

European Bank for Reconstruction and Development to invest 1 billion euros in Turkey

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The European Bank for Reconstruction and Development (EBRD) plans to invest around 1 billion euros (\$1.1 billion) in Turkey this year focusing on agriculture and exporting sectors, a senior EBRD official said, according to the Turkish state-run Anadolu news agency.

"We aim to make an investment worth around 1 billion euros in Turkey in 2019, the same amount we have invested last year," Arvid Tuerkner, the EBRD's managing director for Turkey, was quoted as saying by Anadolu in an interview.

In 2018, the EBRD invested in 34 projects in Turkey, some of them during a currency crisis that saw the lira plunge nearly 30 percent against the U.S. dollar, sparking concern over its impact on the wider economy.

Investor concerns about President Tayyip Erdogan's influence over monetary policy

and a diplomatic rift between Ankara and Washington sparked the sell-off in the lira. The weaker currency drove up the cost of goods from food to fuel, sending inflation to a 15-year high of more than 25 percent. The central bank hiked its policy rate by a total of 11.25 percentage points last year to put a floor under lira.

The EBRD expects Turkey's economy to contract for two or three quarters this year, Tuerkner said, adding annual growth was expected to be 1 percent, according to Anadolu.

Turkish economic growth slowed to 1.6 percent in the third quarter of last year.