

**Turkey Investment Climate Assessment  
Dissemination Meeting  
Friday, May 28, 2010**

**Opening Remarks  
Ulrich Zachau, World Bank Country Director**

Thank you, Ibrahim Bey. Thank you, all.

**Turkey's investment climate has improved in recent years.**

- Turkey has implemented some important investment climate reforms. YOIKK contributed significantly to these improvements.
- Turkey stands 73d in the World Bank Group's *Doing Business* rankings. These are *relative* rankings that compare the business climate in different countries. There have been more reforms in Turkey than in some countries, but less than in others.

Today, as the world emerges from the recent financial crisis and deep economic recession, the global investment environment is much more competitive and challenging than it was in the past.

**Further improvements in the business environment that encourage domestic and foreign investment will be even more important in the future.**

We, YOIKK and the Bank, have worked together closely over the last year. Today we will discuss the results of our joint work. **I would like to highlight briefly two priorities that emerge from this work:**

**First, further easing constraints on Small and Medium Enterprises (SMEs).**

- **This is about (a) finding and using skills, knowledge, and technology to increase productivity and competitiveness, and it is about (b) finance.**
- **One good example of how to overcome both constraints is right here in Ankara. At the Mamak waste disposal site, Ali Kantur and his firm use cutting edge technology to recycle waste more efficiently than virtually anywhere else in the world. They literally turn garbage and foul smells into gas for heating, oxygen, and tomatoes. Plus profits and jobs.**
- **This took SME entrepreneurship, technological knowledge and skills, and credit—in this case from a World Bank credit line. With systems increasing SME access to finance and promoting SME use of technology and skills, Turkey can have many thousands SMEs like the Mamak waste disposal site.**

### **The second priority is further improving regulation of business activity.**

- Progress has been made, for example, in facilitating business registration, simplifying taxation, and streamlining customs procedures. And YOIKK has played a key role in such improvements in business regulation in recent years.
- Yet businesses still talk about the regulatory burdens. It's hard to pin down. But it can be done. Examples include the Netherland and the EU's better regulation agenda.
- **The key is *a systemic and systematic* approach, devising a broad and widely shared regulatory reform strategy and putting top priority on implementing it over time. This will increase predictability, lower costs, and encourage investment.**

Together we, YOIKK our team, have been discussing these issues over the last several months. Some of the same issue, I expect, will receive further attention at the Investment Advisory Council meeting with the Prime Minister on June 10.

On behalf of our entire World Bank team, I would like to thank you, Ibrahim Bey, our colleagues in the Treasury, and all members of YOIKK for the close collaboration and partnership during preparation of this ICA report.

Thank you.