

INVEST IN TURKEY

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NEWSLETTER



PRESIDENT ERDOĞAN ADDRESSES AT 9TH TURKEY INVESTMENT CONFERENCE IN NEW YORK

President Erdoğan was the guest of honor at the 9th Turkey Investment Conference organized by the Turkey-US Business Council (TAIK) in cooperation with Invest in Turkey.

Bringing together 400 top-tier corporate executives from the US and Turkey with ministerial delegations and senior government officials from both parties, the conference convened in New York on the sidelines of the United Nations General Assembly at the end of September. A primary goal of the conference was to provide a better understanding of the investment landscapes in the two countries.

During his address at the conference, President Erdoğan said that Turkey will continue to improve its investment environment and will never compromise on the principles of the free market economy. He also underlined that thanks to investor-friendly reforms, Turkey has achieved annual economic growth of 5.7 percent on average over the past 16 years. International investors, keenly aware

of Turkey's stability, played a key role in Turkey's growth with investments of nearly USD 200 billion during that time. "The new presidential system has strengthened our ability to introduce reforms. From now on, Turkey will take decisions swiftly and without any bureaucratic obstacles," he added.

The attendees also had the chance to listen to the Turkish Minister of Treasury and Finance Berat Albayrak's interview with Erin McPike, Former Correspondent for CNN and NBC News and White House Correspondent for Independent Journal Review. Albayrak shared information about economic developments and Turkey's newly-unveiled medium-term economic program. Also featured at the conference was the interview of Priya Basu, Head of the Women Entrepreneurs Finance Initiative (We-Fi) Secretariat in the Global Themes Vice-Presidency at the World Bank Group, with Turkish Minister of Trade Ruhsar Pekcan on Women's Role in Business Life in Turkey.



Invest in Turkey's recent agenda has been full of inaugurations and the launching of new factory investments. We co-organized an investment conference in New York honored by President Recep Tayyip Erdoğan. We attended the inauguration ceremonies of Azerbaijan's state oil company SOCAR's Star Oil Refinery in Izmir, Turkish-French joint-venture Oyak Renault's new aluminum injection factory in Bursa, US-based WABCO's first distribution center in Istanbul, German Lohmann's first manufacturing facility in Gebze, and Swiss Zehnder's new plant in Manisa.

Invest in Turkey always remain at investors' disposal for all issues regarding FDI in Turkey.



SOCAR INAUGURATES STAR REFINERY IN TURKEY'S İZMİR

President Recep Tayyip Erdoğan and his Azerbaijani counterpart İlham Aliyev opened in Izmir on October 19 one of Turkey's largest industrial projects, the Star Oil Refinery, which was built by Azerbaijan's state oil company, SOCAR.

During the ceremony, President Erdoğan said that Turkey and Azerbaijan have jointly redrawn Europe's energy and transportation map with the backing of a strong political stance. "Today, with the inauguration of the Star Oil Refinery, we are taking a step forward in our ties, which is a model globally," said Erdoğan.

Azerbaijani President İlham Aliyev also underlined that the

brotherhood between Turkey and Azerbaijan stands as the main reason behind the commissioning of the Star Oil Refinery. "Strong ties between the two countries are our greatest fortune," he stressed.

The USD 6 billion refinery is the largest single-location real sector investment in Turkey's history, and it will be one of the largest petroleum and gas operations in Europe, the Middle East, and Africa. Around 1,100 people will be employed for the refinery which is expected to meet over 25 percent of Turkey's processed oil needs, thus reducing the country's dependency on petroleum and saving around USD 1.5 billion.

OYAK RENAULT BREAKS GROUND FOR ITS NEW PLANT IN TURKEY'S BURSA

Turkish-French joint-venture Oyak Renault broke ground for its high-pressure aluminum injection molding plant in Bursa on October 19. Aluminum engines will be manufactured in Turkey for the first time thanks to this investment, which marks the cornerstone of a production facility for the next-generation of hybrid vehicles.

Speaking at the ceremony, Industry and Technology Minister Mustafa Varank said that Turkey is more than happy to be home to this investment, which will benefit from project-based



state incentives while also enabling the transfer of state-of-the-art technology and supporting exports. "We will reach our target of becoming a pioneer in technology on the back of investments like these that have high localization. These investments will also enable us to achieve our deserved rank in the global economy," Varank added.

Renault Senior VP and Chairman of Groupe Renault Eurasian Region Nicolas Maure extended his gratitude to the Turkish government for all the state incentives granted to Renault for

this investment. "We will be together for at least 27 more years with our new agreement," he said. Also speaking at the ceremony, Oyak General Manager Süleyman Savaş Erdem noted that the Oyak and Renault Groups show their confidence in the Turkish economy by continuing to invest in Turkey.

The project, with a fixed investment of more than EUR 100 million, is expected to reduce the current account deficit of Turkey by USD 2.3 billion over the coming years.

WABCO OPENS DISTRIBUTION CENTER IN ISTANBUL

WABCO

US-based WABCO, a leading global supplier of vehicle control systems that improve the safety, efficiency, and connectivity of commercial services, launched its first distribution center with an investment of around USD 17 million in Hadımköy, Istanbul.

Speaking at the opening ceremony, Invest in Turkey President Arda Ermut highlighted the importance of the investment in terms of demonstrating the confidence that US companies have in Turkey, its significance for being a value adding investment, as well as its role in increasing the competitiveness of the Turkish automotive sector. "I

hope WABCO's new logistics center will embolden the company to make larger investments in Turkey soon, and that WABCO, when it shifts production to Turkey, will benefit from our country's advantageous location in accessing multiple markets," Ermut said.

WABCO Chairman and CEO Jacques Esculier mentioned that WABCO is a pioneer in new automotive technologies and services. "Turkey is of vital importance in our global supply chain. The future is bright for vehicle control systems, and Turkey is set to be a major player in this field with its robust automotive sector," he added.



TURKEY CURBS INFLATION – TAKES POSITIVE RESULTS FROM GLOBAL PLAYERS

Treasury and Finance Minister Berat Albayrak announced the "Full-Scale Fight against Inflation", an all-out program to curb inflation and support businesses as well as consumers amid the inflation and currency exchange fluctuations.

The program offers price discounts in the retail sector, including food and textiles, suspends any increase in electricity and gas bills, and lowers interest rates for bank loans.

Minister Albayrak highlighted that the public sector will be the driving force in the campaign, adding that there is strong coordination in efforts between the Central Bank of the Republic of Turkey,

the Banking Regulation and Supervision Agency, and the Banks Association of Turkey.

After the announcement of the Full-Scale Fight against Inflation Program, on October 16, as part of the 2018 external borrowing program, the Turkish Treasury issued USD 2 billion 5-year dollar-denominated bonds, which attracted USD 6 billion demand, three times the initial target. "The demand is a demonstration of international markets' confidence in Turkey. The measures we have taken and the New Economic Program have received a strong positive response from global financial circles," said Minister Albayrak.



LOHMANN ENGAGES MANUFACTURING FACILITY IN GEBZE

German Lohmann, one of the top adhesive solution providers globally, opened its first Turkish manufacturing facility in the Gebze Plastikçiler Organized Industrial Zone.

Speaking at the opening, Lohmann CEO Elmar Boeke said that as a company delivering adhesive solutions across the globe, Lohmann is delighted to have entered the Turkish market. "We believe that Lohmann will see great success in Turkey on the back of

the country's ever-growing economic strength and surging domestic market," he stressed.

Lohmann will benefit from Turkey's strategic location as a regional center and an export hub. The company is set to ship Made in Turkey products to various markets, particularly in the Middle East. The company has been operational in Turkey with a sales office since 2011, and it is planning to triple its revenues by the end of 2020.

ZEHNDER INAUGURATES NEW PLANT IN TURKEY'S MANİSA

Swiss heating and ventilation solutions company Zehnder's new EUR 20 million facility in Turkey's Manisa province was inaugurated on September 27 during a ceremony attended by Invest in Turkey President Arda Ermut.

Speaking at the event, Ermut said that thanks to Turkey's advantageous location, international companies with production in the country have access to a regional market of more than 1.5 billion people. He added that one of the many reasons why a number of

international companies use Turkey as a management and manufacturing base is because of Turkey's strategic location right in the middle of where half of global trade occurs. "We see Zehnder as a local company that supports domestic production, generates employment, and engages in export," Ermut added.

Zehnder has been operational in Turkey for a long time, and the local share of its procurements stands at 94 percent.



LATEST FDI NEWS



IHI

IHI Dalgakiran, a JV between Japan's IHI and Turkey's Dalgakiran Kompresor, inaugurated Turkey's first and only turbo compressor manufacturing facility in Dilovasi.

TOYO INK

Japan's Toyo Ink Group, one of the world's leading ink manufacturers, announced their decision to increase their investment in Turkey by USD 10 million. The statement announcing the increased investment read, "the company's capital increase since it entered the Turkish market in 2016 will reach USD 27 million."



The European Bank for Reconstruction and Development (EBRD) granted USD 7.5 million to Turkish confectionery producer Kervan Group. Since 2009, EBRD has invested nearly EUR 11 billion in Turkey through 250+ projects. EBRD invested EUR 1.6 billion in 2017 alone, and nearly a third of this financing was provided in Turkish lira.

DAIMLER

The R&D center established by the global automotive giant Mercedes-Benz at its truck factory in central Turkey became Daimler AG's only center in the world that provides truck road tests and engineering services. The cost of the R&D center is estimated to have been over EUR 8.4 million.



Japanese tourism giant Highest International Standards Global has announced plans to make a USD 600 million hotel investment in Turkey in partnership with Dorak Holding, one of Turkey's largest tourism and real estate firms.

EVENTS

SEPTEMBER 28 | TOKYO

Invest in Turkey, Anderson Mori & Tomotsune law firm, and SCS Global accounting firm jointly held an M&A seminar in Tokyo attended by 40 businesspeople. The event featured a presentation on Turkey's attractive investment climate by Invest in Turkey Senior Advisor Yuichi Aoki.

OCTOBER 1 | TURIN

Invest in Turkey and Unione Industriale Torino jointly held a seminar in Turin, Italy, on Turkey's automotive industry. Fiat Tofaş, Taysad, and Eatron Technologies presented on Turkey's lucrative auto investment opportunities, while Simest touched on financial support granted to Italian companies that invest in Turkey.

OCTOBER 5 | LYON



Utku Bayramoğlu of Invest in Turkey, Gide law firm, EGIS Group, and ERAI Turkey offered an insight into Turkey's investment climate and legal framework with a focus on machinery, infrastructure, and R&D at a business seminar in Lyon, France.

OCTOBER 16 | ISTANBUL

Necmettin Kaymaz of Invest in Turkey moderated a panel on energy at the 9th UK-Turkey Business Forum held by the Turkish-British Chamber of Commerce and Industry (TBCCI) in Istanbul.

OCTOBER 17 | ISTANBUL

Erva Kan of Invest in Turkey presented on Turkey's FDI climate and economy to Colombian businesspeople at a seminar held in Istanbul by ProColombia.

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INVESTMENT OFFICE

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