



F M C O N S U L T I N G

▶▶ Newsletter Turkey October 2015

Please find below our latest newsletter covering economic and political developments in Turkey. Do not hesitate to forward our newsletter to interested persons.

Best regards,

FMConsulting Team

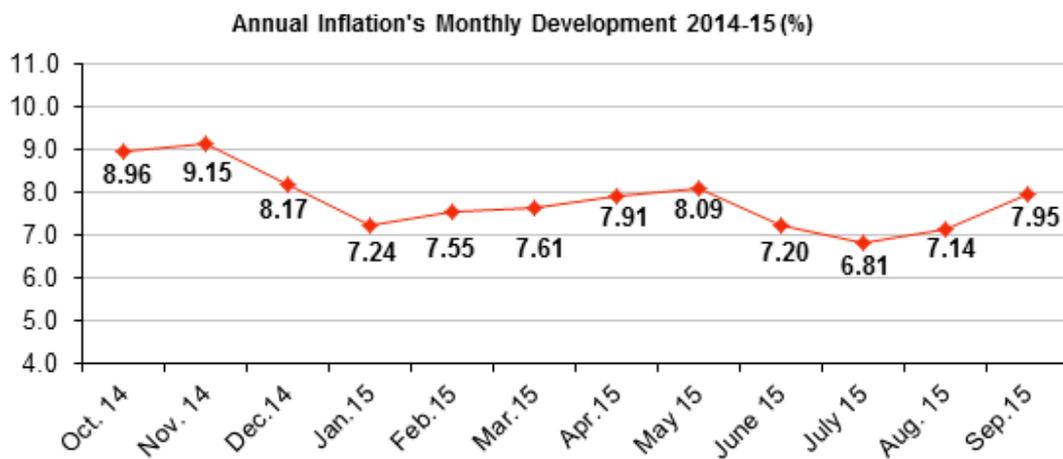
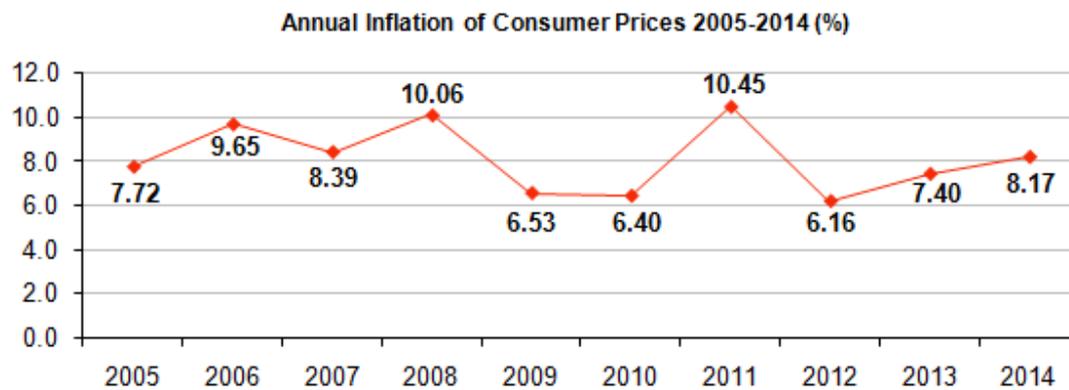
newsletter@fmconsulting.com

▶▶ Economy

Overview of Monthly Data

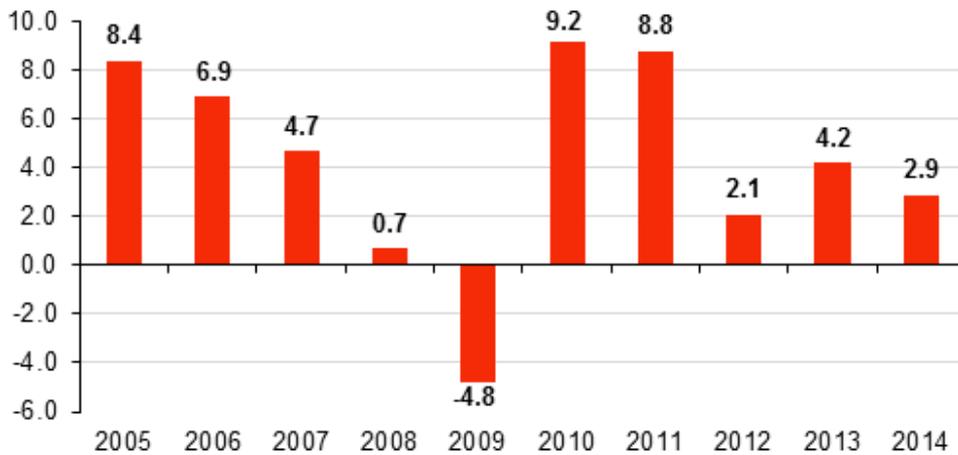
TL-Rates	31.08.2015	30.09.2015	Change in %
TL per Euro	3.2775	3.4002	3.74
TL per USD	2.9231	3.0306	3.68
Stock exchange index	75,210.40	74,205.47	-1.34

Inflation in %	Monthly inflation	Annual inflation
Producer prices	1.53	6.92
Consumer prices	0.89	7.95



Growth Rates

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2005	8.5	7.7	7.6	9.8	8.4
2006	5.9	9.7	6.3	5.7	6.9
2007	8.1	3.8	3.2	4.2	4.7
2008	7.0	2.6	0.9	-7.0	0.7
2009	-14.7	-7.8	-2.8	5.9	-4.8
2010	12.6	10.4	5.3	9.3	9.2
2011	12.4	9.3	8.7	5.3	8.8
2012	3.1	2.7	1.5	1.3	2.1
2013	3.1	4.7	4.3	4.6	4.2
2014	5.1	2.4	1.8	2.7	2.9
2015	2.5	3.8			



Inflation rate on the rise

Turkey's annual CPI climbed to 7.95% in September from 7% in August, according to data released by the Turkish Statistical Institute (TurkStat). In September, consumer prices increased slightly above expectations by 0.89% over the previous month. The highest monthly increase was 1.93% for transportation and miscellaneous goods and services, followed by food and non-alcoholic beverages with a 1.24% increase, and furnishings and household equipment with a 1.16% increase. The only monthly decrease was observed in clothing and footwear (2.76%).

October 5, 2015

Unemployment rate in Turkey increased to 9.8% in July

After four months of downward move, the unemployment rate in Turkey increased both in June and July, to 9.6% and to 9.8%, respectively. In July, 2.70 million people aged 15 and older were out of work, 103,000 more compared to the same month previous year, while the employment rate was 47.2%. The youth unemployment rate in the 15-24 age group amounted to 18.3% with a 0.1% increase. The labour force participation rate stood at 52.4%. Of those with employment in this period, 51.1% were employed in services, 22.0% in agriculture, 19.5% in industry, and 7.4% in construction.

October 15, 2015

Exports and imports both decrease in August

In August, Turkey's exports and imports fell by 2.8% and 18.2%, respectively, compared to the same month previous year. According to the provisional data, produced with the cooperation of TurkStat and the Ministry of Customs and Trade, exports fell to USD 11.65 billion and imports fell to USD 15.95 billion. Total exports in the first 8 months of the year decreased by 8.7% compared to the same period of 2014. In August, the foreign trade deficit decreased by 39.8% to USD 4.886 billion, and the exports/imports coverage ratio was 69.5%. Exports to the European Union (EU-28) decreased by 3.4%. The top 4 receiving countries of Turkish exports – Germany, the UK, Iraq, and the USA – as well as the top 4 countries Turkey imported from – China, Germany, Russia, and Italy – remained unchanged in August.

September 30, 2015

Politics

Eighteen Turkish workers kidnapped in Baghdad have been released

On September 2nd, 18 Turkish workers were seized by masked gunmen in military uniforms from the construction site of the sports stadium they were building in the Sadr City area of north Baghdad. There was no immediate claim of responsibility, and Turkish Deputy Prime Minister Numan Kurtulmus underlined that investigators in both countries were cooperating. Two weeks after the kidnapping, two of the workers were released in the city of Basra. The remaining 16 hostages were freed after 28 days of captivity and returned home. The hostages were employees of Nuro Insaat, one of the major Turkish construction firms

September 2-30, 2015

Over 100 killed in attack in Turkish capital

102 people were killed and more than 400 injured in twin suicide blasts outside Ankara's Central Railway Station. The attack targeted the participants of a "Labour, Peace and Democracy" rally organised by the Confederation of Progressive Trade Unions of Turkey (DİSK), the Union of Chambers of Turkish Engineers and Architects (TMMOB), the Peoples' Democratic Party (HDP), the Turkish Medical Association (TTB), and the Confederation of Public Workers' Unions (KESK). While no group immediately claimed responsibility, there are strong indications that the massacre was carried out by jihadist terrorists. The Minister of Interior Affairs dismissed the chief of the Ankara police and two other officials due to apparent security flaws. The bombing was the deadliest of its kind in Turkey's modern history

October 10 - 14, 2015

Merkel visits in Istanbul

German Chancellor Angela Merkel travelled to Turkey for talks with Turkish President Erdogan and Prime Minister Davutoglu on security issues, refugees, and the conflict in Syria. Merkel asked for Turkey's help in stopping the flow of refugees fleeing from the war in Syria and Afghanistan to Europe. She offered to help accelerate visa-free travel for Turkish citizens to the EU, and pledged to push forward Ankara's EU membership talks. Turkey hosts more than 2 million refugees, 300,000 of which were accommodated in refugee camps in southern Turkey. The chancellor said that Turkey, Germany and other European countries should work together to prevent illegal migration to Europe, adding that Europe will allow regular and controlled migration to its territory and is ready to support Turkey. Davutoglu stated that the cost of the refugee crisis to Turkey has been more than USD 7.5 billion so far. In return for Turkey's efforts to decrease the numbers of refugees entering the European Union, EU leaders have pledged EUR 3 billion in aid for Turkey.

October 19, 2015

Other topics

Total sells its retail network assets in Turkey to Demiroren Group

French oil corporation Total has signed an agreement to sell its service station network and commercial assets in Turkey to Turkish Demiroren Group for EUR 325 million. Philippe Boisseau, Total's President of Marketing & Services, said "We concluded that it would be difficult to attain a large enough retail market share to achieve the level of profitability expected for our operations worldwide." Total will maintain its lubricant activities, including a blending plant, and odourless LPG operations. Total Oil Turkey is the fifth-largest oil distributor in the country while Demiroren's M Oil is 10th with a 1.6% share. With completion of the transaction, the number of M Oil stations will increase to 876. Demiroren is one of Turkey's largest business groups, having expanded rapidly over the last 60 years in a variety of fields

September 2, 2015

Turkish automobile market has grown by 47%

In the first eight months of the year, passenger cars and light commercial vehicles sales in Turkey increased by 47% compared to the same period previous year. Sales amounted to 598,963 units, 453,817 of which were passenger cars, and 145,146 light commercial vehicles, according to data provided by the Automotive Distributors' Association of Turkey (ODD). By the end of August, the

total number of road motor vehicles registered in Turkey reached 19,641,814, of which passenger cars had a share of 52.8%, followed by small trucks (16.3%), motorcycles (14.8%), tractors (8.5%), trucks (4.1%), minibuses (2.2%), buses (1.1%), and special-purpose vehicles (0.2%).

September 4 – October 12, 2015

Turkey's first solar energy site ready for allocation

An important phase of the so-called "solar energy field" project has been completed after 4 years of work. One of the two solar energy sites in Turkey is now ready to be allocated. The Ministry of Energy and Natural Resources has announced in the Official Gazette that it reserved an area of 2,700 hectares as Renewable Resource Area, the capacity of which is 1,300 megawatts (MW). The Ministry of Industry has started working on a second area with a capacity of 3,000 MW. An investment of USD 5 billion is to be made for these two areas to reach their full capacities

September 14, 2015

More logistics villages in Turkey

Turkey's "Logistics Villages" project, which aims making the country a logistics hub in the region, has gained pace recently. Within the scope of the project that was initiated 10 years ago, 7 such villages in the provinces of Balıkesir, Denizli, İstanbul, Kocaeli, Samsun, Usak, and Eskisehir are already active, and another 6 villages are being constructed in Bilecik, Erzurum, Mardin, K.Maras, Mersin, and Izmir, that are expected to be active by the end of 2016.

September 14, 2015

Turkey brings local competition to card payment systems

The InterBank Card Centre (BKM) of Turkey has announced the launch of a local electronic card payment clearing system named TROY, which will be operational from April 1, 2016. TROY will be the first and only local competitor to Visa, Mastercard, Maestro, and Cirrus. TROY stands for "TuRkiye'nin Odeme Yöntemi" in Turkish which means Turkey's Payment Method. "The Turkish banking sector has the power of creating a new payment method with the level it has reached," Mr. Soner Canko, chairman of the Istanbul-based BKM, said

October 1, 2015

DNA scientist Sancar becomes first Turkish scientist to win a Nobel Prize

Turkish-American geneticist Aziz Sancar, together with his Swedish colleague Tomas Lindahl and their U.S. colleague Paul Modrich, have won the Nobel Prize in chemistry for their work on mapping how cells repair damaged DNA. The Royal Swedish Academy of Sciences awarded 8

million Swedish crowns (USD 969,000) for the work which can be used for the development of new cancer treatments. Born in the Savur district of the southeastern province of Mardin in 1946, Mr. Sancar has been working at North Carolina University since 1997. He was elected to the National Academy of Sciences in 2005 and to the Turkish Academy of Sciences in 2006. Sancar, who also received the Vehbi Koc Award in 2007, is the author of around 300 scientific papers.

October 8, 2015

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FOREIGN MARKET CONSULTING Ltd. Sti. is a German-Turkish consulting company located in Istanbul. Our wide range of services gives our clients the option of having a single local service partner in Turkey. If you need further information, please do not hesitate to contact Mr. Peter Heidinger.

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▶▶ Contact

FOREIGN MARKET CONSULTING Ltd. Sti.

Peter J. Heidinger

Partner, CEO

Buyukdere Mahallesi Cayirbasi Cad.

Dede Yusuf Sok. No: 11

TR-34453 Sariyer - Istanbul

Tel: +90-212-3638 052

Fax: +90-212-3638 056

www.fmconsulting.com

info@fmconsulting.com

Contact

English: +90-212-3638 055

German: +90-212-3638 052

Turkish: +90-212-3638 050