

**EXPECTATIONS IN THE RETAIL SECTOR STRONGER THAN LAST YEAR:**

TEPE increased in June 2013 month-on-month and year-on-year, while the Index is still in the negatives. Anticipation for business recovery and expectations weakened compared to May 2013 but improved compared to last year. Retail confidence in the EU and the Eurozone was up month-on-month but weaker compared to June 2012.

**TEPE increased by 6.1 points year-on-year:**

TEPE, after the decline in May, moved upwards in June even through it could not make it to the positives. With a value of minus 0.6, TEPE increased by 1.6 points month-on-month and by 6.1 points year-on-year.

Figure-1. TEPE (June 2012 – June 2013)

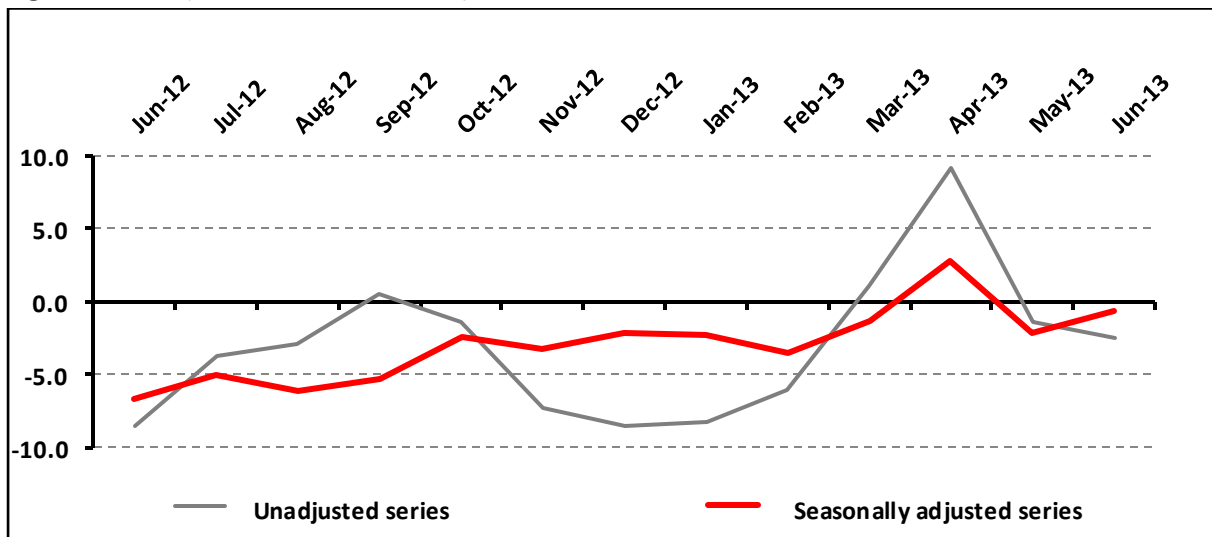


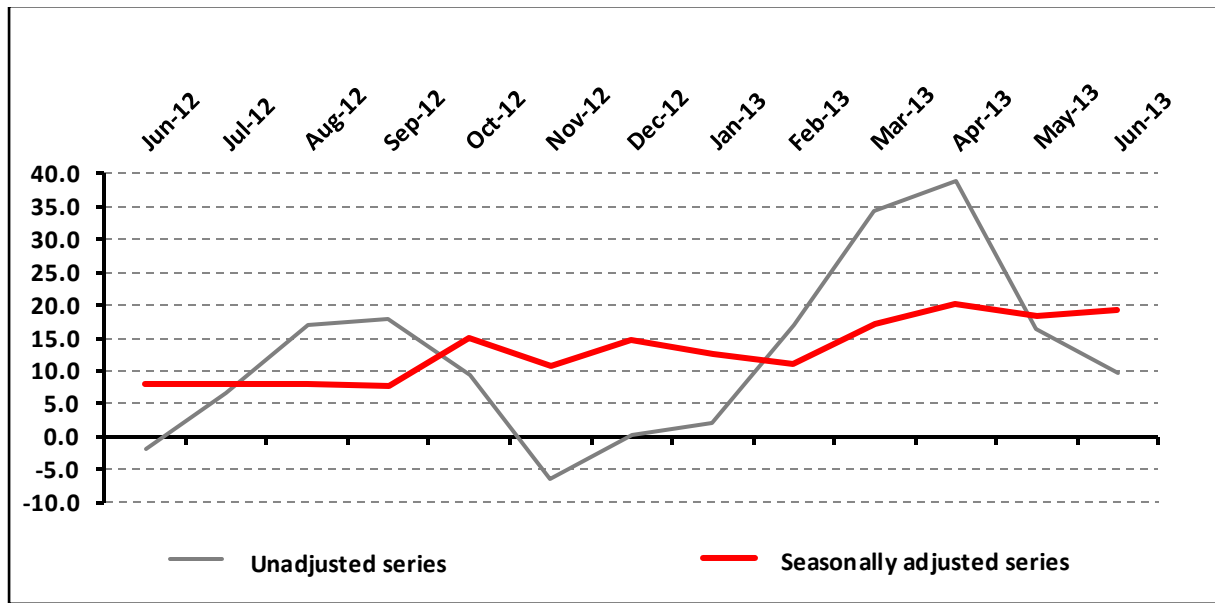
Table-1. TEPE (Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2008	---	---	---	---	-21.6	-23.2	-22.8	-15.1	-17.2	-21.0	-22.8	-21.5
2009	-21.7	-21.8	-18.2	-15.3	-11.8	-8.3	-9.1	-11.5	-12.3	-10.9	-6.0	-10.6
2010	-10.3	-7.1	-7.0	-6.3	-8.6	-7.5	-4.3	-1.9	0.1	0.2	1.1	-1.3
2011	7.0	5.5	1.8	0.8	1.8	3.4	0.7	-4.1	-2.2	-0.8	-2.3	4.1
2012	-2.5	-1.1	-1.6	-6.7	-2.7	-6.7	-5.0	-6.1	-5.2	-2.5	-3.2	-2.2
2013	-2.3	-3.5	-1.3	2.8	-2.2	-0.6						

**Sales expectations stronger than last month and previous year:**

The balance value of the expectations for the next three months was 19.3 in June 2013. Expectations increased by 11.3 points compared to June 2012 and by 1 point compared to May 2013. 41.2 percent of TEPE survey participants expect an improvement in their business activities in the next three months while 31.5 percent expect deterioration.

**Figure-2.** Expectations for the next three months (%increase-%decrease) (June 2012 – June 2013)



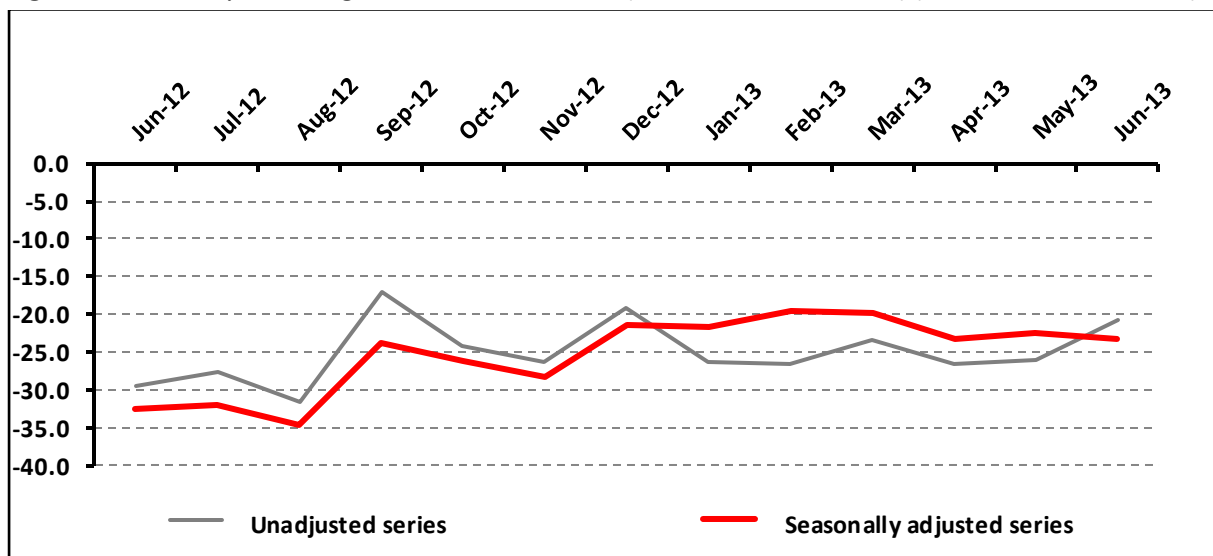
**Table-2.** Expectations for the next three months (%increase-%decrease) (Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>2008</b>	---	---	---	---	-28.3	-32.7	-27.0	-17.9	-21.7	-24.6	-27.7	-26.9
<b>2009</b>	-25.1	-25.7	-29.0	-17.5	-13.2	-1.7	-7.7	-13.0	-4.6	-6.7	-0.1	-8.0
<b>2010</b>	-6.4	-6.6	3.2	1.4	-2.4	-6.4	1.6	4.7	3.5	6.1	9.7	12.3
<b>2011</b>	21.3	23.4	16.5	12.8	17.7	18.0	14.3	11.8	12.6	11.7	13.2	17.6
<b>2012</b>	11.1	15.3	13.6	8.0	7.4	8.0	8.2	7.9	7.8	15.1	10.6	14.7
<b>2013</b>	12.7	11.1	17.0	20.3	18.3	19.3						

**Anticipation for recovery in business volume increased compared to 2012:**

The balance value of the volume of business activities compared to the same period in the previous year was -23.3. Anticipation for year-on-year recovery in business activities therefore decreased by 0.9 points compared to May 2013 and increased by 9.3 points compared to June 2012. In June 2013, 21.4 percent of the participants declared a year-on-year improvement in business activities whereas 42.1 percent declared deterioration.

**Figure-3.** Year-on-year change in business activities (%increase- %decrease) (June 2012 – June 2013)



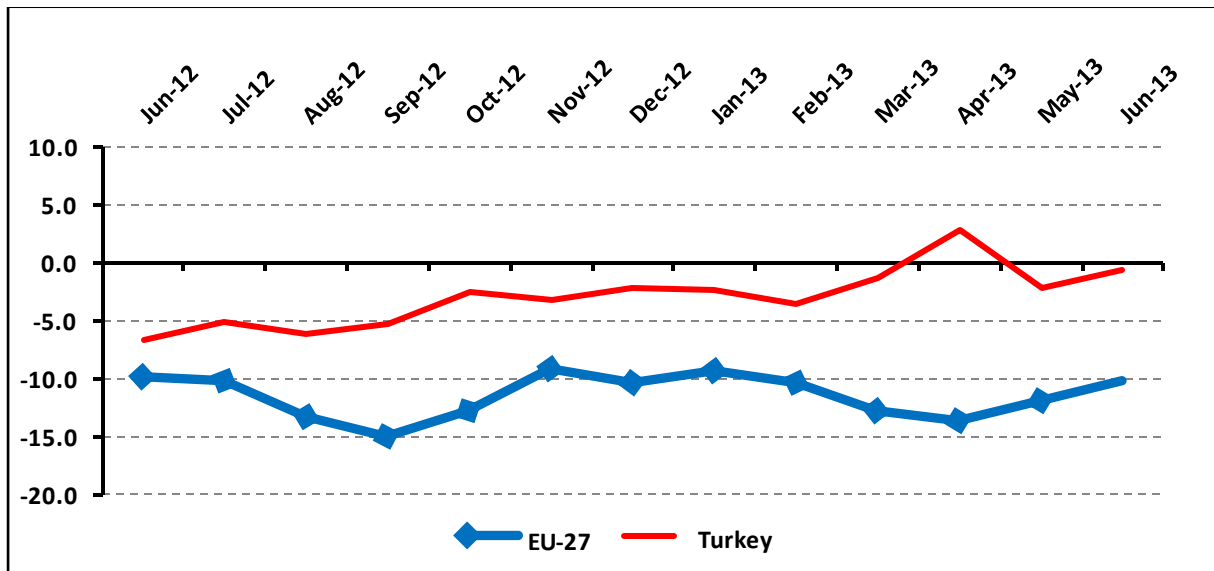
**Table-3** Year-on-year change in business activities (%increase- %decrease)  
(Seasonally adjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>2008</b>	---	---	---	---	-60.1	-67.7	-67.5	-57.9	-58.7	-59.2	-64.8	-65.6
<b>2009</b>	-66.1	-62.7	-59.5	-61.1	-56.1	-42.7	-46.3	-51.6	-63.0	-53.6	-46.3	-47.6
<b>2010</b>	-41.6	-43.3	-40.0	-36.4	-31.5	-36.6	-31.0	-22.7	-20.8	-20.4	-14.8	-15.0
<b>2011</b>	-12.1	-12.6	-15.8	-16.0	-22.8	-12.8	-12.8	-19.4	-16.5	-20.2	-22.2	-23.2
<b>2012</b>	-28.3	-28.6	-28.4	-23.8	-26.6	-32.6	-31.9	-34.5	-23.7	-26.0	-28.2	-21.5
<b>2013</b>	-21.7	-19.5	-19.9	-23.2	-22.4	-23.3						

**Retail confidence in the EU still increasing:**

The EU-27 Retail Confidence Index had a value of minus 10.2 in June 2013, with a month-on-month increase by 1.8 points and a year-on-year decrease by 0.3 points. Turkey performed better than both the EU-27 and the Eurozone.

**Figure-4.** Comparison of TEPE and EU-27 Retail Confidence Index (June 2012 – June 2013)



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

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>2008</b>	-0.8	-0.2	0.8	-6.0	-4.4	-7.1	-13.1	-13.5	-14.7	-19.4	-20.0	-26.8
<b>2009</b>	-26.5	-25.1	-22.9	-23.3	-16.0	-15.5	-13.4	-11.0	-8.4	-9.1	-5.1	-4.0
<b>2010</b>	-4.1	-4.2	-5.5	0.1	-4.4	-3.8	-0.4	0.2	0.8	2.6	3.0	7.5
<b>2011</b>	3.0	0.6	0.3	-3.4	-2.6	-2.4	-4.8	-10.7	-12.8	-12.0	-13.4	-11.3
<b>2012</b>	-13.9	-11.8	-11.2	-8.3	-14.5	-9.9	-10.2	-13.3	-15.0	-12.7	-9.1	-10.3
<b>2013</b>	-9.4	-10.3	-12.8	-13.7	-12.0	-10.2						

**Retail confidence stronger in Eurozone than in the EU:**

Comparing the retail confidence indices for EU-27 countries and Turkey, the highest year-on-year rise was observed in Greece. The country was followed by Slovenia, Turkey, and Bulgaria. The sharpest year-on-year drop was observed in Finland. The country was followed by Southern Cyprus, Latvia, Belgium, and the UK. Slovenia recorded the strongest month-on-month improvement. Unlike in previous months, the EU-27 Retail Confidence Index was weaker than the Eurozone index compared to both June 2012 and May 2013.

**Table-5.** EU-27 Retail Confidence Index for EU-27 Countries and Turkey  
(Compared to May 2013 and June 2012) (Seasonally adjusted series)

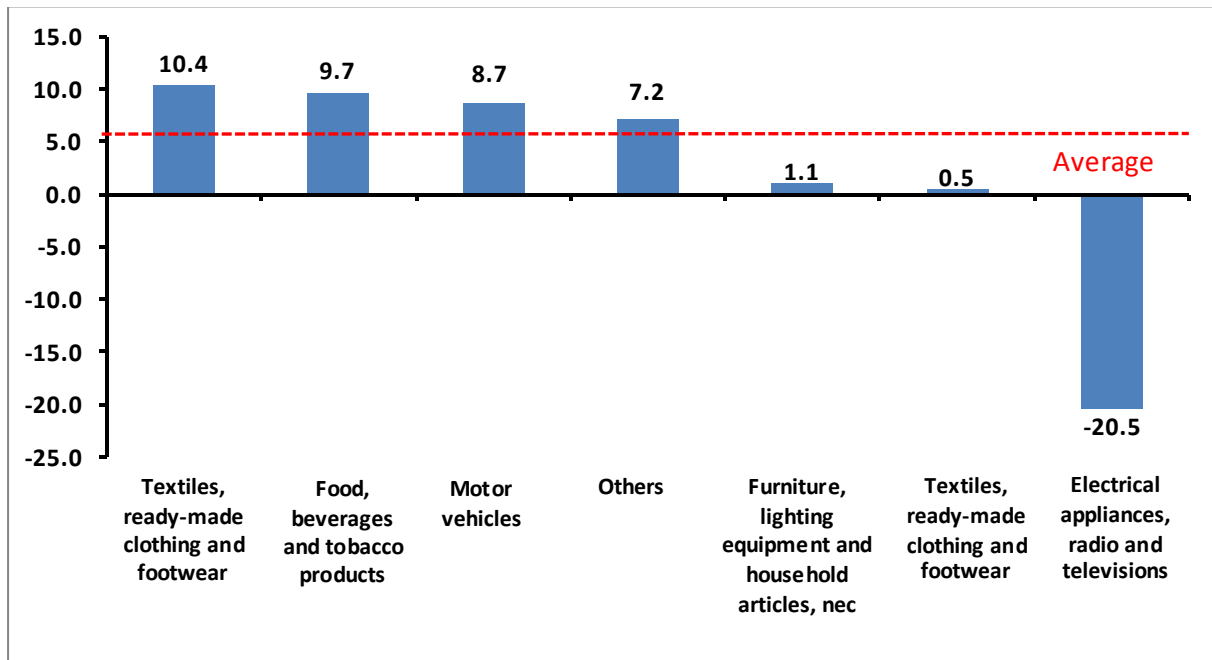
Countries	Change in Retail Confidence Index Compared to June 2012 (Points)*	Change in Retail Confidence Index Compared to May 2013 (Points)
Greece	16.1	-3.9
Slovenia	6.6	16.0
Turkey	<b>6.1</b>	<b>1.6</b>
Bulgaria	6.0	1.0
Portugal	5.9	-0.9
Sweden	5.8	8.5
Spain	5.1	6.0
Holland	5.0	1.8
Romania	4.2	-0.9
Lithuania	3.7	0.8
Hungary	3.3	-1.0
Slovakia	2.5	1.1
Germany	0.3	0.5
<b>Eurozone-17</b>	<b>-0.1</b>	<b>2.3</b>
<b>EU-27</b>	<b>-0.3</b>	<b>1.8</b>
Estonia	-0.6	8.0
Austria	-1.1	3.0
Italy	-1.3	-1.5
Poland	-1.5	0.9
France	-3.4	5.7
Czech Republic	-3.6	1.2
United Kingdom	-4.1	-1.0
Belgium	-4.5	7.1
Latvia	-4.9	-1.3
Southern Cyprus	-7.3	8.2
Finland	-23.6	0.8

\* Countries are ranked by their performance in June 2012.

**Textiles, ready-made clothing, and footwear sector leader of the month:**

Compared to June 2012, textiles, ready-made clothing, and footwear sector was the strongest performer of the retail sectors. This was followed by the food, beverages and tobacco products, motor vehicles, and the “others (gas station, pharmacy, perfumery, hardware, glassware, stationery etc)” sectors. Year-on-year improvement in these four sectors was above the average. Furniture, lighting equipment and household articles, non-specialized stores sectors were below the average in terms of year-on-year improvement. The sharpest drop of the month was observed in the electrical appliances, radio and televisions sector.

**Figure-5.** Year-on-year change in TEPE, June 2013 (points) (Seasonally adjusted series)



**Expectations and current indicators up year-on-year, down month-on-month:**

Question-based assessment of the TEPE survey results reveals that all current indicators and expectations except for the expectation for the level of sales in the next three months decreased compared to May 2013. The sharpest drops were in the expectations for orders placed with suppliers and sales prices in the next three months, and for the number of stores in the next year. Compared to June 2012, all conditions and expectations but the expectation for sales prices in the next three months increased. The largest was in the expectations for orders placed with suppliers and sales prices in the next three months, and the level of activities compared to previous month and year.

**Table-6.** Detailed results by TEPE questions (points) (Seasonally adjusted series)

Questions	Index 06/2012	Index 05/2013	Index 06/2013	MoM Change 06/2013	YoY Change 06/2013
How has your business activity developed over the past three months?	-41.0	-34.0	<b>-34.5</b>	-0.5	6.5
Do you consider the volume of inventories you currently hold to be...? <sup>1</sup>	13.4	10.3	<b>14.1</b>	3.8	0.7
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	1.1	10.8	<b>5.9</b>	-4.9	4.8
How do you expect your business activity (sales) to change over the next 3 months? It will...	8.0	18.3	<b>19.3</b>	1.0	11.3
How do you expect your firm's total employment to change over the next 3 months? It will...	5.3	8.4	<b>7.6</b>	-0.8	2.3
How do you expect the prices you charge to change over the next 3 months? They will...	11.7	11.3	<b>7.8</b>	-3.5	-3.9
How has your business activity developed this year compared to the same period in the last year? It has...	-32.6	-22.4	<b>-23.3</b>	-0.9	9.3
Do you expect an increase in the number of your stores next year?	4.1	10.7	<b>6.3</b>	-4.4	2.2

<sup>1</sup> 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.

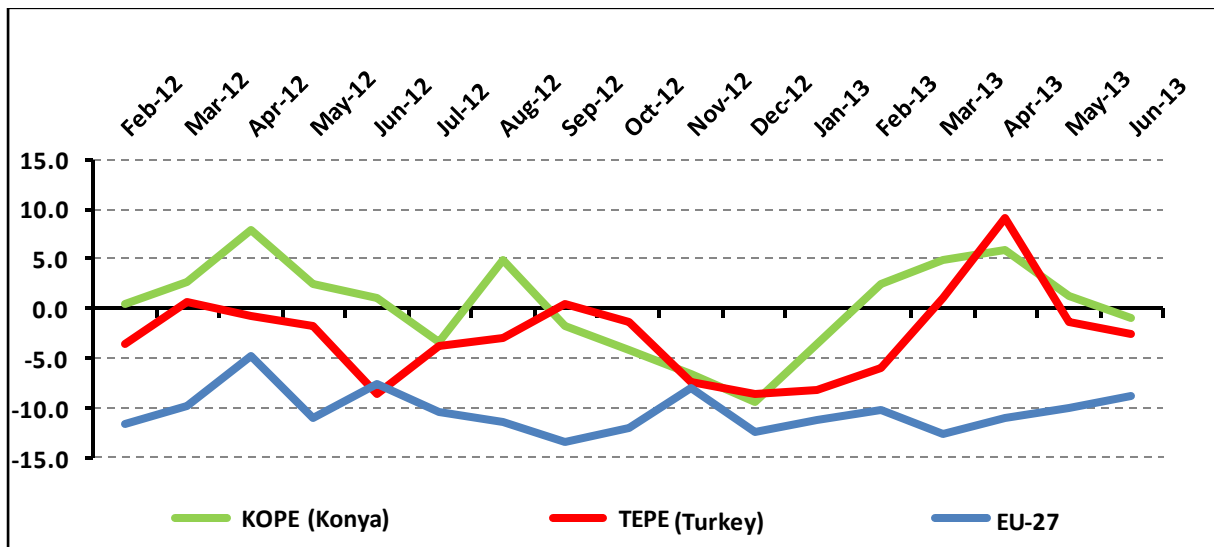
**Konya’s retail sector weakened month-on-month and year-on-year:**

In the context of the Konya Province Retail Confidence Index (KOPE) carried out in cooperation by Konya Chamber of Commerce (KTO) and the Economic Policy Research Foundation of Turkey (TEPAV), face-to-face interviews with 300 retailers from Konya have been carried out on a monthly basis since February 2012.

In June 2013, KOPE had a value of minus 1, compared to TEPE at minus 2.5. Konya’s retail sector continued the downwards movement that started in May and remained in the negatives. Yet, it performed better than overall Turkey and the EU-27 in June. KOPE showed a year-on-year decline by 2 points, while TEPE increased by 6.1 points over the same period.

Expectations for orders placed with suppliers, sales and employment in the next three months and the level of business activities increased year-on-year. All expectations and indicators except for sales expectations increased also month-on-month. 47.8 percent of retailers in Konya think that the volume of business activities worsened compared to June 2012.

**Figure-6,** Comparison of KOPE, TEPE and EU-27 Retail Confidence Index (February 2012 - June 2013) (Unadjusted series)



**Table-8.** Konya Retail Confidence Index (Unadjusted series)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2012	---	0.6	2.7	7.9	2.6	1.0	-3.4	4.9	-1.8	-4.1	-6.6	-9.4
2013	-3.6	2.6	4.9	5.9	1.3	-1.0						