



CAPITAL IN GLOBAL FLUX: THE NEW INVESTMENT EQUATION



4-5-6
DECEMBER 2026



PALANDÖKEN
ERZURUM

#PEF2026



Dear Distinguished Guest,

The global economy is going through a period in which its rules are being rewritten and the balances determining investment decisions are changing rapidly. The rise of protectionism, the persistence of geopolitical tensions, the fragmentation of the global trade order and technological transformation are reshaping the direction of capital and investment priorities. Although these developments create significant risks, they also offer new opportunities for countries and investors capable of correctly interpreting change. First held in 2025 under the theme “A Fair Future in a Smart World: Intelligent Economies and Global Inequality,” the Palandöken Economic Forum (PEF) will be held for the second time in Palandöken, Erzurum, on **4–6 December 2026**. The Forum’s main theme for 2026 has been designated as **“Capital in Global Flux: The New Investment Equation.”**

The Forum will address the changing rules of the global economy, the financing of the future, capital’s preferences in strategic industries, and the costs of transformation in the context of climate, energy and equitable distribution. **The programme will begin with the opening remarks of His Excellency Recep Tayyip Erdoğan, President of the Republic of Türkiye,** and will consist of four special sessions, namely **the Republic of Türkiye Ministers’ Session, the Eurasian Trade Ministers’ Session, the Financial Sector Executives’ Session and the TOBB - League of Arab States Mission to Türkiye Session,** as well as four main thematic sessions. While addressing the global capital, trade and investment agenda within a holistic framework, the Forum will devote special attention to Türkiye’s strategic position, new economic connections in Eurasia and developing investment partnerships with the Arab world.

The Palandöken Economic Forum aims to bring together the Vice President of the Republic of Türkiye, Ministers of the Republic of Türkiye and the trade and economy ministers of Eurasian countries, as well as leading figures from finance, the business world, international organisations and academia, on a common platform for discussion and cooperation. In addition to the Forum sessions, participants from different regions will explore new trade, investment and partnership opportunities through bilateral and sectoral meetings. With this structure, PEF aims to be a high-level global platform that transforms exchanges of ideas into concrete cooperation and new partnerships.

As a valued representative of the business community, we would be greatly honoured to host you at the Palandöken Economic Forum. We believe that your participation will enable you to hold bilateral and sectoral meetings with public officials, investors and corporate executives from different countries and to explore new trade, investment and cooperation opportunities. Your accommodation expenses will be covered by the Forum. In addition to the Forum programme, our guests will also be able to benefit from the winter sports opportunities offered by Palandöken, particularly daytime and night-time skiing.

Detailed information about the scope of the Forum and the content of its sessions is provided in the attached concept note and programme. Participation in the Forum is subject to accreditation, and we kindly ask you to complete your registration by 02.11.2026 through www.forumpalandoken.org. We sincerely look forward to your participation and would be very pleased to host you at the Palandöken Economic Forum.

Sincerely,



Aydın BARUŞ
Governor of Erzurum



Mehmet SEKMEN
Mayor of Erzurum Metropolitan Municipality



Muharrem ÇİĞLİK
Coordinator of the Palandöken Economic Forum

CAPITAL IN GLOBAL FLUX: THE NEW INVESTMENT EQUATION

The first Palandöken Economic Forum, held under the theme ‘A Fair Future in a Smart World: Intelligent Economies and Global Inequality’, examined the effects of AI-driven transformation on inequalities between countries and societies. The second Forum focuses on financing this transformation and on capital’s changing preferences. Every transformation requires financing, and every act of financing reflects a choice. Digital infrastructure, the transformation of energy systems, reconfigured supply chains and strategic industries can develop only if capital is directed towards them.

Yet the capital needed to finance this transformation is itself in flux. For many years, the investment equation followed a relatively straightforward logic: capital flowed towards the highest promised returns at the lowest cost. Today, rising protectionism, persistent geopolitical tensions and the fragmentation of the global trading order into blocs are disrupting this established logic. New variables, such as security, resilience and climate risk, are entering the investment equation, while the weight assigned to existing variables is being recalibrated. Where capital goes, and the criteria on which it bases its decisions, are being redefined. The rules of the global economy are changing, but how the new equilibrium will take shape remains uncertain. In this uncertain environment, it is increasingly difficult to predict which investments will be profitable and under what conditions; capital must now base its decisions on variables it did not previously take into account. At the same time, uncertainty does more than generate risk. Periods in which capital changes direction also open up new opportunities for investors and economies that correctly interpret the shift.

The Forum’s main theme centers on this process of redefinition and seeks to explore it through four central questions: Why is capital changing course? What is capital now pricing in? Which sectors does it favor? And who receives the profits and bears the costs of this transformation?

These questions directly concern both policymakers and the business community. In this period of uncertainty, policymakers are seeking to establish a reliable and predictable framework capable of attracting investment under changing conditions. Businesses, meanwhile, aim to invest in the right place, at the right time and at the right cost within the new risk environment. The Forum is organized to bring these two perspectives to the same table. Two opening sessions at ministerial level will place the discussion within the investment agendas of Türkiye and the Eurasian region.

REPUBLIC OF TÜRKİYE MINISTERS' SESSION**TÜRKİYE'S INVESTMENT VISION: COMPETITIVENESS AND STRATEGIC PRIORITIES**

This session applies the Forum's main theme to Türkiye. As the investment equation changes, the discussion will consider the factors shaping Türkiye's competitiveness, the sectors gaining strategic priority, and how to establish a policy framework that makes the investment environment more predictable.

The session provides a national point of reference for the global issues explored throughout the rest of the Forum.

The session is expected to address the following topics:

- Türkiye's investment environment and competitiveness amid changing global conditions
- Sectors of strategic priority and investment incentive policies
- Predictability and appropriate institutional frameworks for attracting foreign direct investment
- Integrating production and export capacity into reconfigured supply chains

**PEF
SPECIAL****TRADE MINISTERS' SESSION****TRADE AND INVESTMENT IN EURASIA: CORRIDORS, CONNECTIVITY AND COOPERATION**

This session examines trade and investment relations across Eurasia against a backdrop reshaped by the fragmentation of the global trading order. Discussion will address the future of transport and logistics corridors linking Asia and Europe, emerging areas of cooperation among countries in the region, and joint steps to facilitate trade.

The session is expected to address the following topics:

- Trade corridors and logistics connections between Asia and Europe
- Regional trade and investment agreements
- Regional cooperation on energy and infrastructure investment
- Trade facilitation and the digitalization of customs procedures

FINANCIAL SECTOR EXECUTIVES SESSION

THE NEW MAP OF GLOBAL CAPITAL: SHIFTING CENTERS, NEW ACTORS AND THE CHANGING RULES OF FINANCE

The map of global capital is being reshaped. Geoeconomic fragmentation, the changing interest-rate environment, technological transformation and the growing importance of economic security are altering not only the countries and sectors towards which capital flows, but also the actors that manage it and the criteria on which investment decisions are based. While the traditional financial centers that have long stood at the core of global finance continue to retain their importance, Asian and Gulf economies, sovereign wealth funds and emerging regional financial centers are becoming increasingly prominent actors in global capital flows.

This shift is also transforming the structure of the financial system and the logic of investment decisions. Alongside banks and traditional institutional investors, asset managers, sovereign wealth funds, private equity firms and alternative investment institutions are playing an increasingly influential role in determining the direction of capital. The growing importance of long-term and capital-intensive areas such as technology, energy, infrastructure and strategic industries is also reshaping the financial sector's approach to risk, return, liquidity and the investment horizon.

This session examines the changing map of capital from the perspective of leading actors in global finance. The discussion will focus not only on where capital is moving, but also on who is shaping this redirection, which criteria are gaining greater weight in investment decisions, and what opportunities and risks the emerging financial architecture creates for countries and investors.

The session is expected to address the following topics:

- The changing geography of global capital flows and the rise of new financial centers
- The growing role of banks, asset managers, sovereign wealth funds and alternative investment institutions
- The impact of geoeconomic fragmentation on global portfolio and investment strategies
- The new criteria shaping capital allocation: return, trust, resilience and strategic value
- Global competition for capital in technology, energy, infrastructure and strategic industries
- The position of emerging economies and Türkiye within the new financial architecture

**SESSION OF TOBB AND THE LEAGUE OF ARAB STATES MISSION TO TÜRKİYE
TÜRKİYE-ARAB STATES INVESTMENT PARTNERSHIPS: SHIFTING CAPITAL
FLOWS AND NEW AREAS OF COOPERATION**

Economic relations between Türkiye and the member states of the League of Arab States have moved beyond trade in recent years, creating a broader basis for cooperation in investment, finance, energy, tourism, agriculture, technology, logistics and infrastructure. When Türkiye's production capacity, entrepreneurial strength and regional connections are considered together with the investment capacity, capital accumulation and growing markets of Arab countries, new areas of partnership are emerging between the parties.

The Türkiye-Arab World session held within the scope of PEF2025 focused on strengthening mutual engagement and identifying potential areas of cooperation. At PEF2026, this round table, which will bring together representatives of the Union of Chambers and Commodity Exchanges of Türkiye and the League of Arab States Mission to Türkiye, aims to translate this cooperation potential into concrete investment topics and applicable partnership models.

The session will address how capital flows between Türkiye and Arab countries can be transformed into long-term investment partnerships. Through direct exchanges of views between diplomatic representatives and business community representatives, the aim is to identify areas for joint projects, evaluate the problems encountered in investment processes and develop cooperation between the private sectors.

The discussions will focus not only on increasing the volume of investment and trade, but also on how joint investments can contribute to production, employment, technology transfer, energy and food security, and mutual prosperity.

The following topics are expected to be addressed during the session:

- Mutual direct investments and long-term capital flows
- Joint investment and project development models
- Investment climate, investment protection and access to finance
- Cooperation between the private sectors
- Transport corridors, logistics networks and trade facilitation
- Energy and energy infrastructure
- Artificial intelligence, the digital economy and technology investments
- Agricultural technologies and food security
- Tourism, culture and creative economies

1.SESSiON

THE CHANGING RULES OF THE GLOBAL ECONOMY: NEW ROUTES IN A FRAGMENTING WORLD

This session examines the global environment that sets the parameters of the investment equation. The changing rules of the global economy are also changing capital's direction. The global economy is moving from an order long assumed to be self-regulating towards a more fragile and more politicized system. Tariffs and trade restrictions have once again become routine tools of economic policy. Geopolitical risks are now viewed as enduring factors that shape the investment horizon, rather than as temporary shocks. The rise of the war economy, increasing public debt and new fiscal policy priorities are also narrowing capital's room for maneuver. In this context, uncertainty takes on particular significance. Since much investment is irreversible, greater uncertainty increases the value of waiting. Firms may defer their decisions even if they do not abandon their investment plans. Consequently, when uncertainty becomes a permanent feature rather than a temporary shock, it directly affects global investment appetite.

These developments are directing capital away from the 'most efficient' locations and towards the 'safest' or the 'closest and most trusted'. The relocation of production and investment to nearby countries, allied countries or the domestic economy reflects this trend. Yet this choice of destination also brings the risk of efficiency losses and higher costs. Whether the shift amounts to lasting restructuring or a temporary defensive response remains uncertain. On the other hand, the repositioning of capital may create new opportunities for economies that offer a predictable institutional framework and strong connectivity. More broadly, shifts in the global economy's centres of gravity, accelerating technological transformation, and a more active role for the state in the economy are calling existing economic balances and rules into question.

The session is expected to address the following topics:

- Geopolitical tensions and wars, economic security, protectionism, and the changing rules of global trade
- Persistent uncertainty, investment decisions, and the redirection of global capital flows
- The effects of geopolitical risks on inflation, growth, and monetary policy
- Asia's rise and shifts in the global economy's centres of gravity
- Artificial intelligence, economic and political power, institutions, and governance
- The return of the state: industrial policy, strategic sectors, protectionism, public borrowing, and new fiscal priorities

2.SESSIÖN

FINANCING THE FUTURE: RISK, RETURN AND TRUST

Every investment decision rests on a calculation of the present value of future returns. The cost of risk and the cost of capital are decisive in this calculation. In a changing world, the factors that determine these costs are also evolving. Alongside familiar factors such as interest rates and exchange-rate risk, new considerations include country credibility, institutional predictability, sanctions risk and climate risk.

The tightening of global financial conditions has made access to capital more expensive, particularly for emerging economies, while also making capital more selective about the countries and projects it finances. As a result, comparable investment projects can face very different financing costs across countries. Capital therefore prices both the project itself and the economic and institutional environment in which it is implemented.

This session examines how the financial sector interprets the new risk environment. With trust increasingly valued almost as a factor of production, the discussion will focus on how reliable policy frameworks can lower the cost of capital. The session also examines the limits of relying on returns to attract capital at a time when high expected returns alone no longer suffice.

The session is expected to address the following topics:

- Rising financing costs and the effects of tighter global financial conditions on capital flows
- Geoeconomic fragmentation, sanctions risk and access to capital
- How trust, predictability and institutional quality are reflected in the cost of capital
- How climate risk is reflected in asset prices and lending conditions
- Financing long-term investment under uncertainty

3. SESSION**CAPITAL'S PREFERENCES:
AI, STRATEGIC INDUSTRIES AND THE INVESTMENT RACE**

This session examines how technological transformation and geopolitical uncertainty shape investment preferences. The focus is less on what technology is changing than on the areas capital favors in response to these changes.

Production is shifting from the long-dominant logic of 'just in time' towards one of 'just in case'. Supply chain disruptions, difficulties in accessing raw materials and rising production costs are forcing businesses to consider resilience alongside efficiency. Governments have begun to view semiconductors, energy, defense and critical minerals as integral to economic security. As a result, certain investments have moved from being commercial choices to becoming strategic priorities. Yet the speed and durability of this shift remain uncertain and depend on how geopolitical tensions evolve.

AI and robotics play a dual role in this process. They promise productivity gains in response to rising costs and geopolitical risks, while also constituting a new field of investment that requires large amounts of capital. By replacing labor in some tasks and complementing it in others, AI is also reshaping the relationship between capital, labor and technology, and thus the fundamental equation of production.

The session is expected to address the following topics:

- Supply chain disruptions, access to raw materials and production costs
- The shift from efficiency towards strategic resilience, and the relocation of production
- The effects of investment in AI and robotics on costs and competition
- The investment race in strategic industries and opportunities for Türkiye

4. SESSION

WHOSE TRANSFORMATION, WHOSE COST? CLIMATE, ENERGY AND EQUITY

This session examines the costs and benefits of transformation through the lenses of climate, energy and distribution. The tension between energy security and climate goals presents one of the most difficult trade-offs in investment decisions today. While geopolitical risks prompt countries to secure their energy supplies, climate commitments require an acceleration of low-carbon investment. Pursuing both objectives at the same time creates a need for large-scale, long-term financing.

Who will provide this financing, and who will benefit from the transformation, remain open questions. Economies facing high costs of access to capital may also be among those most affected by climate risk. This creates a risk that the green transition will deepen existing inequalities rather than reduce them. With well-designed policies, however, the green transition can also become a source of growth, creating new opportunities for investment and employment.

Another dimension of transformation concerns the existing stock of physical capital itself. Power plants, industrial facilities and transport infrastructure are built for decades of use and can lock an economy into a carbon-intensive structure. As climate policies become more stringent, some of these assets face the risk of losing value before reaching the end of their economic lives. Extreme climate events also pose a direct threat to physical capital. New investments must therefore be designed both to be low-carbon and to withstand climate shocks. Yet the investor's calculus does not always coincide with society's. Because costs associated with carbon emissions and the loss of natural capital are often excluded from private calculations, the benefits of transformation are also unevenly distributed. The market, therefore, cannot on its own guarantee either sufficient low-carbon investment or an equitable distribution of costs and benefits. This session treats the protection of natural capital and the equitable distribution of the costs and benefits of transformation as integral parts of the investment equation, rather than as external considerations.

The session is expected to address the following topics:

- The trade-off between energy security and climate goals
- The relationship between physical capital and the environment: carbon-intensive capital stock, stranded asset risk and the climate resilience of infrastructure
- The investment gap and sources of financing for transformation
- The distribution of the costs and benefits of the green transformation across countries and social groups
- Creating value within ecological limits and the growing importance of natural capital



PROGRAMME

4 DECEMBER 2026

10.00

Airport Welcome
Hotel Transfer

19.00

Dinner

Venue: Polat Palandöken Hotel

20.00

Opening Show with Night Skiing

Venue: Polat Palandöken Hotel

PROGRAMME**5 DECEMBER 2026****> 10.30****Palandöken Economic Forum Opening Addresses**Palandöken Economic Forum Coordinator **Mr. Muharrem ÇİĞLIK**Mayor of Erzurum Metropolitan Municipality **Mr. Mehmet SEKMEN**Governor of Erzurum **Mr. Aydın BARUŞ**Director of Communications of the Presidency of the Republic of Türkiye **Prof. Dr. Burhanettin DURAN**Minister of Interior of the Republic of Türkiye **Mr. Mustafa ÇİFTÇİ**Minister of National Education of the Republic of Türkiye **Prof. Dr. Yusuf TEKİN**Deputy Chairman of the AK Party **Mr. Efkan ALA**Minister of Foreign Affairs of the Republic of Türkiye **Mr. Hakan FİDAN**Vice President of the Republic of Türkiye **Mr. Cevdet YILMAZ**

(Should there be a change in the programme of H.E. the President, H.E. Vice President Cevdet Yılmaz will honour the Forum with his presence.)

Opening Address by His Excellency Recep Tayyip ERDOĞAN, President of the Republic of Türkiye*Venue: Recep Tayyip Erdoğan Fair and Congress Center***> 11.30****Republic of Türkiye Ministers' Session****Türkiye's Investment Vision: Competitiveness and Strategic Priorities**PanellistsMinister of Trade of the Republic of Türkiye **Prof. Dr. Ömer BOLAT**Minister of Justice of the Republic of Türkiye **Mr. Akın GÜRLEK**Minister of Family and Social Services of the Republic of Türkiye **Ms. Mahinur ÖZDEMİR GÖKTAŞ**Minister of Environment, Urbanisation and Climate Change of the Republic of Türkiye **Mr. Murat KURUM**Minister of Energy and Natural Resources of the Republic of Türkiye **Mr. Alparslan BAYRAKTAR**Minister of Industry and Technology of the Republic of Türkiye **Mr. Mehmet Fatih KACIR***Venue: Recep Tayyip Erdoğan Fair and Congress Center***> 13.00-14.00****Break****> 14.00****Eurasian Trade Ministers' Session****Trade and Investment in Eurasia: Corridors, Connectivity and Cooperation**PanellistsMinister of Economy of the Republic of Azerbaijan **Mr. Mikayıl Cabbarov**Minister of Economy of Armenia **Mr. Gevorg Papoyan**Minister of Economy and Sustainable Development of Georgia **Mr. Levan Davitashvili**Minister of Roads and Urban Development of Iran **Ms. Ferzane Sadık**Minister of Trade and Integration of the Republic of Kazakhstan **Mr. Arman Şaqqaliev**First Deputy Chairman of the Cabinet of Ministers of Kyrgyzstan **Mr. Daniyar Amangeldiev**Minister of Economy and Energy of the TRNC **Mr. Hasan Taçoy**Minister of Investment, Industry and Trade of Uzbekistan **Mr. Laziz Kudratov**Minister of Industry and Trade of the Russian Federation **Mr. Anton Alikhanov**Minister of Trade and Foreign Economic Relations of Turkmenistan **Mr. Nazar Agahanow**Minister of Economy and Industry of Syria **Mr. Muhammed Nidal eş-Şaar***Venue: Recep Tayyip Erdoğan Fair and Congress Center*

PROGRAMME

5 DECEMBER 2026

16.00

Financial Sector Executives' Session

The New Map of Global Capital: Shifting Centres, New Actors and Changing Financial Rules

Venue: Recep Tayyip Erdoğan Fair and Congress Center

16.00

TOBB - League of Arab States Mission to Türkiye Session

Türkiye-Arab States Investment Partnerships: Changing Capital Flows and New Areas of Cooperation

Venue: Polat Palandöken Hotel

18.30

Dinner

Venue: Polat Palandöken Hotel

20.00

Night Skiing for Guests

Venue: Polat Palandöken Hotel

PROGRAMME**6 DECEMBER 2026****> 09.30****The Changing Rules of the Global Economy: New Routes in a Fragmenting World***Venue: Polat Palandöken Hotel***> 11.00****Break***Venue: Polat Palandöken Hotel***> 11.15****Financing the Future: Risk, Return and Trust***Venue: Polat Palandöken Hotel***> 13.30****Lunch***Venue: Polat Palandöken Hotel***> 14.30****Capital's Preferences: Artificial Intelligence, Strategic Industries and the Investment Race***Venue: Polat Palandöken Hotel***> 16.00****Whose Transformation, Whose Cost? Climate, Energy and Fair Distribution***Venue: Polat Palandöken Hotel*