tepav

türkiye ekonomi politikaları araştırma vakfı

Stability institute

Fiscal Monitoring Report

- 2009 October-November Budget Results

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I. October-November 2009 Budget Execution Results

A. A Brief Outlook at the Central Government Budget Implementation 2009 October-November Month End Results – Executive Summary

Central government budget had 46.4 billion TL deficit in cumulative as of the end of November. Budget expenditures rose by 18.7% compared to the same period the year before whereas budget revenues realized even below the level in the year before – in line with TEPAV's estimates – leading to a 460% increase in budget deficit.

The deterioration in fiscal structure appearing as of the end of November stemmed both from primary expenditures and revenues, the biggest contribution originating from the nominal fall in tax revenues.

Table 1. Central Government Budget October-November 2009 Realizations (Compared to 2008)

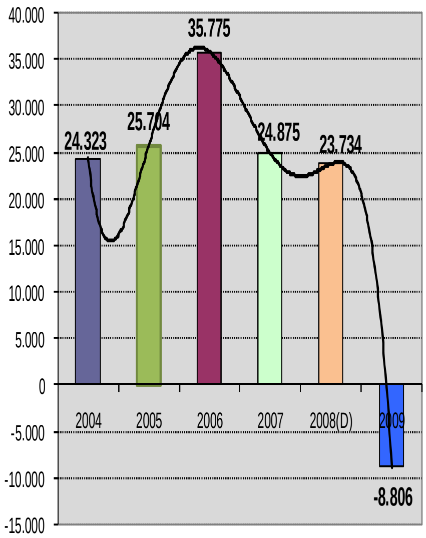
million YTL	Oct 08	Oct 09	Change (%)	Real. Com. to 08 Year-end	Real. Com. to 2009 allow.	Nov 08	Nov 09	Değişim (%)	Real. Com. to 08 Year-end	Real. Com. to 2009 allow.
Expenditures	**180.655**	**218.600**	**21,00**	**79,95**	**84,35**	**202.030**	**239.542**	**18,57**	**89,41**	**92,43**
1-Primary Expendiutes	**137.305**	**168.356**	**22,61**	**78,32**	**83,49**	**153.240**	**187.383**	**22,28**	**87,41**	**92,92**
Personnel	41.295	47.412	14,81	84,58	82,87	45.582	52.297	14,73	93,36	91,41
Govern. Premiums to Social Security	5.030	5.717	13,65	78,57	78,93	5.549	6.315	13,80	86,68	87,19
Good and Service Purchase	16.828	19.836	17,87	70,29	77,93	19.184	22.312	16,31	80,13	87,66
Current Transfers	57.363	77.071	34,36	81,81	87,62	63.396	84.878	33,89	90,42	96,50
Capital Expenditures	11.151	11.656	4,52	60,47	78,55	13.182	13.868	5,21	71,48	93,46
Capital Transfers	2.275	2.442	7,35	71,72	86,46	2.616	3.002	14,78	82,44	106,28
Lending	3.362	4.222	25,56	76,23	90,58	3.732	4.710	26,22	84,61	101,06
Reserve Appropations	0	0				0	0			
2-Interest Expenditures	**43.351**	**50.244**	**15,90**	**85,57**	**87,38**	**48.791**	**52.159**	**6,90**	**96,31**	**90,71**
Revenues	**175.768**	**175.368**	**-0,23**	**84,30**	**70,50**	**193.758**	**193.186**	**-0,30**	**92,93**	**77,66**
1-General Budget Revenues	**170.977**	**169.980**	**-0,58**	**84,48**	**69,96**	**188.248**	**187.343**	**-0,48**	**93,01**	**77,11**
Tax Revenues	140.321	139.164	-0,82	83,48	68,86	156.073	154.247	-1,17	92,85	76,33
Enterprise and Property Revenues	6.662	8.943	34,23	91,29	121,46	6.939	9.318	34,29	95,09	126,57
Interests, Shares and Fines	14.708	19.360	31,63	86,38	99,67	15.864	21.194	33,60	93,18	109,11
Capital Revenues	8.274	1.465	-82,30	90,87	11,15	8.286	1.480	-82,14	91,01	11,26
Grants and Aids	713	793	11,14	82,04	84,16	782	830	6,21	89,95	88,18
Collections from Loans	299	257				304	273			
2-Special Budget Revenues	3.295	3.744	**13,63**	**75,42**	**96,55**	3.855	4.114	**6,73**	**88,24**	**106,10**
3-Revenues from Supervisory and Regulatory Agencies	1.497	1.643	**9,77**	**86,06**	**85,44**	1.655	1.729	**4,44**	**95,14**	**89,86**
Budget Balance	**-4.887**	**-43.232**	**-784,66**	**27,97**	**415,79**	**-8.272**	**-46.356**	**-460,37**	**47,34**	**445,83**
Primary Balance	**38.464**	**7.012**	**-81,77**	**115,90**	**14,89**	**40.518**	**5.803**	**-85,68**	**122,09**	**12,32**
Program Defined Primary Balance	**23.881**	**-6.601**		**134,61**		**25.634**	**-8.806**		**144,50**	

The deterioration in budget balances became strikingly evident in primary balance and program defined primary balance figures. As of the end of November, program defined primary balance had a deficit of 8.8 billion TL. It is striking that the program defined primary balance had a surplus of 23.7 billion TL in the year before.

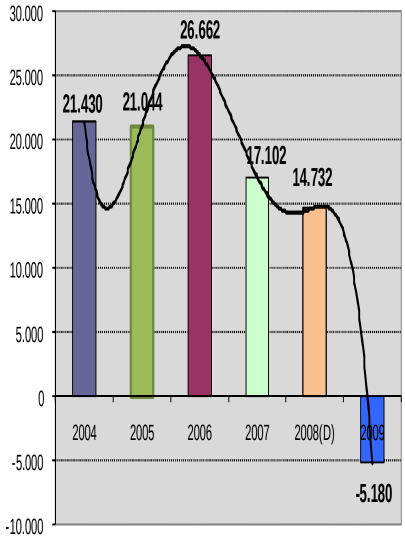
Following graphs indicates the weak performance in terms of program defined primary balance since 2007 in current and real prices. Previous TEPAV reports specifically emphasized that the mentioned deterioration began by 2007. The reports also underlined the paradigm change in fiscal policy in the pre-crisis period with the Medium Term Fiscal Framework declared in 2008 in the context of the continuing IMF program and addressed the attempts for loosening primary surplus policy (Please see May 2008 Fiscal Monitoring Report).

Graph 1. Realization of Central Government Budget Program Defined Primary Surplus (2004-2009 November-end Comparative, million TL)

With current prices



With 2003=100 prices



2008(D) indicates that KEY payments were included in the primary balance

B. Budget Expenditures

As of the end of November, budget expenditures have increased by 18.6% and primary expenditures have elevated by 22.3% compared to the same period the year before. Primary expenditures are realized at 3.4 point above the original target, which is 16.9%.

In line with the 2010 program and 2009 realization estimates, year-end primary expenditures are expected to elevate by 20.5%.

Realization rate of budget expenditures stands 3 points above that for the same month of last year reaching 92.4%. For primary expenditures, realization rate differs significantly compared to previous years and stands at 92.9%, around 5.5 points above the same period last year. According to 2009 targets revised in context of the 2010 budget requirement, realization rate for expenditures is 89.8% and for primary expenditures is 88.7%.

Table 2. November End Comparative Budget Expenditures for 2008 and 2009

(million YTL)	November				
	2008	2009	Rate of Increase (%)	2008 Real. Rate (%)	2009 Real. Rate (%)
Central Government Budget Expenditures	**202.030**	**239.542**	**18,6**	**89,4**	**92,4**
Excluding Interest	**153.240**	**187.383**	**22,3**	**87,4**	**92,9**
I. Compensation of Employees	**45.582**	**52.297**	**14,7**	**93,4**	**91,4**
II.Government Premiums to Social Security Agencies	**5.549**	**6.315**	**13,8**	**86,7**	**87,2**
III. Goods and Services Procurements	**19.184**	**22.312**	**16,3**	**80,1**	**87,7**
Health Expenditures	5.876	6.286	7,0	86,9	88,7
Medicine Expenditures	781	824	5,4	82,6	71,9
General Cure and Pharmaceutial Products	1.479	1.396	-5,6	82,7	76,3
Green Card	3.616	4.066	12,4	89,7	98,9
Defense and Security (Excluding Health)	6.041	7.270	20,3	73,8	79,8
Other Goods and Services	7.267	8.757	20,5	89,8	96,5
IV. Current Transfers	**63.396**	**84.878**	**33,9**	**90,4**	**96,5**
Duty Losses	**1.803**	**3.807**	**111,2**	**88,3**	**123,5**
Treasury Aid	**35.171**	**53.763**	**52,9**	**90,7**	**106,5**
Treasury Aid to Social Security Agencies	931	925	-0,6	91,1	88,3
Health, Retirement and Social Aid Expenditures	31.733	50.022	57,6	90,3	107,1
Social Secuirty Deficit Finance	24.121	28.815	19,5	93,3	134,8
Transfers to non-financial Establishments	**333**	**673**	**102,2**	**75,0**	**81,0**
Transfers to Households	**956**	**1.096**	**14,6**	**87,6**	**83,0**
Agricultural Subsidy	**5.778**	**4.095**	**-29,1**	**99,5**	**82,7**
Other Transfers to Households	**581**	**630**	**8,5**	**65,7**	**74,5**
Social Transfers	**381**	**916**	**140,5**	**86,3**	**108,2**
Foreign Transfers	**480**	**630**	**31,4**	**78,8**	**74,4**
Shares from Revenues	**17.913**	**19.267**	**7,6**	**89,4**	**77,9**
V. Capital Expenditures	**13.182**	**13.868**	**5,2**	**71,5**	**93,5**
VI. Capital Transfers	**2.616**	**3.002**	**14,8**	**82,4**	**106,3**
Domestic Capital Transfers	2.554	2.963	16,0	83,9	111,9
Foreign Capital Tansfers	62	39	-36,4	47,3	22,2
VII. Lending	**3.732**	**4.710**	**26,2**	**84,6**	**101,1**
Domestic Lending	3.455	4.158	20,4	86,8	95,9
Foreign Lending	277	552	99,3	64,1	169,3
VIII. Reserve Appropriations	**0**	**0**			
Interest Expenditures	**48.791**	**52.159**	**6,9**	**96,3**	**90,7**

As of the end of November, compensation for employees and procurement of goods and services has increased by 14.7 and 16.3%, respectively. It is expected that compensation for employees and state's share in social security premium payments will rose by 15% as targeted and will remain in initial budget allowances. Nonetheless, procurement of goods and services is seen to exceed the level estimated in the initial allowance. It is possible that procurement of goods and services, estimated to stand 2 billion TL above the allowance in 2010 program (it should be noted that almost all of the allowance was used as of the end of November), goes beyond the allowance level mainly due to the rises in green card expenditures and other goods and services items.

Capital expenditures have gone up by 5.2% compared to the same period the year before. Nonetheless, considering the utilization of the allowance, 93.5% realization rate, which is 22 points below the same item for the year before, grabs attention. 2010 program revised capital expenditures up by 25% increasing the initial allowance by 3.8 billion TL. Thus, on the basis of the revised allowance, targeted and estimated within the program, realization rate becomes 74.3% standing above 71.5% of the same period the year before. This implies that a substantial proportion of the revised investment expenditures will be carried out at the end of the year, giving way to a small possibility of encountering investment expenditures slightly above the revised allowance level. Here, it should also be noted that investment allowances foreseen in 2009 initial budget were maintained below the 2008 levels.

During the examined period, current transfers rose by 33.9%, which was the biggest contributor of the 22% rise in primary expenditures.

From January to November 2009, 96.5% of the allowance for current transfers has been realized, which is 6 points above the realization in the year before. Total transfers to Social Security Institution (SSI) rose by 57.6%, pushing up the realization rate compared to initial budget to 107%. Level of transfers to finance social security deficit increased by 19.5% and this way, allowance level was exceeded considerably, with a realization rate of 134.8%. Transfers for duty loss finance increased by 111%, signaling a realization rate of 123.5% in comparison with the initial budget. Fiscal monitoring reports published in 2009 as well as the budget evaluation report for 2010 emphasized that the changes in the SSI balance must be monitored closely. Apart from the structural problems, SSI balance deteriorates due to seasonal factors resulting from the global crisis. In this context, this fiscal problem resulted from the failure to calculate precisely the financial impacts of the new SSI regulations (in fact, there is no declaration regarding the calculations, which is in violation of No 5018 Law Article 14); the inability to put forth concrete efforts to find solutions for structural problems considering health expenditures; and the fall in premium collections along with the seasonal impact of the crisis. However, it is argued that the main source of this situation is structural problems, in health sector and particularly in the field of medicine, rather than the conditions posed by the crisis. In fact, premium revenue collection increased by 8.4% despite the fall in the number of people registered in the system. On the other hand, the rise in health expenditures is recorded as 14%.

Table 3. Revenues and Expenditures of Social Security Institution (million TL)

BUDGET ITEMS	October			January - October		
	2008	2009	Change (%)	2008	2009	Change (%)
I-REVENUES	**5.168**	**6.494**	**25,66**	**54.572**	**62.506**	**14,54**
1- PREMIUM REVENUES	4.008	4.936	23,16	39.093	42.365	8,37
2- RESTRUCTURING	539	49	-90,89	6.118	1.533	-74,95
3- STATE CONTRIBUTION		895			9.000	
4- ADDITIONAL PAYMENTS	214	247	15,47	2.137	2.407	12,66
5- INVOICED PAYMENT	285	216	-24,21	4.139	4.870	17,64
6- OTHER REVENUES	122	150	23,05	3.085	2.331	-24,44
II-EXPENDITURTES	**8.281**	**9.351**	**12,92**	**77.324**	**88.100**	**13,94**
1- RETIREMENT PAYS	5.503	6.147	11,72	48.880	56.259	15,10
2- PAY. AS PER NO 5510 LAW	0	54		251	489	94,54
3- ADDITIONAL PAYMENTS	239	270	13,26	2.181	2.460	12,79
4- HEALTH EXPENDITURES (inc.travel p	2.130	2.540	19,24	21.194	24.236	14,35
HEALTH EXPENDITURES (excl.travel pay)	2.125	2.535	19,30	21.147	24.192	14,40
4.1- MEDICINE EXPENDITURES	874	1.154	32,11	8.834	10.994	24,44
4.2- CURE EXPENDITURES	1.186	1.336	12,73	11.767	12.745	8,31
4.2.1- PUBLIC HOSPITALS	600	663	10,57	6.235	6.688	7,27
4.2.2- UNIVERSITY HOSPITALS	210	242	15,44	1.850	2.141	15,72
4.2.3- PTIVATE HOSPITALS	376	431	14,65	3.682	3.916	6,35
4.3- TRAVEL PAYS	5	5	-8,26	48	44	-6,87
4.4- OTHER EXPENDITURES	65	44	-32,63	545	453	-16,92
5- INVOICED PAYMENTS	115	176	52,23	2.593	3.245	25,13
6- ADMINISTRATION		65		558	634	13,64
7- INVESTMENT		0		5	39	683,50
8- OTHER EXPENDITURES	294	99	-66,29	1.662	737	-55,62
III- BALANCE	**-3.113**	**-2.857**	**-8,22**	**-22.752**	**-25.594**	**12,49**
IV- BUDGET TRANSFERS	**2.434**	**3.764**	**54,65**	**28.692**	**45.092**	**57,16**
1- FOR DEFICIT	1.935	2.116	9,35	22.416	25.905	15,56
2- STATE CONTRIBUTION		895			9.000	
3- FOR ADDITIONAL PAYMENT	214	247	15,47	2.137	2.407	12,66
4- FOR INVOICED PAYMENTS	285	216	-24,21	4.139	4.870	17,64
5-INCENTIVES		290			2.910	

As a result, it became crystal clear that the budget is faced with a pressure for expenditures above the level of SSI allowances. Under these circumstances, it appears that the most significant risk that will lead to a budget deficit even below the revised level is the transfers to SSI. It should be noted that, for the elimination of this risk, some of the liabilities of 2009 passing beyond the allowance level can be transferred to 2010 through the use of some accounts employed in budget accounting (such as No 323 Budgeted Liabilities Account). This type of semi-fiscal operations and non-standard practices in the reporting of expenditures which might possibly be launched to create non-budgetary liabilities require close monitoring of allowance records and calculations for this year as well as consecutive years.

The Table below indicates that from January to October, number of the people registered in the SSI has decreased by 3.6%. While this on the one hand leads to a reduction in premium revenues, it also ensures a partial betterment in the expenditures side of the SSI balance sheet by reducing liabilities of the Institution.

Table 4. Change in Employment Registered in the SSI for the January-November Period

	2008	2009	Change (%)
Service Contract*	9.163.639	8.950.211	-2.3
Self Employed	3.034.113	2.891.157	-4.7
Public Employees	2.444.204	2.279.402	-6.7
Total	**14.641.956**	**14.120.770**	**-3.6**

*end of September

Source: SSI Financial Statistic Bulletin (retrieved November 2009)

It is observed that SEE's (State-owned Economic Enterprises) Duty Loss item under budget expenditures exceeded the initial allowance. Realization rate for this item has reached a high level at 132%. Transfers to Agricultural Products Office (TMO) to finance duty losses reached above 1.4 billion TL, high above 560 million TL of the last year.

Realization rate of rate for lending item compared to the initial allowance is 101% and for lending to SEE's, a sub-item under the lending item, is 138%. It is seen that payments to SEE's in particular along with duty losses have shown an increase in the examined period. As can only be seen in the following Table, total of transfers from the budget to SEE's under the duty loss and lending items are recorded as 6 billion TL as of the end of November. Almost 60% of the total transfers were received by TMO and State Railroads (TCDD).

Table 5. Payments to State-owned Economic Enterprises and Financial Institutions under Duty Loss Item and Lending Item

	Duty Losses	Lending	Total
TMO	1.438.863	478.503	**1.917.366**
TEDAŞ (Turkish Electricity Dist. Corp.)	484.626		**484.626**
TKİ (Turkish Coal Enterprises)	252.000		**252.000**
TCDD	286.250	1.219.000	**1.505.250**
Other	1.031.147	882.141	**1.913.288**
Total	**3.492.886**	**2.579.644**	**6.072.530**

Considering Treasury aids to Local Administrations, it is observed that budget allowance is exceeded with a realization rate of 106.9%.

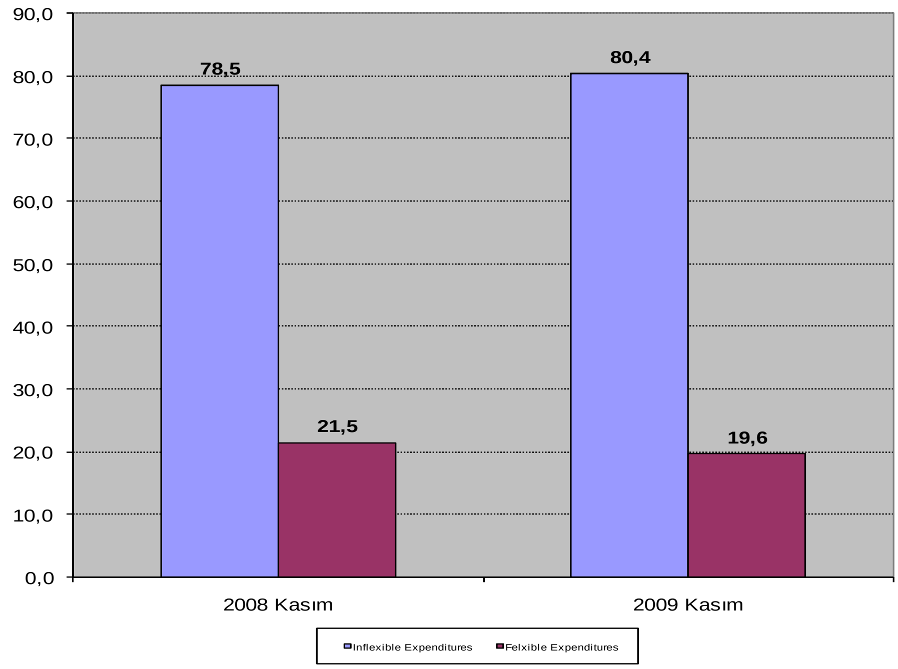
The Table below implies that more than half of the rise in expenditures in November originates from the transfers to SSI. The contribution of total current transfers stands at 62.9%. As also stated before, SSI becomes to turn into a significant financial problem with respect to budget finance. As a result of this, budget has turned into a structure that finances non-budgetary institutions.

Table 6. Contribution of November Month End Central Government Budget Expenditures to Primary Expenditures

	Contribution to Rate of Increase	(%) Distribution
Primary Expenditures	**22,3**	**100,0**
Current Expenditures	**6,4**	**28,8**
Personnel	4,4	19,7
Goods and Services Purchases	2,0	9,2
Health	0,3	1,2
Defense and Security	0,8	3,6
Current Transfers	**14,0**	**62,9**
Treasury Aid to Social Security Agencies.	0,0	0,0
Health, Retirement and Social Aid Expenditures	11,9	53,6
Agricultural Transfers	-1,1	-4,9
Shares from Revenues	0,9	4,0
Capital Expenditures	**0,4**	**2,0**
Capital Transfers	**0,3**	**1,1**
Other	**0,6**	**2,9**

Along with the compulsory expenditures undergoing a surge during the crisis period, inflexible expenditures also increased compared to the same period the year before, reaching 80.4%.

Graph 2. Change in the Share of Flexible and Inflexible Expenditures in the Budget Expenditure (2008 - 2009 November)



C. Budget Revenues

As of the end of November, central government budget revenues collection decreased by 0.3% compared to the same period last year and stood at 193.2 billion TL. Tax revenues, corresponding to 80% of total revenue collection, dropped by 1.2% and stood at 154.2 billion TL. Fall in total revenues slowed down in October and November due to the basis effect.

In this period, enterprise and property revenues increased by 34.3% while received grants and aids increased by 6.2%, and revenues from interests, shares and fines rose by 33.6%. Capital revenues dropped by 82.1% as well due to the basis effect resulting from the transfer of high level of privatization revenues to the budget in the year before.

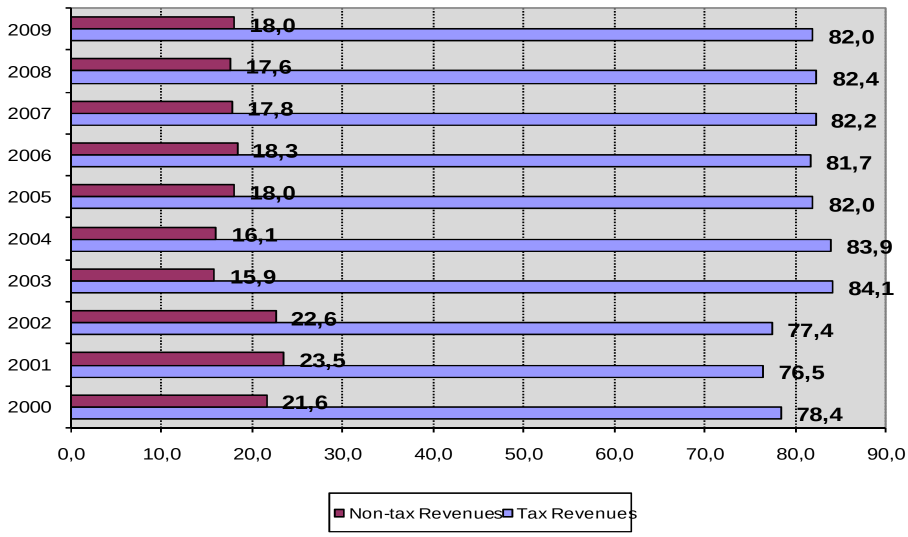
The 33.6% rise in revenues from interest, shares and fines stems particularly from the 3.7% billion TL of revenue attained in October. As this way capital revenues reached 21.2 billion TL in a period where capital revenues decreased, a possible drop in the share of non-tax revenues in the budget revenues was prevented.

Table 7. Central Government Budget Revenues (November)

(million YTL)	Nov 08	Nov 09	Rate of Increase (%)
Central Government Revenues	**193.758**	**193.186**	**-0,30**
General Budget Revenues	**188.248**	**187.343**	**-0,48**
I-Tax Revenues	**156.073**	**154.247**	**-1,17**
1. Taxes on Income, Profits and Capital Gains	**51.507**	**51.374**	**-0,26**
a) Income Tax	**34.901**	**33.724**	**-3,37**
Based on Deduction	31.768	30.473	-4,08
b) Corporation Tax	**16.606**	**17.650**	**6,29**
Provisional Tax	15.922	17.042	7,03
2. Taxes on Property	**3.946**	**4.413**	**11,82**
b) Motor Vehicles Tax	3.819	4.280	12,07
3. Domestic Taxes on Goods and Services	**61.916**	**64.806**	**4,67**
a) Domestic VAT	**15.487**	**17.256**	**11,42**
b) Special Consumption Tax	**38.512**	**39.519**	**2,62**
c) Banking and Insurance Transactions Tax	**3.383**	**3.747**	**10,76**
d) Gambling Tax	**344**	**361**	**4,75**
e) Special Communication Tax	**4.190**	**3.923**	**-6,37**
4. Taxes on International Trade and Transactions	**30.461**	**25.369**	**-16,72**
b) VAT on Imports	27.866	23.135	-16,98
5. Stamp Duties	**3.598**	**3.628**	**0,84**
6. Fees	**4.598**	**4.200**	**-8,65**
7. Other Taxes Not Elsewhere Classified	**47**	**456**	**878,80**
II-Property Income	**6.939**	**9.318**	**34,29**
III-Grants and Aids and Special Revenues	**782**	**830**	**6,21**
IV-Interests, Shares and Fines	**15.864**	**21.194**	**33,60**
1.Interests	4.103	5.333	29,97
V-Capital Revenues	**8.286**	**1.480**	**-82,14**
VI-Collections from Loans	**304**	**273**	
Revenues from Special Budget Institutions	**3.855**	**4.114**	**6,73**
Revenues from Regulatory and Supervisory Institutions	**1.655**	**1.729**	**4,44**

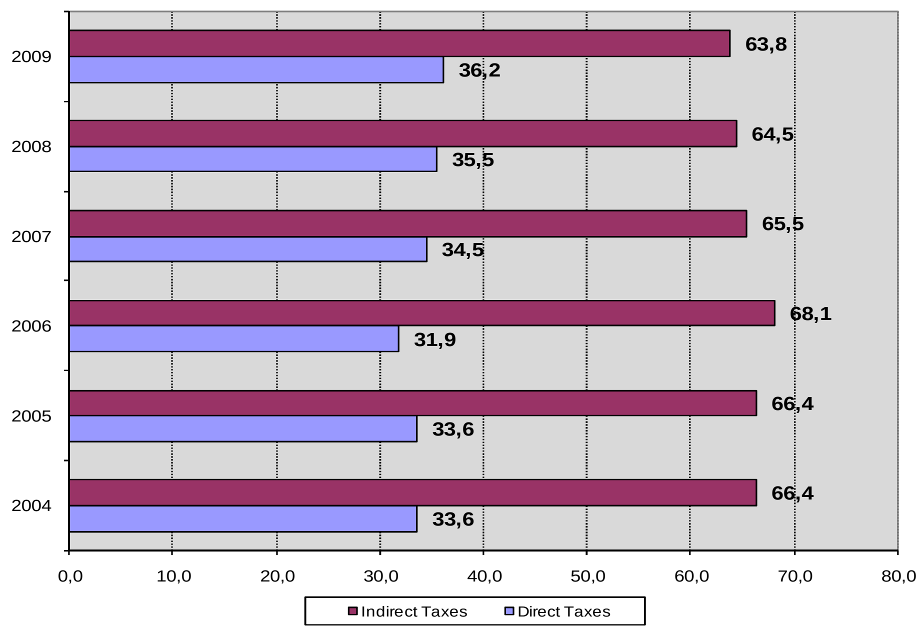
Sub-items contributing to the rise in revenues under Interest, Shares and Fines are interest revenues, revenues from tax fines and miscellaneous revenues, which underwent a significant seasonal surge. The mentioned rise was almost 100% for miscellaneous revenues and over 30% for tax fines and tax revenues.

Graph 3. Changes in the Share of Tax Revenues and Non-tax Revenues in Total General Budget Revenue Collection (End of November) (%)



In parallel with the global recession, revenue from direct taxes, particularly from VAT on Imports, experienced rapid drops. Therefore, share of indirect taxes in total tax revenues reached as high as 36%.

Graph 4. Shares of Direct and Indirect Taxes in 2004 - 2009 November and General Budget Tax Revenue Collection



Due to the basis effect and the relative recovery in the collection of some indirect tax items, the downward trend in tax revenues was eased. Changes in indirect tax revenues, particularly in VAT on Imports and SCT (Special Consumption Tax), as well as the changes in income tax collection led to a 6.35% drop in real tax collection as of the end of November.

Table 8. Real Increase in General Budget Tax Revenues (Net of Inflation) (2009/2008)

	2009 Jan-Nov (Thousand YTL)	2008 Jan-Nov (Thousand YTL)	Change (%)	Real Change (%)
Central Government Revenues	**193.185.855**	**193.758.135**	**-0,30**	**-5,52**
General Budget Revenues	**187.343.211**	**188.248.193**	**-0,48**	**-5,70**
I-Tax Revenues	**154.247.457**	**156.073.105**	**-1,17**	**-6,35**
Taxes on Income, Profit and Capital Gains	**51.374.489**	**51.507.268**	**-0,26**	**-5,48**
Income Tax	**33.724.116**	**34.900.870**	**-3,37**	**-8,44**
Based on Decleration	1.931.104	1.774.465	8,83	3,12
Lump-sum	234.076	203.959	14,77	8,75
Witholding Tax	30.473.099	31.768.482	-4,08	-9,10
Provisional Tax	1.085.837	1.153.964	-5,90	-10,83
Corporation Tax	**17.650.373**	**16.606.398**	**6,29**	**0,72**
Based on Decleration	413.330	516.559	-19,98	-24,18
Witholding Tax	194.654	167.434	16,26	10,17
Provisional Tax	17.042.389	15.922.405	7,03	1,43
Tax on Property	**4.412.782**	**3.946.222**	**11,82**	**5,96**
Inheritance and Gift Taxes	**132.756**	**127.159**	**4,40**	**-1,07**
Motor Vehicles Taxes	**4.280.026**	**3.819.063**	**12,07**	**6,20**
Domestic Goods and Services Taxes	**64.806.086**	**61.916.100**	**4,67**	**-0,82**
Domestic VAT	**17.255.679**	**15.486.904**	**11,42**	**5,58**
Special Consumption Tax	**39.519.396**	**38.511.679**	**2,62**	**-2,76**
SCT on Petroleum and Natural Gas	23.347.796	22.130.803	5,50	-0,03
SCT on Motor Vehicles	2.712.573	3.506.346	-22,64	-26,69
SCT on Coke, Alcoholic Bev. & Tobacco Prod.	12.735.996	11.946.469	6,61	1,02
SCT on Durable Goods and Others	723.031	928.061	-22,09	-26,17
Bankinga and Insurance Transaction Tax	**3.747.038**	**3.383.105**	**10,76**	**4,95**
Other Taxes on Goods and Services	**4.283.973**	**4.534.412**	**-5,52**	**-10,47**
Taxes on International Trade and Transactions	**25.369.118**	**30.460.825**	**-16,72**	**-21,08**
Customs Duties	2.188.587	2.559.007	-14,48	-18,96
VAT on Imports	23.134.585	27.865.831	-16,98	-21,33
Other Taxes on International Trade and Trans.	45.946	35.987	27,67	20,98
Stamp Duties	**3.628.467**	**3.598.171**	**0,84**	**-4,44**
Fees	**4.200.111**	**4.597.890**	**-8,65**	**-13,44**
Other Taxes Not Elsewhere Classified	**456.404**	**46.629**	**878,80**	**827,51**

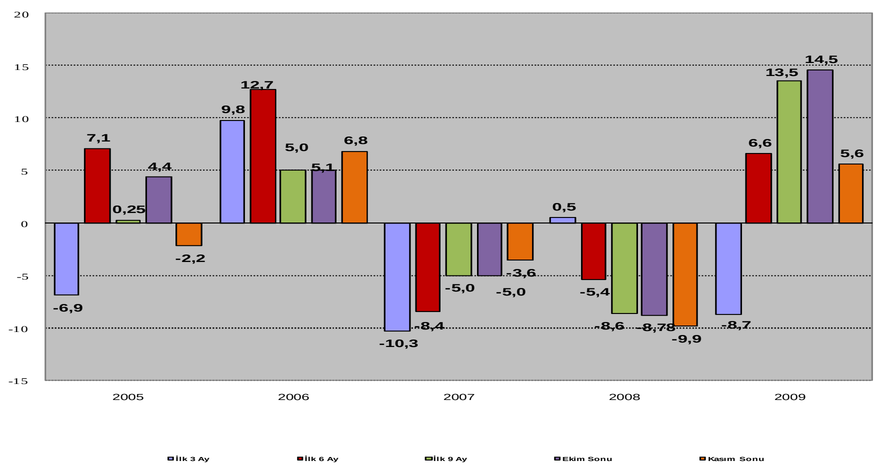
The real deterioration in especially the revenues from VAT on Imports and some items under SCT (such as SCT on durable consumption goods) was recorded above 20%. In this context, the biggest contribution to the fall in tax revenue collection was made by VAT on Imports, Income Tax Withholding.

Table 9. 2008-2009 November Month End Budget Tax Revenue Realizations and Contribution to the Rise in Revenues

million YTL	Nıvember		Rate of Increase (%)	Cont. To Rate of Increase (%)
	2009	2008		
Tax Revenues	**154.247**	**156.073**	**-1,2**	**100,0**
Taxes on Income, Profits and Capital Gains	**51.374**	**51.507**	**-0,3**	**7,3**
Income Tax Collection	30.473	31.768	-4,1	71,0
Provisional Corporation Tax	17.042	15.922	7,0	-61,3
Special Consumption Tax	**39.519**	**38.512**	**2,6**	**-55,2**
SCT on Petroleum and Batural Gas	23.348	22.131	5,5	-66,7
Coke, Alcoholic Beveragges and Tobacco Prod.	12.736	11.946	6,6	-43,2
VAT Collection	**40.390**	**43.353**	**-6,8**	**162,3**
VAT on Imports	23.135	27.866	-17,0	259,2
Domestic VAT	17.256	15.487	11,4	-96,9
Other Taxes	**22.963**	**22.701**	**1,2**	**-14,3**
Stamp Duties	3.628	3.598	0,8	-1,7
Fees	4.200	4.598	-8,7	21,8
Banking and Insurance Transaction Tax	3.747	3.383	10,8	-19,9

Although domestic VAT collection continues increasing in terms of collections, pace of increase seems to drop down as the VAT payments for the end of November were reflected in the following month. If the necessary correction is made, the real increase in VAT collection converges to 20%. It can be concluded that a rapider drop in tax collections was prevented by the impressive performance in domestic VAT collections.

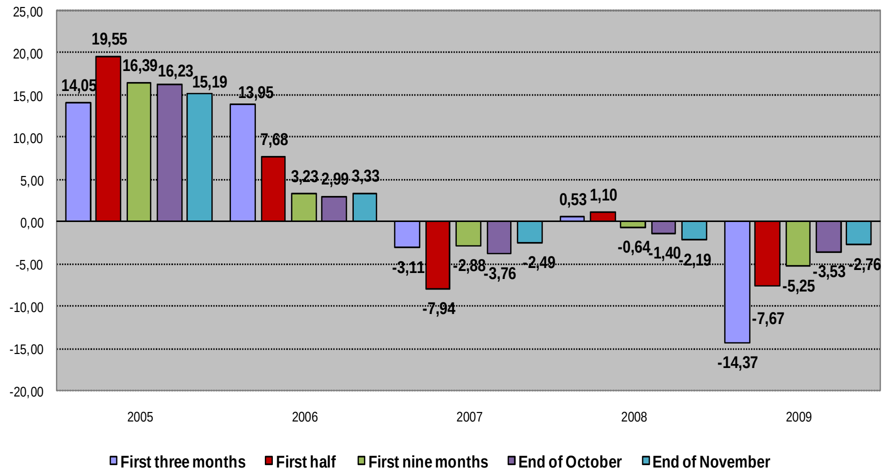
Graph 5. Real Increase in Domestic VAT Collection (%)



Negative sign implies an increase and positive sign implies a decrease. As tax revenues falls down in general, positive sign implies a positive contribution to the rise in tax revenues.

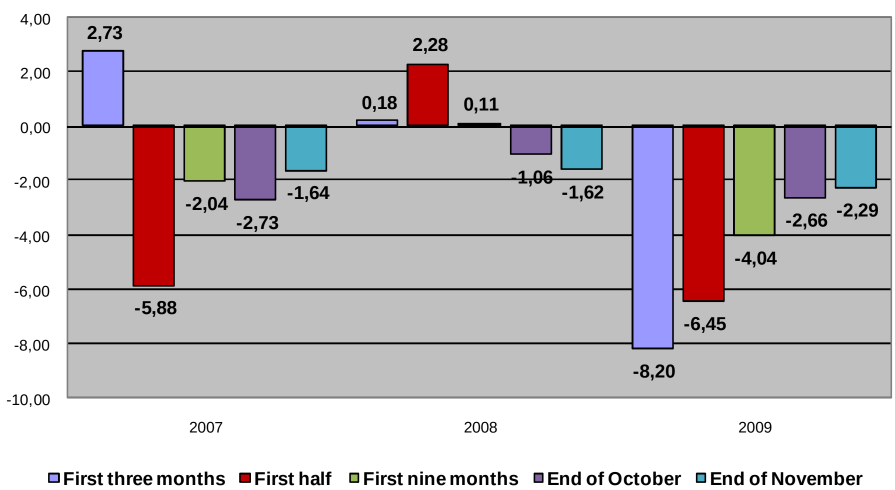
The slowdown in the pace of drop of SCT collection and accrual continued as well in October and November. Real fall in collection and accrual, compared to the same period last year, is 2.8% and 2.3%, respectively.

Graph 6. Real Rise in Special Consumption Tax Collection (%)



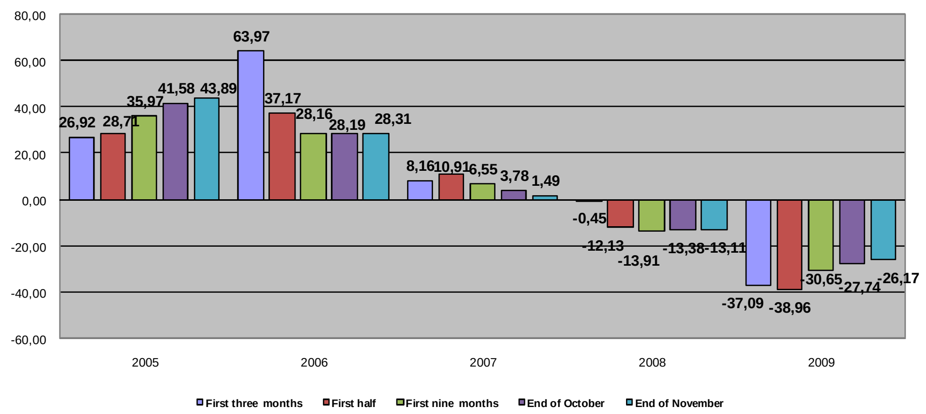
The resilience of SCT collections resulted from collections of SCT on coke, alcoholic beverages and tobacco products as well as from the effect of the currently implemented taxation policy.

Graph 7. Real Rise in Special Consumption Tax Accrual (%)

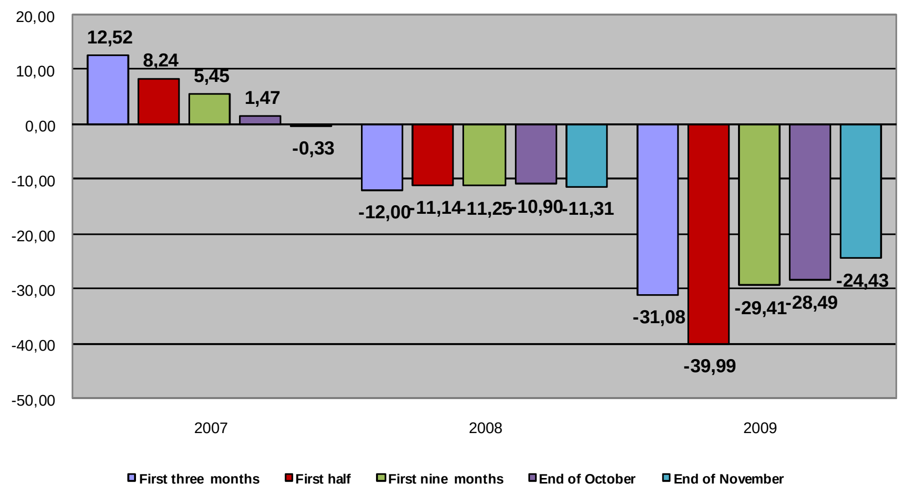


When the evolution SCT collected for durable goods, which reflects more precisely the effects of the economic contraction, it is seen that the slowdown in the pace of decrease prevails for this item, too.

Graph 8. Real Rise in Collection of Special Consumption Tax on Durable Goods (%, cumulative)

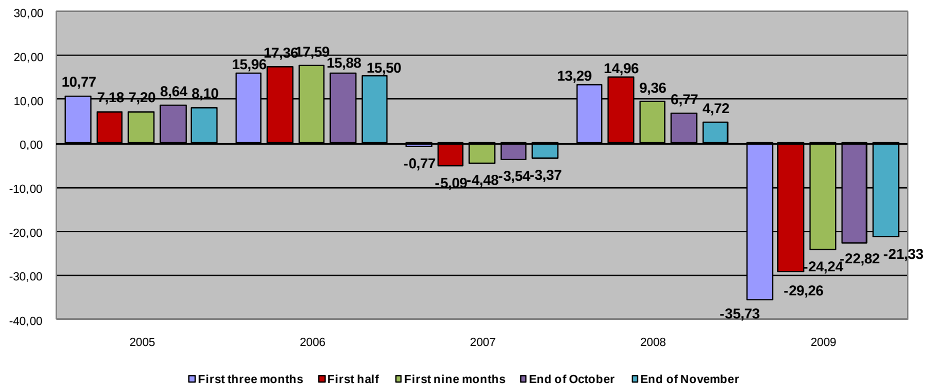


Graph 9. Real Rise in Accrual of Special Consumption Tax on Durable Consumption Goods (%, cumulative)



The downward trend in the collection of VAT on imports appears to have eased as of the second quarter of the year. Real fall in calculation has slowed to 21.3%.

Graph 10. Real Rise in VAT on Imports (%)



II. Budget Financing and Developments in Debt Stock

Through the budget had a deficit in October, 1.9 billion TL transferred from the Unemployment Fund ensured a cash balance surplus. In November, however, 5.7 billion TL of cash deficit was encountered.

Table 10. Cash Balance of the Treasury (November)

(million YTL)	Jan*	Feb*	March*	April*	May*	June*	July*	August*	Sept*	Oct*	Nov*	Total*
REVENUES	16.284	13.095	15.698	18.354	18.593	14.985	13.143	25.052	10.447	20.327	14.990	180.969
PRIVATIZATION AND FUND REVENUES	1	1.371	223	1.813	75	244	4	119	1.001	1.881	351	7.082
EXPENDITURES	18.215	26.611	20.543	20.680	19.796	17.735	22.658	22.657	24.303	21.072	21.022	235.293
Primary Expenditures	14.440	16.785	16.122	17.572	14.894	16.779	17.508	14.769	19.583	16.220	19.161	183.834
Interest Payments	3.774	9.826	4.421	3.108	4.902	956	5.150	7.888	4.720	4.852	1.861	51.459
PRIMARY BALANCE	1.844	-3.690	-424	782	3.699	-1.793	-4.365	10.283	-9.135	4.107	-4.172	-2.864
CASH BALANCE	-1.929	-12.145	-4.622	-513	-1.129	-2.506	-9.511	2.514	-12.855	1.135	-5.682	-47.242
FINANCING	1.929	12.145	4.622	513	1.129	2.506	9.511	-2.514	12.855	-1.135	5.682	47.242
BORROWING (NET)	4.326	9.061	1.240	6.014	6.669	-2.275	7.087	7.718	5.962	5.809	1.678	53.289
EXTERNAL BORROWING (NET)	1.156	115	-914	-635	2.157	-2.020	3.002	418	771	-637	-187	3.226
Utilization	1.632	721	45	11	2.348	55	3.089	810	2.398	37	22	11.167
Payment	475	606	958	646	192	2.075	86	392	1.627	674	209	7.941
DOMESTIC BORROWING (NET)	3.170	8.947	2.154	6.649	4.513	-255	4.085	7.299	5.191	6.446	1.865	50.064
Utilization	6.840	23.315	3.748	12.300	17.911	3.396	10.395	23.017	7.159	19.041	10.202	137.324
Payment	3.670	14.368	1.594	5.651	13.399	3.651	6.310	15.718	1.968	12.595	8.337	87.260
PRIVATIZATION REVENUES	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFERS FROM SDIF	60	197	1	10	300	73	30	41	1	9	0	723
ASSIGNED -GURANTEED DEBT RETURNS	34	38	63	51	100	151	68	31	59	76	57	728
BANK UTILIZATION	-2.490	2.848	3.319	-5.562	-5.940	4.556	2.326	-10.304	6.832	-7.029	3.947	-7.498
EXCHANGE RATE DIFFERENTIAL	250	348	264	-204	59	-117	-300	195	-6	124	67	678
BANK UTILIZATION NET	-2.740	2.500	3.055	-5.357	-5.999	4.674	2.626	-10.499	6.838	-7.153	3.880	-8.176

* Temporary

Total cash balance deficit as of the end of November is 47.2 billion TL. Treasury seems to stick with the domestic borrowing trend. At the end of November, net domestic borrowing by the

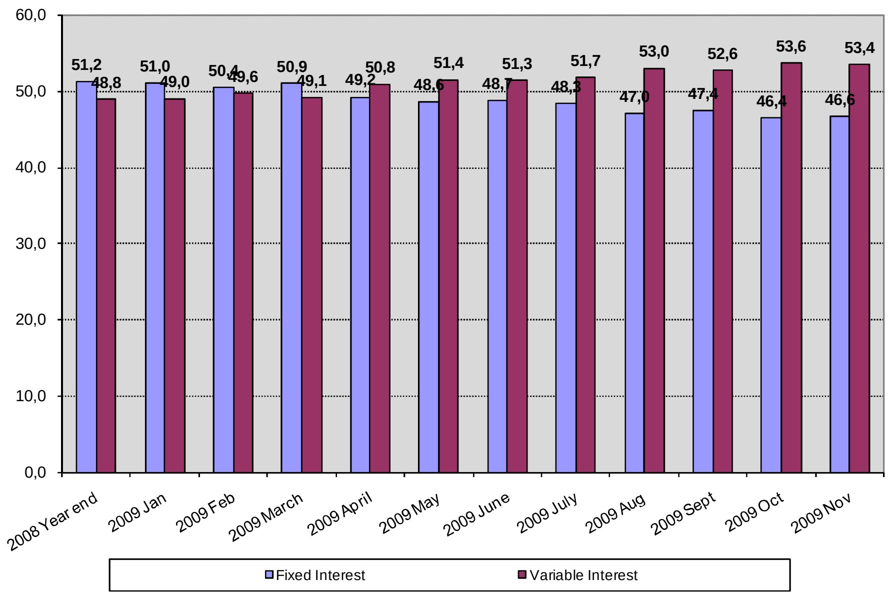
Treasury reached 50.1 billion TL and 8.2 billion TL was added to Treasury accounts.

Table 11. General Budget Balance and Central Government Budget Balance, Comparative Table (November)

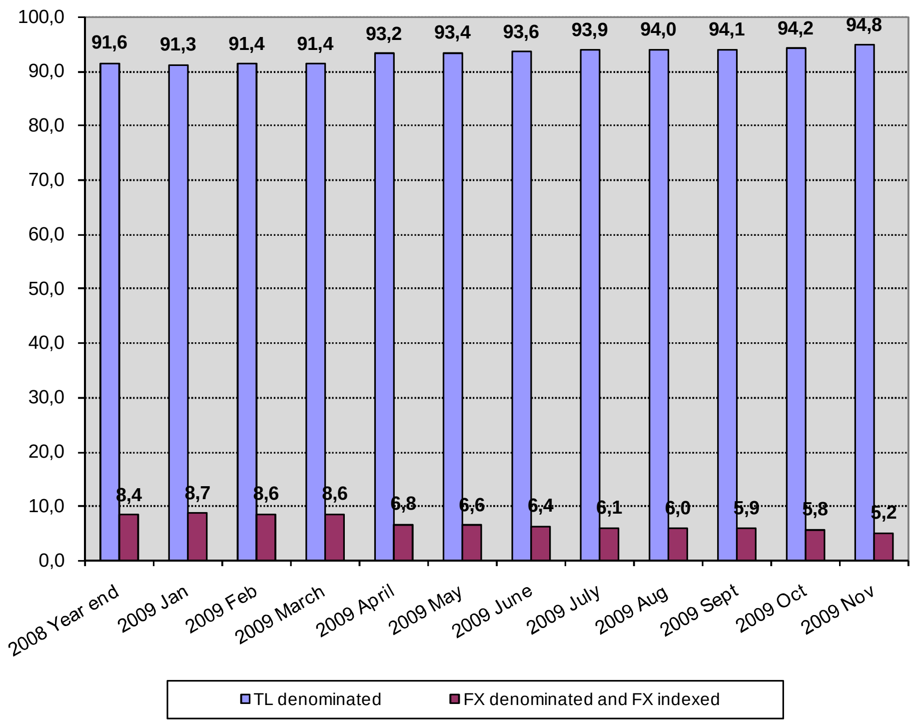
General Budget Balance		Central Government Budget Balance	
(million YTL)	November End	(million YTL)	November End
Budget Balance	-47.028	**Budget Balance**	-46.356
Escrows	-3.094	**Escrows**	-2.872
Advances	999	**Advances**	1.033
Cash Balance	-49.124	**Cash Balance**	-48.195
Funding	49.124	**Funding**	48.195
Total Net Borrowing	59.527	**Total Net Borrowing**	59.527
Let Lending (-)	-75	**Let Lending (-)**	-59
Privatization Revenues	0	**Privatization Revenues**	0
Change in Cash & Other Items (-) Entry (+) Exit	-10.478	**Change in Cash & Other Items (-) Entry (+) Exit**	-11.391

The Tables below indicate that borrowing in TL terms, which already has a high share, still in rise.

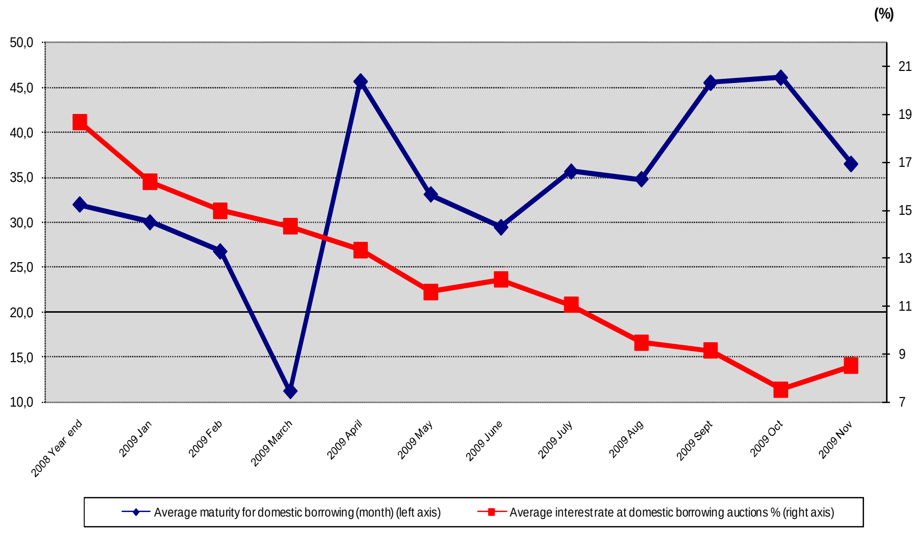
Graph 11. Central Government Domestic Debt Stock Interest Structure



Graph 12. Central Government Domestic Debt Stock TL-FX Structure



Graph 13. Average Maturity and Interest Rate for Domestic Borrowing



Interest rate for domestic borrowing, which hit the trough in October, started to tend upwards in November.

ANNEXES

Annexed Table 1. 2009 Central Government Budget Allowances and Expenditures (End of November)

	Jan-March	April-June	July-Sept	October	November	Total	2009 Budget	Realization (%)	Comp. of Expenditures (%)
Expenditures	**66.424.698**	**58.406.078**	**72.338.252**	**21.430.590**	**20.942.143**	**239.541.761**	**259.155.933**	**92,43**	**100,00**
Primary Expenditures	**48.334.482**	**49.254.141**	**54.067.927**	**16.699.175**	**19.026.883**	**187.382.608**	**201.655.903**	**92,92**	**78,23**
I. Compensation of Employees	**14.496.612**	**13.972.308**	**14.127.952**	**4.815.395**	**4.884.946**	**52.297.213**	**57.211.200**	**91,41**	**21,83**
Civil Servants	12.494.488	11.531.024	11.846.389	3.987.883	4.051.517	**43.911.301**	47.650.824	92,15	18,33
Workers	650.057	929.429	1.018.927	262.343	318.567	**3.179.323**	4.103.648	77,48	1,33
Other	1.352.067	1.511.855	1.262.636	565.169	514.862	**5.206.589**	5.456.728	95,42	2,17
II. Govn. Premiums to Social Sec. Agencies	**1.769.422**	**1.677.018**	**1.692.970**	**577.424**	**598.088**	**6.314.922**	**7.242.800**	**87,19**	**2,64**
Civil Servants	1.472.939	1.297.712	1.360.467	459.097	458.548	**5.048.763**	5.857.701	86,19	2,11
Workers	123.362	189.196	185.488	53.155	65.203	**616.404**	698.623	88,23	0,26
Other	173.121	190.110	147.015	65.172	74.337	**649.755**	686.476	94,65	0,27
III. Good and Service Procurements	**4.801.531**	**5.897.277**	**6.626.536**	**2.510.464**	**2.476.601**	**22.312.409**	**25.453.678**	**87,66**	**9,31**
Defense and Security	**1.257.007**	**1.756.532**	**2.679.320**	**775.845**	**800.937**	**7.269.641**	**9.113.219**	**79,77**	**3,03**
Ministry of Defense	**1.001.617**	1.337.015	2.142.450	597.625	553.905	**5.632.612**	7.144.231	78,84	2,35
General Command of Gendarme	**160.502**	253.605	332.059	106.303	176.869	**1.029.338**	1.273.708	80,81	0,43
General Directorate of Security	**94.888**	165.912	204.811	71.917	70.163	**607.691**	695.280	87,40	0,25
Health Expenditures	**1.756.559**	**1.753.747**	**1.636.462**	**598.895**	**539.983**	**6.285.646**	**7.084.000**	**88,73**	**2,62**
Cure and Pharm. Prod. Exp. of Persons with Green Card	1.223.752	1.059.104	1.051.393	370.073	361.327	**4.065.649**	4.109.000	98,94	1,70
Medicine Expenditures	187.361	258.835	226.091	84.499	66.725	**823.511**	1.145.272	71,91	0,34
Cure and Pharmaceutical Products	345.446	435.808	358.978	144.323	111.931	**1.396.486**	1.829.728	76,32	0,58
General Debt Expenditures	**26.826**	**4.704**	**8.037**	**1.125**	**522**	**41.214**	**145.000**	**28,42**	**0,02**
Other Goods and Services Expenditures	**1.761.139**	**2.382.294**	**2.302.717**	**1.134.599**	**1.135.159**	**8.715.908**	**9.111.459**	**95,66**	**3,64**
IV. Current Transfers	**24.179.364**	**21.917.831**	**24.107.863**	**6.866.057**	**7.806.467**	**84.877.582**	**87.955.756**	**96,50**	**35,43**
Duty Losses	**1.470.751**	**874.219**	**469.347**	**616.963**	**375.458**	**3.806.738**	**3.081.194**	**123,55**	**1,59**
Duty Losses of Public Enterprises	1.235.752	608.000	98.784	420.369	281.776	**2.644.681**	2.004.999	131,90	1,10
Financial Institutions	178.482	192.243	315.781	62.134	68.249	**816.889**	750.000	108,92	0,34
Other Duty Losses	56.517	73.976	54.782	134.460	25.433	**345.168**	326.195	105,82	0,14
Treasury Aid	**14.187.188**	**13.371.617**	**16.569.132**	**4.420.413**	**5.214.342**	**53.762.692**	**50.500.901**	**106,46**	**22,44**
Treasury Aid to Social Security Agencies	**252.659**	**240.145**	**253.402**	**83.894**	**94.800**	**924.900**	**1.048.000**	**88,25**	**0,39**
Unemployment Insurance Fund	252.659	240.145	253.402	83.894	94.800	**924.900**	1.048.000	88,25	0,39
Provincial Offices	**509.287**	**315.565**	**463.889**	**239.946**	**176.518**	**1.705.205**	**1.595.238**	**106,89**	**0,71**
Municipalities	56.350	2.510	60.090	2.311	3.997	**125.258**	128.823	97,23	0,05
Other (provincial offices and villages)	452.937	313.055	403.799	237.635	172.521	**1.579.947**	1.466.415	107,74	0,66
Other Treasury Aids	246.580	**272.506**	**318.625**	**134.562**	**138.487**	**1.110.760**	**1.167.663**	**95,13**	**0,46**
DFİF	126.000	125.000	143.000	60.000	60.000	**514.000**	500.000	102,80	0,21
Other	120.580	147.506	175.625	74.562	78.487	**596.760**	667.663	89,38	0,25
Transfers to Non-financial Establishments	**297.810**	**203.365**	**92.286**	**61.566**	**18.136**	**673.163**	**831.169**	**80,99**	**0,28**
Treansfers to Households	**259.284**	**352.923**	**270.322**	**100.212**	**113.690**	**1.096.431**	**1.321.514**	**82,97**	**0,46**
Scholarships & Pocket Money	146.229	181.602	158.005	55.479	55.393	**596.708**	615.025	97,02	0,25
Other Transfers for Education	64.985	105.629	79.165	32.475	35.597	**317.851**	527.042	60,31	0,13
Transfers for Health	13.783	14.132	12.747	4.271	4.501	**49.434**	68.609	72,05	0,02
Transfers for Foods	31.761	49.255	16.838	6.914	16.984	**121.752**	100.783	120,81	0,05
Transfers for Accomodation	2.526	2.305	3.567	1.073	1.215	**10.686**	10.055	106,28	0,00
Agricultural Subsidies	**2.355.679**	**1.305.293**	**183.398**	**69.032**	**181.767**	**4.095.169**	**4.951.301**	**82,71**	**1,71**
Direct Revenue Support	1.063.000	6.500	8.900	4.500	0	**1.082.900**	1.254.600	86,31	0,45
Differential Paying Supporting	563.000	985.000	0	0	155.000	**1.703.000**	1.870.200	91,06	0,71
Stockbreeding Support	595.000	253.000	45.000	10.000	0	**903.000**	1.182.600	76,36	0,38
Other	134.679	60.793	129.498	54.532	26.767	**406.269**	643.901	63,09	0,17
Other Transfers to Households	**201.384**	**125.970**	**242.251**	**14.394**	**46.132**	**630.131**	**845.999**	**74,48**	**0,26**
Social Transfers	**192.298**	**232.412**	**289.802**	**98.396**	**103.303**	**916.211**	**847.092**	**108,16**	**0,38**
Foreign Transfers	**198.645**	**178.334**	**154.012**	**33.835**	**65.606**	**630.432**	**847.586**	**74,38**	**0,26**
Shares from Revenues	**5.016.325**	**5.273.698**	**5.837.313**	**1.451.246**	**1.688.033**	**19.266.615**	**24.729.000**	**77,91**	**8,04**
V. Capital Expenditures	**1.109.714**	**3.877.123**	**5.305.190**	**1.363.514**	**2.212.324**	**13.867.865**	**14.838.999**	**93,46**	**5,79**
VI. Capital Transfers	**387.330**	**789.281**	**1.016.897**	**248.864**	**559.879**	**3.002.251**	**2.824.819**	**106,28**	**1,25**
VII. Lending	**1.590.509**	**1.123.303**	**1.190.519**	**317.457**	**488.578**	**4.710.366**	**4.660.842**	**101,06**	**1,97**
Domestic Lending	**1.486.509**	**1.014.303**	**1.036.519**	**232.457**	**388.578**	**4.158.366**	**4.334.842**	**95,93**	**1,74**
Public Enterprises	1.141.253	572.800	500.666	109.250	255.675	**2.579.644**	1.869.000	138,02	1,08
Risk Account	0	0	0	0	0	**0**	550.000	0,00	0,00
Other	345.256	441.503	535.853	123.207	132.903	**1.578.722**	1.915.842	82,40	0,66
Foreign Lending	**104.000**	**109.000**	**154.000**	**85.000**	**100.000**	**552.000**	**326.000**	**169,33**	**0,23**
Cyprus	104.000	109.000	154.000	85.000	100.000	**552.000**	326.000	169,33	0,23
VIII. Reserve Appropriations	0	**0**	**0**	**0**	**0**	**0**	**1.467.809**	**0,00**	**0,00**
Interest Expenditures	**18.090.216**	**9.151.937**	**18.270.325**	**4.731.415**	**1.915.260**	**52.159.153**	**57.500.030**	**90,71**	**21,77**
I. Domestic Interest	**15.393.440**	**8.129.608**	**16.288.703**	**4.591.278**	**1.711.584**	**46.114.613**	**48.971.000**	**94,17**	**19,25**
II. Foreign Debt Interest	**2.678.709**	**1.005.494**	**1.900.990**	**140.137**	**198.460**	**5.923.790**	**6.308.030**	**93,91**	**2,47**
III. Interest of Discount & Short Term Cash Operation	**18.067**	**16.835**	**80.632**	**0**	**5.216**	**120.750**	**2.221.000**	**5,44**	**0,05**

Annexed Table 2. Central Government Budget Expenditures, Comparative 2008-2009 (End of November)

	2008				2009				Rate of Increase	
	November	Total	Realization	Realization Rate	November	Total	Budget Estimate	Realization Rate	October	Total
Central Government Budget Expenditures	21.375.116	202.030.461	225.967.471	89,4	20.942.143	239.541.761	259.155.933	92,4	-2,0	18,6
Primary Expenditures	15.935.060	153.239.755	175.306.166	87,4	19.026.883	187.382.608	201.655.903	92,9	19,4	22,3
Compensation for Employees	4.287.223	45.581.758	48.824.636	93,4	4.884.946	52.297.213	57.211.200	91,4	13,9	14,7
Government Premiums to Social Security Agencies	519.132	5.549.170	6.401.679	86,7	598.088	6.314.922	7.242.800	87,2	15,2	13,8
Good and Services Procurements	2.356.429	19.184.266	23.940.547	80,1	2.476.601	22.312.409	25.453.678	87,7	5,1	16,3
Defense-Security	757.715	6.041.425	8.187.995	73,8	800.937	7.269.641	9.113.219	79,8	5,7	20,3
Health Expenditures	600.191	5.876.227	6.764.102	86,9	539.983	6.285.646	7.084.000	88,7	-10,0	7,0
General Cure and Pharmaceutical Products	169.246	1.478.827	1.787.785	82,7	111.931	1.396.486	1.829.728	76,3	-33,9	-5,6
General Medicine Expenditures	104.725	781.347	945.583	82,6	66.725	823.511	1.145.272	71,9	-36,3	5,4
Medicine Expenditures of Persons Having Green Card	326.220	3.616.053	4.030.734	89,7	361.327	4.065.649	4.109.000	98,9	10,8	12,4
General Debt Expenditures	2.047	81.689	87.791	93,0	522	41.214	145.000	28,4	-74,5	-49,5
Other Goods and Services	996.476	7.184.925	8.900.659	80,7	1.135.159	8.715.908	9.111.459	95,7	13,9	21,3
Current Transfers	6.032.262	63.395.552	70.115.598	90,4	7.806.467	84.877.582	87.955.756	96,5	29,4	33,9
Duty Losses	328.530	1.802.641	2.040.518	88,3	375.458	3.806.738	3.081.194	123,5	14,3	111,2
Duty Losses of Public Enterprises	275.564	1.108.537	1.283.537	86,4	281.776	2.644.681	2.004.999	131,9	2,3	138,6
Financial Institutions	47.039	535.200	573.159	93,4	68.249	816.889	750.000	108,9	45,1	52,6
Other Duty Losses	5.927	158.904	183.822	86,4	25.433	345.168	326.195	105,8	329,1	117,2
Treasury Aid	3.460.922	35.170.762	38.768.630	90,7	5.214.342	53.762.692	50.500.901	106,5	50,7	52,9
Treasury Aid to Social Security Agencies	87.203	930.773	1.022.167	91,1	94.800	924.900	1.048.000	88,3	8,7	-0,6
Unemployment Insurance Fund	87.203	930.773	1.022.167	91,1	94.800	924.900	1.048.000	88,3	8,7	-0,6
Health, Retirement & Social Aid Expenditures	3.044.600	31.733.385	35.133.382	90,3	4.804.537	50.021.827	46.690.000	107,1	57,8	57,6
Government Social Security Contribution	861.000	861.000	1.718.300		1.094.000	10.094.293	12.268.000	82,3		
Social Security Deficit Finance	1.705.000	24.120.685	25.849.685	93,3	2.785.000	28.814.613	21.378.000	134,8	63,3	19,5
Other	478.600	6.751.700	7.565.397	89,2	925.537	11.112.921	13.044.000	85,2	93,4	64,6
Treasury Aid to Provincial Offices	261.302	1.865.735	1.917.527	97,3	176.518	1.705.205	1.595.238	106,9	-32,4	-8,6
Other Treasury Aids	67.817	640.869	695.554	92,1	138.487	1.110.760	1.167.663	95,1	104,2	73,3
Transfers to Non-financial establishments	62.114	332.977	443.784	75,0	18.136	673.163	831.169	81,0	-70,8	102,2
Transfers to Households	108.730	956.483	1.091.651	87,6	113.690	1.096.431	1.321.514	83,0	4,6	14,6
Agricultural Subsidies	277.016	5.778.069	5.809.045	99,5	181.767	4.095.169	4.951.301	82,7	-34,4	-29,1
Differential Paying Supporting	0	1.848.000	1.848.000	100,0	155.000	1.703.000	1.870.200	91,1		-7,8
Stockbreeding Support	3	1.085.410	1.095.465	99,1	0	903.000	1.182.600	76,4		-16,8
Other Agricultural Transfers	277.013	2.844.659	2.865.580	99,3	26.767	1.489.169	1.898.501	78,4	-90,3	-47,7
Other Transfers to Households	75.384	580.825	883.509	65,7	46.132	630.131	845.999	74,5	-38,8	8,5
Social Transfers	52.589	380.942	441.617	86,3	103.303	916.211	847.092	108,2	96,4	140,5
Foreign Transfers	36.425	479.625	608.674	78,8	65.606	630.432	847.586	74,4	80,1	31,4
Shares from Revenues	1.630.552	17.913.228	20.028.170	89,4	1.688.033	19.266.615	24.729.000	77,9	3,5	7,6
Shares of Local Government	1.316.293	14.211.937	15.829.326	89,8	1.385.910	15.298.140	19.919.000	76,8	5,3	7,6
Shares on Funds	261.875	3.097.369	3.554.512	87,1	236.168	3.024.296	4.220.578	71,7	-9,8	-2,4
Other Shares	52.384	603.922	644.332	93,7	65.955	944.179	589.422	160,2	25,9	56,3
Capital Expenditures	2.030.153	13.181.570	18.440.515	71,5	2.212.324	13.867.865	14.838.999	93,5	9,0	5,2
Capital Transfers	340.389	2.615.633	3.172.592	82,4	559.879	3.002.251	2.824.819	106,3	64,5	14,8
Domestic Capital Transfers	327.180	2.554.019	3.042.320	83,9	544.879	2.963.055	2.648.027	111,9	66,5	16,0
Foreign Capital Transfers	13.209	61.614	130.272	47,3	15.000	39.196	176.792	22,2	13,6	-36,4
Lending	369.472	3.731.806	4.410.599	84,6	488.578	4.710.366	4.660.842	101,1	32,2	26,2
Domestic Lending	323.876	3.454.806	3.978.599	86,8	388.578	4.158.366	4.334.842	95,9	20,0	20,4
Foreign Lending	45.596	277.000	432.000	64,1	100.000	552.000	326.000	169,3		99,3
Reserve Appropriations	0	0	0		0	0	1.467.809			
Interest Expenditures	5.440.056	48.790.706	50.661.305	96,3	1.915.260	52.159.153	57.500.030	90,7	-64,8	6,9

Annexed Table 3. Central Government Budget Revenues, Comparative 2008-2009 (End of November)

	2009 Nov	2008 Nov	Increase (%)	2009 Budget Forecast	2008 Year End	Realization Compared to 2009 Budget (%)	Realization Compared to 2008 Year End (%)
Central Government Budget Revenues	**193.185.855**	**193.758.135**	**-0,30**	**248.758.275**	**208.898.182**	**77,66**	**92,75**
General Budget Revenues	**187.343.211**	**188.248.193**	**-0,48**	**242.957.046**	**202.790.045**	**77,11**	**92,83**
I-Tax Revenues	**154.247.457**	**156.073.105**	**-1,17**	**202.089.590**	**168.087.237**	**76,33**	**92,85**
Taxes on Income, Profits and Capital Gains	**51.374.489**	**51.507.268**	**-0,26**	**65.401.318**	**54.932.959**	**78,55**	**93,76**
Income Tax	**33.724.116**	**34.900.870**	**-3,37**	**45.253.023**	**38.027.934**	**74,52**	**91,78**
Based on Declaration	1.931.104	1.774.465	8,83		1.808.529		98,12
Lump-sum	234.076	203.959	14,77		208.705		97,73
Witholding Tax	30.473.099	31.768.482	-4,08		34.833.466		91,20
Provisional Tax	1.085.837	1.153.964	-5,90		1.177.234		98,02
Corporation Tax	**17.650.373**	**16.606.398**	**6,29**	**20.148.295**	**16.905.025**	**87,60**	**98,23**
Based on Declaration	413.330	516.559	-19,98		517.230		99,87
Witholding Tax	194.654	167.434	-16,26		182.834		91,58
Provisional Tax	17.042.389	15.922.405	7,03		16.204.961		98,26
Tax on Property	**4.412.782**	**3.946.222**	**11,82**	**4.822.548**	**4.088.015**	**91,50**	**96,53**
Inheritance and Gift Taxes	132.756	127.159	4,40	122.548	144.091	108,33	88,25
Motor Vehicle Tax	4.280.026	3.819.063	12,07	4.700.000	3.943.924	91,06	96,83
DomesticGoods and Services Taxes	**64.806.086**	**61.916.100**	**4,67**	**79.065.371**	**67.252.732**	**81,97**	**92,06**
Domestic VAT	**17.255.679**	**15.486.904**	**11,42**	**19.973.859**	**16.798.948**	**86,39**	**92,19**
Special Consumption Tax	**39.519.396**	**38.511.679**	**2,62**	**49.375.936**	**41.831.709**	**80,04**	**92,06**
SCT on Petroleum and Natural Gas	23.347.796	22.130.803	5,50		23.941.458		92,44
SCT on Motor Vehicles	2.712.573	3.506.346	-22,64		3.804.905		92,15
SCT on Coke, Alcoholic Bev. & Tobacco Prod.	12.735.996	11.946.469	6,61		13.080.130		91,33
SCT on Durable Goods and Other Goods	723.031	928.061	-22,09		1.005.216		92,32
Banking and Insurance Transactions Tax	**3.747.038**	**3.383.105**	**10,76**	**4.100.000**	**3.695.136**	**91,39**	**91,56**
Other Taxes on Goods and Services	**4.283.973**	**4.534.412**	**-5,52**	**5.615.576**	**4.926.939**	**76,29**	**92,03**
Taxes on International Trade & Transactions	**25.369.118**	**30.460.825**	**-16,72**	**42.053.351**	**32.774.519**	**60,33**	**92,94**
Customs Duties	2.188.587	2.559.007	-14,48	3.507.979	2.767.278	62,39	92,47
VAT on Imports	23.134.585	27.865.831	-16,98	38.500.000	29.968.120	60,09	92,98
Other Taxes on International Trade & Transactions	45.946	35.987	27,67	45.372	39.121	101,27	91,99
Stamp Duties	**3.628.467**	**3.598.171**	**0,84**	**4.717.000**	**3.944.984**	**76,92**	**91,21**
Fees	**4.200.111**	**4.597.890**	**-8,65**	**5.970.002**	**5.043.297**	**70,35**	**91,17**
Taxes not Elsewhere Classified	**456.404**	**46.629**	**878,80**	**60.000**	**50.731**	**760,67**	**91,91**
II-Property Income	**9.318.326**	**6.938.861**	**34,29**	**7.362.410**	**7.297.383**	**126,57**	**95,09**
Revenues from Valuable Bank Checks	**1.576.341**	**1.385.662**	**13,76**	**1.650.000**	**1.502.834**	**95,54**	**92,20**
Revenues from SEE's and Public Banks	**3.824.016**	**3.840.191**	**-0,42**	**3.346.712**	**3.876.379**	**114,26**	**99,07**
Corporation Profits	**714.881**	**746.647**	**-4,25**	**935.697**	**791.890**	**76,40**	**94,29**
Rents	**724.417**	**660.224**	**9,72**	**850.001**	**729.253**	**85,23**	**90,53**
Other Property Income	**2.478.671**	**306.137**	**709,66**	**580.000**	**397.027**	**427,36**	**77,11**
III-Grants and Aids and Special Revenues	**830.494**	**781.927**	**6,21**	**941.822**	**869.330**	**88,18**	**89,95**
From Abroad	**25**	**9.326**		**10.229**	**9.540**		**97,76**
Special Revenues	**830.469**	**772.601**	**7,49**	**931.593**	**859.790**	**89,15**	**89,86**
IV-Interests, Shares and Fines	**21.194.218**	**15.864.401**	**33,60**	**19.424.424**	**17.026.404**	**109,11**	**93,18**
Interest Revenues	**5.332.546**	**4.102.807**	**29,97**	**2.445.543**	**4.275.101**	**218,05**	**95,97**
Shares from Persons and Agencies	**7.120.767**	**6.415.464**	**10,99**	**9.653.869**	**6.938.694**	**73,76**	**92,46**
Government Shares	226.515	287.214	-21,13	380.000	308.709	59,61	93,04
Shares of General Budget Agencies	6.894.252	6.128.250	12,50	9.273.869	6.629.985	74,34	92,43
Fines	**3.399.425**	**2.626.813**	**29,41**	**3.457.012**	**2.920.271**	**98,33**	**89,95**
Judicial Fines	183.971	168.801	8,99	212.181	184.013	86,70	91,73
Administrative Fines	991.043	838.640	18,17	1.046.857	917.222	94,67	91,43
Tax Penalty	2.143.737	1.543.343	38,90	2.092.441	1.736.213	102,45	88,89
Other Fines	80.674	76.029	6,11	105.533	82.823	76,44	91,80
Other Miscellenous Revenues	**5.341.480**	**2.719.317**	**96,43**	**3.868.000**	**2.892.338**	**138,09**	**94,02**
V-Capital Revenues	**1.479.967**	**8.286.378**	**-82,14**	**13.138.800**	**9.104.999**	**11,26**	**91,01**
Sales of Immovables	**181.518**	**196.378**	**-7,57**	**499.800**	**214.765**	**36,32**	**91,44**
Sales of Movables	**3.438**	**1.332**	**-158,11**	**8.000**	**1.567**	**42,98**	**85,00**
Sales of Other Miscellenous Capitals	**1.295.011**	**8.088.668**		**12.631.000**	**8.888.667**	**10,25**	**91,00**
VI-Collections from Loans	**272.749**	**303.521**		**0**	**404.692**		
Revenues from Special Budget Institutions	**4.114.073**	**3.854.823**	**6,73**	**3.877.618**	**4.368.545**	**106,10**	**88,24**
Revenues from Regulatory&Supervisory Inst.	**1.728.571**	**1.655.119**	**4,44**	**1.923.611**	**1.739.592**	**89,86**	**95,14**

Annexed Table 4. % Composition of 2009 Central Government Budget Expenditures under Functional and Economic Classification (end of November)

4 a)

	Compens. Of Employees	SSI Premium Payment	Goods & Services Procurements	Interest Expenditure	Current Transfers	Capital Expen.	Capital Transfers	Lending	Total
General Public Services	6,5	0,7	2,4	63,6	24,0	1,1	1,1	0,7	100
Defense Services	47,6	5,4	46,6	0,0	0,0	0,4	0,0	0,0	100
Public Order and Security Services	68,2	6,5	22,3	0,0	0,0	3,0	0,0	0,0	100
Economic Works and Services	14,5	2,3	5,3	0,0	34,1	30,6	2,5	10,7	100
Environmental Protection Services	54,3	8,1	10,7	0,0	1,2	6,1	19,6	0,0	100
Housing & Public Welfare Services	0,5	0,1	0,3	0,0	68,8	13,6	16,5	0,1	100
Health Services	39,8	6,2	44,1	0,0	0,1	9,8	0,0	0,0	100
Leisute, Cultural & Religious Services	58,3	7,5	12,5	0,0	10,5	8,7	2,5	0,1	100
Education Services	63,2	7,7	11,1	0,0	4,5	7,1	2,4	3,9	100
Social Security and Social Aids	0,4	0,0	0,8	0,0	98,4	0,2	0,0	0,1	100

4 b)

	Compens. Of Employees	SSI Premium Payment	Goods & Services Procurements	Interest Expenditure	Current Transfers	Capital Expen.	Capital Transfers	Lending
General Public Services	10,2	8,9	8,7	100,0	23,2	6,5	30,0	11,8
Defense Services	11,0	10,3	25,2	0,0	0,0	0,3	0,0	0,0
Public Order and Security Services	18,4	14,4	14,1	0,0	0,0	3,1	0,0	0,0
Economic Works and Services	7,3	9,7	6,3	0,0	10,6	58,3	22,1	60,0
Environmental Protection Services	0,2	0,2	0,1	0,0	0,0	0,1	1,1	0,0
Housing & Public Welfare Services	0,0	0,0	0,0	0,0	2,6	3,2	17,6	0,1
Health Services	9,9	12,8	25,7	0,0	0,0	9,2	0,0	0,0
Leisute, Cultural & Religious Services	4,5	4,7	2,2	0,0	0,5	2,5	3,3	0,1
Education Services	38,2	38,4	15,8	0,0	1,7	16,2	25,6	26,5
Social Security and Social Aids	0,4	0,4	2,0	0,0	61,4	0,7	0,2	1,6
TOTAL	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Annexed Table 5. General Budget Finance (End of November)

[redacted]

Annexed Table 6. Composition of Central Government Debt Stock (End of November)

(million YTL)	Central Government Debt Stock (end of 2008)	%	Central Government Debt Stock Jan 2009)	%	Central Government Debt Stock (Feb 2009)	%	Central Government Debt Stock (March 2009)	%	Central Government Debt Stock (April 2009)	%	Central Government Debt Stock (May 2009)	%	Merkezi Yönetim Borç Stoku (June 2009)	%	Central Government Debt Stock (July 2009)	%	Central Government Debt Stock (August 2009)	%	Government Debt Stock (September 2009)	%	Government Debt Stock (October 2009)	%	Government Debt Stock (November 2009)	%
Structure of the Domestic Debt Stock	**274.827**	**100,0**	**279.236**	**100,0**	**288.933**	**100,0**	**292.306**	**100,0**	**297.768**	**100,0**	**301.871**	**100,0**	**301.676**	**100,0**	**307.716**	**100,0**	**315.426**	**100,0**	**320.630**	**100,0**	**327.189**	**100,0**	**329.191**	**100,0**
In terms of holders	274.827	100,0	279.236	100,0	288.933	100,0	292.306	100,0	297.768	100,0	301.871	100,0	301.676	100,0	307.716	100,0	315.426	100,0	320.630	100,0	327.189	100,0	329.191	100,0
To the government	65.751	23,9	66.221	23,7	67.244	23,3	67.736	23,2	68.642	23,1	66.818	22,1	66.620	22,1	68.421	22,2	68.481	21,7	67.270	21,0	64.658	19,8	61.634	18,7
To market	209.076	76,1	213.015	76,3	221.689	76,7	224.570	76,8	229.126	76,9	235.053	77,9	235.055	77,9	239.295	77,8	246.946	78,3	253.360	79,0	262.531	80,2	267.557	81,3
In terms of interest structure	274.827	100,0	279.236	100,0	288.933	100,0	292.306	100,0	297.768	100,0	301.871	100,0	301.676	100,0	307.716	100,0	315.426	100,0	320.630	100,0	327.189	100,0	329.191	100,0
Fixed-interest	140.614	51,2	142.429	51,0	145.635	50,4	148.856	50,9	146.458	49,2	146.618	48,6	146.837	48,7	148.652	48,3	148.345	47,0	151.904	47,4	151.727	46,4	153.426	46,6
variable-interest	134.213	48,8	136.807	49,0	143.298	49,6	143.450	49,1	151.309	50,8	155.253	51,4	154.839	51,3	159.064	51,7	167.081	53,0	168.726	52,6	175.461	53,6	175.765	53,4
In terms of FX composition	274.827	100,0	279.236	100,0	288.933	100,0	292.306	100,0	297.768	100,0	301.871	100,0	301.676	100,0	307.716	100,0	315.426	100,0	320.630	100,0	327.189	100,0	329.191	100,0
TL Denominated	251.836	91,6	254.937	91,3	263.953	91,4	267.051	91,4	277.584	93,2	282.097	93,4	282.349	93,6	289.045	93,9	296.471	94,0	301.681	94,1	308.127	94,2	312.084	94,8
FX Denominated	22.227	8,1	23.531	8,4	24.198	8,4	24.448	8,4	19.418	6,5	19.004	6,3	18.943	6,3	18.300	5,9	18.575	5,9	18.566	5,8	18.674	5,7	17.106	5,2
TL indexed to FX	764	0,3	767	0,3	783	0,3	808	0,3	765	0,3	770	0,3	384	0,1	371	0,1	380	0,1	383	0,1	388	0,1	0	0,0
Composition of Foreign Debt Stock	**105.313**	**100,0**	**111.924**	**100,0**	**114.601**	**100,0**	**115.575**	**100,0**	**111.696**	**100,0**	**109.463**	**100,0**	**107.353**	**100,0**	**106.932**	**100,0**	**109.370**	**100,0**	**110.608**	**100,0**	**110.948**	**100,0**	**111.544**	**100,0**
In terms of interest structure	105.313	100,0	111.924	100,0	114.601	100,0	115.575	100,0	111.696	100,0	109.463	100,0	107.353	100,0	106.932	100,0	109.370	100,0	110.608	100,0	110.948	100,0	111.544	100,0
Fixed-interest	75.825	72,0	81.431	72,8	83.279	72,7	84.466	73,1	82.331	73,7	80.593	73,6	78.638	73,3	77.918	72,9	80.030	73,2	78.817	71,3	79.145	71,3	79.580	71,3
variable-interest	29.488	28,0	30.493	27,2	31.323	27,3	31.109	26,9	29.365	26,3	28.870	26,4	28.715	26,7	29.014	27,1	29.340	26,8	31.791	28,7	31.803	28,7	31.964	28,7
Structure of Total Debt Stock	**380.140**	**100,0**	**391.159**	**100,0**	**403.534**	**100,0**	**407.881**	**100,0**	**409.463**	**100,0**	**411.334**	**100,0**	**409.029**	**100,0**	**414.648**	**100,0**	**424.796**	**100,0**	**431.238**	**100,0**	**438.137**	**100,0**	**440.735**	**100,0**
In terms of holders																								
To the government	65.751	17,3	66.221	16,9	67.244	16,7	67.736	16,6	68.642	16,8	66.818	16,2	66.620	16,3	68.421	16,5	68.481	16,1	67.270	15,6	64.658	14,8	61.634	14,0
To market (1)	314.389	82,7	324.939	83,1	336.290	83,3	340.144	83,4	340.822	83,2	344.516	83,8	342.409	83,7	346.226	83,5	356.316	83,9	363.968	84,4	373.479	85,2	379.101	86,0
Faiz Yapısı Açısından	380.140	100,0	391.159	100,0	403.534	100,0	407.881	100,0	409.463	100,0	411.334	100,0	409.029	100,0	414.648	100,0	424.796	100,0	431.238	100,0	438.137	100,0	440.735	100,0
Sabit Faizliler	216.439	56,9	223.859	57,2	228.914	56,7	233.321	57,2	228.789	55,9	227.212	55,2	225.475	55,1	226.570	54,6	228.375	53,8	230.720	53,5	230.872	52,7	233.006	52,9
Değişken Faizliler	163.701	43,1	167.300	42,8	174.621	43,3	174.560	42,8	180.674	44,1	184.122	44,8	183.554	44,9	188.078	45,4	196.422	46,2	200.517	46,5	207.264	47,3	207.728	47,1
In terms of FX composition	380.140	100,0	391.159	100,0	403.534	100,0	407.881	100,0	409.463	100,0	411.334	100,0	409.029	100,0	414.648	100,0	424.796	100,0	431.238	100,0	438.137	100,0	440.735	100,0
TL Denominated	251.836	66,2	254.937	65,2	263.953	65,4	267.051	65,5	277.584	67,8	282.097	68,6	282.349	69,0	289.045	69,7	296.471	69,8	301.681	70,0	308.127	70,3	312.084	70,8
FX Denominated	127.540	33,6	135.455	34,6	138.799	34,4	140.023	34,3	131.114	32,0	128.466	31,2	126.296	30,9	125.231	30,2	127.945	30,1	129.174	30,0	129.622	29,6	128.650	29,2
TL indexed to FX	764	0,2	767	0,2	783	0,2	808	0,2	765	0,2	770	0,2	384	0,1	371	0,1	380	0,1	383	0,1	388	0,1	0	0,0
Average Maturity for Domestic Debt Stock (montl	24,3		23,3		23,8		22,7		23,1		23,7		23,1		23,2		24,2		24,2		25,4		25,4	
Average Maturity for Domestic Debt (Months)*	31,9		30,0		26,7		11,2		45,6		33,0		29,4		35,7		34,7		45,5		46,1		36,5	
Average Interest Rate for Domestic Borrowing Au	18,64		16,16		14,99		14,31		13,35		11,59		12,09		11,04		9,49		9,13		7,53		8,51	