

**Dear Minister,  
Dear Governor,  
Dear Chairman,  
Esteemed Members of our Assembly,  
Distinguished Honorary Members of our Assembly,  
Dear Guests  
and Distinguished Members of the Press,**

I would like to greet you all with love and respect on my behalf and on behalf of our Board of Directors before sharing with you my opinions at our assembly meeting for October.

I would like to thank Mr. Lütfi Elvan, our Minister of Transportation, Maritime and Communication, who has honored us with his attendance to our assembly meeting this month entitled "The Importance of Transportation, Maritime and Communication Vision of Turkey for the Competitiveness and Future of our Economy and Industry". Welcome.

**Dear Chairman and Esteemed Members of the Assembly,**

Next week we will be celebrating the anniversary of the foundation of our Republic. I would like to wish happy Republic Day to all of you in advance.

The foundations of our Republic were laid 91 years ago on these territories. Our country since then has taken great leaps forward in numerous fields. We as country and society are determined to raise our Republic higher in its centenary with greater leaps and triumphs.

I would like to hereby commemorate the founder of our republic Atatürk and his fellow officers. I would like to also honor our glorious martyrs with grace and our veterans with gratitude who made a homeland out of these territories.

**Dear Chairman and Esteemed Members of the Assembly,**

The Middle East today is no different from a fireground. We are bearing witness to the destruction of inner peace of societies and a heart-wrenching human tragedy. I would like to thus draw your attention to the significance of maintaining our desire for social peace and living together.

Multiculturalism and incomparable social richness have lived on in these lands throughout the history without losing anything of its diversity. Contrary to the fire taking place in the Middle East, we are so happy that our strong community cement helps us sustain unity and solidarity for a thousand years in spite of all efforts for provocation such as what we experienced recently.

Today, social peace and the happiness of our people should precede everything else. Particularly economic and other developments are possible only if peace and happiness are maintained. The sad events we have recently experienced should never cast an air of pessimism to our vision for the future. Our unwavering desire to live together and to find solutions to our problems through common sense enables us to hope better for tomorrow.

**Dear Chairman and Esteemed Members of the Assembly,**

I would like to touch upon certain current issues in our country and the world before sharing with you my opinions on the main item of our agenda.

As we have arrived at the last quarter of 2014, we are observing the continuation of moderate growth trend in global economic developments despite various challenges but this growth is unbalanced and weak.

Problems in developed economies inherited from the crisis keep overshadowing economic improvements while emerging economies have difficulty in reaching pre-crisis economic growth rates. Risks based in financial markets, geopolitical instabilities and the worsening conditions in the Eurozone also have a negative impact in the economic outlook.

These circumstances lead to a downward revision of global growth estimates. The latest IMF data point out to a decrease of global growth estimate to 3,3 percent for 2014 and 3,8 percent for 2015.

We are going through a conjuncture where equations with multiple variables compete with each other in the global economy. Combined with the geopolitical risks of our territories, Middle East in particular, this conjuncture becomes even more challenging for our country.

Turkish economy has made a good start in 2014 under these difficult circumstances but we have observed a slowdown faster than expected in the second quarter. The loss of momentum in especially private consumption and investments in domestic demands had an impact on this. Foreign demands, net exports in other words, diminished the effects of slowdown on growth.

In the third quarter, growth will apparently sustain a horizontal trend due to problems in our major export markets that will have a relatively limited impact on growth. By contrast, initial indicators do send positive signals for the third quarter. Unless a dramatic change occurs in foreign conditions, we estimate that we will reach the envisaged goals by the end of the year.

On the other hand, the slowdown in growth has started to affect employment as well, albeit with a delay. The rise in seasonally adjusted unemployment rates is especially striking. This rate underwent a rapid increase since March, for instance, reaching a 10,4 percent peak in July.

It should be admitted that inflation rate also follows a very high trend. Although the rate fell after the decline of food prices in September, inflation rate estimate for the end of 2014 was brought up to 9,4 percent by the government which requires us to focus on this issue more seriously.

As you all know, another major problem we are facing is current deficit. It is expected that the current deficit, currently around 30 billion dollars, will soar to around 45 billion dollars by the end of the year.

The happy news on our end is that our economy retains its two strong pillars: Indicators of our budget performance and banking sector show a positive trend. I would like to underscore our crucial need to maintain in the coming terms these advantages in the two major titles in credit rating evaluations.

Despite certain economic challenges ahead of us, the decrease in oil prices is joyful news for countries like us with no oil production. This fall not only reflects positively on our total energy bills but also comes as a relief in the transportation and logistics sectors with high fuel use.

In conclusion, the overall picture tells us that Turkey's growth story has arrived at a very serious deadlock where growth slows down while current deficit is on the rise. This in turn manifestly reveals the need for the Turkish economy, which has decade of bright growth performance aided by favorable foreign conditions, to create a new growth story in order to stand upright in dynamism and resistance within a rapidly changing global scene.

This new story will be created by positioning ourselves towards productivity and technology accompanied by "Holistic Development", the main theme of our latest Industry Congress, and by realizing structural reforms rapidly. We are aware of the upcoming elections. We are also aware that focusing on these reforms in such context is very difficult.

But I would like to emphasize at this juncture the importance we attach to the recently announced 2015-2017 Medium Term Program. This emphasis comes along with the significance of immediate implementation of action plans, as stated in the program, which overlap with most of the expectations of the business world and which are prepared as part of priority transformation programs.

**Dear Minister, Dear Chairman and Esteemed Members of the Assembly,**

Having briefly touched upon certain current issues in our country and the world, I would like to share with you my opinions on the main item of our agenda.

Production, exports and transportation are an indivisible whole in the global world where communication and transportation have become one of the main elements of the economy.

A modern and globalized economy cannot compete in the world markets without a quality and strong communication and transportation infrastructure.

Let me illustrate this idea: The world population has reached 7 billion and annual economic growth amounts to 70 trillion dollars. Today, all economic and social connections are enabled through means of transportation and communication.

Mr. Minister, we completely agree with your statement: "All we need is develop and put forward projects that will pave the way for growth in our country. We want engineers and scientists who will run along with us and will race against time. Time is very valuable. If we are to build a strong Turkey, we all have to work very hard."

I would like to underscore our deep appreciation of your vast experience and knowledge through your close ties with the State Planning Institute, Planning and Budget Commission of the Grand National Assembly of Turkey and the private sector. We will be listening to your opinions today with great interest and enthusiasm.

**Dear Chairman and Esteemed Members of the Assembly,**

Investment in transportation and communication are the driving force behind global development. And substantial progress has been made in our country in recent years in road, railway and airline transportation.

Double-lane roads, the Marmaray project, the 3rd bridge on the Bosphorus, the North Marmara Highway project, fast-developing and ongoing railway investments, advancements in civil aviation and in communication are indeed of great worth.

All these projects and investments turn our country into a critical nexus connecting countries around the Caspian Sea, Europe and Asia through road, marine and air transportation and communication networks.

While this transformation takes place, we believe that utmost importance should be given to transportation and access to SMEs and production centers and that legal and administrative regulations should be immediately put in place to develop a combined transportation system.

**Dear Minister,**

On behalf of Istanbul Chamber of Industry, I would like to share with you the problems of our industry and industrialists related to your ministry as well as our solution expectations.

In order for our industry to sufficiently benefit from railways, establishment of branch lines should be encouraged between mainlines and production sites, and the goods received from the sites should be taken to ports via railways.

This will hence increase transported load and labor, connect export and production zones and lower the cost of transportation for the industrialists. I would like to hereby emphasize the significance of the establishment of Istanbul-Trakya express train, which will be critical to the transportation of skilled labor in particular and for the regional industry in general.

Our ministry undertakes valuable activities and investments in ports. We consider very important Ro-Ro expeditions with foreign connections, the expansion of our mercantile navy, investments in new ports and advancements in shipbuilding.

However, we still have major shortcomings in our ports, which are an obstacle before our goals in foreign trade. Investments on new ports should continue while existing ports should increase in productivity and capacity. We should correct infrastructural deficiencies in our ports and help assert themselves as brands on a global scale.

As I have just stated, Turkey is located on a very advantageous position in transportation and communication. This position allows many opportunities to our country both as logistics

base and transit transportation. We have to be able to seize these opportunities. Especially investments in transportation will strengthen Istanbul's regional and global impact as well as its goal towards becoming a logistics base.

**Dear Minister,**

Despite all efforts and solutions put forward, the traffic issue in Istanbul still persists. It is necessary that more emphasis should be made towards solving this problem which negatively affects quality of life to a greater degree each day. One major problem in Istanbul's traffic is congestion at the highway tolls. A solution to this problem is the removal of tolls or their transfer to outside the city.

There are issues concerning transportation from Istanbul to Trakya, a region which increasingly becomes a new industrial settlement. Especially insufficient turns from highways to organized industrial zones result in a heavy cost both in time and money. There is an urgent need to build link roads from highways to OIZ's.

It is certain that domestically produced goods in public acquisitions and supporting national industry will decrease foreign-source dependency in many sectors and will bring a positive impact on the national income, employment, balance of payments, tax/ insurance payments and the international competitiveness of our country.

Within this framework, it is crucial for our economy and our industry to relieve foreign dependency and increase domestic input contribution thanks to recent ongoing projects we are following up with great contentment in transportation which are an important indicator for the development levels of countries.

Metro-tramway cars in the following 15 years will amount to a cost of approximately 20 billion dollars. This and export opportunities if evaluated will create a substantial potential in the field. Selecting domestically manufactured products for the tenders of rapidly expanding rail transportation projects primarily in Istanbul and in many cities nationwide will significantly contribute to the development of our industry.

**Dear Minister, Dear Chairman and Esteemed Members of the Assembly,**

Having mentioned transportation, maritime and communication problems of industry and industrialists with possible solutions, I would like to now briefly share with you some of the activities and events of our chamber.

We held the 3rd annual professional committees meeting on October 1, 2014 with the participation of Mr. İdris Güllüce, our Minister of Environment and Urbanization. During the meeting, our members found the chance to express to our minister the problems that fall within the domain of the Ministry of Environment and Urbanization and their suggestions towards the elimination of those problems.

We as Board of Directors of the Istanbul Chamber of Industry have joined Mr. Fikri Işık, our Minister of Science, Industry and Technology in an effort to work closer and more effectively with the government to solve the problems of industrialists. The meeting proved very efficient with a focus on the economic agenda and the issues of our industrialists. I would like to also inform you that in the coming weeks, Mr. Minister Fikri Işık will reunite with the esteemed members of our assembly in groups where he will be listening to the problems of our industrialists.

As Istanbul Chamber of Industry, we went to Sivas, our second destination this year, as part of our traditional Anatolian visits we have been organizing to serve the industrial development of Turkey as a whole.

We experienced an unforgettable hospitality in Sivas where the foundations of our Republic were laid. Our visit was a very efficient one opening up new horizons to us. We also believe that it contributed to our fellow townsmen in Sivas. Strong friendships will be born out of meetings held between our members. I would like to hereby thank again all of our friends in Sivas for being an exemplary host.

I would like to announce an activity we are planning to start: We are aiming to bring together the esteemed members of our assembly with their spouses at a brunch on a Sunday to boost our social integration. We will be soon sharing with you the date of the event.

Mr. Ömer Cihat Vardan, esteemed member of our assembly, was elected Chairman of the Foreign Economic Relations Board as a result of the recent elections. I would like to congratulate our esteemed friend and wish him good luck in his new assignment.

**Dear Chairman, Esteemed Members of the Assembly and Distinguished Guests,**

As I conclude my speech, would like to hereby welcome again Dear Minister and our distinguished guests and greet you all with love and respect on my behalf and on behalf of our Board of Directors.