

Turkish investment in France



Turkey represents a market of more than 70 million consumers, made up of a relatively young population including a class of dynamic entrepreneurs.

The data used in the present document in terms of number of projects and jobs created, come from reports on international investment in France edited by IFA since 1993.

Turkish companies based in France

General characteristics

Flows of inward FDI into Turkey (USD 21.96 billion in 2007) remain higher than flows of outward FDI (USD 2.10 billion in 2007), which shows that Turkey's capacity to attract foreign investment largely outweighs Turkish investment abroad. The high level of inward FDI flows is linked to the telecommunications, petrol refining, fuel distribution, insurance and real estate sectors.

Statistics 2007

Stocks :

- Number of companies based in France: information unavailable
- FDI stock in France, end of 2006¹ : €621 million

Flows :

- Number of projects concerned: 1
- Number of jobs concerned: 10

There is obvious interest in the Turkish market:

- the volume of capital held by foreign operators accounts for two-thirds of total market capitalization on the Istanbul Stock Exchange;
- Europe is the source of some 70% of Turkey's inward FDI flows;
- Over the 2007 period, inward FDI flows amounted to USD 21.96 billion.

Turkish FDI worldwide reached 1.6% in 2006.

Sectors

From 2000 to 2007 the main sectors were, in order of the number of jobs created: "Glass, ceramics, minerals, wood, paper, printing" (82%); "Textiles and clothing" (13%); "Machinery and mechanical equipment" (2.6%); "Chemicals, plastics, biotechnologies" (2.4%). The importance of the "Glass, ceramics, minerals, wood, paper, printing" sector can be explained by the type of investment operation in this sector: there were two takeovers of ailing sites that generated high levels of employment.

In terms of investment projects, the "Textile and clothing" sector comes out in the lead, accounting for approximately 50% of Turkish investment in France over the period.

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Type of investment

From 2000 to 2007, business creations and takeovers of firms in distress were practically equivalent in terms of the number of investment projects. Out of a total of 6 Turkish investment projects in France, 50% were business creations, 42% were takeovers of sites in distress, and 8% were takeover-extensions.

Takeovers of sites in distress account for 82% of jobs created in France as a result of Turkish investment over the period, the latter being jobs that were “maintained”.

Over the same period, Turkish investments in France were concentrated around three types of functions: “Production, manufacturing, assembly”, “Distribution, logistics, packaging” and “Commercial and liaison offices”. Each function accounted for one-third of the total Turkish investment projects in France. However, the “production” function accounted for some 86% of total jobs created in France as a result of Turkish investment.

Regional investment locations

From 2000 to 2007, the Alsace region attracted 50% of total Turkish investment projects in France. This was followed by the greater Paris (Ile-de-France) and the PACA regions (1/6th of the total per region). In terms of the number of jobs created, the Rhône-Alpes region attracted 57.6% of jobs created in France through Turkish investment over the period. This can be explained by the two major takeover operations that generated high levels of employment.

Turkish investment flows since 2000

From 2000 to 2007

Since the year 2000, six Turkish investment projects have contributed to 465 jobs being created or maintained in France.

In 2007

Turkish investments created 10 jobs and 1 project in 2007.

Turkish investments in France remained stable over the 2000-2007 period. It should be noted that the average size of a Turkish project over the period was approximately 77.5 jobs created or maintained.

Some of the main Turkish investors in France over the 2000-2007 period:

- > **2004 : Kale Makina**, - industrial equipment - business creation - 12 jobs created - Mundolsheim, Alsace;
- > **2005 : Eroglu**, jeanswear manufacturer - distribution, logistics, packaging - business takeover - 33 jobs maintained - Soultz, Alsace;
- > **2007 : Denim Kumascilik**, sale of fabrics made from various materials (cotton, nylon, wool...) - business creation - 10 jobs - Paris.