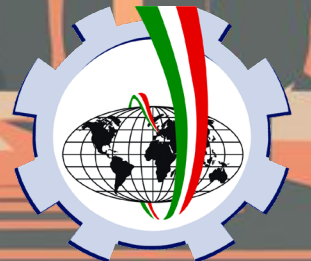


THE CONFEDERATION OF ITALIAN ENTREPRENEURS WORLDWIDE
LA CONFEDERAZIONE DEGLI IMPRENDITORI ITALIANI NEL MONDO
DÜNYADAKİ İTALYAN GİRİŞİMCİLER DERNEĞİ

CIIM Newsletter



C.I.I.M.
EurAsiaMed

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1 Message from the Board

Andrea Leo



Dear C.I.I.M. Members and Friends,

I am Andrea Leo, Vice President of C.I.I.M. EurAsiaMed and Head of Committee "New Members Recruitment & Relations". My responsibility is to find new potential Members who can contribute fruitfully to our Association.

Since 2021, I am the General Manager of Contital Turkey which is a part of Laminazione Sottile Group a producer of packaging solutions for food. This is my second experience as General Manager in Türkiye, after I came in 2014 to manage another Italian Company focused on the white goods sector.

Thanks to the support of President Aldo Kaslowski and of General Secretary Giulia Barattelli we created a strategic vision that gives us the opportunity to grow in terms of Memberships and to increase the number of people involved in the project of C.I.I.M EurAsiaMed.

As C.I.I.M, our aim is to give the possibility to our Members to meet a high-level business community consisting of entrepreneurs and executives of leading companies in Türkiye and Italy.

Our goal is to give our Members an opportunity to be part of a distinctive networking place where we can exchange ideas, experiences and visions, and enhance our businesses together. It is extremely rewarding and important for all of us to listen to different opinions and points of view related to the direct experiences of our members.

Starting from 2021, together with our new Members committee, we had the pleasure to welcome Members from other cities as well. Currently, we have members from Izmir, Ankara, Eskisehir, and Bursa. We are very proud to state that we have reached 104 members in 2022, thus meeting the target of 100 Members that we had set ourselves.

Considering that C.I.I.M EurAsiaMed has jurisdiction over 21 countries, our following steps will be to involve other business communities located in these areas. Coming across different business communities will give us the possibility to extend our network and create cooperation between them.

As Board of C.I.I.M EurAsiaMed all our effort is to create a good bridge and positive vibes between Italian business community, Turkish community and Institutions and the business communities of the countries under our jurisdiction.

Best Regards,

Andrea Leo
Vice President of C.I.I.M. EurAsiaMed
New Members Recruitment & Relations



2 Meet the Italian Honorary Consul in Bursa

Interview with Dr. Oya İzmirli



Can you tell us about the Italian presence in Bursa, and in particular about the Italian entrepreneurs in the Bursa area?

Thanks to the good bilateral relations between Türkiye and Italy, and the city's geographical position, Bursa enjoys a rich Italian presence. Bursa is the fourth greatest city and is close to İstanbul, and it attracts Italians also thanks to its natural beauty. In the past, the number of Italians living in Bursa was higher as some of the factories were completely Italian: FIAT (now TOFAŞ), PIRELLI and PRYSMIAN. Although the number is diminished, you can still feel the presence of Italian and Italian-Turkish companies in many different sectors such as automotive (Tofaş), agroindustry in Mudanya, Gemlik, İznik and Karacabey, furniture production in İnegöl, chemicals, and many others.

How does the Consulate help entrepreneurs doing business (both in Türkiye and Italy)?

I am the first Honorary Consul of Italy in Türkiye and the President of the Association of Honorary Consuls of Italy in the World. My work consists in developing the international and business-related collaboration between Italy and Türkiye, and in organizing cultural events, with the great help of the Italian Embassy in Ankara and the Italian Consulate in İstanbul. My aim is to create and grow reciprocal knowledge of both countries in a friendly atmosphere and to solve their problems or to help to realize their wish.

What are the relationships of the Consulate with the other Institutions in the Bursa area and the country?

The Honorary Consulate of Italy in Bursa has excellent relations with the local authorities, institutions, associations, and people. Bursa has 3 universities, but Uludağ University, where I taught as a Professor and with which I still have good relationships, has 60.000 students. BISO (Chamber of Commerce and Industry in Bursa) is one of the oldest and largest in Türkiye with more than 65.000 Members. They consider me as their "Reference point for Italy" and they never hesitate to call me. Being in contact with local authorities such as the Governor, the Mayor, and others makes everything easier.

What are the present and future investment opportunities for Italian entrepreneurs in Bursa?

Bursa is an attractive investment destination thanks to its favorable business environment and its proximity to İstanbul. Numerous Free Trade Zones and Free Trade agreements, transport connectivity from Gemlik and Mudanya Ports, talented labor force, and competitiveness open roads for making new investments in automotive, agroindustry, and furniture not only in Türkiye but also in Central Asia and in the Middle East.

3 Performance Review of the Confederation

Progress and Updates

Dear C.I.I.M. Family and Friends,

it is with great pleasure that I am presenting you the third issue of our Newsletter. We are extremely proud and happy to see that so many people (over 300!) have read the previous issue that we released in February.

As we are continuing to grow in terms of Membership numbers and activities organized, it is of crucial importance to increase the amount and level of information we share and provide to all of you. We believe that our periodical Newsletter is one of the ways in which we can reach more people and offer important insights on topics that are relevant to the Italian and local business community.

In the past two months, we have carried out several activities that we believe to be important steps toward achieving our goals: on 30 March 2023, we held a Working Breakfast Event at Circolo Roma, where our Members had the opportunity to actively discuss and exchange ideas on pressing current issues, such as the challenges and opportunities of doing business in Türkiye, earthquake-related matters and the relationship between Italy and Türkiye.

In March we sent presentation letters of C.I.I.M. EurAsiaMed to the Consuls and Ambassadors of the countries under our jurisdiction, as one of our main goals for the near future is to return to be more active within the local business communities. As a result, at the end of March, we had the pleasure of welcoming into our office the Consul General of the Republic of Kazakhstan, Mr. Alim Bayel, with whom we discussed possible collaborations and future projects in order to support entrepreneurs who are interested in investing in Kazakhstan.

On 8 May 2023, we had the honor to be hosted by H.E. Giorgio Marrapodi, the Italian Ambassador to Türkiye, at Palazzo di Venezia in İstanbul, where we organized a Dialogue Event with Prof. Naci Görür as keynote speaker. During the Event titled "Being prepared for minimizing risks: building urban resilience to future-proof against earthquakes in İstanbul" Prof. Görür explained to us the importance of educating citizens and entrepreneurs so we can be prepared in the event of earthquakes. We are extremely happy to see so many of our Members and Friends participate in the event and we hope the insights we got will prove valuable for everyone.

These are just a few of the actions we have taken recently. We have a lot more in store and we are sure you will be delighted by our ideas!

To know more, and to be up-to-date with our events and happenings, visit our website and follow our social media pages!

Giulia Barattelli
General Secretary of CIIM EurAsiaMed

4 Meet Tina Lino

Vine Projects



Can you tell us about the path that led you to Türkiye?

I graduated in agriculture in Palermo, then I obtained a Ph.D. in agriculture. I then started working in a winery laboratory in Sicily. I then took a second degree in enology in Turin. When I returned to live in Palermo with my partner, we were asked by my partner's professor, who was a great friend of the consultant of the Vinkara winery in Kalecik, Türkiye, to manage the vineyards and the cellar. I stayed there for three years. In the meantime, I also started going around doing communication and small tastings for the winery. I then decided to stay in Türkiye, but as a consultant instead. My current business partner also parted ways with Vinkara and in 2017, we founded the consultancy company 'Vine Project' together, through which we follow wineries by providing all-around services, from winery design to vine planting stages, from wine production to sales training.

What can you tell us about the world of wine in Türkiye?

In recent years, the world of wine in Türkiye has been growing rapidly in terms of both production and consumption. There are many passionate people who decide to approach this world, perhaps even deciding to attend courses to deepen their knowledge. Female entrepreneurs also have a strong presence in the world of Turkish wine. Of course, there are substantial differences compared to Italy, where enology is more developed, especially thanks to a wine culture that is more deeply rooted and linked to the peculiarities of the national territory. In Türkiye there is certainly great potential for growth, and in fact, as Vine Project we are working precisely in this direction, trying to get the message across about how important it is to practice low-impact enology, which enhances the characteristics of local grapes that are processed as little as possible. It is not always easy to get people to understand the value and the difference that our work can make, but this is a challenge that we have decided to face every day with determination.

What advantages does being Italian bring you in your work and personal life?

I have to say that being a foreigner, and particularly Italian, has given me an extra edge in both areas. In Türkiye, there is a more caring attitude towards foreigners, and I have always felt welcome in all the cities I have lived in. As far as work is concerned, the mere fact that people remember me more is a great advantage. I have, in general, very positive memories of the places where I have worked and lived, which are: Kalecik, Ankara, Istanbul, and Bodrum.

Plans for the future?

Personally, as I am very passionate about teaching and sharing knowledge, I would like to set up a small academy where I can teach people who work in the vineyard and in the cellar better ways to perform their tasks. Furthermore, another interest of mine is to share my knowledge about enology with people who want to deepen their knowledge about wine on an amateur level, without necessarily going through the process of becoming a sommelier. As far as Vine Project is concerned, we are thinking of opening up abroad, perhaps focusing on countries around Türkiye.

5 Consulate General of Kazakhstan

ASILCAN MIRZALIYEV/ REPRESENTATIVE OF TURKEY OF THE KAZAKH INVEST INVESTMENT AGENCY

General information on the investment landscape

Can you tell us about the investment opportunities and framework in Kazakhstan?

The existing investment regime is defined by the Entrepreneurial Code, and legal protection of investments is ensured by several international conventions.

The Republic of Kazakhstan participates in a number of multilateral agreements on the support and protection of investments concluded with > 40 states.

The Entrepreneurial Code establishes state support for investment activities, as well as state guarantees for the rights of investors (stability of contracts, free use of income, transparency of state investment policy, compensation for losses in the event of nationalization and requisition of the investor's property, and some others), as well as the possibility of resolving investment disputes through negotiations or recourse to international arbitration.

According to the legislation, investments in the Republic of Kazakhstan are understood to mean all types of property (except for goods intended for personal consumption). Domestic and foreign investors are generally subject to the same legal regime, with some exceptions.

The national agency for attracting foreign investment, information and service support for investors in the Republic of Kazakhstan is National Company KAZAKH INVEST JSC. Also, in order to assist foreign investors, a number of business associations operate, such as the European Business Association of Kazakhstan (EUROBAK), the American Chamber of Commerce (AmCham), the Council of Foreign Investors under the President of the Republic of Kazakhstan, etc. This guarantee establishes the right of investors to compensation for damage caused by the issuance of by-laws that do not comply with the legislation of the Republic of Kazakhstan, or illegal actions (inaction) of officials of state bodies.

Preferences for investors are possible in priority sectors of the economy, which, in particular, include: the production of food products, clothing, paper products, electronic equipment, and vehicles; the manufacturing industry; chemical industry; metallurgical industry; construction; transport and telecommunications infrastructure, etc.



Preferences are granted only to Kazakhstani legal entities implementing an investment project, a priority investment project, or a special investment project, as well as to leasing companies (including non-residents of the Republic of Kazakhstan, importing technological equipment as part of the implementation of an investment project on the basis of a financial leasing agreement for a Kazakhstani legal entity, implementing an investment project).

The priority investment project provides tax preferences (exemption from CIT for up to 10 years; exemption from land tax for up to 10 years; exemption from property tax for up to 8 years).

Under the investment special project, preferences are provided in the form of exemption from import customs duties.

In order to receive preferences, investors must conclude a contract with an authorized state body. As part of the contracts for the implementation of priority investment projects, the law provides for the introduction of "stability" of tax rates.

In addition, investors are given the right to attract foreign labor outside the quota for the entire period of construction of the investment project and one year after the facility is put into operation.

TURKISH ELECTRICITY MARKET AT A GLANCE

Türkiye's economy is rapidly growing, resulting in high energy demand that is predominantly met through imports. However, renewable energy sources have been increasingly promoted to reduce dependence on imports and address environmental concerns.

According to the Turkish National Energy Plan results, electricity consumption is expected to be 380.2 TWh in 2025, 455.3 TWh in 2030, 510.5 TWh in 2035. The shares of resources in electricity generation in 2022 were as follows: Coal: 34.6%, Natural gas: 22.2%, Hydropower: 20.6%, Wind: 10.8%, Solar: 4.7%, Geothermal: 3.3%, Other Sources: 3.7%.

By the end of February 2023, the installed capacity of Türkiye has reached 104,136 MW with a total number of 11,711 power plants including unlicensed ones. As of the end of February 2023, the distribution of installed power by resources (with the number of power plants) is as follows: 30.3% (751) hydraulic, 24.4% (345) natural gas, 20.9% (67) coal, 11% (360) wind, 9.3% (9,635) solar, 1.6% (63) geothermal and 2.5% (490) other sources.

Hot topics in the electricity market include the increasing deployment of renewable energy sources, promoting electric vehicles (EVs), and energy storage systems to improve grid stability and increase the integration of renewable energy.

According to the "**Regulation on the Establishment and Operation of Charging Infrastructure for Electric Vehicles**" published in the Official Gazette on 1 March 2021, a license requirement was introduced for charging infrastructure operators. As of April 13th, 2023, a total of 124 licenses have been issued for electric vehicle charging station operations in Türkiye. These licenses are held by automotive manufacturers, energy companies, infrastructure providers, and private sector companies.

The electricity storage market in Türkiye has gained significant momentum in recent years, particularly with the rapid growth of renewable energy sources. Most of the electricity storage projects in the country are based on renewable energy sources and are generally built as large-scale energy storage systems. Many domestic and international companies operate in Türkiye's electricity storage market providing production, supply, distribution, and services. Additionally, Türkiye's current legal framework provides a suitable environment for electricity storage investments. Türkiye has significant growth potential in this sector, and more investment and development are expected soon. However, the rapid adoption of technological innovations and the wider use of renewable energy sources are significant factors in the sector's expansion.

Türkiye's economic growth in the next 30 years and the increase in electricity demand due to population increase will be an important opportunity for domestic and foreign investors. This represents a significant chance for everyone who wants to pursue renewable energy targets and take advantage of the resulting opportunities. Additionally, as the share of renewable sources in the country's electricity generation increases, there is an expectation for more flexibility in Türkiye's electricity system in terms of regulations.

Furthermore, the emergence of battery storage systems will be crucial in facilitating the production of up to 88% of electricity from sources that do not cause greenhouse gas emissions. It is evident that storage will be a crucial investment area in the future of energy.

Kurt & Partners Law Firm has been following the latest developments in the field of Energy Law closely and has been providing legal consultancy services to its clients in this field for many years in legislation assistance, in local and international investment and development projects.



7 Fiscal Insight



Prof. Dr. Emre Burçkin

Tax Base and Tax Increase Opportunity for Years 2018 - 2022 Introduced

With Law No. 7440 "Law on Restructuring of Certain Receivables and Amendments to Certain Laws" published in the Official Gazette dated 12.03.2023 and numbered 32130, tax base and tax increase have been introduced for the years 2018-2022.

The main outlines of the application and the opportunities it provides are summarized below:

- In the event that taxpayers pay their taxes within the specified period and in the specified manner by increasing their income and corporate tax bases within the conditions specified in the relevant legislation, they will not be subjected to any annual income and corporate tax examinations for the years of the increase, and no other assessment will be made later for these tax types for these years.

CORPORATE TAX BASE INCREASE							
Year	Increase Rate	Minimum Increase Amount	Tax Rate	Tax to Pay	Dividend Withholding Tax Increase Base	Tax Rate	Tax to Pay
2018	35%	200,000	20%-15%	40,000	160,000	15%	24,000
2019	30%	215,000		43,000	172,000		25,800
2020	25%	230,000		46,000	184,000		27,600
2021	20%	260,000		52,000	208,000		31,200

- The tax rate will be 15% for compliant taxpayers who have paid their taxes on time for the year of tax base increase.
- In case of advance payment, there will be an additional 10% discount on the tax to be paid.
- The tax base will be increased by increasing also the taxes paid due to investment allowance withholding tax and dividend withholding tax, provided that the corporate tax base is increased.
- 50% of the losses of income and corporate taxpayers for the years in which they increase their tax base will not be deducted from the profits of 2022 and the following years.
- The taxpayers who have increased their tax base reserve the right of examination and assessment regarding their requests for the refund of the taxes they have previously paid as an offset against their annual income and corporate taxes.
- The minimum tax bases determined for the relevant years for taxpayers who have been active in the pro rata period due to reasons such as starting and quitting the business are calculated by taking into account the number of active months (fractions of months as full months).
- Wages, dividends, real property incomes, self-employment earnings, certain payments made to domestic and foreign institutions, payments made to farmers, and those benefiting from tradesmen exemption are within the scope of the tax base increase in terms of withholding tax liability.



- In the event that the taxpayers increase the value-added tax within the framework of Law No. 7440 and pay it within the period and in the manner specified in the said law, no value-added tax examination and assessment shall be made for them in relation to the taxation periods of the years in which they agree to pay the said tax.

VAT TAX INCREASE	
YEAR	INCREASE RATE
2018	3% over Calculated Annual Total VAT
2019	3% over Calculated Annual Total VAT
2020	2.5% over Calculated Annual Total VAT
2021	2% over Calculated Annual Total VAT
2022	2% over Calculated Annual Total VAT

- In determining the amount subject to increase for taxpayers benefiting from the deferment-abatement application, the deferred taxes are deducted from the calculated tax.
- Value-added taxpayers are obliged to make an increase for all taxation periods of the relevant year taken as the basis for the increase.
- The value-added tax paid is neither taken into account as an expense or cost element in the determination of income or corporate tax bases, nor deducted from the value-added taxes to be paid, nor refunded in any way.

Yours faithfully,
Prof. Dr. Emre BURÇKİN

8 Economical Insight

TÜRKİYE - MACROECONOMIC AND POLITICAL OUTLOOK (AS OF 05 MAY 2023)

GDP (USD Billion)	767 (data as of end of 2022)
GDP growth (%)	5,3 (data as of end of 2022)
GDP (Pro-capita/USD)	9.066 (data as of end of 2022)
Unemployment (%)	10 (TUIK - data as of March 2023)
Youth unemployment (%)	20,1 (TUIK - data as of March 2023)
Public debt (USD Billion)	459,031 (data as of end of 2022)
Private debt (% of Nominal GDP)	38,6 (data as of end of 2022)
Inflation (% , 12 months average change)	67,20 (TUIK)
Interest Rate (%)	8,5
Exchange rate (USD/TL)	19,4870
Depreciation TR against (%- USD - y/y)	57
Current account balance (USD Billion)	-8,783.0 (data of February 2023)
Import (USD Billion)	28160.00 (data as of April 2023)
Export (USD Billion)	19320.00 (data as of April 2023)
Trade balance (USD Billion)	-8.85 (data as of April 2023)

Economic and Political Outlook

Average change in inflation over 12 months in Türkiye reached in April a figure of 67,20%. In the first quarter of this year, a major fiscal expansion pulled the budget deficit to 2.4% of GDP given weakening tax collection performance and earthquake recovery-related expenditures.

While the data February indicators show earthquake-related weakness in economic activity, recent data releases signal a rapid recovery: i) Manufacturing PMI increased significantly reaching 51.5 points in April from 50.1 points in February, ii) after a decline in March, capacity utilization rose to pre-earthquake levels in April and iii) real sector confidence maintained its recovery since the beginning of this year.

Retail sales have been on a consistent growth path since May 2022 and made an even stronger start to this year with a 5.7% sequential growth in January. However, it dove into negative territory in February with a 6.5% MoM decline as a consequence of the earthquake. As double elections on 14 May approach, the macro outlook will depend on whether the current policy mix, thus preference for low interest rates, continues, or if there will be a focus shift to disinflation with a significantly tighter monetary stance and easing of regulations.

Political & Economic analysis: **Elena Togn**
PR & Communication Specialist / C.I.I.M. EurAsiaMed

Macroeconomic sources:

- www.data.tuik.gov.tr
- www.ceicdata.com
- www.economy.com
- www.tradingeconomics.com
- www.think.ing.com

**C.I.I.M. Working Breakfast
30.03.2023, Circolo Roma Istanbul**

On 30 March 2023, our Members gathered at Circolo Roma to participate in an active discussion on pressing issues for local and Italian entrepreneurs.



**C.I.I.M. Dialogue Luncheon
08.05.2023, Palazzo di Venezia Istanbul**

On 8 May 2023, we organized a Dialogue Event with Prof. Naci Görür at Palazzo di Venezia, Istanbul, with the title "Being prepared for minimizing risks: building urban resilience to future-proof against earthquakes in Istanbul". We are extremely pleased with the strong and active participation of our Members and Friends.

10 Billboard

Did you know?



- At the first Board Meeting held after the Ordinary General Assembly of the Italian Chamber of Commerce and Industry in Izmir, Pietro Alba was re-elected as President
- The renovated Istanbul Modern, designed by Renzo Piano, opened on 4 May 2023
- Italy repatriates to Türkiye an ancient Roman funerary stele dating back to the 2nd Century
- The Izmir Consulate was chosen as a test area for the issuance of identity cards for Italian citizens
- Professor Alessandro Barbero came to Istanbul to give a lecture on Dante at the I.M.I. high school students and at the Italian Cultural Institute
- The Italian Embassy in Türkiye promotes Rome's candidature to host EXPO 2030

A SPECIAL THANKS TO THE SPONSORS OF OUR DIALOGUE
LUNCHEON OF 8 MAY 2023



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