TÜRKiYE YOUR RESILIENT PARTNER
Türkiye is an important center of attraction for international investors due to its dynamic and fast-growing economy, vast production potential, qualified talent pool, proximity to global markets, advanced logistics infrastructure, and investor-friendly policies. With the Covid-19 pandemic, Türkiye’s participation in global value chains has become more visible.

Bridging East and West, Asia, and Europe, Türkiye is located at a critical crossroads for global trade. Within a four-hour flight radius, Türkiye offers access to a large market with a total population of 1.6 billion people and a trade volume of USD 30 trillion. In addition to the Customs Union with the EU and free trade agreements with more than 22 countries, Türkiye is one of the most reliable energy transportation routes on the east-west axis.

Türkiye’s rapid economic growth over the last 20 years has led to the emergence of a middle class with steadily increasing purchasing power. With 85.3 million people and a median age of 33.5 years, Türkiye has the youngest population in Europe. Furthermore, Türkiye ranks among the top in the world in terms of the number of qualified engineers.

The reforms we have enacted over the past two decades have further cemented Türkiye’s competitive position. These reforms varied in a large range from restructuring the social security system to amendments to the ease of doing business, new trade, banking, capital markets, insurance, and data protection laws to a technology-driven industry initiative. Thus, we have created an investor-friendly environment that allows for the growth of a vibrant private sector.

As a result of these policies, the Turkish economy has attracted more than USD 251 billion in foreign direct investment since 2003. Companies that chose Türkiye for investment have gradually increased their investments, positioning it as a production, export, and management center.

We are committed to enhancing Türkiye’s economic development and investment climate. Our ongoing commitment is reflected in the “Türkiye Foreign Direct Investment Strategy (2021-2023),” published with the coordination of the Investment Office in collaboration with a number of public and private sector organizations. Along with that, I hope this document will also be of great benefit to our country and will serve as a useful guide for international entrepreneurs planning to invest in Türkiye. I would also extend my gratitude to those who helped with the preparation of the document.

Recep Tayyip ERDOĞAN
President of the Republic of Türkiye
Dear Readers,

A resilient, fast-growing economy, Türkiye offers business-friendly policies, a deep talent pool, and global market access at the nexus of Europe, Asia, and Africa to attract sustainable foreign direct investments (FDI). With its geostategic location, manufacturing capabilities, young and dynamic population, and developed logistics infrastructure, Türkiye has become a regional powerhouse where manufacturing activities of multinationals are supported by many R&D centers, design teams, procurement offices, logistics hubs, and regional management centers. Today, almost 80,000 international companies operate in Türkiye.

Thanks to the strong political will under President Recep Tayyip Erdoğan’s leadership, as well as Türkiye’s economic performance and top-notch value propositions, cumulative FDI inflows to Türkiye have exceeded USD 251 billion since 2003, up from USD 15 billion in the previous three decades until 2002. Since 2003, the top four sectors in FDI inflows have been financial services, manufacturing industries, energy, and information & communication technologies (ICT).

Türkiye’s economic performance during the pandemic and global financial crisis proved that its diversified economy is robust and resilient. Türkiye’s share in global FDI rose to 1 percent after 2003, up from 0.2 percent in the 2000-2002 period. With the brand new “FDI Strategy (2021-2023)” published in the Official Gazette on June 22, 2021, Türkiye put forth its objective to expand its share in global FDI to 1.5 percent by increasing its market share in quality FDI profiles. Investments that support technological transformation, create quality jobs, and support current account balance in Türkiye are highly prioritized.

Thanks to many successful international and domestic investors, Türkiye is seamlessly integrated with global supply chains (GVCs). As “Invest in Türkiye”, we prioritize and substantially support investments that contribute to specific SDGs. So, while prioritizing quality FDI, we have made SDGs one of the main pillars of Türkiye’s FDI strategy, and we are conducting studies to boost business climate and the regulatory framework compliance with SDGs and the European Green Deal.

At Invest in Türkiye, we prioritize and substantially support investments that contribute to specific SDGs. So, while prioritizing quality FDI, we have made SDGs one of the main pillars of Türkiye’s FDI strategy, and we are conducting studies to boost business climate and the regulatory framework compliance with SDGs and the European Green Deal.

On February 6, 2023, two earthquakes with magnitudes of 7.7 and 7.6 struck southeastern Türkiye, respectively. I wish God’s mercy to all citizens who have lost their lives and extend my condolences to their relatives and our nation as a whole. After the earthquake, the international business world was mobilized to help with great effort. Thank you all for your kind consideration.

We sincerely believe that all stakeholders who create value for Türkiye will come together and get off to a flying start in the new century in the history of the Republic of Türkiye!

A. Burak DAĞLIOĞLU
President, Investment Office of the Presidency of the Republic of Türkiye

Turkey’s export reached USD 255 billion in 2022, the highest annual merchandise exports figure in the Republic’s history. Investors producing in Türkiye continue to ship their products all around the world, thanks to strong logistics facilities and trade relations, as Türkiye is a member of the EU Customs Union and has an extensive network of free trade agreements with more than 20 countries.

Fueled by an entrepreneurial business culture, young and tech-savvy population, and a skilled engineer pool, Turkish startups raised USD 1.6 billion in funding in 2022. Türkiye claimed a spot among the top ten investment recipients in Europe. To mark to point, Türkiye’s ecosystem has raised three unicorns and two decacorns in grocery delivery, gaming, and SaaS verticals since 2020. Istanbul ranked 6th among European cities in terms of early-stage investments in 2022, and 2nd city in the gaming vertical in Europe.

Türkiye has redefined its economic development policy to align with the UN’s Sustainable Development Goals (SDGs) and is actively engaged with the international community to achieve these objectives. Türkiye is committed to the Paris Climate Agreement, aiming to reach net zero emissions by 2053. Under the leadership of President Erdoğan, Türkiye seeks a sustainable transition that maximizes opportunities for individuals and communities alike. To this end, policies that promote innovation in areas such as electric vehicles, energy storage, and digital technologies will be critical in the coming years.

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The Investment Office of the Presidency of the Republic of Türkiye is the official organization for promoting Türkiye’s investment opportunities to the global business community and providing assistance to investors before, during, and after their entry into Türkiye.

Directly reporting to the President of Türkiye, the Investment Office is in charge of encouraging investments that further enhance the economic development of Türkiye. To this end, the Investment Office supports high-tech, value-added, and employment-generating investments with its facilitation and follow-up services during whole processes of relevant investments.

Active on a global scale, the Investment Office operates with a network of local consultants based in a number of locations including China, France, Germany, Italy, Japan, Malaysia, Qatar, Saudi Arabia, Singapore, South Korea, Spain, the UAE, UK, and USA. The Investment Office offers an extensive range of services to investors through a one-stop-shop approach, ensuring that they obtain optimal results from their investments in Türkiye. The Investment Office’s team of professionals can assist investors in a variety of languages, including English, German, French, Italian, Spanish, Arabic, Japanese, Chinese, Korean, and Russian.

Working on a fully confidential basis, as well as combining the private sector approach with the backing of all governmental bodies, the Investment Office’s free-of-charge services include customized consulting, coordination with stakeholders, business facilitation, site selection support, tailor-made delegation visits, project launch, partnership development assistance, and ongoing support.

RIGHT NEXT TO YOU FOR EVERYWHERE YOU WANT TO BE

Easy access to major markets in the Middle East & North Africa, Europe & Central Asia with a combined population of 1.3 billion and a market of $28 trillion within a 4 hour-flight radius.

Same-day reachability of key markets across 16 different time zones, from Tokyo to New York.

Global connectivity of Turkish Airlines with 129 countries and 289 international destinations.

24 urban centers with populations over 1 million that drive economic growth and social development through their production of goods and services.

Our Global Locations

ABOUT INVEST IN TÜRKİYE

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TÜRKİYE AT A GLANCE

- **Exports (2022)**: $254.2 billion
- **Population (2022)**: 85.28 million
- **GDP at current prices (2022)**: $79,564 billion
- **Companies with international capital (2022)**: 1.2 million
- **University graduates (2020-2021)**: 33.5 million
- **Average age of population (2022)**: 33.5
- **FDI inflows (2003-2022)**: $251 billion
- **GDP growth (2022)**: 5.6%
- **GDP growth (CAGR, 2003-2022)**: 5.4%
- **Largest economy in the world (GDP at PPP, as of 2021)**: $906 billion
- **GDP growth (CAGR, 2003-2022)**: 11th
- **Fastest growing economy in the EU in 2022**: 3rd
Türkiye has performed stellar growth in 2021, and posted the highest GDP growth in the G20, OECD, and the EU.

Source: TurkStat, OECD
The development in economic activity has a positive impact in all domains of the Turkish economy since 2003.

On the back of dynamic and resilient market fundamentals, employment outlook swiftly recovered and surpassed pre-Covid levels. Upgraded education system enables a skilled labor pool and addresses business requirements.

Employment Growth (2010 vs. 2020)

| Year (Q)       | EU27  | Türkiye
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5.5 million</td>
<td>5.5 million</td>
</tr>
<tr>
<td>2020</td>
<td>8.2 million</td>
<td>180.3 million</td>
</tr>
</tbody>
</table>

Source: TurkStat, Eurostat
Economic resilience has been further supported by successful management of public finance and corporate finance, as well as low household debt.

**Low Indebtedness**

Gross public debt as % of GDP, 2021

- **Türkiye**: 37.9
- **Maastricht Criteria**: 60
- **EMs**: 63.7
- **Euro Area**: 95.3

Source: Turkstat, CBRT, IMF
RESILIENT ECONOMY - STRONG BANKING SECTOR

Successful risk management has enhanced stability and efficiency of the Turkish banking industry with sound financial indicators that further support macro fundamentals and economic resilience.

**Capital Adequacy Ratio (CAR)**

[Graph showing CAR from 2004 to 2022 for various countries including Turkey, Czechia, Switzerland, Brazil, Italy, Hungary, and Bulgaria.]

**Non-Performing Loans Ratio (NPL)**

[Graph showing NPL from 2004 to 2022 for various countries including Turkey, Czechia, Switzerland, Brazil, Italy, Hungary, and Bulgaria.]

Source: BRSB, IMF
Strategic location and enhanced production capabilities attract multinationals seeking to invest in and export from Türkiye.

**MERCHANDISE EXPORTS BY GEOGRAPHY**

<table>
<thead>
<tr>
<th>Region</th>
<th>2002</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>9</td>
<td>53</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>57%</td>
<td>29%</td>
</tr>
<tr>
<td>Other Countries</td>
<td>2002</td>
<td>2012</td>
</tr>
</tbody>
</table>

**Número de exportaciones**

<table>
<thead>
<tr>
<th>Año</th>
<th>2002</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>254</td>
<td></td>
</tr>
</tbody>
</table>

**Türkiye’s share in global exports of goods**

<table>
<thead>
<tr>
<th>Año</th>
<th>2002</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>0.8%</td>
<td></td>
</tr>
</tbody>
</table>

**Exports of Goods in Türkiye and the World**

Source: TurkStat, ITC
Türkiye offers lucrative export opportunities for companies looking to increase their commitments in the region.

**Resilient Economy**

**Rising Exports (2020-2023)**

<table>
<thead>
<tr>
<th>Türkiye’s Top Exporting Sectors (2022, $ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.1</td>
</tr>
<tr>
<td>26.7</td>
</tr>
<tr>
<td>21.5</td>
</tr>
<tr>
<td>19.8</td>
</tr>
<tr>
<td>18.4</td>
</tr>
<tr>
<td>16.1</td>
</tr>
<tr>
<td>15.8</td>
</tr>
<tr>
<td>14.4</td>
</tr>
<tr>
<td>14.2</td>
</tr>
<tr>
<td>13.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Türkiye’s Top 10 Exports Destinations (2022, $ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>USA</td>
</tr>
<tr>
<td>Iraq</td>
</tr>
<tr>
<td>UK</td>
</tr>
<tr>
<td>Italy</td>
</tr>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>France</td>
</tr>
<tr>
<td>Russia</td>
</tr>
<tr>
<td>Netherlands</td>
</tr>
<tr>
<td>Israel</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Türkiye’s Exports ($ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>169.6</td>
</tr>
<tr>
<td>225.2</td>
</tr>
<tr>
<td>254.2</td>
</tr>
</tbody>
</table>

| Source: Turkstat, Ministry of Trade |

Number of exporting companies: 103,810 (2022)

Share of Türkiye’s exports in world trade: 1.02% (2022)

Number of cities with more than $1 billion worth of export: 24 (2022)

Share of Türkiye’s exports in world trade in 2022: 0.96% (2002: 0.56%)
Up until 2002, total FDI inflows into Türkiye stood only at USD 15 billion, while the country attracted USD 251 billion of FDI during the 2003-2022 period. As of end-2022, the number of companies with international capital in Türkiye hit 79,564, up from 5,600 in 2002.

Source: CBRT, Ministry of Industry and Technology, Team Analysis. *Geographic (adjusted) and sectoral breakdown of cumulative gross inflows of equity FDI from 2003 to 2021.
Türkiye’s impressive growth performance and structural reforms implemented over the past decade and a half have landed it on the radar of many international investors.

Türkiye attracted the highest number of FDI projects among the Emerging European countries in 2021.

Within its peer countries in emerging Europe, Türkiye ranked the 2nd most popular FDI destination after Poland, with a 16% share in 2020, up from the 3rd spot in 2019.

Top 10 countries in terms of FDI projects in Europe in 2020 and 2021

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>France</td>
<td>352</td>
<td>313</td>
<td>-29% 1%</td>
<td>2.7%</td>
</tr>
<tr>
<td>2</td>
<td>UK</td>
<td>217</td>
<td>195</td>
<td>-10% 2%</td>
<td>11%</td>
</tr>
<tr>
<td>3</td>
<td>Germany</td>
<td>192</td>
<td>184</td>
<td>-4% 3%</td>
<td>14%</td>
</tr>
<tr>
<td>4</td>
<td>Spain</td>
<td>164</td>
<td>181</td>
<td>10% 1%</td>
<td>13%</td>
</tr>
<tr>
<td>5</td>
<td>Türkiye</td>
<td>163</td>
<td>154</td>
<td>-6% 1%</td>
<td>8%</td>
</tr>
<tr>
<td>6</td>
<td>Belgium</td>
<td>127</td>
<td>104</td>
<td>-20% 0%</td>
<td>4%</td>
</tr>
<tr>
<td>7</td>
<td>Italy</td>
<td>113</td>
<td>97</td>
<td>-14% 0%</td>
<td>3%</td>
</tr>
<tr>
<td>8</td>
<td>Portugal</td>
<td>110</td>
<td>96</td>
<td>-13% 1%</td>
<td>3%</td>
</tr>
<tr>
<td>9</td>
<td>Poland</td>
<td>106</td>
<td>90</td>
<td>-16% 1%</td>
<td>3%</td>
</tr>
<tr>
<td>10</td>
<td>Ireland</td>
<td>105</td>
<td>95</td>
<td>-10% 1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: EY Attractiveness Survey Europe 2022

RISING FDI INFLOWS - TÜRKİYE VS. EUROPE

27% FDI projects in Türkiye increased by 27% while FDI projects in Europe increased by a moderate 5% in 2021.

5th In Europe, Türkiye is ranked as the 5th highest FDI receiving country in 2021, climbing from 7th in 2020.
Türkiye’s Foreign Direct Investment (FDI) Strategy (2021-2023) was published in the Official Gazette in June 2021. A target-oriented FDI Strategy will provide Türkiye with a clear roadmap for attracting value-added, knowledge-intensive investments, which create high-quality employment.

**RISING FDI INFLOWS • NATIONAL FDI STRATEGY**

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**Investments Supporting Technological Transformation, Employment and Current Account Balance**

- **Technological Transformation**
  - R&D, Design and Innovation Center Investments
  - Investments Supporting Digital Transformation
  - R&D, Design and Innovation Center Investments

- **Employment**
  - Investments Providing Technology and Knowledge Transfer
  - Investments Providing High-Quality Employment
  - Investments Providing Intensive Employment

- **Current Account Balance**
  - Investments Providing Technology and Knowledge Transfer
  - Investments Providing Export-Oriented Employment
  - Investments Reducing Import Dependency

**Definition of Quality FDI for Türkiye and Quality FDI Profiles**

- Investments to support infrastructure
- Investments with high expansion and growth potential
- Investments in line with sustainable development goals (SDGs)
- High-quality financial investments

Source: Investment Office, Türkiye’s Foreign Direct Investment (FDI) Strategy (2021-2023)
The emergence of a sizeable middle class, with increasing purchasing power and income per capita, has strengthened Türkiye’s strong domestic market that is also supported by 24 urban centers with populations of over 1 million.

MARKET ACCESS

GDP per capita (current prices at PPP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$10,997</td>
</tr>
<tr>
<td>2021</td>
<td>$34,884</td>
</tr>
</tbody>
</table>

Total population (million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>66.4</td>
</tr>
<tr>
<td>2022</td>
<td>85.3</td>
</tr>
</tbody>
</table>

Accessible Markets (Number of consumers, 2021)

- 447 million in EU
- 464 million in FTA area (28 countries)

Source: Eurostat, TurkStat, IMF, UN

**RESILIENCE AND POWER TO BACK YOU UP**

The world’s 11th largest economy (GDP at PPP) that climbed up 7 notches in 19 years.

A success story that reduced the gross public debt to GDP from 71% in 2002 to 27% in 2022.

An eye-catching performance that expanded GDP from $238 billion to $906 billion in 20 years.

Generation of 7.6 million new jobs in 10 years.
Türkiye is geographically and logistically well-connected to the world and around 40% of import volume occurs within a 4-hour direct flight radius of Türkiye.

Connectivity with the region through road, rail, sea, and air.

Access to 1.32 billion population, $27.8 trillion GDP, and $9 trillion import volume.

Connectivity with over 342 destinations in 121 countries through Turkish Airlines.

Same day coverage of 16-time zones. Availability to follow markets of New York and Tokyo on the same day.
LOGISTICS CAPABILITIES
Investing in transportation has remarkably transformed Türkiye’s infrastructure landscape, yet Türkiye is determined to further improve it.

**LOGISTICS INFRASTRUCTURE**

<table>
<thead>
<tr>
<th>Logistics Centers</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 million tons of additional transport capacity</td>
<td>12.8 million square meters of container storage and handling area</td>
</tr>
<tr>
<td>The total length of highways currently in service is 5,633 km. Following the completion of the highway it will reach 4,463 km in 2023 and 8,187 km in 2035.</td>
<td></td>
</tr>
</tbody>
</table>

**AIRPORTS IN TÜRKİYE**

- **PORT OF CANLIKU**
  - Ongoing infrastructure construction
  - Phase 1: 1 million TEU
  - Phase 2: 2 million TEU
  - Phase 3: 3 million TEU
  - Tender for Phase I expected
  - BOT model port management

- **PORT OF FILYOS MERSIN CONTAINER PORT**
  - 1,500 m of jetty work completed
  - Capacity to reach 4 million TEU/year in 3 phases
  - Phase I: 1 million TEU
  - Phase II: 2 million TEU
  - Phase III: 1 million TEU
  - BOT model port management

**TÜRKİYE IS ALSO INVESTING IN MARITIME TRANSPORTATION INFRASTRUCTURE**

- **PORT OF ÇANDARLI**
  - 35 million tons of additional transport capacity
  - 12.8 million square meters of container storage and handling area

**TRANSPORTATION MEASURES**

- **Dual Carriageway**
  - Current length: 6,101 km
  - Planned length: 28,816 km

- **High-Speed Railway**
  - Current length: 0 km
  - Planned length: 1,460 km

- **Maritime Containers Transport**
  - Current capacity: 190 million tons
  - Planned capacity: 642 million tons

- **Number of Airports**
  - Current number: 26
  - Planned number: 57

**Source:** Ministry of Transport and Infrastructure
Türkiye has recently introduced new projects to build **integrated healthcare campuses** across the country and more opportunities are in the pipeline.

The Turkish government introduced the Health Transformation Program in 2003 to provide universal healthcare services. Universal Health Insurance introduced to cover all citizens. Number of hospitals increased from 1,156 in 2002 to 1,554 in 2020 (bed capacity 165,000 to 264,000)

Number of doctors increased from 92,000 in 2002 to 194,000 in 2020 (from 1.4 to 2 per 1,000)

Source: Ministry of Transport and Infrastructure, Ministry of Health
The diversified economic structure is built on key clusters which are supported by industrial, logistics and technological infrastructure across Türkiye.

Source: Ministry of Industry and Technology, Ministry of Trade, OSBÜK.
With half of its population under the age of 33.5, Türkiye’s young, dynamic and highly-skilled labor force has been a key driver of the economic growth and makes the country with the largest youth population in Europe.

**Working Age Population Growth** (Avg. growth rate, 15-64, %, 2003-2021)

<table>
<thead>
<tr>
<th>Türkiye</th>
<th>EU-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.7</td>
<td>-1.8</td>
</tr>
</tbody>
</table>

**Source:** TürkStat, Eurostat, UN, 2019
Upgraded education system enables a skilled labor pool and addresses business requirements.

**SKILLED LABOR FORCE**

**ANNUAL NUMBER OF GRADUATES**

<table>
<thead>
<tr>
<th>Year</th>
<th>University</th>
<th>Vocational &amp; Technical High School</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1.031</td>
<td>481</td>
</tr>
<tr>
<td>2020</td>
<td>247</td>
<td>127</td>
</tr>
</tbody>
</table>

**AVAILABILITY OF QUALIFIED ENGINEERS**

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>5.66</td>
<td>5.77</td>
</tr>
<tr>
<td>Avrupa</td>
<td>5.58</td>
<td>5.59</td>
</tr>
<tr>
<td>Asya</td>
<td>4.96</td>
<td>4.77</td>
</tr>
<tr>
<td>Amerika</td>
<td>4.23</td>
<td>4.25</td>
</tr>
</tbody>
</table>

**AVAILABILITY OF COMPETENT SENIOR MANAGERS**

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>3.48</td>
<td>3.45</td>
</tr>
<tr>
<td>Avrupa</td>
<td>3.16</td>
<td>3.16</td>
</tr>
<tr>
<td>Asya</td>
<td>3.07</td>
<td>3.07</td>
</tr>
<tr>
<td>Amerika</td>
<td>3.07</td>
<td>3.07</td>
</tr>
</tbody>
</table>

**LABOR FORCE BY EDUCATION LEVEL**

- University: 56%
- High School & Below: 44%

Source: Ministry of National Education, Council of Higher Education, Turkstat, IMD World Competitiveness Yearbook Executive Opinion Survey based on an index from 0 to 10
Türkiye has implemented sweeping reforms in many areas to improve business environment.

**Major Reforms**

- 2001: New FDI Law
- 2004: Ease of company establishment (Law No: 4884)
- 2005: New Banking Law, Establishment of Operating Licenses
- 2006: Transformation of the Investment Promotion and Trade Development Authority
- 2008: Bilateral Investment Promotion and Protection Treaties with more than 82 countries
- 2009: Personal Data Protection Law
- 2010: Upgrading Investment Incentives
- 2012: Unifying All Exchanges (Stock, Derivative, Gold, etc.) under BIST
- 2013: Amendments to improve doing business (Law 7099)
- 2014: Ease of Doing Business Reform Package I
- 2015: Amendments to the Capital Market Law (Introduction of Global Standards)
- 2016: Establishment of European Green Deal Working Group
- 2017: Green Deal Action Plan
- 2018: Paris Agreement Ratification
- 2019: Overhaul of Social Security System
- 2020: Overhaul of Social Security System, Tax Reform (Corporate Tax %20 down from 33%)
- 2021: Investment Office Establishment and Operating Licenses
- 2022: New Capital Market Law

**Number of Days to Set up a Company (2020)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>7.0</td>
</tr>
<tr>
<td>Hungary</td>
<td>7.0</td>
</tr>
<tr>
<td>Germany</td>
<td>8.0</td>
</tr>
<tr>
<td>Switzerland</td>
<td>10.0</td>
</tr>
<tr>
<td>Russia</td>
<td>10.1</td>
</tr>
<tr>
<td>Romania</td>
<td>20.0</td>
</tr>
<tr>
<td>Czechia</td>
<td>24.5</td>
</tr>
</tbody>
</table>
Türkiye’s FDI Law is based on the principle of equal treatment, allowing international investors to have the same rights and liabilities as local investors.

**COMPANY TYPES**

*Although companies may be established according to these five different types, JSC and LLC are the most common types chosen both in the global economy and Türkiye.*

**Corporate Forms**
- Joint Stock Company (JSC)
- Limited Liability Company (LLC)

**Non-Corporate Forms**
- Cooperative Company
- Commandite Company
- Collective Company

Preparatory work in connection with the incorporation (such as obtaining tax identification numbers for foreign shareholders and/or directors)

Certification of the articles of association by a public notary or the relevant trade registry in Türkiye

Preparation and submission of the articles of association through MERSIS

Registration of the entity by the relevant trade registry

Submission of the certified articles of association and other supporting establishment documents to the relevant trade registry in Türkiye

Post-incorporation actions (e.g. registration with tax authorities and the Social Security Institution, etc.)

Preparation of the subscribed share capital must be paid prior to the new company registration. The remaining 75% must be paid within two years. Alternatively, the capital may be fully paid prior to registration.

Liaison Offices
Any company incorporated under the laws of a foreign country may establish a liaison office (aka representative office) in Türkiye upon obtaining a license from the Ministry of Industry and Technology, provided that the company does not engage in any commercial activities in Türkiye.

**BUSINESS FRIENDLINESS - ESTABLISHING A BUSINESS IN TÜRKİYE**
Türkiye made gradual progress in the World Bank’s Global Ease of Doing Business Index to climb from 84th place among 155 countries in 2006 to 33rd place among 190 countries as of 2020.

### FDI Regulatory Restrictiveness Index, 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Index Score 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>0.081</td>
</tr>
<tr>
<td>Brazil</td>
<td>0.088</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.072</td>
</tr>
<tr>
<td>Russia</td>
<td>0.161</td>
</tr>
<tr>
<td>China</td>
<td>0.207</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.257</td>
</tr>
<tr>
<td>Poland</td>
<td>0.262</td>
</tr>
</tbody>
</table>

Source: OECD, World Bank

### Ease of Doing Business Ranking (2020)

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>33</td>
</tr>
<tr>
<td>Poland</td>
<td>93</td>
</tr>
<tr>
<td>Hungary</td>
<td>52</td>
</tr>
<tr>
<td>Romania</td>
<td>33</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>55</td>
</tr>
</tbody>
</table>

Source: OECD, World Bank

### Ease of Doing Business Ranking (y-o-y)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>68</td>
</tr>
<tr>
<td>2019</td>
<td>43</td>
</tr>
<tr>
<td>2018</td>
<td>60</td>
</tr>
<tr>
<td>2006</td>
<td>84</td>
</tr>
</tbody>
</table>

Source: OECD, World Bank
Turkey has one of the most competitive corporate tax rates among OECD member countries. The Turkish corporate tax legislation has noticeably clear, objective, and harmonized provisions that are in line with international standards.

**INDIVIDUAL INCOME TAX RATES APPLICABLE FOR 2021**

<table>
<thead>
<tr>
<th>Income Scales (TRY) (Employment Income)</th>
<th>Rate (%)</th>
<th>Income Scales (TRY) (Non-Employment Income)</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 24,000</td>
<td>15</td>
<td>Up to 24,000</td>
<td>15</td>
</tr>
<tr>
<td>24,001 - 53,000</td>
<td>20</td>
<td>24,001 - 53,000</td>
<td>20</td>
</tr>
<tr>
<td>53,001 - 100,000</td>
<td>27</td>
<td>53,001 - 100,000</td>
<td>27</td>
</tr>
<tr>
<td>100,001 - 650,000</td>
<td>35</td>
<td>100,001 - 650,000</td>
<td>35</td>
</tr>
<tr>
<td>650,001 and over</td>
<td>40</td>
<td>650,001 and over</td>
<td>40</td>
</tr>
</tbody>
</table>

*Source: Investment Office-Tax Guide to Doing Business in Türkiye*

In Türkiye, the corporate income tax rate levied on business profits is 25% for 2021 and 23% for 2022. Generally-applied VAT rates in Türkiye are 1% for goods and services, 8% for certain services, and 18% for luxury goods.
As per the regulations published in the Official Gazette on September 18, 2018, foreigners who meet any of the following criteria may be eligible for Turkish citizenship, subject to the decision of the President of the Republic of Türkiye:

1. Making a minimum fixed capital investment of $500,000 or equivalent foreign currency or Turkish lira, as attested by the Ministry of Industry and Technology.

2. Buying at least $500,000 or equivalent foreign currency or Turkish lira worth of real estate investment fund shares or venture capital investment fund shares with the condition that they cannot be sold for at least three years, as attested by the Ministry of Environment, Urbanization and Climate Change.

3. Acquiring a property worth a minimum of $400,000 or equivalent foreign currency or Turkish lira with a title deed restriction on its resale for at least three years, as attested by the Ministry of Family, Labor and Social Services.

4. Depositing at least $500,000 or equivalent foreign currency or Turkish lira in banks operating in Türkiye with the condition not to withdraw the same for at least three years, as attested by the Banking Regulation and Supervision Agency.

5. Buying at least $500,000 or equivalent foreign currency or Turkish lira worth of real estate investment fund share or venture capital investment fund share with the condition that they cannot be sold for at least three years, as attested by the Capital Markets Board of Türkiye.

6. Creating jobs for at least 50 people, as attested by the Ministry of Family, Labor and Social Services.

Source: Investment Office, Smart Guide to Acquiring Property and Citizenship in Türkiye
In 2022, more than 13,600 incentives certificates were awarded, a total of TRY 578 billion investments were made and more than 357,000 employment were provided within the scope of incentives in Türkiye. Among these, 435 certificates were awarded to foreign direct investments, which amounted to TRY 44 billion in 2022.

### Number of Certificates Awarded

<table>
<thead>
<tr>
<th>Year</th>
<th>Certificates Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3,197</td>
</tr>
<tr>
<td>2022</td>
<td>13,653</td>
</tr>
</tbody>
</table>

### Foreign Direct Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Certificates Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>174</td>
</tr>
<tr>
<td>2022</td>
<td>435</td>
</tr>
</tbody>
</table>

### Fixed Investments Made within the Scope of Incentives (TRY million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investments (TRY million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>50,177</td>
</tr>
<tr>
<td>2022</td>
<td>578,581</td>
</tr>
</tbody>
</table>

### Employment Generated

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>117,556</td>
</tr>
<tr>
<td>2022</td>
<td>357,075</td>
</tr>
</tbody>
</table>

Source: Ministry of Industry and Technology, Investment Office—Guide to State Incentives for Investments in Türkiye
LUCRATIVE INCENTIVES

INTRODUCTION

Increase production of intermediate goods
Reduce import dependency
Reduce trade deficit
Support medium-high and high-tech investments
Support less developed regions
Reduce differentiation in regional development
Support clusters

The Incentive System entered into force in 2012 aiming to:

- Increase production of intermediate goods
- Reduce import dependency
- Reduce trade deficit
- Support medium-high and high-tech investments
- Support less developed regions
- Reduce differentiation in regional development
- Support clusters

**Types of Incentives**

<table>
<thead>
<tr>
<th>Type of Incentive</th>
<th>General Incentives</th>
<th>Regional Incentives (Including Medium-High Tech and Priority Incentives)</th>
<th>Strategic Incentives</th>
<th>Project Based Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT Exemption</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAT Refund*</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customs Duty Exemption</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Tax Reduction</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Security Premium Support (Employer’s Share)</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Tax Withholding Support**</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Rate Support</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Allocation</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cashback Support</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualified Personnel Support</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy Support</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure Support</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing Guarantee</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* For investments in the manufacturing industry by the end of 2024.
** For investments in the 6th region.

Source: Ministry of Industry and Technology, Investment Office-Guide to State Incentives for Investments in Türkiye
LUCRATIVE INCENTIVES
GENERAL INVESTMENT INCENTIVES SCHEME

Tax exemption for procurement of machinery and equipment, regardless of the investment’s location.

Types of Incentives:
- VAT Exemption
- Income Tax Withholding Support
- Customs Duty Exemption
- VAT Refund

Source: Ministry of Industry and Technology, Investment Office—Guide to State Incentives for Investments in Türkiye

Regardless of region, general incentives scheme is available for all investment projects which meet the minimum fixed investment amount requirement (3,500,000 TL in Region-1 and 2, 1,500,000 TL in Region-3, 4, 5 and 6).

Regardless of region, general incentives scheme is available for all investment projects which are not excluded from the investment incentives programs (e.g.: Cube sugar production, Catering companies).

Excluded from the investment incentives programs (e.g.: Cube sugar production, Catering companies)
LUCRATIVE INCENTIVES
REGIONAL INVESTMENT INCENTIVES SCHEME

The scope of the support instruments varies depending on the development levels of the regions. In Türkiye’s Incentive Scheme, investments in less developed regions are able to receive higher incentives.

Aims to reduce differentiation regarding development between provinces and to increase production and export potential.

Specific sectors are supported in 6 different regions in Türkiye.

Source: Ministry of Industry and Technology, Investment Office-Guide to State Incentives for Investments in Türkiye
Priority investments aims to support specific investments with terms and rates of the Region 5 incentives.

<table>
<thead>
<tr>
<th>Support Types</th>
<th>Duration and % of Supports</th>
</tr>
</thead>
<tbody>
<tr>
<td>V.A.T. Exemption</td>
<td>7 years</td>
</tr>
<tr>
<td>Customs Duty Exemption</td>
<td>7 years</td>
</tr>
<tr>
<td>Corporate Tax Reduction</td>
<td>Investment Contribution(%)</td>
</tr>
<tr>
<td></td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Reduction Rate(%)</td>
</tr>
<tr>
<td></td>
<td>80</td>
</tr>
<tr>
<td>Social Security Premium Support</td>
<td>7 years</td>
</tr>
<tr>
<td>(Employer’s Share)</td>
<td></td>
</tr>
<tr>
<td>Land Allocation</td>
<td>7 years</td>
</tr>
<tr>
<td>Interest Support</td>
<td>5 points</td>
</tr>
<tr>
<td>(Domestic loans)</td>
<td>2 points</td>
</tr>
<tr>
<td>(FX loans)</td>
<td></td>
</tr>
</tbody>
</table>

**LUCRATIVE INCENTIVES**

**STRATEGIC INVESTMENT INCENTIVE SCHEME**

Aims to support **high value-added investments** that will reduce current account deficit.

**Criteria to Benefit From Strategic Investments**

- **Minimum investment amount**: TRY 50 million
- **Minimum value-added through the investment**: 50% of the investment amount
- **Minimum import amount of the product in the last one year**: "The total domestic production capacity should be less than the import"

**Support Types Duration and % of Supports**

<table>
<thead>
<tr>
<th>Support Type</th>
<th>Duration</th>
<th>% of Supports</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT Exemption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customs Duty Exemption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Tax Reduction</td>
<td>Investment Participation Rate (%)</td>
<td>50</td>
</tr>
<tr>
<td>Social Security (Employer’s Share) Premium Support</td>
<td>7 years (10 years in 6th zone)</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Ministry of Industry and Technology, Investment Office-Guide to State Incentives for Investments in Türkiye
LUCRATIVE INCENTIVES - PROJECT BASED INCENTIVES SUPPORT SYSTEM

Objectives

- Reduce import dependency
- Ensure supply security
- Supply production needs in strategic sectors
- Provide technological transformation, innovation, R&D and high value-added production
- Contribute to competitive advantage of Türkiye
- Projects with an investment of TRY 1 billion or above

Advantages

- Customs duty exemption
- VAT exemption for machinery and equipment
- Cash support
- VAT refund for building construction expenses
- Corporate tax exemption up to 100 percent and investment support up to 200 percent; or a corporate tax exemption exclusively for the profits derived from the investment for the first 10 years following the commencement of operations.
- Social security premium support for employer’s share for up to 10 years.
- Qualified employee support for up to 5 years
- Income tax withholding support for up to 10 years.
- Energy support for 10 years
- Land allocation for 49 years
- Interest support for up to 10 years

Source: Ministry of Industry and Technology, Investment Office—Guide to State Incentives for Investments in Türkiye

Objectives

- Number of Projects
- Qualified Employees
- Total Employment
- Total Investment Amount

Advantages

- Customs duty exemption
- VAT exemption for machinery and equipment
- Cash support
- VAT refund for building construction expenses
- Corporate tax exemption up to 100 percent and investment support up to 200 percent; or a corporate tax exemption exclusively for the profits derived from the investment for the first 10 years following the commencement of operations.
- Social security premium support for employer’s share for up to 10 years.
- Qualified employee support for up to 5 years
- Income tax withholding support for up to 10 years.
- Energy support for 10 years
- Land allocation for 49 years
- Interest support for up to 10 years

Source: Ministry of Industry and Technology, Investment Office—Guide to State Incentives for Investments in Türkiye
GLOBAL COMPANIES WITH R&D OPERATIONS IN TÜRKİYE

550+ International companies conducting R&D activity in Türkiye (2022)

1,257 Total R&D centers in Türkiye (2022)

97 Number of technology development zones (2022)

ADVANTAGEOUS R&D ECOSYSTEM

Extensive R&D incentives are further supported by a favorable ecosystem in Türkiye.

INCREASING R&D SPENDING
($ billion, PPP)

NUMBER OF RESEARCHERS
(Thousands)

Source: OECD, Eurostat, Turkstat, Ministry of Industry and Technology. PPP: *Purchasing Power Parity
Companies with R&D activities in Türkiye have the opportunity to benefit from a wide range of incentives and supports provided within the scope of R&D legislation and cash support programs. Thus, investors can choose the most appropriate support / incentive mechanism in order to reduce their costs of R&D and innovation activities.
TDZs are areas designed to support R&D activities and attract investments in high-technology fields.

Profits derived from software development, R&D, and design activities are exempt from income and corporate taxes until December 31, 2023.

Sales of application software produced exclusively in TDZs are exempt from VAT until December 31, 2023.

Remuneration for R&D, design, and support personnel employed in the zone is exempt from all taxes until December 31, 2023.

50% of the employer’s share of the social security premium will be paid by the government until December 31, 2023.

Customs duty exemption for imported products and stamp duty exemption for applicable documents within the scope of R&D, design, and software development projects.

### Advantages of TDZs

- **Number of companies operating with foreign capital in TDZs**: 364
- **Number of technoparks**: 92
- **Number of companies operating in TDZs**: 8,793
- **Number of R&D employees in TDZs**: 91,466
- **Total exports from TDZs**: $7.9 billion
ADVANTAGEOUS R&D ECOSYSTEM

INTELLECTUAL PROPERTY RIGHTS

Under the Turkish law, intellectual properties such as trademarks, patents, utility models, designs and geographical indications, are offered protection upon the registration with the Turkish Patent and Trademark Institution. Trademarks and utility models are protected for 10 years, while patents are protected for 20 years, and designs are protected for 5 years. Registrations may be renewed before their expiration dates upon the satisfaction of certain requirements.

Source: Ministry of Industry and Technology, Turkish Patents and Trademark Office
Türkiye has a strong track record in PPP implementations across a variety of sectors such as infrastructure, transportation, energy and healthcare.

6 out of 10 completed or ongoing mega projects in the world and in Türkiye.

$194 billion worth of PPP projects Türkiye has implemented in a variety of sectors (1986-2021).

30% of Türkiye’s infrastructure investment need till 2023 is expected to be made through PPP model mega projects.

Number of PPP Projects

<table>
<thead>
<tr>
<th>Year</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>72</td>
</tr>
<tr>
<td>2022</td>
<td>193</td>
</tr>
</tbody>
</table>

PPP Contract Volume ($ billion)

<table>
<thead>
<tr>
<th>Period</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986-2001</td>
<td>25</td>
</tr>
<tr>
<td>2002-2022</td>
<td>169</td>
</tr>
</tbody>
</table>

PPP Contract Models

- Build-Operate: 64.8%
- Build-Lease-Transfer: 8.6%
- Build-Operate-Transfer: 13.4%
- Transfer of Operating Rights: 13.2%

PPP Investments by Sector ($ billion, 1986-2020)

- Motorway: 30.98
- Airport: 94.98
- Energy: 43.1
- Health Facility: 12.68
- Industrial Facility: 1.69

Source: Ministry of Transport and Infrastructure
Türkiye has implemented a variety of mega projects with BOT model and continues to do so.

**ISTANBUL 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 USD 6.5 billion

**EURASIA TUNNEL**
- Double-deck underwater tunnel connecting Asia & Europe in Istanbul
- Commissioned in December 2016
- Investment of USD 1.2 billion

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

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

**GEZBE-ORHANGAZI-İZMİR MOTORWAY**
- 427 km long motorway connecting Istanbul, Bursa & İzmir via world’s 4th longest suspension bridge
- Investment of USD 6.5 billion

**ANKARA-İSTANBUL HIGH SPEED RAILROAD**
- Shortened travel time
- Faster and more comfortable travel
- 347 km total length
- 13 million passengers/year
- 350 km/h design speed

**GEZBE-HALKALI RAILROAD**
- 233 km with 10 stations
- 13 sidestand (3 km) and 63 tunnel (202 km)
- Passenger capacity 13 million passengers/year
- Freight capacity: 12 million Ton/Year

**1915 CANAKKALE BRIDGE**
- Longest main span: 1,023 km of any suspension bridge in the world
- Bridge length: 4,608 m
- 181 km motorway including the bridge
- Construction started in March 2017
- Operation period: 16 years 2 months including construction
- USD 2.8 billion investment with BOT
- The project was completed in March 2022

**Source:** Ministry of Transport and Infrastructure
Türkiye has ambitious targets for 2023 – the centennial of the Republic of Türkiye – and beyond, across a wide range of infrastructure areas. Türkiye has a significant investment need in infrastructure development and from transportation to healthcare and energy, ample opportunities are available in the pipeline.

ROBUST INFRASTRUCTURE TARGETS

2022-2040

$569 billion Current investment trends
$975 billion Investment needed
$405 billion Investment gap

Installed Power Capacity (GW)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (GW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>120</td>
</tr>
<tr>
<td>2022</td>
<td>103.8</td>
</tr>
<tr>
<td>2003</td>
<td>35.6</td>
</tr>
</tbody>
</table>

High Speed Railways (km)

<table>
<thead>
<tr>
<th>Year</th>
<th>Length (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>5,644</td>
</tr>
<tr>
<td>2022</td>
<td>1,460</td>
</tr>
<tr>
<td>2003</td>
<td>0</td>
</tr>
</tbody>
</table>

Hospital bed capacity of quality rooms rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>100%</td>
</tr>
<tr>
<td>2022</td>
<td>85%</td>
</tr>
<tr>
<td>2002</td>
<td>6%</td>
</tr>
</tbody>
</table>

Highways (km)

<table>
<thead>
<tr>
<th>Year</th>
<th>Length (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2035</td>
<td>8,187</td>
</tr>
<tr>
<td>2022</td>
<td>3,633</td>
</tr>
<tr>
<td>2002</td>
<td>1,714</td>
</tr>
</tbody>
</table>

Investment Need by Sector (2022-2040, $bn)

- **Energy**: $242 billion
- **Transport**: $563.1 billion
- **Road**: $499 billion
- **Rail**: $63 billion
- **Ports & Airports**: $19.1 billion

Source: Ministry of Transport and Infrastructure
Türkiye’s participation in Global Value Chains has been steadily increasing, but there is still room for growth in order to catch up with peer economies.

Combining both forward and backward linkages, Germany is Türkiye’s main GVC partner, followed by China and Italy.

Türkiye has managed to successfully move up the value chain, thus transitioned from limited manufacturing to advanced manufacturing GVCs.

**Country Transitions Between Different Types of GVC Participation**

<table>
<thead>
<tr>
<th>1990</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina, Armenia, Bosnia &amp; Herzegovina, Cambodia, Costa Rica, El Salvador, Ethiopia, Indonesia, Kenya, Nepal, Serbia, South Africa, Tanzania</td>
<td>China, Estonia, India, Lithuania, Philippines, Poland, Portugal, Romania, Thailand, Türkiye</td>
</tr>
<tr>
<td>Austria, Canada, Finland, Ireland, Israel, Italy, Republic of Korea, Singapore, Spain, Jordan, Lesotho, Czech Republic</td>
<td>Czech Republic</td>
</tr>
</tbody>
</table>

**GVC participation index (2015, % share in total gross exports)**

| Türkiye   | 33.4% |
| Developing economies | 41.4% |

**Evolution of total GVC participation (2005-2015, annual change)**

| Türkiye | 8.4% |
| Developing economies | 6.5% |

**Main GVC Partners**

<table>
<thead>
<tr>
<th>Country</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
<tr>
<td>UK</td>
<td>(8)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>(9)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>(10)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>(11)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>(12)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>(13)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>(14)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>(15)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to a recent Fitch analysis, Türkiye stands to gain the most from a shift of supply chains.

“The Turkish government has also been aware of the GVC transformation and set up a working group with all stakeholders to prepare Türkiye for post-covid GVCs.

Türkiye GVC WORKING GROUP

POLICY & ACTION AREAS
- Coordination of activities
- Tap emerging opportunities
- Improve Türkiye’s investment climate & competitiveness
- Develop suppliers’ base
- Facilitate relocation of multinational companies

Source: Fitch Solutions: “Emerging Europe To Benefit From Shifts In Mid-Level Manufacturing Supply Chains” July 13, 2020
The 17 SDGs of the 2030 Agenda for Sustainable Development are the blueprint for achieving a better and more sustainable future for all.

The "SDG Investor Map Türkiye" provides in-depth information on 27 investment opportunity areas identified across 9 priority sectors and 14 subsectors.

In 2015, countries in the world adopted the 2030 Agenda for Sustainable Development and its 17 SDGs.
The Turkish Parliament ratified the Paris Agreement on October 6, 2021 and put it into effect following its publication in the Official Gazette on October 7.

Türkiye has been a signatory to the Paris Agreement since April 22, 2016 within the framework of the UN Climate Change Conference. Türkiye’s parliamentary adoption of the decision by consensus came in ahead of the COP26, which took place from October 31 to November 12, 2021 in Glasgow, Scotland.

The Paris Agreement aims to strengthen the global response to the threat of climate change by stopping global average temperatures from rising more than 2 degrees Celsius above pre-industrial levels by the end of 21st century, and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius if possible.

Türkiye is expected to update its national climate action plan, officially known as the Nationally Determined Contribution (NDC), including emission reduction targets in the energy, waste, transportation, buildings, and agriculture sectors and submit them to the UN Secretariat.

Türkiye also plans to organize a council in January 2022, attended by representatives from the private sector, non-governmental organizations, universities, industrialists and international organizations, to examine the long-term strategy.

As part of its efforts to contribute to the fight against climate change, Türkiye renamed the Ministry of Environment and Urbanization as Ministry of Environment, Urbanization and Climate Change.
As a first step, Türkiye has committed to reduce of 21 percent by 2030, from a projected emission of 1,175 million tons to 929 million tons, and to achieve “net-zero carbon emissions” by 2053, as announced by President Recep Tayyip Erdoğan.

Climate change, is a development issue that concerns many areas from trade to transportation, industry to food, energy to education. In this sense, it should be managed with a perspective that evaluates economy and ecology together but always prioritizes our environmental sensitivity.

The target of Türkiye; to successfully implement the Green Development Revolution (Transformation) and be among the top 10 economies of the world. At this point, with the Memorandum of Understanding signed with the World Bank on October 22, 2021; A financing of 3 billion 157 million Euros was provided to be used in the fight against climate change. This fund, is aimed to support climate-friendly investments in many fields from industry to agriculture, from transportation to energy, from waste to the construction sector, from clean energy to micro-mobility.

Developed countries have to reinvest for green transformation, but developing countries will turn this crisis into an opportunity. Türkiye plans to turn its green transformation move into an opportunity. Türkiye has a high and qualified workforce potential and greenhouse gas reduction potential. The era of making the economically necessary structural improvements despite nature is over. Countries that produce and catch up with technology and trends on the path of low-carbon development will be the essential economies of the age after the industrial revolution and the digital revolution.

SDGs IN TÜRKİYE
PARIS AGREEMENT - 2053 NET ZERO EMISSION TARGET
Global market for impact investing reached $715 billion in assets under management (AUM) at the end of 2019.

The Turkish National Advisory Board for Impact Investing was established in partnership with UNDP, the Impact Investment Platform (Etkiyap), the Development Investment Bank of Türkiye and the Investment Office.

**Examples of Impact Capital in Türkiye**

- In 2019, the European Bank for Reconstruction and Development (EBRD) approved the provision of a €50 million loan to Sütaş, an agribusiness company, to finance Sütaş’s investment in an integrated production facility in Bingöl, Eastern Türkiye.
- The Industrial Development Bank of Türkiye (TSKB) issued the first ever Green/Sustainable Bond in 2016 to finance renewable energy and resource efficiency investments as well as healthcare and education projects.
- Idacapital is an investment management firm focusing on impact through technology, innovation and growth investments in and out of Türkiye, and currently holds the lead in investments focused on impact, devoting funds exclusively to with/for impact.
- Turkish Red Crescent Association Venture Capital Investment Fund was established by Kızılay, which will channel its management fees into funding their humanitarian activities.
- The Development and Investment Bank of Türkiye has played a key role in contributing to Türkiye’s sustainable development while facilitating investments to boost employment and prosperity.
- The Scientific and Technological Research Council of Türkiye (TÜBİTAK)’s Tech-Invest KR Venture Capital Support Program was established in order to enable venture capital funds to invest in EBRD intensive early-stage companies in order to meet the financial needs of these companies.

**SDGs in Türkiye**

**Impact Investment as a New Model**

Impact Investment AUM by Year ($ Billion)

Source: Investment Office-The Impact Investment Ecosystem in Türkiye
Impact Investing Advisory Board of Türkiye

Impact Investing Advisory Board of Türkiye “EYDK” was established in April 28, 2021. EYDK will facilitate the development of impact investing and a well-functioning ecosystem in Türkiye. EYDK has 43 member organizations representing public and private sector and non-profit organizations.

Investment Office, Development Investment Bank of Türkiye, UNDP, UNDP Istanbul International Center For Private Sector Development (IICPSD) and Eltiyap were the task force members which took the lead for the establishment.

On March 30 2022, Türkiye’s membership application to the GSG was accepted, and Türkiye has become the 35th member country to the GSG.

The Global Steering Group for Impact Investment (GSG) is an independent organization catalyzing impact investment and entrepreneurship to benefit people and the planet. The GSG was established in August 2015 as the successor to and incorporating the work of the Social Impact Investment Task Force established under the UK’s 2013 presidency of the G8.

GSG Leadership Meeting 2023

GSG Leadership Meeting 2023 will take place in Istanbul between May 30 – June 1, 2023. 150 executives from 43 countries are expected to visit Istanbul for the meeting.
GROWING STARTUP ECOSYSTEM
WHY INVEST IN TURKISH STARTUPS

Türkiye’s diversified economy, entrepreneurial business culture and young and tech-savvy population have been attracting significant investments from global players into Turkish startups, which have proven that their products and services are globally competitive.

Early stage investments in Türkiye have shown a significant increase in the recent period. 2021 was a record year in Türkiye with an investment figure of $1.63 billion. In 2022, early stage investments maintained almost the same level with $1.59 billion, across 300 deals in seed, early and later VC stages.

Source: Startups.Watch

1 Billion $ Mark

Türkiye Yearly Angel & VC Deal Activity (SM)

Co-investment opportunities with the Turkish VC funds to benefit from the next successful exit round

Mature ecosystem supported by ever expanding reforms
Large and young population with high tech penetration rates, ideal for product testing
Successful exits to global companies
Affordable and competent developer pool
5 unicorns since 2020

Ever increasing investment trend with increasing VC and CVC involvement
Increasing investment trend with increasing VC and CVC involvement

Successful exits to global companies

Source: Startups.Watch
GROWING STARTUP ECOSYSTEM
MILESTONES IN TÜRKİYE’S STARTUPS ECOSYSTEM

**2 Decacorns, 3 Unicorns since 2020**

- **2020**: In August 2020, a group of Private Equity investors acquired 9.09% of e-commerce platform Trendyol for $1.5 billion and carried Trendyol’s value to $16.5 billion as the first decacorn in Türkiye.

- **2021**: Turkish rapid delivery startup Getir raised its valuation to $11.8 billion after raising $768 million funding and became the second decacorn of Türkiye, just one year after becoming a unicorn in March 2021.

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**The US-based interactive entertainment company Zynga acquired the Turkish mobile game developer Peak Games for $1.8 billion, in June 2020.**

**The B2B software-as-a-service (SaaS) platform Insider has become Türkiye’s first software unicorn after raising $121 million from investors in a Series D funding round held by the Qatar Investment Authority (QIA).**

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**In January 2022, mobile puzzle games developer Dream Games raised $255 million in a series-C funding round which carried the startup’s value to $2.75 billion.**

**The B2B software-as-a-service (SaaS) platform Insider has become Türkiye’s first software unicorn after raising $121 million from investors in a Series D funding round held by the Qatar Investment Authority (QIA).**

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**Source:** Startups.Watch, Pitchbook

### Milestones in Türkiye’s Startups Ecosystem

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Introduction of VC Funds by the Capital Markets Board of Türkiye</td>
</tr>
<tr>
<td>2013</td>
<td>Enactment of the Regulation on Angel Investments</td>
</tr>
<tr>
<td>2014</td>
<td>Launch of Tax Incentives Program for companies investing in VC Funds</td>
</tr>
<tr>
<td>2015</td>
<td>Enactment of a new law on Industrial Property Rights</td>
</tr>
<tr>
<td>2016</td>
<td>Enactment of a prominent R&amp;D reform and introduction of support for design</td>
</tr>
<tr>
<td>2017</td>
<td>Enactment of a new law on Industrial Property Rights</td>
</tr>
<tr>
<td>2018</td>
<td>Enactment of the Global Entrepreneurship Congress in Istanbul</td>
</tr>
<tr>
<td>2019</td>
<td>Introduction of Tübitak’s 1514 Tech-InvesTR “Venture Capital Funding Program” V.1</td>
</tr>
<tr>
<td>2020</td>
<td>Launch of Tax Incentives Program for companies investing in VC Funds</td>
</tr>
<tr>
<td>2021</td>
<td>Commissioning of a prominent R&amp;D reform and introduction of support for design</td>
</tr>
<tr>
<td>2022</td>
<td>Enactment of a new law on Industrial Property Rights</td>
</tr>
<tr>
<td>2022</td>
<td>Techno-Investment Fund (TRY350 million) established by Development Investment Bank of Türkiye</td>
</tr>
<tr>
<td>2023</td>
<td>Techno-Investment Fund (TRY350 million) established by Development Investment Bank of Türkiye</td>
</tr>
<tr>
<td>2024</td>
<td>Techno-Investment Fund (TRY350 million) established by Development Investment Bank of Türkiye</td>
</tr>
</tbody>
</table>

**300 startups received $1.6 billion through Angels & VC Funds in 2022.**

**2,149 startups received $64 million of government grants in 2020.**

**2020**: Techno-Investment Fund (TRY350 million) established by Development Investment Bank of Türkiye

**2021**: E500 million Tech Fund by Turkish Wealth Fund

**2022**: E500 million Tech Fund by Turkish Wealth Fund
GROWING STARTUP ECOSYSTEM
MOBILE, INTERNET, AND SOCIAL MEDIA USE IN TÜRKİYE

Türkiye has large and young population with high tech penetration rates.

- **Cellular Mobile Connections**: 78 million people (92%)
- **Internet Users**: 70 million people (82%)
- **Active Social Media Users**: 69 million people (81%)

- **Average Daily Time Spent Using the Internet**: 8h 00m
- **Average Daily Time Spent Using Social Media**: 2h 59m
- **Average Daily Time Spent Listening to Streaming Music**: 1h 46m

Source: Digital 2022 Global Overview (we are social, Hootsuite), Digital 2022 Türkiye (we are social, Kepios)
The amount of funds allocated to Türkiye in the last 5 years (2018-2022) reached $1.4 billion. This amount makes Türkiye have record levels of dry powder for VCs.

Source: Startups.watch Only disclosed equity fundings are counted. Non-Equity, Secondary and Post-IPO transactions, Grants and convertible debts are excluded.
ISTANBUL FINANCIAL CENTER

Strategically important to Türkiye’s economy and the flow of international capital, Istanbul Financial Center (IFC) is a global financial services hub, with easy access to world markets.

Established to provide an efficient financial services ecosystem, the IFC aims to deliver growth to the Turkish economy and international investors by becoming a regional center in the short term and a global center in the medium term. IFC brings together public and private sector banks, asset management companies, brokerage firms, insurance companies, professional service companies along with Turkish and international financial institutions.

The IFC will have:

- 1.4 million m² Office space
- 100,000 m² Shopping mall
- 30,000 m² 5-star Hotel
- 2,100 people Congress center with the capacity to hold up to 2,100 people
- Parking lot with capacity for 26,000 vehicles
- 50,000 employees daily

ISTANBUL FINANCIAL CENTER LAW

- Published in the Official Gazette on June 28, 2022
- Include exceptions and discounts on taxes and other financial liabilities
- 75% of the earnings obtained within the scope of the activities shall be deducted from the corporate income.
- Exemption from banking and insurance transactions tax.
- Exemption from all kinds of fees and stamp duty.
- For persons with at least 5 years of professional experience abroad, 60% of the monthly wage shall be exempt from income tax.
- For persons with at least 10 years of experience, the exemption shall be 80%.
- 75% of the earnings obtained within the scope of the activities shall be deducted from the corporate income.

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75% of the earnings obtained within the scope of the activities shall be deducted from the corporate income.
With its favorable geographical conditions and climate, large arable lands, and well-developed agricultural industry, Türkiye is considered to be one of the leading countries in the world in the field of agriculture and food.

Largest country in Europe in terms of agricultural economy with $48.1 billion agricultural production volume in 2020

10th largest country in the world in terms of agricultural economy in 2020

1st Global producer of figs, hazelnuts, quinces and apricots (2020)

1st Global exporter of quinces, raisins and flour (2020)

$23 billion Export in 2021

2.8 million Enterprises operating in agrofood production

$17.1 billion Export in 2021

3rd Largest tractor sales with 72K unit in Europe, 4th in the world, with 77% of the local market supplied by local players

Source: World Bank, United States Department of Agriculture, FAO, Ministry of Agriculture and Forestry
With a history of more than 50 years, Türkiye’s automotive industry is now home to 14 OEMs with a total product portfolio covering passenger cars, light commercial vehicles, as well as heavy duty vehicles. Türkiye is a strong production and engineering hub for the global automotive value chain.

Türkiye’s first indigenous all-electric car Togg saw its pre-order volume go north of 40,000 in less than 48 hours and 100,000 in two weeks in early-2022. The winners will embrace this user-oriented, intelligent, empathetic, connected, autonomous car in late-2023.

13th largest automotive producer in the world, with an 85% average export rate (2021)

1st largest commercial vehicle producer in Europe (2021)

35% Share of commercial vehicles in total production (2020)

$29.3 billion Automotive exports of Türkiye (2021)

1,274 Number of accredited R&D centers, of which 27 belong to global companies.

1.3 million Vehicle production in Türkiye (2021)

35% Share of commercial vehicles in total production (2020)

$29.3 billion Automotive exports of Türkiye (2021)

1,274 Number of accredited R&D centers, of which 27 belong to global companies.

Source: Automotive Manufacturers Association of Türkiye

Development of Vehicle Exports (Billion $)

STRONG INTERNATIONAL PRESENCE IN TÜRKİYE

11 12 18


CAGR 4.4 2002-2021

18

2020-2021

Vehicles of Turkish origin hold a leading position in the EU among the vehicles coming from outside of the EU.

53
Türkiye is an attractive investment location for chemical companies with a robust market growth fueled by end user markets, while offering competitive production costs.
Türkiye’s decisive policies have yielded significant results in transforming the defense industry. Growing and diversifying exports have explored new opportunities in US, EU, Middle East, Africa, Central Asia and South America.

**Turnover Breakdown (2021)**

- **WAM**: Weapons, Ammunition & Missiles
- **MRO**: Maintenance, Repair & Overhaul
- **Products for Civil Aviation**: $1,64 billion
- **Security**: $0,59 billion
- **Land Platforms**: $2,34 billion
- **Air Platforms**: $1,65 billion
- **Naval Platforms**: $1,16 billion
- **Other**: $0,38 billion

**Türkiye’s Annual Defense Expenditures**

($ Billion, current prices)

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2021</td>
<td>$10.2 billion</td>
</tr>
</tbody>
</table>

**Türkiye’s Local Content in Defense Procurement**

<table>
<thead>
<tr>
<th>Year</th>
<th>Local Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2021</td>
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</tr>
</thead>
<tbody>
<tr>
<td>2017-2021</td>
<td>24%</td>
</tr>
</tbody>
</table>

**Total Defense Expenditures**

- **$18.8 billion**
- **$8.6 billion**
- **$4.4 billion**

**Total Defense & Aerospace Industry Exports**

- **$10.2 billion**
Türkiye is a key player in global air transportation and offers lucrative opportunities for global investors with rapidly growing civil aviation.

### SECTORAL OPPORTUNITIES - DEFENSE & AEROSPACE

Turkiye is a key player in global air transportation and offers lucrative opportunities for global investors with rapidly growing civil aviation.

#### Airline Fleet (2021)

- **Total**: 610 aircraft

#### Airline Seat Capacity (Thousands)

- **2003**: 105,300
- **2021**: 254,200

#### Airline Passenger Turnover - 2021

- **Total**: 128.5 million

#### International Destinations

- **Total**: 320+

#### Countries

- **Total**: 129

#### Airlines in Europe with 1,200 flights per day (2021)

- **Total**: 2nd

#### Air Cargo Capacity (Thousand Ton)

- **2003**: 303
- **2016**: 310
- **2020**: 2,403
- **2021**: 2,403

#### Employees (Thousand)

- **2003**: 27,600
- **2016**: 76,100
- **2020**: 176,800
- **2021**: 231,100

#### Air Taxi (Number of Aircraft)

- **2003**: 231
- **2016**: 223
- **2020**: 105.3
- **2021**: 105

#### Civil Aviation

- **Total Revenue ($20.5 billion)**

#### Turnover - 2021

- **Total**: 20.5 billion

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Being a high-profile OECD country in terms of energy demand, Türkiye has created a solid action plan to achieve a smooth transition to self-sufficiency, robustness, diversification, supply security, competitiveness and environment-friendly energy.

Total Installed Capacity in Türkiye

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (GW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>31.8</td>
</tr>
<tr>
<td>2020</td>
<td>100</td>
</tr>
</tbody>
</table>

Türkiye’s installed capacity as of 2021.

- **31.49 GW**: Turkey’s installed hydro power capacity as of 2021.
- **10.58 GW**: Türkiye’s installed wind power capacity as of 2021.
- **7.82 GW**: Turkey’s installed solar power capacity as of 2021.

The first Turkish-flagged FSRU, BOTAŞ Ertuğrul Gazi, was commissioned in June 2021.

Out of $225 billion FDI, attracted between 2003 and 2020, $18.2 billion was solely channeled into the energy sector.

Share of renewable energy in total electricity production (2021):

- **43.1%**

Turkey’s first-ever drillship set sail on a drilling mission, eventually discovering proven reserves of 540 billion cubic meters of natural gas in total in the Black Sea.

Turkey’s Rank in Europe (2021)

- **5th** in electricity market
- **4th** in gas consumption
- **5th** in energy consumption

5.5% Annual growth rate of energy demand in Türkiye since 2002.

Share of private sector in power generation as of 2021:

- **74%**

Türkiye’s rank in global geothermal power generation capacity in 2021:

- **4th**

**Source:** Ministry of Energy and Natural Resources
Favorable demographics with a dynamic young and online population supports the Turkish ICT sector, which is strongly backed by international and local companies.

Turkish ICT market has reached $30 billion in 2021.

$19 billion FDI has been attracted since 2005.

Workforce in the industry reached 185K in the last five years.

Türkiye is transforming into a fintech hub, with over 200 companies and an online payment market of almost $50 billion.

88 million Fixed and Mobile Broadband subscription, an impressive penetration rate of 116%.

Annual growth rate of e-commerce market in Türkiye, which reached TRY 226.2 billion in 2020.

18th Rank of Türkiye’s Gaming market in the world in 2021, with exports exceeding $2.5 billion.

41% of large size companies in Türkiye use cloud computing services.

Türkiye has doubled its exports since 2014, reaching $2 billion (annual), while broadening its export markets.

Source: TUBİSAD ICT Market Data 2020
Türkiye’s life sciences industries have experienced a great number of FDI projects in the last 15 years coupled with an intensive M&A investment flows targeting attractive domestic companies.

100+ Greenfield FDI projects

$39.7 billion
Healthcare expenditures in Türkiye in 2021

$327 billion
Total value of clinical research projects in Türkiye in 2029

$1.9 billion
Türkiye’s pharma exports in 2022

91%
Rise in Türkiye’s pharma exports in the last 5 years

42,000
Employment of the pharma industry in 2020

$7 billion
Created jobs in the industry

5,300
Worth

1.2 billion

Size of Turkish Pharma Market in 2020

2.4 billion boxes

Top 3 M&A Deals in Pharma Industry Since 2010

Source: fDi Markets, UN Comtrade, IDOM, TurkStat, Deloitte Annual Turkish M&A Reviews
SECTORAL OPPORTUNITIES - MACHINERY

Producing intermediate goods and providing inputs to key sectors such as chemicals, construction, automotive, energy, textiles, agriculture, and mining, machinery manufacturing plays a crucial role in the development of Türkiye.

Turkish machinery sector has more than quadrupled its revenues to $30 billion and doubled its workforce to 232K over the past decade.

Source: Ministry of Industry and Technology, UN Comtrade

Global machinery companies have been present in Türkiye with significant manufacturing activities, using Türkiye as a hub to access regional markets.

Turkish machinery industry has been robustly growing over the past decade with around 5% CAGR.

- Share of SMEs in machinery revenue: 60%
- Export rate on average: 40%
- Number of the largest 25 companies in the sector are international: 10
- Türk Traktör (2021) - 4th Largest machine producer in Europe
- Largest growth in the world after China and India for the last eight years in construction machinery: 3rd
- Size of Türkiye’s HVAC market (2021), in which exports more than quadrupled in 10 years: $3.2 billion
- Largest elevator market in the world (2021): 3rd
- Share of Türkiye in textile machinery exports in the world (2021): 3%
- Türk Traktör (2021) - 4th Largest automobile maker in Europe
- Turkish machinery sector has more than quadrupled its revenues to $30 billion and doubled its workforce to 232K over the past decade.
Strategically situated at the crossroads of Europe, the Middle East, and Central Asia, and home to 85 million people, Türkiye offers great opportunities for real estate developers and investors.

**In 2022**, residential sales in Türkiye continued its strong performance and recorded as **1.5 million**.

Projected retail sales growth in Türkiye significantly outperforms mature European markets such as Italy, UK, Germany, and France with an annual growth forecast of **2.4%** between 2022 and 2024.

Retail density in Istanbul **333 sqm** per **1,000** inhabitants in 2021.

According to JLL forecasts, Istanbul is one of the best opportunistic markets in terms of forecasted retail sales growth total change and is competing with main mature markets such as London, Paris, and Madrid.

**Regional Distribution of Vacancy in Logistics Market**

- İstanbul Asia Kocaeli Occupied Area: 88%
- İstanbul Europe: 5%
- İstanbul Region and Satellite: 3%
- Occupiable: 4%

**Logistics leasing transactions completed during 2022**

- **233K sqm**

**Projected retail sales growth in Türkiye significantly outperforms mature European markets such as Italy, UK, Germany, and France with an annual growth forecast of 2.4% between 2022 and 2024.**

**In 2022, residential sales in Türkiye continued its strong performance and recorded as 1.5 million.**

**According to JLL forecasts, Istanbul is one of the best opportunistic markets in terms of forecasted retail sales growth total change and is competing with main mature markets such as London, Paris, and Madrid.**
As the 4th most popular tourism destination in the world and attracting 30 million tourists (foreign & Turkish citizens living abroad) in 2021, Türkiye continues to present vast investment opportunities in both the established and newly-developing subsectors of the tourism industry.

**Total contribution of Travel & Tourism to GDP of Türkiye as of 2021**

- **7.3%**
- **$901 billion revenue in 2022**
- **51.4%**

Türkiye ranked 5th in international tourism receipts in 2021 with $30 billion tourism revenue.

In 2022, tourism revenue broke all times record and recorded as $46.2 billion. (Ministry of Culture and Tourism data)

**Employment in tourism sector**

- **14%**
- **2.42 million in 2021**

Employment in the tourism sector increased by 14% and reached to 2.42 million in 2021 having 8.4% share in total employment in Türkiye.

Türkiye boasts 14323 tourism accommodation establishments with over 835000 rooms as of 2023 year-end - a 56.29% annual increase in terms of number of establishments.

**UNESCO World Heritage Sites**

Türkiye is home to 19 (17 cultural and 2 mixed) UNESCO World Heritage Sites.

**In 2022, tourism revenue break all times record and recorded as $46.2 billion. (Ministry of Culture and Tourism data)**

**Occupancy rate in Istanbul ranked at second place in Europe with 54.5% ratio in 2021**

**Number of visitors to Türkiye increased by 71% compared to 2021**

- **Number of Visitors in 2022**
  - **$901 billion revenue in 2022**
  - **71%**

Türkiye ranked 3rd in the World among 49 countries with 529 blue flag awarded beaches in 2022.

**5th Tourist Destination in the World**

Türkiye is ranked 5th in international tourism receipts in 2021 with 536 Billion tourism revenue.
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