**72th GENERAL ASSEMBLY SPEECH OF M. RİFAT HİSARCIKLIOĞLU; PRESIDENT OF TOBB**

**11.05.2016, ANKARA**

**I wholeheartedly extend my greetings to each and every one of you on my behalf and on behalf of the Executive Board of the Union of Chambers and Commodity Exchanges of Turkey (TOBB). Welcome to the 72nd General Assembly of our Union. You honored us with your presence.**

We would like to extend our greetings to the Prime Minister, H.E. Ahmet Davutoğlu, although he is not among us today, but has always sided with the private sector, the entrepreneurs, those who put one brick upon another and all who contributed to this country. We extend our gratitude for the contribution he has made to our country and our business community.

Today, we are co-hosting this event with the Minister of Customs and Trade, Mr.Bülent Tüfenkci, and on your behalf I would like to extend my gratitude to him. I would like to kindly welcome all Deputy Prime Ministers, Ministers, the Chairman of the Republican Peoples Party (CHP), Mr. Kemal Kılıçdaroğlu and the representative of the Nationalist Movement Party (MHP), Mr. Emin Haluk Ayhan, who all came here to be together with the primary representatives of the business community filling this room, to share the same emotions with our community and to empathize with you.

**Highly esteemed members of our community,**

You have just seen a brief summary of our services rendered thanks to your efforts and endeavors. All these activities were delivered thanks to your work. I hereby commend each and every one of you; I take pride in all of you. May Allah bless you!

Our community has always been committed to the very advice of “consultation is of tradition”. Thanks to you, we became the voice, the heart of Anatolia. We became united, we grew, we became vigorous. We voiced ourselves more. We overcame obstacles. We had new achievements.

Our Chambers and Commodity Exchanges have become the power of private sector stemming from unity. Our Chambers and Commodity Exchanges have been transformed into modern institutions with the highest representativeness of the private sector, settling the problems of its members with service quality up to par with European standards.

We did not give into problems. We did not focus on the negative. We became a role model for the countries in the periphery. We’ve had a say in all of the global business platforms. We became the spearhead of change and transformation. We showed the entire world what this nation could do. We won as the country won.

We were able to achieve all this thanks to our chambers, and our commodity exchanges. We were able to achieve all this thanks to you all, filling this room. If you allow me, I would like to applaud you all, working without earning a penny, day and night for the country and for the people.

Well, are these enough? Never! Never should be! We, who produce, generate jobs, export and invest, deserve better. These people deserve better. We have more ambitious objectives ahead.

If we want to achieve these objectives, if we do not want to lag behind, then we must work harder everyday than the day before. If we stop even for a while, we lose the race. As in the verses of Mehmet Akif: “Those who stop have no right to life. Humanity does not stop. Once you stop, you will definitely be overridden.”

Developments in global competition confirm this reality. Even the richest countries of the world, to avoid lagging behind, establish new alliances.

• On one hand, USA is starting a new trade and investment initiative with European Union, and on the other hand,

• She is setting up an economic cooperation with emerging Asia-Pacific countries.

• In other words, new alliances, which will shape the global economy, are arising.

• In order to expand its market, EU signed free trade agreements with 21 countries over the last 5 years.

• China has opened up quite extensively to Africa. She is becoming established in the African market and at the same time, is getting the tenure of mineral resources and vast lands in the continent.

• On the other hand, industrialized countries led by Germany are working on a new industrial revolution. China and Korea are investing considerably in this area.

• Meanwhile, developing countries are making constant reforms in order to attract more investments. They are making their legislation investor-friendly and climbing up in the Doing Business Index.

Turkey has become an incredible success story in recent years. However, through same methods, it is not possible to protect your current position let alone keep growing. We have to identify a road map, and take a step forward every day. To make our future brighter, we have to make our country rise again. We should re-energize the real sector.

We are expecting to see the support and contribution of the political party in the power and the opposition parties during the talks at the Parliament and the commission vis-à-vis arrangements on improving the competitiveness of our companies. Turkey needs a new growth and industrialization model. Turkey needs to maintain and strengthen the structural reform agenda she has. Common wisdom, unity and solidarity should prevail in these actions.

**Distinguished Chairman, Distinguished Deputy Prime Minister, Esteemed Ministers,**

Courts cannot give rulings, in commercial disputes, in a fast and sound manner. There are important problems in areas such as Labor Courts, expert opinion procedures and bad checks. Therefore, corrective steps need to be taken in these areas as soon as possible.

Within this scope, new mechanisms such as mediation and arbitration should be introduced. In order to alleviate the problem of bad checks, checks with square code will be mandatory. Mediation will become obligatory to settle disputes between employers and employees. Likewise, we should adopt arbitration in commercial disputes below a certain amount.

To this end, we started establishing arbitration and mediation centers both under TOBB and under our Chambers. Meanwhile, we organized an unprecedented event with the Minister of Justice, Head of the Court of Appeals and the Council of State.

In the last year, business community came together with the members of the judiciary three times to exchange ideas. These consultations yielded very beneficial results. I would like to extend my gratitude to two important people who worked very hard to materialize these activities; the Minister of Justice, Mr.Bekir Bozdağ, and the Minister of Customs and Trade, Mr.Bülent Tüfenkci.

**Dear friends,**

Investment promotion system should be updated according to existing needs. Activities bringing in technology, increasing the added value of production should be supported more. Incentives should be given on the basis of individual projects. Not only new investment but also production should be incentivized.

There is a nice saying in Anatolia; if you do not like what you harvest, you need to go back and look what you planted. If your job does not deliver as it used to in the past, then you should change the way of doing business.

Advancements particularly in 3 areas will define the future of the economies; bio-, nano- and information-communication technology. These three areas will drastically change all sectors and way of doing business in near future. We should be concentrating on these areas as well.

The world started having discussions about the 4th Industrial Revolution. Germany, USA and Korea are taking important steps to this end. We should establish a Technology Development Fund that will support those enterprises bringing in such high technology.

We tackled all these issues thoroughly at The Coordination Council for the Improvement of Investment Environment. Deputy Prime Ministers, Mr. Lütfi Elvan and Mr.Mehmet Şimşek; Minister of Finance, Mr.Naci Ağbal; Minister of Industry, Mr. Fikri Işık; Minister of Interior, Mr.Efkan Ala and Minister of Customs and Trade, Mr.Bülent Tüfenkci had pioneering roles about all these issues.

Following these efforts, we will hopefully be taking new steps together to motivate the private sector to invest. Therefore, it will be possible to roll out the economic activity and prosperity to the entire country.

Seeing more companies from Anatolian cities in the list of Turkey’s top industrial enterprises makes us truly contented. We should keep up with this trend, expedite it and eradicate regional discrepancies. Local actors must participate while taking regional investment decisions. Within this framework, we must increase the representativeness of the private sector in the Regional Development Agencies.

Another issue that we have to focus on is boosting our export capacity. In this respect, Minister of Economy, Mr. Mustafa Elitaş is diligently engaged in extensive work. It is not possible to increase our export volume from 150 billion dollars to 500 billion dollars by selling the same products through same companies to the same markets. We have to adapt the existing export support system to embrace the following frame of mind; “new products, new markets, new exporters”.

We have to teach our SMEs to export more. The source of augmenting the number of exporting companies to 100.000 is here; it is within our Chambers and Commodity Exchanges. As Rumi said, “effort gives one wings”. This community is ready to put its hand under the rock and initiate a new era of progress in export.

On the other hand, we need a comprehensive foreign investment model. Our goal should be to spread around the world through global national companies. Turkey has not only become a country importing capital but also exporting capital. In the last 5 years, our companies have realized 23 billion dollars of direct investments abroad. This is a 1.5-fold increase from the aggregate amount of the last five decades.

We have to be using these resources more effectively, and show the most favorable foreign investment opportunities to our investors. While taking these steps, we must keep the headquarters, particularly the R&D units of the companies, in the country. We are working together with the Ministry of Economy on a new export and investment model. I hope that we will make this picture more favorable.

**Dear friends,**

E-commerce is coming to the forefront in the world. Thanks to e-commerce, cost of doing business is lowered and the range of export is increasing. We have to seize this opportunity and ensure digital transformation in economy. We have to make the use of cloud technology amongst SMEs more widespread. All these will spark off productivity growth.

As SMEs digitalize, the existing infrastructure will not suffice. There is 6 thousand meters of fiber optic cable per square kilometer in Korea where as it is only 300 meters in Turkey. It is high time to cover the country with fiber optic cables. Minister of Transportation, Mr. Binali Yıldırım is engaged in a series of endeavors to bring along high technology to Turkey, which gives us tremendous hope.

On the other side, informal economy is still our biggest problem. We must encourage formal economy, and reward those being a part of it while increasing the cost of remaining informal. The tax system should distinguish those duly working and those who are not. We have to own up to those regular taxpayers so that everyone is encouraged to pay taxes.

The legislation needs to be simplified and explicit. The cost of becoming a part of the formal economy needs to be lowered. In this respect, we extend our gratitude to Mr.Naci Ağbal, the Minister of Finance. He always consults to the private sector and creates a collaborative environment.

If you allow me, I will touch upon a problem experienced in Anatolia. It is for sure that everyone will work in accordance with the laws. Everyone will duly work. Everyone will account for when failed to do so. We are already held accountable for our actions. We do not want any discrimination here.

But, would there be no cost to ruining the life of an entrepreneur in an unjust manner? Those who cause loss in our accounts, as a result of arbitrary and incorrect audits should also pay the price for their actions just like we pay the price of doing wrong in business. Do not leave the entrepreneurs, who produce, turn an honest penny, to the mercy of bureaucracy and auditors. Years of hard work, reputation should not be destroyed with an arbitrary comment. Only Allah can hold someone accountable without Him accounting for anything. We want those who act arbitrarily and call people to account, to account for their acts!

**Distinguished guests,**

Let us continue to reduce the financial burdens on employment in order to preserve the competitiveness of our real sector. Let us change practices that punish employment such as the compulsory employment of certain professions. Let us abolish transaction taxes such as the stamp tax, which do not fit the business life of our age.

Let us integrate our agricultural sector into the world and turn it into a brand. It is highly motivating for us to see that our Minister of Agriculture, Mr. Faruk Çelik has undertaken great endeavors to this end.

With regard to the matter of having access to finance, let us save our companies from their dependence on banks. Let us finally find a solution for the victimization of our real sector via high interest rates and commissions. The banks should not always expect sacrifices from us, from the real sector. Now it is their turn.

I’m asking you! who among you here makes as much profit as the banks? Is there even such a person in this hall! I’m addressing the banks from this platform; stop being so inconsiderate! Do not forget that we are on the same boat! You exist only if those in this hall exist!

Now I would like to touch upon an important sector regarding which we have had serious problems in recent times. As you know, tourism is a sector that sets our country apart in the world and through which we generate the most amount of net foreign currency. We have now managed to become the 6th biggest touristic destination.

However, 2016 will be a tough year for tourism. Reservations have dropped by almost fifty percent. Tourism is among our most widespread sectors; one that keeps other sectors alive with a large area of influence. The support of our state is necessary in order to preserve the capacity that we possess during these difficult times.

The public charges on enterprises in the sector need to be alleviated for a limited period. We are happy to observe that our Minister of Tourism, Mr. Mahir Ünal is also focused on this matter. Hopefully, we will continue to sprint forward from where we left off when these dark clouds are dispersed.

**Esteemed members of our community,**

There are also some issues that call for a dose of self-criticism on our part as the business world. We constantly complain about the fact that the judiciary is slow. Yet, we do not make use of the means in our disposal. The solution is here, it’s ready; use it. Include an arbitration clause into the contracts you sign. Let your disputes be resolved in the fastest way and fairly through arbitration.

Another matter is the certificate of professional competence. Starting from May 25th, it will become mandatory for employees in dangerous and highly dangerous professions to have certificates. However, our business world is not fully aware of this. As TOBB, we have assumed our share of the responsibility. We founded MEYBEM. We issue these certificates in 81 provinces via our Chambers and Commodity Exchanges. Our state is also fulfilling its responsibility regarding the matter. It both covers the exam fee and pays the employer’s share of the insurance premium for you for a period of 1 year. Make use of this opportunity.

**Distinguished guests,**

The principal richness of countries is the entrepreneurial spirit they have. Turkey has no other way than entrepreneurship to prosper. We need new generation entrepreneurs who can think outside the box and innovate.

That is why we set up the Women and Youth Entrepreneurs Councils, which are the largest entrepreneurship network in Turkey. We have organized thousands of entrepreneurship activities in 81 provinces. We established the Investment Fund of Turkey with the Undersecretariat of Treasury in order to support our entrepreneurs. As TOBB, we set aside 100 million liras in resources. I would like to thank our youth and women entrepreneurs who took ownership of all of these activities. I am particularly proud of our women entrepreneurs. Turkey’s future lies in your hands.

**My dear friends,**

We are aware of the importance of the EU accession process in terms of Turkey’s economic and social transformation. We have recently gained promising impetus in relations. We welcome the recommendation of the European Commission to lift the Schengen visa for Turkish citizens. We are grateful to all those who contributed to this outcome; notably our government, but also all our politicians from both sides of the spectrum and our bureaucrats.

We also expect similar positive developments with regard to the Transatlantic Trade and Investment Partnership, which is currently under negotiation between the EU and the USA. Our place in it is of utmost importance for the future of our country’s economy and real sector. Our exclusion from this partnership would be a serious sign of regression in terms of Turkey-EU relations. It would make it harder for our major companies to have access to the largest markets of the world. Therefore, we absolutely have to be a part of this process.

**Esteemed participants,**

As a result of the recent flare-up in terrorist incidents, the business world in Eastern and South-eastern Anatolia has been experiencing major difficulties. Merchants that are unable to open their shops and SMEs without any business are falling short of making a living for their families. We will fight against terrorism until the end. We will also be on the side of our citizens living in these regions while doing so.

These people who have always been on the side of their state are trying to stand on their feet despite all difficulties. They are unable to do any business since their shops are closed and they fail to pay their debts. Less business means less labor and less wealth. We cannot leave these people to their own devices. Our government has announced a series of incentives. We are grateful for those. However, these measures do not suffice due to ongoing terrorist incidents.

We have to come up with new economic solutions for them within the scope of the fight against terrorism. Tax, premium and loan payments need to be deferred in the region in order for the business world to go back to its former state. The credit standings of many brothers and sisters have been downgraded, as they are unable to make check, bill and loan payments. Measures need to be introduced to rectify this situation.

At this point, I would like to draw everyone’s attention to the situation one particular city of ours finds itself in. Kilis has a population of 130 thousand and the number of Syrian refugees it welcomes is also 130 thousand. Such an example of mutual assistance, solidarity and hospitality on this scale is unprecedented in world history. The people of Kilis are making history in humanitarian terms. My message is to the whole world. If the winner of the Nobel Peace Prize is justly determined, then there is a single candidate this year and it is the city of Kilis.

**My dear friends,**

May Allah send all of our martyrs to heaven and grant speedy recovery to our wounded veterans. Allah almighty says; “He, who slays a believer on purpose, shall be punished with eternal hell.” Those hypocrites that manipulate Islam, the religion of love, for terrorist purposes and those treacherous circles that wish to create ethnic divisions are trying to terrorize our cities.

Let me be clear; all 78 million of us, we will stand united against these sinister tricks. We will leave no room in these lands for those that create terrorism. Because everyone living on these lands are siblings, neighbors and relatives of each other. Because Turkey belongs to all of us.

We, as a nation, have to put an end to the acts of whoever might be turning a blind eye to, compromising in the presence of or supporting terrorism. Where arms do the talking, peace goes silent, politics go silent and humanity goes silent. The place for politics is the National Assembly. There is no good or bad terrorism! There is no small or big terrorism! There is no religion, race, nationality or creed to terrorism! Terrorism is a crime against humanity. “Everyone has to condemn it without any ifs, ands or buts”.

I would like to also address friendly countries that do not provide us sufficient support in the face of terrorism. Show the same sensitivity towards the bombs that exploded in Ankara, Istanbul, Diyarbakır and Pakistan as you did to those in Paris and Brussels!

**Dear friends,**

The constitution is the key to living in a more modern, free, peaceful and fair country. We must achieve a new basis of consensus with a new constitution.

As TOBB, we were the ones to express the need for ‘‘a new constitution’’ for the first time back in 2000. We set up the ‘‘Constitution Platform’’ in 2007 by bringing together professional organizations and labor unions. We organized ‘‘Turkey Speaks – Constitution Citizen Meetings’’ in 13 provinces in 2012. Almost 7 thousand citizens with different opinions came together around the same table during these meetings.

Our nation spent hours debating what kind of a country and constitution they desired. We submitted our report consisting of 18 binders to the Constitution Reconciliation Committee of the National Assembly. We, thus undertook the largest ‘‘deliberative democracy activity’’ of the history of Turkey.

We understood through this process that the citizens of Turkeywant a new constitution. Therefore, we must prepare, take ownership of and implement our new constitution all together. This will make it easier for our republic, which is the legacy of Mustafa Kemal Atatürk, to reach the targeted level of contemporary civilizations.

Our National Assembly must prepare the new constitution with a participatory approach and through reconciliation. The sine qua non values of our nation; the democratic, secular and social structure of our state with the rule of law must be preserved.

As mentioned by the late Mr. Özal; the freedom of expression, the freedom of religion and conscience as well as the freedom of enterprise must be safeguarded. We must transition towards a state understanding that does not discriminate between its citizens, trusts in its citizens and does not rule its citizens. The state must be the servant of its citizens and not its master.

**Dear friends,**

Important duties await our National Assembly, political parties and all of our institutions in this process. Let us not allow Turkey to slip backwards into fighting, chaos and a climate of uncertainty.

Let us establish the reign of peace and not fighting, of dialogue and not clashing in our country. Let us also stand against all attempts that would hinder democracy and development. Let us unite for a Turkey of this nature and let us work more altogether.

We dream of a country where people are not discriminated based on their opinions, outfits and identities. We want to live in a place where people are assessed according to what they have done and what they have achieved. All lifestyles in this homeland constitute our richness. We may come from different hometowns or have different beliefs and opinions. This country belongs to us with its problems and its richness. Turkey belongs to all of us.

The dreams of those that desire Turkey to stagnate will never come true. Turkey will claim its place among the largest economies of the world. This will be achieved by the business world, merchants and industrialists represented by you, who are filling the ranks of this hall. Turkey will progress as you produce, export and create employment.

May Allah make our hearts generous, our labor and earnings ample and the unity and solidarity of our nation eternal. Godspeed. May Allah help us all.