Market Analysis - Turkey 2017

Emergency Social Safety Net Programme
1. CPI Turkey Trends
2. MEB and Food Basket Costs
3. Food Prices
4. Energy Prices
5. Conclusion
National CPI

• *Inflation* measured by consumer price index (CPI) is defined as the change in the prices of a basket of goods and services that are typically purchased by specific groups of households.

• 2017 is the highest inflation for Turkey in last 10 years.

• Transport and the food cost were the drivers of this change.

• MEB is a reduced version of CPI (excluding luxury costs like restaurants, hotels).
CPI Turkey Inflation 2006 - 2016

CPI Turkey 2007 - 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>CPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>8.4</td>
</tr>
<tr>
<td>2008</td>
<td>10.1</td>
</tr>
<tr>
<td>2009</td>
<td>6.5</td>
</tr>
<tr>
<td>2010</td>
<td>6.4</td>
</tr>
<tr>
<td>2011</td>
<td>10.5</td>
</tr>
<tr>
<td>2012</td>
<td>6.2</td>
</tr>
<tr>
<td>2013</td>
<td>7.4</td>
</tr>
<tr>
<td>2014</td>
<td>8.2</td>
</tr>
<tr>
<td>2015</td>
<td>8.8</td>
</tr>
<tr>
<td>2016</td>
<td>8.5</td>
</tr>
<tr>
<td>2017</td>
<td>11.9</td>
</tr>
</tbody>
</table>
Uses of a Minimum Expenditure Basket:

1. Identify the poor, not only the food insecure
2. Determine level of assistance required for food and non-food needs
3. Monitor food and non-food outcomes of a cash-based transfer intervention by analysing household expenditure relative to the MEB

Concepts

Minimum Expenditure Basket (MEB)
Minimum Expenditure Basket in a refugee context:

- Minimum monthly cost per capita to allow refugees to live a dignified life (outside camps)
- Implies full access to all rights
- 90% coverage of where refugee population lives for the calculation of MEB
MEB Trends 2017

Total increase of 10.7% in a year

From Q3 to Q4 is the highest increase

MEB Cost (2016 - 2017) (weighted average)
MEB Trends by Region 2017

MEB Cost per Region: 2017 - 2018

Turkish Liras per month (HH size 6)

- Istanbul: 2962
- İzmir: 2702
- Ankara: 2476
- Bursa Eskisehir Bilecik: 2287
- Gaziantep Adiyaman Kilis: 2103
- Konya Karahan: 2092
- Adana Mersin: 2075
- Sanliurfa Diyarbakir: 2044
- Hatay Kahramanmaras Osmaniye: 2011
- Mardin Batman Sirnak Sirt: 2010
- Total: 2261

% increase (12 months)

Current Price

12 months change
MEB Trends by Sub-groups

Change by Expenditure Sub-groups

- Food
- Rent
- Utilities (with water)
- NFIs
- Health
- Education
- Transport
- Communication

Q1 2017 | Q1 2018 | Change
--- | --- | ---
Food | 8.1 | 9.5
Rent | 7.4 | 7.8
Utilities (with water) | 11.7 | 11.1
NFIs | 1.8 | -0.8
Health | | 2.0
Education | | 4.0
Transport | | 6.0
Communication | | 8.0

Change by Expenditure Sub-groups

- Q1 2017
- Q1 2018
- Change
Referential Food Basket for Syrian Refugees in Turkey

- Food Basket should be 2100 cl for daily consumption per person
- Food Basket is constructed by using Lebanon itemised receipts data to define most consumed food items.
- These items were compared with food consumption expenditure in Pre-Assistance Baseline and Comprehensive Vulnerability Monitoring Exercise.
- Nutritional values are confirmed on NutVal.

<table>
<thead>
<tr>
<th>Item</th>
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<tbody>
<tr>
<td>Rice</td>
<td>0.1</td>
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<tr>
<td>Bulgur</td>
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<tr>
<td>Bread</td>
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<tr>
<td>Yoghurt</td>
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<tr>
<td>White Cheese</td>
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<td>Egg</td>
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<tr>
<td>Sun-Flower Oil</td>
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<td>Tomato</td>
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</tr>
<tr>
<td>Cucumber</td>
<td>0.03</td>
</tr>
<tr>
<td>Dry Bean</td>
<td>0.05</td>
</tr>
<tr>
<td>Granulated Sugar</td>
<td>0.05</td>
</tr>
<tr>
<td>Salt</td>
<td>0.005</td>
</tr>
<tr>
<td>Tea</td>
<td>0.005</td>
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</table>
From Q1 2016 to Q1 2018 there is an increase; Tube gas: 31%, Petrol: 34%, Diesel: 46%
1. 2017 CPI was the highest in last 10 years with 14% increase in the cost of food and non-alcoholic beverages
2. Food share represents 40% of MEB which has significant impact on overall expenditure pattern of refugee population
3. High inflation during 2017 - Average of 10.7% increase in MEB
4. Most increase is in food and rent prices which equals 70% of total expenditure of refugees
5. Energy prices also have increased by 35% in last 2 years

STEPS FORWARD
1. Continue to monitor markets through 2018, which will be used as the basis for ESSN transfer value adjustments if inflation rates continue to be high.
Questions?