



TÜRK SANAYİCİLERİ VE İŞADAMLARI DERNEĞİ

TÜSİAD

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TÜRK-PORTEKİZ İŞ FORUMU

AÇILIŞ KONUŞMASI

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Distinguished President, Distinguished Guests, Ladies and Gentlemen,

It is a great pleasure for me to address you today in this business forum on behalf of TÜSİAD, the Turkish Industrialists' and Businessmen's Association.

I believe that the meeting will contribute to your understanding and knowledge of Turkey, the leading emerging market of Europe located at the Eurasian crossroads. The meeting will hopefully also highlight the business opportunities between our countries.

With your permission, I would like to give you brief information about the business people's association that I currently and proudly preside:

TÜSİAD is one of the leading non-governmental and voluntary organizations. It represents 44% of the Turkish private sector. TÜSİAD members' companies occupy prominent positions in the Turkish economy. Through its representative offices based in Brussels, Paris, Berlin, Washington and Beijing, TÜSİAD, which is also the counterpart of AIP (The Association of Portuguese Industrialists), follows the economic and political developments in different parts of the world and promotes Turkey's interests in these regions.

Distinguished Guests,

As we all know, we are going through a historic period in time. The world is experiencing drastic changes. The contagious economic crisis has instigated a reassessment and altering of the parameters in the world. We are in the process of moving from an international economy to an increasingly trans-national one.

Economies and politics of developed and developing countries have also become more intertwined than ever. With the rules of the world economy changing, many countries and international organizations are reassessing their political and economic policies.

Turkey is naturally a part of this process of change and I would like to give you brief information about Turkey's latest economic situation and its investment climate in such an atmosphere.

First of all, I should emphasize that the latest financial crisis has found Turkey better than the other emerging economies due to economic reforms made after the so-called 2001 crisis. We registered remarkable progress in the years following this big crisis. The severity of the crisis has persuaded everyone that reforms are essential.

Eventually, several laws were passed that increased transparency of public procurement and established several regulatory institutions to oversee operations of the banking sector, etc. These reforms have increased the competitiveness of the Turkish economy. The fact that these reforms were implemented under the IMF Stand-by agreement, was another factor that elevated global market confidence in Turkish economy.

However, the growth prospects of Turkey have been impaired in the last few years since there isn't any country that is immune to the effects of the recent global financial crisis. In order to alleviate negative impacts of the economic crisis, Turkish Government has introduced new policy measures.

Economic stimulus packages were announced to provide financial support for companies. A set of new initiatives based on industrial and regional priorities were introduced.

The Ministry of Finance and the Central Bank of Turkey pursued expansionary monetary and fiscal policies to stimulate domestic demand and limit the effect of the crisis. Measures to support small and medium size enterprises were introduced.

Tax rates in some important industries were reduced for a certain period of time. The government is planning to take new measures such as credit guarantee fund and capital support loans in the coming days.

On the other hand, we also hope that the IMF agreement will be completed in a short while. After March 29 local election in Turkey, there has been a cabinet reshuffle, signaling a renewed emphasis on the economy. In the light of these developments and measures, we expect that the impact of the crisis will lose force in the second quarter.

What is important at this point is that Turkey is expected to be ready after the end of the crisis in 2010 to offer opportunities for business people planning to invest in the country, with its growth potential, dynamic economic structure and young and motivated human resources. We believe that this transition period is a good occasion to investigate the market, build new partnerships and be prepared for action once the crisis is over.

Coming to our business environment, Turkey has become one of the most attractive and dynamic investment destinations for global investors in the last few years. The amount of FDI with 20 billion dollars in 2006 has placed Turkey in the fifth place among the emerging markets that attracted the highest FDI inflows.

In 2008, FDI inflows to Turkey were 18 billion USD, which is still a sizeable amount under the current circumstances. Being a negotiating candidate for EU membership, Turkey has also been in customs union with the EU since 1996.

Consequently, there is no customs duty for the industrial products and processed agricultural products imposed on the trade between the EU and Turkey. Turkey is a natural “energy hub” in the Eurasia region thanks to its geo-strategic location.

With its highly developed infrastructure in transportation, energy and communication, and its proximity to Europe, Asia and Africa, Turkey has the capacity to contribute to the development of regional trade and stability.

Turkey’s geographic location at the Eurasian crossroads makes it the gateway to the millions of potential consumers in the Middle East, the Balkans, the Caucasus and Central Asian states beside its sustainable local growing market.

Similarly, Portugal is the gateway to the Latin American and African countries, which are Portugal’s traditional markets. Cooperation with Portugal offers mutual potential for our companies in reaching these third countries

We do believe the visit of Portugal President Mr. Aníbal António Cavaco Silva together with a very high level of Portuguese business delegation presents a unique opportunity to realize the potential of our bilateral trade and investment relations.

Dear Guests,

In today's world, taking into account Turkey as a new member of the United Nations Security Council and a participant of the G-20 group in a period as world politics undergoes massive changes, it would be wrong to think of Turkey separately from any European and transatlantic references.

The world of the 21st century will be one where the developing countries will increasingly carry the weight of the global economic growth. Being one of those countries, Turkey should set its sight on becoming one of the architects of the ongoing restructuring of world order.

With the help of its geopolitical position, its membership in strong alliances and its enhanced influence in surrounding regions, Turkey will definitely be a valuable and reliable member of the EU.

Thank you very much for your attention.