Asli Özelli – Executive Director, AmCham Turkey

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AmCham Turkey's executive director, Asli Özelli, examines the impact of US companies on the Turkish economy with over USD 50 billion in investment, their help during the pandemic, the chamber's efforts to develop local talent and take advantage of the country's advanced healthcare infrastructure to promote medical tourism, and explains how American pharma companies are focusing on R&D investment.

It has been almost three years since the last time you were interviewed by PharmaBoardroom. What have been the developments during that timeframe and what are your current priorities?

AmCham's priorities were revisited at the beginning of this year, and we are now positioning the organization as the power that carries Turkey to global markets. How we do this? We base our discussions around three pillars: first, our over 110 US member companies have investments in Turkey that surpass USD 50 billion, employ over 110,000 people and pay taxes; they export from Turkey to other countries. The second pillar is the talent improvement that they bring to our country with the US corporate structure, including diversity and inclusion projects.

The third pillar refers to our Turkish partners that we connect with the global value chain, providing know-how, R&D capabilities and a global mentality.

We have five priorities to support our message. First, we aim to protect and increase the US investment and trade relations in Turkey. Second, we look to have more US companies managing the region from Turkey; at the moment we have 20 members that cover 80 countries from Turkey. Third, improving the Turkish talent and, as I said, introducing diversity and inclusion activities. Fourth, we aim to include our Turkish partners in the global value chain by improving their production, marketing and contact with global markets.

The last priority has to do with the new US administration which has made clear its commitment to climate change and sustainability measures. We believe that US companies should have sustainability policies in every country they invest in. That is our main message for our members and all stakeholders in Turkey.

Moving to the context in which US companies are having to operate here, the Turkish economy rebounded in the second half of 2020 and finished the year with a total GDP growth of 1.8 percent. What is your assessment of the current economic climate and how were your members impacted by the pandemic?

With the economy in mind, we had a strong communication with the public sector at the beginning of the pandemic. We focused on business continuity, directly communicating with the office of Turkey's Vice President and they were very responsive. Another concern of ours was looking at ways to contribute to the Turkish economy so it could survive in its fight against COVID-19.

The more than USD 50 billion investment from US companies did not change and is supporting employment and healthcare for the population. In addition, over 50 million Turkish Liras in kind or cash was made to the Turkish economy by our members during the pandemic.

The Turkish government was quick to respond to the situation, immediately putting packages one after the other to keep the workforce in place and help as many SMEs as possible. AmCham contributed to e-commerce and digital transformation, cooperating with local partners such as the Union of Chambers and Commodity Exchanges of Turkey (TOBB). Within this period, the US-Turkey communication and cooperation increased rapidly, in particular, exports of personal health equipment (PPE) from Turkey to the US and rapid installment of US healthcare equipment to Turkish pandemic hospitals were important developments in this period.

I must mention that compared to other G7 countries, bilateral trade between Turkey and the US was the only one to increase.

Considering that the US is the second fastest growing export market for Turkey, added to the USD 50 billion of investment you mentioned, how do you assess the comparative importance of US companies for Turkey?

US companies have been present in Turkey for many decades, they are part of the culture now. We conducted some research in collaboration with PwC to understand how US investments happen and what is needed to attract more. We found out that US investments help boost the technological advancement of the country and sector they invest in. Also, we found out that US investment decides where to go for periods of 7-10 years, so Turkey has to be ready so as not to miss the window of opportunity and have to wait up to a decade to receive big projects.

Bülent Akarcali, former Minister of Health, explained to PharmaBoardroom that medical tourism brings over USD 2 billion to the Turkish economy but he expected that number to increase fivefold soon. Do you see that as a realistic opportunity? How can the country attract US patients?

That is a very good question. It is a good coincidence that AmCham Turkey's Healthcare and Life Sciences Committee just kicked off a project for health tourism. While none of the US companies that are our members are in the field of health tourism, we chose the area because Turkey is a regional hub for medical tourism and need the perception of quality to attract more Western customers, particularly from the US and Europe.

US companies are looking to become strategic partners for Turkey because they provide a large part of the high-tech equipment to hospitals. The question is which treatments and markets should Turkey focus on because it should not be only a question of price but also quality; people from neighbouring countries are already coming, but we need patients looking for high-quality services from Europe and the US. It will not happen during the pandemic but is a great moment to do our homework.

There is great potential in further investments on healthcare since Turkey excels at doing public-private partnerships, doing 100 projects worth USD 100 billion in the past 15 years on infrastructure and construction; the country is number two after China in that regard. We see more projects coming in healthcare and transportation, but those city hospitals begin built need more patients. It is a good opportunity since Turkey has the second-highest number of JCI-accredited hospitals in the region after Saudi Arabia; that is the pulling factor for health tourism.

Is education of professionals one of the gaps to fill in order to leverage the healthcare infrastructure?

For talent improvement, we have the Global Turks 1,000 project through which we are looking to find successful professionals and talented people like Scientists Ugur Sahin and Ozlem Tureci, who developed the BioNTech-Pfizer vaccine.

Those people are all over the place and should be detected, there should be a talent mapping of them, looking at which schools they attended and their professional trajectory. We have many universities in Turkey, and we need more cooperation with US universities so both systems can benefit.

We are two years away from 2023, which means that Vision 2023 is upon us. One of the recent developments, at least for the pharma industry, is a change from a focus on manufacturing to include investments in clinical trials. How are your members working towards that common objective?

Our members are committed to helping Turkey gain ground in R&D investment. Pharma investments should not be looked at through a narrow perspective of the quantity of buildings or manufacturing; everyone should look at R&D because of its link to innovation.

We are planning a project in parentship with AIFD (Association of Research-Based Pharmaceutical Companies) and ARTED (Association of Research Based Medical Technologies Manufacturers), two associations representing the pharma and MedTech industries, to underline the importance of value-based healthcare systems. It is not how much you pay for a healthcare product but how long and efficient it is.

How does AmCham Turkey work with Turkish partners to achieve the goals you have referred to?

One fourth of our members come from the healthcare and life sciences sector. Last week, we visited Ankara to meet with the Minister of Treasury and Finance and Minister of Trade, during those encounters we brought up the topic of healthcare because, if you look at OECD numbers, Turkey’s service reach ranks high, but we need further investment in order to have a financially sustainable healthcare system. Turkey and the US have been strategic partners for 70 years and it is not by coincidence, it will continue.

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