

## RETAIL INDEX CONTINUES TO MOVE ALONG THE HORIZONTAL AXIS

TEPE which had been in the negatives in August and September reached to a positive by October. The index had a value similar to that achieved in October 2010. An improvement in sales volume and sales prices are expected in the next three months. The gap between TEPE and EU-27 Retail Index reached a new record-high.

### TEPE slightly above zero in October:

TEPE, which had stood in the negatives for the first time since October 2010 Eylül 2010 in August and September 2011, reached the positives with 0.2 in October. This implies a month-on-month increase by 1.1 points and a year-on-year decrease by 02. points.

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

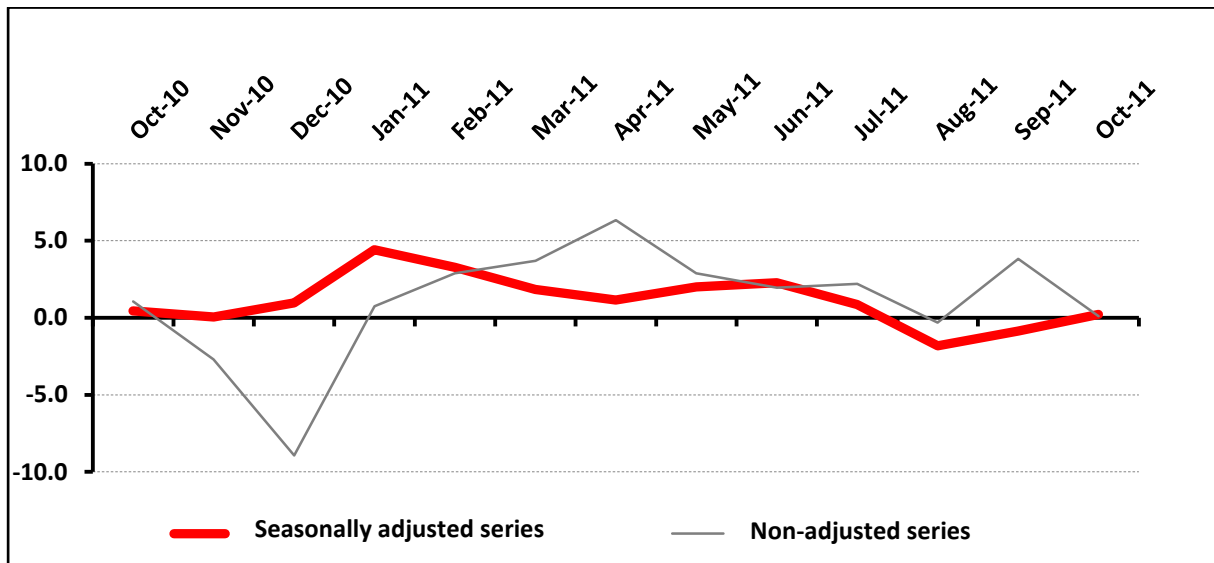


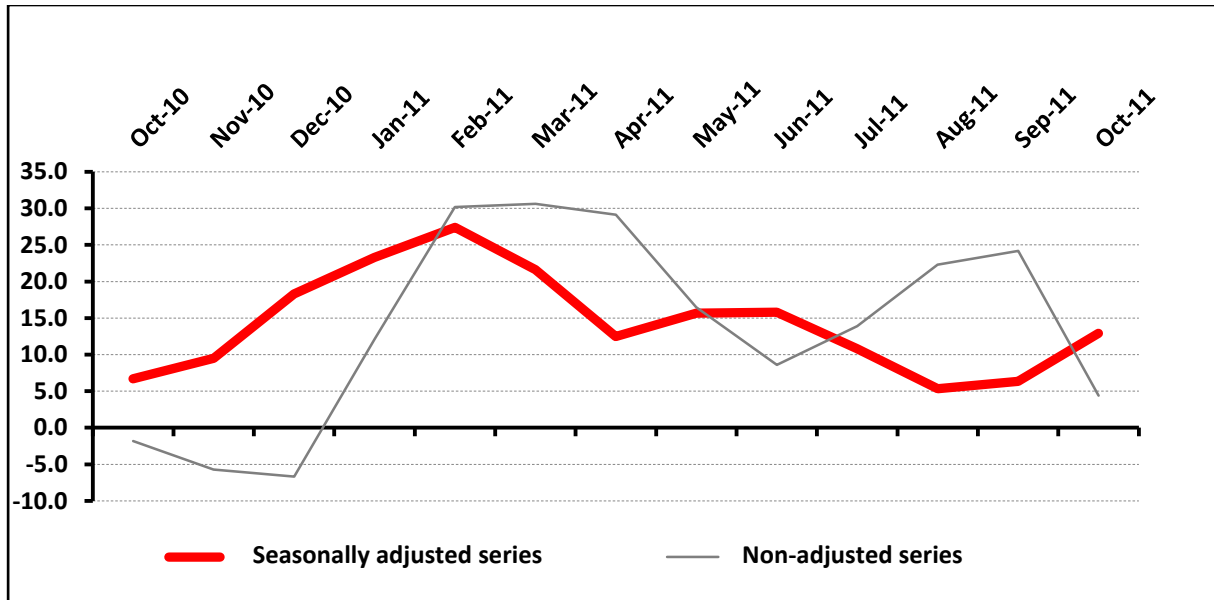
Table-1. TEPE (Seasonally Adjusted Series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-22.6	-23.7	-23.1	-18.5	-19.1	-20.4	-22.0	-19.4
2009	-19.8	-19.9	-17.3	-15.6	-12.6	-9.9	-10.2	-12.8	-12.6	-10.6	-7.0	-8.7
2010	-10.0	-7.1	-6.6	-6.0	-7.8	-7.5	-4.3	-1.5	0.0	0.4	0.1	1.0
2011	4.4	3.3	1.8	1.2	2.0	2.3	0.9	-1.8	-0.9	0.2		

### Expectations for the next three months increase:

The balance value of the expectations for the next three months stood at 12.9 in October 2011. 35.1 percent of TEPE survey participants expect an improvement in their business activities in the next three months while 30.7 percent expect a deterioration. This implies a 6.2-point increase compared to October 2010 and a 6.5 point increase compared to September 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	---	---	---	---	-27.1	-31.8	-24.7	-12.0	-16.9	-23.0	-28.8	-28.1
2009	-28.9	-30.4	-33.0	-18.0	-12.7	-0.3	-6.3	-11.2	-2.7	-5.2	0.3	-6.3
2010	-7.6	-7.3	4.0	1.1	-3.9	-7.9	1.1	1.5	0.8	6.7	9.5	18.3
2011	23.3	27.4	21.6	12.5	15.7	15.8	10.8	5.3	6.4	12.9		

### Recovery perception of markets 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 0.3 points compared to October 2010 and decreased by 5.8 points compared to September 2011.

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

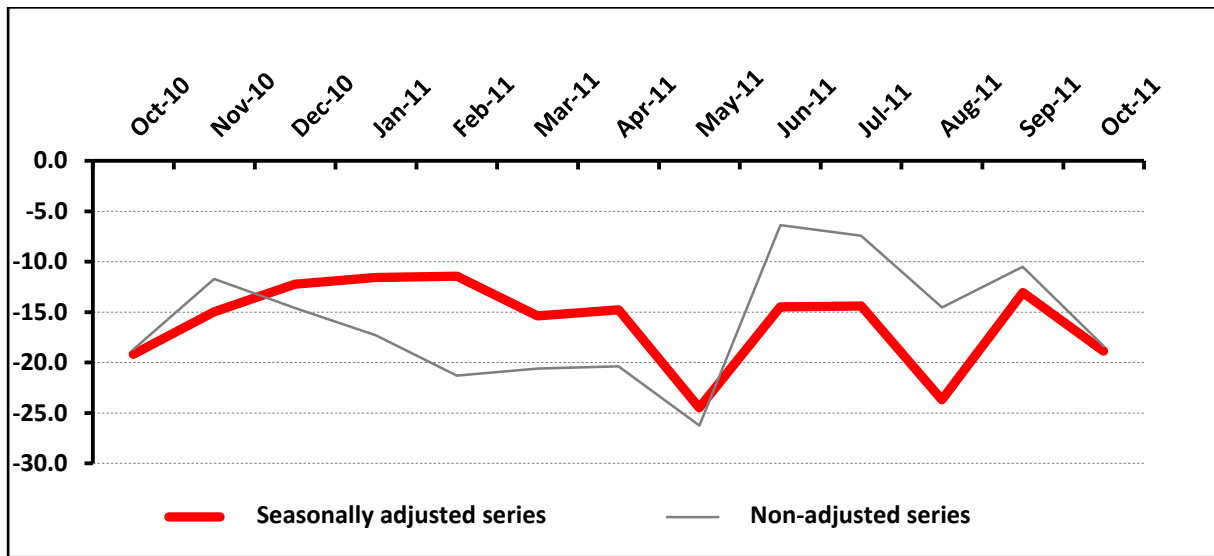


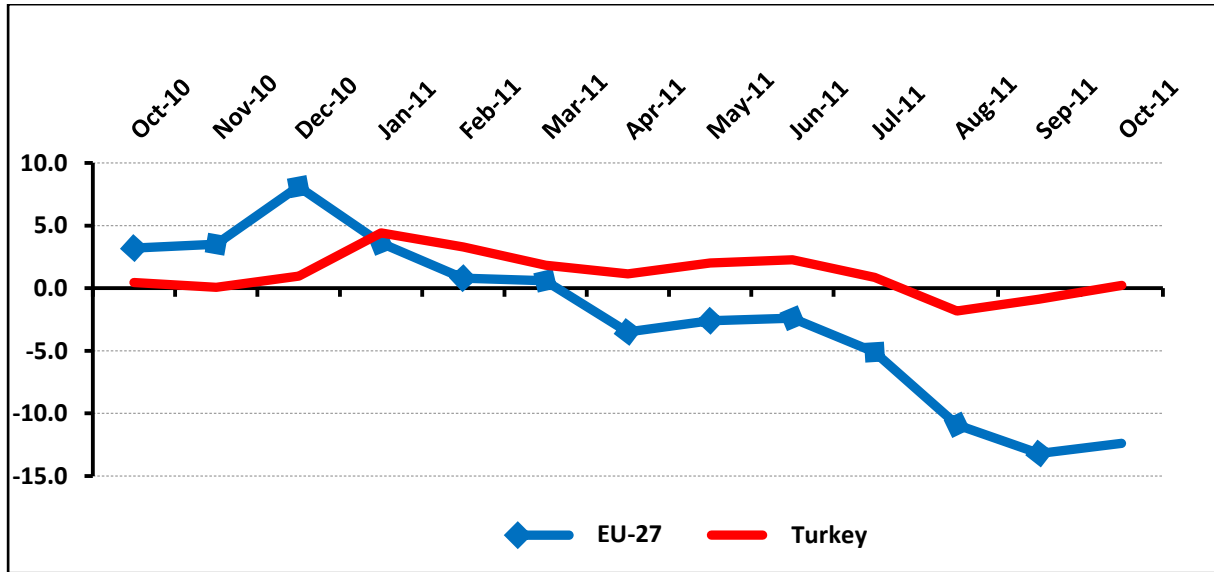
Table-3. TEPE – Year-on-year change in business activities (%increase- %decrease)  
(Seasonally Adjusted Series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-58.4	-68.8	-68.4	-56.8	-58.1	-57.6	-65.9	-65.7
2009	-67.6	-63.3	-59.4	-60.8	-55.1	-43.4	-46.6	-51.7	-62.6	-52.6	-46.8	-46.5
2010	-42.0	-43.2	-39.9	-35.8	-32.1	-38.9	-31.9	-24.8	-18.9	-19.2	-14.9	-12.2
2011	-11.6	-11.4	-15.4	-14.8	-24.5	-14.5	-14.4	-23.7	-13.1	-18.9		

### The gap between Turkey and the EU widens:

EU-27 Retail Confidence Index stood at -12.4 in October 2011, implying a 0.8-point month-on-month increase and a 15.6-point year-on-year decrease. This furthered the gap between TEPE and EU-27 Index to a record-high since May 2008, when the TEPE was first conducted.

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



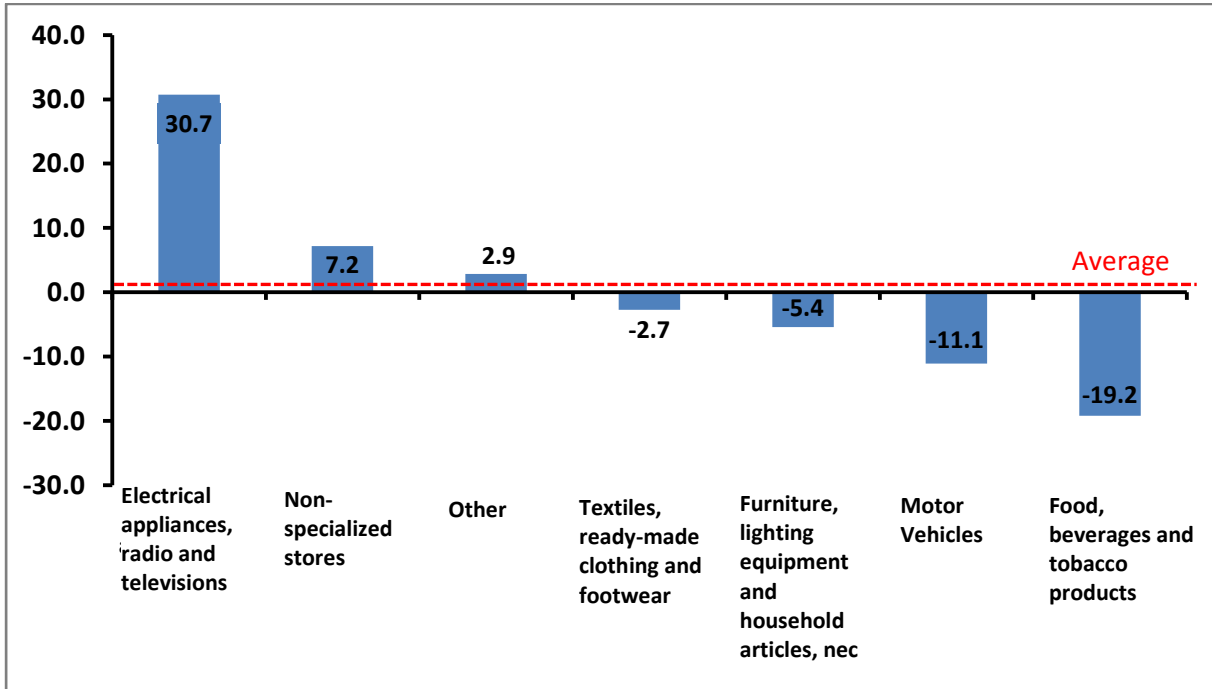
**Table-4.** AB-27 (Seasonally Adjusted Series)

%	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	-13.2	-12.4		

### Electrical appliances, radio and television sector leader in October:

Concerning sub-sectors, electrical appliances, radio and television sector demonstrated the best performance in October 2011 compared to the same period last year. This was followed by non-specialized stores and others sector. Textiles, ready-made clothing and footwear sector, furniture and lighting equipment sector, and motor vehicles could not catch the previous year's performance and stood below the sector averages. Food, beverages and tobacco products sector demonstrated the largest year-on-year decline in performance.

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



### Sales prices expected to increase in the next three months:

Question-based examination of TEPE survey results reveals that compared to October 2010, expectations for the sales volume and sales prices in the next three months and the current level of inventories increased. Employment expectations for the next three months decreased. Compared to September 2011, business activities compared to the past three months, expectations for the orders to be placed with suppliers in the next three months and the level of business activities compared to the previous year decreased. The expectation for a rise in sales prices in the next three months might have an effect on inflation.

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

Questions	Index 10/2010	Index 09/2011	Index 10/2011	Month-on- month Change 10/2011	Year-on-year Change 10/2011
How has your business activity developed over the past three months? It has...	-22.4	-26.6	<b>-28.1</b>	-1.5	-5.7
Do you consider the volume of inventories you currently hold to be...? <sup>1</sup>	17.2	10.3	<b>14.4</b>	4.1	-2.8
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	3.3	5.2	<b>-1.1</b>	-6.3	-4.4
How do you expect your business activity (sales) to change over the next 3 months? It will...	6.7	6.4	<b>12.9</b>	6.5	6.2
How do you expect your firm's total employment to change over the next 3 months? It will...	8.3	4.2	<b>4.5</b>	0.3	-3.8
How do you expect the prices you charge to change over the next 3 months? They will...	7.0	20.1	<b>26.8</b>	6.7	19.8
How has your business activity developed this year compared to the same period in the last year? It has...	-19.2	-13.1	<b>-18.9</b>	-5.8	0.3
Do you expect an increase in the number of your stores next year?	9.7	8.4	<b>9.8</b>	1.4	0.1

<sup>1</sup> 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.