



UBCCE QUARTERLY BULLETIN

Winter 2009 N°8

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POINT OF VIEW

By Ceren Aydın,
Head of Relations with
Professional Organisations
and Regional Development
Unit, TÜSİAD

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UPCOMING EVENTS

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2008 was a turning point in the history of world economics and will be remembered as the year, the United States originated financial crisis became a global phenomenon spreading to all countries without exception. The new year that we welcomed all with high hopes, will be tough for all and the economic crisis will continue to occupy a prominent place in our agendas.

Leaving behind the discussions on the origins of the crisis, I believe that it will be more useful to look beyond and discuss the effective means of overcoming this difficult times. There are two possible main scenarios in front of us. The pessimistic one foresees the increase of state intervention in the economy with nationalizations and escalation of anti-globalism and protectionism. Regaining of the economic momentum and strengthening of an understanding of global regulations is the optimistic scenario. As the representatives of the private sector, we should all underline our belief for a progressive, participatory, balanced new period where market referenced global regulations will be valid.

Our Region is also inevitably influenced by the global recession. It is therefore very important to stand united at such troubled periods to overcome the difficulties encountered. I am confident that in its third year of existence, UBCCE, created with a far sighted vision of the private sector representatives of our Region, will increasingly continue to play its pioneering role as the voice of private sector by providing a broader vision for the Black Sea and Caspian, a Region which is becoming more and more focus of global attention thanks to its vast opportunities. The keyword for success is definitely **Partnership**.

Arzuhan Doğan Yalçındağ
TÜSİAD & UBCCE President

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Editor in Chief: Murat Zöngür Editorial Committee: Murat Zöngür, Seda Köknel

Union of Black Sea and Caspian Confederation of Enterprises

Meşrutiyet cad. No: 46 34420 Tepebaşı İstanbul TURKEY

Tel: (+90 212) 249 19 29 Faks: (+90 212) 292 53 75

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UBCCE Contacts

NOVEMBER' 08

- 5** Participation to the First Black Sea Youth Forum organized by Ari Movement *whereas UBCCE Vice President Ahmet Erentok delivered a speech.*
- 13** Meeting with Damir Perincic, Consul General of Croatia in Istanbul.
- 18** Meeting with H.E. Gordan Bakota, Ambassador of Croatia to Turkey.
- 26** Participation to the Balkan Economic Summit organized by the Association of Balkan Chambers.
- 26** Participation to TÜSİAD International Seminar on “Investment Opportunities in Bosnia Herzegovina in Tourism Sector” (See p. 17)

DECEMBER' 08

- 3** Meeting with José Romano Lopez, European Investment Fund *with presence of Arzu Turhan, TÜRKONFED Secretary General, Burcu Saraçoğlu, TÜRKONFED Advisor, Emre Tamer, SEDEFED Expert and Ceren Aydın, TÜSİAD Regional Development Department Chief.*
- 5** Participation to the South Korea Conference organized by TÜSİAD – Sabancı University Competitiveness Forum.
- 17** Meeting with Philippe Lorec, Deputy Director General, International Strategy Bureau, French Ministry of Finance, Economy and Industry.
- 22** Meeting with Ahmet Kıdeys, Executive Director of the Black Sea Commission and Nilüfer Akpınar, Public Relations.

JANUARY' 09

- 6** Participation to the Regional Innovation Centers Report Release. (See p. 19 - 21)
- 8** Participation to the Executive Committee Meeting of TÜSİAD International.
- 8** Interview with Daily Telegraph.
- 9** Participation to the Preparatory Meeting of the 5th World Water Forum to be held in Istanbul on March 16-22, 2009.
- 22** Participation to the General Assembly of TÜSİAD.
- 22** Participation to the BSEC Committee of Senior Officials Meeting.
- 23** Participation to the COP 14 Poznan Informative Meeting.

BLACK SEA & CASPIAN Events

10th Southeast Europe Economic Forum

Sofia, Bulgaria, November 5 – 6, 2008

4th Competitiveness Congress

Istanbul – Turkey, November 6, 2008

Second Kiev Security Forum “Black - Caspian Sea Region and European Energy Security”

Kiev, Ukraine, November 6-7, 2008

5th Vienna Economic Forum “Investment Possibilities in the Countries from the Adriatic to the Black Sea and the Caspian Region – Take the Real Chance”

Vienna - Austria, November 10 – 11, 2008

First Black Sea Partnership Forum For Cereals and Cereal-Based Products

Kiev - Ukraine, November 12 – 13, 2008

Fourth Energy Summit

Baku – Azerbaijan, November 14, 2008

EU Business in Russia: Trends & Challenges 2008/2009

Brussels - Belgium, November 25, 2008

17th Quality Congress

Istanbul – Turkey, November 25-26, 2008

First General Assembly of the Black Sea Euroregion

Constanta, Romania, November 26, 2008

Balkan Economic Summit

“The New Investment Environment in the Balkans”

Istanbul, Turkey, November 26 – 27, 2008

Azerbaijan – Turkey Business Forum

Baku, Azerbaijan, December 4, 2008

First International Summit “Corporate social responsibility: Strategy and the Best Practice of the Sustainable Development of Eurasia”

Kiev, Ukraine, January 27, 2009

World Economic Forum Annual Meeting 2009

Davos, Switzerland, Jan 28 - Feb 1, 2009

4th COMPETITIVENESS CONGRESS

Istanbul – Turkey, November 6, 2008

The 4th Competitiveness Congress was co-organized by TÜSİAD - Sabanci University Competitiveness Forum and Federation of Sectoral Associations (SEDEFED) on November 6, in Istanbul. During the Congress entitled “Global Expectations: Scenarios for the Turkish Business World”, experts and executives shared their views on the challenges faced by the global economy and the positions that the Turkish business community should take against them.

5th VIENNA ECONOMIC FORUM “Investment Possibilities in the Countries from the Adriatic to the Black Sea and Caspian Region – Take the Real Chance”

Vienna - Austria, November 10 - 11, 2008

The 5th Vienna Economic Forum was held in Vienna, Austria on November 10 – 11, with the participation of around 500 participants from 37 countries throughout the world. Deputy Prime Ministers and Ministers from the member countries, high ranking representatives from the Organization of the Petroleum Exporting Countries (OPEC), Energy Community Secretariat, Institute for European Training and Information, South - East European Cooperation Process, Regional Cooperation Council located in Sarajevo and UN Industrial Development Organization took part in the meeting. UBCCE was represented by Vice President, Ahmet Erentok who also delivered a speech in the Forum.

FOURTH ENERGY SUMMIT

Baku – Azerbaijan, November 14, 2008

The Fourth Energy Summit, a key energy summit aimed at promoting energy supply routes from the resource-rich Caspian region to world markets, took place on November 14, in Baku, Azerbaijan.

BLACK SEA & CASPIAN Events

The event concluded with the signing of a declaration by the presidents of Azerbaijan, Turkey, Georgia, Ukraine, Poland, and Lithuania. In conclusion of the Summit, Azeri President Ilham Aliyev stressed the special importance of the fact that the paper was also co-signed by Bulgaria, Hungary, Greece, Italy, Latvia, Romania, the United States, Switzerland, Estonia, and the European Commission.

EU BUSINESS IN RUSSIA: TRENDS & CHALLENGES 2008/2009

Brussels, Belgium, November 25, 2008

BUSINESSEUROPE and the Association of European Businesses in the Russian Federation (AEB) organized a joint seminar entitled "EU Business in Russia: Trends and Challenges 2008/2009" on November 25, in Brussels. At the seminar, the AEB gave a presentation on the state of the Russian economy and the role of the AEB. AEB representatives also elaborated some specific issues affecting European businesses in Russia, such as investment, energy and customs, but also visa and migration, SPS measures and the automotive sector.

FIRST GENERAL ASSEMBLY OF THE BLACK SEA EUROREGION

Constanta, Romania, November 26, 2008

Constanta County Council organized the First General Assembly of the Black Sea Euroregion in Constanta, Romania on November 26. Created within the framework of the initiative of the Congress of Local and Regional Authorities of the Council of Europe launched in 2006 in the Conference of Constanta, the Association aims to establish institutional basis of cooperation in the Black Sea area especially among local and regional authorities and become a strong and reliable voice to improve development in all fields in the region.

17th QUALITY CONGRESS

Istanbul – Turkey, November 25 - 26, 2008

The 17th edition of Quality Congress organized by TÜSİAD and the Turkish Society for Quality (KalDer) was held in Istanbul on November 25-26. The traditionally presented "Quality Award" given with the aim of spreading the philosophy of total quality management nationwide was presented this year to Akso Akrilik Chemicals Industry from Akkök Group of Companies.

FIRST INTERNATIONAL SUMMIT ON CORPORATE SOCIAL RESPONSIBILITY

"Strategy and the Best Practice of the Sustainable Development of Eurasia"

Kiev, Ukraine, January 27, 2009

The First International Summit on Corporate Social Responsibility (CSR) was held on January 27, in Kiev, Ukraine. The Summit's main objective was to create a permanent professional platform for leading European and Asian companies to exchange the latest experience gained in corporate social responsibility, to discuss the most pressing issues and trends in the development of CSR and to establish international CSR models and standards.

WORLD ECONOMIC FORUM ANNUAL MEETING 2009

Davos, Switzerland, Jan 28 - Feb 1, 2009

The World Economic Forum Annual Meeting 2009 was held in Davos, Switzerland between January 28 and February 1st, with a record numbers of participants from business, government and civil society. The five day meeting was held under the theme "Shaping the Post-Crisis World" and focused on managing the current crisis and shaping the entire post-crisis agenda, from economic reform to climate change.

BLACK SEA & CASPIAN Reports

EBRD Transition Report 2008 November 2008

The Transition Report presents the main economic and reform developments in the EBRD's countries of operations in 2007 and 2008. It also includes an assessment of how the global financial crisis is affecting the transition region. The special theme of 2008 is growth. Using various data sources, the Report looks at the roles that education, competition policy and export structure can play in shaping a country's long-term growth performance, and examines the experience and potential role of industrial policy.

World Bank World Development Report 2009 "Reshaping Economic Geography" November 2008

The World Development Report 2009 entitled "Reshaping Economic Geography", released on November 6, argues that the most effective policies for promoting long-term growth are those that facilitate geographic concentration and economic integration, both within and across countries. The Report challenges the assumption that economic activities must be spread geographically to benefit the world's most poor and vulnerable. According to the report, trying to spread out economic activity can hinder growth and does little to fight poverty. For rapid, shared growth, governments must promote economic integration which, at its core, is about the mobility of people, products, and ideas.

World Energy Outlook 2008 November 2008

The International Energy Agency (IEA) released on November 12, the World Energy Outlook (WEO) 2008, the latest edition of the annual IEA flagship publication. The WEO 2008 provides invaluable analysis to help policy makers around the world assess and address the challenges posed by worsening oil supply prospects, higher energy prices and rising emissions of greenhouse gases.

World Bank Global Economic Prospects 2009 - "Commodities at the Crossroads" December 2008

The Global Economic Prospects 2009, published on December 9, by the World Bank examines the impact of the financial crisis on GDP growth across the world, noting a marked slowdown everywhere, including in formerly resilient developing countries. Subtitled "Commodities at the Crossroads", the report finds that future demand and supply of key commodities like oil and food can be balanced given the right policies in the energy and agriculture sectors.

World Bank Policy Research Paper "Are All The Sacred Cows Dead? Implications of the Financial Crisis for Macro and Financial Policies" January 2009

The recent global financial crisis has shaken the confidence of developed and developing countries alike in the very blueprint of financial and macro policies that underlie the western capitalist systems. Emphasizing the importance of incentives and tensions between short term and longer term policy responses to crisis management, this paper draws on a large body of research evidence and country experiences to discuss the implications of the current crisis for financial and macroeconomic policies going forward.

Economic Survey of the Euro area January 2009

Strengthening the financial system in the wake of the current crisis is one of the key challenges discussed in OECD's latest economic survey of the Euro area, published on January 14. The survey looks at the policy options available to Euro area authorities for dealing with the economic slowdown. It focuses too on the challenges of creating more effective markets and institutions and raising living standards over the longer term.

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ECONOMY

Business Climate in Bulgaria

The business climate in Bulgaria reports decline of 0.6 percent in January, according to the Bulgarian National Statistical Institute. All branches of economy were affected - industry, construction, commerce, and retail. The slowest drop of 0.2 percent is in the tertiary sector, while company managers report of 10.1 percent decline compared to December 2008. Retail trade dipped by 1.3 percent, despite some rise of sales in the last three months.

Azerbaijan witnessed a rapid economic growth during the last five years

Statistics show that GDP and industrial production in Azerbaijan grew by 2.7 times during the last five years. GDP per capita increased from \$897 in 2003 to \$5800 in 2008. Consolidated budget increased by more than 10 times and reached \$16 billion. Currency reserves of the country increased by 11 times and equaled \$18 billion in 2008. Despite the apparent successes in economic spheres, the country faced substantial challenges in curbing inflation in the past two years. The Government had to deal with the 16.7 percent inflation in 2007, which exceeded 20 percent according to initial evaluations of last year.

Turkey to benefit from disinflation, lower current account deficit

Analysts estimate that the Turkish economy probably dipped into recession in the final quarter of last year, and thus have lowered their growth forecasts for 2008 and predict a one or two-point contraction in 2009. However, the painful economic rebalancing also brings benefits to Turkey, namely a reversal of inflation dynamics, with consumer prices now trending lower, and a much lower current account deficit. Economists project the current account deficit this year at \$17 - 18.5 billion, down from earlier predictions of \$46 billion. The

deficit for 2008 is estimated at \$42 billion, or 5.8 percent of GDP. In comparison, the lower deficit projected for this year would total approximately 3 percent of the GDP.

Global job losses could rise by 50 million in 2009

The global economic crisis could claim up to 50 million jobs worldwide by the end of this year, according to a report presented by the UN's International Labour Organisation (ILO) on January 28. In terms of percentages, that would mean the world's unemployment rate would reach 7.1 percent by the end of the year, compared with 6 percent in 2008 and 5.7 percent in 2007.

ENERGY

Budapest hosted Nabucco Summit

Hungary hosted a summit on January 27 to discuss the construction of the Nabucco gas pipeline. Representatives from the European Union, Caspian Sea gas producing countries and gas transit states gathered in Budapest have given new political impetus to the bloc's Nabucco gas pipeline from the Caspian region, designed as an alternative to the Russian distribution network. Leaders of the countries affected by the pipeline, which would flow from the Caspian region to Central Europe declared they would sign an agreement by June 30, covering the legal and technical aspects of the project.

The recent gas dispute between Russia and Ukraine over gas prices and a new contract on natural gas supplies affected around 20 European countries, and has prompted the European Union to intensify talks on the construction of an alternative gas supply route.

Turkey and Iran signed natural gas agreement

Turkey and Iran signed on November 16, a memorandum of understanding to improve cooperation in the field of natural gas and to launch current projects. With the agreement

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Turkey secures the operation rights of three gas fields in Iran's South Pars region to produce some 46 million cubic meters per day and to use half of that amount.

Armenian venture into Iranian gas in pipeline

Construction is to begin next year on a pipeline to deliver petrol and diesel from Iran to Armenia, the Armenian Energy Minister Armen Movsisian declared on December 22. The 300-kilometer pipeline will run from the Iranian city of Tabriz to the Armenian city of Eraskh, where a terminal is to be built. Armenia and Iran last year inaugurated a 150-kilometer pipeline intended to deliver 36 billion cubic meters of gas from Iran to Armenia over 20 years. It has yet to start operations.

Turkey, Bulgaria gas deal

Although Turkey and Bulgaria have reached a verbal agreement on emergency energy deliveries in the wake of the recent Russia-Ukraine natural gas dispute, the signing of a deal seems distant due to the absence of a direct pipeline between the two neighbors. Bulgaria, adversely affected by the dispute that has interrupted gas flows to the West, recently announced that Turkey had offered to provide the EU member country with 500,000 cubic meters of natural gas per day. Both countries have agreed in principle on natural gas deliveries and officials from Turkey's state-owned pipeline company Botaş and Bulgaria's Bulgargaz will soon begin negotiations to discuss technical details.

Turkish record in energy deals

Amid the onslaught of the global crisis, Turkey's energy deals prove to be a shield, says a report by PricewaterhouseCoopers. The country has set a new record with its energy deals worth \$6.6 billion last year. The first edition of "Energy Deals", which is an analysis of mergers and acquisitions in the Turkish energy market, aims to provide

current and future investors with an updated and a deeper insight on the deal activities in 2008.

Ceyhan - Red Sea oil project

Turkish Energy and Natural Resources Ministry is discussing the Ceyhan-Red Sea oil project with Israel and India. The Ceyhan-Red Sea oil project aims at transporting oil from Ceyhan to India with the combined use of sea transport and Israel's Ashkelon-Eilat oil pipeline.

Turkey's first nuclear tender to be cancelled due to high price-report

The tender for Turkey's first nuclear tender is likely to be cancelled due to the high price offer and a shift in the location of the plant from the south of the country to the northern Black Sea region. Turkey's state-run power company, TETAS is likely to submit a "negative" report for the price bid in the nuclear tender and submit it to cabinet for approval.

Iran seeks 10% share in Azeri gas field

Iran has submitted on January 10, a \$1.7 billion proposal for developing a part of the second phase of neighboring Azerbaijan's enormous Shakh Deniz offshore gas deposit according to the Iranian Deputy Oil Minister. Iran, the world's fourth-largest oil producer, also had a 10 percent share in developing the first phase of Shakh-Deniz. The second, \$10-billion-phase has been estimated to come on stream between 2011 and 2012.

Bulgaria gets €20 million to build gas link to Greece

The European Commission will grant €20 million to Bulgaria to link its pipeline system with that of Greece. The decision was taken at the Commission session of January 28. The money should be enough to lay pipes along the Haskovo-Komotini route.

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Merkel puts pressure on EU for Russian pipeline

German chancellor Angela Merkel has stepped up the pressure on the European Commission and member states to back a Russian - German gas pipeline project, rejecting claims that this would increase Europe's energy dependency on Russia. In a letter sent to Commission President Jose Manuel Barroso and to the Chairman of the EU Presidency Mirek Topolánek, Merkel calls for support for the controversial Nord Stream pipeline on the seabed of the Baltic Sea, arguing that the recent gas crisis shows the need for the project.

TRANSPORTATION

Kazakhstan and Azerbaijan sign deal on oil transportation system

Kazakhstan and Azerbaijan signed a deal on November 14, to set up an oil transport system across the Caspian Sea that will help get Central Asia's massive energy reserves to western markets and circumvent Russian territory.

New Nakhchivan route to Istanbul

Azerbaijan Airlines launched a route between Nakhchivan, an enclave between Armenia and Iran, and Turkey with a flight to Istanbul on December 24. Azerbaijan's Ambassador to Istanbul said during the ceremony held for the maiden voyage that the new route was created with the idea of offering Turkish businessmen new investment opportunities in Nakhchivan in mind.

COMPANIES

TAV to sell minority stake

TAV Havalimanları, the Turkish airport operator, aims to sell a 30 percent stake in its profitable ground-handling business to pay debts that fall due this year and fund new bids for regional infrastructure projects, the Financial Times reported on January 19.

Migros features amongst world's top 200 retailers

Deloitte has released its 12th annual retail ranking report, placing Migros Türk in 190th position, up from the 236th spot in the preceding fiscal year. According to the report, Migros' 2007 revenue was just under \$4.12 billion, with net revenue of \$475 million. Wal-Mart Stores, Inc. (US) topped the list with just under \$375 billion in retail sales, followed by Carrefour S.A. (France), with a total of more than \$112.6 billion in retail revenue.

France's Danone plans \$3 billion investment in Southeastern Turkey

Turkey has recently signed an agreement with Groupe Danone SA, the world's biggest yogurt maker, that will invest \$3 billion in the southeastern city of Diyarbakır. Paris-based Danone is waiting for the Finance Ministry to rule on whether it qualifies for incentives that are offered to Turkish companies making similar investments.

Bulgar - German joint cargo company

Bulgarian State Railways and Deutsche Bahn German Railways will set up a joint cargo company. Negotiations were carried out during the visit of Bulgarian transport minister in Berlin. The aim is to increase railway cargo volume between the two countries from 1 percent to 2 percent. The company will also attract transit cargo going through Bulgaria, which is part of the common strategy for infrastructural development.

Radioactive Waste Storage Facility to be Built in Romania

Romania will build Europe's largest storage facility for radioactive waste by 2050. Just in time to store the dozens of tons of radioactive waste that are currently stored in the Cernavoda nuclear power plant's temporary bunkers. Romania currently has two large storage facilities.

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Enerjisa and Verbund seal energy deal

Enerjisa, a venture between Sabancı Holding and Austrian partner Verbund, officially took control of the grid in Ankara at a signing ceremony on January 28, after winning a government auction in July with a top bid of \$1.225 billion.

Model Enerji plans to manufacture megawatt-class wind turbines

Istanbul-based Model Enerji plans to manufacture the 1.65-megawatt turbines, which utilize a doubly fed induction generator drive train, at a factory to be established in Ankara's industrial zone. In collaboration with two key Turkish partners, Pars Makina Ltd., and SNC Kalite Ltd., Model Enerji, plans to have its first prototype installed and commissioned by mid-2009 and to begin producing the turbines by the end of 2009.

Turkey's Akkok Group may invest up to \$1 billion in energy – paper

Turkey's Akkok Group, which owns power producer Ak Enerji, may invest between \$500 million and \$1 billion in energy projects, according to Dünya newspaper. The investment includes building a large natural-gas fired power plant. As Turkey's third-largest non-state power generator, Ak Enerji has already invested in eight hydroelectric power plants and one wind-fired plant.

Turkey, Chevron to discuss oil and gas exploration in Black Sea

The Turkish Petroleum Corporation (TPAO) will begin talks with US oil company Chevron over joint exploration for oil off the Black Sea coast. If TPAO and Chevron agree, this will be the second US company to be included in oil exploration in the Black Sea region. TPAO signed a deal with Exxon Mobil Corp. - another US oil company - for the joint exploration and development of oil and natural gas off Turkey's Black Sea coast.

Turkcell submits non-binding offer for Cosmofon

Turkey's top mobile operator Turkcell has submitted a non-binding offer for FYROM's Cosmofon. Telekom Austria, Slovenia's Telekom and Turkish fixed-line operator Turk Telekom have expressed interest in buying Cosmofon, which is owned by Greece's OTE. Turkcell's executive board has not made a decision regarding Cosmofon.

Tough year ahead for IT industry

The economic downturn will hit the Internet economy hard in 2009, according to the latest available OECD estimates. According to the IT Outlook 2008 the IT industry is likely to have grown by 4% at most in 2008 compared to the previous year. But with the outlook for the global economy worsening and business and consumer confidence plummeting, growth will remain flat or decline in 2009. The IT Outlook also analyses ICT trends and developments. Asia, Eastern Europe and Mexico are becoming increasingly important as both producers and new growth markets as manufacturers seek to lower their assembly costs of IT goods.

Intracom Bulgaria signs a € 15 million contract with BTC

Intracom Telecom, a part of Sitronics, through its subsidiary Intracom Bulgaria S.A., announced on January 21, the signing of an approximately €15 million contract with the Bulgarian Telecommunication Company (BTC), for the turn-key construction of telecommunication infrastructure works of its GSM network. Within the framework of the contract, INTRACOM Bulgaria has undertaken the provision of services and the supply of materials related to the built-out of BTC's GSM network. The project is expected to be completed within two years.

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EUROPEAN UNION

Czech Republic Takes Over Rotating EU Presidency

On January 1st, the Czech Republic took over the rotating presidency of the EU from France. During its six-month term, the five main priorities of the Czech presidency will be: competitive Europe, energy and climate change, open and safe Europe with a motto of "Europe without barriers", future of cohesion policy (post 2013) and the simplification of current Council and Commission Regulations, urban development and urban-rural relations.

For more information on the programme and priorities of the Czech Presidency:

www.eu2009.cz

Three EU states open up to Bulgarian, Romanian workers

The New Year has brought with it the lifting of restrictions for Bulgarian and Romanian workers in Greece, Spain and Denmark, but a number of EU states will be keeping barriers to their labour markets for three more years. Since Bulgaria and Romania joined the EU on January 1st, 2007, other EU member states have been able to restrict access to their labour markets for the "new" workers for a set period of a maximum of seven years, after which all of them must fully open up. For the first two years of their membership, Bulgarians and Romanians have faced such restrictions in most states, except for Cyprus, the Czech Republic, Estonia, Finland, Latvia, Lithuania, Poland, Slovakia, Slovenia and Sweden.

Commission Progress Reports released

Bilateral issues in the Balkans should neither obstruct Croatia or FYROM's progress towards joining the EU nor take precedence over EU integration, says the Foreign Affairs Committee in two resolutions, adopted on December 21, on Commission progress reports.

The committee also adopted a resolution welcoming the Serbian government's agreement to the deployment of an EU Rule of Law mission in Kosovo.

Montenegro Formally Seeks EU Accession

Montenegro has submitted a formal application for EU membership at a meeting with French President Nicolas Sarkozy on December 15.

6th meeting of the Intergovernmental Conference with Turkey

The sixth meeting of the Intergovernmental Conference with Turkey at ministerial level was held on December 19, in Brussels, following the start of negotiations on October 3, 2005. The EU Delegation was headed by Bruno Le Maire, France's State Secretary for European Affairs whereas the Turkish delegation was led by Ali Babacan, Minister of Foreign Affairs and Chief Negotiator. The Conference opened negotiations on two new chapters, namely chapter 4 on free movement of capital and chapter 10 on Information Society and Media, thus advancing further the negotiating process.

EU seeks broader ties with Armenia, Azerbaijan and Georgia in 2009

Brussels wants to enhance the EU's relations with Armenia, Azerbaijan and Georgia in 2009. In the absence of solid membership prospects, the question remains, however, whether the EU's ideas about enhanced relations will meet the expectations of leaders of the three Caucasus states, as well as create a framework that can improve Brussels' capabilities to address regional issues. The EU's vision for expanded cooperation was contained in a blueprint document distributed in early December by the EU Commission. The report deals with the three Caucasus states, along with Ukraine, Belarus and Moldova.

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The Eastern Partnership Proposal is expected to be formally adopted during a summit meeting of the EU and the partner countries in March 2009.

EU – Russia Summit

Nicolas Sarkozy and European Council and José Manuel Barroso, President of the European Commission, welcomed Dmitri Medvedev, President of the Russian Federation to Nice on November 14, for the EU-Russia summit, in the presence of the High Representative for the Common Foreign and Security Policy, Javier Solana, Commissioner Benita Ferrero-Waldner and foreign affairs ministers, Sergei Lavrov and Bernard Kouchner. The discussions focused mainly on Georgia, pan-European security and the international financial crisis.

New online system for business opportunities

European Commission recently started a new online system giving practical information for the companies, looking business opportunities in other countries in EU. The system works in all European languages and holds up data base for all member countries.

BUSINESSEUROPE

BUSINESSEUROPE President Seillière discusses European investment in Russia

On the eve of the EU - Russia summit in Nice, the EU-Russia Industrialists' Round Table held its 10th annual conference entitled "EU - Russia: Competitors or Partners in a Changing World" on November 12 – 13. At the event, attended by the President of the Russian Federation Dimitri Medvedev, BUSINESSEUROPE President Ernest-Antoine Seillière discussed strategic issues influencing EU - Russia economic cooperation with the President of RUIE (Russian Union of Industrialists and

Entrepreneurs) Alexander Shokhin, Russian Minister for Industry and Energy Victor Borisovich Khristenko and EU Commissioner for Trade Catherine Ashton. Seillière called for a clear signal that the Russian government remains committed to rules-based international trade and investment.

BUSINESSEUROPE strengthens contacts with the EESC

BUSINESSEUROPE Director General Philippe de Buck met on December 16 recently appointed Secretary General of the European Economic and Social Committee (EESC) Martin Westlake together with new Vice-President in charge of communication Irini Pari who exchanged views on how to communicate Europe and discussed future collaboration between BUSINESSEUROPE and the EESC.

EBRD

EBRD gives a loan of \$50 million to Ukraine

EBRD gives a loan in size of \$50 million to the joint-stock company "State export-import bank of Ukraine." Credit money will be directed on financing of large and middle projects in the field of improvement of power efficiency and use of renewable energy sources in the amount up to \$5 millions each. This credit is continuation of credit, given to the Ukreksimbank, within the framework of the Ukrainian program of increase of power efficiency in 2007. Primary objective of the project is to help to reduce an energy consumption in Ukraine, which more than three times exceeds middle within the European Union.

WORLD BANK

Launch of "World Bank Green Bonds"

The World Bank recently launched its first "green bonds" designed to raise additional funding for projects or programs that

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support low-carbon activities in client countries. In partnership with SEB, a North European financial group serving some 400,000 corporate customers and institutions and five million private individuals, the World Bank raised approximately \$350 million via several key Scandinavian institutional investors. quarter's new "green" disbursements to support eligible projects.

WB supports Turkey's Competitiveness and Employment Program

The WB approved on December 16, a second Competitiveness and Employment Sector Development Policy Loan (CEDPL 2) for Turkey in the amount of € 342.8 million. The CEDPL series of loans supports the Turkish Government's program of legal, institutional, and structural reforms aimed at promoting growth and job creation. The second operation in the series, CEDPL 2 supports policies implemented since mid-2007, in three broad areas: Investment Climate; Financial Sector and Employment and Skills.

Grant Competition for NGOs announced in Kazakhstan

The WB Country Office in Kazakhstan announced the launch of the grant competition under the Civil Society Social Development Fund for a total amount of \$45,000 for nonprofit, nongovernmental, nonacademic organizations of the Republic of Kazakhstan. Any institution involved in development broadly defined may apply for a grant. Usually individual grant can not exceed \$5,000. Applications are accepted in the Bank Offices in Almaty and Astana till March 16.

World Bank Launches New Partnership Strategy with Moldova

The World Bank approved on January 30 the Country Partnership Strategy for the Republic of Moldova for 2009 - 2012.

Development assistance efforts in Moldova over the next four years will aim to support a sustainable growth strategy, which capitalizes on opportunities for remittance flows to be used productively to allow the country to increase private savings and investment.

BILATERAL

Azerbaijan President visited Turkey

Azerbaijani President Ilham Aliyev paid a visit to Turkey on November 5. This visit was Aliyev's first overseas state visit after being re-elected on October 15. President Aliyev met with President Abdullah Gül and Prime Minister Recep Tayyip Erdoğan, and addressed the Turkish parliament.

Turkey - Montenegro sign Free Trade Agreement

Turkey and Montenegro signed a free trade agreement on the sidelines of the Balkan Economic Summit held on November 26 – 27, in Istanbul. Turkish State Minister Kürşad Tüzmen and Montenegro's Development Minister Branimir Gvozdenovic signed the protocol, which Tüzmen characterized as "an important step" amid a global financial crisis.

Turkish State Minister visited Baku

Turkish state minister Kürşat Tüzmen paid a two-day visit to Baku, Azerbaijan on December 4 - 5 with a delegation comprised of 135 businessmen. In the framework of the visit, Minister Tüzmen also attended Eighth Economic, Information and Cultural Forum of the Turkic World and Turkish - Azerbaijani Business Forum co-organized by Azerbaijan's Ministry of Economic Development, AzPromo (Azerbaijan Export and Investment Promotion Foundation) and Turkish Embassy in Baku.

BLACK SEA & CASPIAN Agenda

Turkish and Armenian leaders take 2008 Peace and Sport Award

Turkish and Armenian Presidents were awarded on December 5, for a peace and sports prize for their landmark meeting in September. Turkish President Abdullah Gül and his Armenian counterpart Serzh Sargsyan were awarded in the International Peace and Sport Forum's 2008 session in Monaco for their landmark meeting in Yerevan in September. Gül and Sargsyan were awarded for a photograph of the historic handshake during the qualifying match for the Football World Cup between Turkey and Armenia.

Armenian President visited Bulgaria

Within the framework of the official visit to Bulgaria, President of Armenia Serzh Sargsyan and his Bulgarian counterpart Georgi Purvanov participated December 10, in a concert of Bulgarian and Armenian distinguished art figures in Sofia's "Bulgaria" concert hall. Late in the evening in the residence of President of Bulgaria an official dinner was served in the honor of the first official visit of Armenian President Serzh Sargsyan to the Republic of Bulgaria.

Session of the Commission for Railway Infrastructure Coordination and Development and Facilitation of the Border Procedures between Bulgaria and Serbia Took Place in Belgrade

The sixth session of the Mixed Bulgarian - Serbian Governing Committee for railway infrastructure and development and facilitation of the border procedures along the pan-European Corridor X took place in Belgrade, Serbia, on December 12. The Bulgarian delegation was led by the Deputy Minister of Transport Daniela Nikiforova and by the State Secretary of the Ministry of Infrastructure of the Serbian Republic Raiko Perić for the Serbian side. During the meeting each of the countries presented information for the condition of the projects for improvement of the border -

infrastructure and the railway network along corridor X, as well as for the future initiatives for its development.

Turkish PM Erdoğan's Brussels Trip

Turkish Prime Minister Recep Tayyip Erdoğan visited Brussels on January 18 – 19, to discuss Turkish - European relations. Erdoğan held meetings with Enlargement Commissioner Olli Rehn, European Commission President José Manuel Barroso, High Representative of Common Foreign and Security Policy Javier Solana, and President of the European Parliament Hans Gert Pottering. He also spoke with representatives of the Turkish community, gave a talk at the European Policy Center, and delivered the keynote address at a dinner organized by Friends of Europe.

Georgia wants Turkey's TRT to broadcast in Georgian

Georgia's State Minister for Diaspora Affairs said on January 23, his country desired Turkey's state-run radio and television network TRT to start broadcasts in the Georgian language.

Kazakhstan to supply nuclear fuel to India

Kazakhstan and India signed on January 24, an agreement on civilian nuclear cooperation. Under the agreement Astana will supply nuclear fuel to Indian atomic plants. Kazakhstan ranks second in the world in explored uranium reserves, and mining output rose nearly 30 percent last year. India, meanwhile, ranks in the top 10 globally in number of nuclear reactors, and has been looking for supplies to fuel them. The deal makes Kazakhstan the fourth country aside from the United States, France and Russia to supply India with uranium.

Turkish State Minister visited Iran

Turkish State Minister, Kürşad Tüzmen paid visit to Iran between January 26 and 29, with a delegation comprised of 160 state and

BLACK SEA & CASPIAN Agenda

non-state people, and attended a seminar on improving economic and commercial cooperation between the two countries. Minister Tüzmen stated that Iran's Vice President said that his country would reduce customs tariffs within the context of the Economic Cooperation Organization Trade Agreement (ECOTA) as soon as possible.

Turkish President to pay a two-day visit to Russia in February

Turkish President Abdullah Gül will pay a visit to Moscow in February upon an invitation from his Russian counterpart Dmitry Medvedev. Bilateral ties and regional issues, including security and cooperation on energy, will be high on the agenda during Gül's meeting with Russian officials between February 12-15.

POLITICS

Turkish Minister for EU Affairs

AK Party Vice Chairman and Istanbul MP Egemen Bağış was appointed on January 9, as Minister of State to lead Turkey's negotiations with the EU. In a written statement made by the Press Center of Prime Ministry, it is announced that Egemen Bağış is appointed as Minister of State and "Chief-negotiator" for the full membership negotiations with EU officials.

Constitutional amendments proposed in Romania

President Traian Basescu proposed several amendments to the constitution on January 14. He suggested that a single-chamber parliament replace the current two-chamber structure, saying the current ones are similar in terms of representation and election cycles. He added membership in the European Parliament is enough to guarantee a good representation of Romanians' general interests and to stop any abuse of power. President Basescu also favours a change to the country's current administrative system, which includes 41 counties and the capital.

He proposed a new structure consisting of "9 to 12 regions or counties."

ELECTIONS

US Presidential Elections

The democrat senator Barack Obama won the presidential elections from USA becoming the first afro-american president from the USA history.

Romanian Legislative Elections

Legislative elections were held in Romania on November 30. The Democratic Liberal Party (PDL) won most seats in both the Chamber of Deputies and the Senate, although the alliance headed by the Social Democratic Party (PSD) won a fractionally higher vote share. President Traian Basescu on December 15, appointed PDL leader Emil Boc as Romania's new Prime Minister, after the previous prime minister-designate.

Upcoming elections

- Montenegro, Parliamentary, March 09
- Moldova, Parliamentary, March 09
- Turkey, Local, March 09
- FYROM, Presidential, April 09

MULTILATERAL

G-20 Leaders Summit

The G-20 Leaders Summit on Financial Markets and the World Economy took place on November 14-15, in Washington, D.C. It achieved general agreement amongst the G-20 on how to cooperate in key areas so as to strengthen economic growth, deal with the financial crisis, and lay the foundation for reform to avoid similar crises in the future. The Summit resulted from an initiative by French President Nicolas Sarkozy and British Prime Minister Gordon Brown.

From Members

ATIB - Azerbaijan

ATIB joins the UN Global Compact

ATIB has recently joined the UN Global Compact with a view of advance respect to human rights, labour, environment and anti-corruption within its sphere of influence. ATIB has taken commitment to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of its organization. The objectives of UN Global Compact are to mainstream the ten principles in business activities around the world as well as catalyze actions in support of broader UN goals, including the Millennium Development Goals.

BIA – Bulgaria

IN-5 Annual Awards

The IN-5 annual awards were launched in 2005 on the occasion of the 25th Anniversary since the foundation of BIA. The name of these awards reflects the five basic poles of the economic prosperity – **IN**dustry, **IN**vestments, **IN**novations, **IN**itiative and **IN**tellect. The awards are bestowed in three classes and companies, organizations, scientific teams, media while physical persons are awarded for their contribution to the Bulgarian economy's development. Submissions for participation in the contest are accepted every year with a deadline March 31. The official ceremony is held on April 25 – the birth date of BIA, and the awards are presented in the attendance of high representatives of the legislative and the executive authorities of Bulgaria.

BIA visit to Greece

In the framework of BOSMIP II program, two BIA executives visited SEV and had a series of meetings with SEV executives, as well as with several public and private institutions, such as the Ministry of Development, Invest in Greece.

BIA participated to the EESC Meeting

BIA President Bojidar Danev was one of the speakers during the 449th Plenary session of The European Economic and Social Committee on December 3 – 4, in Brussels. Speakers in the session were also Jean-Pierre Jouyet, French Minister of State for European Affairs, on behalf of the Council Presidency, and José Manuel Barroso, President of the European Commission. The accent of the Forum was put on the EU proposed anticrisis measures in the sphere of the economy.

SEV - Greece

SEV hosts an event on “Sustainable Development and Climate Change”

SEV hosted an event on “Sustainable Development and Climate Change” on November 26, in Athens, Greece, with keynote speaker the British economist and academic Sir Nicholas Stern, the well-known author of the Stern Review, a 700-page report published two years ago on the impact of climate change on the global economy. The event was organized in collaboration with Megaron Plus, was sponsored by the Lambrakis Foundation and was attended by representatives of the state, the business sector, the academic community and civil society.

SEV launched a Business Council for Sustainable Development

SEV leads the way towards a sustainable future with the launch of a “Business Council for Sustainable Development”, on November 11. The new “SEV Council for Sustainable Development” comprises 31 companies as founding members, mainly from industry and processing, which have committed to gradually implement and disseminate a 10 principle Code for Sustainable Development.

From Members

Greek delegation visit to Iran

SEV participated in a business delegation to Iran organized by the Hellenic Ministry of Foreign Affairs, on December 5-6. Both Iran and Greece enjoy an excellent status of cooperation on political level, while the bilateral economic relations are growing fast, reaching a trade volume of €2 billion 2007, which mainly consists of oil products imported to Greece. New investment opportunities arise in the sectors of energy, constructions, chemicals and pharmaceutical products, fisheries, maritime transport, tourism and telecommunications.

In the framework of the visit, Ioannis Patsiavos, Director of International Relations of SEV met with Mohammad Otaredian, President of ICEA and Shohreh Tasdighi, ICEA International Relations Advisor and discussed on the future of Greek – Iranian cooperation and the Iranian participation in the next UBCCE Business Forum, which is to be held in Fall 2009, in Athens.

SEV delegation visited Russia

SEV organized, on November 27 – 29, a business delegation in Moscow in the context of the Second Bilateral Meeting of the Greek – Russian Business Council.

18 entrepreneurs from the sectors of energy, constructions, pharmaceutical products, telecommunications, tourism, legal and business consultancy, film productions, automotive and real estate met with their counterparts and reaffirmed that the mutual business interest between Russian and Greek companies remains vibrant, despite the global economic crisis which affect both countries. The next bilateral meeting will be held in Athens during the first half of 2009.

Greek – Egyptian Business Council

SEV, in cooperation with the Greek – Egyptian Business Council, organized a closed discussion with the Egyptian Minister of Industry and Investments, Rachid

Mohammed Rachid. This was the fourth meeting organized by SEV with Egyptian government officials reflecting the active interest and the will to promote furthermore the bilateral economic relations. The discussion involved the issues of an industrial park for Greek investments in Egypt, the role of the two countries in the Union for the Mediterranean and the proposals for projects and investments on the sectors of energy and renewable resources, new technologies and innovation as well as transport infrastructure.

Workshop on “Advancing Competitiveness: A National and Global Challenge”

SEV, in cooperation with the Embassy of Finland in Athens, organized a workshop on “Advancing Competitiveness: A National and Global Challenge” on November 25, 2008. Executives from the Finnish public and private sector presented the Finnish and Nordic model of development and competitiveness stressing the factors and the steps followed for its success, while their Greek counterparts developed a plan towards a new development model, which will involve innovation and corporate social responsibility.

ICEA - Iran

ICEA Participated at the ITC Event

The International Training Centre of the ILO, located in Turin-Italy, organized a tripartite workshop on the topic of "training policies and management of training systems", held in Turin Centre, plus study tour in Munich-Germany and Verona-Italy, from November 24 to December 5.

ICEA was also represented in the workshop which was very useful in analyzing some of the most important issues in the training and skill development faced by governments and private sectors in developing and transition countries.

From Members

Upcoming International Forums to be attended by ICEA:

-The ILO, International Labor Organization is organizing a "Global Dialogue Forum on Decent Work" scheduled to be held in Geneva on February 17 - 18. ICEA has been invited by the IOE, International Organization of Employers, to represent Iran in the Forum.

-ICEA has also been invited by IOE to attend the Tripartite Technical Workshop on the "Impact of the Food Price Crises on Decent Work", organized by ILO, due to be held on March 5-6, in Geneva.

-The Internship Course, organized by the International Institute for Labor Studies, will be held in Geneva from May 14th to June 3rd. From Iran, ICEA has been invited to be represented by a nominee. For this purpose, ICEA has designated and introduced its candidate to the organizers of the event.

ICEA held a meeting with the Turkish Embassy in Tehran

ICEA President held a meeting with the Counselor for Trade and Commercial Affairs of the Turkish Embassy in Tehran on January 26 and discussed on matters of mutual interest, including strengthening trade ties and promoting close cooperation between the two countries.

TÜSİAD – Turkey

Arzuhan Doğan Yalçındağ re-elected as TÜSİAD President

TÜSİAD's 39th General Assembly was held in Istanbul on January 22 where Arzuhan Doğan Yalçındağ was re-elected as President for another two years term. During the Assembly, Zafer Ali Yavan, TÜSİAD's Ankara Representative was appointed as the new Secretary General of the organization, replacing Dr. Haluk R. Tükel, running the post since 1994, who became advisor to the President.

NEW RELEASE

Nano technology Report

"Nano technology and Turkey" Report prepared by TÜSİAD and Sabanci University Competitiveness Forum was presented on November 20. The Report prepared within the framework of TÜSİAD Reports on "International competitiveness Strategies" takes a close look into the global development of nano technology and the opportunities it may create for Turkey.

CONFERENCES & SEMINARS

Seminar on Turkish Economy in Paris

TÜSİAD, together with the Center for Future International Studies and Information (CEPII), held a conference in Paris, France entitled "The Turkish Economy in Confronting Slowing Global Growth" on November 14. Opening comments were made by Minister of Trade and Commerce, Zafer Çağlayan, and General Secretary of the International Diplomatic Academy and former Ambassador to Turkey, Jean-Claude Cousseran.

TÜSİAD International visited China

TÜSİAD International, the strategic business development unit of TÜSİAD, paid a visit to Beijing and the industrial and port city of Qindao between November 17 – 20. Common Events were organized in cooperation with EUCCC (EU Chamber of Commerce in China) and ACFIC (All China Federation of Industry and Commerce) including "China-Turkey: Looking at Energy and Economy" in Beijing and "China-Turkey Cooperation Forum" in Qindao. Within the framework of the visit, TÜSİAD International delegation also visited Qindao Economic Development Zone.

Seminar within BOSMIP II Project

TÜSİAD and TISK together with BUSINESSEUROPE organized an education seminar on November 20 - 21 on

From Members

“Energy and Transport” within the framework of EU Commission backed BOSMIP II Project.

Investment opportunities in BiH in Tourism Sector Seminar

TÜSİAD International organized on November 26, a seminar on investment opportunities in Bosnia and Herzegovina in cooperation with Foreign Investment Promotion Agency of Bosnia and Herzegovina in Istanbul. The seminar which included presentations on specific investment projects in BiH was supported by FIAS (World Bank Group – Foreign Investment Consultancy Services Institution).

E-Turkey Awards

On December 2, TÜSİAD and the Turkish Informatics Foundation (IBV) co-hosted the sixth “e-Turkey Awards”. This annual event aims to develop and expedite the process of Turkey’s transformation in line with its EU reform process, towards increased competitive and knowledge-based e-services.

BUSINESSEUROPE Presidential Council

President Yalçındağ participated in the BUSINESSEUROPE Presidential Council held in Paris on December 4–5. BUSINESSEUROPE Representatives had the occasion to meet with French President Nicolas Sarkozy running the EU Presidency where measures against the global crisis were high on the agenda. During the Meeting the European private sector representatives presented President Sarkozy a document comprising the priorities of the business community where the support for the enlargement of the EU was also underlined.

Global Economy and Turkey Conference

TÜSİAD, Foreign Economic Relations Board and Istanbul Stock Exchange co-organized on December 15, a conference

entitled “Global Economy and Turkey”. The latest developments in the global economy and its impact on Turkey were discussed by participants including TÜSİAD Chairwoman Yalçındağ, OECD Secretary General Angel Gurría, TOBB and DEİK President Rıfat Hisarcıklıoğlu and IMKB President Hüseyin Erkan.

Conference on Global Financial Crisis and Monetary Policies

TÜSİAD - Koç University Economic Researches Forum organized on December 17, a conference entitled “Global Financial Crisis and Monetary Policies”. The Conference focused on the ongoing global financial crisis from Federal Reserve bank (FED) and Turkish perspective.

Bosphorus Prize

TÜSİAD’s Bosphorus Prize for “European Understanding” was presented to Emma Bonino, former Foreign Trade Minister of Italy and Vice Chair of Italian Senate by Turkish Minister of Foreign Affairs, Ali Babacan with a ceremony held on December 18. TÜSİAD presents the Bosphorus Awards since 2003 to institutions or personalities who contribute to the EU bid of the country.

Regional Innovation Centers Project

TÜSİAD, TÜSİAD - Sabancı University Competitiveness Forum, “National Innovation Initiative” set up in coordination with Turkish Enterprise and Business Confederation (TÜRKONFED) a project on the establishment of sector-based Regional Innovation Centers to increase the competitiveness in the regions that play a crucial role in regional development. The public announcement of the project was made in Istanbul, on January 6, with a Conference where participants shared their views on the issue. (Details of the Project on pages 19 – 21)

REGIONAL INNOVATION CENTERS PROJECT

By Ceren Aydın,
Head of Relations with Professional
Organisations and Regional Development
Unit, TÜSİAD

In a remarkably short period of time, economic globalization has changed the world economic order, bringing new opportunities and new challenges. In this new economic order, countries can not compete unless they become more inventive, react better to consumer needs and preferences and innovate more. Innovation has become the key factor in maintaining sustainable growth and increase in competitiveness. All over the world and particularly, in the EU, concrete steps have been taken, national strategies have been prepared and Innovation Centers have been set up.

Instead of preserving established structures, that have shown themselves unable to cope with the challenges of the 21st century, countries must be ready to invest in anticipating and accompanying structural changes. This requires in particular a reallocation of resources to education, ICT, research and to the creation of high value jobs and growth. Countries can only become comprehensively innovative if all actors become involved and in particular if there is market demand for innovative products.

This is because the innovation process involves not only the business sector, but also public authorities at national, regional and local level, civil society organizations, trade unions and consumers. Such a wide partnership for innovation will create a virtuous circle, where supply of new ideas and demand for new solutions both push

and pull innovation. All forms of innovation need to be promoted, for innovation comes in many forms other than technological innovation, including organizational innovation and innovation in services. In this context, while increased competition constitutes the most efficient instrument to stimulate innovation, policy measures and innovation support mechanisms may also have an important role to play.¹

Thus, TÜSİAD, TÜSİAD - Sabancı University Competitiveness Forum (REF), “National Innovation Initiative” set up in coordination with REF and Turkish Enterprise and Business Confederation (TURKONFED) which was initiated with 6 regional and 3 sector-specific federations have started a project on the establishment of sector-based Regional Innovation Centers to increase the competitiveness in the regions that play a crucial role in regional development.

The aim of the project is to increase the competitiveness of Turkey in global economy, taking into account the importance of competitive clusters and innovation, based on R&D, to activate the local stakeholders for establishment of Regional Innovation Centers in the light of international models and provide the establishment of 15-20 Regional Innovation Centers that will perform as the interface bodies. In addition, these centers will have an effect on decreasing the regional disparities in terms of development and growth based on innovation. Thus, these centers will use innovation as an important tool for regional development.

Regional Innovation Centers will work to enhance the cooperation between industry and universities, to increase competitiveness by means of innovation in selected sectors, to prepare regional innovation strategies, to

¹ A broad-based innovation strategy for the EU, COM(2006) 502 final

support innovation and R&D projects in the region on selected sectors, to provide the continuity of cooperation between industry, university and NGOs, transfer of know-how to the region with international matches. Furthermore, the Regional Innovation Centers will be matched with international innovation centers in consistent with their sectors to benefit from the international experiences.

Various country models have been examined and French “Competitive Clusters” system has been selected and in this respect, TUSIAD and Movement of the French Enterprises (MEDEF) have signed a Memorandum of Understanding (MoU) on 22 February 2007, regarding the cooperation between Turkey and France, taking into consideration the R&D led innovation and competitive clusters. The MoU enables MEDEF to provide its experience on competitiveness clusters policy of France, share information on the objectives and mechanisms of this program and will ensure that meetings with executive members of the French competitiveness clusters are made available in order to make contacts and get information and experience on the French initiative. Further cooperation possibilities with other countries will also be examined. Such as, a demand from Egypt has been delivered to establish the similar structures in Egypt and a MoU will be signed in the next months regarding this cooperation.

Each center is planned to be financed under the Joint Science and Technology Network and Platform Establishment Initiative Program (ISBAP) by Scientific and Technological Research Council of Turkey (TÜBİTAK) that supports similar networks between industry, universities and other related parties. Due to the ISBAP program, 50% of the budget of the centers will be financed by partners and 50% will be financed by the government (TUBITAK).

An umbrella project on “Regional Innovation Centers Supervision Network” has started and financed under the Joint Science and Technology Network and Platform Establishment Initiative Program (ISBAP) by TÜBİTAK, to contribute for the enhancement of innovation culture through constitution of a cooperation platform, to provide the determination of regions and sectors for Regional Innovation Centers, establishment, coordination and supervision of these 15-20 centers and development of a communication network among the centers. Within the project, a report namely “Regional Innovation Centers: A Model for Turkey” has been presented in January 2009 and a web site has been prepared. (www.t-bim.org)

The Regional Innovation Center Model:

The vision of the Centers is to execute as the “leader institutions that will contribute to development of their regions by enabling the innovation based sustainable competitiveness of the critical sectors”.

Main target is to generate the opportunities for innovation to ensure the selected sectors to become globally competitive and to stimulate the innovation potential of the region.

Specific targets;

- To encourage all relevant regional partners in the selected sector (big companies, SMEs, universities, research centers, public institutions, NGOs) to cooperate to increase the innovation performance of the sector.
- To improve the innovation capacity of the existing firms and number of newly established firms focused on innovation.
- To provide the infrastructure necessary to enhance the innovation capacity of the sectors.

Point of view

Activities:

1. Increase awareness on innovation
Best practices, seminars and publications, study visits, technical assistance, press conferences, web portals, awards....
2. Collecting and disseminating data and information regarding innovation
Regional Innovation Database, follow up of the new technological developments, sectoral R&D indexes, database for qualified human resources....
3. Training and consultancy on innovation
R&D and innovation projects for firms, project management, R&D, Innovation and technology management, technological maps, design, innovative entrepreneurship and business development plans, IPR, quality management, reorganization of the family business ...
4. Develop partnerships on innovation
Joint projects, regional, national, international project markets, marketing of the sector and the innovative outcomes, innovative public procurement, integration to national and international innovation networks, common use of laboratories....

Sectors and Regions²

Sector	Center	Coordination Unit
Eco-technologies	Izmir	BASİFED - Western Anatolian Federation of Industrialists' and Businessmen's Associations
Agro-technologies		
Electronics and Software		
Chemistry and Environment	Istanbul	SEDEFED - Federation of Sectoral Associations
Elevators and escalators		
Logistics		
Agro-food	Diyarbakır	DOGÜNSİFED - East and Southeastern Anatolian Federation of Industrialists' and Businessmen's Associations
Tourism		
Natural Stone (marble)		
Agro-food	Çorum	OKASİFED - Mid-Black Sea Federation of Industrialists' and Businessmen's Associations
Construction materials		
Shipping Industry	Trabzon	MAKSİFED - Marmara and Northern Anatolian Federation of Industrialists' and Businessmen's Associations
Dairy husbandry	Bursa	
Ceramics	Eskişehir- Kütahya-Bilecik	
Machine Industry	Ankara	İÇASİFED - Mid-Anatolian Federation of Industrialists' and Businessmen's Associations
Biotechnologies		
Agriculture	Adana	DASİFED - Eastern Mediterranean Federation of Industrialists' and Businessmen's Associations
Logistics	Mersin	
Packaging	Istanbul	ADF - Federation of Packaging Associations

² Sectors may be changed or new sectors may be included due to the demand and needs.

Upcoming Events

UPCOMING EVENTS

International Conference “The Caucasus and Black Sea Region: European Neighbourhood Policy (ENP) and beyond”

Rome, Italy, Feb 6 – 7

European Sustainable Energy Week

Brussels, Belgium, Feb 9 – 13

International Conference “Turkey, Where the Opportunities Abound”

Istanbul, Turkey, Feb 11 – 12

Mediterranean Investment Forum

Beirut, Lebanon, February 20 – 21

International Economic Forum “Bridge”

Tsakhkadzor, Armenia, February 20 – 23

UBCCE Executive Committee Meeting and General Assembly

Istanbul, Turkey, March 2

EESC-ILO Joint Conference “Civil Society Dialogue in the Black Sea Region and the Eastern Partnership Countries”

Brussels, Belgium, March 2 – 3

Business Development Visit to Spain

Madrid – Valencia, Spain, March 4 – 5

Bulgaria Business & Investment Summit

Sofia, Bulgaria, March 5 – 6

Kazakhstan Infrastructure Summit 2009

Astana, Kazakhstan, March 10 – 11

TUROGE – 8th Turkish International Oil and Gas Conference

Ankara, Turkey, March 11 – 13

Fifth World Water Forum

Istanbul, Turkey, March 16 - 22

EUROPEAN SUSTAINABLE ENERGY WEEK (EUSEW)

Brussels, Belgium, Feb 9 – 13

Under the umbrella of the Sustainable Energy Europe Campaign, the European Commission's Directorate - General for Energy and Transport, the European Institutions and major stakeholders concerned with sustainable energy are together putting on the third edition of the EU Sustainable Energy Week (EUSEW) which will take place in Brussels, Belgium, and in other cities across Europe between February 9th and 13th.

INTERNATIONAL CONFERENCE “TURKEY WHERE THE OPPORTUNITIES ABOUND”

Istanbul, Turkey, Feb 11 – 12

YASED, the International Investors Association of Turkey, will be holding its biannual conference on February 11 – 12, in Istanbul, entitled “Turkey, Where the Opportunities Abound - A Safe Haven For Investment.” The fundamental objective of the conference is to outline the vision and strategy of Turkey, as an outstanding center of investment on the world, on her journey to full EU membership. The best-in-class examples for FDI inflows, emerging international FDI trends, the strategy Turkey should implement and the vision she must adopt for future will be analyzed in the Conference.

MEDITERRANEAN INVESTMENT FORUM

Beirut, Lebanon, February 20 – 21

The Mediterranean Investment Forum will be held on February 20 – 21, in Beirut, Lebanon. The Forum is organized by BUSINESSMED and Al-Iktissad Wal-A'mal Group, in cooperation with a number of regional and international organizations and will coincide with the General Assembly of BUSINESSMED. More than 1500 business

Upcoming Events

International Conference on “Cooperation on Environmental Protection for Sustainable Development in the Black Sea and Caspian”

within the framework of Fifth World Water Forum
Istanbul, Turkey, March 17

UBCCE Second High Level Contact Visit to Brussels

Brussels, Belgium, March 18

European Business Summit “Dare & Care: Sustaining Europe’s Ambitions, Financing, Staffing and Greening”

Brussels, Belgium, March 26 – 27

International Conference “Natural Gas for Europe: Assurance and Partnership”

Sofia, Bulgaria, April 24 – 25

and investment leaders from Europe and the Mediterranean countries will be invited to attend the Forum as well as representatives of Gulf development funds and financing authorities.

EESC – ILO JOINT CONFERENCE "Civil Society Dialogue in the Black Sea Region and the Eastern Partnership Countries"

Brussels, Belgium, March 2 – 3

The European Economic and Social Committee (EESC) together with the International Labour Organization (ILO), is organizing a conference on “Civil Society Dialogue in the Black Sea Region and the Eastern Partnership Countries.” Expecting to bring approximately 100 representatives of employers’, employees’ and various interests organisations from the EU Member States as well as Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia, Turkey and Ukraine, the Conference will provide an

opportunity to exchange views on civil society contribution to the Eastern Partnership and the Black Sea Synergy initiatives.

TUROGE – 8th Turkish International Oil and Gas Conference

Ankara, Turkey, March 11-13, 2009

For the last seven years, TUROGE has reflected the growing interest in Turkey’s oil and gas sector as well as its strategic location and importance as a regional oil and gas transportation hub between Central Asia, the Middle East and Europe. This year’s TUROGE event will focus on Turkey’s exploration efforts in the Black Sea and Mediterranean, transportation solutions for Caspian hydrocarbon resources, such as Nabucco, Trans Adriatic Pipeline (TAP), ITGI, South Stream and other regional pipeline projects, and investment opportunities in Turkey’s oil and gas infrastructure. TUROGE 2009 is officially supported by the Ministry of Energy & Natural Resources of Turkey, TPAO, BOTAS, The Turkish Association of Petroleum Geologists (TPJD) and The Turkish Chamber of Geophysical Engineers (JFMO).

FIFTH WORLD WATER FORUM

Istanbul, Turkey, March 16 – 22

The 5th World Water Forum will take place at Istanbul’s Golden Horn Congress & Exhibition Center on March 16 – 22 bearing its “Bridging Divides For Water” theme with the aim of generating solutions to water-related problems by proposing specific policy changes to improve water management around the world.

World Water Expo

The World Water Expo will be organized as an integral part of the 5th World Water Forum. It will be an inclusive space for the participation of various organizations and

Upcoming Events

companies working on water-related matters that wish to present their services, products, activities and works.

International Conference on “Cooperation on Environmental Protection for Sustainable Development in the Black Sea and Caspian”

Within the framework of Fifth World Water Forum, UBCCE will organize on March 17, an environment conference entitled “Cooperation on Environmental Protection for Sustainable Development in the Black Sea and Caspian” together with the Black Sea Commission and the Caspian Environment Programme.

EUROPEAN BUSINESS SUMMIT Dare & Care: Sustaining Europe’s Ambitions, Financing, Staffing and Greening

Brussels, Belgium, March 26 – 27

The 7th edition of the European Business Summit will take place on March 26 - 27, in Brussels under the theme: “Dare and Care: sustaining Europe’s ambitions, Financing, Staffing and Greening”. The Summit will focus on the assumption that in order to sustain its ambitions to be a strong world player Europe should “Dare and Care” better. During the Summit business leaders will discuss with high-level decisionmakers, academics and NGOs from around the world on issues like the financial crisis, clean tech innovation, skills, climate change, energy and ageing.

INTERNATIONAL CONFERENCE “NATURAL GAS FOR EUROPE: ASSURANCE AND PARTNERSHIP”

Sofia, Bulgaria, April 24 – 25

The Bulgarian government is organizing a Regional Energy Conference entitled “Natural gas for Europe: Assurance and Partnership” on April 24 – 25, in Sofia,

Bulgaria. The meeting will carry out governmental and national leaders of the countries in South-Eastern Europe and Black Sea region, including Russia, as a main supplier of energy resources for Europe, countries in Caucasus’s region - being producers and transit, manufacturing countries in Central Asia and Near East partners from the European Union, representatives of the European Commission, the United States of America and relevant international and financial institutions. Topics such as: market - regulating and technological aspects of transporting natural gas to the customers in European Union and South-Eastern Europe will be taken to significant consideration. Attention will be paid to the widely talked projects in direction of South gas corridor and their contribution to energy and economic stability in Europe.

SAVE THE DATE

UBCCE Executive Committee Meeting
Istanbul, Turkey, March 2

UBCCE General Assembly
Istanbul, Turkey, March 2

Business Development Visit to Spain
Madrid – Valencia, Spain, March 4 - 5

**International Conference on
“Cooperation on Environmental
Protection for Sustainable Development
in the Black Sea and Caspian”**
*within the framework of Fifth World Water
Forum*
Istanbul, Turkey, March 17

High Level Contact Visit to Brussels
Brussels, Belgium, March 18