



ECONOMIC REPORT

2017





ECONOMIC REPORT 2017





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FOREWORD



The global economy continues to recover and strengthen. Almost all countries are seeing a positive growth. Perhaps for the first time in the last 10 years, economic growth has materialized in a positive manner and above the last year in all continents and almost all countries.

The US economy seems to have completely got over the global crisis. European and Japanese economies continue to recover. The economic performance demonstrated by the UK in the view of the adverse situation in the aftermath of Brexit is above expectations. China has strengthened macroeconomic stability despite the loss of the momentum in growth. India has become the new leader of global growth.

The growth in the world trade volume and investment spending is also on the rise. Especially the increase in investments within developed economies is striking. Positive developments in growth and trade also led to moderate increases in commodity prices. Oil prices are on the rise again. However, the strong structure on the supply side limits price increases.

A generally optimistic outlook prevails on money and capital markets and risk perception is at a low level. Fund flows continue into the developing country markets. The interest rate increases by the Federal Reserve Bank is in line with market expectations. The gradual increase in 2018 and 2019 is expected to continue. The Central Bank of England increased its policy interest rate for the first time in 10 years against the increase in inflation. The

European Central Bank announced that it would reduce net asset purchases. However, it is expected to maintain a low interest rate policy.

The main risk factors in the global economic outlook are disturbances caused domestically and internationally by unusual approaches of President Trump and the Fed's plans of interest rate increase and downsizing of its balance sheet, i.e. liquidity reduction, increased protectionist trends, turmoil occurring in the Middle East which is not unexpected to decrease, rise in oil prices, and North Korea's missile tests.

When we look at it from the standpoint of our country, we closed 2017 with a performance far better than what everyone expected. With a growth rate of 7.4, we are at a point where very few countries can reach around the world. As a reflection of the growth, we made noteworthy increases in employment, investment and exports.

Our Chamber and Commodity Exchange community played a great role in all of these developments. We took the first step in terms of financing. Because the financing was required first for the production and investment. We launched TOBB Nefes (breath) Loan, our in-house product. We brought together all resources of TOBB, Chambers and Commodity Exchanges around 81 provinces. We made a first and ensured that commercial loans are extended at the rate of 9.90, the lowest interest rate applied to commercial loan until that date. Our Honorable President described this initiative by saying that "you have made an innovation in financing". Then, by consulting with our Government, we received a non-cash Treasury support in the amount of TL 250 billion for the Credit Guarantee Fund (KGF), of which we are the founding partner. Thus, KGF, whose guarantee capacity increased rapidly, became life water for SMEs. Wheels of the economy started turning faster.

The success we achieved in the field of employment was also pioneered by the Chamber-Commodity Exchange community. During TOBB Economy Council, we have launched the mobilization for employment in 81 provinces under the leadership of our President. Our government provided a historical support. Our firms enjoying a decreased cost of employment and increased competitive power, our citizens running their own businesses as well as the entire country where the purchasing power soared became winners thanks to aforesaid initiative.

Investments saw a revival after a long time as many proposals we expressed during TOBB councils and within YOİKK materialized. Some concrete projects implemented by our community positively contributed to the export. We modernized all the big land customs gates with our Chambers and Commodity Exchanges. Volume of passing through gates increased by 4 times whereas the waiting time dropped by half owing to the said modernization. The state did not have to pay a single kurus, moreover, more tax revenue was derived from the increased transaction volume. According to a research conducted, our firms saved on TL 400 million per annum thanks to modernization and rendering the customs gates more effective.

As a result, we saw that the incentives given by our Government in 2017 were not wasted. These steps gave power to private sectors and entrepreneurs. The relief in the market was also reflected in the figures. We also proved to everyone how robust and dynamic Turkish economy and our real sectors are despite of all problems we were put through both at home and abroad.

We should avoid complacency based on these positive results we achieved and we should not ignore risks. But we should not overlook opportunities. Now, our goal is to maintain this performance. Global growth and trade in 2018 is likely to be better than this year. It is possible to achieve the highest global growth rate in the last 7 years. And we

should take our share of this. We need to continue employment, production and investment incentives to that end.

Areas which should be primarily focused in the macro economy seem to be the budget balance, inflation and current account deficit. On the other hand, rise in both interest rates and exchange rates are putting a strain on the real sector. It is increasing the burden of financing on firms. The civil war that has been going on for 6 years in Syria, our border neighbor, and other problems in the nearby geographies give rise to a critical risk.

With regards to Turkey's economy, reflections of global developments will be influential in 2018. For example, the continuation of the rise in oil prices will increase the current account deficit and need for financing. Additionally, it looks like the global liquidity will shrink in 2018. In addition to the Fed's withdrawal of liquidity increased after the global crisis, the European Central Bank is also reducing monetary expansion. This situation has the risk of reducing the opportunities for foreign financing and increasing costs of such opportunities. Also, the decision to be made at the end of Halkbank case in the USA has a great importance. However, the recovery in developed economies, notably, Europe, the normalization of relations with Russia are positive developments in terms of export and tourism.

In 2017, Turkey went for the policy of increasing the growth and reducing the unemployment instead of macroprudential policies. This policy proved successful in boosting growth and employment. But borrowing, foreign exchange deficit and inflation increased, too. Methods to be used for meeting the need for external financing in 2018 are also important. We will continue to be attractive for foreign portfolio investors as our interest rates are higher than developed countries. But such hot money is both costly and dangerous because such hot money is likely to escape any moment. Instead, it is more proper to attract direct foreign investment, that is, to increase the quality of external financing. But, we must have a good story of growth for this. In this way, we will prevent perceptions that are attempted to be created against us around the world and strengthen the stability in the economy. There is a need for a comprehensive reform process for new targets that will allow our country to look ahead due to all these reasons. It is necessary to change the growth process based on the internal demand and the external source.

Turkey was always late at previous industrial revolutions. We were never able to catch up with all those races we lost. Now, we're on the verge of a new industrial revolution. The input of the new economy is neither natural resources nor geography. To succeed in this new race, we need skillful players and a good corporate system. We have the player potential and we are an enterprising nation, however we lack the system.

The luck smiles at those who are prepared. We can initiate a new breakthrough if we manage to embrace the soul of the time and correct our deficiencies. Turkey is a great country. Turkey is strong enough to overcome every problem. All we need to do is maintaining our unity and stability.

In order to render our country's tomorrow stronger than today, Turkey's private sector will continue investments, production, employment and export with steadfastness and determination.

I hope the Economic Report for the Year 2017 evaluating economic developments in the world and Turkey will be of any help to our community and all parties concerned.

M. Rifat HİSARCIKLIOĞLU

President of TOBB

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SYMBOLS AND ABBREVIATIONS

SYMBOLS

-	: Information unavailable.
\$: US Dollar
€	: Euro
m ²	: Square meter
m ³	: Cubic meter
Ha	: Hectare
GWh	: Gigawatt hour (GWh= 1 billion KWh)
KHa	: Global Hectare
Km ²	: Square kilometer
KWh	: Kilowatt-hour
MW	: Million watts
Sm ³	: It is a value expressed as a standard cubic meter (Sm ³) at 15 degrees centigrade and 1 atmosphere pressure.
bbl	: Barrel (1 bbl = 159 liters)
lb	: 1 lb = 0.4536 Kg
log	: Logarithmic value
MT	: Metric Ton
Mak	: Maximum value
Min	: Minimum value
cts	: Cents
Person/Km ²	: Population density
‰	: Per mille

ABBREVIATIONS

AEU	: European Union
USA	: United States of America
ABPRS	: Address Based Population Registration System
ASEAN	: Association of South-East Asian Nations
BRSA	: The Banking Regulation and Supervision Agency
CIS	: Commonwealth of Independent States
BIST	: Borsa İstanbul
BOTAŞ	: Petroleum Pipeline Corporation
ÇATAK	: Protection of Agricultural Land for Environmental Purposes
MoLSS	: Ministry of Labor and Social Security
DIS	: Direct Income Support
DHMI	: State Airports Authority

IPR	: Inward Processing Regime
MoE	: Ministry of Economy
FXDA	: Foreign Exchange Deposit Account
EFTA	: European Free Trade Association
ECO	: Economic Cooperation Organization
Fed	: US Central Bank
G7	: Large Developed Economies
GDP	: Gross Domestic Product
UoT	: Undersecretariat of Treasury
IMF	: International Monetary Fund
IIF	: International Institute of Finance
OIC	: The Organization of Islamic Cooperation
MoD	: Ministry of Development
Kamu-İş	: Public Employers Union
BSEC	: Organization of the Black Sea Economic Cooperation
SEE	: State Economic Enterprise
TRNC	: Turkish Republic of Northern Cyprus
KOSGEB	: Small and Medium Enterprises Development and Support Administration
GCI	: Global Competitiveness Index
MoF	: Ministry of Finance
MoNE	: Ministry of National Education
CRA	: Central Registry Agency
SMF	: Securities Mutual Fund
MYK	: Vocational Qualification Authority
NACE	: Statistical Classification of Economic Activities in the European Community
OECD	: Organization for Economic Cooperation and Development
PA	: Privatization Administration
SCT	: Special Consumption Tax
SSI	: Social Security Institution
PPP	: Purchasing Power Parity
ICR	: Industrial Capacity Report
CMB	: Capital Markets Board of Turkey
TBB	: The Banks Association of Turkey
CBRT	: Central Bank of Republic of Turkey
TEDAŞ	: Turkish Electricity Distribution, Inc.
THY	: Turkish Airlines
TİSK	: Confederation of Employer Unions of Turkey
SDİF	: Savings Deposit Insurance Fund
TOBB	: Union of Chambers and Commodity Exchanges of Turkey
CPI	: Consumer Price Index
TURKSTAT	: Turkish Statistical Institute
D-PPI	: Domestic Producer Price Index
TurkDex	: Turkish Derivatives Exchange
MF	: Mutual Fund
YOİKK	: Coordination Board for the Improvement of the Investment Environment
FX	: Foreign Exchange



PART I. WORLD ECONOMY





ECONOMIC REPORT 2017

AN OVERVIEW OF WORLD ECONOMY¹

The United States of America and then European Union faced one of history's biggest financial crises in later 2008. To get rid of the effects of the crisis, central banks have increased their liquidity levels at unprecedented rates. Global liquidity growing rapidly in this way has flowed into developing countries and has stimulated the economies of these countries to become the locomotive of the global growth.

Improvement in global economic activities and investments continue by gaining strength. In 2016 which saw the weakest performance after the financial crisis, rate of growth in the world materialized as 3.2%. The growth rate in 2017 reached its highest level since 2011, rising to 3.8%.

The global growth that started to boom in the second half of 2016 further accelerated in the second half of 2017 due to movements in global trade. The actual world growth in 2017 materialized as a result of investment recovery observed in developed countries, the strong growth in developing Asia, noteworthy improvement observed in economic activities in developing Europe and recovery observed in many commodity exporters.

Global growth, supported by positive market sensitivity, favorable fiscal conditions and domestic and foreign policy reflections of the US expansionary fiscal policy, is expected to rise to 3.9% in 2018 and 2019. Additionally, it is believed that the partial recovery in commodity prices will allow the conditions for commodity exporters to gradually improve.

Despite the recent volatility in stock markets and bond yields observed in developed economies and the subsequent signs of increase in inflation rates, the conditions in the financial markets continued to have a supportive effect.

The remarkable growth rate of 2.3% in developed countries in 2017 was a broad-based one and occurred as a result of strong movements in the USA, Euro Zone, Canada and Japan in particular. In a few years ahead of us, it is predicted that the potential growth rate will weaken, driven by effects of aging population/demographic factors and low productivity, resulting in a more moderate medium term growth.

The growth rates of the USA, Japan and China in 2017 exceeded estimates of the IMF World Economic Outlook report for October 2017, as commodity exporters' conditions continue to improve gradually.

The improvement in the global economy in the short run is expected to advance under the effect of both strong demand and positive financial conditions. On the other hand, it is believed that political uncertainties, geopolitical tensions, improper policy measures

1 The IMF's "World Economic Outlook, October, 2017" and "World Economic Outlook, April 2018" reports were used in preparing this report.

can reduce market confidence, which may lead to tighter financial conditions and lower asset values.

The medium term risks lying ahead of the growth point to a downward trend for many reasons. Due to the tightening of global financial conditions, the financial turmoil in emerging markets, the ongoing low inflation in developed economies, developments in financial regulation and the surveillance that has been going on since the global financial crisis which have resumed to the pre-crisis situation to a great extent and protective approach displayed with more inward-oriented national policies, global growth targets are likely to deviate. In addition to these, non-economic factors such as geopolitical tensions, inconsistencies in national government, risks from poor governance and corruption, extraordinary weather events, cyber security, drought, terrorism and security concerns can also lead to deviations in growth targets.

Following disappointing growth rates over the last few years, cyclical activity in global economic activity offers opportunities to put into practice key reforms that will increase the amount of potential production and create resistance to risks. The adoption of strategies for the completion of economic recovery and ensuring financial sustainability are targets that are still important for many national economies.

It would be appropriate for strategies to be adopted to contain factors such as increasing the potential output, maintaining the recovery and building resistance, and strengthening the international collaboration.

Despite the better fundamental outlook, the recovery in the world economy has not yet been completed due to weak growth in many countries. Although the outlook for developed economies has improved, notably, in the Euro zone, the low inflation rate in many countries indicate that the stagnation has not yet been eliminated and growth expectations in GDP per capita have remained more moderate. As the level of income per capita does not go up in most developing economies in Sub-Saharan Africa, the Middle East, and Latin America, expectations pale. Forecasts for oil exporters are adversely affected by low oil revenues in particular.

Growth is expected to continue in the short term due to favorable market conditions. On the other hand, emergence of policy uncertainties, false steps or shocks which are assumed to be avoided based on the fundamental analysis could damage market confidence and asset values, thereby, causing financial conditions to become tighter.

In order to minimize the risk of a sharp slowdown in China, efforts to restrain credit expansion need to be intensified. As the central banks of developed countries will gradually withdraw the incentives, it would be appropriate for most of the other countries to create their own defenses against risks towards the financial stability.

High risk premiums and long-term interest rates will worsen public debt dynamics and increase fragility. Despite improvements in the solution of the problems faced by the European banking sector, other problems need to be addressed in a strong way. Thus, it would be possible to avoid a decline in confidence, avoid a negative cycle among low demand, prices and the budget.

The ongoing low inflation in developed economies also causes a decline in expectations for medium-term inflation and interest rate, which reduces the central banks' ability to lower real interest rates during periods of economic downturn. Although, the tendency

of economy policies to turn inward has diminished in the developed countries, it is required to resist pressures that canalize countries to protectionism.

After the disappointing growth of the past few years, the economic recovery offers opportunities for critical reforms in order to increase the standard of living, potential output and to eliminate risks. Structural reforms and fiscal policy measures supporting the growth are required to increase the productivity and the workforce supply. Monetary policy should be expected to continue in line with this goal until credible signs indicating that the inflation has reached the target in the developed countries.

Fiscal policies need to be aligned with structural reforms. In this framework, the demand should be supported if it is needed and feasible, on one hand, and sustainability of public debts should be ensured by benefiting from favorable cyclical conditions, on the other hand. Developing economies, commodity exporters in particular, have limited financial resources that can support the demand. However, monetary policy may be generally supportive in many countries because inflation seem to have reached the climax. Flexibility in the exchange rate helps for adaptation to external shocks. Efforts aimed at improving the investment climate could also strengthen growth expectations.

1.1. Gross Domestic Product

According to the World Economic Outlook report issued in April 2018, of the International Monetary Fund (IMF), a strong growth performance was observed in the global economy in 2017. The world economy that grew by 3.2% in 2016 grew by 3.8% in 2017. It is estimated that the growth rate of 2018 will stand at 3.9% (Table 1, Figure 1).

When the growth rates are examined by country groups, it is seen that the growth rate of the developed countries declined in 2016 in comparison to the previous year, but increased again in 2017, reaching the level of 2015 with 2.3%.

Table 1. GDP Growth Rates

Country Groups/Countries	2015	2016	2017
World	3.5	3.2	3.8
Developed Countries	2.3	1.7	2.3
USA	2.9	1.5	2.3
Euro Area	2.1	1.8	2.3
Germany	1.5	1.9	2.5
France	1.1	1.2	1.8
Italy ⁽¹⁾	1.0	0.9	1.5
Spain	3.4	3.3	3.1
Greece	-0.3	-0.2	1.4
Japan	1.4	1.0	1.7
Canada ⁽¹⁾	1.0	1.4	3.0
United Kingdom	2.3	1.9	1.8
G7 Countries	2.1	1.4	2.1
Developing Countries	4.3	4.4	4.8
Russia	-2.5	-0.2	1.5
Turkey	6.1	3.2	7.4
Developing Asian Economies	6.8	6.5	6.5
China	6.9	6.7	6.9
India	8.2	7.1	6.7
ASEAN-5 ⁽²⁾	4.9	5.0	5.3
Latin America and Caribbean	0.3	-0.6	1.3
Brazil	-3.6	-3.5	1.0
Mexico ⁽¹⁾	3.3	2.9	2.0
Middle East and North Africa	2.4	4.9	2.2

Source: IMF, World Economic Outlook, April 2018

(1): Data of 2017 are estimated.

(2): Indonesia, Malaysia, Philippines, Thailand and Vietnam.

Figure 1. GDP Growth Rates of Selected Country Groups



Growth in developed countries except for the UK has increased in the second half of 2017 in comparison to the second half of 2016, with the effect of accelerating domestic demand and production. In the Euro area and Japan, strong private consumption, investment and foreign demand supported overall growth momentum in the first half of the year. In the US economy, the world's largest economy, consumption weakness in the first quarter was temporary, and commercial investments continued to strengthen partially. The recovery in the energy sector was particularly effective in taking the growth rate to 2.3%, especially in 2017.

After the growth in the Euro area slowed down in comparison to the previous year in 2016 and realized as 1.8%, it accelerated in 2017 and rose to the level of 2.3%. In 2017, Germany is expected to grow by 2.5%, France by 1.8%, Spain by 3.1% and Greece by 1.4%, whereas Italy is expected to grow by 1.5%.

Canada's growth rate in the developed country group is expected to increase in 2016 and 2017. In Canada, the growth rate of 2017 is estimated to be 3.0%, exceeding twice the last year's rate. The tendency for slowdown in the growth rate of the UK in 2016 continued in 2017 with a decline and became 1.8% at the end of the year with a limited decline.

The growth rate of the developing economies showed a limited increase in 2016 with 0.1 point in comparison to the previous year, it increased to the level of 4.8% in 2017 with a rise of 0.4 point. Growth in the G7 countries rose from 1.4% to 2.1%, whereas, in the developing Asian economies, it remained at the same level with 6.5%. The negative outlook in Latin America and the Caribbean in 2016 reversed in 2017 and the growth rate in these countries realized as 1.3%. The growth rate in the Middle East and North Africa countries, which reached 4.9% in 2016, fell to 2.2% in 2017 with a sharp decline.

In Russia, which is at the top of emerging market economies, it seemed that the effect of the severe recession that took place in 2015 decreased in 2016. This improvement in the growth rate of Russia, which closed 2017 with 1.5% growth, is thought to have been caused by the increase in oil prices in particular, according to a resolution passed at the OPEC meeting held in the second half of 2016.

While high growth rate continues in emerging Asian economies including India and China, the tendency for slowdown in growth observed in 2016 is ongoing for India, however China seems to have reversed such tendency. Growth in China, the second largest economy in the world, rose to 6.9% in 2017, driven by rising export coupled with increased global demand. In India, the growth rate that declined in 2016 dropped to 6.7% by also decreasing in 2017 due to the ongoing effect of intervention by authorities to the foreign exchange and the regulatory uncertainty about the collection of goods and service taxes across the country.

In Latin America and the Caribbean, a growth of 1.3% was achieved in 2017 following a 0.6% downsizing observed in 2016. Especially in Brazil, the downsizing that lasted in the previous two years turned into a positive growth in the first quarter of the year, driven by strong export performance and the contraction in domestic demand. Brazil grew by 1.0% in 2017, partially offsetting losses in previous years. It is estimated that Mexico will grow by 2.0% at the end of 2017 with its growth momentum slowing down in comparison to the previous year due to the North American Free Trade Agreement being renegotiated and the uncertainty about serious tightening in monetary policy over the last two years.

1.2 GDP Per Capita by Purchasing Power Parity

Purchasing Power Parity (PPP) is an important indicator which removes differentiation between the price levels among countries, and enables to compare per capita national income of the countries in a certain period, and to get much meaningful results.

The increase recorded in gross domestic products of the country and country groups assessed in the 2017 report also had an upward effect on income per capita. It is observed that, according to PPP, the highest increase in the gross domestic product in 2017, in terms of country groups, materialized in developing Asian countries with 7.4%, whereas the lowest increase in the gross domestic product materialized in Latin America and Caribbean with 1.9% and in the Middle East and North Africa with 1.1%. According to PPP, the country group with the highest GDP per capita is G7 countries with \$50,849 while the country group with the lowest GDP per capita is developing Asian economies with \$11,516 (Table 2, Figure 2).

Table 2. GDP per Capita (by Purchasing Power Parity)

Country Groups/Countries	2015	2016	2017	(Dollar) Change (%)	
				2016	2017
Developed Countries	46,410	47,533	49,299	2.4	3.7
USA	56,411	57,559	59,501	2.0	3.4
Euro Area	-	-	-	-	-
Germany	47,430	48,532	50,425	2.3	3.9
France	41,508	42,367	43,761	2.1	3.3
Italy ⁽¹⁾	36,026	36,877	38,140	2.4	3.4
Spain	34,835	36,444	38,286	4.6	5.1
Greece ⁽¹⁾	26,390	26,845	27,737	1.7	3.3
Japan	40,392	41,297	42,832	2.2	3.7
Canada ⁽¹⁾	45,885	46,606	48,265	1.6	3.6
United Kingdom ⁽¹⁾	41,839	42,839	44,118	2.4	3.0
G7 Countries	48,089	49,129	50,849	2.2	3.5
Developing Countries	10,786	11,234	11,811	4.2	5.1
Russia	26,658	26,930	27,834	1.0	3.4
Turkey ⁽¹⁾	24,236	24,986	26,893	3.1	7.6
Developing Asian Economies	10,044	10,722	11,516	6.8	7.4
China	14,330	15,397	16,660	7.4	8.2
India ⁽²⁾	6,255	6,697	7,183	7.1	7.3
ASEAN-5 ⁽⁴⁾	11,082	11,640	12,330	5.0	5.9
Latin America and Caribbean	15,589	15,487	15,785	-0.7	1.9
Brazil ⁽¹⁾	15,769	15,295	16,603	-3.0	8.6
Mexico ⁽³⁾	18,765	19,356	19,903	3.1	2.8
Middle East and North Africa	17,703	18,397	18,604	3.9	1.1

Source: IMF, World Economic Outlook, April 2018.

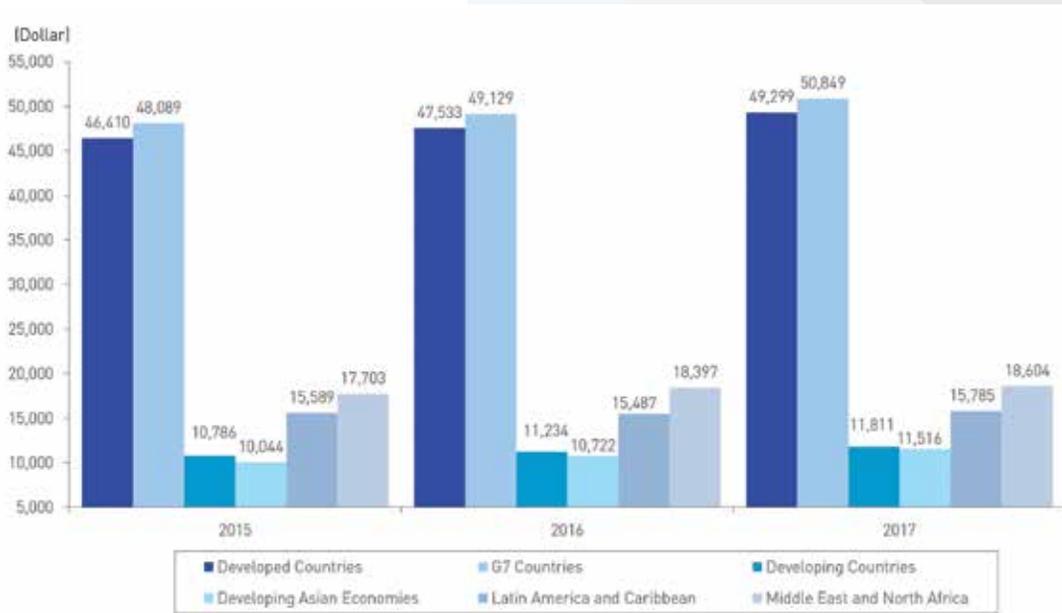
(1): Data of 2017 are estimated.

(2): Data for 2015, 2016 and 2017 are estimates.

(3): Data for 2016 and 2017 are estimates.

(4): Indonesia, Malaysia, Philippines, Thailand and Vietnam.

Figure 2. GDP per Capita (by Purchasing Power Parity)



Source: IMF.

just like 2016, 2017 difference in gross domestic product per capita according to PPP between developing Asian countries and developing country groups decreased to \$295. The shrinkage experienced in Latin America and Caribbean last year turned into an increase of 1.9% in 2017 and the GDP per capita reached the level of \$15,785.

According to estimations for gross domestic product per capita value contained in World Economic Outlook report of the IMF published in April 2018, USA was the country with the highest national income per capita with \$59,501 from among countries listed in the table. USA was followed by Germany with \$50,425, Canada with \$48,265, the UK with \$44,118, France with \$43,761, Japan with \$42,832, and Spain with 38,286 \$. The countries with the lowest national income per capita by PPP were India with \$7,183, Brazil with \$16,603 and China with \$16,660.

1.3 Consumer Price Index

The recession in the global economy after the financial crisis also affected the inflation rates. Consumer price inflation, which saw its lowest level in 2015 after the 2008 crisis, started to climb in 2016 and continued this trend in 2017, as well.

Global inflation realized at 3.2% in 2017, rising by 0.2 point when compared to 2016. The inflation rate increased by 0.2 point to 1.7% in developed countries compared to the previous year and rose by 0.1 point to 4.3% in developing countries (Table 3, Figure 3).

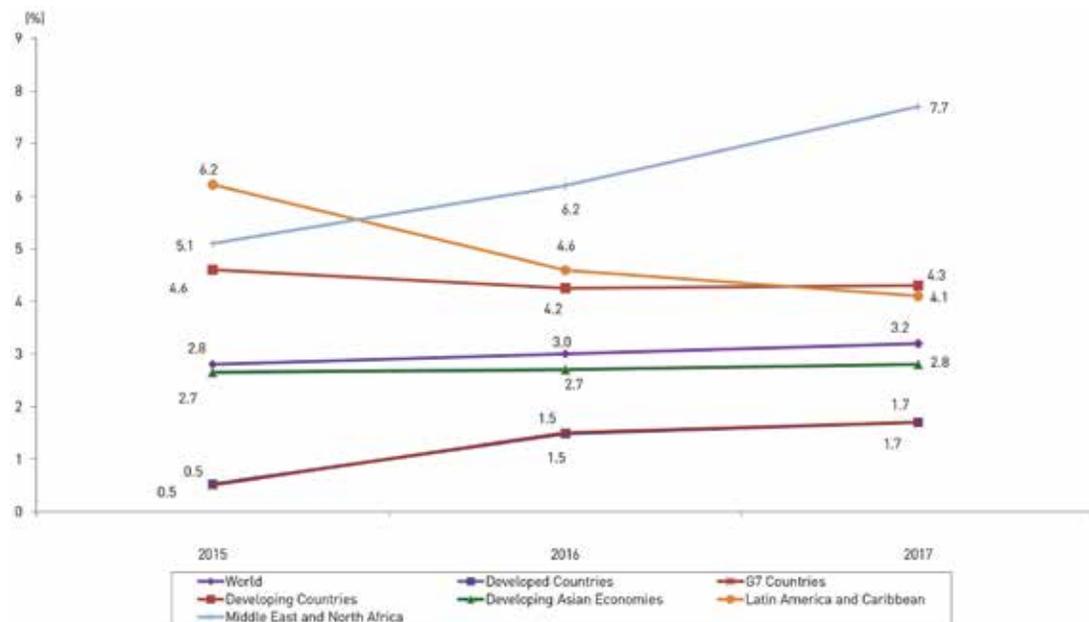
Table 3. Rates of Change in the Consumer Price Index

Country Groups/Countries	2015	2016	2017
World	2.8	3.0	3.2
Developed Countries	0.5	1.5	1.7
USA	0.7	2.2	2.1
Euro Area	0.2	1.1	1.4
Germany	0.2	1.6	1.6
France	0.3	0.7	1.2
Italy	0.1	0.5	0.7
Spain	0.0	1.6	1.1
Greece	0.4	0.3	1.0
Japan	0.2	0.3	0.6
Canada	1.3	1.4	1.8
United Kingdom	0.1	1.2	3.0
G7 Countries	0.5	1.5	1.7
Developing Countries	4.6	4.2	4.3
Russia	12.9	5.4	2.5
Turkey	8.8	8.5	11.9
Developing Asian Economies	2.7	2.7	2.8
China	1.6	2.1	1.8
India	5.3	3.6	4.7
ASEAN-5 ⁽¹⁾	2.0	2.6	2.9
Latin America and Caribbean	6.2	4.6	4.1
Brazil	10.7	6.3	2.9
Mexico	2.1	3.4	6.8
Middle East and North Africa	5.1	6.2	7.7

Source: IMF, World Economic Outlook, April 2018

(1): Indonesia, Malaysia, Philippines, Thailand and Vietnam.

Figure 3. Rates of Change in the Consumer Price Index



Source: IMF.

The downward trend in consumer prices in the G7 countries in 2014 and 2015 reversed in 2016, replaced by a 1.0 point increase. Thus, the consumer price inflation of 2015 at 0.5% increased to 1.5% in 2016. Domestic demand in the region rapidly recovered in 2017 and unemployment rates declined compared to the previous year, but inflation did not significantly increase towards the central bank targets. At the end of the year, consumer prices inflation increased by 0.2 point compared to the previous year and materialized at the level of 1.7%.

Many developed countries such as Belgium, Finland, Germany, Iceland, Ireland, Luxembourg, Norway, Spain and the Taiwan Province, China face weak inflation pressure. The UK, where the strong depreciation of the Pound turned into higher consumer prices since the last summer, is an exception for the situation explained above.

The steadfast monetary relaxation policies implemented by the European Central Bank started to bear fruit in 2016. Consumer price inflation, which was negative in the Euro zone in 2014, rose to 0.2% in 2015 and to 1.1% in 2016 with a relatively higher increase. The rise in general level of prices also continued in 2017 in the zone. By the end of the year, the rate of increase in the consumer price index in the Euro area in 2017 was 1.4%. Inflation in regional economies remained at the same level as last year with 1.6% in Germany, 1.2% in France with a rise by 0.5 point, 0.7% in Italy with a rise by 0.2 point, 1.0% in Greece with a rise by 0.7 point while it fell to 1.1% with a decline by 0.5%.

In many developing markets and emerging economies, the decline in transition effects stemming from previous exchange rate depreciation and the recent appreciation against the US dollar helped moderate core inflation rates. Conversely, inflationist pressures went on in 2017 in the developing Asia, developing and developed countries in Europe, Middle East and North Africa, Afghanistan and Pakistan region due to depreciation of foreign exchange rate and abolishment of monetary aids/subsidies or increases in value added/consumption taxes driven by rise in consumption.

Inflation in the United States, which is included in the group of developed countries, declined by 0.1 point to 2.1% in 2017. In Japan, it increased by 0.3 point to 0.6%. The inflation in the UK that started to rise in 2016 realized as 3.0% in 2017. This result is assumed to originate from Brexit and the increase is thought to be permanent.

In Russia, the sharp decline in inflation in 2016 continued with a decline by 2.9 points, and the general rate of increase in prices stood at 2.5% in 2017. Inflation in China declined by 0.3 point to 1.8%, while the inflation in India rose by 1.1 point to 4.7%.

1.4 International Commodity Markets and Prices of Selected Commodities

Global commodity price indices generally increased in 2017, contrary to the decline in 2016. In 2017, the petroleum and non-petroleum commodity price index rose by 15.3%, the non-petroleum commodity price index 6.8%, food and beverage products price index by 1.0%, the industrial inputs price index by %14.1, agricultural raw material price index by 2.3%, metal products price index by 22.2%, energy price index by 23.4% and the oil price index by 23.3% (Table 4).

Table 4. World Commodity Price Indices

Components	(2005=100)				
	Index			Change (%)	
	2015	2016	2017	2016	2017
Petroleum and non-petroleum commodity price index	111.2	100.3	115.6	-9.8	15.3
Non-petroleum commodity price index	134.2	132.2	141.1	-1.5	6.8
Food and beverage products price index	144.5	147.2	148.6	1.8	1.0
Industrial inputs price index	123.9	117.0	133.5	-5.5	14.1
Agricultural raw material price index	120.1	113.3	115.8	-5.7	2.3
Metal products price index	126.6	119.7	146.3	-5.4	22.2
Energy price index	97.7	81.6	100.7	-16.5	23.4
Oil price index	95.2	80.3	99.0	-15.7	23.3

Source: IMF, World Economic Outlook, April 2018

According to the IMF's World Economic Outlook report, food products with the highest price rise in 2017 were tea with 26.0%, olive oil with 13.9%, coffee with 10.4% (hard aroma), peanuts with 8.3% and banana with 7.2%. The products with the highest price decline were sugar with 13.8% (free market), orange with 8.7%, coffee with 7.4% (soft aroma) and sunflower oil with 5.6% (Table 5).

Table 5. Selected Commodity Prices in International Markets

Selected Products	Unit ⁽¹⁾	Price			Change (%)	
		2015	2016	2017	2016	2017
Wheat	\$/MT	185.6	143.2	145.3	-22.9	1.5
Egypt	\$/MT	169.8	159.2	154.5	-6.3	-2.9
Rice	\$/MT	380.0	388.3	399.1	2.2	2.8
Soy bean	\$/MT	347.4	362.7	358.8	4.4	-1.1
Peanut	\$/MT	1,946.2	1,798.3	1,947.3	-7.6	8.3
Sunflower oil	\$/MT	1,022.2	1,009.7	953.0	-1.2	-5.6
Olive Oil	\$/MT	4,292.8	3,978.5	4,529.8	-7.3	13.9
Orange	\$/MT	675.0	889.7	812.0	31.8	-8.7
Banana	\$/MT	958.7	1,002.4	1,074.2	4.6	7.2
Sugar (Free Market)	cts/lb	13.2	18.5	16.0	40.1	-13.8
Tea	cts/Kg	340.4	287.4	362.2	-15.6	26.0
Coffee (soft aroma)	cts/lb	160.5	164.5	152.4	2.5	-7.4
Coffee (hard aroma)	cts/lb	94.2	94.3	104.1	0.1	10.4
Cotton	cts/lb	70.4	74.2	83.6	5.4	12.6
Wool (23 Micron)	cts/Kg	927.8	1,016.4	1,091.5	9.5	7.4
Rubber	cts/lb	70.7	74.5	90.8	5.3	21.9
Aluminum	\$/MT	1,664.7	1,604.2	1,967.7	-3.6	22.7
Copper	\$/MT	5,510.5	4,867.9	6,169.9	-11.7	26.7
Nickel	\$/MT	11,862.6	9,595.2	10,409.6	-19.1	8.5
Zinc	\$/MT	1,931.7	2,090.0	2,890.9	8.2	38.3
Demir	\$/MT	56.1	58.6	71.1	4.3	21.4
Crude oil (Brent)	\$/bbl	52.4	44.0	54.4	-15.9	23.5
Crude oil (West Texas)	\$/bbl	48.7	43.2	50.9	-11.3	17.8

Source: IMF, World Economic Outlook, April 2018.

(1): lb=0.4536 Kg, bbl (barrel)=159 lt, MT: Metric Ton

OPEC member countries started the year 2017 with this trend, following a decision to cut oil production on November 30, 2016 in order to stabilize the market by eliminating

global supply surplus. In 2017, Brent crude oil price increased from \$44.0 to \$54.4 per barrel with a rise by 23.5% in comparison to 2016. The West Texas crude oil price also rose by 17.8% in 2017.

1.5 General Government Budget Balance

Expansionary policies that have been implemented with a view to helping recover the weakening global economy have led to increased deficits in general government budget balances. In 2017, in general all countries had a deficit in the central budget. In 2017, the ratio the central budget deficit bears to the gross domestic product increased in the United States, Italy, Canada and China, while the same ratio declined in France, Spain, Japan, the UK, Russia, India, Brazil and Mexico in comparison to 2016. In 2017, only Germany and Greece had a budget surplus.

The ratio the general government budget deficit bears to gross domestic product rose to 4.6% in the United States and to 4.0% in China in 2017, whereas it declined to 1.4% in Russia, 6.4% in India, 2.3% in the UK, 6.4% in Brazil and 2.4% in Mexico. It is predicted that the ratio the general government budget deficit bears to the gross domestic product will decrease to 1.4% in France, 2.5% in Spain, 4.0% in Japan, and will increase to 1.5% in Italy, 1.2% in Canada and (Table 6).

Table 6. General Government Budget Balance/GDP

Country Groups/Countries	2015	2016	2017
Developed Countries	-2.4	-2.6	-2.6
USA	-3.6	-4.3	-4.6
Euro Area	-0.9	-0.7	-0.6
Germany	0.6	0.8	0.9
France ⁽¹⁾	-1.9	-1.8	-1.4
Italy ⁽¹⁾	-0.7	-1.3	-1.5
Spain ⁽¹⁾	-2.4	-2.8	-2.5
Greece ⁽¹⁾	-0.3	2.7	1.4
Japan ⁽¹⁾	-4.2	-4.1	-4.0
Canada ⁽¹⁾	-0.2	-0.8	-1.2
United Kingdom	-3.9	-2.8	-2.3
G7 Countries	-2.8	-3.2	-3.3
Developing Countries	-	-	-
Russia	-2.4	-2.9	-1.4
Turkey ⁽¹⁾	-1.9	-2.2	-3.1
Developing Asian Economies	-	-	-
China	-2.5	-3.6	-4.0
India	-7.0	-6.5	-6.4
ASEAN-5 ⁽²⁾	-	-	-
Latin America and Caribbean	-	-	-
Brazil	-9.8	-7.4	-6.4
Mexico	-4.5	-4.0	-2.4

Source: IMF, World Economic Outlook, April 2018.

(1): Data of 2017 are estimated.

(2): Indonesia, Malaysia, Philippines, Thailand and Vietnam.

In terms of country groups, the ratio the general government budget deficit bears to the gross domestic product increased to 3.3% in G7 countries, decreased to 0.6% in Euro Area and remained unchanged with 2.6% in developed countries.

1.6 World Trade Volume

The stagnation in the world economy has an impact upon the global foreign trade, too. The developed economies that revived in 2015 slowed down again in 2016, while the emerging economies that lost speed were relatively stable. In 2016, when total global growth slowed down, the global trade lost pace together with this slowdown. World trade volume, which grew by 2.8% in 2015, slowed down and grew by 2.3% in 2016 and increased to 4.9% in 2017 with a significant rise, driven by the increased economic activity (Table 7).

Table 7. Rates of Change in the World Trade Volume (Goods and Services Trade)

Country Groups/Countries	2015	2016	2017
World Trade Volume	2.8	2.3	4.9
World Export Volume	2.9	2.2	5.0
Developed Countries	3.8	2.0	4.2
USA ⁽¹⁾	0.4	-0.3	3.4
Euro Area	6.2	3.1	5.0
Germany	5.2	2.6	4.7
France	4.3	1.8	3.3
Italy ⁽¹⁾	4.4	2.4	5.4
Spain ⁽¹⁾	4.2	4.8	5.0
Greece	3.1	-1.8	6.8
Japan	2.9	1.3	6.8
Canada ⁽¹⁾	3.5	1.0	1.0
United Kingdom	5.0	2.3	5.7
G7 Countries	3.2	1.3	4.3
Developing Countries	1.5	2.6	6.4
Russia	-0.5	1.5	9.1
Turkey	1.6	-2.1	11.6
Developing Asian Economies	-1.1	2.5	8.8
China	-2.2	1.1	9.2
India	-5.3	6.5	7.2
ASEAN-5 ⁽²⁾	3.2	4.0	9.1
Latin America and Caribbean	4.2	2.8	3.7
Brazil	8.1	3.7	10.9
Mexico ⁽¹⁾	8.4	3.5	3.2
Middle East and North Africa	6.1	3.9	-0.6
World Import Volume	2.6	2.3	4.8
Developed Countries	4.6	2.7	4.0
USA ⁽¹⁾	5.0	1.3	4.0
Euro Area	6.5	4.5	4.2
Germany	5.6	3.9	5.1
France	5.7	4.2	4.1
Italy ⁽¹⁾	6.8	3.5	5.3
Spain ⁽¹⁾	5.9	2.7	4.7
Greece	0.4	0.3	7.5
Japan	0.8	-1.9	3.6
Canada ⁽¹⁾	0.7	-10.0	3.6
United Kingdom	5.1	4.8	3.2
G7 Countries	4.5	2.1	4.1
Developing Countries	-0.9	1.8	6.4
Russia	-25.1	-4.3	20.3
Turkey	1.2	4.7	8.7
Developing Asian Economies	0.6	4.9	8.1
China	-0.5	4.7	6.9
India	0.4	4.1	10.6
ASEAN-5 ⁽²⁾	2.4	5.2	9.4
Latin America and Caribbean	-1.9	-2.5	4.6
Brazil	-13.5	-8.2	3.8
Mexico ⁽¹⁾	5.9	2.9	6.0
Middle East and North Africa	0.4	-0.9	-0.2

Source: IMF, World Economic Outlook, April 2018.

(1): Data of 2017 are estimated.

(2): Indonesia, Malaysia, Philippines, Thailand and Vietnam.

While the world export grew by 5.0% in 2017, export growth rate of developed countries increased from 2.0% to 4.2%. It is expected that the export increase rate of the USA, included in these countries, is expected to increase significantly to 3.4%.

A recovery is observed in the Euro area export. The export increase rate soared in all countries of this zone. In 2017, the export grew by 4.7% in Germany with 2.1 points of progress, 3.3% in France with 1.5 points of progress, and 6.8% in Greece with 8.6 points of progress. A rise in the export by 5.5% is expected in Italy with a progress of 3.0 points and by 5.0% in Spain with a progress of 0.2 point. The volume of export increased by 6.8% in Japan and 5.7% in the UK, which are among other developed countries. In Canada, it is predicted that it will remain unchanged and be the same as the previous year with 1.0%.

The export revival that materialized in developing countries and emerging Asian economies in 2016 continued incrementally in 2017, with export rate growth recorded in both groups. Of these countries, the export grew by 9.1% in Russia, 9.2% in China and 7.2% in India.

The export growth rate in Latin America and the Caribbean gained momentum this year. The export that increased by 2.8% in 2016 rose by 3.7% in 2017. In 2017, Brazil's export amount grew by 10.9%. In Mexico, it is estimated that the export amount will increase by 3.2%.

According to projections for the year 2017, the import increase rate around the world materialized as 4.8%, in line with the export, with a rise of 2.5 points. Just like the import volume growth level around the world, the import in developed and developing countries also increased. The import growth in these countries was 4.0% and 6.4%, respectively. It is expected that the import of the USA, one of the developed countries, will increase by 4.0%. In Japan and the United Kingdom, which are also among the developed countries, import volumes increased by 3.6% and 3.2%, respectively. In Canada, the import volume is expected to increase by 3.6%. In developing countries, import volume in Russia decreased by 4.3% in 2016 and rose by 20.3% in 2017. In India and China, import volume expanded and increased by 6.9% and 10.6%, respectively.

The Euro area import growth which realized as 4.5% in 2016 materialized as 4.2% with a decline of 0.3 in 2017. In countries included in the zone, the import growth was 5.1% in Germany, 4.1% in France and 7.5% in Greece. The increase in import is estimated at 5.3% in Italy and 4.7% in Spain.

1.7 Current Account Balance

The current transactions surplus that amounted to 0.7% of GDP in the developed countries in 2016 increased to 0.8% in 2017 with a rise of by 0.1 point. In 2017, G7 countries had a current account deficit at the level of 0.3% of GDP and 0.1% of GDP in developing countries. In emerging Asian economies, the current account surplus, which was 1.4% of GDP in 2016, decreased to 0.9% in 2017. In Latin America and Caribbean, the current deficit, which was 1.6% of GDP, decreased by 0.3 point, when compared to 2016. In the Middle East and North Africa countries, current account balance deficits are ongoing, but a significant improvement compared to the previous year was recorded and the ratio the current deficit bears to GDP decreased from 4.6% to 0.6% (Table 8, Figure 4).

Table 8. Current Account Balance/GDP

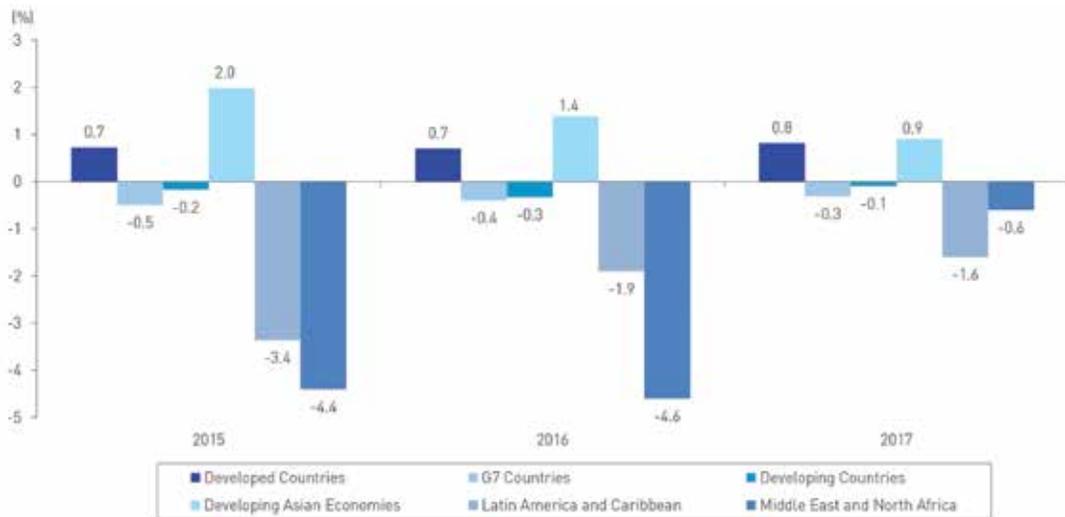
Country Groups/Countries	2015	2016	2017
			(%)
Developed Countries	0.7	0.7	0.8
USA ⁽¹⁾	-2.4	-2.4	-2.4
Euro Area	3.2	3.4	3.5
Germany	8.9	8.6	8.0
France	-0.4	-0.9	-1.4
Italy ⁽¹⁾	1.5	2.7	2.9
Spain ⁽¹⁾	1.1	1.9	1.7
Greece	-0.2	-1.1	-0.8
Japan	3.1	3.8	4.0
Canada ⁽¹⁾	-3.6	-3.2	-3.0
United Kingdom	-5.2	-5.8	-4.1
G7 Countries	-0.5	-0.4	-0.3
Developing Countries	-0.2	-0.3	-0.1
Russia	5.0	2.0	2.6
Turkey ⁽¹⁾	-3.7	-3.8	-5.5
Developing Asian Economies	2.0	1.4	0.9
China	2.7	1.8	1.4
India	-1.1	-0.7	-2.0
ASEAN-5 ⁽²⁾	1.5	2.0	2.1
Latin America and Caribbean	-3.4	-1.9	-1.6
Brazil	-3.3	-1.3	-0.5
Mexico ⁽¹⁾	-2.5	-2.1	-1.6
Middle East and North Africa	-4.4	-4.6	-0.6

Source: IMF, World Economic Outlook, April 2018.

(1): Data of 2017 are estimated.

(2): Indonesia, Malaysia, Philippines, Thailand and Vietnam.

Figure 4. Current Account Balance / GDP



Source: IMF.

The ratio the current surplus bears to the GDP realized as 3.5% in the Euro area, which continues to have current account balance surplus, in 2017. Of the countries in the zone, Germany was one of the countries with the highest current surplus with 8.0% in 2017. Of those countries listed in the table, France and Greece has a current deficit of 1.4% and 0.8% of GDP, respectively, whereas Italy is expected to have a current surplus at the rate of 2.9% and Spain at the rate of 1.7%.

In Japan, one of the developed countries, the current account balance had a surplus equal to 4.0% of GDP, whereas the UK has a deficit of 4.1%. It is estimated that in 2017 the USA and Canada will have a current account balance deficit equal to 2.4% and 3.0% of GDP, respectively.

In 2017, current account balance had a surplus equal to 2.6% and 1.4% of GDP in Russia and China, respectively, whereas with it had a deficit equal to 2.0% and 0.5% of GDP in India and Brazil, respectively.

1.8 Unemployment Rates

The slowdown in the global economy during the global crisis had an adverse impact upon employment and led to an increase in unemployment rates. The economies affected by the crisis have concurrently faced the unemployment problem. This problem had a more widespread and denser impact upon Euro area countries and some developing countries. In emerging economies, the fact that the number of people joining the labor force each year is higher than the rise in employment is one of the reasons for the increase in unemployment rates.

It took some time for the recovery starting in economic activities thanks to measures taken to manifest itself in the employment. Unemployment rates converged to about pre-crisis rates as of 2017.

the overall unemployment rate in the group of developed countries realized as 5.7% in 2017 with a decline by 0.5 point. A great progress was made with a view to increasing employment in the USA which is strong in terms of the labor market within this group, and the unemployment rate that stood at 4.9% in 2016 decreased to 4.4%. With this decrease in unemployment rate in the USA, it is expected that this will increase the private consumption and have a positive impact upon the economy. The unemployment level in the Euro zone declined from 10.0% to 9.1%. While the unemployment rate in Germany, which has a relatively low unemployment rate in the zone, was 3.8%, compared to 9.4% in France and 17.2% in Spain. The unemployment rate is estimated at 11.3% in Italy and 21.5% in Greece. It is observed that the problem of high unemployment in the Euro zone still can not be solved and that this problem is caused by structural problems. Unemployment rates improved in other developed countries such as Japan, Canada and the UK. The unemployment rate in Japan dropped by 0.2 point to 2.9%, in the UK, it decreased by 0.5 point to 4.4% and, in Canada, it is estimated that the unemployment rate will decrease by 0.7 point to 6.3%.

Unemployment rates in Russia and China, which are among the developing countries, realized at a level lower than the previous year with 5.2% and 3.9%, respectively. In Brazil, it increased by 1.5 points to 12.8% and in Mexico it is predicted that it will decrease by 0.5 point to 3.4% (Table 9, Figure 5).

Table 9. Unemployment Rates

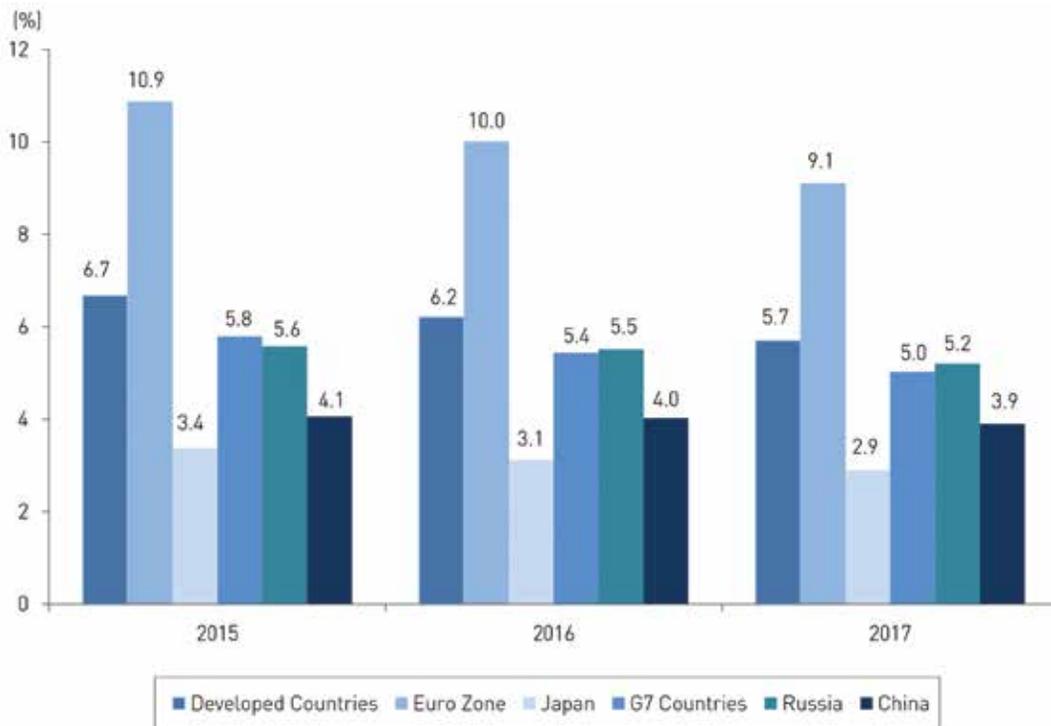
Country Groups/Countries	2015	2016	2017
Developed Countries	6.7	6.2	5.7
USA	5.3	4.9	4.4
Euro Area	10.9	10.0	9.1
Germany	4.6	4.2	3.8
France	10.4	10.0	9.4
Italy ⁽¹⁾	11.9	11.7	11.3
Spain	22.1	19.6	17.2
Greece ⁽¹⁾	24.9	23.6	21.5
Japan	3.4	3.1	2.9
Canada ⁽¹⁾	6.9	7.0	6.3
United Kingdom	5.4	4.9	4.4
G7 Countries	5.8	5.4	5.0
Developing Countries	-	-	-
Russia	5.6	5.5	5.2
Turkey	10.3	10.9	10.9
Developing Asian Economies	-	-	-
China	4.1	4.0	3.9
India	-	-	-
ASEAN-5 ⁽²⁾	-	-	-
Latin America and Caribbean	-	-	-
Brazil	8.3	11.3	12.8
Mexico ⁽¹⁾	4.4	3.9	3.4
Middle East and North Africa	-	-	-

Source: IMF, World Economic Outlook, April 2018.

(1): Data of 2017 are estimated.

(2): Indonesia, Malaysia, Philippines, Thailand and Vietnam.

Figure 5. Unemployment Rates



Source: IMF.

1.9 Global Competitiveness Index

The Global Competitiveness Index (GCI) established in 2004 by the World Economic Forum consist of three sub-indices designated as “Key Requirements”, “Effectiveness Promoters” and “Innovation Factors”, which comprise critical data in terms of efficiency and competitiveness of each country. Through this index, the countries have the possibility of comparing themselves to other countries internationally, seeing their strengths and weaknesses, reviewing the policies they have been implementing, taking new decisions, and putting them into practice.

According to GCI data of the last three periods, Switzerland has maintained its position of the country that best meets the competitiveness requirements by taking the first place in terms of competitiveness with 5.76, 5.81 and 5.86 points, respectively (Table 10).

Table 10. Global Competitiveness Index

Countries	GCI 2017-2018			GCI 2016-2017			GCI 2015-2016	
	Ranking	Score	Change	Ranking	Score	Change	Ranking	Score
Switzerland	1	5.86	0	1	5.81	0	1	5.76
USA	2	5.85	1	3	5.70	0	3	5.61
Singapore	3	5.71	-1	2	5.72	0	2	5.68
The Netherlands	4	5.66	0	4	5.57	1	5	5.50
Germany	5	5.65	0	5	5.57	-1	4	5.53
Hong Kong SAR	6	5.53	3	9	5.48	-2	7	5.46
Sweden	7	5.52	-1	6	5.53	3	9	5.43
United Kingdom	8	5.51	-1	7	5.49	3	10	5.43
Japan	9	5.49	-1	8	5.48	-2	6	5.47
Finland	10	5.49	0	10	5.44	-2	8	5.45
Norway	11	5.40	0	11	5.44	0	11	5.41
Denmark	12	5.39	0	12	5.35	0	12	5.33
New Zealand	13	5.37	0	13	5.31	3	16	5.25
Canada	14	5.35	1	15	5.27	-2	13	5.31
Taiwan, China	15	5.33	-1	14	5.28	1	15	5.28
Israel	16	5.31	8	24	5.18	3	27	4.98
United Arab Emirates	17	5.30	-1	16	5.26	1	17	5.24
Austria	18	5.25	1	19	5.22	4	23	5.12
Luxemburg	19	5.23	1	20	5.20	0	20	5.20
Belgium	20	5.23	-3	17	5.25	2	19	5.20
Turkey	53	4.42	2	55	4.39	-4	51	4.37

Source: World Economic Forum.

Note: Ranking of 2015-2016 contains 140 countries, ranking of 2016-2017 contains 138 countries, ranking of 2017-2018 contains 137 countries.

In the 2015-2016 and 2016-2017 GCI rankings, Singapore and the USA, following Switzerland, at the 2nd and 3rd place, respectively, had a change in their places in the 2017-2018 GCI ranking. Of these countries, the USA received 5.85 points and Singapore 5.71 points. In the ranking, the USA moved up by 1 step and ranked at the 2nd place, whereas Singapore went down by 1 step and ranked at the 3rd place. Hong Kong rose by three steps and ranked at the 6th place.

Israel managed to find a place for itself among the top 20 countries by recording the fastest climb within the first 20 countries by going up by 8 steps in 2017-2018 Ranking.

Switzerland, the Netherlands, Germany, Finland, Norway, Denmark, New Zealand retained their previous year rankings at the 1st, 4th, 5th, 10th, 11th, 12th, 13th place, rank respectively.

Turkey that ranked at the 51st place during the period of 2015-2016 went down by 4 steps during the period of 2016-2017 and fall to the 55th place. During the period of 2017-2018, it rose by 2 steps and ranked at the 53th place in 137 countries.



PART II. TURKISH ECONOMY





ECONOMIC REPORT 2017

AN OVERVIEW OF TURKISH ECONOMY

The process of stable growth that was observed in Turkey for seven years in succession in early 2000s was interrupted in 2009 by the economic and financial crisis that broke out on a global scale. In the post-crisis world, economy showed slow growth trend, whereas the Turkish economy entered into a process of rapid recovery thanks to financial and social policies pursued and structural reforms initiated. The growth rate that reached the highest post-crisis level in 2011 with 11.1% followed a fluctuating course above the world average.

Growth remained at the level of 3.2% in 2016 due to stagnation on a global scale, geopolitical and political tensions, effects of war dominating our neighboring geography, failed attempt of coup and terrorism. This growth rate was the lowest growth rate since 2009, the year when we recovered from effects of the crisis.

A series of measures were put into practice with a view to accelerating the growth once again and stimulating economic activities. Within the scope of efforts aimed at facilitating access to finance through private sector cooperation, TOBB Nefes Loan, loans extended through KOSGEB and Credit Guarantee Fund, tax reductions, incentives for employment and production supported the production and domestic demand and played a role in the strong growth of the economy, and, starting from late 2016, another era of fast growth was started. Such process continued uninterrupted throughout 2017.

While the growth rate for 2017 was estimated at 5.5% at the medium-term program covering years 2018-2020 for the Turkish economy, a growth rate of 7.4%, above the expectations, was achieved at the end of the year. Turkey became the country with the fastest growing economy among G20 countries. This high rate of growth in 2017 was driven by credit facilities extended within scope of incentive policies so implemented, tax reductions, employment incentives and revival in domestic consumption and investments, lower base effect and recovery in global economies.

In 2017, the added value of the agricultural sector increased by 4.7%, the industrial sector by 9.2%, and the construction sector were by 8.9%. The added value of services sector, which consists of the sum of trade, transport, accommodation and food service activities, increased by 10.7% and the added value of other service activities rose by 5.5%.

According to the volume index chained by expenditures method, final consumption expenditures of households rose by 6.1% and final consumption expenditures of the state rose by 5.0% in 2017. Thus, the growth rate of total consumption expenditures increased by 1.2 points to 5.9% when compared to 2016, while the growth rate of total fixed capital investments increased by 5.1 points to 7.3%.

GDP per capita, which reached its highest level in 2014 with \$12,480, has been on a downward trend since the said year. For years covered by the report, it went down to \$11,019 in 2015, \$10,883 in 2016 and \$10,597 in 2017. It is thought that the rapid increase in the exchange rate of dollar has led to decline in the GDP per capita.

The relatively strong growth in Turkey's economy manifested itself in the manufacturing industry's capacity utilization rate, one of the leading indicators of the industry. The manufacturing industry capacity utilization rate that stood at 77.4% in 2016 rose to 78.5% in 2017, up by 1.1 points. In 2017, the highest capacity utilization rate among the manufacturing industry sub-sectors was in the sector of manufacture of motor land vehicle, trailer and semi-trailer with 86.3%, followed by sectors of paper and paper products manufacturing with 84.6% and coke and refined oil petroleum products manufacturing with 83.6%. Sub-sectors which had the lowest capacity utilization rate were sub-sectors of leather and related products manufacturing with 58.6%, other manufacturing with 65.2%, and manufacturing of beverages with 66.0%.

Growth realized in the added value of the agricultural sector had a positive impact upon the trading volume of commodity exchanges. The trading volume of commodity exchanges that amounted to TRY 212,814 million in 2016 rose to TRY 249,892 million in 2017 with an increase by 17.4%, according to data of TOBB.

According to the industrial capacity reports disclosed by the Union of Chambers and Commodity Exchanges of Turkey, number of industrial capacity reports which were still current as of the end of 2017 decreased to 64,825, down by 10.4% compared to those which were still current as of the end of 2016. According to the activity groups, the activity group which had the highest number of the current capacity reports in 2017 were foodstuff production with 8,863 capacity reports, whereas the forestry and industrial and wood fuel production was the activity group which had the least number of capacity reports with 3 capacity reports.

The construction sector, one of the most important sectors of the economy, was influenced positively by the urban transformation in 2017 and the increase in branded mixed projects. In 2017, construction licenses issued by the municipalities for the constructions planned to be started increased by 31.8% to 270,741 thousand m², in terms of surface area, whereas the total construction area of occupancy permits which were licensed and completed increased by 6.6% to 161,119 thousand m².

Housing sales increased by 5.1% after accelerating in 2017 due to the campaigns launched in order to speed up the sector and reductions in interest rates of bank loans. In Turkey, 1,409 thousand houses changed hands, with 473 thousand houses through mortgage and 936 thousand through other means.

According to another statistic published by TOBB, in 2017, 72,862 companies in total were incorporated, of these companies, 12,823 companies are joint stock companies, 60,024 companies are limited liability companies, 13 companies are collective companies and 2 companies are commandite companies. In 2017, total number of companies incorporated increased by 14.4%, number of sole proprietorships and cooperatives increased by 5.4% and 17.1%, respectively.

In 2017, number of joint stock companies and limited liability companies closed down increased by 1.8% and 28.0%, respectively, compared to the previous year, whereas number of unlimited companies and commandite companies decreased by 22.0% and 25.0%, respectively, thereby, increasing the number of companies closed down by 22.2% to 13,507. The number of sole proprietorships and cooperatives closed down decreased by 5.9% and 8.6%, respectively.

Positive developments were observed in the number of protested notes and dishonored checks, which are among the most important indicators of the outlook and development of the economy. The number of notes protested in 2017 fell by 7.6% to 940 thousand,

while the number of dishonored checks declined by 44.1% to 435 thousand.

The tourism sector passed through a difficult era in 2016 due to traitorous terror attacks and coup attempt, adversities experienced in the foreign politics, notably, with Russian Federation, and wars ongoing in the near geographical area. Due to these events and their reflections both domestically and internationally, the interest of foreign visitors for our country decreased and they went for alternative countries which they think are safer, thereby, causing a great distress on the sector.

Significant improvements were made in the tourism sector with elimination of adversities, except for wars ongoing in the near geographical region, in 2017 and the normalization of relations with the Russian Federation, and number of visitors departing from our country increased by 23.1% to 38,620 thousand and number of citizens arriving at our country increased by 12.6% to 8,887 thousand. When it comes to the ranking of visitors departing from our country, Russian Federation had the greatest increase among the top 20 countries, followed by Iraq and Iran. Countries with the lowest reduction in number of departing visitors were the USA, Denmark and the Netherlands, respectively.

The tourism income increased by 18.9% to 26,284 million dollars, the tourism expense increased by 1.7% to 5,137 million dollars, and the net tourism income increased by 24.0% to 21,147 million dollars.

In 2017, it was aimed to create jobs for 226,569 people thanks to a fixed investment amounting to TRY 177,899 with 7478 investment incentive certificates in total issued. Among the fixed investments subjected to incentive certificate, the energy sector has the largest share with 57.1%, followed by the manufacturing sector with 22.1%, the services sector with 18.5%, the mining sector with 1.2%, and the agriculture sector with 1.1%. Of 7,478 investment incentive certificates in total, 338 certificates were issued for foreign capital investments and 7,140 certificates were issued for domestic capital investments in 2017.

The Central Bank of the Republic of Turkey (CBRT), within the framework of open inflation targeting, which has been implemented since 2006, aims to keep inflation at levels consistent with the target and has also been seeking financial stability since 2010.

CBRT set the inflation target used as the year-end annual rates of change in the Consumer Price Index (CPI) for the period of 2017-2019 as 5.0% in the text of "2017 Monetary and Exchange Policy", in line with the agreement reached with the Government within scope of the Medium Term Program.

At the end of 2017, inflation was 11.92%, 6.92 points up from the target and exceeded the uncertainty band by 4.92 points. CBRT has indicated, among basic factors for the inflation being remarkably above the target, as the high depreciation of the Turkish Lira, rise in import prices, developments in food and non-alcoholic beverages and the strong course of the economic activity as well as increase in the medium-term inflation expectations and distortion in pricing behaviors.

With regards to main expenditure groups, the highest price increase was seen in the transportation with 18.24%, followed by the increases in the group of food and non-alcoholic beverages with 13.79% and the group of various goods and services with 12.77%. The lowest price increase occurred in the main expenditure group of communication with 1.41%, followed by increases in the group of alcoholic drinks and tobacco with 2.86%, and the group of entertainment and culture with 8.38%.

B core inflation index in 2017 which is calculated by excluding unprocessed food products, energy, alcoholic drinks and tobacco as well as gold increased by 12.28%, whereas C core inflation index calculated by excluding energy, food and non-alcoholic beverages, alcoholic drinks and tobacco products, gold increased by 12.30%.

Domestic Producer Price Index increased by 15.47% in 2017, driven by the depreciation of the Turkish lira and the increase in input prices. This increase in producer prices put pressure on prices in terms of cost.

CBRT also continued to implement a policy in 2017, in which the inflation is the core of the monetary policy and the monetary policy stance focusing on the price stability has been maintained. Inflation expectations, pricing behaviors and developments in all other factors affecting inflation influenced the creation of monetary policy decisions. The main objective of the monetary policy was to maintain price stability in addition to realizing the inflation rate at the target of 5%.

In order to achieve this target, the CBRT continued to use instruments developed in the new policy framework in addition to traditional policy instruments and practices aimed at balancing the foreign currency and Turkish lira liquidity in 2017.

The CBRT went into monetary tightening in November 2016, taking into account risks arising from rise in the global uncertainties and fluctuations in exchange rates. Monetary tightening was strengthened in January 2017 in order to limit the deterioration in inflation outlook since continued excessive volatility in exchange rates gave rise to an upward risk on the inflation.

While the implementation of monetary policy in 2017 was carried out in this framework, rate of increase in money supply compared to the previous year was behind the year 2016. M1 money supply increased by 17.6% to TRY 449,632 million, M2 money supply increased by 15.5% to TRY 1,624,675 million and M3 money supply increased by 15.5% to TRY 1,675,831 million. Total deposit held at deposit banks increased by 17.2% to TRY 1,626,205 million, the saving deposit increased by 14.4% to TRY 544,428 million, commercial institutions deposit increased by 3.5% to TRY 222,506 million, the public institutions deposit increased by 33.5% to TRY 78,309 million, foreign exchange deposit accounts increased by 26.1% to TRY 646,307 million, whereas other institutions deposit decreased by 2.2% to TRY 37,279 million.

Commercial loans, which showed an upward tendency due to the incentives and measures of the CBRT supporting the financial system in the beginning of 2017, entered into a balancing process in the last quarter of the year. The fact that the surety facility of the Treasury-backed Credit Guarantee Fund (KGF) is close to the pre-defined limits played a role in slowing down of commercial loans. The positive outlook in economic activities, the increase in domestic demand supported the increase in consumer loans in particular. Expiration of the VAT discount applicable to housing, white goods and furniture sector slowed the growth of consumer loans. In 2017, total bank loans increased by 21.1% to TRY 1,971,683 million.

The failure to achieve the expected recovery in the global economy, a limited growth, global economic risks and geopolitical developments had a negative impact upon markets. Only one interest rate increase by the United States Federal Reserve (Fed), the US presidential election and the Brexit decision were the most important factors affecting global markets in 2016.

starting from the second half of 2016, a recovery started in the global economic activities, which went on in 2017, too. The relative improvement in financial conditions,

policies supporting the growth, the increase in commodity prices gave rise to a positive atmosphere in markets, increasing the risk appetite of investors. These positive developments also had a positive impact upon the global equity markets.

Concerns around Turkey in 2016 due to terror attacks, failed coup attempt, geopolitical tensions decreased in 2017, and continued growth in the economy increased capital inflows. Borsa Istanbul (BIST) 100 Index, which completed the year 2016 at the level of 78,138.7 closed the year 2017 at the level of 115,333.0. Total transaction volume of Borsa Istanbul rose from TRY 1,013,562 million to TRY 1,468,001 million in 2017 with an increase by 44.8%.

Number of domestic investors having share portfolio in 2017 at Borsa Istanbul rose to 1,081,334 with an increase by 4.9%, and number of foreign investors rose to 9,569 with an increase by 0.9%, compared to 2016. Thus, number of total investors who invested in BIST in 2017 increased to 1,090,903 with an increase by 4.8% compared to 2016. In 2017, portfolio values increased in line with numbers of domestic and foreign investors. Portfolio value at BIST of domestic investors increased by 35.8% to TRY 122,614 million, that of foreign investors increased by 48.4% to TRY 232,261 million, and total portfolio value increased by 43.8% to TRY 354,875 million. Among the total number of investors who invested in Borsa Istanbul, share of the domestic investors was 99.1 and share of foreign investors was 0.9% as it was the case in the previous year; and by portfolio value, share of domestic investors was 34.6%, and share of foreign investors was 65.4%.

The Medium Term Fiscal Plan (2017-2019) suggests that the fiscal policy will be implemented in a manner consistent with basic purposes and priorities of the economy policy, contributing to protection of the economic stability, increasing the growth policy, keeping the current account deficit under control, encouragement of domestic savings and investments. The aim was ensuring that the fiscal policy is sustainable, gains in the field of public economy are retained and the borrowing requirement of the public sector is reduced. It was planned to allocate resources of the general government budget in line with these objectives and to use such resources economically and efficiently. It has been stated that the financial discipline will continue to be supported by structural reforms.

In the Medium Term Program (2017-2019), it has been predicted that the ratio the public sector's general balance bears to GDP will have a deficit of 1.5% at the end of 2017 and fall to 0.9% at the end of the program period. The fiscal policy was applied in this framework in 2017.

In line with the tight monetary policy implemented by the CBRT in the previous years, a tight fiscal policy was implemented, and a relative relaxation was observed in the fiscal policy in order to eliminate the economic slowdown experienced in 2017 and invigorate the economy. New tax incentives, subsidies and tax reductions aimed to boost production, investment and employment and stimulate economic activity.

At the end of the year, budget revenues and expenses exceeded estimates. Compared to the previous year, budget revenues increased from TRY 630,349 million with an increase by 13.8%, budget expenses increased from TRY 677,722 million with an increase by 16.0% and the budget deficit went up to TRY 47,373 million with an increase of 58.3%. The ratio of budget revenues to cover the expenses was 93.0%. While current transfers, investment expenditures and interest expenditures had a negative impact upon budget realizations, they positively affected the increase in tax revenues.

In 2017, the fact that general government budget revenues increased with a ratio lower than budget expenditures increased the budget deficit growth rate by more than twice the previous year's value. The deterioration observed in the budget balance had a negative impact upon the debt statistics.

Based on the last three years' data, it is observed that the total debt stock of the General Government is rising progressively. It is striking that the general government's domestic debt stock also tends to increase progressively with the most recent year being strong, while the external debt stock held down the upward rise in the total external debt stock due to a drop in the rate of increase in 2017.

The general government domestic debt stock rose to TRY 535,448 million with an increase by 14.3%, foreign debt stock rose to TRY 341,038 million with an increase by 17.1%, whereas the total debt stock increased to TRY 876,486 million with an increase by 15.3%.

The floating exchange rate applied by the Central Bank of Republic of Turkey (CBRT) since early 2001 continued in 2017, too. In case of floating exchange rate, exchange rates are determined by supply and demand conditions. The foreign exchange supply and demand are affected by the monetary and fiscal policies implemented, international developments and expectations. The CBRT does not have a nominal or real exchange rate target. While the exchange rate is not used as a policy instrument, the Central Bank reacts with instruments available to it when the exchange rate fluctuation increases and it poses a risk in terms of financial stability. The exchange rate risk is managed by economic units. In 2017, the exchange rate policy was implemented within framework of these principles.

Turkish Lira depreciated against the foreign currencies with the effect of the global conjuncture and domestic political developments in 2017, too. As of the year end, according to the annual average values and in nominal terms, value of US dollar rose against Turkish Lira by 20.8% to TRY 3.64494, Euro rose by 23.3% to TRY 4.11388, English Pound rose by 15.0% to TRY 4.68748, and Japanese Yen rose by 16.9% to TRY 3.24099.

Recovery of the global economy following a stagnation period and the growth in the world's trade volume had an upward effect upon the foreign trade of Turkey as was the case with the economy of other developing countries. The drop of the last two years and the last three years in the export and import, respectively, was replaced by double digit increases.

The fact that economies started recovering in member states of EU, the recipient of almost half of our exports, growth in markets of neighboring countries and relative decrease in the political and geopolitical risks positively affected our 2017 export figures. Additionally, increase in Euro/dollar parity and commodity prices as well as incentives put into force for the growth and export are among other factors supporting rise in the export. The export that downsized in the last two years showed a high rate of increase in 2017 and came quite close to the historical level it reached in 2014

The decline observed in the import since 2014 was replaced by the increase in 2017. This increase was largely due to revival in economic activities as well as rise in the production and domestic demand, the decision by OPEC to reduce the oil production, increased oil prices driven by ongoing political tensions and conflicts in the Middle East as well as increased import of commodity and gold. The increase in import was also due to the fact that our export is largely based on imported inputs and intermediate goods.

The export increased by 10.2% in 2017, compared to 2016, from 142,530 million dollars to 157,020 million dollars, and the import increased by 17.7% from 198,618 million dollars to 233,800 million dollars. The foreign trade deficit widened by 36.9% and increased to 76,780 million dollars due to a faster rate of increase for the import compared to the export. The foreign trade volume increased by 14.6% and rose from 341,148 million dollars to 390,819 million dollars. The ratio of the export to cover the import decreased by 4.6 points to 67.2%.

In 2017, the current account balance showed a significant level of deterioration in comparison to the previous year. The current accounts deficit increased by 42.1% and rose from 33,137 million dollars to 47,100 million dollars. The said development was due to the rise in foreign trade deficit shown at the statement of payments balance as well as the increase in the primary income balance deficit. Decline in concerns for security in Turkey and onset of the normalization in relations with Russia which paved the way for increase in travel revenues limited the expansion in the current deficit.

However, the recession experienced in the global economy and the uncertainties experienced in our country as a result of the internal and external factors soared the risk perception of investors, affecting inflow of investments negatively and, as a result, international direct investment inflows declined by 41.0% in 2016. Although such decrease in investment inflows decelerated, it continued in 2017, as well. The negative impact the geopolitical developments had on the risk perception concerning our region was the main factor of this development, and the net international direct capital inflow dropped by 19.5% and stood at 5,568 million dollars in 2017.

The limited increase seen in gross foreign debt stock in 2016 accelerated and rose to 11.0% in 2017. In 2017, of the gross foreign debt stock amounting to 453,207 million dollars, the portion amounting to 117,771 million dollars was composed of short-term debts and the remaining portion amounting to 335,496 million dollars was composed of long-term debts.

According to the results of the Address-Based Population Registration System (ABPRS), population of Turkey rose to 80,811 thousand people as of 2017 year-end with an increase by 996 thousand people compared to the preceding year. Population growth rate dropped from 13.5‰ in 2016 to 12.4‰ in 2017. Population density (number of people per square kilometer) that was 104 in 2016 ascended to 105 in 2017 with an increase by 1 person. Out of this population, 74,761 people live in province and district centers, 6,049 people live in towns and villages.

The poor growth performances observed in the globe and our country negatively affected the labor market. The unemployment rates which were sailing at single digit between 2011 and 2014 rose to double digits again since 2015. The fact that the increase of employment increase fell behind the increase of labor affected this negative development.

High levels of growth experienced in 2017 and the increase of employment incentives with the employment mobilization so implemented positively reflected on the labor market, and number of those employed showed an increase above its level for many years. The unemployment rate that stood at 10.9% in 2016 remained unchanged at the same level in 2017. While the male unemployment rate reduced to 9.4% decreasing by 0.2 percent, the female unemployment rate became 14.1% increasing by 0.4 percent. The youth unemployment rate (15-24 years of age), which is the major problem of developed and developing countries, rose to 20.8% increasing by 1.2 percent.

In 2017, compared to the preceding year, the number of those employed in the

agriculture sector rose to 5 million and 464 thousand people with an increase by 3.0%, the number of those employed in the industry sector rose to 7 million and 478 thousand people with an increase by 2.7%, and the number of those employed in the services sector rose to 15 million and 246 thousand people with an increase by 4.3%. Thus, the total people employed became 28 million 189 thousand people increasing by 3.6%.

1. ECONOMIC INDICATORS

1.1 Gross Domestic Product

The Turkish economy that shrank by 4.7% due to impact of the global economic crisis in 2009 entered into a rapid recovery process. The rate of growth that reached the highest post-crisis level in 2011 with 11.1% followed a fluctuating course in following years.

The rate of growth remained at the level of 3.2% in 2016, which was the slowest growth since 2009, due to recession on a global scale, geopolitical and political tensions, effects of war dominating our neighboring geography, failed attempt of coup and terrorism.

An era with a high rate of growth was started as from the late 2016 due to cautionary measure taken aimed at stimulating economic activities and supporting the growth. Within the scope of efforts aimed at facilitating access to finance through private sector cooperation, TOBB Nefes Loan, loans extended through KOSGEB and Credit Guarantee Fund, tax reductions, incentives for employment and production supported the production and domestic demand and played a role in the strong growth in the economy throughout 2017.

The rate of growth in Turkish economy that stood at 5.4% in succession during the first and second quarters of 2017 increased to 11.3%, driven by the lower base, and materialized at the level of 7.3%. While the growth rate for 2017 was estimated at 5.5% at the medium-term program covering years 2018-2020, Turkey became the fastest growing country among G20 countries with an annual rate of growth at 7.4%. This high rate of growth in 2017 was driven by incentive policies and revival in domestic consumption and investments, lower base effect and recovery in global economies (Table 11).

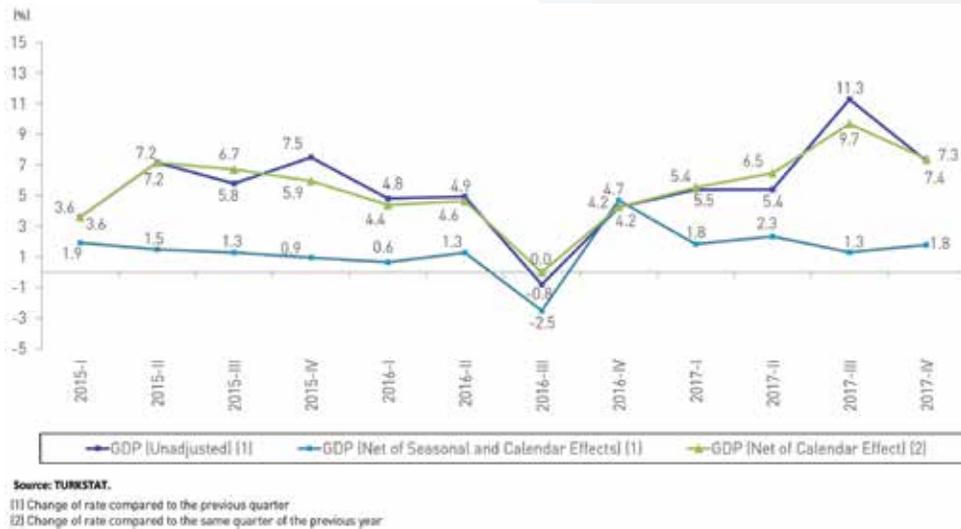
Table 11. Gross Domestic Product, Chained Volume Index by Lines of Economic Activity (A10)

Lines of Economic Activity [Nace Rev 2]	Volume (Thousand TRY)			Index			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Agriculture, forestry and fishery	104,084,510	101,399,804	106,124,933	128.1	124.8	130.6	-2.6	4.7
Industry	298,382,417	311,049,784	339,670,402	162.0	168.9	184.4	4.2	9.2
Manufacturing industry	250,183,050	259,788,258	282,761,245	165.2	171.5	186.7	3.8	8.8
Construction	111,600,218	117,588,337	128,052,144	198.7	209.4	228.0	5.4	8.9
Services	344,489,309	345,207,257	381,975,344	158.5	158.8	175.7	0.2	10.7
Information and communication	38,733,191	41,036,573	46,122,188	142.6	151.1	169.8	5.9	12.4
Finance and insurance activities	64,045,044	69,665,872	72,364,301	171.0	186.0	193.2	8.8	3.9
Real estate activities	129,525,877	134,171,405	137,711,450	123.6	128.0	131.4	3.6	2.6
Professional, administrative and support service activities	81,320,614	85,543,197	94,085,907	182.7	192.2	211.4	5.2	10.0
Public management, education, human health and social service activities	148,690,910	156,739,215	162,544,819	125.2	132.0	136.9	5.4	3.7
Other service activities	28,005,014	28,786,735	31,033,083	144.2	148.2	159.8	2.8	7.8
Total sectors	1,346,368,598	1,388,148,448	1,496,773,362	151.1	155.8	168.0	3.1	7.8
Tax - subsidy	181,564,220	188,431,092	196,722,728	167.9	174.3	182.0	3.8	4.4
Gross domestic product (with buyer prices)	1,527,725,206	1,576,365,403	1,693,310,340	152.9	157.8	169.5	3.2	7.4

Source: TURKSTAT.

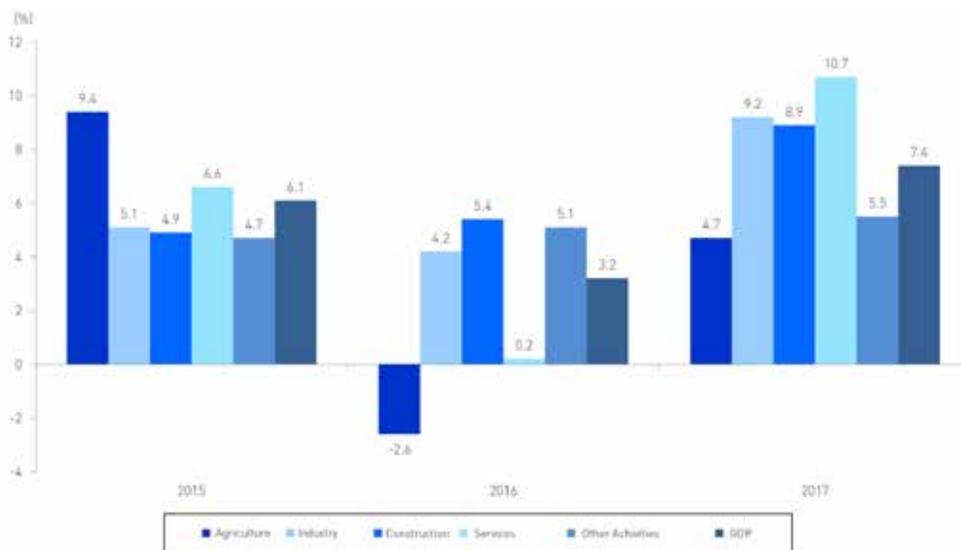
GDP chained volume index net of the calendar effect grew by 5.5%, 6.5%, 9.7% and 7.4% in the first, second, third and fourth quarters, respectively, compared to the same quarters of the previous year. GDP net of the season and calendar effects grew by 1.8%, 2.3%, 1.3% and 1.8% in the first, second, third and fourth quarters, respectively, compared to previous quarters (Figure 6).

Figure 6. Gross Domestic Product Growth Rates by Terms



In 2017, the added value of the agricultural sector increased by 4.7%, the industrial sector by 9.2%, and the construction sector were by 8.9%. The added value of services sector, which consists of the sum of trade, transport, accommodation and food service activities, increased by 10.7%. With these changes, the rate of growth in the agricultural sector, industrial sector, construction sector and services sector rose by 7.3 points, 5 points, 3.5 points and 10.5 points, respectively, compared to the previous year (Figure 7).

Figure 7. Growth Rates of Activities Constituting the Gross Domestic Product (Chained Volume Index 2009=100)



Owing to the production method in 2017, GDP grew by 19.0% with current prices reaching TRY 3,104,907 million. This consisted of agriculture, industry, construction, services, other sectors as well as taxes and subsidies with TRY 188,651 million, TRY 640,580 million, TRY 265,680 million, TRY 688,667 million, TRY 966,695 million and TRY 354,633 million, respectively (Table 12).

Table 12. Gross Domestic Product, Current Prices by Lines of Economic Activity (A10)

Lines of Economic Activity (Nace Rev 2)	(2009=100)								
	Value (Thousand TRY)			Share (%)			Change (%)		
	2015	2016	2017	2015	2016	2017	2016	2017	
Agriculture, forestry and fishery	161,447,917	161,304,618	188,650,644	6.9	6.2	6.1	-0.1	17.0	
Industry	461,963,749	511,805,709	640,580,266	19.8	19.6	20.6	10.8	25.2	
Manufacturing industry	390,796,400	432,979,604	543,706,154	16.7	16.6	17.5	10.8	25.6	
Construction	190,619,215	223,362,831	265,680,168	8.2	8.6	8.6	17.2	18.9	
Services	518,556,551	560,899,479	688,667,007	22.2	21.5	22.2	8.2	22.8	
Information and communication	56,071,625	63,445,420	77,651,318	2.4	2.4	2.5	13.2	22.4	
Finance and insurance activities	70,002,619	87,062,982	100,682,888	3.0	3.3	3.2	24.4	15.6	
Real estate activities	180,721,035	201,561,274	222,920,671	7.7	7.7	7.2	11.5	10.6	
Professional, administrative and support service activities	121,487,922	137,294,413	167,827,926	5.2	5.3	5.4	13.0	22.2	
Public management, education, human health and social service activities	254,787,499	301,625,124	338,627,069	10.9	11.6	10.9	18.4	12.3	
Other service activities	45,068,657	50,534,616	58,985,362	1.9	1.9	1.9	12.1	16.7	
Total sectors	2,060,726,790	2,298,896,464	2,750,273,318	88.1	88.1	88.6	11.6	19.6	
Tax – subsidy	277,920,704	309,629,285	354,633,388	11.9	11.9	11.4	11.4	14.5	
Gross domestic product (with buyer prices)	2,338,647,494	2,608,525,749	3,104,906,706	100.0	100.0	100.0	11.5	19.0	

Source: TURKSTAT.

In 2017, share of the agriculture sector within GDP declined by 0.1 points to 6.1%, share of other activities declined by 1.2 points to 31.1%, whereas share of the industry sector rose by 1 point to 20.6% and the share of services sector rose by 0.7 points to 22.2% and share of the construction sector remained the same with 8.6% (Table 13, Figure 8).

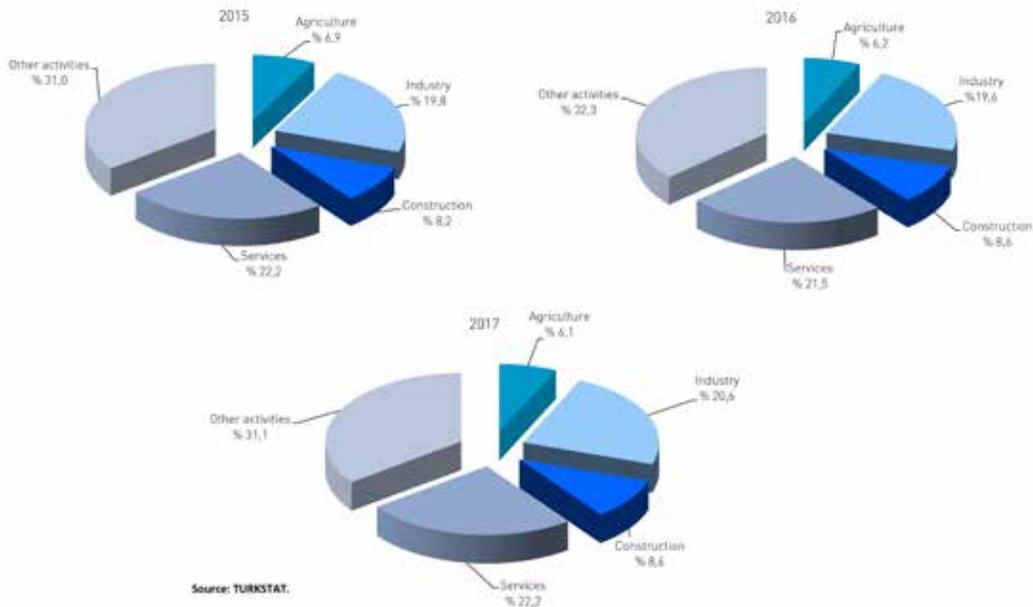
Table 13. Shares of Sectors in Gross Domestic Product ⁽¹⁾

Lines of Economic Activity	(with Current Prices, 2009=100, %)		
	2015	2016	2017
Agriculture	6.9	6.2	6.1
Industry	19.8	19.6	20.6
Construction	8.2	8.6	8.6
Services	22.2	21.5	22.2
Other activities ⁽¹⁾	31.0	32.3	31.1
Total sectors	88.1	88.1	88.6
Tax – subsidy	11.9	11.9	11.4
Gross domestic product	100.0	100.0	100.0

Source: TURKSTAT.

(1): Other service activities consist of information and communication, finance and insurance activities, real estate activities, professional, administrative and support service activities, public management, education, human health and social service activities.

Figure 8. Shares of Sectors in Gross Domestic Product (Current Prices)



According to the volume index chained by expenditures method, final consumption expenditures of households rose by 6.1% and final consumption expenditures of the state rose by 5.0% in 2017. Thus, the growth rate of total consumption expenditures increased by 1.2 points to 5.9% when compared to 2016, while the growth rate of total fixed capital investments increased by 5.1 points to 7.3% (Table 14).

Table 14. Gross Domestic Product, Chained Volume Index by Expenditure Method

Expenditure Components	Volume (Thousand TRY)			Index			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Consumption resident households and non-profit organizations serving the household	930,677,217	964,776,578	1,023,750,601	150.2	155.7	165.3	3.7	6.1
Final consumption expenditures of the state	200,388,008	219,457,591	230,455,451	127.2	139.3	146.2	9.5	5.0
Gross fixed capital formation	455,520,689	465,757,226	499,801,585	203.8	208.3	223.6	2.2	7.3
Changes in the stock (1)	-	-	-	-	-	-	-	-
Export of goods and services	340,778,257	334,411,729	374,678,597	151.1	148.3	166.1	-1.9	12.0
(Less) Import of goods and services	354,978,075	368,277,492	406,252,721	152.1	157.8	174.1	3.7	10.3
Gross domestic product	1,527,725,206	1,576,365,403	1,693,310,340	152.9	157.8	169.5	3.2	7.4

Source: TURKSTAT.

(1): Inventory changes have been calculated according to the residue method, and include statistical error margin.

Export of goods and services had a negative impact upon the growth due to the effect of decline in export during 2016 and increased by 12.0% in 2017, however the net export offered a limited contribution to the growth throughout the year with the import of goods and services rising by 10.3%.

In 2017, the share of final consumption expenditures of households within GDP with current prices declined by 0.7 point to 59.1%, and share of the state's final consumption expenditures decreased by 0.3 point to 14.5%, whereas the share of the

total consumption expenditures decreased by 1.1 points to 73.6% and share of the gross fixed capital formation increased by 0.5 to 29.8% (Table 15).

Table 15. Gross Domestic Product, Current Prices by Expenditure Method

Expenditure Components	Value (Thousand TRY)			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
	(2009=100)							
Consumption resident households and non-profit organizations serving the household	1,411,800,255	1,560,518,475	1,835,956,661	60.4	59.8	59.1	10.5	17.7
Final consumption expenditures of the state	324,551,507	386,976,636	450,233,223	13.9	14.8	14.5	19.2	16.3
Gross fixed capital formation	694,786,860	764,661,719	925,544,183	29.7	29.3	29.8	10.1	21.0
Changes in the stock ⁽¹⁾	-31,499,083	-28,362,562	32,687,129	-1.3	-1.1	1.1	-	-
Export of goods and services	545,979,015	572,964,838	771,238,565	23.3	22.0	24.8	4.9	34.6
(Less) Import of goods and services	606,971,060	648,233,357	910,753,054	26.0	24.9	29.3	6.8	40.5
Gross domestic product	2,338,647,494	2,608,525,749	3,104,906,706	100.0	100.0	100.0	11.5	19.0

Source: TURKSTAT.

(1): Inventory changes have been calculated according to the residue method, and include statistical error margin.

In 2017, the group of durable goods showed largest increase in final consumption expenditures of households consisting of expenditures made by households and non-profit organizations serving households with 11.6% This group was followed by services with 6.2%, non-durable goods with 5.5% and semi-durable goods with 3.2% (Table 16).

Table 16. Household Final Consumption Expenditures, Chained Volume Index by Type of Durability

Type of Durability	Index			Change (%)	
	2015	2016	2017	2016	2017
	(2009=100)				
Durable goods	223.4	221.5	247.2	-0.9	11.6
Semi durable consumer goods	170.8	174.5	180.0	2.2	3.2
Non-durable goods	137.3	142.7	150.6	4.0	5.5
Services	145.0	152.0	161.4	4.8	6.2
Resident household consumption	150.4	155.8	165.4	3.6	6.2

Source: TURKSTAT.

The services group constituted the largest portion of final consumption expenditures of households with a share of 43.2%, followed by the non-durable goods with a share of 35.4%, semi-durable goods with a share of 10.9% and durable goods with a share of 10.5% (Table 17).

Table 17. Household Final Consumption Expenditures, Current Prices by Type of Durability

Type of Durability	Value (Thousand TRY)			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
	(2009=100)							
Durable goods	144,756,962	154,385,842	191,661,336	10.3	9.9	10.5	6.7	24.1
Semi durable consumer goods	159,495,602	172,305,277	199,028,225	11.4	11.1	10.9	8.0	15.5
Non-durable goods	505,382,647	551,219,628	646,117,432	36.0	35.5	35.4	9.1	17.2
Services	595,056,703	674,065,033	790,003,403	42.4	43.4	43.2	13.3	17.2
Resident household consumption	1,404,691,914	1,551,975,781	1,826,810,395	100.0	100.0	100.0	10.5	17.7

Source: TURKSTAT.

While construction investments showed the greatest increase with 12.0% in gross fixed capital formation by expenditure method based on the chained volume index, machine equipment investments increased by 0.7% and other assets increased by 5.4% (Table 18).

Table 18. Gross Fixed Capital Formation, Chained Volume Index

Capital Classification	(2009=100)				
	Index			Change (%)	
	2015	2016	2017	2016	2017
Construction	209.5	215.3	241.1	2.8	12.0
Machinery and equipment	208.5	210.9	212.4	1.2	0.7
Other assets	152.0	158.1	166.7	4.0	5.4
Non-financial assets so produced	203.8	208.3	223.6	2.2	7.3

Source: TURKSTAT.

While construction had the largest share with 57.7% in gross fixed capital formation with current prices by expenditure method, the share of machinery and equipment investments materialized as 35.3% and share of other assets materialized as 7.0%. While the share of construction investments increased compared to the previous year, the share of machinery and equipment investments and other assets decreased (Table 19).

Table 19. Gross Fixed Capital Formation with Current Prices

Capital Classification	(2009=100)								
	Value (Thousand TRY)			Share (%)			Change (%)		
	2015	2016	2017	2015	2016	2017	2016	2017	
Construction	380,150,664	424,474,920	533,804,833	54.7	55.5	57.7	11.7	25.8	
Machinery and equipment	263,084,616	283,865,721	326,906,684	37.9	37.1	35.3	7.9	15.2	
Other assets	51,551,579	56,321,078	64,832,667	7.4	7.4	7.0	9.3	15.1	
Non-financial assets so produced	694,786,860	764,661,719	925,544,183	100.0	100.0	100.0	10.1	21.0	

Source: TURKSTAT.

In 2017, GDP per capita elevated to TRY 38,660 according to the current prices with an increase by 17.5%. GDP per capita declined from 10,883 dollars in 2016 to 10,597 dollars in 2017 with a drop by 2.6% (Table 20).

Table 20. Gross Domestic Product Per Capita ⁽¹⁾

Years	Mid-Year Population ⁽²⁾ (Thousand People)	with Current Prices			
		Turkish Lira (TRY)	Change (%)	US Dollar (\$)	Change (%)
2015	78,218	29,899	12.9	11,019	-9.0
2016	79,278	32,904	10.0	10,883	-1.2
2017	80,313	38,660	17.5	10,597	-2.6

Source: TURKSTAT.

(1): calculated according to 2009-based annual GDP value.

(2): Calculated based on annual results of the Address Based Population Registration System.

1.2 Sectoral Developments

1.2.1 Agriculture

One of the important sectors of Turkey due to its added value for the economy and the employment opportunities created by it, the agricultural sector is largely affected by global climate changes and changing consumption habits as well as fluctuations in the agriculture and food markets.

In 2017, the agricultural sector had a fertile period due to favorable weather conditions and adequate precipitation. The agricultural sector's added value increased by 5.6%, 6.6%, 3.3% and 6.0% in the first, second, third and fourth quarters of 2017, respectively, compared to the same period of the previous year. Thus, the added value of the agricultural sector grew by 4.7% in 2017.

Production of cereals and other herbal products which rose by 0.4% in 2016 increased to 68,061,333 tons with a rise by 4.2% in 2017. After a decrease by 8.7% due to the unfavorable weather conditions in 2016, the cereal production increased by 2.4% in 2017. low levels of precipitation at the end of 2016 resulted in the problem related to yield for crops planted early in the year, whereas winter caused damage on crops that entered the winter with a weak structure in case of crops planted later in the year. Spring time precipitation of 2017 partially prevented adversities during the cropping period. In the group of cereal products, the barley production showed an increase of 6.0% due to a rise in the plantation area and the wheat production increased by 4.4% due to favorable weather conditions compared to the previous year, which are both among the selected products. The highest decline was observed in the corn (grains) with 7.8% due to a shift to the cotton and barley in the plantation area, whereas another production decline was seen in the production of paddy with 2.2%, also due to a reduction in the plantation area (Table 21, Figure 9).

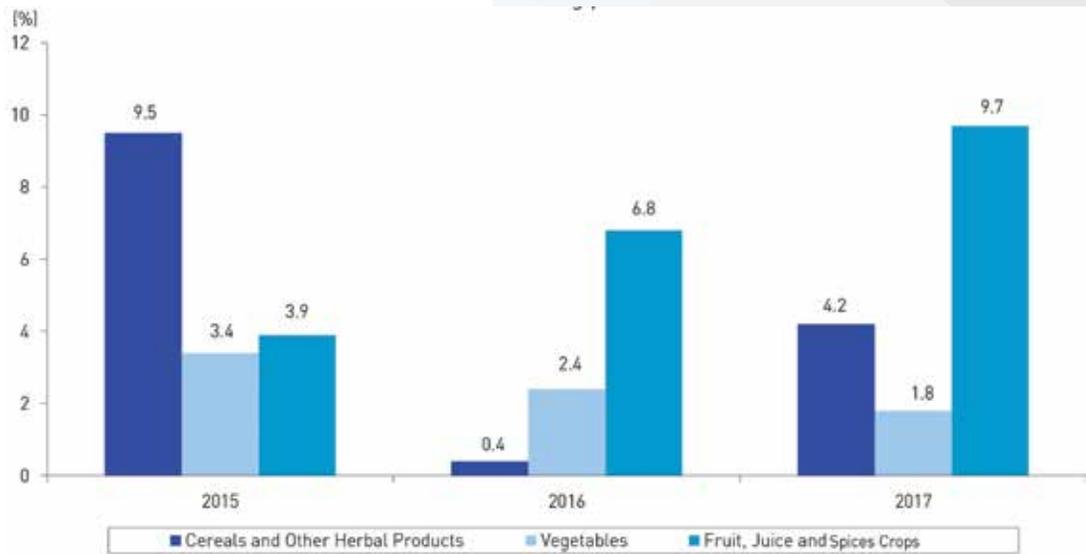
Table 21. Production Amounts of Cereals and Other Herbal Products

Cereals and Other Herbal Products	Production (Ton)			Change (%)	
	2015	2016	2017	2016	2017
Cereals	38,637,138	35,281,164	36,132,767	-8.7	2.4
Wheat	22,600,000	20,600,000	21,500,000	-8.8	4.4
Barley	8,000,000	6,700,000	7,100,000	-16.3	6.0
Corn (grains)	6,400,000	6,400,000	5,900,000	0.0	-7.8
Paddy	920,000	920,000	900,000	0.0	-2.2
Other	717,138	661,164	732,767	-7.8	10.8
Potato, legumes, edible roots and stems	5,842,894	5,831,576	5,966,229	-0.2	2.3
Potato	4,760,000	4,750,000	4,800,000	-0.2	1.1
Chickpea	460,000	455,000	470,000	-1.1	3.3
Lentil (red)	340,000	345,000	400,000	1.5	15.9
Beans (white)	235,000	235,000	239,000	0.0	1.7
Lentil (green)	20,000	20,000	30,000	0.0	50.0
Other	27,894	26,576	27,229	-4.7	2.5
Oily seeds	2,228,498	2,220,629	2,413,370	-0.4	8.7
Sunflower	1,680,700	1,670,716	1,964,385	-0.6	17.6
Peanut	147,537	164,186	165,330	11.3	0.7
Soy	161,000	165,000	140,000	2.5	-15.2
Colza (canola)	120,000	125,000	60,000	4.2	-52.0
Poppy (seed)	30,730	18,205	15,244	-40.8	-16.3
Other	88,531	77,522	68,411	-12.4	-11.8
Tobacco⁽¹⁾	67,990	74,238	80,000	9.2	7.8
Sugar beet⁽¹⁾	16,022,783	19,592,731	20,828,316	22.3	6.3
Other fodder plants (except straw and shells)	114,165	111,974	98,537	-1.9	-12.0
Fodder beet	114,165	111,974	98,537	-1.9	-12.0
Raw plants used in textile	2,050,002	2,100,008	2,450,009	2.4	16.7
Cotton (unseed)	2,050,000	2,100,008	2,450,009	2.4	16.7
Hemp (fiber)	1	7	7	600.0	0.0
Plants used in perfumery, pharmacy and similar areas, and fodder plant seeds	113,856	103,341	92,105	-9.2	-10.9
Vetch	67,385	66,987	58,423	-0.6	-12.8
Poppy (capsule)	30,730	16,550	13,836	-46.1	-16.4
Rose (oil)	9,483	12,267	13,372	29.4	9.0
Other	6,258	7,537	6,474	20.4	-14.1
Total	65,077,326	65,315,661	68,061,333	0.4	4.2

Source: TURKSTAT.

(1): Data of 2017 are interim.

Figure 9. Rates of Change Herbal Production



Source: TURKSTAT.

The production amount of potato, legumes, edible roots and stems group decreased by 0.2% in 2016 and increased by 2.3% in 2017. The potato production, with the greatest share in this group, increased 1.1%, green lentil production increased by 50.0% and red lentil production increased by 15.9%

In oily seeds group, there was a decrease by 0.4% in 2016, whereas this group saw an increase by 8.7% in 2017. The sunflower production showed the greatest increase in production with 17.6% within this group, whereas canola production had the largest decline with 52.0%.

The tobacco production that increased by 9.2% in 2016 increased by 7.8% in 2017 and stood at 80,000 tons. The sugar beet production that increased by 22.3% in 2016 showed an increase of 6.3% in 2017, there was a decrease in fodder beet with 12.0%. The unseed cotton production that increased by 2.4% in 2016 showed an increase by 16.7% in 2017.

The decline by 9.2% observed during 2016 in the production of plants used in perfumery, pharmacy and similar fields went up to 10.9% in 2017. Under this group, production of rose for oil increased by 9.0% while the largest decline took place in the production of poppy (capsule) with 16.4%.

In the vegetable products production, the increase by 2.4% in 2016 remained at the level of 1.8% in 2017 and the production increased to 30,825,569 tons. While tuber and root vegetables group production increased by 0.8%, the green onion saw the highest increase in the group with 3.4% and the leek production saw the highest decrease with 8.3% due to the reduction in its production area. The production of vegetables grown for their fruits decreased by 2.0%, whereas the production of other vegetables not classified elsewhere rose by 3.0% (Table 22, Figure 9).

Table 22. Production Amounts of Vegetables

Vegetables	Production (Ton)			Change (%)	
	2015	2016	2017	2016	2017
Tuber and root vegetables	3,131,240	3,399,810	3,425,820	8.6	0.8
Onion (dry)	1,879,189	2,120,581	2,131,513	12.8	0.5
Carrot	534,988	554,736	569,533	3.7	2.7
Leek	231,678	227,172	208,239	-1.9	-8.3
Radish (red)	179,660	179,353	178,344	-0.2	-0.6
Onion (spring)	141,691	134,479	138,993	-5.1	3.4
Other	164,034	183,489	199,198	11.9	8.6
Vegetables grown for their fruit	24,588,763	25,955,248	25,430,915	5.6	-2.0
Tomato	12,615,000	12,600,000	12,750,000	-0.1	1.2
Watermelon	3,918,558	3,928,892	4,011,313	0.3	2.1
Melon	1,719,620	1,854,356	1,813,422	7.8	-2.2
Cucumber	1,822,636	1,811,681	1,827,782	-0.6	0.9
Pepper (for pepper paste, capia)	879,775	957,030	1,107,713	8.8	15.7
Pepper (long green)	919,004	967,466	945,361	5.3	-2.3
Eggplant	805,259	854,049	883,917	6.1	3.5
Bean	640,836	638,532	630,347	-0.4	-1.3
Pepper (sweet green)	393,109	418,435	420,904	6.4	0.6
Other	874,966	1,924,807	1,040,156	120.0	-46.0
Other vegetables not elsewhere classified	1,832,287	1,911,839	1,968,834	4.3	3.0
Cabbage (white)	514,344	524,976	520,796	2.1	-0.8
Lettuce (iceberg)	225,021	233,662	223,449	3.8	-4.4
Spinach	208,403	210,999	222,177	1.2	5.3
Cauliflower	182,266	195,248	199,710	7.1	2.3
Cabbage (red)	178,679	186,826	188,316	4.6	0.8
Lettuce (curly)	157,981	179,712	185,070	13.8	3.0
Lettuce (iceberg)	64,490	65,068	81,904	0.9	25.9
Parsley	57,728	58,190	80,304	0.8	38.0
Cabbage (black leaf)	71,118	71,018	66,605	-0.1	-6.2
Other	172,257	186,140	200,503	8.1	7.7
Total	29,552,290	30,266,897	30,825,569	2.4	1.8

Source: TURKSTAT.

The production amount of vegetables grown for their fruit decreased by 2.0% in comparison to the previous year. The highest production increase among selected products in this group took place in the production of capia pepper for pepper paste with 15.7%. The rise in capia pepper was due to the increase in the greenhouse cultivation and the fact that growers went for this product owing to its high price. The largest decline, however, was seen in the production of long sweet pepper with 2.3% due to shift of growers to long green pepper.

The production amount of the group of other vegetables not elsewhere classified only increased by 4.3% in 2016 and 3.0% in 2017. The production of black leaf cabbage decreased by 6.2% due to reduction in plantation areas and problems associated with crops marketing, the production of head lettuce decreased by 4.4% due to shift different types of product and the production of white cabbage dropped by 0.8% due to reduction in the production amount. The highest increases were in production of parsley with 38.0% due to increase in the production areas, in production of iceberg lettuce with 25.9% and spinach with 5.3% due to its economic return.

The increase recorded with regards to production of fruit products, drink and spices with crops 6.8% in 2016 went up to into 9.7% in 2017 and the production amount was 20,808,954 tons. The grape production increased by 5.0% in 2017. The production in the group of other fruits and nuts increase by 11.5%. In 2017, as part of this group, the total production of banana, fig, avocado and kiwi, increased by 11.6%, the production of

citrus increased by 11.1% and other fruits rose by 8.2% due to effect of favorable climatic conditions over the fertility. In the banana, fig, avocado and kiwi group, the highest production increase was in production of banana with 20.6%, and the lemon saw the highest production increase in the citrus group with 18.4%, and apricot saw the highest production increase in the other fruits group with 34.9% (Table 23, Figure 9).

Production amount of olive and other nuts, another sub-component of the other fruits and nuts group decreased by 5.6% in 2016 and increased by 20.7% in 2017. The production of olive, which is among the selected nuts, increased by 1.8% in 2016, whereas the production increased by 21.4% in 2017 which was considered as a productive year with favorable climatic conditions. A drop by 35.0% recorded in 2016 due to frost damage in hazelnut production was replaced, in 2017, by an increase of 60.7% due to a productive year and favorable weather conditions.

The production amount of spices crops declined by 17.8% to 228,662 tons in 2017. Of the selected medicinal plants, the production of red pepper decreased by 21.6%, however the production of cumin increased by 3.2%.

While the tea production recorded an increase of 1.7% in 2016 in comparison to the previous year, a drop by 3.7% was seen due to the effect of the reduction in the area and yield in 2017 and the production amounted to 1,300,000 tons.

Table 23. Production Amounts of Fruits, Juice and Spices Crops

Fruit, Juice and Medicinal Plants	Production (Ton)			Change (%)	
	2015	2016	2017	2016	2017
Grape	3,650,000	4,000,000	4,200,000	9.6	5.0
Other fruits and nuts	13,875,012	14,693,529	16,380,292	5.9	11.5
Banana, fig, avocado, kiwi	614,590	657,276	733,627	6.9	11.6
Banana	270,500	305,926	369,009	13.1	20.6
Fig	300,600	305,450	305,689	1.6	0.1
Other	43,490	45,900	58,929	5.5	28.4
Citrus	3,975,873	4,293,007	4,769,726	8.0	11.1
Orange	1,816,798	1,850,000	1,950,000	1.8	5.4
Tangerine	1,156,365	1,337,037	1,550,469	15.6	16.0
Lemon	750,550	850,600	1,007,133	13.3	18.4
Other	252,160	255,370	262,124	1.3	2.6
Other fruits	6,460,799	7,078,496	7,661,036	9.6	8.2
Apple	2,569,759	2,925,828	3,032,164	13.9	3.6
Apricot	680,000	730,000	985,000	7.4	34.9
Peach	642,727	674,136	771,459	4.9	14.4
Cherry	535,600	599,650	627,132	12.0	4.6
Pear	463,623	472,250	503,004	1.9	6.5
Pomegranate	445,750	465,200	502,606	4.4	8.0
Strawberry	375,800	415,150	400,167	10.5	-3.6
Plum	279,761	297,589	291,934	6.4	-1.9
Sour cherry	183,500	192,500	181,874	4.9	-5.5
Other	284,279	306,193	365,696	7.7	19.4
Olive and other nuts	2,823,750	2,664,750	3,215,904	-5.6	20.7
Olive	1,700,000	1,730,000	2,100,000	1.8	21.4
Hazelnut	646,000	420,000	675,000	-35.0	60.7
Walnut	190,000	195,000	210,000	2.6	7.7
Almond	80,000	85,000	90,000	6.3	5.9
Other	207,750	234,750	140,904	13.0	-40.0
Spices Crops	247,045	278,248	228,662	12.6	-17.8
Red pepper	204,131	228,531	179,264	12.0	-21.6
Cumin	16,897	18,586	19,175	10.0	3.2
Other	26,017	31,131	30,223	19.7	-2.9
Tea ⁽¹⁾	1,327,934	1,350,000	1,300,000	1.7	-3.7
Total	17,772,057	18,971,777	20,808,954	6.8	9.7

Source: TURKSTAT.

(1): Tea is not included in the total fruit production. Data of 2017 is interim.

Agricultural Subsidy Payments

The Council of Ministers Decision 2017/10465 concerning the agricultural subsidy payments to be made in 2017 was published in the volume of the Official Gazette dated 18 August 2017. The decision was drafted with a view to promoting environmentally sensitive agricultural production, supporting the recommended biological and biotechnical fight recommended as an alternative to chemical fight against diseases and harmful organisms which threatens herbal production, increasing the productivity and quality, rendering policies applied effective, contributing to the solution of sector's primary problems, and assuring sustainability and ensuring that agricultural records are up-to-date. The decision covers issues regarding agricultural subsidies to be implemented in 2017 for a period of five years in connection with research-development projects.

Thanks to this decision, within framework of this Model of Agricultural Catchment Basins Production and Subsidy Model in Turkey, 941 catchment basins were identified and catchment basin-based subsidy model was introduced on a county basis. Subsidies for breeding were differentiated on a province and county basis, thereby, shifting to a model supporting the domestic production.

In this scope, agricultural subsidy payments which increased by 15.2% in 2016 demonstrated an increase of 11.1% in 2017. The highest increase in agricultural subsidy payments was seen in payments followed under the title of other agricultural subsidies with 26.2%. There was an increase by 25.9% in breeding subsidy payments, 22.9% in agriculture insurance support services, 22.8% in agricultural subsidy payments for rural development and 5.2% in difference payment support services. Region-based agricultural subsidy payments showed a decline of 3.8%, and components included in such payments such as fertilizer support payment decreased by 9.1%, additional area-based payments for the organic agriculture, good agriculture practices and soil analysis dropped by 8.1%, diesel support payment decreased by 2.8%, hazelnut support payment declined by 1.8% and compensatory payments decreased by 0.5%. Supports for the use of certified seeds and seedlings increased by 5.6% and support for protection of agricultural areas for environment purposes increased by 3.7% (Table 24).

Table 24. Agricultural Subsidy Payments ⁽¹⁾

Subject of subsidy	Value (Million TRY)			Share (%)			Change (%)	
	2015	2016	2017 ⁽²⁾	2015	2016	2017	2016	2017
Area-based agricultural subsidy payments	3,005	3,304	3,180	30.1	28.8	24.9	10.0	-3.8
Area-based additional payments (organic agriculture, good agriculture, small scale business subsidy)	230	321	295	2.3	2.8	2.3	39.6	-8.1
Diesel oil	700	720	700	7.0	6.3	5.5	2.9	-2.8
Fertilizer	830	880	800	8.3	7.7	6.3	6.0	-9.1
Use of certified seed and sapling	180	213	225	1.8	1.9	1.8	18.3	5.6
Protection of agricultural areas for environmental purposes (ÇATAK)	82	135	140	0.8	1.2	1.1	64.6	3.7
Hazelnut	850	850	835	8.5	7.4	6.5	0.0	-1.8
Compensatory payments	133	186	185	1.3	1.6	1.4	39.8	-0.5
Potato ward subsidy	0	15	0	0.0	0.1	0.0	-	-
Tea pruning compensation and costs	133	171	185	1.3	1.5	1.4	28.6	8.2
Differential payment subsidy services	2,728	3,174	3,338	27.4	27.6	26.1	16.3	5.2
Cereals and legumes	890	800	760	8.9	7.0	6.0	-10.1	-5.0
Tea	152	170	168	1.5	1.5	1.3	11.8	-1.2
Products with supply deficit ⁽³⁾	1,686	2,204	2,410	16.9	19.2	18.9	30.7	9.3
Livestock breeding subsidy payments	2,973	3,031	3,815	29.8	26.4	29.9	2.0	25.9
Rural development oriented agricultural subsidy ⁽⁴⁾	627	1,169	1,436	6.3	10.2	11.2	86.4	22.8
Agricultural insurance subsidy services	529	704	865	5.3	6.1	6.8	33.1	22.9
Other agricultural supports	109	107	135	1.1	0.9	1.1	-1.8	26.2
Total	9,971	11,489	12,770	100.0	100.0	100.0	15.2	11.1

Source: MoD.

(1): Final calculation data pertaining to the relevant institution's budget during 2015 and 2016.

(2): Realization estimate.

(3): It is given for unseeded cotton, olive oil, sunflower, soy bean, canola, safflower and grain corn.

(4): Of the budget amount, TRY 327 million in 2015, TRY 210 million in 2016 and TRY 216 million in 2017 are the grants by the Agriculture and Rural Development Support Institution.

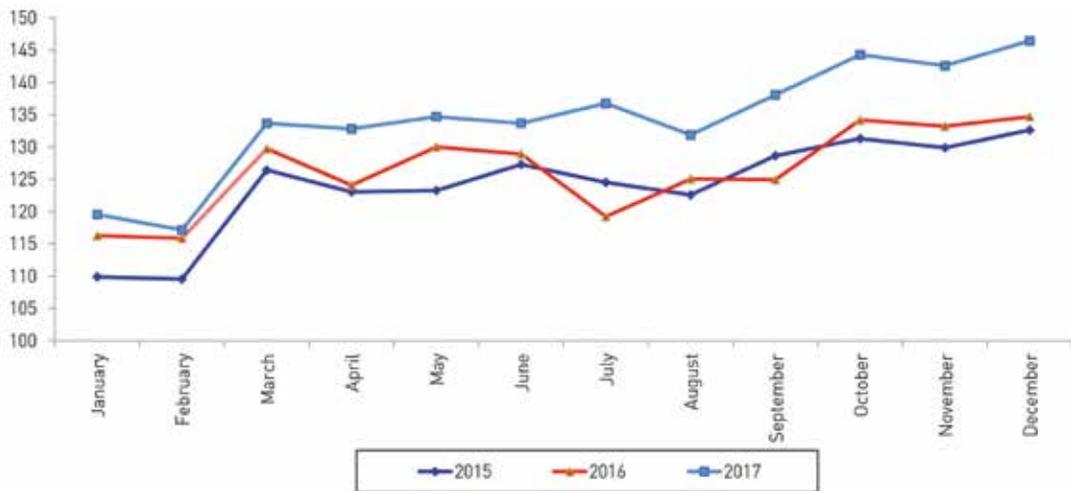
In 2017, the largest share in subsidy payments was acquired by livestock breeding subsidy payments with 29.9%, followed by difference payment subsidy services with 26.1% and area-based agricultural subsidy payments with 24.9%. Compared to the previous year, share of the livestock breeding subsidy payments increased, whereas the share of difference payments subsidy services and area-based agricultural subsidy payments decreased.

1.2.2 Industry

The recovery in economic activity in 2017 affected the industrial sector positively. The positive course seen in the global economy, decrease in political uncertainties and the positive contribution of the export, in particular, helped added value of the industry grow by 6.7%, 14.9% and 8.8% in the first, second, third and fourth quarters of 2017, respectively, compared to the same quarters of the previous year. Throughout 2017, the industrial sector added value increased by 9.2%.

In 2017, there was a continuous increase in industrial production compared to the previous year on a monthly basis, owing to the positive trend in the global economy and the revival of domestic economic activity. The index net of the calendar effect which started at 119.5 in January 2017 rose to 146.4 in December due to measures taken to stimulate domestic demand in the last quarter of the year. Thus, the industry production index that increased by 1.8% in 2016 showed an increase by 6.3% in 2017 (Figure 10).

Figure 10. Industrial Production Index net of Calendar Effect (2010=100)



Source: TURKSTAT.

As regards to subsectors of the industry, in 2017, mining and quarrying sector production, manufacturing industry sector production and electricity, gas, steam and air conditioning production and distribution sector saw rises by 0.1%, 6.4% and 8.2%, respectively, compared to the previous year. When rates of change demonstrated by the industrial sector production index are compared with the data of the previous year, it is seen that there is a tendency of rise in two other sectors except for mining and quarrying sector (Table 25, Figure 11).

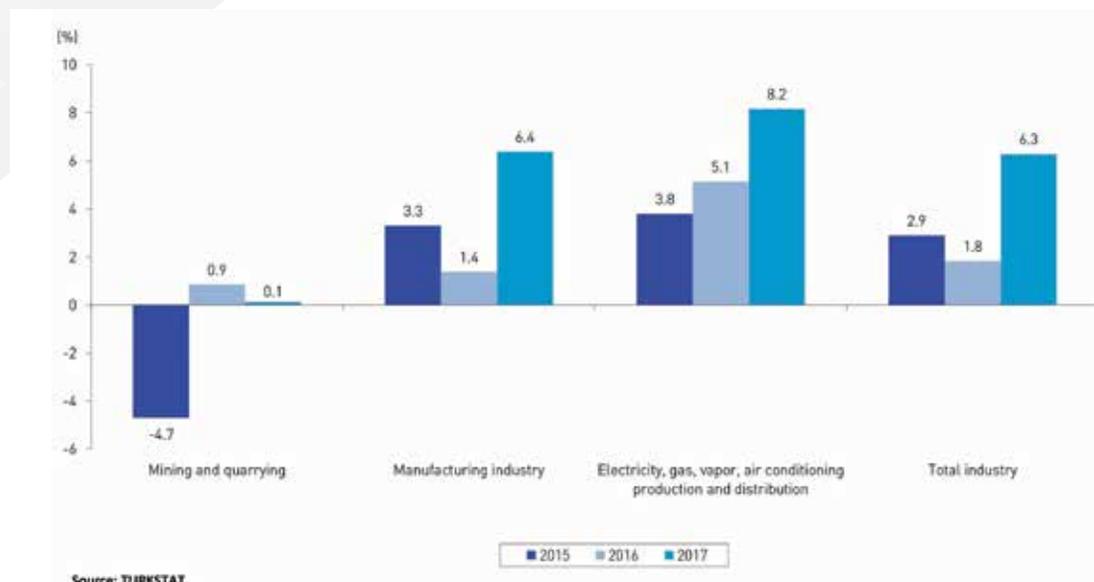
Table 25. Industrial Production Index

Sectors	(2010=100)				
	Production Index ⁽¹⁾			Change (%)	
	2015	2016	2017	2016	2017
Mining and quarrying	107.3	108.2	108.4	0.9	0.1
Manufacturing industry	125.4	127.1	135.3	1.4	6.4
Electricity, gas, vapor, air conditioning production and distribution	123.6	129.9	140.5	5.1	8.2
Total industry	124.1	126.3	134.3	1.8	6.3

Source: TURKSTAT.

[1]: Annual average values adjusted for calendar effect.

Figure 11. Industrial Production Index Rates of Change by Sectors (Annual Average, %) (Adjusted for Calendar Effect, 2010=100)



Source: TURKSTAT.

Industrial production increased in all sectors in 2017 according to the main industrial groups classification. The capital goods manufacturing showed the highest increase with 11.2%, followed by durable goods manufacturing with an increase by 10.0%, energy generation with an increase by 7.2%, manufacturing of intermediate goods with an increase by 5.0%, and manufacturing of non-durable goods with an increase by 3.1% (Table 26, Figure 12).

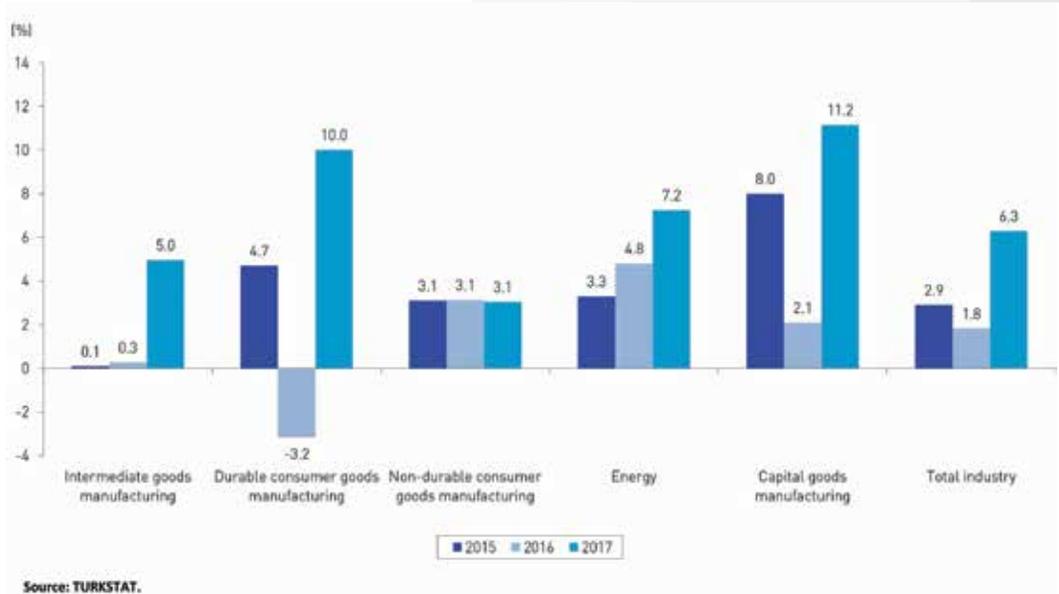
Table 26. Industrial Production Index by Main Industrial Groups

Main Industrial Groups	(2010=100)				
	Production Index ⁽¹⁾			Change (%)	
	2015	2016	2017	2016	2017
Intermediate goods manufacturing	120.5	120.8	126.8	0.3	5.0
Durable consumer goods manufacturing	125.4	121.4	133.5	-3.2	10.0
Non-durable consumer goods manufacturing	121.9	125.7	129.5	3.1	3.1
Energy	117.2	122.9	131.8	4.8	7.2
Capital goods manufacturing	142.1	145.1	161.3	2.1	11.2
Total industry	124.1	126.3	134.3	1.8	6.3

Source: TURKSTAT.

[1]: Annual average values adjusted for calendar effect.

**Figure 12. Rates of Change in the Industrial Production Index by Main Industrial Groups
(Annual Average, %) (Net of Calendar Index, 2010=100)**



1.2.2.1 Mining and Quarrying

Mining and quarrying sector production that materialized at the level of 0.9% in 2016 decreased to 0.1% in 2017. With regards to subsectors, there was an increase by 8.3% in charcoal and lignite production, 6.4% in other mining and quarrying production, whereas crude oil and natural gas production declined by 1.0% and metal ores mining production decreased by 10.4%. When comparing the rates of change recorded, in 2017, by mining and quarrying sector production index on subsectors basis with results of 2016, it is seen that rates of change are in the same direction, with varying sizes though. In both years, crude oil and natural gas extraction as well as metal ores mining production saw a decrease, whereas charcoal and lignite extraction and other mining and quarrying production saw an increase (Table 27).

Table 27. Mining and Quarrying Production Index

Subsectors	(2010=100)					
	Production Index ⁽¹⁾			Change [%]		
	2015	2016	2017	2016	2017	
Charcoal and lignite extraction	67.6	74.0	80.1	9.5	8.3	
Crude oil and natural gas extraction	100.1	99.1	98.1	-1.0	-1.0	
Metal ores mining	132.2	126.1	113.0	-4.6	-10.4	
Other mining and quarrying	129.0	132.7	141.3	2.9	6.4	
Total (mining and quarrying)	107.3	108.2	108.4	0.9	0.1	

Source: TURKSTAT.

(1): Annual average values adjusted for calendar effect.

1.2.2.2 Manufacturing Industry

The added value of the manufacturing industry completed the year with a growth by 6.0%, 6.4%, 15.4% and 8.2% in the first, second, third and fourth quarters of 2017, respectively, compared to the same quarters of the previous year. As of the end of the year, the added value of the manufacturing industry increased 8.8% compared to the previous year.

The manufacturing industry production index that increased by 1.4% in 2016 increased by 6.4% in 2017 with a rise by 5 points, driven by the economic recovery brought by tax reductions and the positive contribution of exporting sectors. The index that opened the year 2017 with an increase rate of 2.9% in January reached the highest level of the year in July with an increase of 16.0% due to the base effect. Although the index went down slightly due to effect of tax reductions coming to an end in last months of the year, the index closed the year with an increase rate of 8.9% in December (Table 28).

In 2017, the highest annual production increase in the manufacturing industry by subsectors was recorded in the furniture manufacturing with 15.7%, followed by production increases in sectors of motor land vehicle, trailer and semi-trailer manufacturing with 14.0, other manufacturing with 10.2%, leather and related products manufacturing and fabricated metal products manufacturing with 10.1% (except for machinery and equipment).

The only decrease in production at subsectors of the manufacturing industry was in sectors of tobacco products manufacturing with 1.8% and manufacturing of basic pharmacy products and pharmacy-related materials with 1.1%.

Table 28. Manufacturing Industry Production Index

Subsectors	[2010=100]				
	Production Index ⁽¹⁾			Change (%)	
	2015	2016	2017	2016	2017
Manufacturing of food products	122.0	124.6	131.1	2.1	5.2
Manufacture of drinks	111.5	110.1	113.3	-1.3	3.0
Manufacture of tobacco products	135.1	138.6	136.1	2.6	-1.8
Manufacturing of textile products	106.9	108.2	112.2	1.2	3.7
Manufacturing of garments	110.3	113.0	114.8	2.4	1.6
Manufacture of leather and related products	81.9	76.0	83.6	-7.2	10.1
Manufacturing of wood, wooden products and mushroom products (except furniture)	124.1	122.9	128.4	-1.0	4.5
Manufacturing of paper and paper products	135.1	140.8	150.9	4.2	7.2
Printing and reproduction of recorded media	138.1	126.5	132.2	-8.4	4.5
Manufacture of coke and refined petroleum products	134.4	138.0	142.3	2.7	3.2
Manufacture of chemicals and chemical products	121.5	126.3	131.9	3.9	4.4
Manufacture of basic pharmacy products and pharmacy-related materials	162.4	186.5	184.5	14.9	-1.1
Manufacture of rubber and plastic products	121.5	120.9	128.6	-0.5	6.4
Manufacture of other non-metallic mineral products	110.3	110.5	117.4	0.1	6.3
Main metal industry	122.5	123.2	128.0	0.5	4.0
Manufacture of fabricated metal products (except machinery and equipment)	137.5	131.5	144.7	-4.4	10.1
Manufacture of computers, electronic and optical products	145.6	156.9	170.3	7.7	8.5
Manufacture of electrical devices	127.0	129.1	137.7	1.7	6.6
Manufacture of machinery and equipment not elsewhere classified	140.0	141.0	154.5	0.7	9.6
Manufacture of motor land vehicles, trailers, and semi-trailers	139.6	145.3	165.6	4.1	14.0
Manufacture of other transportation vehicles	140.3	141.2	150.8	0.6	6.8
Manufacture of furniture	134.1	120.8	139.8	-9.9	15.7
Other manufactures	111.5	99.6	109.8	-10.7	10.2
Installation and repair of machinery and equipment	163.5	179.4	192.3	9.7	7.2
Total (manufacturing industry)	125.4	127.1	135.3	1.4	6.4

Source: TURKSTAT.

(1): Annual average values adjusted for calendar effect.

The moderate growth in Turkey's economy manifested itself in the manufacturing industry's capacity utilization rate, one of the leading indicators of the industry. The manufacturing industry capacity utilization rate, which rose to 77.4% in 2016 with an increase by 0.6 point compared to the preceding year, increased to 78.5% in 2017 with a decrease by 1.1 points (Table 29).

In 2017, the highest capacity utilization rate among the manufacturing industry sub-sectors was in the sector of manufacture of motor land vehicle, trailer and semi-trailer with 86.3%, followed by sectors of paper and paper products manufacturing with 84.6% and coke and refined oil petroleum products manufacturing with 83.6%. In 2017, sub-sectors which had the lowest capacity utilization rate were sub-sectors of leather and related products manufacturing with 58.6%, other manufactures with 65.2%, and manufacture of beverages with 66.0%.

While the sub-sector with the highest increase in manufacturing industry capacity utilization rate in 2016 compared to the preceding year was the sector of motor land vehicle, trailer and semi-trailer manufacturing with 4.1 points, the sub-sector with the highest increase in 2017 was the manufacturing sector of other transportation vehicles with 4.9 points. The sector where capacity utilization rate decreased most in 2016 compared to the preceding year was the sector of machinery and equipment installation with 4.7 points, whereas it was the subsector of tobacco products in 2017 with 4.6 points.

Table 29. Manufacturing Industry Capacity Utilization Rates

Subsectors (NACE Rev. 2)	(Weighted Average, %)				
	Capacity Utilization Rates			Change (Points)	
	2015	2016	2017	2016	2017
Manufacture of foodstuff	72.4	72.8	73.4	0.3	0.6
Manufacture of drinks	65.1	63.1	66.0	-1.9	2.9
Manufacture of tobacco products	75.7	78.3	73.7	2.6	-4.6
Manufacture of textile products	77.4	77.7	79.8	0.3	2.1
Manufacture of garments	78.7	78.5	79.4	-0.2	0.9
Manufacture of leather and related products	57.6	57.4	58.6	-0.1	1.2
Manufacture of wood, wooden products, and mushroom products (except for furniture)	84.1	83.9	82.7	-0.2	-1.2
Manufacture of paper and paper products	84.4	85.3	84.6	0.9	-0.7
Printing and reproduction of recorded media	72.5	71.3	72.8	-1.2	1.6
Manufacture of coke and refined petroleum products	86.6	87.3	83.6	0.7	-3.8
Manufacture of chemicals and chemical products	78.7	76.0	79.2	-2.6	3.2
Manufacture of basic pharmacy products and pharmacy-related materials	72.9	72.9	69.4	0.0	-3.5
Manufacture of rubber and plastic products	73.8	73.0	75.1	-0.9	2.1
Manufacture of other non-metallic mineral products	77.0	78.0	78.5	1.1	0.4
Main metal industry	75.7	76.6	79.2	0.9	2.6
Manufacture of fabricated metal products (except machinery and equipment)	73.0	72.9	72.2	-0.2	-0.7
Manufacture of computers, electronic and optical products	81.3	80.0	79.6	-1.3	-0.5
Manufacture of electrical devices	76.6	77.7	78.7	1.2	0.9
Manufacture of machinery and equipment not elsewhere classified	78.8	76.3	79.2	-2.5	2.8
Manufacture of motor land vehicles, trailers, and semi-trailers	79.8	83.9	86.3	4.1	2.4
Manufacture of other transportation vehicles	72.6	74.9	79.8	2.4	4.9
Manufacture of furniture	72.2	71.4	74.3	-0.8	2.9
Other manufactures	61.8	63.1	65.2	1.2	2.1
Installation and repair of machinery and equipment	72.0	67.3	70.2	-4.7	2.9
Total (manufacturing industry)	76.8	77.4	78.5	0.5	1.1

Source: CBRT.

The highest increase in the capacity utilization rate was in the group of investment goods with 2.5 points, followed by intermediate goods group with 1.7 points, the durable consumption goods group with 0.7 points, the group of non-durable goods and consumption goods group with 0.5 points as well as food and beverages group with

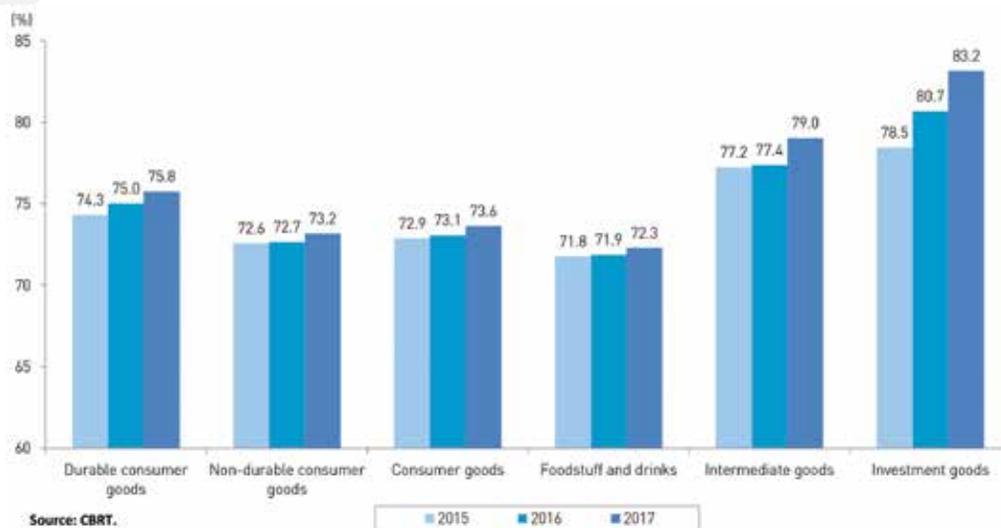
0.4 points. Depending on these changes, capacity utilization rate increased to 83.2% in investment goods, 79.0% in intermediate goods, 75.8% in durable goods, 73.2% in non-durable goods, 73.6% in consumer goods, and to 72.3% in food and beverages (Table 30, Figure 13).

Table 30. Capacity Usage Rates by Commodity Groups

Commodity Groups	Capacity Utilization Rates			[Weighted Average, %] Change (Points)	
	2015	2016	2017	2016	2017
	Durable consumer goods	74.3	75.0	75.8	0.7
Non-durable consumer goods	72.6	72.7	73.2	0.1	0.5
Consumer goods	72.9	73.1	73.6	0.2	0.5
Foodstuff and drinks	71.8	71.9	72.3	0.1	0.4
Intermediate goods	77.2	77.4	79.0	0.1	1.7
Investment goods	78.5	80.7	83.2	2.2	2.5

Source: CBRT.

Figure 13. Capacity Utilization Rates by Commodity Groups (Weighted Average, %)



Industrial Capacity Report Statistics

The industrial capacity report is a certificate showing the production power of all public and private sector institutions which carry out industrial production, effective for 3 years following the approval date. The responsibility for publishing statistics in this regard has been vested in the Union of Chambers and Commodity Exchanges of Turkey (TOBB) within scope of the Official Statistics Program. TOBB has been announcing industrial capacity report statistics annually since 2011.

According to the industrial capacity reports, number of industrial capacity reports which were still current as of the end of 2017 decreased by 10.4% to 64,825 compared to end of 2016 (Table 31, Figure 14).

Of the capacity reports still current in 2017, 38.2% belongs to the companies with 1 to 9 employees, 43.7% belongs to the companies with 10 to 49 employees, 8.8% belongs to the companies with 50-99 employees, 6.5% belongs to the companies with 100 to 249 employees, and 2.9% belongs to the companies with 250 and more employees.

When the distribution of companies which have received capacity reports still current as of the end of 2017 is considered according to the number of employees in the period of receipt of the report, the number of employees in the companies with 1 to 9 employees comprised 4.6% of the total number of employees, companies with 10 to 49 employees comprised 23.1% of the total number of employees, companies with 50 to 99 employees comprised 13.8% of the total number of employees, companies with 100 to 249 employees comprised 22.4% of the total number of employees, and companies with 250 and more employees comprised 36.2% of the total number of employees.

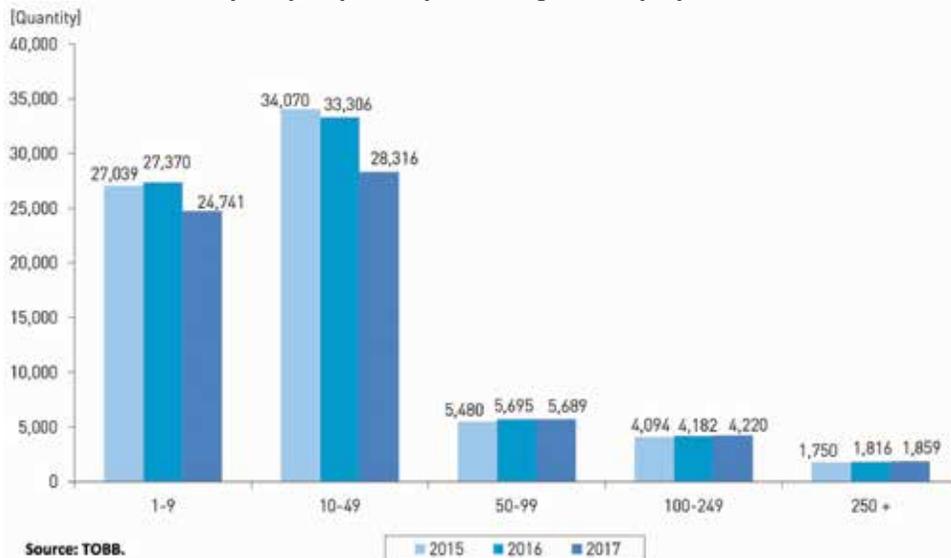
Table 31. Number of Capacity Reports and Total Number of Employees by the Range of Employees ⁽¹⁾

Range of Employees	Number of Capacity Reports			Total Number of Employees		
	2015	2016	2017	2015	2016	2017
1-9	27,039	27,370	24,741	143,140	144,713	132,607
10-49	34,070	33,306	28,316	786,530	770,270	671,327
50-99	5,480	5,695	5,689	386,144	401,056	399,868
100-249	4,094	4,182	4,220	627,257	641,933	650,478
250 +	1,750	1,816	1,859	1,004,183	1,036,148	1,051,231
Total	72,433	72,369	64,825	2,947,254	2,994,120	2,905,511
	Share [%]					
1-9	37.3	37.8	38.2	4.9	4.8	4.6
10-49	47.0	46.0	43.7	26.7	25.7	23.1
50-99	7.6	7.9	8.8	13.1	13.4	13.8
100-249	5.7	5.8	6.5	21.3	21.4	22.4
250 +	2.4	2.5	2.9	34.1	34.6	36.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: TOBB.

[1]: Numbers of capacity reports still in full force and effect as of the respective year end.

Figure 14. Number of Capacity Reports by the Range of Employees



While the activity group which had the highest number of industrial capacity reports which were current in 2017 according to the number of main activity groups was the manufacture of foodstuff with 10.8% as was the case in the previous years, it was followed by the manufacture of fabricated metal products (except for machinery and

equipment) with 10.7%, manufacture of machinery and equipment manufacturing not classified elsewhere with 8.6%, and manufacture of textile products with 7.9%. Among the activity groups which had the least number of the current capacity reports were the forestry and industrial and firewood production with 3 capacity reports, crude oil and natural gas extraction with 6 capacity reports, and fishing and aquaculture with 19 reports. When number of capacity reports still in force in 2017 is compared with the preceding year, the highest drop was seen in the groups of storage and supporting activities for transport with 25.7% and forestry and industrial wood and fuel wood production with 25.0%, whereas the highest increase was seen in the group of tobacco products manufacturing with 29.4% and group of fishery and aquaculture with 26.7% (Table 32).

Table 32. Industrial Capacity Report Numbers by Main Activity Groups ⁽¹⁾

Subsectors (NACE Rev. 2)	Number of Capacity Reports			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Manufacture of foodstuff	10,362	10,193	8,863	11.5	11.3	10.8	-1.6	-13.0
Manufacture of fabricated metal products (except machinery and equipment)	9,701	9,742	8,749	10.8	10.8	10.7	0.4	-10.2
Manufacture of machinery and equipment not elsewhere classified	7,446	7,634	7,071	8.3	8.5	8.6	2.5	-7.4
Manufacture of textile products	7,194	7,113	6,438	8.0	7.9	7.9	-1.1	-9.5
Manufacture of rubber and plastic products	6,447	6,466	5,866	7.2	7.2	7.2	0.3	-9.3
Manufacture of other non-metallic mineral products	5,582	5,672	5,235	6.2	6.3	6.4	1.6	-7.7
Manufacture of garments	5,191	5,113	4,386	5.8	5.7	5.4	-1.5	-14.2
Manufacture of chemicals and chemical products	3,426	3,504	3,288	3.8	3.9	4.0	2.3	-6.2
Manufacture of furniture	3,571	3,585	3,061	4.0	4.0	3.7	0.4	-14.6
Other mining and quarrying	3,210	3,236	3,005	3.6	3.6	3.7	0.8	-7.1
Manufacture of electrical devices	2,908	3,043	2,889	3.2	3.4	3.5	4.6	-5.1
Main metal industry	2,623	2,653	2,573	2.9	2.9	3.1	1.1	-3.0
Collection, treatment and disposal of waste; recovery of materials	1,852	2,049	1,969	2.1	2.3	2.4	10.6	-3.9
Manufacture of wood, wooden products and mushroom products (except furniture); manufacture of objects woven with reed, straw and similar materials	2,261	2,292	1,886	2.5	2.5	2.3	1.4	-17.7
Manufacture of motor land vehicles, trailers, and semi-trailers	2,037	2,010	1,819	2.3	2.2	2.2	-1.3	-9.5
Other manufactures	1,703	1,761	1,602	1.9	2.0	2.0	3.4	-9.0
Office management, office support and business support activities	1,795	1,777	1,574	2.0	2.0	1.9	-1.0	-11.4
Manufacture of paper and paper products	1,574	1,564	1,482	1.7	1.7	1.8	-0.6	-5.2
Catering service activities	1,465	1,414	1,267	1.6	1.6	1.5	-3.5	-10.4
Manufacture of leather and related products	1,349	1,350	1,247	1.5	1.5	1.5	0.1	-7.6
Printing and reproduction of recorded media	1,547	1,449	1,236	1.7	1.6	1.5	-6.3	-14.7
Manufacture of computers, electronic and optical products	1,083	1,141	1,131	1.2	1.3	1.4	5.4	-0.9
Production and distribution of electricity, gas, vapor, and aeration systems	606	668	699	0.7	0.7	0.9	10.2	4.6
Manufacture of other transportation vehicles	719	728	683	0.8	0.8	0.8	1.3	-6.2
Herbal and animal production, hunting and related service activities	630	628	549	0.7	0.7	0.7	-0.3	-12.6
Wholesale trading (except motor land vehicles and motorcycles)	564	565	547	0.6	0.6	0.7	0.2	-3.2
Manufacture of drinks	568	572	486	0.6	0.6	0.6	0.7	-15.0
Wholesale, retail trade and repair of motor-vehicles and motorcycles	550	496	480	0.6	0.5	0.6	-9.8	-3.2
Manufacture of coke and refined petroleum products	550	349	323	0.6	0.4	0.4	-36.5	-7.4
Computer programming, consulting and relevant activities	257	281	316	0.3	0.3	0.4	9.3	12.5
Metal ores mining	278	235	241	0.3	0.3	0.3	-15.5	2.6
Manufacture of basic pharmacy products and pharmacy-related materials	206	214	220	0.2	0.2	0.3	3.9	2.8
Charcoal and lignite extraction	238	203	179	0.3	0.2	0.2	-14.7	-11.8
Storage and auxiliary activities for transportation	244	241	179	0.3	0.3	0.2	-1.2	-25.7
Installation and repair of machinery and equipment	162	174	171	0.2	0.2	0.2	7.4	-1.7
Manufacture of tobacco products	31	34	44	0.0	0.0	0.1	9.7	29.4
Other service activities	28	24	22	0.0	0.0	0.0	-14.3	-8.3
Fishery and aquaculture	17	15	19	0.0	0.0	0.0	-11.8	26.7
Crude oil and natural gas extraction	5	6	6	0.0	0.0	0.0	20.0	0.0
Forestry, industrial and fuel wood production	4	4	3	0.0	0.0	0.0	0.0	-25.0
Total ⁽²⁾	89,984	90,198	81,804	100.0	100.0	100.0	0.2	-9.3

Source: TOBB.

(1): Numbers of capacity reports still in full force and effect as of the respective year end.

(2): Since a capacity report may contain products included in more than one sector, the total may be different from other table data.

As at the end of 2017, the outlook of concentration remained unchanged in the industry capacity reports based on groups of technology, and rate of acquiring the industry capacity report continued to drop when shifting from enterprises with low technology to classes of high technology. 42.6% of the industrial capacity reports that were current in 2017 were in the low technology group, 32.4% in the medium-low technology group, 23.0% in the medium-high technology group, and 2.0% in the high technology group. When compared to 2016, it is seen that the share of the high technology and medium-high technology groups increased, whereas the share of the medium-low technology groups and low technology groups decreased (Table 33, Figure 15).

Table 33. Industrial Capacity Report Numbers by Technology Groups⁽¹⁾

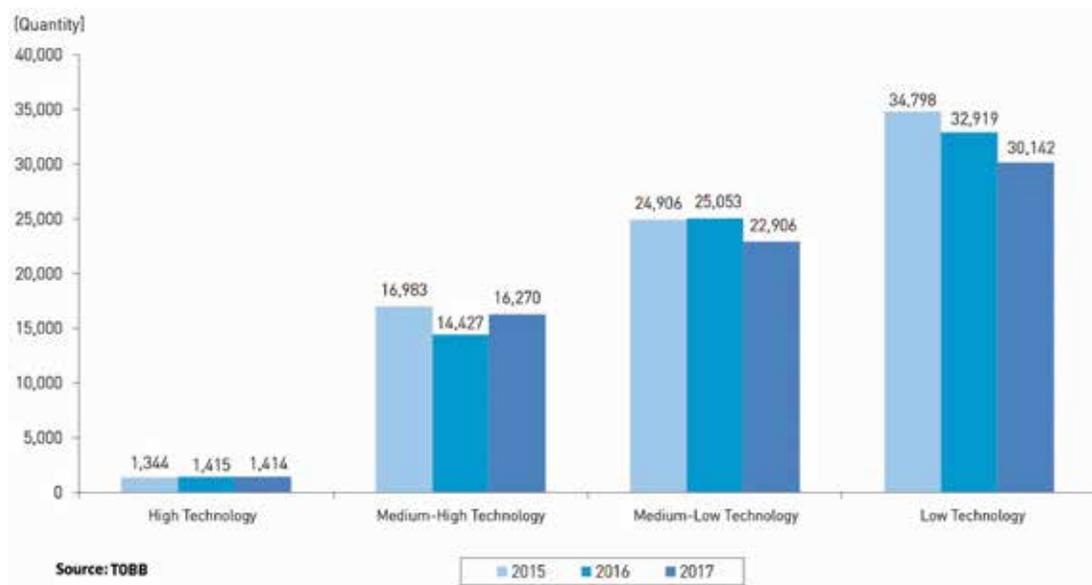
Technology Groups	Number of Capacity Reports			Share (%)		
	2015	2016	2017	2015	2016	2017
High Technology	1,344	1,415	1,414	1.7	1.9	2.0
Medium-High Technology	16,983	14,427	16,270	21.8	19.5	23.0
Medium-Low Technology	24,906	25,053	22,906	31.9	33.9	32.4
Low Technology	34,798	32,919	30,142	44.6	44.6	42.6
Total⁽²⁾	78,031	73,814	70,732	100.0	100.0	100.0

Source: TOBB.

(1): Numbers of capacity reports current as of the respective year end.

(2): Since a capacity report may contain products included in more than one sector, the total may be different from other table data.

Figure 15. Industrial Capacity Report Numbers by Technology Groups



While the Istanbul region is in the first place with 18,429 capacity reports, this region is followed by Aegean region with 9,839 capacity reports at the second place and East Marmara region with 9,281 capacity reports at the third place at the classification of number of capacity reports still in force in 2017 according to NUTS Level 1 in respect of regions (Table 34).

Table 34. Number of Capacity Reports and Total Number of Employees by Provinces⁽¹⁾

Region Code	NUTS Level-1	Number of Capacity Reports			Total Number of Employees		
		2015	2016	2017	2015	2016	2017
TR1	Istanbul	20,297	20,146	18,429	663,076	658,896	619,046
TR2	West Marmara	3,417	3,446	3,199	224,531	222,463	228,453
TR3	Aegean	10,817	10,853	9,839	463,879	482,643	466,949
TR4	East Marmara	10,104	10,224	9,281	610,671	637,794	638,133
TR5	West Anatolia	7,751	7,693	6,701	252,148	251,032	237,192
TR6	Mediterranean	6,621	6,720	5,798	233,323	237,420	230,453
TR7	Central Anatolia	3,049	3,053	2,640	124,044	127,489	117,877
TR8	West Black Sea	2,527	2,439	2,128	123,081	123,978	119,420
TR9	East Black Sea	1,415	1,374	1,229	50,375	50,877	50,735
TRA	Northeast Anatolia	566	502	390	13,127	12,108	12,133
TRB	Central East Anatolia	1,484	1,419	1,156	42,579	41,770	38,540
TRC	Southeast Anatolia	4,385	4,500	4,031	146,420	147,650	146,528
TR	Turkey	72,433	72,369	64,821	2,947,254	2,994,120	2,905,459
		Share (%)					
TR1	Istanbul	28.0	27.8	28.4	22.5	22.0	21.3
TR2	West Marmara	4.7	4.8	4.9	7.6	7.4	7.9
TR3	Aegean	14.9	15.0	15.2	15.7	16.1	16.1
TR4	East Marmara	13.9	14.1	14.3	20.7	21.3	22.0
TR5	West Anatolia	10.7	10.6	10.3	8.6	8.4	8.2
TR6	Mediterranean	9.1	9.3	8.9	7.9	7.9	7.9
TR7	Central Anatolia	4.2	4.2	4.1	4.2	4.3	4.1
TR8	West Black Sea	3.5	3.4	3.3	4.2	4.1	4.1
TR9	East Black Sea	2.0	1.9	1.9	1.7	1.7	1.7
TRA	Northeast Anatolia	0.8	0.7	0.6	0.4	0.4	0.4
TRB	Central East Anatolia	2.0	2.0	1.8	1.4	1.4	1.3
TRC	Southeast Anatolia	6.1	6.2	6.2	5.0	4.9	5.0
TR	Turkey	100.0	100.0	100.0	100.0	100.0	100.0

Source: TOBB.

Note: Number of employees includes other employees (casual, seasonal etc.).

(1): Numbers of capacity reports still in full force and effect as of the end of 2017.

In terms of number of employees, East Marmara region ranked first with 638,133 employees, followed by Istanbul region in the second place with 619,046 employees, Aegean region in the third place with 466,949 employees.

While the share of Istanbul, West Marmara, Aegean, East Marmara regions increased in terms of number of industry capacity reports, the share of West Anatolia, Mediterranean, Central Anatolia, West Black Sea, Northeast Anatolia and Central East Anatolia regions decreased and the share of East Black Sea and Southeast Anatolia remained the same. With regards to total number of employees, while the share of West Marmara, East Marmara and Southeast Anatolia regions increased, the share of Istanbul, West Anatolia, Central Anatolia and Central East Anatolia regions decreased and the share of the Aegean, Mediterranean, West Black Sea, East Black Sea and Northeast Anatolia regions remained unchanged.

1.2.2.3 Energy

Energy sector production index, one of the most important indicators of the energy sector which is among basic inputs of economic activities rose by 3.8% in 2015, 5.1% in 2016 and 8.2% in 2017 (Table 35).

The electricity energy production which increased by 4.8% in 2016 compared to the preceding year is estimated to increase from 274,408 GWh to 294,100 GWh in 2017 with an increase by 7.2%.

Table 35. Energy Sector Production Index

Years	Production Index ⁽¹⁾	(2010=100) Change [%]
2015	123.6	3.8
2016	129.9	5.1
2017	140.5	8.2

Source: TURKSTAT.

(1): Annual average values adjusted for calendar effect.

When looking into distribution of the electrical energy generation by resources according to estimations of 2017, 34.4% of the generation is expected from natural gas thermal power plants, 24.2% from hydraulic power plants, 18.5% from hard coal thermal power plants, 13.8% from lignite thermal power plants, 7.6% from geothermal-wind power plants, 0.8% from biogas, waste and other thermal power plants and 0.7% from thermal power plants running on fuel (Table 36, Figure 16).

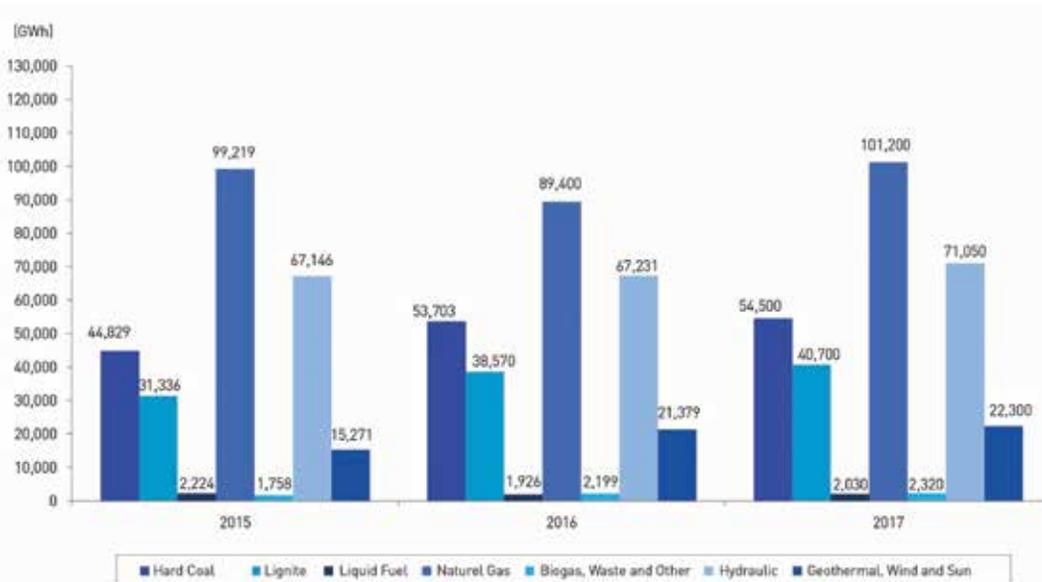
Table 36. Distribution of Electrical Energy Generation by Energy Resources

Years	Thermal														Hydraulic		Geothermal, Wind and Sun		Grand Total	
	Hard Coal		Lignite		Liquid Fuel		Natural Gas		Biogas, Waste and Other		Total Thermal		Amount	Share [%]	Amount	Share [%]	Amount	Share [%]		
	Amount	Share [%]	Amount	Share [%]	Amount	Share [%]	Amount	Share [%]	Amount	Share [%]	Amount	Share [%]								
2015	44,829	17.1	31,336	12.0	2,224	0.8	99,219	37.9	1,758	0.7	179,366	68.5	67,146	25.6	15,271	5.8	261,783	100.0		
2016	53,703	19.6	38,570	14.1	1,926	0.7	89,400	32.6	2,199	0.8	185,798	67.7	67,231	24.5	21,379	7.8	274,408	100.0		
2017 ⁽¹⁾	54,500	18.5	40,700	13.8	2,030	0.7	101,200	34.4	2,320	0.8	200,750	68.3	71,050	24.2	22,300	7.6	294,100	100.0		

Source: MoD.

(1): Realization estimate.

Figure 16. Distribution of Electrical Energy Generation by Energy Resources



Source: MoD

The electrical energy consumption that increased by 5.1% in 2016 is estimated to be 294,100 GWh in 2017 with an increase by 5.3%. Consumption per capita is anticipated to rise from 3,537 KWh to 3,687 KWh, with an increase by 4.2% compared to the preceding year (Table 37).

Table 37. Developments in Electrical Energy Production and Consumption

Years	Electrical Energy Installed Power (MW)						Üretim (GWh)						Import	Export	Consumption (GWh)	Consumption Per Capita (KWh)		
	Thermal		Hydraulic		Geothermal, Wind and Sun		Thermal		Hydraulic		Geothermal, Wind and Sun							
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)						
2015	41,903	57.3	25,868	35.4	5,376	7.3	73,147	179,366	68.5	67,146	25.6	15,271	5.8	261,783	7,136	3,195	265,724	3,400
2016	44,411	56.6	26,681	34.0	7,405	9.4	78,497	185,798	67.7	67,231	24.5	21,379	7.8	274,408	6,330	1,452	279,286	3,537
2017 ⁽¹⁾	45,482	55.9	27,076	33.3	8,796	10.8	81,354	200,750	68.3	71,050	24.2	22,300	7.6	294,100	3,000	3,000	294,100	3,687

Source: MoD.

(1): Realization estimate.

Electricity energy export is projected to rise by 106.6% to 3.000 GWh and import is projected to drop by 52.6% to 3.000 GWh.

In 2017, hydraulic electrical energy installed power increased by 2.4% compared to the preceding year to 45,482 MW, thermal electrical energy installed power increased by 1.5% to 27,076 MW, and geothermal, wind and solar electrical energy installed power increased by 18.8% to 8,796 MW. In 2017, the share of thermal power plants, hydraulic power plants and geothermal and wind power plants within the total electrical energy installed power was 55.9%, 33.3 and 10.8%, respectively.

1.2.3 Services

1.2.3.1 Construction

The construction sector, which is one of the important sectors of the economy, has a structure sensitive to domestic and international developments, yet the said sector creates economic recovery especially through housing construction, industrial facilities, public construction investments and public sector-private sector partnership projects. The assessment regarding this sector is essentially carried out based on surface areas shown on building licenses and occupancy permits issued by municipalities.

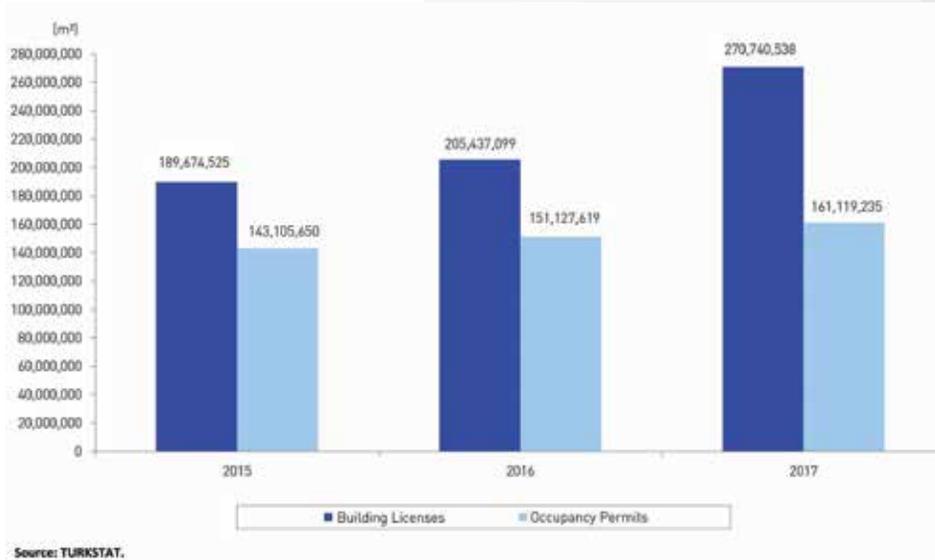
The construction sector was influenced positively by the urban transformation in 2017 and the increase in branded mixed projects. Building licenses issued by the municipalities for the constructions planned to be performed increased, in surface area, by 8.3% in 2016 and, in 2017, increased from 205,437 thousand m² to 270,741 thousand m² with a rise by 31.8%. Residential buildings with two and more apartments have the highest share in the construction of buildings in terms of intended use with 208,012 thousand m², while hotels and similar buildings have the smallest share with 3,662 m². The rise observed in building constructions, based on construction licenses, during 2017 was predominantly due to an increase in office (workplace) buildings by 46.9% and rise in residential buildings with two and more apartments by 35.8%. Hotels and similar buildings increased by 21.5%, industrial buildings and warehouses by 17.3%, residential buildings with one apartment by 13.5%, whereas wholesale and retail trading buildings decreased by 7.6% (Table 38, Figure 17).

Table 38. Building Construction Surface Areas by Building Licenses

Intended Use	2015	2016	2017	Share (%)			Change (%)	
				2015	2016	2017	2016	2017
Residential buildings with one apartment	4,960,572	4,874,779	5,531,445	2.6	2.4	2.0	-1.7	13.5
Residential buildings with two and more apartments	135,375,179	153,121,644	208,012,108	71.4	74.5	76.8	13.1	35.8
Hotels and similar buildings	3,399,611	3,012,747	3,661,754	1.8	1.5	1.4	-11.4	21.5
Office (workplace) buildings	8,502,992	7,911,429	11,619,810	4.5	3.9	4.3	-7.0	46.9
Wholesale and retail trading buildings	7,184,821	6,864,623	6,339,514	3.8	3.3	2.3	-4.5	-7.6
Industrial buildings and warehouses	7,705,828	6,857,011	8,043,213	4.1	3.3	3.0	-11.0	17.3
Others	22,545,522	22,794,866	27,532,694	11.9	11.1	10.2	1.1	20.8
Total	189,674,525	205,437,099	270,740,538	100.0	100.0	100.0	8.3	31.8

Source: TURKSTAT.

Figure 17. Surface Areas of the Buildings for which Building License and Building Occupancy Permit was issued



Among the buildings for which building licenses were issued in 2017, residential buildings with two or more apartments took the largest share with 76.8% in terms of their share in the total construction area, followed by office (workplace) buildings with 4.3%, industrial buildings and warehouses with 3.0%, wholesale and retail trading buildings with 2.3%, residential buildings with one apartment with 2.0% and hotels and similar buildings with 1.4%.

In 2017, total construction area of occupancy permits issued by the municipalities for the constructions which were licensed and completed rose from 151,128 thousand m² to 161,119 thousand m² with an increase by 6.6%. Residential buildings with two and more apartments have the highest share in the total construction area with 121,345 thousand m², while hotels and similar buildings have the smallest share with 2,624 thousand m² (Table 39).

Among buildings for which building occupancy permit was given, the construction area of office (workplace) buildings increased by 10.7%, the construction area of residential buildings with two and more apartments increased by 9.4%, the construction area of residential buildings with one apartment increased by 7.8%, the construction area of industrial buildings and warehouses increased by 21.7%, the construction area of hotels and similar buildings increases by 14.1% and the construction area of wholesale and retail trading buildings increased by 3.2% in terms of their intended use.

Among the buildings for which occupancy permits were issued in 2017, residential buildings with two or more apartments took the lead in terms of their share in the total construction area as was the case in the prior years. Residential buildings with two and more apartments which had the highest share with 75.3% among the total occupancy permits in 2017 were followed by wholesale and retail buildings with 5.2%, office (workplace) buildings with 4.1%, industrial buildings and depots with 3.0%, residential buildings with one apartment with 2.7%, and hotels and similar buildings with 1.6%.

Table 39. Building Construction Surface Areas by Building Occupancy Permits

Intended Use	(m ²)							
	2015	2016	2017	Share (%)			Change (%)	
				2015	2016	2017	2016	2017
Residential buildings with one apartment	3,648,060	4,003,997	4,317,943	2.5	2.6	2.7	9.8	7.8
Residential buildings with two and more apartments	105,567,536	110,903,827	121,345,006	73.8	73.4	75.3	5.1	9.4
Hotels and similar buildings	2,348,868	3,055,378	2,623,816	1.6	2.0	1.6	30.1	-14.1
Office (workplace) buildings	7,546,068	6,012,832	6,653,937	5.3	4.0	4.1	-20.3	10.7
Wholesale and retail trading buildings	9,246,326	8,679,753	8,404,664	6.5	5.7	5.2	-6.1	-3.2
Industrial buildings and warehouses	4,049,147	6,261,975	4,900,544	2.8	4.1	3.0	54.6	-21.7
Others	10,699,645	12,209,857	12,873,325	7.5	8.1	8.0	14.1	5.4
Total	143,105,650	151,127,619	161,119,235	100.0	100.0	100.0	5.6	6.6

Source: TURKSTAT.

Housing sales continued to increase in 2017 due to the campaigns launched in order to speed up the sector and reductions in interest rates of bank loans. The export that increased by 4.0% in 2016 accelerated and rose by 5.1% in 2017. House sales reached the highest levels of the year in September and December. Throughout Turkey, handover of total of 1,409,314 residences took place through sale in 2017. Of these residences, 473,099 was sold with mortgage and the remaining 936,215 was sold through other means. 33.6% of residence sales consisted of sales with mortgage, whereas 66.4% of residence sales was composed of other sales. Compared to 2016, mortgage sales increased by 5.2% and other sales increased by 5.0%. Of these sales, 659,698 is the first sale, and the remaining 749,616 is the second hand sale (Table 40),

Table 40. Numbers of Residence Sales

	2015	2016	2017	Share			Change (%)	
				2015	2016	2017	2016	2017
Mortgaged sales ⁽¹⁾	434,388	449,508	473,099	33.7	33.5	33.6	3.5	5.2
First sale ⁽³⁾	192,175	200,373	206,723	14.9	14.9	14.7	4.3	3.2
Second hand sales ⁽⁴⁾	242,213	249,135	266,376	18.8	18.6	18.9	2.9	6.9
Other sales ⁽²⁾	854,932	891,945	936,215	66.3	66.5	66.4	4.3	5.0
First sale ⁽³⁾	406,492	431,313	452,975	31.5	32.2	32.1	6.1	5.0
Second hand sales ⁽⁴⁾	448,440	460,632	483,240	34.8	34.3	34.3	2.7	4.9
Total sales	1,289,320	1,341,453	1,409,314	100.0	100.0	100.0	4.0	5.1

Source: TURKSTAT.

(1): Mortgaged sales is collateralization of the a house purchased through borrowing in order to secure its loan.

(2): Other residential sales include sales types other than mortgaged residential sales.

(3): The first sale is the sale of a residence to which construction servitude/condominium has been granted by the landowner firm or person for the first time.

(4): Th second hand sale is sale of a house by a person who bought the same at the first sale to another person

1.2.3.2 Trading Volume of Commodity Exchanges

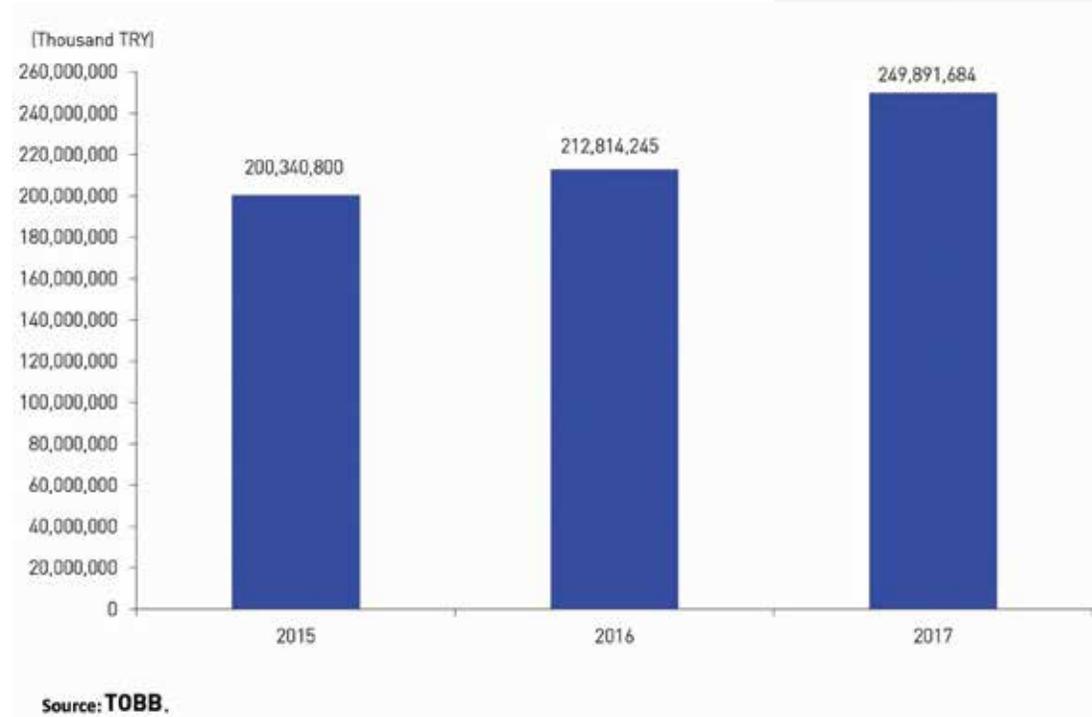
The trading volume of commodity exchanges which increased by 16.0% in 2015 increased by 6.2% in 2017 and by 17.4% in 2016 Thus, the trading volume of commodity exchanges that amounted to TRY 212,814 million in 2016 rose to TRY 249,892 million in 2017. In real terms, the trading volume of commodity exchanges which fell by 2.1% in 2016 increased by 4.9% in 2017 (Table 41, Figure 18).

Table 41. Trading Volume of Commodity Exchanges

Years	Trading Volume		CPI (2003=100) Annual Change (%)	(Thousand TRY)	
	Value	Change (%)		Trading Volume	Real Change (%)
2015	200,340,800	16.0	8.8		6.6
2016	212,814,245	6.2	8.5		-2.1
2017	249,891,684	17.4	11.9		4.9

Source: TOBB.

Figure 18. Trading Volume of Commodity Exchanges



Source: TOBB.

In the ranking of first 20 commodity exchanges according to the exchange volume of transactions in 2017, leading position of Istanbul Commodity Exchange continued as was the case in prior years. Trading volume of Istanbul Commodity Exchange which increased by 7.9% in 2016 compared to the preceding year ranked at the first place with TRY 28,562 million with an increase by 20.3% in 2017. Istanbul Commodity Exchange was followed by the commodity exchange of Izmir with TRY 13,190 million, Şanlıurfa with TRY 12,334 million and Konya with TRY 10,725 million. The shares of Istanbul Commodity Exchange, Konya Commodity Exchange, Izmir Commodity Exchange and Şanlıurfa Commodity Exchange within the total trading volume of commodity exchanges in 2017 were 11.4%, 5.3%, 4.9% and 4.3%, respectively (Table 42).

Table 42. First 20 Commodity Exchanges by Trading Volume

Commodity Exchanges ⁽¹⁾	Transaction Volume			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
	(Thousand TRY)							
İstanbul	22,000,804	23,739,099	28,562,029	11.0	11.2	11.4	7.9	20.3
İzmir	9,354,846	9,562,055	13,190,263	4.7	4.5	5.3	2.2	37.9
Şanlıurfa	9,320,125	10,434,354	12,334,391	4.7	4.9	4.9	12.0	18.2
Konya	9,107,816	8,452,841	10,725,117	4.5	4.0	4.3	-7.2	26.9
Adana	5,079,540	6,008,320	9,351,997	2.5	2.8	3.7	18.3	55.7
Ankara	4,318,730	6,791,697	8,646,264	2.2	3.2	3.5	57.3	27.3
Sakarya	7,794,485	7,301,413	8,270,580	3.9	3.4	3.3	-6.3	13.3
Gaziantep	8,786,452	8,096,480	7,626,894	4.4	3.8	3.1	-7.9	-5.8
Mersin	5,339,450	5,684,064	5,986,216	2.7	2.7	2.4	6.5	5.3
Diyarbakır	3,500,691	5,408,399	5,395,852	1.7	2.5	2.2	54.5	-0.2
Samsun	3,832,154	4,240,486	4,788,190	1.9	2.0	1.9	10.7	12.9
Bandırma	2,445,439	3,239,076	4,337,516	1.2	1.5	1.7	32.5	33.9
Kızıltepe	2,917,676	4,103,306	4,045,373	1.5	1.9	1.6	40.6	-1.4
Düzce	4,296,781	3,861,189	3,916,749	2.1	1.8	1.6	-10.1	1.4
Ordu	2,909,543	3,030,047	3,784,602	1.5	1.4	1.5	4.1	24.9
Aydın	2,585,676	2,687,765	3,687,155	1.3	1.3	1.5	3.9	37.2
Afyonkarahisar	3,156,693	3,086,031	3,481,899	1.6	1.5	1.4	-2.2	12.8
Giresun	2,722,666	2,689,984	3,136,911	1.4	1.3	1.3	-1.2	16.6
Tekirdağ	2,845,782	2,829,842	3,136,550	1.4	1.3	1.3	-0.6	10.8
Balıkesir	2,659,445	2,685,742	3,111,635	1.3	1.3	1.2	1.0	15.9
Total ⁽²⁾	200,340,800	212,814,245	249,891,684	100.0	100.0	100.0	6.2	17.4

Source: TOBB.

(1): Commodity exchanges listed in the first 20 acc. to the volume of transactions of the commodity exchange in 2017.

(2): Total of volumes of transactions in all the commodity exchanges.

In 2017, the commodity exchange seeing the highest increase in the trading volume among the first 20 commodity exchanges, compared to 2016, is Adana Commodity Exchange with 55.7%, followed by commodity exchanges of İzmir with 37.9%, Aydın with 37.2% and Bandırma with 33.9%.

Among the first 20 commodity exchanges according to the trading volume ranking in 2017, Gaziantep Commodity Exchange is the commodity exchange seeing the greatest fall in the trading volume with a drop of 5.8% when compared to 2016, followed by Kızıltepe Commodity Exchange with a drop of 1.4% and Diyarbakır Commodity Exchange with a drop of 0.2%. In 2017, the highest increase in trading volume among 113 commodity exchanges compared to 2016 was recorded in İskenderun Commodity Exchange with 142.2% and the greatest decrease was recorded in Van Commodity Exchange with 65.4%.

1.2.3.3 Statistics of Companies Founded and Closed Down

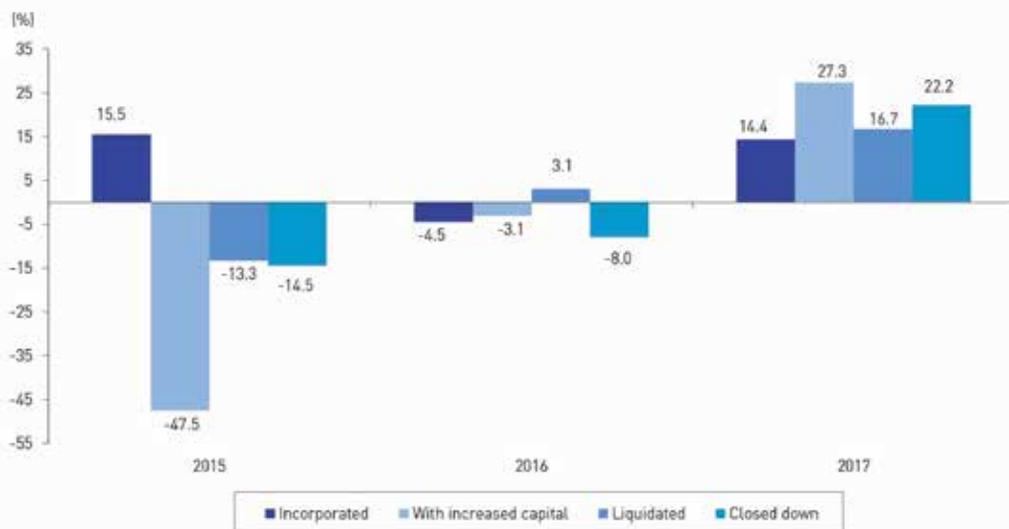
In 2017, 72,862 companies in total were incorporated, of these companies, 12,823 companies are joint stock companies, 60,024 companies are limited liability companies, 13 companies are collective companies and 2 companies are limited partnership companies. The number of joint stock companies so incorporated increased by 4.7% and the number of limited liability companies so incorporated rose by 16.7%, whereas the number of unlimited companies decreased by 7.1%. Thus, the total number of companies incorporated in 2017 increased by 14.4 to 72,862. Number of sole proprietorships founded rose by 5.4% and number of the cooperative societies founded rose by 17.1% (Table 43, Figure 19).

Table 43. Number of Companies and Cooperative Societies Established, Closed Down, Increased Capital, and Liquidated

Type of Company		2015	2016	2017	Change (%)	
					2016	2017
Joint stock company	Incorporated	12,976	12,249	12,823	-5.6	4.7
	With increased capital	6,622	6,152	7,200	-7.1	17.0
	Liquidated	1,034	1,307	1,698	26.4	29.9
	Closed down	1,603	2,277	2,318	42.0	1.8
Limited company	Incorporated	53,712	51,453	60,024	-4.2	16.7
	With increased capital	17,669	17,398	22,787	-1.5	31.0
	Liquidated	8,474	8,526	9,783	0.6	14.7
	Closed down	10,309	8,686	11,122	-15.7	28.0
Unlimited company	Incorporated	12	14	13	16.7	-7.1
	Liquidated	76	46	46	-39.5	0.0
	Closed down	89	82	64	-7.9	-22.0
Limited partnership	Incorporated	1	0	2	-100.0	-
	Liquidated	4	2	5	-50.0	150.0
	Closed down	6	4	3	-33.3	-25.0
Sole proprietorship	Incorporated	47,095	41,975	44,242	-10.9	5.4
	Closed down	42,958	29,533	27,786	-31.3	-5.9
Total	Incorporated	113,796	105,691	117,104	-7.1	10.8
	With increased capital	24,291	23,550	29,987	-3.1	27.3
	Liquidated	9,588	9,881	11,532	3.1	16.7
	Closed down	54,965	40,582	41,293	-26.2	1.8
Cooperative	Incorporated	974	778	911	-20.1	17.1
	Liquidated	1,223	1,060	998	-13.3	-5.8
	Closed down	1,632	1,296	1,185	-20.6	-8.6

Source: TOBB.

Figure 19. Rates of Change in the Number of Companies Incorporated, Closed Down, with Increased Capital, and Liquidated



Source: TOBB.

In 2017, number of joint stock companies and limited liability companies closed down increased by 1.8% and 28.0%, respectively, compared to the previous year, whereas number of unlimited companies and limited partnership companies decreased by 22.0% and 25.0%, respectively, thereby, increasing the number of companies closed down by 22.2% to 13,507. The number of sole proprietorships and cooperatives closed down decreased by 5.9% and 8.6%, respectively.

1.2.3.4 Protested Bills and Dishonored Cheques

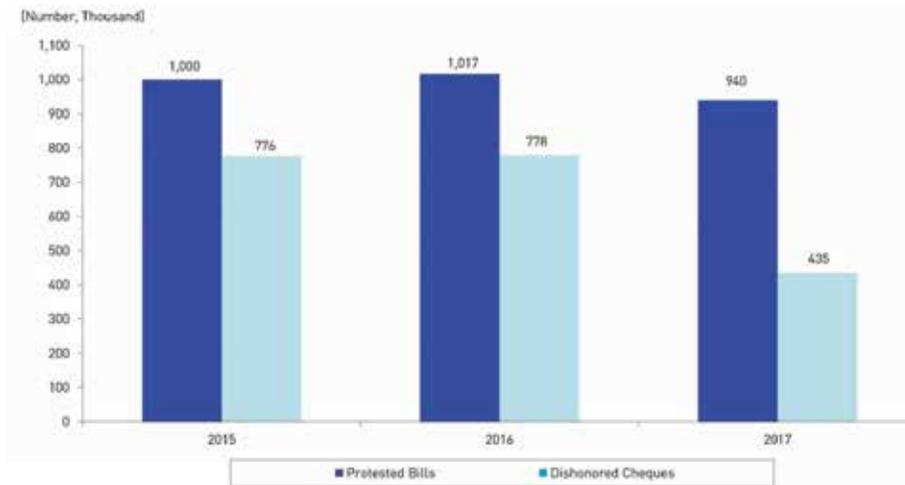
Number of protested bills that increased, in 2016, by 1.7%, dropped from 1017 thousand to 940 thousand in 2017 with a decrease by 7.6%, whereas the amount of protested bills rose from TRY 12,288 million to TRY 12,686 million with an increase by 3.2%. The number of dishonored cheques that increased in 2015 to a great extent remained almost unchanged in 2016, however fell greatly in 2017. The number of dishonored cheques fell by 44.1% from 778 thousand to 435 thousand in 2017. The amount of dishonored cheques fell by 37.8% from TRY 27,434 million to TRY 17,055 million (Table 44, Figure 20).

Table 44. Protested Bills and Dishonored Cheques

Years	Protested Bills				Dishonored Cheques			
	Number (Thousand)	Change (%)	Amount (Million TRY)	Change (%)	Number (Thousand)	Change (%)	Amount (Million TRY)	Change (%)
2015	1,000	-0.4	10,081	22.6	776	15.2	27,286	37.0
2016	1,017	1.7	12,288	21.9	778	0.3	27,434	0.5
2017	940	-7.6	12,686	3.2	435	-44.1	17,055	-37.8

Source: The Banks Association of Turkey Risk Center.

Figure 20. Protested Bills and Dishonored Cheques



Source: The Banks Association of Turkey Risk Center.

1.2.3.5 Tourism

The tourism sector passed through a difficult era in 2016 due to terror attacks suffered in 2015 and 2016, adversities experienced in the foreign politics, notably, with Russia Federation, the coup attempt of July 15, 2016 and wars in the near geographical area. In the tourism sector influenced by these events and their reflections both domestically and internationally to a great extent, the interest of foreign visitors for our country decreased and they went for alternative countries which they think are safer.

Significant improvements were made in the tourism sector with elimination of adversities, except for wars ongoing in the near geographical region, in 2017 and the normalization of relations with the Russian Federation. When compared to the previous year, the number of foreign visitors departing from our country increased by 23.1% and rose from 31,365 thousand to 38,620 thousand people, and the number of citizens arriving increased by 12.6% and rose from 7892 thousand to 8887 thousand people (Table 45).

Table 45. Number of Visitors Departing and Citizens Arriving

Years	Number of Visitors Departing		Change (%)	Number of Citizens Arriving	
	Number of Visitors Departing	Change (%)		Number of Citizens Arriving	Change (%)
2015	41,618	0.5	8,751	9.6	
2016	31,365	-24.6	7,892	-9.8	
2017	38,620	23.1	8,887	12.6	

Source: TURKSTAT.

In the ranking of the visitors departing from our country in 2017 based on the first 20 nationalities, Russian Federation took the lead with 4,700 thousand people, followed by Germany with 3,594 thousand people, Iran with 2,487 thousand people, Bulgaria with 1,851 thousand people and the UK with 1,663 people. TRNC, Switzerland and Italy that were in the top 20 at the ranking in 2016 lost their places in the top 20 in 2017 and these countries were replaced by Poland, Jordan and Kuwait.

The highest increase by the top 20 countries in the ranking of visitors departing from our country in 2017, when compared to 2016, was recorded by Russian Federation, which rose from the sixth place to the first place with an increase of 449.2%, followed by Iraq, which rose from the eleventh place to the sixth place with an increase of 104.9% and Iran rising from the fourth place to the third place with an increase of 50.1%. The country seeing the greatest fall in terms of departing visitors is the USA with a drop of 28.1% that declined from the tenth place to the fourteenth place, followed by Denmark with a drop of 18.9% that fall from the fourteenth place to the nineteenth place and the Netherlands with a drop of 11.8% that declines from the fifth place and to the seventh place (Table 46).

Table 46. Number of Foreign Visitors Departing Turkey by Nationality

Nationalities ⁽¹⁾				Change (%)	
	2015	2016	2017	2016	2017
Russian Federation	3,652	856	4,700	-76.6	449.2
Germany	5,593	3,929	3,594	-29.8	-8.5
Iran	1,663	1,657	2,487	-0.3	50.1
Bulgaria	1,826	1,697	1,851	-7.1	9.1
United Kingdom	2,520	1,721	1,663	-31.7	-3.3
Iraq	934	425	871	-54.5	104.9
The Netherlands	1,239	916	807	-26.1	-11.8
Saudi Arabia	451	534	653	18.4	22.3
Greece	755	594	622	-21.4	4.8
France	852	562	580	-34.0	3.2
Belgium	619	415	423	-32.9	1.8
Romania	443	359	422	-18.9	17.4
Israel	224	294	379	31.2	28.8
USA	808	470	338	-41.8	-28.1
Poland	501	206	295	-58.9	43.5
Sweden	627	322	290	-48.6	-10.2
Austria	486	314	287	-35.4	-8.5
Jordan	160	203	275	26.4	35.4
Denmark	411	332	269	-19.2	-18.9
Kuwait	174	180	254	3.4	40.9

Source: CBRT.

(1): These are the countries included in the first 20 according to 2017.

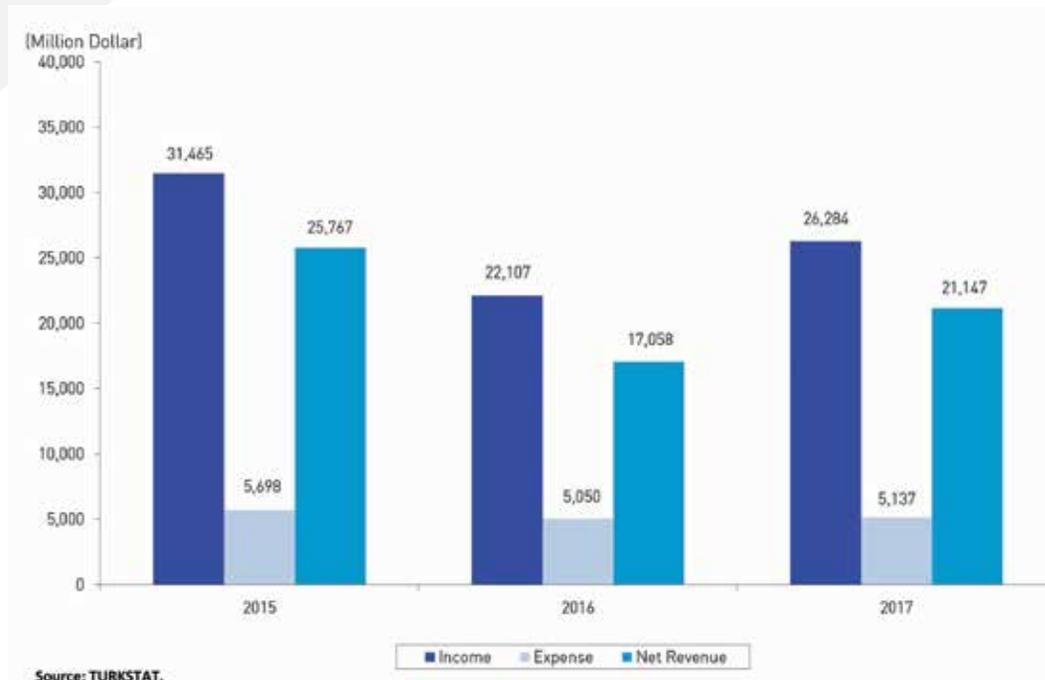
Tourism revenues that decreased by 29.7% in 2016 increased to \$26,284 million with an increase by 18.9% in 2017, driven by the increase in number of visitors. The tourism revenues which decreased by 11.4% in 2016 rose to \$5,137 million with an increase by 1.7% in 2017. Thus, net tourism revenues also increased by 24.0% to \$21,147 million (Table 47, Figure 21).

Table 47. Balance of Tourism Revenues-Expenses and Average Expenditures

Years	Revenue (Million \$)	Expense (Million \$)	Net Revenue (Million \$)	Average Expenditure Per Visitor Departing (\$)	Average Expenditure Per Citizen (\$)
2015	31,465	5,698	25,767	756	651
2016	22,107	5,050	17,058	705	640
2017	26,284	5,137	21,147	681	578

Source: TURKSTAT.

Figure 21. Tourism Revenues and Expenses



Although the number of arriving tourists increased compared to the previous year, expenditures made by visitors decreased, due to the increase in the exchange rate. In 2017, average expenditure per visitor departing fell from \$705 to \$681 with a decrease by \$24 compared to the preceding year, whereas average expenditure per citizen fell from \$640 to \$578 with a decrease by \$62 compared to the preceding year.

1.2.3.6 Transportation

In 2017, compared to the preceding year, an increase of 4.1% was realized in domestic passenger transports, and an increase of 6.0% in passenger transports abroad, an increase of 4.7% in domestic cargo transports, and an increase of 6.2% increase was realized in cargo transports abroad (excluding the natural gas transports made through imports by the BOTAŞ with the pipeline) (Table 48).

Table 48. Transportation Statistics

Transport Methods	Passenger Transport							
	(Million Passengers-Km)			Change (%)		Share (%)		
	2015	2016	2017 ⁽¹⁾	2016	2017	2015	2016	2017
Domestic								
Highway ⁽²⁾	290,734	300,852	312,370	3.5	3.8	89.7	89.6	89.4
Railroads	3,659	3,268	3,550	-10.7	8.6	1.1	1.0	1.0
Airway	29,790	31,730	33,602	6.5	5.9	9.2	9.4	9.6
Total	324,183	335,850	349,522	3.6	4.1	100.0	100.0	100.0
Overseas								
Airway ⁽³⁾	103,001	109,768	116,354	6.6	6.0	100.0	100.0	100.0
Total	103,001	109,768	116,354	6.6	6.0	100.0	100.0	100.0
Transport Methods	Cargo Transport							
	(Million Tons-Km)			Change (%)		Share (%)		
	2015	2016	2017 ⁽¹⁾	2016	2017	2015	2016	2017
Domestic								
Highway ⁽²⁾	244,329	253,139	263,344	3.6	4.0	89.0	89.2	88.6
Railroads	9,736	10,971	11,750	12.7	7.1	3.5	3.9	4.0
Seaway	17,204	15,829	18,203	-8.0	15.0	6.3	5.6	6.1
Pipeline								
Crude oil	3,382	3,710	3,800	9.7	2.4	1.2	1.3	1.3
Total	274,651	283,649	297,097	3.3	4.7	100.0	100.0	100.0
Overseas								
Railroads	442	453	411	2.5	-9.3	0.0	0.0	0.0
Seaway	1,100,000	1,183,600	1,257,693	7.6	6.3	95.2	95.6	95.7
Pipeline								
Crude oil (Transit)	54,802	53,452	56,050	-2.5	4.9	4.7	4.3	4.3
Total	1,155,244	1,237,505	1,314,154	7.1	6.2	100.0	100.0	100.0
Natural Gas (Million Sm ³)	48,428	46,352	51,750	-4.3	11.6	-	-	-

Source: MoD.

(1): Realization estimate.

(2): These are the transports made on the road network under the responsibility of the Highways General Directorate.

(3): The transports made only by the Turkish Airlines.

In 2017, the highways continued to be predominant in the transports of domestic passengers and cargo, airways in the passenger transports abroad and seaways in the cargo transports. Due to the low standard of the railroad transportation and the fact that its physical infrastructure is mainly single line, and insufficient physical infrastructure for seaway, mainly the highway network was used for the cargo and passenger transportation in 2017.

In 2017, 89.4% of the domestic passenger transports were made by highway, 1.0% by railroad and 9.6% by airway, and all of the passenger transports abroad were made by airway. While share of the highway in domestic passenger transports decreased by 0.2 point, share of the airway increased by 0.2 point, and share of the railroad remained unchanged in comparison to the previous year. In the domestic cargo transports, a share of 88.6% was acquired by the highway, 4.0% by the railroad, 6.1% by the seaway, and 1.3% by the pipeline. Of the cargo transports abroad, a share of 95.7% was acquired by the seaway, and 4.3% by the pipeline transportation.

In 2017, 193,032 thousand passengers were transported by the airway around Turkey, including 109,599 thousand people transported domestically, and 83,433 thousand people transported abroad. While the number of passengers carried by the State Airports Administration was 160,615 thousand, of these passengers, 87,983 thousand people traveled domestically and 72,632 thousand people traveled abroad. In 2017, the

number of passengers using the airway for their domestic trips increased by 6.9% and the number of passengers using the airway for their overseas trips increased by 17.1% around Turkey (Table 49).

Table 49. Turkey-wide Passenger and Cargo Transports Made by the State Airports Administration

Components	Passenger Transport ⁽²⁾			Change (%)		Cargo Transport (Ton) ⁽³⁾			Change	
	2015	2016	2017 ⁽¹⁾	2016	2017	2015	2016	2017 ⁽¹⁾	2016	2017
DHMI										
Domestic	78,038,810	81,823,288	87,982,519	4.8	7.5	731,491	713,351	748,539	-2.5	4.9
Overseas	73,839,536	61,367,405	72,632,421	-16.9	18.4	1,998,304	2,011,888	2,293,987	0.7	14.0
The State Airports Authority Total	151,878,346	143,190,693	160,614,940	-5.7	12.2	2,729,795	2,725,239	3,042,526	-0.2	11.6
Turkey-wide										
Domestic	97,041,210	102,499,358	109,599,161	5.6	6.9	871,327	857,335	891,157	-1.6	3.9
Overseas	84,033,321	71,244,179	83,432,585	-15.2	17.1	2,201,503	2,219,579	2,494,364	0.8	12.4
Total Turkey-wide	181,074,531	173,743,537	193,031,746	-4.0	11.1	3,072,830	3,076,914	3,385,521	0.1	10.0

Source: DHMI.

(1): Interim.

(2): Excluding Turkey direct transit.

(3): Total baggage, cargo and mail transported by the airways.

In 2017, 3,386 thousand tons of cargo was transported in Turkey by the airway, and of this amount, 891 thousand tons were transported domestically, and 2,494 tons were transported abroad. While the amount of cargo carried by the State Airports Administration was 3,043 thousand tons, of this amount, 749 thousand tons were transported domestically and 2,294 thousand tons were transported abroad.

1.3 Investments

In 2017, public sector fixed capital investments are estimated to rise to TRY 121,326 million with an increase by 21.3%, whereas the private sector fixed capital investments are estimated to rise to TRY 801,052 million with an increase by 21.6%. It is predicted that the total fixed capital investments that increased by 90.4% in 2016 will increase to TRY 922,378 million with an increase by 21.6% in 2017 due to the effect of the fall in rate of growth in private sector fixed capital investments (Table 50, Figure 22).

Table 50. Fixed Capital Investments

	(with Current Prices, Million TRY)								
				Share (%)			Change (%)		
	2015	2016	2017 ⁽²⁾	2015	2016	2017	2016	2017	
General Government ⁽¹⁾	53,338	55,348	67,875	13.4	7.3	7.4	3.8	22.6	
SEE	8,784	8,802	13,264	2.2	1.2	1.4	0.2	50.7	
Operator	8,735	8,700	13,168	2.2	1.1	1.4	-0.4	51.4	
Organizations within the Scope of Privatization	49	102	96	0.0	0.0	0.0	108.2	-5.9	
İller Bank	1	0	0	0.0	0.0	0.0	-100.0	-	
Circulating Capital + SSI	2,414	2,129	1,004	0.6	0.3	0.1	-11.8	-52.8	
Local Governments	25,239	33,712	39,183	6.3	4.4	4.2	33.6	16.2	
Public Sector	89,776	99,991	121,326	22.5	13.2	13.2	11.4	21.3	
Private Sector	308,835	658,839	801,052	77.5	86.8	86.8	113.3	21.6	
Total Fixed Capital Investments	398,611	758,830	922,378	100.0	100.0	100.0	90.4	21.6	

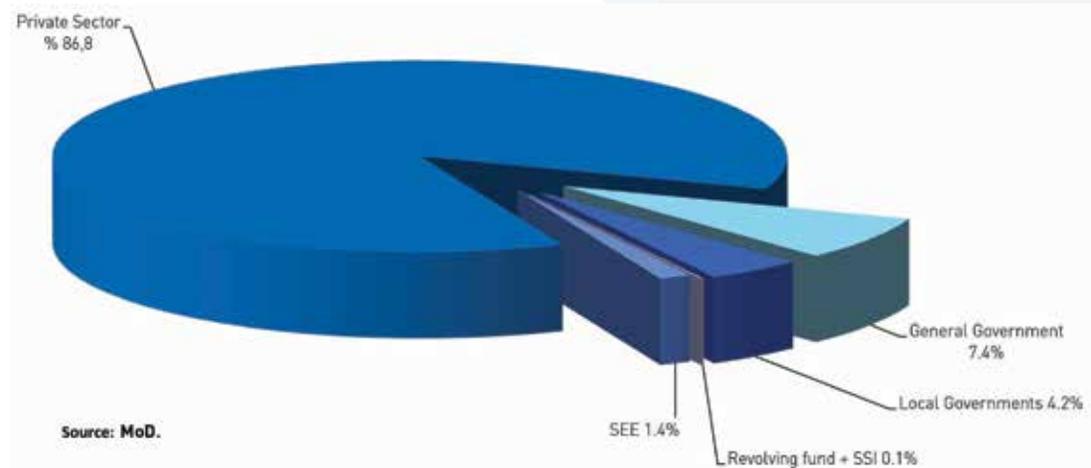
Source: MoD.

(1): Excluding investment workmanship.

(2): Realization estimate.

Compared to 2016, the highest rise among the public sector fixed capital investments was in the investments of the State Economic Enterprises with 50.7%, followed by the increases in investments of general government with 22.6%, investments of the local governments with 16.2%, whereas investments of revolving fund and social security organizations decreased by 52.8%.

Figure 22. Distribution of Fixed Capital Investments (2017, %)



It is projected that the share of the public sector and private sector investments within the fixed capital investments which were 13.2% and 86.8%, respectively, in 2016 will remain unchanged at same levels in 2017.

Of the public sector fixed capital investments, 55.9% will be realized by the general government, 32.3% by local governments, 10.9% by the SEEs, and 0.8% by the revolving fund and social security organizations.

Within the public sector fixed capital investments, the shares of manufacturing and transportation sector increased in comparison to the previous year, shares of tourism, housing and health sectors decreased, and shares of agriculture, mining, energy, education and other service sectors remained unchanged, compared to the preceding year. In 2017, the sector with the highest share in the private sector fixed capital investments is the transportation sector with a share of 33.9%, followed by the housing sector with a share of 32.9%, and the manufacturing sector with a share of 21.1%. Agriculture had the smallest share within the private sector fixed capital investments with 0.9%, followed by the energy sector with 1.2% and the mining sector with 1.6% [Table 51].

In 2017, within the public sector fixed capital investments, the shares of agriculture, mining, energy and housing sectors increased, the shares of the transportation, tourism, education, health and other services sectors decreased, and the share of the manufacturing sector remained unchanged, compared to the preceding year.

Within the public sector total fixed capital investments, the most predominant sectors were the transportation sector with a share of 34.7%, others services sector with a share of 31.0% and education sector with a share of 11.4%, whereas the sectors with the lowest shares were tourism sector with 0.5%, manufacturing sector with 0.6% and the housing sector with 1.2%.

Table 51. Fixed Capital Investments by Sectors ⁽¹⁾

Sectors	(with Current Prices, Percentage Distribution)		
	2015	2016	2017 ⁽²⁾
	Private Sector		
Agriculture	2.0	0.9	0.9
Mining	3.3	1.6	1.6
Manufacturing	38.5	20.9	21.1
Energy	2.8	1.2	1.2
Transportation	17.4	32.8	33.9
Tourism	6.0	2.0	1.7
Housing	17.0	33.6	32.9
Education	3.7	1.9	1.9
Health	4.9	2.5	2.4
Other Services	4.5	2.5	2.5
Private Sector	100.0	100.0	100.0
	Public Sector		
Agriculture	9.0	8.6	9.2
Mining	1.7	0.9	2.1
Manufacturing	0.7	0.6	0.6
Energy	4.6	3.6	3.8
Transportation	38.5	35.3	34.7
Tourism	0.8	0.6	0.5
Housing	0.8	0.9	1.2
Education	13.0	12.0	11.4
Health	5.8	5.4	5.3
Other Services	25.0	32.2	31.0
Public Sector	100.0	100.0	100.0
	Total		
Agriculture	3.7	2.0	2.0
Mining	2.9	1.5	1.7
Manufacturing	29.6	18.1	18.3
Energy	3.2	1.5	1.6
Transportation	22.3	33.2	34.0
Tourism	4.7	1.8	1.6
Housing	13.2	29.1	28.5
Education	5.9	3.3	3.2
Health	5.1	2.9	2.8
Other Services	9.4	6.6	6.4
Total	100.0	100.0	100.0

Source: MoD.

[1]: The budget of the general government includes investment workmanship.

[2]: Realization estimate.

Regional Public Investments

It was intended to direct public investments in our country, during 2017, to growth, activation of development potentials of regions and areas that will make the greatest contribution to increase in employment and national prosperity. By directing public investments to infrastructures that will support the productive activities of the private sector, with particular emphasis on areas such as the railroad, ports and logistics centers.

In this context, 2017 Investment Program has been prepared in line with targets set forth in 2017-2019 Medium Term Program² and 2017 Program and public investments have been materialized within the framework of such program. Public investments

² Ministry of Development, Medium-Term Program (2017-2019).

have focused on investments that will improve economic and social infrastructure by considering sectoral, regional and project-based priorities.

The public investments that amounted to TRY 76,606 million in 2016 rose to TRY 94,518 million in 2017 with an increase by 23.4%. While 53.7% of the public investments were made in various provinces covering more than one province, 46.3% of them was solely distributed to 81 provinces. The province that took the highest share from public investments in 2017 was Istanbul with 15.7%, followed by Ankara with 7.6%, Izmir with 3.6%, and Diyarbakı, with 2.0%. In 2017, the highest increases in terms of public investments when compared to the preceding year took place in Afyonkarahisar with 107.2%, Aksaray with 102.1%, Şırnak with 100.0% and Rize with 70.3%, whereas provinces seeing the greatest decline in public investments were Bingöl with 34.5%, Hakkari with 28.2, Ağrı with 23.4 and Denizli with 16.8% (Table 52).

Table 52. Distribution of Public Investments by Provinces

Provinces	[Thousand TRY]							
				Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Adana	574,314	642,957	1,011,186	0.9	0.8	1.3	12.0	57.3
Adıyaman	368,894	286,759	289,752	0.6	0.4	0.4	-22.3	1.0
Afyonkarahisar	320,132	329,974	683,622	0.5	0.4	0.9	3.1	107.2
Ağrı	215,325	267,702	204,985	0.3	0.3	0.3	24.3	-23.4
Aksaray	232,356	347,733	702,829	0.4	0.5	0.9	49.7	102.1
Amasya	128,636	189,614	186,163	0.2	0.2	0.2	47.4	-1.8
Ankara	4,255,158	4,534,169	5,840,055	6.8	5.9	7.6	6.6	28.8
Antalya	663,539	923,840	1,049,602	1.1	1.2	1.4	39.2	13.6
Ardahan	68,945	79,214	96,210	0.1	0.1	0.1	14.9	21.5
Artvin	430,528	464,031	680,762	0.7	0.6	0.9	7.8	46.7
Aydın	227,111	287,519	402,348	0.4	0.4	0.5	26.6	39.9
Balıkesir	370,141	444,793	521,338	0.6	0.6	0.7	20.2	17.2
Bartın	124,507	143,089	169,477	0.2	0.2	0.2	14.9	18.4
Batman	512,618	341,350	327,318	0.8	0.4	0.4	-33.4	-4.1
Bayburt	63,697	106,604	112,080	0.1	0.1	0.1	67.4	5.1
Bilecik	88,454	100,168	163,122	0.1	0.1	0.2	13.2	62.8
Bingöl	294,358	326,191	213,549	0.5	0.4	0.3	10.8	-34.5
Bitlis	101,772	136,714	158,780	0.2	0.2	0.2	34.3	16.1
Bolu	94,027	148,332	188,491	0.2	0.2	0.2	57.8	27.1
Burdur	99,426	174,020	255,662	0.2	0.2	0.3	75.0	46.9
Bursa	610,484	768,695	1,132,286	1.0	1.0	1.5	25.9	47.3
Çanakkale	271,946	404,117	449,353	0.4	0.5	0.6	48.6	11.2
Çankırı	128,644	145,634	191,553	0.2	0.2	0.3	13.2	31.5
Çorum	206,517	261,853	307,278	0.3	0.3	0.4	26.8	17.3
Denizli	330,646	467,467	388,971	0.5	0.6	0.5	41.4	-16.8
Diyarbakır	1,130,827	1,369,143	1,556,929	1.8	1.8	2.0	21.1	13.7
Düzce	76,702	117,807	143,911	0.1	0.2	0.2	53.6	22.2
Edirne	325,266	349,401	379,291	0.5	0.5	0.5	7.4	8.6
Elazığ	253,869	328,492	369,506	0.4	0.4	0.5	29.4	12.5
Erzincan	245,538	226,644	218,395	0.4	0.3	0.3	-7.7	-3.6
Erzurum	505,934	698,318	756,022	0.8	0.9	1.0	38.0	8.3
Eskişehir	526,420	468,626	563,869	0.8	0.6	0.7	-11.0	20.3
Gaziantep	418,534	517,949	795,618	0.7	0.7	1.0	23.8	53.6
Giresun	141,535	227,439	327,025	0.2	0.3	0.4	60.7	43.8
Gümüşhane	83,533	121,868	130,930	0.1	0.2	0.2	45.9	7.4
Hakkari	170,181	230,649	165,715	0.3	0.3	0.2	35.5	-28.2
Hatay	330,501	398,597	614,250	0.5	0.5	0.8	20.6	54.1
Iğdır	83,921	111,859	124,901	0.1	0.1	0.2	33.3	11.7
Isparta	163,769	169,783	231,426	0.3	0.2	0.3	3.7	36.3
İstanbul	6,392,505	8,220,294	12,022,983	10.3	10.7	15.7	28.6	46.3
Izmir	1,639,470	1,762,975	2,751,278	2.6	2.3	3.6	7.5	56.1
Kahramanmaraş	495,744	448,470	608,397	0.8	0.6	0.8	-9.5	35.7
Karabük	90,954	123,356	152,558	0.1	0.2	0.2	35.6	23.7

Table 52. Distribution of Public Investments by Provinces (Continued)

Provinces	(Thousand TRY)							
	2015	2016	2017	Share (%)			Change (%)	
				2015	2016	2017	2016	2017
Karaman	158,183	164,921	223,042	0.3	0.2	0.3	4.3	35.2
Kars	191,890	232,159	256,140	0.3	0.3	0.3	21.0	10.3
Kastamonu	123,259	176,003	214,452	0.2	0.2	0.3	42.8	21.8
Kayseri	482,179	486,796	481,886	0.8	0.6	0.6	1.0	-1.0
Kırıkkale	237,270	289,716	278,342	0.4	0.4	0.4	22.1	-3.9
Kirklareli	237,768	212,650	242,307	0.4	0.3	0.3	-10.6	13.9
Kırşehir	104,683	107,085	153,575	0.2	0.1	0.2	2.3	43.4
Kilis	60,633	93,577	130,853	0.1	0.1	0.2	54.3	39.8
Kocaeli	474,038	589,576	725,481	0.8	0.8	0.9	24.4	23.1
Konya	877,931	1,225,040	1,462,063	1.4	1.6	1.9	39.5	19.3
Kütahya	426,033	313,885	430,833	0.7	0.4	0.6	-26.3	37.3
Malatya	281,519	369,808	570,733	0.5	0.5	0.7	31.4	54.3
Manisa	323,733	307,095	506,766	0.5	0.4	0.7	-5.1	65.0
Mardin	1,115,096	1,120,459	1,191,761	1.8	1.5	1.6	0.5	6.4
Mersin	455,384	546,150	701,995	0.7	0.7	0.9	19.9	28.5
Muğla	176,444	244,904	412,450	0.3	0.3	0.5	38.8	68.4
Muş	151,397	125,654	164,256	0.2	0.2	0.2	-17.0	30.7
Nevşehir	122,659	125,661	122,380	0.2	0.2	0.2	2.4	-2.6
Niğde	126,480	154,912	150,385	0.2	0.2	0.2	22.5	-2.9
Ordu	312,742	314,305	364,837	0.5	0.4	0.5	0.5	16.1
Osmaniye	113,405	142,023	166,823	0.2	0.2	0.2	25.2	17.5
Rize	199,702	331,449	564,404	0.3	0.4	0.7	66.0	70.3
Sakarya	347,537	305,892	504,523	0.6	0.4	0.7	-12.0	64.9
Samsun	301,463	408,019	511,698	0.5	0.5	0.7	35.3	25.4
Siirt	135,477	132,872	144,192	0.2	0.2	0.2	-1.9	8.5
Sinop	99,211	147,463	197,725	0.2	0.2	0.3	48.6	34.1
Sivas	452,307	347,115	509,557	0.7	0.5	0.7	-23.3	46.8
Şanlıurfa	957,511	655,129	611,736	1.5	0.9	0.8	-31.6	-6.6
Şırnak	177,632	287,537	575,207	0.3	0.4	0.8	61.9	100.0
Tekirdağ	400,158	501,320	595,744	0.6	0.7	0.8	25.3	18.8
Tokat	161,497	197,015	326,192	0.3	0.3	0.4	22.0	65.6
Trabzon	215,638	306,217	372,553	0.3	0.4	0.5	42.0	21.7
Tunceli	92,834	116,572	125,427	0.1	0.2	0.2	25.6	7.6
Uşak	128,594	146,656	180,724	0.2	0.2	0.2	14.0	23.2
Van	441,782	404,310	564,245	0.7	0.5	0.7	-8.5	39.6
Yalova	57,807	68,298	85,837	0.1	0.1	0.1	18.1	25.7
Yozgat	225,013	280,356	291,666	0.4	0.4	0.4	24.6	4.0
Zonguldak	439,311	464,489	619,966	0.7	0.6	0.8	5.7	33.5
Various Provinces	26,996,724	35,948,917	41,145,815	43.4	46.9	53.7	33.2	14.5
Total	62,240,302	76,606,214	94,518,347	100.0	100.0	123.4	23.1	23.4

Source: MoD.

According to the evaluation made in 2017 based on provinces and sectors, it is observed that public investments are concentrated in the transportation-communication sector, and followed by the investments made in other public services, education, agriculture, health, energy and mining sectors. Manufacturing, housing and tourism sectors stand out as the sectors in which least public investment is made (Table 53).

Table 53. Sectoral Distribution of Public Investments by Provinces (2017)

Provinces	(Thousand TRY)										Provincial Total
	Agriculture	Mining	Manufacturing	Energy	Transportation-Communication	Tourism	Housing	Education	Health	Other Public Services	
Adana	103,884	9,869	10,230	36,944	195,255		1,000	172,008	108,109	373,887	1,011,186
Adiyaman	80,132	33,799		10,550	23,494		11,860	74,001	21,484	34,432	289,752
Afyonkarahisar	130,024	8,000	34,030	2,004	244,059	19,750	3,100	78,848	61,702	102,105	683,622
Ağrı	33,699			2,004	36,832		15,485	53,292	35,347	28,326	204,985
Aksaray	64,872	78		1,000	431,747	3,500		49,361	61,792	90,479	702,829
Amasya	35,632			5,082	13,564		4,000	67,025	4,350	56,510	186,163
Ankara	213,411	55,086	52,450	129,453	1,297,108	27,010	14,685	714,133	397,255	2,939,464	5,840,055
Antalya	182,587	5,115		62,904	231,298	7,322	2,250	214,283	103,709	240,134	1,049,602
Ardahan	6,677			10,500	21,167			39,845	16,235	1,786	96,210
Artvin	21,700			455,756	51,342	1,370	4,243	48,600	9,002	88,749	680,762
Aydın	146,120			47,806	18,928	1,970		102,003	36,100	49,421	402,348
Balıkesir	144,795	27,237	28,446	14,662	77,372		971	156,263	33,075	38,517	521,338
Bartın	58,980	1,500		23,500	5,932		337	49,838	18,500	10,890	169,477
Batman	11,083	79,381		11,700	34,990		4,010	84,669	77,079	24,406	327,318
Bayburt	35,077				6,596			44,770	12,000	13,637	112,080
Bilecik	32,508				37,311		400	59,736	27,250	5,917	163,122
Bingöl	45,389			54,090	24,420		1,522	56,212	26,194	5,722	213,549
Bitlis	9,571			18,585	23,335	5,000	4,010	54,363	9,182	34,734	158,780
Bolu	23,213			10,900	17,425	3,196	40	51,248	27,800	54,669	188,491
Burdur	81,969			1,006	16,352	1,000		67,338	24,182	63,815	255,662
Bursa	89,373	2,245	5,100	30,912	33,942	28,817	299	193,106	217,400	531,092	1,132,286
Çanakkale	50,258	1,000		118,954	69,548	4,150	271	103,741	52,609	48,822	449,353
Çankırı	76,488	1,590			40,527	5,001		46,045	6,750	15,152	191,553
Çorum	75,929			8,142	6,572		520	69,020	18,780	128,315	307,278
Denizli	112,063		2,500	14,002	32,906	3,950		82,985	15,825	124,740	388,971
Diyarbakır	701,406	135,568	2,280	35,460	189,185		22,182	184,963	72,411	213,474	1,556,929
Düzce	6,394	300		8,699	3,502		100	49,537	26,700	48,679	143,911
Edirne	164,353		1,115	11,852	51,593		350	86,145	37,820	26,063	379,291
Elazığ	48,482		2,500	74,656	45,462		3,648	54,761	24,875	115,122	369,506
Erzincan	31,589			7,552	23,778	5,750	2,920	48,988	14,322	83,496	218,395
Erzurum	136,340		2,500	6,104	72,980	2,000	4,889	136,036	201,754	193,419	756,022
Eskişehir	61,627	56,324	39,488	1,509	33,734	580		158,540	60,706	151,361	563,869
Gaziantep	58,824	200		23,502	162,255		75	183,943	106,335	260,484	795,618
Giresun	47,859	55,835		6,402	23,396	986	2,265	76,682	51,353	62,247	327,025
Gümüşhane	62,381			13,002	16,495	1,075	1,490	33,551	250	2,686	130,930
Hakkari	9,531			12,003	52,269		3,134	40,428	25,749	22,601	165,715
Hatay	121,955		31,000	7,804	22,831	542	290	149,402	116,086	164,340	614,250
İğdır	20,466				11,565		10	42,491	1,754	48,615	124,901
Isparta	85,177			2,500	2,851	4,500	124	102,761	22,750	10,763	231,426
İstanbul	1,048	286,654	36,806	296,520	9,395,511		945	947,744	499,214	558,541	12,022,983
İzmir	133,154		19,515	176,704	1,342,855	8,120	110	361,214	256,539	453,067	2,751,278
Kahramanmaraş	98,487	49,800		7,402	109,219			143,180	52,300	148,009	608,397
Karabük	32,690			800	17,124		1,146	76,208	13,950	10,640	152,558

Table 53. Sectoral Distribution of Public Investments by Provinces (2017) (Continued)

Provinces	(Thousand TRY)										Provincial Total
	Agriculture	Mining	Manufacturing	Energy	Transportation Communication	Tourism	Housing	Education	Health	Other Public Services	
Karaman	74,098			18,302	39,060	2,692	64	62,653	4,200	21,973	223,042
Kars	74,133			352	30,011	25,110	360	67,921	14,679	43,574	256,140
Kastamonu	79,655			9,992	16,348	5,950		58,573	20,602	23,332	214,452
Kayseri	94,841		129	12,502	87,612	17,031		166,827	59,300	43,644	481,886
Kırıkkale	10,428		130,260	14,282	17,946			54,100	17,725	33,601	278,342
Kırklareli	39,133	53,083		21,506	2,473			74,115	39,500	12,497	242,307
Kırşehir	8,924			504	9,848			60,306	25,435	48,558	153,575
Kilis	23,226	100		6,500	1,421		6,000	56,693	14,662	22,251	130,853
Kocaeli	20,164		6,000	11,208	68,466	5,000		180,205	118,001	316,437	725,481
Konya	461,523	2,000		83,610	296,803	12,950		240,744	157,275	207,158	1,462,063
Kütahya	66,979	48,898	62,206	125	38,110		342	73,241	16,980	123,952	430,833
Malatya	93,435	39	5,130	1,500	128,272	15,700	5,440	89,034	78,025	154,158	570,733
Manisa	119,920	1,500	1,850	24,928	29,065			128,438	108,103	92,962	506,766
Mardin	8,930	3,504		860,598	14,872	500	1,600	99,137	10,604	192,016	1,191,761
Mersin	150,493		53	24,458	138,622	7,370	520	146,971	95,397	138,111	701,995
Muğla	92,897			11,306	30,037	12,812	195	133,512	69,055	62,636	412,450
Muş	32,376	10,406			23,365		6,415	52,138	17,225	22,331	164,256
Nevşehir	3,845	5,149		19,900	22,333	2,000		51,869	13,588	3,696	122,380
Niğde	43,532		950	10,500	15,644	900		46,455	2,250	30,154	150,385
Ordu	21,780	5,949		21,500	79,327	4,500		107,768	61,200	62,813	364,837
Osmaniye	29,474	5,413		1,504	22,278		10	64,002	24,900	19,242	166,823
Rize	19,920		152,401	11,000	200,233	1,994	2,979	102,963	14,600	58,314	564,404
Sakarya	25,521		35,126	15,154	215,489	1,751		104,506	39,950	67,026	504,523
Samsun	114,835			12,572	21,358	2,788	280	149,027	45,870	164,968	511,698
Siirt	2,957	3,520		500	14,273		2,010	65,636	9,777	45,519	144,192
Sinop	23,169	3,937			40,534	2,000	750	62,220	53,252	11,863	197,725
Sivas	105,538		30,289	3,700	143,287	14,911	895	105,313	68,425	37,199	509,557
Şanlıurfa	109,894	16,533		21,502	58,843	4,046	9,710	174,649	43,429	173,130	611,736
Şırnak	7,236	5,910		2,658	256,929		11,037	78,641	31,530	181,266	575,207
Tekirdağ	15,561	19,719	1	10,204	146,862			74,990	34,950	293,457	595,744
Tokat	68,081			16,250	46,842	500	380	61,909	69,225	63,005	326,192
Trabzon	29,960			4,500	104,760	3,400	5,815	75,034	30,025	119,059	372,553
Tunceli	12,677			3,002	38,304		9,833	41,490	11,820	8,301	125,427
Uşak	36,801		1,950	18,752	28,981			62,607	16,000	15,633	180,724
Van	36,463		4,500	182,802	78,384		2,840	100,987	39,056	119,213	564,245
Yalova	18,793				3,222	800	100	62,377	102	443	85,837
Yozgat	62,027			13,100	22,759	2,850		81,479	56,100	53,351	291,666
Zonguldak	22,554	99,893	133	30,958	309,928		3,200	73,393	42,200	37,707	619,966
Various Provinces	4,385,878	741,572	438,238	1,701,206	13,910,230	210,413	421,321	5,644,652	2,921,320	10,770,985	41,145,815
Total	10,334,848	1,836,706	1,137,176	4,965,864	31,321,758	493,557	604,777	14,745,882	7,502,916	21,574,863	94,518,347

Source: MoD.

In 2017, the sector investment included under the heading of agriculture, transportation-communication, education, health and other public services was made in all the provinces. There are not any provinces in which public investments were not made in respect of other sectors. The sectoral investments with the highest amounts were the agriculture investment in Diyarbakır with TRY 701,406 thousand, mining investment with TRY 286,654 thousand in Istanbul, manufacturing investment with TRY 152,401 thousand in Rize, energy investment with TRY 860,598 thousand in Mardin, transportation-communication investment with TRY 9,395,511 thousand in Istanbul, tourism investment with TRY 28,817 thousand in Bursa, housing investment with TRY 22,182 thousand in Diyarbakır, education investment with TRY 947,744 and health investment with TRY 499,214 thousand in Istanbul.

The State tries to increase the investment level through investment incentive practices within the framework of provisions of the Decree on State Aids in Investments nr. 2012/3305 and the Implementation Communiqué no 2012/1 and supports investors in accordance with the size of investments, the sector, the place and the goods and services to be produced. There are 9 support elements within scope of the investment incentive, i.e. VAT exception, customs tax exemption, tax relief, insurance premium employer share support, income tax withholding support, insurance premium employee share support, interest support, investment place allocation, and VAT refund.

The amount of fixed investments subjected to investment incentive certificate, which fell by 1.0% in 2016, increased by 81.3% in 2017. Thus, the fixed investments subjected to investment incentive certificate, which amounted to TRY 98,099 million in 2016, went up to TRY 177,899 million in 2017 (Table 54).

Table 54. Investment Incentive Certificates by Sectors

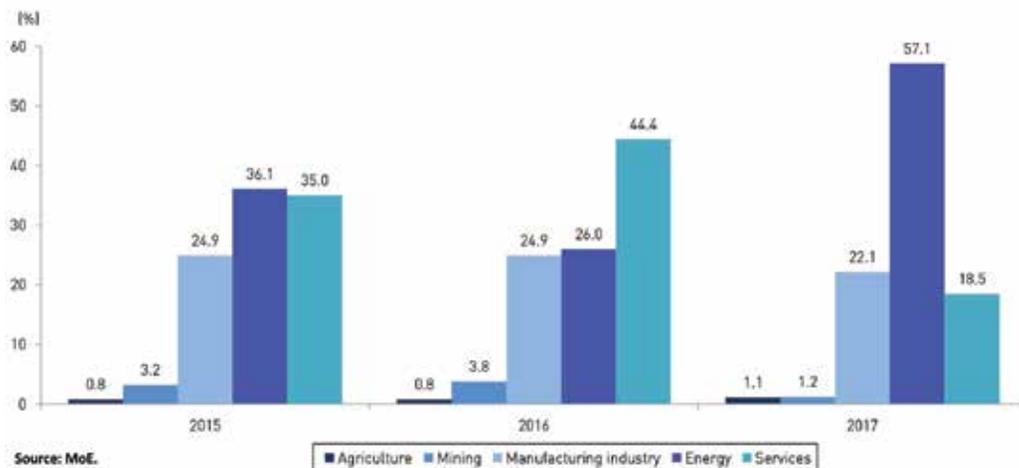
Sectors	Number of Certificates			Fixed Investment (Million TRY)			Employment (People)		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Agriculture	149	132	250	744	808	2,023	2,671	2,854	6,761
Mining	130	97	177	3,175	3,760	2,161	2,176	2,453	4,041
Manufacturing industry	1,857	1,793	2,899	24,701	24,462	39,279	64,714	62,585	100,581
Energy	839	1,853	2,263	35,796	25,508	101,522	4,047	4,824	7,329
Services	1,524	1,240	1,889	34,711	43,561	32,914	71,640	66,289	107,857
Total	4,499	5,115	7,478	99,126	98,099	177,899	145,248	139,005	226,569
	Change (%)								
Agriculture	62.0	-11.4	89.4	10.6	8.6	150.3	25.2	6.9	136.9
Mining	-17.2	-25.4	82.5	40.0	18.4	-42.5	-47.7	12.7	64.7
Manufacturing industry	-10.1	-3.4	61.7	3.6	-1.0	60.6	-3.8	-3.3	60.7
Energy	220.2	120.9	22.1	243.4	-28.7	298.0	99.9	19.2	51.9
Services	20.2	-18.6	52.3	31.3	25.5	-24.4	5.4	-7.5	62.7
Total	17.0	13.7	46.2	55.8	-1.0	81.3	1.2	-4.3	63.0
	Share (%)								
Agriculture	3.3	2.6	3.3	0.8	0.8	1.1	1.8	2.1	3.0
Mining	2.9	1.9	2.4	3.2	3.8	1.2	1.5	1.8	1.8
Manufacturing industry	41.3	35.1	38.8	24.9	24.9	22.1	44.6	45.0	44.4
Energy	18.6	36.2	30.3	36.1	26.0	57.1	2.8	3.5	3.2
Services	33.9	24.2	25.3	35.0	44.4	18.5	49.3	47.7	47.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MoE

The amount of investment incentive certificates issued to the mining sector decreased by 42.5% to TRY 2,161 million and the amount of the incentive certificates given to the services sector decreased by 24.4% to TRY 32,914 million in 2017 in comparison to the previous year, while amounts of investment incentive certificates given to other sectors increased. The amount of the investment incentive certificates given to the agriculture sector increased by 150.3% to TRY 2,023 million, the amount of incentives given to the manufacturing industry sector rose by 60.6% to TRY 39,279 million, the amount of incentive certificates given to the energy sector increased by 298.0% to TRY 101,522 million.

Among the fixed investments subjected to incentive certificate in 2016, the services sector had the largest share with 44.4%, whereas it was the energy sector with 57.1% in 2017. The energy sector was followed by the manufacturing industry sector with 22.1%, the services sector with 18.5%, the mining sector with 1.2%, and the agriculture sector with 1.1%. In 2017, compared to the previous year, the share received by mining, manufacturing industry and services sectors from the total investment incentives declined, whereas the share of agriculture and energy sectors rose (Figure 23).

Figure 23. Sectoral Distribution of Investment Incentive Certificates (Fixed Investment)



In 2017, it was aimed to provide employment for 226,569 people with a total of 7,478 investments with incentive certificate. For these people, it has been targeted to employ 107,857 people, constituting 47.6% of the aforesaid group, at services, 100,581 people, constituting 44.4% of the aforesaid group, at the manufacturing industry, 7,329 people, constituting 3.2% of the aforesaid group, at the energy, 6,761 people, constituting 3.0% of the aforesaid group, at agriculture and 4,041 people, constituting 1.8% of the aforesaid group, at the mining sector.

While the amount of 5,398 incentive certificates issued in 2017 for the completely new investments was TRY 144,160 million, the amount of 1,547 incentive certificates issued for extensional investments was TRY 24,269 million, and the amount of 533 incentive certificates issued for other investments was TRY 9,470 million. From among investments subjected to incentive certificate, completely new investments constituted 81.0%, extensional investments constituted 13.6%, and other investments constituted 5.3% (Table 55).

Table 55. Investment Incentive Certificates by Contents

Investment Content	Number of Certificates			Fixed Investment (Million TRY)			Employment (People)		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Completely new investment	3,179	3,831	5,398	74,283	53,774	144,160	109,864	104,568	178,149
Extension	942	930	1,547	18,252	35,598	24,269	29,085	28,743	40,067
Other	378	354	533	6,592	8,727	9,470	6,299	5,694	8,353
Total	4,499	5,115	7,478	99,126	98,099	177,899	145,248	139,005	226,569
Değişim (%)									
Completely new investment	30.4	20.5	40.9	68.5	-27.6	168.1	-1.6	-4.8	70.4
Extension	-9.9	-1.3	66.3	19.7	95.0	-31.8	4.7	-1.2	39.4
Other	5.0	-6.3	50.6	52.3	32.4	8.5	50.9	-9.6	46.7
Total	17.0	13.7	46.2	55.8	-1.0	81.3	1.2	-4.3	63.0
Pay (%)									
Completely new investment	70.7	74.9	72.2	74.9	54.8	81.0	75.6	75.2	78.6
Extension	20.9	18.2	20.7	18.4	36.3	13.6	20.0	20.7	17.7
Other	8.4	6.9	7.1	6.6	8.9	5.3	4.3	4.1	3.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MoE

Of 226,569 people who were planned to be employed in the investments subjected to incentive certificates in 2017, it was projected to employ 78.6% in completely new investments, 17.7% in extensional investments, and 3.7% in other investments.

When it comes to distribution of investment incentive certificates by regions, among the fixed investments with incentive certificate amounting to TRY 177,899 million as issued in 2017, the region 3 took the first place with a share of 49.4% and TRY 87,968 million, followed by the region 1 with a share of 22.4% and TRY 39,823 million, the region 2 with a share of 10.7% and TRY 19,098 million, the region 4 with a share of 8.1% and TRY 14,439 million, the region 6 with a share of 4.7% and TRY 8,415 million, and the region 5 with a share of 3.6% and TRY 6,369 million. The investments covering more than one province, which are referred to as various regions, took a share of 1.0% from the investment incentives with TRY 1,787 million (Table 56, Figure 24).

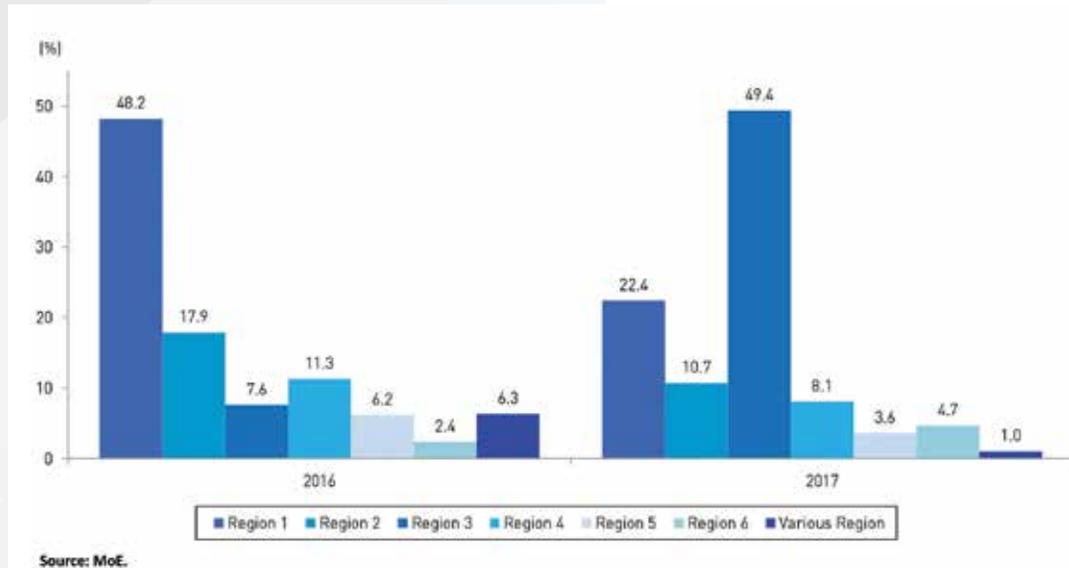
Table 56. Investment Incentive Certificates by Regions

Regions ⁽¹⁾	Number of Certificates		Fixed Investment (Million TRY)					Employment (People)				
			2016		2017		Change (%)	2016		2017		Change (%)
	Value	Share (%)	Value	Share (%)	Number of Persons	Share (%)		Number of Persons	Share (%)			
Region 1	1,514	2,417	47,314	48.2	39,823	22.4	-15.8	56,279	40.5	85,592	37.8	52.1
Region 2	1,011	1,222	17,522	17.9	19,098	10.7	9.0	18,404	13.2	33,098	14.6	79.8
Region 3	806	1,042	7,491	7.6	87,968	49.4	1,074.3	13,267	9.5	24,208	10.7	82.5
Region 4	666	1,126	11,121	11.3	14,439	8.1	29.8	11,527	8.3	20,189	8.9	75.1
Region 5	656	800	6,085	6.2	6,369	3.6	4.7	12,762	9.2	20,952	9.2	64.2
Region 6	444	847	2,397	2.4	8,415	4.7	251.0	26,332	18.9	41,990	18.5	59.5
Various Region ⁽²⁾	18	24	6,169	6.3	1,787	1.0	-71.0	434	0.3	540	0.2	24.4
Total	5,115	7,478	98,099	100.0	177,899	100.0	81.3	139,005	100.0	226,569	100.0	63.0

Source: MoE.

(1): Region 1: Ankara, Antalya, Bursa, Eskişehir, İstanbul, İzmir, Kocaeli, Muğla, Region 2: Adana, Aydın, Bolu, Çanakkale (excluding the counties Bozcaada and Gökçeada), Denizli, Edirne, Isparta, Kayseri, Kırklareli, Konya, Sakarya, Tekirdağ, Yalova, Region 3: Balıkesir, Bilecik, Burdur, Gaziantep, Karabük, Karaman, Manisa, Mersin, Samsun, Trabzon, Uşak, Zonguldak, Region 4: Afyonkarahisar, Amasya, Artvin, Bartın, Çorum, Düzce, Elazığ, Erzincan, Hatay, Kastamonu, Kırıkkale, Kırşehir, Kütahya, Malatya, Nevşehir, Rize, Sivas, Region 5: Adıyaman, Aksaray, Bayburt, Çankırı, Erzurum, Giresun, Gümüşhane, Kahramanmaraş, Kilis, Niğde, Ordu, Osmaniye, Sinop, Tokat, Tunceli, Yozgat, Region 6: Ağrı, Ardahan, Batman, Bingöl, Bitlis, Diyarbakır, Hakkari, Iğdır, Kars, Mardin, Muş, Siirt, Şanlıurfa, Şırnak, Van, the counties Bozcaada and Gökçeada.
(2): Investments covering more than one province.

Figure 24. Regional Distribution of Investment Incentives (Fixed Investment)



Source: MoE.

While the amount of investment incentive certificates given in 2017, when compared to the previous year, decreased by 15.8% in region 1 and 71.0% in various regions, an increase was recorded in other regions. The highest increases was recorded in the region 3 with 1074.3%, followed by the region 6 with an increase by 251.0%. With the investments subjected to incentive certificate, it was envisaged to provide employment for 85,592 people in the region 1, 33,098 people in the region 2, 24,208 people in the region 3, 20,189 people in the region 4, 20,952 people in the region 5, and 41,990 people in the region 6.

Of 7,478 investment incentive certificates in total, 338 certificates were issued for foreign capital investments and 7,140 certificates were issued for domestic capital investments in 2017. Of the fixed investment amount of investment incentive certificates, TRY 93,582 million corresponding to 52.6% was given to foreign capital investments, and TRY 84,317 million corresponding to 47.4% was given to domestic capital investments. While the share of investment incentive certificates given to foreign capital investments increased in 2017, the share of investment incentive certificates given to domestic capital investments decreased (Table 57).

Of the incentives given to foreign capital investments, TRY 10,208 million is covered by regional incentive applications, TRY 821 million is covered by large-scale incentive applications, TRY 6,483 million is covered by general incentive applications and TRY 76,070 million is covered by the strategic investment. It is seen that, among investment incentives with foreign capital, the share of incentives given to strategic investments and large-scale investments increased and the share of regional and general incentives decreased. Of the incentives given to domestic capital investments, TRY 47,551 million is covered by regional investment, TRY 1,968 million is covered by large-scale investment, TRY 28,565 million is covered by general, and TRY 6,233 million is covered by strategic investment. While the share of regional and strategic investments in incentives with local capital increased, the share of large-scale and general incentives decreased.

Table 57. Investment Incentive Certificates by Support Classes

Support Class	Number of Certificates			Fixed Investment (Million TRY)			Employment (People)		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Foreign Capital									
Regional	119	121	225	3,858	23,704	10,208	5,400	12,968	16,498
Large-Scale	9	2	4	25,224	326	821	1,821	300	567
General	102	99	107	3,170	7,157	6,483	2,922	1,583	2,356
Strategic Investment	4	0	2	2,653	0	76,070	612	0	2,778
Total	234	222	338	34,905	31,187	93,582	10,755	14,851	22,199
Domestic Capital									
Regional	2,160	1,949	3,601	25,753	24,226	47,551	103,052	89,515	172,429
Large-Scale	15	5	4	3,350	4,366	1,968	2,623	6,916	1,070
General	2,084	2,936	3,527	23,721	34,861	28,565	27,074	26,623	28,942
Strategic Investment	6	3	8	11,398	3,459	6,233	1,744	1,100	1,929
Total	4,265	4,893	7,140	64,222	66,912	84,317	134,493	124,154	204,370
Grand Total	4,499	5,115	7,478	99,127	98,099	177,899	145,248	139,005	226,569
Foreign Capital Change (%)									
Regional	-25.6	1.7	86.0	-46.1	514.4	-56.9	-49.1	140.1	27.2
Large-Scale	50.0	-77.8	100.0	834.6	-98.7	151.8	85.4	-83.5	89.0
General	7.4	-2.9	8.1	73.2	125.8	-9.4	119.7	-45.8	48.8
Strategic Investment	-	-100.0	-	-	-100.0	-	-	-100.0	-
Total	-10.3	-5.1	52.3	198.6	-10.7	200.1	-16.7	38.1	49.5
Domestic Capital Change (%)									
Regional	5.5	-9.8	84.8	-12.2	-5.9	96.3	3.0	-13.1	92.6
Large-Scale	114.3	-66.7	-20.0	167.6	30.3	-54.9	161.8	163.7	-84.5
General	36.7	40.9	20.1	16.8	47.0	-18.1	-7.5	-1.7	8.7
Strategic Investment	50.0	-50.0	166.7	971.2	-69.7	80.2	527.3	-36.9	75.4
Total	19.0	14.7	45.9	23.6	4.2	26.0	3.0	-7.7	64.6
Grand Total	17.0	13.7	46.2	55.8	-1.0	81.3	1.2	-4.3	63.0
Share of Foreign Capital (%)									
Regional	2.6	2.4	3.0	3.9	24.2	5.7	3.7	9.3	7.3
Large-Scale	0.2	0.0	0.1	25.4	0.3	0.5	1.3	0.2	0.3
General	2.3	1.9	1.4	3.2	7.3	3.6	2.0	1.1	1.0
Strategic Investment	0.1	0.0	0.0	2.7	0.0	42.8	0.4	0.0	1.2
Total	5.2	4.3	4.5	35.2	31.8	52.6	7.4	10.7	9.8
Share of Domestic Capital (%)									
Regional	48.0	38.1	48.2	26.0	24.7	26.7	70.9	64.4	76.1
Large-Scale	0.3	0.1	0.1	3.4	4.5	1.1	1.8	5.0	0.5
General	46.3	57.4	47.2	23.9	35.5	16.1	18.6	19.2	12.8
Strategic Investment	0.1	0.1	0.1	11.5	3.5	3.5	1.2	0.8	0.9
Total	94.8	95.7	95.5	64.8	68.2	47.4	92.6	89.3	90.2
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MoE.

Of the employment expected to create in 2017 thanks to investments with incentive certificates, it is planned that 9.8% will be created with foreign capital investments with 7.3% being at the regional investment class, 0.3% being at the large-scale investment class, 1.0% being at the general investment class, 1.2% being at the strategic investment class, and that 90.2% will be created with local capital investments, with 76.1% being at the class of regional investment, 0.5% being at the class of large-scale investment, 12.8% being at the class of general investment and 0.9% being at the strategic investment class.

1.4 Monetary and Financial Developments

1.4.1 Inflation

1.4.1.1 Consumer Price Index

The basic goal of the Central Bank of Republic of Turkey (CBRT) is to assure and maintain the price stability. In order to fulfill this objective, within the framework of open inflation targeting, which has been implemented since 2006, it aims to keep inflation at levels consistent with the target and has also been seeking financial stability since 2010.

The CBRT, within framework of monetary policy based on the price stability, set the inflation target used as the year-end annual rate of change in the Consumer Price Index (CPI) for the period of 2017-2019 as 5.0% in the text of "2017 Monetary and Exchange Policy", in line with the agreement reached with the Government within scope of the Medium Term Program. The uncertainty range that is a part of the accountability obligation of CBRT was preserved as 2 percentage points in both directions, as was the case in previous years, and it has been stated that an open letter will be written to the Government if the inflation remains outside the uncertainty range at the end of the year.

While the inflation remained below the target in 2005, 2009 and 2010, it stayed on the uncertainty range limit in 2012 and above the uncertainty range in other years. At the end of 2017, inflation was 11.92%, 6.92 points up from the target and exceeded the uncertainty band by 4.92 points. This level is also 3.39 points above the preceding year's inflation rate (Table 58, Figure 25).

The accountability of the CBRT arose in 2017 when the uncertainty range was exceeded. The CBRT, in an open letter to the Government, on 30 January 2018 that the reasons for deviations from inflation and the precautions to be taken to achieve the target were explained. In its letter sent to the government, the CBRT has indicated, the high depreciation of the Turkish Lira, rise in import prices, developments in food and non-alcoholic beverages and the strong course of the economic activity as well as increase in the medium-term inflation expectations and distortion in pricing behaviors among basic factors for the inflation being remarkably above the target in 2017.

Figure 25. Inflation Targets and Realization

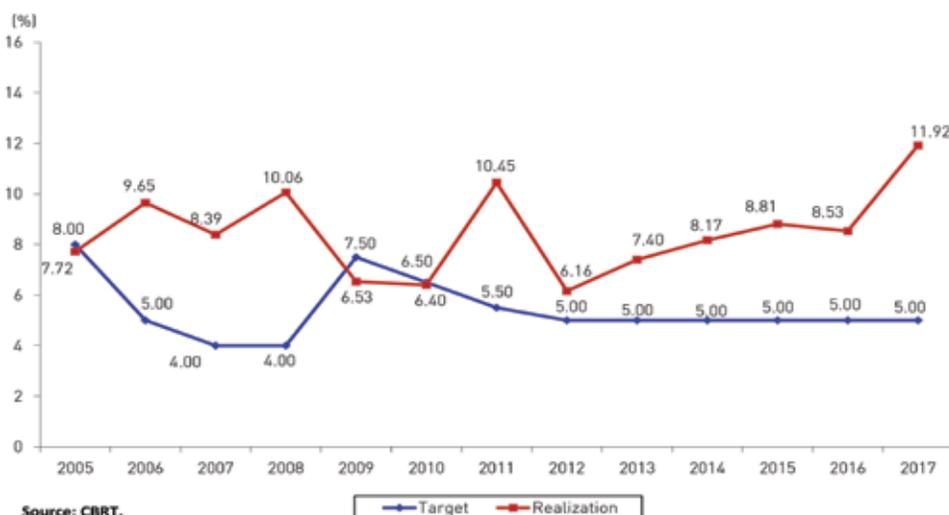


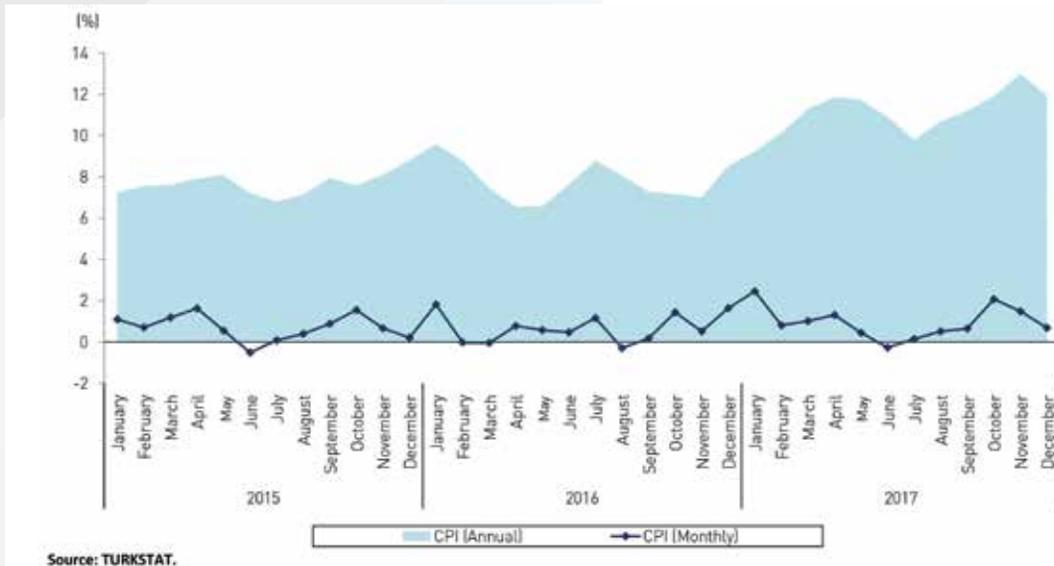
Table 58. Consumer Price Index by Main Expenditure Groups

Main Expenditure Groups	(2003=100)					
	2015		2016		2017	
	Index	Change (%)	Index	Change (%)	Index	Change (%)
	Twelve-Month Average					
Food & non-alcoholic beverages	292.86	11.15	309.81	5.79	349.16	12.70
Alcoholic beverages and tobacco	432.61	4.54	511.04	18.13	589.94	15.44
Clothing and footwear	175.25	6.19	188.17	7.38	201.44	7.05
Housing	299.01	7.63	318.66	6.57	344.28	8.04
Household goods	206.64	8.65	224.40	8.59	242.74	8.17
Health	155.50	7.34	170.39	9.57	191.56	12.42
Transportation	240.84	1.49	258.75	7.44	302.21	16.80
Communication	127.17	3.06	130.68	2.76	134.26	2.74
Entertainment and culture	187.71	9.01	201.05	7.11	220.74	9.79
Education	259.61	6.95	280.97	8.23	309.00	9.98
Restaurants and hotels	379.39	13.46	418.02	10.18	460.94	10.27
Various goods and services	302.42	10.13	336.63	11.31	378.01	12.29
General	260.59	7.67	280.85	7.78	312.14	11.14
	Year End					
Food & non-alcoholic beverages	302.27	10.87	319.35	5.65	363.38	13.79
Alcoholic beverages and tobacco	436.87	5.68	574.89	31.59	591.36	2.86
Clothing and footwear	190.75	8.99	198.34	3.98	221.10	11.48
Housing	307.28	6.71	327.01	6.42	358.47	9.62
Household goods	215.96	10.95	229.43	6.24	258.65	12.74
Health	159.18	7.16	174.67	9.73	195.46	11.90
Transportation	245.87	6.40	276.27	12.36	326.65	18.24
Communication	128.81	3.56	132.90	3.18	134.77	1.41
Entertainment and culture	194.34	11.56	205.86	5.93	223.11	8.38
Education	268.22	6.39	293.62	9.47	324.39	10.48
Restaurants and hotels	398.51	13.23	432.87	8.62	482.50	11.47
Various goods and services	314.29	11.00	349.12	11.08	393.72	12.77
General	269.54	8.81	292.54	8.53	327.41	11.92

Source: TURKSTAT.

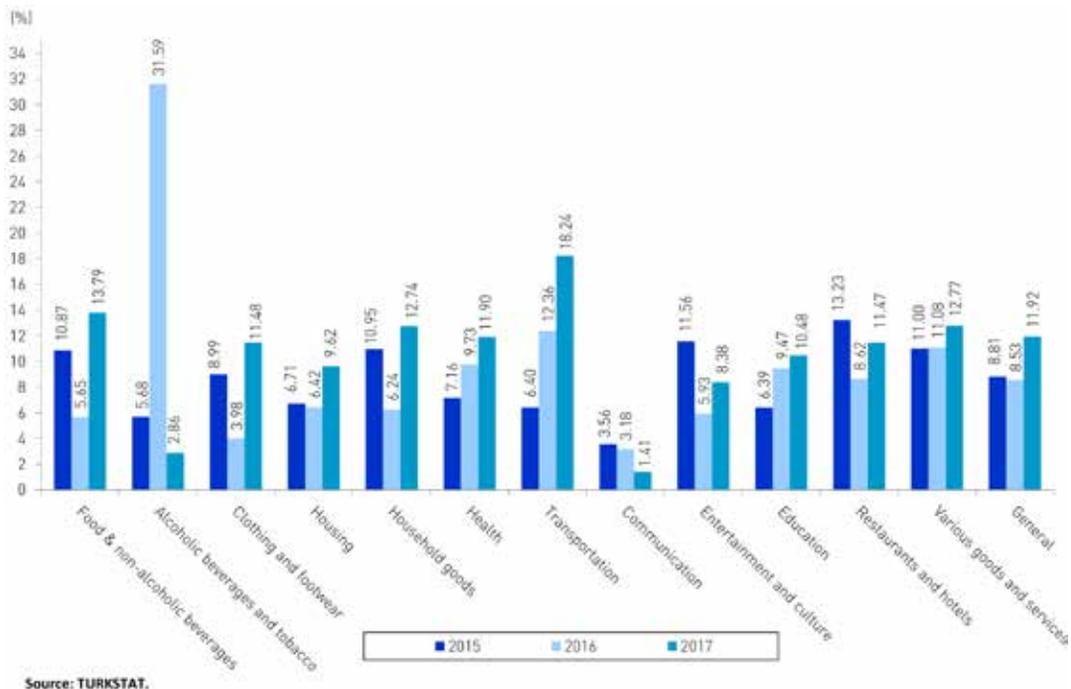
Inflation started with single-digit figures with an increase of 9.22% in 2017. The inflation rose to double digits for the first time since April 2012 with 10.13%, driven by the ongoing rise in food prices in February, energy prices being at a relatively high level and the cumulative depreciation of the Turkish Lira. In March and April, it continued to rise due to the increase in food prices, reaching the highest level in the first four months with 11.87%. In July, it declined to a single-digit figure with 9.79% due to effect of fall in clothing and food prices in the following three months and saw the second lowest level all the year round. The inflation, once again, entered into an increase trend due to cost pressures and rise in food prices and reached the level of 12.98% in November, the highest rate of the series that started in 2003. It closed the year at the level of 11.92% with a fall by 1.06 points decrease on a monthly basis in December (Figure 26).

Figure 26. Rates of Change in the Consumer Price Index (Monthly and Annual)



As of the end of 2017, rates of change for indices of the main expenditure groups of food and non-alcoholic beverages, household goods, transportation and various goods and services remained above the Consumer Price Index (CPI) general index rate of change. The price index rates of change in the main expenditure groups of alcoholic drinks and tobacco, clothing and footwear, housing, telecommunication, entertainment and culture, education, restaurants and hotels exhibited a change below the CPI general index rate of change (Figure 27).

Figure 27. Rates of Change in the Consumer Price Index by Main Expenditure Groups (by the End of Year)



As regards to main expenditure groups, the highest price increase was seen in the transportation group with 18.24%, followed by the increases in the groups of food and non-alcoholic drinks with 13.79% and various goods and services with 12.77%. The lowest price increase occurred in the main expenditure group of communication with 1.41%, followed by increases in the groups of alcoholic drinks and tobacco with 2.86%, and education and culture with 8.38%.

B and C core inflation indicators followed closely by the CBRT was on an upward trend in the year 2017 and reached their highest levels since January 2004. In 2017, the core indicators were above the annual inflation forecast due to the depreciation of the Turkish lira and the strong progress in the economic activity. B index which is calculated by excluding unprocessed food products, energy, alcoholic drinks, tobacco and gold increased by 12.28%, whereas C index calculated by excluding energy, food, non-alcoholic beverages, alcoholic drinks, tobacco products and gold increased by 12.30% (Table 59, Figure 28).

Figure 28. B (H) and C (I) Core Inflation (Annual) of CPI

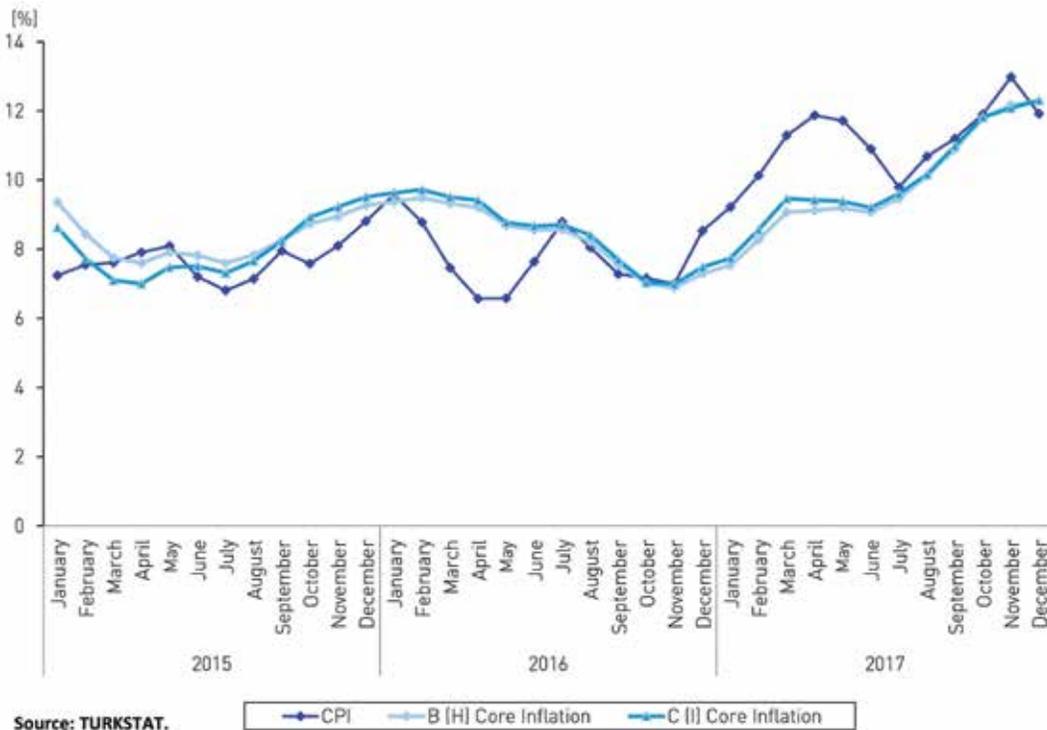


Table 59. Consumer Price Index with Specified Scope

Group/Scope	[2003=100]					
	2015		2016		2017	
	Index	Change (%)	Index	Change (%)	Index	Change (%)
	Twelve-Month Average					
1. CPI indicators with a special scope						
A CPI excluding seasonal products	267.80	7.52	289.31	8.03	321.34	11.07
B ⁽¹⁾ CPI excluding unprocessed food, energy, alcoholic beverages, tobacco and gold	233.49	8.30	252.91	8.32	278.06	9.94
C ⁽²⁾ CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages as well as tobacco products and gold	225.23	8.04	244.31	8.47	268.95	10.09
D ⁽³⁾ CPI except for unprocessed food, alcoholic beverages and tobacco products	244.32	7.15	263.21	7.73	290.03	10.19
2. Goods	253.35	7.24	272.30	7.48	305.11	12.05
Energy	274.12	1.00	284.28	3.71	314.28	10.55
Food & non-alcoholic beverages	292.86	11.15	309.81	5.79	349.16	12.70
Unprocessed food	316.54	13.03	327.27	3.39	381.35	16.52
Processed food	271.01	9.51	292.60	7.97	319.90	9.33
Energy and non-food goods	214.72	6.94	236.72	10.25	265.84	12.30
Basic goods ⁽⁴⁾	176.54	7.30	191.45	8.44	212.90	11.20
Clothing and footwear ⁽⁵⁾	174.32	6.14	187.14	7.35	200.29	7.03
Durable goods (except for gold)	158.35	7.25	173.27	9.42	194.31	12.14
Other basic goods	196.70	8.04	212.75	8.16	241.19	13.37
Alcoholic beverages, tobacco ve gold	444.87	5.53	526.07	18.25	615.51	17.00
3. Service	280.73	8.69	304.45	8.45	332.20	9.11
Rent	352.02	7.59	382.53	8.67	417.45	9.13
Restaurants and hotels	379.39	13.46	418.02	10.18	460.94	10.27
Transportation services ⁽⁶⁾	293.04	5.36	311.25	6.21	344.43	10.66
Communication services ⁽⁶⁾	142.64	4.28	147.85	3.65	152.57	3.19
Other services	271.16	9.11	297.79	9.82	326.47	9.63
	Year End					
1. CPI indicators with a special scope						
A CPI excluding seasonal products	275.69	8.38	301.76	9.46	336.00	11.35
B ⁽¹⁾ CPI excluding unprocessed food, energy, alcoholic beverages, tobacco and gold	243.50	9.27	261.24	7.29	293.33	12.28
C ⁽²⁾ CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages as well as tobacco products and gold	235.21	9.51	252.81	7.48	283.90	12.30
D ⁽³⁾ CPI except for unprocessed food, alcoholic beverages and tobacco products	253.32	8.32	272.83	7.70	305.86	12.11
2. Goods	262.06	8.79	284.91	8.72	321.93	12.99
Energy	275.69	2.96	299.59	8.67	330.79	10.41
Food & non-alcoholic beverages	302.27	10.87	319.35	5.65	363.38	13.79
Unprocessed food	325.02	13.83	339.70	4.52	392.54	15.55
Processed food	281.04	8.33	299.78	6.67	336.36	12.20
Energy and non-food goods	224.90	9.61	249.58	10.97	283.25	13.49
Basic goods ⁽⁴⁾	186.32	10.22	198.93	6.77	229.67	15.45
Clothing and footwear ⁽⁵⁾	189.90	8.99	197.34	3.92	220.05	11.51
Durable goods (except for gold)	165.55	12.05	178.68	7.93	210.99	18.08
Other basic goods	204.83	8.80	220.56	7.68	253.94	15.13
Alcoholic beverages, tobacco ve gold	448.43	6.56	588.57	31.25	623.62	5.96
3. Service	290.38	8.85	313.94	8.11	343.68	9.47
Rent	364.90	7.73	398.85	9.30	435.60	9.21
Restaurants and hotels	398.51	13.23	432.87	8.62	482.50	11.47
Transportation services ⁽⁶⁾	298.60	4.17	318.41	6.63	358.09	12.46
Communication services ⁽⁶⁾	144.73	4.36	150.94	4.29	153.76	1.87
Other services	280.77	10.08	306.45	9.15	335.22	9.39

Source: TURKSTAT.

⁽¹⁾ Continuation of former H indicator with a special scope.

⁽²⁾ Continuation of former I indicator with a special scope.

⁽³⁾ The new indicator with a special scope.

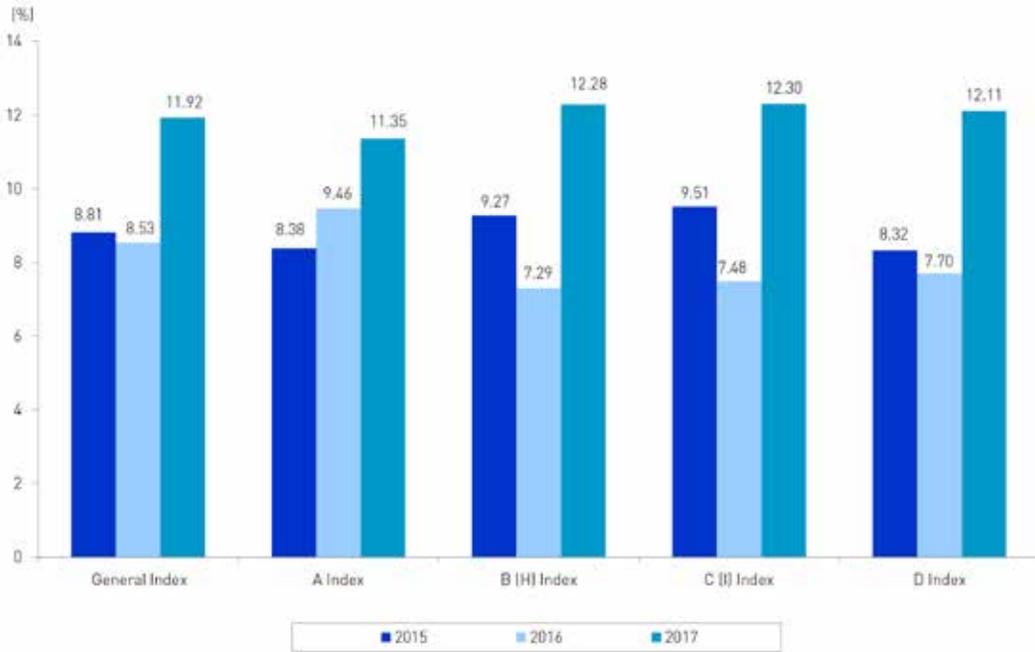
⁽⁴⁾ The basic assets consist of the remaining commodities when the scope of the special comprehensive C indicator is excluded.

⁽⁵⁾ Clothing and footwear group covers goods alone.

⁽⁶⁾ Only services are covered.

The price indicator A excluding seasonal products increased by 11.35%, whereas the price indicator D excluding unprocessed food, alcoholic drinks and tobacco products increased by 12.11% (Figure 29).

Figure 29. Rates of Change in the Consumer Price Index with Specified Scope (by the End of Year)



Source: TURKSTAT

The inflation in goods group increased by 12.99% at the end of the year, while the energy increased by 10.41%, food and non-alcoholic beverages by 13.79% and energy and non-food goods by 13.49%, which are all sub-groups of the goods group.

Service group inflation, which is affected by cost and demand factors, showed an increase of 9.47%, which had a downward pressure on the general price increase. In group inflation, price increases in restaurants and hotels and transportation services were particularly effective. Transportation service prices increased due to the delayed reflections of the increase in fuel prices, while restaurant and hotels group prices increased due to reflections of the high rate of food prices, the tourism sector which recovered compared to the last year and the cumulative depreciation of Turkish lira.

CPI at Regional Level

When looking into the annual increase rates of 2017 CPI figures according to NUTS Level-2, the highest rate is seen to be in the TRB2 region covering the provinces of Van, Muş, Bitlis and Hakkâri with 13.59%, followed by TR52 region covering Konya and Karaman in the second place with 13.18%, and TR31 region covering Izmir in the third place with 13.08%. According to NUTS Level-2, the lowest increase was seen in Ankara TR51 region with 11.10%, followed by TR82 region covering provinces of Kastamonu, Çankırı ve Sinop in the second place with 11.20%, and TRA2 region covering provinces of Ağrı, Kars, Iğdır ve Ardahan in the third place with 11.40% (Table 60).

Table 60. Consumer Price Index by Regions

		(2003=100)					
		2015		2016		2017	
Region Code	İBBS NUTS Level-2-2	Index	Change [%]	Index	Change [%]	Index	Change [%]
				Twelve-Month Average			
TR10	İstanbul	267.58	8.07	287.01	7.26	317.84	10.74
TR21	Tekirdağ, Edirne, Kırklareli	262.40	6.88	282.29	7.58	313.01	10.88
TR22	Balıkesir, Çanakkale	272.85	8.16	295.49	8.30	330.03	11.69
TR31	İzmir	265.04	8.31	287.45	8.46	321.63	11.89
TR32	Aydın, Denizli, Muğla	262.96	8.14	284.31	8.12	318.07	11.88
TR33	Manisa, Afyonkarahisar, Kütahya, Uşak	258.33	8.29	279.47	8.18	310.11	10.96
TR41	Bursa, Eskişehir, Bilecik	260.42	7.66	281.71	8.18	312.12	10.79
TR42	Kocaeli, Sakarya, Düzce, Bolu, Yalova	266.59	7.84	286.85	7.60	318.75	11.12
TR51	Ankara	270.67	7.81	293.08	8.28	324.02	10.56
TR52	Konya, Karaman	261.32	7.39	281.62	7.77	315.82	12.14
TR61	Antalya, Isparta, Burdur	252.18	7.23	272.10	7.90	302.44	11.15
TR62	Adana, Mersin	263.95	7.56	288.53	9.31	322.83	11.89
TR63	Hatay, Kahramanmaraş, Osmaniye	258.27	7.28	277.97	7.63	311.03	11.90
TR71	Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	264.94	6.76	285.02	7.58	318.96	11.91
TR72	Kayseri, Sivas, Yozgat	269.38	8.06	290.02	7.66	324.72	11.97
TR81	Zonguldak, Karabük, Bartın	255.94	7.59	277.13	8.28	312.10	12.62
TR82	Kastamonu, Çankırı, Sinop	255.66	7.34	275.97	7.94	307.53	11.44
TR83	Samsun, Tokat, Çorum, Amasya	260.89	7.59	281.01	7.71	313.90	11.70
TR90	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	258.80	6.65	280.16	8.25	312.85	11.67
TRA1	Erzurum, Erzincan, Bayburt	263.10	5.83	282.61	7.41	314.94	11.44
TRA2	Ağrı, Kars, Iğdır, Ardahan	268.46	6.89	289.69	7.91	324.28	11.94
TRB1	Malatya, Elazığ, Bingöl, Tunceli	257.94	6.36	278.52	7.98	310.64	11.53
TRB2	Van, Muş, Bitlis, Hakkari	263.57	6.77	282.88	7.32	316.80	11.99
TRC1	Gaziantep, Adıyaman, Kilis	266.34	8.19	287.10	7.79	323.82	12.79
TRC2	Şanlıurfa, Diyarbakır	266.32	7.99	287.85	8.08	321.27	11.61
TRC3	Mardin, Batman, Şırnak, Siirt	240.58	7.57	259.54	7.88	289.57	11.57
TR	Türkiye	260.59	7.67	280.85	7.78	312.14	11.14
		Year End					
TR10	İstanbul	276.54	8.77	298.67	8.00	333.20	11.56
TR21	Tekirdağ, Edirne, Kırklareli	270.37	7.70	293.92	8.71	329.16	11.99
TR22	Balıkesir, Çanakkale	281.75	9.34	309.18	9.74	344.45	11.41
TR31	İzmir	275.48	9.83	300.09	8.93	339.35	13.08
TR32	Aydın, Denizli, Muğla	271.61	9.49	296.89	9.31	333.89	12.46
TR33	Manisa, Afyonkarahisar, Kütahya, Uşak	266.97	9.31	290.80	8.93	325.22	11.84
TR41	Bursa, Eskişehir, Bilecik	269.81	9.28	293.54	8.80	327.35	11.52
TR42	Kocaeli, Sakarya, Düzce, Bolu, Yalova	276.31	8.89	297.95	7.83	335.62	12.64
TR51	Ankara	279.64	8.61	304.02	8.72	337.77	11.10
TR52	Konya, Karaman	270.42	9.18	293.44	8.51	332.13	13.18
TR61	Antalya, Isparta, Burdur	260.69	8.84	283.13	8.61	317.16	12.02
TR62	Adana, Mersin	274.76	9.47	301.84	9.86	338.66	12.20
TR63	Hatay, Kahramanmaraş, Osmaniye	267.37	8.96	290.79	8.76	328.25	12.88
TR71	Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	274.15	8.45	297.96	8.69	332.62	11.63
TR72	Kayseri, Sivas, Yozgat	277.62	8.81	304.65	9.74	340.55	11.78
TR81	Zonguldak, Karabük, Bartın	265.32	9.06	291.54	9.88	327.75	12.42
TR82	Kastamonu, Çankırı, Sinop	262.93	7.98	289.45	10.09	321.86	11.20
TR83	Samsun, Tokat, Çorum, Amasya	270.24	9.13	292.78	8.34	329.06	12.39
TR90	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	267.24	8.35	292.21	9.34	328.21	12.32
TRA1	Erzurum, Erzincan, Bayburt	271.09	7.77	295.81	9.12	331.81	12.17
TRA2	Ağrı, Kars, Iğdır, Ardahan	276.47	7.53	303.54	9.79	338.15	11.40
TRB1	Malatya, Elazığ, Bingöl, Tunceli	268.10	7.72	291.64	8.78	327.42	12.27
TRB2	Van, Muş, Bitlis, Hakkari	271.72	7.41	294.23	8.28	334.23	13.59
TRC1	Gaziantep, Adıyaman, Kilis	277.77	9.38	300.40	8.15	339.11	12.89
TRC2	Şanlıurfa, Diyarbakır	275.51	8.33	301.60	9.47	339.21	12.47
TRC3	Mardin, Batman, Şırnak, Siirt	249.18	8.00	271.80	9.08	305.01	12.22
TR	Türkiye	269.54	8.81	292.54	8.53	327.41	11.92

Source: TURKSTAT.

1.4.1.2 Domestic Producer Price Index

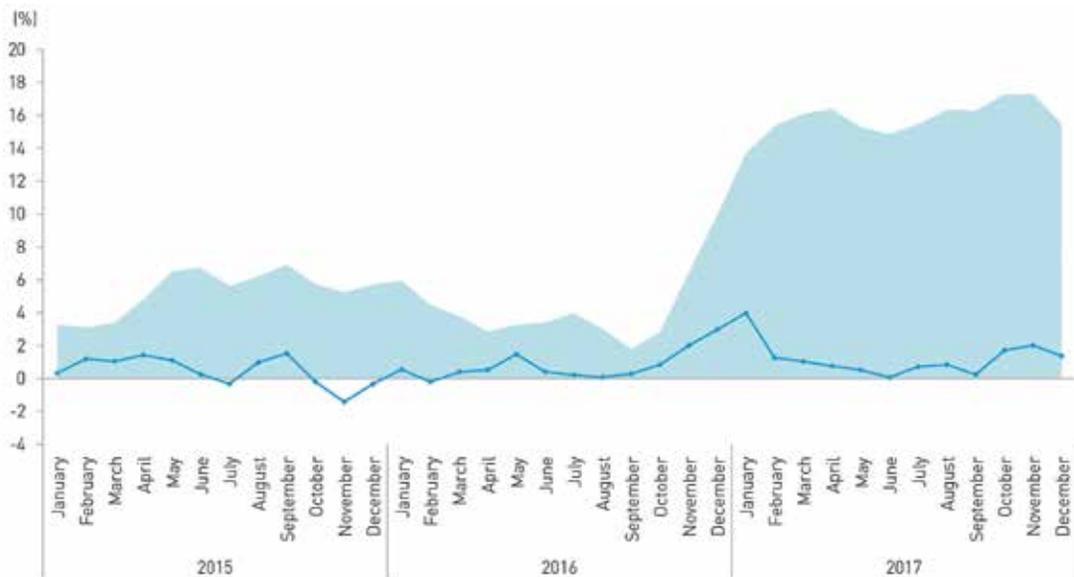
Domestic Producer Price Index (D-PPI) showed a dramatic increase in 2017, driven by the depreciation of the Turkish lira and the increase in input prices. Due to the fact that production is dependent on imports, the depreciation of the Turkish lira caused an upward pressure on import prices and the rise in oil prices gave rise to increased energy costs. The increase in commodity prices (oil, metal, energy) and the cost of inputs, especially in the production of food products, are another factor that elevated the index, while the rise in costs was also reflected upon consumer prices throughout the year (Table 61, Figure 30).

Table 61. Domestic Producer Price Index

Sectors	(2003=100)					
	2015		2016		2017	
	Index	Change (%)	Index	Change (%)	Index	Change (%)
	Twelve-Month Average					
Mining and quarrying	337.50	-1.92	344.19	1.98	393.20	14.24
Manufacturing	243.95	5.96	257.54	5.57	302.65	17.52
Electricity, gas production and distribution	238.88	0.03	218.44	-8.56	212.10	-2.90
Water supply, sewerage, waste management and treatment activities	245.45	21.65	265.94	8.35	294.99	10.92
General	247.19	5.28	257.81	4.30	298.60	15.82
	Year End					
Mining and quarrying	332.68	-0.69	359.32	8.01	417.29	16.13
Manufacturing	246.64	6.38	276.42	12.07	322.43	16.64
Electricity, gas production and distribution	236.42	0.19	208.55	-11.79	209.40	0.41
Water supply, sewerage, waste management and treatment activities	254.21	19.95	272.55	7.21	303.34	11.30
General	249.31	5.71	274.09	9.94	316.48	15.47

Source: TURKSTAT.

Figure 30. Rates of Change in the Domestic Producer Price Index (Monthly and Annual)



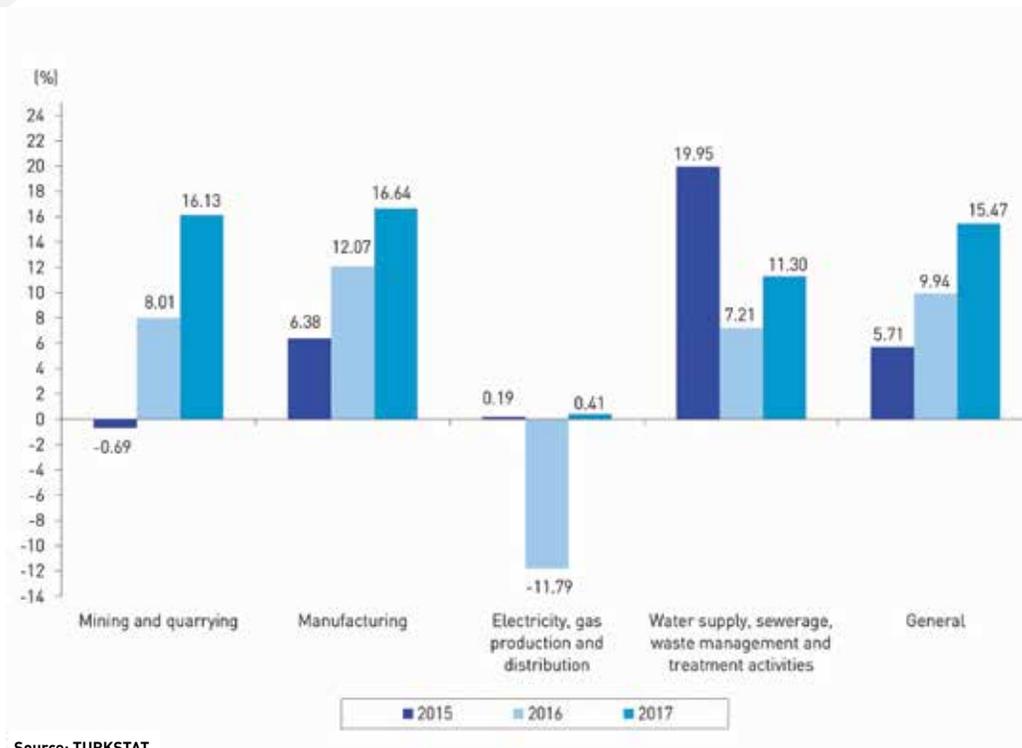
Source: TURKSTAT.

■ D-PPI [Annual] — D-PPI [Monthly]

The D-PPI that increased by 9.94% at the end of 2016 started the first month of 2017 with an annual increase of 13.69%, and such increase went up to 16.37% in April. D-PPI declined to 14.87% in June owing to limitation on inflation pressures across the manufacturing industry offered by the international commodity prices and positive course in the exchange rate. D-PPI, which entered into an increase trend after July, soared to 16.28% in September and continued its upward trend in October and November due to the depreciation of the Turkish lira and the increase in international commodity prices. The D-PPI, which had the highest increase since November 2008 with an increase of 17.30% in November, increased by 5.53 points compared to the end of the previous year with the base effect in December and completed the year at the level of 15.47%.

In 2017, prices of the manufacturing industry, one of sub-sectors of the industry, increased by 16.64%, prices of the mining and quarrying sector increased by 16.13%, prices of the water supply sector increased by 11.30% and prices of the electricity, gas generation and production sector went up by 0.41% (Figure 31).

Figure 31. Rates of Change in the Domestic Producer Price Index (by the End of Year)



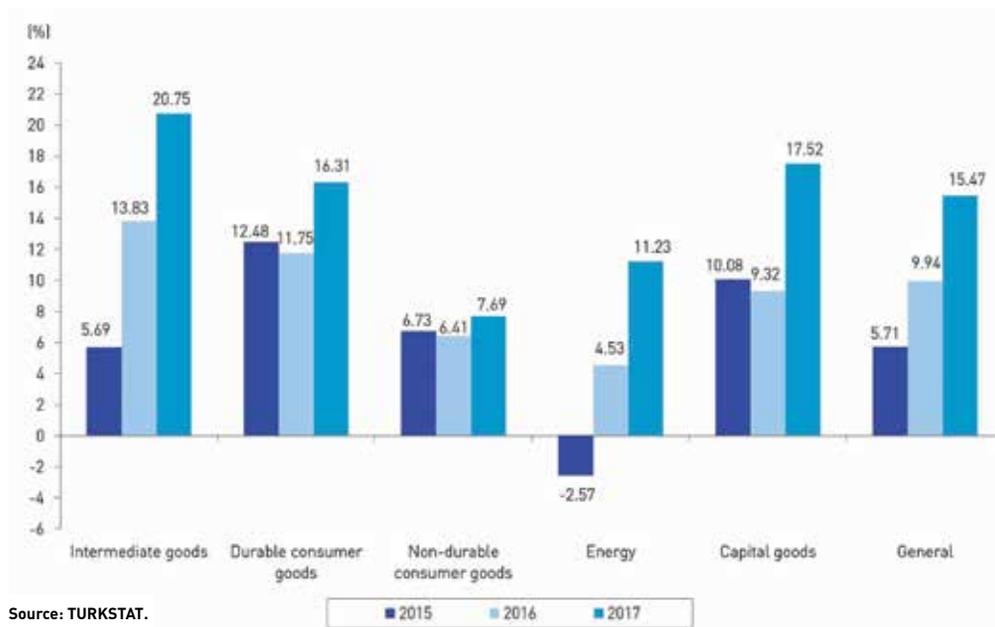
According to the main industrial groups classification in D-PPI, the highest increase at the end of 2017 was at intermediate goods with 20.75%. It was followed by prices of the capital goods with 17.52%, 16.31% with prices of durable consumer goods and rises in energy prices with 11.23%. The group with the lowest increase was prices of the non-durable consumer goods with 7.69% (Table 62, Figure 32).

Table 62. Domestic Producer Price Index by Main Industrial Groups

Main Industrial Groups	(2003=100)					
	2015		2016		2017	
	Index	Change (%)	Index	Change (%)	Index	Change (%)
	Twelve-Month Average					
Intermediate goods	246.03	5.00	259.93	5.65	315.32	21.31
Durable consumer goods	178.17	9.39	198.58	11.46	226.65	14.14
Non-durable consumer goods	232.19	10.12	242.25	4.33	265.11	9.44
Energy	331.70	-5.29	312.41	-5.82	351.29	12.45
Capital goods	207.64	5.75	223.80	7.78	257.74	15.16
General	247.19	5.28	257.81	4.30	298.60	15.82
	Year End					
Intermediate goods	248.96	5.69	283.38	13.83	342.17	20.75
Durable consumer goods	184.04	12.48	205.67	11.75	239.22	16.31
Non-durable consumer goods	234.55	6.73	249.59	6.41	268.78	7.69
Energy	318.21	-2.57	332.61	4.53	369.96	11.23
Capital goods	215.81	10.08	235.92	9.32	277.25	17.52
General	249.31	5.71	274.09	9.94	316.48	15.47

Source: TURKSTAT.

Figure 32. Rates of Change in the Domestic Producer Price Index by Main Industrial Groups (by the End of Year)



Source: TURKSTAT.

1.4.1.3 Agricultural Products Producer Price Index

Prices of the agricultural sector increased by 1.33% at the end of 2016, whereas such prices increased by 17.30% at the end of 2017, with a rise of 15.97 points. Rise in prices of the agricultural sector was driven by depreciation of the Turkish Lira, import-based agriculture, and high cost of fundamental inputs and raw materials such as fertilizer, pesticides and energy (diesel oil). Forestry products, and agriculture and hunting products and fishery exhibited increases by 21.01%, 17.25% and 15.78%, respectively, which are among-sub-sectors of agricultural PPI (Table 63).

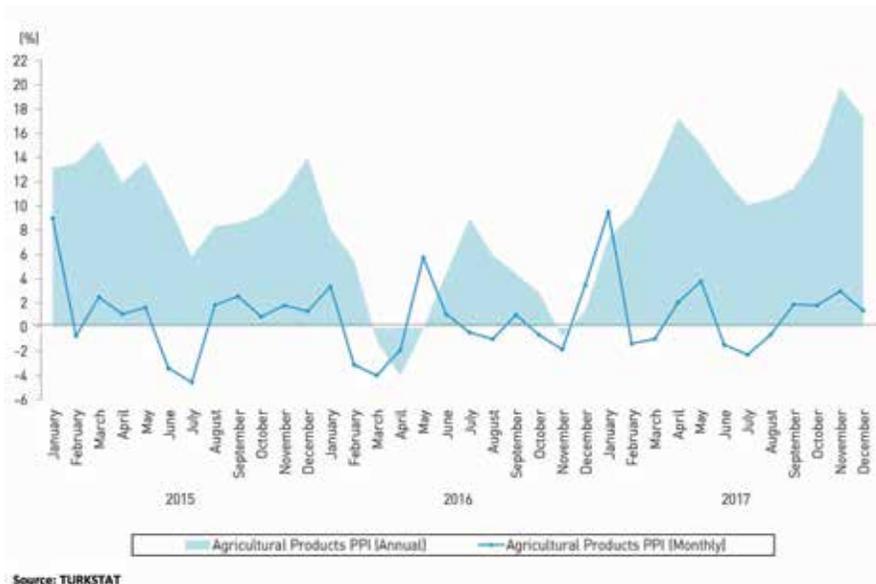
In 2017, while agricultural PPI reached its highest level on annual basis in November with 19.79%, it reached its highest level in terms of monthly change in January with 9.51% (Figure 33).

Table 63. Agricultural Products Producer Price Index

Sectors	(2010=100)					
	2015		2016		2017	
	Index	Change (%)	Index	Change (%)	Index	Change (%)
	Twelve-Month Average					
Agriculture and hunting products	129.44	11.28	133.37	3.03	150.50	12.85
Forestry products	162.17	4.51	158.22	-2.44	188.76	19.30
Fishing	165.11	15.58	169.90	2.90	195.89	15.30
General	130.82	11.20	134.60	2.89	152.19	13.07
	Year End					
Agriculture and hunting products	134.03	14.23	135.73	1.27	159.15	17.25
Forestry products	152.03	-0.56	154.41	1.56	186.85	21.01
Fishing	180.63	22.12	186.82	3.43	216.30	15.78
General	135.32	14.02	137.12	1.33	160.85	17.30

Source: TURKSTAT.

Figure 33. Rates of Change in the Agricultural Products Producer Price Index (Monthly and Annual)



Source: TURKSTAT

1.4.1.4 Foreign Producer Price Index

The Foreign Producer Price Index (F-PPI) which increased by 17.73% at the end of 2016 increased by 19.75% in 2017 with an increase by 2.02 points as of the year end. In terms of F-PPI, manufacturing industry sector and mining and quarrying sector, which are among sub-sector of industry, increased by 19.89% and 13.09%, respectively. According to the main industrial group classification, prices of intermediate goods showed the highest increase with 22.47%, prices of capital goods increased by 20.52%, energy prices rose by 19.50%, prices of durable consumption goods rose by 17.74% and prices of non-durable consumption goods rose by 15.66% (Table 64).

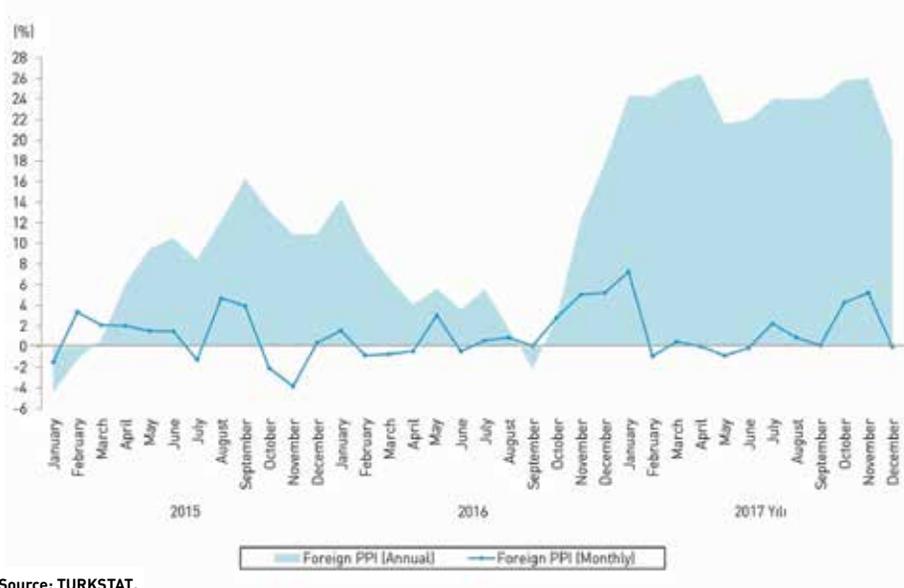
F-PPI reached its highest level in terms of annual change with 26.38% in April and reached its highest level in terms of monthly change with 7.25% in January (Figure 34).

Table 64. Foreign Producer Price Index

	[2010=100]					
	2015		2016		2017	
	Index	Change (%)	Index	Change (%)	Index	Change (%)
	Twelve-Month Average					
Sectors						
Mining and quarrying	153.38	5.51	166.31	8.43	203.93	22.62
Manufacturing Industry	153.29	7.73	163.46	6.64	202.65	23.98
Main Industrial Groups						
Intermediate goods	156.64	10.27	167.74	7.08	212.67	26.78
Durable consumer goods	138.65	9.31	147.92	6.69	179.71	21.50
Non-durable consumer goods	161.54	9.84	170.90	5.79	202.07	18.24
Energy	153.76	-16.03	144.80	-5.83	214.07	47.84
Capital goods	143.46	5.84	156.09	8.80	189.44	21.37
General	153.27	7.68	163.51	6.68	202.67	23.95
	Year End					
Sectors						
Mining and quarrying	154.99	5.43	190.04	22.61	214.92	13.09
Manufacturing Industry	156.75	11.00	184.38	17.63	221.05	19.89
Main Industrial Groups						
Intermediate goods	159.91	10.43	190.62	19.20	233.46	22.47
Durable consumer goods	141.79	13.49	165.10	16.44	194.39	17.74
Non-durable consumer goods	167.32	12.66	187.66	12.16	217.04	15.66
Energy	127.74	-12.58	202.20	58.29	241.63	19.50
Capital goods	149.85	13.12	171.76	14.62	207.01	20.52
General	156.70	10.90	184.48	17.73	220.92	19.75

Source: TURKSTAT.

Figure 34. Rates of Change in the Domestic Producer Price Index (Monthly and Annual)



Source: TURKSTAT.

1.4.2 Money, Bank

The Central Bank of Republic of Turkey also continued to implement a policy in 2017, in which the inflation is the core of the monetary policy and the monetary policy stance focusing on the price stability has been maintained. Inflation expectations, pricing behaviors and developments in all other factors affecting inflation influenced the creation of monetary policy decisions.

In addition to realization of the inflation within framework of the target set as 5% as part of the agreement reached with the Government in the Medium Term Program for

2017-2019 period, the safeguarding of financial stability was announced as the main objective of the monetary policy.

In order to achieve this target, the CBRT continued to use instruments developed in the new policy framework in addition to traditional policy instruments and practices aimed at balancing the foreign currency and Turkish lira liquidity.

The CBRT decided to initiate monetary tightening in November 2016, taking into account risks arising from rise in the global uncertainties, of November, and fluctuations in exchange rates. The policy interest rate was increased from 7.50% to 8.0%, the overnight lending interest rate was increased from 8.25% to 8.50%, and the lending interest rate was increased from 9.75% to 10.0% within framework of the late liquidity window practice.

Mobility seen in exchange rates in the last period of 2016 was decisive in taking monetary policy decisions in early 2017. The CBRT Monetary Policy Committee decided to strengthen the monetary tightening in January in order to limit the deterioration in inflation outlook, taking into consideration that the excessive fluctuation in exchange rates poses an upward risk on inflation. In this context, the CBRT increased the overnight lending rate from 8.5% to 9.25%, the lending interest rate within scope of the Late Liquidity Window (GLP) from 10% to 11% and took some liquidity measures (Table 65).

The CBRT continued to gradually strengthen monetary tightening in March and April and increased lending interest rates by 75 basis points in March and by 50 basis points in April, to 11.75% and 12.25% respectively within the framework of GLP practice.

Table 65. Interest Rate Decisions of Monetary Policy Board

Monetary Policy Board Meeting Dates	Policy Interest ⁽¹⁾	Overnight Borrowing Interest Rate	Overnight Lending Interest Rate	Late Liquidity Window (GLP) Overnight Lending Interest Rate
24 January 2017	8.00	7.25	9.25	11.00
26 March 2017	8.00	7.25	9.25	11.75
26 April 2017	8.00	7.25	9.25	12.25
15 June 2017	8.00	7.25	9.25	12.25
27 July 2017	8.00	7.25	9.25	12.25
14 September 2017	8.00	7.25	9.25	12.25
26 October 2017	8.00	7.25	9.25	12.25
14 December 2017	8.00	7.25	9.25	12.75

Source: CBRT.

[1]: The decision of Central Bank of Republic of Turkey on policy interest and the rate.

Despite the developments relating to cost in June and July and the restrictive impact of the correction on food prices, the CBRT continued its tight monetary policy stance and kept interest rates steady, keeping in mind that maintaining a high level of inflation was a risk.

The CBRT, which also maintained its tight stance in the last months of the year, strengthened the level of its monetary stance by giving a message indicating that it will continue its tight stance until a marked improvement in the inflation outlook is achieved. The Monetary Policy Committee raised its lending interest rate by 50 basis points to 12.75% within framework of GLP application during its meeting held on 14 December 2017 due to high inflationary outlook, the mobility in exchange rates driven by geopolitical risks and the upward risk caused by rise in oil prices.

One-week repo auction interest rate, the policy interest, was kept constant at 8.00%, overnight marginal funding rate at 9.25% and the Central Bank’s borrowing interest rate at 7.25% throughout the year. The predictability of the monetary policy increased significantly in 2017, largely due to the fact that the CBRT funding is largely made with the GLP channel.³

As a result of tight monetary policy practices put into force during 2017, the money in circulation, which is a sub-item of the M1 money supply increased by 6.7% TRY 119,198 million in comparison to the previous year, the demand TRY deposits increased by 12.5% to TRY 177,874 million, and the demand foreign exchange deposits increased by 35.7% to TRY 152,559 million. When it is taken into account that the CPI increased by 11.92% in 2017, then it is observed in real terms that the money in circulation decreased by 4.7%, the demand deposits increased by 0.5%, and the demand foreign exchange deposits increased by 21.2%. Thus, the narrowly defined M1 money supply, with an increase by 17.6%, rose to TRY 449,632 million, and grew by 5.1% in real terms (Table 66, Figure 35).

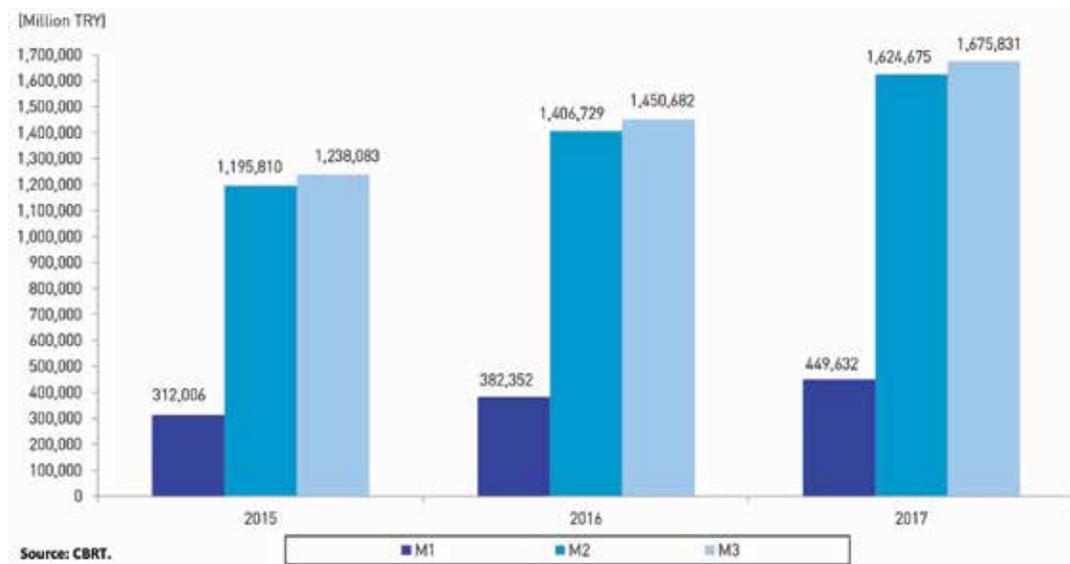
Table 66. Money Supplies

Money Supplies	2015	2016	2017	[Thousand TRY] Change [%]	
				2016	2017
M1	312,005,973	382,351,496	449,631,796	22.5	17.6
Money in circulation	92,309,443	111,762,364	119,198,420	21.1	6.7
Demand deposits (TRY)	125,194,596	158,143,756	177,874,445	26.3	12.5
Demand deposits (FX)	94,501,934	112,445,377	152,558,931	19.0	35.7
M2	1,195,810,095	1,406,729,188	1,624,675,300	17.6	15.5
Time deposits (TRY)	539,331,307	628,527,559	703,071,573	16.5	11.9
Time deposits (FX)	344,472,815	395,850,133	471,971,930	14.9	19.2
M3	1,238,083,234	1,450,681,529	1,675,831,303	17.2	15.5
Repo	4,637,563	6,935,989	5,376,687	49.6	-22.5
Money market funds	12,165,012	12,634,902	13,875,478	3.9	9.8
Securities issued	25,470,564	24,381,451	31,903,838	-4.3	30.9

Source: CBRT.

FX: Foreign exchange.

Figure 35. Money Supplies



³ CBRT, “2018 Annual Money and Exchange Rate Policy”

In 2017, the time TRY deposits, which are a sub-item of the M2 money supply, increased by 11.9% to 703,072 million TRY, whereas the time foreign exchange deposits increased by 19.2% to 471,972 million TRY. Thus, the M2 money supply increased by 15.5% to 1,624,675 million TRY. A 3.2% increase in real terms occurred in the M2 money supply. The M3 money supply increased by 15.5% to 1,675,831 million TRY, and increased by 3.2% in real terms.

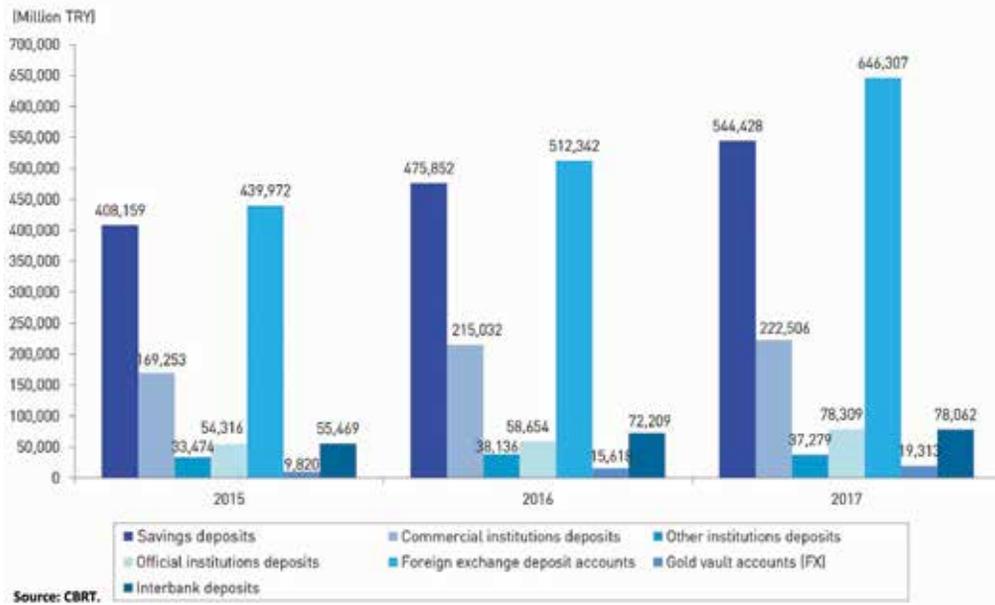
The total deposits in deposit banks accrued as 1,626,205 million TRY with an increase of 17.2% in 2017. The savings deposit that holds an important place within total deposits increased by 14.4% to TRY 544,428 million, the commercial institutions deposit increased by 3.5% to TRY 222,506 million, the public institutions deposit increased by 33.5% to TRY 78,309 million, and other institutions' deposit decreased by 2.2% to TRY 37,279 million. While foreign exchange deposit accounts increased by 26.1% to 646,307 million TRY and valuable metals vault accounts in foreign currency increased by 23.7% to 19,313 million TRY, while interbank deposits increased by 8.1% to 78,062 million TRY. While the largest share in total deposits belonged to foreign exchange deposit accounts with 39.7% as in the previous year, an important part of these accounts consisted of foreign currency term deposit accounts. The foreign exchange deposits account was followed by deposit accounts with a share of 33.5%, the share of term deposits, which ranked under this, was realised as 28.2%. Total deposits grew by 4.7% in real terms compared to the preceding year (Table 67, Figure 36).

Table 67. Deposits in Deposit Banks

Deposit Types				Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Savings deposits	408,158,556	475,851,788	544,428,220	34.9	34.3	33.5	16.6	14.4
Demand	57,935,679	77,706,790	86,544,513	4.9	5.6	5.3	34.1	11.4
Time	350,222,877	398,144,998	457,883,707	29.9	28.7	28.2	13.7	15.0
Commercial institutions deposits	169,252,662	215,032,378	222,505,860	14.5	15.5	13.7	27.0	3.5
Demand	41,321,561	54,615,019	52,984,848	3.5	3.9	3.3	32.2	-3.0
Time	127,931,101	160,417,359	169,521,012	10.9	11.6	10.4	25.4	5.7
Other institutions deposits	33,474,186	38,136,395	37,279,139	2.9	2.7	2.3	13.9	-2.2
Demand	6,767,873	7,509,466	7,039,651	0.6	0.5	0.4	11.0	-6.3
Time	26,706,313	30,626,929	30,239,488	2.3	2.2	1.9	14.7	-1.3
Official institutions deposits	54,315,816	58,653,965	78,308,564	4.6	4.2	4.8	8.0	33.5
Demand	17,423,560	16,616,426	28,317,941	1.5	1.2	1.7	-4.6	70.4
Time	36,892,256	42,037,539	49,990,623	3.2	3.0	3.1	13.9	18.9
Foreign exchange deposit accounts	439,972,232	512,342,333	646,307,462	37.6	36.9	39.7	16.4	26.1
Demand	85,343,117	100,908,333	126,401,374	7.3	7.3	7.8	18.2	25.3
Time	354,629,115	411,434,000	519,906,088	30.3	29.6	32.0	16.0	26.4
Gold vault accounts (FX)	9,819,800	15,617,790	19,313,471	0.8	1.1	1.2	59.0	23.7
Demand	7,636,156	12,238,569	14,672,172	0.7	0.9	0.9	60.3	19.9
Time	2,183,644	3,379,221	4,641,299	0.2	0.2	0.3	54.8	37.3
Interbank deposits	55,468,667	72,209,312	78,061,871	4.7	5.2	4.8	30.2	8.1
Total deposits	1,170,461,919	1,387,843,961	1,626,204,587	100.0	100.0	100.0	18.6	17.2

Source: CBRT.

Figure 36. Deposits in Deposit Banks



Commercial loans, which showed an upward tendency due to the incentives and measures of the CBRT supporting the financial system in the beginning of 2017, entered into a balancing process in the last quarter of the year. The fact that the surety facility of the Treasury-backed Credit Guarantee Fund (KGF) is close to the pre-defined limits played a role in slowing down of commercial loans.⁴ The positive outlook in economic activities, the increase in domestic demand supported the increase in consumer loans in particular. Expiration of the VAT discount applicable to housing, white goods and furniture sector slowed the growth of consumer loans.

The total bank loans took place as 21.1% in 2017, occurring as 8.2% in real terms. Thus, the loan volume which amounted to 1,628,276 million TRY in 2016 rose to 1,971,683 million TRY in 2017 (Table 68).

Among total loans, loans of deposit banks increased by 20.1% to 1,751,207 million TRY, loans of development and investment banks increased by 30.2% to 124,679 million TRY, and loans of participation banks increased by 29.1% to 95,797 million TRY. Loans of Turkish Lira deposit banks increased by 24.7% to 1,272,060 million TRY; and among components thereof, commercial and personal loans increased by 25.3% to 1,175,901 million TRY, agricultural loans by 16.6% to 55,329 million TRY, loans to tradesmen and artisans increased by 17.8% to 27,863 million TRY, and housing loans decreased by 12.4% to 53,591 million TRY. Foreign exchange deposit bank loans increased by 9.3% to 479,147 million TRY; and among important components thereof, foreign exchange commercial and personal loans increased by 9.1% to 473,172 million TRY, and specialized loans increased by 28.8% to 5,548 million TRY.

⁴ CBRT, "Inflation Report", 2018-I

Table 68. Bank Loans ⁽¹⁾

Bank loans	(Thousand TRY)				
	2015	2016	2017	Change (%)	
				2016	2017
Bank loans					
Deposit bank loans	1,261,685,765	1,458,303,679	1,751,207,327	15.6	20.1
TRY	907,975,932	1,019,745,717	1,272,060,087	12.3	24.7
Commercial and personal loans	842,249,316	938,617,825	1,175,900,935	11.4	25.3
Specialized loans	65,726,616	81,127,892	96,159,152	23.4	18.5
Agricultural loans	35,998,184	47,457,809	55,329,228	31.8	16.6
Loans to tradesmen and artisans	19,534,451	23,657,801	27,863,351	21.1	17.8
Housing loans	2,780,112	61,189	53,591	-97.8	-12.4
Other	7,413,869	9,951,093	12,912,982	34.2	29.8
Foreign currency	353,709,833	438,557,962	479,147,240	24.0	9.3
Commercial and personal loans	349,971,288	433,897,158	473,172,463	24.0	9.1
Specialized loans	3,738,545	4,660,804	5,974,777	24.7	28.2
Agricultural loans	0	0	0	-	-
Loans to tradesmen and artisans	3,496,219	4,307,337	5,548,352	23.2	28.8
Housing loans	0	0	0	-	-
Other	242,326	353,467	426,425	45.9	20.6
Development and investment bank loans	70,582,992	95,741,522	124,679,147	35.6	30.2
TRY	22,818,359	26,691,586	35,145,292	17.0	31.7
Export Credit Bank of Turkey	4,509,446	5,502,404	6,313,859	22.0	14.7
Other	18,308,913	21,189,182	28,831,433	15.7	36.1
Foreign currency	47,764,633	69,049,936	89,533,855	44.6	29.7
Export Credit Bank of Turkey	32,427,205	47,321,724	62,926,137	45.9	33.0
Other	15,337,428	21,728,212	26,607,718	41.7	22.5
Participation bank loans	70,347,649	74,230,440	95,796,943	5.5	29.1
TRY	62,910,382	63,313,618	80,867,316	0.6	27.7
Foreign currency	7,437,267	10,916,822	14,929,627	46.8	36.8
Total	1,402,616,406	1,628,275,641	1,971,683,417	16.1	21.1

Source: CBRT.

(1): Includes domestic loans.

In 2017, development and investment bank loans in Turkish Lira increased by 31.7% to 35,145 million TRY, development and investment bank loans in foreign exchange increased by 29.7% to 89,534 million TRY.

Participation bank loans in Turkish Lira increased by 27.7% to 80,867 million TRY, participation bank loans in foreign exchange increased by 36.8% to 14,930 million TRY.

Compared to 2016, deposit bank consumer loans increased by 18.0% to 380,711 million TRY, development and investment banks consumer loans by 17.2% to 2,041 million TRY, and participation banks consumer loans increased by 10.4% to 14,919 million TRY. The housing loans made available by deposit banks increased by 17.1% to 178,460 million TRY, development, and vehicle loans increased by 3.8% to 6,242 million TRY. The decline in foreign exchange-indexed loans continued in 2017 (Table 69).

Table 69. Banking Sector Consumer Loans

		(Thousand TRY)				
		2015	2016	2017	Change (%)	
					2016	2017
Deposit Banks		289,764,313	322,564,969	380,711,430	11.3	18.0
	Housing	131,132,892	152,395,520	178,459,560	16.2	17.1
	Vehicle	5,695,605	6,015,072	6,241,832	5.6	3.8
	Other	152,935,816	164,154,377	196,010,038	7.3	19.4
Foreign Currency-Indexed	Housing	265,300	161,603	107,267	-39.1	-33.6
	Vehicle	1	1	0	0.0	-100.0
	Other	6,386	3,186	1,636	-50.1	-48.7
Development and Investment Banks		1,343,198	1,741,474	2,040,608	29.7	17.2
	Housing	3,690	1,892	350	-48.7	-81.5
	Vehicle	3	49,836	213,288	-	328.0
	Other	1,339,505	1,689,746	1,826,970	26.1	8.1
Foreign Currency-Indexed	Housing	2,831	1,411	208	-50.2	-85.3
	Vehicle	0	0	0	-	-
	Other	125	65	0	-48.0	-100.0
Participation Banks		13,930,830	13,507,519	14,918,780	-3.0	10.4
	Housing	11,969,177	11,659,398	13,138,644	-2.6	12.7
	Vehicle	643,156	653,480	738,368	1.6	13.0
	Other	1,318,497	1,194,641	1,041,768	-9.4	-12.8
Foreign Currency-Indexed	Housing	24,248	2,140	676	-91.2	-68.4
	Vehicle	0	0	0	-	-
	Other	25,616	33,037	24,470	29.0	-25.9

Source: CBRT.

In 2017, the number of real persons failing to pay their personal loan debts increased by 3.2% compared to the previous year, reaching 750,201, while the number of real persons failing to pay their personal credit card debt decreased by 10.2% to 875,465, and the number of real persons failing to pay their personal loan or credit card debts decreased by 2.1% to 1,293,314 (Table 70).

Table 70. Number of Real Persons Failing to Pay Their Personal Loan and Credit Card Debts

Years	Number of Real Persons Failing to Pay Their Personal Loan Debts ⁽¹⁾	Number of Real Persons Failing to Pay Their Personal Credit Card Debts ⁽¹⁾	Number of Real Persons Failing to Pay Their Personal Loan or Personal Credit Card Debts ⁽²⁾
2015	725,278	1,002,518	1,331,305
2016	727,268	975,015	1,321,053
2017	750,201	875,465	1,293,314
		Change (%)	
2015	8.4	-1.6	2.6
2016	0.3	-2.7	-0.8
2017	3.2	-10.2	-2.1

Source: The Banks Association of Turkey Risk Center

(1) The number of individuals who have been subjected to legal proceedings due to personal loans and credit cards.

(2) The number of individuals who have been subjected to legal proceedings due to personal loans only, credit cards only, and both personal loans and credit cards.

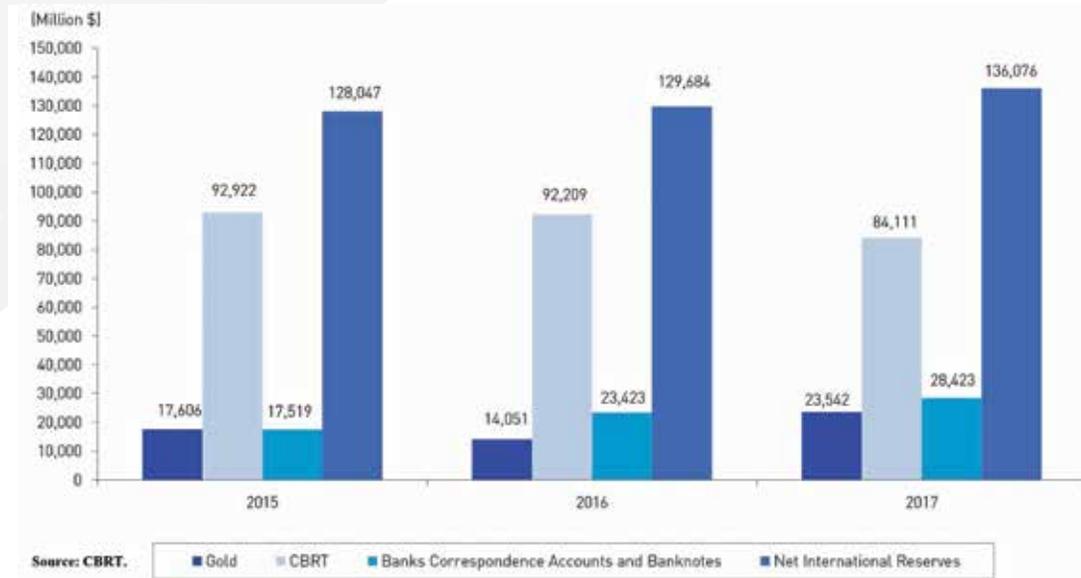
The gross foreign exchange reserves which increased by 4.7% in 2016, declined by 2.7% to 112,534 million Dollars in 2017. The gold reserve increased by 67.5% to 23,542 million Dollars. In connection with these changes, the gross international reserves increased by 4.9%, from 129,684 to 136,076 million Dollars (Table 71, Figure 37).

Table 71. International Reserves

Years	Gross Foreign Exchange Reserves					Gross International Reserves	Correspondent Overdrafts	Net International Reserves
	Gold	CBRT	Banks Correspondence Accounts and Banknotes		Total			
2015	17,606	92,922	17,519		110,441	128,047	0	128,047
2016	14,051	92,209	23,423		115,632	129,684	0	129,684
2017	23,542	84,111	28,423		112,534	136,076	0	136,076

Source: CBRT.

Figure 37. International Reserves



The rate of imports covered by CBRT foreign exchange reserves that was at the level of 5.6 months in 2016 decreased to 4.3 months in 2017. The increase in imports in the face of a decrease in the CBRT foreign exchange reserves played a role in this decrease (Table 72).

Table 72. CBRT Reserves and Import Coverage Ratio

Years	CBRT Foreign Exchange		Average Monthly Import	Rate of Foreign Exchange Reserves Covering Average Monthly Imports
	Stock	Import		
2015	92,922	207,234	17,270	5.4
2016	92,209	198,618	16,552	5.6
2017	84,111	233,800	19,483	4.3

Source: CBRT, TURKSTAT.

In the banking sector, in which deposit banking is predominant, a total of 52 banks engaged in activities with 34 deposit, 13 development and investment, and 5 participation banks. Of the deposit banks, 3 are state-owned banks, 9 are privately-owned banks, 21 are foreign banks, and 1 bank remains within the scope of the Savings Deposit Insurance Fund. Of the development and investment banks, 3 are public banks, 6 are private banks, and 4 are foreign capital banks. 2 of the participation banks are publicly owned, while 3 are of foreign capital. In the Turkish banking system, 65.4% of the banks consist of deposit banks, 25.0% of development and investment banks, and 9.6% of participation banks (Table 73)

Table 73. Number of Banks, Branches and Personnel Information in the Turkish Banking System

Banks	Number of Banks			Number of Branches			Number of Personnel		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Deposit banks	34	34	34	11,151	10,740	10,500	195,838	191,363	188,266
State-owned banks	3	3	3	3,681	3,702	3,677	58,211	57,586	58,502
Privately-owned banks	9	9	9	4,299	4,132	4,013	74,756	73,742	73,460
Banks transferred to the SDIF	1	1	1	1	1	1	225	231	225
Foreign banks	21	21	21	3,170	2,905	2,809	62,646	59,804	56,079
Development and Investment Banks	13	13	13	42	41	50	5,366	5,336	5,238
State-owned banks	3	3	3	23	23	31	3,783	3,766	3,627
Privately-owned banks	6	6	6	15	14	15	1,338	1,373	1,411
Foreign banks	4	4	4	4	4	4	245	197	200
Participation banks	4	5	5	880	967	1,032	13,768	14,532	15,031
State-owned banks	1	2	2	22	81	126	458	1,165	1,616
Foreign banks	3	3	3	858	886	906	13,310	13,367	13,415
Total	51	52	52	12,073	11,748	11,582	214,972	211,231	208,535
Share (%)									
Banks	Number of Banks			Number of Branches			Number of Personnel		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Deposit banks	66.7	65.4	65.4	92.4	91.4	90.7	91.1	90.6	90.3
State-owned banks	5.9	5.8	5.8	30.5	31.5	31.7	27.1	27.3	28.1
Privately-owned banks	17.6	17.3	17.3	35.6	35.2	34.6	34.8	34.9	35.2
Banks transferred to the SDIF	2.0	1.9	1.9	0.0	0.0	0.0	0.1	0.1	0.1
Foreign banks	41.2	40.4	40.4	26.3	24.7	24.3	29.1	28.3	26.9
Development and Investment Banks	25.5	25.0	25.0	0.3	0.3	0.4	2.5	2.5	2.5
State-owned banks	5.9	5.8	5.8	0.2	0.2	0.3	1.8	1.8	1.7
Privately-owned banks	11.8	11.5	11.5	0.1	0.1	0.1	0.6	0.6	0.7
Foreign banks	7.8	7.7	7.7	0.0	0.0	0.0	0.1	0.1	0.1
Participation banks	7.8	9.6	9.6	7.3	8.2	8.9	6.4	6.9	7.2
State-owned banks	2.0	3.8	3.8	0.2	0.7	1.1	0.2	0.6	0.8
Privately-owned banks	5.9	5.8	5.8	7.1	7.5	7.8	6.2	6.3	6.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: The Banks Association of Turkey, The Participation Banks Association of Turkey

The total number of branches in the banking sector decreased by 166 in 2017, to 11,582. The number of state-owned deposit bank branches decreased by 25 to 3,677, the number of private sector deposit bank branches by 119 to 4,013, while the number of branches of foreign deposit banks decreased by 96 to 2,809. Thus, the number of deposit bank branches decrease by 240 to 10,500. The number of branches of the development and investment banks increased by 9 to 50, and the number of branches of participation banks increased by 65 to 1,032.

The total number of people employed in the banking system, which was 211,231 in 2016, decreased by 2,696 to 208,535 in 2017. 90.3% of the personnel working in the sector is employed by deposit banks, 2.5% by development and investment banks, and 7.2% by participation banks.

According to the December 2017 Review of the Banking Sector conducted by the Banks Association of Turkey, the sector achieved a profitability of 14.7% in 2017. The changes aimed at harmonisation with international regulations in regulations related to the banking sector have affected the capital adequacy, banking products and demand, the arrangements supporting growth had a positive impact on the demand for loans, while the Treasury-guaranteed loans and those made available through a KGF surety had a positive effect on loan supply.⁵

1.4.3 Capital Market

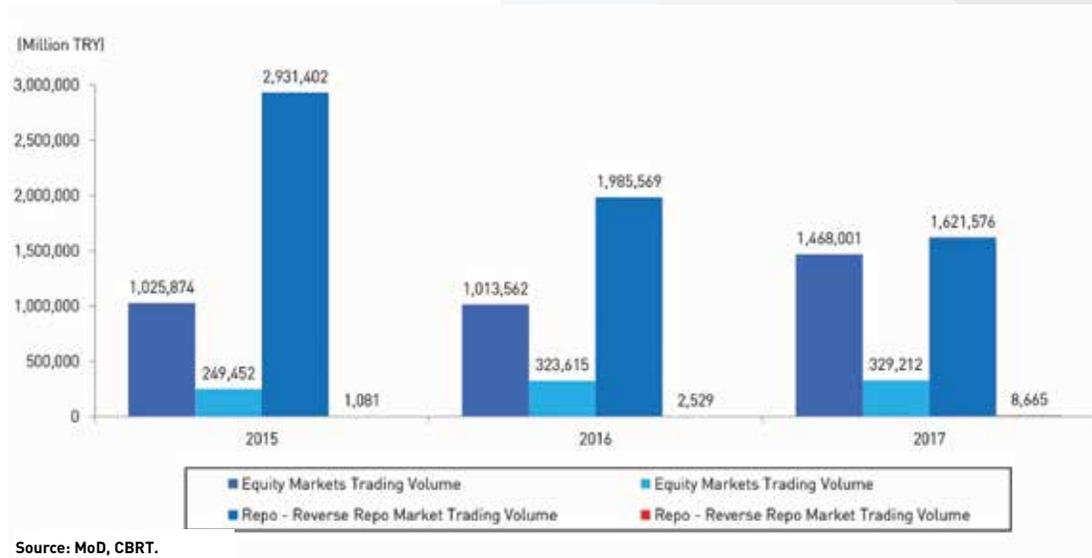
In the securities market in 2017, the trading volume of the stock markets increased by 44.8% compared to the previous year, reaching 1,468,001 million TRY, public securities outright trading volume increased by 1,7% to 329,212 million TRY, the volume of transactions carried out with TRY at the gold exchange increased by 242.6% to 8.665 million TRY, and the repo - reverse repo market trading volume decreased by 18.3% to 1,621,576 million TRY (Table 74, Figure 38).

Table 74. Various Indicators in the Stock Markets

Years	Months	Equity Markets Trading Volume	Public Securities Outright Trading Volume	Repo - Reverse Repo Market Trading Volume	(Million TRY)
					Gold Exchange, Volume of Transactions Carried out Over TRY
2015	January	98,410	33,064	243,583	164
	February	95,727	23,935	238,872	61
	March	100,995	24,312	264,001	72
	April	88,973	18,902	260,626	73
	May	84,658	21,517	249,207	51
	June	87,284	21,470	297,344	53
	July	74,524	18,698	260,524	190
	August	66,039	13,808	249,019	66
	September	58,091	11,628	223,543	60
	October	86,866	22,255	223,846	142
	November	94,290	22,122	210,936	98
	December	90,016	17,741	209,901	51
	Total	1,025,874	249,452	2,931,402	1,081
2016	January	84,253	32,646	185,521	49
	February	95,581	30,899	189,938	240
	March	108,159	30,582	214,411	146
	April	101,720	26,288	189,101	162
	May	90,475	3,152	190,200	467
	June	75,190	32,661	164,952	204
	July	73,664	27,233	149,493	264
	August	75,789	23,536	172,221	228
	September	64,659	26,980	127,446	157
	October	84,696	28,140	137,625	185
	November	86,088	36,209	129,471	211
	December	73,286	25,289	135,190	215
	Total	1,013,562	323,615	1,985,569	2,529
2017	January	111,191	38,572	159,157	488
	February	99,686	29,316	144,094	605
	March	104,397	38,946	170,524	875
	April	94,090	32,004	153,832	902
	May	126,122	25,467	131,689	763
	June	102,568	26,231	109,810	772
	July	119,892	2,517	120,612	922
	August	136,944	23,445	120,799	507
	September	117,490	20,724	105,820	739
	October	140,841	27,583	125,854	694
	November	177,209	31,217	136,989	652
	December	137,571	33,189	142,396	746
	Total	1,468,001	329,212	1,621,576	8,665

Source: MoD, CBRT.

Figure 38. Various Indicators in the Stock Markets



Source: MoD, CBRT.

The month during which the stock markets trading volume was the highest was November, and the month with the highest public securities outright trading volume was March, the repo - reverse repo market trading volume was the highest in March, while the greatest trading volume for transactions carried out over TRY at the gold exchange was seen in July.

Borsa Istanbul (BIST)

The failure to achieve the expected recovery in the global economy, a limited growth, global economic risks and geopolitical developments had a negative impact upon markets. Only one interest rate increase by the United States Federal Reserve (Fed), the US presidential election and the Brexit decision were the most important factors affecting global markets in 2016.

Starting from the second half of 2016, a recovery started in the global economic activities, which went on in 2017, too. The relative improvement in financial conditions, policies supporting the growth, the increase in commodity prices gave rise to a positive atmosphere in markets, increasing the risk appetite of investors. These positive developments also had a positive impact upon the global equity markets.

Similar developments were seen in the stock markets in our country too. Concerns around Turkey in 2016 due to terror attacks, the failed coup attempt, and geopolitical tensions decreased in 2017, and continued growth in the economy increased capital inflows. The Borsa Istanbul (BIST) 100 Index rose to high levels.

The Borsa Istanbul (BIST) 100 Index, which completed the year 2016 at the level of 78,138.7, started 2017 at the level of 86,295.7 with a rapid increase. While following a course of an increase that generally continued throughout the year, a decline was seen in September and November, but closed at its highest level with 115,333.0 in December (Table 75).

Table 75. Borsa Istanbul (BIST) Index and Trading Volume

Years	Months	Trading Volume (Thousand TRY)	BIST 100 Index (January 1986=1)	Consumer Price Index (2003=100)		Trading Volume	
				Index	Change (%)	Nominal Change (%)	Real Change (%)
2015	January	98,409,765	88,945.8	250.5	1.1	2.0	0.9
	February	95,727,458	84,147.5	252.2	0.7	-2.7	-3.4
	March	100,994,646	80,846.0	255.2	1.2	5.5	4.3
	April	88,973,480	83,947.0	259.4	1.6	-11.9	-13.3
	May	84,658,202	82,981.2	260.9	0.6	-4.9	-5.4
	June	87,284,309	82,249.5	259.5	-0.5	3.1	3.6
	July	74,524,271	79,909.7	259.7	0.1	-14.6	-14.7
	August	66,038,812	75,210.4	260.8	0.4	-11.4	-11.7
	September	58,091,246	74,205.5	263.1	0.9	-12.0	-12.8
	October	86,866,119	79,409.0	267.2	1.6	49.5	47.2
	November	94,289,820	75,232.8	269.0	0.7	8.5	7.8
	December	90,015,949	71,727.0	269.5	0.2	-4.5	-4.7
2016	January	84,253,201	73,481.1	274.4	1.8	-6.4	-8.1
	February	95,581,225	75,814.4	274.4	0.0	13.4	13.5
	March	108,159,342	83,268.0	274.3	0.0	13.2	13.2
	April	101,720,209	85,327.8	276.4	0.8	-6.0	-6.7
	May	90,475,189	77,803.4	278.0	0.6	-11.1	-11.6
	June	75,190,204	76,817.2	279.3	0.5	-16.9	-17.3
	July	73,664,074	75,405.5	282.6	1.2	-2.0	-3.2
	August	75,789,465	75,967.6	281.8	-0.3	2.9	3.2
	September	64,658,885	76,488.4	282.3	0.2	-14.7	-14.8
	October	84,696,188	78,536.2	286.3	1.4	31.0	29.1
	November	86,087,916	73,995.2	287.8	0.5	1.6	1.1
	December	73,286,449	78,138.7	292.5	1.6	-14.9	-16.2
2017	January	111,190,544	86,295.7	299.7	2.5	51.7	48.1
	February	99,686,405	87,478.3	302.2	0.8	-10.3	-11.1
	March	104,396,518	88,947.4	305.2	1.0	4.7	3.7
	April	94,089,820	94,655.3	309.2	1.3	-9.9	-11.0
	May	126,121,755	97,541.6	310.6	0.4	34.0	33.4
	June	102,567,546	100,440.4	309.8	-0.3	-18.7	-18.5
	July	119,891,963	107,531.4	310.2	0.1	16.9	16.7
	August	136,944,325	110,010.5	311.9	0.5	14.2	13.6
	September	117,490,220	102,907.7	313.9	0.7	-14.2	-14.8
	October	140,841,308	110,142.6	320.4	2.1	19.9	17.4
	November	177,209,467	103,984.4	325.2	1.5	25.8	24.0
	December	137,571,310	115,333.0	327.4	0.7	-22.4	-22.9

Source: BIST, CMB, TURKSTAT.

The total trading volume of Borsa Istanbul, which decreased by 1.2% in 2016, rose by 44.8%, from 1,013,562 million TRY to 1,468,001 million TRY. As of months, the month with the highest trading volume was November with 177,209 million TRY, and the lowest trading volume was in April with 94,090 million TRY.

In 2017, the month with the highest real increase in the total trading volume in Borsa Istanbul was January with 48.1%, and this was followed by May with 33.4% and November with 24.0%. The months demonstrating the greatest real decrease in the total trading volume were December with 22.9%, June with 18.5%, and September with 14.8%.

Number of domestic investors having share portfolio in 2017 at Borsa Istanbul rose to 1,081,334 with an increase by 4.9%, and number of foreign investors rose to 9,569 with an increase by 0.9%, compared to 2016. Thus, number of total investors who invested in BIST in 2017 increased to 1,090,903 with an increase by 4.8% compared to 2016. In

2017, portfolio values increased in line with numbers of domestic and foreign investors. Portfolio value at BIST of domestic investors increased by 35.8% to TRY 122,614 million, that of foreign investors increased by 48.4% to TRY 232,261 million, and total portfolio value increased by 43.8% to TRY 354,875 million. Among the total number of investors who invested in Borsa Istanbul, share of the domestic investors was 99.1 and share of foreign investors was 0.9% as it was the case in the previous year; and by portfolio value, share of domestic investors was 34.6%, and share of foreign investors was 65.4% [Table 76].

Table 76. Number of Investors Investing in Borsa Istanbul, and Portfolio Value

Nationality of the Investor	Number of Investors			Change (%)		Portfolio Value (Million TRY)			Change (%)	
	2015	2016	2017	2016	2017	2015	2016	2017	2016	2017
Domestic	1,049,578	1,031,309	1,081,334	-1.7	4.9	85,114	90,321	122,614	6.1	35.8
Foreign	9,735	9,485	9,569	-2.6	0.9	141,206	156,511	232,261	10.8	48.4
Total	1,059,313	1,040,794	1,090,903	-1.7	4.8	226,320	246,832	354,875	9.1	43.8

Source: CRA.

Among the countries in the top ten in 2017 according to the portfolio value within the foreign investors investing in Borsa Istanbul; USA takes the first place with 1,265 investors and a portfolio of 75,957 million TRY, UK the second place with 420 investors with a portfolio of 37,245 million TRY, and Luxembourg the third place with 283 investors with a portfolio of 16,859 million TRY. In 2017, the countries in the top ten among the foreign investors in our country, with their portfolio value of of 180,874 million TRY, represent 77.9% of the total foreign portfolio value of 232,261 million TRY (Table 77).

Table 77. Top Ten Countries of Foreign Investors in Borsa Istanbul ⁽¹⁾

Countries	Number of Investors	Change(%)	Portfolio Value (Million TRY)	(Year 2017)
				Change (%)
United States of America	1,265	13.2	75,957	32.7
United Kingdom	420	4.4	37,245	16.0
Luxemburg	283	3.0	16,859	7.3
The Netherlands	128	1.3	9,352	4.0
Qatar	5	0.1	8,999	3.9
Ireland	163	1.7	8,839	3.8
Canada	178	1.9	6,722	2.9
Singapore	8	0.1	6,248	2.7
Norway	18	0.2	5,798	2.5
Cayman Islands	118	1.2	4,855	2.1
Total of 10 countries	2,586	27.0	180,874	77.9
Total foreign investors	9,569	100.0	232,261	100.0

Source: CRA.

(1): The first ten countries that are foreign investors investing in BIST according to the portfolio value were taken.

1.4.4 Public Finance

The Medium Term Fiscal Plan (2017-2019)⁶ suggests that the fiscal policy will be implemented in a manner consistent with basic purposes and priorities of the economy policy, contributing to protection of the economic stability, increasing the growth policy, keeping the current account deficit under control, encouragement of domestic savings and investments. The aim was ensuring that the fiscal policy is sustainable, gains in the field of public economy are retained and the borrowing requirement of the public sector is reduced. It was planned to allocate resources of the central government budget in line with these objectives and to use such resources economically and

⁶ MoF, "Medium-Term Financial Plan", (2017-2019).

efficiently. It has been stated that the financial discipline will continue to be supported by structural reforms.

In the Medium Term Program (2017-2019), it has been predicted that the ratio the public sector's general balance bears to GDP will have a deficit of 1.5% at the end of 2017 and fall to 0.9% at the end of the program period. The fiscal policy was applied in this framework in 2017.

It is estimated that the uptrend in general government revenues should continue with a deceleration in 2017. The general government revenues which increased by 13.2% in 2016 are expected to advance to 1,011,034 million TRY in 2017 with an increase by 11.8% (Table 78).

Table 78. General Government Revenues ⁽¹⁾

Revenues	(at Current Prices, Million TRY)								
				Change (%)		Share (%)			
	2015	2016	2017 ⁽²⁾	2016	2017	2015	2016	2017	
Taxes	418,694	470,431	534,637	12.4	13.6	52.4	52.0	52.9	
Direct	118,880	138,106	160,501	16.2	16.2	14.9	15.3	15.9	
Indirect	285,677	315,094	355,071	10.3	12.7	35.7	34.8	35.1	
Asset	14,137	17,231	19,065	21.9	10.6	1.8	1.9	1.9	
Non-tax normal revenues	42,794	46,273	50,074	8.1	8.2	5.4	5.1	5.0	
Factor revenues	112,676	129,576	138,277	15.0	6.7	14.1	14.3	13.7	
Social funds	212,940	248,442	282,045	16.7	13.5	26.6	27.5	27.9	
Total	787,104	894,722	1,005,034	13.7	12.3	98.5	98.9	99.4	
Privatization revenues	12,069	9,583	6,000	-20.6	-37.4	1.5	1.1	0.6	
Total revenues	799,173	904,305	1,011,034	13.2	11.8	100.0	100.0	100.0	

Source: KB, TURKSTAT.

(1): Includes general government, central government budget, local administrations, revolving fund organizations, Unemployment Insurance Fund, social security organizations, general health insurance and funds.

(2): Realisation estimate.

Tax revenues which make up a substantial portion of the general government revenues are expected to increase by 13.6% to 534,637 million TRY in 2017. Non-tax normal revenues are expected to increase by 8.2% to 50,074 million TRY, factor revenues by 6.7% to 138,277 million TRY, and social funds by 13.5% to 282,045 million TRY. It is estimated that the privatisation revenues, which decreased by 20.6% in 2016, will continue this trend in 2017, and decrease by 37.4% to 6,000 million TRY.

It is expected that the share of the revenue components within government revenues should recede from 2016 to 2017 from 52.0% to 52.9% in taxes, from 27.5% to 27.9% in social funds, from 5.1% to 5.0% in non-tax normal revenues, from 14.3% to 13.7% in factor revenues, and from 1.1% to 0.6% in privatisation revenues.

The general government expenditures which increased by 17.2% in 2016 are expected to reach 1,085,294 million TRY in 2017 with a 15.5% increase. Current expenditures increased by 13.1% to 482,537 million TRY. While fixed capital investments from among the subordinate items of investment expenditures rose by 18.5% to 108,062 million TRY, public inventories demonstrated a deficit of 334 million TRY. Thus, the general government investment expenditures which increased by 12.7% in 2016 increased by 18.6% in 2017, reaching 108,396 million TRY. The general government transfer expenditures which increased by 16.2% in 2016 are expected to rise by 17.3% in 2017, reaching 494,361 million TRY. The current transfers and capital transfers, which constitute the substantial part of transfer expenditures, rose to 469,750 million TRY with an increase of 17.5% and to 24,611 million TRY with an increase of 14.2%, respectively. During this period, primary expenditures are expected to increase by 15.6% to 1,024,644 million TRY (Table 79).

Table 79. General Government Expenditures ⁽¹⁾

Expenditures	(at Current Prices, Million TRY)							
				Change (%)		Share (%)		
	2015	2016	2017 ⁽²⁾	2016	2017	2015	2016	2017
Current expenditures	357,676	426,604	482,537	19.3	13.1	44.6	45.4	44.5
Investment expenditures	81,101	91,416	108,396	12.7	18.6	10.1	9.7	10.0
Fixed capital	80,991	91,189	108,062	12.6	18.5	10.1	9.7	10.0
Change in stock	110	226	334	105.5	47.8	0.0	0.0	0.0
Transfer expenditures	362,824	421,435	494,361	16.2	17.3	45.3	44.9	45.6
Current transfers	339,398	399,883	469,750	17.8	17.5	42.3	42.6	43.3
Capital transfers	23,426	21,552	24,611	-8.0	14.2	2.9	2.3	2.3
Total expenditures	801,601	939,455	1,085,294	17.2	15.5	100.0	100.0	100.0
Non-interest expenditures	746,750	886,717	1,024,644	18.7	15.6	93.2	94.4	94.4

Source: MoD, TURKSTAT.

[1]: Includes general government, central government budget, local administrations, revolving fund organizations, Unemployment Insurance Fund, social security organizations, general health insurance and funds.

[2]: Realisation estimate.

Within the general government expenditure for 2017, the share of current expenditures was 44.5%, that of investment expenditures 10.0%, and the share of transfer expenditures was 45.6%.

1.4.4.1 Central Government Budget

The Central Government Budget Law of 2017 aimed that the central administrative budget expenditure should be 645,124 million TRY, while the budget revenues should be 598,274 million TRY. According to these targets, it was envisaged that the budget balance would produce a deficit of 46,851 million TRY, and the non-interest balance would produce a surplus of 10,649 million TRY. The ratio of the budget deficit to the GDP was aimed to be 1.6%.

A tight fiscal policy was implemented in line with the tight monetary policy implemented by the CBRT up to 2017. An expansionary fiscal was carried out in 2017 in order to remedy the slowdown in economic activities in 2016 and invigorate the economy. New tax incentives, subsidies and tax reductions aimed to boost production, investment and employment.

At the end of the year, budget revenues and expenses exceeded estimates. Budget expenditures occurred 32,598 million TRY over the target, while budget revenues occurred 32,075 million TRY over the target. While the budget deficit remained below the target value by 522 million TRY with 47,373 million TRY, the non-interest balance remained behind the target by 1,310 million TRY with 9,339 million TRY. While current transfers, investment expenditures and interest expenditures had a negative impact upon budget realizations, they positively affected the increase in tax revenues.

Compared to the preceding year, budget revenues increased from 554,140 million TRY to 630,349 million TRY with an increase of 13.8%, and budget expenses increased from 584,071 million TRY to 677,722 million TRY with an increase of 16.0%. The budget deficit increased by 58.3%, climbing from 29,932 million TRY to 47,373 million TRY. The non-interest surplus decreased by 54.0%, from 20,315 million TRY to 9,339 million TRY. The ratio by which the budget revenues cover the expenses was 93.0% (Table 80, Figure 39).

At current prices, the ratio of the 2017 central government budget revenues to the

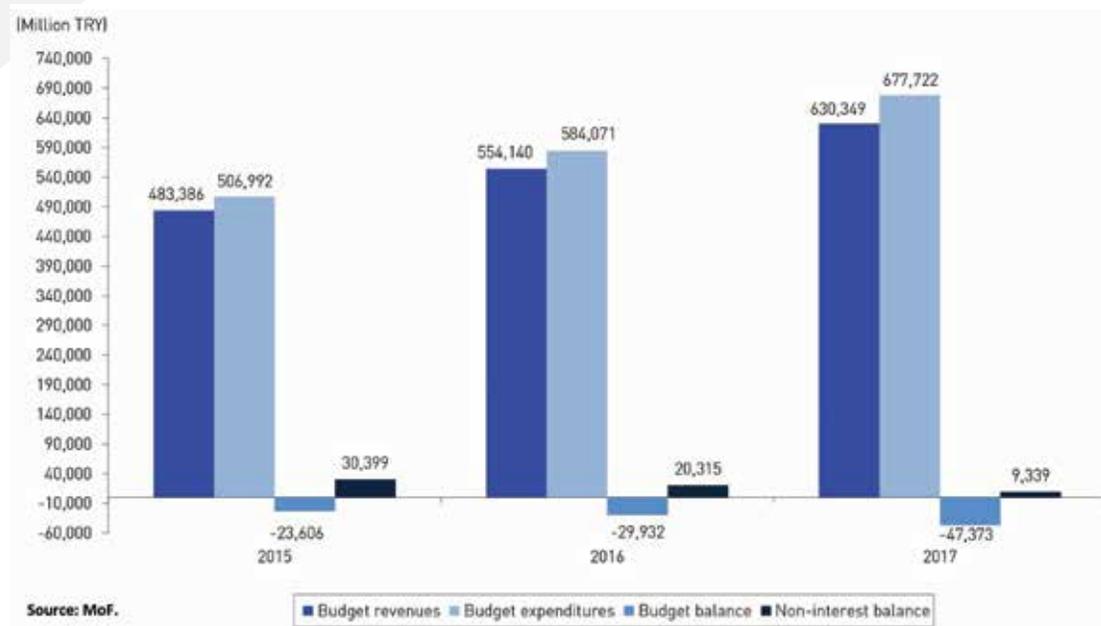
GDP declined from 21.2% to 20.3%, while the ratio of the central government budget expenditures declined from 22.4% to 21.8%. While the ratio of the central government budget deficit to the GDP rose from 1.1% to 1.5%, the ratio of the non-interest central government budget surplus to the GDP declined from 0.8% to 0.3%.

Table 80. Realization of the Central Government Budget

Components	(at Current Prices, Million TRY)							
				Change (%)		Ratio to GDP		
	2015	2016	2017 ⁽²⁾	2016	2017	2015	2016	2017
Budget expenditures	506,992	584,071	677,722	15.2	16.0	21.7	22.4	21.8
Non-interest expenses	452,987	533,825	621,011	17.8	16.3	19.4	20.5	20.0
Interest expenditures	53,005	50,247	56,712	-5.2	12.9	2.3	1.9	1.8
Budget revenues	483,386	554,140	630,349	14.6	13.8	20.7	21.2	20.3
Budget balance	-23,606	-29,932	-47,373	26.8	58.3	-1.0	-1.1	-1.5
Non-interest balance	30,399	20,315	9,339	-33.2	-54.0	1.3	0.8	0.3

Source: MoF, TURKSTAT.

Figure 39. Realization of the Central Government Budget



Source: MoF.

1.4.4.1.1 Revenues

The main objective of the public revenue policies to be followed during 2017-2019 were set as providing the required income from healthy and sustainable sources, improving the distribution of income, supporting development, increasing savings, and contributing to economic and social objectives.⁷

The revenue-decreasing effect stemming from the expansionary fiscal policy implemented to a great extent to support economic growth in 2017, a decrease in privatisation revenues, and a reduction in non-tax revenues had a negative impact on central government budget revenues. However, the fact that this effect remained at a

⁷ MoF, "Report on the Realisation of the Central Government Budget-2017"

limited level and a revitalisation in economic activities increased the collection of tax revenues has an increasing effect on budget revenues.

While the central government budget revenues, which increased by 14.6% in 2016, rose to 630,349 million TRY with an increase of 13.8% in 2017, it took place as 32,075 million TRY over the targeted amount (Table 81).

Table 81. Central Government Budget Revenues

Components	(Million TRY)								
	2015	2016	2017	Change (%)		Share(%)			
				2016	2017	2015	2016	2017	
A - General budget revenues	464,785	533,203	607,215	14.7	13.9	96.2	96.2	96.3	
1- Tax revenues	407,475	459,002	536,048	12.6	16.8	84.3	82.8	85.0	
Taxes on income and profits	119,141	139,574	165,304	17.2	18.4	24.6	25.2	26.2	
Income tax	85,753	96,605	112,399	12.7	16.3	17.7	17.4	17.8	
Income tax based on return	3,672	4,522	5,038	23.1	11.4	0.8	0.8	0.8	
Single entry income tax	356	375	226	5.6	-39.8	0.1	0.1	0.0	
Income tax withholding	79,917	89,752	104,845	12.3	16.8	16.5	16.2	16.6	
Temporary income tax	1,808	1,956	2,289	8.2	17.0	0.4	0.4	0.4	
Corporation tax	33,388	42,970	52,905	28.7	23.1	6.9	7.8	8.4	
Corporation tax based on return	432	2,820	2,280	553.1	-19.2	0.1	0.5	0.4	
Corporation tax withholding	251	278	239	10.6	-14.0	0.1	0.1	0.0	
Temporary corporation tax	32,705	39,872	50,387	21.9	26.4	6.8	7.2	8.0	
Taxes on property	9,384	10,606	11,542	13.0	8.8	1.9	1.9	1.8	
Inheritance and transfer taxes	435	619	718	42.3	15.9	0.1	0.1	0.1	
Motor vehicle tax	8,949	9,986	10,825	11.6	8.4	1.9	1.8	1.7	
Domestic taxes on goods and services	167,071	191,329	211,989	14.5	10.8	34.6	34.5	33.6	
Domestic value added tax	46,424	53,987	55,583	16.3	3.0	9.6	9.7	8.8	
Special consumption tax	105,902	120,402	138,328	13.7	14.9	21.9	21.7	21.9	
Banking and insurance transactions tax	9,172	11,068	13,269	20.7	19.9	1.9	2.0	2.1	
Taxes on games of fortune	842	900	993	6.9	10.3	0.2	2.0	2.1	
Special communication tax	4,732	4,976	3,817	5.2	-23.3	1.0	0.2	0.2	
Taxes on international trade and transactions	82,867	86,248	112,404	4.1	30.3	17.1	0.9	0.7	
Customs duties	8,250	9,065	12,259	9.9	35.2	1.7	15.6	17.8	
Value added tax on imports	74,378	76,836	99,638	3.3	29.7	15.4	1.6	1.9	
Other foreign trade revenues	239	348	507	45.7	45.6	0.0	13.9	15.8	
Stamp duty	12,043	13,419	15,594	11.4	16.2	2.5	0.1	0.1	
Fees	16,966	17,822	19,213	5.0	7.8	3.5	2.4	2.5	
Other taxes not elsewhere classified	3	2	1	-22.1	-50.0	0.0	3.2	3.0	
2- Non-Tax Other Revenues	57,310	74,201	71,167	29.5	-4.1	11.9	13.4	11.3	
B - Revenues from special budget institutions	15,093	17,012	18,932	12.7	11.3	3.1	3.1	3.0	
C - Revenues from regulatory and supervisory institutions	3,509	3,925	4,202	11.9	7.1	0.7	0.7	0.7	
Total	483,386	554,140	630,349	14.6	13.8	100.0	100.0	100.0	

Source: MoF.

Tax revenues, which had the highest share within the central government budget revenues, increased by 12.6% in 2016, and rose to 536,048 million TRY in 2017 with an increase of 16.8% due to a revitalisation in economic activities and domestic demand. This way, the tax revenues that were forecasted as 511,085 million TRY occurred 24,963 million TRY above the target. The share of tax revenues within the total central government budget which was 82.8% in 2016 increased to 85.0% in 2017.

Taxes on income and earnings increased by 18.4% in 2017 compared to the previous year, and their share in total revenues was 26.2%. 112,399 million TRY of these taxes were income tax, and 52,905 million TRY were corporation tax. Compared to 2016, income tax collection increased by 16.3% and corporate tax collection increased

by 23.1%. Within income tax items, provisional income tax with 17.0% and income tax withholding with 16.8% were the highest increase items, while the increase in corporation tax was supported by a 26.4% increase in the provisional corporation tax. The share of income tax in the total central government budget revenues was 17.8%, and the share of corporation tax was 8.4%.

The taxes on property became 11,542 million TRY with an increase by 8.8% compared to 2016. While the taxes on goods and services received domestically increased by 10.8% to 211,989 million TRY in 2017, the share of central government total budget revenues decreased from 34.5% to 33.6%. Value added tax collected in 2017 increased by 3.0% to 55,583 million TRY, and private consumption tax increased by 14.9% to 138,328 million TRY.

Among the tax revenues, the direct taxes composed of the total of taxes on incomes and profits, property taxes and taxes not elsewhere classified increased by 17.8% to 176,847 million TRY, and the indirect taxes composed of the domestics taxes on goods and services, the taxes on international trade and transactions, and stamp taxes and fees increased by 16.3% to 359,200 million TRY. Within the total tax revenues, the share of direct taxes was 33.0%, while that of indirect taxes was 67.0%.

Non-tax revenues, one of the most important items supporting the increase in the central government budget revenues in 2016, decreased by 4.1% in 2017. While non-tax revenues were realised as 71,167 million TRY, their share in the total central government budget revenues decreased to 11.3%.

The revenues of special budget institutions increased by 11.3% to 18,932 million TRY, and the revenues of regulatory and supervisory institutions increased by 7.1% to 4,202 million TRY.

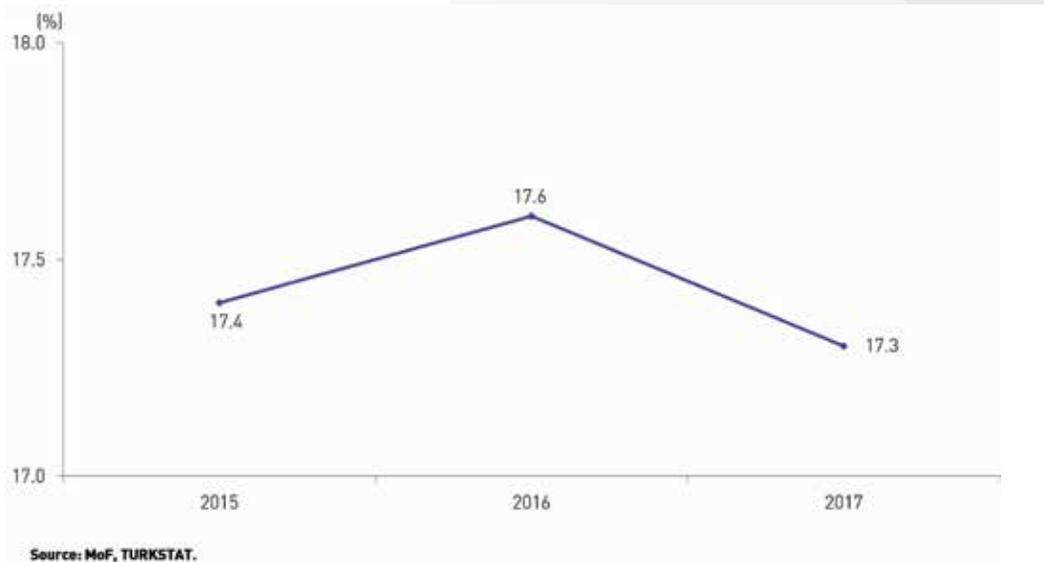
Tax burden, which is defined as the ratio of total tax revenues to GDP, decreased from 17.6% to 17.3% with a decrease of 0.3 points in 2017 (Table 82, Figure 40).

Table 82. Tax Burden and Tax Flexibility Coefficients

Indicator	[%]		
	2015	2016	2017
Total tax burden	17.4	17.6	17.3
Total tax flexibility	1.1	1.1	0.9
Income + corporation tax flexibility	0.8	1.5	1.0

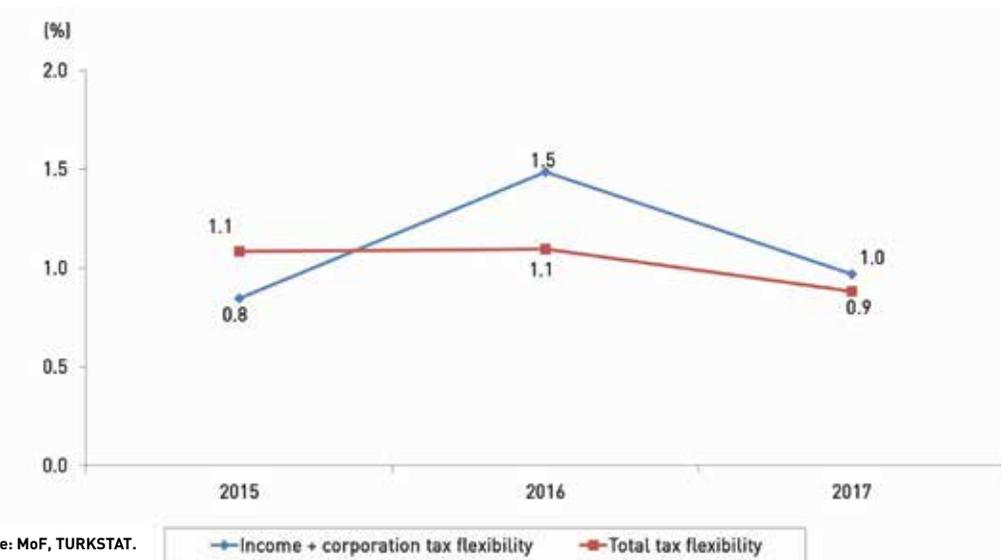
Source: MoF, TURKSTAT.

Figure 40. Tax Burden



The tax flexibility coefficient, which shows the sensitivity of tax revenues to changes in GDP, which was 1.1% in 2015 and 2016, fell to 0.9% in 2017. The revenue and corporation tax flexibility, which was 0.8% in 2015, rose to 1.5% in 2016, and receded to 1.0% in 2017 (Figure 41).

Figure 41. Tax Flexibility Coefficients



1.4.4.1.2 Expenditures

It was decided that, during the period of 2017-2019, the public expenditure policy should be carried out with an eye to the policy priorities identified within the framework of the medium term budgeting approach, and in accordance with the allocation ceilings allocated to the public administrations. It has been adopted that current expenditure programmes should be reviewed and activities and projects that are no longer considered a priority should be terminated, the financial burdens new

expenditure programmes would give rise to should be considered while including them in the budget, and the budgets of public administrations should be prepared within the framework of an understanding of savings.

Central government budget expenditures increased by 16.0% to 677,722 million TRY due to the continuation of the minimum wages support within the scope of the measures and incentives implemented in order to revitalize economic activities in 2017, the increase of the Treasury-supported guarantee given to the Credit Guarantee Fund, the interest support applied to KOSGEB loans, the premiums and tax burdens employed under additional employment being met by the government, and an increase in investment and defence expenditures. At the end of the year, budget expenditures exceeded the budget target of TRY 32,598 million (Table 83).

Table 83. Central Government Budget Expenses

Components	(Million TRY)								
	2015	2016	2017	Change (%)		Share (%)			
				2016	2017	2015	2016	2017	
A-Non-interest expenses	452,987	533,825	621,011	17.8	16.3	89.5	91.4	91.6	
Personnel expenses	125,046	148,864	162,139	19.0	8.9	24.7	25.5	23.9	
State premium expenses to social security organization	21,042	24,699	27,267	17.4	10.4	4.2	4.2	4.0	
Expenses for purchase of goods and services	45,444	54,100	63,470	19.0	17.3	9.0	9.3	9.4	
Purchase of goods and services for production	428	1,025	601	139.5	-41.4	0.1	0.2	0.1	
Purchase of goods and services for consumption	18,466	20,786	26,456	12.6	27.3	3.6	3.6	3.9	
Procurement of services	18,556	23,526	27,137	26.8	15.4	3.7	4.0	4.0	
Purchase, maintenance and repair costs for property and incorporeal rights	956	1,061	1,112	11.0	4.8	0.2	0.2	0.2	
Property maintenance and repair costs	1,196	1,211	1,448	1.3	19.6	0.2	0.2	0.2	
Other goods and services costs	5,842	6,491	6,715	11.1	3.5	1.2	1.1	1.0	
Current transfers	182,787	224,847	270,962	23.0	20.5	36.1	38.5	40.0	
Duty losses	34,844	46,780	63,883	34.3	36.6	6.9	8.0	9.4	
Treasury aids	57,533	75,784	86,990	31.7	14.8	11.4	13.0	12.8	
Transfers to non-profit organizations	3,688	2,465	3,401	-33.2	37.9	0.7	0.4	0.5	
Transfers to households	29,047	34,970	41,397	20.4	18.4	5.7	6.0	6.1	
Foreign transfers	1,910	2,239	2,619	17.2	17.0	0.4	0.4	0.4	
Shares from revenues	55,765	62,609	72,673	12.3	16.1	11.0	10.7	10.7	
Capital expenses	56,875	59,677	70,541	4.9	18.2	11.2	10.2	10.4	
Capital transfers	10,460	8,881	13,341	-15.1	50.2	2.1	1.5	2.0	
Lending	11,333	12,756	13,291	12.6	4.2	2.2	2.2	2.0	
B-Interest expenses	53,006	50,247	56,712	-5.2	12.9	10.5	8.6	8.4	
Total	505,992	584,071	677,722	15.4	16.0	100.0	100.0	100.0	

Source: MoF.

The rate of increase in primary expenditures increased by 16.3% to TRY 621,011 million with a decrease of 1.5 points. The greatest contributors to this development were increases in expenditures for goods and services purchases, current transfers, capital expenditures and capital transfers.

In 2017, with a deceleration compared to the preceding year, personnel expenses rose by 8.9% to 162,139 million TRY, state premiums to social security institutions rose by 10.4% to 27,267 million TRY, purchase of goods and services rose by 17.3% to 63,470 million TRY, current transfers rose by 20.5% to 270,962 million TRY, capital expenses rose by 18.2% to 70,541 million TRY, capital transfers rose by 50.2% to 13,341 million TRY, and lending rose by 4.2% to 13,291 million TRY.

In 2017, the share of the current transfers constituting a significant part of the central government budget expenditures was 40.0%, while the share of personnel expenses

was 23.9%, that of state premium expenses to SGK 4.0%, the share of expenditures of purchasing goods and services 9.4%, the share of capital expenditures was 10.4%, and the share of capital transfers and lending was 2.0%.

The decline in interest expenditures in 2016 was replaced by an increase in 2017 due to high interest rates. Interest expenditures that decreased by 5.2% in 2016 were realized as 56,712 million TRY with an increase of 12.9% in 2017, while the budget target of 57,500 million TRY was realized below 788 million TRY. The share of interest expenditures in central government budget expenditures decreased by 0.2 points to 8.4%.

1.4.4.2 Funds

Four funds continued to be monitored in 2017 within the scope of the fund balance, including the Support and Price Stabilization Fund within the budget; the Social Assistance and Solidarity Fund, the Defense Industry Support Fund and the Privatization Fund, outside the budget. In 2017, it is expected that revenues of the funds included in the public sector general balance would be 12,798 million TRY, and that their expenses would be 24,039 million TRY, and consequently, the fund balance would produce a deficit of 11,241 million TRY (Table 84).

Table 84. Fund Balance ⁽¹⁾

Components	(at Current Prices, Million TRY)				
	2015	2016	2017 ⁽²⁾	Change [%]	
				2016	2017
A. Fund Revenues	19,378	11,128	12,798	-42.6	15.0
Tax revenues	7,605	8,933	10,323	17.5	15.6
Non-tax normal revenues	5,676	1,919	2,140	-66.2	11.5
Factor revenues (Net)	250	276	335	10.4	21.4
Current transfers (Net)	0	0	0	-	-
Capital transfers (Net)	5,847	0	0	-	-
B. Fund Expenses	8,962	15,309	24,039	70.8	57.0
Current expenses	4,050	8,811	14,227	117.6	61.5
Factor Expenses (Net)	0	0	0	-	-
Fixed capital investments	0	0	0	-	-
Current transfers (Net)	4,912	4,716	5,576	-4.0	18.2
Capital transfers (Net)	0	1,782	4,236	-	137.7
C. Revenue-expense difference	10,416	-4,181	-11,241	-140.1	168.9
D. Financing	-10,416	4,181	11,241	-140.1	168.9
Foreign borrowing	0	0	0	-	-
Foreign debt repayment	0	0	0	-	-
Domestic debt - receivable relationship (Net)	-9	-233	-168	2,488.9	-27.9
Cash-bank change	-10,406	4,413	11,409	-142.4	158.5

Source: MoD.

[1]: Unemployment Insurance Fund excluded.

[2]: Realization estimate.

1.4.4.3 State Economic Enterprises

As a result of the policies that are implemented for reducing the share of the public in the production of goods and services, the number of the SEEs (State Economic Enterprises) and their weight on the economy continue to decrease.

19 State Economic Enterprises (SEEs) operating under Statutory Decree No. 233 , Türkiye Denizcilik İşletmeleri, TÜRK ŞEKER, Sümer Holding A.Ş., which have a public share of over 50%, are being observed within the scope of SEE balance. In 2017, it is expected that the operating income of the SEEs will increase by 13.3% to 135,844 million TRY, and the expenditures will increase by 19.6% to 132,737 million TRY. (Table 85).

Table 85. Financing Balance of Operating State Economic Enterprises (SEEs)

Components	(at Current Prices, Million TRY)					
	2015	2016	2017 ⁽¹⁾	Change (%)		
				2016	2017	
A. Total revenues	134,637	119,928	135,844	-10.9	13.3	
I. Operational income	118,487	104,927	118,946	-11.4	13.4	
1. Revenues from sales of goods and services	106,490	87,517	99,288	-17.8	13.4	
2. Other income	11,997	17,410	19,658	45.1	12.9	
II. Retained funds	5,559	4,826	5,489	-13.2	13.7	
1. Depreciations	3,875	4,242	4,963	9.5	17.0	
2. Provisions	1,683	584	526	-65.3	-9.9	
III. Budgets and funds	10,592	10,175	11,408	-3.9	12.1	
IV. Other income	0	0	0	-	-	
B. Total expenditures	133,591	110,942	132,737	-17.0	19.6	
I. Operational expenses	117,309	90,466	111,240	-22.9	23.0	
1. Sales cost of goods and services	97,707	71,143	89,748	-27.2	26.2	
2. Other expenses	19,602	19,323	21,492	-1.4	11.2	
II. Investment expenditures	8,735	8,700	13,168	-0.4	51.4	
III. Inventory increase	2,993	224	-1,081	-92.5	-582.6	
IV. Increase in fixed assets	-115	4,311	897	-3,848.7	-79.2	
V. Direct taxes	1,419	3,848	3,380	171.2	-12.2	
VI. Dividend payments	1,338	1,999	1,974	49.4	-1.3	
VII. Other expenses	1,913	1,394	3,158	-27.1	126.5	
C. Revenue-expense difference	1,046	8,986	3,107	759.1	-65.4	
D. Financing	-1,046	-8,986	-3,107	759.1	-65.4	
I. Change in cash-bank	679	-2,535	-275	-473.3	-89.2	
II. Domestic borrowing (net)	-1,707	-6,174	-3,507	261.7	-43.2	
III. Foreign borrowing (net)	-18	-278	675	1,444.4	-342.8	

Source: MoD.

(1): Realisation estimate.

1.4.4.4 Public Sector Financing Deficit

It is estimated that the public sector balance that demonstrated a deficit of 26,703 million TRY in 2016 would demonstrate a deficit of 57,102 million TRY in 2017, and that the public sector financing balance excepting budget interest payments, which showed a 23,544 million TRY deficit in 2016, should demonstrate a deficit of 390 million TRY in 2017 (Table 86).

Table 86. Public Sector Borrowing Requirement

Components	(at Current Prices, Million TRY)					
	2015	2016	2017 ⁽¹⁾	Ratio to GDP		
				2015	2016	2017
Central government budget	23,606	29,932	47,373	1.0	1.1	1.5
KİT	-1,597	-8,448	-2,872	-0.1	-0.3	-0.1
Operator	-1,046	-8,986	-3,107	0.0	-0.3	-0.1
Organisations within the Scope of Privatisation	-551	539	234	0.0	0.0	0.0
Local administrations	1,959	10,413	13,304	0.1	0.4	0.4
Revolving fund	497	-125	897	0.0	0.0	0.0
Social security organizations	-1,456	878	0	-0.1	0.0	0.0
Unemployment Benefits Fund	-11,681	-10,128	-12,841	-0.5	-0.4	-0.4
Funds	-10,416	4,181	11,241	-0.4	0.2	0.4
Borrowing requirement	912	26,703	57,102	0.0	1.0	1.8
Budget interest payments	53,005	50,247	56,712	2.3	1.9	1.8
Non-interest borrowing requirement	-52,093	-23,544	390	-2.2	-0.9	0.0

Source: MoD, MoF.

Note: The (-) sign indicates surplus.

The central government budget deficit, which had the largest share within the public sector deficit in 2017, increased by 58.3% compared to the preceding year and advanced to 47,373 million TRY. While the Operator SEEs demonstrated a surplus of 3,107 million TRY, and the Unemployment Fund a surplus of 12,841 million TRY, the corporations under privatization would provide a deficit of 234 million TRY, local governments of 13,304 million TRY, revolving funds of 897 million TRY, and funds of TRY 11,241 million. While the ratio of the central government budget deficit to the GDP increased from 1.1% to 1.5%, the ratio of budget interest payments to the GDP decreased from 1.9% to 1.8% due to a decrease in interest rates. While a primary surplus was demonstrated at the rate of 2.25% and 0.9% of the Gross Domestic Product in 2015 and 2016, a primary deficit that can not be expressed in percentage change was seen in 2017.

1.4.4.5 Privatization

The privatization practices are carried out for the underlying purpose of withdrawing the state from the field of economic operations. The practice is carried out under the main philosophy of involving the state only in expenditures that are necessary for ensuring justice and security, the primary duties of the state, and infrastructure investments that cannot be undertaken by the private sector, and the direction of economy by the market mechanisms.

The privatization efforts carried out by the Privatization Administration within the framework of this objective and philosophy since 1984 have slowed down considerably in recent years with the completion of the privatization efforts in most of the corporations within the scope of privatization.

From 1985 onwards, public shares in 272 corporations, 2,332 properties, 10 motorways, 2 Bosphorus bridges, 146 facilities, 7 ports, games of fortune licenses, and vehicle motor test stations have been included in the scope of privatization. The public shares in 54 organizations were later removed from the scope of privatization without being subjected to privatization, and were transferred for the purpose of liquidating, consolidating with another organization not included in the scope of privatization, and terminating their legal personalities.

As part of privatization practices, more than half of the organizations within the scope have been fully privatized to date. Within the framework of the program carried out by taking the public shares of organizations which fully belong to the public sector or which have public sector participation, the sales/transfers of the shares or assets of 217 organizations have been made, and no public shares have remained in 208 of these organizations. Presently, there are 17 organizations within the scope and in the program of privatization. There is a public sector share of over 50% in 8 of these organizations. Also, 938 properties, 40 facilities, 10 motorways, and 2 Bosphorus bridges remain within the scope of privatization.

The value of privatization transactions that was 1,996 million dollars in 2015 rose to 1,314 million dollars in 2016, and to 224 million dollars in 2017. Of the amount of the privatization carried out in 2017, 135 million dollars consisted of the share sales of corporations under the privatization program, 89 million dollars of the sale of subsidiaries, associates, facilities and assets of corporations under the privatization program, and 182 thousand dollars of the transfer in return of payment of corporations under the scope of privatization or their partnerships, subsidiaries, facilities and assets. The amount of privatization carried out since 1986 has amounted to 68,393 million dollars in total (Table 87).

Table 87. Privatization Transactions ⁽¹⁾

Transactions	1986-2014	2015	2016	2017	[Thousand USD]
					Cumulative Total 1986-2017
Sales of shares of the organizations in the privatization program	21,750,280	4,217	0	134,708	21,889,205
Sales of subsidiaries, affiliates, facilities and assets of the organizations in the privatization program	31,131,619	1,937,014	1,307,543	89,048	34,465,224
Public offering of the organizations in the privatization program	9,572,900	0	0	0	9,572,900
Sales in BIST of the organizations in the privatization program	1,261,121	0	0	0	1,261,121
Sales of semi-completed facilities	4,369	0	0	0	4,369
Transfers of the organizations in the privatization program or of subsidiaries, affiliates, facilities and assets belonging to those organizations, in return for payment	1,138,522	54,812	6,255	182	1,199,771
Total	64,858,811	1,996,043	1,313,798	223,938	68,392,590

Source: PA.

(1): The figures in the tables are the sales figures showing the amounts of the implementations performed in the respective year.

According to the cumulative results between 1986 and 2017, 50.4% of total privatization revenues were from the sale of subsidiaries, associates, plants and assets, 32.0% from the sale of shares, 14.0% from public offerings, 1.8% from sales at BIST, and 1.8% was obtained from transfers in return for payment.

1.4.4.6 Central Government Debt Stock

In 2017, a borrowing policy based on strategic criteria and indicators was followed for the financing of the central government budget deficit. In addition to being in harmony with money and finance policies, sustainable, transparent and accountable, debt management has been carried out within the framework of the fundamental principles of meeting financing needs at the most reasonable cost possible in the medium and long term by taking the domestic and foreign market conditions and cost elements into consideration.

Lending mainly over TRY and through the use of fixed-interest rate instruments as in the previous years, extending the average maturities of lending, and maintaining a strong cash reserve in order to reduce possible liquidity risk in cash and debt management has been the main elements of borrowing strategies. ⁸

In 2017, the fact that central government budget revenues increased with a ratio lower than budget expenditures increased the budget deficit growth rate by more than twice the previous year's value. The deterioration observed in the budget balance had a negative impact upon the debt statistics.

Based on the last three years' data in the report, it is observed that the central government total debt stock is rising progressively. It is striking that the central government's domestic debt stock also tends to increase progressively with the most recent year being strong, while the external debt stock held down the upward rise in the total external debt stock due to a drop in the rate of increase in 2017.

The central government total debt stock that increased by 12.0% in 2016 rose to 876,486 million TRY with an increase of 15.3% in 2017. While the central government domestic debt stock, that increased by 6.5% in 2016, increased by 14.3% to reach 535,448 million TRY in 2017, the foreign debt stock rose to 341,038 million TRY with an increase of 17.1%. The central government total debt stock rose in US Dollars, which decreased in 2016, rose to 231,941 million dollars in 2017 with an increase of 7.6%. The central

⁸ Ministry of Development, Medium-Term Program (2017-2019).

government total debt stock in US Dollars increased by 6.6% to 141,702 million dollars, and the foreign debt stock increased by 9.2% to reach 90,239 million dollars (Table 88, Figure 42).

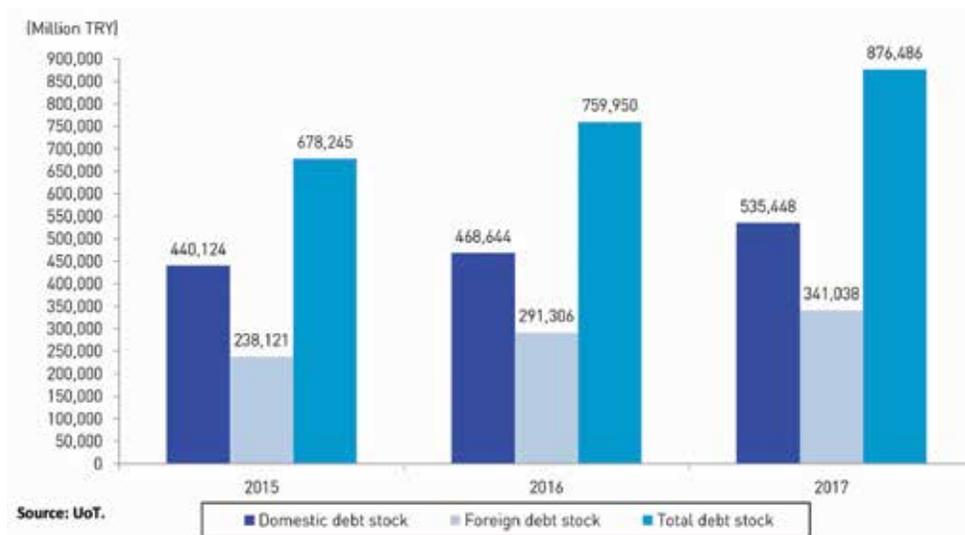
Table 88. Total Debt Stock of Central Government

Components	2015	2016	2017 ⁽¹⁾	Change [%]		
				2015	2016	2017
(Million TRY)						
Domestic debt stock	440,124	468,644	535,448	6.1	6.5	14.3
Foreign debt stock	238,121	291,306	341,038	20.3	22.3	17.1
Total debt stock	678,245	759,950	876,486	10.7	12.0	15.3
(Million USD)						
Domestic debt stock	151,100	132,930	141,702	-15.3	-12.0	6.6
Foreign debt stock	81,738	82,615	90,239	-4.0	1.1	9.2
Total debt stock	232,838	215,545	231,941	-11.7	-7.4	7.6
Share [%]						
Domestic debt stock	64.9	61.7	61.1			
Foreign debt stock	35.1	38.3	38.9			
Total debt stock	100.0	100.0	100.0			
Ratio to GDP						
Domestic debt stock	18.8	18.0	17.2			
Foreign debt stock	10.2	11.2	11.0			
Total debt stock	29.0	29.1	28.2			

Source: UoT.

(1): Interim.

Figure 42. Central Government Debt Stock



The share of the domestic debt stock within the central government debt stock in 2017 compared to 2016 dropped from 61.7% to 61.1%, while the share of the foreign debt stock rose from 38.3% to 38.9%.

The ratio of the domestic debt stock to the GDP decreased 0.8 points, to 17.2, and the ratio of the foreign debt stock to the GDP dropped 2.4 points to 11.0%, while the ratio of the central government total debt stock to GDP decreased 0.9 points to 28.2%.

In 2017, a total of 99,753 million TRY domestic debt was paid. Of this, 60.6% amounting to 60,443 million TRY was composed of principal payments, whereas 39.4% amounting to 39,310 million TRY was composed of interest payments. The net domestic borrowing realised in 2017 was 66,805 million TRY. Net borrowing increased by 134.2% compared to 2016, while the total payment decreased by 0.5% (Table 89).

Table 89. Central Government Domestic Debt Stock

Years	Payments			Indebtedness			Debt Stock	Change [%]
	Principal	Interest	Total	Sales	Payment	Net		
						Indebtedness		
2015	67,355	39,179	106,534	92,831	67,355	25,476	440,124	6.1
2016	63,547	36,746	100,293	92,068	63,548	28,520	468,644	6.5
2017 ⁽¹⁾	60,443	39,310	99,753	127,248	60,443	66,805	535,448	14.3

Source: UoT.

(1): Interim.

The weighted average cost of domestic borrowing, which was 9.5% in 2015, rose to 10.1% in 2016 and to 11.4% in 2017. The maturity structure of the domestic debt stock slightly improved compared to 2016, and the average rate of domestic borrowing, which was 67.4 months, increased to 71.2 months (Table 90).

Table 90. Average Maturity and Cost of the Domestic Borrowing

Components	2015	2016	2017 ⁽¹⁾
Cumulative Maturity (Months) ⁽²⁾	71.8	67.4	71.2
Compound Interest (%) ⁽³⁾	9.5	10.1	11.4

Source: UoT.

(1): Interim.

(2): Includes domestic cash borrowing.

(3): Weighted average cost of the fixed-yield domestic borrowing in TRY.

Within the total central government debt stock which was 876,485 million TRY in 2017, the Turkish Lira bills payable amounting to 535,447 million TRY represented 70.5%, whereas foreign exchange bills payable amounting to 341,038 million TRY represented 44.9%. Within the total debt stock, fixed-rate promissory notes constituted 73.7%, floating-rate promissory notes 12.7%, and CPI-indexed promissory notes constituted 13.6%. Of the Turkish Lira-indexed promissory notes, 45.8% were composed of fixed-interest promissory notes, 8.9% of floating-interest promissory notes, and 15.7% of CPI-indexed promissory notes, while, of foreign exchange-indexed promissory notes, 39.2% were composed of fixed-interest promissory notes and 5.7% of floating-interest promissory notes (Table 91).

Table 91. Foreign Exchange/Interest Composition of the Domestic Debt Stock ⁽¹⁾

Component	Stock Value (Million TRY)			Share (%)		
	2015	2016	2017 ⁽²⁾	2015	2016	2017
Fixed	458,630	530,436	646,043	67.6	69.8	73.7
Variable	120,165	122,697	110,878	17.7	16.1	12.7
CPI-indexed	99,450	106,817	119,564	14.7	14.1	13.6
Total debt stock	678,245	759,950	876,485	100.0	100.0	100.0
Fixed	256,394	278,945	348,401	37.8	36.7	45.8
Variable	84,281	82,882	67,482	12.4	10.9	8.9
CPI-indexed	99,450	106,817	119,564	14.7	14.1	15.7
In Turkish Liras	440,124	468,644	535,447	64.9	61.7	70.5
Fixed	202,236	251,491	297,642	29.8	33.1	39.2
Variable	35,884	39,815	43,396	5.3	5.2	5.7
Foreign Currency	238,120	291,306	341,038	35.1	38.3	44.9
Fixed	256,394	278,945	348,401	37.8	36.7	45.8
Variable	84,281	82,882	67,482	12.4	10.9	8.9
CPI-indexed	99,450	106,817	119,564	14.7	14.1	15.7
Domestic debt stock	440,124	468,644	535,447	64.9	61.7	70.5
Fixed	202,236	251,491	297,642	29.8	33.1	39.2
Variable	35,884	39,815	43,396	5.3	5.2	5.7
Foreign debt stock	238,120	291,306	341,038	35.1	38.3	44.9

Source: UoT.

(1): Composed of domestic and foreign debt stock principal liabilities.

(2): Interim.

In the distribution of domestic debt stock by lenders, the share of the banking sector in 2017 compared to the preceding year regressed from 47.6% to 47.1%, the share of the non-bank sector from 32.3% to 31.0%, and CBRT's share regressed from 2.8% to 2.5%. Within the total internal debt stock, under the banking sector, share of the public banks was 17.7%, share of the private banks was 18.9%, share of foreign banks was 9.7%, and share of development and investment banks was 0.8%. Within the total debt stock, under the non-bank sector, the share of real persons was 0.2%, the share of legal persons 24.9%, and that of securities mutual funds was 5.8%. Thus, while the share of domestic investors in domestic debt stock decreased from 82.7% to 80.6%, the share of foreign investors increased from 17.3% to 19.4% [Table 92].

Table 92. Distribution of Domestic Debt Stock by Lenders ⁽¹⁾

Components	Stock Value (Million TRY)			Share (%)		
	2015	2016	2017 ⁽³⁾	2015	2016	2017
Banking sector	224,304	236,368	270,359	48.9	47.6	47.1
Public banks	85,643	93,279	101,631	18.7	18.8	17.7
Private banks	108,866	90,233	108,518	23.7	18.2	18.9
Foreign banks	25,706	48,947	55,884	5.6	9.9	9.7
Development and investment banks	4,089	3,908	4,326	0.9	0.8	0.8
Non-banking sector	145,870	160,562	178,003	31.8	32.3	31.0
Real persons	1,504	898	1,300	0.3	0.2	0.2
Legal persons	115,918	127,961	143,247	25.3	25.8	24.9
Securities mutual funds	28,448	31,704	33,456	6.2	6.4	5.8
CBRT ⁽²⁾	8,951	13,879	14,481	2.0	2.8	2.5
Total domestic residents	379,125	410,809	462,843	82.7	82.7	80.6
Residents abroad	79,417	85,987	111,307	17.3	17.3	19.4
Total	458,542	496,796	574,150	100.0	100.0	100.0

Source: UoT.

(1) : The stock data was evaluated at Official Journal prices. The GDS used in guarantee transactions such as repo, etc. are shown within the data of the subsector of the party providing the guarantee.

(2) : Includes the amounts arising from open market transactions.

(3) : Interim.

1.4.5 Gold Prices

For many years, gold has been considered an investment tool that would ensure protection from risk factors on the market. The increase in economic, political and geopolitical risks in the global sense is reflected as a gain on the gold side. In 2017, the tensions in Syria and the Middle East and the continuation of the war environment, the political tensions between the US, Russia and Iran, and restrictions on trade, increased gold prices. Declarations to the effect that the new US administration does not wish a strong dollar also had an influence on the value increase in gold.

Gold is a traditional, indispensable investment instrument for our people. Although demand for the US dollar and the Euro has increased in recent years, gold is still an important financial investment instrument. Gold prices fluctuate in our country depending on domestic and international developments.

The ounce price of gold which averaged 1,158 US dollars in 2015 increased to 1,249 US dollars in 2016, and to 1,258 US dollars in 2017. In 2017, nominally the Cumhuriyet gold brought its investor a gain of 22.8%, gold bullion of 21.9%, while in real terms these ratios were 10.5% and 9.6% respectively [Table 93].

Table 93. Gold Prices

Years	Months	Cumhuriyet Gold ⁽¹⁾ (TRY/Piece)	Bar Gold ⁽¹⁾ (TRY/Gr)	1 Ounce Gold ⁽²⁾ (US\$/Ounce)	CPI (2003=100)		Cumhuriyet Gold Coin		Bar Gold	
					Index Value	Change (%)	Nominal Change (%)	Real Change (%)	Nominal Change (%)	Real Change (%)
2015	January	622	94	1,244	250.5	1.1	5.4	4.3	5.6	4.5
	February	644	97	1,224	252.2	0.7	3.5	2.8	3.2	2.5
	March	654	99	1,177	255.2	1.2	1.6	0.4	2.1	0.9
	April	678	102	1,198	259.4	1.6	3.7	2.0	3.0	1.4
	May	673	102	1,200	260.9	0.6	-0.7	-1.3	0.0	-0.6
	June	677	102	1,180	259.5	-0.5	0.6	1.1	0.0	0.5
	July	657	98	1,128	259.7	0.1	-3.0	-3.0	-3.9	-4.0
	August	687	104	1,121	260.8	0.4	4.6	4.1	6.1	5.7
	September	719	109	1,123	263.1	0.9	4.7	3.7	4.8	3.9
	October	719	109	1,155	267.2	1.6	0.0	-1.5	0.0	-1.5
	November	668	100	1,077	269.0	0.7	-7.1	-7.7	-8.3	-8.9
	December	677	101	1,071	269.5	0.2	1.3	1.1	1.0	0.8
	Annual	673	101	1,158	260.6	7.7	13.1	5.1	13.6	5.5
2016	January	704	106	1,101	274.4	1.8	4.0	2.1	5.0	3.1
	February	755	114	1,212	274.4	0.0	7.2	7.3	7.5	7.6
	March	767	116	1,254	274.3	0.0	1.6	1.6	1.8	1.8
	April	752	113	1,242	276.4	0.8	-2.0	-2.7	-2.6	-3.3
	May	791	120	1,256	278.0	0.6	5.2	4.6	6.2	5.6
	June	794	120	1,281	279.3	0.5	0.4	-0.1	0.0	-0.5
	July	836	126	1,337	282.6	1.2	5.3	4.1	5.0	3.8
	August	847	128	1,339	281.8	-0.3	1.3	1.6	1.6	1.9
	September	842	127	1,325	282.3	0.2	-0.6	-0.8	-0.8	-1.0
	October	842	126	1,262	286.3	1.4	0.0	-1.4	-0.8	-2.2
	November	877	132	1,234	287.8	0.5	4.2	3.6	4.8	4.2
	December	875	131	1,150	292.5	1.6	-0.2	-1.8	-0.8	-2.4
	Annual	807	122	1,249	280.8	7.8	19.9	11.3	19.9	11.2
2017	January	957	145	1,188	299.7	2.5	9.4	6.8	10.4	7.7
	February	975	146	1,235	302.2	0.8	1.9	1.1	0.8	0.0
	March	975	146	1,230	305.2	1.0	0.0	-1.1	-0.1	-1.1
	April	998	150	1,274	309.2	1.3	2.4	1.1	3.1	1.7
	May	962	143	1,244	310.6	0.4	-3.7	-4.1	-4.4	-4.8
	June	959	143	1,259	309.8	-0.3	-0.3	-0.1	-0.3	0.0
	July	953	142	1,240	310.2	0.1	-0.6	-0.8	-0.5	-0.7
	August	969	145	1,281	311.9	0.5	1.7	1.2	2.1	1.6
	September	980	147	1,312	313.9	0.7	1.1	0.5	1.5	0.8
	October	1,008	152	1,277	320.4	2.1	2.9	0.8	2.9	0.8
	November	1,067	160	1,282	325.2	1.5	5.8	4.2	5.7	4.2
	December	1,092	158	1,271	327.4	0.7	2.4	1.7	-1.2	-1.9
	Annual	991	148	1,258	312.1	11.1	22.8	10.5	21.9	9.6

Source: CBRT.

(1): Sales prices.

(2): London sales price.

1.4.6 Exchange Rates

The floating exchange rate applied by the Central Bank of Republic of Turkey (CBRT) since early 2001 continued in 2017, too. In case of floating exchange rate, exchange rates are determined by supply and demand conditions. The foreign exchange supply and demand are affected by the monetary and fiscal policies implemented, international developments and expectations. The CBRT does not have a nominal or real exchange rate target. While the exchange rate is not used as a policy instrument, the Central Bank reacts with instruments available to it when the exchange rate fluctuation increases and it poses a risk in terms of financial stability. The exchange rate risk is managed by economic units.

In 2017, foreign exchange deposits contracts in return for Turkish lira deposits, foreign exchange sales to energy-importing state-owned enterprises, and mandatory provisions were the chief instruments in the management of foreign exchange liquidity. In addition to these instruments, as of 20 November 2017, Turkish lira negotiated forward foreign exchange sale contracts were started⁹. Foreign exchange buying/selling contracts against the Turkish Lira was not used, and no direct foreign exchange purchase / sale was performed.

The rediscount loans made available in Turkish Liras to companies performing foreign exchange-earning services and operations through Türkiye İhracat Kredi Bankası A.Ş and commercial banks through the acceptance of bills payable issued over foreign currency for rediscount in 2017, were among the instruments contributing to the foreign exchange reserves of the CBRT. In order to support financial stability following the developments experienced in the markets during the first and fourth quarters of the year, and the high volatility in the exchange rate, arrangements were made in February and November to allow companies to which rediscount loans were made available, to pay their foreign currency debts in Turkish Liras.

The repayment in Turkish Liras, provided that the loan is repaid when due, has been made possible for rediscount loans made available before 1 January 2017 and maturing by 31 May 2017 with an amendment made in February, and for those made available before 6 November 2017 and maturing by 1 February 2018 with an amendment made in November. Under the arrangement made in February, a decision was made in favour of taking the foreign exchange buying rates announced by the CBRT on 2 January 2017 as basis, while the arrangement made in November decided that the rates of 3.70 for the US dollar, 4.30 for the Euro and 4.80 for the British pound should be taken as bases.

Through the export rediscount loan application, which supports exports and contributes to strengthening foreign exchange reserves, the CBRT made a 12,491 million-dollar contribution to foreign exchange reserves in 2017. 7,851 million dollars in foreign exchange were sold to energy-importing state economic enterprises (SEEs). Thus, the CBRT purchased foreign currency of net 4,640 million dollars in 2017 (Table 94).

Table 94. Foreign Exchange Amounts Purchased-Sold by the CBRT

(Million USD)							
Years	Export Rediscount Loans	Foreign Exchange Buying Auctions	Foreign Exchange Selling Auctions	Foreign Exchange Buying Interventions	Foreign Exchange Selling Interventions	Foreign Exchange Sales to Energy- Importing SEEs	Total Net Foreign Exchange Purchases
2015	15,181	0	12,366	0	0	10,505	-7,690
2016	15,022	0	3,400	0	0	5,084	6,538
2017	12,491	0	0	0	0	7,851	4,640

Source: CBRT.

Turkish Lira depreciated against the foreign currencies with the effect of the global conjuncture and domestic political developments in 2017, too. As of the year end, according to the annual average values and in nominal terms, value of US dollar rose against Turkish Lira by 20.8% to TRY 3.64494, Euro rose by 23.3% to TRY 4.11388, English Pound rose by 15.0% to TRY 4.68748 and Japanese Yen rose by 16.9% to TRY 3.24099 (Table 95).

⁹ CBRT, Money and Exchange Rate Policy, 2018

Table 95. Exchange Rates by Years

Years	(Foreign Exchange Buying Rate, Annual Average)							
	US Dollars		Euro		British Pound		Japanese Yen	
	US Dollars	Change (%)	Euro	Change (%)	British Pound	Change (%)	Japanese Yen	Change (%)
2015	2.71865	24.3	3.01807	3.9	4.15089	15.4	2.24080	8.5
2016	3.01854	11.0	3.33768	10.6	4.07741	-1.8	2.77296	23.7
2017	3.64494	20.8	4.11388	23.3	4.68748	15.0	3.24099	16.9

Source: CBRT.

According to monthly average exchange rates, the US dollar, which was 3.01854 TRY in December 2016, started 2017 with an increase of 7.0% in 2017, and rose to 3.73489 TRY in January. The US dollar, which lost value, except for in July, and fell to 3.46805 as of September, gained much value in October and November, and lost a little value in December. Thus, at the end of 2017, the average dollar exchange rate increased by 20.8% compared to the previous year, to TRY 3.64494. The euro started to rise by 7.7% on a monthly basis in 2017, losing value in February, April and September during the year, while it gained value in the other months, especially in July, October and November. Thus, by the end of 2017, the average Euro value increased by 23.3% compared to the previous year and became 4.11388 TRY.

In real terms, according to the consumer price index, in 2017 the US dollar and Euro gained value by 8.6% and 10.9% respectively against the Turkish Lira. When considering the real changes by months in 2017, the largest depreciation of the US dollar was experienced in May with 2.9% and that the highest appreciation was experienced in January with 4.5%. The highest depreciation of the euro was observed in February with 2.2%, and the highest value increase was observed in November with 4.0% (Table 96, Figure 43).

Figure 43. Exchange Rates

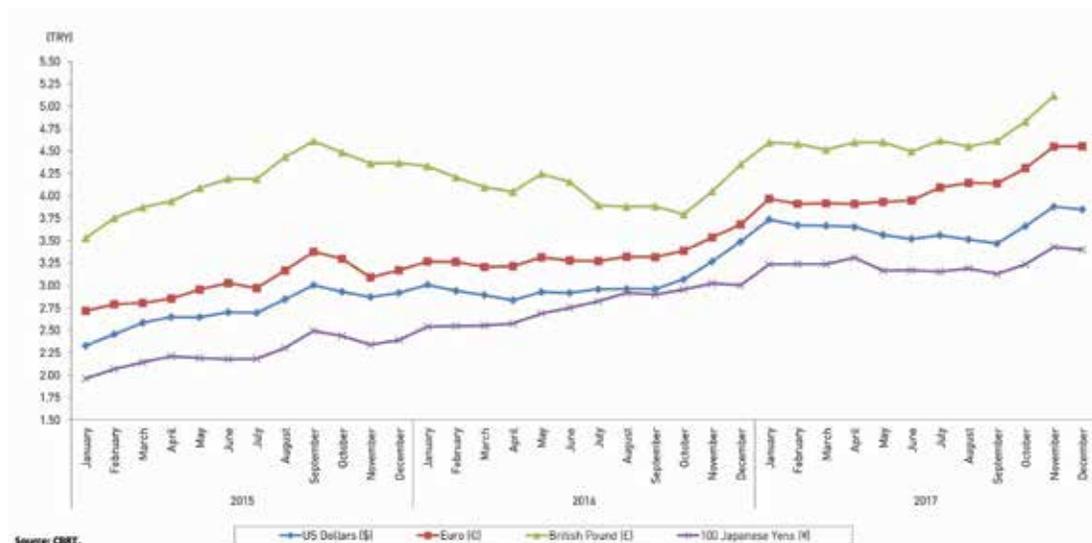


Table 96. Exchange Rates

		(Foreign Exchange Buying Rate, Monthly Average)							
Years	Months	US Dollars (\$)	Euro (€)	CPI (2003=100)		Nominal Change (%)		Real Change (%)	
				Index Value	Change (%)	\$	€	\$	€
2015	January	2.32834	2.71621	250.5	1.1	1.8	-3.7	0.7	-4.8
	February	2.45523	2.78988	252.2	0.7	5.4	2.7	4.7	2.0
	March	2.58384	2.80465	255.2	1.2	5.2	0.5	4.0	-0.6
	April	2.64814	2.85340	259.4	1.6	2.5	1.7	0.8	0.1
	May	2.64614	2.95511	260.9	0.6	-0.1	3.6	-0.6	3.0
	June	2.70116	3.02675	259.5	-0.5	2.1	2.4	2.6	3.0
	July	2.69460	2.97098	259.7	0.1	-0.2	-1.8	-0.3	-1.9
	August	2.84556	3.16722	260.8	0.4	5.6	6.6	5.2	6.2
	September	3.00272	3.37490	263.1	0.9	5.5	6.6	4.6	5.6
	October	2.92958	3.29860	267.2	1.6	-2.4	-2.3	-3.9	-3.8
	November	2.87129	3.08943	269.0	0.7	-2.0	-6.3	-2.6	-7.0
	December	2.91723	3.16969	269.5	0.2	1.6	2.6	1.4	2.4
	Annual	2.71865	3.01807	260.6	7.7	24.3	3.9	15.5	-3.5
2016	January	3.00695	3.26692	274.4	1.8	3.1	3.1	1.2	1.2
	February	2.94066	3.26280	274.4	0.0	-2.2	-0.1	-2.2	-0.1
	March	2.89174	3.20635	274.3	0.0	-1.7	-1.7	-1.6	-1.7
	April	2.83474	3.21340	276.4	0.8	-2.0	0.2	-2.7	-0.6
	May	2.92660	3.31473	278.0	0.6	3.2	3.2	2.6	2.6
	June	2.91699	3.27736	279.3	0.5	-0.3	-1.1	-0.8	-1.6
	July	2.95756	3.27097	282.6	1.2	1.4	-0.2	0.2	-1.3
	August	2.96286	3.32075	281.8	-0.3	0.2	1.5	0.5	1.8
	September	2.96010	3.31651	282.3	0.2	-0.1	-0.1	-0.3	-0.3
	October	3.06794	3.38664	286.3	1.4	3.6	2.1	2.2	0.7
	November	3.26745	3.53439	287.8	0.5	6.5	4.4	6.0	3.8
	December	3.48893	3.68128	292.5	1.6	6.8	4.2	5.1	2.5
	Annual	3.01854	3.33768	280.8	7.8	11.0	10.6	3.0	2.6
2017	January	3.73489	3.96549	299.7	2.5	7.0	7.7	4.5	5.1
	February	3.67236	3.91099	302.2	0.8	-1.7	-1.4	-2.5	-2.2
	March	3.66594	3.91577	305.2	1.0	-0.2	0.1	-1.2	-0.9
	April	3.65384	3.91010	309.2	1.3	-0.3	-0.1	-1.6	-1.4
	May	3.56386	3.93239	310.6	0.4	-2.5	0.6	-2.9	0.1
	June	3.51899	3.94866	309.8	-0.3	-1.3	0.4	-1.0	0.7
	July	3.55987	4.09142	310.2	0.1	1.2	3.6	1.0	3.5
	August	3.51248	4.14362	311.9	0.5	-1.3	1.3	-1.8	0.8
	September	3.46805	4.13769	313.9	0.7	-1.3	-0.1	-1.9	-0.8
	October	3.66226	4.30829	320.4	2.1	5.6	4.1	3.5	2.0
	November	3.87905	4.54963	325.2	1.5	5.9	5.6	4.4	4.0
	December	3.84770	4.55252	327.4	0.7	-0.8	0.1	-1.5	-0.6
	Annual	3.64494	4.11388	312.1	11.1	20.8	23.3	8.6	10.9

Source: CBRT, TURKSTAT.

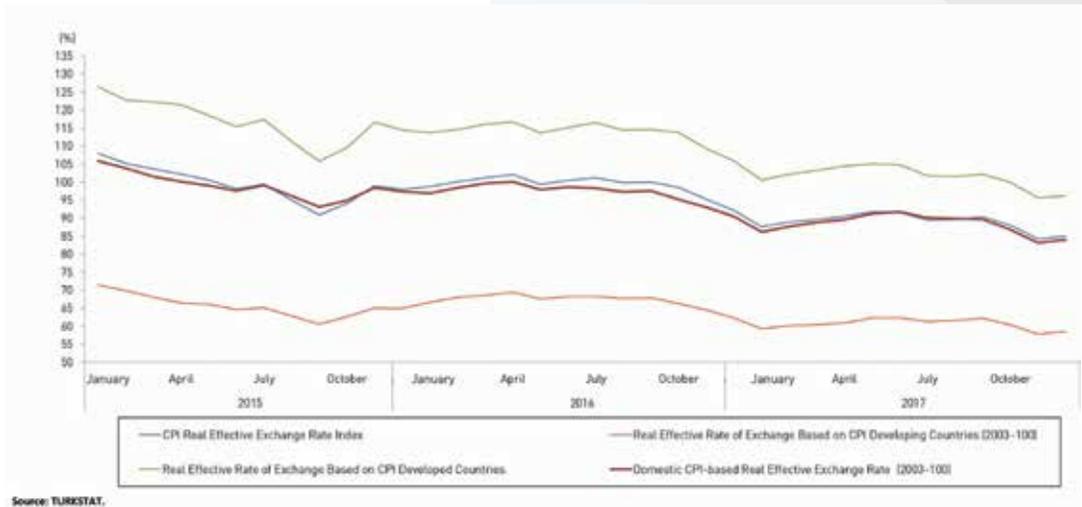
One of the most important indicators showing the competitive power of countries in the international markets is the real effective exchange rate. In 2017, real effective exchange rates lost value by 10.2% on the basis of CPI, and the index at 88.89% on an annual basis and lost 9.0% on the basis of D-PPI and the index at 88.24% (Figure 97, Figure 44).

Table 97. Real Effective Rate of Exchange

Years	Months	CPI-based Real Effective Exchange Rate (2003=100)	Real Effective Rate of Exchange Based on CPI Developing Countries (2003=100)	Real Effective Rate of Exchange Based on CPI Developed Countries (2003=100)	Domestic D.PPI-Based Real Effective Exchange Rate (2003=100)
2015	January	107.98	71.44	126.44	105.84
	February	105.18	69.86	122.76	103.86
	March	103.67	68.04	122.26	101.52
	April	102.17	66.44	121.44	100.15
	May	100.59	66.08	118.52	99.03
	June	98.13	64.62	115.37	97.59
	July	99.41	65.16	117.35	99.09
	August	94.97	62.81	111.24	96.12
	September	90.90	60.58	105.80	93.09
	October	94.08	62.64	109.58	94.91
	November	98.97	65.04	116.57	98.43
	December	97.94	64.95	114.47	97.32
	Annual	99.50	65.64	116.82	98.91
2016	January	98.76	66.63	113.71	96.91
	February	100.08	67.99	114.57	98.41
	March	101.16	68.56	116.03	99.65
	April	102.07	69.44	116.68	100.08
	May	99.39	67.58	113.67	97.91
	June	100.50	68.22	115.11	98.63
	July	101.16	68.26	116.47	98.31
	August	99.83	67.72	114.41	97.28
	September	99.99	67.85	114.58	97.53
	October	98.53	66.29	113.74	95.18
	November	95.22	64.50	109.27	93.00
	December	92.12	62.28	105.88	90.46
	Annual	99.07	67.11	113.68	96.95
2017	January	87.58	59.29	100.55	86.17
	February	88.93	60.16	102.17	87.65
	March	89.58	60.40	103.23	88.79
	April	90.51	60.93	104.43	89.60
	May	91.75	62.30	105.08	91.23
	June	91.66	62.36	104.81	91.73
	July	89.49	61.29	101.73	90.11
	August	89.61	61.63	101.50	89.88
	September	90.32	62.20	102.20	89.68
	October	87.99	60.36	99.91	86.80
	November	84.24	57.78	95.63	83.17
	December	85.01	58.57	96.14	84.01
	Annual	88.89	60.61	101.45	88.24

Source: CBRT.

Figure 44. Real Effective Foreign Exchange Rate Indices



Source: TURKSTAT.

1.5 Foreign Economic Developments

1.5.1 Foreign Trade Indicators

Recovery of the global economy following a stagnation period and the growth in the world's trade volume had an upward effect upon the foreign trade of Turkey as was the case with the economy of other developing countries. The drop of the last two years and the last three years in the export and import, respectively, was replaced by double digit increases.

The fact that economies started recovering in member states of EU, the recipient of almost half of our exports, growth in markets of neighboring countries and relative decrease in the political and geopolitical risks positively affected our 2017 export figures. Additionally, increase in Euro/dollar parity and commodity prices as well as incentives put into force for the growth and export are among other factors supporting rise in the export. The export value that shrank during the previous two years, at a higher rate in the first and a lower rate in the second, showed a high rate of increase in 2017, approaching the historic level reached in 2014.

The decline observed in the import since 2014 was replaced by the increase in 2017. This increase was largely due to revival in economic activities as well as rise in the production and domestic demand, the decision by OPEC to reduce the oil production, increased oil prices driven by ongoing political tensions and conflicts in the Middle East as well as increased import of commodity and gold. The increase in import was also due to the fact that our export is largely based on imported inputs and intermediate goods. In 2017, a high-ratio increase was seen in imports, which had shrunk in the last three years, especially distinctly in 2015.

The export increased by 10.2% in 2017, compared to 2016, from \$142,530 million to \$157,020 million, and the import increased by 17.7% from \$198,618 million to \$233,800 million.

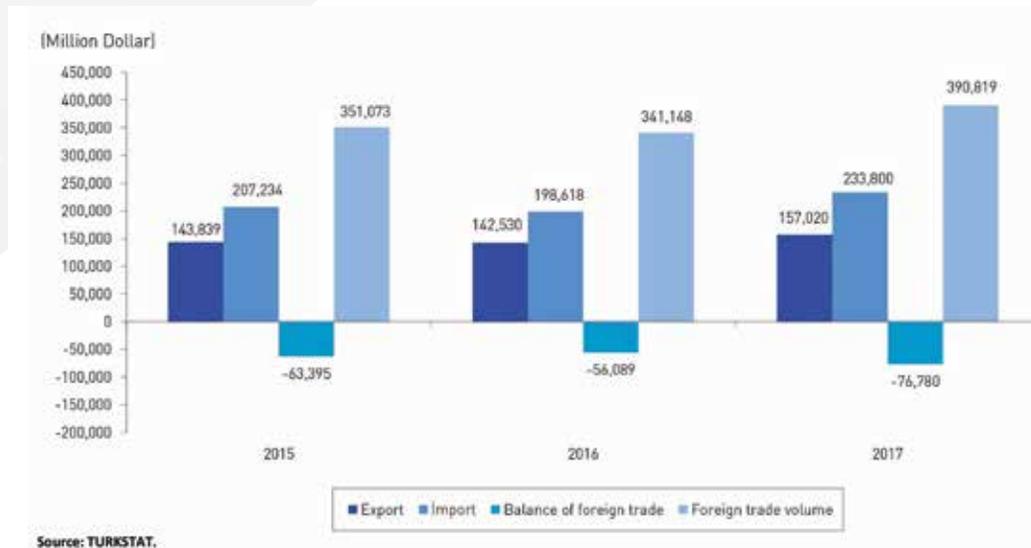
The foreign trade deficit that regressed by 11.5% in 2016 as a result of the faster increase in imports compared to exports, widened by 36.9% to 76,780 million dollars in 2017. The foreign trade volume increased by 14.6% and rose from 341,148 million dollars to 390,819 million dollars (Table 98, Figure 45).

Table 98. Foreign Trade Indicators

Indicators	(Million Dollar)				
	Value			Change (%)	
	2015	2016	2017	2016	2017
Export	143,839	142,530	157,020	-0.9	10.2
Import	207,234	198,618	233,800	-4.2	17.7
Foreign trade volume	351,073	341,148	390,819	-2.8	14.6
Balance of foreign trade	-63,395	-56,089	-76,780	-11.5	36.9
Ratio of imports covered by exports	69.4	71.8	67.2	-	-

Source: TURKSTAT.

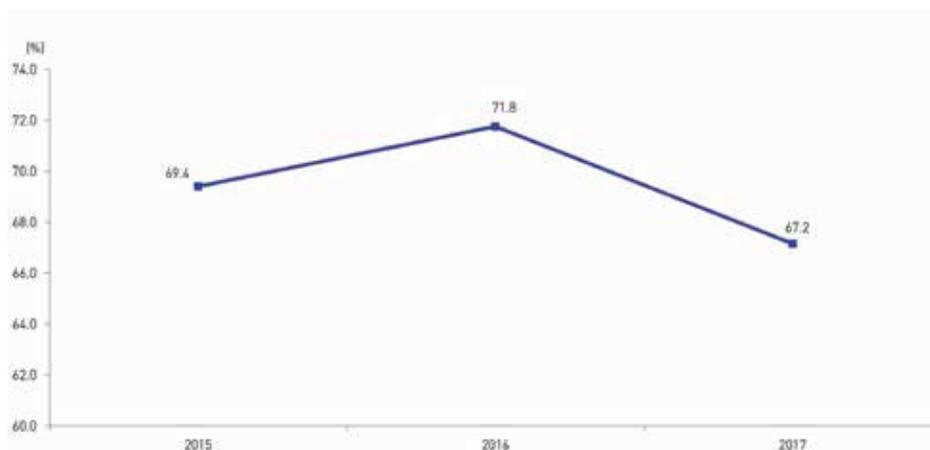
Figure 45. Foreign Trade Indicators



Source: TURKSTAT.

As the increase in imports is higher than the increase in exports, the ratio of imports to exports declined by 4.6 points in 2017 compared to 2016, decreasing from 71.8% to 67.2% (Figure 46).

Figure 46. Exports to Imports Ratio



Source: TURKSTAT.

1.5.1.1 Export

Exports decreased by 0.9% in 2016 and increased by 10.2% in 2017. The revival that started in the global economy in 2017, especially in developed countries, and the improvement in financial conditions, increased the global trade volume. Especially in the Eurozone, which has been experiencing a low growth rate since the global crisis, the strengthening of the economy has supported an increase in our exports. By the end of 2017, exports rose from 142,530 million dollars to 157,020 million dollars.

In 2017 exports, the only sector showing a decline by sectors was the agriculture and forestry sector, decreasing by 2.0% to 5,288 million dollars. The fishery sector that has the smallest share in total exports demonstrated a 8.9% increase and rose to 451 million dollars, and the mining and quarrying sector exports increased by 31.1% to 3,509 million dollars, while the manufacturing industry exports increased by 10.2% to 147,164 million dollars (Table 99).

Table 99. Export by Sectors

Sectors	(Million Dollar)							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Agriculture and forestry	5,757	5,397	5,288	4.0	3.8	3.4	-6.2	-2.0
Fishery	368	414	451	0.3	0.3	0.3	12.4	8.9
Mining and quarrying	2,799	2,677	3,509	1.9	1.9	2.2	-4.4	31.1
Manufacturing	134,390	133,596	147,164	93.4	93.7	93.7	-0.6	10.2
Other	525	446	608	0.4	0.3	0.4	-15.1	36.3
Total	143,839	142,530	157,020	100.0	100.0	100.0	-0.9	10.2

Source: TURKSTAT.

Comparing the shares of the sectors within total exports, it is seen that the manufacturing sector has the highest share with 93.7%, and is followed by the agricultural and forestry sector with a 3.4% share, the mining and quarrying sector with a 2.2% share, and the fishery sector with a 0.3% share.

According to the broad economic grouping in 2017, exports of capital (investment) goods increased by 15.5% to 18,358 million dollars, exports of semi-products increased by 9.2% to 73,074 million dollars, and exports of consumer goods increased by 10.2% to 64,889 million dollars (Table 100).

When compared with the previous year, the shares of the main commodity groups in total exports, it is seen that the share of the capital (investment) goods have increased, whereas the share of semi-products (raw material) have remained unchanged.

Table 100. Export by Wide Economic Group Classification

Wide Economic Group Classification	(Million Dollar)							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Capital (investment) goods	15,392	15,891	18,358	10.7	11.1	11.7	3.2	15.5
Intermediate (raw material) goods	68,433	66,890	73,074	47.6	46.9	46.5	-2.3	9.2
Consumer goods	59,146	58,877	64,889	41.1	41.3	41.3	-0.5	10.2
Others	869	871	699	0.6	0.6	0.4	0.3	-19.8
Total	143,839	142,530	157,020	100.0	100.0	100.0	-0.9	10.2

Source: TURKSTAT.

The export of motor land vehicles, tractors, bicycles, motorcycles and other land vehicles, their mechanisms and parts, which are among the groups remaining within the top ten in the exports of 2017, are seen to occupy the first place with 23,945 million dollars, continuing to be the locomotive sector in exports.

The share of this group within total exports rose to 15.2% with an increase of 1.3 points compared to the previous year. Exports of boilers, machinery, mechanical devices and instruments, nuclear reactors and their parts and accessories rank second with a value of 13,828 million dollars and a share of 8.8%, while precious or semi-precious stones, precious metals, imitation jewellery items and metal coins rank third with a 10,879 million-dollar value and a share of 6.9% (Table 101).

Table 101. First Ten Groups in Our Exports

Groups ⁽¹⁾	(Million Dollar)							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Motor land vehicles, tractors, bicycles, motorcycles and other land vehicles; components, components, parts and accessories of the same	17,463	19,802	23,945	12.1	13.9	15.2	13.4	20.9
Boilers, machinery, mechanical devices and instruments, nuclear reactors; components, and parts of the same	12,333	12,339	13,828	8.6	8.7	8.8	0.0	12.1
Precious and semi-precious stones, precious metals, pearls, imitation jewelry, coins	11,264	12,176	10,879	7.8	8.5	6.9	8.1	-10.7
Woven garments and accessories	8,926	8,849	8,845	6.2	6.2	5.6	-0.9	-0.1
Iron and steel	6,556	6,180	8,231	4.6	4.3	5.2	-5.7	33.2
Electrical machinery and devices, audio recording-transmitting, television video-audio recording-transmitting devices; components-parts-accessories of the same	8,278	7,828	8,091	5.8	5.5	5.2	-5.4	3.4
Non-woven garments and accessories	5,916	5,925	5,950	4.1	4.2	3.8	0.2	0.4
Goods made of iron or steel	5,465	4,964	5,600	3.8	3.5	3.6	-9.2	12.8
Plastics and plastic products	5,358	5,026	5,475	3.7	3.5	3.5	-6.2	8.9
Mineral fuels, mineral oils, and distillation products thereof, bituminous substances, mineral waxes	4,518	3,211	4,327	3.1	2.3	2.8	-28.9	34.8
Total exports	143,839	142,530	157,020	100.0	100.0	100.0	-0.9	10.2

Source: TURKSTAT.

(1): The groups that took the first 10 places in the ranking made according to 2017 export values.

Among these groups, the highest rise in exports in 2017 occurred in the export of mineral fuels, mineral oils and their distillation products, bituminous substances, and mineral waxes with 34.8%, the greatest decline was seen in precious and semi-precious stones, precious metals, imitation jewelry items and coins with 10.7% (Table 101).

1.5.1.2 Import

The import that decreased by 4.2% in 2016 increased by 17.7% in 2017. The increase in energy prices and gold imports, and the increase in production and demand due to the revival in the economy have had an upward effect on imports. At the end of 2017, imports rose to 233,800 million dollars from 198,618 million dollars (Table 102).

Table 102. Import by Sectors

Sectors	(Million Dollar)							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Agriculture and forestry	7.176	7.041	8.991	3,5	3,5	3,8	-1,9	27,7
Fishery	88	56	58	0,0	0,0	0,0	-36,7	3,6
Mining and quarrying	27.609	19.009	26.079	13,3	9,6	11,2	-31,1	37,2
Manufacturing	166.821	167.243	190.744	80,5	84,2	81,6	0,3	14,1
Other	5.540	5.269	7.928	2,7	2,7	3,4	-4,9	50,5
Total	207.234	198.618	233.800	100,0	100,0	100,0	-4,2	17,7

Source: TURKSTAT.

In 2017, the highest increase was 37.2% in the mining and quarrying sector compared to the previous year, the sector carrying out imports of 26,079 million dollars. This sector was followed by the agriculture and forestry sector with 8,991 million dollars at an increase of 27.7%, the manufacturing sector with 190,744 million dollars at an increase of 14.1%, and the fishery sector with 58 million dollars at a 3.6% increase.

Comparing the shares of the sectors within total imports, it is seen that the share of the manufacturing industry sector is 81.6%, that of the mining and quarrying sector 11.2%, and the share of the agriculture and forestry sector is 3.8%, while the share of the fishery sector is too small to express in percentage.

According to a broad economic group classification, imports of capital (investment) goods declined by 7.8% to 33,117 million dollars in 2017, while imports of semi-finished goods increased by 27.7% to 171,459 million dollars, and imports of consumer goods increased by 1.9% to 28,489 million dollars (Table 103).

Table 103. Import by Wide Economic Group Classification

Wide Economic Group Classification	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Capital (investment) goods	34,905	35,919	33,117	16.8	18.1	14.2	2.9	-7.8
Intermediate (raw material) goods	143,317	134,315	171,459	69.2	67.6	73.3	-6.3	27.7
Consumer goods	28,587	27,947	28,489	13.8	14.1	12.2	-2.2	1.9
Other	426	437	734	0.2	0.2	0.3	2.6	68.1
Total	207,234	198,618	233,800	100.0	100.0	100.0	-4.2	17.7

Source: TURKSTAT.

In 2017, 73.3% of total imports were semi-finished products (raw material), 14.2% were capital (investment) goods, and 12.2% were consumer goods.

Among the first 10 groups which had the highest share within the total imports in 2017, mineral fuels, mineral oils and their distillation products, bituminous substances and mineral waxes ranked in the first place with 37,205 million \$. The share of this group within the total import rose to 15.9% with an increase of 2.2 points compared to the preceding year. The import of boilers, machinery, mechanical devices and instruments, nuclear reactor parts, and their parts and equipment ranked second with a value of 27,165 million dollars and a share of 13.7%, while the import of electrical machinery and devices, audio recording-transmitting, television video-audio recording-transmitting devices; components-parts-accessories of the same ranked third with a value of 21,152 million dollars and a share of 9.0%.

Among these groups, the highest rise in imports in 2017 occurred in the import of precious and semi-precious stones, precious metals, imitation jewelry and coins at 142.1%, and the highest drop occurred in the import of motor land vehicles, tractors, bicycles, motorcycles and other land vehicles, their parts and equipment with 2.3%.

Table 104. First Ten Groups in Our Imports

Groups ⁽¹⁾	(Million Dollar)							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Mineral fuels, mineral oils, and distillation products thereof, bituminous substances, mineral waxes	37,843	27,169	37,205	18.3	13.7	15.9	-28.2	36.9
Boilers, machinery, mechanical devices and instruments, nuclear reactors; components, and parts of the same	25,587	27,297	27,165	12.3	13.7	11.6	6.7	-0.5
Electrical machinery and devices, audio recording-transmitting, television video-audio recording-transmitting devices; components-parts-accessories of the same	17,638	20,135	21,152	8.5	10.1	9.0	14.2	5.0
Precious and semi-precious stones, precious metals, pearls, imitation jewelry, coins	4,183	7,204	17,444	2.0	3.6	7.5	72.2	142.1
Motor land vehicles, tractors, bicycles, motorcycles and other land vehicles; components, components, parts and accessories of the same	17,544	17,841	17,428	8.5	9.0	7.5	1.7	-2.3
Iron and steel	14,775	12,575	16,762	7.1	6.3	7.2	-14.9	33.3
Plastics and plastic products	12,268	11,628	13,265	5.9	5.9	5.7	-5.2	14.1
Organic chemical products	4,716	4,360	5,388	2.3	2.2	2.3	-7.5	23.6
Optic, photograph, cinema, measurement, control, adjustment, medical, surgical instruments and devices; their parts and accessories	4,621	4,633	4,999	2.2	2.3	2.1	0.2	7.9
Pharmacy products	4,296	4,217	4,449	2.1	2.1	1.9	-1.8	5.5
Total imports	207,234	198,618	233,800	100.0	100.0	100.0	-4.2	17.7

Source: TURKSTAT.

(1): The groups that took the first 10 places in the ranking made according to 2017 import values.

1.5.1.3 Foreign Trade by Provinces

The highest exports value in 2017 by provinces was seen to belong to Istanbul, as in the previous years, with 81,462 million dollars. Exports from Istanbul account for 51.9% of Turkey's total exports. Istanbul is followed by Bursa with 10,536 million dollars, representing 6.7% of total exports, and İzmir with 9,254 million dollars, representing 5.9% of total exports. According to the export values of 2017, the highest increase in exports in the top 10 provinces was in Sakarya with an increase of 105.6% (Table 105).

Table 105. Top Ten Provinces Exporting The Most.

Provinces ^{(1), (2)}	(Million Dollar)							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
İstanbul	77,010	76,072	81,462	53.5	53.4	51.9	-1.2	7.1
Bursa	8,635	9,766	10,536	6.0	6.9	6.7	13.1	7.9
İzmir	8,109	8,330	9,254	5.6	5.8	5.9	2.7	11.1
Kocaeli	7,403	6,528	8,096	5.1	4.6	5.2	-11.8	24.0
Ankara	7,049	6,463	6,740	4.9	4.5	4.3	-8.3	4.3
Gaziantep	6,330	6,419	6,608	4.4	4.5	4.2	1.4	2.9
Sakarya	1,943	2,554	5,250	1.4	1.8	3.3	31.4	105.6
Denizli	2,516	2,403	2,677	1.7	1.7	1.7	-4.5	11.4
Hatay	1,827	1,745	2,334	1.3	1.2	1.5	-4.5	33.8
Manisa	1,839	1,874	1,990	1.3	1.3	1.3	1.9	6.2
Total of first ten provinces	122,660	122,154	134,946	85.3	85.7	85.9	-0.4	10.5
Total exports	143,839	142,530	157,020	100.0	100.0	100.0	-0.9	10.2

Source: TURKSTAT.

(1) : The top 10 provinces in the ranking made according to 2017 export values.

(2) : Province data are created according to the province in which the enterprise centres are located.

The highest imports value belongs to Istanbul with 134,677 million dollars, representing 57.6% of Turkey's total imports. Istanbul is followed by Ankara, creating 5.4% of total exports with 11,562 million dollars, and Kocaeli, creating 4.9% of total imports with 12,516 million dollars. In the ranking made according to the export values for 2017, Hatay has been the province in which imports increased most compared to 2016 at 49.8%, among the first 10 provinces (Table 106).

Table 106. Top Ten Provinces Importing The Most

Provinces ^{(1), (2)}	(Million Dollar)								
	Value			Share (%)			Change (%)		
	2015	2016	2017	2015	2016	2017	2016	2017	
Istanbul	118,040	116,097	134,677	57.0	58.5	57.6	-1.6	16.0	
Ankara	9,711	10,838	12,516	4.7	5.5	5.4	11.6	15.5	
Kocaeli	8,440	8,064	11,562	4.1	4.1	4.9	-4.5	43.4	
İzmir	8,696	8,811	9,851	4.2	4.4	4.2	1.3	11.8	
Bursa	8,051	8,710	9,122	3.9	4.4	3.9	8.2	4.7	
Gaziantep	4,884	4,817	5,238	2.4	2.4	2.2	-1.4	8.7	
Hatay	3,232	2,571	3,852	1.6	1.3	1.6	-20.5	49.8	
Manisa	3,303	2,702	3,148	1.6	1.4	1.3	-18.2	16.5	
Sakarya	1,489	2,113	3,086	0.7	1.1	1.3	41.9	46.0	
Adana	2,048	1,803	2,172	1.0	0.9	0.9	-11.9	20.4	
Total of first ten provinces	167,894	166,526	195,225	81.0	83.8	83.5	-0.8	17.2	
Total imports	207,234	198,618	233,800	100.0	100.0	100.0	-4.2	17.7	

Source: TURKSTAT.

[1]: The first 10 provinces in the ranking made according to 2017 import values.

[2]: Province data are created according to the province in which the enterprise centres are located.

1.5.1.4 Foreign Trade by Country Groups

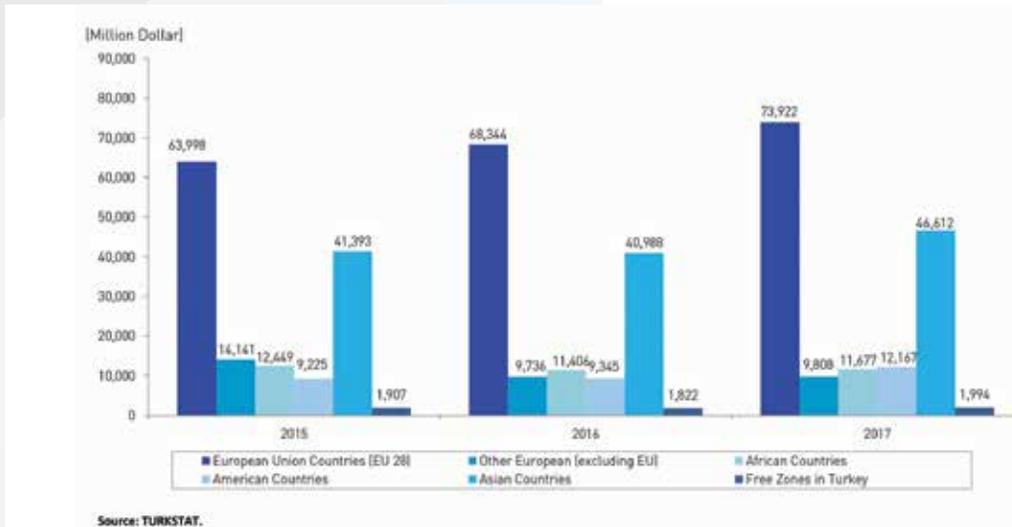
Exports to EU countries, with which we make a large part of our foreign trade, increased by 8.2% in 2017, reaching 73,922 million dollars, while exports to Turkish Free Zones increased by 9.5% to 1,994 million dollars, and the exports carried out to the group of other countries increased by 12.1% to 81,103 million dollars (Table 107).

While the share of exports to EU countries in total exports of 2017 decreases, the share of the exports to Turkey's Free Zones remain unchanged, and the share of exports to other countries has increased. The share of the export made to EU countries, Turkey Free Zones and other countries group within the total export in 2017 was 47.1%, 1.3% and 51.7%, respectively.

Of the exports made to the other countries group in 2017, 9,808 million dollars was made to the European countries not included in EU, 11,677 million dollars to African countries, 12,167 million dollars to the Americas, 46,612 million dollars to Asian countries, 648 million dollars to Australia and New Zealand, and 192 million dollars to the countries and regions other than the above (Figure 47).

Within the total exports, the share of the exports made to European countries not included in EU within the total exports was 6.2%, the share of exports to African countries was 7.4%, the share of exports to the American countries was 7.7%, the share of exports to Asian countries was 29.7%, the share of exports to Australia and New Zealand was 0.4%, and the share of exports to other countries and regions was 0.1%.

Figure 47. Export by Certain Country Groups



In 2017, imports from EU countries increased by 9.9% to 85,210 million dollars, imports from Turkey's Free Zones increased by 9.4% to 1,569 million dollars, and imports from the group of other countries increased by 22.8% to 147,021 million dollars.

While the share of imports from EU countries have decreased in total imports, the share of imports from other countries has increased, while that from Turkey's Free Zones has remained unchanged. In 2017, within total imports, the shares of imports from EU countries, Turkey's Free Zones and the group of other countries took place as 36.4%, 0.7% and 62.9%, respectively.

Tablo 107. Foreign Trade Indicators by Country Groups

Country Groups	(Million Dollar)							
	Value			Export			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
A- European Union Countries (EU 28)	63,998	68,344	73,922	44.5	48.0	47.1	6.8	8.2
B- Free Zones in Turkey	1,907	1,822	1,994	1.3	1.3	1.3	-4.5	9.5
C- Other Countries	77,934	72,364	81,103	54.2	50.8	51.7	-7.1	12.1
1- Other European (excluding EU)	14,141	9,736	9,808	9.8	6.8	6.2	-31.1	0.7
2- African Countries	12,449	11,406	11,677	8.7	8.0	7.4	-8.4	2.4
North Africa	8,527	7,755	7,528	5.9	5.4	4.8	-9.1	-2.9
Other African	3,922	3,651	4,149	2.7	2.6	2.6	-6.9	13.6
3- American Countries	9,225	9,345	12,167	6.4	6.6	7.7	1.3	30.2
North America	7,067	7,404	9,701	4.9	5.2	6.2	4.8	31.0
Central America and the Caribbean	849	846	1,171	0.6	0.6	0.7	-0.3	38.4
South America	1,310	1,095	1,296	0.9	0.8	0.8	-16.4	18.4
4- Asian Countries	41,393	40,988	46,612	28.8	28.8	29.7	-1.0	13.7
Near and Middle East	31,086	31,304	35,340	21.6	22.0	22.5	0.7	12.9
Other Asian	10,307	9,684	11,272	7.2	6.8	7.2	-6.0	16.4
5- Australia and New Zealand	619	736	648	0.4	0.5	0.4	18.8	-12.0
6- Other Countries and Regions	106	152	192	0.1	0.1	0.1	43.9	25.9
Total	143,839	142,530	157,020	100.0	100.0	100.0	-0.9	10.2

Table 107. Foreign Trade Indicators by Country Groups (Continued)

(Million Dollar)

Country Groups	Import							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
A- European Union Countries (EU 28)	78,681	77,501	85,210	38.0	39.0	36.4	-1.5	9.9
B- Free Zones in Turkey	1,227	1,435	1,569	0.6	0.7	0.7	16.9	9.4
C- Other Countries	127,326	119,682	147,021	61.4	60.3	62.9	-6.0	22.8
1- Other European (excluding EU)	28,112	21,907	31,381	13.6	11.0	13.4	-22.1	43.2
2- African Countries	5,099	5,356	7,177	2.5	2.7	3.1	5.0	34.0
North Africa	3,007	3,201	4,143	1.5	1.6	1.8	6.4	29.4
Other African	2,092	2,155	3,034	1.0	1.1	1.3	3.0	40.8
3- American Countries	16,771	16,990	21,004	8.1	8.6	9.0	1.3	23.6
North America	12,071	11,931	14,112	5.8	6.0	6.0	-1.2	18.3
Central America and the Caribbean	1,040	967	960	0.5	0.5	0.4	-7.0	-0.7
South America	3,661	4,092	5,931	1.8	2.1	2.5	11.8	44.9
4- Asian Countries	66,914	68,018	76,955	32.3	34.2	32.9	1.6	13.1
Near and Middle East	13,575	13,761	19,786	6.6	6.9	8.5	1.4	43.8
Other Asian	53,339	54,257	57,170	25.7	27.3	24.5	1.7	5.4
5- Australia and New Zealand	609	655	2,236	0.3	0.3	1.0	7.6	241.6
6- Other Countries and Regions	9,821	6,757	8,268	4.7	3.4	3.5	-31.2	22.4
Total	207,234	198,618	233,800	100.0	100.0	100.0	-4.2	17.7

Country Groups	Foreign Trade Volume							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
A- European Union Countries (EU 28)	142,680	145,845	159,132	40.6	42.8	40.7	2.2	9.1
B- Free Zones in Turkey	3,134	3,256	3,564	0.9	1.0	0.9	3.9	9.4
C- Other Countries	205,259	192,046	228,124	58.5	56.3	58.4	-6.4	18.8
1- Other European (excluding EU)	42,253	31,643	41,188	12.0	9.3	10.5	-25.1	30.2
2- African Countries	17,548	16,762	18,853	5.0	4.9	4.8	-4.5	12.5
North Africa	11,534	10,956	11,670	3.3	3.2	3.0	-5.0	6.5
Other African	6,014	5,806	7,183	1.7	1.7	1.8	-3.5	23.7
3- American Countries	25,996	26,335	33,171	7.4	7.7	8.5	1.3	26.0
North America	19,137	19,335	23,813	5.5	5.7	6.1	1.0	23.2
Central America and the Caribbean	1,888	1,813	2,131	0.5	0.5	0.5	-4.0	17.5
South America	4,971	5,187	7,227	1.4	1.5	1.8	4.3	39.3
4- Asian Countries	108,307	109,006	123,567	30.9	32.0	31.6	0.6	13.4
Near and Middle East	44,660	45,065	55,125	12.7	13.2	14.1	0.9	22.3
Other Asian	63,647	63,941	68,442	18.1	18.7	17.5	0.5	7.0
5- Australia and New Zealand	1,228	1,391	2,884	0.3	0.4	0.7	13.2	107.4
6- Other Countries and Regions	9,927	6,910	8,460	2.8	2.0	2.2	-30.4	22.4
Total	351,073	341,148	390,819	100.0	100.0	100.0	-2.8	14.6

Source: TURKSAT.

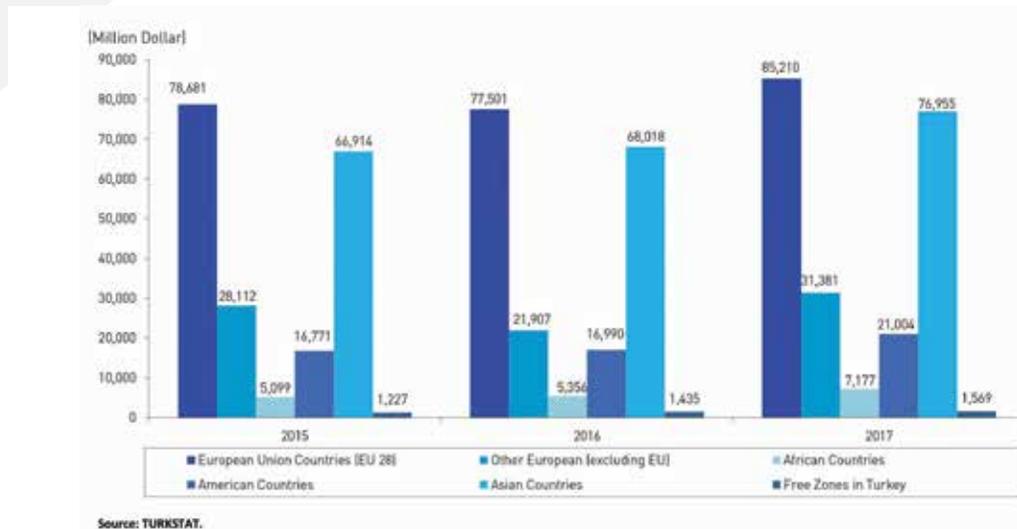
Of the 147,021 million dollar imports made from countries under the heading of other countries, a 31,381 million dollar portion was made from other European countries not included in the EU, a 7,177 million dollar portion from African countries, a 21,004

million dollar portion from the Americas, a 76,955 million dollar portion from Asian countries, a 2,236 million dollar portion from Australia and New Zealand and an 8,268 million dollar portion was made from other countries and regions (Figure 48).

Within the total imports, the share of the imports from the European countries excluding EU was 13.4%, the share of the imports from the African countries was 3.1%, the share of the imports from the American countries was 9.0%, the share of the imports from Asian countries was 32.9%, the share of the imports from Australia and New Zealand was 1.0%, and the rate of the imports from the other countries and regions was 3.5%.

The foreign trade volume that decreased by 2.8% in 2016 rose to 390,819 million dollars in 2017 with a 14.6% increase. The volume of foreign trade with EU countries, Turkey's Free Zones and countries under the group of other countries increased by 9.4% to 3,564 million dollars, while the volume of foreign trade to countries under the group of other countries increased by 18.8% to 228,124 million dollars.

Figure 48. Import by Certain Country Groups



Foreign trade with other European countries not included in the EU has increased by 30.2%, with African by 12.5%, the Americas by 26.0%, with Asian countries by 13.4%, with Australia and New Zealand by 107.4%, and with other countries and regions by 22.4%.

In terms of selected country groups, the value of exports to countries of the Organization for Economic Cooperation and Development (OECD) was 82,741 million dollars, while this figure was 45,139 million dollars to Organisation of Islamic Cooperation (OIC) countries, 15,639 million dollars to Black Sea Economic Cooperation (BSEC) countries, 9,105 million dollars to Commonwealth of Independent States (CIS) countries, 8,106 million dollars to Economic Cooperation Organization (ECO) countries, 4,166 million dollars to the Turkic Republics, and 1,639 million dollars to European Free Trade Association (EFTA) countries (Table 108).

While the greatest increase in exports to selected country groups was to BSEC countries at 19.6%, the greatest decrease was to EFTA countries at 49.8%, as in the previous year.

Table 108. Foreign Trade Indicators by Selected Country Groups

Selected Country Groups	(Million Dollar)							
				Export				
	Value (%)			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Organization for Economic Cooperation and Development (OECD)	75,368	77,420	82,741	52.4	54.3	52.7	2.7	6.9
European Free Trade Association (EFTA)	6,202	3,267	1,639	4.3	2.3	1.0	-47.3	-49.8
Black Sea Economic Cooperation (BSEC)	14,590	13,078	15,639	10.1	9.2	10.0	-10.4	19.6
Economic Cooperation Organization (ECO)	9,567	9,603	8,106	6.7	6.7	5.2	0.4	-15.6
Commonwealth of Independent States (CIS)	10,569	7,750	9,105	7.3	5.4	5.8	-26.7	17.5
Turkic Republics	5,290	3,992	4,166	3.7	2.8	2.7	-24.5	4.4
Organization of the Islamic Cooperation (OIC)	42,738	41,232	45,139	29.7	28.9	28.7	-3.5	9.5
D-8 Eight Developing Countries ^[1]	8,156	9,127	7,125	5.7	6.4	4.5	11.9	-21.9
Grand Total	143,839	142,530	157,020	100.0	100.0	100.0	-0.9	10.2
				Import				
	Value (%)			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Organization for Economic Cooperation and Development (OECD)	101,502	100,923	116,366	49.0	50.8	49.8	-0.6	15.3
European Free Trade Association (EFTA)	3,138	3,162	7,776	1.5	1.6	3.3	0.8	145.9
Black Sea Economic Cooperation (BSEC)	31,525	24,183	30,605	15.2	12.2	13.1	-23.3	26.6
Economic Cooperation Organization (ECO)	9,310	7,740	11,207	4.5	3.9	4.8	-16.9	44.8
Commonwealth of Independent States (CIS)	27,152	20,729	26,079	13.1	10.4	11.2	-23.7	25.8
Turkic Republics	2,688	2,605	3,185	1.3	1.3	1.4	-3.1	22.3
Organization of the Islamic Cooperation (OIC)	22,407	23,178	31,958	10.8	11.7	13.7	3.4	37.9
D-8 Eight Developing Countries ^[1]	11,786	10,867	15,352	5.7	5.5	6.6	-7.8	41.3
Grand Total	207,234	198,618	233,800	100.0	100.0	100.0	-4.2	17.7
				Foreign Trade Volume				
	Value (%)			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Organization for Economic Cooperation and Development (OECD)	176,871	178,343	199,107	50.4	52.3	50.9	0.8	11.6
European Free Trade Association (EFTA)	9,340	6,428	9,415	2.7	1.9	2.4	-31.2	46.5
Black Sea Economic Cooperation (BSEC)	46,116	37,262	46,244	13.1	10.9	11.8	-19.2	24.1
Economic Cooperation Organization (ECO)	18,877	17,342	19,313	5.4	5.1	4.9	-8.1	11.4
Commonwealth of Independent States (CIS)	37,721	28,479	35,185	10.7	8.3	9.0	-24.5	23.5
Turkic Republics	7,978	6,597	7,351	2.3	1.9	1.9	-17.3	11.4
Organization of the Islamic Cooperation (OIC)	65,144	64,411	77,097	18.6	18.9	19.7	-1.1	19.7
D-8 Eight Developing Countries ^[1]	19,942	19,994	22,478	5.7	5.9	5.8	0.3	12.4
Grand Total	351,073	341,148	390,819	100.0	100.0	100.0	-2.8	14.6

Source: TURKSTAT.

[1]: Turkey, Iran, Pakistan, Bangladesh, Malaysia, Indonesia, Egypt, Nigeria.

Within total exports, the shares of exports to OECD, OIC, BSEC, CIS, ECO, D-8, Turkic Republics and EFTA countries were 52.7%, 28.7%, 10.0%, 5.8%, 5.2%, 4.5%, 2.7% and 1.0%, respectively.

The highest imports made in 2017 was from OECD countries with 116,366 million dollars, which were followed by OIT countries with 31,958 million dollars, BSEC countries with 30,605 million dollars, CIS countries with 15,352 million dollars, D-8 countries with 15,352 million dollars, ECO countries with 11,207 million dollars, EFTA countries with 7,776 million dollars, and Turkic Republics with 3,185 million dollars. In 2017, imports from all country groups under this heading did not increase compared to the previous year. The highest rate of increase was 145.9% with imports from EFTA countries.

In the year 2017, 199,107 million dollars, corresponding to 50.9% of the foreign trade with selected country groups, was performed with OECD countries, 77,097 million dollars, corresponding to 19.7% with OIC countries, 46,244 million dollars, corresponding to 11.8% with BSEC countries, 35,185 million dollars, corresponding to 9.0% with CIS countries, 22,478 million dollars, corresponding to 5.8 with D-8 countries, 19,313 million dollars, corresponding to 4.9% with ECO countries, 9,415 million dollars, corresponding to 2.4 with EFTA countries, and 7,351 million dollars, corresponding to 1.9% with Turkic Republics.

Within the top ten countries with which the greatest amount of exports was carried out, Germany was in first place with 9.6% of total exports at 15,121 million dollars, and exports to this country increased by 8.0% compared to 2016. Britain, which received 6.1% of total exports with 9,605 million dollars, followed in second place, and exports to the UK decreased by 17.8% compared to 2016. The United Arab Emirates ranked third with 5.8% of total exports, corresponding to 9,184 million dollars, and has become the country to which our exports have risen highest with an increase of 69.9% compared to 2016. 51.1% of total exports were carried out to the top ten countries in 2017 (Table 109).

Table 109. Top Ten Countries to Which We Export

Countries ⁽¹⁾	(Million Dollar)								
	Value			Share (%)			Change (%)		
	2015	2016	2017	2015	2016	2017	2016	2017	
Germany	13,417	13,999	15,121	9.3	9.8	9.6	4.3	8.0	
United Kingdom	10,556	11,686	9,605	7.3	8.2	6.1	10.7	-17.8	
United Arab Emirates	4,681	5,407	9,184	3.3	3.8	5.8	15.5	69.9	
Iraq	8,550	7,637	9,056	5.9	5.4	5.8	-10.7	18.6	
USA	6,396	6,623	8,655	4.4	4.6	5.5	3.6	30.7	
Italy	6,887	7,581	8,475	4.8	5.3	5.4	10.1	11.8	
France	5,845	6,022	6,585	4.1	4.2	4.2	3.0	9.3	
Spain	4,742	4,988	6,304	3.3	3.5	4.0	5.2	26.4	
The Netherlands	3,155	3,589	3,865	2.2	2.5	2.5	13.8	7.7	
Israel	2,698	2,956	3,408	1.9	2.1	2.2	9.5	15.3	
Total of first ten countries	66,928	70,488	80,258	46.5	49.5	51.1	5.3	13.9	
Total exports	143,839	142,530	157,020	100.0	100.0	100.0	-0.9	10.2	

Source: TURKSTAT.

(1): The first 10 countries in the ranking made according to 2017 export values.

Among the top ten countries from which the highest amount of imports is carried out, China ranked first at 10.0% and 23,371 million dollars, and imports from this country demonstrated a 8.1% decrease compared to 2016. Germany, which made 9.1% of total imports with 21,302 million dollars ranked second, and imports from Germany dropped by 0.8% compared to 2016. The third rank was occupied by the Russian Federation, which made 8.3% of the total imports with 19,514 million dollars, and the exports that decreased as a result of the political tensions in 2016 increased by 28.7% in 2017. In 2017, the share of the top ten countries in total imports was 52.6% (Table 110).

Table 110. Top Ten Countries from Which We Import

Countries ⁽¹⁾	(Million Dollar)								
	Value			Share (%)			Change (%)		
	2015	2016	2017	2015	2016	2017	2016	2017	
China	24,873	25,441	23,371	12.0	12.8	10.0	2.3	-8.1	
Germany	21,352	21,475	21,302	10.3	10.8	9.1	0.6	-0.8	
Russian Federation	20,402	15,162	19,514	9.8	7.6	8.3	-25.7	28.7	
USA	11,141	10,868	11,945	5.4	5.5	5.1	-2.5	9.9	
Italy	10,639	10,218	11,305	5.1	5.1	4.8	-4.0	10.6	
France	7,598	7,365	8,071	3.7	3.7	3.5	-3.1	9.6	
Iran	6,096	4,700	7,492	2.9	2.4	3.2	-22.9	59.4	
Switzerland	2,446	2,503	6,900	1.2	1.3	3.0	2.3	175.7	
South Korea	7,057	6,384	6,609	3.4	3.2	2.8	-9.5	3.5	
United Kingdom	5,541	5,320	6,549	2.7	2.7	2.8	-4.0	23.1	
Total of first ten countries	117,146	109,437	123,058	56.5	55.1	52.6	-6.6	12.4	
Total imports	207,234	198,618	233,800	100.0	100.0	100.0	-4.2	17.7	

Source: TURKSTAT.

(1): The first 10 countries in the ranking made according to 2017 import values.

1.5.1.5 Foreign Trade with Neighboring Countries

Exports to neighboring countries increased by 2.5% in 2017, to 20,712 million Dollars. The share of neighboring countries in total exports decreased by 1.0 percentage points compared to the previous year, and decreased from 14.2% to 13.2%.

Among the neighboring countries, the largest country of export was Iraq with 9,056 million dollars, which was followed by Iran with 3,259 million dollars and Bulgaria with 2,804 million dollars. In 2017, exports to Iraq and exports to Bulgaria increased by 18.6% and 17.7%, respectively, compared to the previous year, while exports to Iran decreased by 34.4% (Table 111).

Table 111. Foreign Trade with Neighboring Countries

(Million Dollar)								
Neighboring Countries	Export							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Azerbaijan-Nakhichevan	1,899	1,285	1,357	1.3	0.9	0.9	-32.3	5.6
Bulgaria	1,676	2,384	2,804	1.2	1.7	1.8	42.2	17.7
Armenia	0	0	0	0.0	0.0	0.0	0.0	0.0
Georgia	1,109	1,177	1,209	0.8	0.8	0.8	6.1	2.7
Iraq	8,550	7,637	9,056	5.9	5.4	5.8	-10.7	18.6
Iran	3,664	4,966	3,259	2.5	3.5	2.1	35.5	-34.4
Syria	1,522	1,322	1,364	1.1	0.9	0.9	-13.1	3.1
Greece	1,401	1,427	1,663	1.0	1.0	1.1	1.9	16.5
Total of neighboring countries	19,820	20,197	20,712	13.8	14.2	13.2	1.9	2.5
Grand total	143,839	142,530	157,020	100.0	100.0	100.0	-0.9	10.2
Neighboring Countries	Import							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Azerbaijan-Nakhichevan	232	278	351	0.1	0.1	0.2	19.7	26.2
Bulgaria	2,254	2,143	2,773	1.1	1.1	1.2	-5.0	29.4
Armenia	1	1	2	0.0	0.0	0.0	0.0	100.0
Georgia	223	212	215	0.1	0.1	0.1	-5.1	1.7
Iraq	297	836	1,528	0.1	0.4	0.7	182.1	82.7
Iran	6,096	4,700	7,492	2.9	2.4	3.2	-22.9	59.4
Syria	52	65	71	0.0	0.0	0.0	27.0	7.9
Greece	1,861	1,187	1,833	0.9	0.6	0.8	-36.2	54.4
Total of neighboring countries	11,016	9,422	14,265	5.3	4.7	6.1	-14.5	51.4
Grand total	207,234	198,618	233,800	100.0	100.0	100.0	-4.2	17.7
Neighboring Countries	Foreign Trade Volume							
	Value			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Azerbaijan-Nakhichevan	2,131	1,563	1,708	0.6	0.5	0.4	-26.6	9.3
Bulgaria	3,930	4,526	5,577	1.1	1.3	1.4	15.2	23.2
Armenia	1	1	2	0.0	0.0	0.0	0.0	100.0
Georgia	1,332	1,388	1,424	0.4	0.4	0.4	4.2	2.6
Iraq	8,846	8,473	10,583	2.5	2.5	2.7	-4.2	24.9
Iran	9,760	9,666	10,752	2.8	2.8	2.8	-1.0	11.2
Syria	1,574	1,387	1,434	0.4	0.4	0.4	-11.8	3.4
Greece	3,262	2,614	3,496	0.9	0.8	0.9	-19.8	33.7
Total of neighboring countries	30,835	29,619	34,977	8.8	8.7	8.9	-3.9	18.1
Grand total	351,073	341,148	390,819	100.0	100.0	100.0	-2.8	14.6

Source: TURKSTAT.

Imports from neighboring countries increased by 51.4% to 14,265 million dollars in 2017. The share of the neighboring countries in total imports rose from 4.7% to 6.1% with an increase of 1.4 points compared to the preceding year.

The country from among neighbouring countries, from which the largest amount of imports were made was Iran with 7,492 million dollars, which was followed by Bulgaria with 2,773 million dollars, and Greece with 1,833 million dollars. Compared to the previous year, imports from Iran increased by 59.4%, from Bulgaria by 29.4, and from Greece by 54.4% in 2017.

The volume of our country's foreign trade with neighboring countries decreased by 3.9% in 2016, while increasing by 18.1% in 2017, from 29,619 million dollars to 34,977 million dollars. The share of foreign trade volume in the total foreign trade volume, which is made up by neighboring countries, increased 0.2 points compared to 2016, from 8.7% to 8.9%.

1.5.2 Balance of Payments

In 2017, the current account balance showed a significant level of deterioration in comparison to the previous year. The current accounts deficit increased by 42.1% and rose from 33,137 million dollars to 47,100 million dollars. The said development was due to the rise in foreign trade deficit shown at the statement of payments balance as well as the increase in the primary income balance deficit (Table 112, Figure 49).

As indicated in the payments balance, exports and imports increased by 10.4% and 17.5%, respectively. Thus, the goods balance deficit increased by 43.4% to 58,636 million dollars.

A decline in concerns for Turkey's security, the normalisation of relations with Russia have caused travel revenues to increase, limiting the widening of the current account deficit. In 2017, travel revenues rose by 19.9% to 22,478 million dollars, while travel expenses rose by 0.8% to 4,823 million dollars. Thus, net travel revenues increased by 26.5% to 17,655 million dollars. Net revenues from the transportation entry rose by 11.9% to 5,630 million dollars, while net revenues from the construction entry decreased by 14.1% to 440 million dollars. Net service revenues in 2017 were 20,133 million dollars, up 31.9% compared to 2016.

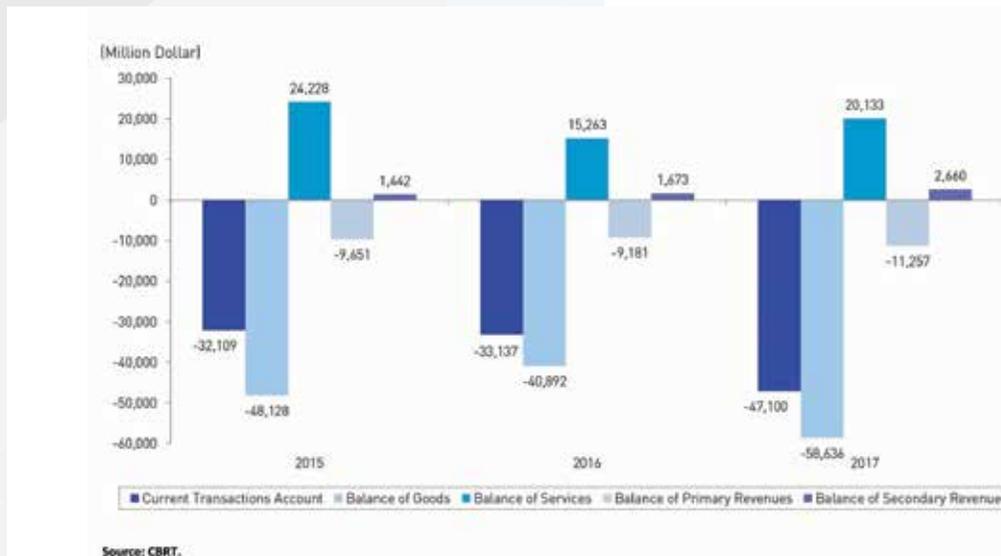
The net outflow in primary income balance, which is comprised of wage payments and investment income items, continued, and rose by 22.6% in 2017 to 11,257 million dollars. In this development, the 1,831 million dollar increase in net outflows from investment income, bringing it to 10,328 million dollars has played a role. Interest expenditures under primary income balance increased by 13.3% to 6,368 million dollars.

Table 112. Balance of Payments

Components	(Million Dollar)				
	2015	2016	2017	Change (%)	
				2016	2017
Current Transactions Account	-32,109	-33,137	-47,100	3.2	42.1
Export	151,970	150,161	165,775	-1.2	10.4
Import	200,098	191,053	224,411	-4.5	17.5
Goods Balance	-48,128	-40,892	-58,636	-15.0	43.4
Service Revenues	46,632	37,391	43,925	-19.8	17.5
Travel Revenues	26,616	18,743	22,478	-29.6	19.9
Other Income	20,016	18,648	21,447	-6.8	15.0
Service Expenses	22,404	22,128	23,792	-1.2	7.5
Travel Expenses	5,368	4,783	4,823	-10.9	0.8
Other Expenses	17,036	17,345	18,969	1.8	9.4
Balance of Goods and Services	-23,900	-25,629	-38,503	7.2	50.2
Primary Investment-Originated Revenues	4,471	5,311	4,916	18.8	-7.4
Interest Income	1,722	2,142	2,339	24.4	9.2
Other Income	2,749	3,169	2,577	15.3	-18.7
Primary Investment-Originated Expenses	14,122	14,492	16,173	2.6	11.6
Interest Expenses	5,160	5,620	6,368	8.9	13.3
Other Expenses	8,962	8,872	9,805	-1.0	10.5
Balance of Goods, Services and Primary Revenues	-33,551	-34,810	-49,760	3.8	42.9
Secondary Investment-Originated Revenues	1,442	1,673	2,660	16.0	59.0
Worker Remittances	714	575	414	-19.5	-28.0
Other Transfers	728	1,098	2,246	50.8	104.6
Capital Account	-21	23	17	-209.5	-26.1
Finance Account	-10,543	-22,958	-38,892	117.8	69.4
Direct Investments: Net Asset Acquisition	5,096	3,147	2,702	-38.2	-14.1
Direct Investments: Net Liability Origination	18,002	13,343	10,830	-25.9	-18.8
Portfolio Investments: Net Asset Acquisition	6,129	1,511	-228	-75.3	-115.1
Portfolio Investments: Net Liability Composition	-9,558	7,811	24,064	-181.7	208.1
Stocks	-2,395	823	3,192	-134.4	287.8
Notes Payable	-7,163	6,988	20,872	-197.6	198.7
Other Investments: Net Asset Acquisition	14,992	6,144	8,045	-59.0	30.9
Central Bank	0	0	0	-	-
General Government	-238	-236	-326	-0.8	38.1
Banks	15,184	7,646	6,632	-49.6	-13.3
Other Sectors	46	-1,266	1,739	-2,852.2	-237.4
Other Investments: Net Liability Composition	28,316	12,606	14,517	-55.5	15.2
Central Bank	-674	-413	-218	-38.7	-47.2
General Government	-1,189	-925	-1,369	-22.2	48.0
Banks	18,907	876	3,719	-95.4	324.5
Other Sectors	11,272	13,068	12,385	15.9	-5.2
Current, Capital and Financial Accounts	-21,587	-10,156	-8,191	-53.0	-19.3
Net Errors and Omissions	9,756	10,969	-16	12.4	-100.1
General Balance	11,831	-813	8,207	-106.9	-1,109.5
Reserve Assets	-11,831	813	-8,207	-106.9	-1,109.5
Official Reserves	-11,831	813	-8,207	-106.9	-1,109.5
International Monetary Fund Loans	0	0	0	-	-

Source: CBRT.

Figure 49. Balance of Payments



The net inflows arising out of the balance of secondary revenues consisting of current transfers of the general government and other sectors increased by 59.0% to 2,660 million dollars.

Net inflows arising from the net investment in 2017 decreased by 20.3% compared to the preceding year and decreased from 10,196 million dollars to 8,128 million dollars.

Portfolio investments recorded a net inflow of 24,292 million dollars. A net inflow of 6,472 million dollars realized in the other investments.

The official reserves, which increased by 813 million dollars in 2016, decreased by 8,207 million dollars in 2017.

The foreign financing need, which is defined as the total of the current transactions and the net error and omissions items, increased to 47,116 million dollars in 2017.

1.5.3 Direct International Investments

Direct international investment inflows rose to 12,077 million dollars increasing by 39.9% in 2015. However, the recession experienced in the global economy in 2016 and the uncertainties experienced in our country as a result of the internal and external factors affected investment initiatives negatively by increasing the risk perception in the investors. International direct investments downsized by 41.0% in 2016. This downsizing continued in 2017 with a slowdown, and net international direct capital inflows decreased by 19.5% to 5,568 million dollars. The negative impact of geopolitical political developments on the risk perception towards the region has been the main factor of this development (Table 113).

Table 113. Direct International Investment Inflows (Actual Inflows)

Years	International Direct Investments							(Million Dollar)
	Capital			Other Capital (Net) ⁽¹⁾	Total (Net)	Real estate (Net)	Total Investment (Net Liability Incurrence)	
	Investment	Liquidation	Net					
2015	12,077	364	11,713	2,133	13,846	4,156	18,002	
2016	7,534	621	6,913	2,540	9,453	3,890	13,343	
2017 ⁽²⁾	7,437	1,869	5,568	619	6,187	4,643	10,830	
	Değişim [%]							
2015	39.9	39.5	39.9	399.5	57.4	-3.8	37.2	
2016	-37.6	70.6	-41.0	19.1	-31.7	-6.4	-25.9	
2017	-1.3	201.0	-19.5	-75.6	-34.5	19.4	-18.8	

Source: MoE.

(1) : Value of loans obtained by international capital companies from foreign partners.

(2) : Interim.

In 2017, direct capital inflows to Turkey were 7,437 million dollars, and capital outflows were 1,869 million dollars. Thus, in 2017 the total net capital amount was 10,830 million dollars including the net capital inflows of 5,568 million dollars, net other capital inflows with foreign partners of international companies amounting to 619 million dollars, and net real estate sales of 4,643 million dollars, which is 18.8% less compared to the preceding year.

In 2016, whereas the share of international direct capital within net total investment inflows, which was of 70.8% declined to 57.1% in 2017, the share of net real estate sales, which was 29.2% increased to 42.9%.

The highest share within the direct international investment inflows was acquired by the services sector in 2017. The highest share within the investments inflows towards the service sector was acquired by the finance and insurance activities, and the major part of the investment inflows in the industry sector derived from the manufacturing industry sector. The agriculture sector continued to be the sector that attracted the lowest interest from foreign investors in 2017. Out of the direct international investment capital inflow, 0.4% representing 31 million dollars occurred in the agriculture sector, 35.7% representing 2,653 million dollars occurred in the industry sector, and 63.9% representing 4,753 million dollars occurred in the services sector (Table 114, Figure 50).

In terms of sub-sectors, the activities with most intense foreign capital inflows were the finance and insurance activities with 1,452 million dollars, transportation and storage with 1,350 million dollars, manufacturing industry with 1,261 million dollars, electricity, gas and water activities with 944 million dollars, construction with 627 million dollars, information and communication with 557 million dollars.

Out of the direct international capital inflows in 2017, 65.2% representing a portion of 4,848 million dollars is composed of capital originating from EU countries, 23.3% representing a portion of 1,734 million dollars from Asian countries, 8.6% representing a portion of 636 million dollars from other countries, 2.3% representing a portion of 171 million dollars from USA, 0.6% representing a portion of 43 million dollars from African countries, and 0.1% representing a portion of 5 million dollars from other countries excluding EU.

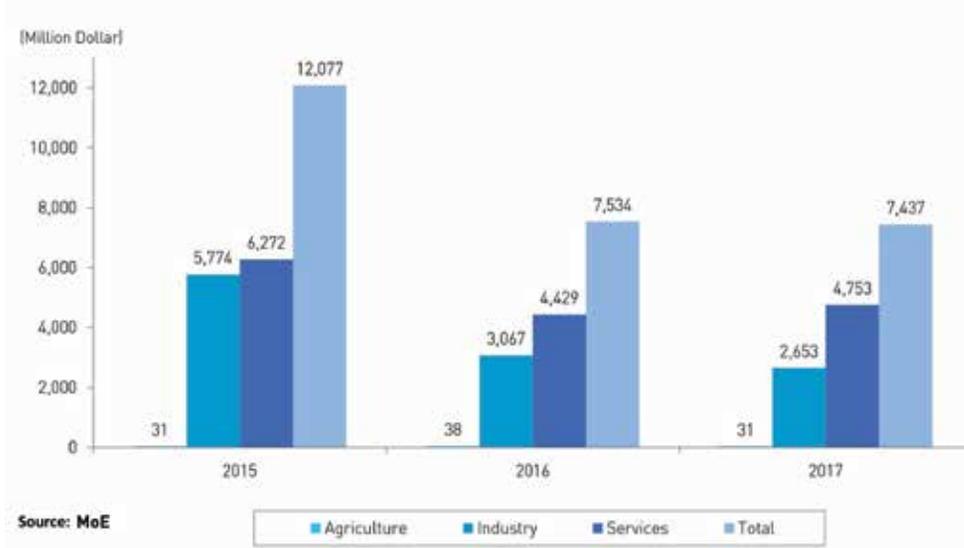
Table 114. Sectoral Distribution of the Direct International Investment Capital Inflows

Sectors	(Million Dollar)							
	Value			Share (%)			Change (%)	
	2015	2016	2017 ⁽¹⁾	2015	2016	2017	2016	2017
Agriculture Sector	31	38	31	0.3	0.5	0.4	22.6	-18.4
Agriculture, hunting, forestry and fishery	31	38	31	0.3	0.5	0.4	22.6	-18.4
Industry Sector	5,774	3,067	2,653	47.8	40.7	35.7	-46.9	-13.5
Mining and quarrying	207	148	448	1.7	2.0	6.0	-28.5	202.7
Manufacturing industry	4,227	2,241	1,261	35.0	29.7	17.0	-47.0	-43.7
Manufacture of food, beverages and tobacco products	983	706	227	8.1	9.4	3.1	-28.2	-67.8
Manufacture of textile and garments	433	36	73	3.6	0.5	1.0	-91.7	102.8
Manufacture of leather and related products	2	11	0	0.0	0.1	0.0	450.0	-100.0
Manufacture of wood and wooden products	0	1	0	0.0	0.0	0.0	-	-100.0
Manufacture of paper and paper products, printing and duplication of recorded media	20	73	91	0.2	1.0	1.2	265.0	24.7
Manufacture of coke and refined petroleum products	1,809	0	0	15.0	0.0	0.0	-100.0	-
Manufacture of chemicals, chemical products and basic pharmacy products and materials	340	288	157	2.8	3.8	2.1	-15.3	-45.5
Manufacture of rubber and plastic products	80	93	253	0.7	1.2	3.4	16.3	172.0
Manufacture of other non-metallic mineral products	112	24	17	0.9	0.3	0.2	-78.6	-29.2
Manufacture of main metal industry and fabrication metal products (except machinery and equipment)	100	628	97	0.8	8.3	1.3	528.0	-84.6
Manufacture of machinery and equipment (not elsewhere classified)	34	23	35	0.3	0.3	0.5	-32.4	52.2
Manufacture of computers, electric-electronic and optical products	142	242	240	1.2	3.2	3.2	70.4	-0.8
Transportation vehicles manufacturing	147	59	35	1.2	0.8	0.5	-59.9	-40.7
Furniture production and other manufacturing industry not elsewhere classified	25	57	36	0.2	0.8	0.5	128.0	-36.8
Electricity, gas and water	1,340	678	944	11.1	9.0	12.7	-49.4	39.2
Services Sector	6,272	4,429	4,753	51.9	58.8	63.9	-29.4	7.3
Construction	106	291	627	0.9	3.9	8.4	174.5	115.5
Wholesale and retail trade	599	688	501	5.0	9.1	6.7	14.9	-27.2
Transportation and storage	1,524	635	1,350	12.6	8.4	18.2	-58.3	112.6
Accommodation and catering activities	11	259	59	0.1	3.4	0.8	2,254.5	-77.2
Information and communication	150	91	557	1.2	1.2	7.5	-39.3	512.1
Financial and insurance activities	3,516	1,766	1,452	29.1	23.4	19.5	-49.8	-17.8
Real estate activities	171	283	31	1.4	3.8	0.4	65.5	-89.0
Vocational, scientific and technical activities	51	73	52	0.4	1.0	0.7	43.1	-28.8
Administrative and support service activities	55	24	28	0.5	0.3	0.4	-56.4	16.7
Education	0	13	0	0.0	0.2	0.0	-	-100.0
Human health and social service activities	58	274	62	0.5	3.6	0.8	372.4	-77.4
Culture, art, entertainment, recreation and sports activities	9	18	9	0.1	0.2	0.1	100.0	-50.0
Other service activities	22	14	25	0.2	0.2	0.3	-36.4	78.6
Total	12,077	7,534	7,437	100.0	100.0	100.0	-37.6	-1.3

Source: MoE.

(1): Interim.

Figure 50. Sectoral Distribution of the Direct International Investment Capital Inflows



The international direct inflows from EU countries which decreased by 46.1% in 2016 increased by 28.2% in 2017. Whereas the capital inflows from Belgium and Spain included in the EU countries increased at high amount, the capital inflows from the European countries excluding EU, capital inflows from USA, capital inflows from Asian countries decreased by 99.3%, 49.4%, 22.8% respectively, and the capital inflows from other countries apart from them increased by 43.6 (Table 115, Figure 51).

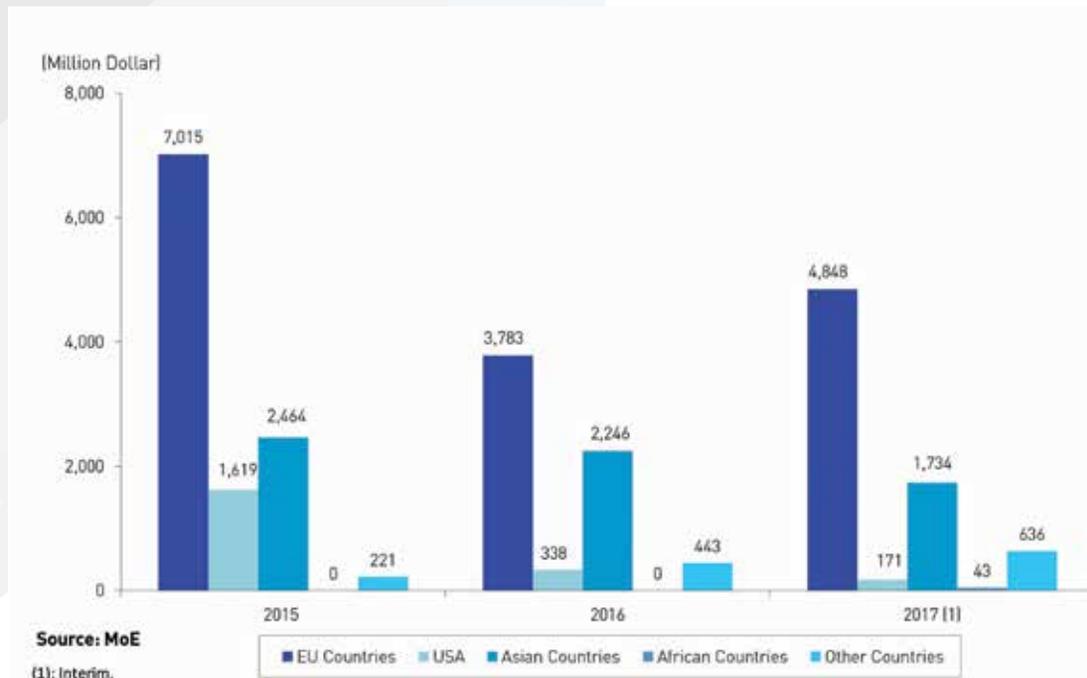
Table 115. Distribution of the Direct International Investment Capital Inflows by Countries

Country Groups	(Million Dollar)							
	Value			Share(%)			Change(%)	
	2015	2016	2017 ⁽¹⁾	2015	2016	2017	2016	2017
EU Countries	7,015	3,783	4,848	58.1	50.2	65.2	-46.1	28.2
Germany	355	440	295	2.9	5.8	4.0	23.9	-33.0
Austria	80	345	326	0.7	4.6	4.4	331.3	-5.5
Belgium	767	13	225	6.4	0.2	3.0	-98.3	1,630.8
France	165	90	107	1.4	1.2	1.4	-45.5	18.9
Netherlands	1,184	1,024	1,768	9.8	13.6	23.8	-13.5	72.7
United Kingdom	585	974	324	4.8	12.9	4.4	66.5	-66.7
Spain	2,305	318	1,451	19.1	4.2	19.5	-86.2	356.3
Italy	180	87	124	1.5	1.2	1.7	-51.7	42.5
Luxemburg	1,252	335	109	10.4	4.4	1.5	-73.2	-67.5
Other EU Countries	142	157	119	1.2	2.1	1.6	10.6	-24.2
Other European Countries (excluding EU)	758	724	5	6.3	9.6	0.1	-4.5	-99.3
African Countries	0	0	43	0.0	0.0	0.6	-	-
USA	1,619	338	171	13.4	4.5	2.3	-79.1	-49.4
Asian Countries	2,464	2,246	1,734	20.4	29.8	23.3	-8.8	-22.8
Near and Middle East Countries	1,317	1,358	1,210	10.9	18.0	16.3	3.1	-10.9
Gulf Countries	460	540	198	3.8	7.2	2.7	17.4	-63.3
Other Near and Middle East Countries	850	814	1,012	7.0	10.8	13.6	-4.2	24.3
Other Asian Countries	1,147	888	524	9.5	11.8	7.0	-22.6	-41.0
China	451	301	115	3.7	4.0	1.5	-33.3	-61.8
Other Countries	221	443	636	1.8	5.9	8.6	100.5	43.6
Total	12,077	7,534	7,437	100.0	100.0	100.0	-37.6	-1.3

Source: MoE.

(1): Interim.

Figure 51. Distribution of the Direct International Investment Capital Inflows by Countries



1.5.4 Foreign Debts

The gross foreign debt stock which was decreased by 1.4% in 2015 increased with a limited increase by 2.2% in 2016 and gaining acceleration in 2017 and increased by 11.0%. The gross debt stock which was 408,195 million dollars in 2016 rose to 453,207 million dollars in 2017.

The short-term debts decreasing in 2015 and 2016 rose to 117,711 million dollars in 2017 increasing by 16.0% compared to the preceding year. The long-term debts rose to 335,496 million dollars increasing by 9.4%. Due to these changes, the maturity structure of foreign debt stock also changed in 2017. While within the gross debt stock, the share of short-term debts increased from 24.9% to 26.0%, the share of long-term debts decreased from 75.1% to 74.0% (Table 116, Figure 52).

It is seen that the increase of foreign debt of private sector within the foreign debt stock in 2017 is higher than the increase of foreign debt of public sector. The foreign debt of private sector that increased by 0.9% in 2016 reached 316,360 million dollars with an increase by 11.4% in 2017. The foreign debt of public sector that increased by 5.7% in 2016 became 136,182 million dollars with an increase by 10.5% in 2017. The foreign debt of the Central Bank of the Republic of Turkey continued to decrease, and it reduced down to 665 million dollars decreasing by 19.0% compared to the preceding year.

Table 116. Gross Foreign Debt Stock

Indicators	(Million Dollar)		
	2015	2016	2017
Foreign debt stock	399,459	408,195	453,207
Change (%)	-1.4	2.2	11.0
Short term	105,375	101,489	117,711
Change (%)	-22.0	-3.7	16.0
Share in debt stock (%)	26.4	24.9	26.0
Long term	294,084	306,707	335,496
Change (%)	9.0	4.3	9.4
Share in debt stock (%)	73.6	75.1	74.0
By Debtors			
Short term	105,375	101,489	117,711
Public	18,064	19,720	21,994
CBRT	176	110	94
Private	87,135	81,659	95,623
Long term	294,084	306,707	335,496
Public	98,575	103,552	114,188
CBRT	1,151	711	571
Private	194,358	202,444	220,737
Total public	116,639	123,272	136,182
Change (%)	-3.8	5.7	10.5
Share in debt stock (%)	29.2	30.2	30.0
Total CBRT	1,327	821	665
Change (%)	-46.6	-38.1	-19.0
Share in debt stock (%)	0.3	0.2	0.1
Total private	281,493	284,103	316,360
Change (%)	0.1	0.9	11.4
Share in debt stock (%)	70.5	69.6	69.8

Source: UoT.

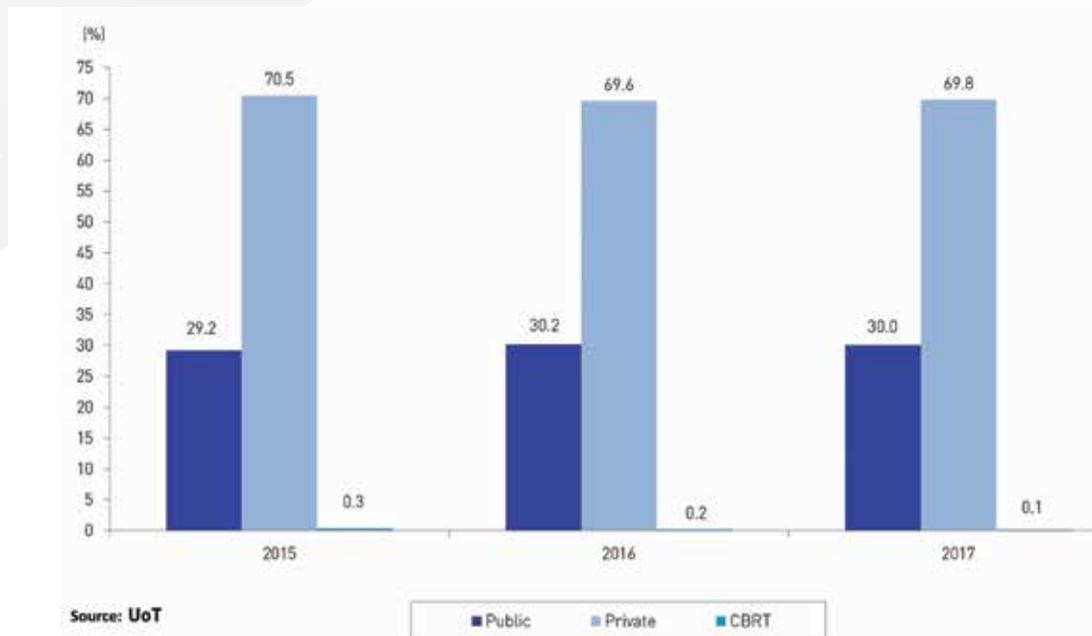
Figure 52. Foreign Debt Stock



Out of the public sector foreign debt in 2017, a portion of 114,188 million dollars was composed of long-term debts and a portion of 21,994 million dollars was composed of short-term debts; and out of the private sector foreign debt, a portion of 220,737 million dollars was composed of long-term debts and a portion of 95,623 million dollars was composed of short-term debts.

While within the total foreign debt stock, in 2017 compared the preceding year, the share of public sector decreased from 30.2% to 30.0% and the share of the Central Bank of the Republic of Turkey decreased from 0.2% to 0.1%, the share of private sector rose from 69.6% to 69.8% (Figure 53).

Figure 53. Distribution of Foreign Debt Stock by Debtors



Short- and Long-Term Debts received from Abroad by the Private Sector

The total loan debt received by the private sector from abroad increased by 10.3% as of the year-end of 2017 compared to the year-end of 2016, and became 239,098 million dollars. Short- and long-term loan debts received by the private sector from abroad in 2017 increased. While in 2016, 6.6% of the total debt composed of short-term credit debts, this percentage rose to 7.7% in 2017. While in 2016, 93.4% of the total debt composed of long-term credit debts, this percentage reduced to 92.3% in 2017 (Table 117).

The short-term loan debt received by the private sector from abroad became 18,361 million dollars with an increase by 28.0% at the year-end of 2017 compared to the preceding year-end. Out of the short-term private sector loan debt, 78.5% corresponding to 14,408 million dollars is owed by the financial segment private sector and 21.5% corresponding to 3,954 million dollars is owed by the non-financial public sector.

Table 117. Short- and Long-Term Loan Debts Received by the Private Sector from Abroad

By Debtors	Value (Million Dollar)			Share (%)			Change (%)	
	2015	2016	2017	2015	2016	2017	2016	2017
				Short-Term ⁽¹⁾				
Financial	18,414	12,064	14,408	90.3	84.1	78.5	-34.5	19.4
Banks ⁽²⁾	16,360	10,461	11,664	80.2	72.9	63.5	-36.1	11.5
Non-bank financial institutions	2,054	1,603	2,744	10.1	11.2	14.9	-21.9	71.2
Non-financial	1,983	2,282	3,954	9.7	15.9	21.5	15.1	73.2
Loans	1,863	2,217	3,869	9.1	15.5	21.1	19.0	74.5
Loans considered as foreign capital	120	65	73	0.6	0.5	0.4	-45.3	12.0
Bonds	0	0	11	0.0	0.0	0.1	-	-
Total	20,397	14,346	18,361	100.0	100.0	100.0	-29.7	28.0
				Long-Term				
Financial	104,816	105,609	113,283	53.9	52.2	51.3	0.8	7.3
Banks	85,907	86,935	95,759	44.2	42.9	43.4	1.2	10.1
Non-bank financial institutions	18,909	18,673	17,524	9.7	9.2	7.9	-1.2	-6.2
Non-Financial	89,542	96,835	107,454	46.1	47.8	48.7	8.1	11.0
Loans	73,865	79,420	87,891	38.0	39.2	39.8	7.5	10.7
Loans considered as Foreign Capital	9,524	11,305	12,201	4.9	5.6	5.5	18.7	7.9
Commercial Loans	407	419	421	0.2	0.2	0.2	3.0	0.4
Bonds	5,746	5,691	6,941	3.0	2.8	3.1	-1.0	22.0
Total	194,358	202,444	220,737	100.0	100.0	100.0	4.2	9.0
				Total				
Short Term	20,397	14,346	18,361	9.5	6.6	7.7	-29.7	28.0
Long Term	194,358	202,444	220,737	90.5	93.4	92.3	4.2	9.0
Short Term + Long Term	214,755	216,790	239,098	100.0	100.0	100.0	0.9	10.3

Source: CBRT.

(1): Total loans are not included.

(2): Debts arising out of repo transactions are excluded.

Within the short-term private sector debt of the financial segment, 11,664 million dollars is owed by the banks and 2,744 million dollars is owed by the non-bank financial institutions. The short-term loan debt of the non-financial private sector is composed of the loans with 3,869 million dollars, of loans considered as foreign capital with 73 million dollars and of bonds with 11 million dollars.

The long-term loan debt received by the private sector from abroad became 220,737 million dollars with an increase by 9.0% at the year-end of 2017 compared to the preceding year-end. Out of the total long term private sector loan debt, 51.3% corresponding to 113,283 million dollars is owed by the financial segment private sector and 48.7% corresponding to 107,454 million dollars is owed by the non-financial public sector.

Within the long-term private sector debt of the financial segment, 95,759 million dollars was composed of the debts of the banks and 17,524 million dollars was composed of the debts of the non-bank financial institutions. Out of the long term debt of the non-financial segment private sector, 87,891 million dollars was composed of loans, 12,201 million dollars was composed of the loans considered as foreign capital, 421 million dollars was composed of commercial loans, and 6,941 million dollars was composed of bonds.

Sectoral Distribution of Short and Long-Term Debts received from Abroad by the Non-Financial Private Sector

On sectoral basis, of the short-term loan debt received by the non-financial private sector from abroad in 2017, 64.5% representing 2,550 million dollars was utilized by the industry sector, 32.0% representing 1,264 million dollars was utilized by the services sector, and 3.5% representing 140 million dollars was utilized by the agriculture sector (Table 118). Out of the long-term loan debt received by the non-financial private sector from abroad, 59.5% representing 63,969 million dollars was utilized by the services sector, 39.9% representing 42,904 million dollars was utilized by the industry sector, and 0.5% representing 581 million dollars was utilized by the agriculture sector.

Table 118. Sectoral Distribution of Short and Long Term Debts Received from Abroad by the Non-Financial Private Sector⁽¹⁾

Sectors	Short Term ⁽²⁾						Long Term					
	Value (Million Dollar)			Share (%)			Value (Million Dollar)			Share (%)		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
Agriculture sector	96	84	140	4.8	3.7	3.5	539	606	581	0.6	0.6	0.5
Agriculture, forestry and fishery	96	84	140	4.8	3.7	3.5	539	606	581	0.6	0.6	0.5
Industry sector	922	1,066	2,550	46.5	46.7	64.5	38,655	39,658	42,904	43.2	41.0	39.9
Mining and quarrying	208	145	539	10.5	6.3	13.6	3,921	4,280	4,493	4.4	4.4	4.2
Manufacturing	625	905	1,948	31.5	39.6	49.3	24,144	24,039	25,541	27.0	24.8	23.8
Manufacture of food, beverages and tobacco products	47	57	105	2.4	2.5	2.7	4,296	4,142	5,025	4.8	4.3	4.7
Manufacture of textile and garments	64	67	92	3.3	2.9	2.3	2,506	2,799	2,832	2.8	2.9	2.6
Manufacture of leather and related products	2	2	2	0.1	0.1	0.0	103	57	32	0.1	0.1	0.0
Manufacture of wood and wooden products	0	0	0	0.0	0.0	0.0	402	301	307	0.4	0.3	0.3
Manufacture of paper and paper products, printing and duplication of recorded media	3	4	4	0.1	0.2	0.1	506	547	489	0.6	0.6	0.5
Manufacture of coke and refined petroleum products	0	121	511	0.0	5.3	12.9	1,219	2,001	3,225	1.4	2.1	3.0
Manufacture of chemicals, chemical products and basic pharmacy products and materials	22	16	85	1.1	0.7	2.2	2,024	2,054	2,070	2.3	2.1	1.9
Manufacture of rubber and plastic products	5	46	88	0.2	2.0	2.2	1,035	969	696	1.2	1.0	0.6
Manufacture of other non-metallic mineral products	1	58	1	0.0	2.6	0.0	1,327	1,389	1,370	1.5	1.4	1.3
Manufacture of main metal industry and fabrication metal products (except machinery and equipment)	116	65	107	5.9	2.8	2.7	2,822	2,647	2,517	3.2	2.7	2.3
Manufacture of machinery and equipment (not elsewhere classified)	3	3	2	0.1	0.1	0.0	267	376	425	0.3	0.4	0.4
Manufacture of computers, electric-electronic and optical products	97	285	232	4.9	12.5	5.9	3,556	3,448	2,974	4.0	3.6	2.8
Manufacture of transportation vehicles	129	166	150	6.5	7.3	3.8	3,782	3,073	2,913	4.2	3.2	2.7
Furniture production and other manufacturing industry not elsewhere classified	136	15	568	6.8	0.7	14.4	299	234	666	0.3	0.2	0.6
Electricity, gas, vapor, air conditioning production and distribution	89	17	63	4.5	0.7	1.6	10,557	11,310	12,842	11.8	11.7	12.0
Water supply, sewerage, waste management and treatment activities	0	0	0	0.0	0.0	0.0	32	29	28	0.0	0.0	0.0
Su temini, kanalizasyon, atık yönetimi ve iyileştirme faaliyetleri	965	1,132	1,264	48.7	49.6	32.0	50,348	56,572	63,969	56.2	58.4	59.5
Services sector	62	122	156	3.1	5.4	3.9	10,296	13,075	16,102	11.5	13.5	15.0
Construction	310	748	347	15.6	32.8	8.8	4,062	3,862	4,933	4.5	4.0	4.6
Wholesale and retail trade	83	33	29	4.2	1.4	0.7	14,702	16,351	17,704	16.4	16.9	16.5
Transportation and storage	39	4	0	2.0	0.2	0.0	2,552	2,376	2,178	2.9	2.5	2.0
Accommodation and catering activities	106	112	179	5.4	4.9	4.5	8,272	9,417	9,581	9.2	9.7	8.9
Information and communication	33	22	21	1.7	0.9	0.5	4,527	5,012	4,889	5.1	5.2	4.5
Real estate activities	285	65	256	14.4	2.9	6.5	1,741	1,375	1,824	1.9	1.4	1.7
Vocational, scientific and technical activities	21	17	89	1.1	0.8	2.2	1,205	1,420	1,748	1.3	1.5	1.6
Administrative and support service activities	0	0	0	0.0	0.0	0.0	18	16	1	0.0	0.0	0.0
Public Administration and Defense, Compulsory Social Security	0	0	0	0.0	0.0	0.0	236	226	214	0.3	0.2	0.2
Education	2	6	34	0.1	0.2	0.9	1,717	2,079	3,184	1.9	2.1	3.0
Human health and social service activities	1	0	0	0.0	0.0	0.0	329	875	523	0.4	0.9	0.5
Culture, art, entertainment, recreation and sports	23	3	153	1.2	0.1	3.9	692	488	1,085	0.8	0.5	1.0
Other service activities	0	0	0	0.0	0.0	0.0	0	0	3	0.0	0.0	0.0
Household Activities as Employers ⁽³⁾	0	0	0	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0
Activities of International Organizations And Representations	1,983	2,282	3,954	100.0	100.0	100.0	89,542	96,835	107,454	100.0	100.0	100.0
Total	1,983	2,282	3,954	100.0	100.0	100.0	89,542	96,835	107,454	100.0	100.0	100.0

Source: CBRT.

[1] : Sectoral distribution of the loan debt received by the private sector from abroad is published according to NACE Rev 2.

[2] : Total loans are not included.

[3] : It covers undifferentiated goods-and services-producing activities of households for own use.

2. SOCIAL INDICATORS

2.1. Population

According to the results of the Address-Based Population Registration System (ABPRS), population of Turkey rose to 80,811 thousand people as of 2017 year-end with an increase by 996 people compared to the preceding year. Population growth rate dropped from 13.5‰ in 2016 to 12.4‰ in 2017. Population density (number of people per square-kilometer) that was 104 in 2016 ascended to 105 in 2017 with an increase by 1 person.

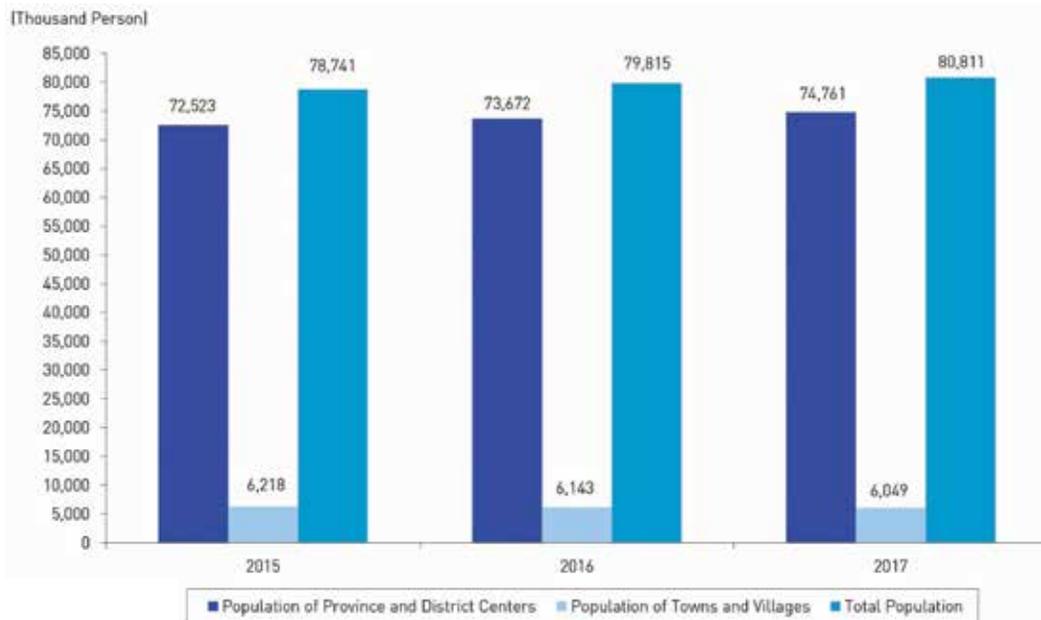
Out of this population, 74,761 people live in province and district centers, 6,049 people live in towns and villages. Rate of the residents in province and county centers rose from 92.3% in 2016 to 92.5% in 2017. Rate of the residents in towns and villages regressed from 7.7 in 2016 to 7.5% in 2017 (Table 119, Figure 54).

Table 119. Key Population Indicators

Years	Total Population (Thousand People)			Province and District Center (Thousand People)			Towns and Villages (Thousand People)			Annual Population Growth Rate (%)	Population Density
	Total	Male	Female	Total	Male	Female	Total	Male	Female		
2015	78,741	39,511	39,230	72,523	36,376	36,147	6,218	3,135	3,083	13.4	102
2016	79,815	40,044	39,771	73,672	36,936	36,736	6,143	3,108	3,035	13.5	104
2017	80,811	40,535	40,275	74,761	37,470	37,291	6,049	3,065	2,984	12.4	105

Source: TURKSTAT.

Figure 54. Province/District Centre and Town/Village Populations



Source: TURKSTAT.

In 2017, the total population was composed of 40,535 thousand males and 40,275 thousand females. As in the preceding year, rate of male population was 50.2% and rate of female population was 49.8%.

According to the Nomenclature of Units for Territorial Statistics Level-1, in 2017, Istanbul region took the first place within total population with 15,029 thousand people,

Aegean region took the second place with 10,384 thousand people, and Mediterranean region took the third place with 10,304 people. The ranking did not change in the assessment made according to male and female discrimination. In terms of male population, İstanbul region took the first place with 7,529 thousand people, Aegean region took the second place with 5,189 thousand people, and Mediterranean region took the third place with 5,177 people; and in terms of female population, again, İstanbul region took the first place with 7,500 thousand people, Aegean region took the second place with 5,195 thousand people, and Mediterranean region took the third place with 5,127 people. The Northeast Anatolia region was in the last place with 2,188 thousand people according to total population, 1,117 people according to male population and 1,071 thousand people according to female population (Table 120)..

Table 120. Selected Indicators of Population as per Nomenclature of Territorial Units for Statistics Level-1

Years	Region Code	NUTS Level-1	Population (Thousand People)				Migration ⁽¹⁾ (Thousand People)				Annual Population Growth Rate (%)	Population Density	Total Age Dependency Rate	Rate of Young-Age Dependency (0-14 years)	Rate of Elderly Dependency (65+ Years)
			Total	Male	Female	Gender Ratio	Immigrants	Emigrants	Net Migration	Net Migration Rate (‰)					
2016	TR1	Istanbul	14,804	7,424	7,380	100.6	370	441	-71	-4.8	10.0	2,849	40.2	31.3	8.9
	TR2	West Marmara	3,442	1,742	1,700	102.4	138	100	37	10.9	16.0	80	42.5	25.3	17.2
	TR3	Aegean	10,265	5,127	5,138	99.8	228	185	43	4.2	12.5	115	43.3	28.0	15.3
	TR4	East Marmara	7,684	3,863	3,821	101.1	257	179	78	10.2	24.4	158	43.2	30.8	12.4
	TR5	West Anatolia	7,753	3,849	3,904	98.6	223	204	19	2.4	14.3	107	43.6	31.9	11.7
	TR6	Mediterranean	10,183	5,116	5,067	101.0	223	224	0	0.0	14.1	115	48.7	37.0	11.6
	TR7	Central Anatolia	3,948	1,973	1,975	99.9	116	117	0	-0.1	13.8	43	49.5	34.8	14.6
	TR8	West Black Sea	4,551	2,257	2,294	98.4	171	165	6	1.4	10.8	62	47.3	28.6	18.8
	TR9	East Black Sea	2,646	1,319	1,327	99.4	138	98	39	15.0	27.9	75	47.0	28.3	18.7
	TRA	Northeast Anatolia	2,201	1,123	1,078	104.2	83	109	-26	-11.9	2.7	31	57.0	45.2	11.8
	TRB	Central East Anatolia	3,828	1,949	1,879	103.7	97	148	-51	-13.1	0.7	49	56.7	47.1	9.7
	TRC	Southeast Anatolia	8,509	4,302	4,207	102.3	149	223	-74	-8.7	14.6	113	66.7	58.9	7.8
TR	Turkey	79,815	40,044	39,771	100.7	2,193	2,193	0	0.0	13.5	104	47.2	34.9	12.3	
2017	TR1	Istanbul	15,029	7,529	7,500	100.4	417	423	-6	-0.4	15.1	2,892	40.3	31.0	9.2
	TR2	West Marmara	3,504	1,776	1,727	102.8	139	104	35	10.1	17.7	82	42.9	25.4	17.5
	TR3	Aegean	10,384	5,189	5,195	99.9	238	195	44	4.2	11.5	116	43.8	28.0	15.8
	TR4	East Marmara	7,825	3,930	3,894	100.9	262	184	79	10.1	18.1	161	43.6	30.8	12.8
	TR5	West Anatolia	7,872	3,908	3,964	98.6	230	203	27	3.4	15.2	109	43.8	31.8	12.1
	TR6	Mediterranean	10,304	5,177	5,127	101.0	225	234	-9	-0.9	11.8	116	48.9	36.9	12.0
	TR7	Central Anatolia	3,977	1,987	1,991	99.8	115	127	-12	-3.1	7.4	44	49.3	34.5	14.8
	TR8	West Black Sea	4,574	2,269	2,305	98.4	168	177	-9	-2.0	5.0	62	47.5	28.3	19.2
	TR9	East Black Sea	2,633	1,312	1,322	99.2	106	139	-33	-12.6	-4.6	75	46.8	27.9	18.9
	TRA	Northeast Anatolia	2,188	1,117	1,071	104.2	76	123	-47	-21.1	-6.0	31	56.1	44.2	11.9
	TRB	Central East Anatolia	3,855	1,962	1,893	103.7	110	145	-35	-9.0	7.1	50	55.9	46.1	9.8
	TRC	Southeast Anatolia	8,665	4,379	4,287	102.2	170	203	-32	-3.7	18.2	115	66.2	58.3	7.9
TR	Turkey	80,811	40,535	40,275	100.6	2,256	2,256	0	0.0	12.4	105	47.3	34.7	12.6	

Source: TURKSTAT.

[1]: The migration between each other of the provinces within a region was not included.

The gender ratio which was 100.7 in 2016 decreased to 100.6 in 2017. This ratio which expresses percentage statement of the ratio of male population to female population is highest in the Northeast Anatolia region with 104.2, Central East Anatolia region with 103.7, and West Marmara region with 102.8. The region having the lowest gender ratio is the West Black Sea region with 98.4. While the gender ratio remained unchanged in 2017 compared to the preceding year in West Anatolia, Mediterranean, West Black Sea, Northeast Anatolia and Central East Anatolia regions, it decreased in İstanbul, East Marmara, Central Anatolia, East Black Sea and Southeast Anatolia regions, and increased in West Marmara and Aegean regions.

Population density of İstanbul ascended from 2,849 in 2016 to 2,892 in 2017, with an increase by 43 people. İstanbul region is followed by East Marmara region with 161 people per km², and Aegean and Mediterranean regions with 116 people. The region where population density is the lowest is the Northeast Anatolia region with 31 people.

On NUTS Level-1 basis, the region which attracted the most net migration in 2017 was East Marmara region with a net migration of 79 thousand people. The net migration rate of East Marmara Region which was 10.2‰ in 2016 regressed to 10.1‰ in 2017. In terms of the net migration value, the second place was occupied by Aegean region with 44 thousand people. The net migration rate of the Aegean region remained constant at 4.2‰. While the West Marmara region ranks third with 35 thousand people, the net migration rate decreased from 10.9‰ to 10.1‰. The region which had the highest number of emigrants in 2017 was the Northeast Anatolia region with 47 thousand people. The net migration rate of the Northeast Anatolia region which was -11.9‰ in 2016 became -21.1‰ in 2017.

According to NUTS Level-1, the region where the annual population growth rate was highest in 2017 is the Southeast Anatolia region with 18.2‰, and it was followed by East Anatolian region with 18.1‰ and West Anatolia region with 17.7‰. In 2017, the regions with decreasing population were East Black Sea with 4.6‰ and Northeast Anatolia with 6.0‰.

The total age dependency rate, which is the number of people in the groups "0-14" and "65 years of age and above" per one hundred people in the age group of "15-64" years increased by 0.1 point and became 47.3% in 2017 compared to previous year. According to NUTS Level-1, the total age dependency rate took its highest value in the Southeast Anatolia region with 66.2% and its lowest value in İstanbul region with 40.3%. The young-age dependency rate, which is the number of people at the age group "0-14" per 100 people in the age group "15-64" years took its highest value in the Southeast Anatolia region with 58.3% and its lowest value in the West Marmara region with 25.4%. With respect to elderly population dependency rate, the highest value was in the West Black Sea Region at 19.2%, and lowest value was in Southeast Anatolia region with 7.9%.

In 2017, according to NUTS Level-3, among the provinces which attracted the most migrations, Ankara took the first place with 32,042 people, Kocaeli took the second place with 27,538 people, and İzmir took the third place with 24,618 people. The province which had the most emigrants in 2017 was Ağrı with 17,391 people, and it was followed by Van with 16,298 people, and Adana with 13,325 people. The provinces having the highest and lowest net migration rates were Tekirdağ with 20.8‰ and Çankırı with -119.0‰, respectively (Table 121).

Table 121. Migration Data as per Nomenclature of Territorial Units for Statistics Level-3, 2017

Province Code	NUTS Level-3	Total Population	Immigrants	Emigrants Net Migration	Net Migration	Net Migration Rate (%)	Rank No. according to Number of Immigrants	Rank No. according to Number of Emigrants
TR621	Adana	2,216,475	49,509	62,834	-13,325	-6.0	10	6
TRC12	Adıyaman	615,076	18,040	22,741	-4,701	-7.6	46	38
TR332	Afyonkarahisar	715,693	21,453	25,483	-4,030	-5.6	35	35
TRA21	Ağrı	536,285	15,088	32,479	-17,391	-31.9	52	26
TR712	Aksaray	402,404	14,139	13,799	340	0.9	58	62
TR834	Amasya	329,888	14,326	14,675	-349	-1.1	57	57
TR510	Ankara	5,445,026	188,100	156,058	32,042	5.9	2	2
TR611	Antalya	2,364,396	87,232	72,178	15,054	6.4	5	4
TRA24	Ardahan	97,096	5,284	7,154	-1,870	-19.1	81	79
TR905	Artvin	166,143	7,788	10,146	-2,358	-14.1	76	74
TR321	Aydın	1,080,839	41,352	35,339	6,013	5.6	15	22
TR221	Balıkesir	1,204,824	43,998	40,371	3,627	3.0	12	16
TR813	Bartın	193,577	8,759	8,144	615	3.2	74	78
TRC32	Batman	585,252	19,889	22,323	-2,434	-4.2	37	40
TRA13	Bayburt	80,417	5,648	15,820	-10,172	-119.0	80	53
TR413	Bilecik	221,693	11,744	9,359	2,385	10.8	68	77
TRB13	Bingöl	273,354	11,979	11,941	38	0.1	67	66
TRB23	Bitlis	341,474	12,989	19,097	-6,108	-17.7	64	47
TR424	Bolu	303,184	14,839	13,643	1,196	4.0	54	63
TR613	Burdur	264,779	12,745	11,786	959	3.6	65	67
TR411	Bursa	2,936,803	86,119	64,905	21,214	7.3	6	5
TR222	Çanakkale	530,417	26,088	20,540	5,548	10.5	32	44
TR822	Çankırı	186,074	13,849	13,504	345	1.9	61	64
TR833	Çorum	528,422	17,214	20,880	-3,666	-6.9	47	43
TR322	Denizli	1,018,735	28,855	25,466	3,389	3.3	26	36
TRC22	Diyarbakır	1,699,901	40,493	48,983	-8,490	-5.0	16	12
TR423	Düzce	377,610	15,023	11,387	3,636	9.7	53	68
TR212	Edirne	406,855	19,125	15,999	3,126	7.7	40	52
TRB12	Elazığ	583,671	20,406	22,054	-1,648	-2.8	36	42
TRA12	Erzincan	231,511	15,162	14,210	952	4.1	51	59
TRA11	Erzurum	760,476	26,624	37,358	-10,734	-14.0	31	19
TR412	Eskişehir	860,620	38,060	27,799	10,261	12.0	20	33
TRC11	Gaziantep	2,005,515	47,431	50,485	-3,054	-1.5	11	11
TR903	Giresun	437,393	25,529	34,675	-9,146	-20.7	33	23
TR906	Gümüşhane	170,173	18,795	27,348	-8,553	-49.0	43	34
TRB24	Hakkari	275,761	9,997	10,380	-383	-1.4	73	72
TR631	Hatay	1,575,226	33,745	40,623	-6,878	-4.4	23	15
TRA23	İğdir	194,775	7,775	9,728	-1,953	-10.0	77	76
TR612	Isparta	433,830	18,222	18,818	-596	-1.4	45	49
TR100	İstanbul	15,029,231	416,587	422,559	-5,972	-0.4	1	1
TR310	İzmir	4,279,677	127,394	102,776	24,618	5.8	3	3

Table 121. Migration Data as per Nomenclature of Territorial Units for Statistics Level-3, 2017 (Continued)

Province Code	NUTS Level-3	Total Population	Immigrants	Emigrants Net Migration	Net Migration	Net Migration Rate (%)	Rank No. according to Number of Immigrants	Rank No. according to Number of Emigrants
TR632	Kahramanmaraş	1,127,623	26,874	30,314	-3,440	-3.1	30	28
TR812	Karabük	244,453	14,740	14,399	341	1.4	55	58
TR522	Karaman	246,672	8,581	10,340	-1,759	-7.1	75	73
TRA22	Kars	287,654	11,588	17,119	-5,531	-19.0	69	50
TR821	Kastamonu	372,373	18,729	20,052	-1,323	-3.6	44	46
TR721	Kayseri	1,376,722	38,958	36,863	2,095	1.5	19	20
TR711	Kırıkkale	278,749	13,434	14,112	-678	-2.4	62	60
TR213	Kırklareli	356,050	16,074	14,023	2,051	5.8	49	61
TR715	Kırşehir	234,529	10,840	11,329	-489	-2.1	72	69
TRC13	Kilis	136,319	6,675	6,526	149	1.1	78	81
TR421	Kocaeli	1,883,270	87,796	60,258	27,538	14.7	4	7
TR521	Konya	2,180,149	53,007	56,594	-3,587	-1.6	9	8
TR333	Kütahya	572,256	17,172	20,393	-3,221	-5.6	48	45
TRB11	Malatya	786,676	27,523	28,222	-699	-0.9	29	31
TR331	Manisa	1,413,041	40,257	36,021	4,236	3.0	17	21
TRC31	Mardin	809,719	28,303	30,782	-2,479	-3.1	27	27
TR622	Mersin	1,793,931	54,492	55,393	-901	-0.5	8	9
TR323	Muğla	938,751	42,450	33,289	9,161	9.8	14	25
TRB22	Muş	404,544	13,094	22,243	-9,149	-22.4	63	41
TR714	Nevşehir	292,365	11,006	12,076	-1,070	-3.7	71	65
TR713	Niğde	352,727	13,948	15,667	-1,719	-4.9	59	54
TR902	Ordu	742,341	28,111	40,305	-12,194	-16.3	28	17
TR633	Osmaniye	527,724	18,842	19,008	-166	-0.3	42	48
TR904	Rize	331,041	14,561	16,310	-1,749	-5.3	56	51
TR422	Sakarya	990,214	35,575	28,122	7,453	7.6	21	32
TR831	Samsun	1,312,990	43,709	42,422	1,287	1.0	13	14
TRC34	Siirt	324,394	12,163	15,406	-3,243	-10.0	66	55
TR823	Sinop	207,427	11,015	10,086	929	4.5	70	75
TR722	Sivas	621,301	22,147	28,697	-6,550	-10.5	34	30
TRC21	Şanlıurfa	1,985,753	40,058	52,648	-12,590	-6.3	18	10
TRC33	Şırnak	503,236	19,672	15,186	4,486	9.0	38	56
TR211	Tekirdağ	1,005,463	55,391	34,658	20,733	20.8	7	24
TR832	Tokat	602,086	34,735	38,746	-4,011	-6.6	22	18
TR901	Trabzon	786,326	29,703	29,192	511	0.7	25	29
TRB11	Tunceli	82,498	6,074	6,725	-651	-7.9	79	80
TR334	Uşak	364,971	13,909	10,420	3,489	9.6	60	71
TRB21	Van	1,106,891	31,971	48,269	-16,298	-14.6	24	13
TR425	Yalova	251,203	15,754	10,719	5,035	20.3	50	70
TR723	Yozgat	418,650	19,074	23,498	-4,424	-10.5	41	37
TR811	Zonguldak	596,892	19,421	22,541	-3,120	-5.2	39	39
TR	Turkey	80,810,525	2,684,820	2,684,820	0	0	-	-

Source: TURKSTAT.

When the annual population growth rates in 2017 are examined according to NUTS Level-3, Kilis, Şırnak and Yalova are seen to be first three provinces which have the highest population growth rates with 41.1%, 39.4% and 38.7%, respectively. The first three provinces which had the lowest population growth rates are Bayburt with -114.3%, Giresun with -16.0% and Ardahan with -12.7% (Table 122).

Table 122. Annual Population Growth Rate and Population Density in 2017 as per Nomenclature of Territorial Units for Statistics Level-3

Province Code	NUTS Level-3	Annual Population Growth Rate (%) ^[1]	Rank No. according to Population Growth Rate	Population Density	Rank No. according to Population Density	Province Code	NUTS Level-3	Annual Population Growth Rate (%) ^[1]	Rank No. according to Population Growth Rate	Population Density	Rank No. according to Population Density
TR621	Adana	6.7	53	159	13	TR632	Kahramanmaraş	13.4	27	79	33
TRC12	Adıyaman	7.5	50	87	28	TR812	Karabük	8.7	48	59	44
TR332	Afyonkarahisar	1.6	62	50	57	TR522	Karaman	4.3	58	28	73
TRA21	Ağrı	-11.1	76	47	61	TRA22	Kars	-7.4	73	28	71
TR712	Aksaray	14.3	23	53	53	TR821	Kastamonu	-12.2	78	28	72
TR834	Amasya	10.8	42	58	46	TR721	Kayseri	13.0	30	81	32
TR510	Ankara	18.3	13	222	8	TR711	Kırıkkale	2.7	61	61	42
TR611	Antalya	15.3	20	114	21	TR213	Kırklareli	12.3	35	57	48
TRA24	Ardahan	-12.7	79	20	79	TR715	Kırşehir	19.6	10	37	65
TR905	Artvin	-11.5	77	23	76	TRC13	Kilis	41.1	1	95	25
TR321	Aydın	11.7	38	138	17	TR421	Kocaeli	28.3	6	521	2
TR221	Balıkesir	7.2	51	84	31	TR521	Konya	8.7	47	56	49
TR813	Bartın	6.2	55	93	26	TR333	Kütahya	-2.4	70	48	60
TRC32	Batman	13.9	25	126	18	TRB11	Malatya	6.9	52	67	39
TRA13	Bayburt	-114.3	81	22	78	TR331	Manisa	11.5	39	108	23
TR413	Bilecik	15.4	19	52	55	TRC31	Mardin	16.8	15	92	27
TRB13	Bingöl	14.0	24	33	68	TR622	Mersin	11.3	40	116	20
TRB23	Bitlis	0.7	64	49	58	TR323	Muğla	16.1	16	73	34
TR424	Bolu	10.9	41	36	66	TRB22	Muş	-4.8	71	50	56
TR613	Burdur	12.8	32	39	63	TR714	Nevşehir	5.0	57	54	50
TR411	Bursa	12.1	36	282	6	TR713	Niğde	3.6	60	48	59
TR222	Çanakkale	20.2	9	53	52	TR902	Ordu	-11.0	75	125	19
TR822	Çankırı	11.9	37	25	75	TR633	Osmaniye	10.6	43	169	11
TR833	Çorum	1.1	63	41	62	TR904	Rize	0.0	66	84	30
TR322	Denizli	12.9	31	87	29	TR422	Sakarya	13.5	26	205	9
TRC22	Diyarbakır	15.9	17	113	22	TR831	Samsun	13.1	29	145	16
TR423	Düzce	19.4	11	147	15	TRC34	Siirt	6.2	54	59	45
TR212	Edirne	12.7	34	67	38	TR823	Sinop	9.4	45	36	67
TRB12	Elazığ	8.4	49	69	36	TR722	Sivas	0.1	65	22	77
TRA12	Erzincan	24.0	7	20	80	TRC21	Şanlıurfa	23.0	8	106	24
TRA11	Erzurum	-2.0	69	30	69	TRC33	Şırnak	39.4	2	70	35
TR412	Eskişehir	18.5	12	62	41	TR211	Tekirdağ	32.9	4	159	14
TRC11	Gaziantep	15.7	18	294	5	TR832	Tokat	-1.0	67	60	43
TR903	Giresun	-16.0	80	64	40	TR901	Trabzon	8.9	46	169	12
TR906	Gümüşhane	-10.9	74	26	74	TRB11	Tunceli	3.7	59	11	81
TRB24	Hakkari	29.2	5	38	64	TR334	Uşak	17.2	14	68	37
TR631	Hatay	12.8	33	270	7	TRB21	Van	6.1	56	57	47
TRA23	Iğdır	10.3	44	54	51	TR425	Yalova	38.7	3	297	4
TR612	Isparta	15.1	21	52	54	TR723	Yozgat	-5.7	72	30	70
TR100	İstanbul	15.1	22	2,892	1	TR811	Zonguldak	-1.1	68	181	10
TR310	İzmir	13.2	28	356	3	TR	Turkey	12.4	-	-	105

Source: TURKSTAT.

[1]: The administrative separation structure in the last year was taken into account in calculation of the annual population growth rates and population densities.

According to NUTS Level-3, in 2017, the first three provinces which had the highest population density per km² were İstanbul with 2,892 people, Kocaeli with 521 people and İzmir with 356 people, and the first three provinces which had the lowest population density per km² were Tunceli with 11 people and Ardahan and Erzincan with 20 people.

Median Age

The median age which was 30.4 years for the male population in 2015 increased by 4 months and rose to 30.8 years in 2016, and increased by 3 months again and reached 31.1 years in 2017 (Table 123).

Table 123. Median Age by Gender

Years	Male	Change [%]	Female	Change [%]	Total	Change [%]
2015	30.4	1.0	31.6	1.0	31.0	1.0
2016	30.8	1.3	32.0	1.3	31.4	1.3
2017	31.1	1.0	32.4	1.3	31.7	1.0

Source: TURKSAT.

For the female population, the median age which was 31.6 years in 2015 increased by 4 months and rose to 32.0 years in 2016, and increased by 4 months and reached 32.4 years in 2017.

For the total population, the median age value which was 31.0 years in 2015 increased 4 months in 2016 and rose to 31.4 years, and increased 3 months in 2017 and reached 31.7 years.

According to median age value between the years 2015 and 2017, total and male age in our country got older by 7 months, and female age got older by 8 months.

2.2 Education

2.2.1 Schooling Rates

The net schooling rate in primary school decreased by 3.71 percent from 94.87% to 91.16% in total in 2016/17 academic year compared to 2015/16 academic year, such as decreasing by 3.46 percent from 94.54% to 91.08% in male students and decreasing by 3.98 percent from 95.22% to 91.24% in female students (Table 124).

Table 124. Schooling Rates by Levels of Education ⁽¹⁾

Academic Year	Schooling Rate	Primary School			Secondary School			Secondary education			Higher Education		
		Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
2014/15	Gross	101.10	100.82	101.39	107.12	105.52	108.80	107.36	109.82	104.77	88.94	93.44	84.24
	Net	96.30	96.04	96.57	94.35	94.39	94.30	79.37	79.46	79.26	39.49	37.95	41.10
2015/16	Gross	99.19	98.91	99.48	107.13	105.49	108.87	109.85	112.28	107.29	95.91	100.55	91.04
	Net	94.87	94.54	95.22	94.39	94.36	94.43	79.79	79.36	80.24	40.87	39.21	42.62
2016/17	Gross	95.97	95.93	96.01	105.29	104.49	106.14	106.94	109.99	103.73	103.28	102.19	98.52
	Net	91.16	91.08	91.24	95.68	95.60	95.76	82.54	82.69	82.38	42.43	40.53	44.41

Source: MoNE.

(1): Schooling rates were calculated according to the Address Based Population Registration System Census results.

The net schooling rate in secondary school increased by 1.29 percent from 94.39% to 95.68% in total in 2016/17 academic year compared to 2015/16 academic year, such as increasing by 1.24 percent from 94.36% to 95.60% in male students and increasing by 1.33 percent from 94.43% to 95.76% in female students.

The net schooling rate in secondary education increased by 2.75 percent from 79.79% to 82.54% in total in 2016/17 academic year compared to 2015/16 academic year, such as increasing by 3.33 percent from 79.36% to 82.69% in male students and increasing by 2.14 percent from 80.24% to 82.38% in female students.

The net schooling rate in higher education increased by 1.56 percent from 40.87% to 42.43% in total in 2016/17 academic year compared to 2015/16 academic year, such as increasing by 1.32 percent from 39.21% to 40.53% in male students and increasing by 1.79 percent from 42.62% to 44.41% in female students.

According to age groups, the highest total net schooling rate in the 2016/17 academic year was in the 10-13 age group covering the ones who was born in 2003, 2004, 2005 and 2006, with 99.23% (Table 125).

Table 125. Net Schooling Rate by Age Groups (Years of Birth) ⁽¹⁾

Academic Year	Gender	[%]							
		3 Years	4 Years	5 Years	3-5 Years	4-5 Years	6-9 Years	10-13 Years	14-17 Years
		Born in 2013 [between January and September]	Born in 2012	Born in 2011	Born in 2011- 2012-2013 [between January and September]	Born in 2011-2012	Born in 2007-2008- 2009-2010	Born in 2003-2004- 2005-2006	Born in 1999-2000- 2001-2002
2015/16	Total	11.74	33.56	67.17	39.54	50.46	98.81	99.05	85.31
	Male	11.67	33.62	67.42	39.63	50.61	98.72	99.11	85.14
	Female	11.81	33.50	66.91	39.45	50.30	98.90	98.98	85.49
2016/17	Total	12.48	36.15	70.43	41.68	53.01	98.13	99.23	87.43
	Male	12.48	36.13	70.81	41.81	53.20	98.08	99.33	87.85
	Female	12.48	36.17	70.02	41.54	52.81	98.19	99.12	86.99

Source: MoNE.

(1) : The net schooling rates by age group (dates of birth) were obtained by dividing the total number of students in the relevant age group by the total population in the relevant age group, regardless of the educational level to which the student belongs (educational type).

2.2.2 Numbers of Schools, Students, Teachers, Graduates and Classrooms

In 2016/17 academic year, the number of students in formal education increased by 0.6% compared to the year 2015/16 academic year, resulting in 17,702,938 students, of which 9,197,938 ones were male and 8,505,000 ones were female. 14,731,376 of the students are in formal education, 1,217,755 students are in private schools and 1,753,807 students are in open education (Table 126).

The number of teachers working in formal education institutions decreased by 0.5% in 2016/17 academic year compared to 2015/16 academic year and became 989,231. Out of these teachers, 868,289 ones are in official schools and 120,962 ones are in private schools.

Table 126. Number of Schools/Institutions, Students, Teachers and Classrooms

Academic Year	School Type	School/ Institution	Number of Students ⁽¹⁾			Number of Teachers ⁽²⁾	Classroom
			Total	Male	Female		
2014/15	Formal Education Total	59,509	17,559,989	9,047,704	8,512,285	919,393	589,902
	Formal Education (Official)	52,033	14,950,897	7,671,350	7,279,547	829,077	528,674
	Formal Education (Private)	7,474	823,515	438,850	384,665	90,316	61,228
	Formal Education (Open Education)	2	1,785,577	937,504	848,073	-	-
2015/16	Formal Education Total	61,203	17,588,958	9,059,597	8,529,361	993,794	651,828
	Formal Education (Official)	51,620	14,540,339	7,439,698	7,100,641	863,126	553,066
	Formal Education (Private)	9,581	1,174,409	623,309	551,100	130,668	98,762
	Formal Education (Open Education)	2	1,874,210	996,590	877,620	-	-
2016/17	Formal Education Total	63,153	17,702,938	9,197,938	8,505,000	989,231	654,434
	Formal Education (Official)	53,098	14,731,376	7,557,567	7,173,809	868,289	554,405
	Formal Education (Private)	10,053	1,217,755	661,121	556,634	120,962	100,029
	Formal Education (Open Education)	2	1,753,807	979,250	774,557	-	-

Source: MoNE.

(1) : The numbers of open education students include active students who have recently enrolled and re-enrolled as of the end of 3 semesters within 2014 and 2015 for 2014/2015 and 2015/2016 academic years and the active students who have recently enrolled and re-enrolled as of the 1st, 2nd and 3rd semester in 2016/2017 academic year.

(2) : In the official formal training, 20,127 teachers who were appointed in July 2017 were not included in the number of official contract teachers since they did not yet begin duty as of the publication of Formal Education Statistics book.

The school in the formal education in 2016/17 academic year increased by 3.2% compared to 2015/16 and became 63,153. Out of these schools, 53,098 ones are official, 10,053 ones are private and 2 ones are open education schools. The number of classrooms in all official and private schools increased by 0.4% and rose to 654,434.

In primary schools in 2016/17 academic year, the number of schools became 25,479 decreasing by 3.9%, the number of teachers became 292,878 decreasing by 3.3% and

the number of students became 4,972,430 decreasing by 7.2%, compared to 2015/16 academic year. In terms secondary schools, the number of teachers became 17,879 increasing by 3.1% and the number of teachers became 324,350 increasing by 0.5% and the number of students became 5,554,415 increasing by 6.6% [Table 127].

Table 127. Number of Schools/Units, Teachers, Students and Graduated Students by School Type and Academic Year

School Type	Academic Year	School / Unit ⁽³⁾	Teacher ⁽⁴⁾	Student ⁽¹⁾⁽²⁾	Graduated
Primary School	2014/15	27,544	295,252	5,434,150	-
	2015/16	26,522	302,961	5,360,703	-
	2016/17	25,479	292,878	4,972,430	-
Secondary School	2014/15	16,969	296,065	5,278,107	1,366,138
	2015/16	17,343	322,680	5,211,506	1,161,901
	2016/17	17,879	324,350	5,554,415	-
General secondary education	2014/15	3,955	123,160	2,902,954	478,283
	2015/16	5,311	151,458	3,047,503	472,169
	2016/17	5,225	147,052	3,136,440	-
Vocational and technical secondary education	2014/15	5,106	175,218	2,788,117	471,885
	2015/16	5,239	184,232	2,760,140	515,465
	2016/17	5,851	185,988	2,713,530	-
Faculty and college	2014/15	3,196	148,903	5,642,562	752,593
	2015/16	3,735	156,168	6,186,007	753,480
	2016/17	3,729	151,763	6,627,505	-

Source: MoNE.

(1): Also includes open primary education and open high school students.

(2): Includes associate degree and undergraduate students.

(3): Active schools were included.

(4): Total number of teachers includes the permanent staff and contract teachers.

In general secondary education, while the number of schools became 5,225 decreasing by 1.6 and number of teachers became 147,052 decreasing by 2.9%, the number of students became 3,136,440 increasing by 2.9. In vocational and technical secondary education, the number of schools became 5,851 increasing by 11.7% and the number of teachers became 185,988 increasing by 1.0% while the number of teachers became 2,713,530 decreasing by 1.7%.

In 2016/17 academic year, the number of faculties and schools of higher education became 3,729 increasing by 0.2%, the number of teachers became 151,763 decreasing by 2.8%, and the number of students became 6,627,505 increasing by 7.1%.

2.3 Health

According to the most recent statistics published by the Ministry of Health, in 2016, the total number of hospitals became 1,510 decreasing by 23, and the total number of beds became 217,771 increasing by 8,123, compared to the preceding year. While the number of general hospitals ranking the first as in the other years decreased by 21 compared to the preceding year and the number of beds increased by 8,102, the number of maternity and children hospitals ranking the 2nd decreased by 5 and the number of beds decreased 884, and the number of eye hospitals remained constant and the number of beds increased by 43. Out of the 1,510 hospitals in our country in 2016, 1,385 ones were general hospitals, 31 ones were maternity and children hospitals, 27 ones were eye hospitals, and apart from these, 67 ones were hospitals serving in other branches [Table 128].

Table 128. Number of Hospitals and Beds by Branches ⁽¹⁾

Branches	Number of Hospitals			Number of Beds		
	2014	2015	2016	2014	2015	2016
General hospital	1,394	1,406	1,385	184,522	188,849	196,951
Gynecology and obstetrics hospital	41	36	31	7,106	6,433	5,549
Ocular diseases hospital	27	27	27	617	580	623
Physiotherapy and rehabilitation hospital	16	16	20	1,949	2,038	2,943
Pulmonary diseases hospital	15	15	14	3,986	3,660	3,668
Psychiatry hospital	11	11	12	4,259	4,231	4,352
Cardiovascular surgery hospital	6	5	5	860	609	632
Pediatric diseases hospital	5	5	4	1,780	1,759	1,307
Bone diseases hospital	3	3	3	483	436	436
Vocational diseases hospital	2	2	3	156	156	298
Oncology hospital	2	2	2	830	696	816
Surgery hospital	1	1	-	110	70	-
Orthopedics and traumatology hospital	1	1	1	29	29	33
Leprosy hospital	1	1	1	50	34	34
Veneral diseases hospital	1	-	-	31	-	-
Hospital for children with leukemia	1	1	1	14	14	75
Hospital and rehabilitation center for spastic children	1	1	1	54	54	54
Total	1,528	1,533	1,510	206,836	209,648	217,771

Source: MoH.

(1): Data for the year 2017 was not published as of the print date of the Report.

An increase is observed in the number of total health personnel every year. The number of healthcare personnel which increased by 4.1% in 2015 became 871,334 by increasing 1.7% in 2016. In 2016, the number of specialist physicians became 78,620 increasing by 1.3% compared to the preceding year, the number of practicing physicians became 43,058 increasing by 3.0%, and the number assistant physicians became 23,149 increasing by 6.0%. Thus, the total number of physicians reached up to 144,827 increasing by 2.5%. The number of dentists became 26,674 increasing by 7.4%, and the number of pharmacists became 27,864 increasing by 1.2%. While the number of nurses became 152,952 increasing by 0.1% and the number of other personnel service employees became 321,952 increasing by 3.4%, the number of midwives reduced to 52,456 decreasing by 1.2% and the number of healthcare personnel reduced to 144,609 decreasing by 0.9%. (Table 129, Figure 55).

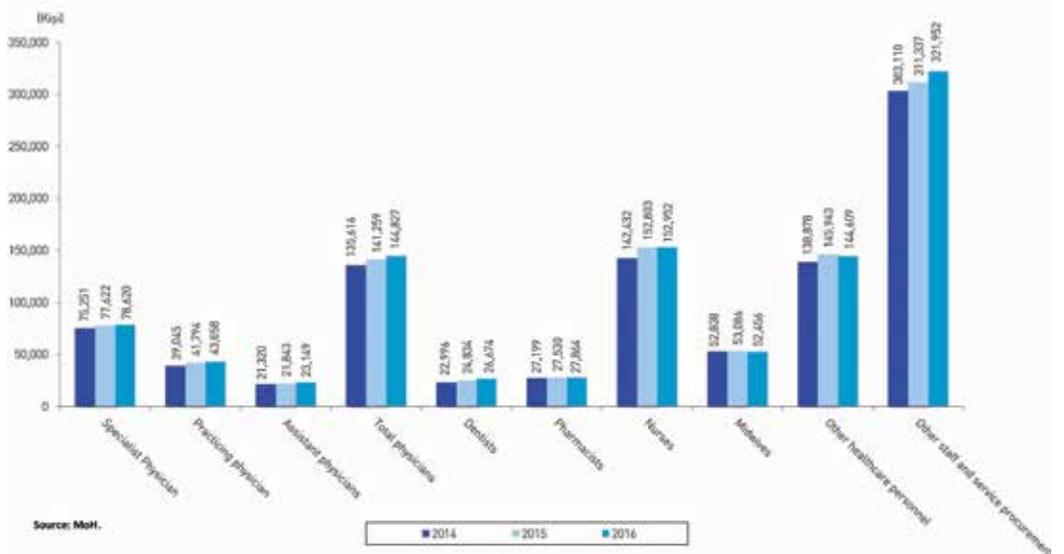
Table 129. Numbers of Healthcare Personnel ⁽¹⁾

Healthcare Personnel	2014	2015	2016	Change (%)	
				2015	2016
Specialist Physician	75,251	77,622	78,620	3.2	1.3
Practicing physician	39,045	41,794	43,058	7.0	3.0
Assistant physicians	21,320	21,843	23,149	2.5	6.0
Total physicians	135,616	141,259	144,827	4.2	2.5
Dentists	22,996	24,834	26,674	8.0	7.4
Pharmacists	27,199	27,530	27,864	1.2	1.2
Nurses	142,432	152,803	152,952	7.3	0.1
Midwives	52,838	53,086	52,456	0.5	-1.2
Other healthcare personnel	138,878	145,943	144,609	5.1	-0.9
Other staff and service procurement	303,110	311,337	321,952	2.7	3.4
Total number of personnel	823,069	856,792	871,334	4.1	1.7

Source: MoH.

(1): Data for the year 2017 was not published as of the print date of the Report.

Figure 55. Numbers of Healthcare Personnel



2.4 Labor Life

2.4.1 Labor Force

2.4.1.1 Key Labor Force Indicators

The poor growth performances observed in the globe and our country negatively affected the labor market. The unemployment rates which were sailing at single digit between 2011 and 2014 rose to double digits again since 2015. The fact that the increase of employment increase fell behind the increase of labor affected this negative development.

The increase of employment incentives with the employment mobilization implemented in 2017 positively reflected on the labor market, and with the influence of the economic growth the number of those employed showed an increase above its level for many years. The unemployment rate which had become 10.9% in 2016 increasing by 0.6 percent compared to 2015 remained at the same level in 2017. Thus, it was realized at 0.7 percent higher than the program target for the year 2017, which was 10.2%, and at 0.1 percent higher than the realization forecast for the year 2017 of 2018-2020 MTP (Medium-Term Plan), which was 10.8%. While the male unemployment rate reduced to 9.4% decreasing by 0.2 percent, the female unemployment rate became 14.1% increasing by 0.4 percent (Table 130).

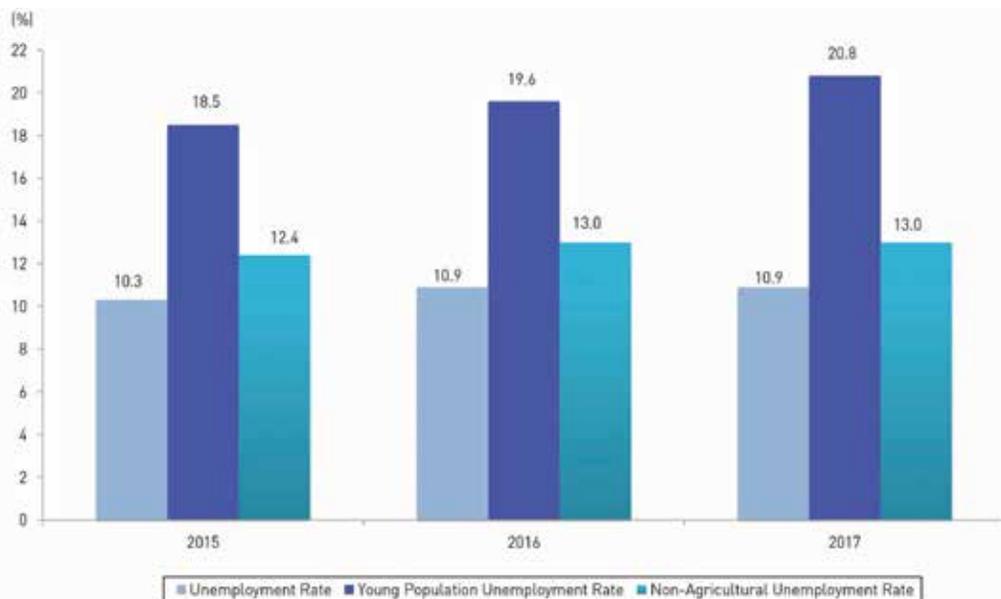
While, in 2017, the non-agricultural unemployment rate did not change compared to the preceding year and remained at 13.0%, this rate decreased by 0.2% in males and it increased by 0.4% in females. The youth unemployment rate (15-24 years of age), which is the major problem of developed and developing countries, rose to 20.8% increasing by 1.2 percent. The youth employment rate which was considerably higher than the total unemployment rate increased by 0.4 percent in males, and by 2.4 percent in females (Figure 56).

Table 130. Key Labor Force Indicators

Indicators	(15+ Years, Thousand People)				
	2015	2016	2017	2016	2017
		Total		Change (%)	
Population aged 15 years and above	57,854	58,720	59,894	1.5	2.0
Labor force	29,678	30,535	31,643	2.9	3.6
Employed	26,621	27,205	28,189	2.2	3.6
Unemployed	3,057	3,330	3,454	8.9	3.7
Population not included in labor force	28,176	28,185	28,251	0.0	0.2
				Difference (Points)	
Labor force participation rate (%)	51.3	52.0	52.8	0.7	0.8
Employment rate (%)	46.0	46.3	47.1	0.3	0.8
Unemployment rate (%)	10.3	10.9	10.9	0.6	0.0
Non-agricultural unemployment rate (%)	12.4	13.0	13.0	0.6	0.0
Young population (15-24 years) unemployment rate (%)	18.5	19.6	20.8	1.1	1.2
		Male		Change (%)	
Population aged 15 years and above	28,573	29,031	29,649	1.6	2.1
Labor force	20,453	20,899	21,484	2.2	2.8
Employed	18,562	18,893	19,460	1.8	3.0
Unemployed	1,891	2,006	2,024	6.1	0.9
Population not included in labor force	8,120	8,133	8,166	0.2	0.4
				Difference (Points)	
Labor force participation rate (%)	71.6	72.0	72.5	0.4	0.5
Employment rate (%)	65.0	65.1	65.6	0.1	0.5
Unemployment rate (%)	9.2	9.6	9.4	0.4	-0.2
Non-agricultural unemployment rate (%)	10.5	10.9	10.7	0.4	-0.2
Young population (15-24 years) unemployment rate (%)	16.5	17.4	17.8	0.9	0.4
		Female		Change (%)	
Population aged 15 years and above	29,281	29,689	30,244	1.4	1.9
Labor force	9,225	9,637	10,159	4.5	5.4
Employed	8,058	8,312	8,729	3.2	5.0
Unemployed	1,167	1,324	1,431	13.5	8.1
Population not included in labor force	20,056	20,052	20,085	0.0	0.2
				Difference (Points)	
Labor force participation rate (%)	31.5	32.5	33.6	1.0	1.1
Employment rate (%)	27.5	28.0	28.9	0.5	0.9
Unemployment rate (%)	12.6	13.7	14.1	1.1	0.4
Non-agricultural unemployment rate (%)	17.2	18.1	18.5	0.9	0.4
Young population (15-24 years) unemployment rate (%)	22.2	23.7	26.1	1.5	2.4

Source: TURKSTAT.

Figure 56. Unemployment Rates



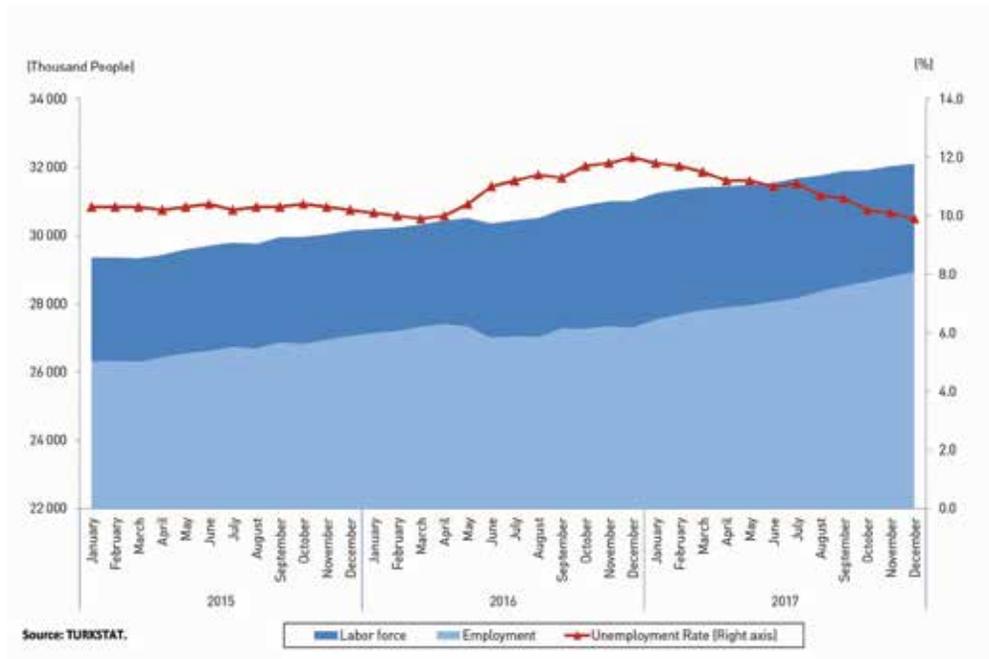
Source: TURKSTAT.

The labor force participation rate of the population at the age of 15 and above, which is an important economic indicator, became 52.8% increasing by 0.8% in 2017. While the male labor force participation rate became 72.5% increasing by 0.5%, the female labor force participation rate became 33.6% increasing by 1.1%.

The labor force rose to 31 million 643 thousand people increasing by 1,108 people in 2017. The labor force increase included 21 million 484 thousand males and 10 million 159 thousand females. 28 million 189 thousand people employed in 2017 include 19 million 460 thousand males and 8 million 729 thousand females. While the number of unemployed people increased from 3 million 330 thousand to 3 million 454 thousand, the number of unemployed males became 2 million 24 thousand and the number of unemployed females became 1 million 431 thousand. Employment rate advanced to 47.1% with in 2017 with an increase by 0.8 points compared to the preceding year. While the male employment rate became 65.6% increasing by 0.5 percent, the female employment rate became 28.9% increasing by 0.9 percent.

By means of positive reflections of economic growth and with the help of employment policies implemented, the unemployment rates as free from seasonal effects showed a falling tendency as from January 2017 and it reduced to 9.9% in December (Figure 57).

Figure 57. Labor Force Indicators Net of Seasonal Effects



2.4.1.2 Labor Force by Educational Status

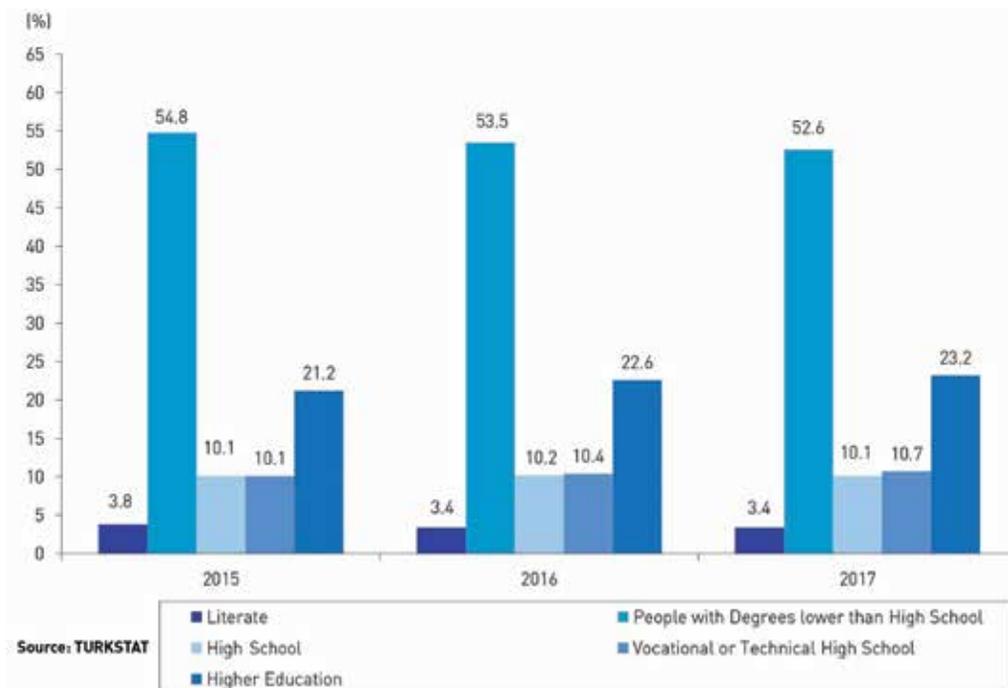
The major part of the labor force, which is a sum of employed and unemployed people, consists of those having an educational level lower than high-school. In 2017, 52.6% of the total labor force consisted of persons with degrees lower than high school, and this was followed by graduates of higher education with 23.2%, graduates of vocational/technical high school with 10.7%, graduates of high school with 10.1%, and illiterate people with 3.4% (Table 131, Figure 58).

Table 131. Labor Force Status by Educational Status

Educational Status	Labor Force Status	(15+ Years, Thousand People)							
		2015	2016	2017	Share (%)			Change (%)	
					2015	2016	2017	2016	2017
Illiterate	Labor force	1,115	1,038	1,076	3.8	3.4	3.4	-6.9	3.7
	Employment	1,056	978	1,013	4.0	3.6	3.6	-7.4	3.6
	Unemployed	59	60	63	1.9	1.8	1.8	1.7	5.0
People with degrees lower than high school	Labor force	16,277	16,328	16,644	54.8	53.5	52.6	0.3	1.9
	Employment	14,650	14,670	15,009	55.0	53.9	53.2	0.1	2.3
	Unemployed	1,627	1,658	1,636	53.2	49.8	47.4	1.9	-1.3
High school	Labor force	3,002	3,100	3,202	10.1	10.2	10.1	3.3	3.3
	Employment	2,629	2,685	2,777	9.9	9.9	9.9	2.1	3.4
	Unemployed	373	415	425	12.2	12.5	12.3	11.3	2.4
Vocational or technical high school	Labor force	3,000	3,177	3,371	10.1	10.4	10.7	5.9	6.1
	Employment	2,693	2,808	2,970	10.1	10.3	10.5	4.3	5.8
	Unemployed	307	369	401	10.0	11.1	11.6	20.2	8.7
Higher Education	Labor force	6,284	6,892	7,350	21.2	22.6	23.2	9.7	6.6
	Employment	5,593	6,064	6,420	21.0	22.3	22.8	8.4	5.9
	Unemployed	692	828	930	22.6	24.9	26.9	19.7	12.3
Total labor force		29,678	30,535	31,643	100.0	100.0	100.0	2.9	3.6
Total employment		26,621	27,205	28,189	100.0	100.0	100.0	2.2	3.6
Total unemployed		3,057	3,330	3,454	100.0	100.0	100.0	8.9	3.7

Source: TURKSTAT.

Figure 58. Breakdown of Labor Force by Educational Status



In 2017, out of the total employed people, 53.2% were persons with degrees lower than high-school, 22.8% were graduates of higher education, 10.5% were vocational and technical high-school graduates and 9.9% were high-school graduates, and 3.6% were illiterate people.

When the educational status is examined, out of the unemployed people, 47.4% have educational degree lower than high-school, 26.9% are graduates of higher education, 12.3% are high-school graduates, 11.6% are vocational or technical high-school graduates, and 1.8% are illiterate.

While within the total unemployed people, the share of illiterate ones remained constant, the share of high-school graduates and those with degree lower than high-school decreased and the share of vocational and technical high-school and higher education graduates increased. While within the total labor force, the share of graduates of vocational and technical high-school and higher education increased, the increase of unemployment rate at this educational levels continued to be a structural problem of labor market.

2.4.1.3 Regional Work Force Indicators

When the labor force indicators are examined according to the NUTS Level-1, it is seen that İstanbul also ranked the first in all indicators in 2017. In İstanbul region, while for the people aged 15 years or older the population increased to 11 million 457 thousand, the labor force increased to 6 million 578 thousand, the employed increased to 5 million 664 thousand, and the unemployed increased to 914 thousand, the population not included in labor force decreased to 4 million 879 thousand, compared to the preceding year. The Northeast Anatolia region got the lowest values in all indicators except for the number of unemployed people. In the Northeast Anatolia region, while for the people aged 15 years or older the population decreased to 1 million 511 thousand, the labor force decreased to 756 thousand, the employed decreased to 714 thousand, and the unemployed decreased to 756 thousand, the population not included in labor force increased to 41 thousand, compared to the preceding year. (Table 132).

In 2017, according to NUTS Level-1, the region where the rate of participation in labor force was highest was İstanbul region with 57.4% increasing by 1.1 percent compared to the preceding year, and the region which had the lowest rate was Southeast Anatolia region with 45.3% increasing 1.6 percent compared to the preceding year. While the Central East Anatolia region had the most increase in the labor force participation rate with 3.9% percent, the most decrease in this rate was Central Anatolia region with 0.9% percent (Table 133).

In 2017, the region where the unemployment rate was highest was Southeast Anatolia region with 17.0% decreasing by 1.7 percent compared to the preceding year, and the region which had the lowest rate was East Black Sea region with 3.6% decreasing 0.9 percent compared to the preceding year. While the Central Anatolia region had the most increase in the unemployment rate with 1.3% percent, the most decrease in this rate was Southeast Anatolia region with 1.7% percent.

In 2017, the region where the employment rate was highest was East Black Sea region with 52.2% increasing by 0.2 percent compared to the preceding year, and the region which had the lowest rate was Southeast Anatolia region with 37.6% decreasing 2.1 percent compared to the preceding year. While the Central East Anatolia region had the most increase in the employment rate with 3.2% percent, the most decrease in this rate was Central Anatolia region with 1.5% percent.

**Table 132. Labor Force Indicators as per Nomenclature of Territorial Units for Statistics
Level-1 – 1**

		(15+ Years, Thousand People, %)														
		2015					2016					2017				
Region Code	NUTS Level-1	Popula- tion Aged 15 Years and Above	Labor force	Unem- ployed	Popula- tion not included in Labor Force	Popula- tion Aged 15 Years and Above	Labor force	Unem- ployed	Popula- tion not included in Labor Force	Popula- tion aged 15 years and above	Labor force	Em- ployed	Unem- ployed	Popula- tion not included in Labor Force		
TR1	Istanbul	11,203	6,092	5,306	786	5,110	11,416	6,427	5,558	869	4,988	11,457	6,578	5,664	914	4,879
TR2	West Marmara	2,638	1,376	1,289	88	1,262	2,660	1,415	1,314	101	1,244	2,723	1,483	1,375	108	1,240
TR3	Aegean	7,873	4,200	3,803	397	3,674	7,906	4,272	3,876	396	3,634	8,127	4,439	4,007	433	3,688
TR4	East Marmara	5,624	2,966	2,701	265	2,658	5,755	2,978	2,683	295	2,776	5,950	3,164	2,838	326	2,786
TR5	West Anatolia	5,641	2,929	2,641	287	2,712	5,736	2,998	2,702	296	2,738	5,876	3,089	2,787	302	2,787
TR6	Mediterranean	7,208	3,586	3,175	411	3,622	7,364	3,745	3,302	443	3,619	7,593	3,901	3,456	445	3,692
TR7	Central Anatolia	2,870	1,435	1,294	141	1,436	2,863	1,453	1,301	151	1,410	2,927	1,459	1,289	171	1,468
TR8	West Black Sea	3,417	1,766	1,648	118	1,651	3,414	1,807	1,668	138	1,608	3,510	1,851	1,732	119	1,659
TR9	East Black Sea	1,985	1,069	1,018	51	916	2,001	1,089	1,040	49	911	2,054	1,112	1,072	40	943
TRA	Northeast Anatolia	1,504	791	752	39	713	1,533	772	734	38	761	1,511	756	714	41	756
TRB	Central East Anatolia	2,596	1,236	1,128	108	1,360	2,623	1,197	1,089	108	1,426	2,638	1,307	1,178	129	1,331
TRC	Southeast Anatolia	5,295	2,232	1,865	368	3,063	5,450	2,381	1,937	444	3,069	5,527	2,504	2,078	426	3,023
TR	Turkey	57,854	29,678	26,621	3,057	28,176	58,720	30,535	27,205	3,330	28,185	59,894	31,643	28,189	3,454	28,251

Share (%)

TR1	Istanbul	19.4	20.5	19.9	25.7	18.1	19.4	21.0	20.4	26.1	17.7	19.1	20.8	20.1	26.5	17.3
TR2	West Marmara	4.6	4.6	4.8	2.9	4.5	4.5	4.6	4.8	3.0	4.4	4.5	4.7	4.9	3.1	4.4
TR3	Aegean	13.6	14.2	14.3	13.0	13.0	13.5	14.0	14.2	11.9	12.9	13.6	14.0	14.2	12.5	13.1
TR4	East Marmara	9.7	10.0	10.1	8.7	9.4	9.8	9.8	9.9	8.9	9.8	9.9	10.0	10.1	9.4	9.9
TR5	West Anatolia	9.8	9.9	9.9	9.4	9.6	9.8	9.8	9.9	8.9	9.7	9.8	9.8	9.9	8.7	9.9
TR6	Mediterranean	12.5	12.1	11.9	13.4	12.9	12.5	12.3	12.1	13.3	12.8	12.7	12.3	12.3	12.9	13.1
TR7	Central Anatolia	5.0	4.8	4.9	4.6	5.1	4.9	4.8	4.8	4.5	5.0	4.9	4.6	4.6	5.0	5.2
TR8	West Black Sea	5.9	6.0	6.2	3.9	5.9	5.8	5.9	6.1	4.1	5.7	5.9	5.8	6.1	3.4	5.9
TR9	East Black Sea	3.4	3.6	3.8	1.7	3.3	3.4	3.6	3.8	1.5	3.2	3.4	3.5	3.8	1.2	3.3
TRA	Northeast Anatolia	2.6	2.7	2.8	1.3	2.5	2.6	2.5	2.7	1.1	2.7	2.5	2.4	2.5	1.2	2.7
TRB	Central East Anatolia	4.5	4.2	4.2	3.5	4.8	4.5	3.9	4.0	3.2	5.1	4.4	4.1	4.2	3.7	4.7
TRC	Southeast Anatolia	9.2	7.5	7.0	12.0	10.9	9.3	7.8	7.1	13.3	10.9	9.2	7.9	7.4	12.3	10.7
TR	Turkey	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: TURKSTAT.

**Table 133. Labor Force Indicators as per Nomenclature of Territorial Units for Statistics
Level-1 – 2**

		(15+ Years, %)								
		2015			2016			2017		
Region Code	NUTS Level-1	Labor Force Participation Rate	Unemployment Rate	Employment Rate	Labor Force Participation Rate	Unemployment Rate	Employment Rate	Labor Force Participation Rate	Unemployment Rate	Employment Rate
TR1	Istanbul	54.4	12.9	47.4	56.3	13.5	48.7	57.4	13.9	49.4
TR2	West Marmara	52.2	6.4	48.8	53.2	7.1	49.4	54.5	7.3	50.5
TR3	Aegean	53.3	9.4	48.3	54.0	9.3	49.0	54.6	9.8	49.3
TR4	East Marmara	52.7	8.9	48.0	51.8	9.9	46.6	53.2	10.3	47.7
TR5	West Anatolia	51.9	9.8	46.8	52.3	9.9	47.1	52.6	9.8	47.4
TR6	Mediterranean	49.8	11.5	44.1	50.9	11.8	44.8	51.4	11.4	45.5
TR7	Central Anatolia	50.0	9.8	45.1	50.8	10.4	45.5	49.9	11.7	44.0
TR8	West Black Sea	51.7	6.7	48.2	52.9	7.7	48.9	52.7	6.4	49.3
TR9	East Black Sea	53.9	4.8	51.3	54.4	4.5	52.0	54.1	3.6	52.2
TRA	Northeast Anatolia	52.6	4.9	50.0	50.4	4.9	47.9	50.0	5.5	47.3
TRB	Central East Anatolia	47.6	8.7	43.5	45.6	9.0	41.5	49.5	9.9	44.7
TRC	Southeast Anatolia	42.2	16.5	35.2	43.7	18.7	35.5	45.3	17.0	37.6
TR	Turkey	51.3	10.3	46.0	52.0	10.9	46.3	52.8	10.9	47.1

Source: TURKSAT.

2.4.2 Employment

2.4.2.1 Sectoral Distribution of Employment

In 2017, compared to the preceding year, the number of those employed in the agriculture sector rose to 5 million and 464 thousand people with an increase by 3.0%, the number of those employed in the industry sector rose to 7 million and 478 thousand people with an increase by 2.7%, and the number of those employed in the services sector rose to 15 million and 246 thousand people with an increase by 4.3%. Thus, the total people employed became 28 million 189 thousand people increasing by 3.6%.

In 2017, share of the agriculture sector within the total employment dropped to 19.4% decreasing by 0.1 percent compared to the preceding year, whereas the share of the industry sector dropped to 26.5% increasing by 0.3 percent, and share of the services sector elevated to 54.1% increasing by 0.4 percent.

The services sector makes the biggest contribution to the employment by providing additional employment for 629 thousand people, and the wholesale and retail trade sub-sector and administrative and support services activities sector were the most effective sectors in this contribution. The employment showed a limited increase with additional 159 thousand people in agriculture sector and additional 195 thousand people in industry sector. While additional employment was provided for 54 thousand people in the manufacturing sector, which is a industry sub-sector, additional employment was provided for 108 thousand people with the effect of boom in construction sector (Table 134, Figure 59).

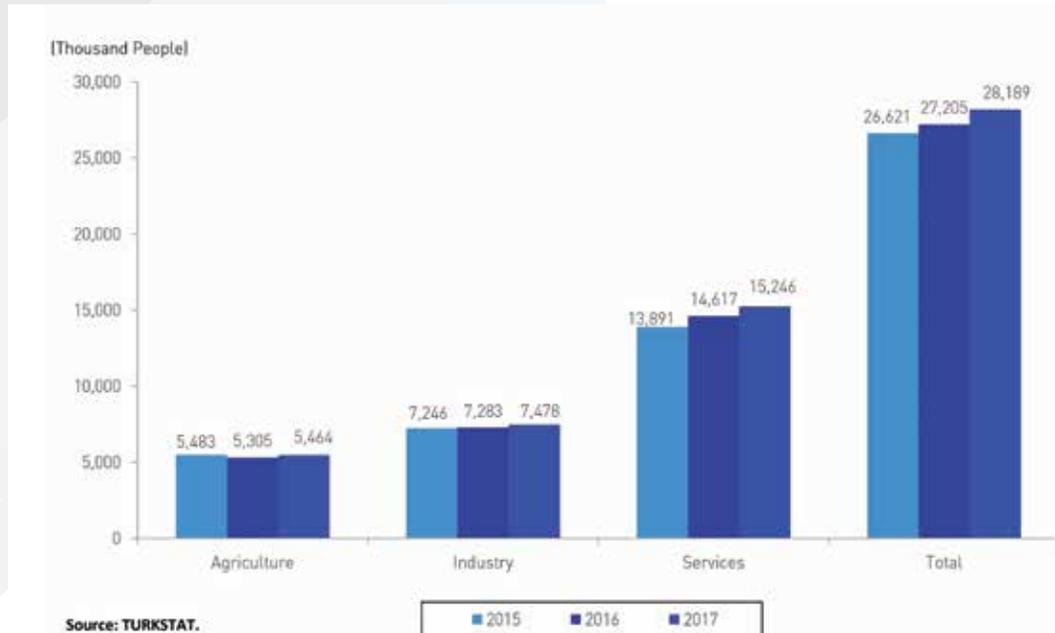
Table 134. Sectoral Distribution of the Employed

Sectors	(15+ Years, Thousand People)								
				Share (%)			Change (%)		
	2015	2016	2017	2015	2016	2017	2016	2017	
Agriculture	5,483	5,305	5,464	20.6	19.5	19.4	-3.2	3.0	
Agriculture, forestry and fishery	5,483	5,305	5,464	20.6	19.5	19.4	-3.2	3.0	
Industry	7,246	7,283	7,478	27.2	26.8	26.5	0.5	2.7	
Mining and quarrying	118	125	137	0.4	0.5	0.5	5.9	9.6	
Manufacturing	4,956	4,915	4,969	18.6	18.1	17.6	-0.8	1.1	
Electricity, gas, steam, water supply and sewerage	257	257	277	1.0	0.9	1.0	0.0	7.8	
Construction	1,914	1,987	2,095	7.2	7.3	7.4	3.8	5.4	
Services	13,891	14,617	15,246	52.2	53.7	54.1	5.2	4.3	
Wholesale and retail trade	3,692	3,758	3,934	13.9	13.8	14.0	1.8	4.7	
Transportation and storage	1,108	1,185	1,235	4.2	4.4	4.4	6.9	4.2	
Accommodation and catering activities	1,449	1,471	1,523	5.4	5.4	5.4	1.5	3.5	
Information and communication	251	248	258	0.9	0.9	0.9	-1.2	4.0	
Financial and insurance activities	294	301	271	1.1	1.1	1.0	2.4	-10.0	
Real estate activities	212	242	286	0.8	0.9	1.0	14.2	18.2	
Vocational, scientific and technical activities	750	846	895	2.8	3.1	3.2	12.8	5.8	
Administrative and support service activities	1,291	1,397	1,551	4.8	5.1	5.5	8.2	11.0	
Public administration and defense	1,441	1,453	1,462	5.4	5.3	5.2	0.8	0.6	
Education	1,411	1,607	1,608	5.3	5.9	5.7	13.9	0.1	
Human health and social service activities	1,051	1,123	1,187	3.9	4.1	4.2	6.9	5.7	
Culture, art, entertainment, recreation and sports	149	141	154	0.6	0.5	0.5	-5.4	9.2	
Other service activities	793	844	883	3.0	3.1	3.1	6.4	4.6	
Total	26,621	27,205	28,189	100.0	100.0	100.0	2.2	3.6	

Source: TURKSTAT.

(Note): The figures may not correspond to the sum due to rounding.

Figure 59. Sectoral Distribution of the Employed



2.4.2.2 Regional Employment Indicators

When the sectoral distribution of employment in 2017 is analyzed according to NUTS Level-1, it is observed that the agriculture sector takes the highest value in Aegean region with 872 thousand people, and the lowest value in İstanbul with 66 thousand people. The industry sector takes the highest value in İstanbul region with 1 million 800 thousand people and the lowest value in Northeast Anatolia region with 91 thousand people. The service sector, like with the industrial sector, takes the highest value in İstanbul region with 3 million and 799 thousand people and the lowest value in Northeast Anatolia region with 286 thousand people (Table 135).

Within the employed people, the region with the highest share of the agriculture sector was Northeast Anatolia region with 47.2% and the with the lowest share hereof was İstanbul region with 1.2%. Within the employed people, the region with the highest share of the industry sector was East Marmara region with 39.4% and the with the lowest share hereof was Northeast Anatolia region with 12.7%. Within the employed people, the region with the highest share of the services sector was İstanbul region with 67.1% and the with the lowest share hereof was Northeast Anatolia region with 40.1%.

2.4.2.3 Status of Employees at Work

In 2017, within the employed population aged 15 or above amounting to 28 million 189 thousand people, while 18 million 960 thousand people were employed as waged, salaried and casual, 6 million 94 thousand people were employers and self-employed, and 3 million 134 thousand people were employed as unpaid family workers. In 2017, those employed as waged, salaried and casual increased by 3.2%, the employers and self employed increased by 5.5%, and unpaid family workers increased by 2.7% (Table 136, Figure 60).

Table 135. Sectoral Distribution of the Employed as per Nomenclature of Territorial Units for Statistics Level-1

		(15+ Years, Thousand People)							
Years	Region Code	NUTS Level-1	Sectors				Share (%)		
			Agriculture	Industry ⁽¹⁾	Services	Total	Agriculture	Industry	Services
2015	TR1	İstanbul	37	1,922	3,347	5,306	0.7	36.2	63.1
	TR2	West Marmara	308	398	583	1,289	23.9	30.9	45.2
	TR3	Aegean	915	1,013	1,875	3,803	24.1	26.6	49.3
	TR4	East Marmara	400	1,009	1,293	2,701	14.8	37.4	47.9
	TR5	West Anatolia	275	669	1,698	2,641	10.4	25.3	64.3
	TR6	Mediterranean	715	699	1,762	3,175	22.5	22.0	55.5
	TR7	Central Anatolia	408	295	591	1,294	31.5	22.8	45.7
	TR8	West Black Sea	655	317	676	1,648	39.7	19.2	41.0
	TR9	East Black Sea	446	173	399	1,018	43.8	17.0	39.2
	TRA	Northeast Anatolia	419	87	245	752	55.7	11.6	32.6
	TRB	Central East Anatolia	431	212	485	1,128	38.2	18.8	43.0
	TRC	Southeast Anatolia	476	452	937	1,865	25.5	24.2	50.2
		TR	Turkey	5,483	7,246	13,891	26,621	20.6	27.2
2016	TR1	İstanbul	51	1,822	3,685	5,558	0.9	32.8	66.3
	TR2	West Marmara	298	399	617	1,314	22.7	30.4	47.0
	TR3	Aegean	894	1,081	1,901	3,876	23.1	27.9	49.0
	TR4	East Marmara	320	1,049	1,315	2,683	11.9	39.1	49.0
	TR5	West Anatolia	272	693	1,736	2,702	10.1	25.6	64.2
	TR6	Mediterranean	771	695	1,836	3,302	23.3	21.0	55.6
	TR7	Central Anatolia	396	309	596	1,301	30.4	23.8	45.8
	TR8	West Black Sea	666	311	691	1,668	39.9	18.6	41.4
	TR9	East Black Sea	439	162	439	1,040	42.2	15.6	42.2
	TRA	Northeast Anatolia	373	87	274	734	50.8	11.9	37.3
	TRB	Central East Anatolia	384	200	505	1,089	35.3	18.4	46.4
	TRC	Southeast Anatolia	439	475	1,022	1,937	22.7	24.5	52.8
		TR	Turkey	5,305	7,283	14,617	27,205	19.5	26.8
2017	TR1	İstanbul	66	1,800	3,799	5,664	1.2	31.8	67.1
	TR2	West Marmara	323	397	655	1,375	23.5	28.9	47.6
	TR3	Aegean	872	1,097	2,037	4,007	21.8	27.4	50.8
	TR4	East Marmara	363	1,117	1,358	2,838	12.8	39.4	47.9
	TR5	West Anatolia	281	702	1,804	2,787	10.1	25.2	64.7
	TR6	Mediterranean	761	712	1,983	3,456	22.0	20.6	57.4
	TR7	Central Anatolia	346	331	611	1,289	26.8	25.7	47.4
	TR8	West Black Sea	691	333	707	1,732	39.9	19.2	40.8
	TR9	East Black Sea	463	162	447	1,072	43.2	15.1	41.7
	TRA	Northeast Anatolia	337	91	286	714	47.2	12.7	40.1
	TRB	Central East Anatolia	444	241	493	1,178	37.7	20.5	41.9
	TRC	Southeast Anatolia	516	496	1,067	2,078	24.8	23.9	51.3
		TR	Turkey	5,464	7,478	15,246	28,189	19.4	26.5

Source: TURKSTAT.

[1]: Construction sector was considered within the industry sector.

In 2017, 5 million 464 thousand people, representing 19.4% of the employed, work in the agriculture sector. Within the population employed in agriculture, 570 thousand people were employed as waged, salaried and casual, 2 million and 324 thousand people were employers and self-employed, and 2 million and 571 thousand people were employed as unpaid family workers.

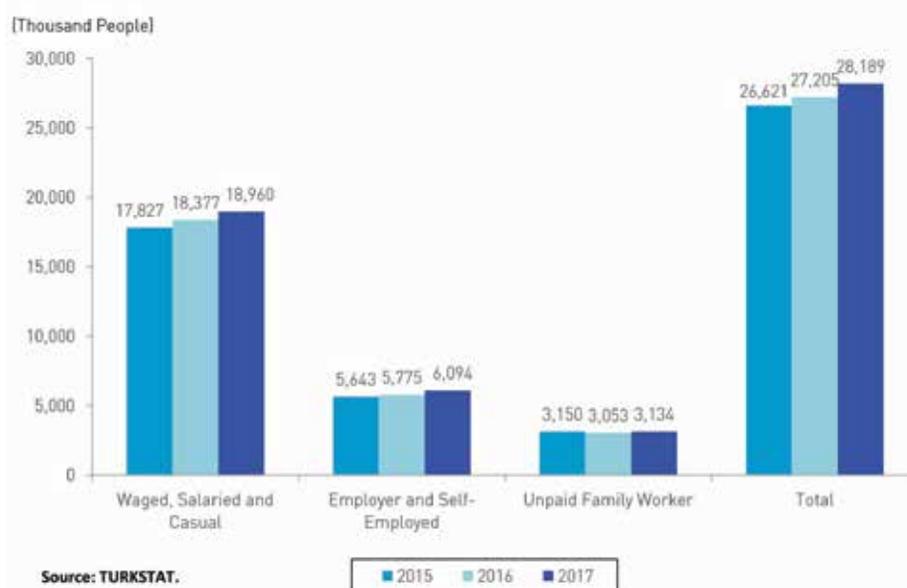
Table 136. Status of Employees at Work

Status at Work	(15+ Years, Thousand People)							
	2015	2016	2017	Share (%)			Change (%)	
				2015	2016	2017	2016	2017
Agriculture	5,483	5,305	5,464	20.6	19.5	19.4	-3.2	3.0
Waged, salaried and casual	599	548	570	3.4	3.0	3.0	-8.5	4.0
Employer and self-employed	2,257	2,243	2,324	40.0	38.8	38.1	-0.6	3.6
Unpaid family worker	2,627	2,514	2,571	83.4	82.3	82.0	-4.3	2.3
Non-agricultural	21,137	21,901	22,724	79.4	80.5	80.6	3.6	3.8
Waged, salaried and casual	17,228	17,830	18,891	96.6	97.0	99.6	3.5	6.0
Employer and self-employed	3,386	3,532	3,771	60.0	61.2	61.9	4.3	6.8
Unpaid family worker	523	539	563	16.6	17.7	18.0	3.1	4.5
Total	26,621	27,205	28,189	100.0	100.0	100.0	2.2	3.6
Waged, salaried and casual	17,827	18,377	18,960	100.0	100.0	100.0	3.1	3.2
Employer and self-employed	5,643	5,775	6,094	100.0	100.0	100.0	2.3	5.5
Unpaid family worker	3,150	3,053	3,134	100.0	100.0	100.0	-3.1	2.7

Source: TURKSTAT.

Note: The figures may not correspond to the sum due to rounding.

Figure 60. Status of Employees at Work



22 million 724 thousand people, representing 80.6% of the employed, work in non-agricultural sectors. Within the population employed in non-agricultural sectors, 18 million and 891 thousand people were employed as waged, salaried and casual, 3 million and 771 thousand people were employers and self-employed, and 563 thousand people were employed as unpaid family workers.

According to the evaluation of the total employment based on the status at work according to NUTS Level-1 in 2017, the region where waged, salaried and casual workers are the highest is İstanbul with 4 million and 556 thousand people, and the region where they are the lowest is the Northeast Anatolian region with 321 thousand people. The region where the employers and self-employed people were most was the İstanbul region with 1 million and 12 thousand people, and the region where they were least was the Northeast Anatolian region with 197 thousand people. The regions where the unpaid family workers were most and least were the Aegean region with 496 thousand people and İstanbul region with 97 thousand people, respectively (Table 137).

Table 137. Status of the Employed at Work as per Nomenclature of Territorial Units for Statistics Level-1

		[15+ Years, Thousand People]												
Years	Region Code	NUTS Level-1	Total				Agriculture				Non-Agricultural			
			Total	Waged, salaried and casual	Employer and self-employed	Unpaid family worker	Total	Waged, salaried and casual	Employer and self-employed	Unpaid family worker	Total	Waged, salaried and casual	Employer and self-employed	Unpaid family worker
2015	TR1	Istanbul	5,306	4,384	850	72	37	2	25	10	5,269	4,382	825	62
	TR2	West Marmara	1,289	838	290	161	308	40	140	129	981	799	150	32
	TR3	Aegean	3,803	2,414	860	530	915	117	372	425	2,888	2,296	488	104
	TR4	East Marmara	2,701	1,978	496	228	400	40	186	174	2,302	1,938	310	54
	TR5	West Anatolia	2,641	1,991	475	176	275	31	120	124	2,366	1,959	355	52
	TR6	Mediterranean	3,175	2,096	724	355	715	161	283	271	2,461	1,935	441	85
	TR7	Central Anatolia	1,294	737	309	248	408	22	161	225	886	715	148	23
	TR8	West Black Sea	1,648	820	411	417	655	25	248	382	993	795	164	34
	TR9	East Black Sea	1,018	488	348	182	446	11	260	175	572	477	89	7
	TRA	Northeast Anatolia	752	275	209	267	419	10	153	256	333	266	56	11
TRB	Central East Anatolia	1,128	593	256	279	431	19	148	264	697	575	108	15	
TRC	Southeast Anatolia	1,865	1,213	414	238	476	121	162	193	1,389	1,092	251	45	
	TR	Turkey	26,621	17,827	5,643	3,150	5,483	599	2,257	2,627	21,137	17,228	3,386	523
2016	TR1	Istanbul	5,558	4,551	920	87	51	1	42	8	5,508	4,550	878	80
	TR2	West Marmara	1,314	845	307	163	298	33	139	126	1,016	811	168	37
	TR3	Aegean	3,876	2,466	891	519	894	110	370	415	2,982	2,356	522	104
	TR4	East Marmara	2,683	2,034	469	180	320	27	162	131	2,363	2,008	307	48
	TR5	West Anatolia	2,702	2,043	483	176	272	31	118	124	2,429	2,012	365	52
	TR6	Mediterranean	3,302	2,155	757	390	771	168	303	300	2,531	1,987	454	90
	TR7	Central Anatolia	1,301	747	308	247	396	14	156	226	905	733	151	21
	TR8	West Black Sea	1,668	814	428	426	666	21	256	389	1,002	793	171	38
	TR9	East Black Sea	1,040	488	374	179	439	8	262	170	601	480	112	9
	TRA	Northeast Anatolia	734	300	207	228	373	7	147	218	361	292	59	9
TRB	Central East Anatolia	1,089	603	246	240	384	17	138	229	705	586	107	11	
TRC	Southeast Anatolia	1,937	1,331	387	218	439	111	149	179	1,497	1,220	238	39	
	TR	Turkey	27,205	18,377	5,775	3,053	5,305	548	2,243	2,514	21,901	17,830	3,532	539
2017	TR1	Istanbul	5,664	4,556	1,012	97	66	4	49	13	5,598	4,552	962	84
	TR2	West Marmara	1,375	858	341	175	323	31	155	137	1,052	827	187	38
	TR3	Aegean	4,007	2,606	904	496	872	116	361	396	3,134	2,490	544	100
	TR4	East Marmara	2,838	2,146	485	207	363	41	167	154	2,474	2,105	318	52
	TR5	West Anatolia	2,787	2,082	512	193	281	23	124	135	2,505	2,059	388	58
	TR6	Mediterranean	3,456	2,286	791	380	761	170	302	289	2,696	2,115	489	91
	TR7	Central Anatolia	1,289	778	301	209	346	13	150	183	942	766	151	26
	TR8	West Black Sea	1,732	850	452	430	691	23	274	394	1,041	827	178	35
	TR9	East Black Sea	1,072	495	383	193	463	9	271	183	608	487	112	10
	TRA	Northeast Anatolia	714	321	197	196	337	8	140	190	377	313	57	6
TRB	Central East Anatolia	1,178	617	281	280	444	15	164	265	734	602	117	15	
TRC	Southeast Anatolia	2,078	1,364	435	279	516	117	168	231	1,562	1,247	267	48	
	TR	Turkey	28,189	18,960	6,094	3,134	5,464	570	2,324	2,571	22,724	18,391	3,771	563

Source: TURKSTAT.

In the agriculture sector, the region where the waged, salaried and casual workers were most was the Mediterranean region with 170 thousand people, and the region where they were least was İstanbul region with 4 thousand people. The region where the employers and self-employed people are most is the Aegean region with 361 thousand people, and the region where they are least is İstanbul region with 49 thousand people. The regions where the unpaid family workers were most and least were the Aegean region with 396 thousand people and İstanbul region with 13 thousand people, respectively.

In the non-agricultural sector, the region where the waged, salaried and casual workers were most was the İstanbul region with 4 million and 552 thousand people, and the region where they were least was the Northeast Anatolia region with 313 thousand people. The region where the employers and self-employed people were most was the İstanbul region with 962 thousand people, and the region where they were least was the Northeast Anatolian region with 57 thousand people. Number of unpaid family workers took the highest value in the Aegean region with 100 thousand people and the lowest value in the Northeast Anatolia region with 6 thousand people.

2.4.2.4 Status of Those not Registered with the Social Security Institution at the Sector and Work

While the unregistered employment has recently showed a decrease, it still maintains its importance in the country as a socio-economical problem. The rate of employees which are not affiliated to any social security institution in 2017 became 34.0% increasing 0.5 percent compared to the preceding year. This rate rose to 29.2% increasing 0.4 percent in males, and it rose to 44.6% increasing 0.3 in females.

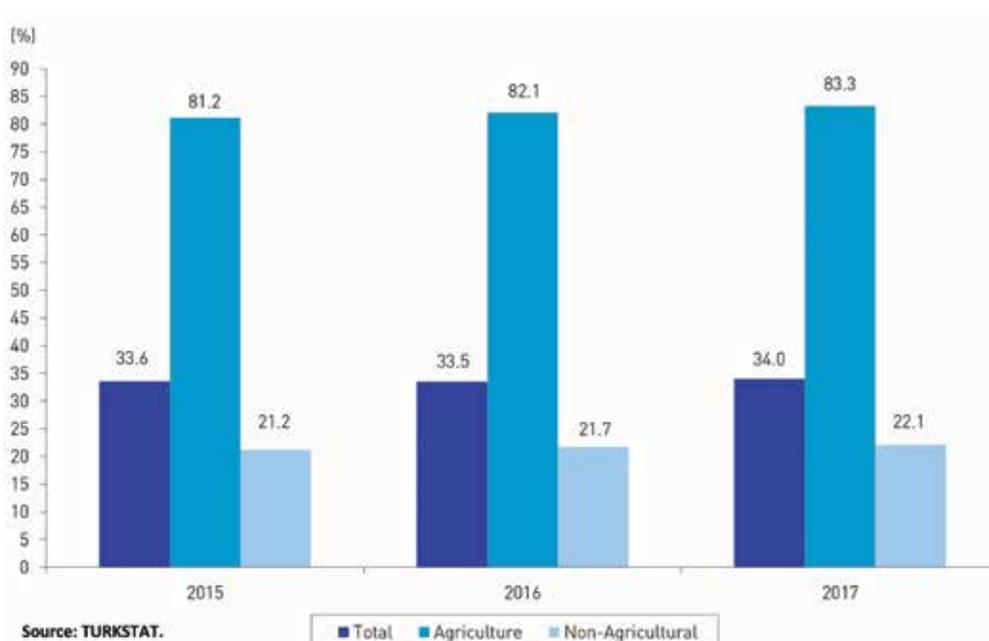
In 2017, the rate of unregistered people working in the agriculture sector rose to 83.3% increasing by 1.2 percent compared to preceding year. It is seen that the rate of unregistered employment is the highest in women working in agriculture sector. The unregistered employment rate in agriculture sector rose to 74.4% increasing 2.2 percent in males, and dropped to 94.2% decreasing 0.1 percent in females. The rate of unregistered people working in agriculture sector rose to 22.1% increasing 0.4 percent compared to the preceding year. This rate increased to 21.0% increasing 0.2 percent in males, and to 24.9% increasing 0.7 percent in females (Table 138, Figure 61).

Table 138. Unregistered Employment Rate

Sector	[%]		
	2015	2016	2017
	Grand Total		
Total	33.6	33.5	34.0
Agriculture	81.2	82.1	83.3
Non-agricultural	21.2	21.7	22.1
	Male		
Total	28.2	28.8	29.2
Agriculture	70.2	72.2	74.4
Non-agricultural	20.2	20.8	21.0
	Female		
Total	46.1	44.3	44.6
Agriculture	94.0	94.3	94.2
Non-agricultural	24.2	24.2	24.9

Source: TURKSTAT.

Figure 61. Unregistered Employment Rate



2.4.2.5 The Unemployed by Job Search Time

In 2017, it is seen that 78.1% of the unemployed were unemployed for a period less than 1 year, depending on the job search time, and 21.9% of them were unemployed for 1 year or longer period. It is observed that the job search time on which the unemployed concentrate at most is 1 to 2 months. It is seen that based on the job search time, the most increase with 21.0% is in the people unemployed for 2 years and more but less than 3 years (Table 139).

Table 139. The Unemployed by Job Search Time

Job Search (unemployment) Time	(Thousand People)							
				Share (%)			Change(%)	
	2015	2016	2017	2015	2016	2017	2016	2017
Unemployed for less than one year	2,412	2,644	2,699	78.9	79.4	78.1	9.6	2.1
1-2 months	1,265	1,380	1,382	41.4	41.4	40.0	9.1	0.1
3-5 months	709	792	792	23.2	23.8	22.9	11.7	0.0
6-8 months	327	353	390	10.7	10.6	11.3	8.0	10.5
9-11 months	111	118	134	3.6	3.5	3.9	6.3	13.6
Unemployed for one year or more (long-term unemployed)	645	686	756	21.1	20.6	21.9	6.4	10.2
1 year and more but less than 2 years	462	492	534	15.1	14.8	15.5	6.5	8.5
2 years and more but less than 3 years	131	124	150	4.3	3.7	4.3	-5.3	21.0
3 years and above	52	70	72	1.7	2.1	2.1	34.6	2.9
Unemployed	3,057	3,330	3,454	100.0	100.0	100.0	8.9	3.7

Source: TURKSTAT.

2.4.3 Collective Labor Agreement and Fees

In 2017, the number of collective labor agreements increased by 64.0% and the number of workplaces and workers covered by such agreements increased by 136.6% and 67.3%, respectively, compared to the preceding year. In 2017, 4,526 collective labor agreements were made in 23,043 workplaces. Out of the total 803,471 workers covered by the collective labor agreements, 235,810 corresponding to 29.3% work in the public sector and 567,661 corresponding to 70.7% work in the private sector (Table 140).

Table 140. Workplaces and Number of Workers Covered by Collective Labor Agreement

Variable	Number			Share (%)			Change (%)	
	2015	2016	2017 ⁽¹⁾	2015	2016	2017	2016	2017
Number of contracts made	1,631	2,759	4,526	-	-	-	69.2	64.0
Number of workplaces	16,911	9,738	23,043	-	-	-	-42.4	136.6
Number of workers								
Public	213,787	60,756	235,810	33.1	12.6	29.3	-71.6	288.1
Private	431,244	419,608	567,661	66.9	87.4	70.7	-2.7	35.3
Total	645,031	480,364	803,471	100.0	100.0	100.0	-25.5	67.3

Source: MoLSS.

(1): Interim.

In 2017, 2 strike decisions were made in the public sector, and 839 workers went on strike and the lost work days were 5,034. In 21 strikes in private sector, 2,894 workers attended, and 154,449 workdays were lost. In total, 3,733 workers attended on 23 strikes, and the lost work days were 159,483 (Table 141).

Table 141. Strike Applications

Sector	Number of Strikes Held			Number of Workers Participated in the Strikes			Workdays Lost			Change in the Workdays Lost (%)	
	2015	2016 ⁽¹⁾	2017 ⁽¹⁾	2015	2016 ⁽¹⁾	2017 ⁽¹⁾	2015	2016 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2017 ⁽¹⁾
	Public	3	2	2	276	299	839	3,208	1,794	5,034	-44.1
Private	24	19	21	7,664	2,219	2,894	125,593	96,610	154,449	-23.1	59.9
Total	27	21	23	7,940	2,518	3,733	128,801	98,404	159,483	-23.6	62.1

Source: MoLSS.

(1): Interim.

In 2017, the net worker wages covered by the collective labor agreements in the public sector increased by 15.2% compared to the preceding year and rose to 4,267.45 TRY/month, the labor force cost increased by 16.8% and rose to 7,997.68 TRY/month, in nominal terms, and the worker wages increased by 3.7% in real terms, and the labor force cost increased by 0.9%.

In 2015, the net worker wages reached 2,510.26 TRY/month with a nominal increase by 12.4%, and labor force costs reached 4,693.66 TRY/month with a nominal increase by 12.8%, compared to the preceding year. In 2015, the worker wages net received and labor force costs in the private sector increased by 4.4% and 7.1% in real terms compared to the preceding year. Data for the years 2016 and 2017 are not announced for private sector (Table 142).

Table 142. Developments in Worker Wages covered by the Collective Labor Agreement

	Net Wage Received ⁽¹⁾	Nominal Change (%)	Real Change (%) ⁽²⁾	Labor Force Cost	Nominal Change (%)	[TRY/Month]	
						Real Change (%) ⁽³⁾	Real Change (%) ⁽³⁾
Public Sector ⁽⁴⁾							
2015	3,442.41	12.4	4.4	6,360.32	12.3	6.6	
2016	3,705.04	7.6	-0.2	6,849.80	7.7	3.3	
2017	4,267.45	15.2	3.7	7,997.68	16.8	0.9	
Private Sector ⁽⁵⁾							
2015	2,510.26	12.4	4.4	4,693.66	12.8	7.1	
2016	-	-	-	-	-	-	
2017	-	-	-	-	-	-	

Source: MoD, Kamu-İş, TİSK.

(1) : For single employees, the net wage received includes the minimum living allowance.

(2) : In the calculation of the real increase in the net wage received, Turkish Statistical Institute's 2003 basic year Consumer Price Index change by twelve-month averages was used.

(3) : In the calculation of the real increase in the labor force cost, Turkish Statistical Institute's 2003 basic year Domestic Producer Price Index change by twelve-month averages was used.

(4) : Municipalities were excluded.

(5) : Data for 2016 and 2017 is not published.

In 2017, it was determined that the daily legal gross minimum wage is to be TRY 59.25, monthly gross minimum wage is to be TRY 1,777.50 and the monthly net minimum wage is to be TRY 1,404.06. In 2017, the monthly gross minimum wage increased by 7.9% compared to the preceding year-end (Table 143).

Table 143. Daily and Monthly Gross Minimum Wages

Effective Dates	Gross Minimum Wage			Net Minimum Wage ⁽¹⁾	
	Daily	Monthly	Change (%)	Daily	Change (%)
	01.01.2015 - 30.06.2015	40.05	1,201.50	6.0	949.07
01.07.2015 - 31.12.2015	42.45	1,273.50	6.0	1,000.54	5.4
01.01.2016 - 31.12.2016	54.90	1,647.00	29.3	1,300.99	30.0
01.01.2017 - 31.12.2017	59.25	1,777.50	7.9	1,404.06	7.9

Source: MoLSS.

(1): Minimum living allowance of TRY 90.11 for the year 2015, of TRY 123.53 for the year 2016, and of TRY 133.31 for the year 2017 was added to the net minimum wage.

In 2017, cost of the minimum wage to the employer was TRY 2,088.56, of which TRY 275.51 was SSI premium employer contribution and TRY 35.55 was Employer Unemployment Insurance Fund deduction (Table 144).

Table 144. Cost of Minimum Wage to Employer

	(TRY/Month)	
	01.01.2015 - 30.06.2015	01.07.2015 - 31.12.2015
Minimum Wage	1,201.50	1,273.50
SSI premium 15.5% (employer contribution) ⁽¹⁾	186.23	197.39
Employer Unemployment Insurance Fund 2%	24.03	25.47
Total cost to employer	1,411.76	1,496.36
	01.01.2016 - 31.12.2016	
Minimum Wage	1,647.00	
SSI premium 15.5% (employer contribution) ⁽¹⁾	255.29	
Employer Unemployment Insurance Fund 2%	32.94	
Total cost to employer ⁽²⁾	1,935.23	
	01.01.2017 - 31.12.2017	
Minimum Wage	1,777.50	
SSI premium 15.5% (employer contribution) ⁽¹⁾	275.51	
Employer Unemployment Insurance Fund 2%	35.55	
Total cost to employer ⁽²⁾	2,088.56	

Source: MoLSS.

(1): As per sub-paragraph (i) of article 81 of the Law No. 5510, since it 5-point reduction is prescribed in the SSI premium employer contribution for those employers who meet the requirements specified in the sub-paragraph, the calculations were made accordingly. The SSI premium employer contribution was 20.5% for the employers who do not meet the necessary requirements. Pursuant to the arrangement made by article 9 of the Law no. 6385, effective as of 01/09/2013, article 81 of the Law no. 5510 is "Short-term insurance branches premium rate is 2% of the earning of the insured basis for premium."

(2): Daily TRY 3.33 of the total cost for the employer in 2016 and 2017 was covered by the Treasury.

In 2017, the net received average civil servant salary increased by 9.3% in nominal terms and rose to TRY 3,038.53 per month, and the average salary cost increased by 9.3% and reached to TRY 4,026.91 per month. In real terms, the net average state servant salary decreased by 1.6%, and the average salary cost decreased by 5.6% (Table 145).

Table 145. Nominal and Real Changes in Civil Servant Salaries

	(TRY/Month)					
Years	Weighted Average Salary ^{(1) (2)}	Nominal Change [%]	Real Change [%] ⁽³⁾	Average Salary Cost	Nominal Change [%]	Real Change [%] ⁽⁴⁾
2015	2,429.12	7.8	0.1	3,223.54	7.6	2.2
2016	2,780.89	14.5	6.2	3,684.83	14.3	9.6
2017	3,038.53	9.3	-1.6	4,026.91	9.3	-5.6

Source: MoD, MoF, TURKSTAT.

(1) : For single employees, the average net salary includes the minimum living allowance.

(2) : Excludes the family benefit, state of emergency compensation, additional compensation payable for Regions Prioritized in Development, overtime works payable over the highest civil servant salary and payment out of the Income Administration Development Funds, and includes lodging compensation. The weighted average of all classes was taken.

(3) : In the calculation of the real increases in the weighted average salaries, Turkish Statistical Institute's 2003 basic year Consumer Price Index change by twelve-month averages was used.

(4) : In the calculation of the real increase in the average salary costs, Turkish Statistical Institute's 2003 basic year Domestic Producer Price Index change by twelve-month averages was used.



ECONOMIC REPORT 2017



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ANNEXES





ANNEX-I NATIONAL AND INTERNATIONAL FORECASTS, TURKEY (2018-2020)



National and International Forecasts, Turkey (2018-2020)

Indicators	Medium Term Program (OVP) 2018-2020			International Monetary Fund (IMF)			Organization for Economic Cooperation and Development (OECD)			World Bank (WB)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
GDP Growth Rate (%)	5.5	5.5	5.5	4.4	4.0	3.6	4.9	4.7	4.0	3.5	4.0	4.0
GDP (with current prices, billion USD)	923.0	988.0	1,074.0	909.9	961.7	1,025.6	-	-	-	-	-	-
Per Capita Income (GDP, USD)	11,409	12,100	13,024	11,114	11,602	12,225	-	-	-	-	-	-
Inflation (CPI, %)	7.0	6.0	5.0	10.9	10.0	8.5	9.9	8.9	-	-	-	-
Unemployment rate (%)	10.5	9.9	9.6	10.7	10.7	10.6	11.0	11.3	-	-	-	-
Export (Billion USD)	169.0	182.0	195.0	-	-	-	285.9	303.2	-	-	-	-
Import (Billion USD)	237.0	253.0	272.0	-	-	-	308.6	334.0	-	-	-	-
Current account balance (billion USD)	-40.0	-40.9	-41.9	-49.1	-45.9	-46.0	-43.2	-54.3	-	-	-	-
Current Account Balance/GDP (%)	-4.3	-4.1	-3.9	-5.4	-4.8	-4.5	-4.9	-5.4	-	-	-	-
Budget balance/GDP (%)	-1.9	-1.9	-1.6	-3.8	-4.0	-3.5	-	-	-	-	-	-

Source: MoD, IMF, OECD, WB.

Ministry of Development, Medium-Term Program (2018-2020)
IMF, World Economic Outlook Database, April 2018.
OECD, Dataset, Economic Outlook No 102, November 2017.
WB, Global Economic Prospects, January 2018 Report.
Note: (-) indicates that forecast values are not present.



ANNEX-II KEY ECONOMIC AND SOCIAL INDICATORS (2013-2017)



KEY ECONOMIC AND SOCIAL INDICATORS (2013-2017)

I. ECONOMIC INDICATORS	2013	2014	2015	2016	2017
GROSS DOMESTIC PRODUCT (2009=100)					
With current prices (Million TRY)	1,809,713	2,044,466	2,338,647	2,608,526	3,104,907
With current prices (Million USD)	950,351	934,855	861,879	862,744	851,046
GDP per capita with current prices (\$)	12,480	12,112	11,019	10,883	10,597
GROWTH RATE (Chained Volume Index, %)					
GDP Growth Rate (%)	8.5	5.2	6.1	3.2	7.4
Agriculture	2.3	0.6	9.4	-2.6	4.7
Industry	9.0	5.6	5.1	4.2	9.2
Construction	14.0	5.0	4.9	5.4	8.9
Services	6.5	6.8	6.6	0.2	10.7
Other activities	8.3	6.0	4.7	5.1	5.5
GDP - SECTORAL DISTRIBUTION (With current prices, %)					
Agriculture	6.7	6.6	6.9	6.2	6.1
Industry	19.6	20.1	19.8	19.6	20.6
Construction	8.1	8.1	8.2	8.6	8.6
Services	21.8	22.3	22.2	21.5	22.2
Other activities	31.4	31.4	31.0	32.3	31.1
PRODUCTION					
Agriculture added value (Chained Volume Index, Million TRY)	94,604	95,165	104,085	101,400	106,125
Industry added value (Chained Volume Index, Million TRY)	268,907	284,016	298,382	311,050	339,670
Industry production index (Adjusted for calendar effect)	116.5	120.5	124.1	126.3	134.3
Manufacturing industry production index (Adjusted for calendar effect)	117.7	121.4	125.4	127.1	135.3
Manufacturing industry capacity utilization rate (%)	76.7	75.0	76.8	77.4	78.5
INVESTMENT					
Fixed capital investments (With current prices, Million TRY)	318,068	351,724	398,611	758,830	922,378
Public (excluding investment workmanship)	73,605	75,509	89,776	99,991	121,326
Private	244,463	276,215	308,835	658,839	801,052
Investment incentive certificates (Number)	4,546	3,829	4,499	5,115	7,478
Agriculture	100	92	149	132	250
Mining	258	155	130	97	177
Manufacturing	2,782	2,056	1,857	1,793	2,899
Energy	166	261	839	1,853	2,263
Services	1,240	1,265	1,524	1,240	1,889
INFLATION					
Annual average percentage change					
CPI	7.49	8.85	7.67	7.78	11.14
D-PPI	4.48	10.25	5.28	4.30	15.82
Year-end percentage change					
CPI	7.40	8.17	8.81	8.53	11.92
D-PPI	6.97	6.36	5.71	9.94	15.47
CASH-BANK (Million TRY)					
M1	225,331	251,992	312,006	382,351	449,632
M2	910,052	1,018,546	1,195,810	1,406,729	1,624,675
M3	950,979	1,063,152	1,238,083	1,450,682	1,675,831
Credit stock	990,796	1,172,731	1,402,616	1,628,276	1,971,683
Deposits	879,446	992,074	1,170,462	1,387,844	1,626,205
CAPITAL MARKET					
Borsa Istanbul trading volume (million TRY)	816,858	872,931	1,025,874	1,013,562	1,468,001
BIST 100 index	67,802	85,721	71,727	78,139	115,333

KEY ECONOMIC AND SOCIAL INDICATORS (2013-2017) (Continued)

	2013	2014	2015	2016	2017
PUBLIC FINANCE					
General government budget (Million TRY)					
Revenues	389,682	425,383	483,386	554,140	630,349
Expenses	408,225	448,752	505,992	584,071	677,722
Budget balance	-18,543	-23,370	-23,606	-29,932	-47,373
Non-interest balance	31,443	26,544	30,399	20,315	9,339
General government debt stock	586,192	612,517	678,245	759,950	876,486
Domestic debt stock (Million TRY)	403,007	414,649	440,124	468,644	535,448
Foreign debt stock (Million TRY)	183,185	197,868	238,121	291,306	341,038
Privatization transactions (Million USD)	12,486	6,279	1,996	1,314	224
FOREIGN EXCHANGE RATES (Annual average)					
TRY/USD (Buying)	1.90225	2.18679	2.71865	3.01854	3.64494
TRY/EUR (Buying)	2.52768	2.90597	3.01807	3.33768	4.11388
FOREIGN TRADE (Million USD)					
Export	151,803	157,610	143,839	142,530	157,020
Import	251,661	242,177	207,234	198,618	233,800
Balance of foreign trade	-99,859	-84,567	-63,395	-56,089	-76,780
Foreign trade volume	403,464	399,787	351,073	341,148	390,820
Rate of imports covered by exports (%)	60.3	65.1	69.4	71.8	67.2
BALANCE OF PAYMENTS (Million USD)					
Balance of goods	-79,917	-63,593	-48,128	-40,892	-58,636
Export	161,789	168,926	151,970	150,161	165,775
Import	241,706	232,519	200,098	191,053	224,411
Current account balance	-63,642	-43,644	-32,109	-33,137	-47,100
Worker remittances	878	838	714	575	414
Travel revenues	27,997	29,552	26,616	18,743	22,478
INTERNATIONAL RESERVES (Gross, Million USD)					
	147,850	141,824	128,047	129,684	136,076
DIRECT INTERNATIONAL INVESTMENTS (Million USD)					
Direct international capital (Net)	10,514	8,798	13,846	9,453	6,187
Capital	9,936	8,371	11,713	6,913	5,568
Other capital (Net)	578	427	2,133	2,540	619
Real estate (Net)	3,049	4,321	4,156	3,890	4,643
Direct international investments (Net liability incurrence)	13,563	13,119	18,002	13,343	10,830
FOREIGN DEBT STOCK (Million USD)					
Short term	133,283	135,147	105,375	101,489	117,711
Long term	259,106	269,872	294,084	306,706	335,496
Total	392,389	405,019	399,459	408,195	453,207
Public	118,936	121,268	116,639	123,272	136,182
CBRT	5,234	2,484	1,327	821	665
Private	268,219	281,268	281,493	284,103	316,360
II. SOCIAL INDICATORS					
POPULATION (Thousand People)					
Total population	76,668	77,696	78,741	79,815	80,811
Male	38,473	38,984	39,511	40,044	40,535
Female	38,195	38,712	39,230	39,771	40,275
Annual population growth rate (%)	13.7	13.3	13.4	13.5	12.4
Population of Province and District centers	70,034	71,286	72,523	73,672	74,761
Share of the population of Province and District centers within the total population (%)	91.3	91.7	92.1	92.3	92.5
Population of Towns and Villages	6,633	6,410	6,218	6,143	6,049
Share of population of Towns and Villages within total population (%)	8.7	8.3	7.9	7.7	7.5
Population density	100	101	102	104	105
Total age dependency rate	47.6	47.6	47.6	47.2	47.3
Rate of young-age dependency (0-14 years)	36.3	35.8	35.4	34.9	34.7
Rate of elderly dependency (65+ years)	11.3	11.8	12.2	12.3	12.6
Median age	30.4	30.7	31.0	31.4	31.7

KEY ECONOMIC AND SOCIAL INDICATORS (2013-2017) (Continued)

EDUCATION	2012/'13	2013/'14	2014/'15	2015/'16	2016/'17
Net primary school schooling rate (Total)	98.9	99.6	96.3	94.9	91.2
Net secondary school schooling rate (Total)	93.1	94.5	94.6	94.4	95.7
Net secondary education schooling rate (Total)	70.1	76.7	79.4	79.8	82.5
Net higher education schooling rate (Total)	38.5	39.9	39.5	40.9	42.4
EMPLOYMENT					
Population aged 15 years and above (Thousand people)	55,982	56,986	57,854	58,720	59,894
Labor force (Thousand people)	27,046	28,786	29,678	30,535	31,643
Employed (Thousand people)	24,601	25,933	26,621	27,205	28,189
Agriculture	5,204	5,470	5,483	5,305	5,464
Industry ⁽¹⁾	6,869	7,228	7,246	7,283	7,478
Services	12,528	13,235	13,891	14,617	15,246
Unemployed (Thousand people)	2,445	2,853	3,057	3,330	3,454
Population not included in the labor force (Thousand people)	28,936	28,200	28,176	28,185	28,251
Sectoral distribution of employment (%)					
Agriculture	21.2	21.1	20.6	19.5	19.4
Industry ⁽¹⁾	27.9	27.9	27.2	26.8	26.5
Services	50.9	51.0	52.2	53.7	54.1
Labor force participation rate (%)	48.3	50.5	51.3	52.0	52.8
Employment rate (%)	43.9	45.5	46.0	46.3	47.1
Unemployment Rate (%)	9.0	9.9	10.3	10.9	10.9
Non-agricultural unemployment rate	10.9	12.0	12.4	13.0	13.0
Young population unemployment rate	17.1	17.9	18.5	19.6	20.8

(1): Construction sector was considered within the industry sector.



ANNEX-III SELECTED ECONOMIC AND SOCIAL INDICATORS BY PROVINCES AND REGIONS



Table 1.	Gross Domestic Product, with Current Prices
Table 2.	Gross Domestic Product Per Capita
Table 3.	Number of Industry Capacity Reports
Table 4.	Number of Employees in Facilities with Industry Capacity Report
Table 5.	Commodity Exchange Volume of Transactions
Table 6.	Consumer Price Index
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Table 1. Gross Domestic Product, with Current Prices, based on 2009 ⁽¹⁾

Provinces	Value (Thousand TRY)			Share (%)		
	2012	2013	2014	2012	2013	2014
İstanbul	475,899,149	552,851,154	622,761,611	30.3	30.5	30.5
Tekirdağ	22,136,307	25,769,068	29,620,421	1.4	1.4	1.4
Edirne	7,383,429	8,191,231	9,324,917	0.5	0.5	0.5
Kırklareli	7,724,705	8,577,784	9,535,339	0.5	0.5	0.5
Balıkesir	20,966,476	22,861,922	26,102,201	1.3	1.3	1.3
Çanakkale	10,623,157	11,736,644	13,504,964	0.7	0.6	0.7
İzmir	98,054,265	112,861,051	127,429,459	6.2	6.2	6.2
Aydın	15,325,083	17,308,614	19,723,034	1.0	1.0	1.0
Denizli	18,050,215	20,885,573	24,055,631	1.1	1.2	1.2
Muğla	18,620,630	20,923,262	23,829,846	1.2	1.2	1.2
Manisa	26,308,943	28,990,602	33,137,759	1.7	1.6	1.6
Afyonkarahisar	9,899,568	11,228,185	12,876,539	0.6	0.6	0.6
Kütahya	8,910,930	10,075,409	11,321,384	0.6	0.6	0.6
Uşak	5,970,896	6,798,197	7,626,484	0.4	0.4	0.4
Bursa	62,226,956	72,548,881	82,779,436	4.0	4.0	4.0
Eskişehir	17,645,669	20,824,832	23,232,720	1.1	1.2	1.1
Bilecik	5,231,214	6,193,933	6,827,072	0.3	0.3	0.3
Kocaeli	53,850,740	64,850,022	73,963,086	3.4	3.6	3.6
Sakarya	16,968,706	19,712,547	22,533,411	1.1	1.1	1.1
Düzce	6,385,493	7,274,675	8,496,056	0.4	0.4	0.4
Bolu	6,692,357	7,722,417	8,715,419	0.4	0.4	0.4
Yalova	4,475,967	5,282,564	6,368,359	0.3	0.3	0.3
Ankara	144,908,900	167,658,987	186,977,438	9.2	9.3	9.1
Konya	31,458,605	37,569,008	43,933,757	2.0	2.1	2.1
Karaman	4,288,931	5,246,825	5,847,774	0.3	0.3	0.3
Antalya	50,775,140	57,621,450	65,038,931	3.2	3.2	3.2
Isparta	7,118,805	7,769,175	8,773,535	0.5	0.4	0.4
Burdur	4,778,100	5,295,419	6,000,838	0.3	0.3	0.3
Adana	32,422,381	36,952,419	41,813,831	2.1	2.0	2.0
İçel	28,248,267	31,564,182	36,419,349	1.8	1.7	1.8
Hatay	19,539,009	22,338,616	25,243,822	1.2	1.2	1.2
Kahramanmaraş	13,168,199	15,192,300	17,063,050	0.8	0.8	0.8
Osmaniye	5,979,100	6,910,960	7,984,770	0.4	0.4	0.4
Kırıkkale	4,408,394	5,023,813	5,346,655	0.3	0.3	0.3
Aksaray	5,041,091	5,793,915	6,991,160	0.3	0.3	0.3
Niğde	4,646,369	5,163,942	6,013,150	0.3	0.3	0.3
Nevşehir	4,157,147	4,778,036	5,425,117	0.3	0.3	0.3
Kırşehir	3,236,017	3,576,858	3,931,176	0.2	0.2	0.2
Kayseri	23,129,541	26,986,596	30,273,400	1.5	1.5	1.5
Sivas	9,494,290	10,566,832	11,521,507	0.6	0.6	0.6
Yozgat	5,559,969	6,251,777	6,877,572	0.4	0.3	0.3
Zonguldak	8,505,489	9,896,313	11,072,359	0.5	0.5	0.5
Karabük	3,556,774	4,248,131	4,861,472	0.2	0.2	0.2
Bartın	2,591,540	2,943,551	3,269,613	0.2	0.2	0.2
Kastamonu	5,848,499	6,453,780	7,339,549	0.4	0.4	0.4
Çankırı	2,757,324	3,198,802	3,563,577	0.2	0.2	0.2
Sinop	2,917,190	3,296,328	3,504,778	0.2	0.2	0.2
Samsun	19,024,550	21,558,219	24,335,058	1.2	1.2	1.2
Tokat	7,069,356	7,791,856	8,431,753	0.5	0.4	0.4
Çorum	7,273,997	8,124,296	9,048,571	0.5	0.4	0.4
Amasya	5,025,544	5,688,880	6,089,802	0.3	0.3	0.3

Table 1. Gross Domestic Product, with Current Prices, based on 2009 ⁽¹⁾ (Continued)

Provinces	Value (Thousand TRY)			Share (%)		
	2012	2013	2014	2012	2013	2014
Trabzon	12,923,840	14,780,969	16,830,898	0.8	0.8	0.8
Ordu	8,351,849	9,423,286	10,608,680	0.5	0.5	0.5
Giresun	5,202,255	5,741,883	6,398,467	0.3	0.3	0.3
Rize	5,671,483	6,395,298	7,346,100	0.4	0.4	0.4
Artvin	2,999,056	3,353,200	3,728,884	0.2	0.2	0.2
Gümüşhane	2,015,624	2,326,652	2,641,170	0.1	0.1	0.1
Erzurum	9,312,141	10,549,878	11,813,489	0.6	0.6	0.6
Erzincan	4,275,331	4,698,175	5,090,175	0.3	0.3	0.2
Bayburt	995,449	1,116,852	1,238,400	0.1	0.1	0.1
Ağrı	3,923,571	4,319,702	4,669,731	0.2	0.2	0.2
Kars	3,135,456	3,303,817	3,713,481	0.2	0.2	0.2
Iğdır	2,256,968	2,422,501	2,626,456	0.1	0.1	0.1
Ardahan	1,305,831	1,337,926	1,415,843	0.1	0.1	0.1
Malatya	9,407,384	10,528,427	11,649,179	0.6	0.6	0.6
Elazığ	7,763,968	8,730,682	9,633,676	0.5	0.5	0.5
Bingöl	2,587,234	2,986,772	3,404,742	0.2	0.2	0.2
Tunceli	1,501,052	1,713,593	1,917,421	0.1	0.1	0.1
Van	8,698,438	9,845,987	10,684,919	0.6	0.5	0.5
Muş	4,088,722	4,519,372	4,833,214	0.3	0.2	0.2
Bitlis	3,061,277	3,690,423	4,073,177	0.2	0.2	0.2
Hakkari	2,529,788	2,874,121	3,202,470	0.2	0.2	0.2
Gaziantep	23,834,087	29,557,244	35,077,012	1.5	1.6	1.7
Adıyaman	5,674,267	6,859,086	8,095,882	0.4	0.4	0.4
Kilis	1,251,884	1,645,112	1,756,295	0.1	0.1	0.1
Şanlıurfa	13,853,496	15,754,835	17,824,505	0.9	0.9	0.9
Diyarbakır	15,916,186	18,385,288	20,751,651	1.0	1.0	1.0
Mardin	7,933,742	9,175,011	10,420,739	0.5	0.5	0.5
Batman	5,326,596	5,911,099	6,517,186	0.3	0.3	0.3
Şırnak	4,532,278	5,340,850	5,874,947	0.3	0.3	0.3
Siirt	3,063,488	3,495,212	3,868,573	0.2	0.2	0.2
Turkey	1,569,672,115	1,809,713,087	2,044,465,876	100.0	100.0	100.0

Source: TURKSTAT.

(1): Recent data stated by provinces on 12 December 2016.

Table 2. Gross Domestic Product Per Capita⁽¹⁾

Provinces	GDP per Capita (TRY)						GDP per Capita (\$)					
	2012	Rank No.	2013	Rank No.	2014	Rank No.	2012	Rank No.	2013	Rank No.	2014	Rank No.
İstanbul	34,637	1	39,468	1	43,645	1	19,223	1	20,726	1	19,957	1
Tekirdağ	26,318	4	29,846	5	33,259	4	14,606	4	15,673	5	15,208	4
Edirne	18,481	21	20,522	23	23,346	20	10,256	21	10,777	23	10,675	20
Kırklareli	22,672	10	25,163	11	27,870	12	12,583	10	13,214	11	12,744	12
Balıkesir	18,113	24	19,679	27	22,197	26	10,052	24	10,334	27	10,150	26
Çanakkale	21,677	13	23,567	14	26,634	14	12,030	13	12,376	14	12,179	14
İzmir	24,604	6	27,983	6	31,179	6	13,654	6	14,695	6	14,257	6
Aydın	15,282	39	17,074	40	19,121	39	8,481	39	8,966	40	8,743	39
Denizli	19,072	17	21,824	16	24,772	15	10,584	17	11,461	16	11,327	15
Muğla	22,043	12	24,360	13	27,061	13	12,233	12	12,793	13	12,374	13
Manisa	19,588	16	21,430	19	24,300	18	10,871	16	11,254	19	11,112	18
Afyonkarahisar	14,116	47	15,914	49	18,219	48	7,834	47	8,357	49	8,331	48
Kütahya	15,665	35	17,592	37	19,799	35	8,694	35	9,238	37	9,053	35
Uşak	17,510	28	19,740	26	21,916	29	9,718	28	10,366	26	10,021	29
Bursa	23,305	9	26,726	9	29,946	8	12,933	9	14,035	9	13,693	8
Eskişehir	22,464	11	26,203	10	28,824	10	12,467	11	13,760	10	13,180	10
Bilecik	25,645	5	29,995	4	32,602	5	14,232	5	15,751	4	14,908	5
Kocaeli	33,278	2	39,174	2	43,521	2	18,468	2	20,572	2	19,900	2
Sakarya	18,951	18	21,666	17	24,359	17	10,517	18	11,378	17	11,139	17
Düzce	18,545	20	20,844	21	24,032	19	10,292	20	10,946	21	10,989	19
Bolu	24,005	8	27,357	7	30,673	7	13,322	8	14,366	7	14,025	7
Yalova	21,399	14	24,461	12	28,517	11	11,876	14	12,845	12	13,040	11
Ankara	29,404	3	33,496	3	36,680	3	16,318	3	17,590	3	16,772	3
Konya	15,380	37	18,187	34	20,981	32	8,535	37	9,550	34	9,594	32
Karaman	18,273	23	22,168	15	24,452	16	10,141	23	11,641	15	11,181	16
Antalya	24,553	7	27,111	8	29,693	9	13,626	7	14,237	8	13,577	9
Isparta	17,197	29	18,621	32	20,975	33	9,544	29	9,779	32	9,591	33
Burdur	18,928	19	20,701	22	23,342	21	10,505	19	10,871	22	10,673	21
Adana	15,314	38	17,288	38	19,381	37	8,499	38	9,079	38	8,862	37
İçel	16,861	31	18,630	31	21,217	30	9,357	31	9,783	31	9,702	30
Hatay	13,211	55	14,959	55	16,702	55	7,332	55	7,855	55	7,637	55
Kahramanmaraş	12,438	57	14,206	57	15,764	58	6,903	57	7,460	57	7,208	58
Osmaniye	12,234	60	13,946	58	15,878	56	6,789	60	7,323	58	7,260	56
Kırkkale	16,039	33	18,289	33	19,594	36	8,901	33	9,604	33	8,959	36
Aksaray	13,288	54	15,193	53	18,229	47	7,375	54	7,978	53	8,335	47
Niğde	13,710	51	15,101	54	17,491	50	7,608	51	7,930	54	7,998	50
Nevşehir	14,627	45	16,746	44	18,979	41	8,117	45	8,794	44	8,678	41
Kırşehir	14,635	44	16,086	48	17,620	49	8,122	44	8,448	48	8,057	49
Kayseri	18,282	22	20,999	20	23,129	22	10,146	22	11,027	20	10,576	22
Sivas	15,184	42	16,943	42	18,480	44	8,427	42	8,897	42	8,450	44
Yozgat	12,101	62	13,933	59	15,688	59	6,716	62	7,317	59	7,174	59
Zonguldak	13,956	48	16,383	45	18,448	45	7,745	48	8,604	45	8,436	45
Karabük	15,990	34	18,657	30	21,064	31	8,874	34	9,797	30	9,632	31
Bartın	13,795	50	15,592	50	17,275	51	7,656	50	8,188	50	7,899	51
Kastamonu	16,256	32	17,733	35	19,917	34	9,021	32	9,312	35	9,107	34
Çankırı	15,250	40	17,046	41	19,033	40	8,463	40	8,951	41	8,703	40
Sinop	14,429	46	16,243	46	17,134	52	8,008	46	8,530	46	7,835	52
Samsun	15,199	41	17,154	39	19,224	38	8,435	41	9,008	39	8,790	38
Tokat	11,567	65	12,850	64	14,093	64	6,420	65	6,748	64	6,444	64
Çorum	13,666	52	15,299	52	17,084	53	7,584	52	8,034	52	7,812	52
Amasya	15,574	36	17,660	36	18,916	42	8,643	36	9,274	36	8,649	42

Table 2. Gross Domestic Product Per Capita ⁽¹⁾ (Continued)

Provinces	GDP per Capita (TRY)						GDP per Capita (\$)					
	2012	Rank No.	2013	Rank No.	2014	Rank No.	2012	Rank No.	2013	Rank No.	2014	Rank No.
Trabzon	17,058	30	19,498	29	22,073	27	9,467	30	10,239	29	10,093	27
Ordu	11,474	66	12,796	65	14,575	63	6,368	66	6,720	65	6,665	64
Giresun	12,400	58	13,597	62	14,967	62	6,882	58	7,140	62	6,844	63
Rize	17,527	26	19,607	28	22,329	24	9,727	26	10,296	28	10,210	24
Artvin	17,987	25	19,935	25	21,999	28	9,982	25	10,469	25	10,059	28
Gümüşhane	15,065	43	16,822	46	18,356	46	8,361	43	8,834	43	8,394	46
Erzurum	11,946	63	13,657	61	15,442	60	6,630	63	7,172	61	7,061	60
Erzincan	19,740	15	21,459	18	22,948	23	10,955	15	11,269	18	10,493	23
Bayburt	13,053	56	14,752	56	15,854	57	7,244	56	7,747	56	7,249	57
Ağrı	7,083	81	7,829	81	8,486	81	3,931	81	4,111	81	3,880	81
Kars	10,270	68	10,909	77	12,433	72	5,700	68	5,729	77	5,685	72
İğdır	11,902	64	12,722	67	13,734	66	6,605	64	6,681	67	6,280	66
Ardahan	12,198	61	12,777	66	13,909	65	6,770	61	6,710	66	6,360	65
Malatya	12,376	59	13,809	60	15,207	61	6,868	59	7,251	60	6,954	61
Elazığ	13,849	49	15,440	51	16,946	54	7,686	49	8,108	51	7,749	54
Bingöl	9,860	74	11,313	72	12,811	70	5,472	74	5,941	72	5,858	70
Tunceli	17,522	27	19,960	24	22,301	25	9,724	27	10,482	24	10,198	25
Van	8,386	79	9,280	79	9,913	79	4,654	79	4,873	79	4,533	79
Muş	9,877	72	10,945	74	11,734	77	5,481	72	5,748	74	5,366	77
Bitlis	9,086	78	10,944	75	12,065	75	5,042	78	5,747	75	5,517	75
Hakkari	9,163	77	10,394	78	11,660	78	5,085	77	5,458	78	5,331	78
Gaziantep	13,416	53	16,222	47	18,788	43	7,445	53	8,519	47	8,591	43
Adıyaman	9,543	76	11,504	69	13,549	68	5,296	76	6,041	69	6,196	68
Kilis	10,065	69	13,010	63	13,648	67	5,586	69	6,832	63	6,241	67
Şanlıurfa	7,966	80	8,841	80	9,773	80	4,421	80	4,643	80	4,469	80
Diyarbakır	10,064	70	11,492	70	12,800	71	5,585	70	6,035	70	5,853	71
Mardin	10,323	67	11,818	68	13,286	69	5,729	67	6,206	68	6,075	69
Batman	10,062	71	10,928	76	11,794	76	5,584	71	5,739	76	5,393	76
Şırnak	9,800	75	11,337	71	12,186	74	5,439	75	5,953	71	5,572	74
Siirt	9,861	73	11,184	73	12,232	73	5,472	73	5,873	73	5,593	73
Turkey	20,880		23,766		26,489		11,588		12,480		12,112	

Source: TURKSTAT.

(1): Recent data stated by provinces on 12 December 2016.

Table 3. Number of Industry Capacity Reports ⁽¹⁾

Provinces	2015	2016	2017	Change (%)		Provinces	2015	2016	2017	Change (%)	
				2016	2017					2016	2017
Adana	1,608	1,654	1,405	2.9	-15.1	Kahramanmaraş	782	792	659	1.3	-16.8
Adıyaman	250	254	224	1.6	-11.8	Karabük	160	147	136	-8.1	-7.5
Afyonkarahisar	861	903	807	4.9	-10.6	Karaman	205	218	184	6.3	-15.6
Ağrı	64	50	36	-21.9	-28.0	Kars	103	82	72	-20.4	-12.2
Aksaray	261	261	249	0.0	-4.6	Kastamonu	257	252	234	-1.9	-7.1
Amasya	177	176	154	-0.6	-12.5	Kayseri	1,531	1,571	1,347	2.6	-14.3
Ankara	4,906	4,780	4,123	-2.6	-13.7	Kırıkkale	148	141	149	-4.7	5.7
Antalya	1,229	1,277	1,109	3.9	-13.2	Kırklareli	336	331	321	-1.5	-3.0
Ardahan	34	27	23	-20.6	-14.8	Kırşehir	116	108	92	-6.9	-14.8
Artvin	87	84	67	-3.4	-20.2	Kilis	79	90	67	13.9	-25.6
Aydın	805	845	676	5.0	-20.0	Kocaeli	2,257	2,398	2,305	6.2	-3.9
Balıkesir	895	902	780	0.8	-13.5	Konya	2,640	2,695	2,394	2.1	-11.2
Bartın	124	126	107	1.6	-15.1	Kütahya	380	394	362	3.7	-8.1
Batman	244	250	211	2.5	-15.6	Malatya	575	541	468	-5.9	-13.5
Bayburt	25	24	17	-4.0	-29.2	Manisa	1,450	1,497	1,402	3.2	-6.3
Bilecik	298	319	310	7.0	-2.8	Mardin	295	324	253	9.8	-21.9
Bingöl	101	90	65	-10.9	-27.8	Mersin	1,239	1,260	1,127	1.7	-10.6
Bitlis	62	55	49	-11.3	-10.9	Muğla	622	627	563	0.8	-10.2
Bolu	266	268	243	0.8	-9.3	Muş	84	85	62	1.2	-27.1
Burdur	434	399	344	-8.1	-13.8	Nevşehir	283	279	222	-1.4	-20.4
Bursa	4,991	5,004	4,358	0.3	-12.9	Niğde	184	178	173	-3.3	-2.8
Çanakkale	392	368	346	-6.1	-6.0	Ordu	281	290	268	3.2	-7.6
Çankırı	112	108	88	-3.6	-18.5	Osmaniye	254	253	231	-0.4	-8.7
Çorum	404	401	334	-0.7	-16.7	Rize	249	249	226	0.0	-9.2
Denizli	1,580	1,549	1,319	-2.0	-14.8	Sakarya	958	947	863	-1.1	-8.9
Diyarbakır	436	460	360	5.5	-21.7	Samsun	563	578	529	2.7	-8.5
Düzce	379	370	360	-2.4	-2.7	Siirt	56	52	36	-7.1	-30.8
Edirne	287	273	255	-4.9	-6.6	Sinop	128	112	107	-12.5	-4.5
Elazığ	325	308	249	-5.2	-19.2	Sivas	369	355	272	-3.8	-23.4
Erzincan	133	133	105	0.0	-21.1	Şanlıurfa	678	700	634	3.2	-9.4
Erzurum	153	142	105	-7.2	-26.1	Şırnak	78	73	87	-6.4	19.2
Eskişehir	742	714	685	-3.8	-4.1	Tekirdağ	1,507	1,572	1,497	4.3	-4.8
Gaziantep	2,269	2,297	2,159	1.2	-6.0	Tokat	261	244	192	-6.5	-21.3
Giresun	186	158	157	-15.1	-0.6	Trabzon	517	520	440	0.6	-15.4
Gümüşhane	95	73	71	-23.2	-2.7	Tunceli	47	49	28	4.3	-42.9
Hakkari	51	51	36	0.0	-29.4	Uşak	523	514	483	-1.7	-6.0
Hatay	718	711	640	-1.0	-10.0	Van	239	240	199	0.4	-17.1
Iğdır	54	44	32	-18.5	-27.3	Yalova	213	204	157	-4.2	-23.0
Isparta	357	374	283	4.8	-24.3	Yozgat	157	160	136	1.9	-15.0
İstanbul	20,297	20,146	18,429	-0.7	-8.5	Zonguldak	341	295	247	-13.5	-16.3
İzmir	4,596	4,524	4,227	-1.6	-6.6	Total	72,433	72,369	64,821	-0.1	-10.4

Source: TOBB.

(1): Numbers of capacity reports current as of the respective year-ends.

Table 4. Number of Employees in Facilities with Industry Capacity Report ⁽¹⁾

Provinces	2015	2016	2017	Change (%)		Provinces	2015	2016	2017	Change (%)	
				2016	2017					2016	2017
Adana	58,189	59,806	58,270	2.8	-2.6	Kahramanmaraş	43,965	44,767	44,386	1.8	-0.9
Adıyaman	8,985	9,051	8,689	0.7	-4.0	Karabük	10,307	10,106	9,854	-2.0	-2.5
Afyonkarahisar	20,054	20,847	20,209	4.0	-3.1	Karaman	17,933	18,378	16,792	2.5	-8.6
Ağrı	1,629	1,393	1,445	-14.5	3.7	Kars	1,642	1,143	1,347	-30.4	17.8
Aksaray	10,030	10,529	11,310	5.0	7.4	Kastamonu	10,860	10,764	9,910	-0.9	-7.9
Amasya	8,100	8,557	8,718	5.6	1.9	Kayseri	69,847	73,676	65,870	5.5	-10.6
Ankara	164,753	161,199	151,947	-2.2	-5.7	Kırıkkale	7,026	6,919	7,185	-1.5	3.8
Antalya	31,979	34,028	32,803	6.4	-3.6	Kırklareli	29,281	28,814	32,155	-1.6	11.6
Ardahan	346	261	146	-24.6	-44.1	Kırşehir	5,156	4,835	5,346	-6.2	10.6
Artvin	2,836	2,852	2,706	0.6	-5.1	Kilis	1,648	1,668	1,444	1.2	-13.4
Aydın	29,498	30,343	28,473	2.9	-6.2	Kocaeli	178,546	186,881	188,183	4.7	0.7
Balıkesir	34,589	35,507	33,897	2.7	-4.5	Konya	69,462	71,455	68,453	2.9	-4.2
Bartın	8,164	8,334	8,928	2.1	7.1	Kütahya	24,973	27,574	26,326	10.4	-4.5
Batman	7,774	8,349	7,904	7.4	-5.3	Malatya	22,095	21,525	19,854	-2.6	-7.8
Bayburt	355	322	230	-9.3	-28.6	Manisa	91,814	101,846	95,231	10.9	-6.5
Bilecik	21,429	22,781	23,661	6.3	3.9	Mardin	5,634	5,831	6,235	3.5	6.9
Bingöl	1,944	1,942	1,964	-0.1	1.1	Mersin	35,754	36,347	35,243	1.7	-3.0
Bitlis	1,549	1,189	1,012	-23.2	-14.9	Muğla	14,548	15,242	14,264	4.8	-6.4
Bolu	17,732	18,277	18,253	3.1	-0.1	Muş	2,052	2,487	1,933	21.2	-22.3
Burdur	10,472	10,183	9,096	-2.8	-10.7	Nevşehir	6,536	6,380	5,268	-2.4	-17.4
Bursa	248,927	264,297	258,638	6.2	-2.1	Niğde	8,123	7,885	7,123	-2.9	-9.7
Çanakkale	20,483	13,523	16,174	-34.0	19.6	Ordu	11,941	12,005	12,488	0.5	4.0
Çankırı	7,866	7,927	7,799	0.8	-1.6	Osmaniye	12,038	11,357	11,919	-5.7	4.9
Çorum	15,558	15,300	14,528	-1.7	-5.0	Rize	14,054	14,287	14,537	1.7	1.7
Denizli	70,151	69,169	66,259	-1.4	-4.2	Sakarya	54,317	57,133	60,317	5.2	5.6
Diyarbakır	9,717	10,331	8,401	6.3	-18.7	Samsun	18,235	20,312	20,349	11.4	0.2
Düzce	26,805	26,470	24,568	-1.2	-7.2	Siirt	1,411	1,390	1,183	-1.5	-14.9
Edirne	16,001	14,908	13,721	-6.8	-8.0	Sinop	5,050	5,046	5,094	-0.1	1.0
Elazığ	8,362	8,822	8,299	5.5	-5.9	Sivas	11,761	11,534	10,983	-1.9	-4.8
Erzincan	4,261	4,292	4,794	0.7	11.7	Şanlıurfa	14,295	14,271	14,550	-0.2	2.0
Erzurum	4,083	3,852	3,452	-5.7	-10.4	Şırnak	1,737	1,548	2,405	-10.9	55.4
Eskişehir	54,635	53,419	55,898	-2.2	4.6	Tekirdağ	124,177	129,711	132,506	4.5	2.2
Gaziantep	95,219	95,211	95,717	0.0	0.5	Tokat	8,610	8,160	8,701	-5.2	6.6
Giresun	6,584	6,640	6,699	0.9	0.9	Trabzon	12,904	13,372	12,371	3.6	-7.5
Gümüşhane	2,056	1,721	1,934	-16.3	12.4	Tunceli	601	694	734	15.5	5.8
Hakkari	730	565	508	-22.6	-10.1	Uşak	19,601	19,683	19,897	0.4	1.1
Hatay	30,711	30,028	28,792	-2.2	-4.1	Van	5,246	4,546	4,236	-13.3	-6.8
Iğdır	811	845	719	4.2	-14.9	Yalova	8,280	8,536	8,615	3.1	0.9
Isparta	10,215	10,904	9,944	6.7	-8.8	Yozgat	5,565	5,731	4,792	3.0	-16.4
İstanbul	663,076	658,896	619,046	-0.6	-6.0	Zonguldak	30,331	29,472	25,539	-2.8	-13.3
İzmir	193,240	197,939	196,290	2.4	-0.8	Total	2,947,254	2,994,120	2,905,459	1.6	-3.0

Source: TOBB.

(1): Other employees (casual, seasonal etc.) were also included in the number of employees.

Table 5. Commodity Exchange Volume of Transactions

Exchanges	Transaction Volume (Thousand TRY)						Change (%)	
	2015	Rank No.	2016	Rank No.	2017	Rank No.	2016	2017
Adana	5,079,540	8	6,008,320	8	9,351,997	5	18.3	55.7
Adıyaman	804,449	62	473,732	93	526,037	91	-41.1	11.0
Afyonkarahisar	3,156,693	14	3,086,031	15	3,481,899	17	-2.2	12.8
Akhisar	1,342,248	40	1,499,022	36	1,679,868	39	11.7	12.1
Aksaray	1,084,030	47	1,416,376	39	1,773,852	37	30.7	25.2
Akşehir	309,414	102	352,497	98	444,189	96	13.9	26.0
Akyazı	369,414	99	343,991	100	384,605	98	-6.9	11.8
Alaca	466,131	93	479,161	92	503,460	93	2.8	5.1
Alaşehir	1,156,344	45	1,152,384	48	1,606,981	42	-0.3	39.4
Ankara	4,318,730	9	6,791,697	7	8,646,264	6	57.3	27.3
Antakya	1,236,593	43	1,409,257	40	1,573,370	43	14.0	11.6
Antalya	1,466,354	36	1,349,344	42	1,786,947	36	-8.0	32.4
Aydın	2,585,676	21	2,687,765	20	3,687,155	16	3.9	37.2
Babaeski	345,395	100	344,864	99	358,360	101	-0.2	3.9
Bafra	413,859	96	406,116	96	555,584	89	-1.9	36.8
Balıkesir	2,659,445	20	2,685,742	21	3,111,635	20	1.0	15.9
Bandırma	2,445,439	22	3,239,076	14	4,337,516	12	32.5	33.9
Batman	863,934	56	1,019,413	55	1,098,404	56	18.0	7.7
Biga	636,473	79	659,767	78	732,647	80	3.7	11.0
Boğazlıyan	379,954	98	388,161	97	483,965	95	2.2	24.7
Bolvadin	154,374	111	148,829	111	218,628	110	-3.6	46.9
Burdur	740,430	66	706,671	76	801,186	72	-4.6	13.4
Bursa	2,091,345	26	2,636,489	22	3,083,120	22	26.1	16.9
Ceyhan	1,601,684	32	2,003,399	28	2,514,490	28	25.1	25.5
Cihanbeyli	335,482	101	284,688	102	311,669	104	-15.1	9.5
Çanakkale	805,944	61	774,014	71	976,550	62	-4.0	26.2
Çankırı	863,282	57	820,992	68	782,607	75	-4.9	-4.7
Çarşamba	2,424,860	23	2,221,054	25	2,002,049	34	-8.4	-9.9
Çorlu	1,054,335	48	1,021,255	54	1,290,648	50	-3.1	26.4
Çorum	1,530,776	34	1,390,155	41	1,248,368	52	-9.2	-10.2
Çubuk	284,316	103	288,955	101	373,463	99	1.6	29.2
Denizli	1,594,378	33	2,100,284	26	2,783,562	24	31.7	32.5
Diyarbakır	3,500,691	12	5,408,399	10	5,395,852	10	54.5	-0.2
Düzce	4,296,781	10	3,861,189	13	3,916,749	14	-10.1	1.4
Edirne	1,722,593	31	1,815,319	32	2,222,801	29	5.4	22.4
Edremit	718,785	72	853,802	63	944,552	65	18.8	10.6
Elazığ	407,117	97	437,174	95	488,759	94	7.4	11.8
Ereğli/Konya	993,675	50	1,175,176	46	1,300,330	49	18.3	10.6
Erzincan	199,331	109	202,148	108	306,161	106	1.4	51.5
Erzurum	679,246	75	724,250	75	692,153	81	6.6	-4.4
Eskişehir	1,274,463	42	1,493,711	38	1,903,597	35	17.2	27.4
Fatsa	736,290	68	517,897	90	537,774	90	-29.7	3.8
Gaziantep	8,786,452	5	8,096,480	5	7,626,894	8	-7.9	-5.8
Gemlik	838,192	60	1,063,935	53	961,962	63	26.9	-9.6
Giresun	2,722,666	19	2,689,984	19	3,136,911	18	-1.2	16.6
Gönen	883,448	53	1,086,841	51	1,312,258	48	23.0	20.7
Haymana	126,513	112	110,311	113	135,735	113	-12.8	23.0
Hayrabolu	645,340	77	761,681	72	752,459	79	18.0	-1.2
Iğdır	126,004	113	141,114	112	232,430	109	12.0	64.7
İlgin	521,206	90	538,985	86	782,762	74	3.4	45.2
Isparta	774,572	64	846,520	66	1,039,826	59	9.3	22.8
İpsala	529,332	88	533,368	88	579,678	88	0.8	8.7
İskenderun	1,334,019	41	1,132,093	49	2,742,265	25	-15.1	142.2
İstanbul	22,000,804	1	23,739,099	1	28,562,029	1	7.9	20.3
İzmir	9,354,846	2	9,562,055	3	13,190,263	2	2.2	37.9
Kadiri	567,989	83	567,715	83	647,256	84	0.0	14.0
Kahramanmaraş	1,404,210	39	1,495,073	37	2,037,774	33	6.5	36.3
Karacabey	1,434,361	37	1,154,522	47	1,373,878	46	-19.5	19.0
Karaman	1,166,094	44	1,081,169	52	1,371,836	47	-7.3	26.9

Table 5. Commodity Exchange Volume of Transactions (Continued)

Exchanges	Transaction Volume (Thousand TRY)						Change (%)	
	2015	Rank No.	2016	Rank No.	2017	Rank No.	2016	2017
Karapınar	706,516	73	798,789	70	985,113	60	13.1	23.3
Kars	732,730	69	177,067	109	142,451	112	-75.8	-19.6
Kastamonu	209,737	107	265,368	104	265,469	108	26.5	0.0
Kayseri	2,178,342	25	2,465,069	23	2,549,259	27	13.2	3.4
Keşan	535,806	86	540,596	85	652,663	83	0.9	20.7
Kırıkkale	439,352	95	624,062	81	585,037	87	42.0	-6.3
Kırklareli	628,074	81	680,586	77	780,291	77	8.4	14.6
Kırşehir	642,270	78	946,416	60	1,183,547	53	47.4	25.1
Kızıltepe	2,917,676	16	4,103,306	12	4,045,373	13	40.6	-1.4
Konya	9,107,816	4	8,452,841	4	10,725,117	4	-7.2	26.9
Kozan	740,187	67	813,299	69	923,319	66	9.9	13.5
Kumluca	199,321	110	214,971	107	315,788	103	7.9	46.9
Kütahya	540,523	85	538,860	87	613,106	85	-0.3	13.8
Lüleburgaz	1,154,817	46	1,248,193	43	1,643,708	40	8.1	31.7
Malatya	1,803,745	30	1,852,922	30	1,772,835	38	2.7	-4.3
Malkara	691,754	74	752,112	73	782,375	76	8.7	4.0
Manisa	1,864,196	29	1,885,833	29	2,631,804	26	1.2	39.6
Mersin	5,339,450	7	5,684,064	9	5,986,216	9	6.5	5.3
Muğla	565,903	84	573,145	82	782,917	73	1.3	36.6
Mustafakemalpaşa	527,457	89	456,653	94	366,393	100	-13.4	-19.8
Nazilli	853,417	59	961,201	58	1,400,828	45	12.6	45.7
Nevşehir	861,518	58	982,356	57	1,071,759	58	14.0	9.1
Niğde	615,387	82	542,178	84	777,268	78	-11.9	43.4
Nizip	719,196	71	957,978	59	519,737	92	33.2	-45.7
Nusaybin	3,039,917	15	2,389,273	24	3,047,137	23	-21.4	27.5
Ordu	2,909,543	17	3,030,047	16	3,784,602	15	4.1	24.9
Osmaniye	1,007,636	49	998,762	56	1,077,888	57	-0.9	7.9
Ödemiş	787,412	63	859,115	62	1,179,916	54	9.1	37.3
Polatlı	1,419,641	38	1,696,679	34	1,632,413	41	19.5	-3.8
Reyhanlı	502,317	91	634,693	79	840,076	70	26.4	32.4
Rize	2,417,542	24	1,844,721	31	2,171,373	31	-23.7	17.7
Sakarya	7,794,485	6	7,301,413	6	8,270,580	7	-6.3	13.3
Salihli	664,470	76	630,663	80	836,691	71	-5.1	32.7
Samsun	3,832,154	11	4,240,486	11	4,788,190	11	10.7	12.9
Sarımsaklı	211,937	106	157,993	110	188,571	111	-25.5	19.4
Sivas	763,770	65	849,047	64	846,786	69	11.2	-0.3
Söke	977,925	51	1,117,351	50	956,069	64	14.3	-14.4
Sungurlu	207,444	108	256,243	105	310,442	105	23.5	21.2
Susurluk	917,545	52	848,232	65	979,193	61	-7.6	15.4
Şanlıurfa	9,320,125	3	10,434,354	2	12,334,391	3	12.0	18.2
Tarsus	1,871,785	28	1,738,937	33	2,216,218	30	-7.1	27.4
Tekirdağ	2,845,782	18	2,829,842	18	3,136,550	19	-0.6	10.8
Terme	1,496,758	35	1,610,480	35	1,431,959	44	7.6	-11.1
Tokat	529,760	87	515,934	91	597,436	86	-2.6	15.8
Trabzon	3,336,257	13	3,029,033	17	3,096,213	21	-9.2	2.2
Turgutlu	500,581	92	527,081	89	679,080	82	5.3	28.8
Uşak	633,365	80	735,302	74	914,436	67	16.1	24.4
Uzunköprü	873,602	54	911,351	61	1,102,722	55	4.3	21.0
Ünye	2,024,810	27	2,052,921	27	2,060,891	32	1.4	0.4
Van	458,707	94	1,202,916	45	415,624	97	162.2	-65.4
Yenişehir	731,331	70	821,437	67	895,438	68	12.3	9.0
Yerköy	227,977	105	275,789	103	335,514	102	21.0	21.7
Yozgat	864,183	55	1,222,350	44	1,281,826	51	41.4	4.9
Zile	250,509	104	254,421	106	275,064	107	1.6	8.1
Total	200,340,800	-	212,814,245	-	249,891,684	-	6.2	17.4

Source: TOBB.

Table 6. Consumer Price Index

NUTS Level-2	2015		2016		2017	
	Index	Change (%)	Index	Change (%)	Index	Change (%)
	Twelve-Month Average					
Istanbul	267.58	8.07	287.01	7.26	317.84	10.74
Tekirdağ, Edirne, Kırklareli	262.40	6.88	282.29	7.58	313.01	10.88
Balıkesir, Çanakkale	272.85	8.16	295.49	8.30	330.03	11.69
İzmir	265.04	8.31	287.45	8.46	321.63	11.89
Aydın, Denizli, Muğla	262.96	8.14	284.31	8.12	318.07	11.88
Manisa, Afyonkarahisar, Kütahya, Uşak	258.33	8.29	279.47	8.18	310.11	10.96
Bursa, Eskişehir, Bilecik	260.42	7.66	281.71	8.18	312.12	10.79
Kocaeli, Sakarya, Düzce, Bolu, Yalova	266.59	7.84	286.85	7.60	318.75	11.12
Ankara	270.67	7.81	293.08	8.28	324.02	10.56
Konya, Karaman	261.32	7.39	281.62	7.77	315.82	12.14
Antalya, Isparta, Burdur	252.18	7.23	272.10	7.90	302.44	11.15
Adana, Mersin	263.95	7.56	288.53	9.31	322.83	11.89
Hatay, Kahramanmaraş, Osmaniye	258.27	7.28	277.97	7.63	311.03	11.90
Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	264.94	6.76	285.02	7.58	318.96	11.91
Kayseri, Sivas, Yozgat	269.38	8.06	290.02	7.66	324.72	11.97
Zonguldak, Karabük, Bartın	255.94	7.59	277.13	8.28	312.10	12.62
Kastamonu, Çankırı, Sinop	255.66	7.34	275.97	7.94	307.53	11.44
Samsun, Tokat, Çorum, Amasya	260.89	7.59	281.01	7.71	313.90	11.70
Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	258.80	6.65	280.16	8.25	312.85	11.67
Erzurum, Erzincan, Bayburt	263.10	5.83	282.61	7.41	314.94	11.44
Ağrı, Kars, Iğdır, Ardahan	268.46	6.89	289.69	7.91	324.28	11.94
Malatya, Elazığ, Bingöl, Tunceli	257.94	6.36	278.52	7.98	310.64	11.53
Van, Muş, Bitlis, Hakkari	263.57	6.77	282.88	7.32	316.80	11.99
Gaziantep, Adıyaman, Kilis	266.34	8.19	287.10	7.79	323.82	12.79
Şanlıurfa, Diyarbakır	266.32	7.99	287.85	8.08	321.27	11.61
Mardin, Batman, Şırnak, Siirt	240.58	7.57	259.54	7.88	289.57	11.57
Turkey	260.59	7.67	280.85	7.78	312.14	11.14
	End-of-Year					
Istanbul	276.54	8.77	298.67	8.00	333.20	11.56
Tekirdağ, Edirne, Kırklareli	270.37	7.70	293.92	8.71	329.16	11.99
Balıkesir, Çanakkale	281.75	9.34	309.18	9.74	344.45	11.41
İzmir	275.48	9.83	300.09	8.93	339.35	13.08
Aydın, Denizli, Muğla	271.61	9.49	296.89	9.31	333.89	12.46
Manisa, Afyonkarahisar, Kütahya, Uşak	266.97	9.31	290.80	8.93	325.22	11.84
Bursa, Eskişehir, Bilecik	269.81	9.28	293.54	8.80	327.35	11.52
Kocaeli, Sakarya, Düzce, Bolu, Yalova	276.31	8.89	297.95	7.83	335.62	12.64
Ankara	279.64	8.61	304.02	8.72	337.77	11.10
Konya, Karaman	270.42	9.18	293.44	8.51	332.13	13.18
Antalya, Isparta, Burdur	260.69	8.84	283.13	8.61	317.16	12.02
Adana, Mersin	274.76	9.47	301.84	9.86	338.66	12.20
Hatay, Kahramanmaraş, Osmaniye	267.37	8.96	290.79	8.76	328.25	12.88
Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	274.15	8.45	297.96	8.69	332.62	11.63
Kayseri, Sivas, Yozgat	277.62	8.81	304.65	9.74	340.55	11.78
Zonguldak, Karabük, Bartın	265.32	9.06	291.54	9.88	327.75	12.42
Kastamonu, Çankırı, Sinop	262.93	7.98	289.45	10.09	321.86	11.20
Samsun, Tokat, Çorum, Amasya	270.24	9.13	292.78	8.34	329.06	12.39
Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	267.24	8.35	292.21	9.34	328.21	12.32
Erzurum, Erzincan, Bayburt	271.09	7.77	295.81	9.12	331.81	12.17
Ağrı, Kars, Iğdır, Ardahan	276.47	7.53	303.54	9.79	338.15	11.40
Malatya, Elazığ, Bingöl, Tunceli	268.10	7.72	291.64	8.78	327.42	12.27
Van, Muş, Bitlis, Hakkari	271.72	7.41	294.23	8.28	334.23	13.59
Gaziantep, Adıyaman, Kilis	277.77	9.38	300.40	8.15	339.11	12.89
Şanlıurfa, Diyarbakır	275.51	8.33	301.60	9.47	339.21	12.47
Mardin, Batman, Şırnak, Siirt	249.18	8.00	271.80	9.08	305.01	12.22
Turkey	269.54	8.81	292.54	8.53	327.41	11.92

Source: TURKSAT.

Table 7. Number of Protested Bills ⁽¹⁾ (Bills amounting to TRY 2,000 and above)

Provinces	2015	2016	2017	Change (%)	
				2016	2017
Istanbul	142,825	155,167	147,571	8.6	-4.9
Ankara	74,530	79,419	77,323	6.6	-2.6
Izmir	44,232	47,497	45,646	7.4	-3.9
Konya	38,797	44,113	43,699	13.7	-0.9
Antalya	34,967	38,074	32,742	8.9	-14.0
Bursa	29,890	32,554	31,897	8.9	-2.0
Gaziantep	16,925	17,738	17,192	4.8	-3.1
Kayseri	15,290	16,637	15,844	8.8	-4.8
Samsun	14,585	14,657	15,392	0.5	5.0
Adana	15,375	17,528	15,003	14.0	-14.4
Kocaeli	13,893	15,111	14,848	8.8	-1.7
Manisa	12,057	13,929	13,767	15.5	-1.2
Mersin	13,305	14,513	13,361	9.1	-7.9
Muğla	13,013	14,411	13,217	10.7	-8.3
Balıkesir	12,533	13,660	12,882	9.0	-5.7
Aydın	9,061	10,914	10,853	20.5	-0.6
Denizli	9,433	10,432	10,361	10.6	-0.7
Sakarya	8,752	9,560	10,054	9.2	5.2
Trabzon	7,423	8,225	8,359	10.8	1.6
Hatay	8,143	9,837	8,243	20.8	-16.2
Şanlıurfa	6,410	8,463	7,954	32.0	-6.0
Ordu	7,040	7,869	7,812	11.8	-0.7
Tekirdağ	6,581	7,231	7,527	9.9	4.1
Kahramanmaraş	6,659	7,547	7,506	13.3	-0.5
Afyonkarahisar	5,651	6,792	6,767	20.2	-0.4
Eskişehir	7,000	6,757	6,721	-3.5	-0.5
Çorum	4,891	5,356	5,346	9.5	-0.2
Malatya	4,646	5,050	5,103	8.7	1.0
Diyarbakır	5,790	5,858	5,002	1.2	-14.6
Çanakkale	5,286	5,317	4,826	0.6	-9.2
Zonguldak	5,016	5,000	4,761	-0.3	-4.8
Erzurum	6,190	5,196	4,652	-16.1	-10.5
Düzce	4,014	4,481	4,578	11.6	2.2
Tokat	4,481	4,237	4,500	-5.4	6.2
Sivas	3,581	4,190	4,494	17.0	7.3
Isparta	4,327	4,977	4,365	15.0	-12.3
Van	4,961	4,443	4,358	-10.4	-1.9
Uşak	4,099	4,256	4,246	3.8	-0.2
Giresun	3,672	4,255	4,060	15.9	-4.6
Kütahya	3,497	3,981	3,911	13.8	-1.8
Amasya	4,024	4,144	3,760	3.0	-9.3
Edirne	3,763	4,020	3,716	6.8	-7.6
Bolu	3,439	3,476	3,542	1.1	1.9
Osmaniye	3,022	4,174	3,498	38.1	-16.2
Aksaray	3,379	3,793	3,447	12.3	-9.1
Niğde	2,289	2,951	3,211	28.9	8.8
Nevşehir	2,844	3,133	3,141	10.2	0.3
Elazığ	3,135	3,369	3,072	7.5	-8.8
Burdur	2,556	2,716	2,875	6.3	5.9
Rize	3,456	3,332	2,825	-3.6	-15.2
Yozgat	3,211	2,971	2,797	-7.5	-5.9

Table 7. Number of Protested Bills ⁽¹⁾ (Bills amounting to TRY 2,000 and above) (Continued)

Provinces	2015	2016	2017	(Pieces)	
				Change (%)	
				2016	2017
Karaman	2,968	3,074	2,790	3.6	-9.2
Kırklareli	2,746	3,089	2,760	12.5	-10.7
Kastamonu	2,391	2,692	2,689	12.6	-0.1
Adıyaman	2,272	2,483	2,401	9.3	-3.3
Kırşehir	1,949	2,363	2,376	21.2	0.6
Mardin	2,344	2,358	2,230	0.6	-5.4
Kırıkkale	2,214	2,436	2,186	10.0	-10.3
Artvin	2,055	2,333	1,961	13.5	-15.9
Karabük	1,838	1,841	1,878	0.2	2.0
Muş	1,648	1,625	1,859	-1.4	14.4
Yalova	1,953	2,084	1,857	6.7	-10.9
Batman	1,760	1,798	1,847	2.2	2.7
Ağrı	1,461	1,623	1,744	11.1	7.5
Bartın	1,558	1,666	1,663	6.9	-0.2
Sinop	1,622	1,808	1,650	11.5	-8.7
Bilecik	1,587	1,740	1,512	9.6	-13.1
Erzincan	1,644	1,445	1,471	-12.1	1.8
Kars	1,412	1,449	1,453	2.6	0.3
Iğdır	668	944	1,351	41.3	43.1
Bitlis	967	1,091	1,315	12.8	20.5
Çankırı	1,138	1,195	1,310	5.0	9.6
Gümüşhane	892	925	975	3.7	5.4
Bingöl	928	921	935	-0.8	1.5
Ardahan	1,016	1,135	926	11.7	-18.4
Şırnak	1,002	703	841	-29.8	19.6
Hakkari	1,030	630	735	-38.8	16.7
Kilis	546	697	484	27.7	-30.6
Siirt	334	390	477	16.8	22.3
Bayburt	480	523	401	9.0	-23.3
Tunceli	265	197	169	-25.7	-14.2
Total	718,627	780,569	748,873	8.6	-4.1
Total Numbers amounting to less than TRY 2,000 ⁽²⁾	281,093	236,409	190,914	-15.9	-19.2
Grand Total	999,720	1,016,978	939,787	1.7	-7.6

Source: Risk Center of the Banks Association of Turkey.

(1): Provinces are sorted by values for the year 2017.

(2): Minimum notification limit based on bills is TRY 2,000, and any amounts lower than this are collectively notified.

Table 8. Amount of Protested Bills ⁽¹⁾ (Bills amounting to TRY 2,000 and above)

Provinces	(Thousand TRY)					
	2015	2016	2017	Change (%)		
				2016	2017	
Istanbul	2,615,236	3,296,488	3,721,848	26.0	12.9	
Ankara	1,467,288	1,649,481	1,206,905	12.4	-26.8	
İzmir	571,788	774,580	740,304	35.5	-4.4	
Antalya	400,781	562,657	610,982	40.4	8.6	
Konya	404,417	451,934	508,728	11.7	12.6	
Bursa	267,190	413,847	498,522	54.9	20.5	
Kocaeli	193,926	241,810	393,484	24.7	62.7	
Gaziantep	381,348	489,329	284,209	28.3	-41.9	
Adana	214,085	295,457	259,270	38.0	-12.2	
Muğla	135,091	142,697	223,830	5.6	56.9	
Manisa	143,653	135,025	211,270	-6.0	56.5	
Kayseri	184,686	204,707	208,153	10.8	1.7	
Şanlıurfa	113,475	224,791	207,505	98.1	-7.7	
Samsun	173,200	169,447	190,488	-2.2	12.4	
Mersin	223,758	168,778	182,136	-24.6	7.9	
Hatay	110,949	96,684	176,204	-12.9	82.2	
Denizli	83,287	151,402	135,208	81.8	-10.7	
Sakarya	82,872	110,857	134,435	33.8	21.3	
Balıkesir	99,611	115,551	123,935	16.0	7.3	
Kahramanmaraş	118,745	94,242	123,357	-20.6	30.9	
Trabzon	70,771	102,585	115,815	45.0	12.9	
Aydın	74,455	120,216	115,480	61.5	-3.9	
Diyarbakır	97,660	86,794	98,805	-11.1	13.8	
Eskişehir	70,794	75,079	92,389	6.1	23.1	
Tekirdağ	64,070	77,252	81,557	20.6	5.6	
İğdir	6,080	15,880	80,283	161.2	405.6	
Afyonkarahisar	70,577	104,363	80,097	47.9	-23.3	
Tokat	34,806	38,318	73,927	10.1	92.9	
Ordu	46,740	72,864	73,096	55.9	0.3	
Batman	28,406	56,279	69,554	98.1	23.6	
Erzurum	61,311	67,062	59,825	9.4	-10.8	
Osmaniye	23,452	64,692	57,421	175.8	-11.2	
Van	85,288	64,856	54,219	-24.0	-16.4	
Sivas	27,662	32,949	53,506	19.1	62.4	
Uşak	43,335	52,295	52,514	20.7	0.4	
Malatya	41,439	43,662	51,071	5.4	17.0	
Isparta	39,233	42,527	50,785	8.4	19.4	
Zonguldak	33,324	51,447	46,411	54.4	-9.8	
Çanakkale	44,103	64,699	46,308	46.7	-28.4	
Edirne	41,883	35,594	43,604	-15.0	22.5	
Düzce	39,464	48,485	43,594	22.9	-10.1	
Çorum	36,839	71,109	43,065	93.0	-39.4	
Bolu	23,853	33,034	42,164	38.5	27.6	
Kütahya	32,479	37,728	37,985	16.2	0.7	
Elazığ	28,287	30,285	37,478	7.1	23.8	
Mardin	25,583	30,974	37,309	21.1	20.5	
Burdur	21,478	31,585	33,991	47.1	7.6	
Giresun	24,336	30,086	33,294	23.6	10.7	
Aksaray	38,232	32,365	32,687	-15.3	1.0	
Adıyaman	29,078	32,011	32,308	10.1	0.9	
Nevşehir	20,281	27,602	32,249	36.1	16.8	

Table 8. Amount of Protested Bills ⁽¹⁾ (Bills amounting to TRY 2,000 and above) (Continued)

Provinces	(Thousand TRY)				
	2015	2016	2017	Change (%)	
				2016	2017
Amasya	26,901	34,439	31,614	28.0	-8.2
Niğde	26,051	32,756	31,382	25.7	-4.2
Kırklareli	43,116	39,357	28,910	-8.7	-26.5
Kastamonu	27,017	27,718	27,064	2.6	-2.4
Yozgat	44,162	26,011	26,761	-41.1	2.9
Yalova	15,770	23,769	26,419	50.7	11.1
Karaman	23,571	31,095	26,234	31.9	-15.6
Kırşehir	19,292	26,105	24,657	35.3	-5.5
Muş	15,679	21,361	24,018	36.2	12.4
Artvin	15,520	43,039	23,667	177.3	-45.0
Rize	22,242	23,162	22,906	4.1	-1.1
Kırıkkale	16,113	26,602	21,100	65.1	-20.7
Ağrı	14,782	20,184	20,177	36.5	0.0
Bitlis	8,881	12,438	17,926	40.0	44.1
Çankırı	10,471	14,456	16,553	38.1	14.5
Bilecik	15,229	18,742	14,979	23.1	-20.1
Karabük	11,963	14,580	14,930	21.9	2.4
Bartın	10,773	12,359	14,708	14.7	19.0
Sinop	9,136	10,878	14,492	19.1	33.2
Kars	13,455	16,837	14,270	25.1	-15.2
Şırnak	10,285	13,613	12,502	32.4	-8.2
Erzincan	11,930	10,805	12,368	-9.4	14.5
Ardahan	9,164	12,168	10,251	32.8	-15.8
Gümüşhane	8,311	10,186	9,050	22.6	-11.1
Bingöl	11,467	10,631	9,041	-7.3	-15.0
Kilis	5,369	6,421	7,711	19.6	20.1
Hakkari	11,676	7,637	7,699	-34.6	0.8
Siirt	6,170	4,987	5,174	-19.2	3.7
Bayburt	3,368	5,263	3,859	56.3	-26.7
Tunceli	1,619	1,507	1,980	-7.0	31.4
Total	9,780,166	12,023,549	12,465,967	22.9	3.7
Total Numbers amounting to less than TRY 2,000 ⁽²⁾	300,513	264,584	220,291	-12.0	-16.7
Grand Total	10,080,680	12,288,133	12,686,258	21.9	3.2

Source: Risk Center of the Banks Association of Turkey.

(1): Provinces are sorted by values for the year 2017.

(2): Minimum notification limit based on bills is TRY 2,000, and any amounts lower than this are collectively notified.

Table 9. Number of Checks Bounced⁽¹⁾

Provinces and Regions ⁽²⁾	2015	2016	2017	Change (%)	
				2016	2017
İstanbul	237,421	212,747	119,584	-10.4	-43.8
West Marmara	25,703	24,887	13,663	-3.2	-45.1
Balıkesir	6,941	8,722	4,163	25.7	-52.3
Çanakkale	3,104	2,965	1,750	-4.5	-41.0
Edirne	3,411	2,719	1,228	-20.3	-54.8
Kırklareli	3,648	2,627	1,912	-28.0	-27.2
Tekirdağ	8,599	7,854	4,610	-8.7	-41.3
Aegean	78,882	85,929	45,358	8.9	-47.2
Afyonkarahisar	4,415	4,502	2,423	2.0	-46.2
Aydın	5,576	8,271	5,158	48.3	-37.6
Denizli	6,248	9,505	4,110	52.1	-56.8
İzmir	40,720	39,661	21,373	-2.6	-46.1
Kütahya	4,097	3,525	1,805	-14.0	-48.8
Manisa	7,264	8,846	4,379	21.8	-50.5
Muğla	8,228	8,454	4,530	2.7	-46.4
Uşak	2,334	3,165	1,580	35.6	-50.1
East Marmara	80,231	89,446	45,747	11.5	-48.9
Bilecik	1,714	2,229	952	30.0	-57.3
Bolu	1,933	2,995	1,381	54.9	-53.9
Bursa	31,317	38,083	20,721	21.6	-45.6
Düzce	3,944	4,433	2,466	12.4	-44.4
Eskişehir	6,816	9,408	3,618	38.0	-61.5
Kocaeli	22,683	20,315	9,494	-10.4	-53.3
Sakarya	9,820	9,428	5,596	-4.0	-40.6
Yalova	2,004	2,555	1,519	27.5	-40.5
West Anatolia	73,825	73,151	43,578	-0.9	-40.4
Ankara	56,885	55,825	32,766	-1.9	-41.3
Karaman	1,351	1,717	955	27.1	-44.4
Konya	15,589	15,609	9,857	0.1	-36.9
Mediterranean	95,093	109,615	56,086	15.3	-48.8
Adana	21,762	24,875	13,862	14.3	-44.3
Antalya	35,055	45,012	20,146	28.4	-55.2
Burdur	1,492	1,935	820	29.7	-57.6
Hatay	8,721	9,463	5,493	8.5	-42.0
Isparta	1,854	1,977	1,179	6.6	-40.4
Mersin	15,626	15,469	8,269	-1.0	-46.5
Kahramanmaraş	7,675	6,462	3,952	-15.8	-38.8
Osmaniye	2,908	4,422	2,365	52.1	-46.5
Central Anatolia	26,126	29,168	16,070	11.6	-44.9
Aksaray	2,174	1,776	1,133	-18.3	-36.2
Kayseri	13,128	11,263	7,263	-14.2	-35.5
Kırıkkale	1,308	2,226	1,091	70.2	-51.0
Kırşehir	1,138	1,601	727	40.7	-54.6
Nevşehir	1,217	2,117	907	74.0	-57.2
Niğde	1,353	2,573	1,101	90.2	-57.2
Sivas	3,757	4,899	2,543	30.4	-48.1
Yozgat	2,051	2,713	1,305	32.3	-51.9

Table 9. Number of Checks Bounced ⁽¹⁾ (Continued)

Provinces and Regions ⁽²⁾	2015	2016	2017	Change (%)	
				2016	2017
West Black Sea	32,095	34,409	19,815	7.2	-42.4
Amasya	3,104	3,864	2,128	24.5	-44.9
Bartın	1,520	1,385	619	-8.9	-55.3
Çankırı	478	721	602	50.8	-16.5
Çorum	3,369	4,275	1,664	26.9	-61.1
Karabük	1,350	1,821	939	34.9	-48.4
Kastamonu	1,229	1,288	1,001	4.8	-22.3
Samsun	11,999	11,797	6,945	-1.7	-41.1
Sinop	740	686	523	-7.3	-23.8
Tokat	3,195	3,270	2,360	2.3	-27.8
Zonguldak	5,111	5,302	3,034	3.7	-42.8
East Black Sea	21,313	17,272	12,411	-19.0	-28.1
Artvin	1,296	950	634	-26.7	-33.3
Giresun	2,521	2,365	1,477	-6.2	-37.5
Gümüşhane	628	670	388	6.7	-42.1
Ordu	4,255	3,431	2,367	-19.4	-31.0
Rize	3,273	2,754	1,796	-15.9	-34.8
Trabzon	9,340	7,102	5,749	-24.0	-19.1
Northeast Anatolia	12,809	13,539	9,840	5.7	-27.3
Ağrı	2,180	3,372	3,730	54.7	10.6
Ardahan	621	646	254	4.0	-60.7
Bayburt	439	514	266	17.1	-48.2
Erzincan	1,365	1,503	637	10.1	-57.6
Erzurum	5,515	4,183	2,663	-24.2	-36.3
İğdır	1,781	1,902	1,495	6.8	-21.4
Kars	908	1,419	795	56.3	-44.0
Central East Anatolia	27,598	26,611	16,202	-3.6	-39.1
Bingöl	2,388	1,819	1,176	-23.8	-35.3
Bitlis	2,741	2,675	1,991	-2.4	-25.6
Elazığ	5,342	6,760	3,148	26.5	-53.4
Hakkari	2,352	2,038	789	-13.4	-61.3
Malatya	5,162	4,902	3,250	-5.0	-33.7
Muş	2,209	2,033	1,947	-8.0	-4.2
Tunceli	368	306	302	-16.8	-1.3
Van	7,036	6,078	3,599	-13.6	-40.8
Southeast Anatolia	61,833	61,147	36,758	-1.1	-39.9
Adıyaman	4,147	2,887	1,825	-30.4	-36.8
Batman	4,605	4,170	3,507	-9.4	-15.9
Diyarbakır	12,387	12,284	7,031	-0.8	-42.8
Gaziantep	21,701	19,097	10,866	-12.0	-43.1
Kilis	509	808	342	58.7	-57.7
Mardin	5,528	6,044	3,406	9.3	-43.6
Siirt	1,288	1,473	941	14.4	-36.1
Şanlıurfa	9,541	10,926	7,759	14.5	-29.0
Şırnak	2,127	3,458	1,081	62.6	-68.7
Other ⁽³⁾	1	25	2	2,400.0	-92.0
Total	677,837	777,946	435,114	14.8	-44.1

Source: Risk Center of the Banks Association of Turkey.

(1) Checks bounced amounting to TRY 1,000,000,000 and above are not included in the report.

(2) The Nomenclature of Units for Territorial Statistics in the Decree of the Council of Ministers numbered 2002/4720 published on the Official Gazette dated 22/09/2002 and numbered 24884 is utilized.

(3) Notifications of the banks for the branches in Northern Cyprus of Turkish Republic and abroad.

Table 10. Amount of Checks Bounced ⁽¹⁾

Provinces and Regions ⁽²⁾	(Thousand TRY)				
	2015	2016	2017	Change (%)	
				2016	2017
İstanbul	9,373,882	9,673,582	5,970,509	3.2	-38.3
West Marmara	623,971	703,519	391,941	12.7	-44.3
Balıkesir	156,108	248,843	111,330	59.4	-55.3
Çanakkale	60,281	71,052	43,062	17.9	-39.4
Edirne	82,468	63,538	32,376	-23.0	-49.0
Kırklareli	84,698	82,472	59,353	-2.6	-28.0
Tekirdağ	240,415	237,614	145,820	-1.2	-38.6
Aegean	2,099,131	2,559,580	1,553,383	21.9	-39.3
Afyonkarahisar	130,817	118,915	51,396	-9.1	-56.8
Aydın	127,060	231,583	208,222	82.3	-10.1
Denizli	165,322	326,428	129,297	97.5	-60.4
İzmir	1,169,128	1,279,646	784,997	9.5	-38.7
Kütahya	90,968	73,136	43,478	-19.6	-40.6
Manisa	160,784	216,571	133,272	34.7	-38.5
Muğla	180,758	230,020	155,757	27.3	-32.3
Uşak	74,295	83,281	46,965	12.1	-43.6
East Marmara	4,112,873	2,935,470	1,624,314	-28.6	-44.7
Bilecik	29,176	68,808	26,935	135.8	-60.9
Bolu	34,053	61,629	34,404	81.0	-44.2
Bursa	2,688,336	1,212,602	778,489	-54.9	-35.8
Düzce	88,232	112,631	56,072	27.7	-50.2
Eskişehir	186,245	348,586	129,801	87.2	-62.8
Kocaeli	797,566	814,049	380,319	2.1	-53.3
Sakarya	244,409	258,265	183,019	5.7	-29.1
Yalova	44,858	58,900	35,275	31.3	-40.1
West Anatolia	2,704,711	2,913,908	2,106,858	7.7	-27.7
Ankara	2,245,539	2,397,077	1,749,221	6.7	-27.0
Karaman	25,421	39,123	18,300	53.9	-53.2
Konya	433,751	477,708	339,336	10.1	-29.0
Mediterranean	3,308,160	3,472,096	1,819,083	5.0	-47.6
Adana	772,189	811,683	542,275	5.1	-33.2
Antalya	1,255,889	1,487,839	632,146	18.5	-57.5
Burdur	30,435	54,946	24,878	80.5	-54.7
Hatay	223,649	267,250	134,296	19.5	-49.7
Isparta	46,367	57,542	34,966	24.1	-39.2
Mersin	701,765	520,883	258,773	-25.8	-50.3
Kahramanmaraş	206,481	166,709	117,978	-19.3	-29.2
Osmaniye	71,385	105,244	73,772	47.4	-29.9
Central Anatolia	639,438	818,661	479,506	28.0	-41.4
Aksaray	46,653	51,005	24,718	9.3	-51.5
Kayseri	337,143	357,010	238,419	5.9	-33.2
Kırıkkale	37,891	56,111	25,786	48.1	-54.0
Kırşehir	37,379	38,483	19,238	3.0	-50.0
Nevşehir	30,452	62,889	29,223	106.5	-53.5
Niğde	35,259	69,204	23,746	96.3	-65.7
Sivas	90,529	139,784	91,004	54.4	-34.9
Yozgat	24,132	44,175	27,371	83.1	-38.0

Table 10. Amount of Checks Bounced ⁽¹⁾ (Continued)

Provinces and Regions ⁽²⁾	(Thousand TRY)				
	2015	2016	2017	Change (%)	
				2016	2017
West Black Sea	661,161	773,876	537,564	17.0	-30.5
Amasya	60,458	78,734	45,240	30.2	-42.5
Bartın	26,170	27,213	13,157	4.0	-51.7
Çankırı	10,710	17,246	12,290	61.0	-28.7
Çorum	70,410	78,187	47,476	11.0	-39.3
Karabük	22,933	48,256	36,594	110.4	-24.2
Kastamonu	27,211	31,428	20,109	15.5	-36.0
Samsun	267,031	307,251	239,031	15.1	-22.2
Sinop	12,492	12,937	8,672	3.6	-33.0
Tokat	74,308	72,768	63,225	-2.1	-13.1
Zonguldak	89,440	99,857	51,770	11.6	-48.2
East Black Sea	461,764	373,163	353,450	-19.2	-5.3
Artvin	32,871	15,413	11,709	-53.1	-24.0
Giresun	40,924	38,038	37,647	-7.1	-1.0
Gümüşhane	12,301	13,940	8,753	13.3	-37.2
Ordu	75,803	74,544	55,278	-1.7	-25.8
Rize	70,330	55,706	47,264	-20.8	-15.2
Trabzon	229,534	175,522	192,800	-23.5	9.8
Northeast Anatolia	289,289	319,350	266,054	10.4	-16.7
Ağrı	39,156	75,438	97,446	92.7	29.2
Ardahan	11,992	16,736	7,118	39.6	-57.5
Bayburt	5,793	7,652	6,050	32.1	-20.9
Erzincan	25,506	37,946	12,736	48.8	-66.4
Erzurum	149,285	96,341	73,970	-35.5	-23.2
İğdır	36,184	47,163	39,425	30.3	-16.4
Kars	21,372	38,074	29,309	78.1	-23.0
Central East Anatolia	759,402	707,060	457,161	-6.9	-35.3
Bingöl	75,293	54,115	36,079	-28.1	-33.3
Bitlis	79,540	52,454	45,188	-34.1	-13.9
Elazığ	117,432	187,032	90,399	59.3	-51.7
Hakkari	42,106	34,055	17,527	-19.1	-48.5
Malatya	145,071	139,077	80,770	-4.1	-41.9
Muş	55,622	59,479	69,366	6.9	16.6
Tunceli	7,606	6,459	6,501	-15.1	0.7
Van	236,732	174,389	111,332	-26.3	-36.2
Southeast Anatolia	2,284,619	2,161,929	1,495,133	-5.4	-30.8
Adıyaman	110,801	89,459	55,496	-19.3	-38.0
Batman	153,983	136,787	136,751	-11.2	0.0
Diyarbakır	421,792	438,384	270,405	3.9	-38.3
Gaziantep	936,836	753,227	448,255	-19.6	-40.5
Kilis	11,109	15,773	6,900	42.0	-56.3
Mardin	178,558	196,952	177,231	10.3	-10.0
Siirt	28,875	29,297	20,095	1.5	-31.4
Şanlıurfa	389,579	435,148	341,344	11.7	-21.6
Şırnak	53,085	66,901	38,657	26.0	-42.2
Other⁽³⁾	14	36	28	151.7	-21.0
Total	27,318,415	27,412,231	17,054,983	0.3	-37.8

Source: Risk Center of The Banks Association of Turkey.

(1) Checks bounced amounting to TRY 1,000,000,000 and above are not included in the report.

(2) The Nomenclature of Units for Territorial Statistics in the Decree of the Council of Ministers numbered 2002/4720 published on the Official Gazette dated 22/09/2002 and numbered 24884 is utilized.

(3) Notifications of the banks for the branches in Northern Cyprus of Turkish Republic and abroad.

Table 11. Deposits Amounts (2017)

Provinces	Saving Deposits	Saving Deposits (TRY)	Saving Deposits (Foreign Exchange Deposit Account)	Other Deposits	Other Deposits (TRY)	Other Deposits (Foreign Exchange Deposit Account)	Total Deposits
Adana	17,892,135	13,679,385	4,212,750	5,389,184	3,829,592	1,559,592	23,281,319
Adıyaman	1,689,847	1,246,800	443,047	603,143	559,411	43,732	2,292,990
Afyonkarahisar	4,084,522	2,660,318	1,424,204	1,257,601	931,036	326,565	5,342,123
Ağrı	794,395	595,375	199,020	592,061	546,452	45,609	1,386,456
Aksaray	3,082,875	1,428,942	1,653,933	699,701	572,162	127,539	3,782,576
Amasya	1,589,798	1,103,041	486,757	437,158	384,909	52,249	2,026,956
Ankara	92,426,392	57,455,589	34,970,803	148,031,501	99,569,825	48,461,676	240,457,893
Antalya	28,670,016	18,990,355	9,679,661	9,780,826	4,648,647	5,132,179	38,450,842
Ardahan	302,924	251,035	51,889	136,874	133,427	3,447	439,798
Artvin	1,043,472	807,763	235,709	376,076	324,232	51,844	1,419,548
Aydın	10,942,616	7,929,767	3,012,849	2,405,499	1,802,341	603,158	13,348,115
Balıkesir	12,231,775	8,614,951	3,616,824	2,474,996	1,993,916	481,080	14,706,771
Bartın	1,483,970	1,050,814	433,156	282,920	258,924	23,996	1,766,890
Batman	1,592,403	1,125,463	466,940	899,677	814,138	85,539	2,492,080
Bayburt	268,237	154,127	114,110	156,636	144,028	12,608	424,873
Bilecik	1,082,778	811,058	271,720	465,456	368,470	96,986	1,548,234
Bingöl	743,432	462,965	280,467	400,843	378,126	22,717	1,144,275
Bitlis	544,885	420,961	123,924	509,346	492,772	16,574	1,054,231
Bolu	2,090,477	1,513,892	576,585	625,536	479,734	145,802	2,716,013
Burdur	2,024,486	1,375,406	649,080	552,838	396,277	156,561	2,577,324
Bursa	28,853,546	19,268,288	9,585,258	13,033,360	7,142,921	5,890,439	41,886,906
Çanakkale	4,695,746	3,649,881	1,045,865	1,171,441	1,069,901	101,540	5,867,187
Çankırı	927,668	666,071	261,597	325,417	277,619	47,798	1,253,085
Çorum	2,987,155	1,852,119	1,135,036	763,172	588,400	174,772	3,750,327
Denizli	10,332,773	6,968,490	3,364,283	4,262,593	2,300,448	1,962,145	14,595,366
Diyarbakır	4,824,073	3,527,907	1,296,166	1,971,968	1,714,745	257,223	6,796,041
Düzce	1,759,275	1,191,179	568,096	598,514	437,077	161,437	2,357,789
Edirne	4,151,882	3,211,539	940,343	1,085,247	708,192	377,055	5,237,129
Elazığ	3,152,098	1,959,500	1,192,598	1,029,944	851,448	178,496	4,182,042
Erzincan	1,559,467	978,421	581,046	430,887	388,500	42,387	1,990,354
Erzurum	2,131,874	1,490,322	641,552	1,324,471	1,219,336	105,135	3,456,345
Eskişehir	8,445,839	5,896,318	2,549,521	3,993,572	2,815,754	1,177,818	12,439,411
Gaziantep	8,606,264	5,366,645	3,239,619	8,510,382	3,009,542	5,500,840	17,116,646
Giresun	3,036,179	2,068,005	968,174	542,599	486,678	55,921	3,578,778
Gümüşhane	687,762	404,534	283,228	179,181	171,703	7,478	866,943
Hakkari	392,103	320,201	71,902	507,726	474,702	33,024	899,829
Hatay	11,592,805	6,827,576	4,765,229	2,930,876	1,830,614	1,100,262	14,523,681
İğdır	739,292	406,005	333,287	201,307	169,649	31,658	940,599
Isparta	3,849,930	2,565,648	1,284,282	887,084	746,021	141,063	4,737,014
İstanbul	400,647,572	208,863,557	191,784,015	331,773,209	164,365,706	167,407,503	732,420,781
İzmir	68,069,566	46,514,212	21,555,354	21,553,567	12,625,306	8,928,261	89,623,133
Kahramanmaraş	3,905,825	2,303,538	1,602,287	1,515,274	1,044,480	470,794	5,421,099
Karabük	1,623,388	1,235,272	388,116	1,416,206	410,135	1,006,071	3,039,594
Karaman	1,681,033	1,011,828	669,205	725,184	433,486	291,698	2,406,217
Kars	914,685	745,153	169,532	475,431	456,295	19,136	1,390,116
Kastamonu	2,066,644	1,599,668	466,976	1,128,551	562,317	566,234	3,195,195
Kayseri	9,884,612	5,358,473	4,526,139	4,080,299	2,606,424	1,473,875	13,964,911

Table 11. Deposits Amounts (2017) (Continued)

Provinces	Saving Deposits	Saving Deposits (TRY)	Saving Deposits (Foreign Exchange Deposit Account)	Other Deposits	Other Deposits (TRY)	Other Deposits (Foreign Exchange Deposit Account)	Total Deposits
Kırıkkale	1,314,192	946,864	367,328	434,231	356,532	77,699	1,748,423
Kırklareli	3,656,092	2,855,143	800,949	752,950	661,711	91,239	4,409,042
Kırşehir	1,831,285	954,995	876,290	421,267	300,687	120,580	2,252,552
Kilis	368,908	192,477	176,431	522,584	445,582	77,002	891,492
Kocaeli	14,686,305	10,242,135	4,444,170	20,286,803	7,572,409	12,714,394	34,973,108
Konya	12,878,621	7,964,269	4,914,352	5,649,229	4,131,249	1,517,980	18,527,850
Kütahya	2,831,851	1,605,738	1,226,113	1,034,349	782,269	252,080	3,866,200
Malatya	4,098,839	2,725,078	1,373,761	1,006,425	824,823	181,602	5,105,264
Manisa	8,959,466	6,978,237	1,981,229	4,063,617	3,137,720	925,897	13,023,083
Mardin	1,754,303	1,116,843	637,460	884,554	769,106	115,448	2,638,857
Mersin	14,741,232	10,566,021	4,175,211	5,038,389	2,962,256	2,076,133	19,779,621
Muğla	15,919,032	10,775,399	5,143,633	2,537,265	1,713,891	823,374	18,456,297
Muş	542,443	398,695	143,748	433,202	414,696	18,506	975,645
Nevşehir	2,451,326	1,124,897	1,326,429	555,441	485,397	70,044	3,006,767
Niğde	1,592,781	1,132,193	460,588	517,810	469,326	48,484	2,110,591
Ordu	3,996,165	2,970,741	1,025,424	853,626	768,290	85,336	4,849,791
Osmaniye	1,743,503	1,392,893	350,610	566,437	489,973	76,464	2,309,940
Rize	2,174,847	1,490,582	684,265	893,180	810,183	82,997	3,068,027
Sakarya	5,459,207	3,592,532	1,866,675	2,143,662	1,361,692	781,970	7,602,869
Samsun	8,039,223	5,584,060	2,455,163	2,756,487	1,893,439	863,048	10,795,710
Siirt	681,494	531,783	149,711	521,066	499,601	21,465	1,202,560
Sinop	1,398,621	973,552	425,069	322,875	297,960	24,915	1,721,496
Sivas	3,903,596	2,456,935	1,446,661	1,146,034	903,446	242,588	5,049,630
Şanlıurfa	3,186,255	2,453,813	732,442	1,526,558	1,375,737	150,821	4,712,813
Şırnak	767,424	536,244	231,180	788,986	645,478	143,508	1,556,410
Tekirdağ	8,036,528	6,094,790	1,941,738	2,837,726	1,730,335	1,107,391	10,874,254
Tokat	2,135,272	1,515,647	619,625	597,879	554,624	43,255	2,733,151
Trabzon	7,555,550	4,699,188	2,856,362	1,952,527	1,604,840	347,687	9,508,077
Tunceli	922,327	607,033	315,294	206,477	197,132	9,345	1,128,804
Uşak	3,749,656	2,295,842	1,453,814	714,218	557,842	156,376	4,463,874
Van	2,176,302	1,727,697	448,605	1,086,637	1,028,067	58,570	3,262,939
Yalova	2,652,990	1,610,285	1,042,705	1,145,677	476,455	669,222	3,798,667
Yozgat	2,359,495	1,182,019	1,177,476	486,410	443,781	42,629	2,845,905
Foreign	83,819,484	18,840,427	64,979,057	47,397,404	3,044,688	44,352,716	131,216,888
Zonguldak	5,605,872	3,903,696	1,702,176	2,163,061	1,224,763	938,298	7,768,933

Source: Banking Regulation and Supervision Agency.

Table 12. Loan Amounts in terms of Bank Groups (2017)

Provinces	Group	Total Cash Loans	Cash Loans	Non-performing Loans	Non-Cash Loans
Adana	Public	15,431,663	14,862,777	568,886	1,703,343
	Foreign	10,255,327	9,640,242	615,085	2,116,712
	Local Private	15,719,529	14,896,869	822,660	2,798,218
Adiyaman	Local Private	1,293,687	1,243,897	49,790	155,499
	Foreign	921,415	882,763	38,652	164,502
	Public	2,556,013	2,511,288	44,725	213,750
Afyonkarahisar	Public	4,619,629	4,444,544	175,085	225,591
	Foreign	1,841,072	1,711,358	129,714	115,437
	Local Private	2,600,803	2,424,990	175,813	200,047
Ağrı	Local Private	493,177	472,372	20,805	105,066
	Foreign	487,497	452,075	35,422	98,907
	Public	1,518,098	1,480,828	37,270	166,322
Aksaray	Public	2,055,327	2,031,636	23,691	206,602
	Foreign	966,366	932,769	33,597	117,796
	Local Private	1,009,146	976,202	32,944	214,731
Amasya	Local Private	1,325,808	1,246,664	79,144	132,191
	Foreign	913,601	876,256	37,345	81,138
	Public	2,037,646	1,970,813	66,833	94,205
Ankara	Public	106,495,299	102,853,010	3,642,289	61,337,366
	Foreign	66,648,289	64,325,274	2,323,015	28,126,351
	Local Private	97,889,910	95,304,720	2,585,190	51,311,505
Antalya	Local Private	22,528,427	21,636,842	891,585	3,547,886
	Foreign	17,038,092	16,134,958	903,134	1,925,272
	Public	36,424,018	35,713,349	710,669	2,993,168
Ardahan	Public	769,566	750,937	18,629	29,926
	Foreign	223,755	219,696	4,059	2,878
	Local Private	142,842	139,877	2,965	26,030
Artvin	Local Private	675,076	641,342	33,734	74,560
	Foreign	239,671	231,810	7,861	18,444
	Public	1,197,625	1,169,930	27,695	48,690
Aydın	Public	7,742,090	7,562,079	180,011	396,887
	Foreign	4,851,539	4,553,292	298,247	486,663
	Local Private	5,840,505	5,645,393	195,112	443,790
Balıkesir	Local Private	6,807,519	6,551,724	255,795	990,639
	Foreign	4,030,128	3,867,948	162,180	492,151
	Public	8,142,724	8,003,546	139,178	585,911
Bartın	Public	1,059,995	1,021,817	38,178	100,430
	Foreign	561,614	538,113	23,501	111,925
	Local Private	637,443	601,920	35,523	94,983
Batman	Local Private	1,712,646	1,632,732	79,914	300,735
	Foreign	1,020,883	949,065	71,818	561,536
	Public	1,348,981	1,290,058	58,923	322,004
Bayburt	Public	386,030	379,631	6,399	20,000
	Foreign	91,390	89,201	2,189	8,659
	Local Private	94,874	90,362	4,512	11,687
Bilecik	Local Private	758,984	702,651	56,333	45,053
	Foreign	648,649	615,524	33,125	30,151
	Public	1,522,715	1,480,767	41,948	70,578
Bingöl	Public	946,480	914,204	32,276	151,026
	Foreign	210,115	196,259	13,856	64,669
	Local Private	210,334	203,897	6,437	38,626
Bitlis	Local Private	409,207	388,529	20,678	407,586
	Foreign	304,955	294,127	10,828	277,654
	Public	1,311,488	1,275,122	36,366	465,862
Bolu	Public	2,102,940	2,064,387	38,553	167,488
	Foreign	1,189,433	1,143,796	45,637	147,571
	Local Private	1,104,569	1,049,195	55,374	121,859
Burdur	Local Private	1,066,847	1,033,357	33,490	88,819
	Foreign	872,103	841,518	30,585	58,561
	Public	1,848,598	1,818,026	30,572	104,173
Bursa	Public	27,994,321	27,633,002	361,319	4,299,263
	Foreign	18,771,387	18,096,071	675,316	3,551,740
	Local Private	23,027,598	22,414,591	613,007	5,371,721
Çanakkale	Local Private	2,344,304	2,273,323	70,981	148,409
	Foreign	1,589,135	1,531,863	57,272	132,663
	Public	4,715,223	4,650,683	64,540	183,360
Çankırı	Public	1,496,125	1,473,071	23,054	56,833
	Foreign	697,249	683,020	14,229	30,714
	Local Private	516,807	499,181	17,626	39,142

Table 12. Loan Amounts in terms of Bank Groups (2017) (Continued)

Provinces	Group	Total Cash Loans	Cash Loans	Non-performing Loans	Non-Cash Loans
Çorum	Local Private	2,126,164	2,008,096	118,068	248,678
	Foreign	1,604,147	1,540,412	63,735	257,399
	Public	4,045,833	3,959,515	86,318	216,977
Denizli	Public	13,960,397	13,760,364	200,033	2,336,923
	Foreign	6,797,121	6,606,572	190,549	1,185,369
	Local Private	15,569,311	15,244,277	325,034	3,902,061
Diyarbakır	Local Private	3,935,626	3,683,811	251,815	749,943
	Foreign	3,439,546	3,233,412	206,134	1,325,603
	Public	5,802,687	5,549,324	253,363	1,281,545
Düzce	Public	2,010,264	1,951,945	58,319	111,406
	Foreign	1,610,384	1,523,280	87,104	159,863
	Local Private	1,330,326	1,235,144	95,182	97,694
Edirne	Local Private	2,262,018	2,183,712	78,306	141,885
	Foreign	1,318,097	1,260,401	57,696	73,011
	Public	3,023,568	2,973,724	49,844	154,585
Elazığ	Public	3,483,774	3,376,534	107,240	464,707
	Foreign	1,877,023	1,791,434	85,589	580,290
	Local Private	2,077,775	1,955,051	122,724	580,608
Erzincan	Local Private	497,613	481,475	16,138	59,356
	Foreign	458,713	443,558	15,155	89,450
	Public	1,209,004	1,185,195	23,809	71,421
Erzurum	Public	7,535,088	7,427,078	108,010	631,634
	Foreign	1,429,379	1,363,717	65,662	247,676
	Local Private	1,685,375	1,587,525	97,850	265,081
Eskişehir	Local Private	4,491,241	4,270,410	220,831	1,814,793
	Foreign	4,354,205	4,193,641	160,564	550,843
	Public	5,912,052	5,769,117	142,935	843,559
Gaziantep	Public	21,222,048	20,785,853	436,195	3,317,528
	Foreign	12,592,616	11,908,242	684,374	3,797,834
	Local Private	18,254,408	17,603,742	650,666	4,692,204
Giresun	Local Private	1,390,976	1,323,530	67,446	140,688
	Foreign	943,640	911,334	32,306	129,691
	Public	2,405,334	2,360,754	44,580	135,608
Gümüşhane	Public	775,362	768,007	7,355	36,259
	Foreign	155,909	151,954	3,955	11,539
	Local Private	263,909	256,389	7,520	27,391
Hakkari	Local Private	181,254	173,913	7,341	43,304
	Foreign	159,388	154,463	4,925	11,717
	Public	940,616	924,914	15,702	92,918
Hatay	Public	12,855,848	12,161,491	694,357	2,299,601
	Foreign	5,371,430	5,050,692	320,738	1,853,838
	Local Private	8,032,061	7,705,120	326,941	2,733,793
Iğdır	Local Private	426,022	401,027	24,995	41,946
	Foreign	293,703	278,000	15,703	30,037
	Public	851,379	818,623	32,756	42,830
Isparta	Public	2,413,354	2,367,177	46,177	147,618
	Foreign	1,354,824	1,302,745	52,079	112,307
	Local Private	1,544,392	1,475,599	68,793	175,903
İstanbul	Local Private	334,730,674	326,466,014	8,264,660	107,309,774
	Foreign	268,347,364	260,056,066	8,291,298	74,830,020
	Public	251,974,653	247,502,023	4,472,630	116,705,099
İzmir	Public	40,996,774	39,752,957	1,243,817	5,601,157
	Foreign	29,687,900	28,516,035	1,171,865	5,898,359
	Local Private	38,488,586	37,480,091	1,008,495	8,134,507
Kahramanmaraş	Local Private	5,285,559	5,128,231	157,328	878,474
	Foreign	3,644,709	3,543,260	101,449	1,128,418
	Public	8,404,813	8,313,560	91,253	1,461,340
Karabük	Public	1,909,569	1,870,000	39,569	838,554
	Foreign	1,111,919	1,075,851	36,068	641,693
	Local Private	1,374,439	1,341,541	32,898	907,981
Karaman	Local Private	899,788	861,772	38,016	308,771
	Foreign	952,518	926,497	26,021	125,728
	Public	2,133,792	2,089,628	44,164	341,450
Kars	Public	1,358,108	1,318,998	39,110	44,603
	Foreign	593,909	573,591	20,318	38,350
	Local Private	559,186	533,446	25,740	60,740

Table 12. Loan Amounts in terms of Bank Groups (2017) (Continued)

Provinces	Group	Total Cash Loans	Cash Loans	Non-performing Loans	Non-Cash Loans
Kastamonu	Local Private	1,362,815	1,300,089	62,726	109,818
	Foreign	1,734,947	1,687,196	47,751	161,020
	Public	2,171,915	2,130,341	41,574	103,045
Kayseri	Local Private	10,343,373	10,115,671	227,702	976,963
	Foreign	6,500,934	6,205,698	295,236	1,263,585
	Public	7,335,500	7,065,757	269,743	1,466,580
Kırıkkale	Local Private	900,863	844,840	56,023	162,541
	Foreign	836,552	782,122	54,430	76,549
	Public	1,554,214	1,502,874	51,340	60,796
Kırklareli	Local Private	2,744,489	2,676,490	67,999	94,318
	Foreign	1,092,833	987,493	105,340	67,318
	Public	2,213,631	2,152,236	61,395	209,089
Kırşehir	Local Private	756,430	731,256	25,174	128,988
	Foreign	764,539	741,444	23,095	136,375
	Public	2,205,454	2,154,388	51,066	102,963
Kilis	Local Private	513,669	498,879	14,790	23,129
	Foreign	234,900	227,613	7,287	33,890
	Public	295,932	283,944	11,988	70,499
Kocaeli	Local Private	15,759,832	15,324,689	435,143	5,737,960
	Foreign	14,953,026	14,420,121	532,905	4,034,469
	Public	17,172,069	16,724,658	447,411	5,688,405
Konya	Local Private	22,298,847	21,870,380	428,467	3,025,948
	Foreign	9,450,868	9,032,240	418,628	2,212,276
	Public	10,974,146	10,565,957	408,189	2,143,098
Kütahya	Local Private	1,938,151	1,795,686	142,465	436,644
	Foreign	1,402,752	1,295,442	107,310	123,089
	Public	3,330,344	3,214,751	115,593	237,589
Malatya	Local Private	4,015,206	3,892,746	122,460	254,827
	Foreign	1,659,174	1,549,241	109,933	280,060
	Public	2,312,360	2,213,985	98,375	271,473
Manisa	Local Private	7,129,896	6,933,012	196,884	1,515,819
	Foreign	5,453,192	5,212,386	240,806	1,192,988
	Public	10,193,960	9,943,211	250,749	955,788
Mardin	Local Private	2,703,829	2,625,258	78,571	205,801
	Foreign	1,445,455	1,350,449	95,006	264,589
	Public	1,785,183	1,689,778	95,405	343,379
Mersin	Local Private	10,393,208	9,942,626	450,582	1,422,961
	Foreign	7,726,053	7,284,687	441,366	1,627,660
	Public	10,775,054	10,457,696	317,358	821,226
Muğla	Local Private	7,462,438	7,266,938	195,500	953,468
	Foreign	5,524,200	5,329,008	195,192	244,852
	Public	8,150,165	7,941,349	208,816	640,239
Muş	Local Private	341,389	331,186	10,203	107,400
	Foreign	279,764	269,825	9,939	80,118
	Public	1,168,587	1,141,822	26,765	241,650
Nevşehir	Local Private	1,914,211	1,873,573	40,638	122,252
	Foreign	941,044	898,070	42,974	142,149
	Public	1,180,244	1,116,080	64,164	141,491
Niğde	Local Private	1,055,354	1,017,370	37,984	145,374
	Foreign	829,462	795,982	33,480	162,582
	Public	1,940,130	1,912,723	27,407	79,072
Ordu	Local Private	3,773,658	3,727,014	46,644	146,366
	Foreign	2,008,841	1,930,835	78,006	213,752
	Public	2,376,113	2,293,074	83,039	231,843
Osmaniye	Local Private	1,808,898	1,725,858	83,040	124,218
	Foreign	1,310,934	1,232,971	77,963	182,695
	Public	2,652,044	2,547,353	104,691	93,418
Rize	Local Private	3,048,445	3,018,536	29,909	207,615
	Foreign	986,626	946,864	39,762	171,415
	Public	1,778,868	1,727,397	51,471	155,414
Sakarya	Local Private	4,483,791	4,336,885	146,906	1,291,205
	Foreign	4,206,003	4,049,996	156,007	572,607
	Public	6,670,592	6,561,168	109,424	733,882
Samsun	Local Private	8,098,049	7,869,267	228,782	1,021,881
	Foreign	4,002,918	3,751,976	250,942	993,261
	Public	5,504,847	5,206,787	298,060	925,221

Table 12. Loan Amounts in terms of Bank Groups (2017) (Continued)

Provinces	Group	Total Cash Loans	Cash Loans	Non-performing Loans	Non-Cash Loans
Siirt	Local Private	433,876	416,098	17,778	298,904
	Foreign	736,996	715,937	21,059	267,530
	Public	1,949,052	1,929,139	19,913	442,258
Sinop	Public	1,292,858	1,263,802	29,056	42,518
	Foreign	273,974	255,107	18,867	15,718
	Local Private	576,601	550,914	25,687	45,662
Sivas	Local Private	1,811,233	1,709,167	102,066	191,608
	Foreign	1,549,144	1,460,558	88,586	252,435
	Public	4,428,359	4,308,833	119,526	325,653
Şanlıurfa	Public	5,496,055	5,245,521	250,534	625,711
	Foreign	2,796,170	2,596,271	199,899	691,642
	Local Private	3,790,052	3,537,648	252,404	587,871
Şırnak	Local Private	583,091	572,631	10,460	343,566
	Foreign	399,791	387,148	12,643	154,002
	Public	1,117,107	1,083,411	33,696	119,999
Tekirdağ	Public	7,239,871	7,076,692	163,179	472,117
	Foreign	4,283,304	4,124,572	158,732	466,541
	Local Private	6,705,206	6,522,449	182,757	1,121,663
Tokat	Local Private	1,636,664	1,533,484	103,180	146,832
	Foreign	1,124,952	1,057,507	67,445	85,180
	Public	2,861,169	2,771,397	89,772	140,622
Trabzon	Public	5,382,726	5,281,039	101,687	787,617
	Foreign	3,019,022	2,891,791	127,231	761,545
	Local Private	4,293,154	4,155,524	137,630	722,217
Tunceli	Local Private	107,876	103,744	4,132	10,833
	Foreign	173,481	166,702	6,779	14,447
	Public	590,861	579,534	11,327	33,118
Uşak	Public	2,264,031	2,183,195	80,836	156,852
	Foreign	1,304,796	1,247,171	57,625	209,712
	Local Private	1,516,582	1,428,749	87,833	188,043
Van	Local Private	1,403,737	1,354,859	48,878	412,031
	Foreign	1,059,185	998,189	60,996	407,264
	Public	3,574,596	3,499,025	75,571	591,406
Yalova	Public	2,066,480	2,043,014	23,466	406,204
	Foreign	1,165,440	1,126,910	38,530	494,679
	Local Private	1,514,688	1,462,462	52,226	488,348
Yozgat	Local Private	1,092,945	1,032,485	60,460	93,897
	Foreign	908,664	868,198	40,466	125,258
	Public	2,553,504	2,495,485	58,019	121,483
Zonguldak	Local Private	2,060,353	1,934,021	126,332	463,994
	Foreign	1,906,106	1,790,122	115,984	894,977
	Public	2,862,188	2,755,427	106,761	222,378

Source: Banking Regulation and Supervision Agency.

Table 13. Number of Active Income Taxpayers

Provinces	Number of Active Income Taxpayers			Change (%)	
	2015	2016	2017	2016	2017
Adana	532,080	528,957	540,082	-0.6	2.1
Adıyaman	71,513	74,390	77,871	4.0	4.7
Afyonkarahisar	146,941	149,085	153,540	1.5	3.0
Ağrı	48,469	50,026	51,268	3.2	2.5
Amasya	76,054	76,551	78,053	0.7	2.0
Ankara	1,582,361	1,564,760	1,595,827	-1.1	2.0
Antalya	945,936	954,947	963,417	1.0	0.9
Artvin	46,639	47,520	49,087	1.9	3.3
Aydın	284,841	290,387	298,593	1.9	2.8
Balıkesir	328,927	332,573	341,712	1.1	2.7
Bilecik	52,156	52,201	53,111	0.1	1.7
Bingöl	27,369	29,137	31,001	6.5	6.4
Bitlis	37,447	38,629	39,415	3.2	2.0
Bolu	80,612	81,020	82,044	0.5	1.3
Burdur	80,320	81,609	83,744	1.6	2.6
Bursa	940,780	949,827	977,019	1.0	2.9
Çanakkale	153,285	156,430	162,778	2.1	4.1
Çankırı	30,945	31,293	31,790	1.1	1.6
Çorum	128,199	129,374	130,577	0.9	0.9
Denizli	278,594	277,584	283,665	-0.4	2.2
Diyarbakır	169,191	166,752	167,098	-1.4	0.2
Edirne	105,401	106,310	109,744	0.9	3.2
Elazığ	99,593	100,341	102,915	0.8	2.6
Erzincan	46,359	46,715	48,180	0.8	3.1
Erzurum	114,452	114,786	116,426	0.3	1.4
Eskişehir	253,750	259,622	264,038	2.3	1.7
Gaziantep	490,860	491,081	496,598	0.0	1.1
Giresun	83,163	84,179	87,136	1.2	3.5
Gümüşhane	22,427	22,380	22,550	-0.2	0.8
Hakkari	20,411	20,914	22,480	2.5	7.5
Hatay	293,416	293,755	292,409	0.1	-0.5
Isparta	103,966	104,935	107,467	0.9	2.4
İçel	460,621	464,139	474,663	0.8	2.3
İstanbul	5,916,042	5,799,674	5,916,654	-2.0	2.0
İzmir	1,494,376	1,500,964	1,532,754	0.4	2.1
Kars	38,844	39,193	39,145	0.9	-0.1
Kastamonu	93,346	94,175	95,458	0.9	1.4
Kayseri	355,502	363,672	379,243	2.3	4.3
Kırklareli	100,279	101,523	101,272	1.2	-0.2
Kırşehir	41,422	43,649	46,543	5.4	6.6
Kocaeli	534,050	539,057	550,735	0.9	2.2
Konya	611,423	628,028	644,644	2.7	2.6
Kütahya	116,311	117,238	119,651	0.8	2.1
Malatya	135,734	136,251	139,789	0.4	2.6
Manisa	344,224	345,719	358,164	0.4	3.6
Kahramanmaraş	174,361	181,857	189,872	4.3	4.4
Mardin	91,276	89,085	89,833	-2.4	0.8
Muğla	398,780	405,267	419,519	1.6	3.5
Muş	38,539	39,732	40,036	3.1	0.8
Nevşehir	82,460	84,287	85,708	2.2	1.7
Niğde	67,735	69,885	74,366	3.2	6.4

Table 13. Number of Active Income Taxpayers (Continued)

Provinces	Number of Active Income Taxpayers			Change (%)	
	2015	2016	2017	2016	2017
Ordu	129,309	130,834	135,491	1.2	3.6
Rize	81,334	82,291	84,225	1.2	2.4
Sakarya	240,825	241,543	245,745	0.3	1.7
Samsun	302,510	306,517	315,674	1.3	3.0
Siirt	24,687	25,464	26,888	3.1	5.6
Sinop	44,961	45,880	47,606	2.0	3.8
Sivas	115,186	116,546	120,450	1.2	3.3
Tekirdağ	276,193	283,041	289,696	2.5	2.4
Tokat	102,076	103,123	106,231	1.0	3.0
Trabzon	172,667	174,651	178,898	1.1	2.4
Tunceli	12,262	12,213	12,603	-0.4	3.2
Şanlıurfa	313,168	315,921	315,003	0.9	-0.3
Uşak	87,756	88,763	90,970	1.1	2.5
Van	120,812	122,528	125,980	1.4	2.8
Yozgat	89,559	90,012	91,450	0.5	1.6
Zonguldak	119,011	117,723	118,951	-1.1	1.0
Aksaray	89,189	92,155	94,474	3.3	2.5
Bayburt	11,362	11,339	11,657	-0.2	2.8
Karaman	52,848	53,240	54,717	0.7	2.8
Kırıkkale	54,718	54,971	56,831	0.5	3.4
Batman	62,371	64,374	66,357	3.2	3.1
Şırnak	67,278	63,873	54,214	-5.1	-15.1
Bartın	40,993	41,020	41,906	0.1	2.2
Ardahan	13,671	13,865	14,174	1.4	2.2
Iğdır	31,831	30,660	28,972	-3.7	-5.5
Yalova	77,302	79,238	82,498	2.5	4.1
Karabük	60,074	60,154	62,351	0.1	3.7
Kilis	23,541	24,206	24,278	2.8	0.3
Osmaniye	94,195	95,968	98,379	1.9	2.5
Düzce	79,543	82,831	84,351	4.1	1.8
Total	21,763,014	21,776,409	22,240,704	0.1	2.1

Source: Revenue Administration.

Table 14. Number of Active Corporate Taxpayers

Provinces	Number of Active Corporate Taxpayers			Change (%)	
	2015	2016	2017	2016	2017
Adana	154,492	163,881	172,990	6.1	5.6
Adıyaman	24,996	25,291	25,173	1.2	-0.5
Afyonkarahisar	45,171	46,728	47,734	3.4	2.2
Ağrı	15,935	16,658	16,704	4.5	0.3
Amasya	18,299	18,465	18,246	0.9	-1.2
Ankara	913,931	957,840	999,154	4.8	4.3
Antalya	308,121	320,384	328,942	4.0	2.7
Artvin	10,985	11,160	11,528	1.6	3.3
Aydın	81,364	84,879	86,137	4.3	1.5
Balıkesir	63,776	66,568	69,393	4.4	4.2
Bilecik	11,649	11,959	12,043	2.7	0.7
Bingöl	15,046	16,050	16,942	6.7	5.6
Bitlis	12,701	13,137	13,639	3.4	3.8
Bolu	22,442	22,619	23,000	0.8	1.7
Burdur	20,409	20,713	21,164	1.5	2.2
Bursa	296,527	316,527	334,823	6.7	5.8
Çanakkale	35,729	37,167	39,188	4.0	5.4
Çankırı	8,004	8,663	8,905	8.2	2.8
Çorum	26,966	28,233	29,266	4.7	3.7
Denizli	80,220	84,140	87,882	4.9	4.4
Diyarbakır	88,343	88,283	85,151	-0.1	-3.5
Edirne	26,234	26,872	28,249	2.4	5.1
Elazığ	36,340	37,825	38,294	4.1	1.2
Erzincan	11,051	11,777	12,336	6.6	4.7
Erzurum	33,079	33,801	34,263	2.2	1.4
Eskişehir	70,569	74,882	76,921	6.1	2.7
Gaziantep	134,549	145,973	154,558	8.5	5.9
Giresun	21,880	22,074	22,316	0.9	1.1
Gümüşhane	5,777	6,018	6,171	4.2	2.5
Hakkari	9,382	9,524	10,208	1.5	7.2
Hatay	99,658	105,288	104,594	5.6	-0.7
Isparta	31,077	32,340	33,191	4.1	2.6
İçel	146,137	154,633	163,748	5.8	5.9
İstanbul	3,051,147	3,168,059	3,329,867	3.8	5.1
İzmir	524,662	541,617	558,823	3.2	3.2
Kars	8,550	8,869	9,168	3.7	3.4
Kastamonu	17,092	17,685	17,888	3.5	1.1
Kayseri	111,625	117,834	123,513	5.6	4.8
Kırklareli	21,987	22,622	22,766	2.9	0.6
Kırşehir	11,166	11,574	11,885	3.7	2.7
Kocaeli	190,757	191,727	194,122	0.5	1.2
Konya	179,754	186,441	189,023	3.7	1.4
Kütahya	27,663	27,903	27,924	0.9	0.1
Malatya	40,343	42,373	43,723	5.0	3.2
Manisa	68,171	71,693	74,226	5.2	3.5
Kahramanmaraş	47,074	52,296	54,268	11.1	3.8
Mardin	46,640	46,798	48,460	0.3	3.6
Muğla	118,549	120,584	120,775	1.7	0.2
Muş	14,445	14,792	14,290	2.4	-3.4
Nevşehir	26,950	28,668	29,133	6.4	1.6
Niğde	15,453	16,053	16,571	3.9	3.2

Table 14. Number of Active Corporate Taxpayers (Continued)

Provinces	Number of Active Corporate Taxpayers			Change (%)	
	2015	2016	2017	2016	2017
Ordu	30,923	31,589	32,362	2.2	2.4
Rize	21,976	21,913	22,235	-0.3	1.5
Sakarya	70,275	71,674	73,269	2.0	2.2
Samsun	67,812	71,980	75,024	6.1	4.2
Siirt	9,071	9,521	10,257	5.0	7.7
Sinop	9,410	9,569	9,599	1.7	0.3
Sivas	33,108	34,626	35,977	4.6	3.9
Tekirdağ	78,488	82,694	86,071	5.4	4.1
Tokat	23,477	24,352	24,995	3.7	2.6
Trabzon	52,920	55,752	57,633	5.4	3.4
Tunceli	3,090	3,184	3,318	3.0	4.2
Şanlıurfa	82,393	87,606	86,903	6.3	-0.8
Uşak	21,061	21,950	23,066	4.2	5.1
Van	48,745	52,315	55,990	7.3	7.0
Yozgat	20,300	20,538	20,544	1.2	0.0
Zonguldak	29,254	28,956	29,584	-1.0	2.2
Aksaray	26,118	26,771	27,544	2.5	2.9
Bayburt	3,051	3,235	3,455	6.0	6.8
Karaman	15,492	16,049	16,155	3.6	0.7
Kırıkkale	15,080	15,001	15,105	-0.5	0.7
Batman	31,631	32,828	33,420	3.8	1.8
Şırnak	28,411	29,031	28,856	2.2	-0.6
Bartın	7,808	7,818	7,494	0.1	-4.1
Ardahan	2,757	2,851	3,072	3.4	7.8
Iğdır	10,025	9,761	9,611	-2.6	-1.5
Yalova	22,734	23,299	24,558	2.5	5.4
Karabük	14,439	14,360	14,288	-0.5	-0.5
Kilis	5,460	6,031	6,609	10.5	9.6
Osmaniye	22,247	23,027	23,275	3.5	1.1
Düzce	26,117	26,223	26,446	0.4	0.9
Total	8,236,540	8,572,444	8,905,993	4.1	3.9

Source: Revenue Administration.

Table 15. Foreign Trade Indicators

(Thousand USD)

Provinces	Export			Import			Foreign Trade Volume		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Adana	1,683,497	1,607,018	1,822,782	2,048,362	1,803,482	2,171,932	3,731,859	3,410,501	3,994,714
Adıyaman	542,820	338,329	131,623	42,898	51,820	89,072	585,717	390,150	220,695
Afyonkarahisar	301,839	296,187	318,463	54,508	121,148	121,490	356,348	417,335	439,953
Ağrı	87,645	52,134	43,092	99,832	144,691	192,477	187,476	196,825	235,569
Amasya	88,856	76,165	92,477	28,040	44,052	39,609	116,896	120,218	132,086
Ankara	7,048,777	6,463,475	6,740,237	9,710,506	10,837,711	12,516,382	16,759,283	17,301,186	19,256,618
Antalya	961,270	997,112	1,240,524	976,463	1,124,060	1,119,134	1,937,733	2,121,172	2,359,659
Artvin	64,684	55,859	52,065	28,050	24,746	35,324	92,735	80,605	87,389
Aydın	636,340	617,679	702,007	271,479	271,682	247,579	907,819	889,361	949,586
Balıkesir	517,418	519,260	537,182	450,210	414,317	410,331	967,628	933,577	947,513
Bilecik	124,400	77,231	88,157	142,916	146,024	148,916	267,315	223,255	237,073
Bingöl	3,559	1,202	1,688	733	1,368	16,555	4,292	2,570	18,243
Bitlis	3,534	2,666	3,989	1,776	19,245	11,405	5,310	21,911	15,394
Bolu	119,249	133,045	141,399	186,009	153,815	202,674	305,258	286,860	344,074
Burdur	201,631	178,941	197,309	33,313	46,508	55,614	234,945	225,449	252,923
Bursa	8,634,502	9,765,910	10,535,563	8,050,555	8,710,001	9,121,733	16,685,057	18,475,910	19,657,297
Çanakkale	129,299	108,595	124,739	70,407	74,856	78,424	199,706	183,451	203,163
Çankırı	67,570	78,791	148,632	76,394	95,069	143,873	143,963	173,860	292,504
Çorum	338,329	201,021	171,952	291,622	216,803	214,880	629,951	417,824	386,832
Denizli	2,516,246	2,403,335	2,677,119	1,902,001	1,666,338	2,009,358	4,418,247	4,069,673	4,686,478
Diyarbakır	186,820	158,300	206,138	59,709	77,458	89,417	246,529	235,758	295,555
Edirne	36,943	39,318	46,176	76,079	72,791	100,659	113,022	112,109	146,835
Elazığ	170,540	252,862	321,629	28,106	51,851	77,328	198,646	304,713	398,958
Erzincan	6,251	9,219	10,587	8,477	6,949	8,667	14,728	16,168	19,254
Erzurum	19,941	17,516	17,055	38,035	30,659	39,950	57,975	48,175	57,005
Eskişehir	837,039	862,054	902,210	706,613	741,199	820,599	1,543,652	1,603,253	1,722,809
Gaziantep	6,330,321	6,418,991	6,607,631	4,884,123	4,816,682	5,237,748	11,214,445	11,235,673	11,845,379
Giresun	191,738	167,067	155,045	14,022	14,695	16,207	205,760	181,762	171,252
Gümüşhane	27	37	51,258	1,305	157	140	1,332	193	51,398
Hakkari	185,794	23,588	71,881	1,557	3,286	51,607	187,351	26,874	123,488
Hatay	1,826,646	1,744,917	2,333,958	3,232,425	2,570,899	3,852,340	5,059,071	4,315,816	6,186,298
Isparta	127,397	151,733	191,022	47,292	94,974	103,727	174,689	246,707	294,749
Mersin	1,407,323	1,493,352	1,519,075	1,189,500	1,180,640	1,341,081	2,596,822	2,673,992	2,860,157
İstanbul	77,009,984	76,071,914	81,462,376	118,040,297	116,097,055	134,677,321	195,050,281	192,168,969	216,139,697
İzmir	8,108,513	8,330,122	9,254,403	8,695,609	8,811,052	9,851,423	16,804,121	17,141,174	19,105,826
Kars	-	136	361	1,323	2,580	4,322	1,323	2,716	4,683
Kastamonu	42,993	43,396	125,745	159,071	151,934	217,284	202,064	195,330	343,029
Kayseri	1,583,302	1,527,163	1,642,356	1,471,654	1,459,759	1,806,268	3,054,957	2,986,922	3,448,624
Kırklareli	506,583	187,062	158,477	122,454	369,182	155,584	629,037	556,244	314,061
Kırşehir	169,697	167,995	189,436	192,480	211,476	285,627	362,178	379,470	475,063
Kocaeli	7,402,941	6,527,579	8,095,543	8,439,894	8,063,742	11,561,881	15,842,835	14,591,321	19,657,424
Konya	1,353,104	1,314,877	1,548,194	1,167,120	1,008,981	1,047,437	2,520,224	2,323,858	2,595,632
Kütahya	170,058	181,183	217,400	156,577	131,248	194,082	326,634	312,431	411,482
Malatya	250,865	250,631	238,277	69,886	86,187	145,429	320,752	336,817	383,706
Manisa	1,839,282	1,874,348	1,989,714	3,303,398	2,702,136	3,148,000	5,142,680	4,576,484	5,137,714
Kahramanmaraş	793,041	873,848	955,209	1,043,291	1,294,434	1,385,915	1,836,331	2,168,282	2,341,124
Mardin	882,828	877,922	910,275	101,307	93,541	148,546	984,135	971,463	1,058,821
Muğla	382,696	415,397	448,290	142,105	192,768	275,579	524,800	608,165	723,869
Muş	868	496	7,128	2,494	5,069	1,117	3,363	5,565	8,245
Nevşehir	35,919	50,061	61,151	44,500	40,474	34,307	80,419	90,535	95,458

Table 15. Foreign Trade Indicators (Continued)

(Thousand USD)

Provinces	Export			Import			Foreign Trade Volume		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Niğde	54,593	58,810	60,385	27,237	37,008	54,569	81,830	95,819	114,954
Ordu	220,821	163,226	224,981	49,515	40,196	65,264	270,336	203,422	290,244
Rize	193,989	160,692	160,532	20,111	19,911	10,622	214,100	180,603	171,154
Sakarya	1,943,278	2,553,889	5,249,859	1,488,594	2,113,319	3,086,475	3,431,872	4,667,208	8,336,335
Samsun	398,436	367,592	462,982	670,485	589,776	792,714	1,068,921	957,367	1,255,695
Siirt	12,112	125,769	27,980	7,303	92,832	12,969	19,414	218,600	40,949
Sinop	19,530	21,272	19,591	10,524	11,119	6,823	30,054	32,391	26,414
Sivas	77,933	80,161	92,322	60,369	69,673	58,850	138,302	149,835	151,173
Tekirdağ	828,449	982,344	1,090,919	813,994	933,738	1,066,232	1,642,443	1,916,082	2,157,152
Tokat	22,831	17,433	17,780	25,793	19,310	24,076	48,624	36,743	41,856
Trabzon	1,545,160	1,341,863	1,197,254	125,670	85,902	71,796	1,670,830	1,427,765	1,269,050
Tunceli	237	131	520	486	279	3,317	723	410	3,837
Şanlıurfa	272,258	190,804	153,796	167,880	164,832	157,573	440,138	355,636	311,369
Uşak	224,668	249,903	249,688	200,308	199,426	250,273	424,977	449,328	499,961
Van	20,342	38,465	41,799	30,359	56,500	69,057	50,701	94,965	110,857
Yozgat	15,497	21,447	12,737	14,652	32,483	31,794	30,149	53,930	44,531
Zonguldak	201,749	240,915	323,808	995,471	757,746	1,302,354	1,197,221	998,661	1,626,162
Aksaray	78,717	79,857	98,849	62,774	50,654	49,978	141,491	130,511	148,826
Bayburt	7,361	6,912	117	4,027	13,148	583	11,388	20,060	700
Karaman	299,821	306,451	322,015	133,801	143,052	134,770	433,622	449,503	456,786
Kırıkkale	16,625	19,913	19,125	13,451	17,447	9,143	30,076	37,360	28,268
Batman	32,104	26,381	37,262	31,128	38,633	159,426	63,233	65,014	196,689
Şırnak	500,002	407,324	471,547	12,910	33,435	32,275	512,913	440,759	503,822
Bartın	9,570	13,806	20,334	11,908	12,137	14,298	21,478	25,943	34,632
Ardahan	1,054	1,835	2,055	156	337	96	1,210	2,172	2,152
Iğdır	132,002	96,697	103,870	14,051	16,833	26,879	146,053	113,530	130,749
Yalova	255,442	357,613	379,388	202,208	178,109	206,255	457,650	535,722	585,643
Karabük	214,945	245,163	326,127	520,438	456,295	721,194	735,382	701,458	1,047,321
Kilis	82,168	105,204	71,337	41,542	34,808	29,096	123,711	140,012	100,434
Osmaniye	136,710	142,070	162,682	752,249	600,859	659,842	888,959	742,929	822,524
Düzce	89,500	98,466	108,370	96,905	79,208	87,459	186,405	177,675	195,829
Total	143,838,871	142,529,584	157,019,765	207,234,359	198,618,235	233,799,619	351,073,230	341,147,819	390,819,384

Source: TURKSTAT.

Table 16. Province/District Center, Town/Village Population and Annual Population Growth Rate (2016, 2017)

Provinces	Total		Province and District Centers		Towns and Villages		Annual Population Growth Rate ⁽¹⁾ (%)	
	2016	2017	2016	2017	2016	2017	2015-2016	2016-2017
Adana	2,201,670	2,216,475	2,201,670	2,216,475	-	-	8.4	6.7
Adiyaman	610,484	615,076	404,702	414,025	205,782	201,051	12.7	7.5
Afyonkarahisar	714,523	715,693	417,851	422,268	296,672	293,425	7.7	1.6
Ağrı	542,255	536,285	305,406	305,531	236,849	230,754	-9.1	-11.1
Aksaray	396,673	402,404	261,817	279,254	134,856	123,150	25.9	14.3
Amasya	326,351	329,888	232,041	237,142	94,310	92,746	12.9	10.8
Ankara	5,346,518	5,445,026	5,346,518	5,445,026	-	-	14.3	18.3
Antalya	2,328,555	2,364,396	2,328,555	2,364,396	-	-	17.4	15.3
Ardahan	98,335	97,096	38,181	38,162	60,154	58,934	-9.4	-12.7
Artvin	168,068	166,143	99,826	104,578	68,242	61,565	-1.8	-11.5
Aydın	1,068,260	1,080,839	1,068,260	1,080,839	-	-	13.9	11.7
Balıkesir	1,196,176	1,204,824	1,196,176	1,204,824	-	-	8.0	7.2
Bartın	192,389	193,577	80,556	83,120	111,833	110,457	8.8	6.2
Batman	576,899	585,252	453,730	462,893	123,169	122,359	18.0	13.9
Bayburt	90,154	80,417	55,670	49,603	34,484	30,814	137.8	-114.3
Bilecik	218,297	221,693	174,671	179,248	43,626	42,445	27.6	15.4
Bingöl	269,560	273,354	167,917	175,824	101,643	97,530	8.9	14.0
Bitlis	341,225	341,474	197,747	199,202	143,478	142,272	2.3	0.7
Bolu	299,896	303,184	213,544	218,001	86,352	85,183	29.8	10.9
Burdur	261,401	264,779	175,427	181,030	85,974	83,749	11.8	12.8
Bursa	2,901,396	2,936,803	2,901,396	2,936,803	-	-	20.5	12.1
Çanakkale	519,793	530,417	308,141	319,786	211,652	210,631	12.5	20.2
Çankırı	183,880	186,074	129,628	133,056	54,252	53,018	16.1	11.9
Çorum	527,863	528,422	388,789	392,654	139,074	135,768	5.1	1.1
Denizli	1,005,687	1,018,735	1,005,687	1,018,735	-	-	12.3	12.9
Diyarbakır	1,673,119	1,699,901	1,673,119	1,699,901	-	-	11.4	15.9
Düzce	370,371	377,610	235,697	244,068	134,674	133,542	27.3	19.4
Edirne	401,701	406,855	290,723	298,264	110,978	108,591	-2.1	12.7
Elazığ	578,789	583,671	446,023	452,615	132,766	131,056	7.8	8.4
Erzincan	226,032	231,511	130,304	130,224	95,728	101,287	13.9	24.0
Erzurum	762,021	760,476	762,021	760,476	-	-	-0.4	-2.0
Eskişehir	844,842	860,620	844,842	860,620	-	-	21.7	18.5
Gaziantep	1,974,244	2,005,515	1,974,244	2,005,515	-	-	21.7	15.7
Giresun	444,467	437,393	292,614	290,637	151,853	146,756	40.8	-16.0
Gümüşhane	172,034	170,173	121,533	122,805	50,501	47,368	127.4	-10.9
Hakkari	267,813	275,761	146,538	150,058	121,275	125,703	-40.1	29.2
Hatay	1,555,165	1,575,226	1,555,165	1,575,226	-	-	14.0	12.8
İğdir	192,785	194,775	108,204	110,240	84,581	84,535	1.8	10.3
Isparta	427,324	433,830	307,162	315,533	120,162	118,297	13.1	15.1
İstanbul	14,804,116	15,029,231	14,804,116	15,029,231	-	-	10.0	15.1
İzmir	4,223,545	4,279,677	4,223,545	4,279,677	-	-	13.1	13.2
Kahramanmaraş	1,112,634	1,127,623	1,112,634	1,127,623	-	-	14.5	13.4
Karabük	242,347	244,453	184,413	186,450	57,934	58,003	22.4	8.7
Karaman	245,610	246,672	180,165	182,510	65,445	64,162	14.0	4.3
Kars	289,786	287,654	133,528	135,948	156,258	151,706	-9.9	-7.4
Kastamonu	376,945	372,373	236,363	233,814	140,582	138,559	11.5	-12.2
Kayseri	1,358,980	1,376,722	1,358,980	1,376,722	-	-	13.3	13.0
Kırıkkale	277,984	278,749	243,895	245,749	34,089	33,000	28.1	2.7
Kırklareli	351,684	356,050	248,017	253,754	103,667	102,296	13.5	12.3
Kırşehir	229,975	234,529	178,324	184,445	51,651	50,084	19.4	19.6

Table 16. Province/District Center, Town/Village Population and Annual Population Growth Rate (2016, 2017) (Continued)

Provinces	Total		Province and District Centers		Towns and Villages		Annual Population Growth Rate ⁽¹⁾ (%)	
	2016	2017	2016	2017	2016	2017	2015-2016	2016-2017
Kilis	130,825	136,319	97,561	102,168	33,264	34,151	1.3	41.1
Kocaeli	1,830,772	1,883,270	1,830,772	1,883,270	-	-	28.1	28.3
Konya	2,161,303	2,180,149	2,161,303	2,180,149	-	-	14.3	8.7
Kütahya	573,642	572,256	399,598	402,348	174,044	169,908	3.8	-2.4
Malatya	781,305	786,676	781,305	786,676	-	-	10.8	6.9
Manisa	1,396,945	1,413,041	1,396,945	1,413,041	-	-	11.9	11.5
Mardin	796,237	809,719	796,237	809,719	-	-	-0.4	16.8
Mersin	1,773,852	1,793,931	1,773,852	1,793,931	-	-	16.3	11.3
Muğla	923,773	938,751	923,773	938,751	-	-	16.3	16.1
Muş	406,501	404,544	164,669	168,023	241,832	236,521	-5.5	-4.8
Nevşehir	290,895	292,365	178,976	182,965	111,919	109,400	14.3	5.0
Niğde	351,468	352,727	196,220	199,485	155,248	153,242	15.4	3.6
Ordu	750,588	742,341	750,588	742,341	-	-	29.3	-11.0
Osmaniye	522,175	527,724	397,944	405,036	124,231	122,688	18.0	10.6
Rize	331,048	331,041	221,040	222,418	110,008	108,623	6.3	0.0
Sakarya	976,948	990,214	976,948	990,214	-	-	24.6	13.5
Samsun	1,295,927	1,312,990	1,295,927	1,312,990	-	-	12.5	13.1
Siirt	322,664	324,394	206,917	209,390	115,747	115,004	7.2	6.2
Sinop	205,478	207,427	119,258	118,692	86,220	88,735	6.6	9.4
Sivas	621,224	621,301	458,656	464,455	162,568	156,846	4.2	0.1
Şanlıurfa	1,940,627	1,985,753	1,940,627	1,985,753	-	-	25.2	23.0
Şırnak	483,788	503,236	298,332	311,887	185,456	191,349	-13.1	39.4
Tekirdağ	972,875	1,005,463	972,875	1,005,463	-	-	36.6	32.9
Tokat	602,662	602,086	387,205	389,603	215,457	212,483	14.5	-1.0
Trabzon	779,379	786,326	779,379	786,326	-	-	14.2	8.9
Tunceli	82,193	82,498	53,572	54,382	28,621	28,116	-46.2	3.7
Uşak	358,736	364,971	253,733	258,744	105,003	106,227	16.0	17.2
Van	1,100,190	1,106,891	1,100,190	1,106,891	-	-	3.5	6.1
Yalova	241,665	251,203	175,319	181,036	66,346	70,167	36.5	38.7
Yozgat	421,041	418,650	268,324	269,334	152,717	149,316	3.8	-5.7
Zonguldak	597,524	596,892	367,628	371,071	229,896	225,821	2.7	-1.1
Total	79,814,871	80,810,525	73,671,748	74,761,132	6,143,123	6,049,393	13.5	12.4

Source: TURKSTAT.

(1) The administrative separation structure in the last year was taken into account in calculation of the annual population growth rates.

(-): No information.

Table 17. Province/District Center, Town/Village Population and Population Density by Gender (2017)

Provinces	Total			Province and District Centers			Towns and Villages			Population Density
	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Adana	2,216,475	1,108,939	1,107,536	2,216,475	1,108,939	1,107,536	-	-	-	159
Adıyaman	615,076	309,551	305,525	414,025	207,858	206,167	201,051	101,693	99,358	87
Afyonkarahisar	715,693	354,438	361,255	422,268	208,565	213,703	293,425	145,873	147,552	50
Ağrı	536,285	277,979	258,306	305,531	157,699	147,832	230,754	120,280	110,474	47
Aksaray	402,404	200,233	202,171	279,254	138,862	140,392	123,150	61,371	61,779	53
Amasya	329,888	164,394	165,494	237,142	118,437	118,705	92,746	45,957	46,789	58
Ankara	5,445,026	2,702,492	2,742,534	5,445,026	2,702,492	2,742,534	-	-	-	222
Antalya	2,364,396	1,192,582	1,171,814	2,364,396	1,192,582	1,171,814	-	-	-	114
Ardahan	97,096	50,317	46,779	38,162	20,057	18,105	58,934	30,260	28,674	20
Artvin	166,143	83,524	82,619	104,578	52,404	52,174	61,565	31,120	30,445	23
Aydın	1,080,839	539,726	541,113	1,080,839	539,726	541,113	-	-	-	138
Balıkesir	1,204,824	602,275	602,549	1,204,824	602,275	602,549	-	-	-	84
Bartın	193,577	95,760	97,817	83,120	40,456	42,664	110,457	55,304	55,153	93
Batman	585,252	293,843	291,409	462,893	232,387	230,506	122,359	61,456	60,903	126
Bayburt	80,417	40,980	39,437	49,603	25,560	24,043	30,814	15,420	15,394	22
Bilecik	221,693	116,528	105,165	179,248	95,213	84,035	42,445	21,315	21,130	52
Bingöl	273,354	139,182	134,172	175,824	88,964	86,860	97,530	50,218	47,312	33
Bitlis	341,474	176,501	164,973	199,202	103,372	95,830	142,272	73,129	69,143	49
Bolu	303,184	150,383	152,801	218,001	107,838	110,163	85,183	42,545	42,638	36
Burdur	264,779	133,026	131,753	181,030	92,027	89,003	83,749	40,999	42,750	39
Bursa	2,936,803	1,470,341	1,466,462	2,936,803	1,470,341	1,466,462	-	-	-	282
Çanakkale	530,417	269,160	261,257	319,786	161,670	158,116	210,631	107,490	103,141	53
Çankırı	186,074	93,427	92,647	133,056	67,017	66,039	53,018	26,410	26,608	25
Çorum	528,422	261,605	266,817	392,654	194,307	198,347	135,768	67,298	68,470	41
Denizli	1,018,735	507,543	511,192	1,018,735	507,543	511,192	-	-	-	87
Diyarbakır	1,699,901	857,070	842,831	1,699,901	857,070	842,831	-	-	-	113
Düzce	377,610	188,855	188,755	244,068	122,001	122,067	133,542	66,854	66,688	147
Edirne	406,855	206,342	200,513	298,264	151,014	147,250	108,591	55,328	53,263	67
Elazığ	583,671	290,692	292,979	452,615	225,394	227,221	131,056	65,298	65,758	69
Erzincan	231,511	118,591	112,920	130,224	63,858	66,366	101,287	54,733	46,554	20
Erzurum	760,476	379,227	381,249	760,476	379,227	381,249	-	-	-	30
Eskişehir	860,620	429,078	431,542	860,620	429,078	431,542	-	-	-	62
Gaziantep	2,005,515	1,012,992	992,523	2,005,515	1,012,992	992,523	-	-	-	294
Giresun	437,393	217,251	220,142	290,637	143,805	146,832	146,756	73,446	73,310	64
Gümüşhane	170,173	86,097	84,076	122,805	61,399	61,406	47,368	24,698	22,670	26
Hakkari	275,761	148,490	127,271	150,058	80,302	69,756	125,703	68,188	57,515	38
Hatay	1,575,226	790,209	785,017	1,575,226	790,209	785,017	-	-	-	270
Iğdır	194,775	100,268	94,507	110,240	56,303	53,937	84,535	43,965	40,570	54
Isparta	433,830	218,617	215,213	315,533	160,050	155,483	118,297	58,567	59,730	52
İstanbul	15,029,231	7,529,491	7,499,740	15,029,231	7,529,491	7,499,740	-	-	-	2,892
İzmir	4,279,677	2,133,548	2,146,129	4,279,677	2,133,548	2,146,129	-	-	-	356
Kahramanmaraş	1,127,623	572,111	555,512	1,127,623	572,111	555,512	-	-	-	79
Karabük	244,453	122,999	121,454	186,450	91,526	94,924	58,003	31,473	26,530	59
Karaman	246,672	123,370	123,302	182,510	91,025	91,485	64,162	32,345	31,817	28
Kars	287,654	149,481	138,173	135,948	70,472	65,476	151,706	79,009	72,697	28
Kastamonu	372,373	184,289	188,084	233,814	115,701	118,113	138,559	68,588	69,971	28
Kayseri	1,376,722	689,595	687,127	1,376,722	689,595	687,127	-	-	-	81
Kırıkkale	278,749	139,602	139,147	245,749	122,846	122,903	33,000	16,756	16,244	61
Kırklareli	356,050	181,945	174,105	253,754	129,835	123,919	102,296	52,110	50,186	57
Kırşehir	234,529	116,969	117,560	184,445	92,064	92,381	50,084	24,905	25,179	37

Table 17. Province/District Center, Town/Village Population and Population Density by Gender (2017) (Continued)

Provinces	Total			Province and District Centers			Towns and Villages			Population Density
	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Kilis	136,319	69,352	66,967	102,168	50,876	51,292	34,151	18,476	15,675	95
Kocaeli	1,883,270	953,145	930,125	1,883,270	953,145	930,125	-	-	-	521
Konya	2,180,149	1,081,718	1,098,431	2,180,149	1,081,718	1,098,431	-	-	-	56
Kütahya	572,256	282,661	289,595	402,348	199,378	202,970	169,908	83,283	86,625	48
Malatya	786,676	391,869	394,807	786,676	391,869	394,807	-	-	-	67
Manisa	1,413,041	710,378	702,663	1,413,041	710,378	702,663	-	-	-	108
Mardin	809,719	406,320	403,399	809,719	406,320	403,399	-	-	-	92
Mersin	1,793,931	895,374	898,557	1,793,931	895,374	898,557	-	-	-	116
Muğla	938,751	478,950	459,801	938,751	478,950	459,801	-	-	-	73
Muş	404,544	205,658	198,886	168,023	84,942	83,081	236,521	120,716	115,805	50
Nevşehir	292,365	144,219	148,146	182,965	89,419	93,546	109,400	54,800	54,600	54
Niğde	352,727	176,194	176,533	199,485	101,810	97,675	153,242	74,384	78,858	48
Ordu	742,341	371,061	371,280	742,341	371,061	371,280	-	-	-	125
Osmaniye	527,724	266,480	261,244	405,036	202,911	202,125	122,688	63,569	59,119	169
Rize	331,041	164,978	166,063	222,418	110,399	112,019	108,623	54,579	54,044	84
Sakarya	990,214	496,488	493,726	990,214	496,488	493,726	-	-	-	205
Samsun	1,312,990	649,524	663,466	1,312,990	649,524	663,466	-	-	-	145
Siirt	324,394	166,402	157,992	209,390	108,539	100,851	115,004	57,863	57,141	59
Sinop	207,427	103,071	104,356	118,692	58,228	60,464	88,735	44,843	43,892	36
Sivas	621,301	311,120	310,181	464,455	231,609	232,846	156,846	79,511	77,335	22
Şanlıurfa	1,985,753	999,299	986,454	1,985,753	999,299	986,454	-	-	-	106
Şırnak	503,236	263,831	239,405	311,887	161,537	150,350	191,349	102,294	89,055	70
Tekirdağ	1,005,463	516,496	488,967	1,005,463	516,496	488,967	-	-	-	159
Tokat	602,086	299,519	302,567	389,603	192,366	197,237	212,483	107,153	105,330	60
Trabzon	786,326	388,713	397,613	786,326	388,713	397,613	-	-	-	169
Tunceli	82,498	45,781	36,717	54,382	30,170	24,212	28,116	15,611	12,505	11
Uşak	364,971	181,898	183,073	258,744	130,623	128,121	106,227	51,275	54,952	68
Van	1,106,891	563,824	543,067	1,106,891	563,824	543,067	-	-	-	57
Yalova	251,203	125,569	125,634	181,036	89,718	91,318	70,167	35,851	34,316	297
Yozgat	418,650	208,841	209,809	269,334	134,816	134,518	149,316	74,025	75,291	30
Zonguldak	596,892	294,494	302,398	371,071	182,186	188,885	225,821	112,308	113,513	181
Total	80,810,525	40,535,135	40,275,390	74,761,132	37,470,193	37,290,939	6,049,393	3,064,942	2,984,451	105

Source: TURKSTAT.

(-): No information.

Table 18. Migration Statistics (2017)

Provinces	Total Population	Immigrants	Emigrants	Net Migration	Net Migration Rate (%)
Adana	2,216,475	49,509	62,834	-13,325	-5.99
Adiyaman	615,076	18,040	22,741	-4,701	-7.61
Afyonkarahisar	715,693	21,453	25,483	-4,030	-5.62
Ağrı	536,285	15,088	32,479	-17,391	-31.91
Aksaray	402,404	14,139	13,799	340	0.85
Amasya	329,888	14,326	14,675	-349	-1.06
Ankara	5,445,026	188,100	156,058	32,042	5.90
Antalya	2,364,396	87,232	72,178	15,054	6.39
Ardahan	97,096	5,284	7,154	-1,870	-19.08
Artvin	166,143	7,788	10,146	-2,358	-14.09
Aydın	1,080,839	41,352	35,339	6,013	5.58
Balıkesir	1,204,824	43,998	40,371	3,627	3.01
Bartın	193,577	8,759	8,144	615	3.18
Batman	585,252	19,889	22,323	-2,434	-4.15
Bayburt	80,417	5,648	15,820	-10,172	-118.97
Bilecik	221,693	11,744	9,359	2,385	10.82
Bingöl	273,354	11,979	11,941	38	0.14
Bitlis	341,474	12,989	19,097	-6,108	-17.73
Bolu	303,184	14,839	13,643	1,196	3.95
Burdur	264,779	12,745	11,786	959	3.63
Bursa	2,936,803	86,119	64,905	21,214	7.25
Çanakkale	530,417	26,088	20,540	5,548	10.51
Çankırı	186,074	13,849	13,504	345	1.86
Çorum	528,422	17,214	20,880	-3,666	-6.91
Denizli	1,018,735	28,855	25,466	3,389	3.33
Diyarbakır	1,699,901	40,493	48,983	-8,490	-4.98
Düzce	377,610	15,023	11,387	3,636	9.68
Edirne	406,855	19,125	15,999	3,126	7.71
Elazığ	583,671	20,406	22,054	-1,648	-2.82
Erzincan	231,511	15,162	14,210	952	4.12
Erzurum	760,476	26,624	37,358	-10,734	-14.02
Eskişehir	860,620	38,060	27,799	10,261	11.99
Gaziantep	2,005,515	47,431	50,485	-3,054	-1.52
Giresun	437,393	25,529	34,675	-9,146	-20.69
Gümüşhane	170,173	18,795	27,348	-8,553	-49.03
Hakkari	275,761	9,997	10,380	-383	-1.39
Hatay	1,575,226	33,745	40,623	-6,878	-4.36
Iğdır	194,775	7,775	9,728	-1,953	-9.98
Isparta	433,830	18,222	18,818	-596	-1.37
İstanbul	15,029,231	416,587	422,559	-5,972	-0.40
İzmir	4,279,677	127,394	102,776	24,618	5.77
Kahramanmaraş	1,127,623	26,874	30,314	-3,440	-3.05
Karabük	244,453	14,740	14,399	341	1.40
Karaman	246,672	8,581	10,340	-1,759	-7.11
Kars	287,654	11,588	17,119	-5,531	-19.04
Kastamonu	372,373	18,729	20,052	-1,323	-3.55
Kayseri	1,376,722	38,958	36,863	2,095	1.52
Kırıkkale	278,749	13,434	14,112	-678	-2.43
Kırklareli	356,050	16,074	14,023	2,051	5.78
Kırşehir	234,529	10,840	11,329	-489	-2.08
Kilis	136,319	6,675	6,526	149	1.09
Kocaeli	1,883,270	87,796	60,258	27,538	14.73

Table 18. Migration Statistics (2017) (Continued)

Provinces	Total Population	Immigrants	Emigrants	Net Migration	Net Migration Rate (‰)
Konya	2,180,149	53,007	56,594	-3,587	-1.64
Kütahya	572,256	17,172	20,393	-3,221	-5.61
Malatya	786,676	27,523	28,222	-699	-0.89
Manisa	1,413,041	40,257	36,021	4,236	3.00
Mardin	809,719	28,303	30,782	-2,479	-3.06
Mersin	1,793,931	54,492	55,393	-901	-0.50
Muğla	938,751	42,450	33,289	9,161	9.81
Muş	404,544	13,094	22,243	-9,149	-22.36
Nevşehir	292,365	11,006	12,076	-1,070	-3.65
Niğde	352,727	13,948	15,667	-1,719	-4.86
Ordu	742,341	28,111	40,305	-12,194	-16.29
Osmaniye	527,724	18,842	19,008	-166	-0.31
Rize	331,041	14,561	16,310	-1,749	-5.27
Sakarya	990,214	35,575	28,122	7,453	7.56
Samsun	1,312,990	43,709	42,422	1,287	0.98
Siirt	324,394	12,163	15,406	-3,243	-9.95
Sinop	207,427	11,015	10,086	929	4.49
Sivas	621,301	22,147	28,697	-6,550	-10.49
Şanlıurfa	1,985,753	40,058	52,648	-12,590	-6.32
Şırnak	503,236	19,672	15,186	4,486	8.95
Tekirdağ	1,005,463	55,391	34,658	20,733	20.84
Tokat	602,086	34,735	38,746	-4,011	-6.64
Trabzon	786,326	29,703	29,192	511	0.65
Tunceli	82,498	6,074	6,725	-651	-7.86
Uşak	364,971	13,909	10,420	3,489	9.61
Van	1,106,891	31,971	48,269	-16,298	-14.62
Yalova	251,203	15,754	10,719	5,035	20.25
Yozgat	418,650	19,074	23,498	-4,424	-10.51
Zonguldak	596,892	19,421	22,541	-3,120	-5.21
Total	80,810,525	2,684,820	2,684,820	0	0

Source: TURKSTAT.

Table 19. Schooling Rates by the Educational Level (2016/2017)

Provinces ⁽⁴⁾	Primary School			Secondary School			Secondary Education (High School)			General Secondary Education ⁽²⁾			Vocational and Technical Secondary Education ⁽³⁾		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Turkey	95.97	95.93	96.01	105.29	104.49	106.14	106.94	109.99	103.73	56.49	56.70	56.27	50.45	53.30	47.45
	91.16	91.08	91.24	95.68	95.60	95.76	82.54	82.69	82.38	40.16	38.24	42.19	42.38	44.46	40.20
Istanbul	95.66	95.50	95.83	107.12	106.21	108.07	118.27	120.38	116.02	59.20	61.89	56.33	59.07	58.49	59.69
	91.93	91.79	92.08	96.78	96.80	96.74	86.41	85.57	87.31	36.58	36.42	36.76	49.83	49.16	50.55
Tekirdağ	95.93	95.74	96.14	105.42	104.76	106.12	109.23	110.43	107.92	61.08	58.30	64.12	48.15	52.12	43.80
	91.84	91.69	91.99	96.35	96.50	96.20	83.91	83.61	84.24	42.59	39.23	46.28	41.32	44.38	37.97
Edirne	97.38	97.49	97.26	103.73	103.46	104.01	105.74	107.74	103.62	62.87	57.73	68.34	42.87	50.01	35.28
	91.18	91.07	91.28	94.82	94.58	95.06	87.55	87.87	87.22	50.27	44.46	56.45	37.28	43.40	30.77
Kırklareli	95.88	96.07	95.68	104.37	103.44	105.38	107.96	112.69	103.02	64.43	61.64	67.34	43.53	51.05	35.67
	91.53	91.32	91.75	95.79	95.15	96.47	87.61	89.10	86.06	50.42	46.25	54.77	37.20	42.85	31.29
Balıkesir	94.44	94.74	94.13	104.09	103.07	105.17	109.50	109.73	109.27	59.54	56.22	63.07	49.96	53.51	46.20
	90.71	90.83	90.58	96.77	96.60	96.95	87.70	86.67	88.79	44.73	40.73	48.99	42.96	45.94	39.80
Çanakkale	94.99	95.12	94.85	103.46	102.39	104.58	107.46	108.27	106.61	63.86	58.11	69.97	43.60	50.16	36.64
	89.90	89.72	90.09	95.27	94.93	95.62	87.69	87.84	87.53	49.57	43.94	55.55	38.12	43.90	31.97
Izmir	94.64	94.82	94.45	107.22	105.47	109.07	117.06	119.58	114.38	65.04	63.72	66.44	52.02	55.86	47.94
	90.01	90.01	90.01	96.25	95.95	96.57	87.19	86.25	88.19	44.07	40.45	47.91	43.13	45.80	40.28
Aydın	94.75	94.81	94.69	103.91	103.07	104.80	106.63	109.24	103.87	64.13	62.29	66.07	42.51	46.95	37.80
	91.05	90.88	91.22	96.44	96.16	96.75	86.68	86.70	86.65	49.39	45.62	53.37	37.29	41.08	33.28
Denizli	93.77	93.80	93.74	103.68	103.23	104.16	107.68	109.59	105.68	58.17	56.47	59.96	49.50	53.12	45.72
	89.50	89.30	89.70	95.86	95.75	95.98	88.52	87.84	89.24	44.70	41.55	48.00	43.82	46.28	41.25
Muğla	93.49	93.67	93.29	104.31	103.35	105.32	112.78	115.71	109.63	70.95	68.50	73.57	41.83	47.20	36.06
	89.91	89.78	90.06	95.74	95.28	96.25	86.63	86.10	87.21	51.13	46.29	56.33	35.50	39.81	30.87
Manisa	94.33	94.45	94.21	103.90	103.15	104.71	105.20	107.65	102.58	52.49	48.93	56.27	52.70	58.72	46.32
	90.76	90.58	90.96	96.83	96.56	97.12	85.56	85.33	85.80	40.37	36.04	44.96	45.20	49.29	40.85
Afyonkarahisar	94.17	94.39	93.94	103.13	102.31	103.98	100.65	103.41	97.76	52.93	52.11	53.78	47.72	51.30	43.97
	90.56	90.63	90.50	95.82	95.35	96.31	80.72	80.53	80.93	38.52	34.77	42.45	42.20	45.76	38.48
Kütahya	93.58	93.13	94.05	104.81	104.24	105.42	118.16	118.15	118.17	62.89	59.17	66.86	55.27	58.98	51.31
	90.53	90.11	90.97	97.71	97.98	97.42	93.91	93.32	94.54	46.32	42.81	50.05	47.59	50.51	44.48
Uşak	93.76	94.31	93.17	104.79	103.75	105.90	109.33	107.61	111.15	68.18	64.11	72.46	41.15	43.50	38.69
	89.52	89.53	89.52	96.42	95.86	97.02	88.23	85.05	91.58	52.28	47.21	57.61	35.96	37.84	33.98
Bursa	95.04	94.83	95.26	104.08	103.04	105.20	112.03	113.66	110.29	51.69	49.66	53.86	60.34	63.99	56.42
	90.07	89.86	90.28	96.17	96.16	96.18	88.69	88.71	88.67	37.97	35.76	40.34	50.72	52.94	48.33
Eskişehir	94.39	94.25	94.55	103.61	102.48	104.79	117.33	117.67	116.98	69.38	61.69	77.47	47.95	55.98	39.50
	90.51	90.14	90.92	96.18	96.05	96.31	94.10	94.33	93.87	54.65	48.28	61.36	39.45	46.05	32.51
Bilecik	92.52	92.36	92.68	104.01	103.24	104.83	119.28	122.38	115.98	54.32	51.11	57.73	64.96	71.27	58.24
	89.58	89.35	89.82	96.07	95.81	96.35	96.85	97.91	95.73	38.98	34.51	43.73	57.88	63.40	52.00
Kocaeli	94.70	94.35	95.07	105.87	104.78	107.04	120.16	122.41	117.76	60.23	58.81	61.75	59.93	63.60	56.02
	91.52	91.20	91.85	97.25	97.27	97.24	90.57	90.10	91.06	42.78	40.44	45.27	47.78	49.66	45.79
Sakarya	95.17	95.21	95.13	104.85	103.61	106.16	112.73	112.27	113.22	53.93	48.11	60.06	58.80	64.15	53.16
	91.22	91.25	91.20	96.56	96.48	96.65	88.58	88.32	88.86	41.25	37.21	45.50	47.33	51.11	43.36
Düzce	93.82	93.97	93.68	104.16	102.93	105.41	110.74	110.55	110.93	50.21	47.07	53.52	60.52	63.48	57.41
	91.07	91.06	91.08	96.71	96.45	96.98	87.13	86.80	87.47	37.32	33.92	40.91	49.80	52.88	46.56
Bolu	93.97	93.89	94.05	101.76	100.30	103.31	125.16	134.39	115.34	58.72	52.00	65.86	66.44	82.40	49.47
	90.52	89.99	91.09	95.50	95.00	96.03	100.00	100.00	93.23	45.10	40.27	50.23	57.78	71.68	43.01
Yalova	94.15	94.32	93.97	105.71	103.83	107.71	117.12	119.16	114.93	67.07	65.31	68.96	50.05	53.85	45.96
	90.01	90.09	89.93	96.37	96.02	96.74	90.09	91.09	89.01	49.68	47.50	52.01	40.41	43.59	37.00
Ankara	94.34	94.47	94.20	104.71	103.22	106.29	117.29	118.84	115.65	65.92	64.64	67.28	51.37	54.20	48.37
	90.86	90.73	91.00	96.64	96.32	96.98	92.26	91.68	92.88	48.35	45.76	51.07	43.92	45.91	41.81
Konya	93.68	93.69	93.67	103.79	103.03	104.59	106.75	108.27	105.17	51.80	54.31	49.20	54.95	53.96	55.97
	89.04	88.97	89.11	95.69	95.55	95.84	84.67	83.91	85.47	36.59	36.82	36.35	48.08	47.09	49.12
Karaman	92.99	92.67	93.32	104.62	103.53	105.77	113.93	112.87	115.02	69.72	67.42	72.04	44.22	45.45	42.97
	90.07	89.58	90.58	96.98	96.76	97.20	90.23	87.97	92.51	51.58	47.81	55.40	38.64	40.16	37.11
Antalya	93.40	93.49	93.31	104.80	103.59	106.10	116.68	118.15	115.12	72.15	71.27	73.09	44.53	46.88	42.03
	89.17	88.96	89.39	95.38	95.12	95.66	87.88	86.78	89.04	50.40	47.03	53.98	37.47	39.75	35.06
Isparta	93.72	93.75	93.69	103.19	102.79	103.62	118.88	118.74	119.02	64.99	61.13	69.06	53.89	57.62	49.96
	89.23	88.91	89.58	95.47	95.49	95.45	96.77	95.41	98.21	50.62	46.22	55.26	46.15	49.20	42.95
Burdur	95.07	94.45	95.76	102.29	101.75	102.86	112.81	114.28	111.28	66.32	62.47	70.32	46.49	51.81	40.96
	87.51	86.78	88.30	93.06	92.57	93.59	91.85	91.73	91.97	51.57	46.93	56.39	40.28	44.80	35.58
Adana	95.41	95.55	95.25	105.36	104.94	105.81	104.12	108.06	99.98	59.03	57.61	60.52	45.08	50.45	39.46
	90.93	90.93	90.92	95.97	95.92	96.02	81.29	81.60	80.97	46.00	43.02	49.12	35.29	38.58	31.85
Mersin	95.54	95.55	95.52	105.20	104.69	105.73	106.17	107.65	104.60	56.81	54.96	58.77	49.37	52.70	45.83
	90.60	90.45	90.75	96.43	96.33	96.54	84.50	84.23	84.79	43.88	41.17	46.76	40.62	43.05	38.03
Hatay	94.76	94.79	94.74	103.13	102.55	103.72	99.12	102.00	96.11	52.21	51.73	52.72	46.91	50.27	43.39
	90.89	90.86	90.92	96.03	95.92	96.15	80.99	81.31	80.65	40.55	38.34	42.87	40.43	42.97	37.77
Kahramanmaraş	94.19	94.30	94.07	105.05	104.71	105.42	97.83	100.43	95.07	46.55	47.18	45.88	51.28	53.25	49.19
	90.70	90.66													

Table 19. Schooling Rates by the Educational Level (2016/2017) (Continued)

Provinces ⁽⁴⁾	Primary School			Secondary School			Secondary Education (High School)			General Secondary Education ⁽²⁾			Vocational and Technical Secondary Education ⁽³⁾		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Kırıkkale	95.00	94.31	95.72	104.51	104.21	104.81	115.71	120.05	111.18	52.67	49.38	56.11	63.04	70.68	55.06
	90.46	89.88	91.07	96.75	96.98	96.52	92.77	93.23	92.30	40.28	37.02	43.69	52.49	56.21	48.61
Aksaray	92.81	92.83	92.79	102.30	101.48	103.18	105.25	110.93	99.41	58.12	55.41	60.90	47.13	55.52	38.51
	88.96	88.93	88.99	94.74	94.38	95.12	85.00	88.57	81.33	43.05	38.94	47.28	41.95	49.64	34.05
Niğde	94.61	94.82	94.38	104.04	103.76	104.33	96.42	96.71	96.12	53.96	51.25	56.79	42.46	45.46	39.32
	91.15	91.26	91.04	96.90	96.67	97.14	80.01	78.09	82.02	42.35	38.01	46.88	37.66	40.08	35.14
Neveşehir	94.33	94.45	94.21	103.59	102.91	104.31	103.31	105.06	101.50	58.02	57.03	59.04	45.28	48.03	42.47
	89.82	89.96	89.67	96.58	96.11	97.08	84.92	83.96	85.90	44.53	41.69	47.45	40.38	42.27	38.45
Kırşehir	93.79	94.46	93.10	101.98	101.69	102.28	110.20	113.96	106.29	58.12	55.54	60.80	52.08	58.42	45.49
	89.61	89.87	89.34	95.01	94.83	95.20	91.54	92.31	90.75	46.43	43.30	49.68	45.11	49.00	41.07
Kayseri	94.37	94.27	94.48	104.58	103.49	105.73	112.77	114.54	110.92	57.69	55.93	59.52	55.08	58.61	51.40
	90.51	90.28	90.76	96.85	96.58	97.14	88.56	87.65	89.52	41.74	38.80	44.81	46.83	48.85	44.71
Sivas	94.38	94.57	94.19	104.65	103.58	105.78	111.37	115.05	107.60	60.83	60.09	61.59	50.54	54.96	46.01
	91.35	91.57	91.12	96.92	96.87	96.97	87.31	87.49	87.12	43.96	41.27	46.72	43.35	46.22	40.41
Yozgat	90.07	90.23	89.90	96.95	96.61	97.31	100.17	103.09	97.22	53.58	52.31	54.87	46.59	50.78	42.35
	86.83	86.90	86.76	90.40	90.36	90.43	80.26	79.80	80.74	40.03	35.63	44.48	40.23	44.17	36.25
Zonguldak	93.38	93.36	93.41	105.08	103.65	106.59	111.60	111.11	112.13	58.97	51.74	66.62	52.63	59.37	45.51
	90.90	90.81	91.01	97.70	97.58	97.83	90.27	89.66	90.92	45.83	39.53	52.50	44.44	50.13	38.42
Karabük	93.56	93.42	93.70	107.00	106.67	107.36	120.84	123.29	118.17	67.33	63.65	71.32	53.51	59.64	46.85
	89.78	89.65	89.92	97.22	97.36	97.08	95.59	95.91	95.24	50.83	46.52	55.52	44.75	49.39	39.72
Bartın	94.11	93.88	94.34	106.59	105.36	107.96	113.30	111.10	115.54	50.02	46.04	54.07	63.28	65.07	61.47
	91.64	91.37	91.92	98.50	98.53	98.48	93.12	91.87	94.40	37.12	33.52	40.78	56.00	58.35	53.61
Kastamonu	93.77	94.57	92.95	105.85	103.74	108.04	117.29	116.71	117.89	57.43	51.01	64.03	59.86	65.70	53.86
	90.26	91.08	89.41	96.48	96.27	96.70	91.87	92.98	90.73	38.31	33.73	43.02	53.56	59.25	47.71
Çankırı	89.21	88.69	89.77	98.66	97.94	99.40	108.46	112.19	104.49	55.29	51.23	59.62	53.17	60.96	44.87
	85.69	85.09	86.35	90.28	89.75	90.81	83.70	83.58	83.82	38.46	32.63	44.67	45.24	50.95	39.15
Sinop	95.38	95.81	94.92	106.15	105.07	107.28	113.98	114.29	113.65	61.90	56.96	67.06	52.07	57.32	46.59
	91.66	91.79	91.53	97.13	96.96	97.31	89.98	89.61	90.38	44.16	39.68	48.84	45.82	49.93	41.53
Samsun	93.92	93.81	94.04	105.43	104.20	106.74	112.34	112.46	112.22	61.07	56.96	65.31	51.27	55.50	46.90
	90.84	90.60	91.09	97.73	97.55	97.94	88.90	88.39	89.42	45.21	41.28	49.28	43.68	47.11	40.14
Tokat	89.21	88.82	89.62	99.91	98.83	101.03	105.84	110.11	101.38	50.36	48.36	52.43	55.48	61.74	48.95
	85.44	84.93	85.99	91.02	90.77	91.28	85.16	87.14	83.09	37.45	34.52	40.50	47.71	52.61	42.60
Çorum	94.19	94.34	94.02	105.44	103.92	107.04	112.24	112.21	112.28	63.80	60.11	67.55	48.45	52.09	44.74
	90.05	89.92	90.19	96.15	95.86	96.47	86.25	85.18	87.35	46.36	42.81	49.97	39.90	42.37	37.38
Amasya	94.17	94.39	93.94	104.89	103.53	106.32	119.19	120.71	117.61	59.39	55.78	63.12	59.80	64.93	54.49
	90.82	90.72	90.92	97.60	97.40	97.80	96.67	97.16	96.16	45.41	41.58	49.37	51.26	55.58	46.79
Trabzon	93.86	93.64	94.09	104.12	104.12	104.13	119.17	119.13	119.21	59.55	58.13	61.01	59.62	61.00	58.20
	90.76	90.54	91.00	97.50	98.03	96.95	95.46	94.18	96.80	46.61	44.00	49.31	48.85	50.17	47.48
Ordu	90.99	90.95	91.03	101.44	100.53	102.40	104.81	105.75	103.84	47.55	43.51	51.73	57.26	62.24	52.11
	88.59	88.56	88.63	94.76	94.56	94.98	87.66	87.76	87.55	37.93	33.51	42.50	49.72	54.25	45.04
Giresun	88.65	88.93	88.36	97.31	96.65	98.00	108.24	109.53	106.86	52.08	48.23	56.17	56.16	61.31	50.69
	86.19	86.34	86.04	91.26	91.19	91.34	89.06	90.22	87.83	39.83	36.29	43.59	49.23	53.93	44.24
Rize	92.72	92.99	92.44	106.43	106.40	106.46	136.45	140.75	131.94	63.29	59.12	67.66	73.15	81.63	64.28
	90.05	90.29	89.79	98.02	99.12	96.88	100.00	100.00	100.00	45.84	42.31	49.55	56.97	63.05	50.60
Artvin	93.56	93.07	94.08	105.63	104.58	106.72	121.15	119.01	123.40	68.18	61.28	75.42	52.98	57.73	47.98
	90.97	90.99	90.95	98.24	98.39	98.08	96.58	95.54	97.66	52.18	47.42	57.18	44.40	48.13	40.48
Gümüşhane	60.48	59.67	61.30	66.13	65.89	66.38	74.13	74.83	73.39	40.02	41.99	37.90	34.12	32.83	35.50
	58.96	58.19	59.75	61.19	61.44	60.92	58.21	58.65	57.74	29.28	29.48	29.07	28.93	29.17	28.67
Erzurum	98.22	98.18	98.27	106.91	105.32	108.54	95.47	100.49	90.28	53.77	57.40	50.02	41.70	43.09	40.27
	92.36	92.46	92.26	95.41	95.04	95.78	72.62	73.81	71.40	39.22	38.92	39.52	33.41	34.89	31.88
Erzincan	93.27	93.45	93.09	104.15	102.60	105.77	114.66	118.35	110.81	59.21	57.40	61.11	55.45	60.95	49.70
	89.50	89.73	89.27	95.48	95.32	95.66	89.36	91.18	87.46	42.19	38.88	45.66	47.17	52.30	41.80
Bayburt	80.15	80.73	79.56	89.69	89.02	90.40	96.59	99.02	93.93	48.07	46.73	49.54	48.52	52.29	44.40
	77.59	77.96	77.22	82.41	82.67	82.13	77.08	77.57	76.55	35.58	32.86	38.54	41.50	44.70	38.01
Ağrı	103.65	103.42	103.89	112.47	112.25	112.71	66.19	69.09	63.13	37.16	38.41	35.84	29.03	30.68	27.29
	93.22	93.31	93.13	93.04	93.04	93.04	51.55	52.20	50.85	27.96	27.19	28.76	23.59	25.01	22.09
Kars	98.61	98.43	98.79	108.38	108.15	108.62	84.36	85.40	83.24	47.80	46.93	48.76	36.56	38.47	34.48
	92.85	92.90	92.81	96.38	96.28	96.49	67.17	65.83	68.63	35.60	32.53	38.96	31.56	33.29	29.67
Iğdır	100.24	100.29	100.19	107.98	108.39	107.55	91.27	86.82	96.02	55.78	50.98	60.90	35.50	35.84	35.13
	93.55	93.78	93.32	95.09	95.24	94.94	73.82	68.53	79.47	43.85	37.57	50.55	29.98	30.97	28.92
Ardahan	96.74	97.52	95.96	107.61	107.58	107.65	100.14	99.61	100.72	44.39	41.02	48.03	55.76	58.59	52.70
	92.75	93.53	91.95	98.79	98.79	98.78	82.69	79.72	85.90	33.74	28.85	39.02	48.95	50.86	46.88
Malatya	94.41	94.42	94.40	105.41	104.56	106.30	119.37	123.59	114.94	61.18	62.27	60.03	58.20	61.32	54.91
	90.28	90.33	90.23	96.86	96.95	96.77	92.21	92.29	92.13	44.57	42.55	46.69	47.65	49.74	45.44
Elazığ	95.25	95.29	95.19	105.56	104.02	107.19	112.59	117.28	107.75	63.57	65.45	61.62	49.03	51.83	46.13
	90.96	90.95	90.97	96.85	96.46	97.25	87.34	88.32	86.33	47.08	46.01	48.19	40.26	42.31	38.13

Table 19. Schooling Rates by the Educational Level (2016/2017) (Continued)

Provinces ⁽⁴⁾	Primary School			Secondary School			Secondary Education (High School)			General Secondary Education ⁽²⁾			Vocational and Technical Secondary Education ⁽³⁾		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Bingöl	95.61	95.26	95.98	107.75	107.61	107.89	100.63	106.67	94.17	56.43	62.73	49.70	44.20	43.94	44.47
Tunceli	90.86	90.73	90.99	95.08	95.57	94.59	73.68	75.39	71.86	37.96	40.18	35.59	35.72	35.21	36.26
Van	90.36	90.01	90.71	94.77	95.27	94.25	85.18	85.78	84.54	57.28	55.24	59.46	27.90	30.54	25.08
Muş	103.67	103.27	104.11	107.25	106.40	108.14	66.86	74.42	58.94	29.72	33.57	25.68	37.14	40.84	33.25
Bitlis	93.59	93.53	93.65	90.51	91.22	89.75	50.07	53.31	46.66	19.40	19.75	19.03	30.67	33.57	27.63
Hakkari	101.02	100.91	101.13	106.98	106.54	107.47	81.30	93.42	68.47	46.75	56.13	36.82	34.55	37.29	31.65
Gaziantep	93.22	93.50	92.91	94.22	94.05	94.41	60.41	67.20	53.22	31.85	36.53	26.89	28.57	30.67	26.34
Adıyaman	102.98	103.22	102.72	98.51	98.75	98.26	92.32	98.92	85.44	42.74	47.19	38.11	49.57	51.73	47.33
Kilis	91.60	92.21	90.95	86.94	87.62	86.25	63.24	62.96	63.52	25.78	24.29	27.34	37.46	38.68	36.19
Şanlıurfa	97.22	97.17	97.28	104.21	104.00	104.43	95.46	98.80	91.93	54.94	55.91	53.92	40.51	42.89	38.00
Diyarbakır	92.07	92.04	92.09	95.65	95.65	95.66	75.81	75.41	76.24	41.73	39.61	43.96	34.09	35.80	32.28
Mardin	95.65	95.75	95.56	105.21	104.92	105.52	107.14	112.03	102.03	52.14	54.94	49.22	55.00	57.10	52.82
Batman	90.30	90.35	90.24	96.70	96.54	96.87	82.27	81.36	83.21	36.56	34.97	38.22	45.70	46.38	44.99
Şırnak	97.03	97.70	96.32	104.73	103.23	106.36	97.13	100.72	93.59	45.88	43.18	48.54	51.25	57.54	45.04
Siirt	89.78	89.91	89.64	94.91	94.06	95.83	77.02	77.18	76.88	33.23	27.61	38.76	43.80	49.57	38.11
	104.17	103.90	104.46	106.44	106.42	106.47	79.27	90.39	67.63	42.95	48.74	36.89	36.32	41.65	30.74
	94.74	94.86	94.62	92.42	92.80	92.02	60.07	65.98	53.88	30.03	31.81	28.18	30.03	34.17	25.70
	100.27	100.38	100.15	106.03	105.87	106.20	92.21	99.50	84.55	47.21	52.79	41.34	45.00	46.70	43.21
	93.66	93.72	93.59	94.65	94.63	94.68	67.73	69.43	65.94	30.87	31.17	30.55	36.86	38.25	35.39
	101.13	100.92	101.36	105.74	105.05	106.44	87.30	96.40	77.93	49.99	55.42	44.41	37.30	40.98	33.52
	92.85	92.70	93.00	94.66	94.70	94.62	66.71	69.91	63.42	35.16	35.62	34.69	31.55	34.29	28.74
	98.57	98.49	98.64	108.04	107.97	108.12	99.53	107.59	91.11	61.94	67.75	55.87	37.60	39.84	35.24
	92.49	92.47	92.51	95.91	95.77	96.05	72.02	72.97	71.03	43.72	43.77	43.67	28.30	29.19	27.36
	105.00	105.59	104.38	107.22	106.40	108.09	79.68	87.68	71.40	36.22	39.16	33.17	43.46	48.52	38.22
	94.27	94.81	93.70	93.15	92.95	93.37	58.93	61.13	56.66	23.34	21.82	24.92	35.59	39.31	31.74
	102.98	102.80	103.17	105.79	105.68	105.90	89.70	103.63	74.76	47.53	58.37	35.92	42.16	45.27	38.84
	93.82	94.13	93.49	93.69	94.06	93.31	65.32	70.60	59.65	30.86	34.79	26.65	34.46	35.81	33.01

Source: MoNE.

Note 1. NUTS Level-3 schooling rates were calculated by the Turkish Statistical Institution.

Note 2. While calculating the schooling rates in 2016/17, the number of population and students used include TR citizens residing in Turkey. The number of foreign national population and foreign national students residing in Turkey are calculated by excluding.

(1) General High School, Anatolian High School, Anatolian Teacher School, Social Sciences High School, Fine Arts High School, Sports High School and Private High Schools.

(2) Religious Vocational High School, Anatolian Religious Vocational High School, Vocational and Technical High Schools, Private Education Vocational High Schools and Private Vocational High Schools.

(3) In calculation of the gross schooling rates in secondary school, Open Education Secondary School students were included. In calculation of the gross and net schooling rates in secondary education, Open Education High School students were included.

(4) The first rows for each province are gross schooling rates whereas the second rows are net schooling rates.

Table 20. Labor Force Status of the Population (2017)

[15+ Years - Thousand People]

NUTS Level-2	Population aged 15 years and above	Labor force	Employment	Unemployed	Population not included in labor force	Labor force participation rate (%)	Unemployment rate (%)	Non-agricultural unemployment rate (%)	Employment rate (%)
Turkey	59,894	31,643	28,189	3,454	28,251	52.8	10.9	13.0	47.1
Istanbul	11,457	6,578	5,664	914	4,879	57.4	13.9	14.0	49.4
Tekirdağ, Edirne, Kırklareli	1,367	808	741	67	559	59.1	8.3	9.8	54.2
Balıkesir, Çanakkale	1,356	675	634	40	681	49.8	6.0	8.3	46.8
İzmir	3,393	1,874	1,611	263	1,519	55.2	14.0	15.1	47.5
Aydın, Denizli, Muğla	2,339	1,296	1,205	92	1,043	55.4	7.1	9.2	51.5
Manisa, Afyonkarahisar, Kütahya, Uşak	2,395	1,269	1,191	78	1,126	53.0	6.2	8.6	49.7
Bursa, Eskişehir, Bilecik	3,110	1,610	1,452	158	1,500	51.8	9.8	10.6	46.7
Kocaeli, Sakarya, Düzce, Bolu, Yalova	2,840	1,554	1,386	168	1,286	54.7	10.8	12.4	48.8
Ankara	4,129	2,210	1,960	250	1,920	53.5	11.3	11.6	47.5
Konya, Karaman	1,747	879	827	52	868	50.3	5.9	7.8	47.3
Antalya, Isparta, Burdur	2,333	1,321	1,161	160	1,013	56.6	12.1	14.4	49.7
Adana, Mersin	2,994	1,495	1,335	160	1,499	49.9	10.7	12.8	44.6
Hatay, Kahramanmaraş, Osmaniye	2,266	1,086	961	125	1,180	47.9	11.5	14.0	42.4
Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	1,153	583	517	66	569	50.6	11.4	15.0	44.9
Kayseri, Sivas, Yozgat	1,774	876	771	104	899	49.4	11.9	15.3	43.5
Zonguldak, Karabük, Bartın	807	407	378	29	399	50.5	7.2	10.3	46.9
Kastamonu, Çankırı, Sinop	606	346	330	16	260	57.1	4.6	8.2	54.4
Samsun, Tokat, Çorum, Amasya	2,097	1,098	1,024	74	999	52.3	6.7	10.6	48.8
Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	2,054	1,112	1,072	40	943	54.1	3.6	6.1	52.2
Erzurum, Erzincan, Bayburt	761	375	355	20	386	49.3	5.5	8.6	46.6
Ağrı, Kars, Iğdır, Ardahan	751	381	360	21	370	50.7	5.5	11.2	47.9
Malatya, Elazığ, Bingöl, Tunceli	1,266	652	607	46	614	51.5	7.0	10.2	47.9
Van, Muş, Bitlis, Hakkari	1,371	654	571	83	717	47.7	12.8	19.7	41.6
Gaziantep, Adıyaman, Kilis	1,839	861	731	130	977	46.8	15.1	16.5	39.8
Şanlıurfa, Diyarbakır	2,316	1,113	959	154	1,203	48.1	13.8	19.5	41.4
Mardin, Batman, Şırnak, Siirt	1,373	530	388	143	843	38.6	26.9	30.1	28.2

Source: TURKSTAT.

Table 21. Sectoral Distribution of the Employed (2017)

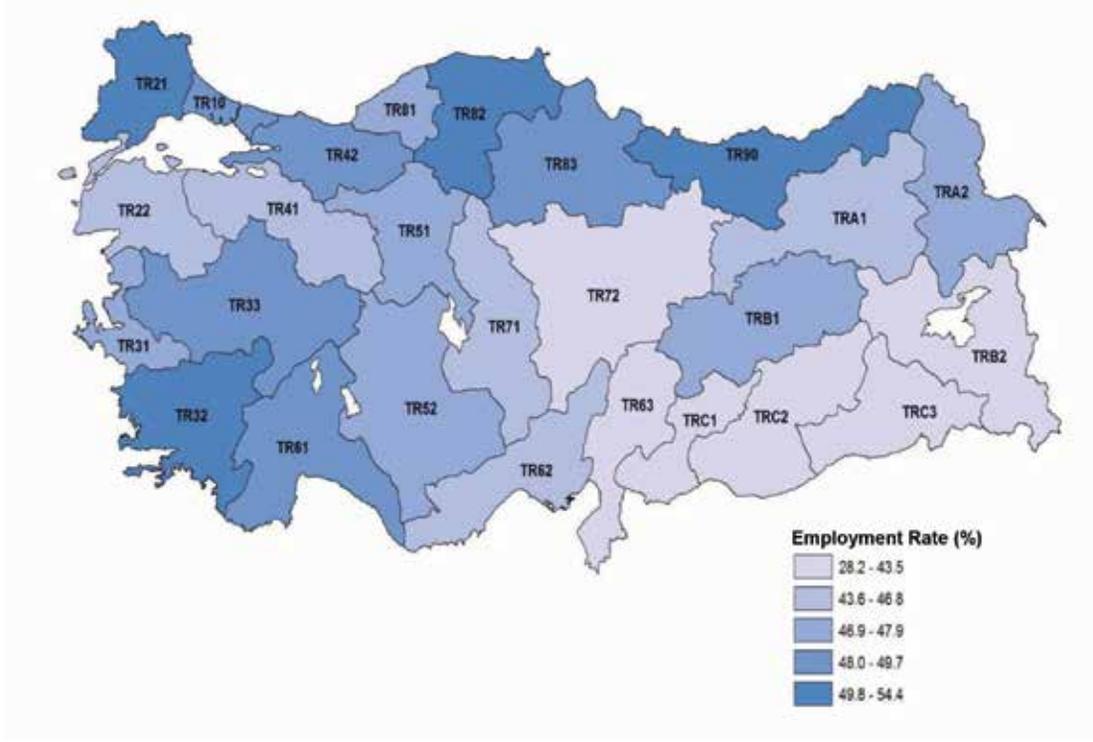
[15+ Years - Thousand People]

NUTS Level-2	Total	Agriculture	Industry ⁽¹⁾	Service	Agriculture (%)	Industry (%) ⁽¹⁾	Service (%)
Turkey	28,189	5,464	7,478	15,246	19.4	26.5	54.1
Istanbul	5,664	66	1,800	3,799	1.2	31.8	67.1
Tekirdağ, Edirne, Kırklareli	741	127	266	347	17.2	35.9	46.9
Balıkesir, Çanakkale	634	195	131	308	30.8	20.6	48.6
İzmir	1,611	161	501	949	10.0	31.1	58.9
Aydın, Denizli, Muğla	1,205	323	290	592	26.8	24.1	49.1
Manisa, Afyonkarahisar, Kütahya, Uşak	1,191	388	306	496	32.6	25.7	41.7
Bursa, Eskişehir, Bilecik	1,452	157	607	688	10.8	41.8	47.4
Kocaeli, Sakarya, Düzce, Bolu, Yalova	1,386	207	509	670	14.9	36.8	48.3
Ankara	1,960	63	462	1,434	3.2	23.6	73.2
Konya, Karaman	827	218	239	369	26.4	29.0	44.7
Antalya, Isparta, Burdur	1,161	253	192	716	21.8	16.5	61.7
Adana, Mersin	1,335	280	285	770	21.0	21.3	57.7
Hatay, Kahramanmaraş, Osmaniye	961	228	235	498	23.7	24.5	51.8
Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir	517	151	112	254	29.2	21.7	49.1
Kayseri, Sivas, Yozgat	771	195	219	357	25.3	28.4	46.3
Zonguldak, Karabük, Bartın	378	125	91	162	33.0	24.1	42.9
Kastamonu, Çankırı, Sinop	330	157	57	116	47.6	17.3	35.1
Samsun, Tokat, Çorum, Amasya	1,024	409	185	429	40.0	18.1	41.9
Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	1,072	463	162	447	43.2	15.1	41.7
Erzurum, Erzincan, Bayburt	355	143	46	166	40.2	12.9	46.9
Ağrı, Kars, Iğdır, Ardahan	360	195	45	119	54.2	12.6	33.2
Malatya, Elazığ, Bingöl, Tunceli	607	208	103	296	34.2	17.0	48.8
Van, Muş, Bitlis, Hakkari	571	236	138	197	41.4	24.1	34.5
Gaziantep, Adıyaman, Kilis	731	95	249	387	13.0	34.1	52.9
Şanlıurfa, Diyarbakır	959	358	165	436	37.4	17.2	45.5
Mardin, Batman, Şırnak, Siirt	388	63	82	244	16.2	21.0	62.8

Source: TURKSTAT.

(1) Construction sector was considered within the industry sector.

Map 1: Employment Rate, NUTS Level-2 (2017)



Source: TURKSTAT.

TR10 (İstanbul)

TR21 (Tekirdağ, Edirne, Kırklareli)

TR22 (Balıkesir, Çanakkale)

TR31 (İzmir)

TR32 (Aydın, Denizli, Muğla)

TR33 (Manisa, Afyonkarahisar, Kütahya, Uşak)

TR41 (Bursa, Eskişehir, Bilecik)

TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova)

TR51 (Ankara)

TR52 (Konya, Karaman)

TR61 (Antalya, Isparta, Burdur)

TR62 (Adana, Mersin)

TR63 (Hatay, Kahramanmaraş, Osmaniye)

TR71 (Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir)

TR72 (Kayseri, Sivas, Yozgat)

TR81 (Zonguldak, Karabük, Bartın)

TR82 (Kastamonu, Çankırı, Sinop)

TR83 (Samsun, Tokat, Çorum, Amasya)

TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane)

TRA1 (Erzurum, Erzincan, Bayburt)

TRA2 (Ağrı, Kars, Iğdır, Ardahan)

TRB1 (Malatya, Elazığ, Bingöl, Tunceli)

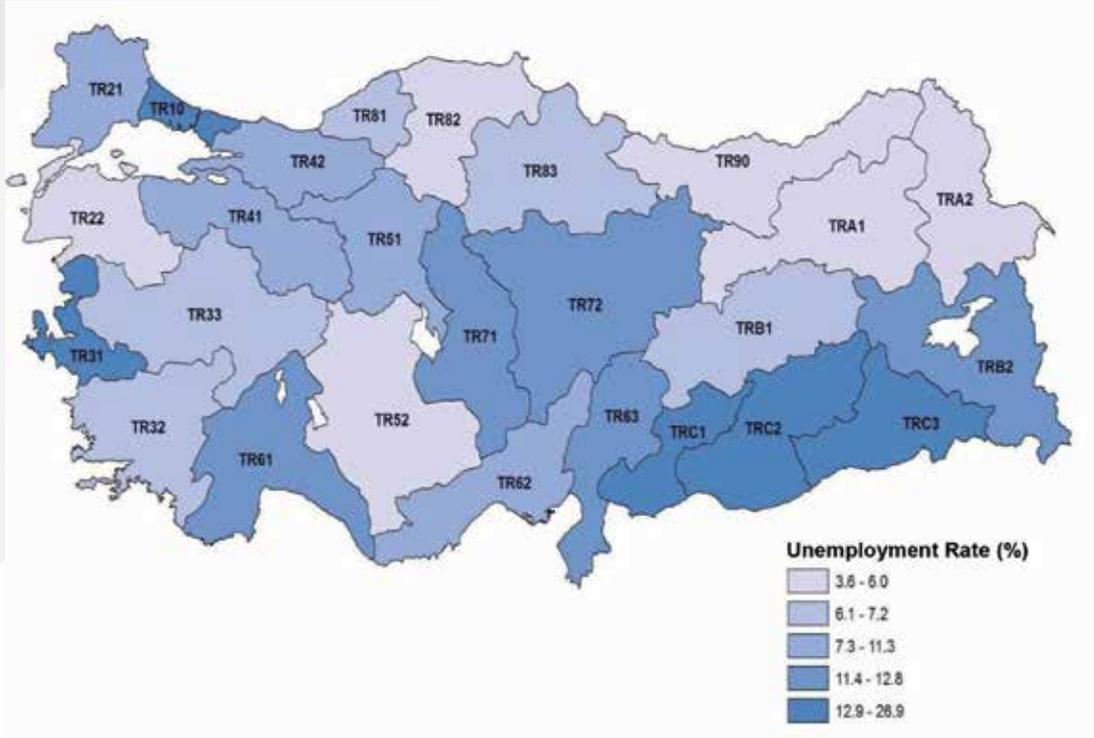
TRB2 (Van, Muş, Bitlis, Hakkari)

TRC1 (Gaziantep, Adıyaman, Kilis)

TRC2 (Şanlıurfa, Diyarbakır)

TRC3 (Mardin, Batman, Şırnak, Siirt)

Map 2: Unemployment Rate, NUTS Level-2 (2017)



Source: TURKSTAT.

TR10 (İstanbul)	TR71 (Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir)
TR21 (Tekirdağ, Edirne, Kırklareli)	TR72 (Kayseri, Sivas, Yozgat)
TR22 (Balıkesir, Çanakkale)	TR81 (Zonguldak, Karabük, Bartın)
TR31 (İzmir)	TR82 (Kastamonu, Çankırı, Sinop)
TR32 (Aydın, Denizli, Muğla)	TR83 (Samsun, Tokat, Çorum, Amasya)
TR33 (Manisa, Afyonkarahisar, Kütahya, Uşak)	TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane)
TR41 (Bursa, Eskişehir, Bilecik)	TRA1 (Erzurum, Erzincan, Bayburt)
TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova)	TRA2 (Ağrı, Kars, Iğdır, Ardahan)
TR51 (Ankara)	TRB1 (Malatya, Elazığ, Bingöl, Tunceli)
TR52 (Konya, Karaman)	TRB2 (Van, Muş, Bitlis, Hakkari)
TR61 (Antalya, Isparta, Burdur)	TRC1 (Gaziantep, Adıyaman, Kilis)
TR62 (Adana, Mersin)	TRC2 (Şanlıurfa, Diyarbakır)
TR63 (Hatay, Kahramanmaraş, Osmaniye)	TRC3 (Mardin, Batman, Şırnak, Siirt)



THE UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TURKEY

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