



OPENING ADDRESS OF

MS. CANSEN BAŞARAN-SYMES,

PRESIDENT OF THE TÜSİAD BOARD OF DIRECTORS

AT THE MEETING OF THE HIGH ADVISORY COUNCIL

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TÜSİAD AVRUPA İŞ DÜNYASI KONFEDERASYONU (BUSINESSEUROPE) ÜYESİDİR

İstanbul: Meşrutiyet Cad. No: 46 Tepebaşı 34420 İstanbul -Türkiye
Ankara: İran Cad. No:39/4 Gaziosmanpaşa 06700 Ankara- Türkiye
Brüksel: 13. Avenue des Gaulois, 1040 Brussels-Belgium
Washington D.C.: 1250 24th Street, N.W., Suite Nr. 300, Washington D.C.20037-USA
Berlin: Märkisches Ufer, 28 Berlin 10179 Germany
Paris: 33, Rue de Galilée 75116 Paris France

Tel: +90 (212) 249 19 29
Tel: +90 (312) 468 10 11
Tel: +32 (2) 736 40 47
Tel: +1(202) 776 77 70
Tel: +49 (30) 288 786 300
Tel: +33 (1) 44 43 55 35
www.tusiad.org

Faks: +90 212 249 13 50
Faks: +90 (312) 428 86 76
Faks: +32 (2) 736 3993
Faks: +1 (202) 776 77 71
Faks: +49(30) 288 786 399
Faks: +33 (1) 44 43 55 46

e-mail: tusiad@tusiad.org
e-mail: ankoffice@tusiad.org
e-mail: bxloffice@tusiad.org
e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org

Esteemed Chairs, Esteemed President, Fellow TÜSİAD members, and Dear Members of the Media,

Welcome to the meeting of our High Advisory Council.

I believe that the ordinary meeting of the High Advisory Council is being held amidst extraordinary global and national developments, and I guess nobody will consider that an overstatement.

There are so many issues crucial to our business community. We have to deliberate over every one of them. We cannot consider economy without considering simultaneously the law, or the law without the struggle against terrorism, or the struggle against terrorism without our foreign policy, or the foreign policy without universal democratic values and of course the welfare and the wellbeing of our country.

Every issue has connections with others but I would like to start with the economy.

Dear Members,

The Turkish economy has achieved a considerable growth rate in the year of 2015 when almost all the reports about the global economy fueled a rather grim and pessimistic outlook. We witnessed that our economy is more resilient than expected in spite of terrorism and political uncertainties. However, we know that the long-term risks and the legacy of the structural problems persist.

When the new government was formed following the elections of the November 1st, we were expecting a period of four years without elections, and we supported wholeheartedly the action plan of the 64th Government. I would like to state that we appreciate the effort of the government in implementing various items of the reform agenda. Many elements of the action plan are still subject to continuing work, while a part of the program has already been realized.

We hope that the next government to be formed within ten days following the General Assembly of the Justice and Development Party will continue with the reform agenda with the same enthusiasm and determination. We expect that 172 program items of the action plan will be actively and swiftly implemented.

Although our economic prospects seem relatively good as compared to other countries, and our growth rate remains high if one takes the global situation into account, we should not rest on our laurels. Structural problems impeding sustainable growth constitute a great economic risk.

Early this year, the understanding that FED is not going to raise the interest rates as rapidly as anticipated, and the ensuing movements created short-term capital flows and an optimistic atmosphere in the Turkish markets. The slow but stable growth of the European economy and low levels of oil prices also contributed to this optimistic outlook and the Turkish economy found its way toward a new and encouraging equilibrium.

Nevertheless, the inflation is still not permanently at single digit levels and the insufficient savings is unable to cover the necessary investments: these are issues which may grow into serious risks. Worst of all, in spite of the continuous economic growth of the last four years, the productivity is not increasing at all.

As a result of the terrorist incidents affecting our country and our neighbors, tourism industry suffers considerable losses and the difficulties are predicted to deepen. Tourism is a very important sector of the Turkish economy that is linked to many other industries; hence we may foresee that the losses in the tourism industry will cause a great amount of indirect damage as well.

During this critical period, it is imperative that we maintain a rational economic management devoted to the rules of the competitive market and with a focus on solving the structural problems of Turkey. Our business community expects that the new government continues unremittingly with the competitiveness-enhancing reforms while steering the economic policies with due respect to the fiscal discipline and financial stability.

Dear Members,

The current government that is going to pass the baton to the next one after the 22 May General Assembly of the Justice and Development Party worked hard to give a renewed impetus to the EU-Turkey relations.

The heartbreaking tragedy of the refugees, fleeing en masse from the bloodshed in Syria to the European countries has become a reason to revive the relations. A secondary channel has thus been created to reestablish the relationship that seemed to be broken because of the stalemate reached in the membership negotiations.

Consequently, the parties initiated negotiations in order to deal with the refugee crisis. A roadmap from the current visa requirements -considered seriously unfair by the Turkish public opinion- toward a visa-free regime was adopted in parallel with the EU-Turkey Readmission Agreement.

According to the report of the European Commission, Turkey has fulfilled adequately and rapidly nearly all of the 72 requirements for a visa-free regime designated in the roadmap. Rapid implementation of the necessary measure should be considered as a significant success.

As we all know, European Parliament adopted an inflexible stance on the disagreement about the definition of the terrorism. The developments of the last two days have clearly shown that the two parties still have a number of diverging points that obstruct the signature and hence the implementation of the Agreement. We wish these divergences are ironed out before arriving at a breaking point. The EU should not expect that Turkey adopts measures which may weaken its struggle against terrorism while terrorism is a current threat against our country.

Among other conditions of the visa agreement, we attach a particular importance to the application of the program of the fight against corruption and to the implementation of legal measures in accordance with the recommendations of GRECO (Group of States against Corruption signed by Turkey as well), the body of the Council of Europe in this field. I would like to emphasize the importance of any and all measures and programs in this area.

Similarly, the harmonization of the Law on the protection of the personal data with the EU standards, and obeying to the letter and the spirit of this law will provide a relief in the sphere of rights and liberties.

Dear Members,

The genuine and radical solution of the refugee problem is ending the civil war in Syria. The Syrian civil war has caused hundreds of thousands of deaths during the last five years. As a result of the inability of the international system and the countries of the region in taking the necessary steps to end the war, many problems became chronic; they will probably keep troubling the coming years.

One of these chronic problems is certainly terrorism. Last year this month, Turkey was preparing for the elections and the hostilities had been suspended for more than two years. And now, it has been almost a year we are suffering terrorist attacks of PKK. Violent incidents in

the cities and villages of the Southeastern Turkey persist causing heavy casualties. Day in day out, we are deeply moved by the unbearable news of victims, martyred members of our security forces, and tormented families. We are saddened by the conditions of our displaced citizen who had to leave their hometown because of terrorist attacks.

We endorse the fight against terrorism absolutely; we consider the prevention of casualties among our security forces and civilians of the highest priority and we believe that this struggle can be waged with due respect to the human rights and liberties. We hope that suitable conditions for a peaceful solution are obtained as soon as possible.

Whatever the case may be, we attach a great importance to the security, the right to a fair trial, the freedom of expression, and the rights to assembly and of demonstration. In any event, we should support the case to be a self-confident country that boldly creates space for free thought.

We see that the security of our country undergoes another kind of attack as well. The town of Kilis is suffering rocket attacks launched by the terrorist organization ISIL. Many citizens lost their lives. Because of the rocket attacks, people started to desert the town of Kilis where the refugees already outnumber the local population. Terrorist attacks by people connected to ISIL, recently in Ankara and Istanbul and earlier in Süruç and Diyarbakir show the dangers our country faces. Undoubtedly it is the responsibility of our government to develop adequate solutions and to provide security for the people of Kilis and for all our citizens wherever they live.

Dear Members,

These terrorist attacks and the uncertainties about when and how will end the cruel civil war in Syria have an impact on the foreign policy of Turkey. All these developments demonstrate that there is a need for a reassessment of the Turkish foreign policy and an evaluation of the recent period should be made as objectively as possible.

We know the significance of the position of Turkey within the Western Alliance in determining its influential position within the world system, its ability to be effective in its neighborhood and to establish close and fruitful relation across the world.

On the other hand, it cannot be said that Turkey agrees with its Western allies on every issue. Therefore we would like to stress once again the importance of keeping the dialog channels always open and taking pains to care for communication and diplomatic cooperation. We also

expect that our allies be more sensible on the legitimate security concerns of Turkey and construct their discourse within the framework of solidarity with an ally.

It is obvious that the stress in our relations with Russia is detrimental to the interests of both countries. Hence we are for the establishment of a dialogue that makes possible a gradual improvement of the relations.

Furthermore, in spite of the state of crisis of the EU, we should keep the outlook of membership alive and proceed with a number of domestic steps. Positive or negative developments in Europe bear upon and have a considerable effect on Turkey, as Turkey is a part of Europe.

Therefore we have to follow closely the Brexit discussions and referendum, and the discussions about the future of the EU. However turns out the result of the Brexit referendum, EU will enter a new phase of its existence. I believe that every cool-headed thinker and decision maker on both sides agree that in spite of the unpredictable political agenda both in EU and in our country, it is best to conduct the relationship as constructively as possible, with due respect to the position of the other side.

Dear Members,

Turkey is a secular, democratic country with a Muslim majority, a market economy, a member of NATO and a candidate member of the EU. There is no other country in the world that has all these attributes. Turkey has the historical legacy and the ability to produce the synthesis needed by the international order.

Ottoman modernization and the revolutionary Republic has equipped our society with a secular outlook. This outlook is the guarantee of the social coherence and peace in our country. The problematic implementation of the principle of laicism in a rigid and authoritarian way in the past does not legitimize the discussion of the necessity of this principle. What is right and what should be done is the implementation of laicism within the framework contemporary norms and democratic principles.

To reject the principle of laicism is to abandon the aim of modernizing Turkey, but this is not the worst of it; such rejection will upset the social balances and increase the social stresses that threaten to disintegrate our society.

This is why the security of our future depends on the adoption of the principle of laicism by every responsible person in charge, starting with our President. Laicism is correlated with the

modernization of Turkey, the health of our democracy and the coherence of our society. As we underlined in our recent press release, “we shall remain faithful and support Republican values based on laicism, rationality, science, law, and freedom.”

Dear Members,

We share and announce our views on the judicial independence, supremacy of law, respect for the property right and protection of the civil liberties in nearly all our TÜSİAD meetings, for a long time. We observe a similar awareness globally, in all democratic countries.

Harsher and harsher winds of populism affect and pressurize established institutions of every democratic country of the world. The rise of populism must be seen as the political repercussion of the economic crisis and income inequalities. The world faces a situation that reminds us the necessity of reshaping a new model of globalization. The loss of focus on the social consequences of the globalization made the economic growth lose its inclusiveness and rendered the globalization ungovernable.

Protection of civil rights, fighting corruption and of transparency of the governance are demanded more and more strongly, and the issue of the income inequality is discussed more and more passionately. Healthy development of the Turkish democracy is closely interrelated with translating these popular demands into the political arena. The welfare of our country depends on our adherence to these values.

Dear Members,

We cling to the law so wholeheartedly, we demand transparency so insistently, and we want to strengthen our democracy so adamantly because all these are the precondition of the welfare and wellbeing of our nation. These are the principles we adopt in order to live without fear as citizens of this country and to look confidently towards the future of our children. We believe that the new government to be formed will also work in line with these principles. I would like to repeat that we will keep supporting the effort aiming these goals, and serving the common good of our nation. I salute you with my sincere regards and on behalf of our Board of Directors, I thank you for your participation.