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DIALOGUE SPÉCIAL AU NIVEAU MINISTÉRIEL AVEC DES PAYS INVITÉS

26 MAI 1999

***LA COHERENCE DES POLITIQUES DANS L'ECONOMIE MONDIAL :
AVANTAGES ET ENJEUX DE L'INTERDEPENDANCE***

TURQUIE

Déclaration

**M. Orhan GÜVENEN
Sous-Secrétaire d'Etat à la Planification**

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SPECIAL DIALOGUE AT MINISTERIAL LEVEL WITH INVITED COUNTRIES

26 MAY 1999

***POLICY COHERENCE IN THE GLOBAL ECONOMY:
OPPORTUNITIES AND CHALLENGES OF INTERDEPENDENCE***

TURKEY

Statement

**M. Orhan GÜVENEN
Sous-Secrétaire d'Etat à la Planification**

STATEMENT BY H.E.PROF.DR.ORHAN GÜVENEN
UNDERSECRETARY OF THE STATE PLANNING ORGANISATION
OF THE REPUBLIC OF TURKEY

ON THE OCCASION OF THE SPECIAL DIALOGUE WITH THE NON MEMBERS
OECD MINISTERIAL COUNCIL MEETING - MAY 26, 1999

At the outset let me express my sincere appreciation to be here with the distinguished Ministers and representatives of Russia, Indonesia, China, Argentina, India, Brasil and Slovakia with which we are gathering for the first time for a special dialogue.

When we take a quick look at the historical background since the end of the 1980s, we witness two major events which had important impact on global economy; first the historical, political, economic and social tranformations during the last decade, second emergence of significant economic players particularly in Asia and in Latin America.

Both developments have been characterised by the widespread implementation of market oriented economic and social policies or approaches. The growing impact of dynamic economies on world production, trade and investment flows has thus strengthened the interest of the countries both developed and developing to engage in fruitful forms of dialogue. In order to contain the potential of the reoccurrence of future crisis close cooperation among the states has become indispensable. Therefore, we think that this has been a timely gathering for both OECD and non member countries to initiate an effective cooperation for the challenges lying ahead and for jointly reflecting on the right responses. With interdependence being the unifying theme, we look forward to similar meetings in the future.

Now, let me say a few words about Turkey, which has gone through a comprehensive structural adjustment process in the 1980's. Turkey's unique geographical position has led her to establish close economic ties with countries and regions from different geographical horizons varying from neighbors like the Russian Federation, Central Asia, Caucausses, the Balkans, Middle East to ocean wide distances. Turkey has also undertaken in the last few years the initiative of further strengthening the political and economic ties with Latin America and African countries. It has been quite a while since Turkish investors and businessmen have overcome the "fear of distance".

At present, the global economy is trying to recover from the detrimental effects of the financial crisis that swept the world in 1997-1998. As such crisis affect every country, there is a need for collective crisis management and cooperation to avoid the occurrences of similar events in future. This meeting we are having here today can be a good example for such a cooperation.

The crisis has also brought to the fore, the question whether the existing international structure is sufficient to meet the prospective challenges. The cooperation between the OECD and the non-Members present here, may be a suitable occasion to consider this issue as well.

Although Turkey has managed to stand firmly against the stormy days of Asian Financial Crisis, it has been affected relatively more by the situation in our neighbour Russia. Nonetheless, the Turkish economy proved to have sound fundamentals which was further fortified by the undergoing Staff Monitoring Program with the IMF. According to our experience, enduring economic management, flexible market clearing mechanisms, disciplined debt, liquidity and exchange rate mechanisms have proven to be the strong points during the difficult times.

We also have to add the dynamic role played by the private sector. Despite the slowdown of the world economy, last year Turkey managed to attain a growth rate of 3.8% of the GNP.

Mr.Chairman, I also wish to say a few words on trade. We are aware of the fact that most of the developing countries consider building internationally competitive economies as an integral part of their development strategies. In this connection, many developing countries have been implementing liberalisation in their trade regimes on a unilateral basis at an early stage in their reform process.

Therefore, we believe that launching of a new round of multilateral trade negotiations following the Third Ministerial Meeting in Seattle would provide a suitable framework for defining and meeting the needs and interests of both developed and developing countries towards the 21st century.

In our view, the upcoming multilateral trade negotiations should be conducted in a balanced and comprehensive manner, rather than a sectoral way that take into account all interests, concerns and different levels of development of countries without any discrimination.

Turkey as a country committed to the rules and disciplines of the multilateral trading system believes that comprehensive trade negotiations and adoption of a single undertaking binding all countries can be a backbone to realize fairer trade conditions to the benefit of both developed and developing economies.