INVESTING IN INFRASTRUCTURE & PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECTS IN TURKEY

April 2021
• Executive Summary

• Need for Infrastructure Investment

• Track Record

• Opportunities
  • Healthcare
  • Transportation
  • Energy

• Favorable Investment Climate
EXECUTIVE SUMMARY

TURKEY HAS A STRONG CASE FOR INVESTMENT IN INFRASTRUCTURE

**Investment Need for Development**
- Turkish economy is robustly growing with an average annual GDP growth rate of 5.1%.
- Turkey’s 84-million strong population is growing with additional 1 million people every year coupled with a rapid urbanization process which has resulted in more than 24 urban centers with populations over 1 million.
- Turkey’s growing trade volume and strategic location compels Turkey to develop its infrastructure.

**Track Record with Significant Opportunities in the Pipeline**
- Turkey has implemented $156 Billion worth of Public Private Partnership (PPP) projects in a variety of sectors. This trend has picked up in recent years with a bright prospect.
- Turkey has set ambitious targets to upgrade its infrastructure.
- From transportation to healthcare and energy, ample opportunities are available in the pipeline.

**Favorable Investment Climate**
- Turkey has a favorable investment legislation for PPP investments that can be realized through various models, such as build-operate, build-operate-transfer, transfer of operational rights, etc.
- Turkey’s investment climate is further strengthened by domestic and international laws that protect investments and provide international arbitration.
- Turkey’s macroeconomic policies, investments and more importantly, strong public finance management support PPP investments that require guaranteed purchase.
• Executive Summary

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Turkish economy has been robustly growing with an average annual GDP growth rate of 5.1% from 2002 to 2020.

Turkey’s population has been rapidly growing by 1 million every year.

Turkey’s foreign trade volume has increased from $88 billion in 2002 to $389 billion in 2020.

As Turkish economy has developed, people from rural areas have migrated to urban centers.

Turkey is strategically located in the proximity of energy resources and trade routes.

In order to maintain competitiveness, Turkey needs to enhance efficiency and productivity by investing in infrastructure.

Source: TurkStat
ROBUST ECONOMY

13TH LARGEST ECONOMY

TURKEY HAS SUSTAINED STELLAR ECONOMIC GROWTH OVER THE PAST 16 YEARS AND CONTINUES TO GROW

Average Annual GDP Growth (%), 2003-2019

<table>
<thead>
<tr>
<th>Economy</th>
<th>2003</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>5.3</td>
<td>4.0</td>
</tr>
<tr>
<td>Poland</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Romania</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>Czechia</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: TurkStat, IMF, PPP: Purchasing Power Parity
A YOUNG AND GROWING POPULATION HAS BEEN SPURRING ECONOMIC ACTIVITIES

TURKEY’S POPULATION IS GROWING WITH ADDITIONAL 1 MILLION PEOPLE EVERY YEAR AND IS EXPECTED TO REACH 100 MILLION BY 2040

Source: Turkstat, Eurostat * As of 2019
DOMESTIC MARKET

TURKEY’S ECONOMIC TRANSFORMATION HAS RESULTED IN RAPID URBANIZATION

24 urban centers with populations over 1 million

Total Population in 2020
83.6 MILLION

Source: TurkStat
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 323 destinations in +120 countries

MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS

TURKEY IS STRATEGICALLY LOCATED AT THE EPICENTER OF TRADE ROUTES, WHICH REQUIRE A DEVELOPED TRANSPORTATION INFRASTRUCTURE

PROXIMITY TO MAJOR MARKETS

16 TIME ZONES

STRATEGIC LOCATION

Source: World Bank as of 2019
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FOR THE LAST 18 YEARS, USE OF PPP MODELS INCREASED AS AN ALTERNATIVE TO PUBLIC PROCUREMENT

PPP Contracts in Turkey ($ Billion**)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment</th>
<th>Fees*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986-2002</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>2003-2020</td>
<td>57</td>
<td>77</td>
</tr>
</tbody>
</table>

Number of PPP Projects in Turkey

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986-2002</td>
<td>72</td>
</tr>
<tr>
<td>2003-2020</td>
<td>177</td>
</tr>
</tbody>
</table>

Source: Presidency of Strategy and Budget *Fees to the government for the transfer of operating rights **2020 prices
Breakdown of the PPP Contracts ($ Million**)

- Airport: $73,354
- Energy: $37,325
- Motorway: $24,431
- Health Facility: $11,639
- Port: $4,828
- Marina: $2,180
- Industrial Facility: $1,470
- Border Gate: $539
- Mining: $280
- Railway: $258
- Culture & Tourism: $144
- Solid Waste: $31

**Investment**

**Fees***

1986: $156 Billion
2020: $0 Billion

Source: Presidency of Strategy and Budget *Fees to the government for the transfer of operating rights **2020 prices

TRANSPORTATION AND ENERGY INFRASTRUCTURE PROJECTS DOMINATE THE PPP MARKET IN TURKEY

Breakdown of the PPP Contracts (Number)

- Energy: 97
- Motorway: 41
- Port: 23
- Health Facility: 20
- Border Gate: 19
- Airport: 18
- Marina: 18
- Mining: 8
- Industrial Facility: 2
- Railway: 1
- Culture & Tourism: 1
- Solid Waste: 1

1986: 249 Projects
2020: 0 Projects

Turkish PPP Market
BUILD-OPERATE-TRANSFER AND TRANSFER OF OPERATING RIGHTS ARE THE MAIN CONTRACT MODELS IN THE TURKISH PPP MARKET

**PPP Contract Models ($ Million*)**

- **Build-Lease-Transfer**: 11.594
- **Build-Operate**: 6.996
- **Transfer of Operating Rights**: 44.881

- **Total**: $156 BILLION 1986-2020

**PPP Contract Models (Number)**

- **Build-Lease-Transfer**: 20
- **Build-Operate**: 5
- **Transfer of Operating Rights**: 109
- **Build-Operate-Transfer**: 115

- **Total**: 249 PROJECTS 1986-2020

Source: Presidency of Strategy and Budget *2020 prices
• Executive Summary
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• **Opportunities**
  • Healthcare
  • Transportation
  • Energy

• Benign Investment Climate
AMBITIOUS TARGETS

TURKEY HAS SET AMBITIOUS TARGETS TO UPGRADE ITS INFRASTRUCTURE

HOSPITAL BED CAPACITY OF QUALITY ROOMS* RATE

- 6% in 2002
- 75% in 2020
- 100% in 2023

Highways (Toll Roads) (km)

- 1.714 km in 2002
- 3.523 km in 2020
- 8.187 km in 2035

Railway (km)

- 10.959 km in 2003
- 11.550 km in 2020
- 12.115 km in 2023
- 12.915 km in 2023

- 25.030 km in 2023

Installed Power Capacity (GW)

- 35.6 GW in 2003
- 91.9 GW in 2020
- 120 GW in 2023

Source: Turkstat, Ministry of Health, Ministry of Transport and Infrastructure, Ministry of Energy *Quality rooms: one or two-bedded rooms with a private shower and toilet
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• **Opportunities**
  • **Healthcare**
  • Transportation
  • Energy

• Favorable Investment Climate
Turkey has recently introduced new projects to build integrated healthcare campuses across the country and more opportunities are in the pipeline.

Source: Ministry of Health, as of August 2020 *Total bed capacity of PTR & HSFP Hospitals to be built in Afyon-Diyarbakir-Samsun-Malatya-Erzurum-İstanbul-Trabzon-Van: 2,400
**PPP PROJECTS IN INTEGRATED HEALTHCARE CAMPUS**

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
<th>Bed Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed (in service)</td>
<td>13</td>
<td>17,836</td>
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<tr>
<td>Under Construction</td>
<td>7</td>
<td>13,479</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>20</strong></td>
<td><strong>31,315</strong></td>
</tr>
</tbody>
</table>

The PPP projects are structured as Design, Build, Finance and Maintain for facilities management, while core medical services remain under the responsibility of the Ministry of Health.

Source: Ministry of Health, as of August 2020
Elazığ Fethi Sekin City Hospital

- The campus consists of three towers and annexes located around a central core and includes the following hospitals:
  - General Hospital
  - Maternity and Pediatric Hospital
  - Detainee Forensic Psychiatry Hospital
  - High Security Forensic Psychiatry (HSFP) Hospital
  - Oral and Dental Health Central (ODHC)

- Bed capacity: 1,038
- LEED Gold Certificate (a designation for green buildings)
- Employment: 3,650

Main Hospital
- Beds: 888
- Polyclinic Rooms: 227
- Patient Rooms: 519
- Operating Rooms: 37
- Beds at the Intensive Care: 160

HSFP and Detainee
- Beds: 100 HSFP + 50 Detainees
- Polyclinic Rooms: 8 HSFP
- Patient Rooms: 100 HSFP + 50 Detainees

ODHC
- Polyclinic Rooms: 69
- Operating Rooms: 2

- Project Cost: €360 million = €288 million senior debt + €72 million equity
- First project benefitting from risk mitigation provided jointly by MIGA’s political risk insurance coverage and EBRD’s unfunded liquidity facilities
- First project bond financing for a greenfield infrastructure project in Turkey
- A1 Bonds were rated Baa2
- Vigeo Eiris certified the Elazığ project bond as a ‘green and social’ bond – the first such certification for an infrastructure project in Turkey
- With a 20 year maturity, the bond had the longest maturity for the Turkish Integrated Health Campuses PPP Programme

Source: Rönesans, GIH
OPPORTUNITIES IN HEALTHCARE

TURKEY HAS SIGNIFICANTLY IMPROVED ITS HEALTHCARE SERVICES AND WILL CONTINUE TO INVEST IN HEALTHCARE INFRASTRUCTURE TO CATCH UP WITH OECD

NUMBER OF HOSPITALS

<table>
<thead>
<tr>
<th>Country</th>
<th>2000</th>
<th>2019</th>
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<tr>
<td>OECD</td>
<td>1,048</td>
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<td>Italy</td>
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<td>383</td>
</tr>
<tr>
<td>Turkey</td>
<td>4,707</td>
<td></td>
</tr>
</tbody>
</table>

NUMBER OF HOSPITAL BEDS PER 1,000 POPULATION

Source: OECD, Ministry of Health, values 2017 for Turkey and Canada, 2015 for the US

OPPORTUNITIES IN HEALTHCARE

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NUMBER OF HOSPITAL BEDS PER 1,000 POPULATION

Source: OECD, Ministry of Health, values 2017 for Turkey and Canada, 2015 for the US
Universal Coverage

In 2006 Universal Health Insurance introduced to cover all citizens

Improving Infrastructure

Number of Hospital increased from 1156 in 2002 to 1538 in 2020 (bed capacity 165K to 240K)

Increasing # of Healthcare Professionals

Number of Doctors increased from 92K in 2002 to 165K in 2020 (from 1.4 to 2 per 1000)
- Executive Summary
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- **Opportunities**
  - Healthcare
  - *Transportation*
  - Energy
- Favorable Investment Climate
TURKEY HAS HEAVILY INVESTED IN TRANSPORT INFRASTRUCTURE ACROSS THE COUNTRY AND CONTINUES WITH EVEN MORE AMBITIOUS TARGETS

**Infrastructure Investments (₺ Billion*)**

- **Rajin** 564.9
- **Railway** 170.2
- **Communication** 76.7
- **Airport** 88.5
- **Maritime** 10

**Total** ₺910.3 BILLION 2003-2020

**PPP Investments in Transport & Communication (₺ Billion)**

- **Completed** 184.4
- **Ongoing** 30.3

**Total** ₺214.7 BILLION 2003-2020

Source: Ministry of Transport and Infrastructure, *at 2020 prices, including completed PPP investments
**Opportunities in Transportation**

Investing in transportation has remarkably transformed Turkey’s infrastructure landscape, yet Turkey is determined to improve it further.

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<thead>
<tr>
<th>Infrastructure Type</th>
<th>2002</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dual Carriageway</td>
<td>6,101 km</td>
<td>27,230 km</td>
</tr>
<tr>
<td>High Speed Railway</td>
<td>0 km</td>
<td>1,213 km</td>
</tr>
<tr>
<td>Maritime Containers Transport</td>
<td>190 million Tons</td>
<td>497 million Tons</td>
</tr>
<tr>
<td>Number of Airports</td>
<td>26</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport and Infrastructure
The total length of highways currently in service is 3,523 km. Following the completion of the highway projects under construction and planning stages, it is aimed to increase the total length of the highway to 4,461 km in 2023 and 8,187 km in 2035.
Turkey is committed to transforming its rail transport infrastructure from conventional to high speed opportunities in transportation.

**OPPORTUNITIES IN TRANSPORTATION**

- Existing conventional railway: (14.273 KM)
- Existing High Speed Railways: (1.213 KM)
- Under Construction: (3.872 KM)
- Project phase completed: (3.567 KM)
- Preliminary surveys and studies: (6.682 KM)
LOGISTICS IS AN INTEGRAL PART OF TURKEY’S TRANSPORT INFRASTRUCTURE. TURKEY HAS ESTABLISHED INTERMODAL LOGISTICS CENTERS ALONGSIDE THE TRANS-ASIAN RAILWAY NETWORK TO LOWER COSTS AND INCREASE EFFICIENCY OF LOGISTICS NETWORKS

- 25 logistics centers
- 35 million tons additional transport capacity
- 12.8 million m² container storage and handling area

Source: Ministry of Transport and Infrastructure
TURKEY HAS SIGNIFICANTLY IMPROVED AND UPGRADED ITS AIRPORT INFRASTRUCTURE AND CONTINUES TO INVEST IN AIRPORTS

Open to Civil Air Traffic (56)

- Under Construction – General Directorate of State Airports Authority (DHMI) (2)
- Under Construction - General Directorate of Infrastructure Investments (AYGM) (4)

Source: Ministry of Transport and Infrastructure
TURKEY HAS IMPLEMENTED A VARIETY OF MEGA PROJECTS WITH BOT MODEL AND CONTINUES TO DO SO

ISTANBUL NEW AIRPORT
- Set to become world’s largest airport
- Annual capacity of 150 million passengers when all phases are completed
- Commissioned in April 2019
- Investment of $6.5 billion

YAVUZ SULTAN SELIM BRIDGE
- 95 km-long motorway featuring a bridge for rail & motor vehicle transit over Bosphorus
- Commissioned in August 2016
- Investment of $3.5 billion

GEBZE – ORHANGAZI – IZMIR MOTORWAY
- 427 km-long motorway connecting Istanbul, Bursa & İzmir via world’s 4th longest suspension bridge
- All phases are under operation
- Investment of $6.5 billion

EURASIA TUNNEL
- Double-deck underwater tunnel connecting Asia & Europe in Istanbul
- Commissioned in December 2016
- Investment of $1.2 billion
1915 Çanakkale Bridge

- Longest main span (2,023 km) of any suspension bridge in the world
- Bridge Length: 4,608 m
- 101 km motorway (including the Bridge)
- Construction started in March 2017
- Operation to start by 2023
- Operation period: 16 years 2 months (including construction)
- Investment: $2.8 Billion with BOT
TURKEY IS SET TO IMPLEMENT A MAGNIFICENT FEAT OF ENGINEERING PROJECTS; AN ARTIFICIAL SEA-LEVEL WATERWAY CONNECTING THE BLACK SEA TO THE SEA OF MARMARA, AND GEBZE-HALKALI RAILWAY PASSING OVER 3RD BOSPHORUS BRIDGE

**CANAL ISTANBUL**
- 45 km, 21 m depth and 275 m width
- 6 bridges
- New satellite cities

**GEBZE-HALKALI RAILROAD**
- 213 km with 10 stations
- 31 viaduct (8 km) and 53 tunnel (120 km)
- Passenger capacity: 13 million (Passenger/Year)
- Freight capacity: 12 million (Ton/Year)

Source: Ministry of Transport and Infrastructure
ANOTHER EXEMPLARY TRANSPORTATION PROJECT IS ANKARA-ISTANBUL HIGH SPEED RAILROAD

ANKARA-ISTANBUL HIGH SPEED RAILROAD

- Shortened travel time
- Faster and more comfortable travel

- 347 km total length
- 11 million passenger/year
- 350 km/h design speed
1. ANKARA-KIRIKKALE-DELICE
Reduced traffic density and an important highway corridor for Kırıkkale, which is becoming day by day a large industrial zone

- Total length: 120 km
  - 3.679 m x 2 Viaduct
  - 3.656 m x 2 Tunnel
  - 3 Facilities and 7 Crossroads

2. ANKARA-SIVRIHISAR
An important part of the East-West and North-South traffic corridor

- Total length: 127 km
  - 5.490 m x 2 Viaduct
  - 6 Facilities
  - 5 Crossroads

3. ANTALYA-ALANYA
Reducing heavy vehicle and transit traffic and increasing travel comfort

- Total length: 163 km
  - 8.822 m x 2 Viaduct
  - 11.167 m x 2 Tunnel
  - 7 Facilities and 9 Crossroads

Source: Ministry of Transport and Infrastructure
4. CESMELI-SILIFKE-KIZKALESI
Uninterrupted highway transportation on Mersin-Adana-Gaziantep line

- Total length: 52 km
  - 2x4.266 m
  - 1 Facility
  - 5 Crossroads

5. KINALI-SAVASTEPE-MALKARA
The distance between Istanbul-Çanakkale and Istanbul-Tekirdağ will be shortened

- Total length: 127 km
  - 3.363 m x 2 Viaduct
  - 1048 m x 2 and 1000 m x 2 Tunnels
  - 6 Facilities and 9 Crossroads

6. DORTYOL-HASSA
Integration of industrial zones with Iskenderun Port

- Total length: 31 km
  - 359 m x 2 Viaduct
  - 19.240 m x 2 Tunnel
  - 5 Crossroads

6 BUILT-OPERATE-TRANSFER HIGHWAY PROJECTS ARE EXPECTED TO BE TENDERED IN 2021
Turkey is also investing in maritime transportation infrastructure.

**Port of Filips**
- Ongoing infrastructure construction
- 25 million ton/year capacity
- With special economic zones in the hinterland
- Port management to be BOT model

**Port of Çandarlı**
- 1,500 m jetty work completed
- To reach 4 million TEU/year capacity in 3 phases:
  - Phase I: 1 million TEU
  - Phase II: 2 million TEU
  - Phase III: 1 million TEU
- Tender for Phase I expected
- Port management to be BOT model

**Mersin Container Port**
- Studies ongoing
- 12.8 million TEU/year capacity
- Port management to be BOT model

Source: Ministry of Transport and Infrastructure
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AS TURKEY HEAVILY DEPENDS ON ENERGY IMPORT, SPECIFIC TARGETS HAVE BEEN SET TO DIVERSIFY THE ENERGY MIX AND UTILIZE INDIGENOUS RESOURCES TO REDUCE DEPENDENCE ON IMPORTS

**WIND POWER**
More than 10 GW in the pipeline to reach 16 GW installed wind power capacity by 2027, up from 7.5 GW as of 2019.

**SOLAR POWER**
More than 10 GW in the pipeline to reach 16 GW installed solar power capacity by 2027, up from 6 GW as of 2019.

**GEOTHERMAL POWER**
3 GW potential in the pipeline in addition to existing 1.5 GW capacity as of 2019.

**NUCLEAR ENERGY**
To have 8 nuclear reactors with ~10 GW capacity operational and start building 4 additional reactors with 5 GW capacity by 2023.

**LIGNITE & COAL**
To utilize all known indigenous coal & lignite resources of 20 GW potential in addition to existing total 19 GW capacity as of 2018.

**HYDRO POWER**
34 GW installed hydro power capacity by 2023, up from 28.5 GW as of 2019.

Source: Ministry of Energy and Natural Resources
# Turkey Is Realizing the Targets One by One through Successful PPP Models with Strong Participation of International Players

## Renewable Energy Resources Areas (YEKA)
YEKA aims to use renewable energy resource sites more effectively and efficiently in Turkey through large-scale mega projects with a high share of locally manufactured technologies.

The YEKA scheme is highly attractive with guaranteed feed-in-tariffs for 15 years.

### Solar
- 1,000-MW solar power project tender in March 2017 won by:
  - kalyon

$1.3$ billion investment is expected. The project will be fully operational in 36 months with a power take-off price of $0.0699$ kWh.

### Wind
- 1,000-MW wind power project tender in July 2017 won by the consortium of:
  - Siemens Gamesa
  - TÜRKERLER
  - kalyon

More than $1$ billion investment is expected. Turbines to be installed by 2019, with a power take-off price of $0.0348$ kWh.

## Nuclear Power Generation
Turkey considers nuclear power generation as a key element of securing energy supply and reducing dependency on energy imports.

Turkey has already started to build its first nuclear power plant while preparatory work for the second and third plants is underway.

The governments of Russia and Turkey signed a cooperation Agreement in 2010 to build a nuclear power plant consisting of four power units of NPP-2006 project with VVER-1200 reactors of total capacity $4.8$ GW in Turkey.

The project is the world's first NPP project implemented on BOO (build-own-operate) principle.

The groundbreaking ceremony was held in April 2017, construction underway.

Source: Ministry of Energy and Natural Resources
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International Tax Competitiveness

(source: Ministry of Economy, Ministry of Finance, WB Doing Business Report)

Total Tax and Contribution Rate, 2019 (% of Profit)

<table>
<thead>
<tr>
<th>Country</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>35.7</td>
</tr>
<tr>
<td>Hungary</td>
<td>40.5</td>
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<tr>
<td>Poland</td>
<td>42.3</td>
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<tr>
<td>Turkey</td>
<td>46.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>46.2</td>
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<td>Spain</td>
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</tr>
<tr>
<td>Germany</td>
<td>48.6</td>
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<tr>
<td>Greece</td>
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<tr>
<td>India</td>
<td>51.4</td>
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<tr>
<td>Israel</td>
<td>59.1</td>
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<tr>
<td>China</td>
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<tr>
<td>France</td>
<td>63.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>63.1</td>
</tr>
</tbody>
</table>

International Tax Competitiveness, 2020

(index=100 as most competitive)

<table>
<thead>
<tr>
<th>Country</th>
<th>Competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>73.1</td>
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<tr>
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<td>Croatia</td>
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<td>Mexico</td>
<td>46.6</td>
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<tr>
<td>Poland</td>
<td>44.3</td>
</tr>
</tbody>
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Source: Ministry of Economy, Ministry of Finance, WB Doing Business Report, Total Tax Rate: Profit or corporate income tax, social contributions and labor taxes paid by the employer, property taxes, turnover taxes and other taxes (such as municipal fees and vehicle taxes). Tax Foundation (Tax competitiveness measures countries’ tax policies five categories: corporate income tax, consumption taxes, property taxes, individual taxes, and international tax rules.)
RELEVANT LEGISLATION IS QUITE FLEXIBLE, ENABLING TO ADAPT VARIOUS PPP MODELS ACCORDING TO THE NATURE AND REQUIREMENTS OF PROJECTS

<table>
<thead>
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<th>Models and Legal Framework for PPP in Turkey</th>
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<tbody>
<tr>
<td>Relevant Legislation (Law No)</td>
</tr>
<tr>
<td>№ 3996</td>
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<tr>
<td>Sectors</td>
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</tbody>
</table>

Source: Presidency of Strategy and Budget
The government may assume project companies’ foreign debt in BOT and BLT projects either partially or in full. In order to qualify for debt assumption, the minimum investment must be ₺1 billion in BOT projects and ₺500 million in BLT projects.

**DEBT ASSUMPTION**

- Exemptions from certain fees and taxes (VAT and Stamp Duty). In addition, where applicable, PPP investors may benefit from corporate tax deductions and other financial incentives.

**TAX INCENTIVES**

PPP projects in Turkey allow free use of government-owned land and expropriation.

**LAND**

- Certain PPP projects provide minimum revenue guarantees.

**REVENUE GUARANTEE**

**INVESTMENT CLIMATE**

**INCENTIVES IN TURKEY MAKE PPP PROJECTS MORE BANKABLE**
INVESTMENT CLIMATE

STRONG MACROECONOMIC FUNDAMENTALS ALLOW THE GOVERNMENT TO SUPPORT PPP PROJECTS

Gross Public Debt Stock as % of GDP

Budget Balance as % of GDP

Net Public Debt Stock as % of GDP

Source: Ministry of Treasury and Finance. Gross Public Debt Stock and Budget Balance as defined by the EU, Net Public Debt Stock as defined Gross Public Debt Stock minus Central Bank net assets, public sector assets (all deposits accounts and other financial assets) and unemployment insurance fund net assets.
INVESTMENT CLIMATE

BANKABILITY OF THE PPP PROJECTS ENABLES INVESTORS TO ACCESS FINANCE THROUGH BOTH NATIONAL AND INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS) AND INVESTORS
WHAT CAN INVEST IN TURKEY DO FOR YOU?

A governmental agency reporting to the President

Private sector approach with public sector capabilities

Acting as your solution partner

General & customized business information & Sectoral analysis & reports

Site selection support to find appropriate location/land for your investment

Arrangements of meetings with governmental bodies and other stakeholders

Facilitating your investment at all stages

Matchmaking with local partners & establishing business linkages

Project launch & Press release Services

Facilitating your visit to Turkey

... ASSIST YOU BEFORE, DURING AND AFTER YOUR ENTRY INTO TURKEY
• Ministry of Transport and Infrastructure: http://www.uab.gov.tr/
• Healthcare Investments (Ministry of Health): http://www.saglikyatirimlari.gov.tr/
• Ministry of Energy and Natural Resources: http://www.enerji.gov.tr/
• Ministry of Treasury and Finance: https://www.treasury.gov.tr/
• Presidency of Strategy and Budget: http://www.sbb.gov.tr/
• Turkish Wealth Fund: http://turkiyevarlikfonu.com.tr/
• Privatization Administration: http://www.oib.gov.tr/

• European Bank for Reconstruction and Development: http://www.ebrd.com/turkey.html
• European Investment Bank: http://www.eib.org/infocentre/contact/offices/turkey-istanbul.htm
• International Finance Corporation: http://www.ifc.org/
• Banks in Turkey: https://www.bddk.org.tr/Institutions-Category/Banks/22