TOURISM SECTOR IN TÜRKİYE
AGENDA

1. Executive Summary
2. Tourism Sector in the World and Türkiye’s Position
3. Tourism Sector in Türkiye

EXECUTIVE SUMMARY
FAVORABLE INVESTMENT ENVIRONMENT
- Türkiye was 4th most visited country in the World with 29.9 million visitors in 2021
- Türkiye ranked 6th in the World with USD 26.6 billion tourism receipts in 2021
- Türkiye ranked 3rd in the World with 529 blue flag awarded beaches in 2022
- Year-round tourism
- Proximity to major markets and connectivity
- Occupancy rate in Istanbul ranked at 2nd place in Europe in 2021
- Türkiye has a wide range of tourism source markets, protecting it from asymmetrical shocks

STRONG INTERNATIONAL PRESENCE
- Prestigious global hospitality brands have presence in Türkiye
- Successful partnerships with local companies to grow in the region, capitalizing on locals’ experience and networks
- Türkiye is geographically well situated to attract arrivals from Western and Eastern Europe as well as the Middle East and North Africa region

ROBUST GROWTH IN THE SECTOR
- 51.4 Million visitors in 2022, same level as 2019, recovery from Covid-19.
- In 2022, 45 million foreign visitors visited Türkiye. As an indicator of full recovery, number of foreign visitors turned back to 2019 levels
- 46.3 Billion USD tourism receipts in 2022. Highest tourism revenue of Türkiye
- Contribution of Travel & Tourism to GDP in 2021 was 7.3%
- 2.42 Million - Employment in tourism sector in 2021. 8.4% of total employment in Türkiye
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TOURISM SECTOR IN THE WORLD AND TÜRKİYE`S POSITION

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International tourism recovered 63% of pre-pandemic levels in 2022. All regions enjoyed significant increases in 2022 while Europe and Middle East in the lead.

Over 900 million tourists travelled internationally in 2022, double those in 2021 though still 37% fewer than in 2019.

Europe, the world’s largest destination region, recorded 585 million arrivals in 2022 to reach nearly 80% of pre-pandemic levels (-21% over 2019).

The Middle East enjoyed the strongest relative increase across regions in 2022 with arrivals climbing to 83% of pre-pandemic numbers (-17% versus 2019). The region welcomed large events such as Expo 2020 Dubai and the FIFA World Cup in Qatar, as well as a highly attended Hajj pilgrimage in Saudi Arabia.

Africa and the Americas both recovered about 65% of its pre-pandemic visitors, while Asia and the Pacific reached only 23%, due to stronger pandemic-related restrictions.

The year 2022 saw a strong rebound in tourism spending, resulting in the recovery of pre-pandemic levels in income across many destinations.
Europe attracted more than half of total tourists in the world in 2019 with 746.3 million tourist arrivals (50.9%). Asia and the Pacific recorded 360.4 million tourist arrivals (24.6%) while Americas recorded 219.3 million (14.9%), Africa and Middle East recorded 70 million (4.8%) tourist arrivals in 2019.

In 2022, Europe attracted 584.9 million tourist arrivals (63.8%). Asia and the Pacific recorded 84.4 million tourist arrivals (9.2%) while Americas recorded 142.4 million (15.5%), Middle East recorded 60.3 million (6.6%) and Africa recorded 45 million tourist arrivals.

Europe's share increased from 50.9% to 63.8% when 2022 and 2019 tourist arrivals were compared.

### International Tourist Arrivals, Distribution by Region, 2022

<table>
<thead>
<tr>
<th>Region</th>
<th>Share (%)</th>
<th>Tourist Arrivals (million)</th>
<th>Change (%) 22/21*</th>
<th>Change (%) 22/19*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>63.8</td>
<td>584.9</td>
<td>92</td>
<td>-21.4</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>9.2</td>
<td>84.4</td>
<td>241</td>
<td>-76.5</td>
</tr>
<tr>
<td>Americas</td>
<td>15.5</td>
<td>142.4</td>
<td>74.9</td>
<td>-35.1</td>
</tr>
<tr>
<td>Africa</td>
<td>4.9</td>
<td>45</td>
<td>132.4</td>
<td>-34.6</td>
</tr>
<tr>
<td>Middle East</td>
<td>6.6</td>
<td>60.3</td>
<td>144.4</td>
<td>-17.4</td>
</tr>
<tr>
<td>World</td>
<td>100</td>
<td>917</td>
<td>101.6</td>
<td>-37.4</td>
</tr>
</tbody>
</table>

* Provisional Data

Source: UNWTO World Tourism Barometer January 2023
TOURISM SECTOR IN THE WORLD AND TÜRKİYE´S POSITION

TOP DESTINATIONS BY INTERNATIONAL TOURIST ARRIVALS, 2021

- France was the most visited country in 2021 with 48.4 million visitors. Mexico came 2nd with 31.9 million visitors. Spain recorded 31.2 million tourist arrivals in 2021 ranked as 3rd most visited country.

- Türkiye was the 4th most visited country in the World in 2021. 6.6% of total visitors in the world and 9.8% of total visitors in Europe with 29.9 million tourist arrivals.

- Türkiye followed by Italy with 26.9 million visitors. USA ranked 6th and recorded 22.1 tourist arrivals. Greece recorded 14.7, Austria recorded 12.7 million, Germany recorded 11.7 million and UAE recorded 11.5 tourist arrivals in 2021.

* Provisional Data

Source: UNWTO World Tourism Barometer January 2023
Türkiye ranked 6th with USD 29.8 billion tourism revenues in 2021. 99.8% increase in tourism receipts of Türkiye when compared with previous year.

Notable increases in international tourism receipts were recorded across most destinations, in several cases higher than their growth in arrivals. This was supported by the increase in average spending per trip due to longer periods of stay, the willingness by travelers to spend more in their destination, and higher travel costs partly due to inflation.

In 2022, several destinations reported tourism receipts above pre-pandemic levels in the first ten to twelve months of 2022, including Türkiye (+40%), Romania (+25%), Mexico (+13%), Portugal (+15%), Latvia (+14%), Pakistan, Morocco (both +6%) and France (+1%).

* Provisional Data

Source: UNWTO World Tourism Barometer January 2023
Since 2010, Türkiye mainly secured its place as being the 6th most visited country in the World. In the first year of Covid-19, Türkiye repeated its success, in 2021 climbed 2 steps and became 4th most visited country in the World.

- Covid-19 measures and safe tourism certificate have positively affected the tourism sector in Türkiye. Also not closing the borders completely helped Türkiye to be discovered and rediscovered by high spending tourists.

- In tourism receipts, as an indicator of elevating tourist profile, Türkiye ranked 6th in 2021.

- Türkiye is expected to be in the top countries in 2022 rankings as UNWTO shared Türkiye tourism receipts are above pre-pandemic levels.
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TOURISM SECTOR IN TÜRKİYE
Tourism Revenue in 2022: 46.3 billion $, Contribution of Travel & Tourism to Employment in 2021: 2.42 million, Contribution of Travel & Tourism to GDP in 2021: 7.3%.

- 51.4 million visitors in 2022
- 46.3 billion $ tourism revenue in 2022
- 2.42 million employees employed in travel and tourism sector in 2021, 8.4% of total jobs
- 7.3% contribution to GDP in 2021, TRY 525.5BN (USD 59.3BN), change: +60.6%, economy change: +11.4%
- 44.6 million foreign visitors in 2022
- $901 tourism receipts per arrival in 2022
- 2nd occupancy rate in Istanbul ranked in second place in 2021 in Europe

Source: Ministry of Culture and Tourism, TurkStat, WTTC (World Travel & Tourism Council), STR
Number of foreign visitors decreased dramatically by 72% in 2020 with travel restrictions, closed borders, travel bans due to Covid-19.

Tourism sector in Türkiye showed strong recovery in 2021 with 94% increase by the help of covid-19 precautions and safe tourism certificate.

In 2022, 45 million foreign visitors visited Türkiye. As an indicator of full recovery, number of foreign visitors turned back to 2019 levels.
The profile and number of foreign visitors are the main driver in the development of tourism sector in Türkiye. In general, foreign visitors share is more than 80% in total visitors and contribution of citizens of Türkiye living abroad are limited and constant.
TOURISM RECEIPTS PER ARRIVAL BETWEEN 2012-2022 (ANNUAL CHANGE, USD)

- Average expenditure per arrival increased by 20% to 901 USD in 2022 when compared with last normal tourism sector season in 2019, before the pandemic.
- Growth trend that seen in tourism arrivals in last years can also be observed in tourism receipts per arrival especially since pandemic.

Tourism Receipts per Arrival in 2022
%20 ↑ compared to 2019

Source: Ministry of Culture and Tourism
TOP 5 VISITOR COUNTRIES AND NUMBER OF TOURISTS BETWEEN 2015-2020

- Germany: 2022, 1,236,679 tourists; 2021, 1,071,194 tourists; 2020, 1,377,219 tourists; 2019, 1,344,411 tourists; 2018, 1,454,354 tourists
- Russia: 2022, 2,331,076 tourists; 2021, 1,718,611 tourists; 2020, 1,682,512 tourists; 2019, 1,693,739 tourists; 2018, 2,004,354 tourists
- UK: 2022, 1,370,739 tourists; 2021, 1,280,739 tourists; 2020, 1,370,739 tourists; 2019, 1,370,739 tourists; 2018, 1,454,354 tourists
- Iran: 2022, 2,331,076 tourists; 2021, 1,718,611 tourists; 2020, 1,682,512 tourists; 2019, 1,693,739 tourists; 2018, 2,004,354 tourists

Source: Ministry of Culture and Tourism

Nationalities of Top Visitors-2022

1. Germany: 5,679,194 tourists
2. Russia: 5,232,611 tourists
3. UK: 3,370,739 tourists
4. Bulgaria: 2,882,512 tourists
5. Iran: 2,331,076 tourists

Other countries: 56%

Germany: 13%
Russia: 12%
UK: 8%
Bulgaria: 6%
Iran: 5%
### TOURISM EXPENDITURES AND GROWTH RATES OF THE TOP 10 COUNTRIES WITH THE HIGHEST TOURISM EXPENDITURES (2019 and 2021)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>World</td>
<td>1,494</td>
<td>637</td>
</tr>
<tr>
<td>1 China</td>
<td>1 China</td>
<td>254.6</td>
<td>105.7</td>
</tr>
<tr>
<td>2 USA</td>
<td>2 USA</td>
<td>132.3</td>
<td>56.9</td>
</tr>
<tr>
<td>3 Germany</td>
<td>3 Germany</td>
<td>93.1</td>
<td>47.8</td>
</tr>
<tr>
<td>4 United Kingdom</td>
<td>4 France</td>
<td>70.6</td>
<td>34.6</td>
</tr>
<tr>
<td>5 France</td>
<td>5 UK</td>
<td>50.5</td>
<td>24.3</td>
</tr>
<tr>
<td>6 Russian Federation</td>
<td>6 UAE</td>
<td>36.2</td>
<td>21.8</td>
</tr>
<tr>
<td>7 Australia</td>
<td>7 Korea (ROK)</td>
<td>36.0</td>
<td>16.7</td>
</tr>
<tr>
<td>8 Canada</td>
<td>8 Italy</td>
<td>35.3</td>
<td>15</td>
</tr>
<tr>
<td>9 Korea (ROK)</td>
<td>9 Belgium</td>
<td>32.7</td>
<td>14.7</td>
</tr>
<tr>
<td>10 Italy</td>
<td>10 India</td>
<td>30.3</td>
<td>14.3</td>
</tr>
</tbody>
</table>

* Provisional Data

Source: UNWTO World Tourism Barometer March 2021, UNWTO World Tourism Barometer January 2023

- Travellers from China and United States created 25.9% of total tourism expenditures, while top 10 countries in the list created 51.6% of total tourism expenditures in 2019.
- Travellers from China and United States created 25.5% of total tourism expenditures, while top 10 countries in the list created 64.2% of total tourism expenditures in 2021.
- Germany, UK and Russia, top 3 source countries of Türkiye are at the top 10 list of countries with the highest tourism expenditures.

UNWTO published only 2021 rankings in January 2023 tourism barometer but the recovery can also be seen in outbound tourism, with strong international spending in the first ten to twelve months of 2022 from major source markets such as France (-4% over 2019), Germany (-8%), Italy (-10%) and the United States (-15%), compared to 2019. Emerging markets with robust growth in spending in 2022 include Qatar (+29%), India (+10% through June) and Saudi Arabia (+7% through September).
92,4
Million Arrivals to Tourism Facilities in 2022
%30,6 ↑ Compared to 2021

237,7
Million Overnight Stays in 2022
%35 ↑ Compared to 2021

Source: Ministry of Culture and Tourism
According to STR, global occupancy rates reached 57% in December 2022, from 43% in January 2022. Global occupancy saw a gradual improvement throughout 2022, with peak rates above 65% in the June-October period. The Middle East (65%) saw the highest occupancy rates in December, followed by Europe (58%), Africa (56%), the Americas and Asia and the Pacific (both 54%).

Source: STR, UNWTO World Tourism Barometer January 2023
### AVERAGE DAILY RATE, in EUR

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>77.5</td>
<td>70.5</td>
<td>81.7</td>
</tr>
<tr>
<td>Europe</td>
<td>113.4</td>
<td>91.3</td>
<td>104</td>
</tr>
<tr>
<td>Istanbul</td>
<td>90</td>
<td>89</td>
<td>123</td>
</tr>
<tr>
<td>Antalya</td>
<td>88</td>
<td>97</td>
<td>123</td>
</tr>
<tr>
<td>Turkey</td>
<td>77</td>
<td>71</td>
<td>82</td>
</tr>
</tbody>
</table>

- ADR figures have fully recovered to pre-pandemic levels in 2021, especially for the coastal regions of Türkiye such as Antalya, Muğla and Bodrum. In Antalya, ADR was realized at 122.5 EUR, well above the European average of 104 EUR.

Source: STR
### Revenue per Available Room, in EUR

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>52.5</td>
<td>25.3</td>
<td>42.6</td>
</tr>
<tr>
<td>Europe</td>
<td>81.9</td>
<td>30.2</td>
<td>45</td>
</tr>
<tr>
<td>İstanbul</td>
<td>29</td>
<td>50</td>
<td>66</td>
</tr>
<tr>
<td>Antalya</td>
<td>38</td>
<td>52</td>
<td>63</td>
</tr>
<tr>
<td>Turkey</td>
<td>25</td>
<td>43</td>
<td></td>
</tr>
</tbody>
</table>

Source: STR

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**Key Performance Indicators**

**Revenue per Available Room, in EUR**

- **Paris**: 92.4 EUR
- **Zurich**: 88.5 EUR
- **Geneva Area**: 83.2 EUR
- **Tel Aviv**: 64.7 EUR
- **London**: 64.5 EUR
- **Antalya**: 63.0 EUR
- **Edinburgh**: 61.3 EUR
- **Athens**: 59.9 EUR
- **Milan**: 53.0 EUR
- **Rome**: 50.9 EUR
- **İstanbul**: 49.7 EUR
- **Manchester**: 45.2 EUR
- **Dublin**: 42.3 EUR
- **Madrid**: 41.9 EUR
- **Barcelona**: 40.3 EUR
- **Moscow**: 40.1 EUR
- **Copenhagen**: 36.0 EUR
- **Saint Petersburg**: 35.7 EUR
- **Belgrade**: 34.6 EUR
- **Berlin**: 31.5 EUR

Source: invest.gov.tr
### Total Number of Establishments

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourism Accommodation</th>
<th>Tourism Operating Licenses</th>
<th>Tourism Investment Licenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>12,865</td>
<td>795,297</td>
<td>1,718,862</td>
</tr>
<tr>
<td>2020</td>
<td>13,476</td>
<td>818,417</td>
<td>1,764,340</td>
</tr>
<tr>
<td>2021</td>
<td>14,831</td>
<td>848,663</td>
<td>1,825,589</td>
</tr>
</tbody>
</table>

- Türkiye boasts 14,831 tourist accommodation establishments with over 848,000 rooms as of 2021 year-end – a 7.67% annual increase in terms of number of establishments.

- While 64% of total tourism facility stock is licensed by municipality, 32% of hotels have a tourism operating license and 4% a tourism investment license.

Source: Ministry of Culture and Tourism
Includes municipality, tourism operating and tourism investment licensed establishments
• Türkiye, with 529 blue flag awarded beaches ranked 3rd and with 24 blue flag awarded marinas ranked 7th in the 2022 list.

• The southern Antalya province of Türkiye, often regarded as one of the top tourism destinations in the world, has retained its ranking with the most blue-flagged eco-friendly beaches in the world, with a total of 231. Antalya followed by Muğla with 111, Izmir with 66, Aydın with 36 blue flag awarded beaches.

Note: Rankings includes only Northern Hemipshere countries
Source: Blue Flag Global
TOURISM SECTOR IN TÜRKİYE

STRATEGIC LOCATION

PROXIMITY TO MAJOR MARKETS
1.3 billion people and $26T GDP in Europe, MENA and Central Asia at 4 hour flight-distance

CONNECTIVITY
Turkish Airlines connects you to 290 destinations in 128 countries

BORDER GATES THAT FOREIGN VISITORS ENTERED TO TÜRKİYE IN 2022:

1– İstanbul 16,018,726
2– Antalya 12,818,472
3– Edirne 4,636,437
4– Muğla 2,989,731
5– İzmir 1,462,458

TRANSPORTATION TYPES USED BY FOREIGN VISITORS IN 2022:

1– Airways % 76,05
2– Roadways % 20,20
3– Seaways % 3,71
4– Railways % 0,04

UNWTO COMMENT
Higher food and energy prices result in lower purchasing power and weaker consumer confidence, which could weigh on travel demand in 2023, specially in terms of spending. Travellers may increasingly seek value for money and take trips closer to home in response to the challenging economic environment.

Source: Ministry of Culture and Tourism, Turkish Airlines 1Q’23 Results Investors Presentation, ACI (Airports Council International), UNWTO World Tourism Barometer January 2023
The United Nations Educational, Scientific and Cultural Organization (UNESCO) has declared 1,154 sites around the world to be of outstanding value to humanity. 897 of the sites are cultural, 218 natural and 39 mixed (cultural and natural).

Türkiye is home to 19 (17 cultural and 2 mixed) UNESCO World Heritage Sites. Türkiye ranked 16th in the list.

There are also 1,720 sites in the Tentative List of UNESCO World Heritage Sites.

Türkiye has 84 sites (77 cultural, 4 mixed and 3 natural) in the Tentative List of UNESCO World Heritage Sites.
202 is the top choice for Mediterranean holidays, ranking 3rd in the world with a total of 529 Blue Flag beaches.

Türkiye is the top choice for Mediterranean holidays, ranking 3rd in the world with a total of 529 Blue Flag beaches.

Turkey is the top choice for Mediterranean holidays, ranking 3rd in the world with a total of 529 Blue Flag beaches.

Turkey is home to 19 (17 cultural and 2 mixed) UNESCO World Heritage Sites and has 84 sites (77 cultural, 4 mixed and 3 natural) in the Tentative List of UNESCO World Heritage Sites.

22,898 registered archeological sites in Türkiye.

Türkiye is a country which hosted different cultures throughout history due to its unique geographical location as a bridge between Europe and Asia.

Architectural heritage of Türkiye extends way back to 7400 BCE in Çatalhöyük to Ottoman Imperial architecture to modern architecture and local architecture styles in Türkiye that consists of palaces, mansions, fortresses and castles, inns and bazaars, religious monuments, cisterns etc.

Faith tourism and gastro tourism.

Golf resorts designed by world renowned golf course designers, high quality golf courses that comply with PGA standards.

Belek, welcomes best golfers all through the year, thanks to the suitable climate with an average temperature of 19°C and sunny days which last more than 300 days. Belek, with 15 different golf courses and luxurious hotels close by them, allows golfers to explore new golf courses whenever they want during the year. Golf courses, the airport and the hotels are in the same region; this provides the golfers the opportunity to play golf in different golf courses without loss of time.

Halal Tourism is observed to be one of the prospective trends in the last couple of years within Middle Eastern tourism recorded as a 2022 Riverscape CrescentRating Global Muslim Travel Index 2022, Türkiye ranked 2nd in overall index.

 Newly built medical cities, its numerous hospitals, and high-quality medical services make Türkiye stand out on a global scale.

In 2022, 1,258,382 patients visited Türkiye for health tourism and received health services. Tourism income from health tourism recorded as 2.119.059.000 USD in 2022.

The share of health tourism income in total tourism revenues was %1 in 2002. This rate increased to %4.6 in 2022.

Outdoor activities, adventure opportunities, recreational activity opportunities are endless in Türkiye such as camping & glamping, cycling, trekking & hiking, skiing, diving, windsurfing & kitesurfing, rafting, kayaking.

Natural wonders to see in Türkiye such as mountains, rivers, lakes, canyons, plateaus, waterfalls, caves, natural parks.

Türkiye’s thermal resources rank 7th in the world and 1st in Europe. Hundreds of thousands of international patients and tourists visit Türkiye’s unique thermal facilities every year to get better and healthier. Türkiye is ranked 3rd in Europe (after Germany and Italy) in terms of the utilization of its natural thermal resources. It boasts more than 260 thermal facilities established over an area of more than 1,500 thermal resources. In Türkiye thermal cures available almost 300 days in a year. Insurance companies from many Northern European and Scandinavian countries send their patients to Türkiye for thermal treatments as part of their recuperation.
TOURISM SECTOR IN TÜRKİYE

OFFERING LUCRATIVE INCENTIVES IN TOURISM SECTOR

GENERAL INVESTMENT INCENTIVES
- Customs Duty Exemption
- VAT Exemption

REGIONAL INVESTMENT INCENTIVES
- Customs Duty Exemption
- VAT Exemption
- Corporate Tax Reduction
- Social Security Premium Support (Employer’s share)

TOURISM INCENTIVE LAW INCENTIVES
- Land Allocation for Tourism Facility Investments
- Energy Support
- Foreign experts and craftsmen can be employed

PROPERTY TAX INCENTIVES
- 5 year property tax exemption
According to Fitch Solutions report, in 2022 only Mexico and UAE were expected to show recovery to pre-pandemic levels. Türkiye, Italy, United Kingdom and Austria expected to recover to pre-pandemic levels in 2023.

Türkiye succeeded to recover to pre-pandemic levels in 2022 by performing same in tourist arrivals as 2019 and surpassing the 2019 performance by 18.9% in tourism receipts.

Many of the top global hotel chains already have a strong presence in the country, and numerous popular brands are represented. A range of markets are catered for, from budget holidays to high-end travel and luxury resorts.