

Sharing Circle with Leading Turkish CFOs

The financial impact of COVID-19 has started to be felt worldwide – but not uniformly. While some countries will be able to tap substantial national resources, others, such as Turkey, will need to adopt different strategies to protect economic infrastructure and set the stage for a robust rebound.

Egon Zehnder gathered leading CFOs in Turkey, along with economist and financial columnist Uğur Gürses to discuss the impact of the virus and how Turkey must respond in the immediate and long-term future.

Looking at the current global situation that effects everyone, a cumulative loss of 60 billion dollar, a huge capital outflow from developing countries, companies selling assets and returning to cash, banning export of certain products are prevalently observed.

When focusing to Turkey, first and foremost, Turkish leaders must understand that they operate in a different environment from other, wealthier nations. That means copying the processes of other economies may not work. “There are two separate categories,” said Gürses. “There are countries with fiscal room and also their money considered as reserve currency, such as the USA and Japan, and then there are developing countries like us.”

It is tempting to look at the ways in which wealthier nations have acted to stabilize their economies, but not all practices can be adopted to Turkey. “The UK will pay 2,500 pounds to everyone as reassurance. Germany has offered reassurance to companies. But that’s very difficult to do in Turkey,” he said. If countries like the U.S. take action to stimulate the economy that may generate results for their economies. “But if we start printing money, it will be a problem,” he said.

Gürses and Turkish CFOs agree that Turkey must take its own, country-specific steps to protect its economy and secure a robust rebound. Among the key suggestions were:

- An intellectual think tank to be convened in order to generate ideas;
- Politicians collaborating across party lines in order to provide an effective response to this unprecedented crisis;
- The government acting rather immediately in order to avoid bureaucracy so that citizens can access vital support funds.

Going forward, Turkish financial leaders must brace for substantial impact on their relevant industries. The country will undoubtedly face job losses in double digit million figure and the hit to tourism could be as high as \$19 billion for 2020. Even when the virus is under better control, it's possible that tourists will stay away from Turkey until fall or even avoid travelling to anywhere. Other industries that the financial hit will be severely felt are hospitality and entertainment.

Turkey should also expect higher prices and social turbulence in the wake of the pandemic that will potentially require external help to manage; will Turkey again be dependent upon institutions such as the IMF to recover from this crisis – the jury is out.

The panel also discussed in detail the precautions needed at the macro level. Basically, there is a general agreement around;

- Guaranteeing financial support for unemployed people in terms of cash or shopping checks.
- As the cash flow will slow down, companies need to be supported in keeping their value chain; delaying taxes and potentially public sector and or utility payments is only the first step.
- As the virus spreads even more across the globe, external support (e.g. an IMF program) could be necessary in the longer term.

Last but not the least, CFOs concluded the discussions around prioritized topics on their agenda in order to respond to this crisis in the most effective way:

- Maintaining the focus on employee health and motivation should be the short-term priority;
- Sharing best business practices is a must in this challenging environment;
- Accepting that this crisis will bring forward many new ways of doing business and a new business equilibrium.

Guest Speaker



Uğur Gürses
Economist

Facilitators



Murat Yeşildere
Consultant
Istanbul Office
murat.yesildere@egonzehnder.com



Engin Güven
Consultant
Istanbul Office
engin.guven@egonzehnder.com



Ayşe Güçlü Onur
Consultant
Istanbul Office
ayse.guclu@egonzehnder.com



Demet Türker Gündüz
Consultant
Istanbul Office
demet.turker@egonzehnder.com



Burcu Bıçakçı Ersoy
Consultant
Istanbul Office
burcu.bicakci@egonzehnder.com

Covid-19 Micro-Website

We have launched a micro website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

About Egon Zehnder

Egon Zehnder is the world's preeminent leadership consulting firm, sharing one goal: to help people and organizations transform. We know what great leaders can do and are passionate about delivering the best solutions for our clients.

Our more than 500 Consultants in 68 offices and 40 countries form one powerful, collaborative team. Our services include: leadership development, individual, team and organizational effectiveness, CEO search and succession, executive search and assessment, Board advisory, and cultural transformation.

For more information visit www.egonzehnder.com and follow us on [LinkedIn](#), [Twitter](#), and [Instagram](#).