

METHODOLOGICAL DOCUMENT REGARDING THE MAJOR REVISION IN THE ECONOMIC CONFIDENCE INDEX

Introduction

Economic confidence index is a leading and composite indicator, encapsulating and summarizing broadly the decisions, evaluations, expectations and tendencies of both supply-side and demand-side (producers and consumers) actors of the economy on general economic situation.

Index is a stimulative indicator hence it provides earlier information than widespread used economic indicators such as gross domestic product (GDP), employment and industrial production. Index is also used as a guide to develop and monitor economy policies and point out potential risks of the economic situation.

Economic confidence index is the weighted average of standardized balance values of the components that consists of seasonally adjusted consumer confidence, real sector (manufacturing industry), services, retail trade and construction sectors confidence indices.

Weights of the sectors, which are equally distributed to their sub-indices, are as below;

- | | |
|--|------|
| • Consumer | :20% |
| • Real sector (manufacturing industry) | :40% |
| • Services | :30% |
| • Retail trade | : 5% |
| • Construction | : 5% |

Turkish Statistical Institute has began to release economic confidence index since January 2015 and continues to release at the end of every month as a serial starting from January 2007.

Reasons of the Major Revision

The major revision realized in the sub indices of the sectoral confidence indices due to the changes in the method by which the enterprises within the scope of the surveys are determined for Business Tendency Surveys and in the weighting of data caused a major revision in the economic confidence index.

Retrospective Calculation of the Economic Confidence Index

Economic confidence index is calculated with the sub-indices series of seasonally adjusted consumer confidence index, services, retail trade and construction sectors confidence indices released by TurkStat and the sub-indices series of seasonally adjusted real sector confidence index released by CBRT.

Economic confidence index is calculated full-compatible with the Joint Harmonized EU Programme of Business and Consumer Surveys since it's first release. There are no difference at the calculation and weighting method of the index. The same calculation method and same weights are used at the calculation of revised economic confidence index series.

The reason for the difference in the economic confidence index is the using in the calculation of economic confidence index of seasonally adjusted eight sub indices changing within the scope of the major revision realized in sectoral confidence indices.

Length of the Major Revision

The revision process begins at January 2007 up to December 2020.

Depth of the Major Revision

The revision process is made for sub indices of the Sectoral Confidence Indices, which are the sub index of Economic Confidence Index.

Effects of the Major and Routine Revisions

Table 1 and Graphic 1 displaying the effects of the major and routine revisions of economic confidence index serial are below.

Considering Table 1, new economic confidence index serial has 1.45% average absolute revision compared to the old serial. Graphic 1 shows the differences between two series.

Table 1. Economic Confidence Index Major and Routine Revisions Effects

Year	Month	Old serial	New serial	Absolute revision (%)	Year	Month	Old serial	New serial	Absolute revision (%)
2007	January	111.2	111.0	0.19	2014	January	102.0	102.7	0.66
2007	February	108.3	108.2	0.02	2014	February	100.9	101.9	0.97
2007	March	108.4	108.3	0.10	2014	March	102.5	103.1	0.61
2007	April	109.9	109.7	0.16	2014	April	104.5	105.6	1.08
2007	May	104.2	104.5	0.37	2014	May	104.5	105.7	1.16
2007	June	108.1	108.5	0.36	2014	June	103.8	104.7	0.88
2007	July	109.0	109.1	0.08	2014	July	102.4	103.2	0.78
2007	August	111.9	112.1	0.16	2014	August	102.9	103.8	0.90
2007	September	110.9	111.1	0.18	2014	September	104.9	105.2	0.25
2007	October	107.5	107.5	0.05	2014	October	105.3	105.9	0.56
2007	November	106.7	106.7	0.05	2014	November	101.8	103.1	1.30
2007	December	108.0	108.0	0.03	2014	December	102.6	103.5	0.89
2008	January	104.8	104.9	0.09	2015	January	102.8	103.9	1.05
2008	February	101.7	101.7	0.06	2015	February	102.7	103.6	0.83
2008	March	98.0	98.2	0.17	2015	March	99.8	100.3	0.51
2008	April	92.3	92.6	0.33	2015	April	101.4	102.3	0.92
2008	May	90.5	90.9	0.43	2015	May	101.6	102.4	0.77
2008	June	90.1	90.6	0.49	2015	June	100.7	101.5	0.77
2008	July	89.2	89.7	0.58	2015	July	100.8	100.9	0.18
2008	August	92.0	92.4	0.45	2015	August	100.0	100.7	0.68
2008	September	87.3	87.9	0.70	2015	September	96.5	97.3	0.78
2008	October	73.5	74.8	1.81	2015	October	99.2	100.0	0.78
2008	November	60.4	62.1	2.61	2015	November	104.7	105.3	0.56
2008	December	62.0	63.6	2.53	2015	December	104.0	104.8	0.77
2009	January	63.0	64.6	2.47	2016	January	100.8	103.7	2.81
2009	February	66.0	67.6	2.29	2016	February	97.8	101.3	3.50
2009	March	68.4	69.4	1.49	2016	March	99.7	101.7	1.97
2009	April	82.1	83.0	1.03	2016	April	98.4	101.2	2.70
2009	May	91.9	92.3	0.49	2016	May	100.2	101.8	1.51
2009	June	94.2	94.5	0.30	2016	June	100.5	101.6	1.09
2009	July	95.5	96.0	0.51	2016	July	103.0	102.0	0.93
2009	August	95.3	95.9	0.64	2016	August	98.2	100.5	2.27
2009	September	94.5	94.9	0.44	2016	September	102.6	103.7	1.07
2009	October	93.9	94.6	0.75	2016	October	101.1	102.9	1.71
2009	November	93.4	94.1	0.70	2016	November	102.1	103.0	0.86
2009	December	94.3	94.9	0.59	2016	December	97.4	99.8	2.36
2010	January	98.9	99.2	0.32	2017	January	94.0	97.7	3.76
2010	February	98.2	98.3	0.12	2017	February	98.9	101.0	2.12
2010	March	102.5	102.7	0.19	2017	March	101.8	103.1	1.26
2010	April	106.2	106.2	0.02	2017	April	103.2	103.7	0.45

2010	May	103.7	103.9	0.27	2017	May	104.1	104.8	0.66
2010	June	104.1	104.5	0.40	2017	June	103.8	105.2	1.26
2010	July	104.6	104.9	0.25	2017	July	106.4	106.0	0.40
2010	August	106.1	106.3	0.23	2017	August	108.7	107.6	0.95
2010	September	108.4	108.7	0.33	2017	September	107.4	107.3	0.08
2010	October	107.1	107.2	0.13	2017	October	106.2	106.9	0.65
2010	November	109.2	109.5	0.24	2017	November	103.5	104.5	0.90
2010	December	109.6	109.8	0.16	2017	December	101.7	103.6	1.82
2011	January	114.0	112.2	1.59	2018	January	107.4	107.2	0.24
2011	February	112.1	110.7	1.32	2018	February	106.7	106.6	0.11
2011	March	111.6	110.1	1.34	2018	March	104.5	104.7	0.18
2011	April	111.2	110.3	0.82	2018	April	102.5	103.0	0.47
2011	May	111.5	110.8	0.63	2018	May	99.7	101.7	2.00
2011	June	112.2	111.5	0.63	2018	June	97.2	99.3	2.14
2011	July	111.2	110.6	0.56	2018	July	97.7	99.5	1.86
2011	August	108.6	108.3	0.28	2018	August	91.9	94.2	2.42
2011	September	111.2	110.9	0.30	2018	September	83.1	86.9	4.41
2011	October	106.8	106.8	0.01	2018	October	80.4	85.3	5.73
2011	November	107.7	107.2	0.48	2018	November	85.5	89.6	4.51
2011	December	107.3	107.0	0.32	2018	December	86.7	90.4	4.12
2012	January	105.5	105.4	0.08	2019	January	84.1	88.7	5.09
2012	February	107.0	107.1	0.02	2019	February	84.4	88.7	4.79
2012	March	107.0	107.2	0.16	2019	March	87.0	91.3	4.65
2012	April	105.4	105.6	0.24	2019	April	88.7	92.6	4.25
2012	May	106.2	106.4	0.20	2019	May	82.6	87.7	5.82
2012	June	104.4	104.4	0.05	2019	June	88.4	92.4	4.32
2012	July	106.8	106.1	0.65	2019	July	85.7	90.1	4.81
2012	August	104.6	104.4	0.20	2019	August	90.9	93.7	2.95
2012	September	103.9	104.2	0.25	2019	September	90.1	92.8	2.94
2012	October	102.5	102.7	0.25	2019	October	93.6	96.1	2.57
2012	November	103.8	104.3	0.47	2019	November	95.0	96.9	1.95
2012	December	102.7	103.1	0.47	2019	December	97.2	99.2	1.96
2013	January	103.9	104.3	0.44	2020	January	98.3	99.3	1.03
2013	February	105.6	105.8	0.19	2020	February	98.3	98.4	0.14
2013	March	106.6	106.8	0.19	2020	March	93.1	94.8	1.78
2013	April	105.6	105.7	0.08	2020	April	52.4	58.4	10.34
2013	May	107.0	107.1	0.10	2020	May	62.7	69.0	9.13
2013	June	107.1	107.5	0.40	2020	June	73.5	81.2	9.44
2013	July	106.0	106.4	0.36	2020	July	83.1	90.1	7.84
2013	August	106.5	106.9	0.39	2020	August	85.9	92.3	6.96
2013	September	105.0	105.3	0.34	2020	September	88.5	94.3	6.09
2013	October	106.8	106.9	0.08	2020	October	92.8	97.2	4.52
2013	November	107.2	107.0	0.18	2020	November	89.5	95.9	6.65
2013	December	105.2	105.1	0.07	2020	December	86.4	94.7	8.77
Average absolute revision (%)									1.45

Graphic 1. Economic Confidence Index Major and Routine Revisions Effects

