

Project Interview 8

Interviewee: Faruk Ekinci

Sector: Iron-Steel

Date: 20 September 2019

Location: Ekinciler Holding, Maslak/Sarıyer

Within the scope of the “Customs Union for SMEs” Project, we interviewed Mr. Faruk Ekinci who is representing the Iron-Steel Sector.

On 1949, Faruk Ekinci was born in Ceyhan, Adana. He completed his primary, secondary and high school education within Ceyhan and Adana. He graduated from Yildiz Technical University’s civil engineering department. On 1972, he started as a rolling mill manager in Karabuk, Turkey. On 1983, he became the general manager of Ekinciler Demir ve Celik Sanayi A.S., and then continued as the coordinator of Investment and Planning department. On 1986, he worked as the general manager of Ekco Ind. Inc., which was located in New York. After returning to Turkey on 1991, he became the chairman of the board of Ekinciler. He is still working as the partner chairman of the board in Ekinciler. In addition, he not only is the vice president of DASIFED, but also a member of civil associations like TUSIAD and TESEV.

We asked Mr. Faruk Ekinci;

- what the main problems are within the current Customs Union agreement for the Iron-Steel Sector,
- if there were any bottlenecks in the Iron-Steel Sector resulting from the lack of modernization of the Customs Union,
- what they expect from the modernization of the Customs Union,
- if he had any suggestions on how to benefit from this process and increase the competitiveness of SMEs.

Below, we present Mr. Faruk Ekinci’s response:

“Within the Customs Union Agreement, our sector does not have a quota problem. However, we can say that Turkey cannot benefit from the Agreement as much as it should. Turkey’s share in the EU’s Iron-Steel market is 5%, while the EU’s share in Turkey’s Iron-Steel market is 30%. The EU now has diminished this percentage to 3% and Turkey has not counteracted on that yet.

- The EU exports dumping products to Turkey. (AB, Türkiye’ye dumpingli ürünler sokuyor.)
- Turkey’s policies regarding this issue are bad.

- If you ask me what the CU has contributed to Turkey, my answer would be quality. Certificates given in Turkey are accredited. As a result of increased quality the productivity increased as well.
- Enterprises in our sector are very big. Each has around 400-500 employees. Even in rolling mills(haddehane) there are 150 employees.
- The sector does not produce value added products and the reason of that is Turkey's industrial policies are weak. At the same time, we are trying to produce products with low capacity. Profitability is low. Manufacturers cannot make investments.
- There is a huge amount of informality (kayıtdışılık) in the sector and it is encouraged because there is no auditing.
- There is no EU capital in the sector.
- Modernization of the Customs Union could be useful for our sector regarding the arbitration issue. For example, if there is a quota problem under current circumstances we normally go to the Commission when there is a dispute. Hence, it becomes a political dispute and gets a veto. Arbitration should not be political.
- For a long time there has been no incentives for the Iron-Steel sector in Turkey.