



TAİK³⁵
YIL
"YEAR"

Turkey-U.S. Business Council Summer 2020 Issue



From the Chairman

"Turkey and the United States can preserve advanced international supply chains, particularly outside of Europe and the U.S., and achieve the bilateral hundred billion dollar trade goal by turning vital discussions into action and reality."

Mehmet Ali Yalçındağ

TAİK Highlights

September kicked off a new tone and tempo in Washington around Turkish-American engagement. From Capitol Hill leaders to Cabinet-level White House officials, observers witnessed an outpouring of advocacy from American officials in support of Turkey and strengthening Turkey-U.S. bilateral relations.

We held a webinar with speakers including the Co-Chair of the U.S. Congress' House Caucus on U.S.-Turkey Relations and Turkish Americans, Representative Steve Chabot, who discussed topics including U.S.-Turkey LNG cooperation and Turkey as a replacement for China in the global supply chain.



**Congressman
Steve Chabot (R-OH)**

Co-Chair of the Caucus on U.S.-Turkey
Relations and Turkish Americans



"Finding common ground is critical and building on trade relations is an area in which we can make considerable progress."

I am determined to do that in my position as one of the Co-Chairs of the Congressional Turkey Caucus."

38TH AMERICAN-TURKISH CONFERENCE • 2020

September 21-24 • #VirtualATC



On 21st September TAİK kicked off the 38th American-Turkish Conference, in partnership with the U.S. Chamber of Commerce.

At the ATC, U.S. Secretary of Commerce, Wilbur Ross, emphasized the U.S.' commitment to boosting trade ties. He noted areas ripe for collaboration in order for the two countries to reach the \$100 billion trade target set by Presidents Erdoğan and Trump, including LNG and developing 'smart cities' across Turkey.



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The Honorable Wilbur Ross
U.S. Secretary of Commerce

"Presidents Trump and Erdogan share in the vision of strengthening the US-Turkey bilateral relationship as our country's work towards our mutual goal of increasing bilateral trade volume to \$100bn."



U.S. Deputy Secretary of State, Stephen Biegun, emphasized the win-win gains of Turkey-U.S. cooperation, "Our private sectors are eager to form close partnerships in the future. Your work here today advances our joint goal of reaching \$100 billion in annual bilateral trade."

The U.S. Ambassador to Turkey, David Satterfield, [made a passionate case for the Turkish market](#), "Turkey is at the cutting edge of technological proficiency. In many sectors, Turkey has not just the potential, Turkey has demonstrated that it is able to be a marketplace for the most advanced industries."

From DEİK's President

"COVID-19 is the top concern of mind for business around the world. However, I am confident that the world economy is resilient, and the private sector will rise to the challenge ahead."

Nail Olpak



Turkey's Minister of Industry and Technology, Mustafa Varank, outlined the success U.S. companies were already having in Turkey, "P&G has been able to make profits through Turkish suppliers that have come to replace Chinese suppliers. The pandemic has shown that Turkey offers great opportunities for those wishing to diversify their industrial base."

Turkey's Trade Minister, Ruhsar Pekcan, highlighted the strength of the Turkey-U.S.

partnership, “We value our partnership with the U.S., we are ready to improve our ties and we believe these ties will be strong enough to withstand challenges.”

Transatlantic Talks with U.S. Senator Lindsey Graham (R-SC): On June 24th, TAİK and DEİK hosted a joint webinar, titled [“A Time for Allies to Invest in Allies: Turkish American Global Supply Chain”](#), with special guest Senator Lindsey Graham (R-SC) and former Senator David Vitter as moderator.

The webinar discussed opportunities to increase bilateral trade between Turkey and the United States, Turkey’s role in international supply chains and the potential to become a leading alternative to Chinese influence, particularly in Africa. Senator Graham highlighted that the future of the Turkish-U.S. economic relationship will be based on economic integration of the two countries and that Turkey is well-positioned to offset U.S. reliance on China.



U.S. Senator Lindsey Graham (R-SC) and TAİK Chairman Mehmet Ali Yalçındağ meeting in Washington, D.C. in March 2020

Member News



TAİK is proud to welcome our newest member, [Koluman Otomotiv Endüstri A.Ş.](#). Since 1965, Koluman has operated in the automotive, construction and

engineering sectors. Koluman is the main dealer of Mercedes Benz Turk A.Ş and operates motor vehicles for all types of transportation, construction and defense projects. We look forward to working closely with Koluman and expanding Turkey's automotive industry beyond our borders.

Media Highlights

The Washington Post

In July, Mehmet Ali Yalçındağ wrote a letter to the editor of the *Washington Post* titled, "[The Turkey-U.S. Business Council Does Legitimate Business.](#)" The letter was placed in response to an op-ed published by David Ignatius titled, "[Trump's Corrupt Dealings With Turkey Are Some Of The Most Startling Stories In Bolton's Book](#)".

The Telegraph included interviews with Batu Aksoy, CEO and Vice Chairman of Aksoy Holdings, and Umut Özkanca, CEO of d.ream Group, in an article titled "[Masks and free hotel stays – what a holiday in Turkey looks like this summer](#)". Both Members highlighted the extensive measures the Turkish hospitality industry was taking to ensure safety for guests and patrons.

The Telegraph

INDEPENDENT

Umut Özkanca, CEO of TAİK member d.ream Group, offers his perspective to UK publication *The Independent* on the impact of COVID-19 on the global tourism industry. In the article titled, "[‘A lost season’: Hard road ahead as the tourism industry struggles to bounce back from coronavirus crisis](#)," Mr. Özkanca mentions that for firms to stay strong amid the pandemic, they "have to be agile and act fast".

Temel Kotil, President and CEO of TAİK member company Turkish Aerospace Industries provided comment to *Bloomberg* for its coverage of the news, "[Turkey to Keep Making F-35 Parts Through 2022](#)". "We stand ready to fulfill our integral production role in the United States' most important defense program. "Our company will continue providing on-time, cost-effective deliveries," said Mr. Kotil.

Bloomberg

TAİK member company Kale Group provided comment to

Defense World's coverage of the news, "[Turkey to Manufacture F-35 Components Through 2022, Despite Aircraft Non-Delivery](#)". "We are proud to partner with the United States aerospace industry in supporting production of the groundbreaking F-35 program. We look forward to our continuing role in the supply chain that provides the U.S. military with cutting-edge technology," said Osman Okyay, Vice Chairman of Kale Group.

Latest News

SEPTEMBER

- The 2020 trade turnover between Turkey and the U.S. [exceeded \\$1.5 billion by June 2020](#). The trade turnover increased by \$564.5 million from January through June 2020 compared to the same period of last year.
- Turkey's banking sector hit a net profit of [\\$5.6 billion as of the end of July 2020](#). The sector also registered \$809 billion total assets in the same period, up 34.7% from last year. Lenders' minimum capital requirements were up to 19.21% at the end of July, an increase from 18.19% in the same period last year.
- The Turkish Trade Ministry launched an AI-based trade platform that aims to digitalize Turkey's export business and reach over 3 million SMEs. The platform, called [Easy Export Platform](#), provides exporters with up-to-date foreign trade data and specific sector recommendations based on customs declarations data.
- According to the Turkish Union of Chambers and Commodity Exchanges (TOBB), [Turkey saw a 76.4% annual rise](#) in the number of newly formed companies in August. A total of 9,352 companies began operations in August.

AUGUST

- Over the course of 2020, the U.S. rose three positions to become [Turkey's second top export market](#). According to the Trade Ministry, Turkey's exports to the U.S. reached \$5.56 billion from January through July.
- President Erdoğan announced a [large natural gas find in the Black Sea](#), totaling an estimated 320 billion cubic meters. Turkey expects that the reserve will lead to other field discoveries in the region.
- The Industry and Technology Ministry provided [1,200 incentive certificates](#) to entrepreneurs, worth TL 22.46 billion (\$3.06 billion). 57% of the incentive

certificates were granted to enterprises in the manufacturing sector and 21% in the energy sector.

- Turkey's gaming start-ups [attracted \\$2.4 billion in investments](#) over the past five years. In August, Zynga paid \$168 million for 80% of Turkish developer Rollic Games.

JULY

- Turkish [manufacturing activity grew at the fastest rate in nine years](#) in July 2020. The headline PMI rose to 56.9 in July from 53.9 in June, recording its highest reading since February 2011.
- The Trade Ministry announced that [Turkey saw the highest monthly export figure of the year](#) with \$15 billion in July. This is an 11.5% month-on-month rise and the second-highest July figure of all time.
- Turkey saw a [986% year-on-year growth in PPE exports](#) in the first 6 months of 2020, reaching a record of \$573.4 million. Turkish companies accelerated production to meet global demand in times of the COVID-19 crisis.

JUNE

- Turkey's [exports surged 15.8 percent year-on-year in June](#), reaching \$13.5 billion. Imports also rose 8.2 percent to \$16.3 billion in the same period. "Turkey has distinguished itself in both the economy and healthcare, sending strong signals of recovery from the crisis thanks to the dedicated work of our exporters, manufacturers, and industrialists," said Trade Minister Ruhsar Pekcan.
- After 8 years of negotiations, [Turkey will join Euroclear](#), one of Europe's largest securities depositories. This will allow investors to settle trades in Turkey's government bonds and attract more international capital.
- The Trade Ministry launched a new [free-trade zone focused on the IT industry](#), which will provide tax exemptions, rent breaks, qualified employment support and other economic incentives to international investors.



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