

WITH A LIMITED RISE, TEPE STILL LOWER THAN IT WAS LAST YEAR

In September 2012, TEPE increased slightly month-on-month but showed a year-on-year decrease. Business volume compared to the same period last year and the past three months improved month-on-month. Expectations on sales and orders placed with suppliers in the next three months are in decline for the last six months.

TEPE in decline for the last 9 months:

TEPE, stood in the negatives also in September. With a value of -5.5, TEPE increased month-on-month by 0.3 points but decreased year-on-year by 3.2 points.

Figure-1. TEPE (September 2011 – September 2012)

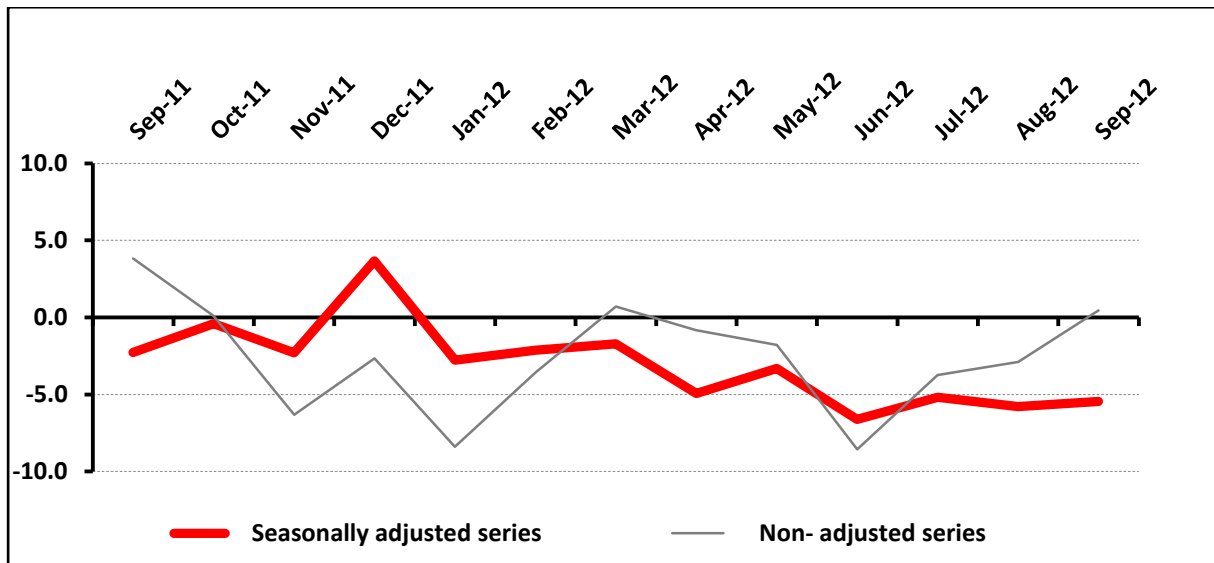


Table-1. TEPE (Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-22.1	-23.6	-23.1	-16.3	-17.9	-20.8	-22.6	-20.8
2009	-21.0	-21.4	-17.9	-14.9	-12.2	-8.7	-9.4	-12.1	-12.7	-10.7	-6.1	-10.1
2010	-10.1	-7.2	-6.8	-5.5	-8.7	-7.6	-4.5	-1.9	-0.1	0.5	1.0	-1.3
2011	6.7	4.8	1.7	1.9	1.6	3.4	0.6	-3.7	-2.3	-0.4	-2.3	3.7
2012	-2.8	-2.1	-1.7	-4.9	-3.3	-6.6	-5.2	-5.8	-5.5			

Sales expectations in decline for six months:

The balance value of the expectations for the next three months stood at 4.5 in September. 43.8 percent of TEPE survey participants expect an improvement in their business activities in the next three months while 25.9 percent expect a deterioration. This implies a 5.7-point decrease compared to September 2011 and a 0.4-point decrease compared to August 2012.

Figure-2. Expectations for the next three months (%increase-%decrease)
(September 2011 – September 2012)

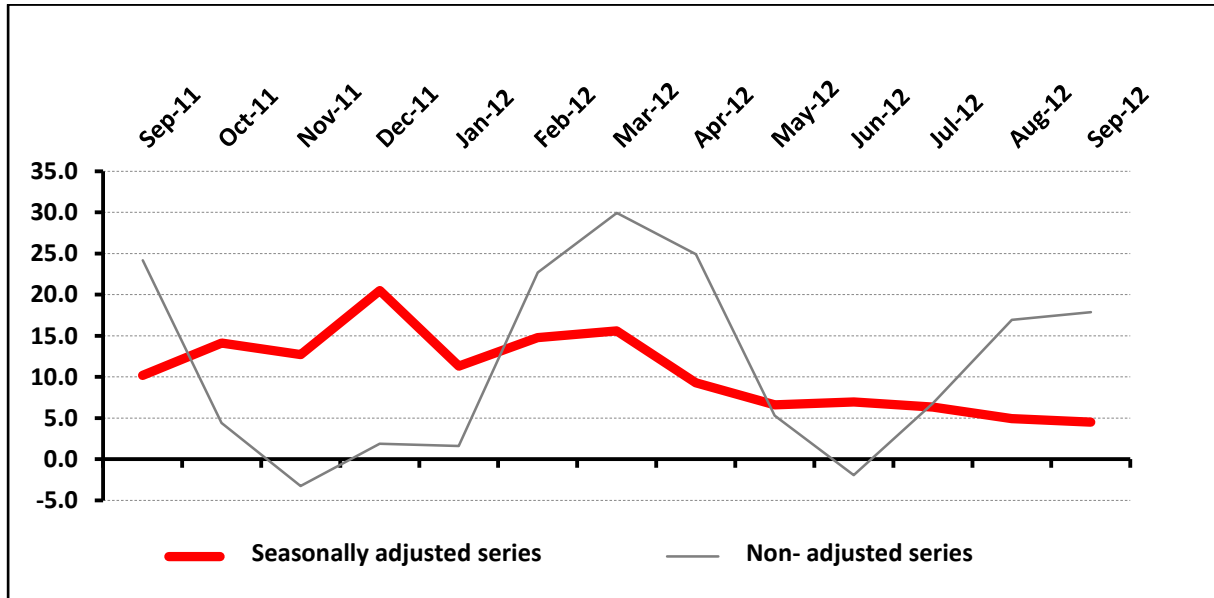


Table-2. Expectations for the next three months (%increase-%decrease (Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-27.0	-31.7	-25.7	-15.3	-19.7	-23.6	-28.0	-28.5
2009	-26.6	-28.4	-31.4	-17.5	-12.4	-0.7	-6.8	-12.0	-3.7	-5.6	0.3	-8.4
2010	-6.8	-7.8	2.7	1.7	-2.5	-6.7	1.2	3.8	2.6	7.3	9.8	13.6
2011	22.0	23.6	17.7	13.4	17.4	17.3	13.1	9.7	10.2	14.1	12.7	20.5
2012	11.3	14.8	15.6	9.3	6.6	7.0	6.3	4.9	4.5			

Anticipation for year-on-year business recovery enhanced:

In September 2012, 24.7 percent of the participants declared a year-on-year improvement in business activities whereas 41.6 percent declared deterioration. Volume of business activities, therefore increased by 10.3 points compared to August 2012 but decreased by 7.6 points compared to September 2011. This was the highest level since April 2012.

Figure-3. Year-on-year change in business activities (%increase- %decrease)
(September 2011 – September 2012)

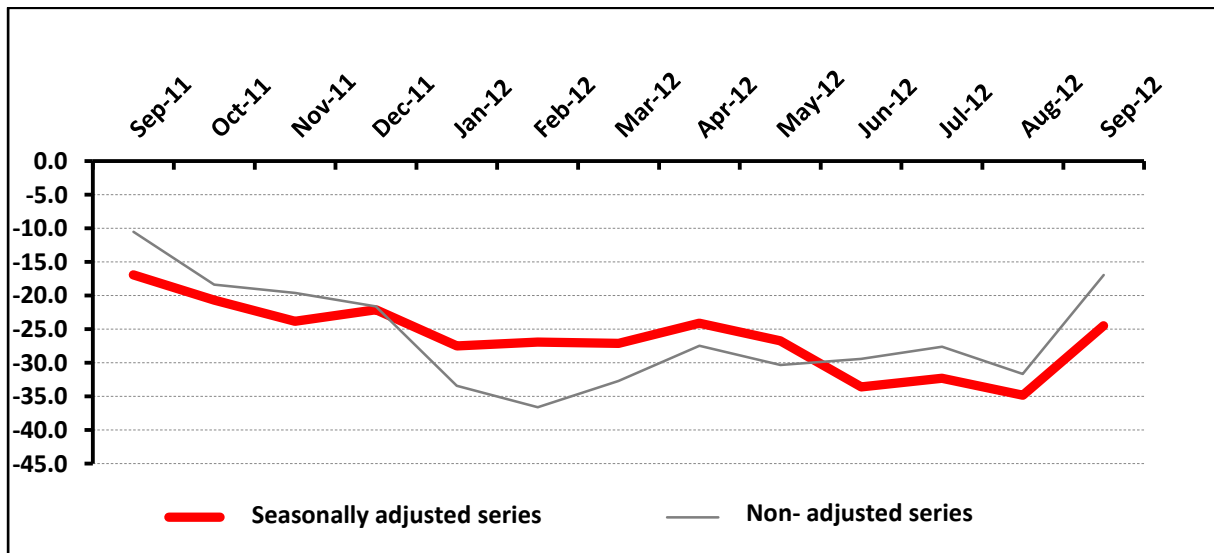


Table-3. Year-on-year change in business activities (%increase- %decrease)
(Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-60.3	-68.2	-67.6	-58.2	-58.8	-59.3	-65.2	-65.2
2009	-65.7	-62.1	-59.1	-61.1	-56.2	-43.3	-46.5	-51.8	-63.0	-53.8	-46.9	-47.1
2010	-41.2	-42.6	-39.5	-36.4	-31.5	-37.3	-31.2	-22.9	-20.9	-20.7	-15.8	-14.4
2011	-11.6	-11.6	-14.9	-16.1	-22.7	-11.7	-13.1	-19.6	-16.9	-20.7	-23.8	-22.1
2012	-27.5	-26.9	-27.1	-24.1	-26.7	-33.6	-32.3	-34.8	-24.5			

EU retail confidence at its lowest in the last 39 months:

The EU-27 Retail Confidence Index had a value of -15.2 in September 2012, the lowest value in the last 39 months. The Index showed a month-on-month decrease by 1.8 points and a year-on-year decrease by 2.4 points.

Figure-4. Comparison of TEPE and EU-27 Retail Confidence Index (September 2011 – September 2012)

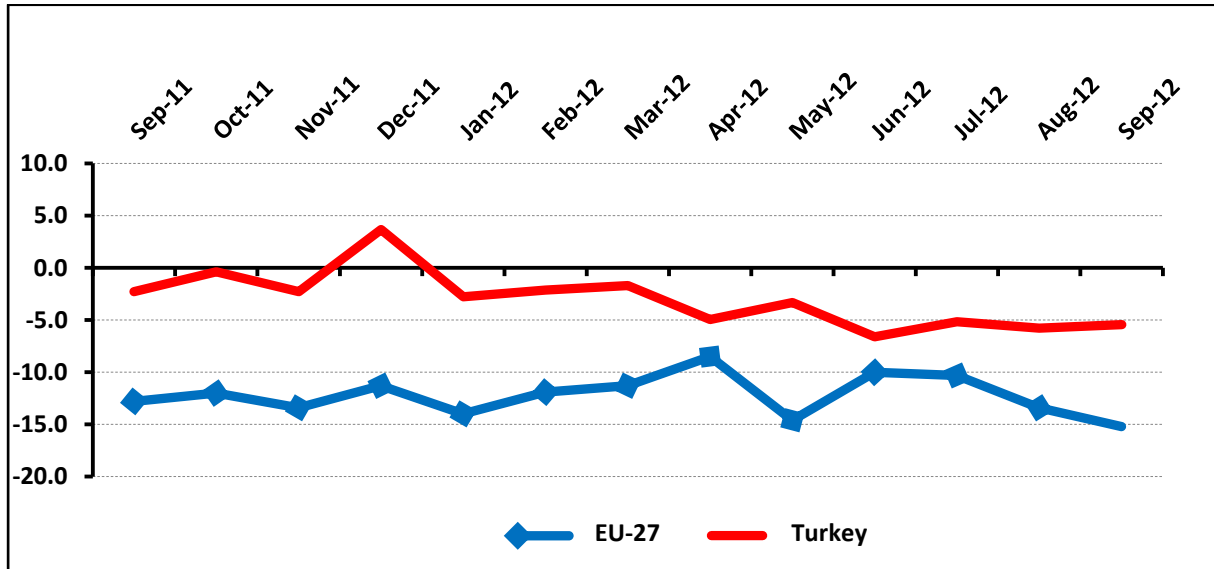


Table-4. AB-27 (Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	-0.8	-0.2	0.8	-6.0	-4.4	-7.1	-13.1	-13.5	-14.7	-19.4	-20.0	-26.8
2009	-26.5	-25.1	-22.9	-23.3	-16.0	-15.5	-13.4	-11.0	-8.4	-9.1	-5.1	-4.0
2010	-4.1	-4.2	-5.5	0.1	-4.4	-3.8	-0.4	0.2	0.8	2.6	3.0	7.5
2011	3.0	0.6	0.3	-3.4	-2.6	-2.4	-4.8	-10.7	-12.8	-12.0	-13.4	-11.3
2012	-14.0	-11.9	-11.3	-8.5	-14.6	-10.0	-10.3	-13.4	-15.2			

Retail confidence weaker in Eurozone than in the EU:

Comparing the retail confidence indices for EU-27 countries and Turkey, year-on-year drops were observed in all EU countries but the UK, Sweden, Latvia, Southern Cyprus, Czech Republic and Bulgaria. The sharpest drops were observed in Finland, Italy, Lithuania and Germany while Greece and France suffered the sharpest month-on-month decline.

Table-5. Retail Confidence Index for EU-27 Countries and Turkey (compared to August 2012 and September 2011)

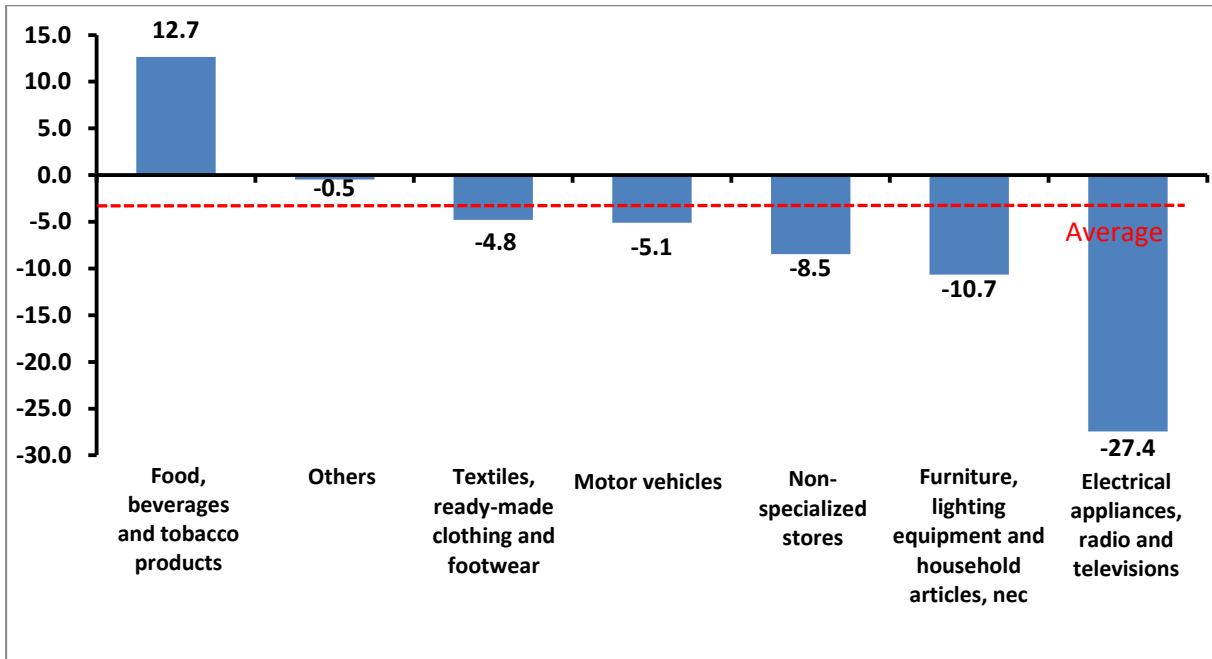
Countries	Change in Retail Confidence Index Compared to September 2011 (Points)*	Change in Retail Confidence Index Compared to August 2012 (Points)
United Kingdom	19.9	-4.3
Sweden	16.5	2.7
Latvia	5.5	2.0
Southern Cyprus	4.7	-1.6
Greece	3.5	-10.4
Czech Republic	2.9	4.6
Bulgaria	1.3	-0.3
Portugal	-0.9	-2.1
Romania	-2.2	-4.3
Eu-27	-2.4	-1.8
Turkey	-3.2	0.3
France	-3.8	-7.1
Poland	-4.6	-1.2
Estonia	-6.2	1.3
Spain	-6.5	-1.8
Slovenia	-6.6	8.5
Slovakia	-7.4	1.0
Holland	-7.5	3.1
Hungary	-7.6	0.0
Austria	-8.7	-5.5
Eurozone -17	-8.7	-1.4
Belgium	-9.5	2.3
Germany	-10.9	0.4
Lithuania	-12.1	7.7
Italy	-14.9	3.6
Finland	-19.9	-2.0

* Countries are ranked by their performance in September 2011.

Food and beverages was the strongest sector in September:

Food, beverages and tobacco products sector was the only sector in rise year-on-year. The “others” sector (gas station, pharmacy, perfumery, hardware, glassware, stationery etc.) declined at a rate lower than the average while textile, readymade clothing and footwear; motor vehicles; non-specialized stores; and furniture, lighting and household articles sector declined at a rate higher than the average. The sharpest year-on-year drop in September 2012 was observed in the electrical appliances, radio, and television sector.

Figure-5. Year-on-year change in TEPE, September 2012 (points) (Seasonally adjusted series)



Anticipation for year-on-year recovery improves; expectations decline in part:

Question-based assessment of TEPE survey results reveal that expectations for sales and orders placed with suppliers in the next three months decreased substantially compared to September 2011 and slightly compared to August 2012. On the other hand, level of business activities compared to the past 3 months and last year enhanced significantly compared to September 2011 but decreased steeply compared to September 2011. Expectations for total employment in the next three months improved both year-on-year and month-on-month.

Table-6. T Detailed results by TEPE questions (%) (Seasonally adjusted series)

Questions	Index 09/2011	Index 08/2012	Index 09/2012	MoM Change 09/2012	YoY Change 09/2012
How has your business activity developed over the past three months?	-28.4	-38.9	-33.1	5.8	-4.7
Do you consider the volume of inventories you currently hold to be...? ¹	11.4	14.7	12.7	-2.0	1.3
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	7.2	-2.5	-2.6	-0.1	-9.8
How do you expect your business activity (sales) to change over the next 3 months? It will...	10.2	4.9	4.5	-0.4	-5.7
How do you expect your firm's total employment to change over the next 3 months? It will...	5.2	5.3	7.8	2.5	2.6
How do you expect the prices you charge to change over the next 3 months? They will...	18.0	10.4	11.3	0.9	-6.7
How has your business activity developed this year compared to the same period in the last year? It has...	-16.9	-34.8	-24.5	10.3	-7.6
Do you expect an increase in the number of your stores next year?	7.9	10.9	8.1	-2.8	0.2

¹ Positive inventory level indicates that current level of inventory stands below the normal.

The (-) values in Table-6 implies that negative expectations were dominant to positive expectations.