PRESIDENT ERDOĞAN ADDRESSES KEY US INVESTORS AT EXECUTIVE MEETING IN NEW YORK

Turkey continues to implement milestone reforms to attract FDI in accordance with the ever-changing business conditions.

On the occasion of his official visit to New York to attend the 72nd United Nations General Assembly meetings, President Recep Tayyip Erdoğan came together with around 70 businesspeople, including top executives of global companies, NGOs, and senior representatives of the US business community, on September 21. During the executive meeting organized by the Investment Support and Promotion Agency of Turkey (ISPAT) and hosted by the EastWest Institute, President Erdoğan offered US corporate giants insights into Turkey’s investment opportunities and provided updates on the economic agenda.

The meeting in particular focused on Turkey’s investment climate, investment opportunities, economic developments, and reforms. Among the attendees were top executives of prominent companies that included Boeing, Citigroup, Metlife, GE, PepsiCo, Allergan, Cargill, Chevron, UBS, Blackstone, TPI, Oppenheimer, Abraaj, Coca Cola, General Atlantic and Qinvest. Also at the meeting were chairpersons and vice presidents of institutions such as the US Chamber of Commerce.

In his address to the investors, President Erdoğan said that reforms and economic policies are made not only on paper, but that they are also institutionalizing them and providing the required infrastructure for investments that are in the pipeline. He added, "Turkey, while continuing to implement milestone reforms to attract FDI, is also adopting required regulations in accordance with the ever-changing business conditions. Turkey has enacted new legislation governing intellectual property rights. This is of paramount significance for investors as it means Turkey has now become fully compatible with IP regulations in the international arena.

In addition, we have recently introduced a production reform that offers investors easy access to various investment incentives, tools, and advantages. We provide international investors willing to operate in Turkey with all kinds of support and facilitation services through ISPAT, which was incorporated exclusively to support investors, as well as other institutions including the Presidential Office.”

ISPAT once again had a very comprehensive agenda in September. We held a high-level investor meeting in the US honored by President Recep Tayyip Erdoğan. We also hosted the launching meeting of Austrian Hamburger Containerboard’s first greenfield investment in Turkey, and invited a German delegation that included media representatives, NGOs, and academics for a series of meetings in various cities throughout Turkey. This month also saw me and ISPAT team members attend several events and conferences as keynote speakers and panelists. I hope this newsletter will benefit all those corporations, individuals, and business executives who are interested in investing in Turkey.

Arda ERMUT
ISPAT President
AUSTRIAN HAMBURGER CONTAINERBOARD INVESTS EUR 300 MILLION IN GREENFIELD PAPER MILL

Hamburger Containerboard, part of Austrian Prinzhorn Holding, is poised to debut its first greenfield investment in Turkey in the central western province of Kütahya.

Austria’s Hamburger Containerboard GmbH will invest EUR 300 million in a new greenfield paper mill in Kütahya, Turkey. Slated for completion in 2020, the new state-of-the-art and eco-friendly facility will produce 480,000 tons of containerboard per annum and create job opportunities for 500 people.

A September 13th meeting hosted by ISPAT President Arda Ermut and attended by Cord Prinzhorn, CEO of the Austrian Prinzhorn Holding, Harald Ganster, Managing Director of Hamburger Containerboard GmbH, and Velişah İner, Managing Director of Hamburger Turkey, saw the unveiling of the details of the first greenfield investment by Hamburger Containerboard in Turkey.

ISPAT President Arda Ermut revealed that Hamburger Containerboard had worked with ISPAT for almost three years on its first greenfield investment in Turkey. “The EUR 300 million investment in Kütahya has been finalized with the land purchase by Hamburger Turkey. A total of 500 new jobs will be created,” said Ermut. “This investment progressed to an advanced stage following a three-year effort, and it is notable for being completely eco-friendly. Once again, this investment confirms that Turkey is a key market for European companies. We see that European investors are still showing a great deal of interest in Turkey.”

Arda Ermut thanked the Turkish Embassy in Vienna, the Turkish Ministry of Industry, the Kütahya Municipality, and the Zafer Development Agency for their collaboration and support throughout the process.

Hamburger Turkey is a part of Hamburger Containerboard, which has seven paper mills in four countries and an annual production of 2 million tons of containerboard. The company has two other mills in Turkey, in Çorlu and Denizli. The new paper mill will employ cutting-edge technology and use a width of 7.80 m for an annual production capacity of 480,000 tons of containerboard.

Hamburger Containerboard GmbH is part of the Prinzhorn Holding, which employs 6,300 people in 15 countries and ranks among the European market leaders in the recycling, paper and packaging industries. Prinzhorn Holding is ranked third in its segment in Europe, with an annual turnover of EUR 1.23 billion. The family-owned Prinzhorn Holding has its headquarters in Vienna, Austria. Prinzhorn Holding has three main divisions: Dunapack Packaging (corrugated packaging solutions), Hamburger Containerboard (paper production) and Hamburger Recycling Group (collection and trading of waste papers).

Turkey is an important market for us and this latest investment is a sign of our commitment to a fast-growing Turkey. We would be happy to take further steps to continue the project.

Cord Prinzhorn
CEO Prinzhorn Holding

We are very excited to have found such an excellent location for this project. The paper mill we are setting up will further strengthen our supply of high-quality paper for our customers.

Harald Ganster
Managing Director of Hamburger Containerboard

€ 300 MILLION INVESTMENT

480,000 TONS OF CONTAINERBOARD CAPACITY PER ANNUM

EMPLOYMENT FOR 500 PEOPLE
We have entered a period of rapid growth in Turkey. Courier and express parcel delivery services - the lifeblood of trade - connect companies and individuals in Turkey in the fastest and most convenient manner. We believe that MNG Kargo, with the highest level of investment in automation and technology in the sector, can provide the fastest and highest quality service to all parcel delivery users and meet the growing demand driven by e-commerce.

Hale Özsoy Bıyıklı
Turkven Partner
Malaysia’s Khazanah Nasional Berhad and Khazanah Turkey Regional Office (KTRO) held a regional meeting in Istanbul on September 11-12 for staff covering Turkey, Middle East, North Africa, and Eastern Europe. Attendees for the event included board members, senior management, and CEOs of some of KTRO’s portfolio companies.

Khazanah’s total investments in Turkey to-date have reached USD 2.6 billion, including stakes in Acibadem Healthcare Group, Acibadem Sigorta, Istanbul Sabiha Gökçen Airport, Gama Enerji, and Abraaj Turkey Fund I.

ISPAT President Arda Ermut participated in the meeting as a panelist on the session “Turkey and Eastern Europe Opportunities”. Ermut underlined that Turkey’s economy is quite resilient and that it grew by 5.1 percent in the first half of 2017, making it one of the fastest growing economies in the world.

Khazanah Nasional Berhad is a wealth fund launched in 1993 by the Government of Malaysia. The fund holds and manages the chosen commercial assets of the state, with a primary mission of undertaking strategic investments on behalf of the state.

Existing in industries such as energy, telecommunications, finance, health, aviation, infrastructure, entertainment, and tourism, Khazanah includes Axiata, CIMB, Tenaga Nasional, IHH Healthcare, UEM Group, Telekom Malaysia, Malaysia Airlines, and Malaysia Airports in its portfolio.

The third in a series of Venture Capital Anatolia Meetings convened in İzmir on September 20. 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. 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 across nine different provinces in Turkey, including Adana, Bursa, Denizli, Kayseri, Manisa, and Samsun in addition to the meetings in Gaziantep, Konya and İzmir.

There was a panel discussion in the meeting in İzmir where managers from several venture capital and private equity funds shared ideas on how to assist companies during their investments in Turkey.

ISPAT Department Head Ahmet Burak Dağlıoğlu was a speaker at the panel discussion on private equities. The meeting also featured a presentation by ISPAT Coordinator Ahmet Cüneyt Selçuk on the relation between FDI and venture capital.