

Post Conference Report

37TH

**ANNUAL
CONFERENCE
ON U.S.-TURKEY
RELATIONS**

APRIL 14-16, 2019
WASHINGTON DC

**BACK TO BUSINESS: MAINTAINING
PARTNERSHIPS IN DIFFICULT TIMES**



AMERICAN
TURKISH
COUNCIL



TAİK



This year's conference focused on current and relevant topics in a variety of sectors, including defense, secure 5G, trade, environment, construction & infrastructure, cyber security, energy, and research & development. The theme of the conference, "Back to Business: Maintaining Partnerships in Difficult Times," emphasized the importance of dialogue in fostering, maintaining, and improving commercial diplomacy and relations between the United States and Turkey--at all levels. The conference provided a platform for leaders from both sides to gather and discuss issues that influence this vital trade relationship.



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TAİK

THE 37TH ANNUAL CONFERENCE ON U.S.-TURKEY RELATIONS

Throughout the conference, panelists and keynote speakers discussed the importance of the bilateral relationship within the context of current geopolitical and economic realities. Despite many challenges, the U.S.-Turkish relationship remains strong. The two countries are interconnected through their mutual economic and security goals. Moreover, the conference emphasized the potential for further cooperation across many sectors within both the U.S.-Turkish relationship and the NATO alliance.

Within the regional context, Turkey continues to face numerous challenges primarily in the form of an ongoing battle against the PKK, through its engagements with Daesh forces, and the refugee crisis. In the midst of these challenges, the bilateral alliance is more critical than ever before. Still, a lack of effective and transparent communication has led to a series of tensions over the S-400 missile system acquisition. For decades, the development of an autonomous national defense industry has been a priority for Turkey. Thus, while Turkey first sought to purchase these systems from its NATO ally, the United States, the lack of technology transfers was a significant obstacle. Despite these tensions, Turkey remains committed to NATO and sees it as the core of its defense policy. Overall, the conference consisted of 3 plenary

sessions, 8 panels, numerous exhibitions, networking events, and the Business-to-Business Track meetings. The conference kicked off on Sunday with an opening reception at the Turkish Ambassador's Residence with remarks from Ambassador Serdar Kılıç and Ambassador İbrahim Kalın.

Monday's full day of panels was followed first by a networking reception, providing a lighthearted environment for conference attendees to socialize and talk about everything U.S.-Turkey related. The day officially concluded with the long-awaited Gala Dinner, during which Minister Berat Albayrak gave powerful and encouraging insight into the current state of U.S.-Turkish trade and areas of tremendous potential within the Turkish economy. The event also featured a piano performance by the world-renowned Turkish composer and pianist, Fahir Atakoğlu.

The conference continued with both plenaries and panels on Tuesday, concluding with the closing reception at the U.S. Chamber of Commerce, featuring remarks by Minister Ruhsar Pekcan, the Honorable Wilbur Ross, and Jared Kushner.



741

Participants

319

Companies

24

Industries

100%

satisfied with
networking
opportunities.

98%

met
participant
objectives.

92%

rated their
experience 5
out of 5 stars.

Top Industries

Defense & Security Affairs, **Retail & Manufacturing**, Construction & Infrastructure, **Energy, Oil & Gas**, Legal Services, **Banking & Finance**, Information & Communication Technologies, **Government**, Real Estate, **Tourism & Hospitality**, Agribusiness & Food, **Pharmaceutical & Health**, Transportation, **Media**, Education, **Consulting**, Think Tanks & NGOs.

Key Topics

- **Investment opportunities in the United States and Turkey to meet the \$75 billion trade goal**
- Preserving our natural resources and implementing sustainable waste management programs
- **Benefits and challenges of cloud computing**
- The future outlook of renewable energy capacity and its impact on the electricity market
- **Concerns associated with Artificial Intelligence: elimination of jobs, potential misuses, privacy breaches, and more**
- Secure 5G: potential national security challenges, the innovation, and initiatives to secure the networks of the new decade



“Our two Presidents have said publicly they would like to see trade increase to \$75 billion between our two countries. When I look at the board behind us with all sponsorships and I look at all you out here, this is a giant step in that direction”

General James L. Jones, Chairman, American-Turkish Council (ATC)



“Now, it is time to talk business. Presently political and diplomatic differences weigh down on business relationship, hampers our efforts to go forward, further and faster. I strongly believe we must change this.”

Mehmet Ali Yalçındağ, Chairman, Turkey-U.S. Business Council (TAİK)



“I look forward to succeeding together as we lay down a new road map for Turkish-American relations”

Nail Olpak, President, Foreign Economic Relations Board (DEİK)



“There probably has never been a better time to invest in Turkey than today. With election-free next four and a half years on the ground, and a strong government steadfast in its commitment to an ambitious agenda of economic transformation, Turkey offers amazing opportunities for all investors in all stripes”

H.E. Berat Albayrak, Minister of Treasury and Finance



“Our aim to open every corporational opportunity to Turkish companies and American companies.”

H.E. Ruhsar Pekcan, Minister of Trade



“We are determined to continue contributing to regional and global stability. We attach great importance to our bilateral, multilateral, and alliance responsibilities. We believe that our strategic partnership and cooperation with the U.S. is vital for the security and prosperity of our region and throughout the globe.”

H.E. Hulusi Akar, Minister of National Defense



“For over six decades, Turkey and the United States have been staunch allies and strong partners bound by the common values and common objectives. Today, our two countries continue to face a wide range of common regional and global challenges.”

Ambassador Serdar Kılıç, Turkish Ambassador to the United States



“We work closely with Turkey on a variety of issues. One of them is the political process where Turkey as a member of the Astana group with Iran and Russia, basically serves as the voice and representative of the Syrian opposition”

Ambassador James Jeffrey, U.S. Special Representative For Syria Engagement



“What motivates me is the possibility that we have overcome many difficult political issues in the past. We can overcome them today”

H.E. İbrahim Kalin, Chief Advisor to the President of the Republic of Turkey



“Despite challenges in the border relationships, two-way trade increased by nearly 10% from 2017 to 2018. This is a welcome development and a clear sign that the U.S. and Turkish business community continues to find value in working together and sourcing from each other.”

Tom Donohue, President and CEO, U.S. Chamber of Commerce



Political Landscape Interview

Repairing Ties: Mending the U.S.-Turkish Alliance in Difficult Times



SUMMARY:

The first interview of the 37th Annual Conference centered around the restoration of political relations between the United States and Turkey. The interview addressed major issues affecting both countries and simultaneously discussed how collaboration may serve as the ultimate tool of engendering success, as individuals from both sides need to be encouraged to develop mutually-beneficial solutions to common problems. The discussion underscored the value of the U.S.-Turkey alliance as well as demonstrated its prevailing significance, noting that hardship provides a unique opportunity for growth and the evocation of even more formidable relations going forward.

KEY TAKE AWAYS:

- The U.S. partnership is as critical as ever before, given the need for cooperation in Syria.
- Not only has Turkey consistently deployed troops in the fight against ISIS, it remains committed to U.S.-Turkey joint goals in Syria.
- Turkish operations have allowed over 300,000 Syrians to return safely to their homes, greatly contributing to peace and stability in the region.
- The United States and Turkey must continue their cooperation not only in Syria, but should also look to economic cooperation as well.
- The recent tensions over the S-400 system demonstrate the need for greater dialogue. Partnership and multilateralism are more important than ever, especially in today's increasingly globalized world.

KEY QUOTES:

Dr. Joshua Walker: “We have had good days, we’ve had bad days. I think it’s only natural, I guess, between any two countries even allies but now given all the chaos and the sense of despair and hopelessness in the global order, we need a relationship based on positive values more than ever.”

Ambassador İbrahim Kalin: “What motivates me is the possibility that we have overcome many difficult political issues in the past. We can overcome them today, but more importantly, we really need to have this relationship function in a way that will not only address our security concerns, national security concerns, but also set an example for others.”

Defense

U.S.-Turkey Defense Industry: Opportunities for Future Cooperation

Special Remarks: M.G. Reha Ufuk Er,
Chief of Plans and Policy Division, Turkish General Staff

Moderator: Col. (Ret.) Jerry Kaffka,
Former Defense and Air Attache to Turkey, U.S. Air Force

Panelists:

Travis Caples, General Manager, The Will-Burt Company

Jerry Hurd, Vice President of International Sales, Ohio Ordnance Works, Inc.

Osman Okyay, Vice Chairman & President of Technical Division, Kale Group



SUMMARY:

The defense panel focused on the Turkish government's desire to expand its domestic defense industrial advancement program and what this would mean in the context of the U.S.-Turkish alliance as well as Turkey's membership in NATO. The U.S.-Turkish relationship goes back decades; the two countries have historically worked together in regions such as Somalia, Sudan, Bosnia Herzegovina, and Kosovo. Throughout the years, the relationship has remained strong, as demonstrated by both sides' significant cooperation in intelligence and counterinsurgency. In recent years, Turkey has become a primary regional defense exporter, with a goal of \$25 billion in revenue by 2023.

KEY TAKE AWAYS:

- U.S.-Turkish cooperation finds its roots in the 1950s, as the two nations fought side by side in Korea.
- Turkey has been in the forefront of the fight against terrorism, eliminating over 3,000 Daesh insurgents.
- Turkey has severely reduced Daesh capabilities, severing the group's logistical capacity and made significant progress in destroying its command and control infrastructure.
- With over 67 years within the NATO alliance, Turkey initially sought an air defense system from its NATO allies, including the United States; however, the offers on technology transfers, delivery timeline, and procurement were unable to meet Turkey's requirements.
 - A decades long goal, Turkey is seeking to foster its own national defense industry. Currently, Turkey ranks 15th globally in defense

expenditures, expanding nearly 50% in the past decade.

- Despite recent tensions, Turkey continues to view the NATO alliance as the core of its defense policy and remains committed to its NATO obligations.
- The \$75 billion trade goal set by the leaders of Turkey and the United States presents a unique opportunity for cooperation, especially in the defense and aerospace sectors.
- Turkey sees the future of the hydrocarbon export market as another potential area of cooperation, seeking to act as an exporter from the Eastern Mediterranean to Europe.

KEY QUOTES:

M.G. Reha Ufuk Er: "We value our partnership with the United States, and believe that the ties that bind our two nations together are strong enough to withstand the current pressures."

Osman Okyay: "As a result of accumulation of Turkey's know-how and its strength in the manufacturing industry, young and educated population, dynamic entrepreneurial class and geographic position as a bridge between Europe, Asia and even Africa makes Turkey a very attractive place to invest and trade."

Col. Jerry Kaffka: "Today, as stated by officials of the government of Turkey, over 60% of the requirements of the Turkish armed forces are being met from local production. Exports from this sector are steadily increasing."

Trade

The Next Step for U.S.-Turkey Trade Relations

Special Remarks: Ayhan Zeytinoğlu,
Vice President, TOBB

Co-Moderators: Jay Campbell, Partner, White & Case
Julia Pacetti, Global Media Strategist, JMP Verdant
Communications

Panelists:

Luke Ballman, Senior VP, Chartwell Strategy Group

Onur Bülbül, Founder and President, InnoNative Advisors

John Curran, Partner, Walden Macht & Hara LLP

Bradley Henry, Partner, Breeding Henry Baysan



SUMMARY:

The panel discussed viable markets for investment in the United States and Turkey that can help meet the \$75 billion trade goal, the impacts of Turkey’s removal of the Generalized System of Preferences (GSP), and modes of compliance for navigating U.S. tariffs and sanctions without undermining bilateral trade. Turkey has displayed flexibility and adaptability despite being in the epicenter of three sanctioned countries -Iran, Russia, and Syria- and continues to look for increased business with the United States. Focusing particularly on the technical aspects of international trade, the panel also considered political factors behind recent developments and specific areas in which bilateral trade could expand.

KEY TAKE AWAYS:

- The U.S.-Turkish and Turkish-U.S. trade is characterized by a high level of concentration; nearly 3 quarters of U.S. exports to Turkey and nearly half of Turkish exports to the United States comes from these countries’ respective top 5 sectors.
- Compared to the \$150 billion in trade between Turkey and the EU annually, the \$75 billion goal between the United States and Turkey is feasible, even controlling for factors such as distance and the customs union, which favor the EU.
 - Diversification in the trade of goods will be essential in meeting the \$75 billion bilateral trade goal set by the two nation’s leaders.
 - Supply chain integration, modeled on Turkish-EU bilateral trade, can serve as an effective model for U.S.-Turkish trade expansion

- Despite the imposition of new tariffs on steel imports, Turkey’s iron and steel exports soared by over 40% in 2018.
- Citing an increase in Turkish GNI per capita, the USTR recently removed Turkey from the GSP system.
 - The USTR’s decision calls into question the technical standard used to evaluate a country’s GNI per capita status. Argentina, which currently has a higher GNI per capita than Turkey, nevertheless continues to enjoy GSP status
 - Empirically, Turkey’s performance during its integration into the European Customs Union, and the increased competition this integration brought with it, points to a remarkable level of adaptability, and in the long run is unlikely to be significantly affected by the change in GSP status.

KEY QUOTES:

Onur Bülbül: “I believe the most important issue here is small business integration. As I’ve mentioned with the trade between Turkey and the EU, there’s a supply chain integration that took place between Turkey and the EU. That’s what we need to achieve and non-tariff barriers play a huge role in terms of avoiding that supply chain integration.”

Bradley Henry: “We find ourselves in this environment where there are factors besides just trade that are affecting the trade relationship and to the extent that we as business people, men, and women in this room, can continue to find ways to do business, continue to find ways to work together. We should do that, leading the way.”

Environment

Successful Implementation of Zero Waste Goals and Programs

Moderator:

Dr. Sibel Selçuk, President, Heritage Turkish Holdings

Panelists:

Oğuzhan Akinç, Head of Department, Zero Waste Management, Ministry of Environment and Urbanisation

Volkan Ural, General Manager, Interaktif Cevre

Armin Zerunyan, Country Leader, Hilton Worldwide



SUMMARY:

Preserving our natural resources and implementing sustainable waste management programs has become a focal point for government programs and private industries all around the world. The Turkish Ministry of Environment and Urbanisation, along with its private sector partners, has been actively working to implement Zero Waste programs by 2023. Thus, the panel focused on Turkey's environmental goals and in particular the current status of regulations, programs and opportunities in environmental technologies. The panel also explored Turkey's ongoing and past projects, the environmentally-friendly efforts of Turkish corporations, and finally how the Turkish government can play an active role in making Turkish society more familiar with the destructive impacts of excessive waste while encouraging a more active stance on reducing their impact on the environment.

KEY TAKE AWAYS:

- The Turkish Ministry of Environment and Urbanisation is committed to creating cultural changes in Turkey to promote and encourage the zero waste philosophy. The commitment is reflected in changing ecological policies as well as a focus on education
- The Turkish public is not familiar with the concept of zero waste and as a habit, it is a total flip for Turkish society. For this reason, it is incredibly important to engage all levels of the government to accustom the Turkish people on the value of adopting more ecological habits.
- Companies working in Turkey, such as Hilton Hotels and

P&G, have also shown considerable commitment towards establishing a more environmentally friendly outlook in Turkish society with many of them setting zero waste related goals for 2020 or 2030.

- The Turkish government has implemented successful environmental incentives before. For example, they reduced plastic bag usage at supermarkets by around 70-80% since the beginning of 2019.
- Waste management consulting sector plays a crucial role in Turkey not only in providing the public and private companies a broader perspective on waste management and different opportunities to reduce waste in their respective industries, but also by helping them realize potential avenues of profitability and productivity through the implementation of environmentally responsible business practices.
- Food waste is a major concern in Turkey, with most of the country's waste being organic. This issue is of great concern for the Ministry of Environment and Urbanisation, especially with regard to processed foods.

KEY QUOTES:

Dr. Sibel Selçuk: "The goal here is to create win-win solutions. It's a win for the government and the country. It's a win for businesses. It's a win for the service provider."

Oğuzhan Akinç: "In Turkey, we have 55% of our waste as organic and 25% is recyclable waste and the rest is others. It's real hard for us to change this habit and create this zero waste approach throughout Turkey."

Construction and Infrastructure

Opportunity at the Intersection: Technology, Transportation, and Infrastructure

Moderator:

Defne Sadiklar Arslan, Executive Director & Representative, Atlantic Council in Turkey

Panelists:

Matthew Jordan-Tank, Director, Sustainable Infrastructure Policy & Project Preparation, EBRD

Ebru Özdemir, Chairwoman, Limak Investments Turkey

Dr. Hamid Saadatmanesh, General Manager for Infrastructure, DowAksa



SUMMARY:

Both the United States and Turkey stand at the intersection between the past and future of infrastructure. As Turkey's middle class grows, so does its demand for energy and access to amenities like personal vehicles, making the development of Turkey's energy and transportation infrastructure integral to its economic growth for the immediate future. The United States, meanwhile, stands in desperate need of an infrastructure overhaul, both to maintain existing systems and to create new methods of meeting the demands created by new technologies. The panel emphasized the enthusiasm with which the Turkish construction sector is prepared to take on international projects, a field in which its vast experience, from Senegal to Kuwait, will certainly serve as a foundation. This panel also focused on how countries can benefit from mutual investment as well as business-to-business and business-to-government partnerships.

KEY TAKE AWAYS:

- Turkish construction has expanded globally, with projects in the Gulf region as well as North Africa and Sub-Saharan Africa
- Alongside global projects, including new airports in both Kuwait and Senegal, Turkey has undertaken impressive domestic construction projects, including the Istanbul airport, with a capacity of 90 million passengers.
- Turkey ranks only behind China in terms of number of contractors doing business abroad.
- A recent report from the American Society of Civil Engineers (ASCE) found that 40% of U.S. bridges are deficient.

- Given its international experience, as well as its focus on quality and timeliness, the Turkish construction sector has much to contribute, presenting an excellent opportunity for cooperation.
- Another potential area of cooperation in the United States is "dynamic technology-based tolling," within the transportation sector
- In a broader sense, the digitalization of the transportation sector is expected to grow significantly in the coming decades.
- Despite certain obstacles, such as subtle differences in construction standards, the Turkish construction sector is not only adaptable, but eager to tap into easier capital access in the United States.

KEY QUOTES:

Matthew Jordan-Tank: "There's something like 200 PPPs that had been done over the last 15 to 20 years in Turkey. It's by far the largest country for PPPs. We bring the Turkish experience, we'd like to bring it to other countries."

Ebru Özdemir: "Turkish companies are good in delivering on time and it's good quality. When I read the American Society of Civil Engineers gave the U.S. and overall grade of D+ in the infrastructure report card, I realized that the Turkish companies can do something here..."

Defne Arslan: "Turkish construction companies have also proven their competitiveness in projects outside of the Turkey by partnering with U.S. companies and banks."

Cybersecurity

Cloud Computing: Potential and Security

Moderator:

Mark Supko, Vice President of International Business Development, BAE Systems

Panelists:

David Buresh, VP of Business Development, GRM Information Management
Col. Timothy Evans, Ret., SVP of Chief of Strategy & Co-founder, Adlumin
Engin Özbay, Cybersecurity Leader of Turkey, IBM
Yinal Özkan, Country Manager of Turkey, Amazon Web Services



SUMMARY:

Cloud computing is a scalable platform that uses servers pooled together to provide modern-day assets, such as virtual computing, storage, and additional services in order to meet the needs of every type of organization, from small-to-medium enterprises to multinational corporations and governments. However, the transition into the Cloud is often clouded by many unknown variables pertaining to security, privacy, reliability, and performance. Our expert panelists from Turkey and the United States from both sectors, public and private, discussed the benefits and challenges of cloud computing, the best practices for cloud security, and the most effective methods of enhancing protection through the implementation of cloud-based services.

KEY TAKE AWAYS:

- U.S.-Turkish cooperation presents a unique opportunity for the expansion of Turkish cybersecurity capabilities.
- Ensuring the security of data should be the first step in the consideration to transition to cloud computing.
- Although the provider can provide a baseline level of security, governments and individuals more concerned with security may wish to encrypt their data.
- For companies working in between the United States and Turkey, the need for security raises questions over “in-house” and outsourced expertise. This question of multiple ownership over security is integral to the future of cloud computing and data protection
- Different countries have different statutes on data protection &

privacy, which may factor into cooperation. The United States and Turkey can work together to ensure similar standards over data.

- The Turkish banking sector is just one example of a highly technologically capable industry that is already moving forward with cybersecurity regulations.
- Given Turkey’s heavy involvement in appliance manufacturing, from fridges and dishwashers to air conditioners, the rapid pace of digitalization and smart technologies means Turkey needs better tools—such as cloud computing—to match its manufacturing output.

KEY QUOTES:

David Buresh: “We actually need to be working with Turkey and all of the other countries that are not the EU to make sure that our standards are similar.”

Col. Timothy Evans, Ret.: “In the cyber world, it’s easy to catch up. If you haven’t made a lot of infrastructure investment, it’s really easy to catch up fast because there’s experts out there”

Engin Özbay: “We have our own banking regulators in Turkey also getting into the cybersecurity regulations as well... Also, our government is very much working on different regulations in different industries... I think they are very much similar as Yinal said with the rest of the regulations, especially in Europe.”

Yinal Özkan: “What will happen is we have to be 100% more intelligent, better tools, better systems, better partners, better infrastructure.”

Energy

Impact of Renewables on the Power Market

Special Remarks: The Honorable Ryan Zinke, Former U.S. Secretary of the Interior

Moderator: David Koranyi, Senior Fellow for Energy Diplomacy, Atlantic Council

Panelists:

İbrahim Sinan Ak, CEO, Zorlu Energy Group

Adam Stern, Research & Analytics Manager, American Wind Energy Association

Dr. Elvin Yüzüğüllü, Project Director, General Dynamics Information Technology



SUMMARY:

The International Energy Agency (IEA) estimates that, within the next five years, growth in renewable energy generation will be twice as large as that of gas and coal combined. This prodigious growth has prompted the American private sector to push for investment in renewable energy production, while Turkey has diversified its energy portfolio and made renewable energy production capacity the centerpiece of its new national energy strategy. This panel explored the future outlook of renewable energy capacity and its impact on the electricity market as well as potential partnership and investment opportunities between the United States and Turkey.

KEY TAKE AWAYS:

- A diverse energy portfolio can serve as the basis for a country's energy security, reducing dependence on any one given source of energy.
- The security benefit to energy sources such as wind define the current surge in demand for renewables
- In 2018, Turkey became the largest European market for U.S. energy exports. Meanwhile, the United States is the third largest energy supplier to the Turkish market
- The United States and Turkey are currently among the leaders in the push for electricity consumption, which has grown at a rapid 5.4%, per year, over the past decade.
- Turkey not only has the highest geothermal potential in Europe, but further expanded its 2023 renewable energy targets.

- Currently, the country has set a clean electricity production goal at 50% within about 4 years.
- Turkey has recently undergone massive privatization of the wind sector.
 - Currently, only about 1 in 5 companies in this sector are owned by the government
- The huge potential for renewables in Turkey presents a unique “win-win” opportunity for investment in Turkey.
 - Due to increasing costs of capital, Turkey could benefit from U.S. investment.
- The long-term potential transition from coal to gas presents a unique opportunity for U.S. investment into Turkey.
 - Coal is expected to be phased out of the Turkish energy portfolio once the country has sufficient LNG terminals to meet its energy demands.

KEY QUOTES:

The Honorable Ryan Zinke: “Having a stable prosperous Turkey makes the region more stable, and it certainly is in the U.S. best interest.”

İbrahim Sinan Ak: “When we look at the future, whatever the gas price will be, the cost of producing from wind and solar will be less and less.”

Dr. Elvin Yüzüğüllü: “Turkey is a great resource for geothermal, and that's both renewable and can serve as a base for generation.”

R&D and Innovation

Artificial Intelligence: Smart Machines, Smarter Policies

Introduction: Şirin Köprücü, Founder, StrategicStraits, Inc.

Moderator: Dr. Banu Onaral, H. H. Sun Professor and Senior Advisor to the President, Global Partnerships, Drexel University

Panelists:

Dr. Rob Nelson, Vice President and Practice Leader AI and Analytics Solutions, RCG Global Services

Kristina Podnar, Digital Policy Consultant

Scott Siler, Director of Data Analytics, GlobalWoks



SUMMARY:

Artificial Intelligence (AI) is becoming increasingly invisible and assimilated into our daily lives as it quietly penetrates almost every major industry, from healthcare and finance to transportation and education. AI has many benefits, but brings with it a myriad of potential challenges and questions that will affect the future of work, privacy, and public policy. The panel addressed some of the most significant concerns associated with AI, including the elimination of jobs, potential abuses, and the danger of privacy breaches. It also considered the developing discussion around ethics in AI, as well as the role of private corporations - from Amazon to Google - in the emerging field of data collection by evaluating and comparing the different models employed by each.

KEY TAKE AWAYS:

- Considering the impact of AI on jobs is critical. However, for the purposes of the near future, AI is much more likely to replace tasks than entire jobs.
- A broader discussion around privacy implications must take place before the broader integration of the technology into our day to day lives.
 - Applying AI in low-risk environments will help eliminate or reduce many of the negative externalities associated with new technology.
- China has already moved forward with government policy on data collection. There is currently a lack of interoperability between the United States and Chinese data sources and captures.

- Moving forward, there is the potential for the international community to come together to define common standards and create an environment for interoperability.
- Self-regulation, government regulation, or perhaps even a system of self-accreditation over AI will become more and more of an issue in the coming years and decades as the technology becomes more pervasive.
 - The United States, in particular, has experience with a self-accredit system, whereby individual entities themselves are responsible for meeting the demands of government regulation
 - This expertise in turn provides an avenue of cooperation between Turkey and the rest of the world as we move forward with AI technology.

KEY QUOTES:

Dr. Banu Onaral: “There’s a lost in translation message in China especially because China has already made a policy decision. This is government policy. That data is king and they are not dealing with big data, they deal with vast data.”

Kristina Podnar: “We’re still highly fragmented, and I think we’re a long ways off from having something that’s very consistent.”

Scott Siler: ““The question as to what extent can, let’s say, the United States and Turkey who see data as a strategic asset work together to understand either an intra or an inter-governmental process, how they essentially would develop the type of policies that would allow them for interoperability to share data.”

Special Defense Interview

Moderator:

General James L. Jones, Chairman, American-Turkish Council

Interviewee:

Gen. Joseph Dunford, Chairman of the Joint Chiefs of Staff

ATC Chairman General Jones sat down with Chairman of the Joint Chiefs of Staff General Dunford to discuss defense issues that are important and relevant within the context of U.S.-Turkey relations. Defense issues remain a key focus of the conference and the Turkish-American alliance, thus having two prominent and experienced voices discuss the topic proved to be advantageous for those in attendance.



Economic Forum

Investing to Grow: Why Companies Prefer to Invest in Turkey

Special Remarks:

Ahmet Burak Dağlıoğlu, Presidency of Turkey Investment Office

Moderator:

Canan Özsoy, President and CEO, GE Turkey

Panelists:

Serra Akçaoğlu, CEO, Citibank Turkey

Tarkan Gürkan, SVP of Corporate Mergers and Acquisitions, PepsiCo

Douglas Parks, CEO, DowAksa

Ayşem Sargın, Managing Director and Country Executive, Boeing Turkey and President of International Investors' Association (YASED)

Van Yuetter, Vice President of Corporate Affairs, Cargill

SUMMARY:

Turkey remains the 19th largest economy on Earth and the second largest destination for Foreign Direct Investment in West Asia, attracting myriad international investors from around the world. Even during times of economic turbulence, many companies have chosen to invest their time and capital in Turkey. By investing in Turkey, private sector companies concurrently act as a bridge between the United States and Turkey, helping to maintain a durable relationship in difficult times. This panel featured high-level executives from leading companies representing a myriad of industries and interests, providing unique perspectives on Turkey's economic landscape. It also focused on why these companies chose to invest in Turkey, how recent financial turbulence has affected their investment strategies, and what advice they have for other companies seeking to follow in their footsteps.



KEY TAKE AWAYS:

- There are multiple characteristics about Turkey that make it an ideal spot for many different types of industry, which contributes to valuable outcomes for people on all sides.
- Turkey's access to a diverse labor force coupled with its dynamic and diversified private business sector makes it an attractive investment destination.
 - To give a particular example, Turkey is a prime destination for the aviation industry given that you can fly to 55 countries within 4 hours from Turkey. This creates amazing opportunities for both passenger and cargo transportation.
- While Turkey is an incredible place for economic opportunity, companies investing in Turkey advocate for there to be more predictability regarding domestic policy and communication with the local government to assure that the process of doing business runs more smoothly and without complication.
- In addition, removing geopolitical challenges or at least solving as much as can be solved would open up a lot of space for companies to grow their investments in Turkey, creating profitable outcomes for all involved. Thus, easing geopolitical tensions should be a key factor considered in the strategy for economic growth.
- The government should create a business friendly environment that is transparent in order to foster economic growth. Turkey is a very attractive country for business and environment so ensuring that companies and investors feel supported when conducting business in the country will only contribute to Turkey's success.
- Turkey needs to ensure more dialogue between the private and public sectors in order to continue being a prime location for business and increase its economic growth. In order for Turkey to see more economic growth as well as the creation of more jobs, the private sector must be given the room to succeed because it is what truly fuels Turkey's economic growth.

KEY QUOTES:

Canan Özsoy: "As business people, we want to know that our investments are safe on both sides of the Atlantic. We are well protected and kept aside. Politics is politics, there will always be issues...but what's important is to keep the friendship, trust, and the commercial relationship between the two countries."

Serra Akçaoğlu: "From the U.S. side, we would love to host from the top, public sectors and private sector seniors in our country. Turkey is unique. Unless people come to Turkey, unless they spend hours understanding our investments, understanding the business models, it is very hard to reach from a distance. The one and only ask from the U.S. side, from the public sector and the private sector side, come visit us. Come spend time in our country. We're happy to explain and answer any questions anybody has around the world."

Douglas Parks: "I will tell you that the tailor-made incentives that the Turkish government is deploying are outstanding. Once we get them done, and once we begin our investment, which will total over \$500 million over a couple of years, as well as creating 400 to 500 jobs in Yalova, Turkey, where I live."

Ayşem Sargin: "We would love to have more predictability. Predictability over internal policy-making, a more open consultation mechanism would be very helpful with the private sector. I think all doors are open on the government side, but then prior to decision-making on certain regulations, laws, I think that open-door policy, working ahead of time could help us progress more and faster."

Van Vuetter: "The only way you're going to get more jobs and have higher economic growth is if the private sector really succeeds and as an engine of that growth. It's an important responsiveness of the government to help businesses succeed."

5G Forum

Secure 5G

Moderator: General James L. Jones, Chairman, American-Turkish Council

Panelists:

The Honorable Mike Rogers, David M. Abshire Chair & Former Chairman of the House Intelligence Committee, Center for the Study of the Presidency and Congress

Major General Robert E. Wheeler, Deputy Chief Information Officer for Command, Control, Communications and Computers (C4) and Information Infrastructure Capabilities (DCIO for C4IIC), Staff of Secretary of Defense

Ömer Barbaros Yiş, Chief Marketing Officer, Turkcell



SUMMARY:

This new and emerging technology will impact almost every industry and enable the creation of a wide array of new services and revenue streams. Though full of potential, 5G networks will require different and novel security measures that vary based on sector-specific needs. Due to Turkey's large geographic size, the nation-wide spread of 5G technology represents a unique opportunity for joint investment and cooperation. A bilateral discussion between the United States and Turkey, as well as all members of the NATO alliance, would contribute to the interoperability and successful implementation of the new technology. Toward the development of this future vision, this panel discussed potential national security challenges and explored the innovation and initiatives to secure the networks of the new decade.

KEY TAKE AWAYS:

- The implementation of 5G technology into the national infrastructure has the potential to increase GDP 2-4%.
- 5G comes with a decentralization of decisions, requiring additional security considerations prior to its practical implementation.
- Due to the size of Turkey, joint investments by multiple operators will be required for a nation-wide implementation of the 5G technology.
- From a policy perspective, 5G implementation and control over the standards of implementation represent a key national security issue, despite costs.
 - Implementation of this new technology within the NATO framework is also a critical nextstep, allowing for a larger global community to utilize 5G technology in its struggle against a

myriad of issues, from combatting Alzheimer's to Carbon Dioxide control, as well as in efforts to promote social wellness projects.

- The future of 5G implementation standards could lead to interoperability issues depending on whether a given country's 5G infrastructure is built by American, Chinese, or another country's communication companies.
- Ultimately, while implementation of 5G may begin at the government level, it will likely "trickle-down" to the corporate level and eventually, the private citizen.

KEY QUOTES:

The Honorable Mike Rogers: "We've got to get the physical security of the information and the communication equipment that's built and installed on these networks has to be right and it has to be 100% trustworthy."

Major General Robert E. Wheeler: "A lot of people think of 5G as just 4G plus one... [but] the difference when you see 5G is you're looking at a revolutionary jump."

Ömer Barbaros Yiş: "Considering the area of Turkey with more than 800,000-kilometre squares, we have a big fiber deployment issue because to fully operationalize the 5G speeds in Turkey, we need a really wide fiber rollout and none of the operators alone can do this investment, so we need joint investments."



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The American-Turkish Council (ATC), a leading independent business organization, exists to help member companies achieve their bilateral business and investment objectives and to facilitate stronger U.S.-Turkey relations. Our diverse membership includes Fortune 500s, multinationals, and U.S. and Turkey-based small and medium-sized enterprises from multiple sectors. Equipped with decades of experience, expertise, and an influential network, the ATC provides its member community with opportunities, services, and programs designed to resolve business challenges and strengthen linkages between the two countries.

The ATC serves its members as a critical voice, source of knowledge, trade convener, and diplomatic counsel in both Washington, DC and Ankara. ATC staff help member companies grow by providing them opportunities to leverage their brand among chief stakeholders. The ATC's advocacy efforts aim to shape policies that advance U.S.-Turkey trade relations. Our organization's local market expertise provides members with essential insights and information to enhance their strategic capabilities. We moreover develop our members' networks by facilitating relationships with private sector leaders, educational institutions, policy makers, and high-level government officials.

Our services enable stronger U.S.-Turkey relations by providing unmatched;

Business Development

- We provide a network of business development services, from legal to financial, that enhance our member companies' strategic decision making. These include:
- Market Entry and Access: Organizing specific events to create opportunities to enter new markets, while providing the resources, network of experts, and supporting services for companies to realize their investment and sales goals.
- State and Local Level Engagement: Second to none in our network of state and local level economic development organizational contacts, which provide our members with the most up to date information on incentives and market intel for strategic decision making.
- Sector Focused: We work across many sectors in strengthening the bilateral business relationships. Some of these sectors include: Security/Defense/Aerospace, Tourism, Construction, Energy, Retail and Manufacturing, Education, Agribusiness, Healthcare, Finance/Investment, Innovation, Information & Communication Technologies, Cybersecurity, and others.

Government Relations

We provide access and a balanced perspective, with a voice that is independent from Washington DC and Ankara, and is answerable only to our members. This unique institutional independence is what allows us to speak with credibility in both capitals.

Business Intelligence

We serve our members as the critical voice that connects them with timely and credible sources both in the U.S. and Turkey. We strive to support their objectives and growth.

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The Turkey-U.S. Business Council (TAİK) is Turkey's oldest business council. Established in 1985, TAİK's mission is to enhance trade and investment relations between Turkey and the United States. TAİK operates under the umbrella of the Foreign Economic Relations Board of Turkey (DEİK).

MISSION

TAİK has a clear mission: to bolster trade and economic relations between Turkey and the United States. TAİK works with American and Turkish companies to bolster their strategic partnerships, and to promote Turkey's strengths as a destination for American investment. TAİK is mandated to:

- Encourage business development and industrial cooperation between the U.S. and Turkey;
- Improve the conditions for bilateral trade, foreign direct investment and joint investments in other countries;
- Identify opportunities in key sectors for U.S. states and cities where opportunities exist for mutually beneficial business development;
- Promote Turkey's key business sectors in the U.S. and leading role in the region, enhancing awareness about the advantages of doing business with Turkey;
- Provide detailed analysis on bilateral trade, investment, industrial and technological cooperation.

ACTIVITIES

TAİK creates platforms that strengthen economic relations between Turkey and the U.S., undertaking an array of activities ranging from high profile investment summits to briefings, conferences and global networking dinners, including:

- Convening business seminars in U.S. cities with local businesses to develop opportunities for collaboration;
- Hosting meetings and receptions for TAİK members with delegations of American businesspeople and members of U.S. Congress visiting Turkey and for Turkish delegations visiting the U.S.;
- Organizing meetings with high-level government officials, business people and NGOs. American dignitaries TAİK has hosted include former U.S. President Bill Clinton, former U.S. Vice President Joe Biden, former U.S. Secretaries of State Condoleezza Rice and Hillary Clinton, U.S. Secretaries of Commerce Robert Mosbacher, William Daley and Penny Pritzker, as well as former U.S. Secretaries of Energy Spencer Abraham and Samuel Bodman, and former U.S. Secretaries of Defense Robert M. Gates, Leon Panetta and Chuck Hagel;
- Hosting briefing seminars for visiting delegations from prestigious U.S. institutions including the Council on Foreign Relations, Georgetown University, National Defense University, National War College, Eastern Trade Council, Foreign Policy Association, International Young Diplomats in Training, Marshall Memorial Fellowship, and U.S.-Asia Foundation;
- Organizing meetings in Turkey to generate interest in doing business with the U.S., including "U.S.-Anatolia Bridge" meetings in emerging Turkish cities to inform local businesspeople about the economic potential and ways of doing business in the U.S.

LEADERSHIP

TAİK's Chair is elected by its membership. Since 2017 TAİK has been led by prominent business executive Mehmet Ali Yalçındağ and supported by a global network of businesspeople, entrepreneurs and political decision-makers. TAİK's Executive Committee consists of top-level businesspeople from Turkey's most prominent companies. Since its foundation, noteworthy executives such as Ersin Faralyalı, Feyyaz Berker, Sedat Aloğlu, Mustafa Koç, Akin Öngör, Dr. Vural Akışık, Dr. Yılmaz Argüden, Ferit F. Şahenk, Haluk Dinçer, Şerif Egeli and Ekim Alptekin have chaired the Business Council.

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