

**TOBB President M. Rifat Hisarcıklıoğlu:**

## If we are to talk about richness we must not miss 'the green industrial revolution'

Following the climate convention, Turkey is now expected to put forward its climate change action plan clearly. The green Deal process must be seen as Turkey's new developmental and growth agenda. In order to cease to talk about today's futile agenda and get ahead with the future, we must not miss the green industrial revolution.

**T**he pandemic has affected many businesses and sectors economically negatively. Plus how and where the supply chain is executed has become much more important. The supply chain crisis that has deepened globally more recently, is the result of the pandemic affecting different countries differently. Not only has the pandemic period shown differences for different countries, the Green Deal process shall also show differences for different countries, areas, companies and even people. Thus unequal or asymmetric effects will continue to be present.

### **The importance of administrative skills have never been this crucial**

In the same period, administrative skills have never become this crucial for everyone. The administrative capacity or incapacity in the countries part of a supply chain that did not affect one in the past, has now become an important economic factor. In short, it has now become ever more critical how and from whom you execute your supply chain. For the same reason, the ongoing energy supply issues and power cuts in Turkey were not something we were used to before. The issues in factories production capacity due to cuts in gas and electricity has become a major issue for a global supply chain crisis. The order of the company, therefore, which has not been timely supplied cannot be supplied timely. The energy cooperation between public and private

sector is now being further questioned in terms of properness and energy supply security.

### **Our capacity of strategic planning seems limited**

More importantly, the weakness in our capacity of strategic planning has begun to show in a time when administrative capacity of the countries part of the global value chains have become ever more critical. It has now become ever more apparent to be more careful and better prepared, planned and executed since the green deal process is also likely to be volatile as the pandemic period.

Following the climate convention, Turkey is now expected to announce its climate change action plan consistently. The green deal process needs to be regarded as Turkey's new developmental and growth agenda and a great opportunity for Turkey to cease to talk about today's futile agenda and focus on tomorrow. It is crucial to work within a collective mind and dialogue.

### **We have mighty but reachable green goals**

Turkey approved in 2021 at its senate the Paris Climate Treaty for which it was one of the first signatories back in 2016. Besides the net zero goal has been officially set for the year 2053. This means that the carbon emission that is currently round 506 million ton will need to be reduced to 80 million ton. This is a



highly big yet reachable goal. Therefore, a comprehensive energy action plan in line with 2053 net zero and 2030 coal exit goals are urgently needed. We need to know two things before that. First, we need to establish how and when we are going to stop use of coal as a primary energy source. If we want to clinch the 2053 goal, research suggests that we need to discontinue use of coal before 2030 or 2035. It is not easy but we can do it. Second, companies need a carbon pricing and taxation tariff that would help them incentivise to reduce their carbon emissions. To devise this carbon pricing system will also mean to establish the priorities of the industrial policy. The EU's Green Classification blueprint will categorise which investments will be regarded as green.

### **The transition period cost**

At this precise moment another important decision needs to be made. We will either raise the carbon cost for all sectors or we shall spread it over time for all sectors and prioritise the coal discontinuation. Therefore, we will minimise to make it more manageable rendering it more easy and fair for areas that are disadvantaged in terms of transition period costs. Either all sectors will feel the costs most painfully across whole Turkey or the cost will be limited to some sectors and only some areas in an effort to reduce their carbon emissions in line with 2053 plan.

The green deal could be a golden

opportunity for Turkey to make a brand new case with the EU as well as a new industrial policy and decrease the energy supply dependency on and import from

other countries. The establishment of a coordination centre in charge of this main agenda as well as a collective stance in collaboration with different

ministries and governmental offices and precision in better planning for a such a decisionmaking process shall all ease this whole difficult process.

## A new record of 20 years broken in merger and purchasing index in 2021

The report titled 'the merger and purchasing from the KPMG perspective 2021' drawn up for the third time by KPMG Corporate Finance Department has been published. According to the report that analyses 2021 data, the merger and purchasing transactions worldwide performed over a 20 years results and broke a new world record. It too showed an upward trend in Turkey and the number of transactions grew.

According to the report titled 'the merger and purchasing from the KPMG perspective 2021' drawn up for the third time by KPMG Corporate Finance Department, the total amount of official transactions in Turkey over 2021 reached a record 14.3 billion USD; and with the unofficial transactions it went over about the level of 15.8 billion USD. The report

also anticipated that it retains a positive Outlook for 2022 with growing interest in technology and production sectors positing that both the total amount and number of transactions shall rise.

### Remembering the general outlook

As one may remember, as in 2020, the pandemic continued its full effects both on local and global scale on social, economic and trade life in 2021.

Even though the global vaccination efforts sped up thus normalisation supported, the potential risks that new variants might be spewn have been the focal point of the global economy. In addition to the agenda of the pandemic, recent developments in the Western Asia, disasters worldwide owing to the climate change, elections across the different parts of the world as well as anti-vaccin

protests and activism have been in the foreground of political and economical agenda in 2021. The last quarter of the year has been dominated by geopolitical conflicts. We can now more clearly see this tension in the reflection of these regional ongoing conflicts.

In the wake of these recent developments, when the merger and purchasing trends in 2021 are evaluated, the merger and purchasing activities in general overperformed. With the effects of the pandemic restrained relatively and the economic improvements and impact of growing liquidity as a result, the volume of global merger and purchasing transactions in 2021 showed a considerable rise compared to the previous year and reached a record high 5.1 trillion USD. The main reasons behind this record high transaction volume on

a global scale were merely increasing liquidity, impulse of investment of financial investors, sectoral consolidation and restructuring in supply chains.

When we look at Turkey, in contrast with the rest of the world and in light of local developments, the investor

impulse has shaped the transaction volume primarily. In addition to the pandemic-related uncertainties, political tensions with the EU and USA and likelihood of some sanctions in the wake of these, the instability in our near geography and weak lira have all

continued to play a role on the process of merger and purchasing transactions. In the light of this all, thanks to the high-volume transactions, the local merger and purchasing volume performed over last year's figures and reached the threshold of 14.3 billion USD.



## TOBB celebrates its 70th birthday with the same dynamic spirit

The TOBB president M. Rifat Hisarcıklioğlu noted that TOBB, an umbrella organisation for the Turkish private sector, celebrating its 70th anniversary this year retains 'the same dynamic spirit after 70 years, and that it continues to work for a stronger economy and stronger Turkey.'

The TOBB president M. Rifat Hisarcıklioğlu stated that the union has reached an exemplary status making constant progress over these 70 years. He reminded that it was fully incepted on 7 February 1952 with the election of its first sub-committees, which was established officially with its parliamentary act on 15 March 1950 and whose first GA was held on 6 February 1952 noting that 'over the 70 years it has transformed from a local organisation into a global actor. It brought together both geographically and sectorwise the whole Turkish business world with its 365 chambers and commodity exchanges and 65 sector councils.' He noted that he was

elected as the governor for all private sector organisations between the Atlantic and Pacific.

'We are a pioneer in chambers and commodity exchanges system in the world' Hisarcıklioğlu said as TOBB, they are pioneering to realise and serve the country from one of Turkey's biggest dreams to manufacture a car to bringing together TOGG investors, orchestrating local vocational education, modernisation of land ports of entry, establishment of credit guarantee fund and Arbitration and Conflict Resolution Centres, licensed depots and Turkish Produce Expertise Commodity Exchanges

to opening Turkish Trade Centre abroad

He added the chambers and commodity exchanges that make things easier for everyone has set an example worldwide; bringing together the private sector with enhanced facilities and corporate capacity.

He stated that not only does TOBB realise its great responsibility to create solidarity but also plays a critical role in offering permanent solutions for problems with its results-oriented approach beyond only addressing them.

He also thanked everyone attributed in the great history of the organisation that contributed to this great legacy noting that 'he gratefully and respectfully remembers all the great founders and contributors. I congratulate and respectfully remember all the great founders and contributors to date including our first and honorary founder and president Üzeyir Avunduk. After 70 years we continue to work in the same dynamic spirit through the motto stronger economy, stronger Turkey.'

### TOBB's first board of directors:

- Üzeyir Avunduk** (Ankara Chamber of Trade and Industry),
- Vehbi Koç** (Ankara Chamber of Trade and Industry),
- Feyzi Dural** (Adana Chamber of Trade and Industry),
- İzzet Akosman** (Istanbul Chamber of Trade and Industry),
- Şükrü Kerimzade** (Istanbul Chamber of Trade and Industry),
- Selahattin Sanver** (Izmir Chamber of Trade),
- Osman Kibar** (Izmir Chamber of Trade),
- Haydar Dünder** (Izmir Trade Commodity Exchange),
- Aziz Zeytinoğlu** (Eskişehir Chamber of Trade and Industry).