



TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION

**THE SPEECH DELIVERED BY MUSTAFA V. KOÇ
THE CHAIRMAN THE HIGH ADVISORY COUNCIL**

**AT THE MEETING OF THE
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Mr. Prime Minister,
Madam President of the Board of Directors,
Distinguished TÜSİAD Members,
Members of the Press.

I am delighted to greet you all on behalf of TÜSİAD's High Advisory Council.

It is my wish that 2011, the year in which we celebrate TÜSİAD's 40th anniversary, will be a year in which stronger steps are taken towards calm, prosperity and development in our country.

At this General Assembly, I shall be handing over the Chairmanship of the Advisory Council that I have held for six years to a new friend appointed by our General Assembly.

During this period I have had the opportunity to work with three Presidents of the Board of Directors: Mr. Ömer Sabancı, Ms. Arzuhan Doğan Yalçındağ and Ms. Ümit Boyner. I would like to thank all three of them for creating such a close working environment. At the same time I would like to thank the entire TÜSİAD team for the support they have provided over this time.

Since this is a time both of handing over the baton, and when we celebrate the 40th anniversary of the establishment of TÜSİAD, I would like to devote most of my words today to TÜSİAD.

As you know, when TÜSİAD's "Founders' Protocol" was signed in 1971, although the private sector had existed for a long time, public investments were seen as the main engine of growth and private industrialism was not regarded with the respect it deserved.

At that time, the main concern of our industrialists was to be able to explain and express themselves to Ankara. For that reason, TÜSİAD's initial activities concentrated on showing private sector facilities to Members of Parliament and Ministers and explaining to them what the private sector was doing.

With this example it is easy to understand the kind of environment in which our founders were trying to conduct their industrial activities. It was doubtless impossible to survive and prosper within the framework of these activities.

Thus TÜSİAD soon took upon itself the duty of developing a vision to lead the way to an increased rate of growth and achieve social development in parallel to economic progress, and to explain and defend the requirements of this vision to society and to the country's administration.

By placing on the national agenda new concepts and ideas that have guided Turkey strategically, a leading role has been assumed in Turkey's entering a period of significant transformation in these 40 years. Through their philosophy of change and their exemplary applications, TÜSİAD members have personally influenced not only economic life but also the life of society as a whole: they have constructed the most modern production and service facilities in Europe. They have established model world-class universities. They have supported education and training at every level. The country has gained bodies and institutions to develop the fields of culture and art. They have put their names to educational, health and social development projects that will spread transformation throughout Turkey.

During this period TÜSİAD has faced criticism against new ideas it has put forward. TÜSİAD has been criticized from all quarters for foreseeing the future and putting certain issues on the agenda at an early stage, and for opening up to debate certain issues, the mere discussion of which had previously been considered taboo.

However, by pushing forward with the precept of the unerring vindication of time, the adoption of most of these ideas by society has been achieved.

TÜSİAD was almost the only body to raise to the agenda the point that Turkey needed to become a market economy integrated into the world economy. Today, this concept has become the indispensable point of action for pretty well every part of society.

Seeing that a competitive economy could only be established with the parallel development of an economic and political democracy, TÜSİAD conducted work on the draft of a new Constitution in 1992 together with a group of distinguished academics. By presenting this draft to Members of Parliament, it began a debate on changing the existing Constitution.

It was again TÜSİAD that widened the debate on democratization of the country's political regulations and legislation with its 1997 publication "Democratization Perspectives in Turkey". A number of issues in this report that were also intensively discussed within TÜSİAD soon found their way onto political parties' manifestos.

In many areas ranging from the struggle to lift the US embargo in the 1970's to the Customs Union and EU membership process, TÜSİAD administrations have played a proactive role in cooperation with governments. They have put their name to significant successes.

First turning to the issue of our country's education in the 1990's, TÜSİAD presented its work on women in education, working life and politics to the public in 2000. All these efforts and studies have been carried out on a continuous basis, constantly being updated and expanded.

Distinguished Members,

TÜSİAD's work has opened the doors to significant changes in Turkey, yet change is a continuous process. Today there are many things that need to be done, and there will be even more tomorrow. Today we are concentrating intensely on the coming period: we have a long distance to cover on the market economy, in particular on regulations. We have achieved major progress on the Constitution and legal matters, but much is still to be done with regard to freedoms. We have not completed education reform. We have not achieved the greatly desired changes in the status of women. In short, we have much more work to do.

The 2,500 companies represented by TÜSİAD's 600 members today employ half of Turkey's registered workforce outside the public sector. Carrying out 65% of the country's industrial production, they create half of the added value outside the public sector.

TÜSİAD members carry out 80% of the country's non-energy foreign trade. And through all our activities we pay 85% of the corporation tax raised in Turkey. We take pride in these figures that show TÜSİAD members' contributions to the country's formal economy and its value added.

But the contributions we achieve for the economy alone are not sufficient; we have brought many issues to the agenda ahead of time. We have set aside time and resources for our work in all these fields. We have worked with a staff of widely based professional experts.

We have opened representative offices in Ankara, Brussels and Washington and offices in Paris, Berlin and Beijing. We are members of four international confederations, six Anatolian business world federations and one sectorial federation.

We have played a major role in the development of business professional organizations and civil society bodies. We have organized forums in cooperation with three universities. We have prepared hundreds of research studies, reports and political documents.

We may not be in agreement with every quarter of society on every issue, but over 40 years we have always striven to be the spokesperson for societal ideals designed to place Turkey amongst the developed economies, to work on the required analysis of economic, social and political issues, and to defend our work fearlessly. I would like to stress once again that as an organization this is our most important struggle.

On the other hand I would like strongly to underline this point: I suppose that many of the TÜSİAD works that I have mentioned to you show clearly that we have never identified ourselves solely in terms of economic development and growth.

Just as economic growth is necessary but not sufficient, so we have always stressed the parallel importance for development on issues such as an increase in national income per capita, more equitable distribution of wealth, overcoming regional developmental disparities, abolishing gender inequality, participation in the worlds of education, politics and business, as well as democracy and human rights. We believe that these efforts carry a vital significance with respect to the construction of Turkey's future.

Distinguished Members,

In the economy, the post-2001 crisis recovery together with the highly significant permanent changes that it brought began a period of boom. From 2002-2007, Turkey demonstrated a remarkable performance of unbroken growth averaging 7.3% annually.

The global crisis that began to bite in the second half of 2008 may have caused a serious contraction in 2009, but with the efforts of the government we have again settled into a growth trend.

These developments have made all of us more hopeful for the future. This hope is of essential importance. Because without hope there can be no change. But it is equally important for us correctly to establish our place and to set ourselves our required tasks accordingly.

Today, Turkey is the world's 16th largest economy. Some estimates calculate that if we continue this rate of growth, we will become the 10th largest economy at some time between 2020 and 2050. To achieve this we will have to double our national income at least. There are so many matters that we need to reassess ranging from infrastructure to energy, technology, human resources and capital.

We absolutely must ask ourselves this question: when Turkey enters the ranks of the world's top 10 economies, will it be a developed country? It will be appreciated that development is not achieved only through growth, that this first condition is not sufficient by itself. And in the world too, development is not in fact measured against economic growth.

It is measured against per capita national income, competitiveness and human development. We are the 16th largest economy but according to purchasing power parity, we rank 84th in terms of per capita gross domestic product. We rank 61st in global competitive power. And unfortunately we rank 83rd in perhaps the most important ranking of all – the “Human Development Index”.

One wonders how far we will rise on these indexes when we become the world's 10th largest economy. What we want is for Turkey to show a much faster rate of growth in terms of closing the gap with the developed countries on all the fundamental elements of the “Human Development Index”, namely average life expectancy, literacy, rates of school attendance, per capita national income and purchasing power and standards of living.

Let us reach the European average in women's participation in the workforce. And let us not only index ourselves to a growth on statistical measurements, but let us reach widespread equality of regional distribution and income distribution so that we can all together feel the comprehensive benefits of prosperity.

Let us live in a country that achieves peace in its region, that maximizes the benefits of the blessings of its geography, and that is a real economic, social and cultural melting and cohesion pot on the north-south and west-east axes as a democratic country that prioritizes human rights and freedom of expression.

Distinguished Members,

It is my heartfelt belief that by looking to indications of development as much as those of growth, and implementing correct strategies according to these objectives, we shall succeed in creating a Turkey in which education reform and democratization has been completed, that is able to achieve peace and stability in its region, and that has adopted a full understanding of internal calm and ease, and we shall do this through developing in the real sense of the word, rather than merely growing.

It seems to me that a large part of TÜSİAD's working programme for the next period is already clear. If we all look to the future together and sincerely from this perspective, then we must know that tomorrow, just as in the past and present, TÜSİAD shall not only speak out not only on the economy but also education, culture, social development and politics, and shall continue to strive to share the results of its in-depth work in all these areas transparently with public opinion.

It will not be sufficient to present goals for the country, an active role shall be pursued in realization of these objectives in cooperation with the country's decision-makers.

Having successfully completed forty years, TÜSİAD will continue to serve in the shaping of this country's strong future as one of its most effective actors.

I salute you all once more with affection and respect.