

**POSITIVE EXPECTATIONS FOR THE NEXT PERIOD REVIVE TEPE**

A. TEPE that had been decreasing since February 2011 moved upwards and reached 3.2 in May 2011. The index therefore showed an 1.1 points of month-on-month and 10.9 points of year-on-year increase.

Figure-1. TEPE (May 2010 – May 2011)

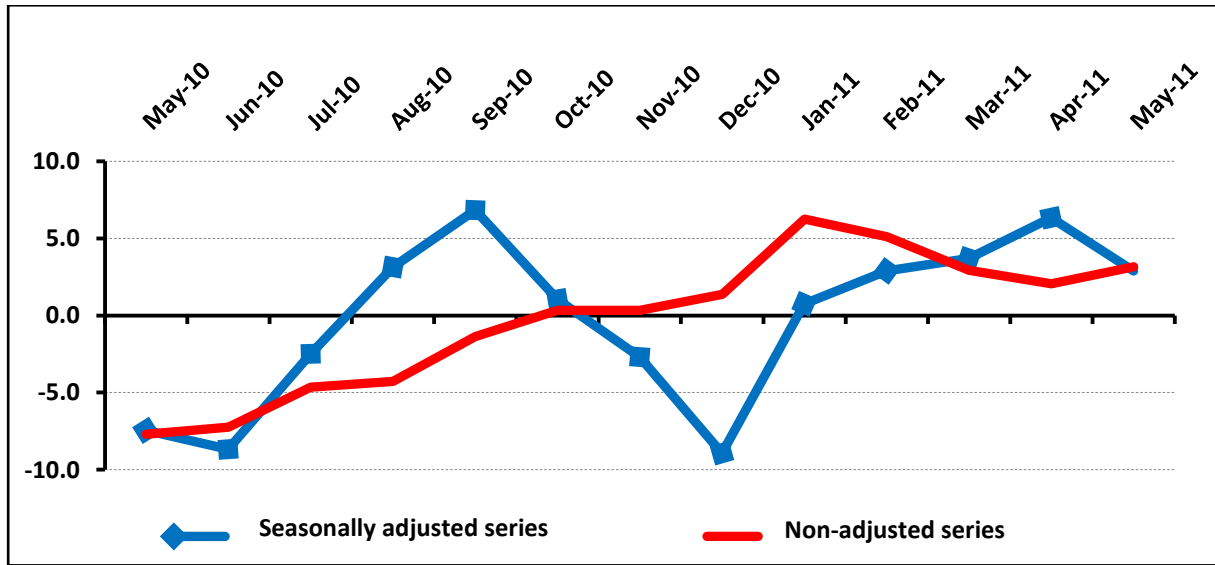


Table-1. TEPE (Seasonally adjusted series)

%	January	February	March	April	May	June	July	August	September	October	November	December
2008	---	---	---	---	-21.6	-23.3	-23.0	-17.4	-18.5	-20.7	-22.8	-19.8
2009	-21.0	-21.1	-17.5	-15.2	-11.7	-8.7	-9.6	-13.5	-13.3	-10.7	-6.6	-8.6
2010	-10.2	-6.9	-6.2	-5.6	-7.7	-7.2	-4.6	-4.3	-1.4	0.3	0.3	1.4
2011	6.3	5.1	2.9	2.1	3.2							

B. In May 2011, the equilibrium value of the expectations for the next three years stood at 16.9. 45.7 percent of the TEPE survey participants expected an increase in business activities in the next three month while 29.3 percent expected a deterioration in business activities in May 2011. This implies a 19.6 percent improvement compared to May 2010 and a 3.3 percent improvement compared to April 2011.

Figure-2. TEPE – Expectations for the next three months (%increase-%decrease)

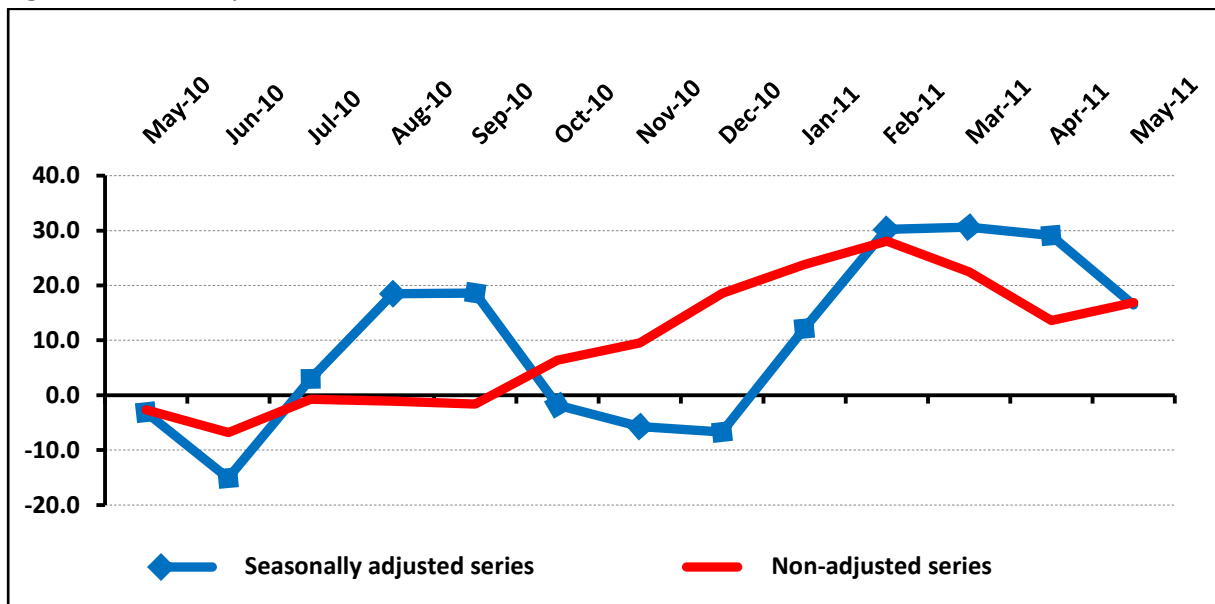


Table-2. TEPE – Expectations for the next three months (%increase-%decrease) (Seasonally adjusted series)

%	January	February	March	April	May	June	July	August	September	October	November	December
2008	---	---	---	---	-25.9	-30.7	-25.3	-14.6	-19.3	-23.3	-28.7	-27.9
2009	-28.4	-29.7	-32.1	-16.9	-11.5	0.8	-7.0	-13.8	-5.1	-5.5	0.3	-6.0
2010	-7.1	-6.6	4.9	2.2	-2.7	-6.8	-0.8	-1.1	-1.6	6.4	9.6	18.6
2011	23.8	28.1	22.5	13.6	16.9							

C. The difference between the participants who declared a year-on-year improvement in business activities and who declared a year-on-year deterioration in business activities increased by 7.8 points compared to May 2010 and decreased by 8.4 points compared to April 2011, respectively.

Figure-3. TEPE – Year-on-year change in business activities (%increase- %decrease)

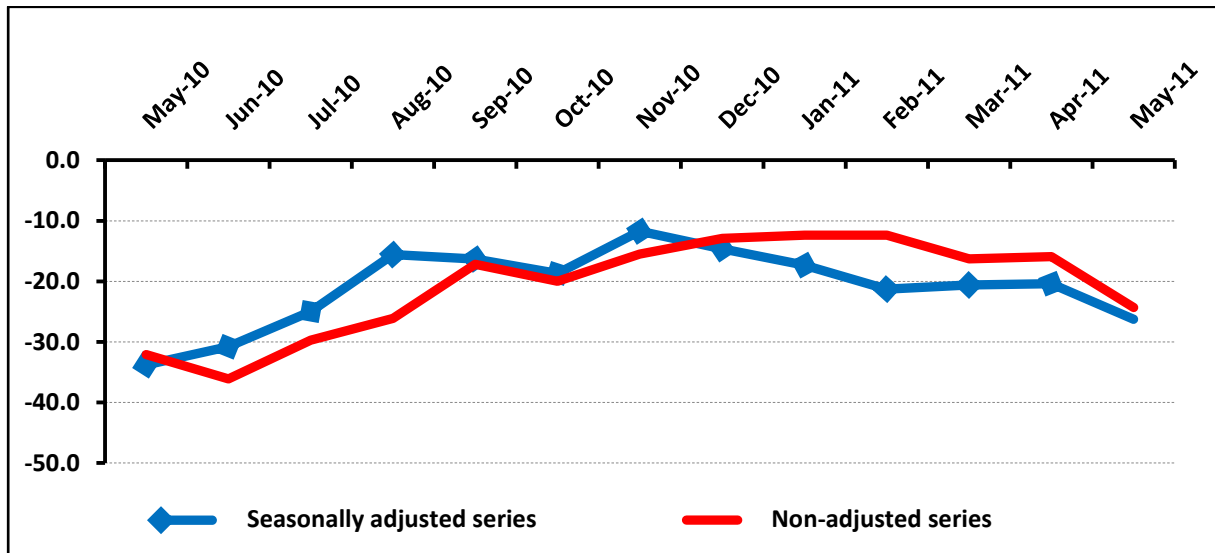


Table-3. TEPE – Year-on-year change in business activities (%increase- %decrease)  
(Seasonally adjusted series)

%	January	February	March	April	May	June	July	August	September	October	November	December
2008	---	---	---	---	-58.7	-66.2	-66.2	-58.3	-56.5	-58.5	-66.2	-66.1
2009	-68.1	-64.0	-60.3	-61.8	-55.3	-40.9	-44.4	-53.1	-61.0	-53.4	-47.2	-47.0
2010	-42.6	-44.0	-40.8	-36.9	-32.1	-36.1	-29.7	-26.1	-17.2	-20.0	-15.5	-12.9
2011	-12.4	-12.4	-16.3	-15.9	-24.3							

D. In May 2011, EU-27 Retail Index stood at -2.7 percent indicating a month-on-month increase of 0.8 points and a year-on-year increase at 1.4 points. EU-27 Retail Index, which remained below the TEPE in the first four months of 2011, maintained this trend with a negative value in May 2011.

Figure-4. Comparison of TEPE and EU-27 Retail Index (May 2010 – May 2011)

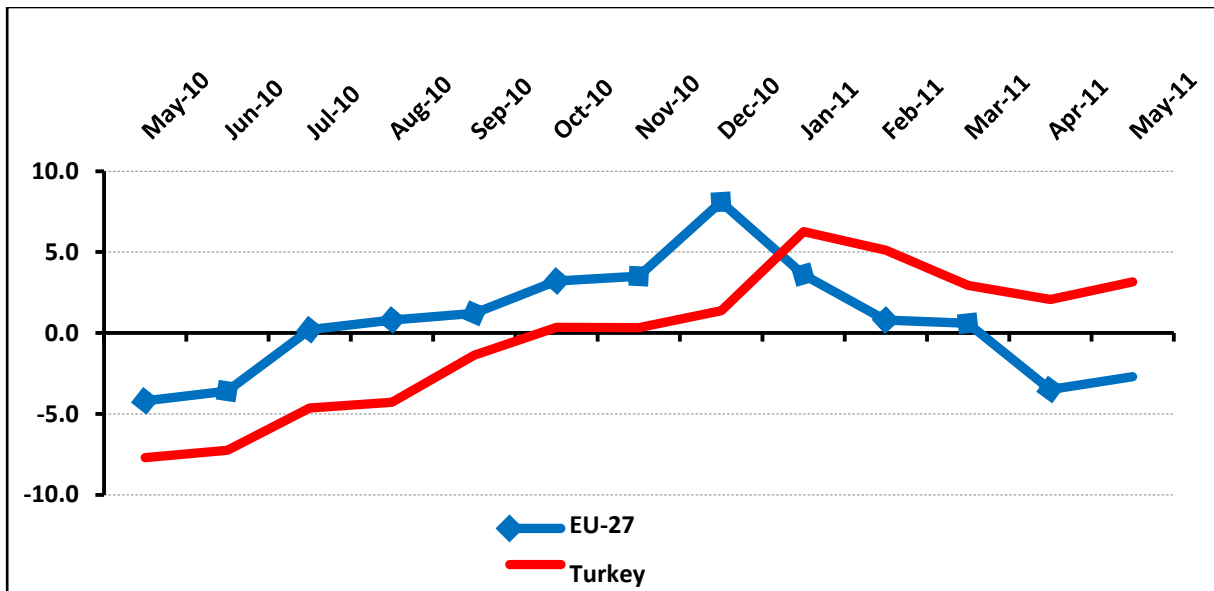
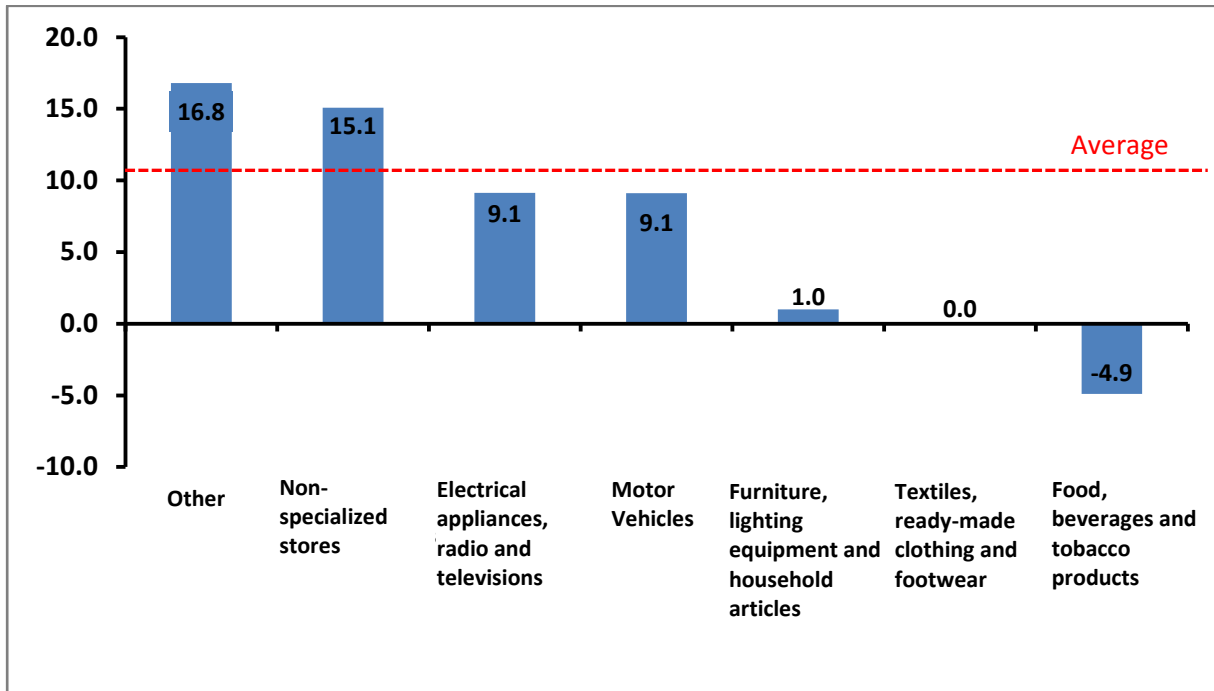


Table-4. EU-27 (Seasonally adjusted series)

%	January	February	March	April	May	June	July	August	September	October	November	December
2008	-0.9	-0.1	0.9	-6.1	-4.5	-7.2	-13.4	-14.0	-15.2	-20.0	-20.7	-27.4
2009	-27.3	-25.7	-23.4	-23.5	-16.1	-15.4	-13.4	-10.9	-7.9	-8.7	-4.5	-3.5
2010	-3.7	-3.8	-5.2	0.5	-4.2	-3.6	0.2	0.8	1.2	3.2	3.5	8.1
2011	3.6	0.8	0.6	-3.5	-2.7							

E. Analysis of the performance of sub-sectors reveals that compared to May 2010, non-specialized stores sector and the others sector performed most successfully. Electrical appliances, radio and television sector and the motor vehicles sector performed below the average while furniture and lighting equipment n.e.c. and textiles, readymade clothing and footwear sectors demonstrated a highly weak performance compared to the average, standing at values close to the next year. On the other hand, food, beverages and tobacco products sector had a performance weaker than that in May 2010.

Figure-5. Year-on-year change in TEPE, May 2011 (points)  
(Seasonally adjusted series)



F. Detailed results of the TEPE survey questions reveal a strong year-on-year improvement in the business activities compared to the last three months, sales and orders placed with suppliers over the next three months and expectations for employment. On the other hand, expectations for the sales, sales prices, number of stores and orders placed with the suppliers over the next three months and the business activities compared to the same period in the last year deteriorated compared to April 2011.

**Table-5.** Detailed results by TEPE questions (%)(Seasonally adjusted series)

Questions	Index 05/2010	Index 04/2011	Index 05/2011	Month-on- month change 05/2011	Year-on-year change 05/2011
How has your business activity developed over the past three months? It has...	-36,5	-20,4	<b>-20,0</b>	0,4	16,5
Do you consider the volume of inventories you currently hold to be...? <sup>1</sup>	18,5	13,3	<b>16,5</b>	3,2	-2,0
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	-9,4	9,6	<b>7,0</b>	-2,6	16,4
How do you expect your business activity (sales) to change over the next 3 months? It will...	-2,7	13,6	<b>16,9</b>	3,3	19,6
How do you expect your firm's total employment to change over the next 3 months? It will...	-3,8	8,5	<b>12,4</b>	3,9	16,2
How do you expect the prices you charge to change over the next 3 months? They will...	-1,7	13,1	<b>9,6</b>	-3,5	11,2
How has your business activity developed this year compared to the same period in the last year? It has...	-32,1	-15,9	<b>-24,3</b>	-8,4	7,8
Do you expect an increase in the number of your stores next year?	9,2	16,5	<b>8,4</b>	-8,2	-0,9

<sup>1</sup> Positive inventory level indicates that current level of inventory stands below the normal.  
The (-) values in Table-5 implies that negative expectations are more dominant than positive expectations.