



INVEST IN TURKEY

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

newsletter

ISSUE 5

JULY 2014



TURKEY AT 2014 BIO INTERNATIONAL CONVENTION

Turkish biotechnology and pharmaceutical companies, industry associations, and various state bodies attended for the third time the global biotech sector's premier event, the BIO International Convention held this year in San Diego, California 23-26 June.

Turkey's participation in the Convention, headed by Cevdet Yilmaz, Turkey's Minister of Development, and coordinated by the Investment Support and Promotion Agency of Turkey (ISPAT), brought to the attention of industry leaders investment and business opportunities in the country's rapidly growing pharmaceutical market, the 6th largest in Europe and 16th largest in the world.

ISPAT, tasked with promoting Turkey's investment environment to international investors, was represented at the

highest level by President Ilker Ayci and an expert staff who provided information and guidance on Turkey's biotechnology and pharmaceutical sectors.

Visitors to panels and sessions at the Convention's Turkey Pavilion were given detailed information on the prospects for growth in the country's pharmaceutical and biotech sectors.

Minister Yilmaz, commenting during the event, said that pharmaceutical companies investing in Turkey may enjoy state purchase guarantees for up to 7 years.

"Turkey acquires USD 8 billion worth of pharmaceutical products every year. We aim to support local production and transfer of know-how through public spending, beginning with blood plasma products", he noted.

ISPAT President Ilker Ayci said that local research and development was crucial to increasing the country's competitiveness in the biotechnology and pharmaceutical sectors. "US pharmaceutical manufacturers are keen to form partnerships and engage in joint production with Turkish companies", he remarked.



*The Global Event
for Biotechnology*

Turkey breaks ground for world's largest airport

The construction of Istanbul's third airport, set to be one of the largest in the world both in terms of passenger capacity and sheer size, commenced with a ceremony attended by Turkey's Prime Minister, Recep Tayyip Erdogan.

The airport, which will be constructed in the northwest of Istanbul's European side, was tendered to a consortium of 5 Turkish companies, Cengiz-Kolin-Limak-Mapa-Kalyon, for EUR 22 billion in May 2013. To be built at a cost of an additional EUR 10 billion, the built-operate-transfer project will be the largest-ever investment in Turkey's history. The airport will be connected to the third bridge over the Istanbul Strait via the North Marmara Highway, also under construction. When fully completed in 2018, the 6-runway airport will handle 150 million passengers, the largest airport passenger capacity in the world.

Speaking at the groundbreaking ceremony, Turkish Prime Minister Erdogan said that the massive project also carried a symbolic meaning, signifying Turkey's increasing reach. "Its scale, importance and capacity give this project a unique place in the history of Turkey, making us all very proud to mark this historic day", he said, likening the project to a monument of victory.



Turkey's FDI inflow up 46 percent in Jan-April



Turkey received USD 5.1 billion in foreign direct investment (FDI) during the first 4 months of 2014 - up 46 percent from last year.

According to the World Investment Report by the United Nations Conference on Trade and Development (UNCTAD), Turkey's FDI inflow reached USD 12.9 billion during last year, ranking first among West Asian countries and 11th among developing countries worldwide.

Assessing the report, Akin Kozanoglu, Deputy Chairman of the International Investors Association of Turkey (YASED), said that Turkey has retained its attractiveness as an investment destination despite turmoil in neighboring countries.

"We expect Turkey's FDI inflow to reach USD 16 billion by the end of 2014", Kozanoglu noted, listing the energy and finance sectors as the leading recipients of FDI this year.

Turkey shines as a manufacturing powerhouse in Europe – E&Y report

Turkey's performance in attracting foreign direct investments (FDI) over the last 5 years has been praised in global consulting firm Ernst & Young's "Attractiveness Survey - Europe 2014: Back in the Game" report.

Placing special emphasis on Europe's FDI landscape in the post-crisis years, the report names Turkey and Russia as highly attractive destinations for FDI, drawing global investors by virtue of market potential, skilled workforce and improving business climate. The report stated that although Turkey did not appear in the top 15 FDI destinations in Europe prior to the 2008 economic crisis, between 2009 and 2013 it saw a significant increase of 129 percent in FDI projects, as well as a 162 percent increase in job creation.

The report noted that large investments in the manufacturing sector made the largest contribution to Turkey's positive FDI track record in 2013, while a general decline in FDI projects was observed in the Central and Eastern European (CEE) region. The country attracted 98 FDI projects in 2013 compared with 95 in 2012, confirming its status as Europe's new hotspot for large manufacturing investments,.



Strong growth draws pharma giants to Turkey

Aiming to become a pharmaceutical production hub in the region, the country has set a series of goals for 2023, the centennial of the founding of the Republic



Reaching a market volume of USD 23 billion

The Turkish pharmaceutical sector, currently the 6th largest in Europe and 16th largest worldwide, is estimated to hit a volume of USD 23 billion by 2023, up from USD 8 billion today.

Having attained a growth rate of 6.5 percent in 2013, the industry has already attracted a large number of foreign drug companies that entered the market through acquisitions and partnerships, later expanding investment to meet the growing demand.

Share of local production reaching USD 16 billion

“Investment in manufacturing operations in Turkey is highly advantageous for exports to markets in Europe, the Middle East and Africa”, according

to Arnaldo Restelli, Recordati’s Vice President. The Italian company broke ground for a USD 50 million facility in Tekirdag early this year, its second in Turkey. By 2023, local production will account for USD 16 billion of the estimated market total of USD 23 billion.

Attracting USD 1.7 billion of R&D investments

Turkey aims to allocate 3 percent of its GDP to R&D by 2023, achieving approximately USD 60 billion out of a projected GDP of USD 2 trillion. It is expected that two thirds of that total will be spent by the private sector. The country provides special investment incentives in the form of tax exemptions and cuts as well as financial support to improve the technological competitiveness and innovation capacity of vital industries.

Exports reaching USD 8.1 billion

Turkey’s unique location makes it an ideal export hub for the pharma sector, providing access to markets in the Middle East, North Africa, Balkans, the Caucasus and beyond.

R-Pharm goes ahead with Turkey biotech investment



Russian pharmaceutical company R-Pharm is going ahead with its projected EUR 100 million investment in Turkey. R-Pharm’s investment involves a biotechnology manufacturing plant in Turkey, to supply both domestic and regional markets. According to R-Pharm CEO Vasily Ignatyev, the plant will cost EUR 30 million to build, and is expected to enter production by late 2017. “R-Pharm will invest EUR 100 million in its Turkish business by 2018”, he noted. In 2013 the company established an Istanbul-based subsidiary, TR-Pharm, aimed at marketing products in Turkey, the Middle East and North Africa.

ISPAT Team at Work

2014 Bio International Convention - San Diego, CA, USA



Under ISPAT coordination, Turkey was represented by leading private companies, public institutions and sector bodies at the premier event of the global biotechnology industry.



Turkey Investment Seminar by ISPAT and JETRO - Tokyo, JAPAN

The seminar featured presentations by ISPAT, the Institute for Health Economics and Policy, which sent a study team to Turkey with ISPAT's help, and the healthcare consulting company ITEC, which detailed its activities in PPP healthcare projects.



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