

**Turkish – German Trade and Economic Partnership****DEİK / Turkey – Germany Business Council - German  
Association for Small and Medium-sized Businesses (BVMW)****02 June 2020, 12.00**

**Chairman of DEİK Turkey- Germany Business Council Mr. Steven Young,**

**Head of Public Affairs and Foreign Trade of BVMW Mr. Andreas Jahn,**

**Chief Economist of BVMW Dr. Hans-Jürgen Völz,**

**Federal Managing Director of BVMW Mr. Markus Jerger,**

**Dear Participants,**

Thank you for the introduction Steven,

As President of Foreign Economic Relations Board DEİK may I also welcome our members and valued guests, Mr. Jerger (Yerger), Dr. Völz and Mr. Jahn (Yağn) and of course my dear friend Steve, to this joint session. Thanks in particular to our partner – the BVMW– for co-hosting today's discussion.

Let me start with a brief introduction of DEİK.

DEİK is a business platform that has been continuing its activities on a voluntary based private sector membership for 35 years. In order to increase investment and trade between countries, we continue our work

with an understanding of “business diplomacy”. We have 146 country to country business councils all over the World, such as Turkey – Germany Business Council.

Coronavirus represents a global paradigm shift in the way we do business. Now, more than ever, companies will need to be increasingly mobile. That means thinking digital and building in resilience. Business will need to make significant changes as consumer habits change, supply chains readapt and restructured.

What have we done so far and why we did it and what is the result?

Daily, I spend 8 to 10 hours on average for video conferences and meetings... That goes on with our business council members, with ambassadors and trade missions and time to time with our Ministers. We have been actually working harder than ever.

Honestly, we were anxious in the beginning, we spoke about that a lot during the first video meetings. Then of course we went on discussing the issues and problems on production, supply chains, customs, finance, the personal protection equipments, and so on.

We also discussed possible solutions in these meetings; networking and information sharing enabled us to convey this information immediately with the authorities, with the ministries, and in many cases directly with the ministers. So, once the solution is found and immediate and effective action followed. This means not only weathering the storm, but also seizing the opportunities that grow from it.

We have 83 plus 3 million with refugees, totally 86 million inhabitants in Turkey. Even one human life is too much important and counting down the deads is not a good method but unfortunately we do.

So far, we lost about 4.600 people, 130.000 recovered out of 165.000 and 600 people in intensive care and the numbers are going down. The capacity of our hospitals never exceed more than %55 of total capacity even at the worst days.

We never stopped the production and we never stopped the logistics which was so essential even though the capacities were not full as they were before. Of course, service sector unfortunately was the most affected one, following some other sectors have been affected which works with international brands.

Last week, we got the announcement of first quarter Turkey's GDP results where our economy grow up %4,5 while we normally had started the first 3 months very positively and if this Covit-19 had not started, we possibly would have a GDP growth of %6. When I look around the world, I did not see a positive percentage like ours while there are even %9 loses.

Of course, second quarter will possibly be negative, third quarter a recovery, last quarter again positive and I believe, we will close this year again with something plus growth percentage, not negative.

Comparing worldwide figures, especially with G20 countries, it seems we managed well so far.

When we come to Turkey and Germany side;

Turkey has always been a gateway, with a large, educated workforce. Germany, in turn, is an industrial powerhouse and Turkey's largest economic partner. I believe, now our countries have better opportunity to join forces for the benefit and prosperity of both economies. Together, we can turn mainly our SMEs into competitive players on the world stage.

Germany Trade and Invest Agency recently highlighted Turkey as a key partner for Germany as part of the inevitable reshoring that will occur in the coming months and years. The future of Turkey's and Germany's SMEs – and therefore the health of our economies - will depend on how well we manage the aftermath of this crisis.

During Chancellor Merkel's visit to Turkey at the end of January we were able to make the case for growing the level of trade and investment. It was agreed. But how should we go about this? While our governments can provide support, by removing bureaucratic and political obstacles, we should not rely on the state alone. The driving force must come from the private sector.

While there is still potential for development, it is an investment that has clearly paid off: the performance of Turkish SMEs was recently praised by the EU for being "above the EU average" on entrepreneurship, and on par with the EU average on skills and innovation, responsiveness and internationalisation. Our SMEs are keen to align with the European Union on trade and industry values, with a view to increasing future collaboration.

The current pandemic has reminded us that SMEs are at the core of our countries' ability to survive. SMEs should work more closely together on the exchange of innovation and best practice. In this time of political and

economic uncertainty, our future prosperity and stability will depend on our ability to exchange knowledge and international cooperation.

I do not know which sectors will be the leading ones after Covid-19, but what I believe is, the one who guaranteed the supply chain and got the confidence of it's counterpart during this pandemic, will certainly be the winner. Therein lies a big opportunity for German companies in Turkey.

I hope this meeting gives an insight for what can be achieved together.

I would like to now pass over to our distinguished guests, Mr. Markus Jerger, Dr. Hans-Jürgen Völz and Mr. Andreas Jahn to introduce themselves and BVMW.

Finally, will you all please excuse me since I have to leave the webinar a bit early, without interrupting anyone, since I have another online meeting with our World Turkish Business Council-DTIK at the same time, where I'll be the moderator.

Thanks again.

**President of DEİK**

**Nail OLPAK**