



CSIS -TOBB U.S. -TURKISH CONTACT GROUP

Remarks By TOBB President M. Rifat Hisarcikloglu

This afternoon, I am not going to talk about Turkey or Turkey-US relations directly. Instead, I will introduce the Ankara Forum for economic cooperation between Israel, Palestine and Turkey, which is a dialogue mechanism between the business associations of Israel, Palestine and Turkey. At the same, I will discuss Turkey-US relations by focusing on the role Turkey could play in its region.

Turkey could play a vital role in integrating the region into the world economy. This could be done by integrating the regional economies to the Turkish economy. Hence regional integration is the keyword for the economic transformation of our region. At the same time, accelerating the regional integration of the Turkish economy will be extremely beneficial in the transformation of the regional economies.

Turkey's importance as a regional state is based on the Turkish economy. The structural infrastructure of the Turkish economy and its level of development in the region should be seen as the most valuable strategic asset of our country in this era.

From this perspective, it is vitally important for Turkey to complete its economic transformation in accordance with current competitive standards within the EU process. That is the meaning of EU membership for Turkey.

There is not too much time for transformation. Speed is very important but speed also means more pain in the short run. However, there is no alternative from the perspective of Turkey and the common shared values on which our civilization is built.

From the perspective of the current situation, Turkey's second valuable strategic asset is its independent, democratic and extensive chamber system. TOBB is making a serious contribution to the strengthening of the market economy and the evolution and implementation of economic decisions in Turkey.

Turkey has the strongest and most extensive chamber system among the countries in its region and at the same time has a very wide international network. In addition to its Deputy Chairmanship of the Islamic Chamber of

Trade, it is also represented on the Board of Directors of the European Union of Trade and Industry.

To sum up, Turkey has the strongest economy in its region. With its functioning market economy and growing class of competitive entrepreneurs, it is trying to contribute to the process of transformation in its region.

We attach great importance to the development of trade with our neighbors. We follow closely the development of the market economy and the private sector, which is its foundation, in the neighboring states and try to give our support.

Stability is the primary requirement of commerce and the development of commerce in turn enhances stability. Increasing trade also means growing welfare and wealth. For that reason, who does not want a region free of weapons of mass destruction where trade has replaced conflict ?

That is precisely why we are trying to accelerate regional integration. To that end, TOBB has financed out of its own resources a Business Association Network project within the framework of the OECD MENA initiative. The project has been approved by OECD and last week we began implementation with Palestinian Chamber representatives and Palestinian Free Zone Authority officials.

At the same time, within its area of expertise TOBB is trying to help the Palestinian-Israeli peace process which is so important in establishing peace and stability in the Middle East. We are endeavoring to translate these efforts into concrete projects in conjunction with Israeli and Palestinian private sector organizations.

On April 27, 2005 we brought together in Ankara, Palestinian and Israeli business representatives and proceeded to institutionalize the process which began with this meeting as the Ankara Forum.

At the meeting of the Ankara Forum in Jerusalem on June 7, 2005, we established working groups to develop joint projects in two specific areas. Both working groups have now prepared their recommendations for cooperation.

One of the working groups is focusing on tourism. For the implementation phase of the projects, we are not only thinking about Palestine, Israel and Turkey, but also in due course the other countries of the region.

The other working group is focusing on the Revitalization of the Erez Industrial Estate. This is a genuine cooperation and peace project. It will bring a solution to the problem of unemployment in Gaza by creating jobs for Palestinians. At the same time, it will provide for Israel a productive economy capable of creating jobs just beyond its borders.

I believe that the decision for the implementation of the recommendations for these two projects will be made at the meeting of the Ankara Forum in

Istanbul on September 21, 2005. The sides are clearly demonstrating the necessary determination.

Within the Ankara Forum we are focusing on areas where practical trilateral cooperation is possible rather than on political issues whose solution will need time. This is what we can do: We cannot solve the main problems between countries but we can produce local solutions to all the main problems to a certain extent. Accordingly, we are moving forward with small but concrete steps and trying to activate a channel of communication and cooperation which will produce solutions.

We are still at the beginning but we know that the process is working. If the first step was important, we took that step in Israel and Palestine with our partners. We now need help to complete the process. We need not only physical but also moral and political support.

Without the support of the leaders of the three countries, Mr. Erdogan and Mr. Gul, Mr. Sharon and Mr. Peres and Mahmud Abbas we could not have come so far. Consequently, political support is extremely important in the functioning of the process. However, we should always bear in mind that these leaders themselves need international support.

September 12, 2005

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