

TÜSİAD newsletter



TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION

ISSUE 22

PUBLICATION DATE:

January-June 2004

Activities

TÜSİAD's 2004 General Assembly: Ömer Sabancı, New President
Page 1

The First High Advisory Council Meeting of 2004
...

Federation of Industrial Associations
Page 2

Seminar on "Global Development in the Post-Cancun Period and Turkey"
...

TÜSİAD Visit to Netherlands
Page 3

Seminar on Turkey's Harmonization to Customs Union
...

TÜSİAD International Meeting with ULIE
Page 4

Seminar with Danish Industry (DI)
...

The Conference on The Greater Middle East and the Future of the Transatlantic Relations
Page 5

The Conference on Turkey and European Security
...

The Conference on the Future of the Turkish-American Relations
Page 6

Seminar on "Consumer Satisfaction: Product Safety"
...

Entrepreneurship Congress
Page 7

"Youth and Europe Day" activities in Diyarbakır
...

Seminar On Responsibilities of the Board of Directors
Page 8

Meetings of TÜSİAD International-Confindustria Joint Committee for Trade and Investment
...

The Seminar on Inflation Accounting: Practice and Problems
Page 9

BDI Visit to Turkey
...

UNICE Council of Presidents Meeting
Page 10

Publications

Towards EU Membership Brochure
...

Görüş Issue 58 (February-March 2004)
Page 11

Representations

Ankara Representation
Page 12

EU Representation
Page 13

US Representation
Page 14

Berlin Office
Page 15

Paris Office
Page 16

Activities

TÜSİAD's 2004 General Assembly: Ömer Sabancı, New President



Mr. Tuncay Özilhan and Mr. Ömer Sabancı

The General Assembly of TÜSİAD convened in İstanbul, on the 22nd of January. The Assembly commenced with the opening speeches of Muharrem Kayhan, Chairman of the High Advisory Council and Tuncay Özilhan, Chairman of the Board of Directors. Cemil Çiçek, Minister of Justice was the guest at TÜSİAD's 34th General Assembly where the members of the Board of Directors and the High Advisory Council were elected.

Chairman of TÜSİAD's High Advisory Council Muharrem Kayhan evaluated the history of TÜSİAD in his speech. He stressed that in times of economic and political fluctuations TÜSİAD kept its focus on the country's long-term objectives. Through this approach TÜSİAD acted as a lighthouse helping Turkey find its way during stormy times. He added that TÜSİAD followed governments closely and expressed its views and suggestions continuously. He continued his speech by underlining that TÜSİAD has carried out many scientific studies that analyze Turkey's problems and that suggested solutions. It

is possible to find the foundations of the ideas that led the way to the reforms carried out today, in the reports TÜSİAD presented to the public in the past. He said that TÜSİAD tried to constitute a bridge between Turkey and the rest of the world, to help foster foreign relations and put special emphasis on keeping contact with equivalent institutions for relations with the EU, the USA and neighboring countries. The realization of Customs Union, the approval of Turkey's EU candidacy in Helsinki, the strengthening of relations with the USA, the nearing of a solution to the years long Cyprus issue, all these could be made possible through a process, which also involved TÜSİAD contribution.

Tuncay Özilhan Chairman of the Board of Directors of TÜSİAD spoke about Turkey's agenda and the activities of TÜSİAD during his three-year presidency.

Özilhan also stressed the importance of a few points for the future by underlining that the real reforms are only possible if the new system is applied in compromise. Mr. Özilhan said that democracy should not be viewed as a concession made to the west. He also added that we have to accept democracy and human rights in western standards and the necessary institutional and structural modifications, the development of non-governmental organizations and their participation in the administration.

Ömer Sabancı who was elected the new Chairman of the Board of Directors of TÜSİAD in the General Assembly, also made a speech at the end of the meeting. Ömer Sabancı thanked Tuncay Özilhan for his successful term of presidency. Sabancı said that TÜSİAD's primary mission would be to take steps on the country's

European Union path. Sabancı urged a democratic state and an efficient judicial system in Turkey.

The guest of the General Assembly Mr. Cemil Çiçek, Minister of Justice gave a speech after the meeting at the luncheon. Cemil Çiçek said in his speech that a new constitution would

have to be approved with a majority in the parliament. Çiçek stated that one of the biggest dangers the world faces is extremism. He pointed out that Turkey's approach is the most important antidote against extremism in the Moslem world. The Minister of Justice also mentioned the urgent need

of dealing with articles in the constitution, which should be amended through the reform packages and stressed the importance of political compromise in constitutional amendments.

The First High Advisory Council Meeting of 2004

The Turkish Industrialists' and Businessmen's Association (TÜSİAD)'s first regular High Advisory Council meeting for the year 2004 was held in Sabancı Center on June 30, in İstanbul. Muharrem Kayhan, President of the High Advisory Council and Ömer Sabancı, Chairman of the Board of Directors of TÜSİAD, delivered the opening speeches.

Muharrem Kayhan President of the High Advisory Council noted that in general the government had been successful so far. Kayhan said that Turkey needed a broader vision and an agenda for the next 5-10 years to be put forward. He continued, "The objective of the agenda should be to find genuine solutions to fundamental issues, to make advances in necessary areas and to become one of the developed countries. Without doubt the European Union will be the first item in the agenda. Inevitably, all the

institutions will have to focus on necessary operations to start negotiations. Therefore, a roadmap has to be drawn". Muharrem Kayhan noted that TÜSİAD would also restructure itself accordingly. In addition Kayhan urged the government to take up the issue of parliamentary immunity and the laws on election and political parties without delay.

Ömer Sabancı, Chairman of the Board of Directors of TÜSİAD said in his speech that the time had come to stop and check our direction in terms of the Turkish economy. Sabancı put emphasis on achieving sustainable economic growth, starting preparations prior to accession negotiations with the EU and on facing the challenges that globalization and international competition bring about.

Ömer Sabancı said that relations with the IMF needed to be continued

after 2005. Moreover, Sabancı pointed out to the need of a perspective that would provide minimum 5 percent annual growth and a 2,5 percent increase in employment annually for the next 10 years. He also urged the government to focus its works on preparing Turkey's middle and long-term future.

Ali Babacan the Minister of Economy also joined the High Advisory Council meeting as the guest speaker. The honorary guest of the lunch after the meeting was Jacques Schraven, the President of the Confederation of Netherlands Industry and Employers (VNO-NCW). Jacques Schraven gave a speech at the luncheon. Schraven said that he could not see any obstacle to the start of negotiations with Turkey. He added that the Netherlands would not cause any difficulties in Turkey's start of negotiations for membership to the EU.

Federation of Industrial Associations

Following the changes in Law of Associations and Turkish Civil Code it became possible for associations that are operating in same areas to form federation and confederations. Accordingly, ten sector associations, which are the members of TÜSİAD's Platform on Sector Associations, formed Federation of Industrial Associations on 7th May 2004.

The founding members of the federation are Turkish Chemical Manufacturers Association, Iron and Steel Producers Association, Footwear Industrialists Association of Turkey,

Turkish Contractors Association, Turkish Pharmaceutical Manufacturers Association, Turkish Tourism Investors Association, International Transporters Association, The Ceramic Tiles Manufacturers Association, International Freight Forwarders Association and Turkish Industrialists' and Businessmen's Association.

The federation will strongly demand Turkish industry to take joint actions over common problems and to participate actively in the process of harmonization with the EU. It is clear that there is an urgent need to

unite Turkish private sector to push government and public authorities on the problems of different industrial sectors on the way to the EU membership.

The Federation held its first General Assembly on 5th June 2004 in İstanbul and elected its Executive Board and Auditors Board. The newly elected members of Executive Board are; Güngör Keşçi, Timur Erk, Çetin Nuhoğlu, Nedret Koruyan, Cengiz Celayir, Emre Aykar, Müjdat Mandal, Selahattin Akaydın and Veysel Yayan.

Seminar on Global Development in the Post-Cancun Period and Turkey

TÜSİAD organized a seminar entitled “Global Development in the Post-Cancun Period and Turkey” on March 22. The seminar, attended by representatives of relevant ministries/institutions as speakers provided an environment that made it possible to cast a closer look at the developments within the WTO and allowed an exchange of ideas.

Cem Duna, member of TÜSİAD Board of Directors, Chairman of the External Relations Committee and Aykut Eken, Chairman of TÜSİAD WTO Sub-Working Group; delivered the opening speeches. In these speeches, mainly, reasons of the failure of the Fifth WTO Cancun Ministerial Conference and the standpoint of Turkey in this system were underlined. It was stressed that, Turkey’s future standpoint in WTO will be very much related to the exigencies of Customs Union with the EU and the priorities outlined in the Accession Partnership Document.

In the first part of the seminar, Peter van den Heuvel, Deputy Head of Unit, Coordination of WTO, OECD, TRTA, GATT, DG Trade, European

Commission; shared his views on the subject of “EU Position in Post-Cancun Period”. Heuvel highlighted the EU’s efforts to solve the major problematic issues of the Doha Development Agenda (DDA) after the Cancun Conference and the alternative solutions for reviving the DDA before the deadline for the conclusion of negotiations. Reinhard Quick, Vice-Chairman of UNICE WTO Working Group; made a speech on “Post-Cancun European Business Strategy and Its Views on Turkey”. It is pointed out that there is a window of opportunity till meeting in 2005, but can only be achieved if all sides of the member countries carry out their responsibilities promptly. In this context, Quick listed the priority of issues for negotiations and the ways/obligations to resolve them. He also suggested that Turkey’s fulfillment of the Copenhagen Criteria would have a significant impact to its competitiveness vis-à-vis the Developed Countries.

In the second part, Asım Arar, Head of Department, Multilateral Economic Affairs, Ministry of Foreign Affairs and Hüsnü Dilemre, Deputy Director

General of Agreements, Undersecretariat of Foreign Trade delivered speeches. On the subject of “Turkey’s Institutional Cooperation within the WTO system”, Asım Arar stressed the complexity of the WTO system and how the member countries must further their cooperation in order to relieve this traffic. Arar also underlined the importance of external cooperation, coordination and consultation for Turkey with its other partners in the WTO and appreciated TÜSİAD for trying to fill in an important gap in relation to WTO issues in Turkey. On the subject of “Post-Cancun Global Development and Turkey’s Position”, Hüsnü Dilemre pointed out that, Turkey is considered as a the Developed Country concerning its relationship with the EU through Customs Union. But in some respects (especially in the agriculture), Turkey should be considered as a Developing Country since it does not have the sufficient capacities to meet the required obligations. He added that the enhancement of the dialogue between the EU and Turkey would solve this problem considerably.

TÜSİAD Visit to Netherlands

A TÜSİAD delegation composed of TÜSİAD President Mr. Ömer Sabancı, TÜSİAD Vice-Presidents Mustafa V. Koç and Pekin Baran, Members of TÜSİAD Board Ömer Aras, F. Şadi Gücüm, Cem Duna, Oktay Varlıer, TÜSİAD International President Aldo Kaslowski, TÜSİAD Members Zekeriya Yıldırım and TÜSİAD Representative to the EU Bahadır Kaleağası paid a visit to Netherlands between 4-6 April 2004. The delegation held high-level meetings with academicians, business circles and Dutch politicians during this visit. TÜSİAD delegation’s visit was of particular importance since Netherlands

would assume the EU Presidency starting from July 2004. During the visit, TÜSİAD delegation emphasized the political and economic benefits for the EU to start accession negotiations with Turkey without delay.

The delegation participated to a conference entitled “Turkey and EU: Beyond Prejudice”, organized jointly by Maastricht School of Management and Koç University. Turkish Foreign Minister Abdullah Gül, TÜSİAD President Ömer Sabancı, Dutch European Affairs Minister Atzo Nicolai, Dutch Minister of Economy Laurens

Jan Brinkhorst, European Council General Secretary W. Schwimmer, the MP from the Republican People’s Party Kemal Derviş participated to the conference as speakers.

Besides these meetings, TÜSİAD Delegation held meetings with the Dutch counterpart of TÜSİAD, VNO-NCW President Jacques Schraven, General Director of VNO-NCW Niek Van Kesteren, Dutch European Affairs Minister Atzo Nicolai, Dutch Minister of Economy Laurens Jan Brinkhorst and Dutch Deputy Prime Minister and Financial Affairs Minister Gerrit Zalm.

Seminar on Turkey's Harmonization to Customs Union

TÜSİAD organized a seminar entitled "Turkey's Harmonization to Customs Union: Current Situation and Harmonization Programme" on March 5th. The objective of this meeting was to increase the awareness of Turkish business community about the adaptation process of the Customs Union. In accordance with this objective, representatives from relevant ministries and institutions were invited to present the studies they carried out and schedule of legislative changes.

Cem Duna, the Chairman of TÜSİAD's External Relations Committee and Asım Barlı, Chairman of TÜSİAD Customs Union Sub-Working Group, delivered the opening speeches.

Concerning "Current Situation in Technical Alignment with the EU acquis", Nevzat Saygılıoğlu, Undersecretary of the Undersecretariat of Customs, and Adem Şahin, Undersecretary of Ministry of Industry and Trade, emphasized the progress made towards the alignment and adapting initial strategies with the relevant EU acquis under their ministries. Adem Şahin stressed that



The participants to the meeting

out of 160, 154 of Turkish legislation was aligned with the relevant EU acquis. Regarding the subjects of new and global approaches, testing and certification and on market surveillance and institutions, there has been significant progress. On "Harmonization to the EU Standards: Final Situation in Implementation", Atakan Baştürk, Secretary General of the Turkish Accreditation Authority (TÜRKAK) and Asım Dinç, Secretary General of the Turkish Standards Institute (TSE), elaborated the technical alignment from the perspectives of their institutions.

On the issue of "EU Common Commercial Policy and Turkey's Harmonization Process", Cemalettin Damlacı, Director General of the EU Department of the Undersecretariat of Foreign Trade, mainly stressed the

deficiencies in the communication system between the EU and Turkey on trade matters, by giving the examples of the structure of committees and working groups' decision-making mechanisms functioning contrary to Turkey's needs. Additionally, Mr. Damlacı questioned the advantages of the "Made in EU" project within the framework of Turkey's commitments in the EU and WTO.

Under the headline of "Legality of Free Zones and its Harmonization with the EU acquis", Mehmet Demirel, Director General of Free Zones, stressed the efforts for the elimination of differences between the practices of the EU and Turkey, particularly the discord between the Customs Law No 4458 and Free Zones Law No 3218.

Finally, Şükran Yazıcı, Deputy Secretary General for the EU Affairs, made the overall assessment of the meeting. Within this scope, Şükran Yazıcı addressed the historical background and the extent of the Customs Union, and Turkey's harmonization process to the EU.

TÜSİAD International Meeting with ULIE

On 8-9 April 2004 a delegation from ULIE (Ukrainian League of Industrialists and Entrepreneurs) visited TÜSİAD International. On April 8th TÜSİAD International gave a luncheon with participation of Ukrainian delegation and some TÜSİAD members. The opening speeches of the luncheon were delivered by Mr. Osman Boyner, Member of TÜSİAD International Executive Board, Mr. Mykola Kyrychenko, the Consul-General of Ukraine to İstanbul and

Mr. Volodymyr Keba, the Deputy Director of International Relations Department of ULIE. Prof. İlder Turan, political scientist of İstanbul Bilgi University and Dr. Ümit İzmen, the Deputy Secretary General of TÜSİAD on Economic Research made presentations concerning Turkish politics and economy respectively.

Following the luncheon, a business roundtable and sector meetings were held with the participation of investors

from both sides on textile, finance, retail, chemicals, transportation, telecommunication and construction sectors. Following the presentations on the sectoral situations in both countries, Turkish and Ukrainian businessmen made bilateral talks.

On April 9th, the Ukrainian delegation paid visits to Rahmi Koç Industry Museum, İstanbul Stock Exchange (ISE) and Arçelik Washing Machine Factory in Çayırova.

Seminar with DI

On the occasion of the visit of the Prince Joachim of the Kingdom of Denmark and the accompanying business delegation to Turkey, TÜSİAD organized a seminar with its Danish counterpart Danish Industry (DI) on 22 April 2004. The seminar mainly focused on reflecting the recent political and economic panorama of Turkey. TÜSİAD Vice-President Mr. Pekin Baran and DI President Mr. Johan Schröder gave the opening speeches of the seminar. Mr. Baran gave a brief summary on Turkish political, economic and business environment and provided some figures on the current macroeconomic improvement. He also added that TÜSİAD would continue to monitor the reform process in the country in line with the exigencies of the IMF program and the acquis communautaire. Mr. Schröder declared their support for Turkey's bid for the EU membership on the grounds that

the EU cannot ignore a market with 70 million people.

In the seminar, Prof. İlder Turan of Bilgi University made a presentation on the General Political Configuration in Turkey. He argued that the EU membership process provided a real external anchor for the consolidation of democracy in Turkey. Mr. İlder Türkmen, Retired Ambassador, gave an overall picture of Turkey's foreign policy. He stressed that the results of the referenda in Cyprus to be held on 24th of April, will be of critical importance for Turkey's road to the EU. Mr. Mustafa Alper, the Secretary General of YASED (Foreign Investors' Association) gave an account of the FDI environment in Turkey and stressed that the new regulatory framework instituted to meet the EU standards would make a positive contribution in attracting FDI to Turkey. Mr. Türker Hamzaoğlu of İş Investment



Prince Joachim of the Kingdom of Denmark

made a presentation on the recent macroeconomic developments in Turkey. Finally, Mr. Ömer Perçinel, the Co-Chairman of the Turkish-Danish Business Council briefed on bilateral commercial relations. The seminar ended with a thank speech of the Prince Joachim.

The Conference on the Greater Middle East and the Future of the Transatlantic Relations

Boğaziçi University – TÜSİAD Foreign Policy Forum organized its first international conference on 19th March 2004 on "The Greater Middle East and the Future of the Transatlantic Relations". The conference came at a time of increased global and national focus on the Greater Middle East Initiative, thereby constituting an important opportunity for scholars and practitioners to reflect the perspectives of the US and the EU on the key roles that NATO and the EU could assume in cooperation for transforming the Greater Middle East and discuss Turkey's place in this process.

The conference began with the welcoming speeches delivered by Mr. Cem Duna, Member of the Board of Directors of TÜSİAD and Chairman of TÜSİAD External Relations Committee

and Prof. Şevket Pamuk, Vice-Rector of Boğaziçi University. Mr. Duna argued that the most optimal policy for Turkey was the full membership perspective to the EU while retaining excellent relations with the USA. Kemal Kirişçi, political scientist from Boğaziçi University, chaired the first session of the conference entitled "NATO in the Greater Middle East". The panelists were Dr. Judith S. Yaphe, Senior Research Fellow at the Institute for National Strategic Studies, National Defense University, Washington D.C.; Prof. İlder Turan, Bilgi University; and Prof. Ali Karaosmanoğlu, Bilkent University. Mr. Soli Özel from Bilgi University moderated the second session of the conference, entitled "The Role of the EU in the Greater Middle East". The panelists of this session were Prof. François Heisburg,

Chairman of the International Institute for Strategic Studies Council and Advisor to the French Foreign Ministry Planning Staff; Prof. Ahmet Davutoğlu, Advisor to Prime Minister of Turkey; and Dr. Volker Perthes, Head of the Research Unit Middle East and Africa, SWP- Berlin (Stiftung Wissenschaft und Politik).

In the conference, the speakers focused on the priorities and goals of U.S. foreign and security policy in the Middle East region and the role of Europe and Turkey together with the U.S. to stabilize and to democratize the region. Moreover, the problem of vagueness of the Greater Middle East project and the divergence of views between the NATO allies regarding the implementation of this project were also discussed.

The Conference on Turkey and European Security

Boğaziçi University-TÜSİAD Foreign Policy Forum, in collaboration with the Center for Studies in Security and Diplomacy (CSSD) at the University of Birmingham organized a conference on “Turkey and European Security” between 1-3 April 2004. The event began with a one and half day seminar, starting on Thursday 1 April, for twenty-seven participants from the EU, NATO, the UK and Turkey. This operated in three working groups, which elaborated and produced reports on aspects of the military and non-military assets that Turkey can bring to the European security and contributions of the Europeans to Turkish security. On 3 April, a larger Conference with some 75 participants, discussed “Turkey and European Security” the reports of the working groups. Following the seminar, a final report was prepared covering separately the issues and debates raised in both of these Istanbul discussions.

The participants of these events included Ambassador (ret'd) Ali Hikmet Alp, Assoc. Prof. Bülent Aras (Fatih University), Assoc. Prof. S. Gülden Ayman (Director, BÜ-TÜSİAD Foreign

Policy Forum), Prof. Duygu Sezer Bazoğlu (Bilkent University), Dr. Pınar Bilgin (Bilkent University), Ambassador Murat Bilhan (Turkish Ministry of Foreign Affairs), Ms. Leyla Boulton (Financial Times), Mr. Can Buharalı (AB Consultancy), Ms. Münevver Cebeci (Marmara University), Prof. Stuart Croft (Birmingham University), Assoc. Prof. Beril Dedeoğlu (Galatasay University), Mr. Chris Donnelly (JSCSC Defence Academy), Mr. Mehmet Dülger (Turkish Grand National Assembly, Head of External Relations Commission), General (ret'd) Şadi Ergüvenç, Assoc. Prof. Nurşin Ateşoğlu Güney (Yıldız Technical University), Dr. Serhat Güvenç (Bilgi University), Prof. William Hale (School of Oriental and African Studies, UK), Prof. Ali Karaosmanoğlu (Bilkent University), Prof. Kemal Kirişçi (Boğaziçi University), Mr. Sami Kohen (Milliyet Newspaper), Mr. Michael Lake (Former Head of the EU Mission to Turkey and Hungary), Sir David Logan (Birmingham University), Graham Messervy-Whiting (Birmingham University), Dr. William Park (JSCSC Defence Academy, UK), Mr. Mark Parris (Former US Ambassador to

Turkey), Ms. Samantha Purdy (UK Foreign and Commonwealth Office), Dr. Philip Robins (St Antony's College Oxford, UK), Ambassador (Ret'd) Özdem Sanberk, Dr. Gül Sosay (Boğaziçi University), Mr. Panayotis Tsakonas (Aegean University, Greece), Ambassador (ret'd) Turgut Tülümen, Ambassador (ret'd) İlter Türkmen (Former Minister of Foreign Affairs), Mr. Mehmet Ali Tuğtan (Bilgi University), Mr. Hans-Bernhard Weisserth (European Council, Brussels), Assoc. Prof. Hakan Yılmaz (Boğaziçi University).

Prior to the upcoming NATO Summit to be held in Istanbul at the end of June, this event was a useful opportunity to look at the far-reaching changes, the threats, which are likely to confront Europe in the 21st century. The participants analyzed the different ways in which the Europeans has managed these challenges, whether through NATO, ESDP, or other arrangements and the important role which Turkey could play in this agenda, taking account of her geographical location and her political and military potential.

The Conference on the Future of the Turkish-American Relations

Boğaziçi University – TÜSİAD Foreign Policy Forum organized an international conference, entitled “The Future of Turkish-American Relations,” in Istanbul on 27 April 2004. The main purpose of this conference was to provide an atmosphere of constructive dialogue and discussion that would not only highlight the challenges faced in the US-Turkish relations, but also point out possible lines of cooperation in an effort to revitalize the US-Turkish partnership. Mr. F. Şadi Gücüm, Member of TÜSİAD Executive Board delivered the opening speech of the conference. Mr. Gücüm argued that Turkey's relations with the USA and the EU should be seen as complementary rather than zero-sum alternatives. The keynote speaker of the conference, U.S. Ambassador to Turkey H.E. Eric S. Edelman remarked that despite the changing context for

the U.S.-Turkish relationship, there are opportunities that build on more than half a century of strong cooperation, a strategic relationship, close military ties, broad educational links, and a less well developed but growing economic partnership.

The first session of the conference, entitled “War on Terror and Turkish-American Relations in the Middle East,” was moderated by Ambassador İlter Türkmen, Former Minister of Foreign Affairs. The panelists for this session were Dr. Serhat Güvenç, Bilgi University; Assoc. Prof. Mustafa Aydın, Ankara University; and Assoc. Prof. Gencer Özcan, Yıldız Technical University. The second session of the conference, entitled “Looking Ahead at Turkish-American Relations in 2004: Challenges and Opportunities,” was chaired by Assoc. Prof. S. Gülden

Ayman, Director of the Foreign Policy Forum. The panelists of this session were Prof. E. Fuat Keyman, Koç University; Ambassador (ret'd) Yalım Eralp; and Mr. Soli Özel, Bilgi University. The speakers particularly focused on the important changes in the Turkish-American relations since the terrorist attacks in the United States on September 11, 2001 and the wave of international terrorism following (i) the new U.S. strategy in the Middle East and the war on terror, (ii) the altered network of geo-strategic alliances in Central Asia and the Middle East and (iii) the changes in the Turkish economic and political spheres. The speakers were of the opinion that despite the need of a redefinition of U.S.- Turkish relations, Turkey still remains a key country for American interests.

Seminar on “Consumer Satisfaction: Product Safety”

TÜSİAD Consumer Rights Working Group organized a seminar entitled “Consumer Satisfaction: Product Safety” on 9 June 2004 in order to emphasize the need for promoting customer-oriented policies in fostering growth and efficiency. METRO GROUP Turkey sponsored the seminar. TÜSİAD President Mr. Ömer Sabancı, the Head of the Consumer Rights Working Group Ms. Nurdan Tümbek, The Chairman of the Company Affairs Committee Mr. F. Şadi Gücüm and Agriculture and Rural Affairs Minister Prof. Dr. Sami Güçlü delivered the opening speeches of the seminar.

In the seminar, product safety issues have been examined in two consecutive sessions entitled, “food safety” and “non-food safety”. The speakers from the public sector, private sector and the Association of Consumer Protection focused on the obligations to be fulfilled by the Turkish industrialists and businessmen on product safety on the way to EU accession, the costs and benefits of

the harmonization process as well as the implementation problems particularly with the aim of aligning the business interests with that of consumers.

The first session, chaired by the Chairman of Food Science and Technology Institute and Technology Research Institute in TUBİTAK Marmara Research Center, Associate Prof. Dr. Güner Özay, dealt with the latest legislative changes with particular reference to Food Law which had recently come into force and, the issues of implementation concerning food safety. Ms. Nermin Kahraman, Task Manager for Agriculture and Fisheries at Representation of the European Commission to Turkey gave a speech on “Food Safety in the EU: A Comparative Approach”. The speeches of Mr. Halis Korkut, General Director of Protection and Control DG at Ministry of Agriculture and Rural Affairs and Mr. Mehmet Sevim, Chairman of Association of Consumer Protection followed. Mr. Servet Topaloğlu, Vice

President of Turkish Council of Shopping Centers and Retailers, gave the last speech of the seminar on “Food Safety: An Assessment of the Turkish Retail Sector.”

The second session chaired by Eyüp Şenol Ömeroğlu, the Deputy Undersecretary of Ministry of Industry and Commerce, aimed at informing the audience on the issues of non-food safety. The speakers of this session were as follows: Mr. Hayrettin Cevher, Director General of Technical Standards and Regulations for Foreign Trade DG at Undersecretariat of Foreign Trade, Mr. Özcan Pektaş, Director General with particular responsibility for the protection of consumers and competition, Ministry of Industry and Commerce, Mr. Asım Barlın, TÜSİAD, Chairman of TÜSİAD Customs Union Sub-Working Group and Dilek Temel, Chairwoman of the Association of Household Appliances’ Manufacturers.

Entrepreneurship Congress

Besides the congresses on Technology, Quality and e-Turkey, TÜSİAD decided to organize a new congress on Entrepreneurship. The first Congress was held on April 20, 2004. The Congress took place at Bosphorus University, Istanbul, with the participation of several distinguished speakers both from Turkey and abroad. Approximately 400 people consisting of students, academicians, bureaucrats, SME’s and media representatives attended the congress. At the congress, Turkey’s entrepreneurship policy, entrepreneurship environment, and best practices were some of the issues discussed.

Mr. Ömer Sabancı, Chairman of TÜSİAD, Sabih Tansal, Rector of Boğaziçi University, and Mr. Abdüllatif Şener, Minister of State and Deputy Prime Minister, delivered the opening speeches of the congress.

Following the opening speeches, a number of private sessions were held, which can be listed under three main headlines; Entrepreneurship Policy in Turkey, Entrepreneurship Environment in Turkey and Success Stories. Some of the speakers of these sessions were Paul D. Reynolds, Research Professor in Entrepreneurship, London Business School; David Znaty CEO of Publicis Technology; Ali Kutay, Founder and Former President of AltoWeb and

Weblogic, Reha Denemeç, Member of the Parliament; and Erkan Gürkan, President of KOSGEB.

Another aim of the Congress was to encourage and create interest on “entrepreneurship” among the university students. For this purpose, several contacts were established with university clubs and several meetings were held with university students to encourage them to participate to the Congress and prepare poster presentations about their business plans. During the 1st Entrepreneurship Congress, at the venue, 30 projects were presented by university students from all around Turkey. These projects attracted the attention of the congress attendants, investors and the media.

“Youth and Europe Day” activities in Diyarbakır

Since 2001 TÜSİAD has been organising activities of “Youth and Europe Day” in İstanbul, on May 9, which is considered the beginning of the creation of the European Union. In 2004 TÜSİAD shifted the venue of events from İstanbul to Diyarbakır with the contributions of Diyarbakır Industrialists’ and Businessmen’s Association, Diyarbakır Chamber of Commerce and Industry, EU Information Bureau and Aegean Industrialists’ and Businessmen’s Association.

“Youth and Europe Day” activities generally aim at informing the young people about the relationship between EU and Turkey as well as bringing together young people from different parts of Turkey around a common goal.

In the previous events, high school children from various cities of Anatolia were gathered in İstanbul to be informed through speeches, brochures and films on Turkey’s objective to become a EU member. For the first

time in 2004 the city of Diyarbakır hosted students from İstanbul, İzmir and neighbouring cities. The events in Diyarbakır took place in two parts, for university students and high school students.

The first part of the event for university students, took place in Dicle University on May 6. Sevinç Atabay, Secretariat General for the EU Affairs Community Programmes Coordinator, informed university students about “Community Programmes”.

The second part of the event took place on the next day. The target audience was high school students. The event started with the opening speeches of Şeyhmus Akbaş, President of the Local Associations Platform Executive Committee and Tufan Ünal, member of the Board of Directors of



High School Students in Diyarbakır

TÜSİAD and President of the Relations with Sector and Local Associations Committee. Mr. Ünal stressed that Turkey’s EU membership is a promise given to the Turkish youth by previous generations and it is a social project that has to be completed.

Youth and Europe Day activities will be held in the different cities of Turkey in the coming years.

Seminar on Responsibilities of the Board of Directors

TÜSİAD Corporate Governance Working Group organized a seminar entitled, “Responsibilities of the Board of Directors” on June 8 2004, in collaboration with the Turkish Association of Corporate Governance in order to initiate projects to inform the Turkish business with the objective and measurable results of “good governance”.

The Chairman of the Company Affairs Committee of TÜSİAD Mr. F. Şadi Gücüm delivered the opening speech of the panel while Mr. Ümit Hergüner, the Vice-President of Turkish Association of Corporate Governance, made a presentation on “the Legal

Framework for the Responsibilities of the Board Members”. Mr. Gücüm focused on the “good corporate governance practice” as main determinant of investor confidence, credibility, long-term competitiveness and success for the Turkish firms. He also mentioned the “Corporate Governance Code of Best Practice: Composition and Functioning of the Board of Directors”, prepared under the coordination of Corporate Governance Working Group in December 2002 as a crucial initiative that gave momentum to the discussions on corporate governance.

The second part of the seminar

consisted of the panel, which featured Mr. Korkmaz İlkorur, Head of the Corporate Governance Working Group, Mr. Tufan Darbaz and Mr. Ümit Hergüner the Vice-Presidents of Turkish Association of Corporate Governance, and Mr. Mehmet Sami from Ata Menkul Kıymetler A.Ş. The speakers focused on the composition, independence and agenda of the board of directors, which bear the greatest responsibility and has the strategic importance in the formation and practice of corporate governance, with particular reference to Capital Market Board Principles. The panel ended with a discussion session.

Meetings of TÜSİAD International-Confindustria Joint Committee for Trade and Investment

The Joint Committee for Trade and Investment that was established in 2003 between Confindustria (General Confederation of Italian Industry) and TÜSİAD International (Strategic Business Development Unit of TÜSİAD) held its first meeting on March 29th, 2004 in Rome. The major issues on the agenda were improvements in investment environment of Turkey; sector overviews on transportation, automotive and furniture; financial facilities of Italian Export Credit Agency (SACE); management of EU funded projects and cooperation for Iraqi reconstruction. The meeting was co-chaired by Mr. Hasan Bengü, Vice-President of TÜSİAD International and Mr. Giuseppe Castelli, Confindustria Special Representative for Internationalization. Confindustria stressed the importance of Turkey for Italy in particular for trade and investments and stated that it promotes Italian investments in Turkey and the

strengthening of Turkey's strategic role in its region.

The second meeting of the Joint Committee coincided with the OECD meeting of SMEs ministers in Istanbul on June 3rd, 2004. Italian Minister of Productive Activities Mr. Antonio Marzano and his Turkish counterpart Mr. Ali Coşkun also participated in the meeting. TÜSİAD International President Aldo Kaslowski and Giuseppe Castelli, Confindustria Special Representative for Internationalization, co-chaired the meeting. Policies concerning SMEs were highlighted by Confindustria President of SME Sandro Salmoiraghi and by TÜSİAD representatives. Recent economic developments in Turkey, cooperation on reconstruction of Iraq and possible areas of joint investments are discussed in this second meeting. For cooperation on Iraqi reconstruction, a trilateral meeting was planned to be organized by TÜSİAD International, Confindustria

and Iraqi Businessmen Association. At the end of the meeting, a press release was made declaring a common project that aims to improve bilateral trade and investment relations and to provide favorable conditions to increase Italian investment in Turkey. Accordingly, Confindustria is conducting a survey among its members to determine sectors to be included in this project and TÜSİAD International carries out a survey on incentives with local associations.

First implementations of the project are expected to take place during Italian President Mr. Ciampi's visit to Turkey in October 2005.

This project will be an example for TÜSİAD International in drawing up medium/long term plans on sector basis that could be used in developing partnerships with other countries as well.

The Seminar on Inflation Accounting: Practice and Problems

TÜSİAD hosted a seminar on July 24, 2004 entitled "Inflation Accounting: Its Practice and Problems" in Istanbul. The seminar aimed at exposing all the negative effects of inflation Turkey has faced for many years, on decision-making processes in companies. Dr. Oktay Varlier, the President of the Economic and Financial Affairs Committee of TÜSİAD, and Şaban Erdikler, the President of the Taxation Working Group of TÜSİAD, delivered the opening speeches of the seminar. In his speech, Oktay Varlier stressed the fact that inflation makes it difficult to see the real financial position of the firm. Şaban Erdikler told that it has been difficult to express companies' assets and liabilities in their real values due to the rapid devaluation of the national currency.

The seminar brought together a number of leading experts in two panels. The focus of the first panel moderated by Şaban Erdikler was Inflation Accounting from Turkish Tax System perspective. Osman Arnoğlu (the Deputy General Director of Revenues, Ministry of Finance), Meral Uçar (Financial Accountant), Mevlüt Aydemir (Director of Financial Affairs Department, Sabancı Group), and Mustafa Uysal (the President of Tax Council) were the speakers. They expounded the attention of the real sector and the government for the legislation with law number 5024, and offered an overview of the inflation accounting from different standpoints.

In the second panel, moderated by Tevfik Altınok (member of Economic and Financial Affairs

Committee of TÜSİAD), Inflation Accounting from Financial Reporting perspective is discussed. Cansen Başaran-Symes (the President of the Financial Reporting Working Group of TÜSİAD), İ. Kubilay Timuçin (Executive Vice President, Capital Markets Board of Turkey), Bülent Üstünel (the President of Turkish Accounting Standards Board), and Füsün Akkal (Financing Coordinator, Koç Group) were the speakers of the panel in which the evaluation of companies' positions vis-à-vis the inflation accounting is elaborated.

The closing remarks of the seminar were made by Tevfik Altınok, revealing insights into the new legislation on inflation accounting, its application, its pros and cons, and its advantages for companies in Turkey from different perspectives.

BDI Visit to Turkey

The German counterpart of TÜSİAD, Federation of German Industries (BDI) held a visit to Turkey on 20-22 April 2004 as the guest of TÜSİAD. The BDI delegation, chaired by the president, Dr. Michael Rogowski, held contacts both in Istanbul and Ankara. The competitiveness of Europe, Turkey's status as a candidate for EU membership and bilateral economic relations were at the heart of a high-level meeting between the BDI and TÜSİAD.

On 20 April 2004, TÜSİAD President Ömer Sabancı hosted the delegation for a dinner at Sakıp Sabancı Museum. Both Dr. Michael Rogowski and Ömer Sabancı delivered speeches on Turkey's bid to EU membership. In their speeches, while Mr. Sabancı asked BDI for their support to Turkey's membership process to the EU, Dr. Rogowski, on the other hand, confirmed their support on opening accession negotiations with Turkey, when Turkey fulfils the Copenhagen Criteria and the EU progress report reaffirms this fact.

On 21 April 2004, a luncheon was held for the delegation together with



Mr. Rogowski with Mr. Sabancı and Mr. Koç

TÜSİAD Members at Rahmi Koç Industry Museum. Besides the speech of Mr. Mustafa V. Koç, both Ömer Sabancı and Dr. Michael Rogowski delivered speeches on Turkey's progress towards meeting political and economic criteria of the EU. On the same day, the delegation was hosted to a dinner by Bülent Eczacıbaşı, Honorary Chairman of TÜSİAD High Advisory Council, at his residence in Yeniköy.

On 22 April 2004, the delegation, accompanied by TÜSİAD President Ömer Sabancı, went to Ankara and had meetings with the President of the Republic of Turkey, Ahmet Necdet Sezer, Prime Minister Recep Tayyip Erdoğan and Members of the government, namely, Ali Coşkun,

Minister of Industry, Abdullah Gül, Foreign Minister and Cemil Çiçek, Minister of Justice. On the same day, Mr. Rogowski and Mr. Ömer Sabancı, had a press conference at the German Embassy. In the conference, Mr. Sabancı underlined that the full membership of Turkey to the EU should be the natural outcome of the relationships between Turkey and the EU. Mr. Rogowski, on the other hand, reaffirmed their support to Turkey's full membership to the EU, but at the same time, pointed out EU's fears towards Turkey's full membership to the EU.

On this occasion, BDI and TÜSİAD issued a joint declaration that calls for dependable steps to support the European perspective of Turkey. Within this framework, BDI and TÜSİAD pointed to the decisions of the European Council in Helsinki and Copenhagen granting Turkey the status of candidate for EU-membership and offering negotiations in 2005 if the conditions are met. They called on the Turkish government to ensure that the necessary political and economic reforms will be sustainable and implemented in time.

UNICE Council of Presidents Meeting

UNICE Council of Presidents gathered in Dublin on 11th of June. During the meeting, the representative organization at the European business community decided, among other issues, to transmit the message of 'support for Turkey's EU membership' to the European Council Summit to be held on the 18th of June.

UNICE reiterated its support for Turkey's full membership to the EU. In this respect, the following points were stressed in the declaration: "UNICE welcomes Turkey's promising

reform process, which it should sustain, and urges Member States to open up negotiations with this country as soon as it has completed the remaining tasks with regard to the Copenhagen political criteria stated in the Commission's report. This would offer EU and Turkish companies a more coherent and sustainable framework in which to conduct their economic activities".

TÜSİAD delegation, chaired by President of TÜSİAD Mr. Ömer Sabancı, was composed of TÜSİAD

Vice President Mr. Pekin Bakan, Vice President of TİSK and TÜSİAD member Ahmet Eren and TÜSİAD and TİSK Representative to the EU and UNICE Bahadır Kaleağası.

During the UNICE Council of Presidents, priority issues on the agenda of European business community including the macro-economic situation in Europe, EU's new competition policy, environmental policy, stress at workplace, the draft Constitutional Treaty were discussed.

Publications

Towards EU Membership Brochure

TÜSİAD has published a brochure entitled “European Union & Turkey: Towards Full Membership.” The brochure was published prior to the NATO Summit in İstanbul held on 28-29 June 2004 and were distributed to delegations and members of press visiting İstanbul for the NATO Summit.



The brochure depicts Turkey's facts and merits, TÜSİAD's perspective and contributions on the topics such as global politics, stability and peace, security, multiculturalism, political reform process, business and investment issues, economic policy, growth figures, demographic structure, employment situation and gender equality.

The brochure underlines that; Turkey lies in the core of a key geopolitical and geo-strategic area with which the EU has substantial economic and political ties, Turkey's membership in the European Union will promote and defend common

European interests: “As a EU member, Turkey will further contribute to democracy, peace and stability, as well as economic development, in the Mediterranean region, the Balkans, Caucasus and the Middle East”.

Lastly, it is emphasized that as the major trade partner of Turkey, the EU will benefit most from the high and stable economic growth in Turkey, meaning, Turkey offers enormous business and investment opportunities with an unsaturated market, a tradition of entrepreneurship and intense business relations in its region. The brochure was produced in three languages; English, French and German.

Görüş Issue 58 (February-March 2004)



The cover theme of the 58th issue of Görüş, TÜSİAD's bi-monthly journal, is “Administrative Decentralization”. Leading experts evaluate several aspects of this theme. The President of TÜSİAD, Ömer Sabancı in his article evaluates the basic principles of the draft laws on Public Administration and Local Governments and stresses that these new legal amendments are

in line with the principles of participatory democracy, transparency, efficiency and respect for human rights.

In this issue, Assoc. Prof. Kamil Ufuk Bilgin from TODAİE, evaluates the position of the local governments in the draft law on Public Administration from different perspectives. Prof. Birgül Ayman Güler of Ankara University discusses the significance of municipality system as a model for city administration. Prof. Seyfettin Gürsel from Galatasaray University gives an account of the mixed electoral system and underlines that the d'Hondt system currently in effect in Turkey leads to major over-representation for big parties and under-representation for small ones. Assoc. Prof. Yeşeren Eliçin Arıkan from Galatasaray University analyzes the restructuring of the local and regional governments in the EU within the process of the European integration

and presents a decentralization model for Turkey.

In this issue, Assistant Professor Kadriye Balcı from İstanbul Technical University gives a picture of the dimensions of child labor in Turkey and the perspective of ILO on this issue. Assistant Professor Sevgi Usta Sayta from İstanbul University analyzes the issue of the rights of the children and proposes the methods for the protection of these rights. Prof. Ercan Uygur from Ankara University evaluates the macroeconomic panorama of Turkey in the beginning of 2004 and asserts that the target rates for inflation and unemployment can be met if the rate of investment increases. Finally, Researcher Cem Çobanlı gives the history of the Volkswagen cars and their implications for the social life of its fanatics.

Representations

Ankara Representation

During the first half of 2004, TÜSİAD Ankara Representation assessed the developments in legislation and execution taking into consideration the EU harmonization process as the reference point and conveyed TÜSİAD views to the government, the public institutions, various NGO platforms and foreign representations in Ankara.

A "Parliament Liaison Officer" (PLO) was recruited at the beginning of the new legislation year in order to strengthen relations with the Turkish Grand National Assembly (TGNA) and to convey TÜSİAD views in a faster and efficient manner. With this new capacity, the TÜSİAD contribution to the legislation process has been strengthened.

TÜSİAD views have been conveyed to the related legislation process stages (Ministries, Prime Ministry, the Commissions in the TGNA) and have been scrutinized. In addition to that some direct contacts of TÜSİAD working groups and committees with the related public institutions were carried out.

As for the legislation process, another important development is the establishment of the Legislation Association (YASADER), mainly by the professional members of the Secretariat General of the TGNA. TÜSİAD Ankara Representation has established close links with the association and is supporting the researches of the association with a

view to improving civil society's contribution to the legislation process. A project together with the National Democratic Institute (NDI) and YASADER continue on developing institutional structure for civil society's participation into legislation process in the Turkish Parliament, taking into account the cases of the USA, the EU member states and the EU itself.

TÜSİAD Ankara Representation exchanged views with the public authorities, coordinated and participated occasional or regular meetings on the developments in Iraq (Permanent Committee for Reconstruction of Iraq by the Ministry of Foreign Affairs), Vocational Guidance and Career Counseling, e-signature and on other areas with the related public institutions. As for the regular meetings, the representation participated in Coordination Committee for the Improvement of the Investment Climate (YOİKK), Reform Monitoring Sub-group (RİG), the EU Communication Group (ABİG), Committee for Evaluation of Economical and Social Issues (ESDK) and Committee of Finance and Production. The Ankara Representation contributed to the work of these groups by conveying views developed by TÜSİAD's various units. The Representation also took part as a member in the Human Rights High Coordinating Committee (İHDK).

In the context of harmonization with the Copenhagen political criteria, the representation has continued to follow legal and administrative

arrangements. The harmonization process of the issues, which directly influence the Turkish private sector such as technical legislation, particularly on the Customs Union, and the free movement of services between the EU and Turkey was closely monitored. In this framework, the representation exchanged views with Secretariat General for the EU Affairs, State Planning Organization, Under-secretariat of Treasury and Foreign Trade and conveyed TÜSİAD views.

The IMF macro adjustment program, especially in the framework of structural adjustment policies, has been closely monitored, and whenever necessary, meetings have been held with government authorities in order to scrutinize the revision processes on time and accordingly, relevant views have been conveyed directly to the related authorities. The Representation monitored closely and reported the initiatives towards the improvement of institutional structure of regulatory and supervisory institutions by holding meetings with various regulatory bodies in Ankara.

The Ankara Representation has also carried out several meetings in Ankara, with various international organizations and country representatives, including SIGMA group, World Bank, IMF and economic counselors of several embassies.



EU Representation

During the first half of this year, the TÜSİAD Representation to the European Union in Brussels has continued to undertake the following main responsibilities:

- o To represent the Turkish business community at the European Union level; maintaining the coordination of Berlin and Paris offices;
- o To represent TÜSİAD and TISK within UNICE, the umbrella organization of the European business;
- o To participate in UNICE expert working group meetings including US, WTO, Enlargement, New Economy, Foreign Trade, Public Procurement,
- o To inform Turkish companies on the evolution of the European affairs through a weekly bulletin and occasional reports; and to assist them in their projects and initiatives in the EU;
- o To provide the European and international public and private sector organizations with the accurate information and analysis on Turkey and to contribute to the presentation of activities in Turkey.

Turkey's EU membership issue has appeared on the European agenda very frequently due to the approaching European Parliament elections in April-June 2004 term. Some political parties used Turkish antagonism as a demagogic base for their electoral campaigns. In this context, Turkish private sector's point of view has been conveyed to EU's foremost media organizations and to producers visiting TÜSİAD in Brussels.

TÜSİAD held meetings with several officials from the EU institutions: Opinions and analysis were exchanged mutually about the latest developments in Turkey in the fields of economy, politics, reform process and customs union.

In addition to the weekly bulletin of TÜSİAD Brussels, the reports and the research documents elaborated were: The Enlargement of EU November 1989 - May 2004, Turkish Republic of Northern Cyprus Prime Minister Mehmet Ali Talat's visit to Brussels, EU Accession Negotiation Results, The Impact of Enlargement on EU Institutions, the statistical comparison of EU15 with EU25.

Updated and concise information about Turkey-EU relations has been transmitted to the leading websites on Europe (and) in the context of Turkey's communication campaign in Europe (www.abig.org). 'Turkey in Europe Monitoring Report' was produced by CEPS, including a section of TÜSİAD ('Turkish Business Point of View'), and reached out to more than 3000 readers per month via Internet. Moreover, TÜSİAD contributed to the preparation of conferences about Turkey- EU relations held by the EPC and Friends of Europe.

During this period, support was given to the participation of TÜSİAD Board members to the conference organized in Maastricht on Turkey, its preparatory meetings held with the Dutch ministers and the private sector representative VNO-NCW in The

Hague. Participation to UNICE Council of Presidents meeting in Dublin was ensured.. TÜSİAD EU Representative Dr. Bahadır Kaleağası made a presentation on Turkey at UNICE Foreign Affairs Commission (April). MESS delegation's Brussels meetings were supported.

Furthermore, during this period, Bahadır Kaleağası gave speeches at the conferences held by Forum Istanbul, World Bank, Friends of Europe-Brussels, IEMED- Barcelona and Budapest University. Researcher Meltem Çakır attended as a speaker the seminar entitled 'European Identity' organized by EM Lyon University.

Meetings with EU officials, business representatives, media and academics were also held at TÜSİAD Representation in Brussels. A briefing has been organized for Transatlantic Center Group. Researchers Meltem Çakır and Seda Gürkan participated to meetings at UNICE, European Policy Center (EPC), Center for European Policy Studies (CEPS), Institut d'Etudes Européennes, Institut Royal des Relations Internationales, Forum Europe, Friends of Europe, Turkish Business Group-Brussels and transmitted the views of the Turkish private sector. Bahadır Kaleağası attended meetings in several institutions including European Parliament, USA Congress, World Trade Organization and EU Commission.



U.S. Representation

In the first half of 2004, US Representative Office, TÜSIAD-US, organized and participated in several meetings, panels, and conferences; established contacts with several individuals representing various organizations; distributed TÜSIAD publications and press releases on a regular basis; maintained its website and database, conducted research and prepared background notes, and taken or sponsored several initiatives. Post-war developments in Iraq, US-led war against terrorism, Cyprus and Turkey's EU accession process dominated the agenda of the activities. Briefly, some of the activities include the following.

The Office staff followed closely the Turkish Prime Minister Recep Tayyip Erdoğan's US visit at the end of January. TÜSIAD-US hosted two major events that targeted the large Turkish delegation. The events aimed at informing the delegation members about the current issues in Turkish-American relations as well as identify and discuss major trends in American foreign policy in light of post-war Iraq. A third event was co-hosted with Institute of Turkish Studies (ITS) to inform the Washington public about the ongoing meetings between Turkish and American delegations.

The first one of these events took place on January 27 at Georgetown University. TÜSIAD-US/ ITS joint briefing entitled "The Year of the Countdowns: Turkey and the World in 2004" featured Soli Ozel as the guest speaker. Soli Ozel, professor at Istanbul Bilgi University, a columnist at Sabah Daily, editor of the Turkish print edition of Foreign Policy magazine, and advisor to TÜSIAD's Chairman, discussed the challenges that are waiting ahead of the country in 2004,

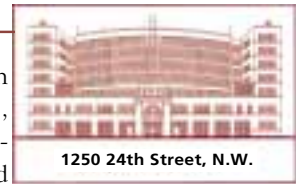
such as Cyprus settlement and the EU accession process.

The following day, on January 28, TÜSIAD-US organized a conference entitled "US Foreign Policy in the Wake of Iraq War". The breakfast meeting featured Dr. Francis Fukuyama, Dean of Faculty and Bernard L. Schwartz, Professor of International Political Economy at the School of Advanced International Studies (SAIS) of Johns Hopkins University. Dr. Fukuyama touched upon the ideological debates among the policy-making circles in the Bush Administration and their impact on the shaping of U.S. Foreign Policy.

The third meeting took place on January 29. This briefing was conducted in Turkish. Entitled "Washington View of Turkish-US Relations", the breakfast meeting featured Abdullah Akyuz, TÜSIAD Washington Representative (moderator); Ali Aslan, Zaman Daily Washington Correspondent; Zeyno Baran; Director of Security and Energy Program, Nixon Center; Yasemin Congar; Milliyet daily and CNN-Turk Washington Correspondent; and Omer Taspinar; Fellow at Brookings Institution and Adjunct Professor at Johns Hopkins-SAIS. The speakers provided a comprehensive overview of the US perspective on issues related to Turkey and Turkish-US relations, including Middle East, EU, Cyprus, Iraq, Central Asia and the Caucasus.

Between January and June, TÜSIAD-US also paid close attention to Cyprus developments and continued its dialogue with the US officials in the context of the referenda that took place in the island in April. As the referenda failed to bring a solution to the island, and nullified the UN

Plan on
Cyprus,
TÜSIAD-
US issued



a press release on April 27, criticizing the Greek Cypriot government. The press release also called on the US and EU specifically to help Turkish Cypriots build a better future that they have clearly deserved with their "yes" vote. The press release asked the US and the EU to combine their efforts within the U.N. framework and work towards the recognition of the Turkish Republic of Northern Cyprus as well as the removal of all sanctions that have crushed the economy and crippled the lives of Turkish Cypriots for decades. In the aftermath of the referenda, the office staff also paid a visit to Ambassador Thomas Weston, US State Department Special Coordinator for Cyprus, in order to discuss the possibilities of cooperation in easing the sanctions against Turkish Cypriots.

In conjunction with these efforts, and in continuation of the office activities to inform the general public on issues related to Turkey, TÜSIAD-US co-hosted with National Democratic Institute a briefing called "Turkey Update: Domestic Politics after Cyprus Referenda". The joint event of May 12 featured Mr. Murat Yetkin, Ankara Representative of Turkish daily Radikal. Mr. Yetkin, discussed the change in Justice and Development Party's (AKP) policies towards Cyprus.

TÜSIAD-US continued to publish Turkey in Focus, analyzing the current issues on the Turkish agenda that might be of interest to the target audience in the US. The reports of TÜSIAD-US are also available at TÜSIAD-US website at www.tusiad.us

Berlin Office

In the first half of the year, TÜSIAD Berlin Office was strongly involved in lobbying, participated in or organised conferences and designed and started to implement public relations projects.

TÜSIAD Berlin Office organized and supported Prime Minister Erdogan's visit to Berlin-Kreuzberg on January 9. The event enabled TÜSIAD to present its position regarding Turkey's EU accession before a large number of high-ranking German and Turkish politicians, entrepreneurs, diplomats, journalists and academics. TÜSIAD Chairman Tuncay Özilhan's speech in Kreuzberg took part in many German media, as the event generated reports and news items in 482 German newspapers with a total circulation of 15.4 million. 18 television stations and 12 radio stations broadcast items about the event, while 37 million "visits" were recorded on Internet pages. In addition to Özilhan and Erdogan, speakers at the Kreuzberg event included the Vice President of the German Industry Association, Dr. Arend Oetker, and the Chairwoman of the Bundestag Internal Affairs Committee, Cornelia Sonntag-Wolgast.

On February 12 and 13, a TÜSIAD delegation led by Pekin Baran visited Berlin to discuss Turkey's EU membership bid with top-ranking CDU

politicians including CDU Secretary General, Laurenz Meyer, Former Defence Minister Volker Rühle, foreign policy spokesperson Wolfgang Schäuble, and some Members of Parliament. The TÜSIAD delegation availed itself of the opportunity to exchange views on Turkey's political, economic, and cultural aspects and observed that – contrary to general perception in Turkey – the CDU is not fundamentally opposed to Turkey's EU membership bid.

A TÜSIAD delegation paid a visit to SPD party leaders on March 10, 2004. The TÜSIAD delegation, headed by Bülent Eczacıbasi, met with Interior Minister Otto Schily, the new SPD party leader Franz Müntefering and SPD General Secretary at the time Olaf Scholz. There was also a meeting with twelve members of the Parliamentary Coordination Group for Turkey lead by Gerd Andres, German Economic State Minister. The delegation also attended a dinner with prominent politicians and experts in the German-Turkish environment including (among others) Deputy Spokeswoman of the Foreign Political SPD Caucus Uta Zapf, MP Lale Akgün, Former German Ambassador to the EU Dietrich von Kyaw, and SPD candidate for the European Parliament Vural Öger. The reforms in Turkey are appreciated by SPD on a broad base. Otto Schily underlined also the support of the German Government at a conference on May 24, 2004 in Istanbul organised by TÜSIAD Berlin Office, Friedrich Ebert Foundation and German-Turkish Foundation.

TÜSIAD Berlin Office founded the German-Turkish Advisory Committee, composed of more than 40 high ranking

personalities, to discuss important developments regarding the German-Turkish relationship, to prepare evaluations and submit its views to the German and Turkish government. The Advisory Committee met three times so far and focused its work onto design and implementation of three projects: 1) statements by prominent German personalities supporting Turkey's EU bid to be published in German newspapers, 2) brochures consisting of articles written by prominent authors and 3) an illustrated book presenting the modern face of Turkey by pictures as well as texts.

Besides, TÜSIAD Berlin Office provided a broad network with its weekly press service "Voices of Germany" and "Voices of Turkey". The website of the Berlin Office also served as an information source on the German-Turkish economic and political environment. In average the website is clicked more than 300 times a day.

For the second half of the year, TÜSIAD Berlin Office is planning two top-level conferences in Frankfurt and Berlin about Turkey's economic integration into the EU and Turkey-EU relations in the framework of upcoming membership negotiations. The visit of another high-level TÜSIAD Delegation is also being organized for the end of September.



Märkisches Ufer 28



TÜSIAD Delegation to Berlin on 12 - 13 February

Paris Office

TÜSİAD Paris Office is founded in January 2004 with the aim of:

1. Underlining the progress achieved by Turkey towards the EU accession and the contributions of its membership to the EU's political and economic structure, in order to promote Turkey's accession to the EU
2. Improving the economic relations between France and Turkey

At the beginning of January a TÜSİAD delegation held a series of meetings, in order to present the organization's initiative to establish an office in Paris. To this aim TÜSİAD delegation met representatives from Le Monde, ARTE France, IRIS, Ministry of Economy, Finance and Industry. Furthermore, the delegation carried out a technical working session at MEDEF.

The Office was inaugurated on 9 March 2004. A dinner meeting was organized for this occasion with the presence of TÜSİAD President Mr. Ömer Sabancı; French Minister of Economy, Finance and Industry Mr. Francis Mer, Turkish Minister of Economy Mr. Ali Babacan and MEDEF President Mr. Ernest-Antoine Seillière. Chief Executive Officers and senior representatives of the French

enterprises, French Parliamentarians, senior bureaucrats, academicians and journalists attended the dinner.

Within the framework of the opening, TÜSİAD delegation held meetings with the representatives of the main think-thanks in France, IRIS (Institut des Relations Internationales et Stratégiques) and CERI (Centre d'Etudes Internationales). TÜSİAD Vice-President Mr. Pekin Baran, together with CHP Istanbul MP Mr. Kemal Derviş, gave a speech at the conference on "EU candidate Turkey: Strength and Weaknesses", organized by IFRI (Institut Française des Relations Internationales).

On April 6, the President of TÜSİAD International Mr. Aldo Kaslowski, TÜSİAD Board Member Ms. Ayça Dinçkök and TÜSİAD member Mr. Ishak Alaton participated as speakers in the fifth strategic encounter series organized by IRIS titled "December 2004: Towards an important appointment with Turkey". At mid-April, a TÜSİAD delegation met representatives from Ministry of Defense, and CERI, Turkish Ambassadors to France and to the EU as well as the Turkish Counselor to assess the political climate in France, in relation to the question of Turkey's EU membership prior to the European elections.

A wide range letter campaign is carried out to dismiss the negative propaganda led against Turkey during the local and European election period in France. The campaign conveyed TÜSİAD's opinion on the opening of the EU accession negotiations

to the French President, Prime Minister and Ministers, Parliamentarians, Senators, French companies investing in Turkey, bureaucrats, media and think-thanks.

On 16 June TÜSİAD Vice-President Mr. Pekin Baran, together with French Senator responsible from Turkey Report, Mr Robert del Picchia, gave a speech at the conference titled "Turkey and 2004 European Council", organized by IRIS.

TÜSİAD Paris Office established a wide database including Ministers, Parliamentarians, bureaucrats, entrepreneurs, and representatives of media, thinks-thanks and NGOs. By means of this database the Office distributes regular information on the impact of Turkey's membership to the EU, fundamental data on Turkey-EU relations, reform process and the economic performance in Turkey and on TÜSİAD. The Office supported various initiatives of French press on publishing special issues on Turkey. Different requests of information about Turkey and Turkey-EU relations were also replied. Through periodical bulletins, TÜSİAD Paris Office informed the Headquarters in Istanbul on the political environment in France and the perceptions about the question of Turkey's membership. Serap Atan, the Managing Director of the office attended the meetings of prominent academic institutions and think thanks focusing on Turkey.



The opening ceremony of the Paris Office

MANAGEMENT
TÜSİAD: Meşrutiyet Caddesi 74, Tepebaşı 34420, İSTANBUL Tel: (0212) 249 54 48 - 249 07 23 Fax: (0212) 251 70 05
E-mail: webmaster@tusiad.org Website: www.tusiad.org
Publisher: Ömer Sabancı Editor: Haluk Tükel
Editorial Board: Ömer Sabancı, Cem Duna, F. Şadi Gücüm
Executive Editor: Zafer Gazi
Graphic Design and Production: TÜSİAD IT Department