

Facilitating trade and investment

By DR HARVEY MARSHALL

CHAIRMAN, TURKISH BRITISH CHAMBER OF COMMERCE AND INDUSTRY (TBCCI)



DR HARVEY MARSHALL was elected to Westminster council in 1990, has been Chairman of the Environment, Arts and Grants Committees and Vice-Chairman of Finance Committee, sitting for many years on the Planning Committee. He was Lord Major in 2001-2. He is currently Deputy Cabinet Member for Corporate Property. He was senior partner in a leading firm of Chartered Surveyors, an arbitrator, and is joint Editor of *The Law and Valuation of Leisure Property*. He is an Honorary Member of the English Speaking Union and the Royal Over-Seas League, and President of a branch of the Royal Society of St George. He is also the Chairman of the Turkish British Chamber of Commerce.

Turkey and the United Kingdom share many common goals and ties on a wide range of international matters. Relations between the two countries continue to be of crucial and growing importance, as witnessed and strengthened by recent strategic partnerships and increase in bilateral trade and investment.

I am very pleased to emphasise that Turkey and the UK are enjoying a very productive era of excellent political, social and economic relations. One of the principal objectives of our Chamber, for interested parties, is to provide new opportunities and new business methods to sustain and further improve this positive trend. To this end, we have in recent months taken over responsibility for the Turkish British Business Council, working closely with DEIK in Istanbul, of which our former Chairman is now Vice-Chairman.

About the Turkish economy

Turkey is the world's 16th and Europe's 6th largest economy. Goldman Sachs' recent research predicts that Turkey's economy will be the second biggest in Europe, after the UK, and 9th in the world by 2050. Turkey aims to be among the world's 10 largest economies by 2023 on the 100th anniversary of the foundation of the Republic. The OECD estimates that Turkey will be the third highest growing country after China and India by 2017 and will surpass India after 2017 to become number two in terms of growth.

UK-Turkey Bilateral Trade

The potential for trade between and investment in the UK and Turkey is huge. In the period from 2001 to 2007, UK exports to Turkey achieved each year a sustained increase of 8.9 per cent. In the same period, the average annual growth rate for Turkish exports to the UK became 15.3 per cent. Turkey ranked 3rd and 4th in growth rate ranking among UK trade partners, with only China, Russia and Poland exceeding that of Turkey.

Trade between the UK and Turkey rose sharply from US\$4.1 billion in 2001 reaching its high point of US\$14.1 billion in 2007. While the first two quarters of 2008 recorded even further rises, the effect of the financial and economic crisis showed in the second part of 2008; the third quarter of 2008 remained static and the 4th quarter sharply declined. 2008 ended 4.3 per cent short of 2007.

The negative effect of the economic climate on UK-Turkey trade continued in 2009, but from November 2009, trade between the two countries began to rise again. I am very pleased to be able to say that in January-September 2011, UK exports to Turkey rose by 31 per cent and Turkish exports to the UK grew by 19 per cent, compared to the same period in 2010.

Top UK Exports to Turkey:

Boilers, machinery, mechanical appliances, iron, steel, pharmaceutical products, vehicles, organic chemicals, plastics, electrical optical photographic and cinematographic equipment, pearls, precious stones, precious metals and chemical products are the top UK exports to Turkey.

Top Turkish Exports to UK:

Textiles, vehicles, electrical equipment, white goods and televisions, boilers, machinery, mechanical appliances, articles of iron and steel, fruit vegetables, nuts etc, minerals, fuels and oils, precious stones and metal and plastic items are among the top Turkish exports to the UK.

UK-Turkey Bilateral Investment:

UK investment in Turkey has reached US\$4 billion, and there are more than two thousand companies established or partnered in Turkey with British capital. Simultaneously, Turkey's investment in the UK has been on the increase in recent years, now approaching US\$1 billion.

Opportunities in Turkey are available in practically all sectors for British companies and, unlike many other countries in Europe, British businesses are welcomed most sincerely by Turkey. This is for historic reasons but most particularly because of Britain's cross-party support for Turkey's entry into the European Union.

Leading Sectors of Opportunity in Turkey:

Infrastructure, telecoms and software, environment and water, financial services, automotives, energy, technical textiles, construction design, maritime and marine and healthcare are among the top opportunity sectors in Turkey for British businesses.

British companies in Turkey include British Aerospace, Aviva, Marks & Spencer, Tesco, Cadbury

Schweppes, HSBC, Shell, Vodafone, Thames Water, Corus, BSI, GSK, Arcadia Group, Balfour Beatty, Bywater, and Harvey Nichols.

Britons Visiting and Buying Property in Turkey:

At the end of October 2011, there were over 35,000 Britons who have bought property in Turkey, the highest number among all non-Turkish nationals. The number of Britons visiting Turkey, approached the 3 million mark, coming behind only travellers from Germany and Russia.

The Role of Chambers of Commerce

Despite the significant impact of the rapid changes in technology and the methods by which local and international businesses are conducted, Chambers of Commerce have maintained their value, even in places where joining a Chamber is voluntary. The central reason for the continuing importance of Chambers of Commerce is the need of businesses for a central point of reference with which they can associate and network. Businesses expect this reference point to be impartial, up-to-date, informative and speedily responsive.

Chambers must continue to be a driving force for business expansion and take an active role in a variety of business issues affecting the economic health of the community. In particular, they must:

- Predict and address future business expectations
- Take advantage of the IT revolution
- Develop services that make doing business simpler and quicker
- Identify and address the diverse businesses and members base
- Play an active role in the regulatory environment.

I see our Chamber of Commerce as a platform for access to information and business networking, and a driving force for business expansion.

Turkish British Chamber of Commerce and Industry (TBCCI)

The TBCCI, as an established and rapidly growing organisation, intends to continue to contribute to the development of trade relations between the two countries. This contribution will be in the form adding new services to the wide range of support which it offers to its members and to the public and fulfilling the requirements relevant to business, which I have explained above.

The TBCCI, was founded in 1980 in London as a non-profit members' association, to promote and extend business, trade, investment and joint ventures in or between Turkey and the UK, and to promote its members and provide them with a wide range of services targeted at achieving this objective. These services currently include:

Trade Services:

Business referrals, Business Partner search, Product-Company matching, Business start up Guides and Business and Regulatory enquiries; TBCCI helps find potential partners, agents, distributors and service providers.

Document Services:

Certification, legalisation and translation of export, trade and other documents (TBCCI has a daily courier service for Turkish Consulate legalisation), Company Incorporation Reports, Company Credit Reports and Powers of Attorney.

Information Services:

Business Set up Guides, Export news, UK-Turkey trade statistics, newsletter, website services, event presentations, news from Members .

Business Networking Services:

Conferences, seminars, workshops, exhibitions, networking events and Members' evenings achieve these objectives. In 2011, we organised major conferences, forums and sectoral events both in Turkey and the UK.


Relations with Business Associations:

TBCCI has continued to cooperate with other Chambers of Commerce in the UK and Turkey and maintains excellent relations with UK public organisations such as UK Trade & Investment, British Chambers of Commerce, Business Link in London and Think London.

The Turkish British Business Association:

As mentioned above, one major initiative in 2011 was the creation of the TBBA (The Turkish British Business Association), by bringing together TBBC (DEIK-Turkish British Business Council) and the TBCCI. This was in response to the rapid progress in economic relations between the UK and Turkey.

TBBC and TBCCI are the two most important and active organisations promoting and encouraging business between the two countries. The resources of both the TBBC and the TBCCI compliment each other and provide a wider and stronger platform for information, advice and business networking. The new joint venture, welcomed very much by both governments, will be a major contributor to the already strong and rapidly increasing bilateral economic relations between Turkey and the UK.

In conclusion, I would like to reiterate our resolve that the TBCCI shall continue to be the principal facilitator of trade and investment between the two countries. We are pleased to have excellent relations with both the British Embassy and Consulate in Turkey, as well as the Turkish Embassy and Consulate in London, and work closely with both. 

The potential for trade between and investment in the UK and Turkey is huge