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AGENDA**

EBS/83/17
Correction 1

CONFIDENTIAL

February 24, 1983

To: Members of the Executive Board
From: The Secretary
Subject: Turkey - Review of Stand-By Arrangement

The following corrections have been made in EBS/83/17
(1/21/83):

Page 31, Table 8, Footnote 3/: for "20 per cent" read "25 per cent."

Footnote 4/: for "25 per cent" read "20 per cent."

A corrected page is attached.

Att: (1)

Table 8. Turkey: Selected Interest Rates

(In per cent per annum)

	1979	1980	1981	1982	1983
	End-December			June 1	January 1
Commercial banks					
Deposits rates					
Commercial and public deposits	--	--	--	--	--
Sight deposits	3	5	5	5	20
Time deposits (12-month)	20	33	50	50	45
"Effective yield" on time deposits <u>1/</u>	16 <u>3/</u>	26 <u>1/2</u> <u>3/</u>	37 <u>1/2</u> <u>3/</u>	37 <u>1/2</u>	36 <u>4/</u>
"Effective cost" of borrowing <u>2/</u>					
General, long term	50	75	74	70	...
Export credits	...	25	32	40	...
"Scheduled" lending rates					
Short term, general	19	31	36	36	36
Short term, agriculture	14	22	22	20	20
Short term, exports	...	22	27	31 <u>1/2</u>	31 <u>1/2</u>
Long term general	20	36	41	41	41
Long term, agriculture	16	24	24	22	22
Central Bank					
Interest paid on required reserves					
Sight deposits	5	10	20	12 <u>1/2</u>	} 19 <u>1/2</u>
Time deposits	8	16	26	19 <u>1/2</u>	
Rediscounts and advances					
Short term, general	10 <u>3/4</u>	26	31 <u>1/2</u>	31 <u>1/2</u>	31 <u>1/2</u>
Short term, agriculture	11 <u>1/2</u>	19 <u>1/2</u>	20	18	18
Short term, exports	11	17 <u>3/4</u>	27	31 <u>1/2</u>	31 <u>1/2</u>
Long term, general	14	28 <u>1/2</u>	32 <u>3/4</u>	32 <u>3/4</u>	32 <u>3/4</u>

Sources: Central Bank of Turkey; and staff estimates.

1/ After deduction of withholding tax.

2/ Staff estimate. Includes, in addition to "scheduled" lending rate, net contribution to Interest Rate Rebate Fund, financial transactions tax, commission charged by bank, and compensating balance required by bank.

3/ 25 per cent withholding tax.

4/ 20 per cent withholding tax.

Table 9. Turkey: Public Sector Borrowing Requirement

(In billions of Turkish liras)

	1981	1982			1983
		Budget	Estimate in EBS/82/130	Current estimate	Budget
Central Government financing balance <u>1/</u>	-18	-109 <u>2/</u>	-143 <u>2/</u>	-144 <u>2/</u>	-141
<u>Plus</u> transfers to SEEs <u>1/</u>	214	243 <u>3/</u>	243 <u>3/</u>	242 <u>3/</u>	316
<u>Less</u> taxes paid by SEEs <u>3/</u>	-42	-49	-75	-79	-106
<u>Plus</u> financing balance of SEEs <u>3/4/</u>	-580	-443	-467	-498	-578
Public sector borrowing requirement	-426	-358	-442	-479	-509
Foreign borrowing of Central Government <u>1/</u>	13	-18 <u>2/</u>	28 <u>2/</u>	-10 <u>2/</u>	-9
Foreign borrowing of SEEs <u>3/5/</u>	122	68	103	81	118
Public sector domestic borrowing requirement	-291	-308	-311	-408	-400
<u>Memorandum items:</u>		(In per cent of GNP)			
Public sector borrowing requirement	6½	4½	5	5½	4½
Public sector domestic borrowing requirement	4½	3½	3½	4½	3½

Source: IMF staff estimates from official data.

1/ Fiscal-year basis ending February in 1981 and December in 1982 and 1983.

2/ 10-month figures scaled up to an annual rate.

3/ Calendar-year data.

4/ Defined as total investment less profit less depreciation.

5/ Including lira counterpart of IBRD structural adjustment loans.