



TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION
WASHINGTON OFFICE

TS/WSH/01-020

TUSIAD, comprised of Turkey's leading CEOs and executives, is an independent, non-governmental organization dedicated to promoting public welfare through private enterprise.

TUSIAD has issued two press releases: One on the recently announced economic program, and the other on the ongoing death fasts.

TUSIAD: "New Economic Program is a positive step towards restructuring the public sector; macroeconomic framework needs to be clarified"

April 18, 2001, Washington, D.C.: "The economic program, entitled 'Turkey's Program for a Robust Economy', unveiled on April 14th, 2001, signifies a good step towards the solution of accrued and intensified problems of the last decade in the Turkish economy. It is hopeful to see that the new economic management under the coordination of Minister of State in Charge of the Economy, Mr. Kemal Dervis well grasps Turkey's dire economic situation.

Importantly, the program departs from accurate findings in its evaluation of the domestic debt structure, which has gained an unsustainable character due to the public finance deficit that mounted up during 1990-2000 period; and the systemic challenges confronted by the financial system due to the public banks' duty losses.

New Program's vision of accelerating structural reforms in overcoming current crisis, particularly its inclusion of "Priority Reform Bills " as well as its quest for social compromise, signal and raise hopes for a healthy approach in its implementation process. However, it is worth noting that the immediate remedies regarding these issues heavily depend on the hard and good work of the Government and Parliament. Fortunately, both the Government and the Parliament have demonstrated a relatively good performance in legislating priority reform laws in the past few weeks.

Nevertheless, given the uncertainty caused by deepening economic and financial crisis, the macroeconomic framework of the program should be clarified to ease financial markets and the payment systems. Minister Dervis himself admits that the program still lacks the external financial backing, thus missing monetary components.

The unveiled parts of the Program reveal optimistic targets regarding macroeconomic parameters for 2001 and 2002. We believe that in time, the growth and inflation targets for 2001 will be more reliable, upon which the anti-inflationary policies for 2002 could be devised. Announcement of the exact amount of external financing and the completion of the economic program, in accordance, will allow Turkish business community to make healthier evaluations on the macroeconomic targets.

Finally, TUSIAD continues to call for a revision in the Government and will keep an eye on the implementation of political and economic reforms.

TUSIAD: “The government should pay serious attention to the death fasts ”

April 18, 2001, Washington, D.C.: TUSIAD is concerned about the ongoing death fasts protesting F-type cell prisons, so far causing a toll of 13 deaths, 11 of which are prisoners. At a time when the public opinion is focused solely on the economic crisis, the reluctance of the Turkish Government, particularly the authorities of the Ministry of Justice, to cope with this issue raises concerns about the adherence to the Rule of Law.

Turkish Government should fulfill its primary responsibilities to protect human life, regardless of their convictions, and act promptly to end death fasts in F- type prisons, through finding a lasting solution to the problem, before the death toll rises.