



Overview of Economic Indicators

TL	31.12.2011		29.06.2011		
TL /EUR	2,4556		2.2886		
TL/USD	1,8980		1.8179		
Stock Exchange Index	51.266		62.543		
ECONOMIC GROWTH RATES					
	1.Quarter	2.Quarter	3.Quarter	4.Quarter	Annual
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	12.2	10.3	5.5	9,2	9,17
2011	11,6	8.8	8.2	5.2	8.5
2012	3.2				

Monthly/Annual Inflation (Consumer Price Index)			
Months	2011	2012	2012 Semiannual
Jan	0,41	0,56	10,61
Feb	0,73	0,56	10,43
Mar	0,42	0,41	10,43
Apr	0,87	1,52	11,14
May	2,42	0,96	10,89
Jun	-1,43		
Jul	-0,41		
Aug	0,73		
Sep	0,75		
Oct	3,27		
Nov	1,73		
Dec	0,58		



Economy

Turkey determined to become independent from IMF funding by 2013

Prime Minister Erdogan has issued a statement that his country will have paid back its debts to the International Monetary Fund by no later than April 2013, adding that Turkey has received total loans of US\$46bn from the IMF in the past 50 years of which presently just US\$2.3bn are left to repay, whereas the debt amounted to US\$23.5bn when the AKP took power in 2002. In the past few years Turkey was no longer able to negotiate financial aid from the IMF because it refused to accept the restrictions that would have been imposed on spending. But thanks to massive foreign investments, the country no longer relies on cash infusions from the IMF. Obviously the government is not concerned about the dependency of Turkey's economy on foreign capital – Economy Minister Caglayan contended that in order to further boost investments, investors must be accommodated as much as possible to do business in Turkey.

Turkey remains highly profitable for foreign investors.

Over the last decade, almost US\$138bn in interest, profit, or return in investment have been transferred abroad from Turkey. 2011 was yet another profitable year for foreign investors: At almost US\$3bn, the drain of profit from direct investments was higher than ever. Still a bit higher – some US\$3bn 370mn – was the total return on stock transactions and investment vehicles such as bonds & bills that was transferred abroad.



Economy

OECD forecast for 2012: 3.3% growth, 7.5% inflation

According to the OECD's economic outlook for the first quarter of 2012, the growth rate of Turkey's economy, having reached a stunning 8.5% in 2011, will slow down to 3.3% this year to rise again to 4.6% in 2013. However, the organisation does not fail to point out that this forecast is subject to uncertainties such as the development of the oil price and the economic situation in the Euro zone. Turkey's current account deficit, which last year climbed to a new historical high of 9.8% of GDP, is expected to decline to 8.9% in 2012 and 8.3% in 2013. The OECD estimates that Turkey's unemployment rate will drop to 9.5% this year and 9.1% the next year. On the other hand, the inflation rate is forecast to be around 7.5% by the end of the year, significantly higher than the original target of 5%.

Consumers have reason to worry about inflation

Consumer prices in Turkey were up 1.52% in April. Based on the past 12 months they rose by 11.14%, which marks the highest level in 3.5 years. The inflation rate has been back to double digits for 5 months now. On the other hand, producer prices only increased by 0.08% in April and have been declining on an annual basis for the 6th month in a row, to 7.65%.

Erdogan lashes out against S&P

Turkish Premier Erdogan is furious about Standard & Poor's surprisingly lowering Turkey's credit rating from "positive" down to "stable". He fumed that this decision was motivated by ideology and as a consequence Turkey would now longer accept S&P's ratings. Standard & Poor's had based its adjustment on Turkey's high foreign debt and low export figures. According to Eileen Zhang, S&P chief economist for Turkey, a BBB rating is usually contingent on a per-capita income of at least 15,000 dollars – which in Turkey currently is US\$10,444. By contrast Timothy Ash, a market strategist for the Royal Bank of Scotland, called Erdogan's reaction understandable and attested to Turkey's high credit standing. The country continues to be highly attractive for international investors, he said, and besides, Turkey has proved that it takes its repayment commitments very seriously. Anyway the markets have lots of sympathies for Erdogan and Turkey, he concluded. Meanwhile Erdogan announced plans for Turkey to establish its own credit rating agency.



Economy

Istanbul awaits record number of 9 million tourists

Istanbul is becoming an increasingly popular travel destination. While a record-breaking 8 million foreign tourists visited the city in 2011, 16% more than the year before, 2012 is expected to see at least one million more – congress and exhibition visitors included. Thus the metropolis accounts for close to 30 per cent of Turkey's aggregate number of tourists which is put at 32 million for 2012. In April Istanbul already registered 818,787 visitors, a 17.8% increase over the same month of the previous year, while the first 4 months of the year totalled some 2.5 million tourists. The city's accommodation capacity, which in 2011 had been augmented by 3.5% to 114,000 beds, was 90% full. The largest group of visitors to Istanbul continues to be from Germany, followed by Russia and Iran, while there is also a considerable inflow from the Arab countries.

1 billion dollars' worth of boron to be mined in 2012

Responding to a parliamentary inquiry, Turkey's Ministry of Energy and Natural Resources has announced that Turkey has mined some US\$828.5mn worth of boron in 2011, 97% of which were exported. This year production is to rise to US\$1bn, and the state-owned mining company Eti Bor looks to increase its capacity fourfold to 5.5 million tons by 2023. While an amendment to the relevant law has been introduced to enable outsourcing of certain services, privatisation is not on the horizon, stated the Ministry. Turkey owns 72% of world-wide boron reserves and has been the world's largest exporter of this rare metalloid since 2005. Boron and its compounds have a wide variety of uses, from detergents and enamel glazes to nuclear fuel rods and rocket propellants

WHAT'S NEW

Cooperation Protocol Between EFZ and Namık Kemal University



An industry-university cooperation protocol signed for joint-work between Tekirdağ Namık Kemal University and EFZ on June 28,2012.Şahinler Holding Group Chairman Kemal Şahin and Tekirdağ NKÜ's Rector Prof.Dr. Osman Şimşek signed the protocol.EFZ provides the possibility of internships and implementation for university students and the industrialists in EFZ will make the R&D activities more effective with this protocol.

Opening Of The EFZ Treatment Plant

The opening ceremony of EFZ's new treatment units was held on June 28 with the participants of Tekirdağ Namık Kemal University,Department Managers,The Environment Directorate of Tekirdağ Province,Çorlu Municipality,District and the other civil administrators.Şahinler Holding Group Chairman Mr.Kemal Şahin gave a speech as a host and expressed that EFZ is also sensitive to the human living space and the nature as the importance given to the industry and industrialists and demonstrated it to international quality certificates related the environmental safety.



WHAT'S NEW

The Opening Ceremony of Amor'e Design



Amor'e Design who had a investment decision in EFZ at the end of the last year completed the construction and took action. AK Parti Tekirdağ and Zonguldak Deputies, Mayor of Çaycuma and Civilian Authorities of Çorlu and Tekirdağ have joined the grand opening ceremony on June 1, 2012 organized by Amor'e Design. A delegation composed of businessmen and business partners who live abroad are also were present at the opening ceremony. Mr. Kalaycıoğlu chairman of the board of Amore Design took him guests who came from Germany to the Bosphorus tour in İstanbul and a dinner in Silverside Otel. Amor'e Design are exported the curtains %100 that manufactured .

Turkish-Singapore Business Forum



We participated as EFZ to The Turkish-Singapore Business Forum in Swiss Otel on May 30, 2012. Turkish-Singapore trade and diplomatic relations were discussed in meeting that honoured by Minister of State Mr. Ali Babacan and Deputy Prime Minister of Singapore. After speaking of ministers a panel was made about the latest developments of Turkish-Singapore trade relations and then the bilateral talks held between the companies.

WHAT'S NEW

GÜSİAD Seminar



A seminar program organized on “The Place of Free Zones In Global Competition, Encouragements and Applications of Free Zone” with the cooperation of EFZ-GÜSİAD in the seminar hall of the Association of Güngören Industrialists and Businessman on the date of 11.02.2012.

A working breakfast was held before the seminar with participants speakers from EFZ, Cüneyt Çalık, Ahsen Küçükçalık, Tarkan Değirmenci, Zafer Atbakan and with the members of the GÜSİAD and the other seminar participants. The participants from various sectors as confection, textile, food, shoe, construction materials listened the seminar program interestedly, then the questions of participants answered and the opinions for the year 2012 was expressed by speakers and the representatives of various sectors.

WHAT'S NEW

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 2012:

- Polyplex Resins
- UGS
- Denge Kimya
- Federal Power (additional investment)
- Akkaya Machinery
- BES

