

# Statistics in focus

## INDUSTRY, TRADE AND SERVICES

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# Short-term business statistics Turkey and the EU

The Turkish State Institute of Statistics (SIS) and Eurostat have recently agreed on the regular transmission of available Turkish short-term business statistics to Eurostat, in a similar manner to that for other Candidate countries. Several of the Principal European Economic Indicators (PEEIs) relating to short-term business statistics are already compiled by the SIS, notably the industrial production index and a domestic producer price index. Nonetheless the SIS, with support from Eurostat, is implementing activities to develop short-term business statistics, as part of the broader programme "Upgrading the Statistical System of Turkey" (USST). One of the areas of development will be time series decomposition, resulting in working day adjusted and seasonally adjusted data, that are currently not available for Turkey. For this reason most of the growth rates in this publication are based on a comparison with the situation one year earlier rather than with the preceding month or quarter.

This publication focuses on developments for industry (NACE Sections C to E), manufacturing (NACE Section D), as well as construction (NACE Section F).

	Turkey		EU-25	
Industrial domestic producer price index	6.5	06-2005	4.9	06-2005
Industrial production index	5.1	04-2005	0.7	04-2005
Manufacturing employment	1.4	Q1-2005	-1.0	Q1-2005
Manufacturing hours worked	3.6	Q1-2005	-2.0	Q1-2005
Construction costs	12.8	Q1-2005	4.9	Q1-2005

Table 1: LATEST GROWTH RATES (%) FOR MAIN INDICATORS, RELATIVE TO THE SAME PERIOD OF THE PREVIOUS YEAR  
SOURCE: EUROSTAT STS AND SIS

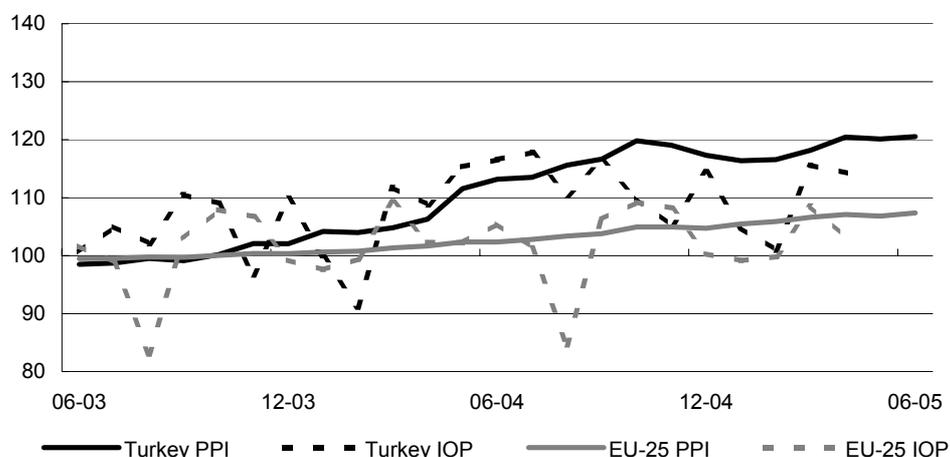


Figure 1: DOMESTIC INDUSTRIAL PRODUCER PRICE INDEX (PPI) & INDEX OF PRODUCTION (IOP), 2003=100, INDUSTRY; SOURCE: EUROSTAT STS AND SIS (1)

(1) Domestic producer price index, gross data; index of production, gross data for Turkey and working day adjusted data for the EU-25.



## Industrial domestic producer price index

The time series for the Turkish domestic producer price index starts from 2003 and most of its development is shown in Figure 1. Note that nationally the headline index for producer prices in Turkey covers NACE Sections A to E, whereas the coverage of the highest level index in the present publication is NACE Sections C to E.

Table 1 presents latest year on year growth rates available for the main indicators for short-term statistics, both for Turkey and the EU-25. Industrial domestic producer prices grew by 6.5 % in Turkey between June 2004 and 2005. This rate was somewhat higher than the EU-25's development as prices grew by 4.9 %. More generally, it can be seen from figure 1 that this index in Turkey has risen faster than the equivalent index in the EU-25 over the period shown. Nevertheless this growth has not been regular in Turkey where the PPI is characterised by a period of stability during the middle

of 2003, quite rapid month on month growth between September 2003 and October 2004, followed by a fall in the industrial producer price index from then to January 2005.

Table 2 shows the growth rates for the index from that point, namely January 2005. On the basis of a month on month evolution, Turkish industrial producer prices experienced an acceleration in their pace of growth between February and March 2005, as the growth rate passed from 0.2 % to 1.4 %. This higher growth in prices was sustained during the next month, with prices rising by 1.9 % between March and April 2005. This short period of inflationary pressure stopped in May 2005, as prices stabilised: indeed, a modest fall (-0.3 %) was recorded compared with the previous month. Looking at the latest developments, between May and June 2005 the Turkish industrial producer price index rose by 0.3 %.

NACE Rev. 1 heading (code)		Turkey						EU-25					
		01-05	02-05	03-05	04-05	05-05	06-05	01-05	02-05	03-05	04-05	05-05	06-05
C-E	Total industry	-0.8	0.2	1.4	1.9	-0.3	0.3	0.7	0.4	0.7	0.4	-0.3	0.5
C	Mining and quarrying	-3.4	2.1	-0.9	5.3	4.1	-2.3	3.9	-0.5	1.1	1.5	0.7	0.5
10	Mining of coal and lignite	2.8	0.0	-1.0	1.0	1.5	1.6	2.6	1.2	0.4	-0.9	-0.1	0.7
11	Extr. petroleum / natural gas	-18.1	14.6	0.2	18.3	11.5	-12.8	11.1	2.7	8.5	1.3	-2.6	9.7
13	Mining of metal ores	0.4	-0.4	-8.1	4.7	2.1	5.5	-0.7	0.9	2.5	15.2	0.1	4.9
14	Other non-metallic mining	-3.1	-1.5	0.3	3.3	2.8	-0.8	1.5	-0.2	0.5	0.3	0.5	-0.1
D	Manufacturing	-1.1	0.1	1.5	2.0	-0.4	0.4	0.3	0.3	0.7	0.4	-0.3	0.4
15	Food and beverages	0.0	2.5	0.0	0.0	0.2	-0.2	-0.2	0.2	0.1	0.0	0.1	0.2
16	Tobacco	0.3	-22.7	3.8	0.0	5.1	0.0	0.4	0.1	0.3	0.4	0.1	0.0
17	Textiles	-1.0	-1.2	-1.1	1.5	-0.7	-2.3	0.1	0.0	0.0	0.1	0.0	0.0
18	Clothing	-5.9	3.4	4.4	1.9	4.6	-3.5	0.3	0.3	0.1	0.0	-0.1	0.0
19	Leather products	2.8	0.4	1.2	1.0	2.4	-4.8	-0.2	0.0	0.0	0.2	-0.3	0.1
20	Wood products	0.0	-0.1	0.0	0.3	0.0	-1.0	0.5	0.2	0.0	0.2	0.1	0.0
21	Pulp & paper	-0.5	-0.6	-0.6	-0.9	0.4	-1.2	0.0	0.0	-0.1	-0.1	0.0	-0.1
22	Publishing & printing	2.8	1.6	2.7	-2.0	-0.2	0.6	0.3	0.2	0.3	0.1	-0.1	0.0
23	Refined petroleum prod.	-7.4	4.3	11.8	10.1	-6.0	9.3	-1.6	1.9	7.3	4.0	-2.7	5.4
24	Chemicals	-1.4	-2.1	0.0	1.4	-0.9	-2.0	0.3	0.3	0.4	0.2	-0.3	-0.7
25	Rubber & plastics	0.5	0.0	-0.6	0.4	1.1	-3.3	0.5	0.3	0.1	0.2	0.0	-0.1
26	Non-metallic minerals	3.8	1.5	0.5	-0.5	1.6	0.3	0.9	0.4	0.3	0.2	0.0	0.2
27	Basic metals	-0.6	-2.0	-0.6	3.1	-2.3	-2.0	1.6	0.4	0.3	0.2	-1.0	-0.2
28	Metal products	-0.9	0.7	0.2	0.7	1.7	4.2	0.9	0.4	0.2	0.3	0.1	-0.2
29	Machinery	-0.4	0.6	0.2	0.9	-0.1	-0.7	0.7	0.1	0.2	0.2	0.2	0.2
30	Office machinery	1.9	-12.0	8.2	-5.9	-1.1	-0.3	-0.8	-1.8	-1.5	-2.0	-0.7	-0.5
31	Electrical machinery	-0.2	-0.5	0.3	2.8	0.5	-0.5	0.4	0.1	0.1	0.0	0.2	0.0
32	Radio/TV/communication	-2.3	3.5	-1.6	2.0	0.2	-2.3	-0.3	-0.7	-0.3	-0.8	-0.1	-0.2
33	Medical and optical	-1.2	-4.6	-1.7	0.6	2.5	-0.5	0.1	0.1	0.0	0.0	0.2	-0.1
34	Motor vehicles	-0.7	-1.7	-0.5	-1.1	0.3	-0.8	0.3	0.2	0.2	0.2	0.2	0.1
35	Other transport	57.9	1.1	0.0	0.0	0.0	-0.1	0.5	0.3	0.1	0.1	-0.1	0.1
36	Furniture & other manf.	2.1	0.0	-3.0	1.9	0.2	0.8	0.4	0.1	0.3	0.1	-0.1	0.1
E	Elec., gas and water	3.9	0.1	0.0	0.3	0.4	0.0	2.4	0.7	0.2	0.0	-0.1	0.6
40	Elec./gas/hot water	8.6	0.1	-0.1	0.3	0.2	-0.1	2.4	0.8	0.3	-0.4	-0.1	0.7
41	Water	-14.3	0.0	0.3	0.3	1.2	0.2	0.7	0.2	0.1	4.1	0.1	0.1

Table 2: DOMESTIC PRODUCER PRICE INDEX, GROSS DATA, MONTH ON MONTH GROWTH RATES (%)  
SOURCE: EUROSTAT STS AND SIS

## Industrial production index

A time series of the Turkish industrial production index shows a sharp decrease at the end of 2000 and towards the end of 2001 (see Figure 2), contrasting with a more regular seasonal evolution in the EU-25. Indeed, 2001 was a year of recession for Turkey, in which domestic demand contracted sharply, but exports rose sharply, in part due to the devaluation of the Turkish lira. Since this period, industrial production in Turkey has shown an

upward trend through to 2005. The most recent developments show Turkish production grew by 5.1% in April 2005 compared to March 2005.

In terms of the seasonal variation there are low levels of industrial production in Turkey during the first months of the year, while in the EU-25 the lowest levels of production are normally during the summer months.

NACE Rev. 1 heading (code)	Turkey						EU-25					
	11-04	12-04	01-05	02-05	03-05	04-05	11-04	12-04	01-05	02-05	03-05	04-05
C-E Total industry	8.7	4.1	5.0	10.7	3.4	5.1	1.4	1.1	1.6	0.4	-0.6	0.7
C Mining and quarrying	11.7	4.5	16.1	32.1	26.9	26.9	-1.8	0.6	-5.0	-4.3	-3.2	-2.6
10 Mining of coal and lignite	1.3	-4.7	12.4	63.9	102.3	73.5	-5.2	-4.2	-7.1	-7.2	-5.6	-7.2
11 Extr. petroleum / natural gas	3.3	4.1	4.7	11.1	10.1	8.8	-3.2	1.5	-7.0	-4.6	-1.2	-2.6
13 Mining of metal ores	27.3	-14.7	-3.9	23.9	-12.8	4.5	0.6	8.3	-4.4	10.7	-3.3	-2.3
14 Other non-metallic mining	34.8	25.9	37.0	7.5	-7.4	5.6	2.4	4.1	6.7	-2.6	-4.4	1.7
D Manufacturing	9.0	4.1	5.0	10.2	2.2	4.2	1.0	0.9	2.3	-0.1	-1.2	1.4
15 Food and beverages	2.5	-4.7	5.8	2.2	3.0	-8.2	2.0	2.1	0.4	0.3	0.3	1.7
16 Tobacco	-14.1	-23.2	-17.0	7.8	26.5	-7.4	-9.5	-4.0	-9.9	-8.5	-9.6	-1.0
17 Textiles	-1.3	-7.2	-15.6	-4.9	-8.2	-23.6	-6.3	-6.7	-4.5	-5.9	-7.0	-3.6
18 Clothing	13.6	-3.8	5.7	-7.1	-7.4	-15.2	-12.3	-9.3	-2.1	-9.5	-14.0	-7.4
19 Leather products	2.9	-30.1	-38.3	-21.1	-28.5	-16.0	-13.5	-13.4	-10.0	-8.4	-15.9	-6.8
20 Wood products	41.7	18.9	5.1	32.4	46.9	10.3	0.3	-0.7	0.8	-1.5	-3.7	-0.7
21 Pulp & paper	6.3	7.5	16.0	24.1	-7.5	7.0	2.0	4.1	1.3	-1.9	-2.2	-1.1
22 Publishing & printing	40.4	44.5	7.3	10.5	2.5	25.0	2.0	3.3	3.0	-0.1	-2.8	2.1
23 Refined petroleum prod.	-7.4	-8.4	-5.7	-9.7	-10.4	7.9	0.2	1.5	2.5	-1.4	4.2	-2.0
24 Chemicals	1.2	14.7	8.8	5.9	0.5	10.5	-1.4	-0.6	3.1	0.0	-1.8	-1.0
25 Rubber & plastics	15.0	6.5	-9.6	36.7	25.2	24.7	-1.1	-0.6	1.1	-1.3	-2.7	1.8
26 Non-metallic minerals	0.7	13.8	36.3	31.0	0.0	9.1	-0.7	1.5	2.2	-2.0	-7.5	-0.5
27 Basic metals	14.0	8.6	7.0	8.8	5.0	3.8	4.6	3.2	2.5	-1.5	-2.9	1.0
28 Metal products	18.2	2.7	37.8	24.4	24.2	47.3	1.4	0.4	3.0	0.3	-0.8	0.9
29 Machinery	28.8	18.3	7.8	15.9	-3.6	-0.7	1.3	0.6	3.3	2.8	2.7	1.7
30 Office machinery	59.4	17.9	33.6	21.1	-15.9	4.1	-3.5	3.0	5.3	1.4	1.6	8.2
31 Electrical machinery	8.7	11.7	12.2	37.3	28.7	53.9	0.4	0.8	4.4	-0.5	-0.4	2.9
32 Radio/TV/communication	31.1	6.9	34.7	6.7	-15.3	5.5	11.1	10.0	9.8	5.5	7.6	8.0
33 Medical and optical	17.7	4.0	3.4	71.9	10.6	27.8	0.8	-0.4	-1.2	1.1	-1.4	3.7
34 Motor vehicles	36.4	6.6	3.0	42.6	16.0	7.2	1.4	-1.4	4.3	0.3	-1.0	4.4
35 Other transport	23.6	514.3	-15.2	10.8	-10.5	13.8	11.1	0.8	4.8	-1.6	-3.0	2.9
36 Furniture & other manf.	-3.0	-3.5	25.8	42.3	19.4	25.6	-0.8	0.1	-0.7	-1.8	-3.4	1.0
E (40 only) Elec./gas/hot water	5.2	5.8	1.8	8.3	7.2	6.8	4.5	3.0	0.0	3.1	1.4	1.0

Table 3: INDEX OF PRODUCTION, YEAR ON YEAR GROWTH RATES (%)

SOURCE: EUROSTAT STS AND SIS (1)

(1) Turkey, gross data; EU-25, working day adjusted data.

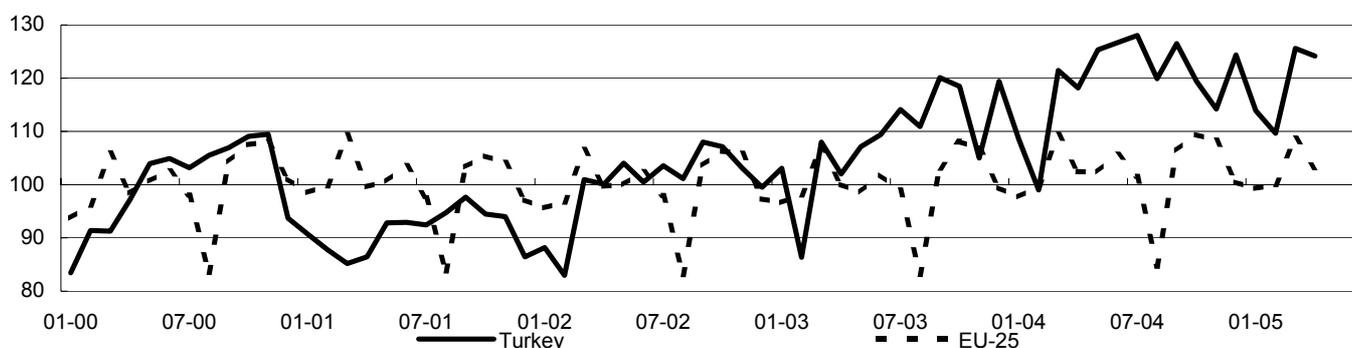


Figure 2: INDEX OF PRODUCTION, 2000=100, INDUSTRY; SOURCE: EUROSTAT STS AND SIS (1)

(1) Turkey, gross data; EU-25, working day adjusted data.

## Manufacturing employment

Like production, manufacturing employment in Turkey shows a strong seasonal effect (see Figure 3). The 2001 recession is again visible through the sustained strong fall in the Turkish index of employment from mid-2000 to the beginning of 2002. Since this date, an upward trend has been registered, with more modest

seasonal phases. The latest developments show that employment rose by 1.4 % between the first quarter of 2004 and 2005, the fifth consecutive quarterly growth. This evolution contrasted with a downward trend for the EU-25's employment in manufacturing over the same period (see Table 4).

NACE Rev. 1 heading (code)	Turkey						EU-25					
	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05
D Manufacturing	-0.5	0.7	2.7	2.2	2.2	1.4	-1.9	-2.1	-1.8	-1.6	-1.0	-1.0
15 Food and beverages	-4.2	-1.3	3.6	0.2	2.2	3.4	-0.6	-1.2	-1.2	-1.5	-0.6	-0.4
16 Tobacco	-12.4	-9.6	-7.9	-9.9	0.0	-16.6	-5.2	-3.3	0.8	1.1	-3.3	-6.2
17 Textiles	-5.3	-5.7	-3.1	-4.7	-3.4	-6.0	-7.5	-6.1	-6.1	-5.7	-4.0	-4.6
18 Clothing	-8.0	-9.5	-7.1	-9.6	-10.5	-4.0	-8.1	-7.4	-7.1	-7.0	-5.6	-8.3
19 Leather products	-11.0	-4.0	-3.6	-4.3	-0.4	-6.2	-8.3	-8.2	-8.9	-10.7	-8.3	-9.1
20 Wood products	5.8	13.2	3.6	3.9	-0.8	6.2	-2.4	-1.5	-0.7	-0.6	-0.5	-1.2
21 Pulp & paper	-17.7	-10.2	-7.1	2.2	5.5	-5.6	-2.0	-1.3	-0.8	-0.7	-1.3	-1.9
22 Publishing & printing	2.7	0.8	4.9	-0.3	1.6	3.7	-1.5	-2.1	-0.5	-1.2	-0.5	-0.4
23 Refined petroleum prod.	-2.5	11.0	9.8	11.1	5.6	-4.4	-3.1	-4.8	-4.2	-3.2	-3.1	-1.9
24 Chemicals	0.9	-0.2	1.3	2.5	2.4	0.2	-1.9	-3.0	-3.0	-2.9	-2.6	-1.9
25 Rubber & plastics	8.8	13.1	13.0	11.7	7.3	6.2	0.8	0.7	-0.2	-0.5	-1.0	-0.6
26 Non-metallic minerals	4.4	8.3	8.3	7.4	7.9	9.8	-1.9	-2.7	-2.9	-2.8	-1.9	-1.3
27 Basic metals	8.3	7.9	6.6	5.4	2.3	-0.9	-2.2	-2.8	-2.5	-2.1	-0.8	-0.1
28 Metal products	2.6	6.8	8.7	5.7	5.0	3.6	-0.9	-0.8	0.3	1.2	1.9	1.8
29 Machinery	9.2	11.0	13.7	13.6	11.4	6.9	-2.2	-3.0	-2.7	-2.4	-1.9	-1.6
30 Office machinery	77.1	52.0	54.5	101.8	33.5	-23.9	-4.2	-6.7	-6.1	-4.7	-4.4	-1.2
31 Electrical machinery	1.7	4.0	4.0	1.4	0.7	3.0	-3.3	-2.3	-1.1	0.6	1.5	0.0
32 Radio/TV/communication	12.1	15.1	22.0	21.6	14.6	11.0	-4.9	-5.0	-3.8	-3.0	-2.1	-1.9
33 Medical and optical	11.0	17.4	10.3	21.5	21.9	3.0	-0.1	0.3	1.3	2.0	2.1	1.0
34 Motor vehicles	18.9	17.6	19.2	25.6	20.2	19.2	0.5	0.4	0.3	0.3	1.1	0.4
35 Other transport	-3.1	-0.9	-1.1	1.8	6.8	9.5	-2.0	-2.5	-2.1	-1.6	-1.1	-0.5
36 Furniture & other manf.	4.1	3.0	9.6	16.6	14.1	16.3	0.2	-1.1	-2.1	-1.7	-1.8	-1.6

Table 4: INDEX OF EMPLOYMENT, GROSS DATA, YEAR ON YEAR GROWTH RATES (%)  
SOURCE: EUROSTAT STS AND SIS

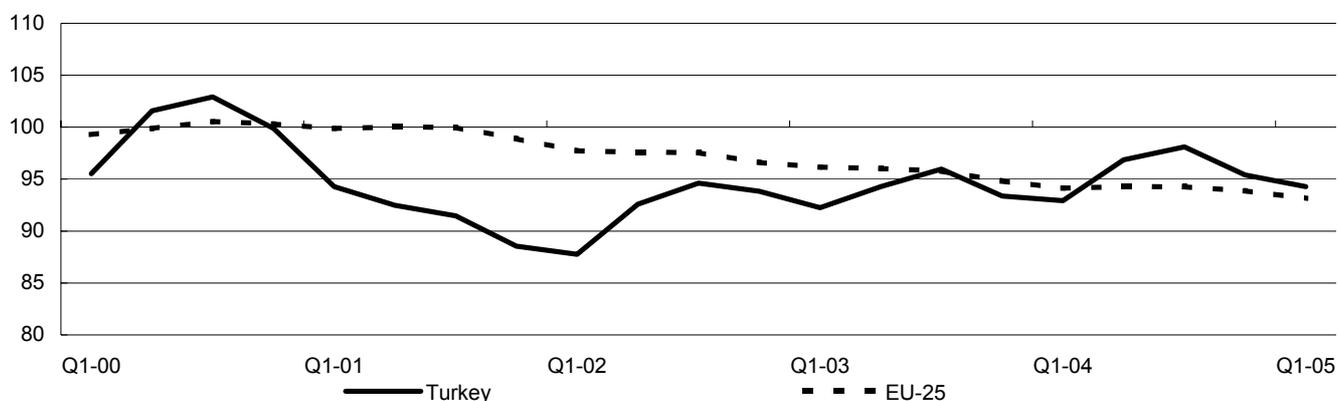


Figure 3: INDEX OF EMPLOYMENT, GROSS DATA, 2000=100, MANUFACTURING  
SOURCE: EUROSTAT STS AND SIS

## Manufacturing hours worked

The index of the number of hours worked in manufacturing showed a downward trend from the beginning of 2000 to the beginning of 2004 in Turkey (see Figure 4) and a similar development for the EU-25. Nonetheless, cyclical developments were much more visible for Turkey, with a peak generally in the third and fourth quarters of the year. However from the second

quarter of 2004, compared to the same quarter of the year before, hours worked in manufacturing grew in each quarter in Turkey (see Table 5). This contrasted with the downward trend recorded for the EU-25's manufacturing hours worked where falls were generally recorded.

NACE Rev. 1 heading (code)		Turkey						EU-25					
		Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05
D	Manufacturing	-4.6	-1.0	4.1	0.4	4.4	3.6	-1.1	-0.2	0.3	-0.2	-0.3	-2.0
15	Food and beverages	-10.3	-20.0	-10.8	-14.6	-4.7	-9.6	-1.9	-0.4	-0.1	-0.9	-0.4	-1.1
16	Tobacco	-6.1	-3.5	-3.2	-4.5	-3.8	-8.0	-7.5	0.4	1.1	0.7	0.9	-3.3
17	Textiles	-8.4	-6.1	-7.5	-11.5	-10.1	-6.7	-3.2	-4.3	-1.5	-2.9	-4.9	-5.4
18	Clothing	-9.8	-3.3	-4.3	-7.2	-0.4	-4.5	-5.5	-5.9	-2.7	-5.2	-4.4	-6.9
19	Leather products	8.5	14.7	5.9	5.6	0.7	4.2	-7.0	-7.3	-5.8	-9.3	-8.1	-9.5
20	Wood products	-18.0	-8.0	-5.8	5.9	6.1	-7.8	0.3	0.2	0.4	-0.6	-0.9	-2.3
21	Pulp & paper	3.4	2.0	5.5	3.7	3.1	-0.1	0.4	-1.9	0.0	-0.6	-1.6	-1.5
22	Publishing & printing	-1.3	15.6	7.6	12.3	3.0	-10.3	0.0	-1.4	-2.0	-1.2	-1.8	-1.6
23	Refined petroleum prod.	1.3	2.1	0.6	3.6	1.6	2.4	-1.5	0.1	-0.4	-1.5	-2.7	-0.3
24	Chemicals	6.9	14.9	12.4	11.4	9.8	5.9	-0.2	-1.0	-0.6	-0.9	-1.6	-3.1
25	Rubber & plastics	2.2	8.8	8.5	7.8	8.2	10.6	-0.8	1.3	1.8	1.1	-0.1	-1.5
26	Non-metallic minerals	12.5	9.7	7.1	7.5	5.5	-3.3	-1.3	-0.8	-0.2	-2.3	-0.8	-2.8
27	Basic metals	5.6	7.3	8.7	1.8	2.3	1.0	-3.7	-0.6	-0.3	0.3	1.6	-1.8
28	Metal products	10.2	15.7	14.6	18.8	13.5	3.6	-0.7	1.7	1.6	1.3	1.6	-1.3
29	Machinery	44.7	51.2	55.9	73.6	59.6	-26.1	0.3	0.1	0.7	-0.5	0.0	-1.9
30	Office machinery	3.6	3.9	7.5	2.7	4.5	1.6	1.9	-1.4	-0.8	-5.1	-9.7	-8.4
31	Electrical machinery	8.6	20.8	33.2	14.9	33.5	1.2	0.5	0.3	1.6	0.1	-0.9	-1.9
32	Radio/TV/communication	9.0	24.3	16.2	21.3	27.7	-5.5	-3.3	-2.4	0.0	0.0	-1.7	-2.9
33	Medical and optical	28.7	27.6	23.5	25.1	12.8	16.4	-0.7	1.9	2.3	1.4	2.7	-2.1
34	Motor vehicles	-2.5	5.2	1.6	-4.5	8.9	7.7	1.6	3.2	2.5	1.9	2.7	-1.8
35	Other transport	4.0	9.6	11.7	19.6	19.0	13.8	-1.5	-1.5	-0.7	-2.0	-0.9	-1.4
36	Furniture & other manf.	-0.1	3.0	3.2	2.3	2.8	-0.2	-2.7	-0.5	-0.5	0.7	1.0	-1.8

Table 5: INDEX OF HOURS WORKED, GROSS DATA, YEAR ON YEAR GROWTH RATES (%)  
SOURCE: EUROSTAT STS AND SIS

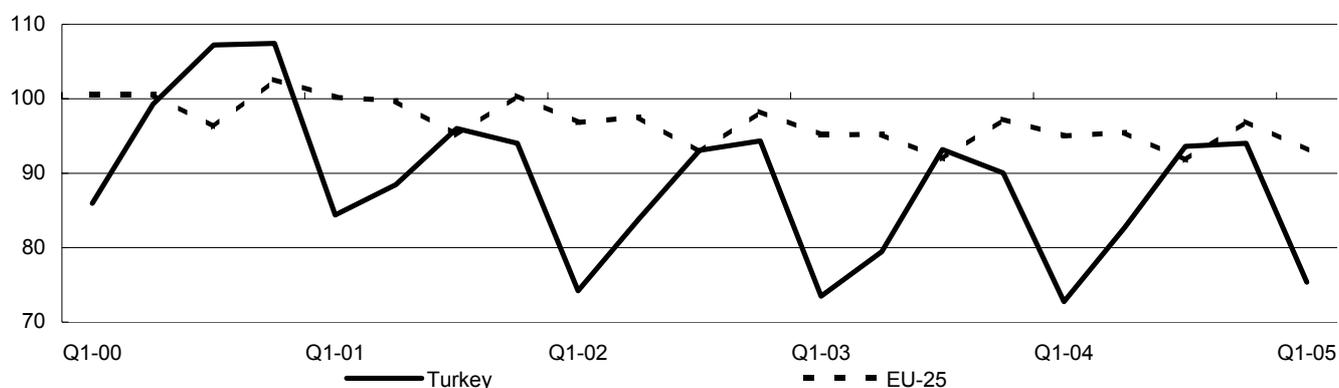


Figure 4: INDEX OF HOURS WORKED, GROSS DATA, 2000=100, MANUFACTURING  
SOURCE: EUROSTAT STS AND SIS

## Construction

In Turkey, construction costs have grown at a very rapid pace over the years for which data are available (since 2000), as shown by the development of the quarterly construction costs index in Figure 5. Note that this cost index is compiled in national currency and reflects the generally high rates of inflation experienced in Turkey during part of this period. Building permits (number of dwellings) issued in Turkey over the period running from the beginning of 2002 to the end of 2004 also showed a very sustained upward trend (see Figure 6). Both time series contrasted with the EU-25's developments, as the indices for construction costs and the building permits (number of dwellings) in the EU grew at a much more subdued pace.

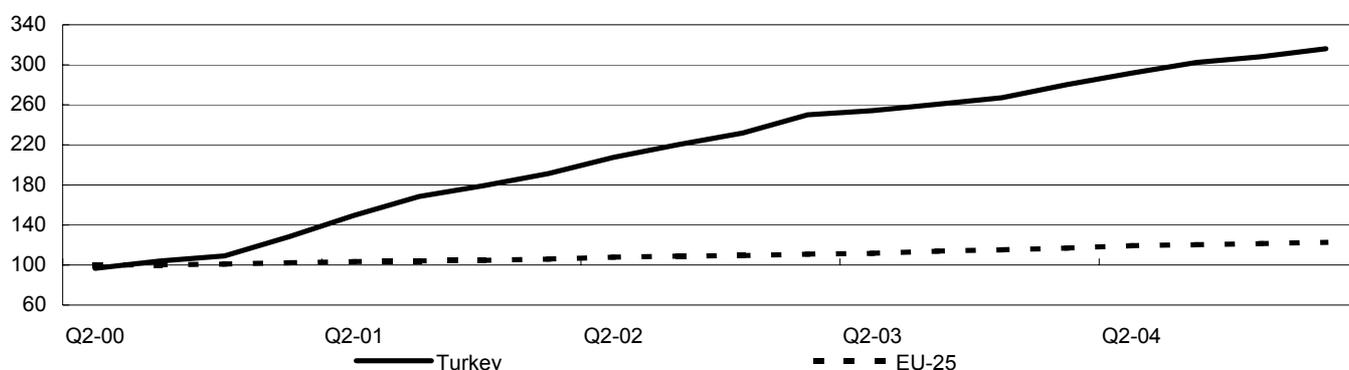
Construction costs went up by 2.6 % between the last quarter of 2004 and the first quarter of 2005. During the year 2004, growth slowed from 4.9 % during the first quarter to 4.1 % and 3.7 % during the second and third quarters to 1.9 % in the fourth quarter, before picking up again in the first quarter of 2005.

Looking at the evolution of building permits (number of dwellings), during the first quarter of 2004 the number of permits (number of dwellings) was more than twice as high as the same quarter of the previous year. This high growth continued, as the number of permits (number of dwellings) was more than 60% higher in both the third and fourth quarters of 2004 compared to one year earlier. As a comparison, the EU-25's index of building permits (number of dwellings) did not grow by more than 10 % during any of the last six quarters available.

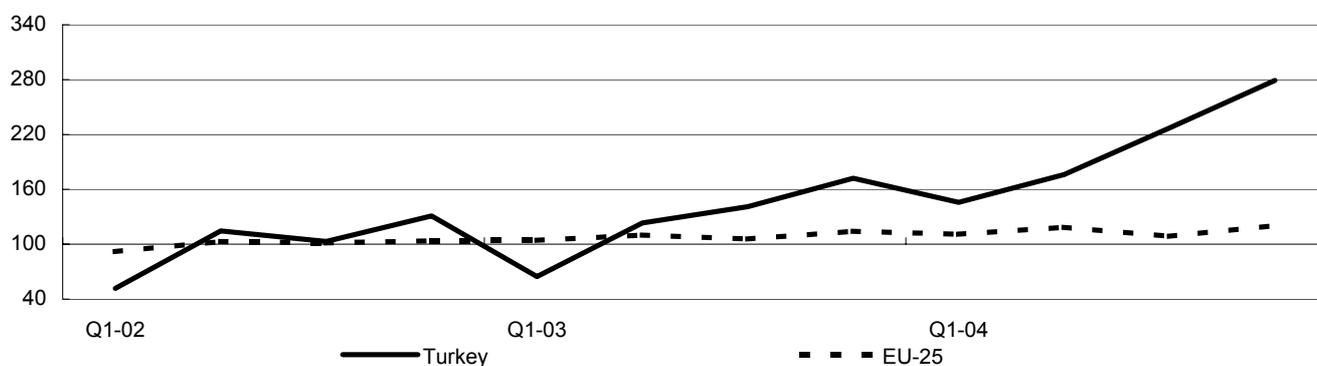
In Table 6 the latest quarter on quarter growth rates for construction costs and the year on year growth rates for the buildings permits (number of dwellings) issued are

	Construction costs growth rates (%), (on previous period)						Building permits: number of dwellings, growth rates (%), (on same period of previous year)					
	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q3-03	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04
<b>Turkey</b>	2.5	4.9	4.1	3.7	1.9	2.6	37.1	31.5	125.3	42.9	61.0	62.1
<b>EU-25</b>	1.1	1.5	2.0	0.8	1.0	1.1	4.1	10.0	6.4	7.8	2.8	5.5

*Table 6: CONSTRUCTION COSTS AND BUILDING PERMITS: NUMBER OF DWELLINGS, GROWTH RATES (%)  
SOURCE: EUROSTAT STS AND SIS*



*Figure 5: CONSTRUCTION COSTS INDEX, 2000=100, SOURCE: EUROSTAT STS AND SIS*



*Figure 6: INDEX OF BUILDING PERMITS: NUMBER OF DWELLINGS, 2000=100  
SOURCE: EUROSTAT STS AND SIS*

## ➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

The **output price index** (or *producer price index*) shows monthly price changes in the industrial sector, which can be an indicator of inflationary pressure before it reaches the consumer. All price-determining characteristics of the products should be taken into account, including quantity of units sold, transport provided, rebates, service conditions, guarantee conditions and destination. The appropriate price is the ex-factory price that includes all duties and taxes on the goods and services invoiced by the unit but excludes VAT invoiced by the unit vis-à-vis its customer and similar deductible taxes directly linked to turnover. The actual transaction price should be measured, and not a list price. If transport costs are included this should be part of the product specification. The price of period t should refer to the moment when the order is made, not the moment when the commodities leave the factory gates. The measured price refers preferably to a particular day in the middle of the month. If no price information is available for the day in question, the price may represent an average over the whole period. The domestic market is defined as customers resident in the same national territory as the observation unit.

The **production index** shows the monthly activity of the industrial sector, which is the one of the most volatile components of the economy. As specified in the STS-R, and in line with traditional practice in business statistics, the production index should show the evolution of value added at factor cost, at constant prices. Value added at factor cost can be calculated from turnover (excluding VAT), plus capitalised production, plus other operating income, plus or minus the changes in stocks, minus the purchases of goods and services, minus other taxes on products and taxes linked to production.

The **number of persons employed** is defined as the total number of persons working in an observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams). It includes persons absent for a short period (e.g. sick leave, paid leave or special leave), and also those on strike, but not those absent for an indefinite period. It also includes part-time workers who are regarded as such under the laws of the country concerned and who are on the payroll, as well as seasonal workers, apprentices and home workers on the payroll. The number of persons employed excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the observation unit on behalf of other enterprises, as well as those on compulsory military service.

The total number of **hours worked** by employees represents the aggregate number of hours worked for the observation unit. This excludes hours paid but not worked (such as annual leave, sickness). It also excludes meal breaks. Included are normal working hours; hours worked in addition to those; time spent at the place of work on tasks such as preparing the site. If the exact number of hours actually worked is not known it may be estimated on the basis of the theoretical number of working hours and the average rate of absences (sickness, maternity, etc.).

**Construction costs** measure the evolution of the costs of the factors employed in the activity of construction and incurred by the contractor. These factors include, amongst others, materials, wages and salaries, plant and equipment hire.

**Building permits** show the future development of construction activity. A building permit is an authorisation to start work on a building project.

The legal basis for all EU-25 indices is the Council Regulation No 1165/98 of 19 May 1998 concerning short-term statistics<sup>1</sup> (STS-R).

In Turkey the producer price index is compiled from data collected from approximately 1396 enterprises (within NACE Sections C to E), for 641 products. Data collection for this new index started in 2003 and the index has been published since the beginning of 2005.

The Turkish production, employment and hours worked indices are compiled from data collected from a combination of long established monthly and quarterly surveys with around 5 000 local KAUs in the surveys for mining and quarrying, manufacturing, and energy. The production index is compiled from the quantity of production for selected products. The employment and hours worked indices concern only production employees.

The Turkish construction costs index includes costs for materials, labour and machinery and covers all types of buildings.

The Turkish building permits (number of dwellings) index covers residential buildings excluding residences for communities, and concerns construction permits: the SIS also compiles a series of data for occupancy permits.

<sup>1</sup> Official Journal No L 162, of 5 June 1998. Also available via the "Business Methods" Internet site: <http://forum.europa.eu.int/Public/irc/dsis/bmethods/home>.

## ***Further information:***

### **Reference publications**

Title	Quarterly Panorama of European Business statistics
Subscription number	VAP000
Price	EUR 100

### **Databases**

[EUROSTAT Website/Industry, trade and services/Industry, trade and services - horizontal view/Short-term Business Statistics - Monthly and Quarterly \(Industry, Construction, Retail Trade and Other Services\)/Industry \(NACE Rev.1 C-F\)/ Producer price indices \(2000=100\)/Producer price indices - annual data](#)

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