

# The Turkish Perspective

FEBRUARY 2020 ISSUE 79

ECONOMY | BUSINESS | FOREIGN TRADE | ANALYSIS



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# THE TURKISH PERSPECTIVE RENEWED

*The Turkish Perspective continues publishing with its renewed content in 2020.*

- ✓ Turkey's riches waiting to be discovered
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- ✓ Industry evaluations
- ✓ Turkey's brands expanding to the world



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# Editorial



İsmail GÜLLE  
Chairman of Turkish Exporters Assembly (TİM)

## Turkish Economy on Growth Trend

*Turkish economy is on the growing trend since the last quarter of 2019, attracting foreign investors*

**THE YEAR** 2019 was not a bright year for global economy and trade as you all know. It is forecasted that 2020 will not be nothing less than the previous year. International credit rating agencies have revised their forecasts downwards.

The agencies updated their forecasts on Turkey upwards, as the economy is on the growing trend since the last quarter of 2019.

2020 Presidential Annual Program has set the growth target of Turkish economy for 2020 as 5.0 percent. According to the forecasts of International Money Fund (IMF) and World Bank, Turkish economy will grow 3.0 percent in 2020 and 4.0 percent for 2021. It can be said that Turkish economy is on the growth trend once more. Exports will play the leading role in this growth.

Despite the difficulties and

negative influences, Turkey's exports increased by 2.04 percent to reach 180.5 billion dollars in 2019. When we consider that the first 50 countries that exports the most have lost 2.7 percent on total exports, the strong performance of Turkish exporters shows that Turkey is such a dynamic country with a high potential.

Turkey is a center of attention for western, notably EU, and developed far east countries.

Over 70 thousand foreign companies have investments in Turkey and the number is rising. Recently automotive giant Volkswagen has decided to invest in Turkey and have established a company in Manisa. We foresee that these Europe based investments will carry on in 2020 and thereafter. President of the European Economic Senate (EES) Ingo Friedrich said that invest-

ment climate in Turkey is similar to Europe and added, "European investors can invest in Turkey and be certain just like in any other investments in Europe" assuring investors.

Ruhsar Pekcan, the Minister of Trade, stated that there are some global firms that requested a meeting, which are considering investing in Turkey at Davos and said, "General Electric, a company that has already invested in Turkey, has requested a meeting. There are also meeting request from P&G and Alibaba."

Turkey will be the center for investment with its youthful population, geographical position and producing power. There is no one that had trusted Turkey and lose out. There are companies that have invested and will keep investing in Turkey for a century, and there will be other companies to follow.

According to the forecasts of International Money Fund (IMF) and World Bank, Turkish economy will grow 3.0 percent in 2020 and 4.0 percent for 2021.



# Turkish Hazelnut

## From the Homeland to the World



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# The number of ships passing through Bosphorus decreases, while tonnage increases



*In 2019, 41 thousand 112 ships passed through Bosphorus, while 26 thousand 632 of the ships had harbour pilots.*

**BOSPHORUS** connecting the two continents, plays an important role in the trade of the Black Sea geography with the countries of the world, being a world heritage of mankind.

Bosphorus, which hosts thousands of ships every year, scares Istanbulites due to occasional accidents and ship failures from time to time. Bosphorus is made special with the ships that pass through as well as the mansions, the ferries, the bridges and the seagulls.

Although there has been a decrease in the number of ships passing through Bosphorus in the last 15 years, the increased amount of cargo carried is remarkable. This is because tonnages of the ships passing through Bosphorus has

increased. Less but larger ships started to cross Bosphorus.

Before the 2008 financial crisis, the number of ships passing through the Bosphorus exceeded 50 thousand but due to the global crisis, the number of ships passing decreased due to the slowdown in trade. When the trade started to increase again, bigger ships appeared on Bosphorus. While the number of ships passing through the Bosphorus has decreased by 25 percent in the last 15 years, the amount of cargo carried by ships has increased by over 50 percent.

In 2019, 41 thousand 112 ships passed through Bosphorus, while 26 thousand 632 of the ships had harbour pilots.

There were 15 ship accidents

in Bosphorus, one being in the Bosphorus Region, and 141 ship failures in 2019.

18 thousand 805 of the ships passed through Bosphorus consisted of LNG, LPG, chemical and crude oil tankers. Those who used harbour pilots are generally such risky and large ships.

Considering that approximately 15 thousand of the 41 thousand that passed through Bosphorus docked into Turkish ports, it can be said that Bosphorus is an important route of world trade.

On the other hand, it was announced that 794 million liras was earned in 2019 from lighthouse, rescue, pilotage and tugboat services provided during transit ship transitions.

## OECD to establish a regional office in Istanbul



**A REGIONAL** office of the Organization for Economic Cooperation and Development (OECD) will be established in Istanbul, following the agreement signed on May 31 2018 in Paris, according to the announcement on Official Gazette of Turkey on January 2nd.

The center will help expansion of methodologies such as OECD instruments, peer assessments, peer learning and policy dialogue in order to increase the capacity of regional programs and help partners approach OECD standards, including OECD's main partners. The center will further support existing regional initiatives by organizing appropriate events, improving dialogue and exchanging good practices.

The agreement in this regard between was signed in Paris on May 31, 2018.



Yilport, based in Istanbul, aims to be one of the top 10 container terminal operators in the world.

## Yilport to operate Huelva for 50 years with new investment

**YILPORT**, which targets to be one of the top 10 container terminal operators in the world, will have the 50-year operating right by making new investments in Huelva Terminal in Spain. The company's ports in Italy and the USA will also be operational this year.

Yildirim Holding's port group, Yilport, invested in new ports, while focusing on expanding its existing ports. The company recently signed a new agreement at the Port of Huelva in Southern Spain last week. A new agreement was signed for the expansion of Huelva port at the end of negotiations between Yilport and the Port Administration (APH). In this context, it was decided to expand the south pier to 50 thousand squaremeters and to extend the pier wall from 750 meters to 1,250 meters. According to the joint plan, this expansion can be developed up to 300 thousand squaremeters for two years. In addition, it is aimed to develop intermodal facilities.

## "Turkey aims to export \$190B in 2020"



**HIGH-TECHNOLOGY** products' share rises in country's overall exports, says head of Turkish Exporters' Assembly.

Country's exports, were at 30 billion dollars in 2000, reached 180.5 billion dollars hitting a historical high last year, said head of Turkish Exporters Assembly (TİM) Chairman İsmail Gülle and added that Turkey targets exports worth of 190 billion dollars in 2020.

İsmail Gülle also said the share of high-technology products is rising in the country's overall exports.

According to current figures, exports this month rose 5% versus

January 2019, added Gülle.

Referring to interest rates, he said: "Turkey should reduce the interest rate to the single-digit level for sustainability."

Gülle underlined that the Turkish government always supported exporters and provided for their needs.

Touching on economic issues in 2018 and 2019, he said Turkey's recovered in such areas as its currency rate, CDS risk premiums, interest rates, confidence index, foreign trade and Borsa index.

He underlined: "Turkey increased its exports while the world narrowed last year."

TİM Chairman Gülle said Turkey targets exports worth of 190 billion dollars in 2020.



Turkish defense industry was represented by five companies in the “Defense News Top 100”, which is accepted as the world’s most prestigious defense industry list

## Defense industry exports exceeds 2.7 billion dollars

*Turkish defense industry exports grew 34.6 percent to reach 2 billion and 741 million dollars, from 2 billion and 35 million dollars in 2018.*

**IN ORDER** to reduce dependence on imported products and with the support of the state, private companies have led the industry to significant progress since 2006. The market for the defense and space sector grew 1.4 billion dollars in the last 17 years.

Turkey’s largest defense electronics company ASELSAN posted 1.8 billion dollars in sales revenue, followed by Turkey Defense Technologies Engineering and Trade with 564.8 million dollars and Roketsan with 522.8 million dollars.

Exports to North American Free Trade Area posted at 841 million and 397 thousand dollars, while exports to Middle East were at 710million and 144 thousand dollars, followed by European Union member countries with 554 million and 959 thousand dollars

Exports to the Middle East and CIS (Commonwealth of Independent States) countries



almost doubled with 710.1 million dollars and 241 million dollars, respectively. The largest export of 841.3 million dollars was made in the North American free trade zone, including the USA.



Turkey is strengthening its position with its recent produced technologies.

### EXPORTS WILL INCREASE WITH NEW CONTRACTS

The agreements signed in 2018 and 2019 for export in the defense and aerospace industries, especially in Pakistan, indicate that exports will increase in the coming years, due to contracts covering the export of Turkish helicopters and warships contracts.

### TURKEY SIGNED 12 DEFENSE INDUSTRY AGREEMENTS WITH MALAYSIA

Industry and Technology Minister Mustafa Varank announced that 12 different agreements have been signed in the field of defense industry, steps will be taken regarding the production of air, sea and land vehicles.

Free trade zones were the most increased area as of percentage increase with 1174 percent, followed by the Middle East with 128 percent and CIS with 104 percent.

Defense and aerospace industry firms based in Ankara made approximately half of the exports.



# Historical record from Borsa Istanbul

*Borsa İstanbul Index rose to an all-time record by rising to 124 thousand 215 points.*

**DESPITE** the fall in global risk appetite, Borsa Istanbul continued to rise, after opening over 120 thousand points on January 14 for the first time since March 2018 and rose to an all-time high with 124 thousand 536 points, on January 25th.

While the “spring weather” has been blowing on the Borsa Istanbul since November, the BIST 100 index has increased for the 12th consecutive week. The index broke the record for the longest consecutive weekly rise, after seeing such a trend in 2009.

The main reason for enthusiasm in exchange markets is low interest, while for Turkey the reason is the expectation of a higher than forecast growth for this year and the recovery in the overall economy.

On the other hand, the worry that the decrease in lira interest rates after the interest rate cuts of the CBRT put the currency in a disadvantageous position is effective in selling pressure. Reviews of credit rating agencies for this concern are also in a position that triggers sales pressure.

Analysts said optimism about trade negotiations between United States and China, expected to

end the trade worries in global markets is also effective on pricing in Borsa Istanbul.

The global value gain of the dollar is another factor that suppresses lira, but recent specific reasons have had a significant impact on sales pressure.

On the other hand, it was added that the Competition Authority started a preliminary investigation for more than 20 banks in the elements that suppress lira. This concern persists, even though reduced after Minister Albayrak has said that “there is nothing to worry about”.

The Central Bank lowered its policy rate to 11.25 percent with a 0.75 point discount, falling below inflation for the first time in a long time. With this move, aiming to accelerate the recovery in the economy, front-end interest rate cuts continued to shrink. For the year 2020, the Treasury has 300 billion lira borrowing and 139 billion lira budget deficit targets.

Recalling that inflation has dropped to its lowest level since December 2016 at 8.55 percent annually in November 2019, analysts stressed that it has become easier for the reels to spin in the economy with the policy

rate, which declined to 12 percent.

Industrial production, which has been on the rise after 12 consecutive months of contraction, has continued its favorable trend since September and increased by 0.7 percent monthly and by 5.1 percent annually in November. Similarly, the economic confidence index continued to rise. The economic confidence index, which rose to 9.8 in December, marked the best level since July 2018.

Analysts noted that the improvement in the industrial production and economic confidence index, as well as the decrease in interest rates, strengthened the expectation of investors on improved profitability as well as supporting the rally in Borsa Istanbul.

The analysts stressed that the residents in Turkey play an effective role in the rally in Borsa Istanbul and pointed out that rate of foreign exchange swaps in Borsa Istanbul is at 61 percent, the lowest level since 2005.

In terms of indices, tourism, textile, informatics and sports indices have been the most profitable indices with increasing more than 10 percent since the beginning of the year.



Indexes that earn more than 10 percent since the beginning of the year on index basis:

✓ Tourism  
Textiles  
Sport

# Turkey expects 1 million electric cars on roads by 2030

**OVER** one million electric vehicles are anticipated to be on Turkey's roads by 2030, according to Turkey's Energy and Natural Resources Minister Fatih Dönmez.

Country plans assessment on effects of one million charge points on its electricity distribution grid, Dönmez announced.

"By 2022 or 2023, we hope to see our own indigenous automobile on the roads," said Dönmez.

After the country launched its first indigenous and electric automobile prototype, the energy ministry plans to assess the impact of one million charge points on the country's electricity distribution network, Dönmez added.

TOGG is currently working with the ministry to determine the optimum location for the installation of fast-charging points in the country.

Dönmez said, "These points should be able to charge a car in nearly 15-25 minutes, depending on the car battery's capacity and



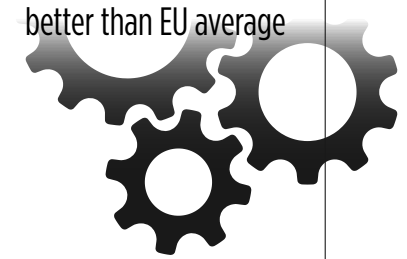
features, which means there needs to be a capacity of 50-100 kilowatt-hours in the grid."

Therefore, fast-charging units located in the selected areas need to have sufficient power supply to cope with this electricity requirement.

"TOGG's expectation from the energy ministry is to include not only the big cities in Turkey but also other smaller cities in Anatolia where there is great interest," Dönmez added.

Turkey plans to install 1 million charging point for electric cars

## Turkish industry performs better than EU average



**TURKISH** industrial production overtakes 23 EU countries in November

Turkey's industrial output in November 2019 was higher than the EU's average in the same month.

While the EU average was negative 1.3 percent, the index dropped by 1.5 percent in the eurozone, while rising by 5.1 percent in Turkey, according to the data from official statistics offices, Eurostat and TurkStat.

Industrial production in major EU economies, known as locomotive, performed below expectations.

## Prisync raised an investment of 1 million euros

**PRISYNC**, an e-commerce pricing platform in Turkey, the Istanbul-based company is a venture capital investment fund managed by the Collective Spark raised 985 thousand 700 euros in a seed round.

With the new funding, Prisync wants to double its customer acquisition channels and tactics it has tested and verified in the past. The Istanbul-based Prisync initiative, founded in 2013, has customers in more than 50 countries. The company offers a pricing solution for e-commerce companies that allow them to track competitors' prices and optimize theirs.

# IFMIB increases its 2020 objective to 1 billion USD

**ISTANBUL** Hazelnut and Products Exporters Union (IFMIB) Chairman Ali Haydar Gören announced that IFMIB set its 2020 export target to exceed over 1 billion dollars.

IFMIB is starting its promotion plan for the Russian Federation, which was identified as a priority target market after Europe. IFMIB delegation has planned various activities to introduce Turkish hazelnuts in Russia.

Gören reminded that Turkish hazelnut opened the gap between its competitors by increasing its production in 2019 and added, "While production of our competitors decreased in 2019, we have managed to increase our production to 776 thousand tons and our share in the world to 69 percent. We are currently the market leader in the production and export of hazelnuts. We strengthened our leadership with

the latest increase in production. We are continuing our efforts to search for new markets in order to contribute to Turkey's exports."

Gören pointed out that nine out of 10 countries Turkey's exports hazelnut are European countries and added, "In recent years, as a result of the promotional activities, there is a continuous increase in our exports to China. We ended the year with the export of over 700 million dollars. In 2020, our goal will be to increase our exports to over 1 billion dollars."

Germany ranks first among the EU countries with 370 million dollars. Followed by Italy with 335 million dollars and France with 115 million dollars.



# End of compulsory sale welcomed by the exporters

*As the removal of the obligat of selling at least 80 percent of the export prices to the banks with a new notice pleased the exporters.*



**THE NOTICE**, which amended the export prices, related to the decision no. 32 on the Protection of the Value of the Turkish Currency and published in the Official Gazette on December 31, 2019, was welcomed by the exporters. With the notice, if the maturity of the collection in all export transactions is more than 180 days, it will allow the export price to be deposited within 90 days after the expiry of the maturity period and will allow a different foreign currency to be deposited in the bank.

## POSITIVE WELCOME

Evaluating the notice the Turkish Exporters Assembly (TİM) Chairman İsmail Gülle said that the consideration of the intense

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İsmail Gülle, “As workers in the field of Turkey’s trade diplomacy, our work is aware of how important every dollar we give to our country, we continue with the same acumen and energy.”

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demands from exporters, the abolition of the requirement of selling at least 80 percent of the export prices was welcomed by the exporters. Gülle added, “It was an important step to allow the deposit of a currency other than the foreign currency specified in the export declaration to the bank. This step undoubtedly makes it easier for our exporters to collect export prices. Another important step is to allow the exporters who cannot stay in the country for any reason, except for the force majeure conditions, and who were unable to bring the export price partially or completely to the country so that the amounts can be abandoned by the tax authorities if they certify their legitimate reasons with official

records. Due to the global and regional economic and political developments, our firms, which will receive export from the countries where export companies have difficulty in making their payments, have gained flexibility due to their rightful position. Our exporters, who facilitate operation in a country that has an inadequate banking system, believe that easing the processes of depositing export prices in banks from underdeveloped countries will affect Turkey’s export capability in a positive direction.”

İsmail Gülle, “We are grateful that the incentives to exportation provided by our state will continue to increase regardless of the global economic conditions.”

# Consumer Price Index rose by 11.84 pct. in December

*Consumer price index (CPI) increased by 11.84 percent annually and 0.74 percent monthly.*

**IN DECEMBER** CPI rose by 0.74 percent compared to November, 11.84 percent compared to the December of the previous year, and 15.18 percent on the twelve month average basis.

In the last month of the year the lowest annual increase of main group was 3.16 percent in communication followed by clothing and footwear with 4.53 percent, recreation and culture with 7.03 percent and furnishing and household equipment with 9.79 percent.

The highest monthly decrease in the main expenditure groups were 1.91 percent in clothing and footwear and 0.11 percent in recreation and culture.

In December the average prices of the 418 items in the index, the prices of 131 items decreased and the prices of 34 items remained unchanged while the average prices of 253 items increased.

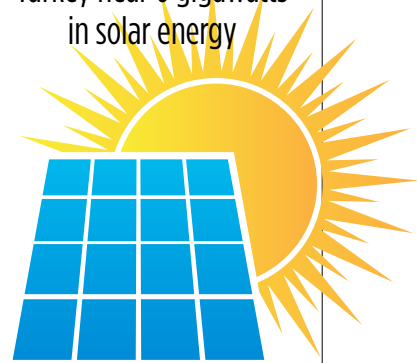


Items indicating highest monthly decrease are, lemon with 6.09 percent, men's pullover with 6.27 percent, leek with 8.43 percent and orange with 18.58 percent.

Minister of Treasury and Finance Berat Albayrak stated that the campaign against inflation will be one of the main agendas of 2020 and added, "We have ended the year below the 12 percent target."

Minister of Treasury and Finance Berat Albayrak said, "We have ended the year below the 12 percent target."

Turkey near 6 gigawatts in solar energy



**TURKEY'S** solar power generation capacity has increased to 5,995.2 megawatts as of December 2019

According to the data announced by Turkey Electricity Transmission Company (TEİAŞ), the increase in 2019 was 932.3 megawatts.

However, the total power generation capacity increased by 2,716.2 megawatts in 2019, reaching 91,267 megawatts.

## OYAK to establish carbon black plant in Turkey with Taiwanese CSRC

**OYAK**, Turkey's largest occupational pension fund, has started to work on establishing a carbon black production facility with collaborating with the world's sixth-largest carbon black manufacturer, Taiwanese company Continental Carboun owned by the CSRC International Investment Holdings Co. Ltd.

With the project to be implemented in Iskenderun, the annual requirement of 220 thousand tons of carbon black will be met. Carbon black, mainly used in vehicle tires as well as many different fields, has a domestic market volume of 260 million dollars.

## 11.2 billion dollars of exports from electronics

**TURKEY** made 11 billion 242 million 645 thousand dollars of exports last year in power electronics field. The most exports in this sector were made to the European Union, Middle East and African countries.

According to the compilation of data from Turkey Exporters Assembly, Turkey exported 105 billion 561 million 315 thousand dollars of finished products in 2019.

Most exports in this area were made to the European Union (EU) countries. 6 billion 541 million 860 thousand dollars of electrical and electronic products were exported to EU countries. The EU countries were followed by the

Middle East with 1 billion 486 million 94 thousand dollars and African countries with 920 million 354 thousand dollars.

Turkey increased its electronics exports to CIS countries by 22.08 percent and by 4.7 percent to Middle Eastern countries. In this context, 883 million 27 thousand dollars of exports were made to the Commonwealth of Independent States.



### ISTANBUL LEAD THE EXPORTS

Last year, 5 billion 845 million 688 thousand dollars of foreign sales of electronics were made from Istanbul, corresponding to approximately 52 percent of the total exports in this field.

Electronics is one of the five sectors that the Ministry of Industry and Technology of Turkey incentivizes.

# Mckinsey: Artificial Intelligence to create 3.1 million jobs in Turkey

*We are on the verge of a new digital era where technologies not only do what we think people can do, but also do it better than people do.*

service economy and investment growth by 2030.

## KEY FINDINGS OF MCKINSEY'S REPORT:

- Automation, AI and digital technologies are playing an important role in our lives and with these technologies, an improved level of prosperity and a better life for everyone can be achieved.
- In Turkey, automation, AI and digital technology, leads to changes in behavior and daily habits of an average person. This effect increases with economic and social changes.
- Automation, AI and digital technology, although eventually to increase the productivity in Turkey, may cause for some jobs to be lost. Consisting of new jobs along with the growth of investment growth and service economy, AI has 3.1 million job growth potential until 2030.
- AI plays an important role in in the transformation of workforce competency and development in Turkey and gaining competence for new professions.
- The workforce will need to gain stronger social competencies and develop advanced technology competencies.
- To implement Turkey's transformation, as all relevant stakeholders, there should be a collaboration in the initiatives on business models for the future.

## SUGGESTIONS

### Companies and unions:

- Strategic workforce plan
- Talent transformation programs
- New business models

### Public enterprises:

- Geographical / sectoral strategic workforce planning
- Development and technology centers
- Accelerators and incentives

### Educational institutions:

- Updating the training model
- Improving the learning experience
- Lifelong learning

### Individuals:

- Continuous learning and self-development
- Social and technological competencies

**WHILE** the pace of development of automation, artificial intelligence (AI) and digital technologies varies in different countries, Mckinsey's research shows that the adoption of these technologies can affect 50 percent of the world economy.

Existing technologies around the world will allow 50 percent of the work to be done with automation. More than one-third of the work done in 60 percent of the professions in Turkey can be automated with existing technologies.

Even though automation, artificial intelligence and digital technology may cause some jobs to be eradicated Turkey, it has the potential of creating 3.1 million jobs, along with the growth of

# Prominent Sectors of 2020 According to Audit Firms



Deloitte Private Turkey Leader  
Ali Çiçekli

## 2020 May Issue New Unicorns

**DELOITTE'S** merger and acquisitions report, published in the second week of January, summarizes not only the sectors that are particularly interesting for the investor in 2019, as well as providing important clues about the promising sectors for the investor in 2020. According to this report in 2019, despite declining business volume of our country, 64 percent of both monetary and unit-based transactions attracted foreign investment in Turkey suggest the potential of attracting investment in Turkey. In the light of these data, it can be foreseen that three sectors will come into the forefront in 2020.

The first of these is Fintech (financial technologies). Especially with the new regulations made by the Banking Regulation and Supervision Agency (BDDK) in 2019, it can be thought that the companies operating in this field will rise in 2020 in our country, in line with the global markets, while establishing a legal basis that paves the way for the activities of payment services and electronic money systems in our country. The expectations of key global market players entering the Turkish market in 2020 supports the argument that it is an open field for investors.

The second promising area is the "startup" ecosystem. Quickly developing startups in our country is another field that attracts the attention of investors. Venture capital investments and angel investors, which constitute 30 percent of the total number of transactions in 2019, show that startups will be the focus of interest in the upcoming period.

The third area that is also important is family companies and private businesses operating in the production sector, which has a strong export infrastructure and potential. Similar to 2019, it is not difficult to foresee that the promising business model and the companies with high financial performance will be the center of attention for small and medium sized companies. In terms of medium-sized companies, the chemical and transport sectors are two areas that will stand out.



Head of Advisory, KPMG Turkey  
Müşfik Cantekinli

## Investment Appetite to Increase in 2020

**AS KPMG** Turkey, we maintain our optimistic view regarding 2020 and expect the investment appetite to increase which has lost its momentum compared to prior years in 2019. The main driving factors of the expected recovery in 2020 are; the low interest rate policy of the central banks, the foreign currency valuation of Turkish assets being below the historical averages, improvement of the main economic indicators as well as measures announced within the scope of the New Economic Plan. We expect the companies with export oriented high growth, diverse geographic area, distinctive technology and high level of accumulated know-how are most likely to achieve higher valuations and to increase the overall M&A volume in Turkey.

In light of our expectations, we anticipate the industrial manufacturing and automotive, energy and natural sources, technology, media and telecommunication sectors to stand out as preeminent sectors which will more likely to favor from the increasing level of investor appetite and M&A volume. In addition, Turkey Wealth Fund (TWF)'s anticipated investments in petrochemical, mining and power generation and the merger of public insurance companies under the TWF, and the commencement of sales processes for the companies transferred to the Savings Deposit Insurance Fund (SDIF) are among the factors to increase the transaction volume within 2020.

# 2019 exports reach to a record level of 180.5 billion dollars

*Despite the difficulties in global trade, a new Turkish Republic history record was reached with 180 billion 468 million dollars in exports.*

*Our exports in 2019 increased by 2.04 percent compared to the previous year and amounted to 180 billion 468 million dollars, said Commerce Minister Ruhsar Pekcan.*



**DESPITE** all the problems in global trade, a new historical export record was posted in 2019 with 180 billion 468 million dollars, Turkish Exporters Assembly (TİM) Chairman İsmail Gülle and Trade Minister Ruhsar Pekcan announced.

Pekcan said, "According to the General Trade System (GTS) data, our exports in 2019 increased by 2.04 percent compared to the previous year and amounted to 180 billion 468 million dollars. Our imports decreased by 8.99 percent to 210 billion 394 million dollars. Our foreign trade deficit decreased by 44.9 percent. Our foreign trade deficit, which was 54 billion 323 billion dollars in 2018, decreased to 29 billion 926 million dollars by the end of 2019."

Pekcan said, "Foreign trade made a record contribution of 4.7 points to growth. This is the largest contribution to the country's foreign trade growth seen in 18 years in Turkey. We supported the economy with 3.2 billion liras in 2019. This is the largest export support figure in the history of the Republic. In 2020, we will raise it to 3.8 billion liras".

#### **EXPORTS UP BY 4.87 PERCENT IN DECEMBER**

According to the GTS, exports rose by 4.87 percent to 15.39 billion dollars, while the imports rose by 20.05 percent annually to 20.11 billion dollars in

December, resulting the foreign trade deficit to increase by 127.4 percent to 4.72 billion dollars.

The export/import coverage ratio posted 85.8 percent in 2019, increasing from 76.5 percent in 2018.

#### **MOST EXPORT TO GERMANY**

In December, products were exported to 206 different countries; Germany, Iraq and the United Kingdom were the most exported countries respectively. The Russian Federation, Germany, and China were the first three countries most imports were made from.

In December, exports to Iraq increased by 15.75 percent compared to the same month of the previous year, while the exports to United Kingdom decreased by 4.44 percent. On the other hand, exports to France, which is among the countries Turkey exported most in December, and Spain increased by 10.3 percent and 6.1 percent respectively.

#### **TURKISH LIRA WAS USED IN EXPORTS TO 179 COUNTRIES**

As of December, the number of countries where Turkish Lira used on export transactions rose to 179, while the number of countries that Turkish Lira was used in import transactions was 110. The total amount of foreign trade in Turkish Lira in December was 11 billion 361 million liras, of which 4 billion

632 million liras were as exports and 6 billion 728 million liras were as imports.



#### **TİM CHAIRMAN GÜLLE: RECORD EXPORT LEVELS DESPITE DIFFICULTIES AND SLOWDOWN**

In his speech at the Foreign Trade Assessment Meeting TİM Chairman İsmail Gülle said, despite the difficulties and the slowdown in global trade Turkey has crowned its new record levels of exports with a historic high in 2019.

Gülle emphasized, "When we look at exports by country groups, European Union ranks as our largest market with 44.3 percent share. Share of Middle Eastern countries up by 6.0 percentage points to 21.5 percent and the share of European countries increased by 4.5 percentage points to 7.6 percent."

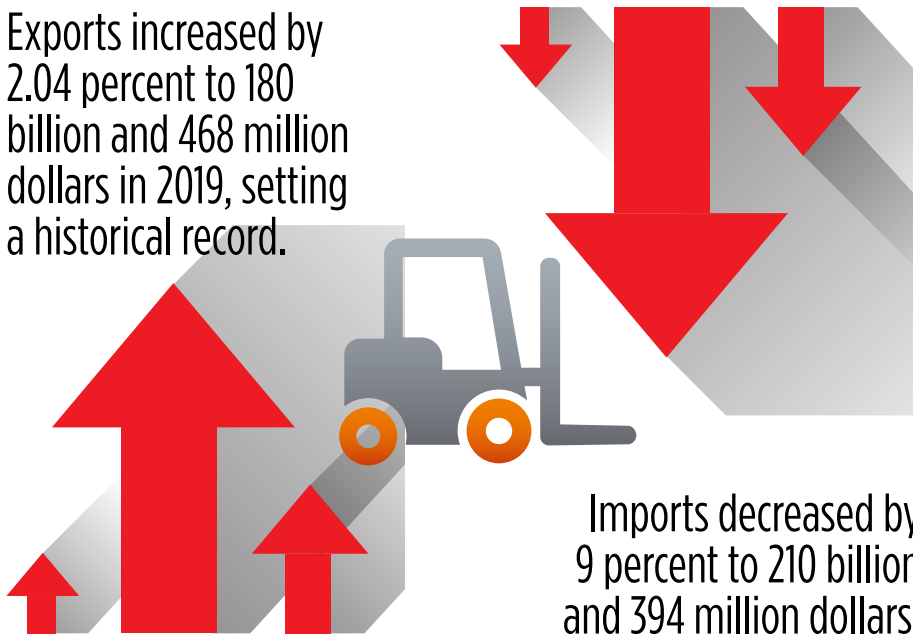
Gülle stated that exports increased by 4.87 percent to 15 billion 385 million dollars in December and added, "We have reached the highest export figure of December in the history of Turkey in December 2019, leaving behind the export figure of 14.7 billion dollars in December 2017. Despite the difficulties in the global conjuncture and the slowdown in global trade, we broke the historical records of the Republic again in eight of the 12 months. Our annual exports have reached 180 billion and 468 million dollars to a new record high."

#### **TİM ASPIRES DOMESTIC CAR** Reminding the introduction of the domestic car Gülle said:

"We want to see our domestic car, which we admire in every sense, on the roads in 2022, and we promise that we already aspire to 300 vehicles in order to convert all of the duty vehicles connected to TİM and our exporter unions into domestic and national cars. As the export family, we're excited to be able to export our domestic car. We anticipate that we can save up to 10 billion dollars by reducing our dependence on imports in the energy sector. We are also excited to see the domestic car exports' contributions to the "Foreign

Automotive industry was the first among the sectors in total exports with 30.6 billion dollars, followed by chemicals and chemical products sector with 20.6 billion dollars and apparel exports with 17.7 billion dollars.

Exports increased by 2.04 percent to 180 billion and 468 million dollars in 2019, setting a historical record.



Imports decreased by 9 percent to 210 billion and 394 million dollars.



Turkish Airlines transports to 126 countries and helps Turkish exporters getting access to the world with it's fleet of 350 planes, 24 of which being cargo planes.

#### Trade Surplus goal of Turkey.”

#### THE AUTOMOTIVE SECTOR HAS THE FIRST PLACE

Conveying the details of the export figures in December, Gülle said, “We see that our automotive sector has ended the year in the first place in December with 2.5 billion dollars. The automotive sector was followed by the chemicals sector with 1.3 billion dollars, the steel sector with 1.1 billion dollars and electric-electronics sector with 978 million dollars.”

Gülle said that Turkey’s EU exports of information that the 6.8 billion dollars range and added, “We see that we do export 8 billion dollars together with other non-EU European countries.”

Gülle added that the EU followed by the Middle East countries African countries where exports amounted to 3.3 billion dollars with an increase of 16.2 percent, and 1.6 billion

dollars with a 7.8 percent increase respectively.

#### MOST EXPORTS TO GERMANY

In December 2019, the top five exporters were Germany with 1.29 billion dollars, Iraq with 969 million dollars, the United Kingdom with 885 million dollars, the United States with 765 million dollars and Italy with 749 million dollars. The five countries Turkey’s exports increased by most are Yemen by 177 percent, Oman by 171 percent, 157 percent, and Norway, Slovenia by 72 percent and Turkmenistan by 67 percent.

Gülle said, all the action taken by the principle win-win has contributed to Turkey’s exports and pointed out the benefits of the Free Trade Deals signed with countries such as Israel, Egypt, Morocco, Georgia, and South Korea.

#### YALOVA’S EXPORTS INCREASED THE MOST

Providing information on exports on a provincial basis, Gülle said, “The top five provinces that exported the most were Istanbul, Kocaeli, Bursa, Izmir and Ankara. The most remarkable increases were Yalova, increasing its exports fivefold, Şırnak’s exports increased by 55 percent and Çankırı’s exports increased by 53 percent.”

Gülle noted that there is a strong increase in the export value and added, “Our export volume increased by 3.8 percent in December and amounted to 12.2 million tons. The increase of 4.87 percent on value basis shows that we achieved a significant performance in terms of added value in December. Lira exports reached 4.6 billion liras from 179 different countries in December. The loss caused by the euro-dollar parity was in the range of 172.5 million dollars in December, while it was 4.6 billion dollars in 2019.”



### EXPORTS TO OVER 40 COUNTRIES

Gülle underlined that the number of countries exporting over 1 billion dollars was 40. Furthermore he added that 18 provinces in Turkey exported over 1 billion dollars is 18.

Pointing out that Trabzon participated among the cities that succeeded to exceed the 1 billion dollar threshold last year, Gülle said, "We want to focus on the provinces that exceed 1 billion dollar threshold and support them with raising awareness on exportation and open Eximbank branches.

Gülle stated that 23 sectors exceeded 1 billion dollars threshold last year, and added that ship and yacht sector exports increased by 5.2 percent and exceeded 1 billion dollars limit.

### 17 THOUSAND 544 COMPANIES SAID STARTED EXPORTING

Last year, the number of

exporters increased by 9.3 percent, Gülle said and added, "Our export family grew each month with the participation of approximately 1,500 new companies. According to our records for the first time this year, 17 thousand 544 companies started exports and reached the export figure of 4 billion 345 million dollars."

Gülle pointed out that they attached great importance to increasing market diversity last year and added, "The share of the EU, our biggest market, was 48.8 percent despite the Brexit process, while the share of Middle Eastern countries in exports increased by 4.5 points to 19.3 percent. The share of African countries increased by 0.4 percentage points to 9.2 percent, especially in the Chinese market, both in Beijing 2019 and in China Import Fair, we exhibited Turkish export products with large scale participation and launched new



Turkish exporters have exported to 206 different countries in December.

cooperations."

### 2020 GOALS

İsmail Gülle pointed out that the objectives for 2020 were implementing the strategies to be applied for target countries and the industry and to improve the brand perception of Turkey to conduct several studies for the development.

Stating that they will implement a digital platform in 2020 in which exporters can easily access standardization and certification information related to all target markets in cooperation with Turkish Standards Institute, Gülle said that they will continue to take steps to encourage businesses to increase their exports.

Gülle ended his speech by saying, "We will carry our flag in every corner of the world all throughout the year, and will work for foreign trade surplus target. We are going to bring our exports to a better place in 2020."



## THY awarded as Turkey's top service exporter

*Turkish Airlines (THY), SunExpress and Pegasus awarded as Turkey's top service-exporting companies across Turkey in Turkey's 500 Top Service Exporters Award Ceremony.*

**THE AWARD** ceremony, organized by TİM was attended by President Recep Tayyip Erdoğan, Minister of Treasury and Finance Dr. Berat Albayrak, Minister of Trade Ruhsar Pekcan, Minister of Family, Labor and Social Services Zehra Zümrüt Selçuk, Minister of Culture and Tourism Mehmet Nuri Ersoy, Minister of Industry and Technology Mustafa Varank and Ministry of Transport and Infrastructure Mehmet Cahit Turhan.

Turkish Exporters Assembly (TİM) Chairman İsmail Gülle, who made a speech in the ceremony, said "Our goal is 'Turkey with foreign trade surplus' and we are

Gülle, "Turkey's growth, employment and added value are entrusted to us, the exporters"

moving forward with this goal. Both products and services are part of this goal. In this period, which we are moving at the level of 200 billion dollars in exports, we attach a special importance to service exports in our strategies for the future.

Turkey's 500 Top Service Exporters Award Ceremony, organized by Turkish Exporters' Assembly with the participation of Ministry of Economy, was held for the third time with the participation of President Recep Tayyip Erdoğan. The top 10 exporting companies across Turkey and first 3 companies from 17 sectors according to Turkey's

500 Top Service Exporters Research were presented with their awards. Turkish Airlines ranked first in the gradation, made accordingly with 2017 figures.

Gülle said "Turkey's growth, employment and added value are entrusted to us, the exporters" and mentioned that service exports progressing by the leadership of the president. Saying that they believe that İstanbul Grand Airport will contribute to Turkey's growth by interconnecting 60 countries and economies of 20 trillion dollars.

Gülle pointed out that TİM is moving forward to the goal, "Turkey with foreign trade



Gülle: Our goal is 'Turkey with foreign trade surplus' and we are moving forward with this goal. In this sense, in the export of both goods and services, we are moving forward with this goal.

surplus" and added, "In this sense, in the export of both goods and services we are moving forward with this goal. In this period, which we are moving to the level of 200 billion dollars in exports, we attach a special importance to service exports in our strategies for the future. Our system is established to register our goods exports. We also need to establish this system for our service exports and transit trade. Based on this; in order to be able to register services exports, transit trade and e-exports as soon as possible, we continue to work with our Minister of Trade, Mrs. Ruhsar Pekcan."

#### **"NO STOPPING, WE WILL CONTINUE TO RUN BY TAKING RISKS"**

Stating that if the big goals were not set, the steps would be small, Gülle said:

"We do not have the luxury to continue with small steps. In fact, we do not have the luxury to walk. As Mr. President said many years ago, 'No stopping!' We will run and we will run by taking risks. We have to make the breakthrough run. For this reason, we have to implement all of it, whatever the civilization has ordered: high value added, brand, design, R & D, innovation."

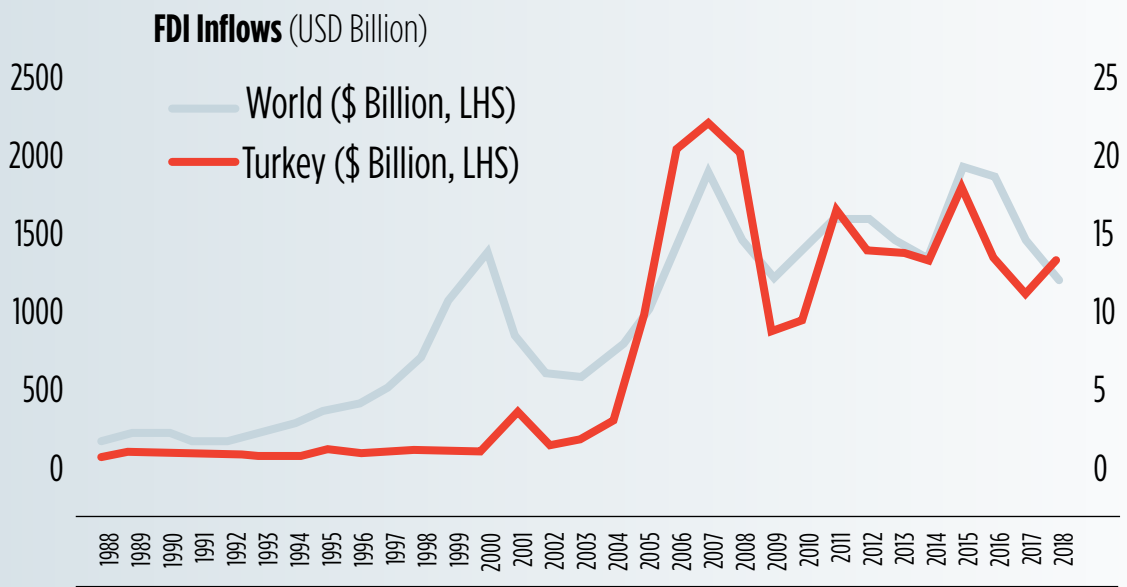
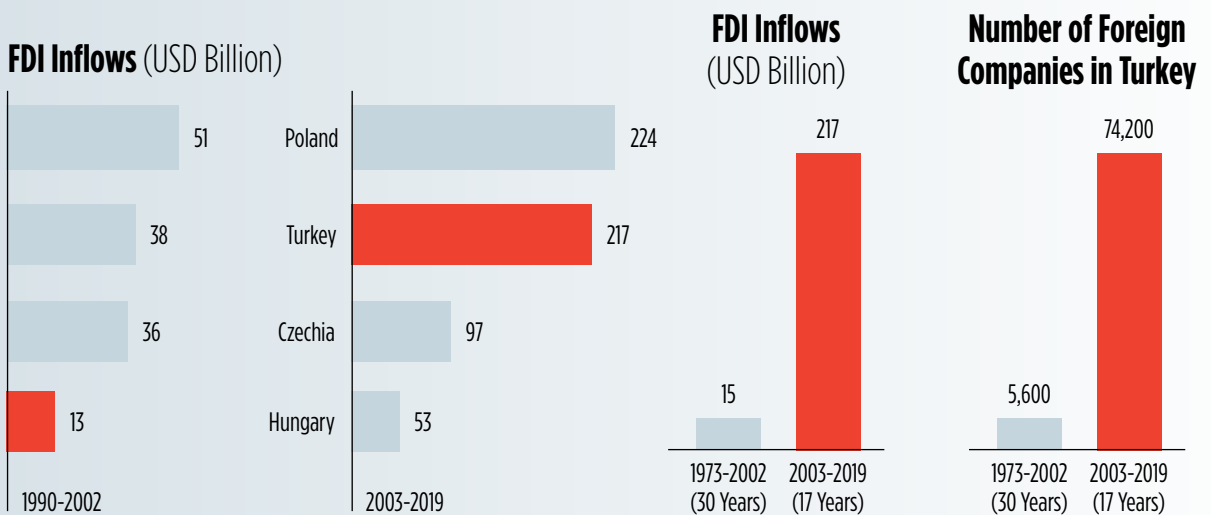
### **Top 10 Companies in Service Export:**

- Türk Hava Yolları Anonim Ortaklığı
- Güneş Ekspres Havacılık A.Ş. (SunExpress)
- Pegasus Hava Taşımacılığı A.Ş.
- Ekol Lojistik A.Ş.
- Gap İnşaat Yatırım ve Dış Ticaret A.Ş.
- Tav Havalimanları Holding A.Ş.
- Rönesans Holding A.Ş.
- Netlog Lojistik Hizmetleri A.Ş.
- Odeon Turizm İşletmeciliği A.Ş.
- Atlasjet Havacılık A.Ş.

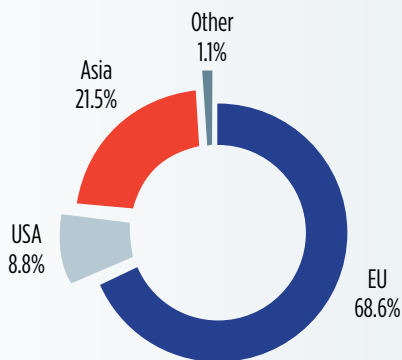
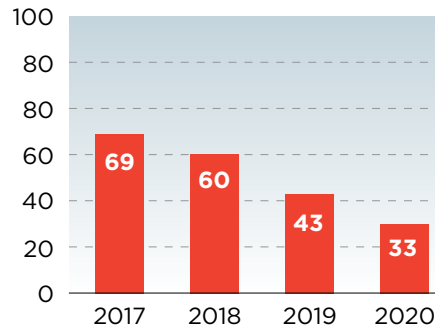
# FDI Spotlight in Turkey

*Turkey has jumped up 10 places and ranked 33<sup>rd</sup> in the World Bank's Doing Business 2020 Report. This remarkable increase serves as a reference for Turkey's investment potential.*

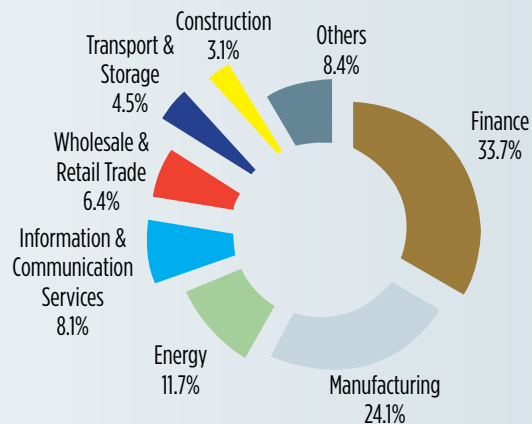
*Turkey attaches great importance to foreign direct investments for its economic development and believes that four of the main reasons to invest in Turkey include the ongoing successful economic reforms to support the inward investment proposition, having unique and strong market fundamentals, being an international hub for key sectors, and benefiting from a modern economy supported by a young and educated population.*



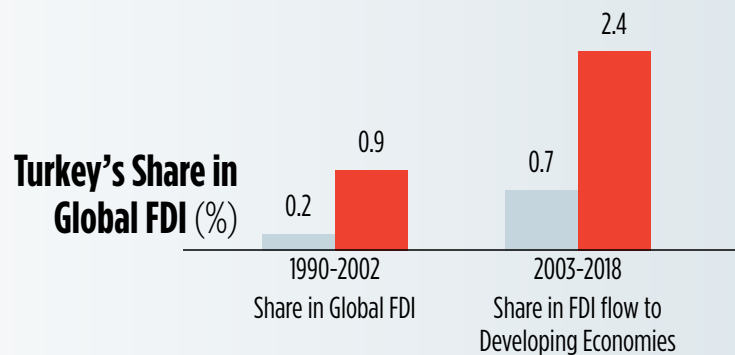
# Turkey's Ranks 33<sup>rd</sup> in World Bank Doing Business Reports



**Geographic Breakdown of Investments**  
(2003-2018)



**Sectoral Breakdown of Investments**  
(2003-2018)





### TURKIYE HOUSE SHINES OUT AT DAVOS

The 50th World Economic Forum Annual Meeting 2020 was held on January 21-24 in Davos, Switzerland. The Investment Office and Turkey Wealth Fund held bilateral talks at the Türkiye House in Davos with distinguished participants of the forum.

Minister of Treasury and Finance Berat Albayrak, Minister of Foreign Affairs Mevlüt Çavuşoğlu, and Minister of Trade Ruhsar Pekcan represented Turkey at the forum. As well as attending

sessions, ministers also met with leading figures of the business world as part of WEF 2020.

Minister Berat Albayrak spoke at the “Shaping the Global Growth Agenda” panel at the forum and acknowledged the audience on Turkey’s growth targets and economic performance. Also, visiting the Türkiye House, Albayrak said that the Investment Office, the Turkey Wealth Fund, the Finance Office and executives of the Istanbul Financial Center held one-on-one and bilateral talks with related local and foreign groups at the House.

### INVESTMENT OFFICE TAKES STAGE AT EMPEA GLOBALTURK PRIVATE EQUITY EVENT

The 4th Annual Executive Briefing on Private Equity in Turkey and Environs took place on December 5, 2019 in Istanbul. Jointly organized by the Emerging Markets Private Equity Association (EMPEA) and Globalturk Capital, the event brought together private equity executives from around the globe.

Investment Office President



Arda Ermut gave an address on growth prospects for Turkey and on the recent developments in private equity in the country. He stated that private equity and venture capital companies were quite active in Turkey in 2018 and three of top ten venture capital-backed exits in Europe were Turkish.

“We believe that private equity will make a significant contribution to our endeavors to attract investment into Turkey. This is because private equity is a major source of FDI in the world, as well as in Turkey,” said Ermut.

### FDI News in January

**ISTANBUL** based grocery delivery startup **GETIR** has secured USD 38 million “Series A” funding from a group of Silicon Valley venture capitalists, providing a boost to Turkey’s tech scene.

A consortium of six Chinese companies—the Chinese highway company **Anhui Expressway, China Merchants Expressway Network & Technology, CMU, Zhejiang Expressway, Jiangsu Expressway** and **Sichuan Expressway**—are to buy a majority stake in Turkey’s **ICA Construction**, a joint venture between Turkey’s **IC Ictas Construction** and Italy’s **Astaldi**, for USD 688.5 million to participate in a Turkish expressway project.

Danish wind turbine internals producer **Resolux Group** and Turkish industrial manufacturer **Bayramoğlu** have established **Resolux Turkey**, for the production of internal turbine components in Turkey. The joint venture will primarily focus on exports, with plans to sell to the domestic market as well.



#### **INVESTMENT OFFICE ATTENDS BUSINESS MEETING IN ITALY**

Investment Office President Arda Ermut attended a business meeting in Italy on January 20<sup>th</sup>, organized by Italian law firm Grimaldi Studio Legale and independent and non-profit think tank CeSPI. The meeting showcased the survey results

compiled from the 78 Italian companies operating in Turkey in the November-December 2019 period.

Commenting on the survey results, Ermut said that 9 out of 10 Italian companies are pleased to invest in Turkey. "It is encouraging to get such positive feedback. We hope that this trend will continue to improve moving forward," said

Ermüt.

Ermüt also spoke to participants about Turkey's strategic location, fiscal system, legal system, macroeconomic policies, geostrategic risks, and relations with the US and EU. Turkish Ambassadors to Rome and Vatican Murat Salim Esenli and Lütfullah Göktaş also attended the meeting.



#### **INVESTMENT OFFICE JOINED TEKNOFEST MEETING IN GAZİANTEP**

Plans for the third edition of TEKNOFEST Aerospace and Technology Festival, organized by the Turkish Technology Team Foundation and the Ministry of Industry and Technology, Teknofest 2020, were unveiled during a meeting held in Gaziantep Zeugma Museum on January 20. Furkan Karayaka of the Investment Office joined the launch meeting.

Turkey's most extensive festival covering aerospace, space, and technology events, TEKNOFEST lasted 6 days in 2019 and boasted attendance of 1.7 million tech-focused people from various global and domestic companies, universities, and public institutions.

# Foreign investors generated 64 percent of Turkish M&A market deal volume



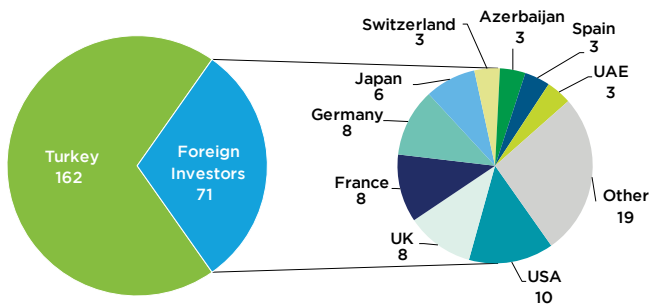
*Turkish market saw a total M&A deal volume of around 5.3 billion dollars in 2019, through 233 transactions. Foreign investors generated 64 percent of the total annual deal volume.*

**FOREIGN** investors made a solid contribution to the annual deal volume once more at 64 percent while the share of foreign investors in the total annual deal number was limited at 30 percent with 71 transactions. Turkish investors generated an annual deal volume of 1.9 billion dollars, including estimates for undisclosed values, with 162 transactions and comprised 36 percent and 70 percent of the total annual deal volume and deal number, respectively.

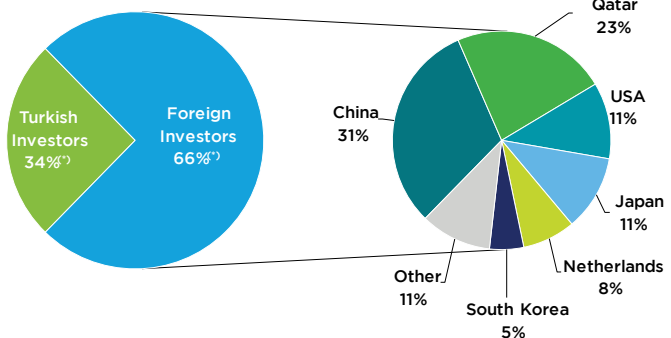
While small and middle market transactions dominated the overall M&A activity in 2019, the ten largest transactions – based on disclosed values – comprised 50 percent of the total annual deal volume. 212 transactions each with a deal value less than 50 million dollars, which accounted for 91 percent of the total deal number, represented 28 percent of the total deal value. The acquisition of Third Bosphorus Bridge and Northern Marmara Motorway by China Merchants Group was the largest transaction of the year with

Foreign investors had 64 percent share of the annual trade volume with 71 transactions in 2019.

Deal Number



Deal Value (Disclosed; US\$ million)



36% Turkish Investors / 64% Foreign Including estimates for deals with undisclosed values.

a disclosed deal value of 688.5 million dollars and alone comprised 13 percent of the total annual deal volume. Also, the transaction whereby Koç Holding increased its stake in Yapı Kredi Bankası for a consideration of 402.6 million dollars was the largest transaction involving a Turkish investor.

In privatization landscape, the operating rights of the national lottery company (Milli Piyango) and the sports betting company (Spor Toto İddaa) were transferred to private sector companies on the basis of revenue sharing, through tenders held by Turkish Wealth Fund (TWF) and by Spor Toto Organization, respectively. In addition, the Savings Deposit Insurance Fund (SDIF) conducted a single transaction, involving Adabank with a deal value of 60 million dollars.

M&A activity was spread-out across historically active sectors, including technology, internet & mobile services, energy, manufacturing, e-commerce, food & beverage, chemicals and financial

services. Technology with 48 firms, internet & mobile services with 32 firms and energy with 24 firms ranked first as the most targeted sectors, making 45 percent of total annual deal number.

Although global economic uncertainties and geopolitical headwinds are likely to persist in 2020, the Turkish market offers strategic opportunities to investors and we expect the Turkish M&A activity to pick up in a rebalancing environment.

Foreign and Turkish investors generated 64 percent and 36 percent of the total annual deal volume (including estimates for undisclosed values), respectively, through making up 30 percent and 70 percent of the total annual deal number, respectively. Foreign investors were involved in 71 transactions amounting to 3.4 billion dollars, while Turkish investors generated a total volume of 1.9 billion dollars through 162 deals.

Foreign investors contributed to the total annual deal volume at 64

percent. European investors once again took on the lead with 43 deals exceeding a total value of 1.3 billion dollars, comprising 61 percent and 40 percent of foreign investors' total deal number and volume, respectively. On the other hand, investors from Asia Pacific and Gulf regions concluded the year with 12 deals and 6 deals, respectively, together made up 50 percent of foreign investors' total annual deal volume. In line with previous years, investors from USA and the UK were at the top of the list in terms of deal numbers, followed by French, German and Japanese investors. On another note, there were some foreign investors who increased their stakes in their Turkish subsidiaries, as well as a few others who exit their investments in Turkey.

In 2019, financial investors engaged in 87 transactions worth approximately 900 million dollars.

Foreign investors were involved in 71 transactions amounting to 3.4 billion dollars.

The top ten largest transactions composed 49.05 percent of the total transaction volume



Rank	Announcement Date	Target company	Target company's sector	Buyer	Buyer's origin	Transaction value (million \$)	Stake (%)
1	December 19	ICA IC İctas Astaldi	Building & Construction	China Origin Companies' Consortium	China	688.5	51.0%
2	May 19	Boyner Perakende	Consumer Markets	Mayhoola	Qatar	415.5	45.0%
3	December 19	YapıKredi (UniCredit Shares)	Financial Services	Koc Holding	Turkey	281.8	9.0%
4	April 19	Betek Boya	Industrial Manufacturing	Nippon Paint Holdings	Japan	237.5	95.9%
5	February 19	Ulusoy Electric	Industrial Manufacturing	Eaton	USA	235.1	82.3%
6	November 19	Paşabahçe (EBRD Shares)	Consumer Markets	Sisecam	Turkey	168.3	14.9%
7	June 19	iyzico	TMT	PayU (Naspers)	South Africa	165.0	100.0%
8	January 19	Belenco (Peker Yuzey Tasarım)	Industrial Manufacturing	Lotte Advanced Materials	South Korea	109.8	72.5%
9	May 19	JW Marriot Karakoy, Sheraton Dolapdere	Building & Construction	ARTIC	Qatar	103.9	100.0%
10	August 19	Kamil Koc	Transportation	Flixbmobility	Germany	93.0	100.0%

# The Power Symbol of Turkey: Jewelry

*The global luxury consumer market has exceeded 1 trillion dollars, one quarter of which is constituted by the top 100 consumer brands. Even though there is no company from Turkey in the Top 100 list, Turkey is on the radar of private buyers of luxury brands in some consumer products. Super yachts and jewellery are at the top of these product groups.*



**TURKEY** is one of the top four countries that receives the most luxurious yacht orders. On the other hand, Turkish brands in the ready-made clothing and cosmetics sector, which continue to go retail worldwide, are shown as the closest candidates of the top 100 list. Another luxury product group that is driving Turkey brand forward is jewellery.

The designs that come from the masters who grew up in ancient lands that hosted different civilizations for centuries, are in the first place in the jewelry choice of developed countries, especially the USA and Japan. The number of world-famous names among buyers is also quite high.

While the world renowned pop artist Madonna introduced her single Medelin, she appeared before the press by wearing a necklace of talisman jewelry designer Ece Şirin. Cate Blanchett, Kate Winslet, Beyonce and Rihanna are among the celebrities who prefer the designs of Ece



Şirin, creator of Bee Goddess.

The use of diamonds and jewels that belong to jewelry designer Sevan Bıçakcı was another detail that showed the popularity of the country brand in the movie Oceans8, released in 2018, which was about a big necklace heist.

According to Bain & Company's "Worldwide Luxury Study 2019" the worldwide luxury market grew 4 percent in 2019 to 1.3 trillion euros with an overwhelmingly positive outlook that is prevailing over concerns about global instability.

The insatiable drive to travel is one of the reasons luxury travel executives believe that 2020 will be another banner year for the segment.

The core personal luxury goods segment achieved 4 percent growth at exchange rates and reaching 281 billion. When it comes to categories within personal luxury goods, jewelry stand out as the outperformer,

growing by 9 percent in 2019,

Bain & Company anticipates that the luxury customer base will expand to 450 million people by 2025, up from 390 million people in 2019, mainly thanks to the growing middle-class, especially from Asia.

Turkey has various strengths in luxury tourism such as the manufacturing on wedding dresses, yachts, jewellery, and luxury hotels that are actively hosting and seven more to be constructed between 2020 and 2022.

## JEWELLERY: A 5,000-YEAR-OLD HERITAGE

Jewellery being one of Turkey's cultural heritages with its history of more than 5,000 years is contributing the "Turkey with foreign trade surplus" goal also presents opportunities to foreign investors.

The jewellery sector holds a place in the cultural heritage



Turkey's strengths  
 Visa easements  
 Accessibility  
 Easy terms of  
 incorporation  
 Largest jewelry inventory  
 in the world  
 Turkey aims to be a trade  
 and stone cutting center  
 of region

The craft of jewellery  
 has been regarded as  
 among the most eminent  
 occupations down through  
 the ages.



of Turkey. Being fostered by the many civilizations such as Lydian, Hittite, Macedonian, Greek, Roman, and Ottoman that existed in the country, the craft of jewellery has been regarded as among the most eminent occupations down through the ages.

Today, the Turkish Jewellery and Valuables sector turns out to be one of the prominent sectors globally. Over 1,000 large factories, which are equipped with state-of-the-art technology and employ more than 1,000 staff each, are in service in Turkey. Approximately 350,000 people are employed by over 4,000 producers in 40,000 retail stores in the sector. Huge manufacturing capacity; Kuyumcukent The Turkish Jewellery and Valuables sector has been an arbiter in the export market since 1980. The number of member exporter companies of the Jewellery Exporters' Association is almost 1,000 as of today.

Kuyumcukent, one of the most distinguished production compounds in the world, fosters more than 1,000 producers in one site and employs 20,000 people. The company whose production capacity is the largest in Europe is in Turkey. Increase in exports continues Export transactions of the Turkish Jewellery and Valuables sector exceeded 3 billion dollars in the year 2014. The sector's export figures increase steadily each year. While the export figure was 200 million dollars in 1998, today it has grown to 3 billion dollars, as official records indicate, and this figure comes close to 5 billion dollars when shopping by tourists and shuttle trading are included.

Turkey is the second-largest gold jewelry producer in the world, after Italy. More than 90 percent of the sector's exports are derived from the category of gold jewelry. A great opportunity in stone jewelry. Turkey With the exemption of tax from

Jewelry from Sevan Bıçakçı's collection, used in the movie *Ocean's 8*



precious stones' import, Turkey's ability to use her advantages becomes possible. It is foreseen that Turkey is going to be the world's new stone center because of advantages over Israel and Belgium.

In 2019 Turkish jewelry exports hit record levels of 7.2 billion dollars, surpassing the previously set goal of 6 billion dollars, the Jewellery Exporters Association announced.

The UAE, the USA, Hong Kong, Libya and Israel were the top buyers of gold products and jewelry goods in 2019.

While the gold jewelry and jewelry shop was the leader in total jewelry exports with a volume of 2 billion dollars, other product groups and export amounts in these groups are unprocessed or semi-processed gold with 1.7 billion dollars, diamond jewelry items with 151 million dollars, silver jewelry and jeweler items with 115 million dollars.

# Kamar: Our exports totaled 7.2 billion dollars in 2019



*Jewelers Exporters' Association Chairman Mustafa Kamar said, jewelry exports reached 4.1 billion dollars and totaled 7.2 billion dollars, including gold sent under the inward processing regime, setting a record and exceeding the export target of 6 billion dollars for 2019.*

# W

## **here is Turkey's position in the world jewelry market?**

Turkey is one of the five largest jewelry markets in the world excluding the gold bullion trade, with China, the USA, India, and Russia. We have a strong dynamic. Our culture is like that of India and China, gold is perceived as a commodity for investment purposes, also used as a cushion of capital. In addition to this, we are one of the world's three largest manufacturers, with approximately six thousand manufacturers and 35 thousand goldsmiths and subsidiaries, employing 250 thousand people. Besides, we are one of the three biggest exporters in the world with Italy and China. Dynamically, we are a very powerful country. The jewelry sector is one of the most important sectors with no scaling problem in Turkey. Turkey has a production capacity of 16 - 17 billion with one shift. If we increase this to two or three shifts, we can reach 50 - 60 billion dollars without any investment.





**What can be done to improve Turkey's jewelry production and to increase exports? What are your plans?**

We have a strong production capacity. We use technology very well, but we are dragging to use new technologies. The first problem is here. To be fair, Italians create new technologies. They innovate first, and then we implement it. We are great at implementing; we can even improve after we get the first inspiration. But there is no technology that we have discovered before anyone else. This is the most important thing. The machinery sector and the chemical sector are not aware of the jewelry sector. Although jewelry is a labor-intensive sector, technology is also used. Therefore, the jewelry sector uses laser and 3D technologies very intensively. The by-products of these technologies also come from abroad, which can be produced here. Secondly, another shortage in Turkey as I always say is the design process. Unfortunately, we follow in design. Someone makes a design; we see it and we do a better job than them. We invest in design a lot; we organize trainings and design competitions and we call out to all jewelry companies to



**"We can export 12 billion dollars if the government wants us to."**

create a design department. We have vocational schools on design in 21 universities, design departments and we say that we should place the graduates to work. Other subjects are sub-details, such as stone cutting. Stone cutting is on Turkey's agenda for a long time, because if you want to produce something really special you must cut the Stones accordingly. There are two kinds of stones in the world, standard stones that are used everywhere and special cut stones. Italians cut their stones according to their designs, China and Thailand are also very successful. When they produce a non-standard model, they can also cut non-standard stone. We design our models according to the standard stones, which are more readily available, but then the added value is low. We have been working on stone cutting villages Project for a long time. Stone cutting has two disciplines; one is diamond cut, the other is colored stone cut. We do our cutting for colored stones. In fact, we will soon establish a stone-cutting workshop and bring craftsmen from Thailand. The annual cost of this will be about 100 - 150 thousand dollars. First, we want to bring these two foremen and plant the seeds

that are related to special stone cutting here. Therefore, when these three parts of Turkish jewelry improvements are implemented and the completion of its own technology, we will be the market leader if we are to be a country that uses its own design and cut the stones.

There are classical moves for all sectors to increase exports. They organize fairs, conducts B2B meetings, the marketing staff of each company travel around the world, these are standards. However, it is not always possible to reach the target customers. We want to get out of the standards now. It is an age of communication and relationship; we will carry out all our marketing activities with the motto "relation & communication". People no longer have the trouble in finding goods, everyone finds the goods they want to find according to their fiscal strength. When we thought about how we could do this, we decided to create a B2B holiday format. First, we started with Saudi Arabia, then in Miami and invited nearly 125 companies from America and Latin America. We both offered them a holiday opportunity and we had the chance to meet them and show them our collections. This format is very popular in America. Then we decided to divide our target points into four in the world. Between 3rd and 7th of January we organized the first fair of the year, we brought together 200 buyers from 16 Russian-speaking and 25 Eastern European countries in Antalya. It was a fair in which 54 companies participated, the strongest of their regions. The Russian geography has such a characteristic that it corresponds to 30-35 percent of December sales. After these



sales, they cannot supply new goods until the end of February or even March. We will now do the same in Dubai for the Middle East and Africa, and in Singapore, Malaysia, or Hong Kong for Central Asia, Asia, and Australia. There are also other challenges, such as bureaucratic transactions and geopolitical tensions while exporting. Therefore, there is an expectation that the barriers in front of the sector will be removed to ensure better export values. Therefore, the increase in exports is not only in the hands of exporters but also in the hands of the government, trade and finance ministries. These institutions need to clear the way for the exporters, this is the way to increase exports.

Jewelry export has a great export capacity, the jewelry sector is a strategic sector. The jewelry sector has ended 2018 with 4.5 billion dollars of exports, in 2019 this figure was 4.2 billion dollars. In 2017, we said that we could increase our exports by using the inward processing regime. For the last two or three years, especially in the term of Trump, dollarization, sanctions, swift problems, barriers and geopolitical tensions have made it difficult to reach and transfer the dollar. The countries we export to are mainly Iran, Iraq, Syria, Dubai, Saudi Arabia, Pakistan, India Africa, and North Africa. The world's largest gold producers are Kyrgyzstan, Uzbekistan, and Russia, and the largest gold trade is in Dubai, the United States, China, and Saudi Arabia. We recommended that these countries apply an internal trading regime as it would take years to sign a trade agreement. This is in the tax legislation of all countries. In 2019, we exported

3 billion dollars under the internal trading regime. Our export figure of 4.2 billion dollars only shows exports made in foreign currency, the net export of the sector is 7.2 billion dollars. However, these efforts declined at the end of 2019 with the decision taken in a way to give a serious blow to the internal trading regime. If the manufacturer of the gold bullion is not listed on the London Bullion Market Association (LBMA), the gold bullion cannot be transacted. If the manufacturer is listed on the London Bullion Market Association (LBMA), the bullion would be approved in Turkey's gold exchange, increasing costs. It will then reach the manufacturer, be processed and resold. However, if the gold is produced in a refinery that is not a member of LBMA, it is sent back to the manufacturing country. While there is a total of 650 refineries in the world, the number of LBMA members is only 64. We reached 3 billion dollars of exports within the framework of the internal trading regime. The internal trading regime was a very important system for us, both China, Russia, Uzbekistan, and Kyrgyzstan have incredible gold mines. The incoming gold from these places, that we aspired to process, has stopped now. The



We will carry out all our marketing activities with the motto "relation & communication".

internal trading regime was one of our major export items, and we hope for a return from this decision. Another issue is the fact that Dubai, the world's export leader, who has no production but lifts the upper limits for gold entry into the country and can export 100 million dollars to the regions where we export 10 million dollars. We offered to apply this with the limitation of three kilograms of gold with the passenger. These incoming gold scraps are accepted by OECD because of its origin. However, the suggestion was not accepted, I think we could not fully explain. If these two important issues were hurdled over, we could bring Turkey to an important place in the jewelry industry.

### **What is the trained personnel power of the jewelry industry? What jewelry sectors contributions to employment?**

The jewelry sector provides employment for approximately 250 thousand people with approximately 6 thousand manufacturers and 35 thousand jewelers. Since we are a labor-intensive sector, we are having problems finding new employees. We must recruit our employees from vocational high schools and



bring them to the sector. We are a sector that needs total dexterity and professional competence. With the recently introduced system, the project of working in workshops for three or four days a week is a very important project, especially for the students in vocational high schools. The raising of the labor force in workstations instead of schools is a very important project. Turkey has 10 percent unemployment but there is no staff to employ. There are two contrasts here, on the one hand, everyone is looking for qualified staff, on the other hand, there is unemployment.

#### How would you evaluate 2019 export?

If we look at the total export data, we have completed the year with a record level of 7.2 billion dollars. Other than that, we have met with the Ministry of Tourism, as one of the most monetized sectors in the tourism sector in Turkey. The sector sells 4 billion dollars in jewelry to tourism. We have made a statement to the Ministry of Tourism, in parallel with the goal of a thousand dollars expenditure per person from 650 dollars and claimed that a shopping list for tourists could be made and the jewelry sector should be placed among the first row.

We have a gold export of 7.2 billion dollars, jewelry exports of 4 billion dollars and an average of 6-7 billion dollars



Turkey one of the world's three largest manufacturers, with approximately six thousand manufacturers and 35 thousand goldsmiths and subsidiaries, employing 250 thousand people.

in the domestic market. All in all, the jewelry industry is in a good state. After the currency fluctuations in 2018, some restrictions came on credit cards and the installments for the jewelry sector were reduced to zero. However, the number of installments was later increased to eight for the jewelry. We try to break down the perception that gold is a luxury consumption tool and to create the perception that gold is a luxury saving tool. In 2019 the world central banks have raised their gold reserves, including the Central Bank of the Republic of Turkey, as the largest physical gold purchases made in the last 50 years. How can gold be a means of luxury consumption in a situation where world central banks strengthen their gold reserves? Gold is a luxury savings tool. In fact, gold is not a commercial commodity, gold is money. But the Ministry of Commerce, although we have tried to explain, sees gold as a commercial commodity.

#### What are the regions and countries that Turkey exports jewelry the most?

As Jewelry Exporters Association, we are exporting both gold bullion and processed gold, therefore, exports should be divided into two. In the export of gold bullion, sales are generally made to the central banks and the leading ones are the UK and Switzerland. In processed

gold exports, two countries stand out as dominant, Dubai and Iraq. These two countries are followed by the US with 300 million dollars, but the weight continues to be Middle Eastern countries.

#### How will tensions between the US and Iran affect jewelry exports?

The tension between the US and Iran will affect gold prices, while they will rise, the price-oriented markets, such as the Middle East and Africa will stop transactions. The sharp movements of gold affect our trade because we do business with the Middle East.

#### What are the new target markets?

If we sell our products to American and Asian geographies, those regions are not price oriented but jewelry oriented. Since the value-added price of the jewelry is high, the increase in gold prices disappears within the price. For this reason, during our visit to America, we aimed to strengthen our exports to Latin America and America. We have organized the Antalya fair for strengthening the relations with Russian geography and 25 countries in Eastern Europe. We do not exist in the Asian market; we need to develop.

#### What are your export targets for 2020 and 2023?

There are 500 billion dollars of an export value target for the year 2023 and the share of the jewelry sector was set at 12 billion dollars. We can export 12 billion dollars if the government wants us to. We cannot set a target for 2020 as the issue of the internal trading regime, the rise in gold prices, Middle Eastern tensions and the tension between the US and Iran may affect tourism. Geopolitical turmoil in the region affects our exports of jewelry and gold.

# A Master of Murassa: Hraç Aslanyan



*Starting jewel crafting as an apprentice of his uncle in Grand Bazaar, Hraç Aslanyan brought together the centuries old ceramics/porcelain tradition with the art of “murassa”.*

**IN 2008**, in order to sustain jewellery art and to convey the Grand Bazaar jewellery tradition to the young generations and to build bridges among generations, he established Mahrec Sanatevi (Mahrec Art House) together with the Istanbul Chamber of Jewellery. Up until now Mahrec Sanatevi hosted hundreds of domestic and foreign students who are candidates of design and jewellery art and has become a training center acknowledged at national and international scale.

Aslanyan said that the hierarchical structure of master – apprentice relationship has disappeared in time. Relating this to the education system, he said, “Back in my day, then children were able to work as apprentices in any kind of profession. The obligatory education made drove

the youth away from some crafts. I am promoting education but as our orient culture diminished in time, we suffer from losing master-apprentice relations.”

“I recommend traveling to youngsters not just to see new figures,” says Aslanyan pointing out the importance of seeing the advanced technologies and different disciplines, to expand their vision, underlining the importance of getting to know about a craft from a different culture.

Joyfully stating that Turkey being a brand in jewelry market, Aslanyan said the precious treasure of Istanbul school in jewelry has received very nice influences from both the East and the West and these influences have blended very well, Istanbul being a cultural bridge rather than a geographical one. In parallel, many artisans from

the East, especially from Iran and the Caucasus, were brought after Fatih Sultan Mehmet founded the Grand Bazaar in order to protect precious arts. Aslanyan said, “At that time, Byzantium had a very rich culture. When all of them were blended, a very rich jewelry culture emerged.”

Aslanyan says that his exhibitions are mainly focused on US and Japan, because of the and respect for handcrafts in these countries, also adding the UK but not as much.

Stating that Turkey is a young and dynamic country in jewellery, Aslanyan pointed out that Turkey is not as powerful in jewellery sector as it deserves but its power is not half bad. Showing the way to get better as R&D and education in order to export value added products and to have a brand.



Pieces of jewelry crafted  
by Hraç Aslanyan





## Ariş on the Way to Become a World Brand

*Kerim Güzeliş, Chairman of Ariş Pırlanta, said that Ariş aims to add new ones to the countries to which Ariş exports with new stores.*

**ARİŞ PİRLANTA**, one of the most established companies in the jewelry sector with its 114 years of experience, has achieved many of the 'firsts' in the Turkish jewelry sector, will accelerate its growth with new stores to be opened both in Turkey and foreign countries in 2020. As part of its vision of becoming a world brand, Ariş Pırlanta took its first step towards becoming one of the leading brands abroad by entering the Turquality Program. Ariş Pırlanta Chairman of the Board Kerim Güzeliş said, "In the new year, the majority of our investments will be made abroad, creating dealers, sales point creation-development, brand investment and digital investments in the country."

### NUMBER OF BRANCHES TO INCREASE IN GERMANY

Güzeliş said, "We operate in Germany and Hong Kong abroad. In December 2016, we opened a store in Berlin, Germany. In 2020, our efforts to branching in Germany and increase sales points will continue. We have established connections with Netherlands, Austria and the Turkic Republics. In 2020, we will have store investments in these countries. We will also take part in international fairs such as Hong Kong and Inhorgenta. Netherlands, Austria and the Turkic Republics are among our target countries, while America and Arab countries are our targets in the long run. According to the road map we determined in 2015, we aim to be positioned in Europe in 10 years and to become a world-renowned brand in the second decade. We continue with the strategies we have created in line with this goal. We will continue to grow abroad with our retail stores."

## Zen Diamond seeks to expand in Europe and Latin Americas

*Chairman of the jewelry exporter Zen Diamond, Emil Güzeliş said that they export to different regions from their factory.*



**GÜZELİŞ** said that Zen Diamond has 68 stores in Turkey and 13 stores abroad; 3 of them are located in Düsseldorf, Cologne and Hamburg, 3 in Dubai, one in Cyprus, Iraq, Kuwait and Bulgaria as well as their new store in New York, USA and added that there are new stores to be opened soon in Kuwait and Iraq.

Zen Diamond also has wholesale offices in New York, Antwerp, Dubai and Düsseldorf, with these offices and the international fairs they attend, they sell their products to the whole world, Güzeliş says.

Güzeliş said: Zen Diamond's new target countries in 2020 are Middle Eastern countries because of the high perception of Turkish brands and researches for Europe and America is still underway.

Explaining the product segments that Zen Diamond expands abroad, Güzeliş pointed out that what comes to mind when people think of diamonds are solitaire rings, five-stone rings, full-rounds, waterway bracelets are the most popular jewelry in every country. Apart from these designs, there may be some slight differences according to the different regions that they produce special orders for he said.

Since there are no fast-changing and very different fashion trends in diamonds, as in textiles, Güzeliş claims that diamonds are a classic in every region. Zen Diamond having a large jewelry collection ranging from solitaire to five-stone, full-rounds, classics, colored stone models, large flamboyant jewels, bracelets, necklaces and wedding jewelry for daily use.

Güzeliş also added that Zen Diamond has a factory with the largest production capacity in Europe and the Middle East where all Zen Diamonds production is made.



# Excellent Quality & Endless Variety



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# Turkey's Car Introduced



*Turkey's Automobile Initiative Group (Türkiye'nin Otomobili Girişim Grubu), TOGG, introduced a preview version of the C-SUV models which will begin production in 2022, at the Innovation Journey Meeting in the IT Valley in Gebze. A C-Sedan concept was displayed along with the C-SUV model.*

**OFFICIALLY** established on June 28, 2018, TOGG introduced the first pre-screening vehicle and its Sedan concept, revealing the point of design and engineering works only 18 months after its establishment, to lay the foundation of its factory in Bursa, in 2020. By 2030, it will produce 5 different models on a joint e-platform, with fully owned intellectual and industrial property rights.

Founded with a unique collaboration model in Turkey and with the synergy of The Union of Chambers and Commodity Exchanges of Turkey (TOBB), and companies Anadolu Group, BMC, Kök Group, Turkcell, and Zorlu Group, which have experiences in different areas such as retail, automotive, telecommunications and consumer electronics, TOGG introduced the first prescreening car to Turkey and the world, which foretold that automotive has become a mobility ecosystem.

Almost 2 thousand people

including President Recep Tayyip Erdoğan, National Assembly President Mustafa Şentop, Vice President Fuat Oktay, Members of Presidential Cabinet, Board Chairman of the Union of Chambers and Commodity Exchanges of Turkey and TOGG Rifat Hisarcıklıoğlu, Turkey's Automobile Initiative Group shareholders, representatives of the business world, TOGG employees and relatives, was at the ceremony of Turkey's first automobile with great enthusiasm and admiration.

Hisarcıklıoğlu said, "We missed this opportunity in the 1960s. But this time, we will accomplish it."

## **ALL NEW, NATIVE ELECTRIC MODULAR VEHICLE PLATFORM**

Three main pillars defining the all new, native electric modular platform that will provide the infrastructure for all models of the TOGG range are as follows:

1. Genuine: An all new, state-of-the-art, native electric and connected platform, completely developed by TOGG engineers, with intellectual property rights 100 percent owned by TOGG.
2. Modular in length and width to support



all vehicle variants with max efficiency, comfort, durability and safety.

**3.** The infrastructure that maximizes the width, spaciousness and comfort of the living space in the car by offering the longest wheelbase in its class. where it was met with great enthusiasm and admiration.

Regarded as one of the projects of strategic importance in 2023 by the Ministry of Industry and Technology, TOGG will be one of the pioneers in the targeted technological transformation.

### We're one step closer to a half-century dream

TOBB President and TOGG Chairman of the Board Rifat Hisarcıkhoğlu said, "At the TOBB General Assembly in 2017, our President called and asked us to undertake this project. We brought together our big players and kept our promise. Automotive industry is changing the shell. And a new window of opportunity opens for us. We missed this opportunity in the 1960s. But this time, we will accomplish it."

### "It is beyond a car"

Do you know why we call it as Turkey's automobile?" asked Hisarcıkhoğlu and answered; "Because, it will not only be

manufactured here, but the brand, patent and design will be ours. We won't buy a license; we will sell a license. We will not assemble; we will make them assemble. We will not work for someone else's patent; we will employ foreign engineers for our own patents. Hopefully in 2022, we will get our first vehicle from the production line. Turkey's automobile is more than just an automobile but a challenge. Turkey's automobile is a technological transformation, a global brand, creating 20 thousand additional jobs, and will contribute 7.5 billion dollar reduction in the current account deficit. It will contribute 50 billion dollars to the gross domestic product.

### Transformation has just begun

Speaking about the transformation of automotive to mobility ecosystem TOGG CEO M. Gürcan Karakaş said, "Everyone is at the beginning of the electric and connected automobile race in the world. Agile, creative, collaborative and user-oriented organizations will succeed in this race. We are in the right place at the right time."

TOGG to create 20 thousand additional jobs and will contribute 7.5 billion dollar reduction in the current account deficit.



Further noting that the first vehicle they produce will be a SUV, Karakaş explained the reason for this as follows; "SUV is the fastest growing segment of the past 5 years and will remain so in the next 5 years across the world and in Turkey. Also, we know that this is the most suitable segment to create a popular brand as it is the most desired segment by Turkish consumers, alas a domestically produced alternative is almost non-existent."

### Inspired By Tulips

TOGG worked with Italian design firm Pininfarina on the C-SUV's styling. The idea was to create something that appeals to both Turkish and global consumers. Inspired by Anatolian Culture In addition to be shaped by Turkish consumers' insights, the design is also inspired by Turkish culture. The tulip, which has strong roots in Anatolian culture, has become an inspiration figure. A stylish interpretation of tulip design is imprinted on the front grille and wheel rims, to give the car its signature look, while underlining the deep connection with Turkey's rich cultural heritage.



### WHAT TOGG OFFERS

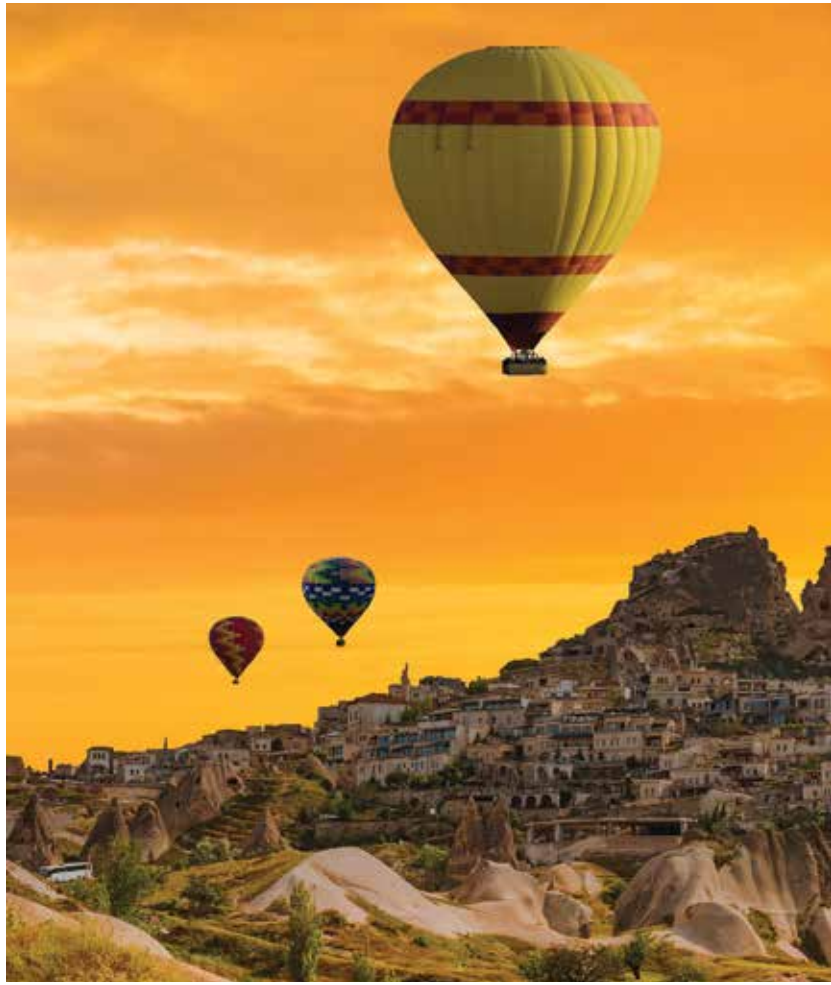
- ▶ Electric Driving Experience ▶ Range Over 500 Kilometers ▶ Rapid Charge Under 30 Minutes ▶ 8-Year Battery Warranty ▶ Economical and Environmental Awareness
- ▶ Unique Driving Dynamics ▶ Unmatched Performance with 0-100 km/h Acceleration in 4.8 Second

### ADVANCED SAFETY

- ▶ Driver Support Systems Updated on the Internet ▶ More Than A Car: New Smart Living Space ▶ A Unique Experience With Disruptive Technology

# Turkey eyes 120 billion USD from tourism

*Transformation Tourism Scenarios Report foresees that Turkey could host 104 million tourists and could obtain 120 billion dollars of tourism revenue in 2033.*



**THE REPORT** prepared by the Turkish Tourism Investors Association (TTYD) with the cooperation of Turkish Industry and Business Association (TUSIAD) studies the transformation scenarios of the tourism sector, one of the key players in Turkish economy.

The report, which has been worked on since May 2017, aims to diversify the tourism and spread it to the country for 12 months, and to increase tourism income per capita, and includes analyzes and strategic transformation scenarios.

## **MINISTER OF CULTURE AND TOURISM ERSOY: WE AIM TO GENERATE A REVENUE OF OVER 40 BILLION USD THIS YEAR**

Culture and Tourism Minister Mehmet Nuri Ersoy said that, 51 million tourists have visited Turkey in 2019, an average of 71 dollars of price per person per night have reached and the expected tourism income at



We have worked on five scenarios; third age tourism, health tourism, urban transformation in tourism, promotion advances and the diversification of accommodation.

around 34 billion dollars was achieved in 2019 and added the exact figures will be announced at the end of the month.

Ersoy announced that in 2020 the expected number of tourists to be 58 million, tourism revenues over 40 billion dollars and pricing per person per night to be 78 dollars. Speaking about 2023 goals Ersoy said that the expected number of tourists to be 75 million, tourism revenues to be 65 billion dollars, and the price per person per night to be at 91 dollars.

## **TWO MEGA PROJECTS IN ÇEŞME AND DİDİM**

Ersoy said that the Ministry was working on two major projects that are projects that are respectful to nature, sensitive to recycling and have the infrastructure and product variety required by 12-month tourism in Çeşme and Didim region. "Tourism residences, third age tourism and health tourism projects are the projects to be

launched next year," he added.

Reminding that the Ministry have implemented the Tourism Development Agency, which started to be implemented 100 years ago in countries with high tourism income, Ersoy said, "With the agency we had the opportunity to promote sustainable, intensive, effective and widespread promotion with the innovative communication and technology of the era. Our budget to promote tourism was at 18 million dollars in 2018. We have increased the budget to 75 million dollars with some revisions. In 2020, with the contributions from the sector, we are increasing this budget to 180 million dollars. The next year it will be 200 million dollars, then 210, 2023, will raise 220 million dollars."



**TTYD PRESIDENT OYA NARİN: WE CAN OBTAIN 120 BILLION DOLLARS TOURISM REVENUE IN 2033**



in all axes. Kaslowski pointed out that the World Tourism and Travel Council predicted that the tourism incomes would reach 10 percent of the global economy in 10 years in 2012, and said:

“It took only four years for the sector to cross this threshold. The number of tourists, which was 25 million in 1950, reached over 1.4 billion in 2018. The diversity of mobility tools, the opportunities provided by technology and the rapid dissemination of information were very effective in reaching this scale. The new generations, which are becoming increasingly demanding, not only in their own country but also in every aspect of the planet, are now very effective in transforming their business models. The tourism sector continued to grow despite all the geopolitical uncertainties and economic instability in the world.

Our goal should be to maximize the contributions from this economic development, social and cultural rapprochement opportunities to our country. The increase in the number of tourists is undoubtedly important in this process, but the increase in income per tourist is even more critical in terms of sustainable growth. Focusing on programs that will strengthen the potentials of different types of tourism in a holistic and regional manner will provide significant benefits. In this context, it is necessary to strengthen the publicity tools, renew investments, continue new investments considering tourism trends and strengthen the infrastructure. I hope that the suggestions in the study shared today will be included in tourism-oriented strategies.”

Stating that the sector is affected by social and technological transformations and changing consumer expectations, Kaslowski emphasized that adaptation to all these changes requires measures and that the sector's cooperation with the public and academy will be an important catalyst in finding solutions to these problems.

TTYD President Oya Narin claimed that the tourism sector has potential to be the carrier of the development of the country has been confirmed analytically in the report.

Narin pointed out that if the conversion scenario was implemented the number of incoming tourists by the year 2033 would reach 104 million, Turkey tourism revenue would increase to 119 billion dollars and spending per capita would reach 1,150 dollars, according to the same scenario, the unemployment rate would fall to 7.6 percent and creation of additional tourism revenue could increase the quarterly GDP by 1.6 points on average.

Narin stressed that the report is a very serious scientific study and said, “We have worked on different scenarios. Many scenarios could be included in the report, but we chose the most measurable five scenarios; third age tourism, health tourism, urban transformation in tourism

such as the transformation of obsolete structures, promotion advances and the diversification of accommodation. So, if a new tourism regulation could be implemented with a proper public-private cooperation we can create a structure that aims to reach a tourism target starting from the management of destination points and spreading to 12 months and throughout the country, and by 2033 we can obtain a tourism income of 120 billion dollars and a minus 2.0 points advantage to the unemployment rate can be achieved.”



#### **TÜSiAD CHAIRMAN KASLOWSKI: INCREASING REVENUE PER TOURIST IS CRITICAL**

TÜSiAD Chairman Simone Kaslowski said that the added value created by all sectors is very valuable in terms of the power of the economy and that sustainability should be provided

▲  
Tourism promotion  
budget increased to  
75 million dollars with  
some revisions.



# Snow Globe of the World: Turkey

*Turkey, a potential “snow globe” of the World, has set about utilize it’s potential. Turkey has started an intensive work program and is increasing the capacity of its World renown ski resorts such as Uludağ, Palandöken and Kartalkaya.*

Whitefest, the entertainment marathon of Uludağ, which has been going on for 17 years, will take place between February 2-13 this year. The festival, which is held in three stages with four daily periods, will excite participants once again with its live performances, after ski parties, dance and laser shows.

### White Paradise: Uludağ

Turkey's "white paradise" Uludağ, is a destination with the reputation beyond the boundaries of Turkey. Uludağ is a center of attraction, with its proximity to the metropolitans of Turkey and Europe, as it is visited by foreign visitors almost as many as domestic visitors. Offering a postcard-like landscape with its ice lakes, plateaus and forest areas, Uludağ is frequently visited not only in the winter, but also in the summer due to its fresh air and hiking routes.



Kartalkaya, being one of the most important routes in the winter and ski tourism area, offers its visitors a great winter holiday with its international standard tracks, luxurious and comfortable hotels. The surrounding landscape with national parks and springs offers a delightful view is one of Europe's holiday spots.



**WINTER** tourism, generally included among “alternative tourism” policies, is an important tool for countries to increase tourism revenue and extending tourism over the whole year. Turkey has set out a road map for winter and ski tourism, which has a great potential.

Turkey, having potential over world standards in tourism, offers touristic services in every way with its natural, cultural and gastronomical values. Aiming to diversify its success in tourism with natural resources, Turkey has speed up the process of its share in winter and ski tourism.

#### **TURKEY, HAS THE POTENTIAL TO COMPETE WITH ALPINE MOUNTAINS**

Turkey's tourism has the potential to be an active touristic zone throughout the year with its unprecedented natural and having four seasons, even though touristic activities cluster at shores of Aegean and Mediterranean seas.

While the options besides sea tourism have been listed under

the title of “alternative”, Turkey has started to treat winter tourism like summer tourism, thanks to the recent tourism policies and incentives provided by the state. Turkey, having the means to achieve a successful winter tourism with its natural resources, is trying to get in the competition in winter tourism with the roadmaps created.

Located on the Alpine-Himalayan mountain range, Turkey has extensive mountainous terrains, which have a spot height between 1,500 – 3,000 meters. Mountains in Turkey, such as Beydağları, Taurus Mountains, Balkanlar, Aladağlar, Munzurlar, Cilo and Sat mountains and Kaçkarlar, have been formed at the same time period with Alpine mountain range. Therefore having similar flora even though they extend higher. In consequence Turkey has the potential to compete with Alps.

Turkey has recently started to consider winter tourism as a strong tourism category, but

studies show that with the studies underway and publication campaigns, Turkish winter tourism will be counted among the popular winter destinations.

#### **MASTER PLAN FOR WINTER TOURISM**

Turkey has created a new master plan for zones that have touristic value and added winter tourism to its “Tourism Strategy 2023” plan. Among the 7 main classifications of “Tourism Strategy 2023”, total bed amount capacity will be increased to 100 thousand in 29 centers in 2023 for winter tourism, from 13,500. Activities to increase the share of ski and winter tourism will put into practice to accomplish this objective. Extending the period of semester holiday and starting the semester holiday at different periods of time according to seasonal variations is considered as a part of this plan. There are regulations for promotional works underway to add the image of winter among the blue and green image of Turkey. On the

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Among the 7 main classifications of “Tourism Strategy 2023”, total bed amount capacity will be increased to 100 thousand in 29 centers in 2023 for winter tourism, from 13,500.

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Palandöken ski center, which has facilities where the Alpine discipline can be easily applied, acts as an international station in terms of ski sports and winter movements. Palandöken has the world's longest ski tracks, 28 kilometers in total length.

Apart from the Alpine Mountains, Sarıkamış ski facilities, which is the only place that has "crystal snow", use the crystallization feature for a long time because it does not frost due to low humidity.



other hand, there are studies carried out to create destination administrative supervisions for mountains and ski resorts, such as Erciyes.

The Ministry of Culture and Tourism works on the rehabilitation of regional touristic areas, especially in Central and Eastern Anatolia. The ministry is presenting incentives to entrepreneurs and investors put the virgin mountains in Anatolia into service. Eastern Anatolia is attracting attention of foreign investors with gastronomy, culture, history and architectural tourism among other touristic values. European and Arab tourism investors are aware and waiting to local winter tourism, which is considered as Turkey's most profitable sector in the near future. Turkey is also considering climate change and global warming while developing a strategy plan on winter and ski tourism. For the security of natural snow safety 2,000 meters is taken as reference on site of establishment for ski resorts. Transportation plans are

underway for the resorts that are below 2,000 meters, in order to eliminate risks and preparations for installing meteorological stations for the resorts that need one are being prepared. There are technologies to be implemented such as, artificial frost depositing, product diversification and cloud seeding to eliminate the affects of global warming caused by climate change. Hotels that lack snow due to global warming are using artificial frosting to maintain the quality and extend the winter season from the beginning of september to end of march.

#### **OCCUPANCY RATE REACHES 100 PCT.**

Figures of advancements in the skiing and winter sports reveal that Turkey could be an important center of winter tourism.

Ski centers in Turkey have almost reached the level of the Alps in terms of quality and price. Especially Uludağ stands out at this point. On the other hand, it started to show that it is a big competitor in terms of popularity,

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**Ski resorts have increased the number of visitors around 80 percent in the last 10 years and reached 100 percent occupancy rate in the semester holiday of 2020, contributing 1 million liras to the economy.**

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even though not being in line with the facilities in the Alpines but have already reached the ski resorts in Italy and Bulgaria, costing up to three times.

Ski resorts increased occupancy rate by approximately 80 percent in the last 10 years and increased the number of visitors from 3.5 million to over 8 million people. Resorts operated in full capacity in semester holiday and contributed 1 million liras to economy. Turkey have reached the tourist number from summer 2019 in winter tourism. This liveliness of the previous year continued from where it left off in the semester. The demand, which exceeded the capacity of the centers such as Uludağ, Kartalkaya, Sarıkamış, Palandöken and Erciyes, activated the services earlier this year. The density pushed investors to new regions. Investors started to determine road maps especially in the resort ski hotel area. There is also a liveliness in new hotels alongside the resorts of the local and foreign investors which are active.



# Turkey's innovation ecosystem grows above the EU average

*Innovation ecosystem has grown rapidly in the last eight years according to the report “Startup Ecosystem Status of Turkey-2019”, prepared by T. C. Presidential Investment Office and startups.watch.*

Turkish innovation ecosystem outperformed the EU average by 15.1 percent between 2010 and 2018

**THE REPORT** emphasized the growth in technoparks, the growth rate of technology transfer offices and incubators of innovation and growing ecosystem in Turkey. The sales of companies such as Trendyol, Yemek Sepeti, Markafoni and Gittigidiyor and over 100 million dollars in start-up investment has brought confidence in the innovation ecosystem of Turkey.

The IT has doubled in magnitude in the last four years and reached a total market size of 131.7 billion liras, growing 17 percent.

The information technology sector's growth has doubled and reached 44.7 billion liras in 2018. The report shows that the e-commerce market has increased as well, growing by 42 percent in 2018 compared to the previous year and reaching 59.9 billion liras.

### **TURKEY'S ECOSYSTEMS ARE GROWING ABOVE THE EU AVERAGE**

According to the 2018 European Innovation Score Table, although the Turkish innovation ecosystem is at a moderate level, outperforming the EU average by 15.1 pct. between 2010 and 2018.

### **550 START-UPS INSTALLED IN ONE YEAR**

In Turkey, 550 start-ups establish on average each year. Between 2010 and 2018 they managed to raise 488 million dollars from angel investors and venture capital investment funds. The report said: "Venture capital investment funds, licensed angel investors and angel investment networks invested a total of 58.7 million dollars in 2018. Turkish venture capital mutual funds invested 34.4 million dollars in the first quarter of 2019, while investing 39.2 million dollars in 2018.

### **GROWTH IN TEKNOPARK TURNOVERS**

Report shows that the number of technoparks has reached 81 as end of 2018, which began in 2001. According to the report, there are 5,334 start-ups in 81 technoparks and the total number of employees is around 51,574. Total turnover of companies in technoparks increased by 23.1 percent in 2018 and reached 16 billion liras. Total exports volume has increased by 31 percent compared to the previous year and is 3.8 billion liras.

# 550



The number  
of start-ups  
established in a  
year in Turkey

### **THE NUMBER OF ANGEL INVESTORS TRIPLED**

The report showed reason behind the rapid growth in the innovation and start-up ecosystem in Turkey, the supports and grant of the Treasury Department, Industry and Technology Ministry, TÜBİTAK and KOSGEB as well as the Regional Development Agencies. The increase in the number of venture capital mutual funds and angel investors created by the companies also made a significant contribution to the development of the start-up ecosystem. The main reason for this increase is a 75 percent tax advantage for licensed angel investors.

The number of venture capital investment funds created by companies increased to 25 in 2018 from two in 2010.

The number of angel investors licensed by the Ministry of Treasury and Finance reached 471 in 2018 from 155 in 2013.

The licensed angel investment network increased from 2 in 2013 from 15 in 2018.

Turkey performed over 15.1 percent of the EU average growth.

Turkish start-ups were funded 488 million dollars between 2010 and 2018.





# Franchise sector to create an ecosystem of 50 billion dollars in 2020

*Franchising sector, expected to create an ecosystem of 50 billion dollars, continues to grow as the number of franchise investors in Turkey exceeds 10 thousand in 2019.*



**FRANCHISING** is a business relationship in which the owner of the business providing the product or service assigns to independent people the right to market and distribute the franchisor's goods or service, and to use the business name for a fixed period of time.

The franchising system aims to enable the investor to have a business by using the knowledge of the institutionalized brand owner, by creating the equal opportunity in the region where they are located and by using their knowledge in making a serious investment.

Franchise system develops and grows with applications of many different brands from different sectors in Turkey. There are over 20 sectors in Turkey that operates with franchise system, are branding and growing with franchise system.

Turkish brands are not only an important player in service exports, but also an important tool in the development of Turkey's economy and international recognition.

Among the reasons for this rapid growth of the franchising system are the amount of capital required for the system, the motivation of the entrepreneur, the standardization of the system, an accepted brand and control mechanism.

The service sector has grown very rapidly in the world recently. In line with the growth of the service sector, there has been a very rapid growth in the franchising system.

Today, customers want to use time effectively. Therefore, they desire to purchase quality goods and services as fast as possible. This is possible by shopping

▲  
The food and beverage brands stand out among the 205 companies expanded abroad.

from the store brands where the products that have the accepted quality and are sold. At this stage, the importance of franchising becomes clear.

According to "Turkish Franchising Association, companies that franchise will open 3 thousand and 470 branches, while the total number of branches are expected to be over 7 thousand and create approximately 30 thousand jobs in 2020.

The size of the franchising system reached 43 billion dollars in 2019. The number of jobs created by the franchising market in 2019 exceeded 250 thousand people with 65 thousand branches. By 2020, the industry's market size is expected to reach 50 billion dollars.

More than 10 thousand entrepreneurs joined the



The size of the  
franchising industry  
reached  
**43**  
billion  
dollars

The market size  
expected to be  
**50**  
billion  
dollars  
in 2020

The number of  
jobs created by the  
franchise sector  
exceeded  
**250**  
thousand people.

The number of chain  
business in Turkey:  
**3500**

Number of branches  
connected to chain  
enterprises  
**65,000**

Number of Turkish  
brands opened abroad  
**215**



franchising ecosystem in 2019, while 205 Turkish brands expanded abroad.

### FOOD AND BEVERAGE SECTORS GROW

Franchising system grows stronger day by day in Turkey in sectors such as food, real estate, automotive and education. We see that many different brands from different sectors are developing and growing with franchising. As the sector grows, the interest in the franchising system in this field also increases rapidly.

With the growth of the real estate sector and foreign investors entering the market, there is a great interest in the franchise system in the field of real estate consultancy. Apart from these areas, service areas such as car wash, dry cleaning, sports, entertainment and education sectors also offer great opportunities for investors who buys franchises.

Currently, multinational brands are expanding in Anatolia through franchises. In the coming periods, a great opportunity will be created for those who want to stay in the metropolitan cities and do business in Anatolia.

The retail is expected to grow

in Anatolia due to the limited number of shopping mall projects to be opened in Istanbul. In this context, İzmir, Antalya, Adana, Mersin, Gaziantep and Hatay are shown as prominent provinces.

There is an estimated growth of 10 percent in the entertainment field in Turkey. This growth creates new potential business opportunities. It is possible to see new concepts in the amusement parks and playgrounds recently located in shopping malls.

There is an increase in the number of domestic brands in this sector, where investment amounts start from 100 thousand liras and reach up to 1 million liras. Experts

agree that entertainment concepts will mark the industry in the coming period.

On the other hand, the 'eatertainment' concepts, which are called experience-oriented workshops, have been successfully growing especially in abroad in the food and beverage category.

### ABROAD EXPANSION CONTINUES

The contraction in the domestic market has also accelerated the international expansion of brands that want to distribute the risk. The food and beverage brands stand out among the 205 companies expanded abroad.

### Advantages of franchising;

- Having a branded, reputable business.
  - Fast returnof investments.
- Establishing a proven, low risk business.
  - High income is provided at low cost.
- Well-known brand is invested that can be sold easily.
  - Having customers with limited expectations, that can be easily satisfied.
- Having an institution to consult if necessary.
  - Ease of investment and procurement.
- Marketing activities are carried out by the parent company.

# Turkish Airlines added the starting point of the historical silk road to its flight network



**OFFERING** its guests the opportunity to fly directly to 126 countries from Istanbul, Turkish Airlines added Xi'an, the Chinese city with three thousand years of history, to its flight network on December 30.

Xi'an became the flag carrier's fourth destination in Mainland China and the 318th destination in the world. The flights will be operated three times a week with Airbus A330 aircrafts.

Starting its flights to China back in 1999 with Beijing as its destination, Turkish Airlines

reinforced its strong position in Asia with the Xi'an flights. With this new addition, global carrier's flight network encompassed the entirety of the historical Silk Road.

During the ceremony of the inaugural flight, Turkish Airlines General Manager Bilal Ekşi stated; "We conclude the year by adding a very special city to our flight network after numerous innovations in various areas and the move to our new home that took place during 2019. We will carry our guests to 126 countries from Xi'an, one of the most

Turkish Airlines' flight network encompasses the entirety of the historical Silk Road

significant historical capitals while transferring the historical Silk Road to above clouds with our cargo operations. Our new flights will also contribute to the tourist numbers coming to our country with the increasing attention from Chinese tourists to tourism centers of Turkey."

Turkish Airlines passengers traveling to Xi'an, one of the oldest civilizations of the world, will have the opportunity to explore the numerous cultural heritages along with the historical fabric of the three thousand years old city. Serving as the capital of 13 different dynasties during the history of China, the region's most popular destination is the Terracotta Army, which draws over two million tourists annually. Hidden underground for nearly 2200 years, it was first discovered during the excavations in 1974. Featuring eight thousand terracotta soldiers, it is considered as the Eighth Wonder of the World.

## Anadolujet goes global with its new international flights

**TURKISH** Airlines' AnadoluJet brand goes global on March 29 with its new international flights from Istanbul Sabiha Gökçen Airport.

With its whole operational processes covered by the Turkish Airlines assurance, the international flights will also put comfort at the forefront. The onboard catering by Turkish DO&CO will continue free of charge.

Sharing his views on the new planning, Turkish Airlines Chairman of the Board and the Executive Committee, M. İlker Aycı stated; "To this day, we carried millions of passengers to four corners of the world with our brand Turkish Airlines. From March 29 on, AnadoluJet will continue the example of Turkish



Airlines and will open its doors to the world, allowing us to carry more passengers with the Turkish hospitality. We wish to make AnadoluJet the airline that becomes the meeting point of the world just as its namesake Anatolia, the land that was and is the connecting point of numerous civilizations throughout the history."

With its aircrafts consisted of solely economy class, AnadoluJet will increase the passenger capacity by 22 percent. With

this new strategy, the number of additional offered seats will be 1.2 million. New flight planning will offer 30 percent better connectivity for the connected domestic and international flights.

AnadoluJet is now waiting to offer its unparalleled domestic service provided with Turkish Airlines' experienced crew to its passengers travelling abroad. Starting on March 29, tickets for the new flights are available via AnadoluJet and Turkish Airlines sales channels.

*Philipp Haas, Chairman of BOD&CEO of Deva Holding:*

# Turkey is a promising and fascinating country

*Philipp Haas, Chairman of BOD&CEO of Deva Holding since 2008, two years after founding Eastpharma as a part of a takeover of Deva Holding, states that Turkey is a promising and fascinating country. Deva exports to over 50 countries after establishing its international markets department in 2009.*



**THE HISTORY of DEVA begins in Istanbul in 1958. What are the key milestones of DEVA? Currently, what are the key therapeutic areas of DEVA and what is the production capacity?**

DEVA is a local, long-established pharmaceutical company operating in Turkey since 1958. Currently, we are engaged in manufacture of human medicinal products, pharmaceutical raw materials, medical ampoules and animal health products. Employing 2,300 associates, with EU GMP and US FDA approved manufacturing sites, awarded R&D center, and exports to foreign countries, we

▲ I believe Turkey has a very high potential to develop a wide range of industries. The country has all necessary conditions to develop high tech industries, such as pharma and biotechnology among others.

create value for Turkey. At DEVA, our goal is to manufacture every medicinal product in Turkey, which can be locally manufactured, and offer accessible treatments on a global scale.

Currently, we have over 600 products in our portfolio across 13 therapy areas, ranging from hematology and oncology to cardiology, respiratory and ophthalmology. Our portfolio diversity and wide variety of forms distinguish us from other companies. Recently, our portfolio has expanded with new products in the fields of antihypertensive, antibiotic, osteoporosis, NSAI and oncology. We also have new

products in PAH and MS fields.

All our products are manufactured in our sites, 2 of which are in Çerkezköy and 1 in Kartepe, which are all equipped with the state-of-the-art technology and have international quality standards. We are one of the most diversified pharmaceutical companies with more than 30 forms in our 3 production facilities with an annual production capacity of 578 million units.

**Turkey's economy has passed through a difficult period in 2019. Can you tell us about the investment of DEVA in Turkey?**

2019 has been a challenging year for the pharmaceuticals industry in terms of the exchange rates, pricing and restrictions. I believe that our country has a great potential for the pharmaceutical industry, and it is worth investing. At DEVA, our goal is to manufacture every medicinal product in Turkey, which can be locally manufactured, and offer accessible treatments for the medical community. We continue investing to that end. Our output has climbed to approximately 240 million units from 60 million over the past decade. We are increasing our output at a growing rate every year and this increase will continue in 2020.

**You have been in Turkey for years and you know well about the Turkish business world. How would you define Turkish business world and ecosystem? What are the distinctive characteristic features? What would you say about Turkey's production and manpower?**

Turkey is very promising country. I am more confident in Turkey's environment for producing quality pharmaceuticals, because Turkish people are hardworking, honest and ambitious. As DEVA, our excellence in product quality is confirmed. Our EU-GMP certified and US FDA approved facilities operate at higher standards than most European and US manufacturers.

**TELL US ABOUT DEVA'S EFFORTS AIMED AT INTERNATIONAL MARKETS.**

We have established our international markets department in 2009. Currently, the scope of our international operations span business models such as distributorship, in and out licensing, direct selling of DEVA-brand products, API exports,

toll manufacturing and co-development. We have made important headway toward becoming a global-scale company within a quite short time. The number of approvals we hold has exceeded 700 in 60 countries around the world, including the USA, Switzerland and Germany. Currently, we are exporting drug products and APIs to more than 50 countries. Moreover, our other international operations are conducted under the Devatis brand name in the USA, Germany and Switzerland.

Local manufacturing and export must have a fair share of a healthy economy. It is also our aim to export products that we manufacture in Turkey to countries around the world. We are working hard to represent Turkey in the best way on the international stage. We meet all established international standards. We are proud to be making a positive contribution to the national economy with our growing exports.

**Which industries will be prominent? What do you think about the potential of Anatolia in terms of production?**

I believe Turkey has a very high potential to develop a wide range of industries. While Turkey is already strong in traditional industries such as commodities like steel, textiles, white goods, cars and tourism, the country has all necessary conditions to develop high tech industries, such as pharma and biotechnology among others.

At DEVA we are committed to contribute to the development of the pharmaceutical industry and as such we are convinced about the potential of the pharmaceutical industry here in our country. First of all, the Turkish government is putting a lot effort into developing the

health care sector as a whole. Both private and government hospitals are built, improving access to health care to the whole population and also there is an important health tourism industry developing. We see it as our mission to provide highest quality pharma products to the Turkish patients, while at the same time developing the same products for the export markets and our export strategy is designed to promote the Turkish pharmaceutical industry all over the world.

**BESIDES, RENEWABLE ENERGY AND ARTIFICIAL INTELLIGENCE ARE ALSO PROMISING.**

In terms of new technologies, among others, at DEVA we established a biotechnology center and started to invest in developing biotechnology products. Of course, this is a challenging area, but Turkey offers a good environment in terms of institutions, regulations and human resources

**Did you have a chance to travel in Turkey? Where are your favorite places?**

Turkey is a fascinating country. It is a unique geography that connects east with west. I have travelled to all regions in Turkey and I am impressed by the natural beauty I have encountered and by the rich diversity within the country. Wherever you go, you encounter remnants of Turkey's long and rich history. Well maintained and preserved ancient towns from Greek and Roman times remind the fact that Turkey was leading the development of the civilizations during thousands of years. But there are also historic sites reminding us of events during the First World War. For instance, I have been to North Aegean this summer. The history of Gallipoli and Dardanelles affected me deeply.



Currently, we have over 600 products in our portfolio across 13 therapy areas, ranging from hematology and oncology to cardiology, respiratory and ophthalmology.

## 3 words that define Turkey for Philipp Haas:

# Home Future Growth

# Gastronomical reflection of Turkish Culture



## MEDITERRANEAN CUISINE

*Turkey has created “Turkish Mediterranean diet” by adding its values and satisfying all the criteria of the Mediterranean cuisine and which is under the protection of UNESCO as a cultural value.*



**UNLIKE** many other ethnic cuisines, Mediterranean cuisine is not the monopoly of a particular culture. On the contrary, it is a valuable “label” and a cultural blend shared by various peoples living around the Mediterranean basin. The cuisine of this geography, shared by many countries, includes different cultural variances and cooking techniques.

Mediterranean cuisine is the product of a cultural influence and change, although it is not under the influence of a single culture. Mediterranean, which is at the intersection point of Asian, European and African continents, has been shaped by the world's greatest civilizations throughout history. Mediterranean Region, which is one of the biggest trade centers of centuries, has created a cuisine that affects the whole world as a result of the interaction of different cultures and many components turned into a whole.

Being a cradle of civilizations, Mediterranean reflects the

cultures, beliefs, lives and material values that it accumulated over centuries to its spiritual values. These values are still reflected in the social relations and cuisine of the region. That is the reason UNESCO added Mediterranean cuisine to the “Intangible Cultural Values List” 2013. UNESCO expresses this in its own words as: “The Mediterranean diet involves a set of skills, knowledge, rituals, symbols and traditions concerning crops, harvesting, fishing, animal husbandry, conservation, processing, cooking, and particularly the sharing and consumption of food. Eating together is the foundation of the cultural identity and continuity of communities throughout the Mediterranean basin. It is a moment of social exchange and communication, an affirmation and renewal of family, group or community identity. The Mediterranean diet emphasizes values of hospitality, neighborliness, intercultural dialogue and creativity, and a

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**UNESCO:**  
The Mediterranean diet involves a set of skills, knowledge, rituals, symbols and traditions, particularly the sharing and consumption of food.

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### Alaçatı Herb Festival



**THE ALAÇATI** Herb Festival, which will be held for the 11th time this year, will take place between April 9-12.

Alaçatı Herb Festival is one of the most popular activities in İzmir that shows the unique herbs and healthy cuisine of the Mediterranean and Aegean to the world. Although the festival is new as of its history, the life of herbs and the tastes prepared with those herbs are based on centuries, and people from all over the world have been consuming these tastes for the same period. For this reason, it has been receiving great attention globally since its debut.

The main purpose of the festival, which brings the Aegean and Mediterranean flavors to plates every year, is to make the cuisine that is accepted as a “culture” and its ingredients permanent in the history of the world gastronomy and present it to generations to come.



## International Urla Artichoke Festival



**ONE OF THE MOST** famous Mediterraneans, "artichoke" is the one of the most popular dishes and comes in with dozens of different ways. Artichoke, which is not missing from the tables of Turkish people, always finds its place in regalements, which is a reflection of Turkish hospitality.

Artichoke, which is mostly adopted by Turkey, compared to other Mediterranean countries, is getting more appreciation each year in Urla, Izmir with International Urla Artichoke Festival. The festival, which shows that this flavor is known all over the world, also shows that Turkish chefs can create faces with a vegetable.

The International Urla Artichoke Festival will be held this year from 24 to 26 April.

▲ The popular ingredients of the Mediterranean cuisine such as olive oil, olives, spices, vegetables, fruits, grains and seafood can be prepared in thousands of different ways in Turkey.

way of life guided by respect for diversity. It plays a vital role in cultural spaces, festivals and celebrations, bringing together people of all ages, conditions and social classes.

Turkey is the greatest representative of the values as one of the guarantors of sharers of Mediterranean cuisine. Moreover, the characteristics emphasized by UNESCO's are not actually in a situation in which only the Mediterranean region of Turkey; hospitality, neighborhood values, catering and pleasantness is the culture of Anatolia. Wherever you go in Turkey; you find someone inviting you to their dining table. There is always someone in these lands who will ask if you are hungry. Thus, Mediterranean cuisine is actually an indicator of moral values of Turkey and offers it's visitors this culture with generosity.

### UNITY SHAPED BY CLIMATE

The inclusive features of the Mediterranean cuisine are largely shaped by the region's climate and geography. There is no need for anything other than the common eatables used to see the common point between the culinary traditions developed in the Mediterranean. The rest is up to the creativity, culture, habits and diversity of the communities that are sharers of this cuisine.

The biggest factor shaping and

diversifying the Mediterranean cuisine in Turkey is the based on the enormous diversity in social structure people of Anatolia. Turkey, inhabiting this valuable geography between east and West, has the ability to produce suitable flavors for every taste. Turkey has created "Turkish Mediterranean diet" by adding its values and satisfying all the criteria of the Mediterranean cuisine.

The popular ingredients of the Mediterranean cuisine such as olive oil, olives, spices, vegetables, fruits, grains and seafood can be prepared in thousands of different ways in Turkey. Every flavor is used in different ways, thanks to the people of that region adding their own cooking methods and practices.

"Wheat", which is the key element of the Mediterranean cuisine, has been a part of the Anatolian culture for centuries. Wheat, which is of great importance in the dietary habits of the old Mediterranean peoples as well as in commercial relations, is used a lot in Turkish dishes. It is paired with various vegetables and seafood, in addition to bread and bakery foods.

The history of olive oil, the symbol of the traditional Mediterranean diet, in Turkey is estimated to be 4 thousand years. Olive oil, used in every meal of the day, was born in this land and spread to the world. Olive



oil has a wide range of usage in Turkish cuisine, from breakfast to main dishes, from fried dishes to appetizers.

Olive oil dishes are used as both the main course and appetizers in the separate heading in Turkey Mediterranean cuisine, “Turkish Olive Oil Dishes”. Turkey, being a brand in appetizers together with Greece, is also one of the world brands in olive oil, which constitutes the main characteristics of the recipes in this category. The quality and taste of olive oil produced in the country has a reputation worldwide.

Vegetables and fruits, which are among the main topics of the Mediterranean diet also constitute the most important part of Turkish cuisine in general. These foods flavored with olive oil in the Mediterranean region show a great variety under the influence of cultural differences. Many vegetable dishes that symbolize our cuisine from past to present, such as stuffed leaves, borani, and silkme, gives a basic idea about the variety and methods of Turkish Mediterranean cuisine, that has the richness from so many cultures and peoples lived in Anatolia throughout the years.

Seafood, which is one of the main aspects of the Mediterranean cuisine, can be used alone in the local Mediterranean cuisine and can also be served with vegetables and cereals.

### A PERFECT CUISINE SYNTHESIS

Turkey acts like a great springboard to ensure access to universal culture of Mediterranean cuisine, given the flavors it has, is a significant example of the protection of cultural values transmitted from history but also about continuity and diversification.

When you go deep into the Mediterranean food culture, you see a perfect culinary synthesis. Since the ancient times of history, we are evaluating the cultural richness of the region, which uses the freshest herbs, rich seafood, olive oil and vegetables, only with lists in restaurants and cooking schools. However, when you are visiting the houses of the Mediterranean and Aegean, you may have difficulty digging to the roots of this depth.

No matter which city or village of the Mediterranean and Aegean regions you go, you can taste a dish made with the same ingredients but different recipes in this cuisine. This is exactly what the cooking method, culture and diversity that UNESCO mentions. The tastes in Mediterranean cuisine of Turkey can be diversified to the districts. You can reduce the Mediterranean cuisine to Hatay, Izmir, Antalya. If you need to taste even more specific flavors, you can diversify Izmir with Urla and Hatay with Iskenderun.

Vegetables and fruits, which are among the main topics of the Mediterranean diet also constitute the most important part of Turkish cuisine in general.

### One Quarter of Tourism Share from Cuisine



#### THE MEDITERRANEAN

flavors, while being presented as one of the three healthiest cuisines in the world by experts, rapidly increased its popularity all over the world and provided a great tourism potential for the countries sharing this culture. Turkey, supported by the natural, historical and cultural values of the Mediterranean, serves Mediterranean flavors to millions of visitors.

Tourism, which has around 25 per cent share in Turkish economy, ranks among the countries that has the highest share in gastronomic tourism income in total tourism income. Turkish dishes are the leader in countries that its dishes are adopted by other cultures. Turkish dishes such as stuffed leaves, baklava, cacik, lavaş, doner and many more dishes put up a fight for identity.



## Göbekli Tepe visited by record number of tourists in 2019

**GÖBEKLI TEPE**, which was taken by the UNESCO to the World Heritage List and accepted as the zero point of history with its 12 thousand years of history, provided a record visit to Şanlıurfa in 2019. With the announcement of 2019 as the “Göbekli Tepe Year”, more than 5 million local and foreign tourists visited Şanlıurfa in 2019 with 1 million 100 thousand accommodation.

## Spoonmaker's Diamond reopens to visit

**ACCORDING** to the statement made by the Presidency of the National Palaces Administration, priceless treasures kept in the warehouses began to be unearthed after the transfer of Topkapı Palace to the Administration. The 86-carat “Spoonmaker's Diamond”, which is exhibited as the biggest and the most famous of the historical diamonds, started to be re-exhibited in the Outer Treasury Department, where the weapon collection of the Topkapı Palace was exhibited. Long queues formed in front of the Spoonmaker's Diamond, surrounded by 49 large diamonds, which attracted attention.



Spoonmaker's Diamond is considered the fourth largest diamond of its kind in the world.

## Foreign visitors to Turkey increased by 14.31 pct. in 2019



**ACCORDING** to the January-November 2019 data of the Ministry of Culture and Tourism; the number of foreign visitors increased by 14.31 percent compared to the same period of 2018, to 42 million 910 thousand 408 in 2019. In November, the number of foreign visitors increased by 11.41 percent to 2 million 190 thousand 622 compared to the same month of the previous year. According to the World Tourism Organization (UNWTO) data, Turkey was the sixth country with most visitors worldwide in the visitor rankings. Turkey is also Europe's sixth country in most tourism revenues and the fourth country that hosts most tourists in Europe.

# Turkey sends a new list to UNESCO

**TURKEY**, having signed the UNESCO World Heritage Convention in 1983 and registered 18 places from Turkey so far has sent a new provisional list to UNESCO. In the temporary suggestion list sent by the Ministry of Culture and Tourism, there are 19 places in total including 2 natural-cultural areas, 2 landscaping areas and 15 cultural assets, including the Süleymaniye Mosque, Harran, Mardin and Diyarbakir Castle.

## THY increased the number of women pilots

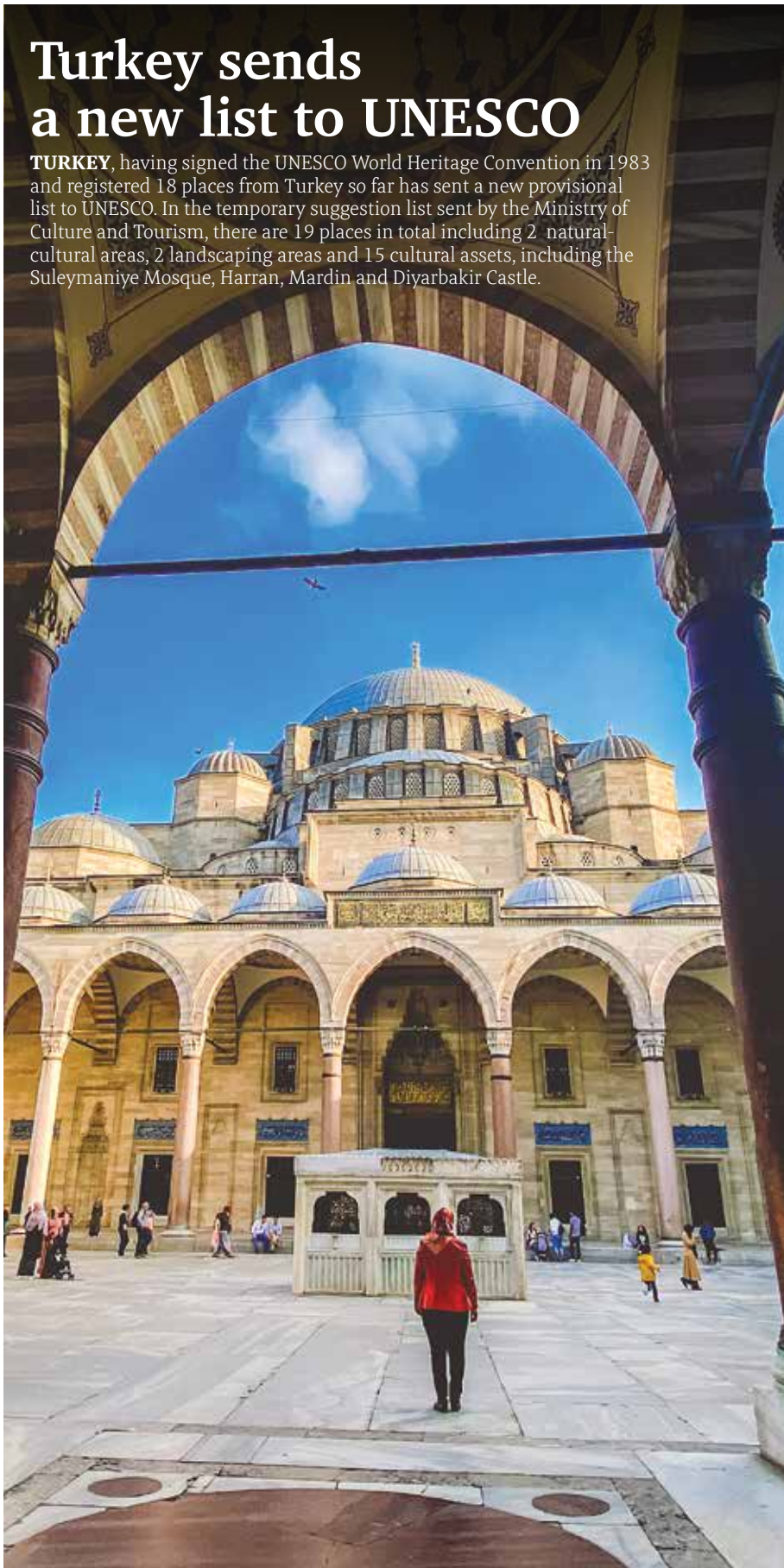


**TURKEY'S** national airline, Turkish Airlines (THY), increased the number of women pilots to 211, including long haul flights, becoming one of the few airline companies that employs the most number of female pilots. Increasing the number of female pilots from 6 in 2006 to 351 by 2020, THY now has 172 first officers (second pilot) next to 39 captains who passed the challenging exams, including those in training.

## Urfa man statue



**STUDIES** show that a statue found in Şanlıurfa in 1995 was 13,500 years old and the oldest statue in the world. The statue called Urfa Man to be exhibited in Şanlıurfa Museum. A statue similar to Urfa Man was found in Karahantepe, known as the contemporary of Göbekli Tepe, excited the researchers. Works continue in the Karahantepe region, where the statue, which is estimated to be about 11,500 years old, is located.





**ANDY WARHOL AND POP ART**  
**November 7, 2019 - March 29, 2020**  
**Maslak UNIQ-Expo**

**ANDY WARHOL**, one of the most influential artists of the American Pop Art movement of the 20th century, meets art lovers at UniqExpo with the support of McArt.ist with 90 original works. Curated by Begum Alkoçlar, famous pieces of Andy Warhol, such as Marilyn Monroe, Campbell Soup and Flowers to be exhibited for the first time in Turkey, among 40 pieces of pioneers of Pop Art such as Keith Haring, Roy Lichtenstein, James Rosenquist and Robert Indiana. With the coordination of the young artist incubation platform McArt.ist, young representatives of Turkish Pop Art will present their works to the art lovers. You can visit this exhibition at UniqExpo until March 29, to get to know Pop Art and Andy Warhol in all aspects and participate in workshops and art conversations and many more events.



**ANNA LAUDEL, BILAL HAKAN KARAKAYA "ALEM-I MULK"**  
**January 30, 2020 - March 8, 2020**  
**Anna Laudel's Art Gallery**

**THE PERSONAL** exhibition of Bilal Hakan Karakaya, who pushes the limits of traditional sculpture art with the different materials he uses, meets with art lovers. The figures of Karakaya, who processes individuals stuck in modern life in his works, are fed by life while describing the alienation of the modern individual who is oppressed under the capitalist system. The artist's works, which stay away from all kinds of protective materials against the nature of the statue, such as gloves, in order not to distance them from the material, tell a different story in Dante's Divine Comedy on every floor of the three-story gallery space. Transforming the gallery space into a stage, Karakaya reverses the static structure of the sculpture and applies the upward trend. The structures that need to be thinned as they rise in this way become more and more thick and wider.



**EUROPA GALANTE BAROQUE**  
**ORCHESTRA**  
**February 17 / 20:30**  
**ış Towers**

**FOUNDED** in Italy by Fabio Biondi in 1990 to perform both baroque and early classical works, Europa Galante Group has been performing all over the world for more than 30 years. The ensemble, will perform works by Vivaldi and accompany the famous mezzo soprano Vivica Genaux. Europa Galante, one of the best baroque ensembles of our days, will meet the Istanbul audience in February. Using authentic baroque period instruments, Europa Galante promises a very pleasant evening to the listeners



**IN TRACE OF PAPER**  
**January 9 - February 29, 2020**  
**Evin Art Gallery**

**20TH CENTURY** masters and contemporary artists of our country's art come together in the exhibition "In Trace of Paper". The exhibition brings the relationship of paper with art and the works of masters, who work on paper, representing the age of paper together. Focusing on the history of the paper and the universality of the works produced by the paper, the exhibition also includes sketches drawn on note papers, notes and correspondence from the past drawn on a piece of cardboard previously used for another purpose. The exhibition "In Trace of Paper", includes works by, Eren Eyüboğlu, Nuri İyem, Nasip İyem, Selim Turan, Avni Arbaş, Nedim Günsür, Neş'e Erdok, Cengiz Çekil, Rahmi Aksungur, Cansen Ercan, Temür Köran, Hakan Gürsoytrak, Buket Güreli, Nalan Yırtmaç, Zulal, Hakan Cingöz, Emin Turan, Setenay Alpoş and Uğur Daştan among others and gives the audience the opportunity to observe the transformation of this common material, which has taken place in every area of life.

**BIPO & YURI BASHMET**  
**February 27, 2020 / 20:00**  
**Lütfi Kırdar Auditorium**

**JOHN NELSON** will conduct Borusan Istanbul Philharmonic Orchestra, one of Turkey's leading symphonic ensemble. Nelson, who has led many prominent orchestras such as the London Symphony, the Paris Orchestra, Leipzig Gewandhaus, Boston, Philadelphia, Cleveland and New York Philharmonic, is known for his mastery of the romantic period



repertoire and the famous viola Yuri Bashmet. Bashmet, who is an orchestra conductor as well as a superior viola virtuosity, is known as one of the contemporary musicians. Bashmet will be performing as a soloist in the Concerto for Viola and Orchestra, which Alfred Schnittke composed for him.

**IMOGEN COOPER**  
**March 14, 2020 / 20:00**  
**Sakıp Sabancı Museum**

**THE BRITISH** pianist Imagen Cooper, who has received worldwide acclaim for her Schubert and Schumann interpretations. Besides her award-winning Mozart interpretations, is recognized as one of the best interpreters of the classical and romantic repertoire on the international platform with her pianist and lyricism. Cooper, who has 35 albums and is one of the most prominent interpreters of the classical music world, will meet her audience within the scope of Istanbul Recitals.





**MEANWHILE IN THE MOUNTAINS: SAGALASSOS**  
**27 November 2019 - 28 May 2020**

**Yapı Kredi Culture and Arts**

**MEANWHILE** in the Mountains: The Sagalassos exhibition includes many different types of historical artifacts, from the mammoth bones, found in the ruins of Burdur, which were proven to live in Anatolia during prehistoric times, to monumental sculptures of Roman emperors Marcus Aurelius and Hadrian. The exhibition, spread over three floors, offers the opportunity to witness the history of the ancient city of Sagalassos, on the foothills of the Taurus Mountains and the life of its people. Terracotta figures, gods, goddesses and hero sculptures reflecting the daily and social lives and belief rituals of the ancient Sagalassos inhabitants can be seen in chronological and thematic sections, dating back to different periods of Sagalassos and Pisidia Region. Visitors will also have the opportunity to meet ancient Pisidians with Rhodon and Eirènè busts, which were specially brought from Belgium for the exhibition and produced with the facial reconstruction technique.

**OTTO BAROK – SHAKESPEARE ALL SAINTS**  
**February 11, 2020 / 20:00**  
**All Saints Fashion Church-Kadıköy**



**OTTO BAROK** ensemble, known for compiling and interpreting selected works from the Baroque era and giving priority to the lesser known composers, takes art lovers on a long journey towards Shakespeare period with Soprano Linet Şaul, gamba artist Bülent Oral and archilute artist Diego Leveric. The outstanding works of the leading composers of the Baroque era will be featured in the concert program of Otto Barok, in the unique acoustics and magical atmosphere of the All Saints Fashion Church.



**LÜTFİ ÖZKÖK: PORTRAITS**  
**December 21, – May 3,**  
**Istanbul Modern**

**ISTANBUL** Modern Photography Gallery presents a selection of portraits by the photographer Lütü Özkök (1923-2017), internationally renowned for his portraits of authors and artists. The photographs are from Özkök's archive in Stockholm, Sweden, where he spent most of his life. The exhibition features the artist's photographs of 80 figures in art and literature starting from the 1950s, inviting viewers to witness a period while contemplating the various meanings of portrait

photography.

The photographs selected for the exhibition start in the 1950s, when Özkök began to take photographs to accompany his articles in literary magazines, and continue through the 1990s. They include 89 portraits of leading artistic and literary figures from the post-World War II era, among them 24 Nobel laureates, and present an overview of a highly transformative time. The exhibition examines Lütü Özkök's relationships with his subjects through texts, objects and documents that accompany the photographs and describes a period through the artist's personal story.



### “A JOURNEY INTO THE WORLD OF OSMAN HAMDI BEY” VIRTUAL REALITY EXPERIENCE

It can be visited every day, except for Mondays and special days

Pera Museum - Sevgi and Erdoğan Gönül Gallery

**AN OTTOMAN** intellectual raised by the Tanzimat Era... An exceptional personality, who made substantial, diversified and lifelong contributions to various fields of culture and arts such as painting, archaeology, museology, and art education...

This special section dedicated to Osman Hamdi Bey at the Sevgi and Erdoğan Gönül Gallery of Pera Museum displays different aspects of his impassioned relationship with the art of painting through his works included in the Suna and İnan Kırac Foundation Collection.

The exhibition also pays tribute to this multifaceted personality by “A Journey into the World of Osman Hamdi Bey” virtual reality experience which enables the audience to pay visit to Osman Hamdi Bey’s working space and to step into his painting The Tortoise Trainer.

### MEMORIES OF HUMANKIND - STORIES FROM THE OTTOMAN MANUSCRIPTS ISTANBUL RESEARCH INSTITUTE 18 OCTOBER 2019 - 25 JULY 2020

**MEMORIES OF HUMANKIND:** Stories from the Ottoman Manuscripts nudges the door ajar to the memory of humanity, which crystallizes in manuscripts and is alternatively worldly and otherworldly, multilingual and multi-religious, urban and rural, unique and ordinary, sometimes very alien and occasionally very familiar, fragmentary, incomplete, and always inspiring.



### US ACTUALLY January 18 - February 22 Mixer Art Gallery

**MIXER** is hosting the very unique exhibition “Us Actually” between January 18th - February 22nd with the artworks of Ayça Telgeren, Ahu Akgün, Börte İpek, Bengisu Bayrak, Furkan Öztek, Mediha Didem Türemen, Meltem Şahin, Meltem Sirtıkara, Okan Kaya, Volkan Aslan, Yasemin Özcan. The exhibition “Us Actually”, which will take place from January 18th to February 22nd, shares sincerely the love, the state of being a partner, the ability to stay together or leave when necessary. With reference to unforgettable films, loves and times, it becomes a sincere, volatile and romantic exhibition that will remain in memory for a long time.



# More than 74,000 companies have INVESTED IN **TURKEY**



## how about you?

average annual real  
GDP growth rate

**5.6%**

2003-2018

**13<sup>th</sup>** largest  
economy in  
the world

GDP at PPP prices, 2018

more than

**804,000**

university graduates  
per year

average annual real GDP  
growth rate forecast in OECD

**5.2%**

2015-2025

**\$789** billion  
of GDP at  
current prices  
2018

**82 million**

of population  
with half under the age of 32

## INVEST IN TÜRKİYE

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.

# 2019 exports in numbers

**40**

the number of countries that imported over 1 billion dollars from Turkey

**18**

the number of cities that exported over 1 billion dollars

**23**

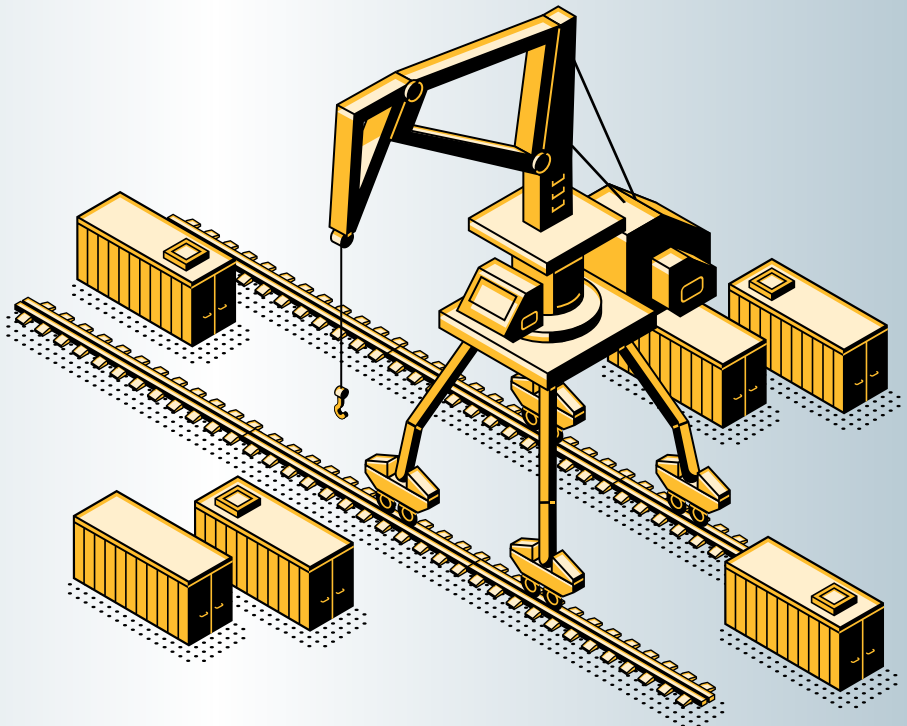
the number of sectors exceeded 1 billion dollars threshold

**9.3**

the percentage of the increase in number of exporters

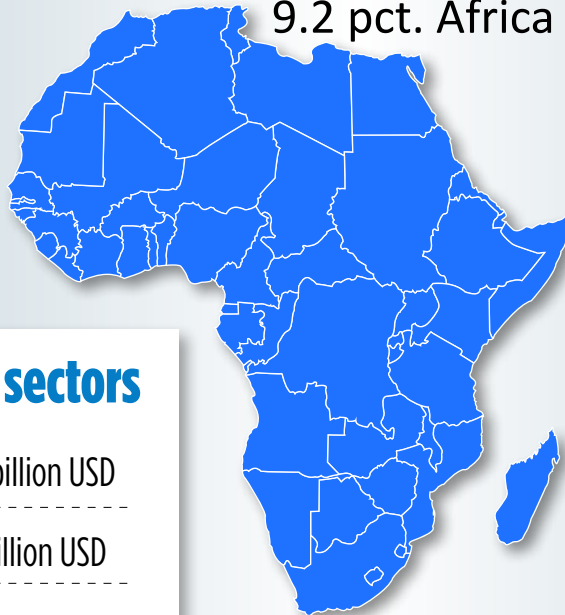
**17,544**

the number of companies started exporting

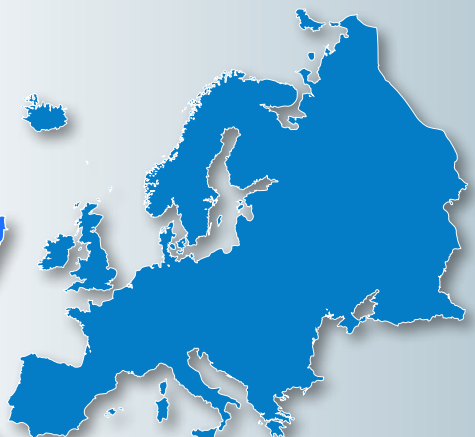


## Shares in exports

9.2 pct. Africa



48.8% pct. EU



19.3% pct. Middle East



### Top exporting sectors

Automotive **30.5** billion USD

Chemicals **20.6** billion USD

Apparel exports **17.8** billion USD

Electronics **11.2** billion USD

Machinery **7.8** billion USD



## Istanbul Airport hosted over 50 million passengers in less than a year



**ISTANBUL** Airport hosted a total of 52 million passengers since its opening in April 6th, with 12 million and 720 thousand domestic passengers and 39 million and 857 thousand international passengers.

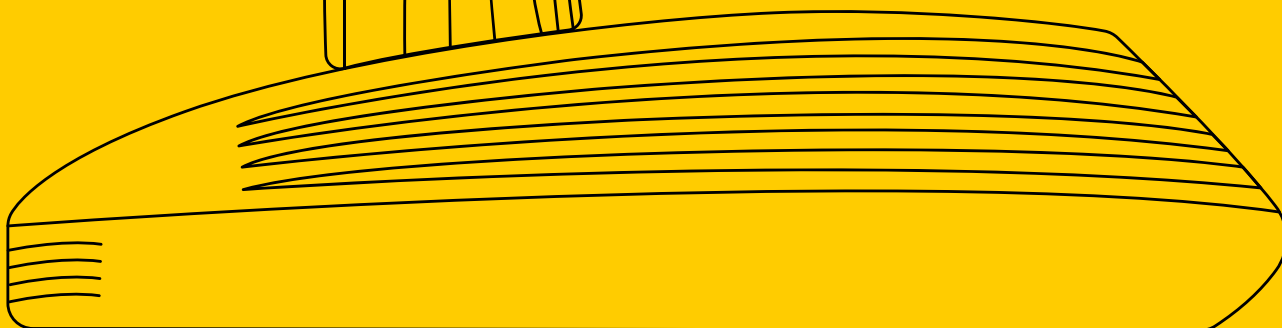
Istanbul Airport hosted 52.6 million passengers, 25 percent of total passengers traveling through Turkey in 2019, according to data from the country's airport authority the General Directorate of State Airports Authority (DHMI).

Istanbul Airport officially opened on Oct. 29, 2018, the 95th anniversary of the founding of the Republic of Turkey and took over air traffic from Ataturk Airport on April 6, 2019.

Turkish airports saw 209.09 million air passengers, including transit passengers in 2019.

Istanbul Airport was awarded by one of the most prestigious publications in the global tourism sector Global Traveler, with "Special Achievement Award" in the "Outstanding Innovations" category at this year's Leisure Lifestyle awards.

Countries with a population of  
**1.55 billion**  
people, a gross domestic product of  
**35.7 trillion**  
dollars and a trade volume of  
**6.8 trillion**  
dollars can be accessed with a  
**4-hour**  
flight from Turkey



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