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# Current Intelligence Report Circular

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**Report Topic:** Effects of Erdogan's economic policies

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## The effects of Erdogan's economic policy on politics and society in Turkey

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The Turkish Industry and Business Association (TÜSİAD) expressed in a statement on 11 DEC 2021 the emerging need for the abandonment of Turkish President Recep Tayyip Erdogan's current economic policies due to their negative effects on the economy. According to the source, the Erdogan government's current economic policies have "weakened the lira, spurred a strong demand for hard currency" and destabilized the entire economy. The TÜSİAD business association does not believe that the goals set by Erdogan's new economic policies will be achieved due to "an environment of distrust and instability" that has been created by the economic model. As of 13 JAN, President Erdogan is also responsible for the terminations of three top central bank officials, adding to the political pressure already imposed on the Turkish government. It is likely the dismissal of top officials was derived from resistance to Erdogan's new economic policies and his demands for lower interest rates. The Turkish currency continues to deplete in value against the US dollar, although it is believed that the Turkish central bank will continue to reduce interest rates. END

### CMCD Note

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The Turkish Industry and Business Association (TÜSİAD) is an organization that promotes public welfare through private enterprise consisting of leading entrepreneurs and executives. The organization speaking out against President Erdogan on his economic policy is meaningful, as it likely means businesses and citizens are being severely impacted. President Erdogan has publicly refused advice from economic advisors, and has fired those who oppose his view. Based on this information, the assessment that the Turkish Central Bank will continue to reduce interest rates is a fair assumption. It is highly likely that the mistrust in the Erdogan administration will increase and the economic crisis will worsen without a drastic change in policy. END

### Sources

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<https://tittlepress.com/recep-tayyip-erdogan/1467817/>