

**REMARKS BY TURKISH PRIME MINISTER BULET ECEVIT  
AT THE U.S CHAMBER OF COMMERCE  
INTERNATIONAL FORUM LUNCH**

**LOCATION: U.S CHAMBER OF COMMERCE WASHINGTON, D.C**

**MODERATOR: TOM DONOHUE, PRESIDENT, U.S CHAMBER OF  
COMMERCE**

**TIME: 1:00P.M**

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PRIIME MIN. ECEVIT: (Applause,) Mr. Chairman distinguished guests, ladies and gentlemen. I am honored to have the opportunity to address such a prominent audience. The United States Chamber of Commerce, and its chairman and executive officer, Mr. Tom Donohue, have my sincere thanks for organizing this luncheon.

I would also like to thank the cosponsors of this event, the American-Turkish Council, the Turkish-American Business Council, the sister organizations working diligently to work to promote bilateral trade and economic relations. We highly commend the achievements of these two organizations under the able and proven leadership of General Scowcroft and Mr. Unger (ph) .

In the aftermath of the horrific events of September of 11 September, the world has increasingly recognized the remarkable strength and importance of the American-Turkish partnership. Due to its geographic location, Turkey finds itself at the center of many regional crises and conflicts. For this reason, Turkey maintains the second-largest army in the NATO defense system. A very significant portion of Turkey's defense equipment purchases go to American defense contractors.

The strength, dynamism and vitality of the Turkish economy distinguish Turkey as an emerging market. Thus, Turkey was invited to join the G-20. But during the last decade, political and economic crises of international and regional dimensions have had adverse effects on the Turkish economy.

As a consequence of the Gulf War, Turkey has lost over \$50 billion in its trade with its neighbours and traditional trading partners.

The Asian economic crisis, the economic crisis in Russia, two devastating earthquakes in Turkey and the developments after the tragic September 11th events did not help our efforts to correct the situation. However, we

have made substantial progress in opening our markets to the world and in restructuring our economy.

Since the establishment of our four or three-party coalition government, Turkey embarked upon an economic, administrative and legal restructuring program. New measures have also been introduced with a view to establishing important exemptions and incentives for international investors. According to a recently enacted law, there will be a single authority that investors will apply to, and all procedures will be completed within three months. Thus, the investors will complete all related procedures within three months, dealing only with one authority and without having to follow up their applications by going to different public institutions. Turkey also aims to achieve a healthier economy via the program implemented with the support of the IMF and the World Bank.

We now have a fully functioning customs union, with the European Union, which has the lowest tariffs average in the world. We are abiding by all our World Trade Organization obligations and we have completed major reform programs in restructuring and liberalizing our economy, including the banking and public finance reforms. Turkey now provides the legal framework that guarantees the free repatriation of capital in convertible currencies and eliminates double taxation. We have also granted foreign investors access to international arbitration.

Recent unfolding of developments have made the convergence of Turkish - American interests in the Eurasian geography all the more visible. As the main pillar of this vision, the Baku-Tbilisi-Ceyhan and Shah-Deniz pipeline projects provide an excellent base that we can build upon. Turkish firms remain active in Russia, the Balkans, the Caucasus, Central Asia and the Middle East and can serve as an excellent partner for American firms to investigate distribution and investment opportunities throughout the region.

We would also like to cooperate with the United States for the development of Afghanistan. Turkey and the United States are important agricultural trading partners, as well. The involvement of the U.S. business community in Southeast Anatolian region is very important. This integrated project creates an enormous opportunity for American business interests in agribusiness, food processing, textiles, energy, mining, transportation and a variety of services. We appreciate the American support especially during the last year, when we were faced with an economic crisis.

Our shared foreign policy objectives and priorities provide a strong impetus for improving economic and trade relations between Turkey and the United States. In fact, it has always been our objective to bring our economic and trade relations with the United States up to the level for the existing strategic alliance between our two countries. However, we still need to work further to bring our economic relations and bilateral trade up to this level. For example, the annual trade volume between Turkey and the United States is only about \$7 billion. United States is a very low share of the Turkish import market, with only 5 percent. American firms accounted for only 11.5 percent of foreign investments in Turkey in the year 2000.

We have liberalized our trade regime in capital markets. Through the customs union with the European Union, Turkey has dramatically reduced tariffs on American goods and materials. These measures resulted in a better access for American products as well. Turkey is one of the few countries with which the United States has a trade surplus.

While Turkey was taking these measures, American tariffs on Turkish imports remained high and intact, and Turkish exports to the United States still face significant non-tariff barriers.

We know that the trade represents a very sensitive issue in the United States, but we believe we can conclude a trade agreement that will benefit the economic interests of both countries. The existing forums and mechanisms have been adequate to achieve this goal. We are hoping that negotiations will start very soon to this effect.

We must also elaborate on the idea of establishing qualified industrial zones in Turkey, in order to encourage capital investment. As you know, the United States has such relationships with other countries in the area.

The presence here today of Cabinet ministers responsible for economy and trade, as well as our foreign minister, the undersecretary of foreign trade, chairman of the Turkish Chamber of Commerce, and leaders of the Turkish private economic and trade relations.

Recent tragic events have clearly demonstrated the importance of strong friendship between our nations. Turkey and the United States have stood together to confront 50 years of challenges. We have worked diligently to strengthen our defensive and strategic alliance. We must now devote the same energy to also developing our commercial and economic relations.

Thank you very much. (Applause)

MR. DONOHUE: Ladies and gentlemen, as you know, our program is very tight, but we have time for a few questions, and I promised the prime minister only to ask the easier ones. (Laughter.)

Would you take a moment, sir, to tell us about some of the meetings you've had since you've come to the United States, and particularly some of the discussions at the World Bank that appear to be so favorable?

PRIME MIN. ECEVIT: Yes, certainly. Thank you very much for this question.

First of all, I would like to say how much we appreciate the invitation by President Bush to Turkey. The whole Turkish public opinion was very happy that such an invitation came because our strategic alliance with the United States has been improving very much in the recent weeks and months, particularly after the tragic events of September 11th.

My program has started just today, this morning, sir. Therefore I haven't had yet a chance to talk with most of our friends here. But this morning we had a very fruitful, very warm-hearted discussion with Mr. Cheney, and then with the World Bank. And I have a heavy schedule ahead, to which I am looking forward.

MR. DONOHUE: That's wonderful.

PRIME MIN. ECEVIT: Thank you.

MR. DONOHUE: One of the challenges that you alluded to is developing a bilateral relationship, a stronger economic bilateral relationship with the United States to complement the extraordinary security relations that we're benefiting from right now. With all the people that listen, with the cameras and the press here what are the three two or three things that you would say to them: This is why the United States in addition to security issues, these are the economic reasons that we should go ahead and negotiate such an agreement right away.

This is a great opportunity to make a -

PRIME MIN. ECEVIT: Thank you very much for bringing forward this question, sir.

As you know, as you have said, we have a very close strategic alliance with the United States, sound basis, but I'm afraid our economic and trade relations have lagged behind this progress in our strategic relationship. And we - I'm convinced that if our strategic alliance is supplemented by stronger economic and trade relations, this will help not only our two countries but the whole region and the world as well.

And Turkey and the United States also are among the countries that guarantee security in the world. Therefore, our relations with the United States within the scope of NATO is very important, is of great importance for the West and for Turkey as a whole, and for Turkey and for our neighbors. And Turkey and the United States can contribute to development in Afghanistan – can and should contribute. Afghanistan has been badly neglected particularly during the Taliban regime, and even before that for a long time it had been neglected very much. It had turned into an anachronistic country during the (Taliban ) period.

But Afghanistan is a very important country strategically it should not be neglected. And the countries that are interested in Afghanistan should not do so far selfish reasons but for selfless reasons because, as I said, it's a very important country for the region as a whole and for the world as a whole.

I'm convinced that if Turkey and the United States cooperate for the development of Afghanistan, with the contribution of contractors in both countries, it will be a great service to that country. And of course I will help boost our own economies as well for that reason. The Turkish contractors are very much experienced. They have engaged in a great number of projects in Russia and the Southeast - in Central East Asian countries. So there are a lot of opportunities in which we can fruitfully cooperate for the whole world.

Thank you.

MR .DONOHUE : Thank you .

Now, time is tight, so I'm only going to ask two more questions, and they're both about world organizations. First of all, you've made some very constructive changes in your own parliament and your own economy. How are the discussions going with the IMF ? Are you feeling positive looking down the road a bit?

PRIME MIN. ECEVIT: Much better than the relations of Argentina.  
(Laughter.)

MR. DONOHUE: (Laughs.) Well, that's understandable.

PRIME MIN. ECEVIT: I am saying that because we have taken very seriously our discussions, our negotiations and our cooperation with the International Monetary Fund and the World Bank. Our relations have become very smooth. We have seen to it that with the IMF relationship, we should concentrate not only exclusively on the financial methods, but also on social methods. Social justice is very important in our particularly in our religion. In the whole, I can say that we have thus far been able to establish an exemplary cooperation with the IMF and for the World Bank.

MR. DONOHUE: Well, maybe you should call the folks in Argentina and explain how you did that.

Last question. In December, the leaders of the European Union gathered, and they had a lot of trouble coming to conclusions of issues. But one of the things they did is they made a list of people that are in line for membership in the EU, and unfortunately, the name of your country was not on that list.

Now the real challenge is, what can the United States and Turkey do, working together, to move your interest in the European Union forward? We believe it's important for the Union; we believe it's important for your country. And I happen to believe it's important for the United States. So a few comments on what would be very helpful for the audience.

PRIME MIN. ECEVIT: Our relations with the European Union are progressing in a rather satisfactory way. There are, of course, difficulties there are problems, as has been the case in other candidate countries.

I can say earnestly that the United States has given great support to our acceptance as a candidate country in the European Union. And recently or when I say "recently" since two and a half years we had a long – we had strenuous discussions, debates, with some European Union countries about the European Security and Defense Program. We had tough debates with several European Union countries. But in that case also the United States has helped us a great deal and has supported our cooperation with the United Kingdom on this matter. So that with one exception, with one sole exception all the European Union countries have come to accept the agreement that we have reached under the auspices of the United States.

Only for the time being, Greece has some reservations, unfounded reservations, in my view, but I'm sure it will not continue. Our claim is that even if we are – even when NATO, as a summit used by the European Union, it should guarantee that the European force, the European army, should not be used against Turkey.

Greece has objected to that. It's very interesting, because I'm sure that Greece does not have any intention of invading Turkey. So this does not sound a very convincing argument. I'm sure this will be covered also.

In short, our relations with the European - with the United States have been progressing in many fields, in a multidimensional way. And I'm sure that in the years ahead our partnership will show its positive effects on the whole world and on our work with the European Union.

Thank you very much.

MR. DONOHUE: Thank you very much.

PRIMME MIN. ECEVIT: Thank you. (Applause.)

MR. DONOHUE : Mr. Prime Minister, we look forward to meeting with your colleagues this afternoon to advance the agenda you've described. We wish you good fortune and much progress on the rest of your agenda while you're visiting our country.

Four years ago, when I first came back to the chamber, we hosted your predecessor and now we're very honored to have you here. But we expect to have you back as we move forward on a bilateral agreement and as we expand our cooperation economically and every other way. And we thank you very much for coming. We've been honored to have you here. (Applause.)

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