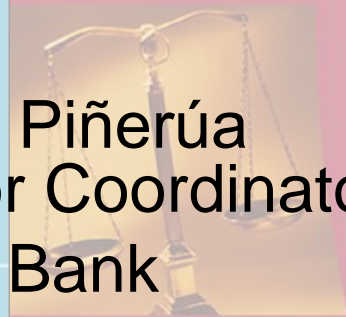




Corporate Bond Market Development Workshop

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Development Issues in Corporate Debt Markets (I)



Infrastructure and Regulation

- Market Benchmarks
- Market Infrastructure
- Regulation and Policy
- Corporate Governance and Transparency
- Credit Risk Analysis and Pricing
- Derivatives Markets



Development Issues in Corporate Debt Markets (II)

The Demand for and Supply of Corporate Bonds

- The Local Institutional Investor Base
- The Foreign Investor Base
- Issuance Costs and Taxation
- **Public versus Private Sector Bonds
(Macroeconomic Environment)**



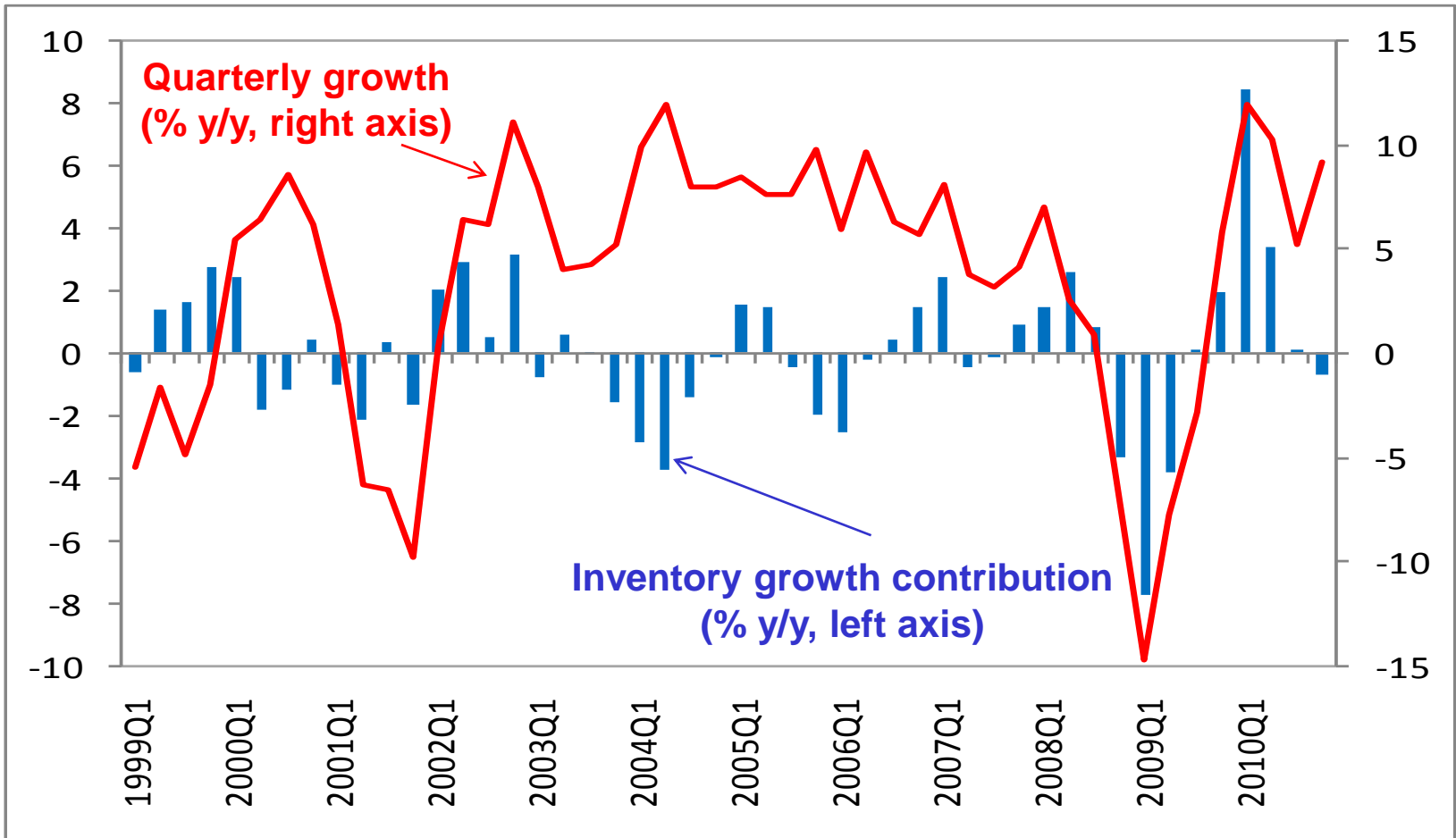
The Turkish economy has performed well since 2001



- Turkey emerged from the global crisis with its economy enhanced and its credit ratings upgraded.
- And its prospects for long-term sustained growth improved.
- Fiscal Deficits are declining and public debt ratios are moderate
- Interest rates are at historical lows



Fundamental Strengths drove a Rapid Recovery from a Steep Recession



Source: Turkish Statistical Institute



Challenges remain



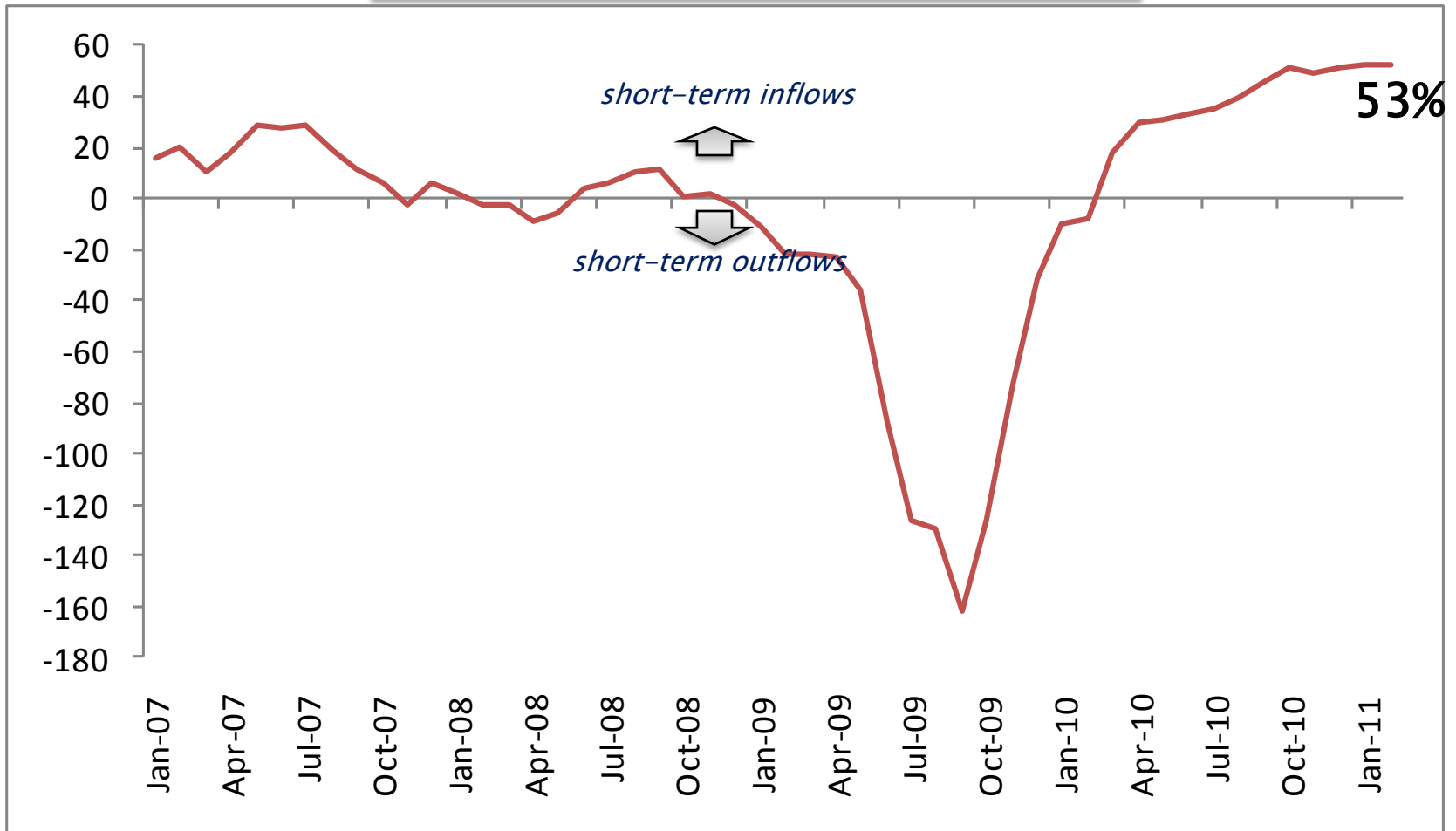
- External deficit financing is creating a potential future vulnerability
- Domestic savings rate is low and has been declining
- Fiscal quality (and quantity!) is key for equitable growth and investor confidence!



External Imbalances are Back and Rising



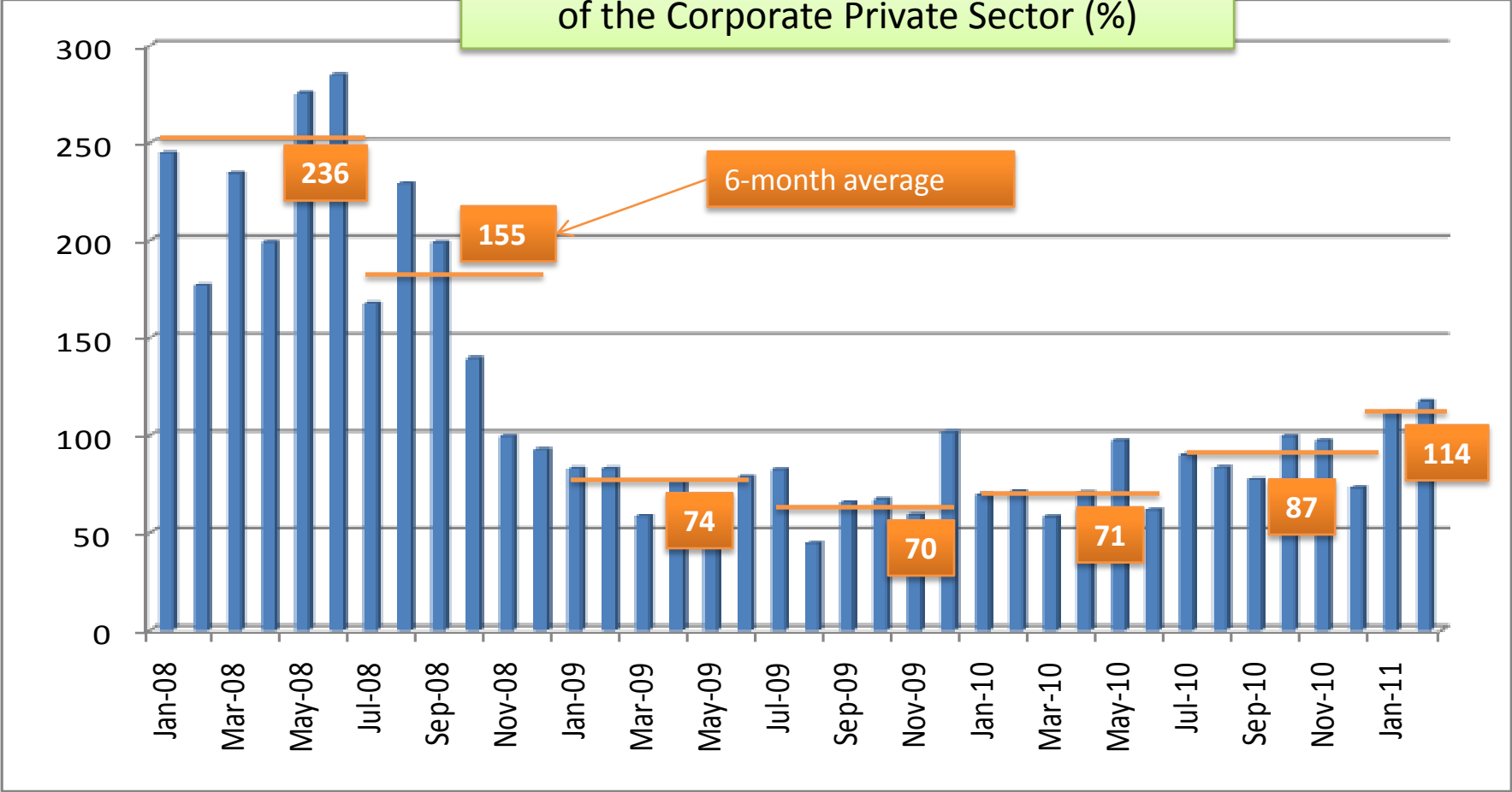
Share of short-term flows in total capital inflows (previous 12 months, %)



Source: Central Bank of Turkey, World Bank

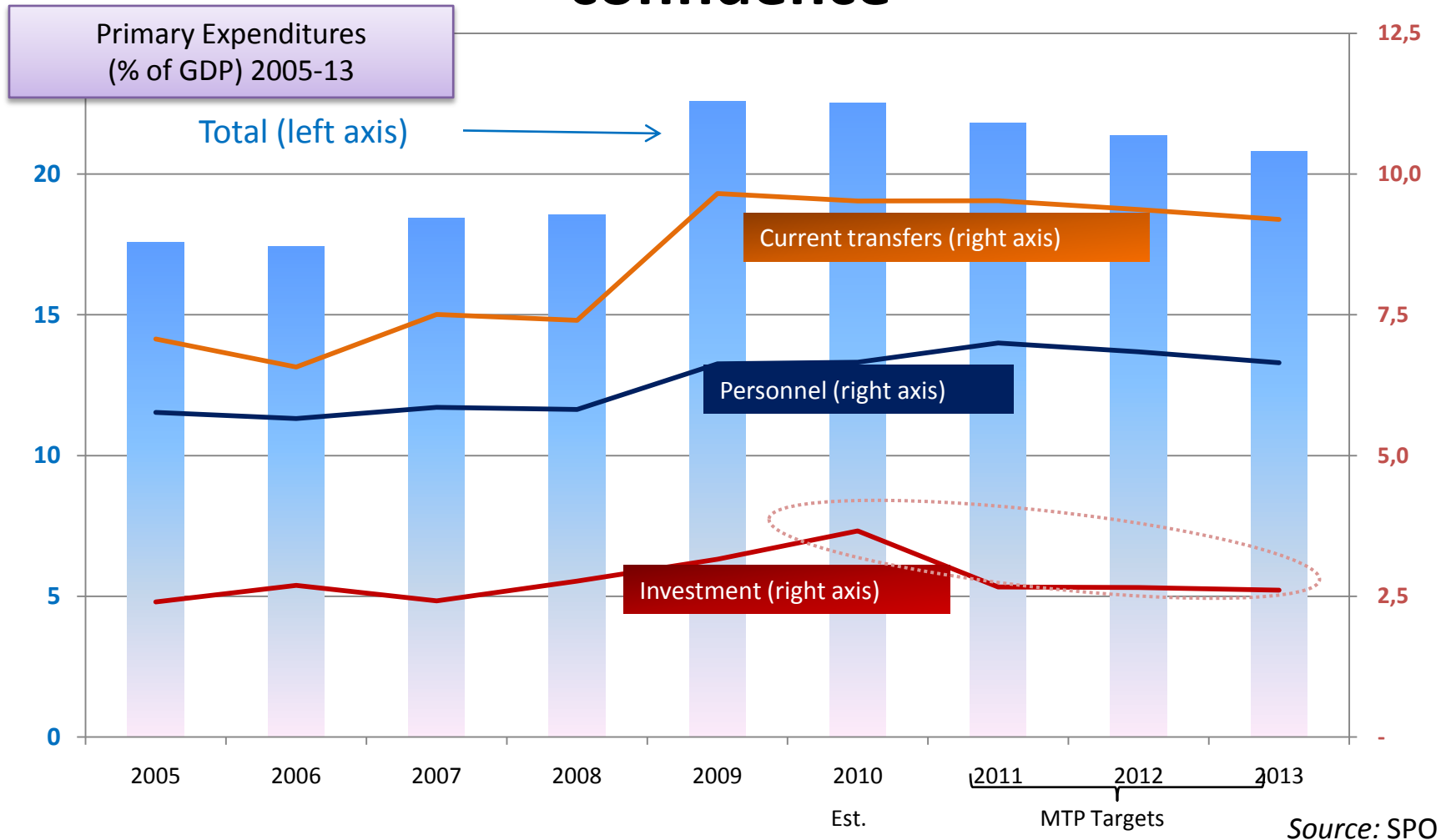
Although external financing remains resilient...

Monthly External Debt Rollover Ratio of the Corporate Private Sector (%)



Source: CBRT

MTP is a strong basis for support... fiscal quality (and quantity!) are now key for confidence





Thank You
Teşekkür Ederim