

# THE REPORT

## Turkey 2012

ECONOMY  
BANKING  
INSURANCE  
INDUSTRY

ENERGY  
TOURISM  
REAL ESTATE  
TELECOMS & IT

COUNTRY PROFILE  
CAPITAL MARKETS  
CONSTRUCTION  
INTERVIEWS



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## New realities

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As it moves forward with its third term in office, the Justice and Development Party has overseen several significant developments. The country has come to be regarded as a regional leader, and an ongoing legal case against former members of the military (though not without its critics) is a sign of a new openness about formerly taboo subjects. A number of constitutional reforms are also under discussion.

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## A country transformed

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After a year of remarkable growth in 2011, which saw the country's GDP expand by an estimated 7.8% year-on-year, analysts are predicting a slower pace for 2012, with the government forecasting 4%. The country has been a magnet for foreign direct investment in recent years, while privatisation efforts continue in earnest. Challenges remain, including a large current account deficit and the risk of inflation.



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## Power plays

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Located between the Middle East and Eurasian regions and Western markets, Turkey is a key player in energy trade. With so many projects in the pipeline and the government pledging full liberalisation of the sector, plenty of opportunities await both investors and contractors. Reducing the energy import bill is a key government priority.

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## Gaining ground

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Rising domestic demand and growing exports are keeping the industrial sector busy, with production up 9% in 2011. Cars and chemicals lead the pack in terms of exports, with textiles and steel also key sectors. As many raw materials are imported, reining in the trade deficit is increasingly important, and adding value and incentivising investors are key to growth.



## More ways than one

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Strengthening infrastructure to relieve bottlenecks caused by a growing population and rising trade volumes remains a key priority. Some \$180bn is due to be spent in the sector over the next decade, including large-scale plans across all modes of transport. PPPs and BOT contracts are expected to play a significant role in expansion and upgrade work.

## A growing dynamism

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The government currently funds 90% of formal education activities, but with the passage of a new education law that introduces a number of changes, private institutions are likely to play an increasing role, helping to reduce pressure on the sector. The health care system is also undergoing major reforms that are aimed at boosting the quality and the accessibility of provision.



## Put it to print

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With an attentive audience across multiple platforms, the sector is working to make use of several new connections. A new media law introduced in 2011 aims to increase foreign investment and resolve allocation disputes. As content moves online, advertisers are hoping to benefit from its monetisation.