

Bülent Akarcali - Chairman, NBA Consulting, Turkey



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Turkey's former Minister of Health, Bülent Akarcali, outlines the country's healthcare system evolution over the past decades, comparing the improvements to the difference between a Ford Model T to a Tesla. In addition, he explains why medical tourism is and will continue to be a big business opportunity for Turkey considering the significant investments in healthcare infrastructure over the past decade and a half.

You have had a long career in both the private and public sectors, including some time as Minister of Health in the late 1980s. Can you briefly introduce your career?

I am Turkish and earned a master's degree in economics from Brussels University, where I also worked as a researcher. Following that, I spent a few years as a commercial and industry counsellor of Belgium in Istanbul, helping bring over 60 investments to Turkey. After years in the private sector, in 1983, I became a member of Parliament representing Istanbul and served for almost 20 years. During my time in Parliament, I worked as Minister of Health between 1987-1988 and later Minister of Tourism, which allowed me to introduce the concept of health tourism to the country.

One of my greatest achievements as Minister of Health, something that made me famous, was banning tobacco indoors; as a consequence, Turkey became the first country to prohibit smoking on aeroplanes in 1988. As you can understand, I am not necessarily a friend of American and

British tobacco companies!

Within politics, I have been very active on the international level, having met many European leaders, from Thatcher to Berlusconi. I worked with the European Parliament Joint Parliamentary Committee on democratization, human rights and legal affairs. I also helped create the Human Rights Committee in the Turkish Parliament.

After ending my public service career, I founded NBA, a consultancy company to provide assistance and guidance, not acting as intermediaries or representatives. We teach our clients Turkish business culture and are very efficient in managing bureaucracy and public affairs.

How has the country's healthcare system and industry evolved since you were Minister of Health back in the late 1980s?

Compared to my period as Minister of Health, the health system has changed dramatically, I could argue that it is almost like comparing a Ford Model T to a Tesla. The large investments in hospital infrastructure have begun to pay off. During the last 15 years, the public sector has built 13 new hospitals with the latest technology for 7,000 beds, and the private sector has not fallen behind, making similar investments. As a result, Turkey has the highest percentage of intensive care units per 100,000 people. The quality is good, and prices are very competitive, which is why people often choose the country for medical tourism. Also, Turkey's visa policy has 78 visa-exempt countries and 42 countries and territories whose citizens are eligible to apply for an e-Visa online; we are an open country.

Another differentiating factor is the new Istanbul airport that serves as a hub for Turkish Airlines, which flies to more destinations non-stop from a single airport than any other airline in the world. That connectivity makes us very friendly to foreign investment and travel. Two years ago, in 2019, the country received USD two billion for healthcare tourism, and I believe that healthcare tourism will reach around US \$10 billion next year. But that is only a calculation, it is not 100 percent reliable because there is not a strict control of the borders and we do not know exactly how many people come for that activity.

You mentioned a significant increase in hospital infrastructure over the last 15 years. What was the idea behind that investment? Does Turkey have the medical professionals to fill the jobs?

The most important thing in politics is to provide the best healthcare system possible, that is the idea behind the investment. Turkey started working hard on that issue in the 1970s, but it was not until 2000 that the country was able to make the big investments necessary to accomplish that goal. The party of President Erdogan became the ruling party in 2002 and began implementing a strategy that began to materialize in the last seven years. Besides money, we needed medical professionals, engineers and technicians that could manage the equipment.

Today, the needed talent is available. Medical technology companies like Siemens and GE have been investing because the universities have been providing sufficient talent to operate the machines.

There are conversations about going beyond manufacturing and embracing scientific research. Do you believe that the country is capable of switching in that direction?

There are very important incentives for scientific investment in Turkey; we have almost 500 pharmaceutical companies present, including all the big multinationals, and yes, some of them are conducting important research with support from the public sector. I will not be surprised if we get news about a Turkish-made vaccine in the next three months because there has been plenty of investment in research for COVID-19-related products.

When we look at expenditure in healthcare, Turkey is way below other OECD countries. How do you see the economy evolving in order to accommodate more expenditure on healthcare?

As an economist, I can say that Turkey only has a currency problem, but we are an industrial nation. In fact, Turkey ranks third in the world, after Germany and Japan, in the exporting of construction machines and equipment.

We have the investment, engineering and management expertise required and we also know how to export. The issue is that Turkey is not very advanced in its energy system as we spend almost 35 percent of our foreign currency income on energy imports, petrol, natural gas, etc. The current problem is not due to inefficiencies of the economy, it is a financial situation. Turkey is a rich country with a vision that does not rise to its capabilities. Given the depreciation of the Lira, people bought dollars and gold; the population had US \$200 billion in their hands. It is a question of trust.

Greece can be a cautionary tale now that there is talk about Turkey joining the European Union (UE). Before entering the EU market, Greece was much more competitive than Turkey when it came to industry. Perhaps because the UE began sending a lot of resources and subsidizing some activities, Greece entered a sort of comfort zone and forgot that they were excellent traders with financial and industrial expertise. Now there is almost no industry in the country; they lost the knowledge of industrial production and investment while Turkey has obtained that knowledge.

For Turkey, another advantage is that the Central Asian markets are open: Azerbaijan, Turkmenistan, Uzbekistan, Kazakhstan, and they are very rich countries because of petroleum. Turkey is similar to the Spain of 20 years ago in several sectors.

We are very thankful that we did not have petroleum nor became a member of European Union early on. When we look at petroleum-dependent countries, none of them have successful economies, look at Syria, Iraq, Iran, even Saudi Arabia; they live in imaginary richness and they do not have a real economy that will sustain their expenses when petrol prices do down.

Because of our lack of petroleum, we were forced to work hard to pay for energy imports, and since we were not part of the EU, we were not dependent on Brussels or Angela Merkel for the last 20 years.

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