

# Invest in Istanbul agency opens for business

A free-to-use, one-stop investment agency devised to help international businesses operating in Istanbul to sidestep Turkey's notorious layers of bureaucracy has opened its doors ahead of plans to replicate the service across the country.

Invest in Istanbul has been created to consolidate the investment support and promotion services in Istanbul. The platform carries out services with the cooperation of prominent city partners, including governmental bodies, local stakeholders, and business and trade associations.

Coordinated by the Istanbul Development Agency, the service agency works in partnership with the Governorship of Istanbul, Istanbul Metropolitan Municipality, Istanbul Chamber of Commerce and Istanbul Chamber of Industry. Invest in Istanbul aims

to promote the city's investment opportunities and assist international investors through all necessary bureaucratic steps to successfully start a business in Turkey's economic center of growth.

"This synergy will no doubt add value to Istanbul's investment climate," Ozgul Ozkan Yavuz, secretary-general at the Istanbul Development Agency, told DUNYA Executive. "Istanbul has a thriving \$449 billion economy. The city is committed to strengthening its trade and commerce worth \$192 billion across the globe and rapidly transforming into a regional finance hub in the mid-term."

## A real one-stop shop

Yavuz said Invest in Istanbul differs from other investment promotion agencies in that "the bureaucratic steps required to launch a business in Istanbul are handled within a single office." This prac-

tical element has been made possible by staff being assigned from various governmental institutions along with relevant software and intranet applications.

"As such, investors can submit official documents directly to these qualified staff and accelerate the process of setting up their businesses in Istanbul," she said, adding that the service is free of charge.

## Easing bureaucratic burden of international investors

Among the high profile pledges made by President Recep Tayyip Erdogan and Prime Minister Binali Yildirim, particularly during the pre-referendum period, was the alleviation of the burden of bureaucratic procedures by creating more compact economic administrations where all units operate in coordination.

"Invest in Istanbul will serve as a window for making investments

and will reduce bureaucracy, thus enabling Istanbul to receive more investments," said Yildirim during the agency's opening ceremony.

Yavuz believes creative, entrepreneurial citizens help to make Istanbul an innovation incubator and the source of new ideas, products and services.

"Over the past 15 years, Istanbul's economy has experienced rapid structural change. Istanbul's defining economic role has evolved from an efficiency-driven economy to an innovation-driven economy with strong, multi-faceted international connections that have strengthened dramatically with the rise of Turkey's broad vision," Yavuz said.

"No doubt that after the spread of this pilot project to Turkey's other provinces," she added, "the country's ranking in the World Bank's Doing Business Index will immediately leap into the world's top 10."

# Loft targets Germany and US, as demand falls

Akfen Holding, which creates real estate projects in Istanbul and Ankara under the Loft brand, has set its heart on foreign climes amid fears of a shrinking housing market. Akfen currently has two ongoing projects in Ankara, worth a total investment of TL 800 million, but Akfen Insaat Chairman Selim Akin believes increasing construction costs and competitive market conditions in Turkey have led to reduced opportunities.

As a result, Akfen is making plans to enter countries such as Germany and the US with its Loft brand. "After the election to be held in 2019, the market is likely to open up. We are not considering to stop invest-

ing as a company," said Akin. "We will look at projects we come across. We will identify areas such as dormitories, other sectors and other countries. We have TL 700 million-worth of apartment stock. If this falls to TL 200 million, we will start another project."

Akin attributed poor sales to a lack of demand in the market. "We have sold 600 houses in 45 days in the first campaign we made for our Incek Loft project. We could only sell 35% of our Bulvar Loft project, which we put in the market a year ago," he said. "July 15, the presidential referendum: we have not survived a single alien invasion." He added there is no shortage of supply in Ankara, with 50,000 migrations

per year, stating that "the reason demand remains dense is Turkey's agenda. People expect a predictable environment."

## Planning to build addiction clinics

Talking about the contracts Akfen has made for three city hospital projects in Isparta, Eskisehir and Tekirdag, Akin said: "There is a slight slowdown in this area. If these projects continue, we can bid for one or two city hospital auctions." He added that Akfen has plans to build addiction clinics as the company deems the government's alcohol and substance addiction treatment center (AMATEM) insufficient. "A Dutch partner has seen potential in Spain and Turkey.

There is a bit of a legislation problem. If we solve this, we plan to make 10 [addiction treatment centers] in the first instance, which will apply psychological treatments. The first will be for the A-plus segment. Then we are thinking about making [similar places] for lower income groups," he said.

Akfen also owns 20 hotels and Akin assessed the current state of the tourism industry. Talking about the hotels Akfen has built under the Loft brand in Bodrum, Akin said: "Occupancy rates – especially in Trabzon – are good but there is a pricing problem. However, we are not at the price levels we hope to be in Ankara, Eskisehir and Izmir."

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