**OPENING SPEECH BY MR. M.RIFAT HISARCIKLIOGLU,**

**PRESIDENT OF TOBB, AT THE 71th FISCAL GENERAL ASSEMBLY**

**MAY 2, 2015 ANKARA**

Distinguished Chairman of the General Assembly and Chairmen of the Councils, His Excellency Mr. Prime Minister, Distinguished Chairman of the Republican People’s Party, Distinguished Representative of the Nationalist Movement Party, Distinguished Ministers, Members of the Parliament and Bureaucrats, Esteemed Presidents of Chambers and Commodity Exchanges and the Board of Women and Young Entrepreneurs, Distinguished Chairmen of the Assemblies, and Delegates of the General Assembly, Dear Turkish-speaking entrepreneurs who came all over the world, Dear Members of the Press and Dear colleagues,

I would like to greet you all wholeheartedly on my behalf and on behalf of the Executive Board of TOBB. You honored us with your presence.

**Dear friends,**

As you see, the theme of this year’s General Assembly is the Gallipoli Victory. It is the centennial of the Gallipoli epic, which changed the course of history.

Gallipoli gave birth to the spirit and partakers of the War of Independence. Gallipoli marks the awakening of the Turkish nation; it is the preface of the new Turkish Republic. Gallipoli is where this noble nation taught the world that even wars could be moral.

As the sons of Anatolia fought, they taught others about humanity and virtue. Their bayonets were like pencils. They truly showed to the great powers that even wars have dignity.

We sacrificed a generation in Gallipoli. High school students from Istanbul, Kayseri, Konya, Sivas, Tokat and from many other provinces, volunteered and fought at the front and fell.

Mehmet Akif put it eloquently as follows:

What is this war of Straits? Is there anything like that on Earth?

The strongest armies come in four or five.

Thunders of bombs die down on the chests of brave soldiers, as they pass through the trenches

The generation of Asım, as I said, is a true generation: As you all see, it did not dishonor or defame itself....

Now, we have to ask ourselves whether we are worthy of our martyrs or not. We are standing here thanks to them. We will exist for as long as we are aware of this particular fact and as long as this awareness lasts.

We hereby commemorate with mercy and gratitude Cevat Pasha, the Fortified Position Commander of Gallipoli and “the hero of March 18th”; and all those who laid down their lives first in Gallipoli, then in the War of Independence and who gave us this country, primarily Mustafa Kemal, “the hero of Anafartalar”, Fevzi Cakmak, Kazım and Fahrettin Pashas, Captain Hakkı of Tophane, the commander of Nusrat, Corporal Seyit and brave Mehmets to whom we owe our existence. May Allah bless their souls.

**Distinguished Guests,**

Upon this occasion, I would like to express how discontented I am about the decisions taken by the European Parliament and some other countries on the alleged Armenian genocide.

As the Turkish business community, we do not accept history being written through political decisions instead of consulting to scientists, historians and archives.

Politicians can not write history, nor they can be a referee in historical events. Politics should be interested in constructing the future instead of rewriting the history.

I would like to reiterate that no one can play politics with history. I make my call to all politicians who act like that; Keep your hands off history!

**Dear friends,**

Yesterday, His Excellency Mr. President honored us by participating in our service award ceremony. He gave support and morale to our community.

Today, we take great pleasure in welcoming His Excellency Mr. Prime Minister, the Chairman of CHP and the Acting Chairman of the MHP group. Mr. Prime Minister visited TOBB for three times in the last month.

In April, he presided the Trade and Industry Council Meeting of Turkey, which is the one and only platform where economic problems of all provinces are elaborated.

Then, we were together at the Sectoral Economy Summit of Turkey, which is the sole platform where 60 sectors come together.

Our Prime Minister showed that he has an action and solution-oriented attitude towards the problems as he rapidly brought along solutions during these meetings.

In the Summit, he took a very important step in terms of improving the consultation between the private and public sector. He gave us good news; which is the revival of the Economic Issues Assessment Board (ESDK). Thank you very much!

Likewise, we attach utmost importance to the action plans announced in 25 different fields for the future of our country.

**Distinguished guests,**

I think that it is important we adopt a global perspective during these days during which we are rather introvert.

2015 will be a year of surprises in terms of global economy. There are fluctuations in the economies of the USA, Europe, Russia and China.

However, if there is recovery particularly in the European economies, Turkey will be positively impacted. Before 2015, emerging economies were growing rapidly and developed economies were growing slowly.

This year, all emerging economies, except India are slowing down.

In 2014, 20 largest economies, accounting for 85% of the global production grew by 3.4%. This year, this figure will decrease.

On the other hand, emerging countries, last year, grew on average by 4.5%. This year’s expectation is about 4%.

Recent increase of the oil prices limited the shrinkage of the Russian economy. Nevertheless, they will still experience a contraction.

In summary, there is a global recovery but it is insufficient. I am telling this to everyone; we should be prepared for surprises and keep away from risks.

**Dear friends,**

We have to be two times more prudent and cautious then rest of the world.

Because, all major geopolitical risks around the world happen to take place in the geography around us.

Falling oil prices have a positive impact on our foreign trade deficit but it restricts exports, tourism, investments and the construction business.

Majority of the spearhead indicators suggest that the growth will be frail.

In the domestic market, there is stagnation, and we witness problems of collection particularly when it comes to checks. We have to increase the growth pace in order to surmount these difficulties.

In the second half of the year, as we are going to leave the elections behind and as Europe revives, we hope that the domestic market and exports will have a more positive course and the growth will pick up the pace.

In summary, year 2015 will be a year of ups and downs.

**Distinguished Guests,**

2015 has another particular importance for us. Turkey, this year, assumes the Presidency of G20. Following the assignment given by our government to me, on behalf of our community, I became the term president of B20, the business flank of G20.

We are going through an interesting period. Today, we have come up against numerous global problems. We need a global coordination structure to settle these global problems. That is particularly why G20 is very important.

Because we all know that, only through G20 we can find global solutions for global problems. There is an important opportunity ahead of us that can guide the global agenda and affect G20 leaders.

This year we play at home. Rules of the global economy are set under the leadership of Turkey. To date, CEOs of the multinational giants or clubs of bosses were the presidents of B20. But this year, for the very first time it is going to be us-a Chamber community, representing all the fragments of the business world-presiding B20. This is the most important indicator of the fact that our community is indeed a strong global actor.

As we took office, we rolled up our sleeves and started working. We transformed B20, to which only 250-300 giant companies used to participate, into a great network of 1000 companies.

We did not limit our work only with Turkey. We organized 12 big meetings in 5 continents in order to shed light not only on Turkey but also on B20.

We completed 5 of these meetings. In total, we traveled for 158.000 km, which means we traveled around the world four times. We came together with the leaders of the business community. Thanks to the ownership of our government, we opened the B20, once the club of giants, to SMEs.

Both at G20 and B20, we wanted to elaborate on “How SMEs grow?” and “How SMEs be engaged in partnerships with big enterprises?” and introduced these as main agenda items.

Coupled with that, we also broke new grounds. We gave a start to the establishment of the World SMEs Forum together with the International Chamber of Commerce (ICC).

We are creating an international institution, which will own up to the problems of SMEs, settle these, lobby for them and act like a protector for SMEs. All the governments of G20, the World Bank and OECD supported this initiative.

I would like to extend my gratitude to our Deputy Prime Minster, Mr. Ali Babacan as he stood by us and supported us during these efforts. During this period of time, I once more witnessed and prided myself upon the fact that the governments of G20 and particularly the global financial circles truly hold him in high regard.

Six months ago, some said that Turkey would not make her presence felt during the term-presidency of G20. But today, we showed everyone how Turkey and Turkish business community shapes the agenda both at G20 and B20.

**Distinguished delegates,**

Traditionally, at the General Assemblies of TOBB, we also make self-assessments. Therefore, I would like to touch upon some of the initiatives taken since the last General Assembly. First and foremost, we focused on local development. To this end, we increased the service capacity of our Chambers and Commodity Exchanges.

* Number of 5 star Chambers and Commodity Exchanges, delivering services in line with global standards increased to 191.
* This year, 41 additional Chambers and Commodity Exchanges started with accreditation. When the process is completed, number of Chambers and Commodity Exchanges, delivering services in line with global standards will reach up to 232.
* Total number of projects undertaken by our Chambers and Commodity Exchanges together with the European Union and Development Agencies is 1158, channeling 706 million Turkish Liras worth grants to their cities.
* Our accredited laboratories became worldwide reference labs in tea, olive oil, wheat, pesticide and aflatoxins.
* We want our Chambers and Commodity Exchanges to be the forerunners of local development. We appointed Academic Consultants to our provinces for them to follow the national and global economy more closely and increase their project preparation capacity.
* We initiated Information Seminars to strengthen the notion of service-delivery in our Chambers and Commodity Exchanges. We organized 3-day seminars for approximately 5000 members of the Assemblies.

We are here to serve, we will continue to serve.

**The second issue we give priority is to augment the number and capacity of entrepreneurs for a wealthier Turkey.**

* I will not be humble when it comes to entrepreneurship. The seeds we sow, now blossomed.
* Women and Young Entrepreneurs Boards, which we established to make entrepreneurship a mainstream topic, realized 1300 activities last year.
* Entrepreneurs Boards started giving entrepreneurship trainings in all provinces.
* In order to make new generation of entrepreneurs meet successful entrepreneurs and thus to give them support, we created the G3 Forum and started rolling it out across Anatolia.
* Within the scope of our annual “Turkey100” project, we identify the fastest growing 100 companies of Turkey.
* We are matching these promising companies with US companies in their respective sectors, and facilitating their job of becoming global.
* We established the Garage Incubation Centre within TOBB ETU for youngsters to set up businesses.
* We initiated the 18th Turkish Speaking Entrepreneurs Program, for Turkish-speaking entrepreneurs in the Balkans, the Middle East, North Africa, Crimea and Central Asia.
* Because in these geographies, we want to do business more easily, using our native language.
* And here you see in this hall today, 47 Turkish-speaking Entrepreneurs who came from 21 countries! A warm welcome from all of us to our dear guests.

We focused on bringing along advanced technology to our country.

You know that TOBB University of Economy and Technology is the one and only university that initiated the 3- semester and joint education system in Turkey. Now this system set an example for the entire country.

* TOBB ETU has become a pioneer in advance technology. Let me give you a couple of examples.
* For the first time in the history of the Turkish Republic, we had the first university patent as a breakthrough turned into a product.
* At the Technology Center we established within our university, which is the biggest in Europe, we developed a prototype of an unmanned air vehicle (UAV) that can fly at 17000 feet.
* We produced the fastest microprocessor of the world together with Nagoya University in Japan.
* With the support of the Ministry of Development, we established the biggest “water tribune test design centre” of the world.
* We support the venture capital sector for the establishment of high-tech firms.
* Within this scope, together with the Undersecretariat of Treasury, we are introducing a fund of funds worth hundreds of millions Turkish liras that would be given to high-tech based start-ups.
* Thanks to this new fund to be created for the first time in Turkey, we will support our SMEs with innovative ideas and high growth potential and help them grow.
* We intensified our activities in biotechnology. We set up the TOBB Biotechnology Sectoral Assembly.
* Because we believe that transition to high technology can be realized through horizontal technologies such as biotechnology, nanotechnology and IT.
* These horizontal technologies are very important since they will transform traditional sectors like textile, automobile, construction.
* For this particular objective, we are working together with the Ministry of Development to establish “TOBB Life Sciences and Biotechnology Foundation”.

Our aim is not to import technology but produce it.

We improved the quality and quantity of the services delivered to our companies.

* We increased the support given to SMEs by the Credit Guarantee Fund and Business Development Centers (ABİGEM). We gave consultancy and project assistance to more then 1200 SMEs in a year via 19 ABİGEMs.
* We had initiated the UMEM Skills 10 project, the best example of public and private sector cooperation, together with the Ministry of Labor and Social Security, Ministry of National Education and the Employment Agency (ISKUR) in order to settle the problem of vocational education and qualified workforce.
* To date, we gave trainings to 170.000 unemployed people, and now they have a profession. We also placed 110.000 people to jobs.
* We would like to extend our gratitude to the Minister of Labor and Social Security, Mr. Faruk Çelik for protecting UMEM Skills 10 project.
* So now that our Chambers and Commodity Exchanges are experienced about vocational education thanks to UMEM Skills 10 project, as 365 Chambers and Commodity Exchanges, we are ready to take over the vocational education system.
* We continued with the modernization of the land customs gates to facilitate our export.
* In addition to the 7 customs gates we modernized, we have been building the Çıldır-Aktaş gate to Georgia, Dilucu gate to Nakhchivan and Esendere and Kapıköy gates to Iran.
* On the other hand, Halkalı Customs Gate, which is the biggest centre for customs clearance in Turkey but apparently a problematic place both for Istanbul and exporters is being rebuilt by us in Çatalca.
* Waiting time in these renovated customs gate halved.
* Turkey climbed 9 ranks up in the Logistics Performance Index.
* The United Nations showed this project as an exemplary project to the world.

We also expanded our global relations in order to have more say in the international arena, as the Turkish business community.

* We continued serving as the Deputy Chairman of Eurochambres and the Islamic Chamber of Commerce and Industry and as the Executive Board member of the International Chamber of Commerce, the biggest business community organization of the world.
* Last year, we were elected as the Deputy Chairman of the “Confederation of Asia-Pacific Chambers of Commerce and Industry, comprising 27 countries, which constitute for the newly emerging region of the world.
* As the Union of Chambers and Commodity Exchanges of Turkey, Union of Hellenic Chambers of Commerce and Industry, Cyprus Chamber of Commerce and Industry and Turkish Cypriot Chamber of Commerce, we have established the Nicosia Economic Forum.
* For the first time in history, business organizations of these four countries were on the same table within the scope of this forum, and undersigned the same document. Now we will work on the establishment of the “Nicosia Arbitration Centre”.
* TTIP between the USA and the European Union is of great interest to us.
* We prepared a comprehensive report together with the US Chamber of Commerce, the strongest business organization of US, on the inclusion of Turkey to this agreement or on signing a FTA between Turkey and the USA.
* In the upcoming months, we will release our report to the public and submit it to the US government and to the Congress.

We continued with our social responsibility projects and safeguarded our cultural heritage.

* To date, we are about to complete the construction of 54 training facilities. We will start with the construction 28 new training facilities.
* As you know, Ahi Order - guilds are the foundations of all chamber systems around the world and are a part of the culture, which we, as TOBB, inherited.
* To prevent this culture fade away, we contributed a lot to the construction of *Ahi Evran Kulliye*.
* We forwarded 17 million TL of assistance we collected for the families of miners, who lost their lives in the tragic accident in Soma, to our government.
* Moreover, we bought 18 houses for each miner in Ermenek.
* 25 trucks of aid were sent to Iraqi Turkmens and Palestinians who suffered as result of the conflicts.
* We had enriched the Turkish cultural life as we published the works of our national poet Mehmet Akif, Turkish and Islamic sufi master Yunus Emre and the great master Necip Fazıl.
* This year, we published the Book of Dede Korkut, the biggest and the most comprehensive in this field.
* We constructed the Mimar Sinan and the Selimiye Mosque Foundation, and financed all the repair and maintenance cost of this great heirloom for which we previously undertook the restoration work.
* As long as we live, all these works will eternally find life.

**Distinguished guests,**

All these things I mentioned and many others, which I couldn’t explain were realized since last, May to date, in this one year period of time.

We were able to do all these with the support of all 365 Chambers and Commodity Exchanges and 1.5 million members. Thanks to the unity, solidarity and brotherhood this community portays, we managed to do all these. We did all these thanks to you, filling up this entire hall.

On behalf of this community, I would like to extend my gratitude to our former Minister, Mr. Hayati Yazıcı, with whom we were able to realize all these activities, which lifted all the obstacles in front of the real sector.

Moreover, as the Turkish business community, we would like to extend our gratitude to Excellencies, Presidents, to the Speaker of the Parliament, to the Prime Ministers, Chairmen of CHP and MHP, Ministers, Members of the Parliament and to bureaucrats who worked together and put effort with us.

**Dear friends,**

There are elections within a month. These elections should be the beginning of a brighter future. Our country should once again be in the ascendant; we should encourage our real sector.

Turkey needs a new growth model. We should write a new story of growth by forming a new agenda of structural reforms. We should be able to generate fast solutions to various problems of our companies.

For instance, in public procurement, price advantage is introduced for the national industry. We would like to thank our government for this very positive step.

We have some expectations from the new government and the parliament to be set up after the elections. Abolishing the Resource Utilization Support Fund (KKDF) was a brave step to decrease the input costs of the private sector.

We expect to see similar brave steps taken for stamp tax, advance taxes and TRT share in electricity. We expect that the burden on employment should be decreased to the same level with our competitors. If we are free of the burden on our shoulders, we will run faster for this country.

Legislation on tax system should be simple and straightforward so that we are not subject to different interpretations and arbitrary acts of the bureaucrats. We shall not leave entrepreneurs, who produce, who turn an honest penny to the mercy of bureaucracy, or auditors.

We should own up to those who pay their taxes regularly, so that everyone is encouraged to pay taxes. Let’s reward those who paid their taxes in time.

Legal processes should definitely be expedited. Delayed justice is no longer just. Even the simplest cases last more than a year. For commercial cases below a certain amount, arbitration should be mandatory.

Recently, we experience an abuse pertaining to postponement of bankruptcy and business claims.

Maybe the most important of all is that the businessman will do business in line with the law. He will duly work. And if not, he will be accountable, which is already the case for us.

That said, why would a bureaucrat enjoy impunity, if he acted arbitrarily and unduly made the life of an entrepreneur miserable? Bureaucrats should also pay for their mistake, just like the private sector.

Important investments were made in education. Quantitative capacity was increased. The number of schools and classrooms increased. However, when it comes to the quality of education, we failed to progress.

In the global rankings, our children do not deserve their current ranking in maths and sciences. For us to play in the superior league in economy, we definitely have to improve the quality of education.

As Ataturk once said, “Education sets a nation free, independent, dignified and noble as it also pushes nations into slavery and poverty”.

Our industry needs structural transformation. Majority of our production consists of mid-tech products. Share of high-tech products unfortunately do not increase.

The world, primarily Germany talks about this transition of industry to 4.0, which is the 4th generation industry. These are the footsteps of a new era. Era of inter-machinery communication and decision-making begins.

In this new era, market access processes will rely on less human intervention, more automation, faster decision-making, lesser stocks, more productive and quicker manufacturing.

Fourth Industrial revolution will increase the ties between parts, machinery and human beings, expedite the manufacturing systems, and improve productivity. It will rapidly increase the income level, employment and investments.

Those countries that manage to adopt themselves to this new era will each year be 5-year ahead of other countries. Turkey should not be left outside this great transformation.

This is the means to increase 10.000 dollars of per capita income to 25.000 dollars. Within this framework, we think alike when it comes to the “importance of innovation”. Now it is time we focus “how we will innovate”.

If we determine areas where Turkey can be strong, like primarily biotechnology, and collaborate within the scope of a strategy, we can free ourselves from this mid-income trap.

**Dear friends,**

We should make sure that the limited sources of our country are channeled towards industrial investments, rather then areas of low value addition.

Special programs should back industrial activities with high added value. For the transportation of exports, freight and fuel oil support should be given to our industrialists. Railway connections of the Organized Industrial Zones (OIZ) should be increased in number.

High volatility in exchange rates, have a negative impact on the investment and production decisions of our companies. Precautions should be taken accordingly.

For our exports to the Middle East and North Africa, we experience problems about the transportation routes.

In order to access these markets and preserve our dominant place, we need these transportation routes to be kept open as well as further alternative routes.

Upon every occasion, banks are trying to introduce new costs. In the past, the banks would only adjust the interest rates. Now we have this new trouble; the transaction cost.

Although the public authority is trying to restrict these practices, they find alternative ways. Banks, do not forget! You exist if SMEs exist. Drop out this remorseless attitude of yours, which always puts your interests above the others.

At this moment, I would like to make a self-criticism. I would like to make a call to SMEs from here. Just like human beings, enterprises when trapped in the daily works, miss the big picture.

Scales of our SMEs must continuously grow to manage the risks and to seize the opportunities of a new era. There is only one road that goes there, which is unity and learning the culture of partnership. Otherwise we will lose a lot.

**Dear friends,**

2015 elections must mark a milestone for Turkey to be up on her feet again. After June, we have 4 consecutive years without elections. We must seize this opportunity.

This period should accommodate strong reforms instead of harsh discussions. We must speed up for a freer and more prosperous Turkey.

On the other hand, the new parliament should focus on revitalizing the EU accession negotiations. Fulfilling the economic, political, social criteria should be our common goal.

Required reforms should be realized with the participation and reconciliation of all parties.

We have to do this for our own sake, despite the visionless, wrong, unacceptable attitude of some EU Member States’ leaders, because Turkish people deserve to live in line with the EU standards. We believe in this, we will definitely come through.

Freedom and democracy are the foundations of all. That is why we will safeguard and strengthen democracy.

**Dear Guests, Distinguished Members of our Community,**

The most powerful aspect of Turkey is the spirit of entrepreneurship. The true representatives of this spirit are in this hall right now!

We do not have natural gas, or oil. But we have brave people who dig through mountains, see beyond the horizon and render the impossible possible.

We can not be pessimistic, we can not be hopeless. Because, our ancestors were no quitters, instead they made history!

We work day and night for the love of serving to Turkey. We are tradesmen who open their shops with “prayers”, do the first sale of the day while reciting “bismillah” and leave at the end of the day “thanking God”.

We are entrepreneurs in pursuit of honest earnings, who turn their backs to ill-gotten money. We are SMEs, entrepreneurs, industrialists of Turkey who sacrifice months and years to make “this country one lira wealthier”.

We are the children of this land. We are in 7 regions, 81 provinces,4 seasons. We represent all colors of this country from Mount Ararat to Menderes Plain, from İnceburun to İskenderun.

Late Özal used to say: “Our people is like fire. They set fire wherever they touch as long as there is nothing in the way”. Likewise, as the obstacles were removed, we produced. As we produced, we competed.

As we competed with the world, our workers earned, our people earned, Turkey earned. Turkey will continue to earn.

I have hope. We have come a truly long way, and we will move ahead. We were crawling, we walked, and now we will outrun everyone.

I have hope. Turkey will become one of the top economies of the world. We will work, we will produce, we will compete and make this country wealthier.

I have hope. Our export volume will be 500 billion dollars. We will produce at least “10 Turkish brands”, acknowledged around the world.

We will embellish the streets of Paris, avenues of New York, squares of Shangai with Turkish brands.

Turkey is our cause, Turkey is our love. God willing, we will succeed together. We will succeed with the same spirit, with the same enthusiasm!

May Allah render our hearts rich, our efforts and earnings fruitful, and the unity and solidarity of our country perpetual. May Allah speed us! May Allah bless us!