

**Opening Remarks by Lystra N. Antoine
WBI Regional Coordinator, ECA**

Seminar on “Restructuring the Iron and Steel Industry”

8 - 9 August 2006, Ankara

Good Morning Mr. Undersecretary and Distinguished Guests

On Behalf of the World Bank Institute, which is the non-lending, capacity building arm of the World Bank, I am very pleased to welcome you to the third in a series of EU Accession seminars that WBI, in close coordination with the World Bank country team in Ankara is providing to Turkey.

As you will hear in greater detail from the Salih Bey, acting World Bank, Country Director for Turkey, this seminar is part of the support for Turkey’s convergence with the EU that the World Bank is providing to Turkey.

These seminars complement the policy advice and analysis of the Bank’s Country Economic Memorandum and are completely demand driven. After the last seminar in this series in March 2006, Minister Babacan, and Chief negotiator for Turkey asked that we adopt a menu approach to future seminars, ranging from large conferences to small working level seminars depending on the topic, while identifying appropriately placed and knowledgeable EU and other global experts to share their experiences with Turkey.

Today we continue this knowledge sharing approach in this working seminar, which will focus on sharing knowledge from other EU countries and China, a leader in the Iron and Steel industry, on how they restructured

their Iron and Steel Industries. Iron and Steel is an important industrial sector in Turkey and for convergence with the EU, the industry must be put on a sound economic footing to ensure that it will prosper in the wider union and compete on equal terms with other EU companies.

While state aid for restructuring the steel industry is not allowed under EU Law, the Union agreed on transitional arrangements which allowed Poland and the Czech Republic for instance to complete the task while minimizing the social problems and market disturbances. However, before being granted state aid concessions, Poland and the Czech Republic had to present national steel restructuring programs and individual business plans for companies, demonstrating how they would become viable without public support. Turkey, like those who've gone before, is developing its restructuring plans which will map out the route to commercial viability.

Let me take this opportunity to introduce the speakers that you will hear today and tomorrow. I will introduce them in the order in which you will hear them.

Salih Kemal Kalyoncu, Acting Country Director, World Bank, Ankara

Halil Ibrahim Akca – Deputy Undersecretary, State Planning Organization, who is no stranger to us.

Mehmet Bozkurt, Head of Section, Undersecretariat for Foreign Trade

Mr. Zunqing Yang, Deputy Secretary General, China Iron and Steel Association - an organization whose members are the major steel producers producing over 80 percent of China's steel production capacity. China as we know is the world's leading producer of steel. Mr. Yang has had a long and distinguished career in the metallurgical industry from Division Manager of China Metallurgical Import and Export Corporation, Division Director and Director General in the International Cooperation Dept. of Ministry of Metallurgical Industry, and later as Executive Director of Metallurgical Council of China Council for the Promotion of International Trade.

Mr. Ugur Tukmen, Investment Officer, International Finance Corporation (IFC), who has worked in the IFC for the past three years and has over 10 years experience in the private sector.

Mr. Jacques Soenens, Associate Director of EuroStrategy Consultants. Mr. Soenens was the deputy Head of the European Commission's Steel Task Force, responsible for overseeing the implementation of the European Community Plan for restructuring the EU 12's steel industry. In this role, he evaluated and monitored restructuring plans in Belgium, France, Denmark, Germany, Italy, Luxembourg, Netherlands, Portugal, Spain, United Kingdom and Greece. He has also participated in developing the guidelines applicable to the restructuring of the industrial sectors, particularly the steel industry, of EU candidate countries,

Jaroslav Raab, Managing Director, Steel Federation of the Czech Republic, a position he has held for over eight years. He has considerable knowledge and experience in the steel industry and was also Director of the Federation

based in Prague. He is a sought after speaker on the Czech Republic's experience with restructuring their industry, often presenting for the EC and in other European forums.

Romauld Talarek – President of the Board, Polish Steel Association, with over 20 years experience in the Steel Industry. Before his current position, Mr. Talarek was the Vice-President of the Association and Technology Manager at Steelworks, R&D Institute. He holds a PhD in metallurgy and taught at Silesian University of Katowice, and the Technical University of Silesia in Gilwice. He is the author of several publications, reports and presentations on technological aspects related the restructuring of the steel sector.

Today we will hear from these distinguished experts, how they restructured, the effects of this restructuring on employment, and complying with the Environmental legislation, notably the Integrated Pollution Prevention and Control Directive. We hope to address questions such as: how to deal with small scale producers during restructuring; how to finance the expectedly high cost of such restructuring; how other EU member countries handled these issues with the EC; and in a broader sense, how other countries in the world restructured their iron and steel industry in order to align themselves with the changing conditions and increased competition in the industry. We

will also hear of the considerations IFC makes when it looks at investments in this sector, and their assessment of the sector in Turkey.

We have designed the day and a half to be as interactive as possible. If there are questions that you have today, that are not addressed, please write them down and given them to us at the end of today. Tomorrow, we will begin with a presentation on Turkey's restructuring plan for its Iron and Steel Industry followed by comments on the plan from our experts, and a session of open question and answers.

Now I turn the microphone over to Salih Bey, Acting Country Director, World Bank, Ankara.