



Sumitomo tire plant officially inaugurated by President Erdoğan

Sumitomo Rubber's tire factory in Turkey's Central Anatolian province of Çankırı has been officially inaugurated by Turkey's President, Recep Tayyip Erdoğan. The USD 520 million plant, realized in partnership with Abdülkadir Ozcan A.S (AKO), will manufacture 10 million tires per year, primarily for export markets.

Speaking at the ceremony, President Erdoğan said that Japanese investments into Turkey have increased to USD 1.7 billion in the last five years. "Turkey provides all the support and assistance necessary to international investors. The Investment Support and Promotion Agency of Turkey (ISPAT) has been instrumental in this investment project right from the outset," Erdoğan remarked. He added that Japanese firms were part of seven merger and acquisition operations in the country during the first nine months of the year, an important indicator of Japanese investor interest in Turkey.

Drawing attention to Turkey's successful performance in attracting foreign direct investment (FDI), even when there was a drop in global FDI traffic, Erdoğan said that investor interest in the country was still unwavering. "Despite a 16 percent decrease in global FDI volume, Turkey

managed to attract USD 13.5 billion in 2014, an increase of 1 percent. In last July alone, Turkey received USD 3.5 billion in FDI, a clear sign of our country's safe haven status for international investors," he stated.

"We have high expectations from our Japanese friends. Turkey should have a share of at least 1 percent from Japan's outgoing investments, which would correspond to USD 1 billion a year," the President said. Referring to his official visit to Japan in early October, Erdoğan said that he attended an ISPAT-organized investment seminar in Tokyo where he addressed the executives of over 500 Japanese multinationals and held one-to-one meetings with the CEOs of five of the leading Japanese corporations to discuss their projects in Turkey.

Assisted by ISPAT at every stage of the investment process, once fully operational the Sumitomo Rubber AKO plant will employ 2,000 people and is expected to export 80 percent of its products, consisting of radial passenger and light truck tires, to the Middle East, North Africa, and Russia. The plant will also supply tires to the Japanese auto manufacturers Toyota and Honda for their production operations in Turkey.

Over
200

Japanese companies are active in Turkey, operating in several key sectors including **finance**, **infrastructure** and **automotive**





Chinese consortium buys into Turkish port with USD 940 million investment

Chinese state-owned shipping and logistics company COSCO Pacific, teaming up with China Merchants Holdings International and CIC Capital, has acquired a majority stake in Turkey's 3rd largest container terminal, Kumport.

The consortium will pay USD 940 million for 65 percent of the shares in Kumport's owner and operator, Fina Liman, a subsidiary of Fiba Holding. The remaining 35 percent of the shares are owned by Oman's sovereign fund, the State General Reserve Fund (SGRF), which invested in the port in 2011.

Located on the Ambarli coast of Istanbul, the terminal handles 1.3 million twenty-foot equivalent units (TEU) annually, accounting for 16 percent of Turkey's total container traffic.

The largest foreign direct investment from China into Turkey to date, the stake acquisition deal will give the Chinese a critical foothold on a strategic trade route and a vital node on the Chinese government's 'One Belt One Road' initiative, a modern interpretation of the ancient 'Silk Road'.



Japanese GS Yuasa teams up with Turkish battery manufacturer

A world leader in battery solutions, GS Yuasa Corp of Japan, has entered into a partnership agreement with the Turkish battery manufacturer, Inci Aku. Following a Memorandum of Understanding that was signed last April, talks between the two companies have reached a successful conclusion with the signing of the partnership agreement announced on the Inci Aku website.

According to the deal, to bolster its presence in the region, GS Yuasa will invest in Turkey while Inci Aku will benefit from the Japanese company's strong global presence and product diversity to increase its market share.

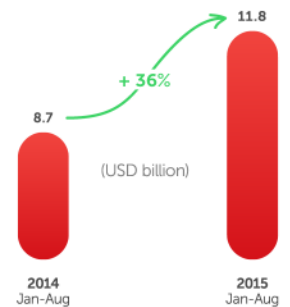
According to the statement on Inci Aku website, the equal-share Turkish-Japanese joint venture will operate under the Inci GS Yuasa brand, aiming for domestic and regional leadership in battery products.

"With its strategic location and strong industrial capacity, Turkey is a key player in a region where GS Yuasa intends to expand its footprint. The partnership deal with Inci Aku is very important in this respect", GS Yuasa President Osamu Murao said about the deal. He added that Inci Aku's production facilities in Manisa would become a manufacturing base for GS and Yuasa branded-products as well.

The financial details of the deal have not been disclosed.



FDI inflow to Turkey up 36 percent, reaches USD 11.8 billion



Turkey attracted USD 11.8 billion of FDI during the first eight months of 2015. This 36 percent increase over the same period of 2014 shows that Turkey's investment appeal remains strong despite the turmoil in some of its neighboring countries.

Commenting on the country's FDI performance during the first eight months of the year, ISPAT President Arda Ermut said that Turkey maintained its status as a safe haven for foreign investors.

"Turkey's investment appeal rests on the economic accomplishments of the last 12 years. As we can observe from the FDI figures, the turmoil in some of our neighboring countries and the elections have not deterred foreign investors, who have confidence in Turkey and its potential. We are optimistic about exceeding last year's FDI total," the ISPAT President stated.



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SECTOR INSIGHT

Agriculture & Food

Ranked 1st in Europe and 7th in the world by agricultural production, Turkey has a fast-growing food market ripe for foreign investors

With its favorable geographical conditions and climate, Turkey is considered to be one of the leading countries in the world in the field of food and agriculture.

The restructuring efforts that began in the early 1980s, alongside a series of reforms including privatizations and the reduction of trade barriers in the agriculture sector, resulted in a domestic market that is an integral part of the world economy today.

Turkey has a large and growing food and agriculture industry that corresponds to 9 percent of the overall gross value-added (GVA) and a quarter of the employment levels in the country.

The strengths of the industry include the size of the market in relation to the country's young population, a dynamic private sector economy, substantial tourism income and a favorable climate.

Turkey has a population of 76 million people and is growing with rising income levels. This makes Turkey one of the largest markets in its region, and the changing consumer habits of the younger generation boost domestic consumption.

This potential positions Turkey to be among the top options for being the regional headquarters and supply center of top global players. In its region, Turkey has a strong dominance in production and exportation of many agricultural products such as hazelnuts, dried apricots, sultanas and dried figs. In addition, Turkey's food industry is much better developed than that of neighboring countries. Given these factors,

the country is one of the largest exporters of agricultural products in the Eastern Europe, Middle East and North Africa (EMEA) region, while its trade balance is significantly positive. With growing exports, the Turkish agrofood industry has recorded USD 5.6 billion of trade surplus in 2014.



Turkey is the world leader in the production of dried figs, hazelnuts, sultanas/raisins and dried apricots. It has the largest milk and dairy production in its region.



Japanese company invests in Turkish beverage brands

Japanese beverage giant, DyDo DRINCO, has acquired 90 percent stakes in the beverage manufacturing subsidiaries of Turkey's largest food products group, Ülker.

Yildiz Holding, the owner of Ülker brand, has reached a deal with DyDo for TRY 335 million (approx. USD 110 million) for the sale of 90 percent shares in each of its beverage units, Della Gida, Ilk Meyve Sulari and Bahar Su. Yildiz Holding will retain the remaining 10 percent shares in the said companies.

In a press release, the Japanese company cited Turkey's young population and economic growth prospects as the main reasons behind the investment, stating that it planned to expand the product line in the Turkish market.

VISION | 2023 agriculture

- Becoming one of the top five countries in terms of agricultural production
- USD 150 billion of gross agricultural domestic product
- USD 40 billion of agricultural exports
- 8.5 million hectares of irrigable area (up from 5.4 million)
- Ranking number one in fisheries as compared with the EU

ISPAT stages investment seminar in Japan



President Erdogan calls for increased trade, investment between Turkey and Japan

During an official visit to Japan, Turkey's President, Recep Tayyip Erdogan, called on the Japanese business community to increase their investment in Turkey. Marking his first presidential visit to the country, Erdogan attended several business-related events, including an investment seminar, organized by the Investment Support and Promotion Agency of Turkey (ISPAT), the Japan External Trade Organization (JETRO) and the Bank of Tokyo-Mitsubishi UFJ (BTMU).



Addressing an audience of high-level executives from Japan's leading companies at the Turkey Investment Seminar on the second day of his visit, the **Turkish President said that once completed the Economic Partnership Agreement (EPA), now in its third stage of negotiations, would be one of the main pillars of the strategic Turkish-Japanese partnership.**

"The bilateral trade between Turkey and Japan still has ample room to grow. Last year's figures show that the trade volume reached USD 3.6 billion," he noted, calling for joint action to reach a trade level of USD 30-35 billion by 2023, the year of Turkey's centennial.

Speaking at the event the President of ISPAT, Arda Ermut, highlighted Turkey's sector-specific investment incentives and the country's regional hub status, a strategic point of interest for Japanese companies looking for overseas growth.

"Turkey, with its vibrant economy, central geographic location and highly-skilled labor pool, provides a perfect match for Japan, a country at the leading edge of technological prowess with world-renowned corporations in search of new growth markets", he remarked.



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