



TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION

**THE SPEECH DELIVERED BY
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AT THE MEETING WITH
OLLI REHN
THE MEMBER OF THE EUROPEAN COMMISSION
IN CHARGE OF ENLARGEMENT**

**March 08, 2005
Ceylan Intercontinental**

MEMBER OF THE UNION OF INDUSTRIAL AND EMPLOYERS CONFEDERATIONS OF EUROPE (UNICE)

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Dear Mr. Commissioner Rehn, Dear Guests,

It's a great pleasure for me to welcome you on behalf of TUSIAD in this meeting. We consider this gathering as a good opportunity to share with you an up-to-date picture of the current stage of Turkey-EU relations, our main focus point.

Today we have, in this room, members of 5 different organizations, all committed to Turkey's EU membership perspective. Apart from TUSIAD these organizations are the Turkish Confederation of Employer Associations (TISK), the Economic Development Foundation (IKV), the Foreign Investors Association (YASED) and the Turkish Enterprise and Business Confederation (TÜRKONFED). We know that you have a limited time but I am sure that all of us will have questions to you following your intervention.

Mr. Commissioner,

The European Council, decided to open membership negotiations with Turkey on October 3, 2005. With this historic decision, the European Council is heralding a new era both for Europe as well as Turkey. However, the opening of negotiations is only the beginning of a long, challenging but irreversible process, which will require adoption of the *Acquis Communautaire* with a significant commitment and hard work on the part of Turkey.

We are both realistic and optimistic about this process. Turkey has been experiencing serious transformation in the recent years and this has important repercussions on its prospective membership to the EU. Turkey's accession, on the other hand, would potentially have much broader economic and political consequences for the EU than any of the past expansions.

Various developments on the Turkish economic and political agenda have been undergoing over the past years, focusing on the EU membership. Besides the progress on the lines of meeting Copenhagen political criteria for democratization and rule of law, the economic fundamentals exhibit an outspoken improvement. The improving macroeconomic framework and the progress in structural reforms will probably change the way that the Turkish economy is evaluated in foreign markets, especially in EU countries.

On the other hand, over the course of the past forty-five years an *acquis* has been built between Turkey and the EU. The letter and the spirit of this *acquis*, leave no room for imagination or controversy as to how the final goal and destination of these relations are to be defined. They are to be defined as aiming at Turkey's full integration within the Union through membership.

However, the latest arrangements for referenda in some European countries, especially in France, suggest that additional obstacles will beset Turkey's road to membership. Consequently, we consider these calls for referenda in the EU countries for Turkey's membership with suspicions and contrary to the perspective given especially in the 1999 Helsinki Summit conclusions stating that; "The candidate States are participating in the accession process on an equal footing" and that "Turkey is a candidate State destined to join the Union on the basis of the same criteria as applied to the other candidate States".

This may also mean that, regardless of what the decisions of the EU Council, the EU Parliament and the Reports of the EU Commission say, the decision to accept Turkey into the Union may ultimately depend upon domestic politics rather than on objective evaluation of whether Ankara has met the EU's criteria for membership. The destiny of the Turkish people may thus depend on the dilemmas of a single EU country's political conjuncture.

If the EU's decision is to be determined by such political conjuncture, then overcoming negative public opinion in Europe and consequently in Turkey will actually be the biggest challenge for the Turkish Membership.

Turkey should simultaneously undertake diplomatic, non-diplomatic, and non-governmental efforts to convince the European public opinions that the benefits of Turkey's membership exceed the costs. TÜSIAD will focus particularly on this issue formulated as Third Pillar in the European Commission Recommendations on October last year. We established a new Committee for Turkey's promotion abroad and, in particular, in the European Union countries. We are also in the process of devising a strategy targeting each country on its own distinctiveness.

We hope to work with you, Mr. Commissioner, on this issue in order to benefit from each other's experiences. I am sure that other organizations that are present here today have also their own program and strategy in this respect.

We will also be very attentive should any political or bureaucratic inertia occur within the process of harmonization to the *acquis* and negotiations. TUSIAD has about 30 working groups dealing with different aspects of the EU *acquis*. Their work will no doubt benefit, as well, from TUSIAD's UNICE and BIAC membership. Similarly, you can observe the efforts of the other organizations, which are in this room, to contribute in Turkey's harmonization process to the EU.

Lastly, on the Cyprus issue, we believe that Turkey has taken initiatives for the resolution of the issue within the framework of a comprehensive understanding of political and social compromise to be reached within the context of the Annan Plan.

We should keep in mind that such the process entails a collective responsibility and that each party to the conflict should bear its share of responsibility. In this regard, we regret the Greek Cypriots rejections of a mutually acceptable solution plan and urge the EU to carry out, without further delay, their undertakings towards ending the economic isolation of the Turkish side on the Island.

On the other hand, we also believe that Turkey's commitment to extend the scope of the Customs Union Agreement to the new members of the EU should be addressed within a convenient time frame this year.

As a final word, Mr. Commissioner, we will closely watch and contribute to the EU's evolution towards a globally competitive economy and towards an institutionally efficient political entity. Within this context, we do believe that we shall be successful in transforming Turkey's potentials into political, economic, social, cultural and security assets for Europe's future.

Thank you very much for your kind attention.