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### Turkey's GDP growth rate in 2017



## TURKEY - FASTEST GROWING G20 COUNTRY

The Turkish economy grew at a larger-than-expected 11.1 percent in the third quarter of 2017, according to data released by the Turkish Statistical Institute. The double digit growth rate saw Turkey become the fastest growing G20 economy in Q3.

The figure is likely to cause an upward revision to Turkey's overall annual growth forecast of 5.5 percent for this year. The country's GDP growth rate for the first nine months of 2017 was 7.4 percent.

Commenting on the result, Turkish President Recep Tayyip Erdoğan said that Turkey will likely see an annual growth rate of 7.5 percent by the end of the year. Deputy Prime Minister Mehmet Şimşek said that Turkey posted a growth performance so strong that no one could have imagined it a year ago. "We expect both domestic and external demand to stay strong for the next year," Şimşek added.

Fiscal measures taken by the government, such as the Credit Guarantee Fund, have spurred a

### WITH DOUBLE DIGIT EXPANSION IN Q3 17, TURKEY FAR BEATS EXPECTATIONS

strong increase in economic activity in Turkey and have had a favorable impact on the robust growth rate achieved in the third quarter. The growth was mainly fueled by strong household consumption and rising public and private investments, which respectively contributed 7 points and 3.6 points to the 11.1 percent growth rate. Investments in the machinery sector also pointed towards signs of optimism, as that sector posted its first increase in investments in nearly two years.

Meanwhile, among the G20 countries, China registered 6.8 percent growth in the third quarter, while the Indian economy expanded 6.3 percent in the same period.



December saw ISPAT elected to another term as President of the World Association of Investment Promotion Agencies (WAIPA). I would like to personally extend my gratitude and thank our members for making this possible. Together with the new steering committee, we will strive to make WAIPA perform even stronger.

This month we also had an executive CEO roundtable in South Korea with guest of honor Turkish Prime Minister Binali Yıldırım and a roadshow in Switzerland to seek new investment opportunities.

Building on the robust GDP growth in Q3 2017, we believe that 2018 will be a fruitful and rewarding year for Turkey.

**Arda ERMUT**  
ISPAT President



## TURKEY EXPANDS INVESTMENT TIES WITH SOUTH KOREA

On the occasion of his visit to South Korea in the first week of December, Prime Minister Binali Yıldırım and his delegation, including ISPAT President Arda Ermut, met with South Korean businesspeople at a roundtable meeting to discuss opportunities and strengthen commercial ties between the two countries.

During his speech at the meeting, Prime Minister Yıldırım said that even with over six decades of strong diplomatic ties, Turkey and South Korea still have potential to expand their commercial relations. Drawing attention to Turkey's economic performance and stable investment environment, Yıldırım said that the political stability since 2002 in Turkey under the leadership of President Recep Tayyip Erdoğan led the country to achieve almost 6 percent annual growth rate over the last fourteen years. Yıldırım made special mention of the South Korean investors involved in the construction of infrastructure projects in Turkey

such as the Eurasia Tunnel and Çanakkale 1915 Bridge, adding that there are still great opportunities to be achieved with Turkey's ambitious goals.

Relations between South Korea and Turkey have expanded over the past 10 years. The bilateral trade volume was more than USD 6.9 billion in 2016. Turkey had USD 6.3 billion in imports from South Korea, and with this figure South Korea was the seventh country in Turkey's imports in 2016. The FDI stock of South Korean companies in Turkey was at a level of USD 2.2 billion as of the first half of 2017. ISPAT has had a permanent presence in South Korea since 2008.

## ISTANBUL CONSULAR CORPS AND ISPAT BOOST COLLABORATION



ISPAT President Arda Ermut, Senior Advisor to Turkey's President Dr. Hatice Karahan, and Istanbul Consular Corps (ICC) Chairman Balázs Hendrich led a working breakfast with over 40 consul generals in Istanbul to discuss ways to boost economic and commercial collaboration.

During his opening remarks, ICC Chairman Balázs Hendrich stated that ICC's primary objective is to build a bridge between opinion leaders in Turkey and diplomatic missions.

Delivering a keynote presentation at the meeting, Senior Advisor to the President Dr. Hatice Karahan pointed out that the Turkish economy grew 5.7 percent on average over the past 15 years and its rapid recovery in the aftermath of July 15, 2016 events was a clear indication of its resilience. The uptrend in the domestic market,

combined with industrial progress, is the driving force behind the spectacular growth in economy, according to Karahan.

Meanwhile, during his address, ISPAT President Arda Ermut said that embassies and consular offices in Turkey function as ISPAT's natural partners in that some investors reach ISPAT through their facilitation. He added, "Since 2003, FDI inflows have topped USD 185 billion, while over 55,000 companies with foreign capital currently operate in Turkey. Our upcoming presidential system will see clear job definitions, which in return will enable more professionals in their fields of expertise to take part in the parliament." Ermut concluded that ISPAT is ready to give all the support for the investment activities that consulates will organize in Turkey and in their countries.



## SUSTAINABILITY HIGH ON WAIPA AGENDA

The 22<sup>nd</sup> Annual WAIPA (World Association of Investment Promotion Agencies) World Investment Conference (WIC17), held on November 27-28 in Dubai, brought together a number of experts to discuss the future outlook for FDI. Today, almost the entire international investment community is aligning with the United Nation's Sustainable Development Goals to address economic challenges in the global arena. WAIPA is perfectly positioned to integrate investment promotion with the United Nations Sustainable Development Goals due to its linkages with investment promotion agencies, international organizations, and investors.

During his address at the conference, ISPAT and WAIPA President Arda Ermut underlined WAIPA's commitment to shouldering all of the additional responsibilities that come with the role of effectively empowering investment promotion agencies and supporting the global community in driving FDI. "We commit to playing our role in using FDI as a driving force for sustainable development. We are here to set the tone that partnerships and cooperation form the core of this goal. Global businesses, investment promotion agency professionals, and international organizations can together create opportunities that can cover the annual USD 2.5 trillion funding gap for achieving Sustainable Development Goals," said Ermut.



## ISPAT REELECTED TO WAIPA PRESIDENCY

Before WIC17, WAIPA held its General Assembly in Dubai. It was there that ISPAT was elected to the next term Presidency. The newly elected WAIPA Steering Committee for the 2017-2019 term included the investment promotion agencies of Turkey, Dubai, Azerbaijan, Bosnia and Herzegovina, Poland, Mauritius, Kazakhstan, India, South Korea, Mexico, Brazil, and Costa Rica.

ISPAT is close to achieving the targets it had put forward in its first candidacy for WAIPA presidency in 2014. The Permanent Secretariat has been relocated to Istanbul from Geneva, and thus it was possible to decrease operating costs by almost half while at the same time quadrupling the number of activities. Since

then, WAIPA has been actively contributing as a voice for its members in numerous events and conferences around the world. The Institution puts a very strong focus on cooperation and is in direct collaboration with UNCTAD, UNIDO, ILO, OECD, ICC, IEDC, and the World Bank, who are also members of the WAIPA Consultative Committee.

WAIPA is an umbrella organization that covers 170 national and regional investment promotion agencies from 130 countries. It engages extensively to find solutions to improve the FDI score for countries and to address economic challenges faced by investment promotion agencies, private sector businesses, and governments.

## SWISS COMPANIES' INTEREST IN TURKEY GROWING

ISPAT did not step off the gas as 2017 drew to an end. The team undertook a very comprehensive agenda in November and December as their investment attraction and promotion activities picked up speed. A main country of interest this past month for ISPAT President Arda Ermut and his delegation was Switzerland, where they held a number of meetings with the top management of major Swiss companies in various parts of the country.

The series of meetings saw the ISPAT delegation visit globally renowned elevator company Schindler Group's



Executive Committee Member Carlos Guembe at the company's head office in Ebikon. The visit also saw Ermut present Turkey's value proposition to Swiss technology and engineering companies at a roundtable held at the Switzerland Global Enterprise (S-GE) headquarters in Zurich.

Later on, ISPAT discussed collaboration on R&D opportunities with Christof Domeisen, CEO at Swiss Angst+Pfister Group, which supplies products and engineering to top-tier OEMs from its Turkish plant.

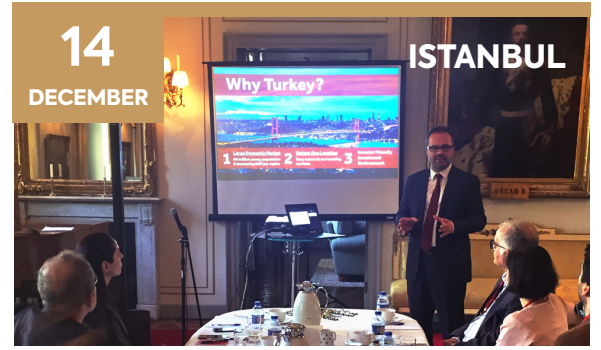
ISPAT's Switzerland program also included executive meetings in Pratteln with the Clairant Group, which is one of the world's leading specialty chemical companies and has been operational in Turkey with various manufacturing facilities since 1992. Lastly, the ISPAT delegation met with Novartis Chairman Joerg Reinhardt at the company's Basel head office. Pharma giant Novartis exports to 100 countries from its four Turkish plants, currently occupying the number one position in Turkey's pharma exports.



## GROWTH PROSPECTS TAKE STAGE AT PRIVATE EQUITY BRIEFING

The 3<sup>rd</sup> Annual Executive Briefing on Private Equity in Turkey and its Environs took place on December 7, in Istanbul. Jointly organized by EMPEA and Globalturk Capital, the event brought together private equity executives from around the globe.

ISPAT was also a sponsor at the event, and ISPAT Vice President A. Burak Dağlıoğlu gave an address on growth prospects for Turkey and the region and on how to best improve local fundraising opportunities. 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 both at home and abroad. "We believe that private equity will make a significant contribution to our endeavors to attract investment into Turkey - this is because private equity is a major source of FDI in the world, as well as in Turkey," Dağlıoğlu said.



## BUSINESS SEMINAR IN SWEDISH CONSULATE

ISPAT's Başak Avcı and A. Cüneyt Selçuk presented an overview of Turkey's FDI climate and opportunities in the energy equipment sector to Swedish investors at a business seminar held by Consulate General of Sweden in Istanbul in cooperation with BusinessSweden.



## SEMINAR ON TURKEY'S INVESTMENT ENVIRONMENT

ISPAT Country Advisor to Japan Yuichi Aoki presented Turkey's investment environment to nearly 100 business people at a reception held by Türk Eximbank on December 7, in Tokyo. Mr. Aoki also briefed securities executives on Turkey's economy and investment environment at a business seminar held by Barclays Securities on December 12, again in Tokyo.



## SPANISH-TURKISH CHAMBER OF COMMERCE AND INDUSTRY AWARDS HANDED

ISPAT Country Advisor to Spain Yasemen Korukçu attended the 3<sup>rd</sup> Annual HispanoTurco Award Ceremony in Madrid, where Spain's BBVA, Turkey's Standard Profil, and Tecnicas Reunidas Chairman D. José Llado Fernandez-Urrutia were awarded for their contributions to improvement of commercial, cultural and social ties between Spain and Turkey.