



Economic Indicators

TL	01.07.2011	31.12.2011
TL /EUR	2,3397	2,3605
TL/USD	1,5935	1,6381
STOCK EXCHANGE INDEX	66.822	63.250

ECONOMIC GROWTH RATE					
	1st Quarter	2nd Quarter	3rd Quarter	4th 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	11,6	8,8	8,2		

Monthly/Annual Inflation (Consumer's Price Index)			
Month	2010	2011	Yıllık
Jan	1,85	0,41	4,90
Feb	1,45	0,73	4,16
Mar	0,58	0,42	3,99
Apr	0,60	0,87	4,26
May	-0,36	2,42	7,17
Jun	-0,56	-1,43	6,24
Jul	-0,48	-0,41	6,31
Aug	0,40	0,73	6,65
Sept	1,23	0,75	6,15
Oct	1,83	3,27	7,66
Nov	0,03	1,73	9,48
Dec	-0,30	0,58	10,45



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GOVERNMENT SET TO REVIEW ITS EMPLOYMENT STRATEGY

The Turkish Ministry of Labour has drawn up a strategic paper on employment policy that is likely to bring about major changes on the job market should it be adopted by lawmakers. The new strategy has already been deliberated by the Council for Economic Coordination (EKK), though not by the cabinet. Its keystones are the promotion of flexible working hours, easier access to unemployment benefits, a cutback of severance payments to the OECD level, and the introduction of different minimum wages according to region. It sets targets for the year 2023 such as reducing unemployment to 5%, increasing the employment rate to 50%, and curbing informal employment to 15% outside the agricultural sector.

LEVEL OF IMPORTS CONTINUES TO BE CAUSE FOR CONCERN

Turkey's imports are still on the rise, jacking up the country's trade gap – in the first six months of 2011 it almost doubled over the previous year to reach close to US\$54bn. Economy minister Zafer Caglayan stated that the foreign trade deficit does not pose a threat since the government's debt has been reduced considerably and financial stability prevails, claiming that the principal reason for the deficit was the overvaluation of the Turkish Lira due to a misguided monetary policy in the past. Representatives of the business community, however, contradicted the minister, called for interventions to strengthen the national currency and to cut back the trade deficit, and demanded structural changes, which they say should not be put off any longer. Exchange rate interventions already resulted in a considerable slowdown of deficit growth in July and August.



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MARKETS RELAX AS BASE RATES REMAIN UNCHANGED

Turkey's Central Bank has refrained from changing the base rates. The bank's Monetary Council also decided not to raise the mandatory provisions for the time being. Announcing the decision, the Central Bank's new governor Erdem Basci said that in the second quarter there had been indications that the measures taken to contain borrowing and domestic demand are starting to make an impact. This is why the bank opted for the moment to continue observing the time-lagged effect of its interventions, and subsequently take additional measures if required. The markets responded with relief to this announcement; for instance, compound interest on benchmark bonds eased off 10 basis points.

EXPORTS KEEP BOOMING

Turkey's export volume continued to rise in August, reaching US\$11bn 78mn, a 29.89% increase over the previous year. According to the Turkish Exporters' Association TIM, the country's exports totalled US\$88bn 550mn in the first eight months of the year, up 21.63% from the same period of 2010. Exports of the 12-month period climbed 17.48%, to US\$129bn 628mn. While TIM's president expressed his appreciation of the fact that exports for this year look certain to exceed by far the annual increment of 12% targeted until the year 2023, he also gave out a warning: Since exports are lagging well behind imports, he said, it is imperative for Turkey to enter new export markets, and to increase government aid to the export-oriented industries to a minimum 1% of the export target.



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TURKEY'S FINANCIAL MARKETS CONTINUE TO HEAT UP

Turkey's financial markets continue to be highly volatile also in 2011. Despite all countermeasures taken in an effort to contain borrowing, the loan volume rose by 27% between September 24 and May 6, from TL370bn to TL470bn. At the same time, the Turkish Lira continued to depreciate against both US dollar and Euro, at times surpassing the 1.60 TL/US\$ and 2.30 TL/€ marks. Meanwhile the Turkish government, according to Finance Minister Mehmet Simsek, is considering monetary and if need be also fiscal structural measures to contain Turkey's current account deficit and especially to reduce its energy dependence on foreign countries.

TURKISH WINE GROWERS LAUNCH EXPORT OFFENSIVE

Turkey's wineries are well on their way to firmly establishing themselves on the world market. While in terms of quantity, Turkish wines play only a very minor part, with a current export volume of merely 22,000 hectolitres, their quality is continually improving and already now being recognized on an international level. Besides Germany and Great Britain, Turkish wine exporters have their eyes set mainly on Russia, the U.S., and the Far East. In addition to increased presence at trade fairs, they are particularly hopeful of promotional events such as wine tastings and seminars in the target markets. As Taner Ögütoglu, director of the Platform of Turkish Wines, pointed out, government funding will be indispensable for export success. The State Secretariat for Foreign Trade has already confirmed its intention to provide additional funding for this purpose.



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BOEING INTENSIFIES CO-OPERATION WITH TURKISH COMPANIES

The world's largest manufacturer of civil and military aircraft, the Boeing Company, has voiced its amazement at the pace in which the Turkish aviation industry is developing. The chief executive of Boeing Turkey, Greg Pepin, said that the growth of the Turkish market has surpassed all expectations. On the one hand, Turkish Airlines (THY) has developed into one of the world's largest airlines. Therefore Boeing is very keen on participating in new projects of THY. On the other hand, Pepin stated, the number of Turkish high-tech companies capable of producing on an international standard level at competitive prices has skyrocketed. Boeing is already purchasing parts from some 20 suppliers in Turkey, and has sent out a scout to fathom the possibilities for enhancing its co-operation with Turkish companies in centres such as Eskisehir, Izmir, and Ankara. The military market is also extremely interesting for Boeing, considering that the Turkish Air Force has just placed an order for 6 latest-generation Chinook Transport helicopters.

GERMANY: 2012 WILL BE A TOUGH YEAR

The Prime Minister of Germany, H.E. Angela Merkel stated that, 2012 will be a tough year for both EU leading countries and the countries dealing with debt crisis.

JAPAN CANCELS THE BAN ON TRADE IN ARMS

Tokyo government is alleviating the ban on arms export that continues for decades. This decision will allow the Japanese companies to develop and sell high-tech arms in the international markets.

MINIMUM WAGES IN HUNGARY IS 780 TL

The declaration in December by Hungarian Ministry of Social Security stated that the minimum wages for +18 has been increased from 78.000 forint (approx. 650 TL) to 93.000 forint (approx. 780 TL)

Labour unions remarked their pleasure from the decision while the employers commented about their discontent and stated this decision of 15% increase will put them on the spot while dealing with the crisis. The unemployment rate in Hungary is around 11%.

News From ASB

SPECIAL ECONOMIC ZONES TOWARDS 2023 WORKSHOP



The first workshop on the legislation that planned to bring a new-understanding and vision of free zones and re-define free zones as “Special Economic Zones” has done under the leadership of Minister of Economy Mr. Zafer Çağlayan in Gaziantep on the date of 09.12-10.12.

To evaluate of new export-oriented sectors in free zones by expanding of free trade zone legislation, adding exports of services in legislation,how special economic zones can be occur in order to increase employment and production,these related views that represented at the workshop were deposited on the table and EFZ took an active part in the workshop.

The representatives of Incheon Free Economic Zone in South Korea took place as a guest and made a presentation about the region's success story in workshop which lasted for 2 days.

Şahinler Holding Chairman of the Board Kemal Şahin,EFZ's Manager Eyyüp Daşkın,EFZ's General Manager Zafer Atbakan,EFZ's Sales and Marketing Manager Ahsen Küçükçalık,EFZ's Corporate Relations and Business Development Cüneyt Çalık participated to the workshop representing ASB.

News From ASB

MOROCCO INVESTMENT AGENCY VISIT TO ASB



Morocco Investment Agency that visited EFZ in last September was again in İstanbul for the meeting of of DEİK Turkish-Morocco Business Council. The delegation led by the Morocco Investment Agency Chief Fathallah Sijilmasi visited the EFZ again with the officials of Investment Support and Promotion Agency of Turkey. Mr. Cüneyt Çalık, The Director of Corporate Relations and Business Development, made a briefing and presentation about the free zones in Turkey including the extent, trade figures and the advantages for investors. After the meetings a working lunch was given in honor of the delegation. Investment climate in Morocco, approaches to the free zone and a various cooperation possibilities in terms of mutual investments were discussed during the meetings.

OPENING CEREMONY OF FLEXTRONICS TURKEY



One more giant brand, Flextronics, has achieved it's opening in EFZ in the project of HP branded computer production. As one of the leading company in the world about electronic logistics and after sales services, shortly after completing the first phase of investment, has performed a grand opening ceremony. After the first step investment of Flextronics, which is 8 million Euro, started their second phase of the project. Completing the second step investment, the total closed area will reach 15.000 square meters together with 15 million Euros of investment.

News From ASB

THE VISITING OF THE DEPUTY MINISTER OF INDUSTRY OF SAUDI ARABIA



A delegation including the government officials and heads of the Chamber of Commerce under the Deputy Minister of Saudi Arabia that aimed to create a free region in Saudi Arabia visited EFZ to analyze the region. Cüneyt Çalık, Director of Corporate Relations and Business Development, briefed about the free region that was created by a mixed strategy and then invited them to a meal. Mr. Çalık made an evaluation after the meeting and said that the EFZ is taking steps to become a world mark on the further side of being national or regional. The improvements in recent years, besides the directly foreign capital and quality, committees from many countries of the world come here to learn services and our success stories, the experience about the administration of free zone, the know-how sharing with cooperation offers is the important sign of this. He talked as our target and vision is to strengthen EFZ's position as one of the famous brands that are recognized abroad. The Deputy Minister of Saudi Arabia Al-Rabiyah said that there is not a conception or application of a free zone in Saudi Arabia, and added that the conception of EFZ is really interesting and attractive. We see that besides the tax advantages given by the state to encourage investments, the quality of service is important and different too. The EFZ is a good example in this sense. Mr. Minister has already promised us to support about law legislation and application. I hope the EFZ management will support us with their service and marketing experience planned for the free zone model in Saudi Arabia.

News From ASB

TUNUSIA INVESTMENT AGENCY VISITED ASB



A committee with the president of the Tunisia Investment Agency Benaissa Abidi visited to EFZ to observe the improvements in place.

Abidi called attention to Turkey's success about foreign investments in country in recent years, said that there are two free zones in Tunisia and they have intention about to have one more free zone. We see the EFZ as a positive and successful model, that's why we especially planned this visit to here for observing the improvements and process in place and said that they look positive about cooperation with EFZ for the establishment and operation of their new free zones.

Ahsen Küçükçalık, Sales and Marketing Manager, said that they tried to please their guests who came to region to inform about the regulations and to share experience about make their ideas correctly of free zones process.

Mr. Abidi reflected his positive view and he presented his wishes about cooperation and we stated that; we are ready for all lands of cooperation. We have determination and desire both contribute to relationship between two country and to announce the mark of EFZ in international arena

News From ASB

TREMENDOUS GROWTH FOR ASB IN 2011



European Free Zone, adding new investors and growing rapidly each and every year, closed the 2011 business year with an outstanding growth rate. Being one of the two free zones in highest growth rate during Jan-Aug period with a growth rate of 78%, the trade volume in ASB went beyond 2 billion USD. ASB was ranked 7th in terms of trade volume among free zones until 2010, and after the success story within 2011, ASB moved upwards twice and is ranked in 5th by the end of 2011.

10 New Factory Investment in 2011

European Free Zone, one of the fastest growing free zones of Turkey, said welcome to 10 new investors in 2011. The companies that entered into zone with more than 100 million USD of investment are in various sectors from medical to ship building, machinery to steel silo production, logistics to automotive and cosmetics. The new investor companies of ASB purchased 230.000 sqm. of land to start their investment. With the new coming companies, approximately 1.000 new jobs will be created. Among the new investor companies, apart from Turkish companies, there are different country origins like Austria, Netherlands, Germany, UK And UAE.

The British Medicine Producer in ASB

One of the investor companies that gave the investment decision in ASB in 2011 is the well-known British medicine producer World Medicine. World Medicine purchased a total area of 45.000 sqm land for their investment and it is supposed to start production in 2012. The investment amount for the project will be approximately 40 Million USD