



Press Release
Istanbul, 28 April 2015

TOTAL PLANNED PUBLIC SECTOR-PRIVATE SECTOR HEALTH INVESTMENTS UNTIL 2023 IS 200 BILLION USD!

Hosted by PPP Health Summit, Elmadağ Hukuk and PPP Experts, the Public-Private Partnership (PPP) Health Summit was started on April 28th under the leadership of the Ministry of Health of Turkish Republic and The Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Prime Ministry Investment Agency).

The summit which the Ministry of Health joined with a big delegation, will be hosting on 28-29 April 2015, country consultants of the Prime Ministry Investment Agency, senior managers of the contractor companies and financial companies in the existing hospital project consortium as well as medical equipment suppliers and consultants working in the field of operational solutions, legal consultants and financial consultants.

In his opening speech, Attorney **Dr. Ramazan Aritürk**, founding partner of **Elmadağ Hukuk** and **Ministry of Health Health Investments PPP Legal Consultant** stated that for the last two year, together with the experts from the Ministry of Health, they've been reviewing all successful practices in the world in this area with the purpose of developing a firm legal infrastructure for Public-Private sector cooperation and that they have reviewed tens of thousands of legal texts, academic studies and agreements and said **"As a result of around 6 thousand hours of work, we developed around 25 thousand pages of draft contracts in Turkish and English languages. And by taking into account the pros and cons of the current practices in the world, we developed a firm and comprehensive legal infrastructure to be used for both Public-Private sector partnership projects not only in the Health sector but also in other sector like education and security."** With an interesting comment, Ramazan Ariturk compared the Public-Private Partnership to the Timariot System used in Ottoman military and said **"In the Timariot system, a basic public service such as security is provided without the state spending even a single penny. This way both a public service is provided both the timar holder and the locals and the state were benefiting from this system"**.

Prof.Dr. Eyüp Gümüş who delivered a speech after the opening speech, shared observations and information regarding the development process of PPP reforms in the health sector, how the public sector supported the private sector and how the risks to be posed by the project throughout its life will be minimized.



Gümüş said, “Turkey needs to make an infrastructure investment of about 700 billion USD until 2023 and around 200 billion USD of this amount is planned to be realized via the PPP-Private-Public-Partnership or PFI-Private Finance Initiative method. In all the phases of the project, our ministry worked with experts in this field and made great progress in planned projects. Currently, agreements for 17 projects including 4 projects for which financing has been provided, has been signed and the construction of projects are currently underway”.

In his opening speech, Ilker Ayci, The President of Prime Ministry Investment Agency and World Association of Investment Promotion Agencies stated that even though there many build-run-transfer models that are very old in Turkey, PPP projects are in fact much different than these projects in many aspects. Ayci stated that gave the following information about the PPP projects in the health sector; Ayci who stated that the increased role of the private sector in the changing global systems found its reflection in our country too and said “**With the city hospitals which will be brought to life via the PPP model, our goal is to reach total bed capacity of 50 thousand. In the first phase, with an investment of around 9 billion USD, we plan to realize a 24.000 bed capacity in 16 different projects and the financing process for Ankara Bilkent, Mersin and Adana Integrated Health Campuses, which are among these projects, has been finalized. In addition to the existing projects, 22 more city hospital investments are planned and the pre-qualification tender processes of these projects have been initiated. Leading local and international construction companies and international operational solution partners wishing to take part in the consortium of the project have competed in the tender process. On the other hand, financing of these projects each of which has a value of around 500 million USD, was provided by numerous leading banks and financial institutions with maturities up to 20 years. In addition, with the contribution of numerous legal and financial consultants who took part in the process, Turkey has been able to gain a significant amount of know-how regarding PPP projects.**”

In his speech, Minister of Health Mehmet Müezzinoğlu stated that projects for 32 city hospitals are ready and added that the total investment value of the 17 projects for which tenders have been completed is around 9-10 billion USD.

Minister Muezzinoglu who also commented on the investments in the health sector, stated that the constructions of 16 city hospitals have been completed to a great extent and said “**We lost some time with some of them because of location change. With some others, we had some delays because of motion for stay of execution. We have no problem regarding the city hospitals for which we signed the protocols. Currently there are 5 city hospitals which have been approved by Supreme Planning Board and for which tender processes have been started. These are in Şanlıurfa, Denizli, Kütahya, Samsun and Tekirdağ. We’ve just completed the tender process for Eskisehir and we’re in the agreement phase. There are 10 more city hospitals we submitted to Supreme Planning Board for approval. And we’re following the process there. In summary, there are 16 city hospitals, five hospitals for which tender processes are underway, one hospital in the agreement phase, and 10**



hospitals submitted to Supreme Planning Board for approval. We've completed the projects for a total of 32 city hospitals. And processes are underway for 32 city hospitals. Problems related to half of them have been resolved and they're in the tender phase".

Following his speech, Minister Muzezzinoglu, in response to a question by a journalist, commented on his Ministry's targets for 2018 and 2023. In response to the question, Minister Muezzinoglu said **"As the Ministry of Health, we have targets for 2018 and 2023. As part of our 2018 targets, we aim to improve 95% of the bed capacity. We're renovating a bed capacity of 95 thousand. Half of this will be realized via PPP and the other half via state resources. We're planning to complete this by the end of 2017 or in 2018 at the latest. Our goal is to increase the number of beds per 10 thousand people to 28. Our next goal is our target for 2023, which is to increase the number of beds per 10 thousand people to 30. In this regard, including the projections for university hospitals and the private sector, Turkey's bed capacity will reach 200 thousand by 2018 and 230 thousand by 2023"**.

PPP Experts General Manager Sadak Choudhury stated that they've talked to numerous international banks and investment banks and that there's great interest in the PPP projects in Turkey due to its legal framework and agreement structure. Choudhury indicated that the fact that the financing has been finalized for four of the mega city hospital projects increased the appetite of investors for other projects and said that these projects offered opportunities for international investors". Sadak Choudhury also indicated that British government as well gives investment priority to some countries and that Turkey ranks high in the list.

The event, which is the first summit in the world that brings together all stakeholders that take part in the city hospital and integrated health campus projects to be brought to life via the PPP model, is joined by over 300 participants and numerous national and international organizations.

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About Elmadağ Hukuk

As a leading Law Firm in Turkey, Elmadağ Hukuk provides consultancy and advocacy services with its professional team of 140 employees and its 1000 m2 head office at Istanbul World Trade Center. Elmadağ Hukuk serves its clients with its International Law Department, Consultancy Department, Court Department, Executions and Bankruptcy Department, Intellectual Property and Trademark Department and the sub-departments of Insurance Law, Commercial Law, Health and Pharmaceuticals Law, Banking and Finance Law, Commercial Agreements, Tax Law, Maritime Trade Law, Energy Law, Real Estate Law, Press Law and Administrative Law.

Elmadağ Hukuk also provides advocacy and legal consultancy services to numerous private and public organizations and companies in the areas of Law of Corporations, Law of Contracts, Real Estate Law, Law of Intellectual and Industrial Rights and other areas of law. With its team of attorneys who can speak English, French, German, Arabic and Russian languages, the company serves dozens of individual and corporate clients both in Turkey and abroad. Elmadağ Hukuk, in addition to Turkey, works in partnership with leading law firms in America, Asia and Europe. The company provides legal support especially to foreign investor companies willing to do make investments in Turkey and the region as well as advocacy services for conflict resolution.

About PPP Experts

London based PPP Experts, is one of the leading global consultancy firms specialized in the PPP sector. As one of the leading consultancy companies in the area of PPP, PPP Experts provides special consultancy and training to public institutions and private corporations. With a well-deserved reputation in this area thanks to the summits and conferences with high international impact, PPP Experts, with its leadership in PPP projects, serves numerous institutions and companies in many areas ranging from establishing the legal framework for projects to development of all kinds of content.

PPP Experts provides Consultancy Services, Legal Services, Financial Services and Infrastructure Services and is considered to be a major reference center.