

# A shared vision of the future

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**DR VINCE CABLE** read Science and Economics at Cambridge before completing a PhD at Glasgow University. He worked as Treasury Finance Officer in Kenya before returning to lecture at Glasgow University. He served in the Diplomatic Service in the Foreign and Commonwealth Office and was Special Advisor to the Commonwealth Secretary General before joining Shell International where he rose to Chief Economist. He entered parliament in 1997, joining the Liberal Democrat Shadow Cabinet in 1999 and becoming Business Secretary in the Coalition Government in May 2010.

Turkey is already a key market for British businesses. Economic growth in the country over the past decade has been impressive, reaching almost 9 per cent last year. Indeed, Turkey's growth rate is tipped to be the second fastest in the world by 2017.

This is an extremely positive story of economic development, boosted by an enviable demographic profile of young, educated people; a strong entrepreneurial spirit; and increasing openness to international partnership and investment. There are few other countries in the world which combine economic dynamism, financial stability and democracy as effectively as Turkey.

But during my recent visit to Turkey, leading an 18-strong business delegation, I was struck by the vast untapped potential for closer economic ties between our two countries. Yes, major British investors such as Rolls Royce, Tesco, Vodafone and HSBC already have a strong presence in Turkey. Yes, there are more than 2,200 UK companies currently active in Turkey.

Just weeks after taking office in 2010, British Prime Minister David Cameron visited Ankara. With Prime Minister Erdoğan he signed a new UK-Turkey Strategic Partnership. In April this year, Prime Ministers

Cameron and Erdoğan hosted a UK-Turkish CEO event at Downing Street and invited them to inaugurate a UK-Turkey CEO Forum. This week, we welcome President Abdullah Gül's State visit to Britain, which further cement ties between our nations – and build on the strong foundations for our economic partnership.

And yes, the UK is a stalwart supporter of Turkish accession to the EU - and we are committed to making Turkey's case to our EU partners. But there is more we can – and should - do to make our economic ties closer. Bilateral trade is currently worth more than £9 billion annually - I am confident we can achieve our goal of doubling this over the next five years. This shows the opportunities that UK companies face.

What are we doing to boost this relationship? While I was in Turkey I launched - together with the Turkish Economy Minister Zafer Çağlayan - a 'Knowledge Partnership' between our two countries at the Sabanci University. It will seek to promote new opportunities between our businesses, research establishments and higher education institutions. This is particularly relevant in the areas of energy, the environment and infrastructure.

With the Turkish government committing US \$60 billion up until 2023 to upgrade, develop and reform the passenger and freight rail sector, there are

major opportunities for Turkish construction firms and UK counterparts in architecture and design to work together. With planned projects covering high speed lines, rail-led solutions in freight and urban transportation in major cities, there are openings for UK companies to provide expertise in multi-disciplinary consultancy (engineering design, project management, systems integration) electrification, signalling and specialist



A 'Knowledge Partnership' was launched at Sabanci University Istanbul, Turkey

services. Significantly, Turkey's third Bosphorus Bridge, linking Asia to Europe, will be constructed and completed within five years. The tender will be released in early 2012 – unlocking further possibilities for UK companies to work with local Turkish partners.

There are opportunities in the energy sector too. Annual demand for electricity is set to grow in Turkey by six per cent between 2009 and 2023 and the Turkish government is privatising state owned firms and plans to introduce competition in energy production and distribution. The UK - with its extensive knowledge and experience in this area, including renewable energy - is well placed to benefit these changes.

For example, with new Turkish energy performance regulations requiring improved efficiencies and energy reductions in buildings, there are openings for UK companies to share expertise in designing and developing world leading energy efficient building processes to help Turkey meet its targets. We are particularly pleased to see the progress on the Shah Deniz gas negotiations in Turkey, vital to the opening of the Southern Gas Corridor - an investment project in which BP is a leading stakeholder – and we hope that the two sides will reach agreement in the very near future.

We also fully support the initiative by the Turkish government to work with partners to develop Istanbul as a financial centre – a subject I spoke on when I was in the city. London and Partners, HSBC, Clifford Chance and TheCityUK are among our financial services organisations keen to play a part in Istanbul's future plans. The CityUK, for example, intends to publish a high level Turkey working group to develop closer links with Turkey's financial community.

But as well as driving growth in UK exports to Turkey, we want to encourage more innovative Turkish businesses to invest in the UK. That's why we have increased tax incentives to favour start-ups and high growth firms and introduced a new visa especially for entrepreneurs.

Indeed, more and more Turkish firms are looking to grow their global business from the UK – home to more European HQs than all other European countries combined. And UK Trade & Investment, the Government department that supports global firms to do business in the UK and British firms to expand overseas, can provide expert advice to help prospective companies trade with or invest in the UK. We also welcome the recent announcement of new Turkish attaché offices in Birmingham and Edinburgh, which will boost our mutually beneficial trade relationship.

As Turkey continues to build its reputation as a place to do business, we share a vision for the future – one that will continue to unlock openings, stimulate the interchange of knowledge and provide the best environment for firms to flourish.

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