

Virtual PPP Week 2020

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**The Head of Free Zones, Overseas Investment and Services from
Ministry of Trade Mr. Murat Nesimođlu,**

Chairman of İstanbul PPPCOE Dr. Eyüp Vural Aydın,

**Vice-President to the International Sustainable Resilience Center
(ISRC) Mr. David Baxter,**

Chairman of OECD Infrastructure Forum Thomas Barret,

Dear Participants,

Thank you.

Firstly, I wish healthy days for all of us. I think we realized the importance of being healthy more than ever being effected by Covid-19 and lately by the earthquake we had recently. My condolences and also wishes for soon recovery for all effected ones.

I'm glad to meet with you one year later even if it's virtual, for the fifth time. And, I would like to greet you all, on behalf of the Foreign Economic Relations Board of Turkey (DEİK), at the Virtual PPP Week.

It's my honor to welcome our panelists and participants from 60 countries including significant decision-makers in both the public and private sectors today.

Thanks to our Trade Ministry, Islamic Development Bank, World Bank, our PPP Committee and Istanbul PPPCoE and all organizations for their supports to make this event possible.

Each of you offers a unique and telling perspective that we appreciate very much, and all of us at DEIK are so thankful that this video technology has brought us all together to discuss these extremely important matters.

We'll bring together virtually the contracting, technical consultancy, law and project consultancy sectors with the country representatives participating in our program to share our experiences in the model of PPP to potential markets, for 5 days.

I wish the event a great success and all participants' rewarding time.

I'd like to say a few brief words before we begin the panel discussion.

Famous philosopher Lao Tzu (*Laotzi*) says, **“Life is a series of natural and spontaneous changes. Don't resist them; that only creates sorrow. Let reality be reality. Let things flow naturally forward in whatever way they like.”** That sounds good. Everything is changing; we only need adaptation instead of resistance. Covid-19 also brings our lives a lot of changes. Let me give some examples.

We were all speaking about Globalization for years where we started to speak about Glocalization lately and it seems we'll concentrate more on that after this pandemic, this is first.

Second, it seems, not only our daily habits or style of doing business is moving to some new normal, but also finance sector including Federal Banks role is being effected since they started direct investment support programs which was not so usual so far.

As third, we've been speaking about Economics of Scale when we're speaking about competition and so on, but now we really realized the problems of bounding to one big supplier.

Finally, we've been speaking about being near or far, being cheap or expensive but, we realized the importance of availability.

And as my comment, we don't exactly know which sectors will be the rising ones although we have some important idea, but the one who secured the supply chain and the built up the real trust to the counterparts will be the winners and the key word will be trust.

Dear Participants,

Let me move on to PPP but not in details since we have experts here. The PPP model that run by our country, seems becoming an important center of excellence.

We appreciate the valuable experience in the model of PPP of Turkey that has finished approximately 100 PPP projects for \$ 100 billion, over the past 15 years.

Today, when we look at Turkey's PPP experience, we see that we have made significant achievements recognized on a global scale.

In Turkey we use various models of PPP in different sectors. We use Build-Operate-Transfer (BOT), Build-Operate (BO), Transfer of Operating Rights and Build-Rent-Transfer models in PPP projects.

Turkey's transportation infrastructure is going through a tremendous transformation process and it puts the Build-Operate-Transfer model into practice via enormous projects such as 1915 Çanakkale Bridge, Istanbul Airport, Eurasia Tunnel Project, Gebze-Orhangazi-İzmir Highway Project, North Marmara Highway, Baku-Tblisi-Kars Railroad Project, Edirne-Kars Railroad Project and Marmaray. Besides these mega-projects BOT model is also used in constructing custom gates, marinas and drinking water dams.

In health sector, Turkey has also undertaken significant reforms in recent years by building integrated healthcare campuses (or city hospitals) in major cities through build-rent-transfer model of PPP and we witness that how useful these hospitals are especially during the pandemic.

Turkey used build-operate model of PPP in energy sector for thermal electrical energy generation facilities.

As Turkey has ambitious targets to upgrade its infrastructure we expect more and more projects will be on pipeline in different sectors in future.

By the way, I would like to express that, besides supporting PPP Projects as the President of DEİK and myself, I am also a partner of a large PPP Project with my company. I have the experience of what kind of opportunities it gives, what kind of problems can arise if it is not managed well.

If I go back to the changes and effects of the pandemic on our lives, Covid-19 has brought some possible changes in the model of PPP. There are some points, we should mention on that:

- We understand the importance of cooperation after force majeure discussions.
- We realized that, we should invest in the infrastructure sector and run public projects for economic recovery.
- We also realized that how important the financing of the private sector and fair risk dispersion.
- UN sustainability principle and human-oriented PPP projects become more important for the future.
- PPP model can be applied in sectors such as tourism, industry, technology and smart city projects.
- Multinational banks are going to work more than before.
- Intercessor private sector should play a reassuring role.

Dear Participants,

Before ending my speech, let me give brief information about DEİK.

As you already know that, Foreign Economic Relations Board, DEİK, is a business platform that has been continuing its activities on a voluntary based private sector membership for 35 years. And we continue our works

with an understanding of “**business diplomacy**”. We have 146 country to country based business councils all over the world.

And our PPP Committee was founded in 2015 carrying on its activities and today is acting under the leadership of Dr. Eyüp Vural Aydın in order to convey to the public the requests or suggestions we receive from the PPP private sector, also the export of the PPP model in cooperation with the public and so on. I would like to thank the valuable team for their devoted work.

As we’re doing today, during the pandemic, we as human beings, we all find a way like I mentioned. And now we’re having all the activities on these video conferences. As DEİK also we’re doing the same. Average; let me see that, we’re having maybe 5-8 meetings daily that goes on with our Business Council Members, Ambassadors, Trade Missions and time to time with our Ministers. We have been working harder than ever.

I wish fruitful PPP Week that is going to continue for the next 5 days.

Thank you for all.

Nail OLPAK

President of DEİK