

**Opening Remarks by Mr. Salih Kalyoncu, Acting Director,
World Bank, Turkey**

Seminar on “Restructuring the Iron and Steel Industry”

8 August 2006, Ankara

Good Morning Mr. Undersecretary and Distinguished Guests;

I am very pleased to welcome you to the third EU Accession Seminar organized by the World Bank, through its World Bank Institute, together with the Turkish authorities.

On October 3rd 2005, Turkey began accession negotiations with the EU. That was a historical occasion for both Turkey and the EU. This step has been an important signal for financial markets and has created a firm anchor for the country’s development in the years ahead.

The World Bank over the past several years has actively partnered with the EU Accession candidate countries and the European Commission, in the enlargement process. The World Bank has promoted far-reaching economic and social reforms in the eight Central European and Baltic countries that joined the European Union (EU) on May 1, 2004.

The World Bank has supported the accession countries prepare for EU membership in three basic ways: i) financial support of government projects and programs through loans and grants, ii) advisory and analytical services, and iii) convening seminars and workshops to share experiences across EU members and candidate countries.

The Bank is supporting Turkey similarly in three different ways, with continued strong lending program and analytical work, in addition to a program of EU Accession Seminars. This seminar is the third in a series of events, which took off in March 2005. The first seminar, on “EU Accession Leadership” was targeted towards senior Government leaders in Turkey and brought a number of senior EU and former EU officials (including at ministerial level) to present cases on how their countries dealt with the accession and EU integration process.

The second event titled “Administrative Structures Adopted to Manage EU Negotiations” took place in March 2006. The seminar brought senior representatives from Poland, Czech Republic and Hungary who have recently acceded, and Romania, which is about to complete the process, to talk about their own experiences with administrative arrangements in the EU negotiations process.

We hope that these two seminars were useful in bringing the experiences of former and other EU candidate countries. And today we are happy to launch the third seminar on the restructuring of iron and steel industry, jointly organized with SPO.

The iron and steel industry is important for Turkey. As you know, Turkey is a global producer of steel; ranking 11th in total crude steel production in the world. Its production as a share of EU-25 is even larger, at about 11 percent. Representatives from the Turkish Government will present current status and issues in the Turkish steel industry. In addition, an IFC representative will provide the private sector perspective for the industry.

Global steel industry showed a remarkable production increase of almost 300 million tons during the last five years. Close to 80 percent of this increase was achieved by China, bringing its share in global steel production to 32 percent. Today we will listen to the Deputy Secretary General of the China Iron and Steel Association and learn more about the global developments in the sector and the Chinese experience.

The restructuring of the iron and steel industry in EU candidate countries is an important element in their preparation for accession. The industries have to carry out the necessary adaptation to be able to withstand the competitive pressure of the internal market. Such adaptation would involve capacity adjustments, social, technical and environmental considerations as well as restructuring the system of state aid. Today we will also listen to the representatives from Poland, the Czech Republic and Euro Strategy Consultants about the experiences of accession countries.

In closing, I take this opportunity to say that the World Bank is looking forward to continuing the dialogue and cooperation with the Turkish Government during this important period.

I wish you all a very successful seminar today.

Thank you.