

TURKEY: A FRONT STATE

Outlining Turkey's track record on multiple fronts, the author highlights the reasons behind high investor interest in Turkey. Offering assurance that Turkey's EU track will proceed, the author argues that economically Turkey is already a part of the EU

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All humankind today hopes for the consolidation of world peace and stability. Contributing actively to the resolution of existing challenges as a responsible member of the international community has been an important pillar of Turkish foreign policy. To that effect, Turkey's candidacy for a non-permanent seat at the Security Council only confirms its substantial contributions to peace and security. In other words its bid for the non-permanent seat is in tune with Turkey's larger efforts to secure peace, stability and security in its region and beyond.

Turkey plays a unique geopolitical role as a stable, secular, democratic country with a majority of its population being Muslim, literally at the strategic crossroads between East and West. A member of NATO, it aspires to join the European Union with its official negotiation process launched in October 2005. With its links to the Middle East and Central Asia, it is also emerging as a key energy corridor and terminal between those energy-producing regions and Europe. A model of stability at the gateway to a region of increasing instability, Turkey can and is playing a moderating role in regional conflicts and in mitigating global risks.

It is widely known that Turkey has a unique position as the only member of the Organization of Islamic Conference that is also a candidate to the European Union. This position enables Turkey to facilitate interaction and dialogue between different geographies and cultures. Turkey's achievements in helping create an environment in its region and beyond that is conducive to development, stability and progress are plenty. The Black Sea Economic Cooperation, Economic Cooperation Organization, Stability Pact are good examples of that effect.

The Investment Support and Promotion Agency of Turkey

As the official government investment agency of Turkey, we strongly believe that trade, investments and closer economy ties also contribute to world peace and global security. And Turkey's economic and social development programs are shining examples of what can be accomplished with the right initiative, determination and proper mobilization of resources.

The newly established Agency is already strengthening global coordination and accelerating investments in Turkey, while presenting the advantages of a strong local market and its great positioning through Europe, Central Asia and the Middle East. With its large, skilled workforce of over 24.6 million, its cultural propensity for hard work and low rates of absenteeism, Turkey has substantial assets in place.

Turkey is quickly becoming one of the most attractive countries in the world for

international investors. From 2005 to 2007, foreign direct investments reached over 52 billion dollars, while inflation has fallen to single digits with the lowest level in more than 30 years. Turkey has the 17th largest economy of the world and the 6th largest economy compared to the EU countries.

Having a relatively new and highly developed technological infrastructure in transportation, telecommunications and energy, the key elements of Turkey's structural reform agenda includes measures to encourage private sector investment. The emphasis was made on opening key markets to competition, regulation by independent agencies and an accelerated plan for privatization. New plans were also announced regarding laws to support R&D and innovation within the country. In recent years, Turkey has become the key investment destination for a number of high profile companies. Turkey is quickly becoming one of the most attractive countries in the world for international investors. Turkey is ranked the 13th most attractive country in the world in terms of FDI.

The EU Dimension

Turkey, with a very strategic location in Europe and an access of all main European cities within 3-4 hours is contributing to the global competitiveness of the EU. Of the 20 billion dollar FDI that Turkey attracted in 2006, 81 percent was EU originated, the majority being western European countries. That means that the 'Economic EU' has already integrated Turkey in the global picture as part of the EU.

In 2006, Turkey was ranked 2nd in sheet glass, 7th in iron-steel, 17th in motor vehicle production and 8th in shipbuilding industry in the world. This is the new face of Turkey. And for sure, it will totally be different in the coming years.

Turkey is engaged in a deep structural reform process that will render the country Euro-compatible by the end of 2012. These reforms are owned by all parties implied. Turkey is aware of the necessity of these reforms and has no doubts with regard to continuing down this track. The mid and long term confidence that has been strong for five years indicates that national and international investors are also aware of this reality.