



## PRESIDENT ERDOĞAN'S UK VISIT CEMENTS TURKEY AS TOP STRATEGIC PARTNER

President Recep Tayyip Erdoğan paid an official visit to London on May 13-16 to attend the Turkish-British Tatlıdil Forum and to meet with Queen Elizabeth II, Prince Charles, and UK Prime Minister Theresa May. The official visit also saw President Erdoğan meet with businesspeople and investors during a business lunch at Bloomberg headquarters.

Accompanying Erdoğan were Turkish Deputy Prime Minister Mehmet Şimşek, Minister of Economy Nihat Zeybekci, and ISPAT President Arda Ermut. The delegation met with senior managers of leading global banks and funds such as Credit Suisse, AXA, Goldman Sachs, Morgan Stanley, Blackrock, Fidelity, ING, HSBC, Standard Chartered, EBRD, Deutsche Bank, and Citigroup. President Erdoğan informed the attendees about the economic developments in Turkey and then addressed their questions.

ISPAT President Arda Ermut said the meeting offered British investors the opportunity to hear first-hand about Turkey's economic policies. "The UK is an important FDI source

for Turkey. We have more than 3,000 companies operating in Turkey with UK capital and we have attracted USD 10 billion in FDI from the UK since 2002. We have a trade volume of more than USD 16 billion. So, this meeting was of vital importance. We showcased Turkey's support for UK investors at the highest level," Ermut added. President Erdoğan gave an interview to Bloomberg TV following the meeting.

Prior to President Erdoğan's official visit, ISPAT was also present at the "Invest in Turkey Forum 2018" in London, with ISPAT Vice President Ahmet İhsan Erdem being a keynote speaker. Erdem presented on development plans and the policies of investing in Turkey for potential investors, infrastructure developers, and financiers. His presentation mainly focused on how Turkey's macroeconomic indicators, growth prospects, and unparalleled economic reforms all contributed to lucrative opportunities across a wide variety of sectors.



**International investors continue to show confidence in Turkey's potential. Latest examples of this were the inauguration of German ThyssenKrupp's new plant in Kocaeli and the take over of Turkish ocean forwarder U.N. Ro-Ro by Denmark's DFDS.**

**In May, ISPAT attended executive meetings with investors in London and Seoul and honored by President Recep Tayyip Erdoğan. May also saw ISPAT attend an investor meeting in Lisbon and a private equity event in Washington D.C..**

**ISPAT always remain at your disposal in all issues regarding FDI in Turkey.**

# GERMANY'S THYSSENKRUPP OPENS ESCALATOR FACTORY IN KOCAELI



Another groundbreaking investment in Turkey! Germany's Thyssenkrupp Elevator opened an escalator production facility in Kocaeli as part of a EUR 20 million investment. The move positions Turkey as a central hub in escalator exports to the region.

Deputy PM Fikri Işık – "Employment in the manufacturing industry is integral to sustainable employment. We do not distinguish between foreign and local investors; every company, like Thyssenkrupp, that invests in Turkey is treated as a

local company."

ISPAT President Arda Ermut – "Thyssenkrupp's investment indicates Turkey's significance in the eyes of foreign investors. With an initial annual capacity of 1,200 units and initial localization rate of 50% and up to 90% at later stages, the facility will lessen our dependency on imports."

Thyssenkrupp Elevator Turkey CEO Turgay Şarlı – "Having operated for many years via its sales office in Turkey, Thyssenkrupp once again demonstrates its confidence and

commitment to Turkey with the inauguration of this facility. We will not only expand, but we will also drive other Turkish companies to grow."

Thyssenkrupp Elevator Global CFO Ercan Keleş – "Our 'Made in Turkey' escalators will build upon the 'local and national' concept. Turkish engineers and workers in Thyssenkrupp's new facility will enable the transfer of technology and pass our know-how on to Turkey's mission."

# DENMARK'S DFDS TAKES OVER TURKISH OCEAN FORWARDER U.N. RO-RO FOR EUR 950 MILLION



Danish shipping and logistics group DFDS – northern Europe's largest logistics company – has announced the acquisition of a 98.8 percent stake in Turkish freight shipping operator U.N. Ro-Ro – Turkey's largest operator of ro-ro (roll on/roll off) freight ships – from Turkish private equity companies Actera Group and Esas Holdings for EUR 950 million on a debt-free basis.

According to DFDS, this acquisition of the largest player in the Turkish market is aimed at increasing DFDS's presence in the Mediterranean and making it a major player in the growing transport market between the EU and Turkey.

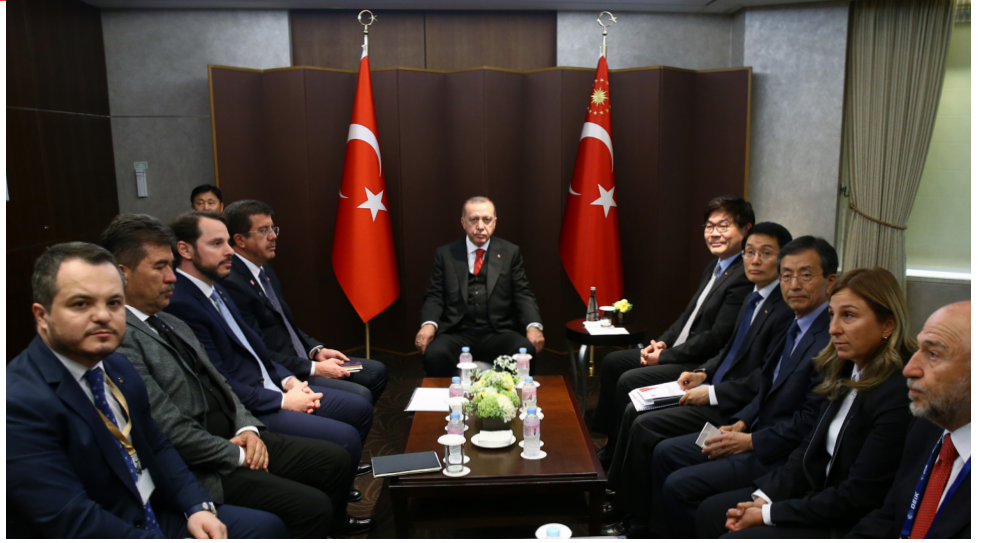
U.N. Ro-Ro operates five routes connecting Italy and France with Turkey. It runs 12 ships and manages port terminals in Trieste, Italy and in Pendik, near Istanbul in Turkey. The routes connect the Turkish ports of Pendik, Ambarlı and Mersin with Trieste and Bari in Italy, Toulon in France, and Patras in Greece. In cooperation with rail operators, U.N. Ro-Ro also offers intermodal transport between key EU markets and the ports.

Commenting on the deal, DFDS CEO and President Niels Smedegaard said, "Trade with the EU is extremely dynamic. Since U.N. Ro-Ro was founded in 1994, seaborne trade has continued to take market share from

road transport where congestion, border controls, and customs formalities hinder the flow. Today, 55 percent of the trade is seaborne – and the share continues to grow, benefiting U.N. Ro-Ro, which is the major operator in this market. U.N. Ro-Ro is a highly profitable company, and we are confident that joining forces will create exciting new opportunities as we can expand services to new customers and combine the two sales organizations."

The management of U.N. Ro-Ro will remain in place. The company employs 500 employees, and the deal is subject to approval by regulatory authorities.

# PRESIDENT ERDOĞAN MEETS SOUTH KOREAN GIANTS, DISCUSSES CURRENT, UPCOMING PROJECTS



As part of his official visit to South Korea, President Recep Tayyip Erdoğan and a delegation that included Economy Minister Nihat Zeybekci, Energy Minister Berat Albayrak, Turkey's Ambassador to South Korea Ersin Erçin, and ISPAT President Arda Ermut, came together with officials from several major South Korean companies on May 2.

Among the companies the Turkish delegation met with were SK Engineering and Construction (E&C), Hyundai Motors, Samsung, LG, Hanwha Q-cells, Daelim Industrial, and GS E&C. Together, those companies have a combined annual market volume in the trillions of dollars, have substantial investments in Turkey, and continue to partake in the country's mega-scale projects.

The series of executive meetings in Seoul were aimed at reinforcing Turkey's bilateral ties between the South Korean contractors and Turkish business people. President Erdoğan encouraged the South Korean companies to continue their engagement with Turkey by taking part in the new investments that are in the pipeline across a wide range of sectors.



# ISPAT ATTENDS GLOBAL PRIVATE EQUITY EVENT IN WASHINGTON D.C.

The 20<sup>th</sup> Annual Global Private Equity Conference took place on May 15-16 in Washington D.C. Hosted by the International Finance Corporation in association with EMPEA, the event brought together 900 delegates from 80 countries.

ISPAT was a sponsor, exhibitor, and panelist at the event. ISPAT Vice President Ahmet Burak Dağlıoğlu participated as a panelist on the "Mitigating Risk and Capturing Growth

in Turkey" panel and spoke on how GPs can leverage liquidity to attract additional investments and capital to Turkey in coming years. He stated that ISPAT has taken solid steps to increase its dialogue with the private equity industry and has participated in various activities over the past year to raise awareness globally. "We believe that private equity will make a significant contribution to our endeavors to attract investment into Turkey - this

is because private equity is one of the major sources of FDI in the world," said Dağlıoğlu.

The Global Private Equity Conference, the leading emerging markets private equity event in the world, brought together development finance institutions, new investors, private equity consultants, and industry practitioners representing private and public pension funds.

10  
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## ISPAT'S PORTUGAL PROGRAM UNVEILS NEW OPPORTUNITIES

ISPAT continued pushing forward with its investment attraction and promotion activities in May. A main country of interest this past month for ISPAT President Arda Ermut and his delegation was Portugal, where they held a roundtable meeting with top management of major Portuguese companies and a participated in a number of interviews in Lisbon.



LISBON

The visit saw the ISPAT delegation host a business lunch meeting with senior representatives of around twenty renowned companies in Portugal, such as Portugal Telecom, Vision Box, Simoldes, Amorim, EDP, Sugal, Pestana and BBVA. ISPAT President Arda Ermut gave the latest updates on Turkey's investment environment, business opportunities,

and economic reforms. Reminding that Portugal and Turkey have common features, Ermut invited more Portuguese companies to invest in Turkey.

ISPAT's Portugal program also included media interviews with Jornal Economico and Dinheiro Vivo.

26  
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## TURKISH STARTUPS SUMMIT LEAVES MARK IN GERMANY

ISPAT offered insight into Turkey's growing position as a global startup hub at the "Investment in Turkish Startups Summit" held in cooperation with Istanbul Startup Angels and the Turkey Technology Team Foundation (T3 Vakfi) in Berlin, Germany.

ISPAT Vice President Furkan Karayaka and Coordinator Ahmet



Cüneyt Selçuk gave presentations during the summit. They focused on the general investment environment in Turkey and the incentives and opportunities in the Turkish startup ecosystem.

Turkey is Europe's 4<sup>th</sup> largest online user base, with more than 56 million internet users. With more than 20

million online shoppers and an e-commerce market of USD 10 billion.

Turkey holds exciting potential for startups. In the first quarter of 2018, investments totaling USD 19 million were made to 17 startups in Turkey.