

# The Turkish Perspective

JANUARY 2019 ISSUE 66

ECONOMY | BUSINESS | FOREIGN TRADE | ANALYSIS

2018

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**EXPORT  
REPORT**

# agility

/ə'dʒɪlɪti/

noun

The productive and dynamic business culture of Turkish exporters which allows them to work with many of the world's leading brands.



Discover  
the potential

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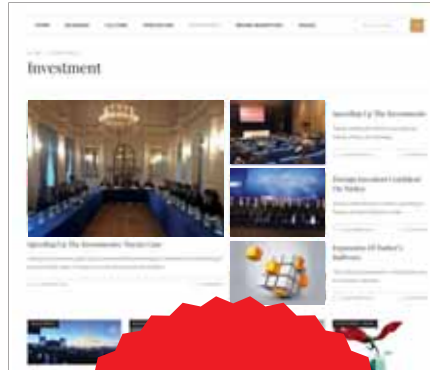
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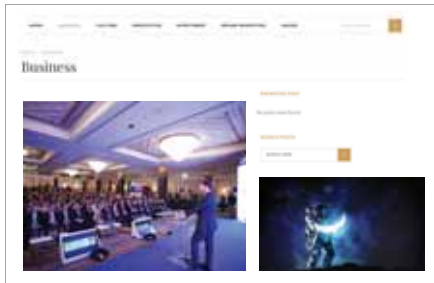
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More than a magazine, the Turkish Perspective will now be more interactive and responsive, as expected from Turkey's main voice for international audience.

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# Editorial



İSMAİL GÜLLE  
CHAIRMAN (TİM)

## 100 THOUSAND EXPORTERS, 200 BILLION DOLLARS EXPORT

Our vision is aimed at achieving a sustainable momentum in our export volume, not only in the export figures. Our strategy is to focus on R&D, innovation and design, and we take it as a mission to transfer it to the public.

**G**LOBAL MARKETS have been in turmoil for a while, as everyone closely follows. It is possible to describe this point as follows: We are living in a world whose old mathematics has been corrupted and has not yet found its new order, it is unstable and looking for its medium. While China with communist party leadership advocates globalization, the pioneer of the free market US, opens trade wars with protective shield. Britain, one of the most powerful countries in Europe, can leave the EU; with its military and economic power, Russia is settling again in the international arena. India, the colonial country of the past, is now the third largest economy in the world. Turkey has a very important position in this confusion. Because we are an indispensable part of both western and eastern civilization. Our young population, our hardworking people, our developing infrastructure, our stable management, our new strengths in the world is looking to strengthen our hands during these times.

It is no secret that the domestic market experienced some negativity in 2018. The impact of the international conjuncture on the exchange rate, the increase in inflation, the rising interest rates, the market has increased a market's fire little. However, in line with the "New Economy Program" put forward by our government, we see that the balancing process has begun. Practices such as

total fight against inflation, employment mobilization, R&D investment incentives were the successful policies we supported. During this period, all should work as one heart and Turkey should overcome difficulties in its entirety. On the other hand, exporters, which are our window to the world, created locomotive power in our country's growth without compromising from working. This year, while coming to TİM management we promised that "Turkey will be give a foreign trade surplus." We said "2018 will be the year of records" and we have succeeded. While our export was a record with 170 billion dollars, we took a big step towards our goal. In the financing of the current account deficit, exports took a historical task. Half of the growth was achieved by exports.

Under this success, there are more than 72 thousand exporter's signature. In the last six months, an average of a thousand new companies joined the export family monthly. In 2019, we increase our targets even further. The number of exporters will reach 100 thousand and we will reach 200 billion dollars by the end of the year. All our sectors will work with more performance. TİM, which is the epicenter of exportation, will take the support of all the ministries related to the economy, especially the Ministry of Commerce, and will carry out the works that will open the way of the exporter to reach our targets. We will increase our

depth in Europe, which is our traditional market. By concentrating on high value-added products, we will increase our market share in Europe. We will expand the number and effectiveness of Turkish Trade Centers (TTM). Today, TTMs, which operate from Russia to the USA, from England to China at many points, will work in coordination with our companies. Turkey Promotion Group will also work towards strengthening the international image of all sectors from food to textile, from automotive to mining, by focusing on sectoral promotion activities. We will also focus on increasing the support for domestic and national production in products with high import inputs.

In December, we realize with attendance our honoring Mr. President, "Turkey's 500 Largest Exporter of Services" award ceremony, we pointed to the contribution of our service exports to our country which are not systematically reflected in the records. Such as logistics, tourism, banking, construction, education, health care, we will increase our efforts to further the development to services exports, which providing high value-added to Turkey.

All these efforts are to complete 2019 as "Year of Sustainability and Innovation in Export". Our vision is aimed at achieving a sustainable momentum in our export volume, not only in the export figures. Our strategy is to focus on R&D, innovation and design, and we take it as a mission to transfer it to the public. As the TİM, which collects the export family under the roof, we will work with our strength to realize our promises. Export is the only gateway for Turkey's welfare. The new year will be a year for us, where we will extend sustainability and innovation to all sectors in our exports. On this occasion, we wish 2019 to bring peace, serenity and prosperity to our country and the world; I hope that our exporters will have a good success.

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



## how about you?

average annual real  
GDP growth rate

**5.7%**

2002-2017

**13<sup>th</sup>** 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

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# First

ECONOMY, INVESTMENT, TECHNOLOGY, EXPORT, R&D, AGREEMENT, DESIGN...



## ECONOMY

# "OUR ECONOMY HAS SURVIVED"

Minister of Treasure and Finance Berat Albayrak spoke at Investor Relations Summit 2018.

**7<sup>th</sup> INVESTOR** Relations Summit was held by Turkish Investor Relations Society (TUYID), with the main theme "New Story of Turkey" took place by the first session "New Building Blocks of Turkish Story" in InterContinental Istanbul Hotel. Opening speeches were accomplished by the participation of

Minister of Treasure and Finance Berat Albayrak, President of Capital Markets Board Ali Fuat Taşkesenlioğlu and TAV Airports Head of Investor Relations - President of TUYID Nursel İlgen.

Minister of Treasure and Finance Berat Albayrak made an opening speech in summit, which attracts a great deal of attention

by entrepreneurs. "As we know, during the last 16 years Turkish economy went through a change and transformation process. This new story that we talk about is not a story that one person is sufficient to write it. There is a strong need for unity of stakeholders to move on and we will write

this story all together. During the last 16 years, our economy turned into a growing, providing employment opportunities, reducing poverty and inclusive pattern of economy. The number of exported goods more than \$ 1 billion was only 9 in 2002 and reached to 34 today. Our business world and the efforts of

entrepreneurs are highly important.

Therefore, our part is to maintain continuity of economic stability and strengthen it. When we look more closely to the last 2 years, against all odds included July 15 coup attempt, our economy is capable to be afloat. We will move on without any sense of languor in 2019, using full court press," he said.



## INVESTMENT

## START-UP INVESTMENT BY AMADEUS IN TURKEY

The biggest travel intelligence company Amadeus with its 44 percentage of market share, has announced that they will invest in at least 7-8 start-ups in Turkey.

Sales Director Online CSE of Amadeus, Eric Willems stated that Turkey is the second biggest country that has potential after Israel therefore they develop a strategy to enlarge start-ups in Turkey, support financially or merchandise. Willems said, "There are many developed financial technology companies. We would like to lead the way in travel intelligence part of this development and support it. Individualisation is critical for travel industry. People are interested in platforms that know them and able to offer more options. In 2013, we bought a start up in Turkey, and the loyalty program written via this company is used by 36 airways now we will contribute growth of program export in Turkey with the new start-up investments."



## INVESTMENT

## Smart Factory Investment by Brisa

Pioneer tyre company BRISA launches an autonomous tyre period by its factory in Aksaray, based on Industry 4.0 and smart factory principles with an investment of 300 million USD.



**B**risa, operating company in the partnership of Sabancı Holding and Bridgestone Corporation established a smart factory with an investment of 300 million USD. Brisa rings the curtain up on tyre industry by using next generation technologies such as robotic applications, data analytics and digitalization. Among the plant's efficiency improvements are fully automated tire transfer systems as first in industry, tracking production through the digital twin of its plant, green building applications and increased employment of virtual reality. The new factory is rated at 4.2 million passenger and light truck tires a year with 700 employees.

At the launching meeting, BRISA CEO Cenk Alper emphasized that Sabancı Holding leads the way in transformation of Turkish Industry and said "We believe that local and value added production is the greatest leverage for our economy in a long view. BRISA led the way in Industry 4.0 for Turkey. Aksaray Brisa Factory is a real

application of Industry 4.0 that everyone talks about but we put into practise. This investment of 300 million USD is a significant evidence of mutual trust as well as the trust that we put in Turkey. With the second factory, our total amount of investment is 1.4 million USD since BRISA has founded. We believe that our succesful partnership will pass the limits by our Aksaray factory."

Vice President and Officer of Bridgestone Corporation Makoto Hashimoto mentioned that Aksaray Factory is an important step for Brisa to be a superior performer in the international arena and said "Bridgestone is the leader company in the world for tyre production. We believe that with Aksaray Factory, BRISA will be on increase in Turkey and global market by the moves will be done in both original equipment and exports. It's a pleasure for us to increase the value that we present to Turkey by the new production factory of Bridgestone Family and our partnership with Sabancı Holding.

## INVESTMENT

## SPP INVESTMENT WITH THE PARTNERSHIP OF PANASONIC

In partnership of Japanese Technology Company Panasonic and Seferoğlu Electric, the first phase of roof type solar power plant (SPP) opened in Kayseri, belongs to renewable energy cooperative.

According to statements made by Panasonic, The Kayseri Renewable Energy Co-operative (SPP) has been put into use with an investment of 7.2 million USD, using HIT solar panels developed by the company.

Seferoğlu Electric, which made the investment and took over the management, plant will generate 7.5 gigawatt-hour per year at the first phase. As the first multi-partnered (743 SME) SPP Project of Turkey completed, installed capacity of power will reach to 35 megawatt which is 5.8 megawatt for now.

General Manager of Panasonic Eco Solutions Turkey, Tatsuya Kumazawa pointed out the works of the company done in Turkey and said "Turkey is an important country for us and has potential. Located at the South of Europe and has approximately 7,2 hours of sunshine duration per day, 2650 hours per year. We aim to bring more solar power projects to this warm and beautiful country."



## EXPORT



## ABS: THE FIRST EXPORTATION OF ASSET BACKED SECURITIES TAKES PLACES IN TURKEY

Ministry of Treasury and Finance has announced that the first exportation of asset backed securities emerged successfully in Turkey.

According to first statements relating to the matter, the first ABS exportation for meritable investors has been completed successfully by Asset Finance Funds founded by Development and Investment Bank of Turkey.

The investment which accomplished by Aktif Invest, Garanti Invest, Halk Invest, Vakıf Invest and Ziraat Invest has been demanded by 118 investors, totally 2.43 times more. As the exportation represents the firsts for Turkish capital market, it was mainly demanded by banks, pension mutual funds, investment enterprises and insurance companies. Liquidity has been provided to 4 parent companies on such exportation scale.

## TECHNOLOGY

## Turkish Space Agency Founded

Turkish Space Agency is officially founded. Industry and Technology Minister Mustafa Varank said "Our national interests will be secured in aerospace".



**“WE ARE FORMING** the Turkish Space Agency in order to strengthen our aerospace industry, improve scientific infrastructure and human resources in the field of space technology, and further boost our capacities and abilities,” Industry and Technology Minister Varank said.

At the announcement regarding the establishment, Varank noted that Ministry of Industry and Technology's Turkish Space Agency will coordinate aerospace works and manage international relations.

Varank indicated that two decades long dream come true by the establishment of Turkish Space Agency and added 'the new agency will pave the way for the establishment of a competitive indigenous industry. Turkey's national interests will be secured in aerospace as well.'

Due to development of space industry Varank pointed out

to need of an institution that facilitates coordination and reviews for the use of Turkey's aeronautics and space capacity. 'This Agency will prepare and carry out the National Space Program in line with the policies determined by the president of Turkey' he said.

'Every single product, technology, system, facility, design of the vehicles, production and integration about aerospace can be planned centrally such as satellites, launch vehicles and systems, aircrafts, simulators, space

platforms' the minister said and also noted that The Space Agency will work to practise our vision 'National Technology, Powerful Industry' successfully.

The agency will also pursue multilateral and bilateral cooperation with its international counterparts while protecting Turkey's national interests at the international arena, he said.



## ECONOMY



## SCHNEIDER ELECTRIC TURKEY: “WE SEE NORMALIZATION IN MARKETS”

General Manager of Schneider Electric Turkey Mr. Tuncer made a statement regarding reflections of the latest economic developments and activities of Schneider Electric Turkey.

"In the second half of August and in September, there was an uncertainty in markets, caused by a slowdown", he said "On the other hand, life goes on, industrial plants make production, leap up of the exporters because of these competitive advantages and all of these caused an accumulation of demands."

Tuncer indicated the latest developments and said "For one month, we work harder and harder with difficulty and thus we are about to reach normal trade volumes. We see a normalization. We have started to feel this kind of sense since October."

## R&amp;D

## PATENT APPLICATIONS HAVE RISEN FASTEST IN TURKEY

Among the first 20 countries, Turkey had the highest increase regarding the amount of patent applications in world intellectual property rankings.

According to the World Intellectual Property Indicators 2018 report published by the World Intellectual Property Organization (WIPO), patent applications around the world reached to 3.17 million with an increase of 5.8% compared to the previous year and brand applications rose by 30 percent to 9.11 million.

Turkey has experienced double-digit growth for the past three years. In the mentioned period of time, among 20 countries Turkey saw the highest increase in filings based on world intellectual property rankings.

The increase in number of applications TURKPATENT received was driven mainly by growth in resident applications. According to the announcements, non-residential applications filed in Turkey had a small proportion, which was a total of 4.4%.

## DESIGN

## Award Hunter

Designnobilis team has won 197 awards in total in which 175 of them are international awards including International Design Awards and Green Dot Awards.



**DESIGNNOBILIS IS A WELL-KNOWN DESIGN BRAND** which has been serving in the international platform in the areas of design and product development. Since its establishment, over the last twelve years, the successful design team has won 197 awards in total in which 175 of them are international awards including International Design Awards and Green Dot Awards. With the leading of METU Industrial Design Department faculty member Dr. Hakan Gürsu, the Designnobilis team, with regards to its high workforce, is the largest design center, focused on innovation, that is currently existing in Turkey. In 2018, the team is honored 16 international design awards. The last award, Alpina D-DSNB is Gold Award in Aviation, Maritime, Railway category in German Design Awards. In many different category, gold, silver and bronze awards are won with Eco Barrow; unmanned electric vehicle, Fume; marker pen stand and ConSolight; solar-powered sustainable lantern.

### CONSOLIGHT

ConSolight is a solar powered floating lantern which is designed to withstand the tough marine environment and can both act as marking light and fishing equipment.

The solar powered lantern collecting sunlight with solar cells inside the body throughout the day and perform on the water surface at nights for long hours.



### FUME

Fume is designed to cover marker pens in a new and attractive way that will provide two different usage as a package and as a stationary marker holder. It presents a compact and useful solution that comes in handy.

### ECO BARROW

Eco Barrow robot electric vehicle, designed for agricultural industry, is a safe, clean, powerful, unmanned and truly embracing the 'utility vehicle' concept. Eco Barrow is committed in developing agricultural industry that meet farmers' demands for low fuel consumption, high cost-effectiveness and environmentally friendly operation.



## AGREEMENT

## 380 MILLION USD DEAL AT MEGA-SUMMIT

The 9<sup>th</sup> Bosphorus Summit, organized by the International Cooperation Platform (UIP) under the auspices of the Presidency, was held in Istanbul with over 2 thousand participants from 81 countries.

Noting that important economic collaborations took place at the summit, Founding President of International Cooperation Platform Cengiz Özgencil said "We rented 5 separate lounges at the hotel to conduct the meetings. During three days, lots of B2B meetings were held and all of them were bulding at the semas. We do not follow the negotiations, but receive feedbacks regarding the results. We estimate that approximately 380 million dollars of pre-agreement has been signed by 6 separate groups. These deals are more related to mega projects and energy. Other than these, we believe that many agreements have been signed outside our knowledge." Stating that more than 30 panels were organized at the summit, Özgencil noted that they all had an intense participation and attracted a lot of attention.

# 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?**



Academics 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 to 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...**





# AVIATION

## Simulator Agreement between Turkish Airlines and HAVELSAN

Turkish Airlines collaborated with HAVELSAN for the supply of simulators required for pilot training.

**T**URKISH AIRLINES signed a new agreement with HAVELSAN, which previously manufactured the first domestically produced simulators used in pilot training for Boeing 737NG, and continues its support to strengthen the domestic and national manufacture approach.

Agreement was signed by Turkish Airlines Chairman of the Board and the Executive Committee M. İlker Aycı and HAVELSAN Chairman of the Board Prof. Dr. Hacı Ali Mantar at Turkish Airlines General Management Building. As part of the agreement, HAVELSAN will manufacture



Full-Flight Simulators with an international D-level certificate for the flag-carrier airline's Boeing 737MAX and Airbus A320CEO/NEO aircraft.

Already having 14 simulators in its fleet, Turkish Airlines will be receiving 5 international D-level certified 'Full flight Simulators', comprising of 2 Boeing 737MAX and 3

Airbus A320CEO/NEO, and 6 'Flight Training Devices' from HAVELSAN to be set into operation in 2020 and 2021, according to the agreement. Thus, while the number of Full Flight Simulators in Turkish Airlines Flight Training Center will reach 28 with the other simulators to be received in 2021, the first domestic production of Boeing 737MAX and Airbus A320CEO/NEO type simulators will also be included in this number.

Within the scope of the project which will reduce the foreign-source dependency and accelerate the concept of local manufacture, the Full-Flight Simulator with the EASA



D-level certificate will provide a low-cost and life-like training for Turkish Airlines pilots in the fields of orientation, evolution, and reinstatement. Manufactured by HAVELSAN, Turkey's defense and aviation industry company which brings its military experience in simulator design, manufacture, integration, and maintenance to civil aviation, the simulators will be featured in Turkish Airlines' fleet.

Commenting at the signing ceremony, Turkish Airlines Chairman of the Board and the Executive Committee M. İlker Aycı said, "As the two major players of Turkish Civil Aviation, Turkish Airlines and HAVELSAN, we are very excited to have launched such a meaningful cooperation today. With the awareness of being the national flag carrier of our country, as Turkish Airlines, we are proud to have further developed our support for the domestic and national production, by turning towards the domestic resources. These new simulators to be delivered in forthcoming years, will enable Turkish Airlines pilots to continue their training at the best standard, and also serve the pilots of foreign airlines who prefer our flight training center for their refresher trainings. These simulators, which will be featured in the global market too, will also play a remarkable role in further increasing the global recognition of Turkish Airlines flight experience, already a highly prestigious aviation brand today."

Noting that the existing cooperation between the two brands will be increased with this agreement, HAVELSAN Chairman Prof. Dr. Hacı Ali Mantar said, "Our country has made a distinguished name for itself around the world in the recent years with the investments it has made in



the areas where it has gained technological superiority. We believe that our cooperation with our flag carrier airline, Turkish Airlines, with mutual trust and solidarity. Thanks to these new flight simulators and training systems to be designed and produced by HAVELSAN, we will be able to satisfy the needs in this regard by turning towards domestic resources instead of foreign ones. With this project, we will have the opportunity to export both software and training to the global simulator industry."

Simulators come to the forefront as one of the most important factors to improve the quality of pilot training.

**Turkish Airlines Chairman M. İlker Aycı said: "As the two major players of Turkish Civil Aviation, we are very excited to have launched such a meaningful cooperation".**

The pilots are trained in the simulators after the ground lessons in the types of aircraft that they will fly. After completing the simulator training, which has changing durations according to the type of aircraft and the pilot's experience, pilots can fly the aircraft. In civil aviation, pilots are also flying in simulators to renew their competence/capabilities every 6 months. During this training, pilots are provided with emergency training under all kinds of environmental conditions. Thus, while the potential risks are minimized, the level of competent education is raised.

HAVELSAN, who took action to meet the increasing demand of pilot training that emerged in parallel with the significant momentum that seen in the Turkish Civil Aviation industry under the leadership of Turkish Airlines, the national flag carrier of Turkey, targets to be a key player in civil aviation sector as well, as it has already been in the military field. The company also aims to gain a significant place in the world civil simulator production market with the production of Boeing 737MAX and Airbus A320CEO/NEO type simulators.



## INVESTMENT

# FDI in 2018

- 
- Global FDI inflows in 2018 was around USD 470 billion in H1 2018, which was 41 percent less than the USD 794 billion invested in the same period of 2017.
  - The sharp drop is attributed to tax reforms passed in the United States in late 2017, which enticed U.S. parent companies to engage in repatriations from their foreign affiliates.
  - Turkey, however, weathered the global decline thanks to a steady influx of FDI. According to the latest data released by the Central Bank of the Republic of Turkey, the FDI inflows to Turkey were realized as USD 9.1 billion dollars during the January-October 2018 period, indicating a slight decline of 3 percent when compared with the same period of 2017.
  - The manufacturing sector was the recipient of the largest amount of FDI in due period and was followed by finance & insurance activities, energy, wholesale & retail, and logistics.

## Spotlight on 2018 FDI



- Japanese multinational manufacturer of electrical equipment Mitsubishi Electric Corporation launched an air-condition facility in the Manisa Organized Industrial Zone.



- US tech giant Cisco inaugurated its Innovation Center Istanbul – the company's 10th innovation hub globally – in İTÜ Arı Teknokent.



- German company ThyssenKrupp Elevator participated in an investment of EUR 20 million by constructing an escalator manufacturing plant in the Kocaeli Province in Turkey.



- DFDS, a shipping and logistics company headquartered in Denmark, acquired 98.8 percent of U.N. Ro-Ro, a freight shipping company.



- Gram Games, a Turkish game development company, was purchased for USD 250 million by Zynga, a well-known gaming company based out of San Francisco.



- Alibaba Group, a large internet company from China, announced investment plans for Trendyol, an e-commerce company.



- Another German company, Bosch, plans to build a high-pressure fuel injectors manufacturing facility in the Turkish city of Bursa.



- The Star Oil refinery, which was constructed by SOCAR, the state oil company of Azerbaijan, opened in October 2018.



- Turkey and France joint venture began construction in Bursa for an aluminum injection molding factory for Oyak Renault.



- General Electric Aviation opened the Additive Manufacturing Technologies R&D Laboratory in TÜBİTAK Marmara Technopark Free Zone.



- Starting in 2019, Japanese automotive giant Toyota will begin mass production of its new Corolla hybrid in Turkey.



- Italian-based tire producer Pirelli's licensed manufacturer Prometeon will be investing USD 115 million in its factory in northwestern Turkey.



- US-based WABCO, a leading global supplier of vehicle control systems that improve the safety, efficiency, and connectivity of commercial services, launched its first distribution center with an investment of around USD 17 million in Hadımköy, Istanbul.



- German Lohmann, one of the top adhesive solution providers globally, opened its first Turkish manufacturing facility in the Gebze Plastikçiler Organized Industrial Zone.



- Swiss heating and ventilation solutions company Zehnder's new EUR 20 million facility in Turkey's Manisa province was inaugurated in September.



- Huawei has inaugurated the Huawei Authorized Information and Network Academy (HAINA) Laboratory as part of the HAINA training program organized in cooperation with Istanbul University.



## INVESTMENT OFFICE MEETS WITH MEDEF

**I**nvestment Office President Arda Ermut held a meeting with MEDEF International at the iconic Palais de France in Istanbul during the French delegation's visit in Turkey led by BNP Paribas Chairman Jean Lemierre.

Attended by representatives from 20 companies, the meeting focused on the evolving economic and financial situation, as well as on current and future bilateral investment opportunities.



## INVESTMENT OFFICE CO-ORGANIZED A SEMINAR WITH FORD OTOSAN



**I**n an exclusive Automotive Industry Investment Incentives Seminar organized with Ford Otosan, the automotive sector team at the Investment Office and TÜBİTAK had the opportunity to

present Turkey's lucrative automotive industry, extensive incentives scheme that offers generous advantages for investors, and site selection procedures and services for investment projects.

The well-received event was hosted by Ford Otosan at the company's Gebze plant and attended by over 30 Turkish and 20 international invitees with products and solutions in various fields of the automotive supplier industry.

## CHINESE TRANSSION HOLDING INVESTS IN TURKEY

**C**hina's smartphone manufacturer, Transsion Holding, has decided to establish a manufacturing facility in Turkey. The Chinese company's initial investment of USD 500mn is expected to reach up to USD 3bn over the next five years.

Aiming to enter the Turkish market in 2019, the Chinese company plans to initiate their factory investment the following year and use Turkey as an export base to enter the European, Russian and Turkic Republics' markets.



## BOEING OPENS ENGINEERING AND TECHNOLOGY CENTER



The US civil and military aircraft manufacturer Boeing opened its first Engineering and Technology Center in Istanbul. The opening ceremony was attended by leaders in the aerospace industry as well as

government and academia.

During his address, the head of the Presidency of Defense Industries Ismail Demir highlighted Turkey's aerospace industry. "We see that our growing aviation sector, our universities and other

scientific institutions have become a center of attraction beyond just providing services to the world, and Turkey will start developing distinctive products of subsystems and engine systems and furthering

the existing systems in the next years" Demir said.

As the newest component of Boeing's global engineering and tech network, the center will operate in Technopark Istanbul and will focus on design engineering and R&D.

## ERICSSON ESTABLISHES A NEW RESEARCH LAB IN TURKEY

Leading information technologies company Ericsson opened a research laboratory in Istanbul for the development of global industry technologies. In cooperation with the Scientific and Technological Research Council of Turkey (TUBITAK) Ericsson's lab aims to make Turkey a technology base.

"Our main goal is to make Turkey a base of research and development

and production" said the Deputy Minister of Industry and Technology Mehmet Fatih Kacir, in the opening ceremony of the lab.

Ericsson Senior Vice President and Head of Market Area Middle East & Africa Rafiah Ibrahim also said this inauguration comes as an endorsement of Turkey's innovation, entrepreneurial spirit and the great talents of the country.

## TURKISH RÖNESANS AND ALGERIAN SONATRACH INVEST IN PETROCHEMICALS

Turkish conglomerate Rönesans Holding and Algerian Sonatrach announced an investment of USD 1.2 billion for a petrochemical facility focusing on the production of polypropylene in Adana province of Turkey.

"This project will enable Turkey to cut its

trade gap by USD 450-500 million on a yearly basis" said the Minister of Industry and Technology Mustafa Varank during the press conference announcing the project.

The facility expected to be fully operational in 2023 will produce 450,000 tons of polypropylene annually.

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the potential

[discoverthepotential.com](http://discoverthepotential.com)

# EXPORT REPORT

**The Locomotive of exports /30**

The guarantee of the future / 40

**Being the hub of fashion and apparel / 46**

Service sector rises with breakthroughs / 52

**The world's agricultural warehouse / 56**

## 2018 THE REFERENCE YEAR OF NEW SUCCESSES

POSITIVE  
OPTIMISM

YOUNG AND  
GROWING  
POPULATION

R&D  
INVESTMENTS

ADVANCED  
SUPPLY  
INDUSTRY

STRONG  
AND STABLE  
ECONOMY

FULL-FLEDGED  
INDUSTRY

VALUE-ADDED  
PRODUCTION

ABILITY TO  
ADAPT TO  
CYCLICAL  
FLUCTUATIONS

EFFECTIVE  
AND  
COMPETITIVE  
POSITION IN  
THE GLOBAL  
MARKET

INTERNATIONAL  
QUALITY  
AND SAFETY  
STANDARDS

LOGISTICAL  
ADVANTAGES

DESIGN  
CAPABILITY

# THE REFERENCE YEAR OF NEW SUCCESSES

**TURKEY EXPORTS** thousands of raw and value-added products in 28 main sectors to countries all over the world. Turkey has signed a total of \$ 154 billion exports in the first 11 months of this year, by using exports as a important weapon in the shadow of trade wars.

All figures are based on  
January - November 2018 period  
**Resource:** TIM



**TURKEY IS  
PERFORMING**  
RIGOROUS  
STUDIES TO MAKE  
İSTANBUL ONE  
OF THE WORLD'S  
MOST IMPORTANT  
CENTERS IN GLOBAL  
TRADE.



# This is a miracle, for real!

I HAVE CLEARLY SEEN WHAT WE CAN ACHIEVE IN THE FUTURE AS WE WRITE ABOUT WHAT WE HAVE ACCOMPLISHED IN THE PAST. ONCE AGAIN, I CAN DEFINITELY SAY THAT: "RIGHT, THIS IS A MIRACLE ..."

**BY PROFESSOR DR. EMRE ALKİN**, ACADEMICIAN, ALTINBAŞ UNIVERSITY / ECONOMIST & WRITER

**WHILE STARTING TO WRITE THESE LINES**, I would like to commemorate Mustafa Kemal Atatürk, who underlined the importance of export in by establishing the first union of exporters. As you read these lines, I would like to underline the fact that if you are going to witness the Turkish people's style of great success in a short time, we owe this to Atatürk.

The fact that it has realized an Economic Congress in Izmir without even declaring the Republic is a rare sensitivity which is hard to find the same. However, it is not surprising for those who know that the guns of the enemy soldier were heard remotely, but gathered at the Education Council in Ankara. Atatürk was a leader who knew well the art of "making the right" even under pressure.

Which will continue with the ongoing new Turkey from the Ottoman regime, what will happen in the economic policies and what it will do in the framework of banking and finance course unknown. Mustafa Kemal Atatürk, explains the economic policies of the country before declaring Turkey's regime: Joint Economic System. In other words, the private sector and the state will develop the economy together, and the private sector will show the existence of the state. Thus, the breakthrough starts from mining to banking, from textiles to maritime. "Iron networks" in the Tenth Year March are the railways of the logistics of course.

New Turkey is also an adventure of development. One of the most important milestones of this adventure is the establishment of the Central Bank of the Republic of Turkey. Until 1931, when the CBRT was established, the monetary system work continued, even though it had minor problems. Although for Atatürk, who claims that "Independence is my trait", The new Republic of Turkey could only be reinforced by an independent Central Bank. That's what happened. Since then, CBRT is one of Turkey's most respected institutions.

**IN SHORT, IN EXTRAORDINARY CIRCUMSTANCES, EXTRAORDINARY PEOPLE EMERGE AND THEY ACHIEVE EXTRAORDINARY WORKS. BY BRINGING TOGETHER PEOPLE WHO DO NOT POSSESS EXTRAORDINARY QUALIFICATIONS.**

Similarly, established as "Central Statistical Department", TSI also serves for Turkey's Economy since 1926. It has a global reputation among official statistics publishers.

The Ministry of Finance, which is one of the most important institutions in the Economy Administration, was established together with the Republic. Undersecretariat of Treasury have continued to work under the roof of the Ministry of Finance until 1936, then it participated in the economic life of the Republic of Turkey as a separate general directorate.

**ATATÜRK'S EMPHASIS ON FOREIGN TRADE** The importance that Atatürk attaches to foreign trade can be seen with his confirmation signature in the establishment of the first exporter association. Especially Izmir Economy Congress and then every time he finds an opportunity, we realize that he uses the words "export, export markets". Therefore, it is not difficult to say that his approach to competition, added-value and profit is far ahead of those times.

Considering that an economy was taken over in wreckage, The growth rate in the first years of the Republic is almost like a miracle. Turkey has shown a growth of at least 5-6% every year between the years 1923 to 1938, the labor force participation rates of the young population and especially women have increased significantly. Today, it is extremely difficult to get close even to the edge of growth at this level.

It is also necessary to say that the steps taken in education are another factor that accelerates the economy. Imagine that, a society which missed the industrial revolution, a society lagging behind modern life regarding the arts and culture, it is not easy to bring it to the desired level in a short time. While all kinds of social engineering are applied, using communication facilities in today's Turkey, I leave it to your discretion how hard it is to bring the society from dark to light under the circumstances of those times...

In short, in extraordinary circumstances, extraordinary people emerge and they achieve extraordinary works. By bringing together people who do not possess extraordinary qualifications and who do not have extraordinary qualifications. Today, from sports to business, this is perhaps the most important reason why there are no extraordinary works. Everyone should see themselves as usual and know that we are equipped with extraordinary blessings thanks to Atatürk. Thus, maybe we can make a new move. However, the pathfinders must protect the moral heritage of Atatürk: "Science and Wisdom".

#### STRONG MARCH OF PRIVATE BANKS IN TURKEY

Exporters are exactly doing this. Let me tell you how they do:

Turkey has the fastest recovery right after the 2008 Global Financial Crisis and also by quarters it is one of the fastest growing countries. Perhaps the most important driving force behind this performance was the working of the financial system and exports goes like a clockwork. This is based on the experience of the beginning of the century.

Turkey experienced a totally unique financial crisis in 2001 and resolved it by consolidating Banks and Finance Institutions. The success here has resulted soon with the embark of many global financial institutions on a quest regarding new partnerships in Turkey. Today, almost all private banks in Turkey walks toward the future with strong international partnerships.

On the other hand, in addition to many companies established with foreign direct investment in many sectors, from automotive to high technology products, there is also international partnerships made with Turkey's leading companies, based on a past of 30-40 years. Within Turkey's exports walking toward 200 billion USD, they are taking place in the front row.

When it comes to exports: in 2023, Turkey is aiming for a share of around 1.5-2% of the World Trade. Today there is an export potential of 350 billion USD with the existing sectors. Thereafter, we plan to export valued more than 100-150 billion USD regarding aerospace and aviation, medical precision optical instruments, materials technologies, hospital equipment, nanotechnology, communication technologies and software. In brief, Turkey is ready to invest in these areas, and incentives

#### TURKEY HAS THE FASTEST RECOVERY RIGHT AFTER THE 2008 GLOBAL FINANCIAL CRISIS AND ALSO BY QUARTERS IT IS ONE OF THE FASTEST GROWING COUNTRIES.

PERHAPS THE MOST IMPORTANT DRIVING FORCE BEHIND THIS PERFORMANCE WAS THE WORKING OF THE FINANCIAL SYSTEM AND EXPORTS GOES LIKE A CLOCKWORK. THIS IS BASED ON THE EXPERIENCE OF THE BEGINNING OF THE CENTURY.

are also being designed accordingly.

In 2050, Turkey will continue to be one of the youngest countries in the region regarding the average age and it will also be an important center for new investments with its quality workforce.

Perhaps this is why construction sector and education sector continue to rise hand in hand, in Turkey. According to data released by REIDIN, a person engaged in real estate investment in Turkey have achieved greater returns rather than leaning many financial instruments, including the stock market and gold. This situation is expected to continue until 2050. Maybe it will take longer than that, but for now, the calculations can be done this far. However, I mostly look at the activities abroad of construction companies. They are also the second in the world after China by the contracts worth billions of USD.

Education sector is also an area open to investments in Turkey. There are more than 40 universities just in Istanbul. Every year millions of students attending the exam to be enrolled in universities in Istanbul and Turkey. There is also a very serious foreign student demand. Every year nearly 2 million students apply for admission to universities. The intensity of the young population lights up the future of Turkey. Universities are trying to make this potential qualified, go at it hammer and tongs. Today, Turkey can export education through its universities. Hundreds of thousands of foreign students studying in Turkey, come to studying.

#### WE WILL ACHIEVE COOPERATION WITH PUBLIC AND PRIVATE SECTOR

To sum up, Turkey is seen to have a growth potential of over 4% in the next 25 years. I believe that this growth can be achieved easily thanks to the Public and Private Sector Cooperation. From this point of view, I see that it is possible for the total value in the BIST to be 2 times higher than the GNP. As far as investments in the Global Scale increase, Turkey seems to strain at the leash. This, of course, means more prosperity for foreign partnerships, as well as for countries in the region and the world.

In general, academics often speak critically for countries where they are citizens. I'm doing it, of course. The reason is this: If we magnify so much, we think it will be touched by evil eye. Besides, since politicians are always showing the good sides, there is a need for someone to show the negativity of the country.

# 200

BILLION

Turkey's exports walking toward

# 4%

To sum up, Turkey is seen to have a growth potential of over 4% in the next 25 years.

**I SAY "TURKEY'S  
FUTURE IS BRIGHT"  
EVERYWHERE.  
THERE ARE  
SEVERAL REASONS  
WHY I SAY THAT.**

THE FIRST REASON IS  
THAT THE TURKISH  
PEOPLE CAN  
EASILY ADAPT TO  
EVERY SITUATION.  
SO THERE IS NO  
POINT IN BEING  
TOTALLY OPTIMISTIC  
OR TOTALLY  
PESSIMISTIC.

But I say "Turkey's future is bright" everywhere. There are several reasons why I say that. The first reason is that the Turkish people can easily adapt to every situation. So there is no point in being totally optimistic or totally pessimistic.

Second, the Turkish people talks much some things in the short term, but forgets all in the long term. It's not a memory problem, because they don't keep in mind. I'm talking about a nation that doesn't like to keep the negative details in mind and always looks forward to the future. In a survey conducted worldwide, as an answer the question of "How do you see the next period of time", 56% of Turks say "we see positive" and at a considerable rate, Turks said "no change".

The third reason is the power of Turkish people to combat the negativity, as they have shown for a long time. Turks can overcome situations by merging, which can devastate the other countries if they go through. I saw how this applies to the Turkish business world in an OECD report in July 2018. We lead the way in an unstoppable style regarding the of entrepreneurship.

The fourth reason is that the basis of the Republic established by Atatürk is extremely solid. If it was not, Turkey would be no different from Middle Eastern countries so far. Therefore, it is certain where Turkey belongs. However, Turkey describes this from where it does not belong. Turks are not Asian or Middle Eastern. They are European, though. But, they are European in "Turkish style". We shouldn't forget that.

In fact, we told all the facts and the miracles I mentioned above in a book called "Turkey's Economy with Events". Last year, while it was elected as top by public opinion, the book we wrote together with historian and economist Yahn Alpay, the ones who show favour to our book considered the work as a business book.

However, the book is a study of the history of Turkish economics in which more than a thousand references are cited. Perhaps, the readers evaluated this as a guiding, because of the information we put forth with evaluations and analytics of more than 50 economic development of Turkey that mark, people, institutions and historical figures. By adding a special note to the end of each event, we also mentioned the difference between the official history and the facts. Maybe they like it the most.

Another novelty in the book was that some similar developments that took place 50-60 years ago were also experienced in the 21st century. Some of them were more than



similarity, they were exactly the same. Perhaps for this reason, the book was not considered as an economic book by the editors and readers, but rather a book of work and life experience.

Even in this out-of-line study, I have clearly seen what we can achieve in the future as we write about what we have accomplished in the past. Once again, I can definitely say that: "Right, this is a miracle ..."

It will be repeated throughout the history.

**SO WHAT WILL THE FUTURE BE LIKE?** The harder it is to predict the future, the more difficult the task of putting forth a study that will be the source of research for future researchers. In the period we have left behind we know that the two vision approaches created in Turkey as 2023 and 2071. Today, while the World is in pursuit of a healthy projection up to 2050, our country is trying to reveal a vision document for the 1000 years after the Malazgirt Victory which the Turks entered Anatolia. We have made a serious effort to contribute to a vision document in our work with Yahn Alpay.

TİM's 2023 export vision makes a light on this issue. Although it is not expected that there will be a difference between the existing top 10 ranking sectors in exports and the top 10 in 2023, there is an expectation that one of the sectors which will provide high added value such as aerospace and aviation, nanotechnology, medical precision optical instruments, material technologies and hospital equipment will take place as 12th in rankings.

**56%**

of Turks say "We see  
positive the next  
period"





When the 2023 Export Plan was made, the absolute figure to be expected by World Trade was almost 50% higher than the current forecasts. Turkey's share of this figure will be between 1.5% and 2 was envisaged. Thus in the 100<sup>th</sup> anniversary of the establishment of the Republic of Turkey's, exports were expected to reach a value of 500 Billion USD.

**WE CALL IT A REFERENCE POINT** The developments occurred since the period 2008-2010 which preparation of the plan started, created a result of a serious slowdown in world trade: instability in the Middle East and bottlenecks experienced in the EU economy caused a decline in exports of Turkey. In 2018, when we write these lines, we are still trying to pass 2014 export figures.

It is an evident of that to draw a vision of the future by looking at the numbers is not a task to be accomplished with the science of economics. The speed of political, sociological, demographic and technological developments is also a matter of consideration when preparing such a vision document.

When we prepare a vision of the future, it is important where we place the end of the compass. We call it a reference point. As far as possible, the reference point should not be a feature of continuous variability. For example, if technological development is chosen as a point of reference, there may be significant errors in future predictions. Because technological advances have a feature that is open-ended and rapidly-developing faster than it is thought.

**WHEN THE 2023 EXPORT PLAN WAS MADE, THE ABSOLUTE FIGURE TO BE EXPECTED BY WORLD TRADE WAS ALMOST 50% HIGHER THAN THE CURRENT FORECASTS.**

TURKEY'S SHARE OF THIS FIGURE WILL BE BETWEEN 1.5% AND 2 WAS ENVISAGED.

Similarly, when we take into consideration the monetary developments, economic growth rates and other economic factors, there are significant deviations from the realizations. Thus, in order to be in the Top 10 Economies of the World towards 2071, a different economic model has to be implemented than the one implemented so far.

According to the OECD, World Bank and IMF data proved mathematically that with Turkey's existing economic model, it will remain to be in the G-20, the 20 largest economies in 2030. Saudi Arabia is right under Turkey, Spain is one above. Indonesia, Mexico, Russia, Brazil, India and China will be above in the rankings. Indonesia, Mexico and Nigeria is seen as likely to develop faster than Turkey in terms of economic growth and added value in the future. Turkey's national income is estimated by international organizations around 5.2 trillion dollars in 2050. According to this, it is likely to remain within the G-20 countries, again. Of course, these calculations are made in US dollars. In the next 50 years, it is not easy to predict which reserve money will be in the world. In order for researchers to have a clearer view, we will make a description in US Dollars for now.

**2071 PROJECTION** Describing Turkey in 2071 with only its national income size and the world rankings accordingly, will be a shortcut thesis. National income size alone has no meaning unless it is a global leader in arts, sports, music, science and technology. For example, the fact that Nigeria's entry the top 20 in 2030 in terms of Economic Size is an important development, but it is clear how strong it is in global interaction.

As stated in the previous pages, the adoption of the economic size as a parameter does not help us much in future predictions. Growth cannot be achieved without energy resources. According to the data of International Energy Agency, it is understood that oil, coal and natural gas demand will continue to be high in 2030 contrary to expectations. The International Energy Agency, which claims that there will be a 45% increase in World Energy demand by 2030, underlines that one third of this demand will be met by coal.

To obtain energy from coal in Turkey, domestic coal must be enriched by chemical processes. Otherwise, imported coal seems to be the only remedy. Although Turkey, dependent on foreign petroleum and natural gas, diversify its renewable energy sources till 2071, it seems to be in risky position in terms of energy security. It will probably locate its foreign policy in line with these needs.

**NOWADAYS, WE CAN SEE THAT THE MOVES INITIATED IN THE NATIONAL DEFENSE INDUSTRY WILL ACCELERATE THE SPACE AND AVIATION INDUSTRY,**

AND THAT IT IS POSSIBLE TO CREATE HIGH ADDED VALUE BY COMBINING TECHNOLOGIES OF DIFFERENT COUNTRIES WITH TURKISH TECHNOLOGIES.

The 500 Billion Dollar Export Plan in 2023, which was prepared by TİM, describes the sectors that will take the top 10 places in the 100th anniversary of the Republic: Machinery, Automotive, Iron-Steel, Textile and Apparel, Chemical, Electrical and Electronics, Agriculture, Non-Ferrous Metals, Textiles and Raw Materials, Furniture. Mining is ranked as 11<sup>th</sup>, and then technology products, jewelry, ship and yacht, cement and soil products, leather and leather products, carpets and fishing are respectively in the ranking.

Obviously, with this projection made until 2023, it is understood that a serious effort should be made in order to increase the kilogram value of exports above 4 dollars. Nowadays, we can see that the moves initiated in the National Defense Industry will accelerate the space and aviation industry, and that it is possible to create high added value by combining technologies of different countries with Turkish technologies.

**TURKEY'S PLACE IN THE FUTURE OF THE WORLD**

If we make predictions for a more distant future, such as 2071, we should consider that. Every detail we suggest from today to tomorrow will be the interest of ones born between 2020 and 2030. Because those who were born at the beginning of the third millennium will be retired at those times.

In 2071, some parts of the human body will probably be produced or reinforced with artificial intelligence. We can even say many parts. Today, brain chips are being developed to deal with diseases like Alzheimer's. Experts say that by 2071, cancer and participatory diseases will be treated from the womb. This means that we will not have the significant part of the daily troubles we talk about today.

If we accept that there will be Turkish and World Human beings with different reflexes than today's consumption and investment reflexes, we should accept that the growth model should change as of today. We talk about the existence of individuals who will be

shopping from virtual stores, able to live their vacation preferences through virtual reality, live without need of bank branch, use digital or crypto money, get a diploma from a virtual environment without going to school and have a diploma, individuals dependent on cyber life.

As we getting closer to a real Turkey such this, those with wealth from today's conventional conditions should see that they won't have what they have in the future and need to take the road for serious changes before it's too late. The future wealth owners will not be owners of builders or retail chains. In brief, Turkey must make a revolution in its enrichment philosophy towards 2071. TIM has realized this and has started a serious move.

The first trip to Mars in 2030 was announced in 2016. Therefore, it is understood that Turkey have to reserve a significant budget for space studies. The original space competition will begin with extraterrestrial settlements. Those who will participate in such missions cannot be elected only from the Air Force Staff. Those who are experts in such matters should be trained for these missions, such as security, health, cleanliness, engineering, transportation, etc., as much as scientists.

We can do all this. We're gonna do this together with our friends, not on our own. It is very possible to meet the universe without losing the National Identity. I'm not the only one who says we can do this.

I'm ending with a quote from David Passig's 2050.

*"As I learned the history of the Turks, both their known and hidden sides fascinated me. Therefore, it was natural for me to examine the future of this culture. The deeper I go, I saw that the fate of many countries in the Middle East depends on Turkey's fate and compassion. As long as I investigate the developing trends within and surrounding Turkey, I realized that Turkey will hold an important place in the culture and the history of 21<sup>st</sup> century."*

**500**

BILLION DOLLARS

The export figure is planned to be reached in the 100<sup>th</sup> anniversary of the establishment of the Republic of Turkey.

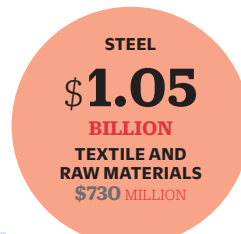
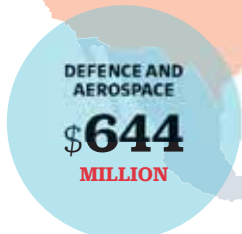
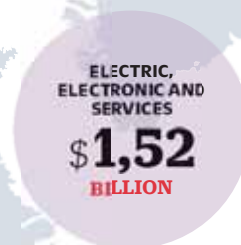




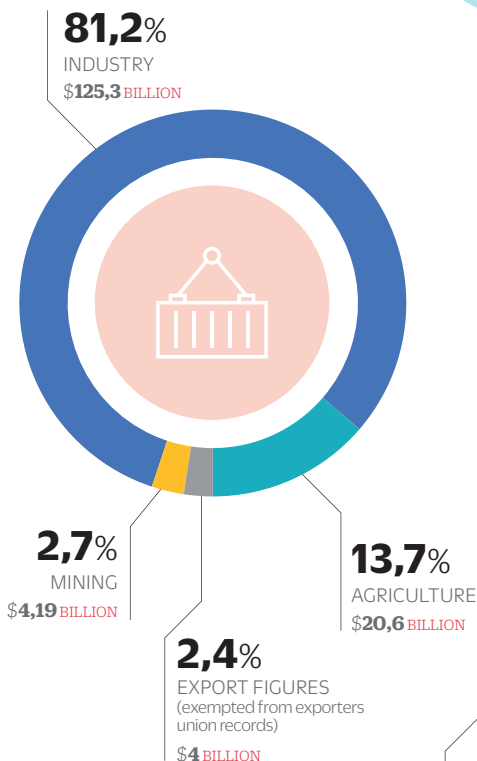
# Turkey's New Entrepreneur Force

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.

# Countries with the Highest Export Performed by Sectors

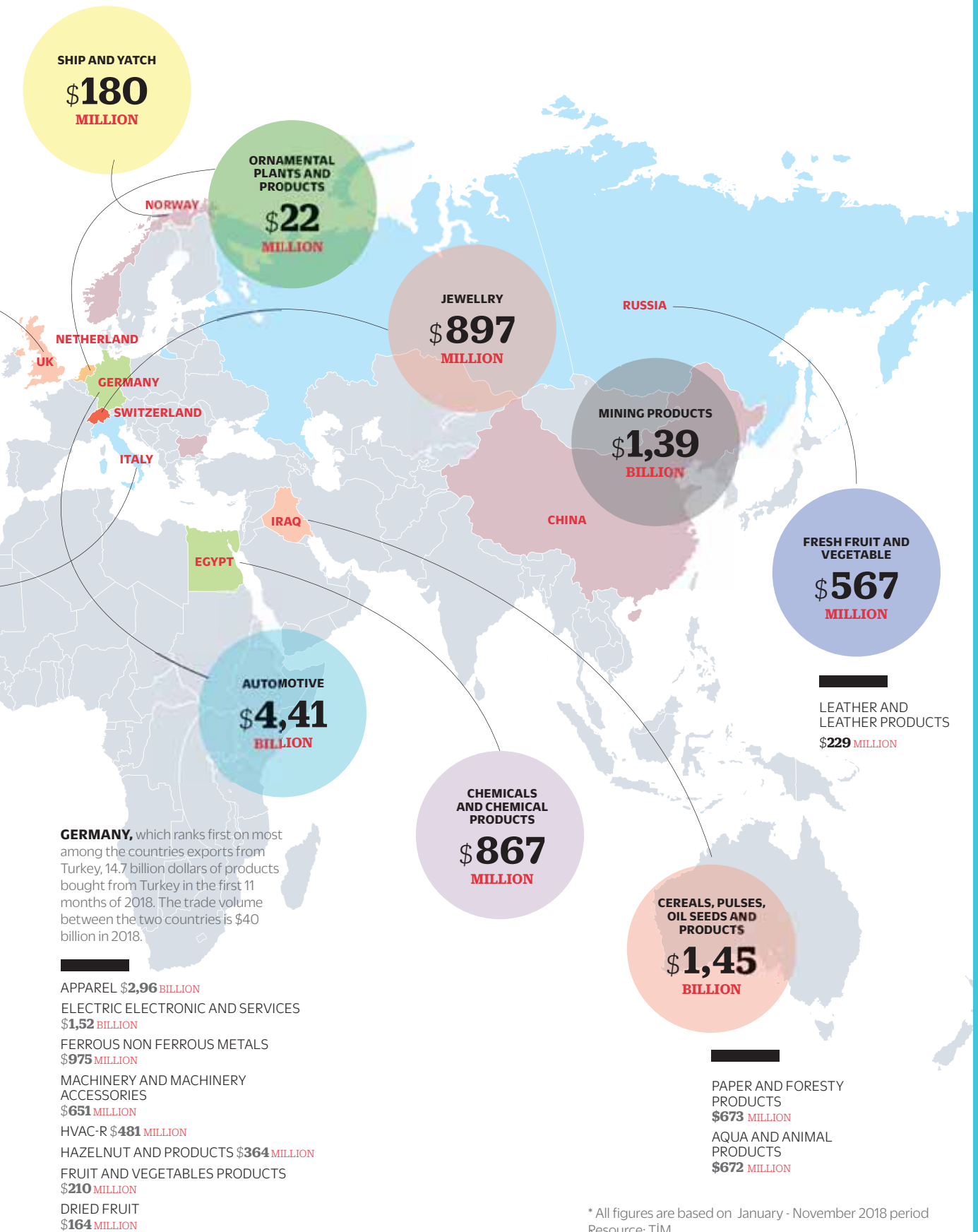


## SECTORAL DISTRIBUTION IN TURKISH EXPORTS



CARPET \$516 MILLION  
CEMENT, GLASS AND CERAMIC PRODUCTS \$239 MILLION  
TOBACCO \$167 MILLION  
OLIVE AND OLIVE OIL \$98,1 MILLION





# The main export market for Turkey is Europe

Turkey had exported of \$ 69.7 billion in 2017 to the European Union countries.

In 2018, this figure increased by 15% to \$ 80 billion as of the first 11 months.

Turkey is making half of the exports to Europe. At the same time, two thirds of foreign investments come from Europe too.

**In 1996**, following the establishment of a Customs Union with the European Union, Turkey's exports entered a new structural transformation process. Developments in recent years show that production and exports have increased substantially in high-technology sectors, where goods include electrical and electronic machinery and equipment, as well as in the automotive industry.



GERMANY

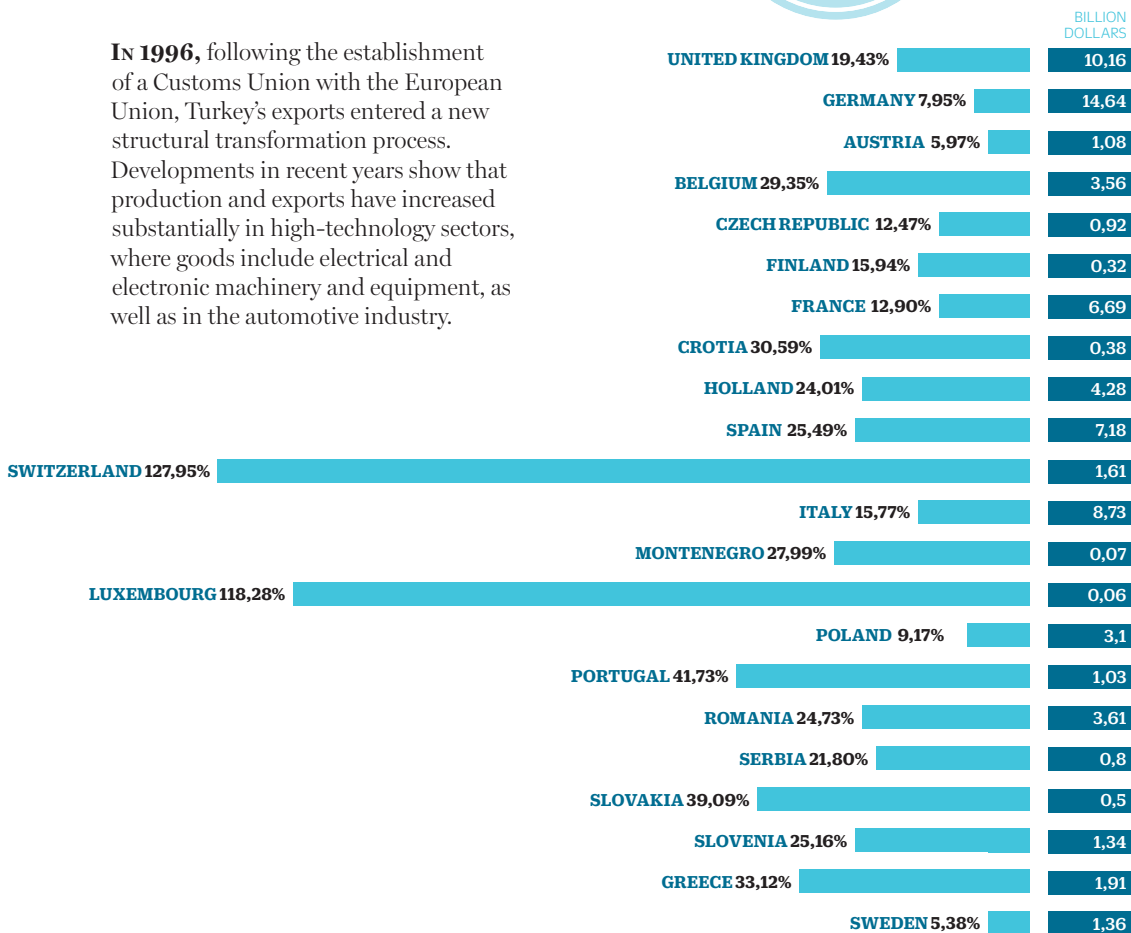
**\$14,64****BILLION**

Export value

UNITED KINGDOM

**\$10,16****BILLION**

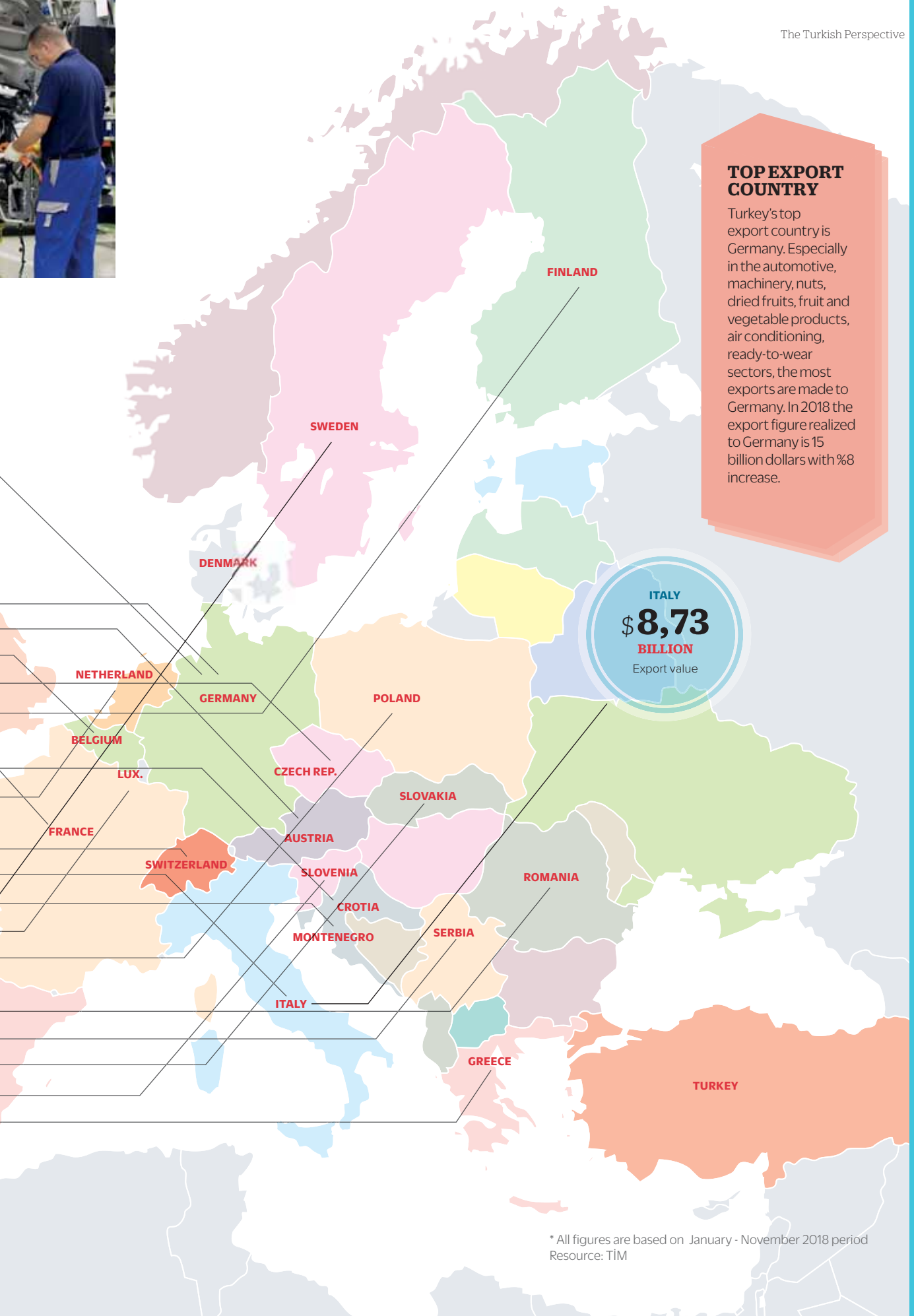
Export value



UNITED KINGDOM

SPAIN

PORTUGAL



\* All figures are based on January - November 2018 period  
Resource: TİM

# The Locomotive of Exports

**AUTOMOTIVE SECTOR** constitutes the most important share in Turkey's exports rising with each passing year, reaching the targeted export figures for the first 11 months of 2018. In this process, the share of the automotive industry, which signed exports of \$29.7 billion, reached 19 percent in total exports.





Turkey, especially in the commercial vehicle production, has become a center of excellence. Since the end of 2016, Turkey has become the largest light commercial vehicle manufacturer in Europe.

The Turkish automotive sector exported goods ranging from \$1 million to \$4 billion to European countries such as Germany, Italy, France, England, Spain, Belgium, Slovenia and Poland.

## MORE THAN 1.3 MILLION

Automotive manufacturers, as a production base for export prefers to Turkey increasingly. The exportation about 85% of automotive production in Turkey is an indication of this condition. In the same period it has been exported to foreign markets from Turkey more than 1.3 million vehicles.

## 5<sup>th</sup> LARGEST OF EUROPE

This significant growth shown by the automotive industry, today Turkey is the world's 14<sup>th</sup> largest, and Europe's 5<sup>th</sup> largest automobile manufacturer has provided his rise to the position.



**85%**  
Export rate of production

**\$11.4**  
BILLION

Value of otomobile exportation  
2018 January- November

**1.427**  
MILLION

Production (piece)  
2018 January- November

**19%**  
Share in total export



**AUTOMOTIVE**

# Shining with global brands

Global automotive brands have invested nearly 15 billion dollars in the Turkish automotive sector in the past 15 years. Today, the sector exports more than double the total investment.

**THE FOUNDATION** of the automotive industry, which served as a locomotive in the Turkish economy, dates back to the 1960s. The industry, which has undergone rapid industrialization, has turned into a full-fledged industry with its design capability and wide production capacity over the years.

Original Equipment Manufacturers (OEM), between 2000 and 2018 to operate in Turkey has invested close to \$ 15 billion.

Through these investments, significantly increasing the company's production capacity has enabled Turkey to acquire an important position in the global value chain of international OEMs.

Turkey professionally while meeting international quality and safety standards of the automotive industry, thanks to the valued-added production concept in the global market is extremely active and has a competitive position.

Thanks to qualified labor force, dynamic domestic market and advantageous geographical position, 13 global OEM's vehicle production in 2002 374.000 to over 1.7 million in 2017 in Turkey. This increase shows a growth rate of approximately



## 944.304

**PIECE**

Automobile production  
2018 January- November

## 810.054

**PIECE**

Export of  
light commercial vehicle

## 6%

Increase of value  
on automobile  
exportation

## 65%

Increase of tractor  
export in November  
2018



450 % per annum during the period.

Turkey automotive industry, which is proving itself as a unique production center, now aims to develop R&D, design and branding capacity.

By the end of 2018, the automotive manufacturers and suppliers have more than 130 design and R&D centers are operating in Turkey.

Global automotive brands include Ford, Fiat, Daimler, AVL and SEGULA, among product development and engineering activities in Turkey prominent examples. Ford Otosan's R&D center is one of Ford's three largest global R&D centers. At the same time, Fiat's R&D center in Bursa is the only center that serves the European market outside the Italian company's own country. Also AVL Turkey opened its second R&D center in Turkey and has started to develop hybrid vehicle technology.

Turkey also offers a supportive environment in the supply chain. There are approximately 1,100 parts suppliers in the country that support the production of OEMs.

We can say that we had a productive year in terms of automotive industry, which is the export leader of Turkey.

We reached an export value of 29.1 billion USD with 12% increase on January-November period, in comparison with previous year. That is to say, the record that we shattered with export value of 28.5 billion USD last year, we broke more than that just in 11 months. As the year finishes, we will reach an export value above the targeted number, 31 billion USD. Thereby, automotive industry will show a great success 13th times again by finishing the year as the export leader of Turkey.

The export value with EU has reached 22.8 billion USD and rose 13% in eleven months. Export share of EU countries worth 78% in this period. While the exports with our largest markets Germany and Italy rose respectively as 10% and 7%, exports with our important markets also showed a significant increase, 11% with France, 20% with Belgium, 34% with Slovenia, 24% with Poland, 19% with Netherlands, 30% with Romania.

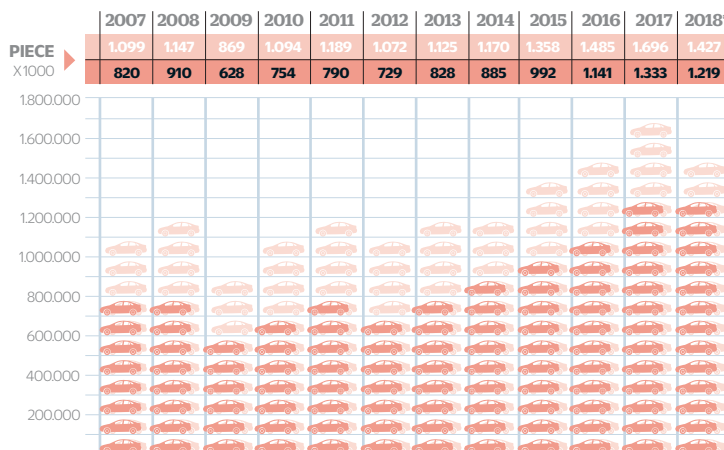
Our main objective for 2019 is to carry out an export value and volume by beating the numbers belong this year.

**ORHAN SABUNCU**  
Chairman of the Council  
of Automotive Sector



### THE MAJORITY OF PRODUCTION IS EXPORTED

Turkey's automotive production and exportation chart on years.





# CHEMICALS AND CHEMICAL PRODUCTS INDUSTRY

## Regional production, management and export base

Chemistry giants such as BASF, Henkel, Bayer, Evonik, Linda, P&G, Dow and PPG are operating in Turkey for decades and continues to grow every year.

**OVER THE PAST DECADE,** worldwide chemical product sales have more than doubled. This increase is mainly driven by emerging economies, which accounted for approximately 80% of the increase in chemical production capacity. Chemical product sales in Turkey have also followed a fairly similar pattern to the global trend over the last decade.

Turkey, supported by a dynamic domestic market with competitive production costs, an attractive investment destination for companies operating in the chemical industry.

Turkey is also, a regional production, management and export base for leader brands in chemical industry.

Chemistry giants such as BASF, Henkel, Bayer, Evonik, Linda, P & G, Dow and PPG are operating in Turkey for decades and continues to grow every year. Europe's second largest plastic manufacturer Turkey, has also ranked seventh in the world.



**\$15.9**  
BILLION  
Value of export

Turkey plastics industry that performs the 3% of world plastics production is another promising field in terms of Turkey's chemical industry. Turkey, which is Europe's 5th largest paint manufacturer, in the paint industry also offers various opportunities for investors.

The world's 2<sup>nd</sup> largest petrochemical importer, Turkey, with total petrochemical production capacity offers great opportunities to domestic and foreign investors.

Investors can capture attractive business opportunities in Turkey's neighboring countries benefiting from improved infrastructure and strategic location are also available. The consumption of petrochemical products in neighboring markets such as Europe, the Middle East and North Africa accounts for a quarter of global consumption.

**17.6**  
MILLION TONS  
Quantity of export

**8,11%**  
Increase of export  
value rate

**\$5.4**  
BILLION  
Plastic and plastic  
products export



### TOP 10 RANKING IN CHEMISTRY EXPORT

- 1**  
GERMANY  
\$869.6 Million
- 2**  
EGYPT  
\$867.2 Million
- 3**  
IRAQ  
\$793.4 Million
- 4**  
SPAIN  
\$766.3 Million
- 5**  
USA  
\$763.0 Million
- 6**  
ITALY  
\$546.7 Million
- 7**  
UK  
\$524.3 Million
- 8**  
GREECE  
\$480.0 Million
- 9**  
NETHERLAND  
\$479.9 Million
- 10**  
IRAN  
\$425.0 Million

**ELECTRIC, ELECTRONIC AND SERVICES INDUSTRY**

# Rapid growth is reflecting to exports

In recent years, Electrical and Electronics sector exports of accounted for 7 percent of Turkey's exports, with its faster growth.



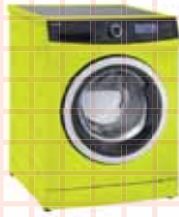
**\$10,3**

**BILLION**

Export Value

**7%**

Share in total export



**1<sup>st</sup>**

**IN EUROPE**

Turkish white goods sector is the number one producer in Europe with 25 million units of production.



Turkey stands out with domestic brands like Vestel, Casper, General Mobile in the smartphone market.

**ELECTRIC, ELECTRONIC AND Services** sector is one of the most important export items. The most important technological development in the last 50 years in the world has been experienced in this sector. Serious steps were taken in this field in Turkey, it is continuing to be discarded.

Sector, about 5 times the average in Turkey, so fairly high value-added exports is signing. As in every sector, it is the key point in this sector to create its own path instead of following in the footsteps of others. R&D, saving, giving importance to innovation and creating a global brand are the main factors that increase exports.

Considering the value added Turkey's industry, the Electricity-Electronics and Services Electricity-Electronics and Services are an important and key sectoral production area that has a close impact on other industries due to their economical and technological characteristics. This sector is one of the largest and leading industries because of the

number of workers it employs in the world production volume, the effect on the whole area of the industry and more than 10% of world industrial production.

The Electricity-Electronics and Services industry, which started to be established as an assembly industry in Turkey in the 1950s, has developed rapidly in recent years, has gained a competitive edge and has been one of the fastest growing sectors.

Activities such as Turkey Innovation Week events hosted by Turkish Exporter's Assembly increases the awareness for innovation and companies of all scales begin to embrace innovation as a fundamental part of their business. Today, the industry has reached a point where it can develop its own design and technology. The fact that the Turkish Electrical and Electronics and Services Industry is constantly developing and renewing itself, adapting to world technologies and showing new Technologies in its adoption, indicates the bright future of the industry.

Exports of the electricity and electronics sector exceeded \$10 billion last year. The sector recorded a growth of 21 percent. In this respect, it makes a great contribution to export. 2023 export target of the sector is to exceed 30 billion dollars.



**FATİH KEMAL  
EBİÇLİOĞLU**

*Chairman of the Council  
of Electrical-Electronics  
and Services Sector*



## WOOD AND FORESTRY PRODUCTS

## Inside the race with leaders

Turkey is 4th power in the sector after Italy, Germany and the UK with its own brands. The attention of countries that are interested in furnitures is increasing day by day to Turkey.

**ACCORDING TO THE INFORMATION** received from the Council of International Forest and Paper Associations, which have 43 member countries that produce 90% of the world's wood and paper production; the world forest products industry has a volume of more than \$470 billion and employs over 14 million people in this sector.

Turkey lies in a transitional zone between temperate and tropical belts, and includes continental sections of Asia and the eastern part of the Mediterranean region. It is a gateway between Europe, the Middle East and the post-Soviet Union countries. Turkey has a total land area of close to 80 million ha. Forests cover 27.4% (21,363 million ha) of the country land area and continue to increase. According to The Food and Agriculture Organization of the United Nations (FAO) reports, Turkey is listed among the first ten countries that have realized afforestation works most extensively all over the World.

Turkey's forest areas having more assets than the total forest area in many countries is 26%. If such a large resource meets its values and the industry is used effectively, it will be a great advantage for the country's economy. Approximately 300,000 people are employed in Turkey Wood and Forestry Products Sector.

The activity of Wood and Forestry Products sector is mainly composed of three sub sector groups. Turkish wood-based products are exported

**\$2,8**

**BILLION**

Furniture sector  
export value

**4,53**

**BILLION**

Forestry sector  
export value

**177**

**EXPORTED  
COUNTRY**



### AHMET GÜLEÇ

Chairman of the Council  
of Wood And Forestry  
Products Sector



to more than 180 countries. The lumber industry which is raw material-oriented and oldest branch of the forestry products has 68% of the producers which gives to meet potential Small and Middle-Sized Enterprises (SME) increase in the world's lumber demand. The sheet industry, which has an important role in the economies of developed countries, accounts for 11% of Turkish wood and forestry products exports.

Today, Turkey is 4th power in the sector after Italy, Germany and the United Kingdom with its own brands. The are very successful in design and sector's number of studies in this field is increasing day by day. The attention of countries that are interested in furnitures is increasing day by day to Turkey.



**3,8**

**MILLION TONS**

Product capacity of  
paper sector

**48**

**PAPER FACTORY**

**2.400**

**FIRMS**

**MINING AND MINERALS INDUSTRY****Ascension motivation**

In the light of developments in the sector, Turkey aims to be among the leading mining countries.



We are finishing the year 2018 with the same value as our previous year's exports.

In 2019, we aim to maintain our current position. In 2019, we will continue our efforts to enhance the exports as we are prepared for the sectoral adversities.

When we look at the year 2018, exports of metallic ores and natural stones decreased compared to the previous year. In terms of natural stones, the export of processed marble/travertine is decreasing and we can say that there is a decrease in natural stone export. This decline in block marble/travertine exports is about 81% of our block marble exports and is caused by the shrinkage of the Chinese market. The fact that the construction sector in China is stable is also pretty effective. The decrease in metallic ore exports is due to the decline in production. The elimination of bureaucratic barriers and the acceleration of permitting processes as well as the increase in production, will lead to an increase in exports.

Within the next year we will organize trade delegations to Nigeria, South Africa, Argentina, Chile, Germany, USA, China, India, UK, Qatar, Australia and other countries. In our sectoral trade delegations, which we have organized for the natural stone sector, we prefer the developed cities in terms of natural stone industry. In addition to preserving our existing markets, activities to increase exports to new markets are among our priorities.

**AYDIN DİNÇER**

*Chairman of The Istanbul Mineral Exporters' Association*



**RECENTLY THE MINING INDUSTRY** of Turkey is undergoing an effective development. Before years, the isolated, slow-paced sector is now more self-conscious, agile and moving forward to its objectives. Since the mine producers and non-governmental organizations are in direct contact with the government this allows them to explain their problems and opinions with face-to-face communication opportunity. With the ministry's new policy, country's mining gained a new momentum and the industry has renewed its hope for the future.

Many regulations have been made in a short period of time to bring the country's mining industry to world standards. Also significant steps are

being taken in order to pave the way for the investors who want to serve for the Turkish Mining Industry. In this regard, Turkey aims to take place among leading mining countries in the world.

If you need to look at the potential of the sector, Turkey has 35 percent of the world natural stone reserves. World natural stone export market is in the range of 18-20 billion dollars.

Turkey is taking 10 percent, with \$ 2.2 billion, share of natural stone sector market. The sector thinks that it can reach 7-8 billion dollars export by exporting the natural stone correctly and supporting it with P&D. Sees countries such as Canada, Mexico, Brazil, Indonesia, and Malaysia as growing markets.

**24****MILLION TONS**

Total mining export.

**6,92****MILLION TONS**

Minerals export.

**\$1.77****BILLION**

Natural stone export.

**\$2.42****BILLION**

Minerals export.

## PRECIOUS METALS AND JEWELRY INDUSTRY

# Emitted ore by Turkey

Over 1,000 large factories, which are equipped with state-of-the-art technology and employ more than 1,000 staff each, are in service in Turkey. The world is taking jewels from Turkey.

Despite all the challenges of global economy, in 11 month of 2018 our sectoral export value is 4159 million \$, increasing 38% more than in same period of 2017. Turkey is placed on the top in Europe and 3th in the world for jewellery production.

Our export expectation in 2019 is 6.5 million \$ with an increase of above 55%. If effects of trade wars continue, it will be create an environment of uncertainty for international trades in 2019. If we can take right positions for occurred vacancies, our foreign friends who invests in our jewellers will be the winning party.

Domestic market shrinkage made Turkish jewellers turn towards export. This is a great opportunity for foreign investors. Turkish jewellers deliver the best quality products with very competitive prices for foreign buyers. Whoever see this opportunity, takes advantage of it. Tens of firms from Dubai has already opened a branch in Turkey. Because this firms can product their goods and take away home, tax free. Therefore, we believe the fact that Turkey will become the jewellery center of the world.

We bring world's greatest buyers to Istanbul jewellery expos, covering the airfares and hotel fees. We has already started preparation of Istanbul Jewellery Expo which will be held in March. We defray expenses of airfare and hotel fees. Our foreign friends who would like to participate can register via [www.jtr.org.tr](http://www.jtr.org.tr)

## MUSTAFA KAMAR

Chairman of the Council of Precious Mine and Jewellery Sector



**THE JEWELLERY SECTOR** holds a place in the cultural heritage of Turkey, with its history more than 5000 years. Being fostered by the many civilizations such as Lydian, Hittite, Macedonian, Greek, Roman, and Ottoman that existed in the country, the craft of jewellery has been regarded as among the most eminent occupations down through the ages.

It is in a transformation process, from being an artisanship to becoming an industry opened to the world after the government's regulation in the beginning of the 80s. Today, the Turkish Jewellery and Valuables sector turns out to be one of the prominent sectors globally. Over 1,000 large factories, which are equipped with state-of-the-art technology and employ more than 1,000 staff each, are in service in Turkey. Approximately 350,000 people are employed by over 4,000 producers in 40,000 retail stores in the sector.

While the export value was \$200 million in 1998, today it has grown to \$3 billion, records indicate, and this value comes close to \$5 billion when shopping by tourists and shuttle trading are included. Turkey is the second-largest gold jewellery producer in the world, after Italy. More than 90% of the sector's exports are derived from the category of gold jewellery.

With huge manufacturing capacity, The Turkish Jewellery and Valuables sector has been an arbiter in the export market since 1980. The number of member exporter companies of the Jewellery Exporters' Association is almost 1,000 as of today. Kuyumcukent, one of the most distinguished production

compounds in the world, fosters more than 1,000 producers in one site and employs 20,000 people. The company whose production capacity is the largest in Europe is located in Turkey. The sector's export figures increase steadily each year.



# 1<sup>st</sup>

Europe's 1st in jewellery production and 3<sup>rd</sup> in the World



# \$4,16

BILLION

Jewellery Export

# 38%

Increase rate of export between the same period in 2017

# \$6,5

BILLION

2019 export expectation





**SHIP AND YACHT**

# Versatile production and export

The ship and yacht sector offers a wide range of products to the world through its strong R&D and innovation capability.



**SHIPYARD INDUSTRY** has over 700 years of history in Turkey. Turkish ship and yacht sector takes an important place among major producer in terms of both number and tonnage. In shipyards, which are managed by operating firms of the sector, varying degrees of ships and yachts are constructed including chemical tankers, bulk carriers, general cargo ships and mega yacht.

Sector has competent plants, Technologies and labour to take advantage of global opportunities. There are 70 active shipyards take charge in production and exports. As a result of its geographical position, especially Istanbul Harbor is merely a supply base.

20% of Turkey's exports of ship and yacht to Norway. It is hard to construct ships for distant markets like Norway but Turkey became professional at creating projects based on R&D and innovation. Autonomus tow boats, hybrid ferries, natural gas operated fishing boats are produced in Turkey. While

**\$1.34**

**BILLION**

Value of export

**70**

**SHIPYARD**



**\$952**

**MILLION**

Value of export

the innovation increasingly continues, thanks to Industry 4.0 the progress accelerates.

Sector is proved itself in terms of quality. It always hold a preferred position in comparison with the competitors by the abilities like convenient prices and delivery on time. Sector follows closely the sectoral improvements and acts responsibly for technological developments, thus the ship and yacht sector retains this competitive position.

Moreover, Europe recently pursues an introvert policy in terms of exports and as a result of some political debates, the ship and yacht sector carries on works regarding new markets in Middle East, North Africa, Russia and South America.

The ship and yacht sector has gone through some though sledding over the year 2018.

Despite all negativity, our sector brought off to exceed 1 billion USD by December, in terms of export value. According to our predictions, 2019 will be more productive than 2018.

Turkish ship and yacht sector is recently got experienced especially in military vessels and naval ships in service. We would like to interpret these experiences by exportation. Also the machines and vehicles which are used in construction of vessels are being included in our product range. We develop ourselves to be able to export these products.

Beyond mother ships, our shipyards are able to produce autonomus ship, green ship and economical ship; and our subsidiary industry act responsibly in this sense. We expect that the ship and yacht sector will make progress as from next year, which is seeking for new markets already.

The ship and yacht sector is able to export services besides production of new ships and exportation of the goods. Our sector, which makes approximately 500-600 million USD export value per year and creates an inflow of foreign exchange, has a bigger potential and take firm steps to make progress more.

**BAŞARAN BAYRAK**

*Chairman of the Council  
of Ship and Yacht Sector*





## MACHINERY AND MACHINERY ACCESSORIES

## Towards new targets

Machinery exporters have achieved a great success over the last 16 years and increased their exports by 9 times. Now, first goal is increase the share of machinery exports in total exports to 15 percent.

**THE TURKISH MACHINERY** industry is experiencing a higher demand with both internal and external investments. The sector which provides the main machinery and equipment of automotive industry, metal goods industry, textile industry and metal main industry investments determines the development speed and production compositions according to the new needs and demands. It is the driving force of industry and economy with new machinery manufacturing.

Turkey machine manufacturing industry, growing faster than other sectors, exports increase constantly, keeping a certain level of capacity utilization and value added indicators of a structure raised significantly.

Machinery exports, holds an important place in Turkey's total exports, which increased by over 10 percent in 2018.

Machinery exporters have achieved a great success over the last 16 years and increased their exports by 9 times. The goal of the machinery exporters is to complete the year with an export of 18 billion dollars with an increase of 20 percent compared to the previous year. The sector is moving towards this goal.



**\$15,7**  
**BILLION**  
Export Value

**16.8%**  
**INCREASE**  
Compare with same period of previous year

**33.2%**  
**INCREASE**  
Construction and mining machines export change

**26.2%**  
**INCREASE**  
Agriculture and forestry machines

**222**  
**EXPORTED**  
**COUNTRY**

The export of machinery, which has been realized above the target of 15 percent increase for 16 years, is very pleased the exporters.

Countries like Italy, Poland and Russia are at the forefront in the export of the sector, which receives intensive product demand from European countries.

Exporters have two goals to achieve in 5 years: First, the share of machinery exports in total exports to 15 percent. Secondly, to increase the share of exports in the foreign trade of the machine. For the machinery and equipment manufacturing sector, the main goal is to achieve \$ 100 billion in export, in 2023.

The number of large enterprises in the machinery manufacturing industry is relatively low and medium and small enterprises (SMEs) are the backbone of the sector. There are 13 thousand 750 machinery companies in Turkey.

The sector aims to gain more valuable products by focusing on knowledge and software and moving the unit price up today.



**KUTLU KARAVELIOĞLU**

*Chairman of the Council of Machinery and Machinery Accessories Sector*

Turkish machinery increases competitiveness by R&D and innovation efforts.

While intensifying international competition brings the technology race between firms and countries to the next level, the machinery industry that directs industrial development is increasing its strength by R&D and innovation efforts with each passing day. Having 145 R&D centers out of 1026, machinery sector ranks the top among sectors. This indicates a determination of sector, which shows us that it's ready for technological competition.

Gathering all machinery exporters under the same organization, as Machinery Exporters' Union we strive to contribute to the current surplus by reducing the foreign trade deficit with the awareness that we have a responsibility to follow global trends and to integrate the sector. From Germany to India, from Vietnam to Italy, from USA to China, to Russia from all over the world we made the Turkish machinery sector become popular, continued to develop our collaborations and make contacts.

Between the years 2001-2017 we noted a ninefold increase of machine exports. In the first 11 months of 2018, we moved closer to our year-end targets by reaching a value of 15.7 billion USD with an increase of 16.8%. We believe that we will retain our steady increase in the coming period, our export target for 2019 is \$20 billion. In line with our 2023 targets, we would like to increase our share in general exports to 15%.

The share of our machines exported to EU and USA is 60%, which are our regular markets. This fact is the evidence of high engineering skills and product quality of Turkish Machinery. To close the \$10 billion gap that we have never deserved in the foreign trade of the machine, and to turn to our own machines which have gained the appreciation of the whole world should be the priority of our industrialist



# The guarantee of the future

**TURKEY'S EFFORTS** to promote its indigenous arms rely on three main reasons: to stimulate the economy, maintain its army – which is the second biggest among the NATO countries – and self-sufficiency by 2023.





## **\$1.8 BILLION EXPORT**

Undertaking important export contracts throughout the year, the Turkish defense and aerospace industry's exports hit \$1.8 billion, the highest defense and aerospace industry export figure on a yearly basis before the end of the year.

## **650 PROJECTS**

Turkey pursues 650 defense industry projects

## **\$60 BILLION**

Projects worth which continuous

## **65%**

of the products, Turkey uses in its defense operations is indigenous.



**DEFENSE AND AEROSPACE**

# Sure steps towards the target

The sector aims is not to become a subcontractor of international defense industry producers but to create a fully independent Turkish defense industry.

**TURKEY**, has become one of the most important centers in the world in terms of the defence and aerospace industry, also an extraordinary and significant country that hosts companies producing products and technology in different fields. Turkey has increased its military capacity by investing in the defence industry in the last decade. Amid internal and external threats to its national security, Turkey has become one of the growing exporters of military equipment, including heavy weapons, in the region. In recent years, the sector has had a chance to express itself better due to the developments in the Turkish defence and aerospace industry, the projects realized and the increasing interest of the public. In addition to the strategic importance of the defence and aviation/aerospace industry, Turkish society is starting to realize that the technology produced, and the solutions

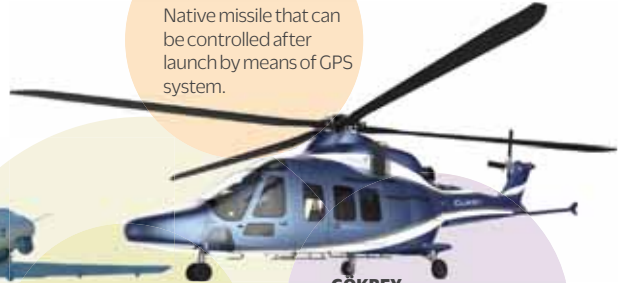
developed are the leading technologies that can be used in every aspect of their lives. This awareness also contributes to the fact that, industry is capturing the interest of more and more entrepreneurs and producers. There are many private companies and public enterprises working on producing high-tech military equipment such as ASELSAN, Turkish Aerospace Industries, HAVELSAN, Roketsan, TUBITAK, Baykar, Tusas and FNSS Defence Systems.

**LATİF ARAL ALİŞ**

Chairman of the Council of Defense and Aerospace Sector

**SOM MISSILE**

Native missile that can be controlled after launch by means of GPS system.

**GÖKBEY**

General purpose helicopter that can be used in many tasks such as VIP, Cargo, Air Ambulance, Search and Rescue.

**ANKA**

It is the first UAV, developed to meet unmanned aerial vehicle requirements.

**HÜRKUŞ**

Besides being a training plane, it is used by Turkish Armed Forces for light ground attack missions.

**SAMUR**

The Samur Mobile Floating Assault Bridge was designed in accordance with the tactical operations of the Turkish Armed Forces.

**GÖKTÜRK-2**

Turkey's first high resolution earth observation satellite

**ŞİMŞEK**

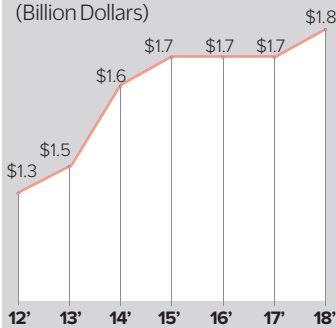
Air defense unit's developed for use in training needs, Turkey's first jet-powered high-speed aircraft system.

**ALTAY**

A domestic tank that can withstand the tough terrain conditions with the weapons on it

**VALUES OF EXPORT ON YEARS**

According to Turkish Exporters' Assembly (TİM) data, the defense and aerospace sector achieved (Billion Dollars)





## STEEL

# Protectionism does not penetrate Turkish steel

In a period of time that effects world trade deeply because of protectionism policies that many of countries implement, US in particular, Turkish steel industry finishes the year by growing.

## İBRAHİM PEKTAŞ

Chairman of the Council of Steel Sector

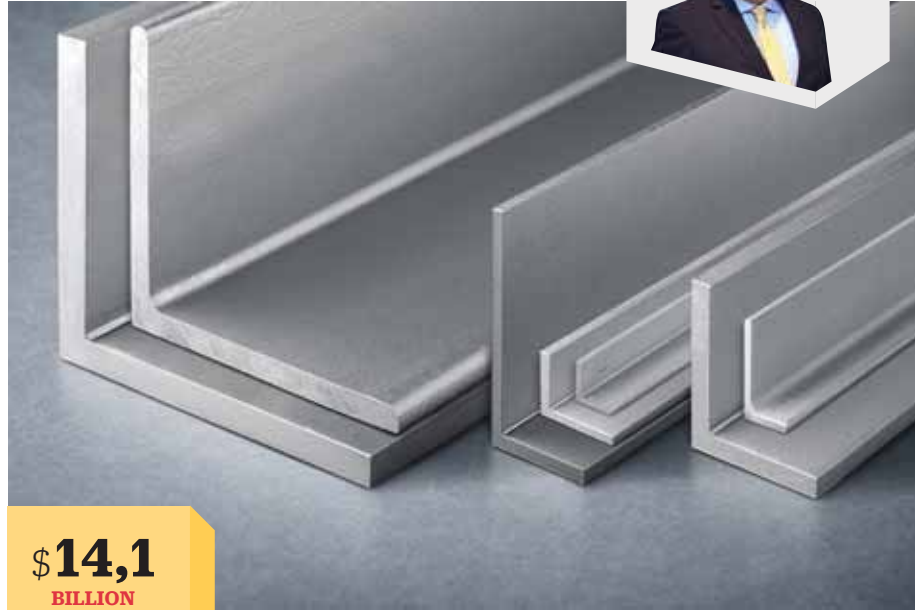


## ONE OF THE SIGNIFICANT

constituents of Turkish Industry, steel sector is having a time of spurts regarding production and exports. Servicing the whole world from 4 different rolling mills around the country, sector enlarges its production range day by day.

As 4<sup>th</sup> largest steel exporter of Europe, Turkey is preparing to leave a succesful year behind in terms of exports. In the year 2018 through November, Turkey exported 19.3 million metric tons steel with an increase of 19.8% and left behind the target of the entire year, which is 19 million metric tons. In value terms, Turkey exported steel valued 14,1 billion USD with a rise 37.3%.

Although it struggles lots of difficulties, protectionism in particular, sector made progress successfully in terms of exports. Reaching its goal for entire year just in 11 months especially by the rise of goods like hot slab, wire rod, construction steel, profile and pavement steel, sector aims a familiar achievement for 2019.



**\$14,1**

**BILLION**

Value of export

**19,3**

**MILLION TONS**

Amount of export

Turkey will retain its power in existing markets, in the mean time it will head for the markets below the mark such as Southeastern Asia, West Africa and South America and utilize the opportunities.

Sustainable secured input supply of base metal will be one of the featured subjects of Turkish Industry in next period. Within the scope, we will put emphasis on production of high added value goods such as stainless steel, special steel, structural steel and seamless pipe, which are imported. Production capacity will be created for non-producing goods such as stainless steel, graphite electrode, zinc ingot, sponge iron, alloyed aluminium, until 2023. As we planning to strategize for production of steel grades except carbon steel, the efforts for integration of Turkish industry with global markets will maintain.

## VALUES OF EXPORT ON YEARS



\*2018 January-November

**CEMENT GLASS, CERAMIC AND SOIL PRODUCTS**

# Turkey sets standards in the world

With its production, design and exportation, Turkish Cement, Glass, Ceramic Sector enjoys a significant position in Europe, America, Middle East, Africa etc. all over the world.



**\$2,75**  
BILLION  
Export value  
of sector

**1<sup>st</sup>**

Cement production in Europe

**4<sup>th</sup>**

Cement production in the world

**1<sup>st</sup>**

Cement exportation in Europe

**3<sup>rd</sup>**

Cement exportation in the world

**CEMENT, GLASS, CERAMIC** and Soil Products has a deep-rooted history. The sector provides direct employment for 650 thousand people and continues to contribute towards Turkey's foreign trade volume by exporting sector's products to more than 200 countries.

Turkey ranks 2nd in cement exports, 4th in ceramic exports and 17th in glass exports in the world. The sector aims to maintain this trend. The target is to achieve exports amounting to \$7.3 billion in the year 2023 with an average growth rate of 7% per year.

Turkish Cement, Glass, Ceramic and Soil Products Sector enjoys a significant position in Europe, America, Middle East, Africa etc. in other words all over the world.

The ceramic, cement and glass industries, which had a very important place for the national economy with the export of 2.9 billion dollars last year, are the sectors that create national contribution by making high exports with very little imports.

Cement, glass and ceramic sectors is about 2% share of the Turkey's total exports.



\$140 billion is estimated as the glass sector, around 4 percent share of Turkey gets.



Turkish ceramic industry, which achieved a turnover of 10 billion pounds last year, exported 1 billion dollars.

Turkey finishes the year 2018 as in the leading position for cement production in Europe, ranking 4<sup>th</sup> in the world; for cement exports number 1 in Europe and 3<sup>th</sup> in the world.

Performing sales valued 559 milyon \$ by November 2018, there is a clear raise of 14% in comparison with year 2017. Likewise, Turkey's exports with the United States obviously rose 46% in 2018, while the exports with Israel and Ghana shows an outstanding increase compared to the previous years.

We consider that lean towards export will surge ahead in 2019. For example, we estimate that only for crinklers the total amount of sales will be 11 million tons from Turkey. Also, on demand-side we predict that our export market size will expand. In addition to current large amount of exports with US and Israel, we witness the growth of exports with Syrian markets in every passing month, which already have an expanded export volume. There is no obstacles for us to reach the top level of cement exports in the world. As the sales amount accelerate, we have expectations in this direction.

US, Israeli and Syrian markets will retain to be highly important for us. In the meantime, by Iran's and China's pull out of the South African markets, this can an opportunity for us to get into new markets in South Africa and West Africa. It is more beneficial to focus on second half of the year 2019 which demands will increase, rather than running after short-term sales.

## FEYZAZ ÜNAL

*Chairman of the Council of Cement and Soil Products Sector*



## HVAC/R

## The uptrend continues

The exports of the sector in the 11 months of this year increased by 17.5 percent compared to the same period of the previous year and rose to 4 billion 181 million dollars.

### THE TURKISH COMPANIES

involved in HVAC-R (Heating, Ventilation, Air-Conditioning Refrigeration) products had started operating in the 50's. Since the 50's, except during crisis periods, The Turkish airconditioning sector has been rapidly developing both in production and capacity and the market is growing.

In fact, the increase in population and living standards has resulted in the need to produce more HVAC-R products. However, the actual market development began in the late 80's. The number of companies and the type of equipment available on the Turkish HVAC-R market increased rapidly in the 90's. This was also in line with positive developments in the economy of the country. Today, Turkey is the fifth largest HVAC-R market in Europe. The percentage of domestic air conditioners being used is assumed to be around 2% of the total population of 80 million people.

The Turkish HVAC-R sector has a wide range of products from heaters to split A/C systems, boilers, DX units, fan coils, air handling units, refrigerators, freezers, VRF (Variable Refrigerant Flow systems), cooling towers, chillers, cold rooms, heating and cooling coils and rooftop/ packaged units, heaters and boilers. The product range is wide enough to supply world markets and satisfy sophisticated customer needs.



**SALİH ZEKİ POYRAZ**  
Chairman of the Council  
of HVAC-R Sector

2018 was a year in which the HVAC sector turned its direction to distant markets. Our sector has had a moving and productive year in domestic and foreign markets. In particular, exports grew by 20% compared to the previous year. We reached an export value of 4.5 billion USD from 3.9 billion USD. As well as we export to almost every point of the world, our sector is active in the Turkic Republics and the Middle East markets, especially in the European market. The number of R & D centers in the sector increased. Currently reached 25.

The breakthroughs we have launched in South American and African markets this year will increasingly continue in 2019. We believe that the increase in exports will maintain in 2019. Within this scope, our goal is to reach 5.5 billion USD level of exports.

Especially in recent times, we take our companies to distant markets through work delegation programs and help them to establish cooperation there. We have developed our infrastructure at this point. Delegation organizations were arranged in Argentina, Chile and Tanzania this year. Next year we will organize trade delegations in Colombia, Peru, Poland, Lebanon and South Africa. We will increase our global HVAC market share by making best use of our advantages.

**\$5,5**

**BILLION**

Expectation of export  
in 2019

**25**

**R&D CENTRE**

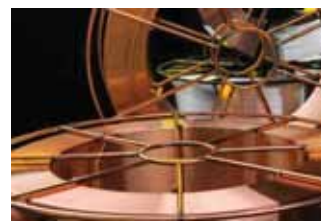
## FERROUS AND NON-FERROUS METALS

## The main actor in the sector

With activities in global and local projects, Turkey manages to attract the attention of the industry.

### THE SECTOR AIMS TO SPREAD

the innovative understanding and create a culture of innovation. Ferrous and non-ferrous metals industry includes aluminum, copper, casting, goods made of iron and steel, hand tools, locks, scraps materials and kitchenware made of metal. In this regard, ferrous and nonferrous metals industry have represented their works and Turkey in international organizations, executed technical seminars, buy trade committee actions and supported R&D activities to enable sustainable growth of ferrous and nonferrous metals industry. The world knows that Turkey is so strong in the construction industry. With activities in global and local projects, Turkey manages to attract the attention of the industry.



**\$7,45**

**BILLION**

Export value

**20%**

**INCREASE**

Compared to same period of  
the previous year

In 2018, we achieved a very good export growth of 20%. We are one of the top 4 sectors which have the highest export growth among the industrial sectors. Since 2010, we have achieved the biggest export growth.

Approximately 56% of our exports to EU countries. EU countries are followed by the Middle East with 13%, the other non-EU European countries with 11% and with the African countries with 8%. The top five export destinations of the sector in 2018 were Germany, Italy, England, France and USA.

According to 2017 data, we are the world's top exporter of Copper Knitted Rope and Cable, the 6th largest Aluminum Bar & Profile exporter, the 9th largest producer of Metal Kitchenware.

In 2019, our sector is expected to reach an export, worth 9 billion USD with an increase of 9%. In addition to our 5 P&D Projects, which we conduct as Istanbul Ferrous and Non-Ferrous Metals Exporters Association, we will add new ones this year and sustain our sectoral trade delegations and prestigious national participation fair organizations.

### TAHSİN ÖZTİRYAKI

Chairman of the Council  
of Ferrous and Non-  
Ferrous Metals Sector



# Being the hub of fashion and apparel

**TURKEY'S** is a country which has fortified itself to have a strong impact on the world's fashion. Istanbul is working as a hub for fashion growth. The manufacturing and export of clothes are increasing. The famous international brands like Next, Marks and Spencer's, Burberry, Hugo Boss and lots of others are now being manufactured in Turkey.







### **THE TURKISH GOVERNMENT SUPPORTED**

International fashion market has found Turkey as a new center for the boost in profits. International markets have brought advantage to the local brands and designers to generate large sum of money. The Turkish government has shown positive involvement towards it also.

### **A NEW DIMENSION TO THE WORLD'S FASHION**

The main fashion activities of Turkey is highlighted by "Istanbul Fashion week" that takes place twice a year and it is marked with great national and international appreciation.

According to fashion critics Turkey is bringing a new dimension to the world's fashion.

**APPAREL**

# Befitting targets for sector

With its new investments and modern facilities, the sector wants to turn Istanbul into a fashion center and to turn Anatolia to produce its production base.

**THE READY-TO-WEAR** and apparel sector, one of the leading industries of the Turkish economy, is the eighth supplier in the world and the third in the EU countries after China and Bangladesh. The main advantages of the sector are fast delivery, proximity to target markets, technical, social and administrative knowledge, experience, wide product range and design capacity. The Turkish ready-to-wear sector is also capable of producing high value-added fashion products with a flexible production structure and adapting to changing fashion trends.

The sector is a modern industry branch which is producing rapidly in units of all sizes ranging from small and medium-sized enterprises to large production facilities, computer-aided manufacturing systems are developing rapidly and have no negative impact on environment and nature.

The sector is a modern industry branch which is producing rapidly in units of all sizes ranging from small and medium-sized enterprises to large production facilities, computer-aided manufacturing systems are developing rapidly and have no negative impact on environment and nature.

In manufacturing, employment and value-added exports, the garment and apparel industry, which is the engine of the manufacturing industry, has sustained 80% of its capacity utilization.

The sector perfectly meets the demands of the European continent, which demands the



**\$16,3**

**BILLION**

Export Value

**TOP 3 COUNTRIES IN EXPORTS:**

**GERMANY  
SPAIN  
ENGLAND**

**80%**

Capacite  
usage rate

**10,8%**

Share in total  
exports

highest material, production, quality and health standards in the world. 80% of total exports are made to the European continent.

Istanbul, Bursa, Adana, Denizli, Kahramanmaraş, İzmir, Gaziantep, Tekirdağ, Kayseri and Uşak are the leading production centers.

The sector, which aims to double its export of 18 billion dollars in the medium term, aims to make Istanbul the center of fashion and production base of Anatolia with its new investments and modern plant initiatives.

**511**

**THOUSAND**

Employee



2018 was a year dominated by uncertainty in world trade. Our exports were affected very badly because of the factors such as trade wars in the world, instability in our region, and the Brexit process in our 3<sup>rd</sup> largest market in England.

Despite this, apparel and apparel exports increased by 4.8% in the first 11-month period of 2018 after a stagnant period of three years. We expect approximately 18 billion USD value in exports throughout the year.

When we look at the year 2019, we still think that the uncertainties experienced during this period will bring opportunities.

Because in the world, in order to be able to respond quickly to the demands of the customers, the supply is one of the most important factors and this gives us an enormous advantage in the EU market, which is one of the largest markets.

Efficiency-based restructuring in production, the creation of big players at every stage of the value chain, developing new models in designer-industry cooperation and creating 5 global brands in the world are our continuing subject matters to be implemented.

In 2019, despite the negative developments in the world economies and markets, our goal is to increase the ready-wear export value to 19 billion dollars by utilizing all kinds of market opportunities that may arise as well as the structural transformation.

#### MUSTAFA GÜLTEPE

*Chairman of the Council of Apparel Sector*



#### TEXTILE AND RAW MATERIALS

## The center of all kinds of production

Sector aims to increase its share in USA, EU and Far Eastern markets, to assure its trade and profitability.



**THE MANUFACTURE OF TEXTILES** is one of Turkey's largest industries, very competitive in international markets, and the most important foreign-exchange earner. Domestic cotton and wool provide much of the raw material for the industry, but synthetics production has also expanded. The fabric industry as a sub-sector of the huge Turkish textile industry has improved significantly in recent years, since the Turkish clothing and home textile industries have had a significant role in the world's clothing and home textile markets in the last two decades.

The Turkish fabric finishing sector has a level of processing all the capacity of grey fabric. This sector is equivalent to the European Union in terms of processing capacity, modern technology, qualified workforce, and especially product quality. Today, the Turkish fabric industry has competitive advantages in international markets, particularly in terms of its technology, extensive product range and the quality, design and creativity of its products.

In addition to its well-developed structure, it employs a highly skilled labor force. Also, the Turkish fabric industry has a great flexibility and ability to modernize its production, and adapt itself to new technologies. This ability allows the industry to reduce its reaction time to

changes in consumer demand in international markets. Thus, the Turkish fabric industry satisfies its customers by meeting all their needs with the quality of its products together with its strong service ability of quick response and on-time delivery. All these features have enabled Turkish fabric manufacturers and exporters to earn a good reputation in international markets. Although Turkey is among main cotton growers in the world, domestic cotton does not meet the production demand of the country. As well as the cotton textile industry, the Turkish man-made textile sector is also a welldeveloped industry. Having large capacity of synthetics in the world, Turkey has a large production potential for synthetic fabrics based especially on 100% polyester and polyester blends with cotton, viscose, nylon, polyamide, wool, linen and/or multi-blends of them.



**7.841**

**MILLION**  
Value of export

**198**

Exported country

**\$4,5**

**BILLION**  
Export to the European Union

**COUNTRIES WITH THE HIGHEST EXPORTS**  
(JANUARY-OCTOBER 2018)

**747**

**MILLION**  
Export to Italy

**726**

**MILLION**  
Export to Germany

**501**

**MILLION**  
Export to USA

#### ZEKİ KIVANÇ

*Chairman of the Council of Textile and Raw Materials Sector*





**THE LEATHER AND LEATHER PRODUCTS****2 billion dollars  
is sighted on the  
horizon**

Exporting goods to the world's most important markets, leather industry desires to expand in US markets and raise 2 billion USD in terms of its export value.

**\$1,5  
BILLION**

Leather and leather products export



**17%**

Leather and garment shares in total sector export

**500  
MILLION**

Shoes product in 2018

**\$818  
MILLION**

Shoes export

**55%**

Shoes share in total sector export

**LEATHER SECTOR** plays an ever – increasing significant role for Turkish economy since 1970s. Especially in last two decades, sector managed to make a fast progress and besides using the plenty of local rawhide resources, there has been a high valued export of leather goods also by using imported raw material resources.

Turkish leather industry is fastmoving sector of our country – competes with the world's giant sectors by its experience,

high productive capacity and competitive power. Besides, Turkish leather industry is developed in terms of technology and reached to a level that it can export technical information and equipment.

The considerable part of goods are exported to US, Russia and EU countries via leathercraft, shoes, leather ready wear and semi-manufactured sub-sectors. In total, goods are exported to 180 countries. As African countries like Nigeria, Chad, Sudan are coming to the forefront recently, industry pacesetters consider US markets for finished products and semi-manufactured goods. If US markets reach to a desired level, 2 billion USD of export value will be surpassed easily, that we believe.



**MUSTAFA ŞENOCAK**

*Chairman of the Council of Leather and Leather Products*

The leather and leather goods sector exports valued as 1.5 billion USD in months between January and November, surpassing the entire export value of 2017. We reached the highest leather and leather goods export value of all time in US and Africa before the year ends.

We aim to end this year by reaching approximately 1.7 billion USD of export value with double-digit increase. Our main objective for 2019 is reaching the highest leather and leather goods export value of all time, approximately 2 billion USD.

The most contributing sector for leather and leather goods export increase in 2018 is shoe industry, which makes 500 million pairs of production and exports more than 250 million pairs per year. Exporting valued 772 million USD, shoe industry passed the whole export value of 2017 and reached the highest value of all time.

We provide trainings and perform international marketing activities for developing innovation ability of our firms. We make our firms to gather with international buyers by attending world's biggest trade shows such as MICAM, APLF, Lineapelle and CHIC 6 times per year.

In 2019, we will maintain our efforts to introduce the dynamics of our sector, integrated production structure, quick supply opportunities. Also enhancing the collaboration with foreign stakeholders, we will make them discover the potential of Turkey and the sector.



# CARPET

## The heart of carpets, beats in Turkey

Turkish carpets reach to all corners of the world with their designs that are for every culture and taste.



**ALL-TIME EXPORT  
RECORD FOR (JANUARY-  
NOVEMBER 2018)**

**\$2,1  
BILLION**

Export value

**38,6%**

Share in world  
carpet trade

decisive role in carpet design and fashion. Carpet exports performed more than 150 countries, to come forward of their country's culture and enjoy the convenient carpet design and manufacturing, it is important in Turkey's leadership.

80 percent of Turkey's carpet exports are supplied from Gaziantep. Today, in Gaziantep, which is the capital of carpet production, the fact that firms establish design centers and turn to innovative products in production is the most important indicator of vitality in the sector.

### CARPET EXPORT FIGURES ACCORDING TO SUB-GROUPS

**84%**

Machine carpets

**13,3%**

Tufted carpets

**2,3%**

Hand made carpets

**0,4%**

Rugs

### THE HIGHEST CARPET EXPORTED COUNTRIES

**1**

**USA**

516 million  
dollars

**2**

**SAUDI  
ARABIA**

239 million  
dollars

**3**

**IRAQ**

160 million  
dollars

**4**

**GERMANY**

92 million  
dollars

**5**

**UK**

90 million  
dollars



### SELAHATTİN KAPLAN

Chairman of the Council  
of Carpet Sector



**\$516  
MILLION**

Export  
value to USA

**24,9%**

Export share to  
USA

# Service sector rises with break- throughs

**EDUCATION** services given to 140 thousand international students, health services provided to 700 thousand foreign patients, and with the foreign tourists number, who reached 35 million, thanks to leaps made in the service sector, Turkey reached \$44 billion in service exports.





## THE POWER OF TURKISH TOURISM

Turkish tourism sector, bringing together the different nations to recognize each other's cultures, provides empathy and understanding to contribute world peace.

## SECOND IN CONSTRUCTION

Today Turkish contractors in world giants league, in the world's five continents and in 120 countries, thanks to high-quality work competed successfully, has raised Turkey to second place just behind China.

## \$11.8 BILLION INVESTMENT

In 2017, the total number of employees in the service sector was 507 thousand, while the total investment amount was \$ 4.7 billion. The planned investment for 2018-2019 is estimated at \$11.8 billion.

## \$150 BILLION

The sector's the biggest target is to realize the export of \$ 150 billion for 2023.



**SERVICE**

# Service Export Champions

Given by TİM's, Top 500 Service Exporters awards found their owners. Turkish Airlines, SunExpress and Pegasus took the first three places among the many firms that export services worldwide.

**WITH THE SUPPORT** of the Ministry of Trade, for the third time organized by Turkish Exporters Assembly (TİM), Turkey's 500 Largest Exporter Service Award Ceremony was held with the participation of Prime Minister Recep Tayyip Erdoğan.

According to the "Turkey 500 Service Exporters" survey, awards were given to the top 10 companies with the most exports and the top 3 firms in 17 sectors.

The ranking according to 2017 figures, Turkish Airlines in the first place, while SunExpress and Pegasus followed him. Four companies included in the consortium to build the Istanbul New Airport were given special awards.

In his speech at the ceremony, "Turkey's growth, employment and added-value are entrusted to us," said TİM President İsmail Gülle, export of services keep a very precious place in foreign trade moves on, continued with President's leadership.

Claiming that Istanbul New Airport will contribute greatly to service exports of Turkey by linking 60 countries and economies worth 20 trillion USD on the 95th anniversary of proclamation of the republic, Gülle added; "I would like to mention again in the presence of our President, our goal is Turkey, having foreign trade surplus. In this sense, we take firm steps forward in merchandise export and service export. In this period of time which we proceed at the level of 200 million

USD, we place importance especially service export in future strategies. Our system is grounded regarding to record merchandise exports. We need to create similar systems for service export and transit trades. Based on this, we focused our attention on studies to record immediately service export, transit trade and e-exporting with dear Minister Ruhsar Pekcan."

## "No rest, we will run by chancing our arm"

"If we don't set bigger goals, our steps will be small," said Gülle and commented by saying "We don't have the luxury to continue by small steps. In fact, we don't have the luxury to walk, too. As Dear Mr. President said years ago, "No rest!" We will run and run, keep running by chancing our arm. We must have breakthrough by running. Hence we have to follow all orders of contemporary civilization, including high added value, brand, design, R&D, innovation."

Gülle pointed out the fact that the dauntless soldiers of Turkey's global trade attainment, exporters march towards record with the aim of goods worth 170 million USD and service exports worth 48 million USD, then said "We perform exports with 75 thousands of exporters, by walking through 200 countries around the clock, 504 thousand USD per minute, 30 million USD per hour, 726 million USD per day, 5 billion USD per week and 18 billion USD per month."

## THE TOP 10 COMPANIES THAT HIGHEST PERFORM IN SERVICES EXPORTS

1. **TURKISH AIRLINES INC.**
2. **SUNEXPRESS INC.**
3. **PEGASUS AIRLINES INC.**
4. **EKOL LOGISTICS INC.**
5. **GAP İNŞAAT INVESTMENT AND FOREIGN TRADE INC.**
6. **TAV AIRPORTS HOLDING CO.**
7. **RONESANS HOLDING CO.**
8. **NETLOG LOGISTICS INC.**
9. **ODEON TOURS TOURISM MANAGEMENT INC.**
10. **ATLASJET AIRLINES INC.**



TURKISH  
AIRLINES  
INC.

GAP İNŞAAT  
INVESTMENT  
AND FOREIGN  
TRADE INC.

SUNEXPRESS  
INC.





Four of the companies included in the consortium to build the Istanbul New Airport were given special awards.

The impact of the Turkish service sector globally is increasing day by day. By evaluating our geopolitical and demographic advantages specific to our country, we export our services to the world.

In services exports, Turkey do not need very large investments for climbing to the top. Due to our current location; we have the competence to provide inter-regional coordination and service in areas like logistics, education, health etc. The fact that we are the closest country to Europe, Asia, Arab and African countries makes it easier to adapt to these regions. Services provided from Turkey, which located on the historic Silk Road; are creating attraction in many areas from hair transplantation to heart transplantation, from tourism to insurance, from film industry to contracting.

If the service sector's share is 30 percent in the world economy, we think it might be in the band of 40-50 percent in Turkey this rate easily.

While preserving and strengthening our position in the classical service sectors by using our know-how and potential so far, we will make our country a regional power in informatics, software, e-commerce and health tourism and move forward with determination.

#### AHMET AKBALIK

*Chairman of the Council of Services Sector*



TAV  
AIRPORTS  
HOLDING  
CO.

PEGASUS  
AIRLINES  
INC.

EKOL  
LOGISTICS  
INC..

ATLASJET  
AIRLINES  
INC.

RONESANS  
HOLDING  
CO.

NETLOG  
LOGISTICS  
INC.

ODEON TOURS  
TOURISM  
MANAGEMENT  
INC.



# The world's agricultural warehouse

**TURKEY'S** is the world's 7th largest agricultural producer overall, and is the world leader in the production of olives, dried figs, hazelnuts, sultanas/raisins, and dried apricots. Turkey has an estimated total of 11,000 plant species, whereas the total number of species in Europe is 11,500.





## INVESTMENT OPPORTUNITIES

According to McKinsey and Co., Turkey offers significant investment opportunities in agribusiness subsectors such as fruit and vegetable processing, animal feed, livestock, poultry, dairy, functional food, fisheries, and enablers (in particular cold chain distribution, greenhouses, irrigation, and fertilizer).

### 2023 GOALS

**\$150**  
BILLION

Gross agricultural domestic product

**\$40**  
BILLION

Agricultural exports

**8.5**  
MILLION HECTARE

Irrigable area

**RANKING  
NUMBER  
1**

In fisheries as compared with the EU





**OLIVE AND OLIVE OIL**

# Heaven of olive

Turkey supplies the variety of olive oil to a wide range of countries including major producer countries.

**THE MEDITERRANEAN REGION**, owing to its mild climate, contains 98% of the olive harvest and 95% of the olive oil production in the world. Around 76% of the olives produced in Turkey are pressed for oil and the rest are reserved for table olives. In Turkey, olive oil production has undergone remarkable developments since the eighties and more and more olive oil plants have either started to produce virgin olive oil or increased their production capacity. Today, Turkey has large-scale olive oil plants with modern bottling lines. Table olives are also produced in modern plants equipped with advanced technology, which enables them to comply with the standards of hygienic packaging. High quality production of table



**\$366**  
MILLION

Value of export

olives is done in retail packs such as cans, glass jars and/or vacuum packed bags.

Being a net exporter of olive oil, Turkey supplies the variety of olive oil to a wide range of countries including major producer countries that either consume or re-export Turkish olive oil. Turkish olive oil is demanded from every part of the world and there are more than hundred countries that have experienced the excellent taste and fragrance of Turkish olive oil such as the EU, the USA, Saudi Arabia, Japan, South Korea, Philippines, Australia and the Russian Federation.



**110**

**EXPORTED COUNTRY**

Olive oil (in 2017-2018 season)

**37%**

USA's share in olive and olive oil export

This year, our olive exporters exported much which are more value-added, table olives. When we look at our olive oil exports in the first 5 months of this season, we see that the volume reached to 42 thousand tons with an increase of 102 percent in quantity and 173 million dollars with an increase of 131 percent.

Our exports of packaged olive oil received a 26 percent share in total exports. These export figures show that we will reach our 80-100 thousand tons export target for the 2017-2018 season.

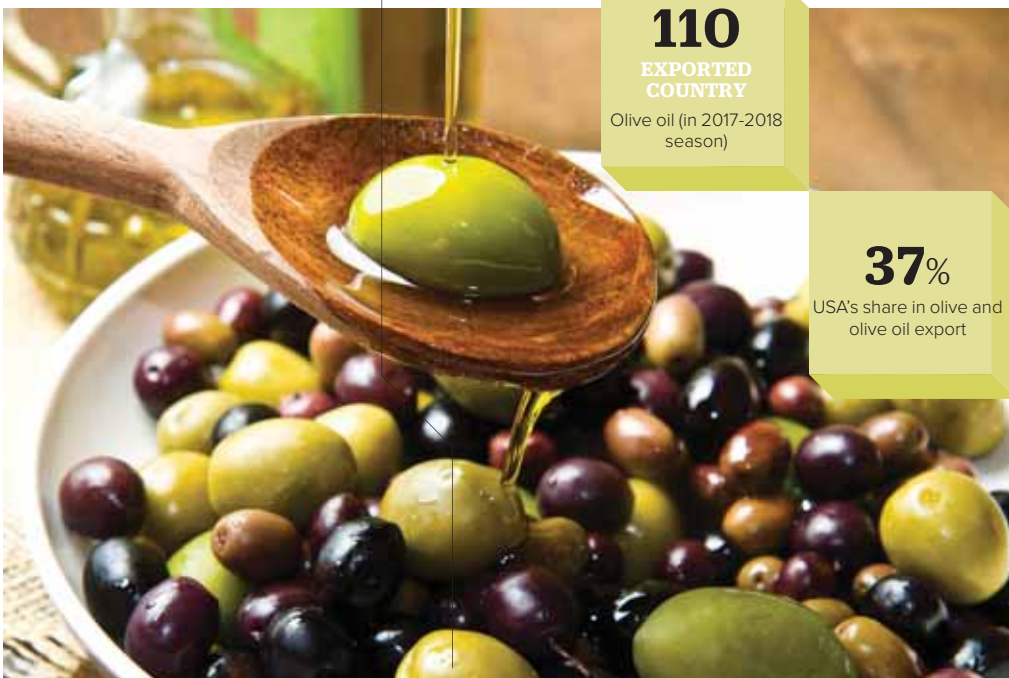
We have been breaking export records for two years. 2016-17 season in Turkey's olive oil exports to 120 countries and 45 thousand tons were 174 million dollars foreign exchange income was obtained.

12 thousand tons of olive oil exports through Turkey overall total of 55 million dollars, a currency earlier in the season when we've achieved revenues compared with the 2015/2016 season, the amount of the base amount is based on 249 percent; we see an increase of 213 percent.

The 100-ton annual quota imposed by the European Union on Turkish olive oil is one of the most important problems of the Turkish olive oil sector. In the process of reviewing the Customs Union Agreement between the EU and our country, we think that increasing this figure to at least 30 thousand tons will be very beneficial for the continuity of export of Turkish olive oil sector.

**DAVUT ER**

*Olive and Olive Oil Industry Councilman*





## AQUA AND ANIMAL PRODUCTS

## Owes its charm to the product diversity

Sector has become an important player in the worldwide aquaculture industry which has been characterized by being the fastest growing food industry sector in recent years.

By the increasing population of world, the protein sources become deficient to cover the nutritional needs of human being. Urbanization and industrialization widen this gap more and more.

After 2008's strong trend of consolidation, the Turkish seafood industry has realized significant investments in processing industries (cleaned, filleted, smoked and marinated) conforming to the EU Standards, enabling the sector to aim meeting modern consumer needs and trends.

By adopting diversified processed seafood product portfolio (Gutted, scaled, gilled, filleted, IQF frozen), the Turkish seafood sector is seeking a more wide spread appeal in European cuisines along with the traditional fresh chilled varieties. Having reached a significant market share in the foreign markets supported by a continuously increasing production capacity, Turkish seafood Sector has become an important player in the worldwide aquaculture industry which has



**\$2,3**

**BILLION**

Value of export

**\$1**

**BILLION**

Value of water product export

**\$21,8**

**MILLION**

Turkey is performing the most dairy products export to the UAE.



been characterized by being the fastest growing food industry sector in recent years.

With increasing capitals, production amounts, laboring, Turkish Seafood has a growing reputation in worldwide. Today Turkey is the biggest producer of Sea bream and Sea bass.

All the players in this sector trying to get a big share from the export markets with value added sales. It is strongly believed that the Turkish seafood will be a widely recognized trademark in the world with its taste, quality, sustainable products and services and convenience forms for both customers and consumers.

A clear aim of the marketing is to build awareness of the potential of Turkish seafood products, as well as diversifying beyond traditional markets by focusing on the greater EU, United States, the Russian Federation, UAE and Balkan countries. Considering the general political and economic situation in the world, and particularly the deceleration in Aqua, Turkey stays solid in the sector.

All of us went through a rough year in 2018 because of the currency fluctuations but despite all difficulties, we put forth a great deal of effort to reach our goals – our export value continues to increase more and more compared to the previous years.

The reason of aquaculture industry makes progress every year is our production and aquaculture activities that attained European norms even passed. The influence of the expos like SENA and SEG cannot be disclaimed, which we attend every year. These expos are precious in terms of creating a sector image. Turkish pavilion merely makes an appearance and becomes one of the most attractive segments in these expos.

At present, our high quality goods are gladly consumed in distant markets such as US, Europe and Japan. We export Black Sea salmon, which is not familiar even in our country till a little while back. As red fleshed meat is highly demanded and popular around the world, we started to aquaculture of Black Sea salmon. There is heavy demand for this good especially from Far Eastern markets.

We hope that 2019 will be fine. We have new goals, investments and plans. We deeply believe in the fact that we will achieve our goals by developing the images of our sectors and international branding activities.

### AHMET SAGUN

Chairman of the Council of Livestock and Aqua Products Sector





## HAZELNUT AND HAZELNUT PRODUCTS

### Identified with Turkey

Besides being the biggest hazelnut producer in the world, Turkey is also the biggest hazelnut exporter country.

**THE FIRST PLACE WHERE NUTS** are grown in history is known as China but the homeland of it is Turkey. Besides being the biggest hazelnut producer in the world, Turkey is also the biggest hazelnut exporting country.

Hazelnut fields, widely spread in the Black Sea coasts of Turkey, have been located within 30 km from the coast towards inland. In the western Black Sea, it starts from Zonguldak (east of Istanbul) and extends to the east over the entire Black Sea like a green strip lying between the sea and the mountains almost until the Georgian boundary. 4.000.000 people are directly or indirectly related to hazelnut which has been produced on an area of 550-600 thousand hectares in Turkey, which is a fact that boosts the socio-economic importance of hazelnut. Turkey has a distinguished place among the other hazelnut producers in the world, thanks to its high quality, and maintains its leading position in production and exportation.

Turkey as one of the few countries in the World having suitable air and solid conditions for hazelnut growing produces 75% of the world production and exports almost 70-75 % out of total exports in the world. Turkey's hazelnut export is mainly aimed at the European Union countries and the share of these countries increase in parallel with the increase in our exports.

The share of the EU countries in our total exports is about 80-85%, though it changes over the years. As for our hazelnut export to other countries, Turkey exports hazelnut over 90 countries.

**\$1,47**

**BILLION**

Value of export

**\$21,5**

**BILLION**

Value added provided by hazelnut export in the last 10 year

**253**

**THOUSAND TONS**

Hazelnut exported quantity



## FRUIT AND VEGETABLE PRODUCTS

### Always aiming the top

The industry's future appears to be bright and it is not so far from its export goal.

**THE AGRICULTURAL SECTOR** is not only important for the foreign currency inflow it supplies to our country. It is also an important sector as it holds a strategic place in the economy of our country by contribution to the employment in the related sectors as production, packing and logistics, beginning from the stage of production with farming workers to the stage of packing and transportation with the workers in the packinghouses. And if we consider the sector of fresh fruit and vegetables, we can say that it is one of the main subsectors of our agriculture.

Turkey is one of the rare countries where the prosperous, fertile and large agricultural areas with different regional ecological conditions allow the production of fruit and vegetables of quality in optimum conditions. The main market of Turkish Fresh Fruit and Vegetable sector which prioritizes the quality factor, is Russian Federation.



**MELİŖA TOKGÖZ MUTLU**

Chairman of the Council of Fruit and Vegetable Products Sector



**İLYAS EDİP SEVİNÇ**

Chairman of the Council of Hazelnut and Hazelnut Products Sector

**1,44**

**MILLION TONS**

Value of export



## TOBACCO

### World-renowned privileged production

**TOBACCO HAS BEEN ONE OF THE IMPORTANT** export items for many countries such as China, Brazil, India, United States of America and Argentina. However, since tobacco has been introduced to Ottoman Empire, Turkish tobacco has gained a good reputation with its high quality in world markets. Besides, in this way a tobacco specie named as Turkish specie or Oriental specie has been occurred.

Tobacco is an important industrial plant that carries weight for Turkish economy. Generally blended tobacco is used in the world tobacco product markets and at definite ratios oriental tobacco must be used in these blends. Oriental tobacco is mainly cultivated in Turkey, Greece, Bulgaria, Macedonia, Moldavia and Kyrgyzstan, however quarter of total oriental tobacco production is performed in Turkey. Tobacco is one of the most important export goods which symbolizes Turkey's agricultural export product and it has a vital importance for tobacco farmers.

Despite the fact that Turkey is one of the important tobacco producers and consumers in the world, its small contribution to GNP, governmental restrictions for cultivated areas, constraints for advertisements and general trend to decrease smoking in the world, have decreased the importance of sector both in Turkey and in the world.

**\$0,94**

**BILLION**

Value of export



**ÖMER CELAL UMUR**

Chairman of the Council of Tobacco





## DRIED FRUITS AND PRODUCTS

# Difference in experience and quality

### TRUTHFUL DRIED FRUITS ARE EXPORTED

to 150 countries and the sector is proud of its high quality products and export experience for more than 100 years. Consumers are becoming more and more aware that dried fruits can be added as part of a healthy diet. The overall consumption and popularity of "natural" snack products (dried fruits, nut) is growing at a steady pace. Fertile agricultural country produces and exports high quality dried figs, raisins, apricots and pistachios. Turkish Dried Fruits are exported to 150 countries and the sector is proud of its high quality products and export experience for more than 100 years. Sector's export mainly to the EU countries, the United States and Russian Federation. Sector has the largest dried fruits producing facility in the world and the capacity and flexibility to quickly service customers globally with its unique geographical location. The sector aims to achieve one of the highest numbers of its history in 2023.

**1,26**  
**BILLION**

Value of export  
2018 January-  
November

#### BIROL CELEP

Chairman of the  
Council of Dried  
Fruit and Products  
Sector



In 2018, our exports reached a level of 1.3 billion dollars with a 9% increase compared to the previous year, according to the TIM data released at December 10<sup>th</sup>. In 2019, we expect our dried fruit exports to exceed 1.5 billion USD, thanks to works mainly directed towards China and other Asia-Pacific countries and the US.

In recent years, there has been a noticeable increase in demand for dried fruits throughout the world due to the increasing consumer awareness and positive impacts and contributions of natural sugar to well-being. In order to turn these developments into favorable for our country and crustacean fruits produced in our country, we plan to accelerate the works directed towards countries such as China and India, Asia-Pacific countries, USA and Brazil, which are the emerging economies of recent years. We design our P&D and Turquality projects for this purpose.

In 2018, our exports of food products from the Aegean Region to Japan rose to 28 million USD with an increase of 59%. In the future, we will continue the Turquality Project in the world's largest food importer, the United States. We plan to strengthen our sector by increasing our exports with promotion and purchasing delegations in 7 new and target markets determined by our P&D project.



## CEREALS PULSES, OILY SEEDS AND PRODUCTS

# Stands out with its capacity and potential

Turkish cereals, pulses, oily seeds and products sector, which has great potential, has a 30% share in total exports of agricultural products.

**WHEAT HAS GREAT IMPORTANCE** because it is grown in almost all parts of Turkey by a large number of farmers and constitutes the main nutrient for the majority of the population. The Turkish wheat flour sector has a major position in the world wheat flour export with its high production capacity. Approximately 1.200 wheat flour factories, which are operating in almost every province in Turkey, have the total production capacity around 30 million tons.

Quality of pasta produced by the Turkish pasta sector, which is among the most competitive players in the food processing industry, is recognized in international markets. Turkey is among the major producers and exporters of pasta with an annual production capacity of around 1 million tons. Turkey has a strategic advantage. Turkey took 5th place in the world pasta production with 852 thousand tons and the share of production is 6.3%.

Biscuit is a product included in the category of flour and products containing flour. With an annual production capacity around 850 thousand tons, the biscuit industry is increasing the varieties and quality of its products while modernizing its technologies as a result of rapid progress it made in recent years. The biscuit sector, which is known to create the highest value added among cerealbase products, especially attracts export-oriented foreign investments. While the export of sweet biscuits and wafers is corresponding to 9% of total sector exports, the major countries in export are Iraq, Syria, Yemen, Saudi Arabia, Azerbaijan, Algeria, Palestine, Lebanon, Germany and Romania.

This year has been a rough year which harsh fluctuations happened in global markets and reflected in merchandise trades.

Currency fluctuations has unsettled all of us. The elation for us in this compelling environment is Turkey showing a strongful stance with its export-led economy. We maintained sectoral activities around the clock against inflationary pressure thanks to mobilization of bussines world and economic moves of our government.

As Cereals Pulses Oil Seeds and Products, in 11 month of 2018 our sectoral export value is above 6 million \$, increasing 5% more than in same period of 2017. These facts unfurl the persevering attitude of our exporters despite all the challenges of 2018. By the economic reforms laid during this year fructifies, we belive that export increase will accelerate and reach a value of 7.5 billion USD in 2019.

In the belief that branding is a critically important subject for our sector, we create projects in line with The Turkey Promotion Group to promote our country and its products among global markets all around the world. All of our efforts and activities will increasingly continue in 2019 as well.

Wishing 2019 will bring prosperity to exporters family, happy new year.

#### MAHSUM ALTINKAYA

Chairman of the Council  
of Cereals, Pulses, Oil  
Seeds and Products  
Sector



**\$6,1**  
**BILLION**

Value of export



**ORNAMENTAL PLANTS****Stands out with its advantages**

Turkey is optimally situated for ornamental plant production. It has many advantages for a prospering horticultural sector.

**\$92****MILLION**

Value of export

**\$830,4****THOUSAND**

Moses and tree branches export

**\$3,78****BILLION**

Live plants export

**\$2,7****MILLION**

Cut flowers export

**\$117****THOUSAND**

Flower bulbs export

Cut flower industry in Turkey has an important role by supplying high added value and employment.

**TURKEY IS A COUNTRY**

THAT is optimally situated for ornamental plant production. It has many advantages for a prospering horticultural sector, like having a favorable climate for production of cut flowers, geographical proximity to the main markets, production in modern greenhouses and cheap and skilled labor.

Production area of ornamental plants in Turkey has increased 30% in last four years. Ornamental plants are produced in 3359 ha of area in Turkey. There are nearly 3500 endemic plant species in Turkish flora.

Ornamental plants export from Turkey increased to 92 million \$, in first 11 months of 2018. In 2018, having a growth in exports of more than 23% per annum. The production in the highland area allows to export cut flowers year round to the markets. Turkish ornamental plants are exported to 65 countries in the world.

Ornamental plants industry in Turkey has an important role by supplying high added value (95%) to the economy. In Turkey, approximately 25.000 people are directly employed in the industry. Including domestic market, more than 300.000 people are indirectly employed. Ornamental plants industry is playing an important role in providing more cohesion to the social structure in the country, through employment of unskilled workers and providing them with accommodation and education opportunities. Sectoral target is to reach 500 million dollars of export in year 2023, meaning a 10 times growth in exports.



In 2018, we worked through to reach new markets and develop our existing markets. We sent sectoral trade delegations to U.K, Germany and Qatar. We also represented our country by attending international expos which are significant platforms of the sector.

Integrated with our sectors in the world, we maintained to represent our country successfully in important associations such as Union Fleurs and AIPH.

Turkish ornamental plants and products industry export goal is \$150 million for 2019, respectively. To attain this goal, we will continue to create new projects and effective team-works as a union. We will perform studies about expos and delegations for target countries this year as well. In participation of universities and related associations, R&D projects will be started to product new kinds of ornamental plants. Besides adding new kinds to export market by these projects, we aim to gain productivity growth and quality improvement.

**İSMAİL YILMAZ**

Chairman of the Council of Ornamental Plants Sector





## FRESH FRUITS AND VEGETABLES

## The world's vitamin store

Turkey's fresh fruit and vegetables have become very popular and thanks to this popularity, are being shipped to around 120 destinations throughout the world.

**VEGETAL PRODUCTION IS THE LEADING** sector of Turkish agriculture, and vegetal perishables constitute the backbone of the sector. The availability of diverse ecological conditions has resulted in growing all temperate, most subtropical and some tropical products. According to the latest forecasts of TurkStat statistics, with a massive amount of 46,3 million tons, around 40% of Turkey's total vegetative production derives from the fruit and vegetables sector.

Within total citrus output of almost 4,3 million tons, oranges account for 1,9 million tons and the rest of the group; including tangerines, grapefruits and lemons, constitutes 2,4 million tons.

Turkey is the leading producer and exporter of fresh figs in the world. "Bursa Siyahi" grown in the Bursa province and "Mut Figs" grown in Mut are the most popular varieties in world's



fresh consumption in terms of production and export. In the last five years Turkey's fresh fruit and vegetables have become very popular and thanks to this popularity, are being shipped to around 120 destinations (including free zones) throughout the world. Turkey has begun to enhance its market shares in the CIS, the EU, Middle East and the Gulf countries. Other principal export product of the fresh vegetables sector are cucumbers-gherkins, peppers and onions.

The Russian Federation, Iraq, Germany, Ukraine, Saudi Arabia, Belarus, Romania, Georgia and the Netherlands have been major destinations for Turkish fresh fruits and vegetables.

The top market for Turkey citrus exports in November, which make up a major portion of the country's fresh fruit and vegetable sales, was Russia: A

**ALİ KAVAK**

*Chairman of  
the Council of  
Fresh Fruits And  
Vegetables Sector*



**\$2,04**

**BILLION**

Export value

**13%**

**INCREASE**

Compared to the  
same period of the  
previous year

**\$566**

**MILLION**

Russia is the top  
exported country

total of 165,000 tons of products worth \$77.3 million were sold to Russia.

The total citrus exports to the United Kingdom, Italy, Germany, the Netherlands, Bulgaria, Poland, Romania and the Czech Republic in November was 43,747 tons for \$22.7 million.

The highest increase among EU markets was seen in exports to Italy, which was 815 tons in November of last year. Italy paid \$787,413 last month to buy 13417 tons of products, marking an increase of 74 percent.





## The figures of fresh fruits and vegetables

**\$1,1**

**BILLION**

Fresh Fruit  
export value

**777,7**

**MILLION KG**

Fresh Fruit  
quantity

**\$3,5**

**BILLION**

Fresh Fruit and  
vegetable export  
value

**2,0**

**MILLION KG**

Quantity of  
Fresh Fruit

**\$520**

**MILLION**

Fresh vegetable  
export value

**1,150**

**MILLION KG**

Fresh vegetable  
quantity

**\$251**

**MILLION**

Tomato  
export value

**472**

**MILLION KG**

Quantity of  
tomato export

### EXPORT VALUE MILLION KG

Mandarin

**567**

Apple

**221**

Grape

**176**

Pomegranate

**156**

Peach

**129**

Pepper

**115**

Cherry and Sour Cherry

**76**

### EXPORT COUNTRY MILLION DOLLARS

Russia

**566**

Iraq

**212**

Germany

**192**

Romania

**143**

Ukraine

**109**

S. Arabia

**82**

Bulgaria

**68**

**\$734**

**MILLION**

Citrus export value

**1,65**

**BILLION KG**

Quantity of  
citrus export

### LEMON



**\$293**

**MILLION**

Value

**552**

**MILLION KG**

Quantity

### ORANGE



**\$128**

**MILLION**

Value

**360**

**MILLION KG**

Quantity

### GRAPEFRUIT



**\$171**

**MILLION**

Value

**76**

**MILLION KG**

Quantity



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