



IMPROVING THE INVESTMENT CLIMATE IN TURKEY

AND

THE ROLE OF PRIVATE SECTOR

NACİ AKIN / TOBB

23.09.2010

Workshop on Improving Investment Climate For Economic Growth
TOBB/WB/IDB/TEPAV



PRESENTATON PLAN

I- REFORM PROGRAMME AND THE YOIKK PROCESS

II – INVESTMENT ADVISORY COUNCIL (IAC)

II – THE ROLE OF PRIVATE SECTOR

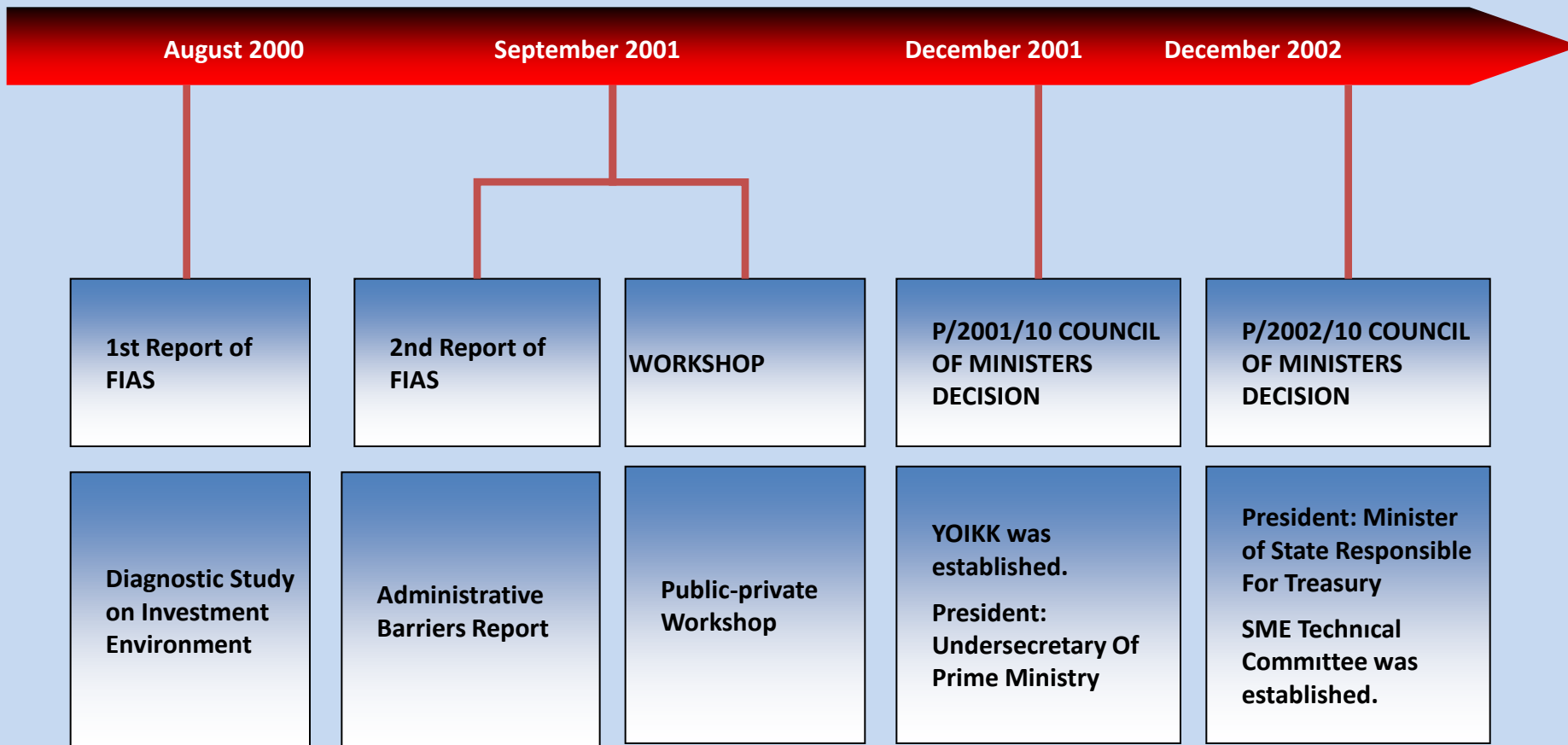


ECONOMIC AND POLITICAL SITUATION IN TURKEY BEFORE THE APPROVEMENT OF “REFORM PROGRAMME ON IMPROVING THE INVESTMENT CLIMATE IN TURKEY”

- ❑ 21 Feb. 2001 – Struggle between President of Turkey and Prime Minister, caused an “Economic Criss” called black Wednesday
- ❑ Withdrawals from Central Bank reached to 7,5 billion US \$
- ❑ 22 Feb. 2001 - Government announced new exchange rate policy; floating rate policy has been accepted instead of nominal anchor rate policy
- ❑ Governor of Central Bank, Undersecretary of Treasury and Chairman of BDDK are resigned.
- ❑ 2 March 2001- Mr. Kemal Derviş is appointed as State Minister in charge of economy
- ❑ 16 March 2001 – TOBB Presidents Council (350 presidents of chambers and comm. exchanges) meeting held in Ankara and declared “ economic salvation war”
- ❑ 31 March 2001 – “Economic and Social Council” meeting held in Ankara, need for new economic programme with social consensus, declared by NGO members
- ❑ 14 April 2001 New Economic Programme of Government declared by Kemal Derviş
- ❑ Undersecretary of Treasury decided to make a study in cooperation with World Bank to improve the investment climate



Road Map for Reform Programme for Improving the Investment Environment





STRUCTURE of YOIKK





YOIKK MEMBERS

PRESIDENT
State Minister

MEMBERS

Undersecretary of Ministry of Finance	
Undersecretary of Ministry of Industry and Trade	
Undersecretary of State Planning Organisation	
Undersecretary of Treasury	
Undersecretary of Foreign Trade	
President of TOBB	
President of TUSİAD	
President of YASED	
President of TİM	
Presidents of Technical Committees	

STEERING COMMITTEE MEMBERS

PRESIDENT
Undersecretary of Treasury

MEMBERS

Deputy Undersecretary of Prime Ministry	
Deputy Undersecretary of Ministry of Industry and Trade	
Deputy Undersecretary of State Planning Organisation	
Deputy Undersecretary of Foreign Trade	
Deputy Undersecretary of Ministry of Finance	
Secretary General of TOBB	
Secretary General of TUSİAD	
Secretary General of YASED	
Secretary General of TİM	

YOIKK SECRETARIAT



YOIKK WORKING PRINCIPLES

AGENDA SETTING

- Recommendations of public institutions
- Recommendations of private sector
- Assessments in international indices and publications
- IAC recommendations
- Technical Committee Action Plans
- Basic policy guides

WORKING

YOIKK



STEERING
COMMITTEE



TECHNICAL
COMMITTEES

OUTCOMES

- Draft regulations
- Institutional capacity building
- Recommendations related to enforcement

Council of Ministers is regularly informed about YOIKK studies.



TECHNICAL COMMITTEES

I – COMPANY REGISTRATION

II- EMPLOYMENT

III- SECTORAL LICENCES

IV- LAND FOR INVESTMENT

V- TAX & INCENTIVES

VI- FOREIGN TRADE & CUSTOMS

VII- INTELLECTUAL PROPERTY RIGHTS

VIII- FDI REGULATIONS

IX- INVESTMENT PROMOTION

X- SME's

XI- CORPORATE GOVERNANCE

XII- RESEARCH & DEVELOPMENT



Major Achievements of YOIKK

FDI Law

Simplification of Business Start-Up

Investment Support and Promotion Agency of Turkey

Reduced Corporate Income Tax

Employment Package

Law on Enhancing Research & Development

New Investment Incentive System

Enhanced Credit Guarantee System



INVESTMENT ADVISORY COUNCIL (IAC)

INVESTMENT ADVISORY COUNCIL IS A CONSULTATIVE BODY DESIGNED BY WORLD BANK AND TREASURY, CHAIRED BY PRIME MINISTER. IT MEETS EVERY YEAR

Investment Advisory Council Members :

- ✓ Executives of leading multinational firms,
- ✓ Heads of international institutions
(IMF, World Bank, European Investment Bank) and
- ✓ Presidents of TOBB, TUSIAD, YASED, TIM.





IAC OF TURKEY HAD 6 MEETINGS SO FAR

VI. Meeting	June 10, 2010
V. Meeting	June 18, 2008
IV. Meeting	June 11, 2007
III. Meeting	June 29, 2006
II. Meeting	April 29, 2005
I. Meeting	March 15, 2004





TÜRKİYE ODALAR VE BORSALAR BİRLİĞİ



Recommendations of IAC members which are aroused during the meetings are declared to the public by the Prime Minister via press conference with the participation of all members

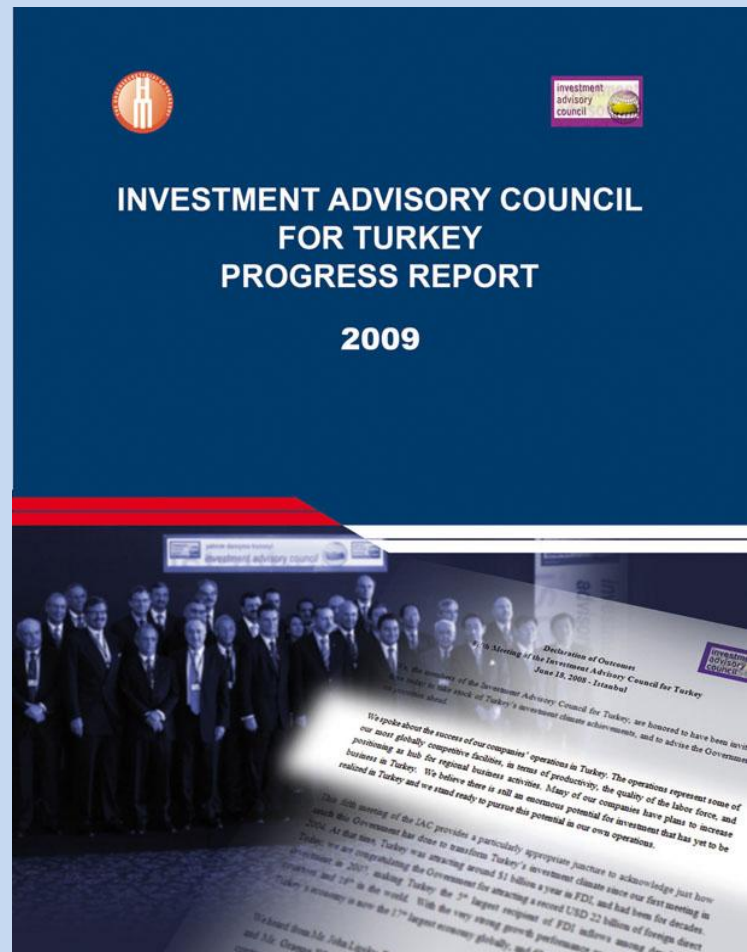


IAC PROGRESS REPORTS

Declaration of outcomes which reflect the recommendations of the Council members are assessed by YOIKK Technical Committees and private sector institutions via YOIKK action plans measured annually.

Results and achievements recorded during the year are presented in the IAC progress reports.

Investment Advisory Council for Turkey Progress Report can be reached at www.yoikk.gov.tr/eng.





ROLE OF PRIVATE SECTOR IN YOIKK PROCESS

- PRESIDENTS OF TOBB, TÜSİAD, YASED & TİM ARE MEMBERS OF YOIKK & IAC
- SECRETARY GENERALS OF TOBB, TÜSİAD, YASED & TİM ARE MEMBERS OF STEERING COMMITTEE
- TOBB AND OTHER PRIVATE SECTOR ORGANISATIONS ARE REPRESENTED IN EACH TECHNICAL COMMITTEE
- TOBB'S OPINIONS & RECOMMENDATIONS ARE CONSIDERED IN ALL PHASES OF REGULATORY CONSULTATION PROCESSES
- TOBB ORGANISES BIANUAL KIZILCAHAMAM INVESTMENT CONFERENCE
- TOBB PARTICIPATES IN ALL STUDIES, LEADED BY, WB, TREASURY, EU & ETC. CONCERNING INVESTMENT CLIMATE

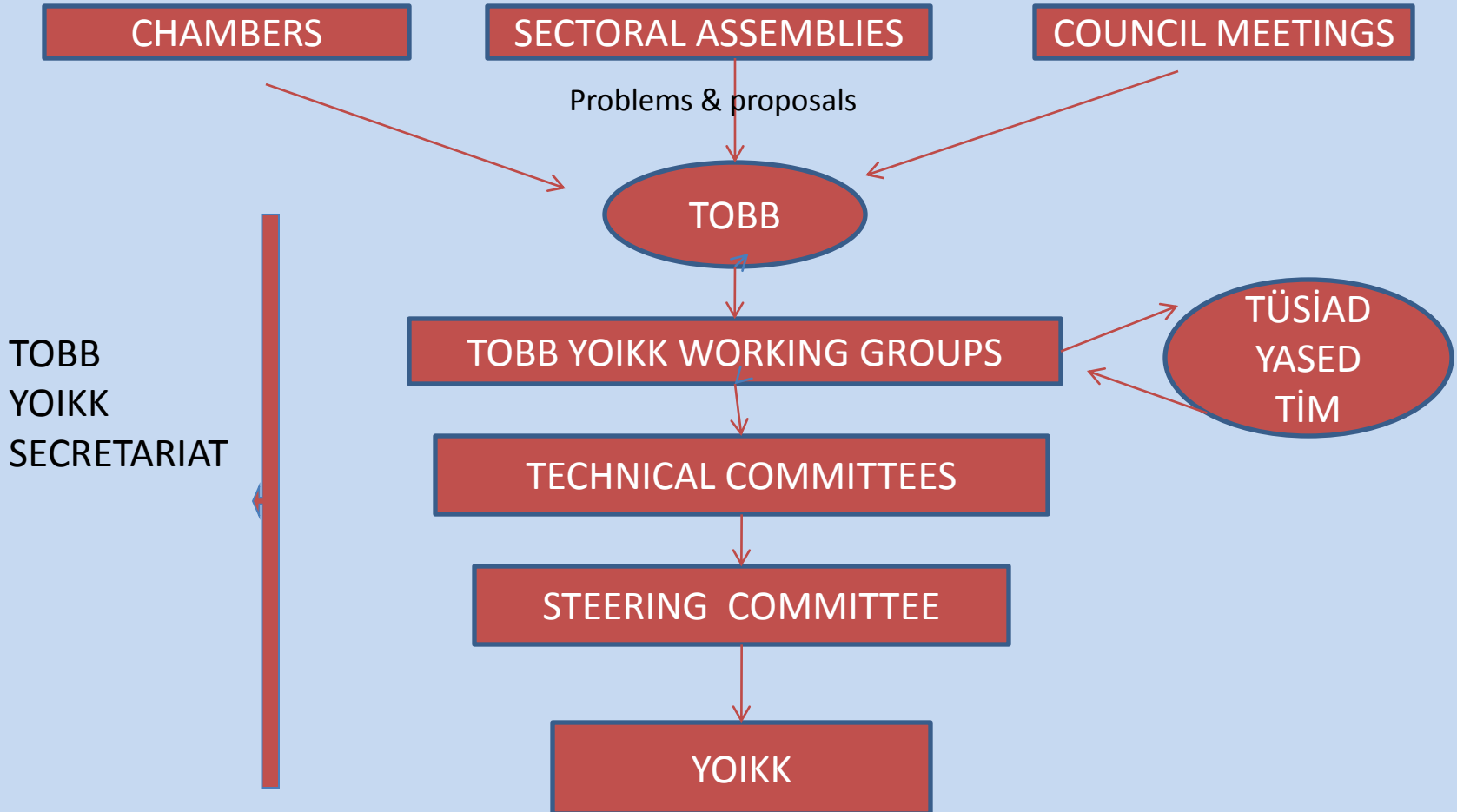


TOBB YOIKK WORKING GROUPS

- TOBB has established working groups parallel to YOIKK Technical Committees. Currently, 12 technical working groups actively study on YOIKK affairs
- Each working group have about 30 members representing main chambers of industry, commerce, maritime commerce and relevant sectoral assemblies
- Chairman of each working group represents TOBB in technical committees
- Working groups evaluate the proposals of investors and TOBB members, and prepare the main policy of TOBB within the topic of their technical committee
- Professionals from the relevant departments of TOBB participate in the working groups as group reporter.
- TOBB YOIKK Secretariat controls and coordinates the studies of working groups and makes the necessary cooperation with Technical Committees, Treasury and private sector organizations.



CONSULTATION PROCESS OF TOBB FOR YOIKK





KIZILCAHAMAM INVESTMENT CONFERENCES

- Kızılcahamam Investment Conference meets bianually since January 2003 (Kızılcahamam is a town nearby Ankara, where meetings are held)
- Participants: YOIKK & Steering Committee members, Technical Committees, private sector representatives, NGO's
- Organized by TOBB in cooperation with Undersecretariat of Treasury
- Secretarial works done by YOIKK Secretariat & TOBB YOIKK Secretariat
- Sessions held in Conference: Private sector coordination meetings to consolidate the proposal packages for action plans, Technical Committee meetings, Steering Committee meetings, YOIKK meeting.
- Outcomes : Action Plans of Technical Committees



OTHER CONTRIBUTIONS OF TOBB ON INVESTMENT CLIMATE

- TOBB participates in all studies led by national & international institutions concerning investment climate. Such as : ICA, EU Twinning Project, Doing Business Studies, UN & OECD Studies, Prime Ministry diminishing of bureaucracy studies, TEPAV Projects & etc.
- TOBB, shares information about Turkey's investment climate with its international guests & participants of TOBB's international training programmes
- TOBB helps investment promotion activities of Turkey and shares the information about investment climate in its study visits abroad and in its foreign relations
- TOBB shares its experience & knowledge about the improvement of investment climate in cooperation with government institutions such, as Treasury & TISPA, when necessary



Turkey's Experience Sharing Program on Investment Climate Reform

Theme 1

- ▶ Global Trends in Improving the Investment Climate

Theme 2

- ▶ Diagnosis Study and Awareness Building

Theme 3

- ▶ Building Structures and Platforms for Reform

Theme 4

- ▶ Workshops/Case Studies in Creating Platforms
- ▶ Necessary for Improvement of Investment Environment

Alternative Topics Offered in the Program:

- ▶ FDI legislation
- ▶ Negotiations on Bilateral Investment Treaties (BIT's)
- ▶ Company establishment
- ▶ Corporate governance
- ▶ Customs & Foreign Trade
- ▶ Licensing
- ▶ Small and Medium Size Enterprises (SME's)
- ▶ Investment Support and Promotion Agency of Turkey



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TÜRKİYE ODALAR VE BORSALAR BİRLİĞİ



THANK YOU

