



EURASIA TUNNEL: CONNECTING CONTINENTS

Turkey commissions new infrastructure masterpiece linking Asia and Europe; will improve commuting times and promote cost savings

The Eurasia Tunnel, a mega project linking Istanbul's Anatolian side to the heart of its historical district on the European side, was officially opened on December 20 during a ceremony attended by President Recep Tayyip Erdoğan, Parliament Speaker İsmail Kahraman, Prime Minister Binali Yıldırım, and a number of guest statesmen. With the addition of the Eurasia Tunnel to the three bridges currently spanning the Bosphorus, Istanbul now boasts four intercontinental motorways.

Speaking at the inauguration ceremony, President Erdoğan affirmed that Turkey has never neglected its agenda of growth and development. "What excites us so much about the Osman Gazi Bridge we opened on İzmit Bay in June, the Yavuz Sultan Selim

Bridge on the Bosphorus in August, and now the Eurasia Tunnel, is the future of these projects. We are attending the opening ceremonies for projects in the fields of energy, education, health, sports, and infrastructure with the same excitement. Investments in basic services constitute the groundwork for other enterprises needed for the growth and development of a country," said Erdoğan.

The Eurasia Tunnel was constructed in 4.5 years with a total investment of USD 1.25 billion and a total length of 14.6 km, including 5.4 km of twin-deck tunnel crossing the Bosphorus underneath the seabed. The tunnel has been constructed for motor vehicles only and it will serve the Kazlıçesme-Göztepe route, which has some of the most intense traffic in Istanbul. The tunnel is expected to decrease travel time on this

route from 100 minutes to roughly 15 minutes. In addition to the time-saving benefit, the project should also help lower pollution while increasing mobility, all of which will bring an economic boost along with social, cultural, and environmental benefits to the citizens of Istanbul and to the whole city. The environmentally-friendly Eurasia Tunnel has been built to withstand a 7.5-magnitude earthquake and can even be used as a shelter if required.

The contractors have the right to run the tunnel for around the next 25 years within the scope of a build-operate-transfer model. After this initial period, the tunnel will be transferred to the state. The Eurasia tunnel is expected to make an annual contribution to the Treasury of around TRY 150-180 million during the 25-year term.

NEW SUPPORT MECHANISMS UNVEILED TO BOOST ECONOMIC ACTIVITY

Prime Minister Binali Yıldırım announced at a meeting of the Economic Coordination Board on December 8, new measures to support economic activity and enhance financing opportunities for SMEs.

The new support mechanisms see the Credit Guarantee Fund increasing its guarantee coverage for SMEs to TRY 250 billion, KOSGEB ensuring TRY 50,000 loans for SMEs with three-year maturity and a grace period of one year, and the postponing of social security premium payments paid by private sector employers.

Yıldırım also revealed some measures to promote exports; among these would be an increase in capital of Eximbank, Turkey's official export credit agency.

The decisions taken at the Economic Coordination Board mainly focused on utilizing new support mechanisms for the real economy, implementing reforms, and introducing new opportunities to increase employment in Turkey.

ILGAZ JULY 15 INDEPENDENCE TUNNEL OPENS, LINKS BLACK SEA TO CENTRAL ANATOLIA

The Ilgaz July 15 Independence Tunnel, a project that began in 2012, was officially opened to traffic on December 26. Turkish Prime Minister Binali Yıldırım presided over the opening ceremony, with Turkish President Recep Tayyip Erdoğan also making an appearance via video conference.

Built within the Ilgaz Mountain and connecting Central Anatolia to the Western Black Sea region of Turkey, the tunnel reduces travel time from 35 minutes to 8 minutes.

Drawing attention to the advantages of the tunnel, President Erdoğan said that it allows a fast and safe transit through a very difficult mountainous region. He concluded by saying that the tunnel is the culmination of a chain of mega projects that began with the opening of the Osmangazi Bridge in June, the Yavuz Sultan Selim Bridge in August, and the Eurasia Tunnel in December.



PORT OF FILYOS, CULMINATION OF 150-YEAR OLD DREAM

Envisioned nearly 150 years ago by Sultan Abdulhamid II, the groundbreaking ceremony for the Filyos Port, a long-awaited project that is set to become Turkey's third largest port upon completion, took place in the province of Zonguldak with the participation of Turkish Prime Minister Binali Yıldırım.

Considered to be a dream come true, the Filyos Port will be completed at a total cost of USD 154 million. Several other infrastructure projects are slated to follow the port's completion, and together they will play a vital role in making the region an industrial zone.

According to Prime Minister Yıldırım, the project is not only about Zonguldak itself, but Turkey as a whole as the port will be the gateway to the Anatolian lands from the eastern Black Sea. It is expected that Filyos will be a shining star in terms of maritime transportation.

As per plans, at least 10 large facilities will be erected in the industrial zone, while some 12,000 people will be offered job opportunities. The 3,000 m-long port of Filyos will have a loading and unloading capacity of 25 million tons per annum, and will be backed by a road and rail network. Around 4,000 people will work on the construction of the Filyos project, which is scheduled for completion in 2017.

EBRD ANNOUNCES NEW FINANCING FOR ENERGY PROJECTS

The European Bank for Reconstruction and Development (EBRD) announced a new EUR 400 million financing provision for small-scale sustainable energy projects in Turkey. The funds will be utilized under the Turkey Sustainable Energy Financing Facility (TurSEFF) of the bank. TurSEFF was established to help finance small and medium-sized enterprises seeking to enhance their energy efficiency.

This initiative is also supported by the European Union in close collaboration with Turkey's Ministry of Energy and Natural Resources with regard to funding for technical assistance through its Instrument for Pre-Accession.

EBRD has invested over EUR 3.5 billion in more than 90 such energy projects since 2009, including two of Turkey's largest wind farms and the largest geothermal power plant.

IFC TO INVEST IN HEALTHCARE FACILITIES IN TURKEY

The International Finance Corporation (IFC), a member of the World Bank Group, announced a new bond issuance in Turkey. The EUR 80 million bond will be used to fund healthcare facilities in Turkey's Elazığ province.

According to World Bank Group officials, the bond will mature in 20 years and will reach EUR 288 million in total. This financing method is unique in Turkey as it is the first project bond financing of a hospital under a public-private partnership scheme. The bond is also the first green project bond in Turkey.

The proposed healthcare facilities in Elazığ covered by this bond are part of Turkey's broader city hospitals project. Within the scope of that project, 29 city hospitals with a combined capacity of 41,000 beds will be built by 2019 in Turkey at a total investment cost of TRY 30 billion.

SAMSUNG LAUNCHES INNOVATION CENTER FOR SEAMLESS B2B ENTERPRISE SOLUTIONS

South Korean electronics giant Samsung recently inaugurated an innovation center in Istanbul, continuing the company's commitment to conducting R&D in Turkey following its February 2015 investment in Istanbul Teknopark. The Samsung Innovation Center will provide seamless B2B enterprise solutions.

Speaking at the opening ceremony on December 13, ISPAT President Arda Ermut said that fifty years after the beginning of the information age, the world is undergoing a substantial transformation fueled by automation, R&D, and productivity. "This period, called the fourth industrial revolution and which drives economies, is also having an influence on Turkey. In this sense, investments that will give rise to R&D activities and enable the transfer of technology are prioritized. As the Agency, we attach great significance to sectors that will support the development of this process in Turkey, which is defined as Industry 4.0," said Ermut.

Samsung is one of the ten most valuable brands in the world and it is the global market leader in 17 of the areas in which it operates. In addition to its centers in Turkey, the company's global R&D network includes the likes of the US, the UK, Russia, Israel, India, China, and Japan. The company stands as one of the largest R&D spenders in the world, surpassing USD 14 billion in 2015.



TURKEY'S MADO INKS DEALS WITH VENTURE CAPITAL BANK AND AL SRAIYA HOLDING

Turkish deserts-and-food franchise Mado signed a strategic partnership agreement with Bahrain-based Venture Capital Bank (VCBank) and Qatar-based Al Sraiya Holding.

The USD 150 million-deal allows Mado's owners to retain a 60 percent stake in the company, while the remainder of the shares will be owned by VCBank and Al Sraiya Holding. The deal also includes further expansion of the franchise in the GCC region.

At the signing ceremony in Ankara, VCBank CEO Abdullatif Janahi said that they are delighted to announce their newest partnership with Mado, alongside Al Sraiya Holding Group and other strategic investors.

"Turkey is one of the fastest growing markets in Europe, and the country provides a strategic position and a launch pad for global growth, particularly for companies active in the country's food and beverage sector," said Janahi.

Mado, Turkey's largest patisserie and ice-cream franchise, was established in 1962 as a single ice cream shop. Today, it has more than 1,150 staff in more than 310 stores across Turkey and more than 48 locations worldwide, including, Bahrain, China, Georgia, Greece, the Netherlands, Qatar, and the UAE.

BUNGE ACQUIRES TURKEY'S ANA GIDA

US-based agricultural products trader Bunge, operating in more than 40 countries including Turkey, entered into an agreement to acquire Turkish seed and olive oil producer Ana Gıda.

Ana Gıda is owned by Anadolu Endüstri Holding and SEEF Foods, and has three famous olive oil brands in Turkey; Komili, Madra, and Kırlangıç. The share transfer will be concluded during the first quarter of 2017. Under the terms of the agreement, Bunge will acquire 55.25 percent of the shares from Anadolu Endüstri Holding and the remaining 44.75 percent from SEEF Foods.

Commenting on the deal, CEO of Bunge EMEA Tommy Jensen said that the acquisition of Ana Gıda will empower Bunge to diversify into the higher value olive oil category. Also, it will provide a powerful vegetable oil portfolio across all price sectors, intensifying Bunge's existing business in one of the largest and fastest growing edible oil markets in EMEA.

Bunge is one of the world's largest oilseed, vegetable oil, and pulp producers. It is also one of the world's leading bottled refined vegetable oil suppliers. The company has been operating in Turkey since 2000, and processes and distributes domestically produced and imported seed oils such as sunflower, canola, and soybean at several facilities. Bunge, which has facilities in Turkey's Aegean and Marmara regions, is one of the main suppliers in the country's edible oil, grain, and feed sectors.



15
December

Madrid,
SPAIN

2ND ANNUAL SPANISH-TURKISH CHAMBER OF COMMERCE AND INDUSTRY AWARDS

The Spanish-Turkish Chamber of Commerce and Industry annually recognizes people, institutions, and companies that through their activities and dedication make a significant contribution to the rapprochement of Spain and Turkey and the strengthening of bilateral ties between the two countries.

The 2nd Annual Spanish-Turkish Chamber of Commerce and Industry Awards ceremony took place on December 15 in Madrid. Spanish automotive company Ficosa, which has operated in Turkey since 2000 and where it currently has two production plants and employs 1,100 workers, took first place in the Spanish company category. In the Turkish company category, Turkish conglomerate Doğuş Group, the 2nd largest shareholder in Turkey's Garanti Bank after Spain's BBVA, took top honors. Doğuş Group also has significant investments in Spain's tourism and services sectors. Meanwhile, FC Barcelona's Turkish midfielder and captain of the Turkish national football team Arda Turan was the winner in the professional merit category. The awards were handed out at an exclusive ceremony where ISPAT, a member of the chamber's board, was among the sponsors of the event.

Around 240 participants, including Spain's Energy, Tourism and Digital Agenda Minister Álvaro Nadal, Turkish Ambassador to Spain Ömer Öhön, BBVA CEO Carlos Torres Vila, Chairman of the Spanish-Turkish Chamber of Commerce Ramón Gascón, Ficosa Chairman Jose María Pujol, Doğuş Group Chairman Ferit Şahenk, and top executives of prominent Spanish companies such as Amadeus, Maxam, Essentium, Befesa and Mapfre attended the awards ceremony.



2
December
Istanbul,
Turkey

UK-TURKEY CROSS BORDER BUSINESS MODELS DISCUSSED

The UK-Turkey Business Forum, held in association with ISPAT, brought business professionals together with government officials from both countries on December 2 in Istanbul. This year's forum focused on manufacturing, the UK-Turkey cross border legal agenda, technology, and business models in the two countries.

ISPAT Department Head A. Burak Dağlıoğlu, during his keynote speech at the forum, said it is not a coincidence that the UK is one of the leading foreign investors in Turkey. From Vodafone to Rolls Royce and from BP to HSBC, there are around 3,000 UK companies with investments in Turkey. The stock value of companies' combined investments is more than USD 21 billion, making the UK the second largest investing country in Turkey.

Undersecretary for EU Affairs Ahmet Yücel, Acting Deputy Undersecretary for Ministry of Economy Tarık Sönmez, Ambassador of Turkey to London Abdurrahman Bilgiç, TBCCI Chairwoman Emma Edhem, and Ambassador of the UK to Turkey Richard Moore also delivered keynote speeches at the forum.

15
December
Istanbul,
Turkey

PRIVATE EQUITY FORUM HELD IN ISTANBUL

Globalturk Capital held its 2nd annual Executive Briefing on Private Equity in Turkey and Environs on December 15 in Istanbul.

ISPAT President Arda Ermut joined the event via video conference to talk about Turkey's recent strategic business moves with the US, Europe, and Emerging Markets. He explained that the macro and micro economic conditions of Turkey have been major reasons for private equity interest in Turkey. Ermut went on to emphasize that at the micro level, the make-up of the Turkish business community, with its high proportion of local players, makes it ripe for private equity deals. Ermut added that entrepreneurs who have established a good business but who need equity financing to reach the true potential of their business provide profitable opportunities for private equity investors. At the macro level, Ermut underlined that stabilization of macroeconomic conditions in Turkey and continued robust economic growth have encouraged private equity investment in Turkey.

In the closing session of the forum, Deputy Prime Minister Mehmet Şimşek spoke on Turkey's growth prospects going forward and on the formation of the Sovereign Wealth Fund. Şimşek underlined the significance of reforms for economic growth and invited foreign investors to Turkey.