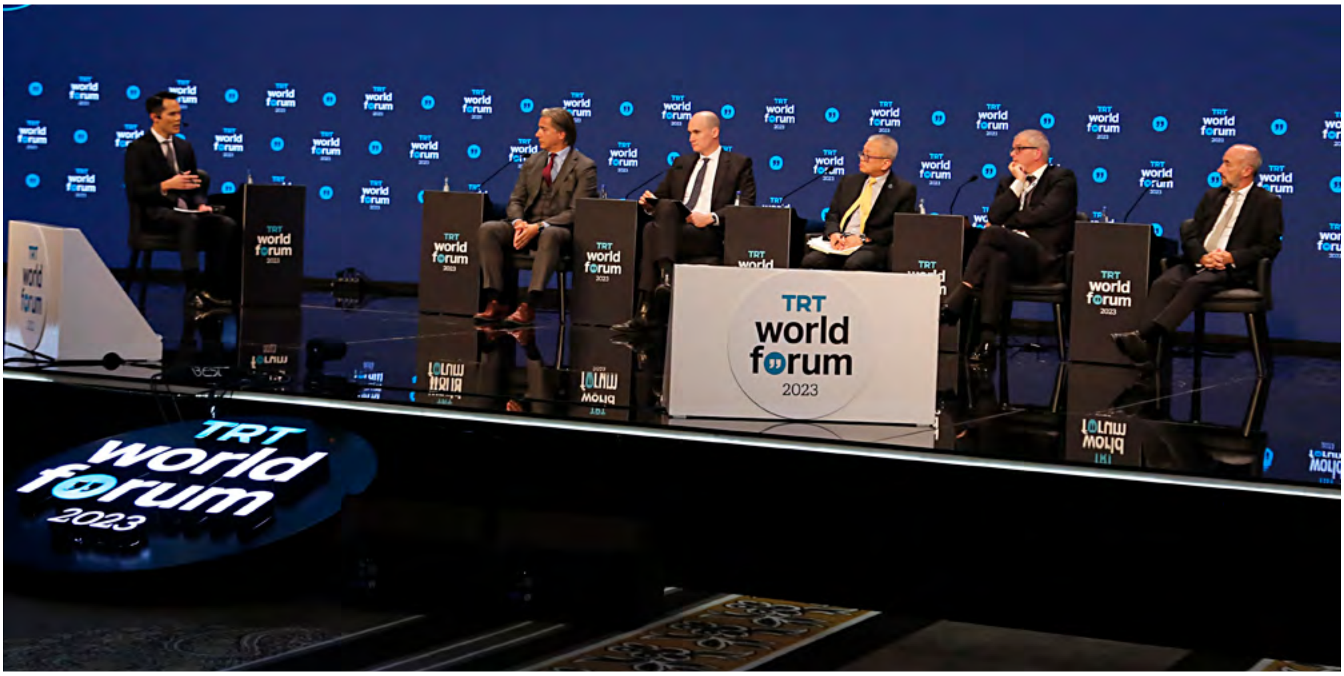
Session 5

Remaking the Global Economy



Moderator

Auskar Surbakti, Presenter, TRT World

Keynote Speaker

Mehmet Şimşek, Minister of Treasury and Finance, Republic of Türkiye

Speakers

Dr. Pornchai Danvivathana, Secretary-General, Asian Cooperation Dialogue (ACD)

Mirek Dušek, Managing Director, World Economic Forum

Umberto Del Panta, The Head of European Investment Bank to Türkiye

Dr. Çetin Nazikkol, Chief Strategy Officer Decarbon Technologies, thyssenKrupp

Timothy Ash, Senior Sovereign Strategist, RBC Bluebay Asset Management

Key Takeaways

- There is a notable shift in global economic power dynamics, with emerging economies such as China, India, Türkiye, Brazil, and Russia gaining prominence. This shift indicates a potential rebalancing of the global economic order.
- It's essential to foster inclusive dialogue, particularly concerning the divide between the global North and South. Addressing this divide is crucial for constructing a new, functioning system for the global economy.
- The rapid advancement of technologies like generative AI poses governance challenges that need to be addressed with foresight and agility. Understanding and governing these technologies are essential for navigating the new economic landscape.
- Climate change poses significant risks to the global economy, affecting supply chains and necessitating urgent decarbonization efforts. Countries like Türkiye have immense potential for energy transition, presenting both opportunities and responsibilities.
- Türkiye is emerging as a significant investment destination due to its strong fundamentals, including robust public finances, favourable demographics, strategic location, and a vibrant manufacturing sector. Minister Simsek's policies are generating excitement among institutional investors, positioning Türkiye as a promising business hub in 2024.

Summary of the Session

The session on "Remaking the Global Economy" delved into various pressing issues impacting economic growth worldwide. The Turkish Minister of Finance highlighted several significant challenges facing both the Turkish economy and the global economy at large, including ongoing conflicts in regions like Gaza and Ukraine, the climate crisis, and the economic recovery from the pandemic. A key question raised was the identification of major pressures on global economic growth at present.

Moreover, the discussion touched upon the shifting dynamics between the global North and South, with an emphasis on the emergence of economies like China, India, Türkiye, Brazil, and Russia as formidable forces. There was contemplation on when these emerging economies might achieve parity with traditional Western economic powers, signifying a potential rebalancing of the global economic order.

Additionally, the session addressed the critical issue of climate change and the urgent need for action, especially in light of events like the Dubai Cop 28 Climate Summit. Concerns were raised about the efficacy of measures taken by private companies and world leaders, particularly those from major carbon-polluting nations like the United States, where attendance at such summits was questioned.

Overall, the session underscored the complexities and interdependencies inherent in remaking the global economy, highlighting the importance of addressing geopolitical tensions, climate change, and disparities between nations for sustainable and equitable growth.

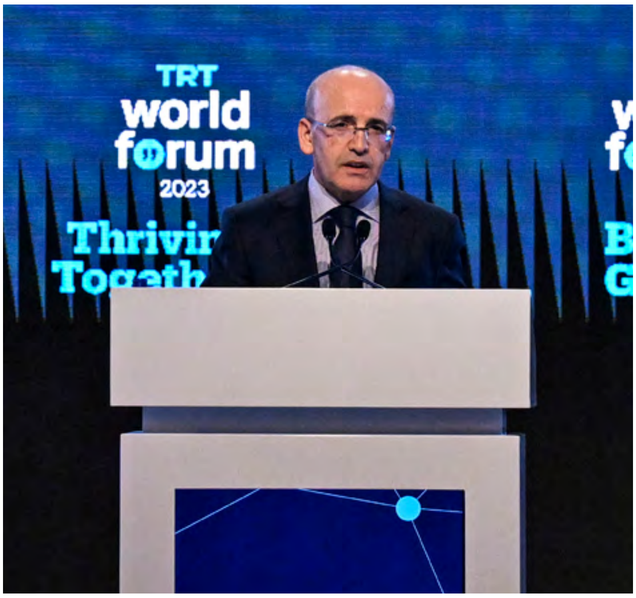
Keynote Speech by Mehmet Şimşek

Minister of Treasury and Finance, Republic of Türkiye

I'm delighted to be at TRT World Forum and the subject is a pretty exciting and relevant one. I do have a presentation because a picture sometimes is worth a thousand words. We are actually at the beginning of a new era, and I'm going to talk about that a little bit. In terms of global, big global trends and challenges, we see risks, but also opportunities for Türkiye . And I also would like to tell you a little bit about whether or not our program is working. If you look at the big picture, we have geopolitical tensions driven by geostrategic competition, mainly between China and the United States. But we know that this has already led to some fragmentation, as well as trade protectionism post-global financial crisis. So this is a big headwind for global growth. Secondly, we have ageing populations, we have high global indebtedness. These two factors are also speed limits to global growth. On top of all this, we have global warming and an impending global climate disaster in the making. So clearly, all of this suggests that the world is faced with significant headwinds in terms of growth and also stability.

There's a lot of uncertainty. First of all, the hyper-globalisation era is behind us. Whether or not we de-globalise going forward is one issue. But clearly, the conditions for high-speed globalisation are behind us. If you look at the past global financial crisis, what you see is increasingly a lot of restrictions and a lot of trade barriers. Now, we know that trade is the engine of growth. This engine right now is sputtering at best. The number of trade restrictions everywhere is quite widespread and that includes emerging markets as well as mature markets. And what you see doesn't only apply to goods, it's beginning to apply to services but also to investments, even to financial flows. So this is not just about trade in goods. This is an important headwind for global growth going forward.

In terms of ageing populations, just to remind you, if you go back to the 50s, the population over 65 years old made up only 5% of the total population. Today it makes up 10%. So it has doubled. But it looks set to almost double by 2050. This is a very fast ageing and this will bring about a lot of complications. Let's face it. Fiscal positions will be under stress. Productivity is going to be impacted. So ageing



Whether or not we de-globalise going forward is one issue. But clearly, the conditions for high-speed globalisation are behind us. If you look at the past global financial crisis, what you see is increasingly a lot of restrictions and a lot of trade barriers. Now, we know that trade is the engine of growth. This engine right now is sputtering at best. The number of trade restrictions everywhere is quite widespread and that includes emerging markets as well as mature markets. And what you see doesn't only apply to goods, it's beginning to apply to services but also to investments, even to financial flows. So this is not just about trade in goods. This is an important headwind for global growth going forward.

populations is a big challenge going forward. Türkiye is doing well in tourism. We think this could be one sector where we could take advantage of going forward in the long run, because our services industry is pretty developed, pretty sophisticated. Global indebtedness; if you go back to 20 years ago, roughly speaking, the debt to GDP ratio was high around 230% of GDP. Today it's gone up by 100 percentage points. So. Globally, we are highly leveraged. This is yet another potential headwind. Why? How do you deal with debt at a time of low growth and potentially high-interest rates? This is going to be the challenge. So if growth is going to be slow and rates are going to stay high for a while or stay higher than what it has been, then clearly it would be very difficult to handle global debt.

Again, global warming. There are no more theoretical discussions here. I think there's plenty of evidence that global temperatures are rising beyond what is tolerable, and this is going to bring about significant problems again. I've seen some studies that argue that global warming at the current speed could reduce global growth by one full percentage point per year. I notice this is probably one of the worst-case scenarios, but even if we reduce it by half a percentage point, this is still huge. Food insecurities, rising inequalities, and mass migration potentially on the back of climate, conflicts. I know I painted a pretty bleak picture, but these are some of the uncertainties that we face going forward. Dealing with potential climate disasters requires a collective response. And in a world that we are in today, that's hardly the case.

We live now in a world that no longer respects the most basic rules. It reminds me of Antonio Gramsci's very famous quote. When he was imprisoned by Mussolini. He wrote extensively in his prison notes. He says the old world is dying, the new world is struggling to be born. Now it is the time of monsters. The Old World, the rule-based post-Second World War is behind us. There's no respect for the most basic rules anymore. Look at what's happening in Gaza. Look at some country's stance. They cannot even call for a ceasefire. They cannot even have the courage to call for a ceasefire. This is the type of world we are in today. We don't have a new rule-based system. We don't have a substitute yet, because of a hegemon power and a rising superpower, and many other players are actually trying to see how this new system is going to be shaped. And that brings about a lot of uncertainty in doing business, but also in general for a global economy.

The IMF sees global growth at 3% for the next five years and global trade growth of about 3.5%. This is meaningfully below what it has been over the past couple of decades, which includes the global financial crisis as well as the pandemic. So two major events and still the outlook for the next five years is worse than what we've had over the past 20 years. So how about Türkiye? We're not an island nation. And even if you are an island nation, of course, you could affect it. But we have plenty of opportunities and risks for Türkiye. When we look at Türkiye. I think one thing that comes to my mind is if the world is going to be the way it is today, meaning more fragmentation, more trade, protectionism, etc. clearly nearshoring and friend-shoring is going to become a dominant theme going forward. Because of the customs union and long standing relations and institutional partnership with the EU, we consider ourselves as near and friends with the Middle East and North Africa, similarly with Central Asia. So if you do a simple, you know, four-hour flight, Türkiye potentially could reach 1.3 billion people and $28 trillion GDP. So Türkiye could be a major, it is already a major manufacturing base, but it could strengthen that position through nearshoring and friend-shoring. But this requires macro-financial stability and reforms that will help boost productivity and competitiveness. So there is plenty of homework to do. But this is one key advantage that we have.

Another important issue is if you look at the past 20 years, Türkiye has had relative growth performance in real terms, is actually pretty good, and is at par with emerging markets. But if you exclude India and China, we've done much better than emerging markets. So on a relative basis, there is pretty decent outperformance. To sustain this again what we need is predictability, rule-based policymaking, which is exactly what we've been trying to do, and we will continue to deliver. If you look at Türkiye, it's a sizable market. A working-age population is bigger than 18 EU members combined. This matters. So if we can get our house in order. No company can afford to ignore Türkiye with such strong prospects and such a sizable market. So that's the key. If we look at the working-age population growth for the past decade and a half, which is likely to last for the next decade and a half, you can see that Türkiye still offers significant growth prospects. And this again requires reforms like labour market reform to boost employment and productivity. So we have opportunities but to take advantage we need to do more. You look at total indebtedness in Türkiye, it's roughly about 117%. This includes household debt, private sector debt, you know, sovereign debt. It includes essentially all debt. Compared to emerging markets, Türkiye is in good shape. And that also provides an advantage for Türkiye going forward.

Green transition is one of the key agenda items in our program. Why? Because we know it's good to do, I mean. It's the right thing to do, but it has direct benefits that are not compatible with some other countries. First of all, Türkiye's Achilles heel is the current account deficit. The current account deficit is dominated by energy imports. So, when you reduce your dependency on energy imports, it will help ensure macro-financial stability and hence resilience and competitiveness. Also true that we can create quality jobs as well as achieve net zero. So, the message here is to realise the opportunities much needs to be done. Are we doing the right things? So that's the question. Yes, we are. We have a lot of homework. Attaining price stability. Restoring fiscal health. Rebalancing growth on a sustained basis. Narrowing current account deficit. All of these require implementing comprehensive structural reforms as well as sound policies. So inflation has to come down. Inflation will not defy gravity. We are doing all the right things to bring inflation down. I know the market still has a degree of scepticism. We respect that. That means we have to deliver before we can win them over. But if you look at month-on-month inflation dynamics, already there is strong evidence that disinflation has begun and it will accelerate and it will be very visible in the second half of next year. We've been very clear. What are we doing to achieve that? Well, there's the conventional monetary policy tightening, but there's also selective credit tightening and quantitative tightening. But we're doing it as a textbook. We're doing everything that is needed to bring inflation down. I am convinced that there will be plenty of evidence going forward that inflation is falling in line with our central bank's estimates, if not lower. I'm actually convinced looking at the recent trends. If you look at the fiscal position, if you look at the last 20 years, Türkiye has been fiscally prudent. If you look at the deficit to GDP for the past 20-plus years. It's been roughly about 2.4%. But this year and next year are going to be challenging. This year and next year are largely dominated by the earthquake, even though there was also some impact of elections. This year, we pencilled in a deficit of 6.4% of GDP when we redesigned our program, but it looks like we're going to do much better than 6.4%. The deficit is going to be significantly below, hopefully, 6% of GDP. And that's despite utterly earmarking whatever the money is needed, deploying whatever resources are needed to recover from devastating February earthquakes. Next year, the earthquake is still going to be an important factor in the deficit. But from 2025 onwards, 2026, we will return to primary surpluses. We will return to deficits that are sub hopefully 3% of GDP. This will give us fiscal room to do more reforms because reforms don't all come, but some of them require fiscal space. And that's why we need fiscal discipline to achieve that.

If you look at the past 20 years, Türkiye has had relative growth performance in real terms, is actually pretty good, and is at par with emerging markets. But if you exclude India and China, we've done much better than emerging markets. So on a relative basis, there is pretty decent outperformance. To sustain this again what we need is predictability, rule-based policymaking, which is exactly what we've been trying to do, and we will continue to deliver. If you look at Türkiye, it's a sizable market. A working-age population is bigger than 18 EU members combined. This matters. So if we can get our house in order. No company can afford to ignore Türkiye with such strong prospects and such a sizable market.

Growth has been strong in Türkiye. If you look at the last 100 years, growth has been close to 5% of GDP. If you look at the last 20 years, it's been about 5.5%. 5.5% growth is pretty good. Now growth looks set to slow next year. I know there are concerns. Yes, there may be a temporary slowdown. But as evidence emerges that the program is working, I think local portfolio preferences and global inflows will reduce the downside to growth. Even if we get more downside than what we have pencilled in here is highly likely to be temporary. We know that disinflation supports sustainable, high growth, and Türkiye has all the dynamics to grow fast, but we just need to make it sustainable. And this requires disinflation. This requires price stability. And price stability has been essential in advancing Türkiye's growth over the past 20 years. If we look at growth recently, it's been not of very top quality. Why? Simple. Because net exports contribution has been negative. We would like to reduce the drag on growth from net exports. This is what we mean by rebalancing as we rebalance. Inflation will fall. The current account deficit will narrow. And that's the key to long-term sustainable growth. I don't have time to go into details, but if you look at the current account deficit this year. It's largely dominated by gold imports. Why? Why are Turkish people importing so much gold? After all, it's not edible. Well. The monetary policy practices of the past have led to gold demand as a hedge against inflation. But now that we've got to bring inflation down. The need for such a hedge is going to diminish. And therefore gold imports are going to moderate. If you look at the past 20 years, gold imports amounted to roughly about $8 billion a year. This year it's over $30 billion. Even if gold imports moderate to the tune of going down from about $31 billion to about 15, $16 billion, the current account deficit next year could be less than 3% of GDP. But we're not relying on that. We're relying on the rebalancing of growth to fix the current account deficit. Even though it's an important factor.

Rebalancing; we are still at the early stages, but there is now evidence in the third quarter; slight evidence that domestic demand is moderating and that external demand to that net export position is becoming less of a drag. The current account deficit is narrowing and it will continue to narrow significantly going forward. If you look at the central bank's gross or net reserves there is a significant improvement. Gross reserves are up by close to $42 billion since the lows of May.

I talked a lot about structural reforms, and we have a very comprehensive agenda to achieve all these goals on a sustained basis, but also to take advantage of opportunities that the new global, you know, backdrop presents. We need to deliver on structural reforms. The first agenda item is enhancing human capital labour market flexibility. We've made some progress in the past, but more needs to be done. Another key area is boosting productivity and improving the investment climate. Again, there's plenty to say, but there's a lot of, you know, homework. And we've already started doing some of this. Increasing savings. Deepening capital markets, and reducing reliance on commercial bank lending is another area, but these require single-digit inflation, ideally low single-digit inflation. We'll get there, and when we get there Turkish corporates will have no issue tapping domestic and global bond markets. Bringing in resources that are similar to equity, similar to their capital, long-term in nature and competitive cost-wise. Public finance reform; we've already started working on it. We want to broaden the tax base. Because we believe that there's a lot of informal economic activity that needs to be brought under control. Including public procurement reform, including rationalising spending. Spending in productive areas is the way forward, and that's going to be one of the key agendas going forward again, as far as our reforms are concerned. When we look at today's world, we cannot afford not to have digital transformation. So digital transformation is going to also be a key focus area for us going forward.

So my final bit of my presentation: is the program working, you know? It's been a few months. Is there evidence that things are improving? Can I show something to you to convince you that we are on the right track? Well, first I need to tell you how the program is supposed to work. The program is based on very simple, you know, pillars or tenets. We're not reinventing the wheels, by the way. Very simple, straightforward sound policies, structural reforms. And this leads to investor confidence, local and international. These lead to portfolio preferences or flows. Exchange rate stabilisation, possibly rate exchange rate appreciation. And this fosters speedier disinflation. And as disinflation gains momentum, we create a virtuous cycle. And that's how it's meant to work. We believe that disinflation will support further solid policies and structural reforms. So, this is how we see it working. Is it working well? One piece of evidence that I can show is that Türkiye's risk premium has fallen significantly. This is good news because this is not a market that we can interfere with. This is a global pricing of our risk. Globally, investors seem to think that we are doing the right things. Secondly, if you look at sovereign debt spreads, the red line is Türkiye, and the blue line is global emerging markets. As you can see, we were doing pretty poorly and now since July, and August, Türkiye is beginning to outperform. Its spread has narrowed faster. This is also good news for pricing. This is real. Again if you look at exchange rate volatility, through July and August, we were way out of the emerging market volatility band. Now we are well within that band. So exchange volatility has diminished significantly. Now I know many of you, or at least market players seem to think that the central bank is in the game. The central bank is not in the game the way you think. We only provide FX for those who are changing from so-called protected litter deposit schemes to ethics deposits. Other than that, we're not in the market. It's rule-based in that sense. Net portfolio inflows are now positive, strongly positive. At a time when emerging markets experienced outflows, at least the third quarter of this year. If you look at external debt rollover ratios, you look at the banking sector, if you look at non-financial corporations, as you can see, compared to, you know, the first half of the year, the second half of the year, there has been a significant improvement in rollovers. That means. Türkiye is back. Again, if you look at credit growth is slowing in a way that the program was meant to achieve. So it is working.

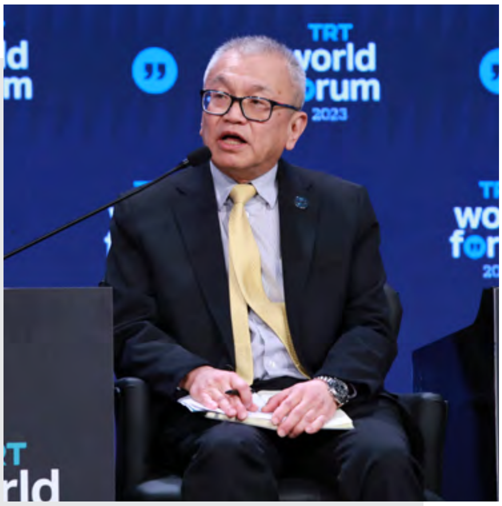
Rebalancing; we are still at the early stages, but there is now evidence in the third quarter; slight evidence that domestic demand is moderating and that external demand to that net export position is becoming less of a drag. The current account deficit is narrowing and it will continue to narrow significantly going forward. If you look at the central bank's gross or net reserves there is a significant improvement. Gross reserves are up by close to $42 billion since the lows of May. Now this is important because it reduces fragilities going forward. Again, if you look at reserve adequacy, we're not where we would like to be. By the way, this includes short-term debt, not just short-term debt, the debt that was borrowed as medium long-term debt that has now less than 12 months of maturity. So it's a broad definition, roughly about $210 billion. So reserves, gross reserves as a percentage of short-term debt is roughly about 83%. We would like to be somewhere close to one time, roughly speaking, in an ideal world. We are rebuilding the yield curve. The monetary policy was dysfunctional and has become functional. Now we have a yield curve that is beginning to reflect market readings of economic activity as well as disinflationary dynamics. So clearly this was important for us.

There has been some improvement by rating agencies in Türkiye's outlook. We believe that Türkiye will get multiple rating upgrades over the next few years. I can tell you this if you look at Türkiye's debt spreads, it's currently trading. At 2 or 3 notches above what the actual rating is. This was the case back when I was in, you know, working in London, and today it's beginning to get back there. So the ratings are in the catching-up phase. We believe that as we deliver, rating agencies will respond. It's encouraging what they've done so far, but compared to market pricing, they're way behind the curve. So as you can see, there's plenty of evidence that the program is working, that we are on the right track, but we are still in the early stages. So we need time. We need patience. We need perseverance. And that's what's needed. Türkiye will take advantage of opportunities of the new economic era, which clearly has a lot of challenges, true reforms and true sound policies.

Highlights

Pornchai Danvivathana

PhD; Secretary-General, Asian Cooperation Dialogue (ACD)

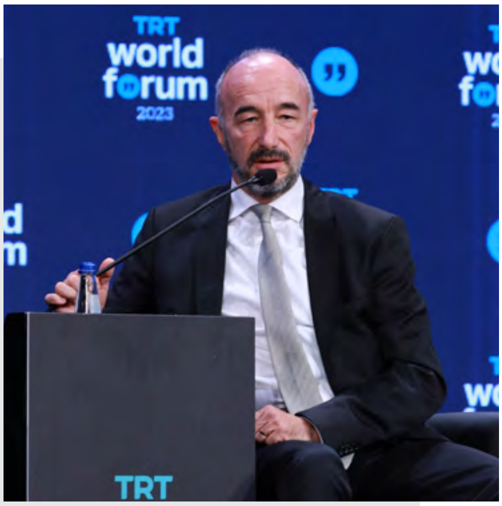


Dr. Danvivathana is a lawyer by training and a seasoned diplomat. He was born in Bangkok, Thailand in 1957. He received a Bachelor's Degree in Law (LL.B., Class Hons.) from Thammasat University, Thailand and received his Doctorate Degree (J.S.D. in International Legal Studies) from New York University. Dr. Danvivathana began his career at the Ministry of Foreign Affairs of Thailand and served in several countries including being Ambassador to the Sultanate of Oman and Ambassador to the Republic of South Africa until his retirement. He also served as Chairperson of the ReCAAP Information Sharing Centre (ISC) Governing Council in Singapore for 3 terms and is currently assuming the position of the Secretary General of the Asia Cooperation Dialogue (ACD), based in Kuwait City.

- Never give up hope. While the economy is fragmented, we could see that some, if not all, Asian countries, particularly those in the East, have made achievements in becoming OECD members and partners. This could be somewhat a model that we need to explore further. Meanwhile, others, particularly those in the South, have managed to move out of the least developed countries category by OECD.
- We have been experiencing quite a lot of challenges, particularly those of a transboundary nature and also disasters. We have to focus ourselves in order to make, or remake, the global economy that probably fits the national agenda and also the need for Asia. In that case, I think while we see crises, we also see opportunities where those are common denominators. Denominators like disasters could be one that we can benefit from in order to harness those regional and subregional blocs in Asia together. With that, I look forward to having some kind of strategy that would make the best use of the diversity of Asian countries in order to deliver what we have in mind.

Mirek Dušek

Managing Director, World Economic Forum



Mirek Dušek is the Managing Director at the World Economic Forum, responsible for global programming; he is also Head of Europe and Eurasia. As Managing Director, he oversees the strategy and organisation of all large-scale World Economic Forum events, including the Annual Meeting in Davos. As Head of Europe and Eurasia, he also leads the overall engagement in the region. Previously, he worked at the US Embassy in Baghdad and in Prague.

Mirek Dušek holds an MA in International Studies and a BA in Political Sciences and speaks Arabic fluently.

- If we have entered a new era but lack a corresponding system and face fragility, how do we proceed to build this new system? The conference's focus on solutions is pertinent here. Looking back over the past year, it's heartening to see stakeholders - governments, businesses, civil society organisations - moving into the solution space. However, it's crucial to understand that these solutions aren't quick fixes or narrowly focused. What we're discussing are the challenging aspects, involving painful iterations among partners, sometimes with opposing views, as we strive to navigate this new era and establish a functional system for the global economy.

- Another crucial aspect to introduce into the discussion is the necessity for truly inclusive dialogue, particularly regarding what some term as the Divide between the global North and the global South. This division is increasingly evident in issues such as climate change, trade, and geopolitics. While it may have been overlooked in the past, we can no longer afford to ignore it. If we are to construct a new system for this new era, addressing and rectifying this divide is imperative.

- We are only one year into the introduction of generative AI, and if we were having this conference last year, it would have been just starting to bubble up. It was around November, early December when it began gaining traction, but it wasn't yet a top priority for everyone. Now, particularly governmental and business leaders, among others, have it prominently on their minds. It has caught us somewhat off guard, prompting a catch up game among governments, regulators, and businesses as they scramble to determine how to govern this technology. This underscores an important lesson: as we construct this new system, we must possess better foresight and agility regarding advanced technologies. While generative AI is currently in focus, we must also consider the implications of other emerging technologies such as biotech and quantum computing.

Umberto Del Panta

The Head of European Investment Bank to Türkiye

Umberto Del Panta is the Head of Representation to Türkiye at the European Investment Bank (EIB) since January 2021. He has a strong background in international finance, holding a Master's equivalent degree in Business Administration from "L. Bocconi" University in Italy.

His career began as a Financial Analyst/Credit Analyst at Mediobanca in 1984. Over the years, he took on roles such as Senior Financial Analyst at IBM, Portfolio Manager and Head of Research at Citibank, and Senior Financial Officer at the Bank for International Settlements in Switzerland.

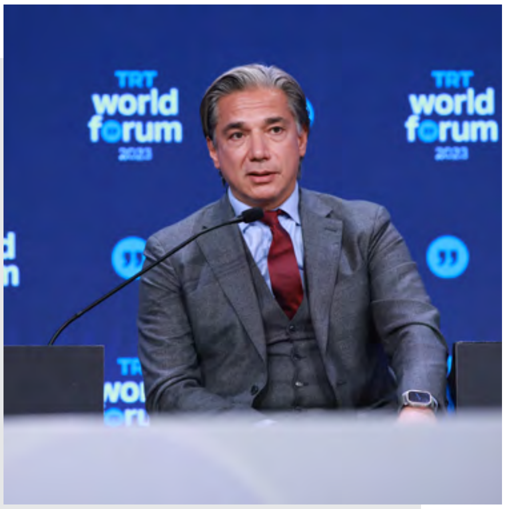
From 1991 to 1999, Del Panta served as a Senior Banker in Lending Operations at the European Investment Bank. Later, he directed lending and equity operations as Business Group Director at the Black Sea Trade and Development Bank. His tenure at the EIB from 2005 to 2021 included roles as Managerial Adviser and Head of Lending Operations in Central Asia.

- For the past four years, we have not been very active in Türkiye. This was due to our interpretation of an EU council decision in 2019 recommending a review of our strategy for Türkiye, particularly in the public sector. As a result, we halted operations for the past four years. However, a few weeks ago, we signed a £400 million agreement for earthquake reconstruction. Initially, this was viewed as a one-off operation. Nonetheless, we have had a couple of very positive developments in the past week.

- A report from the commission, which was requested by the EU Council, has been released outlining how to re-engage and find ways to better cooperate with Türkiye. This is a significant development. One specific recommendation is for the European Investment Bank to re-engage across all sectors in Türkiye. We are hopeful that during the 15-hour meeting, the EU Council will formalise this recommendation. Our team is prepared to meet with promoters in Türkiye and resume activities, although initially perhaps not at the same level as ten years ago.

Çetin Nazikkol

PhD; Chief Strategy Officer Decarbon Technologies, thyssenKrupp



Dr. Nazikkol has been working for thyssenkrupp since 1996. In 2010, he joined thyssenkrupp Elevator as Vice President to develop and implement initiatives to improve the global Service Business. In 2013, he became CEO of thyssenkrupp Türkiye and remained in this position until 2015, when he was appointed as CEO Middle East & Africa (MEA) Regional Headquarters. Since April 2017, he combined his position as MEA Regional Headquarters CEO with the position of CEO for the Middle East and Türkiye at thyssenkrupp Industrial Solutions. In 2020, Dr. Nazikkol was appointed CEO of the Regional Platform Asia, Pacific & Africa. In addition to this role, he became Chief Transformation Officer in August 2023, to lead the group's global performance program "APEX". In October 2023 he also became Chief Strategy Officer at thyssenkrupp's new segment Decarbon Technologies.

He holds a Diploma and PhD in Chemistry from the University of Münster in Germany and an Executive Master in Business Administration from the Hogeschool Zeeland in the Netherlands.

- What we are witnessing now, the events of the past 40 to 50 years, are unprecedented. We are entering a phase where it's becoming increasingly difficult to control the impacts on the planet and everyone inhabiting it. The effects of these events are immense, affecting everyone on a global scale. Climate change is not just a theory; it is based on science and facts. We can see and feel its effects. These disruptions are already impacting supply chains worldwide. For instance, floods in Pakistan several years ago submerged one-third of the country, and we continue to see floods in China and droughts across the globe, all of which significantly impact the global economy.

- There is unanimous agreement that we require energy, and it must be affordable. Just consider the amount of electricity we are currently consuming in this room, where energy availability is not an issue. However, if we shift our focus to regions like Africa, India, and other emerging countries, the disparity becomes apparent. In Africa, over 50% of the population lacks access to electricity. This indicates a growing demand for energy. Failure to decarbonize energy generation will only exacerbate the challenges we face.

- Türkiye possesses tremendous potential for energy transition. The country boasts abundant resources including land, hydro, solar, and wind. Additionally, Türkiye benefits from a direct pipeline to Europe, which is the primary consumer of green hydrogen. This presents significant opportunities for Türkiye along with a corresponding responsibility.

Timothy Ash

Senior Sovereign Strategist, RBC Bluebay Asset Management

Timothy Ash is a senior sovereign strategist at RBC Bluebay Asset Management in London. He is also an Associate Fellow at the Royal Institute of International Affairs (Chatham House) on their Russia and Eurasia Programme as well as a Trustee at Crown Agents International Development (CAID). Tim has run Emerging and CEEMEA research at a range of international banks previously including Bear Stearns, RBS, ICBC Standard Bank, and Nomura plc. He has also worked as a sovereign strategist at ABN Amro, WestLB/West Merchant Bank and Caspian Securities. In the mid-1990s Tim was an economist at the Economic Intelligence Unit, and worked as a development consultant in Emerging Europe, working in Ukraine, Russia, Poland and the Baltic states. He also worked as a research associate at Herriot Watt University and Exeter University researching the transition from plan to market. Tim has a Masters in Agricultural Economics from Manchester University. He has covered Türkiye as a professional economist for over twenty years and writes extensively on the subject.

- Türkiye possesses significant strengths, making it a prime investment destination. With robust public finances and low debt ratios, coupled with favourable demographics and a strategic location connecting 1.3 billion people within a four-hour flight radius, Türkiye stands out. The country boasts excellent banking institutions, skilled economists, and a rich manufacturing tradition, unlike some other nations such as the UK. Overall, with the implementation of sound policies, Türkiye 's outlook appears highly promising.

- Türkiye is the standout story for 2024, largely due to the policies being implemented by Minister Simsek. There is significant excitement among institutional investors regarding the prospect of Türkiye once again becoming a favourable destination for conducting business.