



## BUSINESS AMBASSADORS: TURKISH ECONOMY ON SOLID FOOTING

### ISPAT leads top executives of multinationals on a mission to U.S. to remove perception gaps

ISPAT President Arda Ermut led a delegation of top executives of US companies operating in Turkey on a roadshow to New York and Washington D.C. in a bid to convey a single message: Despite the failed coup and its shocks, the Turkish economy remains on solid footing.

The delegation, part of an ISPAT initiative known as the Business Ambassadors, represented a deep and diverse cross-section of promising investment sectors on both the international and local fronts, and was comprised of executives of the Abraaj Group, Baker & McKenzie, Cisco, Citibank, DOW, GE, Microsoft, P&G, PepsiCo, Ünlü & Co, Heidrick & Struggles, and Istanbul Bilgi University.

The mission of the Business Ambassadors is to improve investor and media perceptions of the business climate in Turkey and to broaden awareness of business opportunities for US investors in the Turkish and regional markets. The delegation worked industriously before

and during the roadshow to provide media representatives, members of the press, think-tanks and major investors in the US with the latest and most accurate updates on Turkey's economy.

As part of activities that centered on showcasing Turkey's profile as a strong and promising investment destination, many interviews and briefings took place in New York with representatives from Bloomberg, Reuters, Time, Fortune, Financial Times, Huffington Post, Barron's, Inc. Magazine, and Global Finance Magazine in attendance.

The investment ties between the US and Turkey served as the foundation for the finance media briefings in New York, while the positives of the Turkish economy, such as macro stability, fiscal discipline, and the robust financial sector, were highlighted by the Business Ambassadors. While in New York, the delegation also met with top executives of Moody's in order to reacquaint the agency with Turkey's experience and its macroeconomic success.

In Washington D.C., the Business Ambassadors met with influential figures, such as congressmen, politicians, and investors in an effort to tell the positive story of Turkey. Talks with Pete Sessions, Co-Chairman of the Congressional Caucus on US-Turkey Relations and Turkish Americans, centered on ways to boost bilateral economic and investment relations between the US and Turkey.

At separate meetings hosted by Atlantic Council and Baker & McKenzie, the delegation presented on Turkey's lucrative investment opportunities that await US companies. The Business Ambassadors also held press briefings in Washington D.C. attended by USA Today, Forbes, and Voice of America.

The Business Ambassadors initiative, one of the first steps in ISPAT's long-term strategy for telling the story of Turkey abroad, is set to be followed by similar missions aimed at removing misconceptions about Turkey and its business climate.



## CAPITAL MARKETS CONGRESS BOOSTS ISTANBUL'S POSITION AS A FINANCIAL HUB

Istanbul, soon to become a global financial hub with strategic advantages such as increasing number of financial instruments and volume of transactions, proximity to major markets, and competitive sectors, played host to the Capital Markets Congress on November 4-5.

Speaking at the opening session, President Recep Tayyip Erdoğan expressed his hope that the congress, which is set to be a truly international platform for the discussion of global issues, will ensure good results for the Turkish economy and will attract a wider audience in upcoming years. According to Erdoğan, the congress will spare no effort towards positioning Istanbul as a financial hub on par with international finance centers such as New York, London, and Hong Kong.

During the congress, Erdoğan drew attention to Turkey's remarkable performance during the global economic crisis, especially when compared to several EU countries still

suffering from outstanding debts. "Despite the serious challenges we faced in the last three years, our growth rate was above the world average. We attained a 4 percent growth rate even in 2015 despite two elections. Additionally, we have overseen an average annual growth rate of 4.7 percent from the year we took office in 2002 until now," Erdoğan said. The two-day congress, which brought financial institutions together with market professionals and regulators, aimed to contribute to the development of the capital markets and intermediation activities, as well as to enhance professional know-how in the sector.

## TURKISH WIND ENERGY CONGRESS SHEDS LIGHT ON RENEWABLES

The 5<sup>th</sup> Turkish Wind Energy Congress was held on November 2-3, in Ankara, with participation of the Investment Support and Promotion Agency of Turkey.

ISPAT President Arda Ermut moderated the **Foreign Investment in Turkish Wind Power Sector** session of the congress. Turkey stands out as one of the fastest growing markets in wind power following Brazil, China, and Poland, emphasized Ermut, and its energy sector has attracted more than USD 15 billion investment over the past 13 years. 2015 alone saw an investment inflow of USD 1.3 billion. Furthermore, foreign and local private players invest USD 5 to 8 billion annually in Turkey in various sub-sectors of energy, from electricity distribution to oil and gas businesses.

Turkey's 2023 Energy Vision calls for allocating 30 percent of the total 120 GW installed capacity to renewables, and wind resources are expected to account for the lion's share considering the regular additions to wind capacity each year.

**With a robust market for clean energy, Turkey is likely to attract around USD 28 billion for renewables by 2020.**

## INVESTMENT STRATEGIES RESHAPED AT VIENNA ECONOMIC FORUM

The 13<sup>th</sup> Vienna Economic Forum (VEF) – Vienna Future Dialogue 2016 took place on November 21 and was jointly hosted by VEF and the World Association of Investment Promotion Agencies (WAIPA).

Speaking at the **Investment Strategy – Regional and Worldwide** session of the forum, ISPAT and WAIPA President Arda Ermut said, "We are witnessing a world economy that has moved past western domination and is now more global in nature." He further stated that emerging and transition economies are making their mark on the economic front, with a combined share of over 50 percent of global FDI flows.

Following the forum was a panel held in Vienna in cooperation with ISPAT and the Austrian Economic Chambers (WKÖ) that mainly focused on Turkey's investment environment. Drawing attention to the successful ongoing economic reforms and incentives in Turkey to support an inward investment proposition, Ermut pointed out the unique and strong market fundamentals of Turkey in his presentation. He highlighted several key sectors and gave special mention to the country's start-up ecosystem.

During the program in Austria, ISPAT Department Head A. Burak Dağlıoğlu also addressed a delegation of Austrian businessmen at a separate panel held jointly with WKÖ in Linz, presenting on top reasons to invest in Turkey and the country's economic drivers.



# GERMANY BASED AUTO PARTS MANUFACTURER ELRINGKLINGER COMMISSIONS NEW PLANT IN TURKEY

Germany-based original auto parts manufacturer ElringKlinger commissioned its new plant in Bursa province of Turkey on November 18. As a global development partner and serial supplier for the automotive industry, ElringKlinger has been working in Turkey for nearly a decade. Located on a 22,400 square-meter area, which includes 9,000 square-meters of indoor space, the new plant will provide employment for more than 200 people.

During his speech to mark the plant's inauguration, ISPAT President Arda Ermut extended his gratitude to ElringKlinger for the company's new investment. He noted that such investments will continue in Turkey, as structural reforms have gone uninterrupted over the past 14 years under the leadership of President Recep Tayyip Erdoğan. Acknowledging that there are more than 6,600 companies operating in Turkey with German capital, Ermut underlined the role of ISPAT as a business facilitator between public and private bodies.

According to ElringKlinger Turkey General Manager Yavuz Günaydın, the company employs some 8,200 people worldwide and operates 45 plants across 21 countries. Stating that their three-year plan includes adding a 7,000-square-meter indoor area to the new facility, Günaydın underscored the importance of Turkey for ElringKlinger's global financial growth.

ElringKlinger started its Turkey operations in 2009, and relocated its Spain production facility to Turkey in 2012. The German manufacturer partners with Ford, Renault, and Peugeot worldwide, and with Ford Otosan, Tofaş, Hyundai Assan, and Oyak Renault in Turkey.



## ALLEYES ON TURKEY AS JAPAN'S MITSUI BUYS STAKE IN KOÇ HOLDING'S INVENTRAM

Mitsui & Co., one of Japan's largest general trading companies, acquired a 30 percent stake in Koç Holding's technological investment company Inventram.

Vice Chairman of Koç Holding Ali Koç stated that the deal with Mitsui will allow Koç to transfer the Japanese company's know-how to Turkey, adding that Koç Holding considers these kinds of technological advancements to be a national issue.

Commenting on the acquisition, Naotaka Hayashi, President of Corporate Planning at Mitsui & Co. Europe, said at the partnership signing ceremony that the potential of Turkey's economy was the main driver of Mitsui's investment.

Having started its activities in 2010, Inventram focuses on technological innovations for entrepreneurs, inventors and companies, providing solutions and consulting services for start-ups.

Inventram's investments include a robotic touch sensor and a revolutionary device that will reduce the possibility of death from internal bleeding in traumatic injuries. With the participation of Mitsui, the company will also operate in the fields of electronics, integrated systems, artificial intelligence, and sensors.

## TURKEY SEEKS SPANISH PARTNERS IN RENEWABLE AND NUCLEAR ENERGY

ISPAT President Arda Ermut, together with Ambassador of Turkey in Madrid Ömer Önhon, briefed Cinco Días -one of the top circulation finance newspapers in Spain- on Turkey's investment climate.

Ermut and Önhon also co-hosted a seminar in Madrid with the Madrid Chamber of Commerce with a focus on Turkey's investment opportunities and its economic success over the past 14 years. The pair gave insight into key economic indicators, FDI flows, reforms, incentives, and new investments in the pipeline.

"Turkey is particularly strong in renewable energy," noted Ermut. "We have an optimal geographical location and we are going to build the largest solar power plant in history in Turkey's Central Anatolian province of Konya. Also in 2017, 1,000 MW of wind energy will be put to tender."

Ermut then informed the attendees that Turkey also has two nuclear energy projects under way. Combined with Turkey's intention to be among the five largest agro-food producers in the world in 2023 and the various construction projects for health campuses across the country, there is no shortage of opportunities for Spanish companies looking to do business in Turkey.

## TURKEY'S ECONOMIC SUCCESS ON DISPLAY IN U.S.

The 35<sup>th</sup> Annual Conference on US-Turkey Relations, recently held in Washington D.C. to address macro and sector-specific topics of global interest, played host to over 500 attendees that included leaders and visionaries in the private, public, and non-profit sectors.

ISPAT Senior Advisor to the US Mustafa İlbeyli was a speaker at the **Promoting US-Turkey Trade: Export and Investment Strategies** panel. İlbeyli touched on ISPAT's efforts to improve the investment environment for the benefit of US-Turkish commercial partnerships and on tools both countries can use to adjust export promotion strategies, encourage foreign direct investment, and balance bilateral trade. ISPAT Department Head A. Burak Dağlıoğlu, who took the stage the following day as a speaker on the **Turkey's Macroeconomic Success** panel, provided insight into how Turkey's strong economy survives and how it overcomes challenges such as the coup attempt and continued regional instability.

During the conference, the ISPAT team also met with government affairs representatives of nine prominent US companies. This exclusive meeting, organized by the US Chamber of Commerce, served as a chance to address questions on Turkey's newly-unveiled investment incentives and on efforts to preserve the investment climate.

**FDI stock of US companies in Turkey since 2002 exceeded USD 11 billion.**



3  
November  
Istanbul,  
Turkey

## AMCHAM MARKS 12 YEARS OF OPERATIONS IN TURKEY

AmCham Turkey/ABFT held its 12<sup>th</sup> Anniversary Gala on November 3 in Istanbul with US Ambassador to Turkey John R. Bass, US Consul General Jennifer L. Davis, ISPAT President Arda Ermut, and The Dow Chemical Company Chairman and CEO Andrew N. Liveris in attendance at the gala dinner.

Speaking on the occasion, ISPAT President Arda Ermut emphasized that the number of foreign companies in Turkey has increased from 5,600 in 2002 to more than 50,000 today. Ermut underlined the significance of US companies for Turkey and stated the US has injected a total of USD 11 billion of investment into Turkey since 2002.

The CEO and Board Member of Citibank Turkey and Chairwoman of AmCham Turkey/ABFT, Serra Akçaoğlu, hosted the gala night along with her fellow AmCham Board members. More than 200 high-level public and private sector representatives from both Turkey and the US were among the invitees.

3  
November  
Istanbul,  
Turkey

## GOOGLE RELEASES REPORT ON MOBILE INTERNET ECONOMY IN TURKEY

Google launched on November 3 in Istanbul its latest report on the Mobile Internet Economy in Turkey.

Speaking at the exclusive meeting, ISPAT President Arda Ermut said that mobile economy has a direct and indirect share of 4.8 percent in Turkey's GDP and provides employment for more than 580,000 people. In relation to the mobile economy, Turkey's young population, recent developments in the transfer of technology, and the number of active internet users stand out as the country's most distinguishing advantages when compared to its peers.

Turkey outpaced leading countries such as the US, UK, and France in active use of social media, and it ranks third in the world in terms of competitive costs for mobile data, trailing only China and Thailand.