

PRESS RELEASE

**I- DEVELOPMENTS IN THE MONETARY PROGRAM IN
JULY-SEPTEMBER 2002 PERIOD**

As is known, Base Money, Net Domestic Assets, and Net International Reserves, which are the main monetary aggregates on the Central Bank (CBRT) balance sheet, were specified as the indicative targets for the second half of 2002, in the January 18, 2002 Letter of Intent. Of these aggregates, Base Money and Net International Reserves have become performance criteria, while the indicative target for Net Domestic Assets have been revised in the Letter of Intent, July 30, 2002.

The targets specified for end-September within the framework of the monetary program have been achieved. The details of the said targets and actual figures realized are given below:

1- The ceiling specified as the performance criterion for the Base Money, the nominal anchor in the monetary program, was scheduled to be TL 10.600 trillion for end-September, the calculation of which being based on the averages of the last 5 working days of the month. The average Base Money of the last five days of September stayed at TL 10.104 trillion, remaining below the TL 10.600 trillion ceiling.

2- According to the monetary program, the credits obtained by the Treasury from the International Monetary Fund (IMF) in 2002, and the Treasury's foreign currency denominated debts with a maturity less than one year are deducted from the CBRT Net International Reserves in order to determine Net International Reserves. The floor specified as performance criterion for Net International Reserves for end-September was minus USD (-) 8,500 million. The realizations pertaining to the Net International Reserves and sub-items recorded on September 30, 2002 are shown in the below table:

(Million US dollars)

CBRT Net International Reserves	(1)	8.918
Treasury's debt to the IMF	(2)	12.914
Treasury's foreign exchange debt with a maturity less than 1 year	(3)	1.893
Net International Reserves under the IMF program	(4=1-2-3)	- 5.889

Thus, the Net International Reserves specified in the program realized as (minus) USD -5.889 million staying above the performance criterion floor of (minus) USD -8.500 million.

3- In the calculation method of Net Domestic Assets, the credits obtained by the Treasury from the IMF in 2002, and the TL equivalent of the Treasury's foreign currency denominated debts with a maturity less than one year are added to the CBRT Net Domestic Assets. The indicative ceiling specified for end-September was TL 31.139 trillion and was calculated by taking the average values of the last 5 working days of September. The realizations pertaining to the Net Domestic Assets and sub-items for the said period are shown in the following table:

(Trillion TL)

CBRT Net Domestic Assets	(1)	7.232
Treasury's debt to the IMF	(2)	18.591
Treasury's foreign exchange debt with maturity less than 1 year	(3)	2.728
Net Domestic Assets under IMF program	(4=1+2+3)	28.551

Thus, in the said period, the average Net Domestic Assets stayed at TL 28.551 trillion, remaining below the indicative ceiling value of TL 31.139 trillion.

II- TARGETS OF THE MONETARY PROGRAM FOR THE OCTOBER-DECEMBER 2002 PERIOD

The monetary program targets specified in the Letter of Intent, January 18, 2002 and the Letter of Intent, July 30, 2002 are as follows:

1. The ceiling for Base Money specified as performance criteria for end-December is TL 10.850 trillion. The calculation will be based on the average values of the last five working days of December.
2. The floor specified as performance criterion for Net International Reserves for end-December is (minus) USD –9.700 million.
3. The indicative ceiling specified for the Net Domestic Assets for end-December is TL 33.139 trillion. The calculation will be based on the averages of the last five working days of December.