

YASAD

Software Sector and Technology Parks in Turkey



ASSOCIATION OF SOFTWARE INDUSTRIALISTS

September 2007



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Mission:

We will be one of the forthcoming countries among which export software and software value-added technological products, and maintain and continuously improve our position all the time. And to make software sector one of the strongest driving force sectors that fuels our economy within the next decade.



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Introduction

Software is one of the fastest developing and most promising sector in Turkish information and communication technology (ICT) industry.

Over the last two decades, the sector has gained great momentum in terms of capacity, production and usage.



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Turkish Software Market

- Turkey's software market reached US\$ 700 million in 2006.
- The growth rate of the Turkish software market was at 25 % at the end of 2006, and is expected to close the year 2006 with the same rate (25 %).
- Turkish software market has experienced doubledigit growth over the past five years, in contrast to the USA and EU's singledigit numbers.
- Serves domestic and abroad markets, approximately 400.000 company
- Employs 55.000 people



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Turkish Software Sector

Turkish software sector has accelerated its efforts in most service areas, particularly in

- banking,
- insurance,
- tourism,
- transport,
- logistics,
- construction
- manufacturing
- and in almost all industrial sectors specially in textiles, machinery, metal and automotive.



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Turkish Software Sector

The product lines of Turkish Software companies range from packaged programs to customized software development for specific needs.

Public sector of Turkey almost always require custom built software for their specific purposes, while the private sector effectively employs a mix of customized products and packaged software.



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Turkish Software Sector

Turkish software companies obtain

- CMMI,
- SPICE: ISO 15504,
- ITIL,
- and COBIT

to provide the products and services that will meet all the expectations of the customers, to take place in national and international competitive markets and to provide the quality consciousness of the employees.



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Turkey's Software Export

- Recently, Turkish software companies have directed their expertise to exports, to almost 35 countries.
- In 2006, the total value of registered software export exceeded US \$100 million.
- The main export markets for Turkish made software are USA, India, Germany, Kazakhstan, Ukraine, the Netherlands, Greece, Norway, Israel, South Africa, UAE, Finland, France, Iran, Saudi Arabia, Romania, Bulgaria, Egypt, Spain, Russia, Japan and Belgium.



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Turkey's Software Export

SECTORS	Domestic	International
Banking	X	X
Insurance	X	X
Telecommunication	X	X
Defense	X	X
Production	X	X
Electronics	X	X
Health	X	X
Logistic	X	X
Bio-technology	X	
Retail	X	X
Tourism	X	X
Textile	X	X
Education	X	



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Turkey's Software Export

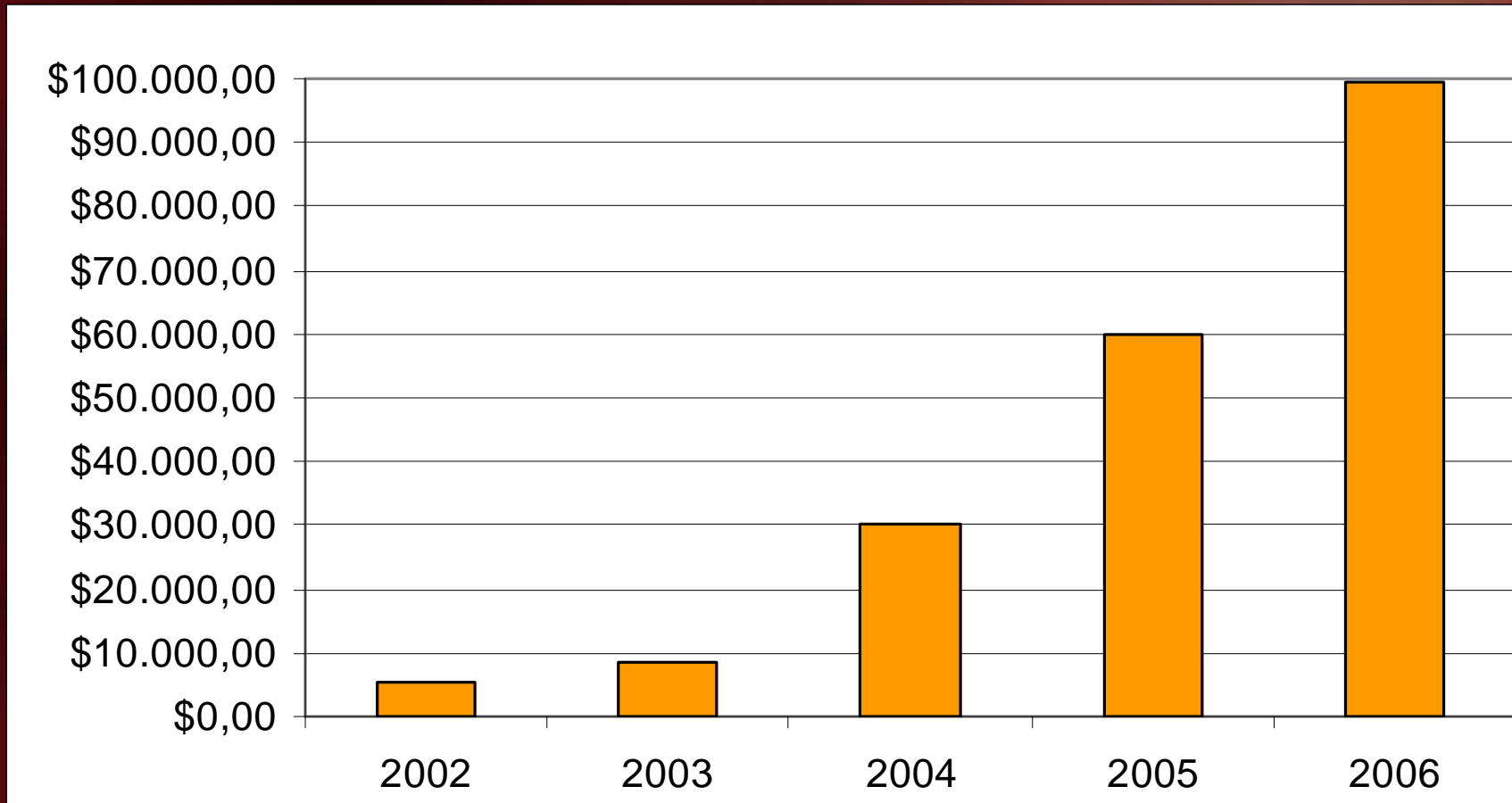
SECTORS	Domestic	International
Government	x	x
Game	x	
Leasing/Factoring	x	
Transportation	x	x
Brokerage	x	x
Press/Information	x	
IT	x	x
Distribution	x	x
Entertainment	x	x
Food	x	
Duty Services	x	



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Turkey's Software Export





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Turkey's Software Export

Turkey's important role in the Euroasian region as a bridge, and her strong trade relationships with countries throughout Near East, Middle East and Euroasia will further accelerate sector's export growth.



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Turkey's Software Opportunities

Opportunities:

- Demand for *information technology* and *outsourcing*
- Geographical location (Near East / Middle East / Euroasia)
- Reasonable capital requirement
- Promising niche areas
- Value adding production
- Advanced software engineering skills
- On-going process of EU membership

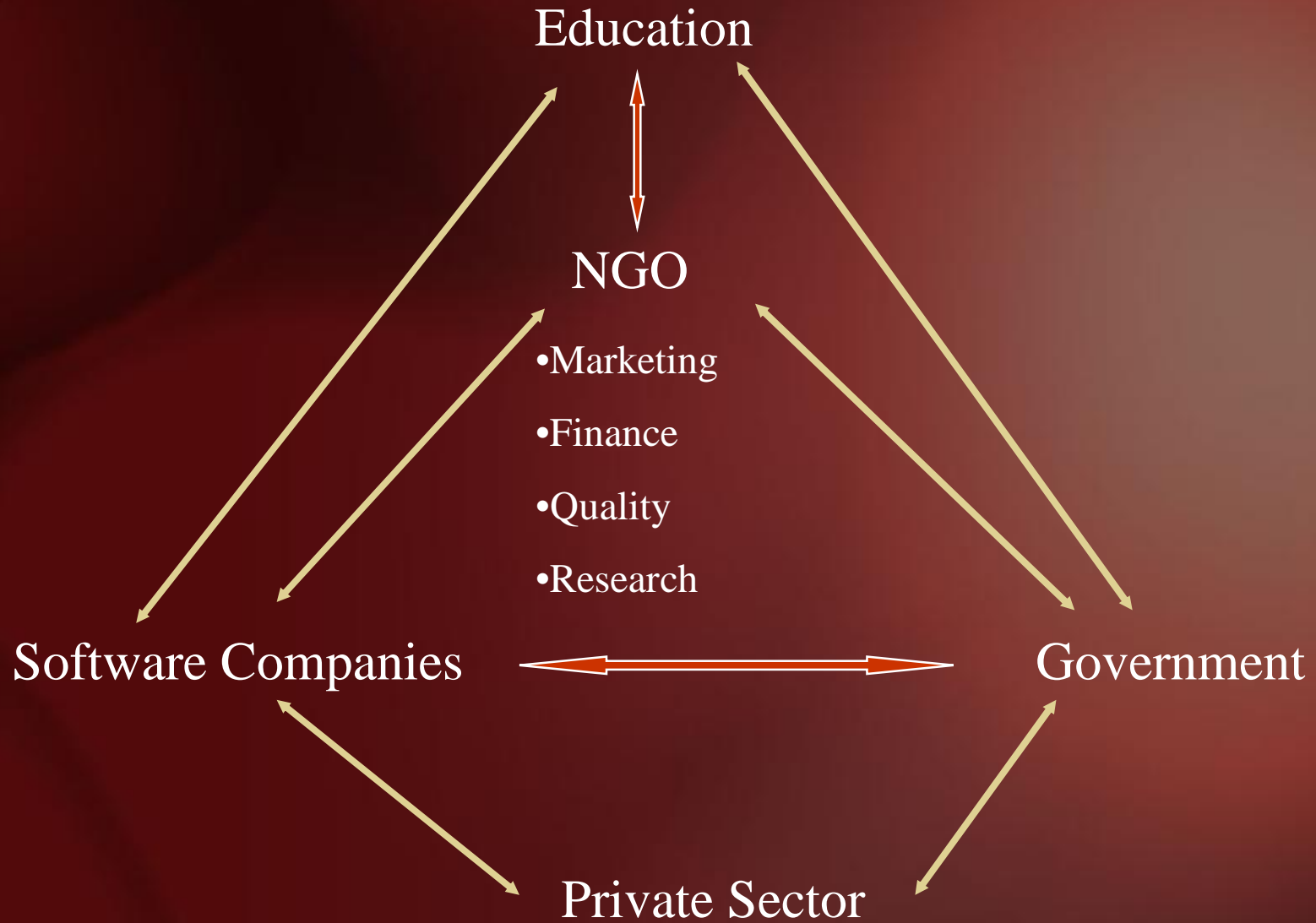


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International Competition: Success Factors

- **International competition: success factors**
 - Government support
 - Strategic planning
 - Institutionalization, management
 - Education, law and technology infrastructure
 - Qualified Labor
 - Marketing
 - Quality
 - Collaboration





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Supports for Software

- TUBITAK (The Scientific and Technological Research Council of Turkey) Supports
- Techno Parks
- R&D Supports
- SME Supports
- Education Supports
- Market Research Supports
- Employment Support
- Brand Support



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THE GOAL

YASAD defined its goal as “being one of the top 10 software countries in the world within a decade.”

The aim of Foundation of Techno Parks in Turkey

- Firms located in technology parks are exempt from taxes, which is how R&D and software companies benefit from this incentive.
- Tax (corporate, personnel, VAT) benefits provided to companies in technology parks let technology companies allocate more resources to research and development.

Objectives of Techno Parks



- Produce technological know-how
- Develop innovative products and production methods
- Enhance product quality and standards
- Increase efficiency
- Decrease production costs
- Commercialize technological know-how
- Support technology-intensive production and entrepreneurship

Objectives of Techno Parks



- Ensure the adaptation of small and medium scale enterprises to new and advanced technologies
- Create investment opportunities in technology intensive areas
- Create employment for people with R&D qualifications
- Assist in technology transfer
- Provide technological infrastructure for the acceleration of FDI (Foreign Direct Investment) in Turkey

The Number of Techno Parks in Turkey and Distribution

- 352 firms located in technology parks
- 252 operate in the IT sector
- 166 of which are software companies
- Together accounting for 60% of the 3,800 R&D personnel in these parks
- Half of the 20 parks in existence are currently in operation
- The amount of software exports through technology parks totalled more than \$40 million in 2006

Techno Parks in Turkey



- Middle East Technical University Technology Development Zone (Ankara)
- İstanbul Technical University Arı Technocity
- İzmir Technology Development Zone
- GOSB Technopark Technology Development Zone
- Yıldız Technical University Technology Development Zone
- Eskişehir Technology Development Zone
- İstanbul University Technology Development Zone
- West Mediterranean Technocity Technology Development Zone

Techno Parks in Turkey



- Trabzon Technology Development Zone
- Erzurum University Technology Development Zone
- TÜBİTAK Marmara Research Center Technopark
- Ankara Technology Development Zone
- Hacettepe University Technology Development Zone
- Kocaeli University Technology Development Zone
- Selçuk University Technology Development Zone
- Erciyes University Technology Development Zone
- Çukurova Technology Development Zone

Future Plans for Techno Parks



- The technology parks are planned to specialize in different areas such as defense, automotive, biotechnology, with an aim to create clustering.
- The project of the IT Valley in Kurtköy, Istanbul, which is planned to be finished in 2009, with a total cost of €69 million, with a habitat structure, along with a commercial and university/private sector cooperation priority over R&D.

Future Plans for Techno Parks



- Universities will participate, but not in an active administrative role. The Valley will empower the IT sector in international competition, and SMEs will cluster around large multinationals.
- The initial enthusiasm is partially toned down by worries that multinationals will take more than they give in an environment where they stick to sales, skipping production or R&D.

Thank You....

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