TOBB President M. Rifat Hisarcıklıoğlu:

Era of Doing rather than Talking in Climate Change

The idea that the recovery following the pandemic could be based on climate change oriented public spending gradually stands out on a global level. There is no obstacle before the shift from talking to doing in climate change agenda as most players ramp up efforts. However, this is just the beginning; we must now focus on how to steer the transition period.

With the Paris Climate Treaty getting the governmental green light, Turkey has officially begun inclusion in the global redevelopment of the issue. Following the endorsement of the agreement after 6 years which has been in effect since 2016, there is no G20 member that rejects to it left. There will also probably be a 3BN Euro finance support through the World Bank following the signing of it. Another significant news is that Turkey announced 2053 as 'the absolute zero carbon emmision year,' which means keeping from emitting dangerous gases in to the air. Such a bold attempt! This means our GHG shall reduce from 500 million tons to 80 million in 32 years. A similar attempt came from EU for 2050 and China for 2060. Thus an important milestone in reduction of carbon emissions has been reached.

Time to manage the transition period

There is a growing belief round the globe that the post-pandemic recovery shall be constitued over climate change oriented public spending. There is no obstacle before the shift from talking to doing in climate change agenda as most players ramp up efforts. However, this is just the beginning; we must now focus on how to steer the transition period. The research on the impact of digital and green transformation on growth and employment shows what positive outcomes may be yielded in 30 years in terms of growth and employment by comparing now and year 2050.

There will be losers and winners in such a transformative period in which we will be changing so many habits. The critical point is the steering of the transitionary period.

Thanks to green and digital transformation and new technology, there shall be a shift from carbon-based growth and employment generation process to a non-carbon-based one. In other words, there will be no return to the old normal in the world but rather a new world order and we shall all adapt to it. Of course, not everyone shall have the same adaptation capacity and opportunity the same way; it will mean to think and design it to increase adaptation capacity to the new world order

Reform in financial stability and education at a critical edge

This will mean a capital heavy economical transformation for countries. It is important to distinguish those that shall adapt easily to this capital heavy ecomomical transformation from those that will not. Turkey seems to be one of those that shall have difficulty adapting thanks to high CDS risk rate, high interest, inflation and borrowing rate. So it is already important to think on measures within that framework and focus on finacial stability.

A capital heavy economical transformation process may at the same time necessitate structural change in employment Dynamics. If there is no immediate start in educational reform, employment volume may be negatively affected. Therefore, as well as planning the steps in line with green transformation agenda, there will be need to innovate the macro economy, workforce and education system. This is surely not easy but possible and necessary.

All these indicate as well that a fair transition programme on a global scale is needed as well as a global coordination to that end. That is to say, rather than a one-size-fits-all fair transition programme, a series of fair transition programmes that champion differences. Today, this stands in the heart of problems observed in the supply chain. Countries and sectors face a transition process that is different from one another.

Chance to be the European base for solar and wind generated green hydrogen production

How might the Green Protocol affect Turkey? There might be a series of areas of opportunity for Turkey. Provided that Turkey calls the right shots and takes the right steps, it may get positively affected by the Green Protocol rather than negative. For instance, it might become the European base for solar and wind powered green hydrogen production.Green hydrogen is important for the quick transformation of the energy heavy industries and transportation in the transition period. Turkey this way might turn into an important energy house for the EU, directly contributing to the carbon free initiative of Europe as well as reinforcing energy security. Of course, it is also of utmost impostance to find creditors for green hydrogen production. Interest rates are highly low in Europe due to economical surplas; therefore, it is as well critical to switch to an ecomomic programme that will drive down interest rates and risk premiums.

Each country should join the battle shoring up their own vulnerabilities

In essence, each country should take part in this global battle minimising their own vulnerabilities as much as possible. It is not about adapting to measures taken on both sides of the Atlantic, but to realise through this opportunity a technological

advancement based on structural transformation as well as being able to grow employment capacity. In short, the Green Protocol is a multi-layered structural reform agenda. Turkey needs a comprehensive and medium term structural reform agenda. This structural reform agenda will cover every aspect of our daily lives from macroeconomic stability to tax reform, educational and agricultural reforms. We never had such a big structural reform agenda before this since previously by structural reform it was planned to go back to the old status quo. There is a chance to switch to the new world order and change our lifestyle considerably.

Demand for Deep Tech on the rise following Covid-19 as the Ecosystem in Turkey grows

An initiative shedding light on deep technology entrepreneurship on a global scale led by the Incubation Centre of Teknopark Istanbul, Cube Incubation is carried out. The report titled 'Deep Technology Entrepreneurship in the world and Turkey' stated following Covid-19 pandemic need for deep technology across the globe which also provided comparative data on the development of its enterprise in the world and Turkey. One positive fact is that there is as well already a growing deep tech ecosystem in Turkey.

The report which also features a sub category report compiled with the executives of 131 deep tech companies in 6 main tech categories and 12 main sectors can be retrieved at https://www.cubeincubation.com/rapor. The report which can be read in English as well is carried out in support of Istanbul Development Association tasked under the coordination of the ministery of industry and technology.

Risk Capital Investment Worth 300 BN USD

Global enterprise economy generates a value figure nearing 3 Trillion USD, akin to the GDP of a G7 member. The seven out of ten largest corporations in the world are in tech industry and so is the majority of large scale business in the globe. The risk capital investment made towards enterprise ecosystem in 2019 was round 300 BN USD.

Globalisation, urbanisation and digitalisation have all been instrumental in leading the world economy as well as creating new stress factors of distrust for humanity.In this respect, deep tech is expected to offer solutions on a global scale. The report Cube Incubation compiled with the support of ISTKA is to shed light on the global and local development of deep tech.

The global pandemic-related products and services all a product of Deep Tech

The term deep tech refers to the enterprise focusing on giant scientific leaps or products based on engineering innovations. The deep tech enterprise working across AI, data and media processing, autonomous vehicles, robots and mecatronics, AR/VR, Industry 4.0, IoT, biotech, new materials and nanotech innovate matchless products and solutions in agriculture, automotive and tranasportation, consumer products and services, defense and aerospace, energy, environment and water, finance, food, health, building and manufacture, telecommunication and retail.

Big issues in the focal point

Most of this tech focuses on big societal and environmental issues and they are definitely instrumental in offering future solutions for big global issues. Besides these technologies have the power to create their own markets as well as disturbing those belongin the competitors. Their intellectual property rights (patent, prototype etc.) are difficult to replicate and are protected diligently. Therefore, they often have a competitive edge and/or enterprise limits.

An enterprise of deep tech is more complex than of a digital one mainly because of a couple of reasons. First and foremost, a strong research base is needed. The product development process in deep tech essentially requires a trained workforce since it is critical to offer here a series of strong advanced skills, knowledge and background oriented R&D and futher research that might prolong the introduction of these products in to the market. Another critical factor for invsetment needed in this area is the heavy industrialisation process.

Information and communications tech aside, the majority of products in this field has certain physical properties. They depend on material and resources that require advanced industrial skills in terms of supplu, manufacture and scaling. The scaling of these products are harder compared to internet and mobile tech related products.

50,5 M Donation by TOBB to AFAD

TOBB president M. Rifat Hisarcıklıoğlu reminded that as the national business circles, and their efforts ramp up accordingly, they commenced on 3 August an aid rally to support those that were affected by the wild forest fires and floods. He noted that within this initiative, they collected from the 81 cities real and cash relief and added that chambers and commodity exchanges of Turkey, sectoral councils, female and young entrepreneurship bodies, business world and citizens. He said that they quickly transferred the money relief of collected total 50.5 M TL to AFAD.

A Quake-Disaster Focus Group within TOBB created

TOBB President M. Rifat Hisarcıklıoğlu briefed about the aid relief they orchestrated; he said they donated Arhavi City Government aid relief worth 3.5 M TL for the recent floods, and Antalya City Government 5 M TL with regards to some immediate needs caused by the recent wildfires. The aid relief of goods despatched to the areas of disaster thus nearly totalled 13.6 M TL. The total of cash and goods aid relief since the beginning of disasters neared a total of 64.1 M TL. He also noted that in order for chambers and commodity exchanges to prepare better and timely for such disasters, together with other union heads, they orchestrated a quake-disaster focus group within TOBB.

All Chambers and Commodity Exchanges Form a Strong Support Network

The Minister of Interior Affairs Suleyman Soylu also reminded the disasters seen in different regions across Turkey. He noted the world is fast going through a crazy urbanisation process and that this poses some threats. Soylu referred to the aid effort in disaster-stricken areas thanking TOBB president M. Rifat Hisarcıklıoğlu for pulling their weight. He said all TOBB aid relief was well channeled towards the quake stricken eastern city of Elazıg forming an excellent support and donor network; he noted thanks to this strong and vigilant stance of the government the citizens were never out of hope.

Meeting with EU Commission Expansion and Neighbourliness Head Varhelyi

The president of Turkish Union of Chambers and Commodity Exchanges, M. Rifat Hisarcıklıoglu got together over a business lunch at TOBB with EU Commission Expansion and Neighbourliness Head Varhelyi, Deputy Minister of Foreign Affairs special envoy Faruk Kaymakci and EU Turkey Delegation Head special envoy Nikolaus Meyer-Landrut.