

TOBB President M. Rifat Hisarcıklıoğlu:

Important to adopt a 'caution first then resignation' principle

There is nearly a faultline everywhere in the whole of Turkey. It is not possible to change nor ignore this reality. For that very reason, we must work to be prepared for future disasters. It is important to adopt a 'caution first then resignation' principle.

We experienced a Kahramanmaraş and Hatay epicentre terrible earthquake that affected 11 cities and nearly 14 m people directly. According to the latest data, more than 50K people were killed; circa 300K building were either completely and severely or partly destroyed. 2 m people have been made homeless. It is important to show these affected people that they are not alone, which is essential for being a nation. Following the disaster, both the private sector and state showed incredible harmony; 70 cities became one and flooded in solidarity to the disaster-struck regions.

A 2 trillion burden in question

According to the aftermath report, the disaster will cost the economy nearly 2 trillion extra burden. It is estimated that it is likely to downgrade the growth by 1 to 1.4 points negatively in 2023. Hence, when all put together like prospective expenditure and income loss, it will likely reach the level of GDP 2.4.

In addition to that, the historic sites that have been affected as well as infra-structure and accommodation related issues that take long to recover is too expected to hit the tourism not just in the region but the whole of Turkey as tourists will be reserved to visit these places in particular. All that factored in, the negative impact of the quake on the current accounts of Turkish economy is expected to rise to 5 billion USD in 2023.

The government needs about 130 billion TL resources to handle the public relief and monetary support needed for the region. Within this scope, victims are to be given benefits such as income support, move support, damage recovery support, rental and fuel support and emergency cash support for those who lost a next of kin. It is expected that tents, in-tent material and container homes will cost 25 billion TL, board and lodging 41 billion TL and other expenditure to be 10 billion TL for the total bill for temporary housing of the victims.

Manufacture industries in the quake region's contribution to the GDP is 11,5% 8,6%, 21.9 billion USD of total 254 billion country export in 2022 came from the cities in the quake region. The ratio of manufacture industries in the region's contribution to national GDP was 11,5 in 2021.

It is surveyed that there are 314 big 779 / 3769 (small) SMBs



and 42719 micro-level, a total of 47581 businesses in the region as well as 5K businesses in 38 industrial estates employ a total of 550K employees. The ratio of employment in industrial estates here comprises 22% of the whole industrial estate job placement nationwide and there are 31K (micro) businesses in the small industrial estates.

Not much damage in the organised industrial estates

According to raw data, there is not much damage in the organised industrial estates. Yet it is expected that due to heavy damage in energy and transport-communication network and employment, the production line is likely to be affected for some time.

The most critical and harder to sustain effect of the quake on manufacture industry is perhaps the loss of skilled workforce. In some businesses, it is expected that there shall be some critical shortages due to this issue. Based on the initial data, the total cost in the manufacture industry is expected to reach 81 billion TL of which 31 billion is building and structural loss, 25 machinery and 15 billion stock related issues.

Damage in the energy sector reaches 11.2 billion TL

According to a research, it is estimated that a total of more than 11 billion TL damage is dealt in the energy sector, of which 2.3 billion belongs to stata and the rest (8.9 billion TL) belongs to the private sector. There has been severe damage in power distribution lines and units in the region especially in Hatay G.Antep, K.Maraş and Adıyaman. 11 electric poles wiring electric distribution network of a total 1128 km and a total 4K megavoltamper power distribution units and their equipment have been affected.

The region registered a 7.4 billion food export

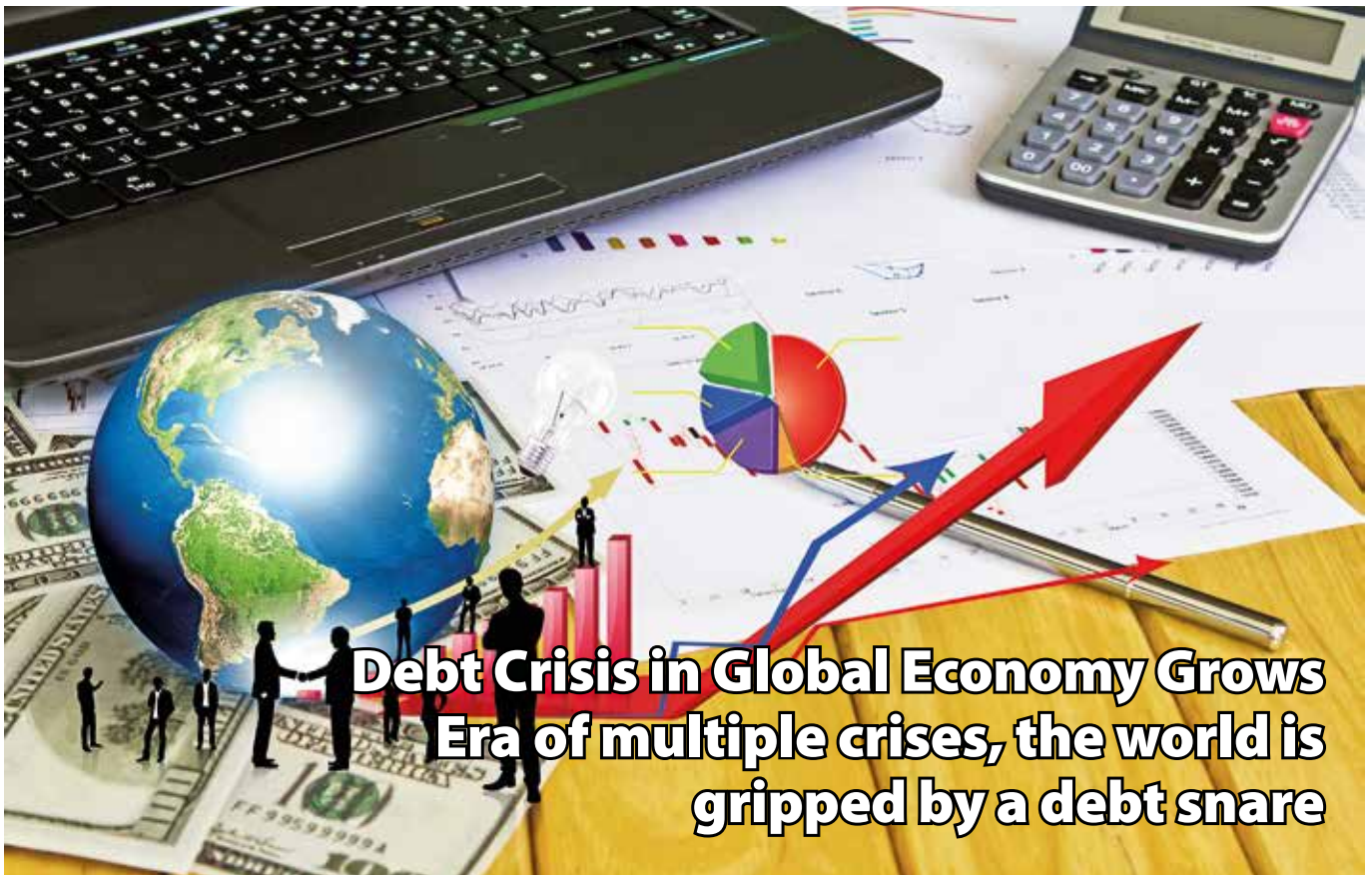
These cities are critical in terms of agriculture. 20% of fruit production and 15% of veg production in .turkey comes from the 11 cities. 7,4 billion USD of total 25 billion food export comes from the region. 17% of the total farmable lands, 17% of plant-based and 18% of animal-based production and 22%

o agricultural export is registered in the region.

When linked up, Turkey is a much stronger family

Almost the entire country is associated with faultlines and earthquakes. It is impossible to ignore nor change this reality. For that reason, we must work hard to be prepared for future disasters; adopting a critical 'caution first then resignation' principle.

We must not forget that we are each other's lifeline. We are going to recover together in a sense of solidarity and mobilisation for when linked up, Turkey has always managed to be a much stronger family, which we saw countless times in our not-so-far past. We are all side by side with our victim brothers and sisters, linked up to help them recover quickly. We will rebuild and reclaim our earthquake-stricken cities together and erect them again. The day is first and foremost is to get together, be one, link up and embrace each other with the same mentality. Together we will rise above this all.



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Did you know that as of 2021 the indebtment ratio of world economy reached 300 trillion USD growing by 350%? If the whole world worked non-stop for 4 years, this could only be cleared. So why do you think there is this debt snare when the world experiences a multiple debt era?

Did you know that indebtment is critical for the world economy operative? Think this way, you want to buy one of the latest models cars but since you are an average income worker, you don't have enough means to do so. But how does the system work? You either get indebted borrowing from the loved ones and/or your contacts or from a bank. Technically speaking, you own the car, yet due to the debt the bank or your relatives own the car in reality.

Just like that, states too need indebtment for the projects they want to operate as every state can only mint as much money as they make within their GDP. Quite understandably, if your economy is not producing much and your industry is generally only dependent on assembly and on top, you decline your agricultural production and your inflation goes over the roof, you will probably seek to find financing for your projects. Classic that just like you personally seek finance from high street banks, states too do so from

the World Bank, Development Banks and IMF to execute their high-profile projects and/or to clog their fiscal deficits. At this precise moment, G7 countries aside, all the remaining countries owe to the big shots.

The never-ending debt spiral

You may choose to wear a wry smile saying that 'debt is the whip of a hero', however, the bitter end is that this is a never-ending spiralling debt crisis for the developing nations for some reason. In fact, let alone ending, this is rather a growing situation for them every year.

If you are ready, we are going to share with you the research on the world economy that is further being pushed into the debt crisis. Of course, we are going to make the finale of this article on Davos Summit that hosts every year the world leaders trying to show how crooked the system really is.

Let's give you a tip; the number of leaders that are keen to enjoy their caviar in their luxury Davos suites is rapidly decreasing. Do you think they are bored of caviar or that they don't want to show the anguishing side of the world their lavish extravagancy prior to the looming elections? As French President notes as well 'the period of abundance is over. We must now all be ready for the period of multiple crises.' It is of course possible to be prepared. Whilst doing so, one must steer towards production economy and minimise external loans.

Even if the whole world works non-stop, it takes 4 years to clear the debts

Since so far you have grasped the

importance of indebtment for countries, we can now underpin some important nuances. First the 2008 global economic crisis then the impact of the pandemic, unfortunately, both sparked an unbelievable never-seen-before growing debt crisis round the world finally tipping the scales at 300 trillion USD. 'Ladies and gentlemen, yes! In order to grasp the figure better, take this! The debt of the rich aside, the debt of the world reached 349 folds of its whole production.'

In other words, the whole world needs to work non-stop for 4 years in order that they can clear their whole debt to the rich. This exactly looks like the story of you that presents you work round the clock the whole year to clear your credit card debt. Remember that same card you slammed away in a drawer or you ripped out with a holepunch. Therefore, we focus so much on debt clearing that interestingly we sadly again turn to it. This is exactly the same for developing countries. That unfortunate series of events will never cease until you borrow from the rich developed countries. As you are trapped in the debt snare, there is somehow a relaxation in the country.

Countries that never have a system and principles shall never prosper

Oh, by the way, what happened to the aristocratic academics that span the rhetoric, 'the world is developing and all is much more equal.'? It may be critical to make a note here. We never aim by this research to bring people and policy-makers down to despair; on the contrary, we work to tell right and what is going in the world. As you know very well, since we are often so entrenched in unimportant internal dispute and conflicts, we often realise too late what the missing train might really mean for us, often sadly watching behind or trying to reach up.

But what really happens in the world that leads us into this lethargic debt crisis? Here, we shall put aside the polarisation in our country and go into details as we never saw anywhere in the world a happy camp that is being convinced to buy the lesser evil. If there is not a working system that is aligned with rules in place or any informed principles, it does not really matter who governs you for neither opportunists nor the tendencies of the policy-makers will cease.