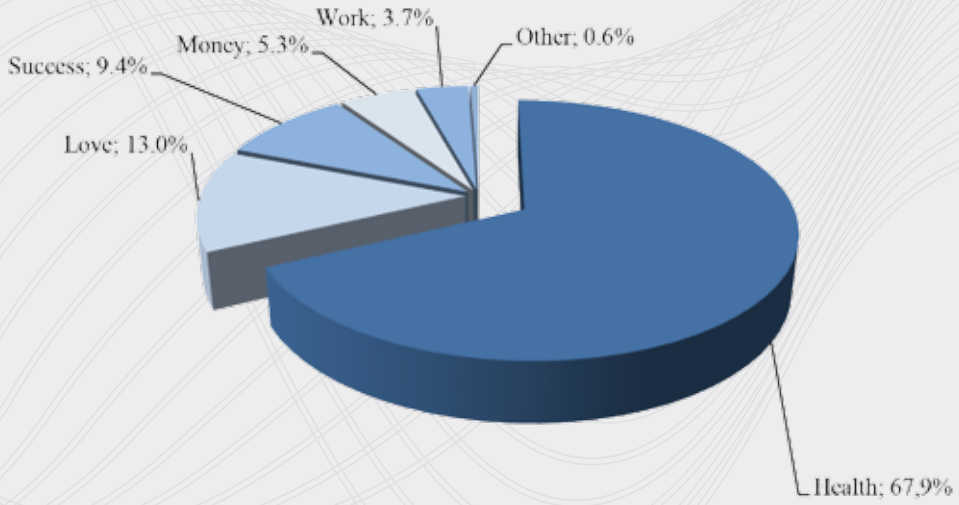
Source: TURKSTAT.

Figure 18. People as a Source of Happiness for Men in 2011



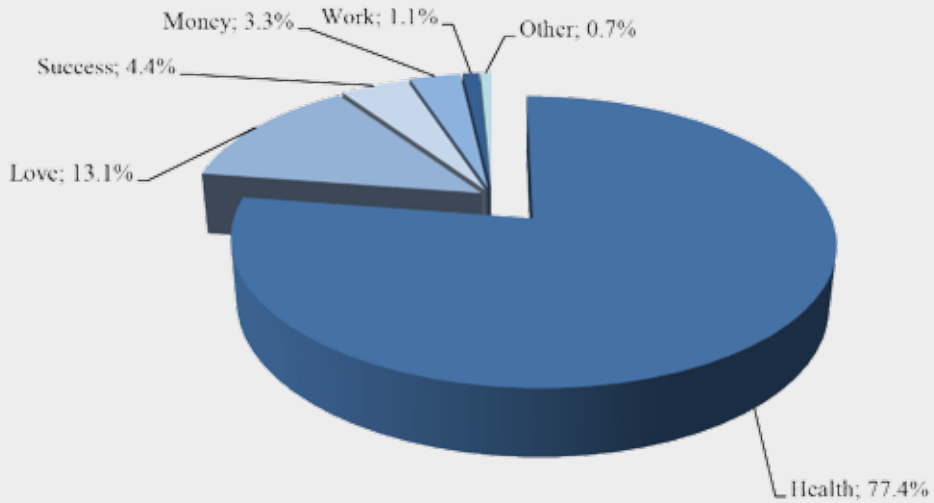
Source: TURKSTAT.

Figure 19. People as a Source of Happiness for Women in 2011



Source: TURKSTAT.

Figure 20. Values as a Source of Happiness for Men in 2011



Source: TURKSTAT.

Figure 21. Values as a Source of Happiness for Women in 2011

1.6 Consumer Confidence Indices

The Consumer Confidence Index (CCI) is a measure of financial standing and periodical expectations of the consuming public with respect to economy, used to identify the trends in them about expenditures they plan to make in near future. The CCI receives values in a range of 0 to 200. An index value greater than 100 is generally construed as a sign of optimistic levels of confidence in the consumer or less than 100, shows pessimism therein, while an index value equal to 100, suggests neither optimistic neither pessimistic view about confidence.

In economics, consumer behaviours have quite an important role to play for both decision-makers and predictions concerning the future of economy. The optimism in consumer's trust may cause a rise in the tendency of borrowing, combined with desire to widen coverage of expenditures, resulting in the consumer's delimiting the extent and amount of expenditures in addition to re-checking financial capabilities.

The subcomponents of the CCI comprise of indexes obtained as a result of a survey of miscellaneous questions administered on the consuming public and indexes derived as a result of a digital evaluation thereof. These subcomponents aim at investigating the purchasing power of the consumer in the current period, compared to the preceding semi-annual period and in the forthcoming semi-annual period as well as the general economic conditions in the upcoming quarter, job-finding opportunities in the next semi-annual period of the consumers, in addition to determining the suitability of the current period for decisions in favour of purchasing durable consumables.

Within the time frame between 2009 and 2011, there has been a steady rise in the values of the consumer confidence index since 2009, judging by months January, June and December of each year involved. Nonetheless, the progressive trend observed in index values from 2009 onwards has not been sufficient alone to avoid the pessimistic stance of this growing trend in the index. A comparative analysis by the selected months in the period between 2009 and 2011 draws a pessimistic picture in all quarters involved for the consumer confidence index, despite the rise it showed by 12.7% towards a value of 78.8 in January 2010, from a baseline of 71.6 in January 2009, and by 15.2% towards a value of 91.3 in the same month of 2011.

Refining the view for the particular month of June within the period inferred, the index took the value of 88.0 in 2010, showing only an increase of 3.2% compared to the preceding year, which figure improved to 96.4 by a 9.5% further increase during the same month of 2011, still resembling a pessimistic situation.

As of month December, the pessimistic stance was maintained with a rise in the index value to 91.0 by a 15.5% increase in 2010 compared to the same month of the preceding year, and, of 92.0 by a 1.2% increase in 2011.

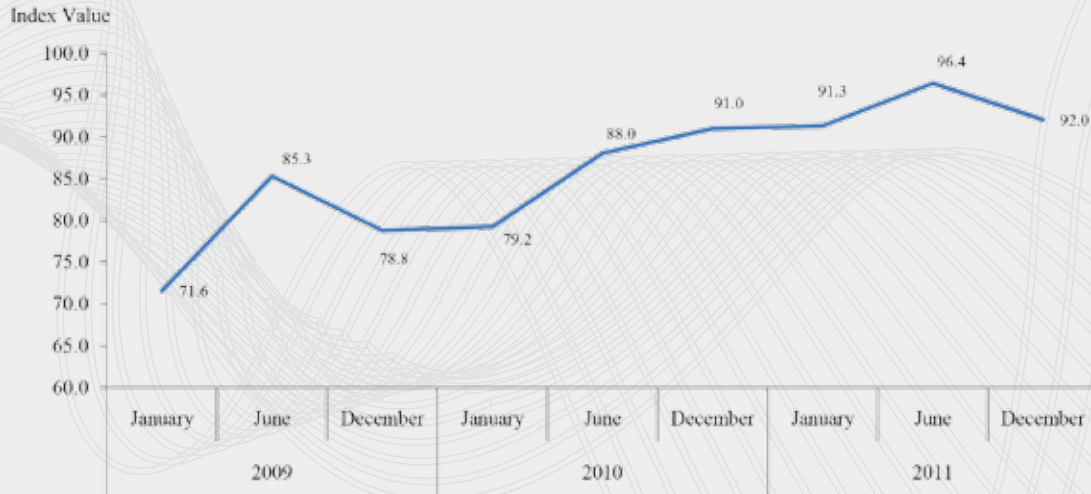
The highest rate of increase in values of index components as of month January of 2011 relative to the preceding year is observed to have taken place in the "job-finding opportunities (within the next half)" index component with a level of 23.0%, which translates into an actual figure of 92.1 as of January 2011, showing that the confidence in consumer remains pessimistic. The highest rate of increase in values of index components as of month June of 2011 relative to the preceding year is observed to have taken place in the "job-finding opportunities (within the next half)" index component once again, with a level of 17.4%, which translates into an actual figure of 98.1 as of June 2011, showing that the pessimism still persists about the confidence in consumer. Speaking for values of index components as of month December throughout the years inferred, the highest rate of increase therein with a level of %4.2 is observed to have taken place in the "purchasing power (compared to 6 months before the current period) and "job-finding opportunities (for the next half)" components, with respective values of 90.0 and 93.5 in order, which clearly is way below the line for the consumer confidence to be interpreted as optimistic (Please refer to Table 38, Figure 22).

Table 38. Index Values and Rates of Change in Levels of Consumer Confidence Index for Selected Months

Indicators	Index Value									
	2009			2010			2011			
	January	June	December	January	June	December	January	June	December	
Consumer Confidence Index	71.6	85.3	78.8	79.2	88.0	91.0	91.3	96.4	92.0	
Purchasing power (Compared to 6 months before the current term)	62.7	74.2	72.5	71.9	82.2	83.6	84.0	90.2	87.1	
Purchasing power (in the next 6 months)	70.4	80.4	77.6	78.7	85.6	88.8	89.2	93.5	90.0	
General economic conditions (in the next 3 months)	63.9	79.4	73.0	74.2	85.4	91.7	90.9	100.2	93.4	
Job finding opportunities (in the next 6 months)	64.9	76.2	72.2	74.9	83.6	89.7	92.1	98.1	93.5	
Suitability of the current period for purchasing durable goods	95.9	116.1	98.6	96.4	103.4	101.2	100.2	100.1	96.2	
	Rate of Change (Compared to the Corresponding Month of the Preceding Year)									
Consumer Confidence Index	-22.3	13.7	12.7	10.7	3.2	15.5	15.2	9.5	1.2	
Purchasing power (Compared to 6 months before the current term)	-22.4	4.4	11.7	14.7	10.8	15.3	16.8	9.7	4.2	
Purchasing power (in the next 6 months)	-18.8	10.2	13.9	11.8	6.5	14.4	13.3	9.2	1.4	
General economic conditions (in the next 3 months)	-26.9	22.7	17.4	16.2	7.6	25.6	22.5	17.3	1.9	
Job finding opportunities (in the next 6 months)	-25.7	4.6	13.8	15.4	9.6	24.2	23.0	17.4	4.2	
Suitability of the current period for purchasing durable goods	-19.0	24.3	8.6	0.5	-11.0	2.6	4.0	-3.1	-4.9	
	Rates of Change (Relative to the Preceding Period)									
Consumer Confidence Index	2.4	19.2	-7.6	0.6	11.1	3.4	0.3	5.6	-4.5	
Purchasing power (Compared to 6 months before the current term)	-3.4	18.3	-2.3	-0.8	14.2	1.7	0.5	7.3	-3.4	
Purchasing power (in the next 6 months)	3.3	14.2	-3.4	1.4	8.8	3.7	0.4	4.8	-3.7	
General economic conditions (in the next 3 months)	2.7	24.4	-8.1	1.6	15.1	7.3	-0.9	10.3	-6.8	
Job finding opportunities (in the next 6 months)	2.4	17.4	-5.3	3.8	11.5	7.3	2.8	6.5	-4.7	
Suitability of the current period for purchasing durable goods	5.6	21.1	-15.0	-2.3	7.2	-2.1	-0.9	-0.1	-3.9	
	Summarised Status in Confidence Per Index Value									
Consumer Confidence Index	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	
Purchasing power (Compared to 6 months before the current term)	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	
Purchasing power (in the next 6 months)	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	
General economic conditions (in the next 3 months)	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Optimistic	Pessimistic	
Job finding opportunities (in the next 6 months)	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	Pessimistic	
Suitability of the current period for purchasing durable goods	Pessimistic	Optimistic	Pessimistic	Pessimistic	Optimistic	Optimistic	Optimistic	Optimistic	Optimistic	

Source: TURKSTAT.

PS: For each year, table includes consumer confidence index figures for three months of each year, picked from beginning, amidst and the end thereof.



Source: TURKSTAT

Figure 22. Consumer Confidence Indices for Selected Months for the Terms Between 2009-2011

The index component which resemble an optimistic appearance by value during months January and June of 2011 is the “suitability of the current period for purchases of durable consumables”, with values of 100.2 and 100.1, in respective order. The “general economic conditions (for the next quarter)” is the other index component which shows an optimistic consumer confidence with a value of 100.2 as of month June of 2011. As for month December of 2011, however, no particular component reveals an optimistic view.

1.7 Participation of Youth in Labour Force and Youth Unemployment

According to the results of the annual Household Labour Statistics for 2011, there has been a labour participation rate of 71.7% among male members of the society with 15+ years of age and of approximately 52.3% among youth with ages ranging from 15 to 24 years. The labour participation rate of males, of 15 years of age and above, rose by 1.3%, while achieving a much higher figure of approximately 2.8%, in youth with an age range of 15-24.

The labour participation rate of 15+ years old females rose by 4.3%, ending up in a figure of 28.8% as of 2011, from a baseline of 27.6% in the preceding year. The labour participation rate of 15 to 24 years old young females rose by 1.9%, ending up in a figure of 26.3% as of 2011, from a baseline of 25.8% in the preceding year.

While there is a significant difference between the labour participation rates of males in the age range of 15-24 and of the 15+ years old group, the participation rates of young men in the labour force took a higher growing stance during 2011, which picture is also applicable to young ladies of the same group. Despite the observation that young age seems to be one of the factors negatively affecting employment in males’ participation in the labour force, this factor seems to have nil effect upon females, who performed as good as males in labour participation rates, during 2011.

Speaking in general for the country during 2011, the rate of unemployed males is observed to be 9.2% in 15+ years old male population versus a rate of 17.1% in 15 to 24

years old young men, which is 1.9 times higher than the former. However, the rate of unemployment among 15 to 24 years old young males shows quite an extreme recession as high as 18.6% in 2011 compared to the preceding year.

Of the 15+ years old female population, a 11.3% is unemployed during 2011, which is 2.1 points higher than that of peer male population, while a 20.7% of 15 to 24 years old young women is unemployed, resembling a 3.6 points difference in the upward direction compared to the opposite sex in the same age grouping. The rate of unemployment of young female population in the age range of 15-24 has reduced by 10.0% compared to the preceding year, still falling below the rate of decline of 18.6% observed among men of the same age category.

1.7.1. Rate of Participation of Youth in Labour Force at Regional Level and Rate of Unemployment

In the descending list of rate of participation in labour force of 15+ years old female population at regional level according to NUTS Level-1, the highest value attributed to this rate appears to be in TR9 (East Black Sea) region with a figure of 44.0%, which is followed by TR8 (West Black Sea) region with 39.5% in the 2nd and TR3 (Aegean) region with 34.9% in the 3rd places, in order. The ranking appears to change with respect to 15 to 24 years old women's rate of participation in labour force, where TR8 (West Black Sea) region takes the lead with 38.0% and is followed by TR3 (Aegean) region in the second place with 35.3% and TR4 (East Marmara) region in the third, with 32.7%.

There is a significant difference of 6 points between the rates of participation in labour force of 15+ and 15 to 24 years old young populations achieved for TR9 (East Black Sea) and TR8 (West Black Sea) regions ranking the top in the listings. The rates of participation by 15+ and 15 to 24 years old young female population in the labour force have taken their lowest values in TRC (South East Anatolia) region, where they took the values of 10.0% and 10.7%, respectively.

In the descending list of rate of participation in labour force of 15+ years old male population at regional level according to NUTS Level-1, the highest value attributed to this rate appears to be in TRA (North East Black Sea) region with a figure of 74.7%, which is followed by TR3 (Aegean) region with 72.8% in the 2nd and TR1 (İstanbul) region with 72.7% in the 3rd places, in order. The ranking appears to change with respect to 15 to 24 years old males' rate of participation in labour force, where TR3 (Aegean) region takes the lead with 58.2% and is followed by TR6 (Mediterranean) region in the second place with 56.4% and TRA (North East Anatolia) region in the third, with 55.6%. There is a pretty much significant difference like 16.5, between the rate of participation by 15+ years old male population in labour force at 74.7% and the rate of participation by 15 to 24 years old male population in labour force at 58.2%, both of which figures represent the value extremes for the period inferred.

The labour force participation rate of 15+ years old female population hits its highest extreme in TR1 (İstanbul) region with a value of 15.2%, compared to a value maximum of 26.0% achieved in TR3 (Aegean) region for labour force participation rate of 15 to 24 years old female population, yielding a notable difference of 10.8 points in between, for

the term 2011. The other regions with high rates of participation by 15+ years old female population in labour force are the TR3 (Aegean) and TR4 (East Marmara) regions with 13.3% and 13.0%, in respective order. The other regions with high rates of participation by 15 to 24 years old young female population in labour force are the TR5 (West Anatolia) and TR1 (İstanbul) regions with 25.4% and 22.5%, in respective order.

While the highest number of 15+ years old unemployed male population seems to concentrate in the TRC (South East Anatolia) region with a rate of 12,6% in 2011, this region is followed by TRB (Central East Anatolia) with a rate of 11.8% and TR1 (İstanbul) region with a rate of 10.6%, in descending order.

On the other hand, the region yielding the maximum value in terms of 15 to 24 years old male population's rate of unemployment is the TR9 (East Black Sea) region with 23.6%, which is immediately followed by TR7 (Central West Anatolia) with 18.8% and TRB (Central East Anatolia) region with 18.6%, in descending order. There is an 8.4 points difference between the highest value attained for the unemployment rate of 15+ years old male population and the highest value attained for the unemployment rate of 15 to 24 years old young male population, them being 15.2% and 23.6%, respectively.

In conclusion, the rate of unemployment in the age range of 15-24 retains a relatively high level compared to the rate of unemployment in the age category of 15+ for both male and female populations in all regions during 2011, as a natural outcome of which, the rate of participation by 15 to 24 years old young population in labour force is less than the rate of participation by 15+ years old population in labour force. Furthermore, the unemployment rate among young males is weaker than among young females, given the drops in them among young males retaining a way higher level than among young females during 2011, with reference to the preceding year (Please refer to Table 39).

Table 39. Rates of Participation in Labour Force by and Unemployment of Population in Age Groups for 15-24 and 15+ according to NUTS Level-1, by Gender

Regional Code	NUTS Level-1	Labour Force Variable	15-24 Age Group						15+ Years Old Population					
			Male			Female			Male			Female		
			2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
TR1	Istanbul	Rate of Participation in Labour Force	51.3	52.2	53.6	28.9	30.6	31.0	70.9	71.9	72.7	22.6	24.0	25.2
		Unemployment Rate	25.8	21.2	16.9	29.2	25.6	22.5	15.8	13.2	10.6	19.9	17.4	15.2
TR2	West Marmara	Rate of Participation in Labour Force	55.1	53.6	56.3	34.2	32.2	32.0	71.0	70.6	71.2	31.8	32.4	31.5
		Unemployment Rate	22.3	17.9	13.8	24.3	19.3	21.5	9.3	7.9	5.8	13.9	10.8	10.2
TR3	Aegean Region	Rate of Participation in Labour Force	56.1	55.3	58.2	30.7	33.5	35.3	69.5	71.0	72.8	28.4	31.7	34.9
		Unemployment Rate	25.1	21.8	16.8	29.3	27.1	26.0	13.3	10.7	8.4	16.0	14.8	13.3
TR4	East Marmara	Rate of Participation in Labour Force	55.5	52.4	54.5	32.1	30.1	32.7	71.8	70.7	72.7	26.2	26.7	30.6
		Unemployment Rate	23.2	19.9	16.0	31.2	24.8	21.3	13.5	10.6	8.4	17.0	13.9	13.0
TR5	West Anatolia	Rate of Participation in Labour Force	51.3	49.0	49.1	22.8	22.5	21.9	69.9	70.6	71.3	25.7	26.6	25.9
		Unemployment Rate	23.1	18.5	16.1	27.0	28.8	25.4	11.6	9.7	7.6	14.5	13.9	11.2
TR6	Mediterranean Region	Rate of Participation in Labour Force	58.0	56.8	56.4	28.9	30.9	30.4	74.3	74.3	73.6	29.0	32.9	33.2
		Unemployment Rate	28.6	23.4	17.7	30.0	25.2	21.1	17.0	13.3	10.0	18.9	15.3	12.0
TR7	Central West Anatolia	Rate of Participation in Labour Force	53.2	49.0	55.0	15.5	19.9	23.7	67.5	68.3	71.1	17.7	23.0	27.1
		Unemployment Rate	29.5	21.3	18.8	24.5	27.2	18.0	14.5	11.5	9.3	11.8	14.3	10.5
TR8	West Black Sea	Rate of Participation in Labour Force	51.1	49.7	49.5	37.5	34.4	38.0	71.2	69.3	70.9	39.6	35.6	39.5
		Unemployment Rate	17.6	17.1	14.1	12.0	15.6	12.6	7.9	8.3	5.6	6.6	8.2	6.5
TR9	East Black Sea	Rate of Participation in Labour Force	44.0	37.9	40.5	36.5	31.0	29.7	74.0	71.3	71.4	48.0	45.4	44.0
		Unemployment Rate	20.7	24.3	23.6	13.7	13.2	20.0	6.9	7.3	7.5	4.7	4.4	4.7
TRA	North East Anatolia	Rate of Participation in Labour Force	52.4	52.3	55.6	22.8	20.8	20.2	73.4	73.8	74.7	31.3	31.2	30.2
		Unemployment Rate	21.8	19.2	16.9	7.7	9.2	8.5	11.0	10.3	10.4	3.0	3.3	3.3
TRB	Central East Anatolia	Rate of Participation in Labour Force	47.9	48.7	53.6	12.3	14.6	18.4	70.3	70.8	72.5	18.5	21.9	24.0
		Unemployment Rate	31.8	27.1	18.6	24.5	24.4	18.0	17.8	15.0	11.8	12.3	12.3	9.4
TRC	South East Anatolia	Rate of Participation in Labour Force	45.9	44.2	42.6	11.2	13.1	10.7	64.2	64.7	64.4	9.7	12.4	10.0
		Unemployment Rate	27.3	19.4	18.4	11.3	9.6	13.2	18.4	13.4	12.1	10.5	7.6	9.1
TR	Turkey	Rate of Participation in Labour Force	52.2	50.9	52.3	25.8	26.3	26.8	70.5	70.8	71.7	26.0	27.6	28.8
		Unemployment Rate	25.4	21.0	17.1	25.0	23.0	20.7	13.9	11.4	9.2	14.3	13.0	11.3

Source: TURKSTAT.

1.8 Educated and Uneducated Unemployment

As a review of unemployment rates for Turkey in general, of 15+ years old population by gender and level of education suggests, the biggest slice in the cake of unemployment goes to males with “below-high school” level of education, from among the unemployed males category with 15+ years of age. Of the total unemployed male workforce, a 53.5% consisted of men with below-high school level of education in 2009, which figure notably shrank to 49.0%, as of 2011. The second highest unemployment rate of employment for males is grasped by the group of graduates of “higher education”. The rate of unemployment in this group is 27.6% and 21.2% in male graduates of “high schools and equivalent vocational schools” in 2011.

The focal point of interest is dragged by the group of graduates of “higher education”, which achieve the highest rate among unemployed women at or above 15 years of age. While the group of graduates of “higher education” grabbed a slice of 32.6% from the cake of unemployment in 2009, with an improvement by 6.0 points in a biannual period, the unemployment rate among women belonging in this category rose to 38.6%, as of 2011. Reaching at its climax among total unemployed female workforce as of 2011 with a value of 30.5%, this rate was observed highest among graduates of “high schools and equivalent vocational schools”, who were followed, in descending order, by the “below-high school” graduates with 28.9%, eventually ending up at the “illiterate” group grabbing a score of 1.9%, to form the bottom line of the ranking.

1.8.1 Educated and Uneducated Unemployment at Regional Level

While 22.5% of the male population with illiterate level of education in the TR1 (Istanbul) region is unemployed, this rate of unemployment recedes to 12.0% among those with below-high school level of education, 8.3% among graduates of high schools and equivalent vocational schools and to 8.1% among alumni of institutions of higher education in 2011, while it is observed that there is a tendency in the rate of unemployment towards a drop via-a-via the rise in level of education, in this region. In TR2 (West Marmara) region, 11.3% of illiterate male population, 5.7% of below-high school graduate male population, 5.6% of high school or equivalent vocational school graduate male population and 5.7% of 15+ years old male population is unemployed. In TR3 (Aegean) region, the rate of unemployment tends to maintain a level of 8.7% for 15+ years old illiterate men, which is in close proximity of 8.1%, the rate of unemployment among male graduates of higher education. The unemployment rate among illiterate men in TR4 (East Marmara) region gains its maximum value with 14.8%, while it proves to be at 8.0% among male graduates of higher education. The unemployment rate among illiterate men is 12.5% and among male graduates of higher education, 6.2%, in TR5 (West Anatolia) region. Speaking for other regions, the unemployment rates among illiterate men and male graduates of higher education take the following values, respectively: 11.0% and 8.5% in TR6 (Mediterranean) region; 4.8% and 9.6% in TR7 (Central West Anatolia) region; 1.3% and 6.0% in TR8 (West Black Sea) region; 2.2% and 9.8% in TR9 (East Black Sea) region; 12.6% and 7.5% in TRA (North East Anatolia) region; 9.5% and 7.6% in TRB (Central East Anatolia) region; and, 14.4% and 6.7% in TRC (South East Anatolia) region. It is noticeable that the rate of unemployment among males tend to rise in connection with an increase in

levels of education in only two out of these regions, namely, in TR8 (West Black Sea) and TR9 (East Black Sea) regions.

Unemployment rate among 15+ years old female population is observed to rise at very significantly as the level of education tends an increase, across all regions. While the unemployment rate is 10.0% among illiterate 15+ years old female population in TR1 (İstanbul) region, this rate gets a value of 14.4% among female graduates of higher education. The difference between the rates of unemployment among illiterate and college/university graduate females in TR1 (İstanbul) region is not as high as such, in the remainder of regions. The unemployment rate among illiterate female population in TR2 (West Marmara) region is 2.7% and it is 15.7% among female graduates of higher education, 5.8 times higher than the latter. Speaking for the rest of regions, the unemployment rate among 15+ years old female graduates of higher education relative to the unemployment rate among illiterate female population takes the following values: 15.9% in TR 3 (Aegean) region, which is 3.1 times higher; 17.4% in TR4 (East Marmara) region, which is 6.7 times higher; 11.9% in TR5 (West Anatolia) region, which is 6.0 times higher; 16.0% in TR6 (Mediterranean) region, which is 5.2 times higher; 18.5% in TR7 (Central West Anatolia) region, which is 16.9 times higher; 17.5% in TR8 (West Black Sea) region, which is 58.3 times higher; 18.4% in TR9 (East Black Sea) region, which is 184 times higher; 11.2% in TRA (North East Anatolia) region, which is 112 times higher; 19.8% in TRB (Central East Anatolia) region, which is 39.6 times higher; and, 12.7% in TRC (South East Anatolia) region, which is 4.5 times higher than the compared population.

In conclusion, despite there is a difference between unemployment rates among 15+ years old illiterate male population and male graduates of higher education (however, with a down-sloping curve of unemployment rate in connection with increased levels of education in TR1 (İstanbul) region), the unemployment rates among 15+ years old female population according to levels of education draws a very interesting picture in all regions. Particularly in TR8 (West Black Sea), TRA (North East Anatolia), TRB (Central East Anatolia) regions, the unemployment rate of women with higher level of education greatly exceeds that of illiterate female population.

In addition, the remarkably high levels attained by unemployment rates across the country, despite being modest at regional level, emerge as an important point. Especially, the fact that there has been an appreciable increase in the number of “graduates of higher education” throughout Turkey during the last three-years period reveals a situation that needs to be emphasized (Please refer to Table 40).

1.9 Use of Information Technologies among Households

According to the results of Information and Communication Technology (ICT) Usage Household Survey, a 42.9% of households were able to access the Internet, while 54.9% of households were without the possibility of access to the internet and 2.2% of the households had no idea about accessing the Internet, in 2011, across Turkey. Judging Turkey-wise, the rate of male population with possibility of access to the Internet reveals to be 54.9%, which recedes to 35.3% for their female peers and the overall rate of individual access to internet is 45.0%. Across the country, the number of male population using computers amounts to be 56.1% in the overall population, versus a rate of 46.4% for females. Based on these results, it can be concluded that individuals use computers at relatively higher rates, however, the rate of access to internet remains at way lower levels (Please see Table 41).

Table 41. Computer and Internet Usage Rates of Individuals according to Nomenclature of Territorial Units for Statistics Level-1 in 2011

Re-gional Code	NUTS Level-1	Ratio of Households with Internet Access	Ratio of Households without Internet Access	Ratio of Households Having no Idea about Internet Access	Rate of Individuals ⁽¹⁾ with Internet Access			Rate of Computer Usage by Individuals		
					Total	Male	Female	Total	Male	Female
TR1	Istanbul	56.9	40.5	2.6	56.5	65.8	46.9	57.2	66.5	47.5
TR2	West Marmara	43.4	54.6	2.1	43.9	53.1	34.8	45.1	54.0	36.2
TR3	Aegean Region	39.4	59.2	1.4	46.3	54.3	38.6	47.5	55.8	39.6
TR4	East Marmara	56.7	42.0	1.3	51.7	60.6	42.8	53.3	61.9	44.8
TR5	West Anatolia	48.0	50.6	1.4	51.0	60.5	41.9	52.9	62.0	44.2
TR6	Mediterranean Region	36.4	61.3	2.3	42.2	51.8	33.2	43.7	53.3	34.7
TR7	Central West Anatolia	49.2	48.2	2.6	42.4	56.3	28.2	44.8	58.5	30.7
TR8	West Black Sea	32.9	65.3	1.7	36.7	44.5	29.3	38.9	46.9	31.3
TR9	East Black Sea	39.6	58.7	1.7	43.3	53.5	33.2	44.8	54.8	35.0
TRA	North East Anatolia	21.9	77.3	0.8	34.7	49.4	20.3	36.7	50.7	22.9
TRB	Central East Anatolia	25.3	71.8	2.9	31.5	43.8	19.8	32.9	43.8	22.6
TRC	South East Anatolia	21.2	73.5	5.4	27.1	38.7	16.5	28.2	39.4	17.7
TR	Turkey	42.9	54.9	2.2	45.0	54.9	35.3	46.4	56.1	36.9

Source: TURKSTAT.

(1): Covers individuals with ages ranging from 16 to 74.

The desktop computer ownership rate of households which was 33.8% in Turkey during 2010 improved to 34.3% in 2011 by a 1.6% increase, while the rate of portable computer ownership which was 16.8% in 2010 rose significantly as high as 22.6%, yielding a very significant progress of by 34.8%.

The cell phone ownership rate among society, which was originally measured at 90.5% in 2010, rose up by 1.5% to 91.9%, during 2011.

In the meanwhile, observations come to state the opposite with respect rate of ownership of land phones, which changed in an inverse proportion to the tendency measured for the cell phones. The land phone ownership rate among society, which was originally measured at 56.1% in 2010, receded by 8.5% to 51.4%, during 2010.

The digital camera ownership rate also showed a rising trend by a 16.9% progress during 2011, improving to 27.8% this year, from a baseline of 23.8%, in 2010 (Please see Table 42).

Table 42. Rate of Ownership of Information Technologies by Households in Turkey

Information Technologies	Rate of Ownership			Rate of Change		
	2009	2010	2011	2009	2010	2011
Desktop computers (PCs)	30.7	33.8	34.3	9.2	10.0	1.6
Portable computers (Laptops, Tablet PCs)	11.2	16.8	22.6	23.2	49.9	34.8
Mobile phones	87.6	90.5	91.9	-0.6	3.3	1.5
Game consoles (Playstation etc.)	3.7	3.1	3.8	-5.1	-17.0	25.4
Handheld PCs	0.6	0.7	1.2	19.4	6.6	70.0
Fixed line phones	61.9	56.1	51.4	-9.5	-9.3	-8.5
Digital photography machines, cameras	20.4	23.8	27.8	1.8	16.8	16.9
DVD, VCD, DivX players	42.7	40.6	40.5	0.2	-4.9	-0.3
Printers	12.4	13.9	14.0	2.9	11.9	1.1
Scanners	3.4	3.5	3.9	-25.2	3.4	11.4
Facsimile Devices	1.1	1.1	0.8	-3.8	4.7	-30.6
Multi-functional (all-in-one) devices printer, scanner and fax (i.e. involving two or more)	1.6	2.5	3.2	41.7	57.5	28.6
Other	-	2.4	3.3	-	-	34.1
Households owning none of the IT equipment listed	3.6	2.9	0.2	26.2	-19.0	-92.8

Source: TURKSTAT.

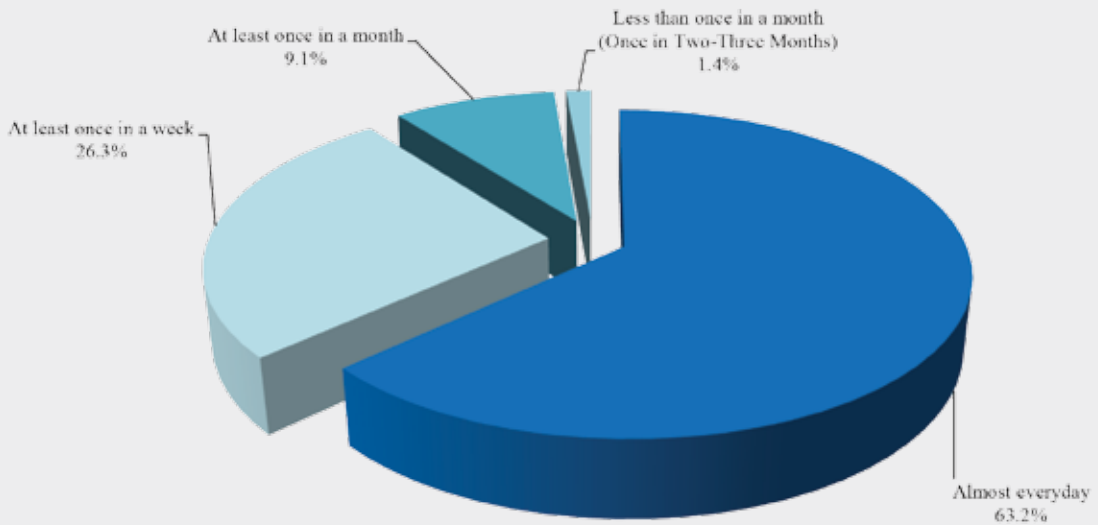
A 63.0% of men in Turkey use the internet at home, which rate reveals to be at 74.6% for women, presenting a value that is much higher. While a 38.8% of men use Internet at work, this rate seems to retreat to 24.1%, for women. Rate of females using the internet at place of education (school, course, etc) is 8.1%, which is 6.6% for males. The difference between the rates of usage of the internet by males and females at a public point of access like an Internet café gets as high as 16.9 percentile points, as revealed by rates of usage of internet cafés among males and females of 25.3% and 8.4%, respectively (Please refer to Table 43, Figure 23).

Table 43. Rate of Internet Usage by Gender according to Location and Frequency of Usage of the Internet in 2011

Level	Total	Male		Female	
		Individual ⁽¹⁾	Internet Access Sites	Individual ⁽¹⁾	Internet Access Sites
Home	67.6	63.0	74.6		
Work (Except for home-based workers)	33.0	38.8	24.1		
Educational premises (Schools, course houses and etc.)	7.2	6.6	8.1		
Internet Cafés	18.7	25.3	8.4		
At friends', relatives' and other homes	16.8	15.1	19.3		
Anywhere with live wireless connection		3.4	2.7		
Frequency of Use by Individuals of the Internet					
Almost everyday	63.2	65.8	59.3		
At least once in a week	26.3	25.5	27.5		
At least once in a month	9.1	7.6	11.3		
Less than once in a month (once in two or three months)	1.4	1.1	1.9		

Source: TURKSTAT.

(1): Covers individuals with ages ranging from 16 to 74.



Source: TURKSTAT.

Figure 23. Household Ratios by Frequency of Internet Usage, in Turkey

An analysis of internet access frequency of individuals based on gender across the country yields the rate of women using the internet daily to be 59.3%, which is 65.8% for men. According to the results, a 25.5% of men use internet at least once a week, versus a 27.5% of their equals of the opposite sex. In fact, females achieve a higher score than of men, in the use of internet at least once in every month, by 11.3%.

A detailed review of the rates of internet usage by user profile variables across the country reveals the highest rate of internet usage is among males and females of the 16-24 age range, which is followed by the 25-34 age range. There is a notable drop in the rates of internet usage, directly proportional to the increase in the ages of male and female users. While males use the internet by 77.9% at ages from 16 to 24, the contemporaneous female population seems to use it at 58.3%.

While there is not any change in the ranking of male and female users by a sorting per level of education, the male graduates of college/university and higher institutions of education use the internet by 92.8%, which reveals to be 91.4% among women of similar academic status. The least internet usage rate is found in the category of individuals who have not graduated from a school in both male and female populations, getting the values of 7.8% and 1.9%, respectively, in both cases. Especially, there is a significant difference between males and females, in the categories of graduates of primary education and people with no graduations from any school.

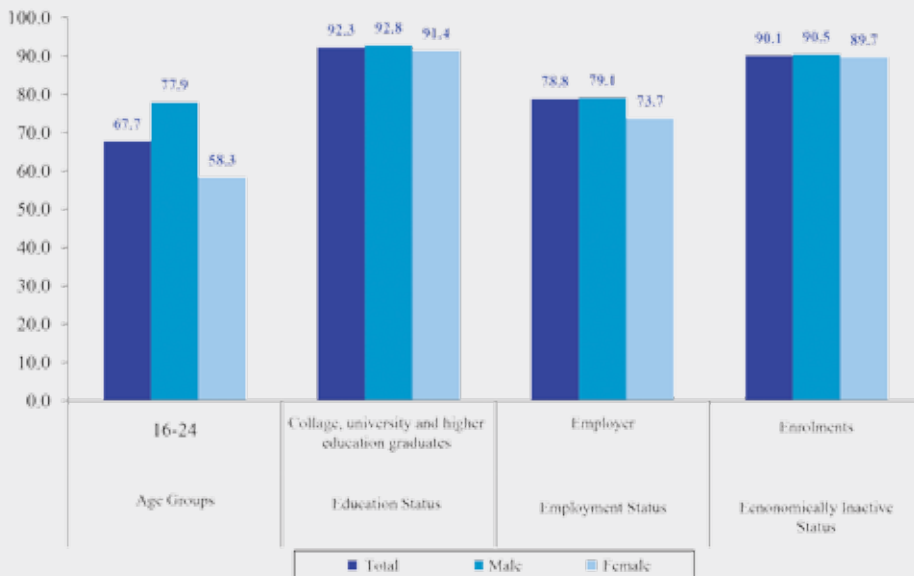
A 79.1% of men, versus a 73.7% of women use the internet, as economically active individuals, under the self-business owners' category. A 64.7% of men working as a regular and casual employee, who performs services on demand or under contract, use the internet, which rate is 64.7% among men and 73.6% among women in similar character. According to the sorting by status at work, the lowest rate of internet usage belongs in the category of individuals who work as unpaid family workers, in both male and female populations inferred.

A 90.5% of male and 89.7% of female enrolments who are economically inactive make use of the internet. While the rate of internet usage gets as low as 17.8% among retired men, which shows a bit of rise to 23.5% among their female peers (Please refer to Table 44, Figure 24).

Table 44. Rate of Internet Users for the Last Quarter according to User Profile Information by Gender

User Profile	Internet Usage		
	Total	Male	Female
Based on Age Groups			
16-24	67.7	77.9	58.3
25-34	57.1	67.5	46.7
35-44	41.7	52.6	30.6
45-54	24.1	34.3	13.9
55-64	11.2	17.2	5.4
65-74	3.0	5.0	1.4
Based on Level of Education			
No school graduates	3.3	7.8	1.9
Primary school graduates	17.2	21.7	12.9
Elementary/secondary school graduates	60.2	66.1	52.6
High school graduates	75.6	77.8	72.6
College, university and higher education graduates	92.3	92.8	91.4
Based on Status of Employment			
Regular and casual employee	66.8	64.7	73.6
Employer	78.8	79.1	73.7
Self employed	29.7	29.7	29.8
Unpaid family worker	17.0	38.9	7.0
Based on Economically Inactive Population			
Unemployed	54.6	49.3	70.9
Housewife	19.7	17.5	19.8
Retired	19.3	17.8	23.9
Enrolments	90.1	90.5	89.7
Those reluctant to work	33.5	23.3	46.4
Handicapped	5.6	6.3	4.7
Other	25.9	26.1	25.8

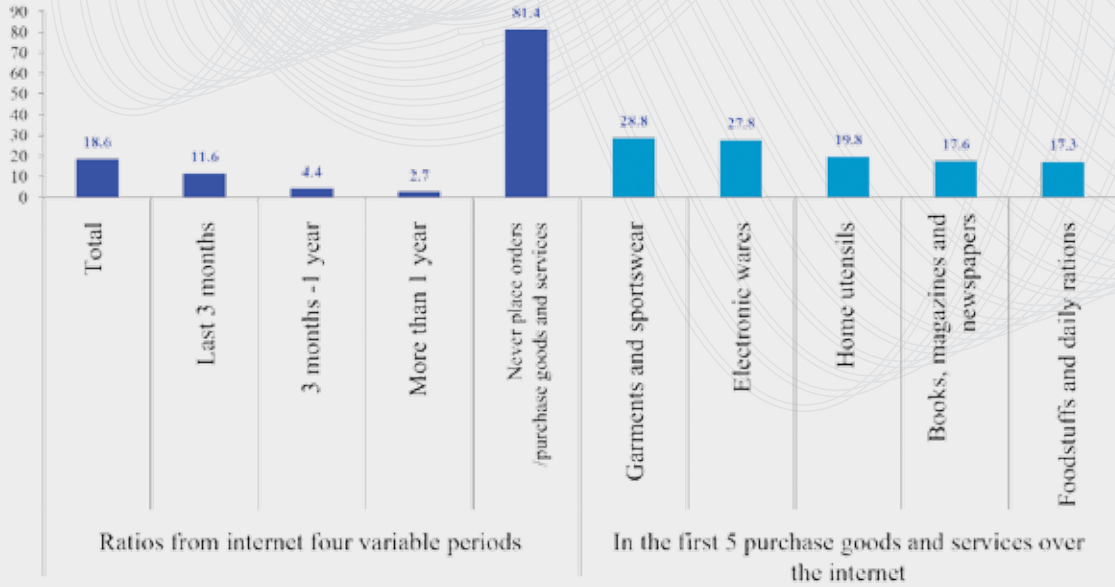
Source: TURKSTAT.



Source: TURKSTAT.

Figure 24. Highest Internet Usage Rates by Profile Variables at Gender Level

Through an analysis of rates of orders or purchases of goods and services over the internet over varying periods, we find the rate of individuals who never place orders/ purchase goods and services over the internet to be 81.4%, leaving a total rate of orders and purchases of goods and services of 18.6%. Looking for the top-five goods and services mostly ordered or purchased over the internet within the last 12-months period, we observe the garments, sportswear and gears at the leading position with a rate of 28.8%, which is followed by electronic wares with a rate of 27.8%, home utensils with a rate of 19.8%, books, magazines and newspapers with a rate of 17.6% and finally foodstuffs and daily rations, with a rate of 17.3%, in descending order (Please see Figure 25).

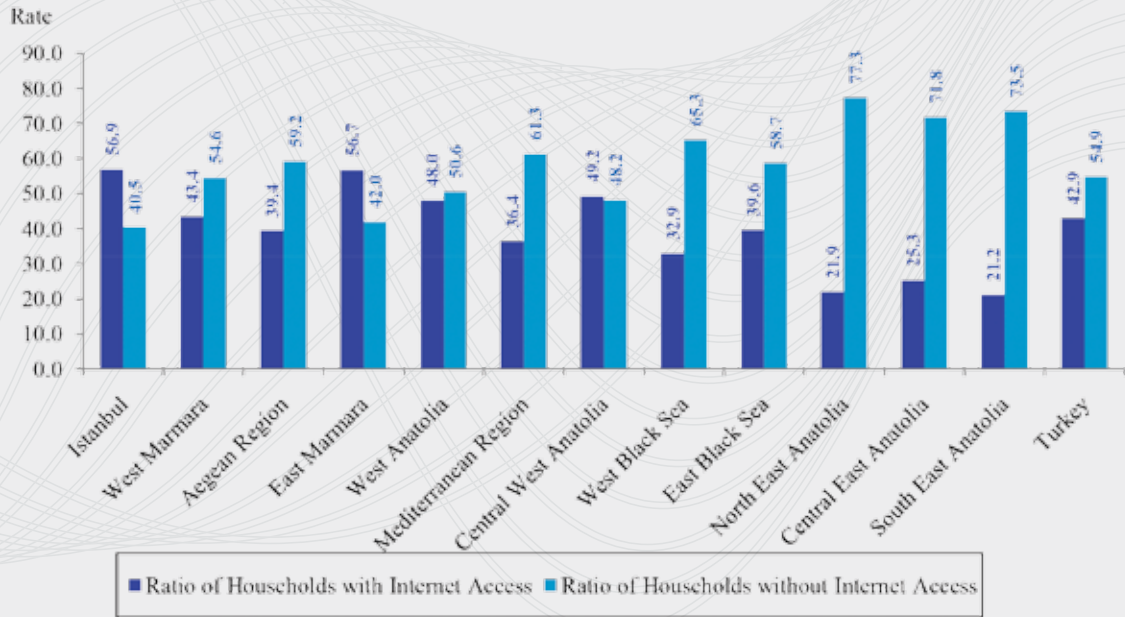


Source: TURKSTAT.

Figure 25. Ratios Selected for Orders or Purchases of Goods and Services over the Internet

1.9.1 Usage of Information Technologies among Households at Regional Level

An analysis of possibilities of households to access the Internet according to NUTS Level-1 shows that only 5 out of 12 regions has internet usage rates superior than the rest among resident households. The top three regions with prominent rates of access to internet include TR1 (İstanbul), with a rate of 56.9%, TR4 (East Marmara), with a rate of 56.7% and TR7 (Central West Anatolia) with a rate of 49.2%. The bottom three regions with lowest rates of access to internet include TRC (South East Anatolia) with a rate of 21.2%, TRA (North East Anatolia) with a rate of 21.9% and TRB (Central East Anatolia) with a rate of 25.3% (Please see Figure 26).



Source: TURKSTAT.

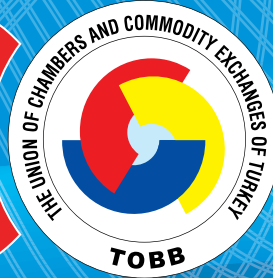
Figure 26. Rate of Households with and without Access to Internet in 2011, according to NUTS Level-1

When the possibilities among individuals of access to internet are analysed according to NUTS-Level-1, there are 4 regions on the count, which have high possibilities and rates of access to internet above and beyond that typically accepted for Turkey, country-wise, insofar as male part of the society is concerned. Redirecting the view on the picture for females, this count still turns out to be 4, out of all regions where women have and maintain access to the internet, for Turkey, country-wise. By a regional categorisation sorted by men and women separately, with highest rate of access to the internet in the age range of 16-74, the topmost three regions reveal to be TR1 (İstanbul) with rates of 65.8% and 46.9%, TR4 (East Marmara) region with rates of 60.6% and 42.8% and TR5 (West Anatolia) region with rates of 60.5% and 41.9%, achieved for each gender, respectively.

The results obtained from an analysis of individual computer usage rates are also similar. The male population in an age range of 16-74 known to use computers have a 66.5% share in overall male population in TR1 (İstanbul) region, which rate reveals to be 47.5% for females. In the category of male computer users, the 2nd place of the ranking is beheld by TR4 (East Marmara) with a rate of 61.9%, which is immediately chased by TR5 (West Anatolia) region with a rate of 62.0% in the third place. While the top-three regions remains unchanged in the ranking of rates of female computer users, with rates of 47.5%, 44.8% and 44.2%, respectively in descending order.

The formation of the top-three regions in the ranking for rates of male and female users of computers with access to Internet shows no difference, while there is a notable difference in between the rates for males and females at regional level.

6



years

2. AT MACRO SCALE



2. AT MACRO SCALE

2.1 Small and Medium Sized Enterprises

2.1.1 General Structure of Small and Medium Sized Enterprises

The Small and Medium Sized Enterprises (SMEs) pose great importance not only for their numbers in existence, but also for the particular contributions they make and the labour force they present in Turkey's economy. Since a fairly long time, there have been continual efforts for introduction and implementation of intense programmes for extending support to these enterprises by the government. There has been an increase in the weight and emphasis placed on this kind of programmes forthwith upon our Country's entering the Customs Union Treaty with the European Community on January 1st, 1996, which led to new efforts sparkled for the development of projects within the framework of international co-operation. Participation by our country in the "I. OECD Conference of Ministers responsible for SMEs", which was held in Bologna in June 2000 and the it's wide adoption of the final statement therein, also known as the Bologna Declaration for Policies on SMEs are a clear indication of interest in studies carried out by OECD, in this area. In addition to its position of being a candidate country for EU membership, our country also signed the European Charter on SMEs in April 2002 and acceded the Multi-Annual Programme on Enterprise and Entrepreneurship, also covering the period between 2001 and 2005.

A review of the policies once implemented for SMEs in our country in the past suggests that the problems faced by our country is way excessive than those faced in OECD and EU member states, especially with reference to the general economic instability that was encountered many times in the past, affecting government-led policies and programmes covering SMEs badly and making it difficult to get results from the same. The key problems faced by the country, have been, as follows:

- Ventures in our country (firms, businesses) had to persevere their core activities in a macroeconomic environment dominated by largely unstable and unworthy conditions and major exchange rate instabilities that may be characterised by sudden leaps following high inflation and stagnation periods. These unworthy conditions formed severe barriers against economic growth of SMEs.
- Macro-economic adjustment policies and structural reform programs laid focus on rehabilitating the unstable environment in which SMEs exist, in the short term.
- Contrary to their primary objective of ensuring a stable and sustainable pattern of growth in Turkey, which can be followed by SMEs and yet is suitable for strengthening and improvement of SMEs, these monetary and financial adaptation policies not only created a burden on self-owned resources of SMEs but also caused support programmes favouring SMEs to be put on shelves.
- There is also not any exact information about the cost of support programs targeted at SMEs; although the amounts of expenditures made directly from the budget are known, it is tremendously hard and impractical to calculate the actual amount of indirect subventions given through tax discounts.

- What is more difficult out of cost that cannot be put forth in plain certainty is to overcome the inability of assessing the effectiveness of supports granted. There is not any concrete statistical data based on homogeneous definitions and measures for SMEs, in our country with respect to sectors.
- The multiplicity of unregistered business engagement areas and fields of operation in the segment of SMEs also leads to gaps in coverage.

In our country, SMEs differ from their peers in EU member states and OECD countries, for their relatively lower levels of employment and annual turnover, judging by their stereotypical profiles. Moreover, the level of technical know-how acquired, amount of capital invested and ability to fully exploit the superior functions and features offered by and access to contemporary technologies especially in the area of communications and information lag way behind those of sophisticated nations.

The developments brought about by economic events taking place in our country for the last couple of decades have put SMEs in a harder situation. In the foreseeable future, our country will eventually face the requirement to ensure viability and continuity of structural reform programmes that facilitate for a high and stable growth to cover its short-ages in terms of per capita GNI with other advanced economies and EU member states. There is the felt need for introduction of a huge mass of young population into the labour market, shifting a major part of employment in agricultural industry to industrial services sectors and amplification of participation rates of females in the labour force. For these reasons, the continuum of a sustainable economic policy that ensures and entails a strong growth in a stable and steady environment should be the first and foremost priority for development of SMEs, which mostly lack means to protect themselves against internal and external shocks, unlike the rest of business enterprises. Creation of viable conditions for formation of newer businesses, deemed necessary for the improvement of per capita GNI figures and establishment of an economically balanced environment in our country will only be possible through development of SMEs.

At this context, legislative arrangements on the topics hereinafter itemised in the form of a list, can be evaluated as critical factors for the realization of objectives, with respect to SMEs, in our country:

- Emphasis should be given to policies aimed at strengthening SMEs' capacities to use information and communication technologies.
- While the central focus of interest is maintained upon E-government infrastructure improvement efforts, a general programme must be elaborated to ensure the training of SMEs, which pursue professional practice in the industrial sector, on necessary sets of skills and equipment in their particular areas of engagement. Training in this area relies much on manpower and budgetary provisions. This concern should therefore also receive the support of Non-Governmental Organisations (NGOs).
- Support is already being provided at an enormous extent to improvement of productivity and competitiveness of SMEs, pursuing practice in industrial sector of our country. However, the need persists for increasing the rates of support provided for SMEs business and services sectors towards a line to ensure an improving trend of their shares in GDP.

- SMEs should be encouraged to set up and maintain relations with corporations of larger scale.
- SMEs holding practice in the industrial sector should be reinforced and bettered in terms of their competitive powers on an international scale, along with encouragements towards producing rather for international markets and boosting their levels of exports.

As regards access to funds, it being one of the most crucial problems faced by SMEs, banking institutions, in addition to public agencies, are also in a challenge to offer services with such instruments that grows diverse as the day passes by. Banks categorise their turnover balances under three main categories - i.e., public, private and SME. It should be noted here, at this point, that SMEs have had a gradually more weighing share in bank's profit turnovers at year-ends, from 2000s onwards.

The global economic crisis placed SMEs at a more important position especially with the counter-measures taken by our country and the demand for SMEs will further rise as a result of incentives to be administered especially on the use and utilisation of locally produced goods. Also revealed by a deeper analysis of this picture with perspective of share of loans in GDP is that there is a lot of way that the banking sector has to travel, along with the need felt for realisation of targets that would result in or entail to a slow and sure growth in compliance with the world conjuncture, while preserving their market shares, for banks. Product development departments of banks are also expected to come up with new and contemporary SME products as part of their service offerings, in the forthcoming times.

Currently, support is delivered to SMEs in a very wide spectrum of loan facilities by 13 banks that form up 92.0% of the total credit volume of the Turkish system of Banking, under such names as Invoice Factoring and Discounting Credits, agency loans, project investment credits; support loans, workplace acquisition credits, agricultural, manufacturing, technology, tourism, exports, contracting, transportation, pharmaceutical industries special support loans, trade fairs and exhibitions participation loans, commercial vehicle loans, logistical support, credits, raw material purchase loans, certification/certificate of quality loans, commercial registration plate support credits, machinery and equipment loans, information technology support loan, business renovation loans, women entrepreneurs support loans, education support loans and research and development (R&D) support loans.

In our country, the Small and Medium Enterprises Development Organisation (KOSGEB), which was founded in 1996, has included the service sector in its coverage within the framework of the amendment by Law No. 5891.

Since 2006, our country ensures participation in scientific work carried out by the Global Entrepreneurship Monitor (GEM). According to the data supplied for 2010, the rate of individuals seeing opportunities of entrepreneurship in our country was 36.0% and that of individuals seeing in themselves the capabilities and knowledge necessary for entrepreneurship, 54.0%. The same collection of data suggests that the rate of individuals who see entrepreneurship as a career opportunity in our country was 71.2%. This resultant finding

should be read in a manner meaning that “there is a major population group which sees entrepreneurship as an opportunity, the proper motivation of which, may be construed as a great contribution, in terms of improvement of entrepreneurship”.

With a perspective of self-owned business opening entrepreneurs making advantage of the KOSGEB supplied grants, women entrepreneurs show a notably serious rise. The rate of women entrepreneurs who facilitate from KOSGEB supplied grants has grown up to 45.0% in the 2010-2011 period, from a baseline of 25.0% to 30.0% in the beginning of 2000s. Those who completed the practical entrepreneurship training conducted by KOSGEB within the framework of Entrepreneurial Support Programme rather work in retail trade, food products, manufacture of garments and textile products manufacturing sectors and expectations are towards enterprises with high growth potential through application of innovative business models, in these sectors, which are included among the conventional sectors.

When the culture of doing business in our country is analysed, it becomes obvious that a diversified number of partnerships are being set up and operational, while horizontal and vertical cooperative initiatives co-exist. The most effectively working one among these cooperative initiatives is the one established between the main and side industries, in addition to the sectorial clusters. There are examples of both horizontal and vertical integration in sectorial clusters.

As of the present day, the KOSGEB has reached a target group size of 3.2 million.

2.1.2 Workplace Size Ratios of Small to Medium Sized Enterprises in Overall Enterprises by Fields of Activity at Regional Level

The SMEs³ operationally active as at the end of 2011 in our country are divided into three main groups by number of workers they employ within the year, where: the SMEs operationally active as at the end of 2011 in our country are divided into three main groups by number of workers they employ within the year, where:

- 1≤Number of Workers≤9= Group 1
- 10≤Number of Workers≤49= Group 2
- 10≤Number of Workers≤49= Group 3

comprise the categorised elements. Accordingly, while a 70.2% of all SMEs in operation across our country is formed up of group 1 entities, a 26.0% is formed up of group 2 and only 3.8% is formed up of group 3 entities. In other words, approximately $\frac{3}{4}$ of the SMEs pursuing business in our country hire and employ 1 to 9 workers. According to the ranking across provinces per NUTS-Level-3, Group 1 gets its highest rate in the Province of Ardahan with 84.6%, while it gets its lowest rate in the Province of Batman with 63.0%. While Group 2 seems to concentrate most in the province of Şırnak with a rate of 32.6%, it shows its lowest presence in the province of Ardahan, with a rate of 12.6%. Group 3 reveals its highest presence in the province of Bitlis with a rate of 7.2%, and its lowest presence in the provinces of Kars, Çanakkale and Iğdır, with a rate of 1.3% (Please see Table 45).

3 Interpretations and results included under the subheadings of subsections 2.1.2 through 2.1.4 are based upon the tax-payer records of the Internal Revenues Department current for December 2011.

As an analysis of the distribution of SMEs over provinces according to their main areas of economic activity by NUTS-Level-3 would suggest:

While enterprises employing 1 to 9 workers within the year in the provinces of Muş, Tunceli, Kırkkale, Kilis, Bilecik and Hakkâri comprise all enterprises pursuing business in the fields of agriculture, forestry and fishing, the rate of enterprises employing 10 to 49 workers during the year tend to concentrate in the province of Iğdır, with 75.0%, which is followed by the province of Gümüşhane, with 62.5%. All business enterprises in the province of Iğdır consist of those employing 50 to 249 workers during the year.

While 100.0% of enterprises found in provinces of Siirt, Van, Bayburt, Bartın, Ardahan, Karabük, Düzce and Bolu, known to have concurrent engagements in the fields of mining and quarrying fall within group 1 by size, 100.0% of enterprises in the provinces of Kırşehir, Hakkâri, Iğdır, Muş and Mardin fall within group 2 in size.

Enterprises engaged in the manufacturing industry in the province of Ardahan are comprised by 85.7% of enterprises with establishment size group of 1-9, and by 39.2% in the province of Karabük, of enterprises with establishment size group of 10-49.

While a 52.2% of group 1 enterprises are mainly engaged in electricity, gas, steam and air-conditioning system manufacturing and distribution businesses, across Turkey, the group 1 enterprises already in operation in the provinces of Niğde, Tokat, Tunceli, Şanlıurfa, Karaman, Yalova, Düzce, Adıyaman, Çankırı, Hatay, Isparta, Mersin and Kırşehir form up 100,0% of the enterprises conducting business in these areas.

While enterprises mainly engaged in water supply, sewage and waste management and rehabilitation business are composed of group 1 enterprises at 63.9% across the country, the provinces in which group 1 forms 100.0% of all operational entities include Muş, Nevşehir, Sinop, Sivas, Tekirdag, Van, Yozgat, Zonguldak, Bayburt, Yalova, Düzce, Bilecik, Bingol, Bitlis, Çanakkale, Diyarbakır, Edirne, Erzurum, Giresun, Hatay, Kastamonu and Kırklareli. The provinces wherein enterprises with 10 to 49 workers comprise 100.0% of all business entities engaged in the same field of activity are Kırşehir, Ordu, Batman and Ardahan.

Table 45. Rate of Sectors of Engagement of Small and Medium Sized Enterprises by Number of Employee in Provinces

Provinces	A: 1≤NUMBER OF EMPLOYEE≤9			B: 10≤NUMBER OF EMPLOYEE ≤49			C: 50≤NUMBER OF EMPLOYEE≤249								
	AGRICULTURE			INDUSTRY			CONSTRUCTION			SERVICES			TOTAL		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Adana	2.3	2.3	0.0	16.7	18.4	22.4	9.7	20.0	18.6	71.3	59.3	59.0	100.0	100.0	100.0
Adıyaman	2.8	1.1	0.0	18.0	20.3	37.5	12.7	21.4	6.3	66.5	57.2	56.3	100.0	100.0	100.0
Afyonkarahisar	3.0	1.4	1.8	18.3	30.8	28.1	8.0	9.7	8.8	70.7	58.1	61.4	100.0	100.0	100.0
Ağrı	0.0	0.0	4.8	6.3	2.4	0.0	8.7	17.6	19.0	84.9	80.0	76.2	100.0	100.0	100.0
Amasya	2.8	2.1	0.0	13.8	25.1	39.1	9.0	14.4	8.7	74.4	58.3	52.2	100.0	100.0	100.0
Ankara	0.5	0.5	0.4	13.9	17.9	17.3	22.0	27.6	31.3	63.6	54.0	50.9	100.0	100.0	100.0
Antalya	2.1	2.9	2.3	11.0	10.9	12.4	18.6	18.2	12.1	68.2	68.0	73.3	100.0	100.0	100.0
Artvin	1.9	5.8	0.0	10.7	10.7	6.7	11.6	13.6	20.0	75.8	69.9	73.3	100.0	100.0	100.0
Aydın	3.2	2.5	0.0	12.5	15.8	33.3	15.6	22.5	5.8	68.7	59.2	60.9	100.0	100.0	100.0
Balıkesir	3.2	1.3	2.5	15.6	28.5	28.8	10.4	13.5	2.5	70.8	56.7	66.3	100.0	100.0	100.0
Bilecik	2.1	0.0	0.0	17.9	28.8	34.8	10.0	11.2	13.0	70.0	60.0	52.2	100.0	100.0	100.0
Bingöl	0.7	1.5	0.0	9.4	1.5	0.0	39.6	53.0	50.0	50.3	44.0	50.0	100.0	100.0	100.0
Bitlis	2.2	3.6	0.0	8.3	4.5	3.3	32.9	45.5	33.3	56.7	46.4	63.3	100.0	100.0	100.0
Bolu	3.8	5.6	0.0	14.5	22.4	28.6	8.5	11.7	3.6	73.1	60.3	67.9	100.0	100.0	100.0
Burdur	2.3	2.2	0.0	14.0	32.4	40.0	8.6	6.7	6.7	75.1	58.7	53.3	100.0	100.0	100.0
Bursa	1.0	0.8	0.6	27.1	40.0	52.4	10.8	11.0	6.8	61.1	48.2	40.2	100.0	100.0	100.0
Çanakkale	3.1	3.2	0.0	12.3	22.1	12.0	11.7	21.3	8.0	72.9	53.4	80.0	100.0	100.0	100.0
Çankırı	1.8	4.1	0.0	12.0	20.6	26.7	10.9	15.5	6.7	75.3	59.8	66.7	100.0	100.0	100.0
Çorum	2.7	1.1	2.6	19.0	32.8	33.3	12.6	12.5	0.0	65.7	53.6	64.1	100.0	100.0	100.0
Denizli	2.0	1.2	1.3	23.9	38.1	52.2	9.1	9.3	4.4	65.0	51.4	42.1	100.0	100.0	100.0
Diyarbakır	2.1	1.4	0.9	13.0	9.7	8.3	18.1	33.3	26.6	66.7	55.5	64.2	100.0	100.0	100.0
Edirne	2.3	1.0	0.0	11.3	19.0	25.0	8.4	9.0	4.2	78.0	71.0	70.8	100.0	100.0	100.0
Elazığ	1.4	0.2	2.2	14.7	16.6	17.4	20.9	27.4	19.6	63.0	55.8	60.9	100.0	100.0	100.0
Erzincan	1.7	3.5	10.0	10.7	14.0	10.0	9.0	14.7	10.0	78.5	67.8	70.0	100.0	100.0	100.0
Erzurum	0.8	0.6	0.0	10.9	10.0	8.5	14.0	21.1	23.4	74.3	68.4	68.1	100.0	100.0	100.0
Eskişehir	1.3	1.0	1.1	19.2	26.7	38.3	13.7	14.1	9.6	65.9	58.3	51.1	100.0	100.0	100.0
Gaziantep	1.4	0.8	0.0	24.4	28.8	38.5	9.1	15.0	8.2	65.1	55.4	53.4	100.0	100.0	100.0
Giresun	1.3	1.3	8.8	15.4	19.0	8.8	9.1	16.5	11.8	74.2	63.3	70.6	100.0	100.0	100.0
Gümüşhane	1.4	7.5	0.0	11.1	11.9	0.0	12.0	11.9	0.0	75.5	68.7	100.0	100.0	100.0	100.0
Hakkari	1.7	0.0	0.0	6.6	9.8	0.0	18.2	29.3	20.0	73.6	61.0	80.0	100.0	100.0	100.0
Hatay	2.7	1.7	0.0	11.5	11.8	25.3	13.6	14.2	14.9	72.2	72.2	59.8	100.0	100.0	100.0
Isparta	1.8	4.0	0.0	13.3	15.8	19.4	13.1	13.0	6.5	71.8	67.2	74.2	100.0	100.0	100.0
Mersin	1.9	1.7	0.7	12.6	13.4	22.9	11.5	18.9	9.8	74.0	66.0	66.7	100.0	100.0	100.0
İstanbul	0.3	0.2	0.2	24.0	29.7	29.8	11.4	12.0	11.5	64.3	58.0	58.4	100.0	100.0	100.0
İzmir	1.7	0.8	0.6	20.9	31.6	35.1	12.8	12.8	8.5	64.6	54.7	55.8	100.0	100.0	100.0
Kars	1.3	2.3	0.0	4.6	7.0	20.0	11.6	16.3	0.0	82.5	74.4	80.0	100.0	100.0	100.0
Kastamonu	3.1	4.5	0.0	14.8	22.4	20.7	12.7	12.6	13.8	69.4	60.5	65.5	100.0	100.0	100.0
Kayseri	1.0	0.7	0.0	21.1	34.4	40.4	17.5	19.2	11.4	60.4	45.7	48.2	100.0	100.0	100.0
Kırklareli	2.7	3.2	3.4	13.4	24.2	24.1	11.8	11.6	0.0	72.1	61.1	72.4	100.0	100.0	100.0
Kırşehir	2.1	2.3	5.9	15.4	16.4	29.4	16.8	21.1	0.0	65.7	60.2	64.7	100.0	100.0	100.0
Kocaeli	0.7	0.4	0.0	22.0	33.0	43.0	14.3	16.9	14.3	63.0	49.8	42.7	100.0	100.0	100.0
Konya	1.7	1.6	1.1	21.7	34.1	31.1	8.9	10.9	7.2	67.7	53.4	60.6	100.0	100.0	100.0
Kütahya	1.2	0.5	0.0	20.3	23.8	25.4	10.3	12.1	5.1	68.2	63.6	69.5	100.0	100.0	100.0
Malatya	1.3	1.1	0.0	17.9	15.8	27.4	16.9	24.1	11.3	63.9	59.0	61.3	100.0	100.0	100.0
Manisa	2.3	1.9	0.8	19.5	29.3	40.9	9.7	10.2	3.0	68.5	58.5	55.3	100.0	100.0	100.0
Kahramanmaraş	1.9	1.7	0.9	22.5	24.1	45.0	15.2	23.1	9.2	60.3	51.1	45.0	100.0	100.0	100.0
Mardin	1.6	1.5	4.3	8.2	13.0	21.7	12.7	14.2	13.0	77.6	71.4	60.9	100.0	100.0	100.0
Muğla	2.8	3.2	2.6	9.8	11.2	14.3	11.2	13.3	7.8	76.2	72.3	75.3	100.0	100.0	100.0
Muş	1.5	0.0	0.0	11.1	7.2	6.7	27.7	27.0	13.3	59.8	65.8	80.0	100.0	100.0	100.0
Nevşehir	2.7	0.9	0.0	17.2	18.9	18.8	12.3	11.0	6.3	67.9	69.2	75.0	100.0	100.0	100.0
Niğde	1.6	1.6	0.0	15.7	23.8	50.0	15.2	14.5	5.0	67.6	60.1	45.0	100.0	100.0	100.0

Table 45. Rate of Sectors of Engagement of Small and Medium Sized Enterprises by Number of Employee in Provinces (Continued)

Provinces	A: 1≤NUMBER OF EMPLOYEE≤9			B: 10≤NUMBER OF EMPLOYEE≤49			C: 50≤NUMBER OF EMPLOYEE≤249								
	AGRICULTURE			INDUSTRY			CONSTRUCTION			SERVICES			TOTAL		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Ordu	2.1	2.3	5.8	13.2	13.5	19.2	12.9	14.5	19.2	71.8	69.8	55.8	100.0	100.0	100.0
Rize	3.5	3.2	0.0	18.8	12.1	13.6	13.7	19.4	13.6	64.0	65.2	72.7	100.0	100.0	100.0
Sakarya	2.2	1.9	2.8	21.6	27.5	32.4	9.0	16.0	7.0	67.1	54.7	57.7	100.0	100.0	100.0
Samsun	1.0	2.2	0.0	15.6	17.7	23.2	14.7	17.9	11.6	68.6	62.2	65.2	100.0	100.0	100.0
Siirt	0.8	0.8	0.0	8.9	4.9	6.3	16.7	24.6	12.5	73.6	69.7	81.3	100.0	100.0	100.0
Sinop	2.5	2.4	0.0	19.1	37.4	15.4	10.6	9.8	0.0	67.8	50.4	84.6	100.0	100.0	100.0
Sivas	0.7	1.3	0.0	13.5	16.0	31.4	18.5	20.8	8.6	67.3	61.9	60.0	100.0	100.0	100.0
Tekirdağ	1.2	0.3	0.0	17.4	28.7	52.1	15.6	15.2	5.3	65.8	55.7	42.6	100.0	100.0	100.0
Tokat	1.9	1.0	0.0	15.3	24.3	31.0	12.7	11.6	10.3	70.1	63.0	58.6	100.0	100.0	100.0
Trabzon	0.9	1.5	1.2	14.3	15.3	7.1	15.2	24.6	22.6	69.6	58.6	69.0	100.0	100.0	100.0
Tunceli	1.4	0.0	0.0	4.3	3.6	0.0	12.3	32.1	20.0	81.9	64.3	80.0	100.0	100.0	100.0
Şanlıurfa	6.5	4.8	3.7	11.0	16.4	17.6	20.4	18.5	16.7	62.0	60.2	62.0	100.0	100.0	100.0
Uşak	1.0	1.4	0.0	28.3	44.8	63.3	7.6	6.8	6.1	63.0	47.0	30.6	100.0	100.0	100.0
Van	1.0	0.3	0.0	8.6	10.6	2.1	18.0	25.4	27.7	72.3	63.7	70.2	100.0	100.0	100.0
Yozgat	1.3	0.5	2.9	15.3	18.9	22.9	10.5	14.3	14.3	72.8	66.4	60.0	100.0	100.0	100.0
Zonguldak	1.0	1.9	0.0	15.1	23.3	36.1	11.3	15.0	8.2	72.6	59.8	55.7	100.0	100.0	100.0
Aksaray	1.5	2.1	0.0	16.8	15.4	29.4	12.7	18.7	0.0	69.0	63.9	70.6	100.0	100.0	100.0
Bayburt	1.7	3.0	0.0	13.2	6.1	28.6	14.0	15.2	14.3	71.1	75.8	57.1	100.0	100.0	100.0
Karaman	4.4	0.6	0.0	18.2	25.0	35.0	13.1	15.2	10.0	64.3	59.1	55.0	100.0	100.0	100.0
Kırıkkale	0.8	0.0	0.0	9.3	10.1	4.2	14.3	17.1	4.2	75.6	72.9	91.7	100.0	100.0	100.0
Batman	1.3	0.3	0.0	10.8	9.8	8.9	16.5	29.8	42.2	71.4	60.0	48.9	100.0	100.0	100.0
Şırnak	1.0	0.6	0.0	6.3	7.8	7.1	3.3	12.3	14.3	89.5	79.2	78.6	100.0	100.0	100.0
Bartın	1.3	1.5	0.0	16.7	29.9	43.5	7.8	16.1	4.3	74.2	52.6	52.2	100.0	100.0	100.0
Ardahan	3.4	13.6	0.0	8.8	13.6	16.7	8.8	9.1	0.0	79.1	63.6	83.3	100.0	100.0	100.0
Iğdır	0.5	3.4	0.0	4.7	8.0	25.0	2.8	8.0	0.0	92.0	80.7	75.0	100.0	100.0	100.0
Yalova	5.2	2.1	0.0	16.2	27.8	9.1	12.6	13.9	0.0	65.9	56.2	90.9	100.0	100.0	100.0
Karabük	1.0	0.7	0.0	17.2	20.9	19.0	11.8	10.8	4.8	70.0	67.6	76.2	100.0	100.0	100.0
Kilis	2.8	0.0	0.0	13.8	12.8	0.0	7.6	14.9	0.0	75.9	72.3	100.0	100.0	100.0	100.0
Osmaniye	1.6	1.8	0.0	15.8	21.5	32.4	6.9	14.9	5.9	75.7	61.8	61.8	100.0	100.0	100.0
Düzce	3.4	3.3	0.0	21.5	28.9	50.0	10.1	9.2	5.0	65.0	58.6	45.0	100.0	100.0	100.0
Total	1.4	1.0	0.6	18.5	25.5	29.2	13.2	15.8	13.2	66.9	57.7	56.9	100.0	100.0	100.0

Source: GEM.

PS: Rates denote distribution of sectors in the province by establishment size adjudicated according to number of employee.

While a 66.8% of entities conducting construction business fall in group 1 by establishment size, the rate of enterprises that fall within the definition of enterprises with 1 to 9 workers in overall business enterprises available in the province of Ardahan is 86.7%, while that of enterprises that fall within the definition of group 2 in the province of Şırnak is 61.3%.

The rate of enterprises of establishment size group 1 among ventures pursuing business in the areas of wholesale and retail trades and repair and maintenance of motored land vehicles and motorcycles is 93.8% in the province of Ardahan, while the rate of enterprises of establishment size group 2 is 32.0% in the province of Şırnak.

While 71.9% of enterprises running transport and storage operations employ 1 to 9 workers during a year, this rate reveals to be 93.2% for the province of Giresun. The rate of enterprises employing 10 to 49 workers during a given year by establishment size among all enterprises hits its maximum value in the province of Bayburt with 50.0%.

A 75.4% of enterprises running operations in the field of catering and food services employ 1 to 9 regular in-house staff and another 25.3% employ 10 to 49 workers, during a year. In the case of Hakkâri, Şırnak, Ardahan and Kilis provinces, the rate of enterprises employing 1 to 9 workers within a year in all enterprises is 100.0%, while in Batman province, those employing 10 to 49 workers get a share of 48.3% over all business enterprises.

While a 56.0% of enterprises running services in the field of public administration comprise of establishment size group 1 business undertakings, a 33.4% is formed up of establishment group 2 business enterprises. While a 75.0% of all business enterprises carrying out activities in the field of public administration in Kırşehir province consist of enterprises of establishment size group 1, the Elazığ province hosts enterprises with establishment size group 2 by 56.7% of all business undertakings pursuing professional practice therein (Please see Table 46).

Table 46. Rate of Provinces by Sectors of Engagement and Number of Employee at Small and Medium Sized Enterprises

Provinces	A: 1≤NUMBER OF EMPLOYEE≤9			B: 10≤NUMBER OF EMPLOYEE ≤49			C: 50≤NUMBER OF EMPLOYEE≤249								
	AGRICULTURE			INDUSTRY			CONSTRUCTION			SERVICES			TOTAL		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Adana	7.0	4.8	0.0	3.8	1.5	1.3	3.1	2.6	2.5	4.5	2.1	1.8	4.2	2.1	1.8
Adıyaman	0.7	0.4	0.0	0.3	0.3	0.4	0.3	0.5	0.1	0.3	0.4	0.3	0.3	0.4	0.3
Afyonkarahisar	2.1	1.0	1.6	1.0	0.8	0.5	0.6	0.4	0.4	1.0	0.7	0.6	1.0	0.7	0.5
Ağrı	0.0	0.0	1.6	0.0	0.0	0.0	0.1	0.1	0.3	0.2	0.2	0.3	0.1	0.1	0.2
Amasya	0.8	0.6	0.0	0.3	0.3	0.3	0.3	0.2	0.1	0.4	0.3	0.2	0.4	0.3	0.2
Ankara	3.1	4.6	7.9	6.5	6.5	6.5	14.4	16.3	26.2	8.2	8.7	9.9	8.6	9.3	11.1
Antalya	5.2	8.7	11.1	2.0	1.3	1.3	4.8	3.4	2.7	3.5	3.5	3.8	3.4	2.9	3.0
Artvin	0.2	0.9	0.0	0.1	0.1	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Aydın	3.1	2.2	0.0	0.9	0.5	0.8	1.6	1.2	0.3	1.4	0.9	0.7	1.4	0.9	0.7
Balıkesir	3.3	1.4	3.2	1.2	1.3	0.8	1.1	1.0	0.1	1.5	1.1	0.9	1.5	1.1	0.8
Bilecik	0.3	0.0	0.0	0.2	0.2	0.3	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Bingöl	0.1	0.3	0.0	0.1	0.0	0.0	0.5	0.6	0.5	0.1	0.1	0.1	0.2	0.2	0.1
Bitlis	0.2	0.6	0.0	0.1	0.0	0.0	0.4	0.5	0.7	0.1	0.1	0.3	0.1	0.2	0.3
Bolu	0.7	1.7	0.0	0.2	0.3	0.3	0.2	0.2	0.1	0.3	0.3	0.3	0.2	0.3	0.3
Burdur	0.7	0.6	0.0	0.3	0.3	0.4	0.3	0.1	0.1	0.5	0.3	0.3	0.4	0.3	0.3
Bursa	2.6	3.5	4.8	5.3	6.8	8.9	2.9	3.0	2.5	3.3	3.6	3.5	3.6	4.3	5.0
Çanakkale	1.7	1.7	0.0	0.5	0.5	0.1	0.7	0.7	0.1	0.8	0.5	0.3	0.8	0.5	0.2
Çankırı	0.3	0.6	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.1	0.2	0.2	0.1	0.1
Çorum	1.1	0.6	1.6	0.6	0.7	0.4	0.5	0.4	0.0	0.6	0.5	0.4	0.6	0.5	0.4
Denizli	2.5	1.7	3.2	2.4	2.1	2.7	1.3	0.8	0.5	1.8	1.3	1.1	1.8	1.4	1.5
Diyarbakır	1.3	1.7	1.6	0.6	0.5	0.3	1.2	2.5	2.1	0.9	1.1	1.2	0.9	1.2	1.0
Edirne	0.9	0.3	0.0	0.4	0.2	0.2	0.4	0.2	0.1	0.7	0.4	0.3	0.6	0.3	0.2
Elazığ	0.6	0.1	1.6	0.5	0.4	0.3	0.9	1.1	0.7	0.6	0.6	0.5	0.6	0.6	0.4
Erzincan	0.3	0.7	1.6	0.1	0.1	0.0	0.1	0.2	0.1	0.3	0.2	0.1	0.2	0.2	0.1
Erzurum	0.3	0.3	0.0	0.3	0.2	0.1	0.6	0.7	0.8	0.6	0.6	0.5	0.6	0.5	0.5

Table 46. Rate of Provinces by Sectors of Engagement and Number of Employee at Small and Medium Sized Enterprises (Continued)

Provinces	A: 1≤NUMBER OF EMPLOYEE≤9			B: 10≤NUMBER OF EMPLOYEE ≤49			C: 50≤NUMBER OF EMPLOYEE≤249			TOTAL					
	AGRICULTURE			INDUSTRY			CONSTRUCTION			SERVICES					
	A	B	C	A	B	C	A	B	C	A	B	C			
Eskişehir	0.7	0.9	1.6	0.8	0.9	1.2	0.8	0.8	0.7	0.8	0.9	0.8	0.8	0.9	0.9
Gaziantep	1.1	1.2	0.0	1.5	1.5	2.6	0.8	1.3	1.2	1.1	1.3	1.9	1.1	1.4	2.0
Giresun	0.6	0.4	4.8	0.5	0.3	0.1	0.4	0.4	0.3	0.7	0.4	0.4	0.6	0.3	0.3
Gümüşhane	0.1	0.7	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Hakkari	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Hatay	2.8	1.7	0.0	0.9	0.5	0.7	1.5	0.9	0.9	1.6	1.2	0.9	1.5	1.0	0.8
Isparta	0.6	1.4	0.0	0.4	0.2	0.2	0.5	0.3	0.1	0.5	0.4	0.4	0.5	0.4	0.3
Mersin	4.1	2.7	1.6	2.1	0.9	1.2	2.6	2.0	1.1	3.3	1.9	1.7	3.0	1.6	1.5
İstanbul	5.2	7.5	14.3	33.4	40.0	37.0	22.2	26.1	31.7	24.7	34.5	37.2	25.7	34.3	36.3
İzmir	7.1	5.5	6.3	6.7	8.1	7.3	5.7	5.3	3.9	5.7	6.2	6.0	5.9	6.5	6.1
Kars	0.2	0.3	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.2	0.1	0.2	0.1	0.0
Kastamonu	1.0	1.4	0.0	0.4	0.3	0.2	0.4	0.3	0.3	0.5	0.3	0.3	0.5	0.3	0.3
Kayseri	0.9	1.0	0.0	1.5	2.0	2.2	1.8	1.8	1.4	1.2	1.2	1.4	1.3	1.5	1.6
Kırklareli	0.8	0.9	1.6	0.3	0.3	0.2	0.4	0.2	0.0	0.5	0.3	0.4	0.4	0.3	0.3
Kırşehir	0.3	0.4	1.6	0.2	0.1	0.2	0.3	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.2
Kocaeli	1.1	1.0	0.0	2.7	3.5	4.2	2.4	2.9	3.1	2.1	2.3	2.2	2.2	2.7	2.9
Konya	2.4	3.3	3.2	2.4	2.8	1.8	1.4	1.5	0.9	2.1	2.0	1.8	2.0	2.1	1.7
Kütahya	0.5	0.3	0.0	0.6	0.6	0.5	0.5	0.5	0.2	0.6	0.7	0.7	0.6	0.6	0.6
Malatya	0.8	0.7	0.0	0.8	0.4	0.6	1.1	1.0	0.5	0.8	0.7	0.6	0.8	0.7	0.6
Manisa	2.3	2.0	1.6	1.5	1.2	1.8	1.0	0.7	0.3	1.4	1.1	1.2	1.4	1.0	1.3
Kahramanmaraş	1.3	1.4	1.6	1.1	0.8	1.6	1.0	1.2	0.7	0.8	0.7	0.8	0.9	0.8	1.0
Mardin	0.5	0.7	1.6	0.2	0.2	0.2	0.4	0.4	0.2	0.5	0.6	0.2	0.4	0.5	0.2
Muğla	3.9	3.3	3.2	1.0	0.5	0.4	1.6	0.9	0.4	2.2	1.3	1.0	1.9	1.0	0.7
Muş	0.2	0.0	0.0	0.1	0.0	0.0	0.3	0.3	0.1	0.1	0.2	0.2	0.1	0.2	0.1
Neşehir	0.9	0.3	0.0	0.4	0.2	0.1	0.4	0.2	0.1	0.5	0.4	0.2	0.5	0.3	0.2
Niğde	0.3	0.4	0.0	0.3	0.3	0.3	0.3	0.3	0.1	0.3	0.3	0.2	0.3	0.3	0.2
Ordu	1.3	1.3	4.8	0.6	0.3	0.3	0.9	0.5	0.7	0.9	0.7	0.5	0.9	0.6	0.5
Rize	1.1	1.2	0.0	0.5	0.2	0.1	0.5	0.4	0.2	0.4	0.4	0.3	0.5	0.4	0.2
Sakarya	1.4	1.7	3.2	1.0	1.0	0.8	0.6	0.9	0.4	0.9	0.9	0.7	0.9	0.9	0.7
Samsun	1.0	2.5	0.0	1.2	0.8	0.5	1.5	1.2	0.6	1.4	1.2	0.8	1.4	1.1	0.7
Siirt	0.1	0.1	0.0	0.1	0.0	0.0	0.2	0.3	0.1	0.2	0.2	0.2	0.1	0.2	0.2
Sinop	0.4	0.4	0.0	0.2	0.3	0.1	0.2	0.1	0.0	0.2	0.2	0.2	0.2	0.2	0.1
Sivas	0.5	0.6	0.0	0.7	0.3	0.4	1.3	0.6	0.2	0.9	0.5	0.4	0.9	0.4	0.3
Tekirdağ	0.9	0.3	0.0	1.0	1.0	1.6	1.2	0.9	0.4	1.0	0.9	0.7	1.0	0.9	0.9
Tokat	1.2	0.4	0.0	0.7	0.4	0.3	0.8	0.3	0.2	0.9	0.5	0.3	0.9	0.4	0.3
Trabzon	0.7	1.6	1.6	0.9	0.6	0.2	1.3	1.7	1.4	1.1	1.1	1.0	1.1	1.1	0.8
Tunceli	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Şanlıurfa	5.3	4.0	6.3	0.7	0.5	0.6	1.8	1.0	1.3	1.1	0.9	1.1	1.1	0.8	1.0
Uşak	0.3	0.6	0.0	0.6	0.7	1.0	0.2	0.2	0.2	0.4	0.3	0.3	0.4	0.4	0.5
Van	0.4	0.1	0.0	0.3	0.2	0.0	0.8	0.8	0.9	0.6	0.6	0.6	0.6	0.5	0.5
Yozgat	0.4	0.1	1.6	0.4	0.2	0.3	0.3	0.3	0.4	0.5	0.4	0.4	0.4	0.3	0.3
Zonguldak	0.5	1.0	0.0	0.6	0.5	0.7	0.6	0.5	0.4	0.8	0.6	0.6	0.7	0.5	0.6
Aksaray	0.5	0.7	0.0	0.4	0.2	0.2	0.4	0.4	0.0	0.4	0.4	0.2	0.4	0.3	0.2
Bayburt	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1
Karaman	0.7	0.1	0.0	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Kırkkale	0.1	0.0	0.0	0.1	0.1	0.0	0.2	0.2	0.1	0.2	0.2	0.4	0.2	0.2	0.2
Batman	0.3	0.1	0.0	0.2	0.2	0.1	0.4	0.9	1.4	0.3	0.5	0.4	0.3	0.5	0.4
Şırnak	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.2	0.1	0.2	0.3	0.2	0.2	0.2	0.1
Bartın	0.3	0.3	0.0	0.3	0.2	0.3	0.2	0.2	0.1	0.3	0.2	0.2	0.3	0.2	0.2
Ardahan	0.2	0.4	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.1
İğdir	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.2	0.1	0.1	0.1	0.0
Yalova	1.2	0.6	0.0	0.3	0.3	0.1	0.3	0.2	0.0	0.3	0.3	0.3	0.3	0.3	0.2
Karabük	0.1	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.2	0.2	0.2
Kilis	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Osmaniye	0.6	0.7	0.0	0.4	0.3	0.4	0.3	0.4	0.1	0.6	0.4	0.4	0.5	0.4	0.3
Düzce	1.1	1.4	0.0	0.5	0.5	0.7	0.4	0.3	0.1	0.5	0.4	0.3	0.5	0.4	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: GEM.

PS: Rates apply to provinces by sectors of engagement and number of employee.

2.1.3 Distribution of Small and Medium Sized Enterprises over Provinces by Establishment Size and Economic Activities at Regional Level

At regional level, SMEs based in İstanbul comprise 25.7% of all business enterprises with 1 to 9 employees, 34.3% of all business enterprises with 10 to 49 employees and 36.6% of all business enterprises with 50 to 249 employees, which pursued professional activities during the year, in our country. As these results would immediately suggest, İstanbul grabs approximately one third of all SMEs of our country alone, regardless of establishment size.

Of the enterprises engaged in agriculture, forestry and fishing, those having 1 to 9 workers belong in the province of Adana by 7.0%, those having 10 to 49 workers belong in the province of Antalya by 8.7% and those employing 50 to 249 workers belong in the province of İstanbul by 14.3%.

Of the enterprises employing 1 to 9 regular full-time staff, a 16.3% of those engaged in mining and quarrying operations, in addition to 34.2% of those engaged in manufacturing industry, 29.3% of those engaged in electrical power, gas, steam and air-conditioner systems manufacturing and distribution businesses and 22.2% of those engaged in civil works and building construction activities, as well as 24.3% of those engaged in repair and maintenance activities of motored land vehicles and motorcycles, 24.6% of those engaged in transportation and storage business, 21.5% of those engaged in accommodation and catering services and 27.1% of those engaged in financing and insurance business, plus a 28.8% of those engaged in real property business, 33.6% of those engaged in management and support services, 20.9% of those engaged in educational activities and 26.7% of those pursuing cultural, artistic, entertainment and refreshment activities belong in the city of İstanbul.

İstanbul city continues to be the city with highest ratio in general, by categorisation according to economic activities of establishment size group 2 and 3 business enterprises (Please refer to Table 47).

Among the total business enterprises operational across Turkey, the highest rate is grabbed by those enterprises engaged in the whole and retail trades and motored land vehicles and motorcycles repair and maintenance services sectors that employ 1 to 9 regular full-time workers by 5.4%, which is immediately followed, in the second order, by those enterprises engaged in manufacturing industry that employ 1 to 9 regular full-time workers in the city of İstanbul, by 4.2% (Please refer to Table 48).

2.1.4 Distribution of Small and Medium Sized Enterprises over Provinces by Establishment Size and Sector at Regional Level

Of the total SMEs operational in our country, those employing 1 to 9 workers are engaged in agricultural sector by 1.4%, in industrial sector by 18.5%, in construction sector by 13.2% and in services sector by 66.9%. Of the total enterprises employing 10 to 49 workers during the year, 1.0% is active in agricultural sector, 25.5% in industrial sector, 15.8% in construction sector and 57.7%, in services sector. Of the total enterprises employing 50 to 249 workers during the year, 6.0% is active in agricultural sector, 29.2% in industrial sector, 13.2% in construction sector and 56.9%, in services sector.

While 6.5% of enterprises employing 1 to 9 workers during a year and active in agricultural sector belong in the province of Şanlıurfa, 13.6% of enterprises falling within establishment size group 2 are found in the province of Ardahan and 10.0% of enterprises falling within establishment size group 3, located in the province of Erzincan.

A 28.3% of business enterprises with establishment size falling in group 1, 44.8% of enterprises with establishment size falling in group 2 and 63.3% of enterprises with establishment size falling in group 3 pursue business activities in the industrial sector, in the province of Uşak. A 24.0% of SMEs, which have an establishment size falling in group 1, 29.7% of SMEs, which have an establishment size falling in group 2 and 29.8% of enterprises, which have an establishment size falling in group 3 are engaged in industrial sector, in the province of İstanbul.

SMEs based in Bingöl comprise 39.6% of all business enterprises with 1 to 9 employees, 53.0% of all business enterprises with 10 to 49 employees and 50.0% of all business enterprises with 50 to 249 employees, which pursued construction activities during the year, in our country.

SMEs based in Iğdır comprise 92.0% of all business enterprises with 1 to 9 employees, 80.7% of all business enterprises with 10 to 49 employees and 75.0% of all business enterprises with 50 to 249 employees, which pursued professional activities during the year, in our country. Speaking generally, the rate of enterprises primarily engaged in services sector seems to have a weighted share among business entities operating in all provinces, regardless of establishment size class (Please refer to Table 49).

Table 49. Rate of Economic Activities Number of Employee and Provinces in Total Number of Small and Medium Sized Enterprises

Provinces	A: 1≤NUMBER OF EMPLOYEE≤9				B: 10≤NUMBER OF EMPLOYEE≤49				C: 50≤NUMBER OF EMPLOYEE≤249				D= A+B+C			
	BRANCHES OF ECONOMIC ACTIVITY ACCORDING TO NACE REV. 2															
	A. AGRICULTURE, FORESTRY AND FISHERIES				B. MINING AND QUARRYING				C. MANUFACTURING				D. ELECTRICITY, GAS, STEAM AND AIR-CONDITIONING SYSTEMS MANUFACTURING AND DISTRIBUTION			
	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
Adana	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.6	0.0	0.0	0.0	0.0
Adiyaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Afyonkarahisar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Ağrı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amasya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Ankara	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.8	0.4	0.1	1.2	0.0	0.0	0.0	0.0
Antalya	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Artvin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aydın	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Balıkesir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Bilecik	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bingöl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bitlis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bolu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Burdur	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bursa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.4	0.1	1.2	0.0	0.0	0.0	0.0
Çanakkale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Çankırı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Çorum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Denizli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.5	0.0	0.0	0.0	0.0
Diyarbakır	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Edirne	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Elazığ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Erzincan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Erzurum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Eskişehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Gaziantep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Giresun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Gümüşhane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hakkari	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hatay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Isparta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Mersin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.3	0.0	0.0	0.0	0.0
İstanbul	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.1	4.2	2.6	0.4	7.2	0.0	0.0	0.0	0.1
İzmir	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.8	0.5	0.1	1.4	0.0	0.0	0.0	0.0
Kars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kastamonu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kayseri	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Kırklareli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kırşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kocaeli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.0	0.6	0.0	0.0	0.0	0.0
Konya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.0	0.5	0.0	0.0	0.0	0.0
Kütahya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Malatya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Manisa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Kahramanmaraş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Mardin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Muğla	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Muş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nevşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Niğde	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ordu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Rize	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Sakarya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Samsun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Siirt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sinop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sivas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Tekirdağ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Tokat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Trabzon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Tunceli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Şanlıurfa	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Uşak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Van	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yozgat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Zonguldak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Aksaray	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bayburt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Karaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kırıkkale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Batman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Şırnak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bartın	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Ardahan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iğdır	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yalova	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Karabük	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kilis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Osmaniye	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Düzce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Total	1.0	0.3	0.0	1.3	0.4	0.2	0.0	0.7	12.3	6.3	1.0	19.6	0.1	0.1	0.0	0.2

Table 49. Rate of Economic Activities Number of Employee and Provinces in Total Number of Small and Medium Sized Enterprises (Continued)

Provinces	BRANCHES OF ECONOMIC ACTIVITY ACCORDING TO NACE REV. 2															
	E. WATER SUPPLY, SEWAGE, WASTE MANAGEMENT AND REHABILITATION ACTIVITIES				F. CONSTRUCTION				G. WHOLESALE AND RETAIL TRADES; REPAIRS OF MOTORED LAND VEHICLES AND MOTORCYCLES				H. TRANSPORTATION AND STORAGE			
	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
Adana	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4	1.1	0.1	0.0	1.3	0.2	0.0	0.0	0.2
Adıyaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Afyonkarahisar	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.1
Ağrı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amasya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Ankara	0.0	0.0	0.0	0.0	1.3	0.7	0.1	2.1	1.5	0.5	0.0	2.0	0.2	0.1	0.0	0.3
Antalya	0.0	0.0	0.0	0.0	0.4	0.1	0.0	0.6	0.7	0.2	0.0	0.9	0.1	0.0	0.0	0.1
Artvin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aydın	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.2	0.3	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Balıkesir	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.4	0.1	0.0	0.4	0.0	0.0	0.0	0.1
Bilecik	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bingöl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bitlis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bolu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Burdur	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bursa	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4	0.8	0.3	0.0	1.1	0.1	0.0	0.0	0.1
Çanakkale	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Çankırı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Çorum	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Denizli	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.4	0.1	0.0	0.5	0.1	0.0	0.0	0.1
Diyarbakır	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Edirne	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Elazığ	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Erzincan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Erzurum	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Eskişehir	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Gaziantep	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.3	0.1	0.0	0.4	0.0	0.0	0.0	0.1
Giresun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Gümüşhane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hakkari	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hatay	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.4	0.1	0.0	0.4	0.1	0.0	0.0	0.2
Isparta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Mersin	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.3	0.8	0.1	0.0	0.9	0.2	0.1	0.0	0.3
İstanbul	0.0	0.0	0.0	0.0	2.1	1.1	0.2	3.3	5.4	2.4	0.3	8.1	0.9	0.5	0.1	1.4
İzmir	0.0	0.0	0.0	0.0	0.5	0.2	0.0	0.8	1.3	0.5	0.0	1.9	0.2	0.1	0.0	0.3
Kars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kastamonu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kayseri	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.2	0.3	0.1	0.0	0.4	0.0	0.0	0.0	0.1
Kırklareli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kırşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kocaeli	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.4	0.5	0.2	0.0	0.7	0.1	0.0	0.0	0.2
Konya	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.5	0.1	0.0	0.6	0.1	0.0	0.0	0.1
Kütahya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Malatya	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Manisa	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.3	0.1	0.0	0.4	0.0	0.0	0.0	0.1
Kahramanmaraş	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Mardin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Muğla	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2	0.4	0.1	0.0	0.4	0.1	0.0	0.0	0.1
Muş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nevesehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Niğde	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Ordu	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Rize	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Sakarya	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Samsun	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.3	0.1	0.0	0.4	0.0	0.0	0.0	0.1
Siirt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sinop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sivas	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Tekirdağ	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Tokat	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Trabzon	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.3	0.1	0.0	0.3	0.0	0.0	0.0	0.1
Tunceli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Şanlıurfa	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2	0.2	0.0	0.0	0.3	0.1	0.0	0.0	0.1
Uşak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Van	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Yozgat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Zonguldak	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Aksaray	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bayburt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Karaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kırıkkale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Batman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Şırnak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bartın	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Ardahan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iğdır	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yalova	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Karabük	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kilis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Osmaniye	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Düzce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Total	0.1	0.1	0.0	0.2	9.3	4.1	0.5	13.9	22.1	6.4	0.7	29.2	3.7	1.3	0.1	5.1

Table 49. Rate of Economic Activities Number of Employee and Provinces in Total Number of Small and Medium Sized Enterprises (Continued)

Provinces	BRANCHES OF ECONOMIC ACTIVITY ACCORDING TO NACE REV. 2															
	I. ACCOMMODATION AND CATERING SERVICES				J. INFORMATION AND COMMUNICATION				K. FINANCING AND INSURANCE				L. GAYRŞMENKUL FA.L. REAL PROPERTY BUSINESS ALIYETLERİ			
	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
Adana	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Adiyaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Afyonkarahisar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ağrı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amasya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ankara	0.4	0.1	0.0	0.5	0.1	0.0	0.0	0.1	0.3	0.1	0.0	0.4	0.0	0.0	0.0	0.1
Antalya	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Artvin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aydın	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bahçesir	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bilecik	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bingöl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bitlis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bolu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Burdur	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bursa	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Çanakkale	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Çankırı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Çorum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Denizli	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Diyarbakır	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Edirne	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Elazığ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Erzincan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Erzurum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eskişehir	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gaziantep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Giresun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gümüşhane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hakkari	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hatay	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Isparta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mersin	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
İstanbul	0.9	0.4	0.1	1.4	0.3	0.2	0.0	0.5	1.0	0.2	0.0	1.2	0.1	0.0	0.0	0.2
İzmir	0.3	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Kars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kastamonu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kayseri	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kırklareli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kırşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kocaeli	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Konya	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kütahya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malatya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Manisa	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Kahramanmaraş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mardin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Muğla	0.3	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Muş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Neveşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Niğde	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ordu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rize	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sakarya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Samsun	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Siirt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sinop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sivas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tekirdağ	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Tokat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trabzon	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tunceli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Şanlıurfa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uşak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Van	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yozgat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Zonguldak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aksaray	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bayburt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Karaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kırıkkale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Batman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Şırnak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bartın	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ardahan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
İğdir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yalova	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Karabük	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kilis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Osmaniye	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Düzce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	4.2	1.2	0.2	5.6	0.7	0.3	0.0	1.1	3.7	0.6	0.0	4.3	0.4	0.1	0.0	0.5

Table 49. Rate of Economic Activities Number of Employee and Provinces in Total Number of Small and Medium Sized Enterprises (Continued)

Provinces	BRANCHES OF ECONOMIC ACTIVITY ACCORDING TO NACE REV. 2															
	M. PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES				N. MANAGEMENT AND SUPPORT ACTIVITIES				O. PUBLIC ADMINISTRATION AND DEFENSE, MANDATORY SOCIAL SECURITIES				P. EDUCATION			
	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
Adana	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Adiyaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Afyonkarahisar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Ağrı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amasya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ankara	0.4	0.1	0.0	0.6	0.1	0.1	0.1	0.3	0.1	0.0	0.0	0.1	0.3	0.1	0.0	0.4
Antalya	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1
Artvin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aydın	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balıkesir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Bilecik	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bingöl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bitlis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bolu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Burdur	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bursa	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Çanakkale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Çankırı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Çorum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Denizli	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Diyarbakır	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Edirne	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Elazığ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Erzincan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Erzurum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eskişehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gaziantep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Giresun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gümüşhane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hakkari	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hatay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
İsparta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mersin	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
İstanbul	1.1	0.4	0.1	1.6	0.5	0.3	0.1	0.9	0.1	0.1	0.0	0.2	0.5	0.3	0.0	0.8
İzmir	0.2	0.0	0.0	0.2	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.2
Kars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kastamonu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kayseri	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Kırklareli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kırşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kocaeli	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Konya	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Kütahya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malatya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Manisa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Kahramanmaraş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mardin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Muğla	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Muş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Neveşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Niğde	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ordu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rize	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sakarya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Samsun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Siirt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sinop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sivas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tekirdağ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tokat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trabzon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tunceli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Şanlıurfa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uşak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Van	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yozgat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Zonguldak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aksaray	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bayburt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Karaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kırıkkale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Batman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Şırnak	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bartın	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ardahan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
İğdir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yalova	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Karabük	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kilis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Osmaniye	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Düzce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Toplam	3.3	0.9	0.1	4.3	1.4	1.1	0.4	2.8	1.3	0.8	0.2	2.3	2.5	1.0	0.1	3.6

Table 49. Rate of Economic Activities Number of Employee and Provinces in Total Number of Small and Medium Sized Enterprises (Continued)

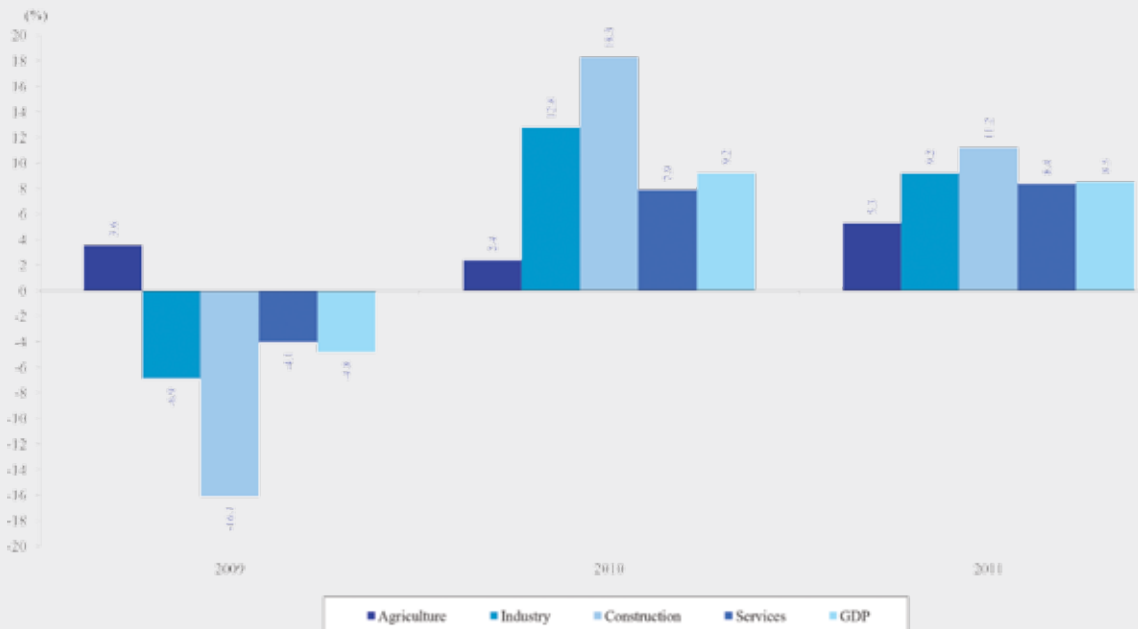
Provinces	BRANCHES OF ECONOMIC ACTIVITY ACCORDING TO NACE REV. 2																							
	Q. HUMAN HEALTH AND SOCIAL SERVICES ACTIVITIES				R. CULTURAL, ARTS, ENTERTAINMENT AND RECREATIONAL ACTIVITIES				S. OTHER ACTIVITIES				T. ACTIVITIES AS EMPLOYERS OF HOUSEHOLDS, UNCLASSIFIED GOODS AND SERVICES PRODUCTION ACTIVITIES BY HOUSEHOLDS FOR OWN USE				U. ACTIVITIES OF INTERNATIONAL ORGANISATIONS AND THEIR REPRESENTATIONS				TOTAL			
	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
Adana	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.5	0.1	3.5
Adiyaman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.3
Afyonkarahisar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.2	0.0	0.9
Ağrı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Amasya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.3
Ankara	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.1	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.1	2.4	0.4	8.9
Antalya	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	0.8	0.1	3.3
Artvin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2
Aydın	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.2	0.0	1.2
Balıkesir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.3	0.0	1.3
Bilecik	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Bingöl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2
Bitlis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2
Bolu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.3
Burdur	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4
Bursa	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	1.1	0.2	3.8
Çanakkale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.7
Çankırı	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2
Çorum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1	0.0	0.6
Denizli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.4	0.1	1.7
Diyarbakır	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.3	0.0	1.0
Edirne	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1	0.0	0.5
Elazığ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2	0.0	0.6
Erzincan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.2
Erzurum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1	0.0	0.6
Eskişehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.2	0.0	0.8
Gaziantep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.4	0.1	1.2
Giresun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1	0.0	0.5
Gümüşhane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Hakkari	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Hatay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.3	0.0	1.3
Isparta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1	0.0	0.5
Mersin	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	0.4	0.1	2.6
İstanbul	0.3	0.2	0.1	0.5	0.1	0.0	0.0	0.1	0.5	0.2	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.1	8.9	1.4	28.4
İzmir	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	1.7	0.2	6.1
Kars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Kastamonu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4
Kayseri	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.4	0.1	1.4
Kırklareli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4
Kırşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Kocaeli	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	0.7	0.1	2.4
Konya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.6	0.1	2.0
Kütahya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2	0.0	0.6
Malatya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.2	0.0	0.8
Manisa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.3	0.0	1.3
Kahramanmaraş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.2	0.0	0.9
Mardin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4
Muğla	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.3	0.0	1.7
Muş	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Neveşehir	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4
Niğde	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.3
Ordu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.1	0.0	0.8
Rize	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4
Sakarya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.2	0.0	0.9
Samsun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.3	0.0	1.3
Siirt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Sinop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Sivas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.1	0.0	0.8
Tekirdağ	0.0	0.0	0.0	0.0	0.																			

2.2 National Income

The Turkish economy has attained the highest rate of growth of the past 6 years, with its growth performance of 9.2%, in 2011. In the first quarter of 2011, where the effects of the global economic crisis persisted, though at a limited extent, the economy furthered its growing trend. Turkey has been the most rapidly growing country of the world, once again, and the only economy achieving growth in double-digits, with the increase of 11.9% it has achieved in GDP, as of the first quarter of 2011. This tendency of growth in GDP continued at 9.1% in second quarter and 8.4% in the third quarter, with a subsequent slow-down by the final quarter, yielding a rate of 5.2%. Thus, Turkey showed an annual growth of 8.5% in 2011, positioning herself in the first place among European member states and in the third place among the economically most advanced G20 countries of the world.

At fixed prices, GDP showed an improvement from an original level of ₺ 3,264 million in the first quarter of 2011, to a level of ₺ 29,515 million, at closing of the final quarter. The GDP per capita amounts to US \$ 10,335, based on current rates. Furthermore, the growth rate figures of 2011 have been realised 1.0 points above the anticipated rate of 7.5% in the Medium Term Program (MTP).

An analysis of the GDP by sectors and at fixed rates puts in plain view a positive growth that has occurred in all sectors. The highest this growth gets by sector is in the construction sector, as an extension of the year past behind, this time achieving a rate of 11.2%. Across the main sectors, the lowest growth rate is achieved in the agricultural sector, attributable to unworthy weather conditions. Due to harsh seasonal climatic conditions during 2010, the agriculture industry had been able to achieve an improvement in terms of growth of 2.4%, which rate is doubled to 5.3%, in 2011. Other rates of growth were recorded at 9.2% for the industrial sector and 8.4% for the services sector (Please see Figure 27).



Source: TURKSTAT.

Figure 27. Growth Rates of Gross Domestic Product (according to 1998 Basic Prices)

An analysis of GDP by branches of economic activity at fixed prices draws a picture, where shrinkage originally observed in many branches of economic activity at global scale during 2009 turned into a positive growth, following faster-than-expected recovery in these activities along with an alleviation in the after-effects of the global crisis in 2010. The growth in economy beyond expectations continued also in 2011. Based on a categorisation by branches of economic activity, growth realised at 11.4% in the whole and retail trades was followed by a 11.2% growth in construction, 10.8% growth in transportation, storage and communication, 9.6% growth in financial brokering business and 9.4% growth in the manufacturing industries (Please refer to Table 50).

Table 50. Gross Domestic Product in Constant Prices

(Based on Branches of Economic Activity and 1998 Basic Prices)

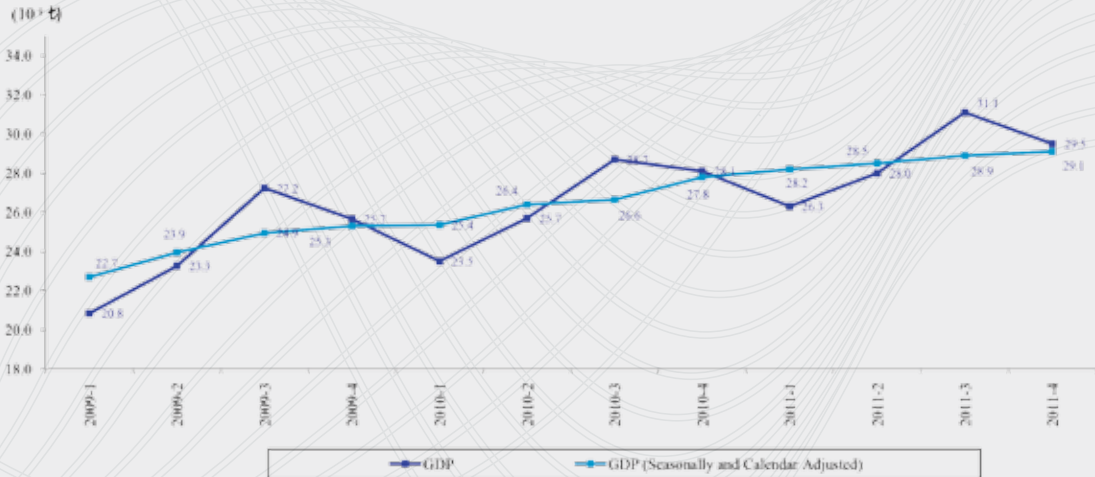
Branches of Economic Activity	Value (in 000 ₺)			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Agriculture, hunting and forestry	9,477,479	9,703,312	10,210,558	9.8	9.2	8.9	3.7	2.4	5.2
Fishing	291,158	296,117	314,275	0.3	0.3	0.3	-0.3	1.7	6.1
Mining and quarrying	759,220	795,179	826,026	0.8	0.8	0.7	-6.7	4.7	3.9
Manufacturing industry	22,538,467	25,606,668	28,024,300	23.2	24.2	24.4	-7.2	13.6	9.4
Production and distribution of electricity, gas, vapour and hot water	2,034,945	2,184,157	2,375,831	2.1	2.1	2.1	-3.4	7.3	8.8
Construction	5,067,196	5,996,258	6,665,283	5.2	5.7	5.8	-16.1	18.3	11.2
Wholesale and retail trades	11,863,006	13,480,057	15,022,261	12.2	12.7	13.1	-10.4	13.6	11.4
Hotels and restaurants	1,952,631	1,958,749	2,109,427	2.0	1.8	1.8	3.7	0.3	7.7
Transportation, storage and communication	13,936,885	15,414,012	17,071,477	14.4	14.6	14.9	-7.2	10.6	10.8
Financial intermediation activities	11,722,407	12,521,036	13,722,619	12.1	11.8	11.9	8.5	6.8	9.6
House ownership	5,018,694	5,111,048	5,207,797	5.2	4.8	4.5	2.6	1.8	1.9
Real estate, renting and business activities	3,625,686	3,902,456	4,264,758	3.7	3.7	3.7	4.4	7.6	9.3
Public administration and defence, compulsory social security schemes	3,197,580	3,213,346	3,339,862	3.3	3.0	2.9	2.9	0.5	3.9
Education	2,047,582	2,059,719	2,163,913	2.1	1.9	1.9	2.0	0.6	5.1
Healthcare and social services	1,268,643	1,283,421	1,350,712	1.3	1.2	1.2	3.1	1.2	5.2
Other social, societal and personal service activities	1,592,251	1,607,462	1,634,042	1.6	1.5	1.4	-1.2	1.0	1.7
Households employing in-house staff	159,180	167,832	180,853	0.2	0.2	0.2	2.3	5.4	7.8
Total of sectors	96,553,011	105,300,829	114,483,994	99.5	99.4	99.7	-3.6	9.1	8.7
Financial intermediation services indirectly measured	7,429,415	8,323,627	9,441,173	7.7	7.9	8.2	9.7	12.0	13.4
Taxes-subventions	7,879,518	8,908,442	9,831,159	8.1	8.4	8.6	-8.2	13.1	10.4
Gross Domestic Product (Purchasers)	97,003,114	105,885,644	114,873,979	100.0	100.0	100.0	-4.8	9.2	8.5

Source: TURKSTAT.

PS: As figures are revised by the relevant institutions, data may differ from previous publications.

By seasonal and calendar adjusted constant prices, GDP rose in the first quarter of 2011, to ₺ 28,2 billion, to ₺ 28,5 billion in the second quarter, ₺ 28,9 billion in the third quarter, and ₺ 29.1 billion in the last quarter. In the first quarter of 2011 relative to the same quarter of the previous year, unadjusted GDP climbed up to a record level, by an increase of 11.9%, however, this rate of GDP adjusted for seasonal and calendar could only achieve of value of 1.6% (Please see Figure 28).

During 2011, GDP grew by 17.8% at current prices and reached at ₺ 1,294,893 million, of which, a ₺ 105,099 million represents the share of agricultural sector, ₺ 259,767 million represents the share of industrial sector, ₺ 57,870 million represents the share of construction and ₺ 725,048 million represents the share of services sector (Please refer to Table 51).



Source: TURKSTAT.

Figure 28. Gross Domestic Product in Constant Prices (10⁹ ₺)

Table 51. Gross Domestic Product in Current Prices

(Based on Branches of Economic Activity and 1998 Basic Prices)

Branches of Economic Activity	Value (in 000 ₺)			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Agriculture, hunting and forestry	76,997,468	90,721,877	102,570,466	8.1	8.3	7.9	8.8	17.8	13.1
Fishing	1,778,418	2,017,144	2,528,452	0.2	0.2	0.2	16.0	13.4	25.3
Mining and Quarrying	14,235,361	15,785,419	19,248,765	1.5	1.4	1.5	5.8	10.9	21.9
Manufacturing industry	144,992,162	172,112,147	211,669,773	15.2	15.7	16.3	-5.7	18.7	23.0
Production and distribution of electricity, gas, vapour and hot water	22,818,051	25,454,991	28,848,083	2.4	2.3	2.2	10.6	11.6	13.3
Construction	36,577,637	45,669,500	57,869,552	3.8	4.2	4.5	-18.1	24.9	26.7
Wholesale and retail trades	103,452,320	120,869,437	152,181,031	10.9	11.0	11.8	-11.0	16.8	25.9
Hotels and restaurants	23,714,131	25,589,583	29,684,572	2.5	2.3	2.3	12.7	7.9	16.0
Transportation, storage and communication	127,283,537	144,427,539	172,482,831	13.4	13.1	13.3	-5.7	13.5	19.4
Financial intermediation activities	42,687,806	40,501,622	40,792,457	4.5	3.7	3.2	29.2	-5.1	0.7
House ownership	117,287,009	123,028,927	129,910,948	12.3	11.2	10.0	10.5	4.9	5.6
Real estate, renting and business activities	45,167,515	52,742,758	61,212,599	4.7	4.8	4.7	11.1	16.8	16.1
Public administration and defence, compulsory social security schemes	41,270,555	46,090,339	52,516,115	4.3	4.2	4.1	13.3	11.7	13.9
Education	31,813,406	36,802,652	42,916,102	3.3	3.3	3.3	14.1	15.7	16.6
Healthcare and social services	16,448,847	17,939,458	19,476,571	1.7	1.6	1.5	5.6	9.1	8.6
Other social, societal and personal service activities	16,078,191	18,696,622	21,485,446	1.7	1.7	1.7	0.3	16.3	14.9
Households employing in-house staff	1,847,272	2,097,000	2,389,659	0.2	0.2	0.2	8.3	13.5	14.0
Total of sectors	864,449,686	980,547,016	1,147,783,425	90.8	89.2	88.6	1.2	13.4	17.1
Financial intermediation services indirectly measured	21,708,092	19,419,336	17,474,243	2.3	1.8	1.3	45.4	-10.5	-10.0
Taxes-subventions	109,816,985	137,671,668	164,583,710	11.5	12.5	12.7	-1.0	25.4	19.5
Gross Domestic Product (Purchasers)	952,558,579	1,098,799,348	1,294,892,893	100.0	100.0	100.0	0.2	15.4	17.8

Source: TURKSTAT.

PS: As figures are revised by the relevant institutions, data may differ from previous publications.

Growth rate of 8.5% in GDP, 2011, was contributed by manufacturing sector at 2.5 points, agricultural sector at 0.1 points and construction by 0.7 points. On the other hand, the other major contributors had been the transportation, storage and communication sector

with 1.7 points, wholesale and retail trades with 1.6 points, financial intermediaries with 1.2 points, real estate leasing and business activities with 0.4 points and Electricity, gas, steam and hot water production and distribution activities, with 0.2 points (Please see Table 52).

Table 52. Sectoral Contributions to the Gross Domestic Product

(Score Based on Branches of Economic Activity and 1998 Basic Prices)

Branches of Economic Activity	GDP			Sector Contributions (Score)		
	2009	2010	2011	2009	2010	2011
Agriculture, hunting and forestry	9,477,479	9,703,312	10,210,558	0.33	0.23	0.52
Fishing	291,158	296,117	314,275	0.00	0.01	0.02
Mining and Quarrying	759,220	795,179	826,026	-0.05	0.04	0.03
Manufacturing industry	22,538,467	25,606,668	28,024,300	-1.72	3.16	2.49
Production and distribution of electricity, gas, vapour and hot water	2,034,945	2,184,157	2,375,831	-0.07	0.15	0.20
Construction	5,067,196	5,996,258	6,665,283	-0.96	0.96	0.69
Wholesale and retail trades	11,863,006	13,480,057	15,022,261	-1.35	1.67	1.59
Hotels and restaurants	1,952,631	1,958,749	2,109,427	0.07	0.01	0.16
Transportation, storage and communication	13,936,885	15,414,012	17,071,477	-1.07	1.52	1.71
Financial intermediation activities	11,722,407	12,521,036	13,722,619	0.90	0.82	1.24
House ownership	5,018,694	5,111,048	5,207,797	0.13	0.10	0.10
Real estate, renting and business activities	3,625,686	3,902,456	4,264,758	0.15	0.29	0.37
Public administration and defence, compulsory social security schemes	3,197,580	3,213,346	3,339,862	0.09	0.02	0.13
Education	2,047,582	2,059,719	2,163,913	0.04	0.01	0.11
Healthcare and social services	1,268,643	1,283,421	1,350,712	0.04	0.02	0.07
Other social, societal and personal service activities	1,592,251	1,607,462	1,634,042	-0.02	0.02	0.03
Households employing in-house staff	159,180	167,832	180,853	0.00	0.01	0.01
Total of sectors	96,553,011	105,300,829	114,483,994	-3.49	9.02	9.47
Financial intermediation services indirectly measured	7,429,415	8,323,627	9,441,173	0.64	0.92	1.15
Taxes-subsidies	7,879,518	8,908,442	9,831,159	-0.69	1.06	0.95
Gross Domestic Product (Purchasers)	97,003,114	105,885,644	114,873,979	-4.83	9.16	9.27

Source: TURKSTAT.

PS: As figures are revised by the relevant institutions, data may differ from data on previous publications.

In 2011 compared to the preceding term, the share of industrial sector in GDP at current rates rose to 20.1% by a 0.7 points increase spontaneously with a rise in the share of construction sector therein to 4.5% with an improvement by 0.3 points and the shares of agricultural and services sectors dropped to 8.1% and 56.0%, by 0.3 and 1.2 points, respectively (Please refer to Table 53, Figure 29).

Table 53. Shares of Sectors within the Gross Domestic Product

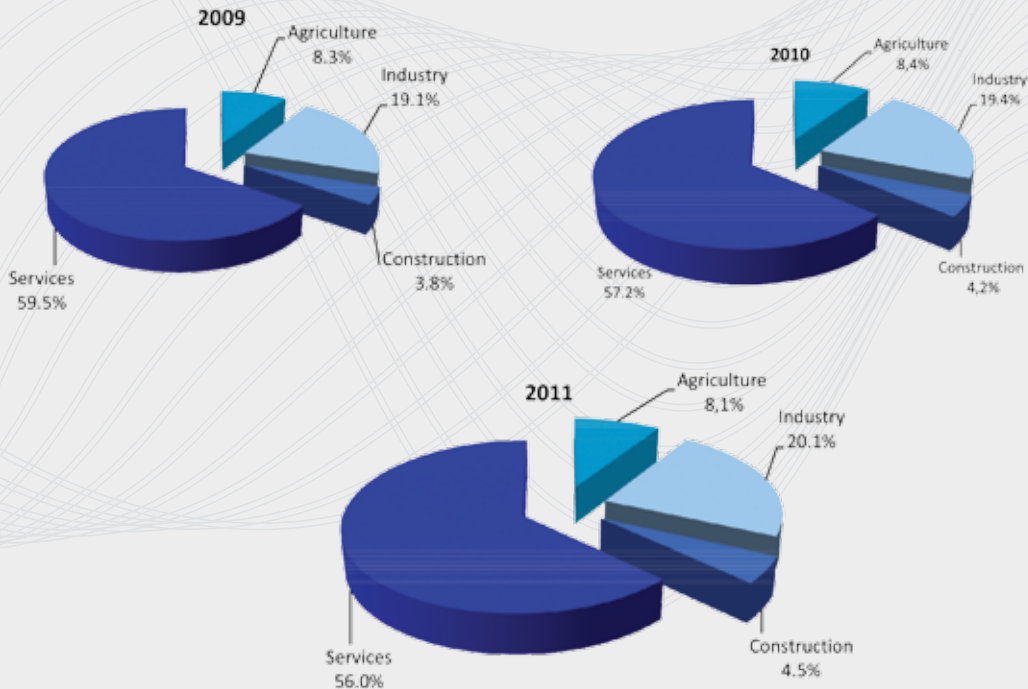
(%, at Current Prices)

Sectors	2009	2010	2011
Agriculture	8.3	8.4	8.1
Industry	19.1	19.4	20.1
Construction	3.8	4.2	4.5
Services ⁽¹⁾	59.5	57.2	56.0
GDP	100.0	100.0	100.0

Source: TURKSTAT.

(1) : The indirectly measured financial intermediation services and tax-subsidies are included in services.

PS : As figures are revised by the relevant institutions, data may differ from previous publications.



Source: TURKSTAT.

Figure 29. Sectoral Distribution of the Gross Domestic Product (Current Prices)

Making a comparison by method of expenditure at constant prices as part of GDP based on the preceding year, the consumption expenditures of resident households improved by 7.7%, along with a rise in public consumption expenditure of 4.5%, during 2011. In addition, exports of goods and services rose by 6.5%, while imports of goods and services increased by 10.6%. Showing an increase of 30.5% in 2010, the public sector fixed capital investments increased by of 18.3% due to decline by 9.7% in machinery and equipment investments and by 1.6% in building construction/land development investments, during 2011. Private sector investments in fixed capital also rose by 22.8%, through the increases in machinery and equipment investments and construction investments of 25.8% and 16.4%, respectively (see Table 54).

Making a comparison by method of expenditure at current prices as part of GDP based on the preceding year, the consumption rate of resident households improved by 16.9%, during 2011, with reference to the preceding year. The domestic consumption of resident and non-resident households has had a positive contribution of 17.1% in the growth attained in this consumption item, along with an increase of 20.3% in domestic consumption rate of non-resident households and 15.1% in international consumption rate of resident households. Public consumption expenditures rose by 14.7% compared to the preceding year, to ₺ 180,670 million in 2011. While the public sector fixed capital investments were increased by 11.9%, the 12.8% increase in construction sector investments had been the key contributor of this rise. Whilst a 42.7% overall increase in private sector fixed capital investments, investments on machinery-investment rose by 45.4% and construction sector investments by 37.4% among subcategories of the latter. The greatest contribution to the high rate of growth attained in GDP was made by the private sector investments (Please see Table 55).

Table 54. Gross Domestic Product by the Expenditure Method

(Constant Prices)

Components of the Expenditures	Value (in 000 ₺)			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Gross Domestic Product	97,003,114	105,885,644	114,873,979	100.0	100.0	100.0	-4.8	9.2	8.5
Consumption of resident households	68,597,603	73,174,350	78,799,793	70.7	69.1	68.6	-2.3	6.7	7.7
Domestic consumption of resident and non-resident households	72,348,575	76,651,527	82,191,685	74.6	72.4	71.5	-2.0	5.9	7.2
(Minus) Domestic consumption of non-resident households	4,427,934	4,208,987	4,039,437	4.6	4.0	3.5	8.4	-4.9	-4.0
Foreign consumption of resident households	676,962	731,810	647,544	0.7	0.7	0.6	40.2	8.1	-11.5
Final Consumption Expenditures of Government	11,105,788	11,325,193	11,834,486	11.4	10.7	10.3	7.8	2.0	4.5
Salaries, wages	5,112,949	5,172,463	5,376,746	5.3	4.9	4.7	1.4	1.2	3.9
Purchases of goods and services	5,992,839	6,152,730	6,457,740	6.2	5.8	5.6	13.9	2.7	5.0
Formation of gross fixed capital	19,358,027	25,270,576	29,884,683	20.0	23.9	26.0	-19.0	30.5	18.3
Public sector	3,755,945	4,419,507	4,276,841	3.9	4.2	3.7	-0.6	17.7	-3.2
Machinery-equipment	790,100	886,697	801,028	0.8	0.8	0.7	-13.3	12.2	-9.7
Construction	2,965,845	3,532,810	3,475,813	3.1	3.3	3.0	3.4	19.1	-1.6
Private sector	15,602,082	20,851,069	25,607,842	16.1	19.7	22.3	-22.5	33.6	22.8
Machinery-equipment	9,921,673	14,165,993	17,825,108	10.2	13.4	15.5	-22.9	42.8	25.8
Construction	5,680,409	6,685,076	7,782,735	5.9	6.3	6.8	-21.9	17.7	16.4
Changes in stocks ⁽¹⁾	-2,140,473	281,357	14,184	-2.2	0.3	0.0	-	-	-
Exports of goods and services	24,660,528	25,500,932	27,157,423	25.4	24.1	23.6	-5.0	3.4	6.5
(Minus) Imports of goods and services	24,578,358	29,666,764	32,816,590	25.3	28.0	28.6	-14.3	20.7	10.6

Source: TURKSTAT.

(1): The changes in stocks are calculated as residual between production and expenditure accounts and also include statistical discrepancy.

PS: As figures are revised by the relevant institutions, data may differ from previous publications.

Table 55. Gross Domestic Product by the Expenditure Method

(Current Prices)

Components of the Expenditures	Value (in 000 ₺)			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Gross Domestic Product	952,558,579	1,098,799,348	1,294,892,893	100.0	100.0	100.0	0.2	15.4	17.8
Consumption of resident households	680,768,339	787,752,785	920,792,380	71.5	71.7	71.1	2.5	15.7	16.9
Domestic consumption of resident and non-resident households	714,245,241	819,223,624	959,018,511	75.0	74.6	74.1	2.7	14.7	17.1
(Minus) Domestic consumption of non-resident households	39,888,549	38,723,122	46,572,553	4.2	3.5	3.6	10.1	-2.9	20.3
Foreign consumption of resident households	6,411,648	7,252,283	8,346,422	0.7	0.7	0.6	40.4	13.1	15.1
Final Consumption Expenditures of Government	140,028,924	157,513,643	180,670,156	14.7	14.3	14.0	15.1	12.5	14.7
Salaries, wages	75,829,979	87,344,368	100,906,381	8.0	7.9	7.8	13.2	15.2	15.5
Purchases of goods and services	64,198,944	70,169,275	79,763,776	6.7	6.4	6.2	17.4	9.3	13.7
Formation of gross fixed capital	160,718,033	207,815,565	283,163,025	16.9	18.9	21.9	-15.0	29.3	36.3
Public sector	35,335,252	43,406,876	48,580,935	3.7	4.0	3.8	-3.8	22.8	11.9
Machinery-equipment	6,222,501	6,656,300	7,118,586	0.7	0.6	0.5	-6.5	7.0	6.9
Construction	29,112,751	36,750,576	41,462,349	3.1	3.3	3.2	-3.2	26.2	12.8
Private sector	125,382,781	164,408,689	234,582,091	13.2	15.0	18.1	-17.7	31.1	42.7
Machinery-equipment	80,423,027	108,677,222	158,034,071	8.4	9.9	12.2	-12.7	35.1	45.4
Construction	44,959,753	55,731,467	76,548,019	4.7	5.1	5.9	-25.3	24.0	37.4
Changes in stocks ⁽¹⁾	-18,427,286	6,707,721	25,056,697	-1.9	0.6	1.9	-	-	-
Exports of goods and services	222,102,643	233,045,907	308,293,720	23.3	21.2	23.8	-2.3	4.9	32.3
(Minus) Imports of goods and services	232,632,073	294,036,273	423,083,086	24.4	26.8	32.7	-13.6	26.4	43.9

Source: TURKSTAT.

(1): The changes in stocks are calculated as residual between production and expenditure accounts and also include statistical discrepancy.

PS: As figures are revised by the relevant institutions, data may differ from previous publications.

By an evaluation based on expenditure method and at constant prices of growth in GDP, the major contributors of the positive growth measured for the period inferred included consumption of resident households at 5.3 points, the final consumption expenditures of the government at 0.5 points, fixed capital investments at 4.4 points, exports of goods and services at 1.6 points and imports of goods and services at 3.0 points (See Table 56).

Table 56. Contributions to the Gross Domestic Product by the Expenditure Method

Components of the Expenditures	(Points, 1998 Prices)					
	Value (in 000 ₺)			Contributions in GDP (Points)		
	2009	2010	2011	2009	2010	2011
Gross Domestic Product	97,003,114	105,885,644	114,873,979	-4,83	9,16	8,49
Consumption of resident households	68,597,603	73,174,350	78,799,793	-1,57	4,72	5,31
Domestic consumption of resident and non-resident households	72,348,575	76,651,527	82,191,685	-1,42	4,44	5,23
(Minus) Domestic consumption of non-resident households	4,427,934	4,208,987	4,039,437	0,34	-0,23	-0,16
Foreign consumption of resident households	676,962	731,810	647,544	0,19	0,06	-0,08
Final consumption expenditures of government	11,105,788	11,325,193	11,834,486	0,79	0,23	0,48
Salaries, wages	5,112,949	5,172,463	5,376,746	0,07	0,06	0,19
Purchases of goods and services	5,992,839	6,152,730	6,457,740	0,72	0,16	0,29
Formation of gross fixed capital	19,358,027	25,270,576	29,884,683	-4,47	6,10	4,36
Public sector	3,755,945	4,419,507	4,276,841	-0,02	0,68	-0,13
Machinery-equipment	790,100	886,697	801,028	-0,12	0,10	-0,08
Construction	2,965,845	3,532,810	3,475,813	0,09	0,58	-0,05
Private sector	15,602,082	20,851,069	25,607,842	-4,44	5,41	4,49
Machinery-equipment	9,921,673	14,165,993	17,825,108	-2,89	4,38	3,46
Construction	5,680,409	6,685,076	7,782,735	-1,56	1,04	1,04
Changes in stocks ⁽¹⁾	-2,140,473	281,357	14,184	-2,31	2,50	-0,25
Exports of goods and services	24,660,528	25,500,932	27,157,423	-1,28	0,87	1,56
(Minus) Imports of goods and services	24,578,358	29,666,764	32,816,590	-4,02	5,25	2,97

Source: TURKSTAT.

PS: 1. As figures are revised by the relevant institutions, data may differ from previous publications.

2. Values presented in points may vary due to arithmetical round-ups.

The GDP per capita rose in 2011 and at current prices up by 4.1% to US \$ 10,335, or by 16.3% to ₺ 17,329, when denominated in Turkish Liras. The GDP per capita at constant rises on the other hand improved by 7.3% in 2011 compared to the preceding year, achieving an increase to ₺ 1,537, from a baseline of ₺ 1,433 in that year (Please see Table 57).

Table 57. Gross Domestic Product Per Capita

Years	Population ⁽¹⁾ (000 Person)	Current Prices ⁽²⁾				Constant (1998) Prices	
		Turkish Lira (₺)	Rate of Change	US Dollars (\$)	Rate of Change	Turkish Lira (₺)	Rate of Change
2009	72,561	13,130	-1.2	8,590	-17.7	1,337	-6.2
2010	73,723	14,904	13.5	9,924	15.5	1,433	7.2
2011	74,724	17,329	16.3	10,335	4.1	1,537	7.3

Source: TURKSTAT.

(1): Results are obtained from the Address Based Population Registration System.

(2): The per capita GDP and the GDP figures have been calculated with the proportion of population in the middle of the year.

PS: As figures are revised by the relevant institutions, data may differ from previous publications.

2.3 Sectoral Analysis

2.3.1 Agriculture

The added value of the agricultural sector achieved an increase of 7.4% during the first, of 5.4% during the second, 4.2% during the third and 6.2% during the final quarters of 2011, respectively, compared to the same quarters of the preceding year. Thereby an overall growth at 5.2% was achieved in the added value of agricultural sector during 2011, compared to 2010.

Turkey has an important share in global agricultural production, with her viable geographical structure of appropriate and worthy climatic conditions, product diversity and potential for high yields. In addition to being one of the rare countries, which is self-sufficient in many agricultural production disciplines, Turkey is a major exporter of a wide range of products. However, such facts as the multi-fractured ownership structure of family-owned farmlands, the relatively small sizes of agricultural operations and insufficient levels of organisation in the areas of production and marketing remain to be major issues on the country's national agenda, for long years.

As regards the agricultural production, which grows depending much on weather conditions, there has been an increase in produced quantities of cereals, fruits and vegetables, thanks to viable climatic conditions that sustained throughout 2011.

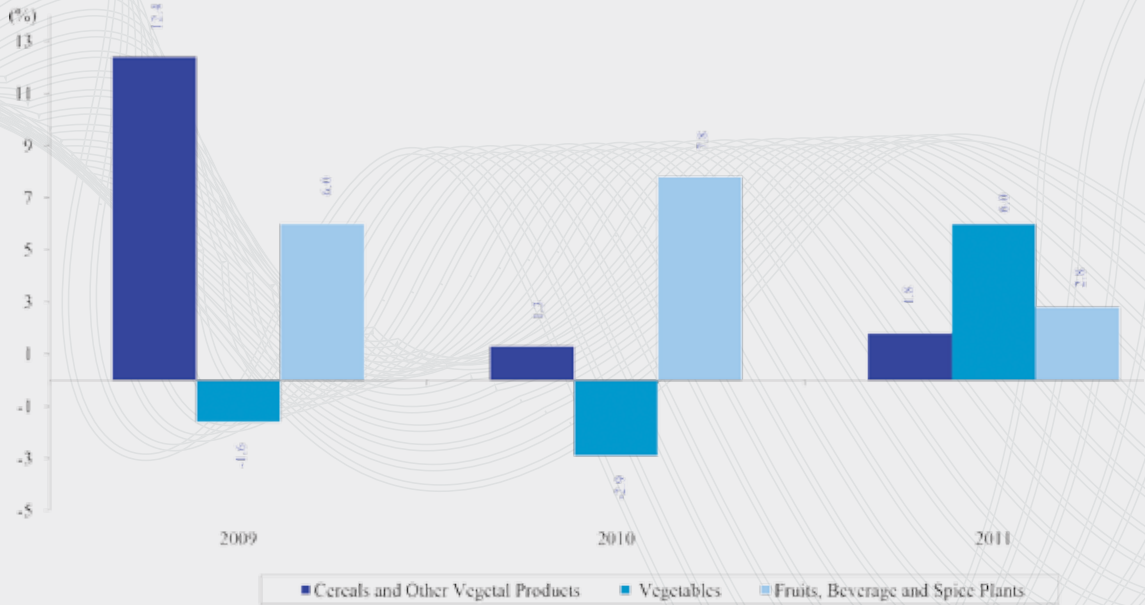
Showing an increase by 12.4% during 2009, the output quantities of cereals and other vegetal crops rose only by 1.3%, during 2010. In 2011, this rising trend continued, but with a lower rate, which is 1.8%. Despite a drop by 2.5%, which was attributable to adverse climatic conditions in 2010 compared to those of the preceding year, the cereal crop production quantities improved by 7.5% in 2011, with reference to 2010. The highest rate of increase achieved in production quantities of crops that fall within the category of grain products with reference to the preceding term has been in wheat with a rate of 10.8%, spontaneous with a growth rate of 4.8% in barley and 4.7% in husked rice production quantities. As regards the production quantities of corn among important grain products, a drop was observed at a rate of 2.6% (Please refer to Table 58, Figure 30).

The production quantities of potatoes, dried pulses, edible roots and tubers group decreased 1.4% in 2011. The highest rate of increase in yields of potatoes, dried pulses, edible roots and tubers was realised in the production of potatoes and green lentils by 2.2%, instantaneous with a sharp decline in produced quantities of red lentils at 28.9%, in produced quantities of chickpea at 8.1% and in produced quantities of dried beans at 5.7%.

Table 58. Production Quantities of Cereals and Other Vegetal Products

Cereals and Other Vegetal Products	(in Tons)					
	Production			Rate of Change		
	2009	2010	2011	2009	2010	2011
Cereals	33,577,151	32,748,550	35,202,073	14.6	-2.5	7.5
Wheat	20,600,000	19,674,000	21,800,000	15.8	-4.5	10.8
Barley	7,300,000	7,250,000	7,600,000	23.2	-0.7	4.8
Corn (Kernel)	4,250,000	4,310,000	4,200,000	-0.6	1.4	-2.6
Rice (in Husk)	750,000	860,000	900,000	-0.4	14.7	4.7
Other	677,151	654,550	702,073	22.0	-3.3	7.3
Potatoes, dried pulses, edible roots and tubers	5,527,685	5,784,264	5,700,950	8.8	4.6	-1.4
Potatoes	4,397,711	4,513,453	4,613,071	4.8	2.6	2.2
Chickpea	562,564	530,634	487,477	8.6	-5.7	-8.1
Lentil (Red)	275,050	422,000	300,000	158.6	53.4	-28.9
Beans (Dried)	181,205	212,758	200,673	17.2	17.4	-5.7
Sweet Potato	27,728	34,930	35,010	-3.2	26.0	0.2
Lentil (Green)	27,131	25,400	25,952	9.3	-6.4	2.2
Other	56,296	45,089	38,767	9.0	-19.9	-14.0
Oily seeds	1,374,844	1,659,767	1,754,151	11.4	20.7	5.7
Sunflower seed	1,057,125	1,320,000	1,335,000	6.6	24.9	1.1
Rapeseed (Canola)	113,886	106,450	91,239	35.6	-6.5	-14.3
Peanut	90,081	97,310	90,416	5.6	8.0	-7.1
Soy beans	38,442	86,540	102,260	11.6	125.1	18.2
Poppy (Seed)	34,194	36,910	44,000	215.6	7.9	19.2
Other	41,116	12,557	36,236	49.7	-69.5	188.6
Tobacco	85,000	53,018	55,000	-9.0	-37.6	3.7
Sugar beet	17,274,674	17,942,112	16,126,489	11.5	3.9	-10.1
Other feed plants (Excluding grain, straw and husks)	145,628	132,970	124,114	-7.6	-8.7	-6.7
Beets for animals	145,628	132,970	124,114	-7.6	-8.7	-6.7
Raw plants used in textiles	1,725,005	2,150,013	2,580,010	-5.2	24.6	20.0
Cotton (Boll seed)	1,725,000	2,150,000	2,580,000	-5.2	24.6	20.0
Other	5	13	20	-77.3	160.0	53.8
Plant and livestock fodder seeds used in perfumery, pharmaceuticals and similar areas	168,997	157,454	150,999	44.9	-6.8	-4.1
Common vetch	135,892	121,676	107,844	29.5	-10.5	-11.4
Opium (Capsule)	31,086	33,555	40,979	215.6	7.9	22.1
Other	2,019	2,223	2,176	9.5	10.1	-2.1
Total	59,878,984	60,628,148	61,693,786	12.4	1.3	1.8

Source: TURKSTAT.



Source: TURKSTAT.

Figure 30. Rates of Change in Plant Production by Years

The high growing trend of oily seeds category during 2010 was slackened in 2011, managing an increase of 5.5% only, in quantities of production. The highest rate of growth in produced quantities of the oily seeds category is observed in soy beans with 18.2%, which is followed by poppy seeds with 19.2%. While the quantities of sunflower seeds produced in 2010 grew by 24.9% compared to the preceding year, it has attained a level above 1.1%, during 2011. In the meantime, a spontaneous drop was observed in produced quantities of both rapeseed and peanuts by 14.3% and 7.1%, respectively.

Demonstrating a dropping trend during 2009 and 2010, tobacco had produced quantities risen up by 3.7%, during 2011. The high rates of taxes imposed on cigarette sales continue to affect tobacco production negatively, in an indirect manner. While the animal beet production rate dropped by 4.4% in 2011, the production quantities of sugar beet, the production of which is subject to application of quotas, decreased by 10.1%. There has been a slight improvement by 20.0% in produced quantities of boll seed cotton, which forms up the major part of raw plants used in textiles industry, during 2011, following a rise at 24.6% in 2010, with reference to the preceding year. A shortfall has been observed in the production quantities of plant and livestock fodder seeds used in perfumery, pharmaceuticals and similar areas, by 4.1% with reference to the preceding term (Please refer to Table 58).

After a two-year decline in the produced quantities of vegetable products, a rise was observed by 5.9%, during 2011. The production quantities of edible roots and tubers showed an improvement by 9.7% in 2011 compared to the preceding year, along with a 7.0% decline in produced quantities of scallions versus an increase in all the rest of vegetables forming part of this category. The highest growing trends were measured in carrot production by 12.9% and in onion production by 12.7% (Also see Table 59).

The produced quantities in the category of vegetables cultivated for fruit rose up by 5.7% during 2011. The highest yields recorded in this category of vegetables cultivated for fruit have been in tomato by 9.5%, in green pepper by 7.7% and in watermelon by 4.9%, whilst the highest drops in yields were recorded in sauceboat peppers by 6.6% and bell peppers by 5.9%.

The produced quantities in the category of vegetables not classified elsewhere rose up by 2.3% during 2011. The highest rate of increase recorded for the category of other vegetables was achieved in mushroom production with 25.5%, cabbage leaf production with 7.9% and in red cabbage production with 3.1%. And the vegetables for which a decline was observed included lettuces with 3.9% and parsley with 2.4%.

Table 59. Production Quantities of Vegetable Products

Vegetables	(in Tons)					
	Production			Rate of Change		
	2009	2010	2011	2009	2010	2011
Tuber and root vegetables	3,153,718	3,121,698	3,425,622	-4.8	-1.0	9.7
Onions (Dried)	1,849,582	1,900,000	2,141,373	-7.8	2.7	12.7
Carrot	593,628	533,253	602,078	0.4	-10.2	12.9
Leek	251,120	244,812	246,144	-0.5	-2.5	0.5
Scallion	169,271	165,478	153,823	0.6	-2.2	-7.0
Radish (Red)	141,505	139,543	142,024	-2.3	-1.4	1.8
Other	148,612	138,612	140,180	0.1	-6.7	1.1
Vegetables grown for fruits	21,933,876	21,219,750	22,424,786	-1.4	-3.3	5.7
Tomato	10,745,572	10,052,000	11,003,433	-2.2	-6.5	9.5
Watermelon	3,810,205	3,683,103	3,864,489	-4.8	-3.3	4.9
Cucumber	1,735,010	1,739,191	1,749,174	3.1	0.2	0.6
Melon	1,679,191	1,611,695	1,647,988	-4.0	-4.0	2.3
Aubergine	816,134	846,998	821,770	0.3	3.8	-3.0
Pepper (Green)	752,692	816,901	879,846	2.5	8.5	7.7
Pepper (Sauceboat chilli)	700,038	782,173	730,493	1.4	11.7	-6.6
Bean	603,653	587,967	614,948	7.2	-2.6	4.6
Pepper (Bell)	384,273	387,626	364,930	3.6	0.9	-5.9
Other	707,108	712,096	747,715	7.8	0.7	5.0
Other vegetables not elsewhere classified	1,688,875	1,655,747	1,697,054	2.0	-2.0	2.5
Cabbage (Head)	507,655	491,228	498,073	4.1	-3.2	1.4
Lettuce (Firm-hearted)	233,552	226,144	217,378	0.1	-3.2	-3.9
Spinach	225,343	218,291	221,632	-0.2	-3.1	1.5
Cauliflower	157,051	158,579	162,134	4.1	1.0	2.2
Lettuce (Crinkly-leaved)	141,569	131,952	138,466	-2.0	-6.8	4.9
Cabbage (Red)	114,209	118,170	121,824	9.2	3.5	3.1
Cabbage (Leaves)	83,487	81,953	88,466	-0.2	-1.8	7.9
Parsley	58,145	56,332	54,956	11.1	-3.1	-2.4
Mushroom (Cultured)	19,501	21,559	27,058	-26.5	10.6	25.5
Other	148,363	151,539	167,067	0.9	2.1	10.2
Total	26,776,469	25,997,195	27,547,462	-1.6	-2.9	6.0

Source: TURKSTAT.

The production quantities of fruits rose by 7.8% in 2010 with reference to the preceding year, which rise dropped to 2.8% for 2011. There has been a rise observed in produced quantities of grapes, which has an important share in the fruits category at 1.0%, together with a rise in produced quantities of other fruits and husked fruits at 4.7%. The overall production of banana, figs, avocado and kiwi rose by 1.0% in 2011, along with increased production of citrus fruits at 1.2% and of others at 6.2%. After a sharp decline of 31.9% as a result of incidents of frost encountered during 2010, apricot production rose by 44.4%, in 2011. Apricots, which achieved the highest rate of growth in terms of production during the year inferred, is followed by plum production with 11.69%, cherry production with 4.9% and pomegranate production 4.4%. The only fruit that showed a drop in the category of fruits category has been black sour cherry with a rate of 6.5% (Please see Table 60).

The produced quantities in the category of olives and other husked fruits rose up by 7.0% during 2011. The production quantities of hazelnuts which showed a rising trend at high rates during 2010 dropped by 28.3% in 2011, due to the uprooting of trees, whose productivity decreased. Due to the scarce season, the production quantities of pistachio nuts of the husked species selected dropped by 12.5% in 2011, versus a rise in olive production quantities of 23.7%.

The production quantities of spice plants dropped by 3.9% in 2010 compared to the preceding year, this declining trend continued with a rate of 10.2% during 2011. The production quantities of red pepper, as picked sample of spice plants, decreased by 13.0% in 2011, along with an increase in the production quantities of cumin by 4.8%. The production quantities of tea rose by 18.3% in 2010 with reference to the preceding year, which entailed to a drop of 5.7% during 2011.

2.3.1.1 Herbal Product Balances

An analysis of selected products for the top-three vegetal crops of 2010 in all levels of main and subcategories reveals that the highest value in terms of cultivated land measure is obtained by 8,100,000 hectares in wheat, which is followed by barley with 3,010,000 hectares of cultivated land and corn with 592,000 hectares of cultivated land (See Table 61).

Table 60. Production Quantities of Fruit Products

Fruits, Beverage and Spice Plants	(in Tons)					
	Production			Rate of Change		
	2009	2010	2011	2009	2010	2011
Grape	4,264,720	4,255,000	4,296,351	8.8	-0.2	1.0
Other fruits and nuts	12,124,006	12,130,745	12,697,125	3.8	0.1	4.7
Banana, fig, avocado, kiwi (Total)	473,726	492,777	497,556	11.0	4.0	1.0
Fig	244,351	254,838	260,508	19.2	4.3	2.2
Banana	204,517	210,178	206,501	1.7	2.8	-1.7
Other	24,858	27,761	30,547	21.3	11.7	10.0
Citrus fruits (Total)	3,513,772	3,572,376	3,613,766	16.1	1.7	1.2
Orange	1,689,921	1,710,500	1,730,146	18.4	1.2	1.1
Tangerine	846,390	858,699	872,251	11.9	1.5	1.6
Lemon	783,587	787,063	790,211	16.5	0.4	0.4
Other	193,874	216,114	221,158	13.5	11.5	2.3
Other fruits (Total)	5,970,220	5,629,881	5,980,455	7.4	-5.7	6.2
Apple	2,782,365	2,600,000	2,680,075	11.1	-6.6	3.1
Apricot	660,894	450,000	650,000	-7.7	-31.9	44.4
Peach	547,219	539,403	545,902	-0.8	-1.4	1.2
Cherry	417,694	417,905	438,550	23.4	0.1	4.9
Pear	384,244	380,003	386,382	8.1	-1.1	1.7
Strawberry	291,996	299,940	302,416	11.8	2.7	0.8
Plum	245,782	240,806	268,696	-1.2	-2.0	11.6
Sour cherry	192,705	194,989	182,234	3.9	1.2	-6.5
Pomegranate	170,963	208,502	217,572	33.8	22.0	4.4
Other	276,358	298,333	308,628	3.1	8.0	3.5
Olives and hard shelled fruits (Total)	2,166,288	2,435,711	2,605,348	-18.7	12.4	7.0
Olive	1,290,654	1,415,000	1,750,000	-11.9	9.6	23.7
Hazelnut	500,000	600,000	430,000	-37.6	20.0	-28.3
Walnut	177,298	178,142	183,240	3.7	0.5	2.9
Pistachio nut	81,795	128,000	112,000	-31.9	56.5	-12.5
Other	116,541	114,569	130,108	7.7	-1.7	13.6
Spice plants	233,234	224,041	201,150	166.4	-3.9	-10.2
Red pepper	196,900	186,272	162,125	228.2	-5.4	-13.0
Cumin	14,533	12,587	13,193	63.7	-13.4	4.8
Other	21,801	25,182	25,832	16.7	15.5	2.6
Tea ⁽¹⁾	1,103,340	1,305,566	1,231,141	0.3	18.3	-5.7
Total	16,621,960	17,915,352	18,425,767	6.0	7.8	2.8

Source: TURKSTAT.

(1): Fresh, green tea leaves are not included in the total fruit production.

Table 61. Crop Balances for Selected Products

Selected Products	Production (Tons)	Area Sawn (Ha)	Production Losses (Tons)	Supply=Usage (Tons)	Supply		
					Usable Production (Tons)	Imports (Tons)	EU 27 (Tons)
Cereals and other vegetal products							
Cereals							
Wheat ¹	20,600,000	8,100,000	1,133,000	22,418,007	19,467	2,951,007	147,230
Barley ¹	7,300,000	3,010,000	438,000	6,934,834	6,862,000	72,834	72,468
Corn ²	4,250,000	592,000	127,500	4,692,525	4,122,500	570,025	236,374
Total ³	32,827,151	11,970,954	1,706,558	34,697,980	31,120,593	3,577,387	443,085
Potato ³	4,425,439	144,819	75,232	4,411,150	4,350,207	60,943	59,026
Dried pulses							
Chickpea ³	562,564	455,934	7,313	562,047	555,251	6,796	28
Lentil (Red) ³	275,050	189,378	7,151	468,611	267,899	200,712	475
Total ³	1,101,348	800,959	17,903	1,385,362	1,083,445	301,917	716
Oily seeds							
Sunflower ²	1,057,125	584,000	8,457	2,311,799	1,048,668	1,263,131	433,847
Rapeseed ²	113,886	32,777	1,481	377,070	112,405	264,665	71,478
Sugar beet ²	-	-	-	17,274,674	17,274,674	-	-
Cotton ²	1,021,200	420,000	20,424	1,036,005	1,000,776	35,229	166
Vegetables (Total) ³	24,847,679	-	707,312	24,198,080	24,140,367	57,713	12,949
Tuber and root vegetables							
Onions (Dried) ³	1,849,582	60,558	77,682	1,772,521	1,771,900	621	-
Carrot ³	593,628	-	12,466	582,937	581,162	1,775	983
Leek ⁴	251,120	-	5,274	245,867	245,846	21	21
Vegetables grown for fruits							
Tomato ³	10,745,572	-	376,095	10,379,717	10,369,477	10,240	2,293
Watermelon ³	3,810,205	-	102,876	3,710,687	3,707,329	3,358	-
Cucumber ³	1,735,010	-	43,375	1,691,635	1,691,635	-	-
Other vegetables not elsewhere classified							
Cabbage ⁴	623,368	-	16,208	607,198	607,160	38	27
Lettuce ⁵	438,038	-	12,265	426,607	425,773	834	40
Spinach ⁴	225,343	-	5,183	220,227	220,160	67	67
Fruits, nuts and beverage plants							
Grape ⁴	4,264,720	-	123,677	4,155,556	4,141,043	14,513	5,950
Other fruits							
Fig ⁶	244,351	-	5,376	242,089	238,975	3,114	2,433
Banana ⁷	204,517	-	5,726	406,615	198,791	207,824	-
Apple ³	2,782,365	-	144,683	2,708,069	2,637,682	70,387	1,324
Apricot ³	660,894	-	27,758	635,135	633,136	1,999	1,023
Peach ¹	547,219	-	20,247	529,965	526,972	2,993	2,741
Citrus fruits³							
Orange ⁸	3,513,772	-	87,734	3,566,365	3,426,038	140,327	13,959
Orange ⁸	1,689,921	-	60,837	1,732,155	1,629,084	103,071	15,614
Tangerine ⁸	846,390	-	9,310	841,440	837,080	4,360	21
Lemon ⁸	783,587	-	13,321	776,341	770,266	6,075	32
Nuts³							
Hazelnut ⁶	875,634	-	15,612	932,026	860,022	72,004	6,938
Hazelnut ⁶	500,000	-	4,500	498,533	495,500	3,033	2,617
Walnut ³	177,298	-	4,255	219,047	173,043	46,004	3,593
Tea ¹	1,103,340	-	165,501	965,966	937,839	28,127	1,158

Source: TURKSTAT.

Table 61. Crop Balances for Selected Products (Continued)

Selected Products	Usage								
	Domestic Usage (Tons)	Consumption (Tons)	Usage as Seed (Tons)	Usage as Fodder (Tons)	Industrial Usage (Tons)	Losses (Tons)	Exports (Tons)	EU 27 (Tons)	Change in Stock (Tons)
Cereals and other vegetal products									
Cereals									
Wheat ¹	16,961,236	14,494,543	1,458,000	424,683	-	584,010	4,491,284	279,128	965,487
Barley ¹	5,622,113	68,620	602,000	4,556,902	223,041	171,550	783,187	10	529,534
Corn ²	5,153,535	1,203,427	14,800	3,693,760	117,873	123,675	390,766	9,099	-851,776
Total ³	28,361,627	15,871,417	2,117,645	9,132,343	340,914	899,308	5,829,538	326,650	695,161
Potato ³	4,341,226	3,848,941	362,048	-	-	130,237	69,924	3,998	-
Dried pulses									
Chickpea ³	469,748	403,292	54,712	-	-	11,744	92,299	16,461	-
Lentil (Red) ³	323,164	299,934	15,150	-	-	8,079	145,447	18,277	-
Total ³	1,127,020	1,013,299	85,545	-	-	28,176	258,342	37,015	-
Oily seeds									
Sunflower ²	1,121,127	2,069,944	8,760	-	-	42,423	228,269	12,034	-37,597
Rapeseed ²	368,770	360,740	656	-	-	7,375	7,740	33	560
Sugar beet ²	17,274,674	-	-	-	-	292,735	-	-	-
Cotton ²	1,013,093	948,171	16,800	-	-	48,122	22,242	13,871	670
Vegetables (Total) ³	22,363,298	20,126,303	-	-	-	2,236,995	1,834,782	812,814	-
Tuber and root vegetables									
Onions (Dried) ³	1,711,429	1,601,634	24,223	-	-	85,571	61,092	12,141	-
Carrot ³	517,073	465,366	-	-	-	51,707	65,864	39,080	-
Leek ⁴	231,106	207,996	-	-	-	23,111	14,761	10,908	-
Vegetables grown for fruits									
Tomato ³	9,111,259	8,200,133	-	-	-	911,126	1,268,458	487,905	-
Watermelon ³	3,630,501	2,267,451	-	-	-	363,050	80,186	12,484	-
Cucumber ³	1,531,248	1,378,123	-	-	-	153,125	160,387	81,022	-
Other vegetables not elsewhere classified									
Cabbage ⁴	601,671	541,504	-	-	-	60,167	5,527	3,842	-
Lettuce ⁵	424,696	382,226	-	-	-	42,470	1,911	1,005	-
Spinach ⁴	215,117	193,605	-	-	-	21,512	5,110	4,811	-
Fruits, nuts and beverage plants									
Grape ³	3,045,711	2,547,873	-	-	254,181	243,657	1,083,986	789,882	25,859
Other fruits									
Fig ⁶	20,043	18,440	-	-	-	1,603	219,600	139,043	2,446
Banana ⁷	406,608	374,079	-	-	-	32,529	7	-	-
Apple ³	2,299,369	2,115,419	-	-	-	183,950	408,700	232,627	-
Apricot ³	127,794	117,571	-	-	-	10,224	510,031	192,327	-2,690
Peach ¹	494,360	454,811	-	-	-	39,549	35,605	5,507	-
Citrus fruits³									
Orange ⁸	1,468,067	1,350,621	-	-	-	117,445	264,088	28,306	-
Tangerine ⁸	512,029	471,066	-	-	-	40,962	329,411	59,766	-
Lemon ⁸	293,195	269,739	-	-	-	23,456	483,146	141,219	-
Nuts³									
Hazelnut ⁶	468,009	455,132	-	-	-	12,876	412,521	292,954	51,496
Hazelnut ⁶	54,759	53,116	-	-	-	1,643	392,274	286,082	51,500
Walnut ³	212,664	207,560	-	-	-	5,104	6,383	2,258	-
Tea ¹	956,561	927,864	-	-	-	28,697	9,405	7,362	-

Table 61. Crop Balances for Selected Products (Continued)

Selected Products	Per Capita Consumption (Kg)	Level of Sufficiency (%)	Level of Sufficiency Explanation
Cereals			
Wheat ¹	199.76	114.77	Sufficient
Barley ¹	0.95	122.05	Sufficient
Corn ²	16.58	79.99	Insufficient
Total ³	218.73	109.73	Sufficient
Potato ³	53.04	100.21	Sufficient
Dried pulses			
Chickpea ³	5.56	118.20	Sufficient
Lentil (Red) ³	4.13	82.90	Insufficient
Total ³	13.96	96.13	Insufficient
Oily seeds			
Sunflower ²	28.53	49.44	Insufficient
Rapeseed ²	4.97	30.48	Insufficient
Sugar beet ²	-	100.00	Critical
Cotton ²	13.07	98.78	Insufficient
Vegetables (Total)³	277.37	107.95	Sufficient
Tuber and root vegetables			
Onions (Dried) ³	22.07	103.53	Sufficient
Carrot ³	6.41	112.39	Sufficient
Leek ⁴	2.87	106.38	Sufficient
Vegetables grown for fruits			
Tomato ³	113.01	113.81	Sufficient
Watermelon ³	45.03	102.12	Sufficient
Cucumber ³	18.99	110.47	Sufficient
Other vegetables not elsewhere classified			
Cabbage ⁴	7.46	100.91	Critical
Lettuce ⁵	5.27	100.25	Critical
Spinach ⁴	2.67	102.34	Sufficient
Fruits, nuts and beverage plants			
Grape³	35.11	135.96	Sufficient
Other fruits			
Fig ⁶	0.25	1.192.30	Sufficient
Banana ⁷	5.16	48.89	Insufficient
Apple ³	29.15	114.71	Sufficient
Apricot ³	1.62	495.43	Sufficient
Peach ¹	6.27	106.60	Sufficient
Citrus fruits³	29.67	146.38	Sufficient
Orange ⁸	18.61	110.97	Sufficient
Tangerine ⁸	6.49	163.48	Sufficient
Lemon ⁸	3.72	262.71	Sufficient
Nuts³	6.27	183.76	Sufficient
Hazelnut ⁶	0.73	904.87	Sufficient
Walnut ³	2.86	81.37	Insufficient
Tea ¹	12.79	98.04	Insufficient

Market years:

1: June 1st - May 31st.

2: September 1st - August 31st.

3: July 1st - June 30th.

4: November 1st - October 31st.

5: May 1st - April 30th.

6: August 1st - July 31st.

7: November 1st - October 31st.

8: October 1st - September 30th.

An analysis of selected vegetal crops by land size for highest crop yields places wheat in the first position of the ranking list. The total amount of production has been 20 million tons for 2010, 82.3% of which was reserved for domestic use, 70.3% consumed, 7.1% used as seeds and 21.8% exported. The per capita consumption rate of wheat during 2010 has been 199.8 Kg in our country, which appears to be in a level sufficient, according to the international sufficiency criterion⁴ the per capita consumption rate of wheat during 2010 has been 199.8 Kg in our country, which appears to be in a level sufficient, according to the international sufficiency criterion.

An analysis of corn among selected products reveals that of the total quantity of 4.9 million tons produced in 2010, 28.3% were used for consumption purposes, 3% used for seeding purposes, 86.9% used as fodders and 9.2% exported. However, our local per capita rate of consumption is seems to be insufficient, with 16.6 Kg, for corn.

During 2010, 1.1 million tons of sunflowers were produced in addition to an imported quantity of 1.3 million tons, it is 34.3% from countries which fall within the EU27 region. A large portion of locally produced and imported sunflower quantities were used for consumption, while a 21.5% of sunflowers locally produced in our country were exported. The per capita rate of consumption of sunflower is 28.5 Kg, which is insufficient according to the international scale.

In tomato, the country has achieved a total production volume of 10.7 million tons in 2010, yielding proportion of exports coverage imports 126.8%, that year. This means that we have performed exports transactions in volumes way beyond quantities we have imported. Exported tomatoes were supplied to EU27 countries by 38.4%. The 2010 per capita consumption rate for tomato was 113.0 Kg, which is at a sufficient level on the international scale.

Considering the per capita consumption rates among the selected products in the fruits category during 2010, notice should be drawn to the observably insufficient levels in consumption of bananas, walnuts and tea, which revealed to be 5.2 Kg, 2.9 Kg and 12.8 Kg, respectively.

2.3.1.2 Herbal Production Areas at Regional Level

Based on data supplied for 2010, only 164,595,049 decares out of a total of farmland assets owned by Turkey of 244,359,848 decares are tillable. While 65.6% of cultivated lands are located in five regions according to NUTS Level-1, these include TR7 (Central West Anatolia) region with a share of 16.3%, TR5 (West Anatolia) region with a share of 14.3%, TRC (South East Anatolia) region with a share of 13.1%, TR3 (Aegean) region with a share of 11.8% and TR6 (Mediterranean) region with a share of 10.1%.

As an analysis of ratios of cultivated lands to the overall land assets of the aforementioned regions would show, TR1 (İstanbul) region takes the leading position with an efficiently used area of 90.7% and this is followed by the TR2 (West Marmara) region with 84.4%, TRC (South East Anatolia) region with 78.8% and TRA (North East Anatolia) region with 73.7%.

⁴ Level of Sufficiency= (Useful production / Domestic use)* 100 is the equation used in calculations. A figure higher than 100 denotes sufficiency, while a figure less than 100 denotes insufficiency.

With a judgement of overall area, while TR7 (Central West Anatolia) region ranks the first with 16.3% share in the overall lands encompassed by the territory of Turkey, it ranks the second in the ranking of ratio of cultivated areas, with 15.1%. However, it falls down to the 10th position in the ranking of ratio of cultivated areas to overall area. This finding is an indication of the fact that the size of the cultivated area falls short relative to the overall lands in TR7 (Central West Anatolia) region, compared to other regions.

Another point, which lures attention among the data supplied for the term 2010 is that, TR9 (East Black Sea) region which is placed in 11th position by total land share across Turkey with 2.7% and in the same 11th position by size or magnitude of cultivated lands with 8%, hits the bottom with a judgement of ratio of cultivated land to total lands covered by this region (Please refer to Table 62).

Table 62. Crop Production Areas by NUTS Level-1

(2010)									
Regional Code	Region	Total Land (Decares)	Cultivated Land (Decares)	Share of Total Land in Turkey	Share Rank No	Share of Cultivated Land in Turkey	Share Rank No	Ratio of Cultivated Land to Total Area	Share Rank No
TRA	North East Anatolia	12,638,761	9,317,380	5.2	10	5.7	8	73.7	4
TRB	Central East Anatolia	12,885,669	8,589,134	5.3	9	5.2	9	66.7	7
TRC	South East Anatolia	32,121,913	25,308,052	13.1	3	15.4	1	78.8	3
TR1	Istanbul	707,730	641,805	0.3	12	0.4	12	90.7	1
TR2	West Marmara	16,430,521	13,860,045	6.7	7	8.4	7	84.4	2
TR3	Aegean Region	28,818,976	17,950,444	11.8	4	10.9	4	62.3	11
TR4	East Marmara	13,291,944	8,378,754	5.4	8	5.1	10	63.0	9
TR5	West Anatolia	34,973,049	22,077,965	14.3	2	13.4	3	63.1	8
TR6	Mediterranean Region	24,648,042	17,472,610	10.1	5	10.6	5	70.9	5
TR7	Central West Anatolia	39,934,392	24,906,658	16.3	1	15.1	2	62.4	10
TR8	West Black Sea	21,263,909	14,697,045	8.7	6	8.9	6	69.1	6
TR9	East Black Sea	6,644,942	1,395,157	2.7	11	0.8	11	21.0	12
Total		244,359,848	164,595,049	100.0		100.0		67.4	

Source: TURKSTAT.

2.3.1.3 Herbal Production and Productivity at Regional Level

In 2010, a total of 174,727,240 decares of land were cultivated and 173,779,708 decares harvested, giving a yield of 94,928,898 tons. While TR7 (Central West Anatolia) region takes the lead with the highest rate of production of Turkey overall of 15.6%, it is followed by TR3 (Aegean) and TR5 (West Anatolia) regions with 13.9% and TRC (South East Anatolia) region with 10.1% (Please refer to Table 63).

Table 63. Agricultural Production and Yield by NUTS Level-1

									(2010)		
Regional Code	Region	Vegetable Crops Category ⁽¹⁾	Crop Name	Cultivated Field Land (Decares)	Harvested Land (Decares)	Production (Tons)	Yield (Kg Per Decare)	Regional Share of Production	National Share of Production in Turkey		
TRA	North East Anatolia	Pulses	Common vetch (Kernel)	228,835	228,835	34,406	150	0.6	0.0		
		Industrial plants	Sugar beet	170,530	170,530	657,836	3,858	11.0	0.7		
		Cereals	Wheat (Other)	3,448,611	3,440,768	562,541	163	9.4	0.6		
		Oily seeds	Sunflower (Appetizer)	31,379	31,379	8,616	275	0.1	0.0		
			Sunflower (Oil)	8,460	8,460	738	87	0.0	0.0		
		Forage plants	Clover (Green)	1,531,882	1,531,740	2,851,908		47.8	3.0		
		Tuber crops	Potato (Other)	53,006	53,005	114,013	2,151	1.9	0.1		
		Regional Total		9,317,380	9,293,196	5,968,318	18,431	100.0	6.3		
			Pulses	Chickpea	71,287	71,277	7,575	106	0.1	0.0	
			Industrial plants	Sugar beet	195,880	193,971	746,902	3,851	14.1	0.8	
TRB	Central East Anatolia	Cereals	Wheat (Hard)	319,495	319,482	48,302	151	0.9	0.1		
			Wheat (Other)	4,313,855	4,313,048	676,358	157	12.8	0.7		
		Oily seeds	Sunflower (Oil)	4,791	4,791	697	145	0.0	0.0		
			Sunflower (Appetizer)	2,279	2,279	371	163	0.0	0.0		
		Forage plants	Clover (Green)	1,936,243	1,904,196	2,906,781		55.0	3.1		
		Tuber crops	Potato (Other)	33,321	33,076	92,190	2,787	1.7	0.1		
		Regional Total		8,589,134	8,549,099	5,287,709	22,287	100.0	5.6		
			Pulses	Lentil (Red)	2,071,308	2,070,387	415,547	201	4.3	0.4	
			Industrial plants	Cotton (Boll seed)	2,878,947	2,877,340	1,220,804	424	12.7	1.3	
				Cotton (Fibre)			464,194	161	4.8	0.5	
TRC	South East Anatolia	Cereals	Wheat (Other)	7,805,794	7,797,907	2,138,950	274	22.2	2.3		
		Oily seeds	Cotton-seed			722,722	251	7.5	0.8		
		Forage plants	Common vetch (Green)	209,889	209,192	158,412		1.6	0.2		
		Tuber crops	Onions (Dried)	25,320	25,301	47,734	1,887	0.5	0.1		
		Regional Total		31,065,946	31,035,411	9,622,266	25,006	100.0	10.1		
			Pulses	Common vetch (Kernel)	1,540	1,540	606	394	0.2	0.0	
			Industrial plants	Sugar beet	307	307	723	2,355	0.3	0.0	
			Cereals	Wheat (Other)	307,319	307,319	106,075	345	43.3	0.1	
			Oily seeds	Sunflower (Oil)	203,500	203,500	46,362	228	18.9	0.0	
			Forage plants	Corn (Forage)	15,009	15,009	43,027	2,867	17.6	0.0	
TR1	Istanbul	Tuber crops	Onions (Dried)	1,800	1,800	2,250	1,250	0.9	0.0		
		Regional Total		641,805	641,805	244,815	16,521	100.0	0.3		
			Pulses	Chickpea	140,810	140,810	18,601	132	0.3	0.0	
			Industrial plants	Tobacco	47,611	47,611	2,658	56	0.0	0.0	
			Cereals	Wheat (Other)	6,668,693	6,668,693	2,190,541	328	30.0	2.3	
			Oily seeds	Sunflower (Oil)	3,683,791	3,683,791	814,452	221	11.2	0.9	
			Forage plants	Corn (Forage)	505,868	505,368	2,240,896	4,434	30.7	2.4	
			Tuber crops	Onions (Dried)	43,617	43,617	77,225	1,771	1.1	0.1	
		Regional Total		13,884,134	13,883,177	7,299,638	29,907	100.0	7.7		
			Pulses	Chickpea	936,238	929,273	99,209	107	0.8	0.1	
TR2	West Marmara	Industrial plants	Cotton (Boll Seed)	826,951	826,951	377,135	456	2.9	0.4		
			Cotton (Fibre)			143,408	173	1.1	0.2		
		Cereals	Wheat (Other)	4,929,425	4,826,406	1,191,744	247	9.0	1.3		
		Oily seeds	Cotton-seed			223,263	270	1.7	0.2		
		Forage plants	Common vetch (Green)	656,885	647,215	779,361		5.9	0.8		
		Tuber crops	Potato (Other)	275,535	275,535	971,734	3,527	7.4	1.0		
		Regional Total		19,908,367	19,674,153	13,183,455	36,120	100.0	13.9		
		TR3	Aegean Region								

Table 63. Agricultural Production and Yield by NUTS Level-1 (Continued)

(2010)									
Regional Code	Region	Vegetable Crops Category ⁽¹⁾	Crop Name	Cultivated Field Land (Decares)	Harvested Land (Decares)	Production (Tons)	Yield (Kg Per Decare)	Regional Share of Production	National Share of Production in Turkey
TR4	East Marmara	Pulses	Chickpea	110,669	110,669	12,297	111	0.2	0.0
		Industrial plants	Sugar beet	227,605	227,010	1,361,899	5,999	20.9	1.4
		Cereals	Wheat (Other)	3,669,325	3,507,684	778,410	222	11.9	0.8
		Oily seeds	Sunflower (Oil)	303,595	303,595	44,307	146	0.7	0.0
		Forage plants	Corn (Forage)	415,483	415,483	1,832,811	4,411	28.1	1.9
		Tuber crops	Potato (Other)	129,134	129,134	457,071	3,540	7.0	0.5
		Regional Total			8,396,415	8,202,966	6,527,288	36,756	100.0	6.9
TR5	West Anatolia	Pulses	Chickpea	490,100	485,950	59,137	122	0.4	0.1
		Industrial plants	Sugar beet	948,120	948,120	6,004,779	6,333	45.5	6.3
		Cereals	Wheat (Hard)	2,781,733	2,780,814	633,733	228	4.8	0.7
			Wheat (Other)	8,846,606	8,825,863	1,950,198	221	14.8	2.1
		Oily seeds	Sunflower (Oil)	286,305	286,305	53,130	186	0.4	0.1
		Forage plants	Clover (Green)	240,129	239,929	1,005,110		7.6	1.1
		Tuber crops	Onions (Dried)	92,554	92,544	428,605	4,631	3.2	0.5
Regional Total			22,156,814	22,107,334	13,211,474	38,126	100.0	13.9	
TR6	Mediterranean Region	Pulses	Chickpea	882,384	839,696	101,133	120	1.1	0.1
		Industrial plants	Cotton (Boll seed)	1,094,940	1,094,440	550,647	503	5.9	0.6
			Cotton (Fibre)			208,566	191	2.2	0.2
		Cereals	Wheat (Other)	7,557,611	7,537,520	2,142,617	284	22.8	2.3
		Oily seeds	Cotton-seed			325,980	298	3.5	0.3
		Forage plants	Common vetch (Green)	454,937	452,187	382,407		4.1	0.4
		Tuber crops	Onions (Dried)	123,216	123,156	366,843	2,979	3.9	0.4
Regional Total			19,724,998	19,650,989	9,406,676	38,350	100.0	9.9	
TR7	Central West Anatolia	Pulses	Chickpea	1,025,481	1,010,481	116,725	116	0.8	0.1
		Industrial plants	Sugar beet	904,117	903,048	4,902,533	5,429	33.2	5.2
		Cereals	Wheat (Hard)	598,109	598,109	146,340	245	1.0	0.2
			Wheat (Other)	12,673,236	12,645,836	2,675,625	212	18.1	2.8
		Oily seeds	Sunflower (appetizer)	275,176	274,731	40,032	146	0.3	0.0
		Forage plants	Clover (Green)	765,007	765,007	1,769,744		12.0	1.9
		Tuber crops	Potato (Other)	482,624	482,624	1,808,600	3,747	12.2	1.9
Regional Total			24,906,658	24,657,418	14,773,344	30,882	100.0	15.6	
TR8	West Black Sea	Pulses	Chickpea	346,067	322,290	32,095	100	0.4	0.0
		Industrial plants	Sugar beet	404,023	403,663	1,937,049	4,799	22.2	2.0
		Cereals	Wheat (Hard)	1,058,247	1,056,273	267,550	253	3.1	0.3
			Wheat (Other)	7,112,843	7,108,162	1,766,181	248	20.2	1.9
		Oily seeds	Sunflower (Oil)	248,601	248,601	58,467	235	0.7	0.1
		Forage plants	Common vetch (Green)	827,202	825,051	910,622		10.4	1.0
		Tuber crops	Onions (Dried)	167,249	167,249	516,819	3,090	5.9	0.5
Regional Total			14,740,432	14,690,033	8,726,722	28,386	100.0	9.2	
TR9	East Black Sea	Pulses	Beans (Dried)	41,549	40,744	6,423	158	0.9	0.0
		Industrial plants	Sugar beet	6,550	6,550	29,657	4,528	4.4	0.0
		Cereals	Corn (Kernel)	366,338	366,195	65,592	179	9.7	0.1
		Forage plants	Clover (Green)	92,999	92,999	110,478		16.3	0.1
		Tuber crops	Potato (Other)	130,152	130,102	225,793	1,736	33.3	0.2
Regional Total			1,395,157	1,394,127	677,193	19,054	100.0	0.7	
Grand Total				174,727,240	173,779,708	94,928,898	339,826		100.0

Source: TURKSTAT.

(1): International Standard Industrial Classification of All Economic Activities, ISIC Rev. 3.

Crops with highest share in overall field crop production quantities of regions according to NUTS Level-1 included clovers of TRA (North East Anatolia) region with 47.8% and of TRB (Central East Anatolia) region with 55.0%, wheat of TRC (South East Anatolia) region with 22.2% and of TR1 (İstanbul) region with 43.3%, corn of TR2 (West Marmara) region with 32.7% wheat of TR3 (Aegean) region with 9.0%, sugar beets of TR5 (West Anatolia) region with 45.5%, wheat of TR6 (Mediterranean) region with 22.8%, sugar beets of TR7 (Central West Anatolia) region with 33.2%, sugar beets of TR8 (West Black Sea) region with 22.2% and potatoes of TR9 (East Black Sea) region with 33.3%.

An analysis of data on total yield per unit decare of land by regions reveals that the highest crop yield is found in TR6 (Mediterranean) region with 38,350 Kg, which is followed by TR5 (West Anatolia) region with 38,126 Kg, TR4 (East Marmara) region with 36,756 Kg, TR3 (Aegean) region with 36,120 Kg and TR7 (Central West Anatolia) region with 30,882 Kg, in descending order. The region with lowest yield per unit area in decare on the other hand reveals to be TR1 (İstanbul) region with 16,521 Kg and is closely followed by TRA (North East Anatolia) region with 18,431 Kg, in ascending order.

Vegetable Production at Regional Level

The vegetable production of Turkey during 2010 has been realised in a quantity of 24,021,132 tons. While TR6 (Mediterranean) region proves to have the highest rate of vegetable production with 33.9%, it is followed by TR3 (Aegean) region with 20.0% and TR8 (West Black Sea) region with 11.0%, in second and third places, respectively. Speaking for 2010 in terms of vegetable production according to NUTS Level-1, in all regions but 4, the tomato production rates hit the climax, ranking this crop in the first place in overall regional production. The region which produced tomatoes in highest quantities has been TR6 (Mediterranean) region with 3,445,315 tons, which was followed by TR3 (Aegean) region with 1,203,205 tons, TR8 (West Black Sea) region with 945,302 tons and TR4 (East Marmara) region with 623,273 tons, in order. While TRC (South East Anatolia) and TR1 (İstanbul) regions have been the venues at which watermelons were produced in highest quantities, carrots and green beans were the other mostly produced vegetable crops in TR5 (West Anatolia) and TR9 (East Black Sea) region, respectively (See Table 64).

Table 64. Vegetable Production by NUTS Level-1

						(2010)
Regional Code	Region	Vegetable Crops Category ⁽¹⁾	Crop Name	Production (Tons)	Regional Share of Production	Share in Turkey
TRA	North East Anatolia	Vegetables with edible leaves	Cabbage (White)	18,909	8.0	0.1
		Pulse vegetables	Beans (Green)	5,912	2.5	0.0
		Vegetables with edible fruits	Tomatoes (Table)	113,425	48.2	0.5
		Bulb-tuber-root vegetables	Scallion	2,506	1.1	0.0
	Regional Total			235,325	100.0	1.0
TRB	Central East Anatolia	Vegetables with edible leaves	Cabbage (White)	20,975	5.2	0.1
		Pulse vegetables	Beans (Green)	11,196	2.8	0.0
		Vegetables with edible fruits	Tomatoes (Table)	107,606	26.9	0.4
		Bulb-tuber-root vegetables	Scallion	9,656	2.4	0.0
	Regional Total			400,641	100.0	1.7
TRC	South East Anatolia	Vegetables with edible leaves	Lettuce (Firm-hearted)	7,060	0.4	0.0
		Pulse vegetables	Beans (Green)	4,899	0.3	0.0
		Vegetables with edible fruits	Watermelon	498,450	29.1	2.1
		Bulb-tuber-root vegetables	Scallion	24,146	1.4	0.1
	Regional Total			1,712,892	100.0	7.1
TR1	Istanbul	Vegetables with edible leaves	Cabbage (Black)	6,208	6.9	0.0
		Pulse vegetables	Beans (Green)	5,080	5.6	0.0
		Vegetables with edible fruits	Watermelon	23,318	25.9	0.1
		Bulb-tuber-root vegetables	Scallion	1,559	1.7	0.0
	Regional Total			90,001	100.0	0.4
TR2	West Marmara	Vegetables with edible leaves	Cabbage (White)	27,139	1.5	0.1
		Pulse vegetables	Beans (Green)	27,817	1.5	0.1
		Vegetables with edible fruits	Tomatoes (Table)	381,407	20.9	1.6
		Bulb-tuber-root vegetables	Scallion	10,216	0.6	0.0
	Regional Total			13,359	0.7	0.1
TR3	Aegean Region	Vegetables with edible leaves	Cauliflower	13,359	0.7	0.1
		Pulse vegetables	Cabbage (White)	79,579	1.7	0.3
		Vegetables with edible fruits	Beans (Green)	97,554	2.0	0.4
		Bulb-tuber-root vegetables	Tomatoes (Paste)	1,203,205	25.1	5.0
	Regional Total			27,035	0.6	0.1
TR4	East Marmara	Other vegetables	Cauliflower	44,279	0.9	0.2
		Vegetables with edible leaves	Cabbage (White)	69,043	3.4	0.3
		Pulse vegetables	Beans (Green)	69,601	3.4	0.3
		Vegetables with edible fruits	Tomatoes (Paste)	623,273	30.7	2.6
	Regional Total			17,677	0.9	0.1
TR5	West Anatolia	Bulb-tuber-root vegetables	Scallion	35,637	1.8	0.1
		Other vegetables	Cauliflower	2,030,889	100.0	8.5
		Vegetables with edible leaves	Lettuce (Firm-hearted)	39,946	2.4	0.2
		Pulse vegetables	Beans (Green)	26,770	1.6	0.1
	Regional Total			278,594	16.9	1.2
TR6	Mediterranean Region	Vegetables with edible fruits	Carrot	464,801	28.3	1.9
		Bulb-tuber-root vegetables	Mushroom (Cultured)	1,937	0.1	0.0
		Other vegetables		1,643,690	100.0	6.8
		Vegetables with edible leaves	Lettuce (Firm-hearted)	107,246	1.3	0.4
	Regional Total			125,596	1.5	0.5
TR7	Central West Anatolia	Vegetables with edible fruits	Tomatoes (Table)	3,445,315	42.3	14.3
		Bulb-tuber-root vegetables	Radish (Red)	122,307	1.5	0.5
		Other vegetables	Cauliflower	40,488	0.5	0.2
		Vegetables with edible leaves	Cabbage (White)	79,452	19.7	0.3
	Regional Total			12,133	3.0	0.1
TR8	West Black Sea	Pulse vegetables	Beans (Green)	131,523	32.6	0.5
		Vegetables with edible fruits	Tomatoes (Table)	5,120	1.3	0.0
		Bulb-tuber-root vegetables	Scallion	93	0.0	0.0
		Other vegetables	Mushroom (Cultured)	93	0.0	0.0
	Regional Total			403,786	100.0	1.7
TR9	East Black Sea	Vegetables with edible leaves	Cabbage (White)	120,370	4.6	0.5
		Pulse vegetables	Beans (Green)	181,744	6.9	0.8
		Vegetables with edible fruits	Tomatoes (Table)	945,302	35.9	3.9
		Bulb-tuber-root vegetables	Scallion	9,728	0.4	0.0
	Regional Total			24,493	0.9	0.1
Grand Total		Other vegetables	Cauliflower	2,635,438	100.0	11.0
		Vegetables with edible leaves	Cabbage (Black)	19,614	18.5	0.1
		Pulse vegetables	Beans (Green)	19,665	18.5	0.1
		Vegetables with edible fruits	Tomatoes (Table)	14,616	13.8	0.1
	Regional Total			34	0.0	0.0
Grand Total			9	0.0	0.0	
Grand Total			106,229	100.0	0.4	
Grand Total			24,021,132		100.0	

Source: TURKSTAT.

(1): International Standard Industrial Classification of All Economic Activities, ISIC Rev. 3.

Fruit Production at Regional Level

According to the figures of 2010, there is 29,980,385 decares of land utilised as fruit orchards and 797,493,079 fruit trees in our country. Total fruit production amounted to 17,691,311 tons in 2010, most of which originated from TR6 (Mediterranean) region giving an output of 6,219,527 tons at interregional level. Furthermore, the highest number of trees over country total and average fruit yields per tree also concentrate in the same TR6 (Mediterranean) region, with an output of 16,571 kg. Speaking for the generality of Turkey, the most produced fruit species are observed to be apples and grapes. Apple was produced in a total of 9 regions excluding TRC (South East Anatolia), TR4 (East Marmara) and TR8 (West Black Sea) regions and grape, in 10 regions with the exceptions of TRA (North East Anatolia) and TR9 (East Black Sea) regions. Hazelnut, of which our country is the global leading producer, was produced mostly in TR9 (East Black Sea) region in a quantity of 275,911 tons and TR4 (East Marmara) region, TR8 (West Black Sea) region and TR1 (İstanbul) region were the second, third and fourth best producers with output quantities of 201,537 tons, 120,427 tons and 1,088 tons, respectively. TR3 (Aegean) region gains prominence in production of olives with a produced quantity of 582,784 tons and is followed by TR6 (Mediterranean) region with 233,807 tons and TR2 (West Marmara) region with 172,726 tons of production, in order of appearance on the list (Please refer to Table 65).

Table 65. Fruit Production, Number of Trees and Yield Per Tree by NUTS Level-1

(2010)

Regional Code	Region	Fruit Crop Categories ⁽¹⁾	Crop Name	Total Land of Orchards (Decares)	Production (Tons) ⁽²⁾	Average Yield Per Tree (Kg) ⁽⁶⁾	Total Number of Trees ⁽³⁾
TRA	North East Anatolia	Pomes	Apple (Golden)	10,194	15,346	74	298,849
		Drupes	Apricot	27,834	19,639	48	498,946
		Nuts	Walnut	7,632	8,387	51	239,744
		Grapes and berries	Mulberry	2,257	13,278	65	239,270
	Regional Total			96,956	115,910	2,304	3,068,205
TRB	Central East Anatolia	Pomes	Apple (Golden)	44,360	30,374	45	983,612
		Drupes	Apricot	795,762	253,785	32	8,686,819
		Nuts	Walnut	58,671	31,634	40	1,031,857
		Grapes and berries	Grape (Table- seeded) ⁽⁵⁾	124,329	72,259	581	124,329
	Regional Total			1,213,536	553,955	6,777	15,538,064
TRC	South East Anatolia	Pomes	Pear	6,834	4,598	22	274,063
		Drupes	Apricot	7,967	6,065	24	344,498
		Nuts	Pistachio nut	2,110,284	117,012	4	35,658,244
		Grapes and berries	Grape (Table- seeded)	695,069	402,985	580	695,069
	Regional Total			4,228,482	997,491	4,170	53,340,480
TR1	Istanbul	Pomes	Apple (Golden)	629	1,215	32	45,300
		Drupes	Plum	22	458	21	27,275
		Nuts	Hazelnut ⁴	21,617	1,088	1	882,753
		Grapes and berries	Grapes (Wine)	440	514	1,168	440
	Regional Total			28,075	8,055	5,214	1,271,724
TR2	West Marmara	Pomes	Apple (Golden)	25,881	86,727	145	744,323
		Drupes	Peach (Other)	44,334	58,734	46	1,883,390
		Citrus fruits	Tangerine (Satsuma)	16,560	34,983	69	565,655
		Nuts	Walnut	45,151	7,489	28	685,571
	Regional Total			71,943	60,341	839	71,943
TR3	Aegean Region	Pomes	Apple (Starking)	100,320	257,001	113	2,700,145
		Drupes	Cherry	289,638	158,188	26	8,936,919
		Citrus fruits	Orange (Washington)	74,961	192,034	90	2,258,717
		Nuts	Chestnut	94,755	33,309	30	1,383,576
	Regional Total			648,833	1,110,258	1,711	648,833
TR4	East Marmara	Pomes	Apple (Starking)	3,658,390	582,784	13	56,519,019
		Drupes	Peach (Other)	71,943	60,341	839	71,943
		Nuts	Hazelnut	986,177	172,726	14	13,898,015
		Grapes and berries	Grape (Table- seeded)	1,555,951	668,464	7,652	28,786,445
	Regional Total			7,844,283	4,332,649	11,722	134,169,685
TR5	West Anatolia	Pomes	Pear	71,784	133,505	57	2,729,203
		Drupes	Peach (Other)	135,076	162,047	37	4,906,911
		Nuts	Hazelnut	1,422,027	201,537	3	71,505,611
		Grapes and berries	Grape (Table- seeded)	140,542	143,248	1,019	140,542
	Regional Total			438,710	42,560	4	11,254,208
TR5	West Anatolia	Pomes	Apple (Starking)	2,603,590	1,115,594	5,808	102,795,777
		Drupes	Plum	187,754	139,043	29	5,163,215
		Nuts	Walnut	6,458	11,932	27	502,978
		Grapes and berries	Grape (Table- seeded)	20,627	10,940	30	571,714
	Regional Total			129,285	74,325	575	129,285
TR5	West Anatolia	Pomes	Apple (Table)	20,619	1,327	9	201,535
		Drupes	Plum	6,458	11,932	27	502,978
		Nuts	Walnut	20,627	10,940	30	571,714
		Grapes and berries	Grape (Table- seeded)	129,285	74,325	575	129,285
	Regional Total			778,753	590,126	5,190	19,407,866

Table 65. Fruit Production, Number of Trees and Yield Per Tree by NUTS Level-1 (Continued)

Regional Code	Region	Fruit Crop Categories ⁽¹⁾	Crop Name	Total Land of Orchards (Decares)	Production (Tons) ⁽²⁾	Average Yield Per Tree (Kg) ⁽⁶⁾	(2010)
							Total Number of Trees ⁽³⁾
TR6	Mediterranean Region	Pomes	Apple (Starking)	265,983	522,326	105	6,042,021
		Drupes	Apricot	186,220	110,523	37	3,877,293
		Citrus fruits	Orange (Washington)	293,899	1,138,901	152	8,275,594
		Nuts	Walnut	36,626	26,767	37	1,068,212
		Grapes and berries	Grape (Table- seeded)	590,117	578,347	980	590,117
		Olive	Olive (Oil)	892,209	233,807	17	25,265,005
	Regional Total			4,279,845	6,219,527	16,571	105,279,592
TR7	Central West Anatolia	Pomes	Apple (Muscatel)	124,008	162,216	66	2,876,346
		Drupes	Apricot	31,844	26,772	32	1,025,748
		Nuts	Walnut	17,482	9,826	41	492,901
		Grapes and berries	Grape (Table- seeded)	265,803	148,480	559	265,803
	Regional Total			887,517	846,244	5,241	15,830,327
TR8	West Black Sea	Pomes	Pear	14,921	38,044	30	1,629,459
		Drupes	Peach (Other)	37,932	48,160	30	1,850,658
		Citrus fruits	Tangerine (Satsuma)	12	9	19	577
		Nuts	Hazelnut	1,266,155	120,427	2	73,508,972
		Grapes and berries	Grape (Table- seeded)	105,983	36,437	344	105,983
		Olive	Olive (Table)	990	263	5	71,725
	Regional Total			1,678,586	533,596	3,674	89,760,987
TR9	East Black Sea	Pomes	Apple (Other)	8,438	26,365	30	1,015,157
		Drupes	Cherry	2,673	9,107	24	497,807
		Citrus fruits	Tangerine (Satsuma)	1,687	3,803	19	225,837
		Nuts	Hazelnut ⁴	3,964,491	275,911	1	222,127,248
		Grapes and berries	Kiwi	9,758	15,551	42	530,643
		Beverage Plants	Tea (Fresh)	758,641	1,305,566		0
	Regional Total			4,784,811	1,709,700	4,250	228,243,927
	Grand Total			29,980,385	17,691,311	78,573	797,493,079

Source: TURKSTAT.

(1): International Standard Industrial Classification of All Economic Activities, ISIC Rev. 3.

(2): Orchard areas are collective planting areas and exclude land where trees co-exist in a scattered alignment.

(3): The area (in decares) covered by fruit-bearing and non-fruit-bearing trees is represented for strawberries, bananas, raspberries and grapes. Therefore, they are not included in the total count of trees.

(4): The numbers of fruit-bearing and non-fruit-bearing trees for hazelnut are based on data supplied for month January.

(5): The total vineyard area represented for grapes are the aggregation of vineyard areas covered by both fruit-bearing and non-fruit-bearing trees.

(6): The tree counts include scattered trees.

2.3.1.4 Livestock Quantities and Animal Production At Regional Level

Livestock Breeding at Regional Level

In 2010, our country's total livestock animal production amounted to 11,454,526 units, which number included 8,639,638 adult and 2,814,890 youngsters/off-springs of stocked species. This livestock asset consisted of 4,707,188 hybrid, 4,197,890 culturally adapted and 2,464,722 home-bred cattle species as well as 84,726 heads of buffalo species.

A large majority of total indigenous cattle breeds in existence were found in TRA (North East Anatolia) region, while a majority of culturally adapted cattle breeds were found in TR3 (Aegean) region and of hybrid cattle breeds in TRA (North East Anatolia) region, and a large portion of buffalo species were located in TR8 (West Black Sea) region.

The total number of bovine animals milked throughout 2010 counts to be 4,397,198 heads, yielding an annual total milk production output of 12,454,031 tons. Included in the total number of livestock milked were 1,787,012 hybrid, 1,626,409 culturally adapted and 948,416 home-bred cattle species as well as 35,361 heads of buffalo species. The annual milk production quantities per bovine animal species according to NUTS Level-1 were observed most in TRA (North East Anatolia) region, which is placed in the first position with 340,002 tons, while the annual average milk output per animal milked was found in TR1 (İstanbul) region, which grabbed the leading position in the ranking with 1,364 Kg. While the first place in annual milk production quantities from culturally adapted cattle breeds goes to TR3 (Aegean) region with 1,655,801 tons, TR2 (West Marmara) region ranked the first in the ranking of annual average milk production output per animal milked, with 3,952 Kg. The TRA (North East Anatolia) region takes the lead in the ranking of regions by annual milk production quantities from hybrid cattle breeds with 887,871 tons and by annual produced milk quantities per milked animal, with 2,826 Kg. Annual buffalo milk production quantities, however, are observed to be highest in TR8 (West Black Sea) region, with 10,718 tons whilst, the annual average milk produced per milked animal is found to take its maximum value in TR6 (Mediterranean) region, with 1,233 Kg (Please refer to Table 66).

Table 66. Number of Cattle (Bovine) and Animal Production by NUTS Level-1

Re-gional Code	Region	Name of Animal	Number of Livestock (Heads)				Annual Milk Production (Tons)	Annual Average Milk Output Per Milked Animal (Kg)	
			Adult	Youngster-Newborn	Total	Milked			
							(2010)		
TRA	North East Anatolia	Cattle (Home-bred)	495,102	146,287	641,389	256,161	340,002	1,327.3	
TRB	Central East Anatolia		219,630	62,336	281,966	123,005	162,376	1,320.1	
TRC	South East Anatolia		269,769	68,173	337,942	133,810	170,366	1,273.2	
TR1	Istanbul		2,961	1,233	4,194	1,152	1,571	1,363.6	
TR2	West Marmara		27,428	9,097	36,525	13,266	17,029	1,283.6	
TR3	Aegean Region		116,980	38,053	155,033	57,259	74,245	1,296.7	
TR4	East Marmara		62,963	21,061	84,024	26,810	35,030	1,306.6	
TR5	West Anatolia		80,666	26,579	107,245	30,495	40,004	1,311.8	
TR6	Mediterranean Region		65,444	21,698	87,142	31,528	40,115	1,272.4	
TR7	Central West Anatolia		178,476	47,744	226,220	85,278	115,201	1,350.9	
TR8	West Black Sea		298,656	92,022	390,678	146,154	193,435	1,323.5	
TR9	East Black Sea		89,185	23,179	112,364	43,498	58,272	1,339.6	
	Total		1,907,260	557,462	2,464,722	948,416	1,247,644	1,315.5	
TRA	North East Anatolia		Cattle(Culturally Adapted)	99,752	35,514	135,266	49,683	183,830	3,700.1
TRB	Central East Anatolia			118,564	35,185	153,749	59,578	209,474	3,516.0
TRC	South East Anatolia			123,159	30,794	153,953	53,976	201,049	3,724.8
TR1	Istanbul			10,699	3,590	14,289	6,192	24,284	3,921.8
TR2	West Marmara			593,441	251,136	844,577	326,054	1,288,400	3,951.5
TR3	Aegean Region			783,629	301,347	1,084,976	419,853	1,655,801	3,943.8
TR4	East Marmara	227,321		79,077	306,398	110,877	429,868	3,877.0	
TR5	West Anatolia	255,298		94,861	350,159	132,492	523,426	3,950.6	
TR6	Mediterranean Region	275,071		93,609	368,680	164,135	628,268	3,827.7	
TR7	Central West Anatolia	288,010		83,999	372,009	144,075	552,450	3,834.5	
TR8	West Black Sea	255,231		90,273	345,504	130,934	505,522	3,860.9	
TR9	East Black Sea	52,929		15,401	68,330	28,560	106,695	3,735.8	
	Total	3,083,104		1,114,786	4,197,890	1,626,409	6,309,065	3,879.1	
TRA	North East Anatolia	Cattle (Hybrid)		645,910	228,912	874,822	314,154	887,871	2,826.2
TRB	Central East Anatolia			260,937	76,447	337,384	138,174	364,309	2,636.6
TRC	South East Anatolia			198,313	50,070	248,383	83,466	222,234	2,662.6
TR1	Istanbul			38,837	9,326	48,163	21,931	57,480	2,621.0
TR2	West Marmara			137,722	53,032	190,754	71,692	194,829	2,717.6
TR3	Aegean Region			369,971	129,168	499,139	184,457	503,044	2,727.2
TR4	East Marmara		226,334	74,871	301,205	106,354	287,010	2,698.6	
TR5	West Anatolia		199,795	65,351	265,146	90,259	241,876	2,679.8	
TR6	Mediterranean Region		375,419	112,780	488,199	202,993	545,001	2,684.8	
TR7	Central West Anatolia		426,274	110,995	537,269	206,567	563,906	2,729.9	
TR8	West Black Sea		508,748	162,569	671,317	254,589	684,495	2,688.6	
TR9	East Black Sea		194,210	51,197	245,407	112,376	309,779	2,756.6	
	Total		3,582,470	1,124,718	4,707,188	1,787,012	4,861,835	2,720.7	
TRA	North East Anatolia		Buffalo	2,945	1,038	3,983	1,386	1,421	1,025.5
TRB	Central East Anatolia			8,167	1,868	10,035	4,091	3,903	954.0
TRC	South East Anatolia			5,419	1,279	6,698	3,456	3,309	957.4
TR1	Istanbul			7,823	1,652	9,475	4,005	4,302	1,074.1
TR2	West Marmara			3,357	838	4,195	2,261	2,297	1,015.8
TR3	Aegean Region			4,150	1,348	5,498	2,109	2,261	1,072.1
TR4	East Marmara	4,856		1,629	6,485	2,533	2,541	1,003.0	
TR5	West Anatolia	534		138	672	266	307	1,153.5	
TR6	Mediterranean Region	728		382	1,110	408	503	1,233.4	
TR7	Central West Anatolia	5,079		1,336	6,415	2,756	2,721	987.1	
TR8	West Black Sea	21,489		5,840	27,329	10,933	10,718	980.4	
TR9	East Black Sea	2,255		576	2,831	1,157	1,205	1,041.6	
	Total	66,802		17,924	84,726	35,361	35,487	1,003.6	
Grand Total		8,639,636		2,814,890	11,454,526	4,397,198	12,454,031	2,832.3	

Source: TURKSTAT.

Sheep Breeding at Regional Level

By 2010, our country possessed a total of 29,382,924 ovine livestock, precisely consisting of 22,003,299 indigenous sheep, 1,086,392 merino sheep, 6,140,627 hair goats and 152,606 angora goats. The ovine livestock inventory of the country which totalled 29,382,924 consisted of 7,635,433 youngsters and newborns, 13,166,148 milking adults and 27,660,133 shorn adults. The annual milk production was 1,089,643 tons in 2010, along with 45,629 tons of wool, hair and mohair produced.

In 2010, in the classifications by annual milk throughput from sheep and by annual wool, mohair and hair production, the TRB (Central East Anatolia) region ranked the first with 175,586 tons and 8,459 tons, respectively, while TR6 (Mediterranean) region ranked in the first place in the category of annual average milk output per milked animal with 80.9 Kg, in addition to TR1 (İstanbul) region taking the first place in the ranking of annual average wool, mohair and hair production with 2.0 Kg. In the ranking of annual milk production from sheep and of annual hair, mohair and wool production, TR5 (West Anatolia) ranked the first, while, TRA (North East Anatolia) region and TRC (South East Anatolia) and TR8 (West Black Sea) regions took the first place in the annual average milk output per milked animal and annual wool, mohair and hair production per shorn animal, with 63,7 Kg and 3,4 Kg, respectively. While the first positions in the rankings of total annual milk production from hair goats and of annual wool, mohair and hair production are grabbed by TR6 (Mediterranean) region with 80,812 tons and 682 tons of production respectively, the TR6 (Mediterranean) region takes the lead in the ranking of annual average milk output per milked animal with 113.0 Kg measured output. Moreover, the TR5 (West Anatolia) region holds the first position in comparative analyses held in the categories of annual milk production from angora goat with 1,442 tons, of annual wool, mohair and hair production with 116 tons and of annual milk output per milked animal with 39.2 Kg (Please refer to Table 67).

Table 67. Number of Sheep (Ovine) and Animal Production by NUTS Level-1

(2010)

Regional Code	Region	Name of Animal	Number of Livestock (Heads)						Annual Wool, Hair and Mohair Production (Tons)	Annual Average Wool, Hair and Mohair Output Per Shorn Animal (Kg)		
			Adult	Youngster-Newborn	Total	Milked	Annual Milk Production (Tons)	Annual Average Milk Output Per Milked Animal (Kg)			Shorn	
TRA	North East Anatolia		1,929,421	554,330	2,483,751	1,237,979	93,912	75.9	2,483,751	4,553	1.8	
TRB	Central East Anatolia		3,563,383	1,432,348	4,995,731	2,212,907	175,586	79.3	4,995,731	8,459	1.7	
TRC	South East Anatolia		2,877,231	1,160,542	4,037,773	1,618,296	130,149	80.4	4,037,773	7,433	1.8	
TR1	Istanbul		52,470	15,275	67,745	34,852	2,649	76.0	67,745	135	2.0	
TR2	West Marmara		1,080,903	289,264	1,370,167	666,817	52,283	78.4	1,370,167	2,533	1.8	
TR3	Aegean Region		1,769,262	733,802	2,503,064	998,187	78,608	78.8	2,503,064	4,444	1.8	
TR4	East Marmara	Sheep (Home-bred)	397,902	170,807	568,709	228,723	17,728	77.5	568,709	1,074	1.9	
TR5	West Anatolia		1,471,816	349,190	1,821,006	1,050,816	81,607	77.7	1,821,006	3,121	1.7	
TR6	Mediterranean Region		998,446	376,225	1,374,671	616,515	49,849	80.9	1,374,671	2,572	1.9	
TR7	Central West Anatolia		1,381,858	281,550	1,663,408	919,431	71,808	78.1	1,663,408	2,963	1.8	
TR8	West Black Sea		561,820	192,380	754,200	340,125	27,007	79.4	754,200	1,424	1.9	
TR9	East Black Sea		258,156	104,918	363,074	145,381	10,936	75.2	363,074	679	1.9	
	Total		16,342,668	5,660,631	22,003,299	10,070,029	792,122	78.7	22,003,299	39,390	1.8	
TRA	North East Anatolia			81	0	81	68	4	63.7	81	0	3.0
TRC	South East Anatolia			3,945	2,939	6,884	1,709	92	54.1	6,884	24	3.4
TR1	Istanbul		3,380	1,222	4,602	2,144	131	61.0	4,602	14	2.9	
TR2	West Marmara		71,042	24,620	95,662	40,459	2,200	54.4	95,662	264	2.8	
TR3	Aegean Region		52,164	24,507	76,671	26,177	1,320	50.4	76,671	248	3.2	
TR4	East Marmara	Sheep (Merino)	267,978	87,158	355,136	170,255	7,349	43.2	355,136	1,178	3.3	
TR5	West Anatolia		381,244	86,907	468,151	241,987	12,014	49.6	468,151	1,463	3.1	
TR6	Mediterranean Region		36,807	18,047	54,854	20,272	1,109	54.7	54,854	162	3.0	
TR7	Central West Anatolia		7,965	2,664	10,629	4,907	229	46.7	10,629	32	3.1	
TR8	West Black Sea		9,775	3,947	13,722	5,601	262	46.7	13,722	47	3.4	
	Total		834,381	252,011	1,086,392	513,579	24,710	48.1	1,086,392	3,432	3.2	
TRA	North East Anatolia			155,523	51,935	207,458	80,477	8,403	104.4	155,523	89	0.6
TRB	Central East Anatolia			548,465	293,505	841,970	317,609	33,693	106.1	548,465	386	0.7
TRC	South East Anatolia			977,740	367,064	1,344,804	514,953	55,324	107.4	977,740	524	0.5
TR1	Istanbul		8,462	2,708	11,170	5,305	493	93.0	8,462	6	0.7	
TR2	West Marmara		384,908	103,321	488,229	243,206	26,443	108.7	384,908	211	0.5	
TR3	Aegean Region		597,453	258,889	856,342	299,284	31,616	105.6	597,453	331	0.6	
TR4	East Marmara	Hair Goat	135,988	54,995	190,983	77,169	7,975	103.3	135,988	97	0.7	
TR5	West Anatolia		138,396	41,606	180,002	79,831	8,071	101.1	138,396	90	0.7	
TR6	Mediterranean Region		1,209,930	417,008	1,626,938	714,852	80,812	113.0	1,209,930	682	0.6	
TR7	Central West Anatolia		175,654	45,293	220,947	116,471	11,305	97.1	175,654	118	0.7	
TR8	West Black Sea		100,343	38,841	139,184	54,917	5,230	95.2	100,343	59	0.6	
TR9	East Black Sea		21,847	10,753	32,600	12,126	1,111	91.6	21,847	13	0.6	
	Total		4,454,709	1,685,918	6,140,627	2,516,200	270,476	107.5	4,454,709	2,607	0.6	
TRA	North East Anatolia			160	50	210	75	2	20.0	160	0	1.2
TRC	South East Anatolia			14,000	6,740	20,740	8,199	167	20.4	14,000	22	1.6
TR3	Aegean Region		4,435	1,481	5,916	2,570	87	33.9	4,435	9	1.9	
TR4	East Marmara		19,210	6,915	26,125	13,008	457	35.1	19,210	34	1.8	
TR5	West Anatolia	Angora Goat	65,905	16,427	82,332	36,746	1,442	39.2	65,905	116	1.8	
TR6	Mediterranean Region		170	380	550	57	2	29.8	170	0	1.8	
TR7	Central West Anatolia		4,416	1,704	6,120	2,418	75	30.9	4,416	8	1.8	
TR8	West Black Sea		7,305	3,105	10,410	3,189	103	32.2	7,305	11	1.5	
TR9	East Black Sea		132	71	203	78	1	16.0	132	0	1.2	
	Total		115,733	36,873	152,606	66,340	2,335	35.2	115,733	200	1.7	
Grand Total				21,747,491	7,635,433	29,382,924	13,166,148	1,089,643	82.8	27,660,133	45,629	1.6

Source: TURKSTAT.

Poultry at Regional Level

The total of barnyard fowls in 2010 was 238,972,961. This number included 163,984,725 broiler hens, 70,993,660 laying hens, 2,942,170 turkeys, 715,555 goose and 396,851 ducks.

The region with the highest number of barnyard fowls in total according to NUTS Level-1 was TR4 (East Marmara) region) with 33.9%, this region was immediately followed by TR3 (Aegean) region with 24.4%, TR2 (West Marmara) region with 11.3%, TR8 (West Black Sea) region with 7.5% and TR5 (West Anatolia) region with 7.4%, in descending order. The region with the lowest presence of barnyard fowls was the TR9 (East Black Sea) region with a rate of 2.0%.

An analysis of barnyard fowl species according to NUTS Level-1 reveals that broiler hens concentrate at highest rates in TRB (Central East Anatolia), TR2 (West Marmara), TR3 (Aegean), TR4 (East Marmara), TR6 (Mediterranean) and TR8 (West Black Sea) regions, while laying hens seem to gain weight of the former in the remaining 6 regions, among the flock born and raised in barns (Please refer to Table 68).

Table 68. Number of Poultry by NUTS Level-1

Re-gional Code	Region	Number of Fowls Per Species (Each)					Regional Total	Share in Turkey
		Broiler Hens	Laying Hens	Turkeys	Goose	Ducks		
TRA	North East Anatolia	25,682	1,105,158	111,102	264,847	35,285	1,542,074	0.6
TRB	Central East Anatolia	3,254,931	1,551,564	173,564	121,934	62,891	5,164,884	2.2
TRC	South East Anatolia	504,506	2,470,015	332,221	57,866	40,343	3,404,951	1.4
TR1	Istanbul	677,000	983,526	78,304	1,560	1,770	1,742,160	0.7
TR2	West Marmara	20,342,548	6,554,405	31,968	27,192	71,766	27,027,879	11.3
TR3	Aegean Region	35,013,494	22,248,313	825,927	52,226	51,203	58,191,163	24.4
TR4	East Marmara	74,791,237	5,029,212	1,112,103	22,600	22,273	80,977,425	33.9
TR5	West Anatolia	4,739,370	12,877,302	83,161	24,622	14,414	17,738,869	7.4
TR6	Mediterranean Region	13,726,328	3,284,030	48,165	20,022	21,700	17,100,245	7.2
TR7	Central West Anatolia	860,350	6,773,855	85,601	59,565	31,328	7,810,699	3.3
TR8	West Black Sea	10,037,064	7,681,933	58,679	62,288	42,244	17,882,208	7.5
TR9	East Black Sea	12,215	374,347	1,375	833	1,634	390,404	0.2
Total		163,984,725	70,933,660	2,942,170	715,555	396,851	238,972,961	100.0

Source: TURKSTAT.

Bee Keeping at Regional Level

Apicultural activities are widely spread across villages located in the rural side of the country. The villages engaged in bee keeping activities tolled 20,845, in 2010. These villages have a total of 5,602,669 hives fully in operation, which collectively yield a honey production output of 81.115 tons per annum. While TR8 (West Black Sea) region seems to encompass the biggest number of villages that are mostly engaged in bee keeping according to NUTS Level-1, the total number of hives this region hosts amounts to 837,668 and the annual honey production output it yields, 15,718 tons. The TR8 (West Black Sea) region comes in the 3rd place after TR3 (Aegean) and TR6 (Mediterranean) regions for the count of beehive quantities it has, yet, it grasps the leading position in the category of annual honey production output, leaving both of these regions behind. In the category of

annual beeswax production on the other hand, TR3 (Aegean) region takes the lead with 917 tons (Please Refer to Table 69).

Table 69. Apicultural Production by NUTS Level-1

		(2010)								
Regional Code	Region	Number of Bee Keeping Villages	Number of New Hives	Number of Old Hives	Total Hive	Share in Turkey	Annual Honey Production (Tons)	Share in Turkey	Annual Beeswax Production (Tons)	Share in Turkey
TRA	North East Anatolia	1,571	392,267	1,154	393,421	7.0	5,987	7.4	300	7.2
TRB	Central East Anatolia	1,614	481,899	25,682	507,581	9.1	6,765	8.3	307	7.4
TRC	South East Anatolia	1,133	288,877	45,338	334,215	6.0	3,765	4.6	283	6.8
TR1	Istanbul	192	50,644	1,250	51,894	0.9	781	1.0	32	0.8
TR2	West Marmara	1,581	301,474	17,483	318,957	5.7	4,590	5.7	161	3.9
TR3	Aegean Region	2,093	1,153,430	8,240	1,161,670	20.7	14,177	17.5	917	22.1
TR4	East Marmara	1,508	241,516	7,325	248,841	4.4	3,122	3.8	172	4.1
TR5	West Anatolia	955	171,990	6,761	178,751	3.2	2,286	2.8	141	3.4
TR6	Mediterranean Region	1,901	931,536	7,093	938,629	16.8	15,122	18.6	876	21.1
TR7	Central West Anatolia	1,740	285,860	3,699	289,559	5.2	4,672	5.8	265	6.4
TR8	West Black Sea	4,245	335,869	5,614	341,483	6.1	4,128	5.1	240	5.8
TR9	East Black Sea	2,312	830,307	7,361	837,668	15.0	15,718	19.4	455	11.0
	Total	20,845	5,465,669	137,000	5,602,669	100.0	81,115	100.0	4,148	100.0

Source: TURKSTAT.

Sericultural Production at Regional Level

Despite the fact that sericultural activities are implemented in almost 15 countries in economic terms around the world, products, being immediate outputs of these activities are consumed by an enormously vast number of countries. In our country, sericultural activities are pursued as an auxiliary agricultural activity that does not require much initial investment and is capable of being and in fact is performed at small scale, which starts with the procurement and supply of mulberry leaves, the only food source of silkworms and continues till the silk gathered from cocoons are processed into yarns. Fresh cocoon production is a rare practice generally carried out by elders and women in families with very limited sources of income, at regions where terrain conditions are not worthy for other branches of agricultural activity. Sericultural activities have proven immense influence on the evaluation of efforts of all family members, prevention of hidden unemployment at the rural and ensuring a more stabilised distribution of agricultural income. Within the process of sericultural activities, fresh cocoons can be obtained in weights of 26 to 30 kg per package, following a really short production period of 35 to 40 days.

Many families who carry out sericultural activities in our country tries to ensure subsistence by raising silkworms of 4 to 5 packs per annum. Our country has a dominant climate that favours mulberry tree growing activities by a major part of its territory, which fact poses a superior advantage for our country in sericultural terms. The stages of production typically involve the growing of mulberry trees, production of silkworm seeds and fresh cocoons and extrusion of yarns from cocoons.

In 2010, 2,134 households in a total of 194 villages actually engaged with sericultural production activities. The number of packs unwrapped tolled 5,479 per annum and the amount of fresh cocoons produced amounted to 126 tons.

According to NUTS Level-1 classification, the region which has the largest number of villages engaged in sericultural activities was the TR4 (East Marmara) region, which

comprised 99 villages that match the definition. Conversely, there was no village found to engage in sericultural business in TR1 (İstanbul), TR7 (Central West Anatolia) or TR8 (West Black Sea) regions. The region with the most intense number of households pursuing activities in the field of sericulture was TRC (South East Anatolia) region, which recorded 774 households in operation and TR4 (East Marmara) region, which recorded 592 households in operation, immediately chased after it.

While the region with the highest rate of annual fresh cocoon production was TRC (South East Anatolia) region with 44 tons of cocoons, the second place was filled by TR4 (East Marmara) region with 43 tons of cocoons produced and the third place by TR6 (Mediterranean) region with 24 tons of cocoons produced and TR5 (West Anatolia) region ranked the last with 10 tons cocoons.

Table 70. Seri-cultural Production by NUTS Level-1

(2010)					
Re-gional Code	Region	Number of Seri-culturalist Villages	Number of Seri-culturalist Households	Number of Boxes Opened Per Annum	Annual Fresh Cocoon Production (Tons)
TRC	South East Anatolia	27	774	2,261	44
TR1	Istanbul	0	1	1	0
TR2	West Marmara	3	4	19	0
TR3	Aegean Region	19	123	336	5
TR4	East Marmara	99	592	1,566	43
TR5	West Anatolia	12	106	366	10
TR6	Mediterranean Region	33	531	917	24
TR7	Central West Anatolia	0	1	3	0
TR8	West Black Sea	0	1	7	0
TR9	East Black Sea	1	1	3	0
Total		194	2,134	5,479	126

Source: TURKSTAT.

As the rest of the countries of the world, public interventions on farmlands frequently take place in Turkey, and the sector is provided with diverse forms of support. In this context, the agricultural support payments which shrank by 19.0% during 2009 rose by 25.2% in 2010 compared to the preceding year, reaching at ₺ 5,947 million and furthered this increasing stance also in 2011, finally ending up at a level of ₺ 7,188 million. In 2011, while the highest rate of increase in agricultural support payments were observed to take place in the Protection of Agricultural Areas for Environment by 233.3%, this was followed by the agricultural insurance support services with 200.0% and other agricultural supports with 143.3%. The highest rate of decrease compared to the preceding year in rural development-oriented agricultural subsidies is observed in support payments made to farmers who have been victimised by the disaster, by 79.6% (Please refer to Table 71).

The highest shares in agricultural support subsidies made throughout 2011 belong in the categories of difference payment support services with ₺ 2,523 million (at a rate of 35.1%), area based agricultural support payments with ₺ 2,238 million (at a rate of 31.1%), animal husbandry support payments with ₺ 1,670 million (at a rate of 23.2%) and of payments to products having a supply deficit with ₺ 1,516 million (at a rate of 21.1%).

Table 71. Agricultural Support Payments

Payments ⁽¹⁾	(Current Prices)								
	Value (000 000 ₺)			Rate of Change			Share in Total		
	2009	2010	2011 ⁽²⁾	2009	2010	2011	2009	2010	2011
Area based agricultural support payments	1,247	2,056	2,238	-41.3	64.9	8.9	26.3	34.6	31.1
Direct Income Support (DIS)	0	0	0	-	-	-	0.0	0.0	0.0
Area based supplementary payment (Organic farming, good farming practices, soil analysis)	13	81	150	-	523.1	85.2	0.3	1.4	2.1
Diesel fuel	469	512	510	-4.7	9.2	-0.4	9.9	8.6	7.1
Fertiliser	596	622	625	69.3	4.4	0.5	12.6	10.5	8.7
Use of certified seeds and saplings	85	90	120	51.8	5.9	33.3	1.8	1.5	1.7
Protection of Agricultural Areas for Environment (ÇATAK)	6	9	30	-	50.0	233.3	0.1	0.2	0.4
Hazelnut	0	652	710	-	-	8.9	-	11.0	9.9
Alternative product payments	4	9	17	-	125.0	88.9	0.1	0.2	0.2
Tobacco	4	8	8	-	100.0	0.0	0.1	0.1	0.1
Hazelnut	0	1	9	-	-	-	-	0.0	0.1
Compensatory payments	74	81	76	-6.3	9.5	-6.2	1.6	1.4	1.1
Potato wart support	11	8	0	-	-27.3	-	0.2	0.1	0.0
Tea pruning compensation and expenses	63	73	76	-	15.9	4.1	1.3	1.2	1.1
Difference payment support services ⁽³⁾	2,007	2,056	2,523	8.6	2.4	22.7	42.3	34.6	35.1
Payments to products having a supply deficit ⁽⁴⁾	826	923	1,516	-27.2	11.7	64.2	17.4	15.5	21.1
Grain	1,008	996	820	65.2	-1.2	-17.7	21.2	16.7	11.4
Tea	113	115	135	9.7	1.8	17.4	2.4	1.9	1.9
Legumes (Dried beans, chickpeas, lentils)	60	22	58	-	-	-	1.3	0.4	0.8
Animal Husbandry Support Payments	908	1,158	1,670	-17.1	27.5	44.2	19.1	19.5	23.2
Agricultural supports for rural development ⁽⁵⁾	247	304	302	126.6	23.1	-0.7	5.2	5.1	4.2
Agricultural insurance support services	61	80	240	29.8	31.1	200.0	1.3	1.3	3.3
Aid payments to farmers victimised by disasters	29	137	28	-95.0	372.4	-79.6	0.6	2.3	0.4
Other agricultural supports	175	30	73	348.7	-82.9	143.3	3.7	0.5	1.0
GAP action plan rural development and animal husbandry supports ⁽⁶⁾	75	126	114	-	68.0	-9.5	1.6	2.1	1.6
Total	4,749	5,947	7,188	-19.0	25.2	20.9	100.0	100.0	100.0

Source: Ministry of Development.

(1): It is the final account data for the budget of the related institution between 2008-2009.

(2): It is provisional data.

(3): It is given to boll seed cotton, olive oil, sunflowers, soy beans, canola, safflower and kernel corn.

(4): The payment of product support purchases for 2009 were made from the State Economic Enterprise Duty Loss allocation.

(5): A ₺52,3 million of 2011 budget amount is account for ARDSI (Agriculture and Rural Development Support Institution) grant provisions.

(6): ₺96,6 million of the 2010 total was for the GAP EP-Rural Development and Animal Husbandry Projects and ₺29 million was for the DAP Animal Husbandry Support, which were realised in the amounts of ₺92,7 million and ₺21,2 million of the 2011 totals, respectively, 29 million ₺ of the 2010 total was for the GAP EP-Rural Development and Animal Husbandry Projects and 21.2 million ₺ was for the DAP Animal Husbandry Support, respectively.

2.3.1.5 International Trades of Agricultural and Animal Products

While citrus fruit growing activities took precedence over export volumes by selected agricultural and animal product ranges hitting the first place with US \$ 819,318 thousand in 2011, it was followed by vegetable, melon-watermelon, root and tuber vegetable growing activities in the second place with US \$ 571,443 thousand and cereal (excluding rice), pulses and oily seeds growing activities with US \$ 401,064 thousand (Please refer to Table 72).

Table 72. Foreign Trades of Selected Agricultural and Animal Products

(000 \$, 2011)

Code	Product Groups ⁽¹⁾	Exports	Imports	Share in Total		Proportion of Export Coverage Import	Balance of Trade
				Exports	Imports		
111	Cereal (excluding rice), pulse and oily seed cultivation	401,064	3,301,019	0.297	1.371	12.1	-2,899,955
112	Paddy (Husked rice) cultivation	538	105,867	0.000	0.044	0.5	-105,329
113	Vegetable, melon-watermelon, root and tuber vegetable growing activities	571,443	138,663	0.423	0.058	412.1	432,780
115	Tobacco cultivation	337,858	184	0.250	0.000	184067.7	337,674
116	Funicular plant cultivation	128,448	1,760,020	0.095	0.731	7.3	-1,631,572
119	Cultivation of other single-year (not long living) vegetal products	30,740	17,519	0.023	0.007	175.5	13,221
121	Grape farming	169,379	829	0.126	0.000	20431.9	168,550
122	Tropical and subtropical fruit farming	169,384	125,873	0.126	0.052	134.6	43,510
123	Citrus fruits growing	819,318	17,775	0.607	0.007	4609.4	801,543
124	Cultivation of pomes and drupes	284,569	5,771	0.211	0.002	4930.6	278,798
125	Farming of tree and bush fruits and nuts	88,749	111,252	0.066	0.046	79.8	-22,503
126	Cultivation of oily fruits	31	177	0.000	0.000	17.6	-146
127	Cultivation of vegetal crops used in beverage production	537	324,839	0.000	0.135	0.2	-324,302
128	Medicinal, aromatic (fragrant), anaesthetic and pharmaceutical vegetal crop cultivation	166,979	21,654	0.124	0.009	771.1	145,325
129	Cultivation of other multi-year (long living) vegetal products	29,463	679,795	0.022	0.282	4.3	-650,332
130	Cultivation of plants for planting	39,756	58,957	0.029	0.024	67.4	-19,201
141	Cattle and buffalo breeding	18	716,716	0.000	0.298	0.0	-716,697
142	Equine husbandry	112	3,007	0.000	0.001	3.7	-2,895
143	Breeding of camels and camelidae	0		0.000	0.000		
144	Goat and sheep breeding	9,334	155,063	0.007	0.064	6.0	-145,729
146	Poultry raising	253,887	33,876	0.188	0.014	749.5	220,011
149	Other animal breeding	7,495	4,810	0.006	0.002	155.8	2,685
170	Hunting, trapping and related service activities	1,674	32	0.001	0.000	5175.3	1,642
220	Logging	562	166,866	0.000	0.069	0.3	-166,304
230	Collection of non-wood forest products	14,939	3,342	0.011	0.001	447.1	11,598
311	Pelagic fishery	157,223	39,338	0.117	0.016	399.7	117,885
312	Fresh water fishery	9,056	1,100	0.007	0.000	822.9	7,955
321	Aquaculture	5,253	2,880	0.004	0.001	182.4	2,372
322	Freshwater aquaculture	0	2,011	0.000	0.001		-2,011
Total		134,954,362	240,833,236	100.000	100.000	56.0	-105,878,875

Source: TURKSTAT.

(1): International Standard Industrial Classification of All Economic Activities, ISIC Rev. 4.

PS: As foreign trade data for 2011 on sugar beet growing and pig farming activities is "0", they are not included in the list.

In the ranking of exports by selected agricultural and animal product ranges, the first place is occupied by cereal (excluding rice), pulse and oily seed cultivation with US \$ 3,301,019 thousand and this is followed by funicular plant cultivation with US \$ 1,760,020 thousand

in the second and cultivation of other multi-year (long living) vegetal products with US \$ 679,795 thousand in the third places.

A review of the proportion of exports coverage imports for the selected product ranges pulls notice on the fact that while there had been exports in high volumes for certain products, the import transactions retained an extremely low level throughout the year. For example in the categories of tobacco cultivation, grape farming, citrus fruit cultivation and cultivation of pomes and drupes, the proportion of exports coverage imports gets extremely high values.

With a review of balance of trades for the selected product ranges, while cereal (excluding rice), pulse and oily seed cultivation activities yield a gap of US \$ 2,899,955 thousand, the deficits revealed by funicular plant cultivation and cattle and buffalo breeding activities appear to be US \$ 1,631,572 thousand and US \$ 716,697 thousand, respectively. For the product ranges as aforementioned, there has been a lot more exports than imports in our country during 2010. Foreign trade surplus gets its highest value of US \$ 801,543 thousand in the citrus fruit cultivation product range and this is followed by vegetable, melon-watermelon, root and tuber vegetable growing activities with a recorded foreign trade surplus of US \$ 432,780 thousand.

2.3.2 Industry

The added value of the industrial sector achieved an increase of 14.6% during the first, of 8.7% during the second, and third and 5.7% during the final quarters of 2011, respectively, compared to the same periods of the preceding year. Throughout 2011, the increase in value added by industrial sector was achieved at a level of 9.2%. Judging by sub-sectors, the added value of manufacturing industrial sub-sector improved by 9.4% of mining and quarrying sub-sector by 3.9% and of energy sub-sector by 8.8% (Please refer to Table 73).

Table 73. Rates of Change in Value Added of Industrial Sector

Sectors	(According to 1998 Basic Prices)		
	2009	2010	2011
Mining and quarrying	-6.7	4.7	3.9
Manufacturing industry	-7.2	13.6	9.4
Electricity, gas and water	-3.4	7.3	8.8
Total industry	-6.9	12.8	9.2

Source: TURKSTAT.

PS: As figures are revised by the relevant institutions, data may differ from previous publications.

The share of the industrial sector within the GDP was 19.4% in 2010 and rose to 20.1% in 2011. As of sub-sectors, the share of the manufacturing industry sector became 16.3%, the share of the energy sub-sector became 2.2% and the share of the mining and quarrying sub-sector became 1.5% (See Table 74)

Table 74. Share of the Industrial Sector Value Added within the GDP

Sectors	(Current Prices)		
	2009	2010	2011
Mining and quarrying	1.5	1.4	1.5
Manufacturing industry	15.2	15.7	16.3
Electricity, gas and water	2.4	2.3	2.2
Total industry	19.1	19.4	20.1

Source: TURKSTAT.

(1): The construction sector is not included within the total industrial sector.

PS: As figures are revised by the relevant institutions, data may differ from previous publications.

The industrial sector output showed an undisrupted growing trend for 25 months from December 2009 till 2011 year-end, following the global economic crisis, which became evident by late 2008. While the external demand retained a limited level due to problems incurred by economies of the world and in particular, of EU member states, as our major exports market, the increase in industrial production was much driven by domestic demand.

Starting 2011 with a 19.2% increase in month January, the industrial production index receded to its lowest level during month August, with 3.8%. A clear boost was given to industrial production during September. This boost may best be associated with the calendar effect, to the highest extent. The shifting of Ramadan Festival holiday to month August in part during 2011 led to an increase in the number of workdays in the forthcoming month of September, which in turn entailed to the high growth. As for the final months of the year, monetary tightening policies and ongoing global concerns led to a shrinkage in domestic demand, from October onwards. Consequently, the industrial production rate of increase furthered its continuing stance, though with some slow-down.

By the end of 2010, when the period of recovery from crisis emerged, industrial production improved by 13.1% annually, which growing trend was then blocked by recession at 8.9%, during 2011 (Please refer to Table 75).

Table 75. Industrial Production Index by Sectors

Sectors	(2005=100)					
	Industrial Production Index			Rate of Change		
	2009	2010	2011	2009	2010	2011
Mining and quarrying	124.9	127.5	131.3	-0.8	2.1	3.0
Manufacturing industry	99.9	114.3	124.8	-11.4	14.4	9.2
Electricity, gas and water	119.8	129.8	141.0	-2.3	8.3	8.6
Total industry	102.9	116.4	126.8	-9.9	13.1	8.9

Source: TURKSTAT.

PS: Rates of change may vary due to arithmetical round-ups.

The industrial sector production improved by 14.6%, 8.0%, 7.6% and 6.6% during the first, second, third and final quarters of 2011, respectively. While the increase in industrial production hit a rate of 8.9% going beyond expectations on an annual basis, the increase seasonally and calendar adjusted was realised at 8.1%, falling 0.8 points short from the latter (See Figure 31).

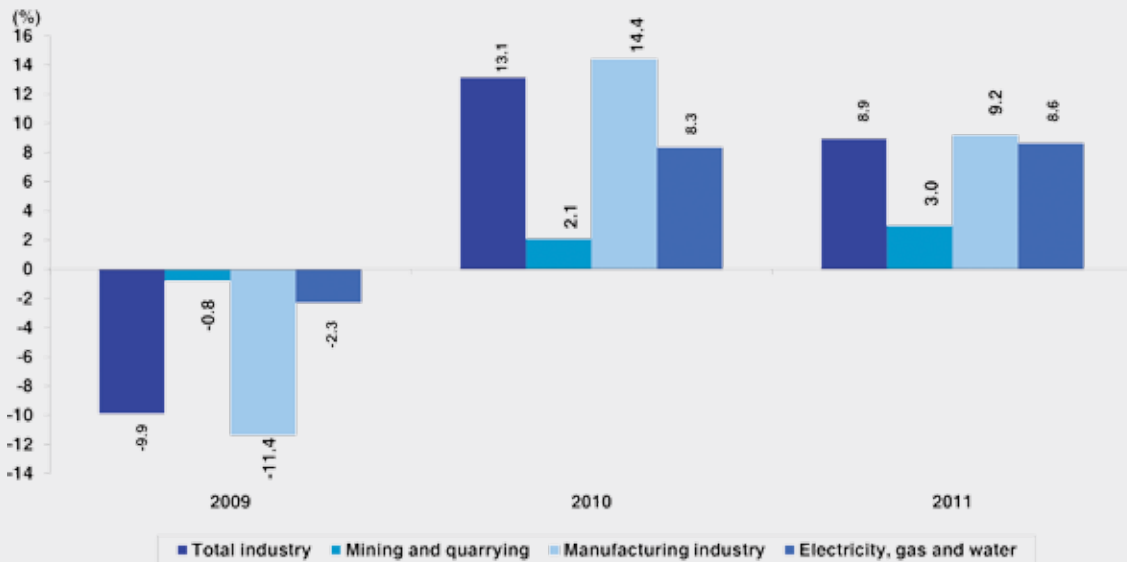
During 2011, mining and quarrying sector output grew by 3.0%, manufacturing industry's sectoral output by 9.2% and electricity, gas and water supply sector production by 8.6% (Please see Figure 32).

According to the classification by main industrial categories, there had been an increase in intermediate goods manufacturing sector by 8.2%, in durable consumable goods manufacturing sector by 12.7%, in non-durable consumable goods manufacturing sector by 4.3%, in energy sector by 7.4% and capital asset manufacturing sector by 18.6%, during 2011. A comparison with total rates achieved in 2010, the rate of change during 2011 only took a higher level in energy sector, while retaining a lower level in other categories (Please refer to Table 76).



Source: TURKSTAT.

Figure 31. Total Industrial Production Index by Months (2005=100)



Source: TURKSTAT.

Figure 32. Rates of Change in Industrial Production by Years

Table 76. Industrial Production Index by Main Industrial Groups

(2005=100)

Main Industrial Groups	Production Index			Rate of Change		
	2009	2010	2011	2009	2010	2011
Intermediate goods production	101.8	119.0	128.7	-9.4	16.9	8.2
Durable consumption goods production	111.8	127.2	143.3	-5.1	13.8	12.7
Non-durable consumption goods production	103.5	109.4	114.1	-3.2	5.7	4.3
Energy	115.4	122.4	131.5	-3.9	6.1	7.4
Capital goods production	89.9	113.2	134.2	-27.9	25.9	18.6
Total industry	102.9	116.4	126.8	-9.9	13.1	8.9

Source: TURKSTAT.

PS: Rates of change may vary due to arithmetical round-ups.

2.3.2.1 Mining and Quarry Operations

The added value of the mining and quarrying sector achieved an increase of 10.8% during the first, of 1.2% during the second, of 3.0% during the third and 5.5% during the final quarters of 2011, respectively, compared to the same periods of the preceding year. The added value of sector in total during 2011 rose by 3.9% compared to 2010.

While the mining sector's production rose by 7.7% during the first quarter of 2011, it declined by 3.0% during the second and 2.0% during the third quarters. During the final quarter, it showed a rapid increase of 6.0%. The production output of mining and quarrying sector which showed an improvement by 2.1% per annum during 2010, contracted 2011 with an annual rate of growth at 3.0%, in continuation of this trend. The seasonally and calendar adjusted increase in the mining and quarrying sector production index, on the other hand, has been 3.2%.

A drop was observed at 5.9% in the production of crude oil and natural gas extraction sub-sector in 2011, whereas, improvements were recorded in the production of hard coal and brown coal extraction sub-sector at 5.1%, in the production of metal ore mining sub-sector at 7.6% and in the production of other mining and quarrying sectors falling outside the preceding categories at 3.8% (Please refer to Table 77).

Table 77. Production Index of Mining and Quarrying Sectors

(2005=100)

Sub-Sectors (NACE, Rev.2)	Production Index			Rate of Change		
	2009	2010	2011	2008	2010	2011
Hard and brown coal extraction	133.1	120.4	126.6	-2.9	-9.5	5.1
Crude oil and natural gas extraction	103.7	107.4	101.1	7.3	3.6	-5.9
Metal ore mining	186.5	206.2	221.9	8.1	10.6	7.6
Other mining and quarrying	110.0	122.1	126.8	-8.3	11.0	3.8
Total (Mining and quarrying)	124.9	127.5	131.3	-0.8	2.1	3.0

Source: TURKSTAT.

PS: Rates of change may vary due to arithmetical round-ups.

2.3.2.2 Manufacturing Industry

The added value of the manufacturing achieved an increase of 14.9% during the first, of 9.1% during the second, of 9.2% during third and 5.2% during the final quarters of 2011, respectively, compared to the same periods of the preceding year. As at the end of year, there has been an increase in added value of manufacturing industry of 9.4%, compared to the preceding year.

The manufacturing industry production index rose by 15.3% in the first, 8.7% in the second, 8.4% in the third and 5.9% in the final quarters of 2011. The total manufacturing industry production index, which grew by 14.4% per annum during 2010, further improved by 9.2%, though with a slight slowdown, in 2011 (Please refer to Table 78).

Table 78. Production Index of Manufacturing Industry Sub-sectors

Sub-Sectors (NACE, Rev.2)	(2005=100)					
	Production Index			Rate of Change		
	2009	2010	2011	2009	2010	2011
Food products production	112.3	120.4	128.0	-0.4	7.2	6.3
Beverage production	110.9	119.9	121.7	-1.9	8.1	1.5
Tobacco products production	116.0	100.6	97.8	-1.5	-13.3	-2.7
Textile products production	78.2	88.2	88.1	-12.0	12.7	0.0
Garments production	85.4	92.4	91.7	-8.5	8.3	-0.8
Leather and related products production	93.0	109.6	117.9	-8.5	17.8	7.6
Wood, wood products and cork products production	161.5	207.7	246.4	0.3	28.6	18.7
Paper and paper products production	112.5	122.8	133.5	-2.1	9.2	8.7
Printing and duplication of recorded media	126.8	127.0	147.7	3.3	0.2	16.3
Coke and refined petroleum products production	84.6	89.9	96.1	-20.7	6.3	6.8
Chemicals and chemical products production	106.6	123.6	130.5	-0.5	15.9	5.6
Basic pharmaceutical products and materials related to pharmaceutical production	147.4	146.0	158.6	2.7	-0.9	8.7
Rubber and plastic products production	100.6	121.0	135.0	-9.2	20.3	11.6
Other non-metallic mineral products production	97.0	111.3	118.9	-12.0	14.7	6.9
Main metal industry	104.5	115.4	123.3	-15.3	10.4	6.8
Fabricated metal products production (excluding machinery and equipment)	95.7	114.5	131.7	-15.1	19.6	15.0
Computers, electronic and optical products production	51.7	69.8	79.6	-16.1	34.9	14.1
Electrical equipment production	121.6	154.6	182.1	-1.0	27.1	17.8
Machinery and equipment production not elsewhere classified	85.4	113.2	138.3	-22.9	32.6	22.3
Motor vehicles, trailers and semi-trailers production	88.4	117.9	136.8	-30.0	33.3	16.0
Other transport vehicles production	126.4	117.3	152.9	-45.2	-7.2	30.3
Furniture production	129.9	136.2	166.3	-7.4	4.9	22.1
Other production	146.8	164.0	173.8	-5.6	11.7	6.0
Set-up and repair of machinery and equipment	97.5	100.0	108.1	-26.1	2.6	8.0
Total (Production)	99.9	114.3	124.8	-11.3	14.4	9.2

Source: TURKSTAT.

PS: Rates of change may vary due to arithmetical round-ups.

Again, during the same year, growth in the seasonally and calendar adjusted total manufacturing industry production index was realised at a level of 8.4%.

As regards the sub-sectors of manufacturing industry, there has been a drop by 2.7% in the tobacco products manufacturing sub-sector and by 9.0% in the garments and apparel manufacturing sub-sector versus an increase in all the rest of manufacturing industry sub-sectors. The highest rate of increase was achieved in the other transport vehicles manufacturing sub-sector with 30.3%, which was followed by machinery and equipment production not elsewhere classified with 22.3% and furniture manufacturing sub-sector with 22.1%.

The rate of capacity utilisation, which receded to 65.3% in 2009 following the global crisis, started to grow from 2010 onwards and with the economic recovery realised faster than expected, rose to 72.6% in 2010 and to 75.4% in 2011 (Please refer to Table 79).

Table 79. Rates of Capacity Utilisation by Sectors

Sub-Sectors (NACE, Rev.2)	2009	2010	2011	(Based on Weighted Average)		
				Rate of Change		
				2009	2010	2011
Food products production	68.4	70.2	70.3	-7.1	2.7	0.0
Beverage production	64.5	67.5	65.8	-0.2	4.5	-2.5
Tobacco products production	74.4	77.2	67.7	17.9	3.7	-12.2
Textile products production	67.6	77.4	76.6	-4.5	14.4	-1.0
Garments production	68.1	75.4	76.4	-6.7	10.7	1.4
Leather and related products production	56.0	65.3	70.3	-7.5	16.5	7.7
Wood, wood products and cork products production	67.3	76.5	77.6	-10.9	13.7	1.4
Paper and paper products production	70.8	75.4	76.9	-10.0	6.5	1.9
Printing and duplication of recorded media	73.5	75.8	71.7	2.7	3.1	-5.3
Coke and refined petroleum products production	58.0	65.8	75.3	-33.5	13.5	14.4
Chemicals and chemical products production	69.0	80.4	82.6	-4.6	16.5	2.7
Basic pharmaceutical products and materials related to pharmaceutical production	70.9	72.3	74.7	-5.7	2.0	3.3
Rubber and plastic products production	64.4	73.1	76.2	-13.6	13.5	4.2
Other non-metallic mineral products production	65.8	75.3	78.8	-14.0	14.3	4.6
Main metal industry	70.0	76.8	77.9	-15.3	9.7	1.4
Fabricated metal products production (excluding machinery and equipment)	56.9	66.3	70.7	-17.6	16.4	6.6
Computers, electronic and optical products production	70.3	75.3	76.7	8.9	7.1	2.0
Electrical equipment production	67.9	72.9	78.0	-12.7	7.4	7.0
Machinery and equipment production not elsewhere classified	55.6	68.9	75.0	-23.9	23.9	8.8
Motor vehicles, trailers and semi-trailers production	57.5	69.8	76.4	-30.8	21.4	9.5
Other transport vehicles production	66.6	67.0	71.5	-21.4	0.6	6.8
Furniture production	67.0	70.5	72.6	-2.2	5.2	3.0
Other production	51.2	52.5	59.7	-16.5	2.4	13.8
Set-up and repair of machinery and equipment	58.3	69.2	76.2	-12.0	18.8	10.1
Total (Production)	65.3	72.6	75.4	-14.9	11.2	3.9

Source: TCMB.

The highest rate of capacity utilisation across manufacturing industry sub-sectors in 2011 was achieved in the sub-sector of chemicals and chemical products manufacturing with 82.6% same as during 2010, which was followed by 78.8% in other non-metallic mineral products manufacturing sub-sector and 78.0% in the electrical equipment manufacturing sub-sector. The lowest rate of capacity utilisation was observed in the other manufacturing and beverages manufacturing sub-sectors with 59.7% and 65.8%, respectively, during 2011.

As for the capacity utilisation rate, which grew by 3.9% in total during 2011 compared to 2010, the highest rate of increase was achieved with 14.4% in the coke and refined oil products manufacturing sub-sector, which was followed by an 13.8% increase in the other manufacturing sub-sector and 10.1% increase in the installation, commissioning and repair of machinery and equipment sub-sector, in respective order.

While the rate of capacity utilisation dropped from 70.3% to 69.4% in the food and beverages commodity grouping during 2011 relative to 2010, an increase was observed in capacity utilisation rates of other commodity groups. Based on the years of comparison, the rate of capacity utilisation improved from 70.7% to 74.5% in durable consumer goods, from 71.9% to 72.1% in non-durable consumer goods, from 71.7% to 72.5% in consumption goods, from 75.9% to 77.7% in intermediate goods and from 68.8% to 74.9% in investment goods (Please refer to Table 80).

Table 80. Rates of Capacity Utilization by Product Groups

Groups of Goods (NACE, Rev.2)	2009	2010	2011	(Based on Weighted Average)		
				Rate of Change		
				2009	2010	2011
Durable consumer goods	66.2	70.7	74.5	-2.4	6.9	5.3
Non-durable consumer goods	68.7	71.9	72.1	-5.5	4.7	0.4
Consumer goods	68.2	71.7	72.5	-4.9	5.1	1.2
Food and beverages	68.7	70.3	69.4	-4.9	2.3	-1.2
Intermediate goods	67.7	75.9	77.7	-12.2	12.2	2.4
Investment goods	57.7	68.8	74.9	-27.4	19.3	8.8

Source: TCMB.

Industrial Capacity Report Statistics

With the objective of identifying the industrial production capacity of a country and putting a spotlight on its economic and strategic plans and programmes, capacity reports are arranged incorporating information on annual production capacities, machinery and equipment inventories, raw materials used by industries, related capacity calculations and data on composition of capital and shareholding interests and employment thereat, in addition to contact information of industrial corporations.

As per the requirement of a bill passed during the Vth ordinary session of the Council of Statistics held in 2010, the power and authority, as well as the responsibility of publishing "Industrial Capacity Report Statistics" which relate to statistical data exclusively on enterprises operating only in the industrial sector across Turkey, within the framework of the "Official Statistics Programme" (OSP) was vested unto the Turkish Union of Chambers and Commodity Exchanges (TOBB). At this extent, TOBB started to announce Industrial Capacity Report Statistics on an annual basis, as of 2011.

According to the Industrial Capacity Report Statistics announced for 2011, the number of industrial capacity reports drawn up during the last three years with validities covering the term ending 2011 in our country counts to be 57,041. The business enterprises who sought and obtained these capacity reports employ a total of 2,107,988 people. As for the grouping made based on sizes of employed populations, the industrial capacity report solicitation and reclamation rates were realised as 41.6% for enterprises having 1 to 9 employees, 45.6% for enterprises having 10 to 49 employees, 5.9% for enterprises having 50 to 99 employees, 4.8% for enterprises having 100 to 249 employees and 2.2% for enterprises having 250 employees or more.

The rate of total number of employees by categorisation made based on sizes of employed populations at enterprises during 2011 reveals to be 6.1% in enterprises having 1 to 9 employees, 28.2% in enterprises having 10 to 49 employees, 11.3% in enterprises having 50 to 99 employees, 19.6% in enterprises having 100 to 249 employees and 34.8% in enterprises having 250 employees or more.

The activity group for which the largest number of industrial capacity reports were drawn by main activity groupings in 2011 has been the foodstuffs manufacturing with 15.3%, which was followed by fabricated metal products manufacturing with 9.5%, textiles manufacturing with 8.7% and machinery and equipment production not elsewhere classified, with 7.3%. On the other hand, the activity group for which the lowest number of industrial capacity reports were drawn during the same period inferred has been forestry, together with industrial and firewood production activity, with 1.0% (Please refer to Table 81).

Industrial Capacity Report Statistics at Regional Level

By a categorisation based on provinces, the number of capacity reports drawn during 2011 finds its highest value in İstanbul with 13,302 report issues, which city is immediately followed by Bursa in the second place with 4,136 report issues, Ankara in the third place with 4,006 report issues, İzmir in the fourth place with 3,815 report issues and Konya in the fifth place with 2,299 report issues.

This ranking remained also unchanged for the count of number of employees, wherein İstanbul has the leading position with 346,347 employees. The province with least number of employees has been the province of Ardahan, with only 381 employees. These findings indicate that there is a linear relationship between the number of capacity reports solicited and obtained at provincial level and the number of employees set to work in each province. A review of foreign ownership and shareholding interests in enterprises in line with the data supplied in the industrial capacity reports issued by provinces during 2011 draws notice on the fact that there have been 146 industrial capacity reports issued to foreign capital companies in the province of Kocaeli and this was followed by the province of İzmir in the second place with 127 industrial capacity report issues and then, by the province of Bursa in the third place with 122 industrial capacity report issues. Of the 13,302 industrial capacity reports solicited and obtained within the provincial boundaries of İstanbul, only 25 belong to enterprises and ventures with foreign capital (Please refer to Table 82).

Table 81. Industrial Capacity Reports by Main Economic Activity Groups

Activities (NACE Rev. 2)	No. of Capacity Reports	(2011) Rate
Food products production	10,414	15.27
Fabricated metal products production (excluding machinery and equipment)	6,443	9.45
Textile products production	5,906	8.66
Machinery and equipment production not elsewhere classified	4,990	7.32
Rubber and plastic products production	4,572	6.70
Other non-metallic mineral products production	4,113	6.03
Garments and apparels manufacturing	3,872	5.68
Chemicals and chemical products production	2,873	4.21
Other mining and quarrying activities	2,665	3.91
Furniture production	2,386	3.50
Main metal industry	2,054	3.01
Electrical equipment production	1,893	2.78
Wood, wooden products and cork products manufacturing (excluding furnitures); manufacture of knitted articles made of straw and plaiting materials	1,599	2.34
Motor vehicles, trailers and semi-trailers production	1,581	2.32
Office management, office support and business support activities	1,563	2.29
Catering service activities	1,427	2.09
Other production	1,158	1.70
Paper and paper products manufacturing	1,071	1.57
Printing and duplication of recorded media	1,054	1.55
Waste collection, treatment and disposal activities; materials recovery	965	1.42
Leather and related products production	961	1.41
Computers, electronic and optical products manufacturing	721	1.06
Coke and refined petroleum products production	503	0.74
Motored land vehicles and motorcycles whole and retail trades and repairs	482	0.71
Beverage production	480	0.70
Other transport vehicles production	428	0.63
Other service activities	306	0.45
Crop and animal production, hunting and related service activities	262	0.38
Metal ore mining	252	0.37
Coal and lignite extraction	245	0.36
Electricity, gas, steam and air conditioning production and distribution	230	0.34
Set-up and repair of machinery and equipment	203	0.30
Wholesale trades (Except for motored land vehicles and motorcycles)	172	0.25
Computer programming, consulting and related activities	132	0.19
Basic pharmaceutical products and materials related to pharmaceutical production	130	0.19
Crude oil and natural gas extraction	36	0.05
Tobacco products production	25	0.04
Fish and seafood farming	21	0.03
Forestry and industrial and firewood production	7	0.01
Total	68,195	100.00

Source: TOBB.

- PS: 1. Since an industrial capacity report relates to more than one activity groups, the total sums may differ from data supplied on other table from those supplied in other spreadsheets.
2. Represents the number of industrial capacity reports arranged between 2009 and 2011 with validities covering the term ending 2011

Table 82. Number of Industrial Capacity Reports and Total Employee by Provinces

(2011)

Provinces	Number of Capacity Reports	Number of Employee	Number of Capacity Reports to Foreign Capital Companies	Provinces	Number of Capacity Reports	Number of Employee	Number of Capacity Reports to Foreign Capital Companies
Adana	1,383	39,735	13	Kütahya	387	22,188	3
Adıyaman	231	7,300	-	Malatya	579	17,778	1
Afyonkarahisar	753	14,758	3	Manisa	1,206	71,396	17
Ağrı	56	1,460	-	Kahramanmaraş	630	34,145	3
Amasya	182	7,327	1	Mardin	192	3,474	-
Ankara	4,006	119,924	32	Muğla	542	12,541	6
Antalya	1,019	26,363	32	Muş	75	2,530	-
Artvin	64	3,572	1	Neveşehir	181	6,760	4
Aydın	656	22,861	2	Niğde	170	6,221	-
Balıkesir	822	28,454	4	Ordu	229	9,154	3
Bilecik	254	15,261	15	Rize	251	15,070	2
Bingöl	70	1,492	-	Sakarya	589	35,099	15
Bitlis	44	718	-	Samsun	603	15,727	2
Bolu	267	14,479	9	Siirt	52	1,578	-
Burdur	373	8,109	3	Sinop	121	4,279	-
Bursa	4,136	192,497	122	Sivas	289	10,006	5
Çanakkale	325	18,200	4	Tekirdağ	1,178	108,646	70
Çankırı	121	5,474	2	Tokat	233	6,855	1
Çorum	437	15,065	-	Trabzon	430	11,585	4
Denizli	1,287	57,496	11	Tunceli	38	713	-
Diyarbakır	403	12,028	-	Şanlıurfa	506	8,736	3
Edirne	251	10,092	3	Uşak	485	15,452	7
Elazığ	298	7,656	-	Van	156	3,989	1
Erzincan	95	2,729	1	Yozgat	165	5,562	-
Erzurum	168	4,231	2	Zonguldak	307	27,254	1
Eskişehir	736	39,422	19	Aksaray	218	6,946	2
Gaziantep	1,879	59,234	1	Bayburt	20	601	-
Giresun	127	4,580	1	Karaman	200	9,807	-
Gümüşhane	85	1,571	-	Kırıkkale	149	6,338	1
Hakkari	63	1,283	-	Batman	158	4,372	-
Hatay	659	22,545	13	Şırnak	48	1,179	-
Isparta	293	7,477	1	Bartın	118	6,232	-
Mersin	1,134	27,476	2	Ardahan	34	381	-
İstanbul	13,302	346,347	25	İğdir	36	506	1
İzmir	3,815	153,738	127	Yalova	163	5,385	3
Kars	110	1,620	-	Karabük	132	8,733	-
Kastamonu	193	7,752	-	Kilis	62	1,056	2
Kayseri	1,089	49,470	2	Osmaniye	223	8,792	-
Kırklareli	280	20,972	11	Düzce	347	23,721	11
Kırşehir	94	4,083	-	Total	57,041	2,107,988	782
Kocaeli	1,680	130,463	146				
Konya	2,299	51,887	6				

Source: TOBB.

PS: Data retrieved from industrial capacity reports arranged between 2009 and 2011 with validities covering the term ending 2011.

The industrial capacity reports drawn in 2011 have been divided into 4 categories by technological groupings, based on approaches proposed by EUROSTAT. It is in plain view that industrial capacity reports rather concentrate on enterprises with low technologies and that the rate of their solicitation and receipt tends to decline as progress is achieved towards higher technology groups. The industrial capacity report solicitation and receipt rates in low technology groups retains a level of 47.4%, whereas, this rate reveals to be 29.8% in medium-low technology group, 20.2% in medium-high technology group and only 2.6% in the high technology group (Please refer to Table 83).

Table 83. Industrial Capacity Reports by Technology Groups

Technology Groups	No. of Capacity Reports	Rate
High technology	1,538	2.6
Medium-high technology	12,129	20.2
Medium-low technology	17,913	29.8
Low technology	28,488	47.4
Total	60,068	100.0

Source: TOBB.

- PS: 1. Data retrieved from industrial capacity reports arranged between 2009 and 2011 with validities covering the term ending 2011
 2. As enterprises may engage in multiple activities, the total number of capacity reports by technology groups may differ from those indicated in other tables.

2.3.2.3 Energy

The value added of the energy sector achieved an increase of 12.3% during the first, of 5.9% during the second, of 6.8% during the third and 10.5 % during the final quarters of 2010, respectively, compared to the same periods of the preceding year. There has been a growth of 8.8% in the added value of energy sector in 2011, relative to 2010.

The average energy sector production index rose by 12.0% in the first, 5.9% in the second, 5.5% in the third and 12.0% in the final quarters of 2011. The energy sector average production index, which rose by 8.3% in 2010, further increased by 0.4 points to 8.7%, during 2011 (Please refer to Table 84).

Table 84. Production Index of Energy Sector

Years	Production Index	Rate of Change
2009	119.8	-2.3
2010	129.8	8.3
2011	141.0	8.7

Source: TURKSTAT.

The increase in demand along with the revival of economy during 2010 has caused a growing trend in energy production and consumption rates, which persisted throughout 2011. Based on a review of the distribution of electrical energy production by sources according to estimates for 2011, it is expected that the energy demand would be supplied from natural gas fired thermal power plants at 44.7%, from hydraulic power plants at 23.2%, lignite-fired thermal power plants at 17.0%, from geothermal-wind power plants at 2.2%, from coal-fired power plants at 11.1%, from geothermal wind power plants at

2.2%, from fuel-oil fired thermal power plants at 1.6% and from biogas-waste combustion and other thermal power plants at 2.0%. The total electrical power production has increased by 8.1%, from 211,208 GWh (Giga watt) to 228,390 GWh (Please refer to Table 85).

Table 85. Distribution of Electrical Energy Production over Sources of Energy

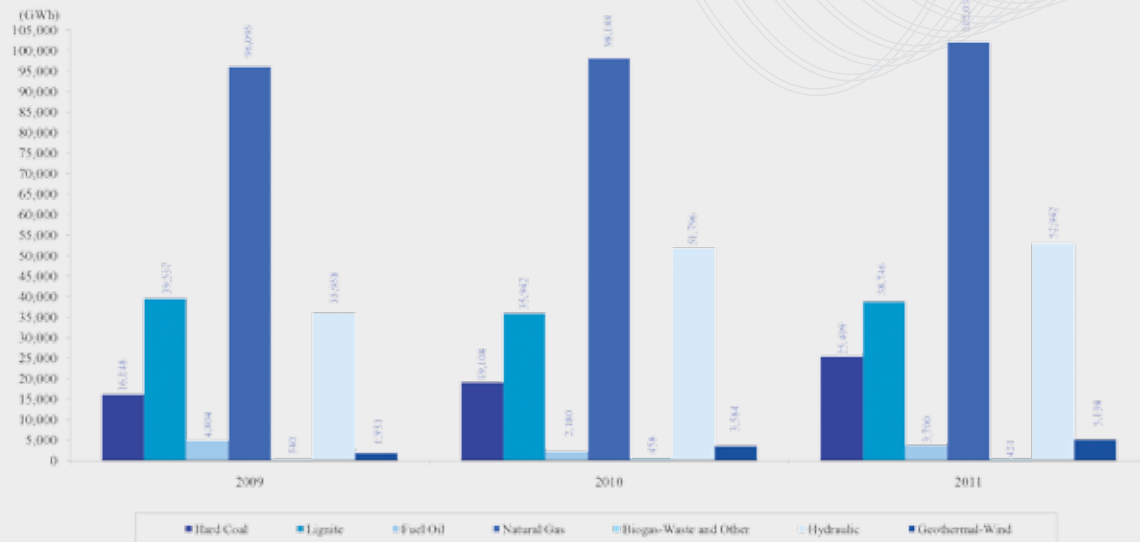
Years	Thermal										Hydraulic	Geothermal-Wind	Grand Total					
	Hard Coal		Lignite		Fuel Oil		Natural Gas		Biogas-Waste and Other						Thermal Total			
	Amount	Share in Total	Amount	Share in Total	Amount	Share in Total	Amount	Share in Total	Amount	Share in Total					Amount	Share in Total		
2009	16,148	8.3	39,537	20.3	4,804	2.5	96,095	49.3	340	0.2	156,924	80.6	35,958	18.5	1,931	1.0	194,813	100.0
2010	19,104	9.0	35,942	17.0	2,180	1.0	98,144	46.5	458	0.2	155,828	73.8	51,796	24.5	3,584	1.7	211,208	100.0
2011 ⁽¹⁾	25,409	11.1	38,746	17.0	3,700	1.6	102,038	44.7	421	0.2	170,314	74.6	52,942	23.2	5,134	2.2	228,390	100.0

Source: Ministry of Development.

(1): Data represent predicted realisations.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.

Our country's being dependent much on natural gas, a source being imported in large quantities for energy production purposes, remains to present a threat against the security of supply (Please see Figure 33).



Source: Ministry of Development.

Figure 33. Distribution of Electrical Energy Production by Energy Sources and Years

2.3.3 Services

2.3.3.1 Commodity Exchanges and Companies

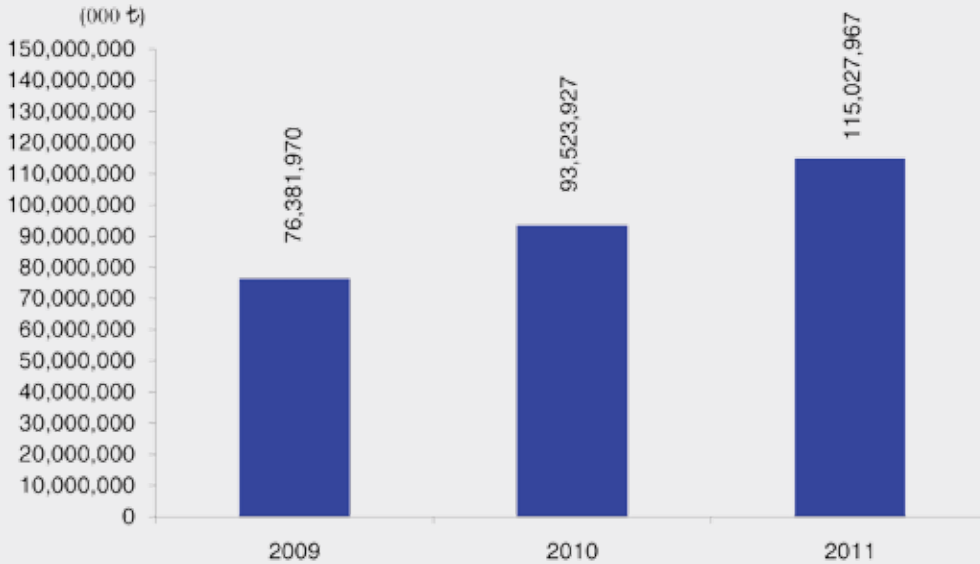
The transaction volume of commodity exchanges maintained a growth trend during the period between 2009 and 2011, achieving growth by 11.5% in 2009, 22.4% in 2010 and 23.0% in 2011. During 2011, the transaction volume rose from ₺ 93,524 million to ₺ 115,028 million. Speaking in real terms, on the other hand, there has been a growth by 11.4% in the transaction volume, throughout 2011 (Please refer to Table 86, Figure 34).

Table 86. Trading Volume of Commodity Exchanges

Years	Trading Volume		CPI (2003=100) Annual Rate of Change	Trading Volume Real Rate of Change
	(000 ₺)	Rate of Change		
2009	76,381,970	11.5	6.5	4.7
2010	93,523,927	22.4	6.4	15.1
2011	115,027,967	23.0	10.5	11.4

Source: TOBB.

By selected commodity exchanges, the market with the highest transaction volume in 2011 has been the İstanbul Commodity Exchange with ₺ 10,661 million, which was followed by İzmir Commodity Exchange with ₺ 6,462 million, Gaziantep Commodity Exchange with ₺ 5,362 million and Konya Commodity Exchange with ₺ 4,718 million, in respective order. The respective shares of İstanbul, İzmir, Gaziantep and Konya Commodity Markets in total transaction volume of commodity exchanges in 2011 have been 9.3%, 5.6%, 4.7% and 4.1%. The commodity exchange markets where transaction volumes showed the most progress towards increase have been Nizip Commodity Exchange with a rate of 313.2%, Van Commodity Exchange with a rate of 63.5%, Bandırma Commodity Exchange with a rate of 53.9% and Trabzon Commodity Exchange with 49.1%, during 2011. The only drop in trading volumes of commodity exchanges of selected provinces and districts was observed at a rate of 2.6% in the transaction volume of Diyarbakır Commodity Exchange, during 2011 (Please refer to Table 87).



Source: TOBB.

Figure 34. Trading Volume of Commodity Exchanges by Years

During 2011, a total of 113,837 companies were opened, precisely consisting of 2,932 incorporations, 50,451 limited liability companies, 25 unlimited companies and 1 limited partnership, in addition to 60,428 businesses self-owned and operated by natural persons. There has been a growth by 12.4% in the number of nascent companies in 2011, compared to 2010. In 2011, the type of company which exhibited the highest rate of increase

in quantity compared to the preceding year has been unlimited company with 150.0%, whereas no changes were recorded in number of limited partnerships. In 2011, a total of 54,225 companies were permanently closed, and these precisely consisted of 1,396 incorporations, 11,543 limited liability companies, 147 unlimited companies and 10 limited partnership, in addition to 41,129 businesses self-owned and operated by natural persons. The rate of business closures in 2011 compared to the preceding year was the highest in the company type of limited partnership with 15.7%, while no change was recorded in the rate of unlimited companies. What's more, 1,033 brand new cooperatives were set up and functional, while 1,897 cooperatives closed, during 2011. In 2011, the ratio of number of nascent companies to closing companies by company type has been 2.1 in incorporations, 4.4 in limited liability companies, 0.2 in unlimited companies, 0.1 in limited partnerships and 0.5 in cooperatives (Please refer to Table 88).

Table 87. Trading Volume of Commodity Exchanges by Selected Provinces and Districts

Selected and Districts ⁽¹⁾	Provinces Sort No	Trading Volume (000 ₺)			Share in Total			Rate of Change		
		2009	2010	2011	2009	2010	2011	2009	2010	2011
İstanbul	1	8,566,782	9,937,955	10,661,294	11.2	10.6	9.3	-12.6	16.0	7.3
İzmir	2	3,889,588	5,108,855	6,461,610	5.1	5.5	5.6	-4.4	31.3	26.5
Gaziantep	3	2,474,579	3,616,480	5,361,464	3.2	3.9	4.7	31.6	46.1	48.3
Konya	4	3,074,025	3,630,674	4,718,379	4.0	3.9	4.1	24.1	18.1	30.0
Şanlıurfa	5	2,532,606	3,394,616	4,190,381	3.3	3.6	3.6	44.6	34.0	23.4
Adana	6	2,758,542	3,038,057	3,790,659	3.6	3.2	3.3	9.2	10.1	24.8
Sakarya	7	1,892,439	2,875,563	3,169,189	2.5	3.1	2.8	6.4	52.0	10.2
Ankara	8	1,968,617	2,692,349	3,124,291	2.6	2.9	2.7	11.3	36.8	16.0
Mersin	9	2,024,803	2,491,871	2,757,807	2.7	2.7	2.4	20.9	23.1	10.7
Bandırma	10	1,136,370	1,558,051	2,397,961	1.5	1.7	2.1	3.6	37.1	53.9
Tekirdağ	11	1,261,184	1,438,712	1,989,736	1.7	1.5	1.7	29.8	14.1	38.3
Afyonkarahisar	12	1,300,256	1,558,119	1,948,566	1.7	1.7	1.7	11.4	19.8	25.1
Ordu	13	1,133,460	1,364,939	1,898,532	1.5	1.5	1.7	-18.7	20.4	39.1
Samsun	14	1,004,300	1,347,102	1,894,873	1.3	1.4	1.6	33.3	34.1	40.7
Düzce	15	1,247,259	1,326,409	1,822,519	1.6	1.4	1.6	9.2	6.3	37.4
Diyarbakır	16	1,432,383	1,678,042	1,633,613	1.9	1.8	1.4	41.3	17.2	-2.6
Balıkesir	17	1,372,088	1,506,531	1,630,508	1.8	1.6	1.4	9.5	9.8	8.2
Van	18	420,271	997,062	1,629,887	0.6	1.1	1.4	121.2	137.2	63.5
Nizip	19	306,569	374,138	1,545,810	0.4	0.4	1.3	-62.2	22.0	313.2
Trabzon	20	955,832	1,020,599	1,522,033	1.3	1.1	1.3	45.3	6.8	49.1
Total ⁽²⁾		76,381,970	93,523,927	115,027,967	100.0	100.0	100.0	11.5	22.4	23.0

Source: TOBB.

(1): The top-20 provinces and districts in the ranking by commodity exchange trading volumes in 2011.

(2): The total sum of trading volumes of all commodity exchanged within the year inferred.

Table 88. Number of Newly Founded, Closed, Capital Increasing and Winding up Companies and Cooperatives

Type of Company	Status	2009	2010	2011	Rate of Change		
					2009	2010	2011
Corporations	Newly founded	2,280	2,808	2,932	-21.2	23.2	4.4
	Capital increasing	6,468	8,556	5,500	5.7	32.3	-35.7
	Winding up	1,162	1,091	1,352	8.0	-6.1	23.9
	Closing	1,216	1,276	1,396	7.8	4.9	9.4
Limited liability company	Newly founded	40,951	47,606	50,451	-9.2	16.3	6.0
	Capital increasing	24,027	40,171	20,931	0.6	67.2	-47.9
	Winding up	12,251	12,011	15,381	16.2	-2.0	28.1
	Closing	9,022	9,976	11,543	4.6	10.6	15.7
Unlimited company	Newly founded	11	10	25	-38.9	-9.1	150.0
	Winding up	42	43	42	2.4	2.4	-2.3
	Closing	159	147	147	9.7	-7.5	0.0
Limited partnership	Newly founded	2	1	1	-	-50.0	0.0
	Winding up	4	0	1	-	-	-
	Closing	11	8	10	-8.3	-27.3	25.0
Natural person business undertakings	Newly founded	44,178	50,861	60,428	-7.1	15.1	18.8
	Closing	32,170	29,863	41,129	-16.3	-7.2	37.7
Total companies	Newly founded	87,422	101,286	113,837	-8.5	15.9	12.4
	Closing	42,578	41,270	54,225	-11.9	-3.1	31.4
Cooperatives	Newly founded	1,155	1,550	1,033	-11.7	34.2	-33.4
	Winding up	2,445	2,285	2,183	-4.5	-6.5	-4.5
	Closing	1,842	2,055	1,897	1.5	11.6	-7.7

Source: TOBB.

PS: As figures are revised by the relevant institutions, data may differ from preceding year's report data.

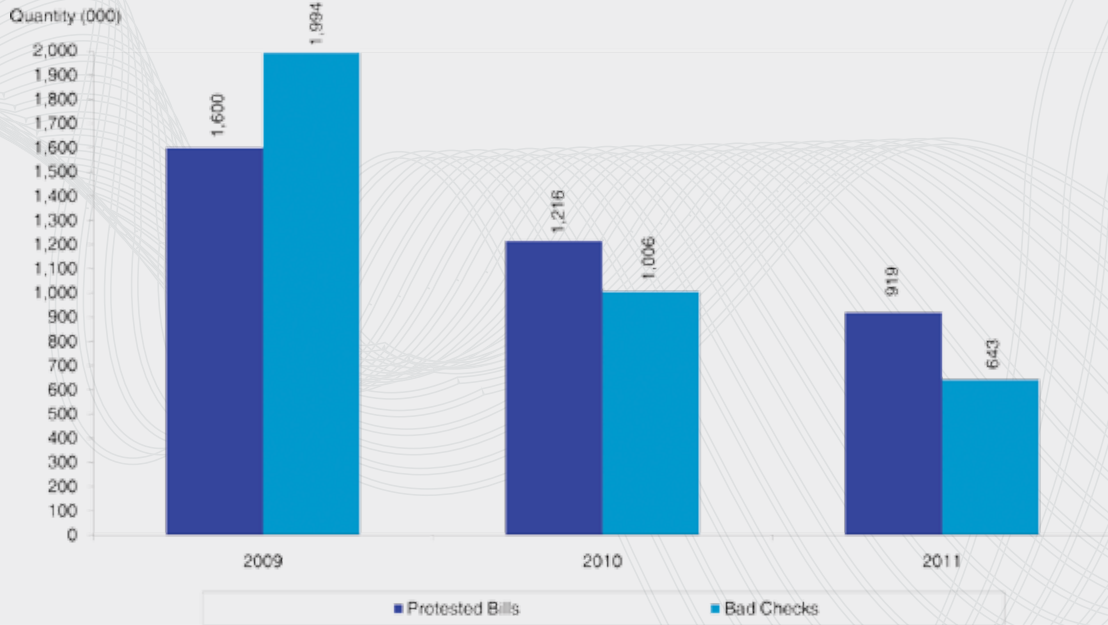
The total number of companies founded for the first time during 2011 rose by 12.4%, the total number of companies closing to business grew by 31.4%.

The declining trend in the number of protested bills and bad checks which rose in line with the crisis of 2009, that started in 2010 persisted also during 2011. As a result, there has been a drop in the number of protested bills at a rate of 24.4%, entailing to a recession in the number of bills to 1,216 thousand, from a baseline of 919 thousand in 2011, compared to the preceding year. There has also been a decline in the worth of protested bills during 2011, leading to a drop by 15.0%, to ₺ 4,902 million. In the meanwhile, the number of bad checks regressed by 49.5% in 2010 and further dropped by 36.1% in continuation of this trend during 2011, ending up in a number of 643 thousand (Please refer to Table 89, Figure 35).

Table 89. Protested Bills and Bad Checks

Years	Protested Bills				Bad Checks	
	Quantity (000)	Rate of Change	Worth (000 ₺)	Rate of Change	Quantity (000)	Rate of Change
2009	1,600	1.7	7,771,279	15.0	1,994	23.5
2010	1,216	-24.0	5,768,823	-25.8	1,006	-49.5
2011	919	-24.4	4,902,275	-15.0	643	-36.1

Source: TCMB.



Source: TCMB.

Figure 35. Protested Bills and Bad Checks by Years

2.3.3.2 Tourism

During 2011, the number of departing guests from our country grew by 9.5% to 36,151 thousand from a baseline of 33,028 thousand, whereas the number of arriving residents to our country recessed to 6,282 thousand from 6,557 thousand, representing a drop by 4.2%, compared to the preceding year (Please refer to Table 90).

Table 90. Number of Departing Visitors and Arriving Citizens

Years	Number of Foreign Visitors Departing	Rate of Change	(000 Person)	
			Number of Citizens Arriving	Rate of Change
2009	32,006	3.3	5,561	13.7
2010	33,028	3.2	6,557	17.9
2011	36,151	9.5	6,282	-4.2

Source: TURKSTAT.

The top-five nationalities among the 33,028 thousand guests departing from our country in their return trips to their homesteads in 2010 were Commonwealth of Independent States (CIS) ranking the first with 6,629 thousand guests, Germany with 4,815 thousand guests, U.K. with 2,593 thousand guests, Iran with 1,864 thousand guests and Bulgaria with 1,488 thousand guests. The top-five nationalities presented above for 2010 remained unchanged in the listing by number of foreign guests departing from our country in 2011. The bottom five nationalities over 20 selected for the listing by nationality of visitors departing from our country in 2011 included Switzerland with 330 thousand, Iraq with 356 thousand, Denmark with 372 thousand, Norway with 376 thousand and Romania with 390 thousand departing guests (Please refer to Table 91).

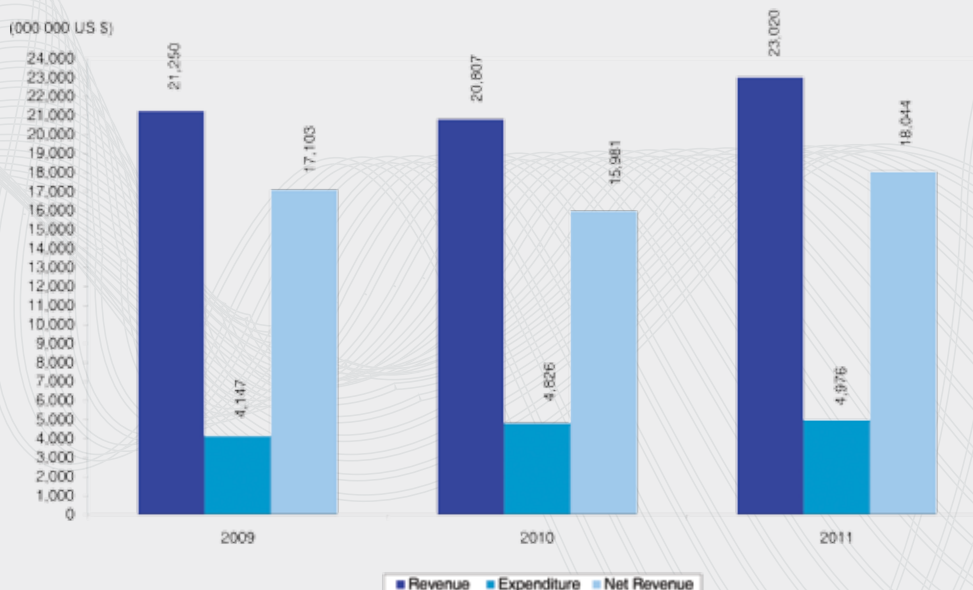
Table 91. Number of Foreign Visitors Departing Turkey by Nationality

Nationality ⁽¹⁾	Sort No	(000 Person)		
		2009	2010	2011
Commonwealth of Independent States	1	5,512	6,015	6,629
Germany	2	4,482	4,370	4,815
United Kingdom	3	2,445	2,681	2,593
Iran	4	1,370	1,871	1,864
Bulgaria	5	1,624	1,449	1,488
Netherlands	6	1,157	1,088	1,230
France	7	935	923	1,133
Syria	8	501	891	966
USA	9	676	647	762
Italy	10	630	665	749
Greece	11	608	661	697
Belgium	12	593	545	595
Sweden	13	408	447	574
Austria	14	538	498	531
Poland	15	419	428	488
Romania	16	370	357	390
Norway	17	264	299	376
Denmark	18	296	314	372
Iraq	19	284	268	356
Switzerland	20	289	273	330

Source: TCMB.

(1): Presented are nationalities included in the top 20 with reference to 2011.

The tourism revenues, which showed a decline by 2.1% during 2010, rose by 10.6% to US \$ 23,020 million, in 2011. The tourism expenses on the other hand maintained its growing trend which was persisting since 2009 and dropped by 6.7% to US \$ 4,826 million in 2010 compared to preceding year and then rose by 3.1% to US \$ 4,976 million, during 2011. In the meantime, net tourism income rose by 12.9% to US \$ 18,044 million from a baseline of US \$ 15,981 million, in 2011 (Please refer to Figure 36).



Source: TCMB, TURKSTAT.

Figure 36. Tourism Income, Expenses and Net Revenues by Years

The average expenditure per capita head departing guest grew by 1.1%, reaching at a level of US \$ 637 during 2011, from a baseline of US \$ 630, compared to the preceding year. The average expenditure per capita head arriving resident grew by 7.6%, reaching at a level of US \$ 792 during 2011, from a baseline of US \$ 736, compared to the preceding year. While the average expenditure per capita head arriving resident was approximately 1.17 times higher than the average expenditure per capita head departing guest in 2010, it rose up to 1.24 times thereof, during 2011.

There has been a very slight increase in the amount of average expenditure per capita head departing guests, despite the increase in the number of departing guests and accordingly in the amount of per capita expenditures made by the same, while the number of arriving residents showed a decline with growth in the amount of expenditures they made, which affected an increase in the average expenditure per capita head arriving resident, as a natural outcome of which, the ratio of average expenditure per capita head arriving resident to average expenditure per capita head departing guest improved (Please refer to Table 92).

Table 92. Tourism Income and Expenditure Balance and Average Expenditures

Years	Income (US \$ 000 000)	Expenses (US \$ 000 000)	Net Revenue (US \$ 000 000)	Average Expenditure Per Foreign Visitor Departing (US \$)	Average Expenditure Per Resident (US \$)
2009	21,250	4,147	17,103	664	745
2010	20,807	4,826	15,981	630	736
2011	23,020	4,976	18,044	637	792

Source: TCMB, TURKSTAT.

The loans allocated to the tourism sector by the Development Bank of Turkey in 2011 increased by 82.2% compared to the previous year and rose to ₺ 204,323 thousand, whereas, in 2011, with a 24.0% decline, it receded to ₺ 155,258 thousand. The loan facilities extended to tourism sector during 2010 grew by a record-breaking rate of 251.2% in 2010, whereas the total rate of increase that took place during 2011 remained at a level of 8.0%. While the ratio of loan facilities allocated to loan facilities extended was 33.6% during 2010, the loan actually extended tolled ₺ 74,061, representing 47.7% of the allocated loan amount of ₺ 155,258 thousand, in 2011 (Please refer to Table 93).

Table 93. Loans Allocated and Made Available to Tourism Industry by the Turkish Development Bank

Years	Total Amount Allocated	Amount Extended	Rate of Change	
			Amount Allocated	Amount Extended
2009	112,140	19,531	86.9	-67,9
2010	204,323	68,591	82.2	251,2
2011	155,258	74,061	-24.0	8.0

Source: DBT.

2.3.3.3 Transportation

In 2011 compared to the past year a 5.8% increase was realised in domestic passenger transports and a 9.8% increase in international passenger transports, whereas, a 5.5% increase in domestic cargo transports and a 9.4% increase was realized in cargo transports abroad (excluding the imported natural gas transports made by the Petroleum Pipeline Corporation (BOTAŞ) through its proprietary pipelines) (See Table 94).

In our country, the ongoing trend continued in 2011, as a result of which, roads were preferred for domestic passenger and cargo transport activities, while maritime lines had a weighted share in international passenger and cargo transport activities. Despite the day-to-day increasing demand for transportation, failure in realisation of the physical infrastructure of railways and sea routes in combination with roads being the most convenient mode of transport for door-to-door deliveries resulted in pounding of cargo and passenger transportation activities on roads, by weight.

Table 94. Transportation Statistics

Modalities of Transport	Passenger Transport								
	(000 000 Passengers-Km)			Rate of Change			Share in Total		
	2009	2010	2011 ⁽¹⁾	2009	2010	2011	2009	2010	2011
Domestic									
Road ⁽²⁾	212,464	226,913	239,393	3.1	6.8	5.5	95.4	95.2	94.9
Railway	3,469	3,493	3,985	-2.3	0.7	14.1	1.6	1.5	1.6
Air ⁽³⁾	6,819	8,007	8,791	6.2	17.4	9.8	3.1	3.4	3.5
Total	222,752	238,413	252,169	3.1	7.0	5.8	100.0	100.0	100.0
International									
Air ⁽³⁾	33,311	39,943	43,857	19.6	19.9	9.8	100.0	100.0	100.0
Total	33,311	39,943	43,857	19.6	19.9	9.8	100.0	100.0	100.0
Modalities of Transport	Cargo Transport								
	(000 000 Tons-Km)			Rate of Change			Share in Total		
	2009	2010	2011 ⁽¹⁾	2009	2010	2011	2009	2010	2011
Domestic									
Road ⁽²⁾	176,455	190,365	201,787	-3.0	7.9	6.0	88.3	88.2	88.7
Railway	9,308	10,282	10,560	1.3	10.5	2.7	4.7	4.8	4.6
Sea ⁽⁴⁾	11,410	12,583	13,464	90.2	10.3	7.0	5.7	5.8	5.9
Pipeline									
Crude Oil ⁽⁵⁾	2,743	2,520	1,766	29.8	-8.1	-29.9	1.4	1.2	0.8
Total	199,916	215,750	227,577	0.3	7.9	5.5	100.0	100.0	100.0
International									
Railway	855	1,018	1,040	-37.5	19.1	2.2	0.1	0.1	0.1
Sea ⁽⁶⁾	828,500	936,200	1,027,000	-3.5	13.0	9.7	93.6	94.4	94.6
Pipeline									
Crude Oil (Transit) ⁽⁵⁾	56,038	54,242	57,028	22.3	-3.2	5.1	6.3	5.5	5.3
Total	885,393	991,460	1,085,068	-2.3	12.0	9.4	100.0	100.0	100.0
Natural Gas (000 000 Sm ³) ⁽⁷⁾	35,856	38,037	41,213	-4.0	6.1	8.3	-	-	-

Source: Ministry of Development.

(1): Temporary data.

(2): Transports made on the road network under the responsibility of the State Highways General Directorate.

(3): Transports made only by the Turkish Airlines (THY).

(4): The transport quantities calculated by the Undersecretariat of Maritime Affairs.

(5): Only crude oil transports.

(6): Estimated transports calculated, which include all of the transports made by seaways.

(7): Total natural gas imports made from the Russian Federation, Nigeria, Algeria, Azerbaijan and Iran and obtained from the spot market.

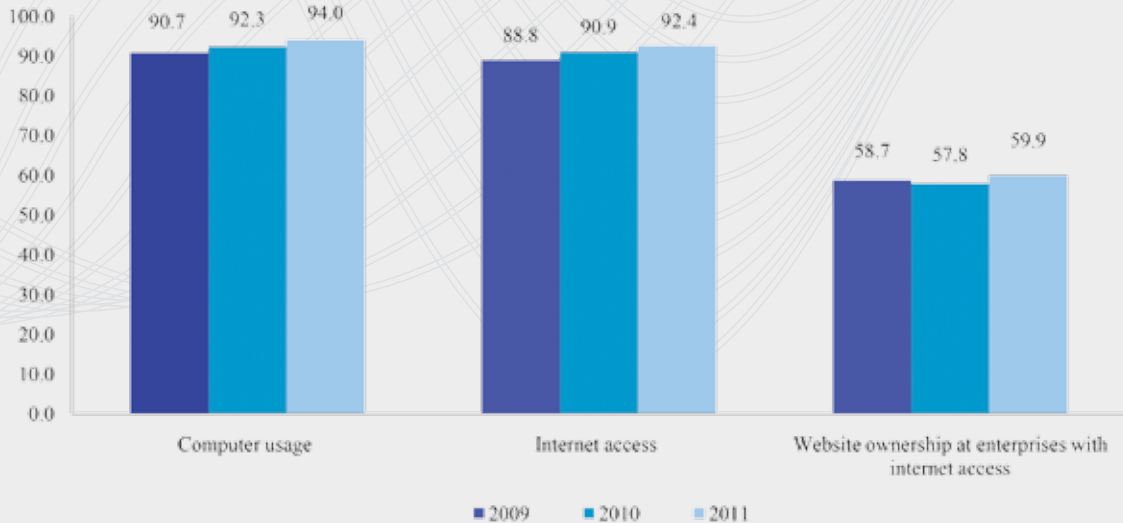
PS: As figures are revised by the relevant institutions, data may differ from previous report data.

In 2011, 94.9% of domestic passenger transports were performed over the roads, 1.6% used railways and 3.5% undertaken by air, whereas, all international passenger transports were made via aircrafts.

During 2011, domestic cargo transports took place on highways by 88.7%, railways by 4.6%, over sea routes by 5.9% and through pipelines by 8.0%. Of the international cargo transports, 94.6% used sea routes, 1.0% used railroads and 5.3% used pipelines (excluding those proprietary to BOTAŞ used for natural gas transports).

2.3.4 Use of Information Technologies at Enterprises

While 94.0% of all business enterprises used PCs in regular course of their business activities in Turkey, countrywide, a 92.4% had permanent access to the internet, in 2011. A 59.9% of enterprises having access to the internet possess a self-owned website on the fly (Please refer to Figure 37).



Source: TURKSTAT.

Figure 37. Computer Usage, Internet Access and Website Ownership Rate of Enterprises by Years

Usage of computers by enterprises, which was 90.7% in 2009, rose to 92.3% in 2010, and to 94.0% in 2011. Likewise, the possibilities of accessing the internet which was at a level of 88.8% in 2009, improved to 90.9% in 2010 and 92.4% in 2011. While 58.7% of enterprises had live web sites in possession during 2009, this rate receded to 57.8% in 2010 and rose to 59.9%, in 2011.

With categorisation of enterprises by their number of employees under 3 categories as those having 10 to 49, 50 to 249 and 250+ employees, the possibilities of accessing the internet which was measured at a level of 90.9% for all enterprises having 10 or more employees in 2010 improved to a level of 92.4% during 2011. Precisely speaking, the rates of access to the Internet were 91.4% in enterprises having 10 to 49 employees, 96.7% in enterprises having 50 to 249 employees and 99.0% in enterprises having 250 and more employees in 2011 (Please refer to Table 95).

Table 95. Rate of Enterprises Having Access to Internet in 2011

Branches of Economic Activity (NACE Rev. 2)	Rate of Ownership of Internet Access by Enterprises by Categories of Number of Employee		
	10-49	50-249	250 +
Manufacturing industry (Section C)	91.3	98.0	99.2
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and re mediation (Sections D, E)	96.9	98.2	100.0
Construction (Section F)	88.8	94.4	99.3
Wholesale and retail trade, repair of motor vehicles and motorcycles (Section G)	94.5	97.6	99.0
Transportation and storage (Section H)	88.9	97.3	98.2
Accommodation and food service activities (Section I)	76.9	96.4	100.0
Information and communication (Section J)	98.2	97.5	100.0
Real estate business activities (Section L)	93.3	97.7	100.0
Professional, scientific and technical activities (Part 69-74)	97.7	98.8	98.8
Administrative and support service activities (Section N)	89.9	91.4	97.7
Repair of computers and communication equipment (Group 95.1)	97.7	100.0	100.0
General	91.4	96.7	99.0

Source: TURKSTAT.

PS: Figure represent the rate of enterprises having internet access as of month January of 2011.

The highest internet usage rate of enterprises by their economic activities (NACE Rev. 2) has been in those having 10 to 49 employees with 98.2% and those engaged with “information and communication” activities, in 2011. In the category of enterprises having 50 to 249 employees, on the other hand, the highest internet access rate belonged in the “repair of computers and communication equipment” activity field with 100.0%, while, in the category of enterprises having 250 + employees, it attained its highest value with 100.0% in the fields of activity defined as “electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and re mediation”, “accommodation and food service activities”, “information and communication”, “real estate activities” and “repair of computers and communication equipment” (Please refer to Table 96).

Table 96. Rate of Employee Making Use of Internet by Enterprises in 2011

Branches of Economic Activity (NACE Rev. 2)	Rate of Employee Making Use of Internet by Categorisation of Enterprises by Number of Employee		
	10-49	50-249	250 +
	Manufacturing industry (Section C)	24.9	19.9	22.6
Electricity, gas, steam and air-conditioning supply and Water supply, sewerage, waste management and re mediation (Sections D, E)	50.6	41.3	27.5
Construction (Section F)	23.5	15.4	14.3
Wholesale and retail trade, repair of motor vehicles and motorcycles (Section G)	36.9	31.4	31.9
Transportation and storage (Section H)	31.3	25.2	47.1
Accommodation and food service activities (Section I)	23.1	17.8	32.2
Information and communication (Section J)	74.1	78.9	75.3
Real estate business activities (Section L)	33.4	41.9	7.9
Professional, scientific and technical activities (Part 69-74)	52.4	44.1	27.0
Administrative and support service activities (Section N)	37.0	14.8	8.8
Repair of computers and communication equipment (Group 95.1)	69.1	70.3	99.9
General	31.5	22.9	26.5

Source: TURKSTAT.

PS: Rate of employees at enterprises who make use of the internet as of January, 2011.

Of the enterprises having access to the internet, a 31.5% of employees at those having 10 to 49 employees were making use of the Internet, versus a 22.9% at those having 50 to 249 employees, during 2011. The internet usage rate among employees of enterprises having 250 and more employees is 26.5%. According to these rates, the highest rate of Internet usage among workers is found in enterprises with relatively low employment.

The highest internet usage rate among workers at enterprises having 10 to 49 employees by branches of economic activity of engagement belongs in those pursuing “information and communication” activities with 74.1%, and, this is followed by those engaged in “repair of computers and communication equipment” activities with 69.1% and those pursuing “professional, scientific and technical activities”, with 52.4%. The field of activity in which the internet usage rate is lowest by enterprises of this categorisation of number of employees has been the “accommodation and food service” activities with 23.1%.

In 2011, the highest internet usage rate among workers at enterprises having 50 to 249 employees by branches of economic activity of engagement belongs in those pursuing “information and communication” activities with 78.9%, and, this is followed by those engaged in “repair of computers and communication equipment” activities with 70.3% and those pursuing “professional, scientific and technical activities”, with 44.1%. The “administrative support and service” activities have been the area of engagement where Internet is used at least by employees of enterprises with 14.8%.

The internet usage rate of workers gets its highest value at enterprises having 250 and more employees with primary engagement in “repair of computers and communication

equipment” activities with 99.9%, which is followed by those engaged in “information and communication” activities with 75.3% and in “transportation and storage” activities with 47.1%. The internet usage rate of workers attained its lowest level at enterprises engaged in “real estate” activities with 7.9%.

In 2010, 78.1% of enterprises with internet access used internet for banking and financial services, while 28.3% used the same for training and education services. As regards the size of enterprise by number of employees it has, internet has been used for banking and financial services at 76.1% in enterprises having 10 to 49 employees, 86.7% in enterprises having 50 to 249 employees and at 93.2% in enterprises having 250 and more employees (Please refer to Table 97).

Table 97. Purposes of Use by Enterprises Having Access to Internet of the Service in 2010

Purpose of Use	Categorisation of Enterprises by Number of Employee			
	Total	10-49	50-249	250+
Banking and financial services	78.1	76.1	86.7	93.2
Training and education	28.3	26.5	35.1	48.4

Source: TURKSTAT.

PS: As multiple choices are marked, the total of row may differ from 100.

In 2010, 14.2% of enterprises placed orders for goods/services over computer networks and 12.3% received orders for their products/services. By size of working population, enterprises having 10 to 49 employees placed orders for goods/services over computer networks by 13.5%, which rate attained a level of 16.6% at enterprises having 50 to 249 employees and of 24.0% at enterprises having 250 and more employees. The rate of receipt of orders for goods/services over computer networks had been 11.3% at enterprises having 10 to 49 employees, 16.3% at enterprises having 50 to 249 employees and 21.0% at those having 250 employees or more (Please refer to Table 98).

Table 98. Rate of Enterprises Receiving/Issuing Goods/Services Purchase Orders on Electronic Media or Through the Web in 2010

Categorisation of Enterprises by Number of Employee	Rate of Enterprises Receiving Orders for Goods/Services		Rate of Enterprises Placing Orders for Goods/Services	
	In All Enterprises	In Enterprises Using Computers	In All Enterprises	In Enterprises Using Computers
10-49	11.3	12.2	13.5	14.5
50-249	16.3	16.6	16.6	16.9
250 +	21.0	21.2	24.0	24.2
Total	12.3	13.1	14.2	15.2

Source: TURKSTAT.

2.4 Investments

The increase in the number of decisions favouring investments persisted during 2011, positively affected by the Turkish economy’s recovering from the negative effects of the crisis as a result of the financial and monetary measures put into practice for the purpose, which entailed to a decrease in uncertainties and an increase in consumer confidence, and

an improvement in loan conditions. The total fixed capital investments, which rose by 28.3% in 2010, realised a further increase of 34.4% during 2011, in continuation of this trend. The public sector fixed capital investments rose by 21.3% from ₺47,064 million to ₺57,112 million, while the private sector fixed capital investments grew by 38.1% from ₺163,330 million to ₺225,580 million and the total fixed capital investments by 34.4% from ₺210,394 million to ₺282,691 million (Please refer to Table 99, Figure 38).

Table 99. Fixed Capital Investments

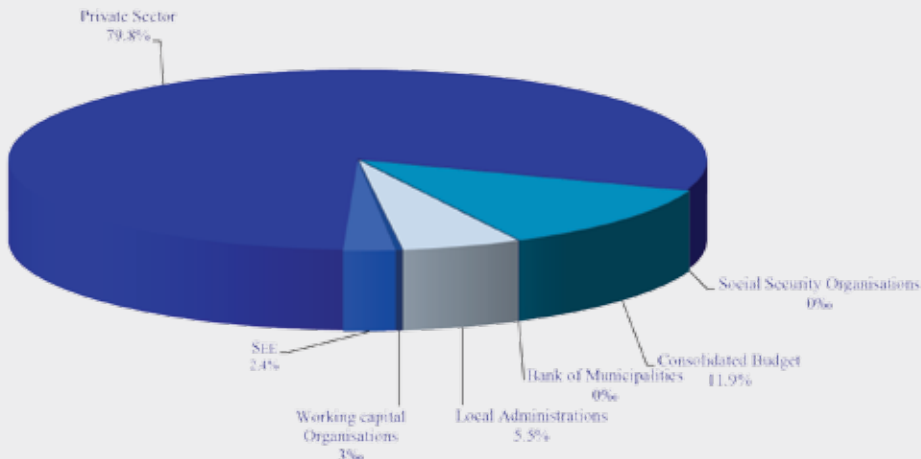
(Current Prices, 000 000 ₺)

Components of the Fixed Capital	2009	2010	2011 ⁽¹⁾	Rate of Change			Share in Total		
				2009	2010	2011	2009	2010	2011
Consolidated Budget	22,085	29,215	33,590	9.9	32.3	15.0	13.5	13.9	11.9
SEE	4,463	5,777	6,865	7.2	29.4	18.8	2.7	2.7	2.4
Operator	3,699	5,165	6,421	23.2	39.6	24.3	2.3	2.5	2.3
Organisations Subject to Privatisation	764	612	444	-34.3	-19.9	-27.5	0.5	0.3	0.2
Bank of Municipalities	239	150	65	-42.0	-37.2	-56.7	0.1	0.1	0.0
Local Administrations	11,759	11,225	15,671	-15.1	-4.5	39.6	7.2	5.3	5.5
Organisations with Floating Capital	704	621	782	23.5	-11.8	25.9	0.4	0.3	0.3
Social Security Organisations	91	76	139	333.3	-16.5	82.9	0.1	0.0	0.0
Funds	0	0	0	-	-	-	0.0	0.0	0.0
Unemployment Coverage Fund	0	0	0	-	-	-	0.0	0.0	0.0
Total Public Sector	39,341	47,064	57,112	0.6	19.6	21.3	24.0	22.4	20.2
Total Fixed Capital Investments	163,985	210,394	282,691	-14.6	28.3	34.4	100.0	100.0	100.0
Public Sector	39,341	47,064	57,111	0.6	19.6	21.3	24.0	22.4	20.2
Private Sector	124,644	163,330	225,580	-18.5	31.0	38.1	76.0	77.6	79.8

Source: Ministry of Development.

(1): Data represent predicted realisations.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.



Source: Ministry of Development.

Figure 38. Ratio of Fixed Capital Investment Components in 2011

There has been growth by 9.8% in public sector fixed capital investments calculated in real terms according to the consumer prices index, by 25.0% in private sector fixed capital investments and by 21.7% in total fixed capital investments. The share of public sector

fixed capital investments has been 20.2% and that of private sector fixed investments 79.8% in total fixed capital investments realised during 2011. Despite a drop in the share of public sector fixed capital investments, the share of private sector fixed investments moved up, during 2010.

In 2011, the public sector fixed capital investments were realised by general and annexed budget institutions at 58.8%, by SEEs at 12.0%, by Bank of Municipalities at 1.0%, by local administrations at 27.4% and by social security organisations at 2.0%.

In the private sector fixed capital investments, agriculture, mining, energy and manufacturing sectors increased their shares, simultaneously with decreasing shares of tourism, housing, education and other services, during 2011 (Please refer to Table 100).

Table 100. Rate of Sectors in Fixed Capital Investments

Sectors	(Current Prices)		
	2009	2010	2011 ⁽¹⁾
Agriculture	1.2	2.3	3.0
Mining	1.8	1.6	1.7
Manufacturing	42.9	38.1	40.0
Energy	8.5	5.6	7.3
Transportation	24.9	20.3	20.1
Tourism	5.1	6.3	5.4
Housing	6.0	17.1	15.2
Education	0.8	1.1	1.0
Health	3.3	3.1	2.7
Other Services	5.4	4.4	3.7
Private sector	100.0	100.0	100.0
Agriculture	12.2	9.8	9.4
Mining	2.1	1.9	2.8
Manufacturing	1.1	0.8	0.8
Energy	9.5	6.5	5.1
Transportation	29.6	43.7	43.2
Tourism	0.3	0.5	0.6
Housing	1.5	1.5	1.7
Education	12.6	10.4	11.6
Health	6.9	4.8	4.2
Other Services	24.1	20.2	20.7
Public sector	100.0	100.0	100.0
Agriculture	3.9	4.0	4.3
Mining	1.9	1.7	1.9
Manufacturing	32.9	29.7	32.0
Energy	8.7	5.8	6.9
Transportation	26.0	25.5	24.8
Tourism	4.0	5.0	4.5
Housing	4.9	13.6	12.4
Education	3.6	3.2	3.1
Health	4.2	3.4	3.0
Other Services	9.9	7.9	7.1
Total	100.0	100.0	100.0

Source: Ministry of Development.

(1): It is the estimate of realisation.

In 2011, the sector with the heaviest weight in private sector fixed capital investments has been the manufacturing sector with a share of 40.0%, which was followed by transportation sector with a share of 20.1% and energy sector with a share of 7.3%. Agriculture, mining, health and education have been the sectors in which sectors had 5.0% or less shares in terms of fixed capital investment rates, within the sphere of private sector.

Along with the shrinking share of agricultural, energy, transportation and healthcare sectors only, in public sector fixed capital investments, an increase was observed in the shares of mining, tourism, housing, education and other services and the manufacturing industry's sector share remained unchanged, during 2011.

While the transportation, education and agricultural sectors were the most dominant shareholders in public sector total fixed capital investments during 2011 with respective shares of 43.2%, 11.6% and 9.4%, tourism, manufacturing and housing sectors have had the least shares therein, with 6.0%, 8.0% and 1.7%.

While the construction sector, getting adversely affected by the global crisis, underperformed during 2009, it managed a rapid recovery, though with some delay, in 2010. Especially thanks to the private sector construction projects, increase recorded in quantities of construction permits at a higher rate comparing to pre crisis period. Nevertheless, the rise in number of construction permits was superseded by a decline during 2011, as a result of which, construction permits showing the actual statuses of construction projects both on the plan and under development, supplied by municipal authorities shrank by 30.8% in terms of surface measure of lands subject to development, resulting in a downsizing from 178,777 thousand m² to 123,640 thousand m², in 2011. The highest rate of decline in measures of lands covered by construction permits granted for buildings per their intended purposes of use was encountered in construction projects involving residential buildings with two or more apartments by 34.1%, which was followed by single flat residential buildings at 26.3%, whole and retail trade buildings at 24.0% and industrial buildings and storage facilities at 20.5%. While residential buildings with two or more apartments grabbed the highest share in the overall area of construction for which construction permits are granted in 2011 with 72.4%, industrial buildings and storage facilities took the second place with 4.9%, whole and retail trade buildings took the third place with 4.8%, office buildings took the fourth place with 4.0%, single flat residential buildings took the fifth place with 2.9% and buildings like hotels and etc. took the last place with 2.4% (Please refer to Table 101, Figure 39).

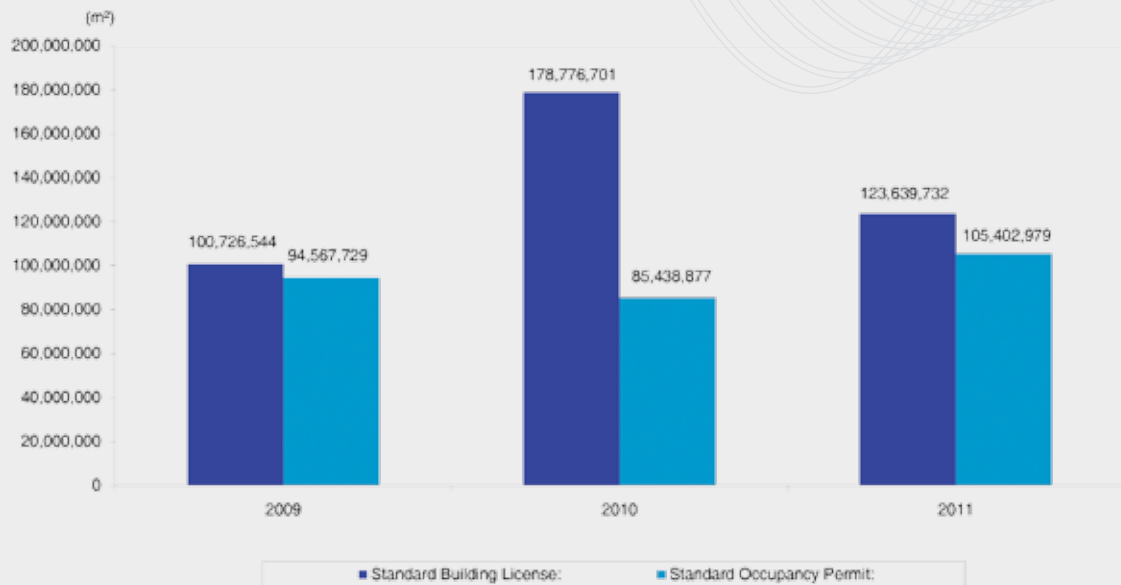
Another major indicator of construction statistics is the construction authorisation letters issued by municipal authorities to priorly permitted and completed civil works projects. It is apparent that realisations on occupancy permits do exhibit different trends with building permits. The total construction area of buildings granted with occupancy permits by municipal authorities receded by 9.7% to 85,439 thousand m² in 2010 and rose by 23.4% to 105,403 thousand m², during 2011.

Table 101. Building Surface Areas per Construction Permits and Intended Purpose of Use of Building (m²)

Building's Purpose of Use	2009	2010	2011	Rate of Change			Share in Total		
				2009	2010	2011	2009	2010	2011
Single flat residential buildings	3,753,485	4,894,137	3,606,076	-10.3	30.4	-26.3	3.7	2.7	2.9
Two or more flatted residential buildings	74,158,683	135,844,388	89,466,460	5.7	83.2	-34.1	73.6	76.0	72.4
Buildings like hotels etc.	1,476,416	3,130,730	2,938,165	-36.9	112.0	-6.2	1.5	1.8	2.4
Office buildings	3,483,742	5,004,904	4,938,750	-15.3	43.7	-1.3	3.5	2.8	4.0
Wholesale and retail trade buildings	5,180,246	7,792,288	5,921,821	-29.2	50.4	-24.0	5.1	4.4	4.8
Industrial buildings and storage facilities	4,418,828	7,548,638	6,001,527	-36.8	70.8	-20.5	4.4	4.2	4.9
Others	8,255,144	14,561,616	10,766,933	-5.5	76.4	-26.1	8.2	8.1	8.7
Total	100,726,544	178,776,701	123,639,732	-3.0	77.5	-30.8	100.0	100.0	100.0

Source: TURKSTAT.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.



Source: TURKSTAT.

Figure 39. Construction Surface Area of the Buildings Receiving Construction Permits and Occupancy Permits by Years

An overall increase was observed in all building types by categorisation of intended purposes of use of buildings that were granted occupancy permits in 2011. While the highest rate of increase was achieved in construction areas of buildings like hotels and etc. by 58.8%, these were followed by office buildings with a rate of increase by 32.0%, residential buildings with two or more apartments by 27.6% and whole and retail trade buildings (centres) by 13.4%. The lowest rate of increase in construction areas of buildings supplied with occupancy permits was registered in the construction areas of industrial buildings and storage facilities with 4.7% (Please refer to Table 102, Figure 39).

The highest share in total construction area of buildings granted with occupancy permits was grabbed by residential buildings with two or more apartments in 2011, as was the case during the previous years. While residential buildings with two or more apartments got the highest share in the total number of permits granted in 2011 with 71.3%, whole and retail trade buildings took the second place with 6.9%, industrial buildings and storage facilities took the third place with 5.7%, single flat residential buildings took the fourth place with 4.2%, office buildings took the fifth place with 3.2% and buildings like hotels and etc. took the last place with 2.5%, in 2011.

Table 102. Building Surface Areas Per Occupancy Permits and Intended Purposes of Occupation

Building's Purpose of Use	2009	2010	2011	(m ²)					
				Rate of Change			Share in Total		
				2009	2010	2011	2009	2010	2011
Single flat residential buildings	4,407,107	4,021,052	4,426,670	36.2	-8.8	10.1	4.7	4.7	4.2
Two or more flatted residential buildings	56,020,466	58,877,507	75,127,127	15.0	5.1	27.6	59.2	68.9	71.3
Buildings like hotels etc.	2,202,883	1,646,418	2,614,412	30.6	-25.3	58.8	2.3	1.9	2.5
Office buildings	2,653,647	2,526,603	3,336,121	27.1	-4.8	32.0	2.8	3.0	3.2
Wholesale and retail trade buildings	8,696,361	6,452,715	7,318,417	51.2	-25.8	13.4	9.2	7.6	6.9
Industrial buildings and storage facilities	5,955,735	5,695,236	5,965,482	14.3	-4.4	4.7	6.3	6.7	5.7
Others	14,631,530	6,219,346	6,614,750	241.1	-57.5	6.4	15.5	7.3	6.3
Total	94,567,729	85,438,877	105,402,979	33.3	-9.7	23.4	100.0	100.0	100.0

Source: TURKSTAT.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.

As of 2009, Under-Secretariat of Treasury of the Turkish Republic started to implement a new incentive system with the 2009/15199 Numbered "Decision about Government Aids in Investments" of 14 July 2009, which supports large investments in 12 sectors and which gives sectoral and regional supports by separating Turkey into four regions with the objective of compensating for the negative influences to the real sector by the global crisis.

The amount of fixed investment associated with incentive certificates according to the novel system of incentives fell by 13.4% in 2011, after an antecedent rise of legendary character by 82.0% in 2010. As a result, the fixed investment sheered down in worth from ₺66,826 million to ₺57,854 million, yielding a 21.6% drop in real terms according to the consumer price index (Please refer to Table 103).

Table 103. Investment Incentive Certificates by Sectors

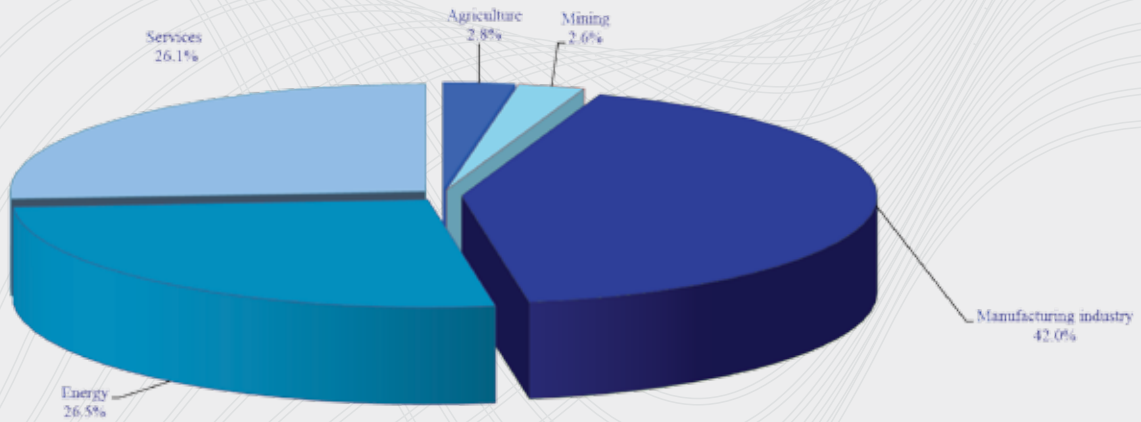
Sectors	Number of Certificates			Fixed Investment (000 ₺)			Number of People Employed		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Agriculture	105	524	259	461,949	3,278,360	1,639,440	2,674	15,905	7,203
Mining	165	267	302	1,070,527	2,034,825	1,502,769	4,269	6,077	6,146
Manufacturing industry	1,717	2,422	2,560	13,819,634	38,411,670	24,275,386	60,530	81,294	72,155
Energy	127	165	214	11,329,373	9,555,278	15,342,055	2,305	3,017	4,647
Services	608	1,126	1,284	10,041,683	13,546,113	15,094,837	31,802	52,462	41,974
Total	2,722	4,504	4,619	36,723,165	66,826,246	57,854,486	101,580	158,755	132,125
Rate of Change									
Agriculture	-15.3	399.0	-50.6	17.5	609.7	-50.0	-17.7	494.8	-54.7
Mining	-1.8	61.8	13.1	46.5	90.1	-26.1	-22.0	42.4	1.1
Manufacturing industry	-38.3	41.1	5.7	0.0	177.9	-36.8	-32.3	34.3	-11.2
Energy	-19.6	29.9	29.7	-2.2	-15.7	60.6	-57.8	30.9	54.0
Services	-25.2	85.2	14.0	7.9	34.9	11.4	-33.3	65.0	-20.0
Total	-32.7	65.5	2.6	2.5	82.0	-13.4	-32.9	56.3	-16.8
Share in Total									
Agriculture	3.9	11.6	5.6	1.3	4.9	2.8	2.6	10.0	5.5
Mining	6.1	5.9	6.5	2.9	3.0	2.6	4.2	3.8	4.7
Manufacturing industry	63.1	53.8	55.4	37.6	57.5	42.0	59.6	51.2	54.6
Energy	4.7	3.7	4.6	30.9	14.3	26.5	2.3	1.9	3.5
Services	22.3	25.0	27.8	27.3	20.3	26.1	31.3	33.0	31.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: General Directorate of Incentive Applications and Foreign Capital.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.

In 2011 incentives granted for agricultural sector dropped by 50.0% to ₺ 1,639 million, while incentives granted for mining sector fell by 26.1% to ₺ 1,503 million, together with a decline in value of incentives granted for the manufacturing industry by 36.8% to ₺ 24.275 million. In the meantime, incentives granted for the energy sector rose by 60.6% to ₺ 15.342 million, together with an increase in value of incentives granted to services sector by 11.4% to ₺ 15.095 million.

The manufacturing industry took the lead in fixed investments supplied with incentive certificates by 42.0% and was followed by the energy sector with 26.5%, services sector with 26.1%, agricultural sector with 2.8%, mining sector with 2.6%, in 2011. The overall share of energy and service sectors in total investment incentives granted also grew to 53.0%, exceeding half of the total fixed investments during 2011 with reference to 2010. The respective shares of agricultural, mining and manufacturing sectors dropped (Please refer to Figure 40).



Source: General Directorate of Incentive Applications and Foreign Capital.

Figure 40. Sectoral Distribution of Investment Incentives for the Term 2011

During 2011, objective was set to provide employment opportunities for 132,125 people through 4,619 investment incentive certificates. The preamble had been to employ 72,155 of these nascent entrepreneurs in the manufacturing industry, 41,974 in services sector, 7,203 in agricultural sector, 6,146 in the mining sector and 4,647 in the energy sector.

Of the total of investments covered by incentive certificates in 2011, 70.7% were reserved for greenfield investments, 21.2% for expansion projects and 8.1% for other investments. While the 3,101 incentive certificates issued to greenfield investments amounted ₺40,908 million, 1,066 incentive certificates issued to expansion projects totalled ₺12,281 million, and the 452 incentive certificates granted to investments not covered by any of the foregoing two amounted ₺4,666 million (Please refer to Table 104).

Table 104. Investment Incentive Certificates by Types

Type of Investment	Number of Certificates			Fixed Investment (000 ₺)			Number of People Employed		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Greenfield investment	1,526	3,053	3,101	23,081,859	50,539,974	40,908,266	65,385	113,740	103,667
Expansion	747	960	1,066	7,865,490	10,304,904	12,280,679	22,083	26,369	23,372
Other	449	491	452	5,775,816	5,981,368	4,665,541	14,112	18,646	5,086
Total	2,722	4,504	4,619	36,723,165	66,826,246	57,854,486	101,580	158,755	132,125
Rate of Change									
Greenfield investment	-23.9	100.1	1.6	-15.8	119.0	-19.1	-26.3	74.0	-8.9
Expansion	-30.8	28.5	11.0	75.8	31.0	19.2	-43.2	19.4	-11.4
Other	-53.3	9.4	-7.9	46.4	3.6	-22.0	-40.3	32.1	-72.7
Total	-32.7	65.5	2.6	2.5	82.0	-13.4	-32.9	56.3	-16.8
Share in Total									
Greenfield investment	56.1	67.8	67.1	62.9	75.6	70.7	64.4	71.6	78.5
Expansion	27.4	21.3	23.1	21.4	15.4	21.2	21.7	16.6	17.7
Other	16.5	10.9	9.8	15.7	9.0	8.1	13.9	11.7	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: General Directorate of Incentive Applications and Foreign Capital.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.

2.4.1 Investments at Regional Level

In the regions formed by the Under-Secretariat of Treasury of the Turkish Republic on the subject of investment incentive certificates, four groups were taken as the basis by taking into account the socio-economic levels. Of the total fixed investment incentive certificates issued during 2011, with an aggregated value of ₺ 57,854 million, ₺ 27,692 million was granted to Region 1 (with a share of 47.9%) in the first place, which was followed by ₺ 13,266 million granted to Region 3 (with a share of 22.9%), ₺ 8,768 million granted to Region 4 (with a share of 15.2%) and ₺ 8,129 granted to Region 2 (with a share of 14.1%). The highest rate of increase in worth of incentives granted during 2011 relative to the preceding year was achieved in Region 4 at 44.7%, which was followed by Region 1 at 11.5% in the second place. In the meanwhile, a downfall was recorded in values of incentives granted at Region 2 by 63.9% and Region 3 by 1.0%, compared to the preceding term. With the incentive certificates issued, the preamble had been to ensure jobs for 51,659 people at Region 1, 20,947 people at Region 2, 37,374 people at Region 3 and 22,145 people at Region 4 (Please refer to Table 105, Figure 41).

Table 105. Investment Incentive Certificates by Regions

Regions ⁽¹⁾	Number of Certificates		Fixed Investment (000 ₺)					Number of People Employed				
	2010	2011	2010		2011		Rate of Change	2010		2011		Rate of Change
			Value of Investment	Share in Total	Value of Investment	Share in Total		No. of People	Share in Total	No. of People	Share in Total	
1st Region	1,262	1,599	24,830,579	37.2	27,692,040	47.9	11.5	55,506	35.0	51,659	39.1	-6.9
2nd Region	662	691	22,534,416	33.7	8,128,737	14.1	-63.9	30,241	19.0	20,947	15.9	-30.7
3rd Region	1,506	1,460	13,400,751	20.1	13,266,183	22.9	-1.0	43,586	27.5	37,374	28.3	-14.3
4th Region	1,074	869	6,060,500	9.1	8,767,526	15.2	44.7	29,422	18.5	22,145	16.8	-24.7
Total	4,504	4,619	66,826,246	100.0	57,854,486	100.0	-13.4	158,755	100.0	132,125	100.0	-16.8

Source: General Directorate of Incentive Applications and Foreign Capital.

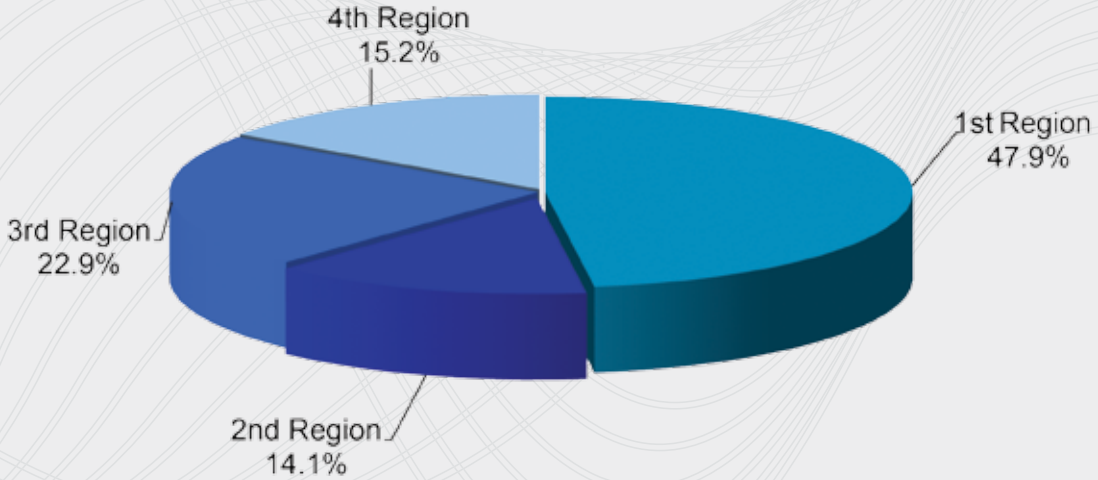
(1): **1st Region:** İstanbul, Tekirdağ, Edirne, Kırklareli, İzmir, Bursa, Eskişehir, Bilecik, Kocaeli, Sakarya, Düzce, Bolu, Yalova, Ankara provinces,

2nd Region: Balıkesir, Çanakkale, Aydın, Denizli, Muğla, Antalya, Isparta, Burdur, Adana, Mersin illerini,

3rd Region: Konya, Karaman, Hatay, Kahramanmaraş, Osmaniye, Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir, Manisa, Afyonkarahisar, Kütahya, Uşak, Kayseri, Sivas, Yozgat, Zonguldak, Karabük, Bartın, Samsun, Tokat, Çorum, Amasya, Gaziantep, Adıyaman, Kilis provinces,

4th Region: Kastamonu, Çankırı, Sinop, Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane, Erzurum, Erzincan, Bayburt, Ağrı, Kars, Ardahan, Iğdır, Van, Muş, Bitlis, Hakkari, Malatya, Elazığ, Bingöl, Tunceli, Şanlıurfa, Diyarbakır, Mardin, Batman, Şırnak, Siirt provinces.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.



Source: General Directorate of Incentive Applications and Foreign Capital.

Figure 41. Regional Distribution of Fixed Capital Investments for the Term 2011

As for the distribution of fixed investment incentive certificates issued during 2011 according to NUTS Level-2, TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova) region ranks the first with ₺ 8,923 million (representing a share of 15.4% in the whole) while the second place is filled by TR10 (İstanbul) region with ₺ 8,633 million (representing a share of 14.9% in the whole), the third place is filled by TR63 (Hatay, K.Maras, Osmaniye) region with ₺ 3,139 million (representing a share of 5.4% in the whole) and the fourth place is filled by TR41 (Bursa, Eskisehir, Bilecik) region with ₺ 2,890 million (representing a share of 5.0% in the whole) in descending order. The regions receiving the least number of investment incentive certificates have been TR22 (Çanakkale province, Bozcaada and Gökçeada districts) region with ₺ 2 million, TRB2 (Van, Muş, Bitlis, Hakkâri) region with ₺ 414 million and TR82 (Kastamonu, Çankırı, Sinop) region with ₺ 421 million. With the investment incentive certificates issued during the year, aim has been to deliver jobs for 9,668 people in TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova) region, 17,723 people in TR10 (İstanbul) region, 6,254 people in TR63 (Hatay, K.Maras, Osmaniye) region and 7,197 people in TR41 (Bursa, Eskisehir, Bilecik) region (Please refer to Table 106).

In 2011 relative to 2010, the highest rate of increase in number of investment incentive certificates issued has been achieved in TRB1 (Malatya, Elazığ, Bingöl, Tunceli) region with 168.1%, while the highest rate of decline was reported in TR62 (Adana, Mersin) region with 84.8%.

Table 106. Distribution of Investment Incentive Certificates according to NUTS Level-2

Code	NUTS-Level-2	Number of Certificates			Fixed Investment (000 ₺)			Number of People Employed		
		2009	2010	2011	2009	2010	2011	2009	2010	2011
TR10	İstanbul	351	382	501	5,761,337	6,835,533	8,632,819	11,318	16,678	17,723
TR21	Tekirdağ, Edirne, Kırklareli	79	113	167	1,323,246	1,717,496	2,568,936	4,504	4,022	4,608
TR31	İzmir	132	181	198	794,695	6,350,893	2,405,154	3,990	5,119	5,828
TR41	Bursa, Eskişehir, Bilecik	167	222	271	4,940,111	2,939,162	2,890,367	9,293	9,810	7,197
TR42	Kocaeli, Sakarya, Düzce, Bolu, Yalova	172	217	279	4,268,857	5,016,014	8,923,427	9,687	12,159	9,668
TR51	Ankara	120	147	183	1,207,961	1,971,481	2,271,338	3,828	7,718	6,635
TR22	Balıkesir, Çanakkale	54	87	78	482,312	1,161,842	1,651,517	1,441	3,296	2,313
TR32	Aydın, Denizli, Muğla	124	179	208	761,659	2,606,848	1,932,704	4,165	12,704	4,974
TR61	Antalya, Isparta, Burdur	138	214	219	1,049,254	2,206,770	2,027,294	6,657	7,946	7,852
TR62	Adana, Mersin	163	182	186	3,644,259	16,558,956	2,517,221	4,762	6,295	5,808
TR33	Manisa, Afyonkarahisar, Kütahya, Uşak	152	267	235	1,434,062	2,764,395	2,049,789	5,338	10,821	7,396
TR52	Konya, Karaman	132	315	285	582,126	1,716,272	1,501,637	3,683	8,197	7,385
TR63	Hatay, Kahramanmaraş, Osmaniye	103	157	180	2,018,014	3,163,969	3,139,030	3,892	4,521	6,254
TR71	Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	57	121	110	274,814	1,478,879	545,132	1,349	4,091	1,864
TR72	Kayseri, Sivas, Yozgat	107	190	187	572,774	1,033,762	1,407,574	2,653	5,208	4,419
TR81	Zonguldak, Karabük, Bartın	29	33	60	185,302	313,757	718,026	750	1,142	1,342
TR83	Samsun, Tokat, Çorum, Amasya	83	166	174	2,943,796	1,393,785	1,550,102	3,713	4,000	3,327
TRC1	Gaziantep, Adıyaman, Kilis	110	257	229	945,394	1,535,931	2,354,892	4,122	5,606	5,387
TR82	Kastamonu, Çankırı, Sinop	33	97	72	205,786	1,145,807	421,272	1,188	5,869	2,775
TR90	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	81	184	179	1,303,444	1,616,834	2,719,293	3,275	4,471	4,735
TRA1	Erzurum, Erzincan, Bayburt	37	83	76	804,525	528,318	652,382	1,899	1,879	1,491
TRA2	Ağrı, Kars, Ardahan, Iğdır	28	48	51	93,349	379,050	423,589	722	1,030	834
TRB1	Malatya, Elazığ, Bingöl, Tunceli	71	201	158	297,033	778,843	2,087,862	3,097	4,675	4,499
TRB2	Van, Muş, Bitlis, Hakkari	58	100	97	289,367	397,320	414,431	1,994	2,550	1,698
TRC2	Şanlıurfa, Diyarbakır	66	212	136	291,181	739,053	1,061,122	1,313	5,082	3,757
TRC3	Mardin, Batman, Şırnak, Siirt	73	146	98	241,811	468,351	985,375	2,880	3,834	2,313
TR22	Çanakkale province Bozcaada, Gökçeada districts	2	3	2	6,699	6,924	2,200	67	32	43
	Turkey	2,722	4,504	4,619	36,723,165	66,826,246	57,854,486	101,580	158,755	132,125
Rate of Change Relative to Preceding Year										
TR10	İstanbul	-53.0	8.8	31.2	-34.3	18.6	26.3	-63.4	47.4	6.3
TR21	Tekirdağ, Edirne, Kırklareli	-41.0	43.0	47.8	24.8	29.8	49.6	8.0	-10.7	14.6
TR31	İzmir	-25.8	37.1	9.4	-40.8	699.2	-62.1	-13.2	28.3	13.9
TR41	Bursa, Eskişehir, Bilecik	-37.7	32.9	22.1	92.6	-40.5	-1.7	-48.4	5.6	-26.6
TR42	Kocaeli, Sakarya, Düzce, Bolu, Yalova	-48.3	26.2	28.6	34.3	17.5	77.9	-31.6	25.5	-20.5
TR51	Ankara	-41.7	22.5	24.5	-12.3	63.2	15.2	-54.0	101.6	-14.0
TR22	Balıkesir, Çanakkale	-41.3	61.1	-10.3	-84.7	140.9	42.1	-64.5	128.7	-29.8
TR32	Aydın, Denizli, Muğla	-17.9	44.4	16.2	-35.7	242.3	-25.9	-55.1	205.0	-60.8
TR61	Antalya, Isparta, Burdur	-27.4	55.1	2.3	-32.2	110.3	-8.1	-26.3	19.4	-1.2
TR62	Adana, Mersin	-11.9	11.7	2.2	179.8	354.4	-84.8	-24.6	32.2	-7.7
TR33	Manisa, Afyonkarahisar, Kütahya, Uşak	-13.1	75.7	-12.0	23.5	92.8	-25.9	-12.6	102.7	-31.7
TR52	Konya, Karaman	-15.4	138.6	-9.5	66.7	194.8	-12.5	21.9	122.6	-9.9
TR63	Hatay, Kahramanmaraş, Osmaniye	-8.0	52.4	14.6	70.2	56.8	-0.8	-7.6	16.2	38.3
TR71	Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	-35.2	112.3	-9.1	-5.1	438.1	-63.1	-38.6	203.3	-54.4
TR72	Kayseri, Sivas, Yozgat	-16.4	77.6	-1.6	54.8	80.5	36.2	-25.7	96.3	-15.1
TR81	Zonguldak, Karabük, Bartın	-38.3	13.8	81.8	-70.5	69.3	128.8	-32.2	52.3	17.5
TR83	Samsun, Tokat, Çorum, Amasya	-24.5	100.0	4.8	588.0	-52.7	11.2	-5.9	7.7	-16.8

Table 106. Distribution of Investment Incentive Certificates according to NUTS Level-2 (Continued)

Code	NUTS-Level-2	Number of Certificates			Fixed Investment (000 ₺)			Number of People Employed		
		2009	2010	2011	2009	2010	2011	2009	2010	2011
TRC1	Gaziantep, Adıyaman, Kilis	-42.4	133.6	-10.9	21.2	62.5	53.3	5.3	36.0	-3.9
TR82	Kastamon, Çankırı, Sinop	-42.1	193.9	-25.8	-84.9	456.8	-63.2	-29.0	394.0	-52.7
TR90	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	-42.6	127.2	-2.7	6.8	24.0	68.2	-15.9	36.5	5.9
TRA1	Erzurum, Erzincan, Bayburt	-21.3	124.3	-8.4	50.6	-34.3	23.5	70.5	-1.1	-20.6
TRA2	Ağrı, Kars, Ardahan, Iğdır	40.0	71.4	6.3	-30.5	306.1	11.8	77.8	42.7	-19.0
TRB1	Malatya, Elazığ, Bingöl, Tunceli	-22.0	183.1	-21.4	-39.3	162.2	168.1	22.5	51.0	-3.8
TRB2	Van, Muş, Bitlis, Hakkari	-19.4	72.4	-3.0	-12.7	37.3	4.3	29.1	27.9	-33.4
TRC2	Şanlıurfa, Diyarbakır	-8.3	221.2	-35.8	-16.5	153.8	43.6	-15.0	287.1	-26.1
TRC3	Mardin, Batman, Şırnak, Siirt	37.7	100.0	-32.9	-67.5	93.7	110.4	71.1	33.1	-39.7
TR22	Çanakkale İli Bozcaada, Gökçeada İlçeleri	-	50.0	-33.3	-	3.4	-68.2	-	-52.2	34.4
	Türkiye	-32.7	65.5	2.6	2.5	82.0	-13.4	-32.9	56.3	-16.8
Share in Turkey										
TR10	İstanbul	12.9	8.5	10.8	15.7	10.2	14.9	11.1	10.5	13.4
TR21	Tekirdağ, Edirne, Kırklareli	2.9	2.5	3.6	3.6	2.6	4.4	4.4	2.5	3.5
TR31	İzmir	4.8	4.0	4.3	2.2	9.5	4.2	3.9	3.2	4.4
TR41	Bursa, Eskişehir, Bilecik	6.1	4.9	5.9	13.5	4.4	5.0	9.1	6.2	5.4
TR42	Kocaeli, Sakarya, Düzce, Bolu, Yalova	6.3	4.8	6.0	11.6	7.5	15.4	9.5	7.7	7.3
TR51	Ankara	4.4	3.3	4.0	3.3	3.0	3.9	3.8	4.9	5.0
TR22	Balıkesir, Çanakkale	2.0	1.9	1.7	1.3	1.7	2.9	1.4	2.1	1.8
TR32	Aydın, Denizli, Muğla	4.6	4.0	4.5	2.1	3.9	3.3	4.1	8.0	3.8
TR61	Antalya, Isparta, Burdur	5.1	4.8	4.7	2.9	3.3	3.5	6.6	5.0	5.9
TR62	Adana, Mersin	6.0	4.0	4.0	9.9	24.8	4.4	4.7	4.0	4.4
TR33	Manisa, Afyonkarahisar, Kütahya, Uşak	5.6	5.9	5.1	3.9	4.1	3.5	5.3	6.8	5.6
TR52	Konya, Karaman	4.8	7.0	6.2	1.6	2.6	2.6	3.6	5.2	5.6
TR63	Hatay, Kahramanmaraş, Osmaniye	3.8	3.5	3.9	5.5	4.7	5.4	3.8	2.8	4.7
TR71	Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	2.1	2.7	2.4	0.7	2.2	0.9	1.3	2.6	1.4
TR72	Kayseri, Sivas, Yozgat	3.9	4.2	4.0	1.6	1.5	2.4	2.6	3.3	3.3
TR81	Zonguldak, Karabük, Bartın	1.1	0.7	1.3	0.5	0.5	1.2	0.7	0.7	1.0
TR83	Samsun, Tokat, Çorum, Amasya	3.0	3.7	3.8	8.0	2.1	2.7	3.7	2.5	2.5
TRC1	Gaziantep, Adıyaman, Kilis	4.0	5.7	5.0	2.6	2.3	4.1	4.1	3.5	4.1
TR82	Kastamon, Çankırı, Sinop	1.2	2.2	1.6	0.6	1.7	0.7	1.2	3.7	2.1
TR90	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	3.0	4.1	3.9	3.5	2.4	4.7	3.2	2.8	3.6
TRA1	Erzurum, Erzincan, Bayburt	1.4	1.8	1.6	2.2	0.8	1.1	1.9	1.2	1.1
TRA2	Ağrı, Kars, Ardahan, Iğdır	1.0	1.1	1.1	0.3	0.6	0.7	0.7	0.6	0.6
TRB1	Malatya, Elazığ, Bingöl, Tunceli	2.6	4.5	3.4	0.8	1.2	3.6	3.0	2.9	3.4
TRB2	Van, Muş, Bitlis, Hakkari	2.1	2.2	2.1	0.8	0.6	0.7	2.0	1.6	1.3
TRC2	Şanlıurfa, Diyarbakır	2.4	4.7	2.9	0.8	1.1	1.8	1.3	3.2	2.8
TRC3	Mardin, Batman, Şırnak, Siirt	2.7	3.2	2.1	0.7	0.7	1.7	2.8	2.4	1.8
TR22	Çanakkale province Bozcaada, Gökçeada districts	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0
	Turkey	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: General Directorate of Incentive Applications and Foreign Capital.

PS: TR22 region definition differs from the NUTS-Level 2 class definition (TR22: Balıkesir, Çanakkale).

2.5 Money and Banks

2.5.1 Money, Banks and Capital Markets

Throughout the period of the global economic crisis which sparked in the financial markets of advanced economies and spread across the entire world economies, central banks initiated the implementation of certain monetary policies aimed at eliminating the consequences of the crisis in 2008. The central banks of developing countries maintained a cautious position in the early days of the crisis. However, with the economic recession at global scale and fast declining global inflation rates, countries the financial markets of which maintained a relatively steady course, and had limited degradation in risk premiums resorted to reduction of interest rates at spectacular levels.

The experiences relayed by the past economic crises our country went through facilitated fast and effective decision-making, during this period. TCMB used a variety of different tools in combination in its implementations of monetary policy in line with its primary goal and duty of assuring a balance in prices and financial stability and introduced and enforced policies aimed at restraining the adverse impacts of the crisis on branches of economic activity, from late 2008. By merger of 2009, it initialised a monetary expansion process and pulled a discount on policy interests, leaving contingency for the risk of inflation's realisation below the target. In addition, it took measures which eliminates the Turkish and foreign currency liquidity constrictions and ensures sound functioning of credit markets.

The monetary policy implementations of 2010 and 2011 were influenced by global imbalances and uncertainties that occurred during the recovery period in the aftermath of the crisis. From 2010 onwards, a recovery period emerged, though following a slow stance, in the global economy. While recovery was slower in advanced economies, it took a faster and more stable stance in developing economies. During this period, exploiting the opportunity put up by the gradual mitigation of the effects of crisis on financial markets, TCMB announced an exit strategy that involved revocation of liquidity measures that were taken in time of the crisis and normalisation of the monetary policy. Within the framework of this exit strategy, the provisional liquidity supports applied during the term of crisis were withdrawn, along with a gradual reduction of liquidity supplied in excess of the market demand, versus an increase in proportions of mandatory provisions.

The TCMB furthered its monetary policy procedures, with the first and foremost objective of ensuring and maintaining price stability within the framework of inflation targeting regime, during 2011. The monetary policy is based upon the year-end inflation rates calculated by rate of change in CPI over a 12-months period, as the target parameter and inflation targets are set out in consultation with the Central Government as punctual targets. At this context, the medium term target inflation rate was preserved at 5.5%.

In the final quarter of 2010, central banks of advanced countries have entered in a monetary expansion process and capital inflows to developing countries were given a boost accordingly, which resulted in the felt need for amending and revising the monetary policy. Our country got affected by these developments as well, and her ability to provide access to an abundant supply of short-term international funding at reasonably low cost led to a fast credit expansion and Turkish Lira's gaining value. The Central Bank developed

a number of policies for mitigating macro financial risks, within the scope of the new strategy it started to implement. In this context, it started to effectively use mandatory provisions, interest rate corridor and other liquidity policies, in addition to one-week repurchase contracts, which prove to be a traditional policy tool. During the period elapsing between that time and August of 2011 when uncertainties reached at unprecedented levels in European economies, while objectives were set to restrict short-term capital flows and prevent over valuation in foreign exchange rates on one hand, focus was laid upon balancing the decomposition in domestic and foreign demand by ensuring growth of domestic credits and demand in a more controlled manner, on the other. In the pace of risk appetite's getting strong and intensification of capital flows in the short-term, the Bank enhanced its monetary policy tools by starting to make efficient use of mandatory provisions and interest rate corridor, in addition to policy interests, with a view to safeguard and sustain financial stability without compromising from price stability. Furthermore, it intended to make use of short-term capital flows as much as possible through regular foreign exchange tenders it proclaimed, in order to scrutinise TCMB reserves.

As from August 2011, the public debt burden issues and deepening concerns for global growth in some European member states increased the tendency of avoiding risk at global scale and caused an acceleration in capital outflows from these countries. During this period, TCMB wielded its policy tools towards an expansionary direction, narrowing the interest rate corridor and brought a number of of arrangements in rates applicable to required reserves in Turkish currency, in an effort to lift down the liquidity demand of the banking system.

By the final quarter of the year, TCMB reverted back to monetary tightening from October onwards, forthwith upon a rise beyond predictions in inflation rates attributable to price adjustments made to price controlled/administered products along with excessive loss observed in value of Turkish currency, connected to a deterioration of global risk appetite. Following expectations of recurring increase by 10.0% in inflationary rates back to figures with two digits during the final quarter of 2011, the Bank announced a monetary policy formulated for implementation during extraordinary periods, bringing about additional monetary tightening measures, effective from 29 December 2011. The Central Bank of Turkey reduced the amount of funding from policy interests whilst ensuring additional monetary tightening by way of open market transactions and commenced with daytime one-week repurchase funding practice employing the conventional tendering method. Determination of interest rates by the market in time of these tendering sessions entailed to an increase in the cost of funding. Effective foreign currency sell transactions and direct interventions were used as supportive measures, in cases of requirement.

In 2011 too, TCMB has been the basic determiner of interest rates created in money and credit markets. The Monetary Policy Committee of TCMB reduced the policy interest rate by 25 basis points to 6.25%, stepping on the idea that recovery would take place in economic activities with the support of the strong growth in domestic demand, despite the stalled progress in external demand, but, the overall conditions of demand would not create pressure on inflation.

The Committee, in an effort to mitigate the risks associated with price stabilisation and financial stability, sustained its implementation of the policy combination that precisely

consisted of policy interest rates kept at low levels, broad interest rate corridor and high reserve requirement rates up until August and kept policy interest rate constant at 6.25% and overnight borrowing interest rate, at 1.50%. However, convening in an extraordinary session on 4 August 2011, the Monetary Policy Committee reduced the policy interest by 50 basis points to 5.75% and increased the overnight borrowing interest rate by 350 basis points to 5.0%. Thus, the difference between lending and borrowing, which was originally raised to 750 basis points in December of 2010, was lowered back to 400 basis points. The Committee also made an arrangement on interest rates with particular consideration of the public debt problem and growing concerns about global growth in certain EU member states. The Committee decided to scant the interest rate corridor by increasing the overnight borrowing interest rate dramatically, with the ultimate objective of reducing the downward volatility as may occur in the short-term interest rates. Besides, it opted for a conservative remission in the policy interest rate, with a view to mitigate the risk of stagnancy in domestic branches of economic activity, mainly driven by ever growing problems associated with global economy.

As of October, TCMB raised overnight lending interest rate by 350 basis points, levering the interest rate corridor upwards. Furthermore, a reduction was caused in the amount of one week funding made at weekly repurchase interest rate, along with an increase in weighing average interested rate of liquidity supplied to the market.

The Monetary Policy Committee indicated that flexibility in the monetary policy would better be preserved, particularly due to the ongoing uncertainties about global economy and added, that the measures taken in this regard would be monitored closely for their impacts on credits, domestic demand and inflationary expectations, leaving policy interest and overnight borrowing interest rates unchanged till the end of the year. Accordingly the policy interest rate and overnight borrowing interest rates were kept constant at levels of 5.75% and 5.0%, respectively (Please refer to Table 107).

Table 107. Interest Rate Decision of the Monetary Policies Council for the Term 2010

Monetary Policy Council Meeting Dates	Decision on Interests	Overnight Borrowing Interest Rate	Policy Interest ⁽¹⁾
20.01.2011	-0.25	1.50	6.25
15.02.2011	Unchanged	1.50	6.25
23.03.2011	Unchanged	1.50	6.25
21.04.2011	Unchanged	1.50	6.25
25.05.2011	Unchanged	1.50	6.25
23.06.2011	Unchanged	1.50	6.25
21.07.2011	Unchanged	1.50	6.25
04.08.2011	-0.50	5.00	5.75
23.08.2011	Unchanged	5.00	5.75
20.09.2011	Unchanged	5.00	5.75
20.10.2011	Unchanged	5.00	5.75
23.11.2011	Unchanged	5.00	5.75
22.12.2011	Unchanged	5.00	5.75

Source: TCMB.

(1): The Central Bank commenced using 1 week repurchase contract interest rate as policy rate, as of 18.05.2010.

Within the framework of monetary policy procedures performed during the year, the money in circulation being a sub account of M1 money supply rose by 11.2% to ₺49,347 million, the current ₺ account rose by 9.4% to ₺65,220 million, and demand deposit in International Currency (IC) rose by 13.3% to ₺33,888 million, compared to the preceding year. Considering that CPI grew by 10.45% during 2011, in real terms, money in circulation dropped by 2.0‰ and ₺ demand deposit by 1.0%, the IC current account rose by 2.6%. Thus, the narrow defined money supply M1 rose by 10.9% to ₺148,455 million, revealing a growth of 4.0‰ in real terms (Please refer to Table 108, Figure 42).

Table 108. Money Supplies

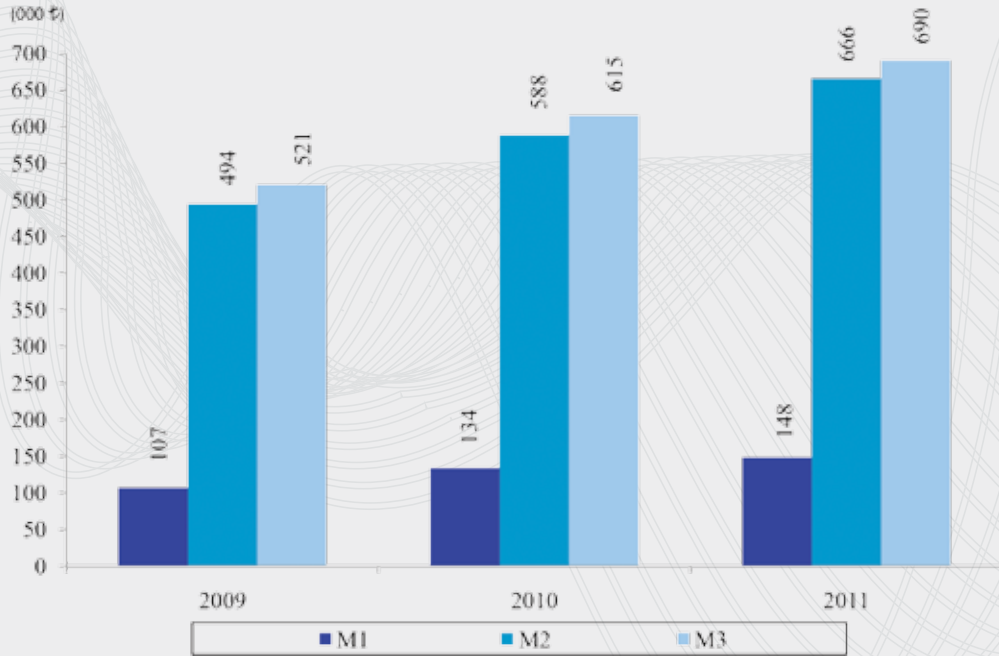
Components ⁽¹⁾	2009	2010	2011	Rate of Change		
				2009	2010	2011
M1	107,051,398	133,884,898	148,455,145	28.4	25.1	10.9
Money in circulation	34,289,353	44,368,280	49,347,189	12.5	29.4	11.2
Demand deposit (₺)	44,737,540	59,611,531	65,220,312	47.1	33.2	9.4
Demand deposit (IC)	28,024,504	29,905,087	33,887,644	24.5	6.7	13.3
M2	494,024,148	587,814,547	665,642,351	13.8	19.0	13.2
Time deposit (₺)	266,610,255	330,176,675	359,639,744	11.8	23.8	8.9
Time deposit (IC)	120,362,496	123,752,974	157,547,462	7.2	2.8	27.3
M3	520,674,414	615,088,260	690,089,286	13.6	18.1	12.2
Repurchase	3,599,806	3,946,153	3,890,683	4.6	9.6	-1.4
Money market funds	23,050,460	23,327,561	20,556,252	11.2	1.2	-11.9

Source: TCMB.

(1): Data valid as of the last Friday of the year.

IC: International currency.

Being a sub account of M2 money supply, the demand deposit in ₺ rose by 8.9% to ₺359,640 million, while the demand deposit in IC rose by 27.3% to ₺157,547 million, in 2011. The M2 money supply, affected by the high rate of increase in IC time deposit, rose by 13.2% to ₺665,642 million. There has been a 2.5% increase in M2 money supply, in real terms. The M3 money supply rose by 12.2% to ₺690,089 million, revealing a growth of 1.6% in real terms.



Source: TCMB.

Figure 42. Money Supplies by Years

The total rate of increase in deposits held at banks in Turkish currency fell at a great extent compared to the preceding year and rose only by 9.7%, reaching a level of ₺417,299 million. IC deposits (Foreign Exchange Deposits Account-FEDA) rose by 24.8%, which is high, to ₺180,689 million, compared to the previous year. Consequently, the total deposit held at deposit banks rose by 13.8% to ₺597,988 million. Speaking in real terms, while deposits denominated in Turkish currency experienced a fall by 7.0%, a rise was observed in foreign exchange deposits accounts by 13.0%. As a result, the real increase in total deposits proved to be 3.0% (Please refer to Table 109, Figure 43).

Table 109. Deposits at Saving Deposits Banks

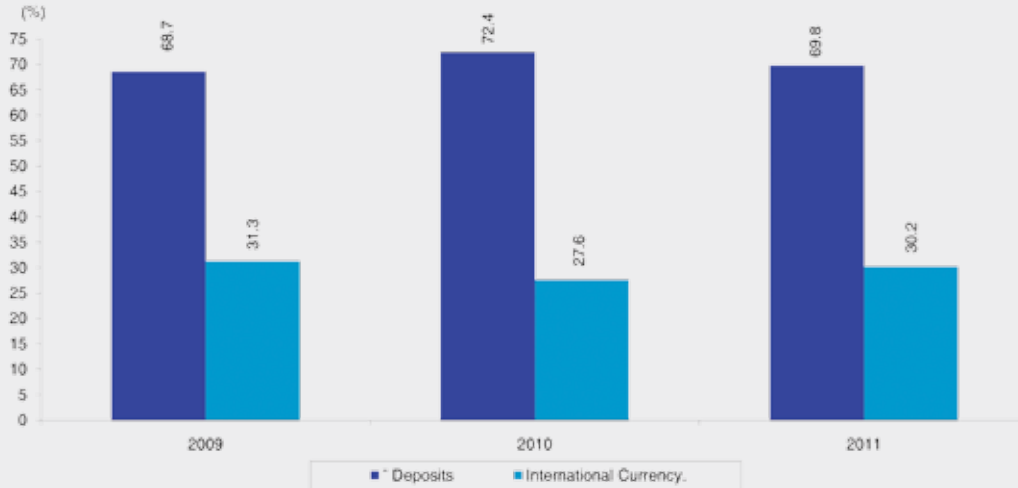
Deposits ^{(1); (2)}	2009	2010	2011	(000 ₺)					
				Share in Total			Rate of Change		
				2009	2010	2011	2009	2010	2011
₺ Deposits	305,200,507	380,516,588	417,299,158	68.7	72.4	69.8	13.5	24.7	9.7
Saving deposits	196,692,553	237,404,486	264,557,567	44.2	45.2	44.2	9.4	20.7	11.4
Maturity	179,902,350	214,228,444	239,403,040	40.5	40.8	40.0	7.5	19.1	11.8
Demand	16,790,203	23,176,042	25,154,527	3.8	4.4	4.2	35.1	38.0	8.5
Commercial deposits	66,245,214	92,031,769	94,105,625	14.9	17.5	15.7	29.4	38.9	2.3
Maturity	49,483,951	69,598,846	68,789,440	11.1	13.2	11.5	24.7	40.6	-1.2
Demand	16,761,263	22,432,923	25,316,185	3.8	4.3	4.2	45.6	33.8	12.9
Public deposit	21,178,199	25,860,002	32,100,775	4.8	4.9	5.4	20.9	22.1	24.1
Maturity	11,418,013	14,268,602	20,768,147	2.6	2.7	3.5	20.7	25.0	45.6
Demand	9,760,186	11,591,400	11,332,628	2.2	2.2	1.9	21.2	18.8	-2.2
Other deposits	21,084,541	25,220,331	26,535,191	4.7	4.8	4.4	3.6	19.6	5.2
Maturity	18,074,346	21,868,963	21,959,558	4.1	4.2	3.7	5.2	21.0	0.4
Demand	3,010,195	3,351,368	4,575,633	0.7	0.6	0.8	-5.0	11.3	36.5
International Currency (FEDA) Deposits	139,333,516	144,790,004	180,688,895	31.3	27.6	30.2	9.0	3.9	24.8
Maturity	112,950,341	116,825,625	149,156,291	25.4	22.2	24.9	6.2	3.4	27.7
Demand	26,383,175	27,964,379	31,532,604	5.9	5.3	5.3	23.0	6.0	12.8
Total Deposits	444,534,023	525,306,592	597,988,053	100.0	100.0	100.0	12.1	18.2	13.8

Source: TCMB.

(1): The total ₺ and international currency deposits held by residents.

(2): Data valid as of the last Friday of the year.

PS: The figures representing international currency deposits in the publication of 2010 vary due to arithmetical error made in time of calculations.



Source: TCMB.

Figure 43. The Rate of Turkish Lira Deposits and Foreign Exchange Deposits in the Deposit Banks

Saving deposits, which have the highest share in total deposits, rose by 11.4% to ₺264,558 million, while the commercial deposits grew by 2.3% to ₺94,106 million, public deposits by 24.1% to ₺32,101 million, and deposits other than the foregoing rose by 5.2% to ₺26,535 million.

In 2011 relative to 2010, the share of deposits ₺ in the deposits held at deposit banks regressed from 72.4% to 69.8%, the share of foreign exchange deposit accounts rose from 27.6% to 30.2%.

The year 2011 has been a period when especially the expansion in consumer loans retained a high level. Continued growth in branches of economic activity along with interest rates' maintaining a low stance and prolonged loan maturities had particular effect on the increase in demand for loans. While TCMB aligned its monetary policy practices toward tightening in order to delimit credit expansion, the Banking Regulation and Supervision Agency (BRSA), by an arrangement it made on 16 June 2011, decided for adaptation of an approach similar to that favouring an increase in the general reserve requirements for consumer loans, with the exception of vehicle and housing loans, and subjecting loan claims arising out of credit card expenditures to risk weighing depending on their remaining maturities, to consumer loans other than housing and vehicle loans.

By the end of 2011, deposit bank loans rose by 33.8% to ₺562,680 million, yielding an increase of 21.1%, in real terms. Commercial and personal loans rose by 34.1%, reaching at ₺526,494 million, and directed loans rose by 28.7% and attained a level of ₺36,186 million. Agricultural loans, included in the category of directed loans rose by 27.0% to ₺21,181 million, small business and craftsmen loans rose by 33.0% to ₺11,662 million, housing loans rose by 3.6% to ₺1,195 million, and directed loans other than these rose by 41.3% to ₺2,149 million (Please refer to Table 110).

Table 110. Bank Loans

Bank Loans ⁽¹⁾⁽²⁾	Bank Loan Amounts (000 ₺)			Rate of Change		
	2009	2010	2011	2009	2010	2011
Deposit bank loans	292,644,243	420,642,948	562,680,360	9.3	43.7	33.8
Commercial and personal loans	272,613,618	392,519,342	526,494,317	8.8	44.0	34.1
Directed loans	20,030,625	28,123,606	36,186,043	16.4	40.4	28.7
Agricultural loans	9,440,971	16,680,463	21,180,906	22.9	76.7	27.0
Small business and crafter loans	8,005,188	8,768,269	11,661,540	15.9	9.5	33.0
Housing loans	1,184,299	1,153,709	1,194,951	-1.0	-2.6	3.6
Other	1,400,167	1,521,165	2,148,646	-1.3	8.6	41.3
Development and investment bank loans	12,834,069	15,122,170	22,157,297	19.6	17.8	46.5
Turkey export loan bank	1,950,478	2,082,147	4,418,656	35.6	6.8	112.2
Other	10,883,591	13,040,023	17,738,641	17.1	19.8	36.0
Net domestic credit volume	305,478,312	435,765,118	584,837,657	9.7	42.7	34.2

Source: TCMB.

(1): Includes domestic credits.

(2): Data valid as of the last Friday of the year.

In 2011, development and investment bank loans rose significantly by 46.5% to ₺ 22,157 million. The Turkish EXIM Bank loans forming part thereof rose by 112.2%, with more than two folds increase, to ₺ 4,419 million, and other development and investment bank loans rose by 36.0% to ₺ 17,739 million in terms of realised figures.

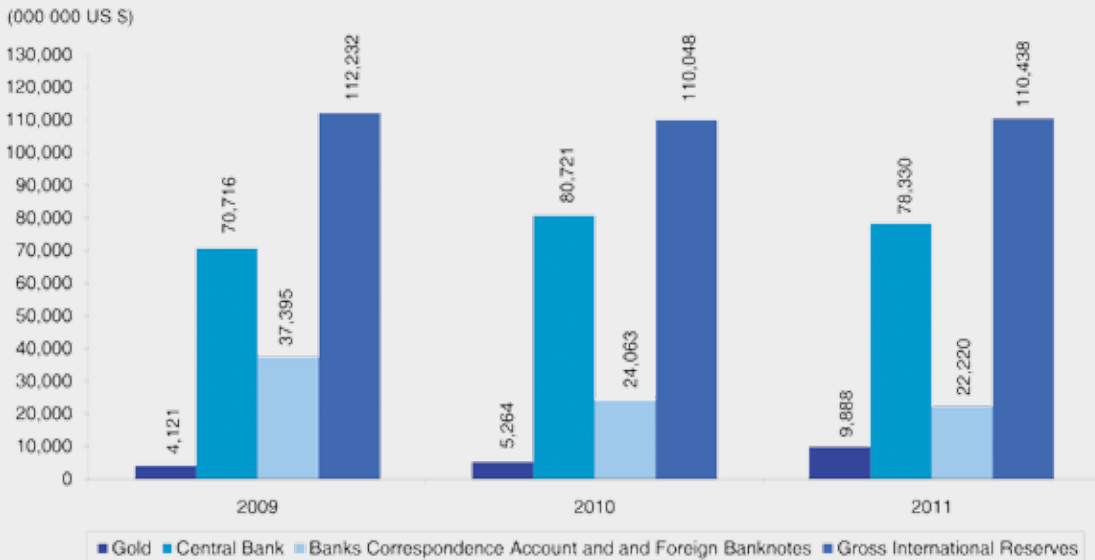
In connection with these developments, the net domestic credit volume grew by 34.2% to ₺ 584,838 million, demonstrating an improvement by 21.5%, in real terms.

While TCMB’s gross foreign exchange reserves fell by 4.0% to US \$ 100,550 million, its gold reserves rose by 87.8% to US \$ 9,888 million, in 2011. In line with these changes, the gross international reserves rose up by 4.0% to US \$ 110,438 million (Please see Table 111, Figure 44).

Table 111. International Reserves

Years	Gold	Gross Forex Reserves			Gross International Reserves	Bank Correspondence Account Deficits	Net International Reserves
		Central Bank	Banks	Total			
		Correspondence Account and Foreign Banknotes					
2009	4,121	70,716	37,395	108,111	112,232	1	112,231
2010	5,264	80,721	24,063	104,784	110,048	1	110,047
2011	9,888	78,330	22,220	100,550	110,438	1	110,437

Source: TCMB.



Source: TCMB.

Figure 44. International Reserves

The ratio of imports covered by TCMB foreign exchange reserves was realized at the level of 4.2 months in 2008, 6.0 months in 2009 and 5.2 months in 2010. Together with the revival of economic activities and consumer demand import volumes were boosted during 2011. This increase in imports caused a regression in the average monthly ratio of imports covered by existing foreign exchange declined of 3.9 months, compared to the past year (See Table 112).

Table 112. Central Bank Reserves and Import Coverage Ratio

Years	Central Bank Forex Reserves	Imports	Monthly Average Imports	(000 000 \$)
				Rate of Foreign Exchange Reserves Covering Average Monthly Imports
2009	70,716	140,928	11,744	6.0
2010	80,721	185,544	15,462	5.2
2011	78,330	240,834	20,070	3.9

Source: TCMB, TURKSTAT.

In 2010, the 45 banks operating in the Turkish banking sector dropped to 44, by 3.1%. In the banking sector, where savings deposit banking practices are dominant, a total of 44 banks pursued operations, comprised of 31 savings deposit and 13 development and investment banks. Of the deposit banks, 3 are composed of banks in the public sector (6.8%), 11 are in the private sector (25.0%), 16 are foreign (36.4%) and 1 bank (2.3%) is within the scope of the Savings Deposit Insurance Fund (SDIF). Of the development and investment banks, 3 are composed of banks in the public sector (6.8%), 6 are in the private sector (13.6%) and 6 banks are foreign capital banks (9.1%). Of the total banks, 70.5% are composed of deposit banks and 29.5% are composed of development and investment banks (See Table 113).

The total number of branch representations in the banking sector rose by 3.9% to 9,792, in 2011. The number of branches held by state owned savings deposit banks increased by 6.0% to 2,909, along with a rise in number of branches held by privately owned savings deposit banks by 7.9% to 4,944, while the number of branches held by foreign capital savings deposit banks fell by 7.5% to 1,938. The number of banks covered by SDIF remained unchanged. While not any change was observed in the number of branches held by state owned development and investment banks, the number of branches held by privately owned development and investment banks rose by 6.7%, and that of foreign capital development and investment banks fell by 20.0%.

The number of staff employed by banks showed a rise in 2011, though at a limited level. The total number of people working within the banking system, which was 178,504 in 2010, rose by only 1.6% to 181,443, in 2011. The number of workers rose by 6.4% in public capital savings deposit banks, by 6.5% in private capital savings deposit banks, by 11.8% in foreign capital savings deposit banks and 3.6% in fund administered banks. The number of workers in public capital development and investment banks and foreign capital development and investment banks fell by 10.4% and 43.3%, respectively, along with a rise by 5.2% in number of workers employed by private capital development and investment banks.

Table 113. Information on Bank, Branch and Working Staff in the Turkish Banking System

Banks ⁽¹⁾	Number of Banks			Number of Branches			Number of Staff		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Deposit Banks	32	32	31	8,983	9,423	9,792	167,063	173,134	176,600
State Owned Banks	3	3	3	2,530	2,744	2,909	44,856	47,235	50,239
Privately Owned Banks	11	11	11	4,390	4,582	4,944	82,270	83,633	89,049
Banks Transferred to the SDIF	1	1	1	1	1	1	261	252	243
Foreign Banks	17	17	16	2,062	2,096	1,938	39,676	42,014	37,069
Development and Investment Banks	13	13	13	44	42	42	5,339	5,370	4,843
State Owned Banks	3	3	3	22	22	22	4,165	4,043	3,621
Privately Owned Banks	6	6	6	15	15	16	842	969	1,019
Foreign Banks	4	4	4	7	5	4	332	358	203
Total	45	45	44	9,027	9,465	9,834	172,402	178,504	181,443
Banks	Shares in Total								
	Number of Banks			Number of Branches			Number of Staff		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Deposit Banks	71.1	71.1	70.5	99.5	99.6	99.6	96.9	97.0	97.3
State Owned Banks	6.7	6.7	6.8	28.0	29.0	29.6	26.0	26.5	27.7
Privately Owned Banks	24.4	24.4	25.0	48.6	48.4	50.3	47.7	46.9	49.1
Banks Transferred to the SDIF	2.2	2.2	2.3	0.0	0.0	0.0	0.2	0.1	0.1
Foreign Banks	37.8	37.8	36.4	22.8	22.1	19.7	23.0	23.5	20.4
Development and Investment Banks	28.9	28.9	29.5	0.5	0.4	0.4	3.1	3.0	2.7
State Owned Banks	6.7	6.7	6.8	0.2	0.2	0.2	2.4	2.3	2.0
Privately Owned Banks	13.3	13.3	13.6	0.2	0.2	0.2	0.5	0.5	0.6
Foreign Banks	8.9	8.9	9.1	0.1	0.1	0.0	0.2	0.2	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Banks	Rates of Change								
	Number of Banks			Number of Branches			Number of Staff		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Deposit Banks	0.0	0.0	-3.1	2.8	4.9	3.9	0.4	3.6	2.0
State Owned Banks	0.0	0.0	0.0	4.7	8.5	6.0	3.5	5.3	6.4
Privately Owned Banks	0.0	0.0	0.0	2.3	4.4	7.9	0.1	1.7	6.5
Banks Transferred to the SDIF	0.0	0.0	0.0	0.0	0.0	0.0	-2.2	-3.4	-3.6
Foreign Banks	0.0	0.0	-5.9	1.4	1.6	-7.5	-2.2	5.9	-11.8
Development and Investment Banks	0.0	0.0	0.0	-10.2	-4.5	0.0	1.3	0.6	-9.8
State Owned Banks	0.0	0.0	0.0	-4.3	0.0	0.0	0.5	-2.9	-10.4
Privately Owned Banks	0.0	0.0	0.0	25.0	0.0	6.7	6.0	15.1	5.2
Foreign Banks	0.0	0.0	0.0	-50.0	-28.6	-20.0	-0.3	7.8	-43.3
Total	0.0	0.0	-2.2	2.7	4.9	3.9	0.5	3.5	1.6

Source: Banks Association of Turkey.

(1): As figures are revised by the relevant institutions, data may differ from previous year's published data.

Capital Market

In 2011, the total value of security issues decreased by 5.9% compared to 2010, from ₺ 205,471 million to ₺ 193,451 million. Of the stocks issued, a part amounting to ₺ 102,372 million (with 52.9% share in the whole) consisted of public sector issues, and the remaining part, amounting to ₺ 91,079 million (with 47.1% in the whole) comprised of private sector issues (Please refer to Table 114, Figure 45).

Table 114. Marketable Security Issue Permits

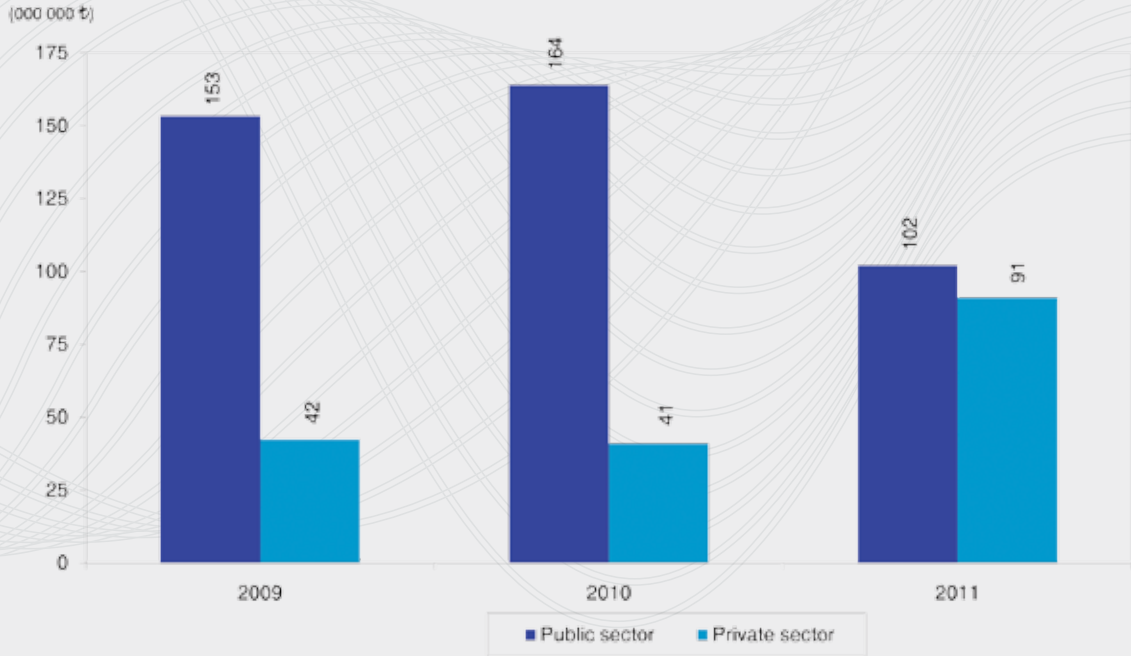
(000 000 ₺)

Components	Value			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Public sector	153,343	164,420	102,372	78.4	80.0	52.9	35.0	7.2	-37.7
State bond	134,010	146,877	101,647	68.5	71.5	52.5	41.2	9.6	-30.8
Treasury bills	19,332	17,543	725	9.9	8.5	0.4	3.9	-9.3	-95.9
Privatisation bond	0	0	0	0.0	0.0	0.0			
Private sector	42,349	41,051	91,079	21.6	20.0	47.1	54.8	-3.1	121.9
Shares	4,453	11,410	7,941	2.3	5.6	4.1	-61.9	156.2	-30.4
Corporate bonds	140	2,533	5,123	0.1	1.2	2.6	-29.8	1704.1	102.2
Commercial papers	50	105	0	0.0	0.1	0.0	0.0	110.0	-100.0
Asset backed securities	0	0	192	0.0	0.0	0.1			
Bank bills and bank guaranteed bills	100	1,100	1,861	0.1	0.5	1.0	-	1000.0	69.2
SIF participation certificates	23,205	10,753	34,766	11.9	5.2	18.0	879.1	-53.7	223.3
Pension scheme IF participation certificate	14,400	15,150	39,850	7.4	7.4	20.6	13.9	5.2	163.0
International investment fund participation certificates	0	0	283	0.0	0.0	0.1			
Asset guaranteed securities	0	0	422	0.0	0.0	0.2			
Lease certificates	0	0	641	0.0	0.0	0.3			
Total	195,692	205,471	193,451	100.0	100.0	100.0	38.9	5.0	-5.9

Source: Capital Market Board.

PS: Rates of change may vary due to arithmetical round-ups.

The public sector state bond issues rising by 9.6% during 2010, fell by 30.8% in 2011. The treasury bill issues fell notably, at a record-breaking level. After showing a decline at 9.3% in 2010, the treasury bill issues receded by 95.9% during 2011, contracting in worth, from ₺ 17 million to ₺ 0,7 million. No privatisation bonds were issued during 2011, similar to the case in 2009 and 2010. In line with these developments, the total of public sector security issues fell by 37.7%, reverting back to ₺ 102,372 million. A ₺ 101,647 million portion (representing 99,3%) was comprised up of state bonds and the remaining ₺ 725 million portion, (representing 7.0%) consisted of treasury bill issues.



Source: Capital Market Board..

Figure 45. Permits for Issuing Public and Private Sector Securities by Years

In the private sector stock issues, which showed a decline at 3.1% in 2010, a rise as high as 121.9% was observed, during 2011. The private sector stock issues, which tolled ₺ 41,051 million in 2010 rose to ₺ 91,079 million, in 2011. This improvement was basically affected by the increase in number of security investment fund participation certificates and pension fund participation certificates issued. During 2011, the private sector stock issues included a ₺ 7,941 million portion consisted of shares (by 8.2%), a ₺ 5,123 million portion consisted of bonds (by 5.6%), a ₺ 192 million portion comprised of asset backed securities (by 2.0%), a ₺ 1,861 million portion formed up of Bank Bills and Bank Guaranteed Bills (by 2.0%), a ₺ 34,766 million portion consisted of security investment fund participation certificates (by 38.2%), a ₺ 39,850 million portion consisted of pension fund participation certificates (by 43.8%), a ₺ 283 million part comprised of International Investment Fund Participation Certificates, a ₺ 422 million portion consisted of asset guaranteed securities and a ₺ 641 million portion comprised of stock lease certificates. No commercial papers were issued during 2011.

The private sector security issues were mostly realised during June in an amount of ₺ 33,280 million, which was followed by stock issued in aggregate amount of ₺ 23,477 million during August and of ₺ 6,046 million during October, 2011. The months during which share issues hit their peak have been November, May, January and April, while the months during which mutual fund participation certificate issues reached the climax were August, October, February and June and those in which pension fund participation certificate issues got densest were June, December, August and November (Please refer to Table 115).

Table 115. Private Sector Marketable Security Issue Permits

Years	Months	Shares	Corporate Bonds	Commercial Papers	Asset Backed Securities	Bank Bills and Bank Guaranteed Bills	SIF Participation Certificates	Pension Fund Participation Certificates	International Participation Certificates	Asset Guaranteed Securities	Stock Lease Certificates	Grand Total	Rate of Change Relative to Preceding Month	Rate of Change Relative to Corresponding Month of the Preceding Year
2009	I	135,885	-	-	-	330,000	-	-	-	-	-	465,885	81.0	-71.4
	II	61,179	-	-	-	600,000	-	-	-	-	-	661,179	-92.0	-
	III	303,983	-	-	-	100	-	-	-	-	-	304,083	-54.0	-34.6
	IV	569,389	-	-	-	40,000	50,000	-	-	-	-	659,389	116.8	-80.7
	V	170,617	70,000	50,000	-	8,720,000	-	100,000	-	-	-	9,010,617	1,266.5	20.2
	VI	0	-	-	-	1,500,000	-	-	-	-	-	1,600,000	-82.2	146.1
	VII	439,393	-	-	-	4,000,000	-	-	-	-	-	4,439,393	177.5	79.9
	VIII	43,602	-	-	-	2,700,000	-	-	-	-	-	2,743,602	-38.2	377.4
	IX	688,479	50,400	-	35,000	890,000	-	-	-	-	-	1,663,879	-39.4	280.0
	X	93,223	20,000	-	-	450,000	-	-	-	-	-	563,223	-66.2	-55.9
	XI	441,929	-	-	-	3,930,000	-	14,150,000	-	-	-	18,521,929	3,188.6	3985.5
	XII	1,505,408	-	-	65,000	45,000	-	100,000	-	-	-	1,715,408	-90.7	566.5
Total	4,453,087	140,400	50,000	-	100,000	23,205,100	14,400,000	-	-	-	42,348,587	-	-	
2010	I	1,102,300	30,000	80,000	-	0	130,000	200,000	-	-	-	1,542,300	-10.1	231.0
	II	98,863	100,000	-	-	100,000	100,000	0	-	-	-	398,863	-74.1	-39.7
	III	503,824	0	0	-	0	280,000	0	-	-	-	783,824	96.5	157.8
	IV	1,249,776	80,000	0	-	400,000	200,000	0	-	-	-	1,929,776	146.2	192.7
	V	1,429,380	100,000	25,000	-	0	35,000	0	-	-	-	1,589,380	-17.6	-82.4
	VI	498,624	0	0	-	0	963,000	100,000	-	-	-	1,561,624	-1.7	-2.4
	VII	211,294	1,870,800	0	-	0	50,000	1,700,000	-	-	-	3,832,094	145.4	-13.7
	VIII	157,159	20,000	0	-	0	3,020,000	0	-	-	-	3,197,159	-16.6	16.5
	IX	99,678	0	0	-	300,000	2,500,000	0	-	-	-	2,899,678	-9.3	74.3
	X	1,350,310	0	0	-	100,000	1,150,000	10,400,000	-	-	-	13,000,310	348.3	2208.2
	XI	1,839,709	281,540	0	-	100,000	2,200,000	2,000,000	-	-	-	6,421,249	-50.6	-65.3
	XII	2,868,697	50,500	0	-	100,000	125,000	750,000	-	-	-	3,894,197	-39.4	127.0
Total	11,409,613	2,532,840	105,000	-	1,100,000	10,753,000	15,150,000	-	-	-	41,050,453	-	-	
2011	I	713,573	755,400	0	0	100,000	330,000	1,000,000	0	0	0	2,898,973	-25.6	88.0
	II	216,535	0	0	0	0	3,300,000	0	0	0	0	3,516,535	21.3	781.6
	III	6,024	769,700	0	0	0	280,000	0	0	0	0	1,055,724	-70.0	34.7
	IV	712,543	1,234,720	0	0	0	723,850	0	0	0	0	2,671,113	153.0	38.4
	V	1,817,580	794,698	0	0	250,000	130,000	0	0	0	0	2,992,278	12.0	88.3
	VI	180,072	0	0	0	100,000	3,000,000	30,000,000	0	0	0	33,280,072	1,012.2	2031.1
	VII	418,972	100,000	0	0	479,632	410,000	0	0	0	0	1,408,604	-95.8	-63.2
	VIII	601,077	500	0	0	270,368	19,605,000	3,000,000	0	237,118	0	23,476,945	1,566.7	634.3
	IX	192,592	0	0	0	200,000	747,000	0	0	0	0	1,139,592	-95.1	-60.7
	X	603,950	60,000	0	191,807	190,055	5,000,000	0	0	0	641,095	6,045,812	430.5	-53.5
	XI	2,476,257	1,081,543	0	0	35,000	0	2,050,000	283,213	184,485	0	5,926,013	-2.0	-7.7
	XII	2,300	326,190	0	0	235,718	1,240,000	3,800,000	0	0	0	5,604,208	-5.4	43.9
Total	7,941,475	5,122,751	0	191,807	1,860,773	34,765,850	39,850,000	283,213	421,603	641,095	91,078,566	-	-	

Source: Capital Market Board.

The securities secondary market trading volume rose by 21.1% in 2010 and by 22.5%, reaching a level of ₺ 1,549,118 million in 2011. This rise was mostly attributable to the increase in the public sector state bonds (Please refer to Table 116).

Table 116. Trading Volume in Secondary Markets

Public/Private Sector	(000 ₺)								
	Value			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Public sector	562,784,715	629,293,129	853,788,631	53.9	49.7	55.1	19.2	11.8	35.7
State bond	536,355,398	594,083,796	848,925,814	51.4	47.0	54.8	20.0	10.8	42.9
Treasury Bills	26,429,317	35,209,333	4,862,817	2.5	2.8	0.3	5.3	33.2	-86.2
Private sector	481,632,979	635,663,045	695,329,510	46.1	50.3	44.9	44.8	32.0	9.4
Shares	481,632,979	635,663,045	695,329,510	46.1	50.3	44.9	44.8	32.0	9.4
Total	1,044,417,695	1,264,956,175	1,549,118,140	100.0	100.0	100.0	29.8	21.1	22.5

Source: Capital Market Board.

PS: Total sums may vary due to arithmetical round-ups.

The proceeds of secondary sales of public sector securities rose by 35.7% to ₺ 853,789 million, along with a rise in that of private sector instruments by 9.4% to ₺ 695,330 million.

The share of the public sector securities within the total secondary market transactions rose from 49.7% to 55.1% in 2011 compared to 2010, whereas the share of the private sector securities dropped from 50.3% to 44.9%.

2.5.2 Public Finances

While, in 2010 recovery was recorded in global economy, growing concerns about sustainability of public debts in the Euro area especially had an adverse effect on global economic activities, in 2011. Despite the policy measures taken, the high rates of public debts and budget deficits combined with poor system of banking and finances and low growth performance continued to be a major element of risk, particularly in advanced economies. The ever rising budget deficits caused an escalation in public debt stock.

During the period, the public financial balances of developing countries displayed a healthier picture. The developing countries managed to cover their budget deficits dramatically, thanks to financial tightening policies they introduced and implemented following the crisis, despite the great magnitude of budget deficits brought about by the crisis. In the case of Turkey, the country's financial policy was implemented strictly in line with its financial discipline within the framework of the Medium Term Programme (MTP), which yielded a positive performance in public finance balances in 2011.

The growing trend continued throughout 2011, in the general state revenues. Following a rise by 18.4% in 2010, the general state revenues further rose by 19.3% and reached at ₺ 466,245 million in 2011 (Please refer to Table 117).

Table 117. General State Revenues

(Current Prices, 000 000 ₺)

Revenues	2009	2010	2011 ⁽¹⁾	Rate of Change			Share in Total Revenues			Ratio to GDP		
				2009	2010	2011	2009	2010	2011	2009	2010	2011
Taxes	176,136	216,109	256,137	2.0	22.7	18.5	53.4	55.3	54.9	18.5	19.7	19.8
Direct	57,294	61,621	74,575	2.9	7.6	21.0	17.4	15.8	16.0	6.0	5.6	5.8
Indirect	112,789	147,096	173,268	1.1	30.4	17.8	34.2	37.6	37.2	11.8	13.4	13.4
Over wealth	6,053	7,392	8,294	12.1	22.1	12.2	1.8	1.9	1.8	0.6	0.7	0.6
Non tax revenues	19,195	20,420	24,597	10.6	6.4	20.5	5.8	5.2	5.3	2.0	1.9	1.9
Factor income	59,414	60,749	63,539	11.3	2.2	4.6	18.0	15.5	13.6	6.2	5.5	4.9
Social funds	70,823	89,514	117,716	15.2	26.4	31.5	21.5	22.9	25.2	7.4	8.1	9.1
Total	325,568	386,792	461,989	6.8	18.8	19.4	98.7	99.0	99.1	34.2	35.2	35.7
Privatization proceeds	4,370	3,924	4,256	-46.6	-10.2	8.5	1.3	1.0	0.9	0.5	0.4	0.3
Total income	329,938	390,716	466,245	5.4	18.4	19.3	100.0	100.0	100.0	34.6	35.6	36.0

Source: Ministry of Development, TURKSTAT.

(1): It is the estimate of realization.

PS: As income component figures are revised by the relevant institutions, data may differ from those published in the previous report.

Tax revenues, which form more than half of the general state revenues, rose by 18.5% in 2011, reaching a sum of ₺ 256,137 million. Non tax revenues also showed a growing trend, rising by 20.5% to ₺ 24,597 million, along with an increase observed in factor income by 4.6% towards ₺ 63,539 million, and in social funds by 31.5% towards ₺ 117,716 million, during 2011.

The individual shares of income components in the general state revenues dropped from 55.3% to 54.9% in the taxes component, from 15.5% to 13.6% in factor income and from 1.0% to 0.9% in privatisation proceeds, whereas the non tax revenues rose from 5.2% to 5.3% and social funds, from 22.9% to 25.2%, in 2011, compared to 2010.

The proportion of general state revenues to GDP rose by 0.4 points to 36.0% during 2011, with reference to the preceding year. The share of tax revenues rose by 0.1 points to 19.8%, along with a rise by 1.0 points in the share of social funds to 9.1%, whereas, the share of non tax revenues remained unchanged at 1.9% and the share of factor income dropped by 0.6 points to 4.9%, together with a decline in privatisation proceeds of 0.1 points to 3.0%.

Following a rise by 10.7% in 2010, the general state revenues further rose by 13.2% and reached at ₺ 478,643 million in 2011. Consequently, the current expenditures rose by 15.6% to ₺ 217,092 million. Following a rise by 19.5% in 2010, the general public fixed capital investments further rose by 23.0% and reached at ₺ 46,457 million in 2011. Public stocks contracted to ₺ 177 million, during 2001. Following a rise by 19.1% in 2010, the general state investment costs rose by 24.0% and reached at ₺ 46,634 million in 2011. The general government transfer payments, which had risen by 8.7% during 2010, rose at

a very close rate by 8.8% in 2011, and reached at ₺214,917 million. The current transfers, which formed a large part of transfer payments, rose by 12.6% to ₺208,273 million, in 2011. After showing an increasing trend measured at 31.8% in 2010, the capital transfers dropped by 47.4% to ₺6,644 million, during 2011 (Please refer to Table 118).

Table 118. General State Expenditures

Revenues	2009	2010	2011 ⁽¹⁾	(Current Prices, 000 000 ₺)								
				Rate of Change			Share in Total Revenues			Ratio to GDP		
				2009	2010	2011	2009	2010	2011	2009	2010	2011
Current expenditures	168,771	187,776	217,092	13.2	11.3	15.6	44.2	44.4	45.4	17.7	17.1	16.8
Investment outlays	31,574	37,606	46,634	-2.4	19.1	24.0	8.3	8.9	9.7	3.3	3.4	3.6
Fixed capital	31,611	37,773	46,457	-1.1	19.5	23.0	8.3	8.9	9.7	3.3	3.4	3.6
Change in stock	-37	-167	177	-109.2	351.4	-206.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer payments	181,794	197,608	214,917	23.5	8.7	8.8	47.6	46.7	44.9	19.1	18.0	16.6
Current transfers	172,212	184,974	208,273	22.5	7.4	12.6	45.1	43.7	43.5	18.1	16.8	16.1
Capital transfers	9,582	12,633	6,644	45.0	31.8	-47.4	2.5	3.0	1.4	1.0	1.1	0.5
Primary expenditures	327,551	373,269	434,392	18.2	14.0	16.4	85.7	88.2	90.8	34.4	34.0	33.5
Total expenditure	382,139	422,990	478,643	-36.9	10.7	13.2	100.0	100.0	100.0	40.1	38.5	37.0

Source: Ministry of Development, TURKSTAT.

(1): It is the estimate of realisation.

PS: Rates may differ due to round-ups.

The current expenditures, which had a share of 44.4% in general state revenues during 2010, rose to 45.4%, while the share of investment outlays rose to 9.7% from 8.9% and that of transfer payments receded from 46.7% to 44.9%, in 2011.

The proportion of general state expenditures to GDP fell by 1.5 points to 37.0% during 2011, with reference to the preceding year. The proportion of current expenditures also fell by 0.3 points to 16.8%, along with a fall in that of transfer payments by 1.4 points to 16.6%, while the proportion of investment outlays improved by 0.2 points to 3.6%.

2.5.2.1 Central Government Budget

The central government budget displayed a fairly good performance attributable, for the most part, to the fiscal tightening introduced and implemented, despite the adverse events occurring in global economy, during 2011. In addition, extra income was obtained through an arrangement concerning restructuring of certain public claims and the public sector borrowing requirement, reduced. With the aspiration of powerful recovery in the economy, there had been a significant rise especially in taxes applicable over imports, which had great contributions to the budgetary balance.

In 2011, targets were set towards achieving a central government budget expenditure of ₺312,573 million, versus a revenue of ₺279,027 million. Thereby, it was predicted that the budgetary balance would fall short by ₺33,546 million and the non interest surplus amount to ₺13,954 million.

However, the central government budget recovered at a level beyond expectations with the sustained rapid growth performance in economy, during 2011. The extra tax income

obtained through increases observed in applicable rates of indirect taxes led, particularly, by taxes applicable to import transactions and the statutory arrangement made for the restructuring of certain public claims largely depending upon the vigorous domestic demand had been the cause of this recovery in the budget. Besides, the dropping trend in interest expenses in connection with the recession in domestic borrowing interests had positive influence on the budget balance.

The fiscal discipline, which arose from restrictions on procurements of goods and services dominantly on expenditure items, was continued. As an outcome of these developments, the central government budget revenues rose by 16.4% to ₺ 295,862 million, and budget expenses grew by 6.4%, reaching at ₺ 313,302 million, by the end of 2011. The non interest surplus of the central government budget rose from ₺ 8,217 million to ₺ 24,773 million, and the total budget deficit reverted from ₺ 40,081 million to ₺ 17,439 million, by a net drop of 56.5%. The ratio of budget revenues covering expenditures which was 86.4% in 2010, rose to 94.4% in 2011 (Also see Table 119).

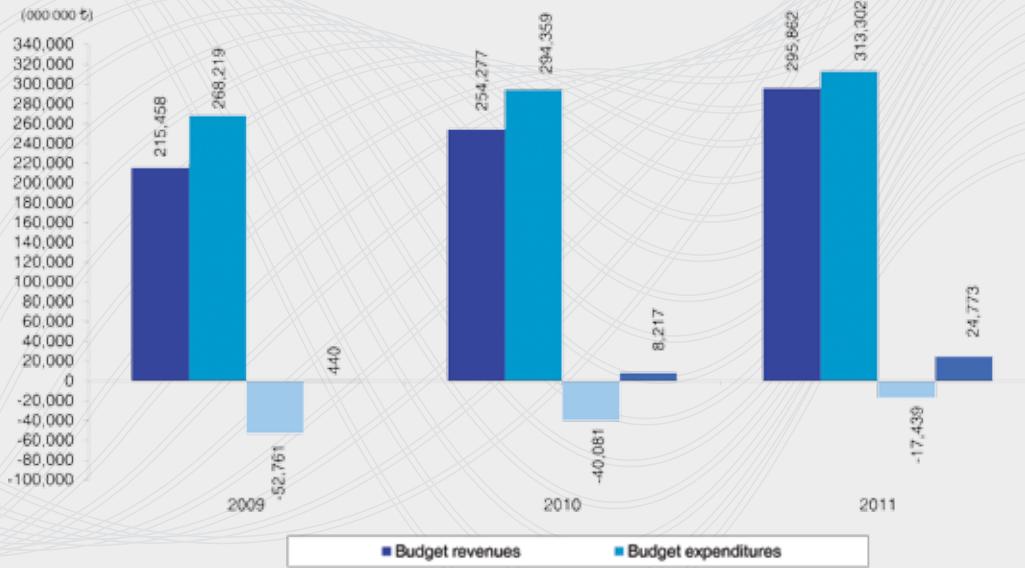
Table 119. Realization of Central Government Budgets

Components	2009	2010	2011	(Current Prices, 000 000 ₺)					
				Rate of Change			Ratio to GDP		
				2009	2010	2011	2009	2010	2011
Budget expenditures	268,219	294,359	313,302	18.1	9.7	6.4	28.2	26.8	24.2
Expenditures excluding interests	215,018	246,060	271,090	21.9	14.4	10.2	22.6	22.4	20.9
Interest expenditures	53,201	48,299	42,212	5.0	-9.2	-12.6	5.6	4.4	3.3
Budget revenues	215,458	254,277	295,862	2.8	18.0	16.4	22.6	23.1	22.8
Budget balance	-52,761	-40,081	-17,439	202.7	-24.0	-56.5	-5.5	-3.6	-1.3
Primary balance	440	8,217	24,773	-98.7	1767.4	201.5	0.0	0.7	1.9

Source: Ministry of Finance, TURKSTAT.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.

Expenditures were realised at ₺ 729 million and revenues at ₺ 16,835 million beyond the targets. The central government budget deficit was realized at ₺ 16,107 million below the targeted value and the non interest balance was realized at ₺ 10,819 million above the target (See Figure 46).



Source: Ministry of Finance.

Figure 46. Central Government Budget Realizations

In 2011, the ratio of the central government budget revenues to the GDP regressed from 23.1% to 22.8% and the ratio of the central government budget expenditures to the GDP, from 26.8% to 24.2%. The ratio of the central government budget deficit to the GDP regressed from 3.6% to 1.3%, whereas, the ratio of the non interest central government budget surplus to the GDP realised as 1.9%.

Revenues

The tax revenues increasing in line with growth performance in the economy going beyond expectations and the extra income obtained within the scope of an arrangement made concerning the “Restructuring of Public Claims” had a major role to play in the overall rise of the central government budget revenues, in 2011.

The Law No. 6111 of 13 February 2011 concerning the Restructuring of Certain Public Claims and Amendments in the Social Securities and General Health Insurance Law and Some Other Laws and Decree Laws facilitated payments of public claims through restructuring, in fixed arrears, offering a variety of simplicities for convenience of the debtors. On this trail, the central government obtained a total of ₺ 13,301 million extra income, as at the end of 2011.

By the year-end, the central government budget revenues rose by 16.4% to ₺ 295,862 million, outperforming by ₺ 16,835 million, in excess of the anticipated target (Please refer to Table 120).

Tax revenues, which had the major share in central government budget revenues rose by 20.5% to ₺ 253,765 million, during 2011. Consequently, the tax revenues were realised at ₺ 21,545 million above the targeted level. The share of tax revenues in central government budget revenues, which was 82.8% in 2010, rose to 85.8%, in 2011.

While direct taxes, precisely consisting of the total of taxes applicable to income and commercial gains and to property ownership had their shares in tax revenues risen by 23.3%, reaching at ₺ 82,056 million, indirect taxes, formed up of taxes collected on goods

and services locally produced and taxes collected on international commerce and transactions improved their share by 19.5% and attained a level of ₺ 156,830 million.

Non tax revenues receded by 8.1% to ₺ 32,612 million, in 2011. Of the non tax revenues, enterprise and ownership revenues dropped by 7.6% to ₺ 9,054 million, interests, shares and fines by 7.7% to ₺ 19,492 million and capital gains by 27.3% to ₺ 2,454 million, while donations and charities and special revenues rose by 32.2% to ₺ 1,276 million and debt recovery returns, by 44.6% to ₺ 335 million.

In 2011, the revenues generated by special budget administrations rose by 16.7% to ₺ 7,390 million, while revenues generated by regulatory and supervisory bodies rose by 10.7% to ₺ 2,095 million.

The total tax burden, defined as the proportion of all tax revenues to GDP was realised as 19.6% in 2011, compared to its level of 19.2% in 2010 (Please refer to Table 121, Figure 47).

Table 120. Central Government Budget Revenues

Central Government Budget Revenue Components	2009	2010	2011	Rate of Change			Share in Total		
				2009	2010	2011	2009	2010	2011
A- General budget revenues	208,610	246,051	286,377	2.8	17.9	16.4	96.8	96.8	96.8
1- Tax revenues	172,440	210,560	253,765	2.6	22.1	20.5	80.0	82.8	85.8
Taxes applicable to income and earnings	56,469	61,317	75,799	2.8	8.6	23.6	26.2	24.1	25.6
Income tax	38,446	40,392	48,807	1.1	5.1	20.8	17.8	15.9	16.5
Corporation tax	18,023	20,925	26,993	6.6	16.1	29.0	8.4	8.2	9.1
Property taxes	4,664	5,249	6,257	14.1	12.5	19.2	2.2	2.1	2.1
Inheritance and succession tax	168	215	253	16.8	28.1	17.4	0.1	0.1	0.1
Motor vehicle tax	4,496	5,033	6,004	14.0	12.0	19.3	2.1	2.0	2.0
Taxes applicable to locally produced goods and services	73,136	91,736	103,380	8.7	25.4	12.7	33.9	36.1	34.9
Locally applicable value added tax	20,853	26,325	29,956	24.1	26.2	13.8	9.7	10.4	10.1
Special consumption tax	43,620	57,285	64,189	4.3	31.3	12.1	20.2	22.5	21.7
Banking and insurance transactions tax	4,003	3,571	4,288	8.3	-10.8	20.1	1.9	1.4	1.4
Lottery tax	396	434	528	5.2	9.7	21.6	0.2	0.2	0.2
Special communication tax	4,265	4,121	4,419	-6.3	-3.4	7.2	2.0	1.6	1.5
International business and transactions taxes	28,651	39,528	53,450	-12.6	38.0	35.2	13.3	15.5	18.1
Customs duties	2,466	3,240	4,652	-11.0	31.4	43.6	1.1	1.3	1.6
Value added tax on imports	26,134	36,208	48,685	-12.8	38.5	34.5	12.1	14.2	16.5
Other international business revenues	51	80	113	31.6	54.6	42.5	0.0	0.0	0.0
Stamp duty	4,169	5,083	6,464	5.7	21.9	27.2	1.9	2.0	2.2
Fees	4,755	7,034	8,303	-5.8	47.9	18.0	2.2	2.8	2.8
Other taxes not elsewhere classified	596	615	112	1074.8	3.2	-81.9	0.3	0.2	0.0
2- Enterprise and property revenues	9,948	9,804	9,054	34.0	-1.4	-7.6	4.6	3.9	3.1
3- Donations and charities received and special income	807	966	1,276	-5.0	19.6	32.2	0.4	0.4	0.4
4- Interests, shares and fines	23,058	21,114	19,492	34.6	-8.4	-7.7	10.7	8.3	6.6
5- Capital earnings	2,044	3,376	2,454	-77.6	65.1	-27.3	0.9	1.3	0.8
6- Claim recoveries	312	232	335	-23.2	-25.8	44.6	0.1	0.1	0.1
B- Revenues of special budget administrations	5,037	6,333	7,390	4.4	25.7	16.7	2.3	2.5	2.5
C- Revenues of regulatory and supervisory institutions	1,811	1,893	2,095	3.7	4.5	10.7	0.8	0.7	0.7
Total	215,458	254,277	295,862	2.8	18.0	16.4	100.0	100.0	100.0

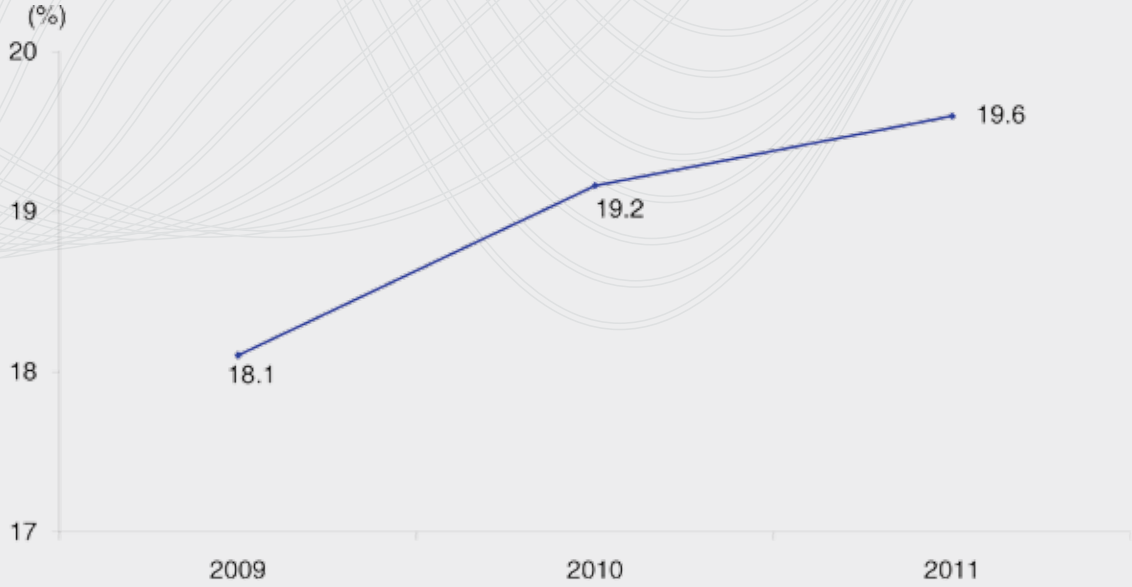
Source: Ministry of Finance.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.

Table 121. Tax Burden and Tax Elasticity Coefficients

Indicators	2009	2010	2011
Total tax burden	18.1	19.2	19.6
Total tax elasticity	12.1	1.4	1.1
Income + corporation tax elasticity	13.1	0.6	1.3

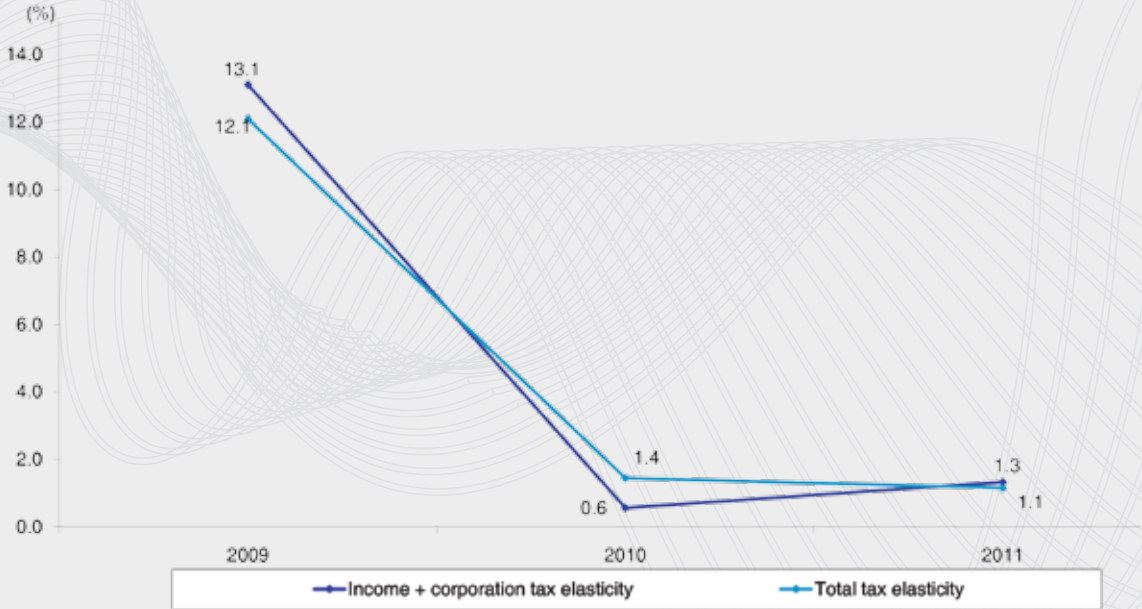
Source: Ministry of Finance, TURKSTAT.



Source: TURKSTAT.

Figure 47. Tax Burden

The tax elasticity coefficient, which indicates the sensitiveness of tax revenues to changes in GDP on the other hand revealed to be 1.3% in 2011, compared to its level of 6.0% in 2010 (Please see Figure 48).



Source: Ministry of Finance, TURKSTAT.

Figure 48. Tax Elasticity Coefficients

Expenses

The continuing stance of risks associated with global economy and especially the financial problems occurring in the Euro area around the first half rendered it compulsory to bring some tightening to the monetary policy and accordingly, to the fiscal policy, in 2011. Furtherance of the discipline assured in expenditures during 2010 throughout 2011 combined with slowing rise in primary expenditures and continuing fall in interest expenses caused the rise in central government budget expenditures remain at a limited level.

In 2011, the central government budget revenues rose by 6.4% to ₺ 313,302 million, realising a level ₺ 729 million above the budget projections. The non interest expenses rose by 10.2% to ₺ 271,090 million, exceeding the budget appropriations by ₺ 6,017 million. As for the expense sub categories of non interest expenses, staffing costs rose by 17.0% to ₺ 72,904 million, the state premium expenditures to the social security organisations by 16.1% to ₺ 12,847 million, purchases of goods and services by 11.2% to ₺ 32,448 million, current transfers by 8.1% to ₺ 110,075 million and capital expenses by 18.0% to ₺ 30,697 million, versus a fall in capital transfers by 5.0% to ₺ 6,737 million. Interest expenses fell by 12.6% to ₺ 42,212 million, actualising ₺ 5,288 million below the budget appropriations (Please refer to Table 122).

The share of non interest expenses in central government budget expenditures rose from 83.6% to 92.1%, along with a recession in the share of interest expenses from 16.4% to 14.3%, compared to the preceding year.

Table 122. Central Government Budget Expenses

Central Government Budget Expense Components	2009	2010	2011	Rate of Change			Share in Total		
				2009	2010	2011	2009	2010	2011
Expenditures excluding interests	215,018	246,060	271,090	21.9	14.4	10.2	80.2	83.6	92.1
Staffing expenses	55,947	62,315	72,904	14.5	11.4	17.0	20.9	21.2	24.8
State premium payments to Social Security Institution (SSI)	7,208	11,063	12,847	12.5	53.5	16.1	2.7	3.8	4.4
Expenditures for goods and services	29,799	29,185	32,448	22.1	-2.1	11.2	11.1	9.9	11.0
Defence and security	9,671	9,544	10,000	16.1	-1.3	4.8	3.6	3.2	3.4
Healthcare expenses	8,798	5,752	5,442	30.0	-34.6	-5.4	3.3	2.0	1.8
General borrowing costs	42	26	201	-52.5	-37.0	665.8	0.0	0.0	0.1
Expenditures for other goods and services	11,288	13,863	16,805	22.3	22.8	21.2	4.2	4.7	5.7
Current transfers	91,976	101,857	110,075	30.7	10.7	8.1	34.3	34.6	37.4
Duty losses	4,138	3,297	4,739	102.8	-20.3	43.7	1.5	1.1	1.6
Treasury aids	56,951	60,323	59,352	46.9	5.9	-1.6	21.2	20.5	20.2
Treasury aids to SSI	1,019	1,342	1,658	-0.4	31.7	23.6	0.4	0.5	0.6
Unemployment coverage fund	1,019	1,176	1,429	-0.4	15.5	21.5	0.4	0.4	0.5
5 points premium support to funds	-	165	230	-	-	-	-	0.1	0.1
Healthcare, retirement and social allowance expenses	52,685	55,039	52,833	50.0	4.5	-4.0	19.6	18.7	17.9
Treasury aids to local governments	1,591	1,738	2,505	-17.0	9.3	44.1	0.6	0.6	0.9
Other treasury aids	1,657	2,204	2,356	138.2	33.0	6.9	0.6	0.7	0.8
Transfers to non-profit organisations	844	1,084	1,390	90.1	28.4	28.3	0.3	0.4	0.5
Transfers to households	1,276	1,599	2,126	15.9	25.3	33.0	0.5	0.5	0.7
Agricultural support payments	4,495	5,817	6,961	-22.6	29.4	19.7	1.7	2.0	2.4
Other transfers to households	1,031	850	1,448	16.7	-17.6	70.3	0.4	0.3	0.5
Transfers for social purposes	1,027	1,610	2,255	132.6	56.7	40.1	0.4	0.5	0.8
Outbound international transfers	722	969	1,139	17.2	34.3	17.6	0.3	0.3	0.4
Shares allocated from revenues	21,492	26,308	30,664	6.1	22.4	16.6	8.0	8.9	10.4
Capital expenditures	20,072	26,010	30,697	8.4	29.6	18.0	7.5	8.8	10.4
Capital transfers	4,319	6,773	6,737	36.1	56.8	-0.5	1.6	2.3	2.3
Lending	5,698	8,857	5,381	22.7	55.5	-39.2	2.1	3.0	1.8
Reserve appropriations	0	0	0	-	-	-	-	-	-
Interest expenditures	53,201	48,299	42,212	5.0	-9.2	-12.6	19.8	16.4	14.3
Domestic debt interest payments	46,762	42,148	35,064	5.0	-9.9	-16.8	17.4	14.3	11.9
External debt interest payments	6,318	5,982	6,668	10.1	-5.3	11.5	2.4	2.0	2.3
Interest expenditures for discounts and short term cash transactions	121	168	479	-70.3	39.5	184.5	0.0	0.1	0.2
Derivative expenses	0	0	0	-	-	-	-	-	-
Total	268,219	294,359	313,302	18.1	9.7	6.4	100.0	100.0	100.0

Source: Ministry of Finance.

PS: As figures are revised by the relevant institutions, data may differ from previous report data.

2.5.2.2 Funds

Within the context of fund balance, the practice of tracing 4 funds, precisely consisted of the budgetary Support and Price Stabilisation Fund and extra budgetary Social Assistance and Solidarity Fund, Defence Industry Support Fund and Privatisation Fund, was sustained also during 2011. The revenues of funds included in the public sector general balance rose by 22.5% to ₺ 5,755 million, with the favouring effect of the increase in both tax and non tax revenues, whereas, expenses thereof rose by 25.5% to ₺ 5,323 million in line with the increase in net current transfers and current expenditures, with reference to the preceding year (Please refer to Table 123).

Table 123. Balance of Funds

Fund Components ⁽¹⁾	2009	2010	2011 ⁽²⁾	(Current Prices, 000 000 ₺)		
				Ratio to GDP		
				2009	2010	2011
Total income	4,052	4,697	5,755	0.4	0.4	0.4
Tax revenues	3,567	4,074	5,096	0.4	0.4	0.4
Non tax revenues	356	334	567	0.0	0.0	0.0
Factor income (Net)	52	0	92	0.0	0.0	0.0
Current transfers (Net)	0	0	0	0.0	0.0	0.0
Capital transfers (Net)	77	289	0	0.0	0.0	0.0
Total expenses	4,398	4,241	5,323	0.5	0.4	0.4
Current expenses	2,125	2,634	2,833	0.2	0.2	0.2
Factor expenses (Net)	0	3	0	0.0	0.0	0.0
Fixed capital investments	0	0	0	0.0	0.0	0.0
Current transfers (Net)	2,273	1,604	2,307	0.2	0.2	0.2
Capital transfers (Net)	0	0	184	0.0	0.0	0.0
Revenues-expenses difference	-346	456	431	0.0	0.0	0.0
Financing	346	-456	-431	0.0	0.0	0.0
Foreign borrowing	218	0	0	0.0	0.0	0.0
Foreign debt repayment	-65	-69	-80	0.0	0.0	0.0
Domestic debt-credit relationship (Net)	-68	-77	-220	0.0	0.0	0.0
Changes in cash-banks	261	-310	-132	0.0	0.0	0.0

Source: Ministry of Development.

(1): Unemployment Coverage Fund excluded.

(2): It is the estimate of realization.

PS: As figures are revised by the relevant institutions, data may differ from previous publications.

2.5.2.3 State Economic Enterprises

In 2011, the revenues of operational State Economic Enterprises rose by 9.9%, reaching at ₺90,885 million, and their expenditures rose by 20.9% and attained a level of ₺90,241 million. A majority of revenues was constituted by commodity and service sale proceeds falling under the operating income account, whereas a major portion of expenditures were costs of sales of goods and services agglomerated under the operating expenses account (Please refer to Table 124).

A review of the financial balance components that shows change in the direction of growth during 2011 relative to the preceding year, where the highest rate of increase is observed in net external loaning with 155.1% and this is followed by dividend payments with 122.2%. As regards the financing balance component that shows change in the direction of decline in 2011, change in cash/banks takes the lead with 225.2% and is followed by funding and borrowing requirement with 92.0%, in 2011.

Table 124. Financing Balance of Operational State Economic Enterprise

(Current Prices, 000 000 ₺)

Components	2009	2010	2011 ⁽¹⁾	Rate of Change		
				2009	2010	2011
A. Total income	76,877	82,708	90,885	2.2	7.6	9.9
I. Operating income	68,244	73,646	79,922	2.9	7.9	8.5
1. Proceeds of sales of goods and services	61,078	66,554	73,660	2.5	9.0	10.7
2. Other revenues	7,166	7,091	6,262	6.4	-1.0	-11.7
II. Retained funds	3,786	3,507	4,083	-28.7	-7.4	16.4
1. Depreciation	2,848	2,766	3,202	-1.3	-2.9	15.8
2. Reserves	938	741	881	-61.3	-21.0	18.9
III. Budget and funds	4,847	5,555	6,879	34.8	14.6	23.8
IV. Other revenues	0	0	0	-	-	-
B. Total expenses	72,664	74,659	90,241	-2.6	2.7	20.9
I. Operating expenses	62,401	67,476	79,586	-6.7	8.1	17.9
1. Cost of sales of goods and services	49,554	55,589	69,574	-9.2	12.2	25.2
2. Other expenses	12,847	11,887	10,012	4.3	-7.5	-15.8
II. Investment outlays	3,699	5,165	6,421	23.2	39.6	24.3
III. Increase in stock	2,600	-1,432	814	-1.3	-155.1	-156.8
IV. Revaluation	879	537	477	337.3	-38.9	-11.2
V. Direct taxes	1,798	2,229	1,479	85.6	24.0	-33.6
VI. Dividend payments	1,265	631	1,402	41.8	-50.1	122.2
VII. Other expenses	22	53	62	57.1	140.9	17.0
C. Borrowing requirement	4,213	8,049	645	588.4	91.1	-92.0
D. Financing	-4,213	-8,049	-645	588.4	91.1	-92.0
I. Change in cash-bank	180	-1,785	2,234	-182.2	-1,091.7	-225.2
II. Domestic borrowing (Net)	-1,054	-5,346	-535	-214.4	407.2	-90.0
III. Foreign borrowing (Net)	-3,339	-919	-2,344	154.3	-72.5	155.1

Source: Ministry of Development.

(1): It is the estimate of realization.

2.5.2.4 Public Sector Financing Deficit

The public financing deficit, which retained a level of ₺ 25,232 million in 2010 receded to ₺ 12,743 million in 2011, while the public sector financing balance with the exception of surplus giving budget interest payments which amounted to ₺ 23,067 million in 2010, rose by 27.8% to ₺ 29,469 million, during 2011. The contraction in the central government budget deficit and positive developments in financing balances of local governments and social security organisations have been deterministic in the observed recovery of public sector's borrowing requirement (Please refer to Table 125).

While the central government budget deficit had the highest share in public sector deficit with ₺ 22,230 million during 2011, the SEEs subject to privatisation gave out a deficit of ₺ 990 million, and operational SEEs had ₺ 645 million, local governments had ₺ 577 million, working capital undertakings had ₺ 1,344 million, Unemployment Coverage Fund had ₺ 7,480 million and funds had ₺ 431 million surplus.

Table 125. Public Sector Borrowing Requirement

Components	(Current Prices, 000 000 ₺)					
	2009	2010	2011 ⁽¹⁾	Ratio to GDP		
				2009	2010	2011
Central government budget	52,761	40,181	22,230	5.5	3.7	1.7
SEE	-3,426	-7,041	345	-0.4	-0.6	0.0
Operational	-4,213	-8,049	-645	-0.4	-0.7	0.0
Organisations subject to privatization	787	1,008	990	0.1	0.1	0.1
Local administrations ⁽²⁾	4,211	-1,738	-577	0.4	-0.2	0.0
Working capital	-828	-1,425	-1,344	-0.1	-0.1	-0.1
Social security organisations ⁽²⁾	-546	-346	0	-0.1	0.0	0.0
Unemployment coverage fund	-3,743	-3,844	-7,480	-0.4	-0.3	-0.6
Funds ⁽²⁾	346	-456	-431	0.0	0.0	0.0
Borrowing requirement ⁽²⁾	48,775	25,232	12,743	5.1	2.3	1.0
Budget interest payments ⁽²⁾	53,145	48,299	42,212	5.6	4.4	3.3
Non interest borrowing requirement	-4,370	-23,067	-29,469	-0.5	-2.1	-2.3

Source: Ministry of Development, Ministry of Finance.

(1): It is the estimate of realization.

(2): As figures are revised by the relevant institutions, data may differ from preceding year's report data.

In 2011, the proportion of public finances borrowing requirement to GDP was realised as 1.0%. The central government budget financing balance revealed deficit at 1.7% of GDP, while Unemployment coverage Fund financing balance unveiled deficit at a rate of 6 per thousand of GDP and the working capital had 1.0‰ surplus.

2.5.2.5 Privatization

The privatization implementations, which started in 1984 with the application of transfers to the private sector with the objective of finishing the half completed facilities belonging to the public sector or of establishing newer ones in their place, accelerated as of 2006. Efforts concentrated around privatization slowed down, forthwith upon completion of

related tasks in a wide majority of organisations covered by the concept, during the recent years.

With the privatization applications as of 1985, the public shares of 270 organisations, 22 half completed facilities, 858 real estate properties, 8 highways, 2 Bosphorus bridges, 114 facilities, 6 ports, the license rights to betting, gaming and lotteries and the vehicle inspection stations have been taken within the scope of privatization. The public shares of 25 organizations and 4 real properties were later removed from the scope of privatization, without being subjected to privatization.

Within the framework of the program carried out by taking the public shares of the organisations, which belong to the public sector or which have a public sector participation, within the scope of privatization, up until the present day the sales/transfers of the shares in or assets of 200 organisations have been made and no public shares have remained in 189 of these organisations. Presently, there are 24 organisations still covered by the privatization schemes. There is a public sector share of over 50.0% in 11 of these organisations. Furthermore, 416 real properties, 48 facilities, 2 ports, 8 highways, 2 Bosphorus bridges and the rights for betting, gaming and lotteries are within the scope of privatization.

A total of US \$ 8,096 million in privatization was realized in 2006, US \$ 6,297 million in 2008, US \$ 2,274 million in 2009 and a total of US \$ 3,086 million in privatization was realised in 2010, in addition to a further bundle of US \$ 1,358 million contracts settled during 2011. Of this total, a US \$ 1,352 million was carried out by way of plant/asset sales and US \$ 6,5 million, through paid transfers. The total of privatisation transactions delivered in the period between 1985 and 2011 tolled US \$ 43,078 million (Please refer to Table 126).

Table 126. Privatization Transactions

Transactions	Cumulative Total (1985-2010)	2011	(000 \$)
			Cumulative Total (1985-2011)
Block sales	20,257,067	0	20,257,067
Plant/asset sales	12,429,744	1,351,961	13,781,705
Public offerings	7,053,284	0	7,053,284
Sales to İMKB	1,261,054	0	1,261,054
Incomplete plant sales	4,369	0	4,369
Transfers with pay-offs	713,798	6,457	720,255
Total	41,719,315	1,358,418	43,077,733

Source: Privatization Administration.

2.5.2.6 Central Government Debt Stock

The public revenues dropped tremendously along with the narrowing of the economy during the period of the global crisis and deteriorations observed in budgetary and debt indicators. With the influence of expansionist fiscal policies put in practice during this very period, the budget deficit and borrowing requirement rose accordingly, in 2009. The

financial need gaining overweight due to the huge budget deficits in several countries, not only levered public debt stocks up, but also, escalated concerns about sustainability of public borrowing. In the case of Turkey, however, the downfall managed in the proportion of central government debt stock to GDP thanks to the tight fiscal policies implemented prior to the crisis turned out to be effective in containment of the effects of global fluctuations on the debt stock at a limited level. The fast-beyond-expected recovery of economy and enlivened domestic demand caused deterioration in public finances decelerate. The significantly relieved borrowing requirement of the public sector and the low stance maintained by interest rates both affected the central government debt stock indicators positively.

The recuperation in public debt stock was extended to and continued during 2011, thanks to the positive performance of the central administrative budget and the debt management policies implemented. By generality of 2011, there has been a reduction in public loaning rates, a drop in real costs of loaning to minimal levels and a regression in the share of debenture notes sensitive to interest and exchange rates in the debt stock as well as a recession in the domestic debt roll-over ratio.

The Treasury's financing scheme for the term 2011 was planned towards reducing the sensitiveness of debt stock against liquidity, interest rates and foreign exchange rates, in furtherance of the practice of the preceding years.

The central government's total debt stock grew by 9.4% to ₺ 518,288 million during 2011, compared to 2010. The central government domestic debt stock rose by 4.5% up to ₺ 368,778 million, and international debt stock rose by 23.8% up to a level of ₺ 149,510 million. Speaking in terms of US \$ for 2011, the central government's total debt stock amounted to US \$ 274,386 million, consisting of domestic debt stock tolling US \$ 195,234 million and external debt stock of US \$ 79,152 million. Continuing on dollars, there had been a fall in domestic debt stock versus a rise in external debt stock.

The share of domestic debt stock in central government's debt stock fell from 74.5% to 71.2% and that of external debt stock rose from 25.5% to 28.8%, in 2011.

The ratio of central government total debt stock to GDP achieved a level of 40.0%, while the ratio of domestic debt stock and of external debt stock thereto revealed to be 28.5% and 11.5%, respectively, during 2011 (Please refer to Table 127, Figure 49).

Table 127. Total Debt Stock of the Central Government

Components of Debt Stock	2009	2010	2011	Rate of Change		
				2009	2010	2011
(000 000 ₺)						
Domestic debt stock	330,005	352,841	368,778	20.1	6.9	4.5
Foreign debt stock	111,504	120,720	149,510	5.7	8.3	23.8
Total debt stock	441,509	473,561	518,288	16.1	7.3	9.4
(000 000 \$)						
Domestic debt stock	219,170	228,228	195,234	20.6	4.1	-14.5
Foreign debt stock	74,054	78,085	79,152	6.2	5.4	1.4
Total debt stock	293,224	306,313	274,386	16.6	4.5	-10.4
Share in Total						
Domestic debt stock	74.7	74.5	71.2	3.4	-0.3	-4.5
Foreign debt stock	25.3	25.5	28.8	-9.0	0.9	13.2
Total debt stock	100.0	100.0	100.0	0.0	0.0	0.0
Ratio to GDP						
Domestic debt stock	34.6	32.1	28.5	19.8	-7.3	-11.3
Foreign debt stock	11.7	11.0	11.5	5.5	-6.1	5.1
Total debt stock	46.3	43.1	40.0	15.8	-7.0	-7.1

Source: Under-Secretariat of Treasury of the Turkish Republic.

PS: As figures are revised by the relevant institutions, data may differ from preceding year's report data.

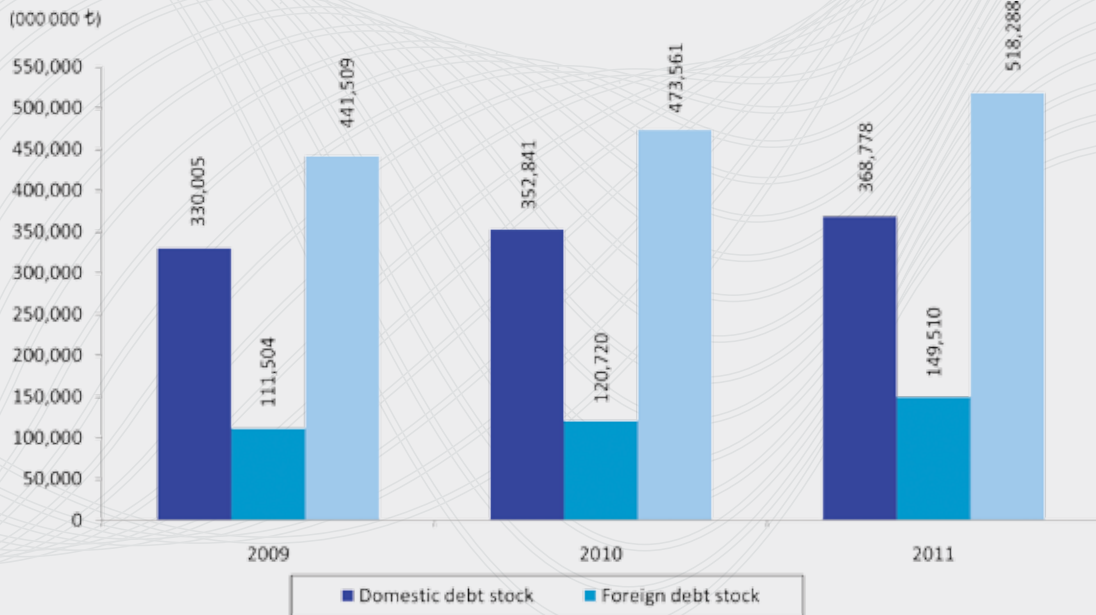
The rate of change in domestic debt stock receded to 4.5% in 2011, from a baseline of 6.9% in 2010. The total domestic debt stock rose by ₺ 15,937 million, to ₺ 368,778 million. A total domestic debt payment of ₺ 132,138 million was made in 2011. This total precisely consisted of principal payment amounting to ₺ 97,074 million plus interest payment amounting to ₺ 35,064 million (Please refer to Table 128).

Table 128. Domestic Debt Stock

Years	Payments			Borrowing	Debt Stock	Rate of Change in Debt Stock
	Principal	Interest	Total			
2009	98,165	46,762	144,928	153,343	330,005	20.1
2010	141,583	42,148	183,732	164,420	352,841	6.9
2011 ⁽¹⁾	97,074	35,064	132,138	113,011	368,778	4.5

Source: Under-Secretariat of Treasury of the Turkish Republic.

(1): It is provisional data.



Source: Under-Secretariat of Treasury of the Turkish Republic.

Figure 49. Total Debt Stock of the Central Government

The annual compound rate of interest of the domestic debt stock, which was 11.6% in 2009 and receded to 8.5% in 2010, rose to 8.7%, during 2011. The annual real rate of compound interest rose by 2.4% during 2011, compared to the preceding year. The improvement in maturity structure of the domestic debt stock continued in 2011. The maturity of the domestic debt stock, which was 35.3 months in 2009, rose to 44.1 months in 2010 and 44.7 months in 2011 (Please refer to Table 129).

Table 129. Maturity Composition and Annual Compound Real Interest of the Domestic Debt Stock

Components	2009	2010	2011 ⁽¹⁾	Rate of Change	
				2010	2011
Maturity (Month) ⁽²⁾	35.3	44.1	44.7	24.9	1.4
Interest (%) ⁽³⁾	11.6	8.5	8.7	-26.7	2.4

Source: Under-Secretariat of Treasury of the Turkish Republic.

(1): It is provisional data.

(2): Includes cash domestic borrowing.

(3): Includes fixed interest borrowings.

Of the total domestic debt stock, which amounted to ₺ 368,778 million in 2011, a ₺ 60,933 million portion (representing 16.5%) appears to belong to the public while the rest, amounting to ₺ 307,845 million (representing 83.5%), to the market (Please refer Table 84). While the share of borrowing in terms of ₺ in the public domestic debt stock actualised at a rate of 16.5%, no borrowings were made in terms of international currency. On the other hand borrowings in terms of ₺ and of international currency had a share of 82.5% and 1.0% in the market domestic debt stock, respectively (Please see Table 130).

Table 130. Foreign Currency/Interest Composition of the Domestic Debt Stock

(000 000 ₺)

Components	2009			2010			2011 ⁽¹⁾		
	Stock Value	Rate in Total Stock	Share in Total of the Related Segment	Stock Value	Rate in Total Stock	Share in Total of the Related Segment	Stock Value	Rate in Total Stock	Share in Total of the Related Segment
Public sector	60,922	18.5	100.0	51,394	14.6	100.0	60,933	16.5	100.0
In ₺ terms	57,181	17.3	93.9	49,540	14.0	96.4	60,933	16.5	100.0
In international currency	3,741	1.1	6.1	1,854	0.5	3.6	0	0.0	0.0
Market	269,082	81.5	100.0	301,448	85.4	100.0	307,845	83.5	100.0
In ₺ terms	255,655	77.5	95.0	297,807	84.4	98.8	304,100	82.5	98.8
In international currency	13,427	4.1	5.0	3,641	1.0	1.2	3,745	1.0	1.2
Stock (total)	330,004	100.0	100.0	352,842	100.0	100.0	368,778	100.0	100.0
In ₺ terms	312,836	94.8	94.8	347,347	98.4	98.4	365,033	99.0	99.0
In international currency	17,168	5.2	5.2	5,495	1.6	1.6	3,745	1.0	1.0

Source: Under-Secretariat of Treasury of the Turkish Republic.

PS: Values may vary due to arithmetical round-ups.

The share of banking sector in the distribution of domestic debt stock by lenders regressed to 56.7% in 2011 from a baseline of 62.9% and that of non banking sector rose from 35.1% to 41.4%, with TCMB's share of 2.0% remaining unchanged. The share of public banks in domestic debt stock of the banking sector actualised to be 24.0% with that of private banks realising at a level of 25.9%, while the share of international banks and development and investment banks measured to be 5.7% and 1.1%, respectively. Of the total debt stock of non banking sector, 18.7% belonged to legal entities, 17.3% to non residents, 3.8% to mutual funds and 1.6% to natural person entities (Please refer to Table 131).

Table 131. Distribution of Domestic Debt Stock by Lenders

Components ⁽¹⁾	2009		2010		2011 ⁽⁴⁾	
	Stock Value	Share in Total	Stock Value	Share in Total	Stock Value	Share in Total
Banking sector	232,143	63.4	247,550	62.9	223,770	56.7
Public banks	98,498	26.9	101,164	25.7	94,886	24.0
Private banks	112,882	30.8	120,869	30.7	102,263	25.9
International banks	17,819	4.9	21,632	5.5	22,356	5.7
Development and investment banks	2,944	0.8	3,885	1.0	4,265	1.1
Non banking sector ⁽²⁾	125,252	34.2	138,240	35.1	163,399	41.4
Natural person entities	10,644	2.9	6,080	1.5	6,296	1.6
Legal entities	67,687	18.5	66,978	17.0	74,052	18.7
Mutual funds	15,547	4.2	16,003	4.1	14,890	3.8
Non residents	31,374	8.6	49,179	12.5	68,161	17.3
TCMB ⁽³⁾	8,528	2.3	8,028	2.0	7,807	2.0
Total	365,923	100.0	393,818	100.0	394,976	100.0

Source: Under-Secretariat of Treasury of the Turkish Republic.

(1): The values of Government Debt Securities as published and announced in the Official Journal by TCMB.

(2): Covers all natural person and legal entities outside the Savings Deposit Insurance Fund.

(3): Includes amounts resulting from non cash Government Debt Securities and open market transactions.

(4): It is provisional data.

2.5.3 Financial Investment Instruments

During 2011, the developments in financial instruments were mainly influenced by global economic updates, especially the risks associated with sustainability of ever growing public debts in advanced economies, led particularly by countries of the Euro area, low level of growth and debt issues ongoing in the US economy, the reflections of the earthquake that hit Japan in March and political turmoil that persisted in countries of the Middle East and Northern Africa.

Turkey also had her share from all these developments on abroad, like all countries of the world. Besides, the policy interests and adjustments made in the rates of required reserves within the framework of TCMB's monetary policy implementations and interventions to international currencies had been the key factors affecting the domestic markets.

When the annual average nominal yield rates of interest, foreign exchange and gold bullion, being the leading financial instruments are reviewed for 2011, gold bullions brought 43.58% yield to their keepers, while Euro and US \$ brought 16.91% and 11.62% yields to investors, which were followed by the gross deposit rate with 7.09% and İMKB-100 index with 2.20% (Please refer to Table 132).

Table 132. Real Average Annual Rate of Return on Financial Investment Instruments

Years	Deflated Index	Deposit Rate (Gross)	İMKB National 100 Index	US (\$)	Euro (€)	Gold Bullions
2009	PPI	8.78	-1.44	17.57	11.75	31.26
	CPI	3.65	-6.09	12.02	6.48	25.06
2010	PPI	-0.76	46.05	-10.71	-14.76	12.87
	CPI	-0.81	45.98	-10.75	-14.80	12.82
2011	PPI	-3.60	-8.00	0.48	5.24	29.25
	CPI	0.58	-4.01	4.84	9.81	34.85

Source: TURKSTAT.

An analysis of real returns of financial instruments at annual average rates shows that, by CPI adjusted real figures gold bullions supplied a return of 29.25% to their keepers and Euro and US \$ a return of 5.24% and 48.0% to investors, while there had been a devaluation in İMKB National 100 index by 8.00% and in gross deposit rates by 3.60%, disfavours savers. With an analysis of the annual average return of financial instruments by CPI adjusted values, gold bullions yielded a return of 34.85% and Euro and US \$, a return of 9.81% and 4.84% respectively, the gross deposit rate yielded a return by 58.00% and İMKB National 100 index caused loss of the investor public by 4.01%.

2.5.3.1 Developments in Gold Prices

The fluctuations sparked in the aftermath of the crisis that took place in 2008 in world markets stand still. The most effective problems known to be the cause of these fluctuations can be listed as the debt problem in EU member states, successive cuts in credit ratings and the crisis in the Greek economy, the rising value of the US \$ under the major influence of the foregoing and expansionist monetary policies which bring about the risk of creating an inflationist environment, all of which still remain in full force and effect.

In this turbulent time, investors who wished to maintain their assets made choice of preference over gold, which they envisioned as a safe haven. The gold has always been seen as a tool of protection and remained unaffected by losses in value of financial instruments. Especially during the last three years past the crisis, it continued to help its investors win, with record-breaking rises. Low interest rates and massive gold buy transactions undertaken by central banks of such countries as China, India and Russia entailed to gold price's entering in a growth stance at tremendous rates and rising at record-breaking level along with the slowing world economy and weakening of the recovery process in global economy.

The growing trend continued throughout 2011, in gold prices. The failure of the US monetary expansion to yield the expected outcome and negative implications of US concerns about the future of Euro on China's growth led investors toddle away from food and industrial commodities and central banks shift orientation to gold, in an effort to reinforce their reserves. In consequence of all these developments, the price of gold per ounce, which was US \$ 1,048,256 in average during 2009, rose to US \$ 1,310,554 in 2010 and to US \$ 1,674,849, in 2011 (Please refer to Table 133).

Table 133. Gold Prices

Years	Months	Republican Gold Coins ⁽¹⁾	Gold Bullions ⁽¹⁾	1 Ounce of Gold ⁽¹⁾	CPI (2003=100)		Republican Gold Coins		Gold Bullions	
		(₺/Each)	(₺/Gr)	(US \$/Ounce) ⁽²⁾	Index Value	Rate of Change	Nominal Rate of Change	Real Rate of Change	Nominal Rate of Change	Real Rate of Change
2009	January	295,600	44,000	870,150	160.9	-0.1	12.7	12.8	9.6	9.8
	February	336,500	50,180	947,380	160.4	-0.3	13.8	14.2	14.0	14.4
	March	341,750	51,490	935,500	162.1	1.1	1.6	0.5	2.6	1.5
	April	311,500	46,060	894,330	162.2	0.0	-8.9	-8.9	-10.5	-10.6
	May	315,000	46,540	942,940	163.2	0.6	1.1	0.5	1.0	0.4
	June	319,250	47,390	944,190	163.4	0.1	1.3	1.2	1.8	1.7
	July	312,000	45,760	934,750	163.8	0.3	-2.3	-2.5	-3.4	-3.7
	August	311,250	45,800	954,380	163.3	-0.3	-0.2	0.1	0.1	0.4
	September	323,000	48,080	1,000,190	163.9	0.4	3.8	3.4	5.0	4.6
	October	336,200	49,450	1,040,550	167.9	2.4	4.1	1.6	2.8	0.4
	November	360,000	53,230	1,113,670	170.0	1.3	7.1	5.7	7.6	6.3
	December	367,750	54,940	1,130,190	170.9	0.5	2.2	1.6	3.2	2.7
Annual	347,914	51,604	1,048,256	164.3	6.2	41.9	33.6	42.0	33.8	
2010	January	354,500	52,780	1,104,310	174.1	2.4	-3.6	-5.9	-3.9	-6.2
	February	363,000	53,550	1,090,250	176.6	1.4	2.4	0.9	1.5	0.0
	March	371,000	55,200	1,110,810	177.6	0.6	2.2	1.6	3.1	2.5
	April	373,200	55,220	1,151,680	178.7	0.6	0.6	0.0	0.0	-0.6
	May	403,750	60,500	1,206,500	178.0	-0.4	8.2	8.6	9.6	10.0
	June	417,000	62,430	1,233,380	177.0	-0.6	3.3	3.9	3.2	3.8
	July	401,800	59,540	1,191,800	176.2	-0.5	-3.6	-3.2	-4.6	-4.2
	August	405,500	59,500	1,220,130	176.9	0.4	0.9	0.5	-0.1	-0.5
	September	416,330	61,630	1,270,500	179.1	1.2	2.7	1.4	3.6	2.3
	October	417,750	61,560	1,336,940	182.4	1.8	0.3	-1.5	-0.1	-1.9
	November	424,000	63,870	1,379,670	182.4	0.0	1.5	1.5	3.8	3.7
	December	461,000	68,040	1,382,420	181.9	-0.3	8.7	9.1	6.5	6.9
Annual	429,729	63,785	1,310,554	178.4	4.4	23.5	18.3	23.6	18.4	
2011	January	465,750	68,330	1,349,130	182.6	0.1	1.0	0.9	0.4	0.3
	February	473,750	70,510	1,376,250	183.9	0.7	1.7	1.0	3.2	2.4
	March	487,000	72,560	1,423,630	184.7	0.4	2.8	2.4	2.9	2.5
	April	482,000	72,500	1,455,080	186.3	0.9	-1.0	-1.9	-0.1	-0.9
	May	511,500	76,520	1,504,000	190.8	2.4	6.1	3.6	5.5	3.1
	June	529,750	78,870	1,530,370	188.1	-1.4	3.6	5.1	3.1	4.6
	July	564,800	83,700	1,568,400	187.3	-0.4	6.6	7.1	6.1	6.6
	August	683,000	100,100	1,757,700	188.7	0.7	20.9	20.1	19.6	18.7
	September	693,400	102,700	1,765,900	190.1	0.8	1.5	0.8	2.6	1.8
	October	659,300	98,200	1,678,400	196.3	3.3	-4.9	-7.9	-4.4	-7.4
	November	674,250	100,780	1,732,380	199.7	1.7	2.3	0.5	2.6	0.9
	December	664,800	98,940	1,646,400	200.9	0.6	-1.4	-2.0	-1.8	-2.4
Annual	609,919	90,625	1,674,849	189.9	4.5	41.9	35.9	42.1	36.0	

Source: TCMB.

(1): Figures represent sales prices.

(2): 1 ons=31,1035 Gr.

The Republican Gold Coins yielded a nominal return of 41.9% and a real return of 35.9%, during 2011. The growth in nominal and real returns yielded by gold bullions on the other hand were realised to be 42.1% and 36.0%, respectively. In 2011, despite the rise in foreign exchange rates, gold has been the core money-winning option for the investor.

2.5.3.2 Developments in Foreign Exchange Rates

Practice of floating exchange rate regime that was initially started from 2002, where foreign exchange rates are determined by the actual supply and demand conditions in the market rather than as a policy tool or target, continued in 2011. There is not a certain for-

foreign exchange rate level that has to be preserved in the floating exchange rate application. However, to hold and maintain a powerful foreign currency reserve position is of vast importance for eliminating negative effects of both domestic and international shocks that may be faced and building trust in national economy, in such developing countries as Turkey. That is why, developments in liquidities of foreign currencies are closely monitored and foreign exchange buy auctions staged in times of increased supply of foreign exchange relative to demand thereof, by TCMB, in order to accumulate reserves. In addition, whenever unhealthy price formations are encountered, mainly attributable to foreign exchange market's losing depth, foreign exchange sell auctions may be announced.

TCMB carries out its foreign exchange buy transactions through fully transparent auctions based on predefined set of rules and showing extreme care to not, or least affecting the supply and demand conditions in the foreign exchange market, as much as possible. In the event of developments taking place outside expectations concerning supply of foreign exchange, revisions can be made in the auction schedules through suitably prior announcements.

The TCMB announced as part of its monetary and exchange rate policies for 2011 that it would continue with organising foreign exchange buy auctions through the flexible tendering procedure with effect as of 1 October 2011 and subsequently ended its optional practice as of 3 January 2011, raising the auctioned purchase quantities to US \$ 50 million.

Although not any significant change occurred in the liquidity conditions of advanced economies, growing concern in certain countries of the European continent about sustainability of constantly rising public debt negatively influenced the risk appetite and caused a relative slowdown in capital flows directed to developing economies including our country, which resulted in a drop in the daily auctioned purchase quantities of foreign currencies towards US \$ 40 million, from 31 May 2011.

On continued weakening course in capital flows steered by the ongoing problems of EU member states and concerns about global growth, TCMB pulled down the amount of foreign currency to be purchased through actions to US \$ 30 million, as of 29 June 2011. Consequently in month June of 2011, the Bank officially abandoned its foreign exchange buy auctions for compliance with decisions adopted by EU member states in an attempt to provide a solution for their persistent problems related with public debt, in the EU Leaders' Summit, on 25 July 2011.

Mainly affected by the atmosphere of uncertainty dominating the global markets, Turkish Lira also lost value against US\$, just like the currencies of other developing countries, in the third quarters of 2011. In order to reduce the negative effects of excessive volatility and irregular movements observed in exchange rates on economic and financial stability, TCMB resumed foreign exchange buy auctions from 5 August 2011, gradually lowering foreign currency reserve requirement ratios. Furthermore, it lowered the lending interest rate in straddles of the foreign exchange and banknotes market for both US \$ and Euro. These measures taken helped containment of the extent of loss of value in Turkish Lira at a limited level, compared to other developing countries.

Following TCMB's raising the overnight lending rate during October 2011, the Turkish Lira demonstrated a powerful performance relative to the currencies of other developing economies. During this period, TCMB supplied a huge amount of foreign exchange liquidity to the market through foreign exchange sale auctions, because of the observed movements in Turkish Lira detached from economic foundations, resulting from the atmosphere of uncertainty dominating global markets. In this context, announcements were started made of maximum saleable amount of foreign currency in total by means of auctions, within 2 workdays following every workday, in order to contribute to establishment of stability in domestic forex markets. Besides, on exceptional days, when unhealthy price formations are observed in exchange rates as a result of speculative behaviours occurring in line with lack of depth in the market, direct interventions were made towards sales to the market, along with a rise in quantities of foreign currency stocks subject to sales. In the final quarter of the year, approximately US \$ 10.5 billion foreign currency liquidity was provided to the market by way of foreign exchange selling auctions and direct intervention. Again in the same period, the granting of opportunities for retention of foreign currency reserve requirements in international currency by up to 40.0% and in gold by up to 10.0%, combined with simplicities brought upon the availability and use of rediscount loans, had an augmenting effect on foreign exchange reserves.

The foreign currency quantities purchased by TCMB by means of foreign exchange buying auctions amounted to US \$ 14,864 million in 2010 and to US \$ 57,161 million, in 2011. No foreign exchange selling auctions were organised during 2010, neither any trading transaction took place in the foreign exchange market. In 2011, on the other hand, the total foreign exchange selling transactions conducted through auctions tolled US \$ 11,210 million, not to mention the direct intervention for the sale of US \$ 525 million to the market (Please refer to Table 134).

Table 134. Foreign Exchange Buying-Selling Auctions by the Central Bank

Years	Foreign Currency Buying Auctions	Foreign Currency Selling Auctions	Foreign Currency Buying Interventions ⁽¹⁾	Foreign Currency Selling Interventions ⁽²⁾	(000 000 \$)	
					Total Net Foreign Currency Buying	Rate of Change in Total Net Foreign Currency Buying
2009	4,315	900	-	-	3,415	-54.4
2010	14,864		-	-	14,864	335.3
2011	4,650	11,210		525	-7,085	-147.7
Total	57,161	13,210	21,289	2,639	62,601	

Source: TCMB.

(1): The value is the total between 2003 and 2006 and appears as "0" after 2007.

(2): The value is the total between 2004 and 2006.

The Turkish Lira, which gained value against US \$ and Euro in 2010, entered in an opposite tendency and lost value during 2011. During the initial quarter of 2011, US \$ and Euro started to show a growing trend against ₺. This outcome was, to a great extent, attributable to unavailability of a solution for the debt crisis affecting EU member states, the regression in the global risk appetite due to Europe originated debt problems, failure of the US Government to initialise the new quantitative loosening and the need for for-

eign currency in the market and monetary policy implementations of TCMB.

The US \$ lost value against Turkish Lira in March and April, while Euro lost value against the same currency, during April. However, by merger of May, they entered in a tendency of growth once again. The rise in value of US \$ and Euro was given an acceleration during month August, hitting the highest level of 2011. With the deepening problems of the European countries with the ongoing public debt and increased concern about global growth, an environment of uncertainty was built up all around the world. With the fading risk appetite, there had been capital outflows in Turkey, just as in other developing states of the world. This hastened the loss of value in Turkish Lira.

By annual average figures as at the end of 2011, the US \$ gained value by 11.5% against Turkish Lira ending up in a worth of ₺ 1.67102 in parity, whereas Euro reached at ₺ 2.32329 with an overall value gain of 16.8%, British Pound reached at ₺ 2.67593 ₺ with an overall value gain of 15.6% and the Japanese Yen reached at ₺ 2.09757 with an overall value gain of 23.0% (Please refer to Table 135).

Table 135. Annual Average Foreign Exchange Buying Rates

Years	US \$		Euro		British Pound Sterling		Japanese Yen	
	Rate	Rate of Change	Rate	Rate of Change	Rate	Rate of Change	Rate	Rate of Change
2009	1.54679	19.2	2.15003	13.2	2.41212	1.2	1.65107	30.6
2010	1.49843	-3.1	1.98896	-7.5	2.31478	-4.0	1.70542	3.3
2011	1.67102	11.5	2.32329	16.8	2.67593	15.6	2.09757	23.0

Source: TCMB.

In real terms, according to the consumer price index, US \$ gained value against Turkish Lira by 4.7% along with a value gain in Euro of 9.7%, during 2011. A look up of the real increase in value over months during 2011 reveals that the highest loss of value in US \$ took place in month April with 4.6% and highest gain of value in month August with 5.2%. Turning eye to the Euro base with the same goggles reveal the highest loss of value in this currency taking place in month November and the highest gain, in month August of the year inferred (Please refer to Table 136).

Table 136. The Monthly Average Foreign Exchange Buying Rates by Years and Months

Years	Months	US (\$)	Euro (€)	CPI (2003=100)		\$ and € Rates of Change			
				Index Value	Rate of Change Relative to Preceding Month	Nominal		Real	
						\$	€	\$	€
2009	January	1.58905	2.11490	160,9	0.3	3.3	1.4	3.0	1.1
	February	1.65236	2.11562	160,4	-0.3	4.0	0.0	4.3	0.4
	March	1.70454	2.21872	162,1	1.1	3.2	4.9	2.0	3.7
	April	1.60415	2.11698	162,2	0.0	-5.9	-4.6	-5.9	-4.6
	May	1.55176	2.11158	163,2	0.6	-3.3	-0.3	-3.9	-0.9
	June	1.53978	2.15838	163,4	0.1	-0.8	2.2	-0.9	2.1
	July	1.51369	2.13172	163,8	0.3	-1.7	-1.2	-1.9	-1.5
	August	1.47922	2.10843	163,3	-0.3	-2.3	-1.1	-2.0	-0.8
	September	1.48523	2.15758	163,9	0.4	0.4	2.3	0.0	1.9
	October	1.46214	2.16670	167,9	2.4	-1.6	0.4	-3.9	-1.9
	November	1.48002	2.20551	170,0	1.3	1.2	1.8	0.0	0.5
	December	1.49951	2.19429	170,9	0.5	1.3	-0.5	0.8	-1.0
Annual	1.54679	2.15003	164,3	6.2	19.2	13.2	12.2	6.6	
2010	January	1.46632	2.09727	174,1	1.9	-2.2	-4.4	-4.0	-6.2
	February	1.50556	2.06394	176,6	1.5	2.7	-1.6	1.2	-3.0
	March	1.52831	2.07551	177,6	0.6	1.5	0.6	0.9	0.0
	April	1.48787	1.99937	178,7	0.6	-2.6	-3.7	-3.2	-4.2
	May	1.53481	1.93951	178,0	-0.4	3.2	-3.0	3.5	-2.6
	June	1.57029	1.91805	177,0	-0.6	2.3	-1.1	2.9	-0.5
	July	1.53631	1.95610	176,2	-0.5	-2.2	2.0	-1.7	2.5
	August	1.50163	1.94183	176,9	0.4	-2.3	-0.7	-2.6	-1.1
	September	1.48892	1.94380	179,1	1.2	-0.8	0.1	-2.0	-1.1
	October	1.41846	1.97017	182,4	1.8	-4.7	1.4	-6.4	-0.5
	November	1.42953	1.96264	182,4	0.0	0.8	-0.4	0.8	-0.4
	December	1.51315	1.99929	181,9	-0.3	5.8	1.9	6.2	2.2
Annual	1.49843	1.98896	178,4	8.6	-3.1	-7.5	-10.8	-14.8	
2011	January	1.55382	2.07381	182,6	0.4	2.7	3.7	2.3	3.3
	February	1.58283	2.15965	183,9	0.7	1.9	4.1	1.1	3.4
	March	1.57467	2.20259	184,7	0.4	-0.5	2.0	-0.9	1.6
	April	1.51562	2.18690	186,3	0.9	-3.7	-0.7	-4.6	-1.6
	May	1.56416	2.24888	190,8	2.4	3.2	2.8	0.8	0.4
	June	1.59401	2.29340	188,1	-1.4	1.9	2.0	3.4	3.5
	July	1.64671	2.35284	187,3	-0.4	3.3	2.6	3.7	3.0
	August	1.74424	2.49980	188,7	0.7	5.9	6.2	5.2	5.5
	September	1.78652	2.46360	190,1	0.8	2.4	-1.4	1.7	-2.2
	October	1.82708	2.49900	196,3	3.3	2.3	1.4	-1.0	-1.8
	November	1.80378	2.44687	199,7	1.7	-1.3	-2.1	-3.0	-3.7
	December	1.85885	2.45219	200,9	0.6	3.1	0.2	2.5	-0.4
Annual	1.67102	2.32329	189,9	6.5	11.5	16.8	4.7	9.7	

Source: TCMB, TURKSTAT.

PS: Rates of change may vary due to arithmetical round-ups.

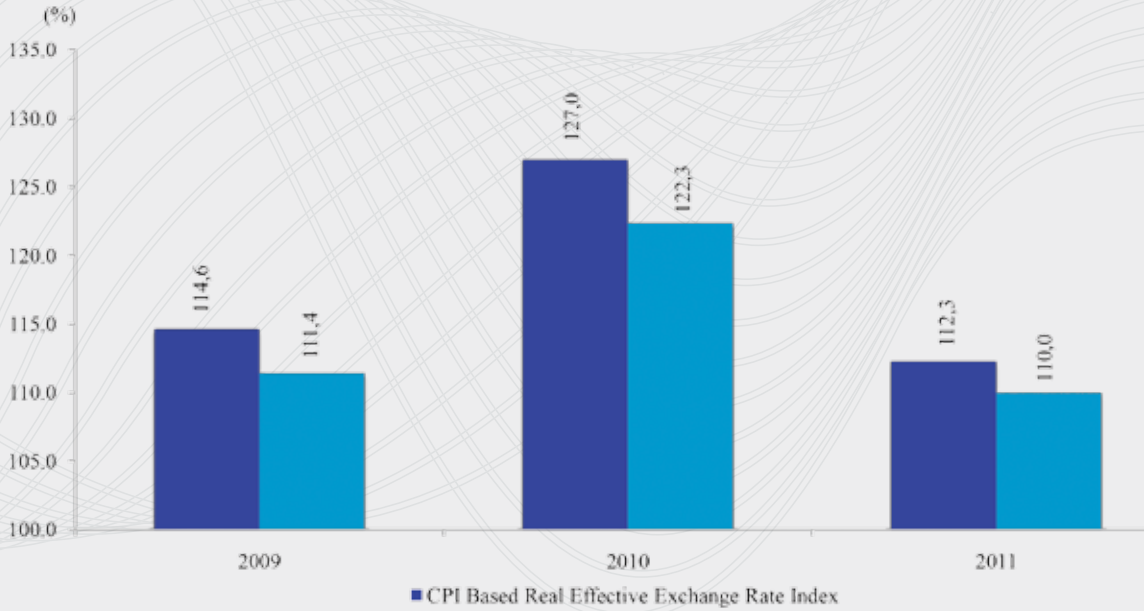
As a result of changes occurring in exchange rates, the CPI based real effective exchange rate index equalled to 109.2 and PPI based real effective exchange rate index to 107.0, as at the end of 2011. Thereby, exchange rates devalued by 11.6% on the basis of CPI or 10.1% on the basis of PPI, during 2011 (Please refer to Table 137, Figure 50).

Table 137. The Real Effective Foreign Exchange Rate Indices by Years and Months

Years	Months	CPI (2003=100) Based Real Effective Exchange Rate Index ⁽¹⁾	PPI (2003=100) Based Real Effective Exchange Rate Index ⁽¹⁾
2009		114,6	111,4
2010		127,0	122,3
2011		112,3	110,0
2009	January	113,8	109,2
	February	112,7	110,5
	March	109,5	107,2
	April	114,0	112,7
	May	115,2	112,8
	June	113,4	111,3
	July	115,3	112,4
	August	116,1	113,4
	September	114,8	112,2
	October	117,4	112,3
	November	116,5	111,2
	December	116,8	111,9
2010	January	122,9	115,7
	February	124,3	118,1
	March	123,2	118,5
	April	127,6	124,2
	May	128,4	124,5
	June	127,6	124,1
	July	125,9	122,2
	August	127,2	124,3
	September	128,7	124,5
	October	131,3	125,5
	November	131,2	124,7
	December	125,7	121,8
2011	January	121,3	118,7
	February	117,3	115,5
	March	115,9	114,3
	April	118,3	115,5
	May	117,2	112,3
	June	113,3	110,1
	July	109,4	106,7
	August	103,5	102,2
	September	104,9	104,7
	October	106,5	105,2
	November	110,4	107,7
	December	109,2	107,0

Source: TCMB.

(1): As figures are revised by the TCMB, data may differ from preceding year's published data.



Source: TURKSTAT.

Figure 50. Real Effective Foreign Exchange Rate Indices (1995=100)

2.5.3.3 İstanbul Stock Exchange

The developments in the global economy had major effects on the developments in İstanbul Stock Exchange Index, too. The Index entered a declining trend by merger of 2011, starting the year at a level of 63,278.1. It then reverted back to the level of 61,283.9, affected by TCMB's deciding to drop interest rate vis-à-vis a rise in required reserve levels, in February.

The fifth greatest earthquake of the history hitting Japan on 11 March 2011 had its toll in the global financial markets. The falloff in prices of stock certificates at Asian Markets following the earthquake was considered as a purchasing opportunity and the inflation's following a realisation trend below expectations in the domestic markets encouraged forecasts viewing TCMB's leveraging up of the interest rates unlikely, all of which factors collectively helped a rise in İMKB National 100 index during March and April.

Data supplied on US economy intensifying concerns about economic recovery in combination with unfavourable news regarding Euro area economies on abroad and the high progression course maintained by the current deficit at home and risk associated with current deficit outspoken by the credit rating organisation Standard and Poor's (S&P), tearing apart hopes toward an increase in credit ratings on the short run caused İMKB National 100 index to re enter a declining trend. The index receded at a level of 63,046 in May and the low progress continued till September. The global risk appetite's diminishing in the pace of rising concerns about the potential spreading of debt crisis taking place in the Euro area, into such large economies of the territory as Italy and Spain and the sale oriented pressures due to stagnation pointed out by production data of European countries also had adverse effects in domestic markets.

Due to the delayed reflection of increasing risk appetite in global markets on TCMB and a foreign financial institution's raising its recommendation concerning Turkish stock certificates, a movement in the upward direction was seen in the İMKB National 100 index, in September. However, this movement of the index in the upward direction didn't last long and the index subsequently dropped at a level of 56,061.5 in October, 54,517.8 in November and finally at a level of 51,266.6 in December, hitting the bottom of the line for the entire year.

Thus, the İMKB National 100 index closed 2011 at a level of 51,266.6 points, with an absolute loss of 22.3%, compared to 2010 year-end (Please refer to Table 138).

Table 138. Istanbul Stock Exchange

Year	Month	Trading Volume (⁽¹⁾ 000 ₺)	İMKB Index (1986 January=100)		Consumer Price Index (2003=100)		Rates of Change in Trading Volume	
			Index Value	Index Value	Rate of Change	Nominal	Real	
2009	January	24,881,261	25,934,4	160,9	0.8	43.3	60.0	
	February	19,758,150	24,026,6	160,4	-0.3	-20.6	-20.3	
	March	25,276,431	25,764,8	162,1	1.1	27.9	26.5	
	April	38,907,193	31,651,8	162,2	0.0	53.9	53.9	
	May	48,442,296	35,003,0	163,2	0.6	24.5	23.7	
	June	47,099,261	36,949,2	163,4	0.1	-2.8	-2.9	
	July	44,538,971	42,641,3	163,8	0.3	-5.4	-5.7	
	August	51,831,675	46,551,2	163,3	-0.3	16.4	16.7	
	September	39,921,783	47,910,3	163,9	0.4	-23.0	-23.3	
	October	50,753,078	47,184,7	167,9	2.4	27.1	24.1	
	November	41,539,930	45,350,2	170,0	1.3	-18.2	-19.2	
	December	49,584,258	52,825,0	170,9	0.5	19.4	18.7	
2010	January	60,478,001	54,650,6	174,1	1.8	22.0	19.8	
	February	57,936,927	49,705,5	176,6	1.4	-4.2	-5.6	
	March	57,174,511	56,538,4	177,6	0.6	-1.3	-1.9	
	April	57,764,710	58,959,1	178,7	0.6	1.0	0.4	
	May	53,885,419	54,384,9	178,0	-0.4	-6.7	-6.4	
	June	41,140,854	54,839,5	177,0	-0.6	-23.7	-23.2	
	July	40,782,685	59,866,8	176,2	-0.5	-0.9	-0.4	
	August	35,336,611	59,972,6	176,9	0.4	-13.4	-13.7	
	September	48,288,745	65,774,4	179,1	1.2	36.7	35.0	
	October	59,017,025	60,404,3	182,4	1.8	22.2	20.0	
	November	51,425,090	65,350,9	182,4	0.0	-12.9	-12.9	
	December	73,090,897	66,004,5	181,9	-0.3	42.1	42.6	
2011	January	76,933,328	63,278,1	182,6	0.4	5.3	4.8	
	February	69,144,733	61,283,9	183,9	0.7	-10.1	-10.8	
	March	83,332,098	64,434,5	184,7	0.4	20.5	20.0	
	April	72,175,418	69,250,1	186,3	0.9	-13.4	-14.1	
	May	64,869,842	63,046,0	190,8	2.4	-10.1	-12.2	
	June	50,513,691	63,269,4	188,1	-1.4	-22.1	-21.0	
	July	41,907,669	62,295,7	187,3	-0.4	-17.0	-16.7	
	August	53,617,737	53,946,1	188,7	0.7	27.9	27.0	
	September	55,987,134	59,693,4	190,1	0.8	4.4	3.6	
	October	50,338,561	56,061,5	196,3	3.3	-10.1	-12.9	
	November	39,669,090	54,517,8	199,7	1.7	-21.2	-22.5	
	December	36,848,251	51,266,6	200,9	0.6	-7.1	-7.6	

Source: İMKB, CMB, TURKSTAT.

(1): Represents the trading volume in the National Market.

In December 2011 relative to December 2010, the trading volume fell by 49.6%, from ₺ 73,091 million to ₺ 36,848 million. The highest trading volume took place in March with ₺ 83,333 million and the lowest trading volume was realised in December with ₺ 36,848 million.

August had been the month in which the real change in İMKB total trading volume had its highest rate with 27.0% and this was followed by March with 20.0% and January with 4.8%, in 2011. The month which recorded the sharpest decline in real terms of the total trading volume had been November with 22.5%.

2.5.3.4 Developments in Interest Rates

The continuing stance of the downside risks associated with the global economy, especially the growing concerns about public debts in certain countries of the European continent and monetary policy implementations resulted in a volatile course followed by interest rates in 2011.

The market interest rates retained their low level during all periods until May. In the second quarter of 2011, there has been a growing trend observed in market interest rates and deposit rates, as a result of the impairment in global risk perceptions and TCMB's monetary policy implementations. The market rate rose mildly compared to the rates of developing countries. The rise in rates basically stemmed from TCMB's administration of money tightening measures.

The downward trend observed in interest rates was also seen in Turkey, in parallel with expectations of growth in global markets and monetary policy implementations. The policy decisions taken by TCMB on interest rate and liquidity and its monetary policy implications during August and September had a major role to play in this decline. During this period, a slight drop in deposit rates was observed as a result of lowered policy rates and liquidity measures taken.

Impairment in global risk perceptions and the TCMB's increasing overnight lending interest rate in October caused interest rates rise significantly in the last quarter of the year. With the effect of the tight monetary policy TCMB began to implement from such time onwards, the market interest rates in our country showed a higher rate of increase compared to other countries. In addition, the upward trend observed in the risk premium as of November has been effective on the increase in market interest rates.

An examination of deposit interest rates weighted by maturity as of 2011 shows that demand deposits retained their same level of 25% in January, until the end of the year. Although Deposit rates demonstrated fluctuations in other quarters of the year, they showed a rapid increase in the last months of the year. As of the year-end, deposit interest rates were realised at 16.20% for a term of one month, 16.34% for a term of three months, 15.97% for a term of six months and at 15.90% for a term of 12 months (Please refer to, Table 139).

Table 139. Deposit Interest Rates of ₺ by Maturity

Year	Month	Interest Rates by Maturity ⁽¹⁾				
		Weighted Demand Deposit	Weighted Demand Deposit with 1 Month Maturity	Weighted Demand Deposit with 3 Months Maturity	Weighted Demand Deposit with 6 Months Maturity	Weighted Demand Deposit with 12 Months Maturity
2009	January	18.15	22.40	21.17	20.13	20.32
	February	15.12	18.17	18.49	18.42	18.29
	March	15.17	18.15	18.34	18.25	18.17
	April	14.54	17.70	18.02	17.87	17.49
	May	14.68	17.66	17.96	17.94	17.36
	June	14.87	17.67	17.98	17.97	17.42
	July	14.76	17.34	17.35	17.21	17.01
	August	14.68	16.86	17.10	16.89	16.84
	September	14.59	16.60	16.89	16.70	16.55
	October	14.14	15.87	16.16	16.16	15.67
	November	14.16	15.88	16.11	16.23	15.62
	December	14.17	15.87	16.22	16.41	15.67
2010	January	14.11	15.42	15.87	16.11	15.47
	February	14.10	15.47	15.92	16.28	15.55
	March	14.18	15.29	15.93	16.25	15.53
	April	14.14	15.36	15.82	16.14	15.54
	May	14.22	15.44	15.91	16.10	15.64
	June	14.27	15.54	15.95	16.08	15.67
	July	14.09	15.24	15.72	15.73	15.06
	August	14.14	15.21	15.78	15.88	15.22
	September	14.10	15.25	15.78	15.75	15.08
	October	11.66	13.00	13.82	13.58	14.05
	November	11.63	13.00	13.83	13.72	14.14
	December	0.25	12.31	12.91	12.90	12.98
2011	January	0.25	11.54	12.08	11.91	12.07
	February	0.25	11.47	12.15	11.86	12.01
	March	0.25	11.49	12.16	11.80	12.16
	April	0.25	12.97	12.90	12.69	13.27
	May	0.25	14.14	14.75	15.00	14.74
	June	0.25	14.27	14.89	15.01	14.81
	July	0.25	14.47	15.01	15.09	14.99
	August	0.25	14.41	14.99	15.22	14.90
	September	0.25	14.35	14.92	15.14	14.92
	October	0.25	14.52	15.13	15.32	15.13
	November	0.25	14.91	15.28	15.49	15.33
	December	0.25	16.20	16.34	15.97	15.90

Source: TCMB.

(1): Figures represent averages found by weighing maximum interest rates announced by Banks as applicable during the current month by maturities over the amounts of deposits and number of days defined for applicable maturities.

2.6 FOREIGN TRADE

2.6.1 Foreign Trade

2.6.1.1 Foreign Trade Indicators

The global economic crisis that emerged in the final quarter of 2008 and became prominent during 2009 a shrinkage was encountered in our foreign trade, concomitant with contracting world trade volumes. While our country's imports rose rapidly due to production's dependency on intermediate goods, along with the powerful progress of domestic consumption and demand for investments, our export volume rose at a limited level as a result of the stagnancy in EU area, our most important exports market.

As a result of speeding in global growth and recovery of external demand, our exports rose by 11.5% in 2010 and 18.5% in 2011, reaching, in quantitative terms, at US \$ 114 billion and then at US \$ 135 billion, almost resuming the levels before the outbreak of the global crisis.

Along with an increase in growth rates in line with production, our imports, which rose by 31.7% in 2010 relative to the preceding year, further improved by 29.8% reaching at a value of US \$ 241 billion, in 2011, from its former level of US \$ 186 billion. The imports getting beyond the level before global crisis compared to the preceding term also had a major role to play in a rapid increase in current deficit.

Our foreign trade volume, which shrank by 27.2% in 2009 due to the crisis, entered in a gradually strengthening recovery period by showing an increase at 23.2% in 2010 and 25.5% in 2011, hitting the level of US \$ 376 billion, at the end of the year.

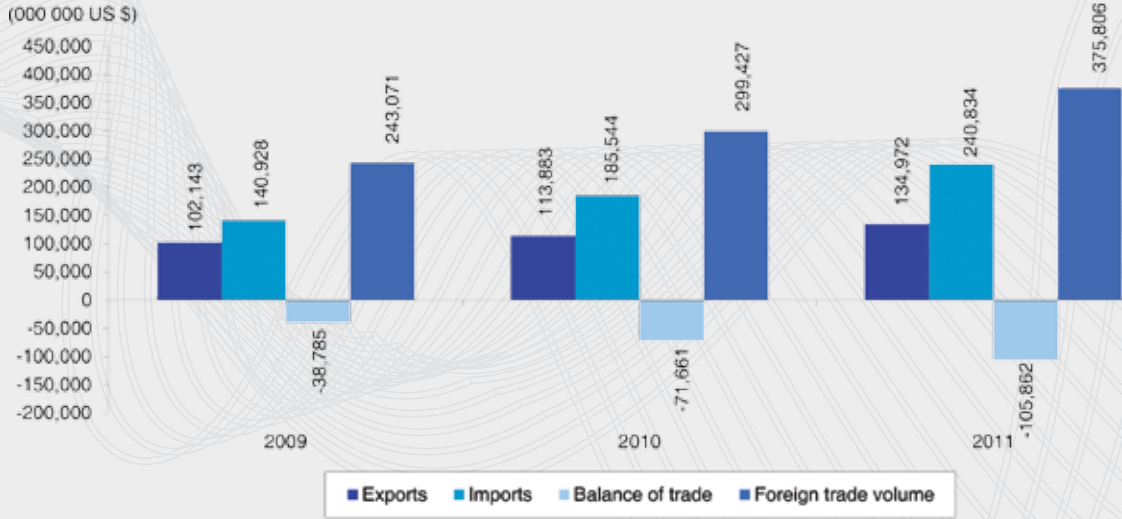
Our foreign trade deficit on the other hand, was given a boost at a record-breaking level with a measured rate of increase of 84.8% in 2010 compared to the preceding year, slowed a bit during 2011 achieving a rise at 47.7%, but then rose by US \$ 72 million to US \$ 106 billion, reaching a historical climax, as a result of the faster rise in imports relative to exports (Please refer to Table 140, Figure 51).

Table 140. Foreign Trade Indicators

Indicators	2009	2010	2011	(000 000 \$)		
				Rate of Change		
				2009	2010	2011
Exports	102,143	113,883	134,972	-22.6	11.5	18.5
Imports	140,928	185,544	240,834	-30.2	31.7	29.8
Foreign trade volume	243,071	299,427	375,806	-27.2	23.2	25.5
Balance of trade	-38,785	-71,661	-105,862	-44.5	84.8	47.7
Proportion of exports coverage imports	72.5	61.4	56.0	10.9	-15.3	-8.7
Ratio of balance of trade to exports	-38.0	-62.9	-78.4	-28.3	65.7	24.6

Source: TURKSTAT.

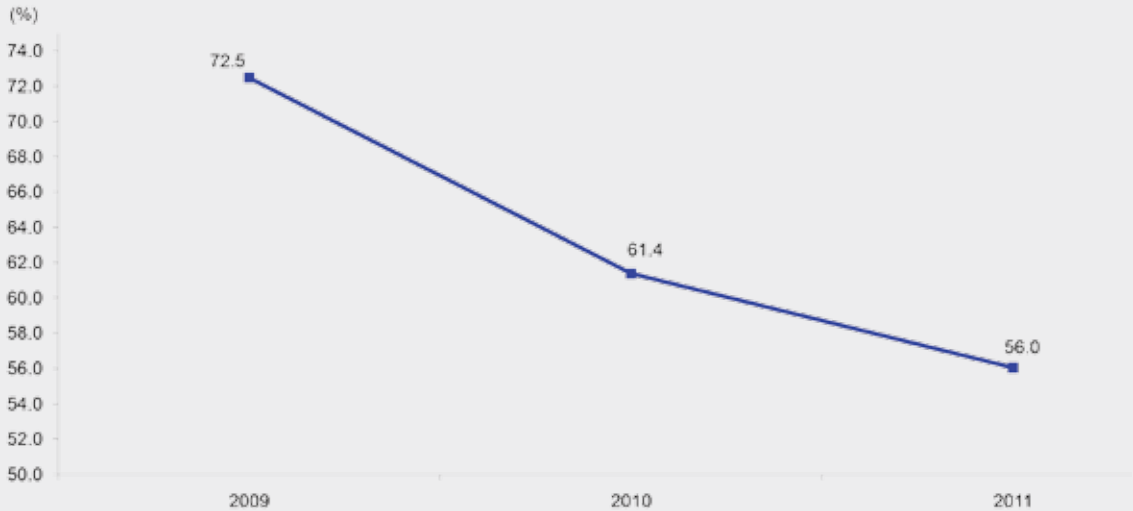
PS: Rates of change may vary due to arithmetical round-ups.



Source: TURKSTAT.

Figure 51. Foreign Trade Indicators by Years

Depending on these developments, proportion of exports coverage imports declined by 5.4 points in 2011 compared to its level in 2010 and ended up at a rate of 56.0%, from a baseline of 61.4% recorded during the former (Please refer to Figure 52).



Source: TURKSTAT.

Figure 52. Proportion of Exports Coverage Imports by Years

2.6.1.2 Exports

Along with an increase in growth rates connected to production, our imports, which rose by 18.5% in 2011 relative to the preceding year, went up to US \$ 135 billion from its former level of US \$ 114 billion. When rates of change in exports are examined by sectors, the highest rate of increase appears to have been achieved in the manufacturing industry exports. Going up by 19.5% compared to the preceding year, the export volume of the manufacturing industry amounted to US \$ 126 billion. The export volumes rose by 19.2%

to US \$ 186 million in the fishery sector, by 4.7% to US \$ 5 billion in agricultural and forestry sector and by 4.4% to US \$ 3 billion in mining and quarrying sector, throughout the year. A comparison of sectors by their respective shares in country's overall exports with reference to the preceding year brings in plain view an exports volume retaining the same level in fishery sector, a decline in the share in exports of the mining and quarrying sector and a rise in the share of exports of the manufacturing industry (Please refer to Table 141).

Table 141. Exports by Sectors

Sectors	Export Value (000 000 US \$)			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Agriculture and forestry	4,347	4,935	5,169	4.3	4.3	3.8	10.4	13.5	4.7
Fishing	189	156	186	0.2	0.1	0.1	-21.3	-17.5	19.2
Mining and quarrying	1,683	2,687	2,806	1.6	2.4	2.1	-21.9	59.7	4.4
Manufacturing	95,449	105,467	126,025	93.4	92.6	93.4	-23.8	10.5	19.5
Other	475	638	786	0.5	0.6	0.6	-6.3	34.3	23.2
Total	102,143	113,883	134,972	100.0	100.0	100.0	-22.6	11.5	18.5

Source: TURKSTAT.

The highest rate of increase in export values during the current year compared to the preceding year according to broad economic group classification was observed in capital (investment) goods with 20.6% resulting in US \$ 14 billion, and in the exports of intermediate (raw) materials with the same rate, resulting in US \$ 68 billion. This was followed by consumable goods which showed a growth performance by 15.3%, with a value of US \$ 52 billion. The individual shares of main commodity groupings in the overall exports fell from 39.8% to 38.7% for consumable goods and rose from 10.3% to 10.5% for capital (investment) goods) and from 49.5% to 50.4% for intermediate (raw) materials (Please refer to Table 142).

Table 142. Exports by Broad Economic Classification

Broad Economic Classification	Export Value (000 000 US \$)			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Capital (Investment) goods	11,117	11,771	14,200	10.9	10.3	10.5	-33.5	5.9	20.6
Intermediate (Raw) goods	49,734	56,381	67,970	48.7	49.5	50.4	-26.6	13.4	20.6
Consumer goods	40,733	45,321	52,248	39.9	39.8	38.7	-13.5	11.3	15.3
Others	559	410	554	0.5	0.4	0.4	13.8	-26.7	35.1
Total	102,143	113,883	134,972	100.0	100.0	100.0	-22.6	11.5	18.5

Source: TURKSTAT.

A review of the commodity group which had the highest contribution in the country's export volumes during 2011 reveals that the first place in the ranking is occupied by motor vehicles, tractors, bicycles, motorcycles and others, with US \$ 16 billion. However, the share of this group in overall exports falls by 0.4 points and recedes from 12.1% to 11.7%. The other commodity groups which had the most contribution in the country's export volumes are boilers, machinery and equipment, tools and their parts ranking in the second place with US \$ 12 billion, iron and steel ranking in the third place with US \$ 11

billion and electrical machines and devices, components and parts in the fourth place with US \$ 9 billion. While a general increase is observed in all chapters during 2011 relative to the preceding year, the highest rate of increase, being 46.3%, was observed in mineral fuels, mineral oils and their preparations and waxes, which rose from US \$ 4 billion to US \$ 7 billion.

As an analysis of the chapters in general would suggest, the chapters which dropped in export quantities during 2009 due to the global crisis recovered during 2010 and continued in a growing trend throughout 2011 (Please refer to Table 143).

Table 143. The First Ten Chapters in Exports

Chapters ⁽¹⁾	Sort No			Export Value (000 000 US \$)			Share in Overall Exports			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Motor vehicles, tractors, bicycles, motorcycles and others	1	1	1	12,252	13,813	15,805	12.0	12.1	11.7	-33.1	12.7	14.4
Boilers: machinery and devices, tools, parts	2	2	2	8,133	9,413	11,563	8.0	8.3	8.6	-20.7	15.7	22.8
Iron and steel	3	3	3	7,641	8,740	11,226	7.5	7.7	8.3	-48.9	14.4	28.4
Electrical machinery and devices, components and parts	5	5	4	6,631	7,530	8,882	6.5	6.6	6.6	-16.8	13.6	18.0
Knitted clothing and accessories	4	4	5	6,926	7,731	8,396	6.8	6.8	6.2	-11.5	11.6	8.6
Mineral fuels, mineral oils and products, waxes	6	7	6	3,921	4,469	6,539	3.8	3.9	4.8	-47.9	14.0	46.3
Items of iron or steel	7	8	7	4,545	4,850	5,759	4.4	4.3	4.3	-20.8	6.7	18.7
Articles of non-woven apparel and accessories	8	6	8	4,295	4,636	5,129	4.2	4.1	3.8	-19.4	7.9	10.6
Plastics and items made of plastics	9	9	9	3,094	3,717	4,581	3.0	3.3	3.4	-13.2	20.2	23.2
Edible fruits, nuts, peeled skins of citrus fruits and melons	10	10	10	3,002	3,491	3,910	2.9	3.1	2.9	5.1	16.3	12.0
Total Exports				102,143	113,883	134,972	100.0	100.0	100.0	-22.6	11.5	18.5

Source: TURKSTAT.

(1): The top-10 chapters in the ranking made according to the export volumes of 2011.

As for the line numbers of chapters filling the top ten in our 2011 based exports in the ranking for their shares in overall exports between 2009 and 2011, Motor vehicles, tractors, bicycles, motorcycles and others took the first place, Boilers: machinery and devices, tools, parts took the second place and iron and steel took the 3rd place while plastics and items manufactured from plastics took the 9th and edible fruits, nuts, peeled skins of citrus fruits and melons took the 10th place by their value of exports for all the three years covered by the 2009/2011 period.

2.6.1.3 Imports

The strong growth of the Turkish economy and in-line growth in domestic demand and economic activities as well as more extensive credit facilities increased the demand for imports, thus fuelled import trends. Rising by 29.8% in 2011 relative to the preceding year, imports broke a record by reaching at US \$ 241 billion. Putting a magnifying lens on this phenomenon at sectoral level, the imports rose by 48.5% to US \$ 49 million in fisheries, by 44.0% to US \$ 37 billion in mining and quarrying sector, by 37.8% to US \$ 9 billion in agricultural and forestry sector and by 26.5% to US \$ 184 billion in manufacturing sector this year, compared to the preceding year. A comparison of sectors by their respective shares in country's overall imports with reference to the preceding year brings in plain view an imports volume retaining the same level in fishery sector, a decline in the share in imports of the mining and quarrying sector and a rise in the share in imports, of the manufacturing industry (Please refer to Table 144).

Table 144. Imports by Sectors

Sectors	Import Value (000 000 US \$)			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Agriculture and forestry	4,594	6,457	8,895	3.3	3.5	3.7	-28.1	40.6	37.8
Fishing	31	33	49	0.0	0.0	0.0	-24.4	6.5	48.5
Mining and quarrying	20,625	25,933	37,331	14.6	14.0	15.5	-42.1	25.7	44.0
Manufacturing	111,031	145,367	183,923	78.8	78.3	76.4	-26.1	30.9	26.5
Other	4,647	7,754	10,636	3.3	4.2	4.4	-51.7	66.9	37.2
Total	140,928	185,544	240,834	100.0	100.0	100.0	-30.2	31.7	29.8

Source: TURKSTAT.

The rising trend in import values that occurred during 2010 due to gradual relief in the outcomes of the economic crisis continued also during 2011, with improvements. The group that showed the highest rate of increase in 2011 compared to the preceding year was the exports of intermediate goods (raw materials), which rose up by 31.7% and reached at a value of US \$ 174 billion. Capital (investment) goods imports in 2011 increased by 29.3% over the previous year to US \$ 37 billion, while imports of consumer goods increased by 20.0% to US \$ 27 billion. Furthermore, in 2011, the share of intermediate (raw material) goods in total imports increased compared to the previous year, and that of consumer goods decreased and ratio of imports of capital (investment) goods remained stable (see Table 145).

Table 145. Imports by Broad Economic Classification

Broad Economic Classification	Import Value (000 000 US \$)			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Capital (Investment) goods	21,463	28,818	37,267	15.2	15.5	15.5	-23.4	34.3	29.3
Intermediate (Raw) goods	99,510	131,445	173,137	70.6	70.8	71.9	-34.4	32.1	31.7
Consumer goods	19,290	24,735	29,692	13.7	13.3	12.3	-10.2	28.2	20.0
Other	665	546	738	0.5	0.3	0.3	-5.9	-17.9	35.2
Total	140,928	185,544	240,834	100.0	100.0	100.0	-30.2	31.7	29.8

Source: TURKSTAT.

The exports of mineral fuels, mineral oils and products and waxes possess the highest rate of share in overall exports in 2011, among the chapters. While this chapter had an imports value of US \$ 54 billion, the second chapter in the line with highest share in overall imports has been boilers: machinery and devices, tools, parts, with a worth of US \$ 27 billion. The other chapters with high shares in imports consisted of Iron and steel with US \$ 20 billion, motor vehicles, tractors, bicycles, motorcycles and others with US \$ 17 billion and electrical machinery and devices, components and parts with US \$ 17 billion, in respective order. The respective shares of these chapters in 2011 overall imports were 22.5%, 11.3%, 8.5%, 7.1% and 7.0%, in order of appearance (Please refer to Table 146).

Table 146. The First Ten Chapters in Imports

Chapters ⁽¹⁾	Sort No			Import Value (000 000 US \$)			Share in Total Imports			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Mineral fuels, mineral oils and products, waxes	1	1	1	29,905	38,497	54,115	21.2	20.7	22.5	-38.1	28.7	40.6
Boilers: machinery and devices, tools, parts	2	2	2	17,132	21,267	27,107	12.2	11.5	11.3	-24.0	24.1	27.5
Iron and steel	5	3	3	11,352	16,121	20,424	8.1	8.7	8.5	-51.0	42.0	26.7
Motor vehicles, tractors, bicycles, motorcycles and others	3	5	4	8,976	13,419	17,184	6.4	7.2	7.1	-29.8	49.5	28.1
Electrical machinery and devices, components and parts	4	4	5	12,243	14,642	16,836	8.7	7.9	7.0	-11.9	19.6	15.0
Plastics and items made of plastics	6	6	6	6,944	9,730	12,578	4.9	5.2	5.2	-26.0	40.1	29.3
Pearls, precious gems and metal products, metallic coins	7	9	7	2,004	3,037	7,022	1.4	1.6	2.9	-64.6	51.5	131.2
Organic chemical products	8	8	8	3,342	4,400	5,504	2.4	2.4	2.3	-24.4	31.7	25.1
Pharmaceutical products	9	7	9	4,080	4,410	4,697	2.9	2.4	2.0	-6.4	8.1	6.5
Copper and items made of copper	10	10	10	1,985	3,299	4,119	1.4	1.8	1.7	-39.4	66.2	24.9
Total imports				140,928	185,544	240,834	100.0	100.0	100.0	-30.2	31.7	29.8

Source: TURKSTAT.

(1): The top-10 chapters in the ranking made according to the import volumes of 2011.

An analysis of the top ten chapters in our imports for their row numbering in the rankings for the period between 2009 and 2011 shows that mineral fuels, mineral oils and products and waxes took the 1st place in overall imports of the country for the period inferred, while boilers, machinery and devices, tools, parts took the 2nd, organic chemical products took the 8th and copper and items made of copper took the 10th places.

2.6.1.4 Foreign Trade at Regional Level

In 2011, the highest share in the country's imports was possessed by TR1 (İstanbul) region according to NUTS Level-1 classification, with US \$ 61 billion. This figure is the highest value achieved during the period inferred across Turkey, in all regions, and represents 45.5% of Turkey's total imports for that time being. This region is immediately followed by TR4 (East Marmara) region with US \$ 27 billion and TR3 (Aegean) region with US \$ 16 billion share in imports. The region with the lowest share in overall imports of the country is the TRA (North East Anatolia) region with US \$ 207 million (Please refer to, Table 147).

Table 147. Foreign Trade Indicators according to NUTS Level-1

		(000 000 \$)					
Regional Code	NUTS Level-1	Exports	Imports	Foreign Trade Volume	Balance of Trade	Proportion of Exports Coverage Imports	Ratio of Balance of Trade to Exports
TR1	Istanbul	61,465	123,909	185,373	-62,444	49.6	-101.6
TR2	West Marmara	1,375	1,733	3,108	-359	79.3	-26.1
TR3	Aegean Region	16,417	17,363	33,780	-946	94.5	-5.8
TR4	East Marmara	27,082	27,074	54,156	8	100.0	0.0
TR5	West Anatolia	8,000	13,202	21,202	-5,202	60.6	-65.0
TR6	Mediterranean Region	7,259	11,660	18,919	-4,401	62.3	-60.6
TR7	Central West Anatolia	1,978	2,241	4,219	-262	88.3	-13.3
TR8	West Black Sea	1,460	3,226	4,686	-1,765	45.3	-120.9
TR9	East Black Sea	2,061	282	2,343	1,778	729.6	86.3
TRA	North East Anatolia	207	160	367	47	129.1	22.6
TRB	Central East Anatolia	697	247	945	450	281.8	64.5
TRC	South East Anatolia	6,945	5,420	12,365	1,524	128.1	21.9
TR	Turkey ⁽¹⁾	134,972	240,834	375,806	-105,862	56.0	-78.4

Source: TURKSTAT.

(1): Data for Turkey also include hidden and ambiguous data.

PS: Rates of change may vary due to arithmetical round-ups.

The same ranking also applies to importation figures, where TR1 (İstanbul) region takes the lead with US \$ 124 billion, getting a share of 51.5% in Turkey's overall imports. This region is immediately followed by TR4 (East Marmara) region with US \$ 27 billion and TR3 (Aegean) region with US \$ 17 billion share in imports. The region with the lowest share in overall imports, on the other hand, is TRA (South East Anatolia) region, with US \$ 160 million.

As regards the volume of trade, there has also been not any change in the ranking according to importation and exportation figures and their shares in Turkey's overall volumes. TR1 (İstanbul) region takes the lead with US \$ 185 billion and is immediately followed by TR4 (East Marmara) region with US \$ 54 billion and TR3 (Aegean) region with US \$ 34 billion, which together form up the top three regions in the ranking. The region with the lowest balance of trade across the country is the TRA (North East Anatolia) region with US \$ 367 million.

The region with the highest foreign trade deficit proves to be TR1 (İstanbul) region, which is immediately chased by TR5 (West Anatolia) region and TR6 (Mediterranean) region with US \$ 62 billion, US \$ 5 billion and US \$ 4 billion, respectively. The region giving the highest foreign trade surplus is TRC (South East Anatolia) region with US \$ 2 billion.

The region where the proportion of exports coverage imports reveals to be the highest is TR9 (East Black Sea) region with a ratio of 729.6%. This is followed by TRB (Central East Anatolia) region with a ratio of 281.8% and TRA (North East Anatolia) region with a ratio of 129.1%. The region where the ratio of exports covering imports reveals to be the lowest is TR1 (İstanbul) region with a ratio of 49.6%.

2.6.1.5 Foreign Trade by Country Groups

Despite the financial troubles that EU member states, which make up almost half of our export transactions, went through, our country's exports demonstrated an increase with high rate during 2011, compared to the preceding year. In 2009 following the crisis, exports were realised to EU member states in a total volume of US \$ 47 billion, which figure rose by 12.1% to US \$ 53 billion in 2010 and further improved by 18.4% to a level of US \$ 62 billion, during 2011. Apart from above, exports carried out to destinations in Free Trade Zones of Turkey rose by 22.1% in 2011 and the exports to other countries within other country groupings by 18.5%. During 2011, exports made to the Free Trade Zones of Turkey tolled US \$ 3 billion while exports to other countries amounted US \$ 70 billion. While not much of change was observed in the share of exports made by country groupings in the overall exports in 2011 relative to 2010, the share of exports targeted at EU member states was realised to be 46.2%, share of exports to Free Trade Zones of Turkey to be 1.9% and share of exports to other countries of the world to be 51.9%.

As constituents of the US \$ 70 billion volume of exports realised to other countries in 2011, exports made to non EU member states of the European continent amounted to US \$ 13 billion, exports made to African states amounted to US \$ 10 billion, exports made to Americas amounted to US \$ 8 billion, exports made to Asian countries amounted to US \$ 38 billion, exports made to Australia and New Zealand amounted to US \$ 481 million and exports made to other countries and regions amounted to US \$ 164 million. In the overall exports of 2011, share of exports made to non EU member states of the European Continent took a slice of 9.6%, share of exports made to African states took a slice of 7.7%, share of exports made to Americas took a slice of 5.9%, share of exports made to Asian countries took a slice of 28.3%, share of exports made to Australia and New Zealand took a slice of 4.0% and the share of exports made to other countries and regions took a slice of 1.0% (Please refer to Table 148).

Table 148. Foreign Trade Indicators by Country Groups

(000 000 \$)

Country Groups	Exports								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
A- EU Member States (EU 27)	47,013	46.0	-25.8	52,685	46.3	12.1	62,374	46.2	18.4
B- Free Trade Zones of Turkey	1,957	1.9	-34.9	2,084	1.8	6.5	2,545	1.9	22.1
C- Other Countries	53,172	52.1	-19.0	59,114	51.9	11.2	70,053	51.9	18.5
1- Other European Countries (excl. EU)	11,318	11.1	-27.8	11,373	10.0	0.5	12,986	9.6	14.2
2- African Countries	10,155	9.9	12.1	9,283	8.2	-8.6	10,337	7.7	11.4
North Africa	7,416	7.3	26.8	7,025	6.2	-5.3	6,702	5.0	-4.6
Other Africa	2,739	2.7	-14.7	2,258	2.0	-17.6	3,635	2.7	61.0
3- Countries of America	4,879	4.8	-25.3	6,077	5.3	24.6	7,941	5.9	30.7
North America	3,579	3.5	-25.5	4,242	3.7	18.5	5,471	4.1	29.0
Central America and the Caribbean	622	0.6	-25.0	598	0.5	-3.8	629	0.5	5.2
South America	678	0.7	-24.8	1,237	1.1	82.5	1,841	1.4	48.8
4- Asian Countries	25,899	25.4	-20.3	31,876	28.0	23.1	38,146	28.3	19.7
Near and Middle Eastern Countries	19,193	18.8	-24.5	23,295	20.5	21.4	27,945	20.7	20.0
Other Asia	6,706	6.6	-5.2	8,581	7.5	28.0	10,201	7.6	18.9
5- Australia and New Zealand	362	0.4	-16.8	403	0.4	11.2	481	0.4	19.4
6- Other Countries and Regions ⁽¹⁾	561	0.5	-60.4	102	0.1	-81.9	164	0.1	61.2
Grand Total	102,143	100.0	-22.6	113,883	100.0	11.5	134,972	100.0	18.5

Table 148. Foreign Trade Indicators by Country Groups (Continued)

Country Groups	Imports								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
A- EU Member States (EU 27)	56,509	40.1	-24.1	72,180	38.9	27.7	91,125	37.8	26.2
B- Free Trade Zones of Turkey	965	0.7	-27.7	878	0.5	-9.0	1,038	0.4	18.2
C- Other Countries	83,454	59.2	-33.9	112,486	60.6	34.8	148,671	61.7	32.2
1- Other European Countries (excl. EU)	25,886	18.4	-41.4	30,312	16.3	17.1	35,977	14.9	18.7
2- African Countries	3,938	2.8	-29.6	4,824	2.6	22.5	6,767	2.8	40.3
North Africa	2,238	1.6	-36.7	3,098	1.7	38.4	3,342	1.4	7.9
Other Africa	1,700	1.2	-17.5	1,726	0.9	1.5	3,425	1.4	98.4
3- Countries of America	12,275	8.7	-28.7	16,799	9.1	36.9	22,748	9.4	35.4
North America	9,513	6.8	-29.0	13,234	7.1	39.1	17,345	7.2	31.1
Central America and the Caribbean	476	0.3	-15.0	623	0.3	30.9	903	0.4	44.9
South America	2,286	1.6	-29.9	2,942	1.6	28.7	4,500	1.9	53.0
4- Asian Countries	35,883	25.5	-29.3	53,354	28.8	48.7	73,582	30.6	37.9
Near and Middle Eastern Countries	7,134	5.1	-45.7	13,011	7.0	82.4	20,438	8.5	57.1
Other Asia	28,749	20.4	-23.6	40,343	21.7	40.3	53,144	22.1	31.7
5- Australia and New Zealand	648	0.5	-26.0	493	0.3	-23.9	807	0.3	63.7
6- Other Countries and Regions ⁽¹⁾	4,824	3.4	-36.2	6,703	3.6	39.0	8,789	3.6	31.1
Grand Total	140,928	100.0	-30.2	185,544	100.0	31.7	240,834	100.0	29.8

Table 148. Foreign Trade Indicators by Country Groups (Continued)

Country Groups	Foreign Trade Volume								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
A- EU Member States (EU 27)	103,522	42.6	-24.9	124,865	41.7	20.6	153,499	40.8	22.9
B- Free Trade Zones of Turkey	2,922	1.2	-32.7	2,962	1.0	1.4	3,583	1.0	21.0
C- Other Countries	136,626	56.2	-28.8	171,600	57.3	25.6	218,724	58.2	27.5
1- Other European Countries (excl. EU)	37,204	15.3	-37.9	41,685	13.9	12.0	48,963	13.0	17.5
2- African Countries	14,093	5.8	-3.9	14,107	4.7	0.1	17,104	4.6	21.2
North Africa	9,654	4.0	2.9	10,123	3.4	4.9	10,044	2.7	-0.8
Other Africa	4,439	1.8	-15.8	3,984	1.3	-10.3	7,060	1.9	77.2
3- Countries of America	17,154	7.1	-27.8	22,876	7.6	33.4	30,689	8.2	34.2
North America	13,092	5.4	-28.1	17,476	5.8	33.5	22,816	6.1	30.6
Central America and the Caribbean	1,098	0.5	-21.0	1,221	0.4	11.2	1,532	0.4	25.5
South America	2,964	1.2	-28.8	4,179	1.4	41.0	6,341	1.7	51.7
4- Asian Countries	61,782	25.4	-25.8	85,230	28.5	38.0	111,728	29.7	31.1
Near and Middle Eastern Countries	26,327	10.8	-31.8	36,306	12.1	37.9	48,383	12.9	33.3
Other Asia	35,455	14.6	-20.7	48,924	16.3	38.0	63,345	16.9	29.5
5- Australia and New Zealand	1,010	0.4	-23.0	896	0.3	-11.3	1,288	0.3	43.8
6- Other Countries and Regions ⁽¹⁾	5,385	2.2	-40.1	6,805	2.3	26.4	8,953	2.4	31.6
Grand Total	243,071	100.0	-27.2	299,427	100.0	23.2	375,806	100.0	25.5

Source: TURKSTAT.

(1): Data supplied with hidden country information due to confidential nature thereof are placed under the "Other Countries and Regions" Group.

PS: Total sums may vary due to arithmetical round-ups.

A review of exports indicators by selected national and international organisations reveals that exports were carried out to Countries of the Organisation for Economic Cooperation and Development (OECD) in an amount of US \$ 72 billion, to state members of Organisation of Islamic Conference (OIC) in an amount of US \$ 37 billion, to countries of Black Sea Economic Cooperation Organisation (BSEC) in an amount of US \$ 18 billion, to countries of the Commonwealth of Independent States (CIS) in an amount of US \$ 13 billion, to state members of Economic Cooperation Organisation (ECO) in an amount of US \$ 9 billion, to Turkic Republics in an amount of US \$ 5 billion and to the countries of European Free Trade Association (EFTA) in an amount of US \$ 2 billion, during 2011. Exports made to OECD countries took 53.1%, exports made to OIC countries took 27.7%, exports made to BSEC countries took 13.2%, exports made to CIS countries took 9.9%, exports made to ECO countries took 6.9%, exports made to Turkic Republics took 3.7% and exports made to EFTA countries took 1.4% share in total exports volume realised during the year (Please refer to Table 149).

Table 149. Foreign Trade Indicators by Selected National and International Organisations and Countries

(000 000 \$)

Selected National and International Organisations	Exports								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
Organisation for Economic Cooperation and Development (OECD)	55,832	54.7	-20.8	61,492	54.0	10.1	71,658	53.1	16.5
European Free Trade Association (EFTA)	4,336	4.2	32.9	2,416	2.1	-44.3	1,892	1.4	-21.7
Black Sea Economic Cooperation Organisation (BSEC)	12,273	12.0	-41.2	14,456	12.7	17.8	17,775	13.2	23.0
Economic Cooperation Organisation (ECO)	5,948	5.8	-4.8	7,617	6.7	28.1	9,296	6.9	22.0
Commonwealth of Independent States (CIS)	7,957	7.8	-42.9	10,288	9.0	29.3	13,383	9.9	30.1
Turkic Republics	3,399	3.3	-9.3	3,921	3.4	15.4	5,043	3.7	28.6
Organisation of Islamic Conference (OIC)	28,627	28.0	-12.2	32,470	28.5	13.4	37,338	27.7	15.0
Grand Total	102,143	100.0	-22.6	113,883	100.0	11.5	134,972	100.0	18.5

Selected National and International Organisations	Imports								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
Organisation for Economic Cooperation and Development (OECD)	76,340	54.2	-26.8	99,315	53.5	30.1	127,599	53.0	28.5
European Free Trade Association (EFTA)	2,781	2.0	-55.3	4,002	2.2	43.9	5,845	2.4	46.1
Black Sea Economic Cooperation Organisation (BSEC)	27,687	19.6	-38.6	32,980	17.8	19.1	38,768	16.1	17.6
Economic Cooperation Organisation (ECO)	6,009	4.3	-50.7	11,607	6.3	93.2	17,306	7.2	49.1
Commonwealth of Independent States (CIS)	24,757	17.6	-39.7	28,909	15.6	16.8	33,158	13.8	14.7
Turkic Republics	1,872	1.3	-42.3	2,924	1.6	56.2	3,642	1.5	24.6
Organisation of Islamic Conference (OIC)	13,357	9.5	-39.4	22,201	12.0	66.2	31,417	13.0	41.5
Grand Total	140,928	100.0	-30.2	185,544	100.0	31.7	240,834	100.0	29.8

Table 149. Foreign Trade Indicators by Selected National and International Organisations and Countries (Continued)

Selected National and International Organisations	Foreign Trade Volume								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
Organisation for Economic Cooperation and Development (OECD)	132,172	54.4	-24.4	160,807	53.7	21.7	199,257	53.0	23.9
European Free Trade Association (EFTA)	7,117	2.9	-24.9	6,418	2.1	-9.8	7,737	2.1	20.6
Black Sea Economic Cooperation Organisation (BSEC)	39,960	16.4	-39.4	47,436	15.8	18.7	56,543	15.0	19.2
Economic Cooperation Organisation (ECO)	11,957	4.9	-35.1	19,224	6.4	60.8	26,602	7.1	38.4
Commonwealth of Independent States (CIS)	32,714	13.5	-40.5	39,197	13.1	19.8	46,541	12.4	18.7
Turkic Republics	5,271	2.2	-24.6	6,845	2.3	29.9	8,685	2.3	26.9
Organisation of Islamic Conference (OIC)	41,984	17.3	-23.2	54,671	18.3	30.2	68,755	18.3	25.8
Grand Total	243,071	100.0	-27.2	299,427	100.0	23.2	375,806	100.0	25.5

Source: TURKSTAT.

An examination of imports figures by country groupings pinpoints a rise by 26.2% in imports from EU member states, by 18.2% in imports from Free Trade Zones of Turkey and by 32.2% from countries falling within the other countries grouping during 2011 compared to the preceding year. During 2011, imports made from EU member states had a worth of US \$ 91 billion, from the Free Trade Zones of Turkey tolled US \$ 1 billion and from countries falling in the other countries grouping amounted to US \$ 149 billion. A further look into the individual shares of country groups in the overall imports reveals that imports from EU member states had a share of 37.8%, imports from Free Trade Zones of Turkey had a share of 4.0% and imports from countries falling within the other countries grouping had a share of 61.7% (Please refer to Table 148).

Out of the total volume of imports realised from countries listed under the heading "Other Countries" in an amount of US \$ 149 billion, a US \$ 36 billion portion represents imports from non EU member states of the European continent, while a US \$ 5 billion portion represents imports from African states, a US \$ 23 billion represents imports from countries of the American continent, a US \$ 74 billion portion represents imports from Asian countries a US \$ 807 million portion represents imports from Australia and New Zealand and the remaining US \$ 9 billion portion represents imports from other countries and regions. In another manner of speaking, imports from non EU member states of the European continent has a share of 14.9%, imports from African countries has a share of 2.8%, imports from countries of the American continent has a share of 9.4%, imports from Asian countries has a share of 30.6%, imports from Australia and New Zealand has a share of 3.0% and imports from other countries and regions has a share of 3.6% in the overall imports transactions.

Also looking at imports figures of 2011 by national and international organisations and countries covered by each, the highest imports took place from OECD countries in an amount of US \$ 128 billion, which was followed by BSEC countries with an amount of US \$ 39 billion. The other country groupings from which imports were realised throughout the year have been CIS countries with US \$ 33 billion, OIC countries with US \$ 31 billion, ECO countries with US \$ 17 billion, EFTA countries with US \$ 6 billion and Turkic Republics of the former USSR with US \$ 4 billion, in descending order. The shares of these country groupings in the total imports realised during 2011 are 53.0% for OECD countries, 16.1% for BSEC countries, 13.8% for CIS countries, 13.0% for OIC countries, 7.2% for ECO countries, 2.4% for EFTA countries and 1.5% for Turkic Republics.

The foreign trade volume improved by 25.5% to US \$ 376 billion in 2011 compared to the preceding year. The foreign trade volume has been US \$ 153 billion with EU member states, US \$ 4 billion with Free Trade Zones of Turkey and US \$ 219 billion with countries existing under other countries grouping (Please refer to Table 148).

By a correlation of foreign trade volumes by selected national and international organisations, the trade volumes realised with OECD countries amounted to US \$ 199 billion, with OIC countries amounted to US \$ 69 billion, with BSC countries amounted to US \$ 57 billion and with CIS countries amounted to US \$ 47 billion, during 2011 (Please refer to Table 149).

With an analysis of countries with which our country carried out imports the most during 2011, Germany once again took the first place with US \$ 14 billion representing a 10.3% share in our overall imports, while Iraq climbed up from the fifth to second place with US \$ 8 billion, representing a 6.2% share in our overall imports and the United Kingdom fell from second to third place by one row with US \$ 8 billion, representing a 6.0% share in our overall imports. The export values of the top ten countries of the ranking made according to export volumes realised increased during 2011 with reference to the preceding year. Relative to 2010, the highest rate of increase was observed in Iraq with 37.7%, a country which climbed up from fifth to second place in the ranking, realising an increase to US \$ 8 billion in 2011, from a baseline of US \$ 6 billion in 2010. The lowest rate of increase on the other hand was seen in the exports to Spain, which retained its 8th place both during 2010 and 2011, with a rate of 10.9% (Please refer to Table 150).

Table 150. Top Ten Countries to which We Export Most

(000 000 \$)

Countries ⁽¹⁾	Sort No			2009			2010			2011		
	2009	2010	2011	Export Value	Share in Overall Exports	Rate of Change	Export Value	Share in Overall Exports	Rate of Change	Export Value	Share in Overall Exports	Export Value
Germany	1	1	1	9,793	9.6	-24.4	11,479	10.1	17.2	13,958	10.3	21.6
Iraq	5	5	2	5,123	5.0	30.8	6,036	5.3	17.8	8,314	6.2	37.7
United Kingdom	3	2	3	5,938	5.8	-27.2	7,236	6.4	21.9	8,158	6.0	12.7
Italy	4	3	4	5,889	5.8	-24.7	6,505	5.7	10.5	7,854	5.8	20.7
France	2	4	5	6,211	6.1	-6.1	6,054	5.3	-2.5	6,809	5.0	12.5
Russian Federation	8	6	6	3,190	3.1	-50.8	4,628	4.1	45.1	5,995	4.4	29.5
USA	7	7	7	3,241	3.2	-24.6	3,763	3.3	16.1	4,595	3.4	22.1
Spain	10	8	8	2,818	2.8	-30.4	3,536	3.1	25.5	3,920	2.9	10.9
United Arab Emirates	9	9	9	2,897	2.8	-63.7	3,333	2.9	15.1	3,708	2.7	11.3
Iran	14	10	10	2,025	2.0	-0.2	3,044	2.7	50.3	3,591	2.7	18.0
Top 10 countries total				47,125	46.1	-26.7	55,614	48.8	18.0	66,902	49.6	20.3
Total exports				102,143	100.0	-22.6	113,883	100.0	11.5	134,972	100.0	18.5

Source: TURKSTAT.

(1): The top-10 countries in the ranking made according to the export volumes of 2011.

As for the change in positions in the ranking of countries to which we export most during the period between 2009 and 2011, it is notable that Germany, USA and UAE retained their positions in the 1st, 7th and 9th places respectively for three years.

The first among the top ten countries from which we imported most during 2011 has been Russia once again, as in the case for the preceding year. The quantities of imports from Russia has a share of 9.9% in overall exports of the country in 2011 and a worth of US \$ 24 billion. As in the case of the preceding year, the second place in the ranking of imports belonged to Germany with US \$ 23 billion (9.5% of the total imports) and the third place to China with US \$ 22 billion (9.0 of the total imports). The country from which our country's imports rose most during 2011 relative to the preceding year has been India (US \$ 7 billion), which climbed to the 8th place from 13th place with an increase by 90.6%. The lowest rate of increase in this category, on the other hand, belonged to imports from Russia with 10.9%, while no drops were encountered in import volumes or value from any countries falling within the top ten, during 2011 (Please refer to Table 151).

Table 151. Top Ten Countries from which We Import Most

(000 000 \$)

Countries ⁽¹⁾	Sıra No			2009			2010			2011		
	2009	2010	2011	Import Value	Share in Overall Exports	Rate of Change	Import Value	Share in Overall Exports	Rate of Change	Import Value	Share in Overall Exports	Import Value
Russian Federation	1	1	1	19,450	13.8	-38.0	21,601	11.6	11.1	23,951	9.9	10.9
Germany	2	2	2	14,097	10.0	-24.6	17,549	9.5	24.5	22,985	9.5	31.0
China	3	3	3	12,677	9.0	-19.0	17,181	9.3	35.5	21,693	9.0	26.3
USA	4	4	4	8,576	6.1	-28.4	12,319	6.6	43.6	16,034	6.7	30.2
Italy	5	5	5	7,595	5.4	-28.9	10,140	5.5	33.5	13,449	5.6	32.6
Iran	9	7	6	3,406	2.4	-58.5	7,645	4.1	124.5	12,461	5.2	63.0
France	6	6	7	7,092	5.0	-21.4	8,177	4.4	15.3	9,230	3.8	12.9
India	17	13	8	1,903	1.4	-22.6	3,410	1.8	79.2	6,499	2.7	90.6
South Korea	11	9	9	3,118	2.2	-23.8	4,764	2.6	52.8	6,298	2.6	32.2
Spain	7	8	10	3,777	2.7	-17.0	4,840	2.6	28.1	6,196	2.6	28.0
Top 10 countries total				81,690	58.0	-30.0	107,626	58.0	31.7	138,796	57.6	29.0
Total imports				140,928	100.0	-30.2	185,544	100.0	31.7	240,834	100.0	29.8

Source: TURKSTAT.

(1): The top-10 countries in the ranking made according to the import volumes of 2011.

By an analysis of the change in highest level of imports realised by our country during the 2009-2011 period, it is notable that Russian Federation remained in the first place with Germany in the 2nd, China in the 3rd, USA in the 4th and Italy in the 5th places in the ranking by countries for the defined period of time.

2.6.1.6 Foreign Trade with Neighbouring Countries

A review of the figures of international trade that our country undertook with neighbouring countries in 2011 reveals an overall increase in both importation and exportation figures, compared to 2010. The volumes of exports to neighbouring countries rose by 17.8% in 2010 relative to the preceding year, and by 22.6% during 2011. While exports improved by 42.1% to Georgia, by 37.7% to Iraq, by 33.2% to Azerbaijan, by 18.0% to Iran, by 8.4% to Bulgaria and by 6.7% to Greece, it declined by 12.7% to Syria, among the neighbouring countries, during the period inferred. The becomingly more stressful relationships between Syria and Turkey had a role in the falloff observed in exports made to this country. A 14.7% of the total exports carried out during 2011 were made to neighbouring countries (Please refer to Table 152).

The imports of our country from neighbouring countries during 2011 relative to the preceding year showed an increase by 53.7%, moving from a baseline of US \$ 12 billion to US \$ 19 billion. With the exception of a decline of 43.1% observed in imports from Iraq and of 25.4% in imports from Syria, the volumes and value of exports with all the remainder of neighbouring countries rose, during 2011. The highest rate of increase in imports realised from neighbouring countries was achieved with Greece, which suffered a debt

crisis in the preceding year by 66.6%, while the lowest rate of increase was observed with Azerbaijan, at 3.6%. In 2011, a 7.7% of the country's overall imports were realised from neighbouring countries.

The volume of international trades of our country with her neighbouring countries rose by 35.8% during 2011, achieving an increase from US \$ 28 billion to US \$ 38 billion. The share of international trade volumes realised with neighbouring countries in the overall international trade volume of the country rose by 0.8 points from 9.4% to 10.2%, compared to 2010. As a natural outcome of the prominent rise observed in imports, the highest rate of increase in foreign trade volumes with neighbouring countries was achieved with Greece at 37.5%, while our foreign trade volume with Syria fell by 15.2% as a result of the major decline in the import transactions carried out with this country, during 2011.

2.6.2 Balance of Payments

The balance of trade showing a prominent rise during 2010 prolonged its high progressive stance, though with a slight fall back, in 2011. The current deficit, which grew to US \$ 13,370 million during 2009 following the global crisis rose to a level of US \$ 46,643 billion, along with the growing demand for investment and consumption versus an under performing level at domestic savings, forthwith upon the economic recovery and eventually led to a high current deficit problem, in 2010.

Throughout the duration of the global crisis, there has been a pretty much augmentation in capital inflows originating from advanced economies to countries bearing relatively lower risks, like Turkey. These capital inflows not only invigorated domestic demand through supply of loans, but also increased the value of Turkish currency as well as exports, and led to an impairment in the quality of funding of the current deficit. Despite the low progress of external demand, the rise in domestic demand caused the foreign trade deficit further expand. As in several developing countries, our country also introduced diverse monetary policy measures in order to restrain short term capital inflows and establish and maintain control over factors alluring the same. In this framework, TCMB increased the volatility of short term interests by pulling down policy rates and broadening the interest corridor forming the difference between overnight borrowing and lending interests. The TCMB implemented policy measures started their influence by the beginning of 2011 and as a result, short term capital inflows entered in a declining trend.

In the first half of 2011, the growth in economy at expected speed in combination with the deterioration in foreign trade balances nourished the foreign trade deficit and eventually caused an enormous rise in the current deficit. During this period, the invigorating domestic demand versus the stagnancy in EU member states and other advanced economies, which form a major part of our imports market caused a rise in imports at a higher rate than in exports. The impairment in the balance of trade served further nourishing of the current deficit.

From the second half of the year on, as a result of the economic measures put in practice, the domestic demand started to decelerate, capital outflows were observed concomitant with the increase in global economic uncertainties and impairment of the risk appetite, resulting in a loss of value in Turkish Lira. This situation, in turn, constrained the rise in

imports and the continuing mild rising stance observed with exports slowed down the rate of increase in the current deficit.

Table 152. Foreign Trade with Neighbouring Countries

(000 000 \$)

Neighbouring Countries	Exports								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
Azerbaijan	1,400	1.4	-16.0	1,550	1.4	10.7	2,065	1.5	33.2
Bulgaria	1,386	1.4	-35.6	1,497	1.3	8.0	1,623	1.2	8.4
Georgia	763	0.7	-23.5	769	0.7	0.8	1,093	0.8	42.1
Iraq	5,123	5.0	30.8	6,036	5.3	17.8	8,314	6.2	37.7
Iran	2,025	2.0	-0.2	3,044	2.7	50.3	3,591	2.7	18.0
Syria	1,422	1.4	27.5	1,845	1.6	29.7	1,611	1.2	-12.7
Greece	1,630	1.6	-32.9	1,456	1.3	-10.7	1,554	1.2	6.7
Total of neighbouring countries	13,749	13.5	-3.9	16,197	14.2	17.8	19,851	14.7	22.6
Grand Total	102,143	100.0	-22.6	113,883	100.0	11.5	134,972	100.0	18.5

Neighbouring Countries	Imports								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
Azerbaijan	141	0.1	-61.2	253	0.1	79.4	262	0.1	3.6
Bulgaria	1,117	0.8	-39.3	1,703	0.9	52.5	2,475	1.0	45.3
Georgia	285	0.2	-45.6	291	0.2	1.9	314	0.1	7.9
Iraq	121	0.1	-9.0	153	0.1	26.4	87	0.0	-43.1
Iran	3,406	2.4	-58.5	7,645	4.1	124.5	12,461	5.2	63.0
Syria	221	0.2	-31.8	452	0.2	104.5	337	0.1	-25.4
Greece	1,131	0.8	-1.7	1,542	0.8	36.3	2,569	1.1	66.6
Total of neighbouring countries	6,423	4.6	-48.8	12,039	6.5	87.4	18,505	7.7	53.7
Grand Total	140,928	100.0	-30.2	185,544	100.0	31.7	240,834	100.0	29.8

Neighbouring Countries	Foreign Trade Volume								
	2009			2010			2011		
	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change	Value	Share in Grand Total	Rate of Change
Azerbaijan	1,541	0.6	-24.1	1,803	0.6	17.0	2,327	0.6	29.1
Bulgaria	2,503	1.0	-37.3	3,200	1.1	27.8	4,098	1.1	28.1
Georgia	1,048	0.4	-31.2	1,060	0.4	1.1	1,407	0.4	32.7
Iraq	5,244	2.2	29.5	6,189	2.1	18.0	8,401	2.2	35.7
Iran	5,431	2.2	-46.9	10,689	3.6	96.8	16,052	4.3	50.2
Syria	1,643	0.7	14.2	2,297	0.8	39.8	1,948	0.5	-15.2
Greece	2,761	1.1	-22.9	2,998	1.0	8.6	4,123	1.1	37.5
Total of neighbouring countries	20,172	8.3	-24.9	28,236	9.4	40.0	38,356	10.2	35.8
Grand Total	243,071	100.0	-27.2	299,427	100.0	23.2	375,806	100.0	25.5

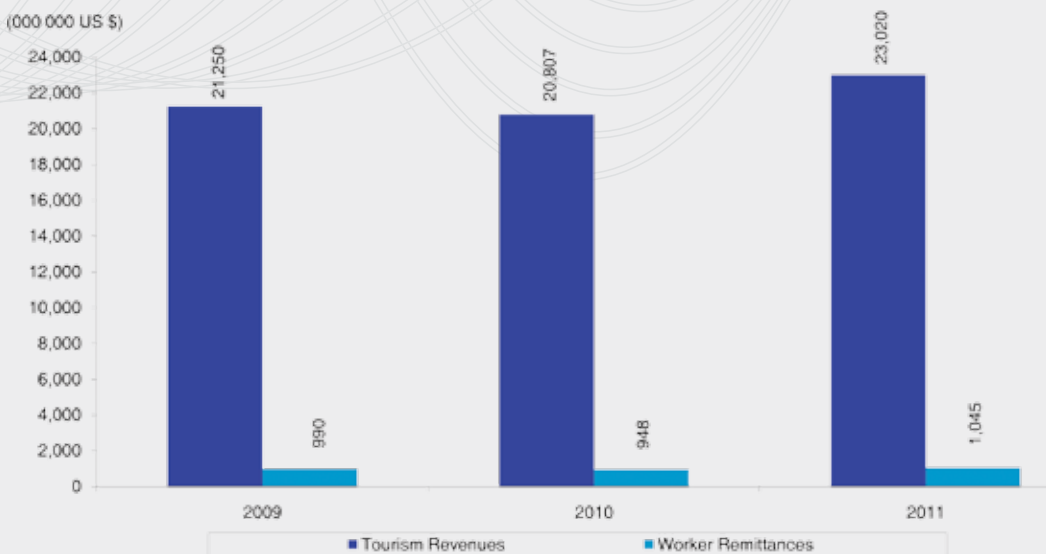
Source: TURKSTAT.

In line with these developments, the current account deficit rose by 65.4% in 2011 relative to 2010, performing an increase from US \$ 46,643 million to US \$ 77,157 million (Please refer to Table 153).

As included in the spreadsheet of balance of payments, the foreign trade deficit which was US \$ 56,445 million in 2010, rose by 58.4% to US \$ 89,406 million, during 2011.

The services account balance surplus rose by 17.7% to US \$ 18,241 million, compared to 2010. The increase in revenues of tourism and transportation activities has been the core element contributing to the increase in services account (Please refer to Figure 53).

The revenue account deficit grew by 8.2% to US \$ 7,726 million, while the current transfers basically consisted of workers' remittances and official transfers rose by 19.8%, from US \$ 1,448 million to US \$ 1,734 million.



Source: TCMB.

Figure 53. Tourism Revenues and Worker Remittances by Years

The tourism revenues which fell during 2010 due to the global economic crisis for the most part, reached at a level of US \$ 23,020 million with a rise by 10.6% during 2011 and interest yields rose by 10.3% to US \$ 1,207 million. Tourism expenditures also rose by 3.1% to US \$ 4,976 million, while interest expenses fell by 5.7% to US \$ 5,120 million. The workers' remittances rose by 10.2% to US \$ 1,045 million.

The net capital inflow, which was US \$ 58,929 million in 2010, rose by 12.1% to US \$ 66,033 million, during 2011. While an inflow of US \$ 13,440 million was recorded in direct investments (net), an inflow of US \$ 22,215 million was recorded portfolio investments (net), an inflow of US \$ 30,378 million was realised in other investments.

The official reserves dropping by US \$ 12,809 million in 2010 rose by US \$ 1,813 million during 2011.

The external financing requirement defined as the total of current accounts and net errors and omissions accounts rose by US \$ 43,910 million in 2011 compared to 2009 and reached at US \$ 64,999 million.

Table 153. Balance of Payments

Components	2009	2010	2011	(000 000 \$)		
				Rate of Change		
				2009	2010	2011
Current Account	-13,370	-46,643	-77,157	-67.8	248.9	65.4
Exports FoB	109,647	120,902	143,491	-22.1	10.3	18.7
Imports FoB	-134,497	-177,347	-232,897	-30.6	31.9	31.3
Goods Balance	-24,850	-56,445	-89,406	-53.1	127.1	58.4
Service Revenues	33,922	34,743	38,982	-4.6	2.4	12.2
Tourism Revenues	21,250	20,807	23,020	-3.2	-2.1	10.6
Other Revenues	12,672	13,936	15,962	-6.9	10.0	14.5
Service Expenses	-16,606	-19,250	-20,741	-6.8	15.9	7.7
Tourism Expenses	-4,147	-4,826	-4,976	18.3	16.4	3.1
Other Expenses	-12,459	-14,424	-15,765	-12.9	15.8	9.3
Balance of Goods and Services	-7,534	-40,952	-71,165	-78.6	443.6	73.8
Income Balance: Revenue	5,164	4,477	3,952	-25.0	-13.3	-11.7
Interest Yields	1,685	1,094	1,207	-16.7	-35.1	10.3
Other Revenues	3,479	3,383	2,745	-28.5	-2.8	-18.9
Income Balance: Expenses	-13,355	-11,616	-11,678	-12.4	-13.0	0.5
Interest Expenses	-7,306	-5,427	-5,120	-15.8	-25.7	-5.7
Other Expenses	-6,049	-6,189	-6,558	-8.0	2.3	6.0
Balance of Goods, Services and Revenues	-15,725	-48,091	-78,891	-64.0	205.8	64.0
Current Transfers	2,355	1,448	1,734	11.5	-38.5	19.8
Worker Remittances	990	948	1,045	-30.8	-4.2	10.2
Other Transfers	1,365	500	689	100.1	-63.4	37.8
Capital Account	-51	-51	-20	-16.4	0.0	-60.8
Financial Account	10,065	58,929	66,033	-71.0	485.5	12.1
Direct Investments Abroad	-1,553	-1,464	-2,464	-39.1	-5.7	68.3
Direct Investments in Turkey	8,411	9,038	15,904	-56.9	7.5	76.0
Portfolio Account-Assets	-2,711	-3,524	2,688	117.9	30.0	-176.3
Portfolio Account-Liabilities	2,938	19,617	19,527	-177.9	567.7	-0.5
Stock Certificates	2,827	3,468	-986	294.8	-	-128.4
Debt Securities	111	16,149	20,513	-102.5	14448.6	27.0
Other Investments-Assets	10,987	7,012	10,866	-191.1	-36.2	55.0
Central Bank	2	4	2	0.0	100.0	-50.0
General Government	-31	-29	-108	-3.1	-6.5	272.4
Banks	6,396	13,158	-516	-162.4	105.7	-103.9
Other Sectors	4,620	-6,121	11,488	-360.6	-232.5	-287.7
Other Investments-Liabilities	-8,007	28,250	19,512	-123.0	-452.8	-30.9
Central Bank	-901	-553	-1,965	-49.7	-38.6	255.3
General Government	1,602	3,580	1,986	-8.0	123.5	-44.5
Banks	514	27,254	9,747	-94.6	5202.3	-64.2
Other Sectors	-9,222	-2,031	9,744	-136.3	-78.0	-579.8
Current, Capital and Financial Accounts	-3,356	12,235	-11,144	-51.2	-464.6	-191.1
Net Error and Omissions	4,147	2,733	12,158	0.7	-34.1	344.9
General Balance	791	14,968	1,014	-128.7	1792.3	-93.2
Reserved Assets	-791	-14,968	-1,014	-128.7	1792.3	-93.2
International Reserves	-111	-12,809	1,813	-110.5	11439.6	-114.2
International Monetary Fund Loans	-680	-2,159	-2,827	-140.0	217.5	30.9
Financing of Balance of Payments						

Source: TCMB.

2.6.3 International Direct Investment

During 2011, when fragility in global economy persevered due to the on-going crisis in the Euro Area, there has been a rapid increase in foreign direct investments oriented at Turkey. Retaining a level of US \$ 19,121 million in 2007 before the outbreak of the global crisis, the international direct investments retreated to a level of US \$ 16,567 million, in 2008 when the crisis emerged. The net direct investments which retreated back to a level of US \$ 6,629 million in 2009, when the global crisis completely extended its effects, had positive influence on capital inflows together with the sparkling of the invigorating trend, though slowly, in the world economy, during 2010, however, the inward capital flows to our country remained at a sheer level of US \$ 6,544 million.

In 2001, despite the instability and fragility persisting in the global economy, direct capital inflows toward Turkey rose by 109.6% to US \$ 13,719 million, grabbing a share of 87.2% in total net investment, which was realised at a level of US \$ 15,732 million, along with the net real estate sales. The direct capital inflow rose by 151.7% to US \$ 15,703 million, versus a capital outflow of US \$ 1,991 million. Subsequently, the US \$ 13,712 million net capital inflow combined with the US \$ 2,013 million net real estate sale proceeds and US \$ 7 million loans the foreign capital companies managed from their international partners, added up in a total of US \$ 15,732 million as international net direct capital inflow, in 2011. In the net total investment inflows taking place throughout 2011, the foreign direct investment has a share of 87.2% and net real property sales, a share of 12.8%. The share of international direct capital in net total investment inflows towards the country rose compared to the preceding year, while that of net property sales declined (Please refer to Table 154).

Table 154. Actual Inflows of International Direct Investments

Years	International Direct Investment					Net Real Property	Net Total Investment
	Capital			Net Other Capital ⁽¹⁾	Total (Net)		
	Inflow	Outflow	Net				
				(000 0000 \$)			
2009	6,252	-82	6,170	459	6,629	1,782	8,411
2010	6,238	-35	6,203	341	6,544	2,494	9,038
2011 ⁽²⁾	15,703	-1,991	13,712	7	13,719	2,013	15,732
Share in Net Total Investment Inflows							
2009	74.3	-1.0	73.4	5.5	78.8	21.2	100.0
2010	69.0	-0.4	68.6	3.8	72.4	27.6	100.0
2011	99.8	-12.7	87.2	0.0	87.2	12.8	100.0

Source: Under-Secretariat of Treasury of the Turkish Republic.

(1): The value of credits supplied by foreign capital companies from their international partners.

(2): Temporary data.

PS: As figures are revised by the relevant institutions, data may differ from preceding year's report.

It is clearly seen that the greatest share in international direct investment inflows by sectors belongs to the services sector during 2011, as in the past years. It is evident that a vast majority of investment inflows in services sector originates from the operations of financial intermediary organisations, also encompassing banking activities. A vast ma-

majority of investment inflows in the industrial sector is formed up of investments for the manufacturing industry, while agricultural sector remains to be a sector which lures least interest among the international investor public.

With the exception of the amounts of loans (other capital supplied by foreign capital companies from their international partners, the US \$ 15,703 million net international direct investment inflows comprised of US \$ 31 million (2.0%) from agricultural sector, US \$ 7,749 million (49.3%) from industrial sector and US \$ 7,923 million (50.5%) from services sector, in 2011 (Please refer to Table 155, Figure 54)

By sub sectors, the activities receiving the densest international capital inflows have been activities of financial intermediary organisations with US \$ 5,900 million, electricity, gas and water operations with US \$ 4,246 million, manufacturing industry with US \$ 3,355 million, real estate leasing and business activities with US \$ 556 million and wholesale and retail trades with US \$ 523 million.

Table 155. International Direct Investment Inflows by Economic Activities

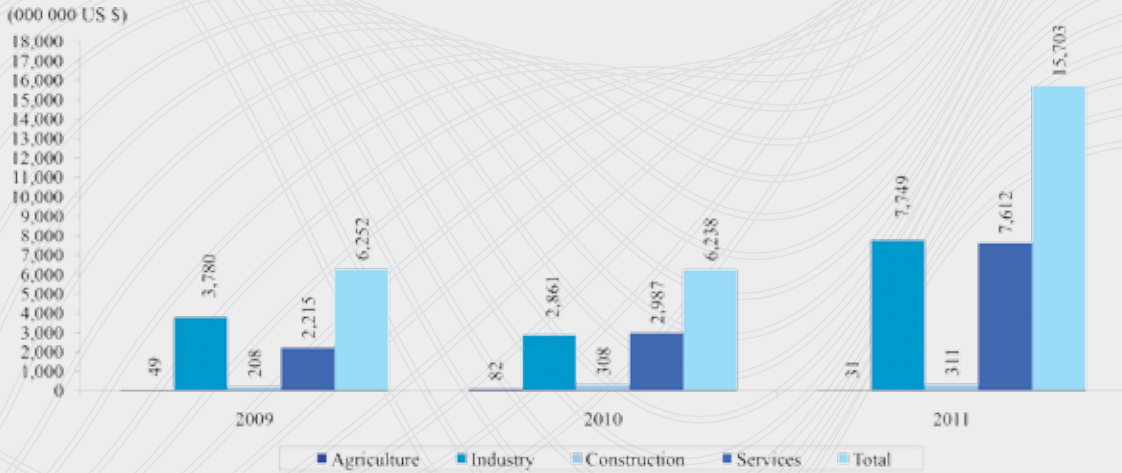
(000 000 \$)

Activities	Investment Inflows			Share in Total		
	2009	2010	2011 ⁽¹⁾	2009	2010	2011 ⁽¹⁾
Agriculture, hunting and forestry	48	77	31	0.8	1.2	0.2
Fishing	1	5	0	0.0	0.1	0.0
Mining and quarrying	89	139	148	1.4	2.2	0.9
Manufacturing industry	1,615	905	3,355	25.8	14.5	21.4
Foodstuffs and beverages manufacturing	196	123	648	3.1	2.0	4.1
Textile products production	77	92	154	1.2	1.5	1.0
Chemical substances and products manufacturing	336	117	316	5.4	1.9	2.0
Machinery and equipment manufacturing	220	64	77	3.5	1.0	0.5
Electrical optical instruments manufacturing	59	178	428	0.9	2.9	2.7
Motor vehicles, trailers and semi-trailers manufacturing	225	38	69	3.6	0.6	0.4
Other production	502	293	1,663	8.0	4.7	10.6
Electricity, gas and water	2,076	1,817	4,246	33.2	29.1	27.0
Construction	208	308	311	3.3	4.9	2.0
Wholesale and retail trades	389	425	523	6.2	6.8	3.3
Hotels and restaurants	54	113	47	0.9	1.8	0.3
Transportation, communication and storage services	391	212	238	6.3	3.4	1.5
Financial intermediation activities	666	1,584	5,900	10.7	25.4	37.6
Real estate leasing and business activities	560	412	556	9.0	6.6	3.5
Healthcare and social services	106	111	232	1.7	1.8	1.5
Other societal, social and personal activities	49	130	116	0.8	2.1	0.7
Total	6,252	6,238	15,703	100.0	100.0	100.0

Source: Under-Secretariat of Treasury of the Turkish Republic.

(1): It is provisional data.

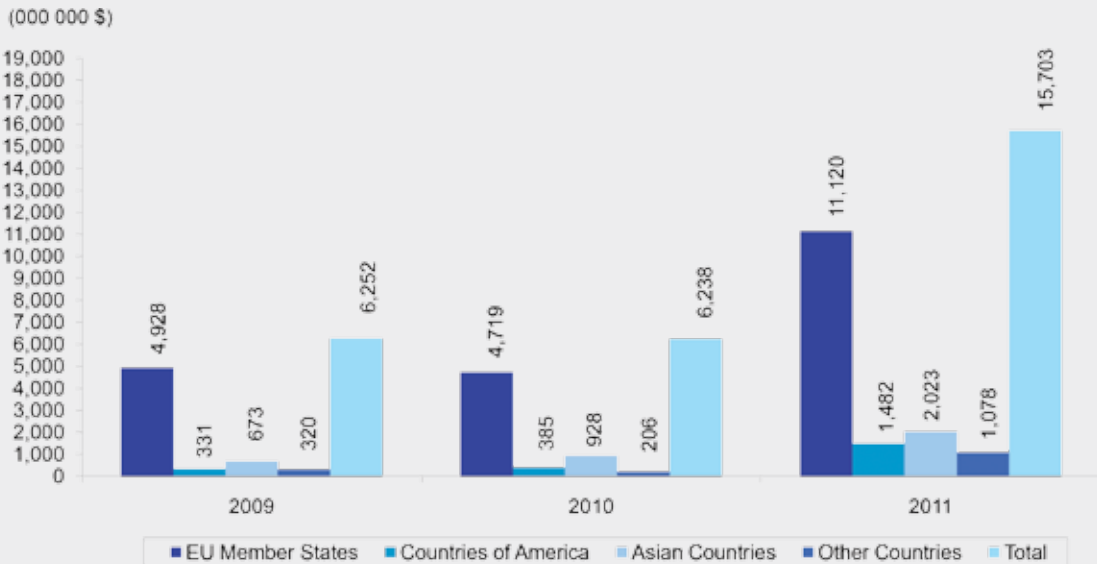
PS: As figures are revised by the relevant institutions, data may differ from preceding year's report.



Source: Under-Secretariat of Treasury of the Turkish Republic.

Figure 54. Sectoral Distribution of International Direct Investment Inflows by Years

A US \$ 11,120 million portion of direct international capital inflows (i.e. 70.8%) originated from EU member states, a US \$ 2,023 million portion (i.e. 12.9%) from Asian countries, a US \$ 1,482 million (i.e. 9.4%) from countries in Americas and a US \$ 1,078 million portion (i.e. 6.9%) from other countries not falling in any of the foregoing groupings. Compared to 2010, the share of EU member states and Asian Countries in total foreign direct investment flows had a decline while that of USA and other non-EU member European States grew (Please refer to Table 156, Figure 55).



Source: Under-Secretariat of Treasury of the Turkish Republic.

Figure 55. Distribution of International Direct Investment Inflows by Country Groups

Table 156. International Direct Investment Inflows by Country Groups

(000 000 \$)

Country Groups	2009	2010	2011 ⁽¹⁾	Share in Total		
				2009	2010	2011 ⁽¹⁾
EU Member States	4,928	4,719	11,120	78.8	75.6	70.8
Germany	498	597	520	8.0	9.6	3.3
France	617	623	985	9.9	10.0	6.3
Netherlands	718	486	1,573	11.5	7.8	10.0
United Kingdom	350	245	895	5.6	3.9	5.7
Italy	314	25	98	5.0	0.4	0.6
Other EU Member States	2,431	2,743	7,049	38.9	44.0	44.9
Other European Countries (non EU)	306	201	1,071	4.9	3.2	6.8
African Countries	2	0	0	0.0	0.0	0.0
USA	260	323	1,403	4.2	5.2	8.9
Canada	52	55	20	0.8	0.9	0.1
Central and South America and the Caribbean	19	7	59	0.3	0.1	0.4
Asian Countries	673	928	2,023	10.8	14.9	12.9
Near and Middle Eastern Countries	361	473	1,518	5.8	7.6	9.7
Gulf Countries	209	388	205	3.3	6.2	1.3
Other Near and Middle Eastern Countries	78	45	1,313	1.2	0.7	8.4
Other Asian Countries	312	455	505	5.0	7.3	3.2
Other Countries	12	5	7	0.2	0.1	0.0
Total	6,252	6,238	15,703	100.0	100.0	100.0

Source: Under-Secretariat of Treasury of the Turkish Republic.

(1): It is provisional data.

PS: As figures are revised by the relevant institutions, data may differ from preceding year's report.

2.6.4 Foreign Debts

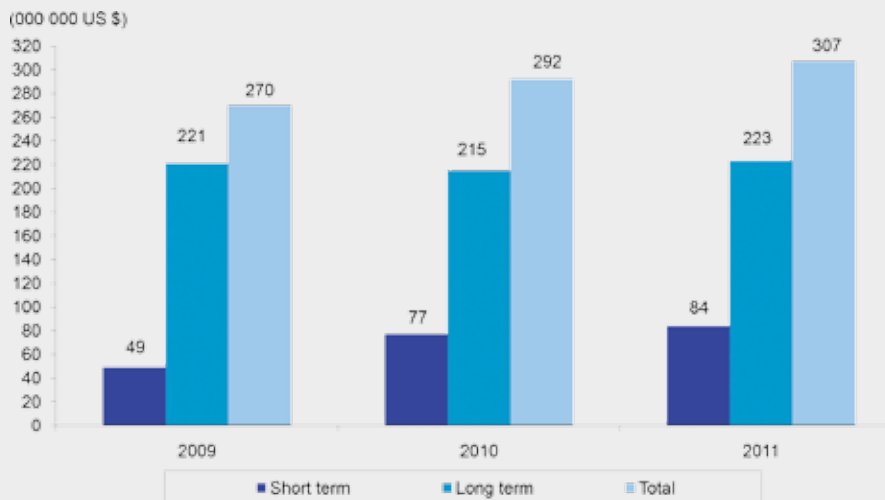
The foreign debt stock showed a regression by 4.2% along with the shrinkage created in economic activities by the global crisis in 2009. Rising by 8.4% with the economic recovery emerging in 2010, the debt stock grew by 4.9% in 2011, escalating to US \$ 306,551 million. The lower magnitude of the rise in foreign debt stock relative to the preceding year was mostly due to our stable growth performance and the tight fiscal policies of the public sector.

The short term foreign debts rose by 8.2% to US \$ 83,823 million and the long term foreign debts grew by 3.7% to US \$ 222,729 million. The share of short term debts in total debt stock tended a rise, against a declining trend in long term debts, in 2011. The share of short term debts in total foreign debt stock rose from 26.5% in 2010 to 27.3% in 2011, contrary to the share of long term debts, which declined from 73.5% to 72.7% (Please refer to Table 157, Figure 56).

Table 157. Outstanding External Debt Stock

	(000 000 \$)		
Indicators	2009	2010	2011
Foreign debt stock	269,618	292,281	306,551
Rate of change	-4.2	8.4	4.9
Short term	49,045	77,469	83,823
Rate of change	-6.6	58.0	8.2
Share in total debt stock	18.2	26.5	27.3
Long term	220,573	214,812	222,729
Rate of change	-3.6	-2.6	3.7
Share in total debt stock	81.8	73.5	72.7
According to Borrowers			
Short term	49,045	77,469	83,823
Public sector	3,598	4,290	7,013
TCMB	1,776	1,576	1,269
Private sector	43,671	71,603	75,541
Long term	220,573	214,812	222,729
Public sector	79,865	84,686	87,086
TCMB	11,529	10,251	8,430
Private sector	129,179	119,875	127,213
Public total	83,463	88,976	94,099
Share in total debt stock	31.0	30.4	30.7
TCMB Total	13,305	11,827	9,699
Share in total debt stock	4.9	4.0	3.2
Private total	172,850	191,478	202,754
Share in total debt stock	64.1	65.5	66.1

Source: Under-Secretariat of Treasury of the Turkish Republic.



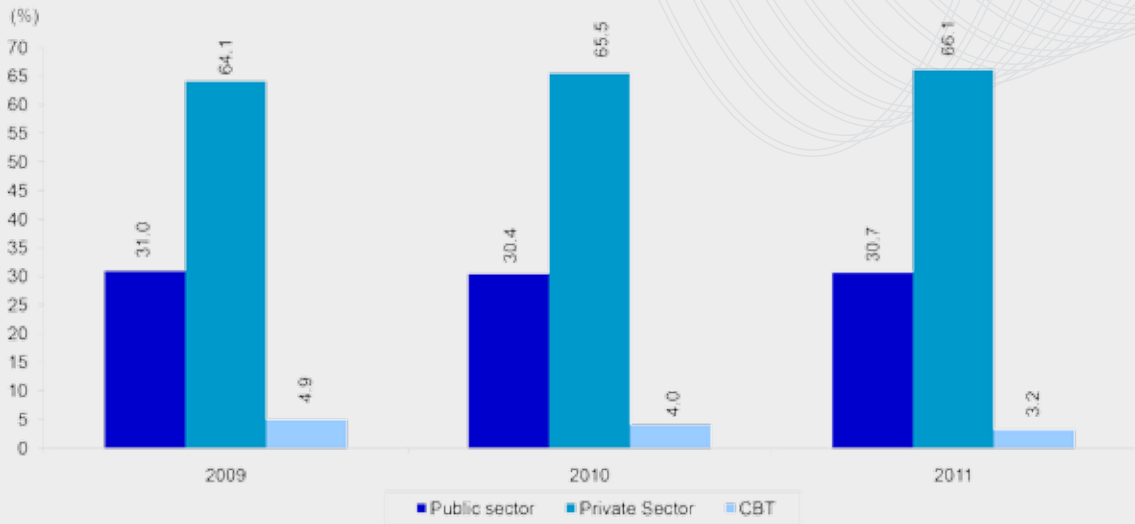
Source: Under-Secretariat of Treasury of the Turkish Republic.

Figure 56. Outstanding External Debt Stock

The short and long term foreign debts of private sector which maintained their weight in the total foreign debt stock from 2005 onwards tipped the balance in the rise of foreign debt stock. The private sector debt rising 10.8% during 2011, further increased by 5.9% to US \$ 202,754, as a result of the recovery in private sector’s ability to secure external lines of credit. The public sector debt rising by 6.6% during 2010 continuing with its upward trend by an increase of 5.8% in 2011 and was realised at a level of US \$ 94,099 million, in 2011. In the meanwhile, the TCMB’s debt receded by 18.0% to US \$ 9,699 million.

The public sector’s foreign debts in 2011 consisted of long term debts in an amount of US \$ 87,086 million and short term debts in an amount of US \$ 7,013 million, while the private sector’s foreign debts comprised of short term debts amounting to US \$ 127,213 million and long term debts amounting to US \$ 75,541 million in total (Please refer to Figure 57).

In 2011 relative to 2010 TCMB pulled back its share in foreign debt stock from 4.0% to 3.2%, while the share of public sector rose by 30.4% to 30.7% and of private sector from 65.5% to 66.1%.



Source: Under-Secretariat of Treasury of the Turkish Republic.

Figure 57. Distribution of the Outstanding External Debt Stock by Borrowers

The Outstanding Long-Term Loans Obtained by the Private Sector from Abroad

The outstanding long-term loan debts of the private sector that were US \$ 129,303 million in 2009, regressed to US \$ 119,914 million in 2010 and rose to US \$ 127,475 million in 2011. Along with the restrained borrowing facilities due to the global crisis, the private sector’s debt reduced by 8.7% in 2009 compared to the then preceding year and by 7.3% in 2010 compared to the latter. The expansionist monetary policy regimes were brought up in practice by central banks of advanced economies past the financial crisis, as a result of which capital inflows towards developing countries were given a boost. Our country also got affected from this global development and subsequent to availability of borrowing means at low cost and in abundant sums private sector’s loaning debt rose by 6.3%, in 2011.

During 2011, the private sector's debt associated with the international line of credit supply it secured from abroad amounted to US \$ 127,475 million in total, precisely comprising of loans provided to financial segment by 32.6% and in a part amounting to US \$ 41,573 million and non financial segment by 67.4% and in a part amounting to US \$ 85,902 million (Please refer to Table 158).

The long term debt of the financial segment of the private sector consisted of US \$ 37,787 million loan supplied under credit agreements, US \$ 263 million loan brought in by international investor public to form capital and US \$ 3,523 million bills and bonds. The long term debt of the non financial segment of the private sector, on the other hand, consisted of US \$ 80,092 million loan supplied under credit agreements, US \$ 5.269 million loan brought in by international investor public to form capital, US \$ 335 million commercial loans and US \$ 206 million bills and bonds.

The share of non financial segment of the private sector in total debt stock receded by a decrease of 3.9 points to 67.4% in 2011. By a ranking of real sector debt in respect of long term loans supplied from abroad by sectors, the services sector took the first place with 39.8% as in the case for 2010, and this was followed by the industrial sector with 27.0% and agricultural sector with 5.0%.

The manufacturing industry was the sector with the heaviest debt burden among all sub sectors with a share of 18.0% and was followed by transportation, storage and communication sector having a share of 14.2% and construction sector having a share of 5.5%, in 2011.

Within the private sector's international loaning debt, the share of agricultural sector debt was relieved by 7.0%, against a rise in services sector's debt by 3.0% and a fall in the debt of industrial sector by 3.0%, in 2011. The highest rate of increase in private sector's loaning debt across sub sectors of the manufacturing industry was achieved in the leather and leather products manufacturing operations at 21.9% and this was followed by 18.9% in manufacture of electrical and optical equipment and by 11.6% in manufacture of textiles and textile products activities, in descending order. The highest rate of decline, on the other hand, was realised in the machinery and equipment manufacturing activities by 19.2%. In services sector, the transportation, storage and communication activities attained the highest rate of increase by 17.4%. In services sector, the highest rate of fall was observed in the public administration and defence activities and essential security enforcement activities at 44.9%.

Table 158. Long-Term Debts Received from Abroad by the Private Sector according to Sectors

(000 000 \$)

Sectors	Loaning Debts			Share in Total			Rate of Change		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Financial	35,418	34,448	41,573	27.4	28.7	32.6	-14.0	-2.7	20.7
Banks	27,946	28,564	34,654	21.6	23.8	27.2	-6.9	2.2	21.3
Non banking financial institutions	7,472	5,883	6,918	5.8	4.9	5.4	-33.2	-21.3	17.6
Non Financial	93,885	85,467	85,902	72.6	71.3	67.4	-6.6	-9.0	0.5
Agricultural sector	449	628	632	0.3	0.5	0.5	16.4	39.9	0.7
Agriculture, hunting and forestry	440	624	624	0.3	0.5	0.5	16.8	41.8	0.1
Fishing	9	4	8	0.0	0.0	0.0	-1.3	-56.4	104.0
Industrial sector	39,401	35,539	34,474	30.5	29.6	27.0	-6.0	-9.8	-3.0
Mining and quarrying	3,666	3,225	2,632	2.8	2.7	2.1	-5.1	-12.0	-18.4
Manufacturing	26,998	23,214	22,886	20.9	19.4	18.0	-10.8	-14.0	-1.4
Foodstuff, beverages and tobacco manufacturing	5,682	4,732	4,479	4.4	3.9	3.5	-10.0	-16.7	-5.3
Textiles and textile products manufacturing	2,832	2,943	3,284	2.2	2.5	2.6	-15.0	3.9	11.6
Leather and leather products manufacturing	60	85	103	0.0	0.1	0.1	-20.0	42.1	21.9
Wood products manufacturing	279	243	211	0.2	0.2	0.2	-52.4	-13.1	-12.8
Pulp, paper and paper products; printing and publication	825	746	634	0.6	0.6	0.5	-24.4	-9.5	-15.0
Coke, refined petroleum products and nuclear fuel production	468	551	479	0.4	0.5	0.4	49.6	17.8	-13.0
Chemicals, chemical agents and artificial fibre manufacturing	1,905	1,636	1,613	1.5	1.4	1.3	-11.5	-14.1	-1.4
Plastic and rubber products manufacturing	957	956	914	0.7	0.8	0.7	-12.9	-0.1	-4.4
Other non-metallic mineral products manufacturing	1,855	1,480	1,259	1.4	1.2	1.0	-5.8	-20.2	-14.9
Basic metals and fabricated metal products manufacturing	5,974	4,087	4,132	4.6	3.4	3.2	-5.7	-31.6	1.1
Machinery and equipment manufacturing	1,031	784	633	0.8	0.7	0.5	-33.4	-24.0	-19.2
Electrical and optical equipment manufacturing	2,011	2,161	2,569	1.6	1.8	2.0	-3.7	7.5	18.9
Transport equipment manufacturing	2,846	2,589	2,351	2.2	2.2	1.8	-5.0	-9.0	-9.2
Manufacturing of items n.e.c.	275	222	223	0.2	0.2	0.2	-25.3	-19.5	0.8
Production and Distribution of Electricity, gas, vapour and hot water	8,737	9,100	8,956	6.8	7.6	7.0	11.9	4.2	-1.6
Services sector	54,035	49,299	50,796	41.8	41.1	39.8	-7.1	-8.8	3.0
Construction	7,994	7,146	6,994	6.2	6.0	5.5	-3.1	-10.6	-2.1
Wholesale and retail trades; motor vehicles, motorcycles, personal and household goods repairs	6,415	5,109	4,487	5.0	4.3	3.5	-30.3	-20.4	-12.2
Hotels and restaurants	2,912	2,395	2,088	2.3	2.0	1.6	-6.0	-17.8	-12.8
Transportation, storage and communication	14,967	15,452	18,146	11.6	12.9	14.2	-6.1	3.2	17.4
Financial intermediation activities	4	15	11	0.0	0.0	0.0	-41.3	259.2	-22.9
Real estate, renting and business activities	18,687	16,167	16,177	14.5	13.5	12.7	2.1	-13.5	0.1
Public administration and defence, compulsory social security schemes	48	43	23	0.0	0.0	0.0	-4.6	-12.0	-44.9
Education	107	86	85	0.1	0.1	0.1	-17.4	-19.9	-1.1
Healthcare and social services	941	891	951	0.7	0.7	0.7	-12.4	-5.2	6.6
Other social, societal and personal service activities	1,958	1,995	1,833	1.5	1.7	1.4	-7.4	1.9	-8.1
Households employing in-house personnel and undifferentiated production activities for own use by households	0	1	1	0.0	0.0	0.0	1.3	126.8	-2.7
International organisations and their representations	0	0	0	0.0	0.0	0.0	-	-	-
Total	129,303	119,914	127,475	100.0	100.0	100.0	-8.7	-7.3	6.3

Source: TCMB.

PS: Total sums may vary due to arithmetical round-ups.

2.7 Indices

2.7.1 Consumer Prices Index

The Central Bank of Turkey (TCMB) has been implementing an open inflation targeting regime since 2006. In this context, the Central Bank has announced three-year inflation targets as punctual objectives, within the auspices of the open inflation targeting regime, where Consumer Price Index (CPI) is measured by changes over a 12-months period, every year, since then.

As a result of inflation targets, which were set at 4.0% in projections for the 2006-2008 period being exceeded due to external reasons and the weakening in targets' function as an anchor for expectations, TCMB proposed identification of new targets for the medium term in a letter it wrote in plain official language addressing the central government in June 2008, with a view to exercise control over the inflationary expectations, while earning reputation for the regime in effect. This proposal of TCMB was adopted by the central government and inflation targets were set at 7.5%, 6.5% and 5.5% accordingly, for 2009, 2010 and 2011, in respective order. By the end of 2009, the inflation was realised at a level of 6.5%, 1.0 point below the set year-end target of 7.5%.

Also nothing changed in terms of open inflation targeting regime in practice throughout 2010 and the set year-end target of 6.5% was enforced and implemented by appropriate actions. As already known, the accounting rendering obligation arises if and when the absolute value of the difference between inflation rates realised since 2006 and the targeted inflation rate exceeds 2.0%, in which case it becomes a statutory liability for TCMB to fully justify the reasons underlying this evident deviation of real inflation rate from what has been targeted by the end of the year, by penning a letter of clarification to the central government, in appropriate detail.

As a result of the deepening effects of the global financial crisis upon the real economy and persistence of excessive volatility in the prices of unprocessed food with intermittent improvements, in combination with the high rise in the prices of oil and other commodities versus revocation of formerly recognised temporary tax relief, inflation entered in a rising trend as of the final quarter of 2009. The food prices causing a significant jump in inflation rates by climbing above the seasonal norms in 2010 fell below the seasonal norms again during November and December and the year-end inflation target's attainment could only be possible thanks to this decline observed in the final quarter of 2010. Despite the increase in energy prices during related quarters of 2010, this fall in food prices had an effective role to play in pulling down the inflation rates as well.

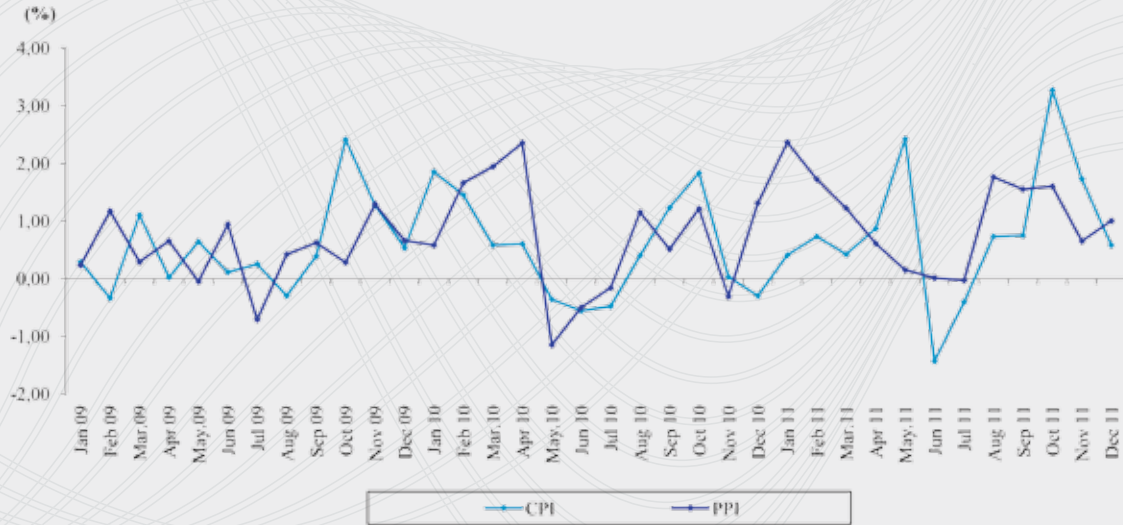
Consequently, inflation in CPI was realised at 6.4%, a figure too close to 6.5%, the year-end target, in 2010 (Please refer to Table 159, Figure 58).

Table 159. Consumer Price Index by Main Expenditure Groups

Main Expenditure Groups	2009		2010		2011	
	Index Value	Rate of Change	Index Value	Rate of Change	Endeks Değeri	Rate of Change
Twelve-Months Average Consumer Price Index Value						
Food and non-alcoholic beverages	168,39	8.02	186,20	10.58	197,82	6.24
Alcoholic drinks and tobacco	216,94	12.71	292,38	34.77	302,81	3.57
Garments and footwear	119,16	0.82	124,58	4.55	132,76	6.57
Housing, water, electricity	195,73	8.82	208,02	6.28	220,06	5.79
Furniture, home utensils	139,23	0.87	142,28	2.20	153,36	7.79
Health	126,66	2.94	127,57	0.72	128,40	0.65
Transportation	155,94	0.24	170,95	9.63	188,00	9.98
Communication	112,38	3.44	112,10	-0.24	112,61	0.46
Recreation and culture	142,66	9.85	145,95	2.31	148,20	1.54
Education	176,37	5.80	185,87	5.39	195,96	5.43
Hotels and restaurants	209,26	9.15	229,07	9.47	247,51	8.05
Miscellaneous goods and services	179,16	12.97	191,69	6.99	216,16	12.76
General	164,32	6.25	178,40	8.57	189,95	6.47
Year-End Consumer Price Index Value ⁽¹⁾						
Food and non-alcoholic beverages	176,76	9.26	189,17	7.02	212,26	12.21
Alcoholic drinks and tobacco	232,88	20.91	290,30	24.66	344,00	18.50
Garments and footwear	125,81	3.39	131,77	4.74	142,28	7.98
Housing, water, electricity	201,47	2.31	213,37	5.91	230,86	8.20
Furniture, home utensils	140,02	-2.68	144,60	3.27	160,56	11.04
Health	127,11	2.44	127,84	0.57	128,27	0.34
Transportation	163,08	7.89	174,14	6.78	195,42	12.22
Communication	115,17	3.35	111,46	-3.22	114,22	2.48
Recreation and culture	147,74	8.92	144,31	-2.32	153,68	6.49
Education	181,79	5.47	189,52	4.25	201,79	6.47
Hotels and restaurants	216,50	7.31	237,63	9.76	257,12	8.20
Miscellaneous goods and services	188,01	13.75	198,37	5.51	232,38	17.14
General	170,91	6.53	181,85	6.40	200,85	10.45

Source: TURKSTAT.

(1): Represents the CPI Value for December and the rate of change relative to the value of December of the preceding year.



Source: TURKSTAT.

Figure 58. CPI and PPI Monthly Rates of Change

The declining trend in the rate of inflation which started by the final quarter of 2010, continued its existence during the initial months of 2011, in tandem with the base effect created by positive developments in unprocessed food prices and the tax legislation enacted and enforced in January, covering fuel oil, alcoholic drinks and tobacco products. During the first quarter of the year, the annual CPI inflation was realised at quite a low level as 1.57%, relative to the previous quarter. However the loss of value in Turkish Lira and rises in international commodity prices started to exert upwardly pressures on basic commodity prices.

The rallying of inflation in food by the second quarter of 2011 combined with the delayed reflections of the cumulative increase in importation prices denominated in Turkish currency and base effect caused a rise in inflation up to a level of 1.83%. While pressures originating from producer prices maintained a strong progressive stance, the reflections of cumulative rises in costs in consumer prices were realised at a lower than the previous quarters, during this period.

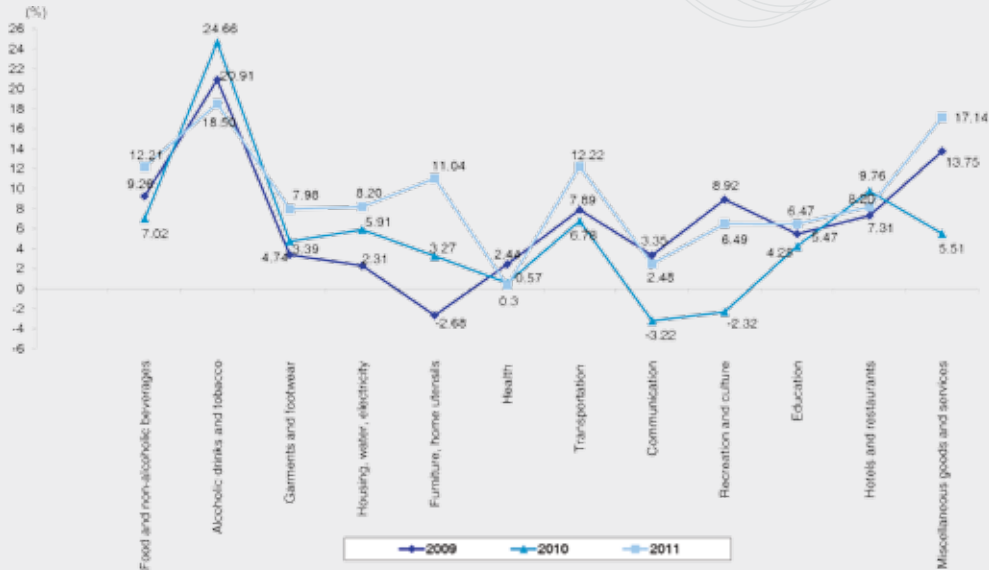
The annual inflation in consumer prices was realised as 1.07% during the third quarter of the year. The loss of value experienced in Turkish Lira has been the most prominent factor that earmarked inflationary developments during this period. Along with significant retardation in annual inflation of the foodstuffs group as a direct result of the base effect in unprocessed food prices, the core inflation indicators rose in line with an increase in foreign exchange rates. Despite the regression in international commodity prices, producer prices driven pressures have been influential upon inflation, along with the effects of increases in foreign exchange rates.

The administered/guided prices in combination with developments in unprocessed food prices have been determinative at a large extent on inflationary realisations during the final quarter of the year and the inflation in CPI rose to 5.66%. The Cabinet Decree published in the Official Journal of 13 October 2011 augmented the rates of Special Consumption Tax (SCT) applicable to certain motor vehicles, cell phones, alcoholic drinks

and tobacco products. The increases in the aforesaid administered/guided prices had major contributions in the inflation. Moreover, with the turning upside down of the base effect on unprocessed food prices along with the rise in food prices in general and delayed reflections of changes in foreign exchange rates on basic commodity prices, the inflation in consumer prices was realised as 10.45% for 2011. Consequently, the rate of change of CPI, which had attained its lowest value for the last 41 years of 6.40% in 2010, rose to two digits for the first time since 2008, during 2011.

By the end of the year, the price increases in the main expenditure categories of food and non-alcoholic beverages, alcoholic drinks and tobacco, transportation, furniture and home utensils, house care and maintenance activities and miscellaneous goods and services have gone beyond the rate of change observed in CPI, general. Apart from above, the main expenditure categories of garments and footwear, housing, water and electricity, gas and other fuels, healthcare, education, communication, recreation and culture and hotels and restaurants witnessed a price increase below the rate of change occurring in the general CPI index.

In December, 2011, the highest rate of increase in prices was achieved in the expenditure category of alcoholic drinks and tobacco with 18.50%, while the lowest rate of increase was observed in the main expenditure category of healthcare services with 34.00% (Please refer to, Figure 59).



Source: TURKSTAT.

Figure 59. Rates of Change in Consumer Price Index by Main Expenditure Categories (By Year-end)

Basic (core) inflation indicators, which facilitates a more clear monitoring of annual inflation data, while following a fluctuating course in 2010, maintained low levels, in line with the seasonally adjusted basic commodity prices and service rates tracing a horizontal course spontaneous with the drops in commodity prices of durable goods. However, H-core price index, one of the core inflation indicators (excluding unprocessed food, energy, alcoholic beverages, tobacco products and gold), and I price indicator (excluding energy, food and soft drinks, alcoholic beverages and tobacco products and gold) began to rise

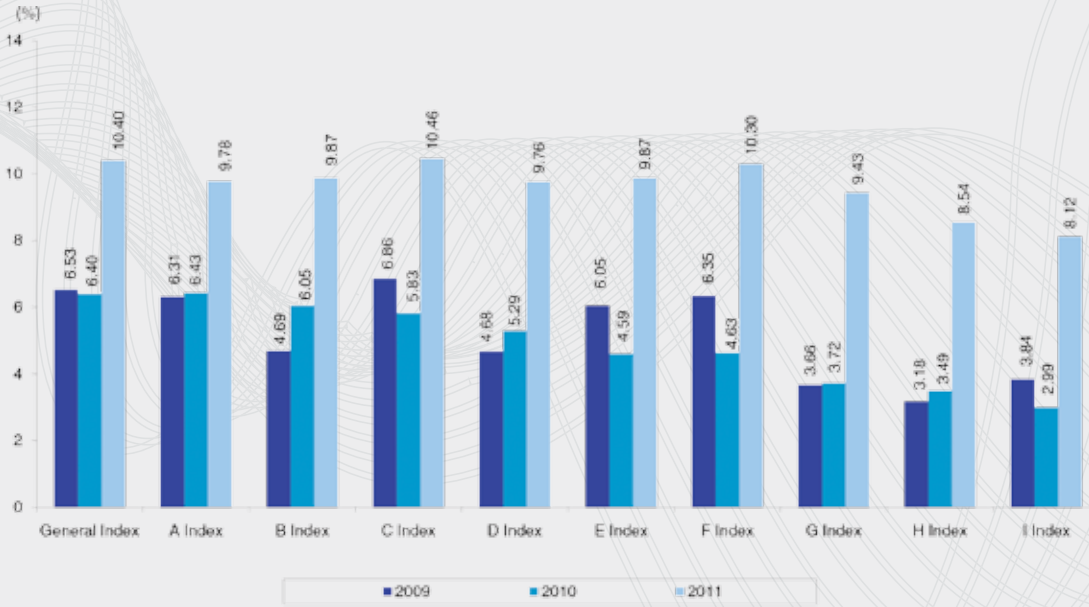
from the first quarter of 2011. This rising trend continued till the end of the year, with the effects of developments in basic commodity prices. Consequently, the H-core price indicator forming part of CPI with special scope for December 2011 rose by 8.54% versus an increase in I price indicator by 8.12%, compared to month December of the preceding year. The highest annual rate of increase observed in the index has been 10.46%, which was attained by the C core price index, which excludes energy (Please refer to Table 160, Figure 60).

Table 160. Consumer Price Index by Special Coverage and Groups

Group/Coverage	(2003=100)					
	2009		2010		2011	
	Index Value	Rate of Change	Index Value	Rate of Change	Index Value	Rate of Change
Twelve-Months Average Consumer Price Index Value						
A Excluding seasonal products	169,30	6.47	183,35	8.30	195,53	6.65
B Excluding unprocessed foodstuffs	163,09	5.15	174,73	7.14	186,54	6.76
C Excluding energy	161,95	6.33	175,30	8.24	185,84	6.01
D (B) and (C)	160,02	5.00	170,34	6.45	180,99	6.25
E Excluding (C) and alcoholic drinks and tobacco products	158,98	5.94	169,39	6.55	179,92	6.21
F Excluding (E) and other products with administered/guided prices, indirect taxes	165,20	6.59	175,59	6.29	186,81	6.39
G (F) and (B)	163,52	5.09	169,63	3.74	181,14	6.79
H Excluding (D) and alcoholic drinks, tobacco products and gold	154,95	4.11	161,22	4.05	171,06	6.10
I Excluding (C), food and non-alcoholic beverages, alcoholic drinks, tobacco products and gold	152,34	4.40	158,64	4.13	167,62	5.66
Year-End Consumer Price Index Value ⁽¹⁾						
A Excluding seasonal products	175,49	6.31	186,77	6.43	205,04	9.78
B Excluding unprocessed foodstuffs	168,37	4.69	178,56	6.05	196,18	9.87
C Excluding energy	168,27	6.86	178,08	5.83	196,71	10.46
D (B) and (C)	164,72	4.68	173,43	5.29	190,36	9.76
E Excluding (C) and alcoholic drinks and tobacco products	164,83	6.05	172,40	4.59	189,42	9.87
F Excluding (E) and other products with administered/guided prices, indirect taxes	170,86	6.35	178,77	4.63	197,18	10.30
G (F) and (B)	167,07	3.66	173,29	3.72	189,63	9.43
H Excluding (D) and alcoholic drinks, tobacco products and gold	158,75	3.18	164,29	3.49	178,32	8.54
I Excluding (C), food and non-alcoholic beverages, alcoholic drinks, tobacco products and gold	156,58	3.84	161,26	2.99	174,35	8.12

Source: TURKSTAT.

(1): Represents the CPI Value for December and the rate of change relative to the value of December of the preceding year.



Source: TURKSTAT.

Figure 60. Rates of Change in the Consumer Price Index Having Specified Coverage (by the End of Year)

2.7.1.1 CPI at Regional Level

When the annual rates of increase in CPI figures for 2011 are analysed by regions according to NUTS Level-2, the highest rate of increase in prices was achieved in TRA1 (Erzurum, Erzincan, Bayburt) region with at 12.07%, which was followed by 12.05% increase observed in TR71 (Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir) region in the second, 11.79% increase observed in TRA2 (Ağrı, Kars, Iğdır and Ardahan) region in the third and by 11.75% increase observed in TRC2 (Şanlıurfa, Diyarbakır) region in the fourth places.

When the annual rates of increase in prices by main expenditure groups on the bases of NUTS Level-2, the highest rate of price increase in TR10 (İstanbul) region was achieved with 18.01% in the main expenditure category of alcoholic drinks and tobacco, while the lowest rate of increase was observed in the main expenditure category of healthcare services with 39.00%. The number of main expenditure categories demonstrating a price increase above the rate of change in the general index in this region was 6, while number of categories demonstrating a price increase below such rate revealed to be 6.

The highest rate of increase in prices in TR21 (Tekirdağ, Edirne, Kırklareli) region was achieved at 17.99% in the main expenditure category of alcoholic drinks and tobacco, the lowest rate of increase was found in health expenditure category at 24.00%.

The highest rate of increase in prices in TR22 (Balıkesir, Çanakkale) region was achieved at 19,18% in the main expenditure category of alcoholic drinks and tobacco, the lowest rate of increase was found in health main expenditure category at 7.00%, which in fact took the form a drop.

The highest rate of increase in prices in TR31 (İzmir) region was achieved at 18.54% in the main expenditure category of alcoholic drinks and tobacco, the lowest rate of increase was found in health main expenditure category at 49.00‰.

For the remainder of regions, speaking generally, the highest rate of increase in prices was found in the main expenditure category of alcoholic drinks and tobacco, while the lowest rate of increase was observed in the main category of health and health related services. The only region that impairs this pattern across regions is the TR52 (Konya, Karaman) region, where the highest rate of increase in prices has been achieved at 18.89% in the main expenditure category of alcoholic drinks and tobacco again, however, the lowest rate of increase was seen in recreation and culture main expenditure category, at 5.44% in the declining direction.

The greatest rate of change across main expenditure groups in TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane) region was observed in the main expenditure category of miscellaneous goods and services in the direction of growth by 28.05%, while the least rate of change occurred in the main expenditure category of recreation and culture in the declining direction by 5.44%, in TR52 (Konya, Karaman) region. For the main expenditure categories yielding the highest and lowest rates of increase in prices by regions, please see Table 161.

2.7.2 Producer Price Index

During 2011, intense cost pressures have been influential in rates of change in Producer Price Index (PPI). While the rises in agricultural crop prices had major effects during the first quarter of the year, developments in international commodity prices and the loss of value in Turkish Lira boosted the input costs and manufacturing industry prices. During the initial quarter of 2011, the rate of change in PPI has been 5.40%.

The rate of change in PPI cut speed relative to the preceding quarter during the second quarter of 2011 and was realised at 77.00‰. The restrained level of increase thus observed was predominantly because of the retardation in agricultural crop prices, affected by the developments in vegetable - fruit prices. While the regressive pattern seen in international commodity prices subsisted during the third quarter of the year, the devaluation in Turkish Lira escalated prices of imports in terms of local currency and rate of change in PPI realised as 3.31%. In the final quarter of the year, on the other hand, the rise of 3.29% was mainly affected by the rapid increase in the prices of fresh fruit and vegetables, which adversely affected PPI.

Table 161. Main Expenditure Groups Showing the Highest and Lowest Price Increases at Year end according to NUTS Level-2

Regional Code	NUTS Level-2	Rate of Change in General Index Figure	Highest Increase		Lowest Increase	
			Main Expenditure	Rate of Change	Main Expenditure	Rate of Change
TR10	İstanbul	9.81	Alcoholic drinks and tobacco	18.01	Health	0.39
TR21	Tekirdağ, Edirne, Kırklareli	10.16	Alcoholic drinks and tobacco	17.99	Health	0.24
TR22	Balıkesir, Çanakkale	10.62	Alcoholic drinks and tobacco	19.18	Health	-0.70
TR31	İzmir	10.15	Alcoholic drinks and tobacco	18.54	Health	0.49
TR32	Aydın, Denizli, Muğla	10.87	Alcoholic drinks and tobacco	18.87	Health	0.52
TR33	Manisa, Afyon, Kütahya, Uşak	10.20	Miscellaneous goods and services	19.37	Health	1.08
TR41	Bursa, Eskişehir, Bilecik	9.88	Alcoholic drinks and tobacco	18.60	Health	0.25
TR42	Kocaeli, Sakarya, Düzce, Bolu, Yalova	10.86	Alcoholic drinks and tobacco	19.02	Health	1.12
TR51	Ankara	10.65	Alcoholic drinks and tobacco	17.94	Health	0.41
TR52	Konya, Karaman	9.89	Alcoholic drinks and tobacco	18.89	Recreation and culture	-5.44
TR61	Antalya, Isparta, Burdur	9.95	Alcoholic drinks and tobacco	18.11	Health	-0.38
TR62	Adana, Mersin	11.02	Alcoholic drinks and tobacco	18.70	Health	-0.11
TR63	Hatay, K.Maraş, Osmaniye	11.35	Miscellaneous goods and services	22.07	Health	-0.27
TR71	Kırkkale, Aksaray, Niğde, Nevşehir, Kırşehir	12.05	Miscellaneous goods and services	21.05	Health	-0.51
TR72	Kayseri, Sivas, Yozgat	11.74	Miscellaneous goods and services	19.90	Health	-0.41
TR81	Zonguldak, Karabük, Bartın	11.14	Alcoholic drinks and tobacco	19.02	Health	1.65
TR82	Kastamonu, Çankırı, Sinop	11.55	Miscellaneous goods and services	22.36	Health	0.29
TR83	Samsun, Tokat, Çorum, Amasya	11.09	Alcoholic drinks and tobacco	18.78	Health	0.17
TR90	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	11.05	Miscellaneous goods and services	28.05	Health	0.29
TRA1	Erzurum, Erzincan, Bayburt	12.07	Miscellaneous goods and services	22.88	Health	-0.33
TRA2	Ağrı, Kars, Iğdır, Ardahan	11.79	Miscellaneous goods and services	22.92	Health	-1.06
TRB1	Malatya, Elazığ, Bingöl, Tunceli	11.49	Miscellaneous goods and services	20.12	Health	-0.53
TRB2	Van, Muş, Bitlis, Hakkari	10.77	Miscellaneous goods and services	19.69	Health	0.06
TRC1	Gaziantep, Adıyaman, Kilis	11.68	Alcoholic drinks and tobacco	19.72	Health	-1.20
TRC2	Şanlıurfa, Diyarbakır	11.75	Miscellaneous goods and services	20.50	Health	-1.25
TRC3	Mardin, Batman, Şırnak, Siirt	11.20	Miscellaneous goods and services	20.46	Health	-1.05

Source: TURKSTAT.

In line with these updates, PPI rose by 4.46 points to 13.33% in December, 2011, from a baseline of 8.87% in the same month of the preceding year. According to the average figures of 12-months the rate of change in PPI, which was 8.52% in 2010, rose by 2.57 points to 11.09%, during 2011 (Please refer to Table 162).

Table 162. Producer Price Index by Sectors

(2003=100)

Sectors	Annual Average Producer Price Index					
	2009		2010		2011	
	Index	Rate of Change	Index	Rate of Change	Index	Rate of Change
	Twelve-Months Average Producer Price Index					
Agricultural sector	166,02	2.34	199,09	19.92	209,77	5.37
Industrial sector	159,49	1.02	169,31	6.15	190,19	12.33
Mining	206,55	8.17	225,69	9.27	263,03	16.54
Manufacturing industry	156,10	-0.58	165,50	6.02	187,55	13.32
Electricity, gas and water	182,85	16.08	189,41	3.59	194,75	2.82
General index	160,91	1.26	174,61	8.52	193,96	11.09
	Year-end Producer Price Index ⁽¹⁾					
Agricultural sector	176,34	14.22	201,95	14.52	223,23	10.54
Industrial sector	162,90	4.14	175,45	7.70	199,87	13.92
Mining	217,55	10.58	233,02	7.11	279,08	19.77
Manufacturing industry	160,53	5.20	171,16	6.62	196,13	14.59
Electricity, gas and water	168,68	-10.50	200,19	18.68	212,97	6.38
General index	165,56	5.93	180,25	8.87	204,27	13.33

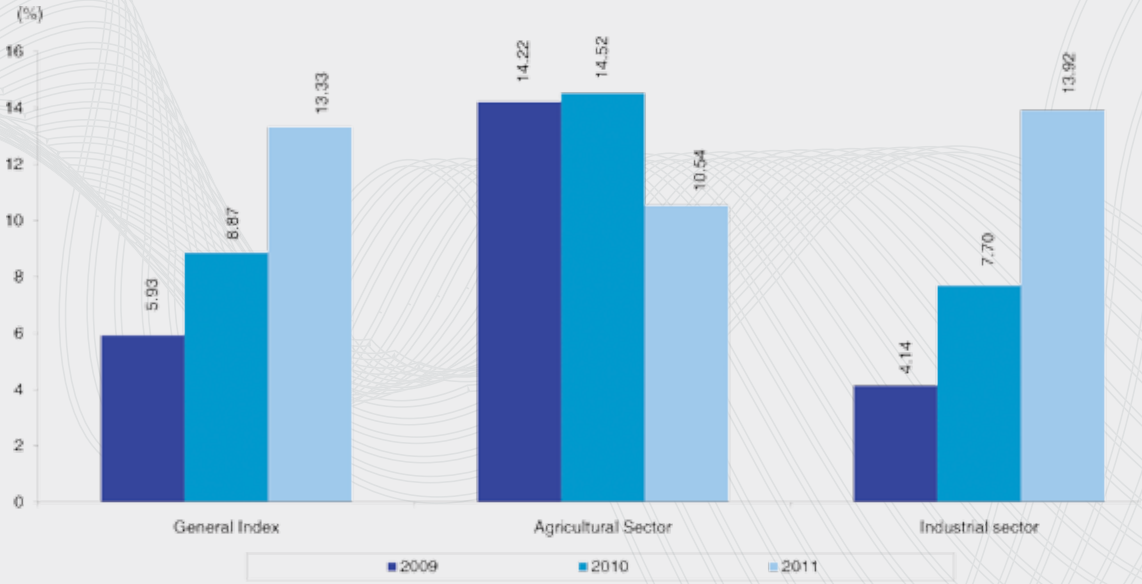
Source: TURKSTAT.

PS: Rates of change may vary due to arithmetical round-ups.

(1): Represents the PPI Value for December and the rate of change relative to the value of December of the preceding year.

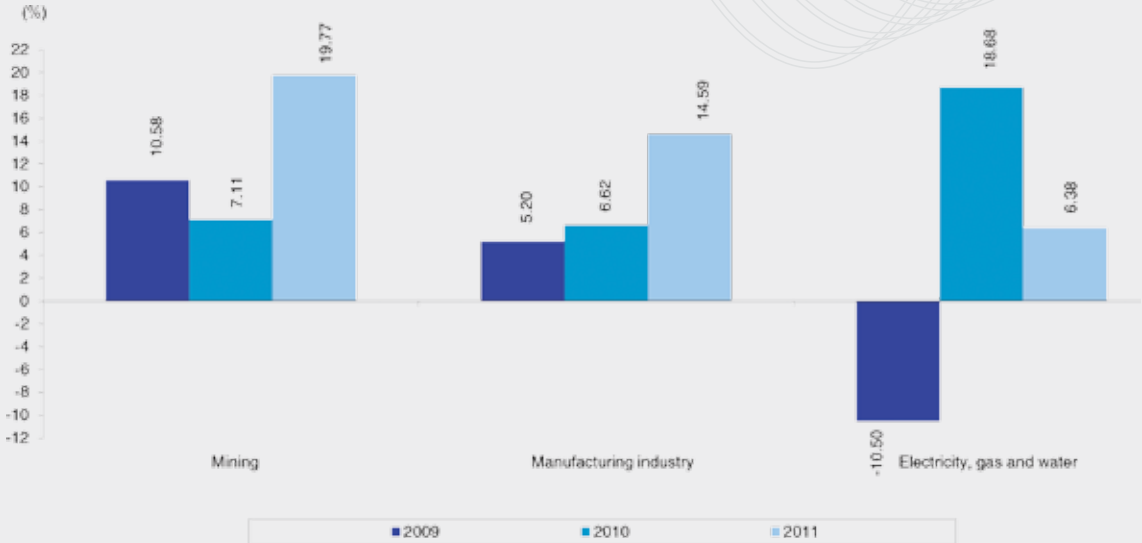
Producer prices were adversely affected by predominantly the rises in foodstuffs, basic metals electrical machinery and equipment and motor vehicle manufacturing business. The rise in producer prices also inflicted pressure upon consumer prices, along with the escalation in costs.

An analysis of the status of PPI by sectors as at the year-end of 2011 suggests that agricultural sector prices rose by 10.54%, industrial sector prices by 13.92%, and among the industrial sub sectors, mining rose by 19.77%, manufacturing industry by 14.59% and energy by 6.38% (Please refer to Figure 61, Figure 62).



Source: TURKSTAT.

Figure 61. Rates of Change in the Producer Price Index (by the End of Year)



Source: TURKSTAT.

Figure 62. Rates of Change in the Industrial Sector Producer Price Index (by the End of Year)

The rates of change in PPI across sectors based on twelve-month average figures showed an increase by 5.37% in agricultural sector prices, by 12.33% in industrial sector prices and by 16.54%, 13.32% and 2.82% in mining, manufacturing industry and energy sub sectors thereof.

2.7.3 Industrial Turnover Indices

The industrial turnover index, a short term value index measured to indicate the market’s development for workplaces engaged in industrial production, decreased 8.9% in 2009, with the effects of the global crisis. The faster than expected recovery of our country’s

economy and the subsequent rejuvenation in economic activities entailed a rise in sector's turnover index by 17.7%, in 2010. Along with the strong progression course sustained by economic activities and the rapid growth, industrial turnover index also rose 28.1% in 2011. The industrial turnover index showed an increase in mining and quarrying sector by 34.2% and manufacturing industrial sector by 27.9%.

The highest level of increase in industrial turnover index across main industrial categories in 2011 was observed in the energy group at 46.0%, which was followed by 32.5% in the capital goods manufacturing, 31.5% in intermediate product manufacturing, 24.4% in durable consumer goods manufacturing and 18.3% non durable consumer goods manufacturing categories, respectively (Please refer to Table 163, Figure 63).

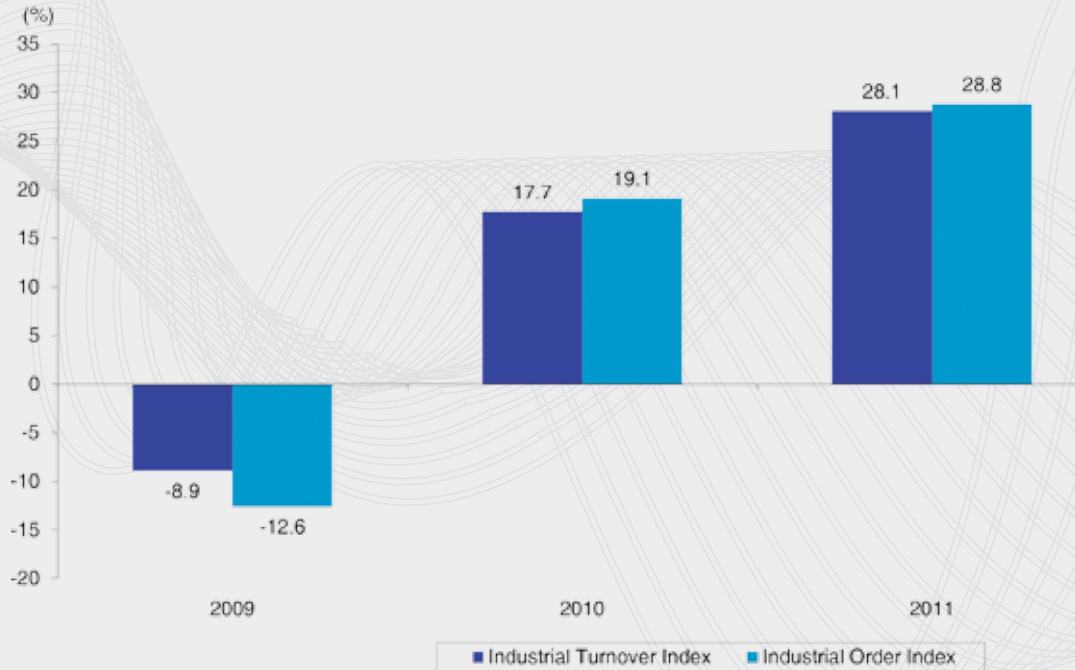
Table 163. Annual Average Industrial Turnover and Industrial Order Indices by Main Industrial Groups

(2005=100)

Main Industrial Groups	Industrial Turnover Index			Rate of Change		
	2009	2010	2011	2009	2010	2011
Intermediate goods manufacturing	144,4	178,8	235,2	-12.4	23.8	31.5
Durable consumption goods production	116,6	126,9	157,8	-14.0	8.8	24.4
Non-durable consumption goods production	137,0	154,1	182,3	2.0	12.5	18.3
Energy	125,3	148,2	216,5	-22.1	18.3	46.0
Capital goods production	138,8	159,0	210,7	-11.2	14.6	32.5
Total industry	138,2	162,7	208,4	-8.9	17.7	28.1
	Industrial Order Index			Rate of Change		
Intermediate goods manufacturing	140,0	173,0	224,3	-16.9	23.6	29.6
Durable consumption goods production	104,9	115,0	143,8	-20.9	9.6	25.1
Non-durable consumption goods production	124,9	137,9	166,5	-1.0	10.4	20.7
Capital goods production	127,0	154,6	209,4	-11.6	21.8	35.4
Total industry	130,4	155,4	200,2	-12.6	19.1	28.8

Source: TURKSTAT.

A review of the rates of increase in industrial turnover index by sub sectors of the manufacturing industry for 2011 reveals that the highest rate of increase took place at 41.9% in basic metals industrial sector and this is followed respectively by 41.4% in machinery and equipment manufacturing not elsewhere classified sub sector, 33.1% in motor vehicles, trailers and semi-trailers production sub sector and 29.2% in fabricated metal products and pharmaceutical materials manufacturing sub sectors (Please refer to Table 164).



Source: TURKSTAT.

Figure 63. Rates of Change in Industrial Turn-over and Order Indices

2.7.4 Industrial Order Indices

The manufacturing industry order index, which calculated from data compiled from workplaces covered by the industrial production survey, that pursue practice in the manufacturing industry by accepting assignments on order, to show the future direction of production efforts as per the European Community legislations, dropped by 12.6% with the upcoming uncertainties about the future and the drop in both domestic and foreign demand along with the crisis, in 2009. In 2010, on the other hand, the sprouting of optimistic expectations about the future of economy and the sparking of revival in demand entailed to a rise at 19.1% in the industrial order index. In 2011, an environment of trust created in economy and especially domestic demand driven growth in industrial sector led industrial order index rise as high as 28.8%.

The highest level of increase in industrial order index across main industrial categories in 2011 was observed in capital goods manufacturing group at 35.4%, which was followed by 29.6% in intermediate product manufacturing, by 25.1% in durable consumer goods manufacturing and 20.7% non durable consumer goods manufacturing categories, respectively (Please refer to Table 163, Figure 63).

A review of the rates of increase in industrial order index by sub sectors of the manufacturing industry for 2011 reveals that the highest rate of increase took place at 42.3% in machinery and equipment manufacturing not elsewhere classified and this is followed respectively by 36.4% in in basic metals industrial sector, by 32.9% in motor vehicles, trailers and semi-trailers production sub sector and 29.7% in fabricated metal products (except machinery and equipment) manufacturing sub sectors (Please refer to Table 164).

Table 164. Annual Average Industrial Turnover and Industrial Order Indices by Sub-sectors of the Manufacturing Industry

(2005=100, Annual Average)

Sub Sectors	Industrial Turnover Index			Industrial Order Index		
	2009	2010	2011	2009	2010	2011
Textile products production	110,1	133,0	167,8	110,0	132,2	166,8
Garments and apparels manufacturing	122,7	135,7	169,3	117,0	127,0	160,1
Paper and paper products manufacturing	150,7	170,5	213,3	150,3	171,0	212,1
Chemicals and chemical products production	139,1	167,7	214,0	139,7	170,8	216,2
Basic pharmaceutical products and materials related to pharmaceutical production	152,3	152,8	150,2	153,6	152,8	154,6
Main metal industry	156,9	200,9	285,1	161,4	204,1	278,4
Fabricated metal products production (excluding machinery and equipment)	151,0	171,2	221,3	139,3	156,6	203,2
Computers, electronic and optical products production	101,6	165,4	195,1	109,2	140,5	165,7
Electrical equipment manufacturing	147,5	158,9	204,2	135,7	150,5	189,2
Machinery and equipment production not elsewhere classified	128,8	157,2	221,8	126,6	164,0	233,3
Motor vehicles, trailers and semi-trailers production	120,1	149,9	199,5	121,2	152,4	202,6
Other transport vehicles production	566,8	442,5	534,5	146,5	149,9	173,2
Manufacturing industry	137,3	161,2	206,3	130,4	155,4	200,2
	Rate of Change					
Textile products production	-3.7	20.8	26.2	-3.7	20.2	26.2
Garments and apparels manufacturing	-3.3	10.6	24.8	-3.3	8.6	26.0
Paper and paper products manufacturing	2.2	13.2	25.1	3.5	13.7	24.1
Chemicals and chemical products production	-6.7	20.5	27.6	-8.8	22.2	26.6
Basic pharmaceutical products and materials related to pharmaceutical production	10.2	0.3	1.7	10.9	-0.5	1.1
Main metal industry	-30.6	28.1	41.9	-29.3	26.5	36.4
Fabricated metal products production (excluding machinery and equipment)	-4.8	13.4	29.2	-12.0	12.4	29.7
Computers, electronic and optical products production	0.0	62.8	18.0	3.5	28.6	18.0
Electrical equipment manufacturing	-18.0	7.7	28.5	-21.6	10.9	25.8
Machinery and equipment production not elsewhere classified	-13.0	22.1	41.1	-15.7	29.5	42.3
Motor vehicles, trailers and semi-trailers production	-12.6	24.8	33.1	-11.5	25.7	32.9
Other transport vehicles production	3.4	-21.9	20.8	20.2	2.4	15.5
Manufacturing industry	-9.1	17.4	27.9	-12.6	19.1	28.8

Source: TURKSTAT.

2.7.5 Industrial Workforce and Input Indices

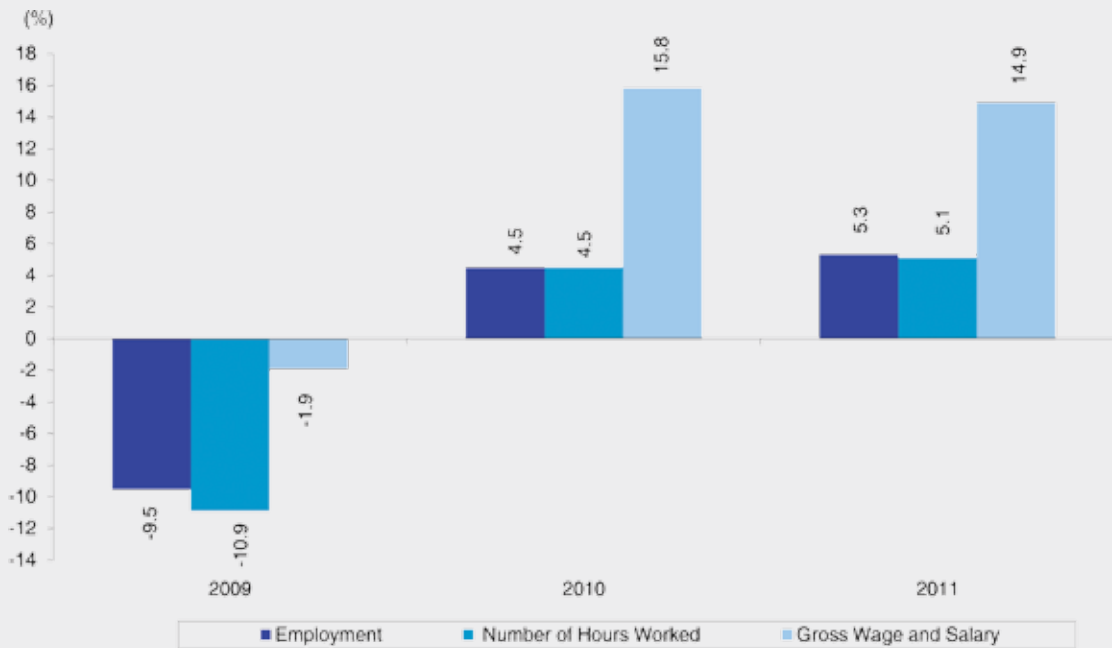
2.7.5.1 Employment

Showing an increase at 4.5% in 2010, the industrial employment index continued with its growing trend along with furtherance of recovery in the industrial production and realised a 5.3% increase during 2011. When the industrial sector employment index is analysed by sectors, it declined by 2.7% in mining and quarrying sector, rose by 5.8% in manufacturing industrial sector and dropped by 5.7% in electricity, gas and water sector and 6.0% water supply, sewerage, waste management and remediation activities (Please refer to Table 165, Figure 64).

Table 165. Industrial Employment Index by Economic Activities

Sectors	(2005=100)					
	Industrial Employment Index			Rate of Change		
	2009	2010	2011	2009	2010	2011
Mining and quarrying	118,0	124,4	127,8	-5.2	5.4	2.7
Manufacturing industry	95,5	100,1	105,9	-9.8	4.8	5.8
Electricity, gas and water	85,5	80,4	75,8	-7.2	-6.0	-5.7
Water supply, sewerage, waste management and remediation	116,5	112,4	111,8	-1.6	-3.5	-0.6
Total industry	96,2	100,5	105,9	-9.5	4.5	5.3

Source: TURKSTAT.



Source: TURKSTAT.

Figure 64. Rates of Change of Industrial Labour Input Indicators

2.7.5.2 Number of Hours Worked

While the index of hours worked in industry decreased 10.9% in 2009, it showed a 4.5% increase in 2010 and rose by 5.1% in 2011. As for the number of hours worked index by sub sectors, in 2011, the index rose 3.0% in mining and quarrying sector, 5.5% in manufacturing industrial sector and 3.0% in water supply, sewerage, waste management and remediation sector and dropped by 5.4% in electricity, gas and water sector (Please refer to Table 166, Figure 64).

Table 166. Index of Hours Worked in Industry by Economic Activities

Sectors	(2005=100)					
	Index of Hours Worked in Industry			Rate of Change		
	2009	2010	2011	2009	2010	2011
Mining and quarrying	118,4	124,1	127,8	-5.4	4.8	3.0
Manufacturing industry	93,5	98,1	103,5	-11.3	4.9	5.5
Electricity, gas and water	85,5	80,4	76,1	-6.5	-6.0	-5.4
Water supply, sewerage, waste management and remediation	108,9	106,9	107,3	-4.7	-1.8	0.3
Total industry	94,3	98,6	103,6	-10.9	4.5	5.1

Source: TURKSTAT.

The productivity per hour worked in the industrial sector, which showed an increase of 6.4% as of the final quarter of 2010 compared to the same period of the previous year, rose 7.2% in the first, 2.5% in the second and 3.4% in the third quarters of 2011, compared to the same quarters of 2010. An analysis of the productivity per hour worked indices by sub sectors of the industrial sector for 2011 reveals that the productivity of the mining and quarrying sector rose 4.7% in the first quarter and then dropped during the second and third quarters of the same year. As of the third quarter of 2011, a further look into the picture for manufacturing industry sub sector reveals that the productivity per hour worked index rose 4.0%, whilst a drop by 15.5% in the electricity, gas and water sub sector. At sub sectors level of the industrial sector, the only sub sector demonstrating a change in the upward direction in the first quarter of 2011 has been the manufacturing industry and the only sub sector demonstrating a change in the downward direction in all quarterly periods has been the electricity, gas and water sub sector. The most significant growth was achieved by the manufacturing industry sub sector in the 1st quarter and the most significant abatement was observed with the electricity, gas and water sub sector in the 3rd quarter of 2011 (Please refer to Table 167).

Table 167. Productivity Per Hour Worked Indices by Economic Activities

Productivity Index and Rate of Change	Year	Quarters	Sectors			
			Total Industry	Mining and Quarrying	Manufacturing Industry	Electricity, Gas and Water
Productivity Index (2005=100)	2009	1st	96,3	90,9	92,6	133,9
		2nd	109,9	102,5	108,6	130,7
		3rd	111,7	120,7	108,2	144,8
		4th	118,7	106,6	117,9	137,4
	2010	1st	110,1	89,5	108,3	141,7
		2nd	118,5	101,5	117,9	137,4
		3rd	117,4	116,3	113,5	163,7
		4th	126,3	103,5	126,1	151,5
	2011 ⁽¹⁾	1st	118,0	93,7	115,9	131,1
		2nd	121,5	97,1	121,1	120,5
		3rd	121,4	112,0	118,0	138,3
	Rate of Change Relative to the Corresponding Period of the Preceding Year	2009	1st	-9.6	2.4	-12.6
2nd			-1.9	2.1	-3.2	-3.2
3rd			2.3	5.2	1.3	1.5
4th			14.2	8.0	15.0	-1.2
2010		1st	14.3	-1.5	17.0	5.8
		2nd	7.8	-1.0	8.6	5.1
		3rd	5.1	-3.6	4.9	13.1
		4th	6.4	-2.9	7.0	10.3
2011 ⁽¹⁾		1st	7.2	4.7	7.0	-7.5
		2nd	2.5	-4.3	2.7	-12.3
		3rd	3.4	-3.7	4.0	-15.5

Source: NPC.

(1): Since the "Productivity Index" for the fourth quarter of 2011 had not been announced at the stage of preparing this report, the related data were not available.

PS: As figures are revised by the relevant institutions, data may differ from preceding year's report.

2.7.5.3 Gross Wages-Salaries

The gross wages-salaries index in industry in 2009 decreased 1.9% and by showing a significant increase in 2010 the rate of change reached the value of 15.8%, it fell a bit and realised as 14.9% during 2011. The gross wages-salaries index rose 12.7% in mining and quarrying sector, 16.1% in manufacturing industrial sector and 11.0% in water supply, sewerage, waste management and remediation sector and dropped by 8.0% in electricity, gas and water sector, in 2011 (Please refer to Table 168, Figure 64).

Table 168. Gross Wage/Salary Index in Industry by Economic Activities

Sectors	(2005=100)					
	Gross Wage/Salary Index in the Industry			Rate of Change		
	2009	2010	2011	2009	2010	2011
Mining and quarrying	164,4	183,9	207,3	-1.5	11.9	12.7
Manufacturing industry	139,3	163,4	189,8	-2.4	17.4	16.1
Electricity, gas and water	128,9	129,5	128,5	1.4	0.5	-0.8
Water supply, sewerage, waste management and remediation	187,5	203,6	225,9	7.6	8.6	11.0
Total industry	140,9	163,2	187,6	-1.9	15.8	14.9

Source: TURKSTAT.

2.7.6 Labour Cost Indices

2.7.6.1 Hourly Labour Cost Index

The Labour Cost Index is used to measure nominally the change in cost of labour per hour of employing a wagger or stipendiary to the employer by quarters of any given year, with the basic components of labour cost being composed of salary and wage rates and non-wage (such as worker’s social security premium, severance and notice pay payments undertaken by the employer) costs of labour.

The hourly labour cost index which shows the hourly change in all salary and wage rates and non-wage labour cost items rose 8.9% in 2009, 8.7% in 2010 and 9.5% in 2011. By sectors covered, the hourly cost of payroll employment to the employers went up by 0.8 points during 2011 compared to 2010. An analysis based on a segregation by sectors reveals that the highest rate of increase in values of the index during 2011 was realised in the construction sector with an increase of 13.0% and this was followed by a 9.6% increase in the services sector in the second and by a 8.9% increase in the industrial sector in the third places (Please refer to Table 169, Figure 65).



Source: TURKSTAT.

Figure 65. Labour Cost Index by Years and Quarters

Table 169. Labour Cost Index

Sectors (NACE Rev.2)	2009	2010	2011	(2008=100)		
				Rate of Change		
				2009	2010	2011
Hourly Labour Cost Index						
Industry	108,9	117,4	127,8	9.1	7.8	8.9
Construction	113,2	124,3	140,5	13.2	9.8	13.0
Services	107,4	118,3	129,7	7.4	10.1	9.6
Total	108,9	118,4	129,6	8.9	8.7	9.5
Hourly Earnings Index						
Industry	109,9	119,6	130,6	9.9	8.8	9.2
Construction	115,4	127,0	143,6	15.6	10.1	13.1
Services	108,9	120,1	131,8	8.9	10.3	9.7
Total	110,1	120,5	132,2	10.1	9.4	9.7
Hourly Labour Cost Excluding Earning Index						
Industry	104,9	108,8	116,5	5.5	4.3	7.1
Construction	104,7	113,8	128,5	4.7	8.7	12.9
Services	101,4	110,5	120,8	1.4	9.0	9.3
Total	103,9	109,8	119,0	4.3	5.9	8.4

Source: TURKSTAT.

PS: Rates of change may vary due to arithmetical round-ups.

An analysis of the rates of change in the hourly labour cost index at the level of sectors of economic activity through comparison of the annual average figures of 2011 with that of the preceding year reveals that the highest rate of increase under the industrial sector main title was observed at 13.2% in water supply, sewerage, waste management and remediation activities, while the lowest rate of increase was observed in the electricity, gas, steam and air conditioner systems production and distribution activities, at 3.0%. In the services sector, on the other hand, the annual average hourly labour cost index had its highest rate of increase in the administrative and support service activities with 12.2% and its lowest rate of increase in the financing and insurance activities with 8.3% in 2011 compared to the preceding year.

2.7.6.2 Hourly Earnings Index

Being an indicator of hourly change in regular and irregular payments made to wagers and stipendiary, the hourly earnings index was realised at a rate of 10.1% in 2009, of 9.4% in 2010 and of 9.7%, in 2011. With an analysis by sectors, while the index gets its highest rate of increase in the construction sector in the first place with 13.1%, this was followed by 9.7 in services sector in the second place and with 9.2% in the industrial sector in the third place (Please refer to Table 169, Figure 65).

The annual average hourly earnings index by sectors of economic engagement plotted its highest rate of increase in the industrial sector with 10.8% and in the mining and quarrying activities, while it had its lowest rate of increase in the same sector with 4.5% in the electricity, gas, steam and air conditioner systems production and distribution activities, in 2011 compared to the preceding year. In the services sector, on the other hand, the an-

nual average hourly earnings index had its highest rate of increase in the administrative and support service activities with 13.1% and its lowest rate of increase in the financing and insurance activities with 8.0% in 2011 compared to the preceding year. An analysis of the rates of change observed in sectors of economic activity during the 4th quarter of 2011 relative to the previous period, reveals that the highest rate of increase in industrial sector was observed in the mining and quarrying operations with 15.7% and in the services sector, in the administrative and support service activities with 16.3%.

2.7.6.3 Hourly Labour Cost Excluding Earning Index

Being an indicator of hourly change in payments of social security premiums, severance and notice pays, etc. undertaken by the Employer, the hourly labour cost excluding earning index has shown a growing trend since 2009. The hourly labour cost excluding earning index rose 4.3% in 2009, 5.9% in 2010 and 8.4% in 2011. By a ranking of rate of increase by sectors, the index demonstrated the same trend with other labour cost indices and accordingly, had its highest rate of increase in the construction sector at 12.9%, which was followed by 9.3% in services sector and by 7.1% in industrial sector (Please refer to Table 169, Figure 65).

The annual average hourly labour cost excluding earning index by sectors of economic engagement plotted its highest rate of increase in the industrial sector with 25.0% and in the water supply, sewerage, waste management and remediation activities, while it had its lowest rate of change in the direction of decline with 8.0% in the electricity, gas, steam and air conditioner systems production and distribution activities, in 2011 compared to the preceding year. In the services sector, on the other hand, the annual average hourly labour cost excluding earning index had its highest rate of increase in the wholesale and retail trades; motor vehicles and motorcycles repair activities with 13.9% and its lowest rate of increase in the professional, scientific and technical activities with 4.2% in 2011 compared to the preceding year. An analysis of the rates of change observed in sectors of economic activity during the 4th quarter of 2011 relative to the previous period, reveals that the highest rate of increase in industrial sector was observed in the water supply; sewerage, waste management and remediation activities with 27.9% and in the services sector, in the administrative and support service activities with 17.4%.

2.7.7 Foreign Trade Indices

2.7.7.1 Export and Import Unit Value Indices

The exports unit value index rose by 11.5% in 2010, while the imports unit value index rose by 15.7%, performing 4.2 points higher than the exports unit value index, in 2011 relative to 2010.

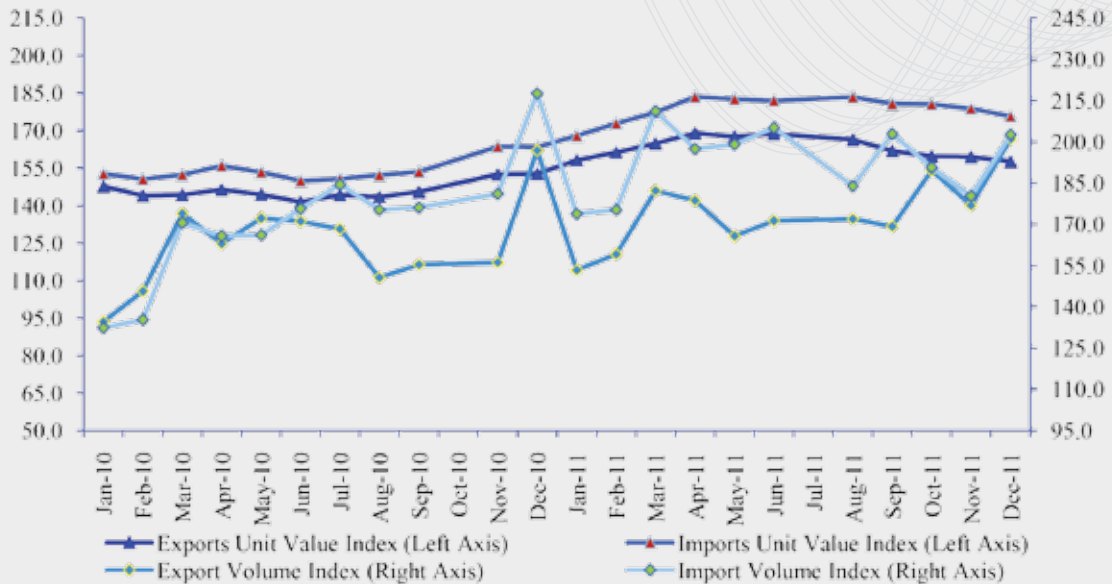
At sectors level, the exports unit value index showed a change towards a rise by 8.5% in agriculture and forestry sector and the imports unit value index exceeded the exports unit value index value by 3.7 folds, yielding a rise of 31.3%, compared to the preceding year. In the mining and quarrying sector, the exports unit value index rose by 11.0% in 2011, while the imports unit value index rose by 2.7 times higher than the exports unit value index, relative to 2010. The rates of change in exports and imports unit value indices in the manufacturing industry have been 11.6% and 12.1% respectively in the rising direction, compared to the preceding year. The exports unit value index for scraps, forming a com-

ponent of foreign trade sector rose by 23.6% and the imports value index rose by 23.1% in 2011 relative to the preceding year (Please refer to Table 170, Figure 66).

Table 170. Foreign Trade Index Rates of Change in 2011

Sectors (USS REV.3)	(2003=100)			
	Exports		Imports	
	Volume Indices	Unit Value Indices	Volume Indices	Unit Value Indices
Agriculture and forestry	-3.4	4.9	8.5	31.3
Fishing	4.6		19.5	
Mining and quarrying	-5.5	9.5	11.0	30.2
Manufacturing	7.2	12.8	11.6	12.1
Recycling	11.2	10.7	23.6	23.1
Grand total	6.4	12.0	11.5	15.7

Source: TURKSTAT.



Source: TURKSTAT.

Figure 66. Foreign Trade Indices

2.7.7.2 Export and Import Volume Indices

In 2011 over the previous year, the export volume index rose 6.4% and the import volume index improved by 12.0%, a 1.9 times higher rate than the export volume index. At sectors level, the export volume index demonstrated change in the direction of decrease by 3.4%, while the import volume index showed change in the direction of increase by 4.9%, in the agriculture and forestry sector. While the export volume index declined by 5.5%, the import volume index rose by 9.5%, in mining and quarrying sector. In 2011 relative to 2010, the export volume index rose by 7.2% and the import volume index, by 12.8% in the manufacturing industry sector.

In scraps, being one of the sector components of the foreign trade index, the export volume index rose by 11.2% and the import volume index, by 10.7% in 2011, compared to the preceding year (Please refer to Table 170).

2.7.8 Sectoral Confidence Indices

Calculated by measuring the existing business loads and expectations for the next quarter of enterprises having industrial engagements in each sector of employment, through Monthly Workplace Tendencies Survey for civil works, retail trades and services sectors, this index can take values in a range of 0 to 200, which, when gets above 100, is indicative of optimism for the current and upcoming periods for the sector being inferred, or, when falls below 100, is indicative of pessimism for the same periods and the same sector.

According to the industrial confidence index figures, in the final quarter of 2011 encompassing October and November, the services sector demonstrated an optimistic appearance and shifted its vision to pessimistic in December. The retail trades sector shifted its optimistic position in October to pessimistic position during November and December. The construction sector on the other hand showed stability in demonstrating a pessimistic view throughout the entire quarter (Please refer to Table 171, Figure 67).

Table 171. Confidence Index by Sector, Sub-Indices and Rates of Change

Confidence Indices by Industries and Components	Index		(2011, Final Quarter)		
			Rate of Change Relative to Preceding Month		
	October	November	December	November	December
Services sector	104,9	101,0	97,7	-3.7	-3.2
Business load in the last quarter	104,3	102,2	94,7	-2.0	-7.3
Demand for services in the last quarter	103,5	100,4	93,8	-3.0	-6.6
Demand for services in the next quarter	106,8	100,4	104,8	-6.0	4.3
Retail trade sector	103,0	98,9	92,9	-4.0	-6.1
Business load (sales) in the last quarter	103,7	105,0	87,2	1.3	-17.0
Existing level of supply	96,8	96,1	101,4	-0.7	5.6
Business volume (sales) in the next quarter	108,5	95,6	90,1	-11.9	-5.8
Construction sector	85,7	83,4	81,8	-2.7	-1.9
Current level of registered orders received	72,0	68,9	69,4	-4.3	0.8
Total number of employee in the next quarter	99,4	97,9	94,2	-1.5	-3.8
Summarised Status in Confidence by Index Value					
Services sector	Optimistic	Optimistic	Pessimistic		
Retail trades sector	Optimistic	Pessimistic	Pessimistic		
Construction sector	Pessimistic	Pessimistic	Pessimistic		

Source: TURKSTAT.

PS: The table excludes figures for 2009-2010, as the industry confidence indices were started to be measured by TURKSTAT from 2011 onwards.



Source: TURKSTAT.

Figure 67. Sectoral Confidence Indices by Months in 2011

In December 2011, the services sector confidence index decreased 3.2%, retail trades sector confidence index by 6.1% and construction sector confidence index by 1.9%, compared to the preceding month.

Of the services sector confidence sub-indices, “demand for services in the next quarter” was the only component which showed a rise in December by 4.3% compared to the previous month and “business load in the last quarter” sub index rose by 7.3% and “demand for services in the last quarter” by 6.6%. The absolute values of referenced confidence index components for December 2011 have been 104.8, 94.7 and 93.8, in respective order.

A review of the rate of change in retail trades sector confidence index components in December 2011 relative to the preceding month showed that most serious fall had been in the “business load (sales) in the last quarter” component with 17.0%. The “existing level of supply” component, on the other hand, denotes a decline by 5.8% in the stock quantities of the month inferred. This was followed by a 5.6% decrease in the “business volume (sales) in the next quarter” component. The absolute values of referenced confidence index components for December 2011 have been 87.2, 90.1 and 101.4, in respective order.

While the “current level of registered orders received” component of the construction sector confidence index rose 8.0%, the “total number of employees in the next quarter” component of the same index fell by 3.8% in December 2011, compared to the preceding month. The values of referenced confidence index components for December 2011 have been 69.4 and 94.2, in respective order.

When the rate of change in index figures from the previous month is examined on the basis of the question of services sector trends, of the survey questions, “demand for services

in the next quarter” had an index figure change in the rising direction by 4.3% compared to the previous month (Please refer to Table 172).

An analysis of the rates of change of index figures over the preceding month on the basis of survey questions found under the retail trade sector heading points out to the fact that only the “sales price expectations in the next quarter” component demonstrated a change in the rising direction, by 4.4%. The “existing level of supplies” index, on the other hand, points to a decline by 5.6% in the existing levels of supplies (Please refer to Table 172).

A further analysis of the rates of change from the previous month in index figures for the construction sector in December reveals that the only fall was observed in the “expected total number of workers in the next quarter” sub index by 3.8% and all the rest of components showed change in the rising direction (Please refer to Table 172).

When the capabilities of sectors to enlarge their operations without making any change in their existing resources against a plausible rise in demand is examined for December 2011, it becomes plainly apparent that the share of enterprises capable of enlarging their operations is 39.6% in the services sector, 49.3% in the retail trades sector and 47.3% in the construction sector. The capability of enterprises to increase their activities was diminished by 4.6% in the services sector and by 6.5% in the retail trades sector, versus the rise by 4.0% in the construction sector in December compared to the previous month. The enterprises in the services sector were capable of increasing their activities without making any change in their existing resources by 12.8%, against an aggregation of 17.0% in the retail trades and construction sectors (Please refer to Table 173).

Table 172. Confidence Index Figures and Rates of Change for Sector-Based Trend Questions

(2011, Final Quarter)

Sectors	Questions	Index Figures			Rate of Change Relative to Preceding Month	
		October	November	December	November	December
Services Sector ⁽¹⁾	Business load in the last three months	104,3	102,2	94,7	-2.0	-7.3
	Demand for services in the last three months	103,5	100,4	93,8	-3.0	-6.6
	Expected demand for services in the next three months	106,8	100,4	104,8	-6.0	4.3
	Total number of employee in the last three months	96,9	95,7	93,0	-1.2	-2.8
	Expected total number of employee in the next three months	100,4	98,8	103,0	-1.6	4.2
	Expected sales prices in the next three months	105,4	107,0	106,7	1.5	-0.3
	Services sector industry confidence index:	104,9	101,0	97,7	-3.7	-3.2
Retail Trade Sector ⁽¹⁾	Business volume (sales) in the last three months	103,7	105,0	87,2	1.3	-17.0
	Existing level of supply ⁽²⁾	96,8	96,1	101,4	-0.7	5.6
	Expected quantities of orders to be placed with suppliers in the next three months	101,6	92,1	83,1	-9.4	-9.8
	Business volume (sales) in the next three months	108,5	95,6	90,1	-11.9	-5.8
	Expected total number of employee in the next three months	101,2	100,9	93,1	-0.3	-7.7
	Expected sales prices in the next three months	131,5	121,3	126,7	-7.7	4.4
	Retail trade sector confidence index	103,0	98,9	92,9	-4.0	-6.1
Construction Sector ⁽¹⁾	Construction activities in the last three months	108,8	97,7	99,2	-10.2	1.5
	Current level of orders received	72,0	68,9	69,4	-4.3	0.8
	Expected total number of employee in the next three months	99,4	97,9	94,2	-1.5	-3.8
	Expected sales prices in the next three months	102,8	99,5	100,7	-3.2	1.3
	Construction sector confidence index:	85,7	83,4	81,8	-2.7	-1.9
Summarised Status in Confidence by Sectors and Question						
Services Sector ⁽¹⁾	Business load in the last three months	Optimistic	Optimistic	Pessimistic		
	Demand for services in the last three months	Optimistic	Optimistic	Pessimistic		
	Expected demand for services in the next three months	Optimistic	Optimistic	Optimistic		
	Total number of employee in the last three months	Pessimistic	Pessimistic	Pessimistic		
	Expected total number of employee in the next three months	Optimistic	Pessimistic	Optimistic		
	Expected sales prices in the next three months	Optimistic	Optimistic	Optimistic		
	Services sector industry confidence index:	Optimistic	Optimistic	Pessimistic		
Retail Trade Sector ⁽¹⁾	Business volume (sales) in the last three months	Optimistic	Optimistic	Pessimistic		
	Existing level of supply ⁽²⁾	Pessimistic	Pessimistic	Optimistic		
	Expected quantities of orders to be placed with suppliers in the next three months	Optimistic	Pessimistic	Pessimistic		
	Business volume (sales) in the next three months	Optimistic	Pessimistic	Pessimistic		
	Expected total number of employee in the next three months	Optimistic	Optimistic	Pessimistic		
	Expected sales prices in the next three months	Optimistic	Optimistic	Optimistic		
	Retail trade sector confidence index	Optimistic	Pessimistic	Pessimistic		
Construction Sector ⁽¹⁾	Construction activities in the last three months	Optimistic	Pessimistic	Pessimistic		
	Current level of orders received	Pessimistic	Pessimistic	Pessimistic		
	Expected total number of employee in the next three months	Pessimistic	Pessimistic	Pessimistic		
	Expected sales prices in the next three months	Optimistic	Pessimistic	Optimistic		
	Construction sector confidence index:	Pessimistic	Pessimistic	Pessimistic		

Source: TURKSTAT.

- (1): The table lacks data on expected fixed capital investment in the next 12 months as with a comparison by the last 12 months, calculations are made on January and July.
- (2): The existing level of stock spreading rate showing a declining trend means that the rate of change is in a rising trend and rate of change being in upward direction means a shortfall in stocks.

Table 173. Rates at which Enterprises Can Increase Their Activities against an Increase in Demand without Making any Change in their Existing Resources

(2011, Final Quarter)

Sectors	Ability to Increase Activities	October	November	December	Rate of Change Relative to Preceding Month	
					November	December
Services sector	Rate of Enterprises Capable of Increase	41.9	41.5	39.6	-1.0	-4.6
	Average Rate of Increase	13.4	13.3	12.8	-0.7	-3.8
Retail trade sector	Rate of Enterprises Capable of Increase	55.1	52.7	49.3	-4.4	-6.5
	Average Rate of Increase	17.8	15.2	17.0	-14.6	11.8
Construction sector	Rate of Enterprises Capable of Increase	47.8	45.5	47.3	-4.8	4.0
	Average Rate of Increase	15.9	15.5	17.0	-2.5	9.7

Source: TURKSTAT.

With an examination of the basic factors limiting the activities of enterprises in October 2011 by sectors, it becomes obviously evident that lack of demand comes in the first place, followed by funding problems in the second place and issues with workers in the retail and services sectors in the third place, as the principal and foremost reasons limiting operations in all sectors. In the construction sector, on the other hand there is the lack of labour force which is notable as a factor adversely affecting the operations of the sector, in general (Please refer to Table 174).

Table 174. Rates of Basic Factors Limiting Activities by Sectors

Factors Limiting Activities	Services Sector		Retail Trade Sector		Construction Sector		Rates of Change Relative to the Preceding Period		
	July	October	July	October	July	October	Services	Retail Trade	Construction Sector
No limiting factors exist	48.2	41.7	44.5	44.8	34.9	34.4	-13.5	0.7	-1.4
Lack of demand	27.0	33.1	32.7	33.8	30.1	25.9	22.4	3.5	-14.0
Atmospheric conditions					6.5	7.3			12.1
Lack of labour force					7.0	6.3			-9.5
Lack of materials and equipment	3.2	4.6	2.8	2.9	4.2	5.6	43.3	3.9	33.0
Financing problems	23.9	26.8	23.6	23.6	27.9	29.9	12.3	0.0	7.1
Problems related with workers	7.7	6.2	6.6	7.1			-19.2	7.7	
Other factors	8.3	9.0	7.2	8.8	10.7	10.0	9.0	22.7	-6.5

Source: TURKSTAT.

PS: 1. Data for Services and Retail Trades sectors are available only for January, April, July and October, which is why July and October data were included to facilitate for cross-industry comparisons.

2. Rates of change may vary due to arithmetical round-ups.

2.8 Purchasing Power Parity

2.8.1 Volume Indices

The volume indices aim at comparing and measuring international volumes based on the International Comparison Program (ICP) in terms of Gross Domestic Product (GDP) and its component indices as a tool and a deflator for obtaining volumetric ratio, the fundamental goal and function of Purchasing Power Parity (PPP) studies organised by the Statistical Office of the European Communities (EUROSTAT) and Organisation for Economic Co-operation and Development (OECD). For calculating ICP, the detailed weights of GDP calculated following the expenditures method, with the national annual average prices of a comprehensive basket of goods and services identified with contribution of all countries involved in UKP, are required. The basket of common goods and services is defined by countries that are stakeholders of the program. Out of a total of 37 countries that willingly joined the program as divided into 4 groups, 27 consist of EU member states forming up the 1st group, 4 consist of candidate EU member states forming up the 2nd group, 3 consist of states members of the European Free Trade Association (EFTA) forming up the 3rd group and 3 consist of West Balkan countries, forming up the 4th and final group.

The figure of this index means the real per capita GDP value calculated so as to cover 37 countries in such a manner that the average index would give 100 for the 27 member states of the EU.

According to the temporary results of 2010, Luxembourg is the country with the highest volume index value for per capita GDP of 271. Beside the contributions of many foreign employees to the country's national economy, their exclusion from the population headcount of this country is the factor which mainly led these results. Luxembourg is immediately followed by Norway with an index value of 181 and Switzerland with an index value of 147. Albania, on the other hand, lures attention as the country filling up the bottommost row on the list with an index value of 28. The unchanging attitude of the index relative to 2009 may be considered as another interesting outcome. Bulgaria takes the last position among 27 EU member states with an index value of 44 and is overlain by Romania placed immediately before it with an index value of 47 and by Latvia filling the 25th place right before that with an index value of 51, in the ranking.

The volume index value for Euro Area was 108 during 2010, which equalled to the volume index value of France. The number of EU member states getting past the volume index figure for Euro Area amounted to 10, while the 16, of the remaining, fell below this figure.

The volume index figures of Norway and Switzerland out of EFTA member states reveal to be higher than volume index figures of 26 EU member states, with the exception of Luxembourg (Please refer to Table 175, Figure 68).

For our country, as one of the EU candidate countries, while the per capita volume index value revealed to be 46 in 2009, it reached at 49 in 2010. Occupying the 31st place in the ranking for 2009 among 37 countries, Turkey promoted to the 30th line in 2010.

Being one of the four EU candidate member countries, Turkey retains the 2nd position by index value, among this 4, as of 2010. Out of the 4 candidate member states mentioned, Croatia holds the first place with an index value of 61 and Macedonia, the last place with an index value of 36.

While Bosnia-Herzegovina and Albania were the two countries with the lowest volume

index among Western Balkan countries, Serbia of this country grouping achieved higher than Bulgaria of the EU member states and Macedonia of EU candidate member states, with an index value of 43.

The Actual Individual Consumption⁵ that is used as a criterion in comparisons of relative levels of welfare between consumers together with the per capita volume indices prescribed for GDP above, when analysed, is observed to get its highest value per capita in Luxembourg with 150, which is followed by Netherlands with an index value of 116 in the 2nd place and Ireland with an index value of 102, in the third place. Bulgaria takes the last position among 27 EU member states with an index value of 42 and is overlain by Romania placed immediately before it at 26th place with an index value of 45 and by Latvia filling the 25th place right before that with an index value of 50, in the ranking.

Norway and Switzerland, out of the 3 EFTA member states, once again had higher volume index values than the 26 EU member states except Luxembourg, by the values of their volume index for Actual Individual Consumption, in 2010.

Table 175. Per Capita Volume Indices

(AB27=100)

Countries	Gross Domestic Product ⁽¹⁾			Actual Individual Consumption ⁽¹⁾			Difference Sort No (A-B)
	2009	2010	Sort No (A) ⁽²⁾	2009	2010	Sort No (B) ⁽³⁾	
Luxembourg	266	271	1	153	150	1	-
Netherlands	132	133	2	118	116	6	-4
Ireland	128	128	3	103	102	13	-10
Denmark	123	127	4	113	114	7	-3
Austria	125	126	5	115	116	6	-1
Sweden	119	123	6	115	114	7	-1
Belgium	118	119	7	109	110	10	-3
Germany	116	118	8	116	117	5	3
Finland	115	115	9	110	111	9	0
United Kingdom	111	112	10	121	121	4	6
Euro Area 17 ⁽⁴⁾	109	108		107	107	4	-4
France	108	108	11	113	113	8	3
Italy	104	101	12	103	102	13	-1
Spain	103	100	13	95	95	15	-2
Greek Cypriot Administration	100	99	14	101	103	12	2
Greece	94	90	15	104	101	14	1
Slovenia	87	85	16	82	80	18	-2
Malta	82	83	17	85	83	17	-
Portugal	80	80	18	84	84	16	2
Czech Republic	82	80	18	72	71	19	-1
Slovak Republic	73	74	19	72	71	19	-
Hungary	65	65	20	62	60	22	-2
Estonia	64	64	21	58	57	23	-2
Poland	61	63	22	64	66	20	2
Lithuania	55	57	23	63	61	21	2
Latvia	51	51	24	50	50	27	-3
Romania	47	46	25	46	45	28	-3
Bulgaria	44	44	26	43	42	30	-4
Norway	176	181	27	135	136	2	25
Switzerland	144	147	28	123	125	3	25
Iceland	118	111	29	109	105	11	18
Croatia	64	61	30	58	56	24	6
Turkey	46	49	31	50	53	25	6
Montenegro	41	41	32	49	51	26	6
Macedonia	36	36	33	41	41	31	2
Serbia	36	35	34	44	43	29	5
Bosnia-Herzegovina	31	31	35	37	37	32	3
Albania	28	28	36	31	31	33	3

Source: TURKSTAT.

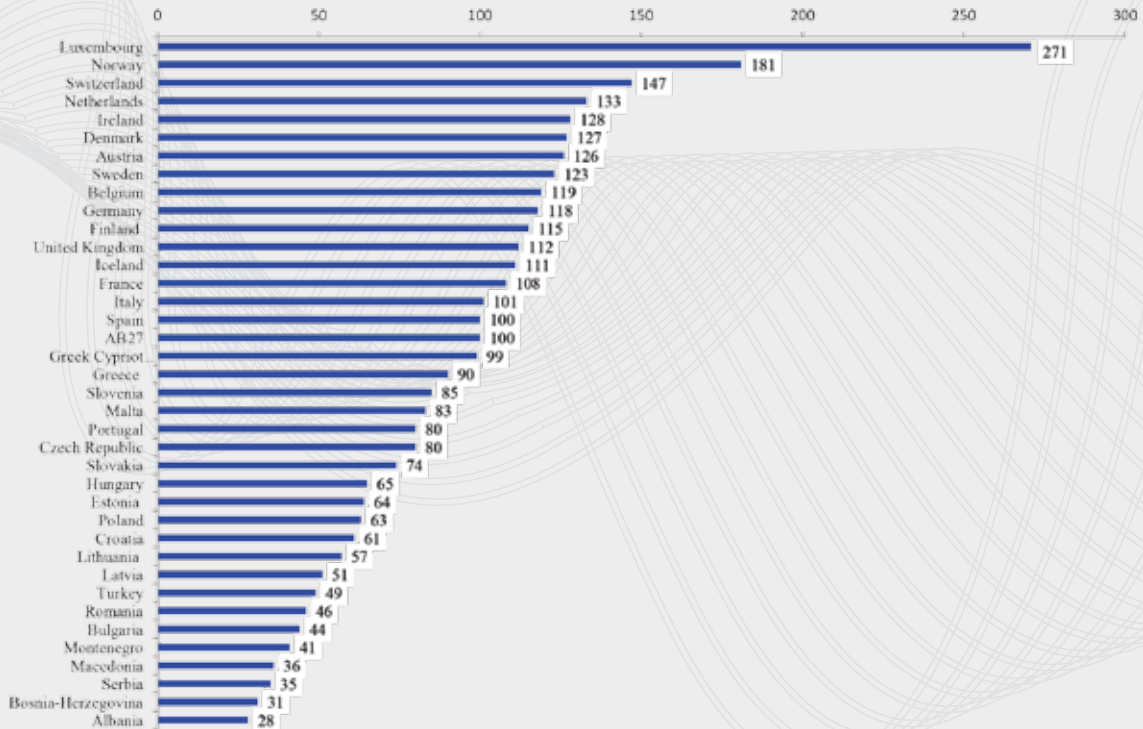
(1): Temporary results.

(2): Sort number according to GDP for 37 countries included in the program.

(3): Sort number according to actual individual consumption for 37 countries included in the program.

(4): Countries using Euro as their main unit of currency.

5 Real personal consumption, in addition to the goods and services purchased by consumers provided by the state or non-profit organizations also includes services (education, health, etc.).



Source: Statistics in Focus, 64/2011, EUROSTAT.

Figure 68. Per Capita Gross Domestic Product Volume Indices in 2010

While, Bosnia-Herzegovina and Albania, out of 3 Western Balkan countries, shared the last two rows in the ranking, Serbia is placed above Bulgaria out of EU member states and Macedonia out of EU candidate member states, with an index value of 43.

While Turkey holds the second position among 4 EU candidate member states mentioned with an index value of 53, Croatia holds the first place with an index value of 56 and Macedonia, the last place with an index value of 41.

2.8.2 Price Level by Expenditure Groups

Under the category of “Consumer Goods and Services”⁶ for 2010, as carried out in cooperation with EUROSTAT and OECD, within the framework of PPP studies, the value obtained by dividing PPP by the exchange rate, assuming the average price level of 27

6 The price level indexes that belong to the 2010 Consumer Goods and Services and subcategories reflect the price compilation efforts that countries joining the program titled “Consumer Goods And Services” completed in a period of 3 years, each year covering 2 different consumer groups and are based on survey studies performed during 2008, 2009 and 2010. Calculations are based on survey results translated into average prices for 2010 as well as detailed CPI data. Categories of goods and services covered by the study:

Food and non-alcoholic beverages: Cover bread and cereals, meat, milk, eggs, fruits, vegetables, other foodstuffs, non-alcoholic beverages etc.,

Alcoholic drinks and tobacco: Include such alcoholic drinks like wine, beer and et., cigarettes and tobacco products,

Garments: Cover clothes and fabric, garments and apparels for men, ladies and children,

Footwear: Cover all kinds of shoes for gentlemen, ladies and children,

Electricity, gas and other fuels: House related electricity, gas, liquefied and solid fuels,

Furniture and floor coverings: Cover furniture used in all spaces such as kitchen, bedroom, dining room and etc., carpets and floor coverings,

Home utensils: Cover Refrigerators, dishwashers, washing machines, ovens, cookers, small house utensils etc.,

Consumer electronics: TV sets, audio and video recorders and players, personal computers and similar equipment, tape-decks, CD, DVD-players etc.

Personal transport vehicles: Motor vehicles, motorcycles and bicycles,

Transportation services: All kinds of public and private services of transport by rail, land and air means including deposit safety box, checkroom and baggage handling services,

Communication: Postal, telephony services and Internet services,

Hotels and restaurants: Catering and accommodation services.

EU member states as 100, is assumed as an indicator of price levels of countries, which, if greater than 100, indicates “expensive” price level of the country inferred than that of the country or group of countries of concern or, if less than 100, indicates “cheap” price level.

In 2010, the general consumer goods and services price level index of Turkey was realised as 73. Of the main expenditure groups found under the expenditure groups heading, the highest price level belongs to personal transport vehicles with an index value of 115 and then to the consumer electronics expenditure subcategory with an index value of 110 and then to non-alcoholic beverages and tobacco subcategory with an index value of 106 and then to the communications subcategory with an index value of 104, all achieving above the average figures of EU member states, with only the house utensil category that appears to be equal to the average price levels of EU member states with an index value of 100. Out of the selected expenditure categories, footwear, garments, furniture and floor coverings, restaurants and hotels, transportation services, electricity, gas, and other fuels and food and non-alcoholic beverages performed below the average figures of EU member states and for these expenditure subcategories, it can be said that Turkey is a “cheap” country.

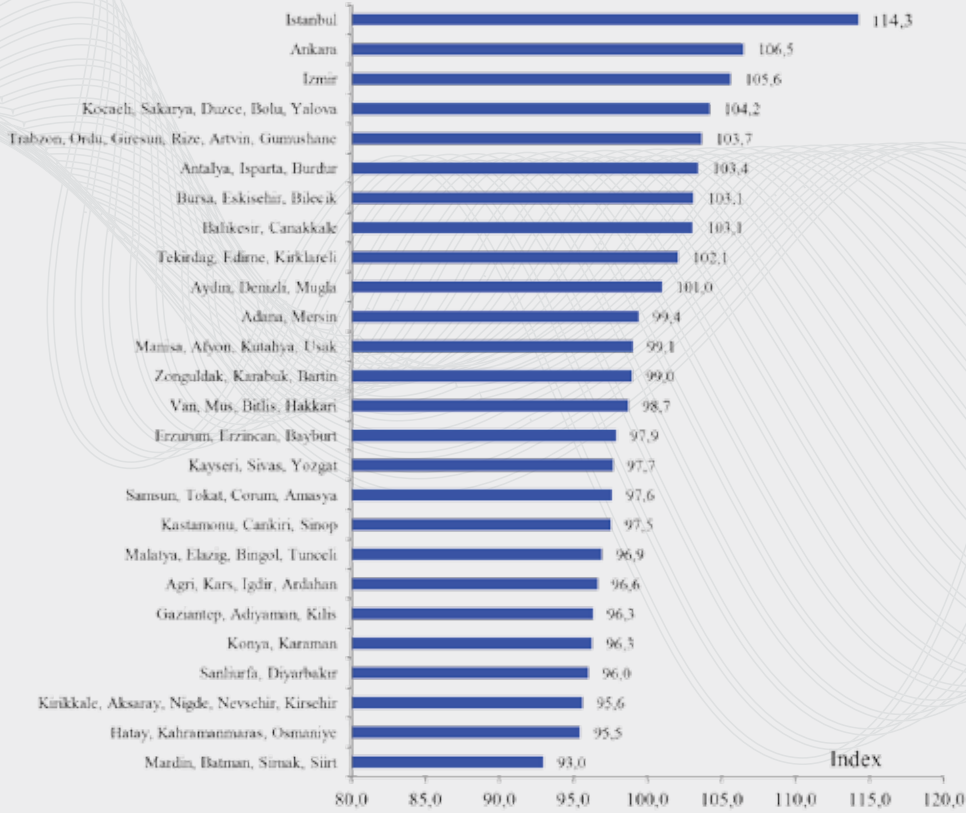
It is notable that Turkey appears to be “cheaper” than other countries compared, due to her achieving a figure below 100 in general goods and services price level index for 2010, however, it falls in the “expensive” category for certain expenditure groups, according to price level index figures among groupings of expenditures covered by categories of expenditure (Please refer to Table 176, Figure 69).

Table 176. Price Level Indices for Selected Sub-categories of Goods and Services of Consumption in Turkey, by Purchasing Power Parity

Expenditure Groups ⁽¹⁾	Price Level Index (EU27=100)	(2010)
		Sort No according to Index
Food and non-alcoholic beverages	90	6
Alcoholic drinks and tobacco	106	3
Garments	73	11
Footwear	72	12
Electricity, gas and other fuels	89	7
Furniture and floor coverings	75	10
Home utensils	100	5
Consumer electronics	110	2
Personal transport vehicles	115	1
Transportation services	81	8
Communication	104	4
Hotels and restaurants	79	9
Consumer goods and services - General ⁽¹⁾	73	

Source: TURKSTAT.

(1): Calculation made for consumer goods and services - General also include the sub-groups not represented in the table.



Source: TURKSTAT.

Figure 69. Consumption Expenditure Price Level Indices according to NUTS Level-2 by Purchasing Power Parity

2.8.3 Regional Price Level

According to the ICP calculated on a regional basis, presuming the average price level of 26 regions as 100, according to NUTS Level-2, for the purpose of identifying the differences in purchasing power of the Turkish Lira at regional level, the highest price level index values and consumption expenditures are found in TR10 (İstanbul) region with an index value of 114.3. The results show that the most expensive, out of 26 regions, has been TR10 (İstanbul) region, which is followed by TR51 (Ankara) region in the second place with an index value of 106.5, TR31 (İzmir) region in the third place with an index value of 105.6 and TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane) region in the fourth place with 103.7.

There are totally 10 regions with price level index values falling above 100, or, in other words, the number of “expensive” regions is 10, and, it is interesting to see that East and South East Anatolia are not included among these regions.

There are 16 regions, which have price level index values falling below 100, or, are “cheap”. The lowest price level index value of 93.0 is seen in the TRC3 (Mardin, Batman, Şırnak, Siirt) region, which follows immediately the TR63 (Hatay, Kahramanmaraş, Osmaniye) region with an index value of 95.5, in the descending list (Please refer to Table 177).

Table 177. Consumption Expenditure Price Levels on the basis of NUTS Level-2 by Purchasing Power Parity

Regional Code	NUTS Level-2	Index	(2010)
			Sort No according to Index
TR10	İstanbul	114,3	1
TR21	Tekirdağ, Edirne, Kırklareli	102,1	9
TR22	Balıkesir, Çanakkale	103,1	8
TR31	İzmir	105,6	3
TR32	Aydın, Denizli, Muğla	101,0	10
TR33	Manisa, Afyon, Kütahya, Uşak	99,1	12
TR41	Bursa, Eskişehir, Bilecik	103,1	7
TR42	Kocaeli, Sakarya, Düzce, Bolu, Yalova	104,2	4
TR51	Ankara	106,5	2
TR52	Konya, Karaman	96,3	22
TR61	Antalya, Isparta, Burdur	103,4	6
TR62	Adana, Mersin	99,4	11
TR63	Hatay, Kahramanmaraş, Osmaniye	95,5	25
TR71	Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	95,6	24
TR72	Kayseri, Sivas, Yozgat	97,7	16
TR81	Zonguldak, Karabük, Bartın	99,0	13
TR82	Kastamonu, Çankırı, Sinop	97,5	18
TR83	Samsun, Tokat, Çorum, Amasya	97,6	17
TR90	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	103,7	5
TRA1	Erzurum, Erzincan, Bayburt	97,9	15
TRA2	Ağrı, Kars, Iğdır, Ardahan	96,6	20
TRB1	Malatya, Elazığ, Bingöl, Tunceli	96,9	19
TRB2	Van, Muş, Bitlis, Hakkari	98,7	14
TRC1	Gaziantep, Adıyaman, Kilis	96,3	21
TRC2	Şanlıurfa, Diyarbakır	96,0	23
TRC3	Mardin, Batman, Şırnak, Siirt	93,0	26

Source: TURKSTAT.

According to these results, the price level of TR10 (İstanbul) region is 1.2 times higher than that of TRC3 (Mardin, Batman, Şırnak, Siirt) region. This difference is also eye-catching, for it represents the gap between the most sophisticated and less developed regions of Turkey.

2.8.4 Price Level by Regional Expenditure Groups

When 2008 values of price level indexes of expenditure groups are examined according to NUTS Level-2, TR10 (İstanbul) region appears to rank the first in education expenditure group with an index value of 155.5, in housing expenditure group with an index value of 151.1, in health expenditure group with an index value of 112.0, in transportation expenditure group with an index value of 111.3, in recreation and culture expenditure group with an index value of 110.3, in miscellaneous goods and services expenditure group with an index value of 109.8 and in food and non-alcoholic drinks expenditure group with an index value of 107.5. In concise, TR10 (İstanbul) region appears to be the most expensive region, compared to the 9 other regions, across 12 expenditure groups.

The other most expensive regions have been TRA2 (Ağrı, Kars, Iğdır, Ardahan) region, TRB2 (Van, Muş, Bitlis, Hakkâri) region and TCC3 (Mardin, Batman, Şırnak, Siirt) region in non-alcoholic and tobacco expenditure group with an index value of 100.2 and TR61 (Antalya, Isparta, Burdur) region in the garments and footwear expenditure group with an index value of 113.6. By NUTS Level-2 the most expensive regions have been TR61 (Antalya, Isparta, Burdur) region in home utensils expenditure group with an index value of 106.0, TR31 (İzmir) region in communication expenditure group with an index value of 100.4 and TR51 (Ankara) region in the restaurants and hotels expenditure group with an index value of 123.7 (Please refer to Table 178).

Table 178. Purchasing Power Parity at level of Main Expenditure Groups by NUTS Level-2

Regional Code	NUTS Level-2	General	Food and Non-alcoholic Beverages	Alcoholic Drinks and Tobacco	Garments and Footwear	Housing	Hou- sehold Items	Health	Transporta- tion	Communica- tion and Culture	Recreation and Culture	Educa- tion	Hotels and Restaurants	Miscellaneous Goods and Services	(2008)
TR10	İstanbul	114,2	107,5	100,1	107,3	151,1	102,7	112,0	111,3	100,2	110,3	155,5	119,7	109,8	
TR21	Tekirdağ, Edirne, Kırklareli	102,7	107,0	99,8	101,1	98,5	102,7	101,0	101,2	100,2	103,7	139,8	93,4	105,9	
TR22	Balıkesir, Çanakkale	102,4	104,9	99,9	101,5	100,8	97,0	103,8	103,5	100,2	102,7	108,1	98,9	103,6	
TR31	İzmir	105,2	103,7	99,6	106,8	113,5	102,9	106,4	103,9	100,4	102,9	124,9	119,0	102,3	
TR32	Aydın, Denizli, Muğla	101,7	101,1	99,9	103,9	104,5	99,8	101,6	101,5	100,1	98,4	99,5	94,7	103,8	
TR33	Manisa, Afyon, Kütahya, Uşak	99,3	99,6	100,0	99,2	97,5	100,6	99,8	99,6	99,9	98,3	99,4	94,3	99,5	
TR41	Bursa, Eskişehir, Bilecik	103,5	102,0	99,9	96,0	108,2	103,8	107,9	109,2	100,1	104,6	120,3	105,5	105,4	
TR42	Kocaeli, Sakarya, Düzce, Bolu, Yalova	104,8	106,6	100,0	105,5	106,2	101,2	106,0	104,0	100,3	105,4	113,8	101,2	106,2	
TR51	Ankara	105,0	97,4	100,0	107,8	121,5	102,5	112,2	107,5	100,3	99,8	110,4	123,7	101,4	
TR52	Konya, Karaman	96,9	94,9	100,1	96,7	98,1	96,7	97,9	97,6	99,7	98,4	88,1	91,0	96,2	
TR61	Antalya, Isparta, Burdur	104,0	101,8	100,0	113,6	107,0	106,0	99,7	103,1	100,1	101,3	108,8	94,6	103,2	
TR62	Adana, Mersin	99,1	94,8	99,8	91,1	110,9	98,1	109,6	100,9	99,9	98,5	100,9	90,7	96,0	
TR63	Hatay, Kahramanmaraş, Osmaniye	94,9	93,5	99,9	92,7	92,7	97,1	96,5	97,6	99,2	97,6	75,2	98,8	95,8	
TR71	Kırkkale, Aksaray, Niğde, Nevşehir, Kırşehir	95,3	96,8	100,1	97,8	86,7	94,8	94,8	98,3	100,0	95,0	77,8	99,2	95,4	
TR72	Kayseri, Sivas, Yozgat	97,2	95,6	100,0	98,7	97,2	97,4	95,8	98,4	100,1	97,2	104,9	101,4	100,5	
TR81	Zonguldak, Karabük, Bartın	101,5	106,3	99,9	91,1	98,8	99,7	101,8	101,9	100,0	103,0	105,6	101,3	99,0	
TR82	Kastamonu, Çankırı, Sinop	97,6	99,0	100,0	105,7	88,9	96,4	92,1	101,5	99,6	97,9	105,6	95,7	94,2	
TR83	Samsun, Tokat, Çorum, Amasya	98,0	97,0	100,0	103,8	92,5	99,9	100,5	100,4	100,1	99,6	93,0	98,1	99,1	
TR90	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	103,0	106,0	100,1	103,7	101,3	102,1	102,2	100,3	100,2	100,7	89,8	104,9	98,6	
TRA1	Erzurum, Erzincan, Bayburt	98,1	101,7	100,1	92,9	91,1	101,6	97,9	99,0	100,3	99,1	88,4	103,2	100,8	
TRA2	Ağrı, Kars, Iğdır, Ardahan	96,8	98,7	100,2	96,3	87,1	103,6	93,3	96,0	99,7	97,4	82,5	94,3	97,3	
TRB1	Malatya, Elazığ, Bingöl, Tunceli	96,5	98,6	100,1	92,1	91,4	100,0	93,5	95,1	100,2	102,0	69,7	92,8	99,4	
TRB2	Van, Muş, Bitlis, Hakkari	97,0	100,3	100,2	102,8	85,2	100,9	92,4	91,0	99,8	100,5	85,7	95,8	95,9	
TRC1	Gaziantep, Adıyaman, Kilis	96,5	94,7	100,0	98,5	96,7	95,6	96,0	99,4	99,2	95,5	83,1	91,9	97,7	
TRC2	Şanlıurfa, Diyarbakır	95,6	96,1	100,0	92,7	90,8	99,0	92,5	95,3	100,2	97,7	81,1	103,4	99,7	
TRC3	Mardin, Batman, Şırnak, Siirt	93,3	94,3	100,2	100,9	82,0	98,1	92,7	82,6	99,6	92,5	88,0	92,8	93,4	
TR	Türkiye	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	

Source: TURKSTAT.

PS: As the latest data belonged to 2008, this year's data are displayed.

2.9 Summary Indicators Selected at Regional Level

At this section, 7 categories were created in such a way that the number of categories remains standard, in order to allow interpretation of summary indicators selected according to both NUTS Level-2 and NUTS Level-3 in a much simpler manner and results are also shown on maps of Turkey drawn with the Geographical Information Systems (GIS) approach. GIS is simply an association of data with a location. These associations make use of maps. These maps are generated by downsizing an area at a given scale. A scale is in fact a mathematical relationship between a map and the area represented on it, definable as proportion of the linear distance between two distinct points on the map to the actual distance between the same, on the earth's crust. The mathematical expression of this idea in equation is:

$$\text{Scale} = \text{Length on the Map} / \text{Length on the Field}$$

GIS, within the broadest definition of the word, is the act of performing analyses through gathering and processing according to a certain system, converting to a usable form, transferring and displaying of data, making use of all available tools and technologies. Here, one of the most essential functions of GIS, namely the displaying function was used excessively to divulge the results of analyses and studies. The maps with which data are associated consist of 3 sketches drawn to a scale of 1/1,000,000. These maps show provinces, districts and reservoirs. The maps use a coordinate system matching the Lambert Conformal Conic projections. The coordinate system of a location is its physical location on the earth identified according to latitude and meridians.

The value ranges of categories generated for each variable were defined by values possessed by such variables during the years inferred. However, there is not a standard for predefined variables in the year during which data was lastly available, wherefore, while 2011 data are available for certain variables, 2010 or earlier year data are available for others.

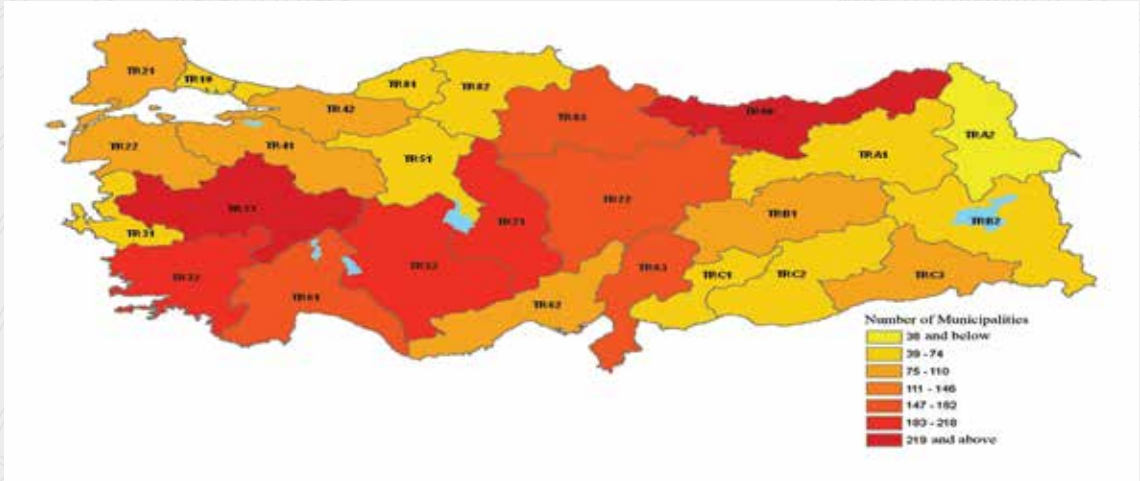
2.9.1 Nomenclature of Territorial Units for Statistics by Level-2

2.9.1.1 Number of Municipalities

There are totally 2,934 municipal administrations in existence across our country, as of 2011. According to the distribution of this lot by categories generated locally based on a geographical classification of territories per NUTS Level-2, there is only one region possessing 38 and less number of municipalities, which is TRA2 (Ağrı, Kars, Iğdır, Ardahan) region. The number of municipalities vary between 39 and 74 in 9 regions out of 26 according to NUTS Level-2, while in 7 out of the 26 regions, number of municipalities differ in a range of 75 to 110.

The upper value of the categories generated for number of municipalities corresponds at 219 and above municipalities, which number is seen in two regions. These regions are the TR33 (Manisa, Afyonkarahisar, Kütahya, Uşak) and TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane) regions.

While the number of municipalities in East and South East Anatolia varies in the range of 39-110, same in Marmara region varies in the range of 75-110 and in Central West Anatolia region, in the range of 111-228 (Please refer to Figure 70).



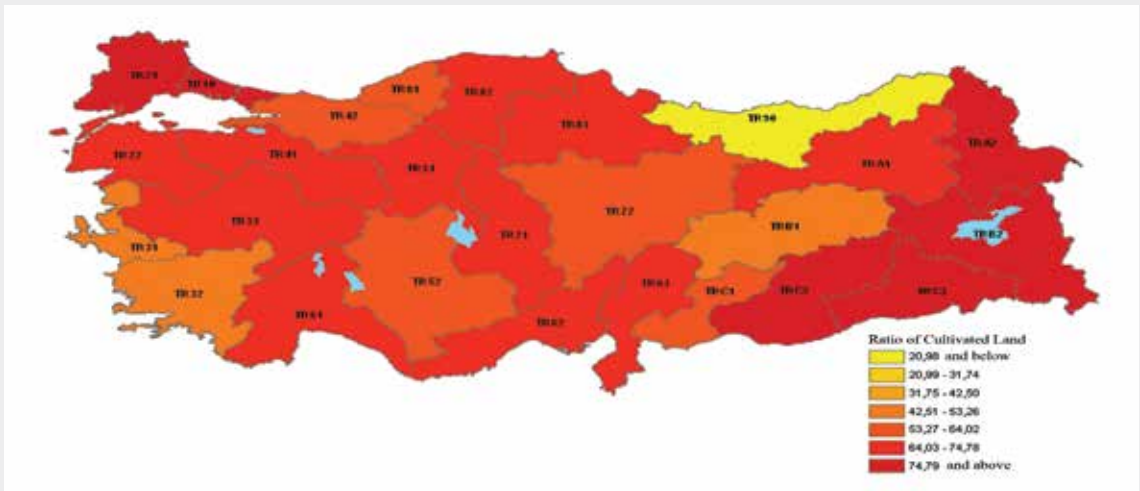
Source: TURKSTAT.

Figure 70. Number of Municipalities by NUTS Level-2 in 2011

2.9.1.2 Ratio of Cultivated Land to Total Area of Tillage

In 2010, the ratio of the size of cultivated lands to the size of total tilled area according to NUTS Level-2 attains its lowest categorical value of 20.98% and below in the TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane) region.

The ratio of cultivated land to total area of tillage varies in a range of 42.51% to 53.26%, in 3, out of 26 regions. The same ratio takes values in the range of 64.03% to 74.78% in 11, out of 26 regions. The number of regions which have ratio of cultivated land to total area of tillage at or above 74.79% is 6. These regions include TR21 (Tekirdağ, Edirne, Kırklareli), TR10 (İstanbul), TRC2 (Şanlıurfa, Diyarbakır), TRC1 (Gaziantep, Adıyaman, Kilis), TRB2 (Van, Muş, Bitlis, Hakkâri) and TRA2 (Ağrı, Kars, Iğdır, Ardahan) regions (Please refer to Figure 71).



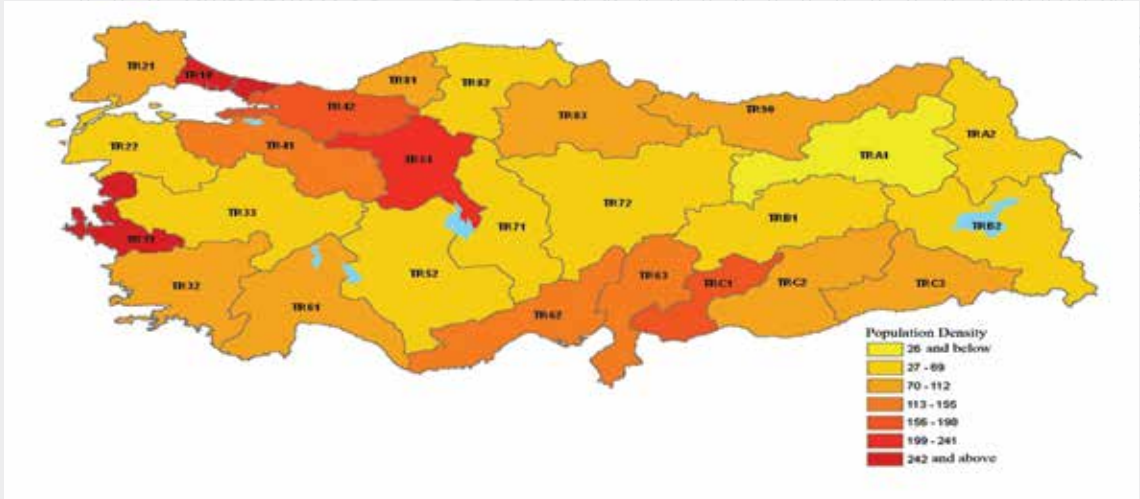
Source: TURKSTAT.

Figure 71. Ratio of Cultivated Land to Total Area of Tillage by NUTS Level-2 in 2011

2.9.1.3 Population Density

Based on the 7 categories generated for population density falling per Km² of land calculated based on the population size and total size of lands owned by regions in 2011, TRA1 (Erzurum, Erzincan, Bayburt) region had a population density of 26 individuals and below per Km², catching notice as the lowest categorial value.

While the population density of 9, out of 26 regions varies in a range of 27 to 69 individuals, this value proves to vary in a range of 70 to 112 individuals, in 8 regions. The number of regions with a population density of and above 242 individuals per Km² calculates as two, consisting of TR10 (İstanbul) and TR31 (İzmir) regions (Please refer to Figure 72).



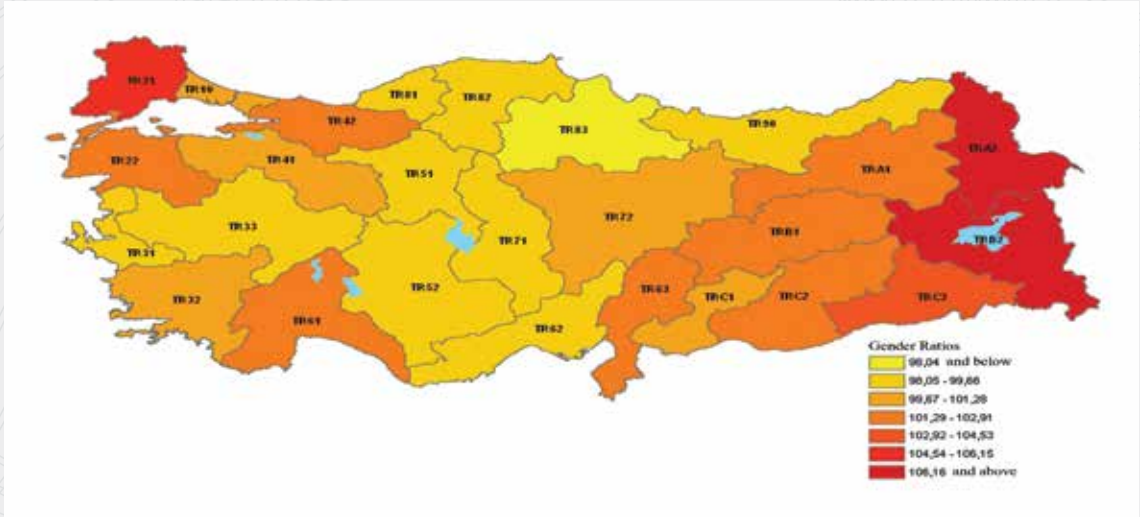
Source: TURKSTAT.

Figure 72. Population Density in 2010 by NUTS Level-2

2.9.1.4 Sex Ratios

An analysis of sex ratios across regions during 2011 reveals only one region with the lowest categorial value of the sex ratio, being 98.04% and below, which is TR83 (Samsun, Tokat, Çorum, Amasya) region.

In 9 out of 26 regions, the sex ratio varies in the band of 98.05%-99.66%. The number of regions with sex ratio varying in the range of 99.67-101.28% is five. The highest categorial value of 106.16% and above for gender ratio is found in two regions. These regions include TRA2 (Ağrı, Kars, Iğdır, Ardahan) and TRB2 (Van, Muş, Bitlis, Hakkâri) regions (Please refer to Figure 73).



Source: TURKSTAT.

Figure 73. Gender Ratios in 2011 by NUTS Level-2

2.9.1.5 Rate of Participation of Males in Labour Force

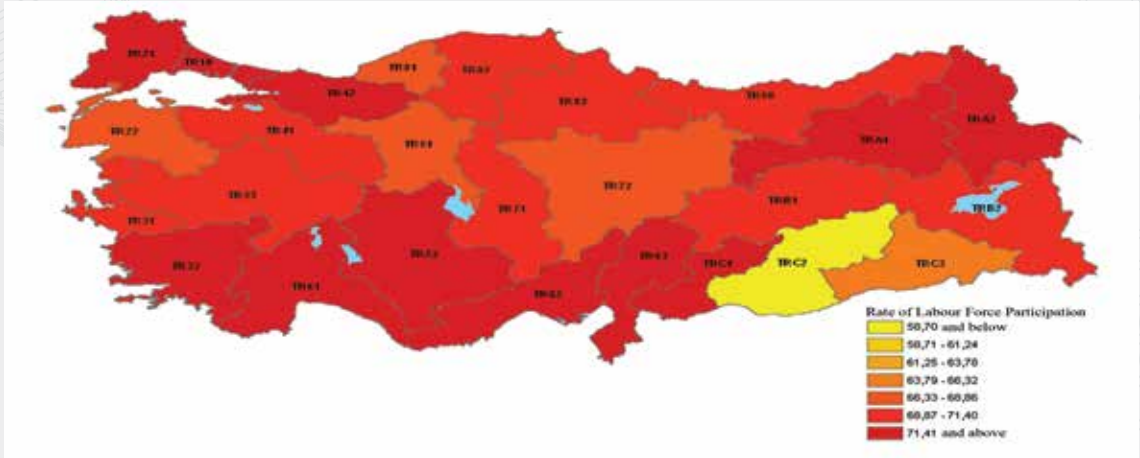
The lowest value of the rate of participation of males in labour force, which is determined as 58.70% and below was observed in only the TRC2 (Şanlıurfa, Diyarbakır) region, across 7 categories generated for participation of males in labour force from non-institutional male population with age of 15 years and above.

Rate of participation of males in labour force notably go beyond 70.0% for many regions, according to NUTS Level-2. The rates of participation of 15+ years old males in labour force tend to keep a level at and above 71.41% in 11, out of 26 regions (Please refer to Figure 74).

2.9.1.6 Unemployment Rate of Males

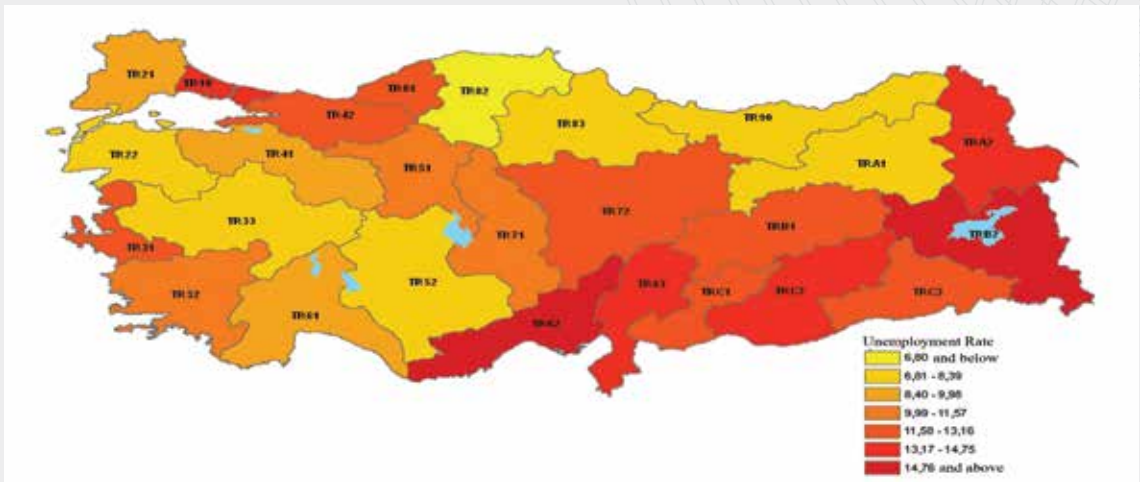
The lowest value of the rate of participation of males in labour force, which is determined as 6.80% and below was observed in only the TR82 (Kastamonu, Çankırı, Sinop) region, across 7 categories generated for participation of males in labour force from non-institutional male population with age of 15 years and above. The male unemployment rates vary in a range of 6.81% to 8.39% in 6, out of 26 regions.

The number of regions with unemployment rates varying in a range 13.17%-14.75% is 3. The highest value of the categories created for unemployment rates being 14.76% and above is possessed by the TR62 (Adana, Mersin) and TRB2 (Van, Muş, Bitlis, Hakkâri) regions (Please refer to Figure 75).



Source: TURKSTAT.

Figure 74. Rate of Male Labour Force Participation in 2010 by NUTS Level-2



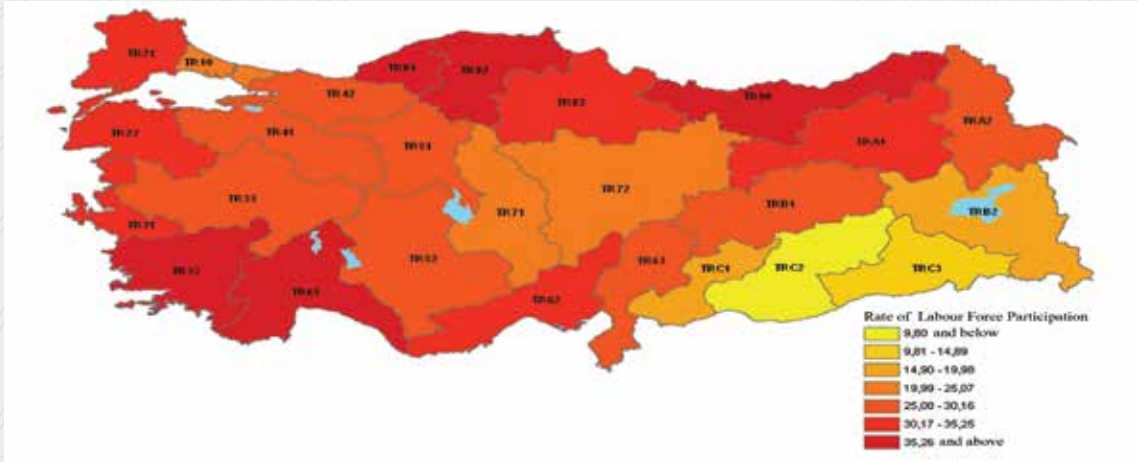
Source: TURKSTAT.

Figure 75. Rate of Male Unemployment in 2010 by NUTS Level-2

2.9.1.7 Rate of Participation of Females in Labour Force

The lowest value of the rate of participation of males in labour force, which is determined as 9.80% and below was observed in only the TRC2 (Şanlıurfa, Diyarbakir) region, across 7 categories generated for participation of females in labour force from non-institutional female population with age of 15 years and above, as in the case for males.

The rates of participation of females in labour force across regions do not present a homogeneous structure, in appearance. While the number of regions with rates of female participation in labour force varying in a range of 9.81% to 14.89% equals to 1, the number of regions with the highest range of rates of female participation in labour force, which is 35.26% and above, is 5. Nevertheless, even the lowest value in 7 categories created for rates of participation of males in labour force is greater than the highest value defined for women (Please refer to Figure 76).



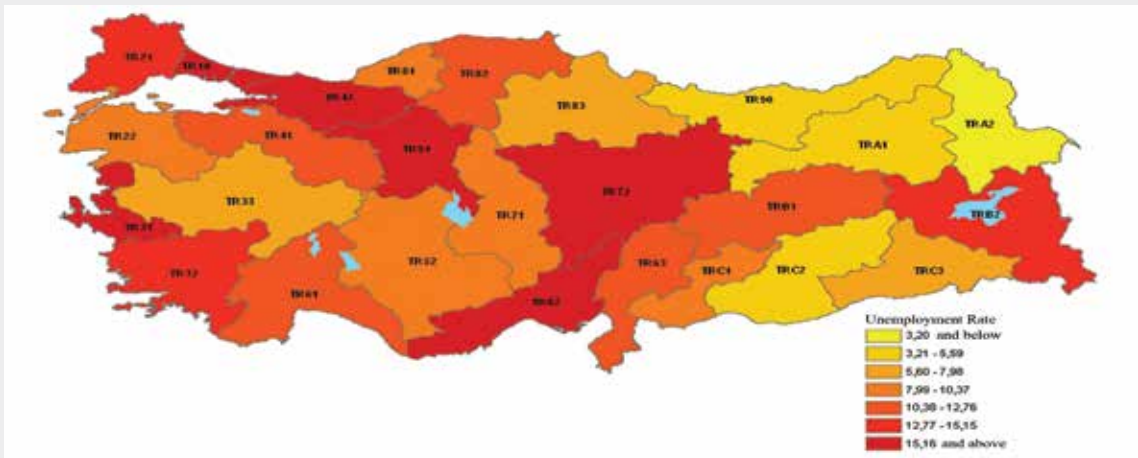
Source: TURKSTAT.

Figure 76. Rate of Female Labour Force Participation in 2010 by NUTS Level-2

2.9.1.8 Unemployment Rate of Females

The lowest value of the rate of participation of females in labour force, which is determined as 3.20% and below was observed in only the TRA2 (Ağrı, Kars, Iğdır, Ardahan) region, across 7 categories generated for participation of females in labour force from non-institutional female population with age of 15 years and above. Again there isn't any such homogeneous structure, like observed for males, that rates of female participation in labour force arguably follow across the regions. The number of regions with female unemployment rates varying in a range 5.60%-7.98% is 3.

The female unemployment rate varies in a range of 12.77%-15.15% in 3 regions and the highest value that this rate can take, namely 15.16% and above is observed in 6 regions, consisting of TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova), TR51 (Ankara), TR31 (İzmir), TR72 (Kayseri, Sivas, Yozgat), TR62 (Adana, Mersin) and TR10 (İstanbul) regions (Please refer to Figure 77).



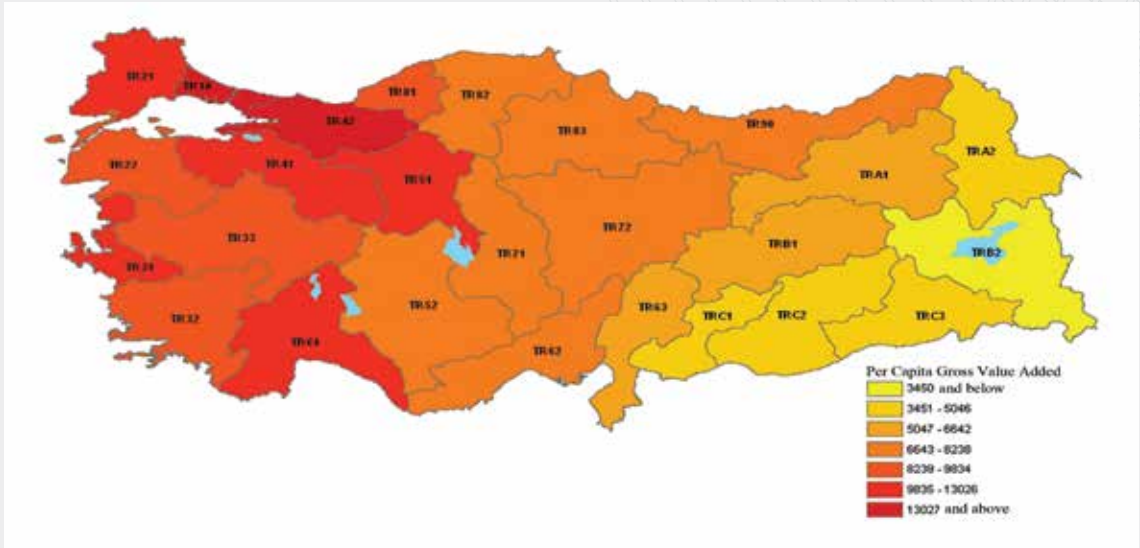
Source: TURKSTAT.

Figure 77. Rate of Female Unemployment in 2010 by NUTS Level-2

2.9.1.9 Gross Value Added Per Capita

According to the data available for 2008, the gross value added per capita has been sorted under 7 categories, the lowest being US \$ 3,450 and below in terms of income received, which is observed in the TRB2 (Van, Muş, Bitlis, Hakkâri) region. There are 4 regions with gross value added per capita varying in a range of US \$ 3,451-5,046. The gross value added per capita varies in a range of US \$ 5,047 - 6,642 in three regions.

The gross value added per capita varies in a range of US \$ 8,239 - 9,834 in 7, out of 26 regions. The income level of US \$ 13,027 and above, defined as the highest categorical value of the 7 categories created for the gross value per capita is found in only two regions - i.e., the TR10 (İstanbul) and TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova) regions (Please refer to Figure 78).



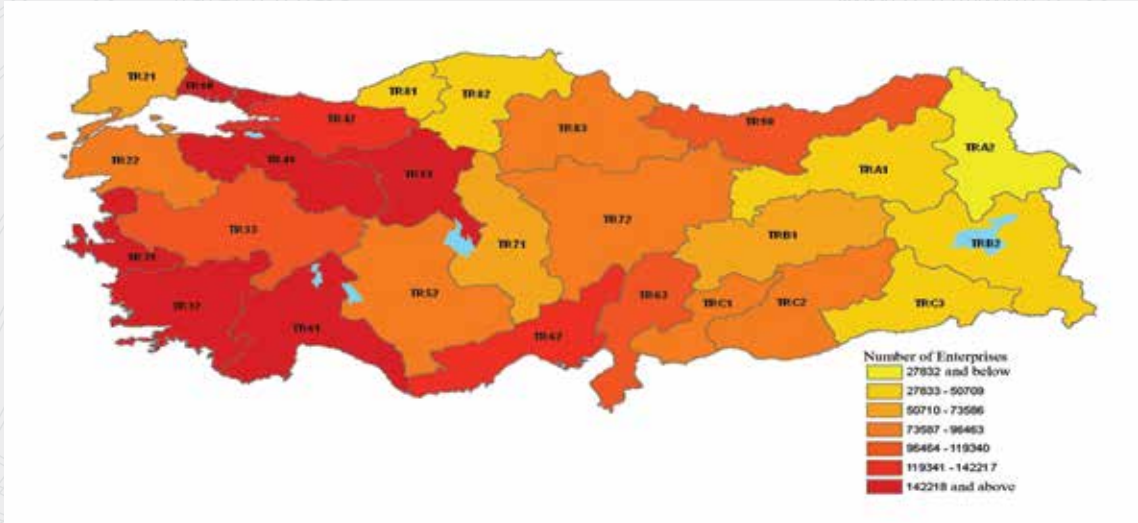
Source: TURKSTAT.

Figure 78. Per Capita Gross Value Added in 2010 by NUTS Level-2

2.9.1.10 Number of Enterprises

The number of regions having 27,832 and below enterprises, defined as the lowest categorical value of 7 categories created for number of enterprises for 2010 is 1, which is the TRA2 (Ağrı, Kars, Iğdır, Ardahan) region. The number of regions hosting enterprises in a number varying in the range of 27,833-50,709 is 5.

There is notably an inhomogeneity in the structure and distribution of the number of enterprises among regions. Regions having 142,218 and more enterprises, the value being the highest categorical value across all categories created for number of enterprises count to be 5, including TR41 (Bursa, Eskişehir, Bilecik), TR51 (Ankara), TR31 (İzmir), TR32 (Aydın, Denizli, Muğla) and TR61 (Antalya, Isparta, Burdur) regions (Please refer to, Figure 79).



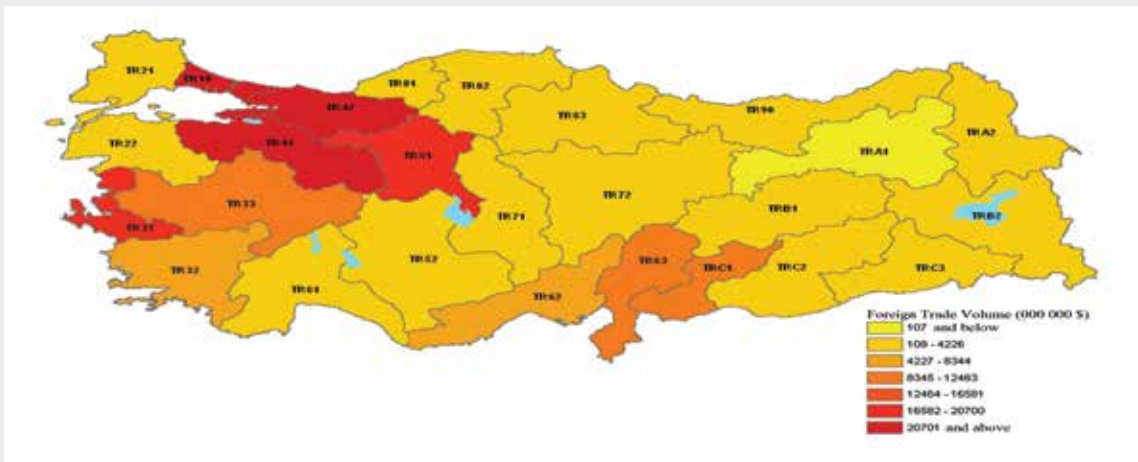
Source: TURKSTAT.

Figure 79. Total Number of Enterprises in 2010 by NUTS Level-2

2.9.1.11 Foreign Trade Volume

The only region which has a foreign trade volume of US \$ 107 million and below, it representing the lowest value across 7 categories created for measuring foreign trade volumes for 2011, is the TRA1 (Erzurum, Erzincan, Bayburt) region. The number of regions having foreign trade volumes varying in the range of US \$ 108-4,226 million is 15.

The number of regions having foreign trade volumes varying in the range of US \$ 4,227-8,344 million is 2. There are only 3 regions, out of 26, which have a foreign trade volume of US \$ 20,701 and above and these include the TR10 (İstanbul), TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova) and TR41 (Bursa, Eskişehir, Bilecik) regions (Please refer to, Figure 80).



Source: TURKSTAT.

Figure 80. Foreign Trade Volume in 2011 by NUTS Level-2

2.9.1.12 Ratio of Basic Requirements Expenditures to Total Expenditures

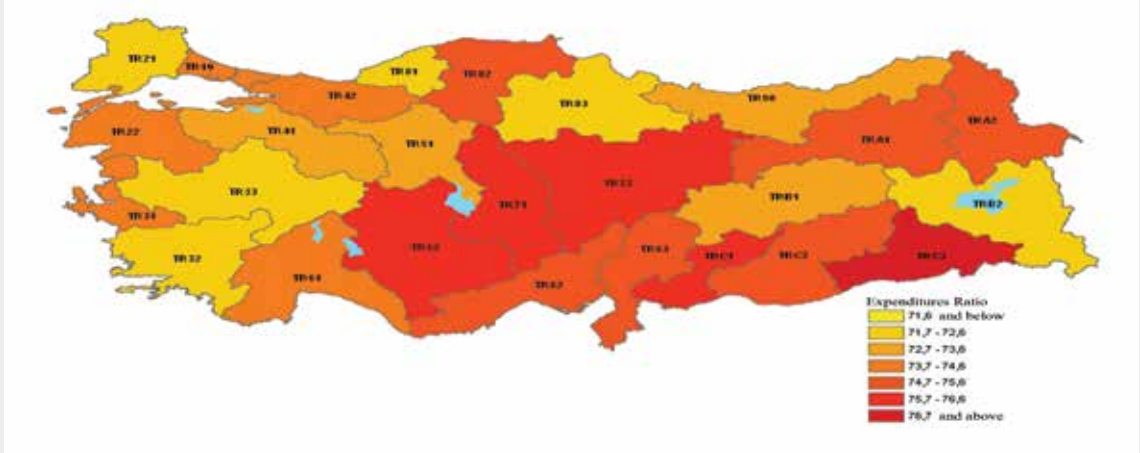
The number of regions where the ratio of basic need expenditures to total expenditures varies in a range of 71.7%-72.6% for 2010 is 6. There are 4 regions with ratios of basic requirements expenditures to total expenditures varying between 72.7% and 73.6%.

There is only one region with ratio of basic requirements expenditures to total expenditures at or above 76.7%, which is the TRC1 (Gaziantep, Adiyaman, Kilis) region. It is possible to construe this finding such that the overall expenditures made in TRC1 (Gaziantep, Adiyaman, Kilis) region do not include types of expenditures other than those made for covering basic requirements (Please refer to Figure 81).

2.9.1.13 Annual Average CPI Rates of Change

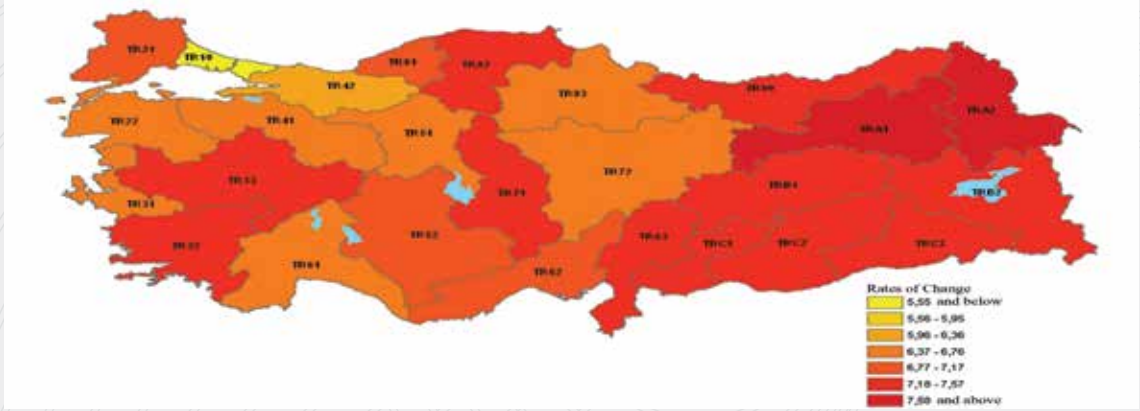
As for the rates of change in CPI at annual level for 2011, the region with the lowest categorical value of 5.55% is TR10 (İstanbul) region. The number of regions with annual CPI rate of change varying in a range of 6.37-6.76% is 7.

The only region with annual CPI rate of change varying in between 5,56% and 5.95% is the TR42 (Kocaeli Sakarya Düzce, Bolu, Yalova) region. The TRA1 (Erzurum, Erzincan, Bayburt) and TRA2 (Ağrı, Kars, Iğdır, Ardahan) regions are the two districts achieving the highest rate of change in CPI, during 2011 (Please refer to, Figure 82).



Source: TURKSTAT.

Figure 81. Ratio of Basic Requirements Expenditures to Overall Expenditures in 2010 by NUTS Level-2



Source: TURKSTAT.

Figure 82. Annual Average Rates of Change in CPI in 2011 by NUTS Level-2

2.9.1.14 Average Number of Overnight Stays by Citizens at Facilities Certified by Municipalities

By an analysis of average number of overnight stays performed by our citizens at temporary accommodation facilities licensed by municipalities for 2010, our citizens performed 1.33 to 1.52 overnight stays in 16, out of 26 regions. The number of overnight stays performed by our citizens in TR22 (Balıkesir, Çanakkale) and TR33 (Manisa, Afyonkarahisar, Kütahya, Uşak), TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova) and TR10 (İstanbul) regions varied between 1.75 and 1.96.

The longest time of overnight stays by our citizens concentrate in TR61 (Antalya, Isparta, Burdur) region. In this region, our citizens realised 2.42 and more overnight stays. These results are also indicative of the fact that our citizens mostly preferred Aegean and Mediterranean coasts for accommodation purposes and used temporary accommodation facilities licensed by municipalities (Please refer to Figure 83).



Source: TURKSTAT.

Figure 83. Average Number of Overnight Stays Performed by Citizens in 2011, at Temporary Accommodation Facilities Certified by Municipalities according to NUTS Level-2

2.9.1.15 Average Number of Overnight Stays by Foreign Visitors at Facilities Certificated by Municipalities

By an analysis of average number of overnight stays performed by foreign visitors at temporary accommodation facilities licensed by municipalities for 2010, foreigners performed 1.24 to 3.73 overnight stays in all, except three regions. In 12, out of 26 regions, foreign guests are performing 1.24 to 1.83 overnight stays and almost all of these regions are notably Central West Anatolia, East and South East Anatolia.

In the TR31 (İzmir) and TR32 (Aydın, Denizli, Muğla) regions, on the other hand, foreign visitors perform 3.74 to 4.36 overnight stays at municipally licensed temporary accommodation facilities. Longest stays performed by foreign visitors overnight appears to share a common pattern with those of our citizens in TR61 (Antalya, Isparta, Burdur) region and the average number of overnight stays tend to keep a level of 4.37 and more (Please refer to Figure 84).



Source: TURKSTAT.

Figure 84. Average Number of Overnight Stays Performed by Foreigners in 2011, according to NUTS Level-2 at Facilities Certificated by Municipalities

2.9.2 Nomenclature of Territorial Units for Statistics by NUTS Level-3

2.9.2.1 Rate of Participation in Labour Force

The lowest value of the rate of participation of people in labour force, which is determined as 31.8% and below was observed in only the TRC22 (Diyarbakır) region, across 7 categories generated for participation by non-institutional population in labour force with age of 15 years and above. At provincial level, the province with the least rate of participation in labour force is Diyarbakır.

There are two provinces with rates of participation in labour force vary in a range of 31.81% to 36.09%, which are TRC21 (Şanlıurfa) and TRC34 (Siirt). The number of provinces with rates of participation in labour force varying between 36.10% and 40.37% is 4. The number of provinces is 21 which has the highest value among 7 categories identified for rates of participation in labour force, which is 53.24% and above (Please refer to Figure 85).



Source: TURKSTAT.

Figure 85. Rate of Labour Force Participation in 2010 by NUTS Level-3

2.9.2.2 Unemployment Rate

The only province having 4.70% and lower rate of unemployment, which is the lowest categorical value for 7 categories concerning rate of unemployment created for 15+ years old non institutional population in 2010 has been TRA13 (Bayburt).

The number of provinces with rates of unemployment varying between 4.71% and 6.76% is 14. It is observed that TR621 (Adana), TRB22 (Muş), TRB23 (Bitlis), TRB21 (Van) and TRB24 (Hakkâri) provinces had 15.00% and higher rates of unemployment (Please refer to Figure 86).



Source: TURKSTAT.

Figure 86. Rate of Unemployment in 2010 by NUTS Level-3

2.9.2.3 Number of Small and Medium Sized Enterprises

The province with least number of SMEs was the TRA13 (Bayburt) Province, with only 187 enterprises, as of December 2011. The total number of SMEs tend to vary in a range of 188-1,987 in a vast majority of our provinces.

There are 6 provinces with 9,188 and more SMEs and these include TR100 (İstanbul), TR411 (Bursa), TR310 (İzmir), TR510 (Ankara), TR611 (Antalya) and TR621 (Adana) provinces (Please refer to, Figure 87).

2.9.2.4 Proportion of Exports Coverage Imports

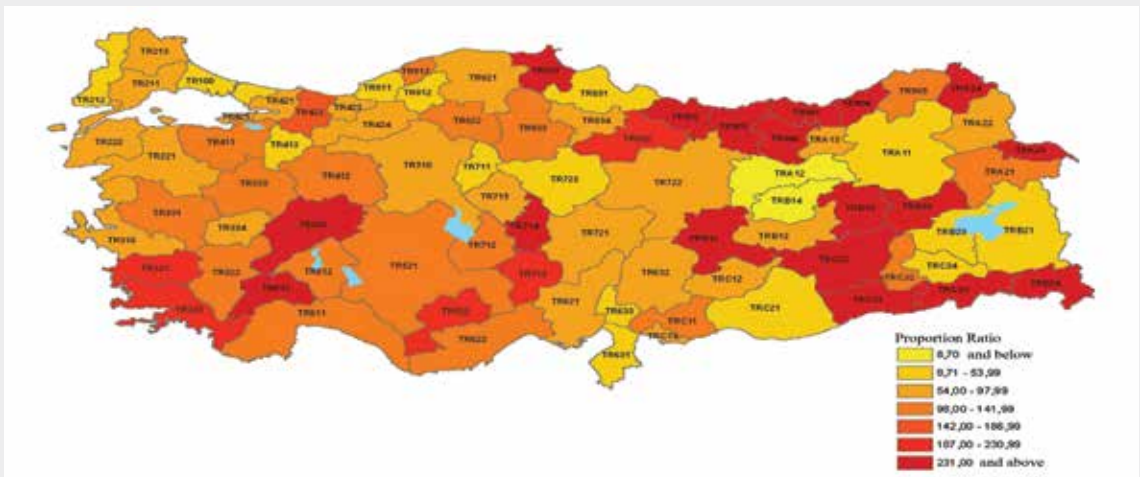
The proportion of exports coverage imports in 2011 has been the lowest at 8.70% and less in TRA12 (Erzincan) and TRB14 (Tunceli) provinces.

The number of provinces having highest proportion of exports coverage imports is 18, with a ratio of 231.0%. It is notable that these provinces are especially located in East, South East Anatolia and East Black Sea regions (Please refer to Figure 88).



Source: TURKSTAT.

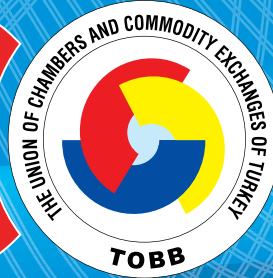
Figure 87. Number of Small and Medium Sized Enterprises in 2011 by NUTS Level-3



Source: TURKSTAT.

Figure 88. Proportion of Exports Coverage Imports in 2011 by NUTS Level-3

6



years

3. SOCIO-ECONOMIC INDICATORS

3. SOCIO-ECONOMIC INDICATORS

3.1 Population

According to the results of ABPRS for 2011, the total population of our country is 74,724,269, a 52.2% or 37,532,954 of which consists of male and 49.8% or 37,191,315 of female populations. The total surface area of our country measures 783,562.38 Km² including lakes and the population per unit Km² is 97.

By an analysis of population sizes for 2011 according to Nomenclature of Units for Territorial Statistics Level-1, one can conclude that the TR1 (İstanbul) region hosts and provides home-steads for 18.23% of total, 18.24% of male and 18.23% female population of the country. By the share it takes from country's population, TR1 (İstanbul) region is followed by the TR3 (Aegean) region, which encompasses 12.96% of the total, 12.90% of male and 13.02% female population and then come the TR6 (Mediterranean) region encompassing 12.71% of total, male and female populations in the third and the TRC (South East Anatolia) region encompassing 10.46% of total, 10.52% of male and 10.40% of female populations in the fourth places. The region which has the lowest share in total population is TR9 (East Black Sea) region, which encompasses 3.36% of total, 3.33% of male and 3.40% of female populations (Please refer to Table 179).

In the ranking of statistical regions including lake reservoir areas by their shares in total surface area, the first place is occupied by TR7 (Central West Anatolia) region having 11.69% share, and this is followed by TR3 (Aegean) region with a share of 11.49% and TR6 (Mediterranean) region with a share of 11.47%. The region with the lowest share of land in country's total surface area is the TR9 (East Black Sea) region with a share of 4.57%, similar to the case in total population.

By a comparison of population density figures of the regions, TR1 (İstanbul) region had a population density of 2,551 in 2010, which rose by 71 more people and reached at 2,622, during 2011. The TR1 (İstanbul) region is followed by TR4 (East Marmara) region in the second place, which had an increase by 3 individuals in its population density of 143 people per Km², in 2011. The TR3 (Aegean) region with population density of 109 people per Km² remaining unchanged in 2011 compared to the preceding year took the 3rd place, the TR6 (Mediterranean) region with population density rose by 1 person to 107 people per Km² in 2011 compared to the preceding year took the 4th place and TRC (South East Anatolia) region, with population density rising by 3 people to 104 people per Km² in 2011 compared to the preceding year, took the 5th place. The region with the lowest population density in 2011 has been TRA (North East Anatolia) region, despite having an increase in its population density by 1 person to 32 people per square kilometre in 2011, compared to the preceding year. While the heterogeneous situation of 2010 still persists for the aspect of population density across the regions, the population falling in unit Km² in TR1 (İstanbul) region overwhelms the population falling in unit Km² in the TRA (North East Anatolia) region by 81.9 times.

By an analysis of the annual rates of population growth⁷ against urban and rural populations of our country, it can directly be inferred that urban population grew at an annual rate of 22.04% to 54,807 thousand in 2009, and, with a further rise in rate of growth by 25.49%, to 56,222 thousand, in 2010. In 2011, the annual rate of growth of urban populations receded to 20.49%, reaching at a population of 57,326 thousand. The annual rate of population growth in villages and rural parts of the country followed a crinkled chronology, where it fell by 8.47% yielding a population of 17,754 thousand in 2009, furthered its fall by another 14.35% yielding a population of 17,501 thousand in 2010 and finally recovered and rose by 9.30%, yielding a population of 17,339 thousand in 2011. The rates of urban population growth measured for the period between 2009 and 2011 have sustained a rising trend, with 75.5%, 76.3% and 76.8% (Please refer to Table 180, Figure 89).

7 Represents the rate of population growth calculated using the compound interest formula.

Table 179. Selected Population Indicators by NUTS Level-1

Years	Regional Code	NUTS Level-1	Population (000 Person)		Sex Ratio	Migration (000 Person)		Net Migration Rate (%)	Annual Rate of Population Growth (%)	Population Density	Total Age Dependency Ratio	Young Age Dependency Ratio (0-14 Years)	Old Age Dependency Ratio (65+ Years)		
			Total	Male		Female	Migratory Inflow							Migratory Outflow	Net Migration
2010	TR1	Istanbul	13,256	6,655	6,601	101	440	337	103	7.77	26.02	2,551	41.7	33.8	7.9
	TR2	West Marmara	3,164	1,605	1,559	103	104	90	15	4.62	10.89	74	41.8	26.7	15.1
	TR3	Aegean Region	9,694	4,893	4,800	102	186	185	1	0.10	18.37	109	42.6	29.6	13.0
	TR4	East Marmara	6,842	3,436	3,406	101	200	163	38	5.51	20.71	140	43.5	32.5	11.1
	TR5	West Anatolia	7,018	3,491	3,527	99	222	183	39	5.59	20.56	97	44.4	34.2	10.2
	TR6	Mediterranean Region	9,423	4,760	4,663	102	205	200	5	0.58	18.24	106	49.2	39.5	9.7
	TR7	Central West Anatolia	3,849	1,929	1,920	100	104	139	-35	-8.95	4.69	42	51.6	39.2	12.4
	TR8	West Black Sea	4,519	2,252	2,266	99	132	183	-51	-11.16	1.41	62	48.6	32.6	16.0
	TR9	East Black Sea	2,516	1,247	1,269	98	90	113	-23	-8.98	-4.15	72	50.3	33.4	16.9
	TRA	North East Anatolia	2,202	1,125	1,077	104	69	99	-20	-13.58	1.84	31	63.5	52.8	10.7
TRB	Central East Anatolia	3,648	1,841	1,806	102	91	124	-33	-9.08	2.51	47	64.9	56.1	8.8	
TRC	South East Anatolia	7,593	3,809	3,784	101	143	172	-29	-3.80	17.25	101	73.7	66.4	7.3	
TR	Turkey	73,723	37,043	36,680	101	1,986	1,986	0	0.00	15.88	96	48.9	38.1	10.8	
2011	TR1	Istanbul	13,624	6,846	6,778	101	450	329	122	8.98	27.42	2,622	41.1	33.2	7.9
	TR2	West Marmara	3,210	1,634	1,576	104	106	90	16	4.95	14.46	75	41.4	26.2	15.2
	TR3	Aegean Region	9,688	4,844	4,844	100	192	191	1	0.13	-0.61	109	43.0	29.6	13.4
	TR4	East Marmara	6,953	3,490	3,463	101	207	165	43	6.18	16.11	143	43.2	32.1	11.2
	TR5	West Anatolia	7,163	3,565	3,598	99	235	184	50	7.05	20.49	99	44.0	33.7	10.3
	TR6	Mediterranean Region	9,496	4,769	4,727	101	208	219	-12	-1.24	7.67	107	49.4	39.4	10.0
	TR7	Central West Anatolia	3,844	1,922	1,922	100	101	135	-34	-8.78	-1.44	42	51.4	38.7	12.7
	TR8	West Black Sea	4,477	2,217	2,260	98	135	174	-40	-8.80	-9.27	61	48.6	32.1	16.5
	TR9	East Black Sea	2,513	1,249	1,264	99	85	110	-25	-9.88	-1.25	71	49.4	32.2	17.2
	TRA	North East Anatolia	2,230	1,148	1,083	106	72	100	-28	-12.46	12.76	32	61.6	51.0	10.6
TRB	Central East Anatolia	3,710	1,901	1,809	105	103	164	-62	-16.49	16.94	48	61.8	53.1	8.7	
TRC	South East Anatolia	7,816	3,948	3,868	102	152	184	-32	-4.11	29.00	104	71.6	64.4	7.2	
TR	Turkey	74,724	37,533	37,191	101	2,046	2,046	0	0.00	13.49	97	48.4	37.5	10.9	

Source: TURKSTAT.

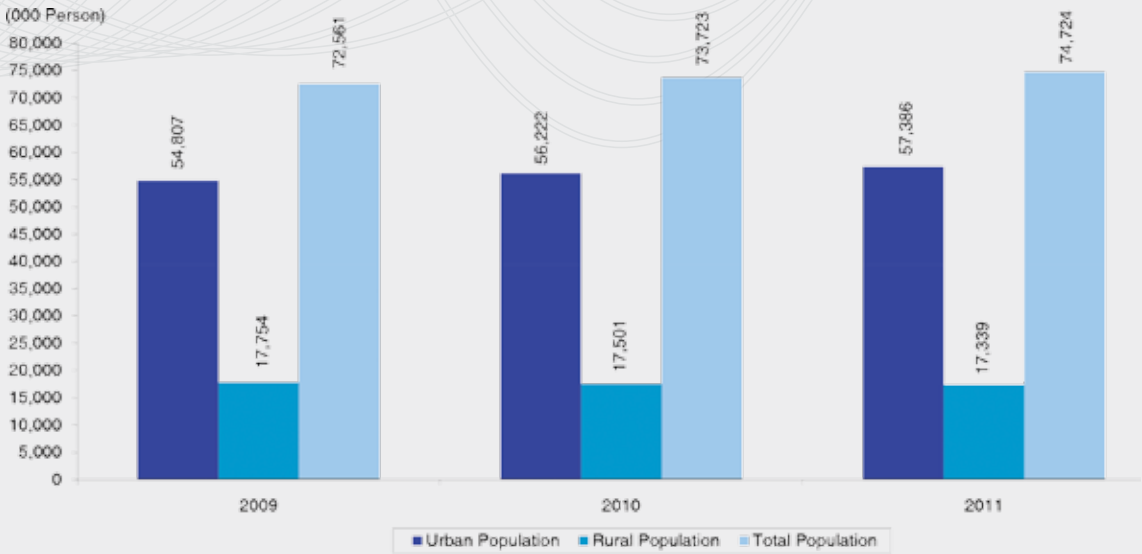
Table 180. City-Village Populations and Annual Growth Rates of Population

(000 Person)

Years	Total Population	City			Village		
		Population	Rate of City Population	Annual Rate of Population Growth (%) ⁽¹⁾	Population	Rate of Village Population	Annual Rate of Population Growth (%) ⁽¹⁾
2009	72,561	54,807	75.5	22.04	17,754	24.5	-8.47
2010	73,723	56,222	76.3	25.49	17,501	23.7	-14.35
2011	74,724	57,386	76.8	20.49	17,339	23.2	-9.30

Source: TURKSTAT.

(1): Calculated using compound interest formula, with reliance upon Address Based Population Registration System data.



Source: TURKSTAT.

Figure 89. Urban and Rural Populations by Years

By an analysis of selected population indices of our country for 2010 and 2011, it can be inferred that TR1 (İstanbul) has been the region that received the hugest inward migratory movements in 2011, in furtherance of 2010, welcoming 122 thousand new settlers, by net migration figures, on the basis of NUTS Level-1. The net migration rate in TR1 (İstanbul) region, which was 7.8‰ in 2010, rose to 8.9‰ during 2011. The region ranking in the second place by net migration figures has been TR5 (West Anatolia) region with a net migratory inflow of 50,000 individuals. Again, this region’s ranking among 12 regions by its net migration values was 2nd place in 2010 and the region had a rise in net migration rate from 5.6‰ to 7.1‰. The region grabbing the third place by value for net migration during 2011 is the TR4 (East Marmara) region, which took the 3rd place also in 2010 with a value for net migration of 43 thousand and has achieved a net migration rate of 6.2‰ in 2011. Of the regions receiving inward migration and yet retaining positive figures, TR3 (Aegean) region received a net inward migration of only one thousand, while TR2 (West Marmara) region received a net inward migration of 16 thousand people, during 2011.

The 7 regions falling outside the above two, accomplished outward migrations. As these regions had higher outward migration rates than inward migration rates, their net migration rates remain negative. The region that migrated out most during the year has been TRB (Central East Anatolia) region, with an out migrating community of 62 thousand and this is followed by TR8 (West Black Sea) region with an out migrating community of 40 thousand and TR7 (Central West Anatolia) region with an out migrating community of 34 thousand individuals. The net migration rates of this region during 2011 have been -16.5‰, -8.8‰ and -8.8‰.

By an analysis of net migration rates during 2011 according to NUTS Level-3, it can be inferred that the top ten provinces showing highest rate of migration in the positive direction have been TR100 (İstanbul) which received a net inward migration of 122 thousand, TR510 (Ankara) which received a net inward migration of 54 thousand, TR611 (Antalya) which received a net inward migration of 27 thousand, TR411 (Bursa) which received a net inward migration of 16 thousand, TR211 (Tekirdağ) which received a net inward migration of 14 thousand, TR421 (Kocaeli) which received a net inward migration of 13 thousand, TR310 (İzmir) which received a net inward migration of 9 thousand, TRC11 (Gaziantep) which received a net inward migration of 7 thousand, T412 (Eskişehir) which received a net inward migration of 7 thousand, and TR323 (Muğla) which received a net inward migration of 6 thousand people, respectively, in descending order. The net migration rates of these provinces during 2011 have been 8.9‰, 11.2‰, 13.2‰, 6.1‰, 16.7‰, 8.3‰, 2.3‰, 4.2‰, 9.2‰ and 7.0‰, in respective order (Please refer to Table 181).

Out of the provinces filling the last three positions in the ranking of provinces migrating out most during 2011, TRB21 (Van) took the first place with a net migration rate of -46.7‰. The TRB21 (Van) province is followed by TR901 (Trabzon), which had an out migrating population of 14 thousand and achieved a net migration rate of -17.8‰ in the 2nd place and TR621 (Adana), which had an out migrating population of 12 thousand and achieved a net migration rate of -5.6‰ in the 3rd place.

The annual population growth rate across the country on the other hand receded to 13.49‰, in 2011, from a baseline of 15.88‰ in 2010. The region achieving the highest annual rate of population growth during 2011 according to NUTS Level-1 has been TRC (South-Eastern) region with a rate of 29.00‰, which was followed by TR1 (İstanbul) region with a rate of 27.42‰ and TR8 (West Black Sea) region with a rate of 20.49‰. On the other hand, the region achieving the lowest annual rate of population growth during the same year has been TR7 (Central West Anatolia) region which showed a decline by 1.44‰.

A comparison of annual rates of population growth during 2011 and 2010 draws notice upon some crucial deviations in the annual rates of population growth in some regions. The annual rate of population growth of TR3 (Aegean) region, which was at 18.37‰ in 2010, entered in a declining trend and retreated to 0.61‰, during 2011. The annual rate of population growth of TR6 (Mediterranean) region, which was at 18.24‰ in 2010 also retreated to 7.67‰, in 2011. TR7 (Central West Anatolia) region demonstrates a change in the declining direction with a fall in its annual rate of population growth to -1.44‰ in 2011, from 4.69‰ in 2010. TRA (North East Anatolia) and TRB (Central East Anato-

lia) regions have experienced a considerable growth in their annual rates of population growth and attained levels of 12.76‰ and 16.94‰, respectively.

By an analysis of annual population growth rates in 2011 according to NUTS Level-3, it can be inferred that TRB11 (Tunceli), TRB24 (Hakkâri) and TRC33 (Şırnak) are the three provinces taking over the top three positions in the ranking with rates of 103.49‰, 79.75‰ and 62.82‰, respectively.

A review of population densities of provinces in 2011 according to NUTS Level-3 reveals that the top ten provinces where population densities were measured highest have been TR100 (İstanbul) with 2,622 people, TR421 (Kocaeli) with 443 people, TR310 (İzmir) with 330 people, TRC11 (Gaziantep) with 257 people, TR411 (Bursa) with 254 people, TR631 (Hatay) with 253 people, TR510 (Ankara) with 199 people, TR422 (Sakarya) with 184 people, TR633 (Osmaniye) with 155 people and TR621 (Adana) with 152 people per Km². On the other hand, the provinces with the lowest population per Km² included TRB11 (Tunceli) with 11 people, TRA12 (Erzincan) with 19 people and TRA13 (Bayburt) with 21 people. The population per Km² of Istanbul is 238.4 times higher than the population per Km² of Tunceli province. There is notably an inhomogeneous distribution of population density, between provinces (Please refer to Table 182).

Table 181. Migration Data by NUTS Level-3

								(2011)	
Province Code	NUTS Level-3	2011 Population	Migratory Inflow	Migratory Outflow	Net Migration	Net Migration Rate (%)	Rank By Inward Migration	Rank By Outward Migration	
TR621	Adana	2,108,805	50,523	62,402	-11,879	-5.62	9	6	
TRC12	Adıyaman	593,931	13,873	23,939	-10,066	-16.81	48	35	
TR332	Afyonkarahisar	698,626	17,219	24,063	-6,844	-9.75	36	34	
TRA21	Ağrı	555,479	15,508	25,182	-9,674	-17.27	41	32	
TR712	Aksaray	378,823	10,778	13,142	-2,364	-6.22	59	59	
TR834	Amasya	323,079	11,424	14,142	-2,718	-8.38	56	57	
TR510	Ankara	4,890,893	191,864	137,385	54,479	11.20	2	2	
TR611	Antalya	2,043,482	89,731	62,875	26,856	13.23	4	5	
TRA24	Ardahan	107,455	4,908	6,673	-1,765	-16.29	79	78	
TR905	Artvin	166,394	7,948	7,948	0	0.00	74	76	
TR321	Aydın	999,163	32,077	31,056	1,021	1.02	21	24	
TR221	Balıkesir	1,154,314	37,143	36,638	505	0.44	12	17	
TR813	Bartın	187,291	6,560	7,619	-1,059	-5.64	77	77	
TRC32	Batman	524,499	18,429	19,902	-1,473	-2.80	33	41	
TRA13	Bayburt	76,724	3,997	4,570	-573	-7.44	81	81	
TR413	Bilecik	203,849	9,250	8,914	336	1.65	68	74	
TRB13	Bingöl	262,263	9,292	10,782	-1,490	-5.67	67	64	
TRB23	Bitlis	336,624	11,419	16,610	-5,191	-15.30	57	48	
TR424	Bolu	276,506	12,545	11,386	1,159	4.20	51	62	
TR613	Burdur	250,527	8,873	9,712	-839	-3.34	70	69	
TR411	Bursa	2,652,126	74,243	58,258	15,985	6.05	5	7	
TR222	Çanakkale	486,445	17,278	15,623	1,655	3.41	35	50	
TR822	Çankırı	177,211	10,582	14,322	-3,740	-20.88	61	54	
TR833	Çorum	534,578	15,174	22,441	-7,267	-13.50	44	38	
TR322	Denizli	942,278	23,454	23,853	-399	-0.42	29	36	
TRC22	Diyarbakır	1,570,943	36,622	46,834	-10,212	-6.48	13	11	
TR423	Düzce	342,146	11,253	10,679	574	1.68	58	65	
TR212	Edirne	399,316	14,494	14,588	-94	-0.24	47	52	
TRB12	Elazığ	558,556	16,862	20,054	-3,192	-5.70	38	40	
TRA12	Erzincan	215,277	11,523	14,218	-2,695	-12.44	55	56	
TRA11	Erzurum	780,847	27,719	33,599	-5,880	-7.50	25	21	
TR412	Eskişehir	781,247	35,045	27,908	7,137	9.18	14	30	
TRC11	Gaziantep	1,753,596	45,991	38,634	7,357	4.20	10	14	
TR903	Giresun	419,498	17,058	19,346	-2,288	-5.44	37	42	
TR906	Gümüşhane	132,374	10,426	8,988	1,438	10.92	62	73	
TRB24	Hakkâri	272,165	8,775	9,133	-358	-1.31	71	71	
TR631	Hatay	1,474,223	29,509	37,164	-7,655	-5.18	23	16	
TRA23	İğdır	188,857	6,915	8,579	-1,664	-8.77	76	75	
TR612	Isparta	411,245	15,325	18,269	-2,944	-7.13	42	45	
TR100	İstanbul	13,624,240	450,445	328,663	121,782	8.98	1	1	
TR310	İzmir	3,965,232	110,364	101,420	8,944	2.26	3	3	
TR632	Kahramanmaraş	1,054,210	21,716	31,005	-9,289	-8.77	32	25	
TR812	Karabük	219,728	8,239	9,066	-827	-3.76	73	72	
TR522	Karaman	234,005	7,593	9,365	-1,772	-7.54	75	70	
TRA22	Kars	305,755	10,654	16,376	-5,722	-18.54	60	49	
TR821	Kastamonu	359,759	15,023	15,482	-459	-1.28	45	51	
TR721	Kayseri	1,255,349	34,387	31,787	2,600	2.07	18	22	
TR711	Kırıkkale	274,992	12,190	17,482	-5,292	-19.06	52	46	
TR213	Kırklareli	340,199	11,979	11,829	150	0.44	53	61	
TR715	Kırşehir	221,015	9,598	11,870	-2,272	-10.23	66	60	
TRC13	Kilis	124,452	4,692	6,420	-1,728	-13.79	80	79	
TR421	Kocaeli	1,601,720	63,314	50,070	13,244	8.30	6	10	
TR521	Konya	2,038,555	52,134	54,533	-2,399	-1.18	7	9	
TR333	Kütahya	564,264	17,547	20,655	-3,108	-5.49	34	39	
TRB11	Malatya	757,930	32,925	29,515	3,410	4.51	20	28	
TR331	Manisa	1,340,074	33,312	36,021	-2,709	-2.02	19	19	
TRC31	Mardin	764,033	25,447	31,302	-5,855	-7.63	26	23	
TR622	Mersin	1,667,939	51,328	54,630	-3,302	-1.98	8	8	
TR323	Muğla	838,324	35,409	29,604	5,805	6.95	15	27	
TRB22	Muş	414,706	12,895	18,663	-5,768	-13.81	50	43	
TR714	Nevşehir	283,247	8,995	11,374	-2,379	-8.36	69	63	
TR713	Niğde	337,553	11,769	17,023	-5,254	-15.44	54	47	
TR902	Ordu	714,390	23,963	34,472	-10,509	-14.60	28	20	
TR633	Osmaniye	485,357	15,675	18,420	-2,745	-5.64	40	44	
TR904	Rize	323,012	14,558	14,560	-2	-0.01	46	53	
TR422	Sakarya	888,556	28,537	24,633	3,904	4.40	24	33	
TR831	Samsun	1,251,729	35,103	43,408	-8,305	-6.61	16	12	
TRC34	Siirt	310,468	10,274	14,228	-3,954	-12.66	63	55	
TR823	Sinop	203,027	10,038	10,618	-580	-2.85	65	66	
TR722	Sivas	627,056	22,884	30,131	-7,247	-11.49	31	26	
TRC21	Şanlıurfa	1,716,254	35,888	41,570	-5,682	-3.31	14	13	
TRC33	Şırnak	457,997	13,403	13,957	-554	-1.21	49	58	
TR211	Tekirdağ	829,873	42,265	28,620	13,645	16.58	11	29	
TR832	Tokat	608,299	29,576	36,342	-6,766	-11.06	22	18	
TR901	Trabzon	757,353	24,858	38,446	-13,588	-17.78	24	15	
TRB11	Tunceli	85,062	6,187	6,419	-232	-2.72	78	80	
TR334	Uşak	339,731	8,653	10,138	-1,485	-4.36	72	67	
TRB21	Van	1,022,532	23,415	72,273	-48,858	-46.67	30	4	
TR425	Yalova	206,535	10,267	9,782	485	2.35	64	68	
TR723	Yozgat	465,696	15,251	26,921	-11,670	-24.75	43	31	
TR811	Zonguldak	612,406	15,822	23,658	-7,836	-12.71	39	37	
TR	Turkey	74,724,269	2,420,181	2,420,181	0	0.00			

Source: TURKSTAT.

Table 182. Annual Population Growth Rate and Population Density by NUTS Level -3

(2011)

Province Code	NUTS Level-3	Annual Rate of Population Growth (%) ⁽¹⁾	Rank by Rate of Population Growth	Population Density	Rank by Population Density	Province Code	NUTS Level-3	Annual Rate of Population Growth (%) ⁽¹⁾	Rank by Rate of Population Growth	Population Density	Rank by Population Density
TR621	Adana	11.24	39	152	13	TR632	Kahramanmaraş	8.95	46	73	33
TRC12	Adıyaman	5.06	48	84	28	TR812	Karabük	-35.24	76	53	47
TR332	Afyonkarahisar	1.53	54	49	56	TR522	Karaman	5.88	47	26	73
TRA21	Ağrı	24.52	18	48	57	TRA22	Kars	13.13	34	30	71
TR712	Aksaray	3.49	51	50	53	TR821	Kastamonu	-4.06	62	27	72
TR834	Amasya	-35.59	77	57	43	TR721	Kayseri	16.63	31	74	32
TR510	Ankara	24.67	17	199	8	TR711	Kırıkkale	-6.00	64	61	42
TR611	Antalya	32.40	5	99	23	TR213	Kırklareli	22.02	23	54	46
TRA24	Ardahan	18.80	28	22	76	TR715	Kırşehir	-3.89	61	35	66
TR905	Artvin	9.87	44	23	75	TRC13	Kilis	10.64	41	87	26
TR321	Aydın	9.35	45	127	17	TR421	Kocaeli	26.30	14	443	2
TR221	Balıkesir	1.73	53	81	30	TR521	Konya	12.20	36	52	51
TR813	Bartın	-2.49	60	90	25	TR333	Kütahya	-45.44	79	47	60
TRC32	Batman	27.64	10	113	19	TRB11	Malatya	23.07	21	64	37
TRA13	Bayburt	30.60	8	21	79	TR331	Manisa	-28.98	74	102	22
TR413	Bilecik	-100.41	81	47	59	TRC31	Mardin	25.76	15	87	27
TRB13	Bingöl	27.42	12	32	69	TR622	Mersin	12.09	37	108	20
TRB23	Bitlis	23.62	20	48	58	TR323	Muğla	25.15	16	65	36
TR424	Bolu	19.35	26	33	67	TRB22	Muş	19.04	27	51	52
TR613	Burdur	-32.75	45	37	64	TR714	Nevşehir	3.22	52	53	49
TR411	Bursa	17.74	30	254	5	TR713	Niğde	-1.12	58	46	61
TR222	Çanakkale	-8.09	66	49	55	TR902	Ordu	-6.69	65	120	18
TR822	Çankırı	-10.42	68	24	74	TR633	Osmaniye	12.72	35	155	12
TR833	Çorum	-1.55	59	42	62	TR904	Rize	10.50	43	82	29
TR322	Denizli	11.16	40	81	31	TR422	Sakarya	17.81	29	184	10
TRC22	Diyarbakır	27.09	13	104	21	TR831	Samsun	-0.73	57	138	14
TR423	Düzce	11.64	38	133	15	TRC34	Siirt	31.98	6	57	44
TR212	Edirne	22.51	22	66	35	TR823	Sinop	1.15	55	35	65
TRB12	Elazığ	10.64	42	66	34	TR722	Sivas	-23.90	73	22	77
TRA12	Erzincan	-43.95	78	19	80	TRC21	Şanlıurfa	31.30	7	91	24
TRA11	Erzurum	15.18	32	31	70	TRC33	Şırnak	62.82	3	64	38
TR412	Eskişehir	21.56	24	56	45	TR211	Tekirdağ	39.03	4	131	16
TRC11	Gaziantep	30.59	9	257	4	TR832	Tokat	-15.50	71	61	41
TR903	Giresun	0.58	56	61	40	TR901	Trabzon	-8.36	67	162	11
TR906	Gümüşhane	21.04	25	21	78	TRB11	Tunceli	103.49	1	11	81
TRB24	Hakkari	79.75	2	38	63	TR334	Uşak	5.05	49	64	39
TR631	Hatay	-4.30	63	253	6	TRB21	Van	-12.52	70	53	48
TRA23	Iğdır	23.79	19	53	50	TR425	Yalova	13.62	33	244	7
TR612	Isparta	-86.27	80	50	54	TR723	Yozgat	-22.09	72	33	68
TR100	İstanbul	27.42	11	2,622	1	TR811	Zonguldak	-11.84	69	185	9
TR310	İzmir	4.14	50	330	3	TR	Türkiye	13.49		97	

Source: TURKSTAT.

(1): Calculations of annual rates of growth in population are based on administrative distribution structure of 2011.

The total age dependency ratio, which is the ratio of economically inactive population that fall within the age range of 0 to 14 and 65+ to the 15 to 64 years old economically active population across Turkey, retreated by 1.0% to 48.4% in 2011 compared to the preceding year. In the ranking by total age dependency ratio according to NUTS Level-1, TRC (South East Anatolia) region takes the first place with a ratio of 71.6% this region is immediately followed by TRB (Central East Anatolia) region with a ratio of 61.8% and TRA (North East Anatolia) region with a ratio of 61.6%, while the last row on the list is filled up by TR1 (İstanbul) region, with a ratio of 41.1%. An analysis of the dependency ratios of young population in the year concerned leads to the observation that TRC (South

East Anatolia) region goes on top of the list in the first place with a ratio of 64.4%, followed by TRB (Central East Anatolia) region with a ratio of 53.1% in the second place and TRA (North East Anatolia) region with a ratio of 51.0% in the third place. The region where the young population dependency appears to be the lowest is TR2 (West Marmara) region with a ratio of 26.2%. The regions filling the top three places in the ranking of old population dependency ratios include TR9 (East Black Sea) region with a ratio of 17.2%, TR8 (West Black Sea) region with a ratio of 16.5% and TR2 (West Marmara) region with a ratio of 15.2%. The region filling the bottom row of the list in the ranking of old population dependency ratio is TRC (South East Anatolia) region with a ratio of 7.2% (Please refer to Table 179).

3.1.1 Sex Ratios

There has not been any change in the sex ratio during 2011, which retained its value of 101 of the previous year. This ratio, which is the ratio of male population to female population expressed in percentage, reveals to be the highest in TRA (North East Anatolia) region, with a value of 106. In another way of speaking, for every 100 females fall 106 males. The region attaining the lowest value of sex ratio is the TR8 (West Black Sea) region with 98 (Please refer to, Table 179).

While sex ratio retained a value of 101 and above in 8, out of 12 regions, it took values below 100 in 3, and equal to 100 in 2 regions. The regions where this equality between male and female populations were found are TR3 (Aegean) and TR7 (Central West Anatolia) regions.

The sex ratios did not change during 2011 compared to the previous year in TR1 (İstanbul), TR4 (East Marmara), TR5 (West Anatolia) and TR7 (Central West Anatolia) regions, rose in TR2 (West Marmara), TR9 (East Black Sea), TRA (North East Anatolia), TRB (Central East Anatolia) and TRC (South East Anatolia) regions and decreased in TR3 (Aegean), TR6 (Mediterranean region) and TR8 (West Black Sea) regions.

3.1.2 Fertility Rates

In our country, while the crude birth rate, which was 17.3‰ in 2009 retreated to 17.0‰ in 2010, the general fertility rate declined by 0.8 points to 71.5‰ in 2010, from its original level of 72.3‰ in 2009. The number of live births a woman in our country can deliver for the duration of her fertility was 2.06 in 2009, which retreated to 2.03, during 2010. The average years of age of child delivering mothers in our country was 27.0 in 2009, which figure rose to 27.2 in 2010 (Please refer to Table 183).

3.1.2.1 Fertility Rates at Regional Level

The region reported with the highest crude birth rate during 2010 according to NUTS Level-1 was TRC (South East Anatolia) region with a rate of 27.3‰ it attained through a 0.1 points of increase compared to the preceding year, and that with the lowest crude birth rate was TR2 (West Marmara) region, with a rate of 11.4‰ attained with 0.2 points decline compared to the previous year. Both during 2009 and 2010, the highest and lowest crude birth rates were observed in the same regions. In 2010, the highest rate of decline in crude birth rates was observed in TR7 (Central West Anatolia) region accomplishing a 1.0 point decrease and yielding a decrease from 17.5‰ to 16.5‰. In the case for TRB

(Central East Anatolia) region, however, there was no change in crude birth rate during 2010 compared to the preceding year.

The region reported with the highest general fertility rate during 2010 was TRC (South East Anatolia) region with a rate of 119.2‰ it attained with a 0.3 points of decrease compared to the preceding year, and that with the lowest crude birth rate was TR2 (West Marmara) region, with a rate of 51.5‰ attained with 0.1 points decline compared to the previous year. It is notable that the general fertility rate demonstrates an increasing trend from west towards east, and especially towards the South East, both during 2009 and 2010.

The region reported with the highest total fertility rate during 2010 according to NUTS Level-1 was TRC (South East Anatolia) region with 3.46 babies delivered and that with the lowest total fertility rate was TR2 (West Marmara) region, with 1.51 babies delivered.

The region with the highest average age of child delivering mothers was TR1 (İstanbul) region with 27.8 years and that with the lowest average age of child delivering mothers was TR7 (Central West Anatolia) region with 26.2 years (Please refer to Table 183).

Table 183. Basic Fertility Indicators by NUTS Level-1

Re- gional Code	NUTS Level-1	2009				2010			
		Crude Birth Rate (‰)	General Fertility Rate (‰)	Total Fertility Rate (‰)	Average Age of Child Delivering Mothers	Crude Birth Rate (‰)	General Fertility Rate (‰)	Total Fertility Rate (‰)	Average Age of Child Delivering Mothers
TR1	Istanbul	16.1	62.7	1.73	27.5	16.2	62.8	1.73	27.8
TR2	West Marmara	11.6	51.6	1.51	26.7	11.4	51.5	1.51	26.9
TR3	Aegean Region	13.7	57.8	1.66	26.7	13.2	56.8	1.63	26.9
TR4	East Marmara	15.1	61.9	1.75	27.1	14.7	60.8	1.72	27.3
TR5	West Anatolia	15.7	63.3	1.80	26.8	15.3	62.2	1.77	27.1
TR6	Mediterranean Region	18.1	75.3	2.16	26.9	17.6	74.4	2.13	27.1
TR7	Central West Anatolia	17.5	74.5	2.12	25.9	16.5	71.6	2.04	26.2
TR8	West Black Sea	14.2	62.6	1.82	26.3	13.5	60.8	1.77	26.5
TR9	East Black Sea	14.1	62.1	1.83	27.2	13.5	60.7	1.79	27.4
TRA	North East Anatolia	21.7	97.6	2.75	26.5	22.4	101.0	2.84	26.5
TRB	Central East Anatolia	22.9	100.4	2.88	27.1	22.9	99.8	2.86	27.1
TRC	South East Anatolia	27.2	118.9	3.46	27.5	27.3	119.2	3.46	27.5
TR	Turkey	17.3	72.3	2.06	27.0	17.0	71.5	2.03	27.2

Source: TURKSTAT.

3.1.3 Schooling Ratios

According to the statistical data on National Education (formal) available for the 2010/'11 academic period, the net schooling ratio, which was realised at a level of 98.2% in primary education during the 2009/'10, rose by 0.2 points to 98.4% during the 2010/'11 academic period. The net schooling ratio in primary education rose in by 0.1 points from 98.5% to 98.6% in male students and by 0.4 points from 97.8% to 98.2% in female students during the 2010/'11 academic period compared to the preceding term (Please refer to Table 184).

Table 184. Gross and Net Schooling Ratios by Years of Education and Gender

Gender	Schooling Ratio	2008/'09		2009/'10		2010/'11	
		Primary Education	Secondary Education	Primary Education	Secondary Education	Primary Education	Secondary Education
Male	Gross	104.9	81.0	107.1	89.1	107.4	99.1
	Net	97.0	60.6	98.5	67.6	98.6	72.4
Female	Gross	102.7	72.1	105.9	79.0	107.8	87.3
	Net	96.0	56.3	97.8	62.2	98.2	66.1
Total	Gross	103.8	76.6	106.5	84.2	107.6	93.3
	Net	96.5	58.5	98.2	65.0	98.4	69.3

Source: Ministry of Education.

During the 2010/'11 academic period, the gross schooling ratio in primary education improved by 1.1 points from 106.5% to 107.6%, while the gross schooling ratio for male students during 2010/'11 academic period grew by 0.3 points from 107.1% to 107.4% and for female students, rose by 1.9 points from 105.9% to 107.8%.

Changing perspective to the same table for secondary level of education, the net schooling ratio which was 65.0% during the 2009/'10 academic period rose by 4.3 points to 69.3% during the 2010/'11 academic period. The net schooling ratio in secondary education rose by 4.8 points from 67.6% to 72.4% in male students and by 8.3 points from 79.0% to 87.3% in female students during the 2010/'11 academic period compared to the academic period precedent.

During the 2010/'11 academic period, the gross schooling ratio in secondary education improved by 9.1 points from 84.2% to 93.3%, while the gross schooling rate among male students during 2010/'11 academic period grew by 10.0 points from 89.1% to 99.1% and for female students, rose by 8.3 points from 79.0% to 87.3%.

While the gross schooling ratios were observed to gain higher values for girls compared to boys in primary education during the 2010/'11 academic period, the picture turns upside down for net schooling ratios. The net schooling ratio of male students in primary education reveals to be higher in value than that of their female counterparts. In secondary education, both gross and net schooling ratios attained for male students during 2010/'11 academic period are higher compared to female students.

3.1.3.1 Schooling Ratios at Regional Level

While Yozgat reveals to be the province with the lowest net schooling ratio in primary education according to NUTS Level-3 with a ratio of 91.5%, Amasya and Bartın provinces with a ratio of 100.0% appears to be the population centres where net schooling ratio retained its highest levels.

The provinces where net schooling ratios of girls in primary education remained lowest are Yozgat with 91.2%, Çankırı with 91.5% and Hakkâri with 92.7%, while the provinces where net schooling ratios were highest in primary education are Amasya and Bartın provinces with ratio of 99.9% and Zonguldak with a ratio of 99.8%. The provinces where net schooling ratios of boys in primary education remained lowest are Çankırı with 91.6%, Yozgat with 91.8% and Hakkâri with 92.1%, while the provinces where net schooling ratios were highest in primary education are Amasya, Bartın and Edirne provinces with a ratio of 100.0%.

While the province of Ağrı gains prominence over others as the population centre with the lowest net schooling ratio in secondary education with a ratio of 30.8%, the highest net schooling ratio in secondary education was observed in the province of Bilecik with 94.0% (Please refer to Table 185).

The provinces where net schooling ratios of girls in secondary education remained lowest are Ağrı with 23.8%, Muş with 23.9% and Şanlıurfa with 28.6%, while the provinces where net schooling ratios were highest in secondary education are Bilecik with a ratio of 90.7%, Isparta with a ratio of 89.0% and Eskişehir with a ratio of 86.5%. The provinces where net schooling ratios of boys in secondary education remained lowest are Ağrı with 37.1%, Muş with 39.3% and Van with 43.5%, while the provinces where net schooling ratios were highest in secondary education are Bolu with a ratio of 96.8%, Eskişehir and Karabük with a ratio of 91.3% and Erzincan with a ratio of 91.0%.

Table 185. Gross and Net Schooling Ratios by Gender according to NUTS Level-3

(2010/'11)

Province Code	NUTS Level-3	Schooling Ratio	Primary Education			Secondary Education		
			Male	Female	Total	Male	Female	Total
TR621	Adana	Gross	107.9	107.6	107.7	98.5	87.4	93.1
		Net	99.2	98.9	99.0	72.7	67.7	70.3
TRC12	Adıyaman	Gross	109.2	109.0	109.1	97.5	79.3	88.6
		Net	98.3	97.9	98.1	67.0	58.2	62.7
TR332	Afyonkarahisar	Gross	105.4	103.1	104.3	89.1	72.7	81.1
		Net	98.1	97.8	97.9	71.0	60.5	65.9
TRA21	Ağrı	Gross	115.0	119.2	117.1	54.9	35.5	45.7
		Net	97.2	98.4	97.8	37.1	23.8	30.8
TR712	Aksaray	Gross	107.9	106.6	107.2	77.6	69.9	73.8
		Net	99.2	98.8	99.0	60.3	55.6	58.0
TR834	Amasya	Gross	108.8	107.1	108.0	110.8	99.2	105.1
		Net	100.0	99.9	100.0	86.9	80.1	83.5
TR510	Ankara	Gross	104.1	104.7	104.4	117.5	109.0	113.3
		Net	99.5	99.4	99.5	86.5	85.9	86.2
TR611	Antalya	Gross	105.6	105.6	105.6	100.4	98.8	99.6
		Net	98.5	98.4	98.5	74.9	74.1	74.5
TRA24	Ardahan	Gross	104.8	103.6	104.2	74.8	70.5	72.7
		Net	97.8	96.9	97.4	58.9	56.6	57.8
TR905	Artvin	Gross	105.4	106.7	106.1	112.0	102.3	107.2
		Net	99.2	98.9	99.1	89.3	81.5	85.4
TR321	Aydın	Gross	107.5	107.2	107.4	93.7	90.4	92.1
		Net	99.6	99.3	99.5	74.7	74.4	74.6
TR221	Balıkesir	Gross	105.8	106.3	106.0	97.1	94.7	95.9
		Net	99.1	98.9	99.0	79.5	77.8	78.7
TR813	Bartın	Gross	105.0	105.0	105.0	97.8	86.0	91.9
		Net	100.0	99.9	100.0	79.7	69.8	74.7
TRC32	Batman	Gross	113.5	113.1	113.3	99.6	67.6	84.0
		Net	97.8	97.7	97.8	58.2	43.1	50.8
TRA13	Bayburt	Gross	106.5	106.1	106.3	103.0	78.1	90.9
		Net	98.6	97.4	98.0	78.8	57.6	68.5
TR413	Bilecik	Gross	106.1	105.5	105.8	119.0	107.5	113.2
		Net	98.7	98.1	98.4	97.3	90.7	94.0
TRB13	Bingöl	Gross	110.1	111.5	110.8	90.9	65.5	78.3
		Net	95.9	94.8	95.4	56.6	40.6	48.7
TRB23	Bitlis	Gross	108.5	109.2	108.9	74.3	41.3	58.5
		Net	95.9	95.1	95.5	48.2	27.8	38.4

Table 185. Gross and Net Schooling Ratios by Gender according to NUTS Level-3 (Continued)

Province Code	NUTS Level-3	Schooling Ratio	Primary Education			Secondary Education		
			Male	Female	Total	Male	Female	Total
TR424	Bolu	Gross	107.0	108.5	107.7	116.5	103.3	110.1
		Net	98.3	98.2	98.3	96.8	84.6	90.9
TR613	Burdur	Gross	105.0	102.8	103.9	99.7	94.2	97.0
		Net	96.7	96.6	96.7	81.5	79.4	80.5
TR411	Bursa	Gross	105.9	106.7	106.3	109.0	97.8	103.6
		Net	99.3	99.1	99.2	82.0	76.3	79.3
TR222	Çanakkale	Gross	108.5	108.8	108.6	99.6	96.8	98.3
		Net	99.3	99.4	99.3	82.6	81.5	82.1
TR822	Çankırı	Gross	99.1	97.4	98.3	107.5	85.0	96.5
		Net	91.6	91.5	91.6	83.3	68.6	76.1
TR833	Çorum	Gross	107.4	107.6	107.5	94.8	84.6	89.8
		Net	98.5	98.3	98.4	72.3	65.4	69.0
TR322	Denizli	Gross	105.3	105.5	105.4	103.0	93.1	98.2
		Net	98.0	98.1	98.1	84.3	76.6	80.6
TRC22	Diyarbakır	Gross	111.2	114.2	112.7	86.2	64.2	75.5
		Net	98.7	98.4	98.5	55.3	41.4	48.5
TR423	Düzce	Gross	104.8	106.1	105.4	108.1	100.0	104.1
		Net	98.7	98.3	98.5	82.1	73.9	78.1
TR212	Edirne	Gross	110.4	108.5	109.5	101.9	94.7	98.4
		Net	100.0	99.6	99.9	84.5	81.7	83.2
TRB12	Elazığ	Gross	107.1	108.6	107.9	116.7	98.9	108.0
		Net	98.8	98.1	98.4	82.5	69.5	76.2
TRA12	Erzincan	Gross	104.7	106.0	105.3	117.5	95.0	106.3
		Net	97.1	96.9	97.0	91.0	74.3	82.7
TRA11	Erzurum	Gross	104.8	108.1	106.4	86.8	64.0	75.7
		Net	96.8	96.8	96.8	60.2	44.5	52.6
TR412	Eskişehir	Gross	103.8	104.5	104.2	113.2	105.5	109.5
		Net	99.1	99.0	99.0	91.3	86.5	89.0
TRC11	Gaziantep	Gross	108.6	109.3	108.9	87.4	70.8	79.4
		Net	99.3	99.0	99.1	62.9	54.0	58.6
TR903	Giresun	Gross	105.2	104.5	104.9	109.0	95.4	102.3
		Net	98.8	98.0	98.4	87.2	76.9	82.2
TR906	Gümüşhane	Gross	106.0	105.2	105.6	92.5	79.9	86.2
		Net	97.2	95.8	96.5	72.4	61.6	67.0
TRB24	Hakkari	Gross	101.5	103.9	102.7	97.9	69.7	84.2
		Net	92.1	92.7	92.4	59.5	43.5	51.7
TR631	Hatay	Gross	105.6	106.6	106.0	90.3	79.7	85.1
		Net	98.6	98.3	98.5	70.4	63.6	67.1
TRA23	İğdır	Gross	111.0	108.8	109.9	76.0	73.3	74.7
		Net	98.4	97.1	97.8	55.7	54.1	54.9
TR612	Isparta	Gross	104.4	103.4	103.9	108.1	105.8	107.0
		Net	97.4	97.4	97.4	87.9	89.0	88.4
TR100	İstanbul	Gross	109.1	109.8	109.4	109.7	103.9	106.9
		Net	99.6	99.2	99.4	75.4	73.6	74.5
TR310	İzmir	Gross	107.0	107.9	107.4	107.4	103.0	105.2
		Net	99.1	99.1	99.1	78.3	79.4	78.8

Table 185. Gross and Net Schooling Ratios by Gender according to NUTS Level-3 (Continued)

Province Code	NUTS Level-3	Schooling Ratio	Primary Education			Secondary Education		
			Male	Female	Total	Male	Female	Total
TR632	Kahramanmaraş	Gross	106.4	105.4	105.9	88.2	71.9	80.3
		Net	97.7	97.4	97.6	66.2	56.7	61.6
TR812	Karabük	Gross	109.0	110.0	109.5	112.5	107.2	109.9
		Net	99.7	99.1	99.4	91.3	87.2	89.3
TR522	Karaman	Gross	105.1	105.4	105.2	91.5	91.6	91.5
		Net	98.1	98.2	98.2	71.1	70.5	70.8
TRA22	Kars	Gross	105.5	105.8	105.6	68.7	57.5	63.3
		Net	96.8	96.1	96.5	48.3	43.2	45.8
TR821	Kastamonu	Gross	107.9	109.1	108.5	100.5	90.0	95.4
		Net	99.7	99.1	99.4	79.6	68.3	74.1
TR721	Kayseri	Gross	104.6	104.5	104.6	104.3	93.2	98.8
		Net	99.2	98.8	99.0	80.2	74.9	77.6
TR711	Kırıkkale	Gross	105.5	105.0	105.3	117.7	98.7	108.4
		Net	98.3	98.3	98.3	89.2	81.5	85.4
TR213	Kırklareli	Gross	107.2	106.7	107.0	106.1	97.9	102.1
		Net	99.0	99.0	99.0	87.8	83.8	85.9
TR715	Kırşehir	Gross	108.3	104.9	106.6	104.1	91.6	97.9
		Net	98.5	98.0	98.2	84.5	79.7	82.2
TRC13	Kilis	Gross	107.4	107.7	107.6	94.7	85.5	90.1
		Net	97.6	96.7	97.1	68.2	65.8	67.0
TR421	Kocaeli	Gross	105.4	106.2	105.8	120.2	104.2	112.4
		Net	99.5	99.0	99.3	86.3	78.4	82.4
TR521	Konya	Gross	104.2	103.9	104.0	89.4	82.0	85.8
		Net	98.6	98.1	98.4	68.1	63.2	65.7
TR333	Kütahya	Gross	105.3	104.4	104.9	111.1	93.0	102.2
		Net	99.1	98.9	99.0	88.9	74.1	81.7
TRB11	Malatya	Gross	106.8	106.7	106.8	118.6	102.5	110.7
		Net	98.6	98.0	98.3	84.6	75.3	80.0
TR331	Manisa	Gross	107.2	107.1	107.1	92.6	88.0	90.4
		Net	99.0	98.9	98.9	74.7	71.3	73.0
TRC31	Mardin	Gross	107.4	110.6	109.0	85.1	55.2	70.4
		Net	96.8	96.7	96.8	54.0	36.2	45.2
TR622	Mersin	Gross	106.8	107.5	107.1	95.9	88.2	92.1
		Net	99.3	99.0	99.2	72.9	68.8	70.9
TR323	Muğla	Gross	107.0	105.8	106.4	100.0	95.8	98.0
		Net	98.4	98.3	98.3	75.5	75.8	75.6
TRB22	Muş	Gross	113.9	118.4	116.1	61.8	35.5	49.2
		Net	97.3	98.8	98.1	39.3	23.9	31.9
TR714	Nevşehir	Gross	106.2	103.6	104.9	87.2	82.3	84.8
		Net	99.0	98.6	98.8	71.7	70.4	71.1
TR713	Niğde	Gross	106.2	104.4	105.3	79.3	72.7	76.0
		Net	98.2	97.5	97.8	63.4	59.2	61.3
TR902	Ordu	Gross	101.2	101.5	101.4	87.8	80.4	84.2
		Net	96.8	96.7	96.7	72.4	66.6	69.6
TR633	Osmaniye	Gross	107.2	104.4	105.8	101.4	91.5	96.5
		Net	96.8	96.6	96.7	77.8	73.5	75.7
TR904	Rize	Gross	108.4	109.6	108.9	136.7	119.0	127.9
		Net	99.4	98.5	99.0	96.4	86.4	91.4
TR422	Sakarya	Gross	104.7	106.6	105.6	109.0	97.5	103.4
		Net	99.2	98.7	99.0	82.9	72.6	77.9

Table 185. Gross and Net Schooling Ratios by Gender according to NUTS Level-3 (Continued)

Province Code	NUTS Level-3	Schooling Ratio	Primary Education			Secondary Education		
			Male	Female	Total	Male	Female	Total
TR831	Samsun	Gross	104.8	105.9	105.3	94.6	88.0	91.4
		Net	99.5	99.1	99.3	73.0	68.1	70.6
TRC34	Siirt	Gross	110.7	110.5	110.6	88.8	46.3	68.1
		Net	97.4	96.8	97.1	50.6	30.6	40.9
TR823	Sinop	Gross	109.3	110.0	109.6	99.2	91.8	95.5
		Net	98.5	98.0	98.3	76.9	71.1	74.0
TR722	Sivas	Gross	105.3	104.3	104.8	97.8	83.0	90.6
		Net	98.8	98.4	98.6	74.4	66.9	70.7
TRC21	Şanlıurfa	Gross	114.7	114.6	114.6	68.0	41.7	55.2
		Net	98.0	96.7	97.3	44.2	28.6	36.6
TRC33	Şırnak	Gross	110.8	111.0	110.9	79.0	47.2	63.7
		Net	97.5	96.5	97.0	46.0	29.6	38.1
TR211	Tekirdağ	Gross	107.7	107.4	107.5	110.6	100.1	105.5
		Net	98.7	98.5	98.6	84.7	78.7	81.8
TR832	Tokat	Gross	102.7	102.0	102.4	92.9	78.5	85.8
		Net	95.0	94.6	94.8	72.0	62.0	67.0
TR901	Trabzon	Gross	102.2	103.0	102.6	110.4	101.4	106.0
		Net	96.5	96.0	96.2	83.2	78.1	80.7
TRB11	Tunceli	Gross	105.7	105.0	105.4	111.6	104.4	108.0
		Net	97.2	95.7	96.5	82.2	78.2	80.2
TR334	Uşak	Gross	105.9	105.5	105.7	97.2	99.1	98.1
		Net	98.6	98.6	98.6	77.6	81.0	79.3
TRB21	Van	Gross	109.1	108.4	108.7	68.4	45.6	57.3
		Net	96.3	94.3	95.3	43.5	29.4	36.7
TR425	Yalova	Gross	108.9	109.4	109.1	111.1	106.4	108.8
		Net	98.8	98.6	98.7	82.5	81.2	81.9
TR723	Yozgat	Gross	98.6	98.7	98.6	84.1	70.2	77.3
		Net	91.8	91.2	91.5	65.2	56.9	61.1
TR811	Zonguldak	Gross	108.1	106.6	107.4	106.0	93.2	99.6
		Net	99.7	99.8	99.7	82.2	73.7	78.0
TR	Turkey	Gross	107.4	107.8	107.6	99.1	87.3	93.3
		Net	98.6	98.2	98.4	72.4	66.1	69.3

Source: Ministry of Education.

3.1.4 Labour Force Indicators by Gender

Speaking for our country in general, the rate of participation by 15+ years old population in labour force improved by 1.1 points to 49.9% in 2011 compared to the preceding year, raising the level by 0.9 points to 71.7% for males and by 1.2 points to 28.8% for females (Please refer to Table 186, Figure 90).

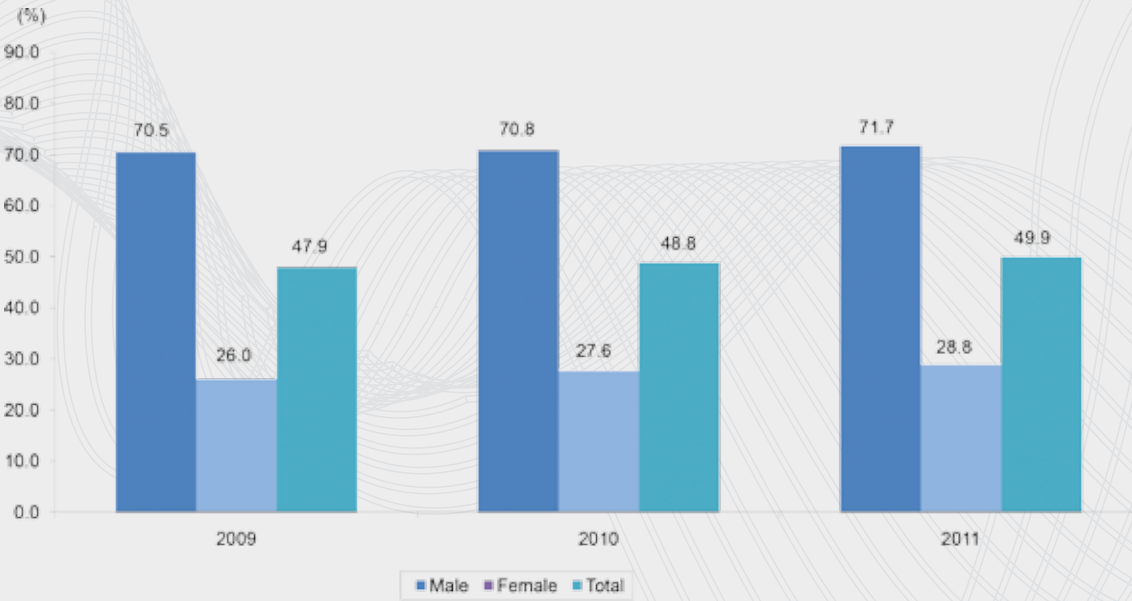
Table 186. Domestic Labour Force Market Indicators for Non-Institutional Age 15+ Population by Gender

Indicators	2009	2010	2011	(000 Person)		
				Rate of Change		
				2009	2010	2011
Male						
Non institutional working age population	25,369	25,801	26,320	1.8	1.7	2.0
Labour force	17,898	18,257	18,867	2.4	2.0	3.3
Employed	15,406	16,170	17,137	-1.2	5.0	6.0
Unemployed	2,491	2,088	1,730	32.7	-16.2	-17.1
Rate of participation in labour force	70,5	70,8	71,7	0.6	0.4	1.3
Employment rate	60,7	62,7	65,1	-3.0	3.3	3.8
Unemployment rate	13,9	11,4	9,2	29.9	-18.0	-19.3
Non-agricultural unemployment rate	16,0	13,2	10,7	30.1	-17.5	-18.9
Youth unemployment rate ⁽¹⁾	25,4	21,0	17,1	26.4	-17.3	-18.6
Female						
Non institutional working age population	26,317	26,740	27,273	1.8	1.6	2.0
Labour force	6,851	7,383	7,859	8.2	7.8	6.4
Employed	5,871	6,425	6,973	4.9	9.4	8.5
Unemployed	979	959	885	33.4	-2.0	-7.7
Rate of participation in labour force	26,0	27,6	28,8	6.1	6.2	4.3
Employment rate	22,3	24,0	25,6	3.2	7.6	6.7
Unemployment rate	14,3	13,0	11,3	23.3	-9.1	-13.1
Non-agricultural unemployment rate	21,9	20,2	17,7	21.0	-7.8	-12.4
Youth unemployment rate ⁽¹⁾	25,0	23,0	20,7	17.9	-8.0	-10.0
Total						
Non institutional working age population	51,686	52,541	53,593	1.8	1.7	2.0
Labour force	24,749	25,641	26,725	4.0	3.6	4.2
Employed	21,277	22,594	24,110	0.4	6.2	6.7
Unemployed	3,470	3,046	2,615	32.9	-12.2	-14.1
Rate of participation in labour force	47,9	48,8	49,9	2.1	1.9	2.3
Employment rate	41,2	43,0	45,0	-1.2	4.4	4.7
Unemployment rate	14,0	11,9	9,8	27.3	-15.0	-17.6
Non-agricultural unemployment rate	17,4	14,8	12,4	27.9	-14.9	-16.2
Youth unemployment rate ⁽¹⁾	25,3	21,7	18,4	23.4	-14.2	-15.2

Source: TURKSTAT.

(1): Non institutional 15 to 24 years old population.

PS: Rates of change may vary due to arithmetical round-ups.



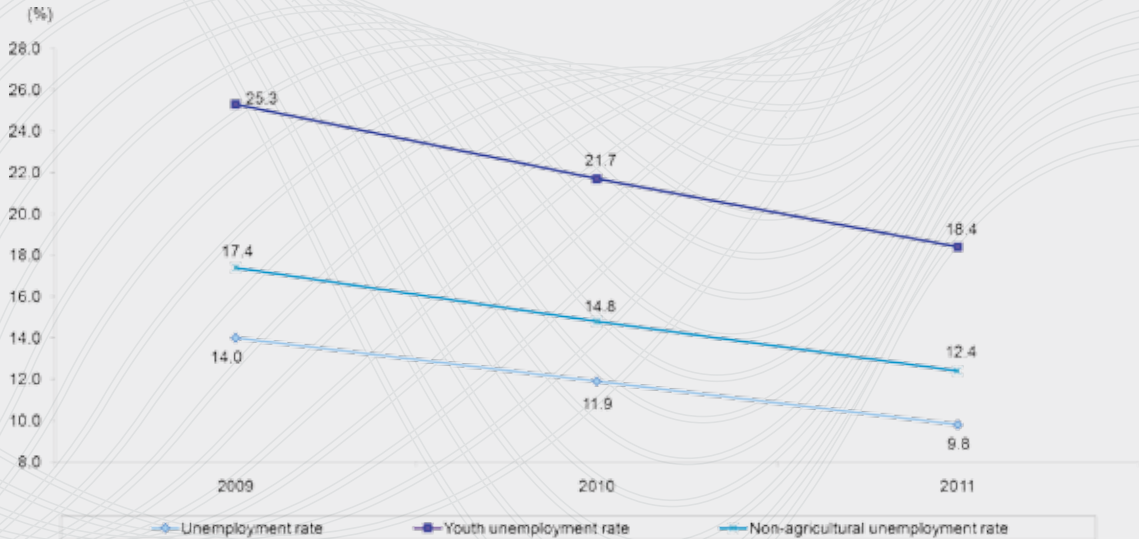
Source: TURKSTAT.

Figure 90. Rate of Labour Force Participation by Gender and Years

At a nationwide scale, the rate of participation by non institutional 15+ years old population in labour force demonstrated a change in rising direction by 1.9% in 2010 and this rise improved to 2.3% in 2011. The rate of participation of males in labour force were realised as 6.2% and 4.3% in 2010 and 2011 respectively, thus the rate of participation of males in labour force demonstrated a declining trend during 2011. Changing the perspective to the table for females, there has been a change in the rising direction by 4.0% and 1.3% during both years.

The rate of unemployment shrank to 9.8% nationwide by a 2.1 points drop, which meant a decrease to 9.2% for males with a decrement of 2.2 points and to 11.3% for females with a decrement of 1.7 points, with reference to the preceding year. The rates of change in unemployment rates for male, female and total population during 2011 demonstrated a change in the downward direction at rates of 19.3%, 13.1% and 17.6%, respectively. These results may, in fact, be construed as a natural outcome of the observed rise in both male and female rates of participation in labour force during 2011.

The non agricultural unemployment rate performed a decline by 2.4 points towards the level of 12.4% nationwide, compared to the preceding year. This rate was revealed to be 10.7% with a 2.5 points decline in males and 17.7% with a 2.5 points decline in females. It is also inferred from these results that the decline in the rate of unemployment was rather realised outside the agricultural sector (Please refer to Figure 91).



Source: TURKSTAT.

Figure 91. Rates of Unemployment by Years

The rate of unemployment among young population within 15-24 age range across our country receded by 3.3 points to 18.4%, showing a decline by 3.9 points to 17.1% in male and by 2.3 points to 20.7% in female groups. According to these results, the unemployment rate observed among young male population during 2011 demonstrated a change in the falling direction by 18.6%, while it maintained a level about 10.0% in young female population, compared to the preceding year. It is therefore possible to infer from these results that young males had higher rate of participation in labour force than their female counterparts.

3.1.4.1 Labour Force Indicators by Gender at Regional Level

By an analysis of labour force indicators of 15+ years old non institutional population in 2011 by gender according to NUTS Level-1, it becomes plainly visible that the region where males have the highest share among non institutional working age population is TRA (North East Anatolia) with a rate of 50.0% and were females have the highest share among the same population is TRC (South East Anatolia) region with 51.6%.

As for the total number of participants in the labour force, the region attaining the highest rate of males reveals to be the TRC (South East Anatolia) region with 85.7%, while the region with the highest rate of females is TR9 (East Black Sea) with 39.2%.

As for the total number of employed population, the region attaining the highest rate of males reveals to be the TRC (South East Anatolia) region with 85.3%, while the region with the highest rate of females is TR9 (East Black Sea) with 39.9%.

As for the total number of unemployed population, the region attaining the highest rate of males reveals to be the TRC (South East Anatolia) region with 88.8%, while the regions with the highest rate of females are TR2 (West Marmara) and TR3 (Aegean) regions with 44.1%.

As for the total number of non labour force population, the region attaining the highest rate of males reveals to be the TR9 (East Black Sea) region with 32.8%, while the region with the highest rate of females is TRB (Central East Anatolia) with 74.3% (Please refer to Table 187).

Table 187. Labour Force Indicators of Non Institutional Age 15+ Population in 2011 by Gender and NUTS Level-1

Regional Code	(000 Person)													
	Male					Female					Total			
NUTS Level-1	Non Institutional Working Age Population	Number of Labour Force Participants	Number of Employed	Number of Unemployed	Number of Not in the Labour Force	Non Institutional Working Age Population	Number of Labour Force Participants	Number of Employed	Number of Unemployed	Number of Not in the Labour Force	Number of Labour Force Participants	Number of Employed	Number of Unemployed	Number of Not in the Labour Force
TR1	4,862	3,536	3,161	374	1,326	4,911	1,238	1,050	188	3,673	4,774	4,211	562	4,999
TR2	1,259	897	845	52	362	1,282	403	362	41	878	1,300	1,207	93	1,240
TR3	3,629	2,642	2,420	222	987	3,780	1,320	1,145	175	2,460	3,962	3,565	397	3,447
TR4	2,615	1,901	1,741	160	714	2,649	811	706	105	1,838	2,712	2,447	265	2,552
TR5	2,545	1,814	1,675	139	732	2,653	688	612	77	1,965	2,502	2,287	216	2,697
TR6	3,260	2,401	2,161	239	859	3,429	1,137	1,001	136	2,292	3,538	3,162	375	3,151
TR7	1,357	964	874	90	392	1,415	383	343	40	1,032	1,347	1,217	130	1,424
TR8	1,638	1,161	1,095	65	477	1,739	687	642	45	1,052	1,848	1,737	110	1,529
TR9	942	673	623	50	270	988	434	414	21	554	1,107	1,037	71	824
TRA	696	520	466	54	176	697	211	204	7	486	731	670	61	662
TRB	1,173	850	749	101	323	1,227	295	267	28	932	1,145	1,016	129	1,255
TRC	2,345	1,510	1,327	183	835	2,503	251	228	23	2,252	1,761	1,555	206	3,087
TR	26,320	18,867	17,137	1,730	7,453	27,273	7,859	6,973	885	19,414	26,725	24,110	2,615	26,867

Source: TURKSTAT.

PS: Total sums may vary due to arithmetical round-ups.

The TR1 (İstanbul) region covers 18.5% of non institutional male population, 18.7% working males, 18.4% of employed males, 21.6% of unemployed males and 17.8% non working males. With a look to the picture from the perspective of females, while TR1 (İstanbul) region covers 18.0% of the total non institutional female population, 21.2% of unemployed females and 18.9% of non working females, TR3 (Aegean) region encompasses 16.8% of working females and 16.4% of employed females.

3.1.5 Mortality Rates

Mortality statistics the publishing efforts of which commenced as of 2011 for the first time in Turkey, are being compiled in the MERNIS (Central Population Registry and Management System) database, since 2009. Of the total adult deaths occurring in 2009 in 369,971 incidents, 55.2% or 203,096 involved males, while 44.8% or 164,875 involved females.

Of the total infant deaths occurring in 2009 in 17,354 incidents, 54.3% or 9,417 involved babies of male gender, while 45.7% or 7,937 involved babies of female gender. Due to the reason that gender ratio at birth favours male babies, the ratio of infant deaths are also higher in male gender relative to females.

Of the 280,531 adult deaths with known cases taking place in 2009, 39.9% resulted from circulatory system diseases. This foremost cause is followed by malignant tumours at 20.7%, respiratory system diseases at 8.9%, endocrinal, nutritional and metabolic disorders/diseases at 6.4% and external causes of injury and intoxications at 4.0% and other reasons at 20.2% (Please refer to Table 188).

Table 188. Proportional Distribution of Causes of Death by Gender

Causes of Death	(2009)		
	Male	Female	Total
Circulatory system diseases	36.2	44.4	39.9
Malignant tumours	24.4	16.0	20.7
Respiratory diseases	10.1	7.4	8.9
Endocrinal, nutritional and metabolic disorders/diseases	4.8	8.3	6.4
External injuries and intoxications	4.9	2.8	4.0
Other	19.6	21.0	20.2
Total	100.0	100.0	100.0

Source: TURKSTAT.

A review of causes of death by category of gender reveals that the highest rate among male mortalities belong to the circulatory system diseases, which is measured as 36.2% in value. A 44.4% of adult women die because of circulatory system diseases.

3.1.5.1 Mortality Rates at Regional Level

The region reported with the highest adult mortality rate during 2009 according to NUTS Level-1 was TR3 (Aegean) region at 15.5%, while the lowest rate is observed in TRA (North East Anatolia) region as 3.0%. The region where male mortality rate is measured highest is the TR2 (West Marmara) region with 56.4%, while the lowest male mortality rate is observed in TRB (Central East Anatolia) region with 51.9%. The region where

female mortality rate is measured highest is the TRB (Central East Anatolia) region with 48.1%, while the lowest female mortality rate is observed in TR2 (West Marmara) region with 43.6% (Please refer to Table 189).

The region attaining the highest infant mortality rate reveals to be the TRC (South East Anatolia) region with 20.4%, while the region with the lowest infant mortality rate is TR9 (East Black Sea) with 2.3%. The region where male infant mortality rate is measured highest is the TR2 (West Marmara) region with 58.1%, while the lowest male infant mortality rate is observed in TRB (Central East Anatolia) region with 49.8%.

Table 189. Adult and Infant Mortality Rates by Gender according to NUTS Level-1

(2009)

Regional Code	NUTS Level-1	Number of Deaths						Number of Infant Deaths					
		Male	Share in Turkey	Female	Share in Turkey	Total	Share in Turkey	Male	Share in Turkey	Female	Share in Turkey	Total	Share in Turkey
TR1	Istanbul	29,771	55.5	23,911	44.5	53,682	14.6	1,307	54.6	1,088	45.4	2,395	13.8
TR2	West Marmara	12,784	56.4	9,880	43.6	22,664	6.2	280	58.1	202	41.9	482	2.8
TR3	Aegean Region	31,730	55.7	25,257	44.3	56,987	15.5	1,022	55.3	826	44.7	1,848	10.6
TR4	East Marmara	20,893	56.0	16,415	44.0	37,308	10.1	714	55.6	570	44.4	1,284	7.4
TR5	West Anatolia	17,843	54.2	15,087	45.8	32,930	8.9	782	54.5	652	45.5	1,434	8.3
TR6	Mediterranean Region	22,904	55.7	18,188	44.3	41,092	11.2	1,233	54.4	1,035	45.6	2,268	13.1
TR7	Central West Anatolia	11,956	55.6	9,533	44.4	21,489	5.8	444	56.1	348	43.9	792	4.6
TR8	West Black Sea	17,181	55.0	14,044	45.0	31,225	8.5	457	54.9	375	45.1	832	4.8
TR9	East Black Sea	8,912	55.3	7,208	44.7	16,120	4.4	232	57.4	172	42.6	404	2.3
TRA	North East Anatolia	5,985	54.5	5,000	45.5	10,985	3.0	325	52.3	296	47.7	621	3.6
TRB	Central East Anatolia	8,419	51.9	7,788	48.1	16,207	4.4	725	49.8	731	50.2	1,456	8.4
TRC	South East Anatolia	14,718	53.9	12,564	46.1	27,282	7.4	1,896	53.6	1,642	46.4	3,538	20.4
TR	Turkey	203,096	55.2	164,875	44.8	367,971	100.0	9,417	54.3	7,937	45.7	17,354	100.0

Source: TURKSTAT.

3.1.6 Median Age

The median age, which was 28.8 in our country during 2009 rose to 29.2 in 2010 with a four-months increase and then reached at 29.7 in 2011, after a five-months increase. Based on the median age values between 2009 and 2011, it can be said that the population of our country aged by 9 months (Please refer to Table 190).

Table 190. Median Age by Gender and Years

Years	Median Age					
	Male	Rate of Change	Female	Rate of Change	Total	Rate of Change
2009	28.3	1.1	29.3	1.1	28.8	1.1
2010	28.7	1.5	29.8	1.6	29.2	1.6
2011	29.1	1.6	30.3	1.6	29.7	1.6

Source: TURKSTAT.

The median age in male population rose from 28.3 years in 2009 to 28.7 years by 4 months in 2010 and eventually reached at 29.1 years with a further increase by 4 months. The trend observed in the overall population also applies to male population, which aged by 8 months and reached at a median age of 29.1 years in 2011, compared to 2009.

The median age in female population rose from 29.3 years in 2009 to 29.8 years by 5 months in 2010 and eventually reached at 30.3 years with a further increase by 5 months in 2011. The median age value for female population improved by 10 months in 2011 with reference to 2009.

These results may be construed as suggestive of the facts that the median age of female population has a greater value than that of males and that the difference between median ages of female and male populations reached at 1 year in 2011, from a baseline of 10 months in 2009.

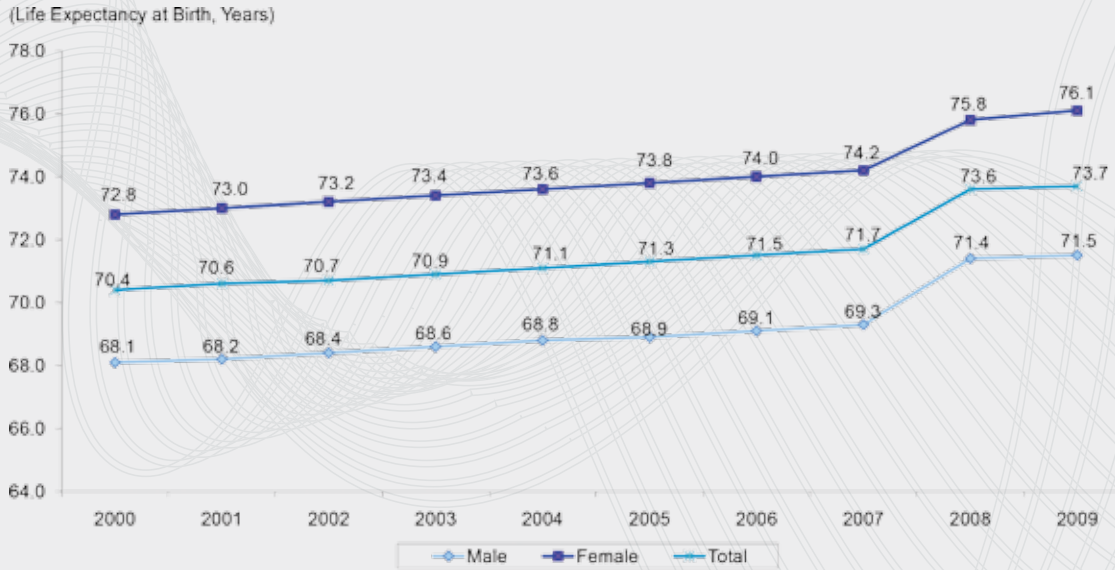
3.1.7 Life Expectancy at Birth

While the life expectancy at birth in our country was 70.4 years in 2000, it rose to 70.6 years by a 2-months increase in 2001, rose by another 1 month increase to 70.7 years in 2002, rose by 2-months increase to 70.9 years in 2003, rose by another 2-months increase to 71.1 years in 2004 and by 2 months annual increases during the period between 2005 and 2007 to 71.7 years in 2007 but, the maximum increase was recorded during 2008, by 1.9 years to 73.7 years. The median age became 73.7 years between 2008 and 2009, with 1 year increase per annum. In the period between 2000 and 2009, the life expectancy at birth was further extended by 3.3 years (Please refer to Table 191, Figure 92).

Table 191. Life Expectancy at Birth By Years

Years	Life Expectancy at Birth			Difference to the previous year		
	Male	Female	Total	Male	Female	Total
2000	68.1	72.8	70.4	1.0	1.0	1.0
2001	68.2	73.0	70.6	0.1	0.2	0.2
2002	68.4	73.2	70.7	0.2	0.2	0.1
2003	68.6	73.4	70.9	0.2	0.2	0.2
2004	68.8	73.6	71.1	0.2	0.2	0.2
2005	68.9	73.8	71.3	0.1	0.2	0.2
2006	69.1	74.0	71.5	0.2	0.2	0.2
2007	69.3	74.2	71.7	0.2	0.2	0.2
2008	71.4	75.8	73.6	2.1	1.6	1.9
2009	71.5	76.1	73.7	0.1	0.3	0.1

Source: General Directorate of Population and Citizenship Affairs.



Source: TURKSTAT.

Figure 92. Life Expectancy at Birth by Years

An analysis of life expectancies at birth for male population during the period between 2000 and 2009 reveals that the life expectancy grew at rates varying in a range of 1 to 2 months in the 2001/2007 period, reaching at 69.3 years in 2007, and then further rose by 2.1 years, accomplishing the highest rate, during 2008, reaching at 71.4 years and this was followed by a modest 1 month increase during 2009, yielding a final value of 71.5 years. There has been a growth by 3.4 years in the life expectancies at birth of male population in 2009 with comparison to 2000.

The life expectancy at birth for the female population, rose by two-month increments per year during the period between 2001 and 2007 and eventually stuck at 74.2 years in 2007 and then furthered its increase by 1.6 years, accomplishing the highest rate of the period as in the case for total and male populations of the country during 2008, getting to 75.8 years and finally reached at 76.1 years in 2009, with a rise of 3 months.

In the period between 2000 and 2009 and especially during 2008, the life expectancy at birth of both females and males made notable increase by 1.6 and 3.4 years respectively, compared to the other years.

3.2 Working Life

3.2.1 Employment

Despite the growth in unemployment fuelled particularly by the global economic crisis, additional job opportunities were created for 83 thousand people during 2009 compared to the preceding year, which number became 1 million 317 thousand people, in 2010. Concurrent with the improvement in job opportunities, the number of people employed rose by 2 points to 45.0% in 2011, representing 24,110 thousand people placed in a variety of job positions, anew. The employment opportunities provided to an additional group of 1 million 516 thousand people compared to the previous year favoured 967 thousand men and 548 women, who were seeking jobs in the period concerned. The rate of employment for men grew by 2.4 points up to 65.1%, making 17,137 thousand people, while for women, it also showed a growth trend by 1.6 points net increase, rising to 25.6%, or 6,973

thousand people (Please refer to Table 186).

In 2001 relative to the preceding year, the employment rate rose by 4.7% at total level, which meant an increase by 3.8% for men and by 6.7% for women.

An analysis of employment by sectors suggests that agricultural sector appears to be the sector showing the highest rate of increase in employment across our country, during 2011. The labour force inclining towards the agricultural sector in 2010 due to the crisis, furthered the same attitude throughout 2011. Despite the 0.4 points falloff in 2011 compared to the preceding year, the agricultural sector rose by 8.1%, escalating the number of employees in the sector to 6,143 thousand. The non agricultural employment rate, which was at 17,060 thousand people in month January of 2011, managed a 6.0% increase reaching at 18,079 thousand new employees, while the agricultural employment rate rose by 3.7% to 5,599 thousand, from a baseline of 5,401 thousand recorded for the same quarter, during the preceding year (Please refer to Table 192, Figures 93 and Figure 94).

The number of people employed in the industrial sector during 2011, on the other hand, showed a rise by 7.6% towards 6,380 thousand compared to the preceding year, while the same number for those employed in the services sector grew 5.5% to 11,587 thousand. With a comparison of rates of employment by sectors as part of total employment during 2011, the agricultural sector tends to maintain its level of 25.5% while an increase is observed in industrial sector by 0.3 points towards 26.5%, contrary to the recession in services sector by 0.5 points to 48.1%. The individual shares of both agricultural and industrial sectors in the whole tended a rise, unlike the services sector, which shrank.

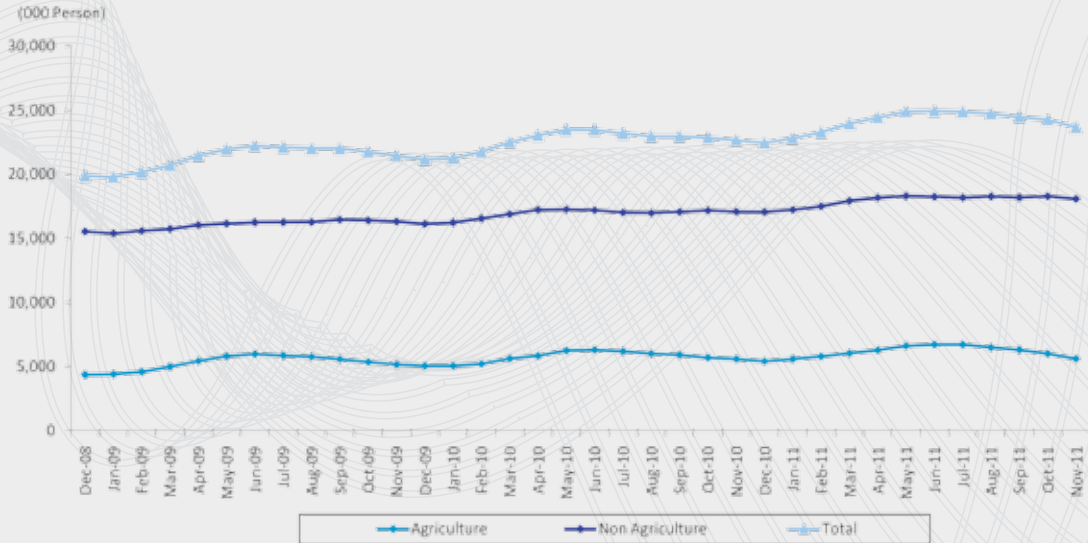
Table 192. Sectoral Employment of Non-Institutional Population with 15+ Years of Age

Sectors	2009	2010	2011	Share in Total			Rate of Change		
				2009	2010	2011	2009	2010	2011
				(000 Person)					
Turkey									
Agriculture	5,240	5,683	6,143	24.6	25.2	25.5	4.5	8.5	8.1
Industry ⁽¹⁾	5,385	5,927	6,380	25.3	26.2	26.5	-5.2	10.1	7.6
Services	10,652	10,985	11,587	50.1	48.6	48.1	1.5	3.1	5.5
Total	21,277	22,594	24,110	100.0	100.0	100.0	0.4	6.2	6.7
Urban									
Agriculture	589	701	783	4.3	4.8	5.0	-9.0	19.0	11.7
Industry ⁽¹⁾	4,398	4,888	5,158	31.8	33.3	33.3	-6.3	11.1	5.5
Services	8,852	9,090	9,567	64.0	61.9	61.7	2.1	2.7	5.2
Total	13,839	14,679	15,508	100.0	100.0	100.0	-1.2	6.1	5.6
Rural									
Agriculture	4,651	4,981	5,360	62.5	62.9	62.3	6.5	7.1	7.6
Industry ⁽¹⁾	987	1,039	1,222	13.3	13.1	14.2	-0.3	5.3	17.6
Services	1,800	1,895	2,021	24.2	23.9	23.5	-1.4	5.3	6.6
Total	7,438	7,915	8,603	100.0	100.0	100.0	3.5	6.4	8.7

Source: TURKSTAT.

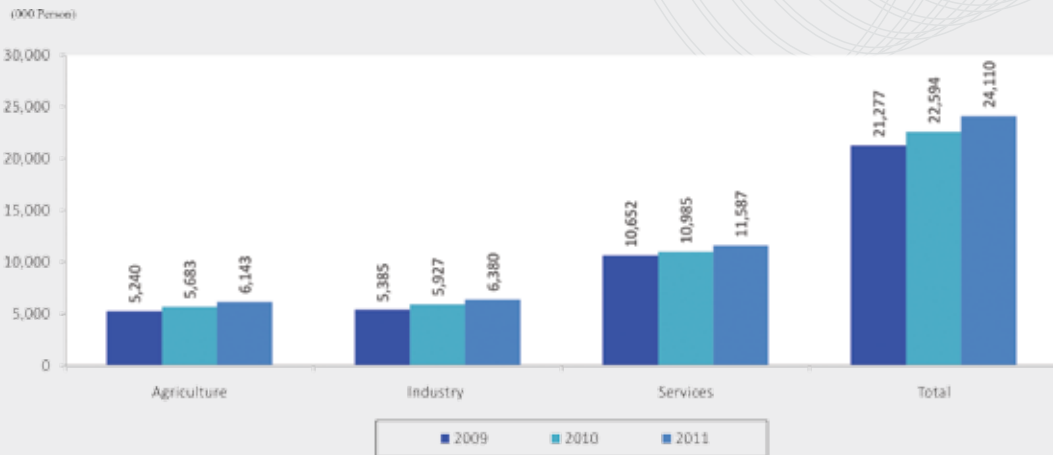
(1): Industrial sector also covers the construction industry.

PS: Total sums may vary due to arithmetical round-ups.



Source: TURKSTAT.

Figure 93. Employment of Non-Institutional Population with 15+ Years of Age in Agricultural and Non Agricultural Sectors by Months



Source: TURKSTAT.

Figure 94. Sectoral Employment of Non-Institutional Population with 15+ Years of Age, by Years

Employment in urban settlements rose 5.6% with a devolved rate of decrease by 0.5 points compared to the preceding year, reaching at an employed population of 15,508 thousand people. By sectors, the highest rate of increase of 2011 with reference to the preceding year was observed in the agricultural sector at 11.7% and this was followed by the industrial sector achieved rate of 5.5% and services sector achieved rate of 5.2% respectively. Comparing rate of employment by sectors in urban settling environs for 2011 versus 2010, the agricultural sector appears to have accomplished a rise by 0.2 points to 4.8% during 2011 relative to the preceding year, the industrial sector almost never changed its share of 33.3% and the services sector recorded a decline by 0.2 points to 61.7%.

Employment in rural settlements, on the other hand, rose 8.7% with a rate of increase by 2.3 points compared to the preceding year, reaching at an employed population of 8,603 thousand people. By sectors, the highest rate of increase was observed in the industrial

sector at 17.6% and this was followed by the agricultural sector achieved rate of 7.6% and services sector achieved rate of 6.6%, respectively.

Comparing the shares of each sector in employment at rural settlements for 2011 versus 2010, the agricultural sector had a decline in its share by 0.6 points and achieved a year-end rate of 62.3% in 2011, while the share of industrial sector rose by 1.1 points to 14.2% and of services sector fell by 0.4 points to 23.5%.

In 2011, while the rate of employment in the agricultural sector tended a rise in urban settlements, it remained unchanged for the industrial sector, but, notably, the situation completely reserved in rural settlements, where employment in agricultural sector declined, with a concomitant rise of the number of employed in the industrial sector.

3.2.2 Employment at Regional Level

Through an analysis of unemployment and employment rates in 2011 according to NUTS Level-1, the regions recorded with the highest rates of overall and female unemployment reveal to be TR1 (İstanbul) with 11.8% and 15.2%, respectively. The region with the highest unemployment rate among men turns out to be TRC (South East Anatolia) region with 12.1% within a holistic perspective, after TR1 (İstanbul) region, the region with the highest rate of unemployment comes TRC (South East Anatolia) region with 11.7% and TRB (Central East Anatolia) region with 11.2% (Please refer to Table 193).

Table 193. Rates of Employment and Unemployment of Non-Institutional Population with 15+ Years of Age in 2011, by NUTS Level-1 and Gender

Regional Code	NUTS Level-1	Unemployment Rate			Unemployment Rate (Male/Female)	Employment rate			Employment Rate (Male/Female)
		Male	Female	Total		Male	Female	Total	
TR1	Istanbul	10.6	15.2	11.8	0.7	65.0	21.4	43.1	3.0
TR2	West Marmara	5.8	10.2	7.1	0.6	67.1	28.3	47.5	2.4
TR3	Aegean Region	8.4	13.3	10.0	0.6	66.7	30.3	48.1	2.2
TR4	East Marmara	8.4	13.0	9.8	0.6	66.6	26.7	46.5	2.5
TR5	West Anatolia	7.6	11.2	8.6	0.7	65.8	23.1	44.0	2.8
TR6	Mediterranean Region	10.0	12.0	10.6	0.8	66.3	29.2	47.3	2.3
TR7	Central West Anatolia	9.3	10.5	9.7	0.9	64.4	24.2	43.9	2.7
TR8	West Black Sea	5.6	6.5	6.0	0.9	66.9	36.9	51.4	1.8
TR9	East Black Sea	7.5	4.7	6.4	1.6	66.1	41.9	53.7	1.6
TRA	North East Anatolia	10.4	3.3	8.3	3.2	66.9	29.2	48.1	2.3
TRB	Central East Anatolia	11.8	9.4	11.2	1.3	63.9	21.8	42.4	2.9
TRC	South East Anatolia	12.1	9.1	11.7	1.3	56.6	9.1	32.1	6.2
TR	Turkey	9.2	11.3	9.8	0.8	65.1	25.6	45.0	2.5

Source: TURKSTAT.

The highest rates of unemployment in male population belong in TRC (South East Anatolia) region with 12.1%, TRB (Central East Anatolia) region with 11.8% and TRA (North East Anatolia) region with 10.4%, in descending order of precedence.

TR1 (İstanbul) region is immediately followed by TR3 (Aegean) region with 13.3% and TR4 (East Marmara) region with 13.0% unemployment among females.

The gender specific categorisation of unemployment rates by regions reveals that male unemployment rates retain lower than female unemployment rate, beaten by 0.7 points in proportional value in TR1 (İstanbul) and TR5 (West Anatolia) regions. The unemployment rates of women notable take a higher stance than that of men also in TR2 (West Marmara), TR3 (Aegean) and TR4 (East Marmara) regions. Nevertheless, male unemployment rate appears to be higher than female unemployment rate in TRA (North East Anatolia), TRB (Central East Anatolia) and TRC (South East Anatolia) region, contrary to the picture drawn above.

TR9 (East Black Sea) region seems to accommodate both overall and female employment rates at extremes, which realised figures as high as 53.7% and 41.9% respectively. The region where male employment rate appears to be the lowest is TR9 (East Black Sea) region with a ratio of 67.1%. The overall employment rates by regions get their maximum values, after TR9 (East Black Sea) region, in TR8 (West Black Sea) region with 51.4% and in TR3 (Aegean) region with 48.1%, them being the top three in the ranking. As regards the male employment, TR8 (West Black Sea) and TRA (North East Anatolia) regions follow TR2 (West Marmara) region in the 2nd and 3rd places of the ranking with 66.9%.

The female employment rate retains its highest value in TR9 (East Black Sea) region, followed by TR8 (West Black Sea) region with 36.9% and TR3 (Aegean) region with 30.3%, in descending order.

A comparative analysis of male and female employment rates at regional level shows that male employment its highest value relative to female employment in TR1 (İstanbul) region with a value of 3.0%. This figure may also be interpreted to purport a 3 times greater number of men than women employed in TR1 (İstanbul) region.

An analysis of the employment rates of 15+ years old non institutional male population by sector across the country for 2011 reveals that a 50.3% is employed in services, 31.1% is employed in industrial and 18.7% in agricultural sectors. Total number of males currently employed represents an 18.5% in TR1 (İstanbul) region, a 14.1% in TR3 (Aegean) region and a 12.6% in TR6 (Mediterranean) region. Again out of the total of men currently employed, a 10.5% is hired by the services and 7.8% by the industrial sectors, in TR1 (İstanbul) region. Out of total employed male rates in Turkey, TR3 (Aegean) and TR6 (Mediterranean) regions draw notice with 6.7% rate of males employed by the industrial sector (Please refer to Table 194, Figure 95).

Changing view of the same picture with focus on women, a 42.6% of females are employed in services sector with 42.2% in agricultural and 15.2% in industrial sectors, in Turkey, countrywide. The extremely high rate of female employment especially in the agricultural sector is in fact a direct result of rural women's attending to work as unpaid family workers. The TR1 (İstanbul), TR3 (Aegean) and TR6 (Mediterranean) regions form with 15.1%, 16.4% and 14.4% respectively up the top 3 regions in the ranking of total female employment across the country. As for the regions that employ the highest number of women and sectors in which they are massively employed, TR1 (Istanbul) region employs 10.2% of females in services sector, while TR3 (Aegean) and TR6 (Mediterranean) regions employ 7.2% of the same in agricultural sector.

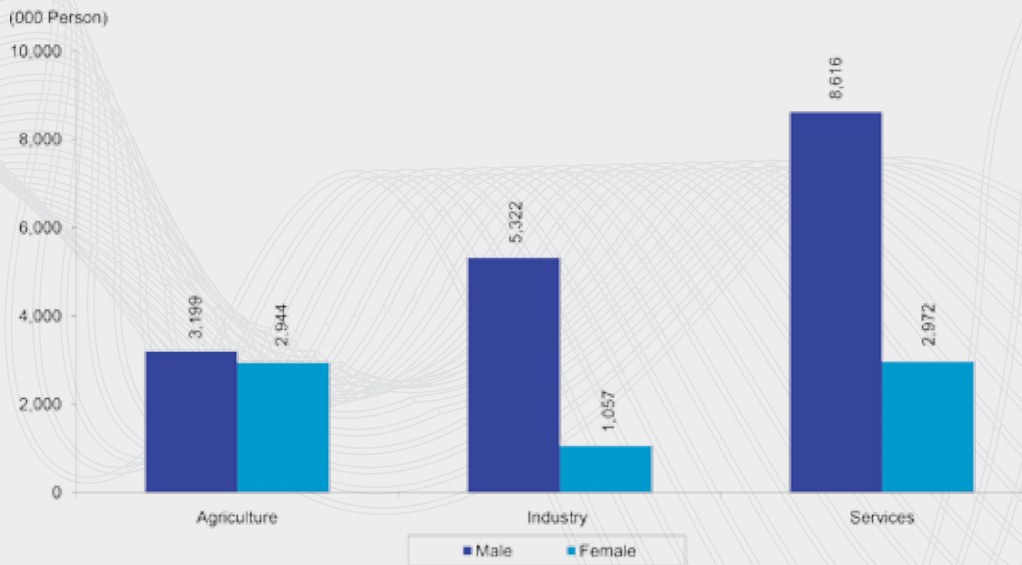
Table 194. Sectors of Employment of Non Institutional Age 15+ Population in 2011 by NUTS Level-1 and Gender

Regional Code	NUTS Level-1	Sectors	(000 Person)						Rate of Employment (Male/Female)
			Male		Female		Total		
			Number	Share in Turkey	Number	Share in Turkey	Number	Share in Total	
TR1	Istanbul	Agriculture	19	0.1	4	0.1	23	0.1	4.8
		Industry ⁽¹⁾	1,339	7.8	339	4.9	1,678	7.0	3.9
		Services	1,804	10.5	708	10.2	2,512	10.4	2.5
		Total	3,162	18.5	1,051	15.1	4,213	17.5	3.0
TR2	West Marmara	Agriculture	206	1.2	145	2.1	351	1.5	1.4
		Industry ⁽¹⁾	277	1.6	74	1.1	351	1.5	3.7
		Services	362	2.1	143	2.1	505	2.1	2.5
		Total	845	4.9	362	5.2	1,207	5.0	2.3
TR3	Aegean Region	Agriculture	553	3.2	502	7.2	1,055	4.4	1.1
		Industry ⁽¹⁾	712	4.2	168	2.4	880	3.6	4.2
		Services	1,154	6.7	475	6.8	1,629	6.8	2.4
		Total	2,419	14.1	1,145	16.4	3,564	14.8	2.1
TR4	East Marmara	Agriculture	204	1.2	206	3.0	410	1.7	1.0
		Industry ⁽¹⁾	760	4.4	190	2.7	950	3.9	4.0
		Services	776	4.5	310	4.4	1,086	4.5	2.5
		Total	1,740	10.2	706	10.1	2,446	10.1	2.5
TR5	West Anatolia	Agriculture	191	1.1	143	2.1	334	1.4	1.3
		Industry ⁽¹⁾	458	2.7	73	1.0	531	2.2	6.3
		Services	1,025	6.0	396	5.7	1,421	5.9	2.6
		Total	1,674	9.8	612	8.8	2,286	9.5	2.7
TR6	Mediterranean Region	Agriculture	523	3.1	504	7.2	1,027	4.3	1.0
		Industry ⁽¹⁾	496	2.9	82	1.2	578	2.4	6.0
		Services	1,143	6.7	415	6.0	1,558	6.5	2.8
		Total	2,162	12.6	1,001	14.4	3,163	13.1	2.2
TR7	Central West Anatolia	Agriculture	251	1.5	217	3.1	468	1.9	1.2
		Industry ⁽¹⁾	249	1.5	29	0.4	278	1.2	8.6
		Services	375	2.2	97	1.4	472	2.0	3.9
		Total	875	5.1	343	4.9	1,218	5.1	2.6
TR8	West Black Sea	Agriculture	375	2.2	432	6.2	807	3.3	0.9
		Industry ⁽¹⁾	258	1.5	50	0.7	308	1.3	5.2
		Services	462	2.7	161	2.3	623	2.6	2.9
		Total	1,095	6.4	643	9.2	1,738	7.2	1.7
TR9	East Black Sea	Agriculture	229	1.3	326	4.7	555	2.3	0.7
		Industry ⁽¹⁾	137	0.8	16	0.2	153	0.6	8.6
		Services	256	1.5	72	1.0	328	1.4	3.6
		Total	622	3.6	414	5.9	1,036	4.3	1.5
TRA	North East Anatolia	Agriculture	185	1.1	165	2.4	350	1.5	1.1
		Industry ⁽¹⁾	81	0.5	7	0.1	88	0.4	11.6
		Services	200	1.2	32	0.5	232	1.0	6.3
		Total	466	2.7	204	2.9	670	2.8	2.3
TRB	Central East Anatolia	Agriculture	210	1.2	193	2.8	403	1.7	1.1
		Industry ⁽¹⁾	177	1.0	10	0.1	187	0.8	17.7
		Services	363	2.1	64	0.9	427	1.8	5.7
		Total	750	4.4	267	3.8	1,017	4.2	2.8
TRC	South East Anatolia	Agriculture	254	1.5	109	1.6	363	1.5	2.3
		Industry ⁽¹⁾	378	2.2	21	0.3	399	1.7	18.0
		Services	694	4.0	98	1.4	792	3.3	7.1
		Total	1,326	7.7	228	3.3	1,554	6.4	5.8
TR	Turkey	Agriculture	3,199	18.7	2,944	42.2	6,143	25.5	1.1
		Industry ⁽¹⁾	5,322	31.1	1,057	15.2	6,380	26.5	5.0
		Services	8,616	50.3	2,972	42.6	11,587	48.1	2.9
		Total	17,137	100.0	6,973	100.0	24,110	100.0	2.5

Source: TURKSTAT.

(1): Industrial sector also covers the construction industry.

PS: Total sums may vary due to arithmetical round-ups.

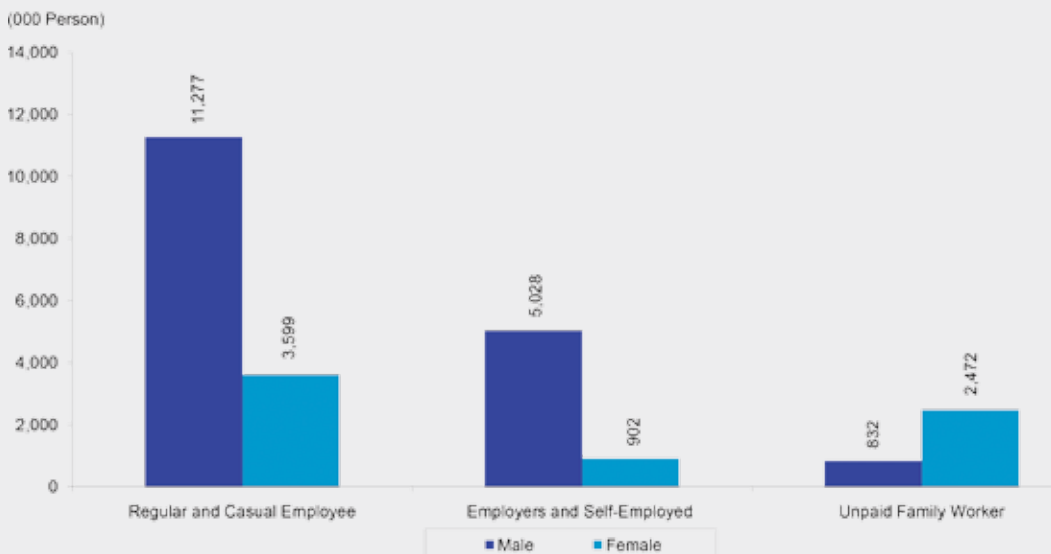


Source: TURKSTAT.

Figure 95. Sectors of Employment of Non-Institutional Age 15+ Population in 2011 by Gender

The rate of males proved to be 18.0 times higher than the rate of females employed in the industrial sector in TRC (South East Anatolia) region and the rate of males reveal to be 17.7 times higher than the rate of females employed in the industrial sector of TRB (Central East Anatolia) region. Generally speaking for all 12 regions, the gap between rate of males employed in the industrial sector and that of females employed in the same sector is much more evident than in other sectors.

In 2011, a 61.7% of the 15+ years old non institutional population were employed as regular and casual employee, a 24.6% worked as entrepreneurs and 13.7% as unpaid family workers across Turkey, with a holistic perspective (Please refer to Table 195, Figure 96).



Source: TURKSTAT.

Figure 96. Employment Status of Non-Institutional Age 15+ Population in 2011 by Gender

Table 195. Employment Status of Non-Institutional Age 15+ Population in 2011 by NUTS Level-1

Re-gional Code	NUTS Level-1	Status at Work	(000 Person)						
			Male		Female		Total		Rate of Employment (Male/Female)
			Number	Share in Turkey	Number	Share in Turkey	Number	Share in Total	
TR1	Istanbul	Regular and Casual Employee	2,516	14.7	930	13.3	3,446	14.3	2.7
		Employers and Self-Employed	633	3.7	99	1.4	732	3.0	6.4
		Unpaid Family Worker	13	0.1	21	0.3	34	0.1	0.6
		Total	3,162	18.5	1,050	15.1	4,212	17.5	3.0
TR2	West Marmara	Regular and Casual Employee	513	3.0	179	2.6	692	2.9	2.9
		Employers and Self-Employed	283	1.7	39	0.6	322	1.3	7.3
		Unpaid Family Worker	48	0.3	144	2.1	192	0.8	0.3
		Total	844	4.9	362	5.2	1,206	5.0	2.3
TR3	Aegean Region	Regular and Casual Employee	1,494	8.7	585	8.4	2,079	8.6	2.6
		Employers and Self-Employed	800	4.7	101	1.4	901	3.7	7.9
		Unpaid Family Worker	126	0.7	458	6.6	584	2.4	0.3
		Total	2,420	14.1	1,144	16.4	3,564	14.8	2.1
TR4	East Marmara	Regular and Casual Employee	1,279	7.5	439	6.3	1,718	7.1	2.9
		Employers and Self-Employed	410	2.4	99	1.4	509	2.1	4.1
		Unpaid Family Worker	53	0.3	168	2.4	221	0.9	0.3
		Total	1,742	10.2	706	10.1	2,448	10.2	2.5
TR5	West Anatolia	Regular and Casual Employee	1,199	7.0	415	6.0	1,614	6.7	2.9
		Employers and Self-Employed	418	2.4	65	0.9	483	2.0	6.4
		Unpaid Family Worker	59	0.3	132	1.9	191	0.8	0.4
		Total	1,676	9.8	612	8.8	2,288	9.5	2.7
TR6	Mediterranean Region	Regular and Casual Employee	1,345	7.8	452	6.5	1,797	7.5	3.0
		Employers and Self-Employed	697	4.1	166	2.4	863	3.6	4.2
		Unpaid Family Worker	119	0.7	384	5.5	503	2.1	0.3
		Total	2,161	12.6	1,002	14.4	3,163	13.1	2.2
TR7	Central West Anatolia	Regular and Casual Employee	507	3.0	106	1.5	613	2.5	4.8
		Employers and Self-Employed	290	1.7	45	0.6	335	1.4	6.4
		Unpaid Family Worker	77	0.4	192	2.8	269	1.1	0.4
		Total	874	5.1	343	4.9	1,217	5.0	2.5
TR8	West Black Sea	Regular and Casual Employee	560	3.3	178	2.6	738	3.1	3.1
		Employers and Self-Employed	425	2.5	77	1.1	502	2.1	5.5
		Unpaid Family Worker	110	0.6	387	5.5	497	2.1	0.3
		Total	1,095	6.4	642	9.2	1,737	7.2	1.7
TR9	East Black Sea	Regular and Casual Employee	302	1.8	78	1.1	380	1.6	3.9
		Employers and Self-Employed	284	1.7	136	2.0	420	1.7	2.1
		Unpaid Family Worker	37	0.2	200	2.9	237	1.0	0.2
		Total	623	3.6	414	5.9	1,037	4.3	1.5
TRA	North East Anatolia	Regular and Casual Employee	227	1.3	33	0.5	260	1.1	6.9
		Employers and Self-Employed	175	1.0	29	0.4	204	0.8	6.0
		Unpaid Family Worker	63	0.4	142	2.0	205	0.9	0.4
		Total	465	2.7	204	2.9	669	2.8	2.3
TRB	Central East Anatolia	Regular and Casual Employee	436	2.5	65	0.9	501	2.1	6.7
		Employers and Self-Employed	242	1.4	23	0.3	265	1.1	10.5
		Unpaid Family Worker	71	0.4	179	2.6	250	1.0	0.4
		Total	749	4.4	267	3.8	1,016	4.2	2.8
TRC	South East Anatolia	Regular and Casual Employee	899	5.2	138	2.0	1,037	4.3	6.5
		Employers and Self-Employed	371	2.2	24	0.3	395	1.6	15.5
		Unpaid Family Worker	57	0.3	65	0.9	122	0.5	0.9
		Total	1,327	7.7	227	3.3	1,554	6.4	5.8
TR	Turkey	Regular and Casual Employee	11,277	65.8	3,599	51.6	14,876	61.7	3.1
		Employers and Self-Employed	5,028	29.3	902	12.9	5,931	24.6	5.6
		Unpaid Family Worker	832	4.9	2,472	35.5	3,303	13.7	0.3
		Total	17,137	100.0	6,973	100.0	24,110	100.0	2.5

Source: TURKSTAT.

PS: Total sums may vary due to arithmetical round-ups.

For males, the rate of employment as regular and casual employee was 65.8%, while the rate of entrepreneurs was 29.3% and of unpaid family workers, 4.9%, throughout Turkey. By an analysis of the status at work of total employed males and the regions in which they are employed according to NUTS Level-1, it becomes obvious that a 14.7% of males in TR1 (İstanbul) region, in addition to an 8.7% in TR3 (Aegean) region, a 7.8% in TR6 (Mediterranean) region and a 7.0% in TR5 (West Anatolia) region work as regular and casual employee.

Speaking for females by generality of Turkey and with a holistic approach, a 51.6% was employed as regular and casual employee, in addition to a 35.5% employed as unpaid family workers and 12.9% as entrepreneurs. The highest rate among total female employment belonged to those working as regular and casual employee by 13.3% in TR1 (İstanbul) region, 8.4% in TR3 (Aegean) region and 6.5% in TR6 (Mediterranean) region.

As regards the status at work, with an analysis covering whole Turkey for both male and female genders, the number of males employed as regular and casual employee reveals to be 3.1 folds of the opposite gender, while the number of male entrepreneurs is 5.6 times higher than that of female entrepreneurs. Nonetheless, the number of women workers who work as unpaid family workers outruns that of men by 3 times.

3.2.3 Wages

There has been a 55.7% and 16.8% increase in number of workplaces and of collective labour agreements entered during 2011 respectively, meaning 1,942 collective bargaining agreements signed and enforced in a total of 14,061 workplaces. Of the total sum of 422,554 workers covered by these collective bargaining agreements, a 33.5% or 141,709 individuals, were employed by the public sector while the remaining 66.5% or 280,845 individuals were employed by the private sector (Please refer to Table 196).

Table 196. Number of Workplaces and Workers Included in the Collective Labour Agreements

Variable	2009		2010		2011	
	Number	Rate of Change	Number	Rate of Change	Number	Rate of Change
Number of Collective Bargaining Agreements	1,995	17.1	1,662	-16.7	1,942	16.8
Number of Workplaces	11,544	20.0	9,033	-21.8	14,061	55.7
Number of Workers						
Public sector	288,531	169.0	166,294	-42.4	141,709	-14.8
Private Sector	216,265	39.1	172,377	-20.3	280,845	62.9
Total	504,796	92.1	338,671	-32.9	422,554	24.8
Rate of Workers						
Public sector	57.2		49.1		33.5	
Private Sector	42.8		50.9		66.5	
Total	100.0		100.0		100.0	

Source: Ministry of Labour and Social Security.

No lockouts took place during 2011, as in the past year. As for labour strikes in 2011, none took place in the public sector versus 9, in the private sector. The 9 labour strikes in the private sector were participated by 557 workers and these resulted in a work idling of 13,273 workdays (Please refer to Table 197).

Table 197. Strike Implementations

Sector	Number of Strikes			Number of Workers Joining Strikes			Number of Days Lost			Rate of Change in Number of Days Lost		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Public sector	0	0	0	0	406	0	0	2,030	0			-100.0
Private sector	13	10	9	3,101	402	557	290,913	35,732	13,273	100.5	-87.7	-62.9
Total	13	11	9	3,101	808	557	290,913	37,762	13,273	99.6	-87.0	-64.9

Source: Ministry of Labour and Social Security.

In the public sector, the net wages actually received by workers covered under collective bargaining agreements rose 7.8% nominally during 2011 compared to the preceding year from ₺2,210.5 per month to ₺2,383.8 per month, while the cost of labour rose at a nominal rate of 11.7% from ₺4,179.4 ₺ per month to ₺4,668.9 ₺ per month. In real terms, on the other hand, there has been a 1.3% rise in monthly net workers' wages and a 6.0% in cost of labour, during 2011.

In the private sector, as the 2011 data were not available in time of preparation of this report, monthly net workers' wages rose 9.4% nominal, to ₺1,670.8 per month and the costs of labour rose 9.4% nominal to ₺3,115.4 per month, in 2011 compared to the preceding year, based on data supplied for 2010. Accordingly, there has been a real rise by 8.0% in monthly net wages received by workers and costs of labour that had to be undertaken by employers during 2010 compared to the preceding year (Please refer to Table 198).

Table 198. Developments in Workers' Wages within the Scope of the Collective Labour Agreements
(₺/Month)

Year	Net Receipt			Cost of Labour		
	Wage ⁽¹⁾	Nominal Rate of Increase	Real Rate of ⁽²⁾ Increase	Value	Nominal Rate of Increase	Real Rate of ⁽³⁾ Increase
Public sector ⁽⁴⁾						
2009	2,112.95	5.7	-0.5	3,908.00	7.7	6.4
2010	2,210.47	4.6	-3.6	4,179.40	6.9	-1.5
2011	2,383.76	7.8	1.3	4,668.87	11.7	0.6
Private sector ⁽⁵⁾						
2009	1,527.21	8.7	2.3	2,847.73	8.1	6.8
2010	1,670.77	9.4	0.8	3,115.42	9.4	0.8

Source: Public Employers' Associations, Confederation of Employers' Unions of Turkey, Ministry of Development, TURKSTAT.

- (1): For single (unmarried) workers the net received wage figures are inclusive of minimum subsistence allowances.
(2): The TURKSTAT announced Consumer Price Index effective as of 2003 was used in calculation of the real increase in net received wages.
(3): The TURKSTAT announced Consumer Price Index effective as of 2003 was used in calculation of the real increase in cost of labour.
(4): Municipalities are excluded.
(5): The 2011 data are not represented in the table, as they will be announced later.

In 2011, the statutory gross minimum wage was set at ₺26.6 per diem for individuals at or above 16 years of age and at ₺22.7 per diem for those below 16 years of age for the 1st semi-annual period and at ₺27.9 per diem and ₺23.9 per diem, respectively for the 2nd

semi-annual period, for the aforementioned age groups. On the other hand, the monthly gross minimum wage was set at ₺ 796.5 per diem for individuals at or above 16 years of age and at ₺ 679.5 per diem for those below 16 years of age for the 1st semi-annual period and at ₺ 837.0 per diem and ₺ 715.5 per diem, respectively for the 2nd semi-annual period, for the aforementioned age groups (Please refer to Table 199).

Table 199. Daily and Monthly Gross Minimum Wages as of Years

Years	Periods ⁽¹⁾	Gross Wage for 16+ Years Old		Rate of Change Relative to the Preceding Period	Rate of Change Relative to the Corresponding Month of the Preceding Year	Gross Wage for Less Than 16 Years Old		Rate of Change Relative to the Preceding Period	Rate of Change Relative to the Corresponding Month of the Preceding Year
		Per Diem	Monthly			Per Diem	Monthly		
2009	1st 6 Months	22,2	666,0	4.3	9.5	18,9	567,0	4.9	10.0
	2nd 6 Months	23,1	693,0	4.1	8.5	19,7	589,5	4.0	9.0
2010	1st 6 Months	24,3	729,0	5.2	9.5	20,7	621,0	5.3	9.5
	2nd 6 Months	25,4	760,5	4.3	9.7	21,6	648,0	4.3	9.9
2011	1st 6 Months	26,6	796,5	4.7	9.3	22,7	679,5	4.9	9.4
	2nd 6 Months	27,9	837,0	5.1	10.1	23,9	715,5	5.3	10.4

Source: Ministry of Labour and Social Security.

(1): The 1st 6 months cover the period between January 1st and July 30th, while the 2nd 6 months cover the period between July 1st and December 31st.

While there has been an improvement in minimum daily wages applicable to 16 and above years old workers by 4.7% and by 4.9% for less than 16 years old workers for the 1st semi-annual period, an improvement was recorded for 16 and above years old workers by 5.1% and for less than 16 years old workers by 5.3% for the 2nd semi-annual period, in 2011.

In 2011, the net received average public servants salary rose 13.2% nominally to ₺ 1,679 per month, whereas the average cost of salary rose 12.0% to ₺ 2,221.4 per month. Speaking in real terms, the net average public servants salary demonstrated a rise by 6.3% and the cost of average salary by 8.0% (Please refer to Table 200).

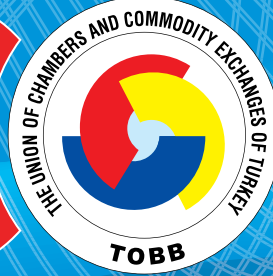
Table 200. Nominal and Real Changes in Civil Servant Salaries

Years	Net Salary ⁽¹⁾			Cost of Salary		
	Weighted Average Salary ⁽²⁾	Nominal Rate of Increase	Real Rate of Increase ⁽³⁾	Average Cost of Salary	Nominal Rate of Increase	Real Rate of Increase ⁽⁴⁾
2009	1,386.02	15.0	8.2	1,853.79	13.4	12.0
2010	1,483.45	7.0	-1.4	1,983.76	7.0	-1.4
2011	1,679.03	13.2	6.3	2,221.36	12.0	0.8

Source: Ministry of Finance, TURKSTAT, Ministry of Development.

- (1): For single (unmarried) workers the net received average salary figures are inclusive of minimum subsistence allowances.
- (2): Figures are exclusive of family allowances, emergency benefits, additional compensations payable at development priority regions and fixed overtime work remunerations payable over the highest public servants salary and payments from Revenues Department Development Fund, yet, inclusive of lodging allowances. Figures represent weighted average of all categories.
- (3): Difference to the previous year. The TURKSTAT announced Consumer Price Index effective as of 2003 was used in calculation of the real increase in cost of labour.
- (4): Difference to the previous year. The TURKSTAT announced Producer Price Index effective as of 2003 was used in calculation of the real increase in cost of labour.

6



years

4. TARGETS AND REALIZATION STATUS



4. TARGETS AND REALIZATION STATUS

While 2010 had been a year of gradual relief from the effects of the global crisis on world economy, leading to the achievement of an economic recovery in general, 2011 turned out to be a year of challenges for especially advanced economies, past in mere struggles against high public debts, weakened banking and financial systems and low growth issues. Certain EU member states, led by Greece, elaborated and introduced a number of public support schemes and policy measures addressing the odds in their financial structures, yet, these all proved to fail in changing the negative perceptions resident in the markets. In the meantime, as problems were spread across the European continent, there had been a major recession in risk-taking tendencies of the investor public. Such types of problems as mentioned to have been encountered in advanced economies literally have had influence on finances, expectations and commercial aspects of developing countries.

Turkey also had her share of the negative developments in the global economy and witted a huge amount of capital outflows starting from the third quarter of the year, resulting in eventual depreciation of Turkish Lira. During this period, the TCMB made use of money policy instruments in another direction, in addition to bringing up some arrangements, in an attempt to eliminate the negativities in economy.

Turkey pulled away from the effects of the crisis to a great extent and demonstrated a rapid growth in 2011, though with a slowdown in the second half of the year. The rise in domestic consumer and investor demands despite the shrinkage in external demand supported an increase in production and growth. The growing tendency observed in food prices and foreign exchange rates, however, caused inflation climb up to two digit figures.

The policies implemented during the year, however, were carried out in harmony with the 2011 Programme. The revival assured in economy continued, placing Turkey among the fastest developing countries of the world. Despite the optimum appearing budget performance, the high rate of increase in current account deficit and steep rise in inflationary rates earmarked the period as the paramount drawbacks. The problem of unemployment stands still on top of the national agenda, despite the rise observed in employment rates.

The macroeconomic objectives of the Ministry of Development that were formally integrated into the 2012 Programme, within the sphere of the fundamental objectives and macroeconomic priorities defined and Year 2012 Targets identified under the MTP covering the period between 2012 and 2014, have been:

- To sustain and further the process of growth even despite the slowing down word economy and environment of uncertainty,
- To sustain and further the increase in employment rates,
- To escalate domestic savings,
- To reduce the current deficit,
- To lower inflation,
- To sustain and further the fiscal discipline, and
- To preserve financial stability.

4.1 National Income

While an increase of 4.5% was targeted in GDP, 2011, targets were accordingly set for growth to 1.2% in the agricultural sector, 4.5% in the industrial sector and 4.9% in services sector. However, by the year-end, there has been a rise of 8.5% in GDP, beyond expectations. The individual rates of growth of agricultural, industrial and services sectors were also realised quite above the targeted levels. In numerical terms, the agricultural sector sustained growth by 5.3%, where industrial sector achieved 9.6% and services sector achieved 8.4% growth. The GDP value climbed over the targeted value towards a level of ₺ 1,294,893 million (US \$ 772 billion) (Please refer to Table 201).

Table 201. Gross Domestic Product and Sectoral Growth

Indicators	2011		2012
	Programme Target	Realization	Programme Target
Agriculture	1.2	5.3	3.0
Industry	4.5	9.6	3.5
Services ⁽¹⁾	4.9	8.4	4.3
GDP	4.5	8.5	4.0
GDP (Current Prices, 10 ⁹ ₺)	1,215	1,295	1,426
GDP (Current Prices, 10 ⁹ US \$)	781	772	822

Source: Ministry of Development, TURKSTAT.

(1): The indirectly measured financial intermediation services and tax-subsidies are not included in services.

PS: The growth rates of sectors are the rates of change per fixed prices.

In 2012, targets for growth in real terms were set at 30.0% in the agricultural sector, 3.5% in the industrial sector and 4.3% in the services sector and at 4.0% in GDP. GDP was anticipated to be ₺ 1,426 billion (US \$ 822 billion), at current prices in 2011.

The share of agricultural sector in GDP was foreseen to be 7.5%, while that of industrial sector and services sector were anticipated to be 19.6% and 72.9% in GDP, respectively. Based on figures realised as at the end of the year, the shares of agricultural and industrial sectors in GDP overwhelmed the projections, with only the share of services sector, remaining below the targets. An 8.1% of GDP belongs in agricultural sector, a 20.1% in the industrial sector and 71.8% in the services sector (Please refer to, Table 202).

Table 202. Shares of Sectors within the Gross Domestic Product

Indicators	2011		2012
	Programme Target	Realization	Programme Target
Agriculture	7.5	8.1	8.2
Industry	19.6	20.1	19.1
Services ⁽¹⁾	72.9	71.8	72.7
GDP	100.0	100.0	100.0

Source: Ministry of Development, TURKSTAT.

(1): The indirectly measured financial intermediation services and tax-subsidies are included in services.

PS: Figures represent the Gross Domestic Product in Current Prices.

In 2012, the shares of agricultural, industrial and services sectors in GDP were anticipated to be 8.2%, 19.1% and 72.7%, respectively.

4.2 Inflation

The annual increase in CPI was realised at a level of 6.4%, remaining below the targeted 2010 year-end level of 6.5%. In 2011, as a result of policies aimed at relieving macro financial risks, a period of economic stabilisation began. However, the CPI rose to 10.5% in actual figures, exceeding the year-end target figure of 5.5%, by 5 points higher, in 2011. The offset from the target in inflation was largely driven by the over depreciation observed in Turkish Lira as a result of the fading global risk appetite and the adjustments in administered/guided prices taking place in the last quarter of the year, for the offset from the target in inflationary rates. The target inflation for 2012 was set as 5.0%.

However, H-core price index, one of the core inflation indicators (excluding unprocessed food, energy, alcoholic beverages, tobacco products and gold), and I price indicator (excluding energy, food and soft drinks, alcoholic beverages and tobacco products and gold) rose due to developments in the prices of basic commodities, in 2011. Consequently, the H-core price indicator forming part of CPI with special scope for December 2011 rose by 8.54% versus an increase in I price indicator by 8.12%, during month December of 2011, compared to month December of the preceding year.

The PPI, on the other hand, increased by 3 points in 2010, recessing from 5.9% to 8.9%. The annual rate of increase of PPI went up by 4.4 points to 13.3%, during 2011. The year 2011 has been a period when producer prices were influenced by intense cost pressures. The PPI figures for agricultural and industrial sectors were revealed to be 10.5% and 13.9%, respectively, during 2011.

4.3 Central Government Budget

Shrinking in great deal with the implications of diminishing effects of the global crisis that occurred at the end of 2008 during 2009, our economy entered a recovery process in 2010 and our central government budget demonstrated a favourable performance beyond the expectations, in 2011. The extra tax income obtained through increases observed in applicable rates of indirect taxes led, particularly, by taxes applicable to import transactions and the statutory arrangement made for the restructuring of certain public claims largely depending upon the vigorous domestic demand had played particular roles in this recovery in the budget.

In 2011, targets were set towards achieving a central government budget revenue of ₺ 279,026 million, versus an expenditure of ₺ 312,573 million. In lieu of these developments, the targeted rate of realisation of central budget revenues at the year end proved to be higher than the expected, achieving a figure of 94.3%, while the targeted rate of realisation of budget expenditures hooked up close, almost hitting the target, with a realisation figure of 99.8%. A revenue totalling ₺ 295,862 million was obtained under the central government budget, versus an expenditure amounting to ₺ 313,302 million realised. Consequently, the current deficit was realised at a level of ₺ 17,440 million against a target level of ₺ 33,547 million, and the primary balance, which was targeted to be realised at a level of ₺ 13,954 million, amounted ₺ 16,926 million (Please refer to Table 203).

Table 203. Central Government Budget

Components	(000 000 ₺)				
	2011			2012	
	Pro-gramme Target	Realization	Rate of Re-alization of the Target	Pro-gramme Target	Rate of Change Programme Target
Revenues	279,026	295,862	94.3	329,845	18.2
General budget revenues	271,650	286,377	94.9	321,726	18.4
Tax revenues	232,220	253,765	91.5	277,677	19.6
Revenues of special budget administrations	5,484	7,390	74.2	9,235	68.4
Revenues of regulatory and supervisory institutions	1,893	2,095	90.4	1,183	-37.5
Expenditures	312,573	313,302	99.8	350,948	12.3
Expenditures except interests	265,073	271,090	97.8	300,698	13.4
Staffing expenses	72,299	72,904	99.2	81,692	13.0
Current transfers	115,778	110,075	105.2	130,220	12.5
Interest expenditures	47,500	42,212	112.5	50,250	5.8
Budget balance	-33,547	-17,440	192.4	-21,103	-37.1
Primary balance ⁽¹⁾	13,954	16,926	82.4	14,784	5.9

Source: Ministry of Finance.

(1): Defined in the programme but not in the Finance Ministry.

PS: The budget balance may vary due to arithmetical round-ups.

In 2012, targets were set towards achieving central government budget revenues in the amount of ₺ 329,845 million, versus an expenditure of ₺ 350,948 million, while anticipations were made towards achieving a budget deficit of ₺ 21,103 million and a non interest surplus of ₺ 14,784 million.

A comparison of the central government budget targets set for the year 2012 against those defined for 2011 leads to the observations that the highest rate of increase was achieved in the revenues of special budget administrations at 68.4%, pushing up the initial forecast of ₺ 5,484 million for 2011 to ₺ 9,235 million and that the most serious fall was encountered in the revenues of regulatory and supervisory institutions and in the budget balance, at 37.0%. For the budget, which is expected to yield a deficit amounting to ₺ 33,547 million in 2011, the 2012 target receded to ₺ 21,103 million.

4.4 Balance of Current Accounts

In 2011, it was targeted that exports reach at US \$ 132,0 billion, imports reach at US \$ 185,5 billion, the balance of trade, as included in the schedule for balance of payments, grab a level of US \$ 54,4 billion, with the current deficit to be realised as US \$ 42,2 billion and tourism revenues as US \$ 23,8 billion.

The balance of trade showing a prominent rise during 2010 prolonged its high progressive stance, though with a slight drop, in 2011, whereas the impairment in the balance of payments still appears to nourish the increase in current deficit. By the end of 2011, the exports were realised as US \$ 143,5 billion, exceeding the target by US \$ 11,5 billion, the imports were realised as US \$ 232,9 billion, exceeding the target by US \$ 47,4 billion and the balance of trade, as included in the schedule for balance payments, was realised as US \$ 89,4 billion, exceeding the target by US \$ 35 billion, whereas the balance of current accounts gave deficit amounting to US \$ 77,2 billion, differing from the forecasts by US \$ 35 billion and the tourism revenues revealed to be US \$ 18 billion, US \$ 5,8 billion shorter than the projections (Please refer to Table 204).

Table 204. Balance of Current Accounts

Indicators	2011		2012	
	Programme Target	Realization	Programme Target	Realization
Balance of current accounts	-42,2	-77,2	-65,4	-77,2
Balance of foreign trade	-54,4	-89,4	-81,8	-89,4
Exports (FoB)	132,0	143,5	152,6	143,5
Imports (FoB)	-185,5	-232,9	-248,7	-232,9
Services balance	16,9	18,2	21,5	18,2
Tourism revenue	23,8	18,0	26,0	18,0
Investment return balance	-7,1	-7,6	-6,8	-7,6
Direct investments	-2,6	-2,8	-2,6	-2,8
Portfolio investments	0,1	-0,9	-0,3	-0,9
Other investments	-4,6	-3,9	-3,9	-3,9
Current transfers	2,5	1,7	1,8	1,7

Source: Ministry of Development, TCMB.

In 2011, the foreign direct investments were realised to be US \$ 2,8 billion, versus a net targeted outflow of US \$ 2,6 billion. While a net input of US \$ 0,1 billion was anticipated, the realised figure for the input proved to be US \$ 0,9 billion in portfolio investments.

In 2012, it is targeted that exports reach at US \$ 152,6 billion, imports reach at US \$ 248,7 billion, the balance of trade grab a level of US \$ 81,8 billion, with the current deficit to be realised as US \$ 65,4 billion. In 2012, a net outflow of US \$ 2,6 billion is anticipated to take place in foreign direct investments, with a net inflow projection of US \$ 0,3 billion in portfolio investments.

4.5 Labour Force Indicators

The economic recovery started following the crisis in 2011, at a time when effects of the crisis faded, in combination with a variety of employment packages and measured taken in relation to employment in the context of the Law with Enactment No: 6111, led to positive developments in the labour market.

While in the MTP employment was anticipated to be 23,925 thousand individuals for 2011, the actual employment was realised as 24,110 thousand individuals, exceeding this forecast by 185 thousand. The employment rate, on the other hand, which was originally targeted at 44.7%, was realised at 45.0%. The higher growth of working age population than actually employed population led to employment rate's realising below the targeted figure, despite the realisation of level of employment higher than expected, during 2011. Rate of participation in labour force was realised at 49.9%, in line with the target. The rate of unemployment, which was anticipated to be 10.5%, was realised at a level of 9.8%, 0.7 points below its projection value (Please refer to Table 205).

Table 205. Labour Force Indicators

Indicators	2011	2012	
	Medium Term Programme Target	Realization	Medium Term Programme Target
Level of employment (000 Person)	23,925	24,110	24,257
Employment rate	44.7	45.0	44.5
Rate of participation in labour force	49.9	49.9	49.7
Unemployment rate	10.5	9.8	10.4

Source: Ministry of Development, TURKSTAT.

The level of employment in 2012 is envisaged to reach at 24,257 thousand individuals with a rise of 1.4% compared to the target for 2011, while the rate of employment is projected to attain a level of 44.5% with decline 0.2 points below the target in 2011, labour force participation rate is projected to attain a level of 49.7% with decline by 0.2 points below the target in 2011, and, the rate of unemployment to attain a level of 10.4% with a decline by 0.1 points, from the target in 2011.

4.6 Forecasts of Different National and International Sources On Selected Indicators

In a globalising world, projections and forecasts of national, as well as international organisations concerning our country pose are highly essential for monitoring the economic conjuncture.

The GDP growth rate anticipated for 2012 reveals to be 4.0% according to the MTP, 2.0% according to IMF, 3.0% according to OECD, 2.9% according to the WB and 3.2% according to the UN. It can be stated that there are statistical differences between these rates. Yet, these differences can be excused, in the pace of a variety of factors such as the difference between assumptions of the forecasting models followed and used by each organisation, availability and scope of external and internal data, amounts of errors and tolerance levels. However, it is noticeable that the highest predictions are included in the MTP and the closest values found in UN, while the remotest projections are observed in IMF. The reason why IMF forecasts tend to be modest is the expectation that Turkey

would pass through a period of recessions. The GDP growth rate for 2013 is foreseen as 5.0% in the MTP, 3.0% by IMF, 4.5% by OECD, 4.2% by WB and 5.4% by the UN (Please refer to Table 206).

The GDP is anticipated to realise as US \$ 822,0 billion according to MTP, US \$ 801,9 billion according to IMF and US \$ 871,9 billion according to WB, in 2012, at current prices. In the GDP forecasts for 2012 at current prices, the MTP prediction gets beyond that of IMF while falling below that of UN, in terms of median value. The GDP forecasts for 2013 at current rates are US \$ 888,0 billion according to MTP projections, US \$ 871,5 billion according to IMF projections and US \$ 1,097.9 billion according to WB projections.

The per capita national income for 2012 is predicted as US \$ 10,973 in MTP, the value getting closest to which is the prediction of IMF with US \$ 10,988.2, whereas the MTP projections prove to be US \$ 11,716.0, which is US \$ 743 more than its prediction for 2012 and IMF projections for 2013 get to US \$ 11,808.3, a value higher by US \$ 820.1 than its prediction for the preceding year.

The CPI year-end rates of change are predicted for 2012 to be 5.0% in MTP, which differs significantly from that of IMF of 6.4%, which in turn is overwhelmed by 2.9 points by OECD's projection of 7.9%. While MTP predicts the rate of change in CPI by the year-end for the 2013/2014 period at 5.0%, the predictions of both IMF and OECD shows a lowering value for both years.

The MTP forecasts the rate of change in public consumption expenditure as 3.0% followed by IMF's forecast of 3.6%, as the closest in value, whereas the rate of change in private consumption expenditure is anticipated to be 3.0% in MTP and 5.0% in IMF staff forecast, during 2012.

In the level of exports forecasts for 2012, MTP differs dramatically from the other organisations. The IMF, OECD and WB forecasts of experts for 2012 stay at or around 4.0% in rates of change, whereas MTP outlays a value of 10.2%. The OECD and WB forecasts of exports for 2013 both demonstrate a change in the rising direction.

The MTP forecast of exports for 2012 anticipates a rise by 5.0%, whereas IMF forecast predicts a decline of 1.0% and WB forecast anticipates a rise by 7.0%. An interesting result worthy of mentioning here is that IMF forecast points a 1.0% fall, while WB forecast predicts a rise by 7.0%.

The MTP forecast of unemployment rate for 2012 reveals to be 10.4%, whereas those of IMF and OEC retain a level of 10.7%, with a 0.3 points surplus. Especially notice should be drawn to the identically equal IMF and OECD forecasts. According to the MTP forecasts, the unemployment rate will follow a declining trend in the period between 2012 and 2014 and stay at or around 9.9%, while IMF predicts a 9.8% for 2014, resulting in a 0.1 points recession in the difference between two predicted figures of unemployment rate.

Table 206. Forecasts of Different National and International Sources about Selected Indicators for the Period between 2012 and 2014

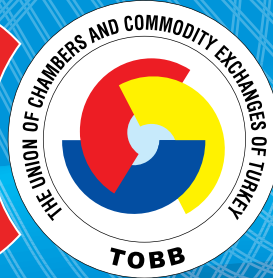
Indicators	Medium Term Programme (MTP)				International Monetary Fund (IMF)				Organisation for Economic Cooperation and Development (OECD)				World Bank (WB)				United Nations (UN)			
	2012	2013	2014	2014	2012	2013	2014	2014	2012	2013	2013	2014 ⁽²⁾	2012	2013	2014 ⁽²⁾	2014	2012	2013	2013	2014 ⁽²⁾
GDP growth rate (Rate of change)	4.0	5.0	5.0	5.0	2.0	3.0	3.0	3.4	3.0	4.5	3.0	4.5	2.9	4.2	4.2	4.2	3.2	5.4	3.2	5.4
GDP (Current prices, 10 ⁹ US \$)	822,0	888,0	952,0	948,7	801,9	871,5	948,7	948,7					871,9	1,097,9	1,097,9	1,097,9				
Per capita national income (GDP US \$)	10,973.0	11,716.0	12,412.0	12,709.1	10,988.2	11,808.3	12,709.1	12,709.1					11,024.5	13,735.5	13,735.5	13,735.5				
Inflation (CPI, rate of change) ⁽¹⁾	5.0	5.0	5.0	5.0	6.4	5.6	5.0	5.0	7.9	6.5	7.9	6.5					7.0	6.0	7.0	6.0
Public consumption (Rate of change)	3.1	3.4	2.2	2.3	3.6	2.3	2.3	2.3	4.4	4.2	4.4	4.2	4.0	4.0	4.0	4.0				
Private consumption (Rate of change)	3.0	3.5	3.5	4.0	0.5	2.0	4.0	4.0	1.2	4.3	1.2	4.3	3.0	4.5	4.5	4.5				
Exports (Rate of change)	10.2	11.6	11.7	11.7	4.2	4.4	4.4	3.5	4.1	6.8	4.1	6.8	4.5	8.0	8.0	8.0				
Imports (Rate of change)	5.0	9.6	8.6	8.6	-0.1	0.6	4.5	4.5	1.3	5.8	1.3	5.8	7.0	10.2	10.2	10.2				
Balance of current accounts/GDP	-8.0	-7.5	-7.0	-7.0	-7.8	-6.1	-5.9	-5.9	-8.0	-7.4	-8.0	-7.4								
Central auditory budget balance/GDP	-1.5	-1.4	-1.0	-1.0	-1.5	-1.1	-1.2	-1.2	-2.4	-2.4	-2.4	-2.4								
EU defined general administration nominal debt stock	37.0	35.0	32.0	33.9	36.2	34.7	33.9	33.9												
Unemployment rate	10.4	10.2	9.9	9.8	10.7	10.2	10.2	9.8	10.7	10.4	10.7	10.4								

Source: Ministry of Development, TCMB, IMF, OECD, WB, UN.

(1): The figures presented for 2012, 2013 and 2014 in the Medium Term Programme are forecasts included in the TCMB's Inflation Report for 2012/Q1.

(2): No forecast values are available for 2014.

6



years

APPENDIX



Economic and Social Indicators Selected for the Period Between 2006 and 2011

I. ECONOMIC INDICATORS	2006	2007	2008	2009	2010	2011
GROSS DOMESTIC PRODUCT						
Current Prices (in Million ₺)	758,391	843,178	950,534	952,559	1,098,799	1,294,893
Current Prices (in Million \$)	526,429	648,754	742,094	616,703	731,608	772,298
At Fixed Prices (in Million ₺)	96,738	101,255	101,922	97,003	105,886	114,874
GROWTH RATE (At 1998 Basic Prices, %)						
Agriculture	1.4	-6.7	4.3	3.6	2.4	5.3
Industry	8.3	5.8	0.3	-6.9	12.8	9.2
Construction	18.5	5.7	-8.1	-16.1	18.3	11.2
Services ⁽¹⁾	7.1	6.4	2.3	-1.8	7.7	8.8
GDP	6.9	4.7	0.7	-4.8	9.2	8.5
GDP-SECTORAL DISTRIBUTION (% at Current Prices)						
Agriculture	8.3	7.6	7.6	8.3	8.4	8.1
Industry	20.1	20.0	19.8	19.1	19.4	20.1
Construction	4.7	4.9	4.7	3.8	4.2	4.5
Services ⁽¹⁾	55.0	57.0	57.8	59.5	57.2	56.0
PRODUCTION						
Added value of agriculture (Based on Prices Effective in 1998, 10 ⁹ ₺)	9,701	9,047	9,434	9,769	9,999	10,525
Added value of industry (Based on Prices Effective in 1998, 10 ⁹ ₺)	25,650	27,131	27,212	25,333	28,586	31,226
Manufacturing industry production index ⁽²⁾	107.7	114.8	112.7	99.9	114.3	124.8
Manufacturing industry capacity utilisation rate (%) ⁽³⁾	81.0	78.3	76.7	65.3	72.6	75.4
INVESTMENT						
Fixed capital investments (at current prices, in Million ₺)	171,520	183,415	192,093	163,985	210,394	282,691
Public sector	28,464	32,534	39,123	39,341	47,064	57,111
Private sector	143,056	150,881	152,970	124,644	163,330	225,580
Investment incentive certificates (Number) ⁽⁴⁾	3,090	2,366	2,449	2,722	4,504	4,619
Mining	132	131	135	165	267	302
Manufacturing	1,708	1,488	1,552	1,717	2,422	2,560
Energy	55	102	144	127	165	214
Services	1,195	645	618	608	1,126	1,284
PRICE MOVEMENTS						
Annual average						
PPI rate of change ⁽⁵⁾	9.34	6.31	12.72	1.26	8.52	11.09
CPI rate of change ⁽⁶⁾	9.60	8.76	10.45	6.25	8.57	6.47
Year end						
PPI rate of change ⁽⁵⁾	11.58	5.94	8.11	5.93	8.87	13.33
CPI rate of change ⁽⁶⁾	9.65	8.39	10.06	6.53	6.40	10.45
CASH-BANKS (Million ₺)						
M1	72,163	77,675	83,381	107,051	133,885	148,455
M2	297,481	345,028	434,205	494,024	587,815	665,642
M3	319,836	370,078	458,384	520,674	615,088	690,089
Credit stock	177,277	222,833	278,396	305,478	435,765	584,838
Deposits	271,874	314,042	396,625	444,534	525,307	597,988
CAPITAL MARKET						
Trading volume (Million ₺)	325,131	387,777	332,615	482,534	636,321	695,338
İMKB Index	39,118	55,538	26,864	52,825	66,004	51,267
PUBLIC FINANCES						
Central government budget (Million ₺)						
Revenues	173,483	190,360	209,598	215,458	254,277	295,862
Expenses	178,126	204,068	227,031	268,219	294,359	313,302
Budget balance	-4,643	-13,708	-17,433	-52,761	-40,081	-17,439
Primary balance	41,320	35,045	33,229	440	8,217	24,773

(1): The indirectly measured financial intermediation services and tax-subsidies are not included in services.

(2): Indexes based on 2005 were used.

(3): 2006 calculations were made by TURKSTAT while calculations appertaining to the period between 2007 and 2011 were undertaken by TCMB.

(4): Agricultural sector was treated as part of manufacturing industry sector.

(5): 2003 based PPI changes were taken for 2007.

(6): 2003 based CPI changes were taken for the 2004-2007 period.

Appendix 1. Economic and Social Indicators Selected for the Period Between 2006 and 2011 (Continued)

I. ECONOMIC INDICATORS	2006	2007	2008	2009	2010	2011
Central government debt stock	345,050	333,485	380,320	441,509	473,561	518,288
Domestic debt stock (Million ₺)	251,470	255,310	274,827	330,005	352,841	368,778
Foreign debt stock (Million ₺)	93,580	78,175	105,493	111,504	120,720	149,510
Domestic debt stock (Million ₺)	251,470	255,310	274,827	330,005	352,841	368,778
Corporate bonds	241,876	249,176	260,849	315,969	343,317	368,778
Treasury bills	9,594	6,134	13,978	14,036	9,525	0
Privatization procedures (Million US \$)	8,096	4,259	6,297	2,275	3,085	1,358
EXCHANGE RATES (Annual average)						
₺/Dollar (Buy)	1.42943	1.30126	1.29789	1.54679	1.49843	1.67102
₺/Euro (Buy)	1.79683	1.77790	1.89864	2.15003	1.98896	2.32329
BALANCE OF PAYMENTS (Million \$)						
Goods balance	-41,057	-46,852	-53,021	-24,850	-56,445	-89,406
Exports FoB	93,612	115,361	140,800	109,647	120,902	143,491
Imports FoB	134,669	162,213	193,821	134,497	177,347	232,897
Balance of current accounts	-32,193	-38,434	-41,959	-13,370	-46,643	-77,157
Worker remittances	1,111	1,209	1,431	990	948	1,045
Tourism revenues	16,853	18,487	21,951	21,250	20,807	23,020
INTERNATIONAL RESERVES (Gross, Million \$)	90,825	108,259	114,612	108,111	104,784	100,550
FOREIGN DIRECT INVESTMENT (Million \$)						
Capital (Net)	16,982	18,394	14,712	6,170	6,203	13,712
Other capital (Net) ⁽⁷⁾	281	727	1,855	459	341	7
Real property (Net)	2,922	2,926	2,937	1,782	2,494	2,013
Total (Net)	20,185	22,047	19,504	8,411	9,038	15,732
Foreign debt stock (Million \$)	208,407	250,422	281,403	269,618	292,281	306,551
Short term	42,860	43,152	52,527	49,045	77,469	83,823
Long term	165,547	207,270	228,876	220,573	214,812	222,729
Public sector	71,587	73,525	78,288	83,463	88,976	94,099
TCMB	15,678	15,801	14,066	13,305	11,827	9,699
Private Sector	121,142	161,096	189,049	172,850	191,478	202,754
II. SOCIAL INDICATORS	2006	2007	2008	2009	2010	2011
POPULATION						
Total population		70,586,256	71,517,100	72,561,312	73,722,988	74,724,269
Annual rate of population growth (%)			13.10	14.50	15.88	13.49
Urban population		49,747,859	53,611,723	54,807,219	56,222,356	57,385,706
Share of urban population in total (% of total)		70.5	75.0	75.5	76.3	76.8
Rural population		20,838,397	17,905,377	17,754,093	17,500,632	17,338,563
Share of rural population in total (% of total)		29.5	25.0	24.5	23.7	23.2
Population density		92	93	94	96	97
Total age dependency ratio		50.4	49.5	49.3	48.9	48.4
Young age dependency ratio (0-14 Years)		39.7	39.3	38.8	38.1	37.5
Old age dependency ratio (65+ Years)		10.7	10.2	10.5	10.8	10.9
Crude birth rate (‰)	18.0	18.3	18.1	17.4	17.0	
Total fertility rate (Number of children)	2.12	2.15	2.15	2.07	2.03	
Average age of child delivering mothers	26.6	26.7	26.8	27.0	27.2	
Median age		28.3	28.5	28.8	29.2	29.7
Net primary schooling ratio (Total)	89.8	90.1	97.4	96.5	98.2	98.4
Net secondary schooling ratio (Total)	56.6	56.5	58.6	58.5	65.0	69.3

Appendix 1. Economic and Social Indicators Selected for the Period Between 2006 and 2011 (Continued)

II. SOCIAL INDICATORS	2006	2007	2008	2009	2010	2011
SOCIAL INDICES						
Human development index	0.681	0.688	0.691	0.690	0.696	0.699
Gender inequality index						0.443
Consumer confidence index ⁽⁸⁾	92.04	93.89	69.90	78.79	90.99	92.20
SELECTED SOCIAL INDICATORS						
P80/P20 (Revenue side)	9.6	8.1	8.1	8.5	8.0	
Gini coefficient (according to equivalent household disposable income)	0.428	0.406	0.405	0.415	0.402	
Poverty rate (Below US \$ 2.15 per diem per capita, the poverty line) ⁽⁹⁾⁽¹⁰⁾	1.41	0.52	0.47	0.22	0.21	
Poverty rate (Below US \$ 4.3 per diem per capita, the poverty line) ⁽⁹⁾⁽¹⁰⁾	13.33	8.41	6.83	4.35	3.66	
EMPLOYMENT						
Non institutional working age population (thousand person)						
Number of labour force participants (thousand person)	22,751	23,114	23,805	24,748	25,641	26,725
Number of employed (thousand person) ⁽¹¹⁾	20,423	20,738	21,194	21,277	22,594	24,110
Agriculture	4,907	4,867	5,016	5,240	5,683	6,143
Industry ⁽¹²⁾	5,479	5,545	5,682	5,385	5,927	6,380
Services	10,037	10,326	10,495	10,652	10,984	11,587
Number of unemployed (thousand person)	2,328	2,376	2,611	3,471	3,046	2,615
Number of not in the labour force (thousand person)	26,423	26,879	26,967	26,938	26,901	26,867
Employment (Share in total)	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	24.0	23.5	23.7	24.6	25.2	25.5
Industry	26.8	26.7	26.8	25.3	26.2	26.5
Services	49.1	49.8	49.5	50.1	48.6	48.1
Rate of participation in labour force	46.3	46.2	46.9	47.9	48.8	49.9
Employment rate	41.5	41.5	41.7	41.2	43.0	45.0
Unemployment rate	10.2	10.3	11.0	14.0	11.9	9.8
Non-agricultural unemployment rate	12.7	12.6	13.6	17.4	14.8	12.4
Youth unemployment rate	19.1	20.0	20.5	25.3	21.7	18.4
Number of Employment by status at work						
Regular and casual employee	12,028	12,534	12,937	12,770	13,762	14,876
Employers and self-employed	5,717	5,575	5,573	5,638	5,750	5,931
Unpaid family worker	2,678	2,628	2,684	2,870	3,083	3,303

(7): The value of credits supplied by foreign capital companies from their international partners.

(8): Figures represent index values of month December.

(9): Calculations were based on Purchasing Power Parity (PPP). For 2010, ₺0,990 was used as equivalent of US \$ 1 according to PPP.

(10): New population projections are being used as of 2007.

(11): Total sums may vary due to arithmetical round-ups.

(12): Industrial sector also covers the construction industry. Updated according to NACE Rev-2.

List of Institutions/Organizations Responsible for Data according to the Official Statistical Program

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
2.1 Population and Demography			
2.1.1	Birth Statistics	TURKSTAT	Ministry of Internal Affairs (GDPCA)
2.1.2	Marriage and Divorce Statistics	TURKSTAT	Ministry of Internal Affairs (GDPCA)
2.1.3	Death Statistics	TURKSTAT	Ministry of Internal Affairs (GDPCA)
2.1.4	Suicide Statistics	TURKSTAT	Ministry of Internal Affairs (NPD, GCH)
2.1.5	Population Statistics according to Address Based Population Registration System	TURKSTAT	Ministry of Internal Affairs (GDPCA)
2.1.6	Administrative Records Based Immigration, Academic Standing, Marital Status and Birth Registry Statistics	TURKSTAT	Ministry of Internal Affairs (GDPCA)
			Ministry of Labour and Social Security (ISKUR)
			Ministry of Education
			High Council of Education
2.1.7	2011 Census and House Inquiry Results	TURKSTAT	Ministry of Internal Affairs (GDPCA, GDLA, GD for Provincial Administration)
2.1.8	Population Projections	TURKSTAT	Ministry of Development
			Ministry of Internal Affairs (GDPCA)
			H.Ü. Institute of Demographic Studies
2.1.9	2013 Turkey Census and Health Survey	H.Ü. Institute of Demographic Studies	Ministry of Health
			Ministry of Development
			TURKSTAT
2.2 Labour Market Statistics			
2.2.1	Labour Statistics	TURKSTAT	
2.2.2	Basic Labour Force Indicators by Provinces	TURKSTAT	
2.2.3	Modular Surveys on Different Concerns Related with Labour Market	TURKSTAT	
2.2.4	Labour Force Cost Statistics	TURKSTAT	
2.2.5	Profit Structure Statistics	TURKSTAT	
2.2.6	Labour Cost Index	TURKSTAT	BRSA
2.2.7	Vacant Job Statistics	Ministry of Labour and Social Security (ISKUR)	
2.2.8	Registered Unemployed Statistics	Ministry of Labour and Social Security (ISKUR)	
2.2.9	Unemployment Coverage Applications	Ministry of Labour and Social Security (ISKUR)	
2.2.10	Insurance Beneficiary Statistics	Ministry of Labour and Social Security (SSA)	
2.2.11	Labour Dispute Statistics (ISKUR)	Ministry of Labour and Social Security (GDL)	
2.2.12	Working Life Statistics	Ministry of Labour and Social Security (GDL)	
2.2.13	Public Sector Employment	Ministry of Finance (DGBFC)	TURKSTAT
			Under-Secretariat of Treasury
			Ministry of Internal Affairs
2.3 Education Statistics			
2.3.1	Informal Education Statistics	TURKSTAT	Ministry of Education
			Presidency of Religious Affairs
2.3.2	Information Education Activities Survey	TURKSTAT	

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
2.3.3	Education Expenditures Statistics	TURKSTAT	Ministry of Internal Affairs
			Ministry of Finance
			Ministry of Education
			High Council of Education
			Department of Family and Social Policies (Child Services Gn. Dir.)
2.3.4	Vocational Training Survey in Enterprises	TURKSTAT	Ministry of Education
2.3.5	Adult Education Survey	TURKSTAT	Ministry of Education
			High Council of Education
2.3.6	Formal Education Statistics	Ministry of Education	TURKSTAT
			Ministry of Development
2.3.7	Higher Education Statistics	High Council of Education	TURKSTAT
2.4 Cultural Statistics			
2.4.1	Cultural Heritage	TURKSTAT	TGNA
			Forestry and Water Affairs Ministry (General Directorate of for Nature Conservation and National Parks)
			Ministry of Culture and Tourism (GD For Cultural Heritage and Museums)
			General Directorate of Foundations
2.4.2	Searchable Archive Statistics	TURKSTAT	TGNA
			General Directorate for Public Archives
			Ministry of Environment and Urbanism (Deeds and Land Registry Department)
			General Directorate of Foundations
2.4.3	Library Statistics	TURKSTAT	Ministry of Education
			Ministry of Culture and Tourism (General Directorate of Libraries and Publications, National Library Department)
2.4.4	Book Statistics	TURKSTAT	Ministry of Culture and Tourism (General Directorate of Libraries and Publications)
2.4.5	Printed Media Statistics	TURKSTAT	Ministry of Culture and Tourism
			Ministry of Justice
			General Directorate of Press and Information
2.4.6	Visual Art Statistics	TURKSTAT	Ministry of Culture and Tourism (GD For Fine Arts)
2.4.7	Performance Arts Statistics	TURKSTAT	Ministry of Culture and Tourism Ministry of Culture and Tourism (General Directorate of State Theatres, State Opera and Ballet General Directorate, General Directorate of Fine Arts.)
2.4.8	Religious Statistics	Presidency of Religious Affairs	TURKSTAT
2.4.9	Sports Statistics	Ministry of Youth and Sports (GD for Sports)	TURKSTAT

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
2.5 Health Statistics			
2.5.1	Health Expenditure Statistics	TURKSTAT	Ministry of Finance Ministry of Health Under-Secretariat of Treasury Ministry of Education Ministry of Labour and Social Security Ministry of Internal Affairs Ministry of Defence Association of Insurance and Reinsurance Companies of Turkey Association of Insurance and Reinsurance Companies of Turkey KKK, HKK, DKK TAF Health and Sanitation Command
2.5.2	Cause of Death Statistics	TURKSTAT	Ministry of Health Ministry of Justice Ministry of Internal Affairs High Council of Education High Council of Judges and Prosecutors
2.5.3	Turkey Health Survey	TURKSTAT	Ministry of Health
2.5.4	Health Status Statistics	Ministry of Health	TURKSTAT Ministry of Finance TAF Health and Sanitation Command High Council of Education
2.5.5	Statistics on Disease Prevention and Health Promotion	Ministry of Health	TURKSTAT Ministry of Finance TAF Health and Sanitation Command High Council of Education
2.5.6	Use of Health Care Statistics	Ministry of Health	TURKSTAT Ministry of Finance TAF Health and Sanitation Command High Council of Education
2.5.7	Human Resources for Health Statistics	Ministry of Health	TURKSTAT Ministry of Finance TAF Health and Sanitation Command High Council of Education
2.5.8	Health Service Providers and Utilities Statistics	Ministry of Health	TURKSTAT Ministry of Finance TAF Health and Sanitation Command High Council of Education
2.5.9	Work Accident Statistics	Ministry of Labour and Social Security	TURKSTAT
2.5.10	Occupational Diseases Statistics	Ministry of Labour and Social Security	TURKSTAT
2.6 Consumption Expenditure, Poverty and Income Distribution Statistics			
2.6.1	Consumption Expenditures Statistics	TURKSTAT	
2.6.2	Statistics of Income and Living Conditions	TURKSTAT	Ministry of Finance Ministry of Labour and Social Security Department of Family and Social Policies BRSA Ministry of Food, Agriculture and Animal Breeding
2.6.3	Poverty Statistics	TURKSTAT	

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
2.7 Social Protection Statistics			
2.7.1	Social Protection Statistics	TURKSTAT	Ministry of Labour and Social Security
			Ministry of Finance
			Ministry of Health
			General Directorate of Foundations
			Disaster and Emergency Management Department of the Prime Ministry
			Ministry of Internal Affairs
			Department of Family and Social Policies
			Ministry of Science, Industry and Technology
			Ministry of Education
			Ministry of Youth and Sports
			Privatisation Administration
2.7.2	Public Sector Social Expenditure Statistics	Ministry of Development	Ministry of Finance
			Ministry of Education
			Ministry of Health
			Ministry of Internal Affairs
			Ministry of Labour and Social Security
			Department of Family and Social Policies
			Privatisation Administration
			TURKSTAT
2.8 Societal Gender Statistics			
2.8.1	Societal Gender Indicators	TURKSTAT	Department of Family and Social Policies
2.8.2	Ministry of Domestic Violence Against Women in Turkey, Family and Social Policies Family and Social Policies	Aile ve Sosyal Politikalar Bakanlığı	TÜİK
2.8.3	Family Structure Survey	Department of Family and Social Policies	TURKSTAT
2.9 Life Satisfaction Survey			
2.9.1	Life Satisfaction	TURKSTAT	
2.10 Crime and Justice Statistics			
2.10.1	Prison Statistics	TURKSTAT	Ministry of Justice
2.10.2	Statistics on Juvenile Arrivals or Deliveries at Security & Law Enforcement Units	TURKSTAT	Ministry of Internal Affairs
2.10.3	Incident Statistics	TURKSTAT	Ministry of Internal Affairs
			Ministry of Customs and Trade
2.10.4	Judicial Statistics	Ministry of Justice	TURKSTAT
			Constitutional Court
			Court of Cassation
			Council of State
			Military Court of Cassation
			Military High Administrative Court
			Courts of Dispute
			High Board of Arbitration
			Forensic Medicine Institution
Ministry of Education			
			Notaries Association of Turkey
2.10.5	Human Resources Statistics	Prime Ministry Human Rights Presidency	TURKSTAT

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
2.11 Election Statistics			
2.11.1	Election Statistics	TURKSTAT	High Committee of Elections
2.12 Tourism Statistics			
2.12.1	Departing Foreign Visitor Statistics	TURKSTAT	Ministry of Internal Affairs TCMB Ministry of Environment and Urbanism Ministry of Culture and Tourism
2.12.2	Citizen Entry Statistics	TURKSTAT	Ministry of Internal Affairs TCMB Ministry of Culture and Tourism
2.12.3	Household Domestic/International Tourism Statistics	TURKSTAT	Ministry of Culture and Tourism
2.12.4	Border Statistics	Ministry of Culture and Tourism	Ministry of Internal Affairs TURKSTAT
2.12.5	Accommodation Statistics (Tourism Operation License)	Ministry of Culture and Tourism	Ministry of Internal Affairs TURKSTAT
2.12.6	Accommodation Statistics (Certified by Local Administrations)	Ministry of Culture and Tourism	Ministry of Internal Affairs TURKSTAT
2.12.7	Yacht Statistics	Ministry of Culture and Tourism	Ministry of Transportation, Maritime Affairs and Communication TURKSTAT Ministry of Customs and Trade
2.12.8	Licensed Tourism Facility Statistics	Ministry of Culture and Tourism	TURKSTAT
2.12.9	Non-Scheduled Flight (Charter) Statistics	Ministry of Culture and Tourism	TURKSTAT Ministry of Transportation, Maritime Affairs and Communication
2.13 International Migration Statistics			
2.13.1	Foreign Population and Citizenship Statistics	TURKSTAT	Ministry of Internal Affairs
2.13.2	Resident Permits, Asylum Seeker and Refuge Records	TURKSTAT	Ministry of Internal Affairs
2.13.3	Work Permit Statistics	Ministry of Labour and Social Security	TURKSTAT
2.13.4	Statistics on Turkish Nationals Living on Abroad	TURKSTAT	Ministry of Internal Affairs Foreign Ministry Ministry of Labour and Social Security
3.1 National Accounts and Money, Bank, Finance Statistics			
3.1.1	Gross Domestic Product by the Production Method at Current and Fixed Prices	TURKSTAT	TCMB Ministry of Finance Under-Secretariat of Treasury
3.1.2	GDP by Expenditure Method at Current and Fixed Prices	TURKSTAT	TCMB Ministry of Finance
3.1.3	GDP by Revenues Method	TURKSTAT	TCMB Ministry of Finance Under-Secretariat of Treasury Ministry of Labour and Social Security Ministry of Environment and Urbanism
3.1.4	Non Financial Accounts by Institutional Sectors	TURKSTAT	TCMB Ministry of Finance Under-Secretariat of Treasury

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/ Organisation
3.1.5	Supply-Use and Input-Output Tables	TURKSTAT	TCMB
			Ministry of Finance
			Under-Secretariat of Treasury
3.1.6	Rest of the World Accounts	TURKSTAT	TCMB
3.1.7	EU-Financial Statement Tables (EDP)	TURKSTAT	TCMB
			Ministry of Finance
			Under-Secretariat of Treasury
3.1.8	Regional Gross Value Added at Current Prices	TURKSTAT	
3.1.9	Central Government; Trial Balance, Budget Execution Results Breakdown, Income- Expense (Operational) Statements, Cash Flow Analysis, Annual Balance Sheet	Ministry of Finance	TURKSTAT
3.1.10	General Administration, Trial Balance, Budget Execution Results Breakdown, Income- Expense (Operational) Statements, Cash Flow Analysis, Annual Balance Sheet	Ministry of Finance	Ministry of Internal Affairs
			Ministry of Labour and Social Security
			TURKSTAT
			Ministry of Development
3.1.11	Functional Expenditures of General Administration	Ministry of Finance	TURKSTAT
3.1.12	Financial Statistics of General Administration	Ministry of Finance	Under-Secretariat of Treasury
			TURKSTAT
			TCMB
			Ministry of Development
3.1.13	Detailed Tax and Social Contribution Revenues according to Tax or Social Contribution Types	Ministry of Finance	TURKSTAT
			Ministry of Development
3.1.14	Central Government Domestic Debt Data	Under-Secretariat of Treasury	TURKSTAT
3.1.15	Central Government External Debt Data	Under-Secretariat of Treasury	TURKSTAT
3.1.16	Turkey's External Debt Data	Under-Secretariat of Treasury	TCMB
			TURKSTAT
3.1.17	Treasury Guaranteed External Debt Data	Under-Secretariat of Treasury	TURKSTAT
3.1.18	Turkey's Net External Debt Data	Under-Secretariat of Treasury	TCMB
			TURKSTAT
3.1.19	Total Public Net Debt Data	Under-Secretariat of Treasury	TURKSTAT
3.1.20	General Government Debt Data within the Scope of ESA 95	Under-Secretariat of Treasury	TURKSTAT
3.1.21	General Budget Financing Data/ Central Government Budget Financing Data	Under-Secretariat of Treasury	TURKSTAT
3.1.22	Treasury Claims Data	Under-Secretariat of Treasury	TURKSTAT
3.1.23	Consolidated Public Sector Balance	Under-Secretariat of Treasury	TURKSTAT
3.1.24	SEE Financial Statements	Under-Secretariat of Treasury	TURKSTAT
3.1.25	Direct Investments Realised by Persons Residing in Turkey by Countries and Sectors	Under-Secretariat of Treasury	TURKSTAT
3.1.26	Financial Tables of Insurance, Reinsurance and Retirement Companies	Under-Secretariat of Treasury	TURKSTAT
3.1.27	Treasury Cash Balance Realization	Under-Secretariat of Treasury	TURKSTAT

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
3.1.28	International Direct Investment Data Bulletin	Ministry of Economy	TURKSTAT
3.1.29	List of Companies with International Capital and Liaison Offices	Ministry of Economy	TURKSTAT
3.1.30	Money and Bank Statistics	TCMB	TURKSTAT BRSA
3.1.31	Para Politikası İstatistikleri	TCMB	TÜİK
3.1.32	Exchange Rate and Selected Interest Rate Statistics	TCMB	TURKSTAT
3.1.33	Financial Accounts	TCMB	Ministry of Finance Under-Secretariat of Treasury BRSA CMB SDIF Central Registry Agency İMKB TURKSTAT Association of Capital Market Intermediary Institutions of Turkey
3.1.34	Balance of Payments Statistics	TCMB	TURKSTAT Under-Secretariat of Treasury İMKB Central Registry Agency
3.1.35	International Investment Position	TCMB	Under-Secretariat of Treasury TURKSTAT İMKB Central Registry Agency
3.1.36	Bank of International Settlements (BIS) Local and Consolidated Banking Statistics	TCMB	TURKSTAT
3.1.37	Domestic Direct Investment and International Portfolio Investment Statistics	TCMB	TURKSTAT
3.1.38	International Reserves and Foreign Currency Liquidity	TCMB	TURKSTAT Under-Secretariat of Treasury
3.1.39	Debt of Credits Obtained by the Private Sector from Abroad	TCMB	TURKSTAT
3.1.40	Short Term External Debts	TCMB	TURKSTAT
3.1.41	Statistics on Securities in Possession of Non-Residents	TCMB	İMKB TURKSTAT Central Registry Agency
3.1.42	Real Effective Foreign Exchange Rate Index	TCMB	TURKSTAT
3.1.43	Statistics Relating to Banking Sector Aggregated Balance Sheet, Profit and Loss Statement, Foreign Currency Position, Liquidity Status, Credit, Distribution of Securities Portfolio, Capital Adequacy and Deposits	BRSA	TURKSTAT
3.1.44	Statistics on Consumer Credits and Loan Card Expenditures	BRSA	TURKSTAT
3.1.45	Balance Sheets and Profit/Loss Statements of Factoring, Leasing and Financial Companies	BRSA	TURKSTAT
3.1.46	Banking Sector Data Selected by Provinces	BRSA	TCMB

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
3.1.47	Insurance Premiums Collected from Loan Organizations, Repayments of Bank Deposits and Fund Resolving Revenues	SDIF	BRSA TURKSTAT
3.1.48	Securities Transferred to Fund by Exceeding Statute of Limitations	SDIF	TURKSTAT
3.1.49.a	Monthly Statistics for Securities and Investment Funds/Superannuation Fund Investment Schemes/ Securities, Real Enterprise Capital Investment Partners and Portfolio Management Companies	CMB	TURKSTAT
3.1.49.b	Annual Statistics on Investment Trusts, Real Estate Investment Trusts and Venture Capital Investment Trusts	CMB	TURKSTAT
3.1.49.c	Daily Statistics on Mutual Funds/Private Pension Funds/Investment Trusts	CMB	TURKSTAT
3.1.50	Issues Requests and Recording Results of Private Pension and Security Investment Funds; Application and Registration Results of the Shares of All Investment Partners; Applications and Results for All Capital Ceiling Increases and Securities Registered at the Board	CMB	TURKSTAT
3.1.51.a	Publicly Held Companies Statistics	CMB	İMKB TURKSTAT
3.1.51.b	Publicly Held Companies Statistics	CMB	İMKB TURKSTAT
3.1.52	Stock and Bond Company Statistics	CMB	İMKB TURKSTAT
3.1.53	General Balance of Economy	Ministry of Development	TURKSTAT
3.1.54	Public Sector General Balance	Ministry of Development	TURKSTAT
3.1.55	General State Revenues/Expenses and Balance	Ministry of Development	Ministry of Finance Ministry of Internal Affairs Ministry of Labour and Social Security TURKSTAT
3.1.56	Fixed Capital Investments (Public, Private and Total by Sectors)	Ministry of Development	TURKSTAT
3.1.57	Fixed Capital Investments (Public, by Budget Types)	Ministry of Development	TURKSTAT
3.1.58	Information on Deposit Credits at Provincial Level	Banks Association of Turkey	TURKSTAT
3.1.59	Premium and Policy Number	Association of Insurance and Reinsurance Companies of Turkey	TURKSTAT
3.1.60	Traffic Insurance, Elective Transportation Insurance, Financial Liability Insurance, Compulsory Seat Insurance, Personal Accident Insurance Statistics	Association of Insurance and Reinsurance Companies of Turkey	TURKSTAT
3.1.61	Car Insurance and Health Analysis	Association of Insurance and Reinsurance Companies of Turkey	TURKSTAT

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
3.2 Price Statistics and Indices			
3.2.1	Producer Price Index (PPI)	TURKSTAT	
3.2.2	Consumer Price Index (CPI)	TURKSTAT	
3.2.3	Harmonised CPI	TURKSTAT	
3.2.4	Real Returns of Financial Assets	TURKSTAT	
3.2.5	Consumer Tendency Statistics and Consumer Confidence Index	TURKSTAT	TCMB
3.2.6	Economic Confidence Index	TURKSTAT	
3.2.7	Building Construction Cost Index	TURKSTAT	
3.2.8	House Sales Statistics	TURKSTAT	Ministry of Environment and Urbanism
3.2.9	Workplace Trend Statistics and Sectoral Confidence Indices	TURKSTAT	
3.2.10	House Price Index	TCMB	
3.3 Foreign Trade Statistics			
3.3.1	Foreign Trade Statistics	TURKSTAT	Ministry of Customs and Trade
			Ministry of Economy
3.3.2	Foreign Trade Volume and Unit Value Indices	TURKSTAT	
3.3.3	Foreign Trade Expectations Survey	Ministry of Economy	
3.4 Purchasing Power Parity			
3.4.1	Purchasing Power Parity	TURKSTAT	Ministry of Health
			Ministry of Finance
3.5 Development Aid Statistics			
3.5.1	OECD-DAC Statistics	Presidency of the Turkish International Co-operation and Coordination	TURKSTAT
3.5.2	Development Aids Report of Turkey	Presidency of the Turkish International Co-operation and Coordination	TURKSTAT
3.5.3	BSECA Activity Report (Technical Co-operation Report)	Presidency of the Turkish International Co-operation and Coordination	TURKSTAT
3.6 Public Procurement Statistics			
3.6.1	Public Procurement Statistics	Public Procurements Agency	TURKSTAT
			Ministry of Finance
			Ministry of Internal Affairs
			Ministry of Health
			Ministry of Labour and Social Security
			Administrations Subject to 4734 Numbered Public Procurements Act
4. Annual Business Statistics			
4.1.1	Industrial and Service Statistics	TURKSTAT	
4.1.2	Radio-TV Broadcast Company Statistics	TURKSTAT	RTSC
4.1.3	Industrial Product Statistics	TURKSTAT	Turkish Sugar Authority
			TAMRA
4.1.4	Productivity Indicators	Ministry of Science, Industry and Technology	TURKSTAT
4.1.5	Sectoral Balance Sheet Statistics	TCMB	TURKSTAT

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
4.2 Short Term Business Statistics			
4.2.1	Industrial Production Index	TURKSTAT	
4.2.2	Industrial Workforce Input Indices	TURKSTAT	
4.2.3	Industrial Sector Turnover and Order Indices	TURKSTAT	
4.2.4	Trade and Service Indices	TURKSTAT	
4.2.5	Construction Workforce Input Indicators	TURKSTAT	
4.2.6	Construction Turnover and Production Indices	TURKSTAT	
4.2.7	Building Permits	TURKSTAT	Ministry of Internal Affairs
4.2.8	Economic Trend Survey	TCMB	TURKSTAT
4.2.9	Investment Survey	TCMB	TURKSTAT
4.2.10	Total Industry Unit Wage Index	Ministry of Development	TCMB TURKSTAT
4.2.11	Investment Incentive Statistics	Ministry of Economy	TURKSTAT
4.2.12	Productivity Indicators	Ministry of Science, Industry and Technology	TURKSTAT
4.2.13	Industrial Capacity Report Statistics	TOBB	TURKSTAT
4.3 Energy Statistics			
4.3.1	Short Term Solid Fuel Statistics	TURKSTAT	Ministry of Energy and Natural Resources
4.3.2	Electricity and Natural Gas Price Statistics	TURKSTAT	Ministry of Energy and Natural Resources Energy Market Regulatory Authority
4.3.3	Sectoral Energy Consumption Statistics	TURKSTAT	
4.3.4	Energy Consumption in Manufacturing Industry	Ministry of Energy and Natural Resources	TURKSTAT
4.3.5	Structural Conditions and Energy Consumption of Buildings	Ministry of Energy and Natural Resources	TURKSTAT
4.3.6	Energy Density and Energy Efficiency Indices	Ministry of Energy and Natural Resources	TURKSTAT
4.3.7	Oil Statistics (Market Activities)	Energy Market Regulatory Authority	TURKSTAT Ministry of Energy and Natural Resources
4.3.8	Natural Gas Statistics (Market Activities)	Energy Market Regulatory Authority	TURKSTAT Ministry of Energy and Natural Resources
4.3.9	LPG Statistics	Energy Market Regulatory Authority	TURKSTAT Ministry of Energy and Natural Resources
4.3.10	Statistics of Fuel Biodiesel, One of the Renewable Sources of Energy	Energy Market Regulatory Authority	TURKSTAT Ministry of Energy and Natural Resources
4.3.11	Oil Statistics (Exploration and Production Activities)	Ministry of Energy and Natural Resources	TURKSTAT EMRA
4.3.12	Natural Gas Statistics (Exploration and Production Activities)	Ministry of Energy and Natural Resources	TURKSTAT EMRA
4.3.13	Electrical Energy Generation-Transmission Statistics	Ministry of Energy and Natural Resources	TURKSTAT
4.3.14	Electricity Distribution and Consumption Statistics	Ministry of Energy and Natural Resources	TURKSTAT
4.3.15	Statistics of Bioethanol, One of the Renewable Sources of Energy	TAMRA	TURKSTAT

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
4.3.16	Energy Compensation Tables	Ministry of Energy and Natural Resources	TURKSTAT
4.4 Transportation Statistics			
4.4.1	Motor Land Vehicles Statistics	TURKSTAT	Ministry of Internal Affairs
4.4.2	Motorway Traffic Accident Statistics	TURKSTAT	Ministry of Internal Affairs
4.4.3	Statistics for Maritime Transports (Recorded to Register), Seaway Coastal Line, International Seaways Transport	TURKSTAT	Ministry of Transportation, Maritime Affairs and Communication
4.4.4	Turkish Flagged Ship Statistics Kept within the Scope of the Paris Treaty	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.5	Port Supervisory Statistics within the Scope of the Mediterranean and Black Sea Agreement	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.6	Turkish Straits Ship Passage Statistics	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.7	Maritime Accident Statistics	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.8	Motorways Inventory (Excluding Village Access Roads and Inter-district link roads)	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.9	Motorways Inventory (Village Access Roads)	Ministry of Internal Ulaştırma, Denizcilik ve Haberleşme Bakanlığı	TÜİK TÜİK
4.4.10	Motorway Financial Statistics	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.11	Navigation and Transports on Motorways	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.12	Traffic and Access Information	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.13	Airport and Airfield Statistics	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.14	Air Transport Statistics (ICAO Forms)	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.3.15	Statistics of Bioethanol, One of the Renewable Sources of Energy	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.16	Aircraft Accident Statistics	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.17	Railway Statistics	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.4.18	Petroleum Pipeline Transport Statistics	Ministry of Energy and Natural Resources	TURKSTAT Ministry of Transportation, Maritime Affairs and Communication
4.4.19	Natural Gas Pipeline Transport Statistics	Ministry of Energy and Natural Resources	TURKSTAT Ministry of Transportation, Maritime Affairs and Communication
4.4.20	Petroleum Pipeline Transport Statistics (National Intermediate Lines)	Ministry of Energy and Natural Resources	TURKSTAT Ministry of Transportation, Maritime Affairs and Communication
4.4.21	Transit Natural Gas and Crude Oil Pipeline Transport Statistics	Ministry of Energy and Natural Resources	TURKSTAT Ministry of Transportation, Maritime Affairs and Communication

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
4.5 Science and Technology Statistics			
4.5.1	Industrial/Service Organisations Research and Deveoplment Statistics	TURKSTAT	Ministry of Science, Industry and Technology TUBITAK Technology Development Foundation of Turkey
4.5.2	Public Organisations Research and Deveoplment Statistics	TURKSTAT	TUBITAK
4.5.3	Higher Education Sector Research and Deveoplment Statistics	TURKSTAT	Ministry of Development TUBITAK High Council of Education Ministry of Finance
4.5.4	Household Information Technology Usage Statistics	TURKSTAT	Ministry of Development
4.5.5	Enterprise Information Technology Usage Statistics	TURKSTAT	Ministry of Development Ministry of Finance
4.5.6	Industrial and Services Sectors Innovation Statistics	TURKSTAT	
4.5.7	PhD Degree Holders' Career Development Statistics	TURKSTAT	TUBITAK High Council of Education
4.5.8	Patent Statistics	Ministry of Science, Industry and Technology	TURKSTAT
4.5.9	Utility Model Statistics	Ministry of Science, Industry and Technology	TURKSTAT
4.5.10	Trademark Statistics	Ministry of Science, Industry and Technology	TURKSTAT
4.5.11	Industrial Design Statistics	Ministry of Science, Industry and Technology	TURKSTAT
4.5.12	Geographical Symbols Statistics	Ministry of Science, Industry and Technology	TURKSTAT
4.5.13	Number of Scientific Publications Per Capita Head Million People	Ministry of Science, Industry and Technology	TURKSTAT
4.6 Communication Statistics			
4.6.1	Mail Statistics (Inland, Overseas, Pecuniary)	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.6.2	Cable Statistics (Inland, Overseas)	Ministry of Transportation, Maritime Affairs and Communication	TURKSTAT
4.6.3	Communication Services Statistics	IT Communication Agency	TURKSTAT
4.7 Financial Intermediary Organisation Statistics			
4.7.1	Financial Intermediary Organisation Statistics	TURKSTAT	BRSA Under-Secretariat of Treasury CMB
4.7.2	Information on Decentralised Organisational Structure and Existing Authorisation Documents of Intermediary Organisations with Ongoing and Temporarily Suspended Activities	CMB	TURKSTAT
5.1 Plant Production Statistics			
5.1.1	Plant Production Statistics	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding Ministry of Customs and Trade Turkish Sugar Authority Forestry and Water Affairs Ministry TAMRA ÇAYKUR Commodity Exchanges

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
5.1.2	Vineyard Survey	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding TAMRA
5.1.3	Fruit Production Survey	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding
5.1.4	Crop Products Balance Sheets	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding Turkish Sugar Authority TAMRA Agricultural Sales Cooperatives Producer Plants
5.1.5	Agricultural Equipment and Machinery Statistics	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding
5.2 Agricultural Structure Statistics			
5.2.1	Agricultural Operations (Household) Wage Structure Survey	TURKSTAT	
5.2.2	Agricultural Operations Structural Survey	TURKSTAT	
5.3 Animal Production Statistics			
5.3.1	Livestock and Animal Product	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding
5.3.2	Red Meat Production Statistics	TURKSTAT	
5.3.3	Milk and Dairy Products Production Statistics	TURKSTAT	
5.3.4	Poultry Raising Production Statistics	TURKSTAT	
5.3.5	Raw Hide Production Statistics	TURKSTAT	
5.3.6	Animal Production Balance Sheets	TURKSTAT	
5.4 Fish and Seafood Statistics			
5.4.1	Seafood Hunting	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding
5.4.2	Inland Fisheries Products	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding
5.4.3	Seafood Farming	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding
5.5 Agricultural Economic Accounts			
5.5.1	Farmer Received Price Statistics	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding
5.5.2	PPI Agricultural Sector Index	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding Ministry of Customs and Trade Turkish Sugar Authority TAMRA Forestry and Water Affairs Ministry ÇAYKUR TOBB Fish and Fish Market Cooperatives
5.5.3	Indicators of Agricultural Economic Accounts	TURKSTAT	Ministry of Food, Agriculture and Animal Breeding Ministry of Finance

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
5.5.4	Agricultural Support Purchase Prices and Product Production Supports	Ministry of Food, Agriculture and Animal Breeding	TURKSTAT
5.6 Food Safety Statistics			
5.6.1	Organic Farming	Ministry of Food, Agriculture and Animal Breeding	TURKSTAT
5.6.2	Fertiliser Usage Quantities	Ministry of Food, Agriculture and Animal Breeding	TURKSTAT
5.6.3	Good Farming Practices	Ministry of Food, Agriculture and Animal Breeding	TURKSTAT
5.7 Forestry Statistics			
5.7.1	Forestry Statistics	Forestry and Water Affairs Ministry	TURKSTAT
5.8 Remote Sensing			
5.8.1	Land Cover/Usage	Forestry and Water Affairs Ministry	Ministry of Food, Agriculture and Animal Breeding TURKSTAT
6.1 Environmental Statistics			
6.1.1	Water Quality (Coastal Waters, Rivers and Lakes)	Forestry and Water Affairs Ministry	Ministry of Environment and Urbanism Forestry and Water Affairs Ministry TURKSTAT
6.1.2	Water Potential	Forestry and Water Affairs Ministry	TURKSTAT
6.1.3	Water Withdrawal and Usage	TURKSTAT	Forestry and Water Affairs Ministry Ministry of Environment and Urbanism
6.1.4	Waste Water Statistics	TURKSTAT	Ministry of Environment and Urbanism Forestry and Water Affairs Ministry
6.1.5	Municipal Waste Statistics	TURKSTAT	Ministry of Environment and Urbanism
6.1.6	Industrial Waste Statistics	TURKSTAT	Ministry of Environment and Urbanism
6.1.7	Packaging and Packaging Waste Statistics	Ministry of Environment and Urbanism	TURKSTAT
6.1.8	Construction and Demolition Waste Statistics	Ministry of Environment and Urbanism	TURKSTAT
6.1.9	Medical Waste Statistics	TURKSTAT	Ministry of Environment and Urbanism Ministry of Health
6.1.10	Agricultural Waste Statistics	TURKSTAT	
6.1.11	Special Waste Statistics	Ministry of Environment and Urbanism	Ministry of Economy Ministry of Customs and Trade TURKSTAT
6.1.12	Hazardous Waste Exports Statistics	Ministry of Environment and Urbanism	Ministry of Economy Ministry of Customs and Trade TURKSTAT
6.1.13	Municipal Waste Composition Statistics	Ministry of Environment and Urbanism	Ministry of Internal Affairs TURKSTAT
6.1.14	Greenhouse Gas Emissions Statistics	TURKSTAT	Ministry of Energy and Natural Resources Ministry of Environment and Urbanism Forestry and Water Affairs Ministry Ministry of Transportation, Maritime Affairs and Communication Ministry of Food, Agriculture and Animal Breeding

Appendix. 2. List of Institutions/Organizations Responsible for Data according to the Official Statistical Program (Continued)

Sort No	Sub-Topic	Responsible Institution/ Organisation	Related Institution/Organisation
6.1.15	Air Pollutant Emissions Statistics	Ministry of Environment and Urbanism	Ministry of Energy and Natural Resources
			Forestry and Water Affairs Ministry
			Ministry of Transportation, Maritime Affairs and Communication
			Ministry of Food, Agriculture and Animal Breeding
			TURKSTAT
6.1.16	Air Quality	Ministry of Environment and Urbanism	TURKSTAT
6.1.17	Public Sector Environmental Employment, Income and Expenditure Statistics	TURKSTAT	Ministry of Finance Under-secretariat of Treasury
6.1.18	Business Sector Environmental Employment, Income and Expenditure Statistics	TURKSTAT	
6.1.19	Biodiversity Statistics	Forestry and Water Affairs Ministry	Ministry of Environment and Urbanism
			TURKSTAT
6.1.20	Conservation Area Statistics	Forestry and Water Affairs Ministry	Ministry of Economy
			Ministry of Customs and Trade
			Ministry of Internal Affairs
			Ministry of Food, Agriculture and Animal Breeding
			Ministry of Environment and Urbanism
			TURKSTAT
6.1.21	Climate Statistics	Forestry and Water Affairs Ministry	TURKSTAT
6.1.22	Soil Contamination Statistics	Ministry of Environment and Urbanism	TURKSTAT
6.1.23	Sea Pollution Statistics	Ministry of Environment and Urbanism	Forestry and Water Affairs Ministry
			TURKSTAT
6.1.24	Noise Statistics	Ministry of Environment and Urbanism	Ministry of Transportation, Maritime Affairs and Communication
			Ministry of Internal Affairs
			TURKSTAT
6.1.25	Environmental Impact Assessment Statistics	Ministry of Environment and Urbanism	TURKSTAT
6.1.26	Environmental Authorisations and Licensing Statistics	Ministry of Environment and Urbanism	TURKSTAT
6.1.27	Environmental Control Statistics	Ministry of Environment and Urbanism	TURKSTAT
6.1.28	Desertification Statistics	Forestry and Water Affairs Ministry	Ministry of Environment and Urbanism
			Ministry of Food, Agriculture and Animal Breeding
			Ministry of Rural Development
			TURKSTAT
6.1.29	Indicators of Sustainable Development	TURKSTAT	

Nomenclature of Territorial Units for Statistics Level Codes and Names

Level-1	Level-2	Level-3	Level-1	Level-2	Level-3					
TR	Turkey									
TR1	Istanbul	TR10 İstanbul	TR100 İstanbul							
TR2	West Marmara	TR21	Tekirdağ	TR211 Tekirdağ	TR8 West Black Sea	TR81	Zonguldak	TR811 Zonguldak	Zonguldak	
			Edirne	TR212 Edirne			Karabük	TR812 Karabük	Karabük	
			Kırklareli	TR213 Kırklareli			Bartın	TR813 Bartın	Bartın	
		TR22	Balıkesir	TR221 Balıkesir		TR82	Kastamonu	TR821 Kastamonu	Kastamonu	
			Çanakkale	TR222 Çanakkale			Çankırı	TR822 Çankırı	Çankırı	
							Sinop	TR823 Sinop	Sinop	
TR3	Aegean Region	TR31	İzmir	TR310 İzmir	TR9 East Black Sea	TR90	Samsun	TR831 Samsun	Samsun	
			Aydın	TR321 Aydın			Tokat	TR832 Tokat	Tokat	
		TR32	Denizli	TR322 Denizli			TR83	Çorum	TR833 Çorum	Çorum
			Muğla	TR323 Muğla				Amasya	TR834 Amasya	Amasya
		TR33	Manisa	TR331 Manisa			TR90	Trabzon	TR901 Trabzon	Trabzon
			A.karahisar	TR332 Afyonkarahisar				Ordu	TR902 Ordu	Ordu
Kütahya	TR333 Kütahya		Giresun	TR903 Giresun	Giresun					
	Uşak	TR334 Uşak	Rize	TR904 Rize	Rize					
TR4	East Marmara	TR41	Bursa	TR411 Bursa	TRA North East Anatolia	TRA1	Erzurum	TRA11 Erzurum	Erzurum	
			Eskişehir	TR412 Eskişehir			Erzincan	TRA12 Erzincan	Erzincan	
			Bilecik	TR413 Bilecik			Bayburt	TRA13 Bayburt	Bayburt	
		TR42	Kocaeli	TR421 Kocaeli			TRA2	Ağrı	TRA21 Ağrı	Ağrı
			Sakarya	TR422 Sakarya				Kars	TRA22 Kars	Kars
			Düzce	TR423 Düzce				Iğdır	TRA23 Iğdır	Iğdır
	Bolu	TR424 Bolu	Ardahan	TRA24 Ardahan	Ardahan					
	Yalova	TR425 Yalova								
TR5	West Anatolia	TR51	Ankara	TR510 Ankara	TRB1	Malatya	TRB11 Malatya	Malatya		
		TR52	Konya	TR521 Konya		Elazığ	TRB12 Elazığ	Elazığ		
TR6	Mediterranean Region	TR61	Antalya	TR611 Antalya	TRB2	Bingöl	TRB13 Bingöl	Bingöl		
			Isparta	TR612 Isparta		Tunceli	TRB14 Tunceli	Tunceli		
			Burdur	TR613 Burdur		Van	TRB21 Van	Van		
		TR62	Adana	TR621 Adana	TRC1	Muş	TRB22 Muş	Muş		
			Mersin	TR622 Mersin		Bitlis	TRB23 Bitlis	Bitlis		
		TR63	Hatay	TR631 Hatay	TRC2	Hakkari	TRB24 Hakkari	Hakkari		
K.maraş	TR632 Kahramanmaraş		Gaziantep	TRC11 Gaziantep		Gaziantep				
Osmaniye	TR633 Osmaniye		Adıyaman	TRC12 Adıyaman		Adıyaman				
TR7	Central West Anatolia	TR71	Kırıkkale	TR711 Kırıkkale	TRC	TRC2	Şanlıurfa	TRC21 Şanlıurfa	Şanlıurfa	
			Aksaray	TR712 Aksaray			Diyarbakır	TRC22 Diyarbakır	Diyarbakır	
			Niğde	TR713 Niğde			TRC3	Mardin	TRC31 Mardin	Mardin
			Nevşehir	TR714 Nevşehir				Batman	TRC32 Batman	Batman
		TR72	Kırşehir	TR715 Kırşehir	Top.	26	81	Şırnak	TRC33 Şırnak	Şırnak
			Kayseri	TR721 Kayseri				Siirt	TRC34 Siirt	Siirt
			Sivas	TR722 Sivas						
			Yozgat	TR723 Yozgat						

IMF's Grouping of Countries and Countries in Each Group

Country Groups	Number of Countries in Related Group	Names of Countries in Related Group
Developed economies	34	Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong SAR, Iceland, Ireland, Israel, Italy, Japan, Republic of Korea, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, United Kingdom, USA
Emerging and developing economies	150	Afghanistan, Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bhutan, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Cap Verde, Lesotho, Liberia, Libya, Lithuania, Macedonia, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Central African Republic, Chad, Chile, China, Colombia, Comoros, Democratic Republic of Congo, Republic of the Congo, Costa Rica, Ivory Coast, Croatia, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Georgia, Ghana, Grenada, Guatemala, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Qatar, Romania, Russia, Rwanda, Samoa, Sao Tome and Principe, South Africa, Senegal, Serbia, Seychelles, Sierra Leone, Solomon Islands, South Africa, Sri Lanka, St. St. Kitts and Nevis, St. Lucia, St. Vincent and Grenadas, Sudan, Suriname, Swaziland, Syria, Tajikistan, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, India, Indonesia, Iran, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kosovo, Kuwait, Kyrgyzstan, Laos, Latvia, Lebanon, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Trinidad & Tobago, Tunisia, Turkey, Turkmenistan, Tuvalu, Uganda, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Vanuatu, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe

Source: IMF, World Economic Outlook.

Country Groupings Included in AEC Publication and Countries in Groups

Country Groups ⁽¹⁾	Number of Countries in Related Group	Names of Countries in Related Group	Number of Countries Included in Economic Report 2011	Countries Included in Economic Report 2011
East Asia and Pacific	16	Japan, Singapore, Republic of Korea, Hong Kong SAR, China, Thailand, Malaysia, New Zealand, The Philippines, Indonesia, Vietnam, Australia, Cambodia, Lao PDR, Mongolia, Papua New Guinea	10	Japan, Singapore, Republic of Korea, China, Indonesia, Malaysia, The Philippines, Thailand, Cambodia, Vietnam
Western Europe	16	Germany, Switzerland, Sweden, Austria, Finland, U.K., France, Italy, Denmark, Ireland, Belgium, Netherlands, Spain, Norway, Portugal, Greece	3	Germany, Switzerland, Sweden
Eastern Europe and Central Asia	27	Czech Republic, Slovenia, Hungary, Slovak Republic, Belarus, Poland, Croatia, Romania, Estonia, Lithuania, Serbia, Bosnia-Herzegovina, Latvia, Bulgaria, Ukraine, Turkey, Russian Federation, Moldova, Albania, Macedonia, Kyrgyzstan, Georgia, Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, Azerbaijan	3	Czech Republic, Slovenia, Turkey
North America	2	United States of America (USA), Canada	2	United States of America (USA), Canada
Middle East and Northern Africa	16	Israel, Lebanon, Jordan, Tunisia, Com. United Arab Emirates, Saudi Arabia, Syria, Morocco, Qatar, Oman, Yemen, Algeria, Kuwait, Iran, Libya	3	Israel, Lebanon, Jordan
Latin America and The Caribbean	21	Mexico, Panama, Costa Rica, Brazil, Colombia, Uruguay, Argentina, El Salvador, Dominican Republic, Guatemala, Trinidad & Tobago, Chile, Jamaica, Cuba, Paraguay, Honduras, Peru, Ecuador, Nicaragua, Bolivia, Venezuela	3	Mexico, Panama, Costa Rica
South Asia	4	India, Sri Lanka, Pakistan, Bangladesh	3	India, Sri Lanka, Pakistan
Sub-Saharan Africa	26	South Africa, Namibia, Kenya, Senegal, Mauritius, Zimbabwe, Uganda, Madagascar, Botswana, Tanzania, Ivory Coast, Ghana, Ethiopia, Zambia, Malawi, Mozambique, Mali, Liberia, Gabon, Cameroon, Nigeria, Guinea, Congo Republic, Sudan, Angola, Mauritania	3	South Africa, Namibia, Kenya
Total	128		30	

Source: The Atlas of Economic Complexity, 2011.

(1): In the publication titled Economic Report, the first three ranking countries by "Economic Complexity Index" values were selected from each country grouping. However, some specific approaches were used. These are:

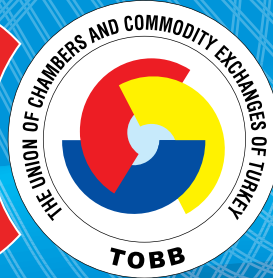
- The "South Asia" group was replaced with "Recently Developing Countries", which group included 6 countries.
- "Eastern Europe and Central Asia" group took our country in the third place.

Countries in Economic Development Level Included in Section Titled Indicators for International Entrepreneurship

Level of Economic Development	Names of Countries in Related Group	Number of Countries
Factor-driven economies	Algeria, Bangladesh, Guatemala, Iran, Jamaica, Pakistan, Venezuela	7
Event-driven economies	Argentina, Barbados, Bosnia and Herzegovina, Brazil, Chile, China, Colombia, Croatia, Hungary, Latvia, Lithuania, Malaysia, Mexico, Panama, Peru, Poland, Romania, Russia, Slovakia, South Africa, Thailand, Trinidad-Tobago, Turkey, Uruguay	24
Innovation-driven economies	Australia, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Japan, Republic of Korea, the Netherlands, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, United Arab Emirates, United Kingdom, United States of America (USA)	23

Source: Global Entrepreneurship Monitor, 2011.

6



years

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