

Re-elections in Turkey – Limited impact on ratings, Attention to be paid on the new government's policy

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the re-elections in the Republic of Turkey.

- (1) At the November 1st re-elections, the Justice and Development Party (AKP) is reported to have gained majority seats in the Parliament. Accordingly, a single-party government by the AKP is expected to be installed again.
- (2) Amid the difficult external economic environment, a relief of political uncertainty may be viewed positive for Turkey that is heavily reliant on the international financial markets. That said, it will remain the same that Turkey will, in the medium-term, still need to enhance the political and social stability by addressing the domestic ethnic tensions and to proactively pursue macroeconomic rebalancing and bold structural reforms. JCR will watch how the new AKP government will, in its four-year term, increase the political and social stability and undertake economic policies.

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<Reference>

Issuer: Republic of Turkey

Foreign Currency Long-term Issuer Rating: BBB- Outlook: Stable

Local Currency Long-term Issuer Rating: BBB- Outlook: Stable

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