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*As We Advance into the New Year*

The conference on "Eco System Coordination and the Search for Common Sense" examined all aspects of the Turkish Defense Industry ranging from production to import and export, from Human Resources to R&D and technology. It was conducted in the city of Bolu by our Presidency of Defense Industries (SSB) during the last four-month period. The Turkish Defense and Aerospace Industry Eco System Coordination Platform was established as a result of the aforesaid event. In addition to this common sense platform, an Executive Committee was formed to conduct the operational activities. The Eco System Coordination Platform will serve as an organization where the issues of the industry are to be discussed and solutions are sought. As the SaSaD (Defense and Aerospace Industry Manufacturers Association) we took charge in both organizations. We can say that it will be a very useful platform if utilized properly.

When the number of sector-related events as well as the usefulness of their contents are taken into consideration, I would like to point out that such issue should be examined. Whether related or not, some individuals, institutions and foundations have been holding similar events throughout the year, except for July, and many events are being held, some for commercial purposes some for demonstration and rarely for informing the participants.

This case agitates our industrialists in every aspect while negatively affecting the performance of the companies. The disturbing aspect of the issue regarding the time aside, this brings quite a burden to the companies in terms of finance as well. Sponsorship fees, opening stands, personnel expenditures and costs of samples/leaflets all add up to great amounts. Most of the events fail to contribute to the sector other than providing information which could be reached via the internet. For these types of events, a medium sized company is obliged to spend an average of US\$ 20.000 per year. We expect our Presidency of Defense Industries to regulate the aforementioned weak point related to these events. As a suggestion, we assess that the non-governmental organizations of the sector – The SaSaD's participation in the planning of these events with the relevant department of the SSB under the coordination and auspices of the Presidency of Defense Industries would be beneficial.

Hoping for normalcy in the exchange rates, loan interests and credit facilities after the fluctuations experienced in 2018, we look forward to adopting rather normal progress in 2019, wishing everyone a smooth, prosperous, peaceful and bright year.

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## International Military Radar and Border Security Summit Held in Ankara

The 1<sup>st</sup> International Military Radar and Border Security Summit supported by the Presidency of Defense Industries, organized by MÜSİAD and also supported by the SaSaD Foundation was held at Hilton OSTİM Ankara on October 2<sup>nd</sup> and 3<sup>rd</sup>. The Summit was organized with objective of strengthening border monitoring and acquisition strategies, activities of the Military Radar Technologies and Domestic Industry and the effective utilization of manned and unmanned vehicles and biometric technologies as well as increasing awareness of threats against land, naval and air borders.

Minister of Internal Affairs Süleyman SOYLU, President of Defense Industries Prof. İsmail DEMİR, MÜSİAD Ankara President İlhan ERDAL and MÜSİAD Ankara Defense Industry and Aerospace Industry Council Head Fatih ALTINBAŞ and esteemed representatives of the Defense Industry and members of MÜSİAD Ankara attended the opening ceremony of the two-day event.



**İlhan ERDAL: “Defense Industry Expecting Grants and Support”**

Stating that a country’s neglect of border security measures in our globalized world eventually becomes a factor that increases the load carried by other countries, MÜSİAD Ankara President İlhan ERDAL underlined that border security is essential for the security of citizens. ERDAL expressed that the Turkish Defense industry has reached a production power exceeding US\$ 6 billion in the last 16 years by growing 5-fold. He noted that he believes that the industry will achieve even better levels through the decrease of bureaucratic legislation regarding grants, support and ease of implementation.

Emphasizing that the first International Military Radar and Border Security Summit in Ankara was held in order to support the development of national and domestic industry, ERDAL continued: “We believe that we will move the domestic and national Defense industry to a better level with the support granted by our Minister. We manufactured our unique Main Battle Tank, Modern Infantry Rifle, Surveillance UAV and Armed UAVs and we will carry them further. As businessmen, we are aware that there is no way of conducting business in places enduring terrorism, without peace. A peaceful and stable society will also positively affect the business environment. If we manage to produce products with high technology and high added value, we may easily reach our export target of US\$ 500 billion set for 2023”.

**Fatih ALTUNBAŞ: “The Defense Industry is Able to Achieve US\$ 60 Billion in Revenue by Growing 10- Fold in the Medium Term”**

MÜSİAD Ankara Defense Industry and Aerospace Industry Council President Fatih ALTUNBAŞ stated that they gathered Turkey’s greatest Defense industry manufacturers, sub-contractors of the industry, academicians, governmental representatives and civil society associations at the 1st International Military Radar and Border Security Summit. Underlining that the summit will be a platform where critical agreements are signed, ALTUNBAŞ noted that, through this summit, their target is to further increase the export potential of the Defense industry so that it reaches a revenue of US\$ 6 billion. Noting that the industry has a 10- fold growth potential, ALTUNBAŞ added that they are able to reach a national and domestic Defense industry figure of US\$ 60 billion in the medium term.

Opening the summit, Minister of Internal Affairs Süleyman SOYLU shared the following words with the participants: “Such meetings, focusing specifically on high technology and production where we see efforts exerted with a sense of nationality in order to contribute toward our country, fills us with pride, hope and honor. What we need is not just monetary gain to purchase the things that we need, but the things that will strengthen us further. On the contrary, of essence is the capability of



producing our own requirements. I observe this determination and this capability in this very hall and I am proud of this. Our esteemed President also expresses his wish at every opportunity and grants great support in both moral and material terms toward all efforts to this end. With the help of their support, we achieved very critical developments and substantial projects in the Defense industry. The upward trend of the 21st century is unfortunately terrorism. The number of irregular immigrants in Turkey that we seized in 2017 was 175 thousand. There is a total of 600 thousand irregular immigrants in Europe. The number of this year's irregular immigrants exceeded 190 thousand as of 26

– 27 September 2018. There is an increase of 78 percent when compared with August of last year”.

Noting that President Recep Tayyip ERDOĞAN accompanied him during his visit to Germany, SOYLU said: “I expressed something at our negotiations with Germany’s Minister of Internal Affairs. We have Syria at our Southern border, and Iraq and Iran remain at our Eastern border. I said, when thinking of Turkey, do not regard us as Norway or Finland or as your country. The number of irregular immigrants we received from the beginning of the year 2018 Turkey was registered as 71 thousand Afghans, 40 thousand Pakistanis, 60 thousand Syrian immigrants and 14 thousand Iraqi immigrants. Turkey struggles to show the world how humanity works, how it maintains public order, safety and security in such a challenging geography and the magnitude of the favors it accomplishes for Europe through its activities”.

Süleyman SOYLU underlined that they struggle with terrorist organizations and added: “The Border Security issue remains under the responsibility of the Ministry of Internal Affairs. We develop highly critical projects in terms of physical conditions and information flow in this area. We conduct the procurement of modular concrete walls

utilizing high technology, safe ways in parallel with these walls, lighting systems, radars, observation towers with high security. We execute these partially through our own resources. And we conduct the rest of them including the training and equipment support parts especially in integrated border management through EU projects. We strive to realize particularly the physical security systems dimension through our own resources. The 828 km modular concrete wall is planned to be built at our Syrian border, and presently with our National Defense Ministry, our governorships and TOKİ Presidency with our Ministry, 805 kilometers of this wall has been completed. Similarly, the installation of the 91 kilometer long modular concrete wall has been completed at our Iranian border in Iğdır and Ağrı. The whole project is 144 kilometers and we aim to accomplish it by the end of the year”.

Immediately after the opening remarks, Minister SOYLU and the accompanying delegation toured all the stands in the foyer area and received detailed information on the products and capabilities from company officials.

The first session of the day was accomplished under the title “Current Developments towards Border Security” moderated by SaSaD Deputy





Secretary General Yılmaz KÜÇÜKSEYHAN. In this session, on behalf of the Presidency of Defense Industries Halil İbrahim ÖZTÜRK made a presentation on 'The Latest Developments on the Protection of Vulnerable Areas', on behalf of General Directorate of Provincial Administration Ömer Faruk ABAY presented 'Nationally Sourced Activities, EU Funded Projects Conducted in Border Management Area, Training Activities and Relations with the Regional and International Associations', representing Havelsan Technology Radar İzzet ŞİRİN made a presentation on 'A Conceptual Approach to Border Security', on behalf of Aselsan UGES industry Ayça Başsoy BÖNCÜ made a presentation on 'Coastal Boundary Security System and Culture of Collaboration with the Sub Contractors' and representing FNSS, Business Development Director Haluk OLGUN's presentation was on the topic of 'Land Systems at Border Security'.

SaSaD Deputy Secretary General Yılmaz KÜÇÜKSEYHAN made a brief presentation on mainland security and radar systems prior to the first session. Stating that Turkey has a border line of total 10.765 kilometers including land and sea with Syria, Iraq, Iran, Azerbaijan, Georgia, Armenia, Greece and Bulgaria KÜÇÜKSEYHAN added, "For a country neighbor with 8-9 countries to achieve security within the borders and right beyond the borders, it will need the systems we will discuss here. Today, all types of radar systems exist in the inventory of our armed forces. Aselsan and our other few companies

have been conducting critical activities on this matter."

Touching also upon the problems endured by the industrialists after the increase in the exchange rate KÜÇÜKSEYHAN continued, "In this transition process, our industrialists are facing certain problems due to the increases in the exchange rates and interest. Because of these problems, I stepped in as the President of the Assembly of Turkish Defense Industrialists and Deputy Secretary General of SaSaD. I prepared a presentation to our Minister of Finance, Minister of Industry and Technology and Minister of Commerce. I would like to share the headlines with you. We stated that we are in difficulty. With the increase in the interest rates, the costs of credit used or to be used by our companies and associations with weak capitalization increased and therefore the product and service costs increased as well. Therefore, a loss in fixed price contracts occurred. We ask them to find a solution for this. There is also another issue. As a result of the Presidential Decree on the signing of the new contracts based on the Turkish Lira, a problem is being faced in making projections in the contracts particularly extending over years (3 years and more), because the value of the money decreases and increases. Therefore, it is impossible to make a projection, and this prevents inflated prices or losses for those making projections.

Another issue is that since the identification of the import items of the contracts in effect

or those to be signed in Turkish Liras would result in the burden caused by the changes in the foreign currency parity assumed by the contractor, basing the contracts signed for the equipment to be imported in foreign currencies and basing the contracts signed for the products and services procured internally in Turkish Lira are essential and we hereby announce this to our Presidency of Defense Industries. Additionally, these type of unexpected crises related with the economy should be covered by the force majeure clauses of the contracts. In this way, we may be relieved from penalized deliveries and delays. Another point is that whenever the interest rates increased, the banks increase their receivables to the current services. And in that case, they refuse to grant credit claiming that the interest rates would reach 45% when the loan is requested. We need to deal with this issue as well. We lean on certain workbenches and we have to import them as we do not own the machinery and equipment we require yet. The incentives regarding this issue need to be improved immediately, because you are importing the benches utilized in the production line. We are working on this issue with our Presidency of Defense Industries."

KÜÇÜKSEYHAN closed his speech by stating that the package of measures consisting of 16 articles was launched by the government said, "We accomplished nearly half of this study. KOSGEB postponed its receivables until 2019" and the session started thereafter.





## Minister of National Defence Convenes the TOBB Defence Industry Assembly in MKE Factory

On 30 October 2018, Minister of National Defence Hulusi AKAR gathered with the members of the Defence Industry Assembly under the TOBB (Turkish Union of Chambers and Commodity Exchanges) at Kırıkkale MKEK Ammunition Factory in order to explore common problems, views and wishes of particularly the small and medium sized businesses.

Minister of National Defence Hulusi AKAR visited the MKEK Ammunition Factory during the morning session of the scheduled program and received detailed information on the ongoing activities and then he shared lunch and conversation with the factory employees. In the afternoon session, the TOBB Defence Industry Assembly convened with the participation of Minister of National Defence Hulusi AKAR, TOBB President Rifat HİSARCIKLIOĞLU, Mayor of Kırıkkale İlker HAKTANKAÇMAZ, Deputy Minister Yunus Emre KARAOSMANAOĞLU, Türk-İş President Ergün ATALAY, MKEK Deputy General Manager Mehmet ÜNAL, Logistics Commanders of Land and Air Forces, TOBB Defence Industry

Assembly Director Yılmaz KÜÇÜKSEYHAN, Deputy General Director of the Turkish Armed Forces Foundation Sadık PIYADE, representatives of the Chamber of Commerce and Chamber of Industry of Kırıkkale and OSSA, SAHA İstanbul, HUKD, ESAC, TSSK Clusters and Cluster Associations' Chairman's and Secretary Generals and representatives of the Assembly members from large scaled

companies.

Taking the floor at the assembly meeting, Minister of National Defence AKAR touched upon the importance of the indigenous and national defence industry and stated that the success of the activities of security forces depended on the achievement in this area. Mentioning that the defence industry had critical tasks in this stage, AKAR pointed



out the necessity of competitiveness in this area. AKAR drew attention on the geography surrounding Turkey and said, "If we wish to exist in this area, we absolutely need to work and succeed. The failure is not option. We must remain vigilant, strong and self-sufficient and we need to exert our utmost efforts to achieve an indigenous and national industry. To this end, we need to enhance the efficiency, deterrence capability and notability of our Armed Forces. We must manufacture unique engines, electronic warfare systems, missiles, explosives, antennas, laser systems and chips utilized by our Naval, Air and Land platforms."

Underlining that the encountered problems and challenges in the Turkish Defence Industry should be discussed frankly and openly, AKAR added, "After defining these problems, we should clear up the problems adamantly and then we should proceed forward".

Minister AKAR stated that they were ready to provide all types of facilities that they could in all activities conducted in line with the ambitions of the Turkish Armed Forces. Minister AKAR: "We have a single condition at this point. If it is in line with the ambitions of Turkey as well as the Turkish Armed Forces,

then we are going to amend the law, the regulation and the directive accordingly. We will do as much as we can. Concerning these matters, following negotiations with the representatives of the private sector we adopted a council of ministers' decision. The problem at this point was, 'For instance, within the scope of a tender, a well-recognized company that is capable of accomplishing the work proposes the price as 4.90, a company running production under the counter offers 2.50 and wins the tender. At that point, we need to award the contract to the latter one in accordance with the legislation stated by the procurement authorities. This is our first and main problem. The second one is the claims of the major companies. They say, 'even if the tender is secured at 4.90 price, we would not join the tender. They say, 'we need to make new investments and expand our capacity.' And if we accomplish these then you would have to promise the next purchase from our company, but at that point you would say that a new tender will be opened in 2019 and the bidder with the minimum price will secure the tender. Then the major company would ask who will absorb these investments.' Due

to these two reasons, we need to reach out to the major companies recognized in the markets and provide the awarded parties the guarantee of purchase for at least 5 years or more. We have initiated this approach into effect in the areas of clothing, food and beverage and in the indigenization of our defence industry's spare parts. Then again certain problems may arise in operations. But our intention is to realize accomplishments, we aim for this and will strive to achieve this".

Following the speech of the Minister of National Defence Hulusi AKAR, SaSaD Deputy Secretary General Yılmaz KÜÇÜKSEYHAN presented a comparison of the World and Turkish Defence Industry. Following this presentation, the representatives of the SaSaD member companies and Cluster Associations conveyed their obstacles and challenges to Minister AKAR.

Companies and clusters mostly declared their views on the procurement legislation that falls under the responsibilities of the Ministry of National Defence and the consultation portion of the event lasted for 4.5 hours, and the event was concluded with a group photo



## The Impact of the Recent Developments in Foreign Currency / Turkish Lira Among the Sector's Players

Unexpected developments started to occur in the foreign exchange markets particularly since the second half of 2018 and the Turkish Lira began to lose value against foreign currencies (USD and Euro). This development spurred a significant interaction among the players especially active in the Defense and Aerospace industries.

The impact analysis and suggestions prepared by the SaSaD within this scope were shared with the relevant authorities. According to these:

- Due to the increase in interest rates, loan costs utilized/or to be utilized by the players enduring capitalization difficulties increased and this resulted in the increase

of the cost of products and services. Therefore, a loss occurs/would occur in fixed price contracts.

- The Presidential Decree stipulating the signing of new contracts based on Turkish Lira will result in difficulties in making projections particularly in contracts that extend over years (longer than three years). Thus inflated prices or projections ending in losses will occur.
- Identifying the import items of contracts in effect or those contracts to be signed in Turkish Liras implies that the burden caused by the changes in the TL/ Foreign Currency parity would be carried by the contractor. This will result in the contractor's building

prices with forecasts of high figures and / or their failure to fulfill their liabilities. The delays in the fulfillment of liabilities and consequent penalties will be inevitable.

- Either the redemption costs of investment tools (Production Benches, Special Equipment, etc.) within the scope of the contracts and procured with loans would increase or the resources identified for new investments failed to suffice.
- If these difficulties or similar severe economic crises emerging/ to emerge in the economy are not considered as force majeure clauses in the contracts, the contractor may be aggrieved.

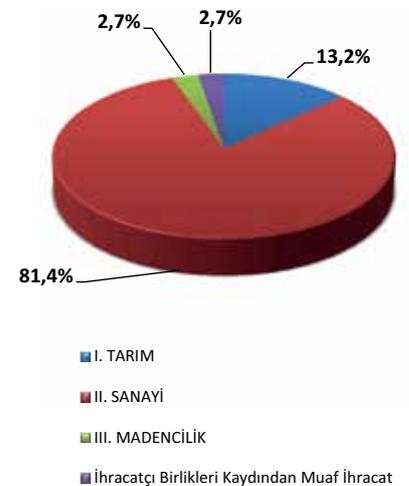
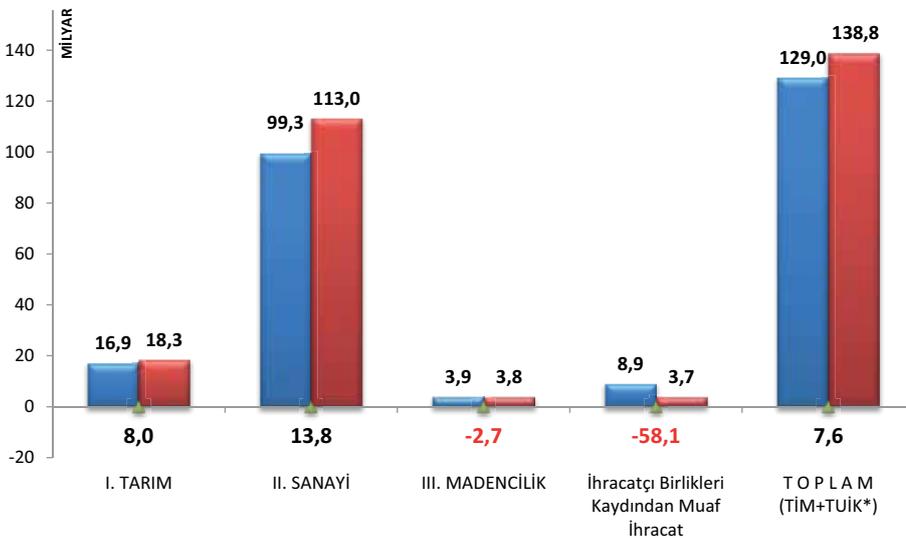
## Turkish Defense & Aerospace Industry's Encouraging Export 10-month Performance

All industries were influenced at different levels by the foreign currency crisis that occurred in 2018. The Turkish Defense and Aerospace Industry managed to minimize the effects

of such crisis with the help of the measures adopted during the transition period. Indeed, the export data provided by the Defense and Aerospace Industry Exporters' Association for

the first ten months proved that the industry continued its progress without slowing down.

*Türkiye Genelinde İhracat Verileri*



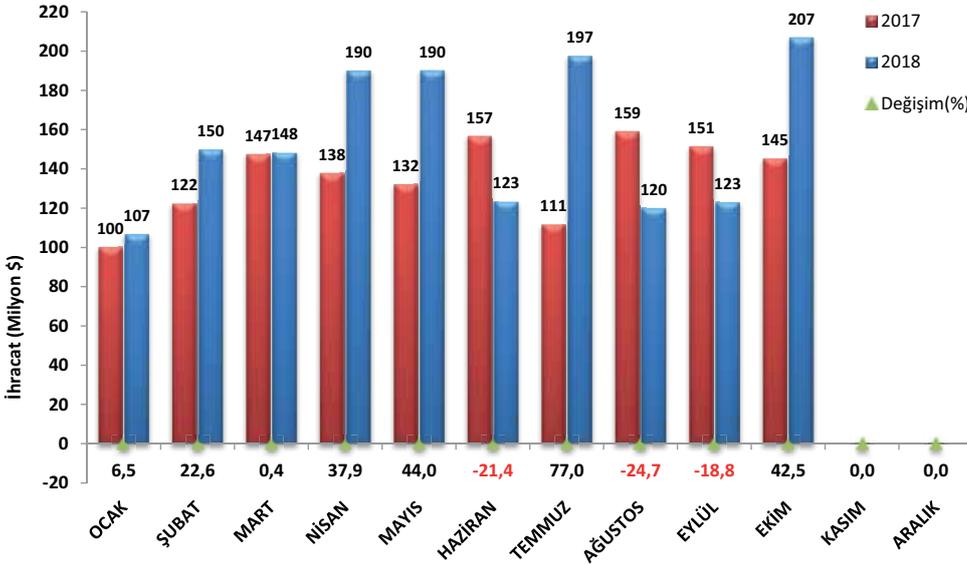
Türkiye genelinde ihracat verileri Şekil-1'de görülmektedir

According to the data of the first ten months of 2018, our exports reached US\$ 1.554 billion. When the sales revenues of November and December are added to this figure and the

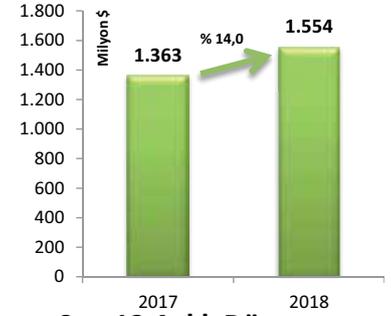
revenues of foreign currency earning services of 2018 are included, the total foreign sales revenues of our Defense and Aerospace Industry are expected to exceed US\$ 2

billion. The increase of 12.8% compared with the exports of 2017 is evaluated as a critical development in the export revenues that decelerate in recent years.

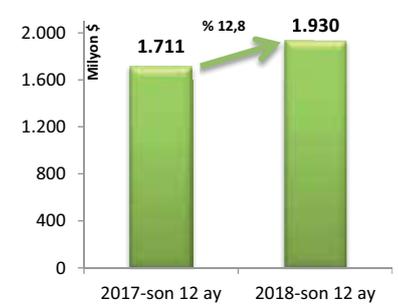
### Aylar İtibari İle İhracatımız



### Ocak-Ekim Dönemi

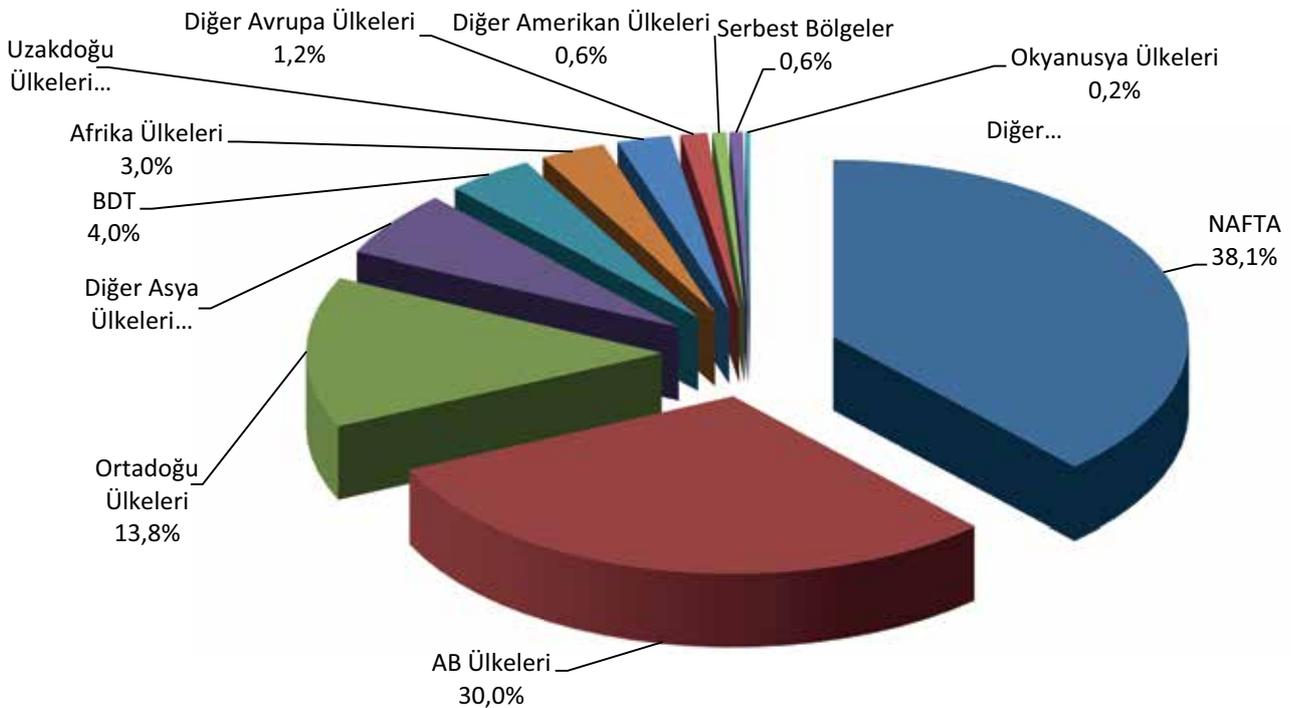


### Son 12 Aylık Dönem



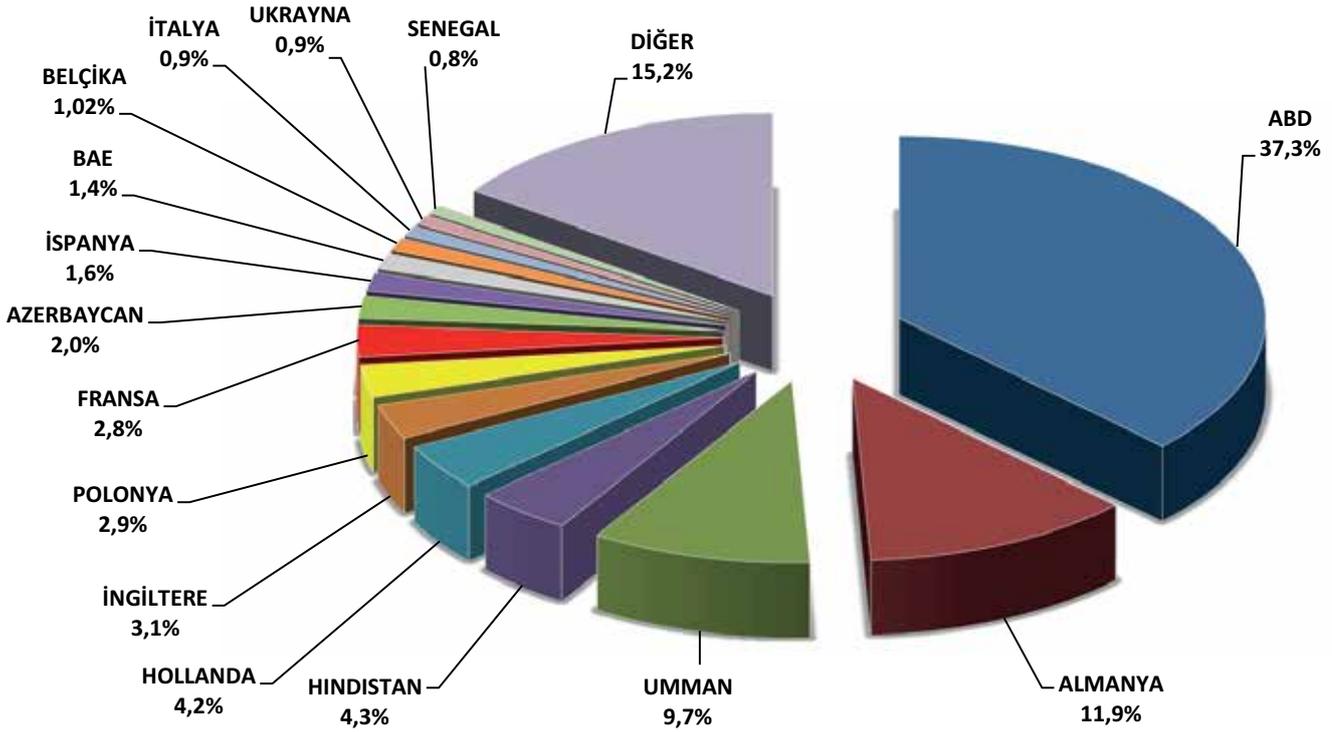
Savunma ve Havacılık sanayii verileri Şekil-2'de gösterilmiştir.

### Türkiye Genelinde Savunma Ve Havacılık Sektöründe Ocak-Ekim Döneminde İhracat



Kaynak: Tüm İhracatçı Birlikleri Verileri

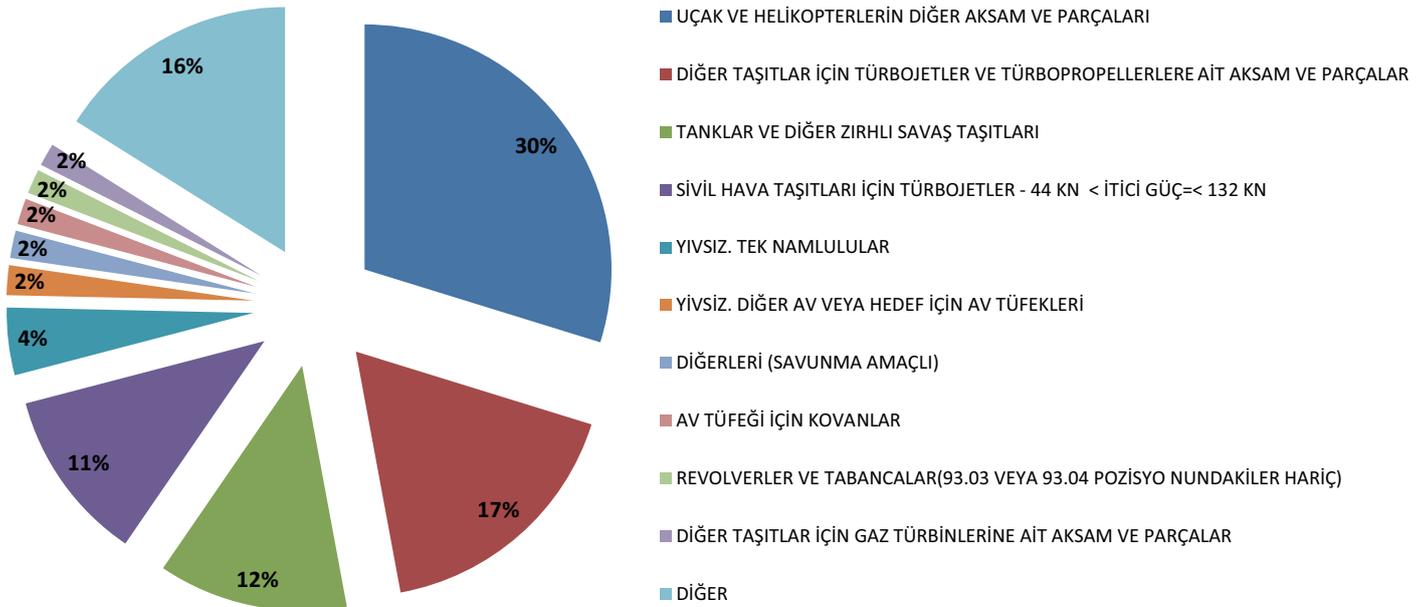
İhracatımızın hangi bölge ve/veya ülkelere yapıldığı pazar hakimiyeti bakımından değerlendirmeye alınmalıdır. Şekil-3 bu durumu göstermektedir.



Kaynak: Tüm İhracatçı Birlikleri Verileri

Grafık -4 2018 yılında ihracat gerçekleştirilen ülkelerin ihracat payları yüzde olarak sunulmuştur.

### İlk 10 Ürünün Payı



Kaynak: Tüm İhracatçı Birlikleri Verileri

Grafık -5 de ise ihracatı gerçekleştirilen ilk 10 ürünü göstermektedir.



## Konya Defense Industry Summit and Fair

"Konya Defense Industry Summit and Fair" which aims to develop the National Industry in Turkey and to increase the ratio of the domestic suppliers. With the target of gathering the manufacturer companies of the Defense Industry with companies within the region, the Konya Chamber of Industry Summit and Fair was held in the city of Konya on the 2nd and 3rd of October 2018.

Chairman of the Executive Board of the Defense and Aerospace Manufacturers Association (SaSaD), Vestel Defense and AYESAŞ President Öner TEKİN and SaSaD Secretary General Hüseyin BAYSAK attended the summit representing the members of SaSaD and SaSaD President Öner TEKİN delivered a speech at the opening of the summit.

Informing the participants briefly on the Defense and Aerospace Manufacturers Association in his speech, TEKİN said, "SaSaD was founded in 1990 by 12 major companies of the Defense industry, with the support and encouragement of the Ministry of National Defense. As of today, the association has 192 members including 6 clusters. The target identified in the establishment of SaSaD is to form an association that will represent the Turkish Defense Industry in all platforms while contributing to the development and strengthening of the industry and its competitiveness in world markets. Conducting

fruitful activities to this end for over 28 years, SaSaD incorporated aerospace (including civil aviation) into its structure with an amendment to its internal regulation in 2012."

Mentioning that the Defense and Aerospace Industry is a strategic industry TEKİN added, "If we want to express the points rendering this industry strategic, the added value of the activities conducted are very high. This is a very critical factor in the country's establishment of a policy in a global environment. It acts as a pioneer to the other neighboring industries. It is a crucial tool in the development of the technological structure and a very critical parameter in the independence of the country."

Evaluating the accomplishments achieved since the Cyprus Peace Operation in the Defense Industry area under three stages, TEKİN said, "We define the period until the establishment of the Defense Industry Development and Support Presidency in 1985 where mostly negative effects were observed in the Peace Operation of 1974, the period where the direct procurement system remained as the initial stage. Our country paid the price of this system quite heavily with the embargoes imposed. In the end, these embargoes proved that the procurement policies were wrong. With the lessons learned through experiences, the procurement implementation through either

domestic participation or licensed production was launched after the 'Joint Production' or 'Licensed Production' model existing during 1990-2000, the Turkish Armed Forces started to fulfill 20% of its requirements through domestic and indigenous sources. Yet this model did not suffice for a fully independent Defense Industry. From the 2000s, focus was given to domestic design and development modes and a modern Defense Industry model started to be established. Critical platforms and modern, effective weapons systems and ammunition such as armored vehicles, corvettes, unmanned air vehicles, training jets started to be included in the inventory of the Turkish Armed Forces. In this period, our Defense and Aerospace Industry was transformed into the model of 'Products and Production Based on Engineering and Design' and a structure that will develop technology and human resources from the structure of 'Licensed Production'. The policy of the Undersecretariat for Defense Industries based on selecting domestic companies as main contractors in main system projects gained a critical industry momentum. National and domestic awareness was internalized by our companies, and the Turkish Defense and Aerospace Industry started to build a robust technological infrastructure in scales that may be regarded as crucial. Fulfilling the requirements of the Turkish

Armed Forces (TAF) and our governmental institutions by domestic companies based on the 'Domestic Development Model' was adopted as a national policy and on account of this development; positive results were acquired in both the modernization of the TAF and the development of our Defense Industry. As a result of such positive results, our Defense Industry reached a certain level of maturity in fulfilling the system requirements of the TAF and our security forces. Presently, the industry is fulfilling over 60% of the demands of our Armed Forces through domestic and indigenous systems. There are no countries with a Defense and Aerospace Industry composed of 100% domestic and indigenous systems. The development speed of the Turkish Defense Industry, the incentives and support provided to the R&D and Technology production promise a bright future. Gaining depth to the aforesaid capabilities reached by our Defense Industry in system level and the acquisition of the required subsystems and technologies by our country are assessed as essential. Presently, in order to mention the Turkish Defense and Aerospace Industry in a few lines; the industry reached a level of competence enabling it to indigenously design all types of land platforms, surface platforms, conventional weapons and ammunition and systems with tactical - guided precise shooting power and include them in the inventory. It started to market these products competitively in world markets. The indigenous product development activities regarding air platforms were launched, for instance the industry reached the stage of including UAV systems, Training Jets and Utility Helicopters to the inventory and covered critical distance. These activities are expected to reach the same level in terms of sophisticated air platforms such as fighter jets and attack helicopters in the upcoming 5 - 10 years' period as well. Our aerospace industry has gained the status of a crucial supplier regarding civil aviation as well. Within this scope, it started to provide services as the subcontractor to civil aircraft manufacturers such as Airbus and Boeing. The industry capable of building all types of ships and boats, including Corvettes, considering surface platforms has also been intensively working on owning indigenous products in respect to underwater platforms. The activities towards gaining satellite launching capability have been included in the working areas of our industry since 2013. Our satellite developed by TÜBİTAK, Turkish Aerospace and Aselsan was

launched into orbit in the last years and has been functioning accordingly. Our country's Defense and Aerospace Industry has started to gain competence in all areas, from land to sea, from underwater to outer space."

Underlining that within the scope of the Turkish Defense and Aerospace Industry Performance for 2017, the total amount of the industry's sales reached US\$ 6.7 billion with an increase of 12% compared to the previous year, TEKİN continued, "With 18%, a very considerable percentage of the industry's sales are composed of R&D expenses. There are scarcely any industries in our country to achieve this percentage. US\$ 1.24 billion of the US\$ 6.7 billion of turnover is spent for R&D. This implies the effective production of domestic and national indigenous technology products. While presenting the overall picture, let's also talk about the Turkish Defense and Aerospace Industry's achievements in exports. First of all, we underline that we will not be able to develop competitive and sustainable products through merely taking the internal market into consideration. Therefore, our target should be in the direction of constantly increasing exports. According to performance survey results, the industry increased its exports of US\$ 1.677 billion in 2016 to US\$ 1.746 billion in 2017. Although these are the official figures of exports in accordance with the customs clearance data, when the Foreign Exchange Earning Services' Revenues are added to these figures, the export figures that we will mark as Foreign Sales Revenues are around US\$ 1.82 billion. When the official export figures are considered, the export activities of the Turkish Defense and Aerospace Industry place Turkey in the 12th rank globally. According to the International Defense Industry Research Institutions, Turkey is declared as one of the six countries as a regional power and a rising manufacturer. The distribution of our exports, in line with the data of 2017 is as follows; US\$ 721 million to the USA, US\$ 464 million to Europe and US\$ 635 million to other countries. Compared with the previous year, the exports to the USA and Europe increased, and a decrease in the exports conducted to the Middle East Region has been observed. When talking about exports, I would also like to mention our status in imports. Presently, even the USA which occupies the first rank in the Defense Industry remains at the eighth rank in imports. Thus, Turkey's remaining within the top 10 importing countries is not regarded as a surprise. Raw materials and

fabricated materials and certain special sub-assemblies remain in the industry's imports of US\$ 1.5 billion.

Underlining that the Presidency of Defense Industries has been conducting quite critical activities such as the Industrial Competence Assessment and Support Program for the development of the Turkish Defense and Aerospace Industry and increasing its competitiveness, TEKİN added, "For instance, activities for the site survey of the capabilities of the companies active in the Defense industry and identification of the areas in which these companies could be supported were launched in order to determine and develop the capability inventory of the companies of the industry. Through such activities conducted under the Industrial Competence Assessment and Support Program (EYDEP), the capabilities of the companies of the industry and the solutions for their deficiencies are being identified and the support projects will be launched to increase their institutional structures, capabilities, qualities and competitiveness, based on these determinations. With the launch of EYDEP, the compatibility of the companies in the industry with the goals and strategies of the SSB could be tracked in real time, and a mechanism where their efficiency could be traced will be established. On account of this established mechanism, the extent of fulfilling the demands of the industry, the level of the industrial competence, preparation levels for technology development and the indigenization processes could be identified through a central point of view, reported and presented to the shareholders. In respect to air platforms, we own unmanned, indigenous air vehicles that are being utilized successfully in operations. Our UAV systems accomplished their tasks error-free in operations, precisely detected targets and performed excellent tasks by transmitting them to our Air Forces and artillery and missile units or by using their own arms. The industry has intensely worked on design, development and inventory activities especially in the last ten years, and now it has started to add the products that are the outputs of such activities to the inventory and sales of these products are active in global markets. As a result, the industry has made a critical leap, realized its critical indigenous investments and formed competent and experienced human resources. I believe that the continuation of the industry's potential while developing, will be the most crucial

subject in future years. The SSB displayed this subject among its strategic goals set by the Strategic Plan of the 2017- 2021 period and conducted definitions of the projects and activities in the action plans to secure it. More effective roles are being assumed by our industry in world markets on one hand and on the other hand it has to search for solutions for the development of the systems included

in the inventory and their logistical support through assuming responsibilities. We assess that by the industry directing its capabilities to the utilization of civil parties (civil aviation being in the first-place healthcare, energy, transportation) it would be a critical solution for maintaining sustainability as well."

Closing his speech, SaSaD Chairman of the

Board Öner TEKİN stated that the number of members of SaSaD from the Konya Region was merely one and added that they would be happy to see all the industrialists of Konya included in the SaSaD Association so that they could be informed on all developments and reports and join with active participation in cooperative events.

## SaSaD Visited the SOLOTÜRK and TÜRK YILDIZLARI



On October 2, 2018, a visit was paid to the SOLOTÜRK and TÜRK YILDIZLARI teams located at the Konya 3rd Air Jet Base Command by the Chairman of the Board of SaSaD Öner TEKİN and Secretary General of SaSaD Hüseyin BAYSAK. During these recent activities of the teams, their expectations and negotiations on potential cooperation opportunities were exchanged.

A plaque was bestowed by our Chairman of the Board Öner TEKİN on behalf of SaSaD to the teams of SOLOTÜRK and TÜRK YILDIZLARI - our pride in the skies.

## The Schedule of the International Defense Industry of the Year 2019

Turkish companies and corporations that will take part in as individual and national level participation of the international exhibition of the year 2019 is listed below.

- **Asia Defence Expo & Conference Series (MILSIM) 2019**  
Singapore, 29-30 January 2019
- **NIAS 2019**  
Nassau, Bahamas, 6-7 February 2019
- **IDEX 2019 -International Defence Exhibition**  
Abu Dhabi, 17-21 February 2019
- **Australia Air Show 2019**  
Australia 26 February- 3 March 2019
- **Kolombiya Maritime Expo 2019**  
Colombia 13-15 March 2019
- **LIMA 2019**  
Malaysia, 26-30 March 2019
- **Aircraft EXPO 2019**  
Germany, 2-4 April 2019
- **LAAD Defence and Security 2019**  
Brazil, 2-5 April 2019
- **IDEF 2019**  
Istanbul, Turkey 30 April- 3 May 2019
- **IMDEX ASIA 2019**  
Singapore, 14-16 May 2019
- **ITEC 2019**  
Sweden, 14-16 May 2019
- **HeliRussia 2019**  
Moscow, Russia, 16-18 May 2019
- **IDET 2019**  
BRNO-STED, Czechia, 29-31 May 2019
- **Paris Airshow 2019**  
Le Bourget, Paris, France, 17-23 June 2019
- **CEBIT 2019**  
Germany, 24-28 June 2019
- **DSEI 2019**  
London, UK, 10-13 September 2019
- **AUSA 2019**  
Washington D.C, US, 14-16 October 2019
- **SEOUL ADEX 2019**  
South Korea, 15-20 October 2019
- **BIDEC 2019**  
Bahrain, 28-30 October 2019
- **Dubai Airshow 2019**  
Dubai, UAE, 17-21 November 2019
- **ITSEC 2019**  
Thailand, 18-21 November 2019
- **Defence & Security 2019**  
Kuwait, 18-21 November 2019
- **Expodefensa 2019**  
Colombia 2-4 December 2019
- **GDA 2019**  
Kuwait 10-12 December 2019