



TÜRK SANAYİCİLERİ VE İŞADAMLARI DERNEĞİ

TÜSİAD

YÖNETİM KURULU BAŞKANI

ÜMİT BOYNER'İN

TÜRKİYE-KORE İŞ FORUMU

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Distinguished Ministers, Dear Presidents, Dear Members of the Press, Ladies and Gentlemen,

It is a great pleasure for me to welcome you today in Turkey-Korea Business Forum on behalf of TÜSİAD, the Turkish Industrialists' and Businessmen's Association.

On the occasion of 60th anniversary of Korea War, we are organizing this business forum together with our counterpart organization - FKI (Federation of Korean Industries) and Maeil Business Media Group, the leading media institution of Korea; with the valuable support of the Embassy of the Republic of Korea in Ankara. I would like to thank all these institutions which cooperate with us in organizing this outstanding event. The interest and participation of the Korean side is very high level thanks to our partners.

The strong relations between our countries have their beginnings in 1950s and become more intertwined over the decades. I believe that the forum will strengthen bilateral relations and contribute to your understanding and knowledge of Turkey and Korea, the leading emerging markets of the world. This forum will hopefully highlight the business opportunities between our countries.

Distinguished Guests,

First of all, I would like to briefly inform you about TÜSİAD which is one of the leading non-governmental and voluntary organizations in Turkey. TÜSİAD's members and their companies realize 80% of Turkey's foreign trade excluding energy import, 65% of industrial production and 50% of the registered employees except agriculture and public servants.

Through its representative offices based in Brussels, Paris, Berlin, Washington and Beijing; TÜSİAD promotes Turkey's interests in these regions and follows the economic and political developments in different parts of the world. Being a member of BusinessEurope, the Voice of Business in Europe, TÜSİAD represents Turkey's business world in G-20 activities as well. We took part in G-20 Business Summit held in London in March 2009. We are also looking forward for the second G-20 Business Summit which will be held this coming November 11-12 in Seoul.

As TÜSİAD, we signed a Memorandum of Understanding (MOU) with FKI in 2005, to cooperate in the fields of trade, investment and new technologies and to develop bilateral economic relations between Turkey and Korea by making joint activities. As one of the concrete outputs of the MOU, we are today here in Turkey-Korea Business Forum which I believe, will support our bilateral relations in a very positive way.

Distinguished Audience,

Bilateral economic relations between Turkey and Korea have accelerated in the second half of 1980s.

Considering trade relations, there is a serious disparity between Turkey's imports from and exports to Korea. Turkey has had a chronic foreign trade deficit against Korea throughout the years. When we look at the trade figures, we can see that the trade volume was 3.3 billion dollars in 2009, which is far from the real trade potential that needs to be increased.

As Turkish private sector, we need to follow more and more innovative and competitive strategies in our trade and investment relations with Korea in order to have a more balanced trade relationship with this country. I believe the cooperation between the private sectors of the two countries will definitely contribute to the strengthening of economic ties.

On the other hand, following the initial of EU-Korean free trade agreement (FTA) by 15 October 2009, FTA talks between Turkey and Korea have been set to start and the first round of negotiations will be held between 26-30st of April. Terms of reference of the FTA have been agreed by the parties during preparatory talks in January in Seoul. As the next step, Korean Trade Minister Mr. Jong Hoon KIM is expected to visit Turkey on 19 March to announce the official launch of Turkey-Korean FTA talks. This FTA is the most comprehensive FTA that Turkey has negotiated so far. We, as TUSIAD, expect this negotiation process to be concluded very soon and the market access to be enhanced for both parties.

Korea is a very strong knowledge-based economy, excellent example for Turkey in R&D field. Turkey and Korea can cooperate in many sectors such as energy, ICT, biotechnology. Energy is a key area of cooperation that Turkey can offer very rich resources in the fields of solar energy, wind power, hydropower and geothermal energy.

There are also many Korean companies operating in Turkey, especially in automotive, ICT and manufacturing sectors. Hyundai, LG and KT&G are the leading Korean enterprises which have investments in Turkey. These companies see Turkey as a regional manufacturing and distribution hub. Thanks to its unique geo-strategic position and dynamic population, efficient banking sector, technologically developed telecommunications system, well-trained work force and competitive industrial sector, Turkey has an important potential and favorable investment climate for Korean companies.

Distinguished Guests,

As we all know, we are going through a historic period in time. The world has experienced drastic changes. Turkey is naturally a part of this process of change.

The global economic crisis has unavoidably influenced Turkish economy, which has strong economic ties with both the developed and developing world. However, the structural resilience of the economy has allowed the economy to contract without major defaults, bail-outs or stimulus packages. The foundation of the resilience was put in place following the crises of early 2000s. Despite the recession, Turkish banks continue to prosper and are able to provide credit; holdings have shed some workforce, but they kept operating and haven't yet asked for bail-outs; both banks and non-banking enterprises see no problem in accessing credit either in the domestic or foreign markets. Thanks to this resilience, Turkish budget balance performs far better than majority of the states in the developed world, EU in particular. As a confirmation of these arguments, credit rating agencies have improved Turkey's rating during crisis "due to its financial sectors resilience to the global recession."

With this economic structure, Turkey stands as among best prepared for the post crisis recovery. It is expected that Turkey's GDP will return growth rate of above 4% in each year of 2010-2012 period and probably higher in the following years. According to Goldman Sachs projections, Turkey is going to be 9th largest economy in the world by 2050. According to IMF figures, Turkey was 17th economy in 2008.

What we have in Turkey right now is resilient economy insulated from volatilities of the politics, able to get credit in the competitive markets, and ready to take off. With further proper and appropriate economic reform policies, Turkey is bound to become one of the major economic powers in the world providing sustainable returns to the investors.

I would like to conclude by expressing my best wishes for the prosperity and well-being of the friendly people of Korea and further cementing the close relations between our two nations.

Thank you very much for your attention.