INVESTING IN INFRASTRUCTURE & PPP PROJECTS IN TÜRKİYE

April 2024
10 reasons to invest in Türkiye

- Robust Economy
- Domestic + Accessible Markets
- Strategic Location
- Favourable Demographics
- Skilled and Competitive Labor Force
- Continuous Reform Process
- Business-Friendliness
- Lucrative Incentives
- Benign R&D Ecosystem
- Sectoral Opportunities
Türkçe için enerji, taşıma ve sağlık hizmetleri gibi alanlarda büyük fırsatlar var.

Türkiye'nin yatırım politikaları, yatırımları ve en önemlisi, güçlü kamu finans yönetimi, PPP yatırımları için garanti alma konusunda destek verir.
AGENDA

EXECUTIVE SUMMARY

NEED FOR INFRASTRUCTURE INVESTMENT

TRACK RECORD

OPPORTUNITIES

FAVORABLE INVESTMENT CLIMATE
Turkish economy has been robustly growing with an average annual GDP growth rate of 5.4% from 2002 to 2023.

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 $618 billion in 2023.

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

TRACK RECORD GROWTH AND BRIGHT FUTURE WITH PROVEN RESILIENCE

11th largest economy in the World

RANKING OF ECONOMIES BY GDP AT PPP

<table>
<thead>
<tr>
<th>Rank</th>
<th>Economy</th>
<th>GDP at PPP 2003</th>
<th>GDP at PPP 2019</th>
<th>GDP at PPP 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USA</td>
<td>USA</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>2</td>
<td>CHINA</td>
<td>CHINA</td>
<td>CHINA</td>
<td>CHINA</td>
</tr>
<tr>
<td>3</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<tr>
<td>4</td>
<td>GERMANY</td>
<td>GERMANY</td>
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<td>GERMANY</td>
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<tr>
<td>5</td>
<td>INDIA</td>
<td>INDIA</td>
<td>INDIA</td>
<td>JAPAN</td>
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<tr>
<td>6</td>
<td>RUSSIA</td>
<td>RUSSIA</td>
<td>RUSSIA</td>
<td>GERMANY</td>
</tr>
<tr>
<td>7</td>
<td>FRANCE</td>
<td>FRANCE</td>
<td>INDONESIA</td>
<td>INDONESIA</td>
</tr>
<tr>
<td>8</td>
<td>UK</td>
<td>UK</td>
<td>UK</td>
<td>UK</td>
</tr>
<tr>
<td>9</td>
<td>BRAZIL</td>
<td>BRAZIL</td>
<td>BRAZIL</td>
<td>BRAZIL</td>
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<tr>
<td>10</td>
<td>ITALY</td>
<td>ITALY</td>
<td>ITALY</td>
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<td>11</td>
<td>MEXICO</td>
<td>MEXICO</td>
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<td>MEXICO</td>
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<td>12</td>
<td>INDONESIA</td>
<td>INDONESIA</td>
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<td>MEXICO</td>
</tr>
<tr>
<td>13</td>
<td>SPAIN</td>
<td>SPAIN</td>
<td>SPAIN</td>
<td>SPAIN</td>
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<tr>
<td>14</td>
<td>CANADA</td>
<td>CANADA</td>
<td>CANADA</td>
<td>CANADA</td>
</tr>
<tr>
<td>15</td>
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<td>S.KOREA</td>
<td>S.KOREA</td>
<td>S.KOREA</td>
</tr>
<tr>
<td>16</td>
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<td>S.ARABIA</td>
<td>S.ARABIA</td>
<td>S.ARABIA</td>
</tr>
<tr>
<td>17</td>
<td>IRAN</td>
<td>IRAN</td>
<td>IRAN</td>
<td>IRAN</td>
</tr>
<tr>
<td>18</td>
<td>TÜRKİYE</td>
<td>TÜRKİYE</td>
<td>TÜRKİYE</td>
<td>TÜRKİYE</td>
</tr>
</tbody>
</table>

AVERAGE ANNUAL GDP GROWTH (%)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Economy</th>
<th>GDP Growth (%) 2002-2022</th>
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</thead>
<tbody>
<tr>
<td>5.4</td>
<td>TÜRKİYE</td>
<td>5.4</td>
</tr>
<tr>
<td>3.9</td>
<td>POLAND</td>
<td>3.9</td>
</tr>
<tr>
<td>3.5</td>
<td>ROMANIA*</td>
<td>3.5</td>
</tr>
<tr>
<td>2.9</td>
<td>BULGARIA*</td>
<td>2.9</td>
</tr>
<tr>
<td>2.5</td>
<td>CZECHIA</td>
<td>2.5</td>
</tr>
<tr>
<td>2.5</td>
<td>HUNGARY</td>
<td>2.5</td>
</tr>
</tbody>
</table>

REAL GDP GROWTH (INDEX: 2002=100)

Total Population in 2023 **85.4 Million**

- İstanbul: 15.7 Million
- Ankara: 5.8 Million
- İzmir: 4.5 Million
- Bursa: 3.2 Million
- Antalya: 2.7 Million
- Konya: 2.3 Million
- Adana: 2.3 Million
- Şanlıurfa: 2.2 Million
- Gaziantep: 2.2 Million
- Kocaeli: 2.1 Million
- Mersin: 1.9 Million
- Diyarbakır: 1.8 Million
- Hatay: 1.5 Million
- Manisa: 1.5 Million
- Kayseri: 1.4 Million
- Samsun: 1.4 Million
- Balıkesir: 1.3 Million
- Tekirdağ: 1.2 Million
- Aydın: 1.2 Million
- Van: 1.1 Million
- Kahramanmaraş: 1.1 Million
- Sakarya: 1.1 Million
- Muğla: 1.1 Million
- Denizli: 1.1 Million
- Eskişehir: 0.9 Million
- Mardin: 0.9 Million
- Trabzon: 0.8 Million
- Ordu: 0.8 Million
- Afyonkarahisar: 0.8 Million
- Erzurum: 0.7 Million
- Malatya: 0.7 Million
- Sivas: 0.7 Million
- Batman: 0.6 Million
- Tokat: 0.6 Million
- Adıyaman: 0.6 Million
- Elazığ: 0.6 Million
- Zonguldak: 0.6 Million
- Kütahya: 0.6 Million
- Kütahya: 0.6 Million
- Şırnak: 0.6 Million
- Çanakkale: 0.6 Million
- Osmaniye: 0.6 Million
- Çorum: 0.5 Million

Source: TurkStat, 2023
Working Hours
Intersect with
16 Time Zones

PROXIMITY TO MAJOR MARKETS
1.3 billion people and $28T GDP in Europe, MENA and Central Asia at 4 hour flight-distance

CONNECTIVITY
Turkish Airlines connects you to 342 destinations in 129 countries

MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS

Exporting 85% of its production
Exporting 87% of its production

RENAULT
Exporting 75% of its production

Cargill
66 countries

Microsoft
70 countries

Nestle
Production base for MENA

BOSS
Its largest production facility worldwide

B/S/H/
89 countries

GE Healthcare
22 countries

RENault
80 countries

knauf

TOYOTA
Exporting 85% of its production

Ford

SANOFI
14 countries

gsk
30 countries

invest.gov.tr
TÜRKİYE HAS A SIGNIFICANT INVESTMENT NEED IN INFRASTRUCTURE DEVELOPMENT

2022-2040

$569 Billion
Investment current trends

$975 Billion
Investment needed

$405 Billion
Investment gap

Türkiye’s Infrastructure Current Trends and Need
($Billion)

Investment Need by Sector
(2022-2040)

Investment Gap by Sector: $335 bn in Road, $48 bn in Energy, $19 bn in Rail, $2.2 in Water, $0.66 bn in Airports

Source: Global Infrastructure Hub (GIH)
The Turkish government has steadily increased its public investment budget between 2021-2024.

- **Increase in Investment Budget**
  Transportation, R&D, health and education sectors has the biggest jumps compared to other sectors.

- **Carefully Selected Pipeline**
  Project selection will be extra important after the post-earthquakes and green deal era. Thus, emphasis on infrastructure, particularly railway and renewal, has gained heightened importance within the Public Investment Program.

- **Coherence Between Macroeconomic Policies and Infrastructure Investments**
  Projects that not only financially more viable compared to traditional procurement but also more resilient by creating value to future generations will be prioritized. Affordability will be crucial.

Source: Presidency of Strategy and Budget
AGENDA

EXECUTIVE SUMMARY

NEED FOR INFRASTRUCTURE INVESTMENT

TRACK RECORD

OPPORTUNITIES

FAVORABLE INVESTMENT CLIMATE
FOR THE LAST 19 YEARS, USE OF PPP MODELS INCREASED AS AN ALTERNATIVE TO PUBLIC PROCUREMENT

PPP Contracts in Türkiye ($ Billion**)

- Investment
- Fees*

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986-2002</td>
<td>1</td>
<td>24</td>
</tr>
<tr>
<td>2003-2023</td>
<td>105</td>
<td>74</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total ($ Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>204</td>
</tr>
<tr>
<td>2003-2023</td>
<td>178</td>
</tr>
</tbody>
</table>

Number of PPP Projects in Türkiye

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>21</td>
</tr>
<tr>
<td>2003-2023</td>
<td>198</td>
</tr>
</tbody>
</table>

Source: Presidency of Strategy and Budget *Fees to the government for the transfer of operating rights **2023 September prices
TRANSPORTATION AND ENERGY INFRASTRUCTURE PROJECTS DOMINATE THE PPP MARKET IN TÜRKİYE

Breakdown of the PPP Contracts

($ Million**)

<table>
<thead>
<tr>
<th>Category</th>
<th>Investment</th>
<th>Fees*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport</td>
<td>102</td>
<td>46</td>
</tr>
<tr>
<td>Energy</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Motorway</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Health Facility</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Port</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Marina</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Industrial Facility</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Border Gate</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Mining</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Railway</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cultura &amp; Tourism</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Solid waste</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Breakdown of the PPP Contracts

(Number)

<table>
<thead>
<tr>
<th>Category</th>
<th>1986</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Energy</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Motorway</td>
<td>44,461</td>
<td>33,371</td>
</tr>
<tr>
<td>Health Facility</td>
<td>13,080</td>
<td>13,080</td>
</tr>
<tr>
<td>Port</td>
<td>5,776</td>
<td>5,776</td>
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<tr>
<td>Marina</td>
<td>1,742</td>
<td>1,742</td>
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<tr>
<td>Industrial Facility</td>
<td>710</td>
<td>710</td>
</tr>
<tr>
<td>Border Gate</td>
<td>344</td>
<td>344</td>
</tr>
<tr>
<td>Mining</td>
<td>331</td>
<td>331</td>
</tr>
<tr>
<td>Railway</td>
<td>417</td>
<td>417</td>
</tr>
<tr>
<td>Culture &amp; Tourism</td>
<td>109</td>
<td>109</td>
</tr>
<tr>
<td>Solid waste</td>
<td>199</td>
<td>199</td>
</tr>
</tbody>
</table>

Source: Presidency of Strategy and Budget *Fees to the government for the transfer of operating rights **2023 September prices

$204 BILLION

270 PROJECTS
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**: 13,807
- **Build-Operate**: 8,069
- **Transfer of Operating Rights**: 65,749

Total: **$204 BILLION**

1986-2023

**PPP Contract Models**

(Number)

- **Build-Lease-Transfer**: 18
- **Build-Operate-Transfer**: 117,681
- **Build-Operate**: 5
- **Transfer of Operating Rights**: 120
- **Projects**: 127

Total: **270 PROJECTS**

1986-2023

Source: Presidency of Strategy and Budget ‘2023 September’ prices
Türkiye has introduced integrated healthcare campuses across the country in 2013.

HEALTHCARE PPP PROJECTS

Source: Ministry of Health, 2023
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

PPP PROJECTS IN INTEGRATED HEALTHCARE CAMPUSES

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
<th>Bed Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed (in service)</td>
<td>17</td>
<td>27,187</td>
</tr>
<tr>
<td>Under Construction</td>
<td>1</td>
<td>610</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>18</strong></td>
<td><strong>27,797</strong></td>
</tr>
</tbody>
</table>
THE ELAZIĞ FETHI SEKIN CITY HOSPITAL PROVIDES HEALTHCARE SERVICES TO THE COMMUNITIES IN ELAZIĞ AND NEIGHBORING PROVINCES, WITH A COMBINED POPULATION OF 1.6 MILLION PEOPLE

Elazığ Fethi Sekin City Hospital

<table>
<thead>
<tr>
<th>Project Awarded</th>
<th>August 2018 Operational</th>
<th>Operation Period 25 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2014</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sponsors**

- RÜNEŞANS
- EUROPEAN UNION
- AGROMEMBRAN
- SAM YAPI

**Credit Enhancers**

- MIGA
- EBRD
- FMO

**Enhanced Bondholders**

- MUFG
- SIEMENS
- ICBC

**Unenhanced Bondholders**

- INTESA SANBILO BANK
- PROPARCO

**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

✓ Bed capacity: 1,038
✓ LEED Gold Certificate (a designation for green buildings)
✓ Employment: 3,850

✓ 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 Türkiye
✓ 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 Türkiye
✓ With a 20 year maturity, the bond had the longest maturity for the Turkish Integrated Health Campuses PPP Programme

Source: Rüneşans, GIH

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

NUMBER OF HOSPITAL BEDS PER 1,000 POPULATION

Source: OECD
The government introduced the Health Transformation Program in 2003 to provide universal healthcare services.

**UNIVERSAL COVERAGE**
In 2006 Universal Health Insurance introduced to cover all citizens

**IMPROVING INFRASTRUCTURE**
Number of Hospital increased from 1156 in 2002 to 1555 in 2022 Türkiye (bed capacity 165K to 265K)

**INCREASING OF HEALTHCARE PROFESSIONALS**
Number of Doctors increased from 92K in 2002 to 195K in 2022 (from 1.4 to 2.2 per 1000)

Source: Ministry of Health
AGENDA

- EXECUTIVE SUMMARY
- NEED FOR INFRASTRUCTURE INVESTMENT
- TRACK RECORD
- OPPORTUNITIES
- FAVORABLE INVESTMENT CLIMATE
## INVESTMENTS IN TRANSPORT

### SECTORAL SHARE OF INVESTMENTS IN TRANSPORTATION AND COMMUNICATION (2003-2022)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Billion $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>151.7</td>
</tr>
<tr>
<td>Railway</td>
<td>51.7</td>
</tr>
<tr>
<td>Airway</td>
<td>21.4</td>
</tr>
<tr>
<td>Maritime</td>
<td>3.1</td>
</tr>
<tr>
<td>Communication</td>
<td>22.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>250</strong></td>
</tr>
</tbody>
</table>

### Source: Ministry of Transport and Infrastructure
TÜRKİYE HAS HEAVILY INVESTED IN TRANSPORT INFRASTRUCTURE ACROSS THE COUNTRY AND CONTINUES WITH EVEN MORE AMBITIOUS TARGETS

Infrastructure Investments ($ Billion*)

- Road: $151.7 Billion
- Airway: $21.4 Billion
- Communication: $22.1 Billion
- Railway: $51.7 Billion
- Maritime: $3.1 Billion

Total: $250 Billion (2003 - 2022)

PPP Investments in Transport & Communication ($ Billion)

- Completed: $42.18 Billion
- Ongoing: $6.05 Billion

Total: $48.23 Billion (2003 - 2022)

Source: Ministry of Transport and Infrastructure, *at 2022 prices, including completed PPP investments
AMBITIOUS TARGETS IN TRANSPORTATION INFRASTRUCTURE

TÜRKİYE HAS DONE A LOT FOR THE PAST 20 YEARS TO UPGRADE ITS TRANSPORTATION INFRASTRUCTURE

**Motorway Sector**
- 2002: 126, 4387
- 2023: 3722
- 2028: 4728

**Railway Sector**
- 2002: 10948
- 2023: 2251
- 2028: 5343

**Airway Sector**
- 2002: 34
- 2020: 208
- 2023: 216

**Maritime Sector**
- 2002: 190.2
- 2023: 436.1

Source: Ministry of Transport and Infrastructure
INVESTING IN INFRASTRUCTURE HAS REMARKABLY TRANSFORMED TÜRKİYE’S INFRASTRUCTURE LANDSCAPE YET TÜRKİYE IS DETERMINED TO IMPROVE IT FURTHER

<table>
<thead>
<tr>
<th>Infrastructure Type</th>
<th>2002</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dual Carriageway</td>
<td>6.101 km</td>
<td>29.283 km</td>
</tr>
<tr>
<td>High Speed Railway</td>
<td>0 km</td>
<td>2.251 km</td>
</tr>
<tr>
<td>Maritime Containers Transport</td>
<td>190 million Tons</td>
<td>436 million Tons</td>
</tr>
<tr>
<td>Number of Airports</td>
<td>26</td>
<td>57</td>
</tr>
<tr>
<td>Installed Capacity of Electricity</td>
<td>32 GWh</td>
<td>107 GWh</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport and Infrastructure, Turkish Electricity Transmission Company
OPPORTUNITIES IN TRANSPORTATION

MOTORWAYS (TOLL ROADS) ARE KEY TO TÜRKİYE’S ROAD TRANSPORTATION. AROUND 4,000 KM IS IN THE PIPELINE OFFERING SIGNIFICANT PPP OPPORTUNITIES.

HIGHWAY MAP OF TÜRKİYE

- **2024**: 3.726 Km
- **2028**: 5.486 Km
- **2053**: 9.253 Km

Source: Ministry of Transport and Infrastructure
TÜRKİYE IS COMMITTED TO TRANSFORMING ITS RAIL TRANSPORT INFRASTRUCTURE FROM CONVENTIONAL TO HIGH SPEED

RAILWAY MAP OF TÜRKİYE

<table>
<thead>
<tr>
<th>Year</th>
<th>2024</th>
<th>2028</th>
<th>2053</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length (Km)</td>
<td>13.919</td>
<td>17.011</td>
<td>28.600</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport and Infrastructure
INVESTMENT IN RAIL NETWORK

THE SHARE OF RAIL IN TRANSPORT INVESTMENTS CONTINUE TO RISE

Investment Budget Percentages of Transport Subsectors

- **Railway**
  - 2019: 42%
  - 2020: 46%
  - 2021: 48%
  - 2022: 41%
  - 2023: 48%
  - 2024: 49%

- **Motorway**
  - 2019: 53%
  - 2020: 48%
  - 2021: 48%
  - 2022: 48%
  - 2023: 49%
  - 2024: 53%

- **Maritime**
  - 2019: 0%
  - 2020: 18%
  - 2021: 35%
  - 2022: 53%
  - 2023: 70%

- **Airway**
  - 2019: 0%
  - 2020: 0%
  - 2021: 0%
  - 2022: 0%
  - 2023: 0%
  - 2024: 0%

- **Communication**
  - 2019: 0%
  - 2020: 0%
  - 2021: 0%
  - 2022: 0%
  - 2023: 0%
  - 2024: 0%

**Investment (Long Term)**
- 2035: 77 Billion $

**Vision**
- 2053: 82 Billion $
OPPORTUNITIES IN TRANSPORTATION

LOGISTICS IS AN INTEGRAL PART OF TÜRKİYE’S TRANSPORT INFRASTRUCTURE. TÜRKİYE HAS ESTABLISHED INTERMODAL LOGISTICS CENTERS ALONGSIDE THE TRANS-ASIAN RAILWAY NETWORK TO LOWER COSTS AND INCREASE EFFICIENCY OF LOGISTICS NETWORKS.

LOGISTICS CENTERS

- 27 logistics centers
- 73.2 million tons additional transport capacity
- 19 million m² container storage and handling area

In Service and Completed (14)
Planned (7)
Under Construction (4)
In Tender Stage (2)

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

AIRPORT MAP OF TÜRKİYE

Source: Ministry of Transport and Infrastructure
Remarkable increases have been observed in sectoral indicators in the last 18 years.

### Number of Active Airports
- 2003: 26
- 2023: 57
- Increase: 119%

### Number of Passengers (million)
- 2002: 34
- 2020: 81
- 2023: 214
- Increase: 138%

### Air Freight (thousand ton)
- 2003: 931
- 2023: 4447
- Increase: 347%

### Employment (thousand)
- 2003: 65
- 2021: 254
- Increase: 289%

### Wide-Body Plane
- 2003: 162
- 2023: 668
- Increase: 312%

### Sector Revenue (billion $)
- 2003: 2.2
- 2021: 35.5
- Increase: 1513%

Source: Ministry of Transport and Infrastructure
*Includes cargo, baggage and mail*
## AIRPORTS RANKING

### Ranking of Airports in EUROPE by Passenger Traffic in 2022

<table>
<thead>
<tr>
<th>Rank</th>
<th>Airport</th>
<th>Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>İSTANBUL</td>
<td>64,486,000</td>
</tr>
<tr>
<td>2</td>
<td>LONDON-HEATHROW</td>
<td>61,599,196</td>
</tr>
<tr>
<td>3</td>
<td>PARIS - DE GAULLE</td>
<td>57,474,033</td>
</tr>
<tr>
<td>4</td>
<td>AMSTERDAM-SCHIPHOL</td>
<td>52,472,188</td>
</tr>
<tr>
<td>5</td>
<td>MADRID - BARAJAS</td>
<td>50,633,652</td>
</tr>
<tr>
<td>6</td>
<td>FRANKFURT</td>
<td>48,923,474</td>
</tr>
<tr>
<td>7</td>
<td>BARCELONA-EL PRAT</td>
<td>41,639,622</td>
</tr>
<tr>
<td>8</td>
<td>LONDON-GATWICK</td>
<td>32,800,000</td>
</tr>
<tr>
<td>9</td>
<td>MUNICH</td>
<td>31,600,000</td>
</tr>
<tr>
<td>10</td>
<td>ANTLAYA</td>
<td>31,100,000</td>
</tr>
<tr>
<td>11</td>
<td>İSTANBUL SABIHA GÖKÇEN</td>
<td>30,769,728</td>
</tr>
<tr>
<td>12</td>
<td>ROME-DA VINCI</td>
<td>29,360,613</td>
</tr>
<tr>
<td>13</td>
<td>PARIS ORLY</td>
<td>29,184,692</td>
</tr>
<tr>
<td>14</td>
<td>MALLORCA</td>
<td>28,573,364</td>
</tr>
<tr>
<td>15</td>
<td>MOSCOW</td>
<td>28,400,000</td>
</tr>
<tr>
<td>16</td>
<td>LISBON</td>
<td>28,262,000</td>
</tr>
<tr>
<td>17</td>
<td>DUBLIN</td>
<td>27,787,556</td>
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<tr>
<td>18</td>
<td>VIENNA</td>
<td>23,682,133</td>
</tr>
<tr>
<td>19</td>
<td>MANCHESTER</td>
<td>23,369,770</td>
</tr>
<tr>
<td>20</td>
<td>LONDON-STANSTED</td>
<td>23,319,523</td>
</tr>
</tbody>
</table>

### Ranking of Airports in the WORLD by Passenger Traffic in 2022

<table>
<thead>
<tr>
<th>Rank</th>
<th>Airport</th>
<th>Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ATLANTA, GA</td>
<td>93,699,630</td>
</tr>
<tr>
<td>2</td>
<td>DALLAS- FORT WORTH</td>
<td>73,362,946</td>
</tr>
<tr>
<td>3</td>
<td>DENVER</td>
<td>69,286,461</td>
</tr>
<tr>
<td>4</td>
<td>CHICAGO</td>
<td>68,340,619</td>
</tr>
<tr>
<td>5</td>
<td>DUBAI DXB</td>
<td>66,069,981</td>
</tr>
<tr>
<td>6</td>
<td>LAX-INTERNATIONAL</td>
<td>65,924,298</td>
</tr>
<tr>
<td>7</td>
<td>İSTANBUL</td>
<td>64,486,000</td>
</tr>
<tr>
<td>8</td>
<td>LONDON-HEATHROW</td>
<td>61,599,196</td>
</tr>
<tr>
<td>9</td>
<td>PARIS - DE GAULLE</td>
<td>57,474,033</td>
</tr>
<tr>
<td>10</td>
<td>DELHI-GANDHI</td>
<td>57,290,033</td>
</tr>
<tr>
<td>11</td>
<td>JFK-INTERNATIONAL</td>
<td>55,287,693</td>
</tr>
<tr>
<td>12</td>
<td>LAS VEGAS–NEVADA</td>
<td>52,600,000</td>
</tr>
<tr>
<td>13</td>
<td>AMSTERDAM SCHIPHOL</td>
<td>52,472,188</td>
</tr>
<tr>
<td>14</td>
<td>MADRID - BARAJAS</td>
<td>50,633,652</td>
</tr>
<tr>
<td>15</td>
<td>MIAMI - INTERNATIONAL</td>
<td>50,600,000</td>
</tr>
<tr>
<td>20</td>
<td>MEXICO CITY</td>
<td>46,200,529</td>
</tr>
<tr>
<td>25</td>
<td>BARCELONA-EL PRAT</td>
<td>41,639,622</td>
</tr>
<tr>
<td>28</td>
<td>SAO PAULO-INTERNATIONAL</td>
<td>34,480,706</td>
</tr>
<tr>
<td>38</td>
<td>ANTLAYA</td>
<td>31,100,000</td>
</tr>
<tr>
<td>40</td>
<td>İSTANBUL SABIHA GÖKÇEN</td>
<td>30,769,728</td>
</tr>
</tbody>
</table>

Source: [https://aci.aero/resources/data-center/](https://aci.aero/resources/data-center/)
PROJECTS UNDER DEVELOPMENT

Under Construction Airport Projects (3)

- ÇUKUROVA AIRPORT (BOT)
  8 MIL. PASS/YEAR
  2024

- YOZGAT AIRPORT (EPC)
  2 MIL. PASS/YEAR
  2025

- BAYBURT-GÜMÜŞHANE AIRPORT
  2 MIL. PASSENGER/YEAR (EPC)
  2025

Pipeline Projects (4)

1. Sabiha Gökçen new terminal construction
2. Trabzon Airport new runway construction
3. Samsun Airport new terminal construction
4. Kapadokya Airport terminal construction

Under Construction Projects (2)

1. Malatya Airport terminal construction
2. Ankara Esenboğa 3. runway construction

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

**SHOWCASE PROJECTS**

**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

**GEZBE - ORHANGAZI - IZMIR MOTORWAY**
- 427 km-long motorway connecting Istanbul, Bursa & Izmir 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
TÜRKİYE 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

TENDER PROCESS TO START SOON

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
OPPORTUNITIES IN RAILWAY

ANKARA-ISTANBUL HIGH SPEED RAILROAD (BOT)

Project Overview

- Location: Ankara-Istanbul
- Total Length: 344 KM
- Passenger: 11 Million / year (2025)

Project Snapshot

- Contract Type: Built-Operate-Transfer
- Tender Criteria: Minimum Operation Period
- Payment Mechanism: Fees
- Governing Law: 3996 BOT Law
- Contracting Authority: Directorate General of Infrastructure Investments
- Construction Period: 5 years
- Expected Contract Duration: 30 years
- Indicative Investment Amount: 6 Billion Euro
- Expropriation Responsibility: Government
- Total Passenger Capacity: 11.000.000 passenger/year (2025)
- Total Length (km): 344
- Design Speed (km/h): 350 km/h

Passenger Projection

Source: Ministry of Transport and Infrastructure

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OPPORTUNITIES IN RAILWAY

ANKARA-ISTANBUL HIGH SPEED RAILROAD (BOT)

Project Rationale

- Istanbul and Ankara cities which have the biggest passenger and freight transport demand will be connected each other.
- Transferring transport density from road to rail.
- Shortened travel time.
- Faster and more comfortable travel.

Source: Ministry of Transport and Infrastructure
AGENDA

EXECUTIVE SUMMARY

NEED FOR INFRASTRUCTURE INVESTMENT

TRACK RECORD

OPPORTUNITIES

FAVORABLE INVESTMENT CLIMATE
**OFFERING PROTECTION AND EASE OF DOING BUSINESS**

**Protection of International Investors by FDI Law**

**Bilateral Investment Protection Treaties with 88 countries**

**Treaties to avoid Double Taxation with 89 countries**

---

**TOTAL TAX AND CONTRIBUTION RATE*, 2019**

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>36.6</td>
</tr>
<tr>
<td>Hungary</td>
<td>37.9</td>
</tr>
<tr>
<td>Poland</td>
<td>40.8</td>
</tr>
<tr>
<td>Türkiye</td>
<td>42.3</td>
</tr>
<tr>
<td>Czechia</td>
<td>46.1</td>
</tr>
<tr>
<td>Russia</td>
<td>46.2</td>
</tr>
<tr>
<td>Japan</td>
<td>46.7</td>
</tr>
<tr>
<td>Spain</td>
<td>47.0</td>
</tr>
<tr>
<td>Germany</td>
<td>48.8</td>
</tr>
<tr>
<td>India</td>
<td>49.7</td>
</tr>
<tr>
<td>Slovakia</td>
<td>51.4</td>
</tr>
<tr>
<td>Austria</td>
<td>55.1</td>
</tr>
<tr>
<td>Mexico</td>
<td>59.1</td>
</tr>
<tr>
<td>Italy</td>
<td>59.2</td>
</tr>
<tr>
<td>China</td>
<td>60.7</td>
</tr>
<tr>
<td>France</td>
<td>66.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>65.1</td>
</tr>
</tbody>
</table>

**INTERNATIONAL TAX COMPETITIVENESS**, 2023

<table>
<thead>
<tr>
<th>Country</th>
<th>Competitiveness Index (Index=100 as most competitive)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czechia</td>
<td>81.2</td>
</tr>
<tr>
<td>Türkiye</td>
<td>78.6</td>
</tr>
<tr>
<td>Hungary</td>
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<tr>
<td>Slovakia</td>
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<tr>
<td>Austria</td>
<td>65.3</td>
</tr>
<tr>
<td>USA</td>
<td>65.0</td>
</tr>
<tr>
<td>Korea</td>
<td>61.6</td>
</tr>
<tr>
<td>Japan</td>
<td>61.5</td>
</tr>
<tr>
<td>Mexico</td>
<td>60.1</td>
</tr>
<tr>
<td>Ireland</td>
<td>58.9</td>
</tr>
<tr>
<td>UK</td>
<td>56.1</td>
</tr>
<tr>
<td>Spain</td>
<td>55.8</td>
</tr>
<tr>
<td>Poland</td>
<td>55.3</td>
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<tr>
<td>France</td>
<td>46.1</td>
</tr>
<tr>
<td>Italy</td>
<td>48.4</td>
</tr>
</tbody>
</table>

---

Source: Ministry of Trade, World Bank, Tax Foundation Foreign Direct Investment Law 2003. *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 competitiveness measures countries’ tax policies five categories: corporate income tax, consumption taxes, property taxes, individual taxes, and international tax rules.)
**INVESTMENT CLIMATE**

Relevant legislation is quite flexible, enabling to adapt various PPP models according to the nature and requirements of projects.

**MODELS AND LEGAL FRAMEWORK FOR PPP IN TÜRKİYE**

<table>
<thead>
<tr>
<th>Relevant Legislation (Law No.)</th>
<th>Build-Operate-Transfer (BOT)</th>
<th>Build-Operate</th>
<th>Build-Lease-Transfer</th>
<th>Transfer of Operating Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>№ 3996  № 3465  № 3096</td>
<td>№ 4283</td>
<td>№ 652</td>
<td>№ 6428  № 351</td>
<td>№ 4046  № 5335  № 4458</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Build-Operate-Transfer (BOT)</th>
<th>Build-Operate</th>
<th>Build-Lease-Transfer</th>
<th>Transfer of Operating Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorway</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Port</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marina</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Border Gate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thermal Power Plant</td>
<td></td>
<td></td>
<td>Hospital College Dormitory School</td>
<td></td>
</tr>
<tr>
<td>Hospital</td>
<td></td>
<td></td>
<td>College Dormitory School</td>
<td></td>
</tr>
<tr>
<td>College</td>
<td></td>
<td></td>
<td>Hospital College Dormitory School</td>
<td></td>
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<td>Dormitory</td>
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<td>Hospital College Dormitory School</td>
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<tr>
<td>School</td>
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<td>Airport</td>
<td></td>
<td></td>
<td>Hospital College Dormitory School</td>
<td></td>
</tr>
<tr>
<td>Port</td>
<td></td>
<td></td>
<td>Hospital College Dormitory School</td>
<td></td>
</tr>
<tr>
<td>Power Plant</td>
<td></td>
<td></td>
<td>Hospital College Dormitory School</td>
<td></td>
</tr>
<tr>
<td>Electricity Distribution</td>
<td></td>
<td></td>
<td>Hospital College Dormitory School</td>
<td></td>
</tr>
</tbody>
</table>

Source: Presidency of Strategy and Budget
SOUND PPP PROJECT CYCLE

1) Preparation Phase
   - Strategy Papers
     - Development Plan
     - Medium Term Program
     - Yearly Program
     - Investment Program
     - Sectoral Strategies

2) Authorization Phase

DETAILED SELECTION PROCESS BRINGS BANKABLE PROJECTS TO MARKET

IMPLEMENTING AGENCIES

APPLICATION FOR PRESIDENT’S AUTHORIZATION

Feasibility Analysis
- Financial Analysis
- Economic Analysis
- Value for Money Analysis

MINISTRY OF TREASURY AND FINANCE

PRESIDENCY OF STRATEGY AND BUDGET

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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.

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.

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

Certain PPP projects provide minimum revenue guarantees.
INVESTMENT CLIMATE

BANKABILITY OF THE PPP PROJECTS ENABLES INVESTORS TO ACCESS FINANCE THROUGH BOTH NATIONAL AND INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS) AND INVESTORS
INVEST IN TÜRKİYE

ASSIST YOU BEFORE, DURING AND AFTER YOUR ENTRY INTO TÜRKİYE

PRIVATE SECTOR APPROACH WITH PUBLIC SECTOR CAPABILITIES

A GOVERNMENTAL AGENCY REPORTING TO THE PRESIDENT

ACTING AS A SOLUTION PARTNER

CUSTOMIZED CONSULTING
BUSINESS FACILITATION
TAILOR-MADE DELEGATION VISITS
PARTNERSHIP DEVELOPMENT ASSISTANCE
COORDINATION WITH STAKEHOLDERS
SITE SELECTION SUPPORT
PROJECT LAUNCH
ONGOING SUPPORT

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• 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/confecentre/contact/offices/turkey-istanbul.htm
• International Finance Corporation: http://www.ifc.org/
• Banks in Türkiye: https://www.bddk.org.tr/Institutions-Category/Banks/22