

TÜRKONFED's 10-Step Action Plan TÜRKONFED to Achieve Enhanced Competition of SMEs within the Customs Union

At the closing ceremony of the “Customs Union for SMEs” Project which is initiated by TÜRKONFED for SMEs to benefit from and to take active role on the ongoing modernization process between EU-Turkey, country reports were presented. The map of a possible modernization for Customs Union has been presented with a 10-step action plan. At the meeting where country reports were discussed, it was declared that “All global factors affecting current economic and trade relations require a comprehensive economic integration reflecting world’s facts, rather than a technical modernization of Customs Union between Turkey and the EU. Especially digitalization, climate policies and sustainable development should be key dynamics of modernization of Turkey- EU Customs Union.”

The closing ceremony of “Customs Union for SMEs” Project initiated by TÜRKONFED, was held in Istanbul, January 16th, 2020. At the meeting where country reports were discussed, it was declared that “All global factors affecting current economic and trade relations require a comprehensive economic integration reflecting world’s facts, rather than a technical modernization of Customs Union between Turkey and EU. Especially digitalization, climate policies and sustainable development should be key dynamics of modernization of Turkey- EU Customs Union.”

Within the scope of the project aiming SMEs to benefit and to take an active role during the process, a plan of action focusing on 10 topics to increase the competitive power of SMEs was stated:

SME chapter, Efficient Arbitration Mechanisms, Continuous Trade and Investment Monitoring, Implementation of the Customs Union, Inclusion of the Service Sector and Broadening the Scope of the Agriculture Sector, Foreign Direct Investment, Visa Liberalization, Inclusion of Public Procurement, One Stop Shops for SMEs, Climate- digitalization and sustainable development.

Ali Avcı: “We aim SMEs to benefit from the modernization of Customs Union at a maximum level.”

Delivering his opening speech, **the Vice Chairman of TÜRKONFED Ali Avcı** stated that as **TÜRKONFED**, they aim to strength collaboration and communication of public, business world and nongovernmental organizations and to help SMEs at worldwide level to benefit from the process at a maximum level in order to achieve modernization of the Customs Union. “In line with these goals, we formed a project team and an office with our Slovak partner Business Alliance of Slovakia; and we carried out research, sectoral analysis and study visits in Istanbul, Brussels and Bratislava” he continued. “One of the greatest outputs of these studies is the report we launch today, named Within the Customs Union Competitiveness of SMEs in Turkey and EU Countries. In this report, we present the current atmosphere, possible modernization, SME-based and sectoral analysis. As a result of these studies, I would like to highlight these topics for a possible modernization process: In accordance with “Think Small First” principle, a new perspective meeting SMEs’ needs by creation of an SME chapter and the creation of finance instruments to prevent obstacles arising from modernization, making of sectoral effect analysis in the face of modernization, achievement of active participation from both sides, establishment of problem solving mechanisms responding to potential problems and paving the way for active practices, inclusion of services and agriculture sector to the Customs Union and solutions for visa problems are issue of importance to us.”

Bahadır Kaleağası: “We should demand for a modernization including digital transformation, climate issues and social policies.”

Delivering his opening speech, **TÜSİAD Secretary General Bahadır Kaleağası** stressed out the importance of seeing future through Sustainable Development Goals: “In our efforts for modernization of the CU, the more we rely on Sustainable Development Goals, the stronger the solution we will find. At a time where we should reach Industry 5.0, we should demand for a modernization including digital transformation, climate issues, social policies and alignment with EU policies. You realize how vital it is when you look at EU policies. It is beneficial also for the EU to align Turkey with Sustainable Development Goals. In this context, there is smart cities, justice, democracy, gender mainstreaming, 5G, so on and so forth...”

Arzu Kütükçüoğlu: “Afterwards, business world will take place in modernization negotiations as an important actor.”

Turkish Ministry of Foreign Affairs Directorate for EU Affairs Head of Department of Single Market and Trade Arzu Kütükçüoğlu stated during her speech that Customs Union is an important step for Turkey’s integration goal to the EU and continued: “As you all know, both in benefiting from Customs Union’s true potential and in expansion of bilateral trade through elevation of problems, Turkey and EU came to terms; and in April 2014 technical studies began. The preparation process which was under the coordination of Ministry of Trade with contribution of our Ministry and all other related institutions & organizations, was very busy. Currently, we are waiting for the EU Council to authorize the EU Commission to start the modernization negotiations. Therefore, the busy schedule during 2014-2017 period left its place to a stagnation. We believe this stagnation period should be taken as an opportunity for the business world to be more active, because the business world has an undeniable power on EU. Moreover, the business world will have an important role in the modernization negotiations. We believe the work initiated by TÜRKONFED has a vital attempt especially for SMEs to contribute and to benefit from the modernization process.”

Bartosz Przywara: “This project is a very good example of productive collaboration.”

Delegation of European Union to Turkey, Head of Section of Trade and other EU policies Bartosz Przywara stated: “Although there have been political ups and downs, EU-Turkey relations have been strong. The trade between the EU and Turkey has increased over 4 times within last 24 years and today Turkey is the 5th among exporters of EU, and 6th among importers of EU. 3 quarters of foreign investment in Turkey comes from the EU. We are currently waiting for the modernization of the Customs Union between Turkey and the EU. This modernization will be beneficial for both parties. These kind of projects like the “Customs Union for SMEs” project are well conducted and support the effects. We find this project as a very good example of collaboration.”

Bahar Güçlü: “Projects that underline the gains from modernization of Customs Union supports the process.”

Delivering her speech, the **Turkish Ministry of Trade Deputy Director General at DG for International Agreements and European Union Bahar Güçlü** stated: “Customs Union have not only provided enhancement of trade but also provided advantages in Turkey’s legal basis for economy and investment. The EU’s own policies and its deepening has gone far beyond the Customs Union. The trade agreements signed with third countries have extremely deepened and the Customs Union fall behind of them. In accordance with these developments, we launched a process to catch up with today’s conditions and to overcome the deficiencies. Turkey is not a party of EU’s free trade agreements. Our export faces highway quotas. We agreed on a process offering win-win relations, yet, since 2016 we cannot continue the necessary negotiations. Today, both parties agree upon the economic gains coming from the modernization. At this point, just as TÜRKONFED’s “Customs Union for SMEs” project, projects highlighting the gains coming from modernization are very important”.

Following the opening speeches, a panel titled “New Perspectives on the Modernization of the Customs Union” under the moderation of **Çiğdem Nas, Secretary General of Economic Development Foundation (İKV)** was held. **Turkey Country Report Author Pelin Yenigün Dilek, Slovak Country Report Author and BAS Brussels Representative Erik Szedely** and **EDAM Chairman Sinan Ülgen** evaluated the report and presented their visions for the future of the process. The panel was followed by a discussion.

TÜRKONFED states their call for modernization of CU at all platforms

TÜRKONFED states their call for modernization of CU at all platforms and at negotiations with their EU partners. Lastly, at the report of European Economic and Social Committee (EESC) titled SMEs-Trade Development and Investment Environment. Opportunities between the EU and Turkey, TÜRKONFED expressed their opinion. The attention-grabbing report in terms of its call for modernization of CU, claims that an agreement meeting the 21st century’s requirements in line with democracy will strength Turkey’s economic management, will bring a desired economic convergence and will support Turkey’s integration with EU at a wider scale.

The report is available from the following link: http://cuforsmes.org/?page_id=308

Executive Summary is available from the following link: http://cuforsmes.org/?page_id=319