

New Turkish decree renews investor worries about Erdogan controlling central bank

by The Region - 10/07/2018 10:57



A Turkish presidential decree issued on Tuesday after Tayyip Erdogan was sworn in with sweeping new executive powers said the president will appoint the central bank governor, deputies and monetary policy committee members for a 4-year period.

Three presidential decrees, published in the country's Official Gazette, set out the structure of the new presidential system and the regulations governing the appointment of officials by the president.

Previously, there had been a five-year term for the central bank head but a decision published in the Official Gazette removed this stipulation and scrapped a requirement that deputy governors have a decade of experience.

Monday's announcements had deepened worries about the bank's independence and triggered losses in the lira, which has been hit this year by concerns about

Erdogan's drive for greater control over monetary policy.

Erdogan is a self-described "enemy of interest rates" and investors are concerned that his push for cheaper borrowing costs will mean he will look to take greater control of monetary policy under the new system.

Erdogan appointed his son-in-law as Turkey's finance minister on Monday hours after taking his oath of office.