


**NOVEMBER 2011 ECONOMIC OUTLOOK FOR TURKEY: ANSWERS FROM TISK AND TÜSİAD**
**MAIN FORECAST**

<i>Annual % change</i>	2011,0	2012,0
Real GDP growth	7,5	4,0
Consumer price inflation	8,3	5,2
Unemployment rate	10,5	10,4
Employment growth	5,9	1,4
government net lending (% of GDP)	1,0	0,8
gross public debt (% of GDP)	1,0	1,1
current account balance (% of GDP)	-9,4	-8,0

**Components of aggregate demand - in real terms**

<i>Annual % change</i>		
Private consumption	6,1	3,0
Public consumption	6,5	3,1
Investment (Gross Fixed Capital Formation)	19,3	6,2
Private non-residential investment	-2,8	-2,6
Exports	5,2	7,4
Imports	13,1	3,9

**ECONOMIC SENTIMENT**

	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>			
<b>Trend in business climate over the next 6 months</b>		Industry Services				
<b>Trend in profitability over the next 6 months</b>		Industry Services				
<b>Investment intentions over the next 6 months</b>	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>	<i>Decrease (faster pace)</i>	
				Industry Services		
<b>Influence on companies' investment decisions</b>	<i>Global demand</i>	<i>Domestic demand</i>	<i>Cost of finance</i>	<i>Availability of finance</i>	<i>Company Profitability</i>	<i>Capacity Utilisation</i>
	na	positive	positive	positive	positive	positive
<b>Driving force behind investment decisions in the next 6 months</b>	<i>Replacement</i>	<i>Extension</i>	<i>Rationalisation</i>	<i>Innovation</i>		
	positive	positive	positive	positive		
<b>Overall trend in employment</b>	<i>Industry: past 6 months</i>	<i>Industry: next 6 months</i>	<i>Services: past 6 months</i>	<i>Services: next 6 months</i>		
	Up	Same	Up	Same		



**ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH**

<b>Compared to 6 months ago, cost/access to finance has been...</b>	<b>sharply up / restrained</b>	<b>up / more difficult</b>	<b>same</b>	<b>down / easier</b>
<i>for SMEs</i>			Cost Access	
<i>for larger companies (&gt;250 employees)</i>			Cost Access	

<b>Over the next 6 months, cost /access to finance will be...</b>	<b>sharply up / restrained</b>	<b>up / more difficult</b>	<b>same</b>	<b>down / easier</b>
<i>for SMEs</i>		Cost		Access
<i>for larger companies (&gt;250 employees)</i>				Access

	<b>Consolidation of banking sector balance sheets</b>	<b>Access to capital markets</b>	<b>Engcouraging equity financing through tax reforms</b>	<b>Better use of existing EU instruments (including EIB)</b>	<b>Greater potential for Public-Private-Partnerships</b>
<b>Measures to alleviate current financial difficulties for SMEs</b>	Very limited effect	Very limited effect	Very limited effect	Very limited effect	Very limited effect
	<b>Consolidation of banking sector balance sheets</b>	<b>Access to capital markets</b>	<b>Encouraging equity financing through tax reforms</b>	<b>Better use of existing EU instruments (including EIB)</b>	<b>Greater potential for Public-Private-Partnerships</b>
<b>Measures to alleviate current financial difficulties for midsize and large companies</b>	Very limited effect	Very limited effect	Very limited effect	Very limited effect	Very limited effect



**POLICY MIX**

	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>					
<i>Consistency between fiscal and monetary policies</i>	<i>adequate</i> yes	<i>inadequate</i>			
<i>Regarding the sustainability of public</i>	excellent committment	satisfactory committment yes	neither satisfactory nor unsatisfactory	unsatisfactory committment	no clear committment creating an extremely
<i>Exit Strategies</i> <i>Tight fiscal rules and more effective institutions</i> <i>Greater efficiency of public</i> <i>Credible cost-cutting measures</i> <i>Increased scope of public-private</i> <i>Reform of pension systems</i> <i>Improved efficiency of healthcare sector</i>	excessive focus	sufficient focus	satisfactory nor unsufficier	unsufficient focus	so far ignored
<i>Entry Strategies</i> <i>More and better-targeted education and training</i> <i>More and better targeted R&amp;D and</i> <i>Prioritisation of infrastructure investments</i> <i>Growth enhancing tax reforms</i>	excessive focus	sufficient focus	satisfactory nor unsufficier	unsufficient focus	so far ignored
<i>In 2015, the government deficit will...</i>	respect the 3% limit no	be in balance no			