



INVEST IN TURKEY

newsletter

THE REPUBLIC OF TURKEY PRIME MINISTRY
INVESTMENT SUPPORT AND PROMOTION AGENCY OF TURKEY

ISSUE 14

APRIL 2015



Ground broken for the Turkish section of TANAP

The first section of pipe on Turkish soil for the Trans-Anatolian Pipeline (TANAP), designed to carry natural gas from Azerbaijan's Shah Deniz field to Turkey and beyond, has been laid with a ceremony attended by Turkish President Recep Tayyip Erdoğan, Azerbaijani President Ilham Aliyev, and Georgian President Giorgi Margvelashvili. Gas is expected to start flowing through the USD 12 billion pipeline by 2018 and reach 31 billion cubic meters in 2026.

Speaking at the ceremony held in the Eastern Anatolian province of Kars, Turkish President Erdoğan said that the project would contribute

to regional peace and stability and reinforce Turkey's status as an energy distribution hub. "We have other energy pipeline projects ongoing with other nations; however, TANAP is strategically important because there are no alternatives to it. We will link the Caspian region with Europe via the Southern Gas Corridor," Erdoğan noted.

Stating that TANAP's main partners are Azerbaijan and

Turkey, Azeri President Ilham Aliyev said that the Shah Deniz field would become the new main gas supply pool feeding European customers. "We have created a new partnership in Eurasia," Aliyev said.

The natural gas from the Shah Deniz field will reach Italy via a 3,500-kilometer pipeline passing through Georgia, Turkey and Greece, providing an alternative to Russian gas. When construction is completed by 2020, TANAP will link up with the Trans Adriatic Pipeline (TAP). Turkey holds a 30 percent stake in TANAP, Azerbaijan 58 percent, and the remaining 12 percent is held by BP.



ISPAT President Aycı to chair Turkish Airlines Board



İlker Aycı, President of the Investment Support and Promotion Agency of Turkey (ISPAT) and the World Association of Investment Promotion Agencies (WAIPA), has been appointed as Chairman of the Board of Directors of Turkish Airlines (THY).

Mr. Aycı also holds several other positions, including Board Member and Chairman of the Insurance Association of Turkey, the Foreign Economic Relations Board – the Turkey-China Business Council, Vakıf Emeklilik A.Ş. and the VakıfBank Güneş Sigorta Sports Club (2008 Europe Challenge Cup champion).

3M launches innovation center

3M has opened a Customer Innovation Center in İstanbul as a part of its investment drive in Turkey. The US-based conglomerate is currently building a manufacturing plant in the Çorlu district of Tekirdağ province, and aims to utilize Turkey's strategic location to expedite its plans for growth in the European, Middle Eastern and North African regions. The production hub investment amounts to USD 500 million, realized with the assistance of the Investment Support and Promotion Agency of Turkey (ISPAT).

On opening the center located in Kavacık, Turkish Minister of Finance Mehmet Şimşek said that such investments helping Turkey to climb the value chain were strongly supported. "3M's expansion of its operations in our country demonstrates the rapid development Turkey has enjoyed in recent years," he noted.

3M Vice President of Central and Eastern Europe Giuseppe Castaldi said, "The 3M Customer Innovation Center in İstanbul is only a small part of our ongoing investments in Turkey. Once the Çorlu production hub reaches operational status it will serve not only the domestic market but the entire globe." He added that Turkey was the company's second biggest market in the Middle East and Eastern Europe.

MAN relocates bus production to Turkey

MAN's Neoplan brand of buses, manufactured under the company's Truck & Bus division, will be produced solely at the company's Turkish plant. The German automotive manufacturer, which specializes in heavy vehicles, has commissioned a new production line at its Ankara plant for the Cityliner, Jetliner and upcoming Skyliner models, making Turkey its export hub for Neoplan brand buses. Speaking at the roll-off ceremony, Turkish Minister of Science, Industry, and Technology Fikri Işık said that MAN's selection of Turkey for relocation of its bus production would be an important addition to the country's exports and employment figures, while boosting quality in the local supply industry.



"Turkey's production of motor vehicles reached 1.2 million units in 2014, up from 2002's 357,000, while automotive exports hit USD 18.1 billion, up from USD 3.3 billion in the same period," Işık said, adding that the government's aim was to increase local research and development in the automotive industry as well as manufacturing capabilities.

"Recent investments in quality and efficiency have turned the MAN Turkey plant into an exemplary facility in the company's network. The production of premium models such as Cityliner, Jetliner and Skyliner at the Ankara plant ensures the future of Neoplan buses in the market," reported MAN Truck & Bus Board Member Carsten Intra, who said furthermore that the company was planning to add design operations to its Turkish unit.

MAN Turkey commenced operations in 1966 as the company's first production plant outside Germany. The Turkish division currently exports to 41 countries. MAN's plant in Ankara's Akyurt district is manufacturing buses and coaches at a rate of 2,000 vehicles per year and employing 1,800 people.

Turkey has extensive expertise as a production base for heavy commercial vehicles. MAN, Ford, Daimler, Karsan, Isuzu, Otokar, Temsa and BMC all have bus and truck plants in the country.

CHEMICALS

FULL REPORT
AVAILABLE

www.invest.gov.tr

In addition to being an essential partner for construction, automotive, agriculture and many other key industries, Turkey's chemicals sector plays a vital role in Turkey's export-driven economy with sales to markets reaching USD 18 billion in 2014.

The chemicals industry is an essential partner for other industries, such as automotive, construction, energy, pharmaceuticals, health & nutrition, communications, agriculture, and consumer goods. The chemical industry helps to develop products for today's resource-conscious environment.

There are five main sectors clustered in the chemicals industry: home and personal care, paints and coatings, fertilizer and pesticides, plastics and rubber and inorganic chemicals. Turkey's main value propositions for all these sub-sectors are sustainability of growth in customer industries and a much more favorable business environment offered to foreign companies compared to other large investment destinations.

- » Carbon regulations may increase the feedstock cost of European players by 7 percent. Emission requirements in Turkey are expected to be less restrictive.
- » The advanced transportation infrastructure and network provides manufacturers with flexibility, convenience and further cost competences.
- » The paints and coatings, plastics and rubber and inorganic chemicals sectors are significant suppliers to the construction, automotive and textile industries, which are already growing sectors in Turkey and the region, while demand for these industries is expected to grow by 4 percent and 5 percent respectively by 2018.
- » Turkey's plastics sector is the 3rd largest in Europe after Germany and Italy, producing USD 30 billion/7.2 million tons of plastics per year. Turkey aims to be the top producer in the European plastic sector in 2016.
- » Home and personal care giants have been active in Turkey for decades, thanks to the rising middle-class and a population of 76 million.
- » Turkey's demand for fertilizer is the 10th highest in the world.
- » Turkey is the 6th largest paint producer in Europe.
- » Turkey is one of the biggest European consumers of several textile and construction chemicals, such as acrylic fiber (60 percent of EU demand), PES-fiber (29 percent) and PVC (14 percent)
- » As the 16th largest global automotive manufacturer with 20 GW of untapped wind power potential, Turkey is well-positioned to become a manufacturing hub in light-weight composite materials.
- » Recent trends of textile production shifting back to Europe, the Middle East and Africa may provide new opportunities for textile chemicals manufacturers in Turkey.
- » USD 2.7 billion worth of greenfield projects and USD 3.4 billion worth of M&A deals were signed during the last five years in Turkey.
- » Located close to large and growing trade markets, Turkey has significant export potential. Turkey's export volume in the chemicals industry reached USD 17.5 billion in 2013, with Egypt, Iraq and Germany being the major chemical export markets.

Weber commissions new manufacturing plant in Turkey

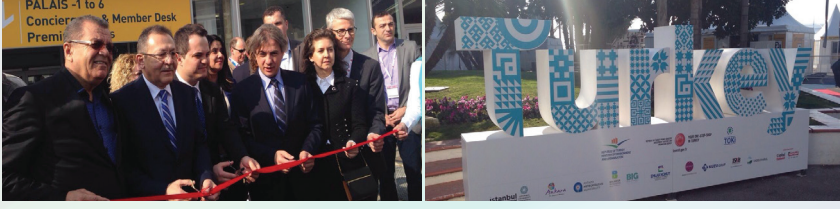
Weber, a subsidiary of the French conglomerate Saint-Gobain, has commissioned its sixth manufacturing plant in Turkey at an investment cost of TRY 30 million (approx. USD 11.4 million).

Built in the Black Sea province of Samsun's Kavak Organized Industrial Zone, the fully automated plant was opened with a ceremony attended by Samsun Governor İbrahim Şahin and company officials.

The plant will manufacture tile-fixing products to meet the strong demand of Turkey's booming construction sector. Weber's other plants in the country are producing insulation and coating materials.

ISPAT Team at Work

Turkey at MIPIM 2015



The Investment Support and Promotion Agency of Turkey (ISPAT) was present at MIPIM 2015, the world's premier property event with the Vice President Arda Ermut delivering a speech on the opening day. On the second day, visitors to the event were given a thorough analysis of İstanbul's unique benefits for property investors via the panel entitled "Discover İstanbul: The Capital of Finance, Potential and Culture."

ISPAT signs MoU with Slovenia's SPIRIT



The Investment Support and Promotion Agency of Turkey (ISPAT) has signed a Memorandum of Understanding (MoU) with the Public Agency of the Republic of Slovenia for the Promotion of Entrepreneurship, Innovation, Development, Investment and Tourism (SPIRIT Slovenia) to promote investment opportunities jointly.

Austria Roadshow



As part of the roadshow held in Austria on April 9-10, ISPAT met with esteemed members of the Austrian business community at a luncheon hosted by Turkey's Ambassador to Vienna, Hasan Mehmet Göğüş. ISPAT participated in the General Assembly of the Vienna Economic Forum, where the organization was unanimously appointed as a board member. In the "Invest in Turkey" event organized by the Internationalisation Center Styria, ISPAT President İlker Aycı delivered a speech on Turkey's investment environment. ISPAT also held a series of meetings with Austria's leading companies and prominent public agencies.



2015 will be the 100th anniversary of the Çanakkale Wars, among the most important and largest military conflicts in history. To mark the centenary of the Çanakkale Wars, the Republic of Turkey is set to hold a number of ceremonies and events commemorating the occasion with the participation of leaders both from Turkey and abroad.

For more: www.canakkale2015.gov.tr



Upcoming

Investing in Turkey Forum

17 April 2015

London, UK

ISPAT will attend the Investing in Turkey Forum with a keynote presentation on Turkey's investment climate. The major focus of the forum is to explore investment opportunities in Turkey, particularly in the areas of energy resources and infrastructure.

G20-WAIPA Conference on FDI

27-28 April 2015

İstanbul, Turkey

The G20-WAIPA Conference on Foreign Direct Investment is bringing together members of the umbrella organization for national and regional investment promotion agencies – the World Association of Investment Promotion Agencies (WAIPA) – and relevant government officials working on FDI policy and strategy. The two-day event at the Conrad Hotel İstanbul is also expected to gather C-level executives from the private sector as well as experts from academia and civil society.

PPP Healthcare Summit

28-29 April 2015

İstanbul, Turkey

The PPP Healthcare Summit is being organized by PPP Experts and the Elmadağ Law Firm under the patronage of Turkey's Ministry of Health and in cooperation with the Investment Support and Promotion Agency of Turkey (ISPAT). It will take place in İstanbul at the Hilton İstanbul Bosphorus.

The summit will feature Turkish Minister of Health Mehmet Müezzinoğlu, ISPAT President İlker Aycı, Undersecretary of the Department of Health Eyüp Gümüş and many other high-ranking public and private sector officials as speakers, and offer attendees a complete view of case studies, opportunities in PPP healthcare and networking connections.

Head Office

Kavaklıdere Mahallesi Akay Cad.No:5
Çankaya/ANKARA 06640 - TURKEY
P: +90 312 413 89 00

Office

Dünya Ticaret Merkezi A1 Blok Kat:8 No:296
Yeşilköy/İSTANBUL 34149 - TURKEY
P: +90 212 468 69 00
info@invest.gov.tr