

TURKISH AND RUSSIAN BUSINESS WORLD CONVENED IN THE BUSINESS FORUM HELD IN İZMİR

Turkey-Russia Business Forum, hosted by DEİK/Turkey-Russia Business Council, was held on August 18, 2017 in Izmir with the participations of Russian Federation Tatarstan Republic President Rustam Minnihanov, Republic of Turkey Minister of Economy Nihat Zeybekci, Russian Federation Minister of Economy Aleksandr Novak, Republic of Turkey Minister of Science, Industry and Technology Dr Faruk Özlü, Russian Federation Minister of Industry and Trade Denis Manturov, Republic of Turkey Ambassador to Moscow His Excellency Hüseyin Diriöz, Russian Federation Ambassador to Turkey His Excellency Aleksey Yerhov, DEİK/Turkey-Russia Business Council President Tuncay Özilhan and Russia-Turkey Business Council President Ahmet Palankoyev. 5 different parallel sessions with the themes of energy, industry, tourism, contracting sector, free and private economic regions were held within the scope of the Business Region in where approximately 1000 Turkish and Russian representatives of business world have participated.

Russian Federation Tatarstan President Rustam Minnihanov delivered an opening speech in the forum and stated that they have participated to the Business Forum with an extensive delegation and reminded that he always provided his support for the development and improvement of the relations between Turkey and Russia. Minnihanov further said, “We have celebrated the 25th Anniversary of the Cooperation Agreement in May this year that was concluded between both parties. We also have realized reciprocal delegation visits. Nowadays, the cooperation and collaboration between Tatarstan and Turkey successfully proceeds. We think to put new projects into effect within the scope of this forum. We further believe that we are able to relocate our cooperation on the areas of construction, informatics, healthcare tourism and the contracting business to distinct areas. Tatarstan is in the leading position within Russian Federation in terms of investment atmosphere. We are required to make use of the current potential even more effectively and efficiently. We hope that Turkish business world will develop projects in Tatarstan. Therefore we are ready to provide you with the required assistance.”

Republic of Turkey Minister of Economy Nihat Zeybekci, in his speech in the Forum, assessed the level of both countries accomplished upon the tension and escalation experienced by both countries in 2015. Zeybekci stated, “Russia and Turkey are share a similar fate together. They are not rival countries instead they are supplementary for each other. One has what other does not have. As immediate as possible, we would like to leave behind the time we lost due to prohibitions and impediments.” Minister Zeybekci further said, “Today we have seen and acknowledged that we are very close to return back to the atmosphere we had prior to November 2015. We have proceeded to a satisfactory point except some trivial and minor difficulties. Our bilateral trade volume has increased by around 30% in the year 2017. I believe we will be able to reach to the trade volume prior to 2015 in the year 2017. I also consider that we will be able to accomplish a tourist number of over 4 million in 2017. However, the principal objective is 100 billion USD in bilateral trade. We believe this target is far from being unattainable. We have an incredible potential particularly in agriculture, greenhouse cultivation, metallurgy and petrochemistry and thus a substantial economic value will be revealed accordingly.”

Minister of Economy Zeybekci furthermore called for the conclusion of the Free Trade Agreement progressing with firm steps between both countries and the development of relations with Eurasia Customs Union. Minister Zeybekci mentioned that they expect a solid increase in trade capacity with Turkish Lira and Rouble. Zeybekci further noted, “We would like to be in a better position in the

Joint Economic Commission to be held in October 2017. We are required to prove to everyone that 'only Turks and Russians can do it'. The deeper the economic relations are the less impact of the political crises is. Instead of selling fish to each other, we should consider fishing together."

Russian Federation Minister of Economy Aleksandr Novak stated in his speech, "More than 300 participants joined the Russian delegation for this Forum. High ranked senior businesspeople and bureaucrats have arrived. Our participation to the fair shall contribute for the relations between both countries to gain momentum. We are seeing that a positive environment is being created. We have endeavoured for the rehabilitation of Turkish-Russian relations."

Novak addressed to the matter that the trade volume between both countries will be reached to 100 billion USD and stated that an increase of 27.5% is experienced in the trade within the first 6 months of the year 2017 and this increase indicates a prospective potential accordingly. Novak further noted, "I contemplate that we will be able to accomplish the increase of number of joint projects by means of co-funding of both countries. Construction, infrastructure and healthcare are considered to be the most important areas. Turkish Stream project has been progressing accomplishedly. Pipeline works have been initiated on the Black Sea coast in May. Akkuyu project is also of high importance and guiding. Innovative works are performed within the project. Our cooperation is multi-dimensional. Likewise, our cooperation in conventional sectors is also proceeding. Relations in tourism and construction business are persevered. We are grateful to see that impediments are overcome accordingly."

Republic of Turkey Minister of Science, Industry and Technology Dr Faruk Özlü emphasized that great number of businesspeople arriving from Russian Federation is an indicator for the appreciation and value given to the relations of both countries. Özlü noted, "For us, relations have meanings beyond neighbourhood. Consultations and cooperation shall be accomplished throughout the Business Forum. Turkish and Russian businesspeople have been recognizant of each other for a very long time throughout the history. We currently have cooperation and collaborations in numerous sectors already. Turkish businesspeople carry out distinct projects and businesses not only in our region but also across the entire world and they are seeking after opportunities on global scale. Downfall of our trade volume from an average of 30 billion USD within the last decade to 17 billion USD in the year 2016 greatly saddened us. Our first objective is to increase it to the same level and our ultimate objective is to increase it to 100 billion USD."

Republic of Turkey Ambassador to Moscow His Excellency Hüseyin Diriöz said in his speech, "Turkey-Russia relations have gone through the recovery period after the compelling challenges encountered within the recent period. The relations have proved its substantiality due to intensified dialogues sustained by the bureaucrats and businesspeople from both countries. We witness to reflections of the multi-dimensional bilateral relations within numerous areas from textiles to construction business. The significance of investments of Turkish businesspeople that will directly enhance Russian nation's welfare is quite high. I would like to remind you that reactivation of visa exemption practice is the expectation of the business world. I believe investments to be done within the third countries by means of Turkish-Russian cooperation shall relocate the relations between both countries to a distinctive dimension. I further believe that talks and discussions to be done by Turkish and Russian businesspeople today will transform into solid cooperation and collaborations accordingly."

Russian Federation Ambassador to Turkey His Excellency Aleksey Yerhov stated that bilateral relations have attained a new qualification. Yerhov further noted, "Yesterday, officials from the Ministries of Economy and other Ministries have deliberated cooperation and collaboration opportunities in great deal of subjects for long hours. Our countries have a huge potential. Large-

scale projects prove this matter accordingly. Another examples for this are Akkuyu Nuclear Power Station and Turkish Stream projects.”

DEİK/Turkey-Russia Business Council President Tuncay Özilhan stated in his speech that trade and economic relations between Turkey and Russia are going back many years to 1930s, however these relations have transformed into the most important factor determining the economical dynamics of the Eurasia region. Özilhan, mentioning that reciprocal investments have increasingly been diversified, further noted that realization of large-scale projects within the energy field owe their success to firm steps taken and Russia is the country in which the Turkish contractors undertake the most projects. Business Council President Özilhan, stating that Turkey and Russia are substantial industrial countries, further noted, “It is an undeniable reality that we are behind the countries that are pioneering and leading the new industrial revolution in terms of technological infrastructure. The primary subject that we require to place an emphasis to make up the difference between and for successful and smooth transition to Industry 4.0 is innovations. As Turkey and Russia, we are required to cooperate with each other more closely and produce joint projects in scientific-technological subjects.”

Russia-Turkey Business Council President Ahmet Palankoyev raised a concern about the importance of reciprocal investments. Palankoyev noted, “We would like to have businesspeople of both countries to get together closely and therefore we will continue these visits each year. This year, Russian delegation is represented on a high level and this proves the high importance we placed on this. Our main intention is to reveal the potential. We would like to establish cooperation also in agriculture. We started to accomplish the potential in tourism we used to have previously.”

Upon the opening chapter of the forum, cooperation agreements and agreements of understanding with respect to company establishment within 6 distinct areas, energy, industrial manufacture sectors have been signed accordingly.

Turkey-Russia Trade Figures (Ministry of Economy -2016)

Exports from Turkey to Russia: 1.7 billion USD

Main export items: Fruits, vegetables, components and accessories for land vehicles, textile and petroleum products

Imports of Turkey from Russia: 15.1 billion USD

Main import items: Oil and petroleum products, anthracite coal, aluminium and iron

Total Foreign Trade Volume: 16.8 billion USD

Foreign Trade Balance: 13.4 billion USD in favour of Russia