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TURKEY'S 2023 INDUSTRY AND TECHNOLOGY STRATEGY HAS BEEN ANNOUNCED



New Decisions Of Turkish Data Protection Board

TURKEY'S 2023 INDUSTRY AND TECHNOLOGY STRATEGY HAS BEEN ANNOUNCED

The Industry and Technology Minister Mustafa Varank announced Turkey's 2023 Industry and Technology Strategy¹ ("Strategy Document") on the date of 18.09.2019. The Strategy Document has been prepared with the vision of "National Technology, Strong Industry" by targeting the year 2023 in which the 100th anniversary of the Republic be celebrated. The Strategy Document shares similarity in scope and content of such strategy and action plans as Digital Turkey Road Map², 11th Development Plan³ and 2019 Annual Program of the Presidency⁴.

When the scope and content are analyzed in detail, the Strategy Document consists of 5 main components and 23 sub-policies: (i) High Technology and Innovation, (ii) Digital Transformation and Industry Movement, (iii) Entrepreneurship, (iv) Human Capital and (v) Infrastructure. Within this framework it should be indicated the fact that the Strategy Document includes prominent policies.

Numerical Targets

As of 2023, the Strategy Document aims to increase the number of software developers across Turkey from 140 thousand to 500 thousand. The technology-based businesses' investment capacity is expected to reach 5 billion TRY. By 2023, Turkey planned to release at least 23 smart product or service which are developed on disruptive technologies on a global scale and became a world leader. Lastly, the definition of the companies called "unicorn" that start at venture level and reach valuation of \$ 1 billion and above is localized as "Turcorn" in the Strategy Document. In this context, the number of Turcorn - Turkish technology ventures exceeding US \$ 1 billion valuation is expected to be at least 10 by 2023.



Intellectual Property Rights Infrastructure to be Developed

The Strategy Document emphasizes that the legal infrastructure of the intellectual property and its structure regarding implementation will be strengthened. Within this scope, the studies supporting the branding of software and IT products will be carried out. Also, it has planned to take measures in order to keep intellectual property rights of the strategically important ventures in Turkey. As for the open science, open innovation and open source software, an intellectual property legislation infrastructure is planned to be established.

¹The Ministry of Industry and Technology, "2023 Sanayi ve Teknoloji Stratejisi", <https://www.sanayi.gov.tr/strateji2023/sts-ktp.pdf>

²The Ministry of Industry and Technology, "Dijital Türkiye Yol Haritası", <https://www.sanayi.gov.tr/tsddtyh.pdf>

³The Presidency of Strategy and Budget, "11. Kalkınma Planı (2019 – 2023)", <http://www.sbb.gov.tr/wp-content/uploads/2019/07/OnbirinciKalkinmaPlani.pdf>

⁴The Official Gazette, "2019 Yılı Cumhurbaşkanlığı Yıllık Programı", <http://www.resmigazete.gov.tr/eskiler/2018/10/20181027M1-1.pdf>

Entrepreneurship Ecosystem Will Be Revitalized

In order to establish an effective structure for the entrepreneurial ecosystem, Turkey entrepreneurship ecosystem platform and its website will be created. Also, it is planned to facilitate the establishment, management and early phase funding processes of the ventures in order to revitalize the ecosystem. Supports such as easy initiation of start-up, easy closing in case of failure, “Welcome Package” and “Entrepreneur Visa” are included among these facilities. In this context, institutionalization, branding and international market access support to enterprises are amongst other prominent objectives.

National Blockchain Infrastructure to be Created

Identification and project design of the public applications that are portable to the blockchain infrastructure will be envisaged. In order to test whether the developed blockchain applications are in compliance with the legislation, regulatory sandbox will be established. The regulatory sandbox which mostly is applied in the financial technology field and which is important for compliance, stipulates that innovative business models will be audited by the regulatory authorities during the testing phase, and that business model developers and regulatory authorities will collaborate. It can be stated that the inclusion of such test model among the targets through the Strategy Document is a promising development for the future innovative business models.

Financing Instruments to Be Developed

Banks are expected to increase their product range for industry, technology companies and new ventures. Product range; will also comprise mechanism such as granting micro-loans to new ventures in exchange for innovation ideas, patents and business plan or granting loans in exchange for their intellectual property assets. Instruments such as crowd funding, venture and risk capital, and convertible bonds are listed as prominent implementations within the Strategy Document.

Data Security and Communication to Be Strengthened and Cyber Security Measures to Be Augmented

While the definitions and standards of data that must be kept in Turkey is determined in the Strategy Document, the creation of data security framework legislation is regulated on the other hand. Within this context, necessary support will be provided for data communication rate and secure data communication infrastructure. Additionally, software and infrastructures that are compatible with cloud technologies will be developed. Legislation arrangements will be introduced for the sectors that are sensitive to cyber-attacks and additional financial support will be provided in order to increase the cyber security measures.

Technology-Oriented Industry Action to Be Carry Out

Production of medium-high and high technology sector products with domestic opportunities will be increased with the Technology-Oriented Industry Action Program. The Communique on the Principles of Implementation of the Technology-Oriented Industry Action Program⁵ published in the Official Gazette on the same day with the announcement of the Strategy Document has also entered into force for this purpose.

⁵The Official Gazette, “Teknoloji Odaklı Sanayi Hamlesi Programı Uygulama Esasları Tebliği”, <http://www.resmigazete.gov.tr/eskiler/2019/09/20190918-7.htm>

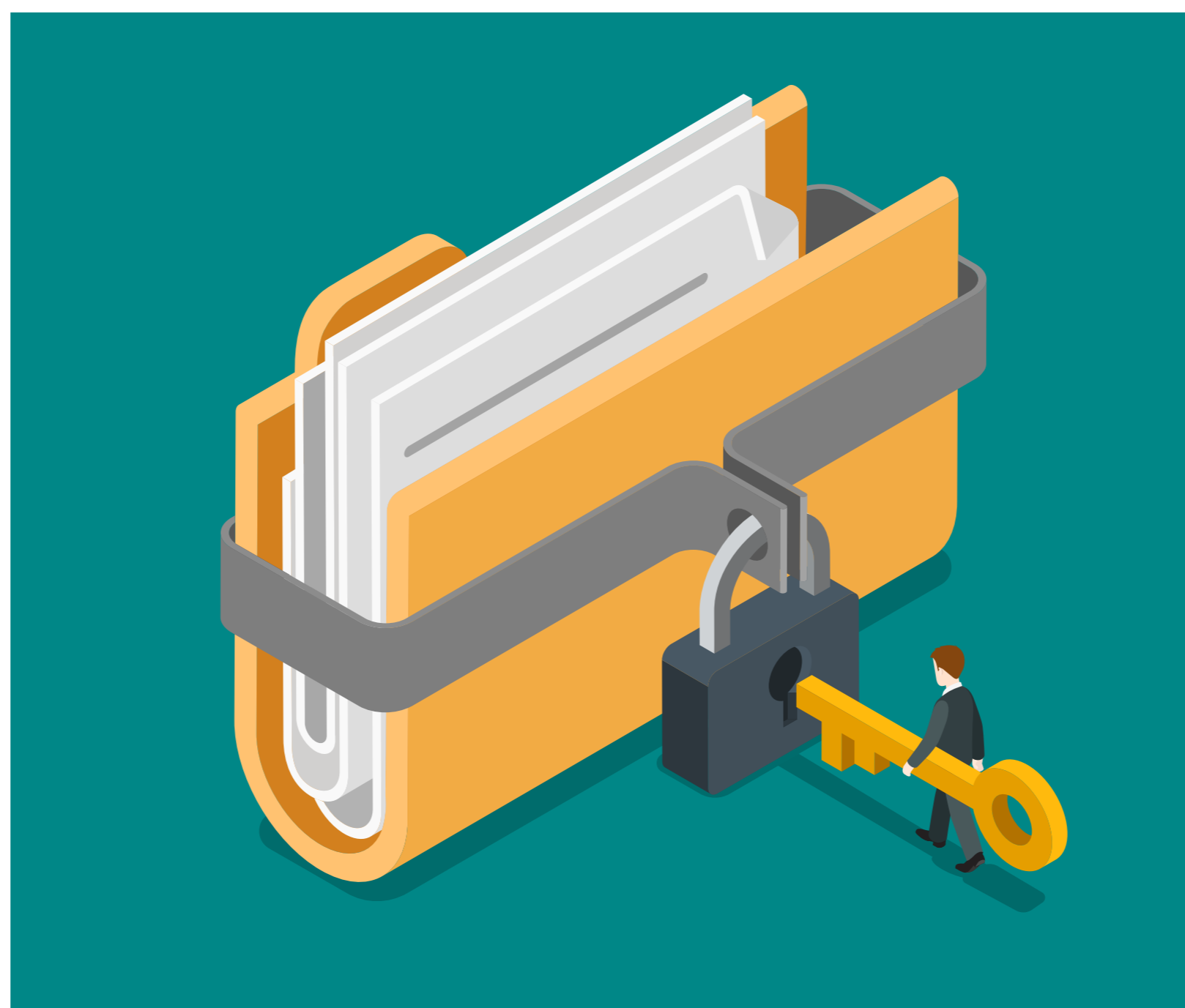
Conclusion

The above-mentioned and prominent policies within the scope of the Strategy Document comprise Turkey's technology and industry-oriented targets by 2023. In accordance with the policies determined within this framework; establishment of new mechanisms, the initiation of pilot implementations and amendment of relevant legislation are among the expected developments in the following period.

EXTENSION FOR REGISTRATION DEADLINE OF DATA CONTROLLERS' REGISTRY

In accordance with the decision numbered 2019/265 and dated 03.09.2019 of the Turkish Personal Data Protection Board, real and legal person data controllers with more than 50 employees or whose total annual balance is higher than 25 million TRY, and Turkish non-resident real and legal person data controllers' registration deadline for Data Controllers' Registry ("VERBIS") has been extended.

While the registration deadline for the above-mentioned data controllers was 30 September 2019, this deadline has been extended to 31 December 2019 with the relevant decision. The deadlines set for other data controllers that are under the registration obligation to VERBIS have not changed. Accordingly, the data controllers with less than 50 employees and whose total annual balance is lower than 25 million TRY, however processing of sensitive personal data is the principal business activity shall register until 31 March 2020, the data controllers considered as public institutions and organizations shall register until 30 June 2020. For the full text of the relevant decision: <https://www.kvkk.gov.tr/Icerik/5525/2019-265>



Answers. Not theories.

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