

TURKEY

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- ✓ Democracy
- ✓ Stability
- ✓ Growth



A rising star

For the first time in a generation, Turkey is in a position to build lasting prosperity for its people. Its ability to do so will help shape the 21st Century.





A RISING STAR

80 years after the nation took its first steps towards the West, and after false starts along the way, there is a sense that Turkey is once again in tune with the spirit and values of its time.

Mention Turkey in political circles in Europe and you risk igniting a furious debate. Skeptics and supporters alike struggle with the evident dichotomy: culturally speaking, does Turkey belong to Europe or Asia? Does the internal struggle between the moderate Islamist ruling AK Party and the fiercely secular Kemalist establishment demonstrate an open and vigorous democracy or does it belie a more sinister plan for closer ties between Islam and the state? Further probes incite dark prophecies of waves of unemployed Turks swamping Europe. Contrast this with optimists' visions of Turkey's young dynamic workforce bringing a much needed competitive edge to European manufacturing. Undeniably, global politics are in flux and Europe, caught in an existential crisis, must decide whether to embrace the pluralism of the global age or to retreat into itself. President Clinton recognized the magnitude of the debate in 2001 stating that Turkey was "the key to meeting all the challenges that remained for Europe." In searching its soul, Turkey is the mirror into which Europe must look to decide its future.

The abundance of negative images fostered by the populist media

across Europe doubtlessly frustrates Turkish politicians and hinders their attempts to win the hearts and minds of the European public. Yet there is a strong message to be delivered. Unbeknown to most Europeans, a "silent revolution" is taking place in Turkey. There is a cautious expectation amongst the business community and a buzz on the cosmopolitan streets of Istanbul and Ankara. A feeling that more than two centuries after taking its first steps towards the West and after multiple false starts along the way, Turkey is once again in tune with the spirit and values of its time. While many of their neighbors in the region feud and stagnate, the Turks are determined to seize the day.

The long march towards the West, spurred on by Mustafa Kemal Atatürk's revolutionary changes in the country in the 1920s, set Turkey on the path of modernization and enshrined secularism in the nation. "Rejection of Turkey's Islamic, Central Asian, and Middle Eastern roots became state policy; the Arabic alphabet was replaced by a Latin one. The pursuit of modernity redefined the country's relationship with itself. A faithful ally to the US and a NATO member, the Cold War sealed Turkey's transformation into a Western nation and ensured almost unquestioning support from Washington.



The transition to multi-party democracy in 1950 with the election of the opposition Democratic Party was peaceful, but the subsequent political convulsions were punctuated by military coups in 1960, 1971 and 1980. Most recently the “post-modern coup” in 1997 that ousted the incumbent Islamic-oriented government was enacted under laws written by the military, the guardians of the nation’s secular regime. The coup acted as a trigger mechanism to force the Islamists to transform themselves into a political party for the modern age.

Economically, Turkey found itself adrift in the second part of the 20th Century, failing to keep pace with global changes. By 2001, the economic model it had adopted could no longer serve the country’s development needs. The resulting financial crisis of that year proved to be the catalyst for far-reaching reform. Now, in the 21st Century, having survived the swings of the nationalist ideology of the last hundred years, and having consolidated its reform process, paradoxically, it is from its rich and multicultural past that Turkey is drawing on to succeed in a new era of globalization and post-nationalism.

The Turkish economy, stable now after the collapse of 2001, has grown at an average of almost 8% over each of the past three years while inflation has fallen to single digits for the first time in 30 years. Much of this success has been due to an IMF-backed reform package focusing on maintaining economic stability and attracting more foreign direct investment (FDI). So far it’s working – FDI is set to surge this year and the government’s ambitious privatization program should provide a further spur to investment. Clearly though, there is still much to do: the business climate at the microeconomic level

needs to be improved and the economic reforms must be entrenched, but the IMF is optimistic that this process is now irreversible.

Similarly, the influence of chasing the holy grail of EU membership has forced through some rapid structural reforms including supervision over the control and funding of the armed forces and the judiciary. While human rights watchdogs would insist certain problems persist – principally with regards to the Kurds in the South East of the country – most would assert that overall the situation has notably improved.

Nevertheless, beyond sending a message of confidence to Brussels, and following IMF guidelines, there is a broader sense of purpose gripping the country. Turkey sees itself as more than just a key player in a conflicted region, more than the winning card in Washington’s foreign policy dream. It wants more than to be a role model as a democratic Islamic state and a catalyst for change in the region. Turkey is aiming much higher; it wants to participate fully as a modern nation in the shaping of the modern world.

Though the shared values of democracy, human rights, free trade and the rule of law have been the driving factors in the development of a global economy, it is the greater goal of Western civilization to transform itself into a global civilization that Turkey seeks to be a part of. As the EU bickers and the US struggles to maintain its influence in the region, the Turks are looking ahead and know where they want to go. To understand this is to understand President Clinton when he said, “The coming century will be shaped in good measure by the way in which Turkey itself defines its future and its role today and tomorrow.”

Prime Minister **RECEP TAYYIP ERDOGAN** speaks to Peninsula Press



In the future Turkey's exports to Europe will increase significantly. As a leading country in its region Turkey will also contribute to the EU's common foreign and security policy.

There is broad resistance to Turkish membership of the EU. Why do you think this is?

When Turkey is the case, some circles in the EU prefer to see the glass always half empty. Turkey has gone through a comprehensive reform process that has been frequently referred to by many EU leaders as a "silent revolution".

The EU with its motto "unity in diversity", has the aim of embracing all countries willing to join the Union with the condition that it fulfills the necessary criteria. Turkey is just one of those countries aiming to become a full-fledged member.

What contribution do you believe Turkey can make to the EU?

Turkey since the year 2002 has been the fastest growing economy among the OECD member countries. If we also take into consideration that one-third of Turkey's population is below the age of 18, it becomes evident that Turkey has a huge economic potential.

Turkey is the only candidate country that has a customs union agreement with the EU. The 10 new members that have joined the EU on May 2004 did not have a customs union agreement with the EU. Turkey's foreign trade with the EU amounts to nearly \$82 billion annually.

From another point of view, it goes without saying that Turkey is not only a bridge between Europe and Asia, but also a country which is at the

intersection of many important trade and natural resources routes. In the future, Turkey's role in providing natural resources to the European market will increase significantly. Turkey as a leading country in its region, will also contribute to the EU's common foreign and security policy.

Will Turkey eventually become the first Muslim nation to join the largely Christian EU?

The EU is not a Christian club. It is a union of values which oversees the prevailing of democracy, the supremacy of law, respect for fundamental rights and freedoms and a free market economy. Turkey, as a candidate country that will soon start accession negotiations, shares the same fundamental principles that constitute the backbone of the EU. It is a fact that the EU will evolve in time. Change is an inevitable reality. Turkey as a country is willing to become an EU member that will adapt itself to the dynamics of the EU in the same way as the other countries that joined the EU before Turkey.

Turkey has achieved a remarkable turnaround since the devastating economic crisis in 2001. How confident are you that this can be sustained?

My government's economic program continues to deal with the root-causes of Turkey's underlying economic problems. The program focuses on restructuring the financial sector at large and on removing the obstacles for private-sector-led growth.



Thanks to the strict implementation of the program, recovery has now resumed and the Turkish economy has become much more resilient.

Our long-term economic growth perspective rests on political and macro-economic stability, good governance, improvement in the business environment, further trade liberalization, investment in human resources, and transforming into an information society. Growth will be sustained by the structural reforms that we are eagerly and vigilantly putting into action. The EU accession process will surely reinforce the factors that feed into the growth of the Turkish economy.

Moreover, our success in the struggle against inflation is an indicator of the coherent implementation of the economic program. For 2004, the year-end target of inflation rate was set at 12% but realized as 9.32%.

Some Europeans have nightmares about millions of unemployed Turks roaming freely across the European Union and undercutting wage levels. How valid a concern do you see this being?

By the time Turkey becomes an EU member the economic conditions within Turkey will be much better. Another important point is that the unemployment rate in Turkey is not very different than that of the EU member states. Furthermore, the free movement of labor will not go into force immediately when Turkey becomes an EU member. There will be transition periods. Fear is the result of a lack of knowledge.

What kind of role do you see Turkey playing in the relations between the West and the Arab world over the coming years?

In today's world of globalization all nations are becoming increasingly interdependent on each other. Therefore, it is not possible to have stability and security confined only to certain areas.

Geographically, Turkey is both a European and Middle Eastern country. Politically, on the other hand, we belong to the Western world. We have been part of the Western political system from the very outset, while maintaining a special and multifaceted relationship with the Arab world with which we have close historical and religious ties.

As a result, Turkey today has the comparative advantage of understanding the motives and aspirations of those in the Arab world, as well as the approaches and principles upheld by the West. Now that both parties are seeking a better functioning dialogue between themselves, Turkey's potential to contribute to this endeavor is even more significant.

BUILD IT AND THEY WILL COME

Thanks to a steady hand on government finances and IMF backing, Turkey is back on track. Macroeconomic stability is starting to attract investors' attention.



The scope of Turkey's recovery from the 2001 financial crisis which caused a meltdown across the whole economy has been impressive. Seemingly having achieved economic alchemy – creating high growth and low inflation from the previously leaden Turkish economy – Mr. Sureyya Serdengeçti, the Governor of the Central Bank, is upbeat, “One very important achievement is the fact that inflation has finally come down to single-digit levels after 30 years, but also that Turkey has also been able to experience very high growth rates beyond anybody's expectations.” Real GDP grew at 8.9% in 2004, while forecasts for 2005 indicate a slowing but healthy 5.6%. Indeed, the economy has performed so well that in the last four years the overall growth has been more than 25%. Not that the governor is resting on his laurels; ambitious inflationary targets of 5% in 2006 and 4% in 2007 have been set.

The Central Bank's independence is seen as pivotal to this success. Much is also due to the IMF-backed structural reform package promoting strong fiscal consolidation and rigorous monetary

policies. The IMF is confident that the authorities are determined to extend Turkey's strong economic performance by implementing in full their ambitious reform program. This includes cutting state spending and subsidies, reforming the banking sector, reducing the national debt burden, and accelerating the privatization process, including state banks.

Yet potential hazards lurk beneath the calm waters of change. Large government debt and a widening current account deficit are cited as sources of vulnerability, and given Turkey's young and growing population, reducing unemployment levels continues to be a key policy challenge. Additionally, according to studies carried out by the Central Bank, the unregistered economy may account for as much as a whopping 50% of the total. Tax reform, however, is expected to lead to improvement. Microeconomic reforms also still need to be pushed through to improve the business climate at an operational level. Some progress has already been made: slashing bureaucracy has meant that it now takes just two days to set up a company, down from several months previously.

A close-up portrait of Kemal Unakitan, Minister of Finance of Turkey. He is a middle-aged man with a mustache, wearing a grey suit, white shirt, and a dark red tie. He is looking directly at the camera with a serious expression. His right hand is partially visible, gesturing towards the text on the right.

**"Privatization
is the main
pillar of our
[investment]
policy"**

A red circular graphic with a white crescent and star, the symbol of the Turkish flag, positioned behind the text.

**Minister of Finance
Kemal
Unakitan**

Yet economic success in recent years is undeniable, and it is the domestic private sector that has been the locomotive of this growth, accounting for \$43 billion of the \$50 billion invested in Turkey in 2004. Foreign direct investment (FDI) remains woefully low for the size of the economy, "Turkey has never been able to attract the FDI that it needed for its growth in the past and the primary reason behind this was the fact that there was no macroeconomic stability," concedes Mr. Serdengeçti. With the macroeconomic situation broadly resolved, the government has concentrated on other areas such as amending the FDI law and introducing vital new regulations such as property rights. Investors are starting to take notice. In 2004 Turkey received around \$2.5 billion in FDI; this year the figure is set to surge, particularly in the telecom and banking sector. The recent acquisition of local Disbank by Benelux-based financial services group Fortis for almost €1 billion is seen as a precursor for a sharp rise in activity.

And the source of the investment is indicative of the trend; European investment dwarfs that from the US. Yilmaz Arguden of the Turkish-US Business Council (TUSBC) argues the figures are

distorted because many US companies invest in Turkey through their European subsidiaries, and thus those investments are seen as European investments. Nevertheless, Turkish exports to Europe are about seven times those to the U.S. The large Turkish immigrant populations across Europe and the obvious proximity help to explain the Europeans' greater familiarity and willingness to work with

Turkish business. While political and military cooperation with the US have flourished, Turkey needs to ensure that business follows. TUSBC is keen to foster this process and encourages bringing US business people to Turkey so that they can see the dynamism and potential of this market for themselves. Both sides have much to gain from deepening economic cooperation.

Taken overall, there is understandable optimism and pride in the way the economic recovery has been handled, mixed with an acute awareness that a steady hand will be needed to meet changing challenges in the future. As the benefits of the last four years trickle down to all levels of society, the nation's economic navigators will have the more mundane job of managing expectations instead of crises. It is, no doubt, a task to which they are looking forward.

Hürriyet



The source of accurate news for all Turkish-speaking people around the world



Reflecting Turkey's democratic and social ideals

Hürriyet met its readers for the first time on May 11, 1948 and began writing about the history of Turkey. Over the next 57 years, without losing the first day's true spirit, Hürriyet has been a synonym for freedom of speech, unbiased objectivity and straight-forward reporting. Turkish-speaking people around the world look toward Hürriyet as a platform for the expression of diverse views and honest news analyses. Upholding the strong core values and publishing principles of Doğan Yayın Holding, Hürriyet also reflects Turkey's highest democratic and social ideals.

Actively responding to social issues

Believing that it has a vital stake in Turkey's modernization efforts, Hürriyet responds to social issues as part of its principles. In the history of Hürriyet, there are many examples of its campaigning efforts that were facilitated by this philosophy. A recent one is the "Stop Domestic Violence!" campaign - intended to put domestic violence, one of Turkey's most critical social problems, firmly on the agenda. Believing that positive changes will accompany public enlightenment, Hürriyet initiated this campaign on October 18, 2004.

A Hürriyet-sponsored website with detailed information about domestic violence serves as a platform for this issue. A great number of visitors and e-mail responses have been tallied from people who have personally experienced or witnessed this type of violence. In the first three months alone, the campaign reached 1,500 people in a number of districts and the Assistance Program for Marital Relations, an effective part of the campaign has been embraced by local authorities.

Ertuğrul Özkök, Editor-in-Chief

"A model of success"





Vuslat Doğan Sabancı, CEO

“Impressive operational and financial results”

Solid international presence

The figures from beyond Turkey's borders are also impressive. Hürriyet, with an average daily circulation of between 130,000-140,000, has become both the best-selling Turkish newspaper in Europe and one of the best-selling foreign daily newspapers on the continent.

Not limited only to countries in Western Europe, Hürriyet is distributed through the Axel-Springer network to 20,000 points of sale in Germany and 30,000 locations all across Europe. Hürriyet also reaches another 23 countries from England to Romania, from the Scandinavian countries to Italy as well as the US and Canada. As of November 1, 2004, the Hürriyet-USA daily, previously printed in Germany, has been published in New York and several other state-side locations.

With a distinguished group of writers and a large pool of reporters, Hürriyet's journalistic network affiliated with the Doğan News Agency consists of fifty-two offices and six hundred reporters both in and outside the country.

Hürriyet is moving rapidly toward its goal of becoming a 'name' well known outside Turkey's borders. With a monthly average of nearly two million visitors and ninety million hits, the Hürriyetim website has become the leading Internet publication in Turkey and one of the foremost e-publications in Europe.

Strong financial standing

Among newspapers published in Turkey, Hürriyet has the strongest financial structure and is the first and only media company in Turkey to receive a credit rating from an international rating agency. With a credit score of B+ (stable outlook) in long-term foreign currency, a B+ (positive outlook) in long-term domestic currency and a national credit score of A+ (Tur) determined by FitchRatings, Hürriyet is one of Turkey's most successful businesses in terms of creditworthiness. Hürriyet, as a publicly-traded company, has consistently maintained its high stock performance rankings with regard to annual, quarterly and semi-annual analysis reports released by foreign consultants and investment banks

“Hürriyet has become both the best-selling Turkish newspaper in Europe and one of the best-selling foreign daily newspapers on the continent.”

Hürriyet was possibly the first newspaper in the world to apply successfully a model that deals with popular issues, expectations and tastes of the majority while at the same time providing a platform for professional journalists and influential commentators. It has become the most popular daily newspaper of upper-income readers and decision-makers. Hürriyet's headlines, columns and special articles have played an exclusive role in determining the country's social agenda.

It isn't a matter of mere chance that Hürriyet has been selected as the most popular daily in many polls undertaken by various organizations. This has been an expected consequence of the new global trend.

Again this year, the most debated topics appeared first in Hürriyet's headlines. However, Hürriyet is not only a journalism success story - other service areas of this flagship have also shared in this accomplishment.

The average daily circulation reached 460,000 in 2004; with regards to both daily average net sales and advertising revenue, Hürriyet is far and away Turkey's sector leader.



This is an advertisement.

LOOKING FOR OPPORTUNITY?

Go East, young man

European and US companies are increasingly looking at Turkey as a partner and springboard to new markets further afield.

How does a Scandinavian telecom company expand into Central Asia? The answer is simple: by investing in a Turkish mobile operator and leveraging their knowledge and experience of the market. The region is still largely ignored by investors; European interest focuses heavily on the ex-Soviet Bloc countries, particularly since the accession of many of them into the EU, while for many US corporations, multinational in practice really means Latin America, Europe and the Asia Pacific region. Yet with increased competition in established markets, some Western companies are looking at Turkey not just as a potential consumer, but as a springboard to new growth markets.

The telecom in question is the Swedish-Finnish group Telia Sonera Holding, which, through one of its subsidiaries, owns 37% of Turkcell, Turkey's leading mobile phone operator and the fourth largest operator in Europe based on subscriber numbers. Beyond its domestic operations Turkcell has investments in Azerbaijan, Kazakhstan, Georgia, Moldova and Ukraine – try finding those names in the international business development plan of your average US multinational.

Together these investments net the company more than 4 million additional subscribers, and while absolute numbers may be low, the potential for growth is strong.

Baris Oney, head of International Business Development Relations at Turkcell elaborates, "Turks have always lived in this greater area, the Balkans, North Africa, Southern Russia and eastwards, so they know the culture, they know how to operate in these environments, and the key thing is they know how to operate at Western standards." He also notes the paucity of European and US companies in the external markets where Turkcell operates. Household names such as car and sportswear manufacturers are keen to sell their products, but are more cautious about partnering directly with local companies.

Turkish businesses can help bridge this gap. As the only Turkish company listed on the NYSE (TCELL) Turkcell is both a pioneer and a weathervane for investors looking at Turkey and beyond.

Benetton, the Italian clothing giant, is another example of this trend. Benetton and Turkey's Boyner Group, which has been producing and selling the Italian fashion retail brand in Turkey under a license agreement since 1985, signed an agreement earlier this year to develop the Benetton brand's commercial activities in Turkey and in the region. Benetton Group CEO Silvano Cassano said of the deal, "The significant expertise of our Turkish partners is the best guarantee of success." The group envisages a 50% increase in turnover in the next five years.

Management is a strong factor in the ability to operate in non traditional markets. Turkish managers, having cut their teeth in a volatile environment of high inflation and interest rates, political clashes and social upheaval are well prepared for the task. As Baris Oney puts it, "They have become crisis-immune."

This combination of Western standards and historic and cultural ties to many of the region's less high-profile markets has meant that Turkish managers are increasingly in demand. Language skills, multi-tasking and an innate understanding of the region's undercurrents are but a few of the reasons that the Turks are coveted as managers.

Historically traders, Turks also suffer none of the post-communist stigma that can blunt Eastern European commercial prowess. Looking for a multilingual manager, at home in Boston and the Balkans, adept at rapid problem solving and eager to develop business with you in new market where it could take 20 minutes and a dictionary to order a coffee? Perhaps you should be looking at Turkey's professionals a bit more closely.



than

We
Mone
services
in over 225,0

2004 International Journal of Human-Computer Studies 59: 103-124

WESTERN UNION®

Vuslat Dogan Sabanci

There is no clearer indicator of a functioning democracy than freedom of the press. And in Turkey there is no individual more indicative of the country's dynamic press industry than Vuslat Dogan Sabanci. Part of a new generation of professionals, Mrs. Dogan Sabanci's international experience has equipped her well for the demanding world of media. Following a BA in economics from Ankara's prestigious Bilkent University, with turns in the US at The New York Times and The Wall Street Journal, Dogan Sabanci completed her education studying for her MIA in Media and Communications at Colombia University before returning to her native Turkey. In 2001, she took up the post of COO at Hurriyet newspaper – the country's number one daily. Three years later, she was the CEO.

Although Dogan Sabanci undeniably belongs to Turkey's educated elite, she has not shirked responsibility. A Board Member of the International Press Institute and World Association of Newspapers, she is an active and vocal defender of the role that press freedom plays in supporting ethics and integrity at all levels of society. This is reflected in the way she runs her own shop. She is protective of the paper's editorial independence. "Hurriyet has really diverse opinions, different columnists writing (about) and supporting many different ideas." It is also sound business practice. Hurriyet has the highest advertising share among all media in the country.



K. Levent Tufekci

IGDAS

In summer, the strong breeze that funnels down the Bosphorus carries the scent of the Black Sea forests into the city and with it welcome relief from the summer heat. Just a few years ago the breeze was even more welcome, for it helped clear some of the sulfur fumes that choked the city and made life at times almost unbearable for its inhabitants.

By 1993 rapid urbanization and unchecked industrial development around Istanbul had created an environmental black spot. Sulfur-dioxide levels were far in excess of recommended limits and the contamination was eating away at the ancient stonework of Istanbul's many monuments.

Clean Air

In reaction to the problem, IGDAS, the utility responsible for building and managing the natural gas network, accelerated its operations and embarked on a program to extend its use across the city. In just 10 years 85% of the city was covered by natural gas infrastructure, causing sulfur-dioxide levels to drop by over 80%. IGDAS has also served as an incubator for producing specialists in the field who are then taking these cleaner fuel strategies and technology to cities throughout the country. With traffic pollution a serious problem and car numbers set to rise as the economy grows, the people of Istanbul are hoping for other solutions as effective as natural gas to keep their city's air clean.

Hikmet Ersek

Senior Vice President of Western Union
Europe, Middle East, Africa and South Asia



The first thing that strikes you about Hikmet Ersek, apart from his height - has was a professional basketball player - is his affability. Nothing illustrates this better than when he tells me how he got into financial services in the first place. "When I was 26 an 18-year-old guy jumped over me and put the ball in the basket. At that moment I said to myself 'I have to do something else!'" That something else was working at MasterCard, starting out selling door to door. A natural salesman, he was quickly promoted to sales manager. "I think that selling cards had a big influence on my career, because you are very close to the customer." In 1992 he became vice president for marketing and sales then moved to GE Capital in 1996, finally heading up Austria and Slovenia before moving to Western Union in 1999. "My background is in

financial services and when I came here [to WU] I thought, I know this business but it took me years to understand it. I like to say that we are the world's best ethnic marketing company." Western Union seems like a natural fit for him. Of Turkish and Austrian descent, he attended an Austrian high school in Turkey and later studied Economics at the Wirtschaftsuniversität in Vienna. His background is an asset at WU. "We are the most diverse company in Vienna, perhaps even in Europe. That certainly comes from the composition of our customer base, which is itself multinational." Hikmet believes that this diversity can add value and generate success far beyond economic parameters.

He also has a unique take on the potential of Turkey as a business partner "There is a lot of talk about how good foreign investment is for Turkey, and it is, but I also think that there are huge opportunities in Europe for the big Turkish groups such as Koc and Sabanci. It is an exciting time to work with Turkish companies." Proud of his combined heritage, Hikmet, certainly, would be delighted to see both Europe and Turkey benefit from greater cooperation. At the end of our meeting he confesses, "When I am flying over Istanbul and see the wonderful city below I feel just as touched as when I hear the Viennese Waltz playing on the airplane entertainment system." Both countries should be glad to have him.



He is only 12 but already ranks 14th among the world's top 100 IT companies*.

From its beginnings as Turkey's leading mobile operator, Turkcell is now among Europe's top 5 operators with over 25 million subscribers in one of the world's fastest growing wireless markets.

In addition to being a strong local market leader and Turkey's most preferred GSM brand, Turkcell has also been gaining ground in the region. With GSM investments in Azerbaijan, Kazakhstan, Moldova, Georgia and Ukraine, a combined target population of over 150 million is within reach.

This year, Turkcell will celebrate its 5th anniversary at the Istanbul and the New York Stock Exchanges and is justly proud of being Turkey's first NYSE-listed company.

Strongly committed to network quality and innovative services, Turkcell's consolidated investments have totaled more than US\$4.7 billion to date.

Turkcell provides 96% population coverage, introduced EDGE to boost the speed of data transfer and developed a strong ecosystem of business partners to provide services for individual and corporate subscribers in line with their needs and expectations.

Turkcell is also one of the world's largest roaming partners, with over 458 operators in more than 179 international destinations, creating a communications bridge between Turkey and the rest of the world.

At age 12 - and growing - an impressive record.



*Turkcell was ranked 14th overall and 8th in terms of best returns in a recent BusinessWeek listing of the world's top 100 largest, most profitable and fastest growing technology companies. (BusinessWeek, June 20, 2005)
All figures are as of June 30, 2005.

Turkey's leading mobile operator

www.turkcell.com.tr

TUSIAD

Founded in 1971, the Turkish Industrialists' and Businessmen's Association (TUSIAD) is an independent, non-governmental organization dedicated to promoting public welfare through private enterprise. TUSIAD supports independent research and policy discussions on important social and economic issues in Turkey and abroad. Much like the US Business Roundtable, TUSIAD is comprised of the CEOs and executives of the major industrial and service companies in Turkey, including those that are included in the global Fortune 500 list of companies.

TUSIAD has expanded its scope to include US-Turkish relations. In November 1998, it opened an office in Washington, DC with the broad aim of being a conduit for the exchange of information between Turkey and the United States on economic and political matters. TUSIAD also develops suggestions and formulates policy recommendations on ways to strengthen Turkish-US political, economic, and business ties, and enhances cooperation between the two countries by representing and protecting the interests of the Turkish business community in the US.

Arzuhan Yalcindag

Changing perceptions in the European Union

"In Turkey we have a higher ratio of women bank managers than in France, and more female academics than in Germany. But we have an image problem in the EU and gender equality is part of that," says Arzuhan Yalcindag.

As the CEO of Dogan Media Group and one of the country's highest ranking female executives, she has a unique insight on the situation. "We still have a long way to go. For instance, the participation of women in political life is very limited. Ten years ago women in many European countries had the same problem. Now we want them to help us

www.womensinitiative.info

overcome those problems and at the same time to understand Turkish society better." She is also the chairwoman of the Women's Initiative for Turkey in the European Union, a platform that brings together leading NGOs and prominent researchers and writers on women's issues. Their objective is to contribute to Turkey's accession process to the EU, membership to which they see as crucial to the enhancement of the status of women in Turkey.

The current plight of women in Turkey is mixed. Turkish women gained the right to vote and to hold public office much earlier than many of their European counterparts. They take prominent roles as lawyers, doctors and judges (18%, comparable to the US). Yet, outside of the urban centers and professional classes they are woefully underrepresented. Mrs. Yalcindag insists that economic and not cultural reasons are the main cause, "Families with limited resources, particularly in East Anatolia, tend to send the boys to school first. If you help them financially they also send the girls, who will then participate more in business life. It is a chain, but it takes time to have an effect."

The Women's Initiative sees a deeper importance to their campaign: "With increased migration and a growing Muslim population, women's issues in Europe face the critical challenge of being polarized into different spheres. Consequently, Europe, more than ever before, needs to develop a truly multicultural European agenda with a European perspective for the women of Europe." Turkish women want to be a part of this debate. They clearly feel that they have much to benefit from and contribute to Europe, both as Turks and as women.



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Having introduced the convenience and comfort of natural gas to Istanbul, IGDAS is now sharing its technology and know-how with other gas companies in Turkey and around the world. IGDAS proved its expertise with the establishment of UGETAM (International Gas Training Technology Research Center) which is the first and only natural gas training facility in Turkey. Here we meet the increasing demand for skilled workers in the energy sector. The scope of our business extends far beyond the boundaries of Istanbul. We offer our services wherever there is need.

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Gaz de France

Tourism

"A crossroads of civilizations" may be a trite sounding phrase, but it has never been better applied than to Anatolia, Turkey's Asian landmass. Anatolia has been witness to 10,000 years of human history. Even to contemplate summing up Turkey's cultural heritage in a few lines would be futile.

The 17 million tourists who visited the country in 2004 predominantly flocked to the 5,000 miles of coastline. So far they spend a modest \$700 per head, but as the minister of tourism, Atilla Koc, tantalizingly puts it "We would like to receive our part from the world tourism cake."

His strategies for this include focusing on conventions and golf, soccer and health tourism, which enjoy longer seasons than the traditional beach offering. The government is actively encouraging

international investment, both financial and managerial, to share in the development. Visitor numbers are expected to rise by 20% in 2005.

Perhaps more interesting, Turkey appeals to a diverse demographic beyond just the typical Club Med crowd. Long a destination of choice for Europeans, Turkey is also keen to extend its invitation to the US, China and its southern neighbors. Last year, 800,000 Iranians visited the country. Arab tourists have also started seeing Turkey as a new destination. Therein lies Turkey's universal appeal. What other country could so effortlessly accommodate sun worshipping Scots and reveling Bahrainis? Westerners are enchanted by Turkey's exotic flavors while visitors from Russia to the Gulf can enjoy Western standards in a relaxed and fascinating country. Tolerance is indeed a charming characteristic.

One of the delights of working abroad is the occasional chance to indulge in local tourism, and few weekends have been more delightful than my impromptu sailing trip to Gocek, a charming, pristine town on Turkey's southern Aegean coast.

Nestling in a broad natural bay in a corner of the stunning Gulf of Fethiye, and flanked by untouched wooded hills, Gocek itself preserves a relaxed and natural air. As we left the mooring and sailed out into the bay, the true beauty of the area was manifest. The coast is dotted with lush, green islands each with a plethora of natural bays and inlets that provide safe harbor to spend the night or stop for a long lunch and swim. The few attempts by locals at unregulated building have been firmly quashed so that the whole gulf retains its natural beauty, save for the few welcome local shacks offering traditional mezze dishes with fish, seafood and refreshment. The sheltered nature of the Gulf makes the coast comfortable sailing for the less experienced, while negligible tides and currents reduce the workload when looking for safe anchoring for the night. Young locals with motorboats will even hop aboard to help you tie up to their cabin-bar so that you can concentrate on preparing the evening cocktail before rowing ashore to sample the local hospitality. Even in mid-August the most popular spots never felt overcrowded. On one island, to really get away from it we trekked through the trees rising up from the shore to the top of the hill and were amazed to discover a deserted bay hidden on the

Sailing on the Aegean



other side with huge rocks jutting out of the sea and wild trees hanging onto the cliffs like the land that time forgot. At night we either slept on deck in the hammocks that we rigged up, or the more adventurous took their sleeping bags to the shore and roughed it with the local flora and fauna.

Even mornings were a joy as inevitably the same grinning bar owner who just the previous night had plied us with raki - a local tipple renown for its fiery quality - proved to be our salvation serving up the fullest of Turkish breakfast: olives, fresh baked bread, cheese, tomatoes,

honey, yogurt and coffee.

Back on board, the evening's adventures behind us, the only decision to be made was which island we should sail to the next day and what to have for lunch. What a dilemma.

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