

TOBB President M. Rifat Hisarcıklıoğlu:

We must prepare the right ground for investment and production and employment increase



Turkey continued its growth in the first half of the year thanks to strong foreign interest and investment. However, soaring energy prices and recession in main export staples are applying further stress on current balance. Therefore, stability in the market prices, decrease in country risk premium, increase in reverse monetary stocks and currency reserves and decline in financial overheads shall affect positively the macro-economic and financial stability. This way, there shall be right ground for continuation of healthy and sustainable growth for investment, production and employment.

In the first half of the year, several steps across sizable areas have been taken from business and investment environment to rise in employment, business loans and savings management to personal retirement systems and taxation reforms. In summary, the decisions that have been made in these areas are as follows: new regulations have been actioned in order to incentivise export and increase employment by rectifying the business and investment environment. The corporation tax for businesses has been downgraded by a point. The stoppage tax for bonus pays of the businesses has been reduced to 10% from a previous 15%. Consensus for income tax stoppage exemption for technology innovation areas and R&D and design centres staff has been reached.

Steps that shall improve investment ground

Business loans are to be used in a selective approach that will help grow the country's economy. Loan Guarantee Fund Support Package for investment, export and company overheads worth 60 billion TL has been released. Turkish Lira Long-Term Loan Programme which aims to help exporters and tourism investors to use loans with a 9% interest-rate totalling 150 billion TL has been facilitated. Residential Heating Insulation Loan over a 60 months term and with a 0.99 interest rate which aims to help housing energy loss by a 45% has been acknowledged.

Some applications have been utilised to incentivise the investment of savings in Turkish Lira Commodities and to expand the investor base. Currency Protected Turkish

Lira Deposit and Registration Accounts application has helped the currency deposit accounts decline from 71% to 58% in total overall deposits. By utilising income-based domestic state borrowing bills, demand worth 6.6 billion TL has been collected from 83,816 people. A new mechanism called Gold Savings Ecosystem including all refineries that aims to monetise gold kept out of banks by the public has been actioned. The state support for personal retirement systems has been raised from 25% to 30%.

A strong approach behind Currency Protected Deposits Facilitation

Through tax reforms TL deposits and registration accounts have been incentivised. Stoppage discount for TL deposits and registration accounts has been prolonged until end of 2022. Corporation tax exemption has been facilitated for income made through investment funds listing TL investment tools in their portfolios. Zero stoppage incentive for currency protected time deposit and registration and gold-based deposit and registration accounts has been prolonged until end of 2022. Stoppage tax for state domestic borrowing bills has been declined to zero from 10%. Stoppage tax for legal persons and expats channelling their savings into transformative accounts through YUVAM Account incentive has been lifted. Tax exemption arrangements that incentivise to transform currencies and gold accounts under currency protected deposit account facility for income and corporation tax payers balances have been made. Taxation rate banks impose on holders for insurance and banking services of currency sales of

deposit and registration accounts end-of-due balance has been nulled.

Critical decisions made in line of sustainable development goals

Critical decisions were made during Climate Congress in Konya back in February regarding fight against climate change, green development and 2053 net zero emissions goal. Within the scope of it, actions to collect waste more meticulously at the source is to be intensified; recycling rate through zero waste campaign is to be raised to 60% in 2035 and from 2053 non-pre-processed waste shall be excluded from regular storing.

In industrial sectors, in order to reach low carbon production, within carbon keeping strategies, membrane, oxycombustion, chemical cycle, direct atmosphere collection technology; and technology in high-heat burning processes based on renewable energy and green hydrogen, microwave, infrared and plasma shall be developed and researched.

The infrastructure to include application of Green Industrial Zone and Green Industry Zone certifications for companies is to be intensified as well. Climate friendly agricultural support model is to be designed and applied. The efficient use of water in industry and agriculture is to be facilitated; and the re-use of waste water such as purified waste water and drainage water is to be raised to 15% by 2030. New gen smart integrated and high speed charging technologies are to be developed.

We must continue the regulations that help preempt investor scepticism

On the flip side, the increasing effects of geopolitical risks have led economic

activities to weaken across the globe. Global growth forecasts continue to show downward updates and the possibility of a recession is ever growing. Global energy and food supply and source security problems are further complicating. Against the threat of high inflation, central banks of developed countries choose to increase policy interest rates. Here at

home, strong growth in the beginning of the year continued in the second quarter as well thanks to positive impact of foreign demand. In spite of positive developments in tourism, due to negative outlook in soaring energy prices and possibility of a recession in main export staples keep further strain on current balance. Therefore, stability in the market prices,

decrease in country risk premium, increase in reverse monetary stocks and currency reserves and decline in financial overheads shall affect positively the macro-economic and financial stability. This way, there shall be common ground for continuation of healthy and sustainable growth for investment, production and employment.



The giant step by TOBB that will grow the start-up ecosystem in Turkey 'Turkish Start-up Platform on its way'

TOBB is establishing Turkish Start-up platform in cooperation with Google.org. TOBB president noted this platform shall serve as a cocoon for start-ups before they turn into companies referring to the journey of a butterfly. On the other hand, the 1.4 billion investment into the start-up ecosystem in Turkey in the first half of the current year is seen as a huge economic powerhouse hatching on a midterm basis.

TOBB is establishing with the support from Google.org Turkish Start-up Platform that will strengthen Turkish start-up ecosystem and gather them under one big organisation. The platform by registering, tracking their progress records and increasing their visibility shall help them reach out to potential investors and customers. Using this platform that is to be reached out via a website, startups will be able to list their personnel as well as product and services they offer and access investment, customer, education and mentoring services.

"We will make the Anatolian Region the centre for innovation"

TOBB president stated that in the run up to the centennial of the republic they ventured into a new project that will see the Anatolian Region to be the new centre for tech-focused entrepreneurs. Hisarcıkıoğlu noted that they will register, track their progress reports and offer the support they might need for the start-ups stating that "this platform shall serve as a cocoon for these start-ups in their professional journey likening it to the journey of a butterfly transforming from a larva. He said that each and every idea shall be preserved in a separate cocoon until they are ready to turn into fully-fledged corporation giants; faring them the best of luck. He indicated that by realising and institutionalising new ideas we shall create new areas of wealth and employment and that Turkish Startup Platform is to strengthen the start-up ecosystem in Turkey calling out to all the stakeholders from companies and start-ups to experts in Turkey to support this venture. He stated that investors play a great role in today's world in helping realise new ideas and this project shall breathe life into portfolio management, venture capital and investment companies and funding and financing firms and even big corporations; he noted that Turkish Start-up Platform shall be ready for use of all stakeholders in January 2023.

"The future of HR to feed from innovation, entrepreneurship and creativity"

Google Turkey Country Director Mehmet Keteloglou noted that Turkish Start-ups are quite warmly welcome across the globe. He underlined the fact that Turkey has a great potential for start-ups thanks to its young population and entrepreneurship culture that is feeding from a rapidly rising tech and innovation-focused enterprises. He stated that Turkish start-ups are visible and attract investment; for instance 9% of the total downloaded games across the globe belong to the Turkish gaming companies.