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OSSA Chairman of the Board Mithat ERTUĞ: "During the COVID-19 Pandemic, the Turnover of Our Companies Decreased by 30-40%"

In a video interview held on May 4th, OSSA Chairman of the Board Mithat ERTUĞ and Defence Turkey Magazine Managing Editor Cem AKALIN discuss the COVID-19 measures taken by OSSA cluster companies; these companies who form the backbone of the Defense Industry, updates on the latest status of production activities, and insight into the expectations of industry decision-makers

OSSA membership reached 255 in 2019 with the participation of 39 new members, and members have continued their work

with 2-3 split shifts during the pandemic. Chairman of the OSSA Mithat ERTUĞ stated that OSSA cluster members have been acting in a credible manner since the beginning of the pandemic, companies have supported each other in every aspect, showed solidarity, and that all companies followed the 14 rules set by the Ministry of Health. ERTUĞ: "They applied all rules strictly, from measuring body temperature, using disinfectants to social distancing. Fortunately, there has not been a single reported case in OSSA member companies so

far. Many companies have camera systems and we follow this process closely."

ERTUĞ: "30-40% Decreases Occurred in Turnover During This Process"

Companies have reduced their day shifts and increased their night shifts within the framework of the measures taken. ERTUĞ said, "Of course, there are some delays in activities due to the social distancing rules, but we have increased our working hours in order

not to leave our main contractor companies in a tight spot. We have increased our number of employees in the night shift and reduced the day shift. But during this period, 30-40% decreases occurred in turnover."

Stating that companies were striving to take advantage of loans offered by public banks in this process, ERTUĞ said that the companies were making critical investments and commitments in the aviation sector before the crisis and that they were caught napping by this

pandemic under a high investment period. ERTUĞ: "This put us in a tight spot. We had borrowed money for our huge investments, and when this outbreak occurred, our companies especially performing activities in the field of aviation got into trouble. Foreign demand dropped. When Airbus-Boeing orders decreased, this also affected us. We do not know what awaits us in the days ahead, but my continual advice to our companies is that doing business in one sector would be challenging. We need to add a few more sectors to our companies' fields of activity. In the upcoming period, I think some of our companies will appear in the medical industry with their products. Our cluster companies may engage in both the energy and health sectors."

ERTUĞ: "We are Waiting for a Rise in Demand"

Underlining that they are able to provide support to the healthcare sector if a demand occurs, ERTUĞ said, "Our companies are capable of meeting demands when they arise. We share them with the Technoparks, other clusters and large companies. One of our companies produces the components of a respiratory device. There is significant infrastructure in all our cluster companies. It is absolutely possible to develop and produce these products here. So far, we have not received any requests. No specific demand has been made for a mask or

a ventilator device. For example, one of our OSSA companies manufactures machines that make masks. The components of this machine are again produced by our cluster companies. If requested, we can take all relevant actions."

OSSA's aim is to increase the competencies of the companies and to certify them. ERTUĞ shared that they have achieved this up until now and added: "We created this eco-system within 15-20 years. Specialization is quite important; you have to focus on a single sector. We are concerned about losing some of our areas of expertise due to this crisis. We are currently trying to protect our workforce. The aviation industry has shrunk sharply, so we think about how we can manage in the next few months. There will surely be a shift to other sectors to survive. Hopefully we will not lose this area of expertise."

ERTUĞ: "We were at the top of the List with 5,700 Bilateral Business Negotiations at the ICDDA event. We may Postpone the Event for 1-2 Months as per Feedback Suggestions. We are already Making all Our Preparations."

ERTUĞ provided information on whether or not the Industrial Cooperation Days in Defense and Aerospace



(ICDDA), (planned to be held for the fifth time on 13-15 October 2020 this year) will be postponed and said that the delay is not on the agenda at the moment, but alternative plans are discussed in parallel. ERTUĞ: "In the previous event, we were at the top of the list with 5,700 bilateral business negotiations. We wanted to raise the bar even higher this year. Our number of participants is also very high, but this pandemic has emerged. We are working on solutions to host our guests coming from abroad. Even if the restrictions are lifted or eased in the coming days, we will definitely follow the 14-day quarantine rule. Even if we cannot bring our foreign guests here, we can hold these talks in a digital environment. We are making preparations for the necessary infrastructure. The situation will be finalized in June-July. According

to the feedback to be received from abroad, we may delay the event for 1-2 months. We will evaluate this again in coordination with officials from abroad."

In the closing of the interview, ERTUĞ emphasized that the support given to investors is very important. He stated: "While Turkey's export per kg was US\$ 1.32, defense and aerospace/aviation industry export per kg reached US\$ 46.59. The rate of return of the defense and aerospace/aviation industry investments to our economy is achieved in the long term, but with higher added value compared to other sectors. Therefore, continuing investments in this area without slowing down is quite important for the economic growth. We would like to thank all our high-level officials and authorities for their support to industrialists in this field" ■