SEMINAR

'TRADING WITH TURKEY'

20TH OCTOBER 1989 AT CONFEDERATION HOUSE

Introduction by Liam Connellan, Director General,
Confederation of Irish Industry

I would like to open by welcoming you, Ambassador, and your distinguished panel of speakers from a number of Turkish institutions concerned with investment policy, export promotion, import development, and banking.

We are very pleased indeed to have with us, Frank O'Connor from Coras Trachtala, who has wide experience of market development in Eastern Europe and the Middle East. Tim Crean of Sifco Turbine Components will illustrate his company's experiences in trading with Turkey.

May I also welcome a cross section of our own membership who by their presence here have demonstrated a tangible interest in the possibilities of increased trade with Turkey. To set the scene, we note that in the 1988 Ireland exported nearly £8 m of product to Turkey - of which the principal items were chemicals, data processing equipment, and telecommunications plant. In 1988, Turkey exported nearly £18 m worth of products to Ireland - predominantly clothing, fruit, and textile products. The object of our seminar today must be to explore how this two way trade flow can be improved for our mutual benefit.

In recent years, Turkey has become a very rapidly developing economy. Turkey has grown at a rate of around three times the EC average in the last seven years. G.N.P. grew by nearly 6% in 1984, 5% in 1985, 8% in 1986, more than 7% in 1987, and 3.4% in 1988. The reduced rate of growth in 1988 has been attributed by Turkish sources to lower levels of public expenditure within a programme of fiscal discipline in order to curb the rate of inflation. The reduction in Turkish public expenditure, parallels the Irish Government's achievements in reducing our Exchequer Borrowing requirements also.

An interesting indicator of the strength of growth of the Turkish industrial economy is the increase in electricity consumption by nearly 13% in each of the years 1987 and 1988. Communications networks within Turkey have been rapidly improved, with major projects for irrigation, electricity production, water supply and large housing projects. In Turkey, the industry share of G.N.P. has continued to increase from 31.8% in 1987 to 33.3% in 1988, whereas agriculture share of G.N.P. declined from 18% to 16.9% during the same period.

Ireland's success in export development in recent years is well known and needs little amplification here. In parallel with this, Turkish exports of goods rose 3.5 times from $ 2.3 bn in 1979 to $11.8 bn in 1988 - a yearly average increase of 20% for the period, compared to 4.5% for the European Community. These indicators illustrate the rapidly changing nature of the Turkish economy and the opportunities for investment and trade flow into and out of Turkey.

I am sure our panel of speakers today will give detailed information on the opportunities for improving trade relations between our two countries and I now have pleasure in handing over the programme to our distinguished panel of speakers.

Thank you.