Turkey's financial capital has scored highly as a fast riser in Jones Lang LaSalle's (JLL) 'Business of Cities 2015' study. According to JLL rankings across 6 indices during the past 5 years, Istanbul tops the list of 5 fastest-developing metropolitan centers around the world.

The study cited Istanbul's constant improvement in a number of areas, including financial services and city image. The study observed that "Istanbul is the most consistently improved city over the recent timeframe. In particular, it has cemented its status as a diversified onshore provider of financial services, and has regularly overtaken medium-sized established cities, owing to its scale and gateway functions."

JLL Turkey head Avi Alkas said that the study shed light on strategic opportunities for those who live or do business in the surveyed cities. Highlighting Istanbul's performance, he stated: "These results indicate how the cities' ranking in the index can change depending on their performance. Improving standards, changes in perception, availability of new information, and formation of business partnerships all play a role."

Thanks to its location as a bridge between Europe and Asia, Turkey's megacity is home to a significant number of global companies, either as regional headquarters or operating offices. With its surging commerce and vibrant financial market, Istanbul is also set to become an international financial center.
The volume of mergers and acquisitions (M&A) in Turkey over the first 4 months of 2015 has reached USD 5 billion, according to data compiled by the Anadolu Agency. Foreign parties were involved in more than half of the approximately 60 transactions that took place in the period, partnering with or acquiring 40 Turkish companies operating in the IT, manufacturing, energy, and retail sectors.

Notable transactions in Turkey thus far this year include the total acquisition of online food delivery company Yemeksepeti by Delivery Hero for USD 589 million, and Dubai-based private equity investor Abraaj Group’s partnering with Hepsiburada.com, Turkey’s largest online retailer, for a deal said to be around USD 400 million.

Another investor from the Gulf region, Investcorp from Bahrain, took over majority stakes in Arvento Mobile Systems, a Turkish telematics company, while Qatari investment fund Mayhoola partnered with Turkish retailer Boyner in a 30.7 percent stake acquisition deal for USD 332 million.

Turkey, the rising star of global tourism, expects an influx of at least 42 million foreign visitors this year, aiming to earn USD 36 billion.

“Turkey’s tourism sector continues to grow,” said Association of Turkish Travel Agencies (TÜRSAB) Chairman Basaran Ulusoy. Speaking to the press about the outlook for Turkey’s chimneyless industry, Ulusoy said that winter tourism in the country was gaining prominence as it guarantees year-round attraction in regions such as Erzurum, where the Erciyes Ski Center is located.

Turkey is the 6th most popular holiday destination in the world, with 36.8 million foreign visitors in 2014. Last year TripAdvisor picked Istanbul as its top travel destination.

**Turkey ranks among top FDI destinations – A.T. Kearney**

According to global management consulting firm A.T. Kearney, Turkey’s growing economy continues to instill confidence among foreign investors. The country climbed two ranks in the 2015 A.T. Kearney Foreign Direct Investment Confidence Index, reaching 22nd place from 24th to surpass Poland, Norway, and Finland in the eyes of the top executives of the world’s leading corporations whose opinions form the index.

Mentioning the Turkish government’s hosting of G20 and B20 meetings in Antalya this year, the study emphasized the country’s plans for growth, relying on priority sectors, and its goal to become a top 10 economy by 2023, the centenary of the founding of the republic.

“As a platform serving both Europe and the Middle East, boasting the 16th largest domestic market in the world, Turkey has untapped investment potential,” the report observed, highlighting the government’s reform program to bring more FDI into higher value-added industries.

**A. Schulman to invest in production plant in Turkey**

The U.S.-based plastics supplier has unveiled plans to build a masterbatch production facility in Turkey to serve food and industrial packaging customers in the Middle East and North Africa.

The company plans to lease existing industrial facilities in the greater Istanbul area and convert them into a state-of-the-art production plant at a projected cost in the range of EUR 5 million to EUR 7 million. This new facility is expected to be in production by the end of fiscal 2016, producing the company’s premium additive, white, and breathable masterbatches for food and industrial packaging applications. Drawing attention to Turkey’s large domestic market and close proximity to other emerging markets, Ekin Kurt, General Manager of A. Schulman Turkey, said that the investment would assist the company’s regional plans to create sustainable growth. “Turkey lies at the center of key growth markets”, he noted.

A. Schulman employs approximately 3,900 people and has 42 manufacturing facilities globally.

**Turkish tech and retail companies attract high volume of M&As**

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The Industrial and Commercial Bank of China (ICBC) has announced the completion of a 75.5-percent stake acquisition in Tekstilbank, becoming the first Chinese lender operating in Turkey. The acquisition deal between ICBC and Tekstilbank owner GSD Holding, worth TRY 669 million (approx. USD 254 million), will strengthen financial ties between Turkey and China while contributing to the development of both countries, ICBC said in a written statement.

“The acquisition of Tekstilbank further complements ICBC's international footprint. The transaction will also enhance ICBC's service capability for customers from both countries, thereby promoting local economic development. At present, China is Turkey's third largest trading partner and second largest source of imports. According to the long-term trade target set by the governments of China and Turkey, bilateral trade volume is expected to exceed USD 100 billion by 2020," ICBC said.

Turkey has significant experience in a wide range of business service lines such as engineering services and contracting, testing and technical analysis, call centers, auditing and accounting and law advisory as well as consulting and financial services.

Global data between January 2003 and September 2013 for capital investments indicate that business services had the second largest share with 16.4 percent, just behind software and IT services. The number of projects, which include expansions and colocation investments, increased with a CAGR of 7 percent, reaching 879 in 2013, while 2012 saw the highest number of projects for business services with 1,679.

According to the Finance Ministry, the Turkish engineering and contracting services sector has worked on approximately 7,000 projects in 100 countries, totaling more than USD 242 billion since 1972.

The testing and technical analysis sector recorded an uptrend in its turnover and grew with a positive CAGR of 21 percent between 2005 and 2011. This sector is expected to continue its growth and reach USD 897 million, in parallel with projected growth in related industries such as manufacturing and chemicals.

Call centers in Turkey have been developing significantly in the last couple of years, reaching a market value of USD 1.4 billion in 2013. The call center sector has the potential to have a workforce of 350,000 by 2023, compared to 70,200 in 2013.

Turkey's auditing and accounting sector posted a total turnover of USD 3.3 billion in 2012 and grew at a CAGR of 15 percent between 2005 and 2012. As new regulations come into force and Turkey aspires to standards compatible with the EU, the auditing and accounting sector will continue to grow.

Meanwhile legal advisory, consulting and financial services also play a crucial role in Turkey's economy. The country's vibrant economy and improved business environment have resulted in the growth of consulting services. Major global companies in both sectors now have their offices in Turkey. According to Euromonitor International, the legal advisory services turnover will reach USD 3 billion by 2017, whereas consulting will reach USD 19 billion, due to Turkey's vibrant business environment.
ISPAT Team at Work

OECD Forum 2015 - Paris / FRANCE

The OECD Forum convened in Paris on June 2-5, attracting over 1,900 participants from 70 countries with 200 speakers, including ministers, CEOs, representatives of trade unions, international organizations, civil society organizations and academics. ISPAT was a sponsor of this year’s forum, which focused on investment, inclusive growth, innovation, the new climate economy and sustainable development goals.

World Conference on Technology, Innovation and Entrepreneurship - Istanbul

The World Conference on Technology, Innovation and Entrepreneurship was held in Istanbul on May 28-30, aiming to create synergy for social welfare by bringing the global business community together with academia. The main focus was on entrepreneurship for technology and innovation-based sustainable development. ISPAT contributed to the conference with a speech on the importance of attracting and supporting high-tech and innovative investment.

CPhI Istanbul

Designed to provide invaluable insights into the fast-growing regional pharmaceutical market, CPhI Istanbul was held on June 3-5, bringing local Turkish and regional drug manufacturers together with global suppliers of raw materials, machinery, packaging solutions and contract services. ISPAT was present at the event with a booth and made a keynote presentation on Turkey’s pharmaceuticals industry.

Invest in Turkey’s updated official application is now available at App Store and Google play!

Everything you need to know about Turkey’s investment environment at your fingertips.

Upcoming

WAIPA - World Investment Conference 2015
14-16 June 2015
Milan, ITALY

The 20th annual WAIPA World Investment Conference will be held in Milan, Italy, from June 14-16, with the main theme ”converging best FDI strategies”. The conference will bring Investment Promotion Agencies (IPAs) from a vast number of countries together with government officials, the private sector, and academics working on FDI policy and strategy.

Korea Overseas Investment Fair 2015 (KOIF’15)
17-18 June 2015
Seoul, KOREA

KOIF, a unique event offering investors an opportunity to interact with Korean companies interested in overseas investments, will be held by the Korean Trade and Investment Promotion Agency (KOTRA) on June 17-18 in Seoul, South Korea. ISPAT will have a booth at the fair and host a conference focused on Turkey’s investment climate.