Recordati investing USD 50 million in new Turkish plant

Italy’s Recordati, a leading maker of medicinal products, is expanding its presence in Turkey with a new manufacturing plant. The USD 50 million investment project, implemented in cooperation with the Investment Support and Promotion Agency of Turkey (ISPAT), will significantly increase Recordati’s manufacturing capacity to meet the needs of both the domestic and regional markets.

Announced by ISPAT President İlker Aycı during a meeting with journalists, Recordati’s new plant in the Çerkezköy Organized Industrial Zone in Tekirdağ province in northwestern Turkey will supply drugs for various therapeutic uses, in particular, cardiovascular and urogenital diseases, whilst creating 130 new jobs.

“ISPAT is proud to have supported this project which stands out with its production capacity, potential and high added-value. It is a step closer to Turkey’s 2023 vision; to be among the world’s top 10 economies and reach an export volume of USD 500 billion,” Aycı said.

FDI up 51% in January

Turkey attracted over USD 1.2 bln FDI in January 2014, increasing by 51% year-on-year.

Out of USD 1.2 bln, USD 841 mln is net equity inflow, USD 80 mln is inter-company loan, while USD 290 mln is net real estate purchases.

The Netherlands, with USD 599 mln, is the largest investor in January, while the banking sector, with USD 372 mln, attracted the largest amount.

With construction scheduled to start in Q1 2014, the plant will reach operational stage by 2017. Having entered the Turkish pharmaceuticals market with the acquisition of local Yeni İlac in 2008, the Italian company continued to grow in Turkey by taking over another local pharmaceutical company, Dr. F. Frik in 2011.

Assessing Turkey’s performance in attracting foreign direct investments (FDI) in 2013, ISPAT President Aycı said that the country attracted USD 12.9 billion last year.

“FDI up 51% in January”

In terms of greenfield investments, Turkey is among the top 20 FDI recipient countries. The average size of investments went up considerably as well, up from USD 50-100 million to USD 300-500 million” Aycı said.
Turkey’s largest-ever wind energy project underway

Borusan EnBW Enerji, an Istanbul-based renewable energy company jointly established by Turkey’s Borusan Holding and German EnBW, has signed a deal with the Danish company Vestas Wind Systems to supply turbines to power new and existing wind farms in Turkey. The project involving 5 separate wind farms in various parts of the country amounts to USD 346 million, largest ever wind energy venture in Turkey and one of the largest in Europe. Envisioning four brand-new wind farms to be built in Mersin, Bursa, Izmir and Canakkale provinces as well as expanding the company’s existing wind park in Balikesir, the project’s combined capacity will reach 207 megawatts (MW) upon its scheduled completion in 2015.

New realty project by UAE-based developer in Trabzon

Located in Trabzon province, the USD 60 million project is the company’s fifth in Turkey, following other residential complexes in Bursa, Yalova and Sakarya provinces. “The real estate sector in Turkey offers a huge potential for growth and we are proud to be playing a pivotal role by unveiling a new project in Trabzon,” Wiaam Mahmoud Rabah, Green Valley International Chairman, said about the project.

Indesit to set up new plant in Turkey

The Indesit Company is setting up a new manufacturing plant in Turkey. One of Europe’s leading home appliance makers, the Italian company will build a facility for the production of washing machines in Manisa Organized Industrial Zone next to its refrigerator plant.

To be built at an investment cost of EUR 35 million, the new plant will create employment for 750 people. Slated to reach operational status by October this year, 75 percent of the factory’s annual output will be destined for export markets.

GDP & FDI
- GDP in 2012: USD 786 bln
- GDP growth in Q3 2013: 4.4%
- FDI inflow in 2013: USD 12.9 bln
- FDI inflow in Jan. 2014: USD 1.2 bln
- Number of foreign companies as of the end of 2013: 36,437

Source: CBRT, Ministry of Economy

Foreign Trade
- 2013 exports total: USD 151.9 bln
- 2013 total imports: USD 251.7 bln
- Major export markets: Germany, Iraq, the UK
- Major export goods: Automotive, machinery, iron and steel

Source: TurkStat

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

Ford expanding investments in Turkey

Preparing for strong global growth in 2014, the Ford Motor Company is expanding its investments in Turkey, the brand’s commercial vehicle production hub. Following through a 4-year plan that includes a new vehicle plant, capacity upgrades and research & development (R&D) operations in Turkey, the US-based carmaker’s total investments for the 2011-2014 period will reach USD 1.6 billion, far exceeding the planned amount of USD 1 billion. Active in Turkey through its subsidiary Ford Otosan, a joint venture between Ford Motor Company and Turkey’s Koc Holding, the company has invested more than USD 1.2 billion in Turkey since 2011. The company will channel USD 340 million to its operations in Turkey this year, taking the total to almost USD 1.6 billion.
Outlook bright for Turkey’s wind power industry

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’s installed capacity generated by wind farms amounted to 2,956 MWs, surpassing the Netherlands to become the 10th largest wind power producer in Europe. The country has approximately 1,000 MW capacity under construction to join the grid this year, previous reports by the Turkish Wind Energy Association suggest.

Wind power is expected to account for 20,000 megawatts (MW) of the country’s planned 120,000 MW total installed capacity by 2023. In contrast with Europe, where most of the easily accessible forms of renewable energy are already tapped to the limit, Turkey and its vastly underused wind potential present lucrative opportunities for energy companies looking for long-term growth.

“Turkey’s wind energy potential is 25-30 percent higher than that of Europe”, according to the President of the Turkish Wind Energy Association (TÜREB), Mustafa Serdar Ataseven. Reviewing last year from the wind power perspective, Ataseven said that 2013 was a good year in terms of capacity increases and new investments. “With 700 MWs having joined the grid last year, installed capacity from wind power has reached 3,000 MWs, while 1,000 MWs of capacity is under construction”, Ataseven noted.

“Wind farms with a combined capacity of 800-1,000 MWs will join the grid in 2014, taking the total to a level between 3,800-4,000 MWs”, he said, with regard to the industry’s new year target.

The country’s installed capacity of 62,000 MWs as of the end of 2013 is expected to reach 120,000 MWs in 2023, a third of which will be generated from renewable sources.

Among the top 10 wind energy producers in Europe

Turkey’s wind energy potential is 25-30 percent higher than that of Europe’

A gateway to regional markets

“Turkey’s business experience in dealing with Central Asian, Middle Eastern, North African countries is an invaluable asset for the British who team up with Turk- ish companies to reach these markets. There exists huge investment potential in Turkey to reach the surrounding emerging markets”

Chris Gaunt - Chairman of the British Chamber of Com- merce of Turkey (BCCT)
ISPAT briefly over 500 representatives from Japanese companies in Tokyo, Osaka and Nagoya on Turkey’s economy, investment incentives, tax system and recent M&A deals between Turkish and Japanese companies.

ISPAT President İlker Aycı elected to lead the umbrella organization that covers 175 national and regional investment promotion agencies from 132 countries by receiving all votes cast by the 14-member WAIPA Steering Committee at the meeting held in Cape Town, South Africa.

ISPAT and the Chamber of Commerce of Bilbao jointly held an investment seminar in Bilbao. The seminar brought together many executives from global companies and focused on all aspects of investing in Turkey, with an opportunity to highlight the recent developments in the Turkish economy.

ISPAT President İlker Aycı will deliver a speech at the Uludag Economy Summit, an annual gathering of leaders in politics, economy, and business.

ISPAT will be present at the Baden-Baden Entrepreneur Talks (BBUG), a bi-annual gathering of business leaders, high-ranking politicians, scientists and intellectuals, to brief the participants on “Turkey’s 2023 Strategy: Infrastructure-Development, Entrepreneurship and FDI.

A high-level delegation from ISPAT will be visiting the Thyssenkrupp headquarters in Essen, Germany.

Turkey has been recognized for the second year in a row as a ‘Country of Honor’ at MIPIM, 2014

ISPAT jointly holds an ‘Invest in Turkey’ event with Italian Employers Federation, Confindustria, for Italian companies.

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