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The Economic Policy Research Foundation of Turkey

Turkey as an entrepreneurship hub PNB-GEP Update for 2012 & 2013 Vision

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8 May 2012, Ankara

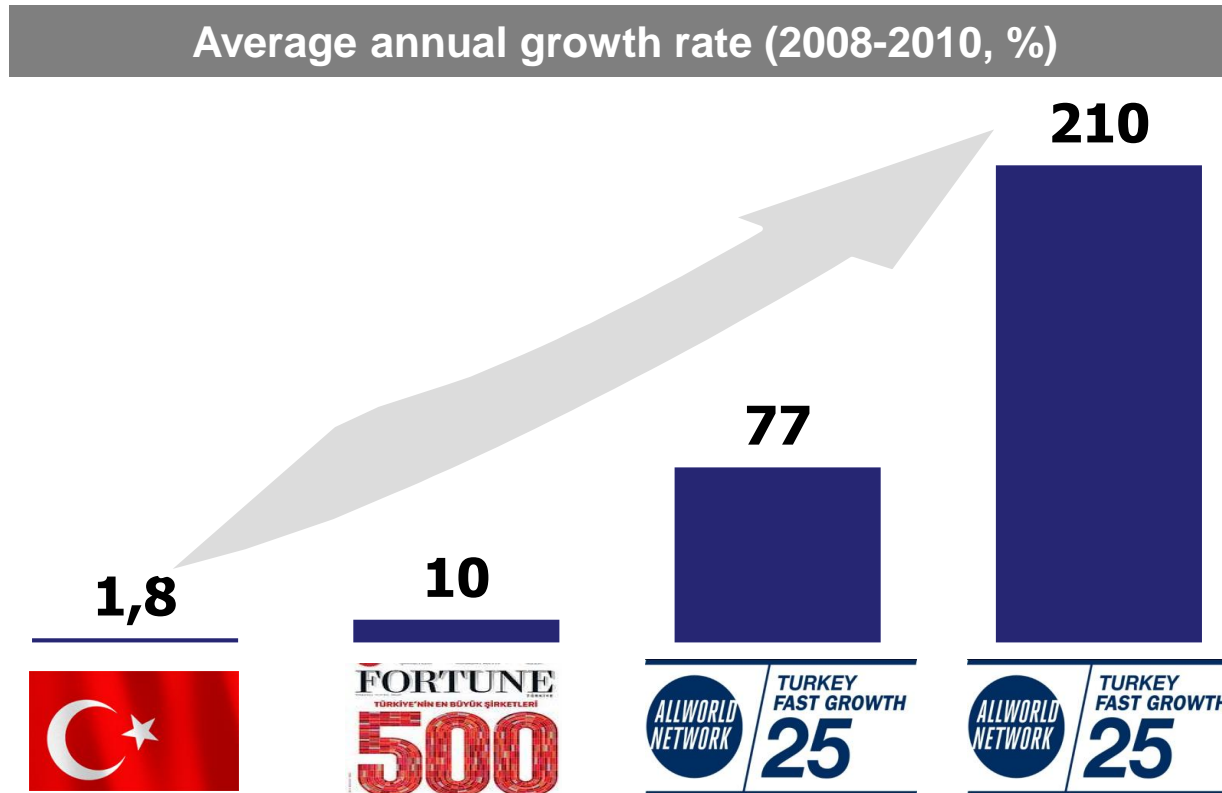
Framework

- Turkey's potential as the entrepreneurship hub of its region
 - Data from Turkey Fast Growth 25
- Snapshot of what we have been doing since October 2011
 - Highlights from our work on fostering entrepreneurship and connectivity in Turkey
- How we should move forward
 - Adding new priorities to our joint agenda in third country collaboration

What we have done so far?

- Takeaways from our meeting on October 3rd
 - Entrepreneurship as one of the major focus areas of model partnership
 - Turkey's leadership in the region depends on its success to emerge as a hub of entrepreneurship
- Our activities since then
 - Prime Minister's Summit (December 2011)
 - GEP Entrepreneurship Delegation to Turkey (May 2012)
 - Turkish BIRD Foundation workshop & white paper (January 2012)
 - Start-up Journalism workshops (March 2012)
 - Istanbul Forum on Woman Entrepreneurship (November 2011)
 - Turkey – Pakistan Entrepreneurs Forum (December 2011)
- Agenda
 - Turkey 25 visit to the United States
 - Incubation centers in the region: TOBB ETU Garage and replicas

Making Turkey's star entrepreneurs visible

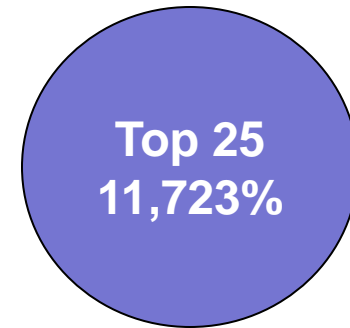


- Turkey 25 is an effort to identify and celebrate high growth companies.
- The pool of applicants include self-identified high growth companies with minimum conditions:

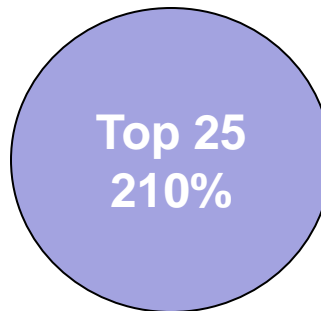
- 2008 revenue > 100,000 USD; 2010 revenue > 500,000 USD
- Number of employees ≥ 10 (full time)

How does Turkey 25 compare to their American counterparts?

2011 **Inc. 500** ||| **500**

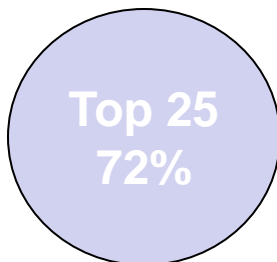


ALLWORLD NETWORK | **TURKEY FAST GROWTH 25**



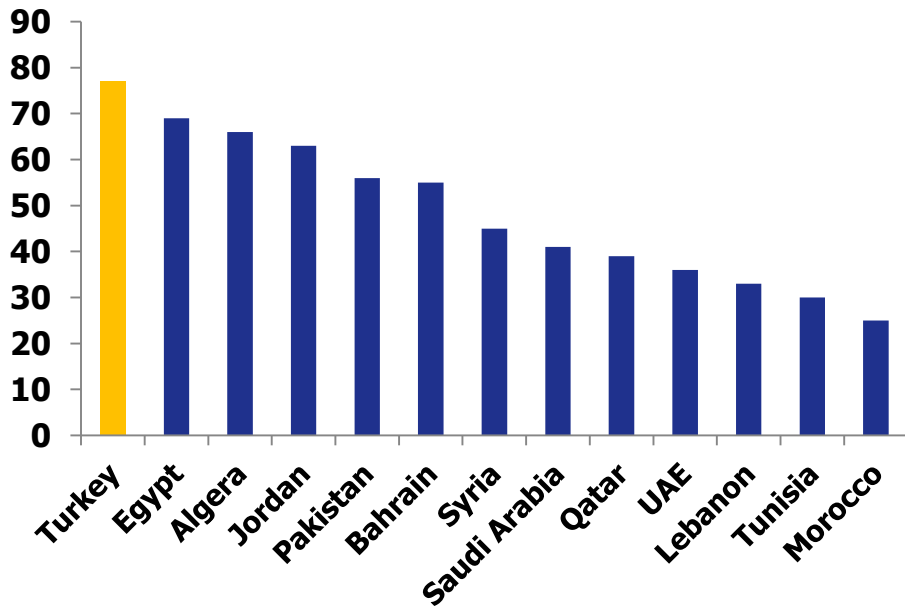
ICIC

Initiative for a Competitive Inner City

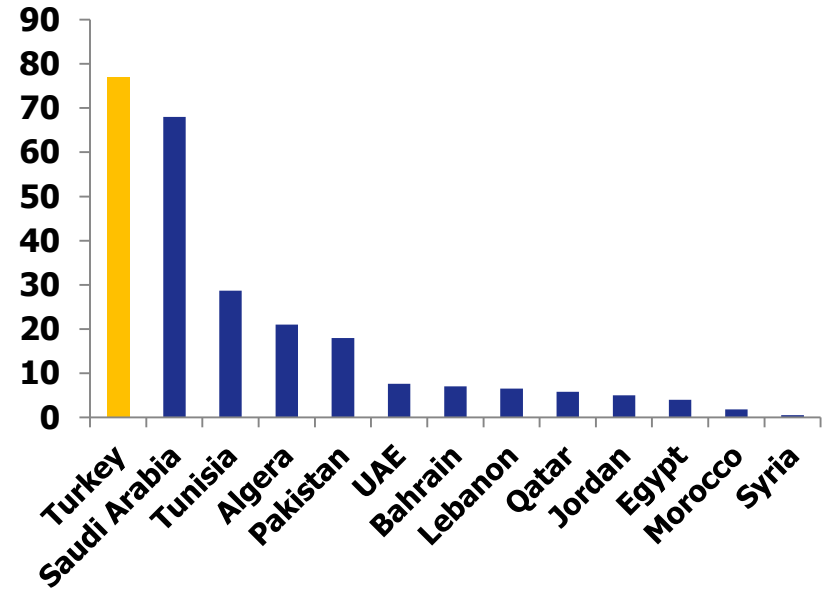


How does Turkey 25 compare to their Middle eastern counterparts? Faster & Larger

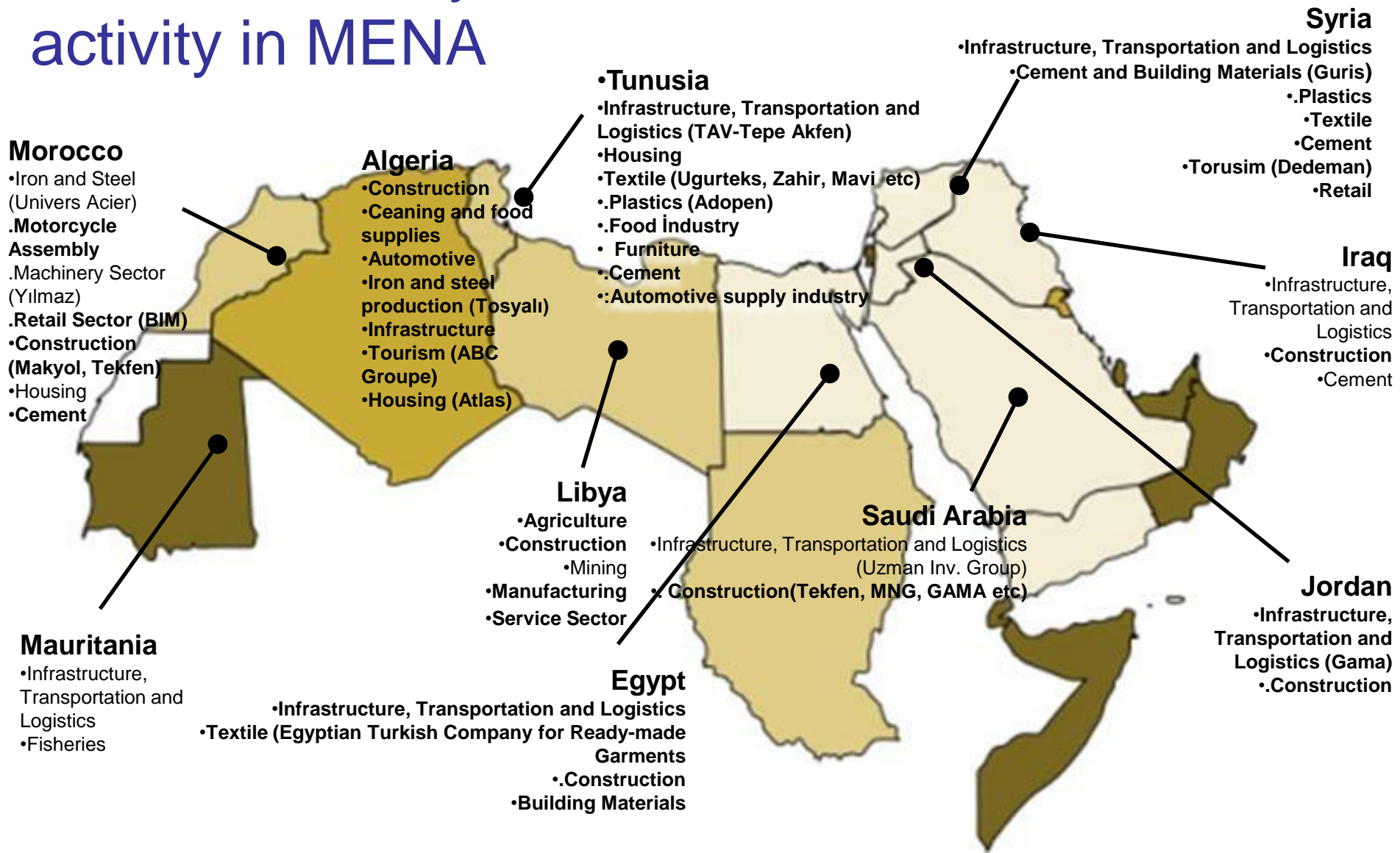
Average growth rate (% , 2008-2010)



Average size (Million USD, 2010)



There is already substantial Turkish economic activity in MENA



How we see the new context...

- Importance of partnerships
 - Entrepreneurs can be agents of change
 - Beyond simple transactions of import & export
 - Towards established relationships of investments and partnerships
- What are the tools?
 - Political risk insurance
 - OPIC & U.S. Export Import Bank
 - Role of GEP-PNB: Fostering connectivity & partnerships

Activities since our last meeting: Prime Minister's Summit Entrepreneurship



■ Major TOBB-GEP activities

- State Dept GIST Ideas Competition Finals
- Turkey 25 Award Ceremony
- Allworld Arabia 500 Ceremony
- PNB Local Chapters Summit (December 2nd)

■ Some speakers:

- Lorraine Harriton, special representative U.S. Dept of State
- Linda Rottenberg, CEO, Endeavor
- Leonard A. Schlesinger, President, Babson College
- Dilawar Syed, President & CEO, Yonja Media Group,
- Arif Naqvi, Founder and CEO, Abraaj Capital
- Jonathan Ortmans, Chairman of Global Entrepreneurship Week
- Usama Fayyad, Founder and CEO, Oasis 500

U.S. Entrepreneurship Delegation (May 29 - June 2) & Showcase of Turkey's "Best of the Best Startups"

- 15 distinguished American venture capitalists and angel investors will sit together to judge Turkish start-ups
- A total of 145 best start-ups of Turkey
 - agribusiness, biotech & medical, game, mobile, social, energy & greentech, mechatronics
 - 10 provinces, 43% is from out of Istanbul.
 - pre-revenue companies to companies that seek 3rd round of ventures investment
- Application is by-nomination only:
 - Universities including METU, Bilkent, Bosphorus
 - NGOs including MIT Enterprise Forum, Endeavor
 - Government institutions
- All will be connected to American entrepreneurs and investors
 - 16 early-stage and 16 growth stage companies will present
 - Top-3 in each track will win cash and in-kind awards
 - Rest will attend speed-mentoring in Istanbul and Ankara



Turkish BIRD Foundation: workshop & white paper

- Workshop on BIRD model (December 16th, 2011)
 - Representatives from BIRD Foundation
 - Turkish government agencies, universities, entrepreneurs
- Elements of white paper:
 - Joint technology development by Turkish and American firms
 - For better market access for both nation's firms
 - For catalyzing global technology development by Turkish entrepreneurs
 - Government grants of up to 50% of project cost as a carrot to match make between firms
 - to lowering trans-Atlantic search costs
 - to make finance of high-risk projects possible
 - additional financial source can come from unused defense offsets
- Next step: Multi-national science & technology support programs (like TRIDE)

Connecting the region to the Turkish entrepreneurs

■ Sixth Istanbul Forum: Woman Entrepreneurship in Turkey, Afghanistan & Pakistan (3rd November 2011)

- 16 woman entrepreneurs
- Ahmet Davutoglu, Foreign Minister of Turkey
- Hina R Khar, Foreign Minister of Pakistan
- David Burns, Deputy Secretary of State
- Ambassador Beth Jones

■ Follow-up event

- Turkey – Pakistan Entrepreneurs Forum
- 4th December 2011, PM Erdogan's Summit

■ Outcomes

- Turkish supported incubation centers
- Delegation visits and distance mentoring



TOBB-ETU Garage

- An incubation center concept to democratize entrepreneurship
 - If entrepreneur has a business idea and good skills
 - provide him professional services and physical space
 - If entrepreneurs does NOT have a business idea but good skills
 - match him/her with a relevant business idea + provide all above
- First pilot is in TOBB University of Economics and Technology
 - To leverage the under commercialized R&D potential in Ankara
 - Next: Lahore, Tunisia, Diyarbakir?
- Multi-national incubation center concept is conducive to
 - Start distance mentoring relationships
 - Cross-border angel investments
 - Expand eco-systems of regional large companies to include entrepreneurs from different nations

Concluding remarks

- Entrepreneurship has become a cornerstone of our model partnership
 - Meaning of PNB-GEP
- Further enhancing model partnership with third country collaboration
 - Turkey is not only an example, but can also serve as a hub
- New tools will be necessary
 - Incubation centers
 - Joint delegations
 - Multi-national science & technology support programs
 - Risk insurance & OPIC supports