



DEİK/TURKEY-EUROPE BUSINESS COUNCILS

**TURKEY-DENMARK VIRTUAL BUSINESS
FORUM ON THE OCCASION OF THE
SECOND SESSION OF THE JETCO MEETING**

27 October 2020

Microsoft Teams Online Conference System





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Moderator

- **MR. THOMAS BUSTRUP**
Deputy Director General & COO of DI

Speakers

- **H.E. RUHSAR PEKCAN**
Minister of Trade of the Republic of Turkey
- **H.E. JEPPE KOFOD**
Minister of Foreign Affairs of the Kingdom of Denmark
- **MR. STEEN HOMMEL**
State Secretary for Trade and Global Sustainability of the Kingdom of Denmark
- **MS. GONCA YILMAZ BATUR**
Deputy Minister of Trade of the Republic of Turkey
- **MR. NAİL OLPAK**
DEİK President
- **MR. EMRAH İNCE**
Chairperson of the DEİK/Turkey-Denmark Business Council
- **MR. DMITRY BOCHKALOW**
Senior Director of Global Business Development of Danfoss A/S
- **MR. ALPER ÖNOĞLU**
Chairperson of Altaca Environmental Technologies and Energy Co.
- **MR. HENRIK BRANDBORG**
VP Sales of Radiometer A/S
- **MR. TURHAN ÖZEN**
Chief Cargo Officer of Turkish Airlines Co.

Registered Attendees: 184

MEETING NOTES

The webinar of “Turkey-Denmark Virtual Business Forum on the Occasion of the Second Session of the JETCO Meeting” was organised by DEİK/ Turkey-Europe Business Councils and DI, moderated by Thomas Bustrup, Deputy Director General & COO of DI. The webinar was honoured by H.E. Ruhsar Pekcan, Minister of Trade of the Republic of Turkey and H.E. Jeppe Kofod, Minister of Foreign Affairs of the Kingdom of Denmark, and business opportunities between Turkey and Denmark were discussed during the webinar.



THOMAS BUSTRUP
Deputy Director General & COO of DI

We used to hold such meetings face to face, but due to the current Covid-19 pandemic, we come across many limitations in terms of where we can be and how we can travel. On the other hand, there is also a good thing that we become very digitalised and connected, so that we can maintain a good business environment and contacts through meetings like this.

There are many events we have held over the years like business meetings and forums. Hopefully, in March 2021, we will have a energy business delegation to Turkey, including Istanbul and Izmir. It is evident that there is still a lot that we can offer to each other. Turkey is a good partner in economic terms and all of us have come to realise we have to be also face to face to establish new business connections.





EMRAH İNCE

**Chairperson of the DEİK/Turkey-Denmark
Business Council**

I believe that there are many cooperation opportunities between Turkey and Denmark beyond the conventional sectors like automotive, textile and pharmaceuticals. We know that Denmark is a pioneer in renewable energy, district heating, energy efficiency, biotechnology, and agriculture and livestock sectors. So, we could create a mutual know-how and technology sharing trade model.

Besides, there are cooperation opportunities in third markets for Turkish and Danish companies, especially Turkey's neighbouring countries and the Turkic republics in the Central Asia.

In addition to work for those opportunities, as the Turkey-Denmark Business Council, we also aim to promote expanding the ongoing cooperation between Turkey and Denmark on textile among the Turkish and Danish SMEs in the sectors of machinery, manufacturing, building materials, foodstuffs and durable consumer goods.

Last but not least, we also devote our Business Council to contribute to co-financing support to Turkish and Danish companies, who carry out joint projects in other countries, for the export of goods and services from their own countries, regarding the reinsurance cooperation agreement signed by Turk Eximbank and Danish export credit agency EKF in August.



NAİL OLPAK
DEİK President

I would like to highlight a few issues here. First of all, the modernisation of Turkey-EU Customs Union is crucial for our bilateral trade. It is hard to continue with the current outdated version of the agreement. Then, we expect the full support of Denmark in this regard.

Sustainability will be one of the most important goals in the future. We believe that Turkey and Denmark can develop stronger cooperation particularly in sustainable food and agriculture through know-how and R&D sharing.

By the way, we are aware that the EU Green Deal Strategy will have an impact on our trade relations particularly for textile and automotive sectors, which also constitute a high volume in our bilateral trade. While we believe that sustainability goals are of utmost importance, we also believe those should not turn out to be trade barriers. As the business world and as the Turkish industry, we have the potential to meet that goals and contribute to this necessary transition for all.

In the context of the Covid-19 pandemic crisis, I strongly believe top Danish officials understand the importance of market diversity. In this regard, Turkey is emerging as a key actor and a new hub in the global supply chain. I believe Turkish & Danish business industries will increase their cooperation in the new normal.



H.E. JEPPE KOFOD
Minister of Foreign Affairs of the
Kingdom of Denmark

During the JETCO Meeting today, we had a good discussion on number of areas like energy, green transition, food and health. We also discussed areas where we see challenges for companies, for instance Turkey-EU Customs Union, regarding tariffs and non-tariff barriers to trade and investment.

The world is entering to a new area with new challenges like climate change and Covid-19. Trade is an important element of post-Covid-19 recovery efforts. Turkey is an important partner for Denmark and Danish companies. Increased businesses and engagement between our two countries promotes to better environment and conditions. Working together is a key to overcome struggle. This economic recovery can encourage a greener transition. In the recent years, governments' cooperation in the environmental issues has proved success in achieving sustainable development goals. We also recognise the importance of access for business travellers as a means to restart the economy.





H.E. RUHSAR PEKCAN

**Minister of Trade of the
Republic of Turkey**

Today, aside from this Business Forum, we completed the Second Session of the Turkey-Denmark JETCO Meeting, signed the Meeting Protocol. During the meeting, we covered many different areas in our bilateral commercial and economic relations. Some of these topics are including bilateral trade and investment, upgrading the Turkey-EU Customs Union, use of national currency in trade, cooperation in contracting and consultancy services, public procurement, policies of science, technology, SMEs, women entrepreneurship, sustainable supply chain, green cities and environment, agriculture and livestock, health and tourism. We would like to see more cooperation as well as more bilateral trade and investments in such areas between our countries.



Due to the Covid-19 pandemic, IMF expects a 4.4% decline in the global economy. Also, WTO estimates a 9.2% decline in the global trade volume which is the highest figure recorded since the World War II. In such difficult times, bilateral, multilateral and regional cooperations become more crucial. As Turkey, we are always in favour of free and fair trade based on the multilateralism. Also, we are always open to deepening our economic relations with our economic partners especially the EU countries. As you know the current Customs Union does not cover some areas such as e-trade, services, public procurement and agriculture. Updating the Customs Union will benefit to both parties. We will be pleased by a support on this issue by the Danish government as well as the Danish private sector.

The Turkish economy is showing resilience against Covid-19 slowdown. Among OECD countries, Turkey will be the least affected country after China and South Korea. Turkey will hold a significant role in the value chains in the future. Currently we have a quite balanced trade structure between Turkey and Denmark, as the trade volume stands around 2 billion US Dollars. Our aim is to increase this to 5 billion as soon as possible. I would like to emphasise the importance of Turkey-Denmark Business Council in strengthening the relations between Turkey and Denmark.





DMITRY BOCHKALOW

**Senior Director of Global Business
Development of Danfoss A/S**

Danfoss is a global company which can address solutions for digitalisation, electrification, urbanisation, food supply and climate change. Here, I would like to touch specifically on urbanisation and climate change.

Looking at what we are doing in Turkey, we are working on district energy projects, particularly smart heating and smart district energy solutions. Most of the world is in the third generation in terms of district energy, while in Europe, especially Denmark and Germany, we speak about the fifth generation and Turkey is already in the fourth generation. That means we have energy from multiple sources.

We are speaking about increasing the energy efficiency, specifically increasing up to 50% plant energy efficiency. It also means decarbonisation. Up to 60% less coal, gas or fuel can be used in case we use waste to energy sources like industrial surplus or geothermal energy. So, district heating is already utilised in some areas of Turkey. Turkey has a golden mine in terms of geothermal sources. There is a big potential and approximately 30% of Turkey's total heating needs can be met by geothermal energy. I believe that utilising district heating system in Turkey can bring a lot of benefits to reduction of CO₂ as well as dependency on gas or fuel energy.



ALPER ÖNOĞLU

Chairperson of Altaca Environmental
Technologies and Energy Co.

Denmark has developed optimal solution for renewable energy and also waste to energy technologies. We are in cooperation with Danish companies and would like to explore the opportunities of doing business with these companies. Therefore, in 2011, we purchased a Danish company, SEF Technologies, and we made a partnership with this company. That was a part of our renewable energy business. With this partnership we started to cooperate with other Danish companies. Today, Altaca has its own technology which was built upon this partnership.

We all know that a new era where environmental and zero emission technologies will have a crucial role. By the year 2050, we are aiming to success zero emission criteria. In this regard, we believe that cooperation between Turkish and Danish companies has a great importance to achieve this.





HENRIK BRANDBORG

VP Sales of Radiometer A/S

What we do is providing diagnostic equipment to hospitals which are used for patients in critical condition. Since the past 10 years, Radiometer had a great journey in Turkey. It has been a very good cooperation since we started working in Turkey in 2010. We only had 84 pieces of equipment in Turkish hospitals, now this number is 1,300 across Turkey.

What we have most appreciated is the close cooperation we had around emergency medicine in Turkey. In addition, we had very good cooperation around PPPs which has been a key activity for us in the last few years. Today, we have significantly expanded our business in Turkey. Turkey has been and is a great market for Radiometer.

Due to the Lira devaluation in the last years, we are no longer able to sustain our business as it was, half of our business has become unprofitable, and this has been our main problem, while doing business in Turkey. However, we see Turkey a bridge for other important markets, so we remain very thankful for the cooperation with our Turkish partners and also local authorities, knowing that we will overcome the current challenges together and have a lot of interesting projects going forward.



TURHAN ÖZEN
Chief Cargo Officer of Turkish
Airlines Co.

During recent years Turkish Cargo has managed to grow in an exemplary fashion in terms of tonnage capacity, the number of destinations, overall service quality, fleet size, hub capacity, and of course market share. In the last 5 years, our market share grew from 2.2% to 4.8% and this reflects into a 22.9% CAGR in our business. These achievements are the outcomes of intense investments into people, digitalisation, new cargo aircrafts, as well as building one of the largest networks in the airline industry.

Turkish Cargo plays an important role in both Denmark's trade with the rest of the world and Turkey-Denmark bilateral trade. As air cargo's share is high in Denmark's exports and imports, we are among the top 5 airlines in terms of tonnage and building closer relations with Danish exporters and importers. In September 2020, our market share in Denmark's total air trade is around 10%. Our market share for the Turkey-Denmark route in both directions is around 80%, which means that as Turkish Cargo we are carrying the majority of the value-added trade products which make the biggest contribution to these economies.

Even in the Covid-19 era, unlike our competitors, we have not decreased our freighter capacity to Denmark and sustained the critical air bridge and we, therefore, protected many critical supply chains of the Danish companies. We are also ready for the upcoming vaccine transportation and its transportation challenges with 400+ pharma corridors fully compliant to healthcare and temperature controlled standards between several countries many being in Europe including Denmark.



GONCA YILMAZ BATUR

**Deputy Minister of Trade of the
Republic of Turkey**

Denmark is one of the most important partners for Turkey in Europe. Our bilateral trade volume was 2.02 billion Dollars in 2019. In the first 8 months of 2020, the bilateral trade volume was 1.38 billion Dollars. This contraction is understandable when we consider the impact of the Covid-19 pandemic. We believe that we can increase our trade volume to 5 billion Dollars in three years as our Ministers agreed in the JETCO Meeting today.

As the Turkish side, we conducted a study towards determining our potential of export to Denmark for both industrial and agricultural products, and we will immediately convey it to the Danish side after this Business Forum. In this regard, we expect a same study for Denmark's potential of export to Turkey from Danish side.

Modernisation and upgrade of the Customs Union plays a vital role in the coming period. We also closely follow the developments of the European Green Deal. It will be very important in determining the new industrial structure and new financing structure. We are well aware of the prospective effects of the Green Deal, considering our relations with the EU and its member countries. So, we believe that there is a high cooperation potential between Turkey and Denmark in this area. We invite Danish companies to invest more in Turkey. We aim to hold the JETCO meetings regularly on an annual basis.



STEEN HOMMEL
State Secretary for Trade and Global
Sustainability of the Kingdom of Denmark

Turkey has been for long a very important business partner to Denmark. We also have solid potential for further cooperation. Current pandemic poses economic threat to many companies, but also possibility to restart our economies in a greener and more sustainable way.

Partnership around the huge sustainability challenges is fundamental to reach the goals together. We should make our partnership contribute to the benefit of the climate, our companies and both our countries. I believe the comments made by the Ministers point out the opportunities for cooperation. We look very much forward to continuing our partnership.





DEİK/TURKEY-EUROPE BUSINESS COUNCILS

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