The Turkish Experience

Brazilian Ministry of Finance and IMF Joint High-level Conference on
Managing Capital Flows in Emerging Markets

Turalay Kenç
Deputy Governor, Central Bank of Turkey

May 26-27, 2011
Rio de Janeiro, Brazil
Balance Sheets of Major Central Banks

* Index: March 2007=100

Source: Federal Reserve, ECB, BoE
Surge in Capital Flows to Emerging Markets

Net Capital Flows towards Emerging Market Economies
(thousand USD)

- Other private creditors
- Commercial banks
- Portfolio equity investment
- Direct equity investment
- Private flows

Source: IIF, 2011
e: estimation, f: forecast
Acceleration in Credit Growth

Annual Real Change in Credit Volume (%)

Source: CBRT
Last observations: March, 2011
Non-Core Liabilities/M2 (%, 3-month moving average)

Source: CBRT
Last observations: March, 2011
Credit Growth and Current Account Deficit

Credit Use and Current Account Deficit (%)

Source: CBRT
Last observations: April 2011 for Credit,
Finance of Current Account Deficit

Finance of Current Account Deficit, USD billion, 12-month rolling sum

Source: CBRT
Last observations: March 2011 for BoP, April 2011 for Credit.
Reserve Requirements Balances (%)

- Longer Than 1 Year
- 6-12 Months
- 3-6 Months
- 1-3 Months
- Up to 1 Month
- Demand Deposit

Source: CBRT
Last Observation: May 2011
Initial Effects of RRR Hikes

Credit Growth (%, year-on-year change)

Source: BRSA
Last observation: March 2011
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