The Turkish Economic Conundrum
Regional Disparities in Turkey
Turkey: a ‘Great Power’ of Migration?

New design and graphical presentation of the Statistical Annex

The Vienna Institute for International Economic Studies
Wiener Institut für Internationale Wirtschaftsvergleiche
## CONTENTS

Graph of the month:  
Regional gross value added in Turkey ................................................................. 1

Opinion Corner: Turkey and the EU ................................................................. 2

The Turkish economic conundrum ................................................................. 5

Regional disparities in Turkey ................................................................. 9

Turkey: a ‘great power’ of migration? ......................................................... 13

The editors recommend for further reading ........................................... 17

Monthly and quarterly statistics for Central, East and Southeast Europe .......... 18

Index of subjects – August-September 2013 to September 2014 .......... 39
Map I / Turkey: Regional gross value added (GVA) per capita, in Turkish lira, 2011

Source: Data: Turkish Statistical Institute; Map: wiw.

Map II / Turkey: Average annual real growth rates of regional GVA per capita, 2004-2011, 2010 prices

Source: Data: Turkish Statistical Institute; Map: wiw.
A few years ago Turkey’s accession to the EU was fiercely discussed, now it is hardly mentioned anywhere. What has changed? What are Turkey’s prospects for achieving EU membership currently?

Çiçek: Once Turkey met the last condition for accession talks by extending the customs union to the new EU Member States in mid-2005, the negotiations began in October 2005. However, Turkey rejected to open its seaports and airports to traffic from Cyprus in 2006 and hence the European Council froze the opening of eight chapters at the end of 2006. The perception of the Turkish government and population has been that the EU fails to pull its weight on Cyprus, because in the Annan Plan Referendum for the reunification of Cyprus the Turkish Cypriot side approved by voting yes while the Greek Cypriots did not. Therefore, freezing the negotiations with Turkey was considered unfair by Turks. Apart from the issue of Cyprus, there were also other issues explaining the slowdown of the negotiation process. The Turkish government has been criticising the EU’s attitude arguing that the EU lacks decisiveness. The government also emphasised that the recently acceding EU members had been at a comparably much lower status of development than Turkey and because of this double standard, the population’s faith in prospective membership has been waning in the country. Another reason for the deceleration of the negotiation process is the rising self-confidence in the economic perspective of the own country. Achieving high growth rates since the beginning of the 2000s and especially the quick recovery from the global financial crisis in comparison with many EU economies has increased the self-confidence of the Turkish population and led them to believe that they do not need the EU as they thought in the past.

On the EU side, Turkey’s accession has fallen to a low priority for two major reasons: the global financial crisis and the problems arising from past enlargements of the EU. Following the accession of Central and East European countries to the EU in 2004 and 2007, the global economic crisis dominated much of the debates on Turkey, which is increasingly perceived as a challenge for the EU because of Turkey’s large population size.

After 2012, the loss of dynamism of negotiations reversed and the EU opened a new chapter with Turkey at the end of 2013. There are some crucial factors behind this convergence tendency. Not so long ago, Turkey adopted the ‘zero problems with neighbours’ policy and expanded its political and economic links with its neighbours. With the increasing popularity of Erdogan in the Middle East, Turkey partially turned to the east instead of the west. But in the wake of the Arab Spring and its aftermath, Erdogan’s popularity has diminished in the region and the political relations with many neighbours have been strained. Currently, having no ambassador in Damascus, Cairo and Tel Aviv is one of the main signs of the deterioration of relations. In the end, Turkey will most probably turn to the west again for sustainable and stable political ties as well as economic relations.

On the other hand, the economy has also been recovering in most EU countries, though at a different rate and strength, and establishing a comprehensive energy cooperation with Turkey may support
energy security since Turkey has a strategic location and therefore may contribute to stable economic growth in Europe. For that reason, it is less likely that Turkey will be out of the enlargement agenda of the EU.

Gligorov: There are three main considerations that make Turkish integration into the European Union problematic; and to larger Member States more than to smaller ones.

The first is economic. On the one hand, Turkey is a catching-up economy which could contribute positively to the economic growth of the EU. However, on the other hand, immigration and fiscal transfers outweigh the possible business benefits in the eyes of the public of countries such as Germany or France.

The second is the issue of security. The EU is unsuited to taking security risks. This is evident not only in the case of the Middle East, but also in the East. It would be difficult for the EU to take additional security obligations that Turkish membership would bring in.

The third is the balance of political power within the EU. Turkey would be or would quite soon become the largest country in the EU in terms of population. That would make it very influential in the internal deliberations in the European Parliament and in other relevant decision-making bodies. That might make it less desirable to proceed with the deepening of the EU and with its democratisation.

These factors have been well understood since the beginning, which is why Turkish integration with the EU has always been very slow. However, in the optimistic years after the introduction of the euro and before the current crisis, there was a sense that the transformative powers of the EU were so strong that these problems could be easily dealt with. And there were only economic benefits to both sides to consider. This attitude changed even before the crisis with Germany and France becoming increasingly unhappy with the prospect of Turkish ascendance. The crisis and growing security concerns have put that issue effectively off the table.

That does not mean that the prospects have declined to zero. In fact, the problem that the EU has is that its process of negotiations with a candidate country such as Turkey can end only with membership, except if a candidate country, Turkey in this case, decides otherwise. This is certainly how the European Commission sees it. This may not extend to Member States any more, for instance to France, which has decided to hold referenda on any new accession country. Still, it does not seem that any EU country is ready to close the door on Turkey, so the process will continue at least nominally.

There has also been a change in Turkish politics. The country sees itself as a regional power that increasingly takes its foreign policy decisions without much regard for the EU or even NATO. That does not increase its compatibility with the EU. So, if anything, that and other changes in Turkey signal diminishing attractiveness of the EU to Turkey. Thus, the prospects of integration get pushed further into the future.
Landesmann: There are three factors which led to the sharp drop in the assessment of a Turkish EU accession perspective over the past decade:

(i) The ‘Enlargement fatigue’ in the EU which has been strongly accentuated during the recent economic crisis

(ii) Internal Turkish developments which, however, were not unaffected by developments in the EU

(iii) The evolving regional geo-political situation of Turkey

Let me explore these points in turn:

The negotiations with Turkey regarding EU accession have moved towards a dead end well before the outbreak of the financial and economic crisis in 2008/9. A number of governing parties in important Member States (Gaulists in France, CDU in Germany) plus populist trends in other countries (e.g. referendum commitment in Austria) which took a stance against full EU membership of Turkey were well in place before the crisis. However, the crisis with conflicts of interest becoming more acute between ‘EU North’ and ‘EU South’ combined with a prevalent perception of premature membership of Romania and Bulgaria cemented the popular feeling of an ‘EU overstretch’. The accession negotiations with small entities in the Western Balkans might still pass the scrutiny of the EU electorate, but a weighty change in EU membership with regard to Turkey or Ukraine seems politically unrealisable in the current and foreseeable context.

Developments within Turkey, partly a response to the increasingly distant possibility of EU accession and in parts resulting from internal political dynamics, are complementary with developments within the EU in dashing any serious accession prospects. Internal political developments in Turkey are complex with a semi-authoritarian presidential system emerging, identifying a series of ‘internal enemies’ (the military, Ghezi Park demonstrators, Gülen movement) to be defeated and an ambition to project the image of a strong regional power in a highly unstable international environment. Some of these trends move Turkey away from EU membership.

Turkey’s foreign policy doctrine, originally formulated by the new Prime Minister (and previous Foreign Minister of many years) Ahmet Davutoglu, has increasingly had to address concerns of Turkey’s geostrategic position in a highly conflictual neighbourhood. These have over recent years put relationships with the EU into second place and this is likely to remain so over the coming years.

Lastly, on a positive note: developments within the EU point towards much more differentiated types of membership, with a core of euro-area members and an outer layer of non-EMU members up to the point of further derogations being introduced in the wake of the UK negotiations on continued membership. If this path is further pursued, the menu of differentiated membership options might expand further, even blurring the demarcation between members’ and ‘privileged neighbours’. Turkey might then join one of these schemes as could countries such as Ukraine, Moldova and Georgia.
The explosive rise of Turkey’s economy in the past decade has come to an end for a number of economic and political reasons. The announcement of tapering the bond-buying programme by the US Fed last December has slowed down capital flows from the United States to emerging markets. The dependence of the Turkish economy on external financing due to the chronically large deficit of the current account and other structural weaknesses such as high private sector debt and relatively low levels of net foreign reserves make the Turkish lira more vulnerable to global liquidity fluctuations than earlier. This, together with a corruption scandal (the sons of three cabinet ministers were detained as part of a probe investigation in mid-December 2013) has decreased the value of the Turkish lira against the US dollar. In order to stop this process, the Central Bank of the Republic of Turkey (CBRT) hiked the interest rates at the start of 2014. Since there are upward pressures stemming from a depreciation of the lira against foreign currencies, the CBRT declared that the rates would not descend until the inflation outlook improves. Nevertheless the government has been eager to sustain economic growth and propel investments ahead of the presidential election on 10 August (when Erdogan became the winner with a slight majority) and the parliamentary polls, which will be held in the summer of 2015. Moreover, tapering is continuing and it may accelerate capital outflows. Therefore CBT officials face a conundrum: (a) should they keep short-term interest rates unchanged even if there is a sharp reduction in the value of the lira; (b) should they keep short-term interest rates at the determined level until the outlook of price increases and financial risk factors get better and then change them according to the economic indicators; or (c) should they lower the rates sharply in order to promote the government’s economic growth targets.

Figure 1 / Consumer loans (January 2000 – June 2014) (billion TRY) (monthly)

Source: Central Bank of the Republic of Turkey (CBRT).

A crucial part of the vulnerability stems from economic imbalances. In the aftermath of the rock-bottom interest rates in industrialised nations combined with the Fed’s quantitative easing (QE) programme, trillions of speculative hot money flew to the developing world including Turkey in search of better
returns. Rising demand for domestic assets in emerging markets caused sharp reductions in borrowing costs in these countries, which ended in rapid credit growth and debt accumulation. Although the increase in real GDP has been slightly more than 25% in Turkey since the beginning of unleashing a torrent of capital flows into emerging countries from the developed countries in 2008, private sector loans have more than quadrupled and have become the crucial driving force behind economic growth. A look at the components of Turkey’s GDP reveals that consumer spending, with a 70% share, is the engine of Turkey’s economic growth. Much of it has been financed by credits to the private sector. Within the same period, Turkey’s external debt stock, which is currently equivalent to half of GDP, has increased by more than a third. Short-term external debt which will become due next year and of which 85% is accounted for by the private sector has more than doubled. Although the CBRT has accommodated an upward trend in international reserves over the past decade, the ratio of short-term external debt to currency reserves has increased by half since 2008 and exceeded 100%. This shows that the gross international reserves in Turkey do not suffice to cover outstanding amounts of short-term debt in case of financial stress. That makes Turkey a high-risk emerging country and the Turkish lira a vulnerable currency.

Figure 2 / Selected debt stocks (Q1 2000 – Q1 2014) (billion USD) (quarterly)

Additionally, soaring demand for emerging market bonds led Turkish corporations to borrow in foreign currencies, which represented a cheap source of funding as long as the domestic currency did not depreciate. Accordingly, approximately 90% of the debts of the corporations are denominated in foreign currencies in Turkey, making the corporate sector exceptionally exposed to a weakening lira.

The main reason for the accumulating external debt in the past decade was the need to finance the growing current account deficit. Besides insufficient export-oriented industry, the growth of the Turkish economy is heavily reliant upon import-driven domestic consumption, the services and construction sectors especially since 2006. In 2010 and 2011 the economy grew by 9.2% and 8.8%, respectively, but this had the side effect that the current account deficit averaged 10% of GDP. Following a decrease in both the growth rate and the current account deficit to GDP in 2012, they slightly turned up again in 2013. Since the Turkish economy is profoundly dependent on external financing by reason of the high
current account deficit, the overall impact of the QE tapering on external financing together with the news of the corruption scandal became detrimental and caused the value of the Turkish lira to fall.

**Figure 3 / Real GDP (2000-2013) (billion TRY) (annually)**

Source: CBRT.

**Figure 4 / The CBRT’s gross foreign exchange reserves (January 2000 – June 2014) (billion USD) (monthly)**

Source: CBRT.

Although the lira had declined by almost 7% in terms of the previous month in January 2014, the CBT first left the interest rates unchanged and instead intervened unannounced in the foreign exchange market to shore up the lira by stating unhealthy foreign exchange rates. Since then the slump has deepened although more than USD 3 billion were sold in the foreign exchange market, so the CBRT chose to raise the borrowing rate from 3.5% to 8%, the lending rate from 7.75% to 12% and the one-week repo rate, which is the benchmark policy tool, from 4.5% to 10% in order to stop the devaluation of the Turkish lira. Because the upward pressures on prices arising from the depreciation of the lira ruined the cost of production and price expectations, the CBRT declared that the rates would not descend until the outlook of price increases would improve. But shortly after the turbulent days, the CBRT cut both the borrowing rate and several times the one-week repo rate, in spite of the inflation rate mounting to 10%. Cutting policy rates despite no stronger improvement in inflation causes the observer to perceive that the CBRT is under political pressure and its decisions are based on political rather than economic
considerations. The government’s blunt declarations have been centring on lowering interest rates in consistency with sustaining growth targets.

The Fed’s implementation of QE tapering potentially will have crucial impacts on the Turkish economy. It is very likely that the value of the Turkish lira will tend to fall because the capital outflows might accelerate even if the current account deficit stays flat during this period, unless the CBRT changes its policy rates. Foreign exchange market intervention may not be a sufficient tool to cope with the depreciation because of the relatively low levels of currency reserves. Therefore the CBRT officials face a conundrum: stay inactive and leave interest rates unchanged even if the exchange rate rises; wait and see until the economic outlook improves and then change interest rates; or bow to the pressures and lower the rates. The cost of being inactive during a rapid depreciation period may lead to the loss of both the stability of the price level and of economic growth because of a pass-through to prices and the cost of production. The second scenario represents the standard behaviour for an independent central bank which is consistent with the law of the CBRT. The cost of pulling interest rates down for the purpose of the government’s wishes practically equals abandoning the inflation targeting strategy by preferring short-run economic growth to achieving price stability.

**Figure 5 / Current account deficit (January 2000 – June 2014) (billion USD) (monthly)**

![Figure 5](image)

Source: CBRT.

**Figure 6 / Exchange rate (January 2002 – August 2014) (TRY/USD) (weekly)**

![Figure 6](image)

Source: CBRT.
Turkey is divided into 26 regions. In terms of population, the largest of them by far is Istanbul, followed by Ankara and Izmir. Together, these three regions account for 30% of Turkey’s total population of around 74 million (in 2011). The Istanbul region itself has around 13.4 million inhabitants, corresponding to about 18% of total Turkish population. The Ankara region has around 4.8 million inhabitants, while Izmir has around 4 million. It is no coincidence that these regions also centre around the second and third largest cities of Turkey.

<table>
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<th>Region</th>
<th>Name</th>
<th>Population</th>
<th>Share in total</th>
<th>Cumulative share</th>
<th>Gross value added</th>
<th>Share in total</th>
<th>Cumulative share</th>
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<td>0.7</td>
<td>100.0</td>
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* Regions are ordered by their contribution to total gross value added. ** Trabzon: Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane; Kırıkkale: Kırıkkale, Aksaray, Niğde, Nevşehir, Kırşehir.
Source: Turkish Statistical Institute, wiw calculations.

1 These regions correspond to EU-NUTS2 regions.
Correspondingly, the other 23 regions account for 70% of the Turkish population, or in numbers 52 million. That is, on average, these are no small regions in population terms (see Table 1). Indeed the Adana region, including the fifth largest Turkish city, has around 3.8 million inhabitants and Bursa (fourth largest city) 3.6 million. Amongst the remaining 21 regions, three (Kocaeli, Şanlıurfa and Hatay) have still more than 3 million inhabitants. In another 10 regions the population size ranges between 2 and 3 million, while an additional four regions have around 1.5 to 1.6 million inhabitants. Three of the four remaining regions still have more than 1 million inhabitants and only the smallest region (Kastamonu on the Black Sea) is below that level (740 thousand inhabitants).

Geographically the Turkish population is mildly concentrated in the western and central regions of the country (see Map 1), even if Istanbul is taken out of the sample, as population in those regions is as a tendency higher than in the eastern regions. Notable exceptions are the two Black Sea regions Kastamonu and Zonguldak) north of Ankara as well as the two regions to the west and south of Istanbul.

Map 1 / The distribution of population across Turkish regions, 2011

Concentration is much higher in the distribution of economic activity across Turkish regions. Referring back to Table 1, only four regions (Istanbul, Ankara, Izmir and Bursa) account for 50% of total Turkish gross value added (GVA) in 2011. All four regions are located in the western parts of Turkey (in the case of Ankara central-west), which reflects the general West-East pattern of Turkish economic development.

The West–East divide in regional economic development is illustrated by Map I in the ‘Graph of the month’ section of this Monthly Report (see p. 1); it shows the regional gross value added per capita for

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2 GVA is used instead of gross domestic product (GDP), as the latter numbers are not available at the level of regions. However, the differences between GVA and GDP are small.
REGINAL DISPARITIES IN TURKEY

2011. This map suggests that, roughly, Turkey has three different areas of economic development. First of all there are the western regions, with relatively high GVA per capita. Amongst those, Istanbul and its neighbouring region Kocaeli stick out as their levels of GVA per capita are much higher than elsewhere (at around 150% and 142% of the Turkish average). The two regions are followed by the regions with big cities (Ankara, Izmir and Bursa), whose GVA per capita is also much above the Turkish average (by around 30 percentage points).

In comparison, the central regions’ GVA per head is lower, at around 75% of the national average. The lowest level of economic development is found in the eastern regions bordering Georgia and Armenia and the southern region bordering Syria and Iraq. There the average GVA per head is only 40% to 50% of the national average.

To put these numbers in perspective, in 2011 average GVA per head in Turkey was about EUR 12,000 (in purchasing power parities), or 53% of the EU-28 average. Thus, average GVA per capita in Turkey is somewhat higher than in Romania. In Istanbul average GVA per capita is about 80% of the EU-28 average, i.e. at a level between Slovakia and Greece, while in the poorest Turkish regions it is only 20% to 25% of the EU average.

The large disparities in regional GVA per capita across Turkish regions are inter alia the expression of equally large differences in the structure of economic activity. Though regional data in this respect are highly aggregated and only allow splitting total regional GVA into agriculture, industry and services, they are still instructive as concerns the variation in the regions’ production structure. Sorting the regions by their GVA per capita, this is illustrated in Table 2.

It shows that the most developed Turkish regions either rely on a highly developed services sector as in the case of Istanbul, Ankara, Izmir and Antalya (tourism), or on a large industrial base such as in Kocaeli, Bursa and Tekirdağ. By contrast, the less developed Turkish regions have, as a tendency, a much larger share of agriculture and a relatively weakly developed services sector. In addition, the cases of the less developed regions that produce a sizeable share of their GVA through industry (such as Gaziantep and Mardin) indicate significant differences in the level of productivity between western and eastern Turkish regions.

Thus, overall Turkey can be characterised as a country with large regional disparities. Nevertheless, the situation in this respect in 2011 is a quite dramatic improvement compared to the situation several years ago. Starting in 2004, data show a process of regional convergence in Turkey as the eastern regions grew ahead of the majority of western regions in terms of regional GVA per capita (see Map II in the ‘Graph of the month’ section). From 2004 to 2011 GVA per capita in the eastern regions grew by at least 4% per year and often above, especially in the Mardin region bordering both Syria and Iraq, where the average annual growth rate was 8.8%.

In the western regions the growth experience was much more mixed. In particular, in the most prosperous regions Istanbul, Ankara and Izmir GVA per capita grew by ‘only’ slightly more than 3% per year, which by European standards would mean quite rapid growth, but compared to other Turkish regions it represents just a modest performance.

3 This is however difficult to show with existing data, as employment data based on the System of National Accounts and hence productivity data are not available.
Table 2 / Share of sectors in regional GVA, 2011; total = 100*

<table>
<thead>
<tr>
<th>Region</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
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<tr>
<td>Turkey</td>
<td>9.0</td>
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<td>İstanbul</td>
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<td>57.5</td>
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<td>28.8</td>
<td>53.9</td>
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<td>Van, Muş, Bitlis, Hakkari</td>
<td>23.0</td>
<td>15.2</td>
<td>61.8</td>
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* Regions ranked according to their GVA per capita in 2011.
Source: Turkish Statistical Institute, wiw calculations.

One reason for this convergence of the eastern regions can be found in the different reactions to the economic crisis in 2009. While GVA per capita declined strongly in all western regions in 2009 – by 6.6% in Istanbul, by 6.8% in Izmir, though only by 2.4% in Ankara – it increased in the eastern regions, with growth during the crisis being partly astonishingly high. In 2010 all regions recovered from the crisis and achieved high GVA growth rates, but again growth picked up much more rapidly in the eastern regions with many of them showing two-digit growth rates (e.g. Mardin 19.4%, Gaziantep 16.9% and Ağrı 16.5%).

An additional reason for the observed convergence process is the somewhat stronger GVA growth in the agricultural and especially the industrial sector in the eastern regions compared to the western parts. This does not mean that industrial growth in the western regions is low. Indeed, industrial GVA grows by 3% or (partly much) more in the West, but still, on average, industrial growth in the East exceeds these numbers. Services growth is fast everywhere (5.6% on average), but here western and eastern Turkish regions grow at approximately the same rate.

Population developments also play some role in the convergence process in GVA per capita: from 2004 to 2011 population in the western regions tended to grow more rapidly (e.g. by 2.1% per year in Ankara and 1.5% in Istanbul) than in the eastern regions, where the population partly even declined (by 0.5% per year in the Erzurum region).
Turkey: a ‘great power’ of migration?

HERMINE VIDOVIC

Large-scale labour migration from Turkey started in the early 1960s when recruitment agreements were signed with Western European governments (e.g. with Germany in 1961; Austria, Belgium and the Netherlands in 1964; France in 1965; and Sweden in 1967). These agreements helped first of all to overcome the labour shortages in the host countries during the economic boom years but also the sending country to cushion the problem of rising unemployment.

The peak of the so-called guest worker recruitment in Western Europe was reached in 1973, practically coinciding with the first oil price shock. As a consequence labour migration declined thereafter but migration for the reasons of family unification increased. From the mid-1970s labour migrant flows from Turkey were redirected towards the Middle East and Northern African (MENA) countries and later on – in the 1990s – to the Russian Federation and the Commonwealth of Independent States (CIS) (Adaman and Kaya, 2012). Despite remaining a major sending country, Turkey simultaneously became an important host country of migrants from 2010 onwards when the number of immigrants to Turkey exceeded the number of emigrants (İçduygu et al., 2013). Based on residence permits, immigrants are mainly originating from Azerbaijan, the Russian Federation, Bulgaria and Germany (OECD, 2012).

According to the UN database, in 2010 about 3.7 million Turkish citizens (country of birth definition) lived in the EU, the bulk of which in Germany followed by France, the Netherlands and Austria. According to the Turkish Ministry of Foreign Affairs, Turkish citizens living abroad amount to more than 5 million people, around 4 million of which live in Western European countries, 300,000 in Northern America, 200,000 in the Middle East and 150,000 in Australia.

In the mid-2000s about 5-6% of the total Turkish labour force was employed outside the country. Compared to the initial period of migration, the skill structure of Turkish labour migrants has changed significantly: while during the 1960s and 1970s unskilled workers dominated, labour migrants became increasingly high-skilled later on, and mainly moed to the United States, Canada and Australia (İçduygu et al., 2013).

Compared to other migrant-sending countries in Southeast Europe, remittances both in absolute terms and as a share of Turkey’s GDP are low. As shown in Figure 1, workers’ remittances fell from USD 4.6 billion in 2000 to USD 1.1 billion in 2013 or from 1.7% of the GDP to 0.1%. The decrease can be explained among other things by methodological changes in the compilation of remittances data by the National Bank of Turkey, i.e. by excluding foreign exchange accounts and money spent during visits to Turkey from 2003 onwards. In addition, the decrease of remittances is also related to the declining number of Turkish migrants, their intention to become permanent residents in the host countries (and invest in an own business there) as well as to the weakening ties of the second and third generations to the ‘home country’.
Regarding the use of remittances, Ulku (2010) found that a significant portion of remittances from Germany – the main destination country for Turkish migrants – is spent on basic needs, education and investments by recipient households. About 70% of the Turkish migrants surveyed reported to send remittances to their home country, with about 35% of them doing this regularly.

In recent years return migration of people of Turkish origin has become a new phenomenon. According to the Turkish European Foundation for Education and Scientific Studies (TAVAK) about 193,000 mostly young Turks living in Germany returned permanently to Turkey between 2008 and 2011. Among the main reasons mentioned are discrimination and unemployment. By contrast, Western European education and skills combined with Turkish language abilities are highly valued in Turkey. It is estimated that around 8,000 Turkish-origin emigrants and mostly their children come to Turkey each year to work in international companies such as Mercedes, Siemens and Bosch as well as in tourist resorts or international call centres (Adaman and Kaya, 2012).

**MIGRANTS FROM TURKEY IN AUSTRIA**

At the beginning of 2014 there were 1.1 million foreigners – measured by citizenship – residing in Austria, equalling 12.5% of the total population. Turkish nationals accounted for 114,740 persons (in number similar to Serbian citizens) and their share among non-Austrians was 10.8%. Migrants from Turkey constitute the second largest group of foreigners behind those from Germany. Other important migrant groups include citizens originating from Serbia, Bosnia and Herzegovina, Croatia and Romania.

As illustrated in Figure 2, the number of Turkish citizens in Austria fell between 2000 and 2007 – by 19,000 persons – and increased slightly thereafter, remaining however below the level reached at the beginning of the millennium. One reason behind the decline was the high number of naturalisations: between 2000 and 2012 79,000 persons of Turkish origin acquired Austrian citizenship. In terms of age, Turkish citizens are on average younger than the Austrian population and citizens from the new EU Member States as well as Serbia having a similar migration history; their share in the age group 0 up to 14 years accounts for 17%. Consequently the oldest age group (65 years and above) is much lower than
among the native population (20%); among the citizens from Turkey this age group accounts for 6%. By contrast, migrants from the new EU Member States (NMS) exhibit a lower share of the oldest age group (3%), which can be explained by their shorter migration history and their specific migration patterns; many of them are commuters and do not reside in Austria. The share of Turkish migrants in the prime age group (15-64 years) is again higher than that of the native population and Serbian nationals, but lower than that of NMS citizens.

**Figure 2 / Turkish citizens and employees in Austria (in thousands)**

![Graph showing the number of employees and citizens in Austria from 2000 to 2013.](image)

Note: Number of employees refers to annual averages; that of citizens refers to the beginning of the year.
Source: Statistik Austria and BALIweb.

In 2013 55,588 Turkish citizens were employed in Austria, which is almost equal the number recorded in 2008. The share of Turkish workers in total employment of foreigners accounted for roughly 10% and was far below the value reached at the beginning of the 1990s (23%). According to Biffl (2013) this decline can be explained by the reduction of net inflows due to increasing return migration and continued naturalisations; another factor is the increasing number of workers from the NMS. The employment status of Turkish nationals in Austria differs significantly from that of other third-country nationals, with a higher share of inactive and a lower portion of employed mainly due to the low labour market participation of women.

The skill composition of Turkish migrant workers in Austria is similar to that of workers from the Western Balkan countries (except Bosnia and Herzegovina) with some 10% highly skilled and an almost equal proportion of skilled and low-skilled. University graduates from Turkey, but also from Asia and the former Yugoslavia, are often prone to working below their skill level in Austria. According to Biffl (2013) about two thirds of migrants from these countries tend to be overqualified for their job.

Regarding economic sectors, Turkish migrants are primarily employed in manufacturing, other economic services, trade and repair, and construction and tourism. Turkish migrants’ work in Austria is concentrated in four occupations (Labour Force Survey, 2011): elementary professions, services workers, crafts, and plants and machinery operators. In more detail, close to 40% of Turkish workers are occupied in elementary professions, while the respective value for Austrian nationals is only 7% (for Serbian citizens about one third). Similar to Serbian migrants, about 19% of Turkish migrants work in
crafts and crafts-related professions. About 5% of them work as technicians and in non-technical professions, while the share of Serbian workers in this category is almost negligible.

Based on data provided by the Public Employment Service of Austria (AMS), the unemployment rate among Turkish nationals in Austria stood at 14.3% in July 2014. This was only half the rate reported for Serbian nationals (30.7%), but higher than for any other migrant group. The unemployment rate of Austrians according to this measure was 7.3%.

REFERENCES


İçduyuğ, A., Z. G. Göker, L. M. Tokuzlu and S. P. Elitok (2013), MPC Migration Profile: Turkey, Migration Policy Centre (MPC), June.


The editors recommend for further reading*

Justin Fox on the economics of Russian foreign policy:

European economic connections with Russia:
http://www.voxeu.org/article/europe-s-russian-connections

IMF is reasonably happy with the Ukrainian policy reforms:

Reuters’ special report on corruption in Ukraine:

Giavazzi and Tabellini on how to jumpstart the euro area economy:
http://www.voxeu.org/article/how-jumpstart-eurozone-economy

Andrew Warner on the impact of public investment on growth:


Eichengreen and Panizza on episodes of sustained primary surplus:
http://www.voxeu.org/article/can-large-primary-surpluses-solve-europe-s-debt-problem

VoxEU.org book on secular stagnation:
http://www.voxeu.org/sites/default/files/Vox_secular_stagnation.pdf

Inflating away public debt; financial repression is more efficient:
http://www.cepr.org/sites/default/files/Reis%20-%20HRR_inflatingdebt.pdf


What UK macroeconomists think about immigration:

Perry et al.: Immigrants contribute to the welfare of the natives:
http://www.voxeu.org/article/how-immigration-benefits-natives

Swedish wealth inequality is different:
http://www.voxeu.org/article/inheritance-flows-sweden-1810-2010


Amartya Sen on energy policy and global warming:

* Recommendation is not necessarily endorsement.
NEW: Starting from September 2014 the statistical annex acquires a new look. The annex covers 19 countries of the CESEE region. The new graphical form of presenting statistical data is intended to facilitate the analysis of short-term macroeconomic developments. The set of indicators captures tendencies in the real sector, pictures the situation in the labour market and inflation, reflects fiscal and monetary policy changes, and depicts external sector developments. Baseline data and a variety of other monthly and quarterly statistics, country-specific definitions of indicators and methodological information on particular time series are available in the wiiw Monthly Database under: [http://data.wiiw.ac.at/monthly-database.html](http://data.wiiw.ac.at/monthly-database.html). Users regularly interested in a certain set of indicators may create a personalised query which can then be quickly downloaded for updates each month.

Conventional signs and abbreviations used

% per cent  
LFS Labour Force Survey  
HICP Harmonized Index of Consumer Prices (for new EU Member States)  
PPI Producer Price Index  
M1 Currency outside banks + demand deposits / narrow money (ECB definition)  
M2 M1 + quasi-money / intermediate money (ECB definition)  
p.a. per annum  
mn million ($10^6$)  
billion ($10^9$)

The following national currencies are used:

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<td>BAM</td>
<td>Bosnian convertible mark</td>
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<td>UAH</td>
<td>Ukrainian hryvnia</td>
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Sources of statistical data: Eurostat, National Statistical Offices, Central Banks and Public Employment Services; wiiw estimates.

Access: New online database access! (see overleaf)
New online database access

The wiiw databases are now accessible via a simple web interface, with only one password needed to access all databases (and all wiiw publications). We have also relaunched our website with a number of improvements, making our services more easily available to you.

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Albania

Real sector development
_cumulated annual growth rate in %

- Industry
- Construction
- Employed persons (reg.)

Unit labour costs in industry
_annual growth rate in %

- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

Inflation and unemployment
_in %

- Left scale:
  - Consumer prices
  - Producer prices in industry
- Right scale:
  - Unemployment rate (LFS)

Fiscal and monetary policy

- Left scale:
  - General govt. budget balance, cumulated
  - M2 annual growth rate
- Right scale:
  - Central bank policy rate (p.a.), real, defl. with annual PPI
  - Central bank policy rate (p.a.)

External sector development
_annual growth rate in %

- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/ALL, PPI deflated

External finance
EUR bn

- Left scale:
  - Gross reserves of NB excl. gold
  - Gross external debt
- Right scale:
  - Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics. Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Bosnia and Herzegovina

**Real sector development**
Cumulated annual growth rate in %
- Industry
- Construction
- Employed persons (reg.)

**Unit labour costs in industry**
Annual growth rate in %
- Wages nominal, gross
- Productivity*
- Unit labour costs

**Inflation and unemployment**
Annual growth in %
- Left scale: Consumer prices
- Producer prices in industry
- Unemployment rate (reg.)

**Fiscal and monetary policy**
- Left scale: General gov. budget balance, cumulated
- Right scale: M2, annual growth rate

**External sector development**
Annual growth rate in %
- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/BAM, PPI deflated

**External finance**
EUR bn
- Left scale: Gross reserves of NB excl. gold
- Gross external debt (public)
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
### Bulgaria

**Real sector development**
- Cumulated annual growth rate in%
- Industry
- Construction
- Employed persons (LFS)

**Unit labour costs in industry**
- Annual growth rate in%
- Wages nominal, gross
- Productivity*
- Unit labour costs

**Inflation and unemployment**
- Annual growth in%
- Left scale:
  - Consumer prices (HICP)
  - Producer prices in industry
  - Unemployment rate (LFS)

**Fiscal and monetary policy**
- Left scale:
  - General gov. budget balance, cumulated
- Right scale:
  - Broad money, annual growth rate
  - Central bank policy rate (p.a.), real, deflated with annual PPI

**External sector development**
- Annual growth rate in%
- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/BGN, PPI deflated

**External finance**
- EUR bn
- Left scale:
  - Gross reserves of NB excl. gold
  - Gross external debt
- Right scale:
  - Current account

---

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.*

Source: wiwi Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
[http://data.wiiw.ac.at/monthly-database.html](http://data.wiiw.ac.at/monthly-database.html)
Croatia

Real sector development
cumulated annual growth rate in %

- Industry
- Construction
- Employed persons (LFS)

Inflation and unemployment
in %

- Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

Unit labour costs in industry
annual growth rate in %

- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

Fiscal and monetary policy

- General govt. budget balance, cumulated
- Broad money, annual growth rate
- Central bank policy rate (p.a.), real, defl. with annual PPI
- Central bank policy rate (p.a.)

External sector development
annual growth rate in %

- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/HRK, PPI deflated

External finance
EUR bn

- Gross reserves of NB excl. gold
- Gross external debt

Source: wiwi Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiwi.ac.at/monthly-database.html

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.
Czech Republic

**Real sector development**
Cumulated annual growth rate in %
- Industry
- Construction
- Employed persons (LFS)

**Unit labour costs in industry**
Annual growth rate in %
- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

**Inflation and unemployment**
Annual growth in %
- Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

**Fiscal and monetary policy**
- General govt. budget balance, cumulated
- Broad money, annual growth rate
- Central bank policy rate (p.a.), real, defl. with annual PPI
- Central bank policy rate (p.a.)

**External sector development**
Annual growth rate in %
- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/CZK, PPI deflated

**External finance**
EUR bn
- Gross reserves of NB excl. gold
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
[http://data.wiiw.ac.at/monthly-database.html](http://data.wiiw.ac.at/monthly-database.html)
Estonia

Real sector development

Cumulated annual growth rate in%

- Industry
- Construction
- Employed persons (LFS)

Unit labour costs in industry

Annual growth rate in%

- Wages nominal, gross
- Productivity*
- Unit labour costs

Inflation and unemployment

Annual growth

- Left scale: Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

Fiscal and monetary policy

Radius: EUR mn

- Left scale: General gov. budget balance, cumulated
- Right scale: Broad money, annual growth rate
- Central bank policy rate (p.a.), real, defl. with annual PPI
- Central bank policy rate (p.a.)

External sector development

Annual growth rate in%

- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/EUR, PPI deflated

External finance

Annual: EUR bn

- Left scale: Gross external debt
- Right scale: Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
**Hungary**

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.*

Source: wiwiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:

http://data.wiwi.ac.at/monthly-database.html
Kazakhstan

Real sector development

Cumulated annual growth rate in %

- Industry
- Construction
- Employed persons (LFS)

Unit labour costs in industry

Annual growth rate in %

- Wages nominal, gross
- Productivity
- Exchange rate
- Unit labour costs

Inflation and unemployment

Annual growth

- Left scale: Consumer prices, Producer prices in industry, Unemployment rate (LFS)
- Right scale: Central bank policy rate (p.a.), real, defl. with annual PPI

Fiscal and monetary policy

EUR mn

- Left scale: General govt. budget balance, cumulated
- Right scale: Broad money, annual growth rate

Central bank policy rate (p.a.), real, defl. with annual PPI

Central bank policy rate (p.a.)

External sector development

Annual growth rate in %

- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/KZT, PPI deflated

External finance

EUR bn

- Left scale: Gross reserves of NB excl. gold
- Right scale: Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wii.ac.at/monthly-database.html
Latvia

Real sector development
Cumulated annual growth rate in%

- Industry
- Construction
- Employed persons (LFS)

Unit labour costs in industry
Annual growth rate in%

- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

Inflation and unemployment
In %

- Left scale:
  - Consumer prices (HICP)
  - Producer prices in industry
- Right scale:
  - Unemployment rate (LFS)

Fiscal and monetary policy

- Left scale:
  - General govt. budget balance, cumulated
- Right scale:
  - Broad money, annual growth rate
  - Central bank policy rate (p.a.), real, defl. with annual PPI
  - Central bank policy rate (p.a.)

External sector development
Annual growth rate in %

- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/EUR-LVL, PPI deflated

External finance
EUR bn

- Left scale:
  - Gross reserves of NB excl. gold
  - Gross external debt
- Right scale:
  - Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiwiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Lithuania

Real sector development

- Cumulated annual growth rate in %
  - Industry
  - Construction
  - Employed persons (LFS)
  
Unit labour costs in industry

- Annual growth rate in %
  - Wages nominal, gross
  - Productivity*
  - Exchange rate
  - Unit labour costs

Inflation and unemployment

- Annual growth in %
  - Consumer prices (HICP)
  - Producer prices in industry
  - Unemployment rate (LFS)

Fiscal and monetary policy

- General gov. budget balance, cumulated
- Broad money, annual growth rate
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development

- Annual growth rate in %
  - Exports total, 3-month moving average
  - Imports total, 3-month moving average
  - Real exchange rate EUR/LTL, PPI deflated

External finance

- EUR bn
  - Gross reserves of NB excl. gold
  - Gross external debt
  - Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Macedonia

Real sector development

Cumulated annual growth rate in %

Left scale:
- Industry
- Employed persons (LFS)

Right scale:
- Construction

Unit labour costs in industry

Annual growth rate in %

Wages nominal, gross

Productivity*

Exchange rate

Unit labour costs

Inflation and unemployment

Annual growth

Left scale:
- Consumer prices

Right scale:
- Unemployment rate (LFS)

Fiscal and monetary policy

General govt. budget balance, cumulated

Broad money, annual growth rate

Central bank policy rate (p.a.), real, defl. with annual PPI

Central bank policy rate (p.a.)

External sector development

Annual growth rate in %

Exports total, 3-month moving average

Imports total, 3-month moving average

Real exchange rate EUR/MKD, PPI deflated

External finance

EUR bn

Gross reserves of NB excl. gold

Gross external debt

Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Montenegro

Real sector development

cumulated annual growth rate in%

-4 -2 0 2 4 6 8

Jul-12 Jan-13 Jul-13 Jan-14 Jul-14

Industry
Employed persons (LFS)

Unit labour costs in industry

annual growth rate in %

Wages nominal, gross
Productivity*
Unit labour costs

-50 -40 -30 -20 -10 0 10 20 30

Jul-12 Jan-13 Jul-13 Jan-14 Jul-14

Real sector development

cumulated annual growth rate in %

-4 -2 0 2 4 6 8

Jul-12 Jan-13 Jul-13 Jan-14 Jul-14

Industry
Employed persons (LFS)

Unit labour costs in industry

annual growth rate in %

Wages nominal, gross
Productivity*
Unit labour costs

-50 -40 -30 -20 -10 0 10 20 30

Jul-12 Jan-13 Jul-13 Jan-14 Jul-14

Inflation and unemployment

in %

annual growth

% 25 20 15 10 5 0

Jul-12 Jan-13 Jul-13 Jan-14 Jul-14

Left scale:
Consumer prices
Producer prices in industry
Unemployment rate (LFS)

Fiscal and monetary policy

Left scale:
General gov. budget balance, cumulated
Right scale:
M2, annual growth rate
Lending rate (com. banks), real, defl. with annual PPI
Lending rate (com. banks)

External sector development

annual growth rate in %

-40 -25 -10 0 10 20 30

Jul-12 Jan-13 Jul-13 Jan-14 Jul-14

Exports total, 3-month moving average
Imports total, 3-month moving average
Real exchange rate EUR/EUR, PPI deflated

External finance

EUR bn

-0.3 -0.2 -0.1 0 0.1 0.2 0.3

Jul-12 Jan-13 Jul-13 Jan-14 Jul-14

Gross reserves of NB excl. gold
Gross external debt (public)
Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Poland

Real sector development
Cumulated annual growth rate in %
- Industry
- Construction
- Employed persons (LFS)

Unit labour costs in industry
Annual growth rate in %
- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

Inflation and unemployment
Annual growth in %
- Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

Fiscal and monetary policy
- General gov. budget balance, cumulated
- Broad money, annual growth rate
- Central bank policy rate (p.a.), real, deflated with annual PPI
- Central bank policy rate (p.a.)

External sector development
Annual growth rate in %
- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/PLN, PPI deflated

External finance
EUR bn
- Gross reserves of NB excl. gold
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Romania

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
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Russia

Real sector development

cumulated annual growth rate in %

- Industry
- Construction
- Employed persons (LFS)

Inflation and unemployment

in %

- Left scale: Consumer prices
- Producer prices in industry
- Right scale: - Unemployment rate (LFS)

Unit labour costs in industry

annual growth rate in %

- Wages nominal, manuf., gross
- Productivity*
- Exchange rate
- Unit labour costs

Fiscal and monetary policy

- General gov. budget balance, cumulated
- M2, annual growth rate
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development

annual growth rate in %

- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/RUB PPI deflated

External finance

EUR bn

- Gross reserves of NB excl. gold
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiwiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiwi.ac.at/monthly-database.html
Serbia

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Slovakia

Real sector development
Cumulated annual growth rate in %
- Industry
- Construction
- Employed persons (LFS)

Unit labour costs in industry
Annual growth rate in %
- Wages nominal, gross
- Productivity*
- Unit labour costs

Inflation and unemployment
Annual growth
- Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

Fiscal and monetary policy
- General govt. budget balance, cumulated
- Central bank policy rate (p.a.)
- Broad money, annual growth rate
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development
Annual growth rate in %
- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/EUR, PPI deflated

External finance
EUR bn
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
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Slovenia

**Real sector development**
Cumulated annual growth rate in %
- Industry
- Construction
- Employed persons (LFS)

**Unit labour costs in industry**
Annual growth rate in %
- Wages nominal, gross
- Productivity*
- Unit labour costs

**Inflation and unemployment**
Annual growth in %
- Left scale: Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

**Fiscal and monetary policy**

**External sector development**
Annual growth rate in %
- Exports total, 3-month moving average
- Imports total, 3-month moving average
- Real exchange rate EUR/EUR, PPI deflated

**External finance**
EUR bn
- Left scale: Gross external debt
- Right scale: Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
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Ukraine

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics. Baseline data, country-specific definitions and methodological breaks in time series are available under: [http://data.wiiw.ac.at/monthly-database.html](http://data.wiiw.ac.at/monthly-database.html)
Index of subjects – August-September 2013 to September 2014

Albania economic situation ............................................... 2014/7-8; 2013/11
Bosnia and Herzegovina economic situation ............................................... 2014/7-8; 2013/11
Bulgaria economic situation ............................................... 2014/7-8; 2013/10
migration ........................................................................ 2014/4
impact of the Russia–Ukraine conflict ....................................... 2014/5
Croa\tica economic situation ............................................... 2014/7-8; 2013/10
Czech Republic economic situation ............................................... 2014/7-8; 2013/10
Estonia economic situation ............................................... 2014/7-8; 2013/10
EU cohesion policy .................................................................. 2014/1
Hungary economic situation ............................................... 2014/7-8; 2013/10
growth, R&D investment, trade ............................................. 2014/2
Kazakhstan economic situation ............................................... 2013/11
Kosovo economic situation ............................................... 2014/7-8; 2013/11
Latvia economic situation ............................................... 2014/7-8; 2013/10
Lithuania economic situation ............................................... 2014/7-8; 2013/10
Macedonia economic situation ............................................... 2014/7-8; 2013/11
Montenegro economic situation ............................................... 2014/7-8; 2013/11
Poland economic situation ............................................... 2014/7-8; 2013/10
migration ........................................................................ 2014/4
Romania economic situation ............................................... 2014/7-8; 2013/10
migration ........................................................................ 2014/4; 2013/8-9
impact of the Russia–Ukraine conflict ....................................... 2014/5
Russia economic situation ............................................... 2014/7-8; 2013/11
Serbia economic situation ............................................... 2014/7-8; 2013/11
Slovakia economic situation ............................................... 2014/7-8; 2013/11
Slovenia economic situation ............................................... 2014/7-8; 2013/10
Turkey economic situation ............................................... 2014/7-8; 2013/10
economic conundrum ............................................................... 2014/9
EU accession prospects ......................................................... 2014/9
migration to Austria ................................................................. 2014/9
regional disparities ................................................................ 2014/9
Ukraine economic situation ............................................... 2014/7-8; 2013/11
foreign trade ........................................................................ 2014/1
politics and the economy ......................................................... 2014/3
Regional economic situation ............................................... 2014/7-8; 2013/11
corporatism and wage share ...................................................... 2014/6
debt and financial stability ......................................................... 2013/8-9
EU convergence .................................................................. 2014/6
European agricultural policy .................................................. 2014/1
European financial policy ......................................................... 2013/12
impact of the Fed’s tapering ...................................................... 2014/2
MENA values ........................................................................ 2013/8-9
migration and mobility patterns ............................................... 2014/4
NMS automotive industry ......................................................... 2014/2; 2013/8-9
NMS import elasticities ............................................................. 2013/12
Russia and Ukraine ................................................................. 2014/1
R&D investment ................................................................. 2014/2
sources of economic growth .................................................. 2014/2
services trade ........................................................................ 2014/2
South Stream pipeline ............................................................. 2014/5
trade and employment ............................................................. 2014/3
trade between Bulgaria and Romania ......................................... 2014/3
vertical trade ........................................................................ 2014/3
wages and employment in the Balkans ........................................ 2014/6
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