

## Welcome Address

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Erkan Gürkan

Distinguished Undersecretary,

Esteemed Guests,

Let me express my satisfaction about the work carried out for a long time by two foundations along with a public institution on behalf of the Black Sea Economic Cooperation Organization and the fruitful results obtained recently which are expected to be even more positive in the future. I say this as one of the parties to this endeavor.

Obviously, it is not enough for us, as the Small and Medium Sized Industry Development Organization (KOSGEB) administration to be participating to this meeting. There is still a lot we have to accomplish according to what our Ambassador just said. He was very helpful in

providing us with the details. When our dear friend, the Turkey Representative of the Konrad Adenauer Foundation came to visit us, we had an initial discussion. He said, let's just not meet only, but have a real co-operation. When we meet, let us have good results. This way, we can also be proactive. The positive results will also appear in the coming days through an important project in Germany.

The Presidency of the KOSGEB Administration founded a structure aiming at solving the three major problems faced by the small and medium sized industry. The system can deliver fruitful results when you can solve these three major problems. The results can be positive. However, if the concept is not properly established, we would meet and reach nothing tangible. And we would be far from seeing the benefits of the results.

The Ambassador told us in detail about one of problems that we all obviously acknowledge. And it is at the origin of the Black Sea Economic Cooperation because its beginning also triggered that. At the time, Mr. Alptemoçin, the incumbent Minister also played a crucial role. The globalized world is witnessing a fast process of change. It is not sufficient just to perceive this process. We should adopt and seize this change and initiate the transformation. Especially when it comes to small and medium sized companies. This is because we are talking about companies that are very weak in accessing and managing the information.

Is this sufficient? The answer is no. Secondly, these companies should feel from a global viewpoint, the support of the public administration and the non-governmental organizations. There should be some sort of confidence certificates. For instance, you should be able to provide a rating. This rating should enable them to be active in national and global markets, to prove how good they are.

Thirdly, these enterprises should be able to trust the public administration. And more importantly, this confidence should be sustained. If not, there will be problems.

There is a very serious problem in trying to provide these three conditions. A substantial network is necessary and we have gathered today for a meeting organized by such a network. In a way, this is a network accomplishment.

Change should be triggered and forced in all aspects; those who resist should be dissuaded. People don't readily welcome change because they don't immediately see the benefits. But when they see the advantages they are satisfied.

We have started working on small and medium sized companies that have triggered important changes in Turkey especially after 2003. We are now globally acknowledged. We have started getting cooperation or partnership proposals from all over the world. The OECD Conference of Ministers was the most significant and the biggest meeting where our role was defined at a global level and where we could talk about our accomplishments, as mentioned by the Ambassador. 1850 delegates participated to the meeting organized by the OECD and the KOSGEB administration. This was a meeting with 1850 participants, 94 foreign institutions represented and where 35 out of 64 countries were represented at the ministerial level. The Istanbul Declaration was released.

What did we do? We have our own model in KOSGEB. We update and analyze the needs of companies for the small and medium sized industry. We now have a system in which we question those companies and provide them with reference letters; around 51000-52000 companies have had a check-up and their SWOT analysis completed and they

have been provided with feedback. There is a special support scheme for companies which are able to make further plans. We have a support mechanism featuring 22 main areas and 44 sub-components. Those who are not able to make plans are supported and rehabilitated at a different level than those who make plans. We have developed a system in which three-year historical data are kept and three-year long targets are indicated in an electronic environment.

The industrialists have provided KOSGEB administration with data including 6000 sub informational cells. How many companies does it represent? Currently, 22 000 companies are working with KOSGEB on their strategic road map. This means a system able to acknowledge, follow and challenge the changes. What is the main factor enabling this? And this would be my clear and open proposal as the President of KOSGEB. We could share our experiences if this is about establishing incubation centers. The KOSGEB administration supports more than 1000 entrepreneur research and development projects in 18 universities in Turkey. As mentioned by my dear friend, the Istanbul Technical University is one of those incubation centers. It is one of the KOSGEB centers.

We also have incubation centers for entrepreneurship set in different parts of Turkey. How did we enable the industries to follow and interact with the movements inside and outside the network at the global level? Mr. Undersecretary said, "One of the most important accomplishments within the Black Sea Economic Cooperation is to create synergy". Cooperation is only possible through synergy-based twinning centers. We can establish and create systems based on this model if we work together.

Currently, we have received cooperation proposals from Russia, four German states- the Rheinland-Pfalz Minister of Economy has agreed

and given a start with us- the German-Turkish Chamber, the Northern Rhine Westphalia state and many other states. Some agreements have already been signed with Ukraine, Mongolia, Tajikistan and Bahrain. We are cooperating in Bahrain with the Ministry and UNIDO. We established a system that works in many countries and we could share the details with you.

This is a well-built system where the civil business is conducted with the public support between strong partners. For instance, we will hopefully succeed in the Chinese market with TOSYÖV (Foundation for Turkey's Small and Middle Sized Companies, Entrepreneurs and Managers) presided by Mr. Hilmi Develi.

As a result, as the KOSGEB administration, we have spent 1,1 quadrillion TL in a period of 1.5 years in the form of bank loans or donation funds to create a system and we are now able to provide our services to thousands of companies and we established a global network. We openly propose to realize this cooperation with you and we believe we can make considerable contributions to this cooperation organization which already obtained fruitful results. I express my gratitude to all of you. We are in the executive committee with the Undersecretary. We have committed ourselves to achieving good results. Thank you.