

# The Turkish Perspective

JANUARY - FEBRUARY 2015 ISSUE 26

ECONOMY | BUSINESS | FOREIGN TRADE | ANALYSIS

## BRIEFING

Taking Over The Banner

Remarking 2023 By  
Reinvigorating The Innovation

Neo "Grand Bazaar"

## IN DEPTH

Islamic Finance Gains Access

## BRANDS

Air, Water and Fail Proof:  
Standart Profile



STEADILY  
TOWARDS  
2023

The reason behind Turkey's success amidst the setbacks and uncertainty that affected the global economy is its export policy which is the key component of a sustainable growth.



TURKISH EXPORTERS  
ASSEMBLY IS WORKING  
TO REACH TURKEY'S  
2023 EXPORT  
TARGET OF  
500  
BILLION DOLLARS

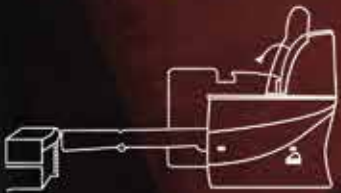




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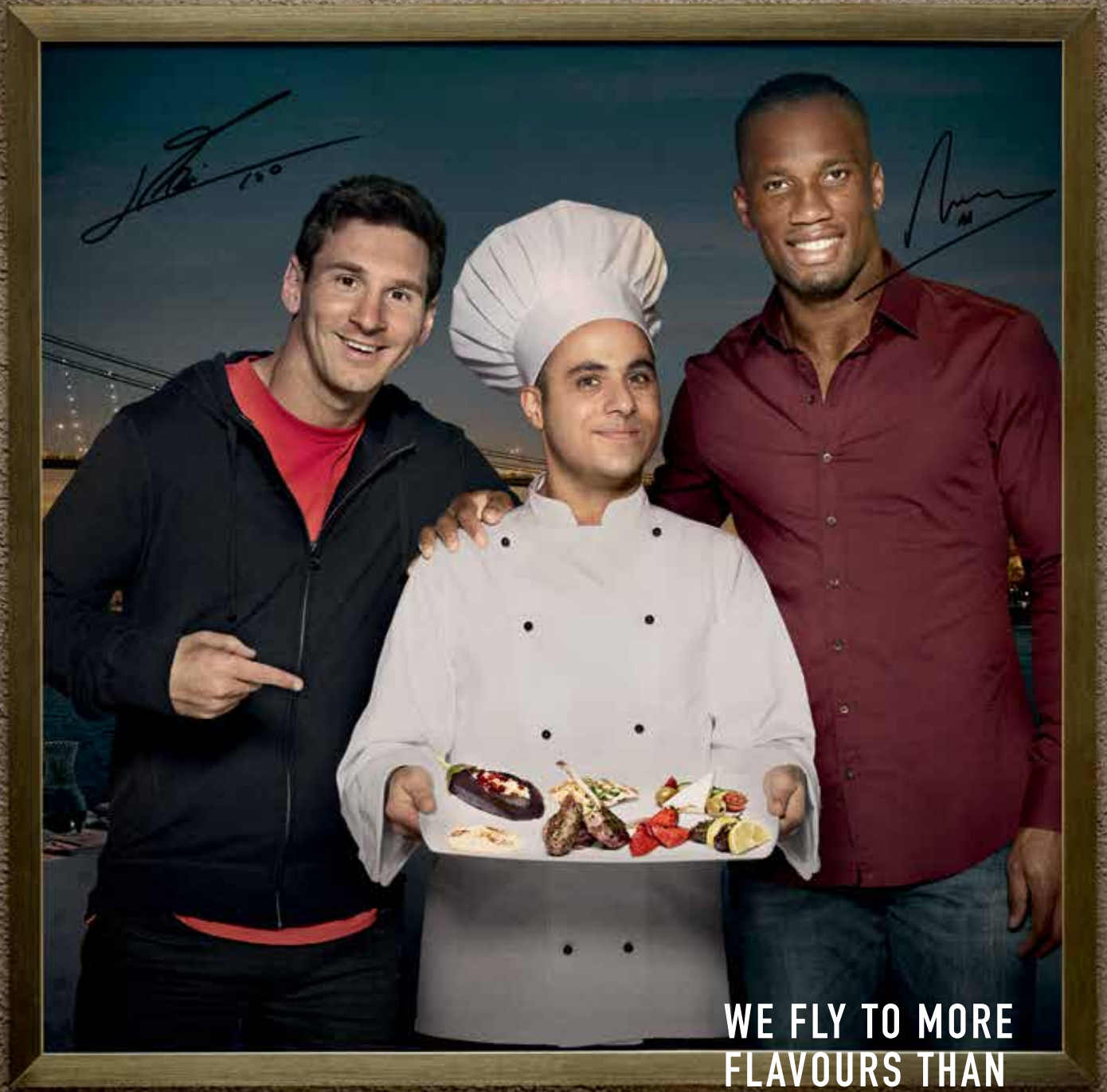
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## The Turkish Perspective

**MANAGEMENT**  
PUBLISHER ON BEHALF OF TURKISH EXPORTERS ASSEMBLY / CHAIRMAN OF THE TURKISH EXPORTERS ASSEMBLY  
**MEHMET BÜYÜKEKŞİ**  
MANAGER IN CHARGE  
**İSMET YALÇIN PhD**  
PUBLICATION BOARD  
**M. İLKER AYCI**  
**TEMEL KÖTLÜ PhD**  
**BÜLENT AYMEN**  
**MUSTAFA ÇIKRIKÇIOĞLU PhD**  
**SÜLEYMAN KOÇASERT**  
**ZEKERİYA METE**

**PUBLICATION MANAGEMENT**  
PRESIDENT  
**MEHMET MÜCAHİD DEMİR**

VICE PRESIDENT  
**YAŞAR MAMATI**

ACCOUNT DIRECTOR  
**İBRAHİM GÖKHAN**

PROJECT COORDINATOR  
**TURGUT ETİNGÜ**

EDITORIAL  
MANAGING EDITOR  
OF ECONOMIC PUBLICATIONS  
**ONUR KOÇASLAN**

CONTENT EDITOR  
**M. BAHADIRHAN DİNÇASLAN**

REPORTERS  
**YAGİZ ÖZERCAN**

CONTRIBUTING REPORTERS  
**EMRE KURBAN,**  
**BERKAN KIŞIN,**  
**EFE DAŞMAN**  
**REYHAN SU ERGÜN**

ART DIRECTOR  
**HARUN AKTUŖ**

ILLUSTRATOR  
**NECİP ŞAHİN**

CONTRIBUTORS  
**AHMET ÇELİK (DESIGN)**

**PRINTING**  
**BİLNET MATBAACILIK**  
**BİLTÜR BASIM YAYIN VE HİZMET A.Ş.**  
**DUDULLU ORGANİZE SANAYİ BÖLGESİ**  
**1. CADDE NO: 16, ESENKENT**  
**ÜMRANİYE / İSTANBUL**  
TEL: 444 44 03 • www.bitnet.net.tr

**medya** 

CONTACT  
T. +90 212 211 16 46  
F. +90 212 213 77 75  
ttp@medyatr.com.tr  
www.medyatr.com.tr

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# Editorial



MEHMET BÜYÜKEKŞİ  
PRESIDENT (TIM)

## PRIORITIZING HIGH VALUE- ADDED AND INNOVATION IN 2015 AGENDA

In the scope of enhancing the influence of export on growth and boosting the competitive power of Turkey, R&D, design, branding and innovation, in particular, will be of paramount significance in our 2015 agenda.

**W**e are witnessing an era of turbulence in which the declining oil prices, the strengthening USA economy, the weakening euro-dollar exchange rate, the fluctuations in regional markets, the ongoing conflict on exchange rates and the expectation towards interest rate hikes are driving the global economy. Whilst the positive indications regarding USA's growth and employment performance are presenting auspicious signs, the economic fragility, risk and uncertainty observed in Eurozone, Japan, Russia and several developing countries are inducing further concerns. Therewithal, the monetary easing policies implemented by countries such as Switzerland and Netherlands are causing fluctuations in parity. In contrast, ECB's monetary easing decision is motivating the markets, though causing a significant price pressure on our export.

The set of developments are warning us to take cautious steps and proactive measures. Nonetheless, the decrease in energy costs is an important and promising development regarding Turkey's dynamic economy. The projections estimate that low oil prices will have a favourable effect on growth, current account deficit and inflation. This context is distinguishing Turkey among other developing countries, despite the regional negativity and geopolitical tension.

Albeit the abrupt shifts in the world economies and geopolitical struggles in our region, Turkey's economy keeps growing and its export increases. Our

year-end export increased by 4% and reached to \$158 billion. The fact that the net export maintained its significant contribution to growth with the profile of "the steam engine of growth" during the first three quarters of 2014, inspires us for the future. We are positive that the stimulating effect of export on growth will increase incrementally once more in 2015.

In the scope of enhancing the influence of export on growth and boosting the competitive power of Turkey, R&D, design, branding and innovation, in particular, will be of paramount significance in our 2015 agenda.

We are continuing our journey started with the launching of the slogan and the logo, "Turkey, Discover the Potential", losing nothing from the very same enthusiasm of the journey's first step. Turkish Exporters Assembly contributed to a highly anticipated forum entitled "Turkey: Discover the Potential" and hosted by Borsa Istanbul, on January 20th. In accordance with the agreement signed by Borsa Istanbul and London Stock Exchange, a firm step regarding the improvement of the synergy between two cities and promotion of Istanbul as a global finance center has been taken.

We have made our grand finale which brought Turkey Innovation Week to the top of the ladder, on 4-5-6<sup>th</sup> December, in Istanbul; following the three events held in Izmir, Gaziantep and Ankara, three prominent cities of Anatolia through 2014. During these three days, we welcomed more than 40 thousand participants whilst 80

thousand people have followed the event online via TIMTV, Turkish Exporters Assembly's internet television. Thus, we have managed to directly interact with 58 thousand people with the touch of innovation in 2014, whereas reaching out to more than 100 thousand people whom have experienced the inspiration of innovation in last three years, cumulatively. The curtain of Turkey Innovation Week has fallen following award ceremony of the first ever innovation management programme in Turkey, InnovalLeague. In each of five different categories, top three companies have been awarded and Recep Tayyip Erdoğan, President of Turkey, bestowed their trophies to The Innovation Champions. In regard to InnovalLeague, we have provided a new innovation arena in which Turkish companies have the opportunity of competing with their European counterparts. Thousands of innovations enthusiasts have replenished and flourished our faith in achieving 2023 goals. In this manner we are determined and confident in moving acceleratedly forward on the innovation route we drew, which is a pillar of our 2023 agenda.

We wish a 2015 in which Turkey's economy picks up a further pace in growth, its export takes a big leap forward with the contribution of high-value added and hi-tech manufacturing and it makes another breakthrough on achieving 2023 goals, through the improvement of its perception on innovation, R&D, design and branding.



More than 39,000 foreign companies have already invested in Turkey.  
How about you?



## INVEST IN TURKEY

- One of the fastest growing economies in the world and the fastest growing economy in Europe with an average annual real GDP growth rate of 4,8% over the past decade (2004-2013)
- The fastest growing economy among the OECD members with an average annual growth rate of 5.2% (OECD 2012-2017)
- A population of 76,7 million with half under the age of 30,4
- Access to Europe, Caucasus, Central Asia, the Middle East and North Africa
- 16<sup>th</sup> largest economy in the world with over \$1,1 trillion GDP at PPP (IMF 2013)
- Highly competitive investment incentives as well as exclusive R&D support
- Around 610,000 university graduates per year

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# First

R&D, FINANCE, ENERGY, RETAIL, CHEMISTRY, AVIATION, INVESTMENT, AUTOMOTIVE ...



**Prime Minister Ahmet Davutoğlu** addressed to various businessmen and businesswomen in Davos

G20

## Turkey, THE RISING STAR IN DAVOS

Turkey stand out in the World Economic Forum in Davos. CEOs of prominent companies around the world implied Turkey an attractive country for investment.

**T**urkey came into prominence in the World Economic Forum. Numerous government and business executives joined the annual forum held in Davos, Geneva this year. Implying that Turkey is an attractive country to invest, executive officers from outstanding companies stated "Turkey's economy is flourishing. It shows new opportunities to the investors." Notably,

European Bank for Reconstruction and Development (EBRD) and international financial institutions remarked that investments in Turkey will increase.

A special meeting held in the first day of Davos which Turkish PM Ahmet Davutoğlu joined as the keynote speaker of the G20 Chairman. Turkey had a warm welcome on the occasion

of the G20 chairmanship and the first presidential attendance since 2007. Speaking at the forum, Prime Minister Davutoğlu stated G20 should not be perceived as the elites of world economy. "During decision-making and consultation, G20 are more like participants, in addition to population, they represent a great deal of world economy, and hence they put

effective results." said Turkish PM.

Prime Minister Deputy Ali Babacan, saying that this year's forum is important for Turkey; "We had bilateral negotiations with a lot of people. These encounters is helpful for building trust. If we are to pull more investments, more job opportunities, this is really a good chance." Babacan stated.

Numerous bilateral discussions have been made by Turkish Prime Minister Deputy Ali Babacan, Minister of Finance Mehmet Şimşek, Minister for EU Affairs and Chief Negotiator Ambassador Volkan Bozkır, Central Bank of the Republic of Turkey Governor Erdem Başçı, Borsa İstanbul Chairman&CEO İbrahim Turan during the forum.

## R&amp;D

## ALSTOM GRID EMBARKS ON R&D

Having 11 factories worldwide, Alstom Grid declares they will establish an R&D center in Turkey. The company operating in energy transmission and rail systems intends to build the center in its 90,000 m<sup>2</sup> factory in Gebze, Kocaeli. Product-based operations and design standarts will be the focus of this R&D center.



## RETAIL

## BIM TO BE IN THE RETAIL LEAGUE

“Global Powers of 2015 Retail Industry” report has been published by Deloitte. Listed as 151st, BIM is the only Turkish brand in the world’s biggest 250 retail companies. Among world’s fastest-growing 50 retailers, BIM has increased its income from \$5.8 billion to \$6.2 billion over a year.

## FINANCE

# Istanbul to be the New Financial Center

First in Washington DC., second in New York, the third of the forum series “Istanbul: Regional Center, Global Actor” was held by Borsa Istanbul in London, on January 20<sup>th</sup>.

**GUIDED BY BORSA İSTANBUL;** In collaboration with Istanbul Finance Center Initiative (IFCI), “Turkey: Discover the Power and Potential” the third event of forum series was held in London. The event was put into action as part of a policy regarding İstanbul to be a regional and international finance center.

In the event hosted by Borsa Istanbul, in collaboration with IFCI and Turkish Exporters Assembly (TIM), the signature ceremony of cooperation agreement between BIST London Stock Exchange is also carried out.

Prime Minister of Turkey Ahmet Davutoğlu, Deputy Prime Minister Ali Babacan, Minister of Finance Mehmet Şimşek, Borsa İstanbul CEO İbrahim Turhan, and Chairman of the Turkish Exporters

Assembly Mehmet Büyükekeşi attended to the ceremony. Turkey’s priorities and the path to make İstanbul a finance center were the subjects of the ceremony.

Speaking at the forum, Prime Minister Ahmet Davutoğlu, saying in order to understand modern economy, London; to understand traditional economy, İstanbul should be understood, stated that “By merging together, these two customs decide the global economy. London cooperates with traditional markets to be able overcome the difficulties in the capital market. This marriage can be read as togetherness of global

and traditional economies. Such initiations might be a solution in case of European Union as well.”

### TURKEY BRAND CROSS THE LIMITS

Borsa İstanbul CEO İbrahim Turhan made the opening statement at the forum “Turkey: Discover the Power and Potential”. Stating that they described İstanbul and Turkey as ‘the Rising-Shining Star of the Crescent’, “As you know, crescent is a symbol in the Middle East, an area that civilization was born and all the growth is revealed. Because it represents the flag of Turkish

Republic, it’s an honour to us as well.” said İbrahim Turhan. Chairman of the Turkish Exporters Assembly Mehmet Büyükekeşi stated that “Thanks to the motto “Turkey: Discover the Potential” and to the new Turkey logo, as the Turkish Exporters Assembly, the representative of

61,000 exporters, we initiated a brand new era in perception of Turkey brand.” Speaking at the ceremony, London Stock Exchange Group CEO Xavier Rolet stated, “Turkey is one of the most encouragingly developing markets in the world. Its youth and inovative population, and its determinism in regard to setting up a finance system which would promote fast-growing companies and sectors are their biggest advantages. Guided by IFCI, Turkish capital markets are heading to be a huge regional power; on this course London Stock Exchange Group is the natural business partner of Borsa İstanbul.”



## ENERGY



## ENERGY BURST IN TURKEY

Turkish Ministry of Energy and Natural Sources declared Turkey’s energy sector surveillance. \$17 billion spent on energy investments last year, creating 203 plants which have peak power of 5,800 megawatts. Hence Turkey’s planted energy power increased to 69,803 MW. Renewables got an important share of these ventures, such as wind power. Thanks to the new investments, the ratio of wind power to the total energy production goes by 5 per cent. The new plants obivated the need of natural gas import to \$850 million. In Turkey electricity production and consumption increased to 4.3% and 3.7% respectively.

## CHEMISTRY

## AK-KIM TO INVEST IN GLASS TILES

One of the biggest groups in Turkey, Akkök Holding “Ak-kim” invests in chemical industry. Yalova based company currently has \$180 million turnover and exports over 50 countries. The company bought Turkish company Gizem Frit that specializes in coating industry. Gizem Frit produces glass tiles and ceramic frit by using boron. Ak-kim is planning to enhance its turnover from \$180 million to \$300 million through this purchase in the next year. The company also intends \$1 billion endorsement by 2023.

## ENERGY

## CAPITALIZING THE SUN

By Tunçmatik-Powergie, Turkey’s biggest solar power plant is going to be built. The construction is on nearly 580 acre lands, and expected to start generating electricity in 2015. The plant, which will produce 12,800,000 kWh energy generation per year, could meet the energy needs of 50,000 people. Also, it will reduce CO2 emissions by 6,500 tons.

## AVIATION

## Mastering the Aviation



**T**urkish Airlines, Boeing and Istanbul Technical University (ITU), Turkey’s leading aerospace engineering and technology institution, have initiated the 2014–2016 academic programme of their M.Sc. in Air Transport Management, the first of its kind in the region, so as to lead the country’s rapidly developing aerospace

industry with the participation of 40 executive candidates, in a ceremony held in the Ayazağa Campus of Istanbul Technical University (ITU). The course also has academic partnerships with Massachusetts Institute of Technology, Cranfield University in the United Kingdom and the University of British Columbia.

## INVESTMENT

## Arçelik Kickstarted Asia Campaign



**T**URKEY’S PROMINENT durable goods manufacturer, Arçelik laid the foundation for a new consumer durables factory in Thailand. It’s been announced that the factory will be ready to serve by the end of this year, with a total cost of \$100 million. The company sets eyes

on Association of Southeast Asian Nations (ASEAN) countries as an export center. It’s expected that the factory will be producing 800,000 fridge, washing machine and air-cons in three years. It’s also been stated that the sales turnover from these productions could be \$500 million.

## INVESTMENT

## KORDSA’S SECOND FACTORY IN INDONESIA

Kordsa Global has introduced its second tire cord and yarn factory in Indonesia. In accordance with long-term growth strategy, this new venture is a milestone for the company, making them the sector leaders in Asia-Pacific region. Part of this new \$100 million investment, 18,000 tons of tire cord and 14,000 tons of third and fourth generation HMLS polyester yarn factories are built.

## FINANCE

## LSE AND BIST EXCHANGED IDEAS

London Stock Exchange and Borsa İstanbul signed a strategic partnership agreement on January 20th, allowing LSE to list futures and options based on the BIST 30 Index and on leading Turkish stocks. “From now on foreigners would be able to invest in Turkish securities much more easily thanks to the London listings,” stated İbrahim Turan, CEO of Borsa İstanbul, in the 3rd forum organized by BIST and Turkish Exporters Assembly entitled “İstanbul Regional Hub, Global Actor”.



## AUTOMOTIVE



## PRODUCTION AND TRADE ADVANCES BY HYUNDAI ASSAN

Thanks to its recent investments costing \$609 million, Hyundai announced that 203,157 i10 and i20 model cars have been produced last year.

**H**YUNDAI HAS DOUBLED its production and export numbers in 2014, through investments in small family hatchbacks. Managing Director Önder Göker states that thanks to the investment in İzmit factory, we have doubled the numbers in terms of production and export. Emphasizing that customers pay particular attention to product quality and durability, Göker said that; "Although there is decline in the sector, we are confident of our products. We focus on increase the customer satisfaction. Thus, our eco-friendly cars which we develop considering customer demands will increase our brand equity as well." Specifying that there are demands in domestic market, Göker also stated that; "There will be demand on our new i20 model car in the next year. We planned to sell four thousand cars at the beginning of the November; however we have reached a total amount of 5,139 cars. It shows how ambitious we are; when it comes to being the B-segment leaders."

### TURKISH TORQUE IN AUTOMOTIVE

Turkish Automotive Industry finished 2014 as the export champion sector once more with a promising and respectable increase, despite the global and regional setbacks.



## AVIATION

## TURKISH AIRLINES SETS EYES ON THE BIGGER PIE

Chairman of the Board Hamdi Topçu: "We are looking for how to get more piece of the world's aviation pie."

**T**urkish Airlines is currently world's best flying company in terms of reaching the most destination point and country. The company gets the advantages of this title on the corporate side as well. Making corporate agreements with several governments, commerce chambers, and some financial corporates called "supranational" from international companies; THY brings in \$2 billion by this channel. Recently, they want to increase the share of corporate income 30% of their total income. Making

17 subsidiaries over the past twelve years, THY has technological moves in their last affiliation plan. "Made in Turkey" phrase will be put on the new business softwares of Turkish Airlines., THY Chairman of the Board Hamdi Topçu states; "While having three per mille share from world's aviation pie 12 years ago, we increased it to the level of two percent. Our purpose is to carry it to 5 percent. We have certain strategies over what to do when the opportunity arise. Any flaw in that sector could damage us financially."

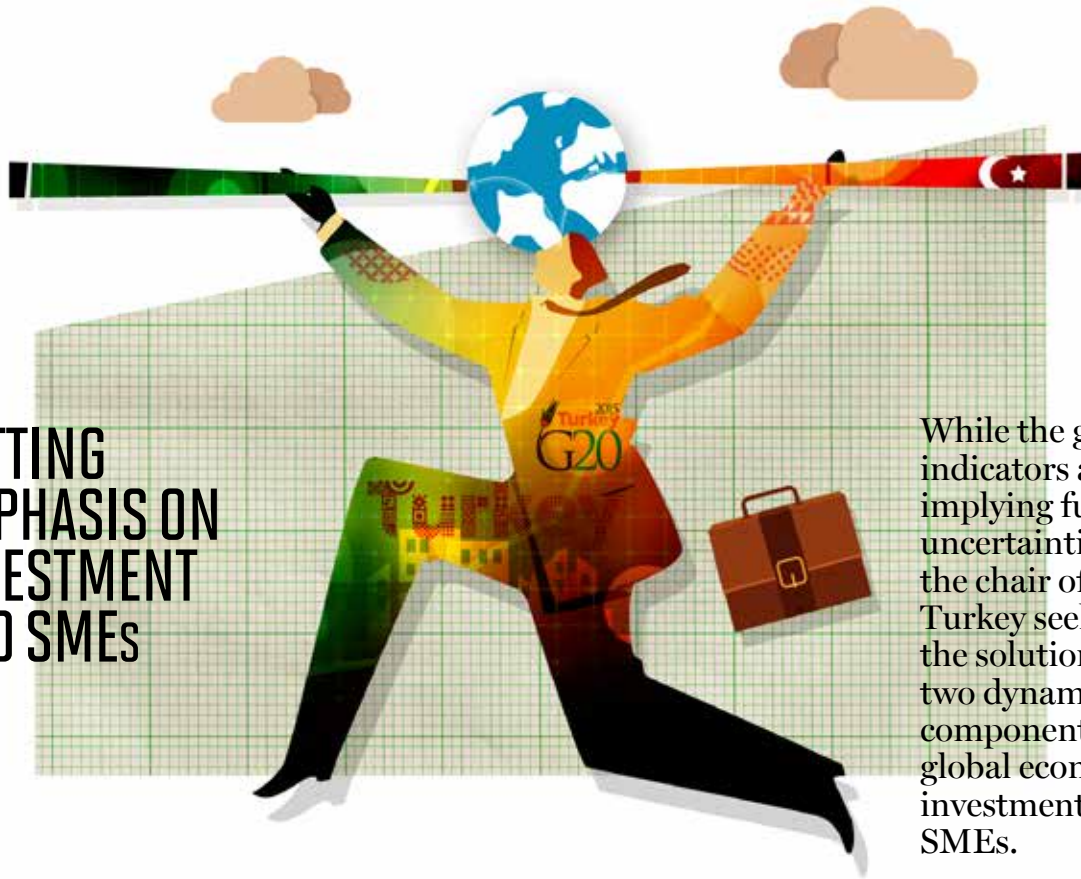


# Panorama



BY KEREM ALKIN

## PUTTING EMPHASIS ON INVESTMENT AND SMEs



While the global indicators are implying further uncertainties, as the chair of G20, Turkey seeks the solution in two dynamic components of global economy; investment and SMEs.

**T**he global economic system is going through a difficult phase concerning “sustainable future”. G-20 consisted of the most prominent 20 global economies had taken the first step in 2000 to find more efficient and encompassing answers to problems critically important regarding the future of human kind, such as campaign against global poverty, preservation of the ecology and preventing climate change. However, 2008 global financing crisis have had a detrimental effect upon countries’ willingness to solve global problems together and focus on these critical problems.

While countries are endeavoring upon global matters, they have to find solutions for their own national economies on the other hand. Even before 2008 global financing crisis, unemployment volume which had reached 170 million was a sign of a great risk concerning world’s future. Global poverty and seriously high unemployment bring forth the intercontinental migration problem as a main concern of agenda as well. According to International Labor Organization’s data, 3 million people will join the unemployed in 2015 and by the end of 2015 overall number

of unemployed people will reach 204 million.

ILO’s predictions indicate that the global economic activity will not experience a worldwide recovery which can compensate for and relieve the unemployment caused by the last global crisis, till 2019. What makes the situation even more unfavorable, ILO predicts that in East and Southeast Asia economies like India and China, which gave morale to rest of the world economy with their high growth rates during the crisis, employment conditions may worsen. Therefore, ILO expects 8 million new unemployed to join the unemployment pool between 2016 and 2019. In global scale, average unemployment rate is expected to remain around 5,9%.

### Turkey’s G-20 Agenda: “Inclusiveness, Implementation and Investment for Growth”

As Turkey assumed the G-20 Term Presidency from 1 December 2014 on, Prime Minister Davutoğlu defines the Turkey’s with a call to all G-20 countries: “G-20 is not only a financial platform but turned into also a prominent consultation platform. It is the

right time for G-20 to have a new vision. There is a slight recovery in global economy. We will experience some uncertainties during 2015. We are watching closely the deflation in EU and developments in US. Decrease in petroleum prices cause some uncertainties to arise. Turkey will have an inclusive manner as G-20 President before all. We will work hard to make G-20 decisions as inclusive as possible. G-20 should not be seen as an elite platform of particular countries. Integration of less developed countries must be ensured in forthcoming years. “

Prime Minister Davutoğlu offers a more inclusive approach and participation of less developed countries' with their arguments regarding global matters in order to ensure embracement of solution proposals by G-20 and B-20. This holds a key importance regarding the embracement of solution proposals. Besides this approach, Turkey also reminds that solution proposals must be feasible and pointing out the most critical issue is growth.

Because, unless global economy seizes a sustainable growth trend, generating a solution to unemployment, global poverty or migration problems is almost impossible. In this regard, global economy's seizure of a sustainable growth trend is seeming in a correlation with revival of large-scale private and governmental investments, state initiatives of mega-projects and re-interval of financial system in financing private and governmental investments. Turkey, in accordance with these objectives, desires to make problems of Small and Medium Sized Enterprises and agriculture a part of G-20's global agenda, during its term of presidency.

#### **Business World on 18-19 January, Central Bank Governors on 9th February**

Turkey's presidency saw a busy and accelerating agenda from the very beginning. First, on 18-19 January, G-20 business world institutions which represent 6,8 million small, medium and large size companies, came together. Following that, Central Bank of Turkish Republic will host high-level executives of G-20 Central Banks and monetary policy instruments, success of these instruments and precautionary measures will be discussed. Preceding this, during the business world meetings which was held on 18-19 January, giving priority to digital economy has already been agreed upon.

In accordance with the issue mentioned above, a series of events are planned to be held regarding digital infrastructure, institutional data responsibility and opportunities that have not been seized yet. B-20 coalition Chairman Perrin Beatty states “Today, private sector's role in supporting and sustaining the growth and enabling the competitive power once again, have become more crucial than ever.” and points out that business world's participation and forming the basis of precautions that will increase the competitive power of G-20 countries in the future, is very important. B-20 coalition also set supporting a more sophisticated

private sector-government collaboration in the current economic and geopolitical uncertainty as an objective.

B-20 private sector representatives state that global economy is experiencing a transition process and 2015 will bring new obstacles for countries and companies to achieve a sustainable growth. During the Australia's presidency term preceding Turkey's, G-20 countries demonstrated their resoluteness as they set creating an additional 2% growth in global economy until year 2019 as an objective. The private sector underlined its determination to work in collaboration with governments and other components in order to strengthen the global economy.

#### **Turkey Will Have SMEs in B-20 Agenda**

B-20's main topics are, to universalize “Growth First” understanding in G-20 progress, to increase the transparency of carrying out the G-20 undertakings; collaboration with business world

representatives, which means, in order to gain support of business world for G-20, ensuring the participation of national and international business representatives in the process, and to determine the priorities which will enable growth and increase employment worldwide. Representatives of Turkish business, TOBB, MÜSİAD, TİM, TÜSİAD, TİSK, TOBB and DEİK are prepared to bring Turkey's issues forth in global agenda.

During Turkey's presidency, SMEs will be in B-20 agenda in 2015, for the first time. Turkey will also host sub-groups of G-20 in 2015. Among these, Business 20 or B-20, is the most eminent. B-20 members will not merely state their problems and leave, instead they will seek solutions and make proposals. B-20, since 2010, brings together the CEOs of the most prominent firms and high-level executives of promising companies which plan

to become global players. B-20 Turkey Executive Board's main goal is to make Turkey a meeting point of many companies from all over the world.

Presidency term of B-20 creates an important opportunity for Turkish business to promote itself on international stage. Thus, B-20 Turkey Executive Board is expected to lay the foundations on which Turkish companies will promote themselves most effectively. With sustainability, connectedness, inclusiveness basis, Turkey Executive Board will maintain B-20's efforts in the previous years and will have SMEs and entrepreneurship be included in work groups.

The reason that SMEs are integrated with the process is linked to lack of their participation in B-20 platform whereas they are the main engine of economic growth. As Turkey's own economy depends upon SMEs 99%, Turkey shared this view with other G-20 members and “SMEs and Enterprises Task Force” caused a serious excitement in B-20 communication network. In scope of B-20, two summits and many regional meetings will be held.



*Global economy's seizure of a sustainable growth trend is seeming in a correlation with revival of large-scale private and governmental investments.*



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# Briefing

INNOVATION TOURISM E-COMMERCE BRAND AVIATION INVESTMENT



**Prime Minister Deputy** Ali Babacan had a meeting with ambassadors of G20 countries.

G20

## TAKING OVER THE BANNER

Turkey, the Chair of G20, will be leading the forum consisting of the countries account for 85% of gross world product (GWP), 80% of total trade in the world and two-third of world population.

BY TURGUT ETİNGÜ

**TURKEY HAS OFFICIALLY** took over the G20 2014-2015 term presidency on 1<sup>st</sup> December, 2014 and it is determined to use the opportunity to create an environment that will stimulate further social and economic improvement of both member and non-member countries. The strongest indications of Turkey's perspective on G20 presidency, 'three pillars' it has defined as foundations of Turkey's agenda; 'Strengthening the Global Recovery and Lifting the Potential', 'Enhancing Resilience' and 'Buttressing Sustainability'.

### "Inclusive and Robust Growth" Through "I Trio"

As the developing countries were the protagonist of pre-crisis era, in which the world economy was experiencing a global growth trend, as they are the leading actors of the ongoing recovery period. Despite the early pessimist projections towards how the tapering policies implemented by the developed countries will affect the emerging markets, according to World Bank's forecast while global economic growth expectations are indicating some 3.7% in 2014, developing countries' annual

growth will reach to a pace of 4.8% from 4.4% in 2015, which will surge to 5.3% in 2016.

On the same plane, SMEs are the impulses behind the economic improvement of each country; thus, the global economy. According to OECD data, more 95% of total firms are SMEs which account for 55% of cumulative GDP whilst a World Bank study shows that in low-income countries, lower-middle income countries, upper-middle income countries and high-income countries, SMEs account for 78%, 69%, 59% and 65% of employment, respectively. Turkey is not

an exception since SMEs are accounted for 75% of employment and 60% of total export.

In this context, main factor which influenced the forming of Turkey's agenda was its understanding of that setting the route of a robust global economic growth is possible through prioritizing inclusiveness and collective action. During its presidency term, Turkey will focus on the promotion of "heroes behind the curtain" with the formulation of "three Is"; Inclusiveness, Implementation and Investment.

Ahmet Davutoğlu, Prime Minister of Turkey, underlines the approach of Turkey in his message in Turkish G20 Presidency Priorities for 2015 manifest as "At the domestic level, we must ensure that the benefits of growth and prosperity are shared by all segments of the society. For this purpose, we will emphasize issues pertaining to the SMEs as a cross-cutting subject... At international level, challenges facing the LIDC will be raised more vocally by the G20."

Another subject which was highlighted by Ahmet Davutoğlu is the implementation of Brisbane Action Plan, a series of regulations, policies and agreements, which has the capacity of adding more than \$2 trillion to global GDP and creating millions of additional jobs.

Investments, the kinetic actuators of growth, will occupy a momentous position in Turkey's agenda. Developing to-the-point and solid strategies which will be designed to seek and resolve investment gap problems of member countries will be of high significance during Turkey's presidency term.

### **Vanguard Events Have Started**

Within the scope of the first lights that elicit various checkpoints from the roadmap of Turkey's G20 presidency term, B20, the business summit of G20, will unarguably have a big magnitude. While preparations for G20 Antalya Summit, which will occur on 10<sup>th</sup> November 2015, are being carried on intensively, inaugural meeting of B20 Summit of Turkey's presidency term also narrates the Turkey's point of view and action plan. The event held on December 15<sup>th</sup>, has hosted various prominent figures of politics and economy

including Ali Babacan, Deputy Prime Minister responsible for economy, Mehmet Büyüktekeşi, President of Turkish Exporters Assembly (TİM), Ömer Cihad Vardan, President of Foreign Economic Relations Board (DEİK), Rifat Hisarcıkhoğlu, President of The Union of Chambers and Commodity Exchanges of Turkey (TOBB), Haluk Dinçer, President of Turkish Industry and Business Association (TÜSİAD), Nail Olpak President of Independent Industrialists' and Businessmen's Association (MÜSİAD), Erdal Bahçivan, President of Istanbul Chamber of Industry. High level representatives, businessmen and businesswomen from 37 different countries were also among the distinguished participants.

### **Leading the Leaders**

Whilst Rifat Hisarcıkhoğlu, President of TOBB, has been appointed as the Chair of B20 2015, one of the topics of the meeting was the appointment of the heads of task forces and work groups which were formed previous year. As the members will be the leading businessmen and businesswomen of the world, the task group presidents are selected amongst the heads of foremost companies in Turkey. The heads will work with co-presidents who are/ will be selected from the leaders of eminent international companies. Hisarcıkhoğlu has introduced the chairs and co-presidents of work groups at the meeting.

The Trade Group's head will be Güler Sabancı, the Chairman of Sabancı Holding, one of the three most power women. Terry McGraw, ICC President and the Chairman of McGraw-Hill Financial will be working as co-president with Güler Sabancı.

The Infrastructure and Investments group will be led

by Ferit Şahenk, the Chairman of Doğu Holding—a reputable and rising group with its domestic and international investments.

The Financing Group's chair will be Hüsnü Özyeğin, Chairman of FİBA Holding, who is an ambitious and visionary businessman, managed to build a billion-dollar company from nil.

The Employment Group will work under the leadership of Ali Koç, a Board Member of the largest group in Turkey, whom will be accompanied by Daniel Funes, the President of IOE, the umbrella organization of 150 employers' organizations.

The Anti-Corruption Group will be led by the Chairman of Yıldız Holding—a group which has put on a tremendous performance, highlighted with Godiva and United Biscuits acquisitions, in recent years.

### **Preserving and Improving**

The Chair of B20, Rifat Hisarcıkhoğlu, has stated that Turkey will start to actualize its agenda by determining how to improve and implement 20 subjects that B20 Australia summit has suggested to the leaders of the world.

Therewithal, the new ideas are emerging in order to extend the reach of G20, Turkey is planning to create new outreaches to introduce new perspectives on the world's economy and politics agenda and reinforce the existing



*Developing solid strategies designed to seek and resolve investment gap issues of G20 members will be prioritized in Turkey's presidency term.*

work group and optimize their performances.

"B20 Advocacy Leadership", a new leadership structure for B20, will be organized to ensure sustainability and efficiency of B20. The Leadership which is planned to be consisting of 2-3 members to be selected amongst policy makers and influential figures of economy from each member country, will provide a strong lobbying network on government level and take the role of a constant leadership mechanism of B20.

Women 20 (W20) is another vision of Turkey. W20 is to be a new tool at disposal of the businesswomen's problems and expectations' narration in a global level by conducting their agenda to G20. Ali Babacan informed that the new outreach group is not discussed in detail with all member countries yet the projections towards W20 are quite positive in respect of its future as a constant outreach group.

The SME Platform is another issue that was brought up by Babacan, during the inaugural meeting. Babacan remarked that the members of G20 have come to a consensus on forming a global platform under the supervision of G20 in which representatives from SME organizations of member countries will be able to discuss on global and local topics, thus, give voice to global SME ecosystem in G20 summit.

### **Thinking the World**

Meanwhile on a different front, the coordination and organization Think20, another outreach group of G20 forum consists of globally prestigious think-tanks, will be carried out by The Economic Policy Research Foundation of Turkey (TEPAV).

T20 National Advisory Council has assembled for the first time with the inaugural meeting held on 7<sup>th</sup> January.

Güven Sak, the managing director of TEPAV, has made a presentation entitled “T20 Turkey 2015: Agenda, Schedule, Opportunities” and briefed the members of council representing 12 different think-tanks from Turkey, on the previous G20 events, other outreach groups, G20 agenda and T20 schedule.

Furthermore, the Council has discussed various subjects including the potential areas for contribution, the road-map of Turkey and extension of the network towards incorporating more national and international think-tanks. The T20 National Advisory Council will hold at least two more meetings during 2015.

### **Narrating The Labour and The Youth of The World**

The preparations of two remaining outreach groups of G20, the Labour 20 (L20) and Youth 20 (Y) are continuing. International Trade Union Confederation (ITUC) and Trade Union Advisory Committee (TUAC) will be convening the L20 Turkey summit whilst the Steering Committee will be chaired by Confederation of Turkish Trade Unions (TURK-İS). Confederation of Progressive Trade Unions of Turkey (DİSK) and HAK-İS Confederation (HAK-İS) will also participate in committee.

On the other hand Y20 will be carried out by Youth Commission for Diplomacy and Collaboration (YCDC), an organization supported by Presidency of the Republic of Turkey. YCDC has started acquiring the delegation applications for Y20 2015 Turkey. Thanks to the support provided by Presidency of the Republic of Turkey, YCDC will have a strong ground on G20 and will be able to narrate the problems and needs of the young population of the world.



**GÜVEN SAK**

Managing Director of the Economic Policy Research Foundation of Turkey (TEPAV)

## ***The Stream of Thought***

*Güven Sak, Managing Director of TEPAV, outlined the agenda of Think 20 Turkey.*

### **What opportunities does being the chair of G20 present to Turkey?**

The opportunity of being the Chair of G20 is a rare and valuable chance for three basic reasons. First of all the chair rotation is a twenty year process, thus it is a chance you can get once in twenty years. Secondly, Turkey is taking over the charge in a transition period. The world is leaving a “crisis management era”, especially concerning the developed countries. At the very least, this is the situation for USA, per se. Now it is the time to focus on the subjects mostly regarding the developed countries, particularly employment, growth and the global inequalities. Turkey, in aspect of obtaining the title ‘the Chair of G20’, will have the chance of contributing to the shaping the new normal’s agenda or the transition to the new normal’s agenda. Thirdly China will be the chair in 2016 term. This fact will be of use in terms of improving the relations and cooperation between two countries in two far edges of Asia. It is a matter of high significance that two countries like Turkey and China, which are integrated into international system and utilizing the status quo in order to transform themselves, contributes together to the shaping of the new agenda.

### **What is the agenda of T20 Turkey? What are the main subjects you will focus on?**

T20 Turkey will bring in a new analytic depth to G20 discussions and by generating new ideas that will support and promote the G20 agenda. It will also put emphasis on the development of policy measures regarding the G20 growth agenda based on “Brisbane Action Plan”. Implementation of the measures and member countries’ individual performance on reaching global growth targets will constitute a main parameter for G20’s efficiency.

We already determined the key areas for 2.1% growth target. This key areas were discussed by T20 representatives, Australia, the former chair of G20, China, the forthcoming chair of G20 at a round-table meeting held in Istanbul on 16<sup>th</sup> December 2015. We have decided to carry on with the subjects; investment and infrastructure, trade, development and financial stability and reform, which were brought up in Australia’s chair term. In addition, we affixed Innovation and Technology theme to our agenda, to be discussed in G20. And we set “global governance” as an umbrella theme regarding all the areas.

In the scope of opening events, panels will be organized to provide a ground for brainstorm. The panels will constitute an initiation point for the thematic meetings that will be held during 2015. Furthermore, we are planning thematic workshops to be held in countries including Turkey, China, Canada and Germany. We will invite a wide number of representatives –in accordance with their professions- from think-tanks of member and non-member countries, universities and various institution to the workshops. Moreover, T20 Turkey aims at forming strong bounds with China, the forthcoming chair of G20. We have a robust communication with our Chinese counterparts and hold events in cooperation with them. The Turkish governments leadership priorities are of vital importance in terms of starting the discussions on global governance and thus, building an infrastructure on which China can build its G20 agenda.

### **What will Turkey bring in to T20?**

We are desiging a virtual network „Global Policy Dialogue Platform, in which policy makers and think-tanks from member and non-member countries can develop a synergy and a dialogue platform. As well as discussing the current global political issues and the agenda of policy makers, Global Policy Dialogue Platform will utilize the think-tanks’ ability of focusing on the big picture instead of the short-term needs and developing a wider perspective on global economy. Platform will improve T20’s efficiency and its capacity of creating a longer political agenda whilst bringing a solution to T20’s continuity problem which arises from its need of reorganization in each term.





## INNOVATION

# Remarking 2023 by Reinvigorating the Innovation



Turkey Innovation Week, the paramount event of innovation in Turkey has made its grand finale. Started in 2012 with the notion of promoting the high value-added manufacturing, Turkey Innovation Week Istanbul event has set a new record again in 2014 and enlightened the path towards 2023 \$500 billion export target.

BY ONUR KOÇASLAN

BY KATYA TURAC

**TURKEY INNOVATION** Week has made its grand finale in Istanbul following the İzmir, Ankara and Gaziantep events which were carried out with the sense of diffusing innovation throughout the Anatolia. The event organized by Turkish Exporters Assembly with the support of Ministry of Economy and the strategic partnerships of Arçelik, Sabancı Holding, Türk Ekonomi Bankası (TEB) and Turkish Airlines has hosted visitors and participants for three days. Thirty five R&D

institutions, twenty one techno-parks, thirty nine universities, nine science and technology centres have partook in the event. During his keynote speech, Mehmet Büyükekşi, the President of Turkish Exporters Assembly (TİM) addressed that Turkey Innovation Week 2014 has broke a new record with more than 40 thousand participants. While emphasizing on the fact that TİM has made a new breakthrough yet again, Mehmet Büyükekşi stated that "Thanks to the İnovaLig, the first ever

innovation management programme in Turkey, we have incorporated Turkey to the IMP<sup>3</sup>rove programme which is implemented in 17 countries of EU, thus, created an environment which has provided a ground for Turkish companies to compete in innovation with their European counterparts." Remarking that the innovation has become a government strategy under the patronage of Presidency of the Republic of Turkey and TİM has developed 2023 National Innovation Strategy,



*Turkey Innovation Week brought the leading innovators of the world together with the innovation enthusiasts at four events held on four different cities.*

Büyükeksi concluded his words with calling out to the youth as “Remove the word “impossible” from your vocabulary. Learn in practice! Experience the innovation! Determinedly remove the obstacles in your way and achieve! In order to innovate you have to be able to think outside the box, think independently and act bravely.” Furthermore, 80 thousand people have followed the event via Turkish Exporters Assembly internet television, TİMTV.

**Erdoğan: Innovation Should Be Indispensable For Us All**  
Recep Tayyip Erdoğan, President of Turkey, has honored the event. Delivering a speech about



President Erdoğan gave a speech on the third day of the event.

the significance of high-tech manufacturing, Erdoğan stated that “The skill we show in practice should also be channelized to systematization.” President Erdoğan underscored that the firms should acquire the ability of formatted and systemized governance and performance while emphasizing on the gravity of Innovalig, he addressed that “Innovation and production based on innovation should be indispensable for us all. We have to provide basis in which

design and commercialization of the goods and services flourish progressively.

#### Call of Duty from Davutoğlu

Ahmet Davutoğlu, Prime Minister of Turkey has delivered the keynote speech of the second day of Turkey Innovation Week. Remarking that they have started a ‘levée en masse’ for innovation, Ahmet Davutoğlu stated that “Thanks to the Turkey Innovation Week, an event that is earning the title ‘traditional’, Turkey

will be able to measure its progression of innovation”.

Davutoğlu expounded the 5 different stages of innovation: imagination stage, idea/thesis stage, execution/technology stage, commercialization/meeting with the demand stage and competition stage while underlined that a renewal is need in fundamental sciences education, in particular, regarding to make an innovation break-through.

Nihat Zeybekçi, Minister of Economy, was amongst the eminent participants. Zeybekçi underscored that the notion and the application of innovation is one of the main subjects of Ministry’s agenda. Explaining that the products are merely utilizable unless they have unique designs and brand value, Zeybekçi stated that “Turkey is in transition to a designing country from a manufacturing country. The innovation today is the guarantor of the future.”

#### INNOVA-CLUB WILL EXTEND INNOVATION NETWORK

Another initiative of TİM, Innova-Club, aims to diffuse to innovation culture to the masses. With in the scope of building a bridge that connects the leading figures of business world, TIM has designed an innovation network. Innova-Club is stimulating further interaction between the high level executives of prominent companies in terms of creating an awareness on global competition and innovation correlation. Incorporating universities and students with the leading businessmen and businesswomen who are able improve the sense of innovation in youth with the mentorship and guidance is one of the top priority subjects in Innova-Club’s goal set.



5000

NUMBER OF PEOPLE PARTICIPATED IN IZMIR EVENT

5000

NUMBER OF PEOPLE PARTICIPATED IN ANKARA EVENT

7000

NUMBER OF PEOPLE PARTICIPATED IN GAZIANTEP EVENT

40.000

NUMBER OF PEOPLE PARTICIPATED IN ISTANBUL EVENT



GIJS VAN WULFEN

Founder of “FORTH” Innovation Method

Innovation starts with the question: “How do you open the minds of people?” Everyone dreams of a system of innovation but it does not exist. There are no templates. You can only grow an innovation culture, person by person. And each time you have to involve more people, different people who have learnt to use the same language and the same tools. Innovation Week brings so many people, students in particular, together and this is wonderful. It has actually started a school.



ESKO AHO

Former Prime Minister of Finland

When the new approaches, like big data and internet, are integrated with traditional sectors like manufacturing, services etc. a great potential of innovation emerges. Thus, Turkey will great opportunities because of the fact that it has a diversified industrial foundation. By integrating new technologies to its diversified industrial foundations Turkey is going to be able to build competitive advantages. Innovation takes place in an environment, it takes place in an ecosystem. The ecosystem is very critical for a sustainable innovation culture. Innovation Week is nourishing the ecosystem of innovation.



**CHAMPIONS ON THE STAGE**

In accordance with Turkish Exporters Assembly's (TİM) Innova-League-Leaders of Innovation programme, Turkey has been enlisted in IMP<sup>3</sup>rove programme in which 17 EU countries take place. This has provided a new gate to a different,

more competitive and more progressive environment in terms innovation awareness and applications. In this regard Turkish Exporters Assembly awarded the champions of innovation on the last day of the event. The companies have been evaluated in 5 different categories and top

three companies in each category have been awarded. The champions received their trophies from President Recep Tayyip Erdoğan, runner-ups and third place finishers took their awards from Akif Çağatay Kılıç, Minister of Youth and Sports and Mehmet Büyükekşi, President of TİM.



**MICHAEL WEISS**  
Managing Director,  
A.T. Kearney Turkey

While everybody is talking about the importance of innovation – delivering innovation and generating sustainable value is probably one of the most difficult leadership tasks in our world. I like to compare it with sport as everybody is celebrating the moment of success but it's quickly forgotten to reflect the efforts, patience and even failures to reach the success. Innovation Week and Innovaleague have achieved to reach within very short time the awareness level of big sportive events in Turkey and beyond. You might like to see the faces of my colleagues in other markets across the world when they hear about the effort and investment Turkey is running on a yearly basis to drive innovation.

Target of Innovaleague is to build and inclusive environment that allows companies of different industries, markets, size, ownership and maturity to exchange best practices of innovation Management. Innovation Management is not only the question on maximizing the patents but the key question how to deliver value and achieve a competitive advantage. Instead of celebrating the best player in a specific industry Innovaleague is enabling the dialogue across different industries and different companies. Based on last year experience we really enjoyed the fact that Turkish companies started not to copy paste a successful competitor but to apply a systematic approach in comparing the own way of doing things with more than 4000 companies across Europe to derive the lessons learned.

Innovaleague had a great kick start in its first year in Turkey. For 2015 our joint ambitions are even higher as you can imagine. To reach this we are currently closely working with TIM and our colleagues from IMPROVE Academy to derive lessons learned from last year and implement them for 2015.

**THE INNOVATION CHAMPIONS**

INNOVATION LIFECYCLE	INNOVATION STRATEGY	INNOVATION RESOURCES	INNOVATION ORGANIZATION AND CULTURE	INNOVATION RESULTS
Vestel Electronics	Arçelik	Turkish Economy Bank	İnci Akü	Labris Tech&IT
Çilek Mobilya	Tofaş	Mir R&D	Hexagon Design&Engineering	Triodor Software
Denizbank	Procter&Gamble	Brisa	BASF	Nanovak R&D



With the participation of President Erdoğan, 2014 Turkey InnovaLeague award ceremony held on the 3<sup>rd</sup> day of the event.





**Turkish Airlines Ladies Open** held in Antalya was the penultimate event of the European Tour Final Series.

## TOURISM

# Turkey: THE DESTINATION PAR EXCELLENCE FOR SPORTS

BY EMRE KURBAN

**W**ORLD TOURISM reached \$1.2 trillion annual return, and this number increases each year. Thus, tourism gets its fair share in investments globally. On the other hand, world tourism has diversity in itself. Among them, sport tourism is one of the sectors which have the most accretion value. It has financial size up to \$200 billion. 8% of the global tourism accession is in sport tourism, with its financial worth of 17%. These facts direct tourism countries to invest in sport tourism. Turkey is one of the leading countries that invest on this scope.

Hosting over 35 million guests, Turkey steers to sport

tourism, accompanied with its strong sportive foundation which includes 2 million athletes, 7,000 sports clubs, 200,000 club administrators, and 60 associations. Operations have been made in order to meet the needs of visitors who come for both joining and tracking a sports activity. In Europe, more than 500,000 people travel to away football games, and spend approximately \$1500 per capita. Turkey, the sixth biggest country in European football industry, hosts thousands of football teams during winter breaks. Antalya alone hosts over 1200 teams during league breaks. Turkey is one of the capitals

of golf sport in Europe, as well. Thanks to the advanced hotels and golf courses, Turkey has improved itself in the sector. Having 25 golf courses, Turkey hosts 450,000 players. In addition to that, Turkey acquires a total amount of \$300 million from golf sport. Especially in Belek, operations are made in order to extend golf season to twelve months. Accompanied by sporting events, edutainment games and recreations are held to attract visitors.

Tournaments are crucial for sports tourism. Accordingly, Turkey started taking part in international sports events further each year. Hosting more than a hundred international competitions for the last ten years, Turkey has earned 21,802 medals, and built around 350 facilities. Successful at both senior and youth levels, as well as sportive infrastructure, Turkey has managed to host its visitors in the best possible way. Some of the international multi-sports events Turkey hosted in the last few years are 2013 Mediterranean Games in Mersin, XXIII. Summer Universiade in Izmir, and 2011 Winter Universiade in Erzurum. Turkey also hosted

FIFA U-20 World Cup 2013, which is the most significant organisation in youth sports. During these events, Turkey has gained a reputation for merging technology into its traditional hosting culture.

Turkey becomes more influential in world's sports tourism sector. The investments, organisations and advertising will spotlight Turkey in the sector. Having solid tourism background as already implied, investing in Turkey's sport tourism will make major contributions to the national economy and its investors.



### SÜREYYA ERTUĞRUL

Sports Sales & Marketing Director of World of Wonders Hotels / WOW Hotels

Currently the annual revenue generated from sports tourism is about \$1 billion. But this does not even meet 10% of our true potential. However, if the public gives enough support to this type of tourism a \$10 billion revenue annually could be reached easily. In order to diversify sports tourism, building indoor sports centers, athletics fields, indoor pools, in cooperation with the public support, would help hotels' occupancy rates rise up in the winter season.

Turkey has a great potential in sports tourism. Antalya on its own attracts various sports clubs from 79 countries around the globe, more than 1200 camps are being held yearly. Even distant countries like Japan, China, Korea and Canada are showing interest in Turkey's sports tourism facilities. The fans of various sport clubs are choosing Turkey for vacation and staying in the same hotel with the team they support thinking their sports club would never pick a bad place to camp.



Turkish traditional bazaars are to replace with growing eCommerce sites.

## E-COMMERCE

# Neo “Grand Bazaar”

“Online shopping in Turkey becomes a rich prospect; the companies boosting globally with new business associations”

BY EFE DAŞMAN

**S**INCE MICHAEL ALDRICH has introduced online shopping in 1979, E-commerce has become one of the central figures of negotium and stock market in the world. With its low investment capital and considerably small transaction balance, internet entrepreneurship contributes new ventures to grow and seminals to practice. It also helps SMEs to stay competitive with global conglomerates thanks to

accessibility and low costs. After Alibaba set the record of the world’s biggest initial public offering \$25 million; it can be claimed that E-commerce is one of the most important investment areas in the world. According to Asseco SEE data, e-retail in the world today has a capacity of \$1.7 trillion; while E-commerce sales are growing by more than 19% a year, it’s predicted that will be almost \$2.5 trillion towards the end of 2017.



*With its 1,8% ratio and 40% growth rate, Turkey is catching up with developed countries, which shows a great area to invest upon.*

Turkey is getting its piece of the pie with its growing E-commerce business investments. According to the Association of Electronic Trade Operators (ETİD) 2014 data, Turkey’s E-commerce volume is over \$8 billion, and it has 40% augmentation ratio for the last year. In Turkey, online trade market grows recently in paralel with the growth of internet users. In 2014, Turkish Statistical Institute (TUİK) announced that there are 38 million internet users in Turkey, and 33 per cent of this population are e-shoppers. Consederig the evolution of mobile applications and the youth population in Turkey, the numbers tend to increase. According to Interbanking Card Center (BKM), Turkey is the fastest-growing country in Europe, when it comes to card-payment using internet. While increase rates of card-payments are 12-13% in UK

and Germany last year, this number was over 50 percent in Turkey.

Turkey's E-commerce market has been flourishing for the last five years, and now it's competitive with biggest E-commerce markets such as Japan and USA. In 2014, the ratio of e-retail to total retail was 7.4% in USA, 6.0% in Germany, 4.2% in Japan, and 1.7% in Italy. With its 1.8% ratio and 40% growth rate, Turkey is catching up with developed countries, which shows a great area to invest upon.

### Foreign Investors Approach on Turkish eCommerce sites

Turkish E-commerce sites are growing; expanding abroad with new business partnerships. Founded by Aksoy Group in 2000, Sahibinden.com is literally world's biggest Turkish site. Similar to Craigslist in terms of content, the site has more than 31 million unique visitor per month, with its over 4 million active ads. Turkish E-commerce company Yemeksepeti is not only the biggest online food order company in Turkey, but also grows in Russia and Middle East with its 'izrestorana' and 'foodonlick brands.' According to the company information, 50 million portion food, which had been prepared in 12,000 restaurants have been sent through 3 million directories. The company are listed as one of the major E-commerce companies in Europe.

Founded in 2010 by Demet Mutlu, Trendyol is Turkey based private shopping site which starts to sale works of Turkish designers. Trendyol offers products from outstanding global brands with discounts up to 85% to its customers, In August 2011, Trendyol raised

\$26 million in new funding from Kleiner Perkins & Tiger Global, the investors of global web companies such as Google, Facebook, Twitter, and Amazon. Thanks to the new investmets, Trendyol will probably grow in the future.

In partnership with Doğuş Group and Korean based SK Group, n11.com is the biggest E-commerce enterprise in Turkey. The company which has \$11 trading volume per second, has grew %200 last year. The site is also the biggest in Turkey, with its reputation of having the most categories on an e-trade site.

Turkey based Markafoni is a private shopping company. The company purchased by South African media and E-commerce platform Naspers Group last year. Over the past two decades, Naspers has managed to evolve from a traditional print media business operational in a

single country to a publicly listed e-media company operational in multiple markets. The company holds a 34% interest in Hong Kong-listed Tencent, China's largest internet services portal, a 29% stake in Mail.ru Group, and a 95% stake in BuscaPé, among many other investments. This initiate seems to provide two-way benefits; securing Naspers' position in the stock market, while helping Markafoni to grow globally. The company has become not only one of the biggest e-commerce brands in Turkey, but also stand out in Australia, Korean Republic, Greece and Eastern Europe. Markafoni now co-operated with Microsoft; introducing "Cloud Shopping Mall." Using Microsoft's cloud technology, Markafoni will be able to tailgate habits of its customers, thus to improve its recommendation engine.

### eCommerce in 2023

According to the Turkish Ministry of Customs and Trade, it's predicted that by 2018, E-commerce size is going to reach \$30 billion, and by 2023, this number will be up to \$150 billion in Turkey. BKM's 2023 projection is a Turkey which has 57 million Internet user, and 25 million e-customer. By Euromonitor 2013 accounts, while today the ratio of online to total retail is only 1.7%, this margin will increase by 8-10% for the next decade. It's estimated that by 2023, Internet penetration will be up to 70%, which is the EU standards, and annual Internet expense will be 500\$ per capita. Considering the population of Turkey will reach to 84 million, these numbers are quite realistic. With this potential, e-trade in Turkey could compensate for a great portio of \$500 billion export proposition by 2023.



**NEVZAT AYDIN**  
CEO, Yemeksepeti

I believe entrepreneur's attitude is a key to succeed. When you look at Yemeksepeti, there are some crucial turning points which we did the right thing at the right time. Firstly, we provided staff consistency. Our front-end staff have continued working for eight years. Then we had a deal with General Atlantic in 2012. I think that General Atlantic enters Turkish E-commerce market is important for Turkish economy. Thanks to the financial support, we are now cooperative globally. Lastly, for technological developments, we created our mobile app three years ago. Now, more than 45% of our sales are mobile based. We believe the numbers are going to increase in the future.



**DEMET MUTLU**  
Founder & CEO, Trendyol

E-commerce in Turkey is becoming very popular further each day, the number of E-shoppers increases. However, when it is compared to other markets, we can say that the sector is still developing. Given the facts that the youth population is really high and that the purchase power increases, E-commerce has a significant growth potential. 3% of the \$62 billion total retail sale is online based. The rate of e-shoppers to the total amount of internet users are 14%. We expect that the percentage will be 30% by 2020.



**BILGEN ALDAN ALBAYRAK**  
Marketing Assistant Executive Officer, n11.com

As the sector augmented 25% in 2014, we implemented 200% growth. By the year-end we have 21 thousand registered stores, 24,5 million registered products, and around 4 million customers. The sector has been growing so quickly that we have 100 times more stores than the biggest shopping mall in Turkey. Including SMEs, n11's total trading volume for the last year is \$350 million.

E-commerce is one of the rising sectors in growing Turkish economy. While it is growing, it makes affiliated line of business grow as well. It helps one of the substantial of Turkey's economy SMEs to grow via eCommerce.





# GUIDING THE ENTREPRENEURS

An enterprise itself, Turkish Exporters' Assembly and Turkish Economy Bank's new project will guide entrepreneurs to create global brands in accordance with 2023 "Ten Global Brands" goal.

BY BERKAN KIŞIN

**TURKEY, WITH ITS** young and talented population, is one of the most promising countries regarding entrepreneurship. Entrepreneurs, whose numbers rise year by year, are inclined to establish new firms especially in technological fields. Universities are opening new entrepreneurship centers one by one, many non-government organizations are being formed and starting activities regarding entrepreneurship. Moreover, foreign investors are watching carefully the promising

enterprises in Turkey to invest. The matter is also a hot topic for the government. Institutions like KOSGEB, TÜBİTAK, and Ministry of Development are trying to turn the enthusiasm of the entrepreneurs into economic benefit via incentives and support programs, while the government take necessary and radical steps to implement new legislative regulations. According to Turkish Statistical Institute (TÜİK), by the end of August 2014, total number of entrepreneurs in Turkey has reached to 1 million 223

thousand. This is not only the indicator of dynamic economy but also the presentation of a whole new set of opportunities since the entrepreneurs are both potential demand and supply. In other words they are both investments and outcomes. And this potential is in need of guidance to be activated.

It is obvious that Turkey needs to make its young population an advantage in order to speed up the development in information technology. "TİM-TEB Girişim Evleri" have been the most palpable move so far.

*Main objective of TİM-TEB Girişim Evleri" (Business Incubators for Entrepreneurs) is to spread the entrepreneurial spirit and turn ideas into projects.*

Turkish Exporters' Assembly which has been taking steps to increase the share of added value products in export, and Turkish Economy Bank, one of the prominent supporters of enterprises; have joined their strength and started Girişim Evleri project. To spread an entrepreneur spirit throughout Anatolia and activate the potential of it, first Girişim Evi (Entrepreneur Incubator) was opened in Gaziantep, in south-eastern Anatolia. Focusing on entrepreneurs developing technology and software which show potential to be exported, Girişim Evleri is an important step for Turkey to produce added value goods.

Local administration, universities, non-government organizations and associations joined together to collaborate with Girişim Evleri to reach as many entrepreneurs as possible from all regions of Turkey and provide various opportunities to them. Among these opportunities; educational programs, loans, consultancy, office support, financial and brand management support can be counted. As these incubators allow entrepreneurs to introduce their ideas to business world, they bring together professionals and entrepreneurs together in many sectors. In Girişim Evleri, from turning ideas into business projects to project promotion, from customer gaining to introduction to investors; free support is provided for each phase. The consultancy service includes designing the suitable business model for the project, determination of the high-potential target group, designing the product in accordance with this target group and calculation of

initial budget necessary for start-up. For entrepreneurs who managed to complete the initial phase, educational and consultancy services are provided regarding planning the right marketing policy, setting the most profitable and reasonable pricing policy in accordance with service cost analysis and budget management & cost-income analysis.

Entrepreneurs successfully proved themselves in TİM-

TEB Girişim Evleri find chance to come together with TEB Angel Investor Platform investors and Turkish Exporters' Assembly member industrialists. Besides, they find chance to promote their projects during Turkish Economy Bank supported and Turkish Exporters' Assembly initiated Innovation Week events.

Turkish Exporter' Assembly and Turkish Economy Bank, internalizing

entrepreneurship and innovation in their institutional DNA, showing an impressive performance to spread the spirit of innovation and entrepreneurship throughout Turkey. Setting their goal as to reach every single high-potential entrepreneur's high-value export oriented project in Anatolia, number of Girişim Evleri incubators is planned to be increased to 10 in different cities in 2015.



**TURGUT BOZ**

Turkish Economy Bank Senior Deputy General Manager Responsible of SME Banking

## *An Emerging Potential*

*Turkey's objective is to become one of the ten biggest economies in the world. In order to achieve this, we need a new model which will create high-tech and value-added products.*

**T**URKEY SHOWS A BIG deal of potential thanks to its young and dynamic population. We observe that entrepreneurship is seen as an alternative career plan by today's youth. Besides, according to one survey, every 32 person out of 100 has a plan to initiate an enterprise in the forthcoming three year term. This result increases our hope and demonstrates the progress we have achieved in the entrepreneurship ecosystem.

Turkey is 8<sup>th</sup> in 30 countries in its category in terms of entrepreneurship, an

emerging potential. We can conclude that our situation is apparently positive, moreover, as women are enthusiastic to activate their potential in enterprises and entrepreneurship is seen as a socially prestigious occupation, we are optimistic about our future.

Regarding TEB Girişim Evleri (Entrepreneur Incubators), we will give high priority to regions showing a potential and promising development for enterprises. We will concentrate our collaboration with non-governmental organizations

and universities especially in these regions. In order to achieve this, we decided to spread our Girişim Evleri concept through Anatolia and started collaboration with Turkish Exporters' Assembly. We opened the first TİM-TEB Girişim Evi in Gaziantep, to increase the export-oriented enterprises with higher value added production. We plan to increase number of TİM-TEB Girişim Evleri to ten by the end of 2015.

Turkey's objective is to become one of the ten biggest economies in the world. In order to achieve this, we need a new model which will shift Turkey to an upper grade. Today, economy depends upon innovation to grow, and innovation is based upon entrepreneurship. Therefore, our most urgent necessity is to implement a model which will create high technology and value added products. This will be achieved via strengthening entrepreneurial spirit and innovative understanding.



**Recep Tayyip Erdoğan,**  
President of The  
Republic of Turkey

## BRAND

# Masters of Change

Turkey decided on its new brand as a result of widely participated and comprehensive works carried out. During the whole process, meetings were conducted with the most successful names of Turkey; the final design and concept was chosen from dozens of proposals.

**I**T ALL STARTED TWO years ago. It was decided at the beginning of 2012 that a new logo or slogan containing a specific emphasis on Turkey and to be used in the activities of sectorial promotion groups should be used and Turkish Exporters Assembly took charge of the process. Because the promotion groups which have important roles with regard to increase the reputation of Turkey in the world has to have a common language. The common concept and logo to be created had to act like a brand undertaking the role of a “Supporting Brand”, had to be a brand of trust adding surplus value to all the brands affiliated to it and the logo was to be used as a common signature for the whole communication activities to

be carried out by promotion groups in foreign countries.

### A NEW BRAND IS RISING

And then the process was initiated. It was decided that the activities to be carried out for the creation of a logo would not only be a creative work but a “preception management strategy” including the application processes and campaigns. Nevertheless, a reliable consultant was required for this process. Meetings were conducted with the world’s leading agencies which carried out similar works worldwide; in addition to this, it was agreed that a comprehensive study on Turkey rendering The Prime Ministry and all the ministries as well as NGO’s and the leading companies of Turkey as stakeholders.

The new brand of the new

Turkey had to be overarching and had to be embraced by everyone involved in the creation of such a brand. As a result of the process, an agreement was signed with a London-based company, SAFFRON Brand Consultant; many opinion leaders were asked to present their opinion during the first phases. The consultants of SAFFRON coming from London and Spain as well as its Turkey Office met more than 140 people in advance to initiate pre-preparation period.

### AUTHENTIC MOTIFS, CONTEMPORARY LOOK

In 2013, two comprehensive workshops were carried out in May and June. After these discussions which lasted for a year as well as eliminated ideas and designs, SAFFRON came

up with a main theme reflecting the Turkish brands.

The emphasis here was on the ability to change, which was experienced throughout history, but which gained momentum especially in recent years. The country used to have a debt worth \$46 billion to IMF, it was now offering a 5 billion dollar fund to IMF. Some of the local companies turned into international giants traded in international stock markets. Within this framework, “Masters of Change” was accepted as a main theme slogan. At a new meeting held in December, the slogan “Turkey. Discover the Potential” was chosen to be used in visual alternatives.

### SYNTHESIS OF THE CULTURES

This was a slogan which was easily comprehensible by everyone and which truly represented Turkey and which could be used in all sectors, products and services. At the final decision meeting held on 18 December, the evaluations with regard to the visual identity were shared.

The logo of the new Turkey brand was combining Turkey’s cultural heritage of thousands of years with its vision on future. None of the elements used in the logo was chosen without a reason. The Turkish and Islamic Civilization was a huge source of inspiration for the design. Tile patterns, Cufic writing, which is the present of the Islamic calligraphy, and the traditional Turkish motif known as “Elibelinde” were selected as the main elements of the logo. A visual identity consisting of gold, turquoise and blue colours was designed. Turquoise became one of the important elements of the visual identity. The spiritual look of the East was combined with the contemporary artistic understanding of the West.





Mehmet Büyükekşi, president of Turkey Assembly of Exporters (TİM), is one of the leading figures in the design of the new visual identity of Turkey. According to him, Turkey has gained a new value for promoting itself and its stakeholders thanks to this new identity. Mr. Büyükekşi



**President Mr. Erdoğan** presented the new brand and slogan of Turkey.

does not regard the new visual identity solely as a means of telling the story of Turkey; he is of the opinion that everyone can find something of their very own in this new identity. Logo was created upon the inspiration taken from the cultural motifs used throughout history in the area including

Kilim (i.e. carpet), handicrafts and architecture. Anatolia, indeed, is the house of many a civilization which changed the course of history. That's why the meanings conveyed by the motifs incorporated in the logo are of universal importance: the eight motifs constituting the identity symbolize rise, synergy,

world, convergence, East and West, innovation, togetherness and harmony. Mr. Büyükekşi underlines that the activities are not only limited to creating a brand: "Turkey is brand itself. Turkey. Discover the Potential is merely a proposal. We propose the world to discover this potential. Discover and add value to yourself. Discover and complement yourself. Discover, so that you can discover yourself. Discover and prosper. Discover and let's win altogether. Discover and enrich the common civilization of humanity. Discover, and let's all be happy."

## The Difference of "Made in Turkey"

Turkey is one of the countries occupying the top spots in terms of production and consumption standards. For the companies anticipating the future and having goals with regard to sustainability, investment in Turkey might gain much in the long-run.

Once you have a close look in the labels of luxurious fashion brands in Europe you will see the same expression: "Made in Turkey". This is not a coincidence. Today the companies anticipating the future and having goals with regard to sustainability take steps to go beyond the mentality of cheap manufacture. Because now when the consumers make their choices, they have a closer look at the story behind the label and this understanding is likely to be established more concretely in the coming years.

Manufacturing under unsuitable conditions, using child labour lacking raw material safety and standards will cease to exist or lose its value. Turkey, in this sense, differs from all its rivals. If the standards required to carry out manufacturing in Turkey were prevalent all around the world, the world would surely be a better place to live. Turkey

has a legislation and application on occupational safety and health based upon the experience of more than 100 years. Labour Law No. 4857 which is still effective is in full compliance with EU norms. Except for that, the majority of the companies, especially those conducting international trade, also have other standards desired by their customers. For instance, almost all of the companies carrying out manufacturing for the world apply OHSAS 18001 Standard.

### QUALIFIED WORKFORCE AND OCCUPATIONAL TRAINING

Standards, of course, are not the only thing which makes the production perfect. Turkey has a population of 76 million, 28

million of which actively work. It has the 4th biggest workforce compared to the EU Member States. The working population is young, educated, motivated and professional. The efficiency is very high and it is getting higher. Every year, 610 thousand students graduate from more



than 180 universities in the country. In addition to that, every year, around 700 thousand students graduate from high school, half of them from occupational and technical high schools. Business ethics is an important aspect of Turkish labour culture.

The working life and the work place have a special place in Turkey as they allow the individuals to use their personal skills and to develop

themselves. High efficiency, low rate of absence from work and the extensive working hours clearly signify the loyalty to the workplace.

### COSTS STILL REASONABLE

Despite all these high standards, the costs of manufacturing in Turkey are still at favourable levels and this is going to be the same in the middle term. Net minimum wage in Turkey is \$389.9 the gross minimum wage is, on the other hand, \$493.5. The total expense of an employee for the employer is around \$579.9. In addition to that, energy, water, communication and telecommunication expenses are reasonable as well. According to the Labour Law, the normal working hours in a week cannot exceed 45. The annual leaves last around 14 days in the first five years. Thanks to the new business law enacted a few years ago, it is possible to found a company within a single day. All in all, Turkey will continue to be a perfect destination for manufacturing in almost all sectors from automotive to ready-made clothes; from electronics to food.



### **Beautify yourself with Turkish cosmetics**

How nice it sounds to wash in a warm Turkish bath and get purified with fragrant soaps and cosmetics? Not only in cosmetics, Turkish producers of chemicals have an ever-rising production and exportation trend in many fields such as pharmaceuticals, paints, plastic, medical tools and equipment. Sector is the second largest exported of Turkey after automotive, with \$17.4 billion of exports.

An advice; try eating hazelnut as it is, rather than inside the chocolate or cakes. It's very delicious, and a very healthy snack.



### **A handful per day**

One of the most healthy foods of the world; Turkey produces 75% of the global production of this miraculous food with proven contribution in hearth health and sexual health; and is the leader in export of hazelnuts. Delicious nuts in the cocoa hazelnut paste, which is one of the sweetest parts of your breakfast, were most probably grown in Turkey's Black Sea region. Turkey produces the tastiest hazelnut of the world, and exported \$1.77 billion worth of nuts last year.



### **Protein store**

Legume is the main source of protein for more than 2 billion people throughout the world. In Turkey, it constitutes the second product group with the widest cultivation area, after grains. Turkey exported \$216 million worth of legume in 2013. Legumes produced in Turkey are very good in terms of health and production standards; and they can understand its taste from the delicious white bean stew with meat you can eat in Turkey!

# **From Turkey to all Around the World**

Every year, Turkey exports thousands of products to 250 countries of the world. 43 thousand exporters from 26 exporting sectors deliver the world with not products only, but also quality, trust, culture and compassion. At very reasonable prices...

**T**urkey is on a geography that has hosted the oldest civilizations of the world. With its history, nature, culture and cuisine, it hosts the favourite values of the common heritage of humanity. However it's not simply composed of that. Turkey has become one of the non-ignorable actors of world trade, particularly thanks to its breakthrough in exportation in recent 20 years. While export from Turkey was 36 billion dollars in 2002, it has risen to \$151.8 billion in 2013, despite the

global crisis which started in 2009 and still continues. Having exported to 250 countries and customs zones in 2013, Turkish exporters have penetrated almost all countries globally. Behind this spurt which can be considered dramatic, lies a great potential awaiting discovery. Here are some noteworthy pieces of information about the 26 exporter sectors which shoulder the Turkey's exports. For more, seek "Turkey. Discover the Potential" label on tags.

### **Turkish textile trends at your home**

Turkey is on a rising trend in both weaving fabric, and fibres and home textiles. The sector achieved an export figure of \$8.4 billion in 2013. Today, Turkish textile is pleasantly being used in almost every market from the Far East to the Latin America. Thanks to its quality production and perfectionist standards, Turkey maintains its competitive edge. If you still don't have a "made in Turkey" towel, get one right now!

Turkish automotive sector also has an advanced subsidiary industry which has the ability, capacity and quality to design and produce products for global brands.

### **Automotive production hub of the region**

Automotive is one of the most important sectors in Turkey. In the last seven years, it is the number one exporting sector, employing 400 thousand people. Approximately 70 per cent of production is being exported to all over the world, primarily the Europe. The sector is developing and manufacturing products for the largest brands of the world, and had an export volume of \$21.3 billion last year.



# Quality, Capability, Capacity, Responsibility, Creativity...

## Creating art from the earth

First pieces of ceramics tradition in Turkey are from the 13<sup>th</sup> century. Today, Turkey combines this ancient tradition with modern methods in industrial scale. Its experience and infrastructure is accompanied by design and branding. Today, Turkish ceramics are the favourite of the world, with their quality, diversity of products, and superior logistics, rather than price competition. In fact, as of year-end 2013, total export of ceramics sector exceeded \$1 billion.



While selecting ceramics, pay attention that the vitrified materials are compliant with sustainability principles. Turkish brands are quite successful in this manner.

## Liquid gold

Turkey is the homeland of olive tree, and one of the largest olive producers of the world. With new planting in recent years, olive tree presence rose above 160 million. Olive oil produced in Turkey is a must-have for not only the Mediterranean but also all cuisines throughout the world, with its quality, naturalness and original and delicious aroma that comes from Anatolian land. Its health benefits are numerous. To achieve maximum benefit from best and most natural olive oil, stick to Turkish products.



## Trust in the stones of Anatolia



Turkey is one of the leading seven producers of the world in natural stone production, and has the best processing technologies. You'll be justified by trusting in Anatolian earth for bathroom, kitchen or surface coating. Because Turkish natural stone producers process the perfect natural material with state-of-the-art technology, according to the expectations of world markets. Turkey's natural stone export reached \$2.22 billion in 2013.

## Master of its domain

They are the inseparable parts of chic; gold, diamonds, silver or precious stones. Turkey's mastery in designing and processing jewellery comes from its history and culture; and the product quality comes from the modern and competent infrastructure. Collections prepared by Turkish jewellery brands are the favourite of women in tens of countries, also thanks to the increasing popularity of Turkish TV series. Sector exported \$2.25 billion worth of goods last year. Moreover, each tourist visiting Istanbul returns to their country after buying jewellery because they can't resist the brilliant showcases of Kapalıçarşı.



## R&D expenses increased by 33 per cent



Star of Turkish economy and exportation ... Turkish machinery industry has been growing by approximately 20 per cent per year since early 90s, and by 30 per cent since 2009. On the other hand, the sector is also ambitious in technology development and design. Research and development expenses of machinery sector rose by 33 per cent during the years 2010-2012.

## Fruits of the sun

Turkish citrus fruits full of C vitamins have a significant share in global fruit consumption. Turkey is one of the largest five citrus fruit producers and exporters of the world, with increasing production each year. Natural, tasty, juicy and high-standard citrus fruit growing at southern coasts of Turkey are being delivered to consumers all over the world, in a very short time, and without losing its quality.



## The very first clothing of human beings

Leather, alias luxury, elegance, durability and naturalness. It is always "in", particularly in recent years. Turkey is one of the most competent addresses in processing leather products, designing and producing leather goods for tens of worldwide brands. In addition, Turkish leather and shoe brands are rapidly opening their own stores all over the world. If you happen to come by Turkey, do not leave without buying a pair of shoes or a leather jacket. Otherwise seek out Turkey label on leather products in your own country.



## Originally Turkish

Carpets and rugs have a language totally encoded in Turkish culture with their patterns, colours and production methods. For example, most of the symbols being used in new logo of Turkey have their roots in traditional carpets and rugs. Today, Turkey is one of the primary actors of the world in carpet and rug production. Last year, sector's exports exceeded \$2 billion. A Turkish carpet is the best choice to give a mysterious and sophisticated image to your home with a single touch.



## AVIATION

# Turkish Airlines Cruising Above All

Turkish Airlines continues to receive awards as a sign of its ever-increasing growth and success.

BY M. BAHADIRHAN DİNÇASLAN

**Turkey's flag carrier** Turkish Airlines once again have met the expectations by having been nominated and awarded various titles; as well as showing an astonishing business performance in terms of facts and figures.

As the company have successfully established itself as one of the top airlines in the last decade, the year 2014 was particularly a year full of achievements and growth. Strengthening its position among the top five, Turkish Airlines firmly keeps steady advancement towards becoming the biggest trend setter of the globe.

In recent years, Turkish Airlines has greatly expanded its place in the global aviation community by a series of large-scale aircraft orders, continual network expansion and the implementation of other significant investments designed to make Turkish Airlines a truly global brand. The "Globally Yours" motto substantially increased international awareness of these efforts by creating an image highlighting the development process while enhancing the brand. Turkish Airlines has now positioned itself as an important player within the global aviation community with its new brand communication; "Widen Your World" which invites everyone to explore new horizons with this new motto. By emphasizing this impressive

progress this motto will move the airline into its future.

## TURKISH AIRLINES OVERVIEW

Turkish Airlines, a Star Alliance member and Turkey's flag carrier, is one of the top five companies in the world in terms of number of flight destinations, as it flies to 261 destinations of which 218 are international and 43 are domestic ones. It is also the number one airlines company in the world in terms of number of countries and number of international destinations it flies to. Having been established in 1933, its first international flight was in 1947, to Athens. 1990s marked the first attempts to become an international key player, as it first became a member of Qualifier in 1998, which is followed by membership of Star Alliance in 2008. 2000s saw Turkish Airlines gaining a strong foothold in the global airlines traffic and intensive investments on both brand management and physical facilities.

Today, Turkish Airlines is a global giant with flights in 108 countries, 262 aircrafts and 25,117 active personnel – just including Turkish Technic, Turkish Habom, the wholly owned companies of Turkish Airlines Inc., without the other 14 successful subsidiaries.

## A YEAR OF AWARDS

The year 2014 was a fruitful one for Turkish Airlines, having



54.7

MILLION

NUMBER OF  
PASSENGERS  
2014

668

THOUSAND TONS

CARGO TRANSPORTED  
2014

135.3

BILLION

AVAILABLE SEAT  
KILOMETER  
2014

been awarded many titles by prominent institutions. One of these awards was "Top Operational Excellence" award by Airbus, civil aviation aircraft producer giant. During the ceremony held in Kuala Lumpur, Turkish Airlines were awarded for its operational services considering many criteria, regarding Airbus A320 family.

Besides Airbus award, Turkish Airlines also won Skytrax awards which is seen as Oscar Academy Awards of aviation, in four fields. Awards included "Best Airlines in Europe" for the fourth and "Best Airline in Southern Europe" for the sixth consecutive time. Having won in 2010 the world's "Best Economy Catering Service" and in 2013 the world's "Best Business Catering Service" awards, Turkish Airlines was this year awarded the world's "Best Business Catering Service" particularly thanks to Turkish Do&Co and "Best Business Class



**Temel Kotil**, CEO of Turkish Airlines has received Skytrax awards on behalf of THY.

Number of passengers increased 13.3% compared to previous year and reached 54.7 million. Available seat kilometer (ASK) increased 16.3% from 11.4 billion in 2013 to 135.3 billion; while transported cargo showed an increase of 18.1%, from 565,315 tons in 2013 to 667,743 tons in 2014. As these figures demonstrate, Turkish Airlines is a global key player not only in terms of passenger capacity, but also in cargo transporting with its huge transportation volume.

Turkish Airlines has also increased the number of flight destinations. The company was flying to 243 destinations in 2013, and year 2014 saw 261 flight destinations as well as an expansion of the fleet.

These awards and figures give clues regarding the future of Turkish Airlines in 2015.

#### FURTHER HEATING THE ENGINES ONWARDS 2015

Turkish Airlines CEO Temel Kotil's statements in late 2014 clearly indicate the vision and goals of the company regarding 2015. Kotil reveals that, in accordance with Turkey's 2023 goals, the company aims at increasing its turnover to \$24 billion by the 100<sup>th</sup> anniversary of proclamation of republic. This equals to more than two times turnover of 2014. Kotil also states that, with the construction of the third airport, approximately 200 million passengers are expected to constitute the flight traffic of Istanbul, and Turkish Airlines will receive the lion's share.

This growth and expansion makes an increase in the fleet size obligatory. Turkish Airlines is planning to buy new aircrafts –of which considerable part has already been ordered– and own one of the largest top five fleets in the globe. These achievements and goals prove that Turkish Airlines is exceedingly fulfilling the requirements of being the flag carrier.

Lounge Dining" prizes in this year's survey.

Another prominent award came from Strategic Airline Awards, as Temel Kotil, Turkish Airlines CEO, received Executive Leadership award, which is given to managers distinguishing themselves with their strategic decision-making skills and leadership. Having been CEO of Turkish Airlines more than a decade, Temel Kotil was awarded thanks to his leadership in team management, success in company transformation and establishment, his long range vision and outcome of his actions influencing the whole industry and making an example for others, according to the criteria.

#### ASCENDING ABOVE CLOUDS

Turkish Airlines facts and figures prove that the company did not only keep its rank, instead it pushed its boundaries even further.



## INVESTMENT

# ISPAT IS STRENGTHENING ITS EXISTING TIES WITH STRATEGIC ORGANIZATIONS

While Turkey is distinguishing itself as an economic powerhouse of its region, ISPAT continues to organize and participate in important events to enhance the regional cooperation.



Vladimir Putin and Recep Tayyip Erdoğan took part in the fifth meeting of the High-Level Russian-Turkish Cooperation Council (HLCC). After the meeting, the two presidents witnessed the signing of a package of cooperation agreements.

## PUTIN'S VISIT ANKARA, DECEMBER 1, 2014

**Russian President Vladimir Putin arrived in Ankara to discuss and strengthen economic ties between Russia and Turkey.** During his one-day visit, Russian President was accompanied by a delegation of ten ministers and met with Turkey's President Recep Tayyip Erdoğan and Prime Minister Ahmet Davutoğlu.

Vladimir Putin and Recep Tayyip Erdoğan took part in the fifth meeting of the High-Level Russian-Turkish Cooperation Council (HLCC). **After the meeting, the two presidents witnessed the signing of a package of cooperation agreements.** The council's agenda focused on bilateral cooperation in trade, economy, and the

energy sector. **The newly signed bilateral agreements included memorandums of understanding on energy efficiency, energy conservation and renewable energy sources, training personnel for the nuclear energy sector, the small and medium business sector, cooperation on labor, social welfare and employment,**





**The MoU between ISPAT and Sberbank** aims to strengthen business ties between Turkey and Russia by cooperating on the development of investment projects both in Turkey and Russia.

#### ISPAT SIGNS MEMORANDUM OF UNDERSTANDING (MOU) WITH SBERBANK

Sberbank, the largest lender in Russia and the third largest in Europe, entered the Turkish financial sector with the acquisition of Denizbank in 2012. The MoU between ISPAT and Sberbank aims to strengthen business ties between Turkey and Russia by cooperating on the development of investment projects both in Turkey and Russia. **Signed by ISPAT President Ilker Ayçi and Sberbank CEO Herman Gref, the MoU also includes promoting cooperation between Russian and Turkish enterprises, fostering the exchange of information among enterprises on technologies and know-how, license agreements and industrial consultancy etc.**

#### and a memorandum of understanding between Gazprom and Turkey's Petroleum Pipeline Corporation (BOTAS).

Currently, Russia is Turkey's second-largest trade partner and around 50 percent of Turkey's natural gas imports come from Russia. **By 2023, Turkey and Russia aim to increase their annual bilateral trade volume to \$100 billion, up from about \$30 billion.** In order to reach this target, there are many business opportunities for both sides in various sectors ranging from energy to tourism, from high-tech industries to consumer goods industry, from construction to automotive industries. President Putin said, **"We plan to hold reciprocal "years of tourism" in our nations in 2016, in Turkey and Russia respectively. We feel that this is exceedingly important",** and added **"We will support interregional cooperation in various ways."**

## 11th VIENNA ECONOMIC FORUM VIENNA SUMMIT 2014

WIEN, NOVEMBER 24, 2014



**ISPAT, a cooperation partner of the Vienna Economic Forum, participated in the Vienna Summit 2014 on November 24, 2014.** The Vienna Economic Forum, founded in April 2004, aims to promote the economic cooperation between the countries and territories from the Adriatic to the Black Sea, including 14 member states such as Turkey, Austria, Albania, Bosnia and Herzegovina, etc.

Under the motto "visions and responsibilities in a changing time", high-ranking attendees such as Dr. Heinz Fischer, Federal President of Austria, the Patrons of the Vienna Economic Forum: Werner Faymann, Federal

Chancellor of Austria; Edi Rama, Prime Minister of Albania; Nikola Gruevski, Prime Minister of Macedonia; Milo Djukanovic, Prime Minister of Montenegro;



**ISPAT's Vice President Arda Ermut** delivered a keynote speech on Turkey's investment environment to various government officials and global industry leaders.

**A country forum**, entitled "The Role of the Turkish Economy for the Development of the Regional Economy - Examples and Visions" was co-organized by ISPAT and the Vienna Economic Forum.



Tomislav Donchev, Deputy Prime Minister of Bulgaria; Sir Suma Chakrabarti, President of the European Bank for Reconstruction and Development discussed the topics of the economy in Danube and the Black Sea, the Role of the Turkish economy for the development of regional economy as well as about information technology.

**During the summit, one session was also dedicated to the growing economic importance of Turkey in the region of the Vienna Economic Forum. A country forum, entitled “The Role of the Turkish Economy for the Development of the Regional Economy - Examples and Visions” was co-organized by ISPAT and the Vienna Economic Forum.** During this session, ISPAT’s Vice President Arda Ermut delivered a keynote speech on Turkey’s investment environment to various government officials and global industry leaders. **During his address, Ermut remarked that Turkey had tripled its trade volume with the member countries of the Vienna Economic Forum over the last decade and that Turkey’s growth would inevitably contribute to the prosperity of the whole region.**

**Moreover, a cooperation agreement between the Vienna Economic Forum and ISPAT was signed during the summit.** As Vice President Ermut underlined, this cooperation agreement will definitely herald a new era of regional cooperation, which in itself will enable member states to reach their real potential for further cooperation.

ISPAT organized and took part in a farewell reception for all participants consisting of 500 participants from 44 countries at the Palais Niederösterreich in Vienna.

## ISPAT COUNTRY ADVISORS’ MEETING ISTANBUL, DECEMBER 17-18, 2014

Led by President İlker Aycı, ISPAT’s semi-yearly Country Advisors’ Meeting was held in Istanbul and the meeting featured presentations about the political/economic outlook of Turkey, as well as ISPAT’s activities in the represented countries.

During his keynote speech, ISPAT President İlker Aycı said **“R&D investments have recently been on the rise in Turkey, and as ISPAT, we will focus more on R&D and high-tech industries that will directly help to finance current account deficit and create more added value in Turkey”.**

**Ambassador Kenan İpek from the Ministry of Foreign Affairs** gave insights about Turkey’s recent foreign policies. After İpek, **Head of Department from**

**the Ministry of Energy and Natural Resources,**

**Ali Murat Becerikli** made a presentation on vast investment opportunities in Turkey’s energy sector. Moreover, **Mahmut Ünlü, Chairman of Ünlü & Co.,** made a detailed presentation about the recent M&A activities in the Turkish economy and further M&A opportunities in the country.

Furthermore, **Senior Vice President of Turkish Airlines, Murat Baş** participated in the event and made an informative presentation about Turkish Airlines’ unprecedented success story over the last decade and its further visions, while **Prof. Dr. Yılmaz Çolak, President of the Turkish National Police Academy** delivered a detailed speech on Turkey’s political history.



**ISPAT President İlker Aycı** said “As ISPAT, we will focus more on R&D and high-tech industries that will directly help to finance current account deficit and create more added value in Turkey”.

**Prof. Dr. Yılmaz Çolak,** President of the Turkish National Police Academy delivered a detailed speech on Turkey’s political history.





## TURKISH-JAPANESE JV BREAKS GROUND FOR A \$500 MILLION STEEL PLANT



**Turkish steelmaker Tosyali Holding, in partnership with Japan's Toyo Kohan, has broken ground for a \$500 million facility in Turkey's southern province of Osmaniye that will produce specialized steel for a wide range of applications, including food packaging, automotive, home appliances and computer products.**

Scheduled to become operational in 20 months, the Tosyali-Toyo investment will reduce annual imports of specialized steel by \$500 million, while contributing \$300 million to Turkey's steel exports, and enabling an overall drop of \$800 million in the country's current account deficit.

**"Being the latest example of Turkish-Japanese friendship, this investment symbolizes the increasing cooperation between our countries, particularly in strategic fields", Turkey's Prime Minister Ahmet Davutoğlu said at the groundbreaking ceremony, which was also attended**

**Turkey's Prime Minister Ahmet Davutoğlu** went on to say that the investment would be an important milestone in the Turkish steel industry's qualitative change, and that Tosyali Toyo was expected to play a leading role in that regard.

*Scheduled to become operational in 20 months, the Tosyali Toyo investment will reduce annual imports of specialized steel by \$500 million, while contributing \$300 million to Turkey's steel exports, and enabling an overall drop of \$800 million in the country's current account deficit.*

by Lütfi Elvan, Turkey's Minister of Transport, Maritime Affairs and Communications, İlker Aycı, President of the Investment Support and Promotion Agency of Turkey (ISPAT), as well as company executives and business leaders. Prime Minister Davutoğlu went on to say that the investment would be an important milestone in the Turkish steel industry's qualitative change, and that Tosyali-Toyo was expected to play a leading role in that regard. Tosyali will have a 51 percent stake in the JV, while the remainder will belong to Toyo Kohan.

Commenting on the new steel plant, ISPAT President İlker Aycı said: **"This investment is very important for our country in terms of job creation, added-value creation, as well as its positive impact on reducing current account deficit by increasing exports and decreasing imports. We are proud to attract this investment to our country."**

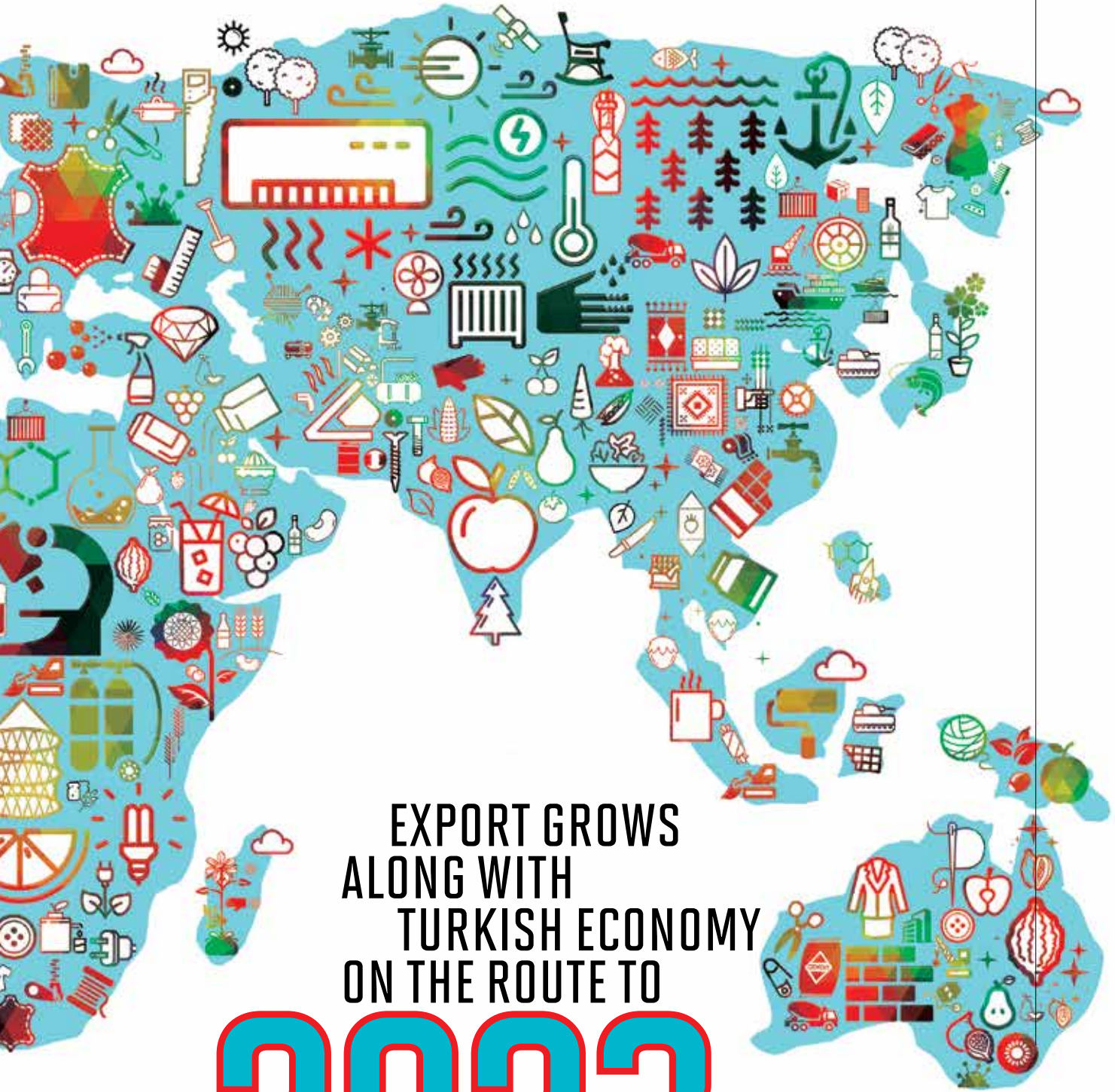


**Ambassador Kenan Ipek** from the Ministry of Foreign Affairs gave insights about Turkey's recent foreign policies.









EXPORT GROWS  
ALONG WITH  
TURKISH ECONOMY  
ON THE ROUTE TO

**2023**



# STEADILY TOWARDS 2023

***The reason behind Turkey's success amidst the setbacks and uncertainty that affected the global economy is its export policy which is the key component of a sustainable growth.***

Despite the global and regional politic instabilities, the waxes and wanes of world economy and the hikes in interest and exchange rates, Turkey managed to weather the storm and furthermore eliminated various export records. Besides breaking monthly record of the history of republic in ten months out twelve, Turkey showed its all-time best export performance with \$157 billion \$622 million, thanks to its dynamic economy and hardworking exporters. The figure is excluding the export revenue exempted from Turkish Exporters Assembly's registrations, thus, following the conclusion of Turkish Statistical Institution year-end calculations, number is expected to exceed \$158 billion.

The big picture clearly shows that the export also kept its profile as a crucial contributor to growth. While the year-end projections towards 2014 indicate some 3.3% growth in Turkey's economy, net export's contribution in real GDP which was 1.2% in previous year is likely to increase since total export broke a new record even in such era in which global recovery is dealing with serious setbacks. Mehmet Büyükekşi, President of Turkish Exporter's Assembly, underscored the fact, by the end of September 2014, Turkey's economy



grew by 2.8% in which the contribution of export was 2.7%.

Mehmet Büyükekşi also stated that Turkey is determined to make a breakthrough by catching up with the mid-term economic plan target, \$173 billion. Amidst the volatility in exchange rates, geopolitical conflicts and decrease in global demand it is obvious that the target is a hard challenge but it is also obvious that Turkey and Turkish exporters love to meet challenges with their experience, ability of diffusing through new markets, high quality production and reputable business profile.

Nonetheless, despite the

first look in global economy highlights the high risk environment, Büyükekşi also recognizes the opportunities and the importance of seizing them "We estimate that USA, Eurozone, Central and East Europe and MENA economies will grow by 3.1%, 1%, 3.8%

and 3.5%, respectively. Therefore, we expect that global economy will be better 2015 than it was in 2014... The declining oil prices is an important advantage. It will have a positive effect on energy costs, current budget deficit and inflation. We should be cautious but optimistic and focus seizing the opportunities. And we should always remember that an opportunity not seized is not an opportunity."

The Turkish Perspective asked members of Sectors, the protagonist of 2023 agenda, about their perspectives on the Turkey's export performance in 2014, its future in 2015 and journey towards 2023.

***Turkish Exporters' Assembly set \$500 billion of export volume as 2023 goal, honoring the 100th anniversary of proclamation of Republic.***





## ELECTRICAL-ELECTRONICS AND SERVICES INDUSTRY

As services segment was grouped under our union, Electrical-Electronics and Services sector reached an export volume of \$63 billion and became the largest exporting union.

In order to improve our standards and export rate, we arranged workshops in collaboration with Ministry of Economy, Turkish Exporters' Assembly and prominent firms in order to draw a route for sub segments of services sector, which will eventually lead to creation of an autonomous union of Services Exporters in the long turn.

According to 2014 statistics, our services export came 20<sup>th</sup> in the world, and expected to reach \$50 billion worth this year.

Besides services sector, Electrical-Electronics sector maintained its good performance and its export volume increased 4.3%, reaching \$12.1 billion.

Among 205 countries

we are exporting to; UK, Germany, Iraq, France and Turkmenistan are the top five countries in terms of export volume. The biggest issue concerning our sector is that EU being the natural primary market of this sector, the euro-zone is still suffering from wavering financial developments. Nevertheless, our sub segments continue to grow and retain their position, Turkey is retaining its position as 7<sup>th</sup> most exporting LCD TV producer, for instance.

Political and economic instability and conflicts all around the world, especially in neighboring the Middle East and Eurasia are the main threat that will have a detrimental effect upon our export. Yet we are resolved to reach our 2023 goals thanks to R&D, product development and trade mission programs and investments.



**GÜVEN UÇKAN**  
ELECTRICAL-ELECTRONICS AND SERVICES COUNCILMAN



**SALİH ZEKİ POYRAZ**  
HVAC/R INDUSTRY COUNCILMAN

Political and economic instabilities have surrounded 2014. Despite the predicaments, our sector has managed to close the year with an increase. We exported \$4.43 billion, as oppose to \$4.2 billion in 2013, which is an increase of 5.5% but still we expected a much more increase.

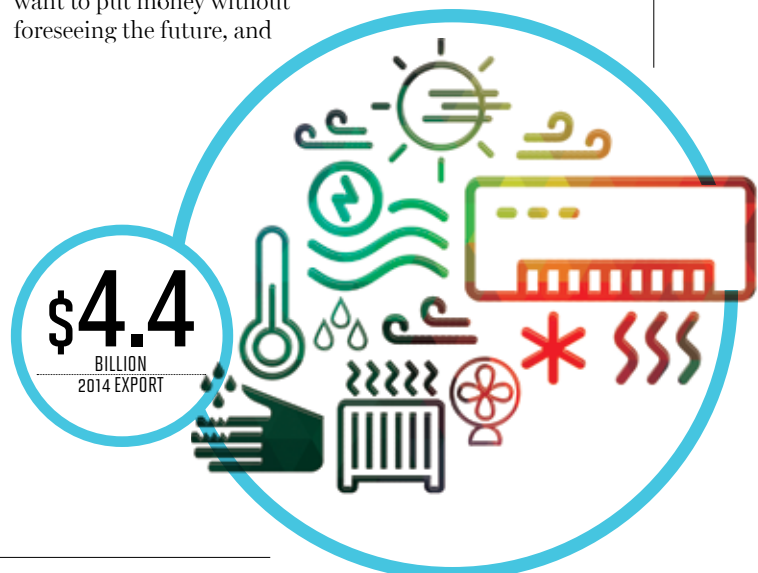
Our predominant markets such as Germany, UK, Russia, Iraq and Azerbaijan are stable. While there is an increase in steady countries like UK and Germany, there is a decline of export in troubled regions like Russia and Iraq. Especially economic shrinkage and political instabilities have negative effect on our sector. Naturally, people do not want to put money without foreseeing the future, and

## HVAC/R INDUSTRY



this is normal. Thus, decline in these regions can be considered temporary.

We want every year better than before. I think the sector will reach \$5 billion export by 2015, if there are no politic and economic discomforts. Our 2023 target is \$25 billion. Yes, the numbers are big, but we have faith in the sector. In order to reach our goal, As Turkish HVAC-R Exporters, we are working hard. Our workshop this year will be arranged in between 16-19 April 2015.



**\$22.2**  
BILLION  
2014 EXPORT



## AUTOMOTIVE INDUSTRY



**ÖMER BURHANOĞLU**  
AUTOMOTIVE INDUSTRY COUNCILMAN

I strongly believe that year 2014 was a good one for automotive sector, as statistics demonstrate export volume in the sector increased 4.5% compared to previous year, reaching \$22.3 billion. Our sector this year managed to perform approximately \$3 billion current account surplus.

Besides, automotive sector played a crucial role regarding the 4% increase in overall export volume of Turkey in 2014, as the sector showed 15% increase. This means the automotive sector managed to be export champions 9 times in a row, which we are proud of.

The main reason behind the increase in the automotive exports is the economic recovery in Europe, which is our primary market. In the first eleven months of 2014, Europe's automobile market expanded 5.7% and commercial vehicle market expanded 8.8%. This affected us positively and our export to European countries increased 11% in 2014 and reached to \$16.4 billion. This means, European countries' share of our automotive export is 74%. Among these countries, Germany with 20%, UK with 16%, Spain with 25% increase draws attention. Subsidiary industry exports increased steadily and reached \$9.5 billion, as well as increase in export volume to the Middle East and Non-EU European countries. Export volume to Russia diminished due to a shrinkage in Russian market, especially due to the devaluation of Russian currency.

Regarding the future of automotive industry exports, I would like to highlight the importance of European economy's stability, since our primary market is the EU market. Estimations agree that positive graph of EU will keep steady, thus we can be optimistic about our future objectives in accordance with Turkey's 2023 goals. The main threats are the political instability in alternative markets and drastic changes in currency rates.



**ALİ CAN YAMANYILMAZ**  
LIVESTOCK AND AQUA PRODUCTS  
INDUSTRY COUNCILMAN

Turkish Livestock and Aqua Products Sector has set new horizons through surpassing \$2 billion export in 2014. The sector's export increased by 15% and reached to \$2.27 billion. It remarks a performance which was able to keep up with \$2.5 billion export target for 2014.

The domestic violences in Iraq and Syria, two countries being Turkey's top export destinations, caused a bad affect on our trade in 2014, reflecting the export numbers too. That being said, the ban on the food products importing from EU by the Russian Federation has created opportunities for the Turkish exporters and helped the ones who made use of this opportunity reach their targets.

We have complete faith in our sector to reach \$3.5 billion export, which is the new export target for 2015. Our target for Animal Products export target and expectation is around \$2.8 billion. Considering our world class manufacturing and revisions we are eager to achieve this goal. Besides, with the systematic work of our promotion groups and the quality product flow carried by the companies of the sector, our faith in the 2023 targets are becoming stronger. Having the flexibility which procures us to export to various countries, thanks to Turkish Airlines' newly opened destinations, will give the export numbers the advancement needed.

The 2023's export target numbers are raised to \$5 billion from \$2.5 billion through 2014. Catching the \$2.5 billion target that was initially set 9 years before is so important and a promising indicator at a point for reaching the \$5 billion 2023 export target.

## LIVESTOCK AND AQUA PRODUCTS INDUSTRY

**\$2.2**  
BILLION  
2014 EXPORT



## OLIVE AND OLIVE OIL INDUSTRY

**\$228**  
MILLION  
2014 EXPORT

Olive and Olive Oil sector had to face various problems in 2014, weather conditions and international market conditions in particular. Especially the weather conditions have severely reduced the harvest. As a collateral effect, the prices raised, had a strong influence on both domestic and international demand, thus the sector has generated export revenue of \$228 million.

At such times, in order to make the best of the situation we have focused on increasing the synergy within the sector. In cooperation with the other institutions, we participated in harvest estimation workshop, and declared that we won't make any request towards Inward Processing Regime or any other subject which could create a controversy in sector. Furthermore, thanks to the support of National Olive and Olive Oil Promotion Council, we carried out an awareness campaign regarding the domestic consumption.

Another highlight of 2014 is the fact that 83% of total export was packaged goods. This indicates that Turkey is now exports the goods with the Turkish brands. Turkish brands are strengthening their position and increasing their shares in foreign markets like USA, Saudi Arabia, Japan and China, day by day.

Speaking of 2015, we believe that through a series of actions taken, Turkey can capitalize the situation in which Spain and Italy, two leading producers, are expected to have lower harvests. Turkey can fill this gap. Early estimations indicated some 190 thousand of olive oil and 440 thousand olive for 2015 harvest, though the unpredictable course of climate conditions may create a need for a revision in harvest.

We have set the 2023 goals of producing 700 thousand tons of olive oil and 1 million 250 thousand tons of olive, accounts for \$3.8 billion export revenue. We have complete faith in achieving our 2023 goals, along with the governmental support which offers incentives on new plantations, machinery parks and harvest machines, the contribution of our solution partners, the hardwork and determination of our producers and the rich nature of Turkey.



**GÜRKAN RENKLIDAĞ**  
OLIVE AND OLIVE OIL INDUSTRY  
COUNCILMAN



**MURAT AKYÜZ**  
CHEMICALS AND CHEMICAL PRODUCTS  
INDUSTRY COUNCILMAN

In 2014, chemical sector was the third highest exporter in Turkey. Increasing its export rate 2.36%, \$18 billion exported during the period of 2014 January-February. We exported mostly to Egypt, Iraq, Germany, Malta, Italy, UAE, Iran, Russia, Spain, and Azerbaijan-Nakhchivan. Our export target was \$18 billion in 2014. Despite ongoing political issues in Egypt, Iran and Syria we are happy to achieve our objectives.

Moreover, the crisis in Middle East has not yet finished, now Ukraine-Crime-Russia triangle is ahead of us. We tried to balance the level of export to our neighbors that is interrupted because of the situation in the Middle East, with markets such as Asia, South America, sub-Saharan Africa. This strategy will continue in 2015.

We expect growth in export as 5-6% in 2015. Our target is \$19 billion. We expect an increase in sub sectors export such as plastic productions, cosmetics, drugs and pharmacy products and rubber sector in 2015.

Chemistry sector plans to contribute \$50 billion to Turkey's 500 billion export in 2023 target. In order to achieve our goal, environment of qualified export should be improved. We should also concentrate on innovation. Design, innovation, R&D and branding are the ways to increase accretion value of export.

## CHEMICALS AND CHEMICAL PRODUCTS INDUSTRY

**\$17.8**  
BILLION  
2014 EXPORT







## FRESH FRUIT AND VEGETABLES INDUSTRY

**F**resh Fruit and Vegetables sector kept its steady growth in 2014 when compared to 2013.

Despite war, political instability and economic crisis surrounding Turkey, West Mediterranean geographical zone increased its fresh fruit and vegetables export volume. The increase rate is 6.1% compared to previous year, and reached \$1.6 billion worth. We would expect this to be greater yet detrimental effects caused by Russian devaluation, which occurred in our primary market Russian Federation, and war in target markets restricted our further growth. Despite all, our exporters managed to keep the export volume expanding, I congratulate all colleagues and fellow exporters.

Fruit and Vegetables sector is vulnerable to natural disasters and climate changes,



**MUSTAFA SATICI**  
FRESH FRUITS AND VEGETABLES  
INDUSTRY COUNCILMAN

thus floods and freeze will have a negative impact on us. Still, we expect to increase our export volume to around \$1.8 to \$2 billion worth. We expect the turmoil in Russian market will ease down and political instability will diminish, thus allow us to trade with our primary market with full efficiency once again.

The sector's 2023 goal is to increase the export volume to \$6 billion, and we are well prepared and have taken the first important steps towards the goal. Our product development projects with support of the Turkish Ministry of Economy aims to increase the productivity and therefore increase the export volume and strengthen our position in target markets. The overview of 2014 and predictions regarding 2015 indicates that we are going to achieve our 2023 goals.



**RIZA SEYYAR**  
FRUIT AND VEGETABLE PRODUCTS  
INDUSTRY COUNCILMAN

**F**ruit and Vegetable Products sector has increased its export in terms of amount by 10% and in value by 7%, thus we generated \$1 billion 416 million export revenue from 1 million 324 thousand tons of products. Canned products, fruit juices and tomato paste were consisting 44% of total export. Taking the poor climate conditions and the fluctuation in foreign markets to consideration, this is a promising and satisfying success. And in the light of the figures I can say that we achieved our goal.

In 2014 we exported to 171 countries in which the most prominent markets were Germany, Iraq, USA and UK, respectively. Our top ten markets accounted for circa 65% of our total export.

Together with the climate conditions, oil prices and fluctuations in exchange rates

have made it quite difficult for firms to take long-term decisions. Under the influence of uncertainty, the firms also hesitated to make large purchases of raw materials. But thanks to their determination and hardwork, our sector has increased its performance, gives us further hope for the future.

We expect 2015 to be a more fruitful year since the ongoing rains and new plantations will have a positive effect on harvest. Furthermore, the lower temperature reducing the activity of pests and plant diseases, thus the lesser use of chemicals will increase the quality of products and decrease the production costs. In accordance with this, we expect the conflicts in our region to continue, creating a smoke screen which hinders healthy estimations.

In 2008 we set the 2023 goal of \$4 billion. In this extent an average annual increase of 9% should be obtained. Since then we managed to keep up with adequate increase rate. And acknowledging that our export increased by 7% even in 2014, a year of obstacles, we will achieve our 2023 by increasing our sector's global market share to 2.1% from 1.3%.

## FRUIT AND VEGETABLE PRODUCTS INDUSTRY





## HAZELNUT AND HAZELNUT PRODUCTS INDUSTRY

**H**azelnut sector broke a new record yet again, with its export revenue of \$2 billion 314 million gained from 252,528 tons of unshelled hazelnuts. It remarks some 31% increase in terms of annual revenue. Albeit the production amount has shown a decrease of 8%, quantitatively speaking, 2014 export volume had the third best performance in last ten years.

The foremost occasions of 2014 were, undoubtedly, the profound escalation of the unit value and the freeze experienced at the end of March. Whereas the early expectations towards the 2014's total harvest was indicating a possible position in all time top yields, following the freeze, the harvest projections were revised into the level of 500,000 tons of shelled hazelnuts. Even more pessimistic scenarios also were being discussed. Notwithstanding, the sector has outperformed the expectations and put on a great performance which is concluded with a new record revenue.

Furthermore, the sector will probably keep its pace

through 2015. Though the first robust projections can be the discussed by May, our minimum export expectation in volume is 250,000 tons of unshelled hazelnuts which will likely to generate \$3 billion, under normal circumstances. I already can bring the good tidings of a new record.

The sector's initial 2023 goal was to export 350,000 tons of unshelled hazelnut and increase the export revenue to \$2.5 billion. However, the strong awareness on the contribution of hardshelled fruits to human health spread widely and effected Turkey's hazelnut export quite positively. Combining this fact with the 2014 export figures of the sector, we are compelled to revise the 2023 goal upwards to a target we are willing to determine and declare in a short notice.



**EDİP SEVİNÇ**  
HAZELNUT AND HAZELNUT PRODUCTS  
INDUSTRY COUNCILMAN



**LATİF ARALALIŞ**  
DEFENSE AND AEROSPACE INDUSTRY  
COUNCILMAN

**T**urkey has taken a big leap forward in defense and aerospace industry. We have entered a new phase in which successful projects and developments turned our sector into a global player. Thanks to R&D investments and international partnerships, our export is expanding by breaking records each year.

Our export, which was around \$600 million in 2008, have reached \$1,6 billion by the end of 2014. The increase rate compared to previous year is 18.7%. As export increase average is 4% in Turkey, our sector has been the third most growing sector in terms of increase rate. This is a considerable success although we are determined to improve our performance even further.

At the beginning of 2000s, Turkey's domestic contribution to defense needs was only around 20%, today our sector provides almost 60% of overall defense needs. As our sector grows and improves, our share in export increases as well as our contribution to country's defense needs.

Production is not the only component of whole process: If you are not known and convey your message, you cannot expect to sell your product no matter how high-quality and affordable price it offers. Therefore we established Turkish Defense Alliance-TDA, in order to create a global Turkish brand and support our firms to promote themselves.

In 2015, we will continue our investments in projects such as ANKA (phoenix) remotely piloted aircraft and HÜRKUŞ training aircraft named after famous aviation pioneer Vecihi Hürkuş; and will be caught by world's radar to have our brands well-established in global market, in accordance with our 2023 goals.

## DEFENSE AND AEROSPACE INDUSTRY





## SHIP AND YACHT INDUSTRY



**BAŞARAN BAYRAK**  
SHIP AND YACHT INDUSTRY  
COUNCILMAN

The Ship and Yacht Sector has increased its export by 10.1% and reached to \$1 billion 281 million total export. In this context, it has secured its place among the sectors which have shown to the highest performance in terms of increase in export. The fact that the maritimes is still under the post-effects of global financial crisis, further remarks the achievement.

The protagonist of this achievement was our capability of manufacturing niche and tailor-made products which surpass the global standards and meet the specific needs of customers. While the yacht export's share was relatively lower than the ship export's in comparison with 2013, exporters have embraced the custom-made approach rather than the ready-made solutions. Our export to European countries, Norway in particular, increased significantly.

Our estimation towards the year-end export revenue for 2015 is around \$1.4 to \$1.5 billion. Current global circumstances seem to restrain further improvement of the sector. Moreover, our competitors are capitalizing various incentives and support

programmes which provide them easier access to new markets and alternative marketing approaches. Under the unfair competition conditions arise from this paradigm, in order to achieve the sectoral 2023 goal of \$10 billion export, a series of structural regulations which would level our global competitive power in international markets are needed.

In spite of the obstacles, thanks to the Turkish manufacturers' perception and understanding of quality, superior capability of answering the demands of customers and experience in the world markets, Turkish yacht and ship sector is in tight race with global competitors, particularly in certain segments.

**\$1.2**  
BILLION  
2014 EXPORT



**AYHAN GÜNER**  
PRECIOUS MINE AND JEWELRY  
INDUSTRY COUNCILMAN

I am proud to say that, as the Precious Mine and Jewelry Association, our efforts throughout 2014, such as reaching out to twenty-four new countries and hosting prominent buyers of the world, had paid off with the highest increase in percentage amongst sectors.

Turkey's jewelry export, excluding gold bar export, has increased 37.95% in terms of value and reached to a sum of 3 billion \$109 million whilst a 31.08% of quantitative increase in export raised the total amount of jewelry export to 3 million 109 thousand kilos. Moreover the tourists' purchases which can be accounted for a remarkable sum, are not included in this figures.

Since 2010, Turkey's jewelry and golden adornments export is showing a significant upwards trend. The export to the Gulf Countries contributed immensely to this fact.

Turkish jewelry exporters have shown a success in

adopting to different market conditions of various countries. The pillars of this achievement are the ability of Turkish jewelry crafters in creating unique designs and supplying high-value added products to the world markets. Thanks to the jewelry, Turkey's highest value per kilogram export item, Turkey's export value index will maintain its inclining graphic.

Outcomes of the busy agenda that we followed in 2014 will also boost sector's performance in 2015. Another catalyst for the sector is the policies of the government which encourages manufacturing and export. In the light of figures and robust trend, I strongly believe that the sector will achieve its 2023 goal of \$12 billion export. Considering Istanbul's favourable position as an international hub, we can get a bigger share from the pie of \$100 billion. We also aim at acquiring a trade volume of \$25 billion in exchange market.

## PRECIOUS METALS AND JEWELRY INDUSTRY



**\$3.1**  
BILLION  
2014 EXPORT





## MINING AND MINERALS INDUSTRY



**\$4.6**  
BILLION  
2014 EXPORT

**M**ining and minerals industry grows each year in Turkey. Many of mineral deposit reserves have been come on stream for the last few years. In between recessive 2008 and 2012 years, direct foreign investment in the mining and mineral sector was \$148 million. Thanks to the impressive economic growth and longstanding political stability, the sector took \$250 million foreign investments in 2013. The sector's total growth is \$25 to \$30 billion, with a production income of \$13 billion.

Last year, soft-landing continued due to the recession in EU, low domestic demands, and political uncertainties regarding Russia, Ukraine, Iraq and Syria.

We couldn't manage to secure the recent increase export numbers in 2014. The sector exported \$4.64 billion, with a decline of 7.7%. Even so, in accordance with political and economic recovery in 2015, we expect that we will recompensate the decline in 2014, and that we can increase the production

and export numbers. The sector's first move will be onto increase the export numbers to \$5 billion level. We export to 175 countries. Securing the existent, we intend to enter new markets. Our greatest market China had a deceleration in the growth rate. Nevertheless, thanks to the initiation by People's Bank of China, there will be increase in our Asia-based markets.

We expect that the investments will increase in the marble and fieldstone industry, one of the crucial product groups of our sector. Additional ventures could be directed through the metal ore industry. Design is the most important matter for the sector. If we focus on design, we can product and sell value-added fruits and we can increase the export income of Turkish minerals and marble sector.



ALİ KAHYAĞLU  
MINING AND MINERALS  
INDUSTRY COUNCILMAN



ZEKERİYA METE  
CEREALS, PULSES, OIL SEEDS AND  
PRODUCTS INDUSTRY COUNCILMAN

**T**urkey's 2014 grain export was \$6.7 billion, which is a head to head result in terms of our expectations. Arranging events in many international exhibitions companies cannot find a place, we promoted 35 companies in such exhibitions.

There were some slight setbacks in the Middle East and African market due to the current situation in Iraq, Egypt and Libya. Because political relationships accompany business connections, domestic events may drag you. Nevertheless, it is important for Turkey to improve its relationships with neighbors, so that business connections would increase more.

The sector awaits challanges like parity disequilibrium and fluctuations of the political stability in the region. Considering the obstacles in international rivalry point, to be able to secure the numbers of last year and the financial stability would be a success in such climate. We are optimistic and determined for 2016.

As Turkish Exporters Assembly, we target \$22.5 billion grain export by 2023.

## CEREALS, PULSES, OIL SEEDS AND PRODUCTS INDUSTRY



**\$6.7**  
BILLION  
2014 EXPORT





## TEXTILE AND RAW MATERIALS INDUSTRY



**İSMAİL GÜLLE**  
TEXTILES AND TEXTILE RAW MATERIALS  
INDUSTRY COUNCILMAN

**T**extile and Raw Materials sector maintained its position in the traditional markets, performed an increase in export and gained important acquisitions in new markets during the year 2014.

Our textile exports increased 6% in 2014 and reached a volume of \$8.9 billion, while confection exports increased 8% and reached a volume of \$18.7 billion. In overall, textile and confection sector exports worth \$27.6 billion.

Political and economic instability in target markets, especially in Russia and Syria have had a detrimental effect upon our growth rate, yet our sector managed to reach its goals for 2014. Our primary market is EU, as 46% of overall exports is towards EU countries, 6% increase of export volume towards EU played a crucial role in our growth, Italy showing the highest increase with 5.2%.

Devaluation of currency in Russia and war and political instability in neighboring and market countries such as Syria and Iraq are the main concerns of traders and producers. Furthermore, economic uncertainty predictions regarding future economy of EU forces us to seek and develop new, alternative markets. Latin America, Central Asia and South Asia are emerging as new profitable markets for Turkish exporters.

As to expectations from 2015, we estimate that increase in export volume will be maintained steadily and reach the 2023 goal of \$20 billion worth export volume, from \$9 billion in 2014. This will be achieved mainly by reaching out to new markets, yet we do not underestimate the importance of innovation and high-tech&low-cost production methods, our investments in innovation will return as greater profits.



**NOYAN KAZIM GÜREL**  
TOBACCO INDUSTRY COUNCILMAN

**S**ince agricultural products are very vulnerable to climate and natural disasters, our sector have experienced the detrimental effects of changes in the climate and suffered a decrease in productivity. Overall tobacco production in Turkey decreased to 65,000 tons from 85,000 tons. Most of the remnants from the stock of previous year's favorable harvest were sold in the second half of the year. Thus, we can say that we will have a balanced demand, supply and stock condition. Investments to spread the use of new technology gave fruits and Turkey's tobacco processing facilities are now among the world's best.

As our country is the leading Oriental Tobacco producer, our first objective

is to retain this leadership. As of 2014, our sector's export volume exceeded \$1 billion for the first time. This demonstrates that Turkey is becoming a prominent tobacco products base. Our efforts such as farmer education programs, registration developments and innovation investments will provide the necessary infrastructure to retain our growth rate and lessen the effects of predicted decrease in the harvest due to climate changes.

In order to improve the quality and establish a nationwide standardization, we are focused on official registration programs and see this a key factor to boost our industry to reach our 2023 goals. Considering the recent crises, wars and instability in many market countries, we expect a slight decrease in terms of production, yet I believe that we will retain our position.

## TOBACCO INDUSTRY





## FERROUS AND NON-FERROUS METALS INDUSTRY

Our sector has increased its export by 4.5% and reached \$7.3 billion. Aluminium and aluminium based products has the highest share in exports with \$2.5 billion while ferrous and steel based products export's contribution was \$1.8 billion. Miscellaneous metallic items export reached to volume of \$1.6 billion and copper based products accounted for \$1.25 billion.

The unit value of our export has kept its inclining trend and we produced more added value in 2014. Our sectoral unit value of export reached to \$4.04/kg, which was \$3.99/kg in 2013.

We aimed at reaching \$7.5 billion export in 2014. Nevertheless the political tension in our target markets, Russia and Iraq in particular, has diminished the demand, thus had a negative effect on our export. Furthermore, during the last two months of 2014, the economic slowdown observed in European Union and the fluctuation in Euro/Dollar exchange rate have put a certain pressure on our export.

The most prominent factor which had influenced the year-end figures was the conflict

in Iraq. By the end of April 2014, we were estimating that Iraq market could overthrow Germany, which is our top export market for a long time, and our export to Iraq could reach to \$1 billion. Albeit, after the conflicts our export to Iraq decreased by 18% and fell to \$500 million. In other words we have lost \$500 million.

Our sector's 2023 goal is \$25 billion, which accounts for 5% of Turkey's \$500 billion target. In accordance with keeping up with our goal we have to increase our export three-folds in next 9 year. Thus, we determined the 2015 export goal as \$8.2 billion.

2014 export volumes may fell a little short in terms of 2023 agenda. But considering the fact that the global economic conjuncture is rather unfavourable, the 4.5% increase in total export is a serious success and both promising and motivating for 2023.



**TAHSİN ÖZTİRYAKI**  
FERROUS AND NON-FERROUS METALS  
INDUSTRY COUNCILMAN



**MUSTAFA ÇIKRIKÇIOĞLU**  
STEEL INDUSTRY COUNCILMAN

## STEEL INDUSTRY

Turkish steel sector, fully integrated with the rest of the world, have experienced the negative trend in the global market and our export decreased 4.3% to \$13.2 billion in terms of worth, and 4.5% to 17,5 million tons in terms of amount. When other steel products falling within the field of activity of other sector unions are taken into account, our export volume in steel reached to 18,4 million tons and \$15.7 billion worth.

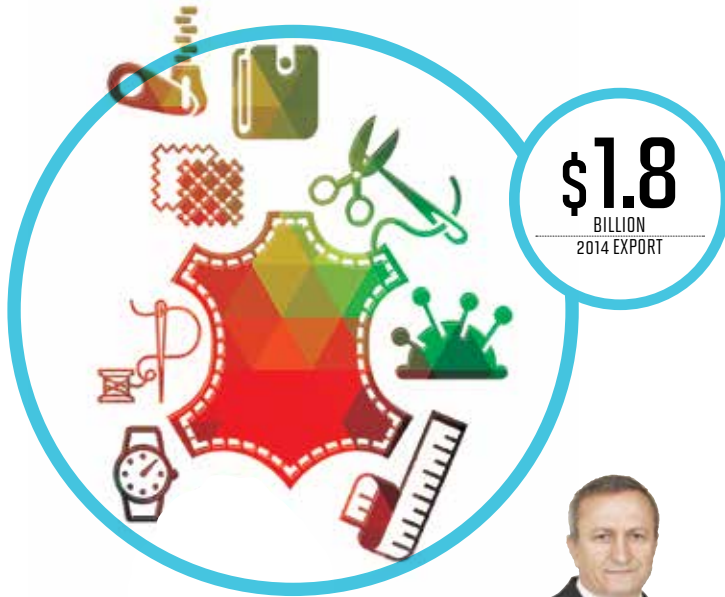
One of the most important things as we interpret 2014 was the turmoil in Middle East and other neighboring countries. As our primary markets were located in Middle East, our sector suffered badly from the economic and political instability caused by conflicts. Besides, in some countries, lobbying against Turkish firms peaked, yet we managed to prove our legitimacy and charges on false grounds fell null.

Regarding 2015, we can point out that overcoming these problems is our primary objective. In accordance with this, we plan to export 18 million tons, \$13.5 billion net worth steel by the end of 2015.

In scope of 2023 export goals honoring the 100th anniversary of the republic, a total export of \$500 billion is set as goal, of which \$55 billion will be achieved by our sector. As of 2014, recent graphs demonstrate a negative inclined trend concerning these goals, yet we are determined to overcome the hardships and retain our position in traditional markets, draw new export routes and increase profits by having an innovative, more value added production-oriented approach rather than conventional products whose value continuously decreases. We are watching the policies of the government carefully and stability is our main expectation.







## LEATHER AND LEATHER PRODUCTS INDUSTRY

Our sector experienced a 6.1% decrease in 2014 compared to previous year and obtained \$1.8 billion export worth. In terms of products, shoes segment is the largest group and suffered a 2% decrease, having an export volume of \$715.6 million. Only increase was in leather goods segment, which increased 1.4% and reached \$243.1 million.

Devaluation in Russia and Russian-Ukrainian conflict had a negative impact on our export. As Russia is the target market for almost 30% of our export, 25% decrease in Russian trade strongly influenced our turnover and Russia's share in our overall export fell to 21%, on the other hand, our trade with Ukraine suffered a similar decrease of 15%.

Our objective is to have \$2.5 billion worth export in year 2015. However, one should keep in mind that unforeseen political crises, changes in the raw material costs and other developments may influence the results. We expect some of problems we encountered in 2014 to be relieved, thus remain optimistic regarding the future.

Regarding the 2023 goals, leather and leather products sector's objective is to reach an overall \$5.2 billion export worth. Despite the fact that external developments which we cannot foresee and control are a potential threat, our high morale and resilience will be retained safe and sound, and thanks to our resolution we are taking confident steps towards our 2023 goals.



**MUSTAFA ŞENOCAK**  
LEATHER AND LEATHER PRODUCTS  
INDUSTRY COUNCILMAN



**ALİ ÖZİNÖNÜ**  
CEMENT AND SOIL PRODUCTS INDUSTRY  
COUNCILMAN

The Cement, Glass, Ceramics and Soil Products sector has been stable since last year and the reasons for why the expected contribution stood the same as year 2014 could be taken into account for various external causes such as the reinitiation of unrests in Libya, the continuation of domestic violence in Syria and Egypt. The setbacks in EU economy, and the fast-spreading Ebola virus which came as a big surprise to the Africa market that we were highly expectant of were among prominent problems.

In 2015, our sector will gain the momentum to ascend in any way of one of those incidents stated above coming to an end. And

again, Africa will remain as a significant target market for Turkey's and our sector's foreign trade. The Far East countries and China are our competitors in the market and Turkey does need to gain leverage in the fares as it is quite compelling to be cost-effective.

Despite all the ongoing conditions our 2023 target remains the same as before and we have complete faith in achieving it. It is not going to be hard to increase our current \$3 billion export to \$7 billion by 2023. In order to achieve this goal, we have focused our attention on studies.

## CEMENT AND SOIL PRODUCTS INDUSTRY





## APPAREL INDUSTRY

Year 2014 saw Apparel sector grow 8% and reach \$18.7 billion worth, constituting 12% of the overall export and being the 2<sup>nd</sup> most exporting industry. This is a record in the national history and we are delighted to experience the results, although I believe that we are underperforming due to political instabilities in neighboring countries.

Apparel sector, like most of other sectors, had been performing a growth rate of 10% till the last quarter of 2014. But in the last quarter, due to economic stagnation in our traditional market EU and Russian-Ukrainian conflict, the tide turned. Nevertheless, I would like to point out that this underperformance was caused by external effects, not internal dynamics.

2015 expectations incline a similar profile. Yet we are still optimistic, as Turkey managed to expand its export

volume 4% in the tough year of 2014, we believe we will have a better performance than the world average.

\$52 billion out of \$500 billion export goal by 2023, is spared for apparel sector. In order to reach our goal, we believe that innovative ideas and producing value added products via branding and fashion oriented approach will bear us to the achievement. Our brand creation programs and fashion design contests will create an awareness which will increase the profitability of our products.



**SÜLEYMEN KOCASERT**  
APPAREL INDUSTRY COUNCILMAN



**OSMAN BAĞDATLIOĞLU**  
ORNAMENTAL PLANTS INDUSTRY  
COUNCILMAN

The Ornamental Plants and Products Sector has made a breakthrough in terms of production and export in the past few years. Reaching up to \$83 million export, with an 8% increase in total, the sector continues to expand its market in 2014 as well, having exported ornamental plants to more than 50 countries so far. Turkmenistan, Iraq, Germany and Azerbaijan are our prominent markets. Meanwhile United Kingdom, Netherlands and Ukraine are the most important destinations for 'cut flower' export. Together with the live plants, being one of the foremost products of all, has been reported to see a 7% increase with \$42 million export compared to last year.

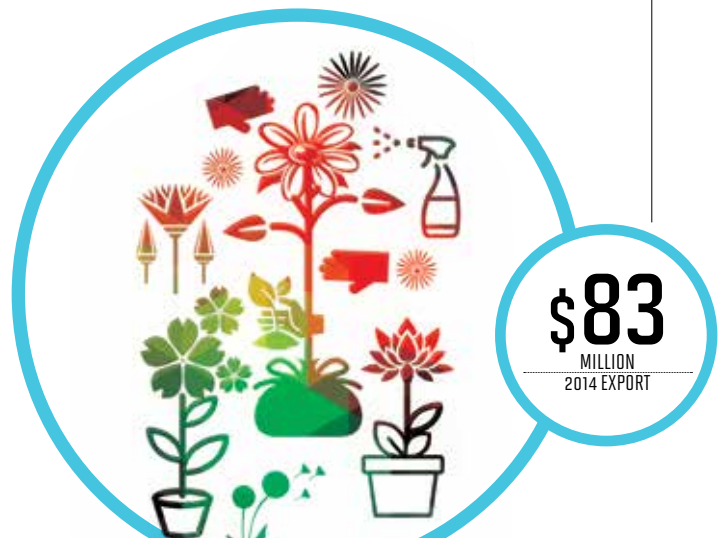
This year, our union has carried out a number

of important promotion and expo organizations. On the other hand, various events have been held overseas within the Turkish Ornamental Plants Promotion Group, so as to enhance the sector's export.

For 2015, we intend to bring in new varieties to export leading us to new markets. We will continue organizing and attending new events and fairs overseas at this speed as our export target for 2015 is \$125 million.

The 2023 goal for the ornamental plants sector has been set to \$500 million export and providing employment to 300.000 people. In case of achieving that target, our share in the world trade market will be increasing up to 2% from 0.2% which will enable Turkey to be one of the most influential countries in the sector.

## ORNAMENTAL PLANTS INDUSTRY





## CARPET INDUSTRY



**SELAHATTİN KAPLAN**  
CARPET INDUSTRY COUNCILMAN

According to Turkish Exporters' Assembly data, Carpet Sector's export increased 1.56%, from \$2.2 billion in 2013 to \$2.35 billion in 2014. Although maintaining the growth trend is gladdening, it can be said that due to political and economic instabilities and conflicts especially in Middle East, the growth was less than we had expected. Most increase was realized in our export to Saudi Arabia, USA, Iraq and Germany respectively. The increase of our export to these countries is also important since these are our primary markets.

No doubt that instability in neighboring countries caused risks for our sector to occur, yet our dynamic and entrepreneurial exporters managed to compensate these disadvantages to a certain level by trying alternative trading methods and opening to new markets.

In 2015, we expect an improvement in the

productivity and profitability of the current capacity rather than an expansion in the capacity. Of course average yearly growth rate of 10% is expected regarding 2015.

Carpet sectors recent export high performance is a key component of reaching the 2023 goals. Our 2023 objective was \$3.5 billion export volume but we revised it and increased to \$5.5 billion. We have already exceeded our 2014 goals by having export volume more than \$2.3 billion and this is a clear sign that our sector is developing well beyond our expectations.



**ADNAN DALGAKIRAN**  
MACHINERY AND MACHINERY ACCESSORIES INDUSTRY COUNCILMAN

Machinery and Machinery Accessories sector's export increased by 5.4% and reached to \$15 billion from \$14 billion. Considering the fact that the world trade increased by 1.5% in which Turkey's overall export increased by 4%, our sector's performance in export is quite significant.

The paramount development affected us in 2014 was the investment slowdown observed in both domestic and international scale. In addition, the setbacks in EU economy, the geopolitical struggles in neighboring markets and the fluctuation in Euro/Dollar exchange rate were among key developments. Our top ten markets in 2014 were Germany, USA, UK, Russia, France, Italy, Iraq, Iran, Azerbaijan and Spain respectively. Our export to Germany experienced an increase of 8.5%.

Estimations are drawing a picture of 2015 in which our export will be challenged by various factors. Euro/Dollar exchange rate is declining, Russian-West conflict is still open-ended and the revenues of our oil and commodity exporting market countries are diminishing. Nonetheless Euro/Turkish Lira exchange rate is also drawing a declining trend and the projections regarding the global economic growth are revised downwards. In this conjuncture, sustaining the 2014 performance in 2015 will be a rational target, thus we are expecting some 5-6% increase in export for 2015.

Our sector's 2023 goal is \$100 billion export. In recent conditions, Turkey's export performance is highly correlated with the global demand and trade. In other words, it is dependent to global market conditions. The main goal is to shift this paradigm towards being less vulnerable to external variables in export. Thus, the existing incentives and supports should be reorganized to boost this transition. In addition implementing new incentive programmes that are selective, special and performance based would contribute to a stable positive trend in export.

## MACHINERY AND MACHINERY ACCESSORIES INDUSTRY

**\$6**  
BILLION  
2014 EXPORT





## WOOD AND FORESTRY PRODUCTS INDUSTRY



**\$4.5**  
BILLION  
2014 EXPORT

**M**imoluptate ditior si omni et modi oditior aerovidebis nonsenditium

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**AHMET GÜLEÇ**  
WOOD AND FORESTRY PRODUCTS  
INDUSTRY COUNCILMAN



**ABDÜLKADİR ÇIKMAZ**  
DRIED FRUIT AND PRODUCTS  
INDUSTRY COUNCILMAN

## DRIED FRUITS AND PRODUCTS INDUSTRY

we need to increase the number of the fig and other fruit plantations in order to meet the demand. We expect the Ministry of Food, Agriculture and Livestock to start awareness campaigns and new incentives in order to provide land for new plantations.

An increase of number of plantations will help us to reach our 2023 goal, \$4 billion export worth. Moreover, we are working to expand our market. China being the most important, bilateral agreements and tax regulations with Far Eastern countries would have a positive influence on our export volume. We are optimistic regarding our 2023 goal of \$4 billion export, and planning activities and programs such as R&D, product development, collaboration of universities and industry, education and innovative marketing in order to reach our goals.

**U**nfortunately, year 2014 was not a successful one for Dried Fruits and Products sector. The increase of export in this year is far from enough. Main reasons behind this are freeze and drought we experienced this year. These natural factors caused production to dwindle and this increased the prices, therefore our competitive power in global market was weakened. Moreover, conflicts in Middle East and Ukraine and economic instability in Russia have had a detrimental effect on our export, thus our expectations could not come true.

Despite all negative impacts, our country is still holding the first place in dried apricot, dried fig and raisins export. Therefore



**\$1.46**  
BILLION  
2014 EXPORT

# COMING UP NEXT:

*Turkey Marches to  
Claim the Throne*





Television is irreplaceable in our daily lives. Whether it is for getting information or plain entertainment, this device creates different needs for people from the very first day it was invented. One of the ways which provides people to have quality time in front of TV, television series sector has an industry denoted by billions of dollars.

BY YAĞIZ ÖZERCAN

**T**he initial approaches concerning TV series was taken by the Turkish Radio and Television Corporation (TRT) by importing American series during 1970s. By the time TRT broadcasts in black-and-white, importing the most rated TV series such as Dallas, The Fugitive, and Star Trek attracted public attention; which led to a new demand. Hence, the first of Turkish TV series *Aşk-ı Memnu* by Halit Refiğ –adapted by Halit Ziya Uşaklıgil’s novel of the same name- met the audience, Consisting of six episodes, the show was the pioneer in a land of opportunities which costs billions of dollars, as well as getting a position which once importing Turkey to become a TV series exporter.



**I**n order to make a correct statement relating to Turkey's position in the world's TV series sector, firstly the period of time spent watching TV should be observed. Surveys by Deloitte indicate that an average person in Turkey watches 3.9 hours of TV per day, more than Organization for Economic Co-operation and Development (OECD) countries that is 3.5 hours per day. USA spend the most hour; an average American spend 8.5 hours per day.

The survey 'Tendency of Watching TV' conducted by Turkish Radio and Television Supreme Council, the state agency for monitoring television broadcasts, indicates that 86.3% of the audience prefer domestic TV series. It shows that a big portion of 3.9 hours spend on watching TV series.

The fact that Turkish viewers spend that much of time watching TV series also whets investors appetite. Looking into the media investments, according to the studies of Advertisers Union (RD), a big piece of the pie goes to the television advertising, including a rate of 40% worldwide, 25% in Europe, and 50% in Turkey.

These amounts show that investors take TV into consideration while drawing up media budgets. Turkish TV series sector got \$1.2 billion share from \$88 billion of world's movie and TV industry in 2013. Expectations regarding the industry will be reaching \$100 billion by 2017, and \$110 billion by 2018, give some hints about the future of Turkish TV series sector.



According to the info by the figures of the sector, there are about 60 series broadcasted each year. Average cost spent for an episode is about \$80 to \$90 thousand. Advertising revenues on the other hand, are ranging between \$90 to \$170 thousand. When sponsorship incomes added, weekly growth increases about \$10 million.

For a sector attracting that much of attention, top rated series become even more important. When looking into the prime-time pie for 2013-2014, an average of 62.5% goes to TV series. Added, the viewers tend to watch series in romance genre.

**TURKEY WORLD'S SECOND HIGHEST TV SERIES EXPORTER**  
TV habits and investments in TV sector help Turkish TV series sector to reach large masses in domestic market,



*A plot twist for Turkey's TV series sector; from an importer to an exporter that exports to Middle East, Balkans, Europe and Latin America.*

Apart from that investments in TV helps Turkish TV series sector to reach large masses in domestic market, it also made them popular on abroad. CEO of Global Agency, İzzet Pinto, the first one to realize Turkish series can be marketed in foreign countries.

By exporting TV series called Binbir Gece, CEO of Global Agency İzzet Pinto is the first to realize Turkish series can be marketable. Alongside with Turkish TV channel Kanal D, Pinto also exported Gümüş to the Middle East, which initiates a new trend.

In the light of these incidents, from being importer Turkey became TV series exporter. Thanks to their rich content and technical infrastructures, Turkish production companies have reached



A scene from  
"Filinta"

a level of competing with the world. By 2014, Turkey has become world's second highest TV series exporter after USA.

### PENETRATING THROUGH THE HOMETLAND OF SOAP OPERAS

Once exporting TV series all around the world, Latin American countries as well, gravitated towards Turkish TV series sector. Produced in Turkey and exported to Middle East countries, many productions are broadcasted, or preparing for broadcast recently in countries such as Brasil, Argentina, Chile, Colombia, Uruguay, Ecuador, Peru and Bolivia. The speed Turkey gathered in TV series exportation supports these recent developments. According to the survey by Deloitte, Turkey has reached a total amount of \$150 million TV series exportation income in 2013. The number was

only \$10 million in 2008. According to Global Agency's data, exportation income was \$180 million in 2014. It's expected that by increasing 20%, it will reach \$220 to \$250 million by 2015. Stating that there will be new markets in 2015, especially in Asia and South America, İzzet Pinto says that the Middle East is still the biggest market, and demands will be coming from there in the future.

### \$2 BILLION EXPORT TARGET IN 2023

Working on the cause of Turkey's \$500 billion exportation by 2023, Mehmet Büyükekşi stated in the panel titled "Turkey as the Rising Value in the Movies&TV Industry" that TV series

exportation target has been determined as \$2 billion.

According to the Turkish Ministry of Culture and Tourism data, more than 70 series are exported all around the world. Turkish TV series sector is in a position in which exporting to 75 countries, from the Middle East to Balkans, from the Middle Asia to South America. According to the Ministry, appraised as \$35 to \$50 for each episode during the first days in the international market, sale prices of Turkish TV series are in range of \$500 to \$200 thousand.

The fact that Turkish TV series became popular in the world contributes to tourism sector as well as Turkey's promotion. It's been

observed that especially from Balkans and the Middle East, the number of tourists increased. The number of boarding flights from Balkan countries, the marketplace of Turkish series, such as Bosnia&Herzegovina, Croatia, FYR Macedonia, and Serbia, have been doubled. When a tour agency partakes a tourism expo in Lebanon, it comes across with a TV series-tour demand. Thus, three-day-Istanbul tours are been arranged. Aviation companies make similar statements, saying "TV series-tours increase occupancy". It's been envisaged that awareness levels of Turkish brands will increase via product placement executions in TV series.



**GÜVEN UÇKAN**

President of Electrical-Electronics and Service Exporters Assoc.

Service sector in Turkey exported \$43 billion. Ministry of Economy is in search of a model to follow the developments in the sector, and to avoid potential obstructs before happening. Sectoral organizations in this matter 'Exporters Unions' come up as successful models. However, vastness of the footprint of service was a drawback to set up such a union. In order to complete the incubation period of the service exporters within that union organization, Ministry of Economy, and Turkish Exporters Assembly assigned our association. Working with sectoral companies, governmental and non-governmental organizations, our aim is to arrange workshops that brings to sector together.



**İZZET PINTO**

CEO, Global Agency

Turkey is still an important market for TV series sector. If a TV series favoured, it may go abroad. One of the primary reasons for it is episode stocks. If you do not have a good number of episodes, there is no chance you can export your show. Another important criteria in TV series exporting is ratings in Turkey side. If its domestic ratings are not satisfying, attitudes on the show change in accordingly. Middle East and Balkans are the regions which show the most interest. The two regions recompense 65% of the total amount of our export. We give weight to South America as well. I think as soon as Russia and Ukraine survive economic depression, the region will be important marketplace again.



**DURSUN GÜLERİYÜZ**

Chairman of the Board, Professional Union of Broadcasting Organizations

Turkish TV series, movies and other productions' short term target is to reach \$1 billion. Numbers aside, watching Turkish TV series also helps the promotion of Turkey, tourism incomes and other exports via TV advertising. Considering Turkey's potential, in order to increase the export numbers of TV productions, it's important to search for new opportunities and cooperate. In order to reach the target, we carry out the Istanbul TV Forum and Expo. This forum important because it will also have a TV series award ceremony.









## *Turkey: The New Hub of Islamic Finance*

By the end of 2014, Islamic Finance sector crossed \$2 trillion in terms of assets and gained access to new markets like Europe, Australia and Asia. Its potential is likely to boost the sector throughout 2015 too. Muhammad Zubair Mughal, the CEO of Al-Huda Centre of Islamic Banking and Economics (CIBE), stated that it will push and probably exceed \$2.5 trillion limit. And Turkey aims at becoming a hub of the sector, as it is a bridge between the East and the West.



**W**hilst Islamic banking has the highest share in the Islamic finance sector with 85% as of 2014, the force behind this leap forward regarding financial instruments was 'sukuk' with a share of 6% in the same period. According to the report issued by Standard&Poor's, sukuk issuance reached to \$116.3 billion in 2014 with an increase of \$5.1 billion when compared to 2013. This development implies that sukuk issuance will overshoot \$100 billion limit again in 2015.

Albeit its cultural code is generally the most recognized attribute of sukuk, it is actually a financial instrument which attracts worldwide attention. While Malaysia and the Gulf Countries are the leading markets, on the Western front following Germany, the first ever European country to issue sukuk, leading financial centres of world like Luxembourg and United Kingdom have decided to launch such Islamic finance instruments.

Years 2010 and 2011 have been pioneering in terms of the expansion of Islamic finance in Turkey. After the first sukuk issue by Kuwait Turkish Participation Bank in August 2010 with a worth of \$100 million, and a further of \$350 million in September 2011, the Turkish treasury launched its first USD denominated sukuk issue in September 2012 with a worth of \$1.5 billion and having a maturity of 5.5 years. One month later, in October 2012 came the first TL denominated sukuk issue of the Treasury with an amount of TRY 1.6 billion and later on in 2013 and 2014 sukuk issuance in Turkey skyrocketed reaching to a total amount of almost \$10 billion at the end of 2014.

Besides, new global players such as World Bank and Islamic Development Bank have entered the market. World Bank Global Islamic Finance Development Centre has been opened in the campus of Borsa Istanbul and Islamic Development Bank (IDB) opened a country gateway office in Ankara, both indicating reliance to Turkey as a financial centre.

**World Bank**  
Global Islamic  
Finance  
Development  
Center opened  
in the campus of  
Borsa Istanbul.

*Having both Eastern cultural codes and Western financial discipline, Turkey is a natural candidate for being an Islamic Finance hub.*

## FINANCING THE NEEDS

Since the invention of currency by Lydians, trade and the notion of economy has been evolving at a highly accelerated rate. Currency was a payment instrument, coin circulation was an intermediary tool in which trades and other transactions were then enabled to be realized. And similar to all other human invented tools, it was fulfilling a need.

As the complexity of economy increased and new ties between economical basins emerged, and as the new institutions, notions and economical necessities arose, conventional currency was not enough to fulfil the demands of ever complicating economical system. New instruments and new securities were necessary in order to provide suitable environment for the new trading and financing transactions.

As each financial instrument has evolved in accordingly with the necessities in the surrounding economical basin and culture, Islamic world has also developed its own financial instruments and notions. One of these, sukuk, has been gaining global importance and shining as a new financial instrument.

## A PARADIGM SHIFT IN FINANCE

According to Ernst & Young, Islamic banking assets annual growth rate was 17.6% between 2009 and 2013, and are foreseen to grow by an average of 19.7% per year until 2018. The rise of the Islamic Finance instruments such as Sukuk which replaced conventional bonds and other securities mostly in Islamic

countries, also led to a change in the global economy: Islamic financial markets and economic environments are vital parts of the greater global hub, thus the introduction of new instruments didn't take long before to be embraced by the western world. For instance, while Malaysia is still the leading issuer, UK became the first western country to issue sovereign sukuk. It's £200 million sukuk issue in 2014 received a very strong demand of £2.3 billion, which is more than ten times of the issuance.

Britain becoming the pioneer, Islamic Financial Instruments seem to attract more and more demand in world financial markets and in some cases, thanks to their advantages, they show higher performance and return when compared to the peers. Sale of \$500 million sukuk by Goldman Sachs in

As each financial instrument has evolved in accordance to its economical sphere, Islamic world has also developed its own financial instruments and notions. One of these, sukuk has been shining as a new financial instrument.

2014 is a sign of a new future: Islamic financial instruments, sukuk in particular, are the preference of not only muslim population but also of the whole world for the reasons mentioned above.

## SUKUK: THE NEW FINANCIAL INSTRUMENT

Conventional financial systems use "interest" in the market, whereas Islamic financial systems use "partnership" or "trade" instead. Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) defines the theoretical meaning of sukuk as "bonds which give the right of ownership on a predetermined assets, services or rights to the investors", which means in other words the investors are the partners of the issuer on a specific trade or a project.

In practice, sukuk is defined



International Conference on Islamic Finance held by Borsa Istanbul.



as “Islamic bond” and is an Islamic finance instrument used to raise medium and long term funds in worldwide capital markets.

Sukuk is an alternative of conventional fund raising financial instruments such as syndication and securitization and allows public or private companies to issue bonds on an underlying asset. The difference of conventional and Islamic bonds mainly is on the ownership of the assets. Sukuk investors not only gain interest-free profit but also have an ownership right on the underlying asset. Thus, sukuk is an asset-based or asset-backed (depends on the type of sukuk) instrument, whereas bonds are debt securities. The issuer sells a debt instrument through conventional bonds but the sale of a sukuk means the sale of the shares of an underlying asset. In other words, there



are buyer-seller and debt-receivable relationships in sukuk and conventional bond transactions respectively.

From the investor's point of view, the return on the sukuk investment is an expected return, however it is fixed and predetermined on bonds. This means that, the payback of the initial investment is not guaranteed in sukuk transactions. On the other hand, the risk is on the underlying asset in sukuk however it is on the issuer and is a credit risk in a bond transaction.

#### TURKEY AS A MAIN HUB FOR ISLAMIC FINANCE INSTRUMENTS

The widespread use of the Islamic Finance and related instruments led Turkey to find itself in an advantageous position: The change have just began and instruments are still being weighed, or still being understood by the

western countries, thanks to its ties with both western and Islamic world, Turkey is one step forward in the market. Financial sector in Turkey is well integrated with the western world, and on the other side diplomatic relations have gradually become better with the Arab world, especially with the oil-rich OECD countries that seek new opportunities to utilize their funds.

As a move to benefit from this position, The World Bank being the pioneer, World Bank Global Islamic Finance Development Centre has been opened in the campus of Borsa Istanbul, with collaboration of the Central Bank of Turkey, Borsa Istanbul and Capital Markets Board. Islamic Development Bank (IDB), an international financial institution, established in 1973 to foster the economic cooperation between Muslim communities and having 56 member countries, opened a country gateway office in Turkey in September 2013, and in November 2014 IDB launched its \$6 billion worth sukuk on Borsa Istanbul Debt Securities Market Outright Purchases and Sales Market, for trading by qualified investors. For the first time in its history Borsa Istanbul has introduced the sukuk of an international financial institution for trading on its market.

All these improvements are expected to play a significant role in making Turkey a global hub for Islamic finance and in making Istanbul an international financial centre in particular.

## SUKUK

*Asset-Based, Not A Debt Instrument.*

### Expected Return

*The Issuer Sells The Shares of An Underlying Asset.*

**Investors have an ownership right on the underlying asset.**

*Buyer - Seller relationship*

**There is no guarantee for the initial investment.**

*Risk is on the underlying asset.*

## BONDS

*Debt instrument.*

### Pre-determined fixed interest income

*The issuer sells a debt instrument.*

**The investor is the creditor.**

*Debt-Receiveable relationship*

**The issuer guarantees the payback of initial investment and also the periodic interest payments.**

*Risk is on the issuer and is a credit risk.*

# Brands

INDUSTRY, SOFTWARE..



*Air, Water and Fail Proof:*

## STANDARD PROFIL

Standard Profil, a Turkish sealing provider, highlights its production quality with many prestigious awards and manufacturing capacity with its 10 factories in 5 different countries.

The sealings manufactured by Standard Profil have 22% share in EU market.

BY TURGUT ETİNGÜ

**S**TANDARD PROFIL is an avantgarde. Established to answer the rising demand towards automotive subsidiary industry with the products manufactured domestically the company laid its foundations in an era of acceleration for Turkish automotive industry, and surely managed to grow with

the sector. Starting its life in 1977 with a production area of 1800m<sup>2</sup> and 7 employees the company is now amongst leaders of its sector, thanks to its 3 factories in Turkey and 7 factories placed in China, Morocco, Spain, Bulgaria, South Africa and Mexico. The first-born of Standard Profil, the factory in Düzce, is now a 64.000m<sup>2</sup> facility,



and together with other 3 factories in Turkey, provide employment to 4300 people. Combining all factories together form a 200.000m<sup>2</sup> automotive subsidiary products manufacturing armada which gives service to 50 automotive factories in 45 countries in 5 continents. The quality of its services can be highlighted with



various excellency awards, appreciation plates and certificates of quality given by the automotive titans like BMW, VW Group (Volkswagen, Audi, Seat, Škoda, Porsche), General Motors (Opel, Cadillac), Renault–Nissan Group (Renault, Nissan, Dacia), Fiat Group, Toyota, Ford, Daimler Benz (Mercedes, Smart), Volvo and Peugeot–Citroen Group. The company has received a special plaque from Abdullah Gül, the former President of Turkey for its production quality of its Manisa-1 factory in 2011. Furthermore, winning the “The Supplier of the



**TURHAN SEMİZER**  
CEO, Standard Profil

Taking its very first steps in 1960s, Turkish automotive industry has become one of the leading sectors in Turkey. With the guidance of Standard Profil, automotive supply industry has a great part of this sector as well.

As oppose to Europe, low labour wages, engineering, R&D, product design and progress helped auto supply industry to get a piece of the European auto supply industry pie.

Taking European market into consideration, Standard Profil is the second largest company of its field. Moreover, Standard Profile is not only the sector leader in Turkey, but also a developer firm regarding automotive sales in Turkey.



Standard Profil owes its reputable production quality to its perception of hi-tech manufacturing.

Year” award of different organizations, institutions and companies is almost an annual ritual for Standard Profil.

#### **NATIONAL LEADER, GLOBAL HOTSHOT**

The company’s market profile is another medallion of honor for both the company and Turkey as it is flagship of Turkey with 61% of total cars manufactured in Turkey are using Standard Profil products and the runner-up of Europe in sealing sector with 22% market share in EU. Its distinguished customer portfolio, production capacity and quality, globally recognized brand and experience are the main contributors of

Standard Profil’s turnover of €345 million. Therewithal, Standard Profil is the second largest rubber based product exporter of Turkey, and secured a strong position in top exporters list with its more than \$200 million export which accounts for 13% increase in comparison with 2013.

In order to keep its inclining market share trend, the company has established Mexico factory on 11<sup>th</sup> December 2014. The youngest sibling of the family is not only the company’s first venture in America but also a precise shot to the heart of the automotive sector. Planting the factory to a strategic position in Central







World automotive giants like General Motors, Volkswagen, Fiat and Daimler Benz are using Standard Profil's sealing products.

America, opened the gates of both the North and the South of the continent while presenting a logistical advantage to the company in an industrial ecosystem which manufactures 20 million automobile in a year. Thus, the venture started to pay off in short notice since Standard Profil already shook hands with Volkswagen and Audi's on working together with their factories in the region. Turhan Semizer, CEO of Standard Profil, states that there are further opportunities to be seized in the region and acknowledging the fact Standard Profil will improve its Mexico enterprise in a few years. The large operations of the familiar business partners of Standard Profil such as General Motors, Toyota and Chrysler in the region are likely to give a pace to the company's investments which will provide an even stronger competitive power in global markets.

indispensable".

R&D can be counted among the company's pillar principles. Thus, in addition to "Tech Center" facility in Düzce, a brand new R&D Center will be operational in a near future which will provide a basis for further innovation.

Safety and environmental policy is another pillar of Standard Profil. With the notion of "respect, protect and improve" the company prioritizes health of the employees and each component of its ecosystem. Speaking in numbers the company, which operates with global OHS certificates, reached to 98% recycle rate while increasing its production volume 2.5 folds in 5 years, decreased the water consumption by some 20%.

Combining the different aspects into one big picture, a globally recognized reputation for quality, experience and excellency emerges under a name, Standard Profil. With its approaches, values and investments, Standard Profil will maintain its profile as one of the strongest link in automotive sector's supply chain.

#### A GLOBAL COMPETITIVE FAMILY

The competition oriented approach of the company is the main source of energy for its operations and the customer-friendly perception is the most essential value. From order to deliver, Standard Profil aims at giving the best service together with the supplying highest quality product in order to achieve the ultimate goal of offering the most viable solution to the customer. The company summarizes its mentality as "We engage. We compete. We deliver." It also reflects this business profile to its employees and solution partners, creating a synergy which fulfills their needs and supports their improvement. Turhan Semizer defines the company as "a large global family of 7400 members, each one an expert and



Techno-Center is the dynamo of company's innovations.



22%

STANDARD PROFIL'S  
SHARE IN EU MARKET

€345

MILLION  
2014 TURNOVER

200

THOUSAND M<sup>2</sup>  
TOTAL PRODUCTION AREA



**Leaded by Sean Yu,** Paraşüt is a young company working on the new solutions for e-billing.

*Plunge into New Business Ventures*

## LAND ON SUCCESS WITH PARAŞÜT

Paraşüt, a young web-based company, broke new ground having attracted investments from world's top tech capital; Silicon Valley!

BY REYHAN SU ERGÜN

**T**HE INFORMATICS sector in Turkey is growing fast and promisingly compared to any other sector. Latest evidence from Informatics Industry Association (TÜBİSAD) demonstrates that Turkish Information and Communication Technologies capital entry of the past year have reached up to \$26.5 billion with an 11.3 growth percentage while having 2% take in the European ICT market. So

can we say that Turkey is in a transition phase from being a capital intensive economy to hopefully an innovation based economy? In case of ICT's share reaching 8% in Turkey's 2023 goal of \$2 trillion GDP, the net contribution of total factor efficiency would be around \$71 billion. And so, why not?

In 2014, world's trending topics were on such things like Internet of Things, Machine to Machine (M2M), Industrial Internet, Smart Cities, Cloud

Computing, Robotic and Wearable Technologies, Bitcoin, Android Apps, Mobile Banking, 3D printers and so on. Meanwhile in Turkey there is a company that stands out amongst all other tech companies with a reassuring advancement from the start. Graduate from Harvard University, Chinese-American entrepreneur, Sean Yu who has had the chance to watch Turkey's economical transformation for 4 years time has established Paraşüt

in 2013 with his two Turkish co-founders; Andaç Türkmen and Fahri Özkaramanlı. The new invention, cloud-based financial management systems for small and medium sized companies –Paraşüt– undoubtedly has added up to its accelerating success by becoming the first company in Turkey to attract investments from two venture capital funds; Revo Capital and Ribbit Capital from Silicon Valley.

The product immediately

proved itself by attracting 6000 users having tried the application. Yu, the CEO of Paraşüt, spent hours thinking on a hi-tech solution that would serve the needs of small business owners of Turkey, for the most part focusing on how to combine the economic development and technology together and finally came up with a revolutionary cloud-based financial management application. With Paraşüt's technology, all of the time consuming physical paper work and pre-accounting tasks come handy and are digitalized. On its own, Paraşüt has already dragged over \$600,000 investment and yet to multiply this amount everyday with its dynamic team integrated with an unclonable world-class technology system base. Statistically speaking, Paraşüt is growing 30-40% every month.

#### A LEAP OF FAITH

Paraşüt is the same word with 'parachute' in English. And the name describes their product better than anything. When you are to start a new company; besides all your enthusiasm for the work

you love to do, a series of challenges and the obligatory but boring procedures stand ahead of you and it is as daunting and as scary as if you are jumping off a cliff. "That's where Paraşüt comes along to help you sore and there to lift you up from your jump. If you are going to start a business, carry us with you." says Sean X Yu, CEO of Paraşüt.

Paraşüt does meet a rare case by grabbing the attention of Silicon Valley, one of the risk-averse investors in the world, as they usually tend to seek out larger companies. A newborn tech company, having attracted investments from the two international venture capital funds in the first 6 months working life, makes you curious about its background and special recipe for its business model.

Paraşüt has got a smart and dynamic team to provide them the success and velocity envisaged. Three elements that matter when starting a new tech company consists of the business element, the technology element and more and more important nowadays the design element, believes the founder of Paraşüt.

#### AN INTERFACE BETWEEN THE CLIENTS AND ACCOUNTANTS

The software acts like a bridge between the small businesses and accountants. It creates a value proposition for the customer by providing both consultancy and financial reporting.

In average, an accountant spends about 50 hours a month in total for accounting. 32 hours (64%) of it is spent for data entry, entering everything to their software, 13 hours (26%) of it is gone for controlling and decorating the government procedures. What's left is only 5% of consulting/reporting and in

fact the only part that adds value to their client really. Overall, %90 of their time is just doing something that should be automated. "If we can help an accountant solve this problem, they are going to provide more value to their clients and be able to spend that time to get more clients even, and come in more profitable." adds Sean Yu.

#### TIME SAVER HI-TECH RESOLUTION

The drawback that Paraşüt eliminates is rather avant-garde for the Turkish finance world. When we look at the background of any sort of business; they still have a stack of invoices and a stack of receipts whereas the rest of their life is all digital and automatic. The requisite question here to ask should be: Do we still have to handle that elementary financial paperwork manually? Well luckily, Paraşüt's overall vision is to be able to digitalize and automate all those physical things so that a business owner can get the analytic set he needs to properly make business decisions which will interpret a start-up's weekly basis more profitable.

As we all know time nowadays is something we are all lack of. Especially if you are a start-up or a medium sized firm that hasn't got enough source or time to deal with invoices and cash proceedings; in summary all the necessary yet critical financial operations that have most of these companies drowned into excel data sheets which is leading them to complete time or currency loss. The cloud-based invoice management system allows you to easily manage the financial data of your company, process invoices and most importantly get a track of your collection of revenues way faster.

#### NEW FEATURES, NEW HORIZONS

For 2015 and forthcoming years, Paraşüt has new features and developments coming up that will facilitate clients' banking processes as well. With the support of a couple visionary and small business friendly banks, the software will allow the customer to monitor any banking transaction made and will automatically process them into the client's profile.

This application mostly appeals to small service based businesses, such as Accounting Firms, Ad Agencies, Tech Firms, E-commerce, Consultants, Lawyers, Design Firms and etc. And without any finance knowledge really, the user-friendly application is available for all the Micro-SMEs. Paraşüt helps you save time and paper from the paperwork and lets you focus on your real work.

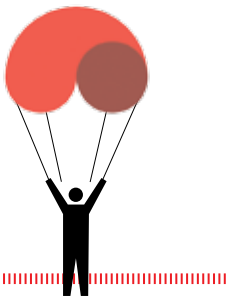


**SEAN X YU**

CEO, Paraşüt

"We're so new on the market, we launched our product about 6 months ago. 6 months is a very short time so people need to know us, trust us which will take time. Having the belief that our customers data is the most sacred thing, that we'd do everything to protect it, after a while the customers will start to trust us.

Paraşüt continues to being acknowledged outside of Turkey as well and as a Turkish tech company we will be very proud to represent Turkey in the European markets with our newborn product.

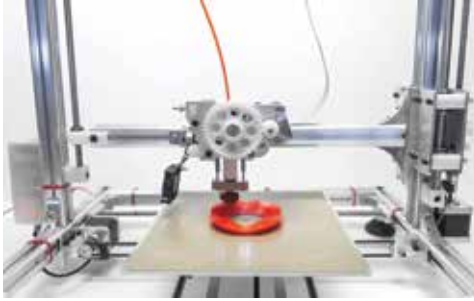


*Paraşüt has drawn investments from Revo Capital and Ribbit Capital from world's top innovation machinery: Silicon Valley.*



# Agenda

UPCOMING FAIRS, EXHIBITIONS, SUMMITS AND BUSINESS MEETINGS



**FEBRUARY 12-15**

## 3D PRINT EXPO TURKEY IFM YEŞİLKÖY

The 3D PRINT EXPO TURKEY, which many companies from abroad shall also be participating at as well as the companies dealing with 3-Dimensional printing technologies in Turkey shall be a major turning point in terms of the development of the industry in Turkey.

## JANUARY



WOW Yeşilköy  
ENERJİ VERİMLİLİĞİ FORUMU  
JANUARY 14-17

The aim of Energy Efficiency Forum and Fair held in Turkey is to improve energy efficiency awareness and to provide developments in the field of energy efficiency with the expert's professional experience.



TUYAP İstanbul  
EMITT 2015  
JANUARY 22-25

At the EMITT exhibition, attended by 63.230 tourism professionals and 73.500 visitors hailing from 71 countries for a total of 136.730 people, all of Turkey's eminent travel agencies, tour operators, hotels, plus over 200 cities and hundreds of participants from 71 countries prepared for the 2014 season.

11

LUTFİ KIRDAR İstanbul  
İNSAN KAYNAKLARI FUARI

12

FEBRUARY 11-15

It has the distinction of being the largest human resources conference in both Turkey and Continental Europe, where the most current practices, issues and opportunities in human resources are discussed.

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İzmir  
AGROEXPO EURASIA  
FEBRUARY 12-15

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Manufacturers from all over the world bring their best products, previews of their latest products and their most advanced technology.

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İFM Yeşilköy  
AVRASYA BOAT SHOW  
JANUARY 13-22

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The world's 2nd biggest boat and yacht exhibition on land returns for its 8th edition in 2015. Organised by the leading fair organiser in Turkey, CNR Holding Eurasia Boat Show has become a member of the International Federation for Boat Show Organisers.

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İzmir  
MODEKO 2015  
FEBRUARY 25-01

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Takes place in Izmir, Turkey from 25.02 to 01.03.15. In 2014 Modeko attracted more than 26312 visitors and 187 exhibitors.

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31

## FEBRUARY




# Figures

EMPLOYMENT, R&D, MVA, FOREIGN TRADE, INDUSTRY, EXPORT ROUTES






## THE PROTAGONISTS OF 2014'S STORY OF SUCCESS

Turkey broke the historical export record by reaching \$157.6 billion export volume, thanks to the growth-oriented policies and innovation.

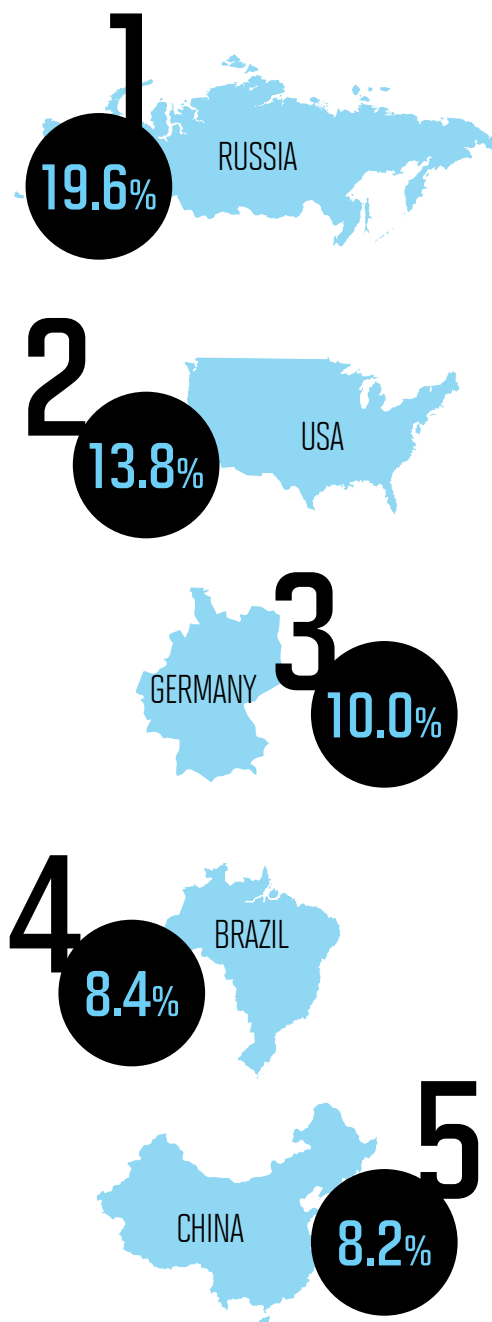
### THE 2014 CHAMPIONS OF EXPORT

		
AUTOMOTIVE INDUSTRY	APPAREL INDUSTRY	CHEMICALS AND CHEMICAL PRODUCTS INDUSTRY
<b>\$22.7</b> BILLION	<b>\$18.7</b> BILLION	<b>\$17.8</b> BILLION

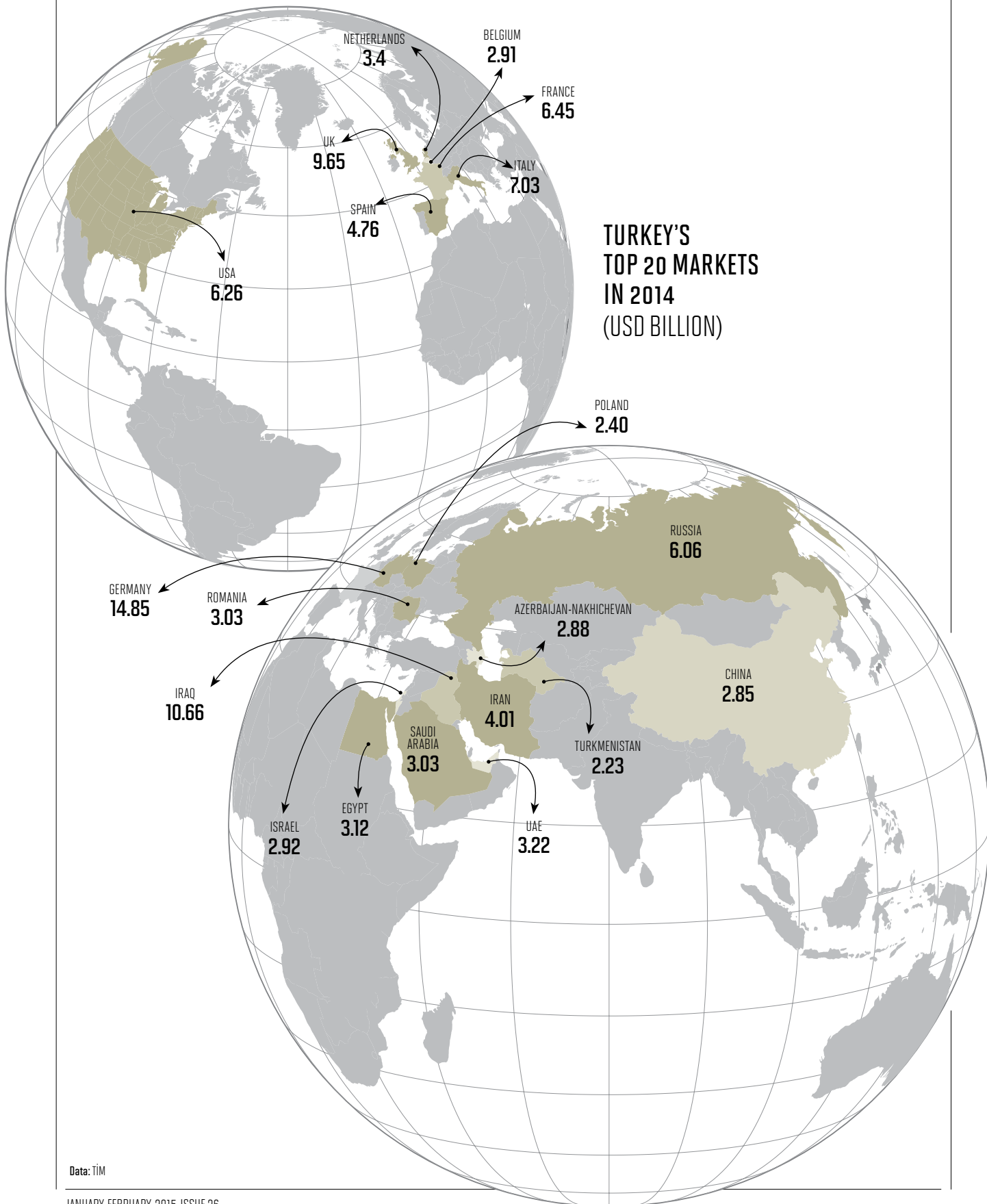
### SECTORS EXPERIENCED MOST INCREASE IN EXPORT

PRECIOUS METALS AND JEWELRY INDUSTRY	HAZELNUT AND HAZELNUT PRODUCTS INDUSTRY	TOBACCO INDUSTRY	DEFENSE AND AEROSPACE INDUSTRY	LIVESTOCK AND AQUA PRODUCTS INDUSTRY
				
<b>38%</b>	<b>31.2%</b>	<b>18.7%</b>	<b>18.7%</b>	<b>14.6%</b>

### SHARE OF THE REGIONS WHICH EXPORTERS TARGET TO MAKE DEBUT IN Q1



Source: TIM



Data: TİM