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Address by H. E. Dr. Vaira Vike-Freiberga, President of the Republic of Latvia, at the joint Turkish Latvian and Latvian - Turkish Business Councils Meeting, Conrad Hotel, Istanbul, April 20st, 2005

Mr. Guler, (Governor of Istanbul)

Mr. Gul, (Chairman, Turkish-Latvian Business Council)

Mr. Ozols, (Chairman, Latvian-Turkish Business Council),

Ministers,

Excellencies,

Entrepreneurs,

ladies and gentlemen,

It has been an immense pleasure for me to lead this Latvian State visit to Turkey, and to enjoy the legendary hospitality and friendship of the Turkish people. I have been particularly impressed by the dynamism and vitality of this historical and impressive city that is Istanbul. I express my sincere thanks and appreciation to the Turkish Foreign Economic Relations Board (DEIK) for organizing and hosting this joint Turkish Latvian and Latvian -Turkish Business Councils meeting.

I am pleased that there has been a growing interest among Turkish entrepreneurs and investors to learn more about the promising potential of Latvia as an economic partner, as well as to establish business contacts with Latvian companies. Although Latvia and Turkey lie at opposite ends of Europe, our countries enjoy a friendly relationship that has become even closer since Latvias accession to the European Union (EU) and the NATO Alliance one year ago.

As you may already know, Latvia is located at a strategic location in Northern Europe, on the east coast of the Baltic Sea. It is an important transit hub between Western Europe, Russia and the CIS countries. Latvia also hopes to increase its role as a link for the Eurasian trade that connects Japan, China and Central Asia in the east to Europe and North America in the west. Latvias ice-free ports, which are endowed with very cost-efficient and well-developed infrastructures, are handling an increasing volume of east-west transit goods with every passing year, and there is still a room for greater flows of trade and transit through my country.

Turkey, for its part, lies at a crucial location on Europes southern transit routes, and has been historically connected with Latvia through overland trade passages that were once linked with the Silk Road. Latvia hopes that Turkeys continued reforms will help to ensure its eventual accession to the EU family of stable, prosperous and secure nations. For this reason, the economic co-operation potential between our countries now has a stronger development potential than ever before.

Ladies and gentlemen,

Only fifteen years ago, Latvia was an occupied country with a centrally planned, Soviet economy. For decades, our main trading partners were in Russia and the CIS countries. However, since transition to a free market economy and to democratic rule.

The social, political and economic reforms my country has implemented over the past fifteen years have been very successful and have created favourable conditions for ensuring Latvia's continued growth and development. In fact, during the past few years Latvia has been demonstrating among the fastest rates of economic growth in the European Union. Our average annual growth rate has exceeded 7 percent since the year 2000 and last year it attained 8.5 percent. This has been achieved, in part, thanks to stable domestic demand and thanks to the ability of Latvian companies to expand their export markets. Currently almost 80 % of my countrys exports are sent to the other European Union countries.

Latvia is preparing to become a full-fledged member of the Economic and Monetary Union (EMU) in 2008. Due to the large size of the Eurozone market and its importance for the rest of Europe, every country on the continent and even beyond is affected by the single currency. For Latvia, the introduction of the euro will additionally facilitate trade and investment with our main trading partners and increase the stability and predictability of our business environment.

Ladies and gentlemen,

The economic co-operation potential between our two countries is indeed promising and has not yet been fully exploited. The members of the Latvian business delegation who are accompanying me on this State visit are very interested in establishing new contacts and discussing cooperation possibilities with Turkish companies. Our business delegation to Turkey includes some of the largest and most reputable Latvian companies from a wide range of sectors that include financial services, energy and infrastructure, logistics and information technologies, engineering and metal processing, food processing, trade, textiles and fashion, tourism and others.

I believe that this year will be particularly significant for strengthening the political and economic relations between our two countries. A few months ago the Latvian Embassy in Ankara began its functions and was officially opened during this State visit. Yesterday our two countries also signed an Agreement on Co-operation in Education, Science, Culture and Sport. I have no doubt that this agreement will promote an even wider array of cultural and educational exchanges between Turkey and Latvia.

We can also be pleased that during this visit the Union of Chambers and Commodity Exchanges of Turkey and the Latvian Chamber of Trade and Commerce signed a cooperation agreement. This is another clear and positive step towards the development of closer economic links between Turkey and Latvia, and I have no doubt that it will promote the creation of new joint partnerships.

Ladies and gentlemen,

I would like to thank our Turkish hosts once again for their warm hospitality. The most important aspect for promoting our further co-operation lies in the development of people-to-people contacts. I should like to mention that over the last few years Turkey has become one of the most favoured tourist destinations for Latvian travellers. Since March of this year, the Latvian national airline Air Baltic has been operating a direct flight between Istanbul and Riga. I hope that as a result the number of visitors from Turkey to our beautiful country will increase rapidly, for both business and holidays.

I also hope that today's meeting between the business communities of Latvia and Turkey will serve to generate new and beneficial partnerships between the entrepreneurs of our countries, and that it will be remembered as a notable success.

My best wishes to you all.