

Turkey Announces Central Budget Guidelines and Priorities for 2018-2020

30 Nov 2017

Turkey's Ministry of Development has published details, guidelines and policies for the central government's budget allocation during 2018-2020. Among other things, these identify budget and investment priorities for the period, as well as preferred financing mechanisms.

The Ministry of Development published the following documents in the Official Gazette number 30201 on 5 October 2017:

- Circular on the Preparation of Investment Program for the Period 2018-2020
- Budget Call for the Period 2018-2020
- Budget Preparation Guide for the Period 2018-2020
- High Planning Council Decision numbered 2017/32, dated 21 September 2017

Notable points for budget expenditures and revenues during 2018-2020 include:

- The Public-Private Partnership (PPP) model will be used in financing public investments, in addition to budget resources.
- Priority will be given mainly to investments in:
 - Split roads.
 - Port railway investments.
 - Agricultural production.
 - Mining and raw material exploration.
 - E-government infrastructure.
 - Research and development to increase technological capacity and capability
 - Disaster preparedness
 - Education-health, aimed at improving human capital.
- Technical studies will be carried out to reduce the average completion period of public investments.
- Investments which will save money in current expenditures will be given priority.
- To increase productivity of agricultural subsidies, basin-based production and income-oriented policies will be followed, considering climate, soil structure, vegetation pattern and existing water assets.
- To encourage investments, Treasury real estate will be sold under favourable conditions.
- Public immovables will continue to be used to encourage investments, particularly agriculture, animal husbandry, forestry, energy, tourism, urban transformation and renewal of housing stock.
- Public revenue policy will be carried out in a way that will:
 - Increase international competitiveness.
 - Promote employment and investments.
 - Expand the tax base.
 - Minimise the informal economy.
 - Contribute to Turkey becoming a regional and global financial centre.
- Domestic savings will be encouraged.

- Work will continue on tax policies to:
 - Save energy consumption.
 - Fight climate change and environmental pollution.
- Work will continue to combat informality, in order to prevent unfair competition and increase public revenues. In particular:
 - Expand the tax base.
 - Increase cooperation and data sharing between institutions.
 - Ensure all sectors fight against informality.
- Work will continue to ensure transition to the formal economy, including:
 - Preparing the Action Plan Against Informality.
 - Increasing voluntary compliance.
 - Eliminating legislative gaps.
 - Strengthening audit capacity.
 - Increasing awareness.
 - Developing capacity for sharing and analysis.

Please see the full text of the relevant documents (only available in Turkish):

- [Circular on the Preparation of Investment Program for the Period 2018-2020.](#)
- [Budget Call for the Period 2018-2020 and Budget Preparation Guide for the Period 2018-2020.](#)
- [High Planning Council Decision numbered 2017/32, dated 21 September 2017.](#)

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