The World Investment Conference (WIC), organized by the World Association of Investment Promotion Agencies (WAIPA), was held in Istanbul on October 13-14. Among the attendees were over 100 investment agency officials as well as high-level executives of the World Bank, the International Labor Organization, the Islamic Development Bank, and the Organization for Economic Cooperation and Development.

A key theme of Turkish Deputy Prime Minister Mehmet Şimşek’s speech at the conference was that Turkey would continue cooperating with western countries. He mentioned that, even after the July 15 failed coup attempt, Turkey would like to update the Customs Union Agreement with the EU. Şimşek saw no reason that Turkey could not increase its trade volume with the EU over the next 10 years. He ended by saying that in order to achieve its pre-crisis levels of growth rate, Turkey should take all measures, including structural reforms.

Also speaking at the conference, Arda Ermut, President of WAIPA and the Prime Ministry Investment Support and Promotion Agency of Turkey (ISPAT), announced that they aim to establish an investment market that would bring developed and emerging economies together. Ermut stressed the strong role of the conference in terms of direct investments around the world and the strategies followed by the related institutions responsible for these investments. Upon taking over the presidency of this organization in 2014, Ermut recalled that one of the first things they accomplished was to move WAIPA’s headquarters from Geneva to Istanbul, citing the latter’s more central location to countries actively seeking foreign direct investments. Mentioning their goal of encouraging investments through cooperation among international organizations and investors, he further said that besides 168 members from 30 countries, WAIPA is working to involve even more members into the association in an attempt to make it even more inclusive.

The motto of the 21st WAIPA WIC, “Inclusive Investments and a Sustainable Future,” was the reflection of the need to create sustainable investments at the investment agency level. Within this scope, debate sessions in the conference focused on steering towards sustainable FDI as a main driver to achieve sustainable development goals, influence of technology in IPA service excellence and analyzing factors that determine private sector investments into markets.
GLOBAL INVESTORS CONFIDENT ON TURKEY’S ECONOMY

The 9th Investment Advisory Council (IAC) meeting, aimed at improving Turkey’s image as an investment hub, attracting more foreign investors, and providing an international perspective to ongoing investment related reforms, was held on October 27 in Istanbul.

A highlight of the meeting was a declaration that was read on behalf of the companies at a news conference. Attending the news conference were Prime Minister Binali Yıldırım, Deputy Prime Ministers Mehmet Şimşek and Nurettin Canikli, Energy and Natural Resources Minister Berat Albayrak, and Minister of Economy Nihat Zeybekci.

The declaration expressed the confidence of foreign companies in Turkey’s economy in the wake of the defeated coup. Emphasizing that the Turkish government has been very helpful to investors via incentives and reforms, companies noted that Turkey has outperformed most of the emerging economies in terms of growth rates. Investors also cited the medium-term program, the 10th development plan, and the government program as the main pillars Turkey’s transformation into an innovation and productivity-driven economy.

The declaration also had some ideas on seeing opportunities in challenging times and on reducing the gap between the reality and the perception of Turkey. Stressing the importance of a stable macro environment to provide better predictability and to continue structural reform agenda, the declaration also pointed out the need to prioritize strategic sectors such as information and communications technology and to make more efficient use of communication channels with the international business community.

The IAC was founded in 2004 with the participation of senior executives from prominent multinational companies. Attendees at the 9th IAC meeting included top executives of 20 multinational companies such as the World Bank Group, Alstom, Bank of China, Sberbank, Qatar First Bank, BP, Burgen Bank, Microsoft, Renault, United Technologies Corporation, and Vodafone. These companies came from 14 countries, operate in 10 different sectors, account for a total turnover of around USD 700 billion, and employ 1.5 million people.

ROLLS-ROYCE EYES MORE INVESTMENTS IN TURKEY

ISPAȚ has recently mediated several meetings for British aviation giant Rolls–Royce regarding possible cooperation opportunities in Turkey.

Rolls–Royce, a key player in the Turkish defense industry, has shown a continuing interest in the country by pursuing investment opportunities and providing technological support for potential local partners. The company is also said to be eager to work with a local partner in the field of energy and to engage in technology transfers. In October 2015, a memorandum of understanding was signed by Turkey and Rolls–Royce regarding technological know–how and for the inauguration of an Advanced Manufacturing and Technology Center in Turkey. Such a center would be the company’s 8th such unit worldwide, and it would facilitate the transfer of know–how and technology to Turkey.

As one of the first major companies to condemn the attempted coup, Rolls–Royce Turkey CEO Patrick Regis emphasized that Turkey holds a bright future for Rolls–Royce, which has a long–term strategy in the country and will not change its plans in moments of instability. This commitment to Turkey was also evident earlier in the month when on October 5, 2016, Prime Minister Binali Yıldırım met with Rolls–Royce CEO Warren East at the Çankaya Mansion together with ISPAT President Arda Ermut. Warren was then received by President Recep Tayyip Erdoğan at the Presidential Complex.

“We do not consider foreign investors to be foreigners, but see them instead as "our" entrepreneurs.”

Prime Minister Binali YILDIRIM
The signing ceremony for the financing agreement of Turkey’s two new city hospital projects in Izmir and Kocaeli was held at the Presidential Complex in Ankara.

Accordingly, Gama Holding, Türkler Holding, and General Electric will participate in the project, with USD 1.1 billion in external financing coming in part from the Overseas Private Investment Corporation (OPIC), the Export Development Canada, and the European Bank for Reconstruction and Development (EBRD) which will provide credits with 18-year terms.

Speaking at the signing ceremony for the financing agreement, President Recep Tayyip Erdoğan said, “Progress in healthcare services will bring about development in the healthcare industry in Turkey. With these investments, we aim to make our country one of the top 5 countries in the world for medical tourism.”

Stating that the city hospitals project has been his dream for 14 years, Erdoğan acknowledged that 29 city hospitals with a combined capacity of 41,000 beds will be built by 2019 at a total investment cost of TRY 30 billion.

Meanwhile, General Electric Turkey President and CEO Canan Özsoy stated during the ceremony that it is a great source of pride to commission hospital campuses in these two important Turkish cities, adding that all partners are fully committed to the agreement along with Turkey.

Furthermore, OPIC Regional Director Danielle Montgomery said that the agreement is a concrete sign of the US’s friendship with Turkey and the Turkish people. According to Montgomery, the USD 250 million provided by OPIC means more than just a hospital investment; but is rather a sign of confidence in Turkey’s future. So far, Turkey has carried out tenders or concluded agreements for 21 city hospitals in different parts of the country.

international investors. “Our doors and hearts are wide open for those who see Turkey’s potential and believe in its nation”, he noted. Defining the city hospitals project as one of the most outstanding examples of private–public-partnership, Erdoğan added, “Where there is stability and confidence, there are joint projects by the private and public sectors.”

Mentioning the role of the Investment Support and Promotion Agency of Turkey (ISPAT) in streamlining investment processes in Turkey, Erdoğan reiterated that all governmental institutions and organizations are ready to assist

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**Turkey’s Medium-Term Economic Program**

<table>
<thead>
<tr>
<th>GDP Growth (%)</th>
<th>Inflation (%)</th>
<th>Current Account Balance (USD Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>8.8</td>
<td>-32.2</td>
</tr>
<tr>
<td>3.2</td>
<td>7.5</td>
<td>-31.3</td>
</tr>
<tr>
<td>4.4</td>
<td>6.5</td>
<td>-32</td>
</tr>
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</tr>
<tr>
<td>5</td>
<td>5</td>
<td>-31.2</td>
</tr>
</tbody>
</table>

F: Forecast
P: Program
WORLD ENERGY CONGRESS CONVENES IN ISTANBUL WITH COMMITMENT TO SHARING FOR PEACE

The 23rd World Energy Congress (WEC), taking place on October 9-13, brought together more than 10,000 participants from 85 countries. Organized under the motto of “Sharing for Peace”, energy supply security and diversification of energy were topics that dominated the proceedings. President Recep Tayyip Erdoğan, Russian President Vladimir Putin, Azerbaijani President Ilham Aliyev, and Venezuelan President Nicolas Maduro attended the congress on the October 10.

President Erdoğan said that WEC aimed not only to establish a platform to exchange ideas regarding energy’s vision and future scenarios, but also to make energy a tool for peace and justice. He also underlined that Turkey is working on securing sources to meet its energy demand, with emphasis being placed on diversifying energy resources. President Erdoğan noted that the Turkish Stream natural gas pipeline project, which will transfer Russian natural gas to Europe through the Black Sea and Turkey, is progressing. He added that Turkey is seeking ways to implement plans for a third nuclear power plant and that the country aims to produce 10 percent of its electricity from nuclear power in the years ahead. Erdoğan also emphasized that most of the mega projects in Turkey will be completed by the end of 2016 or in 2017, and thus the country will be closer to becoming a reliable partner in the natural gas trade with all countries in the region.

During his turn to address the participants, Russian President Vladimir Putin said that Russia aims to abide by the Paris Agreement and reduce CO2 emissions by focusing on renewable energy. He added that although Russia is moving toward clean and renewable energy resources, gas consumption is not going down.

"We have been providing energy to the EU for the past 50 years, and we are now working on a second project. We are discussing the Turkish Stream with President Erdoğan and our other partners."

Vladimir Putin, Russian President

Also speaking at the World Energy Congress, President of Azerbaijan Ilham Aliyev said Azerbaijan’s energy investments in Turkey will reach USD 20 billion. Aliyev, in reference to the bilateral energy projects between Azerbaijan and Turkey, pointed out that the two countries have cooperated on energy infrastructure, such as pipelines, to ensure energy security between both countries. He added that Turkey’s growing prosperity is important not only for Turkey as a leader in defining energy policy in the world, but also for the rest of the world.

Turkey’s Prime Minister Binali Yıldırım underlined during his speech that security and diversification of energy supplies has undoubtedly become an issue of national security. He added, "New actors are coming to the energy sector every day. The global energy community needs to address this transformation process accordingly." He then highlighted the importance of reducing and stabilizing energy prices and acknowledged that Turkey’s demand for energy is nearly three-times higher than the world average.

Serving as the first global energy event held following the Climate Change Conference in Paris, the World Energy Congress was hosted by Turkey’s Ministry of Energy and Natural Resources under the aegis of President Recep Tayyip Erdoğan. Aside from the aforementioned leaders, the list of attendees included Iranian Energy Minister Hamid Chitchian, Saudi Arabian Energy, Industry, and Mineral Resources Minister Khalid A. al-Falih, Russian Energy Minister Alexander Novak, Iraqi Electricity Minister Qasim M. al-Fahdawi, Algerian Energy Minister Noureddine Boutarfa, Energy Minister of the United Arab Emirates Suhail Mohammed Faraj Al Mazroui, Venezuela Oil Minister Eulogio Del Pino, and Marcos Sefcovic, the Vice-President of the European Commission in charge of the Energy Union.
Turkey and Russia on October 10 signed an intergovernmental agreement for the construction of the Turkish Stream gas pipeline, which will pump Russian gas to Turkey under the Black Sea with throughput to Europe. Turkish President Recep Tayyip Erdoğan and Russian President Vladimir Putin were present at the signing of the agreement in Istanbul between Turkish Energy Minister Berat Albayrak and his Russian counterpart Alexander Novak.

Set to carry gas from Russia to Turkish Thrace under the Black Sea, the project was initially announced by Putin during a visit to Turkey in December 2014. Progress was suspended nearly a year ago after the Downing of a Russian jet in November 2015, but improving relations between the two countries now have the project on track to start by late 2017 with completion slated for 2019.

In addition to the gas pipeline agreement, a joint investment fund with Russia and Turkey was also signed on October 9. Under the terms of the agreement, Turkish and Russian investment funds would each provide USD 500 million towards the establishment of the fund. The USD 1 billion–fund aims to boost relations in the tourism, energy, agriculture, and transport sectors. Furthermore, a free trade agreement will be signed and new investments in the agricultural industry will be announced in the near future, according to officials.

Turkey’s Energy and Natural Resources Minister Berat Albayrak announced that the tender for a 1,000 megawatt–photovoltaic solar power plant, which will be established in Konya’s Karapınar district, will be held in December. Poised to be the largest of its kind in the world, the solar power plant will usher in a new era in Turkey’s use of renewable energy resources.

The US, China, and several European countries are expected to compete in the tender that will attract more than USD 1 billion worth of investment to Konya. The investment will create a competitive environment in energy prices, as well as reduce energy costs. The plant will be constructed on a 2,000-hectare area and will produce 1.7 billion kilowatt hours of electricity. That amount of electricity should feed in excess of 600,000 houses.

Pointing out that this is one of the first energy projects of its kind, Albayrak added that in order for a bid to be successful companies will have to install a PV manufacturing facility of minimum 500 MW yearly capacity. Companies successful in the bidding process will start energy production by the end of 2018.

Turkey is set to hold a tender for a similar project in wind energy in the first quarter of 2017. Commenting on the wind plant tender, Albayrak said that they will offer alternative areas for wind farms that might be of interest to investors, and that the tender will be based on a win–win principle. These projects aim to enhance domestic technology and R&D activities in Turkey and will create employment for Turkish engineers, which in turn should encourage further technology–based production in Turkey.

Karapınar Renewable Energy Zone
1,000 MW Solar Power Plant Project

2,000 Hectare Area

Additional Investment of USD 300 Million for PV Manufacturing Facility

Generation of 1.7 Billion kWh of Electricity

Investment of USD +1 Billion

Supply +600,000 Homes

Winning Bid to be Determined by Reverse Auction

Purchase Guarantee for 15 Years

Mandatory Installation of Plant with a Minimum Share of Annual Capacity

Mandatory 80% Employment of Local Engineers

Mandatory 65% Local Production in Initial Phase, 75% in Second Phase

Mandatory Employment of 700 Engineers in Installation, 350 in Operation, and 100 in R&D

Source: Ministry of Energy and Natural Resources

Invest in Turkey
Webrazzi Summit, seen as Turkey’s most influential internet conference, brought digital experts and investors together with entrepreneurs on October 19 in Istanbul. Hosting more than 1,500 participants from nearly 650 companies, including 200 startups, the event was followed by local and foreign press members and was broadcast live on the web.

Delivering closing remarks at the summit, ISPAT President Arda Ermut said Turkey’s investment environment has been continuously improving over the last 14 years. He mentioned that the country is quite investor-friendly, having implemented a far-reaching reform agenda that includes the liberalization of the FDI law, introduction of the principle of national treatment, a lucrative investment incentives scheme, as well as comprehensive amendments to the commercial code. According to Ermut, the establishment of the Prime Ministry Investment Support and Promotion Agency of Turkey – a governmental institution that has a one-stop-shop approach exclusively for investors and that is directly attached to the Prime Minister – has been one of the most important steps taken to ensure that this reform agenda is more conducive to investments in Turkey.

Touching on Turkey’s macroeconomic indicators during his speech, Ermut said, “Since the founding of the Republic, total FDI into Turkey until 2002 was only USD 15 billion, whereas USD 170 billion of FDI was injected in the country between 2002 and July of 2016.” Ermut also touched upon the fact that investors who have never been to Turkey might have misconceptions; however, without fail, any negative opinions are erased after visiting the country.

Ambassador of Republic of Turkey Mr. Öğuz Demiralp and the Commercial Counsellor of the Embassy to exchange views on the relations between Mexico and Turkey. In addition, meetings with financial and consulting institutions like BBVA and PWC were held to better understand the Mexican economy and sectors that have the potential to invest abroad. With regard to the engagement with the private sector, many meetings were organized with companies with the aim of informing them about the investment opportunities in Turkey, demonstrating ISPAT’s support, and learning more about their international investments.

ISPAT held a roadshow in Mexico to engage with relevant foreign institutions and companies who have potential to make business in Turkey. The mandate of the visit was to present investment opportunities to leading members of the Mexican business community and to offer assistance to them before, during, and after their entry into Turkey. With this purpose, ISPAT team visited Mexico City and Monterrey between October 10 – 14 to hold meetings with Mexican companies and institutions. With these meetings, ISPAT sought to improve business relations between the two countries and to find new investment opportunities that would be mutually beneficial.

During this visit the ISPAT delegation had the chance to have meetings with ProMexico, the Mexican Business Council for Foreign Trade, Investment and Technology (COMCE), the Mexico City Chamber of Commerce, the Mexico International Chamber of Commerce (ICC), the Confederation of National Chambers of Commerce, Services and Tourism (CONCANACO Servytur), and the Business Coordinating Council (CCE). They have also visited the