

**ISTANBUL CHAMBER OF INDUSTRY CHAIRMAN  
ISTANBUL CHAMBER OF INDUSTRY ASSEMBLY MEETING SPEECH**

On behalf of the Board of Directors and myself, I would like to welcome you to the ordinary Assembly Meeting of March.

I want to start my speech by condemning once again the terror and violence that have been a source of great suffering for our people recently. Our pain grows with each passing day. We are full of sorrow. But this we know: terror has never prevailed in these lands, and it never will.

As shown by the deplorable acts of terror that struck Brussels yesterday, the threat of terrorism is no longer constrained to a particular region. Terror is now quickly becoming a global issue. We offer our prayers to those who lost their lives in the terrorist attacks in our country and Brussels, and wish a speedy recovery to the wounded.

We are a nation that knows how to close ranks in the face of adversity. The best example of this solidarity is the victory in Çanakkale. The Çanakkale spirit, the symbol of our unity and solidarity, is still a part of our society, just as it was in the War of Independence. And against this spirit, there is no force that can make us lose our faith in our future.

With this faith in mind, I would like to pay tribute to the memory of all our national heroes, Mustafa Kemal Atatürk, in particular, who strived to craft a nation out of these lands.

I would like to welcome Ms. Sema Ramazanoğlu, the Minister of Family and Social Policies, to our assembly meeting of this month, themed "Social Policies in a Changing World, the Increasing Role of Women in Production, and the Importance of Female Entrepreneurs for Our Economy". Ms. Minister, you have honored us with your presence.

Before I move onto the main agenda items, I would like to mention some national and global developments.

Emerging markets are experiencing a wave of optimism as a result of the last week's decision by the Federal Reserve, the longstanding lead actor of global economy and finance. This confidence may be short-lived, however. We should keep in mind that this recent downshift by the Fed might signal an even higher interest rate hike in the long-term to compensate for the slowdown. Thus, we need to remain prudent.

Another important development in finance came from Europe. At a monetary policy meeting on March 10, the European Central Bank decided to ramp up quantitative easing to the surprise of the financial markets.

However, a statement by the ECB President after the meeting suggesting there will be no further interest rate cuts drove the European markets to assume a more cautious position.

We have also seen another recent development related to the EU: Turkey and the EU reached an agreement last week to address the ongoing refugee crisis. For Turkey, one of the most significant aspects of this agreement is the promise of visa-free travel to Europe for Turkish citizens after June 2016, if all conditions of the agreement are fulfilled. At the same time, a

new chapter, namely number 3 on financial and budgetary provisions, will be opened in Turkey's accession negotiations.

We believe that, after this recent development, Turkish-EU relations should be further expanded in scope and strengthened in the future, which will benefit both parties.

Looking at the economic developments in our country, we can see that the decisions by Fed and ECB have delivered a positive impact. The exchange rate of dollar, which had exceeded 3 TL at the end of the year, dropped as low as 2.85 TL in the past few days. Likewise, the 5-year benchmark bond rate fell from 11.4 percent in the beginning of the year to slightly over 10 percent. Meanwhile, Borsa Istanbul 100 index rose to its highest level in four months.

While the financial markets were under the influence of these developments, the real sector had a stronger-than-expected start to 2015. Industrial production rose by a surprising 5.6 percent in January, while the production volume reached an all-time high. Despite this record level, the continued decrease in real sector confidence and the steady capacity utilization rate raise serious questions about the sustainability of this growth trend in the coming months.

February inflation shows a downward trend driven by food and energy groups. However, sustained increase in annual core inflation continues to limit the room for maneuver in monetary policy. On the other hand, the appreciation of Turkish lira in the past few weeks may contribute positively to inflation by reducing the influence of exchange rates.

Looking at foreign trade, although it has begun to show a growth trend recently, the historic low oil prices continue to deliver a positive impact on our foreign trade balance. On the export side, however, despite favorable circumstances in the European and African markets, we began to see the unfavorable as well, brought about by recent developments in Russian and Middle East in particular. Strained relations with Russia in recent months and security concerns continue to hamper tourism and related sectors - another factor that may limit the improvement in the current deficit.

Likewise, the uncertainties in Turkey and the environment of risk continue to hurt confidence indicators. Customer confidence index remained stable, yet at a low level in March. At the same time, unemployment rates increased to 10.3, reaching two-figure numbers again after a four-year intermission, and this is another issue that begs discussion.

The number of company-based issues, particularly in the real sector, has grown to a level that may pose a very real threat to the banking as well as the manufacturing sector. At this point, it is imperative to ensure that the recent wave of terrorist attacks do not affect daily lives and economic activity.

After these national and international agenda items, I would like to share my views on our main agenda item.

First and foremost, I believe that our topic for this month should be discussed from a global perspective.

We live in a world where ideas and people travel faster than ever thanks to globalization. At the same time, however, this new, global world brings about an ever increasing inequality.

Due to this twisted form of globalization, living conditions for more and more people continue to deteriorate while poverty spreads across the globe.

To stress it again: today's world is very unequal, and very unjust. Having said that, I would like to share some data in this context. According to the Organization for Economic Co-operation and Development (OECD), in OECD countries, the average income of the richest 10 percent of the population is about nine times that of the poorest 10 percent.

Another report that comes to a similar conclusion is Global Wealth Report 2015 by the Credit Suisse, which notes that half of the world's wealth is controlled by the world's richest 1 percent, and total wealth of over half of the world's population do not sum up to a mere 1 percent of global wealth.

In the face of such inequality, social policies are key to maintain social order and ensure the sustainability of social peace.

As social policies gain more prevalence around the world, they continue to improve in terms of inclusiveness. While only aimed at the working class with the onset of the Industrial Revolution, now they cover a vast segment of society, including the unemployed, youth, women, children, elderly, and people with disabilities.

Our country has also adopted the inclusive approach to social policies. In this context, we welcome the main goals highlighted in the Program of the 64<sup>th</sup> Government, which calls for the elimination of poverty, provision of social aid for everyone in need, and improvement in income distribution

At the same time, we should not place the burden of responsibility on the state alone. As the public sector is limited in resources, NGOs, mainly associations and foundations must take on more roles and responsibility.

As in many areas, Istanbul Chamber of Industry plays a leading role in this regard. We, as industrialists, have been carrying out various social responsibility efforts for over 20 years, guided by our principle - "It is by sharing that we become wealthy". I would like to stress that these joint efforts will be continued with the same passion and drive as ever.

While on the topic of social policies, I would like to point out to one last fact: While social aid efforts can fulfil the social and economic needs of persons in poverty in short to mid-term, they must be positioned to ensure their participation in the economy and the society in the long run. In other words, these policies should not be turned into an addiction, leading people to indolence.

As I mentioned before, while social policies may have a large scope, their focus is always on the family, as family is the building block, a scale model and an indispensable cell of society. So much so that social peace depends on peace within families.

Yet, we see that the concept of family is waning. Materialism trumps peace as an individualism bordering on selfishness reigns supreme in today's consumption society. As the experts on the subject note, this decline would no doubt lead to the disruption and disintegration of family unity, which in turn would lead to social problems. As such, we should always remind ourselves of the importance of family for a healthy society.

Maintaining the strength of family as the single most important institution at every stage of life would be the surest way to ensure a healthy future, both for adults and children.

While mentioning the importance of family for a peaceful society, it must be noted that the pillar of family is the woman. There is a direct correlation between a country's economic and human development and women's participation in social and professional life in that country.

This did not come easy for women, who had to struggle for long years to achieve this. Despite constituting half of the world's population, women were virtually shunned from social and economic life for centuries: a situation that started to change after the Industrial Revolution.

The fight that began over wages and working hours took off in the early 20<sup>th</sup> century with women across the globe obtaining more and more rights in education, healthcare and politics.

Today, the fight for women's rights continues with efforts to ensure a higher rate of participation in education, employment, and decision-making processes, and more entrepreneurship among women. While developed countries have accomplished significant milestones in this regard, developing countries are still facing challenges.

Today, it is a universally accepted fact that labor force participation rate for women must be increased in order to ensure sustainable economic growth. Studies have shown that, by better utilizing women's skills more effectively, a country can achieve a GDP growth of up to 2 percent.

Looking at our country, for 64.4 percent of females aged 25 and up, the highest level of education attained is primary.

Insufficient education, without a doubt, has a negative impact on women's employment. For this reason, the ratio of women's participation in labor force in our country is way behind those seen in developed countries.

As many women are not provided with education opportunities, they are not able to participate in employment, decision-making and politics, and more often than not, fall victim to domestic abuse.

To stress this very important point once more: Education is one of the key tools to eliminate the current inequalities against women, and one of the most important drivers of social transformation.

On the topic of women's participation in employment; we are aware that Turkey has achieved a certain level of improvement in terms of labor participation and employment for women over the past few years as a result of incentives aimed at the development of the service industry and women's employment. However, labor participation rate among women is still as low as 30 percent, which puts Turkey behind other OECD countries.

Our country does not paint a bright picture in terms of women's social representation either. Despite a notable increase in the percentage of women in the parliament in the past decade, the ratio of female MPs in the parliament remains below 15 percent.

As stated in our main agenda item, it is apparent that the current situation of female entrepreneurship in Turkey is sorely lacking. According to Turkish Statistical Institute's survey data for, the ratio of female entrepreneurs in Turkey is a mere 15.7 percent.

To say it again: The road to holistic and sustainable development lies in integrating women into the economy, both as employees as well as entrepreneurs.

At this point, I would like to note that, at Istanbul Chamber of Industry, one of our primary missions is to provide an active support for efforts and initiatives in this area.

Acting within our parent organization TOBB (Turkish Union of Chambers and Commodity Exchanges), the Female Entrepreneurs Board has established a "Industrialist Female Entrepreneurs Working Group" as part of its efforts to encourage women to entrepreneurship. Istanbul Chamber of Industry hosts the activities of this group, while female members of our Chamber Assembly and Sectoral Committees play an active role in them.

I believe wholeheartedly that by overcoming the obstacles to women's participation in the economy and the society, we will pave the way to a more peaceful Turkey, and a more peaceful world.

As I conclude my speech on our main agenda item, I would like to make an invitation.

We have organized a chamber visit to our neighbor Iran's capital, Tehran, from April 29 to May 1, 2016.

We will be visiting the country as the guest of the Iran Chamber of Commerce, Industry and Mining and the Tehran Chamber of Commerce, Industry and Mining. During the visit, we will discuss the potential of trade and investment with Iran, and conduct bilateral business meetings. I would like to express that we would be delighted to see a high rate of participation among you, our assembly members, in our visit.

As I conclude my words, I would like to once again welcome Ms. Minister, and extend my warmest greetings to all of you.