

No: 2003-1

January 3, 2003

**PRESS RELEASE**

**DEVELOPMENTS IN THE MONETARY PROGRAM IN  
OCTOBER-DECEMBER 2002 PERIOD**

Base Money, Net Domestic Assets, and Net International Reserves, the main monetary aggregates on the Central Bank balance sheet, were specified as the indicative targets for the second half of 2002, in the publicly announced 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 has been revised in the Letter of Intent, July 30, 2002.

The targets specified for end-December within the framework of the monetary program have been reached. The details of the 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 targeted as TL 10.850 trillion for end-December, calculated on the average of the last 5 working days of the month. The average Base Money of the last five working days of December stayed at TL 10.720 trillion, remaining below the TL 10.850 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 debt with a maturity less than one year are deducted from the Central Bank's Net International Reserves in order to determine Net International Reserves. The floor specified as performance criterion for Net International Reserves for end-December was USD (minus) - 9,700 million.

The realizations of the Net International Reserves and sub-items recorded on December 31, 2002 are shown in the below table:

(Million US dollars)

Central Bank Net International Reserves	(1)	10.042
Treasury's debt to the IMF	(2)	12.914
Treasury's foreign exchange debt with a maturity less than 1 year	(3)	1.742
Net International Reserves under the IMF program	(4=1-2-3)	- 4.614

Thus, the Net International Reserves specified in the program has been realized as USD (minus) - 4.614 million, staying above the performance criterion floor of USD (minus) -9.700 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 debt with a maturity of less than one year are added to the Central Bank Net Domestic Assets. The indicative ceiling specified for end-December is TL 33.139 trillion and is calculated by taking the average values of the last 5 working days of December. The realizations of the Net Domestic Assets and sub-items for the said period are shown in the following table:

(Trillion TL)

Central Bank Net Domestic Assets	(1)	7.504
Treasury's debt to the IMF	(2)	18.591
Treasury's foreign exchange debt with maturity less than 1 year	(3)	2.508
Net Domestic Assets under the IMF program	(4=1+2+3)	28.603

Thus, in the said period, the average Net Domestic Assets stayed at TL 28.603 trillion, remaining below the indicative ceiling value of TL 33.139 trillion.