

# INVEST IN TURKEY



T.C. CUMHURBAŞKANLIĞI  
YATIRIM OFİSİ



İİT ÜST DÜZEY  
KAMU - ÖZEL SEKTÖR  
YATIRIM KONFERANSI  
"DAYANIŞMA VE  
KALKINMA İÇİN YATIRIM"

OIC HIGH LEVEL  
PUBLIC AND PRIVATE  
INVESTMENT CONFERENCE  
"INVESTMENT FOR  
SOLIDARITY AND DEVELOPMENT"



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## FDI NEWS



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## INVESTMENT OFFICE HOSTS OIC HIGH LEVEL PUBLIC AND PRIVATE INVESTMENT CONFERENCE IN ISTANBUL



Hosted by the Presidency of the Republic of Turkey Investment Office and coordinated in collaboration with the Organization of Islamic Cooperation (OIC) and the Islamic Development Bank Group (IsDB), the two-day “OIC High Level Public and Private Investment Conference” took place on December 8-9, 2019 at the İstanbul Congress Center under the theme “Unleashing Intra-OIC Investment Opportunities: Investment for Solidarity and Development”.

The official opening of the conference took place during a ceremony honored by President Recep Tayyip Erdoğan and with the presence of the President of Guinea, the Prime Ministers of Albania and Guinea-Bissau, ministers from Afghanistan, Azerbaijan, Benin, Morocco, Palestine, Guyana, Cameroon, Qatar, Turkish Republic of Northern Cyprus, Libya, Maldives, Malaysia, Mali, Mauritania, Nigeria, Pakistan, Somalia, Tajikistan, and Turkmenistan, 410 public institutions, and more than 700 private sector representatives from 46 countries.

Along with these delegations, the OIC High Level Public and Private Investment Conference also brought together CEOs and other officials from multinational

companies operating in the 56 OIC member countries, heads of multilateral development banks and funds, international business leaders, analysts, economists, legal experts, investment consultants, academics, and representatives of international organizations, regional economic communities, chambers of commerce, and trade councils.

The conference agenda focused on promoting intra-OIC investments by taking steps to remove obstacles that are preventing OIC member states from boosting investments among themselves and that are hindering free movement.

The Investment Office, as one of the hosts of the conference, thanks all the attendees for their kind interest and participation.



President  
**Recep Tayyip Erdoğan:**

“Muslim countries have significant potential with their strategic location, natural resources, and a combined 1.7 billion people – an enormous human resource making up 24 percent of the world population. Material and historical conditions are highly favorable in order for Islamic countries to grow economically and achieve a higher level of welfare. It is important for Islamic countries to establish an effective mechanism of cooperation and implement it with determination. I would like to extend my sincere gratitude to the Investment Office for its contributions to the OIC Conference. We provide all kinds of support in order to increase FDI inflow into our country. And, our Investment Office offers entrepreneurs all the necessary guidance and facilitation before, during and after investments.”

Investment Office President  
**Arda Ermut:**

“Due to the increasing uncertainties in recent years all over the world, there has been significant turbulence in global investments – a situation tipped to further increase competition for FDI. In this respect, the most important objective of the OIC High Level Public and Private Investment Conference is to increase investments among all Islamic countries represented here through exchange of experience. We hope that this important event will boost investments, facilitate access to finance and, most importantly, create new opportunities for cooperation and partnership among OIC member countries.”





## Message from the Investment Office

Despite the slowdown in the second half of 2018, the Turkish economy rapidly recovered in the first quarter of 2019 thanks to its resilience and diversified industrial structure, and the positive momentum continued throughout the rest of the year. This was mainly because of Turkey's long-term fundamentals, which are solid and strong enough to weather short-term disruptions.

Trade wars between the US and China and the uncertainty surrounding Brexit remained as the most important headlines of the global economic agenda in 2019. While these may have negative effects on global growth and financial flows, it is important to remember that these uncertainties always bring new opportunities for developing countries. In 2019, we managed to minimize possible damage while capturing new opportunities. You may find some captions for the Investment Office's 2019 activities.

We believe that domestic and global conditions will support Turkey's position to sustain a healthy growth and investment environment in 2020.

**Arda ERMUT**  
President, Investment Office

# SPOTLIGHT OF FDI ACTIVITIES IN 2019

## JANUARY



US-based food and beverage giant **PepsiCo** commissioned its sixth production facility in Turkey with a ceremony honored by President Recep Tayyip Erdoğan.

## FEBRUARY



Japanese automotive giant **Toyota** marked the commencement of its new Corolla hybrid's mass production in Turkey at a ceremony honored by Turkish Vice President Fuat Oktay, Industry and Technology Minister Mustafa Varank, Investment Office President Arda Ermut, Toyota Turkey CEO and General Manager Toshihiko Kudo, and Toyota Motor Europe President and CEO Dr. Johan van Zyl.



Japanese technology giant **Secom** and Turkish financial technology company Aktif Bank, a subsidiary of Çalık Holding, jointly announced the establishment of Secom Aktif Yatırım A.Ş., a 50:50 partnership that will offer end-to-end security solutions to companies and individual users with its turn-key project models.



## MARCH

The world's largest real estate fair, **MIPIM 2019**, brought together Turkish real estate giants and businesspeople with government officials on March 12-15 in Nice, France.



## MARCH



American Business Forum in Turkey - **AmCham Turkey** held its 15<sup>th</sup> General Assembly Meeting on March 15, in Istanbul.

## APRIL

In April, the Investment Office organized a roadshow in Austria and Italy and held several meetings with investors and media representatives.



## MAY



The Coordination Council for the Improvement of the Investment Environment (**YOIKK**) convened on April 25 under the presidency of Turkish Vice President Fuat Oktay to lay out a revisionist road map for reform that will further strengthen Turkey's investment environment.

## JUNE



The Investment Office hosted a German delegation in İstanbul June 14-16 as part of its global efforts to showcase Turkey's business climate and to reinforce global investor perceptions.

## JULY



**NGN Group** commissioned the Star of Bosphorus Data Center, one of Turkey's largest data center investments, in Tuzla, Istanbul, as part of a USD 140 million investment.

## AUGUST

**DP World Yarımca**, one of Turkey's largest container terminals, joined the main international rail network and now serves as a link between China and Europe.



Investment Office President Arda Ermut accompanied Minister of Industry and Technology Mustafa Varank on his visit to Berlin August 21-22.





## SEPTEMBER



In conjunction with the official visit of **US** Secretary of Commerce Wilbur Ross, Investment Office President Arda Ermut addressed a high-level US business delegation from the US Chamber of Commerce at an executive meeting held in Istanbul.

Businesspeople and officials met at the 10<sup>th</sup> **UK-Turkey Business Forum** in Istanbul, organized by the Turkish British Chamber of Commerce and Industry (TBCCI), to explore business and trade opportunities. Minister of Trade Ruhsar Pekcan and Head of the Investment Office Arda Ermut gave keynote speeches at the event.



## OCTOBER



Investment Office briefed global investors in London on the latest developments in Turkey's investment landscape.



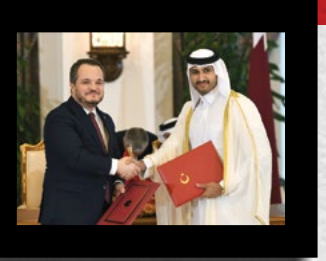
Investment Office President Arda Ermut was a speaker at an executive panel in the **YASED** Business Lounge meeting moderated by YASED President and Boeing Turkey Managing Director Ayşem Sargin.

## NOVEMBER



Investment Office President Arda Ermut attended a panel and delivered a presentation on Turkey's entrepreneurship ecosystem at the **World Entrepreneurs Investment Forum 2019**, held in Manama, Bahrain, and organized by **Islamic Cooperation Youth Forum (ICYF)**.

Global medical tech company **Stryker** inaugurated a new office in Istanbul with the attendance of Investment Office President Arda Ermut.



Investment Office signed an MoU with **Qatar's** Investment Promotion Agency.

Investment Office President and VEF Board Member Arda Ermut delivered a keynote speech and participated in a panel at the 16<sup>th</sup> **Vienna Economic Forum**, which was held on November 18 in Vienna.



## DECEMBER

Investment Office President Arda Ermut was awarded in the Personal Merit category for his professional career and contributions to the well-being of relations between **Turkey & Spain** at the 5<sup>th</sup> Edition of the Turkish-Spanish Chamber of Commerce and Industry Awards Ceremony.





# EVENTS

DEC 11



## JAPAN

The Investment Office participated in the annual “Business Link” networking event held by the Mitsubishi UFJ Financial Group (MUFG) for its customers. Nearly 4,000 companies attended this year’s exhibition at Makuhari Messe, where the Investment Office had a booth.

DEC 10



## ANKARA

The Investment Office hosted in the Presidential Complex a business delegation from South Korea consisting of managers from the Korea Rail Network Authority (KRNA), Ministry of Foreign Affairs, Korea Overseas Infrastructure & Urban Development Corporation (KIND), and financial institutions.

The South Korean delegation was briefed on Turkey’s experience in infrastructure investments, particularly on the Gebze-Sabiha Gökçen-Yavuz Sultan Selim Bridge-Istanbul Airport-Halkalı High-Speed Railway project.

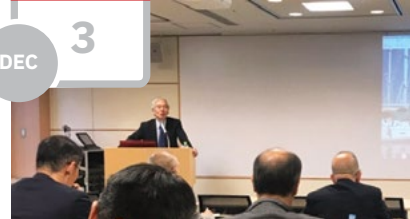
DEC 10



## ISTANBUL

Following the OIC High Level Public and Private Investment Conference, the 9<sup>th</sup> Turkey’s Experience Sharing Program on investment climate reform kicked off in Istanbul with the participation of 25 IDB member countries.

DEC 3



## JAPAN

Investment Office Country Advisor Yuichi Aoki addressed Japanese executives at an exclusive seminar held in Tokyo, providing an overview of Turkey’s investment environment that was followed by a Q&A session.

DEC 2



## SAUDI ARABIA

Turkish Ambassador to the Kingdom of Saudi Arabia Erdoğan Kök and Investment Office Country Advisor Dr. M. Mustafa Göksoy paid an official visit to the Governor of the Eastern Province of Saudi Arabia, Prince Saud Bin Nayef Bin Abdul Aziz.

NOV 28



## ISTANBUL

United Nations Development Programme (UNDP) released the Impact Investing Ecosystem in Turkey report. The Investment Office contributed to the launching of the report at a panel held in the 10<sup>th</sup> Bosphorus Summit.

NOV 26



## ITALY

Investment Office Country Advisor Alfredo Nocera was a speaker at the Aerospace and Defense Industry in Turkey workshop held as part of Torino Aerospace & Defense Meetings – the most important aviation business convention in Italy promoted by the Torino Chamber of Commerce & Industry.

The workshop was a useful platform to present the global importance of the Turkish aviation industry and to promote Turkey as an unparalleled country for international investments in the sector.

# FDI NEWS



Taiwanese steel giant **YC Inox** announced its decision to invest USD 80 million to build a factory in Turkey.



The **EBRD** has provided USD 4 million in equity financing to Turkish online bus-ticket platform oBilet.



The **EBRD** and the **ICBC** have given Turkey's Tekirdağ port a USD 35 million loan to improve the port's efficiency and expand its capacity.



A majority of Turkey's Asav Lojistik was acquired by Hong Kong-based **Kerry Logistics**.



Operating in Turkey since 2018, Japanese tour company Cruise Planet has decided to increase its investment in Turkey. Owned by Japanese global giant **HIS**, Cruise Planet intends to launch an investment package specifically for Turkey.



**Radisson Hotel Group** announced a near twofold expansion within the Turkish market over the next 5 years.


## HIGHLIGHTS OF THE TURKISH R&D ECOSYSTEM



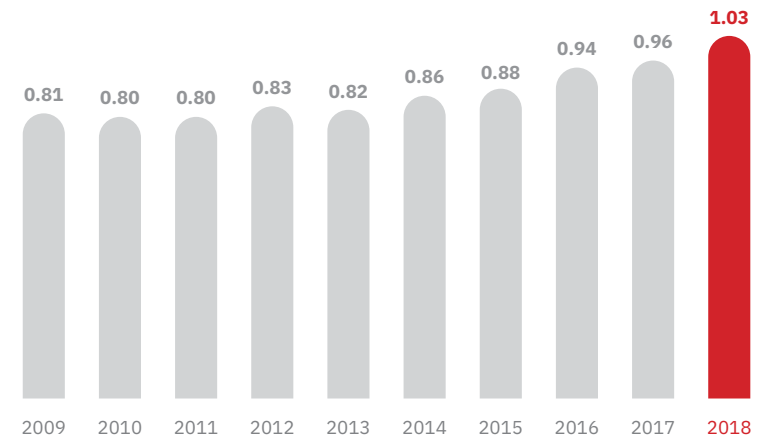
### Sectoral Breakdown of R&D Expenditures

  
**60.4%**  
Private sector

  
**9.2%**  
Public sector

  
**30.4%**  
Universities

### R&D expenditures / GDP (%)



**2.5 – 3%**  
Turkey's long-term target for R&D expenditures / GDP ratio.



  
**172,119**

Number of R&D personnel in Turkey in 2018.

**12.1%**  
Increase in R&D personnel in 2018 when compared to the previous year.

# WHY TURKEY?

## TURKEY: HUB FOR INNOVATION AND GROWTH

Easy access to multiple markets of \$25 trillion GDP, \$7.8 trillion trade, 1.7 billion people.

### ACCESS TO MULTIPLE MARKETS

#### Europe

GDP: \$19.5 trillion  
Import: \$6.5 trillion  
Population: 700 million

#### MENA

GDP: \$3.6trillion  
Import: \$1.0 trillion  
Population: 800 million

#### Russia

GDP: \$1.5 trillion  
Import: \$0.2 trillion  
Population: 100 million

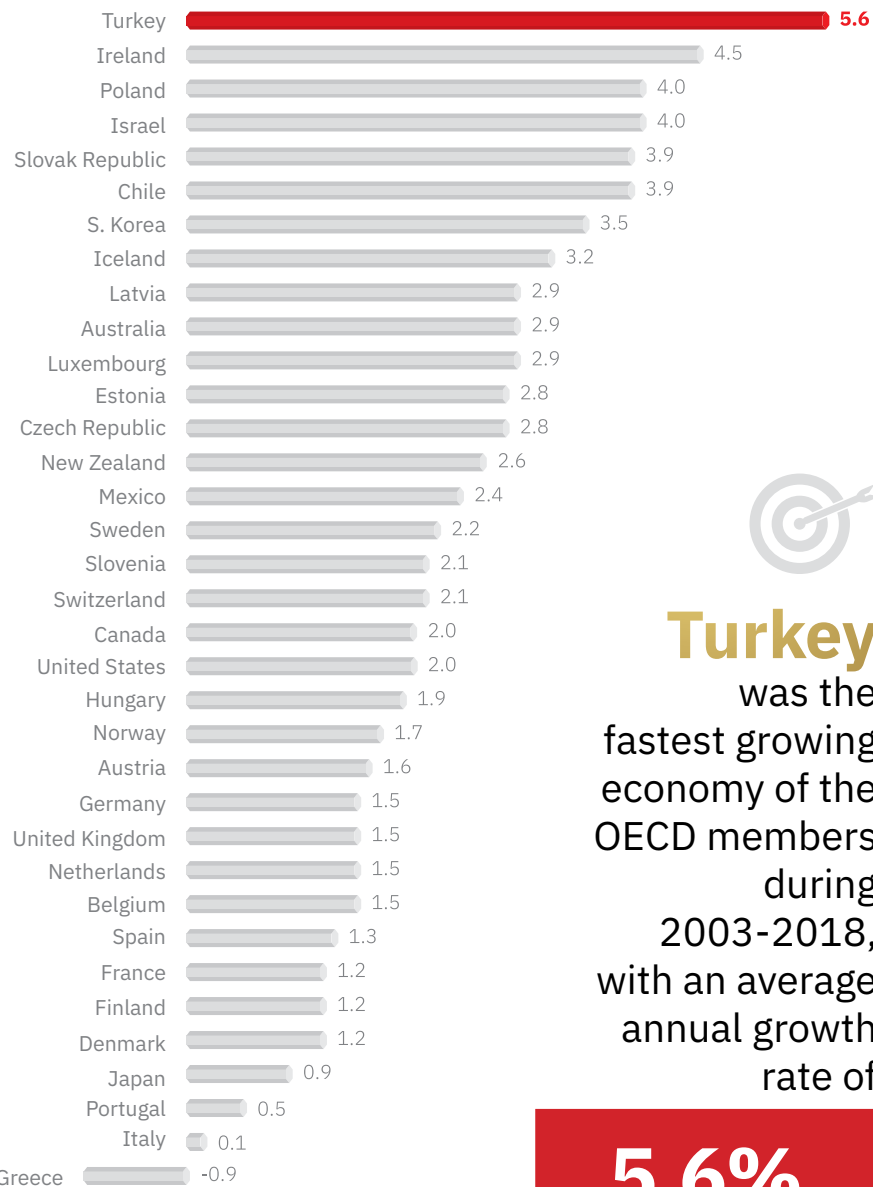
#### Central Asia & Caucasus

GDP: \$0.3 trillion  
Import: \$0.1 trillion  
Population: 100 million

- Booming economy reaching USD 784 billion in 2018, up from USD 231 billion in 2002.
- One of the fastest growing OECD economies between 2014-2025, with an estimated average annual growth rate of 4.7%.
- USD 209 billion of FDI between 2003-2018, while the total amount of FDI attracted between 1923-2003 stood at USD 15 billion.



## AVERAGE ANNUAL REAL GDP GROWTH (%) (2003-2018)



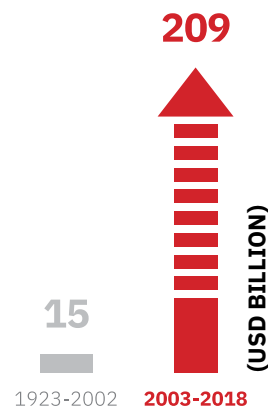
**Turkey** was the fastest growing economy of the OECD members during 2003-2018, with an average annual growth rate of

**5.6%**

Source: IMF World Economic Outlook (October 2018)

## CUMULATIVE FDI INFLOWS TO TURKEY (USD BILLION)

- Investment incentives as well as R&D support.
- Equal treatment to national and global investors guaranteed by law.
- 6.5 days to set up a company in Turkey, while it takes an average of 8.5 days in OECD high-income countries. (World Bank Doing Business 2018)



## HIGHLIGHTS

- 13<sup>th</sup> largest economy in the world with **USD 2.2 trillion** (GDP at PPP). (IMF, 2018)
- The fastest growing economy in Europe and one of the fastest growing economies in the world with an average annual **GDP growth rate of 5.6%** over the past 15 years. (TurkStat, 2003-2018)
- The largest bus producer and the 2<sup>nd</sup> largest commercial vehicle producer in the EU. (OICA, 2018)
- 2<sup>nd</sup> largest steel producer in the EU and 8<sup>th</sup> in the world. (Worldsteel, 2016)
- Among top 6 holiday destinations in the world with over **46 million** international tourists in 2018. (UNWTO & Ministry of Culture and Tourism)

## SOPHISTICATED CONSUMER BASE



**A population of 82 million**, half of which is **under the age of 32**. (2018, TurkStat)

**Largest youth population** compared with the EU. (Eurostat)



**72 million broadband internet subscribers** and 80.6 million mobile phone subscribers. (2018, TurkStat and ICTA)

## SKILLED AND DEDICATED LABOR FORCE



Over **32.3 million young, well-educated** and **motivated** professionals. (2018, TurkStat)



More than **800,000 students** graduate annually from over **183 universities**. (2018, CoHE)







# Turkey is a perfect investment destination

with its strategic location and motivated and qualified workforce. Global investors are invited to be a part of Turkey's economic and social growth.

Running  
**79 countries**  
from  
Istanbul

We are running 79 countries from Istanbul and are enjoying the dynamism, diversity, and availability of a high-quality work force. These attributes and more, we believe, represent big potential for Turkey, in the way of development through the effective use of technology as well as becoming a software and services provider to other countries, particularly the EU. Microsoft Turkey will be here to support economic development and capacity building.



**Jean-Philippe COURTOIS**  
Executive Vice President & President -  
Global Sales, Marketing & Operations,  
Microsoft

## Two factories and over 3,000 direct employees

**Félix ALLEMANN**

Former Chairman & CEO, Nestlé Turkey



Turkey is a dynamic and promising market with its young population and great location. It has a strategic importance for Nestlé and offers interesting opportunities for us to grow and invest. We are proud to be here for more than 100 years and to make contributions to the development of the Turkish food industry and Turkish consumers' tastes over the years. We are convinced that there is still great potential to grow our business even more and to contribute to the development of the Turkish economy. Having established our first factory in Turkey in 1927, today, we are carrying out local production in Turkey together with two factories and more than 3,000 direct employees. We are committed to offering high-quality products to our consumers that are healthy, nutritious, and tasty.

Turkey's economic dynamism –  
**perfect match for innovation culture**

We believe 3M's innovation culture built on 3M Science and Turkey's economic dynamism is a perfect match. 3M's global manufacturing and technological legacy, combined with the skills and dedicated work of our Turkish employees, will continue to strengthen 3M and the Turkish economy. We thank the Investment Office for its valuable assistance and guidance throughout our decision and investment processes.

**Hak Cheol SHIN**

Former Executive Vice President -  
International Operations, 3M



## 45 years of experience as a domestic manufacturer in Turkey

**Andrew N. LIVERIS**

Former Chairman & CEO, DOW



The core of the Turkish national economic agenda, and the key value for investors, is a dedicated effort to promote innovation, enhance competitiveness, and encourage investment in global value chains. Dow has over 45 years of experience as a domestic manufacturer in Turkey, and our new joint venture with AKSA is a key example of how we can bring together raw materials, a high-skilled workforce, and most importantly a booming downstream customer industry. With a strong, pro-business government in Turkey, the investment environment makes sense. And it is also easy to operate, thanks to the Investment Office President and his entire team.



# WHO WE ARE

**Investment Office** is the official organization that:

- Promotes the investment environment of Turkey and provides assistance to investors.
- Reports directly to the President.

**WE ARE HERE TO FACILITATE YOUR INVESTMENT IN TURKEY**

# HOW WE HELP

- Multilingual (Turkish, English, German, French, Italian, Arabic, Spanish, Chinese, Japanese and Korean)
- One-Stop-Shop approach
- Result-oriented
- Private sector approach with full confidentiality
- Focusing on high-tech, value-added and employment generating investments.



# WHAT WE DO

- To present investment opportunities to the investors and provide assistance during all the stages of their investments.
- To serve as the reference point for international investors and the point of contact for all institutions engaged in promoting and attracting investments at national, regional and local levels.
- To offer free-of-charge services including market information and analyses, site selection, B2B meetings, coordination with relevant governmental institutions, and facilitate legal procedures and applications such as establishing business operations, incentive applications, obtaining licenses and work permits.

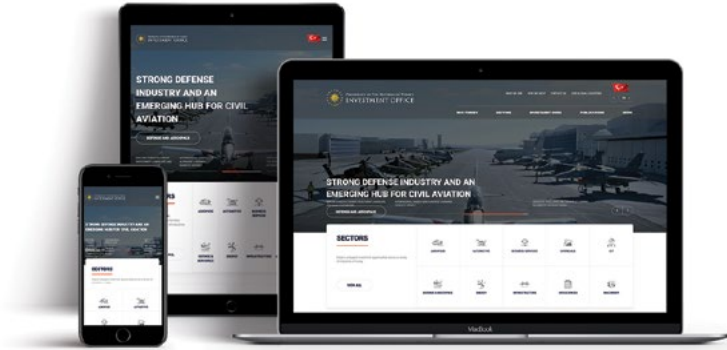
# OUR GLOBAL LOCATIONS



# OUR NEW WEBSITE HAS LAUNCHED!



## BRAND NEW WEB SITE LOOK



### PRESIDENCY OF THE REPUBLIC OF TURKEY INVESTMENT OFFICE

Investment Office, the official investment advisory body of Turkey, is a knowledge-center for foreign direct investments and a solution partner to the global business community at all stages of investments. It provides customized guidance and qualified consulting before, during and after entry into Turkey.



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