

## RETAILERS OPTIMISTIC ABOUT 2012

In December 2011, TEPE reached its highest since May 2008. Expectations for the orders placed with suppliers and for sales volume in the next three months increased whereas business volume decreased compared to the previous three months.

### TEPE reaches its highest in December:

TEPE which had been in the negatives only in August and September since December 2010 reached a record high 5.4 in December 2011. This implies a month-on-month increase by 4.9 points and a year-on-year increase by 5.6 points.

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

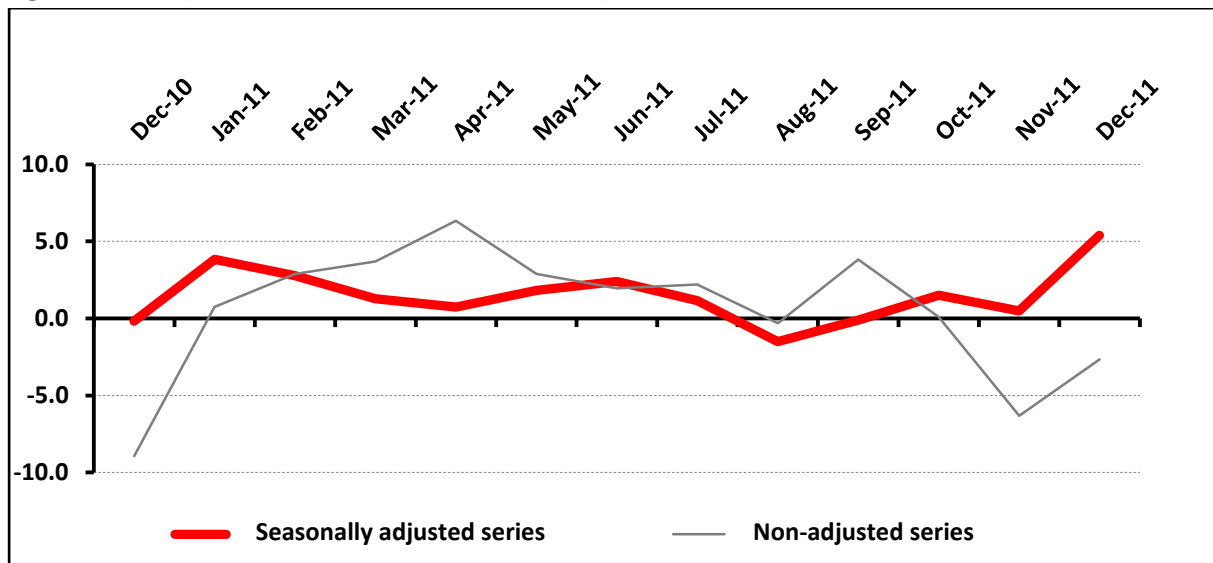


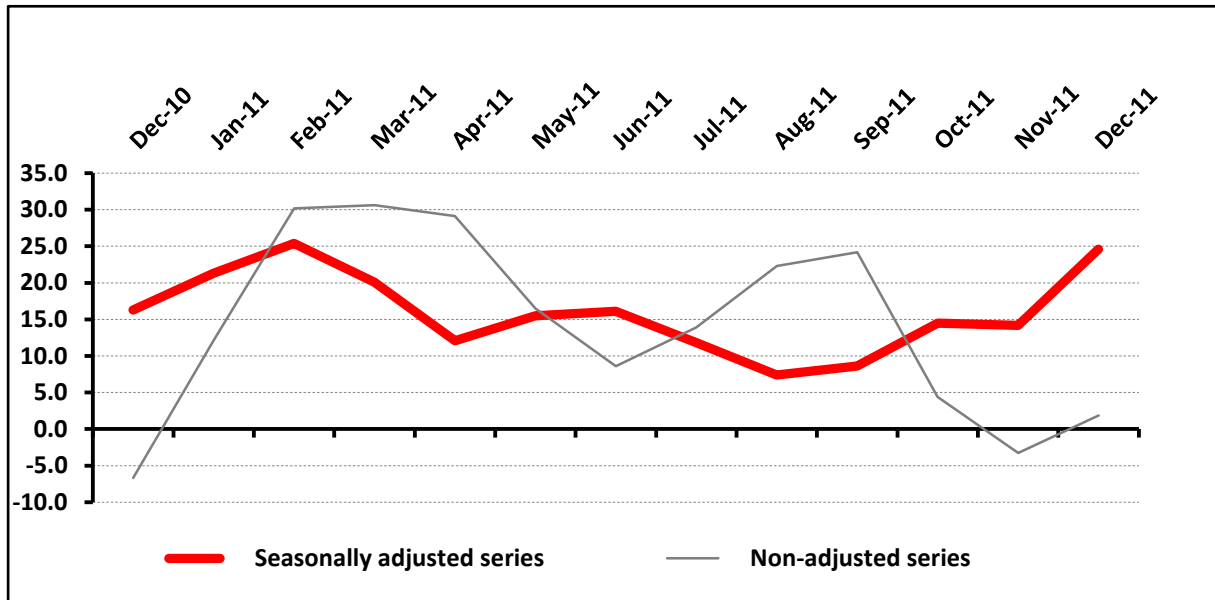
Table-1. TEPE (Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-22.8	-24.0	-23.3	-18.3	-18.9	-20.5	-21.9	-19.6
2009	-20.0	-20.1	-17.3	-15.5	-12.7	-9.8	-10.1	-12.8	-12.6	-10.5	-6.3	-9.1
2010	-10.5	-7.3	-6.7	-6.0	-8.0	-7.7	-4.3	-1.3	0.4	0.9	1.7	-0.2
2011	3.8	2.8	1.3	0.8	1.8	2.4	1.2	-1.5	-0.1	1.5	0.5	5.4

**Strong expectations for the next three months:**

The balance value of the expectations for the next three months stood at 24.6 in December 2011, the highest level after 25.4 achieved in February 2011. 30.9 percent of TEPE survey participants expect an improvement in their business activities in the next three months while 29 percent expect a deterioration. This implies a 8.3 point increase compared to December 2010 and a 10.4 point increase compared to November 2011.

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



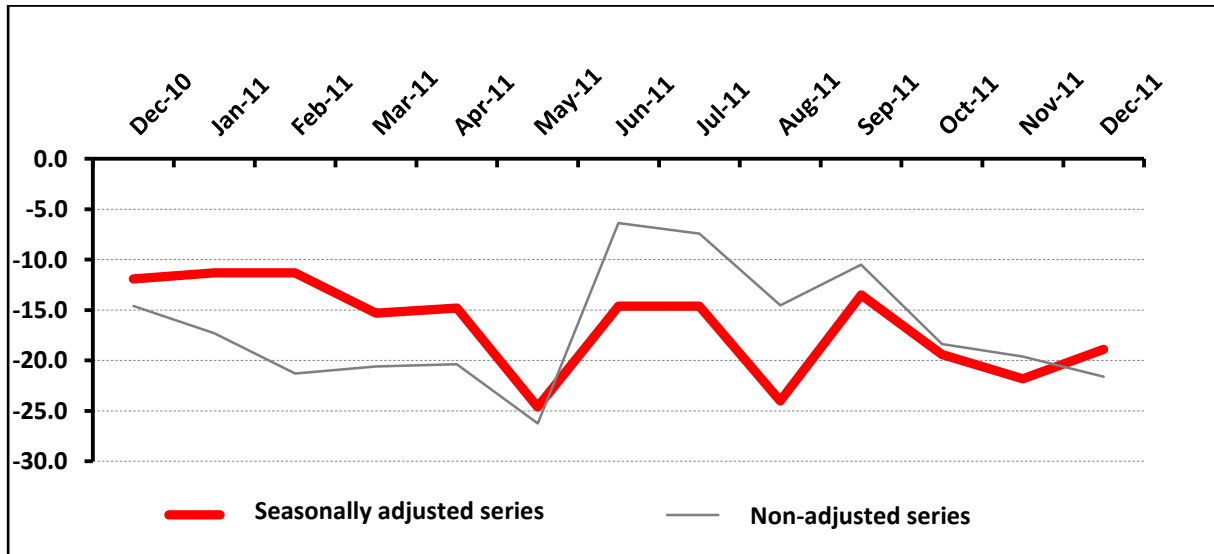
**Table-2.** TEPE – Expectations for the next three months (%increase-%decrease)  
(Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>2008</b>	---	---	---	---	-27.5	-31.9	-25.1	-13.3	-17.7	-22.6	-27.1	-28.6
<b>2009</b>	-28.9	-29.9	-32.4	-18.1	-13.1	-0.6	-6.5	-11.4	-2.7	-4.6	1.7	-7.4
<b>2010</b>	-8.4	-7.9	3.5	0.9	-3.9	-7.7	0.5	2.7	2.1	7.8	11.2	16.3
<b>2011</b>	21.3	25.4	20.1	12.1	15.5	16.1	11.8	7.4	8.6	14.5	14.2	24.6

**Recovery perception of markets surges:**

In December 2011, level of business activities in comparison with the previous year stood below the series-record in January and February 2011, despite the surge after the slowdown in October and November. 22.7 percent of the participants declared a year-on-year improvement in business activities whereas 44.4 percent declared deterioration. Volume of business activities therefore decreased by 7 points compared to December 2010 and increased by 2.9 points compared to November 2011.

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



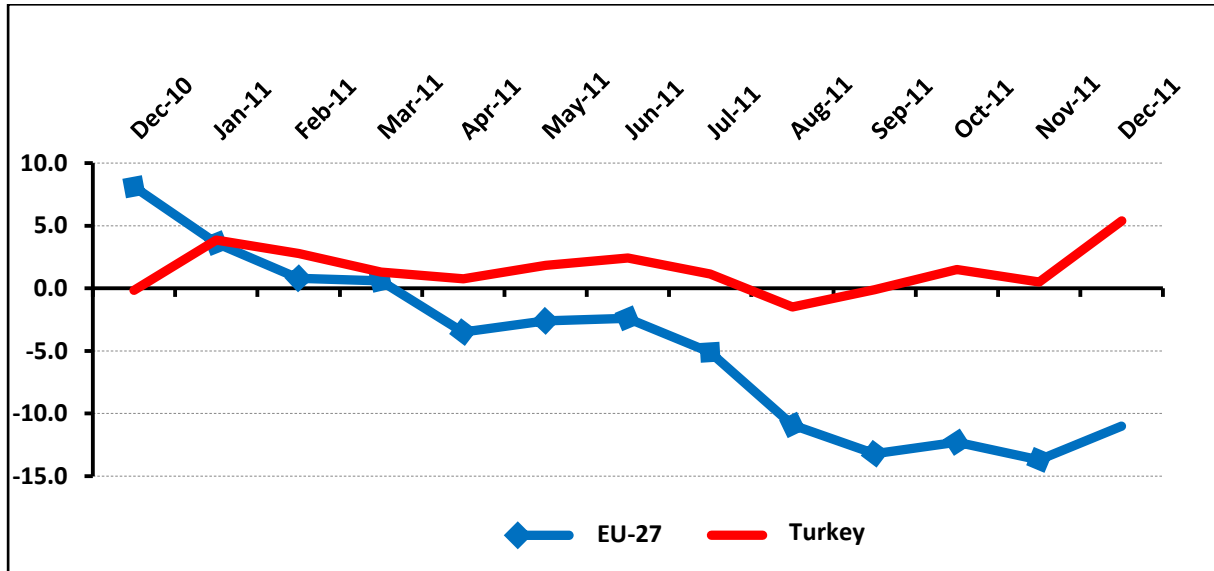
**Table-3.** TEPE – Year-on-year change in business activities (%increase- %decrease)  
(Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>2008</b>	---	---	---	---	-58.4	-69.0	-68.7	-57.1	-58.5	-58.1	-64.9	-65.4
<b>2009</b>	-67.4	-63.2	-59.3	-60.9	-55.1	-43.6	-46.8	-52.0	-63.1	-53.1	-45.8	-46.2
<b>2010</b>	-41.7	-43.1	-39.9	-35.9	-32.1	-39.1	-32.2	-25.1	-19.3	-19.7	-13.9	-11.9
<b>2011</b>	-11.3	-11.3	-15.3	-14.8	-24.6	-14.6	-14.6	-24.0	-13.5	-19.4	-21.8	-18.9

**Turkey breaks another record against the EU Index:**

In December 2011, EU-27 Retail Confidence Index stood at -11 demonstrating a year-on-year increase by 2.7 points and a month-on-month decrease by 19.1 points. Turkey which has been outperforming the EU since the beginning of 2011 widened the gap to a new highest.

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



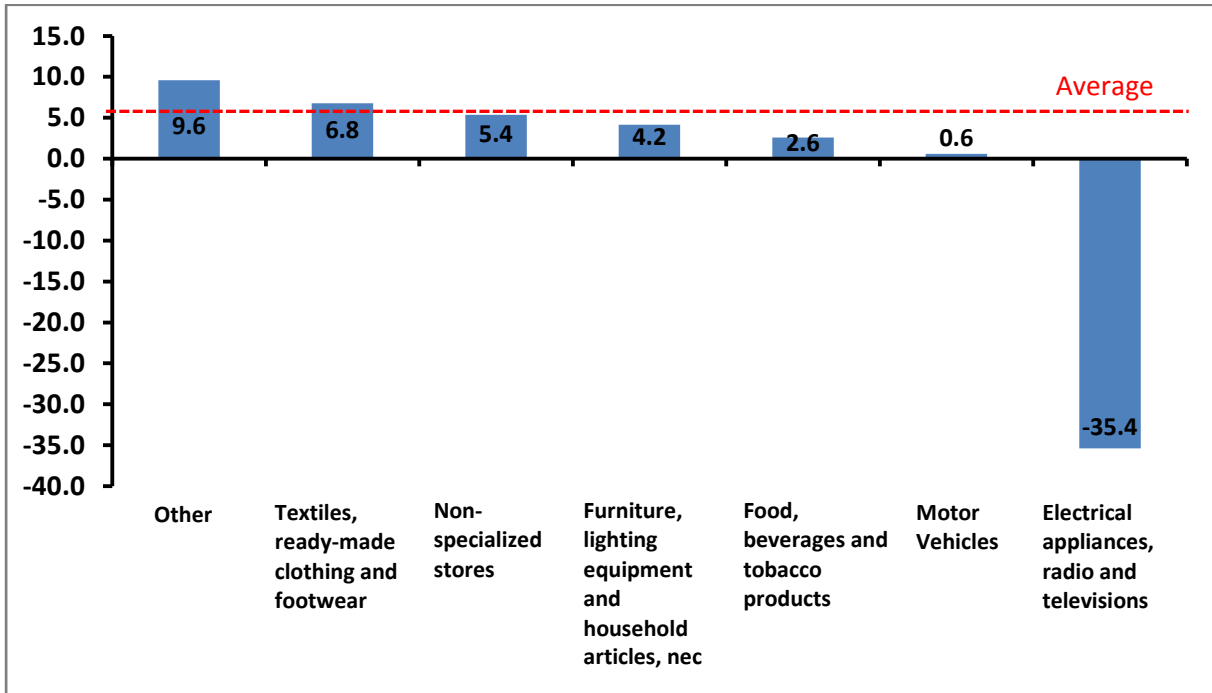
**Table-4.** AB-27 (Seasonally adjusted series)

%	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	-11,0

**Electrical appliances, radio and television sector fell sharply in December:**

Concerning sub-sectors, “others” (gas station, pharmacy, perfumery, hardware, glassware, stationery etc.) sector showed the best performance in December 2011. This was followed by textiles, ready-made clothing and footwear sector. Non-specialized stores sector, Furniture, lighting equipment and household articles sector, motor vehicles sector, and food, beverages and tobacco products sector performed worse than the average, still rising compared to December 2010. Electrical appliances, radio and television was the only sector that dropped compared to 2010.

**Figure-4.** Year-on-year change in TEPE, December 2011 (points) (Seasonally adjusted series)



**Expectations for orders placed with suppliers and sales volume rise:**

Question-based assessment of TEPE survey results reveals that compared to December 2010, expectations for the orders placed with suppliers, for sales volume and sales prices in the next three months increased remarkably. On the other hand, expectations for business volume compared to the previous three months, current level of inventory and expectations for the number of stores in the next three months decreased sharply. Compared to November 2011 also, level of business activities in comparison with the previous three months and expectations for the orders placed with suppliers, for sales volume and sales prices in the next three months increased considerably. Expectations for the number of stores in the next three months decreased month-on-month. Expectations for the level of employment increased both year-on-year and month-on month.

**Table-4.** Detailed results by TEPE questions (%) (Seasonally adjusted series)

Questions	Index 12/2010	Index 11/2011	Index 12/2011	MoM Change 12/2011	YoY Change 12/2011
How has your business activity developed over the past three months? It has...	-26.0	-31.6	<b>-23.6</b>	8.0	2.4
Do you consider the volume of inventories you currently hold to be...? <sup>1</sup>	10.4	13.4	<b>18.2</b>	4.8	7.8
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	2.1	1.7	<b>10.6</b>	8.9	8.5
How do you expect your business activity (sales) to change over the next 3 months? It will...	16.3	14.2	<b>24.6</b>	10.4	8.3
How do you expect your firm's total employment to change over the next 3 months? It will...	10.8	7.1	<b>12.3</b>	5.3	1.5
How do you expect the prices you charge to change over the next 3 months? They will...	8.0	16.3	<b>18.0</b>	1.7	10.0
How has your business activity developed this year compared to the same period in the last year? It has...	-11.9	-21.8	<b>-18.9</b>	2.9	-7.0
Do you expect an increase in the number of your stores next year?	16.9	9.0	<b>7.2</b>	-1.8	-9.7

<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.