

PRESS RELEASE

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Governor Murat Çetinkaya's Speech on "Macroeconomic Outlook and Monetary Policy"

In his presentation on "Macroeconomic Outlook and Monetary Policy" at J.P. Morgan Turkey Macro and Credit Conference in London, Governor Murat Çetinkaya emphasized the following points:

- The Turkish economy has proved resilient amid several persistent shocks in recent years.
- Although GDP contracted in the third quarter of 2016, more recent data suggest that this will be short-lived and economic activity will recover moderately in the forthcoming period.
- Inflation may further edge up in the short term before gradually coming down to 8 percent at the end of the year.
- The CBRT has implemented a comprehensive and strong monetary tightening to contain the deterioration in the pricing behavior that may result from the recent exchange rate volatility.
- Tighter monetary policy along with coordinated action by fiscal authorities will contain the second round effects of the cost-push developments.
- The fiscal authority's announcement that no additional tax hikes are envisaged for the year 2017 is a reflection of the enhanced coordination.
- The current policy stance indicates a clear and stable tightening which will be preserved until there is a significant improvement in inflation dynamics.
- The CBRT will continue to use all available instruments in pursuit of the price stability objective.

Please click to access Governor Çetinkaya's [speech](#) and [presentation](#).

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