



PRESIDENCY OF
THE REPUBLIC OF TURKEY
**INVESTMENT
OFFICE**

WHY INVEST IN TURKEY?

[INVEST.GOV.TR](https://invest.gov.tr)

July 2021



10 reasons to invest in Turkey



**ROBUST
ECONOMY**



**DOMESTIC
+ ACCESSIBLE
MARKETS**



**STRATEGIC
LOCATION**



**FAVOURABLE
DEMOGRAPHICS**



**SKILLED
WORKFORCE
WITH COST
ADVANTAGE**



**CONTINUOUS
REFORM PROCESS**



BUSINESS-FRIENDLINESS



**LUCRATIVE
INCENTIVES**



**BENIGN R&D
ECOSYSTEM**



**SECTORAL
OPPORTUNITIES**

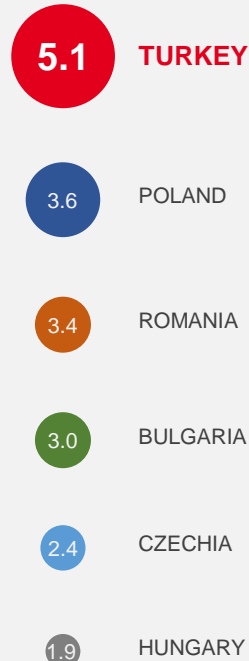


11th largest economy in the World

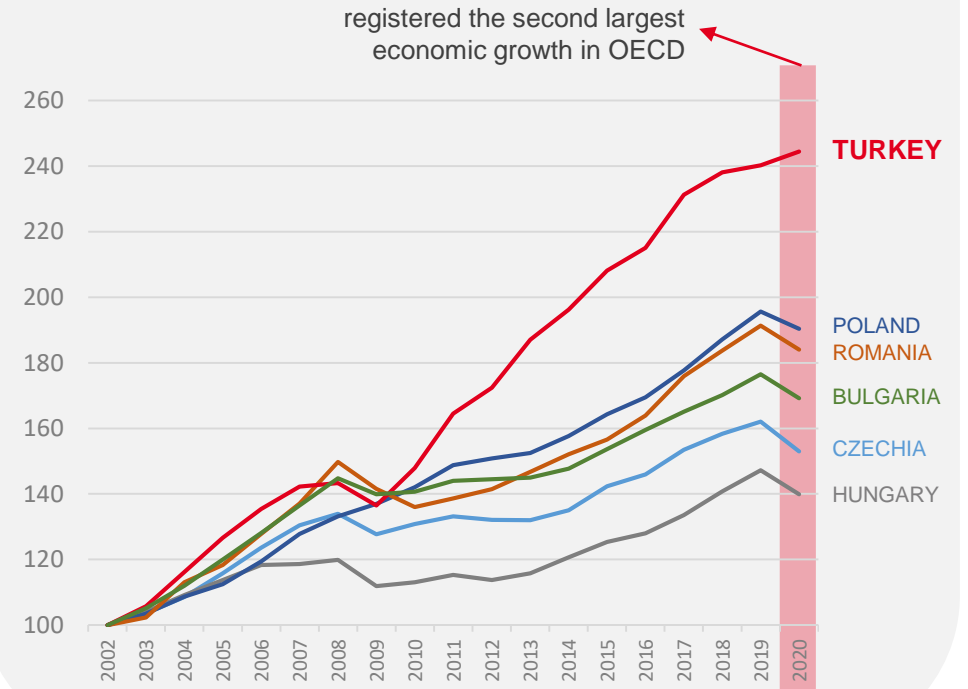
RANKING OF ECONOMIES BY GDP AT PPP

2003	2019	2020
1. USA	1. CHINA	1. CHINA
2. CHINA	2. USA	2. USA
3. JAPAN	3. INDIA	3. INDIA
4. GERMANY	4. JAPAN	4. JAPAN
5. INDIA	5. GERMANY	5. GERMANY
6. RUSSIA	6. RUSSIA	6. RUSSIA
7. FRANCE	7. INDONESIA	7. INDONESIA
8. UK	8. BRAZIL	8. BRAZIL
9. BRAZIL	9. UK	9. FRANCE
10. ITALY	10. FRANCE	10. UK
11. MEXICO	11. MEXICO	11. TURKEY
12. INDONESIA	12. ITALY	12. ITALY
13. SPAIN	13. TURKEY	13. MEXICO
14. CANADA	14. S.KOREA	14. KOREA
15. S.KOREA	15. SPAIN	15. CANADA
16. S.ARBABIA	16. CANADA	16. SPAIN
17. IRAN	17. S.ARBABIA	17. S.ARBABIA
18. TURKEY	18. IRAN	18. AUSTRALIA

AVERAGE ANNUAL GDP GROWTH (%) 2002-2020



REAL GDP GROWTH (INDEX: 2002=100)

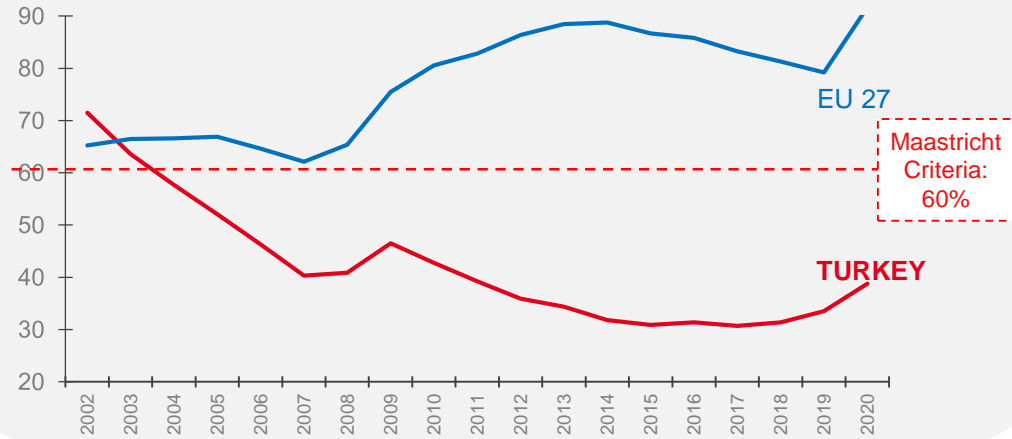


ROBUST ECONOMY

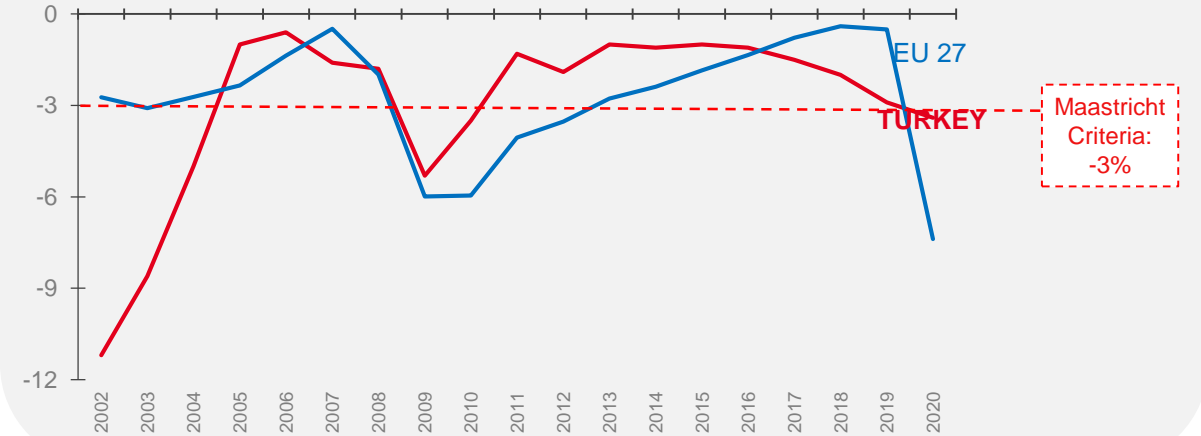
STRONG MACROECONOMIC FUNDAMENTALS
BASED ON SUCCESSFUL PUBLIC FINANCE MANAGEMENT



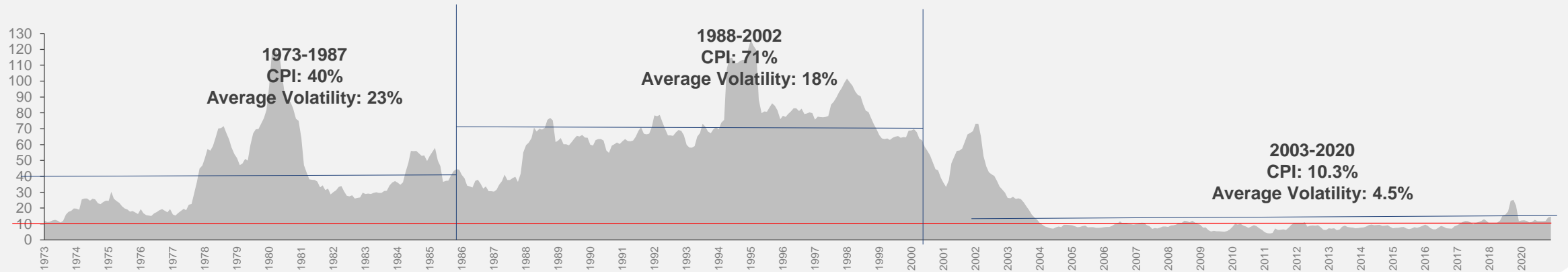
Gross Public Debt Stock as % of GDP



Budget Balance as % of GDP



Annual Inflation (%)

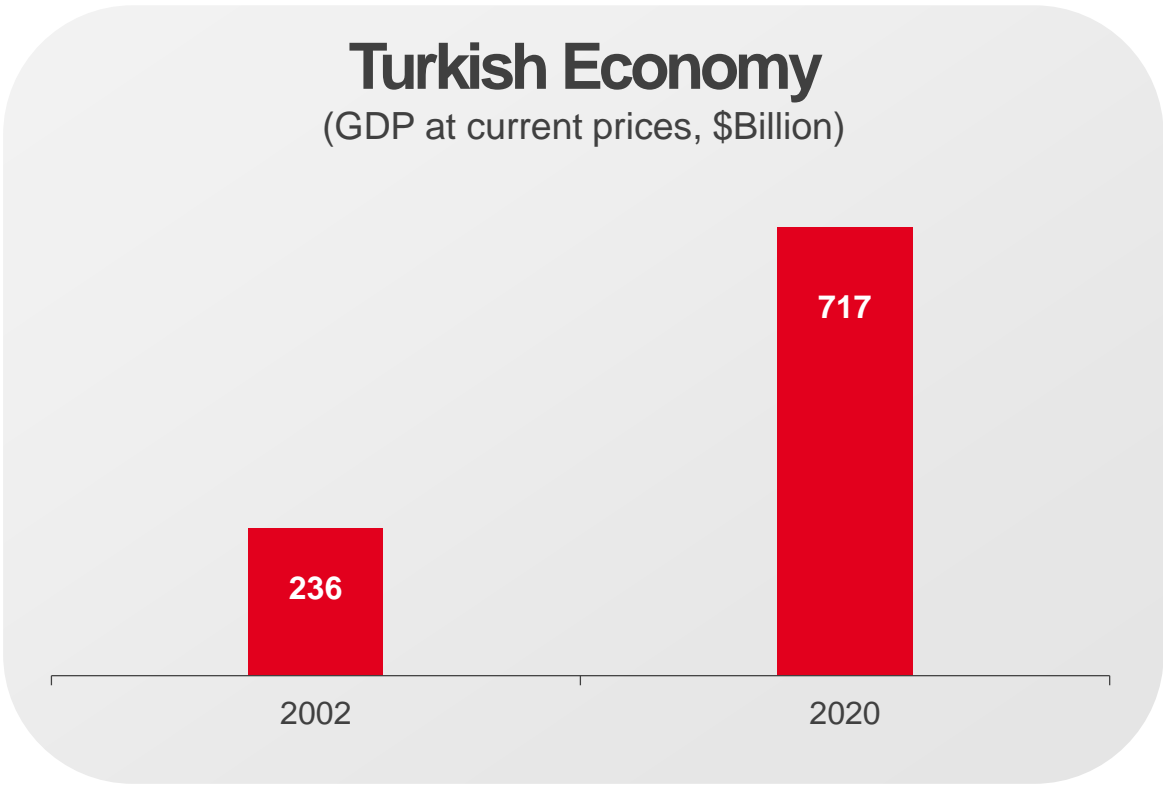


ROBUST ECONOMY

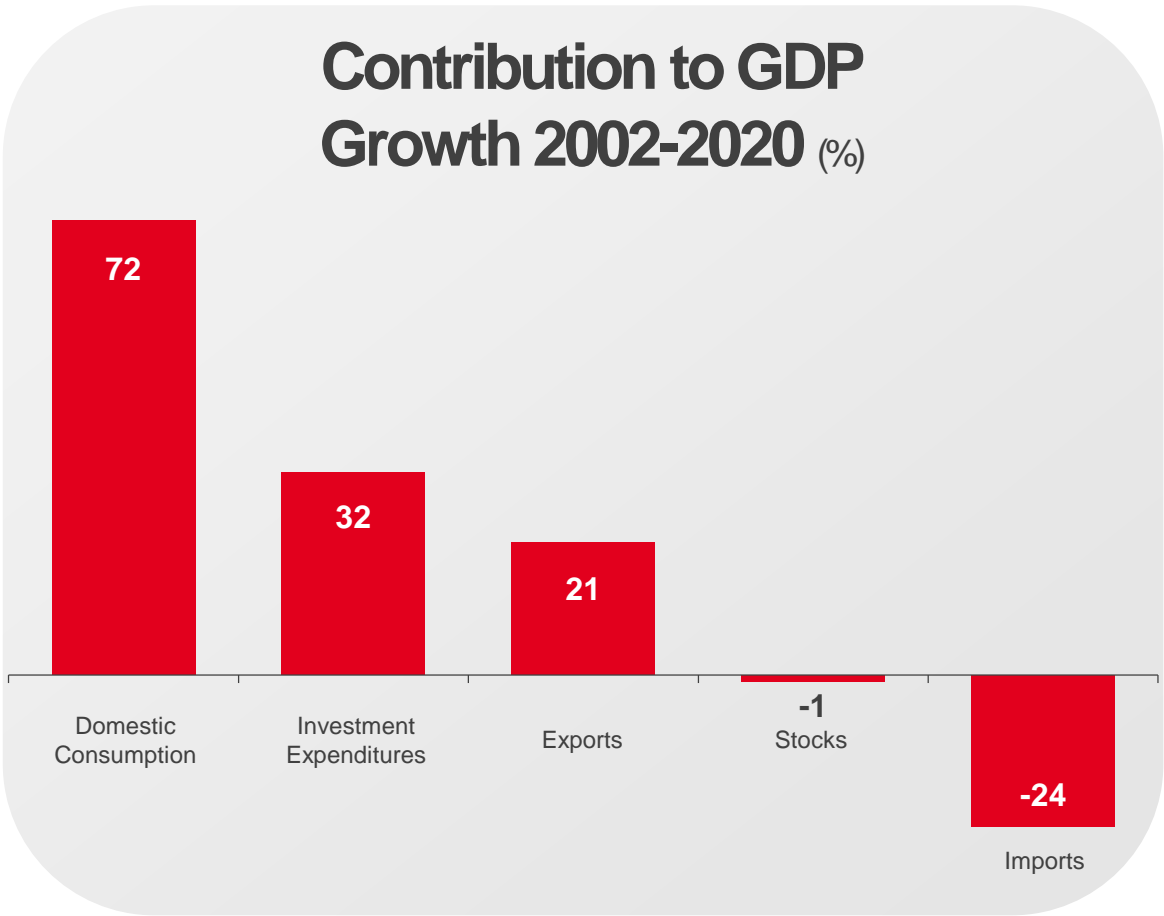
TRIPLING SIZE OF THE ECONOMY OVER THE PAST 18 YEARS



Turkish economy has **more than tripled over** the past 18 years and is promising to be on the growing trend



Robust domestic market and entrepreneurial private sector spurred investments and exports



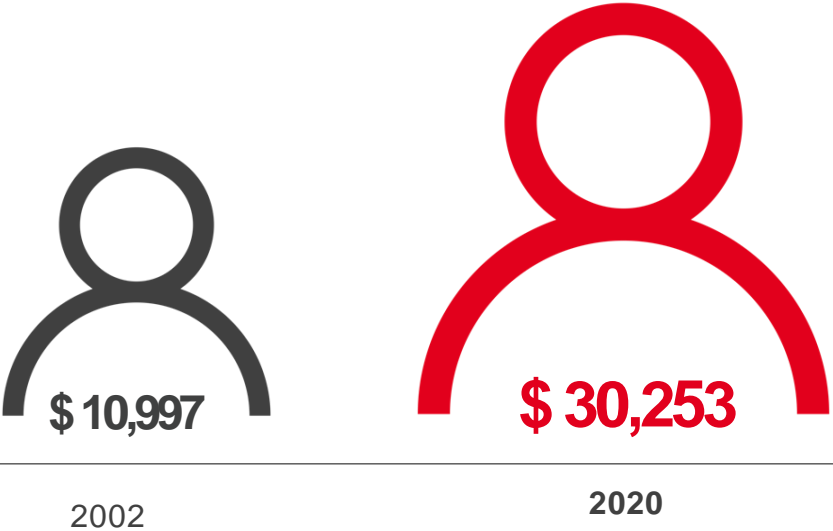
DOMESTIC MARKET

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



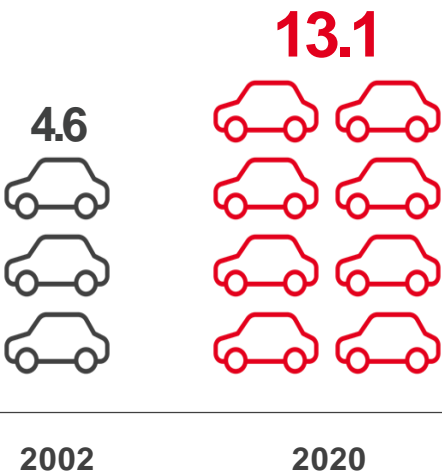
Income per capita

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



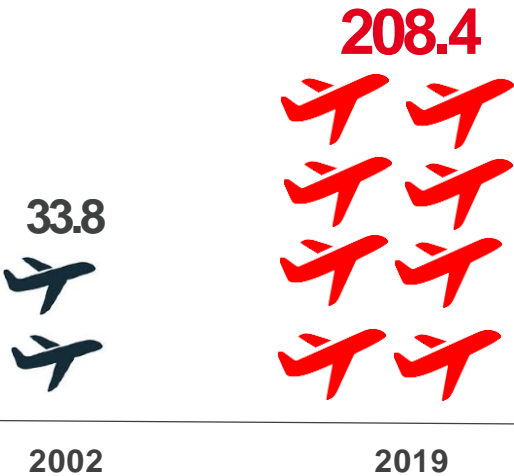
Stock of Automobiles

(millions of passenger cars)



Turkish Aviation Passenger

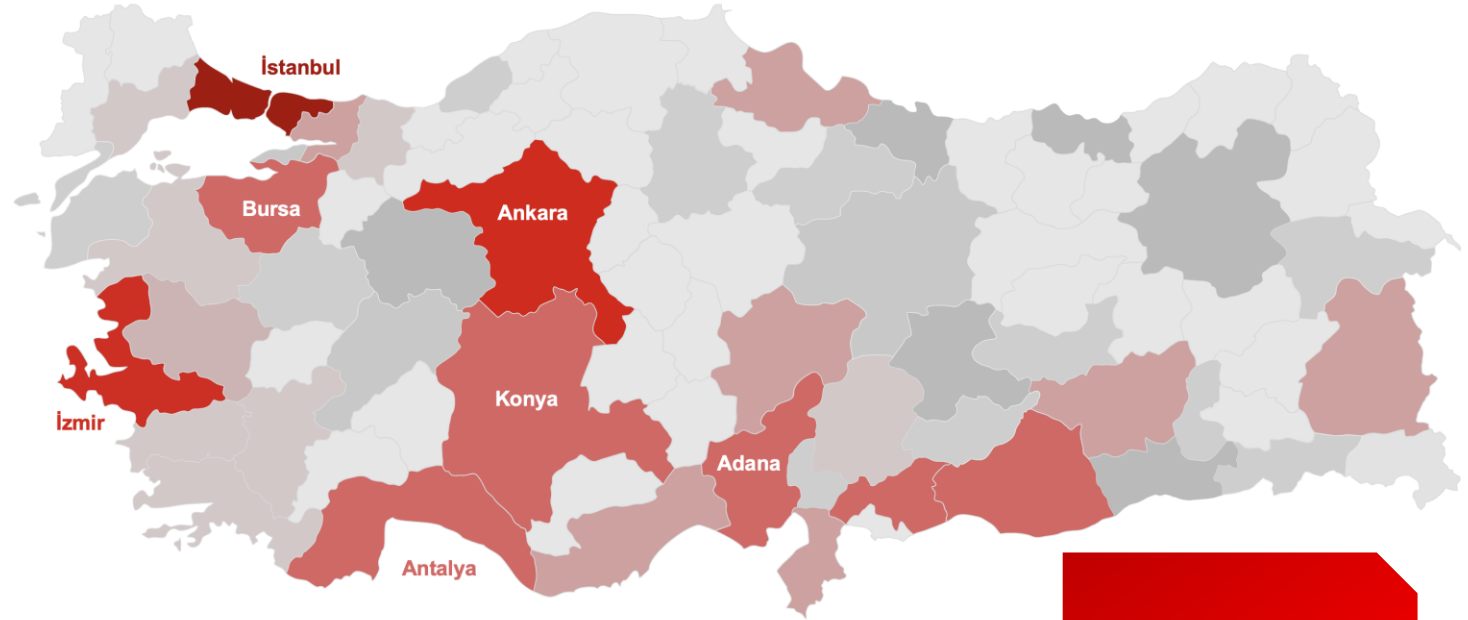
(millions of passengers)





Total Population in 2020 **83.6 Million**

İstanbul	15.4 Million	Denizli	1 Million
Ankara	5.6 Million	Muğla	1 Million
İzmir	4.3 Million	Eskişehir	0.8 Million
Bursa	3.1 Million	Mardin	0.8 Million
Antalya	2.5 Million	Trabzon	0.8 Million
Adana	2.2 Million	Malatya	0.8 Million
Konya	2.2 Million	Ordu	0.7 Million
Şanlıurfa	2.1 Million	Erzurum	0.7 Million
Gaziantep	2.1 Million	Afyonkarahisar	0.7 Million
Kocaeli	1.9 Million	Sivas	0.6 Million
Mersin	1.8 Million	Adıyaman	0.6 Million
Diyarbakır	1.7 Million	Batman	0.6 Million
Hatay	1.6 Million	Tokat	0.5 Million
Manisa	1.4 Million	Zonguldak	0.5 Million
Kayseri	1.4 Million	Elazığ	0.5 Million
Samsun	1.3 Million	Kütahya	0.5 Million
Balıkesir	1.2 Million	Osmaniye	0.5 Million
Kahramanmaraş	1.1 Million	Çanakkale	0.5 Million
Van	1.1 Million	Şırnak	0.5 Million
Aydın	1.1 Million	Ağrı	0.5 Million
Tekirdağ	1 Million	Çorum	0.5 Million
Sakarya	1 Million		



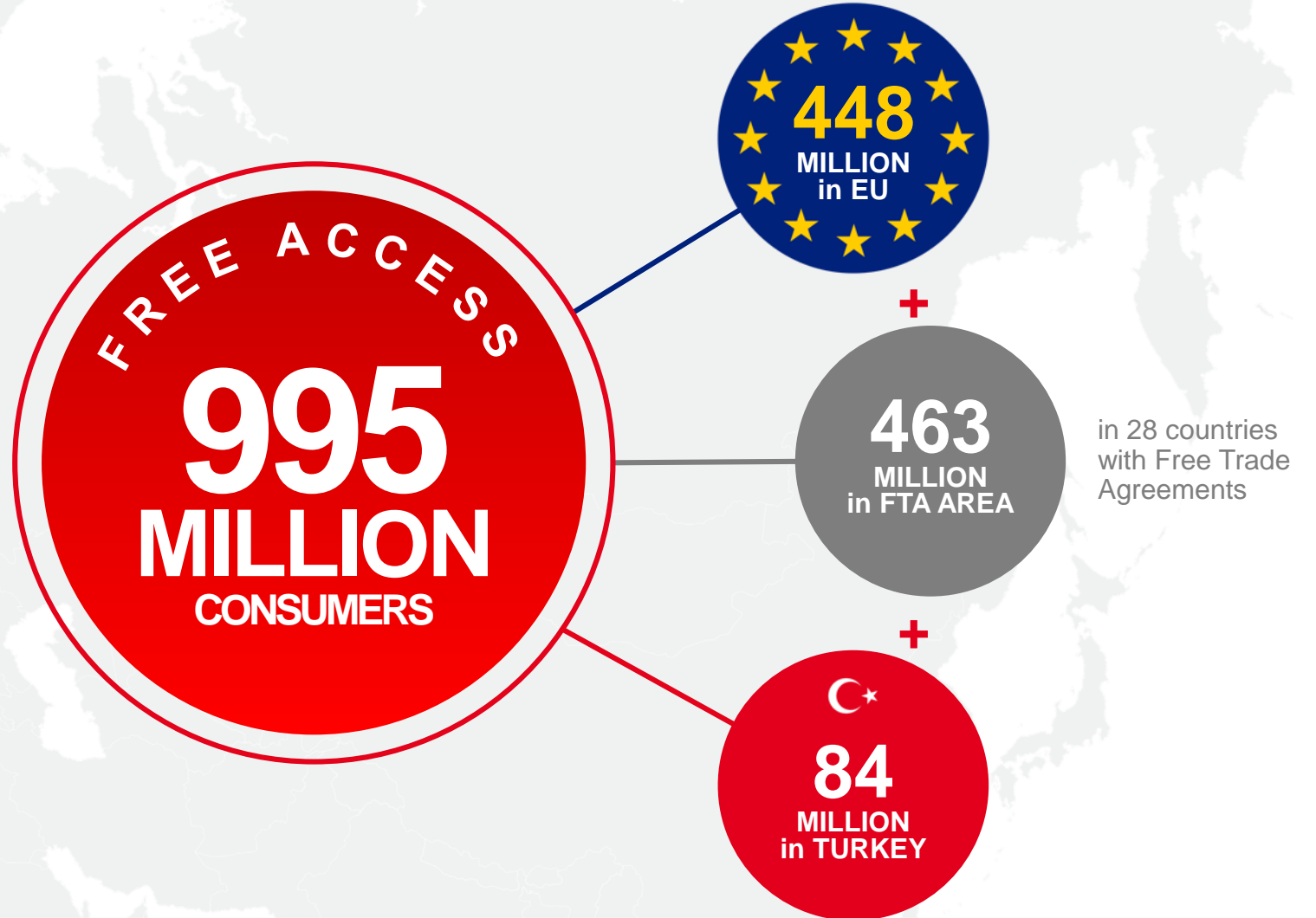
24 urban centers
With Populations
over 1 million

DOMESTIC + ACCESSIBLE MARKETS

DOMESTIC MARKET + EU MARKET + FREE TRADE AREA



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



STRATEGIC LOCATION

HUB FOR MULTINATIONALS TO MANUFACTURE,
EXPORT AND MANAGE



16 Time Zones

**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 323 destinations in
127 countries

**MANUFACTURING &
EXPORT HUB FOR
MULTINATIONALS**

**AS WELL AS
MANAGEMENT HUB FOR
MULTINATIONALS**



Exporting **85%**
of its production



Exporting **77%**
of its production



Production base
for MENA



Its **largest production
facility** worldwide



89 countries



80 countries



80 countries



67 countries



63 countries



60 countries



30 countries



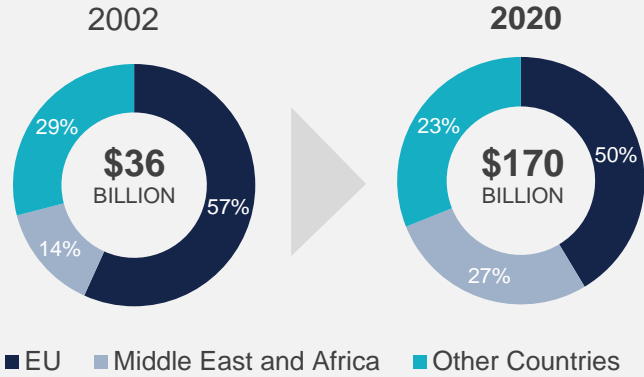
25 countries

STRATEGIC LOCATION

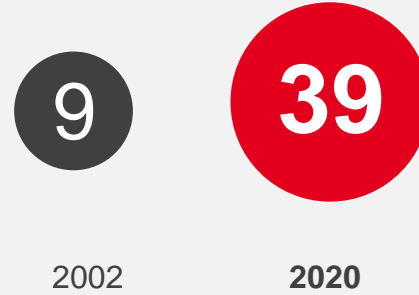
STRATEGIC LOCATION AND ENHANCED PRODUCTION CAPABILITIES ATTRACTING MULTINATIONALS TO INVEST FOR EXPORT



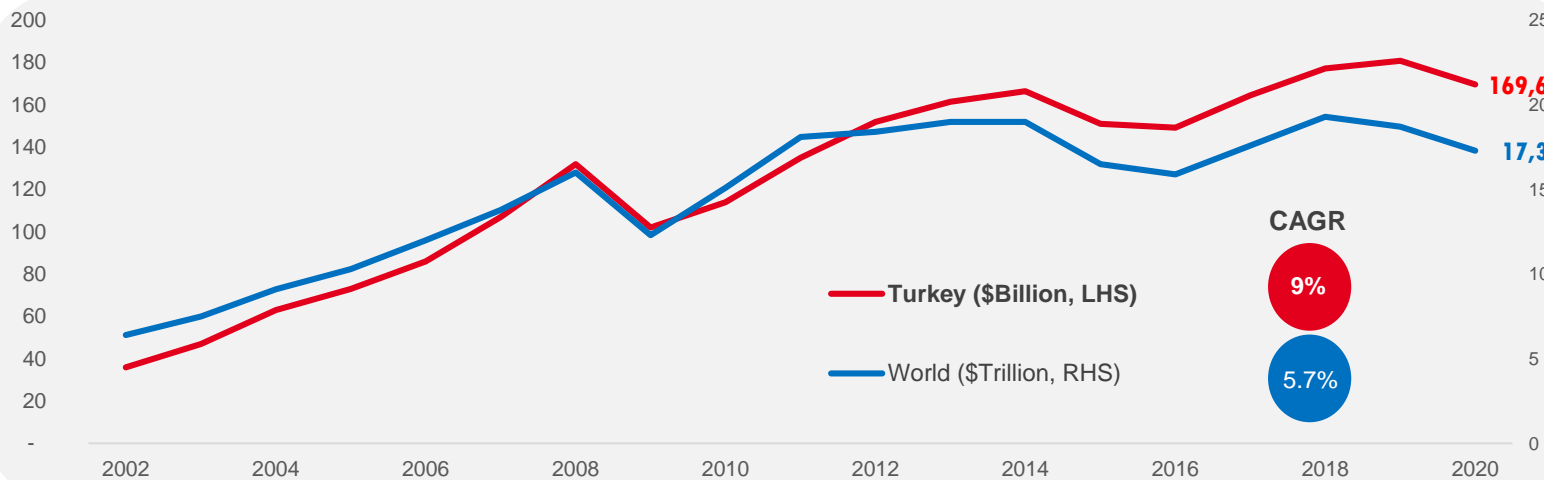
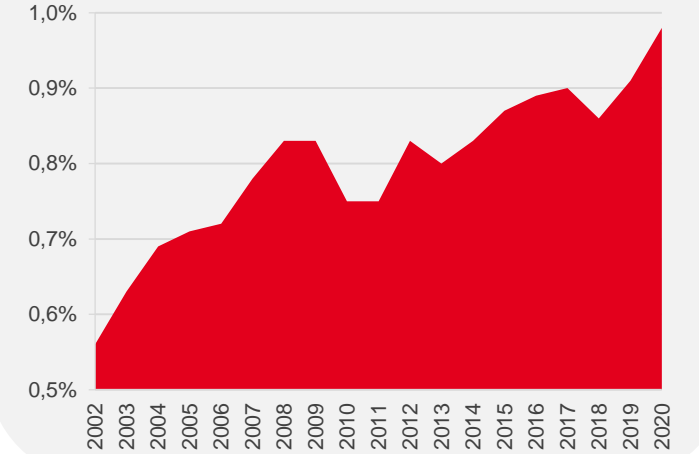
MERCHANDISE EXPORTS BY GEOGRAPHY



NUMBER OF EXPORT PRODUCTS OVER \$1 BILLION



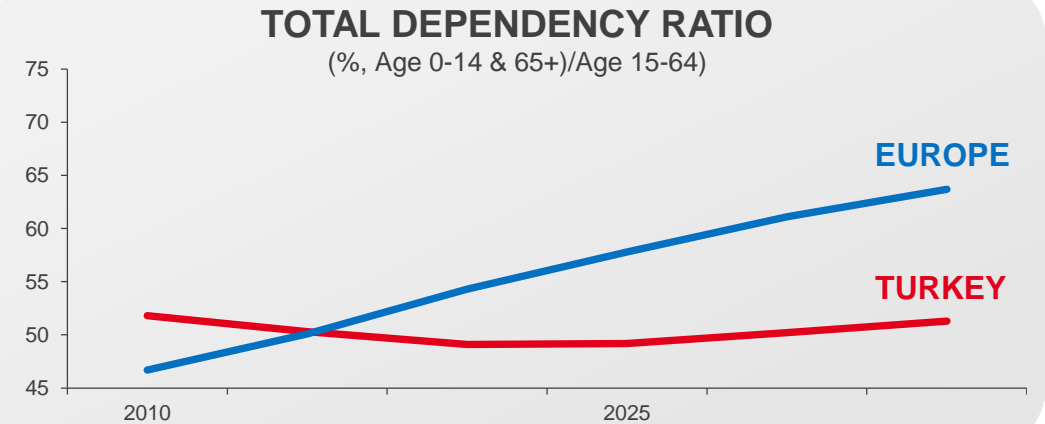
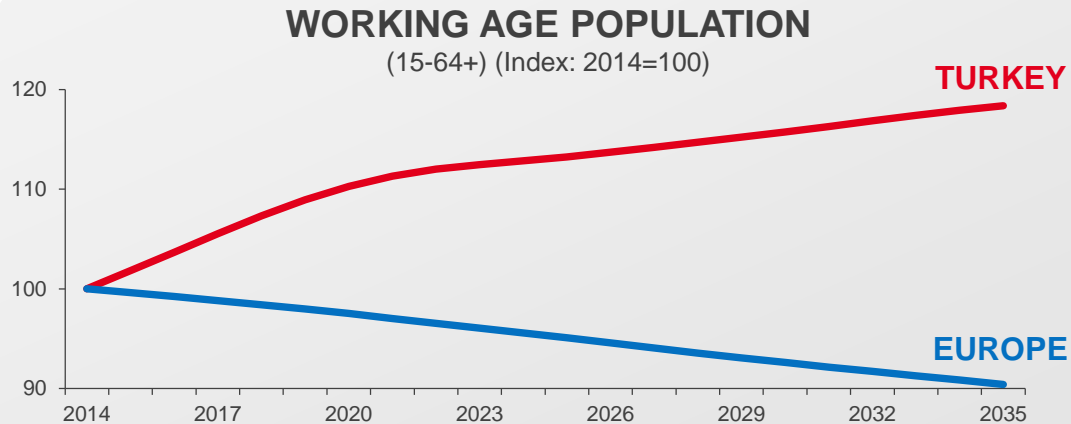
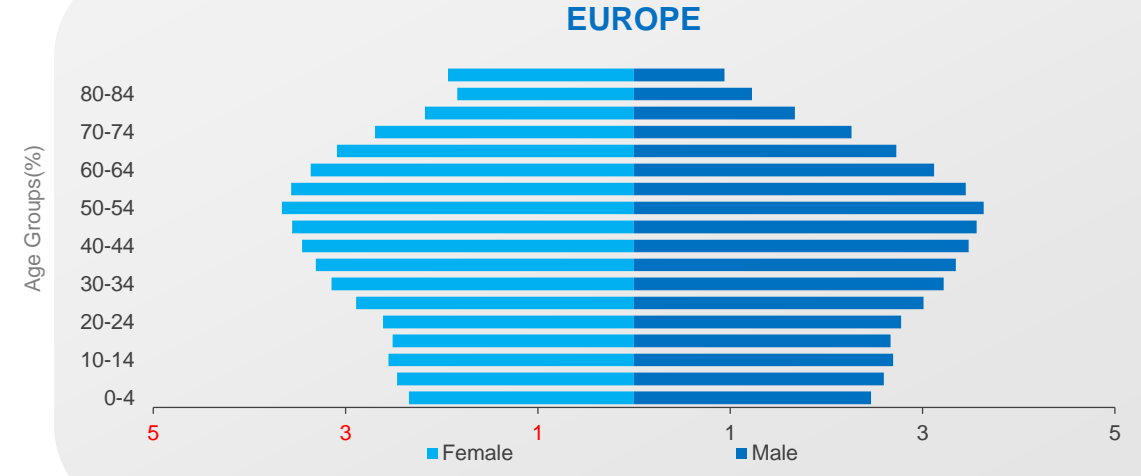
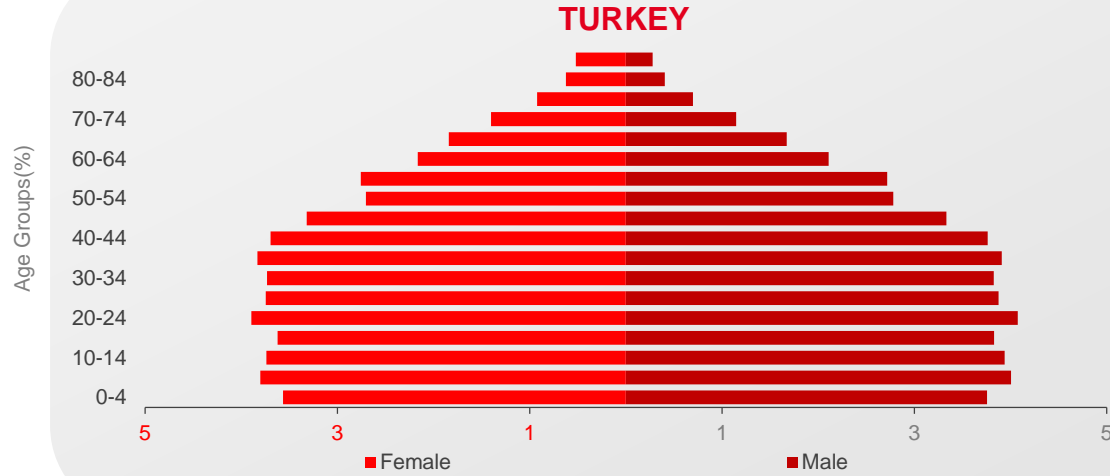
TURKEY'S SHARE IN GLOBAL EXPORTS OF GOODS



Exports of Goods in Turkey and World

FAVORABLE DEMOGRAPHICS

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

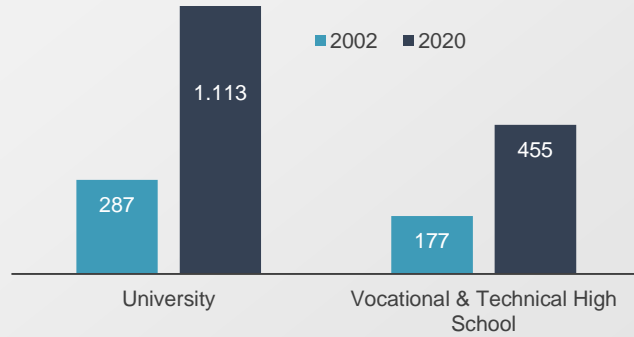


SKILLED WORKFORCE WITH COST ADVANTAGE

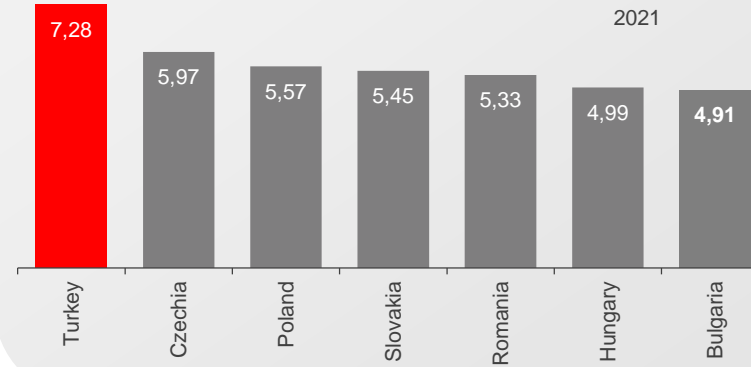
UPGRADED EDUCATION SYSTEM TO ENABLE
A SKILLED LABOR POOL AND ADDRESS
BUSINESS REQUIREMENTS



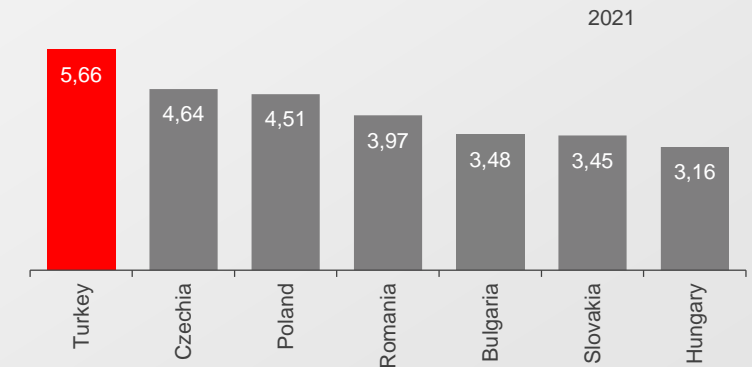
ANNUAL NUMBER OF GRADUATES
(thousands)



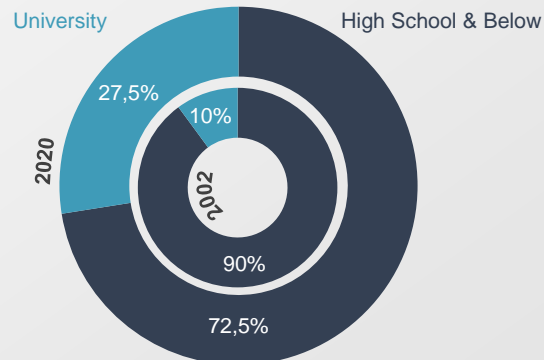
AVAILABILITY OF QUALIFIED ENGINEERS
(10=Available; 0=Unavailable)



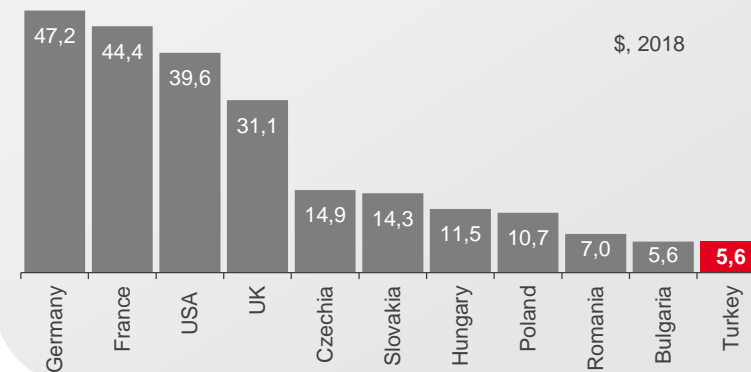
AVAILABILITY OF COMPETENT SENIOR MANAGERS
(10=Available; 0=Unavailable)



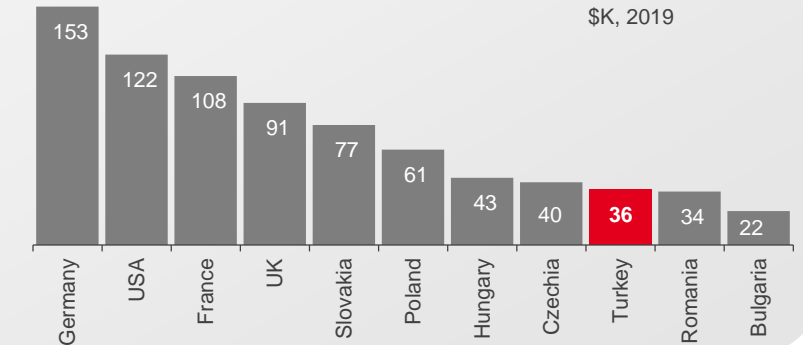
LABOR FORCE BY EDUCATION LEVEL



LABOR COST PER HOUR IN MANUFACTURING

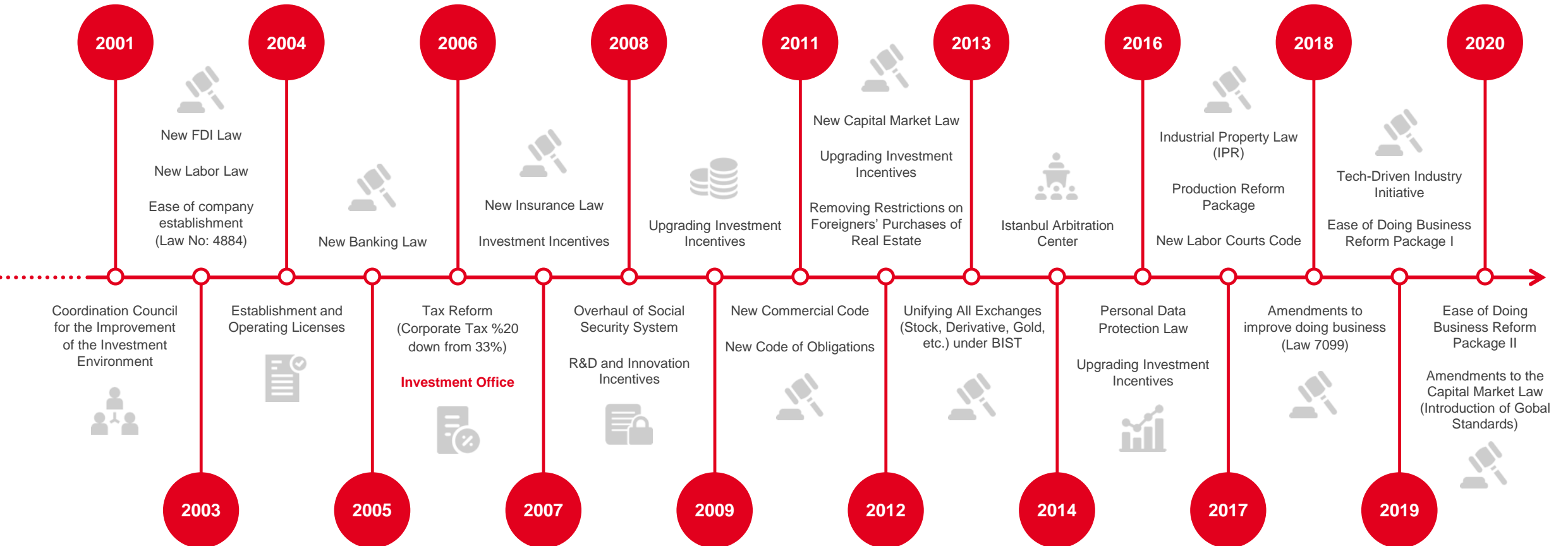


REMUNERATION OF MANAGEMENT/ENGINEER
Total base salary plus bonuses and long-term incentives





Major Reforms

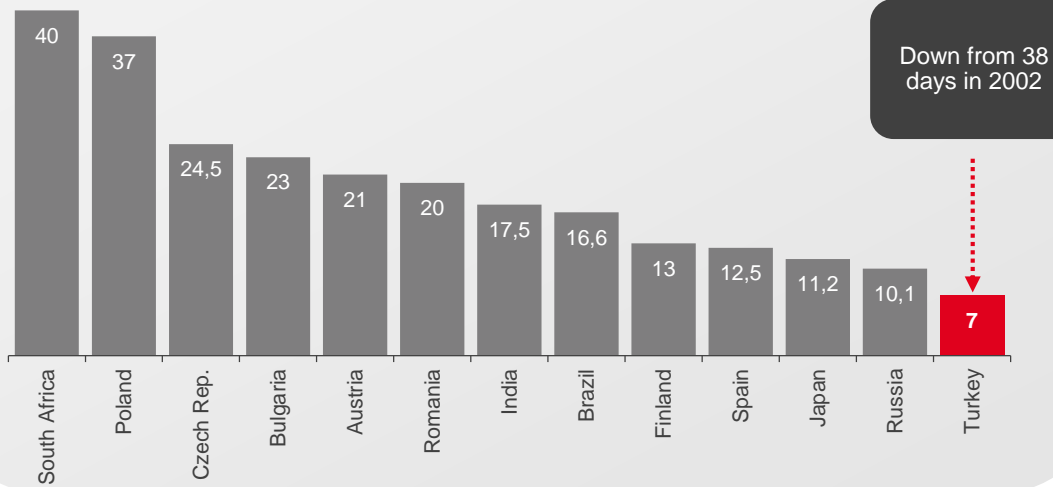


REFORMS

CONTINUOUSLY IMPLEMENTING SWEEPING REFORMS IN MANY AREAS



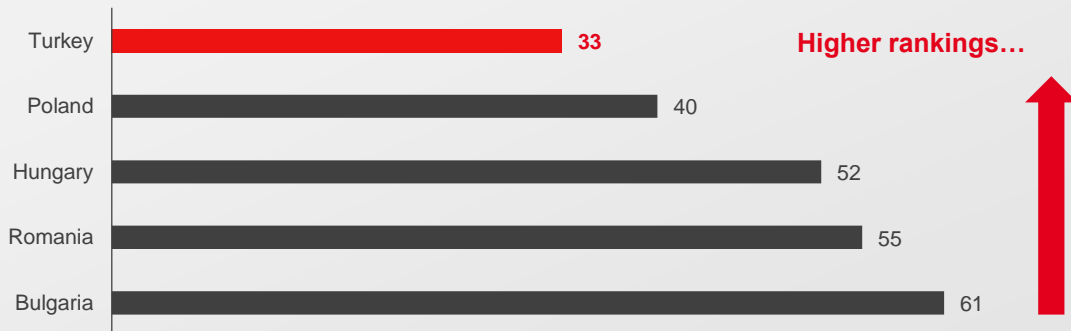
NUMBER OF DAYS TO SET UP A COMPANY, 2020



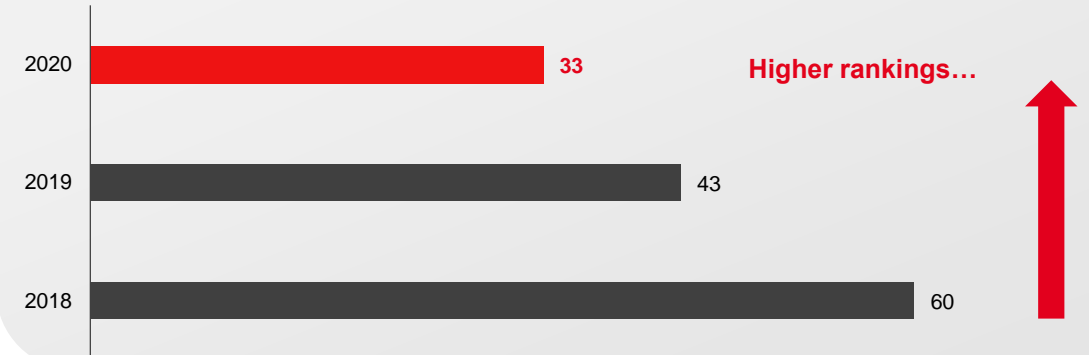
FDI REGULATORY RESTRICTIVENESS INDEX, 2020



EASE OF DOING BUSINESS RANKING, 2020



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



BUSINESS-FRIENDLINESS

OFFERING PROTECTION AND EASE OF DOING BUSINESS



**Foreign Direct
Investment Law**

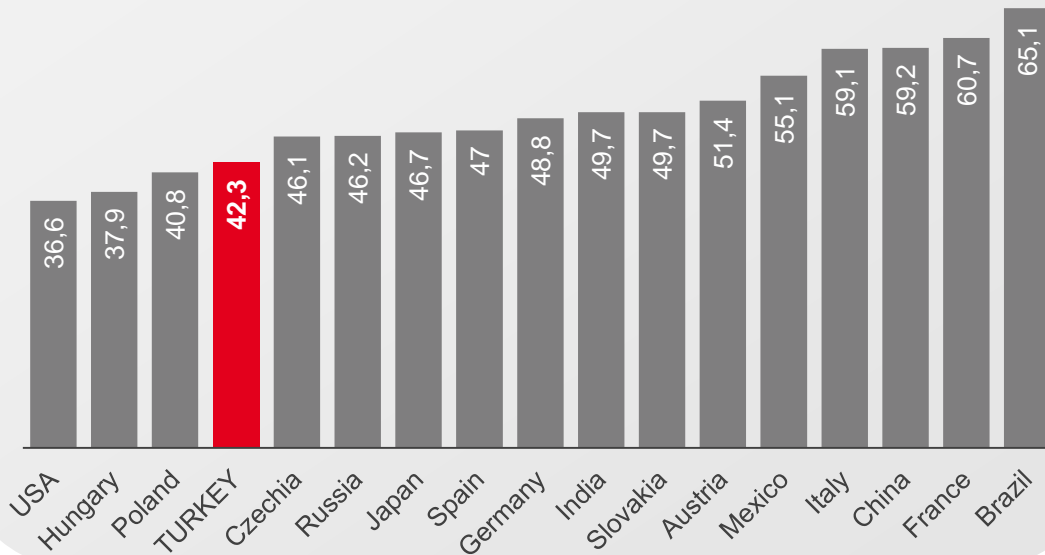


**Bilateral Investment
Protection Treaties with
82 countries**

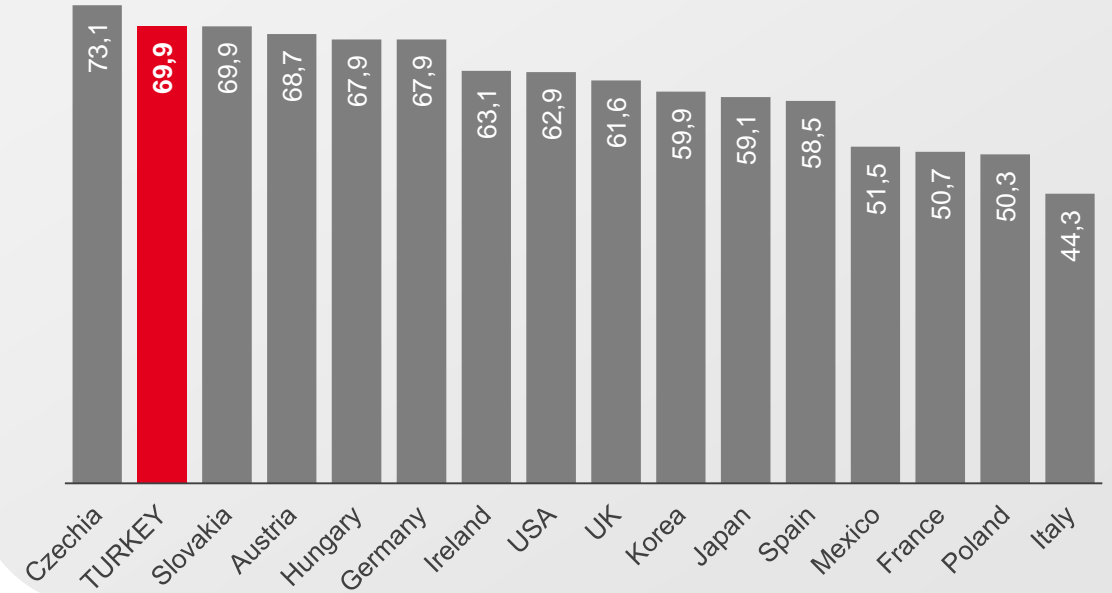


**Treaties to avoid
Double Taxation with
87 countries**

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



INTERNATIONAL TAX COMPETITIVENESS, 2020**
(Index=100 as most competitive)



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

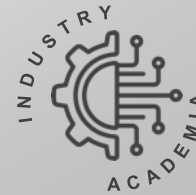
- ✓ Tax deduction for exporting services in;

- 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

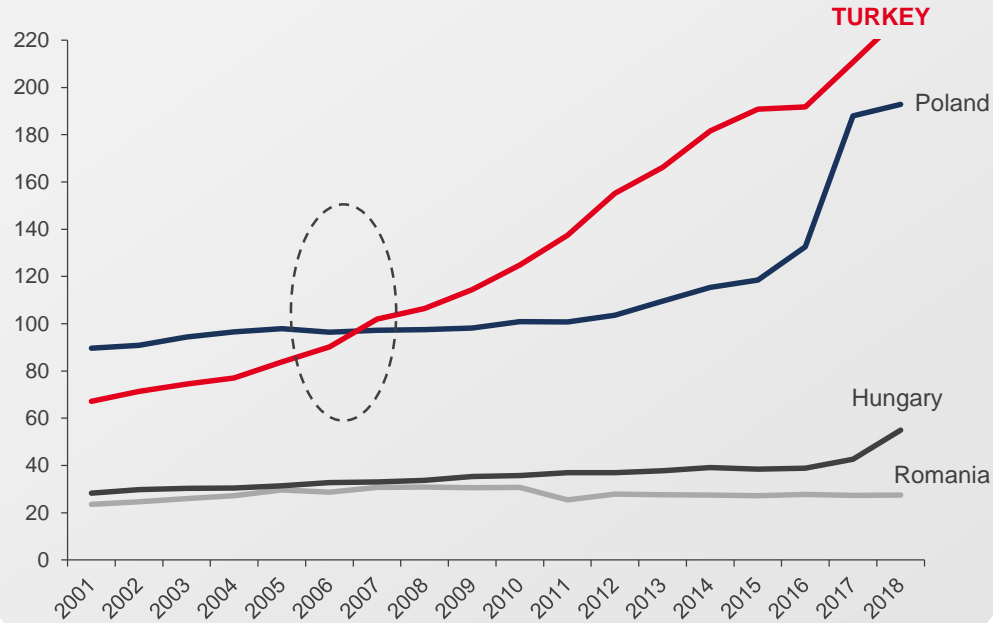


BENIGN R&D ECOSYSTEM

R&D INCENTIVES ARE FURTHER
SUPPORTED BY A FAVORABLE ECOSYSTEM



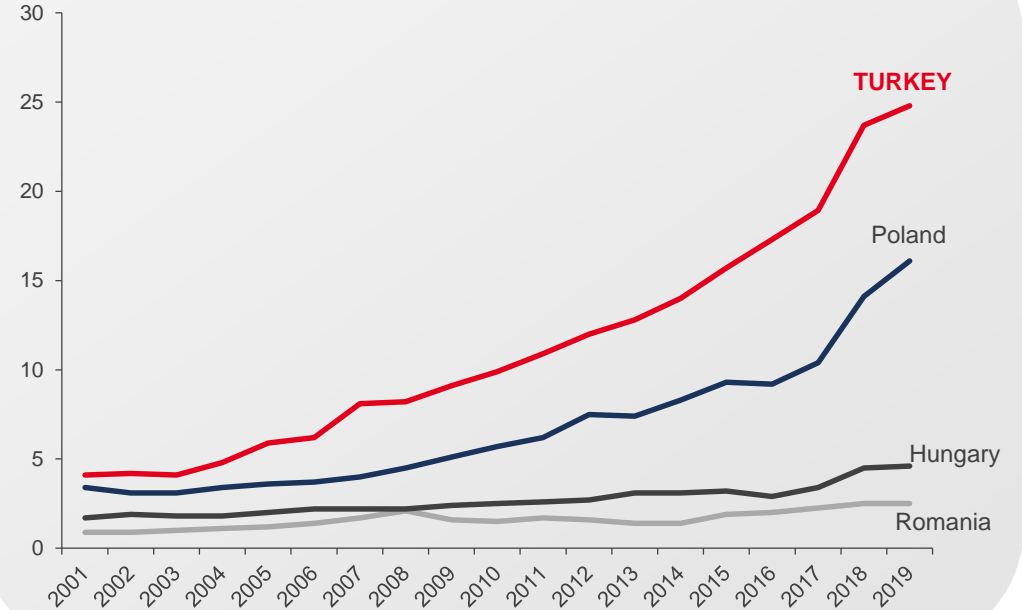
NUMBER OF RESEARCHERS
(thousands)



OVER 200 R&D CENTERS
BY FOREIGN COMPANIES



INCREASING R&D SPENDING
(\$ Billion, PPP)

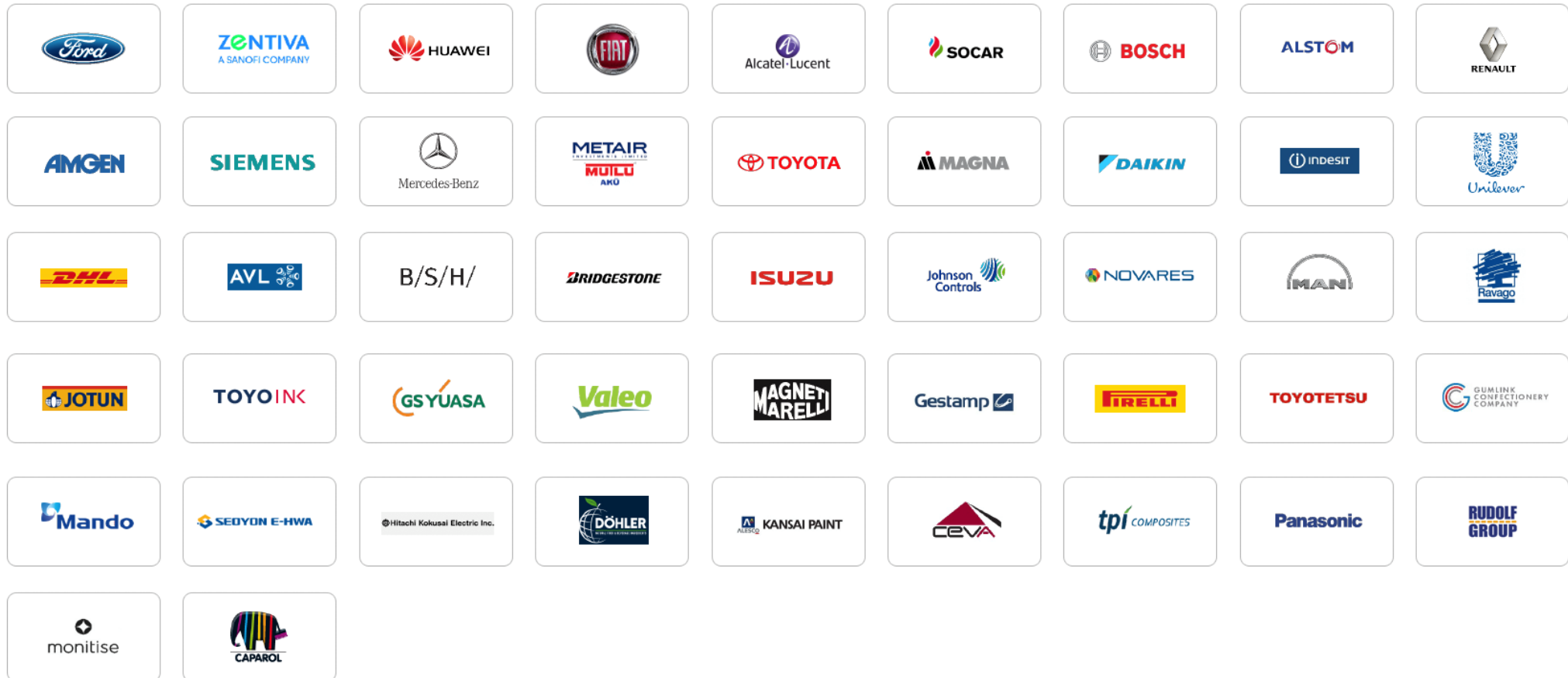


BENIGN R&D ECOSYSTEM

R&D INCENTIVES ARE FURTHER
SUPPORTED BY A FAVORABLE ECOSYSTEM



SELECTED FOREIGN COMPANIES CONDUCTING R&D IN TURKEY



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.



12 city hospitals* entered into service in 11 provinces. **10** more city hospitals are under construction.



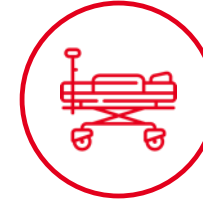
1,534 hospitals, some 4,000 medical treatment facilities and over 15,000 primary healthcare centers



State-of-the art technology ambulance fleets with **5,586 fully-equipped vehicles and 21 aircrafts.**



An army of medical professionals with **1.4 million people.**



Turkey 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 190 billion TRY over the past 17 years.**



Healthcare expenditures **during the past 6 years have grown by 16%.**

SECTORAL OPPORTUNITIES

OFFERING ABUNDANT OPPORTUNITIES
IN A VARIETY OF SECTORS



AUTOMOTIVE

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



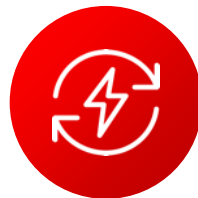
MACHINERY & ELECTRICAL EQP.

- Largest TV & white goods producer in Europe
- Market: \$34 billion
- Export: \$28 billion



AEROSPACE & DEFENCE

- \$19 billion defence spending
- Industry: \$11 billion
- Export: \$2.3 billion
- 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

- \$156 billion PPP contracts (2003-2020)
- More opportunities in transport, energy, health



FINANCE

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

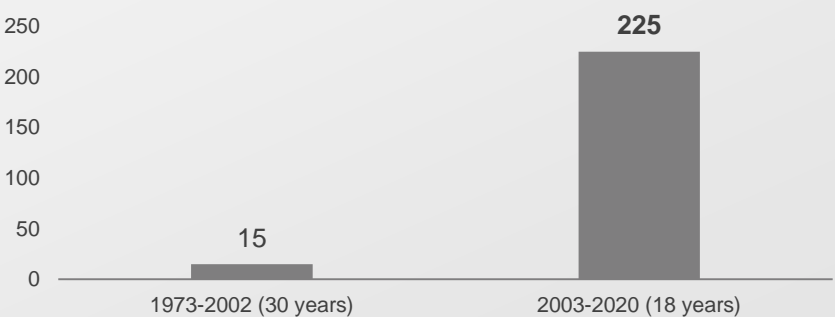
OPPORTUNITIES

FOREIGN DIRECT INVESTMENT (FDI)

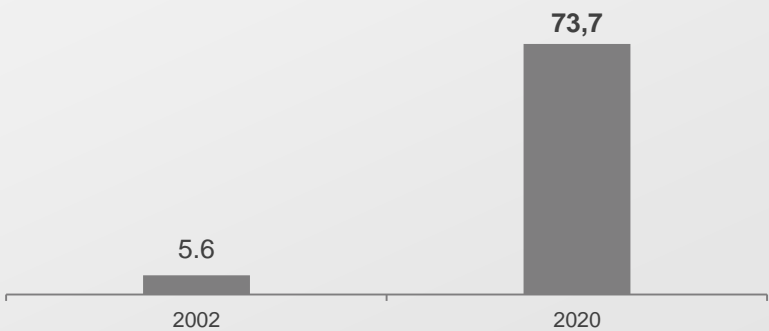
EXCEPTIONAL INCREASE IN FOREIGN INVESTMENT BOOSTED BY THE VALUE TURKEY OFFERS



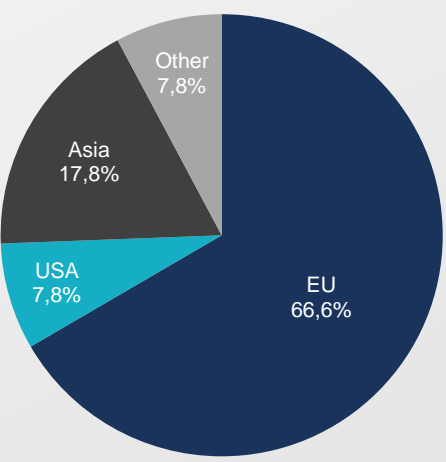
FDI INFLOWS (\$ BILLION)



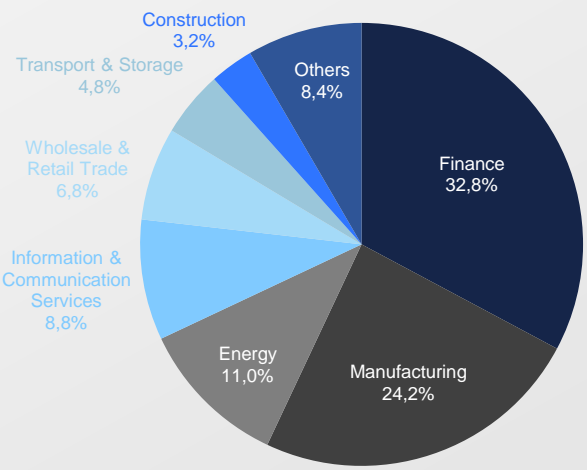
NUMBER OF FOREIGN COMPANIES IN TURKEY ('000)

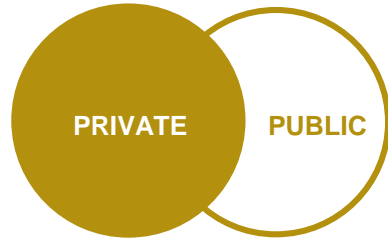


GEOGRAPHIC BREAKDOWN OF INVESTMENTS (2003-2020)



MOST ATTRACTIVE SECTORS (CUMULATIVE 2003-2020)





**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



AFTERSALES



Facilitating your
investment at all stages



Matchmaking with local
partners & establishing
business linkages



Project launch & Press
release Services



Facilitating your
visit to Turkey



PRESIDENCY OF
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