

TODAY'S BUSINESS

DECEMBER 4-5, 2007 WWW.TODAYSZAMAN.COM



22 Ukraine-Turkey economic cooperation: an example of constructive partnership



12 Kabaca: Participation banks' star will continue to rise



Turkish schools: Eurasian ties' bridgeheads

02

TURKS LEARN FROM EXPERIENCE IN EURASIA TO FOCUS ON THE LONG HAUL

Turkey strenghtens Eurasian trade ties

NEWS ANALYSIS

By Andrew Finkel

TODAY'S BUSINESS

No offense to Ekaterinburg (population 1,293,537), but it wasn't until last year that it began to show up, quite literally, on Turkish radar screens. Turkish Airlines began to schedule bi-weekly flights to what, even though it is Russia's fifth-largest city, was hardly a household name. Around the same time, Turkey's national carrier began

paying regular calls to Rostov and Kazan, Donetsk and Dnepropetrovsk in Ukraine and the Tajik capital, Dushanbe. It is a practical demonstration that whatever the policy debate, Turkey is strengthening a network of commercial and cultural ties with a part of the world which, until the collapse of the Soviet Union, most Turks could not find on the map. "Turkey is contributing entrepreneurial know-how to a part of the world rich in natural resources," according to Aysel Ayata, head of the Middle East Technical University's Center for Black Sea and Central Asia (KOKA). The question she and others

ask is whether this is phenomenon is part of an incremental increase in trade or a new regional realignment.

The benchmark in most observers' minds is the heady era of the early 1990s, when the former Soviet republics broke away from Moscow. Successive Turkish governments tried to encourage the formation of a new "Turkic bloc" in Central Asia and the Caucasus as well as the Balkan states. The notion of an alliance, stretching in the words of the late President Turgut Özal "from the Adriatic Sea to the Great Wall of China" may have always contained its share of hype. As a political project

it floundered in the new rivalries among the emerging states -- and the enduring influence of Moscow in its own geo-political backyard. Russia is Turkey's largest trading partner by far in the region (accounting for 4.4 percent of total Turkish exports, a figure equal to Spain) but also a jealous protector of its own sphere of influence. Turkey also discovered the obvious, that there is not one Eurasian world which marches to a single beat but a complex series of dynamics involving three distinct regions of the Caucasus, Central Asia and the sui generis world of Russia itself. **CONTINUED ON PAGE 05**



KÜRSAD TÜZMEN

Turkey's Eurasia strategy and foreign trade bridge program

KÜRSAD TÜZMEN

TURKISH FOREIGN TRADE MINISTER

In geographical terms, Eurasia is defined as the region where Europe and Asia meet. In an international relations context, the term is used to explain the state of affairs that has emerged in the post-Soviet period. Geopolitical considerations have been prevalent in discussions throughout the 20th century over the notion of Eurasia frequently referred to within the context of land domination theory advanced by British scholar Sir Halford John Mackinder. However, the current century is shaped by an understanding based on globalization. **CONTINUED ON PAGE 03**

Amb. Ivanovskiy: Cooperation is not an option, it is a must

KERİM BALCI, ANKARA

The Russian delegation to the second Turkish-Eurasian "foreign trade bridge" summit is the largest, with 150 powerful Russian businessmen and bureaucrats due to attend the summit. With its stunning upsurge in economic indicators, fueled by a tripling in the amount of petrodollars flowing into the country, Russia is capable of financing domestic construction projects, engaging in foreign direct investment (FDI) and presenting a much more stabilized economic future, all making it even more attractive for summit participants. **CONTINUED ON PAGE 14**

Turkey revitalizes Eurasian energy diplomacy

NEWS ANALYSIS

By Lale Sanıbrahimoğlu

TODAY'S BUSINESS

Relying mainly on imports to meet its growing energy demand, Turkey has recently revitalized its diplomatic efforts with the energy-rich Caspian states to promote its strategic goal of becoming an energy transit corridor for Europe as well as a center of energy trade. First and foremost, however, Turkey is seeking to secure its own growing domestic energy demands. But challenges lie ahead for Turkey in the complex energy picture of the Eurasian world.

In an attempt to re-launch dialogue with the Caspian states, between Dec. 5 and 7 President Abdullah Gül intends to visit Turkmenistan, which has a tremendous amount of land-locked energy resources and currently no efficient and safe way to deliver its product to the world's markets. In early November Gül visited Azerbaijan, which is located on the Caspian energy corridor, also known as the East-West corridor. Turkey delivered the first shipments of gas from the Azeri Shah Deniz fields to Europe via Greece this month, bypassing Russia. Another US backed project, the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, pumping oil to the international market became operational last year. **CONTINUED ON PAGE 11**



TUSKON's Eurasian trade bridge connects thousands of businessmen

The Turkish Confederation of Businessmen and Industrialists (TUSKON) is organizing a Turkey-Eurasia Foreign Trade Bridge for the second time in the space of a year to develop foreign trade opportunities in the areas of exports, imports, production and distribution. The Dec. 4-5 meeting at the WOW Convention Center is being held under the auspices of the Turkish Foreign Trade Undersecretariat and the Turkish Foreign Ministry. **CONTINUED ON PAGE 06**



We know how precious your time is.

Experience Avis privilege in car rental and use your time more efficiently during business travels.

AVIS

For reservation and further information: 444 2847 • res@avis.com.tr • www.avis.com.tr

TURKISH SCHOOLS: BRIDGEHEADS OF TURKISH-EURASIAN FOREIGN TRADE BRIDGE

KERIM BALCI ANKARA

Let it be known that many participants at the second Turkish-Eurasian "foreign trade bridge" summit will be there thanks to Turkish schools opened by Turkish philanthropists in the 13 countries joining the summit. The contribution made by the Turkish schools to business life is multileveled and multidimensional.

Some of the summit's participants, and by extension some of the businessmen who are engaged in trade relations with Turkey from the 12 guest countries, will certainly be graduates of these schools. This is the most direct and grassroots level of input. A recent article by the Turkish Zaman daily reported that two successful Kyrgyz businessmen, both graduates of a Turkish school opened in Kyrgyzstan in 1992, decided to market only Turkish products in their operations in four of the central Asian republics. These two young Kyrgyz entrepreneurs are the rule, rather than an exception. Graduates of the Turkish schools, be they from Mongolia or from Russia, gain a gratitude and love of Turkey, and this is by no means at the expense of their dedication to their own nations.

Educated in a culture of peace and tolerance, graduates of these schools realize that cooperation on all levels with Turkey is to the advantage of their own countries. The bridges of love and gratitude fostered in these schools in time turn into a web of bridges between all the countries Turkish schools operate in. A Mongolian businessman, educated in a Turkish school, thus speaking Turkish and English apart from the national languages of Mongolia, will find it easier and more trustworthy to establish contacts with Kazakhs, Russians or Ukrainians educated in the same tradition, with the same number of languages,



Graduates of the Turkish schools gain a gratitude and love towards Turkey, and this is by no means at the expense of their dedication to their own nations.

including the one that passes from heart to heart.

Thanks to student and teacher mobility among these schools, a Tajik student would probably have a Turkmen teacher educated in one of the Turkish schools in Turkmenistan and later graduate from a Turkish university in Anatolia; or at least they will have their teachers serve in different countries prior to theirs and be loaded with memories of a young traveler.

The Turkish Confederation of Businessmen and Industrialists (TUSKON) is the organizer of the Turkish-Eurasian Foreign Trade Bridge. TUSKON President Rızanur Meral is well aware of the contribution made by the Turkish schools. "We are able to find 600 translators for different languages in just a few days. Graduates of the Turkish schools speak at least four different languages," he said in a recent interview. Meral also mentioned the support of the

Turkish schools in direct investments by Turkish industrialists in foreign countries. "In our latest business meetings in southern Russia, Kazakhstan and Moscow we realized the importance of these schools. These countries still lack an established free market culture. Thus, foreign trade is being conducted by graduates of these schools who are integrated with the global world both culturally and economically. They are cooperating with Turkish

businessmen or working in companies established by Turks there. I can securely call the graduates of the Turkish schools 'trade ambassadors'," he said.

The least noticed but equally important fact is that a bulk of Turkish businessmen that joined the Turkish-Eurasian Foreign Trade Bridge will be there thanks to their engagement with the Turkish schools, either as supporters, as visitors or as businessmen who have heard of their existence and are mobilized by prospects of finding trustworthy guides in the wilderness of foreign languages and alien cultures.

For the supporters of the schools, business contacts are the harvest of a lengthy and painful cultivation. These people, who have answered the calls for establishing educational institutes in post-Soviet countries in a bid to help those countries build their futures, are now running to the same countries as business partners, with a similar zeal and soul.

The Turkish schools, opened all over the world, did not only introduce Turkey to those countries, they also made the host countries a part of Turkish consciousness. Prior to the opening of the Turkish schools, Mongolia, or a hundred other host countries, was a remote country arousing equally remote interest for an average Turkish mind -- if any at all. After the school, it became a country where our relatives live, where we send financial help, from where students come and visit our houses. Multiply this effect by the hundred countries the Turkish schools are opened in and you will understand why Turkey is looking to the future, proud and hopeful; you will understand how Turks began to see the world as their home and how Turkey started to be interested in the remotest parts of the world.

With the Turkish schools as its bridgeheads, the Turkish-Eurasian Foreign Trade Bridge opens the way to a magnificent future.

PHOTO: MAMAKT / OMBUDRYO



• **TURKEY / ISTANBUL** - Astoria Mall, Capacity Mall, Carrefour Maltepe Mall, Carrefour Ümraniye Mall, D'Silva Mall, Galeria Mall, Kale Mall, Naitulus Mall, Prestige Mall, Istinye Park, Meydan Ümraniye Mall • **ANKARA** - Armada Mall, Antares Mall, Mirova Mall • **ADANA** - Mithat Saracoğlu Str. • **AFYON** - İbkalı • **ANTALYA** - Deepo Mall • **BURSA** - Carrefour Mall, Korumax Mall • **BODRUM** - Oasis Mall • **DENİZLİ** - Forum Mall, Pekpa Mall • **ESKİŞEHİR** - Espark, Neo Mall • **KAYSERİ** - Kayseri Park • **KAHRAMANMARAŞ** - Trabzon Str. • **KONYA** - Reat Mall • **KUSADASI** - Ataturk Str. • **GAZİANTEP** - Gazi Muhtar Paşa Str. • **İZMİR** - Forum Bornova Mall, Selway Mall • **MERSİN** - Ataturk Str., Forum Mall • **TEKİRDAĞ** / Çorlu - Orion Mall

• **RUSSIA / MOSKOW** - Leninsky Prospect 52, Mega Mall, Mega Mall 2, Himki, Europark Mall, Festival Mall, KAZAN Mega Mall, SAINT-PETERSBURG Mega Mall Parnass, Mega Mall Dobenko • **MACEDONIA / SKOPJE** - Ramstore Mall • **AZERBAIJAN / BAKU** - Hüsnü Hacıyev Str. 71 • **KYRGYZSTAN / BISHKEK** - Vefia Mall • **UZBEKISTAN / TASHKENT** - Chorsu Savdo Markazi • **GEORGIA / TBILISI** - Georgia Trade Center • **ROMANIA / BUCHAREST** - Banansa Mall • **UKRAINE / ODESA** - Rishelyevska Str. 39 • **KHARKOV** - Karavan Mall, MARIOPOL Metalurgov Str. 45 • **KAZAKHSTAN / URALSK** - Yasenovskaya, ASKATA Sary Arka Mall • **IRAN / TEHRAN** - Afshar Mall, SHIRAZ Sattarkhan Blvd. • **BULGARIA / SOFIA** - Grafignatiev Str. 41/A • **PLOVDIV** - Rayko Daskalov Str. 41 • **CYPRUS / GAZİMAGOSA** - Istiklal Str. 2 • **EGYPT / CAIRO** - Dandy Mall, City Stars Mall

AYDINLI

Master Licensee

www.aydinligroup.com

Turkey's new Eurasia strategy and the effects of foreign trade bridge program

CONTINUED FROM PAGE 1

The world is increasingly shrinking; nations and countries are getting closer. Today the narrow explanations of geopolitics fall short of adequately explaining what is going on in the world. To this end, it is imperative to evaluate Eurasia from a wider perspective, which should include not only geographical considerations but also economic and commercial relations, energy policies and many other variables that affect interactions between the actors in the region.

As observed in the Eurasian case, commercial and economic relations have played greater roles in uniting the different entities than the voluntary actions and military, political or institutional attempts throughout history.

The military and political domination maintained by the armies of Genghis Khan in the Eurasian territories over the 12th and 13th centuries did not last long because it lacked commercial and economic support. Conversely, the historical Silk Road and the web of commercial relations that connected all Eurasia have been primary economic dynamics in the European and Asian continents for centuries.

The prevalence and current use of the notion of Eurasia is attributable to the region's commercial and economic character, which has remained vibrant throughout history, rather than to political, military or artificial institutional endeavors.

The losses suffered by peoples in connection with the diminishing role of the Silk Road as the main route in the trade between East and West are known to all familiar with history. An important point underlined by a number of historians is that the primary reason for the preference of the alternative routes over the Silk Road is the tendency in the countries

The basic elements of Turkey's Eurasian strategy are harmonization of foreign trade and investment legislation, development of common energy and industrial policies, liberalization of the transportation sector and establishment of common institutions.



PHOTO: MUSTAFA KIRAZLI

along the road to impose trade restrictions.

Historical analogy sheds light on today's realities. The current heads of states in the Eurasian countries, the administrators, cultural and scientific representatives and business circles should clarify their preference. Will they seek the future they envisage for their countries and for the entire Eurasian region in isolationist models, or will they favor an optimal choice that will serve all?

For me, Eurasia is a notion beyond all kinds of political or geographical definitions; it refers to a huge number of values shared at the geography where

Europe and Asia meet, important potential that needs to be revitalized, a promising future and a fertile ground to make relations multidimensional.

Being placed at the heart of Eurasia and sharing cultural values with the nations and countries in this geography increases Turkey's strategic and economic capabilities in this particular region. It is obvious that the potential in the region should be carefully taken into consideration because of the shared past and cultural heritage.

As noted by prominent writer Cengiz Aytmatov, known for his supportive views on the unification of

Eurasia to establish a "Eurasian Union," at a conference held in 2003 titled "Where is Eurasia Heading?" the meaning of a Eurasian Union is discovering the direction of new developments in the 21st century. In his speech Aytmatov noted that Europe cannot be without Asia and vice versa, further pointing to the central role played by Turkey in Eurasia.

Those who draw attention to the central role of Turkey in the Eurasian vision base their arguments on solid ground. Turkey is becoming an important power in the region as well as in the world with its ever-growing GDP, foreign trade,

impressive export record, low rate of inflation and stable macro-economic indicators.

The Eurasian geography has an area of 23 million square kilometers and a population of 350 million and is now rapidly paving the way to becoming a global economic and trade center with its GDP of \$1.2 trillion, foreign trade volume of \$700 billion and annual growth of 10 percent.

Because the region also possesses 10 percent of global oil and 32 percent of natural gas reserves, and as foreign direct investment (FDI) amounting to \$200 billion has been made in various sectors in the region in the last 15 years, the whole region becomes important in strategic and economic terms.

Based on these facts, Turkey has developed a strategy to address the potential of the Eurasian region. The strategy involves commercial and economic cooperation and common use of the resources for optimal benefit; it also entails a shift from a competitive environment to broad-based and multidimensional partnerships between the countries in the region.

The basic elements of Turkey's Eurasian strategy are harmonization of foreign trade and investment legislation, development of common energy and industrial policies, liberalization of the transportation sector and establishment of common institutions such as the Black Sea Economic Cooperation (BSEC).

The primary goal of this strategy is to make the Black Sea region a free trade zone, to establish economic cooperation in the Caspian Basin and to combine these with work in the Mediterranean region on free trade zones in order to create a Eurasia integrated with world economy.

In light of these goals and targets, the Turkey-Eurasia Trade Bridge program will undoubtedly make enormous contributions.

PREMIUM BELEK BELHISI BODRUM TERKINOVA KONYA LIBERTAS DUBROVNIK PRISARFATTE PRESIDENT ASTANA WORLD DEBRAI(3008)

YOU MIGHT GET PICKED UP BY A PRIVATE JET PLANE
IF YOU ARE COMING TO RIXOS.



www.rixos.com sales@rixos.com +90 216 444 0749

RIXOS
HOTELS

Here, you are the celebrity.

OUR PRIVATE PLANE LEARJET, HELICOPTER, AND LIMOUSINES ARE ALWAYS AT YOUR SERVICE TO GET YOU TO RIXOS IN THE MOST COMFORTABLE WAY.

Learjet Bombardier is the registered trademark of Bombardier Company. The image use approved by Bombardier Company.

TURKISH TOURISM SECTOR WILL SMILE ALL YEAR WITH DENİZBANK

Acting on the goal to serve the tourism sector throughout the year, DenizBank will offer financing support, banking services and 'ready fleet' services to the sector with its new 'tourism package'

Hakan Ates,
the president
of DenizBank's
Financial
Services Group

PHOTO: ONUR COBAN



MODA®

Turkey's Wedding Packager *life*



Sofa Sets
Bedrooms
Dining Rooms
Sofabeds
Accessories

"We' re Ready to Pack the World"



www.modalife.com.tr

FOR INFORMATION
444 MODA
444 6632

DenizBank has consistently been assisting the tourism sector with its specialized products and services and has now started providing the sector with easy access to all its banking products and services via a new scheme known as the "financial supermarket."

DenizBank turned its eyes to the tourism sector, one of Turkey's fastest growing, in 2003 and has developed a new suite of products tailored for people in the tourism business. It publicized its new products and services at a meeting held last month at the Hillside Su Hotel in Turkey's famous holiday resort town of Antalya, on the Mediterranean coast. Hakan Ates, the president of DenizBank's Financial Services Group, and Saruhan Özel, the bank's chief economist, assessed tourism sector developments at the meeting, which brought together representatives of numerous tourism companies.

Ates delivered a speech at the meeting and focused on the present condition of the banking and tourism sectors while explaining DenizBank's approach to the sector and its related targets. "Tourism revenue constitutes 15 percent of total global trade revenues. Turkey's share in this huge sum is envisaged as 3.1 percent for 2007; Turkey also hopes to host 22 million tourists and earn revenue of \$20 billion in 2008. Tourism is still a virgin sector in Turkey that has great potential -- and a sector to which we attach great importance," he said, adding that DenizBank had provided YTL 100 million in financing support to small and medium-sized enterprises operating in the tourism sector and had extended YTL 1 billion in the provision of institutional and commercial banking services. "We aim to take our services to the key players of the sector in addition to other sorts of enterprises that directly rely on the tourism sector. In brief, our tourism companies will be able to benefit from DenizBank's support during all seasons," he noted.

Target serving all enterprises

Acting on the goal to serve the tourism sector throughout the year, DenizBank will offer financing support, banking services and "ready fleet" services to the sector with its new "tourism package," in addition to offering advantageous solutions for the sector's needs through the various agreements it has made with local providers. As part of its sector-specific and seasonal financing offers, DenizBank provides an opportunity to repay loans extended for investment in renovation, yacht maintenance and procurement in seasonal instalments, given the fluctuating amount of profit the sector makes in different seasons. At the same time, tourism companies will benefit from "ready fleet" car rental services in accordance with the changing dynamics of the sector. In addition, the bank will share all its banking services -- such as checking accounts, point of sale (POS) devices, transactions made in foreign currencies, insurance products, leasing services and Western Union -- with all enterprises that operate in the tourism sector through its newly established system of "financial supermarket."

DenizBank to focus on fast-growing areas in 2008:

- The bank will reach out to 1,200 small and medium-sized enterprises in the Mediterranean and Aegean regions.

- Potential investment in Antalya, Alanya and Izmir will be closely followed in 2008, and DenizBank will try to sponsor as many investments as possible.

- It will be particularly active in the Aegean coastal city of Izmir, where it will take part as a sponsor in urban hotel management and congress tourism investment.

- The holiday resort towns of Cesme, Dalaman, Didim, northern Antalya and Manavgat will be in the spotlight in the Ministry of Culture and Tourism "Tourism Cities" project. Planning in Cesme, Dalaman and Didim has seen completion, and new hotel investments with a 272,000-bed capacity will be made in these cities in two years.

- The "Heart of Gold Antalya" project launched by the World Gold Council intends to make Antalya a new world center for gold. The project covers a time span of 10 years and is aimed at attracting 20 million tourists and \$4 billion in jewelry sales. **Istanbul Today's Business**

Turkey strenghtens Eurasian trade ties

CONTINUED FROM PAGE 1

"We cannot put all these countries together under a Turkic banner. They all act out of their own interest," according to Murat Sungar, first deputy secretary-general of the Organization of the Black Sea Economic Cooperation, an entity very much the product of early hopes that the frayed ties which once held the Soviet Union together could be replaced with a network of regional collaboration.

If anything, recent Turkish governments have taken a giant step back from identifying Turkey's future with a hypothetical Eurasian bloc. The focus of the first Justice and Development Party (AK Party) government, elected in 2002, was almost entirely on furthering Turkey's application to the European Union. Professor Ayata speaks of almost a backlash from the days when planeloads of Turkish businessmen accompanied presidents and prime ministers on tours around Central Asia. She suspects that far from feeling an ethnic affinity with their northern neighbors, AK Party ministers were uncomfortable with the Russified, hard-drinking banqueting culture. It wasn't just Almaty and Bishkek that the government failed to court. "We have had visits to our Istanbul headquarters from the Russian and other foreign ministers, but not from the Turkish," said Ambassador Sungar.

It may have been to make up for this neglect that President Abdullah Gül, the former foreign minister, paid a visit early on in his presidency to Azerbaijan, Turkey's closest ally in the region. While Ankara and Baku may have again embraced as brothers once separated by the Soviet night, there has been a real shift in rhetoric, explained Mensur Akgun, professor of international relations at Istanbul's Kültür University. "Turkey's affiliation with Europe is more valuable to its neighbor than its display of

ethnic solidarity. In a post-9/11 world you also have to speak about democracy and human rights," he said.

This is the answer to those increasingly disillusioned with Ankara's progress in its EU application and who see Eurasia not as a vague geographic region -- originally coined to describe the Russian hinterland -- but as political identity. Even with an increase in trade volumes, no individual country apart from Russia or Ukraine accounts for much more than 1 percent of Turkey's \$100 billion in exports. Europe takes well over half. Flights to Brussels (population 2.5 million) are of course not twice a week, but twice and sometimes three times a day.

"It is wishful thinking to see Eurasia as an alternative to Europe," said Atilla Eralp, professor of international relations at Ankara's Middle East Technical University. Turkey's ability to command respect in Central Asia and other markets is very much a quotient of the degree to which it is taken seriously by Europe. Russia has made it clear that it regards Ankara as rival conduit for the flow of energy by announcing a scheme through Bulgaria to bypass the Blue Stream pipeline through Turkey to southern Europe.

For all that, Turkish businessmen are firmly established in a part of the world whose commercial clout is set to grow geometrically. "Turkey is out there in the lead," said Hugh Pope, author of "Sons of the Conquerors," a vivid account of the Turkic-speaking world. He cites the export of Azerbaijani oil and gas through the Baku-Ceyhan pipeline, the presence of Turkish businessmen in Turkmenistan -- recruited by the government as an "off the shelf" bourgeoisie -- and the success of Turkish contractors in Kazakhstan. There may not be as many entrepreneurs as there were in the Gold Rush days of the 1990s, but the ones who remain are there for the long haul.

Turkey: new, fresh and competitive opportunities for global investors

IBRAHİM ÖZTÜRK İSTANBUL

With outstanding recent performance on many fronts, including the economic, political and social sectors, Turkey has proved itself quite capable of turning misfortune into opportunity. A dramatic crisis in 2001 triggered many successive and deep reforms that shook off a legacy that originally precipitated the so-called crisis. The measures have been quite productive in transforming and integrating the Turkish economy into the world economic system as well as increasing its capacity to internalize emerging new opportunities in global investment and trade. The top-right table shows how impressive Turkey's economic achievements have been. Turkey has had significant success in achieving macroeconomic stability: A chronic inflation level had declined almost to 7.5 percent by the second half of 2007, and a record budget deficit dropped below the level indicated by the Maastricht criteria in 2006. These improvements in macro-economic balances took place in parallel with the acceleration of national income and per capita GDP. With a population of more than 70 million and a young demographic structure, Turkey is among the world's most dynamic and fast-growing market economies.

Turkey has been attracting a significant amount of foreign capital since 2005. As seen from the bottom-right table, Turkey has

been a major destination of foreign direct investment (FDI) inflow among Organization of Economic Cooperation and Development (OECD) economies since 2006. Not only the volume, but also the composition and overall quality of FDI are increasing. While the Turkey's current account deficit is increasing rapidly due to initial disadvantages of rapid global integration, the quality of capital in deficit financing has improved with great speed. While the share of short term-oriented capital has declined in overall capital inflows, the share of long term-oriented credits and FDI is surging significantly. As per capita GDP increases and Turkey moves faster towards its target of a \$1 trillion economy by 2015, not only will the purchasing power of the domestic market rise, but the consumption behavior of the young population will also change dramatically from subsistence and conservative patterns toward more dynamic models, as described by the Engel curve. In that regard, services (including health, tourism, education, logistics, retail chains, finance and communication, and leisure sectors) and many other manufacturing industries (such as construction, mining and food) are expanding rapidly, providing new markets and opportunities.

As Turkey continues to dedicate itself to second-generation reforms in energy, social security, state organization, trade and other related laws in 2008, many other competitive opportunities will emerge for those ready to take the rights steps at the right time.

Basic Macroeconomic Indicators

	2003	2004	2005	2006	2007
GDP (Billion Dollars)	237,7	301,5	357,7	400	430 (*)
Per Capita GDP (Dollars)	3.383	4.172	4.964	5.600	5850 (*)
Growth Rate	5,9	9,9	5,5	8,0	5 (*)
Export	51206	67047	76949	91943	80592 (1)
Import (1)	65216	90925	110479	133269	114956 (1)
Budget Deficit / GDP (%)	-11,3	-7,1	-2	-0,7	-2,6 (*)
Primary Surplus / GDP (%)	5,2	6,1	7,4	7,7	5,7
Inflation (CPI, Year End)	18,4	9,32	7,72	8,15	7,5(1)
Domestic Borrowing Rates (% Nominal, Compound)	45	25,7	16,9	18,2	19 (3)
Domestic Borrowing Rates (% real, compound)	11,9	9,5	7,9	7,7	8,7 (4)
Interest Exp./Total Income (%)	58,5	51	33,9	26,8	27,1 (*)
Interest Exp./Total Exp. (%)	41,8	40,3	31,6	26,2	24,1 (*)
Interest Exp./Tax Rev. (%)	70	63	43	33	32 (*)
Interest Exp./GDP (%)	16,4	13,2	9,4	8,5	8,3 (*)

Source: Compiled by the author from Treasury, Central Bank of Turkey, State Planning Organization. (*) Program, (1) January-September, (2) Forecast, (3) January-August, (4) January-July.

Direct investment flows to and from OECD countries: 2001-2006

(USD billion)	2001	2002	2003	2004	2005	2006
Australia	8,3	17,0	8,0	36,0	35,0	24,5
Belgium	...	15,6	32,1	43,6	33,9	71,5
Canada	27,7	22,1	7,6	1,5	33,8	66,6
France	50,5	49,1	42,5	32,6	81,0	81,1
Germany	26,4	53,6	32,4	-9,2	35,8	42,9
Ireland	9,7	29,4	22,8	-10,6	-31,1	12,8
Italy	14,9	14,6	16,4	16,8	20,0	16,6
Luxembourg	...	115,3	89,3	79,1	116,3	97,0
Mexico	27,2	18,3	14,2	22,3	19,6	19,0
Poland	5,7	4,1	4,9	12,5	9,5	13,9
Spain	28,3	39,2	25,8	24,8	25,0	20,0
Sweden	10,9	12,2	5,0	11,7	10,2	27,8
Switzerland	8,9	6,3	16,5	1,4	-1,3	25,1
TURKEY	3,4	1,1	1,8	2,9	9,8	20,2
United Kingdom	52,7	24,1	16,8	56,0	193,7	139,6
United States	167,	84,4	64,0	133,2	109,8	183,6
Total OECD FDI flows	635,0	575,0	464,9	490,9	746,6	910,2

Source: OECD, 2007.

pierre cardin
PARIS

- İSTANBUL Carousel Mall / D'Silva Mall / Galleria Mall / Maltepe Carrefour Mall / Nautilus Mall / Prestige Mall / Flynn Mall / Kale Mall / Capitol Mall / Olivium Mall / İstinye Park Mall / Capacity Mall / Metroport Mall
- ANKARA Anka-Mall / Optimum Mall / Carrefour Mall / Antares Mall • İZMİR Forum Bornova Mall / Selway Mall / Kipa Mall • BURSA Carrefour Mall / Zafer Plaza Mall / Korupark Mall • ANTALYA Deepo Mall
- EDİRNE Olympus Mall • ESKİŞEHİR Neo Mall / Espark Mall • MERSİN Forum Mall
- RUSSIA MOSKOW Mega Mall / TOMSK 000 Velikiy Sholkoviy put, Ploshad batenkova 2, STATU / CHELABİNSK Kirova st.104 / ARHANGELSK GRAND PLAZA Mall / KYRGİZİSTAN Vefa Mall
- UKRAINE KIEV Globus Mall - Promenada Mall / KHARKOV Karavan Mall / ODESSA Europe Mall / MARIAPOL Upeh Targoviy Kompleks Lenina 100 / DONETSK İlica 13

AYDINLI

Master Licensee

www.aydinligroup.com

TUSKON'S EURASIAN TRADE BRIDGE CONNECTS THOUSANDS OF BUSINESSMEN

CONTINUED FROM PAGE 1

During the two-day gathering 500 businessmen from the Russian Federation, Ukraine, Moldova, Belarus, Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, Mongolia, Azerbaijan, Georgia and Uzbekistan will mingle with 1,200 Turkish businessmen to find areas of business in common. A 72-member VIP delegation to attend consists of ministers, top-level bureaucrats and journalists from participating countries.

With a surface area of approximately 23 million square kilometers, a population of about 350 million, annual total revenue of \$1.2 trillion and trade volume of \$700 billion, the vast Eurasian geography, stretching from Eastern Europe to the Pacific Ocean, is an emerging economic power thanks to its economic potential. The region also has rich oil and gas resources. Turkey, on the other hand, is an attractive country with its striking growth rates thanks to its EU bid, increased commitment to privatization and structural reforms. The 17th-largest economy among world countries, Turkey has a total annual foreign trade volume above \$220 billion. About 90 percent of the country's exports consist of industrial products; the country has a sophisticated infrastructure and international experience in textiles, automotive, machinery, steelwork, foodstuffs and engineering services.

Holding an influential place in many global markets, Turkey is eager to develop its business basis with Eurasian countries. Turkish companies currently have investments exceeding \$8 billion in Eurasian countries while Turkish contractors are conducting more than 1,700 projects with a value of \$35 billion in the region.



Anatolian businessmen are optimistic about the TUSKON-led meeting. During a late November meeting of the Erzurum Provincial Council, the secretary-generals of the Federation of East Anatolia Businessmen and Industrialists Associations (DASİDEP) and the Erzurum Young Businessmen's Association

(ERGIAD), both TUSKON members, informed their members about the Turkish-Eurasia Foreign Trade Bridge, explaining the opportunities provided by these meetings.

ERGIAD Secretary-General Zafer Çiçek, noting that TUSKON's activities aim to increase Turkey's foreign trade volume, called

on regional businessmen to make use of the opportunities offered by the foreign trade bridge. "We will bring together Turkish businessmen with foreign businessmen from the sectors attractive to them. Our translators will ensure communication among businessmen. Be they industrialists, wholesalers or retailers,

every businessman can attend. I believe this will be particularly beneficial to the region's businessmen," he said.

Federation of Black Sea Businessmen and Industrialists Associations (KASİF) Chairman Osman Reis, a founding member of TUSKON, said in a written statement that 150 KASİF businessmen from the Black Sea region will attend the trade bridge. Asserting that the Eurasian region is the rising star of the world's economy with its great economic potential, he said, "In all sectors, ranging from exports and imports to joint production, there is potential which can be developed between Turkey and Eurasia." Reis also emphasized that Eurasian markets are important for Turkish entrepreneurs in general and Black Sea businessmen in particular.

Free Industrialists and Businessmen Association (HÜRSİAD) executive board chairman Ömer Kadayıfçı is also encouraging his association's members to attend the TUSKON meeting. In a written statement he said that global competition entails big thinking and that economies of scale should be established at the regional level, pointing out that international competition urges companies to seek regional cooperation. "More importantly, Eurasian businessmen are now coming to Turkey to seek business and investment opportunities. Investments focus on textiles, ready-made clothing, foodstuffs, communication, warehousing, training, construction materials, furniture, banking, electronics and other sectors. Our businessmen are contributing to the economies of Eurasian companies by paying taxes and increasing employment," he said. *Istanbul Today's Business*



TUSKON
Chairman
Rıza Nur Meral

TUSKON trade summits inspire Anatolian conference

SABAN GÜNDÜZ ANTALYA

Anatolian entrepreneurs inspired by the foreign trade summits held by the Turkish Confederation of Businessmen and Industrialists (TUSKON) have decided to organize a similar summit for next year.

The Mediterranean Business Talks will take place in Antalya on May 15-18, 2008, with sponsorship from Antalya Fair Management and Investment Inc. (ANFAS) and the Istanbul World Trade Center (İDTM). Domestic and foreign small and medium-sized enterprises (SMEs) will be brought together at the summit. The conference aims to increase Turkey's trade volume and will be the first of its type in Anatolia.

Though the conference is not for several months, preparations are already under way. The convention will be promoted at international meetings and fairs to ensure greater participation by targeted companies. Fliers will be distributed at fairs and exhibitions in Milan, Moscow, Cologne, Bucharest, Tel Aviv, Turkic republics and Gulf countries. Domestic promotion will be car-

ried out at specialty fairs and organizations sponsored by chambers of trade and industry.

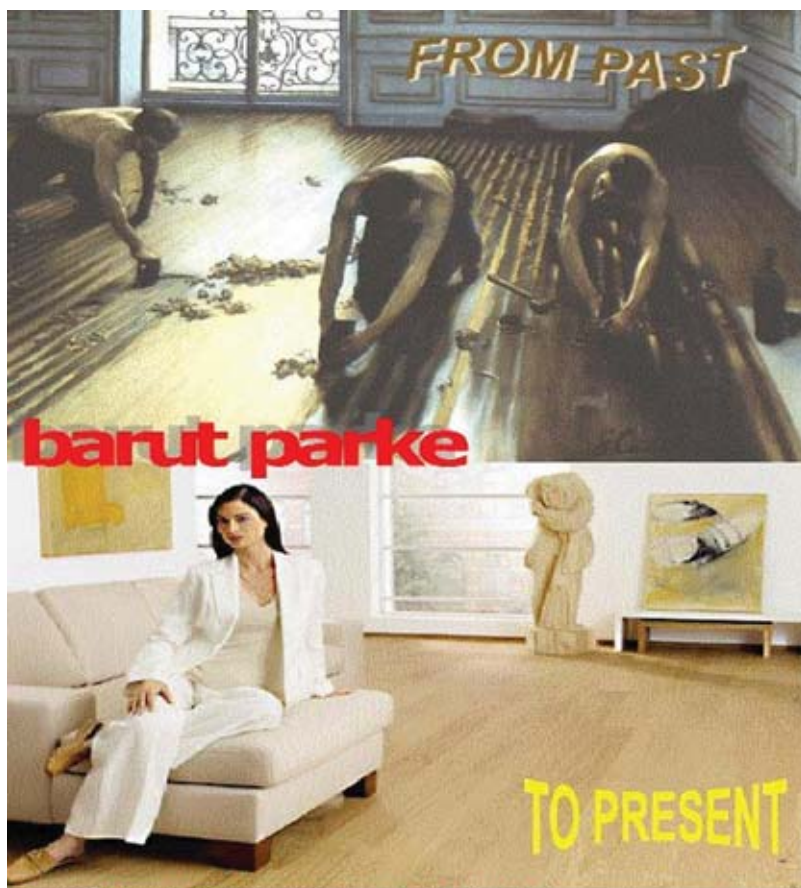
An advisory board has been set up with the inclusion of the Foreign Economic Relations Board (DEİK), Economic Development Foundation (İKV), Turkish Exporters Assembly (TİM), Small and Medium Industry Development Organization (KOSGEB) and Turkish Cooperation and Development Agency (TİKA) to undertake the summit's coordination. The board will convene every month to discuss implementation strategies. To ensure wider participation, the Antalya Entrepreneur Businessmen Association, the Mediterranean Tourist Hotels and Enterprises Union, the Antalya Industrialists and Businessmen's Association, the Antalya Chamber of Trade and Industry and ANFAS, as well as civil society organizations and exporters, will promote the event.

ANFAS Deputy Chairman Server Seçer said the format of the summit will be similar to those held by TUSKON. Noting that this event would be a first in Anatolia, Seçer stated: "TUSKON is not in-

involved in this working group. But we want to benefit from their experience. Our goal is to take this kind of event, generally held in Istanbul, to Anatolia. The idea for the Mediterranean Business Talks emerged during discussions on making the world trade center more active. Businessmen are tired of meetings. They expect and seek new horizons."

He noted that they are eager to hold the summit every year. "Foreign companies will be paired with domestic ones. They will hold meetings with the aid of translators. One person will be able to talk to five or six firms by appointment. We plan to ensure over 2,000 bilateral contacts. We do not expect any profit from the summit. We will offer our fair site free of charge. We will find sponsors," said Seçer.

TUSKON has previously organized foreign trade summits in Istanbul on the African, Eurasian and Pacific regions. Because of high demand, the summit on Africa was repeated on May 16-19, 2007. Business contacts worth \$4 billion were made at the summit, which attracted thousands of businessmen.



Barut Parke Dekarasyon San.Tic.A.Ş.
1145 / 6 Sokak No: 2 / H Yenışehir / İZMİR
Tel:(0232) 433 86 89- Fax:(0232) 433 86 11
www.barutparke.com.fr info@barutparke.com.fr
Shavshaf Srf. No: 24 Batumi / GEORGIA
Tel: 0 0995 775 240 44

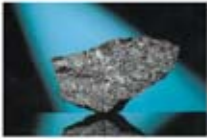


MARMARA METAL
MAMÜLLERİ TİC. LTD. ŞTİ.

İstasyon Mah. E-5 Üstü Fatih Otağı Sok. Ernak Garajı Yanı Tuzla - İSTANBUL

Tel.: +90 216 447 29 55 (Pbx) Fax: +90 216 447 29 69

www.marmarametal.com
marmara@marmarametal.com



Established in 1994 and headquartered in Istanbul, Marmara Metal is one of the leading trader companies in Turkey supplying a wide range of commodities and raw materials to end-users in iron, steel and foundry industries in Turkey as well as to customers in Middle East and European countries.

Using worldwide network of relationships, Marmara Metal sources raw material mainly from China, CIS, India, South Africa, Brazil and European countries. The company specializes in ferro alloys, non-ferrous, pig iron, metallurgical coke, graphite electrode, recarburizers, refractories and other additives.

In addition to its trading activities, Marmara Metal owns chrome ore, manganese ore and copper concentrate mines in different regions of Turkey.

The company has a warehouse occupying 65.000 square meters where it serves as a metallurgical market and provides on time delivery with 40 trucks of its own.



Фирма «Marmara Metal», учрежденная в 1994 г., главный офис которой находится в Стамбуле, специализируется на торговых операциях и, является одной из ведущих фирм в Турции в плане закупок-реализации. Наряду с промышленными предприятиями стран Среднего Востока и Европы, которым фирма поставляет железо, сталь и металлическое литье, фирма занимается снабжением продукцией и сырьем разного рода для непосредственных потребителей Турции.

Используя сети деловых связей по всему миру, фирма «Marmara Metal» занимается закупкой сырья во многих странах, прежде всего в Китае, НСГ (бывших странах Советского Союза), Индии, Южной Африке, Бразилии и Европе. Фирма имеет профессиональный опыт работы с металлическими и неметаллическими сплавами, чугуном, коксом, предназначенном для металлургической промышленности, графитными электродами, углеродными сплавами, огнеупорными материалами и другими вспомогательными видами продукции этой группы.

Наряду с коммерческой деятельностью, «Marmara Metal» является владельцем месторождений хрома, марганца и меди, находящихся в различных областях Турции.

Фирма обслуживает металлургический рынок с наличием склада, площадью 65.000 квадратных метров и собственного парка машин из 40 грузовиков, с помощью которых своевременно осуществляет поставку заказа.

FERRO ALLOYS

Ferro Silicon
Ferro Silicon Manganese
Ferro Manganese
Ferro Chrome
Ferro Molybdenum
Ferro Vanadium
Ferro Phosphorus
Ferro Titanium
Ferro Boron
Ferro Sulphur
Ferro Niobium
Ferro Tungsten
Ferro Nickel

NON FERROUS

Silicon Metal
Chrome Metal
Magnesium Metal
Manganese Metal

BASE METALS

Aluminium
Nickel
Copper
Lead
Zinc
Tin

MINOR METALS

Antimony Metal
Cadmium Metal
Chromium Metal
Cobalt Metal
Manganese Metal
Molybdenum Metal
Niobium Metal
Selenium Metal
Silicon Metal
Tungsten Metal
Zirconium Metal

MASTER ALLOYS

Nickel Magnesium
Aluminium Titanium Boron
Aluminium Chrome
Aluminium Manganese
Aluminium Silicon
Aluminium Strontium
Silicon Calcium
Calcium Carbide
Aluminium Nickel
Aluminium Cobalt
Copper Phosphorus

PIG IRON

Nodular Grade Pig Iron
Foundry Grade Pig Iron
Basic Pig Iron
Steel Scrap

INOCULANTS

Ferro Silicon Magnesium
Ferro Silicon Zirconium
Ferro Silicon Barium
Ferro Silicon Aluminium
Ferro Silicon Calcium

MINERALS/ORES

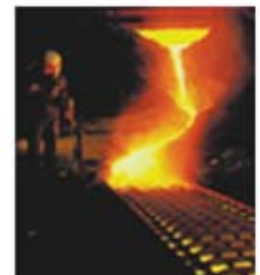
Chromite Ore
Iron Ore
Manganese Ore
Fluorspar
Alumina/Bauxite

WATER TREATMENT

Ductile Iron Pipe
Aluminium Sulphate
Chlore

OTHERS

Marble
Graphite Electrode
Metallurgical Coke
Foundry Coke
Silicon Carbide
Chromite Sand
Magnesium Granule
Graphitized Petroleum Coke
Calcinated Petroleum Coke
Steel Shot
Steel Grit
Foundry Resin
Foundry Coating
Ceramic Foam Filters
Refractories
Ferro Titanium Cored Wire
Calcium Silicon Cored Wire



AZERBAIJAN'S RENAISSANCE

ZAKIR HAŞİMOV

AZERBAIJANI AMBASSADOR IN ANKARA

Azerbaijan may take justifiable pride in the staggering progress it has achieved over 16 years of national independence, and its last few years can truly be described as a period of renaissance in its socioeconomic life.

Today Azerbaijan is gradually emerging as one of the fastest-growing economies in the world. For more than a decade Azerbaijan has held one of the leading positions among transition countries with respect to the basic indicators of GDP growth and foreign direct investment (FDI). Due to its continued development strategy and a reform process, Azerbaijan has achieved unprecedented growth, reaching the highest global economic growth rates in 2006. Last year the country became the global leader in overall economic growth rates with its astonishing 34.5 percent real annual growth indicator. The same level of progress is expected in 2007.

Now Azerbaijan is also the region's leading FDI destination. It presents a very attractive business climate with abundant resources, a favorable geographical location and diverse economic opportunities, which have transformed it into a significant investment destination. The total FDI stock in Azerbaijan exceeded \$25 billion in the last decade. Azerbaijan was in the top 20 worldwide for equity capital attraction in absolute terms. The pace and volume of investment inflow will continue to grow in coming years.

The above reality derives from the fact that Azerbaijan is undergoing a serious and irreversible transition from the controlled and largely impenetrable business climate inherited from the Soviet-era to the Western-like market-oriented economy, characterized by stability and greater transparency and predictability. Therefore, the Azerbaijan of 2007 is just a snapshot in a decade of consistent progress.

Azerbaijan is best known to the international

community as a country rich in natural resources. The oil and gas sectors continue to play vital strategic importance in Azerbaijan's economy. It is noteworthy that Azerbaijan has been successful in the mobilization of oil investments into the non-oil sector, thereby strengthening the economy as a whole. Nevertheless, Azerbaijan has so much more to offer to the international business community and the wealth of our non-oil sector should not go unnoticed. Azerbaijan pins particular hopes on its vast potential in highly skilled human resources, ample raw materials and fertile agricultural land.

Regional energy and transport projects

Today, Azerbaijan is gradually transforming into one of the globe's principal hubs in terms of transport and energy; it serves as a natural bridge between Europe and Central Asia. It is the most convenient route and transport link connecting south and southeastern Europe with the vast regions of growing importance like Central Asia and the Caspian Sea Region, as well as linking northeastern Europe with the Middle East.

Azerbaijan has proved its credibility as a pioneer for many positive and significant developments in the region - and as a reliable partner. Now it is becoming important not only as an energy supplier but as a transit country as well. The completion of construction of two core elements of the East-West energy corridor -- the Baku-Tbilisi-Ceyhan (BTC) oil and Baku-Tbilisi-Erzurum (BTE) gas pipelines -- create the necessary conditions for the transportation of the Caspian Basin hydrocarbon reserves to the European and world markets. These projects will undoubtedly contribute to the diversification of world energy supplies and provide energy security to a number of states.

Now with the BTC and BTE pipelines fully operational, oil and gas production and exports will increase dramatically. The peak of Azerbaijan oil pro-



Zakir Hasimov

duction is projected to be 1.3 million barrels per day in 2009. On Nov. 18, 2007, the Turkey-Greece natural gas pipeline was inaugurated with a ceremony in Ipsala, Greece. As a continuation of the BTE project, the pipeline is eventually expected to transport natural gas from the Caspian Sea, particularly the Azerbaijani gas from the Shahdeniz field via Turkey and Greece to Italy and from there to the rest of Europe. The gas from Azerbaijan and other Caspian Sea countries is also expected to be exported to eastern and central Europe through the Nabucco gas

pipeline. This will allow Azerbaijan to use alternative routes for its own gas exports to Europe.

Azerbaijan also looks forward to the realization of the new Baku-Tbilisi-Kars railway route, which will undoubtedly be a vital step toward revitalization of the historic Silk Road. On Nov. 21, 2007, the presidents of Azerbaijan, Turkey and Georgia launched the construction phase of the strategic railway. The new railway is aimed at providing uninterrupted rail service from Europe to the Far East via Azerbaijan. Indeed, it will link Baku, Tbilisi and

Azerbaijani-Turkish economic relations

The Azerbaijani-Turkish strategic partnership relations have always had the exceptional character of close friendship and brotherhood. The aforementioned energy and transport infrastructure projects play a significant role in boosting economic relations between the two brotherly states. To date, the total capital investments made by Turkish companies in Azerbaijan exceed \$2.5 billion, thus making Azerbaijan one of the principal destinations for Turkish businesses. Turkey is one of Azerbaijan's key trade partners and according to the latest statistics, bilateral trade volume between Azerbaijan and Turkey is around \$1 billion. It is estimated that this trade volume will reach \$3 billion in the near-term. This is a brief example of the favorable environment created by the government of Azerbaijan for investment and trade activities of Turkish business circles.

In the last few years, we have also seen a significant increase in capital investment and exports from Azerbaijan to Turkey. In particular, Azerbaijan has shown its eagerness to participate in the Turkish energy sector. These endeavors resulted in the acquisition of a 51 percent stake of Petkim Holding by the Azerbaijani-Turkish Socar-Turcas-Injaz consortium. Moreover, this Azerbaijani-Turkish consortium obtained a license for construction of a refinery and petrochemical facilities in Ceyhan.

However, one cannot be fully satisfied with the progress made, since a vast amount of the potential of these economies remains untapped. Therefore, both states have always stressed the necessity of concerted efforts with a view to increasing utilization of the available natural and human resources in the fields in which both countries enjoy comparative advantages.



Your solution partner in Turkey!

Your experienced and expert procuring company in furniture accessories!

Your gateway from Turkey to the World by high quality product searching, procurement, application and loading process!

Connect to all around the World with Akbaş Trade Company!



Our investment in Africa:

- Malawi : Art-Line Furniture Industry Ltd.
- Nigeria : Sanat Furniture Industry Ltd.
- Kenya : Collection Furniture Industry Ltd.
- Uganda : MoonStar Furniture Industry Ltd.

In these factories we are producing all kinds of Furniture (Office, Home, Kitchen, Schools, Hospitals and Hotels) properly for 3 years!



Opportunity knocks on the door of business all across Turkey

Both inside the major cities and also within Turkey, a new group of higher-middle class organizations among small and medium-sized enterprises is developing quickly alongside multinational conglomerates, and the transition is clearly still in its early stages

PAUL WOUTERS | ISTANBUL

Those of us who knew İstanbul 10 years ago and revisit the city now after all that time will hardly recognize it. A large amount of construction is going on all over the city. Buildings have been renovated or demolished and replaced, and streets and boulevards have gotten facelifts. World brands have established themselves all over the city and face heavy competition from local producers. Mega shopping malls are being opened all over the place.

The Turkish real estate sector is attracting more and more foreign investment, and construction projects are so numerous that the sector needs more support on the finance side to cope with demand.

Both inside the major cities and also deeper inside of Turkey, a new group of higher-middle class organizations among small and medium-sized enterprises (SMEs) is developing quickly alongside multinational conglomerates, and the transition is clearly still in its early stages. The topography of the Turkish business world promises to be more balanced than before and more evenly spread over the territory.

All this does not happen by coincidence. Since the latest crisis that hit the entire country back in 2001, spurred by the EU talks and helped by strong IMF support, major to-the-point economic and legal adjustments have been wisely implemented.

The decentralization outside of Ankara and İstanbul - the administrative and economic power centers - is revitalizing the whole country. Be aware that İstanbul is only the tip of the legendary iceberg. Inside of Turkey new centers of economic activity and dynamism deploy and distribute welfare and opportunity more evenly. An inventive and flexible but firm political stance ensures stable relations with neighboring countries, refreshes positions and is opening new possibilities for the future.

Following on the heels of the ports of Izmir and Mersin, the Port of Denince (close to Izmir) will also be privatized. Major privatizations of highways and bridges (in total about 2,000 kilometers) will help to bring prosperity deeper inside the country. While the privatization of electricity distribution channels has been postponed for a while, the first nuclear power plant is the talk of the day. Public procurement legislation is being brought in line with European regulations.

Combined with a widespread network of international and domestic airports, initiatives like these will push general development further and further inside of the country - a wave that will challenge numerous primary materials producers, industries and services and require them to relocate outside the existing metropolitan areas or at least open important branches in different places.

The planned privatization of Halkbank in 2008 will boost and stabilize the financial sector. While we are still waiting for a new Capital Markets Law and Commercial Code to be enacted, the existing CML No. 2499 has been amended and updated. The outsourcing of banking activities has been regulated.

Corporate governance for listed and public companies has reached international standards, the protection of intellectual property (IP) has been vigorously refreshed and now regulations for "commercial confidentiality" (commercial confidentiality, banking confidentiality, customer privacy) will add to the confidence that can be attributed to business in Turkey.

Guided by a more sound and up-to-date legal framework, Turkey is brimming with activity and opportunity. In addition to construction, transport, real estate and finance (and supporting industries and services), health care, pension funds and insurance are ready for vigorous expansion.

The ongoing talks with the EU and increasing foreign investment will continue to drive the Turkish economy and the Turkish standard of living more and more toward EU standards. Over the last decade, the economy has transformed itself from basic to middle and high-end products manufacturing. Economic growth has reached 4.7 percent per annum during the last four years. Exports to foreign countries has more than tripled over the last five years, proving Turkey to be more than ever the gateway to Central Asia, the Gulf region and Europe.

For the foreign entrepreneur and industrialist, opportunities are open for growth that can enhance both their domestic and the Turkish market. M&A and joint venture activities will stay at high levels for years to come. When you look at the vastness of the territory and the young population (average 29 years of age) it is clear that the boundaries for economic growth are far from being reached.

Paul Wouter is advisor to Bener, İstanbul, Turkey
paul.wouters@bener.com.tr



SÜVARI

www.suvari.com.tr

SALINA, A STORY OF SALTY SUCCESS

Established as a public 'labor company,' Cihankur began production in 1980. As of today, it has 1,500 partners and was the first Turkish enterprise to produce iodized salt. The company's efforts to manufacture iodized salt began in 1982 and attracted the interest of the Health Ministry



PHOTO: DAP

The Cihankur Company has an important share in Turkey's salt production market with its brand Salina, a prime example of business success.

The Cihanbeyli family emigrated to Germany in the 1960s to find work, their decision proved a good one and they later decided to invest their resultant savings in Turkey, establishing the Cihankur Company to produce salt in 1975.

When the Cihanbeyli family had difficulties obtaining the necessary financing for the company, locals in the Cihanbeyli and Kulu districts of Konya didn't hesitate to make sacrifices for them. Some sold their gold bracelets, some worked in the factory, while others transported materials to the factory. All of these people became partners in the company. Some working in the public sector also allocated their savings to the company.

Established as a public "labor company," Cihankur began production in 1980. As of today, it has 1,500 partners. Cihankur experienced financial difficulties during the military coup of 1980 and wouldn't have continued operating without the support of the Turkey Development Bank (formerly known as the State Industry and Labor Investment Bank, DESIAB) and the Turkey Industrial Development Bank (TSKB). There were 150 such labor companies in the 1980s, but now only eight or 10 of them remain. Cihankur, which has the largest industrial facility in Cihanbeyli with around 130 workers, is also the largest refined salt production facility in Turkey.

Cihankur was the first Turkish enterprise to produce iodized salt. The company's efforts to manufacture iodized salt began in 1982 and attracted the interest of the Health Ministry. Since 1998, all salt in Turkey is iodized before going on the market. In this regard, Cihankur was a leading actor in the iodized salt market.

Moreover, Cihankur is also the largest salt exporter of Turkey, having a considerable market share in the Turkic states as well. In an exclusive interview with Today's Business, Himmet Kara, the general manager of Cihankur, said they have a branch in Azerbaijan, where they operate under the name Narin Salt Salina. "We have also begun a good deal of exports to Iraq as well," said Kara.

Cihankur also leads the field in product variety. Its products include table salt, Epsom salt, road salt and pickle salt. The firm plans to increase its production capacity in the short term. Recently, establishment of a 1,000-ton capacity salt refinery has been added to the company's agenda. They also want to build a chloral alkali facility next to the refinery so as to heighten productivity and expand their product range. The total current production capacity of Salina salt facilities is above 120,000 tons.

Salina has more than 2,000 partners in the food sector. Bearing the responsibility of being one of the best companies in Turkey, Salina has guaranteed the quality of its products with K-Q TSE-ISO-EN 9000 quality management certification and certificates from the Turkish Standards Institute (TSE) as well as food register and food production certificates from the Ministry of Agriculture.

A questionnaire given to 1,150 consumers by the Consumers' Preservation Association (ITKD) revealed that Salina is a brand recognized for its quality and the company was awarded the "Golden Brand" by consumers on World Consumer Rights Day, March 15. **Istanbul**, Today's Business

Carlo Potti®
uomo

Laleli Cad. Salt Efendi Sk. Astor Pasajı
No.:10/22 Laleli - ISTANBUL - TURKEY
PHONE BOX:009/0/212 638 72 52
FAX:009/0/212 516 66 22
www.carlopotti.com - info@carlopotti.com

ЛАЛЕЛИ ДЖАДЕСИ САИТ ЕФЕНДИДИ
СОКАК АСТОР ПАСАЖ НО.:10/22
ЛАЛЕЛИ ИСТАНБУЛ
ТЕЛ: 009/0/212 638 72 52
ФАКС: 009/0/212 516 66 22
инфо@carlopotti.com
www.carlopotti.com

TODAY'S BUSINESS

December 4-5, 2007

Owner on Behalf of Feza Gazetecilik A.Ş.

ALI AKBULUT

Chief Executive Officer

EKREM DUMANLI

Editor-in-Chief

BÜLENT KENES

Editors

İBRAHİM TÜRKMEN

FARUK ÇAN

YAKUP SİMŞEK

BEYTULLAH DEMİR

İSKENDER YILMAZ

AHMET BOYACI

E MEL DAVARCI

HARUN TAZEGÜLLÜ

Responsible Manager and
Representative of the Owner

ALI ODABASI

Public Relations Contact Information: 0212 454 84 54

Address: Today's Business, 3074 Yenibosna, İSTANBUL. Phone:

+90 212 454 1441 Fax: 0212 454 14 77 Web Address: <http://www.industryman.com>

Printed at Feza Gazetecilik A.Ş. Tuzluk. Advertisement Phone: +90 212 454 42 47.

Fax: +90 212 454 86 33. Today's Business always by the rules of good ethics.



TURKEY REVITALIZES EURASIA ENERGY DIPLOMACY

CONTINUED FROM PAGE 1

Both of the projects have proven that Caspian energy resources can reach Europe without going through Russia. They have also eased pressure on the Turkish-controlled strategic and busy Bosphorus and Dardanelles straits.

The flow of the first Azeri gas to Europe is also intended to send a message to the Caspian states that they will not depend solely on Russia for exporting their hydrocarbon resources to Europe, or in meeting their energy needs, according to Ankara-based Western energy analysts.

The southern European Gas Ring Project, which is also intended to deliver gas to Italy via Turkey and Greece, has marked the first concrete step taken by Turkey to support its policy of not only becoming an energy bridge between Caspian oil and gas reserves but also of pre-empting expected increases both in domestic and international gas demand.

Turkey is aiming to become to secure its status as an energy bridge by transporting at least 20 billion cubic meters of natural gas to Europe in 2010.

Nabucco awaits supply contracts

Nabucco is another project that is planned for shipping Caspian gas to Europe via Turkey; however, this pipeline is expected to be used for other gas resources in addition to those from the Caspian region.

Turkish Energy Minister Hilmi Güler told Today's Business that Iraq's natural gas could become an alternative resource for the Nabucco natural gas pipeline project, if EU countries demand it.

"The natural gas resources of Azerbaijan, Turkmenistan, Iran and Egypt are also possible resources for Nabucco," Güler said in the same interview.

Western diplomatic sources point out that Nabucco only has the capacity to meet around 10 percent of the Europe's gas needs but that it is a politically important project as it is intended to bypass Russian gas.

But one of the hurdles before the Nabucco project is the absence of supply contracts, which could prompt countries like Turkmenistan to sign further deals with Russia.

The Nabucco project includes the construction of a 3,300-kilometer pipeline passing through Turkey, Bulgaria, Romania, Hungary and Austria. The 4.6 billion euro (\$6.14 billion) project could transport 25.5 to 31

billion cubic meters of gas to Europe annually by 2020.

Russia and Iran still remain

Turkey's main energy suppliers

Despite Turkey's desire to become an alternative to Russia as an energy corridor for Caspian energy resources, it is also maintaining close energy cooperation with Russia as it is dependant on this country for meeting almost 60 percent of its oil and gas needs.

Similarly, despite US opposition, Ankara has been looking to further its energy cooperation with Iran, the second biggest supplier of Turkey's gas after Russia.

Turkish Prime Minister Recep Tayyip Erdogan has defended his government's deal with Iran, saying no country can ask Ankara to give up its relationships with energy suppliers. On Aug. 20 Ankara signed a deal with Tehran to import an annual 3-6 billion kilowatt hours of electricity from Iran.

In July Iran and Turkey signed a memorandum of understanding (MoU) that will pave the way for \$3.5 billion worth of Turkish investment in Iran's South Pars gas field on a buyback basis. The deal will also turn Iran into a transport country for Turkmen gas on its way to Turkey.

The July MoU drew criticism from the US, which has reminded Ankara of the existing sanctions against Iran while stressing US commitment to pursuing trans-Caspian energy policies bypassing the busy Dardanelles and Bosphorus straits but also bypassing Iranian routes.

Under a 25-year, \$30 billion contract signed between Iran and Turkey in 1996 that went into effect in December 2001, Iran has exported 20.74 billion cubic meters of natural gas to Turkey.

Washington has not objected to Turkey's imports and exports of gas and oil, but investments in Iran, such as the building of power plants, is seen as a problem.

Turkish energy policy and challenges

As outlined by Turkish Energy Minister Güler on Nov. 6, Turkey's energy policy includes the following priorities:

- Diversification of energy sources and supplier countries
- Prioritization of domestic energy resources
- Encouragement of Turkey's potential as an energy trade center
- Increases of strategic oil and natural gas



PHOTO: MUSTAFA KIRAZLI

were energy imports, including crude oil, fuel oil, natural gas, liquefied petroleum gas (LNG) and coal. Thus, energy imports accounted for almost half (44.1 percent) of Turkey's foreign trade deficit during the same period.

Turkey's energy imports reached \$19.6 billion in the first nine months of this year, compared with \$18.6 billion during the same period last year. Turkey's total imports are expected to reach to \$166 billion this year.

Turkey should focus on

renewable energy sources

Another report emphasized the importance of ensuring Turkey's supply security, in particular in electricity generation, as almost 50 percent of its gas consumption goes to meeting its electricity demands.

Turkey's State Planning Organization (DPT) has recently finalized its work on Turkey's energy policy projections for the five-year period between 2008 and 2012. The report concentrated primarily on the country's energy supply security, suggesting the utilization of renewable energy resources to the fullest possible extent.

The DPT report also urged Turkey to take measures to decrease dependence on imported energy resources, such as oil and gas. It said it was very important to improve electricity trade with neighboring countries, increasing energy efficiency and fighting against the illegal use of electricity.

The report assigned the utmost importance to regulating the domestic market for effective utilization of the country's already scarce energy resources. It recommended an approach based on the assumption that Turkey's energy needs will soar in the coming period, largely due to high growth in production and population.

According to the DPT report, natural gas transmission networks will be replenished and the use of natural gas will become widespread throughout Turkey.

The use of internal resources will be taken as the core priority of the plan. To this end, both the state and the private sector will continue exploration activities for oil, gas and coal resources within the country.

To increase energy supply security, the DPT plan emphasizes the need for gearing up investments in electricity generation and the immediate completion of ongoing investments. It also calls for a more efficient use of existing facilities. As envisioned by the plan, the rehabilitation of thermal power plants will be completed by 2010 and of hydroelectric power plants in 2012.

depot capacity

■ Continued attention to the processes under way for the delivery of Middle Eastern and Caspian oil and gas to world markets

■ Restructuring domestic energy markets in a way that will encourage transparency and competition

■ Participation and integration in regional energy cooperation projects, while always minding the environmental impact of energy production and usage

Turkish energy experts have said Turkey should seek ways in which it can buy oil and gas fields in the Caspian states and that this should not be limited to Azerbaijan, where the Turkish Petroleum Corporation (TPAO) has shares both in the Shah Deniz gas field as well as in the BTC consortium, if Ankara wants to fulfill some of the above-mentioned goals.

"If Turkey wants to be a player and turn itself into an energy trade center it has to be more active in the Caspian region, and that includes buying fields," said an energy ministry source.

In the meantime, there has been opposition coming from Azerbaijan against Turkey's attempt to take 15 percent of the Shah Deniz gas that has been transported to Greece, fearing that Turkey will turn itself into an energy hub.

"Azeris fear that Turkey may sell this portion of gas that it seeks to buy to third parties at a higher price, undermining the Azeri ability to control gas prices. But the Turkish demand for additional gas stems from its real concern of meeting its growing domestic energy needs rather than, at least in the short term, an attempt to become a hub by storing the extra gas and selling it to third countries," an Ankara-based Western source told Today's Business.

Meanwhile, in the midst of growing opposition from environmentalists, President Gül has signed a law for the establishment of nuclear energy plants in Turkey that is also intended to help avert a serious energy shortfall in the fast-growing emerging economy. Turkey plans to build three nuclear plants with a total capacity of 5,000 megawatts.

Impact of soaring oil prices

Soaring oil prices in world markets -- reaching up to \$100 per barrel -- have been an increasing burden on the Turkish economy, as Turkey relies heavily on imports to meet its energy needs.

According to a report released by the Turkish Statistics Institute (TurkStat) on Nov. 8, one-fifth of Turkey's total imports in the first nine months of this year

Turca SILVER

www.turcagumus.com.tr
info@turcagumus.com.tr

Center: Gedikpasa cad.
Ömür pasajı no:23/25
Beyazıt-Istanbul/Turkey
Tel: +90 212 5183502
Fax: +90 212 6383961

Showroom: mahmutbey cad
İkizler sok.no:37
sirinevler-bahçelievler
Istanbul - Turkey
tel: +90 212 4511958

BANK ASYA GM KABACA: PARTICIPATION BANKS' STAR WILL CONTINUE TO RISE

BÜŞRA İPEKÇİ İSTANBUL

Participation banks, which entered the banking sector 22 years ago as private financial institutions, have always supported production, trade and the business world since the day they were established, putting almost all of their funds into the service of the real sector as loans.

Thus these banks have to a large extent fulfilled expectations of them. The resources offered by participation banks have in particular helped small and medium-sized enterprises (SMEs) increase their production rates a great deal. Participation banks, which have boosted their contributions in the fields of production and employment each year, increased their total assets by 22 percent to YTL 16.7 billion in the first six years of 2007 compared to the previous year. We interviewed Bank Asya General Manager Ünal Kabaca about the growth plans of participation banks and the objectives of Bank Asya for 2008. Kabaca indicated that the share of participation banks in the sector reached 3.75 percent in terms of funds as of June 2007, stating that he foresees this figure hitting 10 percent in the next 10 years. "If we look at the development figures of participation banks from the last few years we can envisage that they will continue to increase their share in the sector," said Kabaca.

What is the place and significance of participation banks in the Turkish banking sector and what is your expectation of participation banks for the coming years?

Our country has a young and dynamic population of over 70 million. Thus we can say that there is great potential for the banking sector. Foreign banks that see this potential invest in our country. For this reason I believe Turkey has a bright future in the banking sector. Investors find the Turkish banking sector quite promising. If you take a look at the banking sector you can see a significant vivacity; al-



Ünal Kabaca

most all banks have devised plans to extend their scope. We can say that participation banks will continue to increase their shares in the sector in the coming years. Participation banks will go on investing in their distribution channels and for technological infrastructure in the upcoming three or four years as part of their growth plans. On the one hand, they will extend their range of activity by opening new branches, and on the other hand, they will endeavor to reach to more customers by introducing alternative distribution channels such as ATMs and Internet and telephone banking. They will focus on individual service as well as institutional services; they will en-

hance credit card applications. As a result, I believe that they will increase their shares in the banking sector by 6 percent in 2010, by 10 percent in 2016 and by 22 percent in 10 years time.

Participation banks have recently been seen to concentrate on opening as many branches as possible. What is the reason for this trend?

Although alternative methods develop rapidly for facilitating the access to the customer, the importance of opening new branches remains high. When the word "enlargement" is mentioned, what still comes to mind first is opening new branches. Therefore, participation

banks with a target of growing their shares in the sector to 10 percent will continue their efforts to open new branches at the same pace.

How about Bank Asya's efforts to open new branches?

At Bank Asya our enlargement works have been under way since the beginning of 2007. We increased the number of our branches to 118 during the first nine months of this year from 92 at the end of 2006. In the coming days, we will continue opening new branches. Also, in order to meet the expectations of our customers much more rapidly and accurately we have opened five new corporate banking branches in 2007, bringing our total of these to six.

Has Bank Asya reached the point it had envisaged for 2007? Can you briefly touch upon the current condition of Bank Asya in the sector and the current course it is on?

While leaving behind our 11th year since foundation, Bank Asya continues its journey with the peace and satisfaction of having realized all of its previously envisaged macro targets. During the first nine months of 2007 it increased its total assets by 36 percent to YTL 5.6 billion in comparison to the same period last year. The funds it has gathered through the current and participation accounts have been augmented by 34 percent to YTL 4.2 billion, and the total credits in cash have risen by 58 percent to YTL 4.8 billion, making us one of the fastest growing banks in the sector. Bank Asya also raised its net profit by 49 percent to YTL 141 million compared to last year.

What are your plans and targets for the future?

We aim to maintain our growth by providing rapid and quality services and supporting the lucrative projects in the areas we focus on in the commercial and corporate segment, while at the same being a re-

spectable player in consumer banking. Sustaining our superior performance in commercial and corporate banking in 2007, we continue to give financial support to projects of several million dollars and contribute to the country's economy as one of most active banks in this field. Some 60 percent of Bank Asya's credit portfolio consists of the loans served to SMEs. Within the scope of the business banking service we launched in early 2007 with a view to providing customized and rapid services to SMEs, we continue to improve existing products and to develop new ones. Having a considerably high share of non-cash transactions in the banking sector, Bank Asya is gradually increasing its share in the country's foreign trade by providing mediation services to Turkish companies in their foreign trade transactions and providing Turkish contractors with financing solutions. Our bank's share in Turkey's foreign trade volume had risen to 2.3 percent as of September 2007.

The \$175-million murabaha -- a particular type of sale in which the seller expressly mentions the cost he has incurred on the commodities to be sold and sells it to another person by adding some profit or mark-up thereon which is known to the buyer -- syndication loan, obtained through the participation of 40 banks in April 2007, has increased the size of our balance sheet while at the same adding to the prestige of our bank in international markets. This syndication loan, obtained by our bank for the first time from the international markets, has confirmed the credibility and power of Bank Asya.

Given the fact that Bank Asya has attained its current position in only 11 years after its establishment, we can easily imagine Bank Asya making giant leaps toward major achievements in the next decade. I sincerely believe that Bank Asya will preserve its values while implementing contemporary banking practices to be worthy of the nation's trust in us.



The new meeting point of distinguished business people

Ramada Plaza Istanbul, designed with high standards of Ramada Hotels & Resorts International's five star Plaza concept, welcomes you and your guest with high standard service provided by professional Ramada staff.

INFO & RESERVATION: 0212 444 0 272



RAMADA PLAZA
İSTANBUL

Ramada Plaza Istanbul Hotel
Halaskargazi Cad. No:139-151 34373
Osmanbey-Şişli-İSTANBUL/TÜRKİYE
TEL: +90 212 315 44 44
FAX: +90 212 315 44 45
www.ramadaplazaistanbul.com
info@ramadaplazaistanbul.com

* High quality products * Fast delivery
* Competitive prices * Small MOQs
* Quick and reliable solutions for custom design promotional products
We are here at your next door!

LANYARDS

KEY HOLDERS

LABELS

PILLOWS

and many more...

GÖRENLER

Fabrikalar Cd. 122, 20085 Gümüşler Denizli - TÜRKİYE
www.gorenler.com gorenler@gorenler.com
Tel: +90 258 372 13 55



Hatemoğlu®



Hatemoğlu®

Shops

hatemoğlu®

1924

CENTER : +90 212 67 17 888

@html®

İKİTELLİ OUTLET (Fabrika Ark) • PENDİK OUTLET • BEYLÜKDÜZÜ SAATLİ BİNA • MASLAK NURKÖK PLAZA • PROFİLO AVM • İZMİT OUTLET CENTER • SAKARYA • ÇORLU ORION AVM • KONYA M1 REAL AVM • ADANA M1 REAL AVM • GAZİANTEP M1 REAL AVM
MERSİN CARREFOUR • SUSURLUK ULUSOY AVM • SÖKE FRIENE COUNTRY AVM • İZMİR SELWAY AVM • ERZURUM YAKUTIYE AVM • ZONGULDAK • KDZ EREĞLİ • SİRT • BATMAN • URFA • OLIVUM AVM • MERSİN FORUM AVM
HOLLANDA Vrijheidslaan 98 1078 PS AMSTERDAM • İSPANYA COLON DE LARREATEGUI NO:39 48009 BILBAO SPAIN • KIRGIZİSTAN The Kyrgyz Republic, Bishkek, Chuy avenue 243 Tel: +996 312 612205
KAZAХSTAN ТЦ АДЕМ, 1 этаж, сектор А 1 ряд 8 бутик 317 сектор С1 ряд 2 бутик 81-82 Алматы / KAZAХSTAN - ТЦ АДЕМ 2, 2 этаж, бутик 57 Астана/ KAZAХSTAN Тел : + 7 701 714 53 82, + 7 701 716 63 64

* Hatemoğlu SATKI, hatemoğlu mark 110-120-130-140-150'3 yüksek kalitede 100% yün kumaşlardan oluşan en kaliteli erkekler için ceketler üretimi için 100% yastık 80/2 100/2 kumaşlardan oluşan giyimdeki en modern ve en kaliteli kumaşları kullanmaktadır.
Hatemoğlu is now for your clothes of the above shops, which is the name brand of hatemoğlu, containing suits made of 110-120-130-140-150'3 high quality, woolen fabrics with Italian hand stitching and shirts made of 80/2 100/2 high quality 76/100 cotton fabrics.
Hatemoğlu предоставляет новую коллекцию мужских костюмов "Хатем Саггы". Это коллекция пошива по итальянскому стилю высокого качества, ткани только из натуральной шерсти, 110-120-130-140-150'3, а так же коллекция приготовлены мужские рубашки из 100% хлопка.

www.hatemoğlu.com



FOR US COOPERATION IS NOT AN OPTION, IT IS A MUST, SAYS RUSSIAN AMBASSADOR

CONTINUED FROM PAGE 1

It is almost certain that the Russian delegation will return to their country with the largest amount of contracts signed, both in number and in value. Today's Business spoke to the ambassador of the Russian Federation in Ankara, Vladimir Ivanovskiy, to discuss the potential of the Russian market for the investors from the 13 countries attending the summit. The Russia that Ambassador Ivanovskiy presents does not coincide with the common image of Russia as a closed economy with pre-modern authoritarian capitalism as its driving principle. Russia, it seems, has undergone a tremendous change during and through the currency flow thanks to increasing fuel and gas prices, adapting itself to the rules of the global economy and endorsing cooperation instead of rivalry as its underlining principle in economic relations.

After the demise of the Soviet Union, futurists were expecting a Russo-Turkish clash in Central Asia and the Caucasus. After 15 years we are seeing full cooperation. How did this happen?

Russian-Turkish economic cooperation is not an option, it is a must. We have to cooperate on geographic regions like the post-Soviet central Asian republics. This region has existential importance for both Turkey and Russia by means of economics and security. The relations of the two countries are, as expressed by leaders of both sides numerous times, multidimensional and based on mutual trust and sincerity. This mutual trust has utmost importance for the regional and international stability, as it forms the foundations of our relations in Central Asia, the Caucasus and the Middle East. Both the countries have formulated their targets for the coming years and these are impossible to attain without regional cooperation. Our political and economic relations are determined not only by the past and present realities, but also with our respective future ambitions.

Both Turkey and Russia are turning into en-



Vladimir Ivanovskiy

ergy corridors for energy-hungry Europe. Don't you think this is a source of rivalry?

No. There is no prospect of rivalry regarding the transfer of Caucasian and Iranian energy sources into Europe. Of course there may be occasional clashes of interests, but the underlining fact is that both Europe's and Turkey's need for additional energy sources is increasing day by day. Our projection is that the Russian gas supply won't be sufficient for the needs of Europe in the near future. It is only natural that Europe is going to look for additional sources and the idea that Europe has to opt for Iranian gas is gaining support in Europe. Well, Iran is second only to Russia in terms of natural gas production and it is natural that Iranian gas will need additional pipelines to reach the European market. Turkey is a natural corridor for that.

Do you foresee cooperation between Turkish and Russian oil and gas companies?

Energy companies do make their own calculations of profitability. For the time being I have no information about Russian companies engaged in pipeline construction in Turkey. But if they find it feasible they will surely be interested in the idea. Russia is currently dealing with the South Stream that will carry 150 million tons of oil yearly, and is planning additional pipelines of its own. Under these conditions oil companies will ask themselves whether pipelines are going to be able to find enough oil and gas to carry. The existing Baku-Tbilisi-Ceyhan (BTC) line is a project that can be expanded further in both directions and has the potential to carry more oil because it is not operating at maximum capacity.

Turkish-Russian economic relations seem to be monopolized by energy and construction. Do you foresee more sectors engaging in trade and investment relations in the future?

When you look at the most recent indicators of year 2007, it seems that mutual trade volume is going to surpass \$26 billion. The number of Russian tourists that visited Turkey this year already reached the 2 million target. Recently we held a work meeting with tourism companies of the Antalya region and set the target of next year at 3 million [Russian] tourists. It is true that Turkish construction companies in Russia form a great portion of economic relations. Last year the total amount of contracts Turkish companies secured in the world was worth \$19.5 billion. About \$4 billion of this, that is 25 percent, was with Russia. This will certainly increase in the future. But construction is not the only sector that is celebrating. Only last year Turkish exports to Russia increased by 53 percent. This is a world record. Under these conditions I have no chance other than to be optimistic. Beautiful things are waiting for us in the future.

Our cooperation in energy has also the potential to grow and become more diversified. Only 10 days from now a Russian company will join a meeting of the Turkish Ministry of Energy and Natural Resources regarding a nuclear energy reactor that Turkey is planning to build. Russian companies are interested not only in



Vladimir Ivanovskiy foresees mutual trade volume is going to surpass \$26 billion in 2007.

traditional energy resources but also more modern energy markets. Russian companies are getting prepared for the nuclear reactor tender to be opened and we will certainly be there.

A further area of opportunities for Turkish businessmen is the Sochi 2014 Olympic and Paralympic Winter Games. Russia is waiting for Turkish participation in the huge projects to be implemented in the coming five years. I am not being diplomatic here; these are concrete economic facts.

What about the Organization of the Black Sea Economic Cooperation (BSEC)?

There are already projects on the table. The Black Sea region badly needs transportation fa-

ilities. I know of projects on ferry lines being established between ports on the Black Sea as well as of the famous highway encircling the Black Sea entirely. Blue Stream is a project with regional implications and the newly publicized South Stream project that is being carried out by Russian and Italian companies is another. This project is about constructing a pipeline passing beneath the Black Sea. Several Black Sea region countries can participate in this project. In short, the BSEC framework is working well to promote Turkish-Russian economic relations.

Don't you fear Chinese economic expansionism?

We are not afraid of the Chinese economic upsurge. We are trying to establish cooperation that is as strong as possible. Indeed we have areas of competition, but areas we are cooperating in outnumber these. The Chinese economy is growing with an enormous impetus and its energy thirst is increasing every day. One day China may absorb all Turkmen, Kazakh and Russian natural gas. It is up to Russia to balance this thirst with the needs of our partners in the West.

Russian-Chinese relations have strong cultural and military dimensions also. Remember that the Russian-Chinese border is the longest border between two countries and as neighboring countries we have to have friendly relations. The fact that Russia has no prejudice vis-à-vis China, that we have no border dispute at all is helping maintain the good relations. I think both Russia and Turkey should take its lesson from the Chinese success. The first time I came to Ankara, I went to buy shoes downtown. The first shop I entered had all its shoes from China. I was astonished. Over time I realized that China is already in Turkey. I think Turkish producers should be worried by this fact.

What about the cultural relations between Turkey and Russia? Do you think that the growing economic cooperation is coupled with the necessary cultural give and take?

Last June we gathered Turkish students who were going to Russia for education and research. The number was higher than a few hundred. All were going there on Russian scholarships. Some four or five years ago the number was somewhere around 50. This is good news. With the increasing economic and political cooperation we will need more and more experts on both the countries. The number of experts is not satisfactory right now. We should increase the number by student exchange programs not only at the state level but also at the levels of inter-university relations.

Turkey needs thousands of Russian-speaking personnel during the summer season. This is not only about Russia. Together with tourists coming from former Soviet Republics, a total of 3 million Russian-speaking tourists came to Turkey last year, and this number will certainly grow in the future.

As you know 2007 was Russian Culture Year in Turkey and several cultural activities were organized all around Turkey to introduce Turks to Russian culture. Next week, on Dec. 11, the closing ceremony of the Russian Culture Year will take place in Ankara and a parallel ceremony will start the 2008 Turkish Culture Year in Russia. Currently a delegation from the Turkish Ministry of Culture and Tourism is in Moscow and discussing the activities to take place in Russia next year.

As the questions and answers in this interview show, Turkish-Russian relations are well established on several fronts. This is a healthy combination of economics, politics, culture and education. As I said, I have every reason to be optimistic for the future of Turkish-Russian relations.

Georgia: a bridge in Eurasian economic relations

GRIGOL MGALOBILSHVILI

AMBASSADOR OF GEORGIA IN ANKARA

Georgia is located at the crossroads between Europe and Asia and offers an East-West and North-South bridge. Georgia connects several important areas including the EU, the Commonwealth of Independent States (CIS), Turkey, the Caucasus and Central Asia. Georgia's Black Sea ports, well-developed railway network, new airports and steadily improving road infrastructure play an increasingly important role in linking East and West.

Starting in 2003 Georgia's reputation for instability, violence and corruption changed significantly for the better. Since 2004 the government has undertaken institutional reforms including the restructuring and downsizing of government ministries, privatizing large state-owned entities, increasing the pay of public servants and prosecuting corruption while also simplifying customs and border formalities and undertaking efforts to make it easier to do business in Georgia. Currently, a few of Georgia's major draws are relatively low labor costs and an extremely flexible taxation

system. There are no restrictions on the foreign ownership of companies, while business registration procedures are simple, cheap and efficient -- taking only three days for legal entities and one day for individuals. The country is ranked by the World Bank as 18th (up from last year's 35th) in the world for ease of doing business. Anti-corruption measures taken from 2004-2006 have proven to be extremely successful. The World Bank hailed Georgia's progress and ranked it as the top anticorruption performer in 2006.

Georgia is rediscovering its "Silk Road" heritage with both Caspian Basin oil and Western goods flowing through its territory. Within this context, the important regional projects of the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum oil pipelines are of outstanding importance. Trilateral cooperation between Georgia, Turkey and Azerbaijan gained new momentum with the realization of the aforementioned projects. Along with these pipelines, primary importance should be assigned to the fulfillment of the Trans-Caspian pipeline project, which will ensure security of energy supplies for the whole region and Europe as well.

The economic importance of the region has increased as the governments of Georgia, Azerbaijan and Turkey agreed to carry out the Baku-Tbilisi-Kars railway project, enabling freight and passengers from Europe to transit through Turkey and the Caucasus to Central Asia and China and vice versa. The groundbreaking ceremony, marking the launch of construction of the Georgian section of the railway linking Azerbaijan and Turkey, was conducted on Nov. 21 with the participation of the presidents of the three countries involved.

Along with the positive developments, Georgia still needs to tackle some important challenges -- namely, creation of an export-oriented economy. In this regard, Georgia aims to diversify its trade and find new partners in Europe and with its closest neighbors. Thus, Turkey, the south Caucasus and Central Asian countries take on profound importance as emerging markets for Georgia, especially taking into consideration the Russian embargo imposed on Georgian products.

As of 2007, Turkey had become Georgia's biggest trading partner, and overall trade between the two



Grigol Mgaloblishvili

countries is expected to reach almost \$1 billion. Trade turnover is gradually increasing with the countries of Eurasia as well. More than 150 Turkish companies currently operate in Georgia. In 2006 Turkish companies invested over \$127 million compared to only \$27 million invested in 2005. Most Turkish investments are di-

rected toward Georgia's telecommunications, textile, airport management, bottling, banking and construction sectors. A free trade agreement and the Agreement on the Avoidance of Double Taxation signed between Georgia and Turkey on the sidelines of the Baku-Tbilisi-Kars railway groundbreaking ceremony will definitely give additional impetus to the already flourishing trade relations between the two countries.

Today Georgia enjoys the benefits of a visa free policy and free trade regimes with Turkey (entering into force upon ratification by the parliaments of the two countries), and countries in the South Caucasus and Central Asia; thus, the country is capable of fulfilling its historic role as a key regional player and a bridge for all regional economies. Within this context, modernization of the Sarp border gate, opening of a new border crossing point planned for the near future in Cildir-Aktas-Kartsakhi and joint usage of the Batumi International Airport by Georgia and Turkey can be considered major contributions to the further liberalization of trade relations and movement of goods, which will eventually lead to the creation of a common economic platform in the region.

Eser socks, fit for the Oman army

Specializing in hosiery production for almost 15 years, Eser Tekstil sells its products primarily to European countries, especially Germany, and to Israel. But the exporter has also produced 3 million pairs of socks for the Royal Army of Oman, which looks to Turkey for all its hose needs. Eser Tekstil's owner, Mehmet Eser, is actually a chemist. Eser, who was originally from Mersin, developed an interest in engineering during high school and after graduation attended Istanbul Technical University. Then Eser left the university to try his hand at foreign trade. Ultimately, he decided to establish his own company, setting up his first office in Germany, having considered the political and economic conditions prevalent at the time in Turkey.

Printemps was the name of his company, which later opened a branch in the Fath district of Istanbul.

Initially, the company focused on exports and imports of foodstuffs and textile products, steering away from production. Eser's venture into the sock business was inspired by an encounter with a Turkish citizen who had taken 80,000 pairs of socks to Germany but had been unable to sell them. Eser bought the man's socks and sold them to his own customers. Customer satisfaction and rising demand encouraged Eser to go to Turkey to meet with sock producers and sell Turkish socks in Europe.

Eser finally established a computer-aided sock-production facility in 1990. The company produces socks under 10 different brands. Its most famous brands in Europe are Gowith and Win. The company's brands are registered in Europe and Turkey. Eser notes that during the last five years fashion has paid more and more

attention to socks and that this brings about a need for diverse styles. Touching on the ever-increasing Chinese influence on Europe, he says that by increasing product diversification and production rates, they have been able to compete with Chinese products. The company sells socks to almost all of Europe and it has also started to send its products to the Middle East. The company exports nearly all of its products and has a target of \$15 million in exports for 2007. The company produces 15 million pairs of socks annually, and 70 percent of its sales are in Europe. The company also produces custom-made socks designed to meet the unique demands of its customers. The company is amongst the top exporters of socks in Turkey and it is also the second company to ever export socks to Israel. The company also produces underwear. **Istanbul Today's Business**



PHOTO TURCUT ENGIN

Healthy socks shouldn't necessarily be durable

Mehmet Eser points out that contrary to common belief, durable socks are not necessarily good socks. He explains that durable socks tend to have a higher content of synthetic materials, which can be harmful to human health. "Short-lived socks are not bad socks," he says. Eser recommends socks made of natural fibers and cotton, depending on the season, and to only wear a pair for two days between washings. These are some of the styles of socks the company offers: tennis socks, warm and antibacterial skiing socks, long, friction-resistant horse riding socks, non-slip socks and warm and anti-sweat thermal socks. The company's coordinator, Arife Kes, says that accessories are important for the French and that warmth is important for the British, while in Arab countries, where only rich people wear socks, thin socks are preferred. **Istanbul Today's Business**



Marmara Metal, thinking big worldwide

Marmara Metal provides raw material and chemical additives to the casting, iron and steel industry in Turkey, Europe, the Middle East and the Balkans and envisions entering the global league in its field. As its guiding principle, the company always cites the attachment of a high priority to social responsibilities and realizing the highest possible production quality. The company's other high-priority missions are continuous development and constant innovation. It seeks to reduce raw material costs to the lowest level in order to maximize profitability.

The company enlarged its production facilities following its foundation and currently operates on a 100,000-square-meter plot in Istanbul's Tuzla district. The company specializes in ferro-alloys, non-ferrous alloys, pig iron, metallurgical coke, graphite electrodes, rebarizers, refractories and other additives. In addition to its trading activities, Marmara Metal owns chrome ore, manganese ore and copper concentrate mines in different regions of Turkey. The company has a warehouse occupying 65,000 square meters which also serves as a metallurgical market and provides on-time delivery with its fleet of 40 trucks.

Through its logistical network it serves over 1,500 customers all across Turkey with a client-oriented mindset. It has the capacity to meet its customers' most urgent needs within the shortest time span thanks to its 100-strong staff, including 10 engineers, some 300 different products and large warehouse. Sourcing raw material mainly from China, the Commonwealth of Independent States (CIS), India, South Africa, Brazil and European countries, Marmara Metal is committed to increasing its influence in the foreign metal market.

Headquartered in Tuzla, Marmara Metal also has warehouses and sales offices in Konya, Izmir, Bursa and Ankara. Additionally, the firm has bonded areas in the Istanbul and Bursa free trade zones which help it to provide its customers with on-time delivery and service. It can also realize sales with proforma invoices and direct import transactions with tax advantages with a clientele portfolio that covers Turkey, the Middle East and the Balkans.

In a short statement sent to Today's Business, Marmara Metal says it has adopted a client-oriented work, quality, work security and continuous development as its goals as part of its future vision. Also, in a bid to provide services that get better by the day together with ever-higher quality products, the firm promises to keep improving itself in all aspects with the self-confidence and experience gained in the international arena. **Istanbul Today's Business**



www.ozguven.com.tr

Manufacturer of Low Voltage Electrical Cables
We are proud of the fact that our cables are carrying electrical energy to many parts of Turkey and the World.

НАША КОМПАНИЯ ОДИН ИЗ КРУПЛЯЮЩИХ ПРОИЗВОДИТЕЛЕХ НА КАБЕЛЬНОМ СЕКТОРЕ В ТУРЕЦКОМ ИНТЕРНАЦИОНАЛЬНОМ РЫНКЕ. НАШИ ПРОДУКЦЫ

**H07V-U
H07V-K
H07V-R
H05VV-F**

**NYM
NYU**

**ПЛОСКИЙ КАБЕЛЬ ДЛЯ СОНДАЖА
КОНТРОЛЬНЫЙ КАБЕЛЬ**

СТАЛЬ АРМИРОВАННЫЙ КАБЕЛЬ

ÖZGÜVEN KABLO
 Tel.: +90 258 371 98 31 (5 Hat) Fax: +90 258 371 50 60
 Izmir Astaltı 7. Km. Pk. 174 Denizli / TÜRKİYE

INDEPENDENT KAZAKHSTAN TODAY

ERKE BULAN SAPIYEV

UNDERSECRETARY OF KAZAKH EMBASSY IN ANKARA

As we know, the level of development of any country is defined, first of all, by economic potential and efficient management of its economy. Therefore, in our restructuring, we have always specifically emphasized large-scale economic reforms.

From the moment of its independence, Kazakhstan has chosen a policy of "first the economy, then politics." It has started to implement numerous reforms in the spheres of industry, energy, telecommunications, transport and other major branches of the economy. Transformations have been directed not only on the creation and strengthening of principles of a market economy but also on mobilization of resources for an increase in the standard of living as well as infrastructure construction for a future move to a service and technology-based economy.

In the beginning of the '90s, Kazakhstan relied on the growth of its raw materials sector with the understanding that it will be impossible to solve the problem of establishing a balanced and competitive economy in the future without structural transformations of the industry. Therefore, after carrying out structural reforms, the government concentrated its efforts on creating conditions for further diversifications and harmonious integration into the world economy. In line with this, the Kazakhstan Industrial and Innovation Development Strategy for 2003-2015 has been accepted. This strategy outlines a gradual transition from a raw materials-based economy to one based on service and technology.

International expert opinion says that Kazakhstan is a state with a dynamically developing economy.

The Kazakhstan model of economic development within the last seven years has enabled us to increase gross domestic product (GDP) growth by 10 percent per year, figures similar to those of China, India and the Association of Southeast Asian Nations (ASEAN) countries. The model also allows for maintaining an annual growth rate of 8-9 percent within the manufacturing industry. For the last three years alone, GDP per capita has grown 30 percent. In 2006, Kazakhstan's GDP rose to \$80 billion and per capita income reached a level of \$5,500.

Over the last 10 years the GDP has increased

almost five fold from \$22 billion to \$100 billion (2007) and per capita income has increased 3.7 times, anticipated to be \$7,000 in 2007. This figure almost equals those of some Central and Eastern Europe states. Kazakh investment abroad exceeds \$40 billion. Foreign trade turnover has increased for 10 years more than six times and in 2007 it is expected to reach \$80 billion.

Kazakhstan's efforts to create a favorable investment climate have attracted approximately \$81 billion in foreign direct investment (FDI) -- 80 percent of all investments in Central Asia. The World Bank has included Kazakhstan in its list of 20 countries of the world that are most attractive for investment.

Negotiations of Kazakhstan's WTO accession are in their final stage

Kazakhstan's financial system has considerably become stronger. In the opinion of leading international experts, Kazakhstan's financial system -- including its banking system -- is recognized as one of the most progressive. The system already conforms to international standards of financial reporting and regulation. The country's bank sector has come close to European standards. Kazakhstan is first among Commonwealth of Independent States (CIS) countries -- an alliance of former Soviet republics -- which created the National Fund in order to maintain stable social and economic development and reduce dependence on adverse external factors.

Over the last 10 years, the volume and sphere of state budget expenditures have increased. The social sphere has become the main priority of the budgetary policy. State expenses on social security, education, public health services, science and culture have increased 10 fold. On the other hand, minimum wages have grown 4.6 times while the average monthly salary grew 5.8 times over the same period.

Our country is the first in the post-Soviet space to be awarded in 2002 by the international agency "Moody's Investors Services" rating of an investment level. In 2003 the status of the country with market economy was given. In 2004 Standard and Poor's agency appropriates long-term credit ratings under obligations in a foreign currency with BB+ up to BBB- and credit ratings under obligations in national currency with BBB- up to BBB. In 2005 Fitch Rating's raises an investment rating under long-term bonds in a foreign



A worker of a consortium works under an oil rig on the Karachaganak oil and gas field in Kazakhstan. One of the world's largest construction projects, worth over \$3.5 billion, is under way in the middle of Kazakh steppe.

currency up to BBB and under long-term bonds in national currency up to level BBB-.

Pension system reforms have been carried out successfully and the multilevel pension insurance system has come into effect. Currently, pension funds are the largest institutional investors in the country, where more than \$8 billion has accumulated.

Kazakhstan has set a goal for itself: to rank among the 50 most competitive states of the world. In order to increase competitiveness within the economy and improve management efficiency, the

government has created state holdings "Samruk" and "Kazyna." Both are supposed to provide financing for large "break-through" projects. Kazakhstan recently accepted a program proposed by the "30 corporate leaders of Kazakhstan." Activities of such leading companies will be directed to realizing "breakthrough" investments, including infrastructure projects inside of the country and reorientation of external investments from extracting industries to processing branches, such as the high-tech sector, with a high value-added cost. Foreign investments will complement internal resources in priority sectors of the economy. We must have leaders in the chemical and petrochemical industries and biofuels or building materials. This program proposed by the "30 corporate leaders of Kazakhstan" in fact consists of two parts. The above mentioned is the first part. In the second part, small and medium-sized enterprises (SMEs) will form around the chemical and petrochemical industries and biofuels or building materials. Our initiative includes 30 large, 50 medium and 100 small enterprises.

In connection with this, it is necessary to note the activity of the Council of Foreign Investors, created in 1998. The council submits to the president of Kazakhstan suggestions on how to perfect legislation, improve regulations that govern investment activity, realize large investment programs and projects, develop recommendations on improving the investment climate, come up with a strategy of attracting foreign investment into the republic's economy and develop offers on integration of Kazakhstan into world economic processes. In a word, the council provides an avenue for direct dialogue between the Kazakh government and foreign investors. International experts say that with each council session, the inflow of foreign investments to Kazakhstan's economy increases and the quantity of foreign companies working in it grows.

In forthcoming years, Kazakhstan's structural reforms and maintenance of stable economic growth will continue based on world experience and its own model of development.

Kazakhstan's economy has a precise social orientation: improving the life of its people. Kazakhstan has entered a new stage of social and economic modernization and political democratization and is confidently moving in a direction of construction a model of a real social state, characteristic of the most developed countries of the West and the East.

Dynamic developments in Turkmenistan

NURBERDY AMANMURADOV

AMBASSADOR OF TURKMENISTAN IN ANKARA

Turkmenistan gained independence on Oct. 27, 1991 and was recognized as a state with permanent neutrality status on Dec. 12, 1995 by the United Nations with the vote of 185 states. In addition to the benefits associated with this status, the Turkmen state has maintained internal stability, introduced bold steps and reforms to raise national awareness, and developed and implemented an impressive economic program. With an area of 488,100 square kilometers and a population of 7 million, Turkmenistan has a strong economy based on the energy, construction and textile industries.

Turkmenistan made impressive progress with its economy owing to reforms. Turkmen State Statistical Institute data show that the Turkmen economy grew by 20.7 percent in the first 10 months of 2007, and its gross domestic product (GDP) increased by 110.1 percent in the same period. The breakdown of the growth by sector is as follows: industrial growth by 26.4 percent, agricultural growth, 15.3 percent, and growth in construction 20.7 percent. The increase in electricity generation was 6.7 percent, whereas natural gas production increased by 10.3 percent, oil production 8.8 percent, petroleum products 2 percent, diesel fuel 7 percent, non-mining products 31 percent, cotton 31 percent and clothing by 6 percent.

Turkmenistan, which has the fourth largest natural gas reserves in the world, seeks to increase its gas production to 120 billion cubic meters, its exports of gas to 100 billion cubic meters, oil production to 48 million tons and oil exports to 3 million tons by 2010. The Turkmen authorities are also currently engaged in construction of technological infrastructure to facilitate natural gas exploration and extraction projects. Turkmenistan has so far exported 42 billion cubic meters of natural gas under long-term intergovernmental agreements.

The top priorities of Turkmenistan in the field of energy are to diversify export products and to target the world market. In addition to the Russian and Iranian pipelines, the Turkmen state is currently considering Turkmenistan-China, Turkmenistan-

Afghanistan-Pakistan and Turkmenistan-Iran-Turkey pipeline projects to ensure greater efficiency in oil and gas transportation. Under current plans a \$60 billion investment (40 percent foreign) to the national gas and oil industries is the target for the period of 2005 to 2020. At the same time, the domestic natural gas pipeline network is being strengthened and enhanced. More than 30,000 kilometers of natural gas pipeline has been constructed since the country's independence.

The capital of Ashgabat, which received little

investment before independence, has been restructured by the development program, adding social, cultural, educational, scientific, entertainment and recreational centers as well as modern public and private buildings. President Gurbanguli Berdimuhammedov noted that the city of Turkmenbashi, which will be allocated the status of a free trade zone, and the Caspian coast, which will become a tourist resort, will greatly contribute to Turkmenistan's economic and social development and attract greater foreign investment.

On Dec. 3, 2007 a business forum for the presentation of new projects to improve tourism will be held in Turkmenbashi. More than 10 large companies are currently planning to make investments totaling \$4 billion to the region for the purpose of faster development on the Caspian Sea coast. In 2007 projects were implemented to improve tourism facilities, health centers, transportation and telecommunication services. The foundation of a railway project that will connect communication systems and increase trade volume between Russia,

Kazakhstan, Turkmenistan and Iran was laid with the opening of the Barakat station. Turkmenistan is situated on the historical Silk Road and lies at the intersection of Eurasia. To benefit further from this advantage, modern roads have been constructed since Turkmenistan's independence. The new roads have contributed to stronger international economic and commercial relations between the regions. In addition to these investments, 316 new schools will be built as well as other facilities for children.

Turkmenistan produces cotton in the vast majority of its agricultural areas. Owing to textile investment, Turkmenistan has been transformed from a raw materials producer before 1991 to a country that exports high-quality processed products to countries around the world. The textile products of Turkmenistan are currently exported to more than 30 countries. The share of foreign investment in the establishment of textile factories in Turkmenistan is about 15-20 percent. Owing to the procedures introduced to attract more foreign investment, the share of the textile industry in the overall national production of Turkmenistan is close to 25 percent. Clothing constitutes 50 percent of the total export volume of the country.

Turkmenistan has attracted foreign investment amounting to \$8 billion since its independence; Turkish companies have a 66 percent share of the total figure. Major capital investment has increased by 16 percent; of this increase, 75 percent has been in the construction sector. Foreign trade volume has increased by 36.6 percent in 2007, reaching \$9.5 billion. Turkmenistan has exported goods and services to 57 countries, amounting to \$6.5 billion in an increase of 35.2 percent. During the same period, imports have increased by 39.9 percent, reaching \$3 billion. The foreign trade surplus has increased by 31.4 percent annually, hitting \$3.5 billion.

President Berdimuhammedov stresses that dramatic economic and social reforms are very important for the future of the Turkmen state because Turkmenistan's image in the international arena depends on such progress. The Turkmen state, which has diplomatic relations with more than 120 countries and is a member in more than 40 international organizations, is making rapid progress under the leadership of President Berdimuhammedov.



Turkmenistan's new President Gurbanguli Berdimuhammedov, third left, with Presidents Emamoly Rahmonov of Tajikistan, left, Nursultan Nazarbayev of Kazakhstan, second left, Viktor Yurchenko of Ukraine, 4th left, Mikhail Saakashvili of Georgia, 5th left, Hamid Karzai of Afghanistan, second right, and Turkey's Prime Minister Recep Tayyip Erdogan, third right, during a ceremony in Ashgabat on Feb. 14, 2007.



Kanat®

EL ARABASI İMALAT SAN. ve TİC. LTD.ŞTİ.



*All products are painted with static (epoxy) powder paint.
*For the wheelbarrow:
*Unassembled
*80 liters volume capacity
*0.80 mm-1.00 mm-1.20 mm metal thickness
*Tubeless tyre, pneumatic tyre and solid tyre wheel
*Blue, green, red, yellow color and galvanized

•Тачка
•Разборная
•Объем 80 литров
•Толщина металла 0.80 мм-1.00мм-1.20 мм
•калесо резиновая не надувное, калесо с камером,
•калесо без камерные,
•Цвета:голубой, зеленый, красный, желтый и цинковый



KANAT WHEELBARROW PRODUCTION INDUSTRIAL & TRADE LTD. CO.

Factory: E 90 Karayolu üzeri Adana İstikameti 7. km 68100 Aksaray / TURKEY Tel.: +90.382.215 24 79 - 215 16 05 Fax: +90.382.215 74 77

Branch: Cemil Bilsel Caddesi Şahin İşhanı No:20 / 511 (Mercan Yokuşu) Tel.: +90.212.526 04 68 Eminönü / İstanbul / TURKEY

www.kanat.com kanat@kanat.com

SOUTH AFRICAN WORLD CUP JERSEYS BY CARLO POTTI

Carlo Potti, which has become a leading player in the Turkish textile market with its quality production, will produce the jerseys for the 2010 World Cup competition in South Africa.

Mustafa Bozkurt, the chairman of Cardiff Textile, which owns the Carlo Potti brand, says this project is one of the most prestigious steps the company has taken so far. Speaking to Today's Business on his company's recent activities, Bozkurt said soccer players will perform on the pitch in Carlo Potti jerseys in 2010.

Bozkurt says their main challenge is not to sell as many goods as possible, but to do quality business. "Therefore we rigorously follow every phase of the production process -- from the very begin-

ning until our goods meet the end users," he notes. Indeed, this menswear manufacturer and exporter company has always been one of the market leaders due to its commitment to these quality principles. With its brand Carlo Potti, Cardiff Textile endeavors to make its clothes available everywhere and in every way possible. With a presence that extends from South Africa to Russia, from the United Kingdom to Yemen, the secret of Carlo Potti's success is its ability to react quickly to fashion trends with the best prices and timing.

Carlo Potti offers the latest designs in products ranging from cotton to woolen blends, from silk to cashmere blends using quality yarns from 80 to 180 knots per square centimeter. Two ply-shirts, which are very popular nowadays, are al-

so available in quality yarns up to 140/2 knots per square centimeter as 100-percent-cotton shirts in the Carlo Potti smart collection.

Produced under the categories of classic, casual and made-to-order (MTO), these high-quality, trendy designs are satisfying to customers and the company plans to continue on this path forever, Bozkurt says. He defines their products by saying: "The men's suits have a comfortable fit. A great lightness is achieved as the materials used in suits are decreased to the minimum. The shoulder line is very soft and parliament blue, dark blue and brown tones will also be dominant; black and gray tones are irreplaceable in the new Carlo Potti collection."

MTO shirts are exported to Germany, England, Sweden and Greece and the production process is

rapid. Customer sizes are entered into a computer operating system that produces a template in one minute. "To be able to respond quickly we use the latest technologies, which makes Turkey closer to customers," Bozkurt notes. Carlo Potti's export statistics have reached 5 million pieces annually and the company aims to reach 10 million pieces by 2010 with an increasing capacity of more than 20,000 suits and 30,000 shirts per week.

The most eye-catching feature of Carlo Potti products are their design, which largely evokes feelings of Italian style with a touch of added Turkish taste. Bozkurt notes that the company has two designers working continuously to create new models, most of which are later imitated by other companies. **Istanbul** Today's Business



PHOTO: REUTERS



Muban designs revitalizing baths, kitchens

MUBAN, one of Turkey's first dedicated producers of kitchen and bathroom furniture, has brought many novelties to the Turkish consumers since its started production in 1980, eventually becoming the Mubado Group's nucleus and pioneering brand.

The name MUBAN is a combination derived from the first syllables of the Turkish words "mutfak" and "banyo," which mean kitchen and bath, respectively. After consolidating its place in the domestic market with the MUBAN brand, parent company the Mubado Group set its sights further afield. It established a link with Italy in 1988 and realized the first-ever kitchen furniture imports to Turkey. Meanwhile the company was conducting product development and marketing activities and continued its service to Turkish consumers via its network of more than 20 dealers.

The Mubado Group, in possession of authorized country dealerships for several leading names in the sector, has also recently resumed production, investing its 27 years of experience gained from Turkish and Italian kitchen and bathroom furniture sector. Not forgetting its original brand, the Mubado Group has named its brand-new line of products MUBAN. Chairman Mehmet Zeki Iyibaz described MUBAN's mission as "to be one-step ahead of the sector at all times and to ensure that its products are widely accepted throughout Turkey and the world."

Assuming that the kitchen is the heart of the home and the center of family life, MUBAN has designed kitchens utilizing the best materials available from every point of view, such as eco-friendly panels constructed with low environmental impact material (class E1). The aluminum-edged doors are held by hinges that are among the best available in the market, just like the guide rails for drawers and baskets. The wide range of doors and structures introduces perfectly coordinated durable finishes, with a wide choice of handles available.

The company pays special attention to space optimization in its cabinets. Baskets and drawers are made in large dimensions and are designed to make usage much easier via total extraction and soft closing. **Istanbul** Today's Business

Get Warm your feet
Get cool your head
don't think Deeply
Just Wear ESER socks



alpaca



cashmere



silk

ESER DIŞ TİCARET LTD.ŞTİ.

ADRES: Organize sanayi Bölgesi depo ve ardiyeciler sitesi 104. Ada, 2. Parsel Posta Kodu 34306 İkitelli - Küçükçekmece / İstanbul
Tel: 0212675 18 40 Fax: 0212675 18 41 e-mail: info@esersocks.com www.esersocks.com

It is time to embrace Eurasia

ERKAM TUFAN AYTAV *

Where does Turkey belong? To the East? To the West? There is only one answer we can give to this question: It depends on where you view Turkey from. We are a strange country that appears western from the East and eastern from the West, southern from the North and northern from the South. We have been unable to classify Turkey under any of these labels. We are truly confused.

The question then is: Do we really need to belong to a particular side? Is it not this cultural prosperity which makes us rich? We are European, but also Middle Eastern and Eurasian.

Since the time the Ottoman Empire started to collapse, our eyes were always riveted on Europe. We were partly obliged to do this. In order to not be crushed under the developing West, we set about painstakingly endeavoring to Westernize ourselves amid the final death throes of the Ottoman Empire.

The process was initiated with the modernization of the army. As a matter of fact, we did not choose to Westernize after reading Voltaire, saying, "Wow, they are such intellectual people," or after seeing the works of Rembrandt and saying, "Wow, they have perfect painters!" We were obliged to become a part of this process in order to survive.

This never-ending process still continues today in the form of European Union harmonization laws and we just don't know when this journey will come to an end.

We have always seen the West as the only option and direction. We have badly neglected the lands we live in and our historical and cultural ties to these lands even though we were rejected by the West.

Which parts of those lands did we neglect? The Balkans, the Caucasus, the Slavic world and Central Asia. Briefly, Eurasia and the Middle East.

World-famous Turkish historian Professor İler Ortaylı once asked a question at a conference: "I wonder how many intellectuals we have in Turkey who could show where Haifa, a former port town of ours for centuries, is on the map." What about Damascus? What about Aleppo? How many people can show where Aleppo is on the map today?

Let's leave the Middle East to one side for the time being and go to Eurasia. Let's name two cities from our



PHOTO: ABDULLAH DİRİCAN

northern neighbor Ukraine. We can't? Okay. Then let's name two cities in Georgia apart from Tbilisi. No? What do we know about our dear Azerbaijan? Can't our university graduates name a city other than the capital, Baku?

Conversely, we know France street by street and can enumerate all the states in the United States, can't we? Okay, enough agitation.

All the provocative sentences I have written so far are aimed at revealing a fact or two.

With the collapse of the Soviet Union, we came out of our hypnotic trance. We started to rediscover the part of the world we lived in and also started appreciating the fact that the world was not made up of only the West and NATO and that we were not surrounded only by enemies. However, after shaking off these injurious views, another set of remarks favoring an ultranationalist and pro-Eurasian stance appeared before us. This time, they say:

"We have to turn our backs on the West and 'for- age' for an enemy in the West, not in the East."

While the humiliating attitudes of the West

toward us whetted the appetite of our conservative people for our Ottoman past, they tilted the nationalists toward becoming pro-Eurasian.

Unfortunately we are not a group of people capable of viewing Eurasia from a realistic and sound-minded angle. Looking at Eurasia from the angle of enmity toward the West, thereby with a Pan-Turkic mindset, or from the angle of enmity toward Russia have failed to develop our relations with Eurasia to the expected extent.

Turkey should be interested in Eurasia as part of its multifaceted foreign policy and should make headway in that direction. Gravitating toward Eurasia doesn't mean turn our backs on the West. Turkey's becoming a regional force is contingent on this ability to maintain its closeness to both regions.

The things done or to be done by politics must not hoodwink us into thinking that something is actually being achieved in these efforts. Our ties to Eurasia still look like seasonal rains. The press continually publishes photos of Prime Minister Recep Tayyip Erdogan

sincerely shaking hands with Putin, Nazarbayev and Aliyev. This is nice and how things should be. However, this situation gives birth to the illusion that everything is on the right track. For instance, there is no guarantee that Turkish-Russian relations will always follow a similar course, even after Mr. Erdogan and Mr. Putin end their terms in office.

Sound relations with Eurasia can be established through economic and cultural cooperation.

One of the soundest and deepest relations ever established with the region after the collapse of the Soviets has been achieved under the instructions and guidance of Mr. Fethullah Gülen and the schools opened by Turkish businessmen.

In developing our cultural relations, the Dialogue Eurasia Platform, an international NGO, has assumed a great role. It has founded national committees consisting of intellectuals from Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Uzbekistan, the Russian Federation, Tajikistan, Turkey, Turkmenistan and Ukraine. It has brought

together men of culture. The platform has so far realized many joint projects, the most important of which is the DA Magazine, published in Russian and Turkish in Istanbul, Moscow and Almaty. The magazine is one of the most prestigious periodicals in the region.

Our intellectuals, cultural envoys and businessmen should also be interested in Eurasia.

The places where our engineers and contractors can find business opportunities are of course not in Europe. The very first places we should be in contact with are Russia, Ukraine and the other republics in Central Asia.

Currently, the biggest force of Eurasia is Russia. We cannot base our relations with this country on the prejudices coming from history. It is impossible to establish strong ties with the region by neglecting Russia.

With the exception of 23 years, we have always been in peace with Russia during our 530-year history. Is it really too much to have fought for 23 years during those 530 years? Germany and Russia, for instance, have such strong and sincere relations today that they don't even mention the wars they fought against each other and the German occupation of the entire Russian soil between Germany and Moscow less than a century ago. We should establish rational relations based on our common interests.

A very close Russian friend of mine once told me, "If Russians were Muslim, they would like Turks and if Turks were Orthodox, they would be like Russians." When we push aside our prejudices as Russians and Turks and when we get rid of our enmity stemming from the Cold War years, we will see that it is not at all difficult to establish dialogue with each other.

We should also consider that the economic and political conjuncture of the day which binds us together to an important degree may well set us apart tomorrow. Therefore, lasting friendships and cooperation should not be seasonal. Such relations can be established with the realization of long-term projects.

Find the economic projects launched by the Turkish Confederation of Industrialists and Businessmen (TUSKON) in the region very beneficial. The number of such projects should with every day that passes.

It is time to embrace Eurasia so that the Middle East's turn may come.

* Erkam Tufan Aytav is secretary-general of the Dialogue Eurasia Platform and editor-in-chief of DA Magazine.

EURO ENERGY®

generator



ALIMAR®
MAKİNA SAN.VE TİC.LTD.ŞTİ.

www.alimar.com.tr - www.mitsubishijenerator.com

Marmara District Office

Phone: 0090 216 469 12 15 Fax: 0090 216 469 12 16
İ-eren Koy Top+u İbrahim Sok. NO:13 KAT 4 D:9 KADIKÖY İSTANBUL

Ankara Central Office

Phone: 0090 312 394 71 91
Fax: 0090 312 395 76 89

Akdeniz District Office

Phone: 0090 242 344 78 18 Fax: 00 90 242 344 78 16
Cumhuriyet Mah. Fatih Cad. 29/A ANTALYA

alimar@alimar.com.tr



Be yourself with vowell!
Prove yourself to everybody!

**The formula for the
self-esteemed,
tasteful and enthusiastic youth!**



www.sifakimya.com



Palamutçu Prefabrik presents best protection against quakes

Prefabricated buildings are extremely strong and quality structures, hence prefabricated buildings had gained importance following the earthquakes of 1999 in Bolu and Düzce

Palamutçu Prefabrik, founded in 1997 under the name of Palamutçu Emlak, has grown at a considerable rate in a short period of time into one of leading companies in the prefabrication sector. The company offers prefabricated buildings as security against earthquakes in Denizli, which lives perilously close to the risk of tremors. It has a wide range of products such as prefabricated components, cabins, containers, shower stalls and prefabricated sheds.

Yasin Palamutçu, chairman of the executive board of Palamutçu Prefabrik, emphasizing that Turkey and Denizli are located in a dangerous earthquake zone, stated that prefabricated buildings had

gained importance following the earthquakes of 1999. Defining prefabricated buildings as extremely strong and quality structures, Palamutçu highlighted the fact that prefabricated structures can serve under many scenarios. "Prefabricated buildings are extremely important for Denizli as well as for all of Turkey, particularly after the recent earthquakes. Prefabricated structures can be designed to serve any conceivable purpose, and their installation is performed by our experienced and specialist teams. They are delivered ready for use," he said.

Palamutçu added that if the interior and exterior of the building is painted within two years, it can be

used for 50 years. "Prefabricated houses have sufficient protection against extreme weather conditions. We produce buildings suitable for every climate. During the production phase, we take into consideration the climatic conditions of the location where the buildings will be used. All applications suitable for reinforced concrete buildings can be performed on prefabricated buildings. As the walls are made of panels, screws should be used instead of nails," he said.

He noted that prefabricated buildings can be dismantled and reassembled at another location. "This will produce only the costs of dismantling, reassembly and painting. Prefabricated houses are human

and environment-friendly," he said. Palamutçu gave the following information about how prefabricated buildings are sold and assembled: "Required licenses and legal approval are obtained by the client. Architectural, electricity, sanitation, mechanical designs and plans and ground surveys are done by the client. We only provide static calculations of the building, for a fee. The production of a single storey building with a surface area of 100 square meters is completed between two and 15 days depending on workload. The installation of the building is completed within five days after delivery is made and the ground survey submitted to us." **Istanbul Today's Business**

"Meeting Point of colours with quality..."

OrduTekstil
BÖLGE-APRE-KASAR SAN. TİC. A.Ş.

Web : www.ordutekstil.com.tr
Email : info@ordutekstil.com.tr



PHOTO:CELIKMAN

Customer satisfaction is sine quo non for Uniplast Plastic

"Unconditional customer satisfaction" is the first principle of Uniplast Plastic Construction Materials, which has become one of the leading companies in the sector in a short time thanks to its technological and modern product designs and with its openness to innovation.

Founded in 2004, Uniplast is part of Dumankaya Holding and presents its products, manufactured at its Pendik factory in Istanbul, to clientele from all across Turkey.

Uniplast reveals the secret of quality in the PVC business: paying attention to even the minutest of details. The company's goal is "perfect heat insulation" in enclosed spaces. Therefore Uniplast's PVC window and door systems have been designed to fit all sorts of architectural structures. "Whatever your expectations may be, you will see the perfect harmony of functionality and esthetics in all Uniplast models, and you will also find all of what you are looking for at Uniplast," says the company, stressing the importance it places on design. What makes Uniplast so popular is its high-tech production methods, use of first-class material and wide range of products.

Its products are, through a specially developed formula, of such a quality that they don't crack, break or deform. Its non-porous stain-free surface, which prevents dust formation and which needs no maintenance, maximizes comfort and usability. Uniplast also presents the most suitable solutions to large spaces in terms of esthetic beauty.

Uniplast PVC window and door systems are both highly economical and environment-friendly. The firm is at the service of the Turkish construction industry with its products that respect nature, the environment and humanity.

The company has covered an important distance in a very short time, qualifying for the most important certificates granted in its field such as TSE 5358 EN 12608 and ISO 9001:2000, thereby proving the high-level standards it has reached by obtaining both these certificates. Eleven main procedures, ranging from document and entry control up to purchasing and follow-up of customer satisfaction to continuous improvement, are regulated under ISO 9001:2000.

In the Uniplast facilities two models of windows are produced: 5500 and 6000. The 6000 series has four cavities, six centimeters in width and three millimeters thick. This series has a remarkable level of sound isolation and ease of assembly. The 5500 series is five-and-a-half centimeters wide with three cavities and a thickness of 2.8 millimeters. Both are produced to CE standards.

Uniplast is on the way to obtaining an important market share in the PVC window and door systems sector with its models in high demand by manufacturers, dealers and consumers -- whose numbers are ever on the increase in today's energy-conscious world. **Istanbul Today's Business**

ANATOLLY KINAKH

ECONOMY MINISTER OF UKRAINE



Ukraine is one of the fastest growing countries in the world, with a current population of 47 million.

As a close neighbor of Turkey, Ukraine offers superb opportunities to enhance economic and trade cooperation with Turkey. In 2007 alone, Ukrainian exports to Turkey grew by 48 percent.

Ukraine is ready for the development of cooperation with Turkey in the hi-tech and aerospace industries, tourism, banking and construction sectors, according to Ukrainian Economy Minister Anatolliy Kinakh.

Special opportunities are being opened up for Turkish contractors as Ukraine prepares for the EURO 2012 soccer championship, which it will host jointly with Poland. In an exclusive interview with Today's Business, Kinakh said: "We will welcome the participation of Turkish companies in construction and renovation of numerous infrastructure projects for EURO 2012 such as stadiums, hotels, highways, railway stations, airports, etc."

Disregarding the recent political instability, how has Ukraine developed socioeconomically?

Ukraine proves with its socioeconomic development that it is a country which is irreversibly integrating into the European economic arena. The experience of 7U countries is illustrative of the advantages of European integration -- the European standards of life, macroeconomic stability, free movement of commodities, services, capital and labor force -- within the context of the common market of the 7U.

Moreover, integration of the country with the economic arena of the EU is an important factor which has a positive effect on the competitiveness of separate sectors in industry and the economy of the country as a whole. We realize that the process of integration requires us to focus our efforts. Today the main task is to continue by clear and systematic actions the reforms which were started to strengthen democratic values, the principles of civil society, freedom of speech and supremacy of law, social orientation and effective functioning of the market economy.

Taking into consideration the results of the economic and social development of Ukraine during the most recent period and in previous years, it is possible to see that Ukraine's economy has powerful dynamics and the possibility to operate with efficiency even during times of political instability. Therefore, today the government's actions are directed toward a strategy of speeding up development, modernizing the economy and renewing its technological infrastructure. Thus, it is very important that the budget is directed at strengthening investment-innovative growth and raising social standards.

Development of the economy in 2007 testifies to the considerable acceleration of investment growth rates and achievement of a critical level of redistribution of profits in favor of investment. For example, the growth of foreign capital volume in the Ukrainian economy in January-September 2007 was \$5.2 billion, 70.5 percent more than the same period last year.

In the future the government will focus greater attention on expansion of internal investment demand by increasing investment attractiveness of the economy, introduction of modern production technologies, expansion of access of investors to industry and changes of structural priorities in the economic policy of the state. Additionally, the efforts of the government will be concentrated on the development of the dynamic sectors of the economy. First of all there will be a focus on the hi-tech sector. This will be followed by financial market development and marketing of business services as well as the development of human capital through health care, education and scientific research.

Among numerous reforms that will improve the foreign economic policy of Ukraine and accelerate its European integration, joining the World Trade Organization (WTO) and the creation of a free trade zone between Ukraine and the 7U are of special importance. Also, adoption of a tax code is to become the basis for reformation of the tax system. As well the creation of transparent land transactions, the abolition of a moratorium on sale of land and the adoption of legislative acts which form a securities market and a mortgage system will provide more favorable conditions for business.

Could you describe the trade, economic and industrial potential of Ukraine at present?

Analysis of the dynamics of trade turnover in Ukraine with the countries of the Mediterranean, the Black Sea and the Asia-Pacific regions testifies to a systematic strengthening of the Ukrainian position in this market. A growth trend is the characteristic

UKRAINE-TURKEY ECONOMIC COOPERATION: AN EXAMPLE OF CONSTRUCTIVE PARTNERSHIP



ANATOLLY KINAKH

feature of Ukrainian trade. Recently, Ukraine has tried to make inroads into the markets of Asian countries, including the Middle East, and to develop a legal basis for trade with them. Ukraine is trying to provide alternative energy sources as well as explore the possibility of having permanent markets for its own products.

Concerning the prospects of expansion of cooperation with Turkey, it has to be noted that trade and economic relations between Ukraine and Turkey are actively developing. In 2007 the growth of trade between our countries has con-

tinued. The volume of commodities trade over the first nine months of 2007 amounted to \$3.29 billion, 44.8 percent more than the same period last year; meanwhile the export of commodities grew by 48.3 percent and imports by 31.7 percent.

Ukraine has large scientific and technical potential for designing and producing modern products, in particular in the space and aviation sectors. We also occupy one of the leading places on the world market with equipment for the energy sector. Therefore, joining our efforts in the implementation of common projects can

certainly bring positive results.

The inflow of foreign direct investment (FDI) to Ukraine is still insufficient. What is the strategy of the government in relation to the improvement of the investment climate?

Ukraine is today working toward comprehensive economic transformation. The recent foreign investment figures give us hope; in the first nine months of 2007 foreign investors brought \$6 billion in FDI to the Ukrainian economy. According to the State Committee of Statistics of Ukraine, as of Oct.

1, 2007, 438 enterprises were established in Ukraine with Turkish investment, with total investments hitting \$114 million.

Most Turkish investments are in the manufacturing industry (47.9 percent), construction (16.8 percent), financial activity (15.2 percent), production of consumer goods (13.2 percent) and agriculture (2.4 percent). Turkish companies such as Astelit, a subsidiary of the leading Turkish mobile communication operator Turkcell, work actively in the Ukrainian market. Turkish company DEKA, which specializes in the production and maintenance of station control systems for mobile communication, has gradually increased its activities in Ukraine. Today more than 1,000 qualified Ukrainian workers are employed by DEKA. One of the major Turkish sweets producers, Ulker, has also expanded its production.

According to the data from the State Committee of Statistics of Ukraine, Ukrainian investments in Turkey amount to \$100,000 (only two enterprises with Ukrainian capital are registered in Turkey). Joint Ukrainian-Turkish ventures operate in the field of construction and metallurgy. At the same time, according to the Turkish Treasury, 30 various representative offices and enterprises with Ukrainian capital operate in Turkey.

Our main step in creating favorable investment conditions is the reformation of the tax system, with the purpose of increasing its fiscal efficiency and the gradual decline of tax pressure on businesses.

What is your opinion on foreign economic cooperation between Ukraine with Turkey? What will the government of Ukraine do to improve it?

The Turkish Republic is one of our main trade partners; Turkey has enormous economic potential and plays an important role in the world community. Economic cooperation between our countries has reached the level of a constructive partnership. The geopolitical position of the Turkish Republic, its international weight, rich experience of market economy development, neighboring position to our country and the mutually complementary economies of our states -- all of these aspects facilitate development of bilateral relations between Ukraine and Turkey and galvanize us to support our cooperation with substantive action.

Our countries have regular high-level contacts. At the beginning of this year the prime minister of Ukraine paid an official visit to the Turkey; in June the president of Ukraine visited. The joint session of the Intergovernmental Ukrainian-Turkish Commission on Trade and Economic Cooperation, held in March 2007, set new targets for our work, showed ways to increase trade turnover and bring in new foreign investments and deepened cooperation in energy, transport, construction and scientific endeavors. The 14th meeting of the Ukrainian-Turkish Business Council and Business Forum titled "Business without borders: investment and trade Ukraine-Turkey 2007" was another key event this year.

Contacts on the departmental level of ministries and governmental agencies have become more frequent. For example, political consultations, meetings on counterterrorism cooperation, consular affairs and talks on Black Sea security have been conducted. Ukraine and Turkey also closely cooperate in international organizations and the second Turkey-Eurasia "foreign trade bridge" is further evidence of our close cooperation.

Ukraine and Turkey have great potential for further development in different forms of cooperation. In particular, Ukraine can take part in projects in the Caspian and Middle East energy resources transit. Ukrainian companies can supply modern equipment for construction of oil and gas pipelines in Turkey. We are also ready to cooperate on other ambitious Turkish energy projects.

Vast possibilities are open for cooperation in ship and aircraft production as well as modernization of armaments and military equipment. Special attention should be paid to the increase of exports to Turkey of metallurgical and chemical products from Ukraine. Achievement of a heightened level of scientific and technical collaboration is especially important for both countries.

One of the main arenas of the Ukrainian-Turkish cooperation is tourism. Today all the necessary conditions for development of tourism in Ukraine are being created. Unfortunately, tourist infrastructure is not yet sufficiently developed. Turkish investments in this field may become a financial engine for the Ukrainian tourism industry.

I am convinced that systematic and consolidated actions by the Ukrainian government will bring further improvement in the investment climate in Ukraine and greatly facilitate economic and trade cooperation between Ukraine and Turkey.



Everyone experiences
the beauty they deserve



- Steel homes
- Prefabricated structures
(residential, duplex villa,
offices, construction yards)
- Life containers
- Polyester cabins (Karmod)

We are here to serve you



PALAMUTÇU PREFABRICATED STRUCTURES

Tel: 0 (258) 274 66 66 - 274 72 72 Denizli
www.palamutcuprefabrik.com.tr





Georgia's Saakashvili, Turkey's Gül and Azerbaijan's Aliyev shake hands at a ceremony marking the start of construction of a railroad that will link Central Asia with Europe on Nov. 21, 2007.

ROAD AND RAIL PROJECTS TO ENABLE GREATER EURASIAN TRADE

MICHAEL KUSER ISTANBUL

People have dreamed of a way to ease travel between east and west in Central Asia for thousands of years, yet the region remains something of a weak spot on the global map of transport links.

Governments are keen to change the situation, particularly as weak transport infrastructure inhibits trade development. Now the scene is changing, partly spurred by the boom in energy development in the Caspian area over the past two decades. The latest transport project became reality in November, when the presidents of Turkey, Georgia and Azerbaijan came together in a small town in the Caucasus to launch construction of the Kars-Tbilisi-Baku railway.

President Abdullah Gül said at the ceremony that the new rail link would help create trade opportunities for people in the under-developed Caucasus region. Turkish Transport Minister Binali Yıldırım earlier told reporters that Kazakhstan and China had agreed to help finance the project, which will connect through the Turkish rail network. Via the Marmaray tunnel now being built under the Bosphorus trains will be able to run non-stop from Britain to the Pacific shore in China.

Project includes restoring old line

Anyone who has visited the Caucasus or been along the Turkish-Georgian border knows that the unevenness of the terrain gives engineers a big challenge. The foothills of the Caucasian Mountains are one of those rare areas where a farmer can fall off his farm, so steeply inclined are some of the cornfields.

The 258-kilometer-long railway line is estimated to cost over half a billion dollars, with Turkey responsible for a 76-kilometer section from Kars to the Georgian border, from whence the Georgian government will build a new 30-kilometer line to the town of Ahilkelek. The Georgians must then restore the old line from that town to Tbilisi, the capital.

Minister Yıldırım said that Turkey will spend some \$258 million to finance its share of the railroad construction.

The rail line, like the Baku-Tbilisi-Ceyhan (BTC) pipeline, avoids Armenian territory, the isolation of which is legacy of Turkey's displeasure at Armenia's 1992 invasion of Nagorno-Karabakh, an Azerbaijani enclave with a predominantly Armenian population.

Politics may have influenced the route of the railroad, but money has controlled its fate. Former Turkish President Süleyman Demirel first proposed the idea for a rail link between Georgia and Turkey in 1997, only to see the vision lie dormant as Ankara needed to look to its own financial house.

Now that Turkey's economy has been restructured and has subsequently leapt to the front ranks of global growth, it is much easier for Ankara to back up its spreading regional influence with its own capital.

BSEC supports infrastructure development

The Black Sea Economic Cooperation (BSEC) in Istanbul is coordinating development on two large transportation projects for the vast region uniting Europe, Asia and the Middle East -- a road network encircling the Black Sea, and a system of port links.

BSEC Secretary-General Leonidas Chrysanthopoulos led the foreign ministers of BSEC member states a year ago to formally adopt memoranda to organize a 7,000-kilometer ring-road around the circumference of the Black Sea, and to coordinate a network of links and cooperation among ports on the Black, Caspian and Mediterranean seas. "For the first time in history we have taken concrete steps to coordinate regional transport," said Chrysanthopoulos. "These projects will facilitate commerce, unite the European road network with the Asian, and foster tourism."

The road and ports projects interact, with ferries scheduled to ease the load on trucks will be able to take short cuts on various routes. Officials see the road project being completed by 2012, with each country managing its own sections. Road planners are taking advantage of existing infrastructure where possible, yet at the same time working to make sure that every kilometer conforms to European standards.

The ports project is being developed under the so-called Motorways of the Sea memorandum, and involves less investment in new infrastructure. Officials expect the ferry services to be coordinated by 2009.

Everybody has heard of the BTC crude oil pipeline and the Blue Stream natural gas line running under the Black Sea from Russia to Turkey, but these signature projects are seen by Eurasia trade planners as key components of a regional energy grid.

Since 1992 BSEC has brought together the littoral states of the Black Sea and other interested countries in common efforts to improve trade, communication and transport links among member states. Members include Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine. The number of member states reached 12 with the accession of Serbia and Montenegro in April 2004.

Everyone
is after
AsyaCard!



Because
there is
no annual
fee.

Nowadays, everyone switches to AsyaCard because AsyaCard is not alike other credit cards. It cares about you, and it lightens your expenses.

The credit card that lightens shopping



Free card offer is valid as from 15th August 2007 for AsyaCard Gold, AsyaCard Klasik and their supplementary cards. Bank Asya reserves the right to change the terms of the campaign due to legal modifications or price policies.