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▶▶ Newsletter Turkey July 2014

Dear Reader,

Please find below our latest newsletter covering economic and political developments in Turkey.

We wish you and your family a happy Ramadan Feast.

We welcome your feedback on this newsletter or any aspect of the services we offer.

Please email your thoughts and comments to: info@fmconsulting.info.

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Best regards,
FMConsulting Team

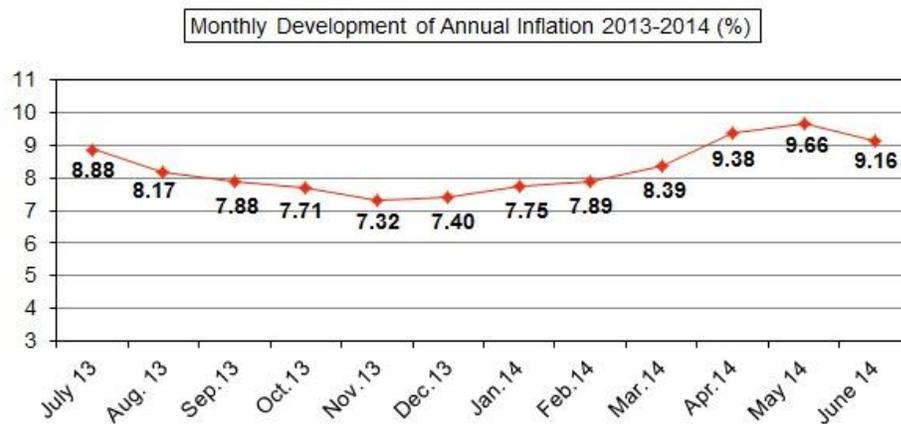
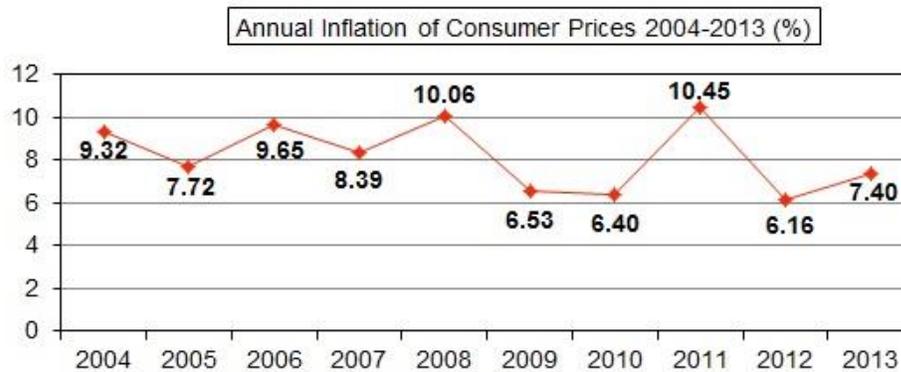
▶▶ Economy

Overview of Monthly Data

TL-Rates	30.05.2014	30.06.2014	Change in %
TL per Euro	2.8522	2.9032	1.79
TL per USD	2.0954	2.1264	1.48

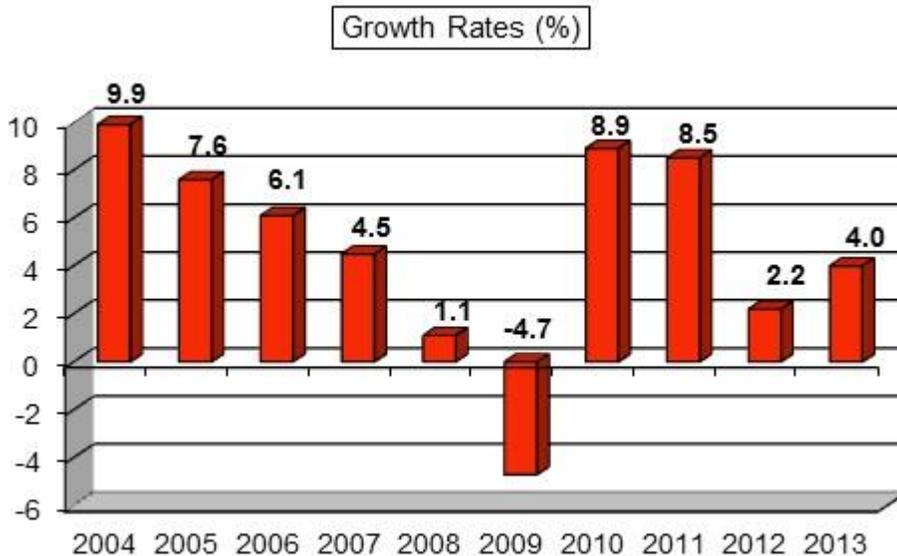
Stock exchange index	79,289.80	78,489.00	-1.01
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Inflation in %	Monthly inflation	Annual inflation
Producer prices	0.06	9.75
Consumer prices	0.31	9.16



Growth Rates

Economic Growth Rates (%)					
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2004	13.9	15.7	8.0	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	8.1	4.1	3.3	3.6	4.5
2008	6.7	1.9	0.5	-6.2	1.1
2009	-14.5	-7.7	-2.9	6.0	-4.7
2010	12.2	10.2	5.3	9.2	9.0
2011	11.6	8.8	8.2	5.2	8.5
2012	3.4	3.0	1.6	1.4	2.2
2013	2.9	4.5	4.3	4.4	4.0
2014	4.3				



Turkey is top market among emerging countries

Since the beginning of 2014, global investors have tended towards the stock markets of emerging countries, which have become cheaper due the sharp falls in 2013. Turkey had been the market most affected by these negative developments of last year. Since the beginning of this year, the MSCI Emerging Markets Index has gained 3% in value, with Turkey witnessing the highest increase of 21.6%.

Turkey's GDP growth in Q1 beats expectations: 4.3%

Turkey's GDP has grown 4.3% in the first quarter of 2014, well above expectations. The Turkish economy continued its expansion for the 18th consecutive quarter, as figures from the Turkish Statistics Institute (TurkStat) showed. The GDP by production approach amounted to USD 184 billion at current prices. Increased exports and public spending were the main drivers of the growth. Annual GDP growth was 4% for 2013, and the authorities foresee the same figure for 2014. After the release of GDP data for Q1-2014, the World Bank upgraded the country's growth rate forecast to 3.5% from 2.4%, underlining Turkey's high exports and sustained public demand.

June 10 & 23, 2014

USD 12.9 billion direct investment to Turkey

Turkey attracted USD 12.9 billion in direct investments in 2013, whereas the total global foreign direct investments amounted to USD 1.45 trillion, according to the World Investment Report of the United Nations Conference on Trade and Development (UNCTAD). The report also reveals that, looking at the FDI inflow figures, Turkey ranked 22nd globally and 11th among developing countries. The countries investing most in Turkey were Germany, the Netherlands, and Russia.

June 25, 2014

Exports in May: USD 13.75 billion

Turkey's exports in May 2014 amounted to USD 13.75 billion with an increase of 3.6% compared to the same period of last year, according to data released by TurkStat. At the same time, imports decreased by 10.3% to USD 20.85 billion. As a result, the foreign trade deficit contracted to USD 7.1 billion whereas the import coverage ratio was realized as 65.9%.

June 30, 2014

Politics

Turkish truck drivers kidnapped by ISIL in Iraq are freed

32 truck drivers held by Islamist militants in Iraq have been released. They had been seized on June 9 by Jihadist militants from the group Islamic State in Iraq and the Levant (ISIL) in the northern Iraqi city of Mosul. Turkey's Foreign Minister Ahmet Davutoglu said the truck drivers were handed over to Turkish officials after 23 days of extensive efforts, adding that his staff will continue working night and day for the release of 49 more people kidnapped from the Turkish consulate in Mosul.

June 4, 2014

Sledgehammer coup plot convicts released

All 237 convicts of the Sledgehammer (Balyoz) coup case were released after Turkey's Constitutional Court unanimously decided that their rights had been violated during the trial. The convicts, among whom there are Nationalist Movement Party (MHP) deputy and former lieutenant general Engin Alan and other retired and active military officers, will be subject to retrial. Operation Sledgehammer is the name of an alleged secularist military coup plan against the ruling Justice and Development Party (AKP).

June 20, 2014

NATO assures defence and protection for Turkey

In a press conference at the end of the Meeting of NATO Ministers of Foreign Affairs, NATO Secretary General Anders Fogh Rasmussen stated that Turkish officials have good reasons to bring up the Iraq issue as they have serious concerns about the situation close to their borders. He also underlined the solidarity between NATO allies and added that they focus on supplying effective defence and protection to all of their allies, including Turkey.

June 26, 2014

Other topics

Work Permits and Social Security Declarations of Part-time Foreigners in Turkey

Financial advisors underline the importance of compliance of the monthly social security declarations with the work agreement presented while applying for the work permit. If the work agreement states a full-time job, while the number of monthly working days reported to the social security institution is less than 30, this may result in a fine for the employer. If a foreign employee is to be employed part-time by different employers, then each employer has to separately obtain a work permit for the same employee, warn the financial advisors, adding that otherwise, the companies may face a fine from the Social Security Institution.

March 20, 2014

Construction of Istanbul's 3rd airport begun

Turkish Prime Minister Recep Tayyip Erdogan has laid the foundation stone for Istanbul's third airport, which is supposed be the biggest in the world once completed. The multi-billion dollar project, the first stage of which is expected to be completed in 2017, is scheduled to handle 150 million passengers annually after becoming fully operational in 2018. The airport is being built over an area of 3,500 hectares.

June 8, 2014

TUSIAD elects new chairman

Haluk Dincer has been elected the new chairman of Turkey's leading business association TUSIAD after his predecessor resigned from the post in a surprise move last week. Dincer, former vice-chairman, is the president of the retail and insurance group of Sabancı Holding, one of the two largest conglomerates of the country. The previous chairman of the association, Muharrem Yilmaz, announced his resignation on June 4 "to protect the association's reputation" after tensions between his dairy products company and its workers had peaked.

June 11, 2014

First Atak helicopters delivered to the Turkish Armed Forces

The first 3 of 59 helicopters which are to be produced under the Atak Helicopter Project have been delivered to the Turkish Armed Forces (TSK). During his speech at the handing-over ceremony, PM Erdogan said that with this project Turkey has become a country that produces and sells helicopters rather than a country buying its helicopters from abroad. T129 ATAK is a new generation, tandem two-seat, twin-engine helicopter specifically designed for attack and reconnaissance purposes. It is co-designed and co-produced by Turkish Aerospace Industries, Inc. (TAI) and Anglo-Italian AgustaWestland NV.

June 11, 2014

Tax letters to be mailed with a new content

The warning letters addressing tax payers concerning their tax debts will be mailed again. The mailing of such letters was halted at the direction of Finance Minister Mehmet Simsek due to complaints from tax payers. The officials have analysed the Netherlands model and changed the content of the letter. The new letters will include not only a warning, but also information on how to find out about the tax debt as well as the methods and means to pay the debt, and will not include irritating expressions.

June 30, 2014

About us

FOREIGN MARKET CONSULTING Ltd. Sti. is a German-Turkish consulting company. We specialize in providing competent consultancy services for foreign companies towards opening up to Turkish market, lastingly consolidating the market position and concluding strategic alliances between foreign and Turkish companies. If you need further information, please do not hesitate to contact Mr. Peter Heidinger.

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