

# MISSION STATEMENT

## Transportation Technologies, Equipment & Systems Trade Mission to Turkey Ankara, Izmir, Istanbul March 26-31, 2017

### MISSION DESCRIPTION

The United States Department of Commerce International Trade Administration's (ITA) U.S. and Foreign Commercial Service (US&FCS) in Turkey is re-organizing and reactivating a Transportation Technologies, Equipment & Systems Trade Mission to Turkey on March 26-31, 2017.

The U.S.–Turkey Transportation Industry Trade Mission is intended to include representatives from a variety of U.S. transportation industry hi-tech equipment, systems and technology suppliers and service providers. The mission will introduce these suppliers to Turkish business partners, industry representatives, and to the Turkish municipal/government officials to learn about and benefit from various transportation project opportunities in the country. Participating in an official U.S. industry delegation, rather than traveling to Turkey on their own, will enhance the companies' ability to secure meetings in Ankara, Istanbul, and Izmir. The influence of the transportation sector is expected to increase more in the future, as a large number of transportation related projects, including rail, air, sea, and land, are either already underway or expected to accommodate for an increasingly industrialized country in the years to come. Further in the horizon, due to the increased infrastructural partnership between private and government enterprises, marine and railway freightage will have a big role in cargo moving for combined transportation. The Government of Turkey has committed to new investments in this industry to keep up with future demand which is expected to reach targets in 2023, the centennial of the Turkish Republic. GoT spells out investments totaling almost \$250 billion with the distribution as follows: land transportation: \$110 billion; rail: \$50; marine: \$35; and aviation: \$50. The trade mission offers a timely and cost effective way of engaging with key stake holders in the transportation sector which covers a wide range of players from air to sea, land to rail industries. Trade mission participants will have the opportunity to interact extensively with Commercial Service (CS) Turkey specialists as well as USEAC offices to discuss industry developments, opportunities, and sales strategies.

The trade mission will also include a regional program for introductions to private sector and government officials from the partnership posts of Turkey, namely Uzbekistan, Azerbaijan, Turkmenistan and Georgia. The meetings will take place in Istanbul, with the participation of the partnership posts and possibly other countries in the region.

### COMMERCIAL SETTING

Turkey's geopolitical position serves as a unifying bridge between East and West and makes the transportation industry crucial for the region's economic development. It is in the middle of the Aegean, Mediterranean and Black Sea with two major straits (Bosporus and Gallipoli). These make Turkey a major player as a transit country, an origin of and a destination for freight. Additionally, traffic of goods and services is not just confined to neighboring countries, but it also expands to distant ones as well. Turkey is considered a major cargo center with increasing trade between East and West.

Turkey's Customs Union Agreement with the European Union (EU) is pushing the transportation industry to consider new investments in Turkey. Even if the pending application to the EU doesn't happen in the near future, Turkey's ambitious aim to comply with all rules and regulations of the EU, due to having majority of its foreign trade with Europe, also forces GoT to focus on investments in the transportation industry. Problems in this industry range from physical integration to the harmonization of infrastructure, vehicles, environmental and other standards, the development of logistic networks, the improvement of border crossings and trade facilitation policies (including modernization of customs). Additionally, due to the increasing population of Turkey, and the inward migration to larger cities from rural areas, traffic has become a big issue in many larger cities. Local municipalities are struggling with heavy traffic and investing heavily on intelligent transportation systems to overcome traffic problems of the cities. These systems come in various forms to cater to different needs, making this industry all the more important. Turkish firms are looking for international partnerships to assist them in their development and implementation efforts, in technologies, including Traffic Engineering, Adaptive Traffic Management Systems, Traffic Control System, Traffic Signalization Systems, Electronic Detection Systems, Camera and Security Systems, Traffic Measurement Systems, Variable Message Systems, Communication Systems, Digital Information Systems, Lightening Systems, Tunnel SCADA, Vehicle Tracking and Fleet Management. U.S. firms have a comparative advantage in high-tech products therefore are encouraged to take advantage by forming agreements to act as suppliers to Turkish firms in these types of specialized technologies.

Turkey's transportation and logistics sector is one of the fastest growing industries, and it has tripled in value since 2002, with an average growth rate of 20% over the last five years. By 2023, Turkey has set a target to reach including full completion of the privatization of railroads, connection of marine ports and railroads, increase of total rail length to 26 thousand kms, with the new high-speed rail of 10 thousand kms, in addition to the new 4 thousand kms of conventional rail, restoration of the existing 8000 kms of existing rail, completion of the liberalization of railroads, increase of land transportation from 23,522 km to 37 thousand kms, construction of 5,748 km of new highways, completion of 9 thousand bridges/viaducts with a total length of almost 600 kms, construction of 110 new tunnels, completion of the third bridge on the Bosphorus strait, construction of a new bridge on the Canakkale strait, realization of the "Three Big Ports along the Three Big Seas" project on the Aegean, Black Sea and Mediterranean by constructing three transfer ports in every sea surrounding the country, completion of the Candarli port, being one of the top ten ports in the world, increase the marina capacity to 35,000, completion of seven new cruise ports. The New Istanbul Airport Project, among the largest transportation projects in Turkey, will provide significant business opportunities to U.S. Exporters. The airport, which is planned to be executed in phases and finalized by 2023, will cater to a total of 150 million passengers annually. The airport is expected to become operational in 2017 after the completion of the initial phase. It will consist of 6 independent runways, 3 control towers, 4 terminal buildings and 16 taxi ways. The project model is BOT and the estimated project cost is around 7 billion Euros. Additionally the State Airports Authority has been working on new airport projects in Yozgat, Rize, Nigde, Kas, Karaman and Tekirdag.

These projects will not only bring opportunities to firms interested in the construction of the projects, but also to U.S. firms that will supply high-tech equipment, systems, and technologies. During the trade mission, members will be able to get information from the project owners, the officials, about the new projects/tenders, i.e. in aviation alone, there will be six new airports planned/constructed. Another important project of the Ministry of transportation is the establishment of logistic villages in different parts of the country, combining air, land, sea, and rail transportation. These villages, when completed, will provide expedited transportation and delivery services. Additionally, after the completion of the New Istanbul Airport, Turkey will become a hub for civil aviation activities with regards to not only passenger traffic but also cargo and Maintenance/Repair/Overhaul (MRO) activities. There are 55 countries within a 3-hour flying radius of Istanbul. These developments will provide new business opportunities to a wide range of U.S. companies including but not limited to air services, logistics and cargo operations. More U.S. firms that need cold chain facilities might benefit from the increasing/newly opening opportunities in the food/pharmaceutical/biomedical industries.

On the civil aviation side, thanks to expansion of private airline companies, the number of domestic and international flights has significantly increased, leading to a significant increase in total passenger and cargo traffic. The total growth in passenger traffic reached 200%, while cargo traffic also grew by 122%. The total number of aircraft in-country has increased by 172% through the same period. As an outcome of the increase in total demand, new maintenance/repair and overhaul (MRO) centers have been established. Additionally, new airport projects have been pursued by State Airports Authority also known as DHMI, along with capacity expansion/renovation of existing airports. Turkish Airlines (THY) is the largest player in the market with 7 subsidiaries including lower cost airlines, MRO, cargo, fuel storage and refueling services and ground services. According to THY, they rank as the number 1 airline in terms of the number of countries and international destinations served. With a fleet of 274 aircraft, Turkish Airlines has established a growth rate of 13.3% in 2014 and passenger load for 2014 reached around 54.7 million. In 2015, the number of flight destinations reached 290 (domestic and international) from 104 in 2003. Turkish Airlines flies to the most destinations nonstop from a single airport than any other European or Middle Eastern airline (the hub being Istanbul).

## **MISSION GOALS**

This mission will help U.S. companies increase their export potential to the Turkish Market particularly in the transportation sector, which offers serious high value procurement opportunities, both material/equipment and services. The trade mission will cover all aspects of transportation from air to land, marine to rail and will help trade mission participants establish contacts with private industry and government officials, learn about the present and future business opportunities and strategize on market entry or market penetration.

The goal of the U.S.-Turkey Transportation Trade Mission is to:

- 1) Introduce U.S. companies to Turkish business partners and industry representatives;
- 2) Introduce U.S. companies to industry and municipal/government officials to learn about various transportation program opportunities; and
- 3) Establish contacts between U.S. companies and private sector representatives in the partnership posts of Turkey, namely Uzbekistan, Azerbaijan, Georgia and Turkmenistan.

## MISSION SCENARIO

Participants will attend country briefings and meetings with municipal/government decision makers and key private industry contacts, including potential trading partners and end users. Participants will also receive an economic/political briefing on the country and the region by the U.S. Embassy.

Networking events will provide mission participants with further opportunities to speak with local business, including municipal and national government officials, many of whom might be difficult to communicate with otherwise, as well as U.S. firms that are already operating in the country to share experiences.

The most valuable tool of the trade mission will be the one-on-one matchmaking events that will take place at all three posts introducing the participants to local key decision makers and projects that these will be sharing with the U.S. firms. These will all shape-up with the make-up of the mission participants.

## MISSION TIMETABLE

<b>Sunday</b> <b>March 26<sup>th</sup>, 2017</b>	<ul style="list-style-type: none"><li>• Mission Welcome and orientation – early evening at the TM hotel in Ankara</li></ul>
<b>Monday</b> <b>March 27<sup>th</sup>, 2017</b>	<ul style="list-style-type: none"><li>• Country Team Briefing with U.S. Embassy officials</li><li>• Meeting and Briefing with Ministry of Transportation (Each official department will be able to talk about upcoming projects and tenders on presentations) State Railway Officials &amp; Projects State Highways Officials and Projects Marine Officials and Projects Airways Officials and Projects</li><li>• 1-1 Business Matchmaking Meetings with private companies and government officials in Ankara</li><li>• Networking Reception with U.S. and Turkish Government and Private Sector Representatives</li></ul>
<b>Tuesday</b> <b>March 28<sup>th</sup>, 2017</b>	<ul style="list-style-type: none"><li>• Fly to Izmir</li><li>• Site visits (tunnel/bridge under/over the Izmir Bay)</li><li>• 1-1 Business Matchmaking Meetings with private companies and municipal officials in the Aegean region</li></ul>
<b>Wednesday</b> <b>March 29<sup>th</sup>, 2017</b>	<ul style="list-style-type: none"><li>• Fly to Istanbul</li><li>• Site visits (new metro, 3<sup>rd</sup> airport, 3<sup>rd</sup> bridge, Marmaray)</li></ul>
<b>Thursday</b> <b>March 30<sup>th</sup>, 2017</b>	<ul style="list-style-type: none"><li>• Morning: 1-1 Business Matchmaking Meetings with private companies and municipal officials in Istanbul</li><li>• Afternoon: 1-1 Business Matchmaking Meetings with private companies and municipal officials in Istanbul</li><li>• Industry Reception</li></ul>
<b>Friday</b> <b>March 31<sup>st</sup>, 2017</b>	<ul style="list-style-type: none"><li>• Morning: 1-1 Business Matchmaking Meetings with Partnership Posts and Public and Private Sector representatives from these countries</li><li>• Noon: program ends</li></ul>

## **PARTICIPATION REQUIREMENTS**

All parties interested in participating in the trade mission must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 12 and maximum of 20 companies and/or trade associations will be selected to participate in the mission.

## **FEES AND EXPENSES**

After a company or trade association has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee for the Trade Mission will be \$3700 for a small or medium-sized entity (SME)<sup>1</sup>, and \$4700 for large firms. The fee for each additional firm representative (large firm or SME/trade association) is \$750. Upon notification of acceptance to participate, those selected have 10 business days to submit payment or after such time the Department of Commerce reserves the right to revoke the acceptance or may offer the participant spot to other qualified applicants. Expenses for travel, lodging, meals, and incidentals will be the responsibility of each mission participant. The participation fee will cover group transit from hotel to airport/train station on departure from each destination as well as local group transportation to meeting venues, where applicable. Delegation members will be able to take advantage of U.S. Embassy rates for hotel rooms.

## **EXCLUSIONS**

The mission fee does not include any personal travel expenses such as lodging, most meals, local ground transportation (except for transportation to and from meetings, and airport transfers during the mission), and air transportation. Participants will, however, be able to take advantage of U.S. Government rates for hotel rooms. Electronic visas are required to participate on the mission, which are easily obtainable online. Applying for and obtaining such visas will be the responsibility of the mission participant. Government fees and processing expenses to obtain such visas are not included in the participation fee. However, the Department of Commerce will provide instructions to each participant on the procedures required to obtain necessary business visas.

## **CONDITIONS FOR PARTICIPATIONS**

An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.

Targeted mission participants are U.S. companies providing material/equipment, technology and services to any of the four transportation industries, air, rail, land, and marine that have an interest in learning more about the Turkish and regional markets. Target sectors holding high potential for U.S exporters/contractors include: material/equipment/technology/services providers in the transportation industry, including airports.

Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the U.S., or, if not, are marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content. In the case of a trade association or organization, the applicant must certify that for each company to be represented by the association/organization, the products and/or services the represented company seeks to export are either produced in the U.S. or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content.

In addition, each applicant must:

- Certify that the products and services that it wishes to market through the mission would be in compliance with U.S. export controls and regulations;
  - Certify that it has identified to the Department of Commerce for its evaluation any business pending before the Department that may present the appearance of a conflict of interest;
  - Certify that it has identified any pending litigation (including any administrative proceedings) to which it is a party that involves the Department of Commerce; and
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- Sign and submit an agreement that it and its affiliates (1) have not and will not engage in the bribery of foreign officials in connection with a company's/participant's involvement in this mission, and (2) maintain and enforce a policy that prohibits the bribery of foreign officials.

In the case of a trade association/organization, the applicant must certify that each firm or service provider to be represented by the association/organization can make the above certifications.

## **SELECTION CRITERIA FOR PARTICIPATION**

The following criteria will be evaluated in selecting participants:

- Suitability of a firm's or service provider's (or, in the case of a trade association, represented companies') products or services to these markets.
- Firm's or service provider's (or, in the case of a trade association, represented companies') potential for business in the markets, including likelihood of exports resulting from the mission.
- Consistency of the firm's or service provider's goals and objectives with the stated scope of the mission.

Balance of company size, sector or subsector, and location may also be considered during the review process.

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

## **TIMELINE FOR RECRUITMENT AND APPLICATIONS**

Mission recruitment will be conducted in an open and public manner, including publication in the *Federal Register*, posting on the Commerce Department trade mission calendar (<http://export.gov/trademissions>) and other Internet web sites, press releases to general and trade media, direct mail, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows.

Recruitment for the mission will resume again immediately and conclude no later than January 16, 2017. The U.S. Department of Commerce will review applications and make selection decisions on a comparative basis starting **on December 12, 2016**, selecting up to the maximum number of participants at that time. Applications received after **January 27, 2017**, will be considered only if space and scheduling constraints permit.

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