

Phases of Macroeconomic Adjustment in Turkey, 1972-2002

	Import- Substitutionist Industrialization 1972-76	Economic Crisis 1977-80	Post-Crisis Adjustment 1981-82	Export-Led Growth 1983-87	Exhaustion 1988	Unregulated Financial Liberalization 1989-93	Financial Crisis 1994	Reinvigoration of Short-term Foreign Capital- Led Growth 1995-97	Contagion of the World Financial Crisis 1998 1999	Exchange Rate Based Disinflation and Financial Meltdown 2000 2001		2002	
I. Production and Accumulation (Real Rate of Growth, %)													
GDP	6.8	0.5	4.2	6.5	2.1	4.8	-5.5	7.2	3.1	-5.0	7.4	-7.6	7.8
Agriculture	1.8	0.5	0.6	0.8	7.8	0.1	-0.7	1.3	8.4	-4.6	4.1	-4.9	
Manufacturing	9.7	-0.2	7.9	8.6	1.6	6.0	-7.6	10.2	1.2	-5.7	5.9	-8.5	
<i>Fixed Investment:</i>													
Private Sector	11.5	-7.3	-1.0	14.1	29.2	11.9	-9.6	9.5	-6.7	-18.8	14.1	-34.9	-7.2
Private Energy and Transport.	19.5	-10.6	27.3	7.5	4.2	16.2	-26.2	25.8	-14.3	-31.7	25.6	-21.4	
Private Manufacturing	10.9	-13.6	4.8	7.7	9.7	14.3	-0.5	4.7	-6.3	-17.5	25.0	-42.0	
Private Housing	9.0	2.2	-19.6	24.5	50.7	11.2	-24.6	2.9	-1.6	18.6	-20.9	-12.0	
Public Sector	15.4	-1.7	4.8	12.0	-2.3	5.2	-39.5	15.8	8.0	1.0	20.8	-22.0	14.5
Public Energy and Transport.	16.3	0.3	9.5	16.8	-2.6	4.4	-44.6	13.6	14.6	-15.4	16.5	-39.6	
Public Manufacturing	16.0	1.3	-11.2	-9.6	-11.3	-6.9	-41.4	7.8	19.1	-4.3	20.3	-39.1	
Manufacturing Sector (Total)	12.0	-9.4	-0.8	3.7	6.6	12.4	-2.5	4.8	-5.6	-17.6	25.3	-39.8	
<i>As % Share of GNP:</i>													
Savings	20.9	17.3	17.7	19.5	27.2	21.9	23.0	21.1	22.7	20.7	20.2	18.2	19.9
Investment	21.3	22.3	18.3	20.9	26.1	23.7	24.4	24.8	24.3	22.3	24.1	18.4	17.7
PSBR	5.7 ^a	6.9	3.7	4.7	4.8	9.1	7.9	7.2	9.2	15.1	12.5	16.5	12.5
II. Distribution and Prices													
Inflation Rate (CPI)	18.4	59.5	35.1	40.7	68.8	65.1	106.3	85.0	90.7	70.5	39.1	68.5	29.7
Annual Rate of Change in Exchange Rate (TL/\$)	3.9	48.0	45.0	39.7	66.0	50.4	170.0	72.0	71.7	58.2	28.6	114.2	9.0
Real Interest Rate on Government Bonds ^b	--	--	--	--	-5.8	10.5	20.5	23.6	29.5	36.8	4.5	31.8	13.0
Manufacturing Real Wages ^c	3.1	-1.1	-1.1	-3.9	-7.1	10.2	-36.3	-2.8	3.3 ^d	4.6 ^d	-8.8 ^d		
Share of Wages in Manufac. Value Added (%)	27.7	35.6	24.5	20.6	15.4	21.8	16.1	16.7					
III. Internationalization													
Man. Exports Growth	39.4	14.3	19.7	12.5	14.0	5.1	18.0	14.2	3.2	-5.5	4.9	12.4	
<i>As % Share of GNP:</i>													
Imports ^e	11.7	11.2	14.0	15.9	15.8	14.6	17.8	23.2	22.5	21.7	27.2	28.2	28.0
Exports ^e	5.3	4.2	8.5	10.8	12.8	9.1	13.8	15.8	13.2	14.2	13.7	21.7	19.2
Current Account Balance ^e	-1.4	-3.4	-2.7	-1.9	-1.7	-1.3	-2.0	-1.4	1.0	-0.7	-4.8	1.4	-1.0
Stock of Foreign Debt	1.4	14.5	27.1	37.8	44.8	35.1	49.6	45.6	50.9	55.7	59.1	74.3	73.1

Sources: SPO Main Economic Indicators; Undersecretariat of Foreign Trade and Treasury Main Economic Indicators;
SIS Manufacturing Industry Surveys.

a. 1975-76 only.

b. Annual average of Compounded Interest Rate on Government Debt Instruments deflated by the whole sale price index.

c. Wage earnings of workers engaged in production. Private manufacturing labor data cover enterprises employing 10+ workers.

d. Refer to unit wage costs in (\$) obtained from production workers in private manufacturing..

e. Including luggage trade after 1996