tepav|fmr

FiscalMontoringReport

Stability Institute

2010 BUDGET IMPLEMENTATION RESULTS:

A CONJUNCTURAL AND STRUCTURAL OVERVIEW

I. 2010 Budget Implementation Results

A. A Conjunctural and Structural Overview of the 2010 Budget Results: Executive Summary

Interim data reviews that in 2010, central government budget had a deficit of 39.6 billion TL with revenues at 254 billion TL and expenditures at 293.6 billion TL. Budget deficit decreased by 25% compared to the previous year in which the impacts of the global crisis were felt deeply.

The increase in the total budget expenditures and budget revenues stood 9.5% and 17.9% above that in the end of 2009, which gave way to a budget deficit below 50 billion TL, at 39.6 billion TL.

Budget deficit, which stood approximately five times above the programmed level in 2009, was realized at 27% below the programmed level in 2010. With this perspective, it is necessary to examine which budget items at what degree contributed to this positive budget performance. Furthermore, it is of significance to analyze the impact of the economic conjuncture and assess the recent changes in the budget balance after adjustments to cyclical movements.

To begin with, the decomposition of budget items on the basis of conjunctural and structural items, as given in Box 1, reveals that central government budget adjusted to cyclical movements (the economic conjuncture) has been demonstrating a deterioration since 2006.[1] Despite the slight year-on-year recovery in the structural primary budget balance in 2010, the outlook for the last five years reflects the worsening of the long term fiscal policy dynamics. Another attractive finding is that the negative impact of economic depression caused the global crisis on the budget balance in 2010 was 0.4% of the GDP. Box 1 assesses in detail the impact of cyclical movements on the budget and the structural budget balance.

---

[1] Source: Cem Çebi and Ümit Özlale, "Türkiye'de Maliye Politikasının Niteliği: Yapısal Bütçe Dengesi ve Mali Duruş", TCMB, unpublished working paper, 2011.

BOX 1: BUDGET SENSITIVITY TO ECONOMIC GROWTH AND THE STRUCTURAL BUDGET BALANCE

Compared to the previous two years, budget dynamics in 2010 demonstrate a more favorable outlook. This improvement might be indicating a long term and structural amelioration of the fiscal policy as well as the sensitivity of budget items, revenue items in particular, to the economic conjuncture. Therefore, sounder analysis for the long term fiscal policy can be enabled upon the adjustment of fiscal policy and budget balance to cyclical movements.[2]

Table 1. Structural and Cyclical Primary Budget Balance (% of GDP)

	Primary Budget	Structural Component	Cyclical Component	Production Gap*
2006	5.5	5.2	0.3	3.4
2007	4.2	3.6	0.5	3.9
2008	3.5	3.5	0.0	1.3
2009	0.1	1.0	-0.9	-6.3
2010	0.8	1.2	-0.4	-1.3

Source: Çebi and Özlale (2011)

Table 1 which analyzes the primary budget balance after adjusting to structural and cyclical (economic conjunctural) factors, indicate that the negative impact of the global crisis on primary budget balance was 0.9% and 0.4% as a ration to GDP in 2009 and 2010, respectively. Thus, it will be wrong to associate the improvement in the budget performance in 2010 completely with cyclical factors.

On the other hand, another striking point is that the structural budget balance that reflects the long term outlook of fiscal policy demonstrated a significant

[2] Cem Çebi and Ümit Özlale, "Türkiye'de Maliye Politikasının Niteliği: Yapısal Bütçe Dengesi ve Mali Duruş", TCMB, unpublished working paper, 2011.

deterioration over the last five years. Structural primary surplus which accounted for 5.2% of the GDP in 2006 has decreased substantially in the last two years. Fiscal stance, measured on the basis of the change in the structural primary balance shows a negative outlook excluding the slight recovery in 2010, which implies that the long term fiscal policy dynamics have been worsening.

One other important point is the “extremely” expansionary fiscal policy that was implemented in 2007 partly due to the elections then ahead. The considerable worsening of the structural primary budget balance observed in this period despite the economic heating up is also of attraction.

Table 2. Central Government Budget December 2010 Budget Realizations (Compared to 2009)

million TL	Dec. 09	Dec. 10	Change (%)	Real. Comp. To 2010 Approp.
Expenditures	**268,219**	**293,628**	**9.47**	**102.32**
1-Primary Expenditures	**215,018**	**245,332**	**14.10**	**106.56**
Personnel Expenditures	55,947	62,301	11.36	103.23
Govern. Premiums to Social Security	7,208	11,060	53.43	99.55
Provision of Goods and Services	29,799	28,823	-3.27	114.42
Current Transfers	91,976	101,891	10.78	99.72
Capital Expenditures	20,072	25,907	29.07	136.90
Capital Transfers	4,319	6,736	55.96	196.44
Lending	5,698	8,613	51.17	124.78
Reserve Appropriations	0	0		
2-Interest Expenditures	**53,201**	**48,296**	**-9.22**	**85.10**
Revenues	**215,458**	**254,028**	**17.90**	**107.28**
1-General Budget Revenues	**208,610**	**246,142**	**17.99**	**107.04**
Tax Revenues	172,440	210,532	22.09	108.90
Enterprise and Property Revenues	9,948	9,788	-1.61	144.91
Interests, Shares and Fines	23,058	21,014	-8.86	117.95
Capital Revenues	2,044	3,376	65.11	31.70
Grants and Aids	807	1,208	49.60	125.24
Collections from Loans	312	224	-28.31	51.08
2-Special Budget Revenues	**5,037**	**5,954**	**18.21**	**121.55**
3-Rev. from Superv. and Reg. Ag.	**1,811**	**1,933**	**6.73**	**99.16**
Budget Balance	**-52,761**	**-39,600**	**24.94**	**78.90**
Primary Balance	**440**	**8,697**	**1876.29**	**132.51**
Program Defined Primary Balance	**-14,343**	**-5,363**	**62.61**	

The following points are identified upon the examination of the 2010 central government budget results on the basis of the initial amounts of budget items and the revisions introduced throughout the year:

- According to interim results, total budget expenditures and primary expenditures increased by 2.3% and 6.6% respectively compared to initial budget appropriations. According to the realization estimates, budget expenditures were 1% lower.

- The biggest contribution to the difference between the realized primary budget expenditures and the level in the initial budget targets was made by capital expenditures (46.2% of the deviation), as also was the case in 2009. This was followed by the expenditures on the provision of goods and services (24.6%). Different than the year before, the level of current transfers at the end of the year stood below the initial budget appropriations. However, capital expenditures stood above the appropriation particularly due to the contribution of the rise in road construction expenditures and provision of goods and services particularly due to the rise in the health expenditures caused by the increase in the receipt expenditures of health institutions.

- Budget revenues stood 7.3% above the initial appropriation, contrary to the outlook in the year before. Here, the increase in the collection of indirect taxes which was 11% above the initial appropriation played the major role.

- Tax revenues made the largest contribution to the improvement in budget revenues. The total rise in the collection of domestic VAT and VAT on imports constitutes approximately 70% of the total rise in tax revenues. The contribution of tax revenues reaches 85% when the SCT collections are added. The surge in the level of overall demand and the deterioration of the foreign trade balance were the main determinants of the improvement of tax revenues.

- While budget revenues stood at a level above the initial appropriation, privatization revenues failed to meet the appropriation target.

- In conclusion, budget deficit decreased despite the poor performance in privatization revenues thanks to the increase in tax revenues which limited the deviation of expenditures.

- The most important lesson to be drawn here is that the structure of the Turkish tax system dominated by indirect taxes acts like a stabilizer in periods of economic revival. As the current account deficit increases, collection of indirect taxes improves due to both the rise in domestic demand and the rise in import demand. Therefore, calculation of indirect tax revenues in the initial budget on the basis of more modest growth estimates, growth above expectations and the underlying rise in domestic and import demand brought a rise in indirect tax revenues. On the other hand, since the right to spend granted by the TGNA with the initial budget cannot be expanded automatically despite some exceptions, the increase in expenditures stood below the rise in revenues, keeping the budget deficit below expectations.

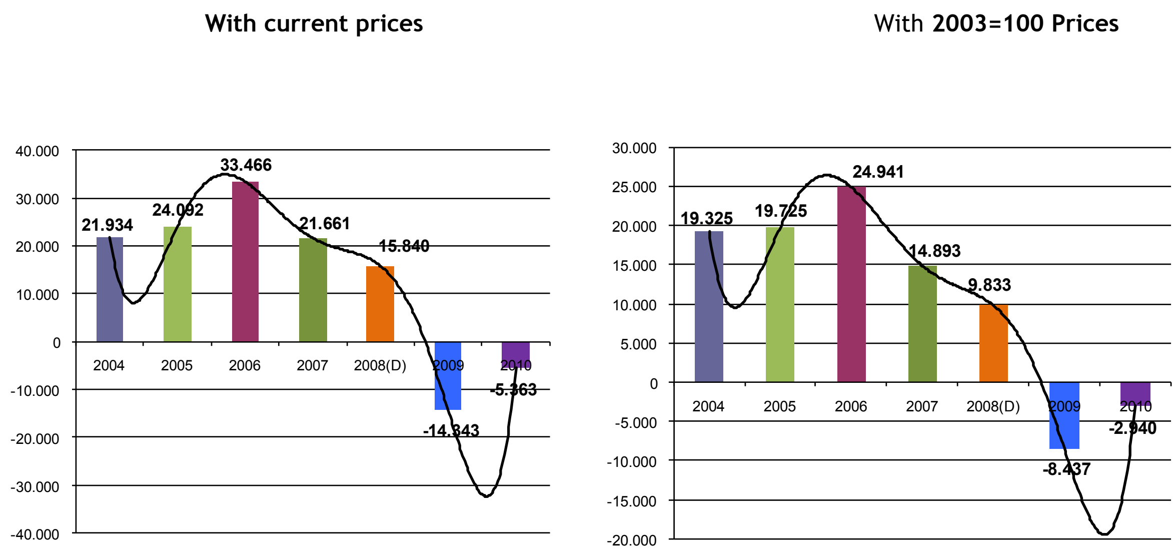
- In short, though the budget deficit was relieved in 2010 compared to the previous year, the deterioration in the structural budget balance since 2006 must be taken into account. Moreover, it is needed to stress that the impact of the economic conjuncture that showed an improvement compared to 2009 is still unfavorable.

Table 3. 2010 Budget Targets, Revisions and Interim Realization Results

	million TL			Deviation (million TL)		Budget/Realization (%)		Real. Estimate/Real. (%)		Primary Budget			
	Budget	Realization Estimate	Realization	Budget	Realization Estimate	Contribution to the rate of increase (%)	(%) Composition	Contribution to the rate of increase (%)	(%) Composition	Contribution to the rate of increase (%)	(%) Composition	Contribution to the rate of increase (%)	(%) Composition
Central Government Budget Expenditures	**286,981**	**296,980**	**293,628**	**6,647**	**-3,352**	**2.3**	**100.0**	**-1.1**	**100.0**				
Primary Expenditures	**230,231**	**247,480**	**245,332**	**15,101**	**-2,148**	**5.3**	**227.2**	**-0.7**	**64.1**	**6.6**	**100.0**	**-0.9**	**100.0**
I. Compensation of Employees	60,349	62,155	62,301	1,952	146	0.7	29.4	0.0	-4.4	0.8	12.9	0.1	-6.8
II. Govern. Prem. to Social Security Agencies	11,110	11,030	11,060	-50	30	0.0	-0.8	0.0	-0.9	0.0	-0.3	0.0	-1.4
III. Procurement of Goods and Services	25,190	29,405	28,823	3,634	-582	1.3	54.7	-0.2	17.4	1.6	24.1	-0.2	27.1
IV. Interest Expenditures	56,750	49,500	48,296	-8,454	-1,204	-2.9	-127.2	-0.4	35.9				
V. Current Transfers	102,173	104,663	101,891	-282	-2,772	-0.1	-4.2	-0.9	82.7	-0.1	-1.9	-1.1	129.0
VI. Capital Expenditures	18,924	28,667	25,907	6,982	-2,760	2.4	105.0	-0.9	82.3	3.0	46.2	-1.1	128.5
VII. Capital Transfers	3,429	4,785	6,736	3,307	1,951	1.2	49.8	0.7	-58.2	1.4	21.9	0.8	-90.8
VIII. Lending	6,903	6,775	8,613	1,711	1,838	0.6	25.7	0.6	-54.8	0.7	11.3	0.7	-85.6
IX. Reserve Appropriations	2,153	0	0	-2,153	0	-0.8	-32.4	0.0	0.0	-0.9	-14.3	0.0	0.0
Central Government Budget Revenues	**236,794**	**252,802**	**254,028**	**17,234**	**1,226**	**7.3**	**100.0**	**0.5**	**100.0**				
I. General Budget Revenues	**229,947**	**244,478**	**246,142**	**16,195**	**1,664**	**6.8**	**94.0**	**0.7**	**135.7**	**7.0**	**100.0**	**0.7**	**100.0**
A. Tax Revenues	**193,324**	**210,168**	**210,532**	**17,209**	**364**	**7.3**	**99.9**	**0.1**	**29.7**	**7.5**	**106.3**	**0.1**	**21.9**
Direct Taxes	63,965	67,587	66,565	2,600	-1,022	1.1	15.1	-0.4	-83.3	1.1	16.1	-0.4	-61.4
Indirect Taxes	129,359	142,581	143,967	14,608	1,386	6.2	84.8	0.5	113.0	6.4	90.2	0.6	83.3
B. Non-tax Revenues	**36,623**	**34,310**	**35,609**	**-1,014**	**1,299**	**-0.4**	**-5.9**	**0.5**	**106.0**	**-0.4**	**-6.3**	**0.5**	**78.1**
Privatization*	10,404	3,324	3,079	-7,325	-245	-3.1	-42.5	-0.1	-20.0	-3.2	-45.2	-0.1	-14.7
Other	26,219	30,986	32,530	6,311	1,544	2.7	36.6	0.6	125.9	2.7	39.0	0.6	92.8
II. Special Budget Revenues	**4,898**	**6,284**	**5,954**	**1,056**	**-330**	**0.4**	**6.1**	**-0.1**	**-26.9**				
III.Rev. from Supervisory and Regulatory Ag.	**1,949**	**2,040**	**1,933**	**-16**	**-107**	**0.0**	**-0.1**	**0.0**	**-8.8**				
Budget Balance	**-50,187**	**-44,178**	**-39,600**										
Budget Balance (excl. Special budget revenues	-60,591	-47,502	-42,679										
Primary Balance	6,563	5,322	8,697										
Program Defined Budget Balance	**-8,547**	**-7,436**	**-5,363**										

Program defined primary balance had a deficit of 5.4 billion TL in 2010. Primary deficit which was targeted at 8.5 billion TL in the budget estimates eased slightly with the impact of the improvements in tax revenues. The deterioration in the primary budget balance that came to the fore in 2009 with the global crisis continued, though eased, in 2010 despite the strong performance in tax revenues due to the deviation from the targets in primary expenditures.

Figure 1. Central Government Budget Program Defined Primary Surplus (Comparative, 2004-2010 December end, Million TL)



2008 (D), indicates that KEY payments are involved in the primary balance.

B. Budget Expenditures

According to interim results, in 2010, budget expenditures increased by 9.5% to 293.6 billion TL and primary expenditures increased by 14.1% to 245.3 billion TL. When health expenditures but green card expenditures are excluded (because of the transfer of health expenditures for civil servants to the Social Security Institution (SSI)), the rate of increase in health expenditures reaches 16%.

Considering that the year-end inflation stood at 6.4% and real growth at 8.9%, budget expenditures did not increase substantially in real terms partly due to the effect of the fall in interest expenditures. On the other hand, the rise in primary expenditures was almost equivalent to the change in inflation and growth.

The ratio of primary expenditures to GDP was 22.3% in 2010. The ratio of primary expenditures which stood at 17-18% before the crisis reached as high as 22% in the last two years. It is an important point to emphasize that the ratio of primary expenditures to the GDP increased in a period of fiscal tightening.

Table 4. 2010 Budget Expenditure Estimates and Realizations

	(million TL)					*Rate of Increase (%)*			*Ratio to the GDP (%)*				
	2008	**2009**	**2010**			**2008**	**2009**	**2010**	**2008**	**2009**	**2010**		
	Realization	**Realization**	**Budget**	**Realization Estimate**	**Realization**	**2008/ 2007**	**2009/ 2008**	**2010/ 2009**	**Realization**	**Realization**	**Budget**	**Realization Estimate**	**Realization**
Central Government Budget Expenditures	**227,031**	**268,219**	**286,981**	**296,980**	**293,628**	**11.3**	**18.1**	**9.5**	**23.9**	**28.2**	**27.9**	**27.0**	**26.7**
Primary Expenditures	**176,369**	**215,018**	**230,231**	**247,480**	**245,332**	**14.0**	**21.9**	**14.1**	**18.6**	**22.6**	**22.4**	**22.5**	**22.3**
I. Compensation of Employees	48,856	55,947	60,349	62,155	62,301	12.1	14.5	11.4	5.1	5.9	5.9	5.7	5.7
II. Govern. Prem. to Social Security Agencies	6,408	7,208	11,110	11,030	11,060	10.4	12.5	53.4	0.7	0.8	1.1	1.0	1.0
III. Procurement of Goods and Services	24,412	29,799	25,190	29,405	28,823	9.7	22.1	-3.3	2.6	3.1	2.4	2.7	2.6
IV. Interest Expenditures	50,661	53,201	56,750	49,500	48,296	3.9	5.0	-9.2	5.3	5.6	5.5	4.5	4.4
V. Current Transfers	70,360	91,976	102,173	104,663	101,891	11.2	30.7	10.8	7.4	9.7	9.9	9.5	9.3
VI. Capital Expenditures	18,516	20,072	18,924	28,667	25,907	42.4	8.4	29.1	1.9	2.1	1.8	2.6	2.4
VII. Capital Transfers	3,174	4,319	3,429	4,785	6,736	-10.4	36.1	56.0	0.3	0.5	0.3	0.4	0.6
VIII. Lending	4,644	5,698	6,903	6,775	8,613	20.7	22.7	51.2	0.5	0.6	0.7	0.6	0.8
IX. Reserve Appropriations	0	0	2,153	0	0								

In 2010, the level of appropriations exceeded the initial estimates by 2.3%. The ratio stands at 6.6% for primary expenditures.

Personnel expenditures stood above budget estimates and showed an 11.4% year-on-year increase due to the inflation difference payments made throughout the year and the execution of Social Security Law concerning civil servants.

Provision of goods and services decreased by 3.3% because of the transfer of health expenditures for civil servants to the Social Security Institution (SSI) and were realized at 114.4% compared to the initial budget. Total health expenditures decreased by 34.6% and by 75% excluding green card expenditures. In 2010, green card expenditures decreased by 10.2% partly (2.6%) caused by the fall in the number of beneficiaries and partly by the high basis effect resulting from the additional payments stemming from the deferred payments in the previous year.

In the examined period, provision of goods and services for defense and security purposes dropped by 2.3%.

Table 5. Goods and Services Appropriation and Usage, 2010

	2009	2010		Rate of Increase (%)
	Realization	Budget	Realization	2009/2008
Procurement of Goods and Servi	**29,799**	**25,190**	**28,823**	**-3.27**
Health Expenditures	8,798	4,801	5,751	-34.63
Green Card	**5,506**	**4,603**	**4,944**	**-10.20**
Medicine	3,746	3,311	3,403	-9.15
Cure and Treatment	1,760	1,292	1,541	-12.45
Other Health Expenditures	3,292	198	807	-75.48
Defense and Security	9,671	9,123	9,444	-2.34
Other Current Expenditures	11,330	11,266	13,628	20.28

At the end of 2010, current transfers increased by 10.8% corresponding to 99.7% of the initial budget. Duty losses under the current transfers item de4creased by 20.3% and stood at 76.5%, considerably below the budget appropriation. Social security deficit finance eased by 7.5% whereas total current transfers for health, retirement and social assistance increased by 4.5%.

Agricultural subsidy payments grew by 29.4% compared to 2009. The rise was caused mainly by field specific subsidies (85%) and subsidies for animal breeding (31%).

Revenue shares transferred to local administrations and funds increased by 22.6% in parallel with the surge in tax revenues. The shares transferred to local administrations elevated by 24.2%. The increase in the mentioned expenditure item stood significantly above that in other expenditure items both during and after the crisis in tandem with relevant policy decisions as well as the revenue performance.

Table 6. 2009-2010 Comparative Budget Expenditures, end of December

(million TL)	2009	2010	Rate of Increase (%)	2010 Comp. of Expenditures (%)	2010 Real. Rate (%)
Central Government Budget Expenditures	**268,219**	**293,628**	**9.5**	**100.0**	**102.3**
Primary Expenditures	**215,018**	**245,332**	**14.1**	83.6	**106.6**
I. Compensation of Employees	**55,947**	**62,301**	**11.4**	21.2	**103.2**
II.Government Premiums to Social Security Agencies	**7,208**	**11,060**	**53.4**	3.8	**99.5**
III. Goods and Services Procurements	**29,799**	**28,823**	**-3.3**	9.8	**114.4**
Health Expenditures	8,798	5,751	-34.6	2.0	119.8
Medicine Expenditures	1,147	259	-77.4	0.1	325.6
General Cure and Pharmaceutial Products	2,145	548	-74.5	0.2	462.8
Green Card	5,506	4,944	-10.2	1.7	107.4
Defense and Security (Excluding Health)	9,671	9,444	-2.3	3.2	103.5
Other Goods and Services	11,330	13,628	20.3	4.6	103.0
IV. Current Transfers	**91,976**	**101,891**	**10.8**	34.7	**99.7**
Duty Losses	**4,138**	**3,297**	**-20.3**	1.1	**76.5**
Treasury Aid	**56,951**	**60,323**	**5.9**	20.5	**96.8**
Treasury Aid to Social Security Agencies	1,019	1,342	31.7	0.5	106.9
Health, Retirement and Social Aid Expenditures	52,685	55,039	4.5	18.7	95.4
Social Secuirty Deficit Finance	29,249	27,069	-7.5	9.2	85.2
Transfers to non-financial Establishments	**844**	**1,084**	**28.4**	0.4	**149.2**
Transfers to Households	**1,276**	**1,591**	**24.7**	0.5	**104.9**
Agricultural Subsidy	**4,495**	**5,817**	**29.4**	2.0	**103.8**
Other Transfers to Households	**1,031**	**850**	**-17.6**	0.3	**74.9**
Social Transfers	**1,027**	**1,610**	**56.7**	0.5	**100.7**
Foreign Transfers	**722**	**959**	**33.0**	0.3	**93.3**
Shares from Revenues	**21,492**	**26,359**	**22.6**	9.0	**110.2**
V. Capital Expenditures	**20,072**	**25,907**	**29.1**	8.8	**136.9**
VI. Capital Transfers	**4,319**	**6,736**	**56.0**	2.3	**196.4**
Domestic Capital Transfers	4,179	6,614	58.3	2.3	208.3
Foreign Capital Tansfers	141	122	-13.1	0.0	48.2
VII. Lending	**5,698**	**8,613**	**51.2**	2.9	**124.8**
Domestic Lending	5,071	8,023	58.2	2.7	127.4
Foreign Lending	627	590	-5.9	0.2	97.5
VIII. Reserve Appropriations	**0**	**0**	**0.0**	0.0	**0.0**
Interest Expenditures	**53,201**	**48,296**	**-9.2**	16.4	**85.1**

The 29.1% increase in capital expenditures was a major source of the rise in budget expenditures in 2010. As Table 7 that gives the detailed outlook of expenditures in economic classification, capital expenditures stood way above the initial budget in the last three years particularly considering the real estate capital expenditures.

Under this item, the payment made for road construction expenditures increased substantially and the payments were predominantly made in December. In 2010, 71% of total investment expenditures were allocated for construction services half of which was used for road construction services.

Table 7. Central Government Budget Capital Expenditures (2007-2010)

Million TL

	2007			2008			2009			2010		
	Dec.	Year-end	Budget	Dec.	Year-end	Budget	Dec.	Year-end	Budget	Dec.	Year-end	Budget
Cent. Govnt. Budget Expenditures	19,666	204,068	204,989	25,000	227,031	222,553	28,677	268,219	259,156	37,858	293,628	286,981
Capital Expenditures	3,413	13,003	12,104	5,334	18,516	11,775	6,204	20,072	14,839	8,350	25,907	18,924
Immovable Capital Production	2,175	9,564	8,060	3,705	13,466	7,883	4,332	14,447	10,398	5,874	20,241	13,676
Contractors	1,952	8,405		3,436	12,215		3,980	13,068		5,362	18,396	
Service Buildings	290	1,703		370	1,810		395	1,809		549	2,333	
Service Establishments	25	139		52	291		61	297		176	486	
Government Housing	9	13		8	12		7	17		14	35	
Recreation Resorts	5	16		6	27		8	25		46	78	
Road Construction	897	3,522		1,896	5,482		2,028	6,088		2,761	8,950	
Drinking Water Plumbing	0	1		0	7		11	18		6	13	
Sewerage System	2	16		0	12		5	19		2	6	
Others	723	2,996		1,105	4,572		1,466	4,795		1,808	6,495	

	2007			2008			2009			2010		
	% Comp.	% Real. Rate		% Comp.	% Real. Rate		% Comp.	% Real. Rate		% Comp.	% Real. Rate	
	Year-end	Dec.	Year-end	Year-end	Dec.	Year-end	Year-end	Dec.	Year-end	Year-end	Dec.	Year-end
Cent. Govnt. Budget Expenditures	100.0	9.6	99.6	100.0	11.2	102.0	100.0	11.1	103.5	100.0	13.2	102.3
Capital Expenditures	6.4	28.2	107.4	8.2	45.3	157.2	7.5	41.8	135.3	8.8	44.1	136.9
Immovable Capital Production	4.7	27.0	118.7	5.9	47.0	170.8	5.4	41.7	138.9	6.9	42.9	148.0
Contractors	4.1			5.4			4.9			6.3		
Service Buildings	0.8			0.8			0.7			0.8		
Service Establishments	0.1			0.1			0.1			0.2		
Government Housing	0.0			0.0			0.0			0.0		
Recreation Resorts	0.0			0.0			0.0			0.0		
Road Construction	1.7			2.4			2.3			3.0		
Drinking Water Plumbing	0.0			0.0			0.0			0.0		
Sewerage System	0.0			0.0			0.0			0.0		
Others	1.5			2.0			1.8			2.2		

Capital transfers increased year-on-year by 56% corresponding to 196.4% of budget estimates. On the basis of economic coding, approximately half of capital transfers at 6.7 billion TL were delivered to local administrations, Special Provincial Administrations to begin with. In 2010 the revenue share and transfers delivered to the local administrations were substantially above the level in 2009.

Lending item grew by 51% corresponding to 125% realization ratio compared to the initial budget. Out of this amount, 57% (4.5 billion TL) was transferred to the State Railways Company.

As of the end of 2010, employment registered at the SSI increased by 8.2% compared to the end of 2009. SSI budget reveals that in this parallel, premium revenues and state contribution increased by 26.3% and 39.4%, respectively. The basis effect resulting from the fall in premium revenues in 2009 and the rise in the stoppage executed by the SSI on civil servants played the major role in the improvement of SSI revenues.

Table 8. Change in the Level of Employment Registered at the SSI, January-December

	2009	2010	Change (%)
Employment Contract	9,030,202	10,030,810	11.1
Self-employed	2,847,081	2,963,322	4.1
Public employees	2,241,418	2,282,511	1.8
Total	**14,118,701**	**15,276,643**	**8.2**

Source: SSI Financial Statistics Bulletin (retrieved in March 2011)

Total expenditures of the SSI increased by 13.7% while pensions and health expenditures grew by 13.75 and 15.1%, respectively. Detailed analysis of the change in health expenditures could not be made as the sub-items of the expenditures for the 2010 were not involved in the SSI statistics.

Table 9. Social Security Institution Budget Balance (million TL)

BUDGET ITEMS	December			January-December		
	2009	2010	Change (%)	2009*	2010	Change (%)
I-GELİRLER	**8,276**	**10,493**	**26.79**	**78,073**	**94,679**	**21.27**
1- PREMIUM REVENUES	6,320	7,911	25.17	52,881	66,763	26.25
2- RESTRUCTURING	121	0		1,698	149	-91.20
3- STATE CONTRIBUTION	785	1,285	63.69	10,879	15,170	39.44
4- ADDITIONAL PAYMENTS	245	277	12.94	2,923	3,314	13.41
5- INVOICED PAYMENT	690	863	25.07	5,908	5,871	-0.62
6- OTHER REVENUES	115	158	37.60	3,784	3,411	-9.86
II-GİDERLER	**9,007**	**9,781**	**8.59**	**106,775**	**121,403**	**13.70**
1- RETIREMENT PAYS	5,646	6,703	18.71	68,604	78,957	15.09
2- PAY. AS PER NO 5510 LAW	58	67	16.51	599	692	15.53
3- ADDITIONAL PAYMENTS	251	282	12.39	2,957	3,347	13.16
4- HEALTH EXPENDITURES (inc.travel pay)	2,264	2,553	12.77	28,863	32,080	11.14
5- INVOICED PAYMENTS	647	49	-92.42	4,044	4,258	5.30
6- ADMINISTRATION	65	12	-82.03	764	618	-19.15
7- INVESTMENT	12	114	879.30	77	70	-9.82
8- OTHER EXPENDITURES	65	1	-99.19	867	1,382	59.42
III- BALANCE	**-731**	**713**	**197.46**	**-28,703**	**-26,724**	**6.89**
IV- BUDGET TRANSFERS	**2,460**	**2,795**	**13.61**	**75,830**	**83,419**	**10.01**
1- FOR DEFICIT	437	1,285	194.27	52,600	55,244	5.03
2- STATE CONTRIBUTION	785	277	-64.75	10,879	15,170	39.44
3- FOR ADDITIONAL PAYMENT	245	863	252.20	2,923	3,314	13.41
4- FOR INVOICED PAYMENTS	690	370	-46.38	5,908	5,871	-0.62
5-INCENTIVES	303	0		3,521	3,820	8.48

1- Included in retirement pay since October 2008.

**** revized***

Source: SSI Financial Statistics Bulletin (retrieved in November 2010)

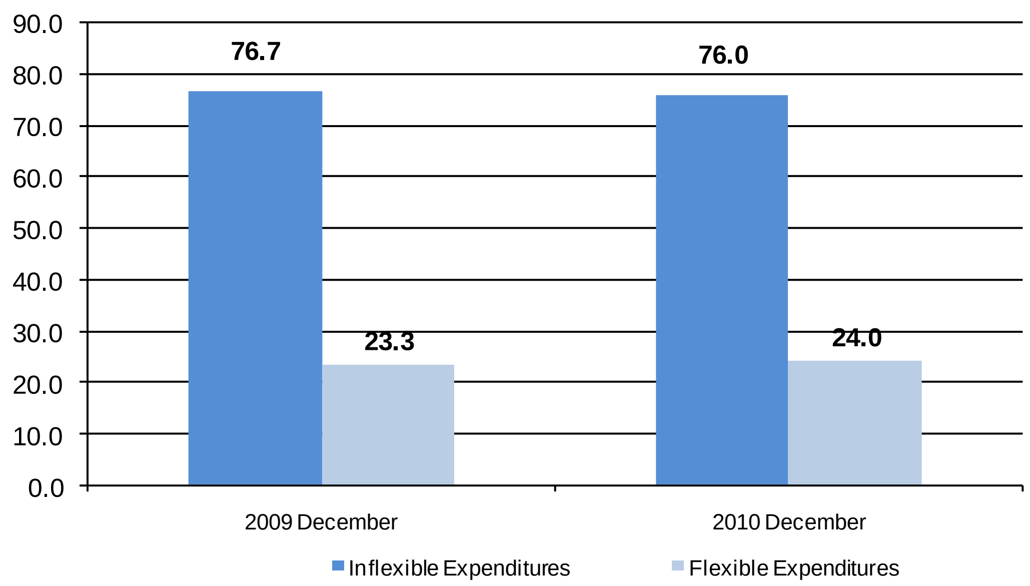
When the increase in primary expenditures is analyzed on the basis of economic codes, it is seen that personnel expenditures made the largest contribution, followed by capital expenditures and shares from revenues.

Table 10. Contribution of the Central Government Budget Primary Expenditures to the Rise in Primary Expenditures, end of December

	Contribution to Rate of Increase	(%) Dağılım
Primary Expenditures	**14.1**	**100.0**
Current Expenditures	**4.3**	**30.4**
Personnel	3.0	21.0
Government Premiums to SSAs	1.8	12.7
Goods and Services Purchases	-0.5	-3.2
Health	-1.4	-10.1
Defense and Security	-0.1	-0.7
Current Transfers	**4.6**	**32.7**
Treasury Aid to Social Security Agencies.	0.2	1.1
Health, Retirement and Social Aid Expenditures	1.1	7.8
Agricultural Transfers	0.6	4.4
Shares from Revenues	2.3	16.1
Capital Expenditures	**2.7**	**19.3**
Capital Transfers	**1.1**	**8.0**
Other	**1.4**	**9.6**

With the rise in the share of capital expenditures in total expenditures, the share of flexible expenditures increased slightly year-on-year and reached 24%.

Figure 2. % Change in the Share of Flexible and Inflexible Expenditures (2009 - 2010 December)



C. Budget Revenues

At the end of 2010, total central government budget revenues increased by 17.9% to 254 billion TL and collection of taxes increased by 22.1% with the impact of the positive performance in indirect tax collections, to 210.5 billion TL.

2010 being a post-crisis year, the improvement in total demand being above the expectations thanks to the economic recovery (the increase in the volume of economic activities), updating of the fixed SCT amounts and the improvement in the tax collection performance ensured that total tax revenues reached above the target.

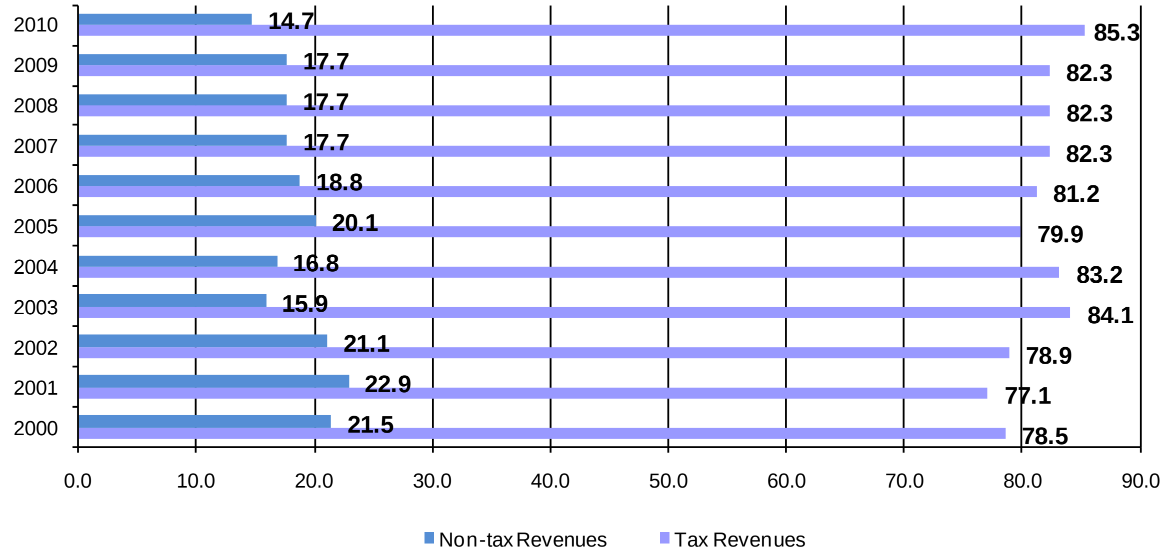
General budget revenues constituted 96.9% of central government budget revenues while special budgetary revenues and revenues from regulatory and supervisory agencies respectively constituted 2.3% and 0.8% of total revenues.

The share of the tax revenues in total general government budget revenue collection stood at 85.3%, the highest rate in the last decade. This was a conjunctural improvement stemming from privatization revenues standing below the targeted level, the fall in capital revenues and the improvement in indirect tax collections.

Table 11. Central Government Budget Revenues (December)

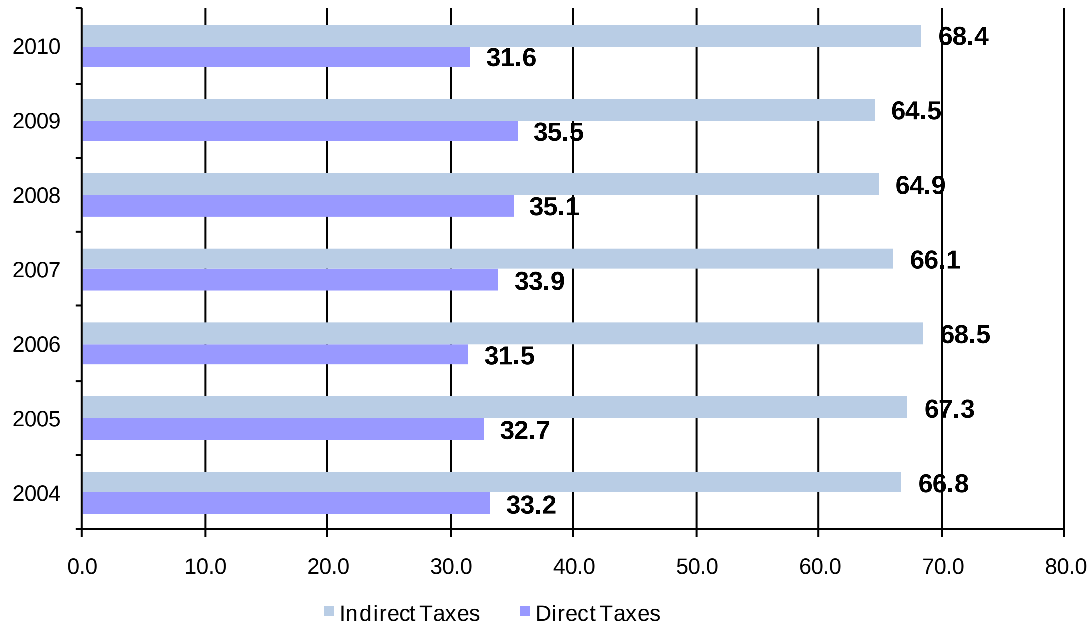
	Dec-10	Dec-09	Rate of Increase (%)	% Composition	
				2009	2010
Central Government Budget Revenues	254,028,479	215,458,341	17.9	100.0	100.0
General Budget Revenues	246,141,713	208,610,436	18.0	96.8	96.9
I-Tax Revenues	210,532,315	172,440,423	22.1	80.0	82.9
Taxes on Income, Profits and Capital Gains	61,316,778	56,468,694	8.6	26.2	24.1
Income Tax	40,391,894	38,445,864	5.1	17.8	15.9
Based on Declaration	2,056,107	1,987,051	3.5	0.9	0.8
Lump-sum	264,617	244,267	8.3	0.1	0.1
Witholding Tax	36,866,017	35,091,462	5.1	16.3	14.5
Provisional Tax	1,205,153	1,123,084	7.3	0.5	0.5
Corporation Tax	20,924,884	18,022,830	16.1	8.4	8.2
Based on Declaration	508,288	494,751	2.7	0.2	0.2
Witholding Tax	228,376	212,619	7.4	0.1	0.1
Provisional Tax	20,188,220	17,315,460	16.6	8.0	7.9
Tax on Property	5,248,546	4,663,977	12.5	2.2	2.1
Inheritance and Gift Taxes	215,462	168,253	28.1	0.1	0.1
Motor Vehicle Tax	5,033,084	4,495,724	12.0	2.1	2.0
DomesticGoods and Services Taxes	91,735,643	73,136,329	25.4	33.9	36.1
Domestic VAT	26,325,161	20,852,820	26.2	9.7	10.4
Special Consumption Tax	57,285,112	43,619,794	31.3	20.2	22.6
SCT on Petroleum and Natural Gas	31,697,178	25,524,959	24.2	11.8	12.5
SCT on Motor Vehicles	6,192,786	3,352,689	84.7	1.6	2.4
SCT on Coke, Alcoholic Bev. & Tobacco Prod.	17,874,105	13,892,805	28.7	6.4	7.0
SCT on Durable Goods and Other Goods	1,521,043	849,341	79.1	0.4	0.6
Banking and Insurance Transactions Tax	3,570,507	4,003,091	-10.8	1.9	1.4
Other Taxes on Goods and Services	4,554,863	4,660,624	-2.3	2.2	1.8
Taxes on International Trade & Transactions	39,526,862	28,651,405	38.0	13.3	15.6
Customs Duties	3,239,698	2,465,856	31.4	1.1	1.3
VAT on Imports	36,207,550	26,134,065	38.5	12.1	14.3
Other Taxes on International Trade & Transactions	79,614	51,484	54.6	0.0	0.0
Stamp Duties	5,082,634	4,169,006	21.9	1.9	2.0
Fees	7,006,675	4,755,033	47.4	2.2	2.8
Taxes not Elsewhere Classified	615,177	595,979	3.2	0.3	0.2
II-Property Income	9,787,813	9,948,230	-1.6	4.6	3.9
Revenues from Valuable Bank Checks	2,590,371	1,772,459	46.1	0.8	1.0
Revenues from SEE's and Public Banks	4,284,293	4,058,853	5.6	1.9	1.7
Corporation Profits	1,054,091	760,808	38.5	0.4	0.4
Rents	973,709	809,375	20.3	0.4	0.4
Other Property Income	885,349	2,546,735	-65.2	1.2	0.3
III-Grants and Aids and Special Revenues	1,207,744	807,329	49.6	0.4	0.5
From Abroad	266	25	964.0	0.0	0.0
Special Revenues	1,207,478	807,304	49.6	0.4	0.5
IV-Interests, Shares and Fines	21,014,457	23,057,791	-8.9	10.7	8.3
Interest Revenues	4,986,672	5,666,547	-12.0	2.6	2.0
Shares from Persons and Agencies	6,760,510	7,607,476	-11.1	3.5	2.7
Government Shares	317,932	246,771	28.8	0.1	0.1
Shares of General Budget Agencies	6,442,578	7,360,705	-12.5	3.4	2.5
Fines	4,273,053	3,908,374	9.3	1.8	1.7
Judicial Fines	193,397	201,374	-4.0	0.1	0.1
Administrative Fines	1,428,299	1,136,772	25.6	0.5	0.6
Tax Penalty	2,541,030	2,481,380	2.4	1.2	1.0
Other Fines	110,327	88,848	24.2	0.0	0.0
Other Miscellenous Revenues	4,994,222	5,875,394	-15.0	2.7	2.0
V-Capital Revenues	3,375,546	2,044,436	65.1	0.9	1.3
Sales of Immovables	292,625	215,093	36.0	0.1	0.1
Sales of Movables	3,570	4,514	-20.9	0.0	0.0
Sales of Other Miscellenous Capitals	3,079,351	1,824,829	68.7	0.8	1.2
VI-Collections from Loans	223,838	312,227	-28.3	0.1	0.1
Revenues from Special Budget Institutions	5,953,891	5,036,830	18.2	2.3	2.3
Revenues from Regulatory&Supervisory Inst.	1,932,875	1,811,075	6.7	0.8	0.8

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



Since the improvement in tax collections stemmed mainly from indirect taxes, the share of indirect taxes in general budget tax revenues reached 68%. The rate of increase in the collection of direct and indirect taxes in 2010 stood respectively at 8.9% and 29%.

Figure 4. Change in the Share of Indirect and Direct Taxes in General Budget Revenue Collection, End of December, 2004 - 2010



When the increase in the tax revenue collection in 2010 is adjusted to inflation, it is seen that total revenues and tax revenues respectively increased by 10.8% and

14.7%, in real terms. As mentioned before, 30% real increase in VAT and 23% in SCT played a determinant role in this improvement. The real change in income tax collection had a negative value due to the weak economic performance in 2009.

Table 12. Real Increase (Adjusted to Inflation) in General Budget Tax Revenues (2010/2009)

	2010 Jan-Dec (thousand TL)	2009 Jan-Dec (thousand TL)	Change (%)	Real Change (%)
Central Government Revenues	**254,028,479**	**215,458,341**	**17.90**	**10.81**
General Budget Revenues	**246,141,713**	**208,610,436**	**17.99**	**10.89**
I-Tax Revenues	**210,532,315**	**172,440,423**	**22.09**	**14.75**
Taxes on Income, Profit and Capital Gains	**61,316,778**	**56,468,694**	**8.59**	**2.05**
Income Tax	**40,391,894**	**38,445,864**	**5.06**	**-1.26**
Based on Decleration	2,056,107	1,987,051	3.48	-2.75
Lump-sum	264,617	244,267	8.33	1.81
Witholding Tax	36,866,017	35,091,462	5.06	-1.26
Provisional Tax	1,205,153	1,123,084	7.31	0.85
Corporation Tax	**20,924,884**	**18,022,830**	**16.10**	**9.12**
Based on Decleration	508,288	494,751	2.74	-3.44
Witholding Tax	228,376	212,619	7.41	0.95
Provisional Tax	20,188,220	17,315,460	16.59	9.58
Tax on Property	**5,248,546**	**4,663,977**	**12.53**	**5.76**
Inheritance and Gift Taxes	**215,462**	**168,253**	**28.06**	**20.36**
Motor Vehicles Taxes	**5,033,084**	**4,495,724**	**11.95**	**5.22**
Domestic Goods and Services Taxes	**91,735,643**	**73,136,329**	**25.43**	**17.89**
Domestic VAT	**26,325,161**	**20,852,820**	**26.24**	**18.65**
Special Consumption Tax	**57,285,112**	**43,619,794**	**31.33**	**23.43**
SCT on Petroleum and Natural Gas	31,697,178	25,524,959	24.18	16.71
SCT on Motor Vehicles	6,192,786	3,352,689	84.71	73.60
SCT on Coke, Alcoholic Bev. & Tobacco Prod.	17,874,105	13,892,805	28.66	20.92
SCT on Durable Goods and Others	1,521,043	849,341	79.09	68.31
Banking and Insurance Transaction Tax	**3,570,507**	**4,003,091**	**-10.81**	**-16.17**
Other Taxes on Goods and Services	**4,554,863**	**4,660,624**	**-2.27**	**-8.15**
Taxes on International Trade and Transactions	**39,526,862**	**28,651,405**	**37.96**	**29.66**
Customs Duties	3,239,698	2,465,856	31.38	23.48
VAT on Imports	36,207,550	26,134,065	38.55	30.21
Other Taxes on International Trade and Trans.	79,614	51,484	54.64	45.34
Stamp Duties	**5,082,634**	**4,169,006**	**21.91**	**14.58**
Fees	**7,006,675**	**4,755,033**	**47.35**	**38.49**
Other Taxes Not Elsewhere Classified	**615,177**	**595,979**	**3.22**	**-2.99**

The biggest contribution to the improvement in tax collections was made by VAT collections at around 40%, followed by SCT collections. Collection of SCT increased substantially due to the updating of fixed taxes on petroleum and natural gas products with the surge in the sale of motor vehicles and the rise in the sale of durable goods in parallel with the surge in total demand.

Therefore, VAT and SCT collections constituted approximately 80% of the year-on-year increase in tax collections in 2010, triggered with the basis effect.

Table 13. Realization of Tax Revenues and Contribution to the Overall Increase, end of December - 2009-2010

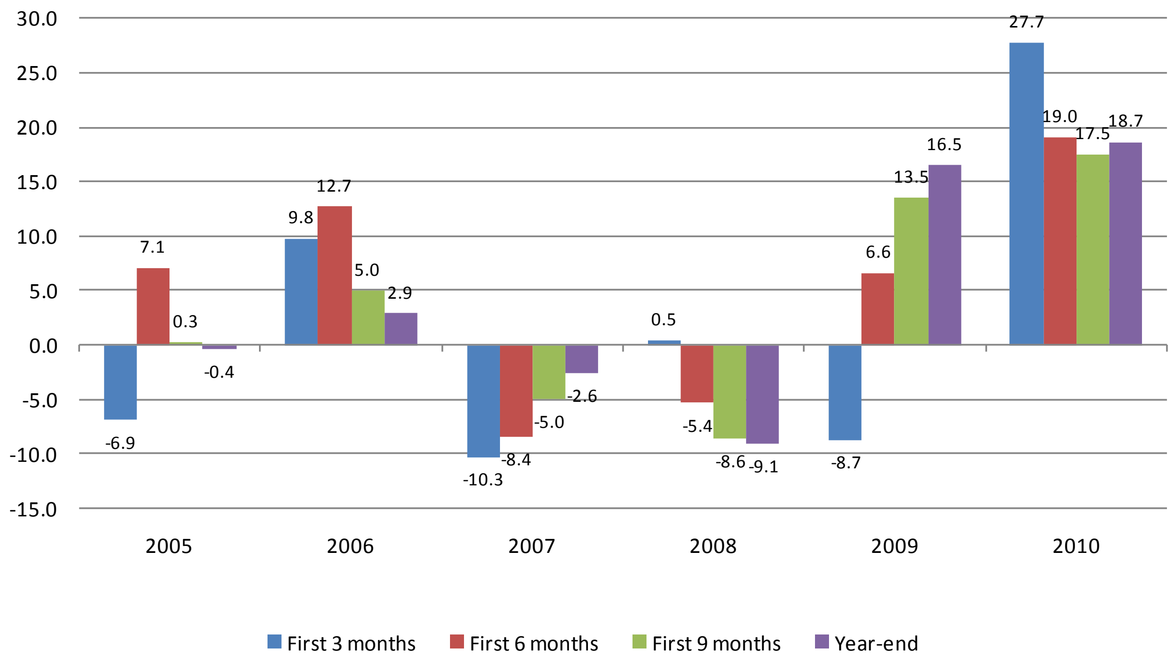
million TL	December		Rate of increase (%)	Cont. To rate of increase (%)
	2010	2009		
Tax Revenues	**210,532**	**172,440**	**22.1**	**100.0**
Taxes on Income, Profits and Capital Gains	**61,317**	**56,469**	**8.6**	**12.7**
Income Tax Collection	36,866	35,091	5.1	4.7
Provisional Corporation Tax	20,188	17,315	16.6	7.5
Special Consumption Tax	**57,285**	**43,620**	**31.3**	**35.9**
SCT on Petroleum and Batural Gas	31,697	25,525	24.2	16.2
Coke, Alcoholic Beveragges and Tobacco Prod.	17,874	13,893	28.7	10.5
VAT Collection	**62,533**	**46,987**	**33.1**	**40.8**
VAT on Imports	36,208	26,134	38.5	26.4
Domestic VAT	26,325	20,853	26.2	14.4
Other Taxes	**29,398**	**25,365**	**15.9**	**10.6**
Stamp Duties	5,083	4,169	21.9	2.4
Fees	7,007	4,755	47.4	5.9
Banking and Insurance Transaction Tax	3,571	4,003	-10.8	-1.1

Negative sign denotes the increase and positive sign denotes the decrease in revenues. Due to the general downwards tendency in tax revenues, positive sign signifies a positive contribution to the drop in tax revenues.

Detailed analysis of the tax items reveals the following conclusions on the real change in revenues in 2010:

Domestic VAT increased approximately by 20% in the first six months of the year. The downward trend in the pace of increase beginning with the second half of the year was offset along with the positive performance in the last quarter and the pace of increase reached 19%.

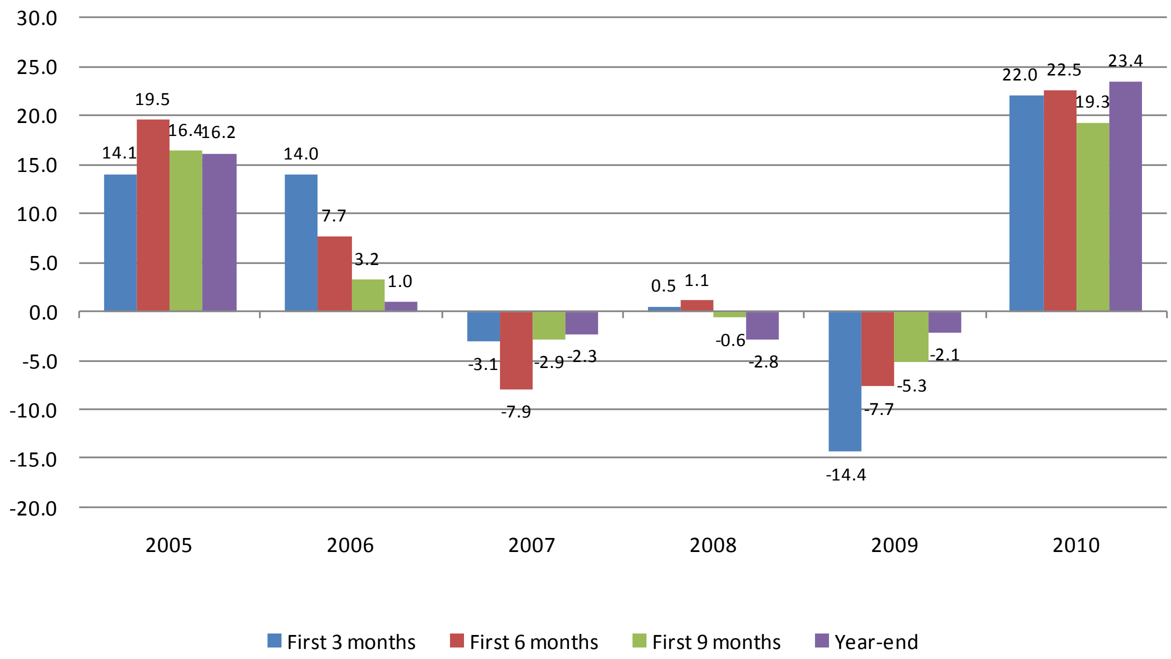
Figure 5. Real Increase in the Collection of Domestic VAT (%)



Different than the domestic VAT, total SCT collection tended upwards and the pace of increase at the end of the year was realized at 25%.

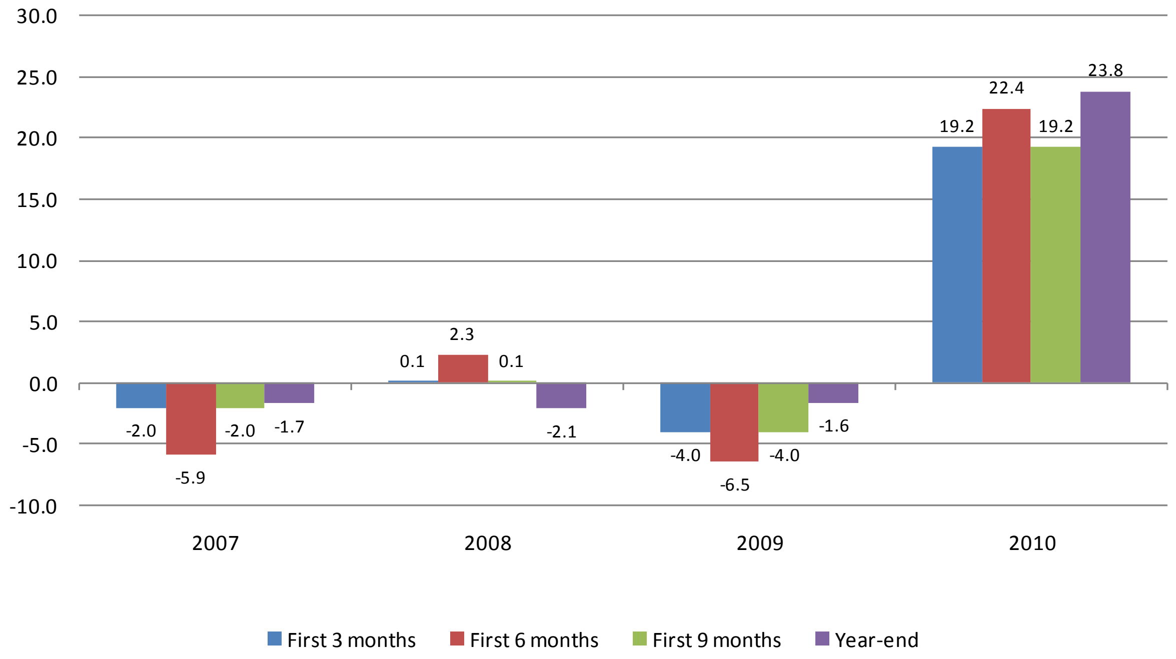
All the sub-items of the SCT collection demonstrated an improvement. The most significant improvement was observed in the collection of SCT on motor vehicles and on durable goods in parallel with the surge in total demand.

Figure 6. Real Increase in the Collection of Special Consumption Tax (%)



Different than the crisis year, the pace of increase of SCT accrual and SCT collection did not differentiate and assumed similar rates.

Figure 7. Real Increase in the Special Consumption Tax Accrual (%)



The collection of SCT on durable consumption goods, which is believed to reflect the impacts of the post-crisis period more clearly, increasingly maintained the improvement that was began to be observed in the last quarter of 2009.

Real increase in the collection of SCT on durable consumption goods as of the end of 2010 reached as high as 70%. A similar movement was also observed in the accrual of SCT.

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

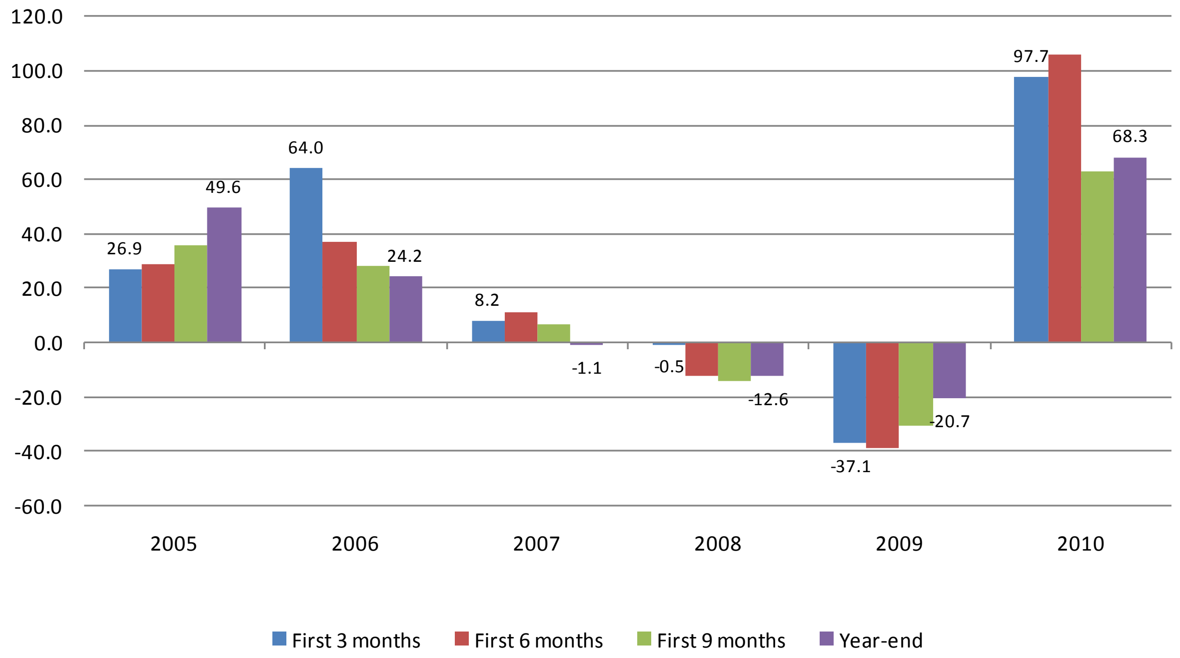
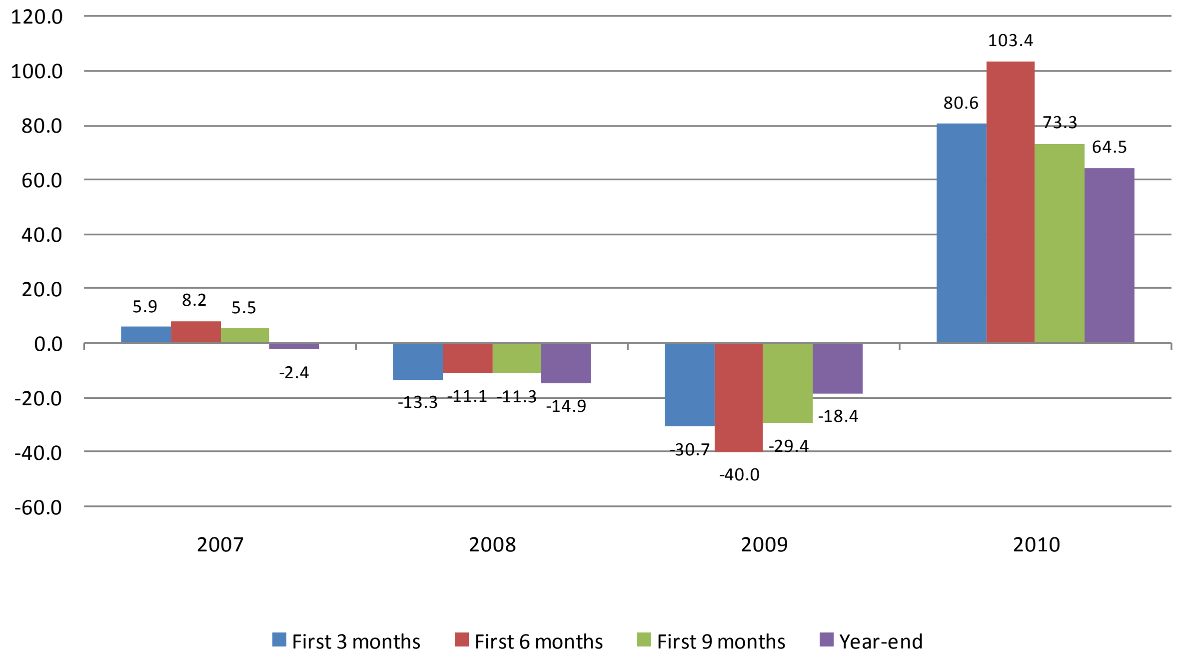


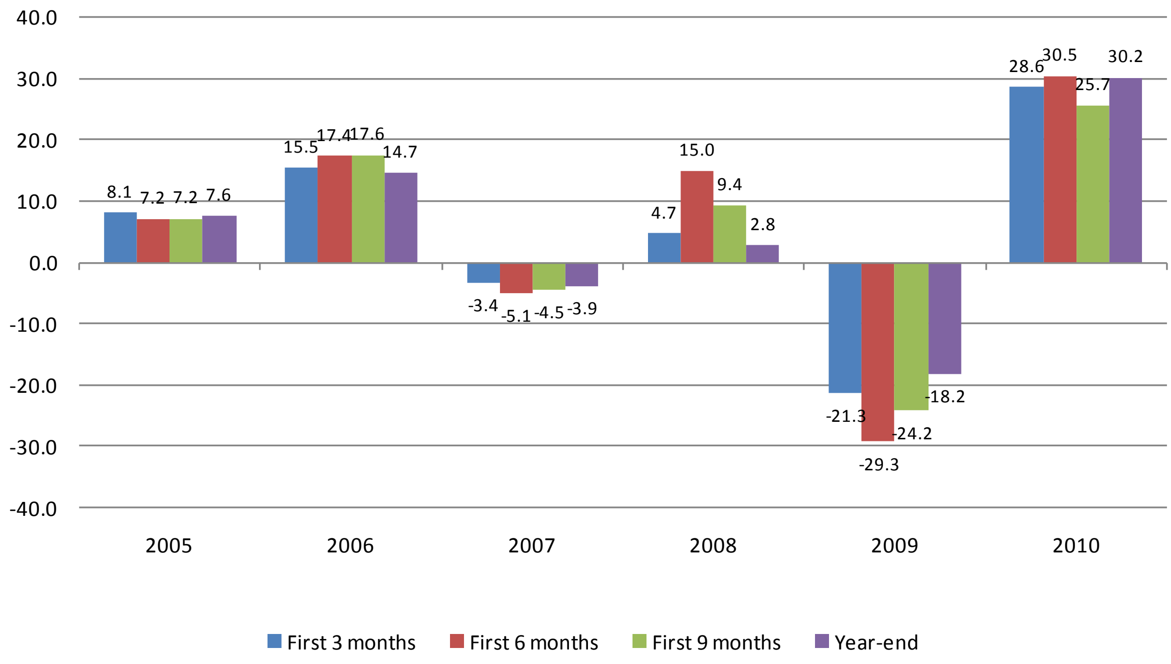
Figure 9. Real Increase in Accrual of Special Consumption Tax on Durable Consumption Goods (%, cumulative)



The deterioration of the foreign trade balance triggered by the surge in total demand made a positive contribution to the tax collection as was the case in the last 5-6 years. Collection of VAT on imports in 2010 increased in real terms by 30%.

Consequently, the process of economic growth associated with the hike in the current account deficit, and the unfair tax system relying on indirect taxes enabled a more favorable budget outlook compared to the previous year.

Figure 10. Real Increase in the Collection of VAT on Imports (%)



The amount of funds transferred from the Unemployment Fund to finance public investments, predominantly the Southeast Anatolia Project (GAP), reached 3.7 billion TL. Although this shows a decrease compared to the crisis year of 2009, the practice of employing the fund for public investments was pursued also in 2010. Total amount transferred from the fund to finance investments, the GAP to begin with, which gained pace in 2008, reached 10 billion TL with 2010 prices.

In 2010, total revenues that are not associated with the budget performance and deducted when converting the revenues to the program defined balance (privatization revenues, interest revenues, profit transfers, transfers from the unemployment insurance fund, etc) equaled 14.2 billion TL (6% of total central government budget revenues. Compared to the previous years, this corresponded to a fall by 1-1.5 points.

II. Developments in Budget Financing and Debt Stock

Table 14. Cash Balance of the Treasury (December)

(million TL)	Jan*	Feb*	March*	April*	May*	June*	July*	August*	Sept*	Oct*	Nov*	Dec*	Total*
REVENUES	18,847	16,032	19,689	20,442	23,516	13,158	20,216	29,421	17,100	12,589	30,098	19,294	240,402
PRIVATIZATION AND FUND REVENUES	66	340	165	417	1,587	62	1,649	252	954	346	178	726	6,742
EXPENDITURES	22,493	22,018	24,138	23,588	18,840	23,540	22,644	22,640	24,883	20,425	24,488	32,380	282,078
Primary Expenditures	16,396	17,697	19,000	17,426	16,739	19,749	18,505	19,505	20,869	18,262	19,501	30,536	234,187
Interest Payments	6,097	4,320	5,138	6,162	2,101	3,791	4,139	3,135	4,014	2,164	4,987	1,844	47,891
PRIMARY BALANCE	2,451	-1,666	689	3,016	6,777	-6,591	1,711	9,915	-3,769	-5,672	10,597	-11,242	6,215
CASH BALANCE	-3,580	-5,646	-4,284	-2,729	6,263	-10,321	-779	7,033	-6,829	-7,490	5,788	-12,359	-34,934
FINANCING	3,580	5,646	4,284	2,729	-6,263	10,321	779	-7,033	6,829	7,490	-5,788	12,359	34,934
BORROWING (NET)	9,089	1,034	2,275	6,284	-3,353	-340	2,145	4,455	-90	-224	3,563	2,109	26,946
EXTERNAL BORROWING (NET)	3,035	-2,142	1,185	3,907	-263	-2,795	-320	2,320	-875	-431	249	295	4,164
Utilization	3,098	2	1,508	4,846	78	98	94	2,634	69	153	1,083	1,198	14,861
Payment	63	2,144	323	939	341	2,893	413	314	945	583	835	903	10,697
DOMESTIC BORROWING (NET)	6,055	3,176	1,090	2,377	-3,090	2,455	2,465	2,135	785	207	3,314	1,813	22,782
Utilization	19,991	20,186	10,685	13,656	7,738	11,019	11,699	18,487	12,343	6,311	16,390	10,519	159,024
Payment	13,936	17,010	9,594	11,279	10,828	8,564	9,235	16,352	11,558	6,104	13,076	8,706	136,242
PRIVATIZATION REVENUES	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFERS FROM SDIF	1	36	381	0	0	0	33	0	1	48	1	156	658
RETURNS	71	35	158	102	81	196	153	129	188	135	38	85	1,371
BANK UTILIZATION	-5,580	4,541	1,470	-3,657	-2,991	10,464	-1,552	-11,617	6,731	7,530	-9,389	10,009	5,959
EXCHANGE RATE DIFFERENTIAL	-194	394	-197	-526	222	130	-136	-39	-170	-183	52	252	-396
BANK UTILIZATION NET	-5,386	4,147	1,667	-3,131	-3,213	10,334	-1,416	-11,578	6,902	7,713	-9,441	9,757	6,355

*Temporary

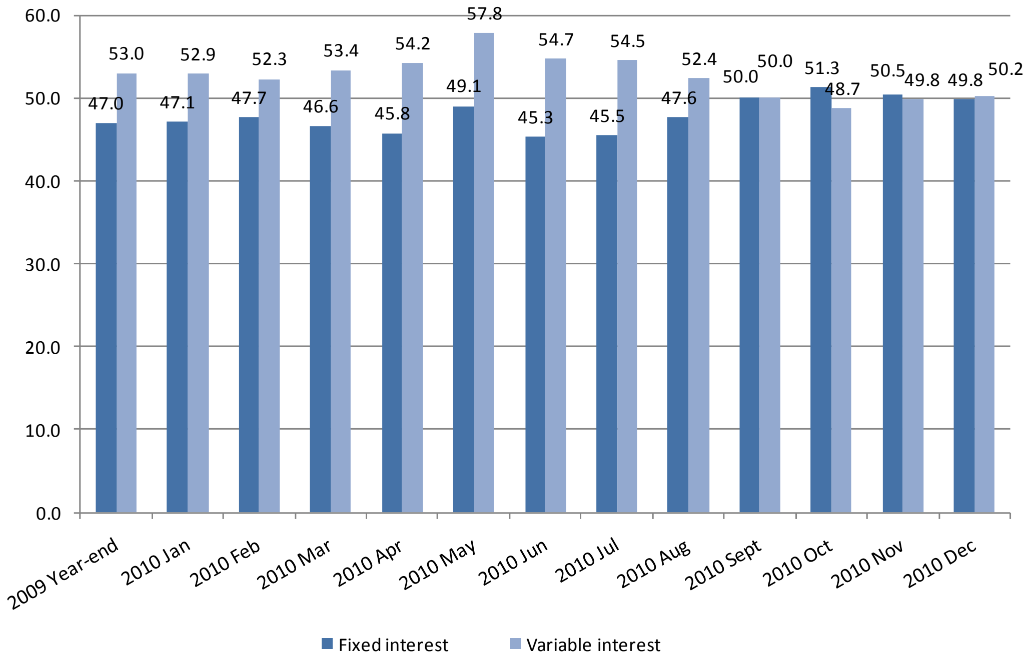
Total cash balance deficit stood at 34.9 billion TL by the end of 2010. On the other hand, central government budget cash deficit reached above this at 39.5 billion TL. Central government budget cash deficit, which is generally expected to be similar to the Treasury deficit, stood above it which raises the possibility that some transactions which push up the cash deficit are not yet recorded in the Treasury accounts.

In terms of deficit financing, net borrowing remained below the cash deficit and the difference was financed via the Treasury. In tandem with the recent trend, financing was maintained predominantly via domestic borrowing while the contribution of the domestic borrowing was lower.

Table 15. General Budget Balance and Central Government Budget Balance, Comparative (December)

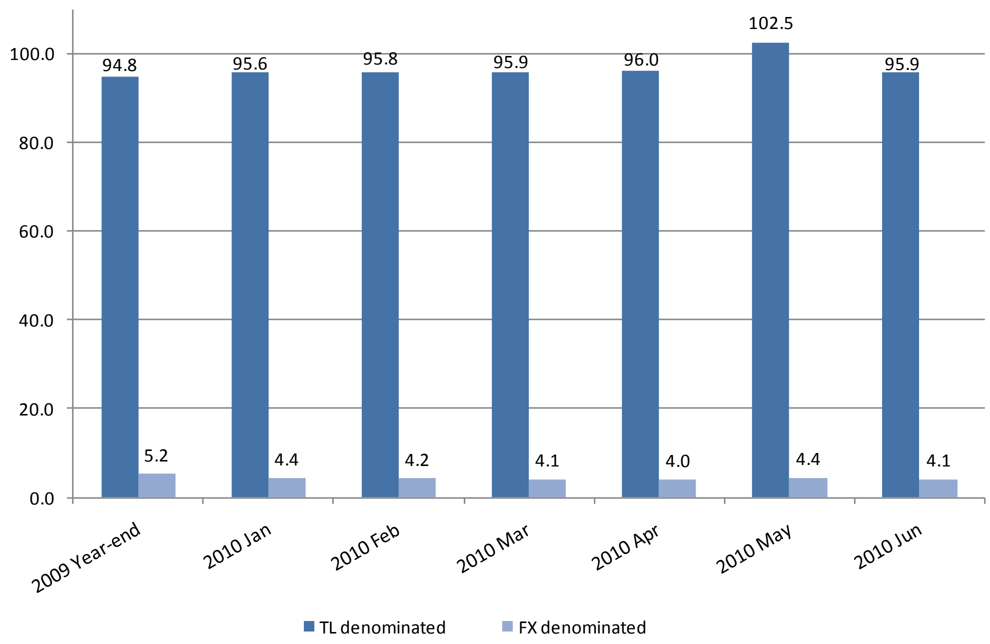
General Budget Balance		Central Government Budget Balance	
(million YTL)	End of December	(million YTL)	End of December
Budget Balance	-40,715	Budget Balance	-39,600
Escrows	824	Escrows	1,366
Advances	-1,220	Advances	-1,221
Cash Balance	-41,111	Cash Balance	-39,454
Funding	41,111	Funding	39,454
Total Net Borrowing	31,020	Total Net Borrowing	31,020
Let Lending (-)	-1,235	Let Lending (-)	-1,196
Privatization Revenues	0	Privatization Revenues	0
Change in Cash & Other Items (-) Entry (+) Exit	8,198	Change in Cash & Other Items (-) Entry (+) Exit	6,580

Figure 11. Interest Structure of the Central Government Domestic Debt Stock



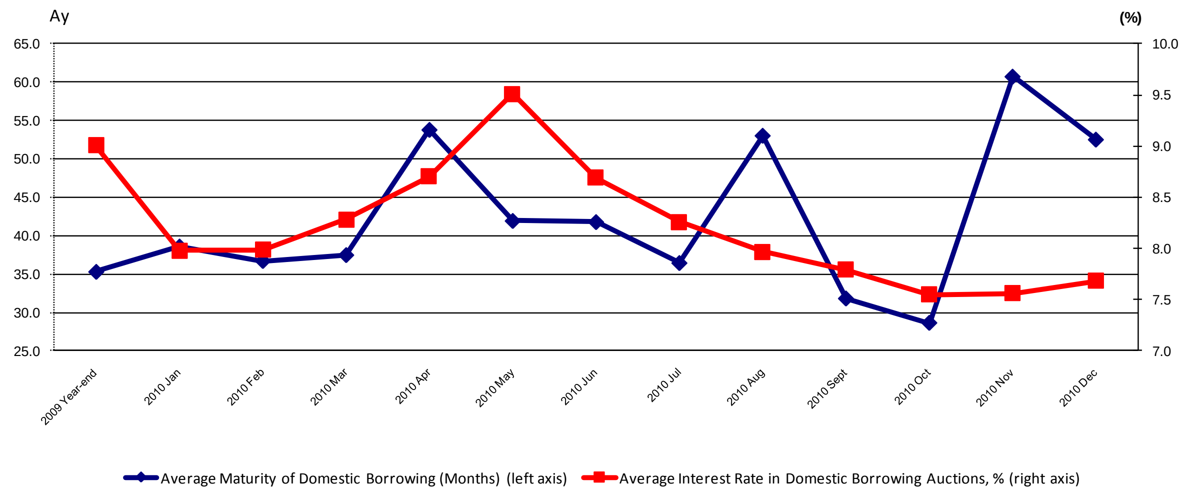
Interest composition of the debt stock of the Treasury was dominated by variable interest until August. After this month, a relatively fair composition was observed and the share of the debt stock with fixed and variable interest remained close.

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



The ratio of FX denominated domestic borrowing prone to the exchange rate risk in total domestic borrowing stock of the central government maintained the general trend in 2010 and stood at 4%.

Figure 13. Average Maturity and Interest Rate on Domestic Borrowing



Interest rate on domestic borrowing, which hit the bottom in October started to increase in November and finalized at 9% with a downwards movement in December. Interest rate still being high compared to the rest of the world and the risk appetite of foreign investors prevented serious budget problems in 2010 for the Treasury.

ANNEXES

Annex Table 1. Central Government Budget Appropriations and Expenditures (End of December)

	January	February	March	April	Jan-March	Apr-June	Jul-Sept	Oct-Dec	Total	2010 Budget	(%) Realization	% Composition
Expenditures	**22,646,205**	**22,290,108**	**23,436,480**	**25,173,170**	**68,372,793**	**68,121,497**	**72,332,872**	**84,801,057**	**293,628,219**	**286,981,304**	**102.32**	**100.00**
Primary Expenditures	**16,556,697**	**17,713,038**	**19,103,788**	**18,120,636**	**53,373,523**	**55,561,915**	**60,608,391**	**75,787,981**	**245,331,810**	**230,231,253**	**106.56**	**83.55**
I. Compensation of Employees	**6,320,943**	**4,928,967**	**4,974,105**	**5,181,153**	**16,224,015**	**15,512,171**	**15,687,185**	**14,877,917**	**62,301,288**	**60,349,022**	**103.23**	**21.22**
Civil Servants	5,499,358	4,150,856	4,159,648	4,263,292	13,809,862	12,744,483	13,062,510	11,947,412	**51,564,267**	49,966,717	103.20	17.56
Workers	219,594	253,923	252,258	265,020	725,775	933,570	1,029,165	1,071,586	**3,760,096**	3,981,458	94.44	1.28
Other	601,991	524,188	562,199	652,841	1,688,378	1,834,118	1,595,510	1,858,919	**6,976,925**	6,400,847	109.00	2.38
II. Govn. Premiums to Social Sec. Agencies	**1,037,678**	**855,906**	**860,603**	**859,832**	**2,754,187**	**2,607,081**	**2,656,608**	**3,041,859**	**11,059,735**	**11,109,812**	**99.55**	**3.77**
Civil Servants	918,972	722,804	724,892	713,721	2,366,668	2,143,904	2,241,820	2,519,297	**9,271,689**	9,494,917	97.65	3.16
Workers	36,496	54,309	48,770	52,966	139,575	187,942	187,433	230,916	**745,866**	743,837	100.27	0.25
Other	82,210	78,793	86,941	93,145	247,944	275,235	227,355	291,646	**1,042,180**	871,058	119.65	0.35
III. Good and Service Procurements	**735,454**	**1,343,331**	**2,123,511**	**2,213,503**	**4,202,296**	**6,313,136**	**6,440,055**	**11,867,976**	**28,823,463**	**25,189,945**	**114.42**	**9.82**
Defense and Security	**110,660**	**363,882**	**583,060**	**746,611**	**1,057,602**	**2,322,398**	**2,186,651**	**3,877,407**	**9,444,058**	**9,123,219**	**103.52**	**3.22**
Ministry of Defense	**84,653**	**250,353**	**443,751**	**533,050**	778,757	1,746,757	1,556,194	2,972,916	**7,054,624**	7,129,231	98.95	2.40
General Command of Gendarme	**6,211**	**52,774**	**101,261**	**137,509**	160,246	376,606	387,798	561,943	**1,486,593**	1,273,708	116.71	0.51
General Directorate of Security	**19,796**	**60,755**	**38,048**	**76,052**	118,599	199,035	242,659	342,548	**902,841**	720,280	125.35	0.31
Health Expenditures	**204,170**	**368,799**	**548,639**	**441,476**	**1,121,608**	**1,337,342**	**1,353,071**	**1,939,176**	**5,751,197**	**4,801,000**	**119.79**	**1.96**
Cure and Pharm. Prod. Exp. of Persons with Green Card	198,141	343,490	358,722	351,466	900,353	1,073,769	1,200,641	1,769,271	**4,944,034**	4,603,000	107.41	1.68
Medicine Expenditures	2,758	11,836	58,257	30,574	72,851	77,201	50,644	58,650	**259,346**	79,640	325.65	0.09
Cure and Pharmaceutical Products	3,271	13,473	131,660	59,436	148,404	186,372	101,786	111,255	**547,817**	118,360	462.84	0.19
General Debt Expenditures	**62**	**3,175**	**133**	**5,413**	**3,370**	**11,222**	**5,594**	**5,051**	**25,237**	**220,000**	**11.47**	**0.01**
Other Goods and Services Expenditures	**420,562**	**607,475**	**991,679**	**1,020,003**	**2,019,716**	**2,642,174**	**2,894,739**	**6,046,342**	**13,602,971**	**11,045,726**	**123.15**	**4.63**
IV. Current Transfers	**7,950,072**	**9,946,616**	**9,822,547**	**7,531,061**	**27,719,235**	**24,101,406**	**25,874,653**	**24,195,491**	**101,890,785**	**102,172,807**	**99.72**	**34.70**
Duty Losses	**112,734**	**840,032**	**15,281**	**53,467**	**968,047**	**413,288**	**1,302,976**	**613,151**	**3,297,462**	**4,310,022**	**76.51**	**1.12**
Duty Losses of Public Enterprises	103,901	805,146	0	8,394	909,047	260,493	1,058,477	320,326	**2,548,343**	3,038,382	83.87	0.87
Financial Institutions	0	0	0	0	0	63,213	190,457	185,979	**439,649**	924,000	47.58	0.15
Other Duty Losses	8,833	34,886	15,281	45,073	59,000	89,582	54,042	106,846	**309,470**	347,640	89.02	0.11
Treasury Aids	**5,052,800**	**5,033,283**	**5,717,165**	**4,693,396**	**15,803,248**	**14,691,685**	**15,974,379**	**13,853,910**	**60,323,222**	**62,343,710**	**96.76**	**20.54**
Treasury Aid to Social Security Agencies	**96,859**	**119,128**	**92,176**	**121,911**	**308,163**	**313,910**	**336,798**	**382,898**	**1,341,769**	**1,254,793**	**106.93**	**0.46**
Unemployment Insurance Fund	96,859	90,756	92,176	91,760	279,791	283,759	293,285	319,455	**1,176,290**	1,106,793	106.28	0.40
5 Point Premium Support for Pension Funds	0	28,372	0	30,151					**0**	148,000	111.81	0.06
Provincial Offices	**129,047**	**131,905**	**184,238**	**128,613**	**445,190**	**405,698**	**474,598**	**412,940**	**1,738,426**	**1,660,839**	**104.67**	**0.59**
Municipalities	0	655	59,430	2,476	60,085	13,012	65,385	11,980	**150,462**	140,834	106.84	0.05
Other (provincial offices and villages)	129,047	131,250	124,808	126,137	385,105	392,686	409,213	400,960	**1,587,964**	1,520,005	104.47	0.54
Diğer Hazine Yardımları	53,879	182,917	33,123	31,648	**269,919**	**334,949**	**467,983**	**1,130,954**	**2,203,805**	**1,734,078**	**127.09**	**0.75**
DFİF	28,000	0	0	0	28,000	77,000	76,850	209,566	**391,416**	603,750	64.83	0.13
Diğer	25,879	182,917	33,123	31,648	241,919	257,949	391,133	921,388	**1,812,389**	1,130,328	160.34	0.62
Transfers to Non-financial Establishments	**93,689**	**15,715**	**106,936**	**29,937**	**216,340**	**70,881**	**147,831**	**648,933**	**1,083,985**	**726,674**	**149.17**	**0.37**
Treansfers to Households	**72,048**	**151,124**	**154,843**	**240,172**	**378,015**	**374,396**	**337,278**	**501,583**	**1,591,272**	**1,516,259**	**104.95**	**0.54**
Scholarships & Pocket Money	58,817	72,061	100,503	132,344	231,381	203,522	216,837	264,162	**915,902**	756,550	121.06	0.31
Other Transfers for Education	847	54,692	34,432	73,626	89,971	98,224	83,905	149,049	**421,149**	571,111	73.74	0.14
Transfers for Health	3,720	5,549	4,815	5,701	14,084	15,621	12,290	16,115	**58,110**	62,256	93.34	0.02
Transfers for Foods	7,873	17,401	13,949	27,125	39,223	53,539	19,711	67,862	**180,335**	115,807	155.72	0.06
Transfers for Accomodation	791	1,421	1,144	1,376	3,356	3,490	4,535	4,395	**15,776**	10,535	149.75	0.01
Agricultural Subsidies	**455,921**	**1,528,627**	**1,180,422**	**449,262**	**3,164,970**	**1,462,265**	**327,254**	**862,522**	**5,817,011**	**5,605,000**	**103.78**	**1.98**
Direct Revenue Support	0	1,206,000	641,000	0	1,847,000	0	148,332	9,000	**2,004,332**	2,120,608	94.52	0.68
Differential Paying Supporting	200,000	100,000	270,288	154,000	570,288	1,095,700	0	390,334	**2,056,322**	1,818,156	113.10	0.70
Stockbreeding Support	245,000	205,000	250,000	288,000	700,000	298,000	16,000	143,608	**1,157,608**	1,251,536	92.49	0.39
Other	10,921	17,627	19,134	7,262	47,682	68,565	162,922	319,580	**598,749**	414,700	144.38	0.20
Other Transfers to Households	**32,955**	**34,043**	**23,454**	**123,725**	**90,452**	**177,116**	**180,208**	**402,146**	**849,922**	**1,135,278**	**74.86**	**0.29**
Social Transfers	**105,236**	**115,219**	**119,654**	**124,828**	**340,109**	**378,946**	**431,071**	**459,631**	**1,609,757**	**1,598,787**	**100.69**	**0.55**
Foreign Transfers	**37,584**	**90,775**	**50,671**	**79,043**	**179,030**	**275,019**	**187,413**	**318,036**	**959,498**	**1,028,660**	**93.28**	**0.33**
Shares from Revenues	**1,987,105**	**2,137,798**	**2,454,121**	**1,737,231**	**6,579,024**	**6,257,810**	**6,986,243**	**6,535,579**	**26,358,656**	**23,908,417**	**110.25**	**8.98**
V. Capital Expenditures	**34,902**	**194,039**	**782,592**	**1,190,860**	**1,011,533**	**4,450,902**	**6,756,912**	**13,687,571**	**25,906,918**	**18,924,425**	**136.90**	**8.82**
VI. Capital Transfers	**37,656**	**118,631**	**124,805**	**435,146**	**281,092**	**1,120,348**	**1,442,977**	**3,891,807**	**6,736,224**	**3,429,214**	**196.44**	**2.29**
VII. Lending	**439,992**	**325,548**	**415,625**	**709,081**	**1,181,165**	**1,456,871**	**1,750,001**	**4,225,360**	**8,613,397**	**6,902,862**	**124.78**	**2.93**
Domestic Lending	**359,992**	**235,548**	**393,150**	**669,081**	**988,690**	**1,376,871**	**1,570,001**	**4,087,835**	**8,023,397**	**6,297,862**	**127.40**	**2.73**
Public Enterprises	237,050	109,350	263,100	341,653	609,500	881,942	971,750	3,598,954	**6,062,146**	3,174,250	190.98	2.06
Risk Account	0	0	0	0	0	0	0	0	**0**	470,000	0.00	0.00
Other	122,942	126,198	130,050	327,428	379,190	494,929	598,251	488,881	**1,961,251**	2,653,612	73.91	0.67
Foreign Lending	**80,000**	**90,000**	**22,475**	**40,000**	**192,475**	**80,000**	**180,000**	**137,525**	**590,000**	**605,000**	**97.52**	**0.20**
Cyprus	80,000	90,000	22,475	40,000	192,475	80,000	180,000	137,525	**590,000**	605,000	97.52	0.20
VIII. Reserve Appropriations	0	0	0	0	**0**	**0**	**0**	**0**	**0**	**2,153,166**	**0.00**	**0.00**
Interest Expenditures	**6,089,508**	**4,577,070**	**4,332,692**	**7,052,534**	**14,999,270**	**12,559,582**	**11,724,481**	**9,013,076**	**48,296,409**	**56,750,051**	**85.10**	**16.45**
I. Domestic Interest	**5,333,110**	**3,569,409**	**3,643,486**	**6,612,886**	**12,546,005**	**11,593,099**	**9,734,879**	**8,274,446**	**42,148,429**	**46,552,000**	**90.54**	**14.35**
II. Foreign Debt Interest	**756,398**	**940,085**	**689,206**	**375,487**	**2,385,689**	**865,629**	**1,989,602**	**738,630**	**5,979,550**	**7,757,051**	**77.09**	**2.04**
III. Interest of Discount & Short Term Cash Operation	**0**	**67,576**	**0**	**64,161**	**67,576**	**100,854**	**0**	**0**	**168,430**	**2,441,000**	**6.90**	**0.06**

Annex Table 2. Central Government Budget Expenditures, Comparative 2009-2010 (End of December)

	2009				2010				Rate of Increase	
	December	Total	Realization	Realization Rate	December	Total	Realization	Realization Rate	December	Total
Central Government Budget Expenditures	**28,677,424**	**268,219,185**	**268,219,185**	**100.0**	**37,857,862**	**293,628,219**	**286,981,304**	**102.3**	**32.0**	**9.5**
Primary Expenditures	**27,635,683**	**215,018,291**	**215,018,291**	**100.0**	**36,020,217**	**245,331,810**	**230,231,253**	**106.6**	**30.3**	**14.1**
Compensation for Employees	**3,649,674**	**55,946,887**	**55,946,887**	**100.0**	**4,105,447**	**62,301,288**	**60,349,022**	**103.2**	**12.5**	**11.4**
Government Premiums to Social Security Agencie	**893,361**	**7,208,283**	**7,208,283**	**100.0**	**1,138,589**	**11,059,735**	**11,109,812**	**99.5**	**27.5**	**53.4**
Good and Services Procurements	**7,486,503**	**29,798,912**	**29,798,912**	**100.0**	**7,214,729**	**28,823,463**	**25,189,945**	**114.4**	**-3.6**	**-3.3**
Defense-Security	2,401,045	9,670,686	9,670,686	100.0	2,411,713	9,444,058	9,123,219	103.5	0.4	-2.3
Health Expenditures	2,512,429	8,798,075	8,798,075	100.0	1,034,697	5,751,197	4,801,000	119.8	-58.8	-34.6
General Cure and Pharmaceutical Products	748,697	2,145,183	2,145,183	100.0	63,511	547,817	118,360	462.8	-91.5	-74.5
General Medicine Expenditures	323,588	1,147,099	1,147,099	100.0	29,167	259,346	79,640	325.6	-91.0	-77.4
Medicine Expenditures of Persons Having Green Ca	1,440,144	5,505,793	5,505,793	100.0	942,019	4,944,034	4,603,000	107.4	-34.6	-10.2
General Debt Expenditures	477	41,691	41,691	100.0	4,150	25,237	220,000	11.5	770.0	-39.5
Other Goods and Services	2,572,552	11,288,460	11,288,460	100.0	3,764,169	13,602,971	11,045,726	123.2	46.3	20.5
Current Transfers	**7,098,223**	**91,975,805**	**91,975,805**	**100.0**	**8,941,457**	**101,890,785**	**102,172,807**	**99.7**	**26.0**	**10.8**
Duty Losses	**331,574**	**4,138,312**	**4,138,312**	**100.0**	**182,721**	**3,297,462**	**4,310,022**	**76.5**	**-44.9**	**-20.3**
Duty Losses of Public Enterprises	86,483	2,731,164	2,731,164	100.0	71,503	2,548,343	3,038,382	83.9	-17.3	-6.7
Financial Institutions	183,710	1,000,599	1,000,599	100.0	59,437	439,649	924,000	47.6	-67.6	-56.1
Other Duty Losses	61,381	406,549	406,549	100.0	51,781	309,470	347,640	89.0	-15.6	-23.9
Treasury Aid	**3,188,507**	**56,951,199**	**56,951,199**	**100.0**	**4,481,994**	**60,323,222**	**62,343,710**	**96.8**	**40.6**	**5.9**
Treasury Aid to Social Security Agencies	93,675	1,018,575	1,018,575	100.0	142,514	1,341,769	1,254,793	106.9	52.1	31.7
Unemployment Insurance Fund	93,675	1,018,575	1,018,575	100.0	111,483	1,176,290	1,106,793	106.3	19.0	15.5
Health, Retirement & Social Aid Expenditures	2,662,900	52,684,727	52,684,727	100.0	3,509,739	55,039,222	57,694,000	95.4	31.8	4.5
Government Social Security Contribution	990,000	11,084,293	11,084,293	100.0	1,285,000	14,965,000	13,092,000	114.3	29.8	35.0
Social Security Deficit Finance	434,669	29,249,282	29,249,282	100.0	715,000	27,069,236	31,776,000	85.2	64.5	-7.5
Other	1,238,231	12,351,152	12,351,152	100.0	1,509,739	13,004,986	12,826,000	101.4	21.9	5.3
Treasury Aid to Provincial Offices	127,314	1,591,049	1,591,049	100.0	147,412	1,738,426	1,660,839	104.7	15.8	9.3
Other Treasury Aids	304,618	1,656,848	1,656,848	100.0	682,329	2,203,805	1,734,078	127.1	124.0	33.0
Transfers to Non-financial Establishments	**170,904**	**844,067**	**844,067**	**100.0**	**337,840**	**1,083,985**	**726,674**	**149.2**	**97.7**	**28.4**
Transfers to Households	**179,703**	**1,276,134**	**1,276,134**	**100.0**	**211,173**	**1,591,272**	**1,516,259**	**104.9**	**17.5**	**24.7**
Agricultural Subsidies	**399,399**	**4,494,568**	**4,494,568**	**100.0**	**405,096**	**5,817,011**	**5,605,000**	**103.8**	**1.4**	**29.4**
Differential Paying Supporting	303,790	2,006,790	2,006,790	100.0	225,334	2,056,322	1,818,156	113.1	**-25.8**	2.5
Stockbreeding Support	4,500	907,500	907,500	100.0	0	1,157,608	1,251,536	92.5	**-100.0**	27.6
Other Agricultural Transfers	91,109	1,580,278	1,580,278	100.0	179,762	2,603,081	2,535,308	102.7	97.3	64.7
Other Transfers to Households	**401,040**	**1,031,171**	**1,031,171**	**100.0**	**145,819**	**849,922**	**1,135,278**	**74.9**	**-63.6**	**-17.6**
Social Transfers	**110,802**	**1,027,013**	**1,027,013**	**100.0**	**154,353**	**1,609,757**	**1,598,787**	**100.7**	**39.3**	**56.7**
Foreign Transfers	**91,175**	**721,607**	**721,607**	**100.0**	**182,733**	**959,498**	**1,028,660**	**93.3**	**100.4**	**33.0**
Shares from Revenues	**2,225,119**	**21,491,734**	**21,491,734**	**100.0**	**2,839,728**	**26,358,656**	**23,908,417**	**110.2**	**27.6**	**22.6**
Shares of Local Government	1,536,390	16,834,530	16,834,530	100.0	2,107,709	20,910,277	19,138,115	109.3	37.2	24.2
Shares on Funds	449,715	3,474,011	3,474,011	100.0	587,171	4,142,885	4,209,253	98.4	30.6	19.3
Other Shares	239,014	1,183,193	1,183,193	100.0	144,848	1,305,494	561,049	232.7	-39.4	10.3
Capital Expenditures	**6,203,644**	**20,071,509**	**20,071,509**	**100.0**	**8,350,268**	**25,906,918**	**18,924,425**	**136.9**	**34.6**	**29.1**
Capital Transfers	**1,316,997**	**4,319,248**	**4,319,248**	**100.0**	**2,881,075**	**6,736,224**	**3,429,214**	**196.4**	**118.8**	**56.0**
Domestic Capital Transfers	**1,215,591**	**4,178,646**	**4,178,646**	**100.0**	**2,788,138**	**6,614,010**	**3,175,578**	**208.3**	**129.4**	**58.3**
Foreign Capital Transfers	**101,406**	**140,602**	**140,602**	**100.0**	**92,937**	**122,214**	**253,636**	**48.2**	**-8.4**	**-13.1**
Lending	**987,281**	**5,697,647**	**5,697,647**	**100.0**	**3,388,652**	**8,613,397**	**6,902,862**	**124.8**	**243.2**	**51.2**
Domestic Lending	**912,281**	**5,070,647**	**5,070,647**	**100.0**	**3,276,127**	**8,023,397**	**6,297,862**	**127.4**	**259.1**	**58.2**
Foreign Lending	**75,000**	**627,000**	**627,000**	**100.0**	**112,525**	**590,000**	**605,000**	**97.5**	**50.0**	**-5.9**
Reserve Appropriations	**0**	**0**	**0**		**0**	**0**	**2,153,166**	**0.0**		
Interest Expenditures	**1,041,741**	**53,200,894**	**53,200,894**	**100.0**	**1,837,645**	**48,296,409**	**56,750,051**	**85.1**	**76.4**	**-9.2**

Annex Table 3. Central Government Budget Revenues, Comparative 2009-2010 (End of December)

	2010 December	2009 December	% Increase	2010 Budget Estimate	2009 Year-end	Realization compared to 2010 Budget (%)	Realization Compared to 2009 Year-end (%)
Central Government Budget Revenues	**254,028,479**	**215,458,341**	**17.90**	**236,794,348**	**215,458,341**	**107.28**	**100.00**
General Budget Revenues	**246,141,713**	**208,610,436**	**17.99**	**229,946,786**	**208,610,436**	**107.04**	**100.00**
I-Tax Revenues	**210,532,315**	**172,440,423**	**22.09**	**193,323,625**	**172,440,423**	**108.90**	**100.00**
Taxes on Income, Profits and Capital Gains	**61,316,778**	**56,468,694**	**8.59**	**59,480,796**	**56,468,694**	**103.09**	**100.00**
Income Tax	**40,391,894**	**38,445,864**	**5.06**	**41,515,828**	**38,445,864**	**97.29**	**100.00**
Based on Declaration	2,056,107	1,987,051	3.48	1,958,249	1,987,051	105.00	100.00
Lump-sum	264,617	244,267	8.33	225,983	244,267	117.10	100.00
Witholding Tax	36,866,017	35,091,462	5.06	38,056,904	35,091,462	96.87	100.00
Provisional Tax	1,205,153	1,123,084	7.31	1,274,692	1,123,084	94.54	100.00
Corporation Tax	**20,924,884**	**18,022,830**	**16.10**	**17,964,968**	**18,022,830**	**116.48**	**100.00**
Based on Declaration	508,288	494,751	2.74	563,681	494,751	90.17	100.00
Witholding Tax	228,376	212,619	7.41	196,282	212,619	116.35	100.00
Provisional Tax	20,188,220	17,315,460	16.59	17,205,005	17,315,460	117.34	100.00
Tax on Property	**5,248,546**	**4,663,977**	**12.53**	**4,484,287**	**4,663,977**	**117.04**	**100.00**
Inheritance and Gift Taxes	215,462	168,253	28.06	156,019	168,253	138.10	100.00
Motor Vehicle Tax	5,033,084	4,495,724	11.95	4,328,268	4,495,724	116.28	100.00
DomesticGoods and Services Taxes	**91,735,643**	**73,136,329**	**25.43**	**86,365,906**	**73,136,329**	**106.22**	**100.00**
Domestic VAT	**26,325,161**	**20,852,820**	**26.24**	**22,635,721**	**20,852,820**	**116.30**	**100.00**
Special Consumption Tax	**57,285,112**	**43,619,794**	**31.33**	**54,630,758**	**43,619,794**	**104.86**	**100.00**
SCT on Petroleum and Natural Gas	31,697,178	25,524,959	24.18	30,684,579	25,524,959	103.30	100.00
SCT on Motor Vehicles	6,192,786	3,352,689	84.71	3,786,699	3,352,689	163.54	100.00
SCT on Coke, Alcoholic Bev. & Tobacco Prod.	17,874,105	13,892,805	28.66	18,760,342	13,892,805	95.28	100.00
SCT on Durable Goods and Other Goods	1,521,043	849,341	79.09	1,399,138	849,341	108.71	100.00
Banking and Insurance Transactions Tax	**3,570,507**	**4,003,091**	**-10.81**	**3,875,309**	**4,003,091**	**92.13**	**100.00**
Other Taxes on Goods and Services	**4,554,863**	**4,660,624**	**-2.27**	**5,224,118**	**4,660,624**	**87.19**	**100.00**
Taxes on International Trade & Transactions	**39,526,862**	**28,651,405**	**37.96**	**33,133,610**	**28,651,405**	**119.30**	**100.00**
Customs Duties	3,239,698	2,465,856	31.38	2,979,639	2,465,856	108.73	100.00
VAT on Imports	36,207,550	26,134,065	38.55	30,108,212	26,134,065	120.26	100.00
Other Taxes on International Trade & Transactions	79,614	51,484	54.64	45,759	51,484	173.99	100.00
Stamp Duties	**5,082,634**	**4,169,006**	**21.91**	**4,398,969**	**4,169,006**	**115.54**	**100.00**
Fees	**7,006,675**	**4,755,033**	**47.35**	**5,404,696**	**4,755,033**	**129.64**	**100.00**
Taxes not Elsewhere Classified	**615,177**	**595,979**	**3.22**	**55,361**	**595,979**	**1,111.21**	**100.00**
II-Property Income	**9,787,813**	**9,948,230**	**-1.61**	**6,754,562**	**9,948,230**	**144.91**	**100.00**
Revenues from Valuable Bank Checks	**2,590,371**	**1,772,459**	**46.15**	**2,294,865**	**1,772,459**	**112.88**	**100.00**
Revenues from SEE's and Public Banks	**4,284,293**	**4,058,853**	**5.55**	**2,135,282**	**4,058,853**	**200.64**	**100.00**
Corporation Profits	**1,054,091**	**760,808**	**38.55**	**1,049,240**	**760,808**	**100.46**	**100.00**
Rents	**973,709**	**809,375**	**20.30**	**778,723**	**809,375**	**125.04**	**100.00**
Other Property Income	**885,349**	**2,546,735**	**-65.24**	**496,452**	**2,546,735**	**178.34**	**100.00**
III-Grants and Aids and Special Revenues	**1,207,744**	**807,329**	**49.60**	**964,310**	**807,329**	**125.24**	**100.00**
From Abroad	**266**	**25**	**964.00**	**11,072**	**25**	**2.40**	**100.00**
Special Revenues	**1,207,478**	**807,304**	**49.57**	**953,238**	**807,304**	**126.67**	**100.00**
IV-Interests, Shares and Fines	**21,014,457**	**23,057,791**	**-8.86**	**17,816,884**	**23,057,791**	**117.95**	**100.00**
Interest Revenues	**4,986,672**	**5,666,547**	**-12.00**	**2,106,580**	**5,666,547**	**236.72**	**100.00**
Shares from Persons and Agencies	**6,760,510**	**7,607,476**	**-11.13**	**6,828,526**	**7,607,476**	**99.00**	**100.00**
Government Shares	317,932	246,771	28.84	276,059	246,771	115.17	100.00
Shares of General Budget Agencies	6,442,578	7,360,705	-12.47	6,552,467	7,360,705	98.32	100.00
Fines	**4,273,053**	**3,908,374**	**9.33**	**3,163,975**	**3,908,374**	**135.05**	**100.00**
Judicial Fines	193,397	201,374	-3.96	172,502	201,374	112.11	100.00
Administrative Fines	1,428,299	1,136,772	25.65	871,598	1,136,772	163.87	100.00
Tax Penalty	2,541,030	2,481,380	2.40	2,024,877	2,481,380	125.49	100.00
Other Fines	110,327	88,848	24.17	94,998	88,848	116.14	100.00
Other Miscellenous Revenues	**4,994,222**	**5,875,394**	**-15.00**	**5,717,803**	**5,875,394**	**87.35**	**100.00**
V-Capital Revenues	**3,375,546**	**2,044,436**	**65.11**	**10,649,211**	**2,044,436**	**31.70**	**100.00**
Sales of Immovables	**292,625**	**215,093**	**36.05**	**236,745**	**215,093**	**123.60**	**100.00**
Sales of Movables	**3,570**	**4,514**	**-20.91**	**8,053**	**4,514**	**44.33**	**100.00**
Sales of Other Miscellenous Capitals	**3,079,351**	**1,824,829**	**68.75**	**10,404,413**	**1,824,829**	**29.60**	**100.00**
VI-Collections from Loans	**223,838**	**312,227**	**-28.31**	**438,194**	**312,227**	**51.08**	**100.00**
Revenues from Special Budget Institutions	**5,953,891**	**5,036,830**	**18.21**	**4,898,275**	**5,036,830**	**121.55**	**100.00**
Revenues from Regulatory&Supervisory Inst.	**1,932,875**	**1,811,075**	**6.73**	**1,949,287**	**1,811,075**	**99.16**	**100.00**

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

4 a)

	Compens. Of Employees	SSI Premium Payment	Goods & Services Procurements	Interest Expenditure	Current Transfers	Capital Expenditure	Capital Transfers	Lending	Total
General Public Services	7.0	1.1	2.7	54.7	30.7	1.4	1.8	0.7	100
Defense Services	44.1	7.2	47.5	0.0	0.8	0.4	0.0	0.0	100
Public Order and Security Services	61.9	10.2	22.1	0.0	0.0	5.7	0.0	0.0	100
Economic Works and Services	10.7	2.1	6.0	0.0	24.1	39.3	2.6	15.2	100
Environmental Protection Services	31.1	6.9	5.3	0.0	0.7	8.6	47.4	0.0	100
Housing & Public Welfare Services	0.3	0.1	0.2	0.0	52.7	11.6	34.8	0.3	100
Health Services	36.5	8.6	44.5	0.0	1.4	8.9	0.0	0.0	100
Leisure, Cultural & Religious Services	50.2	9.4	8.9	0.0	13.6	14.4	2.3	1.1	100
Education Services	59.1	10.3	11.0	0.0	4.5	9.0	2.6	3.6	100
Social Security and Social Aids	0.4	0.1	0.9	0.0	97.3	0.5	0.7	0.1	100

4 b)

	Compens. Of Employees	SSI Premium Payment	Goods & Services Procurements	Interest Expenditure	Current Transfers	Capital Expenditures	Capital Transfers	Lending
General Public Services	10.0	8.7	8.3	100.0	26.6	4.7	23.4	6.9
Defense Services	10.5	9.6	24.5	0.0	0.1	0.2	0.0	0.0
Public Order and Security Services	18.6	17.2	14.3	0.0	0.0	4.1	0.0	0.0
Economic Works and Services	7.2	7.9	8.7	0.0	9.9	63.8	16.5	74.0
Environmental Protection Services	0.2	0.2	0.1	0.0	0.0	0.1	2.5	0.0
Housing & Public Welfare Services	0.0	0.0	0.0	0.0	3.4	2.9	33.7	0.2
Health Services	9.4	12.5	24.8	0.0	0.2	5.5	0.0	0.0
Leisure, Cultural & Religious Services	4.4	4.6	1.7	0.0	0.7	3.0	1.9	0.7
Education Services	39.3	38.7	15.9	0.0	1.8	14.3	15.8	17.2
Social Security and Social Aids	0.4	0.4	1.8	0.0	57.2	1.1	6.2	1.0
TOTAL	100	100	100	100	100	100	100	100

Annex Table 5. General Budget Finance (End of December)

(1.000 TL)	January	February	March	April	May	June	July	August	September	October	November	December
PRIMARY BALANCE	3254456	4342357	2689242	5032565	13188567	11780157	12725485	19626693	17391965	16503049	21107433	7581789
BUDGET BALANCE	-2835052	-6324221	-12310028	-17019239	-11027773	-15778695	-19457597	-15659600	-21891368	-24966622	-25351331	-40714620
BUDGET ESCROWS	828969	-229406	-772466	-813785	-885155	-476180	317078	-688710	-1182378	-801083	-225105	1408701
OTHER ESCROWS	-944938	-899937	-538805	-524863	-298537	-655265	88775	646749	5483005	6301814	9424695	-584350
ADVANCES	3518192	676208	1624647	1450179	1464455	1665724	1480543	1360336	1382596	1219014	1128373	-1220320
Cash Balance	567171	-6777356	-11996652	-16907708	-10747010	-15244416	-17571201	-14341225	-16208145	-18246877	-15023368	-41110589
Treasury Funding	***-567171***	***6777356***	***11996652***	***16907708***	***10747010***	***15244416***	***17571201***	***14341225***	***16208145***	***18246877***	***15023368***	***41110589***
Total Net Borrowing (Borrowing minus repayment)	***9365313.543***	***10420986.68***	***13171389.95***	***20558388.37***	***17383247.3***	***17226961.29***	***19580682.17***	***24512907.81***	***24987174.13***	***24829016.05***	***28202882.12***	***31020081.29***
Total Borrowing	24711790.37	44920513.61	57972002.89	78388902.42	86410739.89	97681731.26	109743711.9	131269333.4	144099822.3	150697513.2	168537757.7	180920805.6
Domestic Borrowing	21551926.48	41737445.93	53108717.39	68130760.64	75869122.57	86888491.5	98587842.27	117074555.8	129417907.8	135728466.7	152118014.6	162637078.1
Bills	18632926.48	35752445.93	45090717.39	60112760.64	67851122.57	77688004.39	88019521.64	103875724.8	114279076.9	120589635.8	136310416.5	146829480
Bonds	2919000.001	5985000	8018000	8018000	8018000	9200487.112	10568320.63	13198830.97	15138830.97	15138830.97	15807598.07	15807598.07
Foreign Borrowing	3159863.89	3183067.676	4863285.499	10258141.78	10541617.32	10793239.76	11155869.6	14194777.57	14681914.48	14969046.51	16419743.12	18283727.56
Total Capital Repayments	-15346476.83	-34499526.92	-44800612.94	-57830514.05	-69027492.59	-80454769.97	-90163029.69	-106756425.5	-119112648.2	-125868497.2	-140334875.6	-149900724.3
Domestic Borrowing	-15283517.79	-32293301.03	-42263611.13	-54364930.99	-65193248.6	-73757581.55	-82992962.24	-99344667.86	-110903059.2	-117006574.9	-130602142.1	-139307870.1
Bills	-13837517.79	-27349301.03	-33543432.16	-45644752.02	-56473069.62	-65037402.57	-68957152.57	-82242858.2	-91768249.53	-97871765.21	-111467332.5	-120173060.4
Bonds	-1446000	-4944000	-8720178.974	-8720178.974	-8720178.974	-8720178.974	-14035809.66	-17101809.66	-19134809.66	-19134809.66	-19134809.66	-19134809.66
Foreign Borrowing	-62959.03886	-2206225.895	-2537001.807	-3465583.062	-3834243.995	-6697188.421	-7170067.456	-7411757.677	-8209588.998	-8861922.321	-9732733.432	-10592854.25
Funds other than Borrowing	-31822.42873	-59322.96022	438536.6956	503178.5252	536094.0457	727106.3632	810796.9642	888825.0473	1010460.918	1185685.999	1709804.407	1892849.14
Privatization Revenues Transferred to Treasury	0	0	0	0	0	0	0	0	0	0	0	0
Excess revenue from DSIF	11.98791674	35818.10844	416930.2073	417301.9499	417652.4646	418034.6848	451232.2416	451679.477	452285.5785	500669.6433	501362.2563	658063.5678
Net Lending (-)	***31834.41665***	***95141.06866***	***-21606.48829***	***-85876.57526***	***-118441.5812***	***-309071.6784***	***-359564.7225***	***-437145.5703***	***-558175.3395***	***-685016.3557***	***-1208442.151***	***-1234785.573***
Cash movement (- entry, + exit)	**-9900662.115**	**-3584307.724**	**-1613274.645**	**-4153858.896**	**-7172331.346**	**-2709651.653**	**-2820278.137**	**-11060507.86**	**-9789490.046**	**-7767825.052**	**-14889318.53**	**8197658.566**

Annex Table 6. Composition of Central Government Debt Stock (End of December)

(million TL)	Central Government Debt Stock (end of 2009)	%	Central Government Debt Stock (Jan 2010)	%	Central Governmen t Debt Stock (Feb 2010)	%	Central Government Debt Stock (Mar 2010)	%	Central Government Debt Stock (Apr 2010)	%	Central Government Debt Stock (May 2010)	%	Central Governmen t Debt Stock (Jun 2010)	%
Structure of the Domestic Debt Stock	**330,005**	**100.0**	**335,860**	**100.0**	**339,434**	**100.0**	**340,678**	**100.0**	**343,163**	**100.0**	**318,527**	**100.0**	**343,142**	**100.0**
In terms of holders	330,005	100.0	335,860	100.0	339,434	100.0	340,678	100.0	343,163	100.0	318,527	100.0	343,142	100.0
To the government	60,923	18.5	61,340	18.3	61,781	18.2	62,017	18.2	62,320	18.2	53,828	16.9	59,047	17.2
To market	269,082	81.5	274,520	81.7	277,653	81.8	278,662	81.8	280,843	81.8	264,699	83.1	284,095	82.8
In terms of interest structure	330,005	100.0	335,860	100.0	339,434	100.0	340,678	100.0	343,163	100.0	340,521	106.9	343,142	100.0
Fixed-interest	155,076	47.0	158,239	47.1	161,787	47.7	158,892	46.6	157,063	45.8	156,296	49.1	155,452	45.3
variable-interest	174,928	53.0	177,621	52.9	177,647	52.3	181,786	53.4	186,100	54.2	184,225	57.8	187,690	54.7
In terms of FX composition	330,005	100.0	335,860	100.0	339,434	100.0	340,678	100.0	343,163	100.0	340,521	106.9	343,142	100.0
TL Denominated	312,837	94.8	321,182	95.6	325,234	95.8	326,635	95.9	329,555	96.0	326,465	102.5	329,210	95.9
FX Denominated	17,168	5.2	14,678	4.4	14,201	4.2	14,044	4.1	13,608	4.0	14,055	4.4	13,932	4.1
TL indexed to FX	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Composition of Foreign Debt Stock	**111,368**	**100.0**	**112,375**	**100.0**	**113,315**	**100.0**	**113,308**	**100.0**	**113,723**	**100.0**	**116,699**	**100.0**	**115,785**	**100.0**
In terms of interest structure	111,368	100.0	112,375	100.0	113,315	100.0	113,308	100.0	113,723	100.0	116,699	100.0	115,785	100.0
Fixed-interest	80,184	72.0	82,057	73.0	82,256	72.6	82,753	73.0	82,924	72.9	85,335	73.1	84,519	73.0
variable-interest	31,185	28.0	30,317	27.0	31,059	27.4	30,555	27.0	30,799	27.1	31,364	26.9	31,266	27.0
Structure of Total Debt Stock	**441,373**	**100.0**	**448,235**	**100.0**	**452,749**	**100.0**	**453,986**	**100.0**	**456,886**	**100.0**	**435,227**	**100.0**	**458,927**	**100.0**
In terms of holders														
To the government	60,923	13.8	61,340	13.7	61,781	13.6	62,017	13.7	62,320	13.6	53,828	12.4	59,047	12.9
To market (1)	380,450	86.2	386,895	86.3	390,968	86.4	391,970	86.3	394,566	86.4	381,398	87.6	399,879	87.1
Faiz Yapısı Açısından	441,373	100.0	448,235	100.0	452,749	100.0	453,986	100.0	456,886	100.0	457,220	100.0	458,927	100.0
Sabit Faizliler	235,260	53.3	240,296	53.6	244,043	53.9	241,646	53.2	239,986	52.5	241,631	52.8	239,971	52.3
Değişken Faizliler	206,113	46.7	207,938	46.4	208,706	46.1	212,341	46.8	216,900	47.5	215,589	47.2	218,956	47.7
In terms of FX composition	441,373	100.0	448,235	100.0	452,749	100.0	453,986	100.0	456,886	100.0	457,220	100.0	458,927	100.0
TL Denominated	312,837	70.9	321,182	71.7	325,234	71.8	326,635	71.9	329,555	72.1	326,465	71.4	329,210	71.7
FX Denominated	128,536	29.1	127,053	28.3	127,516	28.2	127,352	28.1	127,331	27.9	130,754	28.6	129,717	28.3
TL indexed to FX	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Average Maturity for Domestic Debt Stock (months)	24.4		25.4		26.4		26.4		27.6		27.7		27.9	
Average Maturity for Domestic Debt (Months)*	35.3		38.6		36.7		37.5		53.8		41.9		41.8	
Average Interest Rate for Domestic Borrowing Aucti	9.00		7.98		7.99		8.29		8.70		9.51		8.69	

(million TL)	Central Government Debt Stock (Jul 2010)	%	Central Governmen t Debt Stock (Aug 2010)	%	Central Governmen t Debt Stock (Sept 2010)	%	Central Government Debt Stock (Oct 2010)	%	Central Government Debt Stock (Nov 2010)	%	Central Government Debt Stock (Dec 2010)	%
Structure of the Domestic Debt Stock	**345,158**	**100.0**	**347,324**	**100.0**	**347,759**	**100.0**	**347,822**	**100.0**	**349,584**	**100.0**	**352,841**	**100.0**
In terms of holders	345,158	100.0	347,324	100.0	347,759	100.0	347,822	100.0	349,584	100.0	352,841	100.0
To the government	59,032	17.1	59,428	17.1	54,667	15.7	52,163	15.0	50,901	14.6	51,393	14.6
To market	286,126	82.9	287,896	82.9	293,092	84.3	295,659	85.0	298,683	85.4	301,448	85.4
In terms of interest structure	345,158	100.0	347,324	100.0	347,759	100.0	347,822	100.0	350,816	100.4	352,841	100.0
Fixed-interest	156,937	45.5	165,491	47.6	173,903	50.0	178,392	51.3	176,588	50.5	175,740	49.8
variable-interest	188,221	54.5	181,833	52.4	173,857	50.0	169,430	48.7	174,228	49.8	177,101	50.2
In terms of FX composition	345,158	100.0	347,324	100.0	347,759	100.0	347,822	100.0	350,816	100.4	352,841	100.0
TL Denominated	331,674	96.1	333,809	96.1	338,804	97.4	342,739	98.5	345,533	98.8	347,347	98.4
FX Denominated	13,484	3.9	13,515	3.9	8,956	2.6	5,083	1.5	5,282	1.5	5,495	1.6
TL indexed to FX	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Composition of Foreign Debt Stock	**113,181**	**100.0**	**115,930**	**100.0**	**113,054**	**100.0**	**111,982**	**100.0**	**114,638**	**100.0**	**120,461**	**100.0**
In terms of interest structure	113,181	100.0	115,930	100.0	113,054	100.0	111,982	100.0	114,638	100.0	120,461	100.0
Fixed-interest	82,617	73.0	84,425	72.8	82,496	73.0	81,921	73.2	84,641	73.8	89,253	74.1
variable-interest	30,564	27.0	31,505	27.2	30,558	27.0	30,061	26.8	29,996	26.2	31,208	25.9
Structure of Total Debt Stock	**458,339**	**100.0**	**463,254**	**100.0**	**460,813**	**100.0**	**459,804**	**100.0**	**464,222**	**100.0**	**473,302**	**100.0**
In terms of holders												
To the government	59,032	12.9	59,428	12.8	54,667	11.9	52,163	11.3	50,901	11.0	51,393	10.9
To market (1)	399,307	87.1	403,826	87.2	406,146	88.1	407,642	88.7	413,321	89.0	421,909	89.1
Faiz Yapısı Açısından	458,339	100.0	463,254	100.0	460,813	100.0	459,804	100.0	465,453	100.0	473,302	100.0
Sabit Faizliler	239,554	52.3	249,916	53.9	256,398	55.6	260,313	56.6	261,229	56.1	264,993	56.0
Değişken Faizliler	218,784	47.7	213,338	46.1	204,415	44.4	199,491	43.4	204,224	43.9	208,309	44.0
In terms of FX composition	458,339	100.0	463,254	100.0	460,813	100.0	459,804	100.0	465,453	100.0	473,302	100.0
TL Denominated	331,674	72.4	333,809	72.1	338,804	73.5	342,739	74.5	345,533	74.2	347,347	73.4
FX Denominated	126,665	27.6	129,445	27.9	122,010	26.5	117,065	25.5	119,920	25.8	125,956	26.6
TL indexed to FX	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Average Maturity for Domestic Debt Stock (months)	27.9		29.5		29.5		29.0		30.6		31.0	
Average Maturity for Domestic Debt (Months)*	36.4		53.1		31.8		28.6		60.8		52.6	
Average Interest Rate for Domestic Borrowing Aucti	8.26		7.97		7.79		7.55		7.56		7.68	