

NEGATIVE TREND IN TEPE CONTINUES

TEPE which stood in the negatives in July, for the first time in the last ten months preserved the downwards trend in August. The chief reasons for TEPE decline was the deterioration of expectations for business activities in the next three months.

TEPE in the negatives in August:

TEPE which had been in the positives since September 2010 stood at -0.6 in July 2011. The fall in the index furthered and the index decreased to -4 in August 2011. This implies a month-on-month decline by 3.4 points and a year-on-year decline at 1.7 points.

Figure-1. TEPE (August 2010 – August 2011)

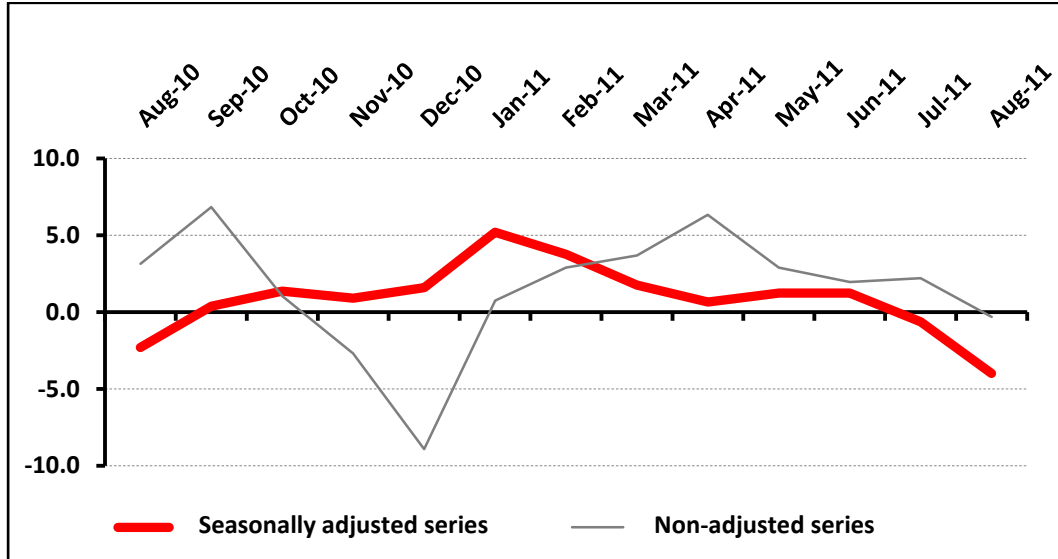


Table-1. TEPE (Seasonally Adjusted Series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-22,5	-23,7	-23,1	-18,1	-18,7	-20,3	-22,1	-19,5
2009	-20,2	-20,3	-17,5	-15,6	-12,6	-9,8	-10,1	-12,9	-12,5	-10,3	-6,6	-8,5
2010	-10,0	-7,1	-6,7	-6,2	-8,3	-8,1	-4,9	-2,3	0,4	1,4	0,9	1,6
2011	5,2	3,8	1,8	0,7	1,2	1,2	-0,6	-4,0				

Deterioration in expectations continues:

The balance value of the expectations for the next three months stood at 4.5 in August 2011. 42.5 percent of TEPE survey participants expect an improvement in their business activities in the next three months while 22.9 percent expect a deterioration. This implies a 3.8-point increase compared to August 2010 and a 5.7 point decrease compared to July 2011.

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

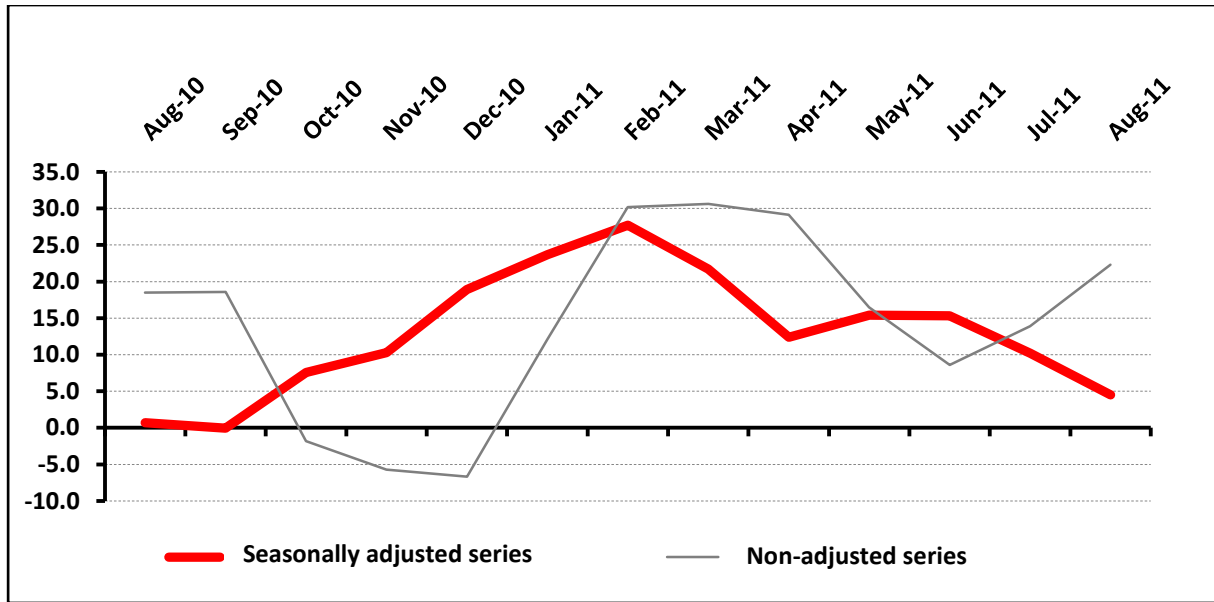


Table-2. TEPE – Expectations for the next three months (%increase-%decrease)
(Seasonally Adjusted Series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-27,4	-32,2	-25,3	-12,8	-17,7	-22,2	-28,0	-27,5
2009	-28,4	-30,1	-32,9	-18,1	-13,0	-0,8	-7,0	-12,0	-3,5	-4,3	1,1	-5,6
2010	-7,1	-7,0	4,1	1,0	-4,2	-8,4	-0,8	0,7	-0,1	7,6	10,3	18,9
2011	23,7	27,7	21,7	12,4	15,4	15,3	10,2	4,5				

Recovery perception of the market weakens:

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 1.1 points compared to August 2010 and decreased by 9.5 points compared to July 2011.

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

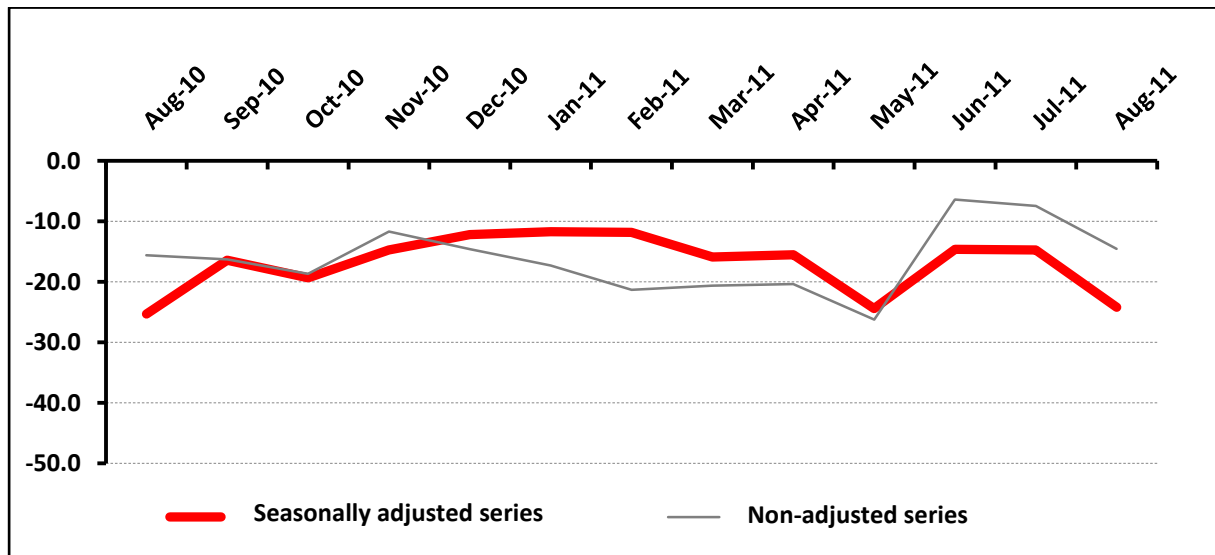


Table-3. TEPE – Year-on-year change in business activities (%increase- %decrease)
(Seasonally Adjusted Series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-58,3	-68,9	-68,7	-57,3	-55,6	-57,7	-65,7	-65,7
2009	-67,8	-63,7	-59,9	-61,6	-55,0	-43,5	-46,8	-52,2	-60,2	-52,7	-46,6	-46,5
2010	-42,1	-43,6	-40,5	-36,6	-32,0	-39,0	-32,2	-25,3	-16,4	-19,3	-14,7	-12,2
2011	-11,7	-11,8	-15,9	-15,5	-24,4	-14,6	-14,7	-24,2				

EU-27 Retail Index in the negatives for the last five months:

EU-27 Retail Confidence Index stood at -10.9 in August 2011 implying a 5.8-point month-on-month drop and a 11.7-point year-on-year drop. Standing below the TEPE since the beginning of 2011, EU-27 Retail Confidence Index had a negative value in August 2011, the fifth consecutive month in the negatives.

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

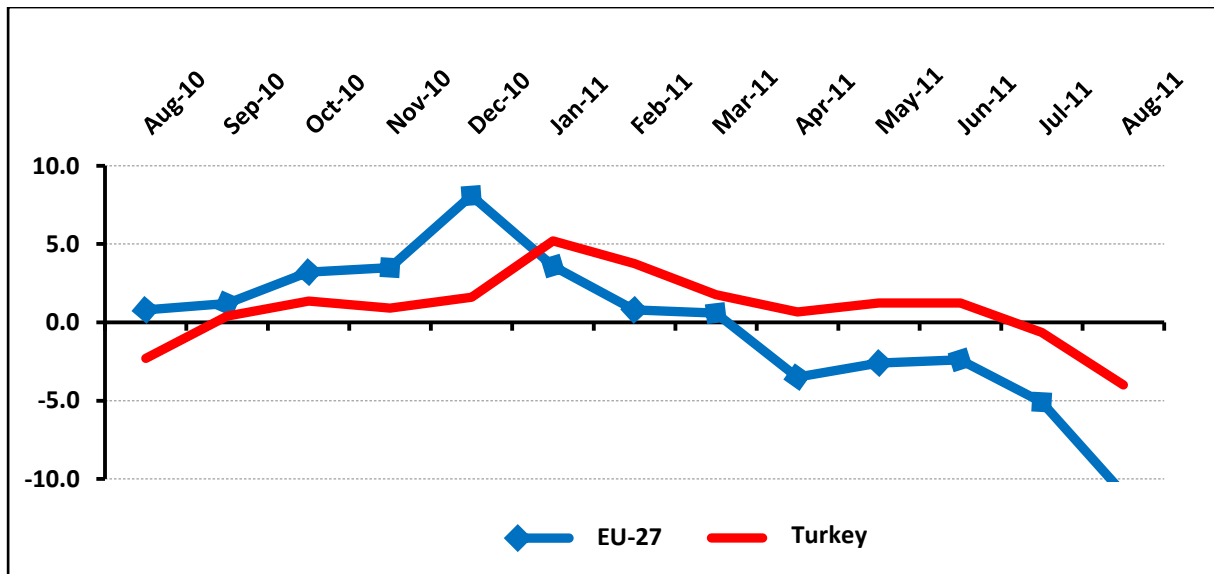


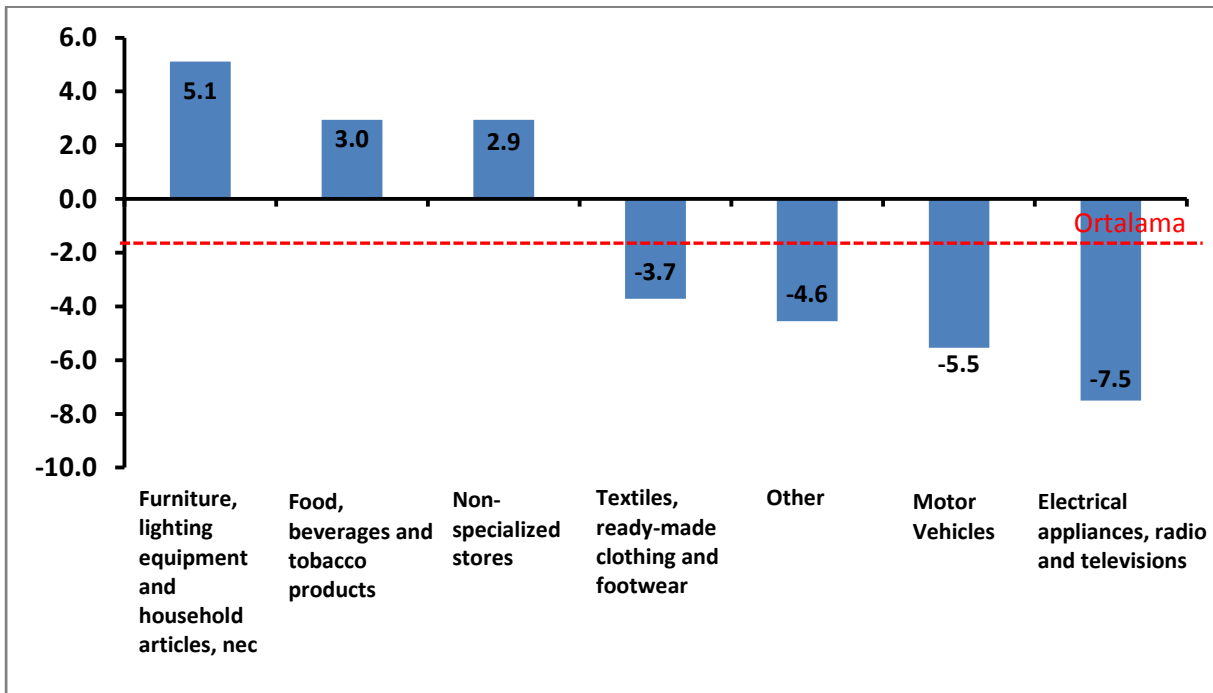
Table-4. EU-27 (Seasonally Adjusted Series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
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	-2,6	-2,4	-5,1	-10,9				

Furniture sector is the leader of the month:

Concerning sub-sectors, furniture and lighting equipment sectors demonstrated the best performance in August 2011 compared to the same period a year ago. This sector was followed by the food, beverages and tobacco products, and non-specialized stores sectors. Textiles, ready-made clothing and footwear sector, motor vehicles sector, electrical appliances, radio and television sector, and the “others” sector performed worse than the average, lagging behind the previous year. The weakest performer of August was the electrical appliances, radio and television sector.

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



Sales prices are expected to surge:

Question-based examination of TEPE survey reveals that compared to July 2011, expectations deteriorated for all factors except the expectations for the sales prices in the next three months as well as the number of stores in the next year. Level of inventory increased both month-on-month and year-on-year. Expectations for the sales prices in the next three months improved by 6.7 points compared to July 2011 and by 18.1 points compared to August 2010. Year-on-year recovery in business activities increased by 1.1 points.

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

Questions	Index 08/2010	Index 07/2011	Index 08/2011	Month-on- month Change 08/2011	Year-on- year Change 08/2011
How has your business activity developed over the past three months? It has...	-31,5	-27,6	-34,8	-7,2	-3,3
Do you consider the volume of inventories you currently hold to be...? ¹	21,4	14,5	10,6	-3,9	-10,8
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	-5,0	2,0	-3,5	-5,5	1,5
How do you expect your business activity (sales) to change over the next 3 months? It will...	0,7	10,2	4,5	-5,7	3,8
How do you expect your firm's total employment to change over the next 3 months? It will...	-1,6	6,8	6,1	-0,7	7,7
How do you expect the prices you charge to change over the next 3 months? They will...	1,5	12,9	19,6	6,7	18,1
How has your business activity developed this year compared to the same period in the last year? It has...	-25,3	-14,7	-24,2	-9,5	1,1
Do you expect an increase in the number of your stores next year?	14,9	7,9	10,1	2,2	-4,8

¹ Positive inventory level indicates that current level of inventory stands below the normal.
The (-) values in Table-4 implies that negative expectations are more dominant than positive expectations.

