

Overview of Economic Indicators

TL	31.12.2010		31.06.2011		
TL /EUR	2,0650		2.3605		
TL/USD	1,5450		1.6381		
Stock Exchange Index	66.822		63.250		
ECONOMIC GROWTH RATES					
	1.Quarter	2.Quarter	3.Quarter	4.Quarter	Annual
2002	0.6	10.4	8.0	11.8	7.9
2003	7.4	3.6	5.6	7.2	5.9
2004	13.9	15.7	5.7	6.6	9.9
2005	7.5	4.7	8.0	10.0	7.6
2006	6.3	9.3	4.3	4.6	6.1
2007	6.7	3.9	2.0	3.4	4.5
2008	6.6	1.9	0.5	-6.2	1.1
2009	-14.5	-7.7	-2.9	6.0	-4.7
2010	11,7	10.3	5.5	9,2	9,17
2011	11,0				

Monthly/Annual Inflation (Consumer Price Index)			
Months	2010	2011	2011 Semiannual
Jan	1,85	0,41	0,41
Feb	1,45	0,73	0,73
Mar	0,58	0,42	0,42
Apr	0,60	0,87	0,87
May	-0,36	2,42	2,42
Jun	-0,56		
Jul	-0,48		
Aug	0,40		
Sep	1,23		
Oct	1,83		
Nov	0,03		
Dec	-0,30		



Economy

EXPORT HAS REACHED TO 11.08 BILLION DOLARS BY 21.7 PERCENT INCREASE.

According to the TEA (Turkish Exporters Assembly) datas, the export in May has reached to 11 billion 82 million dolars by 21.73 percent increase. Export in 5-month period of this year has reached to 54 billion 419 million dolars by 20.38 percent increase. The Chairman of TEA Mr. Büyükeşki stated that the positive attitude of exporting activities with EU countries as well as neighbouring countries is continuing and the export to Egypt and Iraq has increased by 39 percent. According to the records of TEA, the export has reached to 11 billion 82 million dolars with 21.73 percent increase in comparison to the same month last year. The export of last 12-month period has reached to 123.2 billion dolars with 14.1 percent increase, the export in the first 5-month period of this year has reached to 54 billion 419 million dolars. The Chairman of TEA Mr. Mehmet Büyükeşki declared the export numbers of May with a press conference in Mersin held with the Minister of State Zafer Çağlayan. Mr. Büyükeşki who began his speech with thanking the Minister of State Mr. Zafer Çağlayan whom he called “the Commander-in-Chief of Export” for his support, stated that the highest export numbers in May belong to the Automotive sector with 1 billion 677 million dolars. The second place is taken by Chemicals and Chemical Products with 1 billion 462 million dolars while the third place is taken by the Steel sector. While agricultural sectors have 12.49 percent share with 1 billion 384 million dolars, the industrial sectors held 84.59 percent share with 9 billion 375 million dolars. The mining products held 2.92 percent share with 323 million dolars. The sector with the biggest increase in export in May is Aquacultural Products and Animal Products by 72.43 percent, followed by Ornamental Plants sector by 70,98 percent and Carpet sector by 41.23 percent.

COLLECTING CUSTOMS TAX IS GETTING EASIER.

The Undersecretariat of Customs will sign the protocol with Türk Ekonomi Bankası, Turkland Bank ve Deutsche Bank to popularize the collecting the custom taxes via banks. According to the statement, protocols were signed with 24 different banks up to this point for collecting the customs taxes via banks. Thanks to the practice, importers can now make their payments via contracted banks, regardless of the location of customs office that they are in transaction while banks can make collections via internet, telephone, ATMs or the instructions from their customers. After the information in which the taxes are paid via contracted banks reaches the The Undersecretariat of Customs Information System which is integrated with the payment system, customs procedures are completed.



Economy

THE CREDIT FOR PRIVATE SECTOR IS COMING FROM EUROPE

71.5 percent of long-term loans that private sector has provided is from European countries. As of January 2011, long-term loans that PRIVATE sector has provided reached 119 billion 141 million dollars, 85 billion 154 million dollars of which procured from European countries. United Kingdom took first place with 23 billion 10 million dollars, second place went to USA with 14 billion 970 million dollars. As of February 2011, non-commercial short-term loans which has been provided from abroad by private sector except banks have reached 20 billion 392 million dollars, 32 percent of which is from England, 10.3 percent is from Luxembourg, 8.4 percent is from Netherlands, 7.1 percent is from France.

MOST OF THE LOANS IS OF UK ORIGIN

With 23 billion 10.2 million dollars long-term loans which is 19.3 percent of the long-term loans, United Kingdom (England, Wales, Scotland, North Ireland) took the first place, followed by USA with 14 billion 970 million dollars long-term loans which is 12.6 percent and third place went to Bahrein with 12 billion 869 million dollars which is 10.8 percent, fourth place went to Netherlands with 12 billion 10 million dollars which is 10.1 percent. Fifth is Luxembourg with 11 billion 660 million dollars which is 9.8 percent. Sixth is Germany with 10 billion 497 million dollars which is 8.8 percent.

39.4 PERCENT OF THE LONG-TERM LOANS USED IN SERVICES SECTOR.

As of February, 35 billion 704 million dollars of the long-term loans that have been provided by the private sector from abroad has been used by financial sectors, while the rest has been used by non-financial sectors. The share of the non-financial long-term loans in the total is 70.5 percent which is 83 billion 437 million dollars. Among the non-financial sectors, agricultural sector has 0.5 share with 612.8 million dollars, industrial sectors have 35.9 billion dollars, service sectors have 46 billion 997 million dollars share. Therefore, the industrial sectors' share in the foreign long-term loans which has been provided by private sector is 30.1 percent, that of service sectors' is 39.4 percent.

32.5 PERCENT OF SHORT-TERM LOANS FROM ENGLAND

As of February 2011, non-commercial short-term loans which is more than 20 billion 34 million has been provided from abroad by private sector except banks have reached 20 billion 392 million dollars, 32 percent of which is from England, 10.3 percent from Luxembourg (2 billion 67 million), 8.4 percent from Netherlands (1 billion 676 million), 7.1 percent from France (1 billion 420 million).



Economy

GIANT ECONOMIES ARE IN SEARCH FOR AN EXIT

The effects of the Global Crisis has diminished, aftershocks are getting smaller. But expected recovery is somehow not happening. And what is worse is pessimistic speculations are on the rise. The most important problem causing second crisis speculations is the state in which the 4 giant economies are.

EU Economy: Almost all of the EU countries are facing high debt problems which turned into a crisis in Greece. It is discussed that the scenario in which Greece goes into default could trigger the possible crises in Portugal, Spain, Ireland, Italy and Belgium. Olli Rehn, European Commissioner for Economic and Financial Affairs, stated that “it is the worst crisis since the Second World War Europe is facing” about the situation in Greece.

USA Economy: Economic activities are showing weaker performance than expected. Government is trying to come up with a plan to reduce high debt and budget deficit. Experts who believe that it is of critical importance that the government should start the reduction plan including reforms on borrowing limit and increasing revenue immediately, point to default risk in case the Congress will not grant the government the authorization for more debt. The housing crisis which is heading towards its second crisis has reached to a worse point compared to the Great Depression period.

Chinese Economy: China is expected to be the champion with 9.6 percent increase in GDP (Gross Domestic Product) this year too. But this rapid increase is causing inflation to get out of control. Despite all the efforts, inflation is at its highest level in the last 34 months. Increase in the consumer prices in May has reached 5.5 percent annually. According to the economists who point to the facts that efforts to control the economy are useless and pressure from inflation is increasing, “China has missed the chance to control the inflation and now there is a risk of heavy landing”.

Japan Economy: Japan is having a hard time treating the wounds from Tsunami disaster occurred on 11th of March. The export which is considered the engine of the country’s economy deteriorated by 10.3 percent compared to the same time last year which is more than expected inflicting a heavy blow on the rejuvenation attempts on the economy. The other problem is current deficit. Credit rating agencies are pointing out the importance of more reliable and stronger fiscal consolidation.



Economy

ALL-TIME RECORD IN INTERNATIONAL INVESTMENTS

International direct investment inflow reached 4 billion 677 million dollars by 126,5 percent increase in the first 4 months of the year compared to numbers of the same month last year. In the same period, international direct capital inflow reached 3 billion 916 million dollars by 202.4 percent increase. Net International direct investment inflow reached 684 million dollars in April, while international direct capital inflow reached 384 million dollars.

Undersecretariat of Treasure declared the results on International Direct Investment datas for April. According to it, International direct investment inflow has gone up from 2 billion 65 million dollars to 4 billion 677 million dollars by 126,5 percent increase. In the same period, international direct capital inflow has gone up from 1 billion 295 million dollars to 3 billion 916 million dollars by 202.4 percent increase. Net capital has gone up from 1 billion 181 million dollars to 4 billion 237 million dollars by 258.8 percent increase.

The capital inflow in the International direct investment inflow item has reached 6 billion 2 million dollars by 406.1 percent increase in January-April 2011 period. Net real estate has reached 762 million dollars by 1.2 percent decrease.

The net international direct investment inflow reached 684 million dollars in April, while international direct capital reached 384 million dollars. Net capital in April reached 632 million dollars and the capital inflow in the international direct investment inflow reached 632 million dollars.

In the January-April period, 4 billion 342 million dolar portion of the total 6 billion 2 million dollars international direct investment inflow came from the activities of financial intermediary corporations, 536 million dollars from electricity, gas and water sector, 296 million dollars from manufacture industry. In this period, real estate rentals and business activities attracted 242 million dolar investment, construction sector had 123 million dollars international direct investment inflow.

88.6 percent of the cash capital inflow in January-April period is EU-originated. Among the EU-originated direct investment which is 5 billion 318 million dollars in total, France took first place with 716 million dollars followed by Netherlands with 260 million dollars and England with 209 million dollars and Germany 188 million dollars.

WHAT'S NEW

The Conference on “The Political and Economic Effects and Results of the Latest Developments in Mid-East and North Africa”



The Conference on “The Political and Economic Effects and Results of the Latest Developments in Middle East and North Africa” hosted by Şahinler Holding was held on 15 th of April. During the conference, The Chairman of Şahinler Holding Kemal Şahin, USAK (ISRO) Middle East Specialist Bahadır Dinçer, President of TİM Mehmet Büyükeşçi, retiree Ambassador Uluç Özülker, IKU Economics Department Chief Emre Alkın spoke. The moderator of the panel was Osman Arolat the economist/columnist for the Dünya Newspaper. Mr. Şahin, in his opening statement, pointed out that they were affected by the global economic crisis but quickly recovered from it. After the crisis, we have united some of our smaller units and shut some of those units down, focusing on the large scale companies and major customers. So, we have increased our capacity for speedy and quality service and our overall productivity. Some of our companies in various sectors are more successful than the others. For example, European Free Zone (EFZ) had a %65 increase in land sale in the first 3 months of this year.

The President of TİM Mr. Mehmet Büyükeşçi has informed that while our export to Iraq in 2000 was none, it is 6 billion dollars in 2010. Iraq is now no 5 in the countries that Turkey does export to, France is no 4. Our export to France was 6.1 billion dollars last year. Our export to Iraq has increased by %40 in the first quarter fo this year. At his rate of speed, Iraq may get the no 4 slot with 7,5 billion dollars. Even though the political unrest in the Middle East and North Africa paints a dark picture in short term, it will have better results in long term.

WHAT'S NEW

Seminar themed “Termination of Labour Contracts by the Employer”



European Free Zone, with collaborations from different companies and establishments, continues to organize informative seminars for EFZ user companies and other companies in the region.

Seminar themed “Termination of Labour Contracts by the Employer” was held in European Free Zone Seminar Hall with the support of specialists from Akıncı Law Firm on 31st of May 2011. With high level of participation for the seminar, attorneys Ms. Sedef KOÇ and Ms. Nazlı KUMBARACI informed the participants and company representatives about the current labour law and its practices and regulation-driven rights and obligations in relationships with the employees. Seminar ended with Q&A session.

Foxconn Opening Ceremony



With its 90 billion dollar annual turnover, more than 1 million staff, the biggest manufacturer of OEM computers and electronics, Foxconn celebrated the opening ceremony of the factory that is going to manufacture HP PCs with the attendance of the Minister of Transport and Communication Mr. Binali Yıldırım on 25th of February 2011. The opening ceremony was attended by the Chairman of BTK (ICTA) Mr. Tayfun Acarer, The Vice President of the Investment Support and Promotion Agency Mr. Hüseyin Aslan, HP Personal Systems Group Senior Vice President for EMEA Region Mr. Eric Cador, HP Turkey General Manager Mr. Serdar Uçar, HP Personal Systems Country Manager Mr. Ertuğ Ayık, Foxconn Senior Vice President Mr. Jim Chang. Production and employment is still going on in Foxconn facilities. Target is 1000 employees in the factory where 300 employees are already working.

WHAT'S NEW

EFZ – Press Conference and Plaque Ceremony



A Press Conference and a Plaque Ceremony were held to share the new developments and welcome the new investors. The event was participated by the Chairman of Şahinler Holding Kemal Şahin, Undersecretariat of Foreign Trade Assistant General Manager of Free Zones Necmi Uğurlu, ISPAT Senior Project Manager Veyis Toprak, EFZ Founder and Operator Co. General Manager Zafer Atbakan and high level executives of the companies operating in the zone.

Investments continue to be made in the European Free Zone

Investments continue to be made in the European Free Zone in 2011. The companies that decided to invest in EFZ in the first half of 2011:

- DTB Marine (Yacht and Boat Production)
- ACT Cosmetics (Cosmetics Production)
- Alumati (Aluminum Profile Production)
- BBKA (Key-ready Granulation and Storage Facilities Production)
- İmanet (Sweetener Production)
- Reçber Cable (Cable Production)
- World Medicine (Medicine Production)
- Özköse (Recycling Facilities)
- Şanlı IT (Electronics)
- Enelflex (Energy Turbine)





WHAT'S NEW

European Free Zone Continues to Promotional Campaigning Activities to Attract Foreign Capital Investments

Singapore



27-29 March 2011 Singapore

Denmark



7-8 April 2011 Copenhagen

Sweden



8-10 February 2011 Stockholm

England



30-31 March 2011 London

Belgium



11-13 May 2011 Brussels