

YOUR COMPLIMENTARY COPY

8TH
YEAR

The Turkish Perspective

SEPTEMBER 2018 ISSUE 62

ECONOMY | BUSINESS | FOREIGN TRADE | ANALYSIS

EXCLUSIVE INTERVIEW

Chairman of TİM, İsmail Gülle, answered the questions about many issues and evaluated the current state of Turkish economy.



A NEW ERA FOR ENERGY



Innovation Focused Mentorship Program

**How
will the
Process run?**



Every firm will be paired with an innovation mentor who is determined by TIM and Sabancı University

**Who
will be the
mentor?**



Academicians and private sector representative who have the competency of Innovation Management

**How will
the firms be
chosen?**



As a result of TIM's pre-evaluation and according to their application date firms will be chosen

**Which
supports will
be given?**



Program is financed by the firms with the 25% joint financial support of both TIM and Exporters' Association that the firm is member of.

If you want your company to

- design and put into practice corporation innovation systems that are tailored your company's aims, structure and needs
- create and strengthen the infrastructure of innovation management
- increase innovation management competency sustainably

inoSuit
is just for you...



Contents

05 FIRST

- 06** | Great Increase in Steel Export
- 07** | Production Facility in Turkey by Bosch
- 08** | Boosting Renewable Power Generation
- 09** | Blockchain Center in İstanbul
- 10** | Super Incentive for TF-X Project



36 COVER

A NEW ERA FOR ENERGY

12 EXCLUSIVE INTERVIEW

Chairman of TİM, İsmail Gülle, answered the questions about many issues and evaluated the current state of Turkish economy.

17 BRIEFING

17 | BRICS: OPPORTUNITIY FOR TURKEY

President Recep Tayyip Erdoğan attended the 10th BRICS Summit held in South Africa and drew attention to the turbulent period the world is going through in his speech.



48



20 | FIRST-EVER PRESIDENTIAL VISIT TO ZAMBIA

President Recep Tayyip Erdoğan proceeded from South Africa to the Zambian capital city of Lusaka for a one-day official visit.

24 | ROBUST GROWTH IN THE INDUSTRY

Chemical industry's export has been increased by 12.34% in June and has moved up to the second place.

26 | İSTANBUL IS READY FOR TAKE-OFF

The first phase of İstanbul New Airport is due to open in October 2018.

30 | "ALL EYES WILL BE ON TURKISH AIRLINES"

Turkish Airlines Chairman of the Board and the Executive Committee M. İlker Aycı addressed the ambassadors on the 10th Ambassadors Conference.

50 INDEPTH

50 | TURKEY&SOUTH KOREA "BLOOD BROTHERS" FOR 60 YEARS

During the Korean war between South and North, the participation of Turkish troops led to the formation of a strong relation between the two countries.

55 BRANDS

60 | DOĞUS TEA: DIVERSIFYING THE BUSINESS

Dogus Tea reached the large masses thanks to the slogan "The Most Beautiful Tea is Dogus Tea" and became one of the most important actor in the market.

62 AGENDA

FAIRS, EXHIBITIONS, SUMMITS, MEETINGS IN THE NEXT MONTH

63 FIGURES

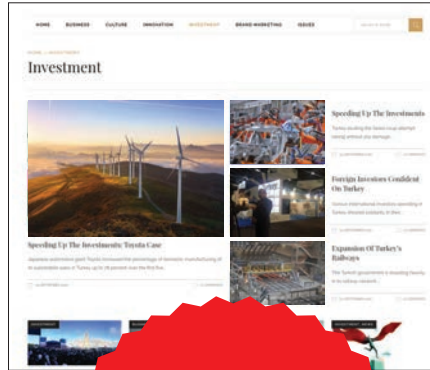
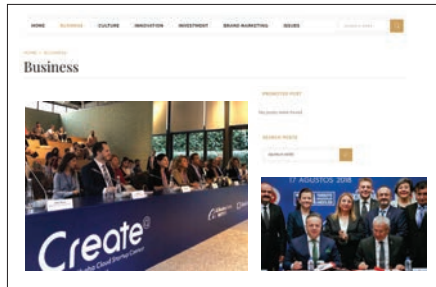
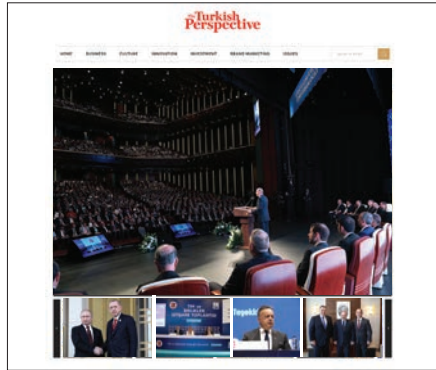
THE BASIC INDICATORS OF TURKEY IN THE JULY 2018

Online theturkishperspective.com

THE TURKISH PERSPECTIVE DIGITAL

The Turkish Perspective website is to be launched soon.

A NEW MEDIUM TO LEARN, ANALYZE AND MONITOR EVERYTHING ABOUT TURKISH ECONOMY AND BUSINESS, IS BORN. THE TURKISH PERSPECTIVE DIGITAL WILL SHARE THE LATEST NEWS, INTERVIEWS WITH DECISION MAKERS, PROVIDE IN-DEPTH ANALYZES AND WILL BE THE FOREIGNER'S GUIDE IN TURKEY REGARDING REGULATIONS AND LEGISLATIONS.



BUSINESS
CULTURE
INVESTMENT
INNOVATION AND SCIENCE
VIDEO OF THE DAY
NEWS
BRAND MARKETING

More than a magazine,
the Turkish Perspective
will now be more
interactive and responsive,
as expected from
Turkey's main voice for
international audience.

info@theturkishperspective.com

The Turkish Perspective

MANAGEMENT

PUBLISHER ON BEHALF OF TURKISH
EXPORTERS ASSEMBLY/ CHAIRMAN OF
THE TURKISH EXPORTERS ASSEMBLY
ISMAIL GÜLLE

STRATEGIC PARTNER
PRESIDENT OF INVESTMENT SUPPORT
AND PROMOTION AGENCY

ARDA ERMUT

MANAGER IN CHARGE
H. BADER ARSLAN PhD

PUBLICATION BOARD

M. İLKER AYCI

BİLAL EKŞİ

ENİSE DİDEM ELMAS

MEHMET FATİH BİLİCİ

MUSTAFA KAMAR

FURKAN KARAYAKA

PUBLICATION MANAGEMENT

PRESIDENT

MEHMET MÜCAHİD DEMİR
mdemir@theturkishperspective.com

VICE PRESIDENT

YAŞAR MAMATİ

PROJECT COORDINATOR

AHMET DAMGACIOĞLU
adamgacioglu@theturkishperspective.com

EDITORIAL

EDITORS

MUSTAFA YİĞİT

myigit@theturkishperspective.com

RAMAZAN GÜZYURDU

rguzurdu@theturkishperspective.com

EUROPEAN COORDINATOR

İNANÇ ATILGAN

CONTRIBUTING REPORTERS

İLHAN ALPAY OĞAN

İBRAHİM AVCI

SERAP KAYA

DESIGN

CREATIVE DIRECTOR

AHMET SAİD ÇELİK

acelik@theturkishperspective.com

GRAPHIC DESIGNER

UMUT DURUTUNA

JR. GRAPHIC DESIGNER

ÖZCAN AYHAN

PRINTING

PROMAT BASIM YAYIN SAN. VE TİC. A.Ş.
ORHANGAZI MAH. 1673 SOK. NO:34
ESEN YURT- İSTANBUL / TÜRKİYE
T. +90 212 622 63 63 F. +90 212 605 07 98
info@promat.com.tr

MEDYA^{TR}

CONTACT

T. +90 212 216 19 48
info@medyatr.com.tr
www.medyatr.com.tr

Neither text nor photographs from
this publication may be reproduced in
full or part without acknowledging the
source and securing prior permission
from the publisher.

Editorial



İSMAİL GÜLLE
CHAIRMAN (TIM)

FOCUSING ON EXPORTS IS CRUCIAL FOR PARRYING THIS TURMOIL

We are all witnessing the pressure on Turkey and our currency in the international markets. Both financially and politically Turkey is facing difficult times for the last couple of weeks.

ESPECIALLY THE HIT ON TURKISH LIRA on 8th of August caused a huge volatility on Turkish Lira resulting almost a 30% fall out.

Regarding to the large corporate debt payments for the incoming months of Turkish private sector, the hit on Turkish Lira suffers the firms for making new investments. Therefore our Banking Regulation and Supervision Agency relieved the sudden pressure on lira with putting restrictions on dollar-lira swaps actions to make it harder to bet against Turkish Lira.

Within the following week, as the administrative board of TIM, we also decided to allocate our reserve funds to Turkish Eximbank for the use of exporters not to face the risk of being in a hard situation regarding to the volatility in Turkish Lira. Moreover, Ministry of Finance announced that Turkish Banks will continue to provide commercial credits to the companies who suffer the speculative boost of US dollars against Lira. Also Ministry of Technology and Industry announced, they will continue to support the investments on R&D and Design projects of SME's. As an addition, they will also support the investments which directly related to exports. These policy actions relieved the market and lowered USD from its peak level.

This kind of speculative attacks supposed to depreciate the value of Lira

and create an unstable environment in the market to freeze the business operations. If we stop making new investments or shrink our production, our economy will suffer a worse recession. Therefore the measures taken by our ministries and other public institutions, resulted positively with stabilizing Dollar – Lira parity on 6 Liras average. It is important to protect stability of our local currency to continue our trade relations while to continue with new investments on value added products.

In every platform, I underline that the only way out of middle-income

trap, is increasing our export value. Turkey's financial structure and banking sector is far better than many countries in the world. However we need to produce value added products to increase our value per unit and to lower our trade deficit. Our capacity utilization has reached %79 on average in 2017. This means it is too hard for us to step forward in international trade with the same old production strategy. Therefore we need to transform our production on value added products. As TIM we will continue to support the projects on R&D, design, education and branding.



More than 60,000 companies have INVESTED IN **TURKEY**



how about you?

average annual real
GDP growth rate

5.7%

2002-2017

13th largest
economy in
the world

GDP at PPP prices, 2017

800,000

university graduates
per year

average annual real GDP
growth rate forecast in OECD

4.9%

2015-2025

\$851 billion
of GDP at
current prices
2017

80.8 million

of population
with half under the age of 31



INVEST IN TURKEY

Content: Investment Drive to Continue **P05** Great Increase in Steel Export **P06** Production Facility in Turkey by Bosch **P07** Boosting Renewable Power Generation
P08 Tailor-made Strategies from Turkey **P09** Super Incentive for TF-X Project **P10**
Editor: Ramazan Güzyurdu

First

DEFENSE, EXPORT, ENERGY, BUSINESS, ECONOMY, TOURISM, EXPORT, AUTOMOTIVE, TECHNOLOGY...



TURKEY

Erdogan's first 100-day plan:

INVESTMENT DRIVE TO CONTINUE

The action plan for the first 100 days of the new Cabinet includes 400 projects to be accomplished with a budget of TL 46 billion in diverse sectors including energy, tourism, finance, transportation and agriculture.

President Recep Tayyip Erdoğan unveiled the 100-day action plan at an event at the Beştepe People's Culture and Convention Center.

PRESIDENT Recep Tayyip Erdoğan disclosed the action plan that includes 400 projects to be accomplished during the first 100 days of the new presidential governance system that took effect on July 9 when the President took the oath of office. Heavily

focused on economic projects, Turkey is determined to continue investments in numerous sectors while diversifying the borrowing instruments, for instance with Chinese bonds, the renminbi-denominated bonds from a non-Chinese issuer.

The first 100-day action plan includes numerous goals including but not limited to energy, economy, industry, foreign trade, environment and urbanization, defense, education, health, technology, tourism and agriculture as well as public finance.

The execution of 400 projects with an investment value of TL 46 billion (\$9.1 billion) in the first 100 days will be coordinated and monitored by Vice President Fuat Oktay. Speaking at a ceremony at the Presidential Palace Complex in Ankara,

President Recep Tayyip Erdoğan noted that each one of the 16 ministries have prepared a list of prioritized projects in due consideration of budgetary discipline and a total of 1,000 projects have been determined, with 400 of them listed in the 100-day action plan.



DEFENSE

TURKEY'S T625 COMPLETES GROUND TESTS

The prototype of Turkey's T625 Multirole Helicopter has completed ground tests and is on schedule for its first test flight.

The Turkish Aerospace Industries (TAI)'s Original Helicopter Program, under the coordination of the Undersecretariat for Defense Industries (SSM), is progressing on schedule to complete its first flight later this year and begin serial production after 2021.

The helicopter prototypes have been transferred to the facilities where the ground tests were carried out and where flight tests will be launched after extensive system and ground tests.

The T625 Multirole Helicopter is a twin-engine, six-ton-class aircraft designed for high mission flexibility even in the toughest of geographical environments and adverse weather conditions.

EXPORT

GREAT INCREASE IN STEEL EXPORT

Steel export in the sector grew by 26.7 percent to \$8.4 billion in the first seven months of this year.



Despite the U.S. tariffs on steel, exports in the sector grew by 26.7 percent to \$8.4 billion in the first seven months of this year compared to \$6.6 billion in the same period of 2017. In this period, the highest increase in steel sector exports was recorded to Italy, while the biggest decrease was experienced in the U.S. market.

According to Turkish Exporters Assembly (TİM) data, exports to the European Union led the way reaching \$3.6 billion, an increase of 62.9 percent compared to last year.

Exports of \$1.4 billion to Middle Eastern countries in this period came second on the list, an increase of 9.9 percent annually.

Meanwhile, exports to African countries surged by 33.6 percent to \$1 billion. Thus, the steel exports to the EU, Middle Eastern and African countries exceeded \$1 billion in the first seven months of the year.

In terms of quantity, the steel sector realized the highest exports in seven months of the year to Italy with \$659.9 million, followed by the U.S. with \$552.1 million, Spain with \$488.8 million, Israel with \$443.3 million, Romania with \$426.2 million, and Germany with \$399.6 million.

In the January-July period this year, steel exports experienced the highest increase to Italy with \$351.8 million compared to the same period in 2017. The greatest decline in that period, on the other hand, was to the United States, at \$250.4 million.

In the same period, the other countries with the highest increase in exports in quantity were to Spain with \$208.8 million, Belgium with \$185.9 million and Romania with \$165.5 million. The countries with the highest decrease after the U.S. were Singapore with \$104.2 million, Turkmenistan with \$90.1 million and Iraq with \$64.8 million.

Evaluating the sector's performance in a statement, Adnan Aslan, chairman of the Turkish Steel Exporters Association (ÇİB), said that Turkey's steel exports reached 11.1 million tons in the January-July period of this year with an increase of 2.4 percent in quantity compared to the same period of the previous year.

The value-based exports of the sector also rose by 6.7 percent to \$4.8 billion, Aslan said.

ENERGY

NATURAL GAS TRADE WITH IRAN

Despite U.S. sanctions, Ankara will continue purchasing natural gas from Iran on the basis of a long-term supply deal, due to end in 2026, Energy and Natural Resources Minister Dönmez has said.

Turkey will be continuing its natural gas trade with Iran in accordance with a long-term contract inked with Tehran, Energy and Natural Resources Minister Fatih Dönmez said, adding that Ankara expects talks with Washington to resolve the issue. Minister Dönmez's remarks came a day after U.S. President Donald Trump warned countries of doing business with Iran after Washington reimposed stiff economic sanctions on Iran, ratcheting up pressure on the country despite statements of deep dismay from European allies.

He emphasized that energy security is an extremely important issue, noting that Turkey and Iran had trade relations dating back many years.



ECONOMY

2ND IN TOP 250 GLOBAL CONTRACTORS

Turkey remained in second place after China for the number of contracting companies in the Top 250 Global Contractors List for 2017.

Engineering News Record (ENR), an international construction industry magazine, prepares the list based on the companies' income through overseas activities. A total of 46 Turkish companies were named in the 2017 list, the same as in the previous year.

The top 250 international contractors reported almost \$482.4 billion in contracting revenue last year from projects outside their home countries. The amount was up 3.1 percent, from \$468.12 billion, in 2016. This rise comes after three straight years of revenue declines among the Top 250, the magazine said.

China topped the list, while the U.S. ranked third with 36 companies, the Turkish Contractors Association (TMB) said in a statement.

Despite the downsizing in the global contracting sector in recent years, the number of Turkish firms on the ENR list rose from 40 to 46 in 2016. The figure was unchanged in 2017.

BUSINESS

Production Facility in Turkey by Bosch

A new-generation, high-pressure petrol injector production facility to be built by Bosch in Bursa province will achieve \$185 million in annual exports.



INDUSTRY AND Technology Minister Mustafa Varank's remarks came after he received Bosch Turkey and Middle East President Steven Young in his office.

Varank said Bosch Turkey's production facility, to be completed in five years, would play an important role in reducing the current account deficit, adding this new high-pressure gasoline injector production facility in Bursa, which would be worth \$1.2 billion, would achieve \$185 million in annual exports, thus getting ahead of the \$45 million in imports.

"We aim for this investment to contribute \$230 million to the reduction of the current account deficit," Varank continued. "We are pleased that Bosch has chosen Turkey for new investments. All companies that contribute to our economy by investing in Turkey, developing technology and creating employment are our companies. We do not distinguish between foreign and domestic investors. We hold all of them in high esteem."

"Nearly 4,500 people will be employed (within the new incentive system)," Varank noted.

HUGE INVESTMENT FROM BOSCH

The incentives aimed at encouraging more investment in the country, as well as supporting firms in several areas including health, defense, automotive, mining and metal sectors.

4500

PEOPLE

WILL BE EMPLOYED WITH THE NEW SYSTEM

\$185

MILLION

ANNUAL EXPORT BY THE FACILITY

\$1.2

BILLION

TOTAL COST OF PRODUCTION FACILITY

TOURISM



9M FOREIGN TOURISTS IN ANTALYA

The number of tourists coming to Turkey's holiday resort city Antalya approached 9 million as of August.

Around 8.66 million foreign passengers arrived at Antalya Airport and Gazipaşa Airport, a new all-time high, the data said.

Often called Turkey's tourism capital, Antalya is expected to hit an all-time high and host around 14 million foreigners this year.

According to the data, the record for 2014, which is seen as the best year in Antalya, has also been surpassed.

There were about 8.22 million tourists in the same period of 2014, while the number was nearly 6.72 million last year.

During this period, the number of arriving foreign passengers increased by 21 percent compared to the same period last year.

AUTOMOTIVE

ENGINEERING
CONFERENCE
IN ISTANBUL

The movers and shakers of the global automotive industry will attend IAEC'18 being held for the third time in Istanbul.

According to the written statement released by the Uludağ Automotive Industry Exporters' Association (OİB), the "International Automotive Engineering Conference" will be held at Swissotel The Bosphorus from Nov. 1-2 to discuss future automotive trends and address the latest developments in automotive electronics and software.

The event is designed to facilitate discussion about the necessary steps to be taken by the automotive industry in engineering in the current dynamics of the sector while taking into account the opinions of international specialists from a technical point of view.

ENERGY

Boosting Renewable
Power Generation

Turkey revised its renewable energy target for 2023, with additional steps to increase the share of clean electricity production to more than 50% by 2023.



IN MAY 2018, Turkey's energy watchdog the Energy Market Regulatory Authority (EMRA) said that the installed electricity capacity increased by 181 percent from 32,000 megawatts (MW) over the last 15 years up to 90,000 MW. The share of renewable electricity capacity out of total installed capacity reached 46 percent in May while renewable power generation was around 30 percent.

In 2013, in accordance with Turkey's National Renewable Energy Action Plan, Turkey's

renewable electricity share was 29 percent and the share of installed clean energy capacity was around 40 percent.

After hitting 31 percent of renewable electricity production in August 2018, Turkey's authorities took concrete investment steps to revise its renewable target for 2023.

As part of the plan, the country aims to use more renewables through a series of tenders for solar power plants with a total capacity of 3 gigawatts (GW) and with an estimated investment of nearly \$4.8 billion.

TECHNOLOGY

TURKEY'S FIRST
INDIGENOUS
MICROSATELLITE

Lagari, Turkey's first indigenous microsatellite, will be complete this year and launched in the second half of 2019.

The satellite, unveiled at the International Defense Industry Fair (IDEF 2017), is designed to meet Turkey's geographical imaging requirements and provide more flexibility in the area at a low cost.

A subcontract for the microsatellite has been signed with Berlin Space Technologies GmbH. The project is now in the detailed design phase after the preliminary design phase was completed successfully.

The microsatellite was developed by the Turkish defense contractor Defense Technologies Engineering and Trade Inc. (STM), which for the first time this year entered the "Defense News Top 100" list.

POWERFUL ACTIONS IN ENERGY

On Aug. 3, President Recep Tayyip Erdoğan announced that the country's 100-day action plan to develop the domestic energy sector with domestic energy sources including wind, solar and geothermal power.

\$4.8

BILLION
ESTIMATED
INVESTMENT IN
RENEWABLE ENERGY

55

THE NUMBER OF
ACTIONS IN THE
100-DAY ACTION PLAN
IN ENERGY

3

GIGAWATTS
ESTIMATED CAPACITY
OF SOLAR POWER
PLANTS AIMS TO USE

\$23

BILLION
ALLOCATED FOR ELECTRICITY
DISTRIBUTION AND PRIVATIZATION
OVER THE LAST DECADES

181%

INSTALLED
ELECTRICITY CAPACITY
INCREASED OVER THE
LAST 15 YEARS



BUSINESS

TAILOR-MADE STRATEGIES FROM TURKEY

Turkey will implement tailor-made strategies to increase exports to Russia, Mexico, India and China.

In a bid to enlarge its export destinations and volume, Turkey has developed strategies to expand into the \$2.8 trillion import market of China, Mexico, Russia and India by exporting goods that are in high demand.

The size of the import markets in China, Mexico, Russia and India, identified by Turkey as priority countries for exports in the new period. Turkey will set specific strategies for these countries in order to get a greater share of this cake.

President Erdoğan gave the first signals of export-expansion strategies in the 100-day action program, announcing that exports to China, Mexico, Russia and India are among the priority issues under the Trade Ministry's objectives.

ENERGY

EXPANDING TRANS-BALKAN LINE

The line will have the capacity to carry 15.75 billion cubic meters of natural gas per annum.

Bulgaria's decision to increase the capacity of the Trans-Balkan pipeline shows the country's intent to capture the entire gas volume of the TurkStream natural gas pipeline project's second line, according to Jonathan Stern, founder of the Natural Gas Research Program at Oxford Institute for Energy Studies.

Stern said that Bulgaria is not necessarily the most powerful candidate for TurkStream's second line to transfer gas to Europe. The line will have the capacity to carry 15.75 billion cubic meters of natural gas per annum.

Turkey and Bulgaria officially launched the new Lozenets-Nedvialsko pipeline, paving the way for natural gas exports to Bulgaria and natural gas flow to Europe via Turkey. The new line will increase the current Trans-Balkan pipeline's capacity from 14 billion cubic

meters to 15.75 billion cubic meters.

Speaking at the opening ceremony, Minister of Energy and Natural Resources Fatih Dönmez said that the pipeline will carry natural gas to Europe - which will both contribute to natural gas supply security of Turkey and Bulgaria and boost the importance of both countries in the European natural gas market.

Pointing to investments that Turkey has made in strong natural gas infrastructure, the minister noted, "Turkey is taking firm steps not only toward satisfying its own demand, but also responding to regional energy requirements."

The Turkish minister noted that the pipeline would also enable reverse flow gas transmission from Turkey to Bulgaria with the possibility of Bulgaria receiving Russian gas through the TurkStream natural gas pipeline.

TECHNOLOGY

BLOCKCHAIN CENTER IN ISTANBUL

Turkey's first university blockchain center, the Istanbul Blockchain and Innovation Center (BlockchainIST Center), was inaugurated at Bahçeşehir University (BAU).

The center aims to close the expertise gap in the market in order to make blockchain technology, a cryptographic data base that ensures secure tracking of digital transactions, be used in all areas.

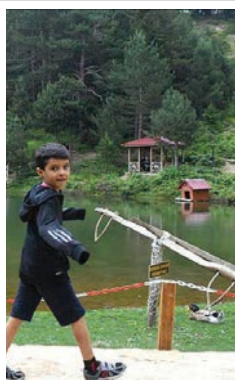
The center, which aims to simultaneously use the same technologies as the rest of the world in the blockchain area, will work with students and entrepreneurs who want to conduct academic studies in this area. Istanbul Blockchain and Innovation Center Director Bora Erdamar said that a very competent team of experts from Turkey and the world will carry out worldwide projects in blockchain technologies at the center. Expressing that they will also work with many important figures from the business world, Erdamar stated, "The purpose of the BlockchainIST project is to be the most important center of research and development and innovation in Turkey in which scientific studies and publications are made in blockchain technologies.

TOURISM

Tourist Attraction for Egyptians

With breathtaking scenery, convenient hotel prices and quality services, Turkey has been attracting a growing number of tourists from Egypt.

Despite political tension between Cairo and Ankara since the military coup against democratically elected President Mohamed Morsi in Egypt in 2013, holidaymakers from Egypt are increasingly favoring Turkey for their vacations and continue to trust Turkey.



Around 101,000 Egyptian tourists visited Turkey in 2017, up from 94,000 in 2016, according to official Turkish estimates. The rise comes despite restrictions imposed by Egyptian authorities on people aged 18 to 40 years old who are willing to visit Turkey.



DEFENSE

SUPER INCENTIVE FOR TF-X PROJECT

Government aid will be provided to the National Combat Aircraft Project production facility by Turkish Aerospace Industries.

Accordingly, the duration of this investment is estimated to be 15 years. If the investment cannot be completed within this period, the Ministry of Industry and Technology will grant a time extension up to half of this period. The total fixed investment for the project is TL 5,650 billion. An additional 3,000 people will be employed as part of the project, while 300 qualified personnel will work for it.

The investment will have VAT exemption, customs tax exemption, VAT refund, a corporate tax cut, 10-year income tax withholding, qualified personnel support of a maximum of TL 660 million, interest support that can't exceed TL 440 million or profit share support.

ECONOMY

All of the money for İstanbul

According to the Istanbul Development Agency's 2018 Financial Support Programs project evaluation results, 89 projects will be realized.



ACCORDING TO a statement released by the İSTKA, a total of TL 124.9 million worth of collaborations will be established in 89 projects with public institutions, nongovernmental organizations and institutions, including universities.

All of the money will be used for projects aimed at the social, economic and cultural development of Turkey's key growth-driving city, İstanbul.

Some 35 projects will be supported in the "Children and Youth Financial Support Program," 17 projects in the "Entrepreneurship Financial Support Program" and 37 projects in the "Innovative and Creative Financial Support Program."

"Every day we wake up to a new change. Now all sectors are fed by technology. In an increasingly competitive environment, we need to invest more in innovation, technology, improvement and entrepreneurship," İSTKA Secretary-General Özgül Özkan

Yavuz said. "With our Financial Support Programs, we aim to increase the added value through the digital transformation of the existing industrial production structure and university co-operations. The companies and software set up by the entrepreneurial youth on the computer are now shaping the world economy. For sustainable development, we also work to create conditions for today's children and youth to become the entrepreneurs and industrialists of tomorrow."

A total of 37 projects will be developed in the "Innovative and Creative İstanbul Financial Support Program," which has a total budget of TL 66.38 million.

As part of these projects, infrastructure for innovation, research and application centers, laboratories and technology transfer offices in whereby university-industry co-operations will be developed and established.



ECONOMY



BOOMING RELATIONS WITH MOSCOW

Trade between Turkey and Russia increased 37 percent year-on-year, reaching \$13.3 billion.

As ultimately all trade barriers between the two countries were lifted, Turkey's exports to Russia soared 47 percent, while imports from Russia rose 36 percent.

China remained Russia's main partner in the first half of the year with \$50 billion in trade volume, followed by Germany, the Netherlands and Belarus.

In the aftermath of the jet-downing crisis of November 2015, political ties and business connections between Turkey and Russia were severely affected, with Moscow imposing restrictions on Ankara, including banning the exports of certain agricultural products, revoking visa-free travel for Turkish citizens and levying restrictions on Turkish businessmen in the country.

In May 2017, Turkey and Russia signed a joint declaration to remove all trade restrictions between the two countries.



Turkey

Discover the potential

A junction of civilizations!

We are a country that sheds light on the future in this land holding continents and bringing civilizations together with our proud history and belief.

Turkey has brought together its historical and cultural values in its new brand and now shows its power and tells its story to the whole World!

Discover the potential at:
turkeydiscoverthepotential.com

“WE WILL ACT WITH 7/24 EXPORT PHILOSOPHY”

*Chairman of Turkish Exporters' Associations
Assembly İsmail Gülle*

Chairman of TİM, İsmail Gülle, answered the questions about many issues and evaluated the current state of Turkish economy.

The trade wars started between the United States and China transformed international trade environment where all countries began to pursue protectionist policies on customs walls.

As Turkish exporters, even within the current international trade atmosphere, we achieved an export increase of 11.8% on July, 2018. Compared to the same month of the previous year, our exports reached 14 billion 106 million US dollars in total hitting all-time high record among all July's since the foundation of our Turkish Republic.

To protect our exporters from the US sanctions and speculative movements in exchange rates, we have signed a protocol with Eximbank subjecting allocation of the reserve funds of TİM and Exporters' Associations.

We have organized coordination meetings with our Exporters' Associations to see what strategies could be followed for the development of exports in the new period under the auspices of Ministry of Trade. We aim to enhance our cooperation with our Exporters' Associations.

Our Vice President Mr. Fuat OKTAY accepted the delegation of TİM in his office. We have presented our projects to increase our exports to him. We also presented our opinions on increasing exports, unit values and our world share and discussed our new strategies to Mr. ALBAYRAK, Minister of Treasury and Finance.

We visited Mrs. PEKCAN, Minister of Trade, last month as the new administration of TİM. We

presented our new strategy and new projects for increasing our export. We continue to work with enthusiasm and courage.

The declaration published right after the first "Advisory Committee Meeting of the Ministry of Trade", which was held under the supervision of Trade Minister Mrs. Pekcan, unity and solidarity in the economy were emphasized.

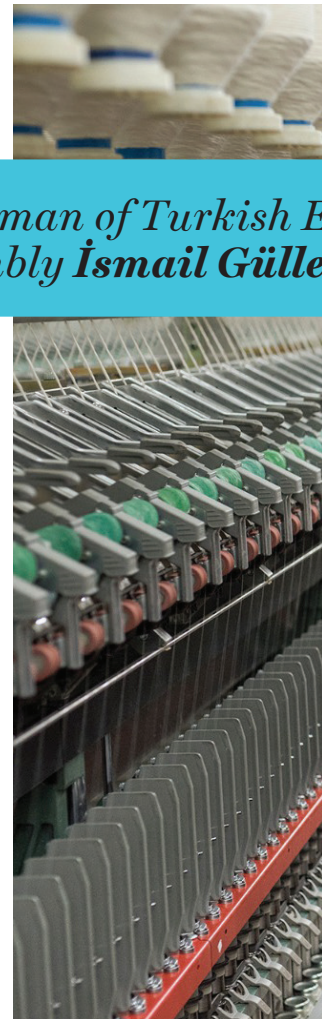
Within the scope of our high level visits, we conducted significant meetings with our Ministries of Industry and Technology and National Education. We also evaluate that these ministries' statements in the context of the 100-day action plan are also very important.

We want to strengthen our cooperation with the Ministry of National Education on the new generation of labor force and fields that our exporters need. We are in the process of signing a protocol with our Ministry.

In the new period, we want to establish a structure which is more active, more effective and result-based activities in Turkey's exports.

Turkey has made a fresh start after the country officially switched to a new government system. As the chairman of TİM, could you please briefly evaluate the results of last elections and the first 100-day action plan that was recently unveiled by President Recep Tayyip Erdoğan?

It is a comprehensive program that responds to all our necessities we have been waiting for months.



We will provide mentoring support to firms that have never exported and are currently exporting but want to increase their exports.



Exporters

As TİM, a significant part of our expectations that will enable us to move our exports further and in fact to moving exports further will move our country further according to the program. This is the most important indicator of what our government and our President attaches importance to exports. The most important task for us in these 100 days is to contribute to our economy with record export figures like monthly record in July.

After the announcement of Medium-term Programme, we will have a much stronger economy with the harmony of the two programs. Fluctuations in the recent exchange rates and the rising inflation will be restrained in this respect.

How would you describe the importance of TİM for Turkish exporters? What steps should be taken by TİM to increase the number of exporting companies?

As seventy-one thousand of exporters; we stand with unity and solidarity, with determination, with our country and with our future. It is our job to create a solution-focused environment and solve the problem of exporters. Therefore, we will run the Assembly more actively, we will listen to our delegates continuously. We will act with 7/24 export philosophy.

Our exporters will be able to make customs clearance of goods at their own facilities in

We should continue to export strategy focused on R&D, innovation, brand and design as usual.

order to reduce the loss of time in Customs.

Turkey Trade Centers will be in service in 365 days for with fair logic to all exporters and all of them will also be able to benefit from e-trade facility.

We are also organizing Export Compass events in order to inform our exporters about trade opportunities for new countries and significant information how to access their target markets.

Turkey's export has a considerable contribution to the growth of its economy. What more steps should be taken to improve our export figures? Could you please explain your strategies for increasing our export volume?

First of all, we should continue to export strategy focused on R&D, innovation, brand and design as usual.

As a result of this strategy, we will organize our annual organizations with a strong emphasis on innovation and R&D such as Innovation Summit and Entrepreneurship Week.

We will provide mentoring support to firms that have never exported and are currently exporting but want to increase their exports.

We will match the experts in foreign trade with firms in order to provide Mentoring support for export. Therefore we plan to extract the needs analysis of our companies

So what does this need analysis cover?

- Export tariffing and contracts

We want to strengthen our cooperation with the Ministry of National Education on the new generation of labor force and fields that our exporters need.



- Certificates of Origin and Circulation of Goods
- Government Supports in market research
- The country procedures according to export type and product

• Export Compass

We will increase the number of our trade delegations so that our exporters can get information about the target and alternative markets better. Our Country Desks department guides the firms and provide them important information about the trade and economy of the countries where they want to export. We inform them about general economic and commercial data, export potential, competitor analysis, custom tariffs, preferential tariff and technical barriers, bilateral agreements and Free Trade Agreements (FTA) of their target country.

Additionally, comprehensive economic and foreign trade reports on the target country are prepared by our relevant

departments before the trade delegations organized to facilitate the access of our exporters into new markets.

Sector Desk is at service to help 71 thousand exporters operating in all sectors, to collect problems and requests related to their sectors. Thus, we aim to help them in the shortest time for export obstacles and proceed smoothly export operations.

In brief, we are mobilizing all our resources to keep our companies informed and to direct them to new markets to increase our exports.

E-trade is radically transforming the global economy on a practical level. What is Turkey's road map to increase its share in e-trade?

In the global economy, e-commerce has gained great importance. We, as Turkey, do not miss this trend and we got all our measures in order to support our business people.

Our companies are able to join e-commerce platforms with the serious supports of Ministry of Commerce and our Assemblys'. We made the membership process easier of

As TİM, a significant part of our expectations that will enable us to move our exports further and in fact to moving exports further will move our country further according to the program.

them to offer their products to the target markets

In this way, we aim to provide our companies with a fast adaptation to digital commerce in addition to direct trade in goods.

Our Assembly has signed collective membership agreements with trading platforms AliBaba, Kompas and Turkish Exporters. Our Government is encouraging our firms to 80% of the cost of membership in such platforms.

Up to now, 14,467 companies have benefited from this incentive and have become members of

e-commerce platforms. The interest of our companies in e-commerce platforms is increasing day by day.

What kind of projects do you consider to apply in order to integrate technology into the export? In this respect, do you believe that Turkey Innovation and Entrepreneurship Week makes a positive contribution to succeed it?

We believe that now consists of the innovation ecosystem in Turkey.

We will make the Innovation and Entrepreneurship Week which we have organized since 2012 more compact this year. We are not going to do organize for the whole week hereinafter and it will be held on 5th of October this year.

Now, more value-added and results-based with an event, professionals in the innovation that makes a difference in the world and Turkey, will meet with qualified business people and researchers.

As a new management, we attach special importance to entrepreneurship. That's why we distinguished

entrepreneurship from innovation. Entrepreneurship Week will also be organized as a separate event in a single day.

We want to contribute to the goal of becoming Istanbul's global entrepreneurship center. We aim to organize this event as one of the most important meeting points of startup and technology companies.

As the chairman of TİM, what are your expectations for the next year, as well as 2023 and 2071 targets? What will be your strategy to achieve these goals?

We are witnessing a new round of international trade, in which protectionism is in full swing, and trade wars have gained a great depth. At such a time, we believe that the removal of these barriers is a great opportunity for facilitating trade.

First of all, we aim to facilitate the credit access of our exporters due to fluctuations in the financial markets. At this point, we



believe that these funds will return to our exporters in 10 times.

In the process we have been through, we will use all our resources for export campaign to be beneficial to the economy of Turkey. All economic and commercial

opportunities will be evaluated to protect the value of the Turkish lira.

As TİM, we attach importance to the support provided by our Ministries of Industry and Commerce on R & D and Design as TİM. It is possible that we

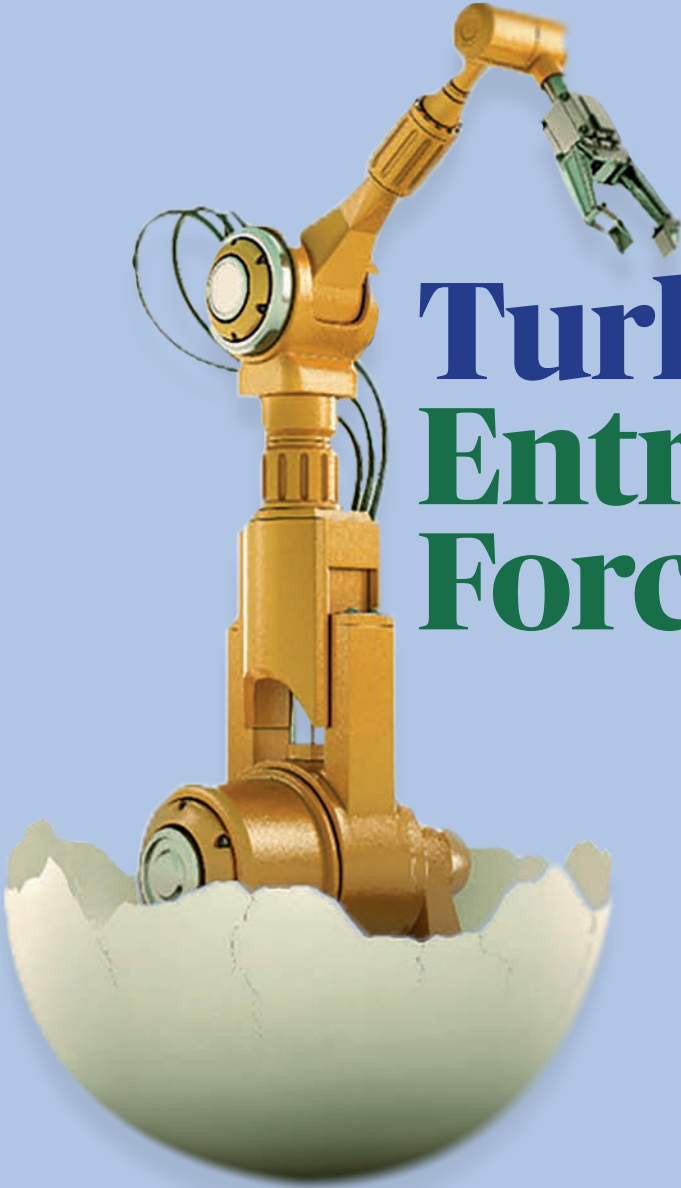
can raise our unit price of \$ 1.36 in exports by doing value-added production. It is expected that the "Project Based Incentive Package" announced in 2018 will play a big role in the closing of our current account deficit by decreasing our external dependency in product groups such as "Petro-Chemistry", "Advanced technology" which are major items in our current account.

Another issue is that we can increase our share of world trade. We are aiming to increase our share from 0.9% to 1.5% until 2023. Especially we are working to increase our trade volume with these countries by improving our trade relations with Africa, Latin America, Middle East and Far East countries.

We will continue to work determinedly in the export mobilization that we have started to reach our national targets much faster.



TİM has signed a protocol with Eximbank on allocating its reserve funds and a portion of the resources of Turkey Promotion Group to exporters.



Turkey's New Entrepreneur Force

TİM-TEB Global Houses are intended to encourage, develop and strengthen **innovative entrepreneurs and start-up businesses** that generate high added value and have export potential.

Content: Regional Cooperation On The Rise **P18** First-Ever Presidential Visit To Zambia **P20** Export Will Soar With The 100-Day Action Plan **P23** Robust Growth In The Industry **P24** Istanbul Is Ready For Take-Off **P26** "All Eyes Will Be On Turkish Airlines" **P30** Arda Ermut Appointed As The Head Of Presidential Investment Office **P32** **Editor:** Ramazan Güzyurdu

Briefing

INTERNATIONAL RELATIONS, EXPORTERS DIARY, AUTOMOTIVE, AVIATION, INVESTMENT...



INTERNATIONAL RELATIONS

BRICS:

OPPORTUNITY FOR TURKEY

President Recep Tayyip Erdoğan attended the 10th BRICS Summit held in the South African city of Johannesburg and drew attention to the turbulent period the world is going through in his speech.

Noting that his participation in the BRICS Summit as the President of Turkey constitutes the first high-level contact between Turkey and the BRICS, President Recep Tayyip Erdoğan stated that he sees the summit as an opportunity for the deepening of cooperation between Turkey and the BRICS and that Turkey desires to cooperate with BRICS-member countries in the fields

of economy, trade, investments and development.

Expressing his thought that cooperation can be forged between the BRICS New Development and Business Council and the relevant institutions in Turkey, President Erdoğan highlighted Turkey's hope that the ongoing membership talks between Turkey's Ministry of Treasury and Finance and the BRICS New Development



Turkey desires to cooperate with BRICS-member countries in the fields of economy, trade, investments and development.

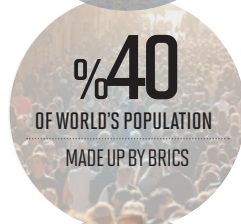
Bank will be finalized in a short span of time. "We can also collaborate regarding the works, conducted under the roof of the BRICS and in Turkey separately, for the establishment of a new international credit rating agency which is more just and more impartial. We want to further our cooperation with BRICS-member countries in the field of energy, as well," President Erdoğan said.



GREAT NEED FOR THE STRENGTHENING OF OIC-BRICS COOPERATION

Highlighting that he has been invited to the BRICS Outreach Session in his capacity as the OIC Summit Chair and that he represents not only Turkey but also all the OIC-member Islamic countries at the BRICS Summit, President Erdoğan said: “There is a great need for the strengthening of OIC-BRICS cooperation. We can benefit from the South-South cooperation processes within this framework for a more just world. The opportunities for cooperation between the Islamic Development Bank and the BRICS New Development Bank, especially those aimed at contributing to Africa’s development efforts, should be seized.”

Drawing attention to the turbulent period the world is going through, President Erdoğan underlined that wars, terror attacks, economic crises and natural disasters have recently inflicted deep wounds on the humanity and said: “Current global system satisfies no one other than a minority whose interests have been guaranteed.”



Recalling the almost decennial recurrence of economic crises up until today, President Erdoğan stated: “It is impossible for the current structure to continue without being overhauled and amended in line with today’s conditions. It is a must that the increasing weight of the emerging economies are reflected in the system.”

TURKEY: TOP DONOR OF AID IN ALL CATEGORIES IN PROPORTION TO GDP
President Erdoğan continued: “We closely follow the role the BRICS seeks to assume in the South-South Cooperation. Turkey is among the leading

“We closely follow the role the BRICS seeks to assume in the South-South Cooperation.”

countries of the world in terms of development aids, one of the most important element of the South-South Cooperation. Last year, we were one of the top countries in this area with the \$8.2 billion official development aid we provided. And we are by far the leader in terms of humanitarian aid. We are today hosting over 4 million refugees, 3.5 million of whom are from Syria and Iraq. Turkey has spent \$32 billion for refugees at a time when many developed Western countries condemn refugees to barbed wires. What is more, our country put the issue of development at the top of G20 agenda during its G20 term presidency in 2015. We inaugurated the Technology Bank for Least Developed Countries on June 4. It is extremely important that Africa has been determined as the main theme of the 10th BRICS Summit.”

Turkey’s direct investments in Africa amount to more than \$6 billion, President Erdoğan underscored, describing the works Turkey has been carrying out in Somalia since 2011 as an important example that manifests Turkey approach to the African continent.

Expressing his pleasure to come together with the leaders of BRICS-member countries on the occasion of the summit, President Erdoğan thanked the Republic of South Africa at the end of his speech.





REGIONAL COOPERATION ON THE RISE

President Recep Tayyip Erdoğan attended the inauguration of the chancery of the Turkish Embassy in Pretoria, the capital of South Africa.

Speaking at the inauguration of the chancery of the Turkish Embassy in Pretoria, President Erdoğan said: “We attach special importance to boosting the diplomatic representation of Turkey abroad in recent years. We seek to increase the number, capacity and representation capability of our missions, in particular in African countries. We have covered great distance in our relations with Africa since 2005 as a result of our joint efforts with African countries. The number of our embassies in Africa, when we took office, was 12. Now, it is 41. Turkey, which used to be visible in only certain regions up until 10-15 years ago, now has the 6th most widespread diplomatic network in the world.”

“TURKEY IS IN SOUTH AFRICA WITH ITS UNIQUE HISTORICAL EXPERIENCE”

Continuing his speech by pointing out that Turkey’s history in African lands is not new, President Erdoğan stated that their ancestors had had a presence in many areas in Africa, from Sudan to Nigeria, with their services, mosques, madrasas and social complexes. “Despite ups and downs, this process has never been interrupted,” President Erdoğan noted, adding: “Today, Turkey is in South Africa not only with its governmental agencies and businesspeople, but also with its unique historical experience. We, as the country and the nation, have never sought to build prosperity for ourselves on the natural resources, labor or blood of other geographies or communities.”



ONE SINGLE TARGET: MUSLIMS AND THE BROTHERHOOD OF ISLAM

Commencing his speech by thanking President Cyril Ramaphosa of the Republic of South Africa for inviting him to the BRICS Summit as the Summit Chair of the Organization of Islamic Cooperation (OIC), President Erdoğan pointed out that he considers foreign visits not only a means for boosting bilateral relations between two countries, but also a means for consolidating the brotherhood and solidarity with those countries. Stating that he will determinedly maintain his struggle for rights and justice, which he has symbolized by saying, “The world is bigger than five,” President Erdoğan noted: “We, with this intention and passion, stand by the Africans, Palestinians, Bosnians, Syrians, Rohingya Muslims and Turkestanis. We will maintain this struggle until oppression in the world comes to an end, the innocent is happy and tears of the wronged stop.”

“We have paid special attention to boosting our cooperation with Africa over the past 16 years,” President Erdoğan also underscored.



FIRST-EVER PRESIDENTIAL VISIT TO ZAMBIA

President Recep Tayyip Erdoğan proceeded from South Africa to the Zambian capital city of Lusaka for a one-day official visit.



President Erdoğan, in a statement following his tête-à-tête with President Lungu of Zambia, highlighted commercial and economic relations as the field in which the biggest improvement can be achieved given the two countries' potentials and said: "We stand ready to share with Zambia our experience in economy within the framework of projects that will serve our mutual interests."

President Recep Tayyip Erdoğan, who is in the Zambian capital city of Lusaka for an official visit, made a statement following his one-on-one meeting with his Zambian counterpart, Edgar Lungu.

Emphasizing the historic importance of his visit to Zambia in that it is the first-ever presidential visit from Turkey to Zambia, President Erdoğan expressed his gratitude for the hospitality displayed.

"WE ARE DETERMINED TO ADVANCE OUR RELATIONS WITH ZAMBIA IN EVERY FIELD"

Thanking President Lungu of Zambia for his participation in the ceremony held to mark his election to second term as president, President Erdoğan stated that they addressed bilateral relations during their talks.

Since the day it won independence, Zambia has been a model country for African nations with its democratic institutions, environment of peace and stability, development efforts and important potential, President Erdoğan said, praising the critical role President Lungu of Zambia has played in this success.

Noting that Turkey sees Zambia as a friendly nation and as a political and economic partner with which the bilateral relations can be diversified and advanced,

President Erdoğan said: "We are ready and determined to advance our relations with Zambia in every field including political, military, economic, commercial and cultural areas."

PARTICULAR IMPORTANCE TO THE 12 AGREEMENTS

"I attach particular importance to the 12 agreements the two countries signed," President Erdoğan underlined, describing them as an important step toward consolidating the contractual basis of the bilateral relations.

Highlighting commercial and economic relations as the field in which the biggest improvement can be achieved given the two countries' potentials, President Erdoğan said: "We stand ready to share with Zambia our experience in economy within the framework of projects that will serve our mutual interests."

Turkey and Zambia had an annual bilateral trade volume of 22 million dollars in 2017, President Erdoğan recalled, stressing the importance of keeping up the efforts to add momentum to the bilateral economic relations. President Erdoğan also expressed Turkey's desire for the first-ever Turkey-Zambia joint economic commission to be convened without delay.



Turkey and Zambia had an annual bilateral trade volume of 22 million dollars in 2017.



“WE CAN ACHIEVE OUR GOALS WITH YOUR LEAD”

Chairman of TİM, İsmail Gülle requested support from the Ambassadors to develop the export of Turkey at the 10th Ambassadors' Conference held in the capital Ankara.

THE TURKISH
AMBASSADORS from all over the world have met with exporters of Turkey at the dinner of Turkish Exporters Assembly (TİM) and the Foreign Economic Relations Board of Turkey (DEİK) at the tenth annual Ambassadors' Conference organized by Ministry of Foreign Affairs. Minister of Foreign Affairs of Turkey, Mevlüt Çavuşoğlu and Minister of Trade, Ruhsar Pekcan attended and spoke at the dinner. Chairman of TİM, İsmail Gülle stressed that Turkey's 2023 goal is to take place among the top 10 economies of the world and said “Export is the duty of all of us.”

They have some expectations from the Ambassadors as the top representatives of Turkey in the world, said İsmail Gülle, “We need an information platform includes the current economic and political developments of the countries we export. In this sense, we expect your precious support to access to market, to settle in the markets and to develop customer relations,” he said. However, we expect from our ambassadors to support the visa process of our businessmen in some countries.

Noting that Turkey has made a major breakthrough in both the political and economic areas over the last 15 years, İsmail Gülle said that this success occasionally disturbed some strategic partners. İsmail Gülle stressed that exporters will not stop their production in such a period. “We will look for ways to increase our exports more.



EXPORTERS DIARY



We will continue to work with all our power to make the brand of Turkey exist at every point in the world,” he said.

Speaking at the dinner on the sidelines of the 10th Ambassadors' Conference, Turkish Trade Minister Ruhsar Pekcan said that Turkey invited the U.S. to a panel in the World Trade Organization (WTO) about doubling tariffs on steel and aluminum imports. She added that Turkey's invitation was at 17:40 the local time in Turkey (14:40 GMT) and it was received by the U.S.

Turning to relations with the U.S., Mevlüt Çavuşoğlu, Minister of Foreign Affairs of Turkey, said that despite differences between the two sides, Turkey is open to resolving matters in a

diplomatic way. Despite everything, we are open to discussing everything as an equal partner in order to resolve all existing problems, but on one condition: There will be no threatening language.”

Turkey's Minister of Foreign Affairs said also that Ankara agrees with Russia in principle on its lifting of visas for businessmen, truck drivers and service passport holders. On visa-free travel for Turkish citizens in EU countries, Çavuşoğlu said ongoing efforts would be intensified on the matter.

Turkey has made a major breakthrough in both the political and economic areas over the last 15 years.



THE FIRST STEP CAME FROM TİM



İsmail Gülle, the President of TİM, said that they have decided to activate the resources that TİM and Exporters' Associations have for exporters not to be negatively affected by the speculative fluctuations of currency exchange rates.

Turkish Exporters' Assembly (TİM) is taking the action against the rapidly rising US Dollar. TİM is getting prepared to provide Eximbank with the funds held by TİM itself and its exporters' associations for exporters not to face the risk of being in a difficult situation due to the rising exchange rates. İsmail Gülle, the President of TİM, who made a statement about the subject, set that TİM itself and its 61 Exporters' Associations have already started to move against the rising dollar.

Reminded that Turkey is going through a difficult period, Gülle expressed that they believe that the sudden rises in currencies are not related to the market conditions and there are some other reasons of it. Emphasized that the exporting community,

which works night and day in order to bring foreign currencies into Turkey, will not remain unresponsive to this situation and continued by saying "Under the leadership of our President Recep Tayyip Erdoğan, we are taking on the responsibility against this speculative action. In this context, we are ready to allocate all the funds held

by TİM itself and exporters' associations to Eximbank in order to be at the side of our exporters during this period, in which exchange rates are rising."

Turkish Exporters' Assembly (TİM) is taking the action against the rapidly rising US Dollar.



Fine Food Australia 2018:

"DISCOVER THE POTENTIAL OF TURKEY"

MUHSİN ÇAKICI, Chairman of Istanbul Dried Fruit and Products Exporters Association (KUMİB), "As being Turkish food exporters, it is a great opportunity for us to meet with our counterparts from Australia and near abroad countries for the third time. I am confident that all partners will continue to benefit from our ongoing cooperation."

THE TURKISH PAVILION IS LED BY ISTANBUL EXPORTERS' ASSOCIATIONS

Çakıcı emphasized, "This is the third time that we organize the national participation of Turkish companies to the Fine Food Australia, under the coordination of Ministry of Trade of Republic of Turkey".

"Turkish Pavilion is including leading companies in food sector and Exporters Associations, also. We will host our high-level guests at our prestigious stand for "TURKEY". Visitors is going to find a wide range of food products in Turkish Pavilion, from all kinds of dried fruits to nuts including hazelnuts, from dried tomatoes to almost all sorts of canned foods and processed fruit and vegetable products and so on."

Çakıcı thanked the relevant parties for their efforts and by addressing all businesspersons, "I kindly invite everybody to visit Turkish Pavilion for trade opportunities."



EXPORT WILL SOAR WITH THE 100-DAY ACTION PLAN

Chairman of Turkish Exporters Assembly (TİM), İsmail Gülle, evaluated the 100-day action plan announced by President Recep Tayyip Erdoğan.

TİM CHAIRMAN SAID THAT: “Today, the plan put forth by the President of the Republic of Turkey is a very complete plan that responds to all expectations. This plan aims to achieve 100 months’ worth of action in just 100 days. The Treasury and Finance Minister Mr. Albayrak also announced that they will create a solid footing for the new Medium-Term Program. Hopefully, with the harmonization of these two programs, we will have a much stronger economy. We believe that, the fluctuations in the exchange rates and the rising inflation will be restrained with these two comprehensive programs.”

Stating that TİM’s suggestions have entered the program, Gülle also said that; “We believe that this plan will enable us to increase our exports further and help the economic growth of Turkey.”

“We believe that this plan will enable us to increase our exports further and help the economic growth of Turkey.”

MORE PARTICIPATORY AND MORE PROACTIVE

TİM and Exporters’ Associations’ Consultancy Meeting was held with the participation of the Minister of Trade.

MENTIONING ABOUT the rising tension in relations with the US, Turkish Exporters’ Assembly (TİM) Chairman İsmail Gülle said; “As exporters, we are ready to make efforts to influence the politics of trade. This is our first consultancy meetings as the new administration. Our aim is to change the structure of TİM to become more participatory and more proactive. We will create a common mind with different viewpoints, we know very well that only one person’s effort is not enough to carry our exports to the targets of 2023. We are gathered in the framework of these thinkers, we are gathered to get to know each other better, to listen to one another, to exchange ideas, and to discuss our projects.”

Explaining her expectations and objectives, Minister of Trade, Ruhsar Pekcan, who also attended the meeting, said: “As the Ministry of Trade, our short-term objective is to have 120 thousand exporters. We also want to increase high technology and design-based exports’ share in Turkey’s export composition. In this new era, Ministry of Economy and the Ministry of Customs and Trade were merged under the roof of the Ministry of Trade. As the new management, we will start with simplifying foreign trade procedures. We will equip Eximbank with stronger financial instruments. We will work with local, demand-oriented countries in accordance our targets and we will open 35 new Turkish Trade Centers.”





CHEMICAL

ROBUST GROWTH IN THE INDUSTRY

Chemical industry's export has been increased by 12.34% in June and has moved up to the second place.

BY RAMAZAN GÜZYURDU

ACCORDING TO THE DATA of Istanbul Chemicals and Chemical Products Exporters Association (İKMİB), in June 2018, chemical products export has been increased by 12.34% compared to June 2017 and became the second largest industry with an export of 1 billion 424 million dollars. The countries to which export was made the most in June, respectively, are as follows: Egypt with an export of 99 million 95 thousand dollars, USA with

The export of chemical industry, the third sector of Turkey's most exporting, has taken the second place after automotive in June.

an export of 92 million 712 thousand dollars, Germany with an export of 77 million 655 thousand dollars.

The export of chemical industry, the third sector of Turkey's most exporting, has taken the second place after automotive in June. While Egypt, USA and Germany, the top three countries of chemistry export in June, have come into prominence, the industry's export figure in June has reached to 1 billion 424 million dollars.

EGYPT AND THE USA WERE THE COUNTRIES TO WHICH EXPORT WAS MADE THE MOST IN JULY

Egypt was the country to which export was made the most in June. While the chemical product exports to Egypt were 70 million 259 thousand dollars in June 2017, this figure has increased by 41.04% and reached to 99 million 95 thousand dollars in June 2018. Chemical products exports to USA we

made in June, when most industry had losses, have been increased by 30.81% and reached to 92 million 712 thousand dollars compared to the same month of the previous year. The top ten countries other than USA in chemical product export are; Germany, Greece, Iraq, Italy, England, China, Romania and India.

THE MOST EXPORTED PRODUCTS IN THE CHEMICAL SUB-SECTORS ARE "PLASTICS AND PLASTIC PRODUCTS"

Export of plastics and plastic products made in the sub-sectors continues to be the driving force of chemical export. The most exported products (plastics and products) made in June have taken the first place with an export of 484 million 96 thousand 238 dollars. While exports of mineral fuels, oils and products have taken the second place with an export of 256 million 248 thousand

CONTINUE TO RISE WITH STRONG STEPS

JUNE 2017
VALUE (\$)








JUNE 2018
VALUE (\$)



2017-2018
DIFFERENCE (%) VALUE



				
446 MILLION	250 MILLION	86 MILLION	184 MILLION	77 MILLION
PLASTICS AND PLASTIC PRODUCTS	MINERAL FUELS, MINERAL OILS AND PRODUCTS	INORGANIC CHEMICALS	RUBBER AND RUBBER PRODUCTS	PHARMACEUTICAL PRODUCTS
484 MILLION	256 MILLION	160 MILLION	107 MILLION	85 MILLION
8.54%	2.11%	85.43%	2.89%	10.52%

844 dollars, inorganic chemicals exports have taken the third with an export of 160 million 389 thousand 118 dollars. Following the inorganic chemicals, the top ten sectors are as follows; "rubber, rubber products", "pharmaceutical products", "dye, varnish, composite and its preparations", "essential oils, cosmetics", "soap and washing preparations", "organic chemicals" and "various chemical substances".

Having looked at the semi-annual export performance of the industry, it is clearly seen that the export figure

Export of plastics and plastic products made in the sub-sectors continues to be the driving force of chemical export.





has increased by 6.38% and reached to 8 billion 431 million dollars in the period of January-June compared to the same period of year 2017. The countries to which export was made in this period are as follows: Germany, USA, Egypt, Spain, Iraq, Italy, England, Netherlands, Greece and Iran.

Evaluating performance of the chemical industry for June, Adil Pelister, Chairman of Istanbul Chemicals and Chemical Products Exporters Association (IKMIB) said, "Our export of the chemical industry, one of Turkey's

most significant industries, continues to rise. Our export figure has increased by 12.34% and reached to 1 billion 424 million dollars in June 2018 compared to June 2017, which enables this industry to have risen to the most second exporting industry of Turkey. We believe that this noteworthy development is due to the increase in exports to the US, China and India we made. Chemical products exports to USA we made in June, when most industry made losses, have been increased by 30.81% compared to the same month of the previous year and risen to the second place after Egypt. The countries to which we export the most in June are: Egypt, USA, Germany, Greece, Iraq, Italy, England, China, Romania and India. Another important factor is that our export to Greece is almost twice. I congratulate all of chemical exporters for delivering us to second place this month and I wish them a continued success. We continue to support our exporting companies with our innovative projects and we will move our chemistry sector forward together."



The countries to which chemical products export was made the most in June 2018

COUNTRY	JUNE 2017 VALUE (\$)	JUNE 2018 VALUE (\$)	VARIATION VALUE (%)
 EGYPT	70 MILLION	99 MILLION	41.04%
 USA	70 MILLION	92 MILLION	30.81%
 GERMANY	67 MILLION	77 MILLION	15.88%
 GREECE	31 MILLION	65 MILLION	111.31%



AVIATION

ISTANBUL IS READY FOR TAKE-OFF

The first phase of İstanbul New Airport is due to open in October 2018, and once it is complete, it is expected to become the world's busiest airport.

BY İBRAHİM AVCİ

TURKEY, WHICH HAS BEEN THE MOST IMPORTANT connection point of trade between the East and the West for centuries, is combining the modern Silk Road with air traffic. Turkey, which has been one of the fastest growing aviation markets of Europe thanks to its average annual growth performance exceeding 10% for the last decade, hosted 87 million local and foreign passengers in 2016. The number of foreign visitors arriving in Turkey in 2017 amounted to 32.41 million

people. In 2018, 40 million tourists are expected to visit in Turkey.

The New Airport that will make İstanbul, from where the flights are performed to the highest number of destinations in the world, one of the most important hubs of the global aviation market is being constructed on an area of 76.5 million square meters in the northern part of the city. İstanbul New Airport will host more than 100 airline companies and will be able to reach more than 300 destinations.

İstanbul New Airport that is the world's largest airport terminal under one roof will have a capacity of serving 90 million passengers in the first phase. It is going to be opened on 29 October 2018, the 95th anniversary of the Turkish Republic, with its two 3,750 and 4,100 meters long parallel runways that can be operated independently of each other, cargo city, maintenance facilities, hangars, general aviation and other support buildings.

PARTICULAR IMPORTANCE TO THE 12 AGREEMENTS

İstanbul New Airport aims to become one of the biggest cargo HUBs on Earth through ever increasing investments of domestic-foreign companies thanks to our country's strategic location. İstanbul New Airport project will make great contribution to the national economy in air cargo transport's gaining importance.

The Cargo/Logistic Center will be built on an area of 1.4 million square meters for the first phase of the project, and enlarged to 1.6 million square meters with its additional zone of 200,000 square meters to be built in the subsequent phases. Numerous important domestic and foreign companies serving in the cargo, logistics and temporary storage areas will get involved in this project. The Cargo/Logistic Center will serve with an air cargo



tonnage capacity of 2.5 million tons a year in its first phase, and this capacity has been planned so as to be capable of rising to 5.5 million tons a year in the second and third phases.

For this center with which more than 30 wide body aircraft can dock simultaneously, the parking positions are in front of the warehouses; a perfect operational infrastructure has been contemplated, which will not be affected by the aircraft traffic as it will use the air side service tunnels reaching to the passenger terminals and remote parking stands by passing through beneath the runways and taxiways.

In the Cargo City to be established in Istanbul New Airport, the warehouses, agency buildings, customs office, and all cargo/logistic operations will be together. There will be service points such as banking services, cafes and restaurants, dry cleaning, hair dresser, PTT, prayer areas, veterinary, medical center, and test laboratories that will both serve the personnel of all firms to operate in the cargo city and facilitate the works

of the persons who will use this region for business purposes. In the usage area of 456 thousand square meters in total planned for all support areas where circulation is high, car parks where 18 thousand big and small vehicles can park have been planned. Besides, an alternative access road has been planned in order to enable the passengers and employees to access the cargo city without being stranded in traffic in rush hours.

UPS TO EXPAND CROSS-BORDER TRADE CAPACITY WITH ISTANBUL NEW AIRPORT

United Parcel Service (UPS), a world-known American multinational package delivery and supply chain management company will expand its air operations in Turkey with a new facility to be established at the Istanbul New Airport.

The U.S. giant said the new facility will effectively connect customers in Turkey with the regions in the rest of the world via UPS's intercontinental air hub in Cologne, Germany. The new facility is planned to be four times larger than the UPS

facility at Istanbul Atatürk International Airport and set to open before the end of 2018.

The company recently invested in Paris, London and Eindhoven. By better linking Turkey to UPS's advanced European network, it provides customers with attractive access to new markets in the rest of Europe, Asia Pacific, Latin America, the Indian subcontinent, the Middle East and Africa.

Daniel Carrera, the president of UPS East Europe District, said UPS's export volume in Europe has increased by more than 15 percent last year, adding that their operation in

Turkey made a significant contribution to this growth. Cross-border trade is predicted to grow faster than the global gross domestic product (GDP) in the foreseeable future. As a result, economies are becoming more interactive and connected to foreign trade, and they also need more reliable global networks," Carrera said. "With this new investment, businesses in Turkey can access UPS's intelligent global logistics network, taking advantage of export opportunities to grow."

Turkey is only five hours away from Europe, the Middle East, Central Asia, North and Eastern Europe, said Kadri Samsunlu, General Manager and Chief Executive Officer of İGA Airport Operation, stressing that Turkey's geographical location offers a strategic advantage for logistics as proven by UPS and other global shipping companies' plans to operate in Istanbul.

"Our aim is to increase our cargo and freight handling capacity by utilizing our strategic position and cutting-edge technology to reduce transit times. Istanbul will be a hub for both passenger and cargo and freight transport," Samsunlu said.





AUTOMOTIVE

SUPER POWER OF EXPORTS

Turkey's automotive industry continues to keep the title of the best performing export sector in 2018 as it is in the last 11 years.

BY SERAP KAYA

THE AUTOMOTIVE SECTOR has an important place in the economy's development. New trends have emerged in this development process. Many countries have made breakthroughs in this regard. There need to find solutions to the problems especially in big cities.

Looking at the last 16 years of automotive production in the world, market growth in North America, Western Europe and Japan has lagged behind developing countries. As a result, automotive production has accelerated to developing countries from developed countries and the

share of producer countries in world production has changed radically. Along with this change, new trends such as zero emission plan, electric vehicle and autonomous vehicles have emerged.

The automotive sector, which owns most of the world R&D investments, occupies an important place in the R & D activities of the producers for zero accidents and less fuel usage. As a result of these efforts, compacted environmental regulations speed up the development of hybrid and electric vehicles. The development of digitalisation along with

R&D work shows that the tools will become data centers at the same time.

SHINING SECTOR OF TURKEY

Automotive sector is one of the robust sectors in Turkish economy, taking into consideration the high added value it creates. The industry supplies the motor vehicles needed by sectors such as agriculture, tourism, construction, infrastructure, transportation and defense, as well as being the buyer of the products produced by sectors such as iron and steel, petrochemicals, plastics, glass, textile and electronics. The

Automotive sector

is one of the robust sectors in Turkish economy, taking into consideration the high added value it creates.

automotive sector is also closely connected with the marketing, dealers, after-sales service, fuel oil, finance and insurance sectors, which provide raw materials and subsidiary products at the same time.

Turkish automotive sector has increased its production capacity by 31% and production by 48% over the last decade. Introduction of new models that are primarily produced for export markets, improvement in economic activity in Europe which is the main export market and the positive course in domestic demand have all contributed to this growth.

In 2017, the total automotive production increased by 13 percent to 1.7 million compared to 2016, while automobile production reached 1.1 million with an increase of 18 percent, providing the sector with the highest levels in both total automotive and automobile production.

In January-June 2018, total automotive exports increased by 15% in dollar terms and by 3% in Euro terms compared to the same period of the previous year. In this period, total automotive exports amounted to \$16.77 billion, while automobile exports increased by 7% to \$6.55 billion. automobile exports have reached €5.4 billion in the Euro-based.

In the commercial vehicle group, production increased by 7% in January-June 2018, while it increased by 5% in the light commercial vehicle group and 31% in the heavy commercial vehicle group. In the January-June period of 2017, the market for heavy commercial vehicles was 6%.

TURKEY AS AN INTERNATIONAL CENTER OF EXCELLENCE FOR AUTOMOTIVE GIANTS



- Foundation of first factory was laid in 1959
- Has total capacity of production of 415,000 cars per year
- Commercial vehicle manufacturing hub of Ford Europe
- Has Turkey's largest R&D center located in a single campus in Istanbul
- Exports worth \$ 3.8 billion in 2016 to 83 countries
- One of the 3 largest R&D centers of Ford Global

- The facility was established in 1968
- Has the capacity of 450,000 vehicles per year
- Employs more than 7000 workers
- Only factory in the country that manufactures both passenger and light commercial vehicles
- R&D center in Bursa is the only center of Fiat outside Italy
- Italy serving the European market



TOYOTA

- Invested almost \$2 billion since entering the country
- Over 3500 staff, 280,000 annual production capacity
- Almost 85% of the production exported to more than 50 countries
- Started the production of first hybrid vehicle in Turkey, C-HR, with an investment worth EUR 350 million

- Operational in Turkey since 1992
- Production of Civic model started in 1997
- Izmit factory, 50,000 annual production capacity with over 1000 employees
- Invested almost \$ 500 million since the beginning
- Exports 'Civic' to 46 countries throughout the World



RENAULT

- One of the biggest factories of Renault with annual production capacity of 360,000 cars and 750,000 engines
- Total exports in last 15 years exceed \$30 billion
- Flagship company in passenger car production for years
- 6300+ employees, almost 1500 of which are white-collar

- Stepped into Turkish market in 1990
- Started to manufacture in 1997 in Izmit factory
- Has production capacity of 245,000 vehicles annually
- 3000+ employees
- Positioned as the manufacturing hub for European markets



- Operational since 1967
- First production in 1968, first export in 1970
- Has two facilities: Bus factory in Istanbul, Truck factory in Aksaray
- Almost EUR 1 billion total investment with 6000 employees

- The German giant began operations in Turkey in 1966
- MAN's first factory outside Germany
- Largest integrated bus company of MAN Global
- Has 2000 annual bus production capacity, 2000+ employees
- Production base of premium Neoplan bus brand
- Exports to 41 countries including European ones.





AVIATION

"All Eyes Will Be On Turkish Airlines"

Turkish Airlines Chairman of the Board and the Executive Committee M. İlker Aycı addressed the ambassadors on the 10th Ambassadors Conference and underlined the flag carrier's role in expanding Turkey's reach and influence.

THE TENTH ANNUAL Ambassadors' Conference, bringing together Turkey's ambassadors all over the world together to discuss events relevant to Turkey's foreign policy, convened in Ankara and Konya under the theme of "Entrepreneurship and Humanitarian Foreign Policy in Presidential System

of Government".

Turkey's Minister of Foreign Affairs Mevlüt Çavuşoğlu presented M. İlker Aycı, Turkish Airlines Chairman of the Board and the Executive Committee, with a plaque in appreciation of the airline's support to the Ministry of Foreign Affairs. Delivering a speech at the conference, Turkey's Foreign Minister

said that Turkish Airlines is a source of pride for our nation with its service quality and wide reach. Stating that the airline's current coverage of 304 destinations in 122 countries made it a crucial partner to the country's Ministry of Foreign Affairs, the Minister thanked Turkish Airlines for supporting the Ministry's efforts.

"Turkish Airlines is a source of pride for our nation."



Turkish Airlines will move to its new hub, Istanbul New Airport, with a colossal operation involving thousands of vehicles within a period of 45 hours.

destinations served in 122 countries. We wish to become a world leader in air cargo as well", Ayıcı said, adding that transporting Turkish goods and services to world markets was among the priorities of Turkish Airlines.



are increasing the number of our routes to assist the growth of Turkey's tourism industry", he noted.

TURKISH CARGO'S STRONG GROWTH

Turkish Airlines Chairman also touched upon the subject of the airline's fast-growing cargo business, carried out by its highly successful sub-brand Turkish Cargo. "We are now among the world's top 8 air cargo companies. We first aim to enter the top 5 in air cargo and then the top 3. When it comes to passengers, Turkish Airlines is the world's leading airline in terms of international flight destinations with 304

"THE GREAT MIGRATION WILL BEGIN ON OCTOBER 29TH"

Turkish Airlines will run the "largest operation" of civil aviation history to move its base to İstanbul New Airport by 15,000 ground vehicles and 5,000 trucks in 45 hours on Oct. 29-31. The first flight by the national flag carrier will be made to the capital city of Ankara in the afternoon of Oct. 31.

Turkish Airlines Chairman stated the importance of the relocation operation by saying, "This colossal move will be completed in less than two days and will be watched by the entire world. All eyes will be on Turkish Airlines."

TURKISH AIRLINES EXCEEDING TARGETS

Turkish Airlines Chairman of the Board and the Executive Committee M. İlker Ayıcı began his speech by extending his thanks to Minister Mevlüt Çavuşoğlu, and said that Turkish Airlines, flying to more countries than any other airline in the world, helped to cement cultural, social and economic ties between countries.

Stating that Turkish Airlines has revised its year-end target upwards to 75 million passengers, Ayıcı said that Turkish Airlines carried 76 percent of tourists that travel to Turkey via air. "Our guests, as we like to call our passengers, get to know our culture and our country. We

Turkish Airlines will run the "largest operation" of civil aviation history.



ARDA ERMUT APPOINTED AS THE HEAD OF PRESIDENTIAL INVESTMENT OFFICE

Prime Ministry Investment Support and Promotion Agency of Turkey (ISPAT)

has been restructured as the Presidential Investment Office under Turkey's new presidential system of government. Arda Ermut, formerly the President of ISPAT, has been appointed as the head of the Presidential Investment Office and will continue leading efforts to attract FDI to Turkey.

The investment office, redesigned and renamed under the presidential governance system, will operate under the presidency by supporting foreign



investors and promoting the investment environment of Turkey across international platforms. The office will also ensure coordination and cooperation among all relevant Turkish entities responsible for the promotion of the investment climate and generate related data to boost investments.

Investment Office President Ermut is also the president of the World Association of Investment Promotion Agencies (WAIPA), an umbrella agency that covers 170 national and regional investment support agencies from 130 countries.

NEW INCENTIVES FROM MINISTRY OF INDUSTRY AND TECHNOLOGY

Minister of Industry and Technology Mustafa Varank introduced new project-based incentives for 4 strategic investments worth TRY 8 billion in total.

- Turkish Aerospace Industries production of national combat aircraft
- Bosch production of new-generation high-pressure fuel injector
- BMC production of various rail system vehicles
- BMC production of diesel engines, transmissions, and sub-systems

These projects will create a total employment of 4,500, said Minister Varank. Furthermore, these projects are also expected to reduce the current account deficit by USD 1.2 billion.

Minister of Industry and Technology Mustafa Varank also announced the launch of a new support program worth TRY 1.2 billion for industrialists. "We will support the domestic development of widely used products and technologies in our country. We think that this new support program will make a significant contribution to the production of products with high added value, while at the same time contribute to the reduction of the current deficit," said Varank.



STRATEGIC INVESTMENT BY BOSCH IN AUTOMOTIVE INDUSTRY

German giant Bosch announced plans to build a new-generation, high-pressure fuel injector production facility in Turkey's Bursa. This investment, worth USD 1.2 billion, is expected to achieve USD 185 million in annual exports and decrease the current account deficit by USD 230 million, according to Minister of Industry and Technology Mustafa Varank.

"We are pleased that Bosch has chosen Turkey for new investments," said Mustafa Varank, Minister of Industry and Technology.

"We are pleased that Bosch has chosen Turkey for new investments. All companies that contribute to our economy by investing in Turkey, developing technology, and creating employment are our companies. We do not distinguish between foreign and domestic investors. We hold all of them in high esteem," said Minister Varank, in regard to Bosch's investment.



TURKEY'S M&A VOLUME EXCEEDS USD 8 BILLION IN H1 2018, INVESTOR APPETITE RIGHT ON TRACK

International investors continue to show a strong appetite for opportunities in Turkey as the M&A volume since the beginning of 2018 has reached USD 8 billion, with a number of deals still pending closure.

These first half numbers suggest that Turkey will outpace the full year numbers of 2017, which saw around 300 M&A transactions at a total value of USD 10 billion.

Kerim Kotan, Managing Director of Pragma Corporate Finance, an Istanbul-based investment banking company, is projecting that M&A value by the end of 2018 could easily surpass 2017's level of USD 10 billion. "The



Kerim Kotan
Managing Director of
Pragma Corporate Finance

"The leading investment funds and corporations show interest in M&A with Turkish companies."

leading investment funds and corporations show great interest in M&A with Turkish companies," said Kotan, commenting on the six-month performance in company M&As.

Kotan also stressed that the sustainability of structural reforms and the decisive steps taken in Turkey to facilitate the processes for international investors will significantly support M&A volume. Accordingly, the economic policies employed by the Turkish government are being closely monitored by international investors and finance institutions. These will ensure stability, and the rising confidence will provide further momentum to interested international investors.



ISTANBUL HOSTS ALIBABA'S STARTUP CONTEST AS GROUP SEEKS NEW UNICORN

China's Alibaba Group chose Istanbul for the first time as a host city for the Middle East/Africa regional final of the Create@Alibaba Cloud Startup Contest (CACSC).

CACSC is a global entrepreneur olympics platform held in 12 countries across the globe to grow startups to the next level as part of efforts to empower China's Belt and Road Initiative.

The primary objective of CACSC is to pick the most promising and innovative startups in select regions and invite them to China for the global final to be held at the Alibaba Cloud headquarters.

The regional contest, which also stands out as the largest startup event



Invest in Turkey was the most successful investment promotion agency in the region.

by the Alibaba Group, offers Turkish startups an opportunity to get funding from Chinese investors, a chance to become the next unicorn of the Alibaba Group, and future cloud infrastructure support programs, including up to USD 216,000 worth of cloud resources.

This year's Middle East/Africa regional final in Istanbul featured key executives from the Alibaba Group, SoftBank Group, the Consulate of China in Turkey, and jury members such as Invest in Turkey President Arda Ermut, Doğan Group Owner Arzuhan Doğan Yalçındağ, Akbank President Suzan Sabancı Dinçer, Middle

East Venture Partners Partner Rabith I. Khoury, Fiba Group Executive Board Member Murat Özyeğin, Citibank Turkey President Serra Akçaoğlu, and Allianz Turkey President Cansen Başaran Symes.

Fazla Gıda, a startup that provides technological solutions to curb food waste, was named the winner of the contest. In addition to a USD 50,000 award that it can use towards cloud resources, the Fazla Gıda team will travel to Nanjing, China to compete in the final. Rounding out the top five and also joining the winner in China are Kimola, Park Palet, TIRPORT, and Piri.

RECENT CURRENCY DEVELOPMENTS

EXCEPTION GIVEN TURKEY'S SOLID MACROECONOMIC FUNDAMENTALS

The recent fluctuations in the Turkish Lira and the depreciation in emerging market currencies were mainly the circumstance of a globally strong USD, increases in US bond rates, a tightening cycle of advanced economies, and uncertainties arising from protectionist trade measures. Against this backdrop, Turkey's macro fundamentals are strong enough to weather such temporary developments.

1. ROBUST GROWTH

Turkey achieved an average annual growth rate of 5.7 percent in the 2003-2017 period and 6.8 percent

in the 2010-2017 period, which proved resilient against domestic and international shocks. With this

performance, the Turkish economy outperformed other emerging countries despite negativities such

as the 2008 Global Financial Crisis, the European Sovereign Debt Crisis, the Taper Tantrum period, an influx of refugees, a failed coup attempt, Brexit, regional conflicts, and recent protectionist moves and trade war expectations. The composition of the growth has also evolved into a more balanced position in recent quarters. Along with domestic demand, an important driver of Turkey's growth performance, a rebound has been observed in the contribution of net exports thanks to competitive exchange rates,

Rising tourism revenues, restored relations with neighbors, and trade diversification policies. Thus, Turkey has achieved a

sustainable production and investment-oriented export-led growth strategy.

2. IMPROVING CURRENT ACCOUNT BALANCE

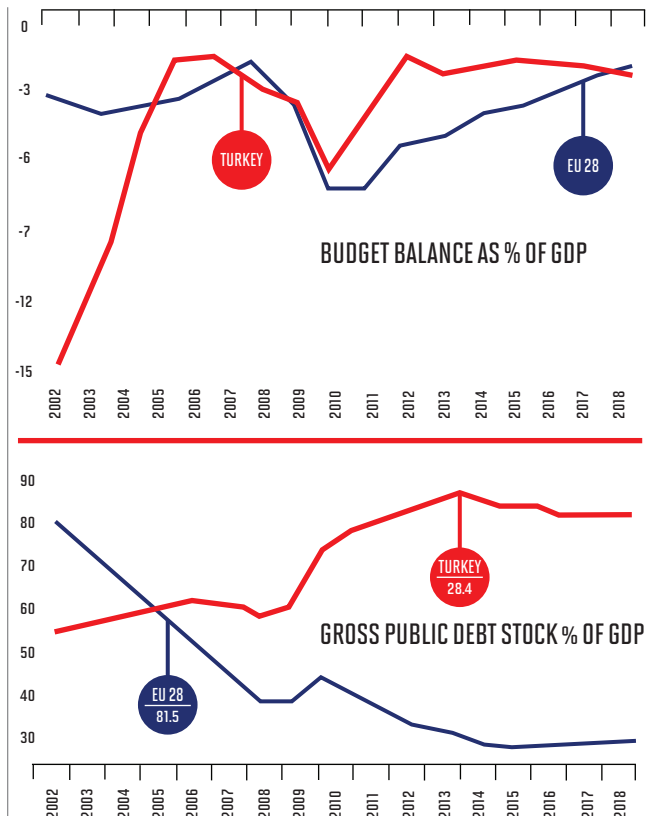
Excluding gold and energy, the current account dynamics and its financing have improved recently in Turkey. Growth recovery in trading partners such as the EU, the contribution of competitive real exchange rates, and downward expectations in imports can be considered the main factors that will support the current account of Turkey for the near future. With regard to financing of the current account deficit in Turkey, an important part is financed by FDI and long-term sources.

3. FISCAL DISCIPLINE

Turkey also has a strong position in public finance. The recovery in the Turkish economy after the 2001

Crisis has been characterized by the restructuring of the banking system and, more importantly, restoring the healthiness of its fiscal position. In this context, Turkey has achieved lower public debt and decreased the budget deficit by pursuing tight fiscal policies. Over the past 15 years, budget deficit to GDP ratio in Turkey has drastically decreased from over 10 percent to levels varying between 1 to 3

percent and the public debt to GDP ratio has also been reduced from over 70 percent to below 30 percent, outperforming the Maastricht criteria of 60 percent.



4. MANAGEABLE CORPORATE DEBT

While corporate debt in Turkey has recently increased, it has been successfully managed by companies and banks. Private sector's overall liabilities due within a year are USD 180.6 billion.

Out of this total, the share of the banking system is USD 102 billion, half of which is deposited by non-resident investors hence not recognized as debt. The remaining half, roughly USD 50 billion, is the amount to be paid back as liabilities.

Turkey's 12-month

cumulative rollover ratio of this type of liabilities is above 100 percent, demonstrating the banking sector's ability to pay back without any difficulties.

65 percent (over USD 48 billion) of the remaining debt is the commitments against goods and services that may increase or decrease in parallel with economic activities, not posing any risk to the banking system.

The record of the 12-month cumulative roll-over ratio for the remaining debt (USD 25 billion) is around 137 percent, indicating no difficulty has been experienced to honor this type of debt.



A NEW ERA FOR ENERGY

BY DAVE TURK, LAURA COZZI, LUIS MUNUERA AND GEORGE KAMIYA -- (IEA)

Over the decades to come, digital technologies are set to make energy systems around the world more connected, intelligent, efficient, reliable and sustainable. Stunning advances in data, analytics and connectivity are enabling a range of new digital applications such as smart appliances, shared mobility and 3D printing. Digitalized energy systems in the future may be able to identify who needs energy and deliver it at the right time, in the right place and at the lowest cost. But getting everything right will not be easy.

D

Digitalization is already improving the safety, productivity, accessibility and sustainability of energy systems.

But digitalization is also raising new security and privacy risks. It is also changing markets, businesses and employment. New business models are emerging, while some century-old models may be on their way out.

Policy makers, business executives and other stakeholders increasingly face new and complex decisions, often with incomplete or imperfect information. Adding to this challenge is the extremely dynamic nature of energy systems, which are often built on large, long-lived physical infrastructure and assets.

The International Energy Agency (IEA) has published a first-ever comprehensive report on digitalization and energy (iea.org/digital) to provide more clarity for decision makers on what digitalization means for energy – shining a light on both its enormous potential and most pressing challenges. It is also intended to serve as a springboard for future work, including deeper analysis in two key areas: digitalization of the electricity sector and automated and shared mobility.



Digitalization: A new era in energy?

The energy sector has been an early adopter of digital technologies. In the 1970s, power utilities were digital pioneers, using emerging technologies to facilitate grid management and operation. Oil and gas companies have long used digital technologies to model exploration and production assets.

Recent technological advances and trends are truly astounding. Data are growing at an exponential rate – internet traffic has tripled in only the past five years. There are now more mobile phone subscriptions than people in the world.

Advancing technology, falling costs, and ubiquitous connectivity are opening the door to new models of producing and consuming energy. Digitalization holds the potential to build new architectures of interconnected energy systems, including breaking down traditional boundaries between demand and supply.

The impact of these tremendous digital advances and their rapid deployment across the energy landscape raise the fundamental question of whether we are on the cusp of a new digital era in energy and, if so, what are the emerging trends. This report attempts to answer these questions.

ADVANCING
TECHNOLOGY,
FALLING COSTS,
AND UBIQUITOUS
CONNECTIVITY ARE
OPENING THE DOOR
TO NEW MODELS
OF PRODUCING
AND CONSUMING
ENERGY.



THE IMPACT OF THESE TREMENDOUS DIGITAL ADVANCES AND THEIR RAPID DEPLOYMENT ACROSS THE ENERGY LANDSCAPE RAISE THE FUNDAMENTAL QUESTION OF WHETHER WE ARE ON THE CUSP OF A NEW DIGITAL ERA IN ENERGY AND, IF SO, WHAT ARE THE EMERGING TRENDS.



All energy demand sectors are feeling the effects

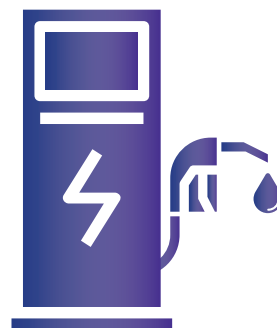
Digital technologies are already widely used in energy end-use sectors, with the widespread deployment of potentially transformative technologies on the horizon, such as autonomous cars, intelligent home systems and machine learning. While these technologies could improve efficiency, some could also induce rebound effects that increase overall energy use.

In the transport sector, cars, trucks, planes, ships, trains and their supporting infrastructure are all becoming smarter and more connected, improving safety and efficiency. Digitalization could have its biggest impact on road transport, where connectivity and automation (alongside further electrification) could dramatically reshape mobility. Meanwhile, the overall net impacts on energy use are highly uncertain. Over the long term, under a best-case scenario of improved efficiency through automation and ride-sharing, energy use could halve compared with current levels. Conversely, if efficiency improvements do not materialise and rebound effects from automation result in substantially more travel, energy use could more than double.

In buildings, our analysis shows that digitalization could cut energy use by about 10% by using real-time data to improve

+5%

The widespread adoption of digital technology in the oil and gas industry could result in an increase in technically-recoverable oil and gas resources by about 5 percent worldwide, with the largest increases predicted in shale gas.



\$1

BILLION

In the residential sector alone, 1 billion homes and 11 billion smart appliances could make use of interconnected electricity systems, making it possible to vary their demand for electricity from the grid.

operational efficiency. Smart thermostats can anticipate the behaviour of occupants (based on past experience) and use real-time weather forecasts to better predict heating and cooling needs. Smart lighting can provide more than just light when and where it is needed; LEDs can also include sensors linked to other systems, for example, helping to tailor heating and cooling services.

In industry, many companies have a long history of using digital technologies to improve safety and increase production. Further cost-effective energy savings can be achieved through advanced process controls, and by coupling smart sensors and data analytics to predict equipment failure. 3D printing, machine learning and connectivity could have even greater impacts. For example, 3D printing can be used to make aircraft lighter, reducing both the materials to build the plane and the fuel to fly it.

Energy suppliers will reap greater productivity and improve safety

The oil and gas industry has long used digital technologies, notably in upstream, and significant potential remains for digitalization to further enhance operations. Widespread use of digital technologies could decrease production costs between 10% and 20%, including through advanced processing of seismic data, the use of sensors, and enhanced reservoir modelling. Technically recoverable oil and gas resources could be boosted by around 5% globally, with the greatest gains expected in shale gas.

In the coal industry, digital technologies are increasingly being used in geological modelling, process optimisation, automation, predictive maintenance, and to improve worker health and safety. Specific examples include driverless trucks and tele-remote equipment operated from the control room. Digitalization's overall impact, however, may be more modest than in other sectors.

In the power sector, our analysis shows that digitalization has the potential to save around 80 billion USD per year, or about 5% of total annual power generation costs. This can be achieved by reducing operation and maintenance costs, improving power plant and network efficiency, reducing unplanned outages and downtime, and extending the operational lifetime of assets. One example of this is the use of drones to cheaply



\$80
BILLION

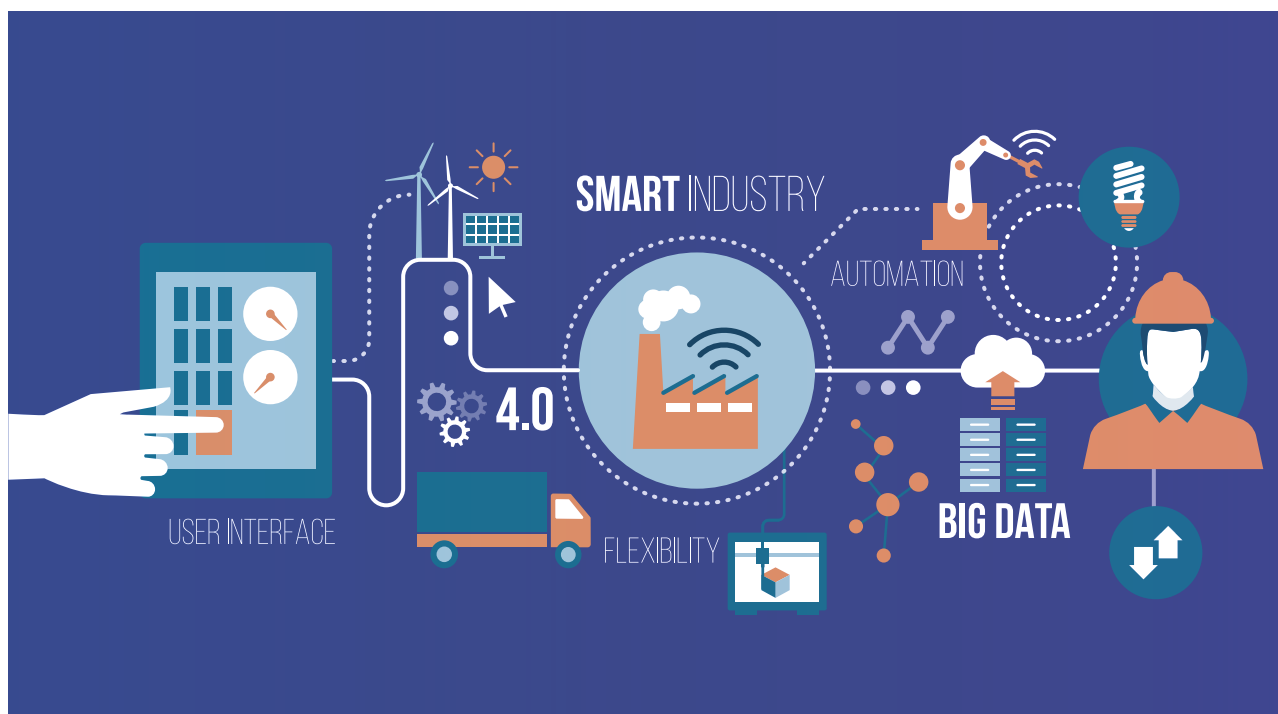
In the electricity sector digitization could potentially achieve saving of \$80 billion per year, reducing management and maintenance costs, improving the efficiency of electrical power stations and the grid, and reducing shutdowns.

monitor thousands of kilometres of transmission lines over rough terrain.

Digitally interconnected systems could fundamentally transform electricity markets

The greatest transformational potential for digitalization is its ability to break down boundaries between energy sectors, increasing flexibility and enabling integration across entire systems. The electricity sector is at the heart of this transformation, where digitalization is blurring the distinction between generation and consumption, and enabling four interrelated opportunities:

• **"Smart demand response"** could provide 185 GW of system flexibility, roughly equivalent to the currently installed electricity supply capacity of Australia and Italy combined. This could save USD 270 billion of investment in new electricity infrastructure that would have otherwise been needed.

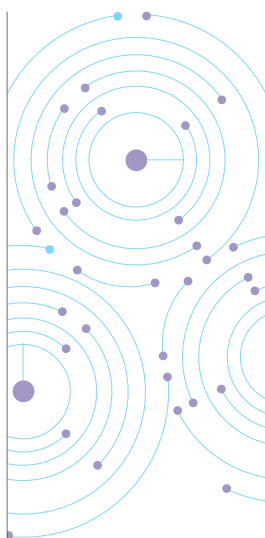


In the residential sector alone, 1 billion households and 11 billion smart appliances could actively participate in interconnected electricity systems, allowing these households and devices to alter when they draw electricity from the grid.

- Digitalization can help **integrate variable renewables** by enabling grids to better match energy demand to times when the sun is shining and the wind is blowing. In the European Union alone, increased storage and digitally-enabled demand response could reduce curtailment of solar PV and wind power from 7% to 1.6% in 2040, avoiding 30 million tonnes of carbon dioxide emissions in 2040.

- Rolling out **smart charging technologies for electric vehicles** could help shift charging to periods when electricity demand is low and supply is abundant. This would provide further flexibility to the grid while saving between USD 100 billion and USD 280 billion in avoided investment in new electricity infrastructure between 2016 and 2040.

- Digitalization can facilitate the development of **distributed energy resources**, such as household solar PV panels and storage, by creating better incentives and making it easier for producers to store and sell surplus electricity to the grid. New tools such as blockchain could help to facilitate peer-to-peer electricity trade within local energy communities.



Direct energy consumption of digital technologies

Digital technologies that make all these potential benefits possible also use energy. As billions of new devices become connected over the coming years, they will draw electricity at the plug while driving growth in demand for – and energy use by – data centres and network services. However, sustained gains in energy efficiency could keep overall energy demand growth largely in check for data centres and networks over the next five years.

Data centres worldwide consumed around 194 TWh of electricity in 2014, or about 1% of total demand. Although data centre workload is forecast to triple by 2020, related energy demand is expected to grow by only 3% thanks to continued efficiency gains.

THE GREATEST
TRANSFORMATIONAL
POTENTIAL FOR
DIGITALIZATION
IS ITS ABILITY
TO BREAK DOWN
BOUNDARIES
BETWEEN ENERGY
SECTORS.



Data networks, which form the backbone of the digital world, consumed around 185 TWh globally in 2015, or another 1% of total demand, with mobile networks accounting for around two-thirds of the total. Depending on future efficiency trends, by 2021 electricity consumption from data networks could increase by as much as 70% or fall by up to 15%. This large range highlights the critical role of policy in driving efficiency gains.

Beyond the next five years, providing credible assessments of energy use by digital technologies is extremely difficult. Direct energy use over the long run will continue to be a battle between data demand growth versus the continuation of efficiency improvements.

Building digital resilience to prepare for inevitable cyber-attacks

While digitalization can bring many positive benefits, it can also make energy systems more vulnerable to cyber-attacks. To date, the disruptions caused to energy systems by reported cyber-attacks have been relatively small. However, cyber-attacks are becoming easier and cheaper to organise. Moreover, the growth of the Internet of Things (IoT) is increasing the potential “cyber-attack surface” in energy systems.

Full prevention of cyber-attacks is impossible, but their impact can be limited if countries and companies are well-prepared. Building system-wide resilience depends on all actors and stakeholders first being aware of the risks. Digital resilience also needs to be included in technology research and development efforts as well as built into policy and market frameworks.

International efforts can also help governments, companies and others to build up digital resilience capabilities. A variety of organisations are involved, each contributing its comparative strengths, including to share best practices and policies as well as to help mainstream digital resilience in energy policy making.

Managing privacy concerns and impacts to jobs

Privacy and data ownership are also major concerns for consumers, especially as more detailed data are collected from a growing number



185

TWH

In 2015, data networks, the backbone of the digital world, consumed about 185 TWh of energy worldwide, equal the 1 percent of total demand, with mobile networks, responsible for around a two-third of the total.

\$280

BILLION



The implementation of smart recharging technology for electric vehicles could result in saving, between 2016 and 2040, of between USD 100 and 200 billion in investments not made in new electricity infrastructure.



\$1.1

BILLION

Digital technology could contribute to the supply of electricity to 1.1 billion people who currently have no access to it.

of connected devices and appliances. For instance, data on energy use in households collected by smart meters can be used to tell when someone is home, using the shower, or making tea. At the same time, aggregated and anonymised individual energy use data can improve understanding of energy systems, such as load profiles, and help lower costs for individual consumers. Policy makers will need to balance privacy concerns with these other objectives, including promoting innovation and the operational needs of utilities.

Digitalization is also affecting jobs and skills in a variety of energy sectors, changing work patterns and tasks. This is creating new job opportunities in some areas while causing losses in others. Policy makers in the energy field should participate in broader government-wide deliberations about these effects and how to respond to them.

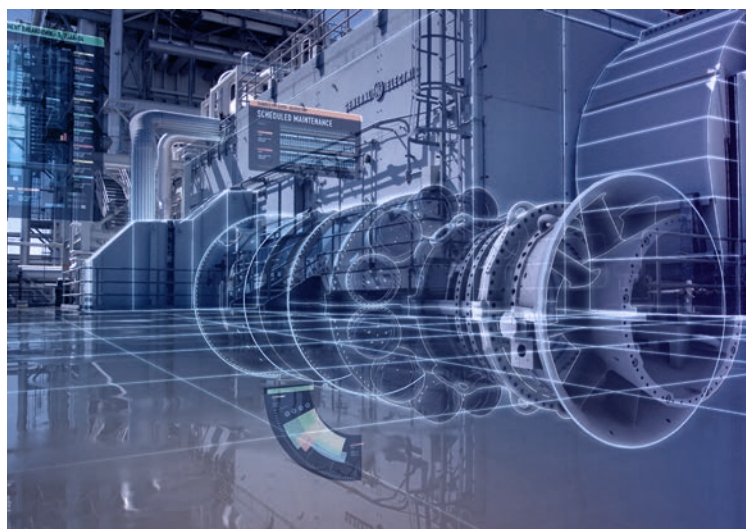
Government policy design is critical

Policy and market design are vital to steering digitally enhanced energy systems onto an efficient, secure, accessible and sustainable path. For example, digitalization can assist in providing electricity to the 1.1 billion people who still lack access to it. New digital tools can promote sustainability, including satellites to verify greenhouse gas emissions and technologies to track air pollution at the neighbourhood level.

Policy-making processes can also benefit from more timely and sophisticated collection and publication of energy data that greater access to digital data could facilitate. Emerging low-cost digital tools, such as online registries, web-crawled data and quick response codes, can lead to more targeted and responsive policy regimes.

While there is no simple roadmap to show how an increasingly digitalized energy world will look in the future, report outlines ten no-regrets policy actions that governments can take to prepare:

- Build digital expertise within their staff.
- Ensure appropriate access to timely, robust, and verifiable data.
- Build flexibility into policies to accommodate new technologies and developments.
- Experiment, including through “learning by doing” pilot projects.
- Participate in broader inter-agency discussions on digitalization.



**POLICY AND
MARKET DESIGN
ARE VITAL TO
STEERING DIGITALLY
ENHANCED ENERGY
SYSTEMS ONTO AN
EFFICIENT, SECURE,
ACCESSIBLE AND
SUSTAINABLE PATH.**

- Focus on the broader, overall system benefits.
- Monitor the energy impacts of digitalization on overall energy demand.
- Incorporate digital resilience by design into research, development and product manufacturing.
- Provide a level playing field to allow a variety of companies to compete and serve consumers better.
- Learn from others, including both positive case studies as well as more cautionary tales.

Reference: IEA 2017. Digitalization and Energy. International Energy Agency, OECD, Paris.

TURKEY: FOLLOWING THE DIGITALIZATION TREND

With the digitalization of energy, digital technologies will make energy systems more intelligent, more reliable and more sustainable around the world in the upcoming years. Smarter applications and more flexible systems help to make clear that how much energy is needed by both the world and Turkey.

BY RAMAZAN GÜZYURDU



Turkey has become one of the fastest growing energy markets in the world,

paralleling its economic growth over the last 15 years. The success of a privatization program that has been ongoing since 2002 has resulted in power distribution now completely in private sector hands, while the privatization of power generation assets is set to be completed within the next few years. This privatization program has given the country's energy sector a highly competitive structure and new horizons for growth.

Economic expansion, rising per capita income, positive demographic trends, and the rapid pace of urbanization have been the main drivers of energy demand, which is estimated to increase by around 6 percent per annum through 2023. In order to satisfy the increasing demand in the country, the current 80-GW installed electricity capacity is expected to reach 120 GW by 2023 through further investments to be commissioned by the private sector. As part of its efforts to provide sustainable and reliable energy to consumers, Turkey offers investors favorable incentives, such as feed-in-tariffs, purchase guarantees, connection priorities, license exemptions, etc., depending on the type and capacity of the energy generation facility.

In the last 15 years, the Turkish government has made significant reforms in the provision of energy. Turkey has moved forward the participation of private entities, and thus created a more competitive energy market. The privatization of energy generation assets, coupled with a strategy to clear the way for more private investments, has resulted in



120 GW

installed electricity
capacity is expected by
2023

an increased share of private entities in the electricity generation sector, from 32 percent in 2002 to 75 percent in 2017. Another step taken by the Turkish government towards a more competitive energy sector is the establishment of an energy stock company, EXIST, which is responsible for managing and operating energy markets, including power and gas commodities.

In addition to having a huge domestic market, Turkey occupies a strategic location between a number of major energy consumers and suppliers, and thus serves as a regional energy hub. The existing and planned oil/gas pipelines, the critical Turkish straits, and promising finds of hydrocarbon reserves within the country itself give Turkey increased leverage over energy prices and reinforce its gateway status.

Digitalization for Sustainability

The IEA's first comprehensive report on the interaction between digitalization and energy, and how the digitalization transforms the energy system, enables a range of new digital applications, including dramatic advances in data, analytics and connectivity, smart devices, shared mobility and 3D printing. By means of digitalized energy systems it is possible to determine who needs energy in the future and this need can be met at the right time, in the right place and at the lowest cost.

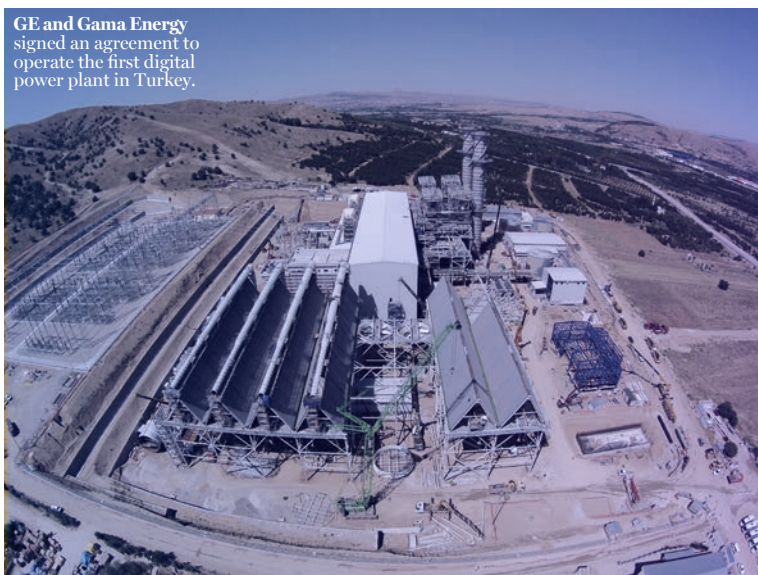
With the digitalization of energy, digital technologies will make energy systems more intelligent, more reliable and more sustainable

75 %

share of private entities in
the electricity generation
sector in 2017



GE and Gama Energy signed an agreement to operate the first digital power plant in Turkey.



around the world in the coming years. Smarter applications and more flexible systems help to make how much energy is needed both the world and Turkey clear. In addition, digital networks that can direct real-time energy will become more important.

In accordance with this purpose, The Turkish government focuses on energy technology research and development (R&D) and innovation with a view to develop its manufacturing industry towards a high value-added and internationally competitive and energy-efficient production. The country has a solid foundation for energy engineering and research and a well-educated workforce at technical universities and institutions.

Digitalization, which has become increasingly influential every passing day, has enabled systems to be re-glanced throughout the world in the last 10 years. In the face of the digitalization trend, most of countries, especially Turkey, need to adapt this change as soon as possible. Because the digitalization of the energy system and the appearance of smart meters can benefit all energy players. In the short term, consumers will have more control over energy use and additional services will be available. Suppliers will optimize their business, adapt new proposals and strengthen their communications. As system operators benefit from new tools to manage their networks more efficiently, more and more renewable energy will be integrated into the system. In the long term, the interaction between smart devices, smart networks and

home platforms will launch a new era with radically different consumption patterns that focus on automation and remote control.

Turkey's energy targets are producing 60 billion kilowatt-hours of energy using indigenous coal reserves until 2019. Digitalization can reduce emissions by 62% in gas and 47% in coal. In this regard, dependence on energy outdoors can be seriously reduced.

Turkey's First Digital Power Plant

Helping Turkey increase its sustainable energy supply and digitalization process, GE and Gama Energy signed an agreement to operate the first digital power plant in Turkey. This deal marks the first use of industrial cloud software applications in a power plant in Turkey to improve efficiency and productivity. GE will install GAMA's 840 megawatt İç Anadolu Natural Gas Combined Cycle Power Plant in city of Kırıkkale with its advanced digital solutions, Asset Performance Management and Operations Optimization solutions using Predix™, the operating system for the Industrial Internet.

\$1.3 trillion value from digital transformation of the Electricity Industry

The global power generation industry is preparing for a more efficient future with digital transformation. The World Economic Forum in 2016 estimated the digital transformation of electricity represents a \$1.3 trillion opportunity by 2025. Equipping power plants with service platforms and utilizing cloud computing and Industrial Internet facilities there offer significant advantages in terms of efficient power generation and uninterrupted delivery to customers.

GE's Industrial Internet platform Predix™ supports digital transformation with its solutions in energy as with many others. Predix™ has already established an ecosystem for digitalization with more than 19,000 developers onboard. This ecosystem is expanding continuously with customers' demands and GE's collaborations.

GAMA Energy's İç Anadolu Natural Gas Combined Cycle Power Plant, based in Kırıkkale with a capacity of 840 MW, can alone provide 2.5% of power consumed in Turkey and more than 50% of power consumed in the capital Ankara.

**DIGITALIZATION,
WHICH HAS
BECOME
INCREASINGLY
INFLUENTIAL EVERY
PASSING DAY, HAS
ENABLED SYSTEMS
TO BE RE-GLANCED
THROUGHOUT THE
WORLD IN THE LAST
10 YEARS.**



Marathon of Innovation

InovaLIG is offering the companies to leave their competitors behind by strengthening the organizational innovation management.

CAN WE DIGITIZE THE MEANING?

BY DR. İNANÇ ATILGAN

Human versus Technology in a digitized World

The Digital World is an arena where the human and the technology are challenging each other. What does it mean from the perspective of a social scientist? The question is whether the digital technologies are connecting information or people in the world. Let me explain it in more detail. What is the starting point of any decision in daily our lives? The answer is quite easy: our reactions to our needs as human beings. It can still be a huge discussion whether we should accept that the information offered by digital technologies influence the human needs or not. Well, exactly this dilemma should be the subject of this short essay.

Digital Humanities and its added value for Economy

Economy is one of the main activity areas of societies and, can simply be defined as “management of money and goods in a household”. That again leads to another social activity, where production, trade and consumption occur as reflections of human behaviour in both simple daily life and complicated business life. We should not forget that, we are either heroes or victims of our decisions in both private and business environments.

The term of Digital Humanities (DH) as a newly emerging science actually acts as a catalyst between digital technologies and Humanities as an academic discipline, which searches the meaning of life. In other words, DH simply tries to produce scientific results by using digital technologies as instruments. It interlaces digital techniques with traditional humanities. I hereby need to emphasise that unfortunately humanities has been late adopter of digital technologies. Scholars using words had often compatibility issues with scientists using numbers. This could be overcome by intermingling the subjects, objects and methods of DH in BIG DATA, while reorienting society's needs towards these new technologies.

DH has a dual role between Humanities and the digital technologies: it uses technology for humanities related research and considers technology as an instrument for Humanities research and questioning. In researching digital applications for society's needs, we need to

THE TERM
OF DIGITAL
HUMANITIES
(DH) AS A NEWLY
EMERGING SCIENCE
ACTUALLY ACTS
AS A CATALYST
BETWEEN DIGITAL
TECHNOLOGIES
AND HUMANITIES
AS AN ACADEMIC
DISCIPLINE, WHICH
SEARCHES THE
MEANING OF LIFE.

understand this very complicated and in another interwoven relationship between society and Digital World. What does that relationship bring people in using digital technologies and how does this influence the people?

To understand or achieve that, a scholar needs to be able to adopt a more analytical thinking (algorithms, abstractions, decomposition etc.), which would allow the scholar interpret knowledge in digital terms (OCR/Scans, databases, encoding etc.). Since every respectable application has its roots in science, DH too has to understand social behaviour and develop or, at least embark on ideas for applications using digital technologies. Here, I would like to point at “visualisation” as one of the many examples.

A Scenario for a Digital Visualization

The American futurologist, John Naisbitt, said once “We are drowning in information but starved for knowledge.”

Due the tremendous achievements of digital technologies, we, the people are sometimes lost while looking at this big soup of data and thus, we try to collect information in the Digital World very often without exactly understanding the context and interconnections within information in this



jungle of BIG DATA. Let me here formulate a scenario: You are a CEO and want to understand relationships among entities or, things – whether persons, companies, assets, etc. , these relationships could be displayed in a single view or, not? If you were an old-fashioned CEO, you would say “no” and ask for collecting information and preparation of a report. You would then have to plough through this report and find results to take your business decision. But, if you were a CEO of the new generation, you would say “yes” and, you would know that you could get information displayed in a single view!

Understanding BIG DATA: Visualization

Until now, there has been some but hardly truly user-friendly solutions for visualization of traceable interlinked personal and company data. On the one hand, the output of a creditworthiness or functional ownership inquiry is usually a collection of individual online searches?? or PDF forms; the information is there but it requires a great deal of effort on the part of the user to filter out, properly display and process the important and relevant information. On the other hand, network visualization features offered by some services often lack performance and/or fail to adequately represent the overall picture and, as a result, fall short of expectations not only of the providers but also of customers. Whatever your organization's network visualization requirements may be, the digital technologies can support you.

Here, the perceptions of a social scientist who uses digital technologies, join the game. The social behaviour in this context becomes the starting point. Why? Because a human being wants to understand pre conditions for a right business decision. Here, he can ask for the support of a digital application, which can facilitate visualising databases. As a new-generation-CEO, you never lose sight of security for example of your company's database: No-Compromise Database Communication! So, you find a visualization supplier, which makes no assumptions when it comes to the security of your data. Therefore, no unauthorized access to your database should be allowed. Another security issue might be whether this visualization supplier asks you to migrate your data to their servers or anywhere else or, not

The visualization technology has to be designed to be under the complete control of the information provider – that is you. Simply, this would mean that you've asked for a Full On-Premise Implementation! Since, we all are lazy and want to have every information available, you need also the advantage of flexibility to be able to process that information easily. What would that mean? In some short bullet points, you would want to



- Expand/collapse research via visualization with one click (for example, retrieval of additional function owner and company profiles),
- Have the ability to visually display and organize search results directly in your browser,
- Filter and display/hide individual entities and links in your browser ,
- Compile and analyze highly complex networks,
- Search networking of persons, functions and companies focused and targeted,
- Spend massive time and costs,
- Use 1-click transfer of the visualized results in an internationally-recognized analysis and compliance tool, and
- Display information directly on the connectors themselves, even in multiple directions.

So, you manage your decision making process in making your network visualization a positive and, ideally profitable user experience.

Moral of the story is that digital technologies are only instruments for simplifying the decision making process of human beings or, in our case businesses. Therefore, we first have to determine our positions in the Digital World: Man creates technology to get through the digitized world of BIG DATA.

Institutional contribution is essential

In this very simple scenario, positioning the human being at its centre, Turkey should add new instruments and methods by shaping the Digital World within the country. I am pretty sure that the social scientists acting in the field of DH will have added value in this process. Correct policy and correct market structure are vital for steering digitally enhanced economic systems on an understandable and sustainable path.

For example, it becomes an essential necessity to have a visualized Turkish Credit Reference Agency and a Trade Registry Gazette!

Digital World is not that inhuman as it is generally perceived.

**MORAL OF
THE STORY IS
THAT DIGITAL
TECHNOLOGIES
ARE ONLY
INSTRUMENTS
FOR SIMPLIFYING
THE DECISION
MAKING PROCESS
OF HUMAN BEINGS
OR, IN OUR CASE
BUSINESSES.**



TURKEY & SOUTH KOREA

“BLOOD BROTHERS” FOR 60 YEARS

BY İBRAHİM AVCI

South Korea and Turkey

have long been friendly countries over the years. During the Korean war between South and North, the participation of Turkish troops led to the formation of a strong relation between the two countries. The relationship between the two countries has developed into a strategic partnership as they expanded cooperation in various areas, such as the political, economic and cultural sectors, over the past 60 years. Political relations between Turkey and the Republic of Korea (South Korea) were established on August 11, 1949, with Turkey's recognition of the Republic of Korea as an independent state. Turkey's participation in the Korean War had a positive impact on our bilateral relations and diplomatic relations were established in 1957.



The 2002 FIFA World Cup also served as another consolidating factor between the Turkey-Korea brotherhood.



According to South Korean sources, Turkey is ranked third (966) in terms of the number of martyrs among 16 countries that participated in the Korean War. The UN Memorial Cemetery in Busan/Korea honors our 462 soldiers that were killed during the war. South Korean people describe Turkish people as “blood brothers”. The roots of the strong ties between the two countries go back to the Korean War that ended on July 27, 1953. The friendship, which began with the war that contributed to the strengthening of the bilateral ties, was also on the economic relations of the two countries. Turkey joined the Korean War under U.N. Command during 1950 and 1953 in efforts to support South Korea in its struggle for freedom, democracy and independence, where a total of 741 Turkish troops were killed during the war. The heroic fight of Turkish soldiers during the Korean War was not only effective in winning the war, but it also enabled our deep-rooted friendship with the Korean people to evolve into a unique “blood brotherhood.”

The 2002 FIFA World Cup also served as another consolidating factor between the Turkey-Korea brotherhood. This international competition was a reminder of how close the two had become as the Turkish people began to

tune-in to Korea again. 2002 was the year when the Turkish national football team enjoyed its first major international success. With the incredible support of Korean fans during the matches, Turkey reached the semi-final. What surprised many was that the third-place playoff match ended up between South Korea and Turkey. The overwhelming feeling of friendship in that game made it one of the most memorable sports matches ever. Masses of Korean fans, whose cheers echoed across the home ground stadium, were also waving the Turkish colors to show support for the Turkish national team. The two teams celebrated together and showed exemplary images of friendship. The flags of both nations were seen side by side on the stands and both teams' players saluted the crowds arm in arm, creating a friendly atmosphere that continued long after the match.

Aside from football the relationship between the two countries exists in the world of business as well as South Korea

has accelerated its investments in Turkey. To the world, the country is known for its export-oriented development model and social and economic development it provided in the Far East. According to the data compiled from the South Korean Embassy in Ankara, the Foreign Economic Relations Board (DEİK) and the Turkish Statistical Institute (TurkStat), the total amount of the investments carried out by Korean companies in Turkey from 1980 to 2017 reached \$2.63 billion. Korean firms made investments totaling approximately \$1.73 billion only in the last five years, which corresponds to 66 percent of the total investments made in the 38 years.

In the mid-80's, Korean enterprises began taking an interest in investing in Turkey. Turkey's growing population and domestic market, geographical importance between the Europe and the Middle East, the export promotion policy for Turkish businesses, and the Turkish government's initiative to attract foreign investors and investments were all

advantageous to Korean entrepreneurs. The first investment from South Korea in Turkey was realized in 1987, when Goldstar created a joint investment company with Vestel and began manufacturing microwaves and color TVs at a factory in Manisa in June 1988. The same year, Samsung Electronics collaborated with Tatiş Holding and manufactured color TVs and videos at a factory in İzmir. Beginning with Samsung Electronics, and followed by LG Electronics, Hyundai, Daewoo, Samsung, Sunkyung, etc., most of Korea's main large companies had opened branch offices in Turkey in the 1980's. Hyundai Motors began to export their automobiles to Turkey in 1990, and constructed an automobile factory in İzmit in November 1995, consequently improving images of Korean goods and products in Turkey. Today, Hyundai Assan employs more than 2,500 people and manufactures the i10 and i20 hatchback models in its İzmit factory. The company sells these vehicles in the domestic market and also exports to more than 40 countries, including Germany, France, Italy, Spain, and the UK. This factory is Hyundai's small car production hub for Europe, while also serving the Middle Eastern and African markets and even Australia. The company achieves a total annual export revenue of around EUR 1.5 billion, and the added-value provided by Hyundai Assan to the Turkish economy and the Turkish people is increasing every year.

TRADE VOLUME UP 10 PERCENT IN 5 YEARS

Turkey's main exports groups consist of electrical and electronics products, vehicles, machine, mineral fuels to South Korea while it purchases mineral fuels, electrical and electronics products, machine, iron-steel from South Korea.

Wholesale and retail trade, automotive, IT and electronics, mining, tourism and manufacturing industries stand as the most common areas where the number of South Korean companies operating in Turkey stood at 312 by the end of 2017 while it was 134 in 2007, according to data from Turkish Economy Ministry.

Over a decade, the trade volume between Turkey and South Korea surged nearly 60 percent to reach \$7.2 billion in 2017 according to the Turkish Statistical Institute. Turkey exported

THE INVESTMENTS AND MEGAPROJECTS IMPLEMENTED BY TURKEY HAVE, ESPECIALLY IN THE RECENT PERIOD, ATTRACTED GREAT INTEREST OF SOUTH KOREAN FIRMS.



goods totaling around \$584.1 million to South Korea last year, while its imports totaled \$6.6 billion in the same period.

South Koreans have also contributed to the development of tourism between the two countries. The number of Korean tourists who visited Turkey in 2017, the 60th anniversary of the establishment of the diplomatic relations between the two countries, stood at 120,622. The same figure was 106,904 a year before. The number of Koreans that visited Turkey in first five months of this year reached 59,208. On the other hand, 26,541 Turks visited South Korea in 2016. The same figure totaled around 27,272 in 2017, while it reached 12,174 in the first five months of this year.

KOREANS' INTEREST IN TURKEY'S MEGAPROJECTS

The investments and megaprojects implemented by Turkey have, especially in the recent period, attracted great interest of South Korean firms. Hyundai and SK E&C were among the contractors of the Yavuz Sultan Selim Bridge, and the latter is also currently engaged in the construction of the Çanakkale 1915 Bridge with other South Korean firms and Turkish contractor Limak. SK&EC was also one of the contractors of the Eurasia Tunnel, an undersea tunnel project that connects the





European and Asian sides of Istanbul, with its Turkish partner Yapı Merkezi. Holding the market leader position in solar panel sales in Turkey, Hanwha Q-cells made its most significant investment in Turkey in March 2017 when the company was contracted for the 1-gigawatt (GW) Konya-Karapınar Renewable Energy Resource Areas (YEKA) solar power plant project with its Turkish partner Kalyon Energy. As part of the project, which is estimated to cost \$1.3 billion, a solar panel facility with a production capacity of 500-megawatt photovoltaic module and a research and development (R&D) center will be established.

TWO COUNTRIES AGREE ON 2023 VISION

President Moon Jae-in welcomed Turkish President Recep Tayyip Erdoğan to Seoul in May 2018. President Recep Tayyip Erdoğan was accompanied by a large delegation of ministers and Turkish businesspeople. 2 countries' leaders agreed on close cooperation for successful implementation of Turkey's 2023 Vision agenda, according to a joint statement from the two countries' leaders. Erdoğan and Moon also discussed the latest developments in the Middle East, including the

Palestinian and Syrian issues, said the statement, adding that both leaders stressed more joint efforts from the international community for a lasting political solution in Syria. The two leaders agreed to increase contact and cooperation between their governments and the private sector. They also agreed on cooperation on counter-terrorism, the refugee crisis, world peace, and stability, along with some other issues. On bilateral issues, they agreed to expand bilateral cooperation on transport, infrastructure, and the energy and defense industry sectors. During the visit, the two countries inked four bilateral agreements on cooperation in higher education, information, telecommunication, space and satellite technologies, industry and energy and health and medical science. Erdoğan had stressed during the visit that the participation of South Korean companies in Turkey's Kanal Istanbul project, a canal parallel to the Bosphorus that is planned to connect the Black Sea and Sea of Marmara, will be a source of pride for the country. Lastly, South Korean construction company SK Engineering & Construction had expressed plans to partake in the construction of one of Turkey's biggest projects, Kanal Istanbul.

Together We Innovate



!NOVATİM

InovaTİM is a family of **2256** students full of spirit of development and change who puts innovation in the center in Turkey's **156** different departments of **150** universities in **72** cities.



www.inovativim.org

Content: From Beyoğlu To A World Brand **P55** Seramiksın: Ceramic That Combines Technology With Aesthetics **P58** Dogus Tea: Diversifying The Business **P60**
 Buka: Liven Up Your Home With Buka **P61** **Editor:** Serap Kaya

Brands

TEXTILE, CERAMIC, FOOD, FURNITURE...



TEXTILE

KİĞİLİ
 1938

FROM BEYOĞLU TO A WORLD BRAND

Kiğılı is one of the leading ready wear sectors in Turkey since 20th century thanks to steps taken with a futurist, innovative and progressive perspective.

İLHAN ALPAY OĞAN

Kigili attracts attention as one of the brands contributing so much to development of ready-wear sector in Turkey with its leading steps in 20st century. As a result of steps taken with a progressive perspective, the company takes contemporary steps today. With top quality, diversity, style and affordable prices for every one of the collections, Kigili has advantages in the sector.

CEO of Kigili, Hilal Suerdem gave important information about the Kigili's future expectations, vision and mission, export figures and R&D works...

WE HAVE A LARGE NUMBER of target groups. A great number of Turkish men have absolutely a memory with Kigili in their life. Though generations change, we continue to be near them taking contemporary steps. Our product diversity supports this case. We have in our collections the product groups which men from any age and any pleasure can comfortably wear in any moment of the day and which appeal to different styles. We are always with the men even from weddings, receptions, invitations where one must wear the most elegant to a weekend picnic or a business meeting. We offer lifestyle collection for both weekday and weekend. Within this context, I think Kigili is firstly

in heart of men, and has a special place in ready-wear sector.

Kigili provides all products a man needs ranging from suit, jacket, coat, shoes, accessories, beach products to perfumery. We prepare two main collections and intermediate collections in a year. There are chic and comfortable products that can be worn comfortably every day and place in our collections prepared in a large range from classics, casual and sportive styles. We renew our color range every season according to trends. We produce our products with the highest technology in textile industry, we make a difference in the sector thanks to our functional and innovative products.



One of the biggest advantages of Kigili in foreign investments is that it always works as having stocks and thus provides customers abroad with new orders every month.

Anti-bacterial products, non-sweaty products keeping cool by enabling the body to breath, fabrics used with nanotechnology, stain proof or non-iron materials are among them. Of course, the power of our experience is undeniable. Through our broad experience in retail sale, we plan processes from supply chain to customer in the best way and realize this formula successfully. Thus, we are appreciated not only in Turkey but also abroad. We continue to integrate latest innovations into designs in our collection. We have also oversize models. Functional and adaptable designs in our collections provide men with combining the same parts in different way no matter it is weekend, work day, day



80 years in retail and product quality. This experience makes us powerful both in Turkey and abroad. We are willing to open to new markets. We sustain our works with no stop for markets there is demand and need. We are separated from our rivals in all markets we serve thanks to the fact that we provide qualified, chic and modern products in affordable prices.

In the future, we see brand Kığılı so advanced abroad. Our vision on this matter is so broad. In next five years, we will open total 150 shops and 100 of them will be abroad.

We have 225 stores in 67 provinces in Turkey, and 26 sale points in France, Austria, Macedonia, Azerbaijan, Georgia, Iraq, Iran, Kosovo, Turkmenistan, Saudi Arabia and Turkish Republic of Northern Cyprus in international area. With its annual production of 6 million 500 hundred thousand, weekly product delivery of 150.000, total store area of 50 thousand square meter and 2200 employees, we are the leading in the sector.

As Kığılı, we introduce our understanding of man

fashion and quality to the world with our practices. Thus, as a Turkish brand, we compete in global area. At the center of our development strategy, there are countries of Balkans, because we think this region has such a large range potential for Turkish ready wear investors. In this region, there are less branded firm compared to Western Europe, and their population is younger compared to the West. Purchase power increases. Integration process of Europe continues. There is a positive perception for Turkish brands. On the other hand, our cultural and geographical closeness makes us powerful in understanding local markets and determining appropriate strategies accordingly. In the light of all these elements, we plan to enter into these markets rapidly, increase popularity of the brand with new investments, and broaden our abroad network beginning from these regions.

In this process, we aim to open to new markets and enlarge our present markets. The preliminary points where we increase number of sale stores are Turkish Republics, Balkans and Middle East.

and night. We use natural materials such as cotton, wool, cashmere and silk in approximately 90% of the products in our collections.

FOCUS ON EXPORT

As Kığılı, we export most to Middle East, Balkans and Middle Asia. We have carried out more researches on clothing habits in those areas, and thus have more command of those regions. Our geographical and cultural connections are effective in our higher export to those regions.

We have total 26 sale stores in 15 countries. We opened the latest store in Cyprus. One of the biggest advantages of Kığılı in foreign investments is that it always works as having stocks

and thus provides customers abroad with new orders every month. In countries where our shopping and sale points are available in such as France, Azerbaijan, Saudi Arabia and Austria, we get a great deal of demand. We get 8% of our annual turnover from export.

One of the most important criteria in our success is that we always focus on our customer firstly. In whatever market we serve, we observe expectations of consumers in related place with no stop. We try to do our best for best service in every stage of sale process in ranging from product quality to customer services.

As Kığılı, we keep carrying out our services with our experience of approximately

CERAMIC

CERAMIC THAT COMBINES TECHNOLOGY WITH AESTHETICS

Seramiksın has been the first in Turkey to introduce stain-proof, bacteria-proof and easily cleanable nano-tech granites, lappato and full lappato porcelain tiles with soluble salt technology into the sector.

BY SERAP KAYA

The long-established and innovative company of the ceramics sector, Seramiksan was founded in 1990 by Demirdöner family, being the leading industrialists of Manisa. Seramiksan, having started production in 1994, has been conducting its activities with a vision of a world brand since its foundation. Seramiksan, having started production of ceramics with an area of 1.5 million m², now has a factory established on 500,000 m² outdoor area with 150,000 m² indoor area and an annual production capacity of 33 million m² in Turgutlu Organized Industrial Zone. Seramiksan provides its wide range of products meeting the needs of customers with numerous color and pattern options through its more than 200 stores and more than 1000 dealers across Turkey.

ITS PRODUCTIVITY AND WORKS IN TURKEY

Seramiksın, being among the leading manufacturers

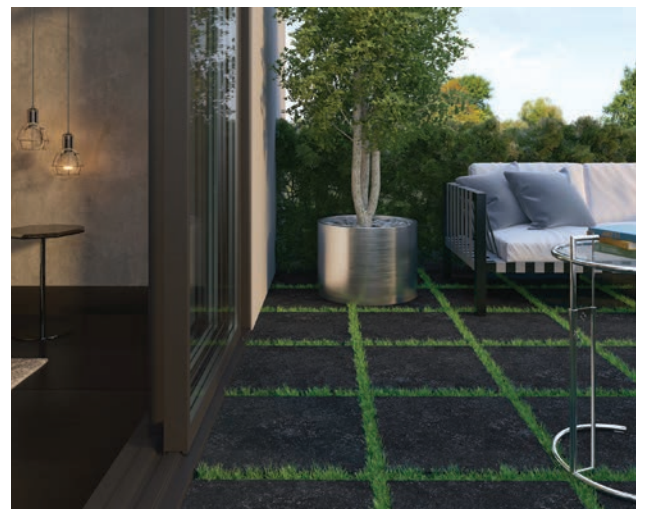
in Turkey and in the world with its high production capacity, manufactures floor tiles, wall tiles, enameled granite, technical granite, facade coating, vitrified products and construction chemicals. Our brand, combining the technology required for quality life with aesthetic designs, provides a wide range of products for all living and public areas. It provides its customers with products with numerous color and pattern options in various sizes from 10 x 20-wall tile to the unglazed porcelain 120 x 180 tile with 20 mm thickness which was produced in Turkey for the first time by Seramiksan. Seramiksan, conducting strong R&D works for a product range outscoring its competitors in Turkey and in the world, also comes to the forefront with its pioneer works in the sector. Seramiksan has been the first in Turkey to introduce stain-proof, bacteria-proof and easily cleanable nano-tech granites, lappato and



Seramiksın introduce stain-proof, bacteria-proof and easily cleanable nano-tech granites, lappato and full lappato porcelain tiles.

full lappato porcelain tiles with soluble salt technology into the sector. It also started production of porcelain tiles with large sizes at the facility that it took over in 2016.

Seramiksın, making investments above the





sector average every year, started production of unglazed porcelain with 10 mm and 20 mm thickness with only a few examples in the world in 2017. The Outdoor collection having first been produced by Seramiksın with 120 x 120, 40 x 120 dimensions and 20 mm thickness, increases the standards with its functionality and colored body production. The collection attracting attention with its long life and high-performance characteristics provides professional solutions in public and commercial areas where functionality is of top priority. These products maintain their first-day appearance even under harsh conditions thanks to their resistance to fire and

high temperatures as well as complete resistance to salt, chlorine and cleaning agents, together with high breakage and tearing strength.

Seramiksın, being high above the standards with respect to technology in Turkey, once again, becomes the pioneer with its new UNISTONE product in the 2018 collection. UNISTONE, allowing architects and designers to create aesthetic and functional areas, is preferred by those who want innovation in all living areas. UNISTONE is manufactured with 120 x 180 dimensions with 11 mm and 20 mm thickness which can be cut and processed in shapes as desired, also enables use with other

products with several patterns.

Seramiksın, having the state-of-art modern technology vitrified production facilities, provides the new generation stylish vitrified products in architecture and interior architecture decoration trends to its customers. Our environmentally friendly vitrified series functioning with 2.5 - 4 liters water and providing a substantial water saving produced to contribute to fresh water needs, have flawless cleaning characteristics.

Seramiksın Turkey Sales Manager Süreyya Çağlar:

“We manufacture special design products at our state-of-art manufacturing facilities by being aware

of the contribution of Innovation to life. Our superior technology allows us to be free in design. We have introduced many firsts in the sector so far. We shall continue providing quality products to our customers with the “Everyone Deserves a Good Design” motto. We continue extending our dealer network also in 2018. We will establish 20 new dealerships in İstanbul, Ankara, Kayseri, Antalya and Adana regions. Today, we continue ensuring unconditional customer satisfaction across Turkey through our dealers. We also work for our new investments and new projects.”

FIGURES AND DESTINATIONS OF EXPORT

Seramiksın, having a wide range of products for all living areas and public areas, also increases its sales channels every year together with its increasing capacity. Today, it provides its products produced with its environmentalist production philosophy to a wide foreign customer portfolio including large-scale wholesale dealers, retailers, construction market chains and construction companies which conduct activities abroad. Seramiksın, exporting to 57 countries including particularly Azerbaijan, Georgia, Canada and the UK, can meet the demands of countries in Americas, Europe, Africa and Asia continents with its products with varying technical characteristics its numerous size, color and pattern options. Seramiksın, exporting 30% of its products, provides its ceramics and vitrified products to foreign markets with its own brand.



FOOD

Dogus Tea:

DIVERSIFYING THE BUSINESS

Dogus Tea reached the large masses thanks to the slogan “The Most Beautiful Tea is Dogus Tea” and became one of the most important actor in the market.

BY SERAP KAYA

The company has grown steadily every year since the year it was established and realized its rapid growth after the year of 2008. This growth consists of two important factors; one of them is that the consumers are more aware of the taste, quality and diversity of the products which are put on the market as a result of the marketing investments and the other one is the fact that the production volume has been increased further each year thanks to additional investments.

TURKEY'S THE BIGGEST TEA INSTITUTION IN THE PRIVATE SECTOR

Dogus Tea meets 35000 tons of total tea production of about 220000 tons in Turkey. As a firm established with 100% local capital, it ranks first in terms of production volume among private sector organizations. In recent years, because of the fact that the interest in ice tea has increased as well as the classical black tea, herbal and fruit teas, Doguş Tea, transfers its expertise about hot tea into the ice tea category. Doguş Ice Tea, which is produced from 100% sugar beet that does not contain preservatives and colorants, has been launched to the market. In 2015, an ice tea production



Patos became the first company in Kosovo and Macedonia and introduce these markets to Corn Chips.

facility was established with an investment of 35 million TL in İzmir and the product met with consumers as of April 2016.

DOGUS TEA DOESN'T WANT TO LEAVE A BLANK IN THE MAP IN THE CHIPS MARKET

Dogus Tea, having big impact after purchasing salty products department of Kraft, was the third company among the 500 big companies which increases

exports. In the category of chips, it realized a big exporting attack in the 3 years. The total share of chips exporting in the total sale increased from 7% to 15%, the exporting amount of chips, which was below 25 Million TL in 2013, increased to approximately TL 50 Million. Dogus Tea, which exports to only to Europe and Asia in the previous years, is currently exporting to Asia, Europe and North Africa. Over the past three years, the number of countries where the exporting has made increase to 43. This increase is not limited to just the tonnage and the number of countries; significant progress has also been made in terms of product diversity. For example; with Patos, a corn chips brand, it became the first company in Kosovo and Macedonia and introduce these markets to Corn Chips. While only potato chips are sold in these countries, it created a new space with the sales of corn chips. It gets a market share of 7% thanks to chips, produced from only corn in Turkey. One of the most important moves in this increase was to examine and take into account regional tastes. It produces chips mixed with vinegar for only Middle East Market. It used Arabic for the packaging and fronts sides of the products sold to the Middle East Market. The chips with thyme was launched to the market for Albania. Special television advertisements have been launched for Iraq, Jordan, Albania, Macedonia and Kosovo. The brand, which carries out promotional activities in their own language in these countries, gains recognition and increases its sales.

Buka product range includes sofas, armchairs, coffee-tables, dining room.



FURNITURE

LIVEN UP YOUR HOME WITH BUKA

Buka focused on activities on both increasing the brand recognition across Turkey and expand the network of stores in Turkey.

BY İBRAHİM AVCİ

Buka, trademark launched in 2015 with the philosophy "Smart change" which takes its name from color change properties of chameleon continues operations with accessible quality, fine design and customizable furniture collection. Buka product range includes sofas, armchairs, coffee-tables, dining room, bedroom, decorative pillows, carpets, rugs and home accessories.

The most significant characteristic of trademark is that it sets free consumers at furniture preferences; at model, color, dimension



and price options. All sitting groups included in collection has covering system. Company provides their customers with opportunity to create many combinations with coverings in hundreds of different colors. In addition

Buka continues to rapidly disseminate our concept of smart change across Turkey.

to company covering system, they offer products in the product groups in modular structure that comply with your changing life.

Today, customized, functional and modular products where consumers can be involved in design come into prominence. Even though company is a very recent trademark, capture such trend by promising consumers products they imagine and want. Firm design products suitable for speed and comfort of city life. Understanding expectations of new generation well, offer both innovative and functional products at affordable prices. Together with change of consumption habits and consumer preferences in Turkey, tendency to design and functional products is also increasing.

Buka advances rapidly despite being a very recent trademark. Buka focused on activities on both increasing the brand recognition across.

Company started season this year with

the commercial where Gupse Özay played. Buka experience excitement of bringing together our original concept with whole Turkey and received nice feedbacks. Following Buka's stores in Istanbul Avcılar, Masko and Modoko, Ankara Turan Güneş and Çayyolu, İzmir, Adana, Bodrum, İzmit, Alanya and Konya, company launched the first store out of Turkish borders in Northern Cyprus. Number of stores reached 13 together with Northern Cyprus. The target is reaching 25 stores before end of the year. Buka is working very hard for this.

Buka are a growing trademark and target is growing at domestic market at the outset. In 2016, Buka's international operations started with various projects. Cyprus, Greece, Germany, France, Algeria, Morocco and Palestine are among countries to which company exports. Company received dealership requests from Gulf Countries that give close attention to country. Soon Buka's store in Bahrain will open. Firm is continuing negotiations related to opening a store in Riyadh.

Buka are a growing trademark and target is growing at domestic market.



Agenda

FAIRS, EXHIBITIONS, SUMMITS AND MEETINGS IN THE NEXT MONTH



06-09 SEPTEMBER 2018

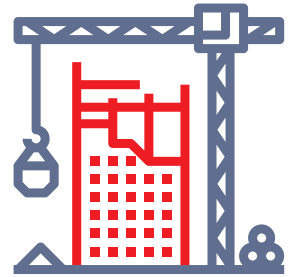
GAMEX 2018

TÜYAP EXHIBITION AND CONGRESS CENTER

Ronesans Fuarçılık is an expert in technology fair which started its journey by organizing CompeX in 1981. Since 2000, with the start of organizing GameX fairs, it has been an important mission and vision to contribute to the development of the digital gaming industry. GameX Digital Gaming and Entertainment Fair is the highest participating festival in the EEMEA region. With a renewed face, GameX will take a place in TUYAP Fair and Congress Center on 06 September 2018 and it will be full of the excursion and It will give a perfect experience for 4 days.

SEPTEMBER
13-16

ISTANBUL CONSTRUCTION SHOW
CNR EXPO YESILKÖY



This event will be organized with the aim of becoming one of the biggest organizations in its field, with the expertise gained from CNR Holding's unicera, natural stone, cnr real estate and cnr European elevator fair organized by the Turkish construction and construction sectors with the aim of making more export.

AESTHETICSTANBUL 2018
İSTANBUL FAIRMONT QUASAR
30 AUGUST
02 SEPTEMBER



Aestheticistanbul 2018 is one of a kind meeting in plastic surgery field where the participants will be able to experience a total of 31 live surgeries with direct access of simultaneous Q&A sessions with the operating surgeons. All surgical procedures will be conducted with a step-by-step examination and analysis of the operations. We pledge to provide the scientifically enthusiastic participants with the knowledge of most recent and successful techniques.

DISCOP 2018
HALIÇ CONGRESS CENTER
05-07 SEPTEMBER

The 6th edition of DISCOP ISTANBUL will focus on Turkey, CEE, MENA and CIS countries, one of the world's most dynamic marketplace combination already contributing to 20% of all global Film, TV content and adaptation rights sales with in the foreseeable future an estimated 200 million TV households with possible access to digital services and 500 million mobile subscribers.

DISCOP MARKETS

SEPTEMBER
20-23



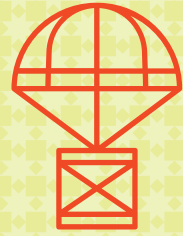
CLOTHING MACHINERY 2018
TÜYAP EXHIBITION AND CONGRESS CENTER

Clothing Machinery Fair will be held for the 26th time in 2018, September 20-23. The same fair took place at Tüyap Istanbul Exhibition Center in 1986 to which 18 companies had participated, in 2018 the center will be hosting the world's biggest Clothing Machinery Fair. The Clothing Machinery Fair achieved great success this year with its 25th edition. It was the largest fair in the world organized on the subject of Clothing Machinery in 2016.

Figures

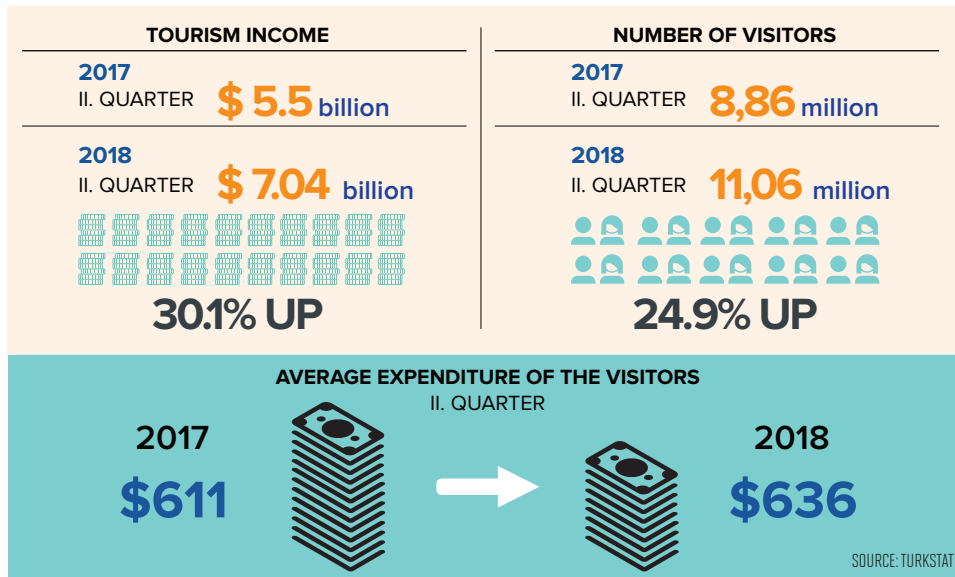
\$ 8.07
billion

Turkey's humanitarian assistance according to the Global Humanitarian Assistance Report 2018.



INCREASE IN TOURISM REVENUE

Turkey's total tourism income increased by 30.1 percent, year-on-year, reaching \$7.04 billion in the second quarter of 2018, according to the report.



EXPORT GROWTH FROM EASTERN ANATOLIA

Eastern Anatolian Exporters Association (DAİB), members firm of the 17 provinces exported 879 million 796 thousand dollars in January-June period.

THE MOST EXPORTED COUNTRIES IN THE REGION (\$)

Countries

Iraq		210 million
Azerbaijan Nakhchivan		62 million
Iranian		50 million
Germany		40 million

PRIMARY EXPORT ITEMS FROM THE REGION (\$)

Agricultural Products		139.3 million
Chemicals		112.8 million
Machine		108.9 million
Ready-to-wear and Apparel		95.4 million
Mining sector		44.5 million

Source: DAİB

FROM BURSA TO THE WHOLE WORLD

Bursa, hosting the automotive giants OYAK Renault, Tofaş and Karsan, produced 2 thousand 41 vehicles per day in the first half of the year.

TOTAL Production and Export Shares of Automotive Firms in Bursa (units)

Production
367,401

%43.57

Export
289,124

%42.02

TOTAL Automotive Exports
688,81 Units

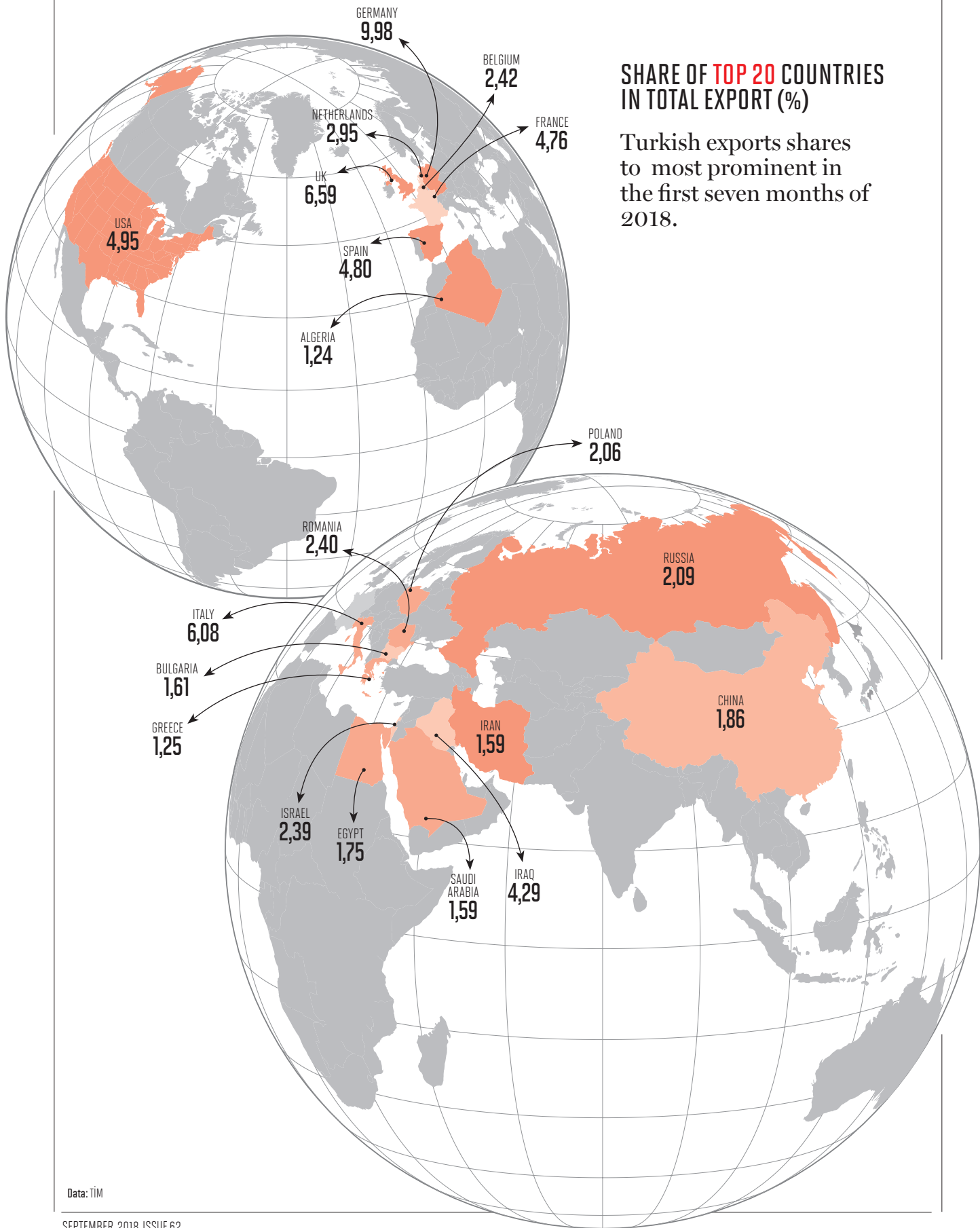


TOTAL Automotive Production (Excluding tractor)

January-June 2018

843,193 UNITS

Source: Anadolu Agency






**TURKISH
AIRLINES**



SOME CHEFS COOK THEIR BEST AT 30.000 FEET

Our flying chefs prepare your special and delicious meals just the way you like it,
right on board. Enjoy your meal.

TURKISHAIRLINES.COM

A STAR ALLIANCE MEMBER 



TURKISH
AIRLINES

HEAR MORE

WITH THE AIRLINE THAT FLIES TO
MORE COUNTRIES THAN ANY OTHER



JAPAN

TURKISHAIRLINES.COM

A STAR ALLIANCE MEMBER 