



Corporate  
Governance and  
Sustainability  
Center

## Turkey in Central Asia - Part II

Page: 2-3

"...A foreign policy which could not get deeper and lacked of a notional background has combined with the lacking of some corporations such as TİKA, THY, Yunus Emre Institute, TOKİ-the absence of which we can clearly feel today -and so on, which creates only disappointment for "brother and neigh-



Page: 4



## Turkey Snapshot

Facts and figures about *Turkey* such as the country's government, population, geographical location, major cities, currency, economy, trade volume, etc.

## Overview of Remarkable Sectors in Turkey

Page: 5-6

...Turkey has become one of the fastest growing markets in the world in parallel to its economic growth registered in the last eight years and is rapidly gaining a competitive structure...



# Turkey in Central Asia - Part II

The relationship of Turkey with neighboring countries was both limited and superficial. A foreign policy which could not get deeper and lacked of a notional background has combined with the lacking of some corporations such as ATİKA, THY, Yunus Emre Institute, TOKİ—the absence of which we can clearly feel today—and so on, which creates only disappointment for “brother and neighbor countries.” When the business world which went out there with the intention of making investment headed for opportunism, when some centers in the government short-sightedly began to interfere in the internal affairs of this country and dream of staging a coup, Turkey fell rather behind in a competition in which it could actually have gone ahead and lost its reputation.

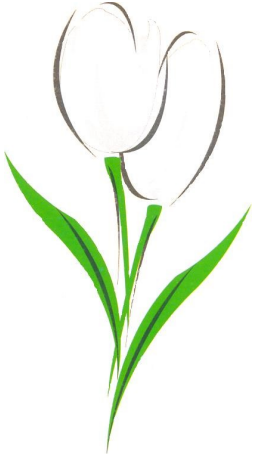
We experienced a financial crisis in 2001 and with the general elections held in 2002 after the crisis Turkey had to face with these problems and it felt relieved. Its way was cleared, notional infrastructures were built, the approach which aimed at benefiting from the changing paradigm of the world at a maximum pace worked to a great extent. Just opposed to the criticism of “axial dislocation” by some people today, the axes became varied and got deeper... Turkey enriched its foreign affairs—which were limited only with “looking at the West”—with Africa, Middle East, Latin America and Central Asia.



Within this frame, I went on a trip in which I could gain some experiences and make some observations. Upon the invitation by Turkish-Kirghiz Manas University, which Turkey took the initiative of and provided the funding of which, first of all I went to Bishkek, the capital of Kirghizstan and then to Almaati, the former capital of Kazakhstan. I think it will be beneficial to say that this 7-8 day trip was very interesting, exciting and beneficial. Yet, I have to say as a general statement that the developing regions and countries actually have the actual potential. The learning ratio is rather higher in these countries; thus it is not a coincidence that the young population of the developed countries has begun to head for the gradually developing countries, their cultures and languages. To give example for these countries, I can list Kazakhstan, Pakistan, Russia, Egypt, Mexico, Indonesia and so on. But of course there is no need to mention about China, India and Turkey.



# Turkey in Central Asia - Part II Cont'd.



Kirghizstan is a small country in terms of its population but it has a wide geography and amazing natural beauties: mountains, forests, lakes, savannahs... It has managed to protect its traditions and culture to a great extent. There are of

course the habits which were brought about by being under the influence of Soviets for long times; for instance, bad architecture, weak trade and retail, the efficient usage of the Russian language, limited entrepreneurialism in the country. However, on the other hand, huge roads, being close to two great markets like China and India, having an open regime compared to neighbor countries and the fact that it seems to have caught stability in recent years are rather important parameters in terms of investment and development.

What about Kazakhstan? It is very obvious that a wealth based on natural gas and petrol has put its mark on every field. This situation has a disadvantage on its own, since democracy and stability do not easily stop by the countries, the economy of which is mainly based on natural resources, also creating added value through entrepreneurialism cannot take its place in the culture of that country. Consuming what is already available can turn into a social reflex. Iraq, Iran, Libya, Saudi Arabia, Kuwait, Russia and several other countries can be given as an example to this situation. But of course the problems of some countries naturally can be an advantage for others.

Kazakhstan's population is big enough and it has a sufficient purchasing power. At least, the existing income can be delivered among some certain levels even though it is based on natural resources. There emerge the opportunity to consume and a significantly great segment which has a high will. Even though we sometimes criticize it with the hope for its development, the flexible and dynamic entrepreneurialism and approach which have emerged recently in Turkey can be useful for closing the gap, the effect of which is greatly felt in Kazakhstan and can turn into a beneficial investment. I wish our companies, entrepreneurs and youngsters would turn into new fields, would evaluate them and create new opportunities for themselves.

**Ufuk BATUM**

Deputy General Manager  
METU Technopolis



# Turkey Snapshot



<b>Official Name of Country</b>	Republic of Turkey	<b>GDP</b>	USD 772 billion (2011-Current Prices)
<b>Capital City</b>	Ankara	<b>GDP Per Capita</b>	USD 10,444 (2011)
<b>Government</b>	Parliamentary Democracy	<b>Exports Value</b>	USD 135 billion (2011)
<b>Population</b>	75 million (2011)	<b>Imports Value</b>	USD 241 billion (2011)
<b>Labor Force (Population)</b>	26.7 million (2011)	<b>Tourism Revenue</b>	USD 23 billion (2011)
<b>Median Age</b>	29.7 (2011)	<b>Tourist Number</b>	31.5 million (2011)
<b>Official Language</b>	Turkish	<b>Foreign Direct Investment</b>	USD 15.9 billion (2011)
<b>President</b>	Abdullah Gul	<b>Number of Companies with Foreign Capital</b>	29,283 (2011)
<b>Prime Minister</b>	Recep Tayyip Erdogan	<b>Inflation Rate</b>	10.4% (CPI-2011)
<b>Area</b>	783,562.38 km <sup>2</sup>	<b>Major Exports Markets</b>	Germany (10.3%); Iraq (6.2%); UK (6.0%); Italy (5.8%); France (5.0%) (2011)
<b>Coordinates</b>	39° 55' North, 32° 50' East	<b>Major Imports Sources</b>	Russia (9.9%); Germany (9.5%); China (9.0%); USA (6.7%); Italy (5.6%) (2011)
<b>Time Zone</b>	GMT +2	<b>Trade Agreements</b>	Customs Union Agreement with the EU Free Trade Agreements with Albania, Bosnia Herzegovina, Chile, Croatia, EFTA member countries (Switzerland, Norway, Iceland and Liechtenstein), Egypt, Georgia, Israel, Jordan, Macedonia, Montenegro, Morocco, Palestine, Serbia, Syria, Tunisia
<b>Neighboring Countries</b>	Bulgaria, Greece, Syria, Iraq, Iran, Azerbaijan, Armenia, Georgia	<b>Traffic Flow</b>	Right
<b>Major Cities (Population)</b>	Istanbul (13.3 million), Ankara (4.8 million), Izmir (3.9 million), Bursa (2.6 million), Adana (2.1 million)		
<b>Climate</b>	Temperate; hot, dry summers with mild, wet winters		
<b>Telephone Code</b>	+90		
<b>Country Code Top-Level Domain</b>	.tr		
<b>Electricity Voltage</b>	220 V, 50 Hz		
<b>Currency</b>	Turkish Lira (TRY)		
<b>Financial Center</b>	Istanbul		



# Overview of Remarkable Sectors in Turkey

## Energy

Turkey has become one of the fastest growing energy markets in the world in parallel to its economic growth registered in the last eight years and is rapidly gaining a competitive structure. The Turkish Electricity Transmission Company estimates that Turkey's demand for electricity will increase at an annual rate of 6% between 2009 and 2023. The growing

energy demand in Turkey is one of the significant factors along with market liberalization and the country's potential role as an energy terminal in its region. The increase in demand has given rise to the long-term investments made by the private sector. At this point,

the Turkish energy sector registered a rapid growth after the liberalization of the energy market. In line with the implementation of regulations and the high increase in demand, the electricity market enlarged its capacity to attract investments to the market.

The Turkish government encourages investors to implement energy projects in Turkey with new incentives on renewable energy. This ensures that the government's feed-in tariff will accelerate investment projects in the coming years.

## Machinery

The machinery industry in Turkey has been growing at a rate of nearly 20 per cent per year since 1990. The growth of the Turkish machinery sector is backed by highly competitive and adaptable small and medium-sized businesses (SMEs), which form the bulk of the industrial production in the country.

contributors to the industrialization of the country, Turkish SMEs distinguish themselves from their peers in other countries by their utilization of the low-cost and highly skilled work force Turkey offers. Another indicator of the advanced level of the Turkish machinery industry is the rate of domestic input in the production stage. Around 85 per cent of domestic input not only reduces the

dependency on foreign sources, but also helps other local industries.

The machinery production of Turkey has also started to take up an increasing portion of the country's exports, and accounted for 8.3 % of total exports with USD 9.4 billion in 2010. The major export

destinations of Turkish machinery products include Germany, France, the UK, Italy and Iran respectively.

Turkey's machinery industry has been given ambitious export targets for the country's 100th anniversary in 2023. To reach USD 100 billion of exports with a share of 2.3 per cent of the global market, the Turkish machinery industry is projected to have a CAGR of 17.8 per cent until 2023. By that time, the sector's share of Turkey's exports is expected to be no less than 18 per cent. The machinery industry has also been attracting foreign direct investment (FDI), attracting more than USD 771 million over the past ten years.



As the drivers of growth in machinery and major

## OVERVIEW OF REMARKABLE SECTORS IN TURKEY Cont'd

### Automotive

Matching and surpassing international quality and safety standards, today's Turkish automotive industry is highly efficient and competitive with its value-added production. Improving in a way that preserves its innovative and flexible structure in the intensely competitive environment, the Turkish automotive industry has elevated the country to a prestigious global position, ranking 16th among automotive manufacturing countries in 2010, producing more than 1 million vehicles, while it is the largest commercial vehicle producer in Europe. Around 70 per cent of the domestic production is being exported.

The Turkish automotive industry, consisting of 17 domestic and foreign principal producers supplemented by approximately 4,000 sub-industry companies, directly employs some 300,000 qualified workers.

Turkey's GDP per capita in recent years has exceeded USD 10,000 due to its growing economy and stable fiscal structure, with capacity increasing in line with domestic demand. The number of vehicles per 1,000 persons, which was approximately 200 in 2010 (100 cars per 1,000 people), indicates the strong potential of the sector.

### Financial Services

Turkey's financial sector is still in the development stage, with financial services ready for further expansion, driven by solid economic growth along with declining interest rates and inflation. According to the Turkish Banking Regulation and Supervision Agency (BRSA), the Turkish financial sector increased by approximately 20 per cent of CAGR between 2002 and 2010. As regards asset sizes, 77 per cent of the assets belong to the

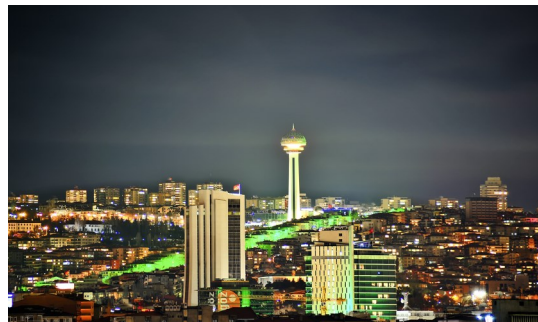
banks, meaning that the sector is dominated by the banks. The Turkish insurance sector is also developing rapidly with 25 per cent of CAGR during 2002-2010, and has gained new momentum after the social security reform that has introduced universal health insurance.

- √ Turkey's financial market is highly liberalized.
- √ Turkey's regulatory bodies have improved steadily since 2001, and the economy has become resilient to both domestic and external financial fluctuations.
- √ Turkey's financial institutions were not exposed to "toxic assets" caused by the financial crisis.
- √ The Istanbul Stock Exchange (ISE) only began its operations in 1986, but it grew quickly to become one of the top emerging market exchanges of the world.
- √ Foreign and local investors are equally treated and there are more than 20 banks with foreign capital.
- √ The Turkish government is constantly working to improve the Turkish tax system, legal and fiscal environment, political and economic stability and regulatory framework in order to attract financial



# Capital of Turkey

## ANKARA



### A Capital Since the Bronze Age

Statue of Hittite Sun



The city of Ankara lies in the center of Anatolia on the eastern edge of the great, high Anatolian Plateau, at an altitude of 850 meters (2800 ft). The province is a predominantly fertile wheat steppe land, with forested areas in the northeast. It is bordered by the provinces of Çankırı and Bolu to the north, Eskişehir to the west, Konya and Aksaray to the south, and Kırıkkale and Kırşehir to the east.

This plateau was a cradle of human civilization. At Çatalhöyük, remains of settlements as old as the eighth millennium B.C. have been unearthed. Here in the homeland of many civilizations and the historic battle-ground between East and West, the Hatti's, Hittites, Phrygians, Galatians, Romans, Byzantines, Seljuk's and Ottomans all fought for their sovereignty and established their rule. In the 11th century, migrating Turks from the east made the plateau their own. During its turbulent history, Central Anatolia has endured invasion by great conquerors, such as Alexander the Great and Tamerlane.

The city was an important cultural, trading, and arts center in Roman times, and an important trading center on the caravan route to the east in Ottoman times. It had declined in importance by the nineteenth century. It again became an important center when Kemal Atatürk chose it as the base from which to direct the War of Liberation. By consequence of its role in the war and its strategic position, it was declared the capital of the new Republic of Turkey on October 13th, 1923.

Ankara is the capital of Turkey and the country's second largest city after İstanbul. The city has a population around 4.5 million, it goes up to 5.5 million including the provinces.

Anıtkabir: Monumental tomb for Atatürk



### Fauna

**Angora cat:** Ankara is home to a world famous cat breed called *Ankara kedisi* (Ankara cat) in Turkish. They mostly have a white, silky, medium to long length coat, no undercoat and a fine bone structure. Eyes may be blue, green, or amber, or even one blue and one amber or green.



**Angora goat:** The Angora goat (Turkish: Ankara keçisi) is a breed of domestic goat that originated in Ankara and its surrounding region in central Anatolia. This breed was first mentioned in the time of Moses, roughly in 1500 BC. Angora goats were depicted on the reverse of the Turkish 50 lira banknotes of 1938–1952 .

