

# MONTHLY BRIEF



APRIL  
2019



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## ABOUT **DEİK**

Upon its establishment in 1986, the Foreign Economic Relations Board of Turkey (DEİK) was assigned with the following tasks: to organize and manage the foreign economic relations of the Turkish private sector, in particular with respect to foreign trade, international investments, services, contracting and logistics; to analyze investment opportunities at home and abroad; to help boost the country's exports, and to coordinate similar business development activities. DEİK operates through its Business Councils.

## ABOUT **TAİK**

The Turkey-U.S. Business Council (TAİK) is Turkey's oldest business council. Established in 1985, TAİK's mission is to enhance trade and investment relations between Turkey and the United States. TAİK operates under the umbrella of the Foreign Economic Relations Board of Turkey (DEİK). TAİK has a clear mission: to bolster trade and economic relations between Turkey and the United States. TAİK works with American and Turkish companies to bolster their strategic partnerships, and to promote Turkey's strengths as a destination for American investment.



## TURKISH, AMERICAN BUSINESS CIRCLES MET IN WASHINGTON

***Turkish and American business circles gathered in Washington on April 14-16, 2019. The 37<sup>th</sup> Annual Conference on U.S.-Turkey Relations' theme was "Back to Business: Maintaining Partnership in Difficult Times."***

The three-day event, organized by the Turkey-U.S. Business Council (TALK) and American-Turkish Council (ATC), discussed ways to reach the \$75 billion bilateral trade target set by the Presidents of both countries. The conference speakers from Turkey included Minister of Treasury and Finance Berat Albayrak, Minister of Trade Ruhsar Pekcan, Minister of National Defense Hulusi Akar and Deputy Minister of Energy and Natural Resources Alparslan Bayraktar. From the U.S. side, Senior Advisor to the President Jared Kushner, Commerce Secretary Wilbur Ross, National Security Advisor John Bolton, Chairman of the Joint Chiefs of Staff Gen. Joseph F. Dunford and Deputy Secretary of Energy Dan Brouillette attended.

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## TURKISH ECONOMY TO RECOVER FROM RECESSION IN 2020: IMF

***There will be negative growth in Turkey this year but the International Monetary Fund (IMF) are expecting a recovery in 2020 and in fact this recovery is an important part of the element that goes toward the whole global recovery, Gita Gopinath, IMF chief economist, has said.***

In the IMF World Economic Outlook report, released on April 9, it forecasts that Turkey's economy will contract by 2.5 percent this year before growing at the same rate next year. "We have no reason to think that Turkey is even contemplating coming to the IMF so that's where we are at this point," she added.

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## TURKEY'S BUSINESSPEOPLE EXPECT ECONOMIC REFORMS

***Representatives from Turkey's business circle on April 5 voiced their expectations for structural reform in the economic area for the upcoming 4.5-year period before the next elections.***

Nail Olpak, the chairman of the Foreign Economic Relations Board of Turkey (DEİK), stressed elections have kept Turkey's agenda engaged in recent years, hereupon Turkey should focus on development and reforms. "We will work to form a sustainable and balanced growth, durable economy by making more quality products... We expect that structural reforms will contribute to the economy," he noted.

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## TURKEY TO INJECT \$4.9 BILLION INTO STATE BANKS IN ECONOMY REFORM PACKAGE

*Turkey pledged in April to boost the capital level of banks and relieve bad debts in a sector left reeling by last year's currency crisis, as the country moved to revive an economy plagued by inflation and recession.*

Relief for banks is the first step in the government's long-awaited reform package, which also included promises to boost valuable export sectors and adjust taxes. The lira, which plunged nearly 30 percent last year and was volatile in recent weeks, softened as analysts weighed the benefits for banks against the risk of higher deficits and potential overreach by a government prone to stop-gap measures. Minister of Treasury and Finance Berat Albayrak said Turkey will deliver 28 billion lira (\$4.9 billion) to recapitalize state banks and that private banks could increase their capital if needed. Dividend and bonus payments would be limited as the economy rebalances, and some problem loans would be transferred to off balance sheet funds of local banks and international investors, according to Albayrak's presentation, which added that two funds focusing on energy and real estate would be created.

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## TURKEY'S ALBAYRAK, TRUMP DISCUSS RUSSIAN MISSILE DEFENSE ISSUE

*Turkish Minister of Treasury and Finance Berat Albayrak held talks with U.S. President Donald Trump on April 15.*

Mr. Albayrak said Trump took a "reasonable" stance regarding Turkey's planned purchase of a Russian air defense missile system. Ankara's plan to buy the S-400 system has fueled tensions between the NATO allies and Washington has said Ankara could face sanctions over the issue. Turkey's defense minister also called for issues to be resolved through dialogue.

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## TURKEY'S CONSUMER CONFIDENCE UP 6.9 PERCENT IN APRIL

*Turkish consumers' confidence in the economy rose by 6.9 percent in April, the Turkish Statistical Institute (TÜİK) announced on April 22.*

The consumer confidence index stood at 63.5 this month, up over four points compared to March. The index value is jointly calculated by the TÜİK and the Central Bank through measurement of consumer tendencies. In 2018, the index value hovered between 72.7 and 57.6 - the highest being in July and the lowest in October.

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## CITIZENS FAVOR FOREIGN INVESTMENT IN RENEWABLES, POLL SHOWS

*The majority of Turkish people want foreign investment in renewable energy resources, according to a survey conducted in April by E3G, an independent climate change think tank that aims to accelerate the global transition to a low-carbon economy.*

Renewable energy resources are seen as better investment options for 86 percent of Turkish citizens for long-term development, while 62 percent said renewables are better in decreasing water and air pollution, and 57 percent said renewables would mitigate climate change. Turkey's renewable capacity will increase by 14 gigawatts (GW) and reach 53 GW by the year 2023, an International Energy Agency (IEA) report on renewable energy revealed in October 2018. The IEA report forecasts a 5.1 GW rise in Turkish solar power capacity and a 4.4 GW jump in wind power. Turkey's hydroelectric power capacity, the report predicts, will also increase by 3.12 GW.

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## UPCOMING EVENTS

### FLORIDA-TURKEY BUSINESS CONNECTION: A NETWORKING DINNER, 20 May 2019



TAİK Florida is planning its first networking event in Miami: An unparalleled opportunity for Turkish and American businesspeople in Miami to network and enhance their cooperation!

[Please click here to register.](#)

### 10<sup>TH</sup> TURKEY INVESTMENT CONFERENCE, 25 September 2019



The 10<sup>th</sup> Turkey Investment Conference will be held on September 25th, 2019 in New York, NY.

Further details will be announced soon.



# REFERENCES

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