



TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION
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TUSIAD: "TURKEY MUST IMPLEMENT ITS MACROECONOMIC STABILIZATION PROGRAM IN ACCORDANCE WITH THE RESTRUCTURING THAT THE EU CANDIDACY CALLS FOR"

Washington, DC: TUSIAD Board of Directors released a statement on the recent disputes over the EU Accession Partnership Document, the volatility observed in the financial markets, and the debates on amnesty. The statement included the following: "The macroeconomic stabilization program, which started in 2000, and the EU candidacy process should be rapidly, firmly, and comprehensively implemented in order to assure a healthy economy and society. The targets of raising living standards and increasing Turkey's global competitiveness could only be attained through incessant restructuring and reform programs rather than populist reactions against the circles that aim to weaken Turkey's stance in the candidacy process. It is obvious that the EU candidacy process would eventually facilitate the achievements of better living standards and help broaden the long awaited individual and collective liberties. The implementation of the Macroeconomic Stabilization Program and the progress along the EU Candidacy should take into consideration the following propositions: The Program should include microeconomic arrangements directed to specific sectors, without diverting from the main goals. Accordingly, the recent actions taken by the Banking Supervisory and Regulatory Board should be supported. Rehabilitation of the banks with high duty losses, encouragement of mergers and acquisition of the banks to ensure a healthy functioning of the system, and treatment of the bailed-out banks should be included in the restructuring process of the banks as the three core elements. Related to the treatment of the bailed-out banks, prosecution and legal actions should be cautiously separated from economic restructuring of the overall banking system. In this respect, for example, the recent law on restructuring the public banks passed by the Turkish Grand National Assembly, which was a precondition for the World Bank loans, has been a highly positive attempt. The content of the amnesty law, that is likely to be enacted soon, should be legitimized in order to ensure the public support. A possible misperception of the law that "crime is not penalized" should be obviated. The privatization efforts, particularly in the energy and telecommunication industries, should be accelerated to catch up with the timetable of the stabilization program. Barriers discouraging local and foreign investors should be eliminated and the bureaucratic procedures for foreign direct investments should be simplified. The Government should not permit any emotional overreactions hinder the persistence of the Macroeconomic Stabilization Program as well as the EU Membership process, its two main goals in 2000. Such an understanding requires a well-managed teamwork with coordinated, long-term and rational strategies."