

A vital friend and partner

By **ALDERMAN DAVID WOOTTON**

LORD MAYOR OF THE CITY OF LONDON



DAVID WOOTTON is the 684th Lord Mayor of London. A graduate of Jesus College, Cambridge, he began his career with the law firm Allen & Overy specialising in corporate transactions and best-practice compliance. With a strong interest in the governance of the City of London he was elected to the Common Council in 2002 and in 2005 was elected an Alderman, becoming Sheriff of the City of London in 2009. He is serving as Lord Mayor for 2011/2012.

Speaking in Ankara during one of his first overseas visits after becoming Prime Minister of the United Kingdom, David Cameron outlined Turkey's importance to the UK, commenting that "Turkey is vital for our economy, vital for our security and vital for our politics and diplomacy." These feelings were reciprocated by Turkey's Prime Minister, Recep Tayyip Erdoğan, who spoke of the dawn of "a golden age" in Anglo-Turkish relations.

In the course of the visit, our two countries also entered into to a Strategic Partnership that underlined the wide range of mutual interests underpinning this long-standing friendship. As a vital link between East and West, Turkey is clearly an important business partner for the UK in an increasingly globalised economy and David Cameron has already made clear that he wants to see the value of bi-lateral trade double from \$9 billion to \$18 billion over the next five years.

Working out ways to realise this ambition will doubtless be high on the agenda when the Turkish President, Abdullah Gül, visits the UK later this month where he will also be attending a State Banquet hosted by the City of London at the historic Guildhall.

As the 684th Lord Mayor of the City of London, it is my role to support and promote all UK-based financial, professional and business services – 'the City' in the broadest sense of the word – both at home and abroad. During the course of my year-long Mayoralty, I will spend around 90 days visiting more than 20 countries – including Turkey in January 2012 – highlighting the mutual benefits, both in terms of economic recovery and future growth, of developing closer relations between the City and other financial centres.

Of course, there are already close business links between the UK and Turkey with more than 2,000 British entrepreneurs and businesses already active in Turkey and with the UK's long-standing support for Turkish accession to the European Union remaining as strong as ever.

The scale of future opportunities for both countries is also enormous; not only does Turkey boast a tradition of economic stability but the 10 per cent growth it exhibited during the second quarter of 2010 made it the fastest growing economy in the G20

and the third fastest in the world. Istanbul alone has a bigger economy than 12 of the 27 EU Member States.

Combined with the youngest and fastest growing population in Europe, such economic vibrancy leaves Turkey well placed to play a key role in the global marketplace in the years to come. I want the ever-increasing number of Turkish companies seeking to expand or acquire financial and business services products to continue to see the UK as a partner of choice and as an attractive destination for inward investment. Turkey's economic strength is underpinned by great diversity, a key example of which is shipping and maritime services.

In 2007, Turkey was ranked 4th in the world in terms of the leading shipbuilding nations and it is the 3rd largest builder of super-yachts globally. In order to build upon this success, there are ambitious plans to develop a significant port network throughout the country; plans that will require significant amounts of private finance. The UK is already a well-established partner for the international shipping sector with more than 1,500 companies currently providing specialist services in this area. Maritime services contribute £25bn to the UK economy whilst Lloyds Register classification holds 18 per cent of the world merchant fleet. Firms based in the City can help provide the financing and services the Turkish shipping sector requires if it is to thrive and to grow in the years to come.

The Turkish Government has acknowledged that in order for Turkey to become a truly globalised economy it will first wish to develop a financial services hub in which international firms are willing and able to invest – Istanbul was placed 70th in the recent *Global Financial Centres Index* that details the relative competitiveness of financial centres around the world. London was placed 1st.

With the Chairman of the Istanbul Stock Exchange, Hüseyin Erkann, confidently predicting that "Istanbul will become a regional financial centre within the next 10 years and a global centre in a few decades," it is clear that progress has been made and the on-going strength and robustness of its banking sector – which dominates Turkey's wider financial services industry – even in the midst of the financial crisis, is a testament to this.

Despite the recent crisis and concerns regarding future regulation and taxation, London remains

one of the world's leading financial centres and has retained its long standing and well-deserved reputation for excellence amongst the international business community.

That is why, with its unparalleled breadth and depth of services, the City of London is ideally positioned to help the Turkish Government achieve its stated aim of building a high-quality financial services industry.


In order to meet the demands of such rapid economic growth, not to mention the projected growth in population, Turkey will also wish to develop its existing infrastructure significantly. During the last 15 years, the UK has revolutionised the delivery of services and infrastructure through the creation of the Public Private Partnership (PPP) framework and, in so doing, has driven down the costs involved and the time it takes to deliver such projects.

With Governments around the world facing cuts in their public spending, around 100 countries – more than half the sovereign nations of the world – are undertaking or seriously considering using PPP, with many replicating the UK model almost exactly. The Turkish Government has already highlighted a number of projects that will be paid for using funds from the private sector.

As in the UK, healthcare is a particular priority with the total value of the Turkish PPP Hospitals programme coming to more than US\$55 billion. Additionally, the Bosphorus Bridge project announced recently by the State Planning Organisation will cost \$6 billion and go out for tender whilst planned

infrastructure requirements will necessitate the provision of an additional 40,000,000MW capacity. With more than a decade of experience working within the PPP framework, UK-based firms have all of the requisite experience and expertise to be at the forefront of Turkey's infrastructure boom.

In order to run a programme consisting of projects in multiple sectors, it is important to have a centrally constituted PPP unit – something Turkey is currently lacking. The purpose of such a unit is not just to develop policy, wordings and procedures to assist stakeholders but also to send out a message to global businesses that a given country is looking to attract an international audience and that it has created a business environment conducive to supporting such investment. Establishing a PPP unit should be a top priority for the Turkish Government and it is certainly something I shall be emphasising in the course of my conversations with the President.

It is clear that there are significant mutual benefits across a wide array of sectors – from banking to venture capital and from maritime services to construction – in forging a closer business relationship between the UK and Turkey. Working in partnership with our most important overseas partners will help to generate greater economic growth for the world as a whole, leading to more prosperity, whether in London, in Ankara or in Istanbul. I intend my time as Lord Mayor to help the UK and Turkey move closer to fulfilling their shared ambition of building even more productive ties between our two countries in the years to come. 

As a vital link between East and West, Turkey is clearly an important business partner for the UK



Istanbul, an emerging financial centre