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Turkish Economic Insights



QUO VADİS ?

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İSTANBUL

OCTOBER 2019

FİYAT İSTİKRARI

Enflasyon Hedefi, %



Politika ve Tedbirler



Para-Maliye Politikaları Eş Güdümü



Yapışkanlıkla Mücadele



Mal ve Hizmet Fiyatlarında Kur Geçişliliğine Karşı Tedbirler



Gıda Enflasyonu İle Mücadele



Mal ve Hizmet Piyasalarında Rekabet ve Verimliliğin Artırılması

CARİ DENGİ

Cari Denge / GSYH Oran, %



Politika ve Tedbirler



İthal Ara Malların Yerlileştirilmesi



Turizm Strateji Belgesi



Yatırım-Tesvik-Vergi Uygulamalarında
Cari Denge Önceliği



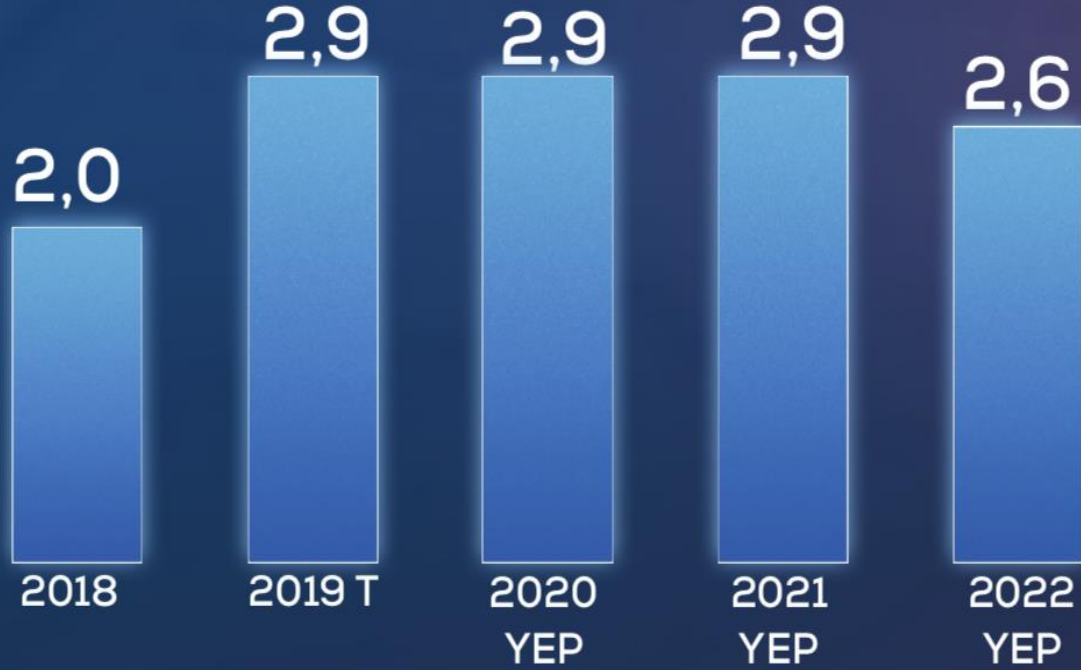
İhracat Ana Planı



Lojistik Master Planı

KAMU MALİYESİ

Merkezi Yönetim Bütçe Açığı / GSYH Oran, %



**BÜTÇE AÇIĞI /
MİLLİ GELİR
ÜST LİMİT: %3**



**VERGİ
REFORMU**



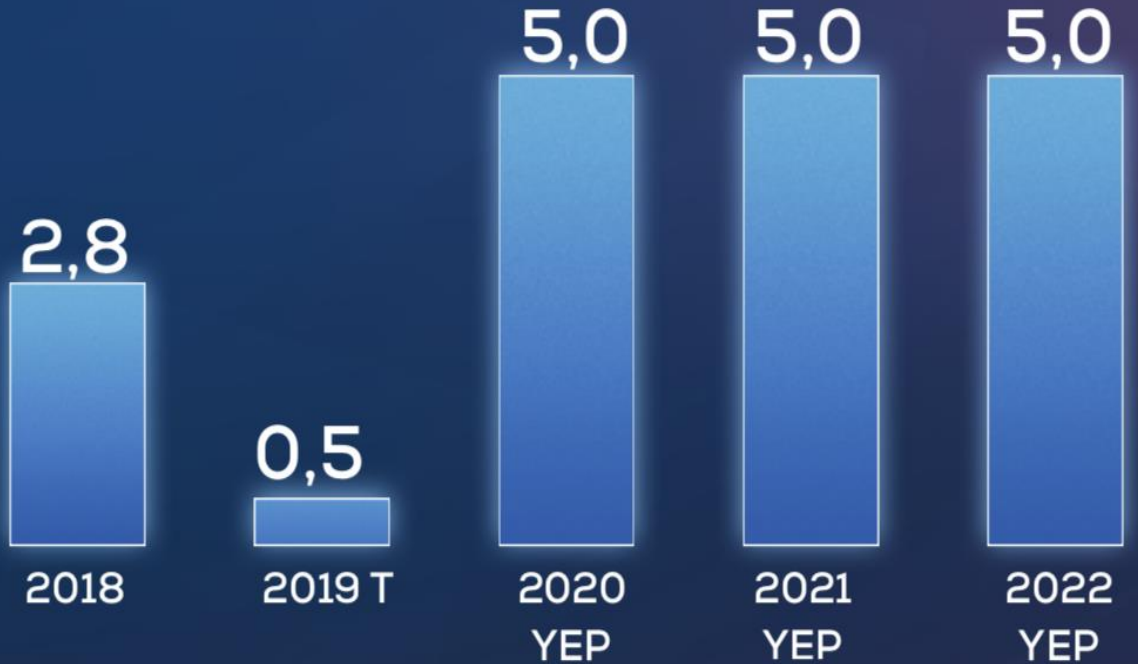
**VERGİ DENETİMLERİNDE
ETKİNLİĞİN ARTIRILMASI**



**KAMU MALİYESİ DÖNÜŞÜM
VE DEĞİŞİM OFİSİ'NİN
KURUMSALLAŞMASI**

SÜRDÜRÜLEBİLİR BÜYÜME

Büyüme Oran, %



Politika ve Tedbirler

Ölçülü Sektör Odaklı Kredi Politikası

Sanayi Strateji Belgesi

Varlık Fonu Yatırım Stratejisi

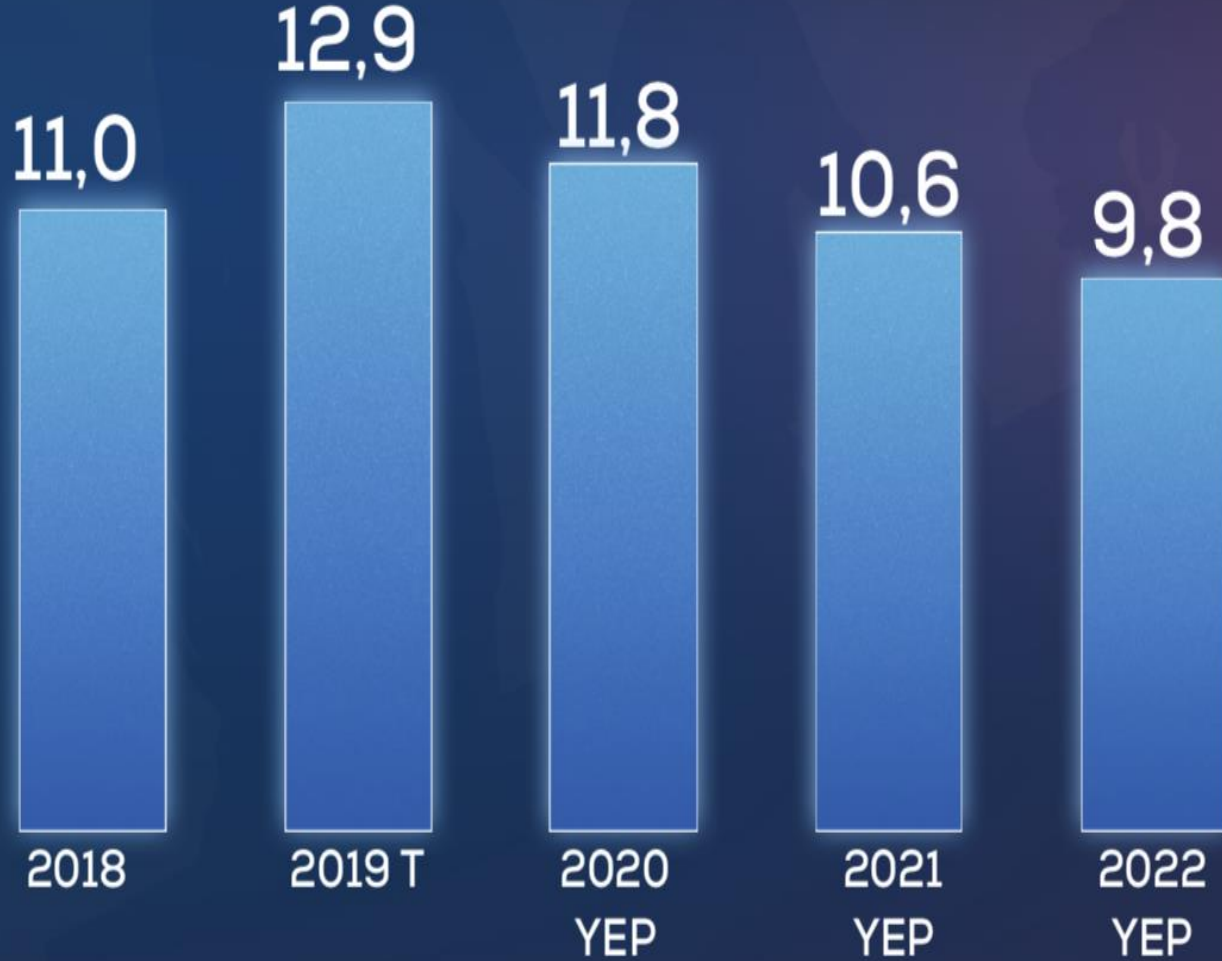
Yargı Reformu

Ulusal Verimlilik Planı

Şirket Büyümesini Zorlaştıran
Düzenlemelerin Revizesi

Kalkınma Planı Uyumlu
Sektör Önceliklendirmesi

İşsizlik Oranı, %



Politika ve Tedbirler

Kritik Sektörlerin Canlandırılması

İstihdam Teşviklerinde Revizyonlar

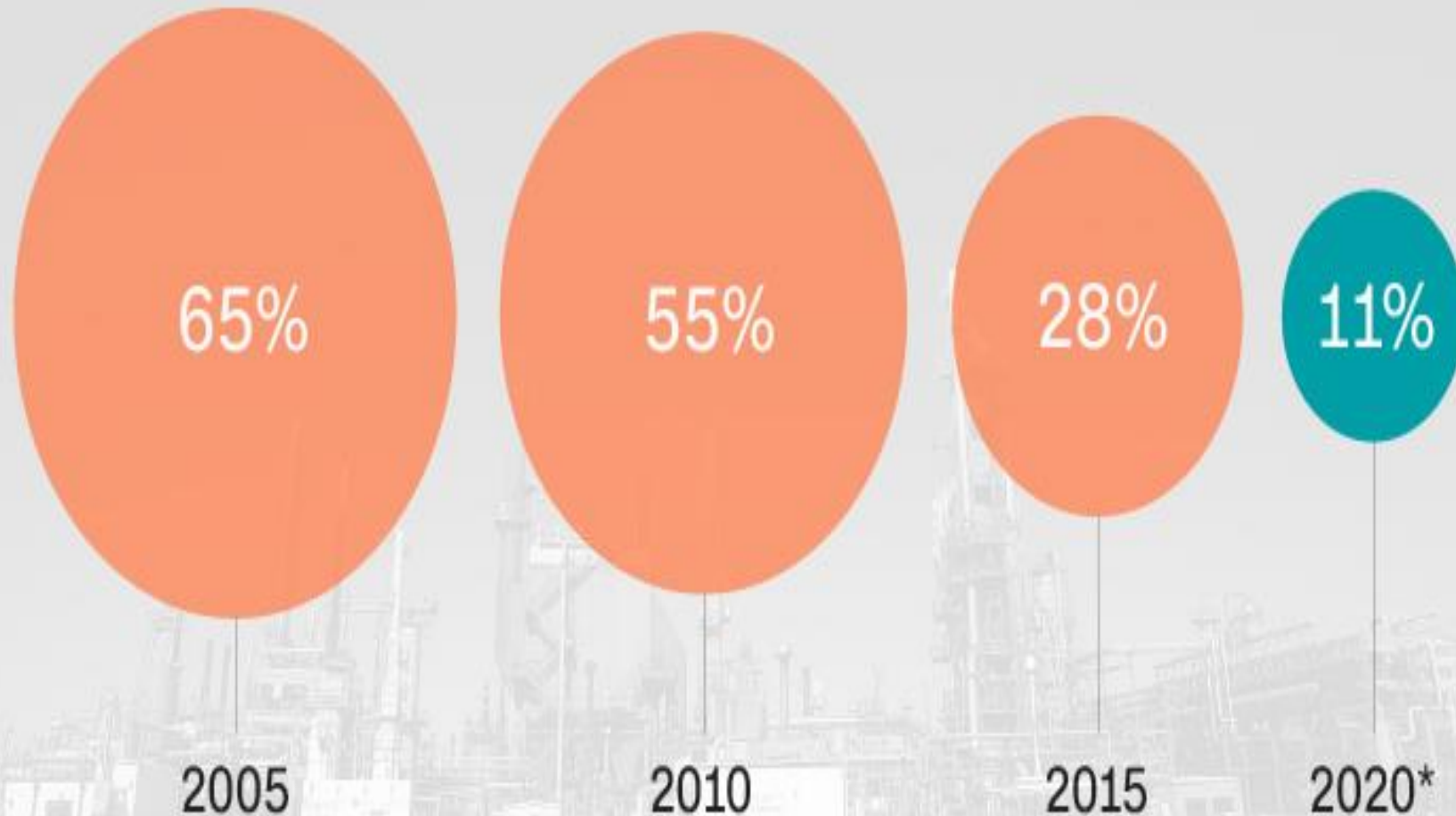
Genç ve Kadınlar İçin Meslek
Edindirme ve Girişimcilik Programları

Büyümenin İstihdama Pozitif Etkisi

2023 Eğitim Vizyonu

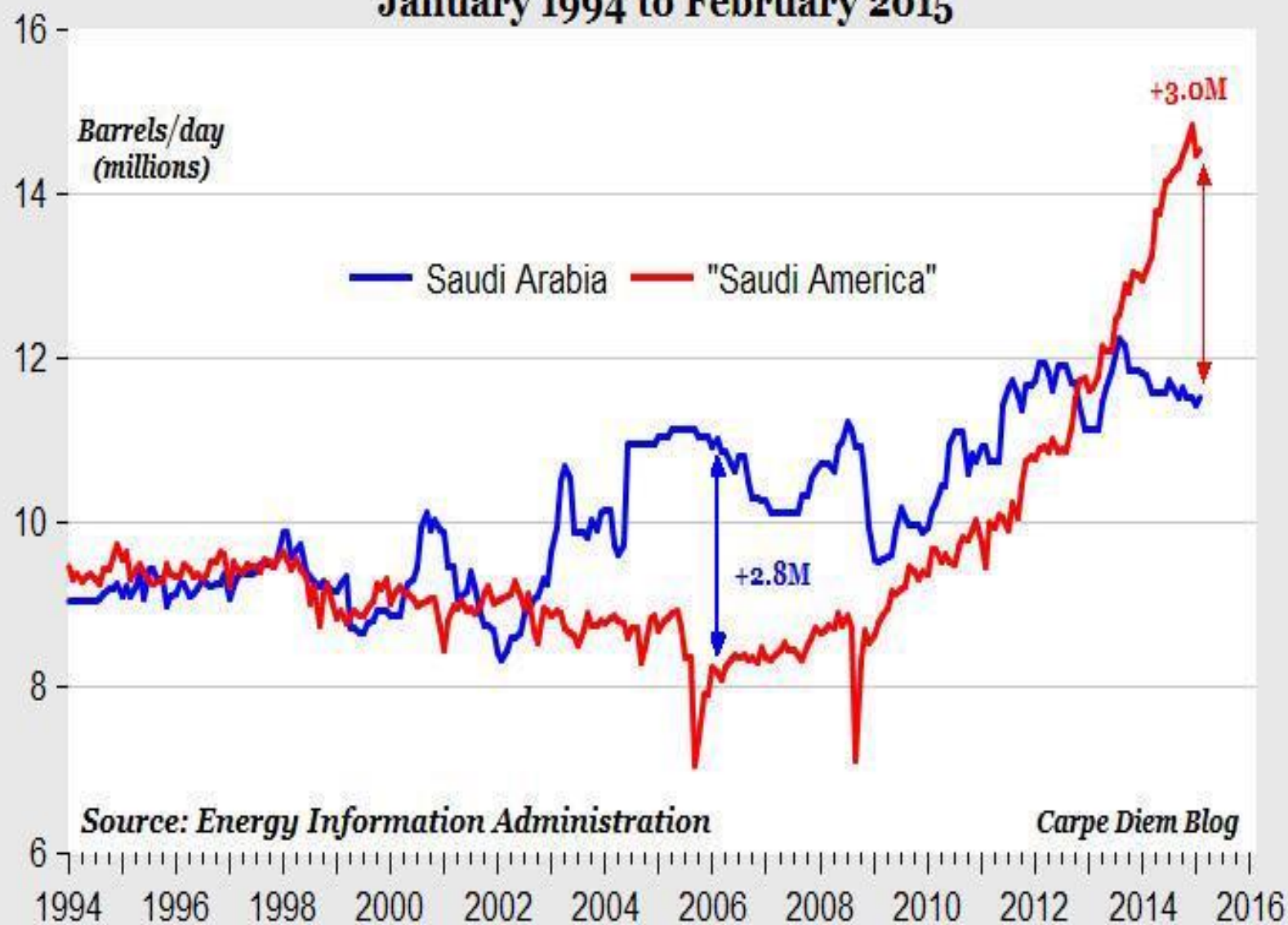
U.S. oil imports shrink

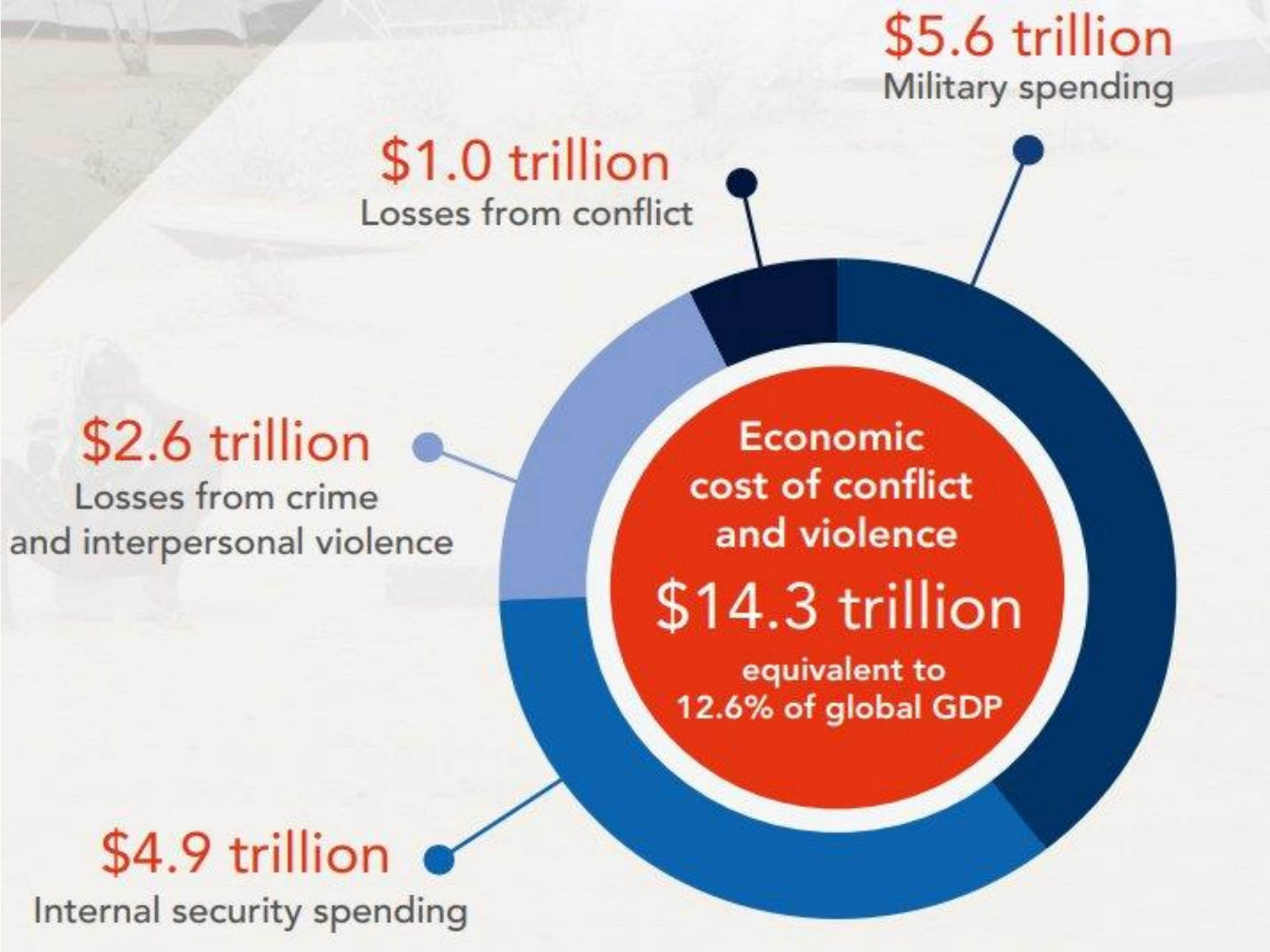
Imports as percentage of daily demand



SOURCE: RAYMOND JAMES *Estimate

Total Petroleum Production: Saudi Arabia vs. US January 1994 to February 2015





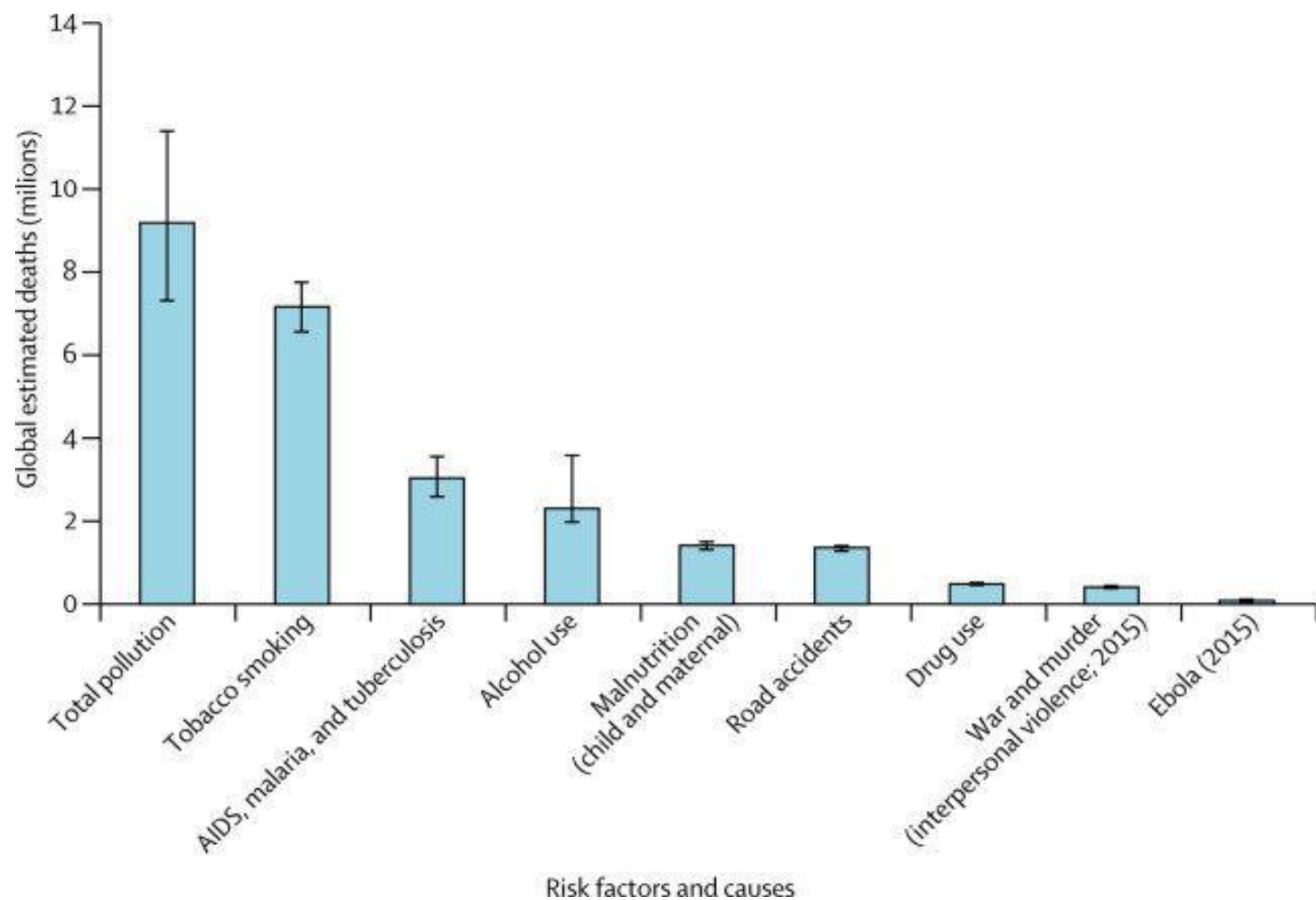
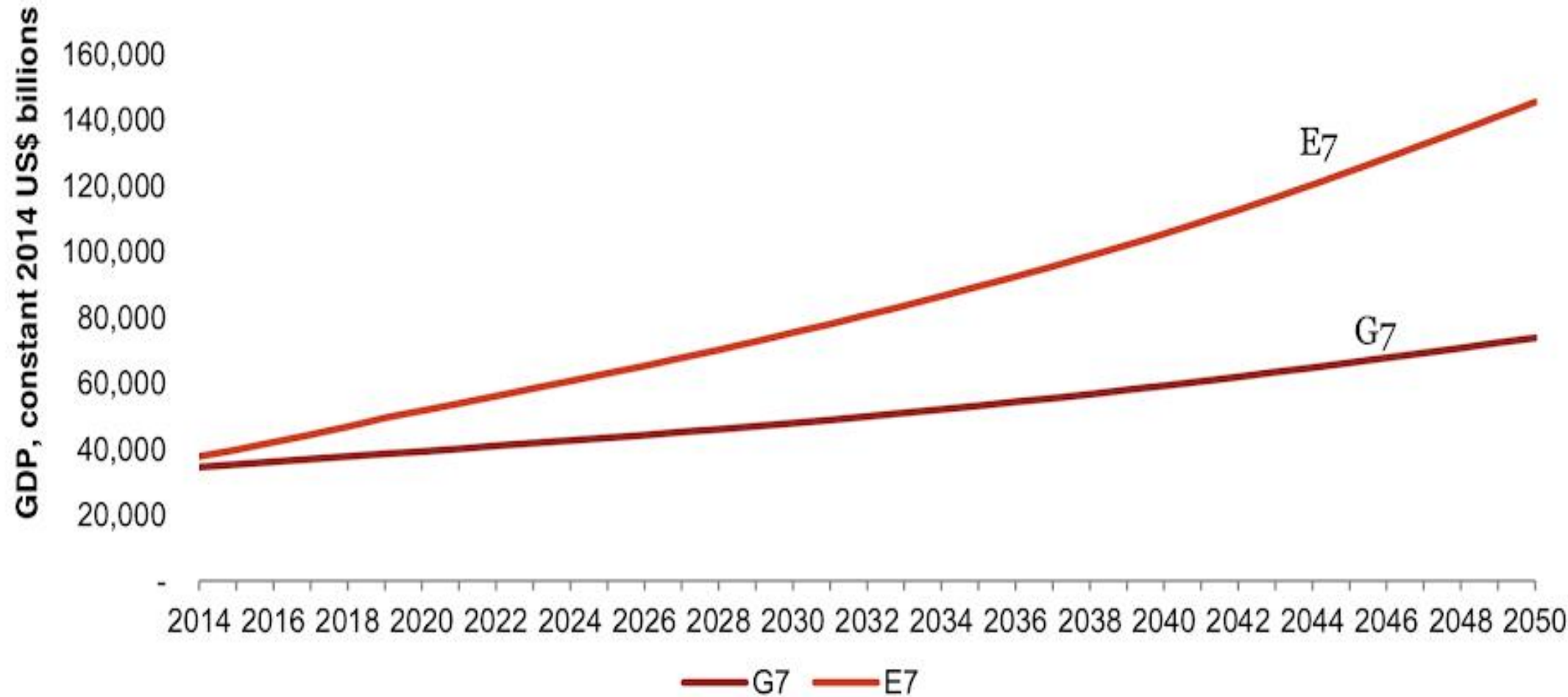
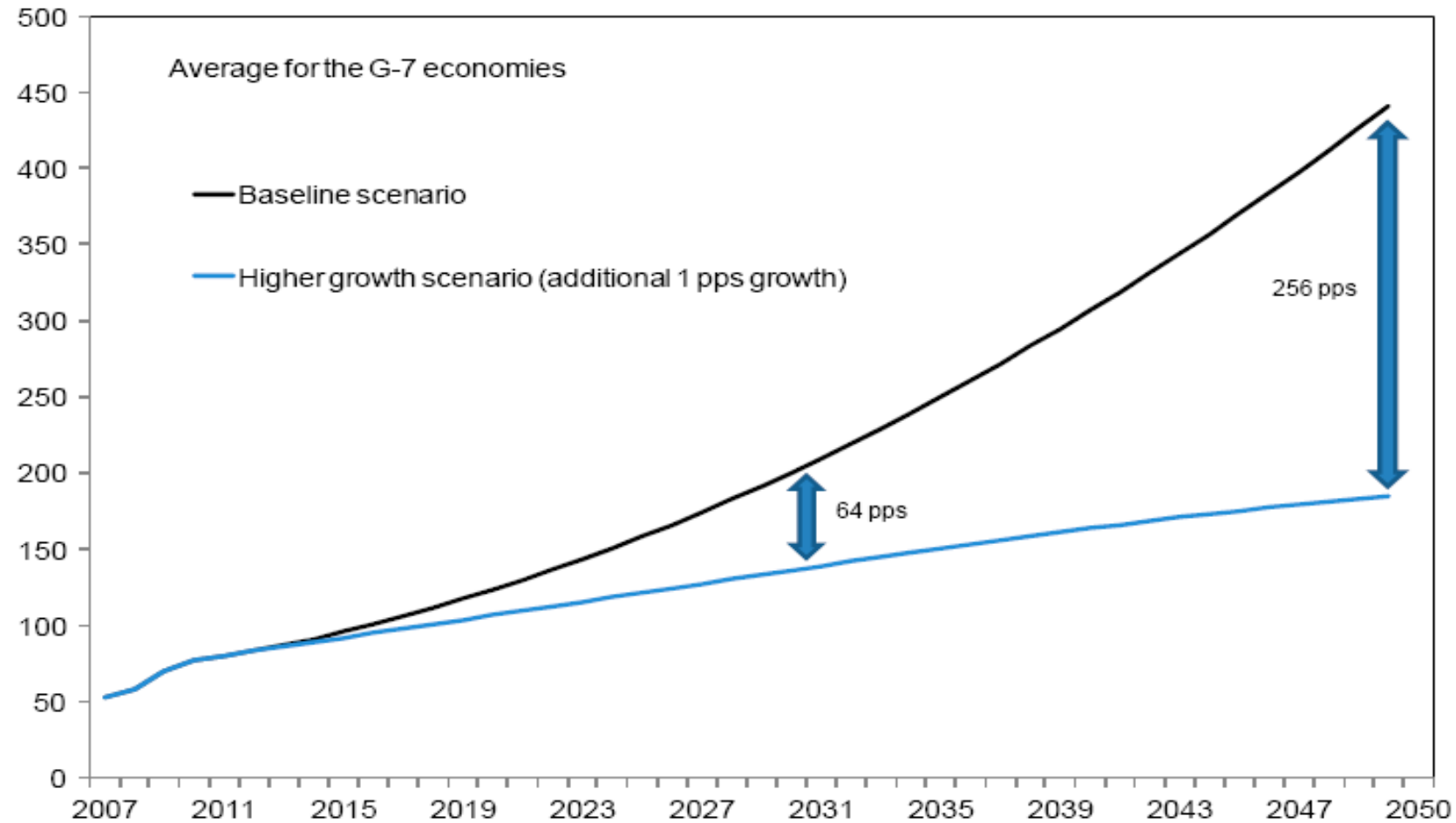


Figure 4: E7 and G7 growth paths in PPP terms

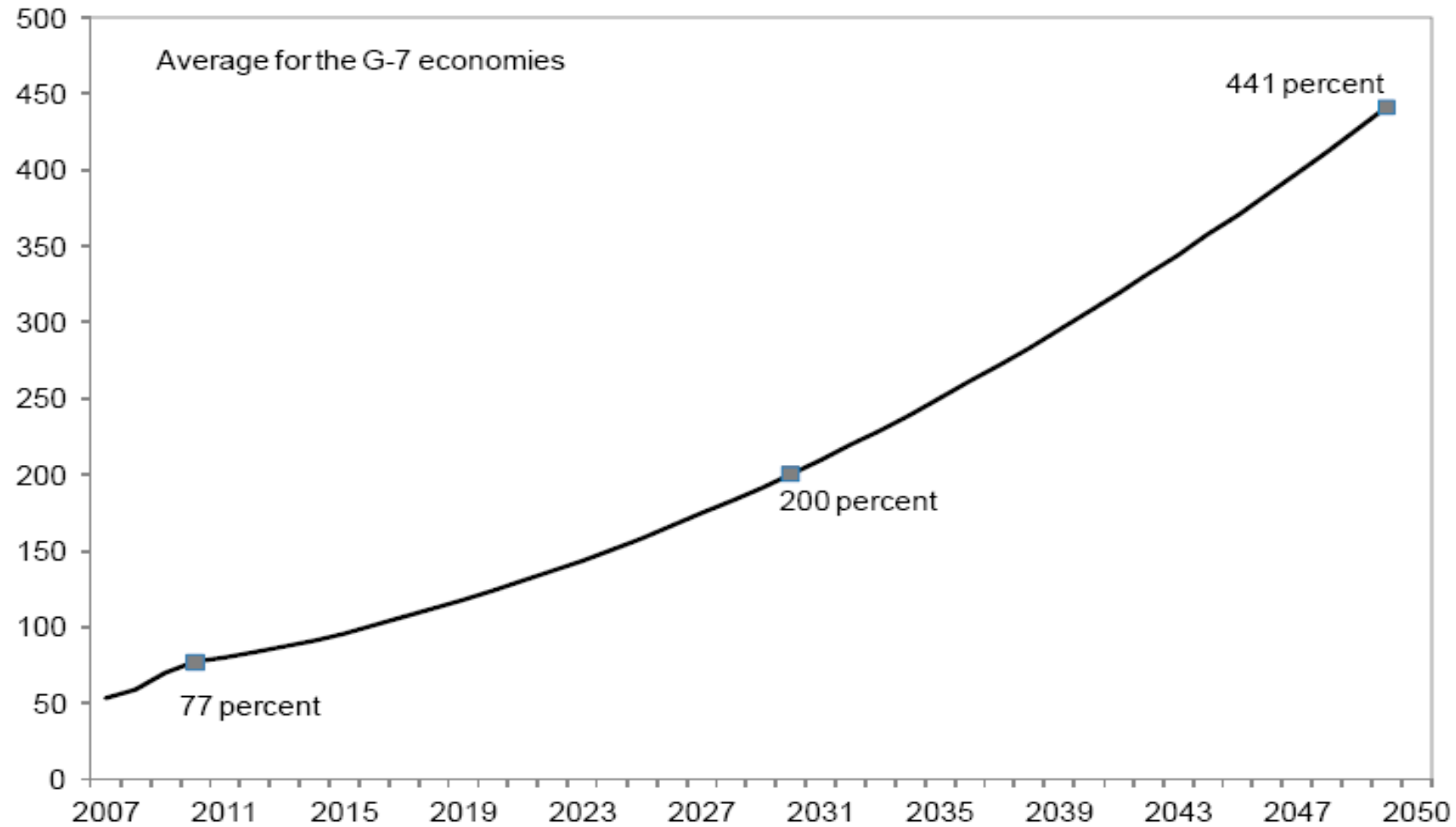


IF THEY GROW 1 POINT MORE EVERY YEAR!!



SOURCE: IMF SPN LONG TERM TRENDS IN PUBLIC FINANCES IN THE G-7 COUNTRIES , 2010

DEBT PROBLEM IN G7 COUNTRIES: PUBLIC DEBT/GDP

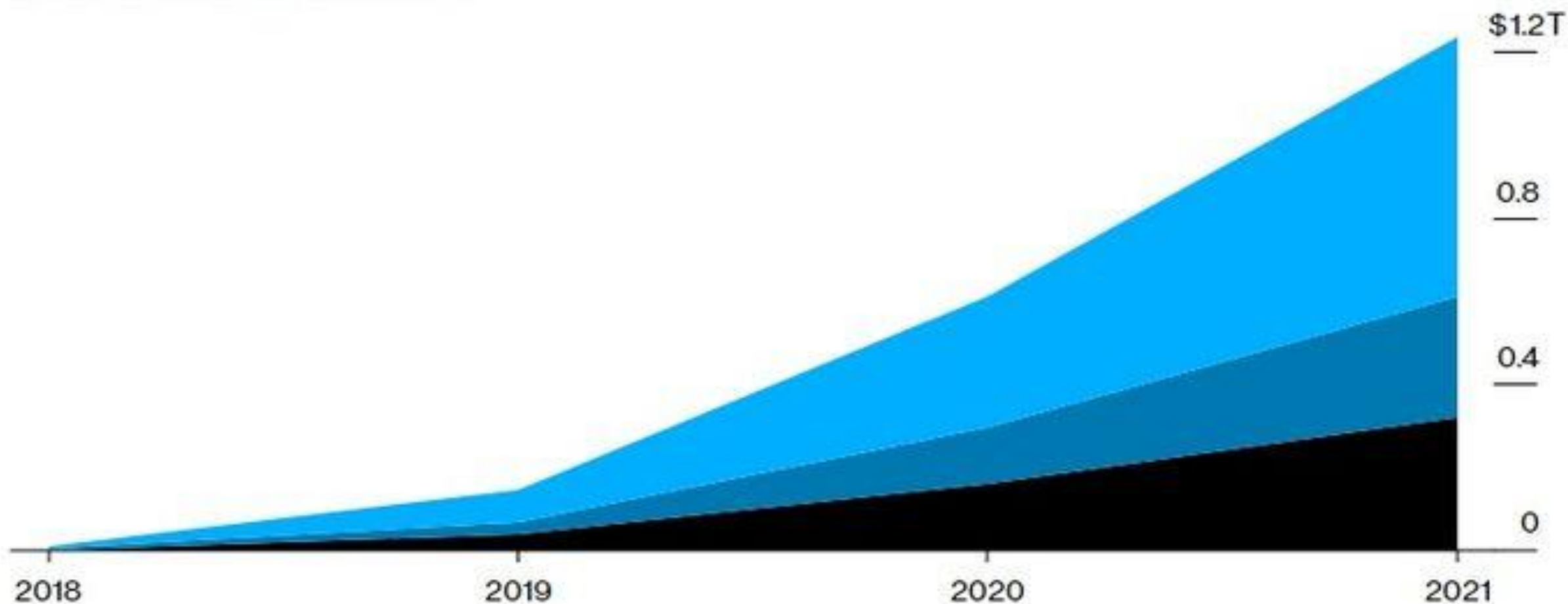


SOURCE: IMF SPN LONG TERM TRENDS IN PUBLIC FINANCES IN THE G-7 COUNTRIES, 2010

Global Cost of a Trade War

Forecast of cumulative world GDP lost due to escalating trade dispute

■ U.S. ■ China ■ Rest of world



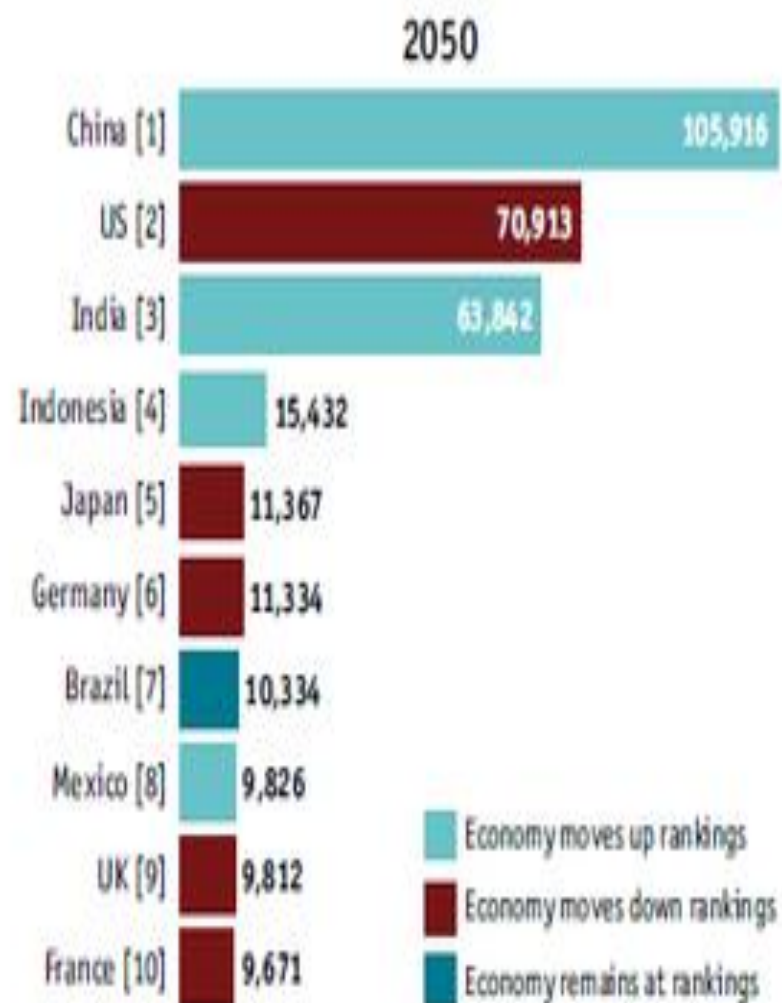
Sources: NiGEM, Bloomberg Economics

Note: Forecasts are as of the end of each year.

Nominal GDP
(US\$ bn)



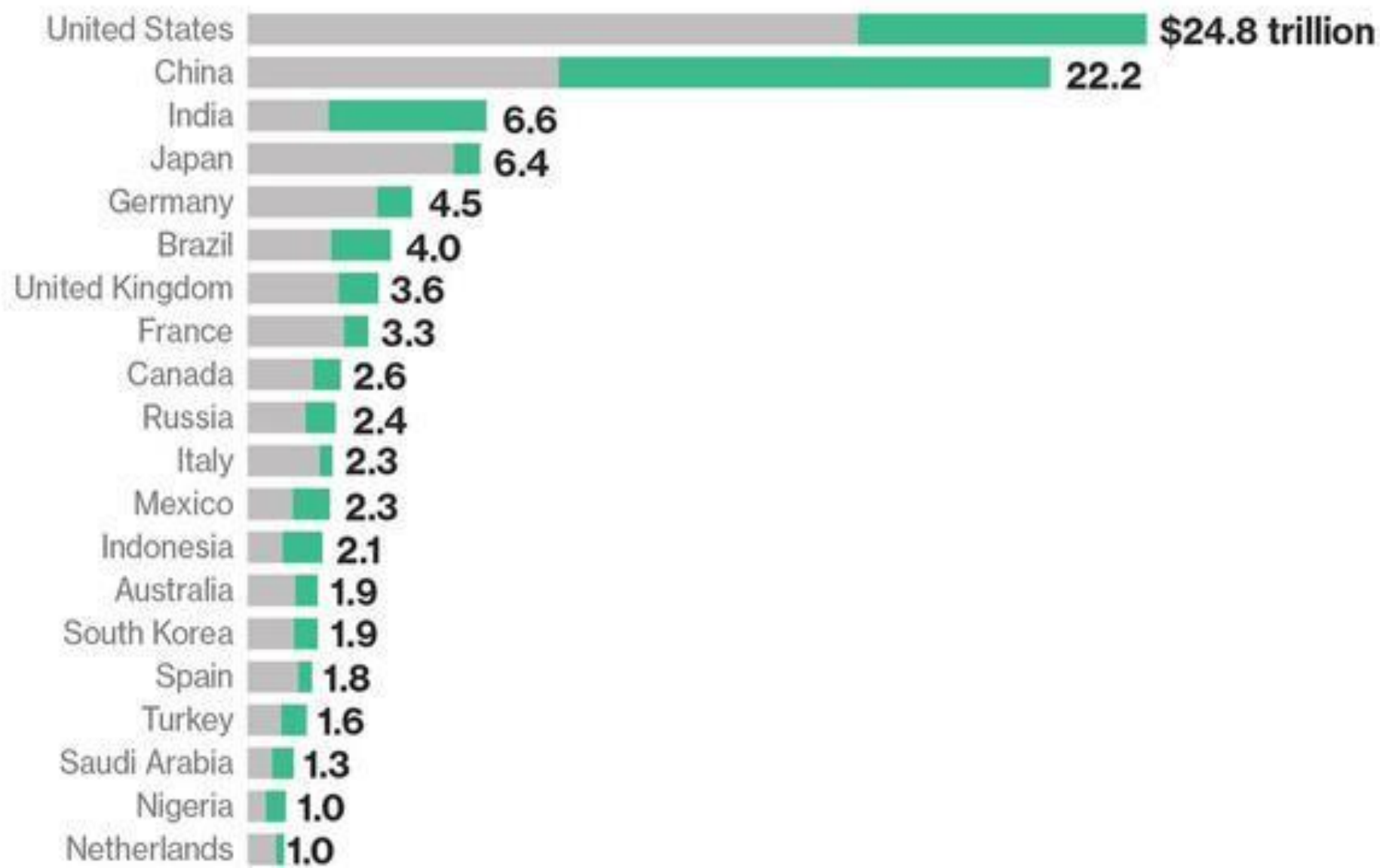
Source: The Economist Intelligence Unit.



Source: The Economist Intelligence Unit.

World's 20 Largest Economies in 2030

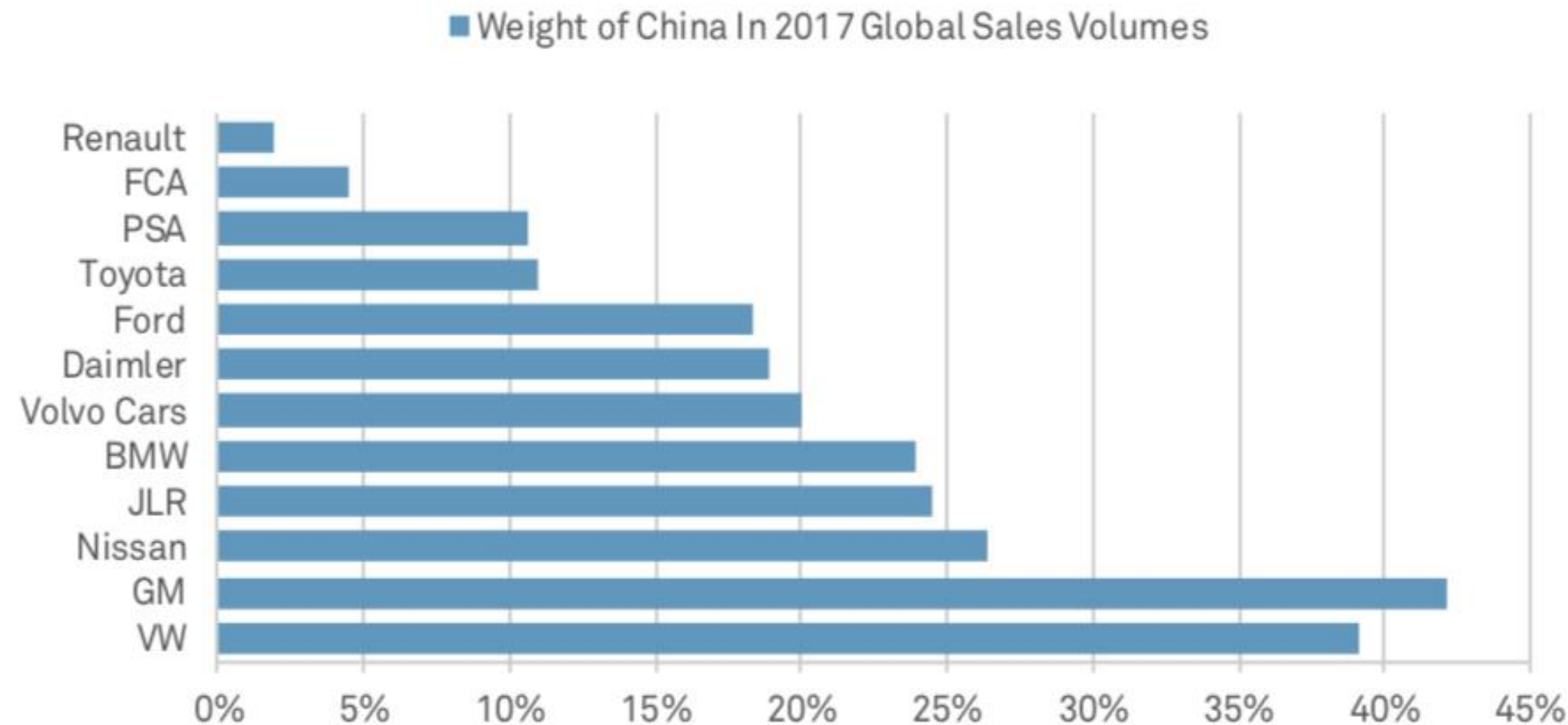
■ GDP in 2015 ■ Projected growth in GDP by 2030



Global top ten risks for doing business

- | | |
|----|---|
| 1 | Unemployment or underemployment |
| 2 | Failure of national governance |
| 3 | Energy price shock |
| 4 | Fiscal crises |
| 5 | Cyber-attacks |
| 6 | Profound social instability |
| 7 | Failure of financial mechanism or institution |
| 8 | Failure of critical infrastructure |
| 9 | Failure of regional and global governance |
| 10 | Terrorist attacks |

Weight of China In 2017 Global Sales Volumes



Source: S&P Global Ratings

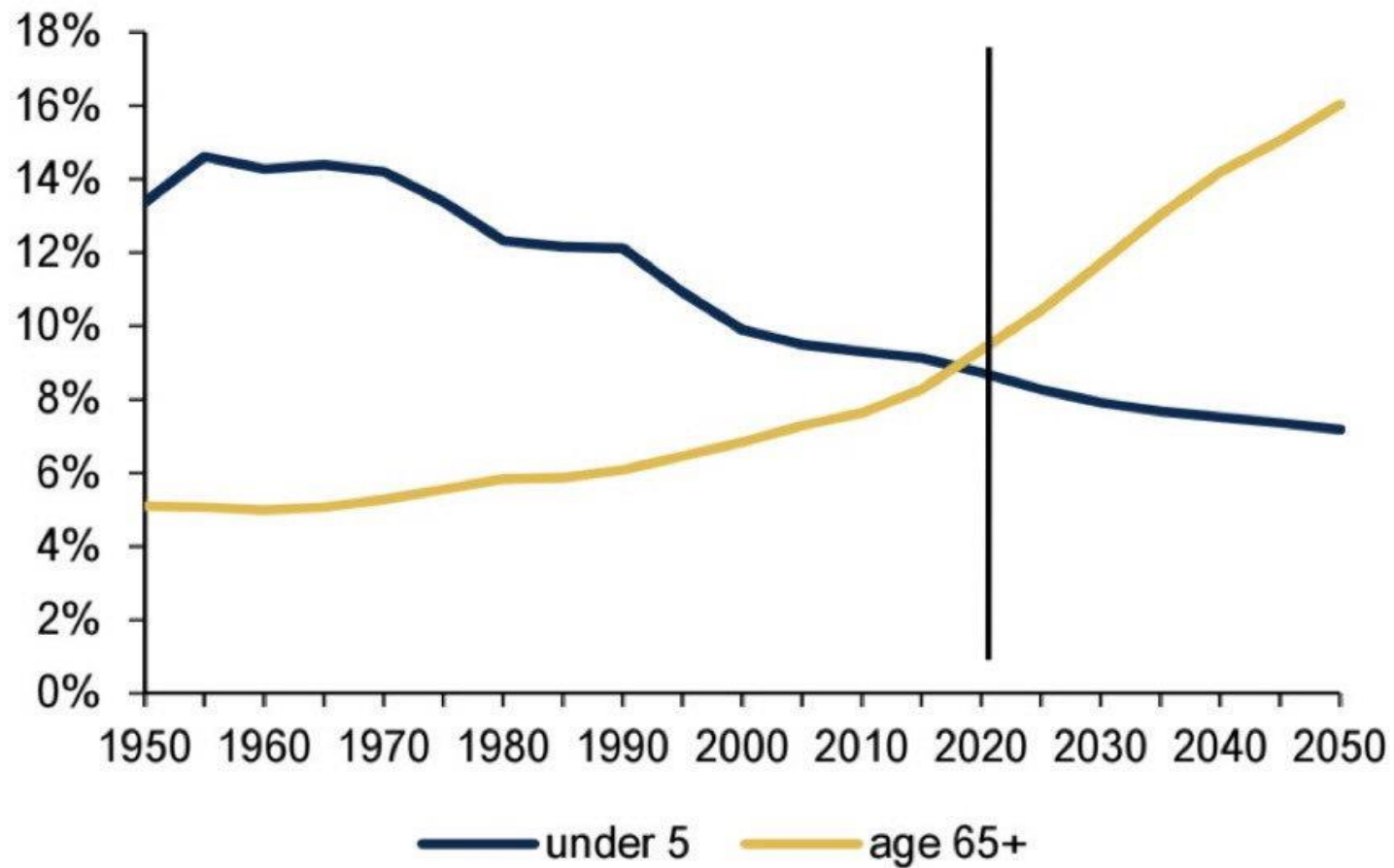
10 biggest countries by population, 1950-2100, millions

Countries in **red** = first appearance in the top 10

Country	1950	Country	2015	Country	2050	Country	2100
China	544	China	1376	India	1705	India	1660
India	376	India	1311	China	1348	China	1004
USA	158	USA	322	Nigeria	399	Nigeria	752
Russia	103	Indonesia	258	USA	389	USA	450
Japan	82	Brazil	208	Indonesia	321	Congo	389
Germany	70	Pakistan	189	Pakistan	310	Pakistan	364
Indonesia	70	Nigeria	182	Brazil	238	Indonesia	314
Brazil	54	Bangladesh	161	Bangladesh	202	Tanzania	299
United Kingdom	51	Russia	143	Congo	195	Ethiopia	243
Italy	47	Mexico	127	Ethiopia	188	Niger	209

Chart 10: Young children and older people as a % of global population: 1950-2050

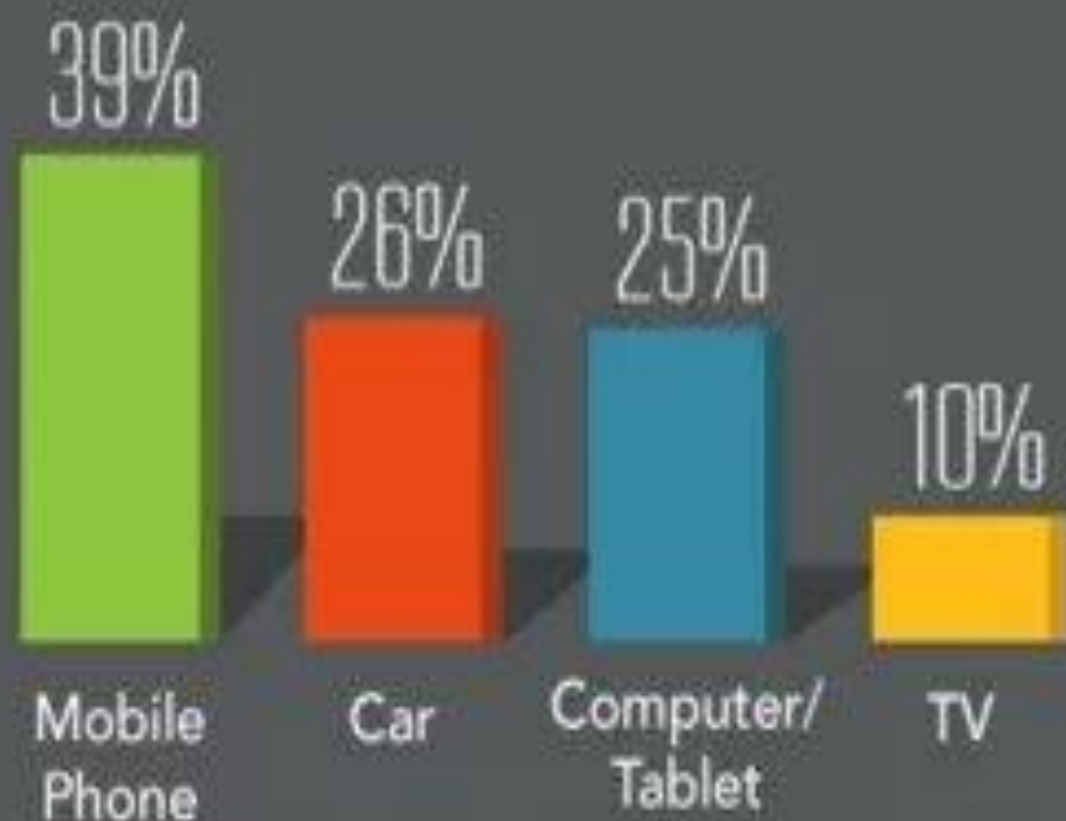
Number of 65+ will overtake those aged <5 by the end of this decade



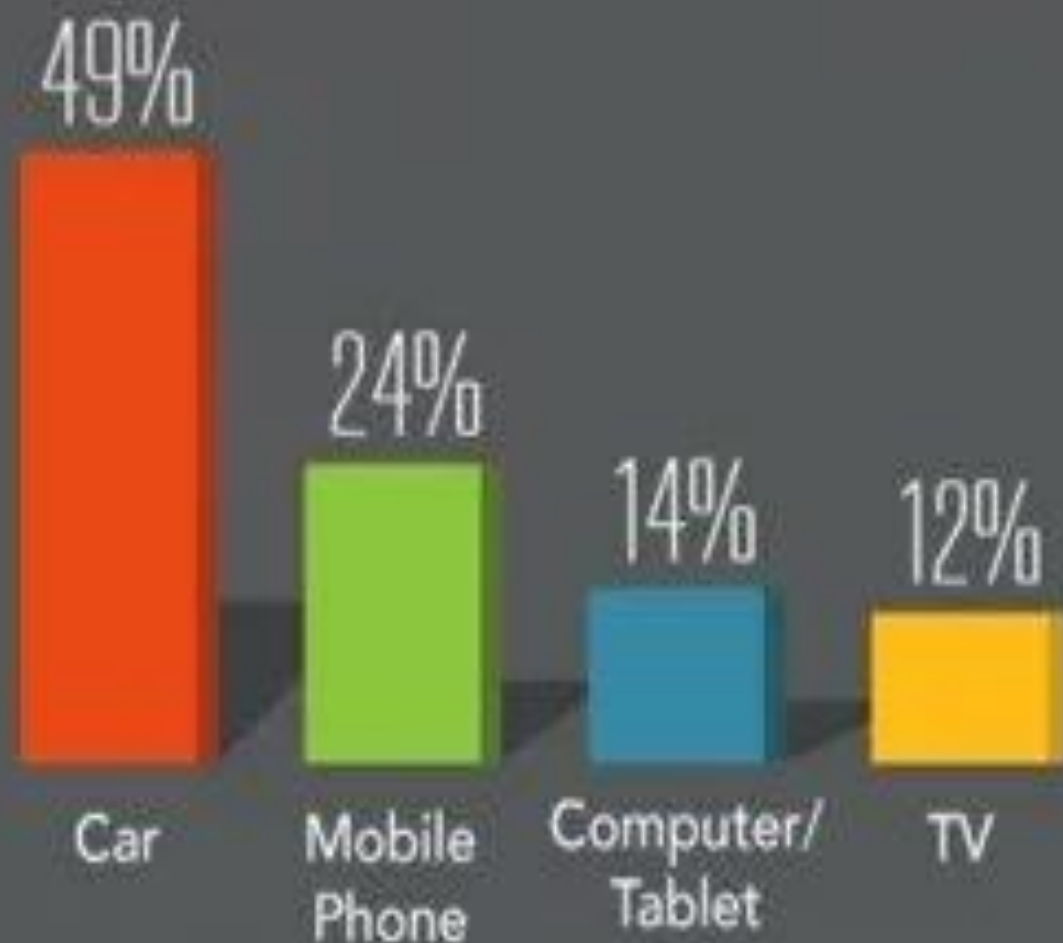
Source: UN

**"LOSING WHICH PIECE OF TECHNOLOGY WOULD HAVE
THE GREATEST NEGATIVE IMPACT ON YOU?"**

18-34 YEAR OLDS



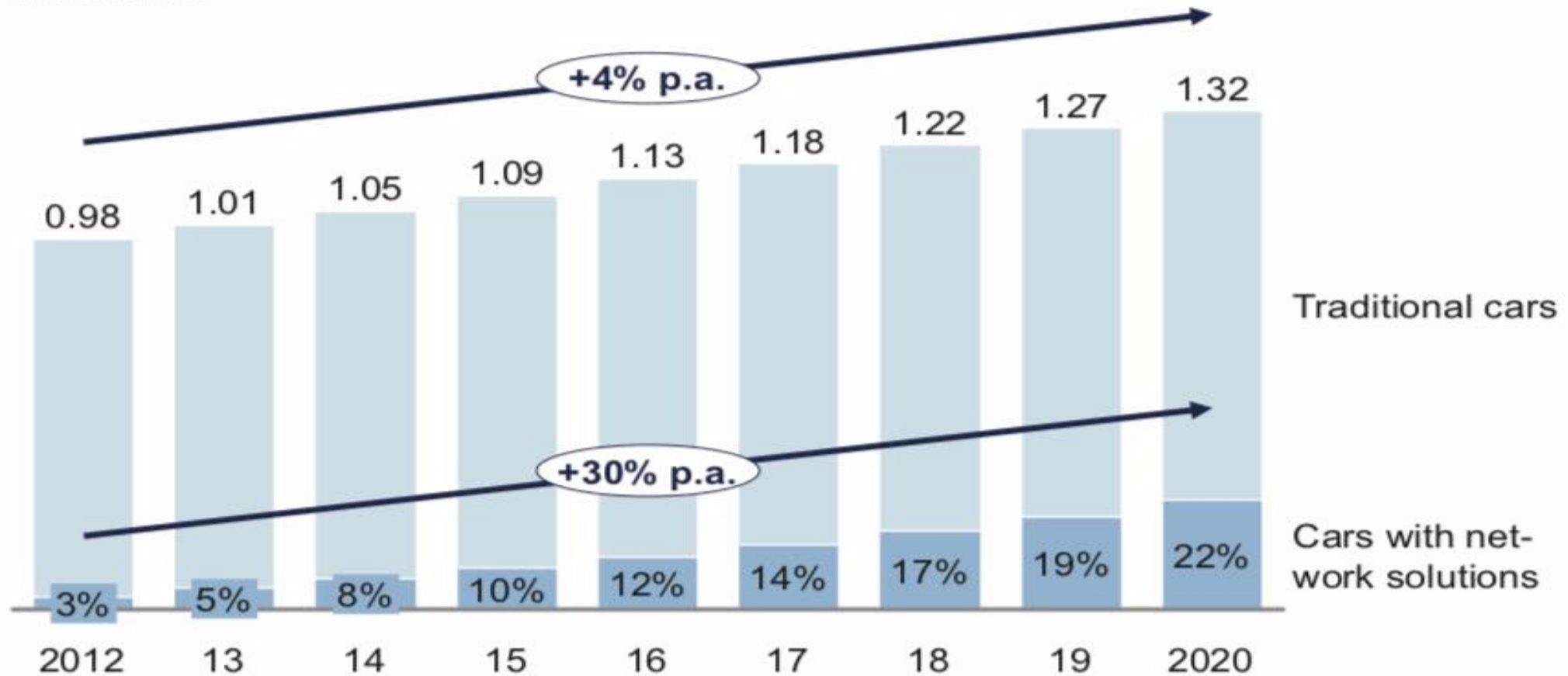
45-54 YEAR OLDS



Internet-connected cars are on the rise

Global installed car base

Billion units



The Internet has become a significant influence on buyers' purchasing decision

Top influencing sources for new buyers' purchasing decision in Germany
Percent¹

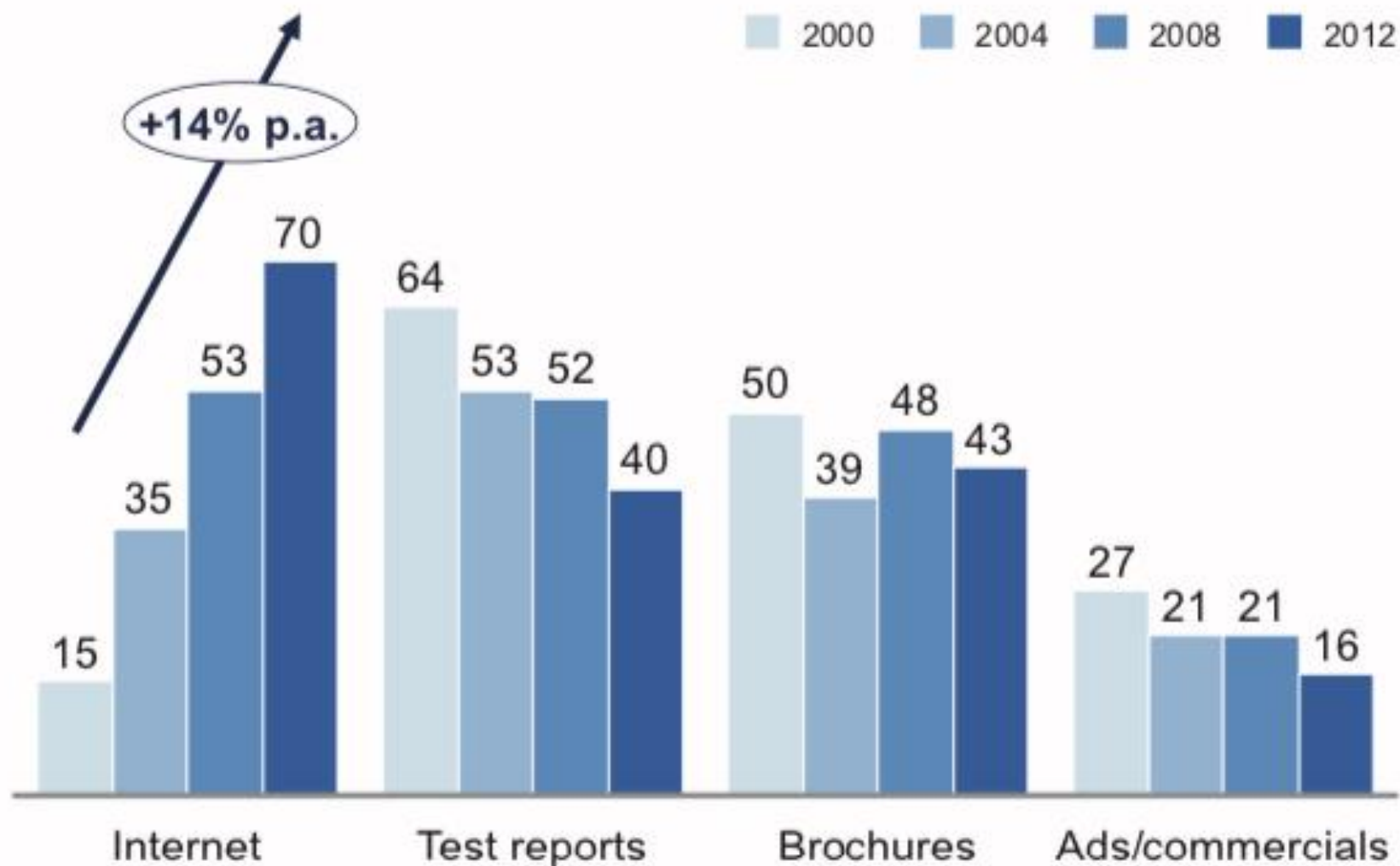
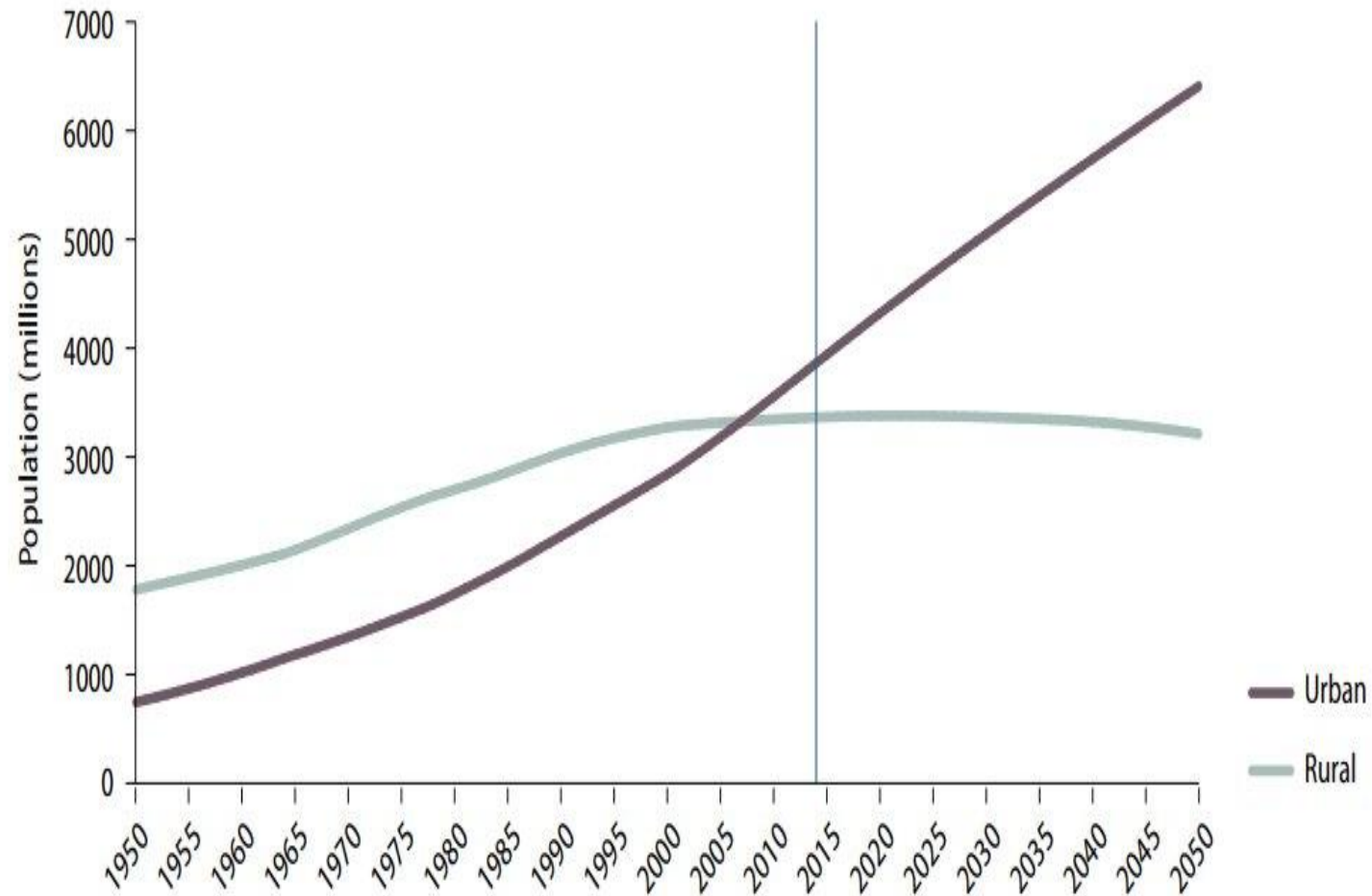


Figure 2.
Urban and rural population of the world, 1950–2050

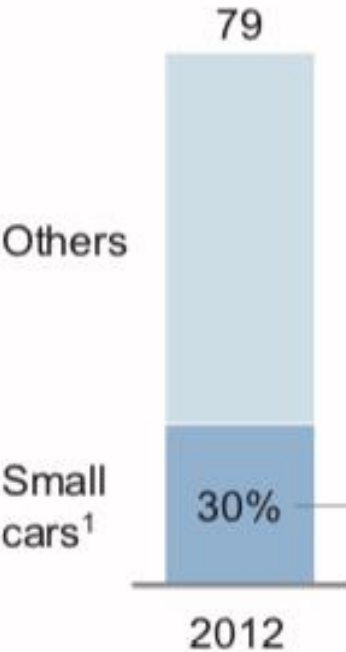
A majority of the
world's population
lives in urban areas



Small cars show big potential in emerging markets

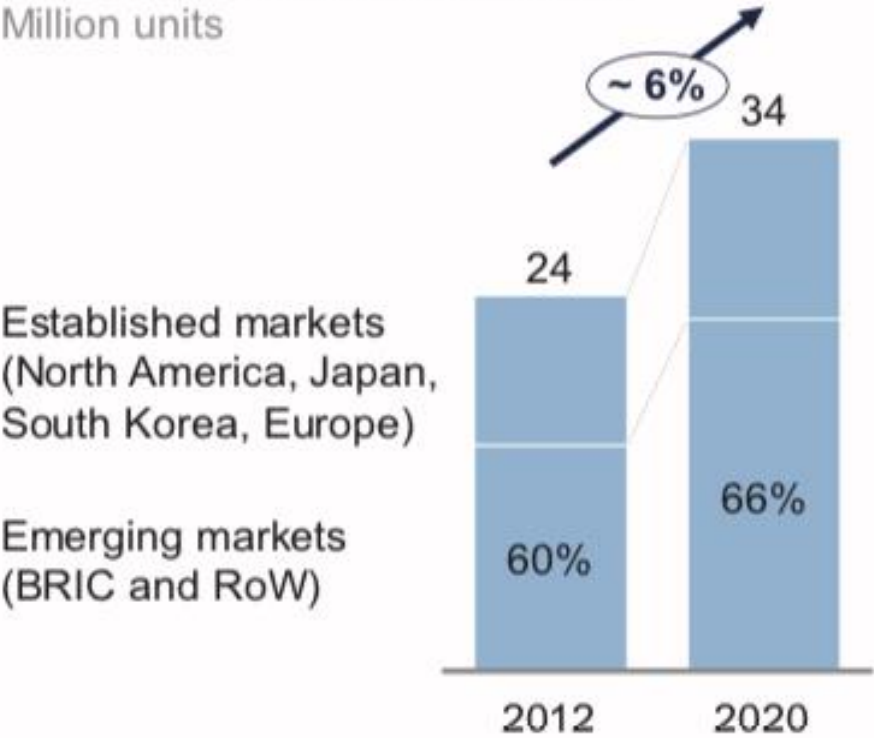
Small cars with significant sales share

Global sales volume
Million units



Strong growth of small cars in emerging markets

Development of small car sales
Million units



¹ Including class A and B with subcompacts, microcars, and superminis



= 5 min



+



= 15 min



+



+



= 55 min



+



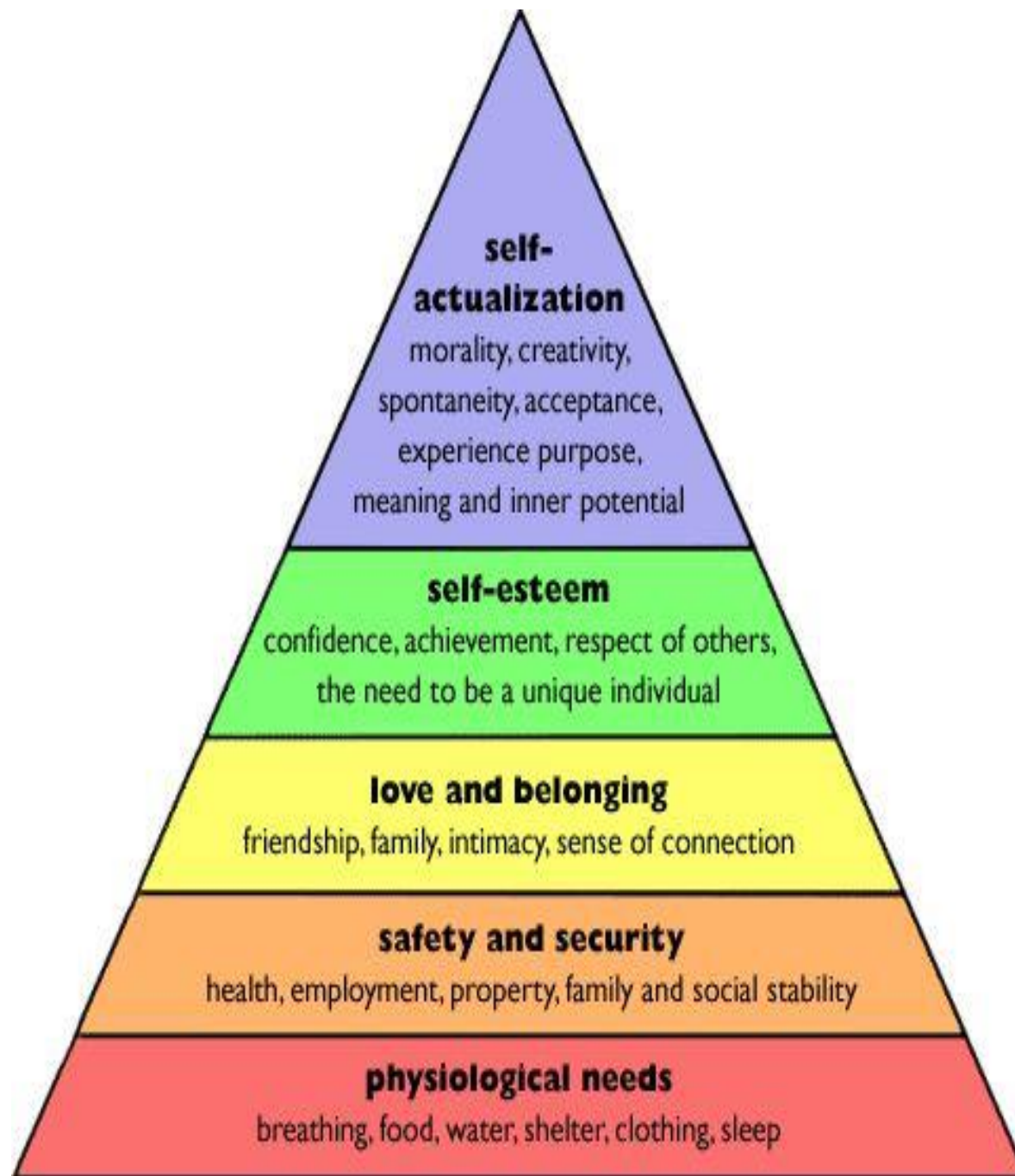
+



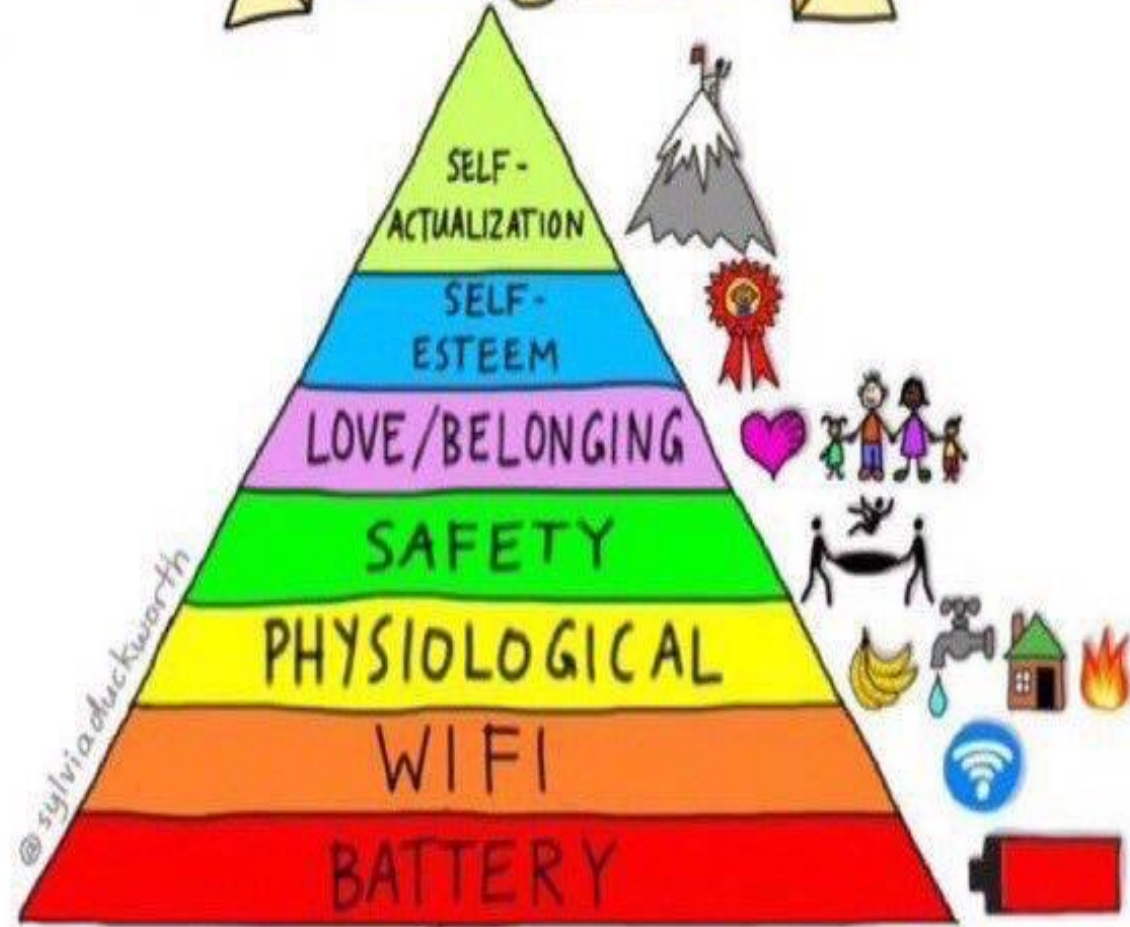
+



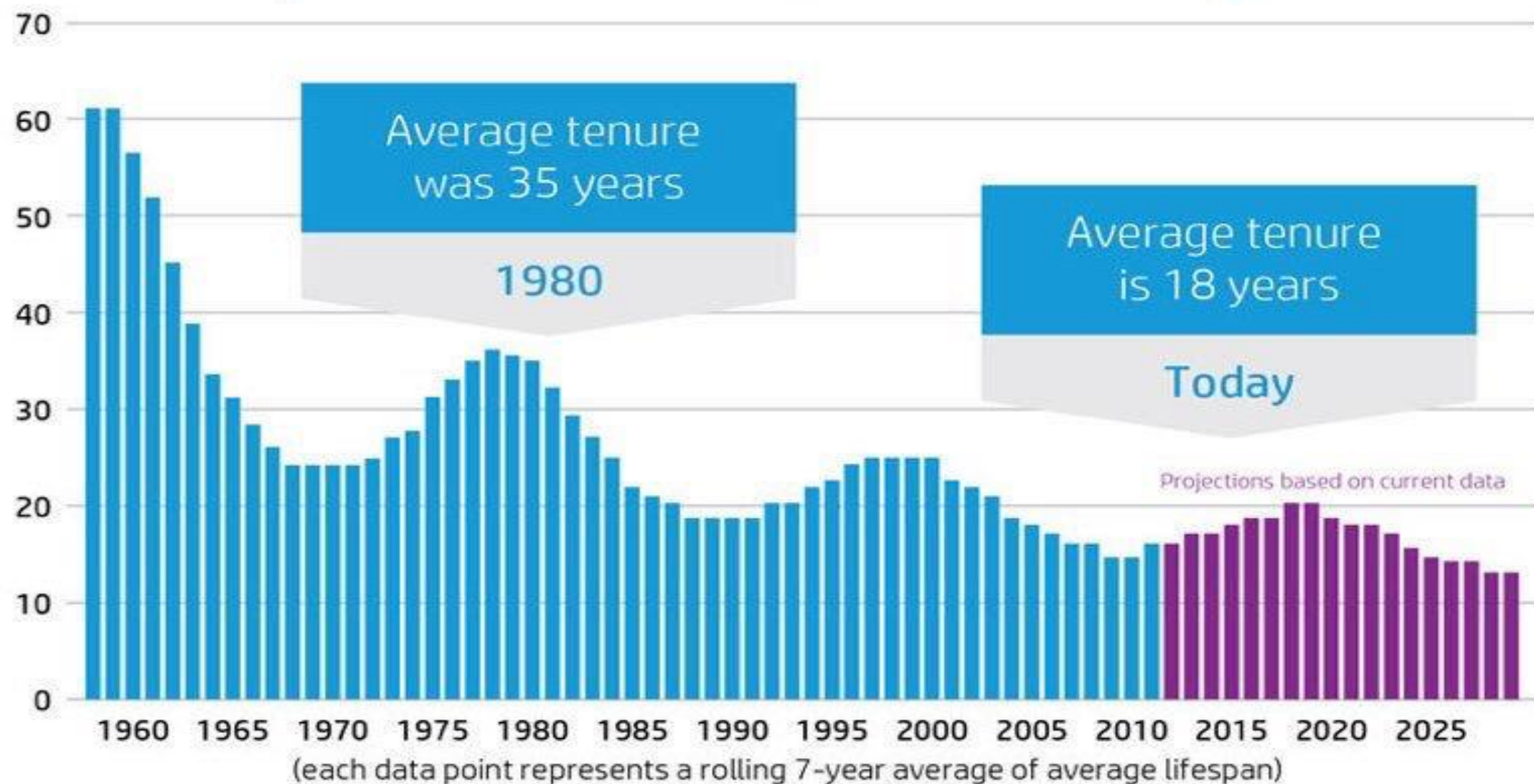
= ∞



Hierarchy of Needs



At the current churn rate, **75%** of S&P 500 companies will be removed from the index by **2027**



Anything that is routine
or repetitive will be
automated.

Minouche Shafik

Director, London School of Economics

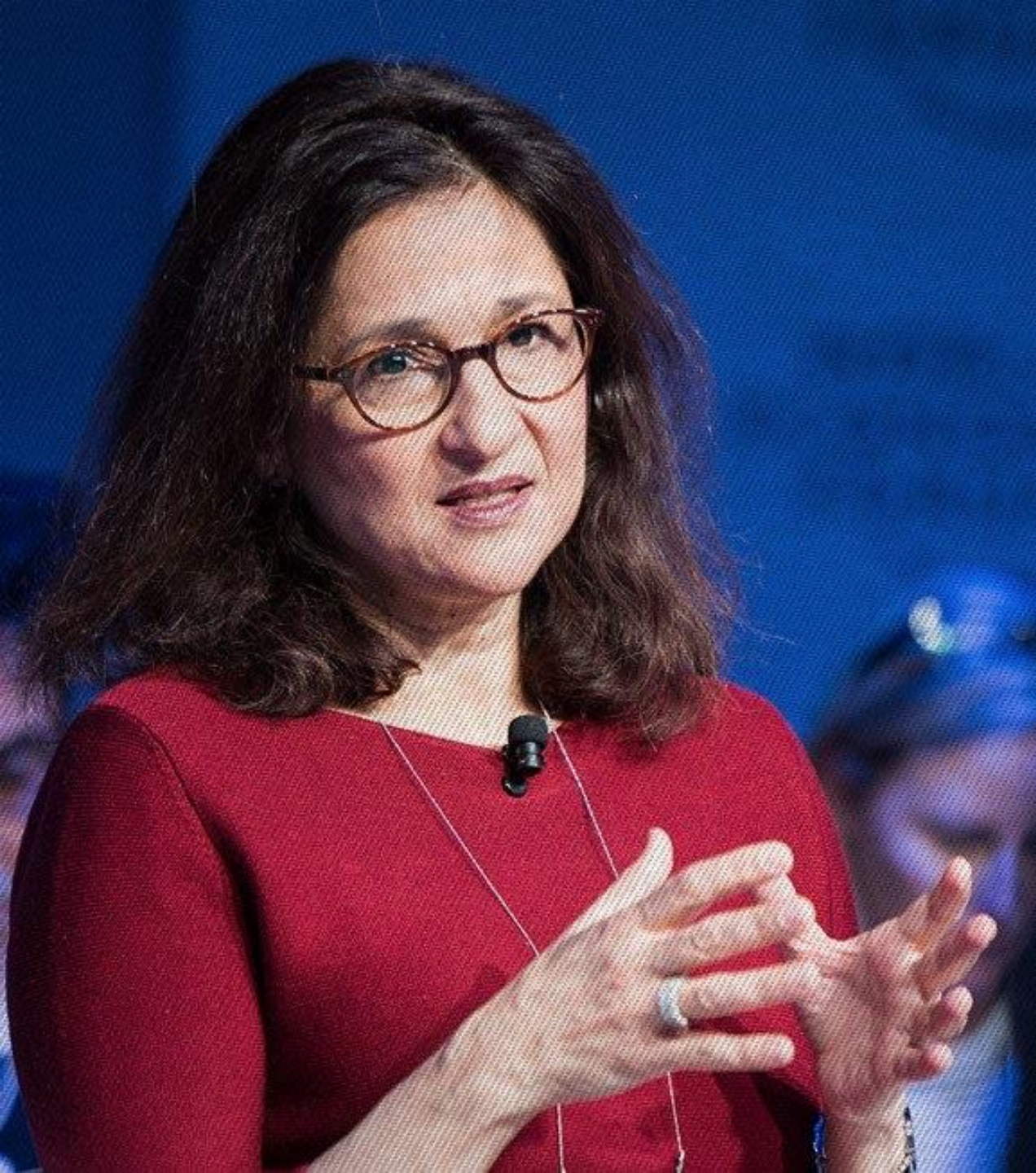
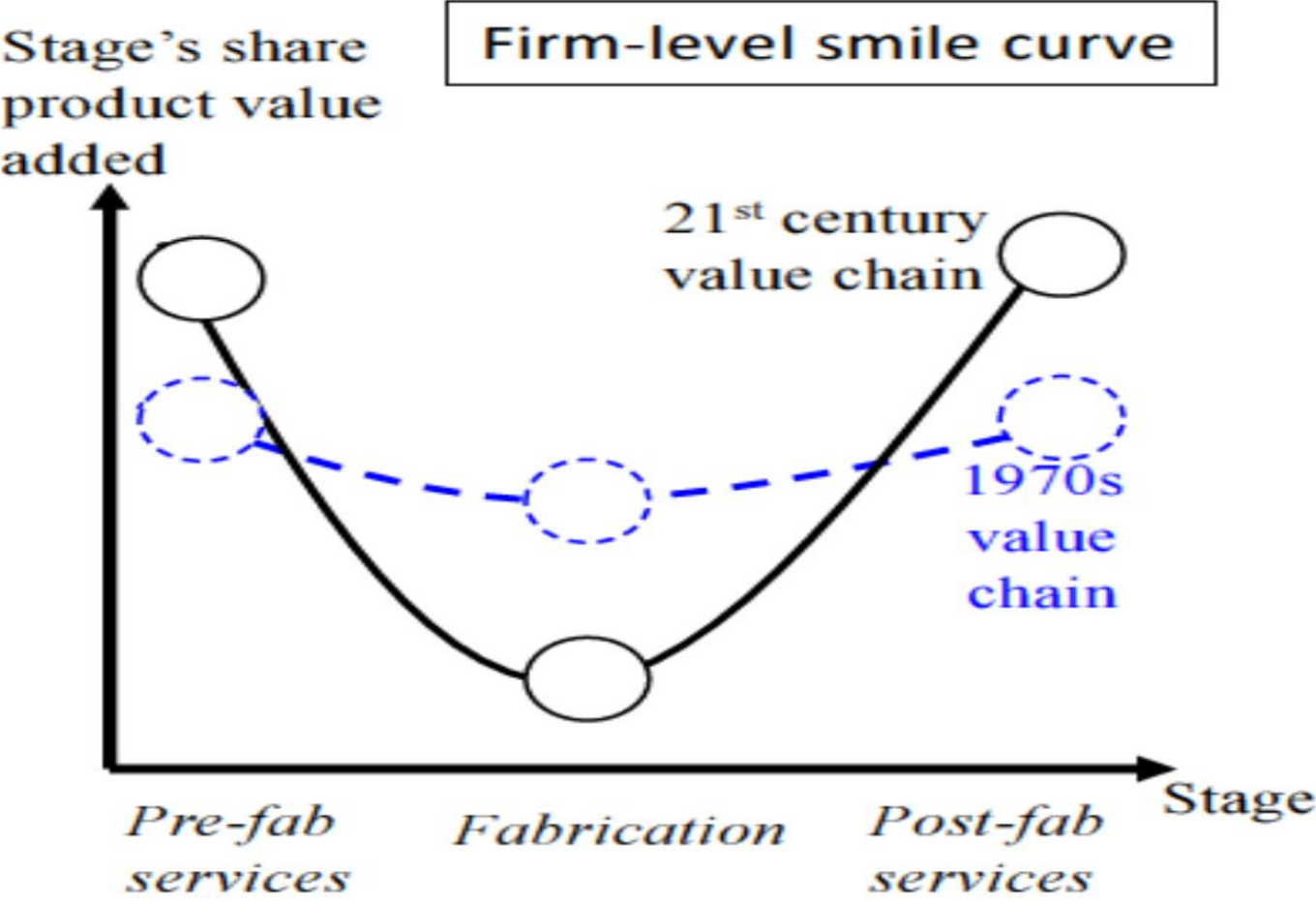


Figure 2.1 The increasing importance of pre- and post-production services in manufacturing



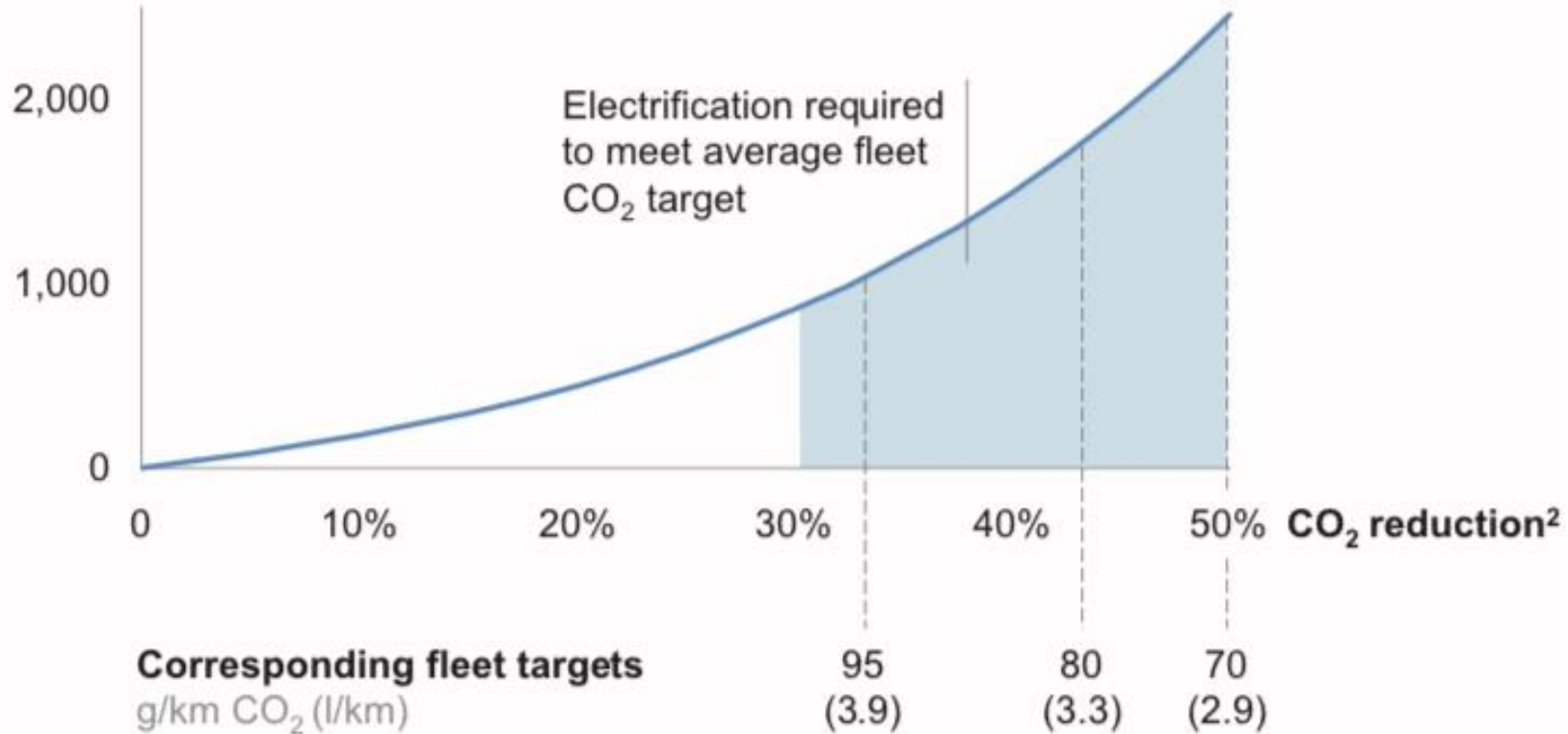
Source: Baldwin and Evernett, 2012

Tougher emissions regulations will encourage OEMs to invest in e-mobility

C-CLASS VEHICLES

Additional manufacturing costs¹

EUR



¹ Anticipated for 2020, average for gasoline and diesel internal combustion engines

² Relative to 2010 baseline



electrified



autonomous



shared

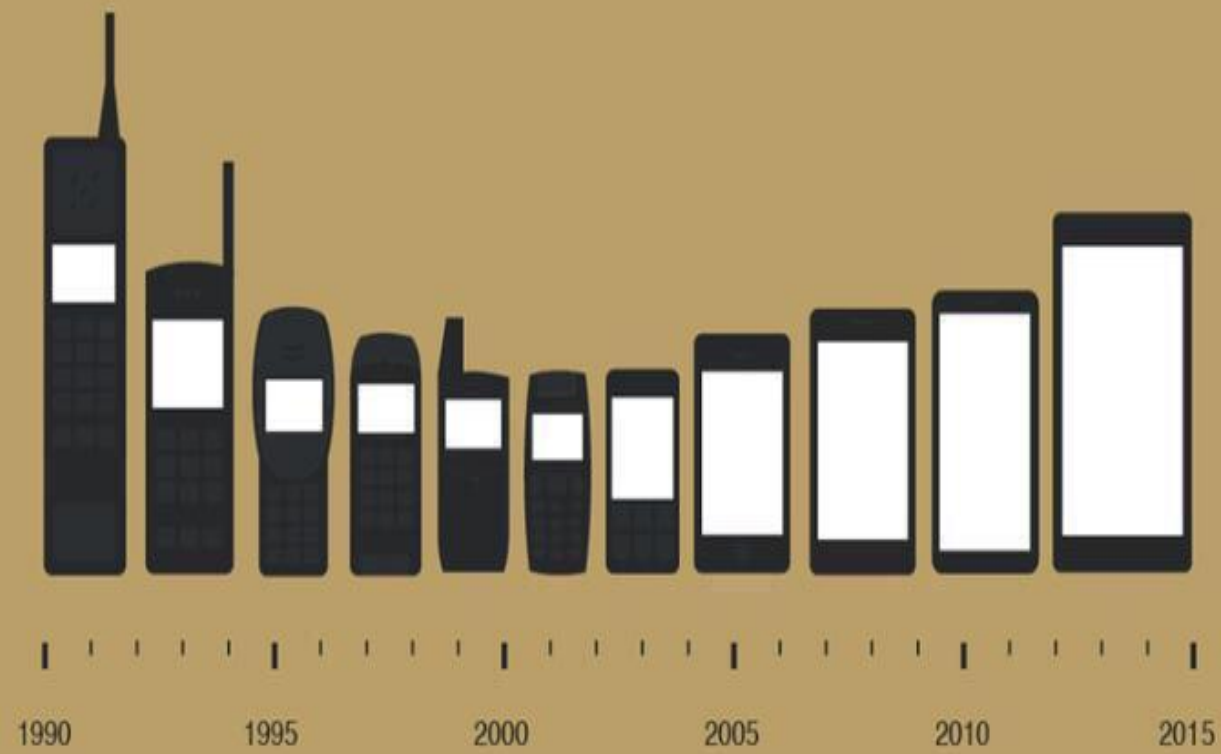


connected



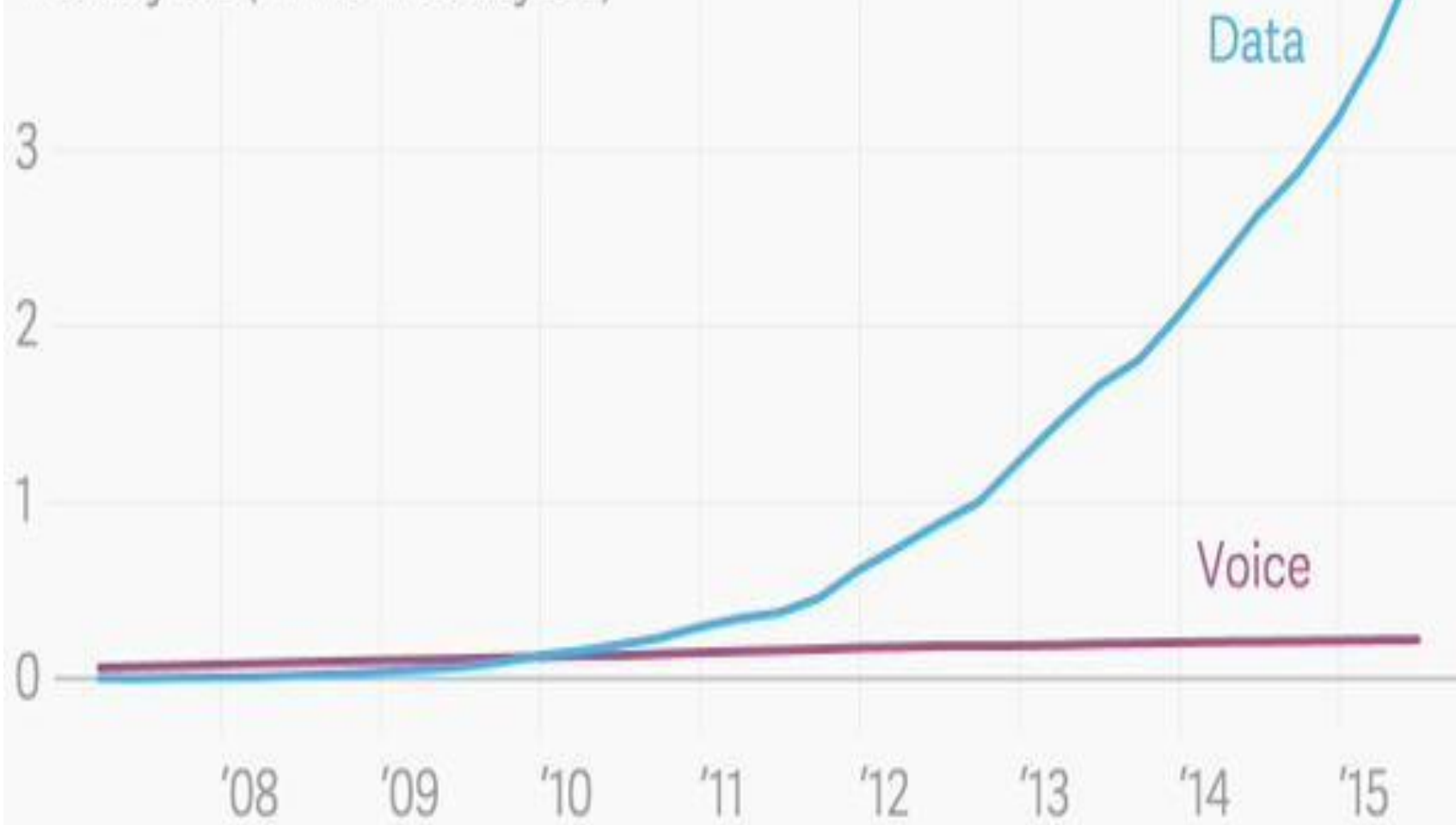
yearly updated

The study models the future development of the market by 2030 originating from the user and his/her mobility patterns.

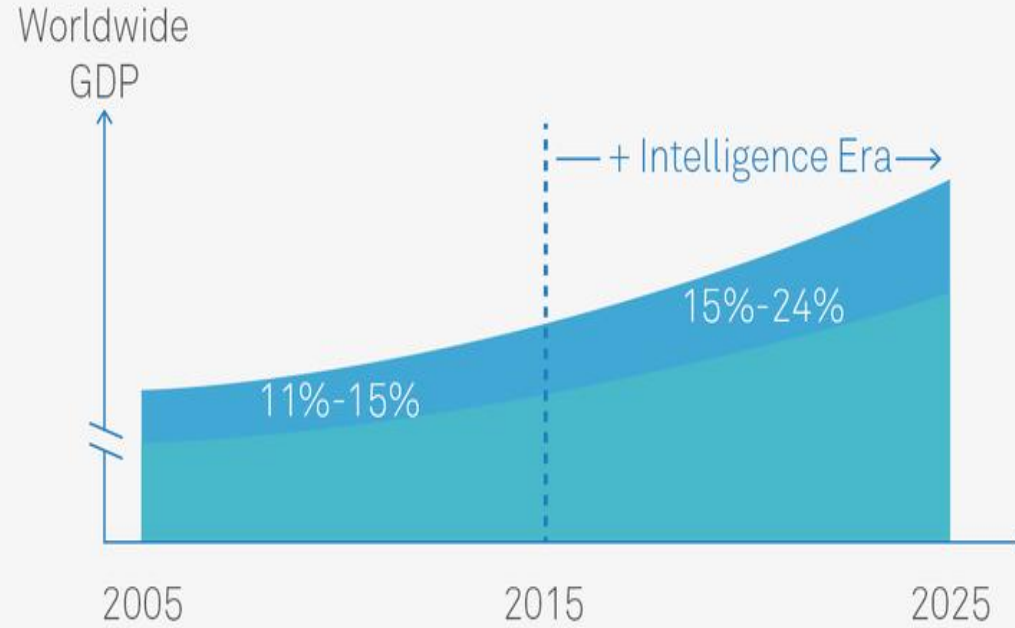


Global monthly mobile traffic

4 exabytes (million terabytes)



The Digital Economy Will Make Up 24% of GDP in 2025

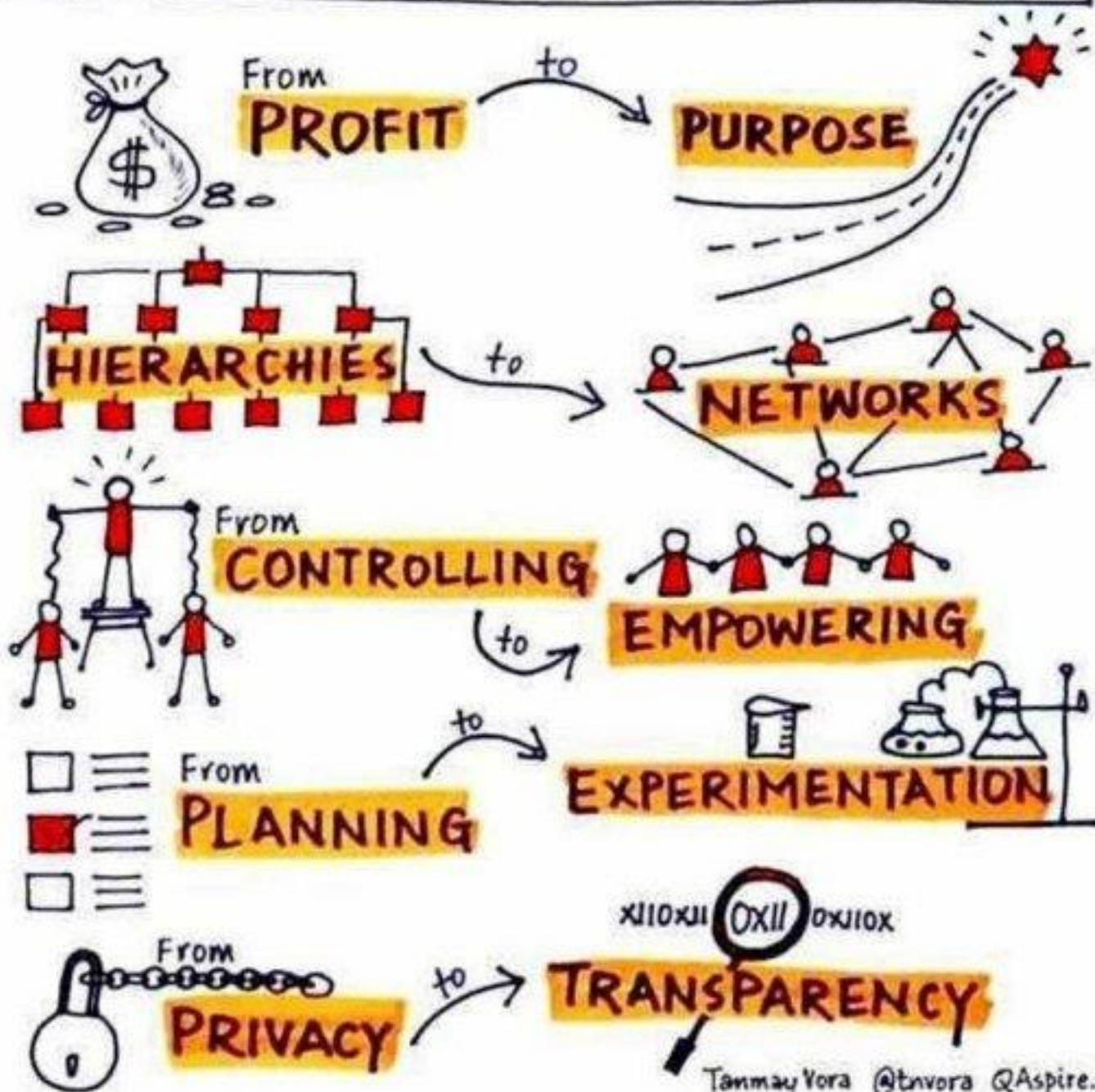


#GCI17

Digital Economy Traditional Economy

DİJİTAL EKONOMİYLE ARTAN GELİRLER

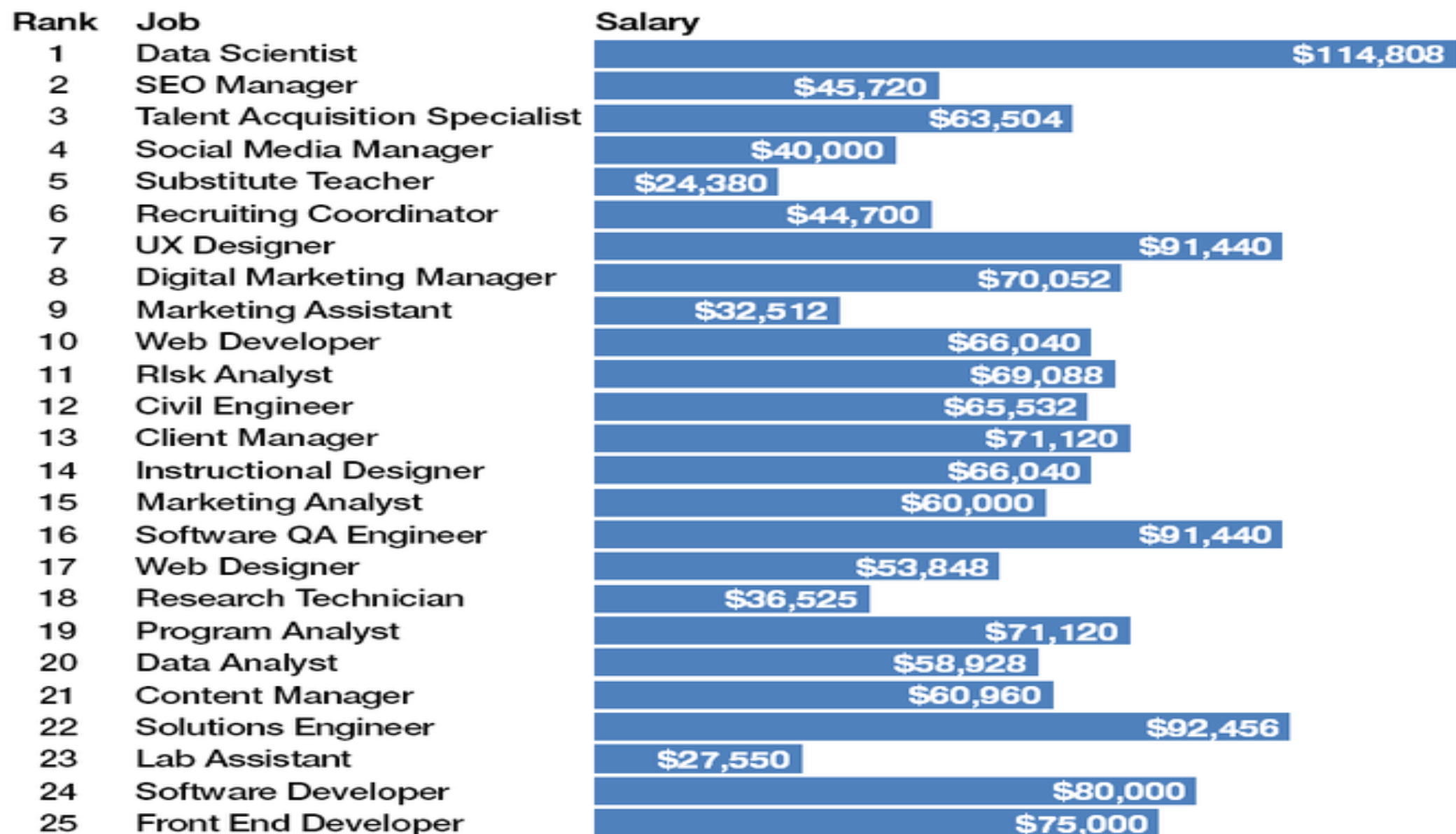
MINDSET SHIFTS FOR Organization Transformation



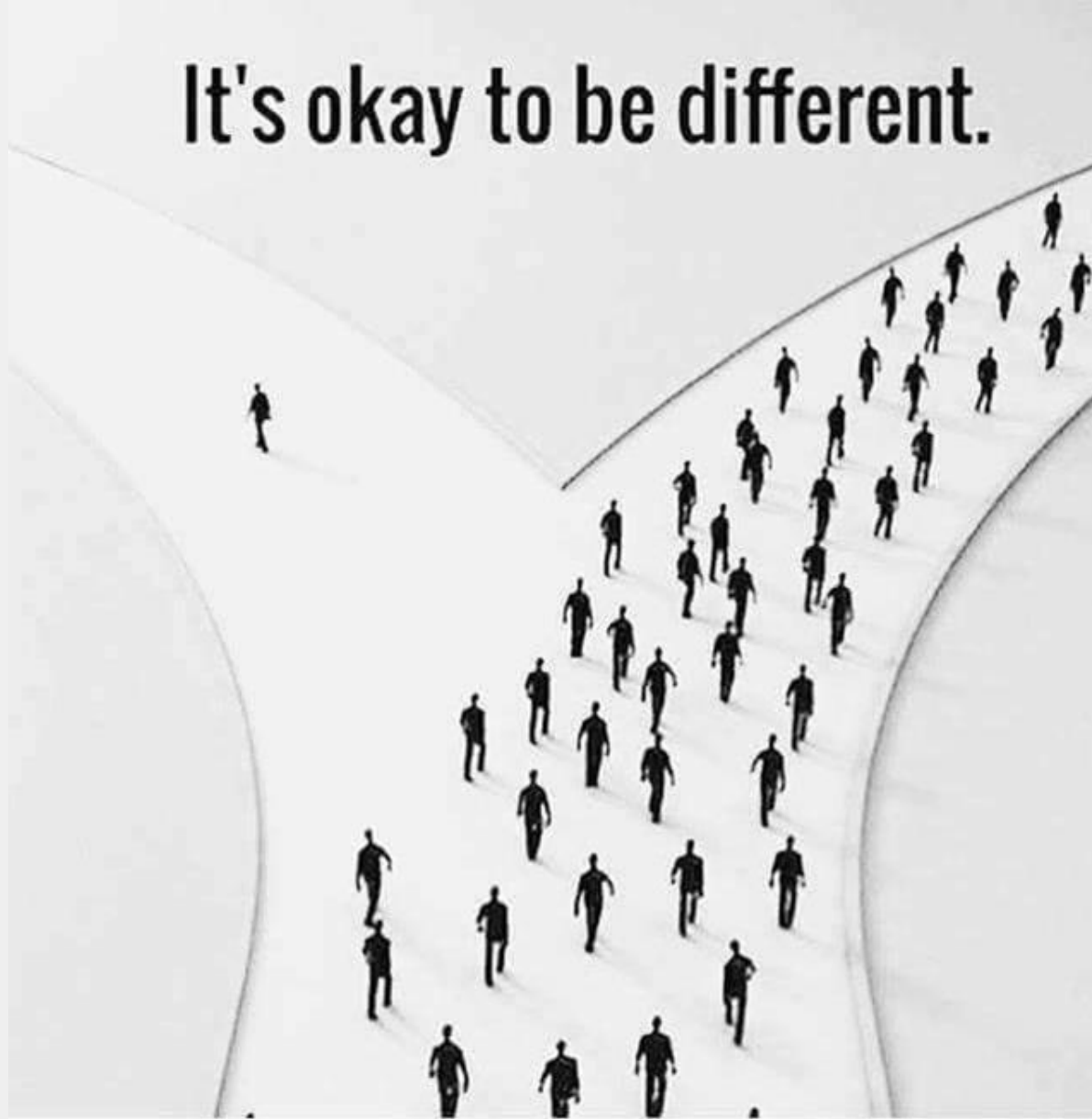


Are these the world's best jobs?

Ranking determined by work-life balance rating



DEĞİŞİK OLMAK KÖTÜ BİR ŞEY DEĞİL



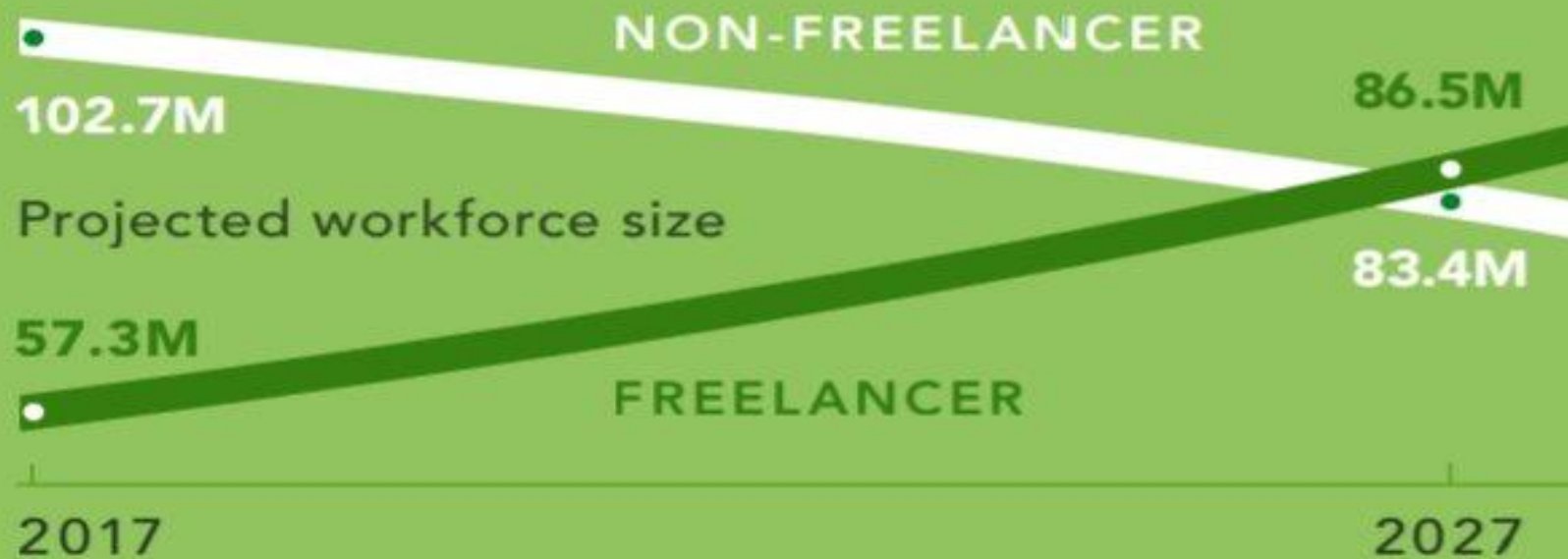
BOSS



LEADER

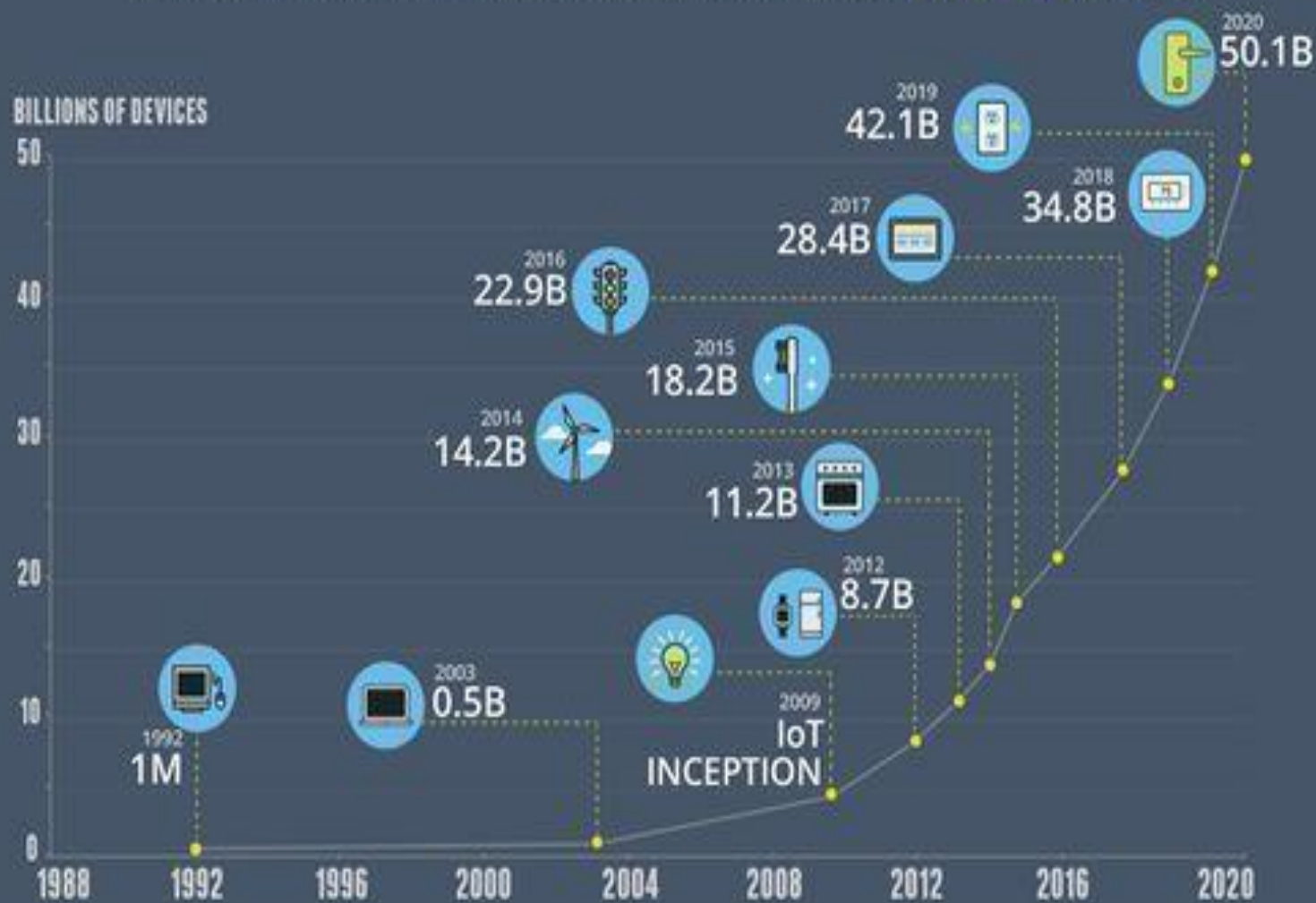


The majority of workers will freelance by 2027



GROWTH IN THE INTERNET OF THINGS

THE NUMBER OF CONNECTED DEVICES WILL EXCEED **50 BILLION** BY 2020



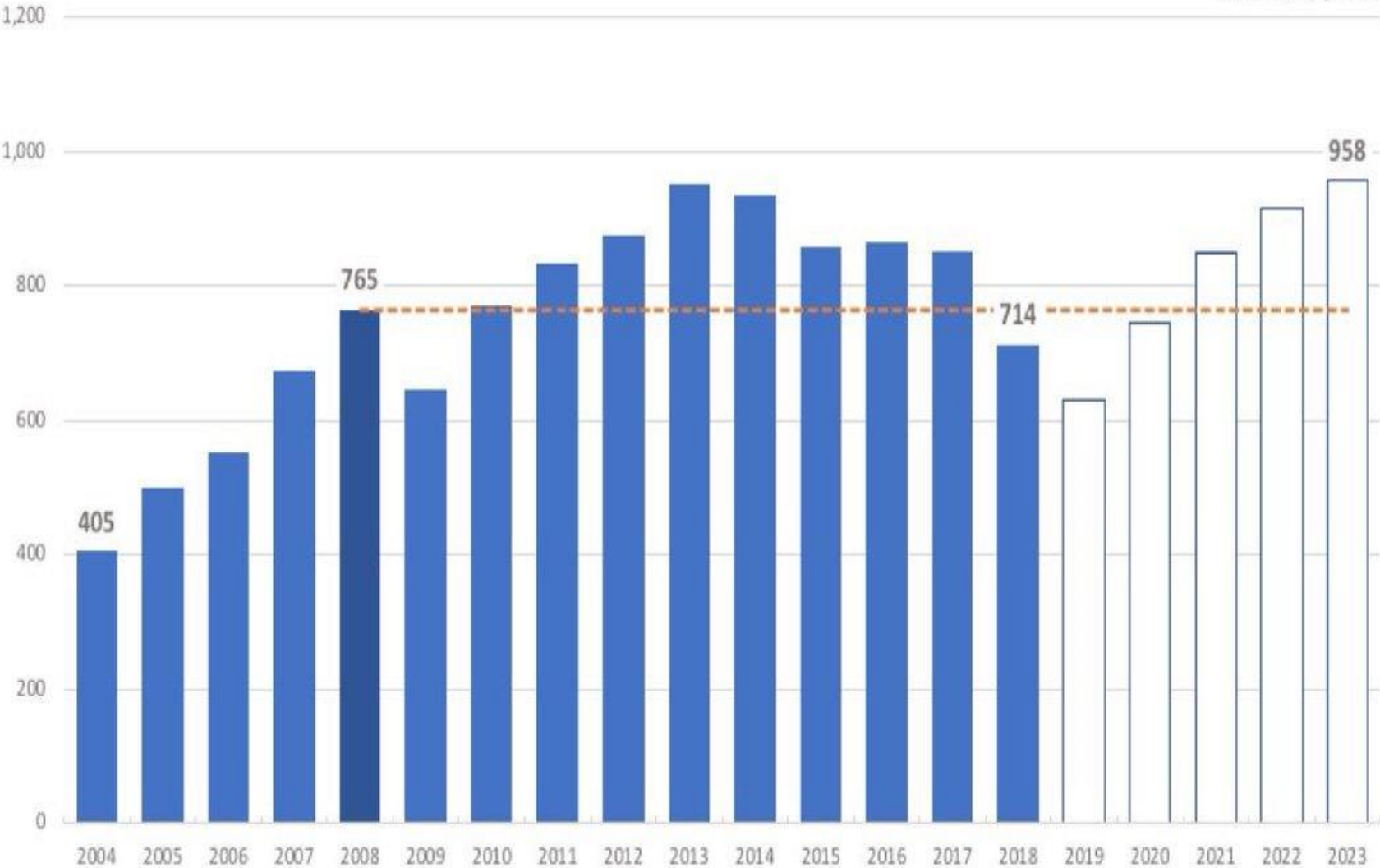
	2014		2030		2050	
<i>PPP rank</i>	<i>Country</i>	<i>GDP at PPP (2014 US\$bn)</i>	<i>Country</i>	<i>Projected GDP at PPP (2014 US\$bn)</i>	<i>Country</i>	<i>Projected GDP at PPP (2014 US\$bn)</i>
1	China	17,632	China	36,112	China	61,079
2	United States	17,416	United States	25,451	India	42,205
3	India	7,277	India	17,138	United States	41,384
4	Japan	4,788	Japan	6,006	Indonesia	12,210
5	Germany	3,621	Indonesia	5,486	Brazil	9,164
6	Russia	3,559	Brazil	4,996	Mexico	8,014
7	Brazil	3,073	Russia	4,854	Japan	7,914
8	France	2,587	Germany	4,590	Russia	7,575
9	Indonesia	2,554	Mexico	3,985	Nigeria	7,345
10	United Kingdom	2,435	United Kingdom	3,586	Germany	6,338
11	Mexico	2,143	France	3,418	United Kingdom	5,744
12	Italy	2,066	Saudi Arabia	3,212	Saudi Arabia	5,488
13	South Korea	1,790	South Korea	2,818	France	5,207
14	Saudi Arabia	1,652	Turkey	2,714	Turkey	5,102
15	Canada	1,579	Italy	2,591	Pakistan	4,253



TURKEY GDP 2004-2023

GDP, current prices
(billions of US dollars)

Turkey GDP Growth
2008-2018: -7%
2018-2023(F): 34%



The Most Difficult Languages To Learn For English Speakers

Selected language difficulty ranking by category (approximate weeks to learn)

Category I 23–24 weeks

Afrikaans, Danish, Dutch, French, Italian, Norwegian, Portuguese, Romanian, Spanish, Swedish

Category II 30 weeks

German

Category III 36 weeks

Indonesian, Malaysian, Swahili

Category IV 44 weeks

Albanian, Amharic, Armenian, Azerbaijani, Bengali, Bosnian, Bulgarian, Croatian, Czech, Estonian*, Finnish*, Georgian*, Greek, Hebrew, Hindi, Hungarian*, Icelandic, Khmer, Lao, Latvian, Lithuanian, Macedonian, Mongolian*, Nepali, Pashto, Persian (Dari, Farsi, Tajik), Polish, Russian, Serbian, Sinhala, Slovak, Slovenian, Tagalog, Thai*, Turkish, Ukrainian, Urdu, Uzbek, Vietnamese*, Xhosa, Zulu

Category V 88 weeks

Arabic, Chinese (Cantonese & Mandarin), Japanese, Korean



After this particular study time you will reach "Speaking 3: General Professional Proficiency in Speaking (S3)" and "Reading 3: General Professional Proficiency in Reading (R3)"



@StatistaCharts

* Languages followed by asterisks are usually more difficult for native English speakers to learn than other languages in the same category.

Source: Foreign Service Institute via Effective Language Learning

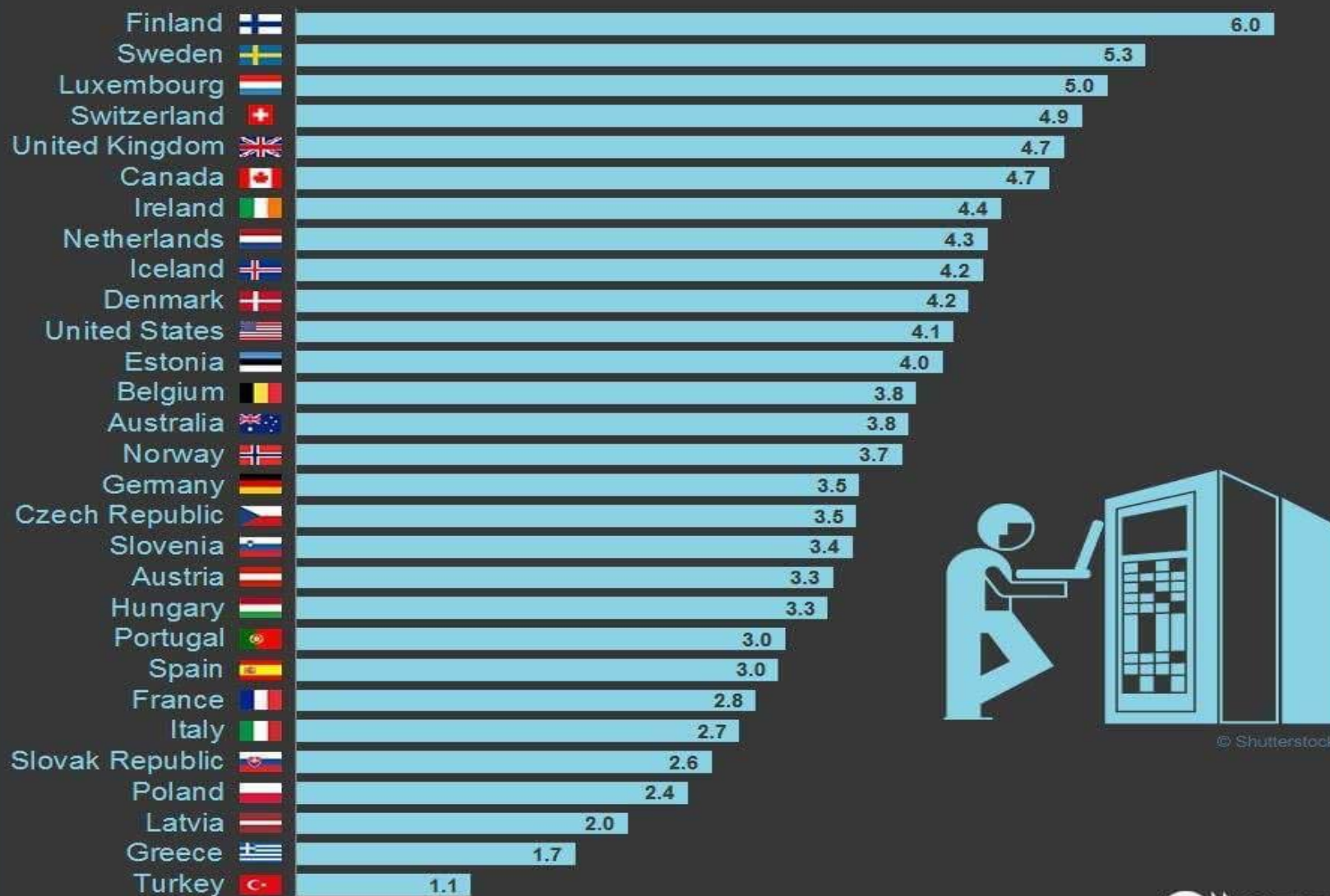
statista





Employment of ICT specialists

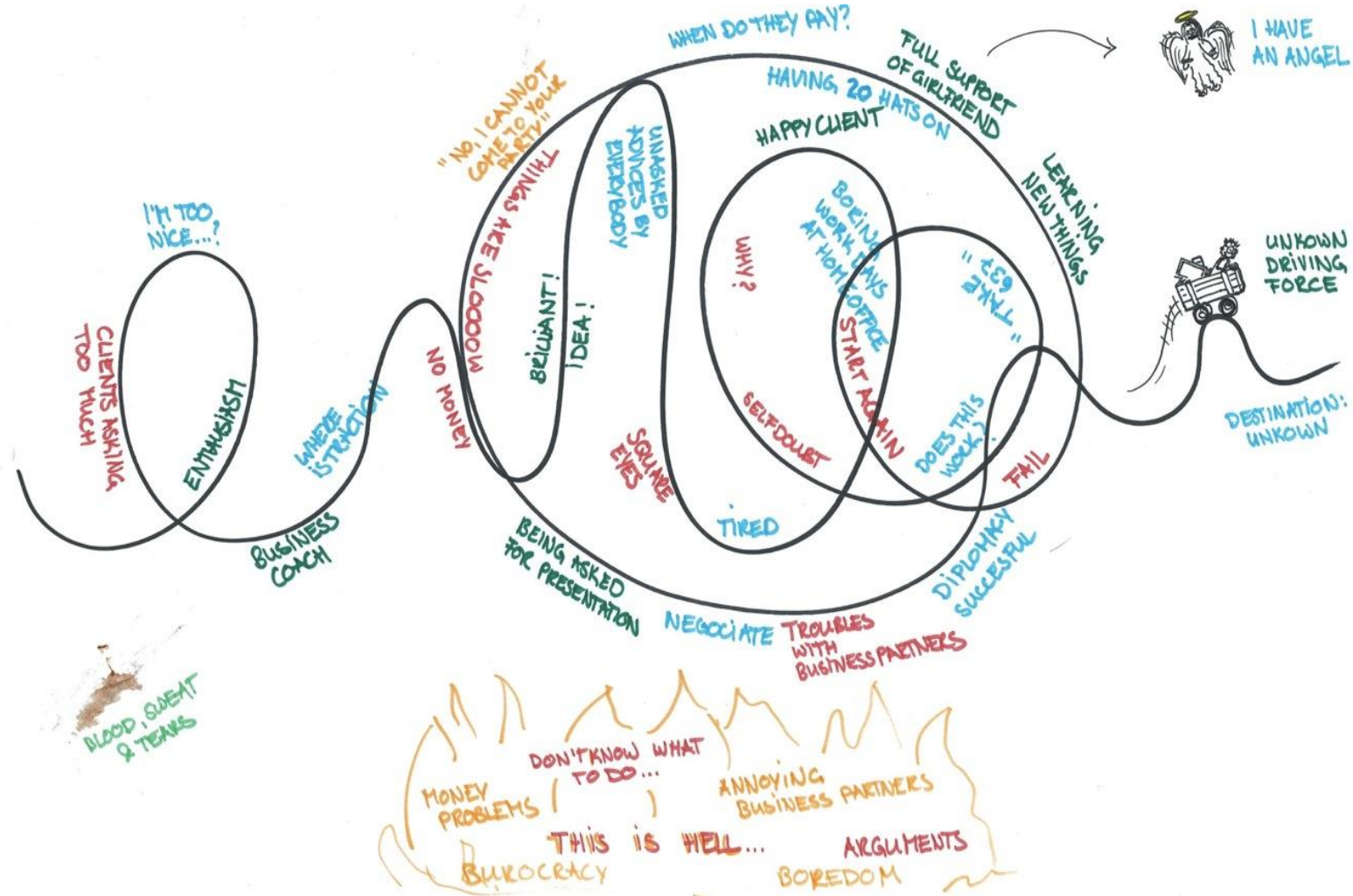
As a share (%) of total employment, 2014



Source: OECD Digital Economy Outlook 2015



Turkish experience of financial services is chaotic







what i think



what i say

GROWTH IS **NOT** DEVELOPMENT

- Countries which have less democracy and high growth always struggles in price/quality league
- Education is not the only key. Freedom of will & expression are also important.

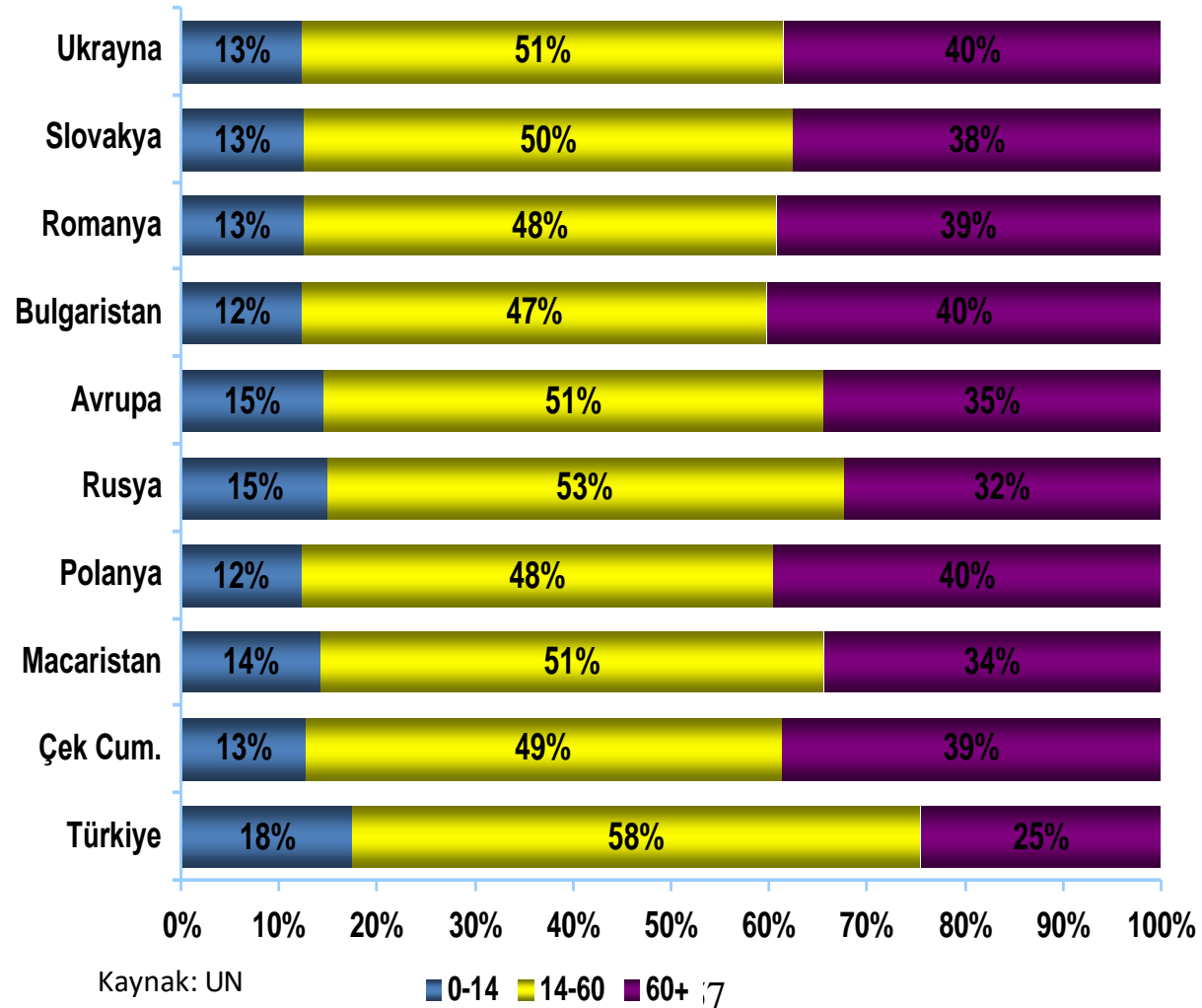


"There is freedom of speech, but I cannot guarantee freedom after speech"

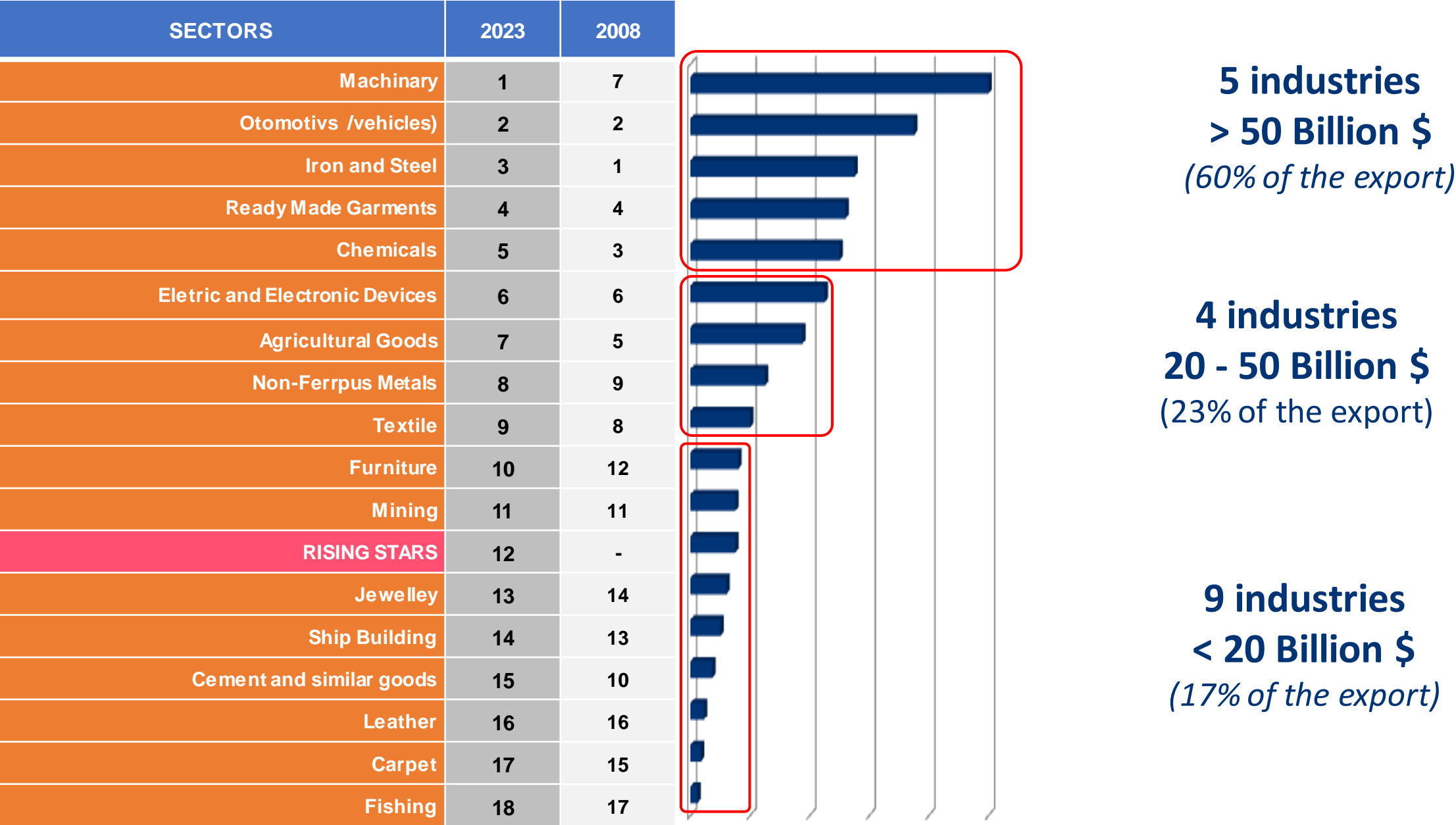
-Idi Amin



DEMOGRAPHY IN 2050



Change in the Industrial Exports Rating





User experience

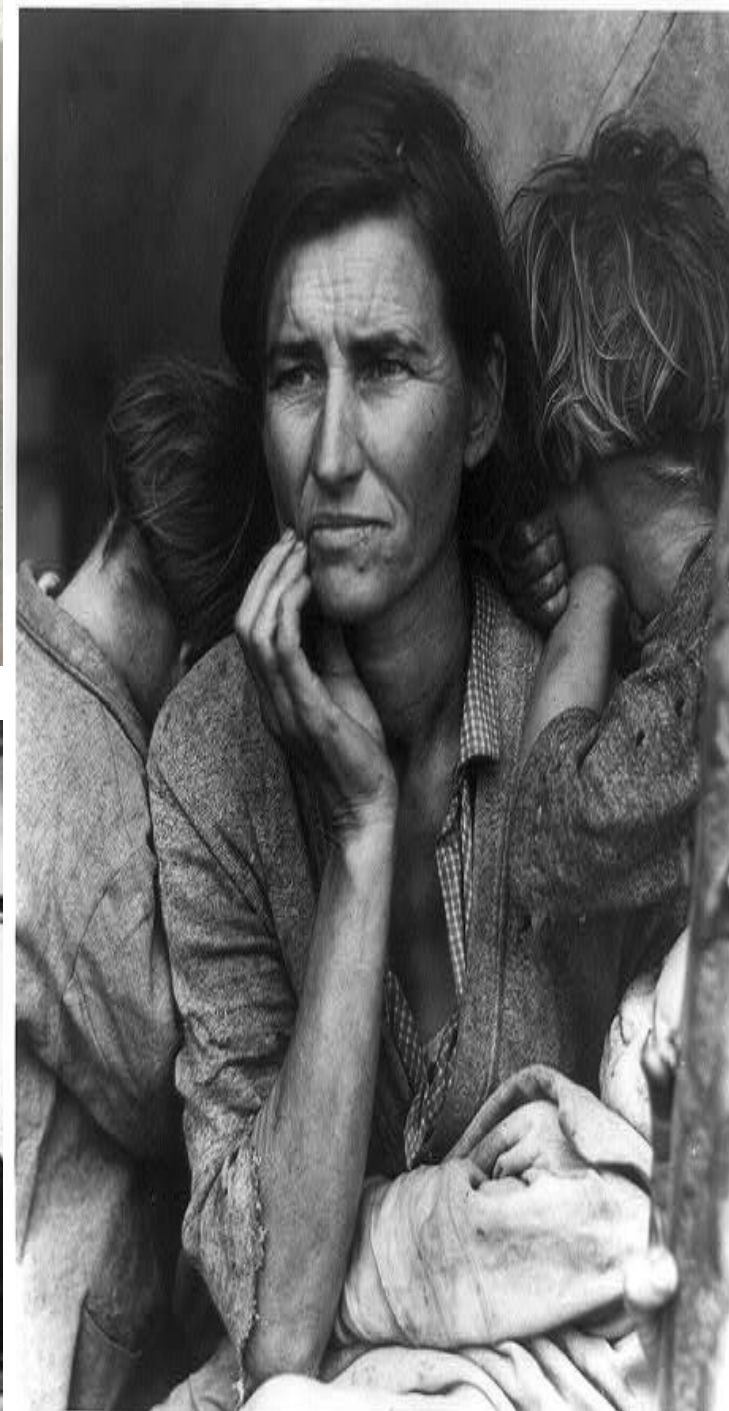
Design

MORAL OF THE STORY

AMERICAN PEOPLE....

....have fear of low growth and unemployment..

Because “the great depression” of 1929
left many scars.



GERMAN PEOPLE....

....have fear of inflation and inconsistency..

Because “the german inflation” of 1921
left many scars.



1,000,000,000 (1 billion) Mark banknote



TURKISH PEOPLE

?????

TURKISH PEOPLE....

....have **no fear** since they have no memories whatsoever about an economic disturbance...

....but they have an anxiety about a particular good or service..

If they cannot buy it, they feel very sad....

YOU DON'T SELL
GOODS OR
SERVICES

YOU SELL
SOLUTIONS

Our Own Kodak Moment?



"... There are ships
sailing to many ports,
but not a single one
goes where life is not
painful..."

Fernando PESSOA

THANK YOU VERY MUCH