On the occasion of his official visit in the US, Prime Minister Binali Yıldırım and his delegation met with representatives of major US companies at a roundtable meeting in New York to discuss the current economic and commercial ties between the two countries. The meeting was held jointly by the Investment Support and Promotion Agency of Turkey (ISPAT), the Union of Chambers and Commodity Exchanges of Turkey (TOBB), and the US Chamber of Commerce.

Among the US participants were companies such as PepsiCo, UPS, Raytheon, Coca-Cola, GE Aviation, Credit Suisse, Accenture, Motorola, Amazon, Citi Group, Deutsche Bank, and IBM. Yıldırım briefed US companies on Turkey’s economic outlook, the ongoing reform process, and the significance Turkey attaches to FDI.

During his speech at the meeting, ISPAT President Arda Ermut said that supporting FDI from US – the largest source of FDI globally and also one of the largest sources for Turkey – is of paramount importance to ISPAT. Ermut emphasized that bilateral investments will undoubtedly reach new heights, thanks to the more than 1,700 US companies that operate in Turkey and that have invested more than USD 11 billion over the past 15 years.

Also accompanying Yıldırım were Deputy Prime Minister Mehmet Şimşek, Minister of Foreign Affairs Mevlüt Çavuşoğlu, Energy Minister Berat Albayrak, Ak Party Parliamentary Group Deputy Chairman Mehmet Muş, Turkey’s Ambassador to the UN Feridun Sinirlioğlu, Ambassador of Turkey to US Serdar Kılıç, and TOBB President Rifat Hisarcıklıoğlu.

Arda ERMUT
ISPAT President
The Investment Support and Promotion Agency of Turkey (ISPAT) held a roadshow in the US during the first week of November in order to meet with investors in Atlanta, Cincinnati, and Chicago to bridge the perception gap that might have been discouraging them from taking a fresh look at Turkey.

ISPAT first talked up Turkey’s lucrative investment opportunities at a roundtable meeting hosted by the World Affairs Council of Atlanta and the World Trade Center Atlanta. During his speech at the meeting, ISPAT President Arda Ermut talked about how with a bilateral trade volume of USD 17.5 billion in 2016, the US ranked 5th in Turkey’s exports and was 4th in its imports that year. "Because of the importance we place upon the US, we very often organize roadshows, top-tier meetings, and programs here. We have attended plenty of investment related seminars all around the US in recent years and have collaborated with US institutions and business associations,” added Ermut.

The ISPAT delegation, accompanied by Procter & Gamble Turkey-Caucasus Vice President and General Manager Tankut Turnaoğlu, then visited Procter & Gamble global headquarters in Cincinnati, Ohio.

The final leg of the roadshow saw Ermut come together with leaders of the Turkish-US business community at a dinner reception hosted by the Turkish Consulate in Chicago. Ermut also delivered a guest lecture on the history and future of US-Turkey business ties to MBA students at the University of Chicago - Booth School of Business.

Hot topics at the meetings suggested that Turkey’s young population and deep internet and smartphone penetration provide opportunities for mega multinational companies. Turkey now has 20 cities with more than a million people.

The banking sector is also largely open to foreign investment, providing potential ins for US financial technology and payments giants. Ermut expressed interest in connecting the burgeoning startup scene in the US to entrepreneurial efforts on the ground in Turkey.

More importantly, incentives are the icing on the cake of a location where companies can easily reach promising markets in the Middle East, Africa, and Central Asia. Ermut also said that within four hours’ flight from Turkey exists a combined market of 1.6 billion people and a combined GDP of USD 26 trillion.

Operating in Turkey for 70 years with full confidence in the country’s economy and the aviation sector, the US civil and military aircraft manufacturer Boeing unveiled the details of the Turkey National Aerospace Initiative, which was previously announced by President Recep Tayyip Erdoğan’s US visit in September, at a press conference hosted by the Undersecretary for Defense Industries Prof. Dr. Ismail Demir, Boeing Turkey Managing Director & Country Executive Ayşem Sargin, and ISPAT President Arda Ermut.

Commenting on the new program, Ermut said that the initiative will support the growth of the Turkish aerospace industry in line with the country’s 2023 vision and will foster further cooperation between Turkey and the US. “One thing should be clearly understood: The effect and value-added by this initiative will be much stronger than a conventional factory investment. We pay attention to the transfer of technology, employment generation, and export-oriented production in direct investments. From this perspective, the technology transfer that we always highlight will be achieved through the technology, engineering, and R&D investments by Boeing under this initiative,” added Ermut.

Within the scope of the initiative, Boeing intends to expand its operations in Turkey by introducing an Aviation Industry Development Program that is due to be launched by the company under the auspices of the Undersecretary for the Turkish Defense Industry in Istanbul, and by setting up centers such as an Engineering and Technology Development Center, and a Regional Flight Training Center.
KUWAIT AND TURKEY FORGE MOU TO BOOST BILATERAL INVESTMENTS

Investment Promotion Agencies Agree on Closer Collaboration

President Recep Tayyip Erdoğan’s official visit in Kuwait to hold talks with Kuwait’s Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah saw a number of agreements concluded in fields such as the economy, military, culture, science, and sports.

Among the agreements was an MoU for the encouragement of bilateral investments between Turkey and Kuwait that was inked by ISPAT President Arda Ermut and Director General of Kuwait’s Direct Investment Promotion Authority (KDIPA) Sheikh Dr. Meshaal Jaber Al Ahmed Al-Sabah. Under the terms of the MoU, the two investment promotion agencies will exchange investment related information, expertise, and technical know-how with the aim to increase mutual investments and expand available investment opportunities.

On a separate occasion later the same month, the ISPAT delegation together with Turkish private equity companies visited Kuwait and Qatar to cultivate long-term relations between global limited partners and Turkish general partners.

TURKEY ENCOURAGES VALUE-ADDED DIGITALIZATION

Pace of Digitalization in Turkey Is Increasing

ISPAT President Arda Ermut recently attended the 14th Vienna Economic Forum (VEF): Vienna Future Dialogue 2017 and was a panelist at the first plenary session on vision and investors’ response to digitalization.

“IT is critical that Turkey not only continues to play to its strengths, but that it also takes its place among the leading economies by implementing digitalization in its economy and its society,” acknowledged Ermut.

“In this respect, the goal must be to ensure and enhance the sustainability of our competitive advantages with digitalization, and, beyond this, to create a Turkish digital industry with greater added-value that takes on a larger share of the world’s production value chain. We must remember that this will help Turkey achieve its goal of moving from an emerging market to a global leader.”

ISPAT and VEF Establish Long-Term Cooperative Ties

During the forum, ISPAT and VEF, in the presence of Turkey’s Ambassador to Austria Mehmet Ferden Çarıkçı, signed an agreement to establish long-term cooperative ties and expand cooperation possibilities. Under the terms of the agreement, ISPAT – as an active member of the VEF board – will contribute to the realization of VEF’s goals by assuming a directive role and promoting its activities.

The second phase of the Austria visit consisted of two separate meetings. At one, Austrian companies were updated on Turkey’s economy during a roundtable at the WKÖ-Austrian Economic Chambers, which represents over 450,000 corporations. The other meeting saw ISPAT President Ermut showcase Turkey’s myriad investment opportunities to Austrian fund managers in Vienna.
The Turkish Capital Markets Summit recently took place in Istanbul. Organized by the Turkish Capital Markets Association, the meetings were meant to shed light on some of the current challenges in the capital markets while also highlighting opportunities being brought about through new financial technologies. The summit was well attended by distinguished representatives from regulatory bodies, capital markets professionals, investors, and real-sector representatives.

The summit was organized around three primary objectives: discussion of hot topics on capital markets’ agenda with the active participation of all stakeholders in a bid to release an executive report, boosting interest in the capital markets, and further reinforcing Istanbul’s perception as a regional finance center. The 24 separate panels dealt with topics such as industry 4.0, technology, digital money, IPO, blockchain, fintech, and financing of infrastructure investments. Deputy Prime Minister Mehmet Şimşek and Prof. James A. Robinson, the co-author of the bestseller Why Nations Fail: The Origins of Power, Prosperity, and Poverty, were also among the keynote speakers at the summit. Meanwhile ISPAT, as one of the supporters of the summit, contributed to the Funding for Growth: FDI panel with a presentation by Necmettin Kaymaz on what Turkey has in store for international investors.

ISPAT, the official investment advisory body of Turkey, is a knowledge-center for foreign direct investments and a solution partner to the global business community at all stages of investments. It provides customized guidance and qualified consulting before, during, and after entry into Turkey.

Wishing you a prosperous, healthy and happy new year.