

STATE ECONOMIC ENTERPRISES AND INFLATION IN TURKEY

Prof. Dr. Mustafa A. AYSAN
İstanbul Üniversitesi
İşletme Fakültesi

Türk ekonomisinde büyük önemleri olan İktisadi Devlet Teşekküllerinin, son yıllardaki geniş boyutlu finansman açıkları, ülkede yaşanan yüksek enflasyonun temel nedenlerinden biri olmuştur. Bu incelemede İDT açıklarının temel nedenleri belirtilmekte ve bu alanda alınması gereken önlemlere yer verilmektedir.

Huge deficits of State Economic Enterprises have been one of the major reasons for the current high inflationary conditions we live in. In this article, the causes for SEE's deficits and some recommendations for solving several SEE's problems are presented.

INTRODUCTION

It has been the contention of many observers that the State Economic Enterprises (the SEE's) have been one of the major causes of inflation in Turkey. The contenders range from politicians and casual observers to serious researchers and students of economic development and of management science. Rapidly accumulating losses and current funds deficits and the methods of financing such deficits of the SEE's during the last 10 years seem to support such contentions. In fact, the consolidated current deficits of 30 operating SEE's for 1979 reached to TL 181 billion and were financed mainly through contributions from the Treasury and The Central Bank. The latter two sources represented about 80 % of total funds requirements of 1979.

The purpose of this presentation is 1) to review the performance of the operating SEE's for the last 10 years, 2) to indicate if there is a causal relationship between the SEE deficits and the galloping Turkish inflation of the late 70's, and 3) to try to find out if there are

ways of improving the performance of the operating SEE's for purposes of reducing inflationary pressures created by the SEE's and consequently for purposes of reducing the over-all rate of inflation in Turkey in the 80's.

The present analysis is based on the official figures published by the Turkish Ministry of Finance. Methods of consolidation are those, utilized by the Ministry. Other sources supporting the basic information are presented in the bibliography. Figures given in several official sources have differences that do not completely agree in the exact accounting sense, but getting into details of these differences would not serve the purposes of this analysis. Hence, Ministry of Finance figures were used to eliminate such technical discussions.

The topic at hand, should not be considered an easy task to be settled with a single paper, and needs much research in the Future. The present effort should be taken as a limited one in suggesting approaches for future research.

In order to serve the above-mentioned objectives, the performance of the SEE's (as measured by consolidated funds-flows) will be reviewed, relationships of the performance with inflation rates will be analyzed and some recommendations will be suggested in the following paragraphs.

THE PERFORMANCE OF STATE ECONOMIC ENTERPRISES IN TURKEY DURING THE LAST DECADE

The performance of the SEE's over the last decade has been one of deterioration, gradually in the earlier periods and faster towards the end. Performance in this context is measured by consolidated profits of operating SEE's (as opposed to financial SEE's) and funds created for investments. Current operating profits of operating and financial SEE's are presented in Exhibit 1. Funds created by the operating SEE's for investments are presented in Exhibit 2. As presented in the Exhibits, consolidated profitability of the operating SEE's has deteriorated from gross profits of 448 million/TL. in 1966 to a

net loss of 13,2 TL. billions 1973 ⁽¹⁾. Although these figures were reported and summarized in Exhibit I of this paper, the operating deficits were far greater in the last few years, taking into consideration government subsidies reported in revenues in current periods.

Following gives a more realistic view of the operating deficits of the SEE's as consolidated by the Ministry of Finance and reported in the OECD Economic Survey ⁽²⁾ on Turkey.

State Economic Enterprises: Profit and Loss Account.

TL. Billions

<u>Total Expenditures:</u>	<u>1977</u>	<u>1978</u>	<u>1979 (est.)</u>	<u>1980 Prog.</u>
Wages and Salaries	61,3	102,9	153,5	235,3
Purchases of Goods and Services	133,8	201,7	414,6	935,6
Depreciation	12,0	20,1	15,4	20,3
Other Provisions	1,8	3,8	2,2	5,6
Total	208,9	328,4	585,7	1196,8
Total Income:				
Sales Revenue	155,9	256,2	501,2	1222,9
Increase in Stocks	16,8	20,2	24,5	36,5
Total	172,7	276,4	525,7	1259,4
Gross profit (or loss)	-36,2	-52,1	-60,0	+62,6

The judgment of the OECD report on the Turkish SEE's are as follows:

«The State Economic Enterprises are an important segment of nonagricultural production in Turkey. Apart from public utilities,

(1) Figures from 1970 are presented in Exhibit 2, Older figures are taken from the author's previous research on the SEE's. Please refer to *İktisadi Devlet Teşekküllerinin Yeniden Düzenlenmesi* in Turkish, Faculty of Business Journal, Vol. 7, 2. In English, *On Measuring Performance in Government Enterprises*, in Author's Book *Türkiye'de Devlet İşletmeciliği*, FBA, 1974.

(2) *Turkey*, OECD Economic Surveys, April 1980, p.19.

and transport and communications, these enterprises provide some 40 percent of value added and of employment in industry. The State has forced their expansion notably in mining and modern high technology industries, with the result that the number of employed has practically doubled since 1970 to more than 700.000. During the 1979 recession, employment in these enterprises rose by 11 percent overall and by 17 percent in respect of technical and office staff. Not all State enterprises are regularly in deficit; however, the number of enterprises tuning up negative results in their balance sheets as well as the size of the individual losses have been increasing in recent years. The combined operating deficit of the SEE's rose from 52 billion TL. in 1978 to TL. 60 billion in 1979. But their financial needs were far greater because of large investment programmes. In 1977, they were given TL. 34 billion in the form of subsidies from the public budget. Credit from the Central Bank (either directly or indirectly via the State Investment Bank) amounted to a further TL. 34 billion. Requirements for budget transfers and loans rose to TL. 98 billion in 1978 and to TL. 181 billion in 1979.»

«These persistently high claims of the SEE's on the resources of the economy have now reached an unsustainable level. The main reasons for this state of affairs must be sought in the organization of these enterprises, which were centrally directed and whose investment and employment policies followed social objectives rather than the exigencies of the market place. In return, they were able to recover their losses by receiving government subsidies and cheap official loans. This, evidently, has had the side effect of reducing incentives to follow sound management practices.»

«In 1979, the authorities made an attempt at creating greater efficiency in the running of these enterprises through making managers answerable for uneconomic performance and by paying a productivity bonus to all staff. But this innovation did not materially change the centralized approach for managing these enterprises.»

And it should be added that on January 24, 1980 sweeping price increases were made for products of SEE's by the previous government with the announcement that the financing requirements of SEE's would go up to TL 350 billion in 1980 without these price increases. The following list should give an idea about the desperate state of affairs at the end of 1979:

Average percentage increase in the prices of goods and services produced by the SEE's (Jan. 1980)

<u>Commodity</u>	<u>Average Increase in price (%)</u>
Fuel Oil	100
Diesel Oil	120
Gasoline	45
LPG	60
Coal	100
Lignite	100
Electricity	120
Fertilizer	400
Steel	75
Sugar	80
Cement	55
Paper	300
Railways	100
Maritime transport	100
Cigarette and beverages	55
PTT services	75
Textiles	100

The translation of these price increases into the official price indices, caused the whole-sale general index to increase by 39,6 per cent in February 1980!

The above high rates of price increases were the result of holding official SEE prices fixed during the high inflation of the previous few years in spite of the fact that the rapidly deteriorating financial conditions of the SEE's had passed the boundries of reason:

Financing of the SEE's during 1977-1980 TL Billions

	<u>1977</u>	<u>1978</u>	<u>1979 (est)</u>	<u>1980 Prog.</u>
Fixed Investment	46,1	60,4	98,0	168,5
Stock Changes	16,8	20,2	24,5	36,5
Total	<u>62,9</u>	<u>80,0</u>	<u>122,5</u>	<u>205,0</u>

Resources :				
Gross profit (or Loss)	— 36,2	— 52,0	— 60,0	62,6
Taxes	— 1,6	— 1,8	— 3,8	— 35,7
Depreciation	12,0	20,1	15,4	20,3
Accounts receivable, net	2,1	2,5	— 10,6	— 20,0
Other, net	15,6	14,3	0,6	— 19,4
	<hr/>	<hr/>	<hr/>	<hr/>
Total	— 8,1	— 16,9	— 58,4	7,8
Budget transfers	31,7	40,0	79,7	101,0
Petroleum fund	1,9	3,8	7,0	10,0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Resources	25,5	26,9	28,3	118,8
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deficit	— 37,4	— 53,7	— 94,2	— 86,2
	<hr/>	<hr/>	<hr/>	<hr/>
Financed by :				
Central Bank	23,2	19,0	51,0	30,6
State Investment Bank	10,3	9,1	14,1	20,0
Foreign Borrowing, net	3,9	25,6	29,1	35,6

Source: OECD, Turkey, April 1980

More details on how the distortion developed during the last decade are given in Exhibit 2. of this paper.

Reviewing the above figures, the OECD report gives its verdict:

«Large persistent deficits of the public sector, financed through monetary expansion, have been a main force behind inflation. In 1977, Central Bank loans rose by TL. 79 billion (to TL 189,7 billion) 72 per cent. In 1978 when firm credit ceilings were established, Central Bank credit expansion compared to the previous year was cut by one third to TL. 52 billion. The moderation lasted until July 1979; before this date, Central Bank credit rose only at an annual rate of some 30 percent, which was considerably below the inflation rate. However, from about the middle of 1979 onwards, considerably higher support prices paid to farmers and increased financing requirements of the Treasury and of the State Enterprises caused a sharp acceleration of the 12-month rate of increase in Central Bank credit to 53 percent by the end of the year.»

The present author has the same view on the inflationary impact of SEE financing in Turkey. I would like to further contend that the recent hiper inflation in the country is, to a great extent, the result of policy mistakes of recent governments with respect to pricing and financing policies imposed on the SEE's.

INFLATION AND THE SEE'S

The above pricing and financing policies have contributed in a major way to inflation in Turkey. Infact close correlations between the volume of SEE deficits and the rates of inflation as measured by the cost of living indices can be established. I have refrained from such analysis here since cause-and-effect relationships in this area are not very clear. However, the following analysis can give some idea about the extent to which the inflation of the last few years had been affected by the deficit financing caused by the SEE's.

Inflationary Sources Utilized for Meeting the SEE Deficits (TL. Billions)

	1977	1978	1979 (est.)	1980 prog.)
Total SEE Deficits (from p. 42)	— 37,4	— 53,7	— 94,2	— 86,2
Compared with:				
Budget transfers	31,7	40,0	79,7	101,0
Central Bank:				
Direct financing	23,2	19,0	51,0	30,6
Petroleum Fund	1,9	3,8	7,0	10,0
Total Central Bank	25,1	22,8	58,0	40,6
Total Inflationary Financing	56,8	62,8	137,7	141,6

Inflationary Sources of Financing Used by the SEE's (TL billions)

	1977	1978	1979 (est.)	1980 prog
Investments (Fixed + Inv.)	— 62,9	— 80,0	—122,5	—205,0
Operating deficits	— 37,4	— 53,7	— 94,2	— 86,2
Total fund needs	—100,3	—133,7	—216,7	—291,2

Inflationary Sources:

Budget transfers	31,7	40,0	79,7	101,0
Central Bank ⁽¹⁾	25,1	22,8	58,0	40,6
Total Inflationary Sources	56,8	62,8	137,7	141,6

Ratios:

Inflationary Sources/ Total needs (%)	57	47	64	49
Budget Revenues (billions TL)	200	326	556	739
Inf. Sources/Budget Rev (%)	28	19	25	19
Budget Deficit (billions TL)	40	26	62	—
Government Bonds (billions TL)	16	17	31	45
Total deficit + bonds	56	43	93	45
Inf.Sources/Budget Deficit (%)	142	242	222	—
Inf.Sources/Total Def + Bonds (%)	101	146	148	315

Sources: 1. OECD - Turkey, April 1980

2. Türkiye'nin Ekonomik Göstergeleri, 1975-79 İş Bankası

3. 1980 Mali Yılı Bütçe Gerekçesi T.C. Maliye Bakanlığı

The above comparisons indicate clearly the volume of the drain on the National Budget resulting from financing SEE deficits. Total inflationary financing (consisting of budget transfers and Central Bank financing) has reached to 19-28 percent of total budget revenues. Without the huge amounts provided the SEE's during the last 3 years, the national budgets would have given surpluses, since deficit financing of the SEE's far exceeded the national budget deficits by 42 percent in 1977, 142 percent in 1978 and 122 percent in 1979. 1980 projections are not reliable estimates since conditions have changed considerably since the official budget estimates were made.

Such were the adverse results of SEE deficits and I would like to say that the major cause of the galloping inflation of the late 70's

(1) Includes financing from the «Petroleum fund».

was the huge deficits of the SEE's. Before this is corrected, no antiinflationary measure can stop this senseless inflation.

THE CAUSES OF LARGE SEE DEFICITS IN TURKEY

At this point one should search into the causes of large SEE deficits and try to formulate some policy recommendations for eliminating these causes of large SEE deficits.

The major reason for large SEE deficits seems to be the interference of governments to policy formulation in the SEE's. Previous research indicates that, until the Jan. 24, 1980 decisions of the previous government, all policies related to Sale and Pricing, investment, Personnel, Industrial Relations, Finance and Production were determined by the governments rather than the Boards of Directors of the SEE's⁽¹⁾. The so-called legal «independence» of the SEE managements were only left in wording of the Law No: 440. The «related Ministries» were in fact taking the SEE managements into their own bureaucracies, turning many SEE's into almost sections of the Central Government ministries.

Following is a summary of problems resulting from the above treatment of the SEE's by all of the governments of the last decade:

1 — Complexity of the legal frame work:

Many forms of government enterprise have developed through the years. Some are single-shared limited liability companies, some are organized as corporations (joint-stock companies) in the Commercial Code meaning of the word. Some are established by an Act of the Parliament; some are not. Some are subject to the basic Law No. 440 and some are not. Some function as agents providing a public service and some are industrial-commercial type organizations with profit-seeking goals.

2 — Lack of managerial independence of the Board of Directors and General Management of the SEE's

Law No. 440 has ruled that almost all SEE's should be managed by a Board consisting mostly of full-time civil servants, chaired by

(1) The reader is referred to previous research by the same author on the topic: «İktisadi Devlet Teşekküllerinin Yeniden Düzenlenmesi» op cit. gives extensive bibliography on the extensive reorganization efforts on the SEE's during the previous two decades.

the General Manager and governed by him and his two assistant general managers. As a result of the ruling, one of the major functions of the Boards in large organizations, (controlling and directing the management team working under the guidance of the Board independent of the management) could not be developed.

3 — Lack of flexibility in formulating policy on the managerial level

The general managers and their teams have lost all flexibility in formulating policy in all major areas. Either the Council of Ministers (the cabinet) or the «related Ministry» made such decisions, and many times, with little or no information about the detailed operations of the enterprise.

4 — Lack of a wage and salary administration scheme in line with the requirements of the market place.

Many of the managers are paid in accordance with the basic salary scale of civil servant of the central government, and are subject to Law No: 657, the basic civil servant salary code. Managers of some corporations with majority or minority government shares are not subject to this basic code but this creates a double-standard for managers of the SEE's. All managers salary schemes do not provide additional benefits for those managers achieving cost savings and/or increases in profits.

5 — Manipulating the SEE's for absorbing some of the unemployment in the country.

Interference of the governments and (politicians in general) in the SEE's are greatest in this area. And since the SEE's whose managers are subject to Law No. 657 can not easily be discharged for lack of performance as they are civil servants and since workers can not be layed-off because of union contracts, change of governments only add, rather than exchange personnel. The result is that some SEE's have accumulated personnel in the amount of three times the needs. Furthermore, no flexibility exists for regulating the labor force according to intensity of production.

6 — Lack of market-oriented financing policies.

Through the years, some special and easy means of financing are provided to the SEE's with the result of closing the enterprises to capital markets within the country and preventing them from borrowing directly from the international money and capital markets. Central Bank either directly or via the State investment Bank is one easy and dangerous source. A major source for the State investment Bank is borrowing from the Social Security organizations, mostly with lower than current interest rates. The government budget is another major source, as indicated previously, SEE's can also borrow from other government banks at market rates or below.

As a result of such financing policies, these large and reputable organizations can not go directly to Turkish or foreign money and capital markets for financing.

SOME RECOMMENDATIONS

With the above problems, one should not be surprised at the outcome of large deficits of the last decade. However, there seems little possibility to eliminate the above problems without basically changing the basic approach of governments towards the SEE's. The following recommendations are presented for discussion.

1. SEE's must be reclassified for purposes of differentiating between those providing a «social service» and those functioning as industrial-commercial type, profit seeking organizations. SEE's like the Postal Service (PTT), Railroads, Soil Products, Meat and Fish etc, can be preserved in the present status and be subject to Law no. 440 and 468.

Others like Sümerbank, Etibank, Azot (the fertilizer company), sugar, Petroleum (T.P.A.O and Petrol Ofisi), Cement, etc. should be organized as holding companies managing a group of subsidiary corporations. These should be made completely independent of the governments, with about 40-60 percent of shares sold to the public at large.

2. The industrial-commercial type corporations can be «related» to a single ministry of «State Participations» This single ministry can function as a liason between the holding companies and governments and be responsible for translating government policy into the holding companies and their subsidiaries. Any undue interference of the Ministry in the policies of the companies should be reported in the annual reports. (This was tried in Turkey 3 times in the last 30 years, but failed!)

3. The Audit Board should be tied to this single ministry of participations. In fact the auditing code of the SEE's, Law No. 468 should be changed in a major way, to develop this effort into a disclosure and auditing code for the corporations in general. Detail of these major changes, should be the subject of future research.

4. All budget subsidies and Central Bank financing should be eliminated. The corporations should be directed to provide for their own financing in the Turkish and Foreign financial markets.

5. Managerial and other personnel should be set free of limitations of the Law no, 657 and be left to market forces. Wage and Salary administration in the corporations should provide for incentives for those affecting cost savings and/or increased profits.

6. All interference from governments and/or politicians should be prohibited by law. The only political influence should be channeled through the «Ministry of State Participations»

The above recommendations may seem to be too strong and difficult to implement. However, the inflationary impact of SEE deficits indicated above, should provide the reason for some drastic changes in the system. In fact the founder of the system of SEE's during the 1930's did not have the intention of perpetuating inflationary pressures quite to the contrary SEE's were thought as agents of balanced economic development and as long as they were used with the original principles, no major inflationary period developed. If we believe that this senseless inflation must be eliminated, we should do something to improve the performance in the SEE's. The above ideas on recommendations should not be construed as cure-all recepies, but rather as bases for discussions to develop, perhaps, much better ones.

Exhibit I State Economic Enterprises
Own resources available for meeting investment expenditures
TL, millions

	1971	1972	1973	1974	1975	1976	1977	1978	1979
Sümerbank	-4	-845	—	+32	-46	+6	-12	+599	-781
Etişbank	+210	+61	+304	-256	-1,567	-1,418	-1,652	-375	-5,649
Coalmines	-336	+185	-657	-1,137	-2,074	-3,442	-3,077	-7,489	-12,823
Iron and steel	+366	-366	-142	-1,143	-309	-884	+403	-4,620	-2,139
Cement	-102	-183	-75	-65	-17	-178	+321	-472	-513
Azote Company	-267	-261	-113	-240	+59	+212	-167	-1,179	-1,369
Chemicals	-115	-239	+50	-117	—	+6	-11	-67	-2,439
Paper	-54	-41	-17	-173	+83	-772	-946	+629	-5,397
Petroleum	+573	+463	-31	+614	+1,698	+1,876	+3,355	+666	-11,230
Sugar	+74	+63	+114	-986	+205	+479	-1,547	-1,557	-8,232
Turkish Airlines	-33	+2	+148	-188	+31	-275	-258	-21	-260
Maritime Bank	-271	+239	-192	-115	-490	+1,061	-1,699	-1,081	-3,088
Sea transport	-68	+15	-66	-48	+54	-363	-12	-518	-2,095
Railways	-338	-1,582	-623	-1,241	-1,344	-1,395	-1,410	-3,212	-12,334

I Net result of financial transactions by individual SEEs, including short and mediumterm borrowing and debt repayments, but excluding transfers from the public budget, loans by the State Investment Bank and foreign project credit.

	1971	1972	1973	1974	1975	1976	1977	1978	1979
PIT	+44	+151	+292	+280	-527	-761	-1,139	+1,191	-2,443
Soil Products Office	+7	-36	+14	+21	+37	+106	+659	+805	-5,415
Meat and fish	-3	+10	-168	-72	-88	-614	-268	-254	+650
Petrol Office	-29	-391	-151	-251	-113	-352	-852	-84	-1,160
Agricultural equipment	+6	+10	-23	-992	+97	-3,890	-1,526	-2,082	-23,420
Milk industry	-28	-88	-46	+5	-16	+45	+215	-146	-93
Tourism Bank	-11	-270	-88	+10	-40	+166	-254	-156	-451
Radio Television	-15	+46	+27	-178	+313	+233	+30	+39	-35
Petro-chemicals	+151	+129	+79	+130	+120	-352	+246	+1,417	+1,486
Others	+402	+793	-241	+173	-550	-921	-1,783	+2,596	+1,542
Total of productive SEEs	-337	-1,528	-1,605	-5,351	-4,484	-11,877	-16,384	-15,301	-98,638
Provincial Bank	+135	+50	+106	+516	-	-	-	-	-
Agricultural Bank	+6	+47	+86	+34	+60	+53	+109	+37	+70
Real Estate Bank	-7	+5	-13	+10	+4	-176	-38	-49	-9
Religious Foundations Bank	-	-	-29	-	-	-	-	-	-
Social Security Fund	+102	+97	+85	+59	+126	+77	+57	+113	+294
Pension Fund	+19	+27	+46	+22	+54	+70	+139	+181	+74
State Investment Bank	+5	+6	-	-	-	-	-	-	-
Others	-15	-16	+6	-2	-69	-270	-134	-71	-417
Total of financial SEEs	+294	+665	+297	+239	+175	-244	+133	+211	+12
Overall total	-43	-882	-1,318	-5,212	-4,309	-12,121	-16,251	-15,090	-98,676

Source: Ministry of Finance

Turkey, OECD Economic Surveys, April, 1980.

Exhibit 2 Financing of the operational SEEs
TL millions at current prices

	1970	1971	1972	1973	1974	1975	1975	1977	1978	1979
1 Current gross profits before tax	-617	312	1,451	361	838	-2,250	-6,703	-8,362	-13,233	-1,637
2 Other financial resources	10,013	16,316	14,431	13,919	34,569	41,366	50,056	30,993	164,543	127,895
3 Depreciation	1,456	1,802	2,454	4,743	4,240	4,592	6,224	12,007	20,139	15,343
4 Accounts receivable	1,025	780	1,917	747	656	3,965	772	3,534	8,685	26,687
5 Decrease in stocks	138	148	371	1,166	1,142	1,109	—	139	3,540	646
6 Short-term borrowing	8,151	5,284	6,965	5,770	14,034	21,275	24,103	31,333	97,516	26,357
7 Decrease in cash	395	177	616	659	498	419	157	1,690	1,500	1,474
8 Other resources	3,343	8,125	2,108	5,834	14,994	10,006	13,300	27,190	33,168	57,383
9 Total resources (1+2)	9,396	17,128	15,882	19,180	35,407	39,116	43,358	72,136	151,315	126,258
10 Payments	10,502	17,465	17,409	20,881	40,531	43,760	55,801	34,700	177,602	183,521
11 Direct taxes	354	242	576	684	618	1,649	1,901	2,330	1,847	3,915
12 Payments to State Investment Bank	1,007	1,633	2,043	1,464	1,800	1,753	1,933	7,213	34,469	9,436
13 Repayments to foreign exchange equalisation fund	—	—	—	—	—	—	—	—	—	—
14 External debts	297	843	545	769	1,200	—	—	—	4,657	4,902

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
15 Consolidated debts	89	—	—	—	—	8,147	4,620	8,874	—	—
16 Increase in cash	491	1,319	1,059	802	1,589	2,026	2,830	2,682	473	1,593
17 Increase in stocks	1,593	3,845	2,066	2,879	10,281	13,143	15,072	16,984	23,672	—
18 Other payments	4,766	8,096	5,631	10,920	20,160	17,479	30,249	46,469	110,325	164,895
19 Short-term debt payments	1,895	2,482	5,489	3,542	5,711	—	—	—	—	—
20 Net resources available (9-10)	-1,106	-337	-1,527	-1,605	-5,214	-4,644	-12,448	-12,564	-26,287	-57,268
21 Requirements for investment	5,661	6,659	9,981	12,569	17,112	26,909	35,238	45,750	59,972	97,384
22 Overall financial requirements	6,767	6,996	11,508	14,174	22,626	30,553	47,786	58,314	88,259	154,647
Financed by:										
23 Credits from State Investment Bank	2,541	1,402	2,205	4,574	5,670	6,968	11,741	10,278	9,139	13,790
24 Contribution from general budget	1,619	3,528	6,699	6,059	7,176	10,346	16,226	27,828	39,536	78,687
25 Central Bank loans	—	—	—	—	6,073	6,255	9,421	9,240	6,991	35,000
26 Direct project financing from abroad	2,607	2,066	2,604	3,541	2,088	1,430	3,811	6,732	14,139	23,171
27 Other borrowing	—	—	—	—	1,319	5,554	6,587	5,236	16,465	3,999

Source: Ministry of Finance.

Turkey, OECD Economic Surveys, April, 1980.