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Turkey's 'top advantage in Africa is reputation'

Barçın Yinanç - İSTANBUL

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The business leader also praised Turkey's "trade diplomacy" and government support to investors in boosting economic ties with Africa.

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Turkey's biggest advantage in Africa is reputation: DEIK

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ONE ON ONE
WITH BARGİN YINANC

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"In trade, your biggest capital is actually your reputation. You can make big profits but you can waste it very quickly," Olpak told Hürriyet Daily News, only days after the Turkey-Africa Economic and Business Forum held on Oct. 10 and Oct. 11 in Istanbul. "Some [African countries] have suffered since the old colonial days. For others, what currently happens is they come with the power of their capital and tell them, 'I will build your infrastructure but will get all the resources in this location,'" he said. Olpak also praised Turkey's "trade diplomacy" and government support to investors in boosting economic ties with Africa.

How do you position Africa's place in Turkey's trade profile?

We are not where we should be. In 1990, a Swiss businessman had proposed to do a joint production with me in Nigeria. I could not risk it at that time even though the businessman had been present in Nigeria since the 1960s.

Compared to the French and the British, we started later but we have gained speedy momentum. We have been showing intense interest, especially in the past decade.

Previously, we used to be more present in the Maghreb region between Egypt and Morocco. Today, we have a \$20.6 billion trade volume with the whole continent. We have a \$3 billion surplus.

What is Turkey's business model for entering the market in Africa?

In order to expand, we needed some infrastructure and this partially has to do with politics. In some cases, you need political will to open the way for you.

Turkey is active in Africa through its embassies, which are present in 41 countries. Interestingly, we have many woman ambassadors in Africa.

We have trade offices in 26 countries and we have 43 business councils. We have just set up the 44th.

Turkish Airlines flies to 51 destinations in 36 countries. This is important because it is easier to



"If you want to do business, you have to go to Ethiopia; you will work with local branches but you need to have someone from Turkey whom you trust there too," Olpak tells the Daily News.

do business with a place where it is easy to come and go. We have the Turkish Cooperation and Coordination Agency (TİKA), the Red Crescent (Kızılay) and the Maarif Foundation also leading the way.

So, there is an integrated approach?

With 43 out of 144, the highest number of business councils is in Africa and this in itself sends a message.

Africa's share in world trade is 2.6 percent. Yet, we are talking about a continent with incredible resources.

It has tremendous potential and we have to help Africa.

Turkey's share in Africa's global trade is 2.1 percent. You can read this two ways: You can say this is bad and there is not much else left to do here, or you can say there is still a long way to go.

We, as business people, prefer to look at it from the second point of view and think there is a lot of potential to use.

Will Turkey continue with the same business model, or will you shift to another stage?

We are confident we have the right business model. There are areas governments can help the business community. Turkey was not that ready to do that in the past. So, it is important the

government helps our businesspeople who are active in Africa. Restoration work with TİKA and assistance no matter how small brought by the Red Crescent contributes to your positive perception: Turkish Airlines also improves this image.

Another dimension is finance. We could do more in terms of investment and construction. But that depends on the country's financial abilities.

In the first instance, we have the Eximbank, which plays an active role. I am also a board member of Eximbank. I hope we can generate the necessary capital flow to Eximbank and that could open more of the way in front of our investors and exporters.

But let's not forget there are businesspeople in Africa, which work without using Turkish financial resources.

How do you think Turkish businesspeople fare in Africa? How was the Africa test?

Businesspeople saw that if they are physically present in Africa, they can do business. They also saw that profit margins are bigger compared to other more established countries, even if this entails more risks. In countries with a longer tradition of doing business with well-established institutions like in central Europe, competition is tougher and

profit margins are lower.

Turkish entrepreneurs are courageous. But we are not talking about doing business from far away with a remote control. If you want to do business, you have to go to Ethiopia; you will work with local branches but you need to have someone from Turkey whom you trust there too. Turkish businesspeople have seen that they can get results in Africa.

We saw tremendous interest during the Africa forum. Just as we were thinking whether the forum would be limited to a one day opening event, talks between some companies kept going for the following three days.

What do you think is Turkey's biggest advantage in Africa?

It is its reputation. In trade, your biggest capital is actually your reputation. You can make big profit but you can also waste it very quickly. Reputation takes a long time to build and also takes a long time to lose. I travel extensively in Africa and this is what they tell me: Everyone comes here to make money and that is normal. Your difference is that you are providing an atmosphere that makes us win as well.

Some have suffered from the old colonial days. For others, what is currently happening is

that some come with the power of their capital, tell them they will build their infrastructure but will find all resources in this location. A somehow cruel attitude seems to continue. Another advantage of ours is our wide trade diplomacy, the presence of embassies, business councils, Turkish Airlines etc. Our third advantage is government support behind businesspeople. And we need to complement all this with finance.

At this point, let me add that banks, especially public banks, have a role to play in terms of opening branches (in Africa). It is important because it eliminates another intermediary and that brings down our costs and gives us speed.

Can you elaborate on what terms you provide Africa with a better business atmosphere?

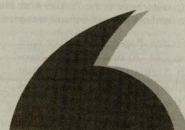
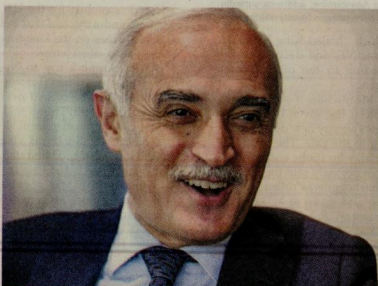
It relates to your warmth and your perspective. There are certain countries in Europe which have seen this and they say let's do it together in third countries. Among them is Hungary, where a state visit recently took place, but also France, with which we have met specifically to talk about this field. If a proposal comes from them, it means they realize you are beginning to take a prominent position. Otherwise, why would they want to do something they can do on their own?

WHO IS? NAIL OLPAK

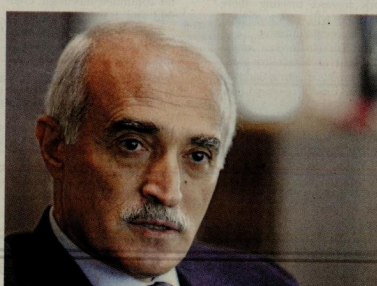
Nail Olpak was born in 1961 in Beşik, Bursa. He holds a degree in Mechanical Engineering from Istanbul Technical University (İTÜ) and has completed his postgraduate education in energy at Yıldız Technical University (YTÜ).

He began his professional career at Umar Makina and went on to hold the position of vice factory manager at Özgen AS. After becoming a project manager at Esem Elektrik, he worked as senior executive for various managerial levels and took over the vice presidency before has established his own businesses, NORA Elektrik, PAK YATIRIM and OMN İnşaat.

He has served as chair of the Independent Industrialists and Businessmen's Association (MÜSİAD) and council member of the B20 Steering Committee of Turkey. Olpak is married and has two sons, one who is an architect and one who is a mechatronic engineer.



Turkey used to be more present in the Maghreb region in Africa. Today, it has a \$20.6 billion trade volume across the continent with a \$3 billion surplus



Businesspeople have seen that profit margins are bigger in Africa compared to other more established countries, even if this entails more risks