

'Eurozone running out of options, should make haste'

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Economy Minister Ali Babacan said on Monday in Istanbul that the government feared the EU was running out of options to address the current financial problems -- particularly following the Greek debt crisis -- and that the union has to act as fast as possible to find an exit strategy.

Babacan was speaking at the annual meeting of the International Council of Securities Associations (ICSA).

Noting that the latest rescue package -- worth 1 trillion euros -- could help extinguish the fire initially, the minister continued: "But problems still linger. The EU should concentrate on making the necessary structural reforms and address the growing public deficit. These are the two key targets that should be achieved before a sustainable recovery can be maintained." The minister said the EU has to act as fast as possible to address problems with "reliable austerity measures." Babacan noted that the government hopes the 1 trillion-euro plan will be the start of driving further recovery in the eurozone and added: "Other countries such as Portugal,

'Local implementations hinder global consensus in capital markets'

The existence of diverse national legislative structures make consensus in global finance markets hard to achieve, Nevzat Öztangut, chairman of the Association of Capital Market Intermediary Institutions (TSPAKB), has said. Speaking at the annual general meeting of the International Council of Securities Associations (ICSA) in Istanbul on Tuesday, Öztangut said last year's global financial crisis took its toll on global markets, prompting such major associations as the Financial Stability Board (FSB) and the International Monetary Fund (IMF) to act quickly to overcome problems in the global finance industry. The TSPAKB head had some reservations, however. "Overcoming shortcomings in regulatory approaches is an extremely difficult task because each country adopts and applies its own national regulations. Although various issues, such as accounting standards or the role of rat-

ing agencies, are being discussed around the globe, no major step has yet been taken." Öztangut said it is crucial to establish a balance while trying to reach consensus in global capital markets without harming the principles of the free market economy. "It is crucial that we learn from one another. This is why we brought a wide range of speakers from various parts of the world." The topic of the conference, hosted by TSPAKB, was "Global Financial Regulations in the Aftermath of Crisis." The TSPAKB has been a member of the ICSA since 2006. The ICSA itself was established in 1996 with the ultimate aim of contributing to the development of capital markets. Among the speakers of the conference were Economy Minister Ali Babacan, ICSA Chairman Rene Karsenti, Capital Markets Board (SPK) head Vedat Akgiray and İş Bankası General Manager Ersin Özince.

Spain and the UK are also experiencing serious financial troubles. The new coalition government in the UK, we believe, will find a path towards recovery in the shortest time possible."

Emphasizing that Turkey follows the prob-

lems in EU markets with concern, the minister said the government expects to see a strong European economy. "The EU is our traditional export market. We sell more than half our exports to this region. It is to our advantage that

the EU regains its past strength, confidence and a high demand. We do not want our partners to lose power," he explained. Asked whether the Greek crisis would have a serious negative impact on Turkey's economy, Babacan said the government did not expect to sustain any serious problems since trade ties with Greece were not as strong. The two neighbors are not interdependent in trade. "But what concerns us is that the fire in Athens could spread to other capitals in Europe and we fear that the political [as well as economic] repercussions of this crisis will be worse than anticipated unless a 'sound and clear' plan is introduced," he said.

Meanwhile, mentioning a previously announced Istanbul Finance Center (İFM) project, the minister said the government has faith that the city will eventually emerge as a prominent global financial center. "We have this potential and Istanbul is already an important trade center at the crossroads of three continents." Noting that the government is committed to fostering the city's infrastructure as part of the İFM goal, Babacan called on foreign entrepreneurs to invest in Istanbul while the project is under way and that this will be to their benefit in the long run.