Turkey’s investment appeal strong amid global competition

Turkey’s investment appeal is getting stronger despite the harsh competition from around the world to attract foreign direct investments (FDI), according to the Investment Support and Promotion Agency of Turkey (ISPAT) President, İlker Aycı. Attending a session entitled “Investing in Turkey: Risks and Opportunities 2014” at the annual Uludag Economy Summit, held in Bursa, Turkey, Aycı said that revised figures showed Turkey had attracted an FDI amount of USD 13.7 billion last year.

“Emerging economies’ have begun to claim more than half of the global FDI and developed nations try to draw investments via new methods and tactics”, Aycı said, describing the strong international competition.

“As a country constantly improving its investment and business environment, Turkey holds great potential as an investment destination. Political stability, ongoing reforms and a growing private sector are the key elements making up this potential”, the ISPAT President said. Also holding the Presidency of the World Association of Investment Promotion Agencies (WAIPA), Aycı said that ISPAT was in contact with prospective foreign investors from the automotive, energy, chemicals and healthcare sectors. “Public Private Partnership model investments are also on our agenda”, he noted.

Attending the same session, Burganbank Group CEO, Eduardo Eguren, said that investors from Gulf countries were keeping a keen eye on Turkey. “For the MENA region, Turkey ranks second after the EU in terms of economic significance. Currently, this region accounts for 10 percent of the FDI Turkey attracts but this share could easily reach 25 percent”, the executive of the Kuwaiti lender said. Burgan Bank entered the Turkish market via the acquisition of the Istanbul-based Eurobank Tekfen. The Kuwaiti bank completed the takeover of a total of 99.26 percent of shares from Tekfen’s Greek partner for USD 355 million in 2012.
Goldman Sachs to open an office in Turkey

US-based Goldman Sachs, the world’s leading investment bank, has applied to the Banking Regulation and Supervision Agency (BDDK) to open a liaison office in Turkey. According to Mehmet Simsek, Turkey’s Minister of Finance, Goldman Sachs has pushed the button to invest in Turkey and will open its 7th European office in Turkey. Simsek stated that the number of companies with foreign capital in Turkey soared to 37,000 in 2014, up from 3,200 in 2002, and added, “This number will reach 150,000 over the next 15-20 years. Turkey is a country with huge potential. The country has come a long way in the past ten years in the Global Competitiveness and Ease of Doing Business indices.”

ISPAT calls on Italian companies to invest in Turkey

In a seminar in Italy’s capital Rome organized in collaboration with the Italian Employers Federation (Confindustria), the Investment Support and Promotion Agency of Turkey (ISPAT) has invited Italian companies to invest in Turkey’s growing economy.

Focusing on infrastructure, renewable energy and healthcare sectors, the seminar brought together 50 Italian companies and ISPAT staff to confer on the investment opportunities in Turkey as well as the incentives provided for investors in the country.

Speaking at the event, ISPAT President Ilker Ayci said that the Italian companies’ dynamic nature and fast adaptation capability to local business culture were proving to be a winning combination in the equally dynamic Turkish market. “Turkey is not only a gateway to surrounding markets in the Middle East, Caucasus and Central Asia but also has a huge domestic market with a population of 75 million - half under the age of 29 - a solid financial system, and a consistently growing economy,” Ayci said, highlighting Turkey’s potential for foreign investors.

Also serving as the President of World Association of Investment Promotion Agencies (WAIPA), Ayci said that the healthcare sector in Turkey presented many opportunities thanks to last year’s reforms that give access to public-private partnerships in proving healthcare services.

Turkish-Italian trade volume reached USD 18 billion in 2013 with over 1,000 Italian companies operating in Turkey. The Italian pharmaceutical company, Recordati, announced a manufacturing investment worth USD 50 million in Turkey last month.

GDP & FDI

- Real GDP: up 4% y-o-y in 2013
- GDP per capita: USD 10,782 in 2013, up from USD 10,459 in 2012
- GDP at current prices: USD 820 bln in 2013, up from USD 786 bln in 2012
- FDI: up 51% y-o-y to USD 1.2 bln in Jan 2014

Source: TurkStat

TurkStat

Credit Ratings

- Standard & Poor’s: BB+
- Moody’s: Baa3 (Investment Grade)
- Fitch: BBB- (Investment Grade)
- JCR: BBB- (Investment Grade)

Turkey ‘top investment choice’ for Brazil’s Coteminas

Turkey’s large domestic market and export potential make the country an ideal location to invest in, according to the President of the Brazil-based Companhia de Tecidos Norte de Minas - Coteminas, the biggest textile group in Latin America.

Sharing his views on Turkey’s business and investment environment while visiting Istanbul, Josué Christiano Gomes da Silva said that the country provided the most advantageous location in Europe with its key geographical location and growing economy.

“If Coteminas were to invest in Europe, Turkey would be the first choice. Growth potential and central status give easy access to the European, Middle Eastern and African markets and make the country the ideal choice for an investment” da Silva said.
Turkey’s infrastructure projects draw robust global interest

Massive wind and solar potential to be utilized in the next 10 years will turn Turkey into a renewable energy powerhouse in the region as the country gradually increases the use of domestic resources for power generation.

Turkey has undergone a profound economic transformation over the last decade and its economic fundamentals are quite solid. It is the 17th largest economy in the world and the 6th largest economy in Europe with a current GDP of approximately USD 820 billion in 2013.

Turkey’s emerging economy presents a need for infrastructure investments in various industries. The main industries include, but are not limited to, construction, residential and non-residential buildings, transportation and energy.

Regarding the infrastructure sector, the government allocated USD 26 billion in 2013. 30 percent of this budget is for the transportation sector, followed by education, energy, healthcare, and agriculture. As regards the energy sector, Turkey aims to increase its installed power capacity to 125,000 MW by 2023 up from 57,059 MW in 2012. The aforementioned targets in the energy sector require significant infrastructure investments in Turkey and offer ample opportunities for investors.

New plans and targets also continue for urban renewal projects. Since the enactment of the Urban Transformation Law No. 6306, the Turkish government has decided to retrofit and renovate buildings that are prone to destruction during natural disasters, which includes 6.5 million residences, with a budget of USD 400 billion.

Turkey: an ideal regional hub

"By teaming up with AKO, our Turkish partner and the country’s largest tyre distributor, we have established our business operations in Turkey, giving us an enormous advantage for exporting our products, mainly to Europe and the Middle East. Turkey itself is a rapidly growing market, so Turkey will serve as an ideal regional hub. Additionally, but most important for a tyre manufacturer, Turkish workers have well-motivated and excellent skills, which are essential for producing high-quality products. Ikuji Ikeda, President & CEO - Sumitomo"

French Alstom to construct Petkim’s wind power plant

Petkim, Turkey’s largest petrochemical company in Aliaga, Izmir on Turkey’s Aegean coast, has signed an agreement with France-based power generation and transport systems giant Alstom for the construction of a 51 MW wind power plant (WPP) at an investment cost of around EUR 55 million.

TURKEY’S 2023 TARGETS FOR INFRASTRUCTURE

INCREASING THE LENGTH OF HIGH-SPEED RAILWAY LINES TO

- 10,000 km

INCREASING THE LENGTH OF MOTORWAYS

- 7,500 km

INCREASING THE PASSENGER CAPACITY OF AIRPORTS

- 400 mln ppl

REACHING A TEU HANDLING CAPACITY OF

- 32 mln

HAVING A DWT SHIPBUILDING CAPACITY OF

- 10 mln

INCREASING THE NUMBER OF MARINAS TO

- 100
ISPAT President İlker Aycı delivered a speech in the “Investing in Turkey: Risks and Opportunities 2014” panel at the Uludag Economy Summit, an annual gathering of leaders in politics, economy, and business.

ISPAT attended the Baden-Baden Entrepreneur Talks (BBUG) held in Germany, a bi-annual gathering of business leaders, high-ranking politicians, scientists and intellectuals, to brief the participants on “Turkey’s 2023 Strategy”.

ISPAT President İlker Aycı delivered a speech during the meeting held by the Turkish Japanese Business Council of the Foreign Economic Relations Board (DEIK), and highlighted the importance of Japanese investments for the Turkish economy.

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ISPAT at BBUG

ISPAT at the Turkish-Japanese Business Council – DEIK

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Thyssenkrupp Visit

A high-level delegation from ISPAT visited the Thyssenkrupp headquarters in Essen, Germany.