

The Turkish Perspective

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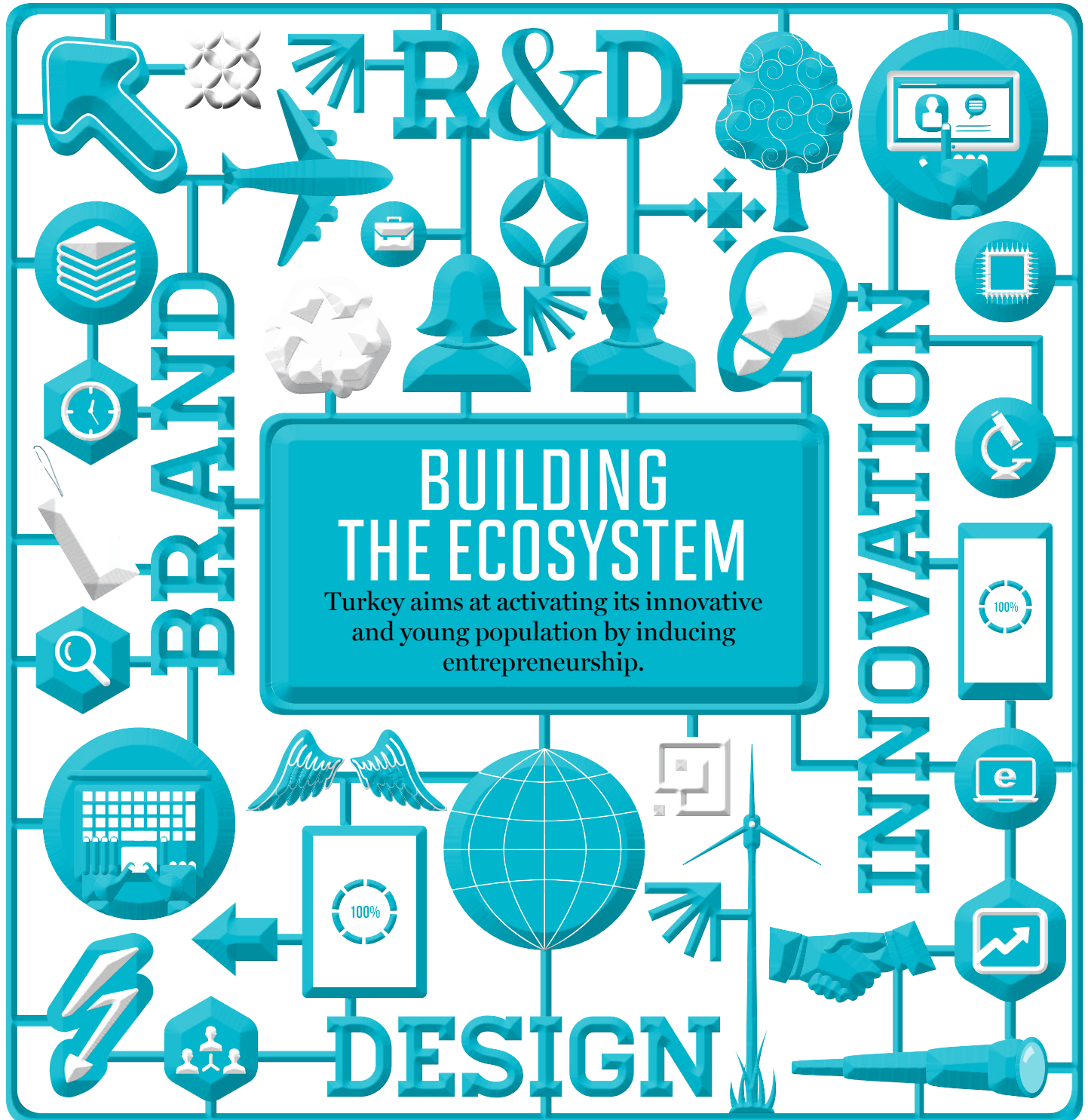
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at Silicon Valley

PANAROMA
Damocles, Pandora and Janus:
Three Leading Roles of 2015

BRIEFING
Engineering the Turkish Way

BRANDS
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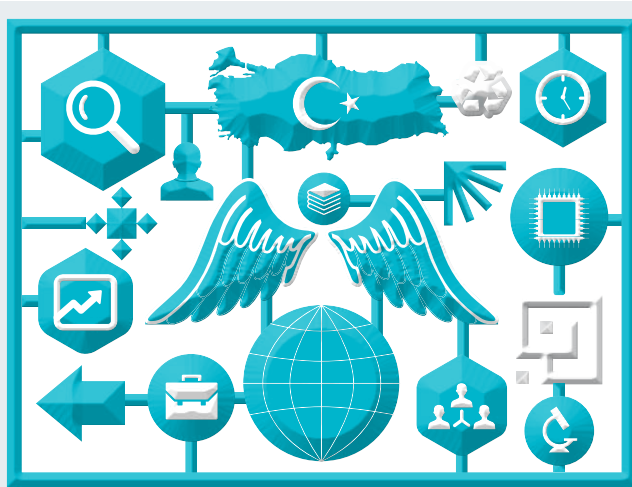


Discover
the potential

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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

İSMEYAL ÇIN PhD

PUBLICATION BOARD

M. İLKER AYCI

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ART DIRECTOR

HARUN AKTUNÇ

EDITORIAL

MANAGING EDITOR

OF ECONOMIC PUBLICATIONS

ONUR KOÇASLAN

CONTENT EDITOR

M. BAHADIRHAN DİNÇASLAN

REPORTERS

REYHAN SU ERGUN

BERKAN KIŞIN

KATYA TURAC

CONTRIBUTING REPORTER

EFE DAŞMAN

CONTRIBUTORS

H. BADER ARSLAN PhD

PRINTING

BİLNET MATBAACILIK VE

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DUDULLU ORGANİZE SANAYİ BÖLGESİ

1. CADDE NO: 16, ESENKENT

ÜMRANİYE / İSTANBUL

TEL: 444 44 03 • www.bilnet.net.tr

medya^{tr}

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)

TURKEY INCREASES ITS MARKET SHARE IN GLOBAL TRADE

We are putting a great effort with our exporters in the aspect of a busy agenda which aims at carrying Turkey forward towards our 2023 goals.

Passing through a turbulent period, the world economy keeps the inclining trend. However, expectations tend to rally around a moderate global growth performance, which was 2.6% in 2014. Similarly, it is observed that World Bank revised its growth forecast down to 2.8% in the Global Economic Prospects report issued in June.

While the strengthening economies of the United States, Eurozone and Japan affect the global growth positively, economic slowdown in China and the downwards outlook in developing countries, the contractions of Russia and Brazil in particular, are clouding the picture.

In this context, the promising outlook of the United States and EU, two major trade partners of Turkey, inducing brighter growth and export forecasts for Turkey regarding the forthcoming period.

According to Eurostat's data, whereas Turkey increased its export to EU by 12% in the first four months of the year, the increase in import volume of EU remained as 3% in the same period. Thus, during this period in which the decrease in exchange rates and the price pressure reduced the export income on dollar basis, Turkey increased its market share in Europe.



In the upcoming period, we expect that this trend is going to continue as the additional steps taken by European Central Bank regarding further monetary easing will boost the growth of EU. Nevertheless, we monitor the developments and the expectations towards possible scenarios with respect to GREXIT quite closely, due to the fact that Greece leaving Euro may affect the whole region. Despite not having

a serious unfavorable effect on the regional economy, the Greek issue is a critical factor for the future of the region with respect to avoid a lack of trust and particularly prevent the risk from spreading to other countries. Hence, a course in which a new solution leading to the middle way is found, seems to outweigh the other possibilities.

Albeit the decline in global growth and decrease in global trade, Turkey's economy keeps growing and increasing its market share. We ensured a respectable place amongst the fastest growing European countries, thanks to a solid 2.3% growth in the first quarter. Our share in global trade, which was 0.8% in 2008, reached to 0.9%. Within the scope of increasing this share to 1.5% by 2023, we closely follow the developments and form our agenda in parallel with this goal.

The center of gravity for Turkey during this period is focusing on high value-added products export. In this aspect, various inclusive activities being carried out in Turkey. For instance we reached to a record breaking number of participants for the second InnovalLeague, Turkey's first innovation management programme. We managed to achieve auspicious improvement, such that, by 2015 IMP³rove programme will not exclusively be awarding 18 European countries including Turkey but will reach to a global scale. We are aiming at integrating "IMP³rove Global Championship" event into Turkey Innovation Week which will be held on 3-4-5 December 2015 in İstanbul.

As the overall picture demonstrates, we are putting a great effort in collaboration with our exporters in the aspect of a busy agenda which aims at carrying Turkey forward towards our 2023 goals.



More than 41,000 foreign companies have already invested in Turkey.
How about you?



GE Healthcare



Indesit Company

MANGO



ORACLE



TOYOTA



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 4.7% over the last twelve years (2002-2014)
- The fastest growing economy among the OECD members with an average annual growth rate of 4.2% (OECD 2014-2030)
- A population of 77,7 million with half under the age of 30,7
- Access to Europe, Caucasus, Central Asia, the Middle East and North Africa
- 17th largest economy in 2014, over \$ 1,5 trillion GDP at PPP (IMF 2015)
- Highly competitive investment incentives as well as exclusive R&D support
- Around 610,000 university graduates per year

REPUBLIC OF TURKEY PRIME MINISTRY
INVESTMENT SUPPORT AND
PROMOTION AGENCY



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IN TURKEY

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First

POLITICS, M&A, AVIATION, BRAND, R&D, EXPORT, INVESTMENT, INNOVATION, LOGISTICS, ENERGY, CULTURE...



POLITICS

Turkey Went to the Poll:

NATIONAL ELECTIONS WERE HELD

Turkish national election was held in June 7th, 2015. 47.5 million voter went to the polls to elect the members of 63th Turkish government.

The members of the Parliament have attended to the oath-taking ceremony for 25th legislative period on 23rd June, 2015.

Turkish general election of 2015 took place on June 7th, 2015 and 550 members of the Grand National Assembly of Turkey were elected. It was the 24th general election in the history of the Turkish Republic. The turnout of the elections was high again and a 83.7% of the total

eligible voters attended to the election pools. The result was the first hung parliament since 1999.

The Justice and Development Party (AK Parti), which had governed Turkey since 2002 remained as the largest party in Parliament with 258 seats and 40.9% of the

vote, although they lost the possibility of one-party government. The Republican People's Party (CHP) also remained as the second largest party in the Parliament, winning 132 MPs with 25.0% of the vote.

The Nationalist Movement Party (MHP) improved on their 2011

performance by winning 80 MPs with 16.3% of the vote. The new Peoples' Democratic Party (HDP), which had previously contested elections as independents in order to bypass the 10% election threshold, contested the election as a party and they won 80 MPs, same as MHP, with 13.1% of the vote.



MGA

TURKS BREAK RECORDS AT ACQUISITION

Turkish companies broke their own record as they pay \$7 billion for acquisition of foreign companies.

Half of the total \$16.5 billion mergers and acquisitions of the last 5 years exercised this year, which makes it a new record on a yearly basis. Yıldız Holding's investment at United Biscuits boosted this year's number. With Yıldız Holding's acquisition, 42% of the total Turkish foreign investment is integrated this year.

\$16.5

BILLION

TOTAL VALUE OF
TURKISH MGA
2010-2015

MGA

CARREFOURSA SIGNS TO BUY 85% OF KILER ALISVERIS HIZMETLERI



CarrefourSA, a supermarket chain emerged as a joint venture between French and Turkish conglomerates Carrefour and Sabancı, signed a share transfer agreement of \$165.63 on Friday to purchase 85% of the shares of supermarket chain Kiler. 15 percent of the shares remain in public. According to the announcement by CarrefourSA, the agreement will come into force after

the required approvals are obtained. The general manager of CarrefourSA, Mehmet Nane, said as of the beginning of the year they have marked 2015 as a leap year in terms of growth, so in order to achieve the company's targets, they will be making further purchases. "We are glad to have purchased 85% of Kiler's shares, which is one of the major players in the retail sector," Nane added.

FINANCE

GARANTI BANK IS AMONG TOP 10 IN THE WORLD

Turkish bank Garanti is listed as the 4th in the "2015 OTCQX Best 50" companies of the last year in OTCQX market. OTCQX Markets Group is a United States financial marketplace providing price and liquidity information for almost 10,000 over-the-counter (OTC) securities. Garanti Bank is the 4th this year, making the bank the only Turkish firm in the list.

Ergun Özen, General Manager of Garanti said OTCQX market accepts the companies that demand high financial standards, giving up-to-date information, show decisiveness in keeping financial and operational standards permanent, and Garanti Bank is one of such companies.

CULTURE

African Day Symposium will be Building Bridges

African Day Symposium was held on May 25th, 2015 in Ankara, with the presence of Ali Kemal Aydın, the Turkish Foreign Ministry Deputy Undersecretary, Lotfi Aouad, Moroccan Ambassador, and

ambassadors from 30 African countries. Ömer Vardan, the CEO of Foreign Economic Relations Board said, "We want to build a new co-operation model with African countries, based on equal partnership." Emphasizing that

the symposium will contribute to the Turkish-African partnership intellectually, Ali Kemal Aydın said that the number of flights of Turkish Airlines to Sub-Saharan Africa will reach to 50 by the end of the year.



AVIATION

TURKEY RANKED AMONG TOP FDI DESTINATIONS

Turkey's growing economy continues to instill confidence in foreign investors, according to global management consulting firm A.T. Kearney. The country climbed two spots in the 2015 version of the A.T. Kearney Foreign Direct Investment Confidence Index to reach 22nd place from 24th, surpassing Poland, Norway, and Finland in the eyes of the top executives of the world's leading corporations whose opinions form the index.

Mentioning the Turkish government's hosting of G20 and B20 meetings in Antalya this year, the study emphasizes the country's goal of becoming a top 10 economy by 2023, the centenary of the founding of the republic, and the growth plans relying on priority sectors.

"As a platform to serve both Europe and the Middle East and boasting the 16th largest domestic market in the world, Turkey has untapped investment potential," the report said, highlighting the government's reform program to bring in more FDI into higher value-added industries.

BRAND



Hakan Bayman, Josep Maria Bartomeu and Javier Faus attended the ceremony.

Lassa is the New Partner of Fc Barcelona

Turkey's leading tyre manufacturer has become Official Partner of the Club and will give its name to the Basketball, Handball, Futsal and Roller Hockey teams

F C Barcelona and Lassa Tyres signed a global partnership agreement with Turkey's leading tyre manufacturer, whereby the latter becomes the Main Partner of the indoor sports teams and, at the same time, Official Partner of the Club in relation to football for the next four seasons. The agreement will be in force from 1 June 2015, and makes Lassa Tyres the "official tyre" of FC Barcelona. This is the first time that the Club's indoor sports teams (basketball, handball, futsal and roller hockey) have shared the same main partner. This means that the four teams will wear the Lassa Tyres name on the front of their jerseys and all of them will be known by the same name, FC Barcelona Lassa until 30 June 2019. The signing of the deal between FC Barcelona and the Brisa company, the seventh biggest tyre manufacturer in Europe and the owner of the Lassa Tyres brand, established 41 years ago, took place on Tuesday on the Club facilities in the presence

of the CEO of Brisa (a joint venture of Turkey's Sabanci Holding and Bridgestone) Hakan Bayman, president Josep Maria Bartomeu and first vice-president Javier Faus. The deal grants Lassa Tyres association and image rights, advertising and promotional rights, and hospitality rights, among others, both in relation to the four indoor sports and the Palau Blaugrana and to football and the Camp Nou. In addition, players like Messi, Neymar Jr, Luis Suárez, Iniesta, Juan Carlos Navarro, among others, will be taking part in the promotional campaigns of Lassa Tyres.

"FC Barcelona is among the world's most appreciated clubs. It is a club that sets an example in traditional values and social vision, and has a strong academy culture that delivers success in sports. We believe that Brisa's respect for people and the environment, and our focus on sustainable development, are in line with FC Barcelona's deep-rooted values," said Hakan Bayman, the CEO of Brisa.

ENERGY

BORUSAN COMMISSIONS TWO MORE WIND POWER PLANTS

After one year of construction work, Borusan EnBW Enerji has now commissioned the onshore wind farms Koru and Harmanlık, each of which has a capacity of 50 MW. The construction work on two further projects with a total capacity of 80 MW is making good progress. The Mut wind farm (50MW) will also soon be connected to the grid.

Borusan EnBW Enerji is a 50/50 joint venture between the German energy supplier EnBW and its Turkish partner Borusan. The goal of the company, which was founded in the summer of 2009, is to install 2,000 MW of renewable generation capacity in Turkey.

The wind farms Koru, Harmanlık and Mut are part of the wind power portfolio, for which a framework agreement was signed with Vestas in February 2014. The combined amount of 207 MW was the largest onshore project volume for EnBW up till now and simultaneously the largest for Turkey's wind power market to date. The portfolio, which consists of four new wind farms and the expansion of the Bandırma wind farm, comprises a total of 67 wind turbines of the type Vestas V112. Each turbine has a hub height of 84 m, a rotor diameter of 112 m and an output of 3 MW.



AVIATION

TURKISH AIRLINES AWARDED WORLD'S BEST ECONOMY CLASS DINING AWARD

Food&Beverage, Travelling and Entertainment portal "The Daily Meal" announced the top 10 aviation company that serves the best service in economy class offering. Turkish Airlines awarded as the world's best aviation company for economy class dining offerings.

To compile this list, the lists of various airline-ranking websites and organizations, like Skytrax, the Airline Passenger Experience Association, AirlineRatings.com, and Saveur's Culinary Travel Awards were taken into consideration. Customer reviews and photos on airlinemeals.net and inflightfeed.com and perused the menus listed on the websites of various airlines were also help organizing the list.

R&D

Ford Opened the Largest R&D Center in Turkey



Ford Motor Company's long-standing joint venture with Koç Holding in Turkey, Ford Otosan, opened today the largest R&D center in the Turkish automotive industry. The new center also is the largest single-site R&D center of any industry in Turkey.

The new Ford Otosan Sancaktepe R&D Centre is located in Istanbul. Construction work commenced in July 2013, with a total investment of \$25 million.

"Today, Ford Otosan is the only Turkish automotive company that has the capabilities and the infrastructure to design, develop and test a vehicle from scratch to a commercial product," said Ali Koç, Koç Holding Board Member and Chairman of Ford Otosan, speaking at today's opening ceremony which

included senior ministers from the Turkish Government.

Ali Koç added: "Ford Otosan is focusing its engineering prowess on developing advanced technologies so that it can provide all of its export markets with the most competitive products. R&D is very important to the Koç Group, and the Ford Otosan Sancaktepe R&D Centre is a prime example of our belief in the potential of our people to innovate and create new products."

The new 38,000 square meter R&D center will initially be home to 1,200 R&D personnel, rising to 1,450 during 2015, and will have expertise in vehicle and body engineering, chassis and electrical systems engineering, and powertrain engineering. It also has Turkey's first CAVE virtual reality system.

ENERGY

Green Power Rises in Turkey New Generation Power International announces joint venture in Turkey.

New Generation Power International (NGPI), a U.S.-headquartered global independent power producer, today announced a joint venture with Yilsan Holding, Mineks International and DCM Energy to develop, own and operate a 100-megawatt geothermal project in Turkey.

As a fast-growing "green power" generation company, NGPI is

working closely with its partners in Turkey and other geographies to bring-to-market renewable sources of power, including geothermal, wind and solar. Turkey has previously stated its goal to source 30 percent of its power needs from renewable energy, including 1 gigawatt of geothermal, by 2023.

R&D

FUJITSU TO INVEST IN TURKEY

Fujitsu determined top 10 target markets to invest outside Japan.

Selda Bağdat Bahadır, General Director of Fujitsu Turkey said Fujitsu determined top ten target markets to invest in, and Turkey is among these. Bahadır said Fujitsu sought to continue cooperation with Turkish public entities. She added that the firm also expected to transfer technologies developed in Japan for agriculture and animal husbandry to Turkey. The fact that Turkey has come under focus has driven Fujitsu Labs to intensify field studies to possibly make an R&D investment in Turkey in cooperation with a local university.

"We believe Fujitsu will encourage us further to make such investments in Turkey," Bahadır added. One of the 200 Japanese-owned businesses in Turkey, Fujitsu is the world's fourth largest IT service provider firm. Radar and EW Systems Business Sector Mr. Oğuz Şener said: "Collaboration with Terma brings more benefit to our customers who will use the indigenous Radar and EW systems designed and developed by Aselsan for fighters."

INNOVATION

TÜRK TELEKOM'S "AKILLI KENTT" COVERS ANTALYA

Türk Telekom's smart city operation "Akıllı KenTT" praxis was initiated in Antalya, after Karaman.

Rami Aslan, the CEO of Türk Telekom said Antalya is the tourist destination for Turkey. By establishing smart city operations in the city will definitely help Turkey's tourism to grow. "With this integration, traffic control and public transportation systems will be computerized in Antalya, as well as there will be panic buttons for elderly, smart watering and lightening systems will be provided." said Aslan. Thanks to the smart city solutions, traffic accidents will be decreased, as well as the city will be making savings up to 35% for public lightning, 30% for public watering, and 40% for carbon dioxide emissions.



EXPORT



Prime Minister Davutoğlu listened the exporters with 7 other members of the cabinet.

The Prime Minister Attended the Sectors Meeting

"Turkish Exporters Assembly (TİM) Sectors Meeting", in which the 2015-2023 targets, problems and solution suggestions of exporter sectors are discussed, has been held with the participation of Prime Minister Ahmet Davutoğlu.

The Prime Minister was accompanied by Deputy Prime Minister Ali Babacan, Minister of Development Cevdet Yılmaz, Minister of Energy and Natural Resources Taner Yıldız, Minister of Economy Nihat Zeybekçi, Minister of Labor and Social Security Faruk Çelik, Minister of Food, Agriculture and Livestock Mehdi Eker and Minister of Finance Mehmet Şimşek.

Delivering the opening speech of the event in which each councilman of the exporter sectors have made 4 minute presentations about their sector, Mehmet Büyükekşi, President of TİM said that "We focus on four main factors for achieving our 2023 goals; innovation, R&D, design and brand."

Underscoring the great effort has been given as for supporting the exporters, Prime Minister Davutoğlu stated that "We aim at expanding our economic hinterland through

free trade agreements. We mutually revoked the visas with 76 countries. We turned our scope towards neighboring countries while the financial crisis broke out in EU. While the crisis hit those countries we reached out to Africa and Latin America. We kept the inclining trend by preserving the diversification. I'm proud to say that the number of countries that we export more than \$1 billion, which was 8 in 2002 is now 34. Again in 2002 we were surpassing \$1 billion merge in 9 products, now that number is 37. And the number of cities exceeding \$1 billion export grew to 16 from 5."

Promising that each subject brought up at the meeting will be considered carefully, Davutoğlu concluded his speech as follows "Turkey will reach \$500 billion export and become one of the ten largest economies in the world through your support."

R&D

ASELSAN AND TERMA REACHED AN AGREEMENT

During the IDEF'15 exhibition in Istanbul, Aselsan, Turkey's leading defense company, and Terma, signed a Memorandum of Understanding (MoU). The purpose of the MoU is to generate an agreement which defines potential areas of collaboration. The MOU also includes transferring of ownership and intellectual property rights of Terma's F-16 Modular Reconnaissance Pod from Terma to Aselsan.

Aselsan Vice President and Head of Aselsan Radar and EW Systems Business Sector Mr. Oğuz Şener said: "Collaboration with Terma brings more benefit to our customers who will use the indigenous Radar and EW systems designed and developed by Aselsan for fighters."



AVIATION

TURKISH AIRLINES HAVING 17.8 MILLION PASSENGERS

Flag carrier Turkish Airlines breaks another record by reaching total 17.8 million passengers.

The number of passengers on Turkish Airlines increased by 7.3% in the first five months of 2015 when compared to the previous year, according to a filing on the Borsa Istanbul Public Disclosure Platform on Monday. The filing said that passenger numbers increased to 17.8 million from 16.6 million passengers in the same period of 2014. Passenger numbers on domestic routes were up 10.5 percent, and international arrivals increased by 7.4%.

The number of cargo-post carried were up 218,148 ton from 213,153 ton by increasing 2.3% in the same period of 2014.

The number of planes rose to 277 from 250 compared with the January to May period of 2014. Flight destinations increased to 274 from 251 in the past year.

7.3%

PASSENGER INCREASE
IN THE FIRST 5
MONTHS OF 2015

R&D

The First Satellite Center of Turkey Opened in Ankara

Center for testing satellites officially opens as Turkey branches into space industry.



Turkey's first satellite center, opened on May, 21st 2015, at the Akıncı Air Force Base in Ankara, will allow the manufacture and testing of satellites, making Turkey one of only 12 countries to be able to do so.

Turkey's president heralded the country's "first step into space" as he opened a satellite test center on Thursday.

Recep Tayyip Erdoğan welcomed the new venture, run by defense contractor Turkish Aerospace Industries (TAI), as part of the company's growth. It is now in the world's top 100 defense companies.

"Today, Turkish Aerospace Industries has already become one of the world's largest companies in the aviation field," he said. "Our aim is to join the list of the top 20 companies."

The president added: "In 2002, this company, with \$90 million in revenue and 2,000 workers, almost closed. But today, with revenue exceeding \$1 billion and with 5,000 workers, it stands as the world's 80th largest company in its field."

Funded by the Defense Ministry and telecommunications firm Turksat, the center is at the heart of Turkish efforts to break into the international space industry.

"These kind of facilities are found in a few countries that have expertise in space studies," Erdoğan said. "We can say that, having this facility via TAI, Turkey ranks among these countries."

The Spacecraft Assembly, Integration and Test Center, located in Kazan, northwest of capital Ankara, will initially test the Gokturk-1 satellite, a civil and military observation satellite due to be launched in November. The 3,800 square meter center, sited near a military air base, will be capable of testing satellites up to 5 tons in weight. Among the tests to be conducted at the TAI-operated site will be vibration tests, acoustic tests and solar array deployment. The production of Turkey's first native satellite Turksat 6A - a Turkish communications satellite currently under construction - will be conducted at the center.

INNOVATION

TURKCELL AWARDED INNOVATION AWARDS

Global Telecom Business Innovation awards selected the most innovative applications in the sector.

Coordinated by Global Telecom Business magazine, the awards matched the most innovative telecom applications developed every year by telecom operators and supply houses. Turkish telecom operator Turkcell was granted three awards. Attendance by the global movers and shakers of the sector, Turkcell took part in the ceremony held in London with its project partners, Telia Sonera, Asay Enerji, and Targyance.

LOGISTICS

DAKAR IS THE NEW DESTINATION OF TURKISH CARGO

TURKISH Cargo has started freighter flights to Dakar, expanding its network by adding Senegal as the 10th freighter destination in Africa. DKR (Dakar, Senegal) cargo flights are planned as one flight per week and will be launched as of May 18th, 2015. With the launch of Dakar cargo flights, now TURKISH Cargo freighter network reaches to 51.

INVESTMENT

BOSCH TO INVEST €200 MILLION IN TURKEY

Bosch announced an investment plan of €200 million for Turkey this year on May 12.

In his keynote speech at Bosch's annual meeting, President of Bosch Turkey and Middle East Steven Young said the company has full confidence in Turkey and believes in its potential.

"In Turkey, where we have invested more than \$2.24 billion in 43 years, we made investments worth \$150.9 billion in 2013. And we have a plan to invest €200 million in 2015," Young said.

As of January 2015, Bosch has subsidiaries in 16 countries in the Middle East, Young said.

Bosch Turkey, with over 15,000 employees, is the fifth-largest Bosch division globally after Germany, China, India and the United States and the second-largest in Europe after Germany in terms of employment.

The company plans to put a considerable amount of its new investment into the division in Bursa, where it will further develop fuel injectors known to reduce fuel consumption by one-third and also new generation injectors compatible with the EU's "Euro 7" carbon emission standards.

INNOVATION

Gebze Will Be a IT Center

Bilişim Vadisi, the first IT Valley in Turkey is founded in Gebze. Fikri Işık, the Minister of Science, Industry and Technology said that the new valley will become a rich ecosystem that will employ 100 thousand people.

The keynote speaker of the opening ceremony, Fikri Işık stated that the developments in information and communication technologies shapes the society in all levels. The minister indicated that the old-school business models are losing its significance, while tech-based new business structures increase the efficiency in production. Remarked on the market price of ever-growing IT sector reached \$5 trillion, Fikri Işık said:

"IT sector brings great opportunities to the developing countries that want to grow in this line of business. Information and software technologies shine out as an important dynamic of development. In order to bring the growth and social welfare we promise, we have to go through the high value added production structure, as well as increase the share of high-tech sectors in our production and export volume. To do this, research and

development, innovation, brand and design are the key topics to place emphasis. Another thing to focus on is to increase our activity of information technologies in all lines we carry through good and service production."

Saying that Bilişim Vadisi is one of the vision projects in the new success stories of Turkey, Işık continued: "Laid in an area of 3 million m², the valley will be the information base of Turkey where information turns into technology, and technology turns into product. The valley will be having an R&D office area which will bring academy, industry, and entrepreneurship together. The R&D center is open not only to IT firms, but also to the ones who want to make production based on information technologies. Including the ecosystem around, Bilişim Vadisi will hold 5 thousand R&D firm and 100 thousand workers."

The first IT Valley is established in Gebze.



M&A

HAVELSAN APPROACHES QUANTUM 3D



HAVELSAN, Inc., a prominent global software and systems provider based in Ankara, has announced that it has acquired the flight simulation business assets of Quantum3D, Inc., a leading developer of visual computing solutions for government and commercial applications. HAVELSAN's U.S.-based subsidiary will retain the intellectual property and product lines of Quantum3D, and will have offices in San Jose, CA and Orlando, FL.

"Our simulation and training business has the potential for significant growth, and Quantum3D's products are well known for realism and high performance. We believe that combining our strategies with Quantum3D products will create many new opportunities and allow us to develop Mantis to be the most innovative solution in the market", said Sadık Yamaç, CEO of HAVELSAN.



EXPORT

THE EXPORT CHAMPIONS OF 2014 WERE AWARDED

The top exporters of Turkey were given awards in İstanbul with the attendance of Recep Tayyip Erdoğan.

The Turkish Exporters Assembly (TİM) announced the top 1000 exporter companies of Turkey. The result report of the Top 1000 Exporter Firms analysis has announced by Mehmet Büyükekşi, the President of Turkish Exporters' Assembly (TİM). Having exported more than \$157 billion by 4% increase in 2014, TİM announced the export champions of 2014 in Konya.

According to the report, Tüpraş, Ford, and Oyak Renault are among top three exporter companies in 2014.

The awards were given at the ceremony in İstanbul. Speaking at the ceremony, Büyükekşi said: "First of all, I would like to congratulate these companies that ranked the top 1000 among 61,000 exporter companies that contributed Turkey's total export in 2014. I wish all our exporter firms continued success in the future."

Well-attended by the Turkish government, Recep Tayyip Erdoğan emphasized there is no obstacle ahead for exporters, and when there are

problems whatsoever, they should turn towards new markets without wasting time. "No matter how high the mountains were, you exporters found a way to bypass them. I firmly believe that Turkish exporters will be the flagship through 2023 targets," said Erdoğan.

Nihat Zeybekçi, Minister of Economy stated if Turkey do not put emphasize on export-oriented growth, it will not be a national growth. Expressing 2023 targets should be continued in any case, "Growth is one and only way for Turkey's economy," said Zeybekçi.

EXPORT CHAMPIONS:

Tüpraş, Turkey's only oil refiner that operates four refineries with a total capacity to handle an annual 28.1 mn tons of crude, has reached the highest export volume with \$3.74 billion. It is followed by Ford with its \$3.46 billion export volume. The third number also goes to a car company; Oyak-Renault secured its 3rd like last year. Oyak-Renault exported \$3.20 billion in 2014.

President Recep Tayyip Erdoğan, bestowed the awards to the representatives of top 10 exporters with the company of Minister of Economy Nihat Zeybekçi and President of TİM Mehmet Büyükekşi. Ali Koç, Board Member of Koç Group received four awards in the name of the holding during the ceremony.

TOP TEN EXPORTERS IN 2014

1	TÜPRAŞ
2	FORD OTOSAN
3	OYAK-RENAULT
4	VESTEL
5	KİBAR HOLDING
6	ARÇELİK
7	TOFAŞ
8	TOYOTA AUTOMOTIVE
9	HABAŞ
10	BOSCH

great majority that the FED will increase interest rates by the end of 2015. First rate increase will pull the trigger on capital flows to emerging countries and make borrowing more expensive. FED's move has the risk of causing a short term turmoil in global markets, in particularly emerging ones.

US Dollar has been appreciating versus all major currencies since July 2014. Here comes that classical question: "Does not that disturb US economy?" You may find the answer annoying: It should but it doesn't. Here is why:

Firstly, the appreciation of Dollar is not as strong as we see. Dollar index is calculated by the geometric mean of the value of US Dollar against the 6 major currencies. This index has surged by about 22 percent within one year. In other words, Dollar has appreciated by 22 percent against the basket consist of 6 major currencies. With regard to the effect on economy, the crucial point is that these 6 countries are not the major countries in US trade. The appreciation of Dollar against the actual leading trade partners is about half of that we see in Dollar index.

Second one is the decline in commodity prices. There is a negative correlation between commodity prices and global value of Dollar. When Dollar raise in value, commodity prices, on average, decrease by a similar rate. It means that the goods and services imported into US become cheaper, which ease manufacturing costs.

Third reason why strong dollar is not a great threat for US economy is the composition of US exports. As long as high-tech, high-value added, high-brand value goods comprise a considerable portion of the exports, higher prices do not cause a global demand slump.

Scene 2

Janus welcomes Greece on the crossroads as Tsipras government has to make a choice on Greece's position in the Euro Zone. Sides are still negotiating in order to strike a balance but they have not reached a conclusion yet. GREXIT option is still on the table and it seems more appetizing than ever as the forbidden apple in heaven, albeit it would harm political and economic stability of EuroZone and neighboring countries. Government led by Tsipras is vis-à-vis with the inevitable question: "Are we going to walk alone?"

Scene 3

There are also several downside risks originating from developing countries. Last year, prospects for the global economy indicated a significant growth in developing countries and

they were expected to compensate the gap coming from developed ones. Yet the facts are not covering expectations.

Following three decades of novel economic growth, supported by extensive structural reforms, China is currently shifting to a modest growth path. Investment activity in the country, which used to be the chief engine of bright growth success, has been slowing for some period. China will have to tackle many issues ranging from sectoral transition to population control and monetary policy conduct. Sustainability of renowned economic success will require rational structural reforms and improved policy efficiency.

China is starring Pandora, holding a box in hands and opening it slowly. Sluggish economic activity in China, is not a national issue yet a regional even a global one. Slower China means slower Asia and harder multilateral trade talks.

Behind the Scenes

Now, let's turn the camera back to see how the Turkish audience looks.

The appreciation of US dollar is clearly one of the major economic event in 2015. Although the local public opinion is focused on US Dollar / Turkish Lira, Dollar has not appreciated only versus TL. The major reason for appreciation of US dollar has its roots from global conditions.

Does cheaper Turkish Lira support Turkey's export performance? Answer is "No, not this time". Because US Dollar has not appreciated only against TL but also other major currencies. In other words, although the prices of goods and services produced in Turkey have come down in dollars, the cost of production in other countries has also decreased. If Turkey has captured a cost advantage, the other countries have done that too. In other words, Turkey's

relative advantage is almost zero.

The main reasons for the appreciation of US Dollar globally within previous year has still stand. As FED interest rate expectations raise, the upward trend in Dollar will become stronger.

Another leading factor for global economy and Turkey is oil prices. The price of oil is as much as half of the last year's same period and it is crucial for global growth, foreign trade and political stability in some regions. If the Dollar will keep its position on high rates, the down trend in commodity prices would continue.

2015 is not the end, but may be a beginning of a new strong dollar era. If strong dollar is not a real threat for US economy, it can be so for others.



As long as high-tech, high-value added, high-brand value goods comprise a considerable portion of the exports, higher prices do not cause a global demand slump.



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Briefing

CONSTRUCTION, FINANCE, TECHNOLOGY, EXPORT, INVESTMENT, EXPO, BRAND, AVIATION...



INNOVATION

The International Innovation Arena:

INNOVALEAGUE

Turkish Exporters' Assembly and A.T. Kearney's cooperation InnovaLeague putting the innovation competition into global scale.

BY BERKAN KİŞİN

Turkish Exporters Assembly is preparing the second InnovaLeague innovation contest, Turkey's first innovation improvement programme, with the cooperation of A.T. Kearney in order to nourish the innovation ecosystem in Turkey. The applications were received between 28th February and 5th June by which InnovaLeague 2015 will be the arena of

innovation for 486 firms, all are ready to and aim at becoming the innovation champions of 2015. Being carried out in 17 EU countries with the contributions and coordination of A.T. Kearney, the programme will evaluate Turkish companies in 5 different categories.

InnovaLeague 2014 hosted 460 companies in which the top three companies of each category awarded as the



champions of innovation at Turkey Innovation Week final event, Istanbul Innovation Week. The companies made it to the final three of each category has received their awards from President Recep Tayyip Erdoğan and President of TİM Mehmet Büyükekşi. At the final of the contest held in 2014, Arçelik received the first prize in "Innovation Strategy" category, İnci Akii received first prize in

“Innovation Organization and Culture” category, Vestel Electronics got the top spot in “Innovation Lifecycle” category, Turkish Economy Bank became the champion in “Innovation Resources” category and Labris Network came first in “Innovation Results” category. Tofaş, Hexagon Engineering, Çilek Mobilya, Mir R&D and Triodor Software were the runner ups in the aforementioned categories, respectively. The third place in Innovation Strategy was Procter&Gamble, in Innovation Culture and Organization was BASF Chemicals, in Innovation Lifecycle was Denizbank, in Innovation Resources was Brisa and in Innovation Results was Nanovak R&D.

The participation process to the programme starts with the registration of companies. Subsequently, the firms are asked to join in to an online survey and then firms are being evaluated based on the information they share and the finalist companies are being determined. Following the election of finalists, the capacity of the firms regarding innovation management is being measured through field trips and at the last stage grand jury gives the final decision. The main idea of the progress is to understand, evaluate and measure the innovation management and the efficiency of the companies.

INNOVATION GIVES RESULTS

Turkey put on an outstanding performance in terms of participation in the international programme as the SMEs were the leading actors of the event, particularly in Innovation Results category. On the other hand, companies of large scale were predominant in



Innovation Strategy category whereas the innovation is a subject of vital importance for such companies. Looking at the profiles of participant companies a pattern becomes distinctive as the companies are in a strong cooperation with universities, carrying out joint R&D operations. Another result derived from the evaluation of participants is that the firms are shifting their business methods and habits from traditional ways to modern models. SMEs, in particular, are seeming to have developed a strict sense of professionalism regarding their innovative ideas, patents and intellectual property rights.

Considering the results of InnovaLeague 2014, the each and every company, regardless of their final positions, managed to contribute to each other and cherish from the event. In the scope of

making this interaction sustainable and create a innovation encouraging and fostering environment, InnovaLeague is certainly capable of accomplishing the mission and improve itself together with the companies as it puts offers a perspective to exporters towards their 2023 targets.

SYNERGY OF INNOVATION

Furthermore InnovaLeague offers the chance of competing in an international innovation arena to companies of all scales and fields whereas encouraging and driving them to obtain an innovation discipline. Likewise last year, the winners of InnovaLeague 2015 will also be representing Turkey in IMP3rove programmes “Best Innovator” contest. TİM aims at integrating the IMP3rove Global Champions

event into Turkey Innovation Week's Istanbul leg which will be held on 3-4-5 December 2015. This will create further synergy for both the programme and Turkey Innovation Week events as they both are actually designed to provide basis for a healthy, rich and sustainable innovation environment. Thus, the inputs from international contest to Innovation Week and Innovation Week nurturing environment and structure which will the programme may utilize will help both projects to reach out to more people, companies and even countries.

Gathered in the last seven years and covering thousands of companies in Europe, the database provided by the cohort of the programme, A.T. Kearney, offers some key indicators. The experience of A.T. Kearney demonstrates that the companies successful in innovation management are also securing top places in terms of growth performance and creating a sustainable trend. It is also observed that such firms are enjoying benefits such as cost minimization and efficiency. In this manner, InnovaLeague also gives a voice to a new approach adopted by leading innovative companies, growth by innovation.



THE INNOVATION CHAMPIONS OF 2014

INNOVATION LIFECYCLE	INNOVATION STRATEGY	INNOVATION RESOURCES	INNOVATION ORGANIZATION AND CULTURE	INNOVATION RESULTS
VESTEL ELECTRONICS	ARÇELİK	TURKISH ECONOMY BANK	İNCI AKÜ	LABRIS TECH&IT
ÇİLEK MOBİLYA	TOFAŞ	MİR R&D	HEXAGON DESIGN&ENGINEERING	TRIODOR SOFTWARE
DENİZBANK	PROCTER&GAMBLE	BRISA	BASF	NANOVAK R&D

CONSTRUCTION

ENGINEERING THE **TURKISH** WAY

When we look at the growth diagram Turkish economy had for the past few years, we can see that the construction sector has made the most stable contribution. The success Turkish construction companies bring went beyond the limits as the sector made total \$300 billion investment in the last 40 years.

BY ONUR KOÇASLAN



Today, Turkish construction sector plays an important role in Turkish companies' establishing a market presence in the world. Being able to carry through turnkey projects in both infrastructural and housing constructions, Turkish construction sector registered in the Champions League of Construction. The reports

of international construction magazine Engineering News Record (ENR) say it all. According to the report, based on the income of engineering companies which is generated from foreign operations, "World's Top 250 International Conductor" list has 38 Turkish firms in 2012, which is increased to 42 in 2013. With this



number Turkey secured its second place after China with 62 companies. USA came third with 31 companies. The preface of ENR bulletin sums the sector actually; "After all, this is a competitive world... Work load rises for big engineering companies, though customer needs and competitiveness increase as well."

WORLD UNDER CONSTRUCTION

Since 1972, Turkish constructors at service in 103 countries, 7,500 projects worth \$285 billion total.

The market size of the top 250 companies reached \$543.97 billion with an increase of 6.4% in 2013. Incomes of the 42 Turkish companies on ENR's list on the other hand were \$20.4 billion with an increase of %21.4 in 2013. The share of Turkish companies in total net worth rose from %3.3 in 2012 to %3.8 in 2013. The companies' share in regional incomes has shown remarkable improvements especially in Middle East, Europe and Asia, with a decline in Africa region. Spain secures its title as the biggest market share; 13 Spanish companies have 14.7% share in regional incomes. Meanwhile, the market share of the United States has shown a slight decline; compared to 2012, worldwide share fell from 14% to 13%. People's Republic of China rose again; 62 Chinese construction companies made their market share increased from 13.1% to 14.5% in worldwide.

International markets evaluation shows that Asia is the biggest construction market with \$146.5 billion value, which is followed by Europe with \$111.9 billion value and the Middle East with its \$84.1 billion of value. The Arab Spring may have affected the market as the region shrank as 6.5%.

Turkish construction companies are hardly in North and Latin American markets since they try to secure their place in Asian, Middle Eastern and African markets. Turkish companies'

main competitors in Africa are Chinese companies as well as the Korean companies are the main competitors of Turkish companies in the Middle East market.

The expansion to foreign markets era for Turkish construction sector took place in the period of 2000-2010. Though it was partially because of the fact that international projects were offering better benefits than of domestic ones, particularly under the circumstances that 2001 economic crisis built, the peripheral developments also drove Turkish companies to pursue ventures in foreign countries. In addition to the crisis "abnormally low tenders" in bids was another aspect that redirected the attention of Turkish contractors towards foreign markets.

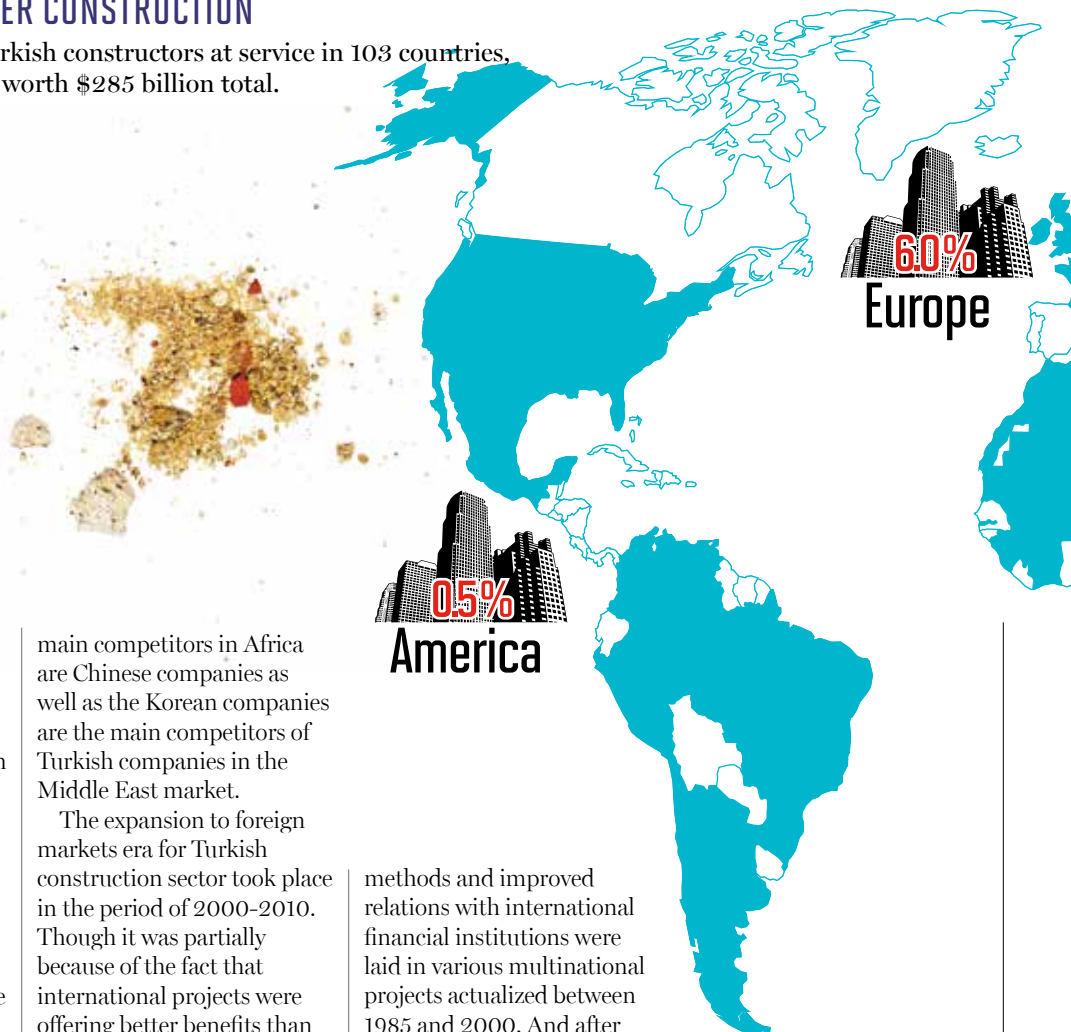
At this very point, the know-how generated from the projects with multinational partners boosted the capacity of Turkish firms both quantitatively and qualitatively. The foundations of subjects such as operating with international standards, efficient project management

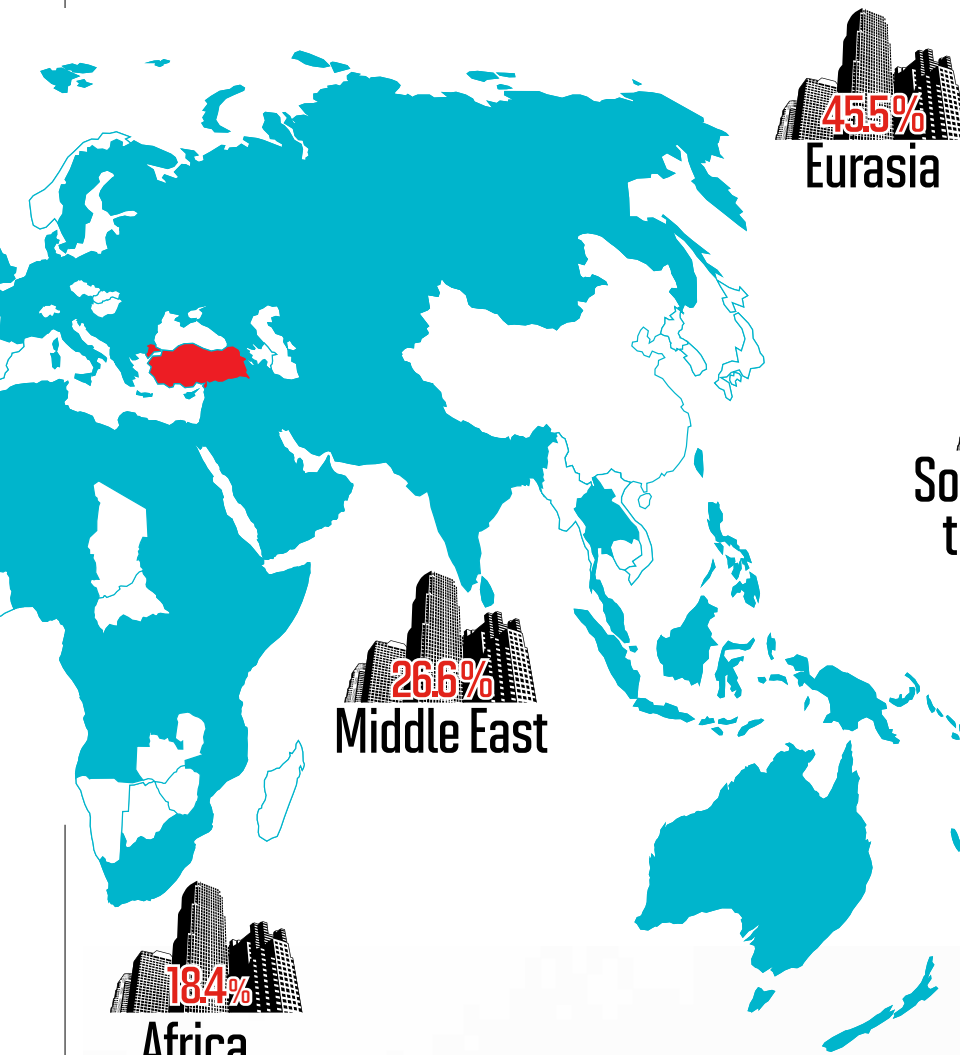
methods and improved relations with international financial institutions were laid in various multinational projects actualized between 1985 and 2000. And after while which can be called as an incubation period, Turkish companies started to utilize these factors in a quite productive way.

Nonetheless the investment booms in oil and gas exporting countries in the hinterland of Turkey provided many opportunities to be ceased by Turkish firms. Subsequently to the investment booms, the all time peaks observed in oil and gas prices has created an auxiliary boost. The conjuncture formed by such developments strongly attracted the Turkish firms and the firms were also attractive for the rising demand as they had geographic, thus logistic, advantages and cultural

familiarity regarding the region. In this sense, the agility and bravery that the Turkish firms have shown in engaging in new business relations and ceasing the emerging opportunities turned out to be given positive results.

This is the outline of one of the most significant periods of Turkish construction sector as in this period business volume of contractors grew exponentially, well above the estimations. Over and above, market diversification and specialization obtained by the contractors are two main pillars of the successful profile of the sector.





TURKISH INTERNATIONAL CONTRACTING SERVICES BY SHARE

Data: MINISTRY OF ECONOMY

■ Countries Turkish contractors are operating in.



MİTHAT YENİGÜN

President of Turkish Constructors Association

Securing our second position after China in the ENR list since 2008 is an ornament for us. However, our companies' share in the total income should be raised. We should analyze Spain's 14.7% share with only 13 firms take it as an example. In order to increase our market share and create higher value added products, we should make new associations in overseas, taking bigger projects without running against each other in the same region. This will make the projects run faster with our partnership and coalition tradition.

Besides, the most income in bigger scale projects comes from engineering and material supplies. Turkish constructors should stick with the Engineering, Procurement and Construction agreement. I believe our firms could grow and compete with conglomerates by this way.

TURKISH CONSTRUCTORS USING THE GEOGRAPHICAL ADVANTAGE

Consistently increasing competitive power of Turkish building material producers is an instrumental in compensating the sector's payment balances. In the six-month period of 2014, Turkish constructors has taken 7,500 projects in 103 different countries. The total cost of these projects was \$285 billion. Turkey is among the top 12 manufacturers in key sectors for the industry, such as cement, glass, iron-steel, and ceramic. Turkey's

Market diversification and specialization obtained by Turkish contractors are two main pillars of the successful profile of the sector.

geographical position is one of the key factors in contributing the Turkish companies' global competitive power. Having international standards-compliant services with affordable prices, high customer satisfaction, reliable associates, international experience, workplace environment acquaintance in nearby countries, qualified work force, and risking capacity are just a few characteristics that makes Turkish companies superior in competitiveness.

FINANCE

*New Momentum for the Market:***EBRD-BORSA ISTANBUL
COLLABORATION**

Borsa İstanbul (BIST) and The European Bank for Reconstruction and Development (EBRD) have signed a team sheet regarding EBRD's acquisition of BIST's 10% stake.

BY EFE DAŞMAN

Stock markets' transformation from national exchange market into a global brand is not an easy task. Yet, Borsa İstanbul (BIST) is taking the right steps in order to become one of the most innovative markets of Europe. Founded by the then Prime Minister Turgut Özal in 1985 as the İstanbul Stock Exchange, a brand new national market, 'Borsa İstanbul' was created in 2013, by combining the İstanbul Stock

Exchange, the İstanbul Gold Exchange and the Turkish Derivatives Exchange. In order to make İstanbul an international finance center, BIST is making new efforts to encourage the potential investors. First, BIST announced its BIST Private Market; an online marketplace for entrepreneurs who would like to satisfy the financing, liquidity, and new investment needs. Then, Borsa İstanbul announced its collaboration

with Boğaziçi University as they set up the first Financial Technopark in Turkey. Now, Borsa İstanbul makes another move in order to fulfill the long term İstanbul International Finance Center policy. The European Bank for Reconstruction and Development (EBRD) is entering exclusive negotiations to acquire a 10 per cent stake in Borsa İstanbul, in a landmark deal which will support Turkey's efforts to reshape its capital markets.

**THE DEAL AS A PART OF INCREASING
ATTENTION FOR TURKEY**

The engagement letter was signed on May, 29th 2015 in İstanbul. EBRD First Vice President Phil Bennett and EBRD Director for Insurance and Financial Services Noel Edison signed a term sheet in İstanbul with Borsa İstanbul Chairman Talat Ulussever and Borsa İstanbul CEO Tuncay Dinc, paving the way for a pre-IPO investment in Borsa İstanbul. Expected to take place next year, the IPO is part of the government's comprehensive plan to reshape Turkey's capital markets and turn the country into a financial hub for the region spanning Central Asia, south-eastern Europe and North Africa. The deal suggest the European Bank for Reconstruction and Development is to acquire 10% stake in Borsa İstanbul that includes further deals. The London-based bank is showing attention to BIST Private Market as well.



Previously, the EBRD undertook a pre-IPO investment in the Moscow Exchange and invested in the Bucharest Stock Exchange. The Bank is also supporting SEE Link, an order-routing system established by the Bulgarian, FYR Macedonian and Zagreb stock exchanges and aimed at increasing liquidity and advancing standardization among the connected bourses. Most recently in Turkey, the Bank has invested in YDA İnşaat's first Turkish lira-denominated bond listed on Borsa İstanbul. The deal is also important for Turkey as the bank joins a real sector export for the first time and have 20% of the company's total export volume. It also works with the authorities on regulations and policies to further improve the functioning of capital markets. The bank also invested in Turkish online initiatives such as Trendyol, a private shopping site which sales works of Turkish designers, and Evim.net, an insolvent eCommerce site based on home decoration. EBRD's interest in Borsa İstanbul also arouses curiosity because the BIST Private Market gains domestic and foreign traction.

ANOTHER MILESTONE FOR MAKING İSTANBUL A FINANCIAL HUB

Directors from both EBRD and Borsa İstanbul attended the term sheet ceremony. Tuncay Dinc, the Chief Executive Officer of Borsa İstanbul said:

"As a founding member of the EBRD, Turkey will benefit from the Bank's direct investment in Borsa İstanbul. This long-term pre-IPO investment is yet another indication of the great potential of Turkish capital markets and Borsa İstanbul.



Phillip Bennett, Vice President of EBRD spoke at the ceremony.

We consider this strategic partnership to be another important milestone on the road to making İstanbul an international financial hub."

EBRD First Vice President Phillip Bennett said: "Borsa İstanbul is at the heart of Turkey's ambition to become a financial centre for the wider region. As a shareholder in Borsa İstanbul we will support its efforts to become a leading stock exchange in terms of the number of listed companies and market capitalisation, reflecting Turkey's economic potential."

Noel Edison, Director for Insurance and Financial Services at the EBRD, added: "This investment is part of the EBRD's long-term strategy in Turkey to help the country deepen its capital markets. We will work to improve the efficiency and liquidity of the bourse to make it more attractive to domestic companies and foreign

investors and will also help with the preparations for a successful public listing."

The EBRD started investing in Turkey in 2009 and currently operates from offices in İstanbul, Ankara and Gaziantep. In just six years the Bank has invested over €5 billion in Turkey through more than 140 projects in infrastructure, energy, agribusiness, industry and finance. It has also mobilised over €12 billion for these ventures from other sources of financing. In 2014 Turkey became the leading recipient country of the EBRD, with new investments worth €1.4 billion. The collaboration between Borsa İstanbul and EBRD will provide benefits to both sides, as the Bank will get through the local markets in the Middle East, and BIST will be attracting eye-watering foreign investors which is a core element in İstanbul International Finance Center strategy.

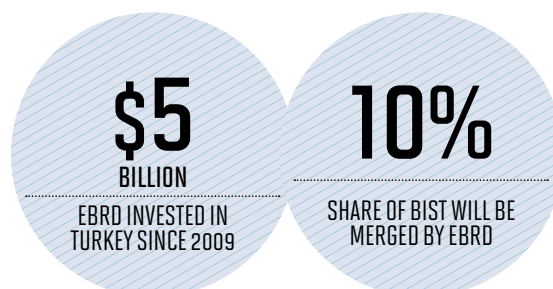


TUNCAY DINC
CEO, BIST

There are defining moments for people or institutions, which reshape their future and are remembered as milestones in their progress. May 29, 2015 has been such a day for Borsa İstanbul. Having stepped up its efforts in last three years to become a financial hub in its region, Borsa İstanbul signed a term sheet with European Bank for Reconstruction and Development (EBRD), paving the way for a pre-IPO investment by EBRD in Borsa İstanbul. The initiative is the most recent one among strategic partnerships undertaken by Borsa İstanbul.

First of all, EBRD, with its vast experience in emerging markets, works for the economic and financial development of countries in this category. Accordingly, it invests significantly into financial infrastructures of emerging markets. Investments by the Bank into Moscow Exchange and Bucharest Stock Exchange and its support to SEE Link, an order-routing system established by the Bulgarian, FYR Macedonian and Zagreb stock exchanges, shows EBRD's dedication in this regard.

Considering the fact that Borsa İstanbul currently has stakes in four stock exchanges of developing countries and aims to be a regional hub, strategic partnership will absolutely create new opportunities for both parties. Moreover, it will support Borsa İstanbul's strategy to extend its presence in the region. Actually, the MoU signed between EBRD and Borsa İstanbul in 2013 foresaw coinvestments into other exchanges and capital markets, and technical cooperation.



TECHNOLOGY

Would You Like... TO BE UPGRADED?

We are so surrounded by the App World, that Steve Jobs puts it, "They are like the parts of the human body." As the sector moves very fast thanks to the new investments, Turkish App developers are aware of the upcoming success.

BY EFE DAŞMAN

Philip K. Dick's 1968 novel *Do Androids Dream of Electric Sheep* tells the story of Rick Deckhard, a bounty hunter who is back from retirement follows the escaped Nexus-6 brain model androids, who are much very like humans with only exception they do not have personal

memories outside what has given to them during building, because they are corrupted and they possess threat to the human kind. Throughout the novel, the reader asks such questions about what does make it a human, memories, or love... The story which was written during the

Cold War of course has a pessimistic view of future. The essence of the science-fiction lies upon the idea of a philosophy which could take place in the future. Dystopian future warns the people about what should or should not be done in order the make a planet that is livable. People may agree or

disagree on the conditions we live in the blue planet, but there is one thing that is for sure is that we do live in a world which is condensed into our pockets; that is smartphones. It may be your sole reason to read this article since it is forbidden to use them while you were on the plane.

APPS OUR NEW GADGETS

It is not a mystery that the last decade has become a decade of mobile technology. Started with Apple's star iPod, followed by the game-changer technology iPhones, we have changed our very understandings upon cell-phones. Only having a make-a-call feature ten years ago, phones have become a technology we are depended now with its uncountable apps. It is a greater market with its quality of increasing drastically, software entrepreneurs are coming up with new obfuscator ideas that could double or triple up their net worth only in months. Applications such as Instagram, WhatsApp, and Zynga are told the new conglomerates of the mobile industry. On the other hand, considerably new initiatives like Snapchat, Tinder, and Periscope are growing faster. Experts suggest that the new sending short videos application Snapchat has reached \$19 million. The e-commerce giant Alibaba is said to acquire the fast-growing company, making an introduction offering \$200 million.

TURKISH APPS GAINING REPUTATION

One of the fastest growing application store markets of the world, Turkey is in the top ten in both Apple and Android markets. Turkish users' increasing demands on the market made the software entrepreneurs to turn towards mobile applications. Attention-grabbing mobile app developer of the recent years, Apperto is a software studio in İstanbul that have a small team building high quality apps. Apperto created PicLab, one of the most successful photo-



Apperto was the
creative team behind
the photo editing app,
PicLab.



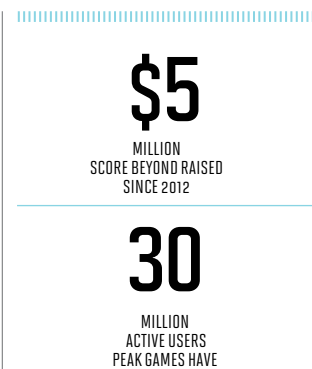
SARP ERDAĞ
Founder & Lead Developer, Apperto

On average, a smartphone owner holds more than a hundred apps on his device and most of these apps are in the games and entertainment category, targeting younger demographics. Turkey, with its young population, holds a great potential both for local developers selling their own apps and for global players who'd like to expand to new counties. In addition, there's great engineering talent here that can provide high quality software development services for much lower costs than the US or Europe. This presents huge opportunities for entrepreneurs and investors funding new ventures as well as designers and developers who'd like to expose themselves to a wider range of companies globally.

editing apps in the market. The company is focused on Typorama app, a typography generator and text designer for iOS. Created by only Turkish software engineers, Typorama is declared "featured app" by Apple in 129 countries. Increasing popularity has made the app more popular than Angry Birds and NBA2K15 in the United States.

Founded in July 2012, by Turkish entrepreneur Emrecan Doğan, Score Beyond is a premier education technology company building personalized test prep software for mobile platforms. Score Beyond has products to prepare students for the university entrance exams of the United States: SAT Tests. The company combines a fast interface with high-quality instructional content developed by tutors from University of California, Berkeley and Stanford University and reaches over 750,000 students have used to prepare for the SAT, averaging score improvements of over 200 points. Serving in both USA and Turkey, Score Beyond has taken more than \$5 million investment.

Turkish people's devotedness in mobile games is making the software companies to invest in Turkey than any



other countries. Due to the increase in interest in mobile games, software initiatives see Turkey as a new land of opportunities. Turkish app developers also get its share in the large market. Founded in October 2010, Peak Games ranks as one of the largest online and mobile gaming companies globally with over 30 million monthly active users.

The company has over 100 employees engaged in every aspect of the business from game creation to distribution and business development. The company's investors include Earlybird Venture Capital, Hummingbird Ventures, and Endeavor Catalyst. Peak Games is one of the most exciting technology companies in Turkey that is growing in leaps and bounds and operates not only on a regional, but also on a global scale.

New line of opportunities emerge as the use of internet and social networks increase globally, making the world compressed into our pockets. Application stores are now a huge market today, and it has a potential that it can bring more tech giants every day. As Turkish software companies interest in more tech-wise, we can claim that it has a potential to be a considerable weight in Turkey's economy and export pool.

The industrialization in hazelnut production improved the efficiency of the sector.



EXPORT

NUT ONLY A SNACK

15% of the Turkish hazelnut production is consumed domestically, the rest is exported. Turkey is not only the leader in hazelnut production, but also in export. Having 75% of the world's total hazelnut production, Turkey feeds the world.

BY BERKAN KIŞIN

Hazelnut is both a delicious product and a well-known component of a healthy diet. It is the second most produced nut species, subsequent to almond. The significant position of hazelnut in global food industry gives it a strategic dimension. And Turkey has the upper hand in hazelnut production since it provides the best ecological conditions for the hazelnut cultivation. Thanks to these conditions, Turkish hazelnut production accounts for 75% of output and 70% of export in global scale. And its share in total agricultural product export of Turkey is around 18%.

The total hazelnut

production in the world, which was some 250 thousand tons per year in 1960s, reached to circa 1 million tons per year recently. Following Turkey, the leader of hazelnut production, comes Italy, the United States, the Caucasian Countries and Spain, respectively whereas EU (which provides approximately 17% of global output), Georgia and Azerbaijan are showing an inclining trend in the sector during the last few years.

In terms of total cultivation area, Turkey again tops the ranking with the share of 80% of total global hazelnut cultivation areas. Similar to the output performances,



Thanks to the industrialization progress the unit value of products shown a robust increase, concluded with \$2.3 billion export in 2014.

Italy, Azerbaijan, Spain and the United States occupies the following positions in the ranking, respectively. According to data provided by Turkish Statistical Institute, the total area covered by hazelnut cultivation zones reached to 700 thousand hectares in 2014, which was 540 thousand hectares in 2000. It remarks a robust 30% raise in the last decade and a half. On the other hand the sector employs approximately 395 thousand families in cultivation zones, according to Republic of Turkey Ministry of Food, Agriculture and Livestock.

A DIVERSIFIED MARKET PORTFOLIO

During the 1990s Turkey's average export was around \$500 million to \$700 million. For the first time in the history of the sector, Turkish hazelnut exports exceeded \$1 billion mark in 2005 and the exponential growth of the sector brought this number up to \$2.314 billion in 2014. While the number of Turkish hazelnut sector's foreign markets raised

above 100 thanks to the efforts of Hazelnut Promotion Group, and EU is the largest market of Turkish hazelnut export with some 76% share. In terms of volume, numbers demonstrate a tremendous performance, as the total export volume is climbing up to 200 thousand tons per year.

Turkey exports various different hazelnut types and products such as unshelled, minced, roasted etc. which are all cultivated and processed domestically whereas the processed hazelnut products generate 43% of total hazelnut products export income. This is the upshot of a well-planned and well-executed industrialization agenda whose foundations laid in 1960s. Thanks to this industrialization progress the unit value of products shown a robust increase, concluded with \$2.3 billion export in 2014. And the share of such products is increasing incrementally with the performance of the sector.

A STEADY SUCCESS

In the aspect of hazelnut export diagram, there is an obvious concentration on certain countries. West European countries, which are mostly the EU member states, seem to be the center of the concentration as they are both the largest consumers and producers of chocolate and similar products. And Turkey's hazelnut export to such countries have increased steadily over the past decades. But in order to keep the pace of the rising trend, Turkey went to diversify its hazelnut export markets, thus the share of such countries in total export of Turkish hazelnut sector declined from 80% to 65-70% range. Italy, Germany, France, Switzerland and Poland are amongst the top 5 European markets for the sector with shares of 24%, 23%, 9%, 4%



75%

TURKEY HAS THE HAZELNUT
MARKET IN THE WORLD

1ST

TURKEY RANKS IN HAZELNUT
PRODUCTION AND EXPORT

\$2.31

BILLION

HAZELNUT EXPORT IN 2014



and 3%, respectively. On the other hand, non-EU member states account for 14% and overseas countries for 13% in total hazelnut export of Turkey in 2014.

Underscoring that the sector broke a new record in 2014 which was a tough but a fruitful year with regard to foreign currency inflow, Ali Haydar Gören, the Chairman of the Board of Istanbul Hazelnut and Hazelnut Products Exporters' Association, stated that "Hazelnut and Hazelnut Products sector secured the second place in the ranking of sectors achieving the highest increase in export with its performance. We are making and continue to make a considerable contribution into Turkey's 2023 export goal. We passed our prior target of \$2 billion and are drawing near to \$3 billion in 2015. We have the potential of reaching \$4 billion export in 2023. Regardless of the scale, each

and every member company of our sector are proving to be the actors of a success story."

Looking at the fact that in 2014 Hazelnut and Hazelnut Products Sector's export increased by 31.2% whereas total export of Turkey increased by 4.3%, the leader by far in hazelnut export, Turkey, seems to be able to keep its first place in rankings and by keeping up with the good work, even likely to increase its leadership margin. And the sector's intention of reaching out to new markets around the world, strongly suggests that it is determined to do so. Overall, on the route to the sector's goal of \$4 billion export in 2023, the sector already over-performed the previous targets and considering the performance of the sector in the recent years, new target or targets are anticipated to be set.



İLYAS EDİP SEVİNÇ

President, Black Sea Hazelnut
Products Exporters' Association

Hazelnut is an important, traditional, and additive-free export product of Turkey. Turkish hazelnut exporter have been making very modern, millions of dollars' worth facilities for the past few years. These facilities are exporting Turkish hazelnut to more than 100 countries, as bulk product to world's leading brands. As Turkish hazelnut exporters, we aim at producing 1 million tons of shelled hazelnut in 2023. Having brought \$3 billion foreign exchange inflow before, Turkish hazelnut exporters' aim is to reach reaching \$5 billion to \$6 billion foreign Exchange inflow in a foreseeable future.

INVESTMENT

Turkey Has Pushed the Button for HIGH-TECH PRODUCTION

Taking firm steps towards supporting high-tech production and export, Turkey, has kicked off a grand transformation program and incorporated high technology investments into the Region 5 incentives scope.

BY ONUR KOÇASLAN

It is obvious that Turkey needs to focus on manufacturing qualified and high value-added goods not only to embrace the 2023 export goal of \$500 billion but also to sustain the export accomplishments it reached over the past years. In this

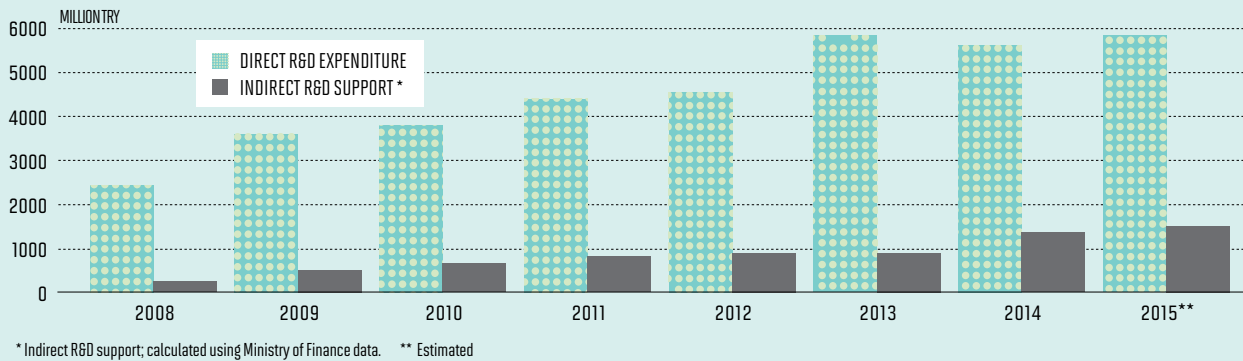
sense, studies are carried out in behalf of the four basic components of value-added production; R&D, Innovation, Branding and Design at organizations held by especially the Economy Administration and the Turkish Exporters' Assembly.

Yet, Turkey Innovation Week was home to these four important components so that production was covered at any layer with many fruitful studies. Also the Economy Administration was not reckless to the synergy created at the event and

formed new mechanisms to support high technological products. Prime Minister Ahmet Davutoğlu disclosed the “Recruitment, Industrial Investment and Production Support Package” with the attendance of economy state governors in April. The package offered eleven articles that enclosed many regulations ranging from tax discounts to support and SMEs to special hedges for women entrepreneurs. Perhaps the most striking title of the package was the decision to support high technology investments in the future. Davutoğlu said, “We will carry out a Region 5 incentive with new investments that



R&D EXPENDITURE AND SUPPORT



including high technology. The contribution amount of investment in Region 5 has enhanced to 70%. For instance if İzmir has high technology it will be treated as Region 5 just like some of the cities in the Eastern Anatolia and Central Anatolia in order to receive special incentives. In this regard we will be both encouraging high-tech investments and spreading it to every part of Anatolia. We are determined to suppress economical regional imbalances in Turkey by circulating the technology bases surrounded mostly around Istanbul and Marmara region towards the Aegean, a few centers in Central Anatolia, Middle and East Black Sea regions.”

DESIGN CENTERS SUPPORTED JUST LIKE R&D CENTERS

Prime Minister Davutoğlu stated that Resource Utilization Support Fund (KKDF) ratio could be scaled down to zero from six percent for the capital and intermediate goods import. Davutoğlu, “This is a step to reduce the cost especially for capital goods and intermediate goods. R&D and design will be offered more support. In fact, these activities just reveal the qualitative transformation. The design phase is a stage when the most value as of added value is cherished along with the mental contribution. Within this stage, any process to increase contribution to the product will be as important as the ultimate product itself. In this context, design centers will be supported just like R&D centers which will also allow R&D and design employees some flexible working opportunities. R&D and design activities assembled to order by SMEs will be promoted as well.

PROJECTS OF HIGH TECHNOLOGY PRODUCTION KICK STARTED

Ministry of Science, Industry and Technology is too developing new projects to support high-tech

investments for so long. The Ministry aimed at supporting the investments of companies for commercialization of technological products generated from the R&D and innovation activities at the Technological Production Investment Support Program and the privileged technology areas.

Science, Industry and Technology Minister Fikri Işık reported that they recorded 182 applicants for the Technological Production Investment Support Program and that 32 of these have been evaluated and 21 of them were found suitable for the support program. Işık stated that the total investment cost for these projects were some \$16.21 million and \$5.85 million of it was from the ministry. Minister Fikri Işık, “In our country funds to support innovative ideas are drawn away by either the help of public sector, universities or the private sector and R&D studies are encouraged, however, it is obvious that we are not at the point we desire regarding the commercialization of the technological products generated from the projects. When the outcomes of these innovation projects are not commercialized,

these outcomes would be put aside and lose their up-to-dateness. And this influences the efficiency, effectiveness and feedback of the public expenses on the R&D and innovation subjects negatively. For this reason, we care about the commercialization of the R&D and innovation project outcomes very much.

WHICH AREAS TO BE SUPPORTED

According to the incentive package Prime Minister Ahmet Davutoğlu disclosed, the tax incentive and high ratios and durations for employer insurance premium revoked at the end of 2014 will be continued to be applied for investments before 31st December 2015. At the moment, the regional incentive applications will be increased from 10% to 15% in the 1st region; 15% to 20% in the 2nd region; 20% to 25% in the 3rd region; 25% to 30% in the 4th region; 30% to 40% in the 5th region; 35% to 50% in the 6th region. In the large-scale investments the incentives will be changed from 20% to 25% in the 1st region; 25% to 30% in the 2nd region; 30% to 35% in the 3rd region; 35% to 40% in the 4th region; 40% to 50% in the 5th region; 45% to 60% in the 6th region.



EXPORT

A Stylish Industrial Power:

TURKISH APPAREL INDUSTRY

A well-established industry reaching out to centuries, Turkish apparel sector is the second largest apparel sector in the world, thanks to an industrial structure worths \$150 billion.

BY REYHAN SU ERGUN

With its deep-rooted history, the Turkish Ready-Made Industry has come a long way with the textile production going centuries back to the Ottoman period, having advanced in the 16th century and developed excessively

in the 20th century. Being one of the major cotton-producing countries, with the industrialization efforts of the 1970s, Turkey has paved the way for the modern apparel industry and hammered on its transitory period of great advancement

in clothing industry including export. With a wide competition capacity and new development potential in recent years, the sector has a wide range of information, background, experience and know-how today.



HİKMET TANRIVERDİ

Chairman of the Board of IHKIB

Compared to the parameters in 2013 Turkey has expanded its export volume by 8% with a \$18.7 billion worth of Ready-Made and Manufacture goods to 210 countries in 2014. Three quarters of Turkey's Ready-Made Clothing export goes to the EU countries while Iraq, USA, Saudi Arabia, Russia and Ukraine remain important as one of the other export markets. The most exported products from Turkey are, respectively, women-men knitwear, weaving garments and other ready-made objects. The sector aims at \$20 billion export for 2015. As part of the Turkish Exports Strategy the 2023 export goal is \$60 billion. Toward this goal Turkey being the "organizer country" will be the biggest factor at increasing the productivity and added value in our export. Also overseas retailing and retailing is one of the important tools to reach this target. The investments in our sector are in either machine and equipment or design and promotion areas. In order to utilize investment incentives, our firms are planning to invest in the Region 6 and as Istanbul Ready-Made Garment and Apparel Exporters' Association (IHKIB) we support these studies with our project in Şanlıurfa called Ready-Made Clothing Organized Industrial Region (HOSAB). Other investments occur in branding, design and promotion companies per pro international competition. The supremacy of our sector in the global arena is delivery within 21 days; including the process from the purchase till distribution. However for the sustainability of this attribution of the sector our utmost expectation is issues like raw material supply, customs processes to be resolved and some subsidies from the government on internal process areas.

WORLD'S SECOND LARGEST TEXTILE INVESTOR: TURKISH TEXTILE INDUSTRY

The textile and ready-made clothing sector holds a significant share of overall industry and is one of the locomotive sectors of Turkey. About \$25 billion worth of export of textile and ready-made clothing products are supplied to the E.U region which covers 70% of its overall export total. After China, Turkey being the largest textile investor in the world with an estimated amount of \$150 billion investment so far, has undergone a deliberate stage of transformation in terms of focusing more on the high-tech manufacture and innovation rather than basic products working in this industry.

THE BIGGEST EMPLOYMENT CAPACITY

According to the data derived from the Turkish Textile Employers' Association's sector report, the industry employs 918,000 people. Along with the overall which encloses direct, indirect and stimulated employment which reaches at almost 2.4 million people in Turkey.

With roughly 52.000 operating plants, spread around Turkey rather than accumulating in certain areas, the ready-made



One in every five of Turkey's largest 500 manufacturing establishments operates in the textile and ready-made clothing sector.

clothing industry has created a considerable amount of jobs, and job opportunities. 20% of Turkey's largest 500 manufacturing establishments operates in the textile and ready-made clothing sector

that to have a unique position in Turkey's economy with a nominal influence in the current account deficit.

KIDS WEAR: THE MAGNET OF RETAILERS

17% of Ready Made Clothing Industry caters babies and children under the age of 15. And the inhabitants under the age of 15 constitute one fourth of Turkey's total population which adds up to 19 million people which is an incremental number annually by 1.5 ratio, equaling a 15% growth in kids wear sector. That is to say, kids' ready-made clothing has reached to \$1.8 billion revenue in the market today. The fact that 1.3 million babies are born every other year might be an indicator that this market will retain vivid and preserve its dynamic aspect.

The escalating birth rates and young population in Turkey show that in coming years the kids wear segment will take a larger share in the ready-made clothing market. The recent studies also show that the young generations born and raised in an era of communication and technology have better recognition to judge the quality of product, fashion and the price balance nowadays, and getting better at it any day now. It would



seem that the brands that offer products that fit these three criteria will have better chance to grow more in Turkey in the future.

BRAND REPRESENTATIVE OF WORLD-WIDE BRANDS

Turkey's design capability is huge and it comes as an advantage in the global competition arena with rivals such as the industry leader China. Many international brands opened stores with a lot of investments in Turkey recently which has brought the advantage for the actors of Turkish Ready-Made Clothing Industry to compete with world brands in their home, Turkey.

The Apparel Industry with its perpetual positive developments seems to be the future of Turkish Economy but the industry too, needs support of the public policies and some of the policies and strategies that could be applied by the public fraction, recorded by a few sector representatives, can be named as below:

Preservation of Fiscal Competition : High cost of inputs are one of the disadvantages of the sector and in this case the burdens on the energy and labor force may have to be restructured.

Branding Support : The sustainability of some programs that contribute to creating brands such as Turquality should take place more often in order to create a brand along with programs for design, R&D and P&D.

Strategic Investment : At this point, the feedbacks of the incentives should be monitored well as well as the incentives given to the sectors that submit consistency should be



prioritized in order to create fastest added value.

Cotton Economy : Policies and techniques to enhance cotton production, as the most important raw material of this sector, will be determining the future of the textile industry and within this context, to reach one billion tons of cotton manufacture and provide continuous production, some essential policies should be constituted.

TEXTILE: THE SECRET INGREDIENT

Direct, indirect, and stimulated gross value added output of the industry is 8.6% of the GDP. Despite the contrary assumptions about the industry, the numbers of 2013 proved all wrong as it contributes a \$15.2 billion into the decrease of the current account deficit. With the existing data, the Prêt-à-Porter industry might be taken into account as one of the most significant sectors of Turkey's traditional sectors and a sector that needs to be supported in every way in terms of improvement and future of Turkey.

The Turkish textile and ready-made clothing sector, with its integrated structure that extends from cotton to fiber, thread to fabric, and fabric to ready-to-wear clothing; experienced manpower on every level; a structure that is innovative and open to change; a large domestic market and a strategic geographic position, will continue to be one of the world's most important production and trade centers in the future as it is today.

In worldwide textile trade Turkish Ready-Made Clothing Industry takes the 4th place whereas in the global arena in ready-made clothing it ranks as the 6th biggest actor. As the fourth biggest in the global textile trade and the 6th biggest in the global arena which positions Turkey at a very important place, Turkish Ready-Made Clothing Industry, realizing a big leap forward in the last 10 years of export with a \$17.6 billion export and \$29.4 by the end of 2014, has reached a \$123.6 billion worth of foreign trade surplus.



EXPO

"Flowers and Children"
is the theme of Expo
2016 Antalya.

Antalya Hosts Expo 2016:

SEEDING THE FUTURE

Themed as Flowers and Children, the first Expo in Turkey will be in April 25, 2016 in Antalya. More than 100 countries and 30 international organizations are expected to participate in the semi-annual exhibition.

BY EFE DAŞMAN

Fairs and exhibitions date back almost to the first civilizations. There were jewelry fairs in both Ancient Egypt and Mesopotamia. Then Ancient Greece and Rome brought the Olympics, which are the first sports and trade exhibitions in the Old World.

The idea of World's Fair came into prominence with the idea of Modern World. World's fairs originated in the French tradition of national exhibitions, a tradition that culminated with the French Industrial Exposition of

1844 held in Paris. This fair was soon followed by other national exhibitions in continental Europe, and eventually the United Kingdom.

The best-known 'first World Expo' was held in The Crystal Palace in Hyde Park, London, United Kingdom, in 1851, under the title "Great Exhibition of the Works of Industry of All Nations". The Great Exhibition, as it is often called, was an idea of Prince Albert, Queen Victoria's husband, and is usually considered to be the

first international exhibition of manufactured products. It influenced the development of several aspects of society, including art-and-design education, international trade and relations, and tourism.

INTERNATIONAL HORTICULTURAL EXHIBITION

Since the entering into force of the 1928 Convention Relating to International Exhibitions, the Bureau International des Expositions (BIE; English: International Exhibitions Bureau) has served as an international





sanctioning body for world's fairs. BIE-approved fairs are of three types: universal, international, and specialized. Usually last from three weeks to six months, BIE-approved fairs bring the Expo region many tourists aftermath the fairs.

As part of International Exhibitions Bureau, there are two types of exhibitions:

First, the exhibitions that cover all kinds of production, invention and innovation happen to be known as the "Universal Expo" which are organized in every five years and last for six months. Big cities such as Hannover, Aichi (Japan), Shanghai, and Milano have hosted the expo for the last two decades. Exhibitions indeed revolutionize the host cities, as well as leaving grand monuments behind. Eiffel Tower in Paris, Atomium in Brussel, Crystal Palace in London, and Vasco de Gama Bridge in Lisbon are the behindhand monuments from grand exhibitions.

The second type of exhibitions are "Thematic Exhibitions". In 2008, Zaragoza, Spain hosted the first thematic expo. The theme was water. In 2012, Yeosu (Korean Republic) hosted a thematic expo



Eight million people are expected to visit Expo 2016 Antalya during a period of 6 months.

PAEONIA TURCICA: THE SYMBOL OF EXPO 2016

The first Expo in Turkey should of course have an original symbol. A peony, *Paeonia Turcia* represents the rich flora of Turkey.

3,000 endemic plants are grown in Turkey. With this feature, Turkey has the most endemic plants in Europe. One of these endemic plants, *Paeonia turcia*, is a flowering plant in the same family with Peony is selected as the symbol of Expo 2016 Antalya.

Paeonia turcia in Latin, that also has "Turk" in it, genetically originating in Anatolia, is a plant species growing in Antalya, Burdur and Denizli.

In order to select Expo 2016's symbolic flower, three different study group were formed by the Ministry and the Antalya Expo 2016 Agency. The study groups from the Ministry of Food, Agriculture and Livestock, Universities, The General Directorate of Agricultural

Research and Policies and the research institutions executed studies in Antalya, Istanbul and Ankara.

Apart from its name 'Turci-ca', the reasons for why was the peony (*paeonia turcia*) chosen is first its reproduction capability. Flowering size is reached within 4-5 years through seed and tissue culturing. Each stem, containing at least 3 buds by separation, blossoms in the same year. Secondly, it is suitable for drying, designing and as a cut flower in a large pot. Lastly, its flowering time is 1 month. The Flowering time in its flora can be adjusted for 1-15 April. Growing in the flora of the Bey Mountains is appropriate for the opening of Expo.



which the theme was "seas and oceans". These expos last three months and happens to be in between two universal exhibitions.

The BIE, since 1960 grants recognition to the International Horticultural Exhibitions approved by the International Association of Horticultural Producers subject to it meeting certain criteria including being approved by the BIE general assembly. The first botanic branch of the World's Fair was held in Rotterdam, Netherlands in 1960.

EXPO 2016 ANTALYA

In 2016, one of the most important worldwide organizations, A1 Category Botanical Expo, is going to be held in Antalya with the theme of "Flowers and Children". "Expo 2016 Antalya" is expected to attract millions of people together with generating grand benefits in every manner. Eight million people are expected to visit Expo 2016 Antalya during a period of 6 months. In this manner, 5 million foreigners will explore the Expo area, and they are likely to visit Antalya in the following years. In addition, it is expected that there



will be 3 million domestic visitors, which changes the touristic ecosystem of the city. Considering the sessional workers, Expo 2016 will contribute Turkey's employment.

More than 100 countries and 30 international organizations are expected to participate in Expo 2016 Antalya. Within 90 hectares of Expo land, 4 main areas called Expo Hill, Expo Forest, Expo Pond and Expo Tower are going to be visited by millions of tourists. During Expo period of six months 20,000 different activities are going to be organized including panel discussions, meetings, seminars, performing arts events, concerts and most importantly children congresses. The current state of the local landscaping arranged by the local municipalities and the tourism sector is a positive and encouraging position for Antalya.

ABOUT ANTALYA

Antalya is an ideal geographical location for the Expo. With its 640 km long coastline and its rich history and incredible natural beauty, Antalya is home to many civilizations.

There are approximately 300 antique sites to visit such as Aspendos, Termessos, Phaselis, St. Nicholas, Perge and the ruins of the ancient city of Patara. With its 540 km long-distance footpath, The Lycian Way is regarded as one of the 10 best footpaths in the world, attracting tourists all around the world. The excellent combination of the sea and sun, beaches, breathe taking waterfalls and authentic localities such as Olympos make it virtually a wonderland. Its 500.000 bed capacity with 240 five star hotels, addressing 2 billion people within a 4 hours flight distance, proves its enormous tourism potential. Antalya, with its great variety of beautiful geographical features, and a population approaching two million, has a temperate climate and an endemic plant structure. The flora of Turkey is relatively rich with 9.160 species and a great number of new species are still being documented. In Turkey, the rate of endemism is relatively high when compared with other European countries. The number of endemic species in Turkey is greater than 3.300. Of these, there are 500 endemic species in Antalya. Antalya's natural beauty has

turned it into a center of attraction.

Manufacturing companies in different fields are active alongside the organized industrial zone. Annually more than 10 million foreign visitors come to Antalya. And, of course, agriculture shows the other side of Antalya. Famous with its blue sea, Antalya also has a green face. When Antalya agriculture is taken into consideration, the sectors that undoubtedly come to mind are fresh fruits, vegetables and ornamental plants. With 45,246 hectares of a potential vegetable production area, Antalya has 13% of the vegetable production in Turkey and 36 % of Turkey's total production in the cut flower sector, exporting to 57 countries, is in Antalya.

Fairs, sports and exhibitions are the parts of the modern world which make it beautiful. Just like its theme flowers and children do, Expo 2016 definitely bring happiness and joy into everyone who participates the exhibition. Situated in a region that is the heaven of endemic plants, people from all around the world will come through with an unforgettable experience.

8

MILLION

PEOPLE ARE EXPECTED
TO VISIT EXPO 2016

100

COUNTRIES

WILL PARTICIPATE IN
EXPO 2016

20

THOUSAND

DIFFERENT ACTIVITIES
WILL BE ORGANIZED





The launching of the brand carried out with a wide range of participants.

BRAND

Becoming a National Sigil

DISCOVER THE POTENTIAL

Rapidly embraced by the private and public sectors, the new brand of Turkey is officially under the supervision of the state. Turkey Brand Monitoring Committee will be in charge of the further progress from now on.

BY M. BAHADIRHAN DİNÇASLAN

The New Turkey Logo with Discover the Potential motto which was launched in previous autumn with participation of President Erdoğan, many other ministers, Non-Governmental Organization and business world representatives, is now

about to enter a new phase in order to function properly as “Turkish National Brand”.

Started with now obsolete “Made in Turkey” logo, the progress towards a new Turkey brand had entered a new era, of which the first sign was the new Turkey logo launch. The new Turkey



logo which was created by combining various patterns symbolizing Turkey's history and future, understanding and spirit, and the Discover the Potential motto, has found wide use in all areas from business to tourism, as soon as it was launched.

New Turkey Logo,



represents Turkey with its unique design, color and approach, in a brand new form. As the dominant color is the turquoise, the color is a tribute to the sky-blue, the sacred color of ancient Turks, hence its name is Turquoise in many languages; symbolizing an adventure from Central Asia to Anatolia and Europe. Also, the color represents universality as it is the color of sky. The patterns that constitute the Turkey text represent several concepts such as innovation and growth; as well as historical patterns such as Kufic, which influenced Turkish art for centuries.

The new Turkey logo was born as a project of Turkish Exporters Assembly, to bring forth a new approach in terms of economy, communication, brand management and social understanding. In order to function properly, the logo was to be embraced by all, as President Erdoğan stated in his speech.

Turkey Brand Monitoring Committee was established to enable this and held first meeting in May under chairmanship of İbrahim Şenel, Ministry of Economy Undersecretary. Besides Ministry of Economy, Ministries of Science, Industry and Technology, Foreign Affairs, Youth and Sports, Trade, Culture and Tourism, and Health are represented at or above director-general level. In addition to the ministries, Turkish Cooperation and Coordination Agency, ISPAT, Presidency for Turks Abroad and Related Communities, Yunus Emre Institute, Foreign

Economic Relations Board, The Union of Chambers and Commodity Exchanges of Turkey and Turkish Exporters' Assembly are represented in the committee.

This wide and diverse participation demonstrates that the Turkey Brand has already made a good progress to become a national brand embraced by all, used and understood by all in economic, touristic, promotional and social activities. This participation of ministries guarantees the government support, and the presence of public institutions is a proof that this is not a temporary project of the government, but a long-term move of the state and nation

collaboration, including all bureaucrats, politicians and representatives.

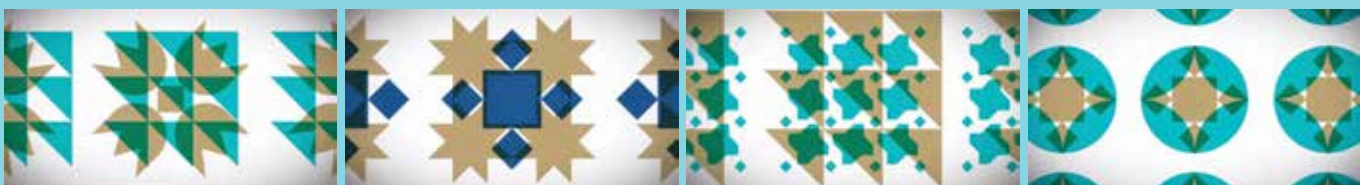
The committee's main mission is to coordinate domestic and abroad activities regarding the new brand. Its main goal is to ensure the wide use of the logo and the motto in both domestic and abroad activities, as well as monitoring legal processes.

Similar to 2023 economic goals including \$500 billion export volume goal, and National Innovation Strategy, we are at dawn of a project that was born in the collective conscious of the Turkish Exporters Assembly and quickly became a national one. \$500 billion export volume goal had created other goals

such as becoming one of the top ten economies and having \$2 trillion GDP. National Innovation Strategy had been born as a consequence of Innovation Week activities of the last three years, which also became a governmental project quickly.

As the committee is authorized to invite representatives from the academy, private sector and NGOs, it has already started to weave a wide net around itself by integrating all components in an efficient way. After all, the new Turkey Logo was born with collaboration between public institutions, the government and private sector, in the first place. Rising above three crucial pillars that establish the common order, the Turkey Brand will strengthen its position thanks to the new committee and will evolve into a phenomenon that serves and functions perfectly for the country.

Similar to 2023 economic goals including \$500 billion export volume goal, and National Innovation Strategy, we are at dawn of a project that was born in the collective conscious of the Turkish Exporters Assembly.





AVIATION

THE WINGS OF MARKETING

Turkish Airlines' accension is the outcome of different factors combined around the dynamism of Turkey's economy, whereas its solid marketing strategy is certainly among them.

BY M. BAHADIRHAN DİNÇASLAN

When Turkish Airlines started its operations in 1933 as a small institution under National Defense Ministry, its small fleet was consisting of 2 King Birds, 2 Junkers F-13s and one ATH-9. From that small fleet to today's global giant, the story of Turkish Airlines is an inspirational one. And perhaps the most important aspect of this story is the marketing success, as it was the main dynamism behind the long and successful ascension of Turkish Airlines.

The long progress Turkish Airlines have made is similar to Turkey's economic and social journey through several different phases. Since the proclamation of the Republic, Turkey has gone through a series of renovation and modernization. Starting with efforts to catch up with the industrial revolution, Turkey's most drastic change phase occurred in early 90s. Steadily embracing a more free market system, Turkey changed and experienced a dawn of a new era. Getting integrated with the global markets more and more,

the private sector developed at a better pace compared to previous phases, and Turkish companies began becoming global players. Turkish products since then have been exported to almost all countries in the world, increasing in volume every year.

Turkish Airlines was one of these global key players that led the Turkish economy to establish a consistent and positive growth rate. The company's status in each decade represents, or at least in correlation with the whole country's status. Initially, it

gradually increased its capital during 90s period, the period in which Turkey embraced a more liberal market economy. In this period, the Turkish Airlines established its economic infrastructure, can be interpreted as the preparation term for a big leap forward.

Undoubtedly, there is a correlation between the economic growth and marketing; marketing may have a positive impact upon the economy and as the economy grows, more marketing efforts are required. The same happened for the Turkish Airlines, as it became a bigger company, it increased its marketing efforts; and its growth made it inevitable to invest more in marketing in order to retain the growth and profits. In this scope, it can be said that there are two types of marketing activities, one for growth and acceleration, the other for retaining the pace.



The Turkish Airlines' status in each decade represents, or at least in correlation with the whole country's status

It is no surprising news that the investment in marketing tops in the top economies. The positive feedback mechanism between the marketing and economic success makes it one of the key components of modern economy. Post-fordist era has seen many pre-modern giants to collapse due to low investment in marketing&advertising; and many humble companies to turn into global giants thanks to the dynamism of marketing activities.

Turkish Airlines, in this regard, constituted a symbol for a Turkish economy. Domestic advertisements fulfilling the marketing necessity to retain the leading position, always served as examples to all other domestic brands. In addition, advertisements aiming foreign audiences were perhaps the first successful ones, functioning as exemplary models for other Turkish companies determined to be

successful in global market besides the domestic one.

One specimen is the "Twelve Giant Men" campaign. Turkish Airlines was the sponsor of Turkish National Basketball, at the beginning of a new series of successful results in European Sports competitions. The campaign received a wide and positive reaction, and the nickname "Twelve Giant Men" still widely accepted as the de facto name of the National Basketball Team.

The Twelve Giant Men campaign was followed by sensational sponsorship agreements with Barcelona and Manchester United. The focusing on the sports

strengthened the promotional position of the company, creating a brand character attributed to sports lifestyle, thus dynamic, energetic and young.

Another big hit is the "Globally Yours" campaign, which was paralleling with the Turkish Airlines' global growth in terms of destination numbers. Not restricting itself with the Europe, Turkish Airlines became a global company transporting people from/to every corner of the world. To underline this growth and retain the pace, Globally Yours became the company's slogan. This was followed by agreements with



ZEKİ ÇUKUR

Senior Vice President Corporate Communication

As Turkish Airlines became a private owned company after the public offering, a visible increase was realized in our advertising and communication activities. Especially during the previous six years, our corporate communication activities covered a wide area we serve, in global scale.

"Selfie Shootout" campaign, featuring Kobe Bryant and Lionel Messi, have been the most successful campaign of Turkish Airlines so far. Broadcasted on local TVs in 25 countries, a total 170 countries and 20 languages were covered thanks to global TV channels.

In the future, we will continue to embrace a 360 degree marketing communication approach and will highlight our differences compared to our competitors, as well as focusing on our ever growing network. With our new "Widen Your World" motto, we will address our current and potential customers to invite them for new experiences, to take them to new horizons, will have the public audience talk about us even more.

worldwide stars such as Kobe Bryant and Lionel Messi.

The new slogan, "widen your world" is another step in the long marathon the company have run successfully so far. All these campaigns and agreements have helped the company to firmly establish its brand character appealing to many different customer niches from all over the world, and serves as an instance of Turkish economy's growth and global integration.

INVESTMENT

ON THE ROAD TO BE A FINANCIAL MAGNET

İstanbul has gone an extra mile to make clear its attractiveness for financial investments. The Industrial and Commercial Bank of China (ICBC) has completed the acquisition of Tekstilbank and has become the first Chinese lender in Turkey.



ICBC'S VISIT IN İSTANBUL

The Industrial and Commercial Bank of China (ICBC) President Jiang Jianqing had a meeting with Turkish President Recep Tayyip Erdoğan in İstanbul, with the participation of Arda Ermut, President of the Investment Support and Promotion Agency of Turkey (ISPAT).

In May 2015, ICBC, the world's largest banking corporation according to Forbes, announced the completion of a 75.5 % stake in Tekstilbank for TRY 669 million. In a written

statement on the acquisition, **ICBC said the transaction further complemented the bank's international footprint and would increase ICBC's financial service capacity both in Turkey and China.**

In recent years, Turkey has attracted a tremendous amount of foreign direct investment (FDI) to the financial services sector, with the banking accounting for the lion's share. Foreign banks in Turkey play an important role in facilitating investments in other sectors as well. For

instance, The Bank of Tokyo-Mitsubishi UFJ's investment in the Turkish banking sector; the acquisition of Denizbank by the Russian Sberbank, the acquisition of Eurobank Tefen by Burgan Bank of Kuwait, and Spanish BBVA's investment in Garanti Bank pave the way for more FDI inflows in various sectors by multinationals. **Sector players believe that ICBC's investment will open a new door with regard to investments in Turkey, not only for Chinese companies but also for many other global giants.**

WAIPA - WORLD INVESTMENT CONFERENCE

MILAN, ITALY, JUNE 14-16, 2015

In the context of increased investor confidence, the annual World Investment Conference (WIC), the flagship event of the World Association of Investment Promotion Agencies (WAIPA), took place at the Palazzo Lombardia alongside Expo Milan. **The conference brought over a hundred major Investment Promotion Agencies (IPAs) from all around the world together with heads of financial institutions, government officials, private sector and academia relevant to FDI policy and strategy.**

The agenda focused on issues of importance to investment promotion agencies (IPAs): the role of FDI in stimulating aggregate demand and countering the slump in global economic growth; the effects of multilateral investment agreements in global FDI inflows; some best practices in FDI promotion to enhance the quality of human capital and physical infrastructure and how FDI could be channeled into agriculture to feed the planet—also the theme of the Expo Milan. The conference also focused on supporting inclusive and sustainable industrialization, all of which would generate employment worldwide and contribute to global peace and stability.

During his keynote speech at the conference, WAIPA and ISPAT President Arda Ermut said, **“WAIPA is cooperating with governments around the world to remove barriers to investments across all sectors, particularly to**



those that pertain to feeding the planet. The FDI inflow to emerging economies increased by 30 percent year-on-year in 2014, standing at a record high of USD 484 billion.

Meanwhile, in his closing remarks at the conference, **Italian Vice Minister Carlo Calenda**, emphasized the importance of drive and goal-setting in terms of FDI. **“We have to be more ambitious in reaching our FDI goals globally as the world needs more investment,”** he said. This upbeat outlook of the world's current possibilities was shared by most speakers, including **Director General of the United Nations Industrial Development Organization (UNIDO), Li Yong; Nobel laureate Michael Spence; globally-renowned economist Jean-Paul Fitoussi; Board of Directors of the International Economic Development Council (IEDC), Joann Cray; and Director of Investment and Enterprise at the United Nations Conference on Trade and Development (UNCTAD), James Zhan.**

With regard to the formation of a new steering committee and the presidential election, **the members of WAIPA unanimously voted to remain under the Investment Support and Promotion**

Agency of Turkey's (ISPAT) leadership for the next two years, while the Italian Trade Promotion Agency (ICE) and Azerbaijan Export and Investment Promotion Foundation (AZPROMO) were elected vice-presidents.

THE LANGENBURG FORUM FOR SUSTAINABILITY 2015

LANGENBURG, GERMANY, JUNE 18-19, 2015

Bringing decision-makers and lateral-thinkers together with



64th Secretary of State of the United States, Madeleine K. Albright, during her keynote speech in Langenburg Forum.

WAIPA and ISPAT President Arda Ermut said, “WAIPA is cooperating with governments around the world to remove barriers to investments across all sectors, particularly to those that pertain to feeding the planet.

multipliers and start-ups from management, civil society and politics in topic-specific forums, the Langenburg Forum is dedicated to addressing the issues of sustainability. This year, issues related to opportunities for sustainable mobility through digitalization and electrification were brought to the table in the forum, where the exclusive topic was **“whether digitalization and electrification in the transportation sector can topple the status-quo of increasing greenhouse gas emissions resulting from transport and create opportunities for sustainable development”.**

Among other distinguished invitees, **64th Secretary of State of the United States, Madeleine K. Albright; German Federal Minister of Justice and Consumer Protection, Heiko Maas; Former Foreign Minister of Germany, Joschka Fischer; Former German Minister for Environment and Founding & Executive Director of the Institute for Advanced Sustainability Studies (IASS), Klaus Töpfer; Board Member of the BMW Group, Peter Schwarzenbauer; and Mayor of the Tübingen City, Boris Palmer** were few of the many esteemed participants at the forum.

ISPAT and WAIPA President Arda Ermut participated in the panel entitled “Intermodality in Freight: Push from Digitalization?” During his speech, Arda Ermut said:

“The need of digitalization in transportation, and especially in intermodal transportation, where a higher level of standardization and orchestration is needed, is plain to see. As a country surrounded by sea on three sides, and straddling Europe and Asia, and even Africa at the same time, Turkey has the capacity to effectively utilize aviation, maritime, rail and road elements of logistics. Integrating all ways of freight transport to provide a sustainable and low-carbon solution, and to keep up with the increasing volume of trade is crucial to our country’s centennial targets set forth in the government’s vision for 2023.”

OECD FORUM 2015 **PARIS, FRANCE, JUNE 2-3, 2015**

OECD Forum 2015 – **“Investing in the Future: People, Planet, Prosperity”** convened in Paris on June 2-3, 2015.

In the opening session, Angel Gurría, Secretary-General of the Organization for Economic Cooperation and Development (OECD), spoke of the weakness of global investment flow, which is now hovering far below the pre-crisis levels, after contracting in 2012, remaining stable in 2013, and declining again in 2014. He noted that the aim of the forum was to coordinate an international strategy to revive the investments.

ISPAT and WAIPA President Arda Ermut attended the key session of the day entitled “Unlocking Investments”, moderated by



ISPAT and WAIPA President Arda Ermut attended the key session of the day entitled “Unlocking Investments”.



Bloomberg’s Caroline Hyde. The panel mainly focused on the reasons behind the failure in the recovery of investment levels and possible measures to be taken for boosting them.

Arda Ermut identified the reasons of the weak investment level as the legacies of the global financial crisis: slowdown in economic growth, weak demand, incurable unemployment, lack of financing and investor confidence, and below-the-average growth in global trade volume. He also suggested stimulating measures and said, “Proactive public policies are the key forces that give the private sector its confidence back. Increasing public investment in education, R&D, green energy and environmental infrastructure has the potential to ignite private investments. Moreover, barriers to financing for SMEs should also be removed.” He conceded that private investments are

likely to remain sluggish in the near future unless these two measures are taken immediately.

ISTANBUL INTERNATIONAL COOPERATION AND INVESTMENT SUMMIT **ISTANBUL, TURKEY,** **MAY 30, 2015**

The European Businessmen Club Association (EBCA) and International Diplomats Association (DMW Turkey), accredited by the European Union and United Nations, organized the Istanbul International Cooperation and Investment Summit on May 30. The summit was also supported by the Investment Support and Promotion Agency of Turkey (ISPAT) and Polish Ministry of Economy. The possibilities of cooperation and investment opportunities in the fields of

renewable energy, tourism, agriculture, technology and R&D were the key topics in the summit, where international and domestic companies were offered the chance to exchange ideas and form future partnerships.

ISPAT’s Senior Advisor Wolf-Ruthart Born participated in the event and made a presentation on the outlook of Turkey’s economy, investment climate and business opportunities.

WORLD CONFERENCE ON TECHNOLOGY, INNOVATION AND ENTREPRENEURSHIP **ISTANBUL, TURKEY,** **MAY 28-30, 2015**

The World Conference on Technology, Innovation and Entrepreneurship was held in Istanbul on May 28-30, aiming to create synergy for social welfare by bringing the global business community together with academia. The main focus was on entrepreneurship for technology and innovation-based sustainable development. **Necmettin Kaymaz of ISPAT attended the conference and delivered a keynote speech on the importance of attracting and supporting high-tech**



ISPAT’s Senior Advisor Wolf-Ruthart Born made a presentation on the outlook of Turkey’s economy, investment climate and business opportunities.



and innovative investment to Turkey. Speaking of cooperation between the industry and universities, Kaymaz draw the attention to the projects to be achieved via productive partnerships with technology developments zones. Kaymaz also elaborated on the Turkish government's support and incentives for R&D and innovation activities.

G20-WAIPA CONFERENCE ON FOREIGN DIRECT INVESTMENTS

**İSTANBUL, TURKEY,
APRIL 27, 2015**

G20-WAIPA Conference on Foreign Direct Investments was held in Istanbul on April 27, 2015 in collaboration with G20 Turkey, the United Nations Conference on Trade and Development (UNCTAD) and the Investment Support

and Promotion Agency of Turkey (ISPAT). Global leaders and investment experts discussed new investment strategies that would support WAIPA member countries to promote global growth. They also outlined current economic and political issues that affect the flow of global investments. With a high-level representation from the WAIPA Consultative Committee, the conference took center stage for leaders and journalists, putting WAIPA on the global map.

İlker Aycı, Chairman of the Board and the Executive Committee of Turkish Airlines (THY), the then President ISPAT and WAIPA said in his opening remarks: **"Trying to improve the business aspect of regulations, while taking into account the sensitivity of national governments of investment promotion agencies is a balancing act."**

The conference continued with speeches by **Erdal Bağcıvan, Chairman of the Istanbul Chamber of Commerce and B20 Turkey Executive Committee Member; Neil Pryor, General Manager of PepsiCo Turkey; Karim Dahou, Deputy Head of Investment Division at OECD; Elena Kirtcheva, Secretary General of Vienna Economic Forum; and Celestin Monga, Managing Director of the United Nations Industrial**

Development Organization (UNIDO). Meanwhile, Ali Babacan, Turkey's Deputy Prime Minister and Mukhisa Kituyi, Secretary General of the United Nations Conference on Trade and Development (UNCTAD) also attended the conference as honorary guests.

During his welcome speech, Turkey's Deputy Prime Minister Ali Babacan drew attention to the role of FDI in sustained growth, and added that economic and political stability were the two most important factors for long-term foreign investors.

With the investment objective of G20 overlapping with WAIPA's fundamental objective, representatives from both platforms agreed to make their strategies collaborative and consultative. The conference also offered an insight into the intersection between government and investor priorities in terms of market dynamics.

PPP HEALTHCARE SUMMIT

**İSTANBUL, TURKEY,
APRIL 28-29, 2015**

The PPP Healthcare Summit was organized by PPP Experts and Elmadag Law Office, under the patronage of Turkey's Ministry of Health and in cooperation with the



Investment Support and Promotion Agency of Turkey in Istanbul on April 28-29.

The summit gathered key stakeholders of the public-private-partnership on the healthcare sector ecosystem, including Turkey's Minister of Health with bureaucrats, executives from contractor companies such as Samsung C&T, Akfen Holding, banks and financial institutions such as European Bank for Reconstruction and Development (EBRD), the John Laing Group, Sumitomo Mitsui Banking Corporation (SMBC), medical solution partners such as Siemens, Honeywell and senior consultants from legal and financial advisory companies such as PricewaterhouseCoopers (PwC) and Mott MacDonald.

The summit kicked off with the keynote speech delivered by the then ISPAT President İlker Aycı, Chairman of the Board and the Executive Committee of THY, who emphasized the significance of city hospitals and integrated health campuses to be constructed through the PPP model and create 50,000 bed capacity all around Turkey as part of the transformation of Turkey's healthcare sector. Meanwhile, **Turkey's Minister of Health Mehmet Müezzinoğlu concluded the opening session with his remarks by underlining the ongoing and soon-to-be-finalized projects.**

**Honorary guests at
G20-WAIPA Conference
on FDI**







BUILDING THE ECOSYSTEM

Turkey, a powerhouse of potential, aims at activating its innovative and young population by inducing entrepreneurship.

BY TURGUT ETİNGÜ

There were two main dynamics formed the last decade of the world economy. These two dynamics not only created a certain need for new policies, approaches and economic models but also granted both academy and global business community with new words such as smart gadgets, tablets, internet start-ups, crowdfunding, crowdsourcing, the Big Data, incubators, accelerators, high-tech clusters and so on...

Though both factors are quite obvious per se, one distinguishes itself a bit better because of the current conjuncture; technology. We have witnessed some miraculous breakthroughs not only for scientific research as the new high-tech life style redefined our everyday habits and needs. It altered our socialization rituals, our communication perception and even the very first thing we do in the morning and the very last thing we do before we go to bed. It simply remarks the rapid transformation of the world's socio-economic paradigm, predominantly from social perspective. On the other hand such strong momentum inevitably affected the economy part of world's socio-economic conjuncture as well as the social part.



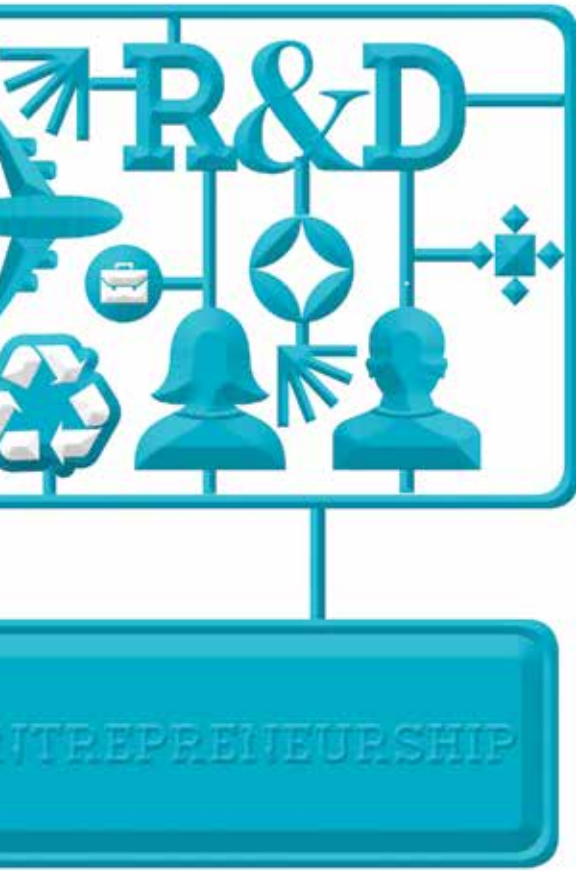
According to Forbes, today 11 of the top 20 most valuable brands in the world belong to tech companies. This is the outcome of a new economic order in which innovation, R&D and design are the driving forces of the business world. And utilizing these three factors is possible through including new ideas, products and processes into the economic cycle. At this very point, along came the hype term; entrepreneurship.

“Entr-evolution”

Entrepreneur, both the term and the persona, has evolved substantially starting from the very first use of the word in 1723 by Richard Cantillon to its modern, digitalized –with the effect of internet startups in particular- and specified descendant. Cantillon was introducing three actors to systemize then ruling economic context; landowners, hirelings and entrepreneurs whereas landowners are external constants which are not affected by economic interaction, hirelings are fixed income earners and entrepreneurs are actors in uncertainty for they produce some good with a fixed cost and sell it for an unpredicted price.

Albeit various researches made by different economists and academicians, the theory which fundamentally analyzed and explained the entrepreneurship in the proximity to its modern sense belongs to renown economist Joseph Alois Schumpeter. The Creative Destruction, as he calls it, was focusing on a totally new dimension compared to the established context as it was not questioning and theorizing how the reigning system, capitalism, supports the already established economic units but how it creates new ones and destroys existing ones. In regard with his theory entrepreneur was the economic being who innovates the processes, the factors to create new factors and products. In this sense it was the understanding of economic development including all the phases of economic organisms; reproduction, growth and decay.

Moving forward with the global economic paradigm shift, the idea behind “entrepreneurship” and the essentials of it have kept being analyzed and discussed from various perspectives and the need for such research is not going out of fashion as entrepreneurship is keeping grow and evolve exponentially. Considering the fact that, by 2013, SMEs account for 95% of total enterprises, 60% of total private sector employment in global scale and contributing into world economy by creating 65% of gross world product (GWA), the importance of creating new SMEs becomes distinctly visible. Thus, utilizing at best possible level from the dynamism of new enterprises are occupying the agenda of public and private sectors whereas in order to keep up with the trend, new policies, legal contexts, programmes and many more different implementations are needed to be realized. All these factors are emphasizing on an also relatively new term; “entrepreneurship ecosystem.”



ERHAN ERKUT
Deputy Rector at
MEF University



TURKEY CAN TURN ISTANBUL INTO A REGIONAL ATTRACTION CENTER FOR ENTREPRENEURS

Seven years ago not many angel investors were existing in Turkey. The deliberate encouragement from public sector, universities inclination to become 3rd generation universities and private sector acquainting with angel investing have pepped up. As Turkey, we have been through a lucky era. A lot of Turks abroad returned home with somewhat important know-how experience of entrepreneurship since some of them took the path of becoming angel investors or consultants whereas some established their own businesses. When we gaze at other countries around us, we see that Turkey is far better off than countries such like Greece, Russia, Poland, Iraq, Iran or Syria when it comes down to entrepreneurship. In addition to this fact, these countries may as well turn Istanbul or Turkey into a regional attraction center for entrepreneurs. Istanbul, as the locomotive city of the entrepreneurship movement, can easily take its place in the global rank hosting such events like “Startup Istanbul” similar to the program in Chile called “Start-up Chile” which is the biggest start-up organism in the world. Nowadays, we can name more than just one source for entrepreneurs to benefit from such as the business incubators to get opinions from or lawyers to consult about intellectual property and three or four different investment networks plus a bank for finances and instructions. Today, individuals who think about entrepreneurship is on a roll with all the opportunities that were lack 8 years ago. The entrepreneurs in Turkey carried out a true strategy by transferring the models that worked overseas localizing them here in Turkey which brought easy and quick advancement. For example, GittiGidiyor and Yemek Sepeti projects have become success stories which also bring us to a point where we can say a company made a breakthrough over \$500 million and that was from Turkey. Though, if we desire more billion-dollar exits we should tend to concentrate more on entrepreneurship based on hardware and this could more likely happen at masters programs at technical universities. On top of these, Turkey began to gauge a region's entrepreneurial potential thereby the Scientific and Technological Research Council of Turkey (TUBITAK) kick-started giving support to technology transfer offices, a soothing guidance, which can refer as a carrot en route. Lastly, the best and steady recipe would be to link the public grants and investments from the angel investors together with the bank loans and watch your brand new business grow fast and rich.

What is this “Ecosystem”?

Nowadays, the term “entrepreneurship ecosystem” is used quite widely by various figures of academy, politics and economics. Looking pretty clear at first glance, entrepreneurship ecosystem is actually a highly deep and inclusive term. Starting from deciding on an elaborated definition to integrating the peripheral and internal modules, the entrepreneurship ecosystem is still partially abstract and partially measurable and observable environment. This attribute of entrepreneurship ecosystem makes the term extraordinarily popular but it also composes the hardest challenge to build an optimal entrepreneurship ecosystem.

Driven by this elusiveness, Daniel Isenberg of Babson College (one of the founding institutions of Global Entrepreneurship Monitor together with London Business School) took the initiative of formulizing or at least trying to make a sense out of this seemingly chaotic and random series of events occurring,



products being developed and huge amount of investment being made. His first step along the way was finding the answer to his question; “What exactly is this entrepreneurship ecosystem that is generating so much buzz these days?”

The ultimate answer is not still retained, however, Isenberg’s work managed to distinguish a portrait consisting of unification of many specific elements in fifty components which are classified under six main domains; culture, policies and leadership, finance, human capital, markets and support.

Although this umbrella structure shows the nods of a convoluted network, thanks to its trademark qualities, entrepreneurship corpus varies in different economies, cultures and geography as all its elements are “interacting in highly complex and idiosyncratic ways” as Isenberg states. The main reason behind it is that entrepreneurship ecosystems develop responsively to necessities the environment requires and the opportunities it presents. Thus, together with having similar attributes, each ecosystem is unique in itself.

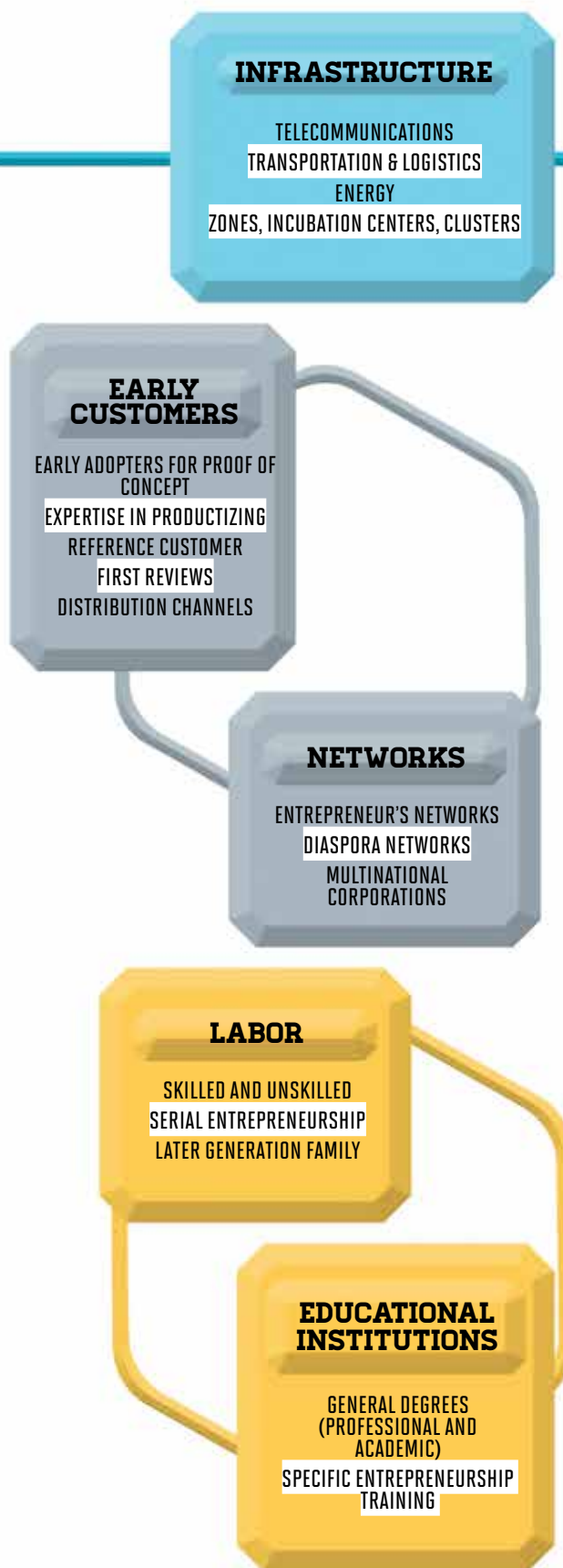
Furthermore Isenberg argues that it has “a limited practical value” to try to specify the generic root causes of ecosystem. Not neglecting the evidence that education, regulatory and legal framework and well-functioning capital markets have positive effects on ecosystem, he advocates that the driving force behind the development course of an ecosystem is unpredictable outcomes such as success stories and influential individuals.

Turkish Ecosystem at a Glance

Turkey is amongst the countries in which the entrepreneurial spirit has a crucial role in terms of economic dynamism whereas according to Turkish Statistical Institute (TUIK) SMEs account for 75.8% of total employment and 59.2% of total export. And the trend is still upwards as the number of SMEs has increased by 1 million 162 thousand in last 9 years and reached to 2 million 965 thousand by the end of 2013. Furthermore according to a survey, every 32 person out 100 is planning to make a new enterprise. Combined with the potential of its dynamic population it gives Turkey a solid 8th rank amongst the countries in its category regarding entrepreneurship.

Besides their quantitative performance, they also provide a robust contribution to gross value added (GVA). OECD’s Entrepreneurship at a Glance 2014 issue underlines the fact that Turkey has the smallest gap in the value of average exports between large (more than 50 employees) and small firms (less than 10 employees).

One of the aces in Turkey’s hand, its young and dynamic population is also another factor of paramount importance regarding entrepreneurship. Approximately half of the population of Turkey is under the age of 30. And this young population is eager to become entrepreneurs as Global Entrepreneurship Monitor (GEM) survey indicates. Each 32 person out of 100 is planning to make



DOMAINS OF THE ENTREPRENEURSHIP ECOSYSTEM

LEADERSHIP

UNEQUIVOCAL SUPPORT
SOCIAL LEGITIMACY
OPEN DOOR FOR ADVOCATE
ENTREPRENEURSHIP STRATEGY
URGENCY, CRISIS AND CHALLENGE

GOVERNMENT

INSTITUTIONS
E.G. INVESTMENT, SUPPORT
FINANCIAL SUPPORT
E.G. FOR R&D, JUMP START FUNDS
REGULATORY FRAMEWORK INCENTIVES
E.G. TAX BENEFITS
RESEARCH INSTITUTES
VENTURE-FRIENDLY LEGISLATION
E.G. BANKRUPTCY, CONTRACT
ENFORCEMENT, PROPERTY RIGHTS,
AND LABOR

POLICY

MARKETS

FINANCE

ENTREPRENEURSHIP

HUMAN CAPITAL

CULTURE

SUPPORTS

FINANCIAL CAPITAL

MICRO-LOANS
ANGEL INVESTORS, FRIENDS
AND FAMILY
ZERO-STAGE VENTURE CAPITAL
VENTURE CAPITAL FUNDS
PRIVATE EQUITY
PUBLIC CAPITAL MARKETS
DEBT

SUCCESS STORIES

VISIBLE SUCCESSES
WEALTH GENERATION FOR
FOUNDERS
INTERNATIONAL
REPUTATION

SUPPORT PROFESSIONS

LEGAL
ACCOUNTING
INVESTMENT BANKERS
TECHNICAL EXPERTS,
ADVISORS

NON-GOVERNMENT INSTITUTIONS

ENTREPRENEURSHIP PROMOTION
IN NON-PROFITS
BUSINESS PLAN CONTESTS
CONFERENCES
ENTREPRENEUR-FRIENDLY
ASSOCIATIONS

SOCIETAL NORMS

TOLERANCE OF RISK, MISTAKES,
FAILURE
INNOVATION, CREATIVITY,
EXPERIMENTATION
SOCIAL STATUS OF ENTREPRENEUR
WEALTH CREATION
AMBITION, DRIVE, HUNGER



KENAN ÇOLPAN
CEO of İTÜ
Ar Kent

WE ARE MOVING INTO THE SECOND PHASE

We are experiencing an era of specialization regarding entrepreneurship. There are various programmes executed by three ministries; Ministry of Science, Industry and Technology, Ministry of Economy and Ministry of Development. Additionally, institutions under the setting of Ministry of Science, Industry and Technology such as TUBİTAK (The Scientific and Technological Research Council of Turkey) and KOSGEB (Small and Medium Enterprises Development Organization), are running support programmes too. These programmes stimulated the emergence of various business clusters, namely industrial clusters, energy clusters etc.

We also run various programmes for new entrepreneurs who possess a strong entrepreneurial spirit, innovative and high-tech ideas, who are of paramount importance to us. For instance, the programme we call "ITU Seed" aims at teaching new entrepreneurs how to develop business models, how to improve their business processes and generate income. The programme which works basically as a contest is improving the ability of entrepreneurs to attract investors while providing them seed impact investments. On the other hand "ITU Gate" programme is encouraging the entrepreneurs to reach out to the globe. Trying to enable them to think bigger with the notion of "all the world is your playground".

These programmes are actually indicating the transition to the second phase. The first phase was the establishment of the physical infrastructure. We managed to build our facilities with our own commercial capabilities. Now it is time to bringing the spirit into the ecosystem. It is important to remember that our high-tech clusters and tech-parks are rather young compared to establishments like Silicon Valley. Even the most aged ones are hardly ten to fifteen years old whereas most of them established only a few years ago. The performance is already quite promising in terms both growth and output. As İTÜ Ar Kent we make a contribution of circa \$2 billion to economy. We exceeded \$300 million export mark. Within the aspect of new entrepreneurs we received two thousand application only in the previous year.

The entrepreneurship is one of the key components of a higher welfare. Considering the fact that the SMEs are now the locomotive of global economy, entrepreneurship is vital for both Turkey and the world as they are creating additional jobs, increasing value-added production and contributing highly in economy.



an enterprise in forthcoming three years. This number observed as 14% in average for developed countries and 29% for developing countries. On the other hand, according to report issued by Amway the number of university graduate entrepreneurs raised to 50% in Turkey whilst 76% of university graduates are inclined to entrepreneurship. Among these different indicators, a certain potential emerges as the number of entrepreneurs in Turkey exceeded 1.2 million by 2014.

Turkey's entrepreneurship ecosystem is a matter of utmost gravity for various governmental and nongovernmental organizations as well as the private sector. Prime Ministry, Ministry of Economy and Ministry of Science, Industry and Technology are amongst the prominent supporters of entrepreneurs with their various training and incentive programmes. Turkish Exporters Assembly and Turkish Economy Bank are augmenting TIM-TEB Business Incubator for Entrepreneurs (TİM-TEB Girişim Evi) initiative to a new level with the aim of extending through Anatolia. International Entrepreneurship Center, an organization of Ministry of Development, UNDP Istanbul International Center for Private Sector in Development, Habitat Development and Governance Organization, is providing different services to entrepreneurs. Entrepreneurship Foundation, a young organization is aiming at encouraging and guiding the youth to become entrepreneurs. Young Entrepreneurs Initiative is also offering mentorship and guidance to young entrepreneurs under the umbrella of the Union of Chambers and Commodity Exchanges of Turkey, whereas different startup agencies, networks and similar

**ACCORDING
TO FORBES,
TECHNOLOGY
STARTUPS
RECEIVE THE
HIGHEST AMOUNT
OF RECYCLED
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BECAUSE THEY ARE
ABLE TO FIND THE
NETWORK EASILY.**

institutions are bringing investors and entrepreneurs together. Furthermore, accompanying the numerous private and government-owned banks, there are more than 40 different institutions providing financial support and financing to entrepreneurs. Adding many other institution, companies, service providers and intermediaries to the equation, a rich ecosystem with copious components emerges.

The Investor Front of the Ecosystem

Like every ecosystem needs bodies that are beneficial use, entrepreneurship ecosystem needs a handful of risk-taking people who are good to make to right call at the right time. If you are at Silicon Valley, you may be the one among those people who receive \$7.5 billion from angel investors. According to Forbes, technology startups receive the highest amount of recycled investment, because they are able to find the network easily. Angel Investor Network is indeed one of the most important issue in entrepreneurship investment because finding the right investment can lead the company glory.

The most important thing for an Angel Investor Network is to keep their anonymity. Investors set aside funds for angel investments, screened by a professional team that sources deals for the network. So, the individual angel has to keep their anonymity and have the comfort of a team of smart managers doing



HASAN ASLANOBA
Founder & CEO of
Aslanoba Venture
Capital

**IF STARTUPS FOLLOW THE
MOVEMENTS IN THE MARKET,
INVESTORS WILL EVENTUALLY
COME BY THEMSELVES**

Since the invention of the internet and especially with the entrance of mobile technologies, entrepreneurship has taken a whole new meaning in both Turkey and the world. At this point, technology startup companies can aim at their know-how can be enhanced by the new developments in the internet and mobile technology. They have another advantage which is the most important thing in today's business world, which is moving faster than any other business models.

This rapid growth in the sector requires different business models to take on. Alongside with it, new investment opportunities, venture funders, and angel investors want to take part of the booming economy. Frankly, the new business models are pushing the existing rules of the old economy.

New lines of tax advantages attracted considerable amount of angel investors to invest in the sector, which was an affirmative decision, yet we do not see exactly how makes incidence at the sector. In other words, these angel investors do not put serious budgets into this, because getting an angel investor certificate is something, investing is another thing.

When we look at the last three quarters, there has been enormous investments which Turkish companies take part in it. For example, we saw the biggest exit in Turkey, which the online food company Yemeksepeti is sold to Delivery Hero for \$589 million. There is a great excitement for the lines that includes food and technology, or health and technology. If startups follow the movements in the market, investors will eventually come by themselves.

Turkey has a great potential here, and especially for the last couple of years we have sort of attracted less investment compared to the other developing countries. In this regard, we have slow movement. The gap signs a potential energy and this gap cannot be sustained, it should be closed like greased lightning. I believe when the last political tensions will be gone, 2016 will be the year that sizeable foreign and inward investments will be initiated in technology sector.

CAN K. METHSON
Managing Director
of Keiretsu Forum
Turkey



WE WILL SEE MORE ANGELS IN THE NEXT COUPLE OF YEARS

Entrepreneurs in Turkey have recently been blessed with an array of options from both the government and private sector, to provide the financing and support they need to grow their companies. For the last 5-6 years, the number of incubators and seed accelerators has increased.

Seed accelerators and incubation centers provided some access to initial seed capital and mentoring. Yet, Turkish entrepreneurs do need further rounds of investment and strategic consultancy to scale their business.

Angel investors have proven themselves to be an integral part of the capital market, particularly for funding start-up companies and providing first-phase financing of businesses. The term “angel” originated in the early 1900s and referred to investors who made risky investments to support Broadway theatrical productions. Today, the term “angel” refers to high-net worth individuals, or “accredited investors,” who typically invest in and support start-up companies in their early stage.

It's important to consider most angel investors prefer to invest in industries that they have considerable knowledge and experience in. Also angel investors improve value to the companies they invest with when they participate beyond just the financing. Angel, who provide capital to start-ups with the potential for fast growth - are an increasingly important source of capital to early stage companies. Investors found many advantages to working together at Angel Networks; better investment decisions, enhanced deal flow, the ability to combine their funds into larger equity investments, and group social attributes.

Today the number of accredited Angel Networks in Turkey is eleven. Next couple of years, I think, we will see more Angels in this eco-system and increase in number and volume of investments. Remember that potential angel investor will want to do everything that he or she can help to succeed entrepreneurial efforts. Angel Investors are usually also associated with an amazing network of successful colleagues who are also a tremendous resource. Turkish business environment has a big potential about that. Networking is so important in our business ecosystem. And passionate entrepreneurs could use this in a positive way. Angels and entrepreneurs still in the learning curve in Turkey. But this is an important opportunity for the countries with a young population. One of the treat I could say; risk appetite is so low, not only investors, also entrepreneurs. A lot of start-ups are, “me too” business models or products, localization for Turkish market. It is more European approach, but we will go beyond that. I believe Turkish Y Generation, newcomers, will make a big impact next couple of years.



due diligence on investment targets, on their behalf. Instead of one angel investing \$1 million by oneself, 100 angels aggregate \$100 million and invest as a group in the deals they like the best, individually or collectively. And, on the flipside, it is much easier for you to raise your full amount needed, with one phone call, instead of calling the numerous investors individually.

In addition to individual licensed investors whose number reached to 400, Turkey started to show more attention to these networks lately. Angel Investor in Turkey is regarded as “Personal Participation Investor” in the legislations. To become a proper angel investor, one needs to get a licensed accreditation certificate. There are non-profit organizations and administrative associations in close connection with European Angel Investor networks for inspiring, supporting, developing, and financing the entrepreneurs in Turkey whereas international networks like Endeavor and Keiretsu Forum is bringing in the know-how and international interaction to the ecosystems.

Alongside with other networks, such as e-Tohum and BIC Angel Investments, Angel Investors are connected with non-governmental organizations which they show attention to Turkish startups especially in technology sector.

Moving Forward

On the other hand Turkish entrepreneurship ecosystem is advancing rather rapidly compared to its peers. While predominantly university based tech-clusters are growing steadily and getting more efficient, the number of entrepreneurship specific institutions such as angel investor networks, business incubation centers, startup agencies etc.

are increasing day by day. Among them unique projects like BIST Private Market distinguishes themselves as breakthroughs in entrepreneurship ecosystem. In this sense, BIST Private Market is offering a set of unique advantages to both entrepreneurs and investors. Receiving “the Most Innovative Enterprise Award” at Turkey Innovation Week events, world’s first online entrepreneurship platform enables companies to sell their shares and receive investment without the obligation of going public and various tax incentives to investors. Furthermore, all the preliminary process between investors and entrepreneurs can be concluded through the special interfaces that the platform provides.

On the other hand, as of 2014, the number of techno-parks (technology development zones) is reached to 59 in total, sheltering more than 2,500 companies employing more than 20,000 people as of 2014. Total number projects carried out at technology developments zone is exceeding 6,000. Besides the nominal increase, the theme-focus establishments are growing in number and capacity, whereas the first finance themed techno-park project has been initiated with the cooperation of Borsa Istanbul and Boğaziçi University. This will be a good opportunity for university graduates as well as undergraduates due to the fact that it will devote 10 per cent of its total area to incubation centers. Young entrepreneurs will be able to find both investment and R&D opportunities in order to reveal new startups.

Supporting the Future

The picture shows that this trend is likely to continue as well as the policies supporting the dynamism. Speaking in numbers, approximately 45.5% of total R&D expenditures are redirected to higher education sector. In other words universities, thus techno-parks and similar technology development zones under the settings of universities, are enjoying the lion’s share of the cake. From this perspective, Turkey is in a unique position whereas the share allocated to higher education is larger than of any other EU countries. This basically indicates that the government is nominated the universities as the leaders and the coordinators of creating a sustainable R&D and innovation environment and the universities



MURAT ÖZYEGİN
Chairman of the Board
of Endeavor Turkey

WE HAVE TO KEEP UP WITH THE GLOBAL TREND

Entrepreneurship is actually a self-feeding system. Our entrepreneurship journey has started eight years ago, in small board-rooms, just like Turkey’s own entrepreneurship journey. Eight to ten people gathered together and led it to today’s success. What we have come from today’s organizations like Turkish Exporters’ Association’s Innovation Week, Global Entrepreneurship Week, Galata Business Angels’ Angel Investment Conference and Mentor Clinic conferences can be seen as a whole unit that Turkey revolves around the idea of entrepreneurship.

The most important factor here is that the entrepreneurship ecosystem is nurturing itself. When you support entrepreneurs, our entrepreneurs get motivated in feeding other entrepreneurs. When they achieve success in their outputs, they start to enjoy investing in new enterprises. When they get the money, more money should not excite them, but to invest in other potentials excite them.

We see our investment in entrepreneurs as a butterfly effect because the enterprise we invested in will have potential investors of the next 5 to 20 years. We can say that it is a kind of recycled scholarship. That is why it is so much important to keep the ecosystem vivid and strong. When we talk about an ecosystem, we should talk about academic domains, union domains, angel investor domains, and financing domains. In financing, Turkish banks have to do a land-office business. For example, when Endeavor selects a startup, Akbank opens a \$400,000 credit line without adding internal loan. Another example is Turkish Economy Bank’s Girişim Evi (Entrepreneur Banking) which supports the entrepreneur directly, rather than putting unsettled debts in them. These examples should increase in order to provide enough funding for entrepreneurs, as well as keeping the ecosystem alive.

Our main purpose in supporting entrepreneurship is the current trend in world economy and we have to keep up with this trend. In the United States, 90% of the new employment in the last five years is created by the companies that are established in the last five years. If startup employment is so important for a mature country like the U.S., in a developing country that has a young population like Turkey, supporting the entrepreneurship is a must. If investment networks support the upcoming startups, Turkey can fulfill its potential.

VAROL CİVİL
Member of the
Board of Turkish
Ecconomy Bank



IT'S NOT ONLY A DREAM FOR TURKEY TO CATCH SILICON VALLEY

I believe that Turkey has advanced much more in the second term of the last decade. As we all know, Silicon Valley is the capital actor by far of the entrepreneur's world. However, it's not only a dream for Turkey to catch them or even leave them behind at the global arena. There are around 400 angel investors in our country. As Turkish Economy Bank, we own the role to build up the number of technology development zones and angel investors. We see it as a national duty and trying to contribute as much as possible to the ecosystem. Besides we categorized "banking for entrepreneurship" as a different line of work thus focusing more on this area along with dividing entrepreneurship into two as classic entrepreneurship and high technology entrepreneurship.

With the TİM TEB Girişim Evi (Entrepreneur Banking), we provide 30 to 40 investors support and mentorship services integrated with some accounting, legal and management counseling to help their ideas get commercialized. And most important of all, we provide them an environment for networking which is very crucial for new start-up owners. We have also included the entrepreneurs who are members of TİM TEB Girişim Evi into our value chain. With Mehmet Büyükekşi, the President of TİM, we came a long way with the Innovation Weeks that we sponsored and now it is time to combine it with entrepreneurship thus preparing a new project all across Turkey – a concept like Entrepreneurship Week – to bring all the actors of the entrepreneur ecosystem together.

We have already established 10 enterprise homes; two in Gaziantep and İzmir; next step will be setting at Trabzon and Denizli. The basic aim here is to encourage young people to grow up and question their potential for being entrepreneurs as first thing after college and then select a career; unlike the past traditions such as growing up to be a part of a corporation after graduation directly or be a state official. Finally, our ultimate goal is to set an environment for companies like Yemek Sepeti and catch such successful exits from Turkey. The very reason behind all this is that Turkey is not a petroleum-rich country because of that we have to access value added areas with using our intelligence. We are at a point where physical capital came very close with the intellectual capital across the world. And we consider Turkey as an important milestone for this.



are quite eager for and rather successful at the mission.

R&D policies implemented helps Turkey to climb upwards in international rankings regarding of human resources and environment. Though relatively in the behind of developed countries, Turkey is well far ahead of its 10 years before profile. For instance, the share of R&D expenditures in GDP is doubled in the last seven years, reaching 1% of GNP with \$7.8 billion. In the same period the number of people employed in R&D sector also increased to twice-fold, becoming 1000 person/ million population.

Policy makers give a significant place in their agendas to increase these numbers by improving existing implementations and enacting new ones. Currently there are three main lines that the government uses to support R&D; the direct support to R&D activities, the incentives regarding technology development zones and the corporate income tax advantages.

The direct R&D supports are being applied through R&D tax reductions, income tax stoppage, employer insurance premium support, stamp tax exception and techno-enterprise capital support. These lanes are the busiest ones the R&D institution utilize. The incentives regarding technology development zones are mainly relieving the companies operat-



CURRENTLY THERE ARE THREE MAIN LINES THAT THE GOVERNMENT USES TO SUPPORT R&D; THE DIRECT SUPPORT TO R&D ACTIVITIES, THE INCENTIVES REGARDING TECHNOLOGY DEVELOPMENT ZONES AND THE CORPORATE INCOME TAX ADVANTAGES.

ing in the zones from various taxes, income tax in particular. On the other hand the corporate income tax advantages are helping companies to file tax returns based on their R&D expenditures. Summing up, the government is using tools to ease the financial balance of R&D institutions, encourage new companies to join in clusters and encouraging corporations to increase their R&D investments.

Regarding the high-tech investments, the latest news is the new implementations effectuated in which the R&D investments are benefiting from the advantages of special investments zones, thanks to the efforts of Turkish Exporters Assembly and the cabinet. Besides from the financial advantages the implementations provide, they indicate two other important developments; the government will be leaning on the subject with a brighter perspective and Turkish Exporters Assembly is aiming at including the entrepreneurship more deeply into the journey towards 2023 goals.

The Fifth Element

TİM's agenda is not merely based on increasing the export volume and improving the export value as it is aiming at building a better future for Turkey. It includes the idea of an inclusive development with all the components of econ-

omy. Thus TİM defined "the fantastic four" of the progress towards being a country of technology and welfare; innovation, R&D, design and brand. Positioning these four factors in the foundations of its agenda, TİM is looking forward to include the fifth element into the league of future; entrepreneurship.

The infrastructure of the system that will help Turkey to achieve its 2023 goals was consisting the high value-added production and technology stimulator components. It was actually the building of the mind and the vision of the progress; thinking innovatively, doing the efficient research and development, realizing the ideas with the best possible design and creating a meaningful and valuable brand. Reading the agenda with a different perspective, one sees that this equation is actually the formula of a successful entrepreneur. It is the way to build a productive, efficient and sustainable entrepreneurial ecosystem.

Now it is time to integrate the mind and the vision into the fifth element, the vessel, and TİM rolled up its sleeves to contribute into Turkey's 2023 journey with a new dimension. The captain of the Turkish flagship of innovation, Turkey Innovation Week, TİM set its eyes on brining a new ship in the armada. In the aspect of this agenda, TİM took the first step for a new entrepreneurship organism by bringing the leading actors of Turkey entrepreneurial ecosystem together at an exclusive meeting. Already entered the field with TIM-TEB Girişim Evi, TİM addressed to the suggestions and opinions of representatives from academy, entrepreneurship ecosystem and business world, including domestic and international institutions like Endeavor Network, Entrepreneurship Foundation, Council of Young Entrepreneurs, Turkish Economy Bank, Startup Sauna, International Entrepreneurship Centre and more. Turning the communication with such prominent board of opinion leaders into a sustainable interaction is surely going to pay off well.

Over and above, the question that drove Daniel Isenberg to focus on entrepreneurship ecosystem may not be elaborately answered, but it is obvious that Turkey has progressed rapidly and efficiently in a pretty limited period. Analyzing and expounding an ecosystem may still require a considerable amount of work, but it is obvious that uniting the fantastic four with the fifth element will open a new path shortens the road to 2023 goals. And last but not never the least, entrepreneurship fits perfectly into the cultural, economic and social codes of Turkey and Turkey is taking firm steps towards building the optimal habitat for a new entrepreneurial dynamism to arise.



WEALTH THROUGH HEALTH

The Turkish Medical Market is now full of new opportunities on global scale, gazing at the horizon to grow beyond.

BY M. BAHADIRHAN DİNÇASLAN

TURKEY HAS GONE THROUGH A SERIES OF TRANSFORMATIONS in previous decades. Initially, it embraced a less regulated, liberal market system, subsequently it improved its “human capital”, and in the end, thanks to these two foundations, a new era has started. As all industrial fields and sectors benefit from this leap forward era, the medical sector is one of those appear pioneering and leading.

Medical Technology and Medical Market are closely tied to each other as there is a correlation between economic growth and technology, both enhance each other. New economic opportunities pave the path and supply the resources for the technology, and technology investments return as profits. In this regard, Turkey is a glaring country whose medical market and industry grows bigger every year. Brand management, R&D, industrial aspects and geo-politics constitute four main dimensions of this celebrated growth.

Turkish Medical
Market grows bigger
each year thanks to
high-tech development.



Along with education, sanitation and safety, healthcare is one of the most crucial services required by human communities perpetually. This fundamental role of the healthcare caused it to be provided or guaranteed by governments, at least at the beginning of the industrial, modern nation-states. Eventually, the demand for and nature of the services caused governments to allow the private sector join the league, which



LEYLA ALATON

Deputy CEO of Alvimedica Medical Technologies

Alvimedica is one of the few Turkish companies that has been able to successfully produce and export technologically advanced medical devices. Apart from dominating the Turkish interventional cardiology market, Alvimedica is in direct competition with multi-billion dollar medical device companies worldwide. It must be noted that Turkish doctors have played a critical role in this success by contributing to as many R&D projects as possible. This has allowed Alvimedica to contribute to national production by introducing new products which originate from Turkish doctors' notions and their own patents, to be finally used all around the world. With the help of Alvimedica, Turkey has now become a strong player in the global medical device sector. We are eager to show the whole world that, if wanted, Turkish people can manufacture as good as, or even better than many other nations & globally known companies and we are doing our best to become a global game changer in our field.

led a rapid improvement in the public health rates.

Today, the healthcare, medical technologies and sub-sectors are mostly supervised & inspected by governments, yet the dominance and role of private sector is unquestionable. This gave birth to a huge market, the medical market, selling products and services "daily", serving a never decreasing demand and earning huge profits.

As Aykut Arıkan, Associate Professor at Yeditepe University, pointing out that the government have implemented drastic changes that allowed an industry and market to be born, states Turkey has gone through a similar transformation: "We no longer live in a world of static conditions and relationships. As everything got into a state of constant flow, businesses, jobs, professions, and practices have changed dramatically. The Medical Market of Turkey is an exemplary case of such a transformation. The public authorities have redefined themselves as the largest player of the market. In accordance with economic developments of the country, the medical market has transformed itself from a closed-circuit into a strategic multibillion-dollar industry, competing on global scale."

This caused another necessity to arise, medical communication & marketing. Mr. Arıkan believes that this liberal environment, created by new healthcare system and a wider participation from the private sector, enabled other income means to be realized: Medical tourism, for example. In addition to secondary advantages such as medical tourism, the market made enforced companies to improve their services while

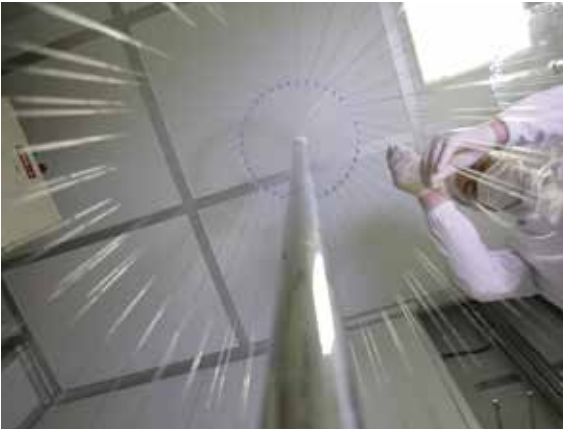
Alvimedica is one of the pioneers of Turkish Medical Sector.



A good example of "Medical Turkish Brand" is Alvimedica, with approximately 500 employees working in facilities in Çatalca, Turkey and Saluggia, Italy.

decreasing their costs, he states as follows: "Regulations have urged them to introduce more competitive marketing tools. Today's medical market is more result oriented, instead of old-school representative visits that are broadly restricted by now. Digital Media tools, delivering a dream-like environment for all parties, where almost any interaction and of course any transaction is measurable. Engagement oriented branding





DR. AHMET AYDEMİR

Samsun Medical Industry
Association Chairman

Samsun has 40 years of tradition in medical industry. The medical-oriented accumulation started when weapon-producing companies began producing surgery tools, which eventually led our association to be established. Today, Samsun's product range is very diverse, from surgery tools to sterilization containers, implants to hearing aid devices. With the foundation of Turkey's first, world's prominent Medical Organized Industrial Zone in Bafra, our contribution to country's economy will grow even bigger and more than 40 companies operating in medical technologies will be pioneers of Turkey.

for special types of drugs becomes reality with the introduction of social media tools and gamification."

A good example of "Medical Turkish Brand" is Alvimedica, with approximately 500 employees working in facilities in Çatalca, Turkey and Saluggia, Italy. In 2013, Alvimedica acquired 100% of an Italian medical device company, CID, which was actually bigger than Alvimedica and was a direct competitor. This was a big step in turning Alvimedica into a literally "global" company. Leyla Alaton, Deputy CEO of Alvimedica Medical Technologies states regarding the process: "Although it was not an easy process at all, we are constantly learning how to become a global leader and we, as a Turkish company, are proud to have achieved the unexpected!"

Alvimedica's Çatalca plant has one of the biggest 10,000-class cleanrooms, and most efficient catheter

production lines in the world. Additionally, Alvimedica Italy has the most technologically advanced stent production capabilities and various patented product features.

Alvimedica sells over 80,000 drug-coated stents and 300,000 catheters annually in over 85 countries, either directly or through distributors. Of all international sales, Europe comprises 45%, followed by Middle East & Africa with 30% and the rest of the world making up 25% of sales.

Alvimedica also have recently participated in the Volvo Ocean Race, the most prestigious around-the-world sailing race with 2 billion global viewers. The race is unique in its category as it lasts for almost 10 months, making it one of the longest and toughest races. The boats start from Alicante, Spain, and make 9 stops at each continent, before reaching their final destination; Gothenburg, Sweden. Leyla Alaton states as follows regarding the brand-management and medical marketing & communication efforts of Alvimedica: "The Volvo Ocean Race will enable Alvimedica to increase its brand awareness on a global scale, which will support our strategy to become one of the major players in this industry. It is also important to note that this is the first time a Turkish company has participated/ sponsored in the history of the race."

A curious fact regarding the "Medical Turkey" is that the sector is mainly concentrated around Samsun province. This has a positive effect upon the national economy, since the concentration of industry around İstanbul, the economic capital, causes unemployment in other provinces and attract internal

migration towards already densely populated İstanbul. This density around Samsun is to the benefit of both the province and the sector.

If Turkey manages to create more brands, it can turn its already well-established infrastructure and geo-political location into an advantage, combining the R&D and innovation spirit with dynamic workforce, guided by clear-sighted marketing approach.



AYKUT ARIKAN

Associate Professor at Yeditepe
University

The Turkish Medical Market has found, thanks to previous transformations, new ways of competition on global scale. Highly specialized medical staff, new and high-end facilities, as well as the country's experience in tourism are basic pillars that contribute positively to this competitive success. Local industries now have access to more public funding and government incentives for research and development activities, which enabled them to reflect on innovative medications and medical devices. This was a major contribution to the development of the market, of which seriously positive consequences will come to daylight in the next few decades, I presume. With this opportunity, local industries will develop new ways to compete on global level, which is an important contribution to humanity, as well. As a result of change in lifestyle, professionals too start to visit wellness facilities that are habitually visited by seniors. Thus, spas and recreation centers that were a principal destination for seniors are now welcoming younger visitors as well.



From Turkey with High-Tech:

TURKISH ENTREPRENEURSHIP AT SILICON VALLEY

BY EFE DAŞMAN

California... It is the edge of the world and all of Western civilization. One of the loveliest places in the world is the place where sparked creativity in twentieth century. Film theory may be revealed in Europe and USSR but California has brought the Stars. It is a state that truly deserves its motto, Eureka. Alongside Hollywood, California is well known with its technology kingdom. Silicon Valley is indeed home to many of the world's largest high-tech corporations, as well as thousands of tech startup companies. As the people start to compare our civilization to the Ancient Rome, Silicon Valley shines as the capital of the technology world. Whether it is a grand initiative or a startup, the valley is open to innovative people all around the world, which the Turkish startups find themselves a very good

piece of the technology pie.

Happened to be a leading hub and startup ecosystem for high-tech innovation and development, Silicon Valley is accounting for one-third of all of the venture capital investment in the United States. The term "Silicon Valley" gained widespread use after an American journalist, Don Hoefler wrote a couple of articles regarding the emerging technological production centers, such as IBM and Apple Inc. In the early 1980s, at the time of the introduction of the IBM PC and numerous related hardware and software products to the consumer market, Palo Alto started to become one of the leading places for the industry, massive production lines created millions of dollars in a considerably small time.

TURKISH PRESENCE IN THE INDUSTRY

The history of very first computers in Turkey, the giant computers that can fill up a room, is similar to the rest of the world, and not very fun. The first computer in Turkey, codenamed IBM 650 was brought for Turkish Directorate General for Highways in 1960. It was nearly 100 kg height, and its temperature could rise up to 38 °C. It was not certainly for Grand Theft Auto V.

The history of internet use on the other hand was very fun. The first wide-area-network was introduced in 1986. The network was European Academic and Research Network (EARN) engaged Turkish Universities Network. In the following years, the network was overburdened, due to the usage increase. Then a Turkish University, Middle East Technical University (METU) and Turkish Science and Technology Institute (TUBITAK) set up a rented network from Holland. It was Turkey's one and only internet output that everyone in Turkey should have been connected to METU's own network. The first commercialized network was built in 1996, and the speed was 64 kbps. That means you should wait for 3 days to download a movie. After this successful line setup, all universities and corporates in Turkey used METU's own network, until 1996 when Turk Telecom (PTT then, a governmental corporate) set up a Local Area Network.

Such internet engagement of Turkish universities created them an opportunity to test new software products they develop within universities. The freedom and reliable resources helped the potential entrepreneurs to develop their own programmes. The very first Turkish citizens of Silicon Valley come from these universities as well.

ROARING ENTERPRISES ARE ON-LINE

Turkish exam system for university entrance is probably one of the hardest systems in the world. A student has to pass 5 consecutive tests consisted of 500 questions. It must have probably affected the graduates because one of the most successful Turkish enterprises is about e-learning. Udemy is an example of these startups which grows massively and turns into a million-dollar company.

Founded in 2010, Udemy is a platform or marketplace for online learning. The company was founded by the two graduates from METU, Eren Bali and Oktay Çağlar. Unlike

Bilişim Vadisi,
the first Technology
Valley in Turkey is
under construction.



academic MOOC programs driven by traditional collegiate coursework, Udemy provides a platform for experts of any kind to create courses which can be offered to the public, either at no charge or for a tuition fee. Udemy provides tools which enable users to create a course, promote it and earn money from student tuition charges.

In 2007 Udemy founder Eren Bali built software for a live virtual classroom while living in Turkey. He saw potential in making the product free for everyone, and moved to Silicon Valley to found a company two years later. The site was launched by Bali, Oktay Çağlar and Gagan Biyani in early 2010. The site becomes very popular within a few years. With 160 employees and offices in San Francisco, Dublin and Ankara, Turkey, Udemy currently offers more than 30,000 different courses in 80 different languages. The



*One of the most
successful Turkish
initiatives in the
Valley, Udemy is a
platform for online
learning.*



company recently raised \$65 million to become Netflix for education. Udemy is serving over 5 million students and takes firm steps towards becoming the most popular online marketplace for education.

Koding is another Turkish enterprise in Silicon Valley. The platform was launched by two brothers, Devrim Yaşar and Sinan Yaşar in 2012. It is an online development environment which allows software developers to program and collaborate online in a web browser without the needs of downloading the software development kits. The platform supports multiple programming languages, including Python, Java, Perl, Node.js, Ruby, C, C++, PHP, and Go. Koding works like a developer community and cloud development environment where developers come together and code in the browser – with

\$65
MILLION

UDEMY RAISED IN
N 2015

\$7.5
MILLION

KODING RAISED IN
2014

150
THOUSAND

R&D HUMAN RESOURCE
BİLİŞİM VADİSİ
WILL EMPLOY

a real development server to run their code. Developers can work, collaborate, write and run apps without jumping through hoops and spending unnecessary money. Having over 800,000 registered software developers, Koding raised \$7.5 million investment in 2012.

Getting a mobile app discovered, downloaded and then highly ranked is a challenging business – and one that's now being dominated by larger players, it seems. One company benefiting from that trend is Mobile Action, a one-



METU initiative T-Jump SF will provide consulting and support services to help Turkish companies financially in Silicon Valley

stop shop for mobile app user acquisition. Founded in July 2013 by a Turkish entrepreneur Aykut Karaalioglu, Mobile Action is now on track for \$2 million in revenue this year, the startup has also just raised \$805,000 in seed funding from Felicis Ventures, Streamlined Ventures and various angel investors.

SUPPORT CENTERS ARE AIMING SUCCESS

The birthplace of Turkish software startups, Middle East Technical University just brought a good opportunity to help Turkish entrepreneurs to grow quickly. Silicon Valley based METU initiative technocity T-Jump was introduced in April 2015. T-Jump San Francisco will provide consulting and support services to help Turkish companies research, launch, expand, and succeed in the United States. It offers a comprehensive suite of services that enable companies to be successful in growing their businesses which are developed considering the unique needs of Turkish companies. T-Jump SF will provide end-to-end services for the companies having a promising background to be successful in the US market.



BURAK AYDIN

CEO, Intel Turkey

When it comes to technology and software producing, entrepreneurship is a key element. Entrepreneurship ecosystem is a new term for Turkey, considering Europe and the United States. Although we see success stories in the sector for the last 8 years. When Turkey's potential is taken into consideration, there are 18 million students, including 3 million university students. Yet we do not see ground breaking success story like Estonia's Skype. In this regard, we have to send more students to Silicon Valley, and creating a Turkish port there. Turkey will increase its technological output as well as its technological export if Turkey takes the spirit Silicon Valley has.

The core element here is to use and develop know-how and point of view. We have to develop our own know-how. As Intel, we opened an R&D center here, software engineers here created excellent ideas. Some of them could go to the Silicon Valley. The most important thing is to export Turkey's know-how in software sector.

Turkish entrepreneurs should meet with people in Silicon Valley, or Europe and England, and making this know-how recognizable. If this comes from Turkish engineers, there will be perks for both sides. When we look at Silicon Valley, we see a lot of successful start-ups that turn out to be international companies. When Turkey's know-how and business spirit exposed in overseas, more and more success stories will come along with it.



EMRECAN DOĞAN

Founder and CEO, Score Beyond

I've founded my own company at Palo Alto, California in 2012. The idea lies behind my company is actually similar to my university entrance exam journey and directly correlated with the manifest of Silicon Valley.

When I started studying for Turkish University Entrance Exams (ÖSS), we were six students in our small town. At first we were competing with each other in order to be successful at the exams. Then we realized that it is pointless to try to rule each other out in an exam which 1.5 million students have. If we stick together and try to rule 1.5 million students out, we realized that all of us could succeed. My success comes from the idea of togetherness rather than pointless competition.

The core idea lies behind Silicon Valley is the same idea. People at Silicon Valley create software rather than compete in software, thus eat the world's pie by technology. Silicon Valley is sort of similar to the Renaissance movement in 15th century. What made Florence important was a handful of artists and inventors decided to stick together and support each other. Thus, Florence made it to whole Europe. A similar situation has been actualizing in Silicon Valley since 1940s. Silicon Valley is not paved with gold. However, scientists, students, investors and government officials come with a similar attitude. They stick together in order to achieve bigger things. That is why technology is enhanced there like never before.

Apart from the land of opportunities, Turkey started its own Technology Valley: Bilişim Vadisi. In order to enhance IT startups in Turkey, the valley's construction started in May 2015, Bilişim Vadisi is positioned as the center of "technology based development", which is also the focus of "2023 Vision of Turkey." The valley will be planned to build on a 300 ha. land. Bilisim Vadisi will work as not only a Technopark with strong technological infrastructure and big buildings, but as one of the first and most important center in Turkey that represents a new, innovative and technology based development oriented business philosophy.

Bilisim Vadisi will offer the very same tax advantages and other incentives that any other Technopark in Turkey offers and addition to that; it is designed to answer all kinds of needs of R&D companies, personnel, entrepreneurs and investors. With conference and convention halls, Education and Innovation centers, hotels, malls, coffee shops and many more amenities within the campus, Bilisim Vadisi will be a life center for technology in Turkey.

The world is reaching its new destination with ones and zeros. If one says that the future conglomerates of the world will not be technology companies, one's probably deluded. As the world goes steady in its information age, Turkish software companies are taking firm steps towards the possible changes.

Content: A Sweet Success: Balparmak **P63** According to the Best: Kordsa Global **P65**
Editor: M. Bahadırhan Dıncaslan

Brands

FOOD, TEXTILE..



Balparmak has the world's largest Honey Science Center.

FOOD

A Sweet Success:

BALPARMAK



Innovation is sweet to companies as honey is to people. A Turkish brand has made it into the international league by becoming the 4th largest honey packing company and 6th largest honey brand in the world, thanks to world's biggest honey research center.

BY REYHAN SU ERGUN

Honey, the sweet golden elixir and the product of flower nectar altered by bees, has dictated humans since antique times and for Turkish people it has always been a must-have on the traditional breakfast table. The brand that brought this marvel food on our tables in many different packages and versions of packs is no other than Balparmak. The

story of the name Balparmak tells about the journey of Altıparmak's development in time. It all started when Özen Altıparmak who is the founder of Balpınar Honey and took his first steps into trading honey with his brother Özgür Altıparmak selling İlyas Pınarbaşı's honey. Finally one day, İlyas Pınarbaşı

offered the two brothers to build their own honey brand and suggested they'd use their surnames in the brand name like he once did with his Balpınar brand. Bal signifies "honey" in Turkish and Pınar is "spring" which is a part of his surname. Thus transforming the new honey brand into Balparmak from Altıparmak, the family name.

Altıparmak Gıda incorporating Balparmak brand was first founded in 1980 and advanced rapidly by breaking ground in honey sector such as establishing Turkey's first honey specialization laboratory in 1986. Balparmak Honey Science Center is one of the most comprehensive honey specialization laboratories of Europe. Residue checks,

origin detection analyze, guarantee band application and classification for all regions are more to list as per the initials brought by Balparmak. Over and above, Balparmak is the first brand to use the disposable packaging technology that is called as “twist-off lids” package or easy-snap at international markets.

WORLD'S BIGGEST HONEY SCIENCE CENTER

A pioneer in the progress of honey sector, Altıparmak Gıda, has invested some \$11 million into their facility in Çekmeköy, İstanbul district, based on a 28.000 m² land with a 32.000 ton-year packaging capacity, sited as Turkey's biggest facility today. The packaging facility laid its foundation in 2012 will become world's biggest honey analysis, wrapping and packaging facility with the intentions of expanding their capacity of storing, analyzing and packaging. The new facility will be open to visitors and events will be held to raise awareness of natural and healthy honey consumption. Balparmak offers a range of products such as Balparmak Süzme Çiçek Balı (Flower Honey), Balparmak Süzme Çam Balı (Pine Honey), Balparmak Özel Seçim (Special Election), Balparmak Katla Balla, Balparmak Binbirçiçek, Balparmak Balkovan, Balparmak Apiteria Serial, Honeybana Balparmak Serial, Balparmak Monoflora Serial and Balparmak Yöresel Ballar (Regional Honey) Serial.

The honey production amount differs every year for many factors, yet climate change does the most impact on it. But it is possible to state an average yield scale of 40 to 50 thousand tons annually.

BEST BRIDGE BETWEEN THE JAR AND THE BEES

One thing is certain, before the beekeeper can ever expect to make money from his bees, and their honey, that one thing being that how the beekeeper packages his honey is vital to his or her chances of making a sale. That's because honey must be clean before selling on to consumers, so any signs of dirt or bee debris showing through the glass jar containing the honey is a definite put off for potential customers. And Balparmak sits in for the place and makes sure of all of the above is taken care of with detailed

speaking, according to a late study conducted by the independent research company -Euromonitor- Balparmak ranks as the 4th company in honey packaging and the 6th biggest honey brand in the world.

The basis of pine honey is represented by honeydew, high content of sugar secretion by the insects (Marchalina Hellenica) that suck the sap and excrete the

28,000m²

TOTAL AREA COVERED BY
HONEY SCIENCE CENTER



altıparmak



analysis and R&D at their new facility thus, as the saying goes, he who holds honey licks his/her fingers; meaning he who outs him/herself into a big deal, draws some benefit out of it.

WORLD'S FOURTH TO PACK HONEY

Balparmak has an exquisite position in the global honey market, yet holds the biggest share in the national honey market too. Statistically

excess of sugar on surface of the tree trunk. The pine species on which Marchalina hellenica can be found are mainly the “Turkish Pine” (Pinus brutia). The insects hide in the cracks and under the scales of the bark of these trees, beneath a white cotton-like wax they secrete. This type of honey brings a unique taste from the pine forests meeting the Mediterranean coast at

Turkey's Muğla region where 95% of world's pine honey is produced. The harvest is made between August and December.

Hosting the best pine forests in the world, 95% of the pine honey in the world is produced in the Aegean region of Turkey. Balparmak presents the world's most favorite pine honey with the assurance and quality of an expert.

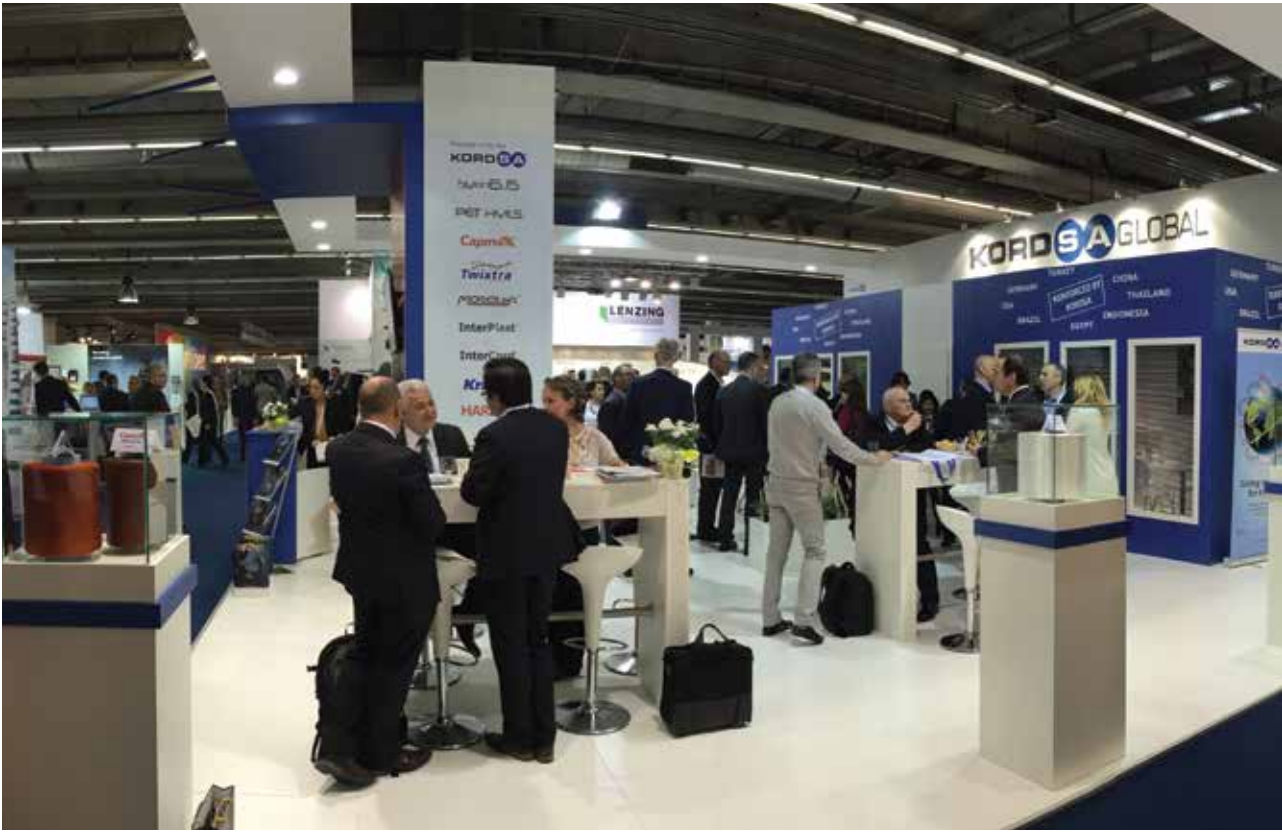


ÖZEN ALTIPARMAK

CEO of Altıparmak Gıda

We have not only made do within the borders of Turkey but spread around Europe, Middle East, USA and Azerbaijan since 1994 along with a new burst of exporting to world's biggest honey exporter, Republic of China. Various European countries including Germany, UK and France, as well as USA are among the customers of bulk honey; and since 2004, branded and packaged product exports started under the HoneyBunch and Balparmak brand names to European and Middle East Countries.

The goal is to gain a \$100 million worth export vast in 10 years. In line with this purpose, we will focus on bee goods to create value added products. On the other hand, pine honey is an endemic product of Turkey, for the 95% of world's pine honey is produced in our country. So with our newest facility, we will concentrate on our studies promoting Turkish pine honey to the world hence aiming at turning Balparmak into a global brand at this category.



TEXTILE

Kordsa Global is a regular participant of both domestic and international fairs.

According to the best:

KORDSA GLOBAL

42 years of experience, Kordsa Global deserves its name “The Reinforcer” as it is world’s #1 industrial nylon yarn and tire cord fabric manufacturer.

BY EFE DAŞMAN

Whether it is aircraft suspension system or plain fishnet, nylon and polyester yarn have an enormous area of utilization. The way to make the giant airbuses, automobiles running smoothly is under their subsidiary details. Member of the Turkish conglomerates Sabancı Holding’s Kordsa Global takes these details and reinforces them globally. Since 1973, Kordsa Global is giving the details in our daily lives.

Established in 1973 as a subsidiary of Sabancı Holding, Kordsa Global is the leading manufacturer of industrial nylon and polyester yarn, tire cord fabric and single end cord. The success story started in İzmit-Turkey in 1973 with Sabancı Holding’s tire cord manufacturing plant investment. Through the years, Kordsa Global became the market leader in Turkey and accumulated a great know-how on reinforcement materials. Owing to the

market leadership and strong knowledge base on reinforcement processes, the company became the global market leader empowered by its strategic approach to tire reinforcement market.

Kordsa Global provides high quality service and end to end solutions with a high level of technical competency. The main objective of the company is to “progress with innovative value added technologies” by continuously investing in its customers, its shareholders and its employees.

Every one in three automobile tires and every other aircraft tire are globally reinforced by Kordsa Global.



Worldwide the company is the acclaimed holder of “The Reinforcer” title, thanks to its market leader position, its strong global footprint, its technological leadership and its 42 years on reinforcement experience.

Today, Kordsa Global, whose story started in Turkey, spread on the whole world with its products. Every one in three automobile tires and every other aircraft tire are globally reinforced by Kordsa Global.

What makes the company as “The Reinforcer” is its technological leadership coming from its highly talented and well-structured R&D efforts. Kordsa Global R&D Technology Centre has been awarded as the first R&D Centre amongst the private sector in textile category by

Ministry of Science, Industry and Technology in 2013 and 2014. As a result of this R&D power, the company leads the technology trends in the reinforcement market worldwide.

In pursuit of further successful growth, in 2015, Kordsa Global has redefined the industry with its “reinforcement” position and have expanded its business into new fields; while maintaining the quality and dynamism of its existing business.

Firstly, changing global economic conditions, the production shift from West to East and increasing number of Asian players gave Kordsa Global an opportunity to differentiate itself from its competitors. In this respect, in 2014, “The Reinforcer”,



1st

GLOBAL #1 BY REVENUE AND
CAPACITY AT NYLON 6.6 TIRE CORD

34%

MARKET SHARE IN INDUSTRIAL
NYLON 6.6 YARN AND TIRE CORD
FABRIC PRODUCTION

following its existing investment in Indonesia, made further investment in Asia and opened its second Tire Cord Fabric Plant and Polyester HMLS Yarn Plant.

Secondly, aiming to reflect its tire reinforcement experiences and technological know-how to new business, Kordsa Global has developed a concrete reinforcement fiber under Kratos brand. Furthermore, as another outcome of this strategy, the company has founded Composite Technologies Center of Excellence with the collaboration of Sabanci University.

Today Kordsa Global reinforces its customers, stakeholders and employees with its widespread global footprint which is

**CENK KALPER**

CEO of Kordsa Global

Today, every one in three automobile tires and every other aircraft tire are globally reinforced by Kordsa Global.

Worldwide we are the acclaimed holder of "The Reinforcer" title, thanks to our market leader position, our strong global footprint, our technological leadership and our 42 years on reinforcement experience.

We concluded the year 2014 increasing our profits significantly and sustaining our global leadership with 34% market share in industrial nylon 6.6 yarn and tire cord fabric production.

In pursuit of further successful growth, in 2015 we have redefined the industry with our "reinforcement" position and have expanded our business into new fields of; composite technologies and construction reinforcement materials while maintaining the quality and dynamism of our existing business. This has given its fruits via our Indonesia expansion which carried us to the second place in the global ranking of high density polyester markets.

strengthened by these three new investments.

FINANCIAL PERFORMANCE, FOREIGN TRADE, BRAND VISION

Kordsa Global concluded the year 2014 increasing its profits significantly and sustaining its global leadership with 34% market share in industrial nylon 6.6 yarn and tire cord fabric production. In 2015 the company has improved its market position reaching to the second place by value in the global ranking of high density polyester market.

The company recently announced its financial results for the first quarter of 2015. Kordsa Global's net profit has reached to USD 5.5 million. Also the company has had a gross profit of USD 24.4 million.

INVESTMENTS

In addition to its existing investments in Indonesia, in 2014 Kordsa Global inaugurated a new Tire Cord Fabric Factory with 18 kilotons capacity and a third and fourth generation Polyester HMLS Yarn Factory with a capacity of 14 kilotons. New factories mark an investment value of USD 100 million and are planned to be ramped up in the next 3 years.

Besides Kordsa Global's construction reinforcement material investment, the company invested on Composite Technologies. Composite Technologies Center of Excellence was founded in collaboration with Kordsa Global and Sabanci University at

Teknopark-İstanbul. Planned to be opened in 2016, the center will incorporate research and development studies on advanced materials with 3,000 square meters of laboratories and 10,000 square meters of office space under one roof. The Center will focus on advanced nanotechnology integrated composite materials which will transform many industries from aviation to automotive in the near future.

Thanks to the its techniques know-how and global leadership, Kordsa Global will be dominating the market with its best products distributed throughout the world.

Agenda

FAIRS, EXHIBITIONS, SUMMITS, AND MEETINGS IN THE NEXT TWO MONTHS



28 AUG – 06 SEP, 2015

IEF 15'

84th Izmir International Fair 2015

Izmir International Fair is the oldest tradeshow in Turkey with various product groups, considered the cradle of Turkey's fair and exposition industry. The fair, being a multi-product exhibition has on display a wide range of products and services. The leading sector at the fair reflects to the theme of the fair and current trends in the industry. The last few years, some of the outstanding sectors at fair were Food Products, Technology and Sub Industry, Automotive Sub Industry, Furniture, Decoration, Household, Appliances, Durable Goods, Construction Machinery, Agricultural Machinery and Electric, Electronic, Computer, IT, Telecommunication. Izmir International Fair has been at the heart of global and local consumer and industrial products companies for over 83 years. Over that time it has become firmly established as Turkey's leading trade event.

JULY



INTERNATIONAL CONGRESS ON NANOSCIENCE & NANOTECHNOLOGY ELITE WORLD ISTANBUL HOTEL

JULY 02-03, 2015

The International Congress on Nanoscience & Nanotechnology, organized by the Hacettepe University will take place from 2nd July to the 3rd July 2015 at the Elite World Istanbul Hotel in Istanbul. The conference will cover areas like Nano- Microfabrication Processes and Materials for Fabrication – Nano Electronics – Nano Mechanics – Nanoscale Measurement Techniques.



FUTURE CHALLENGES IN MANAGEMENT AND BUSINESS CONFERENCE DOUBLETREE BY HILTON ISTANBUL OLD TOWN

JULY 06-07, 2015

The Future Challenges in Management and Business Conference, organized by the AIMI cover areas like present plenary speech to create an intellectual platform for researchers, students, professors and practitioners for sharing new ideas and discussing the future challenges, strategies in management&business at national and international level.



INTERNATIONAL CONFERENCE ON DATA MINING, INTERNET COMPUTING, AND BIG DATA RIXOS KONYA HOTEL

JULY 21-23, 2015

The International Conference On Data Mining, Internet Computing, And Big Data, organized by the The Society of Digital Information and Wireless Communications (SDIWC) will take place from 21st July to the 23rd July 2015 at the Rixos Konya Hotel in Konya, Turkey. The conference will cover areas like Explorative and visual data mining, and multimedia mining. Mining text and semi-structured data link and sequence analysis.

EURO-ASIA FORUM IN POLITICS, ECONOMICS AND BUSINESS NIPPON HOTEL

JULY 24-25, 2015

Euro-Asia Forum in Politics, Economics and Business is a 2 day event being held from 24th July to the 25th July 2015 at the Nippon Hotel in Istanbul, Turkey. This event showcases products like fields and subfields of economics, business, social and political sciences focusing specifically on the Euro-Asia region etc. in the Embassies & Consulates industry.

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TUNNEL EXPO TURKEY IFM YEŞİLKÖY

AUGUST 27-29, 2015

Turkey is fast growing in the tunneling sector. This event namely Tunnel Expo Turkey focuses on the fast growing tunneling sector. Top rated professionals of the concerned industry attend this event and exhibit the best quality products, services and machinery.

MINING TECHNOLOGIES EQUIPMENTS AND HEAVY DUTY VEHICLES FAIR ISTANBUL EXPO CENTER

AUGUST 27-29, 2015

Mining Technologies Equipments And Heavy Duty Vehicles Fair is a 3 day event being held from 27th August to the 29th August 2015 at the Istanbul Expo Center in Istanbul, Turkey.

This event showcases products like Search and Corporation Activity Report Preparation Firms, Natural Stone Mine Administration Hardware Manufacture and Import Firms, Job Security and Job Health Equipments Manufacturer etc. in the Industrial Products, Minerals, Metals & Ores industries.



AUGUST



JULY G20 AUGUST

JULY 23-25

CAPPADOCIA

G20 Employment Working Group Meeting

SECOND MEETING OF THE G20 EMPLOYMENT WORKING GROUP HELD IN İSTANBUL

The second meeting of the G20 Employment Working Group (EWG) was held in İstanbul on 07-08 May 2015. The meeting was attended by the member countries of the EWG, international organizations and invited countries. Representatives of B20, L20 and T20 also attended to relevant sessions to reflect their views on the agenda items of the meeting.

During the meeting, EWG delegates touched upon a number of subjects; including cooperation with the other G20 work streams, progress on gender gap commitment, occupational safety and health, strengthening the employment services and the link between employment and education. The proposals regarding possible methodologies in monitoring the commitments were also discussed during the meeting in detail.

Apart from these issues, the outputs of the World Association of Public Employment Services (WAPES) World Congress 2015, held in İstanbul on 06-08 May, were presented by the representatives of WAPES.

A day before the second meeting of the EWG (on 6 May 2015), the first meeting of the G20 EWG Sub-group on Labour Income Share (LIS) and Inequalities, and the Informal Meeting on Safer Workplaces were also held.

Upon a decision taken by the EWG delegates at their first meeting in Antalya, a Sub-group on LIS and Inequalities had been established and its mandate document had been prepared by the Turkish G20 Employment Team. At the beginning of the meeting, the members adopted the mandate document for the Sub-group. The newly established sub-group focused on the causes of

declining labour share and rising inequality and analysed the policy options to address these challenges.

During the Informal Meeting on Safer Workplaces, the EWG members discussed possible ways for reporting/monitoring the progress and shared the latest developments and initiatives in their countries in relation to occupational safety and health.

The meetings provided a good opportunity to discuss changing circumstances and appropriate measures to be considered. The EWG will continue its works in accordance with the agreed agenda at its next meeting which will take place on 23-25 July 2015 in Cappadocia, Turkey.

JULY 2-3

İZMİR

G20 AGRICULTURE DEPUTIES MEETING

JULY 24-25

CAPPADOCIA

G20 EMPLOYMENT WORKING GROUP MEETING #3

AUGUST 20-21

BERLIN, GERMANY

INVESTMENT AND INFRASTRUCTURE WORKING GROUP MEETING #3

Figures

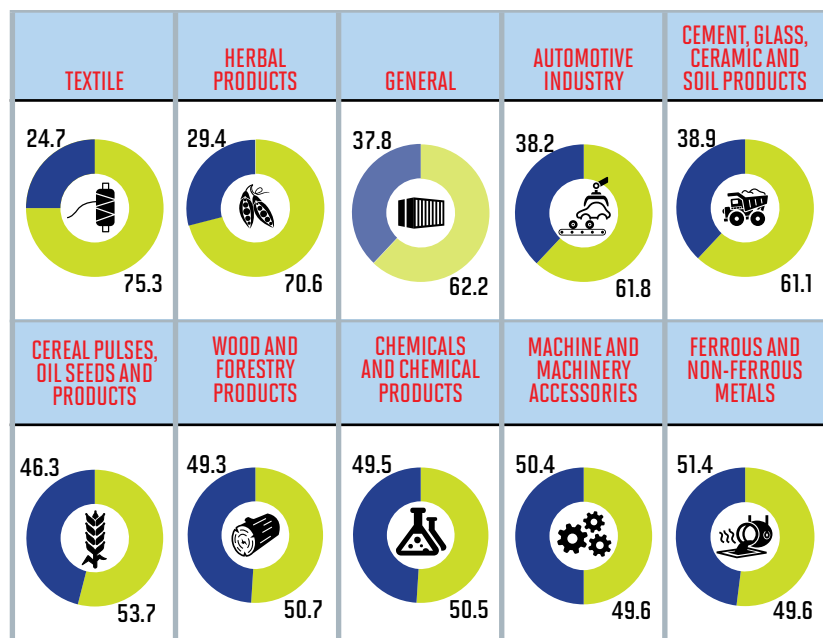
THE BASIC INDICATORS OF TURKEY: COMPETITIVENESS, WELFARE, EXPORT

TURKEY GROWS WITH EXPORT

The last survey conducted by The Turkish Exporters' Association shows that export is having more share in Turkish manufacturers' market turnovers.

FIRST QUARTER TURNOVER DISTRIBUTION BY MARKET

EXPORT DOMESTIC SALES

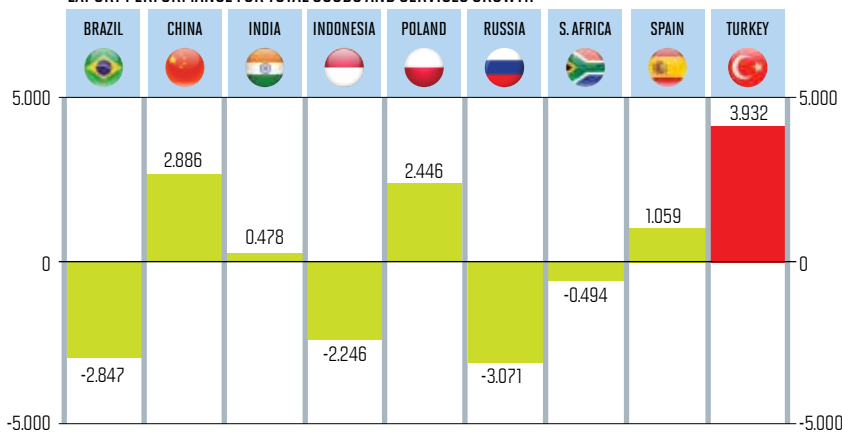


Data: TİM

THE GROWTH CONTINUES

Albeit the known uncertainties in global economy, Turkish exporters' devoted performance is leading the country to grow.

EXPORT PERFORMANCE FOR TOTAL GOODS AND SERVICES GROWTH

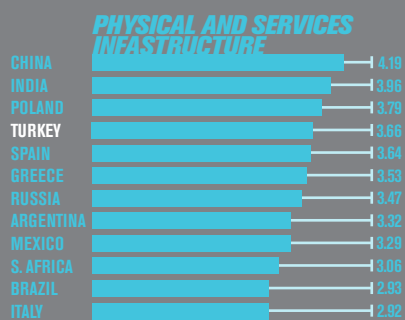
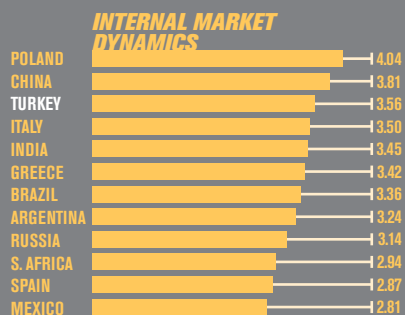
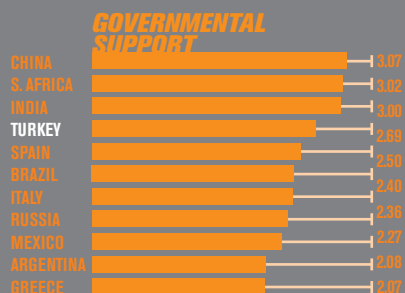
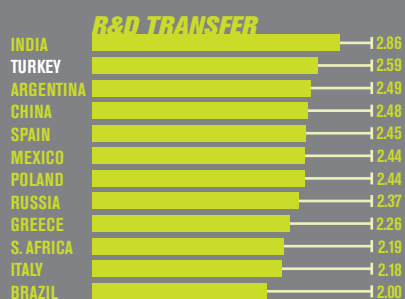


Data: OECD

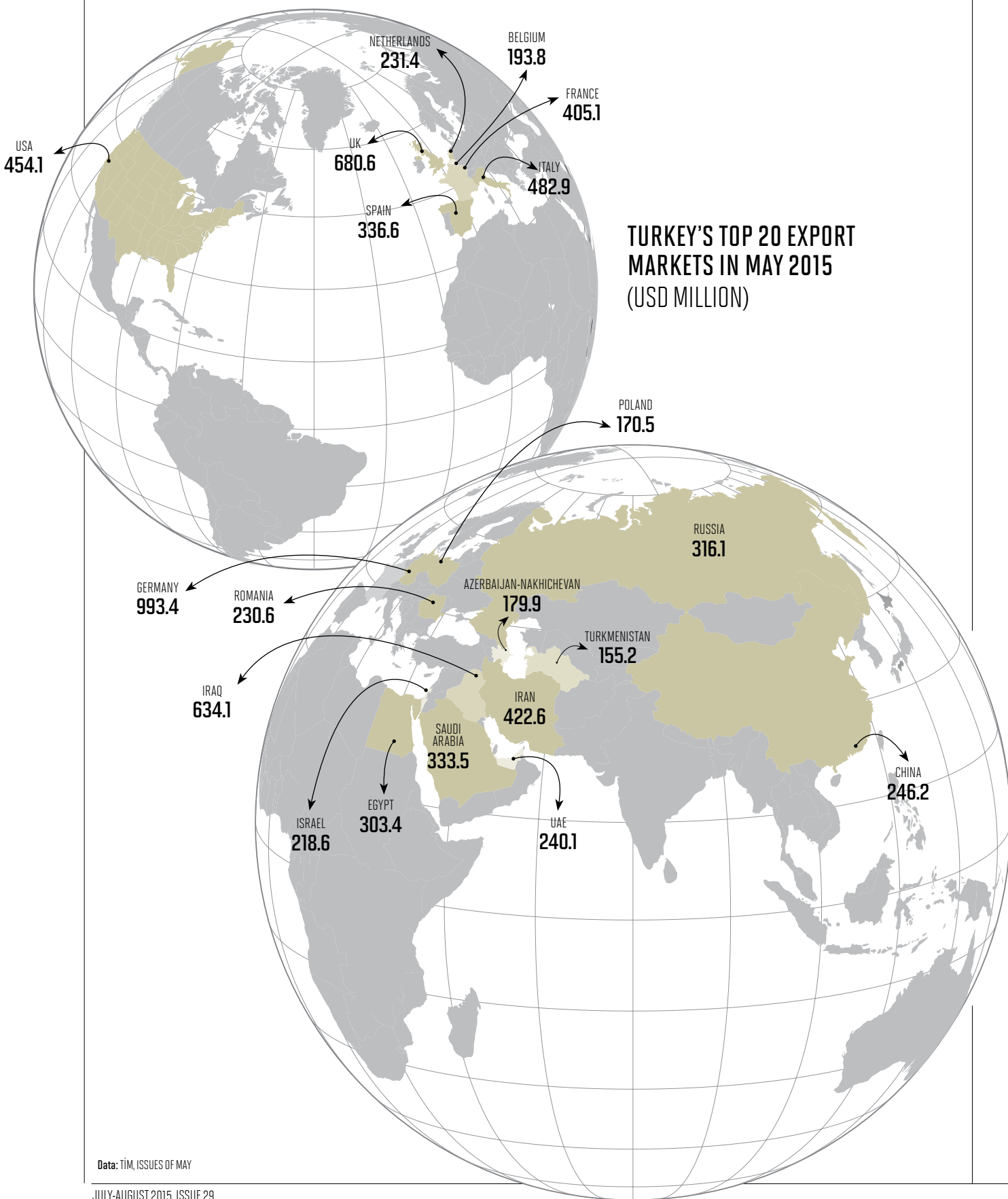
ENTREPRENEURS AT WORK

Turkish entrepreneurs climb the steps of world's entrepreneurship league, with regard to financing and support.

NUMBERS ARE GIVEN BY THE COUNTRY
ENTREPRENEURSHIP SURVEY RATES



Data: Global Entrepreneurship Monitor



Data: TİM, ISSUES OF MAY

BENEFITS AND BEYOND

Turkish Corporate Club, Turkish Airlines corporate loyalty program, offers a world of opportunities including special benefits and more flexibility exclusively for companies. As a privileged member of Turkish Corporate Club, you will savor flying with one of the best Airlines in the world and enjoy all the exclusive benefits.



Europe's
Best Airline

For more information and
to join the club: tcc@thy.com

TURKISHAIRLINES.COM

Voted Europe's Best Airline at the 2015 Skytrax Passengers Choice Awards.
Turkish Corporate Club rights may vary due to contract terms.

WIDEN YOUR
WORLD

TURKISH
AIRLINES



For the 5th year in a row, we are chosen the best airline in Europe.

Every year, Skytrax, the world's largest airline passenger satisfaction survey asks millions of passengers around the world to choose their favourite European airline. For the past years, the answer has always been the same. Turkish Airlines remains the best airline in Europe.

This year Turkish Airlines has also been awarded with Best Airline in Southern Europe, World's Best Business Class Airline Lounge and World's Best Business Class Lounge Dining.

We would like to thank you and congratulate our employees for making this possible.

WIDEN YOUR
WORLD

TURKISH
AIRLINES



Discover
the potential