

9. For the mitigation of unemployment and encouragement of employment of labour force in their hometown, in the framework of improving employment opportunities in non-agricultural activities and diversifying income sources, special practices to develop alternative activities, which also utilize the information and communication technologies (e-trade), will be supported.
10. In the provision of public services and public investments in the rural areas, by giving priority to central settlements, which on account of their locations have the potential of development and providing services to the surrounding settlements, the infrastructure of these central settlements will be improved and their capacity improvements will be supported.
11. Alternative models will be developed and implemented for the provision of public services to scattered settlement units in order to ensure cost effectiveness and improve accessibility.
12. The capacities of local governments and their unions particularly special provincial administrations will be strengthened in order to improve their effectiveness in rural development.
13. Necessary measures will be taken to provide sustainable living conditions for the citizens, who departed from their settlements because of the inevitable reasons such as natural disasters, expropriation and terrorism, in their initial or new settlements on their claim.

E. GOOD GOVERNANCE IN THE PUBLIC SECTOR

For providing effective governance of Turkey's economic and social development process, it is the main objective that the public administration in Turkey should be able to provide citizen-focused, high-quality, effective and rapid services and have the contemporary approach, structure and functioning towards flexibility, transparency, participation, accountability and predictability.

In this context, ensuring appropriate administrative structures in public institutions parallel to their duties and responsibilities, the abolition of the units whose functions are no more needed, no formation of new departments unless indispensable, the employment of the appropriate personnel consistent with the needs of the task in terms of quantity and quality, a balanced distribution of duties and responsibilities between the central and local administration, an adoption of citizen-focused approach and utilization of information and communication technologies shall be essential.

Within this framework;

1. For providing public services more efficiently and effectively, complexity and ambiguities of duties and authorization among public institutions will be eliminated and all public institutions will be ensured to have structures within which they will perform their main duties.
2. Transparency in public administration will be increased and fight against corruption will be ensured effectively.
3. Strategic planning and work on performance

budgeting to be carried out at the level of institutions will be expanded according to a program within the framework of public financial management reform.

4. All necessary measures will be taken to allocate public personnel quantitatively and qualitatively in a well balanced way among public institutions and to enhance the capabilities of public personnel.
5. With the aim of providing judicial services more fairly, quickly, securely and appropriately, the studies intended for decreasing the workload on jurisdiction will be accelerated, the number of judges, prosecutors and the other judicial personnel will be increased, code of conduct of judiciary personnel will be determined compatible with international criteria, technical and physical infrastructure deficiencies of judicial service units will be removed and judicial services will be provided electronically.
6. The security services, which will focus on human life and occupational safety, ensure the critical balance between freedom and security and have public support, will be ensured.
7. All necessary measures will be taken for fighting effectively against terrorism and its financing, illegal migration and asylum, trading trafficking human beings, trafficking and using drugs, and organised crimes.
8. Effective coordination and cooperation among the units will be established in order to supply the capable security services and their needs of physical infrastructures will be met in a priority manner.

9. Minimum standards for the services provided by local administrations will be determined nationwide and the compliance with these standards will be audited by the central government.
10. The revenue structure of local administrations will be strengthened in proportion to local and common tasks and services to be transferred from the central government.
11. Endeavors to develop human capital and technical infrastructure for the transformation to information society that will shape Turkey's future will be accelerated.
12. The Information and Communication Technologies will be used effectively for the provision of public services. The formation of a public administration that would have the capacity to provide qualified, fast and integrated services in accordance with the good governance principles will be supported.
13. In provision of electronic public services including those which are provided by local governments, business processes will be redesigned in line with the needs of citizens and businesses and an integrated e-government architecture through which public services will be provided effectively in a transparent, continuous and secure environment from a single portal and different platforms will be established. The privacy for personal information will be ensured in e-government services.

14. Necessary measures will be taken to increase the use of e-government services. Common solutions for the provision of electronic government services will be built up to avoid the duplications in public investments and ensure the effective use of resources.
15. Disaster management, comprising the period preceding to, at the time of, and the aftermath of the disaster will have an integrated structure by means of the removal of the interfering powers and responsibilities of the relevant institutions and the existing legislation will be reviewed.
16. Standards of security against disasters for urban planning and construction of buildings will be improved to ensure, supervision of planning for zoning and construction work will be ensured, responsibilities and penalties will be explicit.
17. Work on land registration and cadastral survey will be finalized and an information system will be established.

IV. SECTORAL POLICIES

A. EDUCATION AND TRAINING

The main objective of the education policy is to bring up individuals of the information society with well-developed thinking, perceiving and problem-solving capabilities. They should also be loyal to democratic values, devoted to the principles of Atatürk, self-confident, open-minded, responsible, acquainted with their national culture and able to evaluate different cultures. The reorganization work directed towards this goal shall be pursued at an increased pace at all levels, the quality of education shall be improved, and accessibility to education shall be widespread.

To this end;

1. Pre-school education which is important for an individual's physical, social, mental and psychological development shall be made widespread.
2. To improve the quality of primary and secondary education, the curriculum will be revised to make creativity, research, teamwork and original and initiative thinking the essentials of education and training system and within this context, the training of the teachers and administrators will be achieved.
3. An effective guidance and orientation system that contributes to person's individual and social development and prepares them for the life shall be introduced.
4. In secondary education, diversification in terms of programs rather than of schools shall be

essential. Secondary education shall have a flexible structure that promotes equal opportunity and allows for horizontal and vertical transfers in the context of programs unity and continuity.

5. Information technologies shall be used extensively and effectively in education.
6. The need for buildings, equipments and teaching personnel shall be met in such a way as to reduce disparities among settlement areas at all levels and initiatives of local administrations on this issue shall be supported.
7. Higher Education Council shall be transformed in a way to perform long-term planning and coordination activities.
8. It shall be ensured that higher education institutions shall be more competitive through specialization by means of strengthening their administrative and financial autonomies.
9. It shall be ensured that higher education institutions shall create funds by means of producing services and the students shall participate more in the financing of education.
10. The private sector shall be encouraged to take part at all levels of education.

B. HEALTH

The basic objectives of health policy are to ensure that all citizens shall participate in economic and social life as healthy individuals and to assist them to raise their quality of life. Health care services shall be provided on an egalitarian and fair basis, which is

appropriate to the needs and expectations of the people, of high quality, accessible, efficient, compliant to the aim reducing disparities among regions and socio-economic groups and compatible with the needs of contemporary life, and priority shall be given to preventive health care services. In this context;

1. In accordance with the principle that “protection/prevention precedes treatment”, preventive health care services will be made effective and widespread in order to avoid economic losses and increase the quality of life.
2. Needs of health care service infrastructure and personnel shall be fulfilled considering interregional disparities.
3. Regulations for the separation of the provision of health care services from its financing shall be completed.
4. Ministry of Health shall be restructured so as to strengthen its regulatory, planning and supervisory powers.
5. An effective referral system shall be introduced through the implementation of family practitioners system at a national scale, which is closely integrated with the primary health service units.
6. Primary health services shall be strengthened through special emphasis on mother, childcare and mobile health services.
7. With a view to improve the service quality, hospital management shall be made autonomous and competitive and both certification and accreditation system in health agencies shall be improved.

8. The principle of “Rational Use of Drugs” shall be made more effective with a view to ensure that the patients receive the proper medication in terms of period and dose at the lowest cost depending upon their clinical examination and personal characteristics.
9. Adequate number of willing and skilful manpower shall be employed through manpower planning in health sector.
10. In the provision of health care services, patient rights and satisfaction shall be essential.
11. National Health Information System shall be made more effective.
12. Health investments of the private sector shall be encouraged.

C. ENVIRONMENT AND URBAN INFRASTRUCTURE

The main goal is to reach a higher level in environmental protection by taking into consideration sustainable development principles by protecting human health, natural resources and values; and to change urban settlements into clean, safe places that offer higher quality of life by supplying urban infrastructure needs, which have differentiated in parallel to increasing population, economic, social and technological developments.

In this context;

1. The infrastructure and funding needs for compliance to EU’s environmental acquis shall be determined. Implementation tasks will be prioritised and institutional capacity for

administration and supervision will be strengthened.

2. During the accession period, the existing environmental legislation that set standards and administrative rules shall be updated to be in line with EU acquis. Instead of establishing new institutions, the existing organization that provides coordination among the institutions shall be made effective by considering national constraints.
3. Studies that will protect, develop and add economic value to national biological diversity and genetic resources shall be increased.
4. A national action plan, which will express policies and measures to reduce green gas emissions, will be prepared by all stakeholders.
5. The ongoing studies that aim development of legislation and institutional structure for allocation, development, usage and protection of water resources will be finalized.
6. The nation wide demand for urban environmental services shall be estimated considering the existing studies. A master plan and financing strategy which take into consideration the regional development needs will be developed.
7. The systems and technologies of urban environmental services like water supply, wastewater treatment and solid waste management shall be in comply with the national standards and requirements.
8. Separation in the source, collection, transportation, recycling and landfill areas shall

be considered technically and financially in a holistic approach. Sanitary landfill technology will be preferred technology for solid waste management.

9. The institutional capacity of municipalities will be strengthened in planning and operating urban environmental services.

D. SCIENCE AND TECHNOLOGY

The basic objective of science and technology policy is to become more capable in science, technology and innovation especially of the private sector and to transform this capability into economic and social value. In this framework;

1. A national innovation system that enhances cooperation among institutions and the effectiveness of the private sector will be formed in the field of science and technology.
2. The private sector will be supported to increase its capability and demand for R&D.
3. The supports for the private sector to develop its cooperation with the universities and other research institutions will be increased and made more effective. R&D activities in the universities and research institutions will be increased and directed towards the demand of the market.
4. Human resources in the field of science and technology will be improved as well as the quality and quantity of researchers in the private sector will be supported.
5. Public institutions will be supported to enable them to find solutions for their needs and

problems through R&D and public procurement system will be ensured to have a structure supporting R&D activities and local technology.

6. R&D supports directed towards reducing the defence industry's dependency on abroad will be increased. The transmission of the technologies developed for the defence industry to other sectors, universities, research institutions and SME's will be ensured.
7. Cooperation with the leading countries, in particular with the EU, in the field of R&D and relevant international organizations will be enhanced.
8. Social awareness in the fields of science, technology and innovation will be increased.
9. The activities towards the establishment of technology transfer centers will be started.

E. AGRICULTURE

The basic objective is to form a competitive agriculture sector with organized producers, considering the food security and safety concerns along with the sustainable use of natural resources.

Adverse effects of the transformation in agriculture, such as migration and unemployment, will be reduced via rural development policies.

In this framework;

1. Agricultural supports will be restructured in the context of the Agricultural Strategy Document (2006-2010) and Agriculture Law, No.5488.
2. Concerning the implementation of agricultural policies, statistical data will be improved both

- qualitatively and quantitatively and information infrastructure will be developed.
3. Financial services for agricultural sector will be diversified and enhanced.
 4. In order to increase the competitiveness of exports of agricultural products, export subsidies will be channelled to higher value added and branded final products.
 5. Phytosanitary, veterinary and food safety services will be carried out in an integrated framework and necessary cooperation will be ensured both within and among the related public administrations.
 6. Producer organizations will be supported so as to increase productivity and competitiveness in marketing.
 7. In animal husbandry, necessary measures will be taken for breeding, fight against diseases and pests and production of quality fodder.
 8. Resource management regulations will be made in fisheries sector.
 9. Productivity and quality in agricultural production will be increased with improvements in input use and training-extension services.
 10. Priority will be given to the methods and instruments, which aim at the efficient utilization of land and water resources.
 11. Land consolidation works will be expedited, necessary measures will be taken in order to increase scales of agricultural holdings and the modernization of agricultural and food industry

enterprises will be supported along with the determined priorities.

12. Public irrigation project stock will be rationalized, projects will be accordingly re-prioritised and adequate funds will be allocated to the priority projects.
13. Forests will be protected in the most efficient way by taking all technical, administrative and biological measures; they will be exploited by considering a multi-purpose approach, productivity capacity and protecting environmental values; afforestation, rehabilitation and urban forests will be improved by taking the society needs and public health, desertification and global warming into account; education and introduction activities will be intensified with heavy emphasis on ecosystem.

F. MANUFACTURING INDUSTRY AND MINING

In manufacturing industry, the main objective is to increase the production of high value-added goods with an outward-oriented perspective. Within this framework, policies oriented to increase the share of medium- and high-technology industries, and adapt to international competition in traditional industries.

In mining sector, the main aim is to improve security of raw material supply and to increase the value-added in the economy through further domestic processing.

In this framework;

1. High value-added production will be promoted through the generation and diffusion of technology and modernisation of industrial enterprises.

2. Efforts directed towards increasing the exports of manufacturing industry, particularly medium- and high-technology industries will be continued.
3. Industrial information system will be established.
4. Establishment of new industrial enterprises in industrial zones and shifting existing enterprises to these zones will be encouraged; and cooperation activities among the enterprises will be supported.
5. Activities concerning design and trademark development will be supported.
6. Adaptation to international competition in traditional industries like textiles, wearing apparel, leather and footwear will be supported.
7. In defence industry, a system and necessary legislation focused on R&D-based procurement, domestic technology and capability accumulation will be established.
8. In the mining sector, exploration activities in industrial and energy raw materials will be intensified. The value added of mining products will be increased through domestic processing.
9. Legislation requirements regarding the mining sector will be completed.

G. ENERGY

The main objectives of the energy policies are to meet the energy requirements of growing population and developing economy in a continuous, quality and

secure manner through a transparent and competitive market environment where private sector investments dominate. In this context;

1. To increase the security of energy supply, due consideration will be given to the development of alternative energy resources at the highest level including nuclear energy. The diversification of primary energy resources in a balanced way will be attained and the diversification efforts for the origin countries will be continued.
2. To preclude a likely electricity supply shortage in the medium-term as per supply-demand projections, both legal and regulatory measures will be taken.
3. In line with the Electric Energy Sector Reform and Privatisation Strategy Paper, privatisation process with a long-term perspective of creating a healthy and sustainable sectoral structure will be expedited to realize the expected gains from the privatisation of electricity distribution and generation.
4. Starting from production up to the end-use, at each level, to ensure the most efficient and economical use of energy, thus both contributing to supply security and mitigating the environmental effects of energy use, energy efficiency will be given priority and in this regard necessary legal arrangements will be finalized.
5. Competitive expansion of natural gas usage will be continued and by taking the seasonal variation in demand into account security of

natural gas supply will be sustained at the national level.

6. Efforts towards making Turkey a transit route and terminal for the transportation of energy sources (oil, gas and electricity) in our region to the international markets will continue.

H. TRANSPORTATION AND COMMUNICATIONS

The main objective in the transportation sector is to create a transportation infrastructure in advance, where transportation is conducted safely, economically and in conformity with the necessities of national economic and social life, is securing a balance among the modes, is compatible with modern technological and international standards and is sensitive to the environment. Complementary balance between transportation modes and widespread use of combined transport are essential.

Accelerating the transformation into information society, and thereby contributing to the enhancement of Turkey's competitive power and welfare, by means of widespread and effective use of information and communication technologies, is the main objective. In this context;

1. In meeting the transportation infrastructure requirements, models that increase the participation of the private sector will be developed.
2. Efforts directed towards integrating our transport network, which links EU countries with the Caucasian countries, the Central Asia, South Asia and the Middle East Countries, to Trans-European Transport Network will be

- accelerated by making maximum use of EU funds.
3. The existing highway infrastructure will be improved by the completion of the ongoing dual carriage highway projects and by upgrading their standards.
 4. Mainly starting from highway traffic, traffic safety will be increased in all transport modes.
 5. In freight transport, the priority will be given to maritime and railways.
 6. Passenger transport with high-speed trains will be started.
 7. Turkish State Railways (TCDD) will be restructured in order to increase the quality of service and to reduce its financial burden on the public sector.
 8. Ports will become logistics centres to facilitate combined transport and their capacity will be increased.
 9. Flag, port and coastal state controls will be improved.
 10. Capacity will be increased in airports where traffic is concentrated and service standards will be upgraded in air transport.
 11. Regional air transport will be improved.
 12. To promote sustainability in urban transport sector; priority will be given to traffic and demand management strategies. Financial structure of municipalities and internationally approved criteria will be taken into account in choosing the public transportation systems.

13. Public service broadcasting will be improved by taking the developments in technology into consideration and will be provided to have a content that would meet the needs of different groups in the society and will be provided to have a well-established and sustainable financial structure.
14. Postal sector will be restructured with a competitive approach on the principles of speed, quality, reliability and accessibility and in parallel with EU regulations.
15. Effective, fast, secure and cost-efficient access to information will be provided through the introduction of alternative infrastructure and services by enhancing competition in the electronic communications sector.
16. Broadband communications infrastructure will be made widespread throughout the country to support the development of information society services like e-government and e-commerce.
17. Software industry will be regarded as a strategic sector and our country will be positioned as a regional and global actor in software and information technology services.

I. TOURISM

In tourism sector, the basic objective is to form a structure which embodies the dynamics of globalisation, increases the quality of the services as well as the number of incoming tourists, targets the high income groups by diversifying the marketing channels, preserves and makes sustainable the natural endowments and focuses on those diverse tourism

attractions where Turkey has a comparative advantage. To this end;

1. Tourism investments will be diversified and shifted from developed and congested areas to others and tourism activities will be expanded to the entire year.
2. All tourism sector investments will be undertaken in a view of protecting and improving the natural, historical, social and cultural environment.
3. Optimum demand will be created in international tourism markets to maximize the share of Turkish tourism.
4. The cultural, social and natural richness of the city of İstanbul will be utilized in the context of sustainable tourism development.

ANNEX TABLE: MAIN ECONOMIC INDICATORS

	2007	2008	2009
GROWTH AND EMPLOYMENT			
GDP (Billion YTL, Current Prices.)	622,6	695,9	771,2
GDP (Billion Dollars, Current Prices)	423,4	469,8	521,8
GDP Per Capita (\$)	5.732,0	6.284,0	6.898,0
GDP Per Capita (PPP, \$)	9.515,0	10.277,0	11.115,0
GDP Growth ⁽¹⁾	7,0	7,0	7,1
Total Consumption ⁽¹⁾	8,1	7,8	7,1
Public	2,1	1,0	3,5
Private	8,7	8,4	7,4
Total Fixed Capital Formation ⁽¹⁾	8,8	6,5	8,5
Public	14,0	1,0	4,5
Private	6,9	8,6	9,9
Population (Million)	73,9	74,8	75,6
Labour Force Participation Rate (%)	48,9	49,2	49,5
Employment (Million)	23,0	23,6	24,2
Unemployment Rate (%)	10,5	10,6	10,4
Total Factor Productivity Growth (%)	2,1	2,2	2,3
FOREIGN TRADE			
Exports (FOB) (Billion Dollars)	93,1	105,5	120,4
Imports (CIF) (Billion Dollars)	150,3	164,7	181,8
Trade Balance (Billion Dollars)	-57,2	-59,2	-61,4
Tourism Revenues (Billion Dollars)	21,5	23,1	25,1
Current Account Balance / GDP (%)	-7,9	-7,3	-6,6
Trade Volume / GDP (%)	54,9	55,0	55,4
PUBLIC FINANCE (Per cent)			
General Government Revenues ⁽²⁾ / GDP	45,4	43,2	42,2
General Government Expenditures ⁽²⁾ / GDP	45,8	43,3	41,5
General Government Interest Expenditures ⁽²⁾ / GDP	6,7	5,6	4,5
General Government Borrowing Requirement ^{(2) (3)} / GDP	0,3	0,1	-0,7
Public Sector Borrowing Requirement ^{(3) (4)} / GDP	0,1	-0,2	-0,9
Public Net Debt Stock / GDP	44,1	39,1	34,4
Tax Burden / GDP	32,0	31,4	30,9
INFLATION			
End Year CPI ⁽⁵⁾	4,0	4,0	--

(1) Real percentage changes.

(2) Includes central government budget, social security institutions, local administrations, revolving funds and other funds.

(3) (-) sign shows surplus.

(4) Includes General Government and SEEs.

(5) For the years 2007 and 2008, the targets of the Central Bank are used. The target of 2009 will be determined in the following term.