



## **When Turkey and Italy Do Business in New York: A Conversation with Ali Babacan, Deputy Prime Minister of Turkey**

Francesca Giuliani (May 21, 2012)



Turkey's Deputy Prime Minister for Economic and Financial Affairs, Ali Babacan met the Italian and Italian-American business community in New York at a meeting organized by the Confederation of Italian Entrepreneurs Worldwide at the Italian Trade Commission. "Our relationship with Italy is excellent, we are friends and we are perfect strategic partners," said Babacan.

On May 18, Deputy Prime Minister for Economic and Financial Affairs of Turkey Ali Babacan met Italian and Italian-American businessmen and press at the [Italian Trade Commission](#) [2]'s office in New York.



Organized by the Confederation of Italian Entrepreneurs Worldwide (CIIM) -- specifically by [CIIM's Eur-Asia-Med](#) [3] division -- the meeting took place two weeks after the [Italy-Turkey Economy Forum](#) [4] in Istanbul, an important international platform for the strengthening of links between Italian and Turkish firms, and shortly after Turkey's Prime Minister Recep Tayyip Erdogan's visit to Italy, on May 8, when Erdogan met Italian Premier Mario Monti and President of the Republic Giorgio Napolitano.

"I am sure that this meeting will be another important step to enlarge and strengthen the cooperation between Italy and Turkey, also thanks to the Italian-American business community in New York," stated Italian Trade Commissioner Aniello Musella in his introductory remarks.

Ali Babacan described the situation of the Turkish economy and underlined the development goals Turkey has accomplished over the last five years. Turkey is growing at an annual rate of 8.5% in 2011. The country is already the world's 16th economy and aims to become 8th over the next 10 years. The pro capita GDP of Turkey will grow from \$ 10,000 to over \$ 20,000 by 2023.

Turkey performed very well in 2008 and 2009, the toughest years of the most recent global financial crisis. Babacan explained that it is because of the ameliorated public system and the restructuring of financial laws, in particular those regulating the activities of banks: "Turkey made giant steps in the last few years, we have a stronger democracy, a stronger respect for civil rights, a better healthcare, but especially a very stable economy. Our banking rules are more severe than the ones of Europe and the US," he stated in his speech.

Babacan was introduced by CIIM Eur-Asia-Med's President Aldo Kaslowski, former President of the Italian Chamber of Commerce in Istanbul and member of [Tüsiad](#) [5], Turkish Industrialists and Businessmen Association, who described him as "the artifex of the economic goals achieved by Turkey, including the establishment of important synergies with the nearby countries and Italy especially."

Italian investment in Turkey began over 50 years ago with groups such as FIAT, Unicredit and Pirelli paving the way. More than 900 Italian enterprises are currently operating in Turkey, Italy's 4th commercial partner, with trade amounting to 21.3 billion dollars in 2011, with an 18% increment from 2010.

The privileged position of Turkey in the international scenario was a very important point of Babacan's presentation of Turkey, and a very enticing one for the attending businessmen, who were curious to learn more about it. Turkey is in fact the gateway between Europe and the Middle East, and is strengthening its relationships with African countries as well. The Turkish Embassies in Africa will be 33 by the end of 2012, and [Turkish Airlines](#) [6], now the third largest airline company of Europe, now has regular flights from Istanbul to Addis Ababa, Dakar, Johannesburg, Nairobi and Lagos, seeking to turn Istanbul into a major hub for African travelers.

The strategic position of Turkey is the reason why the World Bank's [IFC](#) [7] opened a regional office in Istanbul, and Coca Cola Company is managing 93 countries from their Istanbul office, including India.

As far as the EU accession of Turkey is concerned, answering to a question by Deputy Consul Dino Sorrentino about the state of the process initiated in 2004, Babacan stated: "We will of course bring our views into the Union, but we believe they will contribute to its richness."

On the future of the bilateral relations between Turkey and Italy, Babacan commented: "Our relationship is excellent, we are friends and we are perfect strategic partners."



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