



THE G20 AND TURKISH PRESIDENCY

The G20 is an informal forum founded in 1999 with the aim of providing a platform for member nations to discuss key issues pertaining to global economic stability and to promote coordination between advanced and emerging economies. The G20 does not have a permanent secretariat. Turkey assumed the presidency of G20 for one year as of 1 December 2014.

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NEWS AND PUBLICATIONS FROM THE CBRT

- Research Notes in Economics
- CBRT Working Papers
- Inflation Report 2015-II
- Financial Stability Report May 2015
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AT A GLANCE...

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CBRT POLICY RATES (23 June 2015)

CBRT Overnight Late Liquidity Window Borrowing Rate: 0%	CBRT Overnight Borrowing Rate: 7.25%	One-Week Repo Rate: 7.5%	Overnight Interest Rate on Borrowing Facilities Provided for Primary Dealers via Repo Transactions: 10.25%	CBRT Overnight Marginal Funding Rate: 10.75%	CBRT Overnight Late Liquidity Window Lending Rate: 12.25%
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CBRT RESERVES (19 June 2015)

GROSS FX RESERVES

101.7 BILLION USD DOLLARS

GOLD

19.1 BILLION USD DOLLARS

INFLATION (May 2015)

8.09%

THE G20 AND TURKISH PRESIDENCY

The G20 is an informal forum founded in 1999 with the aim of providing a platform for member nations to discuss key issues pertaining to global economic stability and to promote coordination between advanced and emerging economies. Collectively, the G20 economies account for two-thirds of the world's population, around 75% of global trade and 85% of the global economy. After the 2008 crisis, the G20 was announced as the main platform for global economic cooperation. The declarations of the G20 summits have become crucial documents contributing to the settlement of global economic problems and the strengthening of the global financial architecture.

The G20 does not have a permanent secretariat. Instead, countries host the meetings on a rotating basis each year. The host country, called the Chair, assumes the G20 presidency and organizes the activities of the G20. In order to ensure continuity, the Presidency is supported by the previous presidency, as well as the succeeding one. This three-country structure is referred to as the Troika.

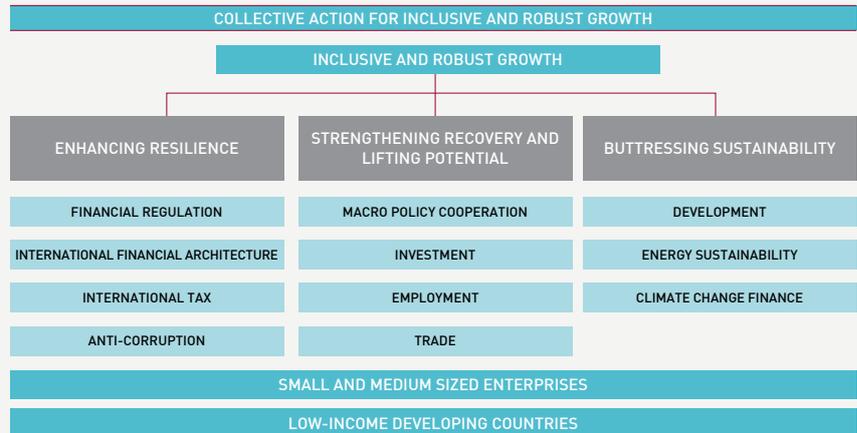


In December 2013, Turkey joined the Troika, which is the main steering mechanism of the G20, and assumed the presidency of the G20 on 1 December 2014. In 2015, Turkey invited Spain as a permanent invitee; Malaysia as the 2015 Chair of the Association of South-East Asian Nations (ASEAN); Zimbabwe, as the 2015 Chair of the African Union; Senegal representing the New Partnership for Africa's Development (NEPAD); Azerbaijan; and Singapore as observers to G20 meetings.

The Chair prepares the agenda and leads the G20 discussions by determining the current and potential global problems and prioritizing them for debate. Accordingly, building on the agendas of previous presidencies, the Turkish Presidency aims to ensure a seamless continuity in the G20 while introducing new elements to enable decisive collective action to provide inclusive and robust growth. In this respect, the three main themes of the 2015 agenda have been determined as:

- Enhancing Resilience
- Strengthening the Global Recovery and Lifting the Potential
- Buttressing Sustainability

PRIORITIES OF 2015



The Deputy Prime Minister of Turkey Ali Babacan has announced the three i's of the Turkish Presidency: inclusiveness, implementation, and investment for growth.

Inclusiveness has both domestic and global dimensions. Domestically, the main focus is to support Small and Medium Sized Enterprises (SME) and increase their role in the production process. In both developed and emerging countries, SMEs play a critical role in reducing unemployment, increasing competitiveness and ultimately supporting growth. Increasing the efficiency of risk management in SMEs and looking for ways to help them access long term financing facilities are among the main proposals of the Turkish Presidency. As a potential contribution to these efforts, the Turkish Presidency has asked the International Chamber of Commerce to launch a World SME Forum. This forum will serve as a conduit to convey the expectations and concerns of the SMEs to the B20 and the governments of the G20.

In order to achieve inclusiveness on a global scale, the Low Income Developing Countries (LIDCs) should also be included in G20 processes. Since LIDCs have a huge untapped potential for growth, including the challenges and problems of these economies in the G20 agenda will clearly facilitate a healthier and more balanced economic growth on the global scale.

Another aspect of inclusiveness is the participation in the workforce. In this respect, raising the participation of women and youth in the workforce is crucial for domestic social balances. Currently, there is a huge discrepancy between men and women in terms of their respective employment figures in the global labor market. Narrowing this gap is also one of Turkey's priorities. The Turkish Presidency also has an agenda for collective work to be carried out with international organizations to understand global unemployment and to analyze policies

that could help reduce unemployment and foster productivity.

The second "i", implementation, is another priority for Turkey. Implementation of the G20 members' reforms supporting growth is crucial. In the previous period, the G20 members committed to undertake more than one thousand reforms to ensure that the collective growth objective is attained. These commitments, if totally fulfilled, are expected to generate over USD 2 trillion in increased global production and create millions of additional employment possibilities by 2018. In order to follow up on the implementation performance, Turkey proposed the establishment of a monitoring mechanism system to the G20 members.

The third "i", investment for growth, aims to stimulate demand and boost potential growth both domestically and globally. In the aftermath of the global crisis, investments decreased or halted in most countries. This decrease in investments led to a decline in the long-term growth prospects in some countries and thus to widening investment gaps among these countries. In 2014, G20 members were asked to make commitments in four areas, including investment. At the top of the commitment list were large scale infrastructure projects and structural reforms to address supply and demand problems. Narrowing investment gaps and focusing on infrastructure investments will contribute to global growth. However, this requires a huge amount of financing. Therefore, a proposal was put forward suggesting that countries running budget surpluses to increase their investment expenditures or investments by creating public-private partnership models. Additionally, issues such as increasing confidence in the markets, encouraging investors toward longer term, large scale projects and deepening the asset backed securities markets will also be taken into consideration.

NEWS AND PUBLICATIONS FROM THE CBRT

RESEARCH NOTES IN ECONOMICS

- The Contribution of Energy Prices and Exchange Rate Parity to the Changes in Export and Import Prices (in Turkish) (Okan Eren No. 15/09, 14 May 2015)
- Investigating the Effect of Fuel Prices on Fresh Fruit and Vegetable Prices through the Transportation Cost Channel (in Turkish) (Binnur Balkan, Süleyman Hilmi Kal, Semih Tümen No. 15/08, 13 May 2015)
- Labor Force Participation Rate Projections (in Turkish) (Evren Ceritoğlu, Okan Eren No. 15/07, 6 April 2015)
- Updating Real Effective Exchange Rate Indexes of Turkey (in Turkish) (Yahya Kocakale, Hakan Hüsnü Toprak, No. 15/06, 16 March 2015)
- Pass Through from International Grain Prices to Domestic Prices (in Turkish) (Fatih Akçelik, Burç Tuğer, No.15/05, 6 March 2015)

For Research Notes in Economics, please visit: www.tcmb.gov.tr (Publications/Research/Research Notes in Economics)



CBRT WORKING PAPERS

- Skill Acquisition in the Informal Economy and Schooling Decisions: Evidence from Emerging Economies (Semih Tümen, No. 15/14 May 2015)
- Financial Conditions Index for Turkey (in Turkish) (Hakan Kara, Pınar Özlü, Deren Ünalnış, No. 15/13 May 2015)
- The Dynamic Relationship Between Stock, Bond and Foreign Exchange Markets (S. Hilmi Kal, Ferhat Arslaner, Nuran Arslaner, No. 15/12 April 2015)
- Anticipated vs. Unanticipated House Price Movements and Transaction Volume (Yavuz Arslan, Birol Kanık, Bülent Köksal, No. 15/11 April 2015)
- An Empirical Analysis on the Export/Import Coverage Ratio in Turkey (in Turkish) (Mustafa Faruk Aydın, Yusuf Soner Başkaya, Ufuk Demiroğlu, No. 15/10 April 2015)
- Optimal Resolution Procedures and Dividend Policy for Global-Systemically-



Important-Banks (İbrahim Ethem Güney, No. 15/09 March 2015)

- Optimal Health Insurance in the Presence of Risky Health Behaviors (Osman Furkan Abbasoğlu, No. 15/08 March 2015)

For Working Papers, please visit:

www.tcmb.gov.tr (Publications/Research/Working Papers)



INFLATION REPORT 2015-II

The second Inflation Report of 2015 was presented on 30 April 2015 at a press conference attended by Governor Erdem Başçı and the Monetary Policy Committee members. The Report covers international economic developments, inflation developments, supply and demand developments, financial markets and financial intermediation as well as medium-term forecasts within the scope of public finance.

A live webcast of the press conference was also made available on the CBRT web page.

For the Inflation Report please visit: www.tcmb.gov.tr (Publications/Reports/Inflation Report)



FINANCIAL STABILITY REPORT

The 20th issue of the Financial Stability Report has been published on 29 May 2015.

For the Financial Stability Report please visit:

www.tcmb.gov.tr (Publications/Reports/Financial Stability Report)



CENTRAL BANK REVIEW

The Central Bank Review is a double-blind refereed journal published three times a year by the CBRT. The second issue of the journal in 2015 covers the following articles:

- Foreign Currency Lending and Banking System Stability: New Evidence from Turkey (Emre Özsöz, Erick W. Rengifo, Ali M. Kutan)
- Cross-Sectional Facts on Bank Balance Sheets over the Business Cycle (Osman Furkan Abbasoğlu, Şerife Genç, Yasin Mimir)
- A Review on the Relationship between the Real Exchange Rate, Productivity, and Growth (Hüseyin Murat Özbilgin)
- Exchange Rate Pass-Through Under Model Uncertainty (in Turkish) (Dinçer Dedeoğlu, Hüseyin Kaya)

For the Central Bank Review, please visit:

www.tcmb.gov.tr (Publications/Central Bank Review)



AT A GLANCE...



"Kuruşev"



CBRT'S TRAINING ACTIVITIES IN THE SCOPE OF FINANCIAL EDUCATION

The CBRT continues to hold financial training activities in the scope of the Strategic Plan and the Prime Ministry Decree on Financial Access, Financial Education, Financial Consumer Protection Strategy and Action Plans.

After joining the Children's Land created as part of the TRT 23rd April International Children's Festival organized in İzmir in 2013 and Gaziantep in 2014, the CBRT once again set up an information booth at the 23rd April International Children's Festival organized in Antalya this year. Via the booth, the primary objective of which was fostering the habit of saving and encouraging the use of the Kuruş, the CBRT had the chance to inform some 40,000 children.

Kuruş is the Turkish penny-coin. Currently, there are five different denominations of kuruş: 1, 5, 10, 25 and 50.

During the nine day-long Children's Festival, the CBRT distributed magazines and comic strip books as well as other presents such as commemorative coins, bookmarks, sticker badges and do-it-yourself paper money boxes. In addition, a game called "Kuruşcan" was designed for children which included a big money box named "Kuruşev" and photo boards. In this fascinating event, the Kuruş mascot also attracted great attention from children. One of the most interesting features in the CBRT's booth was the big digital money box which changed children's 1 TL coins into 1, 5 and 10 kuruş coins and returned the coins in a pouch.

Within the same scope, the CBRT continued its activities and set up an information booth in the 2nd Alumni Business Summit held at the Turkish Education Association (TED) Ankara College from 9-12 May 2015. At the organization, the CBRT informed the primary school students accompanied by their teachers on the merits of saving and the use of kuruş. The students were also given bags containing information materials that were prepared for the 23rd April International Children's Festival.

For further information on the CBRT's financial education activities, please see:

www.tcmb.gov.tr/ Çocuklar İçin (in Turkish only)

www.facebook.com/TurkiyeCumhuriyetMerkezBankasi



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