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T R U S T
in **TURKEY**
PRODUCE
in **TURKEY**
—

12 AUGUST 2016



ISTANBUL
CHAMBER OF INDUSTRY

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INTRODUCTION

The Istanbul Chamber of Industry brought together government officials, executives from foreign-invested enterprises operating in Turkey and ICI Sectoral Committee members at a highly attended conference, held under the main theme of “Trust in Turkey, Produce in Turkey”. We are proud and delighted to have hosted this meeting, an unprecedented event in our Chamber’s history and a source of excitement for our country, economy and industry.

We witness a flood of disinformation targeting our economy after the treacherous coup attempt of July 15. Hence, we have taken it upon ourselves to communicate our true potential and facts about our economy to the entire world in the most accurate manner possible. This meeting was the expression of ICI’s desire and determination to fulfilling this responsibility to the best of our ability.

Featuring a teleconference appearance by Prime Minister Mr. Binali Yıldırım as well as addresses by Mr. Mehmet Şimşek, Deputy Prime Minister; Mr. Bülent Tüfenkci, Minister of Customs and Trade; Mr. Nihat Zeybekci, Minister of Economy; Mr. Faruk Özlü, Minister of Science, Industry and Technology; and Mr. Mehdi Eker, Deputy Chairman of AK Party, the event enjoyed tremendous support from the public.

I would like to extend my sincere gratitude to all Ministers for their support and participation, first and foremost to Prime Minister Binali Yıldırım for his leading role in and contributions to our “Trust in Turkey, Produce in Turkey” meeting.

Executives from foreign-invested ICI members also joined

the meeting to express their confidence in Turkey. These world-class enterprises, which have been producing in Turkey for long years, have stood shoulder to shoulder with us as we braved the storm that faced our country and economy. They voiced their determination to stand by Turkey and continue producing and investing in this country. I would like to thank the esteemed executives of these enterprises as well.

Istanbul Chamber of Industry has over 600 foreign-invested members from 74 countries across five continents. With 18 thousand members, ICI is the largest and the most well established chamber of industry in Turkey. Its ability to represent its members efficiently has allowed it to serve as a bridge between industrialists and government. In order to enhance and better utilize this role, we will continue our efforts towards foreign-invested enterprises in the coming period.

In light of this commitment, we have created this book that includes the speeches delivered at our “Trust in Turkey, Produce in Turkey” meeting—an undertaking that aims to leave an enduring legacy by telling the story of our country and our economy in the aftermath of July 15.

We, as industrialists, are the best witnesses to the robust foundations of our economy. We wholeheartedly believe in the bright future of Turkey. Driven by this belief, we continue our dedicated and enthusiastic efforts towards production, investment, employment and export. We are full of hope and confidence for the future. With this vision, I have complete trust in the potential of the “Trust in Turkey, Produce in Turkey” meeting for paving the way for new synergies for our economy and industry.

Erdal Bahçivan
Istanbul Chamber of Industry
Chairman of the Board

TÜRKİYE'YE GÜVENENLER
TÜRKİYE'DE ÜRETENLER



İSTANBUL
SANAYİ ODASI



Binali YILDIRIM

*Prime Minister of
the Republic of Turkey*

Industry is Turkey's driving force. It is the most important sector of real economy. You are creating employment and adding value to our country. Thus, you and your sector deserve all the support you receive.

Thank you, I greet you all with warmest regards.

Firstly, I would like to express my gratitude to the Istanbul Chamber of Industry Chairman and his colleagues for organizing this important meeting during such a critical period.

Industry is Turkey's driving force. It is the most important sector of real economy. You are creating employment and adding value to our country. Thus, you and your sector deserve all the support you receive.

Industry is a grueling line of work. The way I see it, you cannot be an industrialist if you do not experience the delight in producing and creating. There are numerous other ways to make money. Why bother dealing with people? Why bother worrying about whether the production went as smooth as you had hoped? You have to love this calling to pursue it, especially in today's ever-growing competition. But once you complete the work and see the results with your own eyes, you forget about all the hardships you went through, because what lies before you is the fruit of your labor. As your colleague who is familiar with this sector himself, having worked in heavy industry for many years, I believe I understand your feelings about the sector. I consider industry as one of the leading sectors that will pave the way for our goals for 2023. Today, you create employment for one out of five people in Turkey.

In short, dear colleagues, it is that will grant Turkey its comparative advantage. In addition, we cannot afford



to lag behind in the transition to Industry 4.0. If we wish to turn industry into the driving force of our economy and attain our 2023 goals, we must combine the tenets of the Industrial Revolution with informatics and technology. You know as well as us that, traditional and conventional production is no longer enough in global competition.

Dear Colleagues,

We will quickly overcome the impact of the recent events and look ahead. We will direct our eyes to the future, and the opportunities it may bring. We cannot keep living under the shadow of this coup. Indeed, we have ambitious goals for the future. 2023 is just around the corner. We do not have a day to spare.

The attempted coup failed to shake the roots of our economy. Our democracy and economy remain strong as ever. Our banking and finance sectors maintain their operations as always. The markets did not have any trouble, either in Turkish Lira or in dollars. There was no significant fluctuation in the interest rates. Following the

attempted coup, the Central Bank resumed its ongoing decrease in interest rates, which reassured us of the reliability of our economy. National or international investors of the business world should have no doubt about it. We are taking firm steps forward to the future with a population of 79 million and a national income of 2 trillion. Our national income increased by 4.7% on an average in the last 14 years. As you know, we grew by 4.8% in the first quarter of 2016, achieving a growth rate approximately three times higher than that of the OECD countries and Europe. Our young and dynamic population and our strategic location are our greatest resources, and our largest comparative advantage.

Dear Guests,

The total workforce in Turkey exceeds the population of 21 European countries. Since 2002, we have employed more than 7 million people. We created employment for 800 thousand people in 2015. As you know, our exports grew immensely in the last 14 years. Our foreign trade volume, which is over USD 350 billion, is higher than the

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national income of around 160 countries. Our foreign trade deficit has decreased by 25% in 2015. The ratio of our current deficit to national income fell to 4.5% in 2015 from 5.8% in 2014. Our aim is to reduce it further to 4% by the end of this year.

We will continue to stand strong in public financing. Turkey's budget in 2016 was higher than the national income of 130 countries. We have managed to reduce the ratio of budget deficit to national income from over 11% to 1.3% in 2015, and we are committed to maintain these figures. In terms of public debt, we are in a better position than the EU and many countries in the world. Our banking and financial sectors continue their operations on a robust platform. Despite the coup attempt on July 15, the Central Bank did not need to inject foreign currency into the market, and as such, did not experience any reduction in its foreign exchange reserves. Our gross reserves exceed USD 121 billion dollars.

The capital adequacy rate of Turkey's banking sector is

close to 16%, almost twice the Maastricht Criteria. The ratio of non-performing loans to total credits is only 3.3%, despite the brief crisis we went through. Foreign direct investments are increasing. Before 2002, the total of foreign investments was 15 billion dollars in 10 years, whereas the total amount of foreign investments since AKP came into power in 2003 is USD 170 billion. The number of global capital companies in Turkey was 5,600 in 2002; today, it has exceeded 50,000 with a ten-fold increase.

So, why am I sharing these? Not for bragging about it, that is not what we do. But if do not know where we set out from, we cannot find our way in the future.

Dear Guests,

As the Government of Turkey, we will continue to pave the way for the development of our business. We are taking gradual steps to increase Turkey's appeal and improve the country's investment environment. As you know, we commenced the Turquoise Card application in order to attract qualified labor force to our country.



There are many global investors among you today; who have been operating in Turkey, who have been producing in Turkey for long years. I would kindly request one thing from them: It is your national duty to represent Turkey's outlook abroad in the most accurate way. I have full confidence in your ability in this regard.



In addition, we also made regulations involving green passport for our businesspeople to travel abroad without visas. These will all be implemented soon.

Dear Colleagues,

I would like you to know this: the Government will always be on the side of the real economy. We will provide every opportunity for developing the economy, improving production, and creating new fields of employment. We are also making extensive regulations in order to free you from accrued tax burdens. We have implemented a variety of regulations ranging from stock remission to cash surplus, and installments for overdue tax liabilities.

I would ask you to continue producing for our country. Continue to trust in our country. And the government

will remove all obstacles barring the way to your success. There are many global investors among you today, who have been operating in Turkey, who have been producing in Turkey for long years. I would kindly request one thing from them: It is your national duty to represent Turkey's outlook abroad in the most accurate way. I have full confidence in your ability in this regard.

I would like to extend my gratitude to Erdal Bahçivan, Chairman of the Istanbul Chamber of Industry, and all who contributed to this event. This meeting, held under the guidance of the Istanbul Chamber of Industry, has gathered over 500 distinguished businesspeople and esteemed executives from the financial sector, and brought together the Government and the producers. I hope this meeting will be auspicious for us all, and would like to express my respect to all participants.









Erdal BAHÇIVAN

*Istanbul Chamber of Industry
Chairman of the Board*

What we have here today is the story of those who TRUST IN TURKEY AND PRODUCE IN TURKEY. This is the story of all of us who work collectively; cooperatively and amicably to spin the wheel of production.

Mr. Deputy Prime Minister, Esteemed Ministers, Esteemed Chairmen, Distinguished Members of the Sectoral Committees, Distinguished Industrialists, Dear Guests and Press Members,

Our country is going through extraordinary times. Likewise, this is an unprecedented meeting in the history of the Istanbul Chamber of Industry. We are honored and delighted to host such a meeting that brings together our government, executives of our foreign-invested companies and members of the sectoral committees under the same roof.

As we commence our highly attended meeting titled "TRUST IN TURKEY, PRODUCE IN TURKEY", I would like to greet you with warm regards and respect. Welcome.

Today, we are bringing together Mr. Prime Minister and distinguished Ministers with well-established, foreign-invested ICI members, each of whom have made a name for itself in its respective field, and have been contributing to Turkey's economy for long years by investing, producing and creating employment.

I would like to take this opportunity to thank all of you, in particular our Prime Minister Binali Yıldırım who will attend the meeting later today, Deputy Prime Minister Mehmet Şimşek, Minister of Customs and Trade Bülent Tüfenkci, Minister of Economy Nihat Zeybekci, and Minister of Science, Industry and Technology Faruk Özlü for their valuable and meaningful participation. You have honored us by accepting our invitation. Your participation gives us moral support as the sincere



dialogue between Istanbul Chamber of Industry and our government strengthens our efforts.

As I said before, foreign-invested ICI member corporations are here with us today. Istanbul Chamber of Industry has over 600 foreign-invested members from a total of 74 countries in five continents. From a sectoral viewpoint, we are delighted to host hundreds of company executives from various sectors ranging from food to automotive, chemistry to machinery.

I would like to express my gratitude to our leading foreign-invested companies who have been contributing to the growth of our country for their participation. Your participation and opinions, which we will be hearing later on in the meeting, are very meaningful and valuable to us. Your presence in this meeting hall is a testament to your trust in the future of Turkey as investors who, for long years, have placed their trust in Turkey and produced in Turkey.

The beautiful atmosphere in this meeting hall restores our trust and gives us moral support. I would especially like to express that what we have here today is the story of those who TRUST IN TURKEY AND PRODUCE IN TURKEY. This is the story of all of us who work collectively, cooperatively and amicably to spin the wheel of production.

Eighteen thousand national and international ICI members have focused their individual and collective efforts to contribute to the development of our country by sharing their knowledge, experience and vision and

creating synergy. I wholeheartedly believe that they will continue to do the same in the future as well.

Once again, I would like to stress that the atmosphere in this hall gives us great joy and hope. I sincerely believe that this high attendance and strong energy reinforce our trust in future. I wholeheartedly believe that this meeting will allow for turning this enduring trust into opportunities in the future.

I would like to stress that Turkey's economy is built on a strong foundation. As a country integrated into the world, Turkey's economy is the 6th largest in Europe, and 18th largest in the world. It is one of the world's five fastest growing economies, growing continuously for the last 26 quarters. And the industry sector, that is of high value for us, is the indispensable driver of this growth.

The industry sector is fortunately one of the leading sectors that contribute to the growth as well as serving as a driver for other sectors.

Among many countries in its region, Turkey is the most important country that supports the market economy with all its organizations and principles. Turkey stands out with its high quality and competitive production that increases with each passing day, and strategic geographical location that provides access to 1.5 billion consumers. Turkey also attracts significant investments from and hosts the regional headquarters of a wide range of international companies.

The biggest source of trust for our economy is our

*The beautiful atmosphere in this meeting hall restores our trust and gives us moral support. I would especially like to express that what we have here today is the story of those who **TRUST IN TURKEY AND PRODUCE IN TURKEY.***

exemplary budget discipline. The budget deficit and public debt to national income ratio is lower than the world average. Our government continues to successfully maintain discipline in public finance.

Turkey is a land of opportunities for everyone. With an average age of 28 years, Turkey has the youngest population in Europe. This dynamic and young population is also an important indication of domestic consumption, which makes Turkey an attractive investment region for many corporate companies. As the number of internet subscribers reaches 49 million and the number of mobile subscribers reaches 74 million, the young population shows it can keep pace with the technological advances, creating significant potential for growth in Turkey.

On the other hand, factors like the growing middle class, female participation in labor and urbanization allow for the fast growth of the domestic market. Even the annual expenditure of 240 billion dollars shows the dynamism in the domestic consumption.

As for investments, it is expected that a 155-billion-dollar investment will be made in Turkey in 2016, out of which private sector investments will account for 120 billion dollars. Mega projects such as the Osmangazi Bridge, which was inaugurated in June, the Yavuz Sultan Selim Bridge, which will be opened soon, the Third Airport; the Eurasia Tunnel; communication and transportation infrastructure developments across the country; important steps in the aerospace and defense industry and nuclear plant investments continue in full

gear, each thanks to the significant efforts of our Prime Minister, Mr. Binali Yıldırım.

In summary, an important role model in many areas, particularly in economics, in its region and around the world, Turkey has major goals for the future. In other words, Turkey is a country that wants to exceed itself and become one of the global players of the future.

Our beautiful country has always had a vision of greatness as well as the capacity and experience to overcome any difficulty it may face. The events that occurred on July 15 reaffirmed this resilience. Our economy successfully overcame the challenge faced on July 15, proving to the world its strength and agility when it comes to taking action.

I would like to stress that the immediate measures taken by our government have prevented a negative atmosphere in the market. Fortunately, we were able to keep the market unaffected by this vile attempt.

Turkish financial system has maintained its sound and efficient function since the first workday following the coup attempt. No bank needed to make use of the opportunities provided by the Central Bank after the event. During this process, Turkish lira regained its value in a short time after a limited depreciation.

Economic authorities and administration managed the crisis admirably, reassuring us with their experience in the field. In brief, we are glad to say that our economy and business life maintain its ordinary course and commitment to the market economy continues.

Based on the steps our government has taken after the attempted coup, within the scope of the omnibus bill introduced to the Grand National Assembly of Turkey, "project-based incentive model", our long-time suggestion, is expected to enter into force. As a tailor-made model, it will meet the individual needs of investors, helping Turkey achieve an investment environment far better than most other countries.

On another front, we appreciate the new decisions on export support. These measures will contribute to the international competitiveness of investors that produce in Turkey.

Another matter that we suggested and that has been in our Government's agenda for a long time is to create a "Turkey Wealth Fund", described as the "fund of funds". The Turkey Wealth Fund will be a source of financing for mega projects, help prevent market fluctuations, and

accelerate the pace of our economy.

One of the most important lasting problems affecting our economy is inadequate savings. In this respect, we believe that our economic administration's decisions on increasing savings will also positively affect investments. We believe that making Private Pension System mandatory will be beneficial both for the economy and employees.

Another significant step that our Government has taken, is "Cash Repatriation" that is under development with the aim of bringing national and international assets back into our economy. This regulation will create a significant resource while contributing to the formal economy.

Another regulation that is in the Government's agenda and also of great importance for us is that, from now on,



not only immovables but also movable properties can be pledged as collateral in banks. This regulation will be a relief for SME's in particular.

Now, I would like to talk about our Government's approach upon meeting the financing needs of our companies for investments and export.

Istanbul Chamber of Industry suggested for a long time that we need a next-generation Development Banking model that will attract private banks. On the other hand, we had also requested that Eximbank increase medium and long-term loans and make collateral conditions easier with reasonable interest rates.

The Government acknowledged our expectations. At the beginning of July, Mr. Prime Minister stated that Development Bank will be put into operation and investors will be provided loans under better conditions,

and that Eximbank will make loan conditions easier. The Prime Minister's statements on the Development Bank and Eximbank gave us hope, and we are now looking forward for actions to be taken on these two important issues.

We appreciate the efforts and actions for taking the pressure off our industrialists and reinvigorating our economy.

On the morning of July 16, I said that "each crisis comes with an opportunity". And now it is proven to be right. When we came together in unity and solidarity after the coup attempt, we were once again reminded of the strength in each of us. This is the first time in Turkey that we witnessed such a powerful public reaction. Our people protected democracy at the risk of their lives and stood on democracy watch for night after night. Indeed, each individual of this nation deserves



the best of the praises for their applaudable efforts for defending democracy.

In short, a new era is dawning, with democracy, engagement, sharing and pluralism at its core. We are on the eve of a transformation in our social consciousness. The fact that every walk of life in our society took action in defense of the democracy and all of the political leaders united for the same goal should be considered as the Renaissance of the Turkish policy and democracy.

The magnificent energy caused by social solidarity, rediscovered sense of unity and capacity of cooperation are great opportunities for our economy as well as many other areas. I wholeheartedly believe that by making use of this opportunity, we can start a new page in our economy together.

Istanbul Chamber of Industry is set to play a major part in this role. Istanbul Chamber of Industry is the oldest and largest chamber of industry in Turkey. With more than 18 thousand members, ICI is the right address for resolution of problems in our industry. ICI is the oldest form of non-governmental relation between the industrialists and Government in Turkey. ICI functions as a bridge between the business life and Government. Our foreign-invested companies should benefit from this efficiently.

I am honored to say that, Istanbul Chamber of Industry has the capacity to identify problems and opportunities on time and accurately, thanks to its experience and know-how.

It is now evident that this critical process cannot be analyzed in an adequate and healthy manner by our friends abroad.

Accurate information is of great importance in such a critical process. Our cooperation in action against information pollution, which may damage our healthy and persistent relations, is significant. Without doubt, it will be the most meaningful and powerful support for us if you share accurate information about the events that unfold in Turkey, and announce your faith in the

I am honored to say that, Istanbul Chamber of Industry has the capacity to identify problems and opportunities on time and accurately; thanks to its experience and know-how.

country's economy to national and international public. Indeed, you and the companies you represent are Turkey's valuable delegates, partners and friends. All of you, who are already familiar with the conditions in our country, are in a position that allows you to closely follow and analyze the events in the country.

At the moment, what we and our country need the most is to be analyzed from a just and objective point of view.

In summary, I think that international contact and collaboration needs to be increased in terms of quality and quantity. We should continue to carry out our works on the economic diplomacy, taking firm steps forward in this respect. I would like to stress that the Government's and relevant authorities' efforts on the economic diplomacy are significant.

In this regard, President Recep Tayyip Erdoğan's visit to Russia is of great historical significance. Results of the negotiation between the two leaders are especially important in terms of economy. Taking steps for economic relief, as mentioned during the bilateral negotiation, is promising for social welfare and future of the both countries. I would like to congratulate particularly President Recep Tayyip Erdoğan and President of Russia Vladimir Putin for mending the fences and maintaining peaceful relations between the two countries. Everyone should show sensitivity for maintaining the re-established good relations between the two countries.

Istanbul Chamber of Industry will do its part during this process. We have always believed in the importance of cooperation and dialog and will continue to do so.

As industrialists, we believe that we need to focus on a production-investment driven and export-supported growth rather than consumption driven growth in order to make us of the high potential of our dynamic economy and reach higher efficiency in production.

We continue to produce, export and invest. Today, we work with more determination than ever. And we have high hopes for the future. We have no doubt that all national and international private sector members in our country will overcome this period, and grow stronger in the process. Because, we have seen that those who trusted in our country, produced in our country and invested in the future of our country have always won in the end.

Before I end my speech, I would like to thank Mr. Binali Yıldırım, who provided guidance and support for this meeting, and greet all of you once again with respect.

As industrialists, we believe that we need to focus on a production-investment driven and export-supported growth rather than consumption driven growth in order to make us of the high potential of our dynamic economy and reach higher efficiency in production.









Mehmet ŞİMŞEK

Deputy Prime Minister

We have always made every effort to contribute to the success of our industrialists and Turkey and will continue to do so.

Esteemed Fellow Ministers, Distinguished Chairman and Members of the Istanbul Chamber of Industry, Ladies and Gentlemen, Dear Press Members,

I would like to welcome you with respect and warmest regards.

Firstly, I would like to express my gratitude to the representatives from the global companies that invest in our country for their constructive and positive stance. We are grateful for their trust and the employment and added value they create in Turkey.

We have always made every effort to contribute to the success of our industrialists and Turkey and will continue to do so.

One of Turkey's biggest problems is not being at where we want to be in the added value chain. Unfortunately, knowledge-intensive, technology-intensive, high-technology products account for less than 5% in our total production and exports. We need to increase this ratio, and in order to increase it, we need R&D and an ecosystem for it. An important R&D reform was passed by the Parliament in February, and now we are gradually establishing the elements of an ecosystem for innovation, R&D, and commercialization of R&D.

We have established the fund of funds, and as the Treasury, we will make a TL 500 million contribution to this fund, a portion of which is already delivered. Our aim is to provide financial support to promising companies that can produce high-added value



products in the future. Angel investors already showed interest. We have taken new steps in venture capital. We are restructuring the Development Bank. The draft of the crowdfunding plan is ready to be published. We will also pass the Patent Law in cooperation with the opposition parties during this period, as Mr. Minister noted. In fact, many steps were taken for improving R&D, with incentives and an ecosystem. Important steps were taken for commercialization of R&D. As such, the current environment in Turkey is favorable, and the necessary supports are in place.

With respect to the judicial reform, intermediate courts of appeal entered into force in July. 70% or 80% of lawsuits in Turkey will now be resolved without going to the Court of Cassation or the Council of State. It is highly unlikely that Court of Cassation or the Council of State will be backlogged with millions of cases, as 80% of the cases will be resolved swiftly in regional courts of law. In addition, the draft law on Expert Witnesses is under discussion in the Parliament. Istanbul Arbitration Committee was established and other new steps were taken in these areas.

The Parliament also passed an essential law on improving the investment environment. It includes significant steps in a variety of areas, such as facilitating incorporation of companies, liquidation, revenue stamps, and investments.

Education reforms are also vital. Teachers will be re-trained and new teachers will undergo a period of training as interns under supervision of experienced teaching staff. The share of private sector will be increased. The government will provide financial support, equal to the student expenses, to the private sector, enabling them to fully utilize their existing capacity. There are many incentives in vocational education as well. The private sector will be in charge of the establishment of technical schools in organized industrial sites, while the government will provide support and cover tuition fees.

Furthermore, we need new reforms in public financing. The Income Tax reform is introduced to the Parliament and the draft Tax Procedure Law is under discussion. We hope to enter these into force during this period. Another important agenda item is the rationalization

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of expenditure. As you can see, we are making improvements in many areas with such reforms.

The last thing I would like to mention is the labor market. Yes, we paved the way for flexible employment, part-time employment and the establishment of employment agencies. The only thing that is missing in this area is a reform on severance payments. Within weeks after the coup attempt, we made reforms in many areas and brought an important regulation into life, which will help increase our savings significantly.

Before I end my speech, I would like to give this message: Turkey will never break off from the West. There are concerns about this. Yes, there is an occasional difference of opinion between Turkey and its Western allies and friends, but Turkey will maintain its close relation with the West. Have no doubt about it. We need to make these clear in order to prove these speculations wrong. Today, the U.S., Canada and the EU together constitute a 40 trillion dollar economy. As such, Turkey does not and cannot have the luxury of neglecting such a reality, and disrupting its integration with these regions. Instead, Turkey will strengthen its

Important steps were taken for commercialization of R&D. As such, the current environment in Turkey is favorable, and the necessary supports are in place.

relations with the West based on mutual interests, and progress ahead within this framework.

I would like to express my gratitude once again to the Esteemed Chairman of the Istanbul Chamber of Industry for organizing this meeting, and greet you all with respect.





I would like to give this message: Turkey will never break off from the West. There are concerns about this. Yes, there is an occasional difference of opinion between Turkey and its Western allies and friends, but Turkey will maintain its close relation with the West. Have no doubt about it.





Bülent TÜFENKÇİ

Minister of Customs and Trade

Turkey has a robust foundation that allows it to overcome any difficulty, thanks to its stable macroeconomic policies carried out since 2002.

Mr. Deputy Prime Minister, Esteemed Ministers, Distinguished Members of the Istanbul Chamber of Industry, Distinguished Heads of Non-governmental Organizations, Ladies and Gentlemen,

First of all, I would like to greet you all with respect.

Dear Colleagues,

Turkey has a robust foundation that allows it to overcome any difficulty, thanks to its stable macroeconomic policies carried out since 2002. Having displayed a stable growth for the last 14 years, our economy grew by 4.7% each year on average, much higher than the world average. I believe it is equally important that we have reached 4.89% growth in the first quarter of this year, especially during such a critical period in which the global economy is regressing and seems unlikely to be reinvigorated in the long term.

Dear Colleagues,

The amount of foreign direct investments in Turkey went from USD 15 billion between 1923 and 2002 to over USD 165 billion between 2003 and 2015. In 2015 alone, the inflow of foreign direct investments to Turkey was USD 16.8 billion. During the same period, the number of foreign-invested companies in our country was 5,600, which increased to 46,000 between 2002 and 2015. Currently, there are 49,933 foreign-invested companies in Turkey. In the first six months of 2016, a total of

347 incorporated and 2,209 limited companies were founded.

Dear Colleagues,

We are a prosperous country, not only with our financial structure, but also with the strength and dynamism of our private sector. We have set our goals for 2023 by believing in you. We have full confidence in your strength and determination. We want to be a government that does not waste your time with bureaucratic processes, but rather removes the obstacles in the path to your success. All our ministers are committed to this goal. Despite the negative outlook in July's industrial production index, the 11% growth is very promising and significant, signaling a positive outlook.

Dear Colleagues,

We will continue our current reforms without slowing down in order to preserve the normal course of

economy and trade, and improve the business environment.

Esteemed industrialists, our trust in Turkey's political and economic stability was reaffirmed by the public reaction against the coup attempt that intended to destroy our nation's unity and solidarity. The social harmony that we witnessed in the aftermath of the coup attempt has motivated us, and has given you hope and encouragement to produce and invest more. I would like to extend my gratitude to all chambers and commodity exchanges, the building blocks of our economy, for taking the side of democracy in this event. I would also like to convey my thanks to our industrialists and business people who produce, create employment and contribute to Turkey. I sincerely believe that, in the upcoming period, we will continue to serve our country together with you, esteemed representatives of our business world.

My kindest regards to all, and may Allah keep you.

We are a prosperous country, not only with our financial structure, but also with the strength and dynamism of our private sector. We have set our goals for 2023 by believing in you.







Nihat ZEYBEKÇİ

Minister of Economy

My mission as the Minister of Economy is to create an opportunity that Turkey needs in order to increase its export while preserving its production industry; creating advantages for those who trust and produce in Turkey and working collectively with them to achieve these objectives.

Esteemed Deputy Prime Minister, Distinguished Ministers, Esteemed Chairman of the Istanbul Chamber of Industry, Distinguished President of the Assembly, Members of the Board of Directors, Dear Industrialists and Investors who trust and produce in Turkey,

I would like to thank you for your attendance to this meeting. I would also like to convey my thanks to the organizers of this meeting and greet them all with respect.

Turkey is nothing short of a miracle worker. In 1980, a mere 36 years ago, Turkey's total foreign trade volume was USD 4.5 billion. Today, it is over USD 450 billion. Turkey's per capita income, which was approximately USD 3,000 dollars in 2000, is now USD 10,000. Its export volume, which was USD 2 billion dollars, has reached USD 150 billion in 36 years.

My mission as the Minister of Economy is to create an opportunity that Turkey needs in order to increase its export while preserving its production industry, creating advantages for those who trust and produce in Turkey and working collectively with them to achieve these objectives.

We will be constantly looking for opportunities around the world in the upcoming period. In the leadership of our President and Prime Minister, we will search far and wide for opportunities as they arise. We will leave no stone unturned in our search for increasing our trade. In the meantime, however, we will always keep in mind

We will be constantly looking for opportunities around the world in the upcoming period. In the leadership of our President and Prime Minister, we will search far and wide for opportunities as they arise.

that a bird in the hand is worth two in the bush.

Led by our Prime Minister, we will hold discussions with companies to understand their needs. Do you need land to develop, free of charge? We will grant you that. Do you need railroad connection to your new plant? The government will build that. Do you need a port? The government is here for you. Do you need a road connection, or an individual water main from a dam reservoir? The government will see to that. We will consider all of these by negotiating. Do you need a tax-free period, including corporate, withholding or insurance taxes? We will negotiate that. Do you want a fixed energy price for the next 10, 20 years? We will negotiate that as well. Do you require purchasing guarantee in the public sector, in transportation or defense industry, for instance? We will consider that. These will all be tailor-made. We will negotiate all these matters together. We will not limit incentives on a regional basis, but rather, seek for the most optimal location. There is significant investment here, and a need for international financing. Do you require support for interest payments? If you need interest support for international financing, we will also negotiate that.

You will be seeing the details regarding the current investment incentives for export support. There are many new amendments and regulations. We are

expanding the scope of our support to high-tech to cover medium-tech as well. We will make a significant direct cash support for fields, which have a share of around USD 40-50 billion in Turkey's total exports. We will discuss and plant with you in order to enable you to achieve your goals in your target markets.

We are making agreements on export support with Turkish trade centers abroad, in different countries around the world such as New York, Tehran, Frankfurt, and London. Tehran is already concluded, I believe. For each Turkish trade center, we will provide up to USD 3 million in financial support for lease and personnel expenses of our exporters there. We will also provide financial support for trade fairs in Turkey just as we do for fairs abroad, and we will support the marketing activities carried out abroad by our companies' personnel. And of course, our latest decision involves offering green passports to around 17 to 20 thousand exporters, who represent our country abroad.

I would like to express my gratitude to the Chairman of the Istanbul Chamber of Industry, ICI President of the Assembly, the Chamber's management, and to you, our dear friends, who have contributed to organizing this meeting and who have always trusted in Turkey and produced in Turkey.

We are making agreements on export support with Turkish trade centers abroad, in different countries around the world such as New York, Tehran, Frankfurt, and London.









Faruk ÖZLÜ, *PhD*

*Minister of Science, Industry
and Technology*

*We will continue to
improve the business
and investment
environment.*

Esteemed Fellow Ministers, Distinguished Chairman and Members of the Istanbul Chamber of Industry, Dear Representatives of our Business World,

I greet you with respect and warmest regards.

I am honored to be a part of this meeting, which brings together those who trust in Turkey and produce in Turkey. I would like to express my sincere gratitude to the Istanbul Chamber of Industry for organizing such an important meeting in such a critical period and to the distinguished business people who are among us today.

Dear Guests,

The harmony between our private sector and government plays an important role in Turkey's achievements within the last 14 years. Together, we have made great efforts to attract more investments into Turkey, to be more active in the export market and produce more and higher-quality products. We have made our nation proud with our achievements. We reached record highs in our economy. Looking forward, we will continue to maintain the same harmony and cooperation and reach new heights for Turkey.

Since the day we took office, our government stated clearly and frequently that it would pave the way for the business world and investors. We remain fully behind this vision. The reformatory regulations that we realized are clear indications of this will. Of course, we still have a long way to go as we will continue to improve the

business and investment environment.

Dear Guests,

Turkey is one of the most important production hubs in the world. We also aim to make Turkey one of the world's most important technology hubs as well. We need to produce higher added value products in order to increase exports. It is without question that high added value is achieved through R&D, design, and branding. We can increase our national income more rapidly by improving ourselves in such areas.

We keep these facts in mind when directing our efforts. We have increased the efficiency of our R&D support with the second regulation of our R&D reform package published this week. We also included design into the scope of this support. We have also prepared a draft law on industrial property rights, an essential topic for investors, and we are planning to pass it into law no later than October.

With the new production reform package that we are currently working on, we will create new investment areas in suitable locations and under suitable conditions while further removing the burden of investors. We are preparing for tomorrow's world while

finding solutions for problems past and present. For instance, we organized a working team to restructure TUBITAK (Scientific and Technological Research Council of Turkey). We will create the most suitable model for our country's needs by evaluating models from around the world. We will enable TUBITAK to lead the real sector and contribute to it more efficiently.

Similarly, our preparations for the fourth industrial revolution continue. We have established a platform for this purpose. Advances in fields such as sensory technologies, artificial intelligence, cloud computing, big data, and automation will come into prominence in the upcoming period. Meanwhile, we are creating models and mechanisms in order to both develop these technologies locally, and to make our industrialists benefit from them in their own production processes. I cannot go into detail here, but in summary, both the government and ministers will continue to pave the way for our investors.

Dear Guests,

I would like to express my gratitude to the esteemed executives and members of the Istanbul Chamber of Industry. I hope this meeting will be auspicious and I greet you with respect and warmest regards.







Mehdi EKER

Deputy Chairman of AK Party

The reason we gathered here today is not only to declare our commitment and determination for investments, but also to fulfill our duty that is to communicate to the world the current situation in Turkey in the most accurate manner, reaching out to our partners, shareholders and to all segments of society by using every means possible.

Mr. Deputy Prime Minister, Esteemed Attendees, Ladies and Gentlemen, I greet you with respect.

I would like to express my gratitude to Chairman Erdal Bahçivan, Members of the Istanbul Chamber of Industry and all esteemed attendees. This meeting is very meaningful and valuable in the sense that it has brought together international companies, Turkey's biggest, most well-established industry organizations with over 100-150 years of history; representatives, owners or CEO of the largest companies in a declaration of will. There is also an equally important point to today's meeting: What the public is expecting of you, what the public is expecting from us is this: The reason we gathered here today is not only to declare our commitment and determination for investments, but also to fulfill our duty that is to communicate to the world the current situation in Turkey in the most accurate manner, reaching out to our partners, shareholders and to all segments of society by using every means possible.

There is a famous saying that goes, "How much did you benefit from this crisis?" As each crisis we face comes with opportunities, we need to find ways to make use of these.

I would kindly ask things of you: Firstly, you should improve your relations with your partners, contacts and shareholders, and inform them about our problems in the sector. We are more than willing to offer any help in this regard. Secondly, we will continue to organize

delegation visits to other countries, would like you to see you in these delegations. These will be the delegations of Turkey, and your participation in those will contribute greatly to Turkey in the upcoming periods.

Turkey's bright future depends upon your work. I would like thank you in advance for your efforts and extend my sincere greetings to all of you.

There is a famous saying that goes, "How much did you benefit from this crisis?" As each crisis we face comes with opportunities, we need to find ways to make use of these.











Hüseyin GELİS

Siemens Turkey, President and CEO

Siemens celebrates its 160th anniversary in Turkey this year. We are now a Turkish company of foreign origin. That is the reason why we are deeply affected by every incident.

Dear Deputy Prime Minister,
Dear Ministers,
Esteemed Business Representatives,
Distinguished Members of the Press,

I am very glad to have the chance to express my opinions in such an important meeting today. I would like to hereby extend my gratitude to Istanbul Chamber of Industry and Chairman Mr. Erdal Bahçivan, for giving me the opportunity.

July 15th marked the day of a major crisis for our country. I would like to express my heartfelt sympathy for our nation.

We all know that this unfortunate incident affected areas beyond Turkey. As an integral part of the world at large, Turkey's own experiences are not confined to its national borders. In today's world, no incident is the problem of one country only.

We, global investors present here today, are well aware of this. Siemens celebrates its 160th anniversary in Turkey this year. We are now a Turkish company of foreign origin. That is the reason why we are deeply affected by every incident.

Turkey will be a part of the global R&D network, factories of the future. Turkey makes progress towards the digital age in tandem with the rest of the world. As a reliable stakeholder, we will always continue to be on Turkey's side in this area.

In my opinion, operating in a country for 160 years is one of the finest examples of sustainability. When Siemens entered Turkey in 1856, it had more in mind than a single project. We arrived in Turkey with a long-term outlook. Our country has surmounted many crises so far, but under no circumstances did we suspend our activities here.

Today, more than 40,000 people including our business partners in Turkey benefit from Siemens' operations. This constitutes a genuine value for us. Needless to say, problems do arise. But life is all about solving problems, isn't it? So long as we unite in solidarity, we will definitely solve our problems. The important thing is to remain patient and find the right methods of communication.

Since its inception, Siemens has made significant contribution to Turkey's development. We are proud of this. Empowered with the trust placed in our company, we have accomplished innumerable activities. Our journey started with the first telegram in the country in 1856, followed by the first power plant and the first electric tram. Owing to this sustained trust, it was none other than Siemens that introduced the first high-speed train in Turkey exactly one hundred years after the first electric tram.

We take pride in the fact that 50% of total manufacturing in automotive industry in Turkey is carried out with the automation technologies of Siemens. We provide domestic goods and services in many areas including all of the bridge projects of Istanbul as well as the Osmangazi Bridge.

The telegram, telephone, trains, bridges... These are important because human need to reach out to and communicate with each other will never diminish. As an emerging economy, Turkey makes large-scale strategic investments to raise the quality of life of Turkish people. We will do our part by continuing our involvement and

investment in these projects.

When it comes to investment, factories jump to mind first. They are indeed important. Needless to say, we will continue to build factories, manufacture goods and create jobs. But we have to widen our horizons. We must engage ourselves with and focus on "the new" rather than take the easy way and use what's available. That being said, finding "the new" is not easy at all. 160 years ago, we introduced "the unprecedented" to this country. Today, more than 300 R&D engineers of Siemens work on finding "the new" in Turkey.

Education plays the most crucial role in this undertaking. I would like to give an example from our history. 110 years ago, we sent graduates of Darüşşafaka High School to study abroad so that they could catch up with new developments. Today, we still support bright young people for the same reason.

Turkey will be a part of the global R&D network, factories of the future. Turkey makes progress towards the digital age in tandem with the rest of the world. As a reliable stakeholder, we will always continue to be on Turkey's side in this area.

I would like to conclude my remarks with an emphasis on "trust." We arrived in these territories 160 years ago with a feeling of trust, and reliability has always been the most important principle for us. The trust we built in Ottoman times continued to thrive in the foundation of the Republic as well. The same is true today. In order to merit this trust today and tomorrow, we will continue to believe in Turkey, its future as well as Turkish people and will work for the future of our country. The future is ahead of us. It's in our hands to shape the future.

I would like to greet you all with respect. Thank you.



Gökhan SARAÇ

Unilever Sanayi ve Ticaret Türk A.Ş. Vice President, Legal Turkey, Russia, Middle East, North Africa, Central Asia and Caucasias & Board Member Turkey

We are fully confident in our country, and believe in its bright future. We shall work more, invest more, create more employment, and produce more.

Esteemed Prime Minister, Esteemed Deputy Prime Minister, Esteemed Ministers, Esteemed Governor, Esteemed Presidents, Esteemed Istanbul Chamber of Industry Chairman and Assembly Members, Esteemed Police Commissioner and Distinguished Guests, I salute you all and extend my deepest respect.

I am extremely pleased to be in this immensely important gathering which falls upon a particularly challenging period for our country.

At the outset, I would like to express my sincere condolences on the loss of our citizens who passed away during the dire events of the night of July 15 and the morning of July 16. I wish strength to their families and relatives, and hope for a quick recovery to the wounded.

Turkey is most certainly going through tough times; however, I am fully confident that, shoulder to shoulder, we shall forge ahead towards a bright future. In the eyes of the world, Turkey has proven its commitment to democracy and rule of law. Now the road is open for steps which shall further reinforce our democracy, economy and rule of law.

Innovation is the essence of our production and product development, as well as our entire business model. Turkey is positioned as a central hub of human resources, R&D, brand development, logistics and IT for Unilever's crucial Turkey, Russia, Middle East, North Africa, Central Asia and Caucasus region, bringing together the company's most important markets.

Protection of Turkey's national unity and cohesion is our foremost duty. To build a healthy future, all sectors of the society must show solidarity, and uphold democracy and rule of law.

The main duty of those of us gathered here, on the other hand, is to continue to work and produce for our nation. The business community has joined forces to call for more work and production in the coming period, inspiring trust in all investors and corporations.

Unilever Turkey has been creating value for Turkey for over a century...

Unilever Turkey has been operating in this land for over a century, working and producing more and more with a view to forging a brighter future. We are proud to carry the expression "Türk" [Turkish] in our trade name, Unilever Sanayi ve Ticaret Türk A.Ş., upon the Council of Ministers' decision dated June 21, 1957. The 5,000-strong Unilever Turkey family is proud to add value to the national economy and society through our investments, top-notch production and business processes, as well as our human resources policy; and are keen on furthering our efforts in these fields.

We are an integral part of the daily lives of Turkish consumers with our 30 brands. We have operations in the categories of Home and Personal Care, as well as Food, Beverage and Ice Cream, and our products are in use in 9 out of 10 houses.

At Unilever, we also believe that our brands should be clearly committed to contributing to the solution

of social and environmental issues. In line with the objectives of our Unilever Sustainable Living Plan designed to strengthen sustainable living, we not only make our business grow, but also take actions with the vision of reducing our environmental footprint arising from the consumption of our products, and of making a positive social contribution to the society at large.

Turkey has been among the countries where Unilever has grown the fastest in the last 13 years, and figures among its top 15 national markets in the world.

Last year, our exports from Turkey to 34 countries reached USD 177 million.

Last year we also ranked 19th in Istanbul Chamber of Industry's "Turkey's Top 500 Industrial Enterprises" list. As one of the oldest members of Istanbul Chamber of Industry, we are proud to be named Turkey's Largest Fast Moving Consumer Goods Company as well.

Unilever Turkey builds its sustainable growth on innovations...

Continuing to invest and grow in a sustainable fashion, Unilever Turkey believes that sustainability depends on planning now for the future, which, in turn, depends on innovation.

Innovation is the essence of our production and product development, as well as our entire business model. Turkey is positioned as a central hub of human resources, R&D, brand development, logistics and IT for Unilever's crucial Turkey, Russia, Middle East, North

To boost our sustainable growth capacity in Turkey in the near future, we are building a gigantic factory in Konya which will manufacture Cleaning and Personal Care products. The factory, set to become fully operational in 2017, will be one of Unilever's biggest investments and facilities across the world.

Africa, Central Asia and Caucasus region, bringing together the company's the most important markets.

For instance, Istanbul is one of Unilever's R&D hubs. Our Istanbul R&D Center, established with a USD 3 million investment and employing close to 200 individuals, is the very heart of our innovation process. New products and formulae for various categories are developed in Turkey and utilized across the world.

Unilever creates an economic value of EUR 350 million in Konya, building sustainability at the very heart of Anatolia...

Turkey is most certainly one of Unilever's top markets. Accordingly, Unilever continues to invest relentlessly in Turkey, which is a crucial regional hub for expanding our sustainable growth capacity.

Our very first investment in Turkey dates back to January 5, 1953, when our SANA Factory in the Istanbul district of Bakırköy was inaugurated at a ceremony graced by the then President Celal Bayar. And today Unilever has a total of 8 factories across the country, namely Gebze Home and Personal Care Products Factory; Tuzla Tea, Soup and Dessert Factory; Çorlu Margarine Factory, Çorlu Ice Cream Factory, Konya Ice Cream Factory and three tea factories in Rize.

Established in 2013 with an investment of EUR 100 million, Algida Konya Factory has commenced operations. Located in Konya Organized Industrial Zone and spanning across an area equivalent to 46 soccer fields, the factory is a state-of-the-art facility which sets an example for future ice cream factories across the globe. Furthermore, this factory has made a ground-breaking achievement by becoming the world's first ice cream factory boasting the eco-friendly LEED certificate.

To boost our sustainable growth capacity in Turkey in the near future, we are building a gigantic factory in

Konya which will manufacture Cleaning and Personal Care products. The factory, set to become fully operational in 2017, will be one of Unilever's biggest investments and facilities across the world. The factory will expand our production capacity by a large margin, in line with our growth targets, and manufacture our prominent brands such as OMO, Domestos, Yumoş, Cif, Rinso, Elidor and Dove. We take immense pride in undertaking in Turkey such a crucial investment, which shall be the growth engine of the coming 50 years.

According to Ministry of Economy data, our factory which will start production in Konya, figures among the top ten factory investments in the fast moving consumer goods sector in the last decade. Furthermore, it is also the largest ever factory investment in the Konya region. This makes us proud...

In Konya, we are creating an economic value of EUR 350 million with this new factory, and our suppliers who are investing in the city in our footsteps.

We believe that the private sector in Turkey, which shares the same vision with Unilever, will lead the way in boosting investment and employment, and further strengthening our economy.

Esteemed guests, Unilever has had an unfaltering trust and belief in Turkey during its 100-year journey in this land! At Unilever, we shall continue relentlessly to undertake investments which will contribute to Turkey's consistent growth drive, and add to this momentum with our value-added projects. We are fully confident in our country, and believe in its bright future. We are cognizant of the responsibilities that fall upon us. We shall work more, invest more, create more employment, and produce more.

Many thanks for sparing the time to listen to me. Best regards.



Ahmet ERDEM

Shell Turkey Country Chair

With its young and dynamic population, developing economy, future potential, and geographical location, Turkey is among Shell's top 10 priority countries.

Mr. Deputy Prime Minister, Ministers, Esteemed Guests,

Please accept my respectful greetings on behalf of my company and myself.

Our country faced with a treacherous coup attempt on the night of July 15. I would like to strongly condemn this attempt once again before you, and extend my condolences for citizens and security forces who lost their lives to stop this attempt, and wish a quick recovery for the injured. My thoughts and prayers are with their family and loved ones.

Once again, our country proved its commitment to constitutional order, democracy, and rule of law, with Mr. President, Mr. Prime Minister, political parties, business world, and society all acting as one. Amidst this turmoil, we are quite pleased to see unifying messages by political party leaders, business world and non-governmental organizations, enhancing social solidarity and mutual understanding.

I take the greatest pride in representing Shell Turkey, which started its operations in Turkey in 1923, the

With our aviation, maritime and chemistry products as well as natural gas trading, we serve as a solution partner to prominent transportation, industry and energy producing enterprises.

founding year of our Republic, and has become part of the country's development through production, exports, as well as creation of employment and added value.

With its young and dynamic population, developing economy, future potential, and geographical location, Turkey is among Shell's top 10 priority countries. At Shell, we adopt a long-term perspective on strategic investment decisions. Accordingly, we have a full faith in Turkey's potential and future.

Over the 93 years of operations in Turkey, we have invested in almost every segment of the energy industry and introduced technological innovations to our country. We continue our operations in many fields. To sum up our investments and activities -all stemming from our confidence in Turkey's future-, we serve 600,000 vehicles and more than one million people in a day at over 1,000 fuel and mineral oil stations. To expand this network, we established a joint venture with Turcas 10 years ago, which resulted in doubling the number of stations.

We continue to provide fuel and mineral oil to thousands of customers operating in key sectors of economy: transportation, construction, industry, mining and service sectors.

Operating since 1963, our Derince mineral oil and grease production plant has now become a regional production facility of Shell thanks to our recent series of investments. Its products are exported to 55 countries across the globe as we create employment and contribute to reducing our country's budget deficit.

With our aviation, maritime and chemistry products as well as natural gas trading, we serve as a solution partner to prominent transportation, industry and energy producing enterprises.

In 2011, we entered into agreement with Turkish Petroleum Corporation to relaunch the operations for oil and natural gas exploration and production, which we originally

conducted from 1960s to 1990s. We have completed some high-profile projects: Last year, we drilled the first offshore oil well in the Western Black Sea.

On the other hand, we continue to work with BOTAŞ for LNG supply. Support and strong collaboration by ministries, and relevant institutions and agencies with regard to these government-backed projects are exemplary and serve to boost investors' trust.

Our growing economy and prosperity also call for a higher need for energy. Thus, feeling the responsibility arising from this need and believing in Turkey's future, we continue to operate, invest and collaborate with the aim of providing the energy required by our country and catering for our customers.

We are striving to supply the mega projects that were initiated under the leadership of Mr. President and Mr. Prime Minister and are in rapid progress, both during their construction and after they are put into service for meeting the needs of customers. An example to this is the Yavuz Sultan Selim Bridge in Istanbul that will be inaugurated on August 26. We will make sure that our stations there will be ready for service a few days before the opening.

I would like to take this opportunity to extend my gratitude once again to Mr. President in particular, and to Mr. Prime Minister, Ministers and all institutions for their recent efforts towards improving the investment environment and protecting global investors.

It was reassuring for global investors to see Mr. President hosting foreign investors and giving positive statements, the support by our Ministers, our last week meeting with Mr. Minister of Economy, and even the 24/7 mobile call lines for addressing potential problems.

Incentive regulations, revised and passed by the commission and submitted to the approval of the general assembly with the aim of improving the investment

Please allow me to restate that Turkey is an important country for Shell and that we will keep working to meet the energy needs in every field and create added value to national economy, as in the case for the past 93 years.

climate, will spur global companies on to invest in Turkey and enhance our country's competitive strength.

Please allow me to restate that Turkey is an important country for Shell and that we will keep working to meet the energy needs in every field and create added value to national economy, as in the case for the past 93 years.

I highly value this meeting and your participation. Hence, I would like to extend my gratitude to Mr. Chairman and management team of the Istanbul Chamber of Industry, of which we are a member for the past 61 years, for organizing this event and inviting us.

Thank you.





Ali Y. KOÇ

*Vice Chairman of the Board,
Koç Holding & Chairman
of the Board, Ford Otosan*

*It will be time to focus
on not what separates
us but on the goals that
unite us, working hand
in hand, harder than
we have ever worked
before.*

Our Honorable Ministers,
Our Honorable Members of Parliament,

The Distinguished Representatives of our
Government,

Esteemed Guests,

Valuable Members of the Press,

As the Chairman of the Board of Ford Otosan and a representative of the Koç Group, I extend to you all my respects and warm greetings and I am proud to be addressing you at this meeting entitled, "Trust in Turkey, Produce in Turkey."

As all of us will agree, our country has just been through some extraordinarily challenging days. On July 15, our country was beset with an attempted coup that targeted the unity and solidarity of the Republic of Turkey.

This attempt was driven back thanks to the firm belief in democracy of our people, our Government, our leaders, led by our President, and our security forces.

This is what Vehbi Bey had said at that time:

“My Constitution is simply: I exist as long as my state and country exist. If there is democracy, then all of us exist. We must do everything we can to strengthen our country’s economy. As our economy grows strong, democracy will be more firmly established and our reputation in the world will be enhanced.”

We hope this experience will never be repeated.

This bitter ordeal we lived through on July 15 was an important test of democracy which all of us successfully passed in unity.

We stood up as a nation to declare that no intervention against democracy could be acceptable, and defended our democracy and our democratic institutions. It is true, however, that we achieved a fast turnaround from the verge of disaster. Let us not forget this. Let us not forget; let us remember it so we may analyze well how we got to this point; so that we can take the necessary measures to ensure that nothing of this sort ever occurs again. It is imperative for our future that the needed systems and processes are put in place.

I would like to take this opportunity once again to honor and pray for the souls of our courageous martyrs who lost their lives in the incidents. My deepest condolences go to their families and I wish a speedy recovery to our injured.

At the same time, I also pray for the blessings of Allah on the souls of the martyrs who died in all the recent acts of terror and extend my condolences and deep sympathies to all the families who lost loved ones.

Esteemed Guests,

Now I think it is appropriate at this time to share with you the little-known continuation of the words of our founder, the late Vehbi Koç, which we frequently quote as the core principle of the Koç Group. These are the

words, “I exist only if my country exists.”

This is what Vehbi Bey had said at that time:

“My Constitution is simply: I exist as long as my state and country exist. If there is democracy, then all of us exist. We must do everything we can to strengthen our country’s economy. As our economy grows strong, democracy will be more firmly established and our reputation in the world will be enhanced.”

As we learn by the events we live through, although the world may be changing rapidly, the strong presence of a country is dependent on democracy and on the degree and significance of its economic growth and development; the powerful bonds between these elements do not ever change. In fact, these bonds have been increasing in this last period.

The expectations of the major actors of the economy who are present here in this room should accordingly be to keep the bar high and at global standards. Together with this however, maintaining and strengthening these principles also means that we must be aware that all of us have duties and responsibilities in this context.

Esteemed Guests,

Our country is a very special and beautiful country. Turkey has a strong nation. This unfortunate incident has demonstrated once more to the world how strong the Turkish economy is and what a sturdy foundation it is built on.



In the past few years, despite all of the difficulties faced in the world, our adjacent region and our country, the growth rates and the revenues from investment instruments in Turkey have exhibited a much more successful performance than their counterparts around the world.

We see with pride that common sense, unity and solidarity have been victorious in these extraordinary times that we are living through in our efforts to return to normal. I believe that our business community has also successfully passed the test of these turbulent times.

From here on, it will be time to tap into our high potential and stand on solid ground, with good planning and cooperation, to focus on not what separates us but on the goals that unite us, working hand in hand, harder than we have ever worked before.

I would like to share with you the four points that we have to prioritize in the time ahead:

First of all, 2023. By working through the coordination of the public and private sectors, we need to firmly focus once again on our goals for 2023. It is of the utmost importance that we continue our efforts to achieve our ideal of becoming one of the world's 10 strongest economies in the centennial year of our Republic. But

though we may not rank 10th or 11th or 12th or even 13th, the goal itself is of primary importance and it is a goal that all of us can share; with Allah's blessing, we achieve this goal.

Secondly, the model of adopting innovation and technology-centered value-added production and increasing exports--and we see that steps have been taken in this direction--must have the close cooperation of state and private sectors, a collaboration that has to be bonded and coordinated as never before.

Thirdly, it is imperative that all sectors come together in the same way to find a lasting and effective formula for unemployment, one of Turkey's most important issues.

Lastly, adopting secular and contemporary standards in our educational system and supporting the development of science will be the economic and social guarantee of our future. All of us have better understood the importance of this on July 15. Let us not forget that the most important capital this country will ever possess is its human resources.

Esteemed Guests,

Our President invited me to this ICI meeting to talk about Ford Otosan but I have so far spoken of general matters. I will now touch upon a few matters with regard to Ford

It was the belief and trust the Ford Motor Company had in Turkey that was instrumental in our reaching this point. Going forward, this understanding, trust, belief and willpower will undoubtedly continue to thrive in the same way.

Otosan. I want to do this not to praise Ford Otosan but to explain the workings of a successful model...

The market share of Ford in Turkey is the second largest in Europe.

Ford Otosan is responsible for 65% of Turkey's total commercial vehicle exports.

In 2015, the company ranked first in exports for the first time, surpassing Tüpraş, and it has held its top position in the automotive sector for the last five years.

Ford Otosan today is the only Turkish automotive company that has the full competence and infrastructure needed to design, develop and test products, including engines, from the start of manufacture up to the moment the product becomes a commercial vehicle.

80% of the Ford brand commercial vehicles sold in Europe today are manufactured here in Turkey.

In the last 5 years, the company has exported 320 million dollars worth of engineering to the world from Turkey, becoming the first company in the Turkish automotive sector that has engaged in "technology exporting" of this magnitude.

Starting off in 1928 with a dealership system that was only "a desk and a cash register," the Ford and Koç collaboration, whose production foundation was etched into the long-term strategies adopted in the 1950's, gathered momentum especially after 1997, becoming an exemplary model of an international investment partnership. Even we couldn't imagine in those days what it would be like today...

Why am I telling you all this?

It was the belief and trust the Ford Motor Company had in Turkey that was instrumental in our reaching this point. Going forward, this understanding, trust, belief

and willpower will undoubtedly continue to thrive in the same way.

It is our greatest hope that our country and our industries will produce many more examples of this achievement. There is no reason why they should not.

Right at this point, I would like to call your attention to some essential factors that we always point to in the context of drawing more international investors into the country:

- A trustworthy and just legal system
- A democratic structure at international standards
- A qualified work force

And lastly, an ecosystem that encourages R&D, innovation, entrepreneurship and value-adding

The collaboration of our government, universities, non-governmental organizations and private sector in these areas, their joining forces around long-term planning will enable our country to reach the potential it deserves and also contribute to achieving the goals for 2023.

In this context, enterprises and industrialists undertaking strategic investments must be provided incentive, encouraged and supported--and we have been seeing a lot of this in this past period--this, I believe is of the utmost importance.

Just as we saw in the events of July 15 the importance of unconditionally basing our promotions and appointments in the public sector and in the bureaucracy on qualification, in the same way, making every process in the private sector transparent will provide and is providing incentive for everyone.

Let us not forget that we are all in the same boat.

In the last few years, our government has provided our industrialists with unprecedented incentives, never

We not only have to be justified but we have to remain justified in our cause and this is what we are trying to do in our own network, community and partnerships; this however is a long journey and we need to be patient.

before seen in history, becoming a motivating and propelling force for us. In the last weeks, the relevant Ministries and most recently our Prime Minister himself last Wednesday, announced that a much more efficient incentive system is being prepared.

I believe that these incentives and integrated strategies will enable us to start a new and very much needed "Thrust in Investments."

Today, in this room, we are telling each other about our trust and belief in Turkey. This is of course very important for all of us. But I believe that, as our Prime Minister has said, it is about time that we raise our voices on international platforms, explain the realities of recent events loud and clear, telling people about Turkey's potential. This is because I would say it is only normal that the recent incidents which we in this country have difficulty in understanding from time to time ourselves are only more confusing and harder to understand for people outside the country.

We not only have to be justified but we have to remain justified in our cause and this is what we are trying to do in our own network, community and partnerships; this however is a long journey and we need to be patient.

Just like our brands, the management of a country's reputation has to be redeemed with patience, consistency, step by step, and sometimes, a single mistake can upset the applecart; we live through this in our own businesses.

Our Group is almost as old as our Republic and we have witnessed many difficult junctions over 90 years. We've seen good days and we've seen bad days. We in the Koç Group have always expressed our close relationship with a strong democracy and a strong economy. We always point to the potential of our country and to how bright our outlook is for the future.

Also, together with our partners, we express our belief and trust in our nation not only in words, but we underline this, we make every effort to punctuate this with our actions. Even the TL 30 billion investment that we have undertaken in the last 5 years is a major indicator of our trust and belief in Turkey and in the future of Turkey.

I would like to end my remarks by quoting Vehbi Bey once again:

He always used to say, "Allah has given us the most beautiful country on Earth but we don't appreciate it enough." I think that if he had been alive today he would have seen that the country has at least neared the economic potential that he had been imagining for it.

And I'm saying, let us appreciate it more; let us give it the value it deserves. Let us work with all our might to create better tomorrows for our country, our children.

Thank you very much for organizing this meeting, for inviting me, and for listening to me.

Once again, I extend to you my best wishes and regards.



Mahmut SARIOĞLU

*Goodyear Lastikleri Türk Anonim
Şirketi Deputy Chairman,
Board of Directors*

*Goodyear set out
in Turkey 55 years
ago and has been
successfully growing
since.*

Mr. Deputy Prime Minister,
Dear Ministers,
Dear members of the Chamber of Industry of
Istanbul,
Valuable Media Members and Distinguished Guests,

Thank you for inviting us to this meeting with the theme of "Trust in Turkey, Produce in Turkey" and thus giving us an opportunity to share our views with you and our fellow industry partners.

Goodyear Lastikleri T.A.Ş. has been active in the Turkish tyre industry since 1961 in manufacturing, sales and after-sales services.

The company has more than 1700 employees and manufactures tyres for passenger cars, vans, minibuses, lorries and coaches as well as other rubber products here in Turkey.

Our two factories, in Adapazarı and İzmit, have a total production capacity of about 20,000 tyres per day. Our head office is located in Istanbul. Goodyear is a major supplier of the car industry in Turkey and beyond.

We have a wide and strong distribution network covering the whole country with more than 600 dealers

On top of the investments our company has made in Turkey; the jobs it has created here in the country and our contribution in terms of production and export, it is worth mentioning that Goodyear Lastikleri T.A.Ş also acts in a socially responsible way with its CSR projects for the Turkey's youth.

and other distribution channels, which constitutes another support to the national economy provided by our company. Our products are also exported to many countries abroad, mainly in Europe.

Goodyear Lastikleri T.A.Ş. is one of the biggest exporters of Turkey according to the TIM (Turkish Exporters Assambly) 2015 report.

As for the financial performance of our company: the 2015 net sales of Goodyear Lastikleri T.A.Ş. amounts to TL 1.3 billion and its exports amount to TL 770 million.

Goodyear Lastikleri T.A.Ş. is of Turkey's Top 500 Industrial Enterprises in Turkey according to the latest report published by the Istanbul Chamber of Industry.

Goodyear Lastikleri T.A.Ş. has been operating in Turkey since 1961 and is listed the Istanbul Stock Exchange since 1986. It is also included in the BIST-50 index.

In 2015 Goodyear Lastikleri T.A.Ş. continued to invest in its flagship brand Goodyear by launching innovative products in the consumer and commercial segments enriching its product portfolio. In the first quarter of 2015 Goodyear Lastikleri T.A.Ş. participated in an international Geneva Motor Show with Turkish media members and introduced EfficientGrip Performance tires together with other innovative concepts. In the third quarter of 2015, Goodyear Lastikleri T.A.Ş. has launched second generation Vector 4Seasons tires.

On top of the investments our company has made in

Turkey, the jobs it has created here in the country and our contribution in terms of production and export, it is worth mentioning that Goodyear Lastikleri T.A.Ş. also acts in a socially responsible way with its CSR projects for the Turkey's youth.

A project named "Youth Action in Traffic" was implemented in 2012 under a collaboration protocol signed between the Ministry of Transport, Maritime Affairs and Communications, General Directorate of Road Regulation, Ministry of Education, General Directorate of Secondary Education, TUVTURK and Goodyear Lastikleri T.A.Ş. The project is focussed on raising awareness about road safety amongst teachers, students, parents and school bus drivers.

The "Youth Action in Traffic" project reached 40,000 students in 200 schools, 80,000 parents and 2,000 school bus drivers since 2012. Our contest titled "Young Ideas for Traffic", open to all high schools throughout the country under the abovementioned project, and our communication activities reached a further 1,200,000 people.

Goodyear set out in Turkey 55 years ago and has been successfully growing since. Our aim is to continue our success story, generating further growth, contributing to the economy and wellness of the country and to act as a socially responsible citizen focussing on road safety.

I'd like to thank you all for listening.

Yours Faithfully



Sami SEVINÇ

*ABB Elektrik Sanayi A.Ş.,
Managing Director*

This development, spreading out over approximately 30 years, of course did not come without its setbacks. We, like our country, went through some trying times. We never lost our belief however and we always looked at matters from a long-term perspective.

Honorable Deputy Prime Minister, Distinguished Guests,

My good wishes to you all.

The ABB company was founded with the merger in 1988 of ASEA, celebrating the 125th anniversary of its foundation this year, and Brown Boveri, but its activities in Turkey go back to before the foundation of the Republic.

Our volume of business, developing mainly around the delivery of supplies, not only continued in the form of delivering supplies after 1965 but with the efforts to manufacture locally. It contributed to our country by engaging in licensed production for the electromechanical industry.

In the same period, the company also provided turn-key deliveries and financing for large energy production and transmission investments which became important in terms of the development of our business volume.

Among these projects, I would like to mention the Karakaya, Atatürk, Afşin-Elbistan, Hamitova, Seyitömer



While working with 380 employees in 1988, as of the end of 2015, the company's work force is 1,800. Our company, which had almost no exports and a turnover of approximately 30 million dollars in 1988, reached a volume of orders worth 1 billion dollars and a level of 300 million dollars in exports at the end of 2015.

and Deriner power plants as well as the Atatürk-Istanbul transmission lines.

ABB began to undertake direct investments as from the 1980's and contributed to almost every aspect of our country's electrification projects. While working with 380 employees in 1988, as of the end of 2015, the company's work force is 1,800. Our company, which had almost no exports and a turnover of approximately 30 million dollars in 1988, reached a volume of orders worth 1 billion dollars and a level of 300 million dollars in exports at the end of 2015.

This development, spreading out over approximately 30 years, of course did not come without its setbacks. We, like our country, went through some trying times. We never lost our belief however and we always looked at matters from a long-term perspective.

From time to time, international investors interested in our country ask us for our opinions at various gatherings where we come together. I first ask them what their own expectations are. I always say that being an industrialist in our country is like being in a well-developed amusement park. I say that if they're only interested in riding the carousel and having a good time, they may be at the wrong address because conditions in our country are more like a roller coaster. I tell them that being an

industrialist in Turkey requires operating a structure that can endure sudden ups and downs but that it will be that structure that will in fact make the enterprise even stronger. I say that we have been able to reach this point because of our durability, our resistance to panicking under any circumstances, but also because of our ability to constantly update our emergency action plans.

It is clear that the days ahead will not be easy. The contribution of our statesmen to minimizing the effects of this transition by listening to our problems, just as we are listening to one another here at this meeting, and by producing rapid solutions is of the greatest importance. Our patriotic people, those who were martyred, wounded, and those who kept a vigil on the streets for days to protect democracy will be the guarantee of the rule of law and the development of the sound dialogue that we have sorely missed.

I hope that it will not take long to recover and to start on the swift upward track that we have always been accustomed to climbing. I would like everyone to have no doubt that we will continue with our investments. As ABB, our goal for Turkey 2020 is to double our turnover and our work force. We will continue to make all efforts to work toward that goal. My best wishes to you all.



Buğra KAVUNCU

CEO of BASF Turk Kimya Sanayi ve Ticaret Ltd. Şti.

As for our Turkish operations, we have been serving the country for 136 years with 800 employees in five manufacturing facilities.

Esteemed Deputy Prime Minister, Esteemed Ministers, Distinguished Guests,

I would like to begin by extending my gratitude to Erdal Bahçivan, Chairman of Istanbul Chamber of Industry, for organizing this meeting and offering us the opportunity to speak.

On July 15, Turkey survived an acute crisis. The Turkish nation demonstrated incredible heroism, once again confirming its commitment to democracy. I express my condolences to those who became martyrs while resisting the coup attempt in a heroic fashion. I wish for their relatives time to grieve and a quick recovery for all who were wounded.

BASF is the world's leading chemical company. This year it celebrates its 151st anniversary. Last year was our 150th anniversary. We have been active in Turkey since 1880, for 136 years.

We directly touch the lives of our customers through the raw materials or semi-raw materials that we supply to the automotive, food, construction, textile, agriculture, shoe and cleaning products industries. We

The operations of our company are crucial for the national economy. As you know, Turkey has a current account deficit issue. The two major reasons underlying the current account deficit are Turkey's foreign dependence on the energy and chemical industries.

supply countless products that you come across, use and consume in your daily lives.

On a global level, BASF has around 112,000 employees. As I have just indicated, it is the world's leading chemical company with a total of 353 manufacturing facilities, including six integrated chemical plants. Its total sales revenues for 2015 stand at 70 billion.

As for our Turkish operations, we have been serving the country for 136 years with 800 employees in five manufacturing facilities. Three of these facilities are located in Istanbul, one in Trabzon and one in Adana.

Another factor that makes Turkey crucial for the company is that Istanbul is our management hub in charge of 78 countries in the region, spanning the Middle East, Russia, Commonwealth of Independent States, and Africa. This is also a clear indication of our trust in Turkey's human resources.

The operations of our company are crucial for the national economy. As you know, Turkey has a current account deficit issue. The two major reasons underlying the current account deficit are Turkey's foreign dependence on the energy and chemical industries.

The current government has taken a critical step concerning the chemical industry with the development of the Chemport Project. Our company follows this project with immense excitement and attaches great importance to it. Here, I would like to emphasize that the continuation of this project is critical for Turkey's

national economic interests. The chemical companies in Turkey have set up the Chemport Association to contribute to the project. BASF is a member of the association, which meets on a regular basis. I have no doubt that the Turkish state will support the project, because once it materializes, the project will help reestablish chemical manufacturers in Turkey. And as you know, in the chemical industry, one product gives rise to another product. Thus, in the coming years we will have the chance to rapidly boost our production volume in the chemical industry.

We are fully aware of our responsibility in this respect. I have said that reliance on the chemical industry abroad is one of the reasons for the current deficit, and I, as the manager of this company and a Turkish citizen, feel that the more my company invests in Turkey, the more I will have served my nation. Yet as in every company, there is fierce competition at BASF, too. Obviously, it is a global corporation. Our duty is to explain to the headquarters why an investment should be undertaken in Turkey, rather than, say, Russia, Saudi Arabia, Poland or Hungary. This is our obligation. In this sense, we are lucky, since Turkey has a vast market, a growing population and is an export-oriented country. As such, international companies will always show an interest in Turkey. We should not have the slightest doubt or concern about that.

Raw material is a crucial factor in investment decisions. For many industries, raw materials are readily available in Turkey or neighboring countries. However, as you

know, oil is the main input of the chemical industry. The chemical industry is based on the monomers produced from oil. In that sense, Turkey is not so fortunate. Investments in the chemical industry will follow once Turkey finds a solution to its foreign dependence on oil and begins to procure oil in a steady and consistent fashion.

Human capital? As I have mentioned, we are very lucky in terms of human capital. Economic stability? Efforts are underway. Political stability? Important. Peace and security are crucial. Unfortunately, we have had a difficult time recently driving home this message. There is a huge gap between the perception in Turkey and perception overseas. We hear of projects designed to change perception outside the country. There is a campaign in the works. Personally, I would be very glad to offer all the support I can but also would like to emphasize one issue: Overseas campaigns and initiatives will be effective only to a certain degree.

What happens overseas is closely related to what happens in the domestic arena. The world is very small now. Everything you say is immediately heard, understood and interpreted outside Turkey. On this occasion, I would like to emphasize once again the importance of the demonstration of unity in Yenikapı which embraced every citizen and helped us overcome our differences, and the sense of trust it inspired in me as a citizen. Furthermore, it has also created a very positive impression overseas. As such, if we want to change the way we are perceived abroad, we need to overcome the polarization and differences in Turkey. I want to underscore the importance of gatherings, like the one in Yenikapı, which embrace everyone, from the ruling party to the opposition.

Thank you for allowing me the occasion to share some thoughts with you.

Warmest regards.





Altan DEMİRDERE, *PhD*

*President of Sandoz
Turkey and Middle East*

*We got engaged with Turkey
85 years ago. And we have
been married since 60 years.
Just like any couple in love,
we may nag at each other
from time to time, but divorce
never even occurs to us.*

Esteemed Deputy Prime Minister, Esteemed Ministers, Distinguished Guests,

I am extremely pleased and proud to be here together with you, in solidarity, in these difficult times for our nation. The title of the meeting is "Trust in Turkey, Produce in Turkey". I would like to state right away my main message: Sandoz has always loved and trusted in Turkey, and shall always continue to do so.

Established in Switzerland 130 years ago, Sandoz introduced its pharmaceuticals to Turkey from the 1930s onwards, by means of licensing firms. In 1955, the company established its first factory in Levent, and starting from the 1990s, started to export the products manufactured in Levent to various countries.

Today, Sandoz/Novartis has three pharmaceutical factories in Gebze and Kurtköy, as well as one pharmaceutical ingredient factory in Tuzla. 85% of the products manufactured in Turkey are exported to 60 countries. That is, 8.5 out of every ten pharmaceuticals produced in Turkey by Sandoz are put to the service of patients in 60 countries across the world.

Doctor Edgar Poffet who arrived in 1955 from

In my view, investing in a country requires not only buildings and machines, but also qualified personnel and brain power. And our country is rich in all of these factors. Sandoz has expanded its investments in Turkey over time, first producing for Turkey, then producing for the world; later, Sandoz shifted the “D” in its R&D operations to Turkey, and now has initiated the process for bringing in the “R” as well.

Switzerland to Turkey as Sandoz’s first General Manager is today 90 years old, and despite having retired 25 years ago, still lives in Istanbul and serves as an honorary ambassador of Turkey.

It has always been a pleasure for me to listen to his memories of Sandoz in the old times: How they had to wait for hours at the post office just to make a phone call, or how they ran into wolves one day when they left the factory to take a stroll towards Maslak...

Turkey has started there to arrive in its current advanced status, and we all share in the pride of being witnesses to this process.

In my view, investing in a country requires not only buildings and machines, but also qualified personnel and brain power. And our country is rich in all of these factors. Sandoz has expanded its investments in Turkey over time, first producing for Turkey, then producing for the world; later, Sandoz shifted the “D” in its R&D operations to Turkey, and now has initiated the process for bringing in the “R” as well. On the other hand, Sandoz has believed in Turkey, entrusting the management of the operations in first the Turkic Republics and then the entire Middle East to its Turkish branch.

However, there is another side to the coin. These investments were never easy to complete. We, Turkish managers, must always work hard and compete with other nations to attract more investment to our country. That’s what my seniors taught me and I continue their tradition. We must work hard to ensure that those investments are carried out in Turkey. I believe that after we retire, we will be remembered in our company for at most a year under normal conditions; but if we manage to draw in foreign investment, then we will never be

forgotten and also feel proud until the day we pass away.

Before ending my speech, I would like to share with you an experience of mine after July 15, as an example to our diligent efforts. This week, on August 10, Sandoz Global’s CEO was to arrive in Turkey, as was planned a year ago. The Corporate Security department at our Head Office wanted to postpone his trip due to security concerns. I said, “We cannot postpone it, because it is very crucial for our Global CEO to arrive in Turkey in this crucial juncture.” And our Global CEO decided to come. They asked for armored cars and bodyguards, and we arranged all that they demanded. The CEO was here two days ago, and we visited the factories with him, and held meetings with the employees. Last night he returned to his country, immensely pleased.

When at the meeting, my colleagues asked him whether investments in Turkey would continue, that was his answer:

“Investing in a country is much like marriage. First comes betrothal. At that stage, your plans are short-term. It may work out fine; if it fails, you accept that as the will of Allah. If everything goes well, you get engaged and then start to make medium-term plans. And if things continue that way, you decide to get married, which is a long-term plan. Investment is like that, too. Sure, you may get a divorce, but that is never easy and has a huge impact on you and your spouse.”

Likewise, we got engaged with Turkey 85 years ago. And we have been married since 60 years. Just like any couple in love, we may nag at each other from time to time, but divorce never even occurs to us.

Many thanks for taking the time to listen to me.



Tankut TURNAOĞLU

*Chairman of the Board,
P&G Turkey and Caucasus*

P&G that has been operating in Turkey for 30 years will continue to honour its commitment to touch the lives of Turkish consumers and ease their daily lives with its reliable brands.

Dear our Deputy Prime Minister, Dear our Ministers, Dear our President of Istanbul Chamber of Industry, and the Distinguished Members of Istanbul Chamber of Industry,

Before I start my speech, I would like to give my condolences to our democracy martyrs that lost their lives on the 15th of July, and to extend my get well wishes to our casualties and veterans.

As Procter & Gamble Turkey, we have full confidence that we will come out of these hard times that our country has been going through in unity. Today, I am extremely happy and proud to be here with you, the distinguished investors and industrialists, as a reflection of such unity and solidarity.

Procter & Gamble is an institution with a history of 180 years. It is one of the largest FMCG (fast moving consumer goods) companies worldwide. It entered Turkey by acquiring Alo-Mintax factory in 1987. And as a company having confidence and manufacturing in Turkey for 30 years since then, we are honouring our commitment to touch the lives of Turkish consumers and to ease their daily lives with our reliable brands and

We are always ready to make any and all contributions in the astute stance of Turkey both in public and private sectors; and we will continue to have confidence and to produce in Turkey.

we warrant that we will continue to do it in the following decades as well.

Since 1987, we have made 700 million dollars of direct investment so far. With our 700 employees, we serve as a management hub of the region in Turkey covering also the Caucasus. With our 16 major brands in baby, feminine and family care, beauty, health care, personal care and fabric-home care categories set up according to consumer needs, we are able to reach to at least 95 percent of the households in Turkey.

Today, we have two production sites meeting global standards in our country. More than 60 percent of our products that we offer to consumers in Turkey are produced by us in our country. We are a strong exporter exporting 25 percent of our production to 25 countries from America to central Asia and from the Caucasus to Africa. The total value of exports that we have accomplished in the last 14 years is 1,5 billion dollars. We are proud that we have been awarded by the Undersecretariat of Foreign Trade as the top exporter company in the paper products segment in the last 9 years.

Innovation is our lifeblood and we are continuing our investments in this field also in Turkey. From the very first day that we entered Turkey, we have been trying to meet consumers' and shoppers' needs in Turkey by bringing the most innovative products to Turkey at the same time with Europe and America and with the world for the first time in Turkey.

While we support the economy to a significant extent with our two production plants in Turkey, we also lead the way with important innovations in the field of production and continue our investments in order to produce the state-of-the-art products in our production facilities.

This year, we are currently implementing an investment of 80 million dollars that will increase our rate of export

and naturalization and we are starting our exports in this field by bringing in the most advanced technology of the world to Turkey for the first time in this field. Hopefully, we will accomplish it in October.

We are also trying to contribute in the fields that we can add value with our social efforts in Turkey. Particularly, we invest heavily in the programs oriented toward the healthcare, hygiene training and sports needs of the youth and children. Some of them include the "Olympic Mothers" campaign through which we train mothers to direct their children to play sports more, the training campaigns that we conduct in schools in the fields of health and hygiene, and the supports that we provide for our athletes going to the Olympics. For example, under the scope of our global Olympics sponsorship and our Olympic Mothers program in Turkey, we are the sponsor of the mother of Taha Akgül, our world-champion national wrestler competing now in Rio Olympics. She has gone to Rio to watch his son abroad for the first time in her life. Hopefully, Taha Akgül will fill us with pride on the 20th of August together with our other Olympic athletes. I would like to take this occasion to wish him success as well.

In addition, we are making meaningful contributions in the lives of 3,5 million people in Turkey every year with our 13 distinct social responsibility programs.

In this process that we have been going through, we are happy to see how determined our valuable government is to continue the structural reforms, to rapidly implement its economic program and to protect the financial discipline in order to maintain the economic stability and to improve investment environment in Turkey; and attaching importance to rapid and sustainable actions to be taken in this field, we are applauding them for such actions that they have taken.

In this context, we particularly pay attention to the Law on Improvement of Investment Environment published in the Official Gazette. I would like to thank

again to our government for the new regulations oriented toward enabling Turkey to achieve a greater regional strength via the regional central incentives and increasing the exportation of value-added products and services, which are also on the top of our agenda at YASED, the International Investors Association in which I am a board member. In addition, we consider that strengthening further our current commercial and economic cooperation with our regional neighbours and the European Union and the United States of America in order to increase the effects of such structural reforms will yield positive outcomes both for our domestic market, and our exports.

Before I end my speech, I would like to reiterate that P&G that has been operating in Turkey for 30 years

will continue to honour its commitment to touch the lives of Turkish consumers and ease their daily lives with its reliable brands. I would like to express that we are always ready to make any and all contributions in the astute stance of Turkey both in public and private sectors; and we will continue to have confidence and to produce in Turkey.

As I'm concluding my speech, I would like to express my gratitude once again to our Dear Deputy Prime Minister and our Dear Ministers that have graced us with their presence, to our Dear President Erdal Bahçivan that brought us together in unity, and to all members of Istanbul Chamber of Industry and I would like to present my respects to all participants.

Thank you for listening to me.





Zeynep SUNGU

Nestlé Turkey, Head of Marketing & Corporate Communications Turkey

Turkey is one of the most rapidly growing markets in the world. Both the geographical location and the agricultural industry are strategically key assets to Nestlé.

Mr. Prime Minister, Distinguished Ministers, Esteemed Chairman and Members of the Istanbul Chamber of Industry, Distinguished Press Members and Guests,

Nestlé family appreciates being invited to this important meeting. We wholeheartedly believe that this meeting will see a joint evaluation of opportunities for Turkey's further development.

It means a lot to us speaking under the theme of Trust in Turkey, Produce in Turkey as Nestlé is one of the most well-established organizations, operating in Turkey for 107 years, a root we take pride in these deep roots.

Our company celebrates its 150th anniversary this year. Only 8 years had passed since its foundation in Switzerland that consumers in Turkey met Nestlé products. Confidence of Switzerland's Nestlé in Turkey was founded 107 years ago, in 1909, when a chocolate shop was opened in Karaköy. None of the world wars, financial crises or several challenges endured by our country all along the century have affected our presence in this soil. At the heart of this long history lies our strong confidence in Turkey's economy and growth

To raise next generations' awareness about healthy diet and good life, we provide training sessions on healthy nutrition to children in schools in 12 provinces, with collaboration of the Ministry of National Education. As contributing to improvement of public health is of key importance for us, we will carry on engaging in the relevant initiatives with the cooperation of relevant parties.

potential as well as our desire to bring health, taste and joy to Turkish people through our products.

Turkey is one of the most rapidly growing markets in the world. Both the geographical location and the agricultural industry are strategically key assets to Nestlé.

We produce at our Bursa plants using local raw materials.

We create 3,800 direct jobs and indirect employment for more than 7,000 people.

We provide consumers with over 800 high-quality products in 12 categories.

Our investments over the last couple of years amounted to TL 500 million. Within the next four years, we will grow in production capacity and increase innovations, doubling our investments.

Our Bursa plants export to 40 countries. Our goal is to expand the exports of locally made quality products to many more countries. Attaching great importance to Turkey's competitive edge, we will continue to invest with a view to enhancing this edge.

One of the best examples to this is our Nestlé DAMAK chocolate brand. We recently launched Nestlé DAMAK, world's first pistachio chocolate brand produced in Turkey for the first time, in the U.S., Japan and China as a Turkish brand. I can proudly say that DAMAK has already seen a considerable recognition. We look forward to and prioritize coming up with similar achievements. We would like to take this opportunity to express our appreciation to our government for their recent efforts towards trade facilitation.

While producing for Turkey, we also give a considerable weight to creating social value in terms of rural development, water and nutrition. With the aim of improving quality and productivity in pistachio production that has essential agricultural value to

Turkey, we have been conducting a social responsibility project for the last 4 years in southeastern Turkey. As part of the project, we have increased productivity per tree by 50% so far. The project goal is to contribute to regional development and pistachio exports.

Being a part of the solution through social responsibility projects is of essence for us. I would like to stress that we are willing to become part of the solution especially in qualified labor training and unemployment reduction efforts. We are also ready to channel our global connections into this cause.

Healthy diet is the essence of our works. As part of the "Good Food, Good Life" program, in place for celebrating our 150th anniversary, we hold training seminars on healthy nutrition and good life in 10 provinces, targeting 150 thousand people. Having invested TL 3 million in this project that we launched this year, we are glad to reach out to 500 thousand people over the next three years.

To raise next generations' awareness about healthy diet and good life, we provide training sessions on healthy nutrition to children in schools in 12 provinces, with collaboration of the Ministry of National Education. As contributing to improvement of public health is of key importance for us, we will carry on engaging in the relevant initiatives with the cooperation of relevant parties.

We have full confidence in Turkey's economic power and growth potential. I would like to stress once again that we will build upon this confidence with continuous projects and investments.

We strongly believe that in the face of these hardships, Turkey, displaying an image of unity driven by its faith in democracy, will maintain its stability. At Nestlé, supporting this process, we persevere with the goal of make Turkey one of world's top 10 economies as soon as possible.

Thank you.



Today has been nothing short of a festival of industry. I believe that the speakers from our foreign-invested companies have reassured all of us that they will continue to place their trust in Turkey and produce in Turkey.

CLOSING SPEECH

Erdal BAHÇIVAN

*Istanbul Chamber of Industry
Chairman of the Board*

Mr. Deputy Prime Minister, Esteemed Ministers, Distinguished Industrialists, Dear Guests, Today has been nothing short of a festival of industry. We have been together here for nearly six hours. Mr. Prime Minister has just concluded the meeting. He truly wished to be with us today. Since the day we informed him about this project, he provided his full support, trust and encouragement. As such, we were able to organize this meeting in such a short time. I would like to thank him once again on behalf of Istanbul Chamber of Industry and our industrialists. I believe that the speakers from our foreign-invested companies have reassured all of us that they will continue to place their trust in Turkey and produce in Turkey. By taking the time to attend to this meeting, Esteemed Deputy Prime Minister and Distinguished Ministers emphasized that they support us industrialists and join us in creating a new story. Most importantly, we had the chance to listen to Mr. Prime Minister who took the time to address and give his moral support to us by means of technology even though he could not be physically with us today.

I would like to express my gratitude to Mr. Prime Minister, Mr. Deputy Prime Minister and esteemed Ministers, distinguished bureaucrats for giving us this chance and opportunity. As I said earlier, we will continue to trust in Turkey as always. We will continue to produce and create employment in our country as we always have. Have no doubt about it. No mischief, no malice, no treachery will prevent us from doing so. We will continue to be on the side of Turkey, progress with Turkey and grow into one of the world's top ten economies as part of our goals for 2023.



**ISTANBUL
CHAMBER OF INDUSTRY**

