On September 19, President Erdoğan received Turkish executives of 25 US companies at the Presidential Complex in Ankara. The executives came from various sectors such as finance, ICT, pharmaceuticals and medical devices, chemicals, agri-food, and insurance. Among the companies represented were Boeing, Citibank, Coca-Cola, Dow Chemical, General Electric, Google, Microsoft, and Pfizer.

During the meeting, which was organized by the Presidency of the Republic of Turkey Investment Office in cooperation with the American Business Forum in Turkey (AmCham/ABFT) and the International Investors Association (YASED), President Erdoğan asked each of the executives to express their opinions about Turkey’s current investment environment and their expectations from the government.

“Turkey’s strategic cooperation with the US will be further strengthened through investment and trade. We will not compromise on free market principles and we will continue to take every step so that businesses will not be harmed by trade measures vis-a-vis US tariffs,” said Erdoğan. He made it clear that Turkey will continue to be proactive in implementing regulations, taking into consideration the needs of industry and the ever-changing conditions in the business environment. He stated that Turkey has always welcomed international investments and will continue doing so.

Erdoğan also extended his support to organizing future business workshops under the coordination of the Investment Office. Industry and Technology Minister Mustafa Varank, Trade Minister Ruhsar Pekcan, and AK Party Deputy Chairman Lütfi Elvan were also present at the meeting, which convened prior to Erdoğan’s scheduled visit to US in late September.
NEW ECONOMIC PROGRAM STANDS ON BALANCE, DISCIPLINE, AND TRANSFORMATION

Treasury and Finance Minister Berat Albayrak announced the New Economic Program - 2019-2021 (NEP) on September 20, in Istanbul. The Program centers on the three pillars of balance, discipline, and transformation and outlines the government’s three-year plan to fight inflation, ensure sustainable and healthy growth, and reduce the current account deficit while emphasizing achievable macroeconomic targets. Albayrak stressed that the new program will reinforce the confidence of global markets and investors in Turkey. “The program includes a realistic plan that appropriately identifies current problems and includes correct action plans. It also highlights moderate macroeconomic goals, and we will also take steps to achieve those goals,” said Albayrak.

NEP projects moderate growth rates for 2018 and 2019, but a more prudent fiscal policy with the budget deficit gradually declining to 1.7 percent of GDP in 2021, helping the already tight monetary policy and the rebalancing in the economy. The rise in projected unemployment rates is consistent with moderate growth rates and shows that NEP has a more coherent policy mix.

NEP also unveiled new mechanisms such as the “Financial Stability and Development Committee”, which will maintain financial security and stability, and the “Public Finance Transformation Office”, which will identify saving and revenue improvement potential.

### MAIN ECONOMIC INDICATORS

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<tr>
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<th>2018 E</th>
<th>2019 P</th>
<th>2020 P</th>
<th>2021 P</th>
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</thead>
<tbody>
<tr>
<td>GDP (USD billion, current prices)</td>
<td>763</td>
<td>795</td>
<td>858</td>
<td>926</td>
</tr>
<tr>
<td>GDP growth (%)</td>
<td>3.8</td>
<td>2.3</td>
<td>3.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>11.3</td>
<td>12.1</td>
<td>11.9</td>
<td>10.8</td>
</tr>
<tr>
<td>Current account balance/GDP (%)</td>
<td>-4.7</td>
<td>-3.3</td>
<td>-2.7</td>
<td>-2.6</td>
</tr>
<tr>
<td>CPI (year-end change, %)</td>
<td>20.8</td>
<td>15.9</td>
<td>9.8</td>
<td>6.0</td>
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</tbody>
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### TURKEY RECORDS ROBUST GROWTH RATE IN Q2 2018

The Turkish economy expanded by 5.2 percent year-on-year in the second quarter of 2018. Meanwhile, seasonally and calendar adjusted data show that the economy expanded 0.9 percent from the first quarter to the second quarter of 2018, which indicates that the growth momentum has been sustained. Recent growth figures of 7.3 percent and 5.2 percent in the first and second quarters of 2018 respectively indicate a rebalancing in the Turkish economy.

Out of the 5.2 percent headline growth, 3.8 ppt came from private consumption, 1.2 ppt from investment expenditures, 1 ppt from government consumption, and 0.9 ppt from net export, calculated as export minus import. On the other hand, stock changes deducted 1.7 ppt from growth. Notable contributions from investment spending and net exports show that the quality of growth has significantly improved.

Moreover, Turkey is one of the fastest growing economies in comparison to peer economies, as illustrated in the following chart.

### Q2-2018 REAL GDP GROWTH IN SELECT COUNTRIES (%)

8.2 6.7 5.3 5.2 5.0 4.8 3.8 2.8 2.7 2.6 1.0 0.4

Source: OECD, TurkStat
FRANCE’S RENAULT RAMPS UP INVESTMENTS IN TURKEY

Cooperating for almost 50 years with Turkey’s Oyak, French automotive producer Renault declared that they will continue their manufacturing and distribution operations in Turkey without any change in plans following recent fluctuations in exchange rates. Oyak Renault received a TRY 493 million incentive package for hybrid car investment under the Project-Based Incentives System announced by President Recep Tayyip Erdoğan in April.

QATAR’S MAJOR CONGLOMERATES TURN TO TURKEY FOR INVESTMENTS

Five major conglomerates of Qatar’s private sector are looking to invest USD 300 million in Turkey after Doha pledged USD 15 billion in direct investments to Turkey. As part of this decision, Turkey and Qatar inked a partnership deal on September 4, the Economic and Trade Partnership Agreement, to boost trade and attract investments. Turkey’s Trade Minister Ruhsar Pekcan and Qatar’s Economy and Trade Minister Ahmed bin Jassim bin Mohammed Al-Thani closed the deal that will attract Qatari capital to Turkey.

EBRD SUPPORTS RENEWABLE ENERGY IN TURKEY

The European Bank for Reconstruction and Development (EBRD) will provide a financing package of up to USD 102 million to the renewable energy arm of the Turkish conglomerate Akfen Holding. “The new financing demonstrates EBRD’s commitment to the Turkish economy and confidence in the fundamental momentum behind the global shift to renewable energy,” EBRD noted.

SAYEM TO EXPAND HIGH-TECH PRODUCTION IN TURKEY

Industrial enterprises, R&D centers, SMEs, entrepreneurs, and universities will be supported with TRY 500 million through the Industrial Innovation Network Mechanism (SAYEM), Technology and Industry Minister Mustafa Varank announced. SAYEM has been developed to increase the share of high-technology production in the country’s exports. “With SAYEM, we took the first step to produce high-tech products locally. By making value-added products — as a result of R&D and innovation activities — the country’s current account deficit will be narrowed,” said Minister Varank.

AMENDED TURKISH CITIZENSHIP REGULATIONS TO FURTHER ENCOURAGE FOREIGN INVESTMENT

Foreigners who meet any of the following conditions would be eligible to acquire Turkish citizenship:

- Invest at least USD 500,000
- Acquire an immovable asset of at least USD 250,000
- Employ at least 50 people
- Deposit at least USD 500,000 in Turkish banks or a combination of assets in Turkish banks and government bonds
- Hold at least USD 500,000 in foreign currency or vC investment fund share

INVEST IN TURKEY
TEKNOFEST, Turkey’s first aerospace and technology festival, took place at the Istanbul Grand Airport on September 20-23, bringing together about half a million technology enthusiasts from across the globe.

Invest in Turkey was one of the various sponsors of the event that included rocket and hacker competitions, speed races of some of the fastest vehicles, aeronautical shows, the World Drone Cup—a drone speed race with participants from 25 countries—, the Take Off International Startup Summit—attracting over 2,000 competitors—and exposing the attendees to never-seen-before technologies.

Speaking at TEKNOFEST on September 22, President Recep Tayyip Erdoğan emphasized the importance of technology, stating that the first condition of independence in today’s world is to become a country that designs, develops, produces, and exports technology. Following his speech, President Erdoğan presented awards to the winners of the technology competitions.

The head of Invest in Turkey Arda Ermut participated as a panelist in the “Role of Governments and International Organizations in Empowering Youth Entrepreneurship Towards Sustainable Growth” session at the Take Off International Startup Summit.

NEW BOARD OF DIRECTORS OF TURKIYE WEALTH FUND HOLD ITS FIRST MEETING

President Erdoğan received at the Presidential Complex the Board of Directors of the Turkiye Wealth Fund, including Treasury and Finance Minister Berat Albayrak, Investment Office President Arda Ermut, Banks Association of Turkey Chairman and Ziraat Bank CEO Hüseyin Aydın, TOBB President Rifat Hisarcıklıoğlu, BIST board member Prof. Dr. Erışah Arıcan, DEİK Board Member Fuat Tosyalı, and Turkiye Wealth Fund General Manager Zafer Sönmez. Investment Office President Arda Ermut was appointed a board member of the Turkiye Wealth Fund on September 11.

INVEST IN TURKEY

www.invest.gov.tr /investturkey /invest-in-turkey /investinturkeysocial

ISPAT ATTENDS A COUPLE OF EVENTS IN ASIA

Necmettin Kaymaz of Invest in Turkey attended “HSBC’s BRI Summit 2018 | MENAT’s Position in the New Silk Road” in Beijing, where he highlighted to potential Chinese investors Turkey’s ease of doing business, investment climate, and available investment opportunities. Kaymaz also talked about Turkey’s investment climate and recent developments at the Global Assets and Wealth Forum in Singapore. Ahmed Emre Büyükkılıç of Invest in Turkey presented at the 3rd Thai-Turkish SMEs B2B Meeting and Seminar on Exploring Business Opportunities in Thailand and Turkey, which was held in commemoration of the 60th anniversary of Thailand-Turkey diplomatic relations.