

## NEGATIVE TREND IN TEPE CONTINUES

TEPE, which has been in the negatives since August 2011, stood in the negative zone also in November 2011. Expectations for the sales volume in the next three months remained constant while current business volume has deteriorated. Still, the gap between Turkey and the EU persists.

### TEPE in the negatives in November:

TEPE, which has been in the negatives since August 2011, did not break the trend in November 2011 and had the value -2.4. This implies a month-on-month and a year-on-year decrease by 1.3 points and 2.9 points, respectively.

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

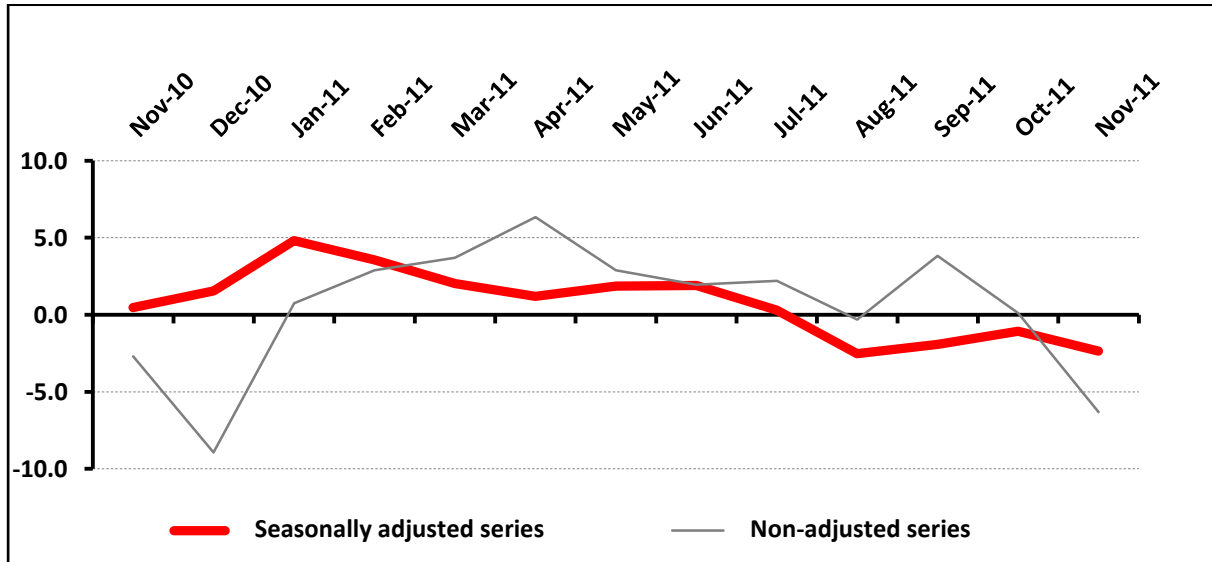


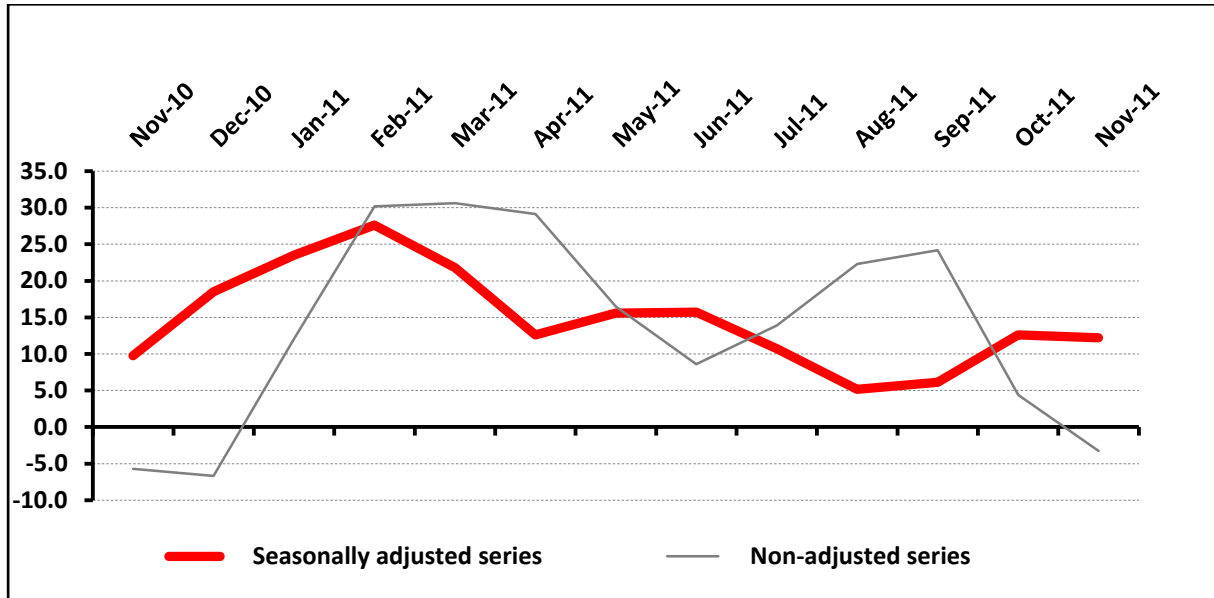
Table-1. TEPE (Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-22,7	-23,7	-23,1	-18,6	-19,2	-20,5	-21,9	-19,4
2009	-19,7	-19,8	-17,3	-15,6	-12,7	-10,0	-10,3	-12,9	-12,7	-10,8	-7,0	-8,5
2010	-9,9	-7,0	-6,5	-6,0	-7,8	-7,6	-4,5	-1,8	-0,3	0,0	0,5	1,6
2011	4,8	3,6	2,0	1,2	1,9	1,9	0,3	-2,5	-1,9	-1,1	-2,4	

**Expectations for the next three months constant:**

The balance value of the expectations for the next three months stood at 12.2 in November 2011. 29.2 percent of TEPE survey participants expect an improvement in their business activities in the next three months while 32.4 percent expect a deterioration. This implies a 2.4-point increase compared to November 2010 and a 0.4 point decrease compared to October 2011.

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



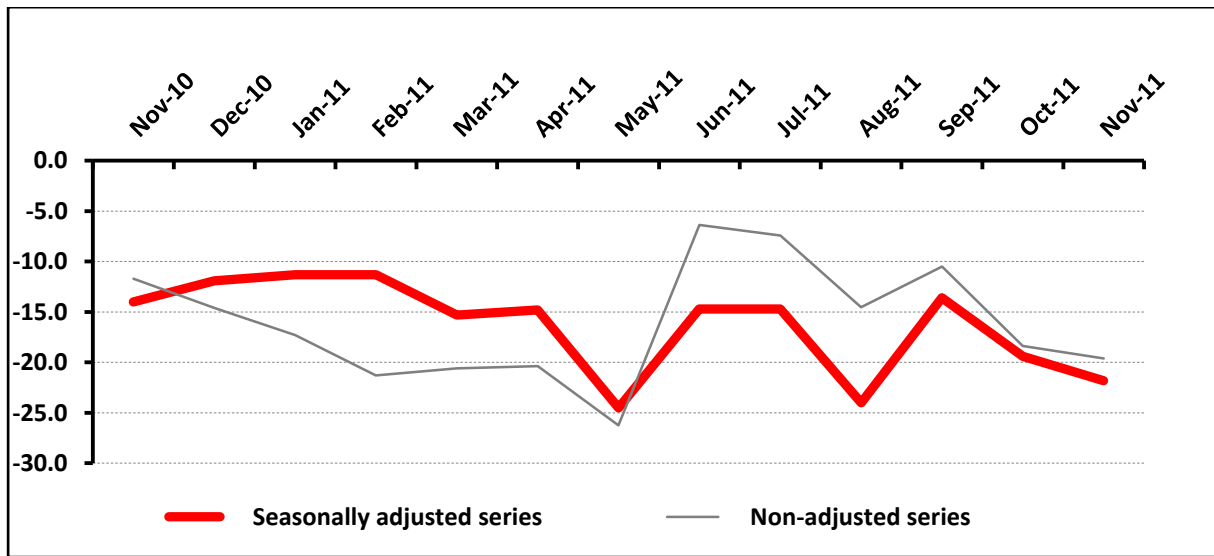
**Table-2.** TEPE – Expectations for the next three months (%increase-%decrease)  
(Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-27,2	-31,9	-24,9	-12,3	-17,2	-23,3	-28,5	-27,9
2009	-28,7	-30,2	-32,8	-17,9	-12,8	-0,4	-6,5	-11,4	-3,0	-5,5	0,6	-6,0
2010	-7,3	-7,1	4,2	1,2	-4,0	-8,0	-0,3	1,3	0,5	6,4	9,8	18,5
2011	23,5	27,6	21,8	12,6	15,6	15,7	10,7	5,1	6,1	12,6	12,2	

**Recovery perception of markets continues weakening:**

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 continues decreasing. 23.3 percent of the participants who declared a year-on-year improvement whereas 42.9 percent declared a deterioration in November 2011. Volume of business activities therefore decreased by 7.8 points compared to November 2010 and by 2.4 points compared to October 2011.

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



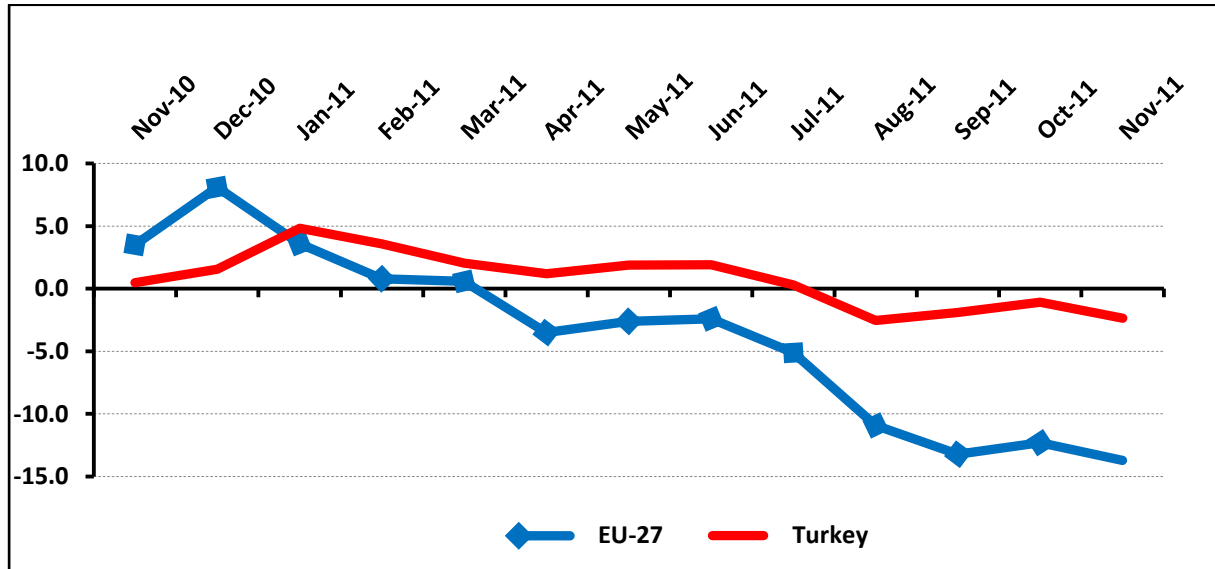
**Table-3.** TEPE – Year-on-year change in business activities (%increase- %decrease)  
(Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>2008</b>	---	---	---	---	-58,6	-69,0	-68,7	-57,3	-58,5	-58,2	-64,9	-65,3
<b>2009</b>	-67,3	-63,1	-59,3	-60,8	-55,2	-43,6	-46,8	-52,1	-63,1	-53,2	-45,9	-46,1
<b>2010</b>	-41,7	-43,0	-39,8	-35,8	-32,1	-39,1	-32,2	-25,1	-19,3	-19,7	-14,0	-11,9
<b>2011</b>	-11,3	-11,3	-15,3	-14,8	-24,5	-14,7	-14,7	-24,0	-13,6	-19,4	-21,8	

**The gap between Turkey and EU maintained:**

EU-27 Retail Confidence Index stood at -13.7 in November 2011, implying a 1.4-point month-on-month decrease and a 17.2-point year-on-year decrease. This is the third consecutive month the gap between Turkey and the EU has been maintained.

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



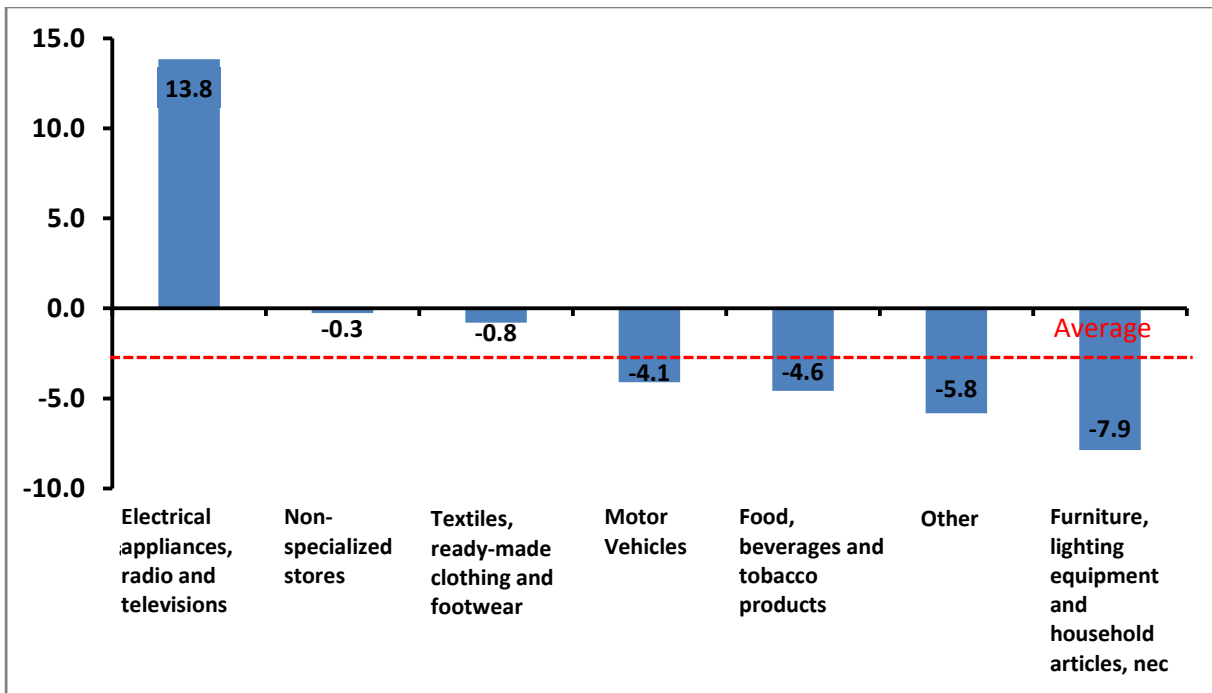
**Table-4.** AB-27 (Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>2008</b>	-0,9	-0,1	0,9	-6,1	-4,5	-7,2	-13,4	-14,0	-15,2	-20,0	-20,7	-27,4
<b>2009</b>	-27,3	-25,7	-23,4	-23,5	-16,1	-15,4	-13,4	-10,9	-7,9	-8,7	-4,5	-3,5
<b>2010</b>	-3,7	-3,8	-5,2	0,5	-4,2	-3,6	0,2	0,8	1,2	3,2	3,5	8,1
<b>2011</b>	3,6	0,8	0,6	-3,5	-2,6	-2,4	-5,1	-10,9	-13,2	-12,3	-13,7	

**Electrical appliances, radio and television sector leader also in November:**

Concerning sub-sectors, electrical appliances, radio and television sector demonstrated the best performance in November 2011 compared to the same period last year, also becoming the only sector that showed an improvement compared to last year. This sector was followed by non-specialized stores and textiles, ready-made clothing and footwear sector, which despite a year-on-year deterioration, performed better than the average. Motor vehicles sector, food, beverages and tobacco products sector, and “others” sector performed worse than the average and demonstrated a year-on-year worsening of performance. Furniture, lighting equipment and household articles sector demonstrated the largest year-on-year decline.

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



**Business volume worse than in the past:**

Question-based examination of TEPE results reveal that compared to November 2010, expectations for sales in the next three months improved partially and expectations for sales prices improved considerably. On the other hand, business activities compared to previous three months and the previous year deteriorated remarkably. In November 2011, all expectations and other items demonstrated deterioration except Level of inventories compared to October 2011, expectations for orders placed with suppliers and employment in the next three months.

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

Questions	Index 11/2010	Index 10/2011	Index 11/2011	Month-on- month Change 11/2011	Year-on-year Change 11/2011
How has your business activity developed over the past three months? It has...	-19,6	-28,8	<b>-32,4</b>	-3,6	-12,8
Do you consider the volume of inventories you currently hold to be...? <sup>1</sup>	13,5	14,7	<b>13,2</b>	-1,5	-0,3
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	0,4	-1,2	<b>0,8</b>	2,0	0,4
How do you expect your business activity (sales) to change over the next 3 months? It will...	9,8	12,6	<b>12,2</b>	-0,4	2,4
How do you expect your firm's total employment to change over the next 3 months? It will...	5,5	4,6	<b>6,2</b>	1,6	0,7
How do you expect the prices you charge to change over the next 3 months? They will...	7,5	24,7	<b>18,0</b>	-6,7	10,5
How has your business activity developed this year compared to the same period in the last year? It has...	-14,0	-19,4	<b>-21,8</b>	-2,4	-7,8
Do you expect an increase in the number of your stores next year?	9,0	9,7	<b>9,3</b>	-0,4	0,3

<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.

