



# INVEST IN TURKEY

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

*newsletter*

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## Turkey breaks ground for its first nuclear power plant

Construction of the Akkuyu Nuclear Power Plant, the first of its kind in Turkey, has started in the country's Mediterranean province of Mersin. Part of Turkey's increasing efforts to reduce costly energy imports, the first of the plant's four reactors – each capable of generating 1,200 megawatts (MW) of power – will reach initial operational status by 2020.

The Akkuyu project will cost USD 22 billion and is being built by the Russian state-owned nuclear energy corporation Rosatom, employing the latest technologies and safety features.

Speaking at the ceremony, Turkish Minister of Energy

Taner Yıldız highlighted the widespread use of nuclear energy around the world and Turkey's need for self-sufficiency in electricity generation.

“Nuclear power plants account for 11 percent of global power generation. Had it been operational during the past ten years, the Akkuyu Nuclear Power Plant would have supplied 28 percent of Turkey's total electricity demand and saved



USD 14 billion in fossil fuel imports,” Yıldız noted.

Meanwhile, Rosatom Head Sergei Kiriyenko said that the project was of strategic importance to Turkish-Russian relations. “We are open to working with Turkish firms not only for the Akkuyu project, but also in third countries,” he remarked.

Looking to diversify its sources of energy and reduce dependence on imports, Turkey plans to have three operational nuclear power plants by 2023. A French-Japanese consortium will build the country's second nuclear power plant in Sinop on the country's Black Sea coast, while a third plant is in the planning stage.

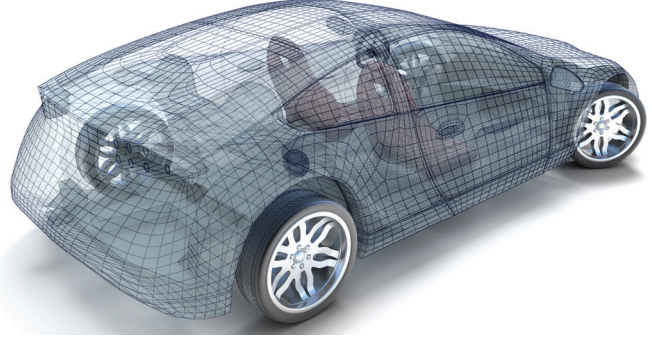
### Arda Ermut appointed ISPAT President

Arda Ermut, the Vice President of the Investment Support and Promotion Agency of Turkey (ISPAT), has been appointed the agency's new president by H.E. Prof. Dr. Ahmet DAVUTOĞLU, the Prime Minister of Turkey.

Also acting as the head of the Public-Private Partnership Department of ISPAT during the former President Ilker Ayci's term, Ermut started out as a project director at ISPAT in 2007 and led the teams in charge of the Gulf countries and India. He was promoted to Chief Project Director and Advisor to the President in 2010.



### Turkey's largest R&D center launched by Ford Otosan



Ford Otosan, the JV established by Turkey's Koc Holding and American carmaker Ford, has launched Turkey's largest single-site research development (R&D) center in Istanbul's Sancaktepe.

The TRY 68 million (approx. USD 25 million) center will employ 1,200 engineers as well as the latest technologies in motor vehicle and engine design, including a CAVE virtual reality system, a first for Turkey's automotive industry.

Speaking at the opening ceremony, Koc Holding Board Member and Chairman of Ford Otosan Ali Koc said that Ford Otosan was its parent company's commercial vehicle production hub in Europe. "The company exported USD 300 million worth of engineering services to other Ford divisions in the last 5 years," he noted. Ford Otosan directly employs 10,000 people in Turkey, and operates three vehicle assembly plants and an engine plant.

### Intesa Sanpaolo opens its first branch in Turkey



The Italian lender Intesa Sanpaolo has opened its first branch in Istanbul, Turkey. To focus solely on corporate banking, Intesa Sanpaolo will mainly provide support for Italian companies doing business in Turkey.

"Intesa Sanpaolo's branch opening in Istanbul is an entry to a very important market lying on a critical trade and investment junction between Europe, the Middle East, and Central Asia. Backed by the synergy created by our banking institutions in Italy and other countries, the newly established Turkish branch will widen Intesa Sanpaolo's know-how to better provide Italian, Turkish, and third companies with customized solutions," according to Gaetano Micciché, Head of Intesa Sanpaolo's Corporate and Investment Banking Division.

Another Italian banking company, UniCredit, is active as a shareholder in Turkey's Yapi Kredi Bank, the country's fourth largest. There are around 1,200 Italian companies in Turkey as of the end of 2014, with bilateral trade hovering around USD 20 billion.

### Yemeksepeti acquired for USD 589 million



German online food delivery giant Delivery Hero has announced the acquisition of Yemeksepeti, Turkey's first online food delivery company, for USD 589 million, sealing the largest such deal in Turkey's internet industry to date. The record-breaking deal is also the largest-ever acquisition in the online food-ordering sector.

Founded in 2001, Yemeksepeti is active in Turkey and 7 Middle-Eastern markets, processing about 3 million orders per month. The complete acquisition of Yemeksepeti increases the Berlin-based Hero Delivery's reach to 32 countries.

Yemeksepeti will continue to be run by its experienced team under CEO and Co-Founder Nevzat Aydin, who joins Delivery Hero as a senior advisor.



# ENERGY & RENEWABLES

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**Turkey plans for 120,000 MW of installed capacity in 2023, a third of which will be generated from renewable sources.**

Turkey has become one of the fastest growing energy markets in the world in parallel to its economic growth registered over the last ten years.

Economic expansion, rising per capita income, positive demographic trends and the rapid pace of urbanization are the main drivers of Turkey's increasing energy demand, estimated to increase around 7 percent per annum until 2023.

One of the latest steps the Turkish government has taken towards a more competitive energy sector, the establishment of an energy stock exchange is now complete and the Energy Markets Business Corporation (EPIAS) is soon to begin operating. EPIAS will not only enhance the liberalization of the market but will also ensure transparency and help maintain a healthy balance between supply and demand.

In addition to having a huge domestic market, Turkey is strategically located between major energy consumers and suppliers, thus serving as a regional energy hub. The existing and planned oil/gas pipelines, the critical Turkish straits and promising finds of hydrocarbon reserves in the country itself give Turkey increased leverage over energy prices and reinforce its gateway status.

The renewable forms of energy --hydro, wind, solar, geothermal and others -- are abundant in Turkey and encouraging policies backed by favorable feed-in tariffs are expected to increase their share in the national grid in the coming years. The Turkish government has made it a priority to increase the share of renewable sources in the country's total installed power to a remarkable 30 percent by 2023, while taking the energy efficiency concept to realization by enacting laws that set principles for saving energy, both at the individual and corporate levels.

As important as the renewables are in Turkey's energy strategy in the coming years, technologies such as waste processing and reducing of greenhouse gasses are also often cited together with this new form of power generation as critically important supplementary practices. Sustaining the environment by resorting to renewable resources is accompanied by such measures and regulations, either in effect or soon-to-be in effect, -- lowering carbon emissions, increasing generation/transmission efficiency, and promoting the use of waste management technologies.

The sum of these factors have profoundly shaped Turkey's energy sector and turned it into one of the most attractive investment destinations in the world. In line with the implementation of investor-friendly regulations and the high increase in demand, the Turkish energy sector is becoming more vibrant and competitive, attracting the attention of more investors for each component of the value chain in all the energy sub-sectors.

## NGPI investing in Turkey's geothermal potential

New Generation Power International (NGPI) of Chicago, IL, has announced plans to invest in Turkey's energy potential by installing and operating a 100-megawatt (MW) geothermal power plant.

The American company will form a JV with three local firms – Yilsan Holding, Mineks International, and DCM Energy – for the USD 400 million investment, which will initially go online by the end of this year with a 10-MW output. The plant to be located in northwestern Turkey will reach full capacity before the end of 2017.

# ISPAT Team at Work

## G20-WAIPA Conference - Istanbul



Having assumed the position of presidency in two leading international organizations working on increasing economic cooperation, the Group of Twenty (G20) and the World Association of Investment Promotion Agencies (WAIPA), Turkey successfully hosted a large gathering of government officials, investment promotion agencies (IPAs), company executives, academia and business associations at the G20-WAIPA Conference on Foreign Direct Investment held in Istanbul.

Aiming for greater cooperation to facilitate cross-border investments for sustainable development, the event featured Turkey's Deputy Prime Minister Ali Babacan, UNCTAD Secretary-General Mukhisa Kituyi and many other high-ranking speakers.

## PPP Healthcare Summit - Istanbul



Turkey's public-private-partnership (PPP) model healthcare projects, dubbed the "city hospitals," are to receive significant amounts of investment in the coming years, according to Turkey's Minister of Health, Mehmet Muezzinoglu. Speaking at the PPP Healthcare Summit held in Istanbul, Muezzinoglu said that 32 city hospital projects would be operational by 2018. 17 of the tendered city hospital projects will be built at a cost of USD 10 billion. The tender process is ongoing for projects in Urfa, Denizli, Kütahya, Denizli, Samsun, and Tekirdag. 10 more projects are awaiting approval," the Minister of Health stated.

## The Turkish Business Seminar - Tokyo / JAPAN



The Turkish Business Seminar, hosted by ISPAT, Turkish Embassy in Tokyo, the Foreign Economic Relations Board (DEIK) and the Japan Institute for Overseas Investment (JOI) was held in Tokyo on April 15, 2015 with the participation of more than 150 people. JOI President Junichi Kondo and Ahmet Bulent Meric, Ambassador of Turkey to Japan, opened the seminar.



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### 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](mailto:info@invest.gov.tr)

