

The Turkish Perspective

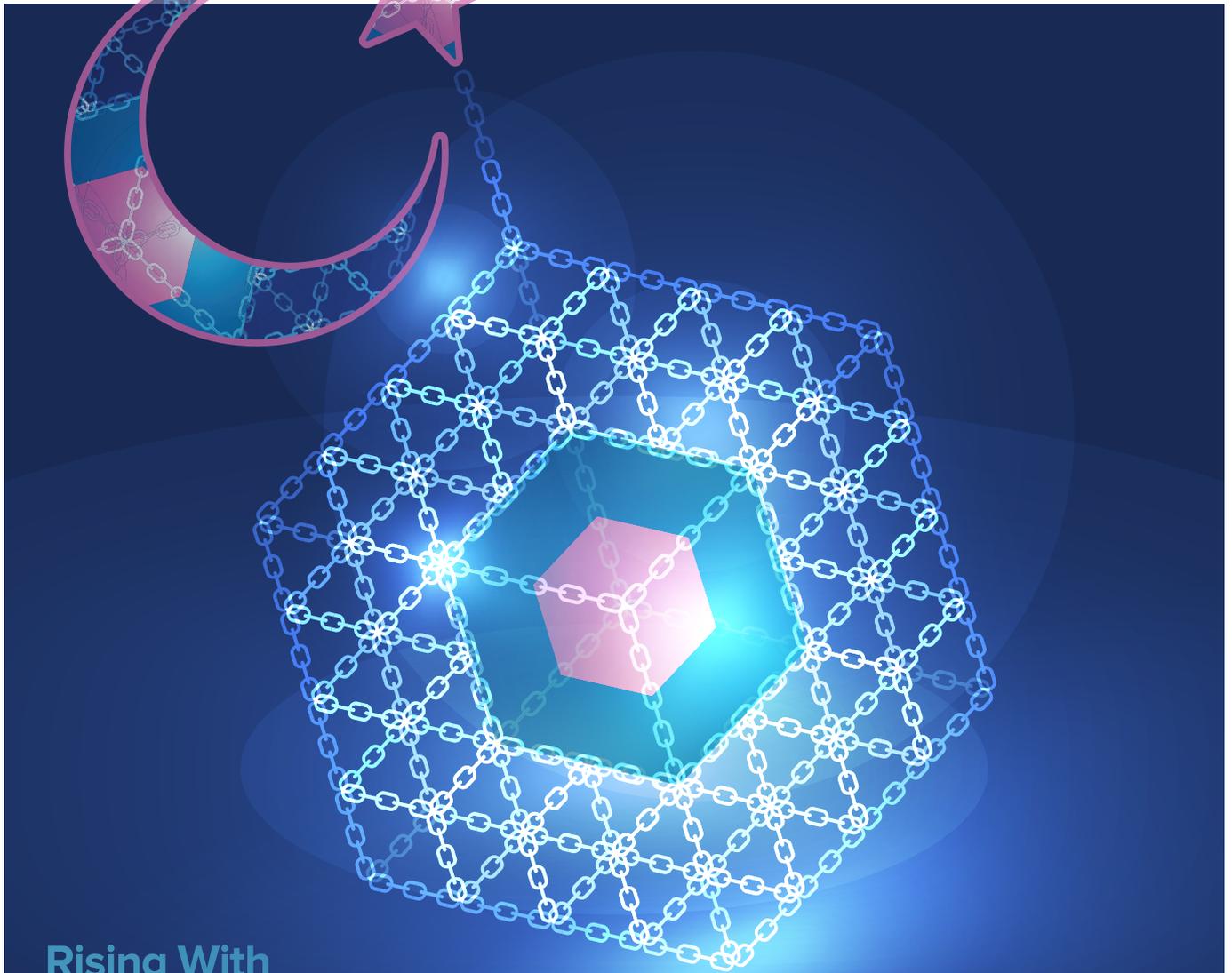
SEPTEMBER 2019 ISSUE 74

ECONOMY | BUSINESS | FOREIGN TRADE | ANALYSIS

BRIEFING Turkish Airlines Expanding in the Americas

INDEPTH Turkey is Still on the Second Place in The World Construction League

BRANDS Turkish Modern: Where the Bosphorus Meets the Pacific



Rising With

BLOCKCHAIN

There are rare ideas that initiate important milestones and subsequent periods in human development.

The Blockchain mindset expresses such an idea revolution.

Turkey, with coopetation ecosystem it has developed, is trying to be a part of this revolution.

BY AHMET USTA

Turkish Economy Dictionary

agility

/ə'dʒɪlɪti/

noun

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

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Contents

05 FIRST

- 05 | The Best July Turkish Export History
- 06 | Ancient Treasure Göbeklitepe Welcomes 2M Visitors
- 07 | Consumer Confidence Recovers in August
- 08 | Turkey's External Assets in June Total \$239.4B
- 09 | Nearly 7,200 New Companies Launched in July

11 BRIEFING

- 11 | **BILATERAL TRADE VOLUME WILL BE QUADRUPLED**
Turkish and Russian presidents, Recep Tayyip Erdoğan and Vladimir Putin, held talks in the Russian capital, Moscow.
- 13 | **SUPPORT CALL TO AMBASSADORS FOR EXPORT**
TIM Chairman İsmail Gille said: "In access to reliable information about markets, the support of our Ambassadors and Consulates for our trade consultants sustain us even more."
- 16 | **EXPORT MASTER PLAN: 17 TARGET COUNTRIES, 5 TARGET SECTORS**
- 17 | **THE TURKIC CHAMBER OF COMMERCE AND INDUSTRY WAS ESTABLISHED**
- 18 | **TURKEY IS LEADER COUNTRY WITH RESPECT TO ELIMINATION OF THE TRANS-FATS**
- 20 | **COUNTDOWN KICKS OFF FOR GALATAPORT ISTANBUL**
Galataport İstanbul -a global project which will provide access to the Karaköy coastline after 200 years, while also touching all fields of life, from tourism to arts and culture- is preparing for its 2020 Second Quarter launch.
- 22 | **THE BANKING SECTOR PASSED THE ENDURANCE TEST**
- 24 | **AUTOMOTIVE EXPORTS BOOSTED BY SALES TO US, NETHERLANDS**
Having generated \$31.6b in exports last year, Turkish automotive sales

Turkey Rises With BLOCKCHAIN

There are rare ideas that initiate important milestones and subsequent periods in human development. The Blockchain mindset expresses such an idea revolution. Turkey, with cooperation ecosystem it has developed, is trying to be a part of this revolution.

44 INDEPTH



- abroad also saw the highest figure last month, reaching nearly \$3 billion thanks to soaring sales to the U.S. and Netherlands.
- 25 | **MACHINERY EXPORTS EXCEEDED \$10 BILLION IN 7 MONTHS**
Industry, which recorded \$1.5b in exports in July, increased its total exports \$10.3b in the first 7 months of the year.
- 26 | **FIRST FLYING CAR PROTOTYPE FROM BAYRAKTAR**
- 27 | **SHIP AND YACHT EXPORTS TO FAR EASTERN COUNTRIES SEE RECORD RISE**

- 28 | **FOR THE ECONOMY OF ELDERLS AND RETIREES TURKEY WILL BE THE CENTRE**
- 30 | **TURKISH AIRLINES EXPANDING IN THE AMERICAS**
Flying to more countries than any other airline, Turkish Airlines adds Mexico's capital and popular resort destination Cancún to its flight network
- 32 | **TURKEY STARTS TECHNOLOGY-FOCUSED INDUSTRY ACTION PROGRAM**



49 BRANDS



- 49 | **TURKISH MODERN: WHERE THE BOSPHORUS MEETS THE PACIFIC**
- 52 | **LEADER OF THE WOOD BASED PANEL INDUSTRY TURNS**
- 56 | **RENT'N CONNECT, THE NEW TO STAY CONNECTED FOR TRAVELERS ANYWHERE ANYTIME**

62 AGENDA

FAIRS, EXHIBITIONS, SUMMITS, MEETINGS IN SEPTEMBER

63 FIGURES

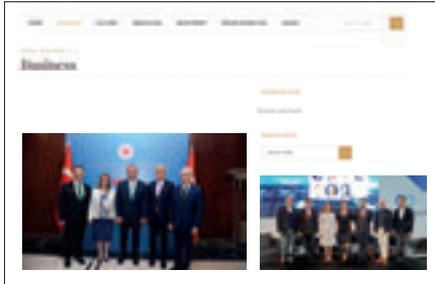
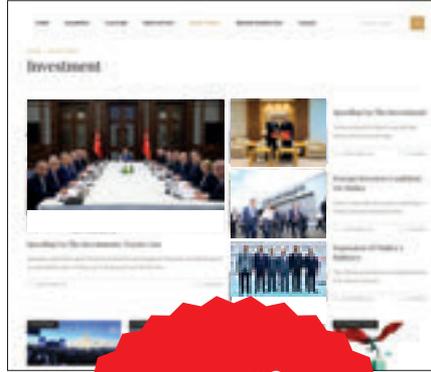
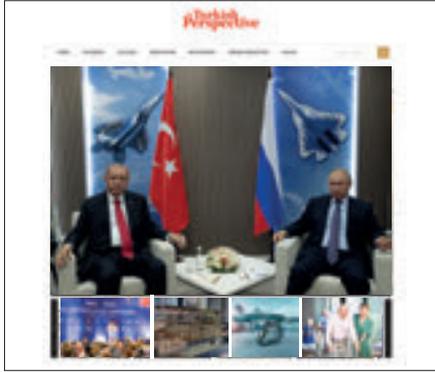
THE FIGURES OF TURKISH EXPORTS IN JULY, 2019

Online theturkishperspective.com

THE TURKISH PERSPECTIVE DIGITAL

The Turkish Perspective website is to be launched soon.

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



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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The Turkish Perspective

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Editorial



İSMAİL GÜLLE
CHAIRMAN (TİM)

DESPITE THE WAVES OUR COURSE WILL NOT CHANGE

Moving our export target, which was 182 billion dollars at the end of this year, to 230 billion dollars in 2023, is our critical priority. Also, for 2030, we will continue to run for \$ 400 billion.

THE COURSE OF GLOBAL TRADE HAS never been so volatile and uncertain in history. The US-China trade wars deeply affect the entire world, from emerging markets to giant corporations. After the Brexit, everyone is wondering what kind of future awaits the European Union, which is our biggest market.

Within this period, Turkey has had strong, stable and sustainable political relations with the entire world, which positively affects our foreign trade. We see that our government handles political relations in a way that contributes to trade. Persuading countries having political disagreements with Turkey to separate commercial subjects from politics is our expectation from the Ministry of Foreign Affairs, as exporters. Taking the processes that Brexit will bring into consideration, it is inevitable to renew the Customs Union. This will strengthen our presence in the EU market, increase our market diversity and lead us to new trade relations.

In the balancing process of the economy, our exporters also do their part and continue to break records every month. Our export showed an increase of 8.3 percent in July and reached the historical record of the Republic with \$16 billion. As the only umbrella organization of the exporter - TİM (Turkish Exporters Assembly), we are aware of our duties and continue to work without slowing down.

Minister of Treasury and Finance Berat Albayrak who came to visit our Assembly in the last month, once again stated that

they always stand by the exporters. During the meeting with the Minister, we had the opportunity to directly convey the problems and demands of exporters. We discussed the activities and projects of TİM. I would like to express our great satisfaction with this visit. With our more than 83 thousand exporters, we continue to wave our country's flag all over the world. We fully believe that we will carry the exports to better points with the support of our Minister. Moving our export target, which was 182 billion dollars at the end of this year, to 230 billion dollars in 2023, is our critical priority. For 2030, we will continue to run for \$ 400 billion. As TİM, we walk confidently to our goals in line with our 'Powerful Turkey, a Strong Economy, Strong Export, Powerful Human Resources, Strong Infrastructure, and Export Ecosystem' vision.

The 11th Ambassadors Conference held in Ankara in August was also very meaningful for us in order to convey the priorities of exporters. It is of great importance that our ambassadors

We can turn political approaches on trade wars, Brexit and duty-free Africa into commercial successes. We can fill the area left by China in the US market and move to a new phase with both the UK and EU countries.

wage a struggle for the problems experienced by our exporters. We carry out our export targets with entry and retention strategies for the country and product-based markets. If next-generation incentives are added to the new investment and generation models, it is possible for us to move our exports to much more advanced levels.

Today, in 223 countries, we are striving to carry our country brand and perception to even better levels with our export items reaching \$180 billion and export services reaching \$50 billion. In addition to our existing export products in our traditional export markets, EU, Middle East, Central Asia, and North Africa, we have added products such as climatization, ornamental plants, jewelry, and electronics. While the steel and machinery sectors in South America, one of our emerging markets, have achieved success, we show up in the Far East with food and water products.

However, it is clear that we have more ways to go. We can turn political approaches on issues such as trade wars, Brexit and duty-free Africa into commercial successes. We can fill the area left by China in the US market and move to a new phase with both the UK and EU countries. In Africa, there are also great opportunities waiting for us. As TİM, in line with "Powerful Turkey" vision, we believe we can meet what is expected of us. Although the world trade fluctuates, Turkey will continue on its way without deviating from the route.

More than 65.000 companies have INVESTED IN **TURKEY**



how about you?

average annual real
GDP growth rate

5.5%

2002-2018

13th largest
economy in
the world

GDP at PPP prices, 2017

more than

804.000

university graduates
per year

average annual real GDP
growth rate forecast in OECD

5.2%

2015-2025

\$784 billion
of GDP at
current prices
2018

82 million

of population
with half under the age of 31

INVEST IN TURKEY

Presidency of the Republic of Turkey Investment Office, the official investment advisory body of Turkey, is a knowledge-center for foreign direct investments and a solution partner to the global business community at all stages of investments. It provides customized guidance and qualified consulting before, during, and after entry into Turkey.

Content: Ancient Treasure Göbeklitepe Welcomes 2M Visitors **P06** Consumer Confidence Recovers in August **P07** Halla Group to Distribute \$1B Worth of Auto Parts **P07** Turkey's External Sssets in June Total \$239.4B **P08** Cooper Companies Buys Medek Medical **P09** Nearly 7,200 new companies launched in July **P09** Turkey-Germany AI conference attracts attention **P10**

First

AUTOMOTIVE, AI, REAL ESTATE, INDUSTRY, TOURISM, BUSINESS, ENERGY, DEFENSE, PURCHASE, HEALTH...



EXPORT

THE BEST JULY **TURKISH EXPORT** HISTORY

Turkey's exports surged 8.32% to reach USD 15.96 billion in July. The figure under the general trade system makes July the best performing July in the country's export history.

TURKISH Exporters Assembly, with the participation of Minister of Trade Mrs. Ruhsar Pekcan, announced July 2019 export data during the 4th of its Regional Councils - Turkish Exporters Assembly TIM Aegean Council in Izmir.

According to the provisional export data, Turkey's exports broke the July month's record with 16 billion dollars with an increase of 8.3% on a year over year basis. İsmail Gülle, the Chairman of TIM, said that "We broke export record for the month of July in Turkey's history

by improving the last year's record. Our main priority is reaching 182 billion dollars at the end of 2019 and 226.6 billion dollars in 2023".

Chairman İsmail Gülle also mentioned about the details of export statistics in July. Turkey's exports raised more than 50 percent in

July in 54 countries. Also 39,043 firms exported in July whereas 1,460 of them exported for the first time. New exporters generally exported their products to Germany, Iraq, Iran and Georgia. Exports with Turkish Lira increased by %45 and reached 5.7 billion TL in July.

TİM Chairman also spoke about Izmir's export success. Turkish companies exported to 223 different countries and regions in July, while companies from Izmir exported to 193 different countries and regions. This data shows us Izmir's success on market diversification...>

“With sunny skies and a low cost of living, the country is also an ideal retirement destination, and its culture lives up to the cliché ‘something for everyone’ with a fascinating blend of Eastern and Western traditions.” In terms of cultural, open and welcoming communities, Turkey scores high in the rankings and is a top choice in terms of ease of settling in.

“Prepare to be delighted. Turkish people are the most friendly people I’ve ever met,” a survey respondent says. “Embrace the good nature and hospitality of the general public and try to learn a few Turkish phrases monthly,” another respondent said. Still, the survey shows it’d take time for expatriates to learn cultural nuances and points out to the language barrier and “frustrating conservative attitude of some Turks” as challenges for new expatriates, although it adds that they can adapt “fairly quickly” with the help of “delicious Turkish cuisine, warm weather and friendly locals.” A guide for expatriates accompanying the survey says that the country is a captivating place to live and a recent construction boom means there are plenty of properties to rent or buy, while the cost of living is lower than other popular expat destinations in Europe.



TOURISM

Ancient Treasure Göbeklitepe Welcomes 2M Visitors

THE WORLD'S OLDEST TEMPLE, considered the birthplace of early civilizations, Göbeklitepe, located in Turkey's southeastern province of Şanlıurfa, has been a popular attraction for local and foreign tourists this year, welcoming more than 2 million tourists in seven months.

In December 2018, President Recep Tayyip Erdoğan announced 2019 the year of Göbeklitepe in tourism to promote the historical site, dubbed ground zero of human history both at home and abroad.

“We estimate that around 4 million visitors will visit

Göbeklitepe by the end of this year,” said Regional Chamber of Tourist Guides Deputy Chairman Selim Bakır in a statement. He noted to meet the increasing demand from visitors, they provided training and special courses on the history and culture of Göbeklitepe to 46 individuals who went on to join the crew of 128 guides in Göbeklitepe.

Göbeklitepe is an official UNESCO World Heritage Site and is recognized as the oldest temple in the world by many international organizations. It was discovered in 1963 by researchers from the universities of Istanbul and Chicago.

FDI

TURKEY RECEIVES \$3.1B IN FOREIGN INVESTMENT IN H1

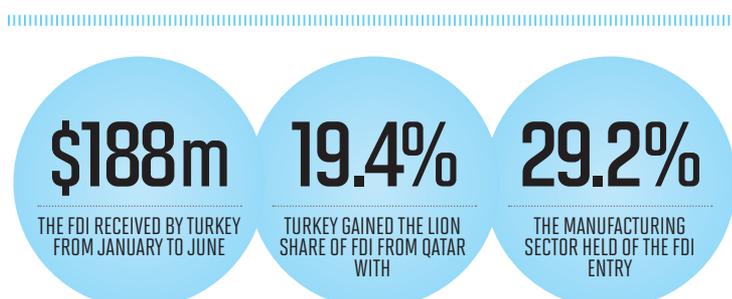
Turkey's first artificial intelligence engineering department established at Hacettepe University in capital Ankara will admit applicants for the first time this year, starting with 30 students.

Turkey attracted \$3.1 billion in foreign direct investment (FDI) in the first half of 2019, the Economic Policy Research Foundation of Turkey (TEPAV) announced.

The FDI received by Turkey increased \$188 million from January to June, versus the same period last year, according to a written statement by the foundation. Turkey gained the lion share of FDI from Qatar with 19.4%, which was followed by the U.K. and Azerbaijan with 18.7% and 17.5%, respectively.

The manufacturing sector held 29.2% of the FDI entry, the finance and insurance activities sector came after it with 24.8%.

Meanwhile, the outward direct investments totaled \$2.35 billion in the six-month period, mostly in the Netherlands (53.9%). The TEPAV also said Turkey received \$157.9 billion FDI, of which 15.8% came from the Netherlands between 2002 and 2019.



ECONOMY

CONSUMER CONFIDENCE RECOVERS IN AUGUST

Consumer confidence in Turkey's economy improved on a monthly basis in August, according to the country's statistical institute.

The consumer confidence index reached 58.3 in August, up 3.1% from last month, Turkish Statistical Institute (TÜİK) said in a statement.

TÜİK data showed that all sub-indices improved on a monthly basis in August.

The probability-of-saving index posted the highest rise, suggesting more people expected to save money. The sub-index jumped 13.1% to 22.7 this month.

Attitudes over the general economic outlook rose 1.2% as it increased from 73.4 points to 74.3 points for August.

The financial expectations of the household index showed the softest rise with 1.1% to 77.8 during the same period.

The consumer confidence index is seen as a vital gauge of the overall health of the economy, indicating people's sentiments about spending their money, which in turn gives clues about economic vitality in the days to come.



AUTOMOTIVE

Halla Group to Distribute \$1B Worth of Auto Parts

Halla Group, a South Korean logistics, automotive and construction company, will regionally distribute \$1 billion in automotive parts through its new Turkey-based company.

THE COMPANY HAS been operating in a wide range of areas such as shipbuilding, construction, education and sports, as well as the automobile industry since 1962.

The investment of the company comes with the help of the Istanbul Chamber of Commerce (İTO). Halla Group, incorporated by Mando Corporation as the "largest company," has founded Halla Corporation Europe in Turkey. Halla Corporation Europe started its activities in Turkey with an official ceremony at İTO headquarters. The company will have a significant share in the world by managing a turnover of \$1 billion directly from Turkey as part of product distribution in the after-sale market, a İTO statement said. Setting is the initial target of \$200 million in turnover, the company has been positioned as the main hub of a giant sales network that covers operations in Turkey, Europe,

Russia, Africa, the Middle East and Central Asia. "The fact that Halla Holding, one of the leading companies in South Korea, will invest in our country will be good for our country, which already has a very important position in the automotive industry. It will help our technological renewal and open a new horizon for the industry," İTO Chairman Şekib Avdagiç said.

Kyeong Sun Choi, CEO at Halla Group Investment Company Halla Holdings, expressed his happiness with the cooperation, noting that Halla Group employs 15,000 people with a turnover of \$20 billion. "Our trust in Turkey has been riveted with this new investment, which we have made after the partnership we formed in previous years under the name of Maysan Mando," Kyeong Sun Choi noted. Expressing his trust in Turkey, Choi indicated that they have investment plans in areas such as logistics and construction, in addition to automotive.

PURCHASE

TURKISH OYAK REACHES INITIAL DEAL TO BUY BRITISH STEEL

The pension fund of the Turkish Armed Forces has reached a preliminary agreement to acquire U.K.-based industrial giant British Steel, said a written statement.

In line with its regional leadership target, Ataer Holding, a subsidiary of Oyak, the pension fund, made an offer to buy the steel producer, said the statement.

The British fund was put on the market by the official authority this May due to financial woes. Around 80 steelmakers made offers for British Steel and declared their strategic plans for the company.

But Ataer Holding was the only company to acquire the right to analyze British Steel's finances, operations, and legal structure for the next two months.

"If the detailed analysis process results in success in October 2019, the handover is expected to be finished during 2019," Oyak said.

Oyak, established in 1961, is active in several sectors including mining, cement, automotive, finance, chemistry, metallurgy, and energy. Its assets and exports reached \$19.1 billion and \$4.7 billion, respectively, as of the end of 2018.



MIGRATION

OVER 16,000 IRREGULAR MIGRANTS LEAVE ISTANBUL

Over 16,000 irregular migrants in Istanbul have been sent to repatriation centers in other provinces of Turkey in the past 1.5 months, the governorship said.

In a statement, the Governorship of Istanbul said a total of 16,423 irregular migrants were sent from the city between July 12 and Aug. 25, and their repatriation process is ongoing.

Some 4,500 unregistered Syrians in Istanbul were also referred to temporary refugee centers in other provinces.

Also, Syrians registered in other provinces are leaving, the statement added.

Turkey last week extended a deadline until Oct. 30 for unregistered Syrians in Istanbul to leave the city and to go to the provinces where they were first registered.

New registrations in the city are not allowed but there are some exceptions for individuals who continue their education in the city, those who legally provide employment, and people whose treatment in the city is ongoing.

Turkey hosts over 3.6 million Syrians; some 540,000 out of them are living in Istanbul, according to the official figures.

INDUSTRY

TURKEY'S EXTERNAL ASSETS IN JUNE TOTAL \$239.4B

Turkey's external assets totaled \$239.4 billion at the end of this June, the country's Central Bank (CBRT) reported. The figure was up 4.5% from the end of last year.



L iabilities against non-residents were \$578.2 billion, indicating a fall of 3.2% during the same period.

"The NIIP (net international investment position), defined as the difference between Turkey's external assets and liabilities, posted minus \$338.8 billion at the end of June 2019, in comparison to minus \$368.3 billion observed at the end of 2018," the CBRT said.

The country's reserve assets climbed 3.5% to \$96.3 billion, while other investments amounted to \$93.4 billion,

rising 5.3% from end-2018.

Currency and deposits of banks, one of the sub-items of other investments, totaled \$48.5 billion, posting an increase of 8.5% in the same period of time.

"As regards to sub-items under liabilities, direct investment (equity capital and other capital) at the end of June 2019 recorded \$131.4 billion, indicating 8.4% decrease in comparison to the end of the last year, with the contribution of the changes in the market value and foreign exchange rates," the bank noted.

BUSINESS

GERMAN FLIXBUS MOVES TO ACQUIRE PROMINENT TURKISH BUS COMPANY

Germany-based Flixmobility GMBH, better known as Europe's leading bus operator FlixBus, has officially applied to Turkey's competition watchdog to acquire Kamil Koç, the country's second-largest bus company.

FlixBus said in a statement that the global mobility provider and Kamil Koç's current owner private equity firm Actera Group have agreed on the sale. "The company will be gradually integrated into FlixBus' extensive network which already offers more than 350,000 daily connections to over 2,000 destinations in 28 European countries and the USA. The deal will come into effect following approval by the relevant authorities and is expected to finalize in the coming weeks," the statement said.

Accordingly, an application has been made before the Competition Authority (RK) for the takeover and the details of the deal are pending approval.

Established in 1926, Kamil Koç is the oldest Turkish bus company still in operation. The company has a fleet of 1,100 buses. Serving nearly 20 million passengers in 2018, Kamil Koç operates 861 ticketing offices in 271 districts in 61 provinces. The company is listed among the top 500 firms in Turkey.



ECONOMY

NEARLY 7,200 NEW COMPANIES LAUNCHED IN JULY

Some 7,197 companies were established in Turkey in July, marking an annual and monthly rise, the county's top trade union revealed.

The number of recently launched companies rose 5.9% year-on-year last month and 57% on a monthly basis, according to the Turkish Union of Chambers and Commodity Exchanges (TOBB).

Meanwhile, TOBB said a total of 1,119 companies went out of business during the same period, with annual and monthly increases of 56.07% and 22.7%, respectively.

The figures showed 1,204 foreign-partnered or foreign-funded fresh companies were formed during the month.

"Of these companies, 692 had Turkish partners, 92 had Syrian partners and 72 had Iranian partners," it said.

Nearly 47,173 companies launched in the country in the first seven months of this year, with an annual decline of 11.09%.

The figures showed that more than 6,632 companies went out of business in the same period, up by 4.8%.

The number of foreign-partnered or foreign-funded new companies reached nearly 7,400 between January to July.

PURCHASE

Cooper Companies Buys Medek Medical

Turkey has earned \$22 billion by exporting flour products over the last decade, the Head of the Turkish Flour Industrialists Federation (TFIF) said.



C OOPER COMPANIES, one of the most important health companies in the USA, which has been selling in the Turkish market for a long time, started negotiations to purchase the entire Medek Medikal. If it is agreed, the US company will own a 100 per cent stake in Medek.

Cooper, whose shares are traded on US stock exchanges, was founded in 1958 by renowned healthcare professional Martin H. Smith Co. With 12,000 employees, the company is one of the

leading medical devices in the United States. The California-based company consists of two main divisions. In the field of lenses, CooperVision is one of the largest companies in the industry. The other company, CooperSurgical works on women's health. In addition to New York, the US giant has production facilities in Puerto Rico, England. Medek, which Cooper bought, was the distributor of foreign companies such as Hamilton, Varolab, Rocket Medical, Humagen and Origio.

TRADEMARK

TURKEY RECEIVES 72,000+ TRADEMARK APPLICATIONS

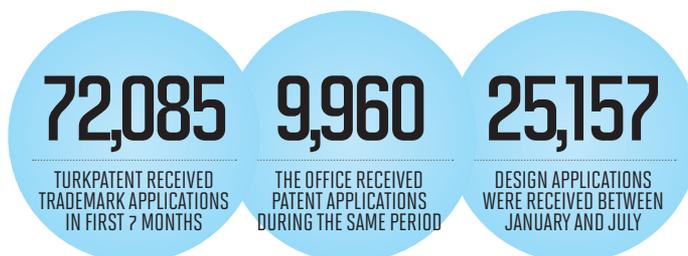
The Turkish Patent and Trademark Office (TurkPatent) received 72,085 trademark applications -- 62,398 of them domestic -- in the first seven months of this year, said its data report released on Thursday.

The number of trademark applications increased by 3.5% year-on-year in the Jan.-July period of this year, according to the data.

The office received 9,960 patent applications during the same period, up by 5.8% compared to the first seven months of 2018.

1,580 utility model and 25,157 design applications were received between January and July. 97.5% of utility models and 81.82% of the design applications were domestic, said the data report.

Last year, the office received 120,008 trademarks, 18,504 patents, 2,770 utility models, and 42,083 design applications.



ARTIFICIAL INTELLIGENCE

TURKEY-GERMANY AI CONFERENCE ATTRACTS ATTENTION



GERMAN ECONOMY MINISTER HOLDS out the prospect of cooperation in mechanical engineering, electrical engineering and logistics.

The Turkey-Germany artificial intelligence conference has received applications above its capacity, the German Minister of Economic Affairs and Energy said.

Academy and industry circles showed interest in the conference, Peter Altmaier told a meeting with Turkey's Minister of Industry and Technology Mustafa Varank during the conference in Berlin.

Altmaier noted that the conference will lay the cornerstone for the artificial intelligence and digitalization between the two countries.

Varank underlined that the two countries, which have historical relations, should make an effort to raise relations to the top level.

Artificial intelligence and digitalization will be the basic dynamics of production and industry in the coming era, the Turkish official said.

Both ministers underlined that trade volume and cooperation on the artificial

intelligence and digitalization between the two countries should be increased.

GERMANY TO INVEST \$3.3B IN ARTIFICIAL INTELLIGENCE

Later addressing the opening speech of the conference, Altmaier said: "We are determined to intensify bilateral relations and create new propelling forces for economic growth."

Turkey and Germany have a century old friendship, and millions of people benefit this friendship, he said.

Altmaier said the artificial intelligence

technology would change fundamentals of production, work and lifestyle of humanity.

"This will be the biggest innovation since the industrial revolution probably," he stressed.

Altmaier said Germany, which has the oldest and biggest artificial intelligence research center, decided to invest €3 billion (\$3.3 billion) in it till 2025.

"We know that this kind of investment should be made by the private sector. The U.S. companies such as Microsoft, Apple, Google and Amazon make hundreds of billions of investment in this area.

"We want to show that this kind of investment could be made both in Turkish and German economies. Because these economies have similar power." The one-day conference is setting the scene to explore the changing opportunities on the artificial intelligence technology between the two countries. The second edition of the conference is expected to be hosted by Turkey.



Germany, which has the oldest and biggest artificial intelligence research center, decided to invest €3 billion (\$3.3 billion) in it till 2025.

Content: Support Call to Ambassadors for Export **P13** Export Master Plan: 17 Target Countries, 5 Target Sectors **P16** The Turkic Chamber of Commerce and Industry was Established **P16** Turkey is Leader Country With Respect To Elimination of the Trans-Fats **P18** The Banking Sector Passed the Endurance Test **P20** Machinery Exports Exceeded \$10 Billion in 7 Months **P23** Ship and Yacht Exports to Far Eastern Countries See Record Rise **P24** Turkish Airlines Expanding in the Americas **P30**

Briefing

DIPLOMACY, TRADE, EXPORT, FOOD, PORT, BANKING, AUTOMOTIVE, MACHINERY, TOURISM...



DIPLOMACY

BILATERAL TRADE VOLUME WILL BE QUADRUPLED

Turkish and Russian presidents, Recep Tayyip Erdoğan and Vladimir Putin, held talks in the Russian capital, Moscow.

The meeting took place at Zhukovsky International Airport in Russia where the MAKS-2019, an annual Russia aviation and space fair, took place.

The two leaders discussed recent developments in Syria, particularly escalated tension in Idlib and ongoing Turkish-American efforts to set up a safe zone on the Turkish-Syrian border in the northeastern Euphrates.

SYNERGY IN THE FIELD OF AVIATION

Before the meeting, Erdoğan and Putin attended the opening ceremony of the MAKS-2019 fair.

“We have been carrying out important projects in aviation with ‘The future is in the skies’ motto,” Erdoğan said. The motto Erdoğan was referring to is a quote by modern Turkey’s founder Mustafa Kemal Atatürk, stressing the importance of

aviation and space systems. He said that Turkey has come a long way in producing manned and unmanned aerial vehicles.

The president also emphasized the “close and sincere dialogue” between Turkey and Russia, saying the deep historical background has led the way for such cooperation. The number of Russian tourists travelling to Turkey for their vacations has been hitting

record figures, Erdoğan said. “We expect about 6 million Russian tourists to come to [Turkey] in 2019,” he informed.

The volume of trade between Turkey and Russia has already surpassed \$25 billion yet the objective is for it to reach \$100 billion, Erdoğan conveyed.

“I believe that the synergy we have with Russia regarding aviation and space sectors will deepen our bilateral relations,” he added. Meanwhile, the Russian president conveyed his appreciation for the attention the MAKS 2019 has garnered.

“We regard this as a sign of appreciation of the world towards the great potential of our country. Russia is one of the leading countries in the world in aircraft industry,” Putin said. “I am

sure that Russia's success in aviation and space industry will attract the attention of all our partners, especially our Turkish guests," he said.

PUTIN PROMOTES SU-57 TO ERDOĞAN

The two leaders visited the fair site before the beginning of official talks. The Russian leader has introduced Russia's sophisticated SU-57 aircraft to Erdoğan at a time when Turkey has been excluded from the F-35 project by the United States because of its decision to deploy S-400 air defense systems.

Ahead of the bilateral meeting, Erdoğan told that he was "pleased" to visit the fair, both seeing the fighter aircraft and passenger planes. He said Russia's steps taken in space aviation proves its position in the science area.

Putin, for his part, said Russia and Turkey can unite efforts in the aircraft construction industry.

"We have introduced you to a whole chain of both military and civilian production. This demonstrates not only Russia's capabilities in the aerospace sector but also demonstrates the possibilities of cooperation.

"We know about your plans



for high-tech development of the economy in Turkey. We could combine our efforts in those areas that are most in demand," he said.

After the meeting, the leaders held a joint news conference. Putin said the bilateral ties with Turkey are based on friendship, mutual respect and interests and Russia agrees with Erdoğan on eliminating terrorists from Idlib. ■





EXPORT

SUPPORT CALL TO AMBASSADORS FOR EXPORT

TİM Chairman İsmail Gülle said: “In access to reliable information about markets, the support of our Ambassadors and Consulates for our trade consultants sustain us even more.”

11th Ambassadors' Conference held in Ankara with the participation of Minister of Foreign Affairs Mevlüt Çavuşoğlu, Minister of Trade Ruhsar Pekcan, DEİK Chairman Nail Olpak.

Turkish Exporters Assembly (TİM), which is the umbrella organization of 85 thousand exporters, gave a speech at the 11th Ambassadors' Conference held in Ankara with the participation of Minister of Foreign Affairs Mevlüt Çavuşoğlu, Minister of Trade

Ruhsar Pekcan, Foreign Economic Relations Board of Turkey (DEİK) Chairman Nail Olpak and all the ambassadors in charge of foreign and central organization.

By creating an export projection of \$226.6 billion for 2023 in the 11th Development Plan which is

government's new economy program and which includes the word “export” for 103 times, noting that a new roadmap for Turkey has been charted out from the point of the indispensability of exports for sustainable growth, TİM Chairman İsmail Gülle said: “Thanks to this projection,

our biggest goal is to raise our country -which has been the 35th most exporting country with 51 per thousand taken by global trade in 2001 and increased its rank to 31st with 87 per thousand in 2018- among the first 30 countries in 2023 by 96 per thousand. In the current course, it

“We know that Turkey’s strong economy is going through strong exports and we strive to provide the necessary contribution to Turkey’s diplomacy skills in the field of commerce, together with our Ambassador and Consul General and their team.”

seems reasonable to meet these targets. However, it should be noted that we can take this figure, which will be reached in the natural course of our exports, to a much higher level with our entry and retention strategies in the country and product based market, new production and investment models and new generation incentives.”

WE HAVE PROVIDED SECTOR DIVERSITY IN RISING MARKETS

Emphasizing that TİM is one of the internationally “soft power elements” of Turkey, Gülle continued: We know that Turkey’s strong economy is going through strong exports and we strive to provide the necessary contribution to Turkey’s diplomacy skills in the field of commerce, together with our Ambassador and Consul General and their team. Today, we are making an effort to carry our country

brand and perception to even better levels with our export items reaching \$180 billion and services reaching \$ 50 billion. In addition to our existing export products in our traditional export markets EU, Middle East, Turkic Republics and North Africa, we have added air conditioning, ornamental plants, jewellery and electronics. Now and then, we can say that “Count us in!” in steel and machinery sectors in Latin America, automotive and dry fruits in Oceania countries and cereals and aquaculture products in Far East countries, which are our rising markets. However, it is clear that we have much to go. In access to reliable information about markets, the support of our Ambassadors and Consulates for our trade consultants sustain us even more. The fact that our ambassadors put forward all kinds of struggles for the problems

experienced by our exporters is an important factor that will strengthen the currency saving services provided by our exporters for our country. Turkey is one of the top 5 countries in the world with its number of diplomatic missions; so, for Turkey’s global brand perception, together with the export of services, of which \$226.6 billion is for product exports, we will continue to run steadfastly for a total of \$290 billion and till 2030 for \$400 billion.

THANKS TO THE AFRICAN EXPANSION, WE MANAGED TO INCREASE OUR SHARE TO 2.6%

Emphasizing that they can turn political approaches into commercial successes on issues such as trade wars, Brexit and duty-free Africa, Gülle: “As you know, African countries are on the verge of creating one of the largest duty-free areas

in the world. Thanks to the African initiative we launched in 2005 under the leadership of our President, there is a significant interest in our country’s products in this geography. In 2005, we achieved a share of 1.6% from the continent’s imports with 3.3 billion dollars of exports, and in





“Today, we are making an effort to carry our country brand and perception to even better levels with our export items reaching \$180 billion and services reaching \$ 50 billion.”

CUSTOMS UNION SHOULD BE UPDATED

TİM Chairman emphasised that Turkey’s strong, stable and sustainable political relations with 1st and 2nd generation neighbouring countries and with the whole world starting from Eurasia affects foreign trade positively. Gülle indicated as, “However,

handling political relations in a way to contribute to trade, using foreign trade as a trump and motivating element when necessary in political affairs, persuading countries that have political disagreements with Turkey to separate commercial issues are among the expectations of our exporters from our Ministry of Foreign Affairs. In addition to strengthening our presence in the EU market by updating the Customs Union, it is inevitable to turn to new trade relations and new agreements that will increase our market diversity.

Moreover, Latin American countries, where our market share is low, have recently become a favourite market for our exporters. We, as the export family, adopt the strategy of determining the target country of our Ministry of Commerce and we are plotting road maps in this direction.” ■

2018 we managed to increase our share to 2.6% with 15 billion dollars. However, on the contrary, some implementations and non-tariff barriers of countries such as Saudi Arabia and Iraq reveal that the issue is taken not by commercial concerns but by political objectives. All these global

developments underlined by our President indicate that new opportunities will be created for our exporters and therefore we should cooperate more with our Ambassadors than ever before. In this way, we are working to strengthen our exports not only for today but also for the future.

EXPORT

Export Master Plan: 17 TARGET COUNTRIES, 5 TARGET SECTORS

Ministry of Trade and Turkish Exporters Assembly announced the Export Master Plan. For the plan which will lead Turkey to a breakthrough, 17 target countries and 5 target sectors were determined.



STATING THAT THE 11th Development Plan covering the years 2019-2023 was realized with an understanding that stable growth is based on exports, Minister of Trade Ruhsar Pekcan said that they are aiming at USD226.6 billion of exports by taking into consideration the Development Plan targets while preparing the Export Master Plan.

Pointing out that the main goal is, by following the trade wars and technological transformations in the world closer, to exceed this goal, Pekcan said, "Within the scope of this plan, we

"We selected 5 target sectors: machinery, automotive, electrical-electronics, chemical and food industries."

aim for a sustainable export approach. As a result of meticulous efforts carried out by our Ministry with the participation of relevant stakeholders, we selected 17 target countries. While choosing these countries, we have taken into account that countries get 60 percent share from the World Gross

Domestic Product, 43.7 percent of world imports and 25.2 percent share of our country's exports. These countries are, respectively, USA, Brazil, China, Ethiopia, Morocco, South Africa, South Korea, India, Iraq, England, Japan, Kenya, Malaysia, Mexico, Uzbekistan, Russia, and Chile. Besides, we selected 5 target sectors: machinery, automotive, electrical-electronics, chemical and food industries. Our goal is to raise our high-tech product export, which is 3,5 percent in the share of Turkey's exports, to 5 percent with specialized-free zones. Pekcan also announced that

Smart Export Platform and Data Analytics Centers of Excellence will be established.

Stating that exporters also need a compass such as the Export Master Plan on the way to the 2023 and 2030 export targets, The Turkish Exporters Assembly (TİM) Chairman Gülle, "We regard the Export Master Plan as our own guide, a manifesto that will guide our family, beyond a plan put into effect by our Ministry and our Government."

Referring to the fact that our exporters represent our country in the best way in 223 countries and regions, Gülle noted that our exports, which we started to register for the first time with USD51 million in 1923, are walking to USD200 billion emphatically.

Gülle continued by saying, "Although the volume reached by our exports today bliss us out despite progress of global developments; on the way to our 2023 and 2030 export targets, we also need a compass such as the Export Master Plan announced by the Minister of Foreign Affairs today. We fully believe that such a master plan, which guides our exporters, will guide all local and global efforts regarding our exports, support our exporters and pave their way on the way to the destination. As TIM, we held two joint mind meetings, a large-scale Export Strategy workshop, and numerous technical meetings during the preparation process of the plan with our Exporters Associations. We collected detailed suggestions and demands from 27 of our exporter sector and presented all this information to the evaluations of our Ministry. We regard the Export Master Plan as a manifesto to guide our family. The main points of the Export Master Plan will be emphasized and it

will be possible to bring our exports to much more successful points in the short term by emphasizing the micro details of the substances that will indicate the targets and actions aimed at strengthening the export ecosystem.”

“THE EXPORT MASTER PLAN WILL GUIDE THE STRATEGIC ROADMAP WE WILL CREATE”

By abiding the road map drawn by the Master Plan, and pointing out that they will surely create a strategy and action plan for each sector and they would determine road maps suitable for the structure of our sectors by avoiding generalization, Gülle stated that they will prepare the action plans that they will form in coordination with our Ministry in a simple, applicable and sustainable format. Stressing that they will create a finalization schedule for each action plan, and follow these calendars and actions to the letter, Gülle added “The Export Master Plan, which was announced for the first time in the history of the Republic, will be the cornerstone in order to achieve or even exceed the export targets in the development plans. I would like to express on behalf of our 85 thousand exporters; The Export Master Plan will guide the strategic roadmap for new markets, new products, and new approaches. In this context, we, as Turkey Exporters Assembly, with our Exporters Association, promise that we assume the responsibility of the “Export Master Plan” implementation, which will be announced by the Minister, at every point of the world in coordination with our Ministry in the presence of the Minister and the public.” ■

TRADE

THE TURKIC CHAMBER OF COMMERCE AND INDUSTRY WAS ESTABLISHED

The purpose of establishment of The Turkish Chamber of Commerce and Industry is to support the development of bilateral trade and investment relations between Turkey, Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan.



The Turkic Chamber of Commerce and Industry (TTCI) was established by Turkey, Azerbaijan, Kazakhstan and Kyrgyzstan and opened its doors in İstanbul. Hosted by TOBB and with the participation of Minister of Commerce Ruhsar Pekcan, the first general assembly of TCCI was held. In the general assembly, Pekcan stated the purpose of TCCI by saying: “The establishment of the union will help Turkic Council countries – and Uzbekistan and Turkmenistan – to boost their bilateral trade volume.”

Established in 2009 The Turkic Council as an international intergovernmental organization, has the aim of promoting comprehensive cooperation among Turkic-speaking states. Azerbaijan, Kazakhstan, Kyrgyzstan and Turkey are its four founding member states.

“As Turkic Council countries, our gross domestic product (GDP) reaches USD1 trillion, but our bilateral trade volume fell short of this figure,” Pekcan underlined and added: “The share of Turkic Council countries’ trade volume rose 5% globally

to USD522 billion last year. Bilateral trade volume among Turkic Council countries increased 16.7% on a yearly basis to USD6.5 billion. When Uzbekistan and Turkmenistan were included in this figure, it reached USD9 billion. It is in our hands to increase this figure. Turkey has invested approximately USD15 billion in the member states of the Turkic Council. The investments of these countries in our country, on the other hand, are approximately USD7.7 billion.”

As Rifat Hisarcikhoğlu, Pekcan also called on Uzbekistan and Turkmenistan to join the Turkic Council to strengthen its commercial structure and also pointed out: “Turkish contractors have undertaken 969 projects worth USD39 billion. This data shows the progress we have made in recent years but unfortunately remains insufficient. It is about time we reflect our strong ties to our commercial relations. We must reflect our real potential to our relationships by increasing our mutual investments and trade.”

The first members of TCCI are Azerbaijan Employers’ Confederation with the Union, Kazakhstan National Chamber of Entrepreneurs, Kyrgyzstan Chamber of Commerce and Industry. Speaking at the meeting, Hisarcikhoğlu reminded that they signed the founding charter of TCCI in May within the Council of the Cooperation Council of Turkic Speaking States (Turkic Council) and said: “Turkmenistan and Uzbekistan are not members yet. But I hope we will see them as members soon. Uzbekistan is here today. We have already prepared the charter that we have signed to be open to the participation of the Turkmen and Uzbek chambers. Thus, in the first phase, the Turkish Chamber of Commerce and Industry consists of Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkey and Turkmenistan. Then there may be further contributions. These 6 countries have an economic size of USD1.1 trillion. Today, we come into operation with our first general assembly.”

Hisarcikhoğlu stated that the permanent secretariat of TCCI will be in the TOBB Istanbul service building and continued: “As TOBB, we are committed to providing all kinds of support in the field of office

and personnel. We will build our cooperation on a more solid foundation and make it more institutional. We need it. Because the development of the private sector is essential for development and enrichment. A strong private sector also requires a strong room system.”

“WE RENEWED THE 10 BIGGEST LAND CUSTOMS GATES”

Hisarcikhoğlu pointed out, without the need for financial assistance of the state, they renew Turkey’s 10 largest land customs gate by saying: “Our projects have been accepted by the United Nations as a success story and given an example to the world. We achieved global success in two areas by increasing entrepreneurs and developing the private sector. We have made great progress in tourism in the last 30 years. We are among the top 6 tourist destinations in the world. In the international contracting sector, we rose to second place in the world. To date, our contractors have successfully undertaken projects worth USD390 billion in 108 countries and became a world brand. We have seen how important it is to integrate into the global economy and open up to international trade and global competition.”

HISARCIKHOĞLU, FIRST CHAIRMAN OF TCCI

Following the speeches, the 1st General Assembly of TCCI was held. TOBB Chairman Hisarcikhoğlu was elected as the first chairman upon the proposal of these 4 member countries: Turkey, Azerbaijan, Kazakhstan, Kyrgyzstan.

In the meantime, the Permanent Secretariat will be in Istanbul, the Chamber will carry out its services in the building. Besides, it was decided that one of the five delegates from each country should be a woman. ■

FOOD

TURKEY IS LEADER COUNTRY WITH RESPECT TO ELIMINATION OF THE TRANS-FATS

Through the MUMSAD member companies, which produce 98% of margarines in the market, trans fats have been eliminated down to the levels of below 1%. Since 12 years now, margarines are trans free in Turkey.

E L I M I N A T I O N O F T H E trans fats is at the priority list of World Health Organization (WHO) for the period of 2019 – 2023. On the other hand, Turkey recorded a success story on this target, which has been an impressive example to the globe. With the voluntary initiative of member companies of Culinary Products and Margarine Industrialists Association (MUMSAD), trans fats in margarines have been reduced to levels of below 1% since 2007. This level is accepted to be expressed as “No TFA” by the world of science. As a result of that voluntary industry initiative, Turkey has been 11 years ahead of US, 13 years of Canada and 14 years of EU. That also made Turkey, achieve the World Health Organization’s 2023 global objective 16 years ahead

although there were no legal requirements on that.

World Health Organization (WHO) put elimination of trans fats from the global food supply as one of the priority targets of its strategic planning for the next five years and called on governments around the world to eliminate the trans fats by 2023. That global movement also attracted attention to the impressive success story of Turkey. Through the voluntary initiative of MUMSAD member companies, which produce 98% of margarines in the market, trans fats have been eliminated down to the levels of below 1%. That level is considered as “No Trans Fats” level by scientific circles. In other words, since 12 years now, margarines are trans free in Turkey.

MUMSAD General Coordinator Ebru Akdağ



stated that right after scientific studies indicated there might be an association between trans fats and cardiovascular risks, the industry started R&D studies to find a way to eliminate trans fats from their products and said: "First of all, we would like to express our gratitude to the science world for their discovery regarding trans fatty acids, which resulted in transformation of the margarine industry in Turkey in order to eliminate trans fats. That initiative also positioned us as one of the leaders in the world in this field. Considering the importance of this issue for public health, our member companies abandon "partial hydrogenation" method at the end of 2006 by making huge investments in new generation technologies. Thus, the level of trans fats



MUMSAD General Coordinator Ebru Akdağ stated that they were happy to have achieved the target set by the World Health Organization (WHO) 16 years ago.

in margarines have been reduced to less than 1%. Since 2007, we have been analyzing the trans fats levels of margarines within the scope of our auto control project. We randomly buy margarines from the shelves and made them analyzed in accredited university laboratories. We are proud to indicate that, the trans fat levels since then have been below 1%, today even below 0.5 %. The target level to eliminate trans fats suggested by WHO is 2 % and the level achieved by Turkish margarine producers is even below half of that target."

"WE'RE 14 YEARS AHEAD OF THE EU"

Stating that they were happy to have achieved the target set by the World Health Organization (WHO) 16 years ago, Akdağ continued:

"According to the new legislation prepared by Ministry of Agriculture and Forest, which will be in force by 2020, limit for trans fats in foods are set as 2 % as defined in the EU Regulation. We also would like to thank the Ministry of Agriculture and Forestry for setting the limits and the Ministry of Health for creating awareness on this issue.

Elimination of trans fats has been put into implementation in August 2018 by the United States federally; while the 2 % target will be applied in Canada by 2020 and EU by 2021. Within this context, we are pleased that our country will not only reach half of the globally targeted level but has already been 11 years ahead of USA, 13 years of Canada and 14 years of European Union." ■

PORT

COUNTDOWN KICKS OFF FOR GALATAPORT ISTANBUL

Galataport İstanbul -a global project which will provide access to the Karaköy coastline after 200 years, while also touching all fields of life, from tourism to arts and culture- is preparing for its 2020 Second Quarter launch.



THE COUNTDOWN FOR the Galataport İstanbul project, made possible by the partnership of Doğuş Group and Bilgili Holding, has started. Set to be a signature project that will touch all fields of life, from tourism to culture, gastronomy and shopping, the work will launch during the Second Quarter of 2020. As one of the largest coastline projects on earth, Galataport İstanbul will turn into a brand-new destination.

The opening speech of the meeting was delivered by Doğuş Group's Deputy Chairman Hüsnü Akhan. Hosted by Doğuş Group

President and CEO Ferit F. Şahenk, with the participation of Bilgili Holding President Serdar Bilgili, the meeting marked the first occasion where the project's details were shared with the public.

Doğuş Group President and CEO Ferit F. Şahenk, who spoke during the meeting said that "Galataport İstanbul is a diamond for Turkey and Istanbul and marks an achievement of Doğuş Group's mastery phase" and continued as follows: "I am certain that you have never viewed İstanbul from this perspective. One of the most captivating locations of our city had been off-limits

With Galataport, the city will enjoy a new center of living. This center will not only be harmonious with the natural setting of the area, but also house institutions of arts and culture, a world-class cruise pier, a distinguished hotel chain, various brands catering to several segments, cafes, restaurants and office space.

to us for so many years. With Galataport, we are embracing beautiful İstanbul from a different angle. In 2013, when bidding for the Salıpazarı Cruise Port, as it was known back then, our main goal was to open up this unique coastal line,

which is an extension of the historic peninsula, to the residents of İstanbul, as well as to all visitors. As a result, this coast line that had been closed to the general public for 200 years is opening up to visitors. The doors of Galataport, which has a total investment value of \$1.7 billion including the tender bid, is opening its door in 2020.

For the first time anywhere in the world, we have constructed a cruise port, where passengers will be received underground; the customs and customs-free areas can be flexibly adjusted and 1.5 million visitors, including crew members, can be hosted in the city's culturally and historically richest area. Positioned as a major-hub-pier, Galataport İstanbul will kick cruise tourism into higher gear in a vast area ranging from the Mediterranean Basin to the Black Sea. We will host 25 million visitors, 7 million of whom will be foreign tourists. Hence, the new and modern face of İstanbul will be presented in a visual setting that is unparalleled anywhere on earth, yet without losing its ties to its past."

On the other hand, Bilgili Holding President Serdar Bilgili stressed how happy they are to be part of this project together with Doğuş Group and continued: "Galataport İstanbul is an investment that will transform the city's social life with the many new experiences it will offer to visitors. Once launched, our project will open up a part of the coastline that had been closed for 200 years and offer a sort of time travel

experience to both domestic and international tourists. Therefore, Galataport İstanbul means so much more than a mere pier project.”

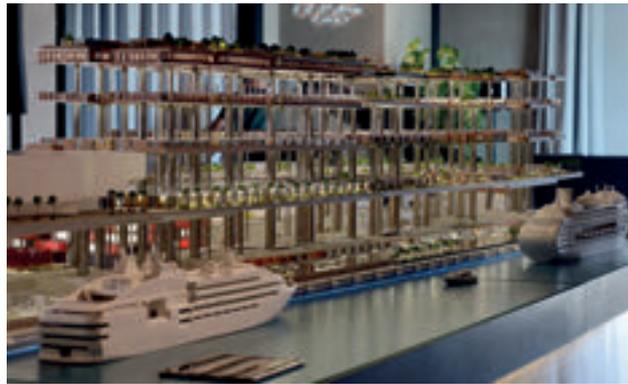
Doğuş Group’s Deputy Chairman Hüsnü Akhan added: “Located on 1.2 kilometers of coastline, Galataport will help Karaköy regain the old spirit it once possessed when it was the city’s center of commerce. It is an honor for us to be part of this project with the cooperation between the Doğuş and Bilgili groups. Galataport İstanbul will have various functions ranging from culture and arts to gastronomy and tourism.”

A \$1.7 BILLION INVESTMENT

The project, which has a total investment value of \$1.7 billion including the tender bid, covers a length of 1.2 kilometers of coastline on the Bosphorus. With Galataport İstanbul, the city will enjoy a new center of living. This center will not only be harmonious with the natural setting of the area, but also house institutions of arts and culture, a world-class cruise pier, a distinguished hotel chain, various brands catering to several segments, cafes, restaurants and office space. Domestic as well as international tourists and residents of İstanbul will enjoy this living space together, while the new port terminal will have unmatched features and innovative technologies with its underground design.

25 MILLION VISITORS EVERY YEAR

The renewed historic pier will be İstanbul’s naval gateway to the world. The pier has been designed to serve 15,000 passengers and crew every day by joining three ships. Once the project is completed, projections call for 1.5 million cruise passengers and crew to visit İstanbul every year. Galataport İstanbul will host 25



million visitors, seven million of whom will be international guests. The economic contribution of this activity to Turkey’s tourism income is estimated at around one billion USD.

The plans of the project include roughly 250 food retail points. The total area reserved for rent by food retailers is approximately 52,000 square meters, while total office space for rent is roughly 43,000 square meters.

The Tophane Square, whose landscape design is part of the project, will once again become a major square of İstanbul. With its two museums and total recreational area of 14,000 square meters, Galataport İstanbul will turn into a new center for arts and cultural life

distinguished locations in the world, the Peninsula Group headquartered in Hong Kong will open its hotel in İstanbul, right across the historic peninsula, befitting its name. The Peninsula Group will not only be the operator, but also 50% owner of the Peninsula İstanbul project and thereby make a major contribution to both Galataport İstanbul, as well as Turkey’s tourism.

EMPLOYMENT FOR 5,000 INDIVIDUALS

With the many operational fields and investments within, Galataport İstanbul will make major contributions to the Turkish economy as well as tourism. During its busiest phase, Galataport will offer employment to 5,000 individuals -including the work offered by the contractors. Once fully operational, upon the opening of the cruise pier, the cafes and restaurants offering guests local as well as international tastes, the shops housing domestic as well international brands, the hotel, offices and the high capacity carpark, the project is expected to offer employment to approximately 4,500 individuals. ■

The project, which has a total investment value of \$1.7 billion including the tender bid, covers a length of 1.2 kilometers of coastline on the Bosphorus.

in the city. This area will mark the first museum square of İstanbul and transform into a living center with the various activities planned to run throughout the year.

A HOTEL WITH 177 ROOMS OPERATED BY ONE OF THE WORLD’S MAJOR CHAINS

Established in 1928 and operating only out of ten major

BANKING

THE BANKING SECTOR PASSED THE ENDURANCE TEST

KPMG Turkey published the Sectoral Outlook - First Half series in which it examines direction of the Turkish economy. The banking sector assessment for the first half of 2019 shows that the wounds are now healed, who photographed the first black hole announced in April.



THE FIRST ONE OF Sectoral Outlook - First Half series prepared by KPMG Turkey is published. According to Sectoral Outlook that assesses the first half performance of the banking sector in Turkey, it achieved success in the initial six months which have passed with uncertainties and fluctuations. Despite the deceleration in growth and decreased profitability, the financial endurance indicators for the industry are still in quite good positions. With a 17.1 percent capital adequacy ratio, the sector indicates a stronger state than the banking sectors of many developing economies. KPMG Turkey Financial Services Sector Leader, Sinem Cantürk, stated: "It is seen that the effects of the financial turmoil took place in 2018 and the subsequent recession on the sector are managed well. However, the uncertainty still goes on regarding the risk of spread for the mentioned situation and how it will affect other sectors."

Some of the observations and highlights from KPMG Turkey's First Half - Banking Sector Report are as follows:

- The sector is highly sensitive to the changes occurring in the risk appetite of the financial markets as well as actions of the global and local regulators. It is seen that the balancing process has

not been completed yet as of the first half of 2019.

CREDIT VOLUME INCREASED 6 PERCENT

■ According to data from Banking Regulation and Supervision Agency (BRSA), the total credit volume in the Turkish Banking Sector which was 2 trillion 392.8 billion Turkish Liras by end of 2018 has reached 2 trillion 537.4 billion Turkish Liras by end of June 2019 by growing 6 percent in the initial six months.

■ Although the instability in the exchange rates causes fluctuations especially in the commercial credits segment, the figures cleared from the effects of the exchange rate does not show a significant expansion in the total credit volume.

■ Increase in the exchange rate and the recession has made finding quality credit customers harder. Because the fluctuating credit interest rates do not seem appealing for those who are making fund demands due to weakness in the demand and the decrease in the global interest rates.

THE RECEIVABLES SUBJECT TO LEGAL PROCEEDINGS INCREASED 24.1 PERCENT

■ The receivables subject to legal proceedings within the sector keep ascending due to the shrinkage in economic activities and the increase in the funding costs. The receivables subject to legal proceedings which were 93.7 billion Turkish Liras as from end of 2018 has reached 116.2 by increasing 24.1 percent in the initial half-year.

THE INCREASE IN THE DEPOSITS CONTINUE

■ The deposits within the sector, however, showed a faster growth performance



*KPMG Turkey
Financial Services
Sector Leader, Sinem
Cantürk, stated: "It is
seen that the effects of
the financial turmoil
took place in 2018
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are managed well."*

than the credits in the first half-year thanks to the effects of the exchange rates. The deposit volume which was 2 trillion 44.4 billion Turkish Liras at the end of 2018 reached 2 trillion 292.6 billion Turkish Liras by growing 12.1 percent in the first-half.

■ The annual growth rate of the deposits which was 19.2 percent as from end of 2018 became 19.9 percent as from end of June with the support from the increase taking place in the exchange rates.

- As a result of the continuing demand for the foreign currency by the deposit owners, the ratio of the deposits with foreign currency which was 48.6 percent by end of 2018 has increased to 54.2 percent by end of June.

NET PROFIT DECREASED 17.3 PERCENT

■ Growth rate of the credits has fell behind the growth pace of the deposits, and the sector's foreign debt rollover ratios have decreased prominently. By renewing its foreign debt at a rate of 74.8 percent, which was at the amount of 14.7 billion US Dollars and due in January-May period, the sector remained in the payer position in terms of net. Therefore, according to the 12-month total figures, the foreign debt

rollover ratio which was 76.4 percent at the end of 2018 has decreased to 65.3 percent at the end of May, being the lowest after 2009 global economic crisis.

■ Profitability of the Turkish banking sector weakens due to increasing funding and risk costs in addition to this deceleration in the pace of growth. In the Turkish Banking Sector which obtained 54.1 billion Turkish Lira net profit in 2018 with a 11.3 percent growth, the net profit gained in 2019 January-May period was 19.7 billion Turkish Liras with a 17.3 percent decrease when compared to the last years' same time period.

THE SECTOR PASSED THE ENDURANCE TEST

■ The deterioration in the growth rate and profitability causes some weaknesses in the parameters indicating sector's endurance, however, it is still in a quite good position in terms of international comparisons.

■ The sector's capital adequacy ratio which was 15.9 percent as of May 2018 has been 17.1 percent as of May 2019, being quite higher than the statutory level of 8 percent as well as the targeted ratio of 12 percent.

■ With such a capital adequacy ratio, the sector is in a stronger position than the banking sector of many developing economies such as Russia, China, India and Mexico.

■ On the other hand, the credit-deposit ratio which went above 120 percent in the mids of last year has decreased to 110 percent in the recent year by going down more then 10 points, and thus showed the distance the sector covered in this balancing period. Based on this, we believe that the sector will be able to reflect its feature of standing as the locomotive of the Turkish economy even in a more effective manner than the past, only if the uncertainties decrease.

THE BIGGEST RISK IS UNCERTAINTY

■ The weakness in the demand and global conditions can continue to restrict the credit and deposit interests. However, the instabilities to occur in the financial markets due to high levels of risk premiums can keep the upside risks alive in the credit and deposit interests in the sector.

■ The ongoing increase in the unemployment also keeps alive the upside risks in the receivables subject to legal proceedings within the sector. Therefore, the sector is expected to sustain its cautious approach for a while.

■ Because being cautious brings along a limited growth, maintaining the cost control for the profitability stands out as the only option.

■ It seems like the private sector's need for reconstruction regarding the debt burdens, particularly energy, will remain being one of the main agenda subjects of the banks. ■

AUTOMOTIVE

AUTOMOTIVE EXPORTS BOOSTED BY SALES TO US, NETHERLANDS

Having generated \$31.6 billion in exports last year, Turkish automotive sales abroad also saw the highest figure last month, reaching nearly \$3 billion thanks to soaring sales to the U.S. and Netherlands.

THE TURKISH automotive industry reached \$2.9 billion in foreign sales last month with an increase of 5% compared to the same month of the previous year, achieving the highest export growth in 2019 on a monthly basis. The high automotive export figures were boosted by the substantial increase in sales to the Netherlands and the U.S., which saw a rise of 131% and 55%,

respectively. According to Uludağ Automotive Industry Exporters Association (OIB) and Turkish Exporters Assembly (TİM) data, exports by the automotive industry increased by 5% in July compared to the same month of the previous year.

This export data was also recorded as the fourth highest foreign sales figure in the history of the automotive industry on a monthly basis.

The increase in exports of passenger cars and buses, minibuses and midibuses in July reflected positively on the sector's exports. The share of the automotive industry, which ranked first in Turkey's foreign sales, from the country's overall exports stood at 18%.

Last month, Germany led the way in Turkey's automotive exports with \$413.6 million. Exports to

this country increased by 5% compared to the same month of the previous year.

Exports to France, the second-largest market in the automotive sector, rose by 20% to \$385.8 million. The Italian market ranked third with \$269.2 million and 6% increase in exports.

In the sector, exports to the Netherlands surged by 131% to \$146.2 million, while the U.S. market saw a 55% increase with \$138.3 million. Automotive exports to Poland, another major market for the sector, reached \$109.5 million with an increase of 37%.

The increase in exports to the U.S. was led by the 343% rise in passenger cars and a 100% increase in buses, minibuses, and midibuses.

In 2016, the automotive industry achieved \$700.5 million in exports to the country, breaking a record in 2017 with \$1.4 billion. In 2018, on the other hand, exports dropped to \$1.1 billion.



Since 2015, one of the leading automotive companies in Turkey, Tofaş, has been selling the Doble to the U.S. market under the RAM brand.

Toyota has been exporting the C-HR model produced in its Sakarya plant since 2017. As of June 2019, the RAM Promaster City reached 63,000 sales in the U.S., while the total sales figure of Toyota C-HR stood at 101,000 units.

The 319% increase in motor vehicles along with the 68% rise in passenger cars was instrumental in the exports hike to the Netherlands.

GERMANY IS THE LARGEST MARKET

Exports to Germany, which has the largest share in Turkey's automotive exports, stood at \$2.6 billion in seven months of the year, seeing an 8.5% decrease compared to the same period last year. In the same period, France, the second-largest market for the country's automotive exports, experienced an increase of 4% to \$2.2 billion.

In the January-July period, automotive exports to the Netherlands rose by 18% to \$661 million, followed by the United States with 14% and \$631 million, Poland with 7% and \$680 million, and Israel with 25% and \$426 million.

The sector hit an all-time high in 2018, raising its exports by 11% to \$31.6 billion. It took the lead for the 13th time in a row in annual exports.

The EU countries were the largest export destinations for the Turkish automobile industry, reaching \$24.6 billion with an increase of 78%. ■

MACHINERY

MACHINERY EXPORTS EXCEEDED \$10 BILLION IN 7 MONTHS

The machinery industry, which recorded \$1.5 billion in exports in July, increased its total exports \$10.3 billion in the first 7 months of the year.

STATING THAT HE HOPES that the monetary expansion policies, which have increased signs in the financial markets, will have a positive impact on the world trade contracting by 2.6 percent in the first 6 months, Kutlu Karavelioğlu, Chairman of the Machinery Exporters' Association said, "Despite the global slowdown in fixed capital investments, the fact that we are selling more and more machines abroad is an indication that the success of our sector is not cyclical. While world machinery trade decreases due to protective measures, political sanctions and Brexit uncertainty, our exports and, thus, our market share increases. Monetary expansion is an improvement that will increase the risk appetite and will have positive effects on the prices of our machines in a short time."

"WE WILL INCREASE OUR EXPORT REVENUE FASTER"

Stating that the transformation of technology was into trade-restrictive measures creates deterioration in the global investment environment, Kutlu Karavelioğlu, pointed out that there have been positive developments in the recent period and said: "Our machine manufacturers are trying to overcome the decline in domestic and foreign markets by lowering the price in order

to avoid weakness in their techno-economic capacity. Because of the high costs of access to finance, they prefer to sell more machines at lower prices. Our machinery exports, which were 1.5 million tons last year, exceeded 1.75 million tons in the same period of 2019. Our strategy in this process was to maintain our monthly export revenue of \$1.5 billion. While it is still unclear where the conflicts between developed countries will evolve, we are experiencing promising developments by taking steps to reduce funding costs. We believe that we will increase our export revenues faster thanks to the improvement in the global investment environment."

12-MONTH TOTAL EXPORTS IS \$17.7 BILLION

During the first 7 months of the year, the machinery sector, which exports 10.3 billion dollars, has the highest value



Kutlu Karavelioğlu, Chairman of the Machinery Exporters' Association said, "Our machine manufacturers are trying to overcome the decline in domestic and foreign markets by lowering the price in order to avoid weakness in their techno-economic capacity."

increase among the major export markets in the USA, France, Spain and Russia. Compared to the previous period, total exports of the sector in the last 12 months increased by 6.3 per cent and rose to \$17.7 billion. Among the major product groups in the machinery industry, the sectors that increased their exports the most have been construction and mining machinery, tractors, agricultural and forestry machinery, and textile and apparel machinery. ■



TECHNOLOGY

FIRST FLYING CAR PROTOTYPE FROM BAYRAKTAR

Turkish drone manufacturer Baykar Technical Manager Selçuk Bayraktar announced the prototype of Turkey's first domestic flying car, called the "Cezeri".



BAYRAKTAR – also the founding Chairman of the Board of Trustees of the Turkey Technology Team Foundation (T3 Foundation) – shared photos on Twitter of the prototype's design process, from the initial sketches to its construction and left the decision of which one to apply to different followers. He shared images of four design alternatives for the painting design of the car, asking Twitter users to vote on their favourite by liking the posts.

"The company has been working on technical drawing, conceptual design, testing, detailing and producing the prototype for eight months." Bayraktar also tweeted. Design and development process of the 8-17 flying car has been continuing and it has gone a long way but the research and



The first 3-D prototype of Turkey's first domestically produced car was showcased during a council meeting of the joint venture formed to develop the automobile.

development process for the flying car will last years, he said. The prototype is aimed to be completed in time and to perform its first flight at Teknofest, Turkey's biggest aerospace and technology festival to be held between September 17-22, 2019 at Istanbul Atatürk Airport. He said: "Hardware, software and engine propulsion system development continues "uninterrupted" alongside the construction of the prototype's frame."

On the other hand, the first 3-D prototype of Turkey's first domestically produced car was showcased during a council meeting of the joint venture formed to develop the automobile. The model of the car, based on a 1:4 scale, was unveiled at the meeting of Turkey's Automobile Joint

Venture Group (TOGG), formed by five of the largest Turkish industrialists that will develop the country's first domestically manufactured automobile, and was also attended by Industry and Minister of Technology Mustafa Varank. Rifat Hisarcıklıoğlu, the chairman of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and coordinator of the project, confirmed over his social media account that members had a chance to examine the prototype and features of the car.

The prototype of an electric SUV, the first vehicle that will be available for sale, is expected to be officially unveiled in December. It is projected to be ready for mass production by 2022, with exports expected to begin two years later, Gürcan Karakaş, CEO of TOGG, said earlier last month. In November 2017, Turkey rolled up its sleeves to design and manufacture its first indigenous automobile in a joint venture formed by the largest Turkish industrialists, all experienced in their own areas of operation. Five domestic firms – Anadolu Group, BMC, Kök Group, Türkcell and Zorlu Holding – with 19% shares each and TOBB with 5% of the share lead the joint venture TOGG.

ASSEMBLY AND IMPORT BECOMES OUR DESTINY

Established in 1984, Baykar is engaged in the development of armed and unarmed unmanned aerial vehicles (UAVs), avionics systems, control systems and simulators.

Referring to the future of flying car technology, general manager Haluk Bayraktar said: "The trend in the automotive sector has turned to electric vehicles and autonomous vehicles without a driver. Now the world's new target in this

area, 'flying cars.' This is the race to prepare for the future... We, as Baykar, started R & D studies in this field."

He also made this statement about Turkey's first domestic and national flying car: "Over the last 10 years, I30 has developed a different electric vertical take-off concept. There are technology initiatives in the world close to 200 that are still working in this field. Many major companies and technology initiatives, from Airbus to Boeing, are already preparing to keep the future intact. To date, venture capital has invested more than \$1 billion in this area. More software, electronics, avionics, power systems and artificial intelligence come to the fore. If we start to advance R&D work in Turkey after year 10 we can be one of the leading countries in the world in this area. Otherwise, assembly and import will be our destiny. Bayraktar TB2 SİHAs produced the same way we did. At the beginning of the 2000 years, we started our R & D and production activities. We are now operationally producing the world's best CPI in its class and exporting it to many countries. For the same reasons, we are organizing the Flying Car Design Competition within Teknofest so that our young people do not fall behind in this technology race and have a say in the future. Exploring in Turkey, we believe in developing and producing a youth summit will take place."

Bayraktar emphasized that the entrepreneur and industrialist who will work for the country and humanity with the National Technology Movements, focusing on increasing the value-added, not the wealth, do not see the capital as money and that the greatest asset is the human will take its place in the field more powerfully. ■



EXPORT

Ship and Yacht Exports to FAR EASTERN COUNTRIES SEE RECORD RISE

Turkey's ship and yacht sector, which generated approximately \$580 million in exports in the January-July period, saw record increases in exports to Far Eastern countries.

ACCORDING TO THE TURKISH EXPORTERS ASSEMBLY (TİM), exports by the ship and yacht sector have followed a fluctuating course this year. It saw an increase of 116% in January, 35% in February, 25% in March, 168% in April, 59% in May and 60% in June. The sector's exports in July decreased by 40% compared to the same month last year and hit \$88.6 million.

Exports in the first seven months of the year also decreased by 9.75%, reaching around \$580 million in foreign sales. The ship and yacht sector, which set sail for new horizons, achieved record increases in January-July exports to Hong Kong, Singapore and Japan.

Exports to Hong Kong, which stood at only \$51,000 in January-July last year, saw a

68,454% increase in the same period this year and stood at \$35.6 million. With this figure, Hong Kong ranked sixth in the country's top 10 export destinations.

While exports to Singapore reached only \$92,000 in the seven months of this year, this figure surged by 32,776% in January-July last year, totaling \$30.2 million. Thus, Singapore ranked seventh in Turkey's top 10 export markets.

Meanwhile, exports to Japan, recorded as \$234,000 in the first seven months of last year, amounted to \$14 million in the same month of this year with an increase of 5,875%, putting Japan in ninth place in Turkey's leading export destinations.

Norway took the lead in Turkey's ship and yacht exports in the January-July period with

\$146.7 million, followed by the Marshall Islands with \$53.6 million and a 43% decrease compared to the same period of the previous year, Malta with 67% increase and \$50.9 million, France with 833.6% increase and \$48.4 million, and Canada with 416.2% increase and \$37.8 million.

In the January-July period, exports to the EU countries decreased by 31% and reached \$183.4 million compared to the same period last year. Other European countries came second in foreign sales with a decrease of 5% and \$151.5 million.

Exports to the Far East, which came third with the sales to Hong Kong, Singapore and Japan, increased by 15.63% and became the third most exported group with \$80 million. ■

TOURISM



BY HÜSEYİN BARANER

EUROPEAN ELDERS represent the largest share of global elderly tourism. Europe's rapidly growing population of retired and elderly citizens makes elderly tourism a promising market resource. About one-fifth of the European population is 100 million elderly over 65. This elderly population increased by 2.4 percent between 2007 and 2017. This increase is expected to continue in the next few decades. European tourists aged 65 to 74 travel relatively more. European elders are healthier and richer than the previous generations and are more flexible in terms of travel time than other age groups. They are particularly interested in combining nature, culture, non-exhausting adventure activities and regional or local experience holidays. Elderly interest is also expected to increase on derived products such as spa and health treatments. Throughout Europe, retired and older people aged over 65 forms 20 percent of Europe's recreational and entertainment tourism potential.

In the world's fastest-growing economies, the retirees' and the elderly's are the leading ones. In the forthcoming period, Turkey may be the industry leader in Europe in the field of elderly care and elderly living residence management. With

For The Economy of Elders and Retirees

TURKEY WILL BE THE CENTER

European elderly population, which is increasing day by day, will have an enjoyable, affordable and safe holiday with the opportunities provided by Turkey; the holiday will become continuous with the new residence models to be established.



the new style investment partnership model of municipalities, Turkey may become a strong centre for the elderly in EU countries. "Europe - Turkey Retirees Living Association", which will be established in Europe, will fire inter-municipal activities and investments on both sides.

UNINTERRUPTED HOLIDAY WITH NEW LIVING RESIDENCES

Establishing living residences for the European elderly at different points in Anatolia, companies to be established in partnership with Turkish municipalities will form a ring covering the whole of Turkey with the support of European funds.

In these living residences, which will be the first modern example of a new long and

"Europe - Turkey Retirees Living Association", which will be established in Europe, will fire inter-municipal activities and investments on both sides.

healthy lifestyle model with both the richest equipment and operational flexible programs, The European citizens will be able to choose the city and the period they want to stay and change the place alternately and seasonally.

Considering that the 9 million Turkish citizens living in Europe and that the developed and oldest populated countries of the world are European

countries, Turkey can host both our citizens and foreigners in European countries with elderly care tourism. Turkey has many advantages for elderly care tourism. These advantages include accessibility, economic service, and healthcare, four seasons, young labor population, widespread academic staff, and hospitality. Elderly care tourism is an opportunity and can provide great benefits for our country in many respects.

Creating sustainable elderly care models that will make people live healthy, active and happy will also be an important engine of local development for both our citizens and the guests who will be hosted in our country with elderly tourism.

The European Parliament is working intensively on

economic, sustainable models of aging solutions in EU countries and the world. Here, Turkey's potential as a strong partner of the EU countries, on the subject of active, happy and healthy life of elderly people, has come to the fore. However, it is important to underline the necessary points that need to be paid attention to Turkey to become a center of attraction.

HIGH-QUALITY LEVELS

European elderly people are more experienced and more sophisticated tourists than in previous generations. They tend to be increasingly quality conscious and demanding. Examples of quality requirements for tourism service providers; providing personalized and 24/7 services, friendly staff, clean, safe and well-maintained facilities, comfortable rooms and beds, varied and healthy meals should be inevitable. Therefore, while developing travel packages, it is necessary to consider the quality requirements of elderly tourists.

Today's elderly tourists are more experience-oriented than previous generations. They like to be active, learn, discover and enjoy new experiences. Another key to attract elderly tourists is affecting their feelings. They tend to find a travel experience that makes taste, touch, smell and/or sound more catchy. Unique experiences can be offered by combining adventure, nature, and culture with educational elements and contacting the residents. For example, a cultural walking tour that includes a visit to a local community.

SAFETY FIRST

Health and safety are particularly important for European elderly tourists. Since these tourists are generally used to high security and safety standards in their homes, they expect to find the same level

while traveling. The importance they attach to security tends to increase with age. Like most European tourists, elder tourists often question the safety of their destination. There may be safe-driving concerns about highway traffic and drivers especially. They may want to know the characteristics of their drivers and the information on how and when vehicles they board are tested. Dirty rooms and the presence of defective fire detectors can cause distress at the destination, and such situations may cause poor reviews after the holidays. Therefore, it is necessary to pay attention to general security measures.

Elderly tourists tend to avoid unsafe areas, such as areas with political unrest. Most commercial tour operators do not organize holiday tours in countries where the Ministry of Foreign Affairs declares to be



unsafe. This, as previously in Turkey, had led to a decline in tourism revenues in countries such as Mali, Egypt, and Kenya. To reinforce the trust of tourists, potential customers should be notified of changes in the security situation in your area. Communication should be open and honest; it should be explained which areas are safe or where the security is situated.

ACCESSIBILITY

Elderly with mobility limitations actively look for hotels with ramps and elevators. Accommodation providers should provide facilities for the elderly such as ramps and handles in toilets, ground floor rooms, elevators, and luggage aids. Information about these facilities should be clearly stated on the brochures and the websites. For these needs, generalizations definitely should be avoided. Tour operators should include transference in product offerings such as door-to-door transport.

MEDICAL FACILITIES

Health concerns are likely to increase with age. Elderly tourists often receive information about the availability of medical facilities at the resort. This information will make them feel safer to move away from local health services. Information on health and medical

emergencies should be made available for both elderly tourists and tour operators. While informing the elderly tourists about the travel product, it is necessary to mention the medical facilities available in the enterprises. For example, Kenya and Tanzania have a helicopter doctor service for both locals and tourists. They use it in marketing to reassure tourists about medical care.

TRAVEL PACKAGE

Elderly tourists decide on their travel packages faster than younger age groups. The main reason why elderly people choose package holidays is that they find package tours more reliable. Many elderly tourists require detailed information about the contents of their travel packages. They want a structured program explaining to them what to do and when to do it. Besides, they generally prefer to travel in groups of 20-25 people because they like to meet other people and feel safer within the group. It is also very important to create package tours with flexible modules that enable elderly tourists to form it according to their needs and preferences.

FOREIGN LANGUAGE

Tourism service providers are expected to have good English language skills. Depending on European countries, some elderly tourists prefer guides that speak their own language. This also strengthens their trust. For example, German elderly tourists strongly prefer German-speaking guides. While choosing a guide, you need to make sure that the local guides have good English language skills. Accompanied by staff and guides speaking the language of the European target market during the travel makes the choice of older tourists easier. ■



AVIATION

Turkish Airlines Expanding in the Americas

Flying to more countries than any other airline, Turkish Airlines adds Mexico's capital and popular resort destination Cancún to its flight network

TURKISH AIRLINES, flying to more countries than any other airline, continues to expand its flight network. Flag carrier has launched scheduled flights to Mexico City, the second biggest city of Latin America and capital of Mexico along with Cancún, one of the favorite holiday centers of Central America.

The flights to Mexico City and Cancún, the 18th and 19th destinations of Turkish Airlines in the Americas, will be operated three days a week on Istanbul-Mexico City-Cancún route starting from August 21, 2019. With these flights, Turkish Airlines adds



Mexico, the biggest country of Central America, to its flight network, thus offering a connectivity opportunity to a greater area from Istanbul Airport.

During the press conference held in Mexico City International Airport for the Mexico City and Cancún inaugural flights, Turkish Airlines Chairman of the Board and the Executive Committee M. İlker Aycı, said; "We continue to expand the borders of our flight network within the framework of our growth strategy. Following Bali, we are happy to be able to connect these two important cities of the Americas to 125 countries around the world.



From this day forth, our guests traveling to Mexico City and Cancún will be able to fly with the comfort of Turkish Airlines. We believe our new flights will strengthen the ties between Turkey and Mexico in every way.”

Mexico City, crossroads of history and trade

Once homeland of Mayans and Aztecs, Mexico City carries the signs of the first civilizations of the Americas dating back as far as 2000s BC. It is also a city of commerce as one of the important trade centers of the region. Featuring over 150 museums, second only to Paris in terms of their sheer number, Mexico City’s cultural heritage draws tourists from all over the globe. Ancient city of Teotihuacan and its pyramids are the other touristic options to discover near the Mexico City. The city manages to meet all expectations with its colonial architecture, tasty Mexican cuisine, beautiful squares and numerous fun activities.

With the addition of Mexico City and Cancún, the global carrier is flying to 315 destinations in 126 countries.

Four million tourists choose Cancún every year

With fishing and agriculture as the main sources of income during the Mayan period, the city of Cancún boasted numerous important developments in astrology, physics and math and it is now one of the most important tourism centers of Central America. Contributing significantly to the economy of Mexico

with its tourism income, the city hosts approximately 4 million tourists every year with its over 150 hotels. Apart from swimming, diving, and other fun activities, its history, cuisine and Underwater Museum makes it an ideal place for those who want an unforgettable holiday.

Reaching New Heights

Having completed its move to its new home, İstanbul Airport last April, Turkish Airlines is expanding its global footprint as well as its fleet of over 300 aircraft. İstanbul Airport is designed to provide the most comfortable and easy way to air travel, featuring the

world’s largest terminal built from scratch. Currently serving with an annual 90 million passenger capacity, it will be handling up to 200 million passengers a year once all phases are complete.

Fielding one of the world’s largest and youngest fleets, Turkish Airlines has begun accepting the deliveries of Boeing 787-9 Dreamliner, a new generation aircraft with an exceptional range and fuel efficiency.

In Latin America, Turkish Airlines flies to Bogota in Colombia, Havana in Cuba, Buenos Aires in Argentina, Sao Paulo in Brazil, Caracas in Venezuela and Panama besides Mexico City and Cancún. ■

Scheduled flight times;

FLIGHT	START	DAYS	DEPARTURE		ARRIVAL	
TK181	21.08.2019	Wednesday, Friday, Sunday	IST	20:55	MEX	04:10 (+1)
TK181	22.08.2019	Monday, Thursday, Saturday	MEX	05:30	CUN	07:50
TK181	22.08.2019	Monday, Thursday, Saturday	CUN	09:20	IST	05:25 (+1)

*All times are in LMT.

INVESTMENT

TURKEY STARTS TECHNOLOGY-FOCUSED INDUSTRY ACTION PROGRAM

The **Technology-Focused Industry Action Program**, also known as the “end-to-end localization” plan, which the Ministry of Industry and Technology has been working on for a long time, was published in the Official Gazette. The program aims to curtail dependence on imports of strategic goods and could eventually have a positive effect on the current account deficit to the tune of USD 30 billion.

Speaking about the program, Minister of Industry and Technology Mustafa Varank stated that the program was prepared to permanently reduce the current deficit and provide GDP growth under the leadership of technology. “It will be a result-oriented program based on the commercialization of products resulting from R&D activities and the increase in domestic added-value. With the decrease in the ratio of imported intermediate goods in industry, our current deficit will decrease permanently, and our hand will be strengthened in global competition,” Varank said.

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Product lists will be announced in:



TECH-DRIVEN INDUSTRY INITIATIVE INDUSTRY MOVE

Complete support for
high value-added, medium-high
and high tech products produced with local resources and
capabilities.



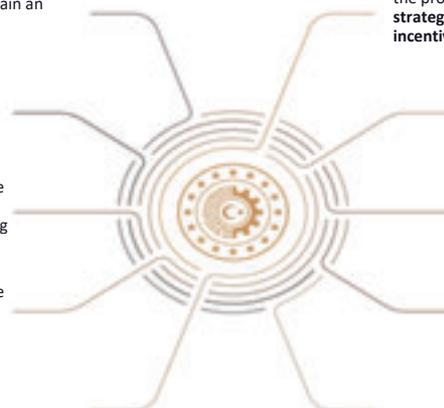
USD 30 BILLION WILL REMAIN IN TURKEY ANNUALLY

The share of **intermediate goods imports** in Turkey's manufacturing will be reduced and Turkey will gain an edge in global competition

R&D investment and incentives will be managed through a **single platform**

TUBITAK, KOSGEB, Industry and R&D supports and Investment incentives will be defined **end-to-end**, and it will be designed on spreading the benefit to the whole

A process will be put in place where the product is supported from concept phase to marketing and monitored in its journey **from R&D to investment and from production to marketing**



The target is to increase the share of medium-high and high-tech products in industrial exports from 39% to **50%**

The **purchase guarantee** mechanism will also operate in projects where the state is the buyer

The investments supported in the program shall receive **strategic investment incentives**.

Investments over TRY 50 million will be able to benefit from **project-based incentives**

Development agencies will play an **active role** in the introduction of the program to investors and in manufacturer-purchaser matching

The Ministry of Industry and Technology will create schedules for all projects slated to be supported and monitor closely **all R&D and investment**



DP WORLD YARIMCA CONNECTS THE SEA WITH THE SILK ROAD

DP World Yarımca, one of Turkey's largest container terminals, joined the main international rail network and now serves as a link between China and Europe. Having started operations in Turkey's İzmit Bay in 2015, DP World Yarımca is now connected to the country's railway network, enabling the terminal to integrate with anywhere that is within the reach of Turkey as well as the Caspian Sea and China via the Kars-Tbilisi-Baku Railway.

The railway integration will expand DP World Yarımca's footprint to various inland provinces including Ankara, Eskişehir, Bilecik, and Kütahya, allowing the terminal to ensure safe and economic transport of metals, minerals, ore, marble, and machinery to the port

DP WORLD IN FIGURES

82

Number of operating marine and inland terminals.

40

Number of countries of operations across six continents.

45,000

Number of employees worldwide.

71.4 million TEU

Total handling volume of DP World in 2018.

DP WORLD YARIMCA IN FIGURES

- One of the largest container terminals in the Marmara region.
- Located on 46 hectares of land.

1.3 million TEU

Handling capacity of DP World Yarımca.

500

Number of employees.

USD 550 million

Total investment amount.

from where they will then be shipped worldwide.

Speaking at the inauguration, the head of the Investment Office Arda Ermut highlighted the importance of this connection, as it would provide transportation facilities and linkages across the world. "With the commissioning of this railroad, we are offering Yarımca access to each single point in Turkey where there is an available railroad network. Our primary objective is not only to boost port and railroad investments in Turkey, but also to ensure that investors operating in Turkey have easy access to every corner of our country and to the entire world. Our team at the Investment Office has always attached priority to such multi-faceted investments like DP World, and we will continue to do so," said Ermut.

YOIKK HOLDS ITS SECOND MEETING IN AUGUST



The second edition of the Coordination Council for the Improvement of the Investment Environment (YOIKK) meetings convened in the Presidential Complex in Ankara on August 8, under the chairmanship of Turkey's Vice President Fuat Oktay.

Speaking at the meeting, Vice President Oktay said that thanks to the improvements implemented as part of YOIKK's efforts, Turkey is fully confident that it will double, or even triple its share in the global FDI pie – it has been hovering at around 1 percent on average since 2002.

WHAT IS YOIKK?

The Coordination Council for the Improvement of the Investment Environment (YOIKK) is a platform whereby the private sector can contribute to the process of improving the investment climate in Turkey through working groups that specialize on specific

issues. YOIKK aims to rationalize regulations on investments, develop policies by determining the necessary amendments for enhancing the investment environment, and generate solutions to any obstacles encountered during the investment process.

INVESTMENT OFFICE HOLDS ROADSHOW IN JAPAN

Investment Office President Arda Ermut visited Tokyo between 23-26 July to meet with top executives of more than 15 Japanese giants, including Mitsui, Mitsubishi and Nippon.

As a follow-up to President Erdoğan's visit during the G20 in Japan, Ermut specifically met with a diverse set of companies and associations to discuss areas of cooperation, particularly in the chemical, finance, and automotive sectors.

On the occasion of his visit, Investment Office President Arda Ermut also signed



an MoU with the Japan Chamber of Commerce and Industry (JCCI) President Toru Ishida in Tokyo. The MoU aims to pave the way to boost Japanese SMEs presence in Turkey through JCCI, which boasts 1.25 million member businesses nationwide. Ermut also had an interview with Nikkei, the largest economy newspaper of Japan.

Relations between Japan and Turkey have blossomed over the past decade and a half and FDI inflows from Japan to Turkey since 2002 have amounted to USD 2.6 billion.

TURKISH DELEGATION VISITS GERMANY

The Investment Office accompanied Minister of Industry and Technology Mustafa Varank on his visit to Berlin August 21-22, during which they toured Siemens' historic factory in the city. As part of the visit to the factory that has been manufacturing gas turbines for over 100 years, the delegation was briefed on the company's operations in Turkey.

The next stop of the Turkish delegation was Aquila Aviation Company. The delegation was informed about the activities and product development projects of the aviation company, which expanded its reach in the sector with new investments in 2016. After performing a test flight with the Aquila A211 GX aircraft produced by the company, Minister Varank said that some parts of the company's production in Germany will be carried out in Turkey.

Within the framework of the program, Max Planck Molecular Institute and Fraunhofer Heinrich-Hertz Institute were also visited and cooperation opportunities were discussed.

In the evening part of the program, Minister Varank

met with executives of German companies during a dinner reception headed by President of the German Chamber of Commerce and Industry Martin Wansleben.

On the second day of the delegation visit, Minister Varank met with Germany's Minister of Economic Affairs and Energy, Peter Altmaier. After the meeting, the two ministers attended the "Turkish-German Artificial Intelligence Conference" held in Berlin, where the two countries announced that they would collaborate very closely in this field moving forward.

In the last part of the program, the delegation visited successful start-ups and received informational briefings. Minister Varank also met with some Turkish researchers and academics in Germany.

The Turkish delegation included Investment Office President Arda Ermut, Deputy Minister of Industry and Technology Mehmet Fatih Kacı, Digital Transformation Office President Ali Taha Koç, Ambassador to Berlin Ali Kemal Aydın, and TUBİTAK President Hasan Mandal.



INVESTMENT NEWS



French pharmaceutical company **Sanofi Turkey** and Turkish **Birgi Mefar** have signed a partnership that is expected to bring an added-value of TRY 500 million (USD 89.5 million) to Turkey. In line with the agreement for transfer of technology and local production, an antibiotic product, which had reached a turnover of TRY 22 million (USD 4 million) in the Turkish market, will be produced locally.



Ford Otosan, one of the oldest American-Turkish joint ventures, has taken on the challenge of developing Turkey's first domestic transmission. Over the course of two years, the company has invested nearly USD 55 million in the project. Ford Otosan expects to use the transmission they will produce in their trucks by 2021.



France-based **Newrest Group** Holding SA has announced their interest in partnering with Turkish industrial catering company **Parilim** to enter the Turkish market. The French company has made a partnership offer to Parilim and started the legal process of investing in Turkey.



One of Europe's fastest growing e-commerce platforms, Latvia-based **Joom** has officially entered the Turkish market. Joom aims to promote Turkish products to the world and will encourage Turkish SMEs to use their platform.



South Korean conglomerate **Halla Group** will regionally distribute USD 1 billion worth of automotive parts through the newly-established Halla Corporation Europe in Turkey.



After entering the Turkish market in late 2018, Austrian logistics company **Cargo Partner** opened five offices in Turkey within 6 months, reaching its two-year growth target in only six months.



Mondelez International, the US food, beverage and confectionery giant, has decided to expand its investment in Turkey by USD 54 million. The Investment Office assisted the giant in realizing this investment.

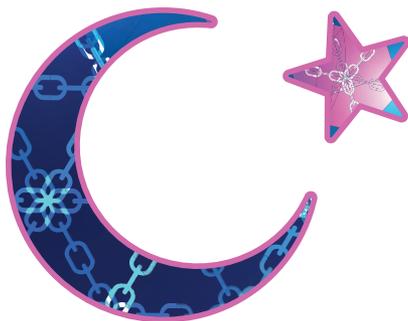


Turkey
Rises With
BLOCK

THERE ARE RARE IDEAS THAT CONSTITUTE IMPORTANT MILESTONES AND INITIATE SUBSEQUENT PERIODS IN HUMAN DEVELOPMENT. THE BLOCKCHAIN MINDSET EXPRESSES SUCH AN IDEA REVOLUTION. TURKEY, WITH COOPETATION ECOSYSTEM IT HAS DEVELOPED, IS TRYING TO BE A PART OF THIS REVOLUTION.

 BY ARMET USTA, Editor-in-Chief (BCTR)

CHAIN



AROUND 600 BC, that is, about 2,600 years ago, one of the most important developments in the history of mankind took place in the Didim region, which is within the borders of the province of Aydın today. Anaximander, who lived in Miletus which was an important trade, science and cultural center of the time, revealed that the world was not a flat tray, but that it was like a stone surrounded by skies.

This information, which seems quite simple for today, was a rebellion to the process of transferring the scientific acceptance from the teachers to the students for that period. Thus, instead of maintaining the authority of the central will and the power that protects it, the doors of scientific criticism were opened. The Anatolian lands had silently witnessed perhaps the most important development in human history. The decentralized way of thinking destroyed the authority and gave birth to a culture of consultation.

THE STEP TAKEN BY ANAXIMANDROS OF MILETUS and the courage he showed is in a great parallel with the way of thinking blockchain technology offers us. The article titled “Bitcoin: Peer-to-Peer Electronic Cash System” which was published in 2008 and bearing the signature of Satoshi Nakamoto who continues to preserve the mystery of his identity, ignited the wick of an intellectual revolution similar to that initiated by the Anarchimandros of Miletus. The Bitcoin article can be understood as a mathematical analysis of a decentralized electronic cash system for first-time readers, but the message is hidden between the lines; “O people! You no longer need centralized systems to make reliable data recordings between you.”

In order to reach today's modern societies from the struggle for survival as a hunter and gatherer in the great steppes of Africa, we have built the foundation of people and their organizations on trust protocols. We have established central structures for the registration of trust, we have designed the laws for this central made

functioning, we have imposed penalties for those who act contrary to the law and we have developed legal systems to manage the whole system. We shaped all human, commercial, political, political and military relations with societies based on trust and in this process of development, we named the structures of rising social welfare as civilization. Blockchain technology has the power to eliminate the need for central structures that we have developed for thousands of years and that we need to create records based on trust. This change in the provision of trust that we can replace with the power of mathematics and technology, rather than the existence of central structures, aims to reshape human history.

Blockchain and Turkey

Blockchain mindset (decentralized philosophy), which emerged with the Bitcoin article, has made its case only as an alternative financial system attempt that challenges traditional structures in the first 5 years of its development. However, the computer geniuses that developed this idea improved it beyond



The Blockchain Turkey Platform (BCTR) established on June 8, 2018, under the umbrella of Turkish Informatics Foundation with wide participation. The Executive Committee and the organization were introduced to the public at the press conference held on 12 October 2018.



BLOCKCHAIN
TÜRKİYE

financial factors to replace business processes and written contracts. Blockchain applications, which were started to develop outside the financial fields since 2013, were also of interest to various organizations. Between these institutions as a pioneer in Turkey, Interbank Card Center (BKM, Bankalararası Kart Merkezi) emerges. Blockchain research, which started in 2014 within the BKM business development team, was launched as an in-house employee motivation practice in 2016 by being named as BBN (BayBay Nakit)*.

#BayBayNakit - BBN*

General Manager of BKM Dr. Soner Cankö said, “Blockchain conceptually requires an unusual way of thinking. We found that reading and listening was not enough to understand this. We had to dirty our hands.” and added, “As BKM, we believe in developing ecosystems. Therefore, we have set goals to establish an ecosystem while implementing our blockchain project. We started with small steps and gradually increased our tempo.”



As of October 12, 2018, the BCTR Executive Board, from left to right; Soner Cankö (BKM), Faruk Eczacıbaşı (Eczacıbaşı Holding), Dilnişin Bayel (Accenture Türkiye), Tolga Ulutaş (Akbank), Barış Özistek (Boğaziçi Ventures), Özgür Güneri (BtçTurk), Hayriye Karadeniz (Ford Otosan)

*BayBayNakit means “Bye Bye Cash” in English and it is the motto of Interbank Card Center (BKM).

Launched with T2, a software initiative based in Ankara and considered as the first proof of the blockchain concept (Proof of Concept – PoC) in Turkey BBN was coded using the open-source blockchain platform Hyperledger infrastructure.

Canko said, “BBN was a discovery adventure for us.” and explained, “At a time when everyone was focused on cryptocurrency, our priority was to find out how to bring a decentralized practice into action.” According to Canko, the most difficult stage of implementing a blockchain project is to find the right implementation scenario. At this point, the BBN application allows them to test basic blockchain technologies such as digital identity and smart contracts. The practice has been used as an in-house motivation and loyalty system within BKM for over three years.

Canko pointed out, “We never have (and we won't have) the thought of keeping the information we gained. We published all of our experiences into a report.” However, the BBN report is not BKM's only work on the blockchain. Blockchain 101, written by Ahmet Usta and Serkan Dođantekin and the first book that focuses on the blockchain technology in Turkey, was published by BKM in 2017. Attracting great attention, Blockchain 101, was reprinted after revised and expanded in 2018 under the name Blockchain 101 v2.

“We were starting to accelerate, and when we see the ecosystem that developed around our work, we started to wonder how we could expand it.” said Canko and they came across with Vice Chairman of Eczacıbaşı Holding Faruk Eczacıbaşı for The Blockchain Turkey Platform (BCTR).

Establishment of The Blockchain Turkey Platform (BCTR)

Faruk Eczacıbaşı, one of Turkey's most important business people, in his book titled “It Has Just Begun” which was published in February 2018, discusses the importance of flexibility, convergence and network structure in the world of the future. One of the areas in which Eczacıbaşı has shown a special interest in this period and combined his personal experiences with the vision of informatics of the future is Blockchain technology.

Canko explained, “As a company, our scope is limited. The potential of Blockchain technology required an approach that encompassed all sectors extending beyond these boundaries, and we wanted to build a larger platform and turn it into an ecosystem. It made us happy to meet with Mr. Faruk and see that we have common ideas.”



Blockchain in Public
Conference realized in Ankara, which was held on January 9, 2019, hosted by Ministry of Trade of Turkey.



Ideas that meet on the common ground are shaped in a short time.

BCTR was established as an initiative with the leadership of Eczacıbaşı and under the umbrella of Turkey Informatics Foundation (TBV) which was founded in 1995 with the aim of turning Turkey into an information society. The official announcement of the BCTR was made at a press conference on 8 June 2018.

TBV General Secretary Çađdaş Ergin said “While BCTR was being established, we emphasized that there would be members representing different sectors and that the governance model should be built on an ecosystem culture.” and continued “We had more than 20 members on the day we made our official announcement and the number of our members has increased to 75 with an incredible increase within the last year. Not only the members but also the collaborations were of great importance to us and at this point, we made an important effort.”

The point where BCTR has reached today is a



Cooperation agreement between BCTR and Ministry of Trade of Turkey was signed by the Minister of Commerce Ruhsar Pekcan and BCTR Executive Committee Chairman Faruk Ezacıbaşı.

rare structure not only for Turkey but also across the world. The platform not only provides global and local news flow to its members and all its followers, but it also strives to increase the knowledge level of the ecosystem through its activities and training programs. However, the largest output of the BCTR is in the Working Groups. Four different Working Groups, with the participation of BCTR members, have published five reports so far and work is underway for new ones.

Ergin said, "The interest for our working groups is so high that the top business managers of each of our members who are one of Turkey's leading company having a global impact show participation in working meetings on a regular basis. The interest of the public and academia we cooperate with is never lagging."

Public and Blockchain Relations in Turkey

By its nature, the blockchain claims to be an alternative solution to the function of central structures. On the other hand, instead of directly threatening central structures, this assertion can

perform a function that will strengthen their structure and increase their reliability, while at the same time improving the quality of public services.

In this case, the interest in the technology blockchain of public institutions in Turkey goes parallel with the developments in the ecosystem in Turkey. We witnessed the establishment of the Blockchain Research Laboratory (BZLab) in 2017, which exists within the structure of The Scientific and Technological Research Council of Turkey (TÜBİTAK) and established by the Information Security Advanced Technologies Research Center (BİLGEM). This laboratory, which includes professional cryptology specialists working for many years, has been working on developing unique algorithms and solutions since the day it was founded. While these activities continue, TÜBİTAK BİLGEM joined BCTR's collaborations in 2018. The institution held the first of the National Blockchain Workshop event in Ankara with international participation in 2018 and continues to work for the second event with wider participation to be held in Istanbul on September 25-26, 2019.

With the cooperation agreement, signed by the Minister of Trade Ruhsar Pekcan and TBV Chairman Faruk Eczacıbaşı under the umbrella of Turkish Republic Ministry of Commerce and within the scope of the "Blockchain Conference in the Public" held on January 10, 2019, The Ministry of Commerce is strengthening its strategic planning on blockchain technology.

Pekcan announces the establishment of the "Behavioral Public Policy Unit" by saying, "Today we are taking the first steps of an important initiative. As the Ministry, we undertake a very important duty for using blockchain in the government organization and we become one of the pioneers of this issue. By completing our studies, we have officially established our first unit before the relevant ministries."

Blockchain is within the Development Plan of the Republic of Turkey

With the transition to the Presidential Government System, the 1st Development Plan, covering the 100th anniversary of the Republic, the years of 2019-2023 and being the first development plan of the new system, was released in July with the approval of President Recep Tayyip Erdoğan. What makes this plan interesting in terms of blockchain technology is the statement "Blockchain-based digital central bank money will be implemented." Thus, rapidly growing blockchain ecosystem and financial solutions among the most important practices of this technology officially added to the roadmap by the top authority of the country. With this step, Turkey has managed to attract the attention of many technology companies and the relevant units of the other states in the global arena.

Blockchain is not only technological innovation but one of the most important turning points in human history. Turkey aims to become a regional leader by adopting this approach.

Initiatives and Other Studies

Undoubtedly, the ecosystem rapidly growing under the name of blockchain technology in Turkey is not composed of the interest of BCTR and public institutions. In Turkey, we witness the active interest of the academic world, initiatives and the private sector in this field. The education and curriculum studies in different universities for blockchain and cryptocurrencies and the rapidly increasing number of academic articles are remarkable. On the other hand, new initiatives in Turkey are increasing every day. While global cryptocurrency efforts to enter the market showing growing interest in Turkey as a field of activity of blockchain technology, similar structures operating in Turkey continues to work to exist in the global arena.



While the strategic process for Istanbul to become a financial center continues, Turkey with its young and dynamic population, technological infrastructure and facilities, growing a healthy ecosystem structure is among the pioneer countries laying claim to blockchain technology and mindset. The lands of Anatolia, where the most important idea transformation in the history of science sprouted 2,600 years ago, harbor the rightful pride of being a cradle of culture and civilization for thousands of years, and seem to be determined to carry this cultural heritage to the future for an innovative technology and thought structure like blockchain. ■



Marathon of Innovation

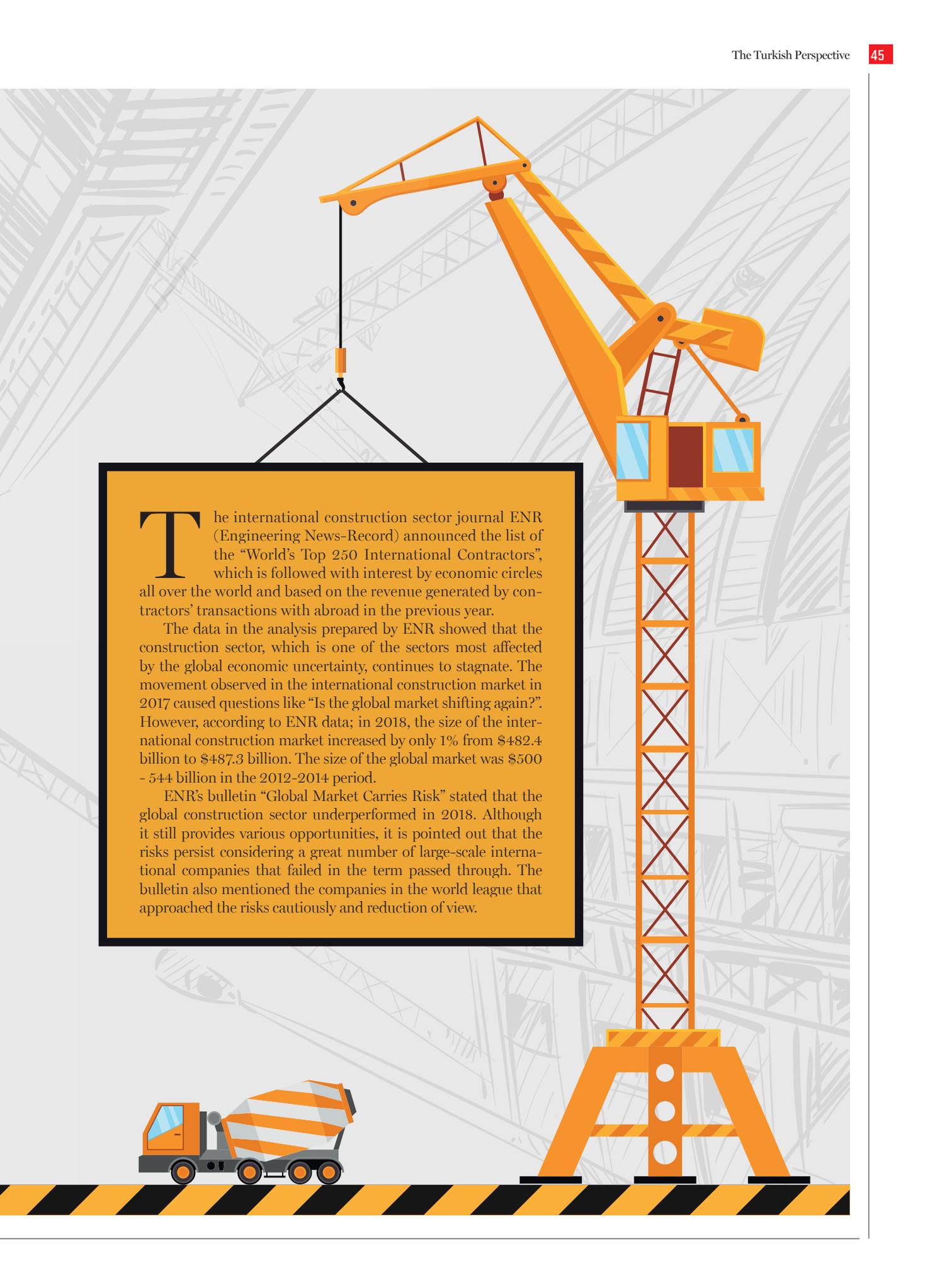
InovaLIG is offering the companies to leave their competitors behind by strengthening the organizational innovation management.



TURKEY IS STILL ON THE SECOND PLACE IN THE WORLD CONSTRUCTION LEAGUE

Despite the recession and increasing risk period in the global market, Turkey was on the list of the “World’s Largest 250 International Contractors” with 44 companies and after China, Turkey took second place.





The international construction sector journal ENR (Engineering News-Record) announced the list of the “World’s Top 250 International Contractors”, which is followed with interest by economic circles all over the world and based on the revenue generated by contractors’ transactions with abroad in the previous year.

The data in the analysis prepared by ENR showed that the construction sector, which is one of the sectors most affected by the global economic uncertainty, continues to stagnate. The movement observed in the international construction market in 2017 caused questions like “Is the global market shifting again?”. However, according to ENR data; in 2018, the size of the international construction market increased by only 1% from \$482.4 billion to \$487.3 billion. The size of the global market was \$500 - 544 billion in the 2012-2014 period.

ENR’s bulletin “Global Market Carries Risk” stated that the global construction sector underperformed in 2018. Although it still provides various opportunities, it is pointed out that the risks persist considering a great number of large-scale international companies that failed in the term passed through. The bulletin also mentioned the companies in the world league that approached the risks cautiously and reduction of view.

TURKEY HOLDS ITS OWN DESPITE THE DIFFICULTIES

In 2018, when the international contracting market was sluggish, Turkey took the second place again in the rankings, maintaining its performance. The number of Turkish companies in the ENR list was 44 in 2018. 40 of 44 companies from Turkey in the list and the whole of the top 10 Turkish contracting companies were composed of the members of Turkey Contractors Association (TMB).

The first 10 companies were Rönesans, Limak, Tekfen, TAV, Yapı Merkezi, Ant Yapı, Enka, Alarko, Gama and Çalık Enerji. The majority of Turkish companies which were in the same list last year managed to move up in the last list.

The total market share of Turkish firms in the list was 4.6% for the same year. While the share of Turkish contractors in regional revenues increased from 9.7% to 10.4% in the Middle East, which is the main market, it decreased from 4% to 2.1% in Asia. The market share of our companies in Africa has not changed much by 5.6% and in Europe, it has reached 7% with a limited increase.

Among the projects carried out by 10 Turkish companies at the top of the Giants League; Rönesans's Gas-to-Gasoline Plant Project in Ashgabat, which claims to be the utmost in its field, Limak's Kuwait International Airport Terminal Project, which has the largest contract value earned by a Turkish contracting company, TAV's expansion works at Amsterdam Schiphol Airport, Europe's third-largest airport, Yapı Merkezi Darüsselam Morogoro Project, which aims to be the fastest railway line built in East Africa are included.

YENİGÜN: DESPITE DIFFICULTIES, WE ARE RANKED AS SECOND, OUR GOAL IS TO INCREASE OUR SHARE

Turkey Contractors Association (TMB) Chairman Mithat Yenigün, after the announcement of the ENR list, carried out the following evaluations:

"Despite the fragilities in the global and national economy, it is of great importance that our sector maintains its place in the world giants league with our 44 contracting firms, 40 of which are members of Turkey Contractors Union. The 2018 'World Giants League' ranking in the construction sector announced by ENR shows that Turkish construction companies have recently undertaken important projects in the traditional markets of the sector in the Middle East, Eurasian and African countries as well as in the European continent. Many European countries are extremely strong in engineering, contracting and building material production and have completed their infrastructure in almost every field. On the other hand, the fact that our companies started to undertake important projects in Europe is noteworthy that our contractors demonstrate their com-



Rönesans Ashgabat GTG Project



Tekfen Al Khor Expressway Project



TAV Amsterdam Schiphol Airport

petitive power, technical capacity and experience. It is seen that the majority of our business volume is in the Middle East and Eurasian countries. Recently, we have been closely keeping tabs on potential markets such as Sub-Saharan Africa, India, ASEAN Region and Latin America. We proudly wave the Turkish flag at our construction sites abroad and continue our work with the awareness and honour of representing Turkey. Especially President Recep Tayyip Erdoğan, from whom we see valuable support in every market we visit, our ambassadors and trade consultants working abroad have an important role in this success.

Our contractors have focused more on foreign markets due to the increasing domestic difficulties in the recent period and undertook 130 projects worth \$5.6 billion in January - July 2019 in these markets. Thus, within the scope of our foreign contracting services, 9,782 projects worth \$386 billion in 124 countries have been reached to date. At the end of the year, we aim to reach the level of \$20 billion again that we achieved in 2018 in the new project amount.

In order to strengthen our position further in international markets, it is important to enlarge the scale of the firms, to increase the awareness of our companies in joint business and to support and reinforce our technical consultancy sector.

Foreign contracting services are of great importance in terms of sustainable growth, especially foreign exchange inflow to the economy, its contribution to exports, employment and sectoral competitiveness.

Within this framework, under the leadership of our association, it has completed its domestic structuring by creating the leading 'Turkish Contracting' brand in the global contracting sector and in its region, which completed its domestic structuring; we aim to increase our share in the international market to 7% in the 2030s, in other words, \$50 billion of new business per year."

Pic ENR shows that Turkish construction companies have recently undertaken important projects in the traditional markets of the sector in the Middle East, Eurasian and African countries as well as in the European continent.



Limak Kuwait Airport

Some of the international projects leading the top 10 Turkish companies in the list of the “World’s Top 250 International Contractors”, which is referenced worldwide, to the success are as follows:

1 RÖNESANS Among the international projects of Rönesans, maintaining its leadership in Turkey also this year, being 9th among the largest companies in Europe, and 33rd in the world ranking, Gas-to-Gasoline Plant Project, which is carried out in Ashgabat, the capital of Turkmenistan, draws attention. The facility, which claims to be the largest in its field, will have an average daily production capacity of 1,800 tons and annual production of 600,000 tons of gasoline and 100,000 tons of LNG (liquefied natural gas).

2 LİMAK Rönesans in Turkey’s list is followed by Limak, which is 67th in the world ranking. The Company continues the Kuwait International Airport Terminal II Project, which is stated to have the largest contract value earned by a Turkish contracting company. Within the scope of the project, the capacity of the New Terminal Building of Kuwait International Airport, which will be constructed with a capacity of 13 million passengers at the first stage, can be increased up to 25 million with subsequent improvements.

3 TEKFEN Al Khor Highway Project, undertaken by TEKFEN in Qatar and rising to 69th place in the ENR list with a significant increase compared to the previous year, constitutes the largest contract work of the company to date in terms of the contract value. The project includes the construction of a total of 34 km long 10-lane highway, 10 multi-storey intersections and cable and underground ducts with a total length of up to 900 km. The project was started in April 2019, 9 months before the planned date, with a ceremony attended by the Prime Minister of Qatar.

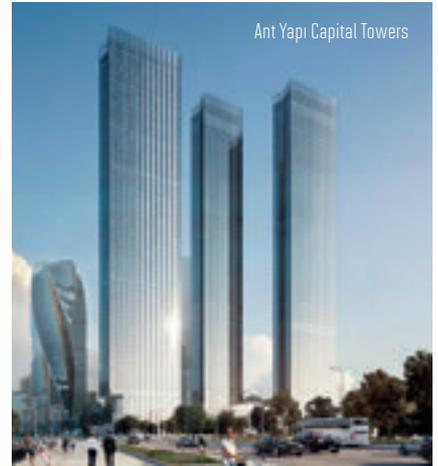
4 TAV Ranking 71st in the world list of ENR, last year TAV won the tender for the expansion of Amsterdam’s Schiphol Airport, the third-largest airport in Europe, together with Rönesans Group company Ballast Nedam. Schiphol Airport Additional Terminal Building is the second project that TAV Construction has won in a European Union country following the Aéroports de Paris Headquarters Building at Charles de Gaulle Airport in Paris. This success of the company is very important for the new airport projects to be realized in Europe in the coming period.

TURKISH COMPANIES IN THE WORLD’S TOP 250 INTERNATIONAL CONTRACTORS

	COMPANY LIST	Ranking by 2018 revenues	Ranking by 2017 revenues
1	RÖNESANS	33	36
2	LİMAK	67	68
3	TEKFEN	69	98
4	TAV	71	70
5	YAPI MERKEZİ	77	82
6	ANT YAPI	87	86
7	ENKA	92	79
8	ALARKO	105	101
9	GAMA	118	108
10	ÇALIK ENERJİ	119	104
11	MAPA	126	119
12	GÜLERMAK	127	171
13	NUROL	128	154
14	ONUR	131	147
15	DOĞUŞ	135	124
16	IC İÇTAŞ	139	165
17	YÜKSEL	142	131
18	KUZU	147	142
19	DEKİNSAN	148	164
20	KOLİN	151	180
21	ESTA	156	159
22	TACA	159	**
23	YENİGÜN	163	205
24	ESER	164	150
25	KAYI	168	166
26	AD KONUT	170	**
27	GAP	172	73
28	ANEL	175	176
29	AE ARMA-ELEKTROPANÇ	176	156
30	STFA	179	170
31	TEPE	184	153
32	SUMMA	188	226
33	GÜRBAĞ	190	189
34	NATA	193	**
35	İLK	203	194
36	CENGİZ	211	225
37	ÜSTAY	216	232
38	KUR	217	237
39	POLAT YOL	219	228
40	ÖZKAR	222	235
41	ZAFER	228	231
42	BAYBURT	229	195
43	MAKYOL	231	209
44	MBD	248	247



Yapi Merkezi Tanzania Railway Line



Ant Yapi Capital Towers

5 **YAPI MERKEZI** Among the various international projects of Yapi Merkezi, The Darüsselam Morogoro Project, which is expected to be the fastest railway line built in East Africa, draws attention. Carried out in the previous days with the participation of the Minister of Transport of Tanzania, the first test drive of the line which was built in the project, is of great importance for the country. Yapi Merkezi is **77th** in ENR's world ranking.

6 **ANT YAPI** Capital Towers Project, which draws attention among the international works undertaken by Ant Yapi, is a multifunctional living complex of 233,000 m² located between the Moscow River and the historic Krasnopresnenskaya Park. The complex, which includes multi-purpose areas such as residences, offices, cafes, restaurants and gyms, is distinguished by its design that connects modern technology with natural balance. Ant Yapi is **87th** in the world ranking.



Enka Kashirskaya Plaza Project Moscow



Alarko Great Almaty Ring Road Project

7 **ENKA** Ranking **92nd** in the world list of ENR, ENKA attracts attention with its multi-functional shopping center Kashirskaya Plaza Project in Moscow. The project covers an area of 196,750 m² and aims to create a pedestrian-friendly attraction centre with landscaping. It is also an integrated complex that brings together retail stores, fitness centres, cinemas, entertainment venues, restaurants and hypermarkets. Kashirskaya Plaza Project is the second shopping centre built by ENKA within the scope of redevelopment projects.

8 **ALARKO** Being **105th** in the world ranking, Alarko's Great Almaty Ring Road Construction and Operation Public-Private Partnership Project, which Alarko has undertaken in Kazakhstan together with Makyol which is also on the list, draws attention. The construction period of the project is 50 months while the operation period is 15 years and 10 months and the total contract price is \$1.67 billion.



Gama Bahrain Natural Gas Power Plant Project

9 **GAMA** Ranked **118th** on the ENR's world list, Gama is currently conducting one of Bahrain's most important projects. When the ongoing Natural Gas Combined Cycle Power Plant Project (1800 MW ALBA PS5) is completed, the power plant is expected to be the largest of the country and the most efficient in the region. The plant will be the first H-Class power plant in the Middle East to be used in an aluminium plant. The power plant is being constructed to provide the electricity needs of the sixth aluminium casting line under construction. With the completion of the line, it is aimed to become the largest aluminium casting plant in the world.



Çalık Energy Turkmenistan Power Plant Project

10 **ÇALIK ENERJİ** Being **119th** in ENR's ranking, Çalık Energy stands out with the Mary-3 Combined Cycle Power Plant Project in Turkmenistan. The project claims to be the largest Natural Gas Combined Cycle Power Plant commissioned in 2018 and the largest Power Plant completed in one phase in Central Asia. The opening of the 1,574 MW Power Plant was held last year with a ceremony attended by the President of Turkmenistan. The project is the largest project that Çalık Enerji has completed in terms of both contract size and capacity.

Content: Leader of the Wood Based Panel Industry Turns 50 **P53** Rent'n Connect, the New to Stay Connected for Travelers Anywhere Anytime **P56** Global IoT Solution Provider Starts Artificial Intelligence Company **P58**

Brands

DESIGN, WOOD PANEL, TECHNOLOGY...

DESIGN

WHERE THE BOSPHORUS MEETS THE PACIFIC

Istanbul- and San Francisco-based Turkish Modern takes inspiration from Turkey's vibrant artisanal traditions and reinterprets them for the modern era.





It all started in 2009, when Şeyda Dogan Carter of Istanbul opened a small cafe in Cihangir with just five tables and a small terrace and named it Kekik. The cafe quickly became one of Beyoglu's most popular breakfast spots, with locals and expats alike drawn to the varied menu, excellent cooking, and original decor—for Şeyda had also designed the furniture as well as the interior of the cafe herself. It was also there that Şeyda met her future husband and business partner, Alexander Carter.

Soon after opening Kekik, Şeyda discovered that many of her customers were just as interested in purchasing her one of her mosaic-inlaid tables as the meals she was preparing. As inquiries about the cafe's furniture multiplied, Şeyda sensed an opportunity and decided to take a chance on opening a second business, a store of furniture and home goods a few blocks away.

So in the winter of 2010, Şeyda founded Turkish Modern on the strength of



Turkish Modern designs using traditional Turkish materials and Turkish craftsmanship.

a remarkably simple vision: She would create what she conceived of as “Turkish Modern” design using traditional Turkish materials and Turkish craftsmanship.

The success of that inspiration has been striking. Respectfully recycling 100-year-old reclaimed Black Sea oak, she has produced several different midcentury modern versions of traditional Turkish wood pieces, including divans, benches and daybeds, as well as quietly sophisticated handcrafts that have won her an appreciative following in Turkey, Europe, and the United States. Meanwhile, the designer's distinctive residential and commercial interiors have been featured in *House Beautiful*, *Elle Decor*, *Maison Française*, *OZY*, *Rue Magazine*, *San Francisco Chronicle*, and *Time Out*.

In 2012, Alexander B. Carter of New Orleans formally joined the company, bringing with him a select collection of jazz and blues records on vinyl, as well as over 10 years'



Recycling 100-year-old Black Sea oak, has reclaimed and produced several modern versions of midcentury traditional Turkish wood pieces, including divans, benches and daybeds as well as quietly sophisticated handcrafts.

experience in education and advertising. That experience has served him well in his role as the company's primary photographer/videographer and social media manager.

It was also around that time that the couple decided to expand the scope of Turkish Modern to include more of Turkey's vibrant artisanal traditions. Turkish Modern's customers have always been a mix of locals and visitors to the city, so the couple sat down and made a list of traditional Turkish design that they thought would appeal to both groups—especially if they were to produce them with higher quality materials and/or updated designs.

High on that list were traditional Turkish slippers (called *yemeni* or *çarık*) and kilim rugs. Turkish Modern had always carried a few pairs of the “souvenir” version of the shoes, available at the Grand Bazaar and tourist shops in Galata, but not in mainstream shoe stores. These often were made with low-quality leather

that wore out quickly and were poorly stitched, or they were chunky machine-stitched versions that were being passed off as “modern”.

THE RICHEST TRADITIONAL CRAFTS

Şeyda decided to go to Gaziantep, where the shoes originate, and learn how to stitch them herself so that she could better understand the craft, how to improve the quality, as well as train others in the nearly lost art. Six months later, Rafiks, and a whole new line of leather goods were born. The shoes now came in four original styles, 30 colors, and included a sleek rubber sole and Rafiks' trademark X on the heel. The Rafiks line quickly expanded from there to include other modernized hand-stitched Turkish crafts: A wide variety of hand-stitched leather bags and clothing, such as the Rafik Jumper, based on traditional Islamic men's pants which Şeyda updated with a modern style top, as well as kimonos, shawls, and robes.

Following the success of the

Rafiks line, Turkish Modern turned its attention to one of Turkey's richest traditional crafts: kilim rugs. For this project, Şeyda and Alexander decided to work closely with additional family members. The woven jacquard rugs with hand-stitched jute backing are made with the fabrics of a company called Penelope, which is an award-winning Turkish textile designer and maker—and is also Şeyda's older sister's company. Using these fabrics, Şeyda's younger sister, Reha Dogan, a graphic designer by trade, reweaves the motifs and mythologies of ancient Anatolia one inspired rug at a time. She uses Penelope's highest quality natural silk, chenille, linen, wool, and cotton to create each distinctive rug, and a collection that pays subtle homage to heritage while offering a fresh interpretation of this timeless art. What truly sets these rugs apart from the traditional kilims (or the countless reproductions found in tourist shops around the globe) are

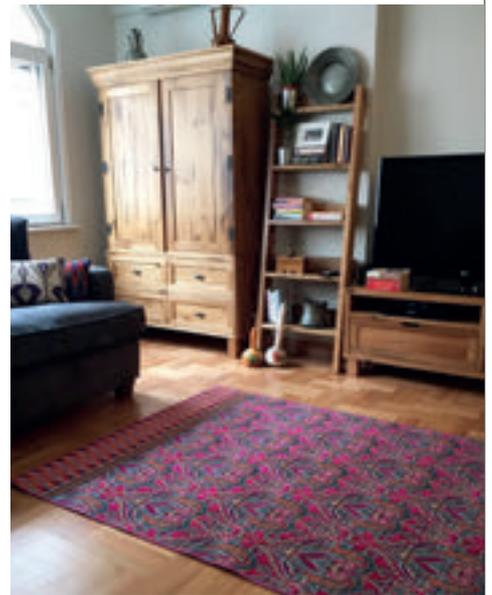
the quality, softness, and vibrancy of the fabrics, which do not fade in the sun the way traditional kilims do.

FIRST ABROAD BOUTIQUE OPENED IN SAN FRANCISCO

In 2017 Şeyda and Alexander opened their first boutique abroad, in one of their favorite American cities, San Francisco. (They now split their time between the two cities, favoring San Francisco's milder climate during the winter months.) The City by the Bay's natural beauty and creative energy, in addition to friends who decided to move there, were major factors in the couple's decision to open shop there. San Francisco also reminds the couple of the parts of Istanbul that have remained relatively untouched by development. Both feature iconic bridges, the sea is central to their identities, and there are architectural similarities—the summer homes that dot the Prince Islands evoke the Victorian-era homes of San Francisco.

San Francisco has been a source of inspiration for their products as well—the Rafiks line of shoes now includes four different colors inspired by the city and its environs. They designed larger Rafik backpacks to accommodate the large laptops and gym gear that residents of the city always seem to carry with them. And they also created a new line of handmade oak daybeds designed specifically to fit the characteristic nooks of San Francisco homes.

In the spring of 2018 Şeyda became curious about another traditional Turkish design: handloomed Turkish towels. She and her husband flew to Antakya where a few families who produce linen-cotton blend towels using the traditional methods remain. There, she teamed up



with a UNESCO recognized workshop to produce original designs. Turkish Modern's line of hand-loomed linen-cotton blend Turkish towels is probably the most versatile of all its collections. The towels are produced in styles which make them suitable for a variety of uses in the home, or as fashion items. While they make for excellent towels (especially for travel) due to their softness and the speed

Today it is the variety and quality of Turkish Modern's creations (combined with warm customer service) that make the company stand out.

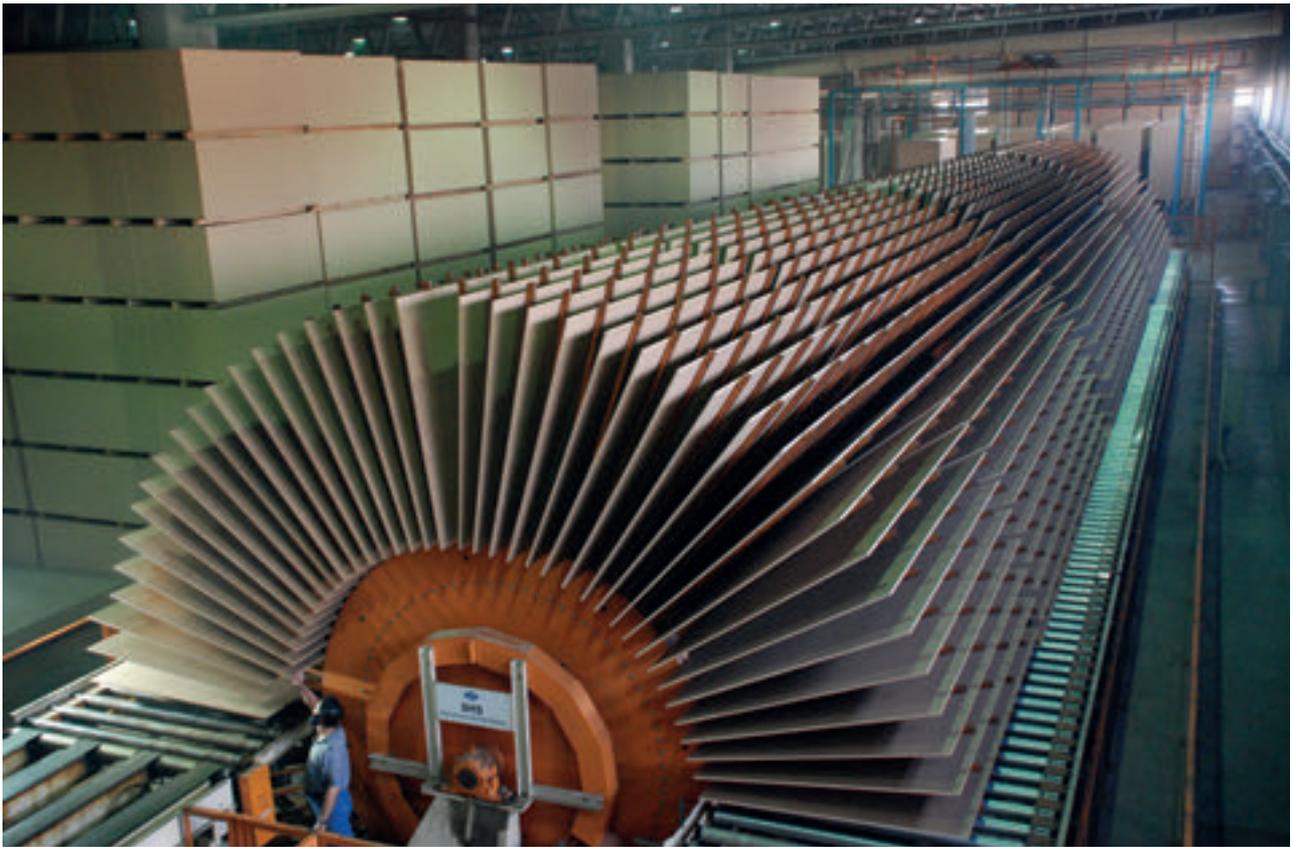
Discover the entire Turkish Modern Collection at www.turkishmodern.com

with which they dry, the bold designs also make them attractive as throws, table runners, wraps, and scarves.

Today it is the variety and quality of Turkish Modern's creations (combined with warm customer service) that make the company stand out. Its ateliers are part of an extended family of skilled craftswomen and men who are committed to keeping traditional Turkish design alive. Şeyda personally oversees production on each collection and is intimately involved in every step, often learning how to produce these goods herself so that she may train others who will in turn pass this knowledge on to the next generation.

In addition to collaborating on new design projects, the couple has begun working with up-and-coming designers and artists on two continents to create boutiques quite unlike any other in either city. In their intimate San Francisco and Istanbul showrooms, and online, Şeyda and Alexander now have customers from all over the world and Turkish Modern is a vision that continues to unfold with each creation at a time. ■





WOOD PANEL

Leader of the Wood

BASED PANEL INDUSTRY TURNS 50

The productive force of Turkey and the world in the wood-based panel industry, Kastamonu Entegre not only makes a distinguished name for itself with its investments abroad, but also continues to lead the industry thanks to its figures of manufacturing, turnover and exports this year when it turns 50.

One of the two largest groups of Hayat Holding operating on a global scale, Kastamonu Entegre solidifies both its domestic and international existence and global brand power with half a century left behind in the industry. The corporation which has been manufacturing MDFs, particleboards, laminate flooring and door skins for fifty years is currently one of the top 4 manufacturers in

the world exporting to 100 different countries of the world with its manufacturing plants in six countries.

UNCHANGING BRAND AT THE TOP OF ITS INDUSTRY

Kastamonu Entegre, ranking 46th in "Turkey's Top 500 Industrial Enterprises" research report made public by Istanbul Chamber of Industry (ICI) in the past months with a turnover of TRY 3 billion 619 million, ranked 111st rising by

20 ranks in this year's "Top 1,000 Exporters of Turkey" research conducted by the Turkish Exporters Assembly (TIM). With these figures, the corporation maintained its leading position in the wood-based panel industry. Reminding that they have an export map spanning 100 countries from the US to China, Kastamonu Entegre's CEO Haluk Yıldız added that 60% of their total return on sales is expected to be

from overseas operations and exports from Turkey in 2019 upon the start of manufacturing in new plants abroad.

ITALY'S LARGEST TURKISH INVENTOR

Kastamonu Entegre's CEO Haluk Yıldız, who remarked that they recently invested USD 180 million in Pomposa facilities in Italy as part of the first stage, stresses that they aim to have 20% of the market share in Italy when all facilities are engaged following completion of the second stage. Stating that they manufacture raw and melamine-coated particleboards for the European furniture industry, especially for Italia, using 100% recycled raw materials, Yıldız added that they also inaugurated a center in Pesaro under the name of Kastamonu Entegre Design Center.

INCREASING EFFECTIVENESS IN THE BALKANS

Focusing on growing in overseas markets along with new investments, Kastamonu Entegre completed the first phase of modernization works costing USD 130 million for the particleboard plant in Bulgaria. Yıldız stated that they will increase their manufacturing capacity by 150% and amplify their activities in the Balkans and Central Europe with the completion of the second phase and said, "We continue to be one of the largest Turkish investors in Bulgaria with the new line, the first of which was launched in the first quarter of this year. We release 40% of raw and melamine-coated particleboards and palettes manufactured in our plant to the Bulgarian market. Our products are highly demanded by the Eastern European and Balkan countries, especially by Greece and Italy."



SUSTAINABLE APPROACH IN MANUFACTURING AND MANAGEMENT PROCESSES

The corporation, adopting sustainable environmental approaches as an integral component of corporate governance principles, stands out with its projects carried out to protect the nature and ecological system. Yıldız described their goals in energy management and recycling saying, "For 50 years, we have been working heart and soul to

Supplying the wood raw materials used in manufacturing from 100% sustainable and renewable resources, Kastamonu Entegre provides such materials from the forests that have completed their life following regeneration and it carries care works out in the woods.

fulfill our responsibilities to today's people and future generations. Our goal is to minimize the resources used in manufacturing processes such as raw materials and energy, reduce the resulting carbon emissions and environmental impacts in these processes to near zero and perform manufacturing at the recognized standards in all processes from gas emission to energy and solid and liquid waste management in all manufacturing plants by environmentally and naturally appropriate methods."

Supplying the wood raw materials used in manufacturing from 100% sustainable and renewable resources, Kastamonu Entegre provides such materials from the forests that have completed their life following regeneration and it carries care works out in the woods. In addition, the corporation that acts with





meeting technology suppliers as part of the program. Haluk Yıldız, CEO of Kastamonu Entegre, stressed that they recently speeded up investments in digitalization and Industry 4.0 and that the digital transformation of the industry is only through a sustainable ecosystem and said, “We continue our efforts in the field of digitization in many ways. Using IDS 3D - Interior Design Studio – the first mobile app of the industry in Turkey, we transferred over 400 products and decors to the digital platform. We aim to offer users the means that will help them in decision-making processes anytime, anywhere. The KEOPS program that we developed to meet customer demands at maximum level and optimize costs allows for the formulation of a more organized, effective and sustainable process in logistics and shipment,



Haluk Yıldız, CEO

The corporation was the runner-up in the category of “Innovation Strategy” in the award ceremony of Turkey Innovation Week held by the Turkish Exporters Assembly.



the goal of being a role model in industrial plantation forestry in cooperation with ENAT A.Ş., where it holds the second highest number of shares, and making improvements in this respect has played a major role in planting 1.7 million saplings on a 14,000-acre land sized about 2,000 football pitches until today.

PIONEER OF DIGITAL TRANSFORMATION IN THE INDUSTRY

Kastamonu Entegre, which carries out pioneering works in digitalization, stands out as the only company involved in TUSIAD’s Digital Transformation in Industry (TUSIAD SD2) program in the wood-based panel industry. Having digitalized all its processes from raw material supply to logistics, manufacturing to after-sales services as enabled by its investments, the corporation prepares to identify favorable solution partners for the projects developed by

“For 50 years, we have been working with heart and soul to fulfill our responsibilities to today’s people and future generations.”

manufacturing, purchasing, marketing, operations and service delivery and order and demand fulfillment. Additionally, we aim to enhance our service quality by having a better understanding of our customers’ needs and expectations via our new order system, KEP.”

ONE OF THE CHAMPIONS OF INNOVATION IN TURKEY

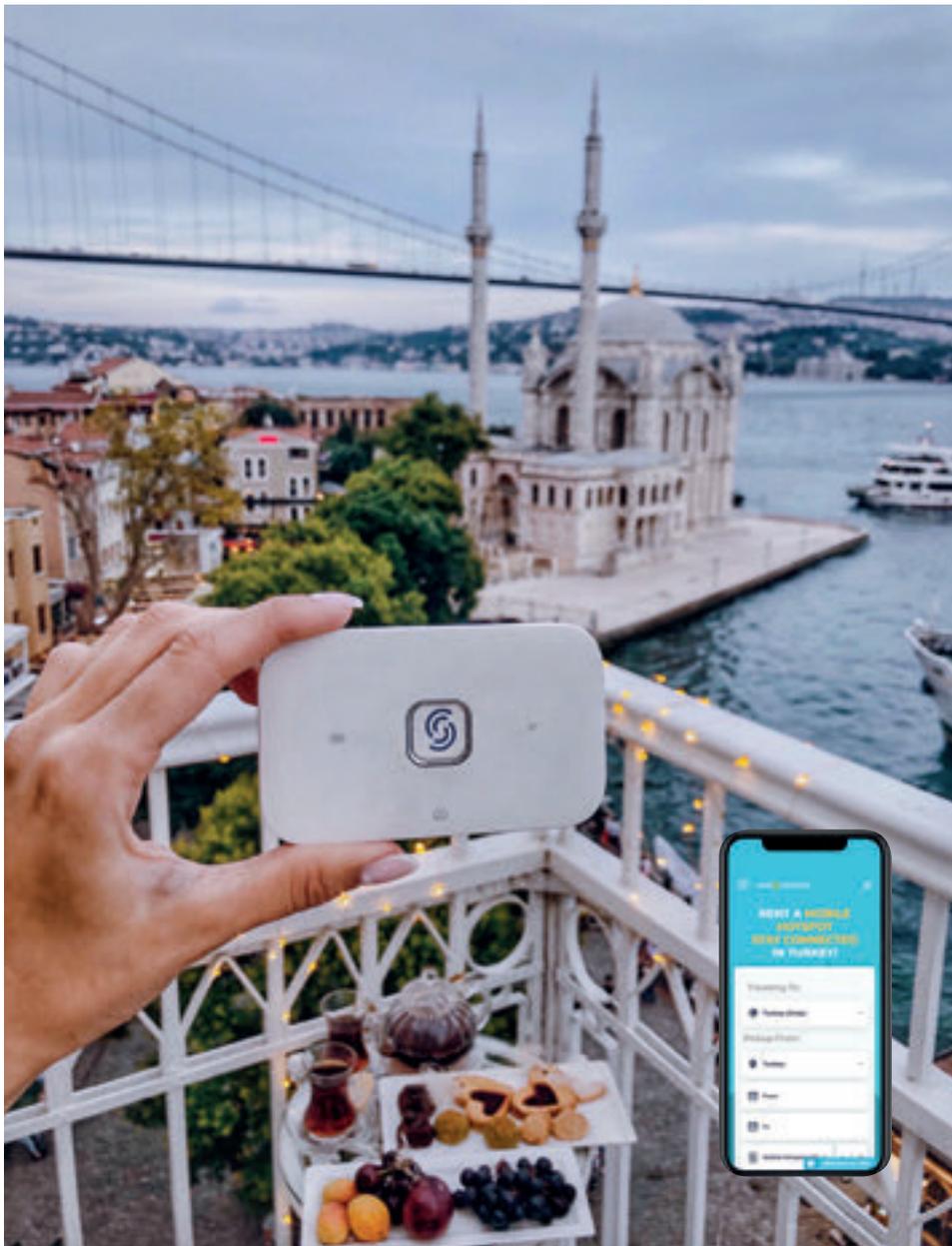
Kastamonu Entegre, considering innovation an integral part and strategic priority of its corporate culture for half a century, has crowned its efforts in this regard with an award. Having surpassed many companies from other industries in InovaLIG – the award ceremony of Turkey Innovation Week held by the Turkish Exporters Assembly (TIM) under the coordination of the Ministry of Trade- the corporation was the runner-up in the category of “Innovation Strategy”. Yıldız stated that they, as a long-established organization with global objectives, were proud for being awarded the runner-up prize in the competition involving more than one thousand companies as contestants, and added that they incorporate innovation into all our business processes and run projects in domestic and overseas manufacturing plants regarding new products, product and process development, productivity enhancement, efficient use of resources, and environmental technologies in line with the principle of continuous development.” ■

TECHNOLOGY

Rent'n Connect,

THE NEW TO STAY CONNECTED FOR TRAVELERS ANYWHERE ANYTIME

A travel technology start-up Rent'n Connect is providing Mobile Hotspots on demand with coverage in more than 130 countries for everyone who enjoys travelling and needs Wi-Fi connection at all times.



Rent'n Connect is a fast-growing travel technology start-up that started its operations in 2014 providing mobile hotspot rental services in Turkey and expanded to Europe. They provide products and services that help travellers to stay connected at all times with Pocket Wi-Fi devices which provide a 4G speed, unlimited, non-throttling and safe Wi-Fi connection in more than 130 countries. With their offices in London, Berlin, and Istanbul, and products that offer high-speed coverage, they offer connectivity solutions at affordable prices wherever travellers go.

The company was founded by three friends from University; Ozgur Gen, Alper Erdogan, and Baran Unal who all studied Mechanical Engineering at Bogazici University in Istanbul. At first, in 2012, their adventure started with providing iPADS for rent in cafes and restaurants. Then, after a while they noticed a need in the travel industry and changed their direction towards that opportunity. Globalisation and changes in travelers' habits with the conformity of technology and social media caused travellers to seek to be connected at all times to share their holidays, memories and experiences during their trips instantly and head for alternative solutions instead of paying high roaming fees. Ozgur, Baran, and Alper saw an opportunity in this lack of convenience for travellers and that's how they came up with Rent'n Connect.

Rent'n Connect offers an online rental service for travellers from their website www.rentnconnect.com. In 2014, the founding year of Rent'n Connect, the rental service enabled 15,000 days of connectivity to its users, and grew 200% YoY since then proving that the initial

need they have noticed is just not a fad and has strong potential for all markets served. Correspondent to this increase 4 years after opening their first office in Istanbul, Rent'n Connect opened two more offices in 2018, one in London and the other one in Berlin and extended their service area. Having a profitable operation almost from the beginning, the founding team achieved to secure seed & angel financing from local sources including government grants, exceeding USD 250,000. Rent'n Connect also participated leading accelerator programs including, E-Tohum in 2015, TEB Girişim Evi also in 2015 and Endeavor Scale-up Program in 2019.

THE RIGHT SOLUTION AT THE RIGHT TIME

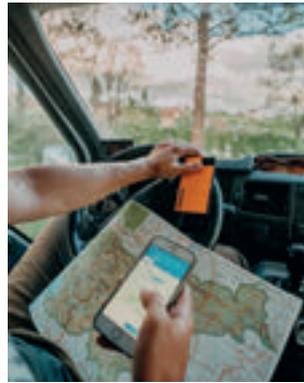
The service they provide is a very clever reflection of a problematic area. Their services answer most of the travelling issues of today's connected person people either a businessman or a large family. The devices provide local data connection at 4G speed with affordable prices, and can be shared with upto 10 devices or people, with fixed daily rates, making it a favorite option to buying sim cards, or connecting via roaming.

Despite all the good, every rose has a thorn, the operational side of this rental service is hard to manage due to seasonality and because of the audience which is considerably large. International Tourist Arrivals Exceeded 1.4 billion in 2018 according UNTWO Tourism Highlights 2018 edition report. The demand comes in a really short period of time and continues through the holiday seasons.

Rent'n Connect have



Ozgur Gen



provided their services to people in 145 countries around the world and their website has been visited by people in 200 countries. Thanks to all the hard work, more than 40% of the used days came from travellers who were satisfied with Rent'n Connect's service and used again for their trips.

Rent'n Connect offers its customers an all in one experience with 24/7 customer support in three different languages. Their customer support team contacted more than 10,000 customers in July of 2019 alone to solve their problems and answer their questions. Complete customer satisfaction is one of the main values Rent'n Connect presents and protects. To answer their customer's demands accurately, Rent'n Connect employ its personnel all around the world. Rent'n Connect embodies personnel from 6 different nationalities. Along these lines, they are available to keep close and more intimate contact

Rent'n Connect have provided their services to people in 145 countries around the world and their website has been visited by people in 200 countries.

with their customers and understand their morals, needs, and attitudes.

Along the years, the team have noticed that providing the service in different locations need on the ground support along with remote help. Nowadays people want to reach solutions they need almost instantaneous or at least during the same day. The company started and continues to be an od-demand provider with technology and support being the core of the company, however seeing the need of the customers to be supported wherever they are, they invested a lot of time building partnerships and

collaborations with local businesses, providing them extra channels of revenues as well as walk-in customer base. The partnerships include car rental companies, travel agencies, Hotels and Concierge service providers, online agencies, airports, event organizations etc..

Rent'n Connect exceeded 80 partners, they have been collaborating on deliveries,, cross-marketing or resale of services with their partners.

Being a data connectivity provider and providing their services in more than 130 countries, Rent'n Connect has been gaining a lot of reputation not only by their service but also by their influencers who are the new phenomenon in today's world. The nomads, fashion bloggers, athletes, etc.. they live a very busy life and travel a lot. Rent'n Connect has started to be very visual in the hands of the influencers who are loving the unlimited connection where they can stay connected with their followers and community but also work at the same time. The company actively works with more than 160 influencers around the globe supporting them with their connectivity needs and their communities.

It appears that they have built a service mechanism that grows in such harmony and affects every part of their service in a good way. The rental service enabled more than 600,000 days of connectivity for its users over the past year. Our services included a coverage in more than 130 countries, delivery availability in more than 30 countries, and same day option in more than 15 cities such as London, Berlin, and Istanbul. Rent'n Connect is growing strong globally and feels like we will be hearing more from them soon. ■

TECHNOLOGY

GLOBAL IOT SOLUTION PROVIDER STARTS ARTIFICIAL INTELLIGENCE COMPANY

Doubling its revenue and employee count for the last 4 years, Okyanus Teknoloji aims to make its IoT systems even smarter with the artificial intelligence company named Resolution AI.

Providing software, hardware and consultancy services in the fields of industrial IoT, real time individual, equipment and area monitoring, mobile technologies and communication technologies—the building blocks of Industry 4.0 phase—, Okyanus Teknoloji operates in 25 countries with solutions developed by Turkish engineers with one hundred percent domestic capital. Standing out with its real-time monitoring technologies brand Wipelot that provide efficiency, increased speed and occupational safety in digitalizing business flow of global companies and companies that make up 500 biggest industrial enterprises of Turkey, Okyanus Teknoloji provides added value to numerous sectors such as mining, construction, aviation defense industry alongside industrial branches like automotive, household appliances, metal, energy, food, pharmaceuticals, medicine, cosmetics and textile. Thanks to Okyanus Teknoloji's next generation solutions, the questions asked by many businesses such as; “where are my equipments, machinery, semi-finished goods in manufactory and inventory and how much I have in stock and how many of them are being used, where is my personnel, are



they working efficiently, are they having an accident or problem, could forklifts collide with employees, what are the temperature, humidity and gas values in the facility and could they cause a problem for the workers, how many hours of work remains in any part of my business?” can be answered easily.

MAKE INVISIBLE, VISIBLE

Stating they are developing R&D-focused software and hardware to be used in critical business flow such as planning manufacturing more efficiently and improving processes, monitoring equipments in businesses, monitoring of personnel

Okyanus Teknoloji have founded a new artificial intelligence (AI) company in cooperation with Litum Teknoloji in a new enterprise in order to carry the success they had with their high technology solutions one step further.

and sub-contractors for occupational safety in today's and tomorrow's digital factories, CEO of Okyanus Teknoloji M. Rifat Ok said, this way they make invisible, visible and make energy saving, quality, speed, efficiency and increased revenue possible. Ok stated that they provide economical and practical solutions for numerous aspects ranging from automation to locating systems, occupational safety to data measurement and analysis and continued, “We fulfill a basic need in digitalization by providing visibility of all assets and their conditions. Also, we provide total monitorability by

detecting possible stoppages in location-based processes”.

LISTED 4th AMONG IOT MANUFACTURERS BASED IN TURKEY BY BİLİŞİM 500

Rifat Ok stated that as Okyanus Teknoloji, they entered the list of “Turkey’s fastest growing 100 companies” determined by TOBB in 2016 and said, in the list of Turkey’s Top 500 Informatics Companies of 2018 research, they were listed 4th among IoT manufacturers based in Turkey. Stating they reserve 20 percent of revenue for R&D and that they perform collaborative work with TÜBİTAK and KOSGEB, Ok said they qualified for Design Center certificate in 2017 and became Turkey’s 48. Design Center.

DOUBLING REVENUE AND NUMBER OF EMPLOYEES 4 YEARS IN A ROW

Saying they have been growing 100 percent each year for the last 4 years and doubling their employee count with advanced technology solutions, Ok said “We are aiming to end 2019 fiscal year with 100 percent growth in revenue as well. Export makes up 15 percent of our total revenue. Mainly being the USA, France, Saudi Arabia, Canada, India and Qatar, we export to 25 countries with our business partners. With the goal of doubling export rate each year, we are planning export revenue to exceed domestic market revenue in 2 years.”

MAIN FOCUS IS TO BECOME A GLOBAL BRAND

Stating that they include South Africa and other countries in African continent among their target markets for second half of 2019 and 2020, Ok said they are also planning to grow into Northern European



countries and stated; “As of 2019, we continue on the track towards foreign markets, gaining considerable momentum. At this stage, we perform high R&D studies to improve our existing products in a technical sense while also finalizing certification processes for foreign markets while also strengthening company structure and improving the infrastructure. As a company currently providing solutions to world’s leading companies with our real-time monitoring technology brand Wipelot, we are focused on becoming a global brand in the fields of RTLS (real-time locating system), (OHS) Occupational Health and Safety and SafeZone (heavy construction equipment-pedestrian or equipment-equipment collision prevention system).

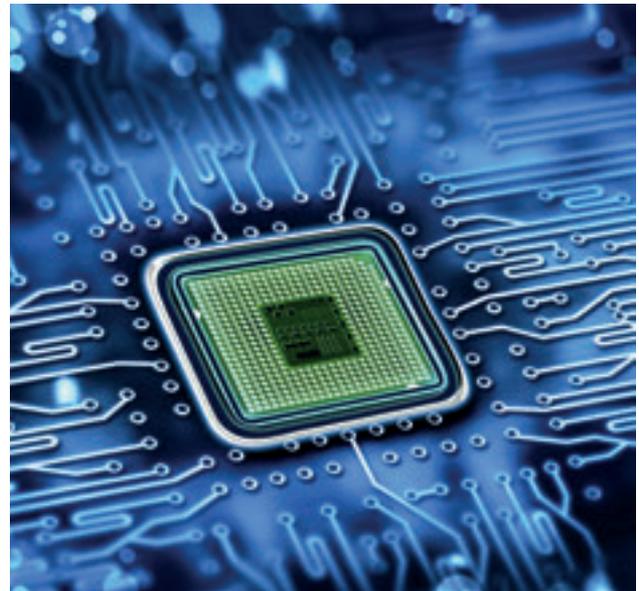
PIONEERING COMPANY FOUNDS ARTIFICIAL INTELLIGENCE COMPANY

Emphasizing on the fact that they are the first technology company to manufacture in the field of industrial IoT in Turkey, Ok said “With systems such as Turkey’s first indoors locating software engine, first aviation IoT application, first large area closed-system occupational safety installation, first precision

M. Rifat Ok said, “We are aiming to end 2019 fiscal year with 100 percent growth in revenue as well. Export makes up 15 percent of our total revenue.”

construction equipment field solution, first underground precision location personnel and equipment monitoring, first location-based underground signalization and speed measurement system, we broke ground again and again and we are a company awarded for our

innovative technologies. We have 15 years of experience in the fields of IoT, RTLS, RFID and data analytics solutions worldwide. And now we have founded a new artificial intelligence (AI) company in cooperation with Litum Teknoloji in a new enterprise in order to carry the success we had with our high technology solutions one step further. With our company named Resolution AI, we are planning to evaluate and interpret the data we collect with our Wipelot system which provides RFID solutions for industrial IoT in order to bring considerably higher added value to companies. Resolution AI that develops artificial intelligence solutions that meet businesses’ expectations is an expert at making IoT systems smarter to increase operational efficiency and safety. At Resolution AI, first the problems are looked into and then long-term researches are invested in and by using the newest artificial intelligence and machine learning technique, a new solution for the needs and problems of businesses is developed”, ending his words. ■



Turkish Paints

World is
Better in
Color



Turkish paint industry, assertive in every area of the paints and coatings with its product quality, competitiveness, innovative structure and production according to international standards, will continue to be the world's color.

turkish-paints.org

Turkey

Discover
the potential

Agenda

FAIRS, EXHIBITIONS,
SUMMITS, MEETINGS IN THE
NEXT MONTH

fighter uav
competition



flying car
design competition



swarm uav
competition



17 - 22 SEPTEMBER 2019

TEKNOFEST 2019

ATATÜRK AIRPORT - ISTANBUL

TEKNOFEST, aiming to transform Turkey into a society that produces the technology and set out with the slogan of “National Technology Move”, will be held on 17-22 September 2019 at Atatürk Airport.

robotaxi-full scale
autonomous vehicle



turbofan engine
design competition



robotics
competitions



artificial
intelligence competition



smart places
hackathon competition



TeknoFest is implemented by Turkey's leading technology companies, with the support of public institutions and universities under the leadership of Turkey Technology Team Foundation, Ministry of Industry and Technology and İstanbul Metropolitan Municipality (İBB). One million visitors are expected to come to TEKNOFEST 2019, which is the world's second-largest aviation event, organized for the first time last year and which had more than 550,000 visitors, and its media sponsor is Albayrak Media. Within the scope of TEKNOFEST, which aims to raise awareness about technology and science in the whole society and raise the trained human resources in science and engineering

fields in Turkey, technology competitions will be organized in 19 different categories to support the achievement of young people on the future technologies. Middle school, high school, university teams and professionals can participate in the competitions. In its first year, TEKNOFEST, it has managed to become, not only Turkey's but also one of the world's most important aviation and technology activities. Last year, among the competitors of TEKNOFEST, drone racers from 25 countries, white hat hackers from 24 countries and technology entrepreneurs from 83 countries also attended. This year, applications from international teams to TEKNOFEST competitions were accepted.



12 - 15 SEPTEMBER 2019

GastroAntep International GAZIANTEP GASTRONOMY FEST

ISTANBUL CONGRESS CENTER- ISTANBUL

GastroAntep Festival (Gaziantep Food Festival) will be held for the second time on 12-15 September in Gaziantep under the corporate sponsorship of The Ministry of Culture and Tourism, Turkish Association of Municipalities, Association of Turkish Travel Agencies and Silkroad Development Agency. It will be realized under the coordination of Gaziantep Development Foundation (GAGEV) and Gaziantep Metropolitan Municipality.

The festival will bring together the world-famous Michelin-starred chefs, the famous pastry chefs, gastronomic cities of UNESCO, domestic and foreign media representatives, Turkey's gastronomy professionals, universities, gourmets, Gaziantep agricultural producers and the representatives of Gaziantep cuisine at different points in Turkey. Within the scope of the festival, excursions, museum visits, panels and seminars, workshops, shows, workshops for women and children, concerts and many entertaining events will be organized for the guests. Workshops will be organized by local UNESCO Gastronomy Cities of the world with Gaziantep's local products and the seminars will be on seed, agriculture and harvesting from Gaziantep street food to food products. "Local Chef", the world's only gastronomy competition with local products, will also be held at the festival.

WORLDFOOD ISTANBUL
TUYAP FAIR & CONGRESS CENTRE, ISTANBUL
04 - 07 SEPTEMBER



27th International Food Products & Processing Technologies Exhibition WorldFood İstanbul, to be held with the participation of more than 1,000 brands, is an international meeting point for food & drink producers and Turkey's key buyers.

The Fair, where many national and international brands will take place, will focus on the economy of the sector in-depth. The

latest developments in food and gastronomy, the most recent situation in the international competition and the data on the sector will be discussed through panels and conferences to be held for four days. Hosting 430 participants from 29 countries and 16.085 visitors from 133 countries in 2018, The 27th WorldFood İstanbul is arranged to host food industry representatives for 4 days.

ISTANBULLIGHT
ISTANBUL EXPO CENTER
18 - 21 SEPTEMBER

The 2nd International Lighting & Electrical Equipment Fair and Congress will be held between September 18 - 21, 2019 at Istanbul Expo Center.

IstanbulLight Fair organized with the strategic partnership of Turkish Lighting Manufacturers Association (AGİD) and the Turkish National Committee of Lighting (ATMK), will

feature more than 6,500 industry professionals from the Middle East, Africa, Eastern Europe, the Balkans and CIS countries alongside Turkey and over 250 newest products and technologies from over 250 companies. In the fair, the agenda items of the sector will be discussed along with the products and services exhibited. Also, it aims to bring together all stakeholders of the lighting sector with the event program to be held with the participation of international speakers.



Figures



\$104
billion
Total export between
1st January 31st July



LEADER EXPORT SECTOR HAS NOT CHANGED

The export leader of July has been the automotive sector, which increased its exports by 5 percent and reached 2.9 billion dollars. The chemicals sector, which reached 1 billion 734 million dollars with an increase of 17.7 percent, has become the second and the ready-made clothing and apparel sector, which reached 1 billion 679 million dollars, has become the third with an increase of 6.2 percent.

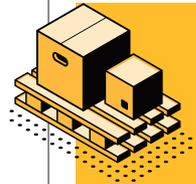
EXPORT

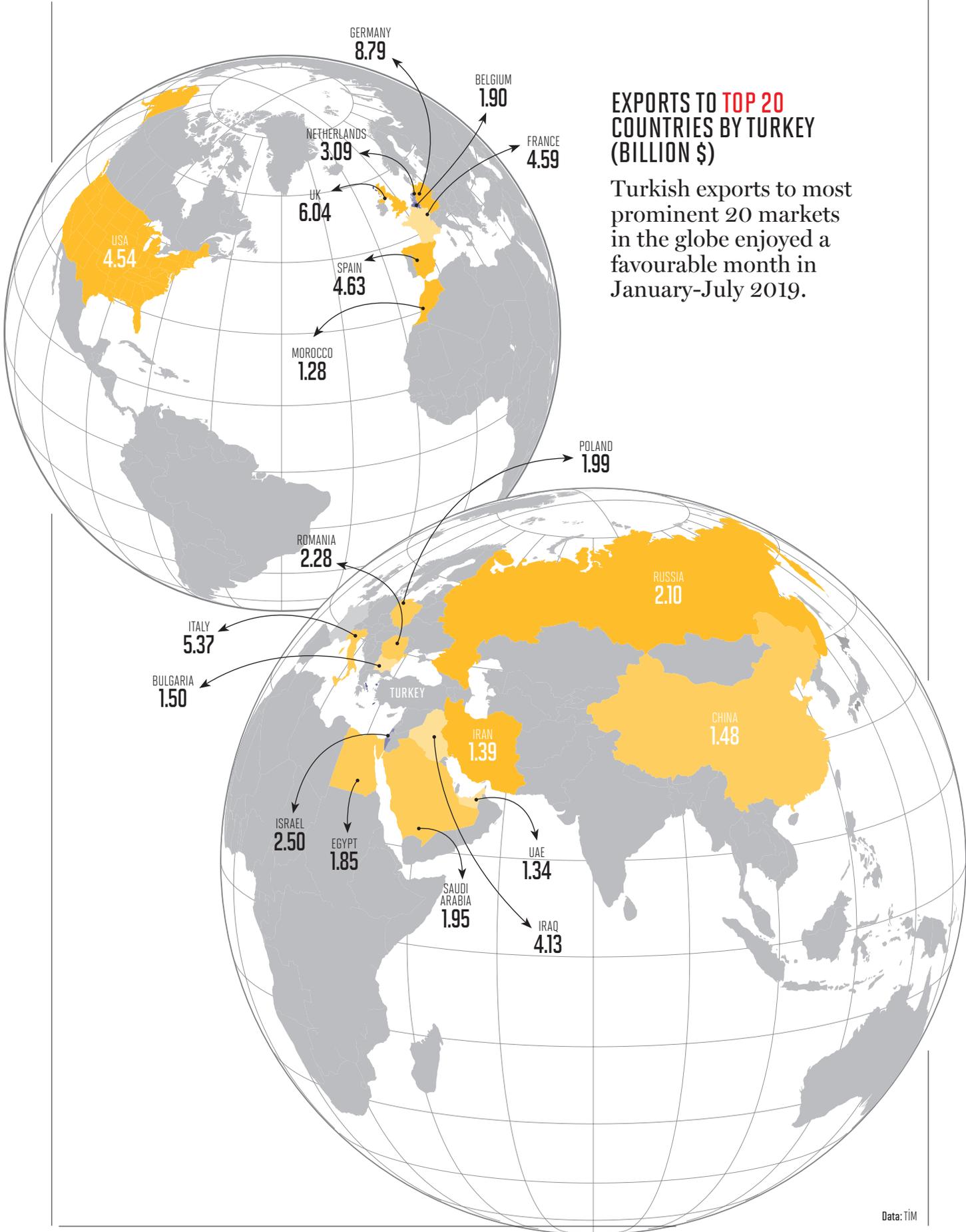
The sectors that increased their exports the most have been jewellery with an increase of 96.2 percent, fresh fruits and vegetables with an increase of 26.5 percent and cement, glass-ceramic and products of soil with an increase of 23.5 percent.

In July, exporters managed to wave country's flag in 223 countries and regions. While exports to 135 of these countries increases, the increase in 108 countries is above 10 percent. The top 3 countries with the highest exports were Germany with \$1.4 billion, England with \$1.1 billion and Iraq with \$767 million.

SECTORS	1st-31st July (Million USD)		Total share in July (%)
	2018	2019	
Automotive	2,762	2,900	18.2
Chemical	1,473	1,734	10.9
Apparel	1,580	1,678	10.5
Steel	1,260	1,243	7.8
Electronic	0.871	0.950	6.0

↑ Change % ('19/'18)		
Jewelry	Fresh Fruits and vegetables	Cement, glass, ceramic
		
96.2	26.5	23.5





Data: TIM

WELCOME ON BOARD: LUXOR

The airline that flies to more countries than any other
now flies to one more destination.
Flights starting from 23rd of September.



TURKISH AIRLINES

EGYPT

The image shows the interior of a Boeing 787-9 Dreamliner aircraft cabin. The focus is on a table set for service, featuring a white tablecloth, a plate of colorful vegetables, a glass of red juice, and a bowl of bread. The cabin is dimly lit, with warm ambient lighting. The seats are dark grey with orange textured pillows. The overhead storage bins are visible above the seats.

BOOK YOUR NEXT DREAM

Enjoy your dream flight with the Boeing 787-9 Dreamliner.



TURKISH AIRLINES

Products and services are subject to change depending on flight duration and aircraft.