



Spotlight on Turkey: U.S. Business Opportunities in Aerospace and Defense Technologies into 2014

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Turkey is an emerging aerospace and defense hub for markets in Europe, the Middle East, the Caucasus, and North Africa. In 2011, US exports to Turkey increased by 38% over 2010 and reached nearly \$15 billion and bilateral trade is up 35%, to nearly \$20 billion. With a population over 75 million people, Turkey has the world's sixth largest army with 720,000 soldiers, the second largest army in NATO after the United States, and the Turkish Air Force is the world's third largest operator of F-16s, after the USA and Israel. Turkey is a \$12 billion market for aerospace products and services and a \$4 billion market for defense related goods and services. Given its proximity to developed and emerging markets, a growing economy and population base, Turks have come to rely on domestic and international air service increasingly over the past few years. Compared to a decade ago, there has been a 153% increase in domestic and international passenger travel. Turkey's strategic location ensures unrivaled advantages in airline, MRO, cargo and air taxi services in the region and the construction of new airports and the expansion of the existing ones provide export opportunities for manufacturers of ground control equipment, safety/security systems, communications equipment, runway and landing lighting and automated landing systems.

The Turkish market is particularly promising for U.S. suppliers seeking joint-venture (JV) opportunities. Major acquisitions, JVs and procurements are increasing in both sectors, generating opportunities for US exporters. Turkey's General Purpose Helicopter procurement (TUHP) is a recent model for US-Turkish cooperation in the defense industry. Instead of the classic off-the-shelf procurements, the Undersecretariat of Defense Industries (known in Turkey as SSM) requires companies to look for co-production and/or co-development opportunities with Turkish defense industry companies. Sikorsky was selected by SSM as a sub-contractor to Turkish Aerospace Industries (TAI), which will assemble 109 derivative BLACK HAWK helicopters in Turkey. The total program value is \$3.5 billion, including work by Sikorsky and several other Turkish companies. For example, ASELSAN, Turkey's largest military electronics company, and Sikorsky will co-develop a new, state-of-the-art digital cockpit and Sikorsky will invest in expanding the manufacturing capability of Alp Aviation, a 50-50 Alp-Sikorsky JV.

In the aerospace sector, Pratt and Whitney and Turkish Technic established a Turkish Engine Center in 2010 to provide engine maintenance, repair and overhaul (MRO) services to customers in Turkey and worldwide. Goodrich Corporation signed an agreement with Turkish Technic and established a JV company to provide maintenance repair and overhaul (MRO) services in Istanbul, Turkey. The Goodrich Turkish Technic Service Center will provide nacelle, thrust reverser and related component services including rotatable support. The service center will provide services for Turkish Airlines Airbus and Boeing fleets and other carriers in Turkey and the region.

Based on recent market research by the U.S. Commercial Service in Turkey, the following sub-sectors are areas of significant business opportunity for American firms in the next 6-36 months:

Defense:

- All military land, air and naval platforms, parts and components
- Electronic warfare and radar systems
- Telecommunication equipment
- Thermal imaging systems
- Air defense and missile systems
- Unmanned systems
- Electro-optical systems
- C4I systems (Command, Control, Communications, Computers, and Intelligence)
- Space technologies
- Logistical equipment
- Other various parts and components

Aerospace:

- Aircraft, parts and components
- Private jets
- Ground support equipment
- Safety security systems
- MRO products
- Communications equipment
- Perimeter security products
- Runway and landing lighting

Turkey was the second fastest growing economy in the first and third quarters of 2011, after China. There is clear potential for growth in both the aerospace and defense sectors in the medium and long run and Turkey's strategic location offers unique access to third country markets in the region. After joining the EU customs Union in 1996, Turkey's business environment has significantly improved, and market reforms are ongoing as part of the EU accession process.

To get started in Turkey contact Ms. Ozge Cirika, Aerospace and Defense Business Leader, at the U.S. Embassy Commercial Service Ankara, Turkey at Ozge.Cirika@trade.gov, (+90) 312-457-7169 and sign up for a [Webinar](#) on the Aerospace and Defense sectors on **April 26, 2012** with an introduction by Ambassador Ricciardone.

Aerospace and Defense Trade Mission to Turkey, Dec. 3-7, 2012.

The U.S. Commercial Service of the Department of Commerce is recruiting U.S. companies for a trade mission to Turkey, Dec. 3-7, 2012. The mission will make two stops in Ankara and Istanbul and be led by a Senior Commerce Department Executive to open doors to key government and business decision makers. Participating U.S. companies will have the opportunity to meet potential Turkish buyers and partners based on company business development goals; meet with key contacts from the Turkish Government and Military; and learn about the aerospace and defense market through high-level briefings. The mission will also provide excellent networking opportunities with key decision-makers at the U.S. Ambassador's residence (TBC) and other prestigious venues. Space is limited. For pricing and other information contact Mark Cooper at Mark.Cooper@trade.gov, Tel: +1-317-582-2300 or visit <http://export.gov/california/losangelesdowntown/events/turkey>