WHY INVEST IN TÜRKİYE?
WHY INVEST IN TÜRKİYE?

10 REASONS TO INVEST IN TÜRKİYE

10 reasons to invest in Türkiye

- **ROBUST ECONOMY**
- **DOMESTIC + ACCESSIBLE MARKETS**
- **STRATEGIC LOCATION**
- **FAVOURABLE DEMOGRAPHICS**
- **SKILLED AND COMPETITIVE LABOR FORCE**
- **CONTINUOUS REFORM PROCESS**
- **BUSINESS-FRIENDLINESS**
- **LUCRATIVE INCENTIVES**
- **BENIGN R&D ECOSYSTEM**
- **SECTORAL OPPORTUNITIES**
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>Year</th>
<th>2003</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>USA</td>
<td>CHINA</td>
<td>CHINA</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>JAPAN</td>
<td>GERMANY</td>
<td>JAPAN</td>
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<td>5.</td>
<td>GERMANY</td>
<td>JAPAN</td>
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<td>6.</td>
<td>JAPAN</td>
<td>GERMANY</td>
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<td>7.</td>
<td>GERMANY</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<tr>
<td>8.</td>
<td>UK</td>
<td>JAPAN</td>
<td>JAPAN</td>
</tr>
<tr>
<td>9.</td>
<td>BRAZIL</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<tr>
<td>10.</td>
<td>UK</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<tr>
<td>11.</td>
<td>MEXICO</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<td>INDONESIA</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<tr>
<td>13.</td>
<td>SPAIN</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<tr>
<td>14.</td>
<td>CANADA</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<tr>
<td>15.</td>
<td>S.KOREA</td>
<td>JAPAN</td>
<td>JAPAN</td>
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<tr>
<td>16.</td>
<td>S. ARABIA</td>
<td>JAPAN</td>
<td>JAPAN</td>
</tr>
<tr>
<td>17.</td>
<td>IRAN</td>
<td>JAPAN</td>
<td>JAPAN</td>
</tr>
<tr>
<td>18.</td>
<td>TÜRKİYE</td>
<td>JAPAN</td>
<td>JAPAN</td>
</tr>
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</table>

AVGARE ANNUAL GDP GROWTH (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2002-2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>5.4 TÜRKİYE</td>
</tr>
<tr>
<td>2.</td>
<td>3.8 POLAND</td>
</tr>
<tr>
<td>3.</td>
<td>3.5 ROMANIA</td>
</tr>
<tr>
<td>4.</td>
<td>3.1 BULGARIA</td>
</tr>
<tr>
<td>5.</td>
<td>2.3 CZECHIA</td>
</tr>
<tr>
<td>6.</td>
<td>2.3 HUNGARY</td>
</tr>
<tr>
<td>7.</td>
<td>2.3 BULGARIA</td>
</tr>
<tr>
<td>8.</td>
<td>2.3 CZECHIA</td>
</tr>
<tr>
<td>9.</td>
<td>2.3 HUNGARY</td>
</tr>
<tr>
<td>10.</td>
<td>2.3 BULGARIA</td>
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<tr>
<td>11.</td>
<td>2.3 CZECHIA</td>
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<tr>
<td>12.</td>
<td>2.3 HUNGARY</td>
</tr>
<tr>
<td>13.</td>
<td>2.3 BULGARIA</td>
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<tr>
<td>14.</td>
<td>2.3 CZECHIA</td>
</tr>
<tr>
<td>15.</td>
<td>2.3 HUNGARY</td>
</tr>
<tr>
<td>16.</td>
<td>2.3 BULGARIA</td>
</tr>
<tr>
<td>17.</td>
<td>2.3 CZECHIA</td>
</tr>
<tr>
<td>18.</td>
<td>2.3 HUNGARY</td>
</tr>
</tbody>
</table>

REAL GDP GROWTH (INDEX: 2002=100)

Source: TurkStat, IMF, PPP: Purchasing Power Parity,
ROBUST ECONOMY

STRONG MACROECONOMIC FUNDAMENTALS BASED ON SUCCESSFUL PUBLIC FINANCE MANAGEMENT

Gross Public Debt Stock as % of GDP

Budget Balance as % of GDP

Source: IMF, Ministry of Treasury and Finance
Turkish economy has **quintupled over the past 21 years** and is promising to be on the growing trend.

**Turkish Economy**

(GDP at current prices, $Billion)

- **2002**: 236
- **2023**: 1119

**Contribution to GDP Growth 2002-2023 (%)**

- **Domestic Consumption**: 72
- **Investment Expenditures**: 32
- **Exports**: 32
- **Stocks**: -15
- **Imports**: -35

Source: TurkStat
DOMESTIC MARKET

Income per capita

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

2002: $10,988

2023: $42,064

Stock of Automobiles

(millions of passenger cars)

2002: 4.6

2023: 15.3

Turkish Aviation Passenger

(millions of passengers)

2002: 33.8

2023: 214

Source: TurkStat, Ministry of Transport and Infrastructure and IMF
DOMESTIC MARKET

DOMESTIC MARKET FURTHER SUPPORTED BY EMERGING URBAN CENTERS

Total Population in 2023 **85.4 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>5.8 Million</td>
</tr>
<tr>
<td>İzmir</td>
<td>4.5 Million</td>
</tr>
<tr>
<td>Bursa</td>
<td>3.2 Million</td>
</tr>
<tr>
<td>Antalya</td>
<td>2.7 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>2.2 Million</td>
</tr>
<tr>
<td>Gaziantep</td>
<td>2.2 Million</td>
</tr>
<tr>
<td>Kocaeli</td>
<td>2.1 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>1.5 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>Tekirdağ</td>
<td>1.2 Million</td>
</tr>
<tr>
<td>Aydın</td>
<td>1.2 Million</td>
</tr>
<tr>
<td>Van</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Kahramanmaraş</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Sakarya</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Muğla</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Denizli</td>
<td>1.1 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>Ordu</td>
<td>0.8 Million</td>
</tr>
<tr>
<td>Afyonkarahisar</td>
<td>0.8 Million</td>
</tr>
<tr>
<td>Erzurum</td>
<td>0.7 Million</td>
</tr>
<tr>
<td>Malatya</td>
<td>0.7 Million</td>
</tr>
<tr>
<td>Sivas</td>
<td>0.7 Million</td>
</tr>
<tr>
<td>Batman</td>
<td>0.6 Million</td>
</tr>
<tr>
<td>Tokat</td>
<td>0.6 Million</td>
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<tr>
<td>Adıyaman</td>
<td>0.6 Million</td>
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<tr>
<td>Elazığ</td>
<td>0.6 Million</td>
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<tr>
<td>Zonguldak</td>
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<td>Kütahya</td>
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<td>Kütahya</td>
<td>0.6 Million</td>
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<tr>
<td>Çanakkale</td>
<td>0.6 Million</td>
</tr>
<tr>
<td>Osmaniye</td>
<td>0.6 Million</td>
</tr>
<tr>
<td>Çorum</td>
<td>0.5 Million</td>
</tr>
</tbody>
</table>

24 urban centers With Populations over 1 million

Source: TurkStat

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DOMESTIC + ACCESSIBLE MARKETS

DOMESTIC MARKET + EU MARKET + FREE TRADE AREA

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

1 BILLION CONSUMERS

449 MILLION in EU

488 MILLION in FTA AREA

85 MILLION in TÜRKİYE

Source: IMF, Ministry of Trade, TurkStat, World Bank, Population as of 2022
*In ratification process
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 342 destinations in 129 countries

MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS

Exporting 85% of its production

Exporting 87% of its production

Exporting 75% of its production

Production base for MENA

Its largest production facility worldwide

66 countries

70 countries

80 countries

89 countries

22 countries

103 countries

30 countries
STRATEGIC LOCATION

MERCHANDISE EXPORTS BY GEOGRAPHY

2002

- EU: 48%
- MENA: 14%
- North America: 10%
- Other: 28%

$36 BILLION

2023

- EU: 41%
- MENA: 23%
- North America: 7%
- Other: 30%

$256 BILLION

NUMBER OF EXPORT PRODUCTS OVER USD 1 BILLION

2002: 9

2023: 54

TÜRKİYE’S SHARE IN GLOBAL EXPORTS OF GOODS

Source: TurkStat, ITC

ANNUAL AVERAGE GROWTH OF EXPORTS (2002-2023)

Türkiye: 9.8%
The World: 6.4%

Türkiye Records All-Time High Exports in 2023
FAVORABLE DEMOGRAPHICS

HALF OF POPULATION UNDER AGE OF 33.5 CREATING DYNAMIC LABOR FORCE AND FISCAL DISCIPLINE

TÜRKİYE

EUROPE

WORKING AGE POPULATION
(15-64+) (Index: 2014=100)

TOTAL DEPENDENCY RATIO
(%, Age 0-14 & 65+)/Age 15-64)

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

UPGRADED EDUCATION SYSTEM TO ENABLE A SKILLED LABOR POOL AND ADDRESS BUSINESS REQUIREMENTS

ANNUAL NUMBER OF GRADUATES (thousands)

- University: 2002 - 287, 2023 - 904
- Vocational & Technical High School: 2002 - 177, 2023 - 430

AVAILABILITY OF QUALIFIED ENGINEERS (10=Available; 0=Unavailable) 2023

- Czechia: 6.70
- Türkiye: 6.49
- Romania: 6.05
- Poland: 6.03
- Slovakia: 5.74
- Hungary: 5.10
- Bulgaria: 4.30

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

- Czechia: 6.64
- Türkiye: 5.83
- Poland: 5.54
- Romania: 4.40
- Bulgaria: 4.00
- Slovakia: 3.85
- Hungary: 3.11

LABOR FORCE BY EDUCATION LEVEL

- University: 2002 - 287, 2023 - 904
- High School & Below: 2002 - 177, 2023 - 430

COST OF LIVING INDEX 2023 (New York=100)

- USA: 74.2
- France: 69.1
- Germany: 66.0
- UK: 63.6
- Czechia: 52.8
- Hungary: 48.0
- Slovakia: 47.5
- Poland: 44.7
- Bulgaria: 40.3
- Romania: 38.4
- Türkiye: 27.1

REMUNERATION OF MANAGEMENT/ENGINEER

- Total base salary plus bonuses and long-term incentives

- Germany: 153
- USA: 122
- France: 108
- UK: 91
- Slovakia: 77
- Poland: 61
- Hungary: 43
- Czechia: 40
- Türkiye: 36
- Romania: 34
- Bulgaria: 22

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

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Thanks to stability established over the last two decades, Türkiye remains committed to implementing major reforms nearly every 18-24 months across various areas.
CONTINUOUSLY IMPLEMENTING SWEEPING REFORMS IN MANY AREAS

NUMBER OF DAYS TO SET UP A COMPANY, 2020

FDI REGULATORY RESTRICTIVENESS INDEX, 2020

Down from 38 days in 2002

1 = Closed to FDI
0 = Open to FDI

Down from 0.283 in 2003

EASE OF DOING BUSINESS RANKING, 2020

Turkey
Poland
Hungary
Romania
Bulgaria

Turkey
Poland
Hungary
Romania
Bulgaria

Higher rankings…

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

2020
2019
2018

Higher rankings…

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

Bilateral Investment Protection Treaties with 89 countries

Treaties to avoid Double Taxation with 90 countries

INTERNATIONAL TAX COMPETITIVENESS*, 2023
(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.)
OFFERING LUCRATIVE INCENTIVES IN MANY WAYS

MANUFACTURING 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

EMPLOYMENT INCENTIVES
✓ Payroll & Training support +

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

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

EXCLUSIVE ZONES
✓ Free Zones
  Tax deduction & exemption +
✓ Organized Industrial Zones
  Developed infrastructure
BENIGN R&D ECOSYSTEM

R&D INCENTIVES ARE FURTHER SUPPORTED BY A FAVORABLE ECOSYSTEM

NUMBER OF RESEARCHERS
(Thousands)

ALMOST 700 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 INTERNATIONAL COMPANIES CONDUCTING R&D IN TÜRKİYE

- Ford
- ZENTIVA
- HUAWEI
- F1
- Alcatel-Lucent
- SOCAR
- BOSCH
- ALSTOM
- RENAULT
- AMGEN
- SIEMENS
- Mercedes-Benz
- METAIR
- MOLTO
- TOYOTA
- MAGNA
- DAIKIN
- invest.gov.tr
- DHL
- AVL
- B/S/H/
- BRIDGESTONE
- ISUZU
- Johnson Controls
- NOVARES
- MAN
- JOTUN
- TOYOIN
- GS YUASA
- Valeo
- MAGNÉ
- MAREL
- Gestamp
- FIAT
- TOYOTETSU
- Mando
- SEYOH E-NHA
- Demon Technologies
- Munters
- KANSAI PAINT
- CEVA
- tpi COMPOSITES
- Panasonic
- RUDOLF GROUP
- monitise
- CANDIRL
SECTORAL OPPORTUNITIES

OFFERING ABUNDANT OPPORTUNITIES IN A VARIETY OF SECTORS

AUTOMOTIVE
- 12th largest manufacturer in the World, 3rd in Europe (2023)
- 1.4 million vehicle produced (2023)
- Export: $35.0 billion (2023)

MACHINERY & ELECTRICAL EQP.
- Largest TV & white goods producer in Europe
- Exporting 75% of its production
- Revenue: $76 billion (2022)
- Export: $27.6 billion (2023)

AEROSPACE & DEFENCE
- $14.3 billion defence spending (2023)
- Export: $5.5 billion (2023)
- Air passengers: 214 million (2023)
- Istanbul is the 1st city in Europe by passenger traffic

ENERGY
- 6th largest electricity market in Europe with more than 100 GW
- 55% renewable energy share of electricity capacity (2023)
- Türkiye generated 2.8 GW new capacity in 2023
- 4th in the world in geothermal energy capacity

AGROFOOD
- 10th largest agriculture producer in the World, 1st in Europe (2022)
- Agriculture & Food Industry Market: $78 billion
- Export: $30 billion
- Export to around 200 countries

INFRASTRUCTURE
- $204 billion PPP contracts (1986-2023)
- More opportunities in transport, energy, health

ICT
- Market size: $24.7 billion (2022)
- Export: $1.7 billion (2022)
- Employment: 213K of which 49% are R&D personnel (2022)
- Technology startups attracted $3.2 billion investment in 2021-2022.

Source: World Bank, TurkStat, Presidency of Strategy and Budget, TIM (Türkiye Exporters Assembly), OSD, OICA, TURKSBESD, SIPRI, EMRA, TUBİSAD
FOREIGN DIRECT INVESTMENT (FDI)

EXCEPTIONAL INCREASE IN FOREIGN INVESTMENT BOOSTED BY THE VALUE TÜRKİYE OFFERS

FDI INFLOWS ($ BILLION)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-2002</td>
<td>15</td>
</tr>
<tr>
<td>2003-2023</td>
<td>262</td>
</tr>
</tbody>
</table>

GEOGRAPHIC BREAKDOWN OF INVESTMENTS (2003-2023)

- Europe: 72.6%
- North America: 8.2%
- Asia: 18.0%
- Other: 1.2%

MOST ATTRACTIVE SECTORS (CUMULATIVE 2003-2023)

- Manufacturing: 24.2%
- Finance: 30.7%
- Energy: 18.3%
- Wholesale & Retail Trade: 9.4%
- Others: 9.1%
- Information & Communication Services: 8.5%
- Transport & Storage: 4.8%
- Construction: 3.0%

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

PRIVATE
PUBLIC

A GOVERNMENTAL AGENCY REPORTING TO THE PRESIDENT

ASSIST YOU BEFORE, DURING AND AFTER YOUR ENTRY INTO TÜRKİYE

ACTING AS A SOLUTION PARTNER

CUSTOMIZED CONSULTING

BUSINESS FACILITATION

TAILOR-MADE DELEGATION VISITS

PARTNERSHIP DEVELOPMENT ASSISTANCE

COORDINATION WITH STAKEHOLDERS

SITE SELECTION SUPPORT

PROJECT LAUNCH

ONGOING SUPPORT