AGENDA

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

EXECUTIVE SUMMARY
EXECUTIVE SUMMARY

FAVORABLE INVESTMENT ENVIRONMENT

- Türkiye was 4th most visited country in the World with 50.5 million visitors in 2022
- Türkiye ranked 7th in the World with USD 41.4 billion tourism receipts in 2022
- Türkiye ranked 3rd in the World with 551 blue flag awarded beaches in 2023
- Year-round tourism
- Proximity to major markets and connectivity
- Türkiye has a wide range of tourism source markets, protecting it from asymmetrical shocks

STRONG INTERNATIONAL PRESENCE

- Prestigious global hospitality brands have presence in Türkiye
- Successful partnerships with local companies to grow in the region, capitalizing on locals’ experience and networks
- Türkiye is geographically well situated to attract arrivals from Western and Eastern Europe as well as the MENA and Asia region.

ROBUST GROWTH IN THE SECTOR

- 56.7 Million visitors in 2023, 12.3% increase comparing with 2022.
- In 2023, tourism revenue of Türkiye reached 54.3 billion USD by increasing 17% compared to 2022
- In 2024, target is 60 million visitors with 60 billion USD revenue.
- Contribution of Travel & Tourism to GDP in 2022 was 11.5%
- More than 3 Million - Employment in tourism sector in 2022 which was 10% of total employment in Türkiye
TOURISM SECTOR IN THE WORLD AND TÜRKİYE`S POSITION
In 2023, there were approximately 1.286 billion international tourists (overnight visitors), marking a 34% increase compared to the previous year.

Supported by robust pent-up demand, international tourism rebounded to 88% of pre-pandemic levels.

The Middle East led the recovery by regions in relative terms, being the only region to overcome pre-pandemic levels with arrivals 22% above 2019.

Europe reached 94% of pre-pandemic levels in 2023, while Africa recovered 96% and the Americas 90%.

Asia and the Pacific reached 65% of pre-pandemic levels, with a gradual recovery since the start of 2023.

Total export revenues from tourism (including passenger transport) are estimated at USD 1.6 trillion in 2023, almost 95% of the USD 1.7 trillion recorded in 2019.

Following a strong rebound in 2023, international tourism is expected to fully recover pre-pandemic levels in 2024, with initial estimates pointing to 2% growth above 2019 levels in international tourist arrivals.

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### INTERNATIONAL TOURIST ARRIVALS BY REGION, ANNUAL % CHANGE over 2019

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Jan-Dec 2023*</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>-73</td>
<td>-68</td>
<td>-59</td>
<td>-5</td>
</tr>
<tr>
<td>Europe</td>
<td>-69</td>
<td>-68</td>
<td>-59</td>
<td>-5</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>-84</td>
<td>-93</td>
<td>-75</td>
<td>-5</td>
</tr>
<tr>
<td>Americas</td>
<td>-35</td>
<td>-29</td>
<td>-35</td>
<td>-5</td>
</tr>
<tr>
<td>Africa</td>
<td>-63</td>
<td>-31</td>
<td>-31</td>
<td>-5</td>
</tr>
<tr>
<td>Middle East</td>
<td>-73</td>
<td>-73</td>
<td>-73</td>
<td>22</td>
</tr>
</tbody>
</table>

* Provisional Data

Source: UNWTO World Tourism Barometer January 2024
TOURISM SECTOR IN THE WORLD AND TÜRKİYE’S POSITION

RECOVERY OF INTERNATIONAL TOURIST ARRIVALS, ANNUAL % CHANGE over 2019

RECOVERY OF INTERNATIONAL TOURIST ARRIVALS (% change over 2019)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023*</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>100%</td>
<td>72%</td>
<td>69%</td>
<td>34%</td>
<td>12%</td>
</tr>
<tr>
<td>%</td>
<td>28%</td>
<td>31%</td>
<td>66%</td>
<td>88%</td>
<td></td>
</tr>
</tbody>
</table>

Percentage covered | Percentage not covered

RECOVERY OF INTERNATIONAL TOURIST ARRIVALS BY REGION (% of 2019 recovered in 2023*)

<table>
<thead>
<tr>
<th>Region</th>
<th>2023*</th>
<th>Middle East</th>
<th>Africa</th>
<th>Europe</th>
<th>Americas</th>
<th>World</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>122%</td>
<td>4%</td>
<td>96%</td>
<td>94%</td>
<td>10%</td>
<td>12%</td>
<td>35%</td>
</tr>
</tbody>
</table>
| Percentage covered | Percentage not covered

* Provisional Data
Source: UNWTO World Tourism Barometer January 2024
### INTERNATIONAL TOURIST ARRIVALS, DISTRIBUTION BY REGION, 2023

<table>
<thead>
<tr>
<th>Region</th>
<th>Share (%)</th>
<th>Tourist Arrivals (million)</th>
<th>Change (%) 23*/22</th>
<th>Change (%) 23*/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>54.5</td>
<td>700.4</td>
<td>17.4</td>
<td>-12.1</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>18.2</td>
<td>233.4</td>
<td>155.1</td>
<td>-35.2</td>
</tr>
<tr>
<td>Americas</td>
<td>15.4</td>
<td>198.3</td>
<td>26.6</td>
<td>-9.6</td>
</tr>
<tr>
<td>Africa</td>
<td>5.2</td>
<td>66.4</td>
<td>39.8</td>
<td>-3.9</td>
</tr>
<tr>
<td>Middle East</td>
<td>6.8</td>
<td>87.1</td>
<td>28.5</td>
<td>22.1</td>
</tr>
<tr>
<td>World</td>
<td>100</td>
<td>1286</td>
<td>33.9</td>
<td>-12.1</td>
</tr>
</tbody>
</table>

* Provisional Data
Source: UNWTO World Tourism Barometer January 2024

- Europe attracted more than half of total tourists in the world in 2019 with 742.1 million tourist arrivals (50.6%). Asia and the Pacific recorded 360.1 million tourist arrivals (24.5%) while Americas recorded 219.3 million (14.9%), Africa and Middle East recorded around 70 million (4.8%) tourist arrivals in 2019.
- In 2023, Europe attracted 700.4 million tourist arrivals (54.5%). Asia and the Pacific recorded 233.4 million tourist arrivals (18.2%) while Americas recorded 198.3 million (18.2%), Middle East recorded 87.1 million (6.8%) and Africa recorded 66.4 million (5.2%) tourist arrivals.
- Europe's share increased from 50.6% to 54.5% when 2019 and 2023 tourist arrivals were compared.
• France was the most visited country in 2022 with 79.4 million visitors. Spain came 2nd with 71.7 million visitors. United States recorded 50.9 million tourist arrivals in 2022 ranked as 3rd most visited country.

• Türkiye was the 4th most visited country in the World in 2022. 5.2% of total visitors in the world and 8.4% of total visitors in Europe with 50.5 million tourist arrivals.

• Türkiye followed by Italy with 49.8 million visitors. Mexico ranked 6th and recorded 38.3 tourist arrivals. United Kingdom recorded 30.7, Germany recorded 28.5 million, Greece recorded 28.5 million and Austria recorded 26.2 tourist arrivals in 2022.

* Provisional Data

Source: UNWTO World Tourism Barometer September 2023
Türkije ranked 7th with USD 41.4 billion tourism revenues in 2022. 55.3% increase in tourism receipts of Türkije when compared with previous year.

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

- In 2022, several destinations reported tourism receipts above pre-pandemic levels in the first ten to twelve months of 2022, including Türkije, United Kingdom, Mexico, Portugal, Romania, Saudi Arabia, Poland, Croatia, Morocco, Qatar, Dominican Republic, Maldives etc.

* Provisional Data
Source: UNWTO World Tourism Barometer September 2023
** data calculated by (total revenue/visitors)
Source UNWTO World Tourism Barometer January 2024
• Istanbul tops the list for the number of International arrivals in 2023 with 26% growth year-on-year followed by London in second place (up 17%) and Dubai in third (up 18%).

• In 2023, Antalya became the 4th most visited city in the world, following London and Paris, with 16.5 million international visitors. This represents a 29% growth in visitor numbers compared to the previous year.

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

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

• In tourism receipts, as an indicator of elevating tourist profile, Türkiye ranked 7th in 2022.

• Türkiye is expected to be in the top countries in 2022 rankings as UNWTO shared Türkiye tourism receipts are above pre-pandemic levels.

Source: UNWTO
AGENDA

1. Executive Summary
2. Tourism Sector in the World and Türkiye’s Position
3. Tourism Sector in Türkiye
Source: Ministry of Culture and Tourism*, TurkStat, WTTC (World Travel & Tourism Council)
TOURISM SECTOR IN TÜRKİYE

NUMBER OF FOREIGN VISITORS

NUMBER OF FOREIGN VISITORS 2018-2022
(ANNUAL CHANGE, THOUSAND PEOPLE)

- Number of foreign visitors decreased dramatically by 72% in 2020 with travel restrictions, closed borders, travel bans due to Covid-19.

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

- In 2022, 45 million foreign visitors visited Türkiye. As an indicator of full recovery, number of foreign visitors turned back to 2019 levels.

- In 2023, more than 56 million visitors visited Türkiye. Which was the record year for Türkiye in terms of number of visitors.

56,7
Million
Foreign Visitors in 2023
%27,2

Source: Ministry of Culture and Tourism
The profile and number of foreign visitors are the main driver in the development of tourism sector in Türkiye. In general, foreign visitors share is more than 83% in total visitors and contribution of citizens of Türkiye living abroad are limited and constant.
TOURISM RECEIPTS PER ARRIVAL BETWEEN 2012-2022 (ANNUAL CHANGE, USD)

- Average expenditure per arrival increased by 27% to 952 USD in 2023 when compared with last normal tourism sector season in 2019, before the pandemic.

- Growth trend that seen in tourism arrivals in last years can also be observed in tourism receipts per arrival especially since pandemic.

Source: Ministry of Culture and Tourism
TOP 5 VISITOR COUNTRIES AND NUMBER OF TOURISTS BETWEEN 2018-2023

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>6,313,675</td>
</tr>
<tr>
<td>Germany</td>
<td>6,193,259</td>
</tr>
<tr>
<td>UK</td>
<td>3,800,922</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>2,893,092</td>
</tr>
<tr>
<td>Iran</td>
<td>2,504,494</td>
</tr>
</tbody>
</table>

Nationalities of Top Visitors-2023

- Russia: 6,313,675 tourists (13%)
- Germany: 6,193,259 tourists (13%)
- UK: 3,800,922 tourists (8%)
- Bulgaria: 2,893,092 tourists (6%)
- Iran: 2,504,494 tourists (5%)

Other countries: 55%

Source: Ministry of Culture and Tourism
TOURISM EXPENDITURES AND GROWTH RATES OF THE TOP 10 COUNTRIES WITH THE HIGHEST TOURISM EXPENDITURES (2019 and 2022)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td></td>
<td>2022*</td>
</tr>
<tr>
<td>World</td>
<td>1,487</td>
<td>World</td>
<td>1,120</td>
</tr>
<tr>
<td>1</td>
<td>USA</td>
<td>115.3</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>254.6</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Germany</td>
<td>93.2</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>United Kingdom</td>
<td>85.9</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>50.5</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Russian Federation</td>
<td>36.2</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Australia</td>
<td>35.3</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Canada</td>
<td>35.3</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Korea (ROK)</td>
<td>32.7</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Italy</td>
<td>30.3</td>
<td></td>
</tr>
</tbody>
</table>

* Provisional Data
Source: UNWTO World Tourism Barometer January 2024

- Strong demand for outbound travel was reported by several large source markets in the first ten to eleven months, with many exceeding 2019 levels. Germany and the United States spent 14% and 13% more respectively on outbound travel than in 2019, while Italy spent 15% more. France (+0%) recovered 2019 expenditure levels.

- Emerging markets with robust growth in spending in 2022 include Ukraine (+132%), Romania (+37.7), Qatar (+29%), India (+26%) comparing with 2019.

- Travellers from China and United States created 25.9% of total tourism expenditures, while top 10 countries in the list created 23% of total tourism expenditures in 2019.

- Travellers from China and United States created 21% of total tourism expenditures, while top 10 countries in the list created 30% of total tourism expenditures in 2022.

- Germany, UK and Russia, top 3 source countries of Türkiye are at the top 10 list of countries with the highest tourism expenditures.
77.3

Million Arrivals to Tourism Facilities in 2023

%10 ↑

Compared to 2022

203.1

Million Overnight Stays in 2023

%9.25 ↑

Compared to 2022

Source: Ministry of Culture and Tourism
## Total Number of Establishments

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourist Accommodation</th>
<th>Rooms</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>14,070</td>
<td>828,515</td>
<td>1,785,698</td>
</tr>
<tr>
<td>2022</td>
<td>15,013</td>
<td>917,898</td>
<td>1,898,848</td>
</tr>
<tr>
<td>2023</td>
<td>20,991</td>
<td>941,279</td>
<td>1,953,814</td>
</tr>
</tbody>
</table>

- Türkiye boasts 20,991 tourist accommodation establishments with over 941,000 rooms and nearly 2 million bed as of 2023 year-end.

- In 2023, the number of rooms reached 941,279, experiencing a 13.1% increase compared to 2021. Similarly, the number of beds reached 1,953,814 in the same year, reflecting a 9.4% increase compared to 2021.

Source: Ministry of Culture and Tourism  
Note: With a modification to the Tourism Incentive Law in the year 2022, the permits for facilities previously provided by municipalities are now provided by the Ministry of Culture and Tourism. Consequently, due to the transitional period of 2022-2023, dramatic changes in numbers may be observed.
• Türkiye, with 551 blue flag awarded beaches ranked 3rd and with 23 blue flag awarded marinas ranked 7th in the 2023 list.

• The southern Antalya province of Türkiye, often regarded as one of the top tourism destinations in the world, has retained its ranking with the most blue-flagged eco-friendly beaches in the world, with a total of 231. Antalya followed by Muğla with 111, İzmir with 63, Balıkesir with 46 blue flag awarded beaches.

Note: Rankings includes only Northern Hemisphere countries
Source: Blue Flag Global
• Türkiye is geographically well situated to attract arrivals from Western and Eastern Europe as well as the Middle East and North Africa region.

• Türkiye has a wide range of tourism source markets, protecting it from asymmetrical shocks.

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

CONNECTIVITY
Turkish Airlines connects you to 337 destinations in 121 countries

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

TRANSPORTATION TYPES USED BY FOREIGN VISITORS IN 2022:

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airways</td>
<td>75.7%</td>
</tr>
<tr>
<td>Roadways</td>
<td>19.3%</td>
</tr>
<tr>
<td>Seaways</td>
<td>4.9%</td>
</tr>
<tr>
<td>Railways</td>
<td>0.06%</td>
</tr>
</tbody>
</table>

2nd
Istanbul Airport is the 2nd busiest in Europe in 2023 in terms of international passengers*

3rd
Istanbul Airport is the 3rd busiest in the world in 2023 in terms of international passengers*

BORDER GATES THAT FOREIGN VISITORS ENTERED TO TÜRKİYE IN 2023:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Destination</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>İstanbul</td>
<td>17,370,030</td>
</tr>
<tr>
<td>2</td>
<td>Antalya</td>
<td>14,749,811</td>
</tr>
<tr>
<td>3</td>
<td>Edirne</td>
<td>4,715,580</td>
</tr>
<tr>
<td>4</td>
<td>Muğla</td>
<td>3,325,492</td>
</tr>
<tr>
<td>5</td>
<td>Artvin</td>
<td>1,830,295</td>
</tr>
</tbody>
</table>

* International passengers enplaned and deplaned

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

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

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

• Türkiye has 84 sites (77 cultural, 4 mixed and 3 natural) in the Tentative List of UNESCO World Heritage Sites.
TOURISM SECTOR IN TÜRKİYE

YEAR-ROUND TOURISM

- Beautiful beaches spread along 4 seas and over 8,300 km of coastline.
- Türkiye is the top choice for Mediterranean holidays, ranking 3rd in the world with a total of 551 Blue Flag beaches.
- Türkiye is home to 19 (17 cultural and 2 mixed) UNESCO World Heritage Sites and has 84 sites (77 cultural, 4 mixed and 3 natural) in the Tentative List of UNESCO World Heritage Sites.
- 22,898 registered archeological sites in Türkiye.
- Türkiye is a country which hosted different cultures throughout history due to its unique geographical location as a bridge between Europe and Asia.
- Architectural heritage of Türkiye extends way back to 9600 BCE in Göbeklitepe to Ottoman Imperial architecture to modern architecture and local architecture styles in Türkiye that consists of palaces, mansions, fortresses and castles, inns and bazaars, religious monuments, cisterns etc.
- Faith tourism, gastro tourism, winter tourism.
- Golf resorts designed by world renowned golf course designers, high quality golf courses that comply with PGA standards.
- Belek, welcomes best golfers all through the year, thanks to the suitable climate with an average temperature of 19°C and sunny days which last more than 300 days. Belek, with 15 different golf courses and luxurious hotels close by them, allows golfers to explore new golf courses whenever they want during the year. Golf courses, the airport and the hotels are in the same region; this provides the golfers the opportunity to play golf in different golf courses without loss of time.
- Halal Tourism is observed to be one of the prospective trends in the last couple of years within Middle Eastern countries. International Muslim traveler arrivals reached 160 million in 2019. As international travel has opened, it is projected that Muslim traveler arrivals will reach 140 million in 2023 and get back to 160 million in 2024. The pre-pandemic projection of 230 million arrivals by 2026 will now be reached only in 2028. The estimated expenditure could reach USD 225 Billion by 2028.
- In Mastercard-CrescentRating Global Muslim Travel Index 2022, Türkiye ranked 2nd in overall index.
- Newly built medical cities, its numerous hospitals, and high-quality medical services make Türkiye stand out on a global scale.
- In 2023, 1,398,504 patients visited Türkiye for health tourism and received health services. Tourism income from health tourism recorded as 2.307.130 USD in 2023.
- The share of health tourism income in total tourism revenues was %1 in 2002. This rate increased to %4.6 in 2022.
- , Outdoor activities, adventure opportunities, recreational activity opportunities are endless in Türkiye such as camping & glamping, cycling, trekking & hiking skiing, diving, windsurfing & kitesurfing, rafting, kayaking.
- Natural wonders to see in Türkiye such as mountains, rivers, lakes, canyons, plateaus, waterfalls, caves, natural parks
- Türkiye’s thermal resources rank 7th in the world and 1st in Europe. Hundreds of thousands of international patients and tourists visit Türkiye’s unique thermal facilities every year to get better and healthier. Türkiye is ranked 3rd in Europe (after Germany and Italy) in terms of the utilization of its natural thermal resources. It boasts more than 260 thermal facilities established over an area of more than 1,500 thermal resources. In Türkiye thermal cures available almost 300 days in a year. Insurance companies from many Northern European and Scandinavian countries send their patients to Türkiye for thermal treatments as part of their recuperation.

Source: Ministry of Culture and Tourism, Blue Flag International, Turkstat, UNESCO, Mastercard-CrescentRating Global Muslim Travel Index 2022, GoTürkiye
OFFERING LUCRATIVE INCENTIVES IN TOURISM SECTOR

GENERAL INVESTMENT INCENTIVES
- Customs Duty Exemption
- VAT Exemption

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

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

PROPERTY TAX INCENTIVES
- 5 year property tax exemption

TOURISM SECTOR IN TÜRKİYE

OFFERING LUCRATIVE INCENTIVES IN TOURISM SECTOR
Many of the top global hotel chains already have a strong presence in the country, and numerous popular brands are represented.

A range of markets are catered for, from budget holidays to high-end travel and luxury resorts.