

Turkey P3 Market Snapshot

The ambitious infrastructure projects launched by the Turkish Government have been of great interest to local and international investors as well as contractors. Turkey has been investing continuously in large infrastructure projects such as energy production and transmission, water supply projects, highways, railways and airports as well as large hospital and housing projects. The contracts are mostly dominated by European, US or Far East firms in partnership with local companies. Many of the projects are also delivered through P3 models based on BOT (built operate and transfer) type of contracts. On April 2014, treasury also issued a regulation to provide guarantees for the borrowing of investments over 500 million TL (approximately 250 million CAD) which is expected to support financial sustainability of these investments. In light of the Canadian infrastructure development and P3 capabilities, we have been working to create awareness in Canada of the opportunities in Turkey and, likewise, to promote Canadian capabilities in the local market as well.

Global Affairs Canada has been promoting linkages with Canada to enable experience exchange and commercial opportunities. A successful Canada - Turkey P3s in Infrastructure Conference was organized by the Consulate in Istanbul in January 2014, with workshops held in Istanbul and Ankara, with the outcome of promoting Canada's models for P3s, showcasing Canadian expertise in this area and identifying opportunities for capacity building in Turkey for Canadian leaders in this area.

The investment cost for 2,195 projects identified in the 2015 Public Investment Program increased 8.9% from 2014 to reach a total budget of 477 billion TL (approximately CAD \$250 billion). Moreover, the 2016-2018 Medium Term Programme prioritizes investment in health, transportation, education and water infrastructure. These present huge opportunities for Canadian companies in a number of areas but especially in construction, finance, technical engineering, ICT and innovation as well as in facility and resource management. Large investments are planned mostly in healthcare, transportation and energy sectors. For example, The Turkish Ministry of Health has an ambitious agenda of building over 34 new metropolitan hospitals including in cities like Istanbul and Ankara. The projects are delivered through the P3 model.

Turkey is identified as an important emerging market with respect to infrastructure, with the focus on seeking partnerships for both in-market opportunities and to access other foreign market opportunities. For instance, Turkey is planning and implementing a sizeable number of infrastructure projects and they are receptive to partnering with Canadian companies. Moreover, partnerships with Turkish companies can open opportunities for Canadian firms in other markets, such as the Middle East and in Africa.

Turkey is committed to improve its infrastructure in various areas and is willing to see more Canadian companies developing those projects. The decision is yours!

For additional information please contact:
Neil.Krell@international.gc.ca

