

MONTHLY BRIEF

TURKEY-U.S.
ECONOMIC OUTLOOK



MAY
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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

\$19.0 TRILLION

U.S. Real GDP increased at an annual rate of **0.7%** in the **first quarter of 2017**, according to “advance” estimate released by the Bureau of Economic Analysis.

4.4%

U.S. total nonfarm payroll **employment increased by 211,000 in April**, and the **unemployment rate** was little changed at **4.4%**. Job gains occurred in leisure and hospitality, health care and social assistance, financial activities, and mining.

2.2%

U.S. Consumer Price Index increased **0.2% in April** on a seasonally adjusted basis. **Over the last 12 months**, the all items **index rose 2.2%** before seasonal adjustment.

\$126.2 BILLION

U.S. exports of goods in March 2017 declined by 1.6% to **\$126.2 billion** compared to previous month.

\$191.7 BILLION

U.S. imports of goods in March 2017 declined by 0.9% to **\$191.7 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.

\$839 MILLION

U.S. exports of goods to Turkey in March 2017 increased by 22.8% to \$839 million compared to previous month. **Total U.S. exports to Turkey** in the first quarter of 2017 has reached to **\$2.17 billion**.

\$800 MILLION

U.S. imports of goods from Turkey in March 2017 increased by 18.3% to **\$800 million** compared to previous month. **Total U.S. imports from Turkey** in the first quarter of 2017 has reached to **\$2.24 billion**.

29TH

Turkey is U.S.'s 29th largest export market in the first quarter of 2017. **Leading U.S. exporting industries to Turkey in March 2017** are aircrafts (\$162 million), mineral fuels (\$120 million), cotton (\$81 million), machinery (\$71 million), and prepared animal feed (\$56 million) which in total **comprise 58.4% of overall exports to Turkey.**

34TH

Turkey is U.S.'s 34th largest sourcing market in the first quarter of 2017. **Leading Turkish exporting industries to U.S. in March 2017** are iron and steel (\$147 million), machinery (\$98 million), automotive (\$68 million), carpets (\$33 million), and natural stones (\$30 million) which in total **comprise 47% of overall exports to the U.S.**

49.3%

Texas, Louisiana, New York, California, and Georgia are the **leading states in exports to Turkey** in the first quarter of 2017 which in **total comprise 49.3%** of American exports to Turkey.

44.8%

Texas, New York, California, New Jersey and Florida are the **leading states in imports from Turkey** in the first quarter of 2017 which in **total comprise 44.8%** of American imports from Turkey.





US WITHDRAWS FROM THE PARIS AGREEMENT

After days of suspense, President Trump announced that his administration will exit the Paris climate agreement.

- **The Paris Climate Agreement is a pact between nearly 200 nations to voluntarily reduce their greenhouse gas emissions in an effort to fight climate change.** The U.S., the world's second largest emitter of carbon, would be required to reduce fossil fuel emissions nearly 30 percent by 2025.
- "So we're getting out," Trump said. "The Paris accord is very unfair at the highest level to the United States." **Trump's decision fulfills a campaign promise and satisfies strong Republican opposition to the global climate deal but also isolates the U.S. and is certain to bring condemnation from world leaders and critics in the scientific community.**
- Leaving the accord aligns the United States with Syria and Nicaragua.


Critics of the Paris agreement argue it hurts the economy but supporters say it will create jobs down the line. "The Paris accord will undermine our economy," Trump said, adding that it "puts us at a permanent disadvantage." "It's time to exit," he said.

- **Former President Barack Obama used his power as president to join the Paris Accord without a vote in the legislature. Similarly, Trump used his authority to call it quits.**
- The former president weighed in on the news: "Even in the absence of American leadership; even as this Administration joins a small handful of nations that reject the future, I'm confident that our states, cities, and businesses will step up and do even more to lead the way, and help protect for future generations the one planet we've got," Obama said in a statement.
- Vermont Sen. Bernie Sanders called Trump's decision "an abdication of American leadership and an international disgrace" while former Vice President Al Gore said it was "a reckless and indefensible action."
- Republican National Committee Chairwoman Ronna McDaniel applauded the news and credited Trump with delivering "on his campaign promise to put American workers first."
- "The president is sending a clear message that we will no longer remain beholden to burdensome international deals at the expense of our taxpayers," she said. "I commend the president for making this decision that will save the U.S. economy from the loss of millions of jobs and trillions in economic output."

- Trump hyped-up his announcement Wednesday on Twitter – prompting American allies around the world to weigh in on the consequences of the U.S. withdrawing from the global pact. At a speech in Berlin, Chinese Premier Li Keqiang said that fighting climate change is a “global consensus” and an “international responsibility.”
- Though there are no legal ramifications for pulling out of the accord, it does alienate America and diminish its standing as a global leader.
- Miguel Canete, the European Union’s top climate change official, said the decision to pull out of the Paris accord makes it “a sad day for the global community.”
- He also predicted that the EU would seek new alliances from the world’s largest economies to the most vulnerable island states, as well as U.S. businesses and individuals supportive of the accord.
- **As a candidate, Trump vowed to “cancel” the Paris climate deal during his first major policy speech on energy in March 2016.** In that same speech, he slammed “draconian climate rules” and vowed to cut any funding for United Nations programs related to combatting climate change. In the past, Trump has refused to acknowledge that humans contribute to climate change and has dismissed it as a hoax.
- Though the Paris Climate Agreement is not legally binding, the decision to either stay or withdraw has been deeply polarizing not only with lawmakers but also members of Trump’s inner circle.
- **Trump’s daughter Ivanka as well as business leaders and other U.S. allies have been pushing pro-Paris agenda for weeks. Business leaders including Apple’s Tim Cook and Tesla’s Elon Musk were among those who lobbied Trump to stay in the agreement.**
- Democratic mega-donor Tom Steyer tweeted, “Generations of Americans will suffer the destructive effects of Trump’s greedy, selfish, and immoral decision.”

U.S. INTERNATIONAL TRADE DEFICIT WIDENED IN APRIL

The U.S. international trade deficit widened in April to \$47.6 billion, up from \$45.3 billion in March, according to the U.S. Census Bureau and the U.S. Bureau of Economic Analysis.

 American Bankers Association®	Apr	Mar	Feb	Jan	Dec	Nov
Trade Balance (\$ Billions)	-47.6	-45.3	-44.9	-48.8	-44.6	-46.4
Exports	191.0	191.5	191.7	191.5	189.5	184.8
Imports	238.6	236.7	236.6	240.3	234.1	231.2
Goods	-68.4	-66.1	-65.3	-69.0	-64.8	-66.8
Services	20.8	20.8	20.4	20.2	20.2	20.5
Petroleum	-7.8	-9.4	-9.5	-10.5	-9.8	-10.5

Source: U.S. Census/BEA

- **The increase reflected a \$1.9 billion growth in imports along with a \$0.5 billion decrease in exports.**
- The goods deficit increased \$2.3 billion to \$68.4 billion, while the services surplus decreased less than \$0.1 billion to \$20.8 billion.
- Exports of goods decreased just over \$0.5 billion to \$126.9 billion in April, driven by a \$0.7 billion decrease in consumer goods. Exports of services increased less than \$0.1 billion to \$64.0 billion.
- Imports of goods increased \$1.8 billion to \$193.8 billion, mostly due to a significant increase in consumer goods, which grew by \$1.9 billion. Imports of services increased less than \$0.1 billion to \$43.3 billion in April.

OIL PRICES SLIP AS MORE U.S. DRILLING OUTWEIGHS OPEC CUTS

The U.S. international trade deficit widened in April to \$47.6 billion, up from \$45.3 billion in March, according to the U.S. Census Bureau and the U.S. Bureau of Economic Analysis.



Oil prices slipped on May 29 as further increases in U.S. drilling activity undercut an OPEC-led push to tighten supply.

- **The Organization of the Petroleum Exporting Countries and some non-OPEC producers pledged last week to extend production cuts of around 1.8 million barrels per day (bpd) until March 2018.** An initial agreement, in place since January, would have expired in June this year.
- Trading was subdued due to public holidays in China, the United States and Britain, but concerns lingered over whether OPEC action would be enough to stem the tide of oversupply. Brent crude futures were trading down 15 cents at \$51.98 per barrel. The contract ended the previous week down nearly 3 percent.

- U.S. West Texas Intermediate (WTI) crude futures were also down 17 cents at \$49.63 per barrel.

“Commerzbank analyst Carsten Fritsch called the price moves little more than “intraday noise” but said hints of deeper cuts or a longer extension from OPEC left the market deflated after the final decision. “They increased expectations to such an extent that nine months was a disappointment,” Fritsch said. High compliance with the cuts so far was unlikely to last, he said, adding to worries about whether the pledge would dent physical oil stockpiles that remain near record levels. “The pain for OPEC will increase to such a point that 100 percent compliance is unrealistic,” Fritsch said.

- **Despite ongoing cuts, oil prices have not risen much beyond \$50 per barrel. OPEC’s success in drawing down inventories may hinge on output in the United States, which is not participating in the cuts.**
- U.S. production has soared 10 percent since mid-2016 to more than 9.3 million bpd, close to top producer levels Russia and Saudi Arabia. U.S. drillers have added rigs for 19 straight weeks, bringing the total 722, the highest number since April 2015 and the longest run of additions on record, according to energy services firm Baker Hughes Inc.
- **Almost all of the recent U.S. output increases have been onshore, from so-called shale oil fields.** Even if the rig count did not rise further, Goldman Sachs said it estimated U.S. output would increase by 785,000 bpd between the fourth quarter of 2016 and the fourth quarter of 2017 across the Permian, Eagle Ford, Bakken and Niobrara shale plays.
- Analysts say that reducing bloated global stocks will be key to reining in oversupply. “It’s going to be all about inventories and whether they fall as much as OPEC thinks,” said Greg McKenna, chief market

U.S. JOB GROWTH SLOWED IN MAY

U.S. job growth slowed in May as a slide in the labor force participation rate helped pressure the nation’s unemployment rate, suggesting the labor market is edging closer to full employment as doubts linger about the economy’s growth trajectory in the second quarter.

- U.S. employers added 138,000 net new jobs to the rolls last month, below forecasts for 185,000 jobs, data from the Bureau of Labor Statistics showed. The labor force participation rate ticked down to 62.7% from 62.9% the month prior, helping pressure the jobless rate, which also declined to 4.3% from 4.4%, hitting the lowest level since 2001.
- Despite the headline miss in May, job creation last month was above the three-month average of 121,000 jobs. Roughly 180,000 new jobs each month are needed to keep up with demand in the labor force. **Therefore, the data add fuel to the idea America’s labor market is near full employment – an important factor for the Federal Reserve as it continues on its path to normalizing monetary policy.**
- “Today’s jobs report reflects that the labor market is tightening, and there’s not as much room for slack as the economy reaches full employment....it’s tough to continue to add 200,000 jobs each month with our unemployment rate below 5%,” said Steve Rick, chief economist at CUNA Mutual Group.

- Job creation was boosted by the health care sector (which added 24,000 positions last month), professional and business services (which added 38,000), food and drinking places (added 30,000), and mining (which gained 7,000 jobs). Retail trade, which has been pressured by changing consumer habits, shed more than 6,000 jobs during the month – its fourth-straight month of declines, while job gains in other sectors including construction, financial services and government were little changed.
- Average hourly earnings, a closely-watched metric, rose 0.2% during the month, as expected, putting year-over-year wage gains at 2.5%. The figures help reinforce the idea consumer spending, and therefore overall economic growth, will see a bounce back in the current quarter after growth slowed substantially in the first three months of the year from the fourth quarter of 2016, said RSM Chief Economist Joe Brusuelas.
- **Job gains in March were revised down to 50,000 from 79,000 while April's figures were also lowered to 174,000 from 211,000.**
- Taken as a whole, the jobs report could give the Fed more confidence to raise rates by a quarter percentage point at its meeting. Chair Janet Yellen has repeatedly stated she and the policy-setting Federal Open Market Committee will carefully monitor incoming economic data before moving rates higher in the coming months, noting members continue to be cautious around the slow rate of inflation. The core personal consumption expenditures index, which the central bank uses as its key inflation gauge, registered 1.7% in April, remaining below the Fed's 2% target.

US SEEKING TARIFFS ON SOLAR PANEL IMPORTS

The United States has filed a petition with the World Trade Organization (WTO) that could allow it to slap emergency tariffs or quotas on imported solar cells, according to a WTO filing.

- The U.S. notified the WTO that it was launching a safeguard investigation into crystalline silicon photovoltaic cells on behalf of Suniva, a solar company. If the investigation finds serious damage to the company based on increased imports, the U.S. may take safeguard actions such as adding import taxes or setting import quotas.



- Suniva filed for Chapter 11 bankruptcy on April 17 and alleged in the petition that an increase in imports had taken marketshare from U.S. producers such as Suniva and SolarWorld despite an overall growth in the U.S. market. The petition alleged that 1,200 U.S. manufacturing jobs had been lost and wages had been reduced by 27 percent between 2012 and 2016.
- It also alleged that “foreign producers, in response to the various antidumping and countervailing duty orders that were imposed on imports from China and Chinese Taipei, have opened new production facilities in third countries.”
- President Trump rode promises of increased protectionism to electoral victory in November, but the filing is not the first volley in the solar trade war. The WTO found in September that India “was illegally discriminating against U.S. solar exports,” according to Reuters.

U.S. MAY BAN LAPTOPS ON ALL INTERNATIONAL FLIGHTS

The United States might ban laptops from aircraft cabins on all flights into and out of the country as part of a ramped-up effort to protect against potential security threats, U.S. Homeland Security Secretary John Kelly said in an interview.



- In an interview on “Fox News Sunday,” Kelly said the United States planned to “raise the bar” on airline security, including tightening screening of carry-on items. “That’s the thing that they are obsessed with, the terrorists, the idea of knocking down an airplane in flight, particularly if it’s a U.S. carrier, particularly if it’s full of U.S. people.”
- In March, the government imposed restrictions on large electronic devices in aircraft cabins on flights from 10 airports, including the United Arab Emirates, Qatar and Turkey.
- Kelly said the move would be part of a broader airline security effort to combat what he called “a real sophisticated threat.” He said no decision had been made as to the timing of any ban. “**We are still following the intelligence,” he said, “and are in the process of defining this, but we’re going to raise the bar generally speaking for aviation much higher than it is now.”**
- Airlines are concerned that a broad ban on laptops may erode customer demand. But none wants an incident aboard one of its airplanes. “Whatever comes out, we’ll have to comply with,” Oscar Munoz, chief executive officer of United Airlines, told the company’s annual meeting last week.
- Airlines were blindsided in January when President Donald Trump issued an executive order banning entry for 90 days to citizens from Iraq, Syria, Iran, Libya, Somalia, Sudan and Yemen, sending airlines scrambling to determine who could board and who could not. The order was later blocked in the courts.
- **In the case of laptops, the administration is keeping the industry in the loop.** Delta Air Lines said in a statement it “continues to be in close contact with the U.S. Department of Homeland Security,” while Munoz applauded the administration for giving the company a “heads up.” “We’ve had constant up-

dates on the subject,” he said. “We know more than most. And again, if there’s a credible threat out there, we need to make sure we take the appropriate measures.”

- **Among the enhanced security measures will likely be tighter screening of carry-on items to allow Transport Security Administration agents to discern problematic items in tightly stuffed bags.** Kelly said that in order to avoid paying fees for checking bags, people were stuffing them to the point where it was difficult to see through the clutter. “The more stuff is in there, the less the TSA professionals that are looking at what’s in those bags through the monitors can tell what’s in them.”
- The TSA has begun testing certain new procedures at a limited number of airports, requiring people to remove additional items from carry-on bags for separate screenings. Asked whether the government would expand such measures nationwide, Kelly said: “We might, and likely will.”

THE MEETING OF PRESIDENT ERDOĞAN AND PRESIDENT TRUMP



The U.S. President Donald Trump greeted President Recep Tayyip Erdoğan at the White House on May 16, where the two leaders had a face-to-face meeting to discuss several issues, including the Pentagon’s plan to arm the PKK-affiliated Democratic Union Party’s (PYD) armed wing, the People’s Protection Units (YPG) and the extradition process of Fetullah Gülen, the leader of Gülenist Terror Group (FETÖ).

- **Addressing reporters shortly after their short one-to-one meeting, Erdoğan said Turkey is determined to expand its ties with the U.S. and that he hopes the visit will lay a new foundation for relations between the two countries.**
- “It is absolutely unacceptable to take the YPG-PYD into consideration as partners in the region, and it’s going against a global agreement we reached,” Erdoğan said. “We are committed to fighting all kinds of terrorism, without any discrimination whatsoever, that impose a clear and present threat upon our future.”
- **The U.S.’ military support to the YPG was among the top issues on the table during the two leaders’ first meeting.** The U.S. has provided military and arms support to the Syrian Democratic Forces (SDF), which is predominantly led by the YPG. President Erdoğan conveyed Ankara’s concerns about this sensitive issue to the U.S. president, particularly since the YPG is considered a terror organization by Turkey and is a national security threat along its southern border with Syria.

- Erdoğan also said he communicated Turkey's expectations on cooperation with the U.S. in the fight against FETÖ and the extradition of Fetullah Gülen. Ankara has previously said that the U.S. is delaying the extradition process due to political motivations, despite Turkey providing boxes of evidence that links Gülen to last year's July 15 coup attempt.
- **Trump said it was a "great honor" to welcome Erdoğan and that he "look(ed) forward to having a long and productive discussion." Trump said the U.S. always had good relations with Turkey and now it will be better and even "unbeatable."**
- Trump also offered compassion and support for the "horrible terrorist attacks" against Turkish people in recent years.
- Later in the evening, Presidential spokesperson Ibrahim Kalın released a statement detailing the meeting, saying the two leaders discussed enhancing cooperation in economy, trade and defense. "The fight against Daesh and the PKK were discussed in detail as well as the steps to be against the FETÖ terror group." The range of topics focused on during the meeting also included the recent developments in Syria and Iraq, Kalın said.

OVER 6,300 NEW COMPANIES LAUNCHED ACROSS TURKEY IN APRIL

The number of new companies established in Turkey was nearly 10 percent higher annually in April, according to a press report released by the Turkish Union of Chambers and Commodity Exchanges (TOBB).

- Some 6,353 new companies started their businesses in Turkey in the month which was also an increase of 4.58 percent compared with March 2017, according to the report.
- April figures from the chamber showed 9.75 percent month-on-month rise in the number of companies went out of business to reach at 732 in the month.
- The report also showed that 586 foreign-partnered or foreign-funded new companies were established in April.

ISTANBUL NEW AIRPORT TO BE THE HEART OF THE SILK ROAD

Several agreements have been signed within the scope of Istanbul New Airport in fields varying from airlines to cargo and from ground services to retail areas. The airport, which will serve nearly 100 airlines, will constitute the airway of the Silk Road.

- **Istanbul New Airport is preparing to become a worldwide showcase for the country. Expected to host nearly 100 airlines, some of which will be operating in Turkey for the first time, the airport has been designed with futuristic applications regarding passenger experience, comfort and technology.**
- While construction continues rapidly at the New Airport to make it operational by 2018, commercial agreements are also being signed in a variety of fields. Accordingly, significant agreements were signed in the fields of cargo, ground services, commercial areas and airlines in May.
- With regards to the agreements signed within the scope of the New Airport, IGA CEO Hüseyin Keskin said their projects regarding the collaborations are moving quickly in order to open the Airport, saying that they came together with their business partners in many areas such as cargo, ground services and airline companies by signing important agreements in May.



“The intense interest in our airport is exciting. Soon we will start to announce our agreements. Thanks to the bridges we have established between new regions of the world and our country, we will further strengthen Turkey’s commercial power, therefore accelerating our economic development with a butterfly effect,” Keskin said, suggesting that the new airport will establish the airway of the Silk Road by connecting countries such as India and China, which do not have direct flights to Turkey. We will create new opportunities for global actors based on centuries of common trade, while breathing new life into competition, not just in Turkey, but in the whole world,” he added.

- Istanbul New Airport, both a transfer hub and an attractive destination in aviation, will also host important retail brands that have not yet entered the Turkish market. The New Airport, which will have the largest duty free area in the world, will host approximately 400 prominent international brands.

CHINESE PRESIDENT PLEDGES \$124 BLN FOR NEW SILK ROAD

Chinese President Xi Jinping pledged \$124 billion on May 14 for his ambitious new Silk Road plan to forge a path of peace, inclusiveness and free trade, and called for the abandonment of old models based on rivalry and diplomatic power games.

- China has touted what it formally calls the Belt and Road initiative as a new way to boost global development since Xi unveiled the plan in 2013, aiming to expand links between Asia, Africa, Europe and beyond underpinned by billions of dollars in infrastructure investment.
- China’s most important diplomatic event of the year, the two day summit offers Xi another chance to bolster China’s global leadership ambitions as U.S. President Donald Trump promotes “America First” and questions existing global free trade initiatives like NAFTA.
- **“We should build an open platform of cooperation and uphold and grow an open world economy,” Xi told at the opening of the summit.** Xi said the world must create conditions that promote

open development and encourage the building of systems of “fair, reasonable and transparent global trade and investment rules.” “Trade is the important engine of economic development,” Xi said. **He said the world must promote the multilateral trade system, the establishment of free trade regions, and the facilitation of free trade.**

- Xi pledged a massive funding boost to the new Silk Road, including an extra 100 billion yuan (\$14.5 billion) into the existing Silk Road Fund, 380 billion in loans from two policy banks and 60 billion yuan in aid to developing countries and international institutions in new Silk Road countries.
- In addition, Xi said China would encourage financial institutions to expand their overseas yuan fund businesses to the tune of 300 billion yuan. Xi did not give a timeframe for the new loans, aid and funding pledged on May 14. Leaders from 29 countries are attending the forum, which ends on May 15.
- Some Western diplomats have expressed unease about both the summit and the plan as a whole, seeing it as an attempt to promote Chinese influence globally. China has rejected criticism of the plan and the summit, saying the scheme is open to all, is a win-win, and aimed only at promoting prosperity.
- “What we hope to create is a big family of harmonious co-existence,” Xi said, adding pursuit of the initiative will not resort to outdated geopolitical maneuvering. **“China is willing to share its development experience with all countries. We will not interfere in other countries’ internal affairs. We will not export our system of society and development model, and even more will not impose our views on others,”** Xi said.
- “In advancing the Belt and Road, we will not retread the old path of games between foes. Instead we will create a new model of cooperation and mutual benefit.” Xi said the new Silk Road would be open to all, including Africa and the Americas, which are not situated on the traditional Silk Road.
- **“No matter if they are from Asia and Europe, or Africa or the Americas, they are all cooperative partners in building the Belt and Road.”**
- Some of China’s most reliable allies and partners attended the forum, including Russian President Vladimir Putin, Pakistani Prime Minister Nawaz Sharif, Cambodian Prime Minister Hun Sen and Kazakh President Nursultan Nazarbayev. There were also several European leaders in attendance, including the prime ministers of Spain, Italy, Greece and Hungary. President Recep Tayyip Erdoğan represented Turkey at the meeting.

TURKEY AIMS TO BECOME MORE THAN AN ENERGY BRIDGE

Minister of Energy and Natural Resources Berat Albayrak has set a new goal for Turkey’s energy policy and declared that the country aims to become more than an energy bridge.

- In his address at the 10th Sectorial Meeting of the Association of Electricity Distribution Services of Turkey where he explained customer satisfaction for electricity distribution services and laid out new goals for the sector, Minister Albayrak underscored that Turkey has taken steps in nuclear energy and that the ministry is working “very hard” to accomplish nuclear energy projects as soon as possible. Drawing attention to Turkey’s initiatives to raise natural gas storage capacity.
- **“Our goal is to institute a storage capacity above 10 billion cubic meters (cbm) by 2023,” he said. This figure signifies a storage capacity corresponding to 20 percent of Turkey’s annual consumption rate, he underlined and added, “Turkey wants to go beyond its capacity as an energy bridge.”**

- The ministry is setting new targets for electricity distribution companies within the scope of the new customer satisfaction-oriented period. Noting that they aim to increase the satisfaction rate to 80 percent, Albayrak said: “We’re getting better, and we will keep doing so. With new targets, we will set the bar even higher.” Albayrak said that investment in the electricity sector for 2017 is TL 5 billion (\$1.3 billion).



- Albayrak said that TL 3.6 billion was the basis of investment in 2016, but the total investment in services reached TL 3.7 billion. He said that the amount of investment was TL 4 billion for 2017, but the ministry aims to increase this figure to TL 5 billion. Pointing out that call center investments are one of the most important steps, Albayrak said that 3,200 jobs were created with nine new call centers opening last year.

- The minister also elaborated on infrastructure plans for institution plants to process local coal in accordance with new generation and environment-friendly high-tech plants. “We will carry out these investments with the most advanced and highest environmental criteria. If we are to do business in Turkey, we have to do it in the most environment-friendly and most correct way,” the minister emphasized.

- Albayrak noted that they first announced the consumer satisfaction survey in the electricity distribution sector based on the March 2015-March 2016 period at the sector meeting in Trabzon last year and that they launched a new customer satisfaction-oriented period, adding that they also announced the results of the survey for March 2016-March 2017 period during this year’s meeting. Pointing out that they conducted a survey of 22,606 people in 44 provinces, Albayrak said they’ve reached a better point compared to the previous year. “Is it enough? I think not. It’s been a year, and there’s good progress.

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By systematizing this, we will launch a process that takes the desired level of consumer satisfaction to the maximum,” he said.
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- Albayrak said that points given by citizens to distribution companies in terms of service increased by 20 percent. “The grade, which was 2.86 out of 5 points last year, rose to 3.45 this year. Considering the satisfaction level due to services, that is an increase of 53 percent compared to last year,” Albayrak said. “Considering all our citizens in total, we reach a level of 60 percent comparing the two years, which is a positive performance. But that is not enough. Our one-year performance sets a really positive agenda.”

- Albayrak shared objectives for the new period at the end of his speech, saying that customer satisfaction must rise to 80 percent next year. Currently, the ratio of foreknowing power outages is at 70 percent, aiming to reach 80 percent in eliminating outages within the prescribed time.

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The minister said that although positive steps have been taken regarding call centers, all 21 regions will achieve the standard of perfection that they have determined, adding, “Turkey has to achieve the same service quality and customer satisfaction for 80 million population in the entirety of 780,000 square kilometer territory. As in all areas, we aim for the best in this area as well for a big and strong Turkey.” Albayrak added that they have targeted reaching 70 percent in quick response to questions, extending thanks to everyone who contributed to improvements by comparison to last year. “We are changing for the better, and we will. We will set the bar higher with new targets,” he said.
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- Albayrak noted that over \$75 billion has been invested in energy and installed capacity in energy, reaching 80,000 megawatts in the past decade. Underlining that they will continue to expand the sector with investments in at least 50,000 megawatts over the next 10 years, Albayrak said that they aim to first add 5,000 megawatts and then 10,000 megawatts of capacity in both solar and wind energy in the same period.

TURKISH-BRITISH JOINT VENTURE TO DEVELOP ENGINE CONTROL SYSTEM FOR GERMAN BUSINESS

- BNA, a recently established joint venture between Turkey’s Nurol Holding and the United Kingdom’s BAE Systems, signed a deal with Germany-based AES Aerospace Embedded Solutions on May 10 to develop and make electronic engine control systems for the company.
- AES, headquartered in Munich, is a 50/50 joint venture of Germany’s MTU Aero Engines and France’s Safran Electronics & Defense for the development of safety-critical hardware and software for military and commercial aviation applications. The deal was signed on the sidelines of the 13th International Defense Industry Fair (IDEF’17) in Istanbul.
- According to a follow-up press release from Nurol, AES CEO Bernard Jurczynski voiced their pleasure at engaging in cooperation with BNA, which specializes in subsystems for aerospace programs.
- BNA CEO Eray Gökalp said the company’s aim was to develop innovative and highly competitive aerospace products with high added value and to offer engineering support in aircraft design programs. Among prior target technologies of BNA are flight control, engine control, fuel and hydraulic systems, simulation technologies and virtual reality, according to the press release.
- BAE Systems also enjoyed a successful industrial partnership in the sector in Turkey through Nurol and FNSS Savunma Sistemleri (FNSS), in which Turkey’s Nurol Holding owns 51 percent of the shares.

FITCH GRANTS TURKEY'S IZMIR TOP INVESTMENT GRADE

Fitch ratings agency has increased its national long-term rating on İzmir, the third largest province in Turkey on the Aegean coast, to its top grading “AAA” from the current “AA+” with a stable outlook. So far, the industrialized tourism destination achieved the top “investable” rating from two top agencies, Fitch and Moody’s.



- “The affirmation is driven by İzmir’s “sustainable strong operating performance, with operating margins above 50 percent in 2016 and the city’s prudent management as well as its resilient local economy supporting the local tax base,” a statement by the agency read on May 26.

“The affirmation also takes into account the municipality’s core responsibilities and corresponding operating spending and high capital expenditure needs,” it said. The upgrade of the national rating is based on the fact that “the city has continued to record strong operating margins while accelerating capex projects prior to upcoming elections and fulfilling its additional responsibilities following the enlargement of the metropolitan area while maintaining healthy liquidity levels,” it also said.

- The agency also affirmed İzmir’s long-term foreign-currency issuer default rating (IDR) at “BB+” and long-term local-currency IDR at “BBB-.” The outlooks on the IDRs are stable. Any negative rating action on Turkey would be mirrored on İzmir’s IDRs, the agency warned. “A sharp increase in İzmir’s direct debt to current balance above two years, driven by capex and local currency devaluation could also lead to a downgrade. “In line with our expectations, İzmir’s well-diversified local economy remained resilient to adverse shocks.
- Combined with controlled operating expenditure, it achieved an operating margin of a high 52.7 percent at end-2016, despite the nation’s depressed real GDP growth in 2016 compared with the five-year average. According to Fitch’s baseline scenario, İzmir’s operating margin should remain above 50 percent in 2017-2019, supporting the ratings,” it added. With a population of 4.22 million in 2016, İzmir is Turkey’s third-largest municipality in terms of population.
- **Its wealth indicators are above the national average and its local gross domestic product of 127.4 billion Turkish Liras in 2014 accounts for 6.2 percent of national GDP, making İzmir the nation’s third-largest GDP contributor, the agency noted. The city is an important transport and industrial hub and accounts for 6 percent of the country’s export, it said.** Fitch said the city’s dynamic socio-economic profile and high standard of living exposes it to a high number of less qualified job seekers as well as migrant flows, resulting in the unemployment rate - 14 percent in 2016 - being persistently above the national average - 11.1 percent.

TURKEY'S CONSUMER CONFIDENCE HITS SEVEN-MONTH HIGH OF 72.8 POINTS IN MAY

Consumer confidence rose to its highest in seven months in May, up to 72.8 points from 71.3 points a month earlier, official data showed on May 18. However, this still reflects a pessimistic outlook and would need to rise above 100 to reflect optimism.

- The consumer confidence index is calculated from the results of the consumer tendency survey carried out in cooperation with the Turkish Statistics Institute (TÜİK) and the Central Bank. All sub-indices, including the indices on financial situation, general economic situation, and the expectation for the number of people unemployed, were higher in May. However, the probability of savings index, indicating people's expectation that they will earn enough money to save, dropped by 6.9 percent to 23.3 points in May from 25.1 in April.
- **"The general economic situation expectations index, which was 96.2 in April, rose 4.5 percent to 100.6 in May. This increase shows that the number of consumers expecting a better general economic situation in the next 12 months increased compared to the previous month," TÜİK stated.** The unemployment expectations index saw a rise of 3 percent to 75.3 points in May. This increase stemmed from the fall in the number of people expecting an increase in the number of unemployed people over the next 12 months.
- The household financial situation expectations index also climbed 1.4 percent from April to reach 92 points, suggesting that more people were expecting a better financial situation in the upcoming 12-month period.

TURKEY OVERSEAS INVESTMENT RISES 10 TIMES IN 15 YEARS

Turkish businesses made a total of 85 greenfield investments abroad worth \$2.8 billion in 2016, the Foreign Investments of Turkey Index reported, which was jointly prepared by the Foreign Economic Relations Board (DEİK) and Bain & Company. Turkish companies made 52 investments worth \$2.4 billion in 2015, according to the index.

- They also undertook 40 mergers and acquisitions with a financial volume of \$3.7 billion in 2016 after making 35 M&A transactions worth \$3.5 billion in 2015. Over the past decade, Turkish businesses made a total of 290 M&A transactions worth \$28 billion, according to the index.
- DEİK President Omer Cihad Vardan said Turkish businesses' FDI outflow rose by 10 times over the past 15 years, with a continuing increase in trend. **"While we are trying to attract foreign companies into our country with the latest technologies on the one hand, we also try to advise Turkish companies to invest in the countries that will bring them the biggest profit and best yields," Vardan said, noting that the DEİK has 135 business councils across 128 countries.**
- In 2016, the highest amount of investments was made in the United States in the high-income country group, China in the middle-income country group, and Azerbaijan in the low-income group. In the first group, the US was followed by Germany, the United Kingdom, the Netherlands and Sweden. In the second group of countries, Czech Republic, Russia, Bulgaria and Romania followed China, according to the index.



- In the last group, Indonesia, Ethiopia, Iran and Egypt constituted the top five along with Azerbaijan. While Turkish companies' investments in some countries, including Russia and the UK, saw dramatic declines in 2016, falls were also seen in Middle Eastern and Eurasian markets that were hit by the oil plunge. DEIK Foreign Investments Business Council President and Bain & Company Partner Volkan Kara said Turkish companies made the highest amount of foreign direct investments in the manufacturing, tourism, energy, food and retail sectors in 2016, adding that the FDI outflow into Balkan countries and other neighboring regions were on a visible rise.
- In 2014 and 2015, Turkish companies mainly preferred to make investments in both ways mainly in high-income countries, including Germany, the United States, Russia, Britain and Spain, according to last year's report.

TURKISH OIL REFINER TOPS PRODUCTION-SALES LIST

ISO chair, Erdal Bahcivan, revealed Turkey's 500 biggest industrial enterprises at a recent news conference.

- TUPRAS, which operates four refineries in Turkey, had production-based sales worth 32.59 billion Turkish liras (\$9.3 billion) according to ISO survey data for 2016.
- International car manufacturer Ford was in second place with production-based sales of 16.31 billion Turkish liras (\$4.6 billion) followed by Turkish automotive firm Tofas which came third with 12.85 billion Turkish liras (\$3.6 billion).

WORLD BANK RAISES TURKEY'S ECONOMIC GROWTH FORECAST

The World Bank has raised Turkey's economic growth projections for the next three years, according to its Global Economic Prospects report published recently.

- Turkey's economy is now expected to expand 3.5 percent in 2017, up from an estimate of 3 percent in January. Last year, Turkey's economy grew by 2.9 percent, down from 6.1 percent in 2015 and 5.2 percent in 2014.
- "Turkey is projected to expand by 3.5 percent in 2017, supported by accommodative fiscal policy, and by 3.9 percent in 2018, up 0.4 percentage point from previous estimate for both years, as uncertainty abates, tourism recovers, and corporate balance sheets mend," the bank said.
- **"A forecast upgrade for Turkey due to the faster-than-anticipated recovery after the failed [July 2016] coup attempt is offset by a downward revision in Russia due to the extension of economic sanctions," it argued. Recently Russia further relaxed trade sanctions** on Turkey placed in the aftermath of the downing of a Russian warplane in 2015, including sanctions in such areas as agricultural products, construction, engineering, and tourism.
- The bank said the upward revision to Turkey is partially due to a reassessment of potential growth and signs of less severe effects of last year's failed coup, which left 250 people dead and around 2,200 wounded. Global economic growth will strengthen to 2.7 percent in 2017 as a pickup in manufacturing and trade, rising market confidence, and stabilizing commodity prices allow growth to resume in commodity-exporting emerging markets and developing economies, the bank said.

- Growth in the world's seven largest emerging market economies is forecasted to increase and exceed its long-term average by 2018. **"Recovering activity in these economies should have significant positive effects for growth in other emerging and developing economies and globally,"** the bank added. The bank said that in Europe, the rising influence of populist parties could re-orient policies and affect economic integration in the European Union.

TURKEY'S APRIL TRADE DEFICIT WIDENS TO \$4.9 BILLION

Turkey's foreign trade deficit rose 16.7 percent in April against the same month in 2016, the Turkish Statistical Institute (TurkStat).

- **The monthly deficit was \$4.9 billion as imports rose 9.9 percent year-on-year to \$17.7 billion while exports were up 7.4 percent to \$12.8 billion.**
- In the first four months, **exports rose 8.7 percent to \$50.6 billion as imports rose by 8.3 percent to \$68.2 billion,** TurkStat said. **The deficit during that period was \$17.5 billion, a 7.1 percent increase on the same period in 2016. Exports to the EU rose by 2.2 percent to \$5.7 billion in April, up from \$5.6 billion in April 2016.**
- **Germany was Turkey's largest export market (\$1.1 billion in April), followed by the United Arab Emirates (\$1.02 billion), Iraq (\$857 million) and the U.K. (\$737 million). Most imports came from China (\$1.64 billion worth), then Germany (\$1.62 billion), Russia (\$1.4 billion) and the U.S. (\$980 million).**

TURKEY'S ENERGY IMPORTS INCREASE BY 33 PCT IN APRIL

- Turkey's energy imports increased by 33 percent to \$2.68 billion in April from \$2.01 billion last April, according to Turkish Statistical Institute's (TurkStat) data. The data shows that Turkey's imports in April 2017 totaled \$17.7 billion, out of which energy accounted for nearly 15 percent.
- Additionally, the country's crude oil imports showed a 22.3 percent increase in April compared to the same period in 2016. **Turkey imported approximately 2.38 million tons of crude oil in April 2017, while the figure was nearly 1.94 million tons for April 2016.**

TURKISH HOUSING SALES RISE IN APRIL

The number of residential properties sold in Turkey surged by 7.6 percent year-on-year in April, the Turkish Statistical Institute (TurkStat).

- A total of 114,446 houses changed hands in April, down by 11 percent compared to a month earlier. The number of properties sold to foreigners increased by 2.7 percent year-on-year to reach 1,624 in April.
- Commenting on the new data, Melih Tavukcuoglu, head of the Istanbul Anatolian-side Contractors' Association, pointed out the increase in the number of properties sold to foreigners and added: **"Although a 2.7-percent increase looks like a slight rise, it sounds promising. The number of properties sold to foreigners decreased by 20 percent in the previous months."**
- Istanbul, the country's largest city by population, enjoyed the lion's share of those sales to foreign-

ers, with 35 percent (or 571 units). Following Istanbul, the holiday resort city of Antalya came in second with 385 properties, while the northwestern province of Bursa ranked third with 109.

- **The figures showed that Iraqis topped the list of buyers with 245 properties, followed by Saudis (185 units), Kuwaitis (169), Russians (99) and Afghans (81).**

TURKEY: SECTORAL CONFIDENCE RISES IN MAY

Confidence in Turkey's services, retail trade and construction sectors advanced in May compared to the previous month, the Turkish Statistical Institute (TurkStat).

- The retail trade confidence index reached 102.8 points in May, up 1.1 percent from the previous month as sales improved. **The services sector index advanced by 2.1 percent to 102.2 in May from 99.9 in April, according to TurkStat.**
- "This increase in the services confidence index stemmed from the increased number of managers evaluating 'business situation' as improved and 'demand-turnover' as increased over the past three months [...]," the institute said.
- Turkey's construction sector confidence index also saw a rise of 0.8 percent month-on-month to 86.3 points due to the fact that sector leaders expect total employment over the next three months to increase.



36TH ATC-TAİK ANNUAL CONFERENCE ON U.S.-TURKEY RELATIONS

Convening more than 400 representatives from numerous sectors, government offices, government affiliated organizations and non-governmental organizations, the 36th ATC-TAİK Joint Annual Conference on U.S.-Turkey Relations took place between 21-23 May 2017 at the Trump International Hotel in Washington D.C.



OPENING RECEPTION

The Conference kicked-off with an Opening Reception on May 21st at the Republic of Turkey Ambassador's Official Residence where the Republic of Turkey Ambassador to United States H.E. Serdar Kılıç and the Dow Chemical Chairman and CEO Mr. Andrew Liveris delivered their engaging speeches.

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

The conference continued with two-full days of intriguing and fruitful general sessions, panel discussions and roundtable meetings.

OPENING SESSION

The first day of the sessions, May 22, started with the Opening Session where ATC CEO Howard Beasey, TAİK Chairman Ekim Alptekin, ATC Chairman General Jones and DEİK Chairman Ömer Cihad Vardan delivered their opening remarks.

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



POLITICAL PLENARY

Following the Opening Session, Political Plenary, which explores the recent political environment, took place. In the Political Plenary moderated by Gillian Turner, APCO Worldwide Director Joshua Walker and U.S. Department of State Deputy Assistant Secretary for European and Eurasian Affairs Jonathan R. Cohen discussed how the U.S. and Turkey can strengthen and define their mutual interest within the larger regional context, the NATO alliance and joint efforts to fight against terrorism.

Following the Plenary, an Interview Session exploring the importance of the NATO alliance and U.S.-Turkey strategic cooperation to regional stability convened. Moderated by General James L. Jones, the interview session brought together Turkish General Staff, Director of J-5 Plans and Policy Directorate LTG. Yavuz Türkgenç and U.S. Joint Chiefs of Staff, Director of J-5 Strategic Plans and Policy Directorate LtGen. Kenneth F. McKenzie for a vivid discussion on the Turkey-U.S. strategic relationship.

PANELS

(A1) Defense // Defense Policy Changes in the U.S. and Turkey

Howard Beasey, President & CEO, American-Turkish Council; **LTG. Yavuz Türkgenci**, Director of Plans and Policy Directorate, Turkish General Staff; **Prof. Dr. Ismail Demir**, Undersecretary, Ministry of Defense Undersecretariat of Defense Industries

(A2) Construction & Infrastructure // Global Infrastructure Opportunities and America's Trillion Dollar Promise

Nizamettin Derbil, Chair, Energy & Infrastructure Committee, American-Turkish Council; **Burak Talu**, CEO, Dogus Construction and Trade Inc.; **Robert Yuksel Yildirim**, President & CEO, Yildirim Holding; **Ziad Haider**, Senior Associate, Simon Chair in Political Economy, CSIS; **Norman Anderson**, President & CEO,

MONDAY LUNCHEON

Monday Luncheon welcomed Republic of Turkey Ambassador to United States H.E. Serdar Kılıç and Kibar Holding CEO Tamer Saka as keynote speakers. The conference attendees enjoyed a meal while having a chance to network.

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



PANELS cont.

(B1) Trade // Trade Policies and the Trump Administration: Assessing the Impact on the U.S.-Turkey Trade Relationship

Mustafa Mente, Secretary General, DEIK; **Frank Schweitzer**, Counsel, International Trade Group, White & Case LLP; **Dean Pinkert**, Partner, Hughes Hubbard & Reed LLP; **Doreen Edelman**, Co-Leader, Global Business Team, Baker Donelson

(B2) Cybersecurity // Opportunities for Collaboration on Critical National Infrastructure Cybersecurity

Navroop Mitter, CEO, ArmorText; **Egemen Tas**, Senior VP, Engineering, Comodo; **Yakup Borekcioglu**, General Manager, Mediterranean, Trend Micro; **RADM (ret.) Bill Leigher**, Director, Government Cyber Solutions, Raytheon; **Ebru Bjarnason**, Account Manager, CSRA

(C1) Finance & Investment // Growth through M&A: The Role of PE Investments

Baris Oney, Founder and Managing Partner, GlobalTurk Capital; **Savas Yanik**, Vice President, Operations, Havelsan; **Pratish Shah**, CEO, Quantum3D; **Adnan Nas**, Non-Executive Board Member, Global Investment Holding; **Ruzgar Barisik**, Senior Investment Officer, IFC

SUBSESSION Presentation: Architecture

Murat Tabanlioglu, Co-Founder, Tabanlioglu Architects

(C2) Retail & Manufacturing // The Rise of E-Commerce: How Your Business Can Capitalize

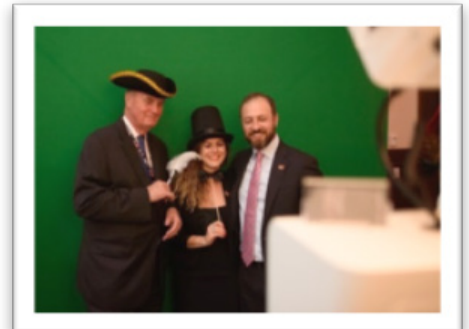
Baris Ornarli, Representative, TUSIAD; **Ceyhun “Jay” Dogan**, COO & Co-Owner, Tayse International Trading Inc.; **Paul Demery**, Business/Technology Editor-Writer, B2BecNews; **Justin King**, Founder, eCommer-ceandB2B.com; **Ashley Asli Olcer**, Manager, Business Intelligence & Strategy, Global Sales and International Seller Services, Amazon; **Husnu Dilemre**, Deputy Undersecretary, Ministry of Economy

SUBSESSION Presentation: Opportunities for Turkish Manufacturing Companies in the U.S.

Patrick Anderson, Principal and CEO, Anderson Economic Group

NETWORKING RECEPTION

At the conclusion of the first day of the conference, the attendees had a chance to unwind and mingle at the Networking Reception sponsored by the Turkish Airlines.



GOLDEN HORN BREAKFAST

The second day of the conference, May 23rd, started with a closed breakfast session. The Grand National Assembly of Turkey Chairman of Foreign Affairs Committee Taha Özhan and U.S. Chamber of Commerce President and CEO Tom J. Donohue delivered their remarks, underscoring the importance of trade and investment between our countries.

ECONOMIC PLENARY

Following the Golden Horn Breakfast, the conference continued with the Economic Plenary. The plenary session focusing on the current status of the business and investment climate in Turkey brought together ISPAT Head of Department Ahmet Burak Daglioglu, EBRD Turkey Managing Director Jean-Patrick Marquet, Philip Morris Turkey Managing Director Enrique Jimenez and Anderson Economic Group Principal & CEO Patrick Anderson.

PANELS

(D1) Defense // Industry Update: From Aerospace to Outer Space, Traditional Partnerships to Mergers and Acquisitions

Jerry Kaffka, Colonel (Ret.), Former Defense Attache, Turkey, U.S. Air Force; **Jeffrey Schloesser**, Strategic Vice President, Sierra Nevada Corporation (SNC); **Steve Ziff**, President & CEO, NOVA Power Solutions Inc.; **Temel Kotil**, General Manager, TAI

(D2) Energy // Super Batteries: Advanced Energy Storage and Smart Grid Applications

Fatih Ayhan, Chairman of the Board, DFA Engineering; **Batuhan Ozdemir**, Chairman and Member of the Board, Limak Energy; **Caglan Kumbur**, Associate Professor, Mechanical Engineering and Mechanics, Drexel University; **Omer Gogen**, General Manager / Board Member, Özgen Elektrik ve Ticaret A.Ş.

(D3) Agribusiness // The “Growing” Organic Agriculture Industry

Fergul Kuzucuoglu, Founder, AFK Strategies Inc.; **Ahmet Hepdogan**, VP Global Procurement & Sup-

plier Quality, Ferrara Candy Company; **Onur Bulbul**, Founder and President, InnoNative Advisors; **Joe Lukitsch**, President, Lukitsch & Company

TUESDAY LUNCHEON

Tuesday Luncheon hosted the Honorable Newt Gingrich, Former Speaker of The House, as the keynote speaker. Gingrich, an avid friend of Turkey, delivered an engaging speech underlining the importance of partnerships.

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



PANELS cont.

(E1) Investment & Finance // Sustainable Financing Mechanisms for Infrastructure

Mariana Silva, Infrastructure Planning and Project Finance Associate, Nathan Associates; **Duncan Caird**, Head Infrastructure & Real Estate Group, Americas, HSBC Global Banking and Markets, USA; **Neal Stollman**, Economist, Office of Economic Policy; **Jean-Patrick Marquet**, Managing Director, Turkey, EBRD

(E2) R&D/Innovation // Additive Manufacturing: Its Impact on the Future of Making Things

Banu Onaral, H. H. Sun Professor, Drexel University; **Canan Ozsoy**, President and CEO, GE Turkey; **Volkan Emre**, Co-Founder & CEO, Pergatech

SUBSESSION Presentation: Work 3.0

Ihsan Elgin, Founder, Core Strateji

(E3) Shipbuilding Industry Roundtable Discussion

GALA DINNER

Following the conclusion of the panels and sessions, Tuesday night Gala Dinner started. During the Gala, Platinum Sponsor SBK Holding Chairman Sezgin Baran Korkmaz, Mustafa V. Koç Leadership Award recipient Samumed CEO Osman Kibar and the lead actor of the Cultural Award recipient “Ayla” movie Cade Carradine delivered their remarks.

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

[Please click here for the photos from the 36th Annual Conference on U.S.-Turkey Relations.](#)

THE AWARDS GIVEN THROUGHOUT THE CONFERENCE



Leadership in Science Award

Dr. Mehmet Toner

Mustafa V. Koc Leadership Award

Dr. Osman Kibar, CEO, Samumed



Defense Industry Award

TAI & Sikorsky

Cultural Award

"Ayla" Movie



Special Defense Award

Jerry Kaffka



CALIFORNIA VISIT

DEİK/Turkey-U.S. Business Council California Committee organized two events in San Francisco and Los Angeles between 24-26 May 2017. The events, which are a first for the newly established California Committee, aimed to institute the first connection with the region and were good opportunities to meet potential counterparts and cooperation partners.

SAN FRANCISCO – TURKEY TECH SUMMIT

Organized by the DEİK/Turkey-U.S. Business Council and ODTU Teknokent T-Jump, the San Francisco-Turkey Tech Summit took place on May 24th, at the California Academy of Sciences in San Francisco, CA. The summit was planned solely for participants from the tech industry and investors, with an aim to create a common understanding between the two regions and to establish a platform on which the cooperation atmosphere can prosper.

The talking points of the summit 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.



LOS ANGELES – TURKEY BUSINESS AND NETWORKING RECEPTION

Los Angeles – Turkey Business and Networking Reception, organized by the DEİK/Turkey-U.S. Business Council in cooperation with the Turkey Los Angeles Consulate General and Los Angeles Area Chamber of Commerce, took place on May 25th, at the Official Residence of the Consul General of Turkey to Los Angeles. The reception brought together many guests from the Los Angeles area and Turkey together in a welcoming and pro-business environment. Consul General of the Republic of Turkey in Los Angeles H.E. R. Gülru Gezer, TAIK Chairman Ekim Alptekin and Los Angeles Area Chamber of Commerce President and CEO Gary L. Toeppen delivered their welcoming remarks at the reception. Following the speeches, a short screening of the coveted “Ayla” movie took place. “Ayla” movie chronicles the heartbreaking story of a little girl and a Turkish soldier in 1950, amidst the ravages of the Korean War. The movie offers a touching perspective on the woes of war and portrays the values on which the historic Turkish-American alliance lies on. Following the screening lead actor Cade Carradine and producer Mustafa Uslu took the stage to deliver their remarks.



SPACEX VISIT



TAİK delegation visited the SpaceX facilities on May 26th in Hawthorne, CA. SpaceX, founded in 2002, aims to revolutionize space travel for humans, conducts research and develops technologies to enable the humankind to become a multi-planet species.

TAİK delegation was given a briefing on the operations of the facilities and had private tour led by top executives of the company.



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