



***TURKEY'S
MAIN INDICATORS AND
GLOBAL POSITIONING
2023***

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FOREWORD

With the economic value added it has created, the Republic of Turkey, which has increasingly matured over its 81-year history, has succeeded in becoming the 17th largest economy in the world. However, it has been unable to achieve the same level in the fields of economic and social development and human development. In this sense it is essential that Turkey make intensive efforts to raise its level of development. The period leading up to the 100th anniversary of the Republic offers an appropriate time frame in which to achieve developed nation status in all regards.

Turkey's basic aim is to achieve developed nation status in 2023. To that end it must plan the next 20-year period as from today, and define its objectives and policy means. This requires a long-term strategic approach. The economic and political conditions of the last 25 years limited Turkey's need and ability to think strategically and in the long term, but impelled it to think and live pragmatically and in the short term. Five-year development plans and structures that confirmed existing trends were far from responding to that need.

Based on the recent improvement in the economic and political spheres and that normalisation will continue, it is thought that Turkey's need and capacity to think in the long term will rise. In particular, in this period at the beginning of the 21st century, when a new structuring of politics, security and the economy in the global sense has begun, Turkey's need for long-term strategic plans is increasing.

The study on Turkey's Vital Statistics and Global Positioning 2023 has been prepared with the aim of meeting this need. The study offers forecasts regarding Turkey's social and economic basic indicators and global positioning in such a way as to encompass the next 20 years.

The study has two main features. The first is that it consists of forecasts, not of guesswork. In other words, no estimate is made of what the future will be like if present-day trends continue, but the necessary trend changes are revealed by structuring the future from today. The second important feature is that it is built on establishing maximum compatibility between global structuring and forecasts for Turkey and on maximum compatibility among politics, security, the economy and social sciences.

The study's basic forecasts for 2023 are; to raise Turkey to the level of a developed nation, to make its economic value added, population, trade, human development and technology compatible with those of the world by raising them, and to construct its global positioning on a Multilateral Turkey model.

While we hope that our study will be useful to Turkey's vision, objectives and policies for the future, we also hope that it will encourage Turkey's faculty for long-term thought and decision-making, as well as similar studies.

Sincerely

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INTRODUCTION

This study contains forecasts regarding 2023 aimed at Turkey's vital statistics and global positioning.

The basic aim of the study is to consider Turkey's long-term future and, in the light of meeting its strategic planning requirement, to put forward numerical indicators mutually compatible with the trends for the period up to 2023 and parallel to global developments.

In putting forward these targets an assertion is made regarding what they need to be, not what they may be. This assertion lies in the Turkish Republic's achieving the level of a developed country, in all aspects, on the 100th anniversary of its foundation.

The study is a forecast. There is an important difference in the content of studies regarding future planning. The classic future planning approach, which makes estimates is abandoned and replaced by forecast studies.

Forecast studies reveal what countries' positions in the future need to be, conditions, resources and opportunities are evaluated accordingly, the need for change under existing trends is set out, and planning is set in motion around that desired position. Forecast studies do not estimate the future, but forecast as of today. Forecast studies reveal how our relationship with the future is to be built, and how we can direct and create it.

Our forecast study has been prepared to respond to Turkey's need to think in the long term, make plans, and respond to the new global structuring that will arise in the next 20 years.

***TURKEY'S SOCIAL AND
HUMAN DEVELOPMENT
INDICATORS AND 2023
PREDICTIONS***

The first part of our study contains social and human development indicators. In studies containing future planning, and especially over a period as long as 25 years, social indicators head the list of basic defining elements in a mutual relationship with other indicators. The mutual dependency between social and economic indicators stems in particular from the relationships between economic growth and human development. Human development level is the fundamental motive force for a country's economic development. It is the capacity of human power in all fields. It is again the economic welfare level that reveals the appropriate conditions for human development.

In the first part of the study population and demographic trends in Turkey and the world are set out before all else. Forecasts and needs for the population at education age, the working age population and the and the elderly population under the scope of social security are set out dependent on population and demographic trends. Urbanisation indicators and the population's rural/urban distribution forecasts are made. Finally, forecasts for the future are offered in relation to human development indicators.

1- LONG-TERM WORLD POPULATION AND DEMOGRAPHIC DEVELOPMENTS 200-2300

United Nations studies were employed for world population and demographic indicators.

From 6.1 billion in 2000, the world population will reach its highest level, 9.2 billion, in 2075, following which it will decline to 8.3 billion in 2175. With the beginning of a new increase in net renewal rates there will be another rise, and the world population will reach 9 billion in 2300.

TABLE 1. WORLD POPULATION PROJECTION 200-2300 (million people)							
REGIONS	2000	2050	2100	2150	2200	2250	2300
WORLD (BILLION PEOPLE)	6.1	8.9	9.1	8.5	8.5	8.8	9.0
DEVELOPED COUNTRIES	1.2	1.2	1.1	1.2	1.2	1.2	1.3
DEVELOPING COUNTRIES	4.9	7.7	7.9	7.3	7.3	7.5	7.7
UNDERDEVELOPED COUNTRIES	0.7	1.7	2.2	2.0	1.9	1.9	2.0
WORLD (MILLION PEOPLE)	6,071	8,919	9,064	8,494	8,499	8,751	8,972
AFRICA	796	1,803	2,254	2,083	2,008	2,060	2,113
ASIA	3,680	5,222	5,019	4,651	4,682	4,824	4,943
LATIN AMERICA AND THE CARIBBEAN	520	768	733	675	681	703	723
NORTH AMERICA	316	448	474	490	509	523	534
EUROPE	728	632	538	550	574	594	611
OCEANIA	31	46	46	45	45	47	48
TURKEY	68.2	97.8	90.3	88.1	87.4	89	91.6
TURKEY'S SHARE %	1.12	1.9	0.99	1.04	1.03	1.02	1.02
SOURCE: United Nations, World Population in 2300, December 2003							

2- SHORT-TERM WORLD POPULATION AND DEMOGRAPHIC DEVELOPMENTS 200-2050

From 6.3 billion in 2003 the world population will rise to 7.8 billion in 2025 and to 8.9 billion in 2050.

The rate of increase is slowing down. The rate of increase of 1.2% in 2000 will increasingly contract between 2000 and 2050, with an average rate of 0.77%.

The world population is aging. The population aged 60 and over was 606 million in 2000, 10% of the total, and in 2050 this will be 1.9 billion, 21.3% of the total. Life expectancy at birth stood at 65 in 2000, and will rise to 74 in 2050.

The population in developed countries will remain stable at 1.2 billion. The population rise will stem from developing countries, and the population will rise from 4.9 to 7.7 billion. Absolute population will decline in some developed countries and the elderly population will increase rapidly.

TABLE 2. SHORT-TERM PROJECTIONS IN WORLD AND REGIONAL POPULATIONS 2003-2050 (million people)			
REGIONS	2003	2025	2050
WORLD	6301.5	7851.5	8918.7
DEVELOPED COUNTRIES	1202.3	1241.4	1219.7
DEVELOPING COUNTRIES	5098.2	6610.1	7699.0
UNDERDEVELOPED COUNTRIES	718.0	1148.8	1674.5
AFRICA	850.6	1292.1	1803.3
ASIA	3823.4	4742.2	5222.1
EUROPE	726.4	696.4	631.9
LATIN AMERICA AND THE CARIBBEAN	543.3	686.8	767.7
OCENIA	32.2	39.8	45.8
NORTH AMERICA	325.6	394.2	447.9
TURKEY (1)	71.3	88.9	97.8
TURKEY (2)	71	90.2	98
(1) UN statistics for Turkey. In the UN population study Turkey is among 18 countries where Western Asia begins on the main Asian continent (2) State Statistics Institute (DİE) figures for Turkey (unpublished statistics)			

3- POPULATION FORECASTS IN TURKEY

Turkey will experience the third phase of the demographic transition process between 2000 and 2050.

The population established as 67.8 million in 2000 will continue to rise in absolute terms.

The total population in Turkey will be 90.18 million in 2025 and 99.1 million in 2040. Turkey's population will never exceed 100 million.

TABLE 3. POPULATION FORECASTS IN TURKEY (000 people) 2000-2040									
	2000	2005	2010	2015	2020	2025	2030	2035	2040
TOTAL	67,804	72,844	77,919	82,340	86,402	90,183	93,695	96,749	99,114
WOMEN	33,457	36,101	38,671	40,931	43,027	44,999	46,854	48,493	49,784
MEN	34,347	36,743	39,248	41,409	43,375	45,184	46,841	48,256	49,330
SOURCE: United Nations, World Population Prospects: The 2002 Revisions. Highlights, 2003									

4- DEMOGRAPHIC FORECASTS IN TURKEY

The birth rate in Turkey is decelerating. From 24.6 per 1000 in 1990 it declined to 21.3 in 2002 and will contract to 16.3 per 1000 in the period 2020-2025.

The fertility level will also decline, to 2.05 in 2002-2010 and to 2 in the period 2020-2025.

Parallel to the forecast that the adult and elderly population will rise there will be an increase in the death rate in the face of a reduction of death risk in all age groups.

The speed of population increase will decline. The period of rapid population rise is over. The speed of increase will fall from 157 per 1000 in 2002 to 8.6 in the period 2020-2025.

TABLE 4. DEMOGRAPHIC ASSUMPTIONS IN TURKEY							
INDICATORS	2005/ 2010	2010/ 2015	2015/ 2020	2020/ 2025	2025/ 2030	2030/ 2035	2035/ 2040
DEMOGRAPHIC ASSUMPTIONS							
BIRTH RATE (000)	19.5	17.5	16.6	16.3	15.8	5.1	14.4
DEATH RATE (000)	7.1	7.3	7.5	7.7	8.1	8.6	9.6
RATE OF POPULATION RISE (000)	13.5	11.0	9.6	8.6	7.6	6.4	4.8
FERTILITY LEVEL (000)	2.05			2.00			2.00

5- POPULATION AGE GROUP DISTRIBUTION IN TURKEY

The 0-14 age group will fall in absolute terms. It will decline after reaching its highest level in 2010. The proportion of young people in the population will also contract. From 2025 Turkey will cease being a country with a young population.

The adult population will grow faster than the total population rate of increase. From 43.7 million in 2000 the adult population will rise to 61.98 million in 2025. The adult population will represent the largest proportion of the total population.

The elderly population (65+) will increase rapidly, both in numbers and proportionately.

TABLE 5. POPULATION DISTRIBUTION AMONG AGE GROUPS (000 PEOPLE)						
INDICATORS	2000	2005	2010	2015	2020	2025
0 - 14	20,220	21,072.9	21,380.9	21,018.1	20,710.5	20,594.9
14 - 64	43,701	47,571.5	51,851.5	56,041.3	59,380.4	61,984.2
64 +	3,859	4,199.3	4,686.3	5,280.8	6,310.7	7,603.6
TOTAL	67,803	72,843.7	77,918.6	82,340.2	86,401.6	90,182.7

6- DEMOGRAPHIC INDICATORS IN TURKEY

The dependent population level is falling. The dependency level, which shows the proportion of the 0-14 and 65+ age groups to the workforce age group, stood at 0.55 in 2000 and will decline to 0.45 in 2025.

The potential contribution level will decline. The potential contribution level, which shows workforce age contribution to each member of the elderly age group, is growing more rapidly than the elderly population, for which reason the level will fall from 11.3 in 2000 to 8.2 in 2025.

The average age dividing the population into two halves on a numerical basis was 24.8 in 2000 and will be 32.8 in 2025.

TABLE 6. DEMOGRAPHIC INDICATORS IN TURKEY						
INDICATORS	2000	2005	2010	2015	2020	2025
DEPENDENT POPULATION	0.55	0.53	0.50	0.45	0.45	0.45
POTENTIAL CONTRIBUTION LEVEL	11.3	11.3	11.1	10.6	9.4	8.2
AVERAGE AGE		26.5	27.5	29.0	31.5	32.8

7- HOUSEHOLD MEMBER ASSUMPTIONS IN TURKEY

The number of household members, an important indicator in the determination of economic and social needs, is undergoing change.

In the framework of the development expectations to be revealed by urbanisation, economic development and social conditions the household member size continues to shrink. From 4.50 in 2000 it is assumed that the numbers will fall to 4.10 in 2010 and to 3.70 in 2025.

Under that assumption the number of households, 15 million in 2000, is forecast to be 19 million in 2010 and 24.4 million in 2015.

TABLE 7. HOUSEHOLD MEMBER DEVELOPMENTS IN TURKEY			
INDICATORS	2000	2010	2025
POPULATION (000)	67,803	77,918	90,183
HOUSEHOLD MEMBER SIZE (PERSONS)	4.50	4.10	3.70
HOUSEHOLD MEMBER NUMBERS (MILLION)	15.07	19.00	24.37

8- FORECASTS FOR THE EDUCATION AGE POPULATION

The education age population in Turkey will remain more or less stable until 2025. The education age population stood at 27.5 million in 2000 and will reach its highest level in 2015 at 28.22 million, after which it will enter a period of contraction, falling to 27.73 million in 2025.

In the demographic development process Turkey will for the first time enter a positive and comfortable period with regard to the education age population. As the education age population remains stable in absolute terms, its proportion of the total population will decline. The same positive process will be observed in sub-groups regarding pre-school and primary education, secondary education and higher education.

Turkey is released from the increase pressure in numerical terms on its education capacity brought about by population increase, and achieves a climate suitable for qualitative priorities.

However, forecasts of an increase in internal migration, urbanisation and education again reveal numerical capacity needs.

TABLE 8. EDUCATION AGE POPULATION IN TURKEY FORECASTS						
EDUCATION AGE POPULATION	2000	2005	2010	2015	2020	2025
Pre-School and Primary Education (5-14)	13,365	13,972	14,284	14,210	13,898	13,576
Secondary Education (15-19)	7,210	6,297	6,825	7,185	7,113	7,078
Higher Education (20-24)	6,690	6,643	6,292	6,812	7,165	7,081
TOTAL EDUCATION AGE POPULATION (5-24)	27,535	26,912	27,401	28,224	28,176	27,773
EDUCATION LEVEL TARGET						
Primary Education	97.6	100.0	100.0	100.0	100.0	100.0
Secondary Education	59.4	75.0		85.0		100.0
Higher Education	27.8	37.3		50.0		60.0

9- WORKING AGE POPULATION FORECASTS

The 15-64 age group will rise from 47.7 million in 2000 to 61.98 million in 2025, and the 24-54 age group will rise from 27.94 million in 2000 to 39.12 million in 2025. The 15-64 age group will add 22.3 million to the work force and the 25-54 age group 11.8 million.

Whether the 15-64 age group is used or the 25-54 age group, the population rise that will contribute to the work force will be above the average population rise until 2025.

Between 2000 and 2025 the working age population will become the largest proportion of the total population.

As this work force potential offers opportunities for economic growth, it also has the potential to disrupt economic and social balances.

TABLE 9. WORK FORCE POPULATION IN TURKEY FORECASTS					
INDICATORS	2005	2010	2015	2020	2025
WORKFORCE POPULATION DEVELOPMENT					
Working Age Population (15-64) (000)					
TOTAL	47,572	51,851	56,041	59,380	61,984
Women	23,467	25,622	27,741	29,443	30,779
Men	24,105	26,229	28,300	29,937	31,205
BASE POPULATION (25-54) (000)					
TOTAL	30,187	33,284	35,374	37,426	39,121
Women	14,877	16,421	17,477	18,506	19,349
Men	15,310	16,683	17,897	18,920	19,772
Addition to Working Age Population (000)	4,280	4,189	3,339	2,604	14,413
Addition to Base Population (000)	3,097	2,090	2,052	1,696	8,934

10- AGING IN THE POPULATION AND SOCIAL SECURITY NEEDS

The Turkish population will age over the 25 years of the last stage of the demographic process to be undergone. The most important needs of the elderly population are social security, health, care and shelter.

In the next 25 years Turkey will have a suitable climate for meeting these needs. The working age population that will contribute to the elderly population in the social security system will increase rapidly and reach its highest level.

As the 15-64 age group rises from 43.7 million in 2000 to 65.6 million in 2025, the 65+ age group will rise from 3.85 million to 7.6 million and its potential contribution level will contract from 11.3 to 8.2.

In the base population based calculation the 25-54 age group rises from 27.92 million to 39.12 million, and the 55+ group increases from 7.0 million to 16.3 million and its potential contribution levels fall from 3.95 to 2.4.

TABLE 10. THE ELDERLY POPULATION AND SOCIAL SECURITY NEEDS					
INDICATORS	2005	2010	2015	2020	2025
ELDERLY POPULATION SOCIAL SECURITY					
WORKING AGE POPULATION BASED					
15-64	47,572	51,851	56,041	59,380	61,984
65+	4,199	4,686	5,181	6,311	7,604
Potential Contribution Level	11.3	11.1	10.8	9.4	8.2
BASE POPULATION BASED					
25-64	30,187	33,283	35,373	37,425	39,121
55+	8,644	10,138	11,952	13,588	16,308
Potential Contribution Level	3.5	3.3	2.9	2.7	2.4

11- MAJOR ECONOMIC AND SOCIAL TREND CHANGES TO BE CREATED BY POPULATION AND DEMOGRAPHIC FORECASTS

- 1- The adult population reaches the highest proportion, the most suitable environment for the Window of Opportunity period and economic growth,
- 2- The need for a transition from Young Turkey policies to Adult and Aging Turkey policies,
- 3- With the deceleration of population increase the possibility of a transition from demographic investments (numerical capacity creation) to social investments (quality creation),
- 4- An increase in savings proportions and volumes with the increase in the adult population and reduction in dependency levels,
- 5- The risk of excessive unemployment and a collapse in the social security system with the meeting of the needs of the rapidly increasing Adult and Aging population,
- 6- Generations enjoying rapidly improving education, health and social conditions,
- 7- The strengthening of internal demand dynamics with the increase in urbanisation and household member numbers,
- 8- An increase in the influence of the female population.

12- URBANISATION AND INTERNAL MIGRATION IN TURKEY

Urbanisation and internal migration, and the economic and social needs that emerge in connection with these, constitute an important component of population and demographic developments. As the population's demographic features acquire increasing stability, the phenomenon of urbanisation and internal migration in this period will continue at a decelerating but still influential pace.

The pace of urbanisation will slow down, but the proportion of the total population represented by the urban population will rise rapidly, reaching 85% in 2025. In 2025 76.65 people will live in cities and 13.5 million in rural areas.

The dynamics shaping the urbanisation process change direction, and new dynamics and processes emerge.

- The link between urbanisation and internal migration is broken. Internal migration is from city to city.
- The element spurring this is an economic one and income differences between regions.
- Due to this dynamic there is a risk of great migratory activity in Turkey.
- Population movements towards economically developing provinces cannot be obstructed, and the risk of shrinkage and even emptying in some provinces and regions increases.
- This migratory pressure will eliminate the suitable conditions offered by population and demographic developments that will achieve stability in the next 25 years.
- This migratory activity may create urban overcrowding in the mid term.
- There will be a rapid rise in the urban population due to the increase in the active and fertile population.
- Due to these dynamics the country's transition to a determined population structure in the final phase of the demographic process will not be the same everywhere.
- The population flow from the north and east of Turkey to the west and south will continue.
- Within the urbanisation phenomenon Turkey will for the first time encounter planning shrinking provinces with uneven urbanisation.

TABLE 11. URBANISATION INDICATORS IN TURKEY (2000-2025)			
	2000	2015	2025
POPULATION (000)			
TOTAL	67,803	82,340	90,182
URBAN	44,006	61,755	76,655
RURAL	23,797	20,585	13,527
POPULATION DISTRIBUTION (%)		2000-2015	2015-2025
TOTAL	1.83	1.30	0.90
URBAN	2.68	2.28	2.20
RURAL	0.42	-0.85	-3.00
PACE OF POPULATION RISE			
URBAN	65.30	75.00	85.00
RURAL	34.70	25.00	15.00

13- TURKEY'S HUMAN DEVELOPMENT INDICATORS AND FORECASTS

One of Turkey's fundamental objectives for 2025 must be to attain a high level of human development. According to 2001 statistics, Turkey stands 96th in the published list (UN Human Development Indicators). Turkey stands in 17th place in terms of national revenue calculated with SDL, and its human development level lags far behind this.

This clearly shows that economic growth does not simultaneously indicate human development. Economic growth must not be the sole focus, and separate and independent objectives must be set out for human development. Human development will bring economic growth and development with it.

Turkey must aim to be in the top rank of medium developed countries in terms of human development in the first phase up to 2025, following which it must aim at the high development level group, and in the top rank in that group.

Human development requires progress in a great many fields. Turkey must set itself new targets in such areas as health opportunities, health indicators, income distribution, technology use and creation, economic performance, gender equality and the position of women, and poverty. Comparisons are given for these targets with the four countries below. These country indicators must be a target for Turkey.

TABLE 12. HUMAN DEVELOPMENT INDICATORS					
INDICATORS	TURKEY	MALASIA	POLAND	IRELAND	NORWAY
HUMAN DEVELOPMENT					
INDEX RANKING	96	58	35	12	1
INDEX	0.74	0.79	0.84	0.94	0.95
LIFE INDEX	0.75	0.80	0.81	0.86	0.90
EDUCATION INDEX	0.77	0.83	0.95	0.96	0.99
NATIONAL REVENUE INDEX	0.68	0.75	0.76	0.96	0.95
GENDER QUALITY INDEX	0.72	0.78	0.84	0.92	0.94
HEALTH INDICATORS					
PER CAPITA HEALTH SPENDING (SDL & USD)	315	310	575	1908	2769
SPENDING/GNP (%)	5.0	3.4	6.0	6.7	7.6
LIFE QUALITY					
LIFE EXPECTANCY AT BIRTH (YEARS)	70.5	73.1	73.9	77.0	78.9
BIRTH FATALITY LEVEL (000 BIRTHS)	36	8.0	8.0	6.0	4.0
DEATH AT AGE UNDER 5 (000 CHILDREN)	43	8.0	9.0	6.0	4.0
GENDER EQUALITY					
FEMALE REPRESENTATION IN PARLIAMENT (%)	4.4	14.5	20.7	14.2	36.4
WOMEN SENIOR MANAGER LEVEL (%)	8	20	32	28	26
SALARIED WOMEN LEVEL (%)	31	45	60	49	48
FEMALE SALARIES/MALE SALARIES	0.46	0.47	0.62	0.40	0.65
WOMEN'S EMPLOYMENT FIELDS					
AGRICULTURE	72	13	19	2	2
INDUSTRY	10	29	21	15	9
SERVICES	18	58	60	83	88
FEMALE EDUCATION LEVELS	54	74	91	93	94
ESTIMATED INCOME (SDL DOLLAR)					
MEN	8,028	11,845	11,777	46,280	36,043
WOMEN	3,717	5,557	7,253	18,701	23,317
EDUCATION SPENDING					
PROPORTION OF NATIONAL REVENUE (%)	3.5	6.2	50	4.4	6.8
PROPORTION OF PUBLIC SPENDING (%)	3.8	26.7	11.4	13.2	16.2
QUALITY IN EDUCATION					
EDUCATION AT PRIMARY LEVEL (%)	30.3	7.4	7.4	30.3	10.4
EDUCATION AT SECONDARY LEVEL (%)	12.2	10.3	31.3	----	4.4
TECHNOLOGY CREATION					
PATENT NUMBERS PER MILLION PEOPLE	----	11	26	66	97
R & D SPENDING/GNP	0.6	0.4	0.7	1.2	1.7
R & D SCIENTIST AND ENGINEER NUMBERS (MILLION PEOPLE)	1.11	8.6	29.11	23.12	4.4

Malaysia is in the top rank of middle class countries; Poland stands in 25th position, Ireland in 12th and Norway in 1st. These countries' positions and indicators represent a target and road map for Turkey up to 2025.

*TURKEY'S
MAIN ECONOMIC
INDICATORS AND
PREDICTIONS
FOR 2023*

The second part of the study contains forecasts regarding Turkey's vital economic statistics for the period up to 2025.

The economic forecasts are particularly influenced by the population and demographic forecasts in the first part of the study. Turkey attains the Window of Opportunity that emerges in its population and demographic forecasts between 2000 and 2025. If Turkey broadens employment opportunities, increases the level of its trained workforce and raises its quality at this time then it will have made the most of its high economic growth potential in this period. If Turkey is unable to exhibit rapid and sufficient economic growth then it will face problems of unemployment and poverty within this period, as well as the additional problem of meeting the needs of an increasingly aging population after 2025.

Therefore in the second section forecasts for 2025 regarding vital economic statistics have been made in line with population and demographic forecasts and with Turkey making the most of its Window of Opportunity.

Forecasts regarding Turkey's vital economic statistics are set out under the following headings: economic growth and national revenue, employment-investment-sectoral developments, foreign trade, energy and the food-agricultural production balance.

1. ECONOMIC GROWTH AND NATIONAL REVENUE PREDICTIONS

Economic growth is the fundamental vehicle for the economic well-being and strength countries intend to achieve.

Growth and economic size forecasts are made for Turkey up to 2025.

The forecasts made for Turkey were prepared in the light of global economic predictions. Accordingly, the scenario is a combined one of the two positive alternative scenarios of the four scenarios hypothesised for the world economy, "globalisation and economic growth" and "regionalisation and inter-regional competition." In the world economy an average growth of 3% until 2015 and of 3.1% between 2016 and 2025 is forecast.

Two growth scenarios have been established for Turkey, which registered an average growth of 4.8% between 1923 and 2001, for the period up to 2025. The opportunity scenario is the main scenario. The mean scenario forecasts the continuation of mean trends and provides insufficient growth for Turkey.

Turkey represents 1.1% of the world population and .71% of world income. Turkey must aim for a revenue share at least as high as its population share. In the opportunity scenario is forecast average annual growth of 7% between 2006 and 2015, 6.5% between 2016 and 2020, and 6% between 2021 and 2025.

Under this scenario Turkey achieves a total national income of \$985 billion in 2025 at today's prices. Per capita income is \$10,920. Under the mean scenario national income is \$596 billion and per capita income \$6,600.

In order to achieve the forecasts under the opportunity scenario 11 mutually compatible assumptions are made in the economic and social spheres. In the event that these assumptions are translated into reality the economic growth and size forecasts in the opportunity scenario will be realised. These assumptions are presented in the Economic Growth Elements in Table 14.

Economic growth is dependent upon forecasts of increases in exports, investment (foreign investment) and factor productivity.

TABLE 13. ECONOMIC GROWTH AND NATIONAL REVENUE					
	2005	2010	2015	2020	2025
OPPORTUNITY SCENARIO					
GROWTH (%)	5	7	7	6.5	6
NATIONAL INCOME (billion \$)	273	383	537	736	985
PER CAPITA INCOME	3,745	4,915	6,520	8,520	10,920
MEAN SCENARIO					
GROWTH (%)	4.0	4.0	4.5	4.5	4.0
NATIONAL INCOME (billion \$)	259	315	392	488	596
PER CAPITA INCOME	3,555	4,450	4,760	5,650	6,600

TABLE 14. ECONOMIC GROWTH ELEMENTS						
	2003	2005	2010	2015	2020	2025
EMPLOYMENT (000) 2002						
WORKFORCE SUPPLY)	23,818	27,720	31,953	34,207	26,320	37,503
EMPLOYMENT	21,354	22,715	24,995	27,727	32,021	36,024
UNEMPLOYED	2,464	5,005	6,958	6,480	4,209	1,479
SECTORAL EMPLOYMENT DISTRIBUTION (%)						
AGRICULTURE	34.2	33.3	26.6	19.7	15.0	10.6
INDUSTRY	18.1	19.3	21.4	23.7	25.2	26.9
SERVICES	47.6	47.4	52.0	56.6	59.8	62.5
SECTORS' VALUE ADDED LEVEL (%)						
AGRICULTURE	12.5	11	9	7	6	5
INDUSTRY	29.3	30	31	32	31	30
SERVICES	58.2	59	60	61	63	65
FIXED CAPITAL INVESTMENTS						
SFCI/GNP	17.6	20.0	26.0	26.0	26.0	27.0
PRIVATE INVESTMENTS/GNP	12.9	15.0	21.0	22.0	23.0	24.0
FIXED CAPITAL INVESTMENT REVENUE	1/5	1/4.5	1/4	1/3.5	1/3.5	1/3
PRODUCTIVITY INCREASE (%)						
CAPITAL PRODUCTIVITY	0.5	1.5	1.5	1.0	1.0	1.0
WORKFORCE PRODUCTIVITY	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL FACTOR PRODUCTIVITY	1.5	2.5	2.5	2.5	2.5	2.0
PRIVATE DEPOSITS/GNP	24.7	25.0	24.5	25.0	25.5	27.0
DIRECT FOREIGN INVESTMENT/GNP	0.5	1.0	2.0	1.5	1.0	1.0
ECONOMIC STABILITY (%)						
INFLATION (CPI)	18.9	8.0	3.0	3.0	3.0	3.0
REAL INTEREST	11.0	6.0	3.0	3.0	3.0	3.0
PSBR/GNP	8.7	8.0	6.0	5.0	4.0	4.0
OPENNESS TO OUTSIDE						
EXPORTS/GNP	20.0	22.0	23.0	26.4	28.4	28.4
IMPORTS/GNP	28.7	30.0	34.5	36.1	37.0	37.0
EDUCATION LEVEL 2000						
PRIMARY EDUCATION (%)	97.0	100.0	100.0	100.0	100.0	100.0
SECONDARY EDUCATION	59.4	75.0	80.0	85.0	90.0	100.0
HIGHER EDUCATION	27.8	37.3	40.0	40.0	45.0	50.0

2. TURKISH WORKFORCE AND EMPLOYMENT PREDICTIONS

One of the two most important priorities in the economic sphere up until 2025 is employment and economic growth. In order for Turkey to make effective use of the window of opportunity period with regard to demographics on the subject of economic growth it must create employment for the rising working age population. Furthermore, in order to achieve the growth rates forecast for the next 25 years capital intensive technologies and high labour productivity are necessary.

The working age population rises from 48 million to 69.6 million between 2002 and 2025. Participation levels in the workforce that contracted with economic crises will rise and are forecast to stand at 56.5% in 2010. In 2025 this will decline to 53.9%. According to this the workforce supply of 23.8 million in 2002 rises to 34.2 million in 2015 and 37.5 million in 2025. An additional workforce of 11.4 million emerges in the first 13 years, and 3.3 million in the last 10.

In order for jobs to be created for this additional workforce average growth of 7% up until 2015 and a private sector investments/GNP level of 23% are forecast. In the subsequent five-

year periods growth is 6.5 and 6%, but the 23% level is maintained. Thus a further 3.2 million jobs are created between 2006 and 2010, and 3.9, 4.95 and 5 million in the subsequent five-year terms. (The contribution of foreign investment is included in investments.)

With these forecasts employment reaches 22.7 million in 2005, 25 million in 2010, 27.7 million in 2015 and 36 million in 2025.

Despite rapid average growth and the additional employment opportunities created, high unemployment levels prevail until 2015, although in 2025 unemployment levels fall to 4%.

There is also a radical change in employment distribution, with agriculture's share falling to 10.6% and those of services and industry rising to 62.5 and 26.9%, respectively.

TABLE 15. WORKFORCE MARKET AND EMPLOYMENT FORECASTS						
INDICATORS	2000	2005	2010	2015	2020	2025
EMPLOYMENT INDICATORS 2002						
WORKING AGE POPULATION (15+)	48,020	51,771	56,539	61,325	65,693	69,589
PARTICIPATION IN WORKFORCE (%)	49.6	53.5	56.5	55.8	55.5	53.9
WORKFORCE SUPPLY	23,818	27,720	31,953	34,207	36,230	37,503
EMPLOYMENT	21,354	22,715	24,995	27,727	32,021	36,024
UNEMPLOYMENT	2,464	5,005	6,958	6,480	4,209	1,479
UNEMPLOYMENT LEVEL	10.3	18.1	21.8	18.9	11.6	4.0
EMPLOYMENT DISTRIBUTION (%)						
AGRICULTURE	34.9	33.3	26.6	19.7	15.0	10.6
INDUSTRY	18.5	19.3	21.4	23.7	25.2	26.9
SERVICES	46.6	47.4	52.0	56.6	59.8	62.5
ADDITIONAL EMPLOYMENT DISTRIBUTION (000)						
AGRICULTURE	101					
INDUSTRY	435	966	1,215	1,498	1,617	
SERVICES	825	2,231	2,709	3,466	3,386	
TOTAL	1,361	3,197	3,924	4,944	5,003	

3. TURKEY'S FOREIGN TRADE PREDICTIONS AND FORECASTS

The economic conditions and restrictions Turkey will face up until 2025 make economic growth based on external demand inevitable and indispensable.

Forecasts regarding Turkey's foreign trade indicators are dependant on economic growth demand components and predicted growth rates.

Economic growth can increase with external demand in the face of domestic demand being restricted by investments and savings requirements.

Linked to this, growth forecasts for five-year periods are made with regard to the export (rise in foreign demand) and import of goods and services.

Linked to these growth forecasts Turkey's goods exports stand at \$280 billion in 2025 and exports at \$364 billion, the foreign trade gap is \$84 billion, and the foreign trade deficit/GNP is 8.5%.

Turkey's growth and goods balance can only be maintained with a trade in services surplus. Turkey's trade in services surplus will rise to \$54.5 billion in 2025.

In the framework of these forecasts the current account balance will be maintained at the level of 3% of national revenue (4% in 2010). The current account will rise from \$8 billion in 2005 to \$29.5 billion in 2025.

In the same way that foreign capital investments are essential for both employment and economic growth, the current account balance will contribute to financing.

TABLE 16. TURKEY'S FOREIGN TRADE INDICATORS					
INDICATORS	2006/2010	2011/2015	2016/2020	2021/2025	
FOREIGN TRADE INDICATORS					
ECONOMIC GROWTH DEMAND COMPONENTS					
TOTAL CONSUMPTION	6.0	7.0	6.5	5.5	
PUBLIC CONSUMPTION	0.0	5.0	3.0	4.0	
PRIVATE CONSUMPTION	7.2	7.3	7.0	5.6	
FIXED CAPITAL INVESTMENTS	11.0	7.0	6.5	6.0	
GOODS EXPORTS	8.0	10.0	8.0	6.0	
GOODS IMPORTS	10.2	8.0	7.0	6.0	
SERVICES EXPORTS	11.0	8.0	6.0	6.0	
SERVICES IMPORTS	8.0	10.0	8.0	6.0	
	2005	2010	2015	2020	2025
FOREIGN TRADE INDICATORS (billion \$)					
EXPORTS	60	88	142	209	280
IMPORTS	82	132	154	272	364
FOREIGN TRADE DEFICIT	22	44	52	63	84
FOREIGN TRADE DEFICIT/GNP (%)	8.0	11.5	9.6	8.5	8.5
SERVICES EXPORTS (+)	21.0	36.0	53.0	71.0	95.0
SERVICES IMPORTS (-)	9.0	13.0	19.0	28.0	37.5
OTHER (+, -)	2.0	6.0	2.0	-2.0	-3.0
SERVICES BALANCE OF TRADE	14.0	29.0	36.0	41.0	54.5
CURRENT ACCOUNT DEFICIT	8.0	15.0	16.0	22.0	29,5
CURRENT ACCOUNT DEFICIT/GNP	3.0	4.0	3.0	3.0	3.0
DIRECT FOREIGN INVESTMENT	2.7	7.7	11.7	11.0	4.9

4. ENERGY DEMAND PREDICTIONS LINKED TO ECONOMIC GROWTH FIGURES

In order to achieve the forecasts in such indicators as economic growth, investment, production, employment and foreign trade, forecasts need to be made regarding energy demand and how this demand is to be met. Along with economic elements, energy demand is also affected by demographic elements such as population increase, urbanisation and housing.

The main trends to emerge by 2025; linked to high economic growth forecasts, rapid growth in energy needs and demand, rapid urbanisation and accelerated energy demand, the need for increased investment to meet rising energy demands and increased investment, continuing and rising external dependence due to restricted primary energy sources in the face of increasing energy demands and rising energy imports and the negative effect of the foreign trade deficit.

In the light of the figures presented in Table 17 energy demand rises by an annual average of 6.2% between 2006 and 2010, and by 6.3, 5.9 and 5.5% in the subsequent five-year periods. Final energy demand reaches 289 Mpte in 2025, and 396.3 Mpte and per capita consumption of 3.212 tpe when the recycling sector is factored in.

In the light of the same assumptions for electrical energy demand gross demand rises to 543.7 Gwh in 2025 and to 598.1 Gwh with the reduction of the loss level to 10%.

TABLE 17. ELEMENTS DEFINING ENERGY DEMAND IN TURKEY				
INDICATORS	2006/2010	2011/2015	2016/2020	2021/2025
ENERGY DEMAND ASSUMPTIONS (%)				
POPULATION RISE	1.35	1.19	0.96	0.86
URBAN POPULATION RISE	2.25	2.50	2.30	2.10
HOUSEHOLD NUMBERS RISE	2.25	1.50	1.65	1.60
GROWTH (%)				
NATIONAL REVENUE	7.0	7.0	6.5	6.0
AGRICULTURE	2.8	1.7	3.3	2.3
INDUSTRY	7.6	7.6	6.0	5.4
SERVICES	7.4	6.0	8.5	6.6
PER CAPITA INCOME RISE	5.5	5.75	5.5	5.0
GROWTH IN SECTORAL ENERGY DEMAND (%)				
HOUSING AND SERVICES	4.5	4.0	4.5	4.0
INDUSTRY	8.5	8.5	7.0	6.5
TRANSPORT	3.5	3.6	3.7	3.8
AGRICULTURE	3.0	2.5	3.5	2.5
TOTAL	6.2	6.3	5.9	5.5

TABLE 18. PRIMARY ENERGY AND ELECTRICAL ENERGY DEMAND					
INDICATORS	2005	2010	2015	2020	2025
ENERGY DEMAND Mtpc					
ABSOLUTE ENERGY DEMAND	91.7	123.6	167.3	221.8	289.7
RECYCLING SECTOR	36.2	49.5	65.3	84.3	107.2
GENERAL ENERGY DEMAND	127.9	173.1	232.6	306.1	396.9
PER CAPITA ENERGY	1,260	1,586	2,030	2,567	3,212
ELECTRICAL ENERGY DEMAND Gwh					
NET DEMAND	134.5	194.2	279.2	396.3	543.7
DOMESTIC CONSUMPTION AND LOSS LEVEL	19.0	15.0	12.0	10.0	10.0
DOMESTIC CONSUMPTION AND LOSS	25.6	29.1	33.5	39.6	54.4
GROSS DEMAND	160.1	223.3	312.7	435.9	598.1

5. FOOD DEMAND AND AGRICULTURAL PRODUCE BALANCE PREDICTIONS

Food consumption and demand forecasts for Turkey are made linked to population, demographic and economic forecasts.

Food production and needs are influenced first by the population's food requirements, then by food industry and other user level demand and external demand.

The 67.8 million populations in 2000 reaches 90.2 million in 2025, and this will cause a direct rise in food demand.

Another important element that will affect food demand is the balanced nutrition that will arise with increased well-being in Turkey and the improvement to be made in income distribution.

The food demand emerging under today's nutritional conditions in Turkey remains low. There is excessive nutrition based on plants and grains. With priority being given to a transition from plant to animal foodstuffs and to non-grain foodstuffs in vegetable foods, there will be move to more balanced nutrition.

The food demand created by this balanced nutrition will be very different to today's.

TABLE 19. FOOD DEMAND CHANGES WITH A RISING POPULATION AND BALANCED NUTRITION

	PRODUC- TION 2001	OTHER PROCESS 2001	FOOD CONSUMP TION 2001	2015 DEMAND	2025 DEMAND
A. PLANT FOODS					
GRAIN	29,541	14,871	14,670	14,000	11,750
STARCH ROOTS	5,200	874	4,326	5,352	5,860
SUGAR EQUIVALENT	2,312	326	1,986	2,470	2,705
PULSES	1,455	627	828	825	900
SHELLED FOODSTUFFS	860	469	391	480	525
FATTY SEEDS	2,745	2,468	277	338	370
VEGETABLE OILS	721	- 518	1,239	1,895	2,255
VEETAGLES	24,179	8,700	15,479	18,940	20,742
FRUIT	10,772	3,917	6,855	9,060	10,820
STIMULANTS	143	- 36	179	222	243
HERBS	63	21	42	49	54
ALCOHOLIC BEVERAGES	922	72	850	1,235	1,350
B. ANIMAL FOODSTUFFS					
MEAT	1,319	10	1,309	4,117	7,215
OFFAL	70	---	70	82	90
ANIMAL FATS	138	17	115	410	720
MILK	9,496	1,759	7,737	14,410	18,035
EGGS	529	81	448	660	900
SEAFOODS	594	80	514	1,235	1,805

*TURKEY'S
GLOBAL POSITIONING
2023 AND A
MULTI-FACETED
TURKEY*

As a precondition for achieving the social and economic forecasts set out in the first and second parts of this study Turkey must ensure a global positioning compatible with these by 2023.

With regard to global positioning Turkey faces greater risks and opportunities than in previous periods. The basic source of these opportunities and risks is the global restructuring that has begun and that will probably last until 2020.

First and foremost Turkey must establish its global positioning for 2023 not with the classic concepts and approaches of the 20th century but with a new philosophy of and approach to new structuring in the early 21st century. This is the situation Turkey faces with regard to global positioning. As a new global equilibrium is established Turkey is in any case being given a global position. Turkey's political and security position will be one of the main determinants in the establishment and maintenance of the global equilibrium.

Therefore, new global structuring is analysed as a priority in our study. Then alternative global positionings with particular regard to politics and security are set out in harmony with the economic and social forecasts for Turkey. Finally, the compatibility and conflict levels of the global positioning ascribed to Turkey are analysed within the new global structuralisation and alternative global positioning forecasts, and a final global positioning recommendation is made.

1- GLOBAL RESTRUCTURING

At the very beginning of the 21st century a restructuring stemming from economic and social needs has commenced.

The equilibrium that was disrupted following the end of the Cold War could not be reconstructed. The new equilibrium is one which seeks to construct a political structure based on mutuality and fair distribution constructed on the basis of economics and security with the meeting of global raw material and energy needs, the spread of global trade within free market economy rules, studies to protect financial stability on the global level, the spreading of global democratic balances, the reduction of poverty and increasing global well-being.

The architect of restructuring and the new global equilibrium is the USA. The USA has a much closer interface with the economic and security requirements of restructuring in comparison with other countries. Furthermore, it is the only country with the economic, political, military and technological capacity to be able to construct a new balance in the global sense.

The main zone of global restructuring is Eurasia. It is this region which from the point of view of all indicators, such as natural resources, population and economic growth, is the source of well-being in the global sense and the struggle for well-being, and is at the same time the main source in the new period of new threats to security. Eurasia starts from Europe, including Gibraltar and North Africa, on its Atlantic border and stretches as far as East Asia on the Pacific Ocean.

The new global balance is built on two main axes and multi-laterality. The South-East axis, under US leadership, consists of the US's global political partners, its regional political coalitions and countries with which it cooperates. The North West axis potentially includes continental Europe and even Russia.

The South-East axis constructed by the USA consists of three joints and is forecast to be completed by 2020. These are the Middle East, South East Asia and the Pacific.

An important component of global restructuring is the rebuilding of the Global Security Architecture. The USA plays the leading role here. In line with the new leadership concept the USA is building three main security architectures in the Eurasian region. These are the South East Mediterranean security architecture based on Cyprus, the South West Asia security architecture based on Afghanistan and the Pacific security architecture based on Indonesia.

2- TURKEY'S GLOBAL POSITIONING: MULTILATERAL TURKEY

The basic forecast for Turkey's Global Positioning is a multilateral Turkey.

Definition of a Multilateral Turkey;

A Turkey, a fulcrum between the two main axes of global restructuring, the South-East and the North-West, that builds balanced bilateral political, security, economic-trade and social partnerships and relationships with the USA and the EU, the main countries in these two axes, uses these relationships and partnerships to create stability and well-being for itself and for the nearby region, implements effective political, economic and trade policies to that end, and constructs bilateral and multilateral regional cooperation and partnerships, and supports these relations and partnerships with active policies in international organisations.

The Reasons for a Multilateral Turkey;

Turkey is one of the countries that represent an element of balance in global restructuring. It is establishing a global position as a fulcrum between the two emerging main axes. In the event that it assumes a full place in one of these axes with political, security and economic elements and reduces these relations with the other axis to a minimum the establishment of global equilibrium will be more difficult, and Turkey will probably withdraw from the two main axes and become the scene of conflict.

This will also constitute a main element of instability for Turkey's region.

Nearby regional countries are of great importance from Turkey's point of view. Turkey must establish partnerships and relations with regional countries with its own priorities, bearing in mind the strategies and policies of the two main axes, with regard to political, security and economic-trade elements.

Acting solely together with the axes and not with its own priorities in regional partnerships and relations will damage the equilibrium in Turkey's relations with nearby regional countries. This will restrict the implementation of the main axes' regional policies and again constitute a source of instability.

3- TURKEY'S GLOBAL POLITICAL POSITIONING

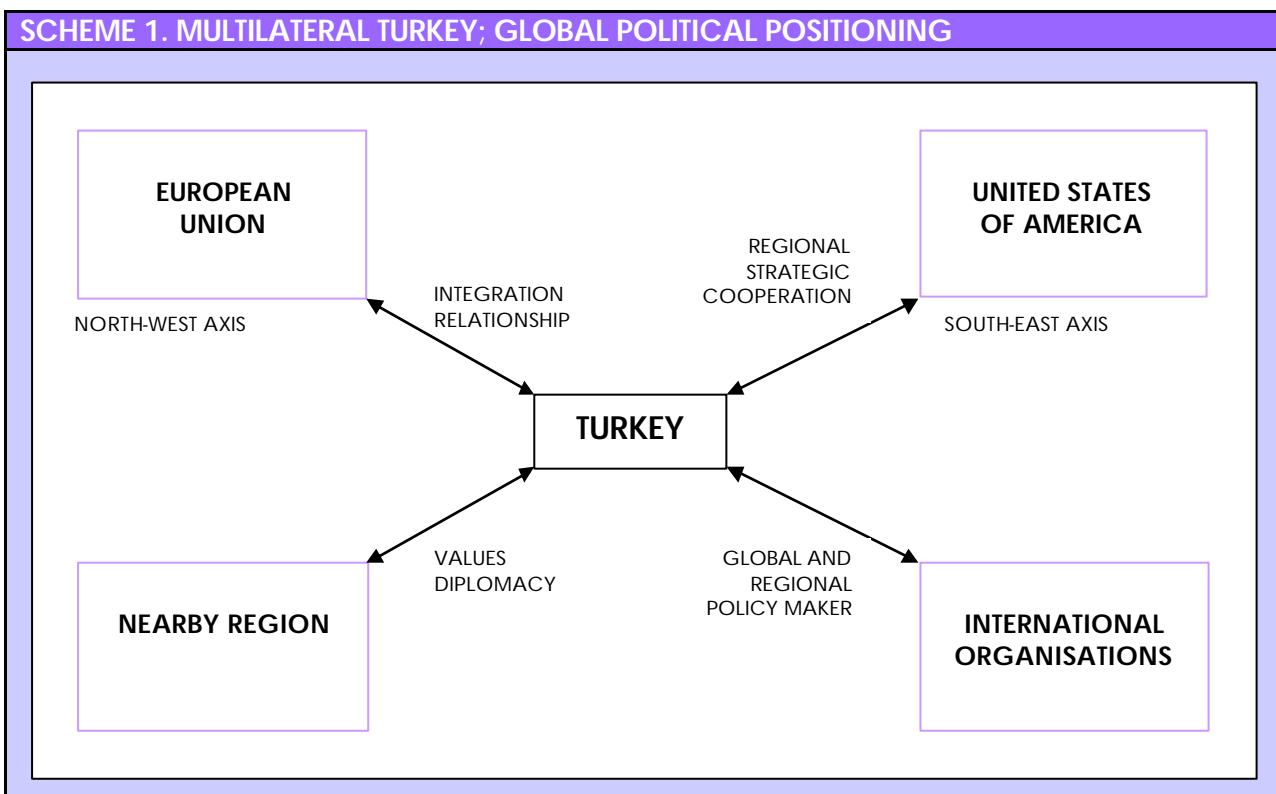
Multilateral Turkey's global political positioning is constructed on four main elements.

The Integration Relationship with the EU: is the unification relationship between the Customs Union and full membership, including full membership. EU criteria will always constitute a guide for Turkey will regard to contemporary norms. The political objective in Turkey's integration relationship with the EU is full membership. However, in the event that full membership does not transpire, all other forms of integration established with the EU will not restrict and obstruct Turkey's general global positioning forecasts.

Regional Strategic Cooperation with the USA; Turkey must not be a full political, in other words strategic, partner with the South-East axis established by the USA. Turkey's political relationship with the USA must be built on strategic cooperation in the regional, security, trade, energy and social spheres.

Values Diplomacy with the Region; Turkey must construct its political relations with regional countries on values diplomacy. Turkey does not constitute a full political model for regional countries because of religious differences. However, Turkey must be a reference country for regional nations with regard to contemporary values such as democracy and human rights, democratic institutions, international legal norms, gender equality, women's rights and the like, and Turkey must ensure the transfer of these values to regional countries with values diplomacy.

Global and Regional Policy Constructiveness with International Organisations; Turkey must be a country that creates policies and engages in politics in global and regional issues in the international institutions of which it is a member. It must widen participation in international institutions, be a founder of and leader in regional institutions and take its place in the management bodies.



4- TURKEY'S GLOBAL SECURITY POSITIONING

Turkey's global security positioning is in a key and fulcrum position in global restructuring, and particularly in the global security architecture. Turkey must adopt a global security position that constitutes the balance of the global restructuring and global security scales. Turkey is coming to be a front line country in the new global security architecture.

Turkey's global security positioning consists of four main elements.

High Level Regional Cooperation with the USA; cooperation with the USA against security threats in the region constituting the two main security architectures established by the USA, broadening intelligence cooperation, cooperating in the establishment of a deterrent force, permitting the USA's military entities to make use of Turkey's possibilities, especially in the NATO framework, cooperating in the establishment of training and military standards in

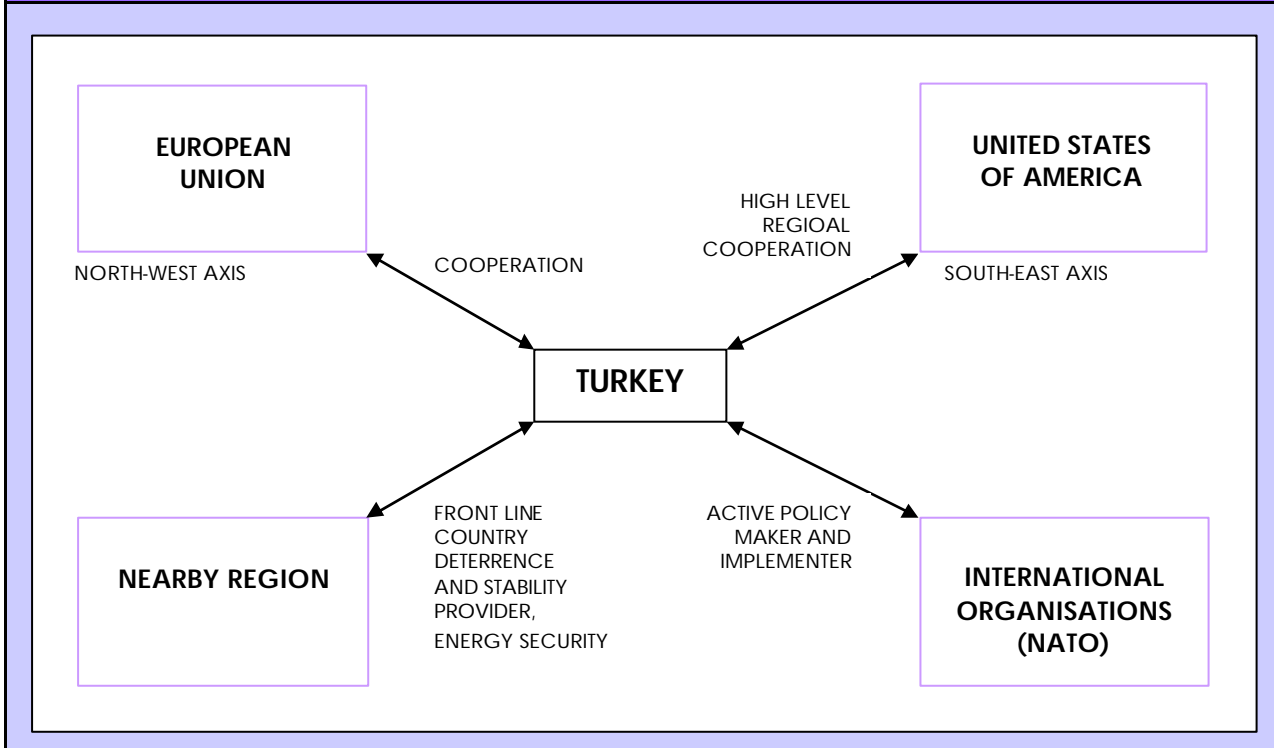
regional countries, and cooperating on the establishment of energy security. Contributing as a stabilising force rather than an intervening one in coalition units set up by the USA within that cooperation.

Cooperation with the EU; Establishing restricted regional cooperation with the aim of constituting a deterrent and ensuring stability in areas of joint Turkish and EU interest and influence.

Constituting a Deterrent and Source of Stability in the Nearby Region; being a deterrent and source of stability as a front line country in the nearby region that contains a wide range of sources of threat. Being active in deterrence terms beyond its borders aimed at threat elimination by broadening bilateral relations with regional countries. Ensuring security for the wide energy resources in the region and transportation.

Being an Active Policy Maker and Implementer with International Organisations; supporting the expansion of NATO's sphere of interest and influence with regard to the establishment of international security, supporting NATO's Partnership for Peace and Emergency Intervention Force programmes and particularly to be an active policy maker and implementer in relevant areas.

SCHEME 2. MULTILATERAL TURKEY; GLOBAL SECURITY POSITIONING



5- TURKEY'S GLOBAL ECONOMIC, SOCIAL, TRADE AND ENERGY POSITIONING

In Turkey's global positioning economic, social, trade and energy positioning constitutes a third arm in harmony with political and security positioning.

In the same way that Turkey's positioning with regard to global economic, social, trade and energy matters is related to its global and security positioning, it is linked even more importantly with the forecasts regarding Turkey's fundamental indicators set out in the first and second parts of the study.

Turkey's global positioning with regard to economic, social, trade and energy matters is constructed on four main elements,

High Economic and Trade Partnership with the EU; In a tendency towards increasing regionalisation in a global sense, Turkey's main economic and trade partner must be the European Union. Relations must be improved with regard to mutual trade and investment. At

the same time Turkey must be Europe's fourth main artery in the meeting of Europe's energy needs by means of the East-West corridor. In the face of the aging and shrinking European population Turkey, as the most important alternative with regard to population renewal and the work force, will provide migrants in the framework of a new diaspora policy.

Bilateral Partnership and Regional Cooperation with the USA; Turkey must intensify economic relations with the USA in the areas of direct investment and financial investment. Trade partnership must be broadened most within the framework of the USA's Greater Middle East project. Regionalisation and the obligation to comply with the US trade regime will limit the widening of trade relations with the USA. The other area of regional cooperation must be the development and enriching of the East-West corridor in energy policies.

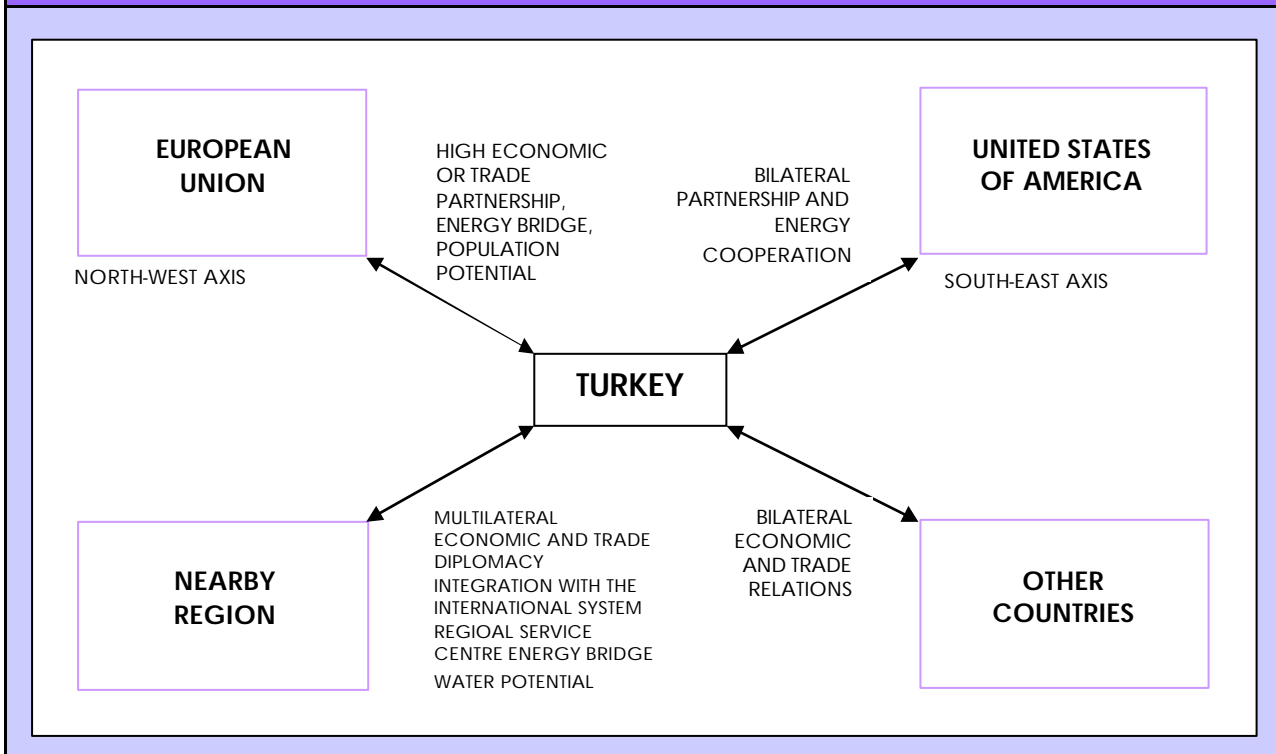
Multilateral Economic and Trade Diplomacy with Nearby Regional Countries; nearby regional countries occupy the most important place in Turkey's global economic and trade positioning. In the face of the trend towards globalisation Turkey must raise economic and especially trade relations with regional countries to at least those of the EU and be a leader in the region in order not to remain dependent solely on the EU.

For that reason Turkey must assume the functions of developing economic and commercial institutions and regulations in regional countries, constructing legal infrastructure, uniting with the international system, accelerating the transition to the market economy, establish diffusion among regional and international markets with regard to the movement of goods and capital, make joint investments in regional countries, and establish economic partnerships and cooperation organisations among regional countries.

In its region Turkey must be a country that constitutes a Regional Service Centre, Energy Bridge and Water Source.

Bilateral Relations with Other Countries; Turkey must broaden bilateral economic and trade relations with other countries far removed from it in geographical terms and in other regional units. It must attach a priority to relations with countries in the new energy balance and which will have an important share of energy supply in the next period (such as Central Africa and Sub-Saharan Africa).

SCHEME 3. MULTILATERAL TURKEY; GLOBAL ECONOMIC, TRADE, SOCIAL AND ENERGY POSITIONING



FORUM ISTANBUL

The Forum is an İstanbul-based organisation comprising representatives from various fields that produces studies and policies in such fundamental areas as the economy, social policy, human development, and security policy, with a philosophy of building the tomorrow of 2023, the 100th anniversary of the founding of the Turkish Republic.

The Forum's mission is to constitute a national and international platform to encourage Turkish society in general and academic and bureaucratic circles in particular to think in the medium and long term about Turkey's present and future, to put forward suggestions, and to facilitate and encourage the quest for solutions.

In order to fulfil that mission Forum İstanbul contributes to the discussion of issues by academics, politicians, international institutions, trade unions, the media, civil society organisations, business organisations, the young and religious figures by bringing them together, to solve these problems and to contribute to change.

Forum İstanbul engages in various activities in order to make that contribution and fulfil its mission. Heading the list of these activities are the centennial conferences held in May each year. The Forum also arranges other supporting meetings and activities over the year. The conference and meetings are set up on the basis of the 2023 objectives, and allow strategies and policies aimed at those objectives to be put forward, and the conclusions are later shared with relevant circles and the public.

The Forum carries out these activities with a structure comprising an Enterprise Committee, Management Board, Advisory Board, General Secretary and Working Committees.

INSTITUTE FOR STRATEGIC STUDIES

The Institute was founded in İstanbul in November, 2003. The Institute produces strategies and policies from experts, committed to knowledge and reason, engages in research to contribute to the future of Turkey by bringing about inter-disciplinary unison and harmony, and produces solutions.

The Institute forwards its research and studies to decision-makers in public administration, political organisations and individuals, private sector representatives and opinion leaders, and media institutions and shares its information with the public by means of its website.

The Institute produces strategies, policies and solutions for public bodies, political organisations and other relevant institutions with the aim of identifying the domestic and external change trends and dynamics in the new period, making forecasts regarding these trends and dynamics, carrying out research and studies to that end and reducing uncertainties over the future to a minimum.

The Institute has defined its vision as directing all its studies towards the future, adopting strategic approaches in its studies, and producing concrete and applicable policies aimed at the strategic future.

The Institute also defines the new process in the study period. According to this, Turkey will be in a very different economic, political and social position, and in terms of relations with the outside world, in the near future to that which it occupies today. At the beginning of the 21st century the world, too, is undergoing a new global structuring. Global and regional economic, political, military and social balances are being reconstructed. The internal and external dynamics that determine change in Turkey and the world are having an increasingly mutual effect.

In this defined new process countries and institutions face a need to renew themselves and adapt to the new age. Public bodies, political organisations and private organisations must correctly perceive and analyse the economic, political, security, social, societal and global demands of internal and external dynamics and produce new strategies, policies and solutions by establishing new institutional structures.

In this framework the Institute carries out studies in the fields of the Economic, Politics, Foreign Policy, Security Policy, Social Policy and Domestic Policy.