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### Economy minister quashes hopes for gift certificates

Calls by a number of civil society organizations for the government to distribute gift certificates -- notes that are not redeemable for cash and can only be spent for shopping -- to reinvigorate the domestic market have been explicitly rejected by the Cabinet's most prominent economy minister.



Economy Minister and Deputy Prime Minister Ali Babacan put an end to discussions about the need to distribute such spending incentives to boost domestic demand in the midst of the global economic crisis by saying that the government has completed deliberations on this proposal and concluded that it is not feasible given the current macroeconomic conditions.

He instead advised people to spend in accordance with what their earnings allow.

Babacan was the keynote speaker at the third meeting of the "If There is Crisis, There is a Solution" campaign, which was launched by the Turkish Union of Chambers and Commodity Exchanges (TOBB) with the participation of a number of organizations representing workers, employers and civil servants to create a common platform against the crisis. The meeting was held on Saturday in Ankara.

In his speech at the event Babacan mentioned the possible extension of recent temporary reductions in the value-added tax (VAT) and special consumption tax (ÖTV) in certain sectors, such as automobiles, home appliances and furniture, aimed at boosting demand and helping retailers clear out their inventories. He said calls for the extension of the tax reductions will be considered in the next Economy Coordination Meeting (EKK), which is to be held today. The EKK will evaluate the results of the tax reductions in the relevant sectors and, depending on these evaluations, will decide whether or not to extend the incentives on a sector-by-sector basis. The EKK may even decide to implement further tax cuts for a number of other sectors or goods, Babacan added.

He called on entrepreneurs to act quickly to exploit the benefits of recently implemented incentives. "The package is not proposing an open-ended incentive system. Only investments that will start by the end of 2010 and that will be completed in a reasonable period will be able to enjoy the benefits of the incentive package," he said.

#### TOBB: Tax reductions must continue

Also speaking at the event, TOBB President Rifat Hisarcıkloğlu said the ÖTV and VAT reductions have to continue to ensure that a number of critical sectors keep performing well since their performance is essential for the overall economy. Recovery is not possible without inspiring consumer confidence, he argued, adding: "For example, extremely positive results have been obtained thanks to the tax convenience introduced for the automobile sector. The increase in auto sales despite contraction in the total amount of vehicle loans means that the consumers utilized the opportunity well. Everyone won."

After the meeting, Babacan visited the bazaar in Ankara's famous Çikrikçılar Yokuşu district, where he used to run a store with his father before being elected to Parliament. Babacan and Hisarcıkloğlu found a chance to talk with tradesmen there while doing some shopping. The minister chose discounted products and bargained the prices down. He

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paid TL 20 for a blanket labeled TL 35 and TL 10 for a shirt that had been discounted for Father's Day.

#### Minister's advice to tradesmen for protection from crisis

Sell numerous varieties of products.

Don't make any concessions in quality.

Don't view a customer as a one-time purchaser.

Keep prices competitive.

Make sure your stores are always clean.

Dust display glass at least twice a day.

Don't forget to put price tags on products.

08 June 2009, Monday

HÜSEYİN SÜMER / ERCAN BAYSAL, ANKARA

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