Your Excellency President Gül, Your Excellency Prime Minister Erdoğan, Your Excellency Deputy Prime Minister Babaçan, Esteemed Members of Parliament, Esteemed Ministers of the Government of Turkey, Esteemed Mr. Governor, Esteemed Mr. Mayor, representatives of industry, of civil society and of the media, ladies and gentlemen.

I want to begin by expressing my thanks to the Government of Turkey for inviting me to this fifth Izmir Economic Congress. It is a great honor and privilege to address this gathering. In fact, being here also has great personal significance to me as well.

As you may know, the country of my birth, Korea, and Turkey share a close bond. The relationship took on special meaning in 1950 when Turkey became the second nation to respond to the United Nations’ call to fight under the UN Command during the Korean War. Over the next three years, nearly 15,000 Turkish volunteers, most of them coming from small towns and villages in the mountains of eastern Turkey, fought in defense of Korea. Some 721 Turks were killed in action. After the Turkish brigade stabilized the front in the battle of Kunu-ri, the Commander of the UN Coalition Forces, General Douglas MacArthur said, quote, “the Turks are the hero of heroes.”

So as a Korean-American who was born in 1959, I owe a major debt to the Turkish fighters who joined the UN command. I am not alone; many South Koreans also hold warm feelings
toward the Turkish people. At no time was this more evident than in 2002 -- 11 years ago, after the well-played World Cup match between Turkey and South Korea.

Turkey won the game 3-to-2. Just seconds after the match ended, Turkish players ran to their opponents to comfort them. The Turks and the South Korean players joined hands and saluted the fans in Seoul. And in the stands, Koreans waved both Turkish and South Korean flags. At that moment, Turkey and South Korea gave the entire world a lesson of true friendship between countries.

So you can understand why I could not be prouder standing before you today. Truly, it is an honor for me to be here to give my thanks on behalf of all Koreans to the Turkish people. Thank you.

I am particularly delighted to be in Izmir, one of the great historic trading centers in the Eastern Mediterranean. Turkey's dynamic development in recent years is expanding many of these ancient trading routes. It is an excellent location for our deliberations on the future of Turkey in the world economy.

This fifth Izmir Economic Congress is part of a proud tradition. Each Congress has occurred at an important juncture in the economic and social development of the Turkish Republic. And today, as the world economic system evolves—and as Turkey becomes more important to the global economy—you are embarking on the next stage of your remarkable journey.

The founding father of the Turkish Republic, Mustafa Kemal Atatürk said: “Economic development forms the backbone of the ideal of Turkey which is free, independent, ever stronger and more prosperous.” Turkey has made great strides in the realization of this ideal, thanks to a solid track record of macroeconomic management and structural reforms. It is thus fitting that your government, led by Prime Minister Erdoğan, has set ambitious targets for 2023 -- the centennial of the foundation of the Republic.

At the World Bank Group, we are also setting some ambitious goals: earlier this year the World Bank’s Governors endorsed our twin goals to end extreme poverty by 2030 and boost shared prosperity for the bottom 40 percent in developing countries. To reach these goals we will need the support of all the member countries of the World Bank, as well the private sector, civil society, and private foundations.
Turkey, because of the significant progress it has made in its own development, will play an important role. Turkey’s economic achievements are an inspiration to many developing countries. Indeed, given the considerable interest in Turkey’s success, we have started a project with the Government of Turkey to share its development lessons with policymakers throughout the world. Already, our teams are bringing delegations from various countries to Turkey for knowledge exchanges: Malaysia and Kosovo were interested in the health sector; Iraq in the social security system; and Mauritania in the use of information technology.

**Lessons from Turkey**

Let me share just three of the many lessons we believe Turkey offers to the development community. These lessons also illustrate why we value our partnership with Turkey so much.

**First**, an example that is particularly close to my heart, as someone who has worked in public health for many years: Turkey took less than a decade to achieve universal health coverage. The introduction of the Health Transformation Program in 2003 initiated a root and branch reform of Turkey’s health system. Since 1990, Turkey has reduced its infant mortality by two-thirds, maternal mortality by 80 percent, and extended average life expectancy by ten years. Countries can learn much from these policies, as well as the sequencing of reforms to create quick wins for the population and overcome the resistance of vested interests. In our flagship training course on health systems reform, we highlight Turkey as a case study of success in achieving universal health coverage.

**Second**, Turkey’s energy sector stands out among many emerging market economies for the strength of its regulatory framework, as well as its ability to attract billions of dollars in private investment. It is also notable for its focus on renewable energy as a key element of a greener growth path. Turkey has largely eliminated energy subsidies which are fiscally costly and discourage much-needed investments in energy efficiency. As a result, Turkey is a country where energy prices reflect market costs.

**Third**, Turkey has learned from the devastating effects of the 1999 Marmara Earthquake and improved its capacity to anticipate, mitigate and respond to the risks of natural disasters. The Istanbul Seismic Risk Mitigation and Emergency Preparedness Project is a great example of a city-wide effort to improve resilience to shocks that are likely to strike along the great Anatolian fault line. Just a couple of days ago, we launched this year’s
World Development Report on Risk Management, and Turkey is featured prominently for its work in this area.

I could mention other positive examples, from the strength of Turkey’s banking system to its experience in fiscal consolidation. Of course, Turkey’s own development agenda is not complete. Many challenges remain: from boosting the labor force participation of women to increasing the skill levels of a young and growing labor force; from raising domestic savings to attracting more foreign direct investment to make growth less dependent on short-term capital from abroad. And we have seen around the world how important it is for citizens to feel they have a voice and a stake in their country’s development. To be sustainable, economic prosperity has to provide opportunities for all. This is an objective I know we share with Turkey’s citizens and policymakers.

The important message in all of this is: we at the World Bank are immensely grateful for the partnership we have with Turkey, because it is based on mutual learning, and on a shared quest for the best development solutions. I see my presence here today--and that of our World Bank Group staff in several of the sessions to follow--as an opportunity to deepen this partnership around the sharing of development knowledge and practice.

A new World Bank Group for a new world
The world economy is changing rapidly. Since the early 2000s, emerging market economies have increased their share in global GDP from around one-fifth to over one-third, when measured at market exchange rates. Unprecedented rates of economic convergence, most dramatically in Eastern Europe, have been a key factor behind the fall in poverty. In this region, most of the Millennium Development Goals are likely to be achieved by 2015, and Turkey has been a big part of this success.

But these gains are fragile. The world economy has yet to return to the rates of growth achieved before 2007. Many emerging markets, including Turkey, recovered quickly from the crisis, but are now finding their growth aspirations limited by the prospects of tighter global monetary conditions. The fiscal situation in the US and the ghost of the European debt crisis continue to affect market confidence. The civil war raging in Syria has brought unimaginable human hardship for the people of Syria, and has imposed a heavy economic and social burden on Syria’s neighbors. Turkey has generously welcomed over half a million Syrians displaced by the war.
As an international institution, we cannot stand still when the world around us is changing so quickly. This is why two weeks ago I presented a new Strategy for the World Bank Group to our Board of Governors. We will improve our use of global knowledge to identify the best local solutions. We will partner more with others, including with emerging donors like Turkey and with the private sector. We will better coordinate the assets and experience across the World Bank, including our private sector arm, IFC, and our risk insurance unit, MIGA. Above all, we will be bold, ambitious, and flexible to respond to the complex and dynamic needs of our clients.

Our work with Turkey already demonstrates this new approach. Istanbul is already an important regional hub for the IFC, which serves more than 50 countries. And later today, Deputy Prime Minister Babacan and I will fly to Istanbul to open a new Global Center for Islamic Finance, which we are creating together with several local partners. Islamic finance has grown 10 percent annually in recent years and global assets are now $1.5 trillion. We believe Islamic finance can help close financing gaps for infrastructure, venture capital, and small- and medium-sized enterprises. Through the Center, we hope to support regulatory solutions and provide technical assistance so Islamic finance can help create jobs and prosperity around the globe.

Yesterday, the Turkish Republic celebrated its 90th anniversary. So much has been achieved since the first Izmir Economic Congress held a few months before the foundation of the Republic. In a little over a year, Turkey will demonstrate its role in global leadership by chairing the G20, the premier forum for international economic and financial cooperation. We look forward to continuing our productive partnership with Turkey to help sustain your impressive achievements, to overcome your remaining challenges, and to share your remarkable experience with countries around the globe.

Teşekkür ederim. Thank You.

[1] Data from UN Inter-agency Group for Child Mortality Estimation, Report 2012