On January 5, President Recep Tayyip Erdoğan and a Turkish ministerial delegation came together with representatives of the French business community at a meeting in Paris held by Movement of the Enterprises of France (MEDEF) International and supported by ISPAT.

During his address at the meeting, President Erdoğan offered members of MEDEF insights into Turkey’s investment environment and invited them to boost their investments in Turkey and benefit from the lucrative investment incentives that were available. Erdoğan pointed out that Turkey is the 13th largest economy globally and the 5th largest in Europe according to GDP at PPP, while France is the 5th largest economic power in the world and 2nd in Europe.

Based on these metrics, President Erdoğan said, the current trade volume of USD 13.5 billion is below where it should be, adding that Turkey and France should strive to reach a volume of at least EUR 20 billion.

“The Turkish economy grew at a larger-than expected 11.1 percent in Q3 2017 and 7.4 percent overall in the first nine months of the year. We will likely to see an annual growth rate of over 7 percent for 2017, and this will once again make Turkey the fastest-growing economy among the G20 and OECD countries,” said Erdoğan.

The FDI amount of French companies in Turkey over the past 15 years has reached USD 7 billion. As of June-2017, around 1,500 companies with French capital operate in Turkey. In line with Turkey’s 2023 targets, French companies attended 13 tenders in various sectors, such as transportation, energy, and environmental technologies. Recent examples of cooperation between the countries’ companies include agreements signed between Airbus-Türksat, ASELSAN-ROKETSAN-EUROSAM, and the export credit agencies of Turkey and France. President Erdoğan’s visit to France also saw a declaration of will signed between Turkish Airlines and Airbus.
Qatar and Turkey took part in a series of high-level meetings in January, including an economic forum and a three-day expo aimed at further enhancing the bilateral and economic relations of both countries.

On the ISPAT side, a delegation led by ISPAT President Arda Ermut held meetings with Qatar Businessmen Association Chairman Sheikh Faisal bin Qassim Al Thani and Qatar Chamber Chairman Sheikh Khalifa bin Jassim bin Mohamed Al Thani. The delegation also met with institutions such as the Qatar Financial Centre and the Qatar Investment Authority, as well as with private companies and policymakers to promote investment opportunities in Turkey.

Commenting on the activities, Ermut said, “In all of these meetings we were able to discuss investment opportunities. There are many individuals and institutions in Turkey that are trying to increase relations with Qatar, starting with President Recep Tayyip Erdoğan, the office of the Prime Minister, the Ministry of Economy, the Ministry of Customs and Trade, and the Ministry of National Defense, all of whom are opening the way for us.”

According to Ermut, the relationship between Qatar and Turkey is unique, and further strengthening of this relationship would not only be beneficial for both countries, but also for the entire region in terms of stability and economic prosperity. He stated, “While the majority of Turkey’s FDI is from Europe, ISPAT is seeking to diversify and enrich its FDI sources with the GCC region – a region that has witnessed a steady increase [in FDI inflows to Turkey] in previous years. In 2010, the share of Turkey’s FDI from Europe was around 75 percent; it is now down to around 65 percent. At the same time, the share of Asian countries in overall volume is around 5 percent now, up from around 2 percent.”

The Abraaj Group, a private equity company operating in growing markets of Africa, Latin America, the Middle East, and Asia, acquired shares in Turkey’s online travel agent Biletall. This marked Abraaj’s third investment made from its Anatolia Growth Capital Fund. Abraaj Director Levent Yeşildağ said that Abraaj is a long-term investor in Turkey and that the Biletall transaction is a strong fit for their strategy to invest in high growth companies in the Anatolian heartland of Turkey.

Istanbul New Airport will commence operations in October 2018 with the completion of the first phase. With more than 350 flight destinations, it will be the new center of aviation.

The new Istanbul-Izmir highway will reduce travel time between Istanbul and Izmir to 3.5 hours and save users a combined USD 650 million annually.

The final 45-km route of the Kanal İstanbul project, a canal parallel to the Bosphorus that will connect the Black Sea and the Sea of Marmara has been unveiled. The Küçükçekmece-Sazlıdere-Durusu corridor was chosen as the most convenient route for the project.

Within the scope of his visit to Turkey during January, President of the European Bank for Reconstruction and Development (EBRD) Suma Chakrabarti told that, with a EUR 5.4 billion investment over the last three years, Turkey is the largest market for EBRD. He added that the bank has invested EUR 1.5 billion in a total of 51 projects in 2017, and that Turkey will continue to be EBRD’s target in 2018 as well.

Transportation, healthcare, energy
As part of its global efforts to showcase Turkey’s business climate and to reinforce global investor perceptions, ISPAT built upon its Germany-specific initiative launched in 2016 by recently hosting various members of the German media in Turkey. ISPAT wanted the delegation to see first-hand the dynamism of the Turkish economy in different parts of the country, particularly in Turkey's Izmir and Antalya provinces following the previous two events that had been held in Istanbul and Sakarya-Gaziantep.

Among the German delegation were media representatives from Der Spiegel, Die Zeit, Der Freitag, Handelsblatt, Süddeutsche Zeitung, German Press Agency-DPA, Tagesspiegel, Allgemeiner Deutscher Rundfunk-ARD, WirtschaftsWoche, ZDF, ARD-Hörfunk, and TAZ-Die Tageszeitung. High-ranking Turkish government officials, German-capital companies, and industry associations in Turkey briefed the delegation on the country’s current economic outlook, reform process, and investment environment.

The series of meetings in İzmir took place with the İzmir Development Agency, German wind turbine manufacturer Nordex and German textile company Digel in the Aegean Free Zone, German trailer maker Krone, and with Prof. Dr. Emre Alkin – a Turkish academic and author in economics. İzmir itself accounts for USD 2 billion in bilateral foreign trade volume, and the province boasts around 2,500 foreign capital companies, of which nearly a quarter are German.

The delegation was briefed about the business climate in Turkey by foreign companies doing business in Turkey. Hot topics included the advantages of running a production facility in Free Zones and Organized Industrial Zones in Turkey, the Turkish labor force, cost competitiveness, and the political and macroeconomic stability.

During dialogues with the German media, company executives stated that they were pleased to operate in İzmir and that the logistical advantages, qualified labor, and cost advantages that İzmir offers strengthen their presence in the international market. With an eye to further growth in the future, they pointed out that 95 percent of their employees are Turkish and that the young and dynamic population in the city is indicative of huge potential.

The group then headed to Antalya, where they came together with the Western Mediterranean Development Agency (BABA), German engineering company Bihl+Wiedemann, German life sciences company Novamed, premium yacht builder Alia, and lastly Sun Express – a JV between Germany’s Lufthansa and Turkish Airlines. The delegation also attended separate scheduled meetings with Turkish Minister of Foreign Affairs Mevlüt Cavuşoğlu, Minister of Culture and Tourism Numan Kurtulmuş, Mayor of Antalya Metropolitan Municipality Menderes Türel, and Turkish Airlines Chairman of the Board and the Executive Committee İlker Aycı.

The rebound in the tourism industry was also emphasized during the delegation’s visit to Antalya, the heart of Turkey’s tourism industry. The number of companies with foreign capital in Antalya is 3,100, with 14.5 percent of them being German companies. Minister Kurtulmuş stated that after two years of political setbacks, Turkey is now expecting a return to the record high number of tourists seen only a few years ago. In fact, the increase in the number of reservations for the coming spring and summer is indicative of Turkey’s return to prominence as a prime tourism destination. The bookings herald an improvement in relations between Turkey and the two major tourism exporters of Germany and Russia. According to Kurtulmuş, the tourism targets in Turkey’s Vision 2023, which includes attracting 50 million tourists with a total revenue of USD 50 billion, are well on the way to being achieved, provided that the trend continues. Additionally, the swift recovery in Turkish businesses and the economy after the July 15, 2016 events in particular provided one of the highlights in the visits.
YEMENI INVESTORS VISIT TURKEY FOR BUSINESS FORUM

The Turkish-Arab Countries Economy Summit and the Turkish-Yemeni Business Forum was held on January 10-13 in Adana and Mersin, under the auspices of Turkish Minister of Development Lütfi Elvan. The goal of the meeting series is to increase awareness of venture capital and private equity funds in Turkey and to bring successful Turkish companies together with fund managers.

During his speech at the meeting, ISPAT President Ermut said that SMEs are the backbone of the Turkish economy. Turkey achieved record GDP growth of 11.1 percent in the third quarter of 2017, mainly stemming from a boost in the economic activity of SMEs following the introduction of Credit Guarantee Fund backed loans. “In today’s Turkey, with a growing economy and exports, where tourism revenues are revisiting past highs, and where industrial production and capacity utilization rate hover at historic levels, we hope to see more mergers and acquisitions take place,” Ermut said.

Within the scope of his visit to Adana, IPSAT President Ermut also held meetings with Adana Organized Industrial Zone management and with various companies operating in the OIZ. Organized with the cooperation of the Turkish Presidency Economy Monitoring and Coordination Department and the Union of Chambers and Commodity Exchanges of Turkey (TOBB), the Venture Capital Anatolia Meetings are taking place throughout 2017 and 2018 across nine different provinces in Turkey - Bursa, Denizli, Kayseri, Manisa, Samsun, Gaziantep, Konya, Izmir, and Adana.

10-13 JANUARY

ADANA & MERSİN

YEMENI INVESTORS VISIT TURKEY FOR BUSINESS FORUM

The fourth in a series of Venture Capital Anatolia Meetings convened in Adana on December 25, 2017, with the attendance of ISPAT President Arda Ermut. The goal of the meeting series is to increase awareness of venture capital and private equity funds in Turkey and to bring successful Turkish companies together with fund managers.

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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.

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