

Overview of Turkish Economy

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Outline

1. Overview of Turkish Economy, Last Decade
2. Current State
3. Concluding Remarks

1. Overview of Turkish Economy, Last Decade

Turkish Economy Snapshot

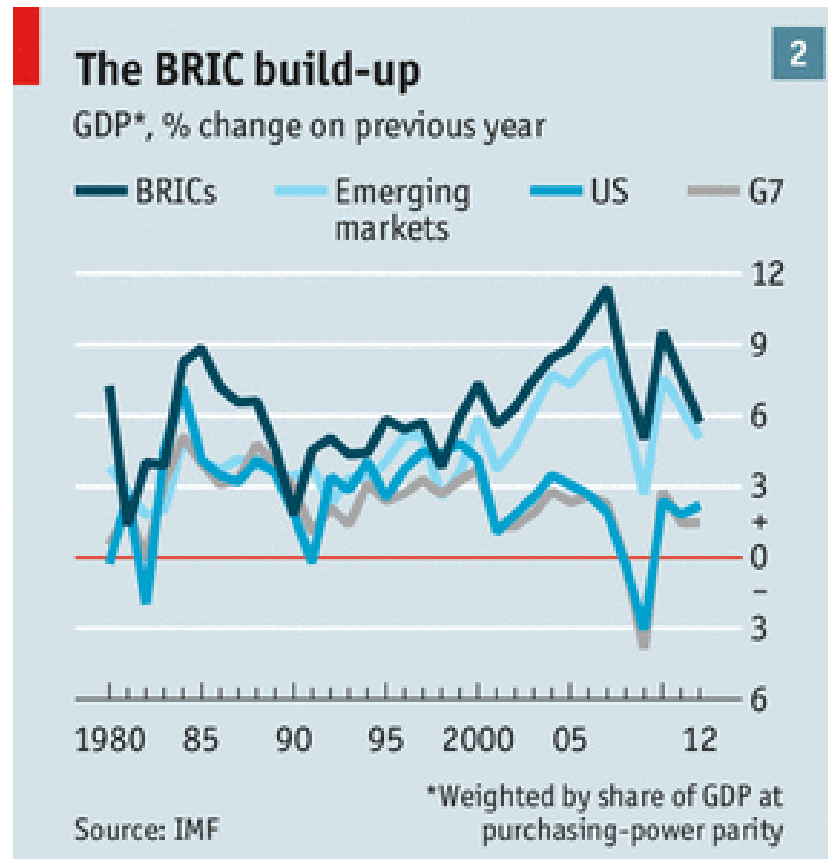
Population (in millions)	75.6
GDP (in billions \$)	
2000	266.4
2005	482.7
2011	778.1
2012	794.5
CAGR 2000-2012	10.4%
GDP Composition, 2012 est.	
Agriculture	9%
Industry	27%
Services	64%
Labor Force, 2012 (in millions)	27.3
Unemployment, 2012	9.2%
Exports, 2012 (in billions \$)	152.5
Imports, 2012 (in billions \$)	236.5

Source: CIA Factbook; Federal Reserve Bank of St. Louis; TurkStat

GDP Ranking, Top 20 Economies

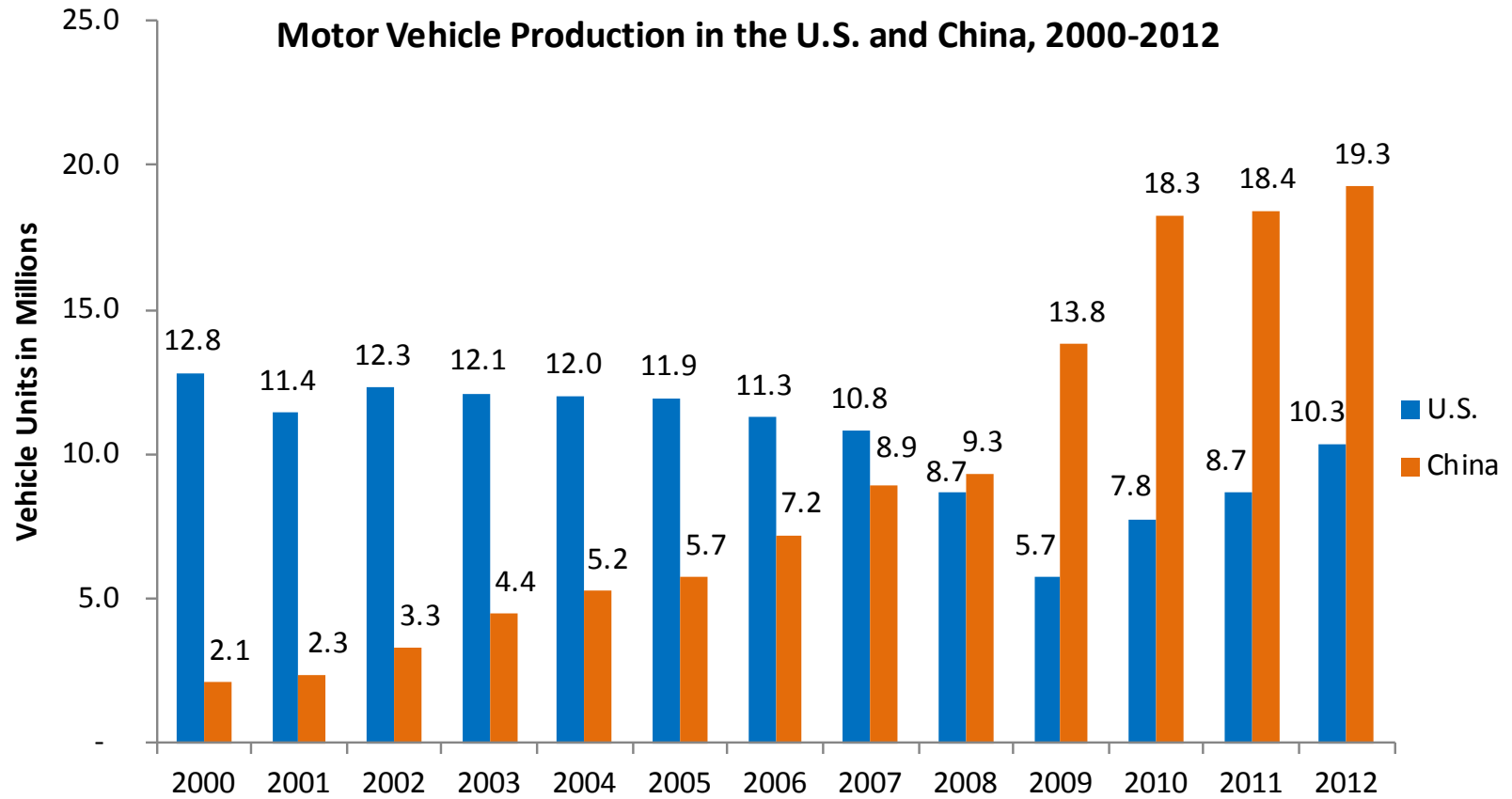
2012			2000		
Ranking	Economy	(millions of current US\$)	Ranking	Economy	(millions of current US\$)
1	United States	15,684,800	1	United States	9,898,800
2	China	8,358,363	2	Japan	4,731,199
3	Japan	5,959,718	3	Germany	1,886,401
4	Germany	3,399,589	4	United Kingdom	1,475,706
5	France	2,612,878	5	France	1,326,335
6	United Kingdom	2,435,174	6	China	1,198,475
7	Brazil	2,252,664	7	Italy	1,104,009
8	Russian Federation	2,014,776	8	Canada	724,919
9	Italy	2,013,263	9	Brazil	644,702
10	India	1,841,717	10	Mexico	581,426
11	Canada	1,821,424	11	Spain	580,345
12	Australia	1,520,608	12	Korea, Rep.	533,384
13	Spain	1,349,351	13	India	474,692
14	Mexico	1,177,956	14	Australia	415,774
15	Korea, Rep.	1,129,598	15	Netherlands	385,075
16	Indonesia	878,193	16	Argentina	284,204
17	Turkey	789,257	17	Turkey	266,568
18	Netherlands	772,227	18	Russian Federation	259,708
19	Saudi Arabia	711,050	19	Switzerland	256,043
20	Switzerland	632,194	20	Sweden	247,260

Source: The World Bank



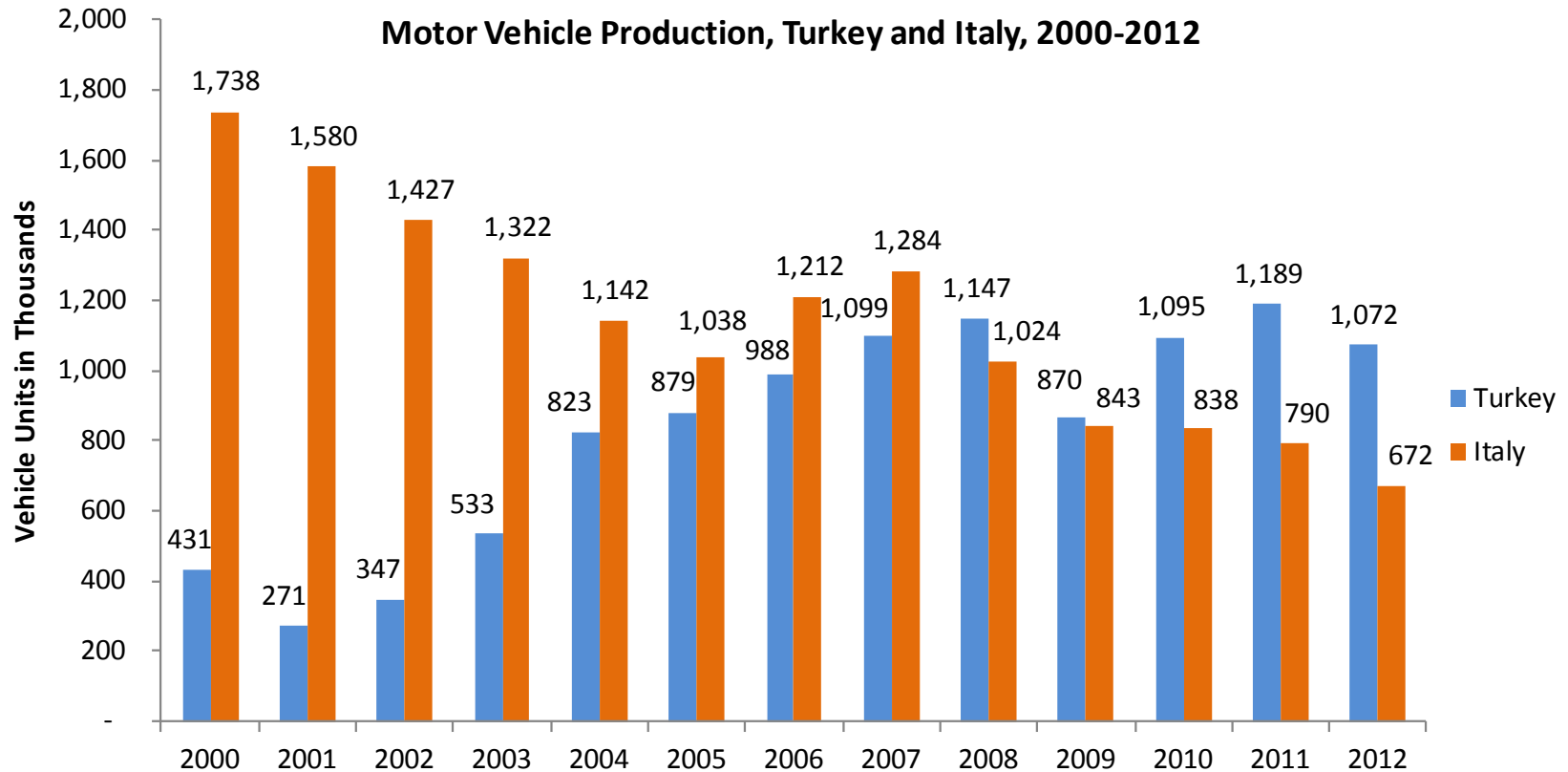
Source of the Chart: *The Economist*

Global Economy Transformation: Example 1



Source: International Organization of Motor Vehicle Manufacturers

Global Economy Transformation: Example 2

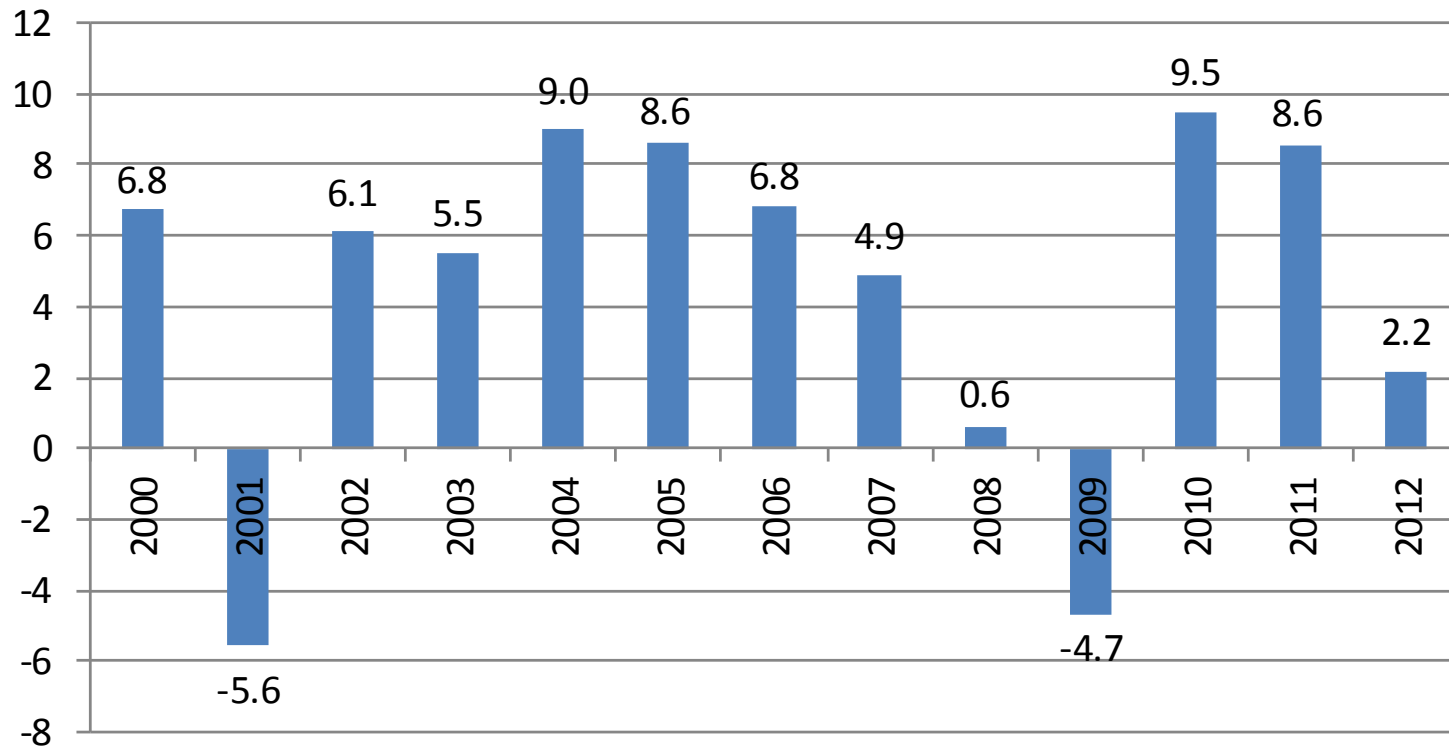


Source: International Organization of Motor Vehicle Manufacturers

Turkey's GDP Compared to the State of New York

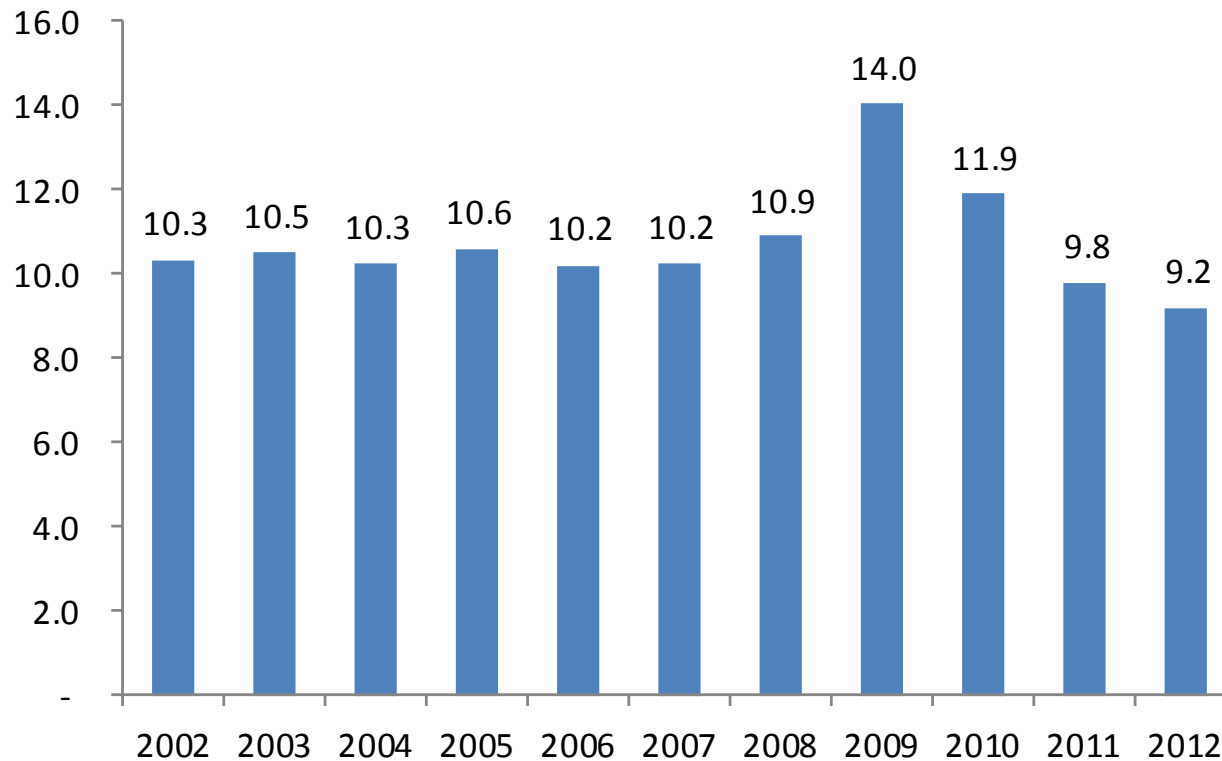


Turkey's Real GDP Growth, 2000-2012



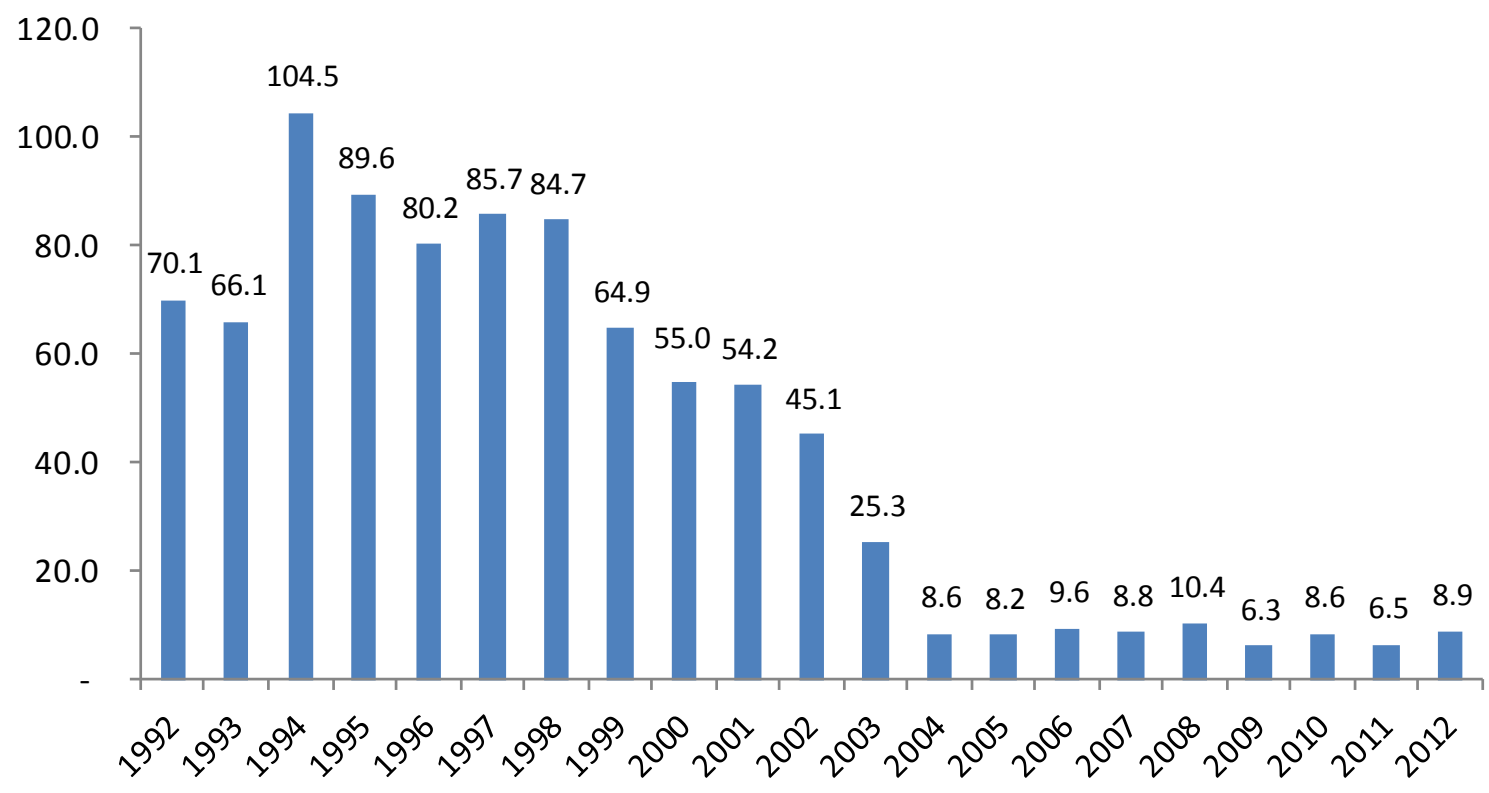
Source: Federal Reserve Bank of St. Louis

Unemployment Rate



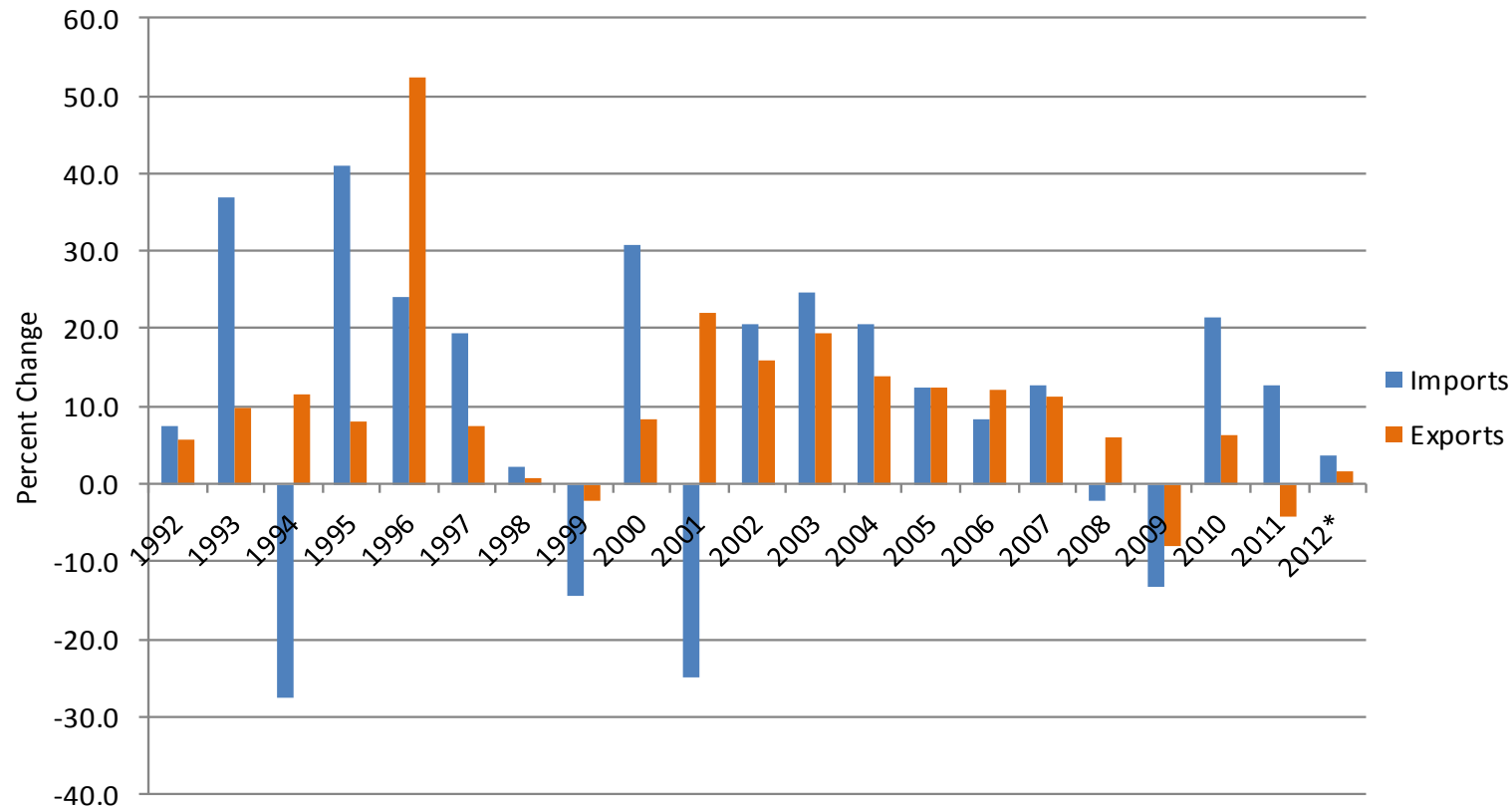
Source: IMF World Economic Outlook Database; TurkStat

Inflation Rate



Source: IMF World Economic Outlook Database; TurkStat

Volume of Imports and Exports of Goods, Percent Change



*Estimate

Source: IMF World Economic Outlook Database

Top Exports Partners:

- Germany - 8.6%
- Iraq - 7.1%
- Iran - 6.5%
- UK - 5.7%
- UAE - 5.4%

Top Exports Commodities:

- Apparel
- Foodstuffs
- Textiles
- Metal manufactures
- Transport equipment

Top Import Partners:

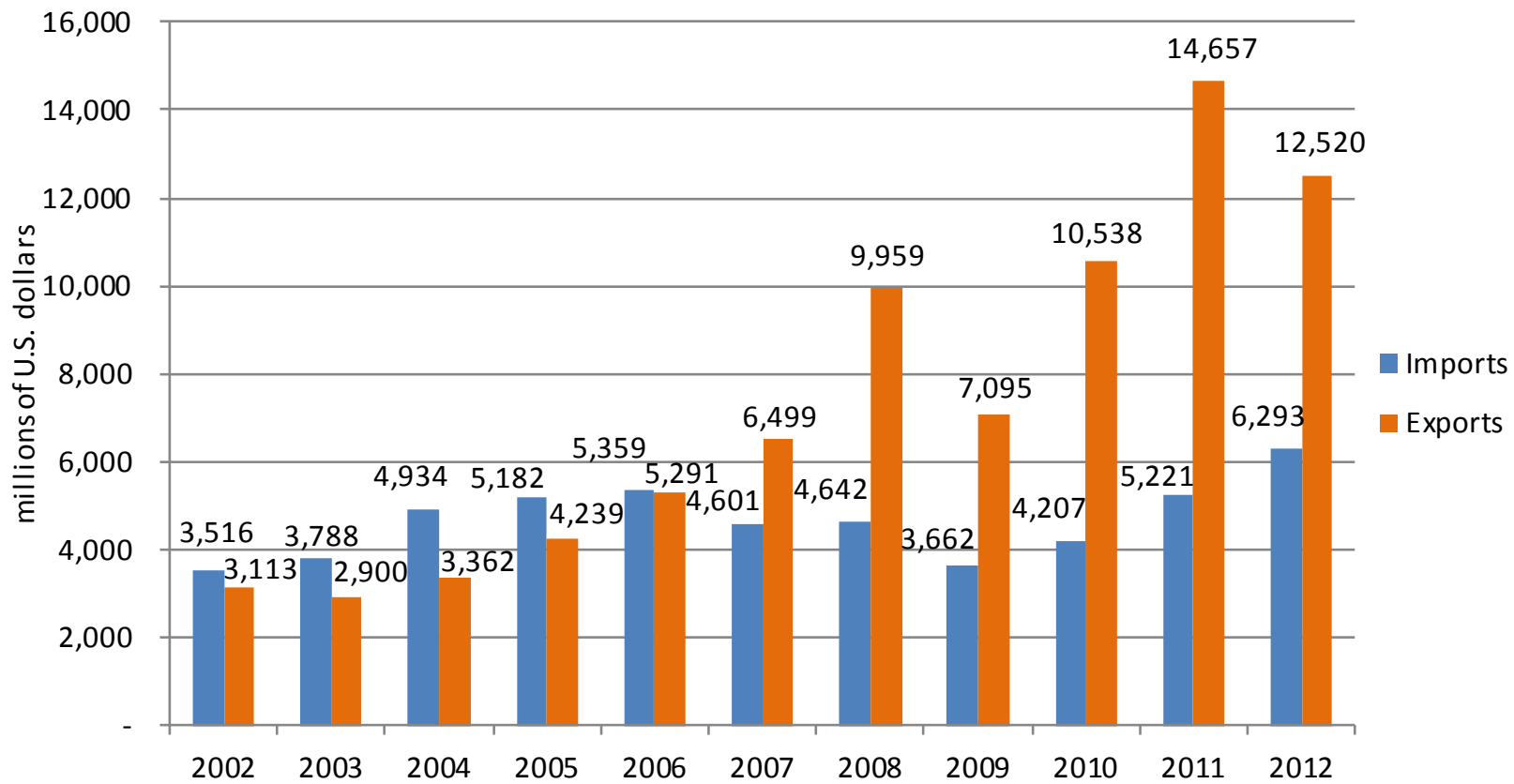
- Russia - 11.3%
- Germany - 9%
- China - 9%
- US - 6%
- Italy - 5.6%

Top Import Commodities:

- Machinery
- Chemicals
- Semi-finished goods
- Energy, e.g. fuels
- Transport equipment

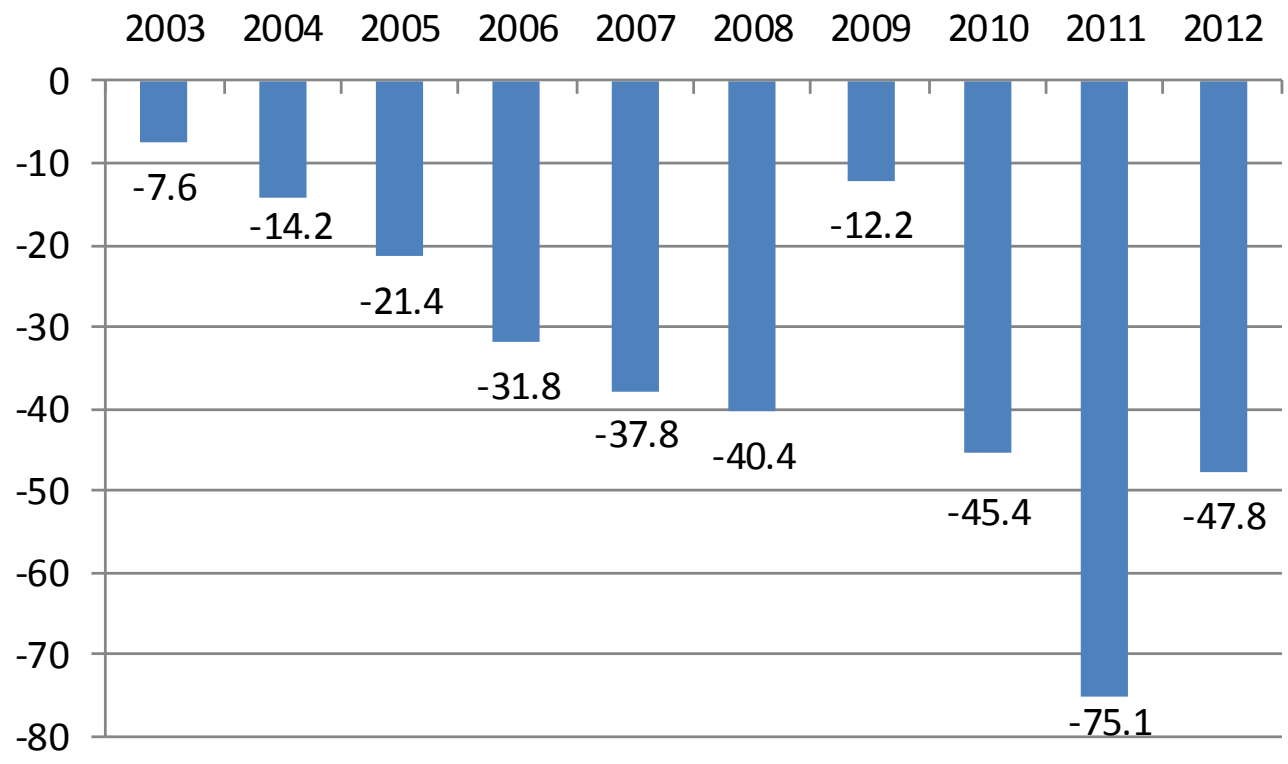
Source: CIA Factbook

U.S. Trade in Goods with Turkey



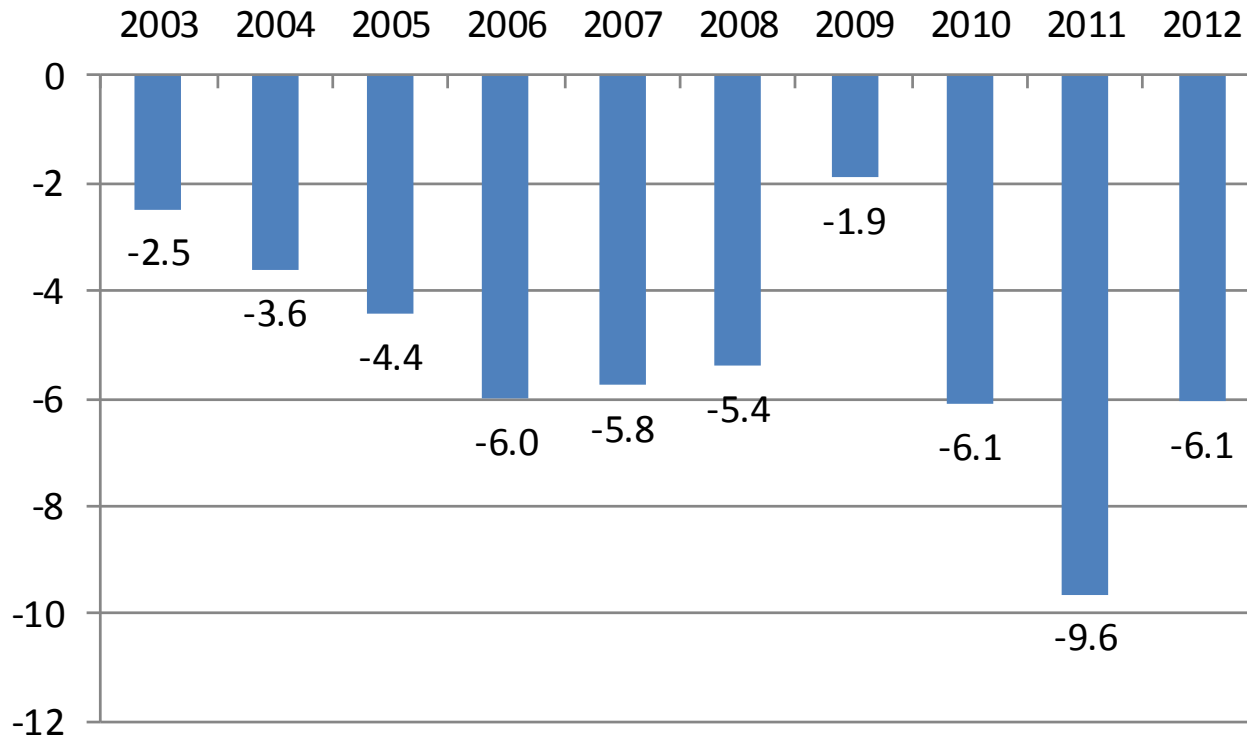
Source: United States Census Bureau

Current Account Balance in Billions of USD



Source: Federal Reserve Bank of St. Louis

Current Account Balance, Percent of GDP



Source: Federal Reserve Bank of St. Louis

- Fast growth during the last decade.
- Revamped and well capitalized banking system.
- Public finance is healthy.
- Broad shift to a manufacturing economy.
- Populous young labor, contrasted with Europe's aging population.
- Current account deficit is the most important problem the Turkish economy is facing.

2. Current State

- Growth expectation, 2013 based on the partial year data: 3.5%. Turkey's economy continues on its growth track for the 15th consecutive quarter, expanding by 4.4% in the second quarter of 2013. The 4.4 percent growth rate exceeds forecasts and makes the country the highest performing economy in Europe and the third fastest grower in the world. Turkey had grown 3.7% in the first half of the year.
Government's medium term growth target: 4% annual growth.
- Unemployment rate as of July 2013: 9.3%.
- Inflation rate as of October 2013: 7.7%, higher than Central Bank's target.
- Current account deficit back to \$71.7 billion annualized (IMF-estimate)

3. Concluding Remarks

Thank You for Your Attention!

Questions?



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