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Economy meets Politics in a Digital World

During the Slovenian Presidency of the Council of the EU 2021

Energy Transition
Infrastructure and Financial Challenges
for the Countries of the VEF Region

Monday, 22 November 2021, 9:00 a.m. - 12:30 p.m. (CET)
House of Industry (Federation of Austrian Industries), Vienna



Mr. Ahmet Burak DAĞLIOĞLU

President,
Presidency of the Republic of Turkey Investment Office



Member of the Board of
Vienna Economic Forum

Energy Transition in Turkey

I greet the distinguished participants of the Vienna Economic Forum, from Istanbul.

The energy transition from fossil fuels to zero-carbon through clean sources of energy is the one of the main prioritized policy of Turkey. In the past decade, Turkey has seen considerable diversification of its energy mix. In particular, renewable energy has staged impressive growth. Renewable electricity generation has tripled led by hydro, solar and wind.

Total installed capacity has expanded and diversified rapidly. It reached almost 100 GW and 52% of this capacity comes from renewables.

There will be a tender for allocation of 4.5 GW installation capacity for renewable electricity generation in the coming months.

Turkey supports renewable electricity also through a feed-in-tariff system and the Renewable Energy Support Mechanism, which provides a stable return for ten years.

International renewable energy certificate (I-REC) system and the Green Certificate mechanism, also named YEK-G, complying with EU standards have been active in recent years in Turkey. YEK-G system enables consumers to verify that a certain amount of the electricity supplied is generated through renewable resources. Moreover, a new tariff mechanism has also recently been developed for captive or small-scale consumers.

Energy efficiency is seen as an area that complements national strategic goals of Turkey.

In this context, lastly the National Energy Efficiency Action Plan was formulated for effective implementation and monitoring. As the same time, Ministry of Energy and Natural Resources is working on a national hydrogen strategy.

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Turkey ratified the Paris Climate Agreement. For compliance with COP21 commitments, Turkey changed the name of the relevant ministry into the Ministry of Environment, Urbanization and Climate Change.

Turkey plans to direct its industrial policy toward the next phase of a clean energy transition. To this end, policies to promote innovation in areas such as electric vehicles, energy storage and digital technologies will be critical for the coming years. Thus, these areas are among the priority sectors that support of the Investment Office of Turkey. While prioritizing investments, we also pay attention to ensure that they are investments that are in line with sustainable development goals. We support investments in line with the United Nations Sustainable Development Goals (SDGs), which include responsible production, sustainable development, green energy and green economy goals. We are conducting studies which will boost the compliance of the business climate and the regulatory framework with SDGs and the European Green Deal.

In addition, we formulate our FDI strategy by taking into account the energy transition needs of the manufacturing industry. We can say that almost every investor we interviewed has great sustainability concerns and a strong desire about access to green electricity and future hydrogen investment plans. We believe that it is time for countries to take place in the race to net zero emissions and Turkey is a candidate to take its place among the strongest players.

Energy Transition in Turkey

On the other hand, the energy transition is not a uniform, one-size-fits-all process. It reflects diverse priorities and requires a combination of abilities, technologies, policies, finance and resources. While the specific path to the end goal depends on individual conditions, the destination is common. The process must be just, inclusive and systemic to ensure that no one is left behind. Therefore, de-carbonization of the energy sector requires urgent action on a global scale. International and regional cooperation is essential to facilitate the sharing of experiences and good practices.

Being at the crossroads of trade routes and energy transit, the South East European region plays an important role for the security and stability of the continental Europe. Today's problems are overwhelming for any individual country. The pandemic and climate crisis have exposed this bitter reality. However, there is no room for despair and pessimism. We believe that together as the VEF members, we can overcome these challenges.

We must now ensure that all countries have the chance to be part of an energy transition that seizes the opportunity to significantly improve the wellbeing of people, and the planet. In line with this vision, Turkey aims an energy transition maximizing opportunities and minimizing hardship for individuals and communities. Turkey is a strong committed partner of this global energy transition for net-zero carbon vision by 2053. We want to implement our vision with the VEF region in line with regional and global cooperation.

THANK YOU!