



Business

Gül reaps billions from business deals in China

Turkey's President Abdullah Gül's official visit to Asia's dragon economy, China, has borne fruit even before its completion.



After signing seven cooperation agreements with China, on energy, banking, finance and culture, during his official talks with Chinese President Hu Jintao on Thursday, the president supervised the signing of six business deals worth a total of \$1.5 billion yesterday. Adding in the deals on which talks are still under way, it is estimated that the total value of business deals signed during Gül's visit to China will reach \$3 billion.

The first stop on President Gül's trip yesterday was a Turkish-Chinese business forum in Beijing. Delivering a speech at the forum, the president recalled the commitment of both nations to improving their relations in all fields. "Although the two countries are far away in distance, the important thing is the political determination to improve bilateral economic relations. The Chinese state has so far clearly indicated this determination at the highest level," Gül noted in his speech.

He said the statesmen of the two countries have constructed a highway of legal and political groundwork that businesspeople from both nations may use as a trade bridge.



President Abdullah Gül poses with a group of Turkish and Chinese businessmen after the Turkey-China Business Forum on Friday. The gathering resulted in six business deals valued at \$1.5 billion.

The Turkish president pointed to the potential for business between Turkey and China, while asserting that the total size of direct investments by Chinese businessmen in Turkey was far from being satisfactory, with a total volume of only \$60 million. "That is as much as the annual turnover of an average company in Turkey," Gül said.

In his address at the forum, the president also touched on the global economic crisis. "We have to hurry up and recover from

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the crisis but not disregard the necessity of being prepared for the post-crisis atmosphere," he said. That being said, the president urged both Chinese and Turkish businessmen to make decisions on mutual investments before the crisis ends.

After the president, Turkish Foreign Trade Minister Zafer Çağlayan walked to the podium and spoke about the advantages of recent incentives introduced by the government.

He, too, was eager to call on Chinese businessmen to exploit the benefits of doing business in Turkey. Çağlayan recalled Turkey's projections that it would spend \$128 billion in the energy sector throughout the next decade, making it an alluring business opportunity for the Chinese. Turkey could also be utilized as a production base for both the burgeoning domestic market and a vast market stretching from the Middle East to Europe, the minister underlined.

Turkish Union of Chambers and Commodity Exchanges (TOBB) President Rifat Hisarcıklıoğlu also drew attention to the same point. "Do you know of any other place on Earth that can deliver your containers to five different regions in just two days?" he asked the Chinese businessmen attending the forum. "Come on. Let's become strategic partners and talk about strategic joint investments," he stated.

At the end of the talks, the forum became the stage of a signing ceremony for six business agreements worth a total of \$1.5 billion.

The business deals were an agreement between China National Electric Equipment (CNEEC) and Çolakoğlu Meteoroloji on the construction of a \$300 million thermal power plant; between CNEEC and Cenay Group on the construction of a subway in Turkey and highway and energy investments in Azerbaijan, two projects worth \$750 million in total; a marble trade agreement and a construction deal between Asia China Ltd and Sinotrade, with a total value of 230 million euros; trade of steel products between Min Metals and Promeks worth \$15 million; another \$15 million deal between Sino Steel Cooperation and Promeks for trade of steel products; and a deal between Menniu and the Turkish Hazelnut Promotion Group to increase the use of Turkish hazelnuts in Chinese milk products -- envisaging the use of 50 tons of Turkish hazelnut in milk products.

Speaking to a Cihan reporter, Çalık Holding Chairman Ahmet Çalık opined that the trip was "very fruitful and just hit the spot" with respect to its timing and the results. He said more positive consequences will be revealed soon.

Gül also had a meeting with executives of the European Union Chamber of Commerce in Beijing. The closed-door meeting lasted for one-and-a-half hours. European businessmen informed President Gül of commercial activities and investment opportunities in China, officials said. Gül, on the other hand, invited Chinese businessmen to invest in Turkey, saying that doing business in Turkey means doing business in Europe. Turkey is currently proceeding with full membership negotiations with the EU and is expected to successfully conclude talks in a decade. "China can obtain easy access to European markets by investing in Turkey," he said.

Turkey's flagship carrier, Turkish Airlines (THY), is poised to increase the number of passenger flights to China each week to 21, just a couple of weeks after raising the number of flights to this large Asian country from seven to 10.

In a statement to the Cihan news agency, THY Chairman Candan Karlıtekin said President Abdullah Gül and Chinese President Hu Jintao had made an agreement to dramatically raise the number of THY flights to China in an attempt to make the two nations closer.

President Gül is currently in China with the aim of providing Turkey new business opportunities while improving diplomatic relations. Under the agreed terms, THY will organize seven flights to Beijing, seven to Shanghai and seven to Guangzhou per week. Beijing and Shanghai were already hot destinations for THY, but Guangzhou has recently become a point of interest for Turkish businessmen, especially because of the economical products made and exhibited there. The decision between the two rulers will soon turn into a concrete agreement between the civil aviation institutions of both countries, Karlıtekin said. He also added that the number of cargo flights to China would also increase, from four to seven.

Meanwhile, THY is also considering increasing the number of weekly passenger flights to the largely self-governing Chinese territory of Hong Kong, which is a cardinal center of finance in the Far East, from four to seven, one each day of the week, in 2010.

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