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CHALLENGES FACING TURKEY AND THE EUROPEAN UNION IN A GLOBALIZED WORLD

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Dear President Bochniarz. Excellencies. Ladies and Gentlemen.

First of all thank you very much for the kind invitation. It is wonderful to be here. And it is a great honour to share with all of you BUSINESSEUROPE's perspectives about the significance of Turkey for Europe.

Turkey, ladies and gentlemen, is a land rich in history and cultural wealth. But Turkey is also a fantastic trade and investment partner, a country with a rapidly growing economy, dynamic, vibrant and with a very favorable demographic structure. Half of its population is younger than 28, while the average age of the EU-27 is 41!

Today, Turkey is the 6th biggest trading partner of the EU, and we are by far the main trading partner for Turkey. Industrial trade and investment is the cornerstone of our economic relationship. But trade in commercial services has risen too. BUSINESSEUROPE wants this positive economic relationship to continue and prosper further. There is still plenty of potential untapped in our relation.

We are of course aware of the adverse political conditions in our relations. Also of the political obstacles which make the process of Turkey's accession to the EU very slow. Indeed, the most important economic chapters of accession remain open: the Free movement of Capital, Enterprise and Industrial Policy, or Intellectual Property. For that reason, I believe we need a middle road to advance our economic partnership.

I am convinced that once we have established even stronger economic links between each other, reaching agreements on political chapters will become easier, too.



And there are significant cooperation opportunities, namely in infrastructure and energy. Europe's gas imports are increasing year by year. To meet our expected growing demand in the future, it is paramount that we diversify our sources of gas. Turkey, on the other hand, has a key geographical location. It is near to many of the most important gas producers and is investing heavily in pipelines. This offers a win-win-situation for both: Turkey can become a major transit hub into the EU and the EU can reduce its supply problems and profit from a lower gas price as a result of increased competition between the exporters of gas!

BUSINESSEUROPE also applauds the investments in infrastructures and the Turkish government's ambitions to modernize the transportation and logistics sectors. This offers great co-operation opportunities for European companies.

Finally, ladies and gentlemen, stronger European and Turkish economic ties will be helpful to secure a common area of peace, stability and shared prosperity in the Euro-Mediterranean region. Different organizations have been created to promote this objective: the Euro-Mediterranean Partnership, the European Neighbourhood Policy and the Union for the Mediterranean.

Together with the necessary peace and the stability, we should not forget about the importance of the trade in goods within the region. By promoting a freer area and eliminating existing customs barriers between the EU and the member states of the Mediterranean, we could get an improvement of the economies of the region. In return, this will help to secure peace and stability and benefit us all.

Turkey is a central player to help develop this project. It can be a bridge between the EU and the region. Yes, the economies of Turkey and the EU are already deeply intertwined. But together we can even play a decisive role in promoting free trade at a regional level!

Ladies and gentlemen, let me conclude with a Turkish saying: "Patience is bitter, but its fruit is sweet." No doubt, for success to happen, you need patience and persistence! So I call on all of us, Turkish and European business people, to be persistent in pushing our governments to help further strengthen our economic ties!

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