



Update on Turkey

August 1st , 2011

61st Government: Economic and Financial Management as Announced by Prime Minister Recep Tayyip Erdoğan

I. Deputy Prime Minister (for Economic and Financial Affairs): Mr. Ali Babacan



Mr. Ali Babacan is in charge of coordinating economic and financial affairs of the government among relevant Ministries and Institutions.

Institutions directly under Mr. Ali Babacan are as follows:

- Undersecretariat of Treasury
- The Central Bank of Republic of Turkey
- Capital Markets Board
- Banking Regulation and Supervision Agency
- Savings Deposit and Insurance Fund
- Ziraat Bank
- Halk Bank
- Vakıfbank
- Development Bank of Turkey
- Export Credit Bank of Turkey

Mr. Ali Babacan chairs;

- Economic Coordination Council (ECC)
- Money-Credit and Coordination Council (MCCC) and
- Financial Stability Committee (FSC).

Mr. Ali Babacan is also the member of the following councils chaired by the Prime Minister:

- High Planning Council
- Privatization High Council
- Defense Industry High Coordination Council



The structures of the councils and committee chaired by Mr. Ali Babacan, Deputy Prime Minister are as follows:

- **Economic Coordination Council (ECC):**

The main duty of the Council is to ensure effective and efficient coordination of government's economic policies.

Chairman: Mr. Ali Babacan, Deputy Prime Minister for Economic and Financial Affairs

Members: Minister of Development, Minister of Finance, Minister of Economy, Minister of Science, Industry and Technology, Minister of Customs and Trade, Minister of Labor and Social Security

- **Money-Credit and Coordination Council (MCCC):**

The main duty of the Council is to ensure coordination in the implementation of the policies on external trade and agriculture.

Chairman: Mr. Ali Babacan, Deputy Prime Minister for Economic and Financial Affairs

Members: Minister of Development, Minister of Finance, Minister of Economy, Minister of Customs and Trade

- **Financial Stability Committee (FSC):**

The responsibilities of the Committee are identifying and monitoring systemic risks; formulating necessary measures and policies to minimize such risks; following the implementation of these policy measures; evaluating systemic risk management plans prepared by relevant institutions; conducting coordination of systemic risk management and providing coordination among relevant institutions.

Chairman: Mr. Ali Babacan, Deputy Prime Minister for Economic and Financial Affairs

Members: Undersecretary of Treasury, Governor of the Central Bank of Turkey, Chairman of Banking Regulation and Supervision Agency, Chairman of Capital Markets Board and Chairman of Savings Deposit Insurance Fund



II. Ministries Represented in ECC & MCCC

- **Ministry of Development: (Mr. Cevdet Yılmaz)**

The main responsibilities of the Ministry are advising the Government on issues regarding economic, social, and cultural policies and targets taking into consideration the natural, human and economic resources; preparing development plans, medium term programs, annual programs, and strategies and action plans in parallel with the targets designated by the Government.

- **Ministry of Finance: (Mr. Mehmet Şimşek)**

The main responsibilities of the Ministry are assisting the preparation of fiscal policies; implementing fiscal policy; developing and executing revenue policies; implementing expenditure policies; preparing and executing budget; monitoring and steering the budget implementation.

- **Ministry of Economy: (Mr. Zafer Çağlayan)**

The main responsibilities of the Ministry are implementing foreign trade policy; taking necessary steps for market and product diversification to increase Turkey's export share in the world trade; determining and implementing the regulation on investment incentives and foreign direct investments.

- **Ministry of Science, Industry and Technology: (Mr. Nihat Ergün)**

The main responsibilities of the Ministry are preparing industrial policy and strategies in accordance with the principles, targets and policies in the development plans and annual programs; promoting and coordinating the science, technology and innovation policies.

- **Ministry of Customs and Trade: (Mr. Hayati Yazıcı)**

The main responsibilities of the Ministry are to prepare and implement customs policies, and formulate and implement policies regarding the domestic trade.

- **Ministry of Labor and Social Security: (Mr. Faruk Çelik)**

The main responsibilities of the Ministry are to regulate the labor market, organize the relationship between the employees and employers, explore the ways to increase the efficiency the labor market, provide social security and take measures to broaden and improve the social security system.