10 reasons to invest in Türkiye

1. Robust Economy
2. Domestic + Accessible Markets
3. Strategic Location
4. Skilled and Competitive Labor Force
5. Favorable Demographics
6. Continuous Reform Process
7. Business-Friendliness
8. Lucrative Incentives
9. Benign R&D Ecosystem
10. Sectoral Opportunities
**ROBUST ECONOMY**

**TRACK RECORD GROWTH AND BRIGHT FUTURE WITH PROVEN RESILIENCE**

### 11th largest economy in the World

**RANKING OF ECONOMIES BY GDP AT PPP**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USA</td>
<td>CHINA</td>
<td>USA</td>
</tr>
<tr>
<td>2</td>
<td>CHINA</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>3</td>
<td>JAPAN</td>
<td>INDIA</td>
<td>INDIA</td>
</tr>
<tr>
<td>4</td>
<td>GERMANY</td>
<td>JAPAN</td>
<td>JAPAN</td>
</tr>
<tr>
<td>5</td>
<td>INDIA</td>
<td>GERMANY</td>
<td>GERMANY</td>
</tr>
<tr>
<td>6</td>
<td>RUSSIA</td>
<td>RUSSIA</td>
<td>RUSSIA</td>
</tr>
<tr>
<td>7</td>
<td>FRANCE</td>
<td>INDONESIA</td>
<td>INDONESIA</td>
</tr>
<tr>
<td>8</td>
<td>UK</td>
<td>BRAZIL</td>
<td>BRAZIL</td>
</tr>
<tr>
<td>9</td>
<td>BRAZIL</td>
<td>UK</td>
<td>UK</td>
</tr>
<tr>
<td>10</td>
<td>ITALY</td>
<td>FRANCE</td>
<td>FRANCE</td>
</tr>
<tr>
<td>11</td>
<td>MEXICO</td>
<td>MEXICO</td>
<td>MEXICO</td>
</tr>
<tr>
<td>12</td>
<td>INDONESIA</td>
<td>ITALY</td>
<td>ITALY</td>
</tr>
<tr>
<td>13</td>
<td>SPAIN</td>
<td>TÜRKİYE</td>
<td>TÜRKİYE</td>
</tr>
<tr>
<td>14</td>
<td>CANADA</td>
<td>S.KOREA</td>
<td>S.KOREA</td>
</tr>
<tr>
<td>15</td>
<td>S.KOREA</td>
<td>SPAIN</td>
<td>SPAIN</td>
</tr>
<tr>
<td>16</td>
<td>S.Arabia</td>
<td>CANADA</td>
<td>CANADA</td>
</tr>
<tr>
<td>17</td>
<td>IRAN</td>
<td>S.Arabia</td>
<td>S.Arabia</td>
</tr>
<tr>
<td>18</td>
<td>TÜRKİYE</td>
<td>IRAN</td>
<td>TAIWAN, PRC</td>
</tr>
</tbody>
</table>

### AVERAGE ANNUAL GDP GROWTH (%) 2002-2021

<table>
<thead>
<tr>
<th></th>
<th>2002-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TÜRKİYE</td>
</tr>
<tr>
<td>2</td>
<td>POLAND</td>
</tr>
<tr>
<td>3</td>
<td>ROMANIA</td>
</tr>
<tr>
<td>4</td>
<td>BULGARIA</td>
</tr>
<tr>
<td>5</td>
<td>CZECHIA</td>
</tr>
</tbody>
</table>

### REAL GDP GROWTH (INDEX: 2002=100)

Registered the largest economic growth in G-20

Source: TurkStat, IMF, PPP: Purchasing Power Parity

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ROBUST ECONOMY

Gross Public Debt Stock as % of GDP

Budget Balance as % of GDP

Annual Inflation (%)

Source: IMF, Turkstat, Ministry of Treasury and Finance
Turkish economy has **more than tripled over** the past 19 years and is promising to be on the growing trend.

**Turkish Economy**

(GDP at current prices, $Billion)

- 2002: 236
- 2021: 803

**Contribution to GDP Growth 2002-2021 (%)**

- Domestic Consumption: 74
- Investment Expenditures: 30
- Exports: 25
- Stocks: -8
- Imports: -21

Robust domestic market and entrepreneurial private sector spurred investments and exports.

Source: TurkStat
DOMESTIC MARKET

**IMPRESSIVE ECONOMIC GROWTH LEADING TO A SIZEABLE MIDDLE CLASS WITH INCREASING PURCHASING POWER**

**Income per capita**

(GDP per capita, current prices at purchasing power parity)

- **2002**: $10,997
- **2021**: $34,755

**Stock of Automobiles**

(millions of passenger cars)

- **2002**: 4.6
- **2021**: 13.7

**Turkish Aviation Passenger**

(millions of passengers)

- **2002**: 33.8
- **2019**: 208.9
- **2021**: 128.6

Source: TurkStat, Ministry of Transport and Infrastructure and IMF

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DOMESTIC MARKET

DOMESTIC MARKET FURTHER SUPPORTED BY EMERGING URBAN CENTERS

Total Population in 2021 **84.7 Million**

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>İstanbul</td>
<td>15.7 Million</td>
</tr>
<tr>
<td>Ankara</td>
<td>5.7 Million</td>
</tr>
<tr>
<td>İzmir</td>
<td>4.4 Million</td>
</tr>
<tr>
<td>Bursa</td>
<td>3.1 Million</td>
</tr>
<tr>
<td>Antalya</td>
<td>2.6 Million</td>
</tr>
<tr>
<td>Konya</td>
<td>2.3 Million</td>
</tr>
<tr>
<td>Adana</td>
<td>2.3 Million</td>
</tr>
<tr>
<td>Şanlıurfa</td>
<td>2.1 Million</td>
</tr>
<tr>
<td>Gaziantep</td>
<td>2.1 Million</td>
</tr>
<tr>
<td>Kocaeli</td>
<td>2.0 Million</td>
</tr>
<tr>
<td>Mersin</td>
<td>1.9 Million</td>
</tr>
<tr>
<td>Diyarbakır</td>
<td>1.8 Million</td>
</tr>
<tr>
<td>Hatay</td>
<td>1.7 Million</td>
</tr>
<tr>
<td>Manisa</td>
<td>1.5 Million</td>
</tr>
<tr>
<td>Kayseri</td>
<td>1.4 Million</td>
</tr>
<tr>
<td>Samsun</td>
<td>1.4 Million</td>
</tr>
<tr>
<td>Balıkesir</td>
<td>1.3 Million</td>
</tr>
<tr>
<td>Kahramanmaşaş</td>
<td>1.2 Million</td>
</tr>
<tr>
<td>Van</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Aydın</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Tekirdağ</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Sakarya</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Denizli</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Muğla</td>
<td>1 Million</td>
</tr>
<tr>
<td>Eskişehir</td>
<td>0.9 Million</td>
</tr>
<tr>
<td>Mardin</td>
<td>0.9 Million</td>
</tr>
<tr>
<td>Trabzon</td>
<td>0.8 Million</td>
</tr>
<tr>
<td>Malatya</td>
<td>0.8 Million</td>
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<tr>
<td>Ordu</td>
<td>0.8 Million</td>
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<tr>
<td>Erzurum</td>
<td>0.8 Million</td>
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<tr>
<td>Afyonkarahisar</td>
<td>0.7 Million</td>
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<tr>
<td>Sivas</td>
<td>0.6 Million</td>
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<td>Adıyaman</td>
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<tr>
<td>Batman</td>
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<tr>
<td>Tokat</td>
<td>0.6 Million</td>
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<tr>
<td>Zonguldak</td>
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<tr>
<td>Elazığ</td>
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<td>Kütahya</td>
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<tr>
<td>Çanakkale</td>
<td>0.6 Million</td>
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<tr>
<td>Osmanlıye</td>
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<tr>
<td>Şırnak</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Çorum</td>
<td>0.5 Million</td>
</tr>
<tr>
<td>Ağrı</td>
<td>0.5 Million</td>
</tr>
</tbody>
</table>

Source: TurkStat, 2021
DOMESTIC + ACCESSIBLE MARKETS

Customs Union with the EU allows direct access to the EU Market

DOMESTIC MARKET + EU MARKET + FREE TRADE AREA

F R E E  A C C E S S

996 MILLION CONSUMERS

448 MILLION in EU

463 MILLION in FTA AREA

85 MILLION in TÜRKİYE

Source: IMF, Ministry of Trade, TurkStat, Population as of 2021
*In ratification process

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STRATEGIC LOCATION

HUB FOR MULTINATIONALS TO MANUFACTURE, EXPORT AND MANAGE

Working Hours
Intersect with 16 Time Zones

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

CONNECTIVITY
Turkish Airlines connects you to 323 destinations in 127 countries

MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS

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

Cargill
66 countries

Microsoft
70 countries

Nestlé
Production base for MENA

BOSS
Its largest production facility worldwide

B/S/H/
89 countries

KNAUF
63 countries

TOYOTA
80 countries

Ford
30 countries

SANOFI
14 countries

GE Healthcare
22 countries

China
PORTER

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STRATEGIC LOCATION AND ENHANCED PRODUCTION CAPABILITIES ATTRACTING MULTINATIONALS TO INVEST FOR EXPORT

MERCHANDISE EXPORTS BY GEOGRAPHY

<table>
<thead>
<tr>
<th>Year</th>
<th>EU</th>
<th>Middle East and Africa</th>
<th>North America</th>
<th>Other Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>28%</td>
<td>10%</td>
<td>14%</td>
<td>48%</td>
</tr>
<tr>
<td>2021</td>
<td>25%</td>
<td>7%</td>
<td>26%</td>
<td>41%</td>
</tr>
</tbody>
</table>


NUMBER OF EXPORT PRODUCTS OVER $1 BILLION

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>9</td>
</tr>
<tr>
<td>2021</td>
<td>48</td>
</tr>
</tbody>
</table>

TÜRKİYE’S SHARE IN GLOBAL EXPORTS OF GOODS

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>0.5%</td>
</tr>
<tr>
<td>2003</td>
<td>0.6%</td>
</tr>
<tr>
<td>2004</td>
<td>0.7%</td>
</tr>
<tr>
<td>2005</td>
<td>0.8%</td>
</tr>
<tr>
<td>2006</td>
<td>0.9%</td>
</tr>
<tr>
<td>2007</td>
<td>1.0%</td>
</tr>
<tr>
<td>2008</td>
<td>1.1%</td>
</tr>
<tr>
<td>2009</td>
<td>1.2%</td>
</tr>
<tr>
<td>2010</td>
<td>1.3%</td>
</tr>
<tr>
<td>2011</td>
<td>1.4%</td>
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<tr>
<td>2012</td>
<td>1.5%</td>
</tr>
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</tr>
<tr>
<td>2016</td>
<td>1.9%</td>
</tr>
<tr>
<td>2017</td>
<td>2.0%</td>
</tr>
<tr>
<td>2018</td>
<td>2.1%</td>
</tr>
<tr>
<td>2019</td>
<td>2.2%</td>
</tr>
<tr>
<td>2020</td>
<td>2.3%</td>
</tr>
<tr>
<td>2021</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

Türkiye in 2021

Exports of Goods in Türkiye and World

Türkiye Records All-time High Exports in 2021

Source: TurkStat, ITC

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FAVORABLE DEMOGRAPHICS

HALF OF POPULATION UNDER AGE OF 32.7 CREATING DYNAMIC LABOR FORCE AND FISCAL DISCIPLINE

Source: Turkstat, Eurostat, UN, 2019
SKILLED AND COMPETITIVE LABOR FORCE

ANNUAL NUMBER OF GRADUATES (thousands)

- University: 287 in 2002 and 1,113 in 2020
- Vocational & Technical High School: 455 in 2020

AVAILABILITY OF QUALIFIED ENGINEERS (10=Available; 0=Unavailable)

- 2021:
  - Türkiye: 7.28
  - Czechia: 5.97
  - Poland: 5.57
  - Slovakia: 5.45
  - Romania: 5.33
  - Hungary: 4.99
  - Bulgaria: 4.91

AVAILABILITY OF COMPETENT SENIOR MANAGERS (10=Available; 0=Unavailable)

- 2021:
  - Türkiye: 5.66
  - Czechia: 4.64
  - Poland: 4.51
  - Romania: 3.97
  - Bulgaria: 3.48
  - Slovakia: 3.45
  - Hungary: 3.16

LABOR FORCE BY EDUCATION LEVEL

- University: 27.9% in 2022, 28.7% in 2002
- High School & Below: 72.1% in 2022, 71.0% in 2002

COST OF LIVING INDEX 2022 (New York=100)

- 2022:
  - France: 74.1
  - USA: 70.3
  - UK: 69.7
  - Germany: 65.6
  - Czechia: 48.2
  - Slovakia: 44.7
  - Hungary: 40.7
  - Poland: 39.0
  - Bulgaria: 38.4
  - Romania: 35.2
  - Türkiye: 28.3

REMUNERATION OF MANAGEMENT/ENGINEER

- Total base salary plus bonuses and long-term incentives

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, Numbeo Database
CONTINUOUSLY IMPLEMENTING SWEEPING REFORMS IN MANY AREAS

Major Reforms

- New FDI Law
- New Labor Law
- Ease of company establishment (Law No: 4884)
- New Banking Law
- New Insurance Law
- New Capital Market Law
- Upgrading Investment Incentives
- Removing Restrictions on Foreigners’ Purchases of Real Estate
- Istanbul Arbitration Center
- Industrial Property Law (IPR)
- Production Reform Package
- New Labor Courts Code
- Tech-Driven Industry Initiative
- Ease of Doing Business Reform Package I
- Establishment of European Green Deal Working Group
- Green Deal Action Plan
- FDI Strategy

Timeline:

- 2001: Coordination Council for the Improvement of the Investment Environment
- 2003: New FDI Law
- 2004: Establishment and Operating Licenses
- 2005: Tax Reform (Corporate Tax %20 down from 33%)
- 2006: Overhaul of Social Security System
- 2008: Unifying All Exchanges (Stock, Derivative, Gold, etc.) under BIST
- 2011: Upgrading Investment Incentives
- 2012: R&D and Innovation Incentives
- 2013: New Capital Market Law
- 2014: Personal Data Protection Law
- 2016: Amendments to improve doing business (Law 7099)
- 2017: Amendments to the Capital Market Law (Introduction of Global Standards)
- 2018: Ease of Doing Business Reform Package II
- 2019: Amendments to the Capital Market Law (Introduction of Global Standards)
- 2020: Establishment of European Green Deal Working Group
- 2021: Green Deal Action Plan

Investment Office
CONTINUOUSLY IMPLEMENTING SWEEPING REFORMS IN MANY AREAS

NUMBER OF DAYS TO SET UP A COMPANY, 2020

FDI REGULATORY RESTRICTIVENESS INDEX, 2020

EASE OF DOING BUSINESS RANKING, 2020

EASE OF DOING BUSINESS RANKING (Y-O-Y)

Source: OECD, World Bank
Protection of International Investors by FDI Law

Bilateral Investment Protection Treaties with 86 countries

Treaties to avoid Double Taxation with 87 countries

TOTAL TAX AND CONTRIBUTION RATE*, 2019
(% of Profit)

INTERNATIONAL TAX COMPETITIVENESS**, 2021
(Index=100 as most competitive)

Source: Ministry of Trade, World Bank, Tax Foundation Foreign Direct Investment Law 2003. *Total Tax Rate: Profit or corporate income tax, social contributions and labor taxes paid by the employer, property taxes, turnover taxes and other taxes (such as municipal fees and vehicle taxes).
(Tax competitiveness measures countries’ tax policies five categories: corporate income tax, consumption taxes, property taxes, individual taxes, and international tax rules.)
LUCRATIVE INCENTIVES

OFFERING LUCRATIVE INCENTIVES IN MANY WAYS

MANUFACTURING INCENTIVES
- Tax deduction & exemption +

EMPLOYMENT INCENTIVES
- Payroll & Training support +

R&D AND INNOVATION INCENTIVES
- Tax deduction & exemption +

INCENTIVES FOR SERVICE EXPORTERS
- Tax deduction for exporting services in:
  - Engineering
  - Architecture
  - Design
  - Software
  - Medical Reporting
  - Accounting
  - Call Center
  - Datacenter
  - Education
  - Healthcare

TECHNOLOGY DEVELOPMENT ZONES
- To support R&D
- Tax deduction & exemption +

EXCLUSIVE ZONES
- Free Zones
  - Tax deduction & exemption +
- Organized Industrial Zones
  - Developed infrastructure
R&D INCENTIVES ARE FURTHER SUPPORTED BY A FAVORABLE ECOSYSTEM

NUMBER OF RESEARCHERS (thousands)

AROUND 500 INTERNATIONAL COMPANIES OPERATING IN TECHNOPARK AND R&D CENTERS

INCREASING R&D SPENDING ($ Billion, PPP)

Source: OECD, Turkstat, PPP: Purchasing power parity, Ministry of Industry and Technology
BENIGN R&D ECOSYSTEM

R&D INCENTIVES ARE FURTHER SUPPORTED BY A FAVORABLE ECOSYSTEM

SELECTED FOREIGN COMPANIES CONDUCTING R&D IN TÜRKİYE
RESILIENT HEALTHCARE SYSTEM

STRONG HEALTHCARE SYSTEM IN THE FIGHT AGAINST COVID-19 PANDEMIC...

Merging State hospitals, social security hospitals and institutional hospitals for the service to all citizens.

13 city hospitals* entered into service in 12 provinces. 14 more city hospitals are under construction.

1,534 hospitals, some 4,000 medical treatment facilities and over 15,000 primary healthcare centers

State-of-the art technology ambulance fleets with 5,946 fully-equipped vehicles and 21 aircrafts.

An army of medical professionals with 1.1 million people.

Türkiye is leading the list of intensive care beds per 100K among the European countries.

The budget for healthcare services was increased from 19 billion TRY to 117 billion TRY over the past 18 years.

Healthcare expenditures during the past 6 years have grown by 19% annually (CAGR).

Source: Presidency of the Republic of Türkiye, Republic of Türkiye Ministry of Treasury and Finance, Republic of Türkiye Ministry of Health, Turkish Statistical Institute, Republic of Türkiye Ministry of Industry and Technology, Statista. *The city hospitals, with their modern infrastructure, high-tech devices and qualified healthcare professionals are the largest healthcare complexes in Türkiye.
OFFERING ABUNDANT OPPORTUNITIES IN A VARIETY OF SECTORS

SECTORAL OPPORTUNITIES

AUTOMOTIVE
- 14th largest manufacturer in the World, 4th in Europe
- 1.5 million vehicle produced
- Market: $13 billion
- Export: $25.5 billion

MACHINERY & ELECTRICAL EQP.
- Largest TV & white goods producer in Europe
- Market: $34 billion
- Export: $28 billion

AEROSPACE & DEFENCE
- $19 billion defence spending
- Industry: $11 billion
- Energy corridor
- Untapped renewables
- Air passengers: 210 million

ENERGY
- Market: $66 billion
- Growing demand
- Energy corridor
- Untapped renewables

AGROFOOD
- Agriculture & Food Industry Market: $103 billion
- Export: $19 billion
- Export to around 200 countries

INFRASTRUCTURE
- $170 billion PPP contracts (1986-2021)
- More opportunities in transport, energy, health

FINANCE
- Robust growth with double digits
- Islamic finance to grow
- Istanbul Financial Center

Source: Turkstat, Ministry of Industry and Technology, Ministry of Agriculture and Forestry, OSD, ODD as of 2020, MAFMED, TESİD as of 2019, SASAD as of 2020, SHGM as of 2019, GIH
FOREIGN DIRECT INVESTMENT (FDI)

EXCEPTIONAL INCREASE IN FOREIGN INVESTMENT BOOSTED BY THE VALUE TÜRKİYE OFFERS

FDI INFLOWS ($ BILLION)

- 15 (1973-2002, 30 years)
- 239 (2003-2021, 19 years)

NUMBER OF FOREIGN COMPANIES IN TÜRKİYE ('000)

- 5.6 (2002)
- 76.7 (2021)

GEOGRAPHIC BREAKDOWN OF INVESTMENTS (2003-2021)

- Europe: 72.3%
- USA: 8.1%
- Asia: 18.1%
- Other: 1.5%

MOST ATTRACTION SECTORS (CUMULATIVE 2003-2021)

- Finance: 31.6%
- Manufacturing: 24.2%
- Others: 8.5%
- Energy: 10.5%
- Information & Communication Services: 8.9%
- Wholesale & Retail Trade: 6.4%
- Transport & Storage: 3.2%
- Construction: 1.5%
- Others: 0.5%

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"
INVEST IN TÜRKİYE

PRIVATE SECTOR APPROACH WITH PUBLIC SECTOR CAPABILITIES

A GOVERNMENTAL AGENCY REPORTING TO THE PRESIDENT

ACTING AS YOUR SOLUTION PARTNER

General & customized business information & Sectoral analysis & reports

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

Arrangements of meetings with governmental bodies and other stakeholders

Facilitating your investment at all stages

Matchmaking with local partners & establishing business linkages

Facilitating your visit to Türkiye

Project launch & Press release Services

AFTERSALES

Facilitating your investment at all stages

Matchmaking with local partners & establishing business linkages

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AFTERSALES