

TOBB President M. Rifat Hisarcıklođlu:

We Will Fully Support the NDP Aimed at Change and Transformation

Turkey announced its National Development Plan (NDP) for the years 2024-2026, declaring to the world that it will be in a state of change and transformation. As the business community, we will provide full support to achieving the goal of sustainable growth, gradually reducing inflation, strengthening macroeconomic and financial stability, increasing employment, and transforming into a high value-added economy.

Turkey has announced its Medium-Term Program (NDP) covering the period 2024-2026. The business world needs a roadmap for the future and has been expecting it. The NDP was critical both in this regard and in reducing uncertainty and increasing predictability. Some notable points include new initiatives through public-private partnerships to improve the business and investment environment, focusing on green and digital transformation, strengthening the entrepreneurship ecosystem, and emphasizing qualified production.

It is essential for reforms to progress according to schedule

We expect the reforms outlined to achieve the program's key objectives to be implemented within the specified timelines. Implementing these reforms, taking into account the needs of the business world, especially in terms of access to finance, production, and investment, will enhance the program's success. Additionally, the NDP emphasizes an approach that ensures price stability and financial stability, targets sustainable and inclusive economic growth, enhances efficiency in the free market and competitive environment, maintains macroeconomic balances, and is supported by structural reforms, all within a transparent, consistent, predictable, and internationally normative framework.

Significant steps to improve the business and investment environment in the country are crucial. In order to support growth that fosters investment, employment, production,

and exports, reform measures in the areas of monetary, fiscal, and income policies will be gradually implemented in coordination. An inventory of suitable investment locations, benefiting investors, will be established. This will facilitate the improvement of the business and investment environment in Turkey and increase potential growth by establishing a more favorable structure for sustainable growth.

While reconstruction efforts following earthquakes continue rapidly, an integrated development approach combining resilience to disasters with regional development dynamics, particularly leveraging port industries, will be pursued. During the program period, achieving annual growth between 4% and 5% through a growth strategy based on investments in productive areas and supported by increases in productivity is aimed, with the goal of elevating Turkey from the middle-upper income group to the upper-income group in terms of per capita income.

Data-driven industrial policies enhance resource efficiency

In this context, targets and policies have been set. Accordingly, data-driven industrial policies will be formulated to ensure more informed investment decisions and efficient use of resources. Technology-focused investments will be supported through a sectoral prioritization approach aimed at structural transformation in the industry. New industrial zones and logistics lines will



be established considering disaster risks, and existing railway infrastructure will be utilized more effectively to strengthen connections with industrial zones and ports.

In line with the Development Plan and the National Technology Move goals, efforts will be made to enhance domestic production and technological capabilities, and product-based investment roadmaps will be prepared for strategic products and technologies. The transfer of patented technologies to the industry will be supported. Research and development incentives will be directed towards contributing to the accumulation of expertise in strategic technology areas in the country. The use of digital technologies such as artificial intelligence, autonomous systems, cloud computing, and big data analytics, as well as green technologies, will be promoted. Production, research and development, and export infrastructure in the pharmaceutical and medical device sectors will be supported, and supply security will be strengthened. Investments in critical technology products such as semiconductors, electric vehicles, batteries, and their value chain will be encouraged, and efforts will be supported for critical

materials and components required in strategic sectors such as electronics, aviation, defense, and biomedical.

Efficiency is increasing in agriculture, aiming for stability in food prices

Measures will be taken to protect agricultural lands, prevent their misuse, and promote their effective utilization through compelling and incentivizing regulations, thereby increasing cultivable and irrigable areas. Minimum and maximum production areas will be determined on a product and agricultural parcel basis, and frameworks for farmer applications, production permits, and cultivation control will be established. To ensure stability in food prices and food supply security, target sufficiency rates will be determined for strategic agricultural

products, considering land productivity, rainfall, and irrigation opportunities, and production planning will be conducted.

Investments in the establishment of 'Greenhouse Organized Agriculture Zones' will be accelerated in suitable areas with geothermal energy sources to ensure the continuity of supply of fresh fruit and vegetable products, and new greenhouse installations and greenhouse renovation investments will be supported. Urban agriculture will be encouraged on the outskirts of major consumption centers to reduce logistic costs and ensure that consumers have access to agricultural products at affordable prices, thereby facilitating the employment of young people in the agricultural sector.

In the construction sector, projects for

housing, workplaces, and land directed towards low and middle-income groups will be implemented nationwide to mitigate the effects of disasters and meet the demand for social housing, ensuring growth in the sector while maintaining price stability and contributing selectively and strategically.

In conclusion, Turkey will become a more sustainable, competitive, and higher value-added economy through the determined implementation of change and transformation, which will ensure sustainable growth, gradual reduction of inflation, strengthening of macroeconomic and financial stability, and increased employment. As the business community, we will continue to work tirelessly to contribute to our country's goals.



As productive artificial intelligence (AI) is rapidly applied across a growing number of industries, the numerous lawsuits, summits, legislation, and regulatory actions that have emerged recently unfortunately support efforts to create scarecrows for technology. While some of the challenges posed by artificial intelligence may be relatively easy to address, we observe traditional policymakers outside the AI circle persistently shouting "STOP!" to innovation,

thus potentially delaying the great AI revolution. Indeed, there is a pervasive sense of an oligopolistic atmosphere (where 2, 3, or 4 sellers dominate the entire market as producers, intermediaries, and sellers) in the AI pipeline, signaling dangerous implications for such a vast field. Nevertheless, policymakers need to take action and demonstrate additional strong political will for the greater good of the world.

Now, we will attempt to explain the

recent challenges faced by the 'Big AI revolution' with two questions. Firstly, why is the big AI revolution being opposed? Secondly, why is a fear wall being persistently erected regarding artificial intelligence? Before answering these questions, it is necessary to emphasize a few points. Firstly, there is no shortage of hope and excitement regarding what artificial intelligence can achieve for productivity and economic growth. However, we must bear in mind the possibility of "global

policies being so dysfunctional that they cannot even manage the most obvious threats to our future, as well as the risk of being misdirected into the wrong hands and towards the wrong targets" as we seek answers

MAJOR PLAYERS AT WORK

In the current world, the major players of big technology are using artificial intelligence models to strengthen their current positions. We all know this now. However, it is premature to make embellishments suggesting a scenario akin to Terminator or The Matrix, where robots take over the world or we're all under the control of a sleeping program. Because we need to reach that point first to truly understand what we are discussing, moving beyond a state of uncertainty. Additionally, the lack of expertise in artificial intelligence among policymakers and other decision-makers results in inadequate policy responses to certain issues. Thus, we may find ourselves on the brink of a controversial AI revolution influenced by lobbying activities in the wrong hands. Recognizing these distinctions and fostering an AI tradition that serves everyone is essential for reducing inequalities in the world.

THE MAKERS AND OWNERS DIVIDE: AN INEQUALITY INSURANCE

The artificial intelligence revolution will unfortunately divide into "the makers and owners." This situation heralds a sharp division in terms of income inequality. Primarily, innovations will amass significant wealth by saving significantly on labor costs. Therefore, "inequality insurance" is now vital as AI regulations, including striking increases in productivity, will exacerbate the wealth gap. However, it's necessary to acknowledge that the power of a few private actors over AI development and applications will have significant consequences for scientific research, including climate science. Yet, policymakers need to be cautious as these new tools, such as "computational infrastructure," are solely in private hands, ensuring they serve the public interest as well as private benefits. Alternatively, some argue that the unique challenges



posed by AI necessitate a coordinated global approach to governance. Achieving the comprehensive legitimacy required to organize such a response lies solely with the United Nations.

LARGE LANGUAGE MODELS INCREASED HOPE AND EXCITEMENT WITH THE SUPPORT

The concept of "productive artificial intelligence (GenAI)" was one of the most discussed topics at this year's World Economic Forum (WEF) meeting held in Davos. With the recent adoption of large language models (such as those supporting ChatGPT), the flames of hope and excitement about what artificial intelligence can do for productivity and economic growth in the future have been raised significantly.

But there's a problem at hand. The world today is drifting towards chaos with a governance style that is more based on human ambitions than artificial intelligence. The proliferation of mega threats, each a component of a broader "multiple crises," confirms that our policies are dysfunctional and misdirected, unable to address even the most serious and obvious risks to our future. Among these, climate change leading to significant economic costs, failed states exacerbating waves of climate refugees, and recurring, deadly pandemics that could be far more damaging economically than

COVID-19, are noteworthy.

Even worse, dangerous geopolitical rivalries are turning into new cold wars, such as between the United States and China, and potentially explosive hot wars, as in Ukraine and the Middle East. Globally, income and wealth inequality, exacerbated in part by hyper-globalization and labor-saving technologies, have triggered a backlash against liberal democracy, creating opportunities for populist, autocratic, and violent political movements.

Unsustainable levels of private and public debt pose a danger of accelerating debt and financial crises, yet we may also see the return of inflation and stagflationist negative supply shocks. The broader trend globally is moving towards protectionism, disengagement from globalization, fragmentation, and the elimination of the dollar. Moreover, the same bold new artificial intelligence technologies that could contribute to growth and human welfare also have great destructive potential. They are already being used to accelerate disinformation, deepfakes, and election manipulations, as well as to increase fears of permanent technological unemployment and even sharper inequality. The rise of autonomous weapons and AI-enabled cyber warfare is equally alarming. Thus far, we've attempted to outline the current concerns.