

MONTHLY BRIEF

TURKEY-U.S.
ECONOMIC OUTLOOK



MARCH
2017



Monthly Brief

TURKEY-US ECONOMIC OUTLOOK

ABOUT DEİK

Foreign Economic Relations Board of Turkey (DEİK) is responsible for leading foreign economic relations of Turkish private sector in a myriad of sectors particularly foreign trade, international investment and services, international construction activities and logistics, exploring inward and outward investment opportunities as well as increasing the export volume of Turkish business and coordinating similar business development activities.

ABOUT TAİK

The Turkey-U.S. Business Concil (TAİK), operating under the umbrella of the Foreign Economic Relations Board of Turkey (DEİK) was formed in 1985 as the first council, with the aim to enhance trade and investment relations between the U.S. and Turkey.

TAİK operates with a mission to create platform to facilitate development of economic relations between the U.S. and Turkey through its wide spectrum of activities such as conferences, forums, business summits, lobbying visits, networking luncheons and dinners, educational site visits, etc. With its broad range of activities and worldwide network, TAİK represents a role model for other organizations in pursuit of similar goals.



HIGHLIGHTS ON U.S. ECONOMY

\$18.8 TRILLION

U.S. Real GDP increased at an annual rate of **1.9%** in the **fourth quarter of 2016**, according to the second estimate released by the Bureau of Economic Analysis. **At an annual level, U.S. real GDP increased by 1.6% in 2016.**

4.7%

U.S. total nonfarm payroll increased by 235,000 in February 2017 and **the unemployment rate** declined for 0.1% points to **4.7%**. Employment gains occurred in construction, private educational services, manufacturing, health care and mining.

2.7%

U.S. Consumer Price Index for all urban consumers increased 0.1% in February on a seasonally adjusted basis. **Over the last 12 months, the all items index rose 2.7%** before seasonal adjustment. **PPI is at 2.2%** on an annualized basis ending in February 2017.

\$127.9 BILLION

U.S. exports of goods in January 2017 increased by 0.9% to **\$127.9 billion** compared to previous month.

\$197.6 BILLION

U.S. imports of goods in January 2017 increased by 2.6% to **\$197.6 billion** compared to previous month.

\$647 MILLION

U.S. exports of goods to Turkey in January 2017 decreased by 13.6% to **\$647 million** from \$735 million in December 2016. This figure was at \$721 million in January of last year.

\$763 MILLION

U.S. imports of goods from Turkey in January 2017 increased by 11.4% to **\$763 million** from \$676 million in December 2016. This figure was at \$695 million in January of last year.

31ST

Turkey was U.S.'s 31st largest export market in January 2017 with a share of 0.55% in overall U.S. exports. **Leading U.S. exporting industries to Turkey in January 2017** were mineral fuels (\$93 million), aircrafts (\$77 million), machinery (\$69 million), cotton (\$58 million), and oil seeds and miscellaneous grains (\$41 million) which in total **comprise 52.2% of overall exports to Turkey.**

35TH

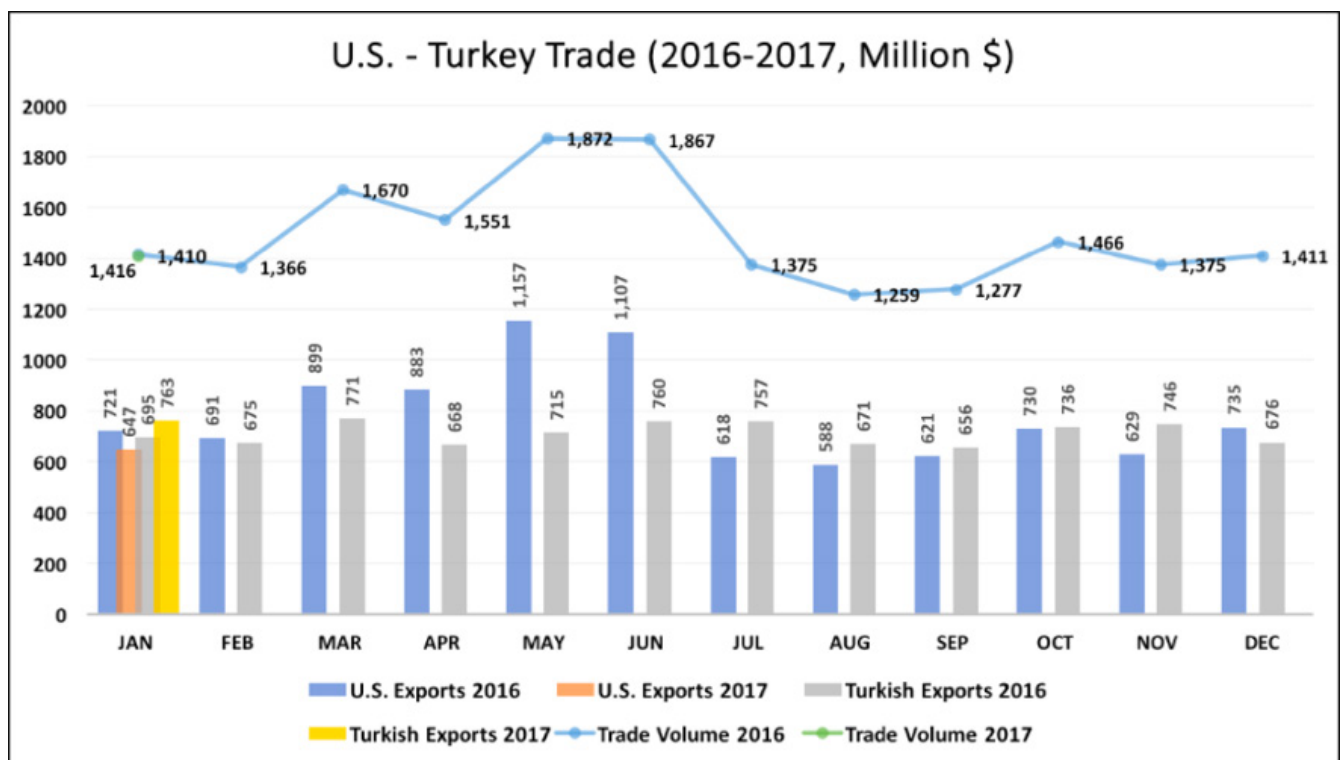
Turkey was U.S.'s 35th largest sourcing market in January 2017 with a share of 0.40% in overall U.S. imports. **Leading Turkish exporting industries to U.S. in January 2017** were iron and steel (\$125 million), machinery (\$72 million), articles of iron or steel (\$39 million), automotive (\$37 million), and carpets (\$36 million) which in total **comprise 40.5% of overall imports from Turkey.**

1729

The number of companies with U.S. capital operating in Turkey as of December 31st, 2016; according to the latest data released by Turkish Ministry of Economy.

\$3.5 BILLION

Total assets of Turkish majority owned bank and non-bank U.S. affiliates in 2014, according to the latest statistics of U.S. Bureau of Economic Analysis.



Source: InnoNative Advisors



TURKEY INVESTS \$2.45B IN ELECTRONIC COMMUNICATIONS

Private telecommunications companies and **Internet service providers invested 7.4 billion Turkish liras (some \$2.45 billion)** in infrastructure including research and development in 2016, expressed Turkey's Minister of Transport, Maritime and Communications.

- **“Our goal is to further increase this amount,”** Ahmet Arslan said in releasing the latest quarterly market data report for the electronic communications sector in the country.
- The minister said that the revenues of operators stood at 12.2 billion liras (around \$4.04 billion) in the last quarter of 2016, while the annual total was 45.4 billion liras (approx. \$15.03 billion).
- **“Companies’ revenues increased by 14.7 percent year-on-year [in 2016]. The most important point though is the great interest of companies in R&D and maintenance investments.**

TURKEY: CREDIT GUARANTEE SYSTEM PROTOCOL SIGNED

Turkey's Undersecretariat of Treasury and Credit Guarantee Fund signed a protocol for a new credit guarantee system that aims to benefit SMEs.

- Speaking at the signing ceremony, Mehmet Şimşek, Deputy Prime Minister of Turkey, said: “We offer the opportunity of providing credit with a treasury guarantee that reaches up to 100 percent to our exporters and companies that have foreign exchange acquisition transactions.”
- The new credit guarantee scheme went into force on March 13; increasing the amount of capital provided by the Treasury for the compensation of non-performing loans up to 25 billion liras (\$6.66 billion).
- The approved amount is expected to boost overall balance of loans for industry and businesses to **250 billion liras (\$66.6 billion)** as the losses from possible non-performing loans are guaranteed to be compensated by the Treasury, **according to an announcement in the Official Gazette on March 13.**



TURKEY'S TOTAL OIL IMPORTS RISE 24.26 % IN JANUARY

- Turkey raised its oil imports by **24.26 percent in January compared to the same month in 2016**, **Turkish Energy Market Regulatory Authority (EMRA)** data showed. The country's oil imports reached 2.3 million tons in January.
- **Iran held the biggest share of oil exports among exporting countries with 23.89 percent in January.** Iraq and Russia followed with 23.88 percent and 15.36 percent respectively. On the production side, total refined petroleum products, including diesel and gasoline, increased by 5.06 percent to 2.5 million tons between January 2016 and January 2017.
- During the same period, total domestic oil sales, including diesel, gasoline and aviation fuel, rose by 4.98 percent to reach over 1.8 million tons.

AFTER TRUMP'S DEFEAT, TURKISH LIRA ADVANCES ON DOLLAR

- The U.S. dollar versus Turkish lira rate dipped below 3.59 in early trading March 27 as the Trump administration's failure to pass a new healthcare bill pushed the U.S. dollar lower in global markets.
- The dollar to Turkish lira rate slipped as low as 3.5855 on March 27 at 0715 GMT, down 0.50 percent compared to the previous close on March 24, in line with broad U.S. dollar weakness seen in almost all major currencies and emerging markets.
- The tone in U.S. dollar sentiment profoundly changed after the Trump administration failed to repeal Obamacare on March 24, one of Trump's key, often repeated campaign promises.
- The U.S. dollar index, which track the greenback's value against a basket of major currencies, slipped below its 150-day moving average to 98.65 points on March 27, its lowest reading since last November's American presidential election.



TURKISH AIRLINES BREAKS DAILY PASSENGER RECORD

Turkish Airlines flew almost 180,000 passengers on March 26, marking the highest number of daily passengers the flag carrier has flown so far this year, according to CEO Bilal Ekşi.

“We flew 179,871 passengers on Sunday [March 26], and reached the highest number of daily passengers since January #spring is coming. Ekşi tweeted in Turkish.”

- The record came less than a week after the U.S. and U.K. introduced bans on electronic devices as carry-ons in flights coming from certain countries including Turkey.
- **“We guarantee that passengers’ devices will not be damaged or lost,”** he added.

TURKISH ECONOMY IN ‘BETTER SHAPE’ SAYS TOBACCO PRODUCER

Turkey’s economy is more robust than it appears and remains attractive to investors, according to the head of the Turkish arm of one of the world’s largest tobacco firms. Enrique Jimenez, managing director of Philip Morris/Sabanci, a Turkish subsidiary of the international tobacco giant, spoke to Anadolu Agency.

- **In an exclusive interview Jimenez said Turkey was a very attractive country for foreign investors due to its strategic location, demography and large development potential.**

As Philip Morris/Sabanci we have been operating in Turkey since the beginning of the 90s. Turkey has always been an invaluable and important country. “Hard times come and go but the Turkish economy is in a much better shape than the world sees, Jimenez said.

- Stressing how Turkey’s economy was one of fastest growing and dynamic among European countries, Jimenez said foreign investors were likely to turn to Turkey once the investment climate developed in the country.
- **Jimenez said Philip Morris International’s largest manufacturing plants were located in Turkey; a clear indication the country was an ideal location for manufacturing and management operations.**

We owed our success to a solid distribution network, result-oriented employees who adapt to do their best plus a balanced product range. We are here for a long time and plan to be so for a longer time. We will keep supporting Turkey’s economy, Jimenez said.

- Philip Morris/Sabanci **made investments worth \$300 million last year and its overall investments in Turkey are above \$1 billion.**

TURKEY'S BORSA ISTANBUL UP AT OPENING 28.03.2017

- Turkey's benchmark index started 28 March with a 439.77-point increase to open at 90,134.82. In opening transactions on the second business day of the week, the BIST 100 index rose 0.49 percent, while the banking and holding sector indices went up 0.58 percent and 0.55 percent, respectively.
- Among all sectors, the investment trusts sector index was the best performer -- up 0.74 percent -- while the real estate investment trusts sector index started the day with the biggest decline, falling 0.11 percent.



- At the closing session, the benchmark index was up 687.65 points, or 0.76 percent, to close at 89,695.05 points, with a total trading volume of 3.3 billion Turkish liras (approximately \$916.9 million).
- The U.S. dollar/Turkish lira exchange rate slightly rose to 3.6180 at 9.30 a.m. local time (0730GMT) on March 28, compared with 3.6130 at March 27's close. Analysts said investors will look for Federal Reserve Chair Janet Yellen's speech to come.

TILLERSON TO ATTEND WORLD PETROLEUM CONGRESS IN ISTANBUL

U.S. Secretary of State Rex Tillerson will pay a visit to Turkey to attend the upcoming 22nd World Petroleum Congress and will receive the highest honor from the World Petroleum Council: the Dewhurst Award.

- The 22nd World Petroleum Congress, of which Anadolu Agency is the global communication partner, will be held in Istanbul between July 9 and 13, 2017.

Rex W. Tillerson, [ex] chairman and [former] chief executive officer of Exxon Mobil Corporation, is being recognized for his outstanding contribution to the oil and gas industry with the highest honor of the World Petroleum Council, the Dewhurst Award, the WPC statement read.

- **“This distinguished lifetime achievement award celebrates his exceptional leadership of the largest publicly traded oil and gas company in the world over the past 10 years,”** it added.
- Tillerson is only the tenth recipient of the Dewhurst Award in the history of the WPC, since its inception in 1993 when the then president of the Institute of Petroleum in U.K., Thomas Dewhurst, organized what was to become the first World Petroleum Congress, the Council explained.
- **“Rex Tillerson will receive the award during the Dewhurst Ceremony at the 22nd World Petroleum Congress in Istanbul on July 13, 2017,”** WPC noted.
- The Council underlined that more than 5,000 delegates, including 50 ministers, 500 CEOs and more than 1,000 press representatives will attend the Congress.
- **“Rex Tillerson has been an inspiration for our industry, blazing the trail on integrity, global cooperation and technical innovation,”** Dr Jozsef Toth, president of the WPC, was quoted as saying.

He has created an enormous legacy as an exceptional leader and groundbreaking operator in the global oil and gas sector. It was a pleasure to welcome him, as a plenary speaker to our previous congresses in Moscow, Doha and Madrid and it will be an honor to present him with our highest award. On behalf of our board and the 70 member countries of the World Petroleum Council, I am delighted to congratulate him on this recognition, Toth added.

- The triennial World Petroleum Congress is widely known as the “Olympics” of the petroleum industry. It covers all aspects of the industry from technological advances in upstream and downstream operations to the role of natural gas and renewables, management of the industry and its social, economic and environmental impact.

TURKISH AIRLINES TO SPONSOR U.S. FOOTBALL (SOCCER)

Turkish Airlines signed a sponsorship deal with American professional football (soccer) club Indy Eleven, based out of Indianapolis, Indiana. The agreement sees Turkish Airlines become the official international airline partner of the club which plays in the North American Soccer League.

- **“As part of the agreement, Turkish Airlines will serve as the first jersey-back sponsor in Indy Eleven history, with the airline’s logo set to debut on the club’s kits starting on Saturday, when the ‘Boys in Blue’ kick off their fourth season of play at the San Francisco Deltas,”** a statement read.
- Turkish Airlines’ chairman, Ilker Aycı, said: **“As Turkish Airlines network grows every day by offering more and more services, we are delighted to have this partnership with Indy Eleven. “We truly believe sports has the ability to unite cultures and nations, therefore we are glad to be a part of this partnership,”** he added.
- **“The soccer business continues to grow rapidly in the United States, and Indy Eleven is proud to be in cooperation with Turkish Airlines as the airline further establishes itself in America,”** said Ersal Özdemir, owner of Indy Eleven.



- This partnership will expand the reach of Indy Eleven’s growing brand across the United States and the world,” he added. **The deal adds to Turkish Airlines’ growing portfolio of sports sponsorship. Europe’s top-flight club-basketball competition -- the Turkish Airlines’ Euroleague -- will retain the company’s name as title sponsor until 2020.**
- Between 2015 and 2016 the company was the kit sponsor of a Bosnian football club, FK Sarajevo. Meanwhile, the flag carrier also has a three-year deal as main sponsor of the European Rugby Champions Cup and the European Rugby Challenge Cup. The airline was also an official partner of the UEFA Euro 2016 competition held in France, a first in the tournament’s 56-year history.

P&G COMMISSIONS USD 80 MILLION PRODUCTION PLANT IN GEBZE

Procter & Gamble (P&G), a multinational manufacturer of consumer goods that include family, personal, and household care products, commissioned a plant in Gebze, Kocaeli that will be used for the production of diapers and feminine care products. The plant represents a USD 80 million investment on the part of P&G.

- During his welcome remarks at the opening ceremony, ISPAT President Arda Ermut said that P&G's new plant will contribute significantly to President Erdoğan's recent call for mobilization of employment in Turkey. The new plant in Gebze will enable localization of previously-imported product groups and bring in new manufacturing technologies to Turkey, according to P&G CEO David Taylor. The company has been operational in Turkey since 1987, and has invested over USD 700 million since its entry into Turkey, where it also manages operations in the Caucasus regions with



- Minister of National Defense Fikri Işık said the Turkish government considers P&G akin to a Turkish company that produces 60 percent of its product line in Turkey, exports 20 percent of its output, and is a major employer in the country.

TURKEY ON WAY TO EXPORT ENERGY WITHIN A DECADE

February 2017 saw the commissioning of a critical investment for enhancing the security of gas supplies. As part of the policy to increase energy supply security, Turkey opened Tuz Lake gas storage facility in the Central Anatolian province of Aksaray. This facility will increase the country's total storage capacity by nearly 50 percent.

- The facility was inaugurated on February 10 with the participation of President Recep Tayyip Erdoğan and Minister of Energy Berat Albayrak. **Comprised of 12 wells constructed with an investment**

of USD 700 million, the facility will pump about 44 mcm of gas daily into the country's gas network. With the completion of new phases of investment within the next few years, its storage capacity is expected to increase up to 5.4 bcm.

- In December 2016, Turkey also put into operation its first floating storage regasification unit (FSRU) at Aliaga on the Aegean coast. **The terminal's development, from the final investment decision to completion, took 6.5 months. Engie, the French multinational energy group, was selected by the project partners Kolin and Kalyon** to commit the 145,000-cubic meters Neptune vessel to the project.
- With a capacity of up to 20 million cubic meters per day of gas send-out, the new Etki LNG terminal, together with two other onshore LNG terminals, will enhance the security of Turkey's natural gas supply.
- **In 2016, Turkey's energy imports fell 28.2 percent compared to the previous year,** according to the Turkish Statistical Institute. Turkey's total electricity generation in 2016 was 269.8 billion kilowatt-hours, of which 131.8 billion kilowatt-hours, or almost half, came from domestic and renewable energy sources. The share of natural gas in electricity production was 89.14 billion kilowatt-hours, which meant its share in total electricity generation in 2016 was 33 percent, down from 37.8 percent in 2015.
- In a ceremony on February 22, 2017, marking the 15th anniversary of the foundation of the Energy Market Regulatory Authority (EMRA), Minister of Energy Berat Albayrak stated that **Turkey, a country that currently spends USD 50 billion on energy and mineral imports every year, may become an energy exporter in the next 10 years.**
- Albayrak, recalling the importance attached to local and renewable resources, underlined that 2016 was a record year with around 49 percent of Turkey's electricity generated from local and renewable resources. **"In the next 10 years, we should increase the share of domestic resources in electricity generation to at least two-thirds. We need to move this ratio to over 50 percent this year. We will work together, shoulder to shoulder. From now on, we will look for more resources, implement regulations, and open the way for investors, being supportive for a win-win model. We will install nuclear plants as well as local-coal fired ones. We need to develop resources with richer calorific values. Turkey spends USD 50 billion on imports every year; however, it will start paying less",** he added.
- Noting that Turkey's ratio of electricity generation from domestic coal reserves rose to 16 percent from 12 percent in 2016, Minister Albayrak pointed out that Turkey will take steps in both local coal and nuclear energy production.

ROBOTS TAKING JOBS, WAGES FROM US WORKERS

Robots are replacing American workers and significantly slashing wages, according to a report.

- Researchers behind the survey examined decades of employment data released by the government from 1990 to 2007. They found that for every new robot installed at a factory, the jobs of 6.2 people were eliminated, on average.
- "We see negative effects of robots on essentially all occupations, with the exception of managers," the pair wrote in the paper. **"Predictably, the major categories experiencing substantial declines are routine manual occupations, blue-collar workers, operators and assembly workers, and machinists and transport workers."**

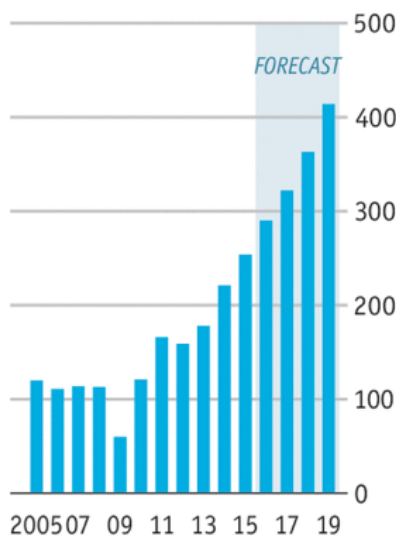
- The authors wanted to focus mainly on automation so they adjusted the research to account for other developments that effected jobs, such as inexpensive imports from China and the decline of “routine jobs” that require repetition of a narrow skill set.
- **The report believes the future could be even worse.** Acemoglu and Restrepo argue that the number of robots utilized by U.S. industry is relatively low. If automation continues at its current pace, the economic effects could be compounded. **“If the spread of robots proceeds as expected by experts over the next two decades, the future aggregate implications of the spread of robots could be much more sizable,”** they said.

The life robotic

Global industrial robots

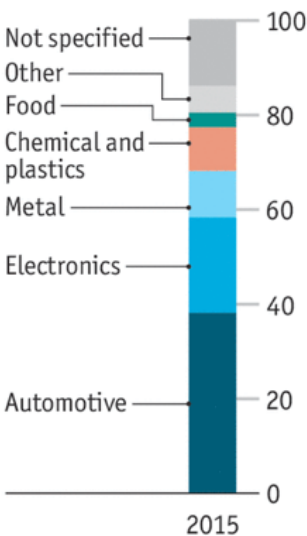
Sales

'000 units



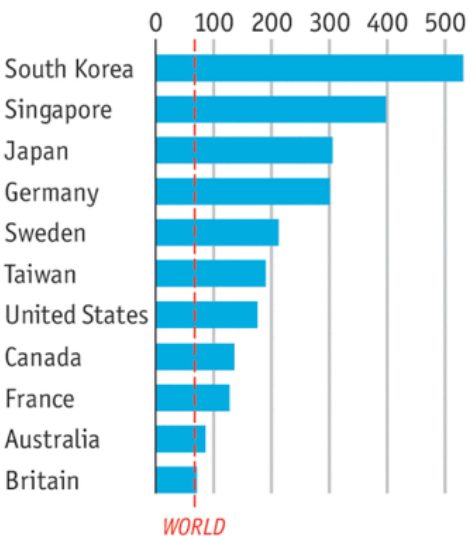
By industry

% of total



Number of robots

Per 10,000 manufacturing employees, 2015



FOREIGN INVESTORS EXPRESS FULL CONFIDENCE, CONTINUE TO INVEST IN TURKEY

Global companies operating in Turkey have expressed their full confidence in the Turkish economy and underscored that they will continue to invest in the country.

- Speaking to Anadolu Agency, Samsung Electronics Turkey’s Country Director Dae Hyun Kim said Samsung has continued to invest in Turkey’s future, and drew attention to their newly opened showrooms, which will create new job opportunities. Claiming that Samsung has different investment objectives in a variety of fields, Kim said: “The Turkish market has medium and long term potential. We believe that the Turkish economy will be in a better shape in the long term. Therefore, we have invested here and will continue to do so.”
- Pointing out that Turkey has a large youth population, Samsung Turkey Country Chair Kim said this is of great importance to Samsung, thus it supports Turkish youth, startup companies and young entrepreneurs.

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Turkey's geographic location can make it a hub

- Nestlé Turkey Board Chair and CEO Felix Alleman described Turkey as a fantastic country and said it is situated in a very significant location and has a positively growing economy.

Recalling the fact that Nestlé has been operating in Turkey for quite a long period, Alleman said: "We have been investing in Turkey for 108 years and we will continue to do so. We will make even more investments in the future than we did in the past."

- Stressing that Turkey is a very important market for the group, the Nestlé CEO said, "If Turkey continues to provide encouraging incentives to foreign investors and ensures investment opportunities, the country will have an even brighter future."
- Drawing attention to the fact that one can travel to anywhere from Turkey in a very speedy and effective manner, Alleman stated that its geographic position gives the country a lot of advantages, with the potential of turning it into a hub.
- Alleman also emphasized the fact that Turkey's Gross National Product (GNP) has been gradually increasing over the recent past, an important indicator for companies.
- He further added that if companies are looking towards the future, they should always give importance to innovation.

Novartis to make more investments

- Novartis Turkey's Country Head Peter Catalino stated that Novartis has kept increasing investments in Turkey every year, claiming that it invested about \$20 million last year alone.
- Catalino noted that Novartis Turkey, with four production facilities, was an important production hub for their global market, adding that they contributed highly to Turkey's high-tech production of high-value-added medicines produced in these facilities.
- Pointing out that their exports stood at some \$150 million last year and reached \$1.2 billion in total over the last decade, Catalino said, "At Novartis, we support the government's vision of the pharmaceutical sector, and that they will make the production in Turkey larger by bringing in innovative products." Catalino said they will invest even further over the coming period, with an objective of growing together with Turkey.
- Underlining that they were among Turkey's leading pharmaceutical companies, with more than 100 clinical trials, Catalino said they invested \$39.4 million in clinical research last year and over \$144 million in clinical trials in Turkey during the last seven years.

There may be short-term troubles in the economy, but, I believe that Turkey will achieve good progress in the long run. I trust Turkey and the Turkish people. We are here and we are going to stay here for a long time, he added.

Discover Your Turkey Story Campaign

- Turkey recently launched "Turkey Image Campaign" held under the auspices of the slogan, "Discover your Turkey Story" with the chief executive officers of global corporations that operate inside of Turkey. Here, giants in the multinational business world will call on the citizens of their countries to come and discover their own stories in Turkey.

- The project, executed by the Turkish Exporters' Assembly (TİM) under the leadership of Turkey's Ministry of the Economy, will be shown in the U.K., France, Germany, Russia, Italy, the U.S. and the United Arab Emirates (UAE). Moreover, the CEOs of 17 global corporations operating in Turkey including Vodafone, Unilever, Ford Global, BNP Paribas, Sberbank, General Electric (GE) Global, Toyota, Hyundai and Ford, have taken part and conveyed the unified message: "Come to Turkey. Discover your own story" in promotional films shot as part of the campaign.



Discover
the potential

CITIGROUP MAKES ISTANBUL THE MANAGEMENT BASE FOR 60 COUNTRIES

itigroup has given the CEO of its Turkey branch Serra Akçaoğlu presiding responsibility over 60 countries across Europe, the Middle East and North Africa (MENA) region where the company currently has no branches in place.

- **Citigroup, which operates in 100 countries around the world and 55 countries in Europe, the Middle East and Africa Market (EMEA) assigned Citibank Turkey CEO Serra Akçaoğlu to 60 countries where the company has no physical branches or subsidiaries but offers corporate banking services to customers. The move marks the first time that a Turkey corporate executive has been assigned to a regional post. CEO Akçaoğlu will also continue to be a member of the EMEA board committee.**
- Citibank Turkey CEO told Turkish daily Dünya that Citi believes in the potential for development in these 60 countries in the coming period, adding that most of these countries are more likely to be the “developing country” candidates of the future and emphasizing that Citigroup is already investing in these countries.
- Earning the first title for women in the sector and the first title for a Turkish general manager of Citigroup, Akçaoğlu said that taking on her first duties as regional director will include efforts to increase trade and investment potential between Turkey and the said countries in the region.
- **As Istanbul becomes the regional management base for Citi for the first time, Akçaoğlu, as the head of EMEA for the countries with no Citi branches, will lead the managers responsible for 60 markets. Serra Akçaoğlu said they have been conducting projects for public institutions, banks and large investors in these countries, noting that they are investigating synergies that they have the potential to create between Turkish customers and 60 countries, saying that managers of the region will also meet with big investors and bring them to Turkey.**

“Explaining that she would like to bring a number of financial solution proposals successfully implemented in Turkey to the said countries, Akçaoğlu said that in terms of the supply chain and foreign trade, Turkey offers solutions that can be exemplified: “We also use PTT branches in Turkey like our own branches. We have real time, online connections. We will see if we can apply the same model in those countries,” Akçaoğlu said, highlighting that they want to strengthen relations with the local banks in the MENA region.”

- Operating in more than 100 countries around the world, Citi offers retail banking services in 19 countries. Founded in 1812, the bank is headquartered in New York and it has been operating in Turkey since 1975

AMAZON BUYS MIDDLE EAST'S LARGEST ONLINE RETAILER SOUQ.COM

Amazon purchased the Middle East's biggest online retailer Souq.com for an undisclosed amount, a day after a state-backed firm disclosed an \$800 million counteroffer.

- A joint statement described the purchase as expanding Amazon's influence into the Mideast as the state-supported firm Emaar prepares to launch its own retail website in a country known more for its luxury malls than online shopping.
- That could put Seattle-based Amazon in a head-to-head competition with a firm helmed by one of the sheikhdom's favored business magnates.
- "This is a milestone for the online shopping space in the region," Souq.com co-founder and CEO Ronaldo Mouchawar said in a statement. The announcement said the two companies expect the sale to close this year.

“By becoming part of the Amazon family, we'll be able to vastly expand our delivery capabilities and customer selection much faster, as well as continue Amazon's great track record of empowering sellers, he said in the statement. Amazon senior vice president Russ Grandinetti said the deal made sense as both companies “share the same DNA”. “We're both driven by customers, invention and long-term thinking, he said.”

- “We're looking forward to both learning from and supporting them with Amazon technology and global resources.” Souq.com won a major vote of confidence last year and emerged as the highest-valued internet company in the region when it secured \$275 million in funding from international investors to support its growth.
- At the time, Mouchawar said the e-commerce market in the Middle East was “growing very fast” and expected to reach \$20 billion in 2016. Souq.com attracts over 45 million visits per month.
- Known for its huge online retail operations, Amazon has been expanding into areas including cloud computing and streaming video where it is trying to rival Netflix. But retail remains at its core, with its retail operations taking in \$26 billion in North America and \$14 billion in the rest of the world in the last quarter of 2016.

GE, BORUSAN ENBW, FİNA ENERGY AND ÖZGÜL HOLDİNG SIGN MOU FOR YEKA IN TURKEY



General Electric (GE), Borusan EnBW Energy, Fina Energy and Özgül Holding signed Memorandum of Understanding to collaborate on the installation, operation and financing of a joint wind farm as part of the YEKA, the largest wind project in renewable energy in Turkey. **Contributing to the renewable energy portfolio of Turkey, the wind YEKA project will see preliminary preparations on financing and project by the companies.**

- Agah Uğur, Borusan EnbW Enerji's Chairman of the Board, Murat Özyeğin, Fina Enerji's Chairman of the Board, Ömer Faruk Özgül, Özgül Holding's Chairman of the Board and John Rice, CEO of GE Global Growth Organization, Cliff Harris, General Manager, GE EMEA Onshore Wind Energy, Canan M. Özsoy, CEO & President of GE Turkey were present at the signing ceremony of the MoU agreement. **As per the agreement, companies will work together with the aim of supplying and operating wind sites, equipment, service, local manufacturing, finance and R&D.**

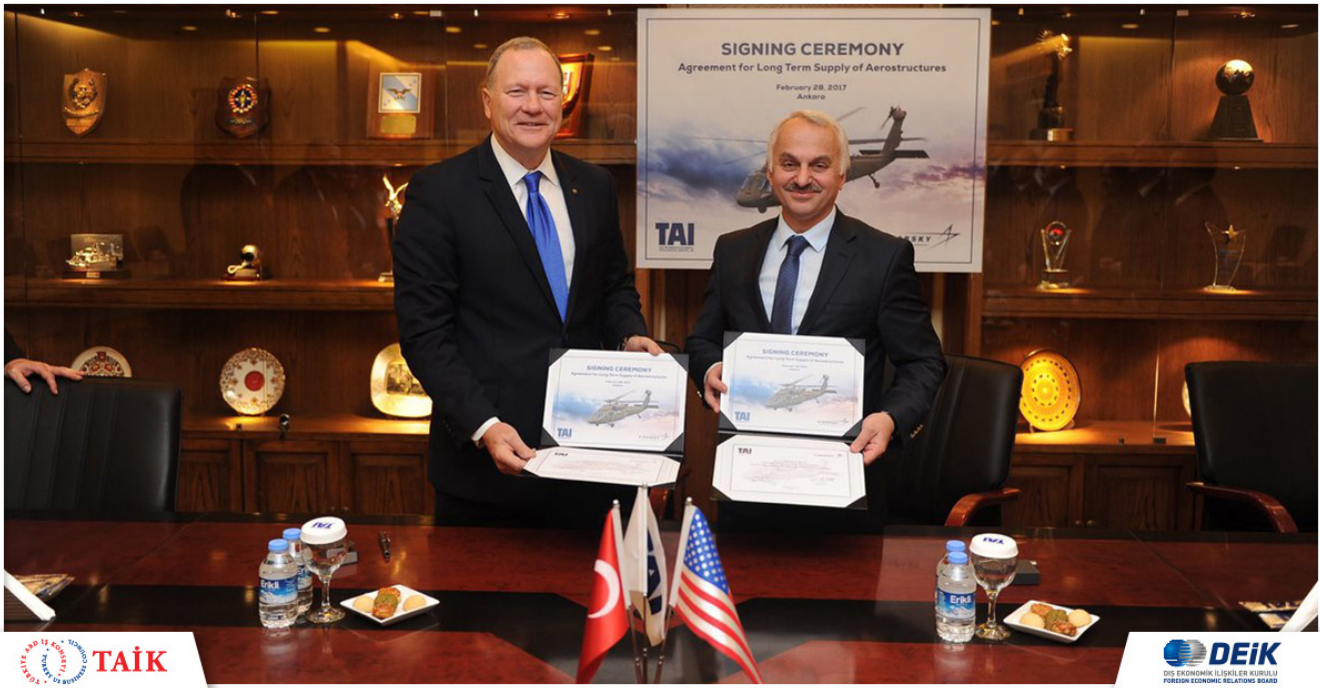
SIKORSKY, TAI SIGN \$270 MILLION COOPERATION DEAL

Tusas Turkish Aerospace Industries (TAI) and Sikorsky Aircraft Company have signed a "cooperation agreement" aimed at enhancing business between the two companies in the next 10 years.

- **The contract was signed in Ankara between TAI's CEO, Temel Kotil, and Sikorsky's president, Dan Schultz.**

- In a written statement TAI said on February 28 that the agreement involves the production of components for various helicopter platforms. Under the deal, TAI said \$270 million worth of components would be produced in the next 10 years.

- **"The cooperation agreement brings a new dimension into the existing business cooperation**



between TAI and Sikorsky that has already gained pace after the deal on the Turkish Utility Helicopter Program,” TAI said. The \$3.5 billion utility helicopter contract between the Turkish government and Sikorsky took effect in June. TAI is the prime Turkish contractor of the program.

- In 2011 Turkey selected Sikorsky for the utility program and signed a preliminary contract in 2014 but the Turkish and U.S. sides had bargained over U.S. export licenses for the planned utility helicopter. The T-70 Black Hawk, the Turkish version of the S-70 Black Hawk International, will come in two different configurations. **Under the 10-year utility program the T-70s will be delivered to six different users: The Land Forces, Air Force, Gendarmerie Command, Special Forces Command, Security General Directorate and Forestry Department.**
- The T-70 contract involves the coproduction in Turkey of an initial batch of 109 T-70 helicopters. **But SSM, the Turkish defense procurement agency, says the total production figure could reach 300 eventually “in view of Turkey’s future helicopter requirements.”** Under the program, for every helicopter to be produced in Turkey, another will be exported. **That puts the final production figure at 600 platforms.**
- Turkey’s procurement office expects that the Turkish industry will get 67 percent work share and earn \$1.4 billion over a period of 30 years.



ANNUAL CONFERENCE ON U.S. - TURKEY RELATIONS

Dear Readers,

TAİK and ATC are proud to bring you the [Post Conference Report for the 35th Annual Conference on U.S.-Turkey Relations](#). As the U.S. welcomes the 45th President, we know how critical these next four years will be for the U.S.-Turkey relationship. We are dedicated to working together to ensure the strong linkages that tie us together remain intact and continue to grow. The election of Donald Trump as the President of the United States means new dynamism and opportunities for America's allies and for Washington alike. The first 100 days of the new Administration will be critical and the release of the post conference report has been timed to underscore the importance of and continued dialogue that is necessary to preserve and advancing the strong business, diplomatic, and cultural relationship between our countries.

The Post Conference Report documents the proceedings of our 35th Annual Conference, providing summaries of major ideas, recommendations for action, long range vision frameworks, and exemplary stories and analysis. We hope you enjoy it, and walk away with a stronger understanding of the dynamic U.S.-Turkey relationship.

Please [click here](#) for the videos from the conference.

We look forward to building on this at this year's conference, the **36th Annual Conference on U.S.-Turkey Relations, May 21-23, 2017 at the Trump International Hotel, Washington D.C.**





CALIFORNIA VISIT

Dear Readers,

TAİK is pleased to announce its upcoming California Visit: Following the 36th Annual Conference on U.S.-Turkey Relations on 21-23 May 2017 at Washington D.C., TAİK California Committee is organizing two visits to California on 23-26 May 2017. The programs will be held simultaneously yet the two main event dates will not coincide so that our members that wish to be part of the both events can be able to do so.

May 24, 2017

SAN FRANCISCO - TURKEY IT SUMMIT

The San Francisco-Turkey IT Summit's is planned solely for participants from the tech industry and investors. The main goal is to create a common understanding between the two regions and to establish a platform on which the cooperation atmosphere can prosper. The main points can be summarized as follows:

Addressing the respective IT ecosystems of San Francisco and Turkey.

Communicating how well structured the Turkish IT and start-up ecosystem is to U.S. investors and possible business partners, and emphasizing the possible joint opportunities at both regions.

Encouraging companies at the scale-up level to further expand their operations to U.S. and promote possible partnership opportunities.

San Francisco: <http://portal.deik.org.tr/KatilimFormu/365/8547>

May 25, 2017

LOS ANGELES - TURKEY BUSINESS FORUM

Under the scope of the Turkish Trade Week organized in Los Angeles, TAİK will welcome its members and many local professionals at the Los Angeles – Turkey Business Forum. With an aim to increase collaboration between the two regions and to promote Turkish capabilities in many areas of cooperation, the Business Forum is planned to bring together numerous Turkish and American businesspeople.

On May 26th, a site visit to SpaceX facilities, located in Los Angeles, is planned; attendees of both visits are welcome. Please fill out the registration forms below for an initial inquiry. TAİK will contact the participants to give further details on the programs.

Los Angeles: <http://portal.deik.org.tr/KatilimFormu/366/8549>



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