



PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
**INVESTMENT
OFFICE**

WHY INVEST IN TÜRKİYE?

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

October 2023



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



11th largest economy in the World

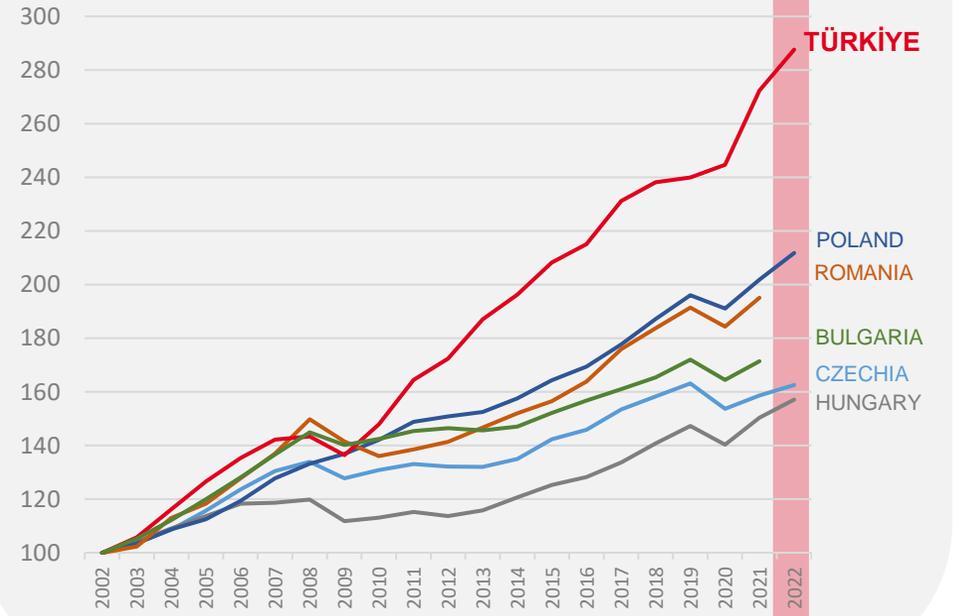
RANKING OF ECONOMIES BY GDP AT PPP

2003	2019	2022
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. UK
10. ITALY	10. FRANCE	10. FRANCE
11. MEXICO	11. MEXICO	11. TÜRKİYE
12. INDONESIA	12. ITALY	12. ITALY
13. SPAIN	13. TÜRKİYE	13. MEXICO
14. CANADA	14. S.KOREA	14. KOREA
15. S.KOREA	15. SPAIN	15. CANADA
16. S.ARABIA	16. CANADA	16. SPAIN
17. IRAN	17. S.ARABIA	17. S.ARABIA
18. TÜRKİYE	18. IRAN	18. EGYPT

AVERAGE ANNUAL GDP GROWTH (%) 2002-2022



REAL GDP GROWTH (INDEX: 2002=100)

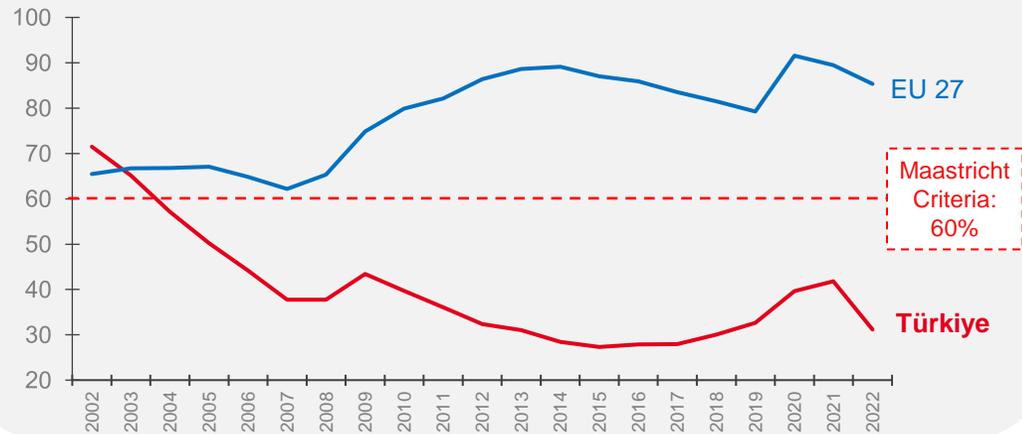


ROBUST ECONOMY

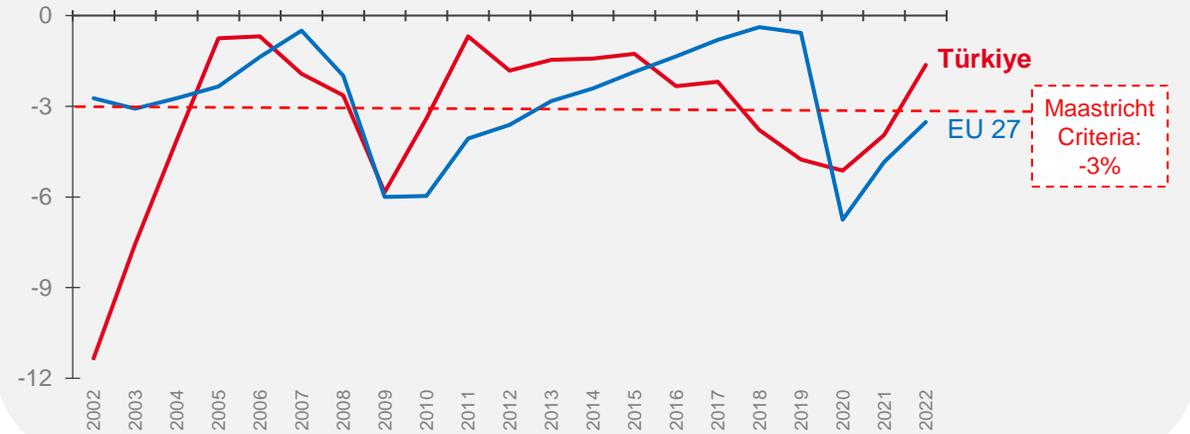
STRONG MACROECONOMIC FUNDAMENTALS
BASED ON SUCCESSFUL PUBLIC FINANCE MANAGEMENT



Gross Public Debt Stock as % of GDP



Budget Balance as % of GDP



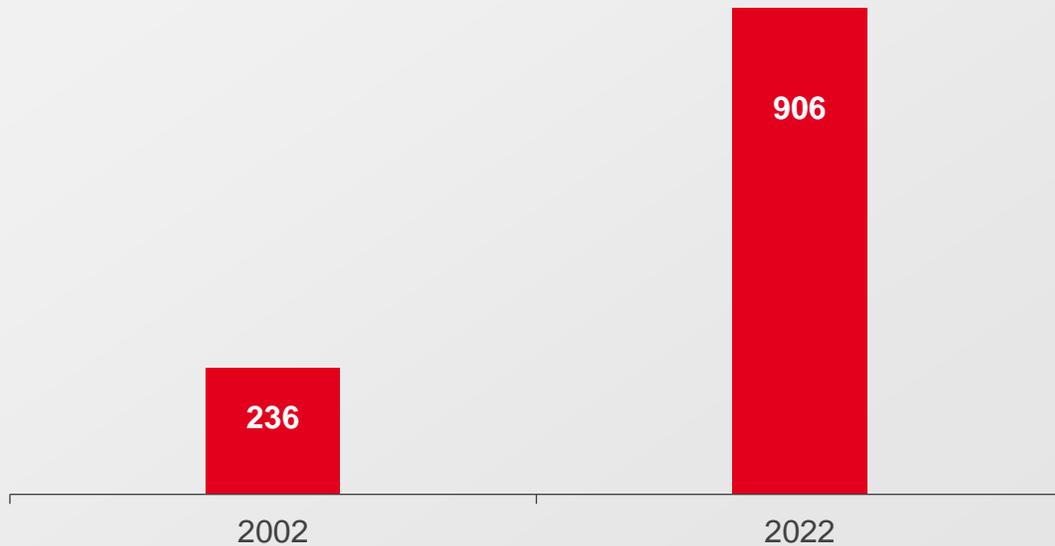
ROBUST ECONOMY

TRIPLING SIZE OF THE ECONOMY OVER THE PAST 20 YEARS



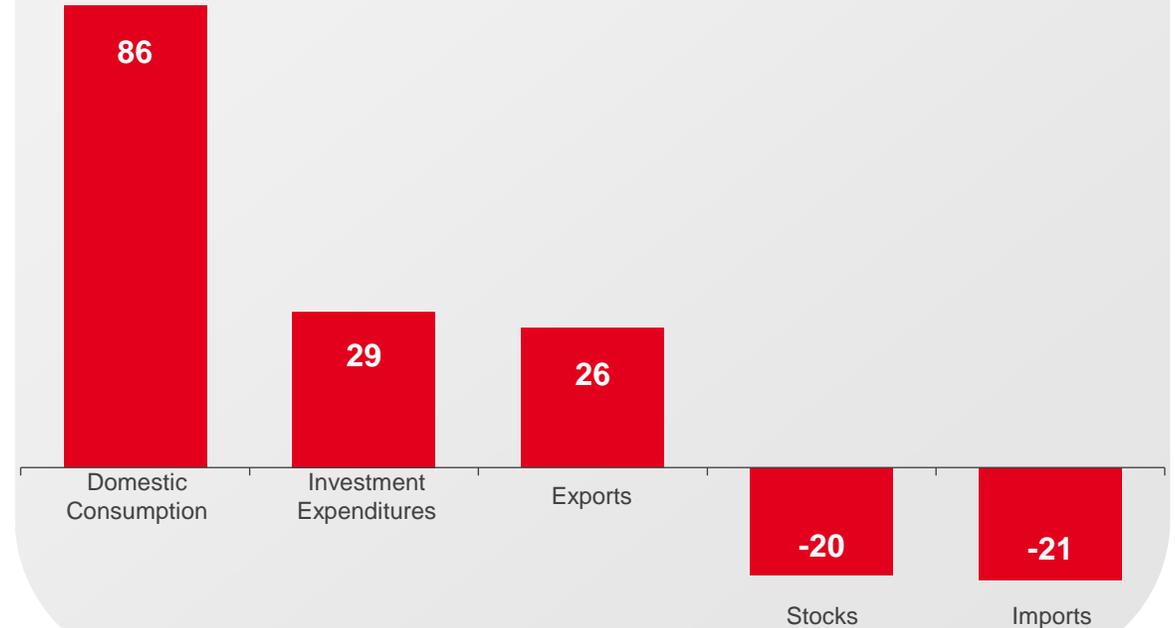
Turkish economy has **more than tripled over** the past 20 years and is promising to be on the growing trend

Turkish Economy (GDP at current prices, \$Billion)



Robust domestic market and entrepreneurial private sector spurred investments and exports

Contribution to GDP Growth 2002-2022 (%)



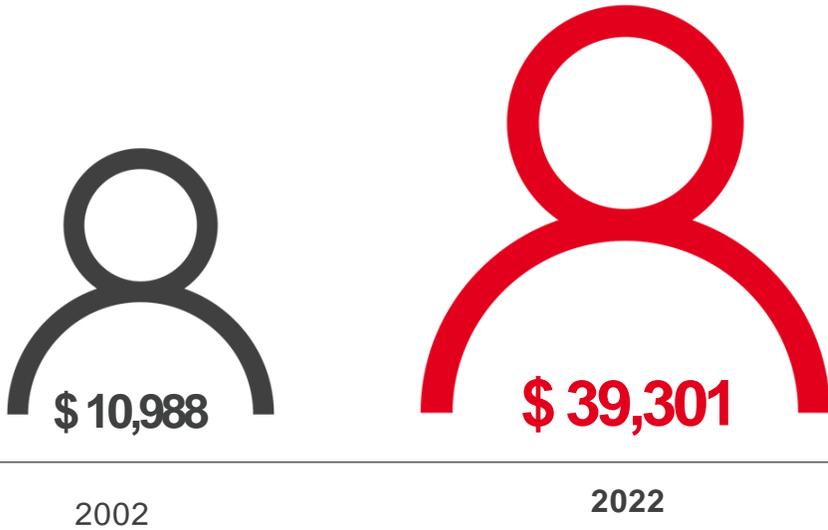
DOMESTIC MARKET

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



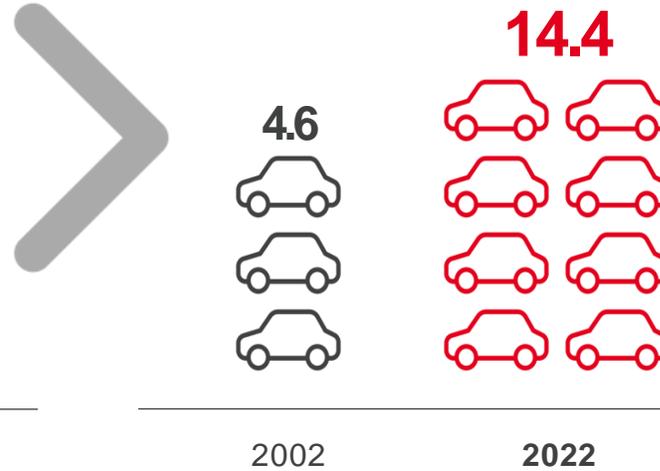
Income per capita

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



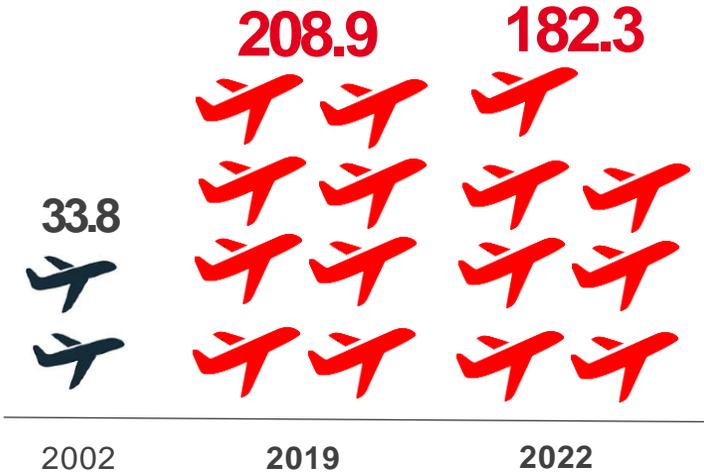
Stock of Automobiles

(millions of passenger cars)



Turkish Aviation Passenger

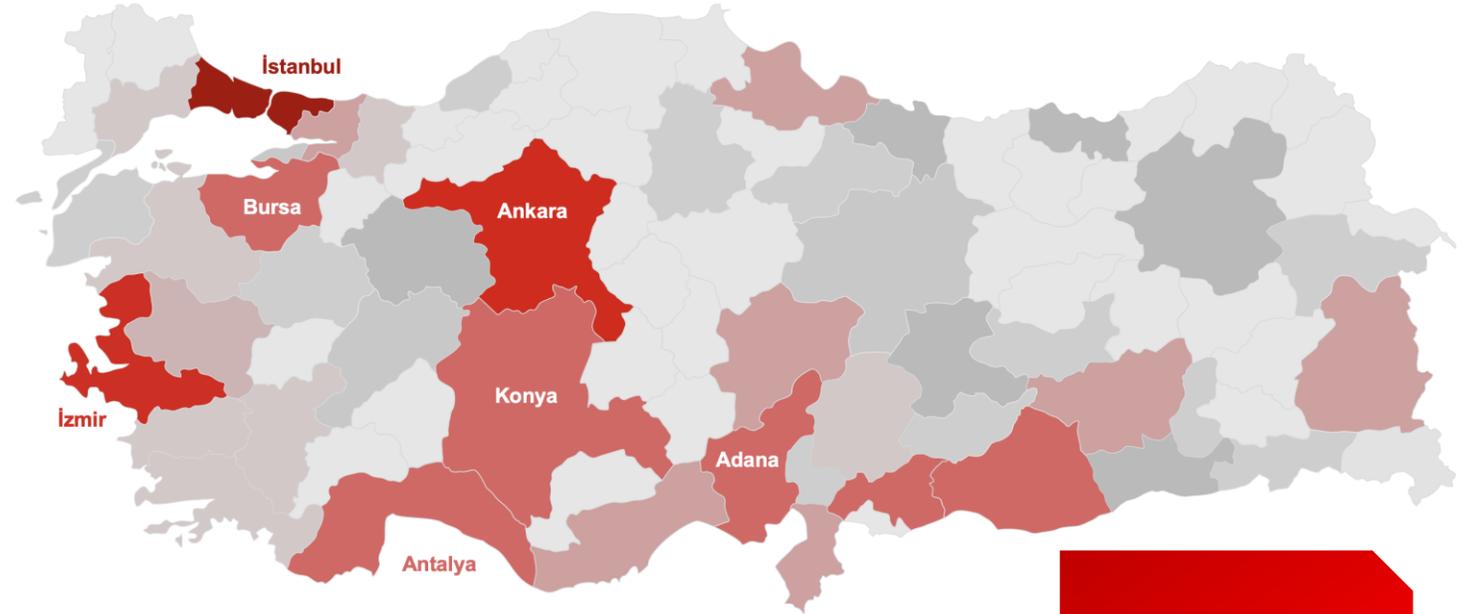
(millions of passengers)





Total Population in 2022 **85.3 Million**

İstanbul	15.9 Million	Denizli	1.1 Million
Ankara	5.8 Million	Muğla	1 Million
İzmir	4.5 Million	Eskişehir	0.9 Million
Bursa	3.2 Million	Mardin	0.9 Million
Antalya	2.7 Million	Trabzon	0.8 Million
Konya	2.3 Million	Malatya	0.8 Million
Adana	2.3 Million	Ordu	0.8 Million
Şanlıurfa	2.2 Million	Erzurum	0.7 Million
Gaziantep	2.2 Million	Afyonkarahisar	0.7 Million
Kocaeli	2.1 Million	Sivas	0.6 Million
Mersin	1.9 Million	Adıyaman	0.6 Million
Diyarbakır	1.8 Million	Batman	0.6 Million
Hatay	1.7 Million	Tokat	0.6 Million
Manisa	1.5 Million	Zonguldak	0.6 Million
Kayseri	1.4 Million	Elazığ	0.6 Million
Samsun	1.4 Million	Kütahya	0.6 Million
Balıkesir	1.3 Million	Çanakkale	0.6 Million
Kahramanmaraş	1.2 Million	Osmaniye	0.6 Million
Van	1.1 Million	Şırnak	0.6 Million
Aydın	1.1 Million	Çorum	0.5 Million
Tekirdağ	1.1 Million	Ağrı	0.5 Million
Sakarya	1.1 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

- NORWAY ISRAEL *SUDAN
- LIECHTENSTEIN
- SWITZERLAND ICELAND
- BOSNIA AND HERZEGOVINA
- PALESTINE MACEDONIA
- MOROCCO TUNISIA
- ALBANIA EGYPT
- GEORGIA MONTENEGRO
- SERBIA CHILE
- MAURITIUS SOUTH KOREA
- MALAYSIA *LEBANON MOLDOVA
- FAROE ISLANDS
- SINGAPORE VENEZUELA
- UNITED KINGDOM
- *QATAR KOSOVO



456
MILLION
in EU

+



485
MILLION
in FTA AREA

in 29 countries
with Free Trade
Agreements

+



85
MILLION
in TÜRKİYE

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



Cargill
66 countries



Microsoft
70 countries



Nestlé
Production base for MENA



BOSS
HUGO BOSS
Its largest production facility worldwide



B/S/H/
89 countries



GE Healthcare
22 countries



KNAUF
80 countries



TOYOTA
Exporting 85% of its production



Ford
Exporting 87% of its production



SANOFI
14 countries



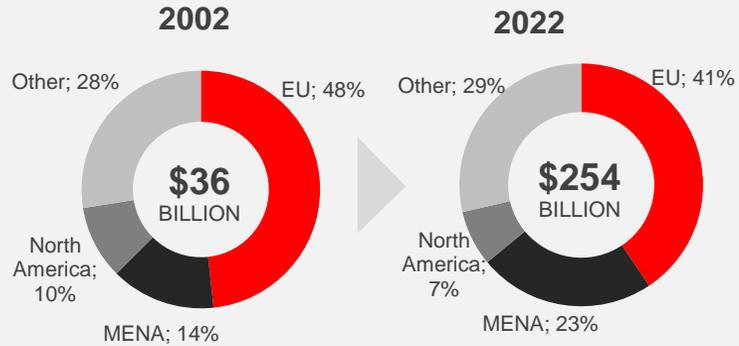
gsk
30 countries

STRATEGIC LOCATION

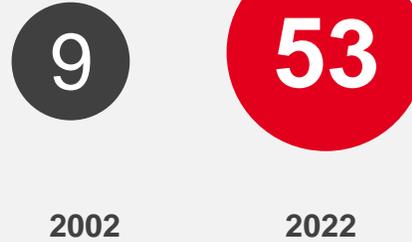
STRATEGIC LOCATION AND ENHANCED PRODUCTION CAPABILITIES ATTRACTING MULTINATIONALS TO INVEST FOR EXPORT



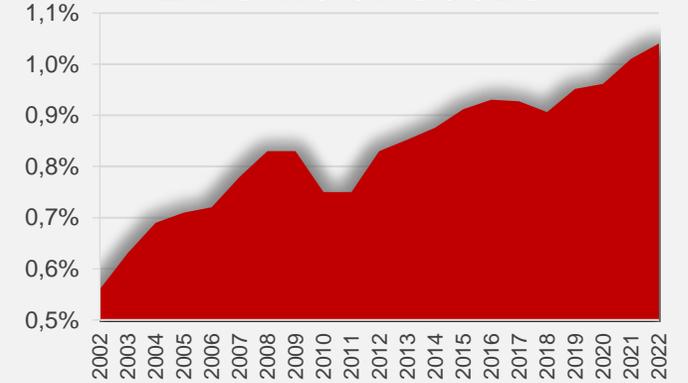
MERCHANDISE EXPORTS BY GEOGRAPHY



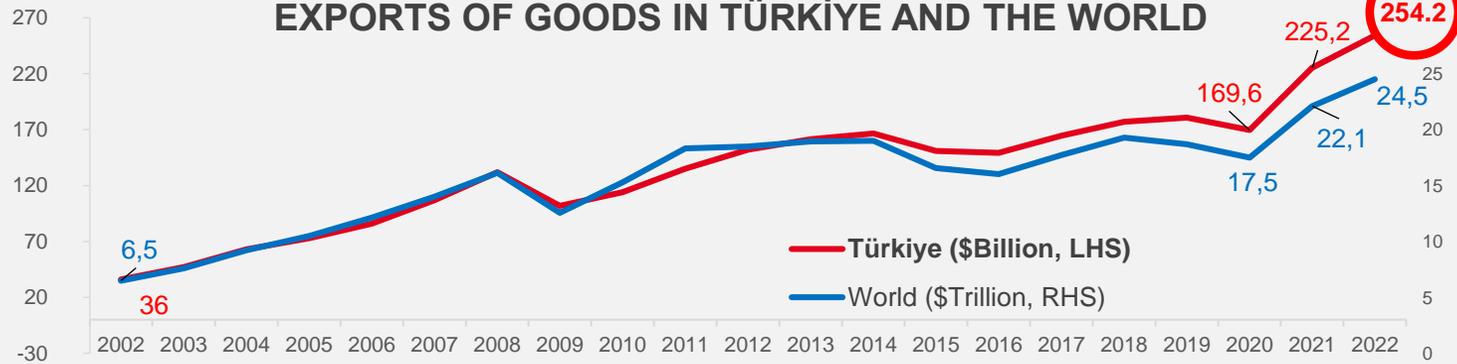
NUMBER OF EXPORT PRODUCTS OVER USD 1 BILLION



TÜRKİYE'S SHARE IN GLOBAL EXPORTS OF GOODS



EXPORTS OF GOODS IN TÜRKİYE AND THE WORLD



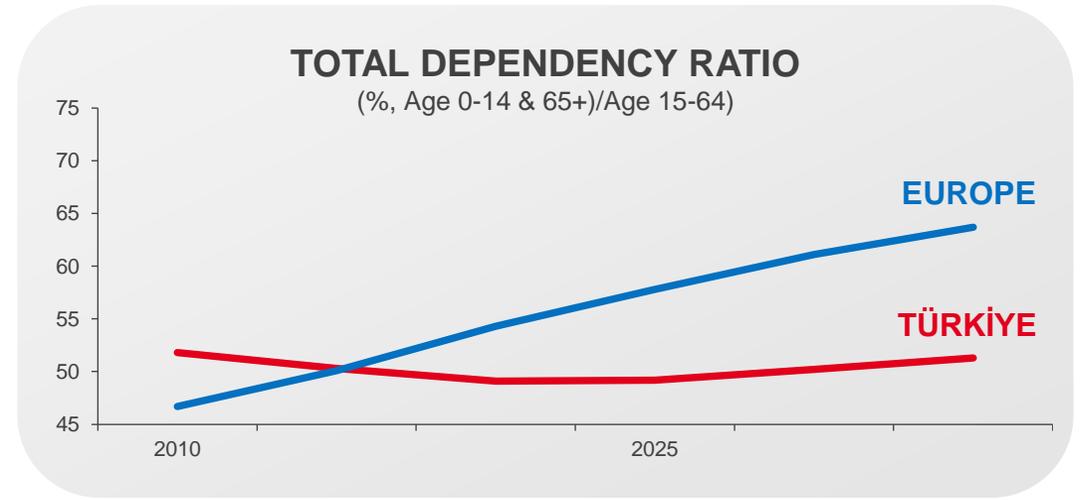
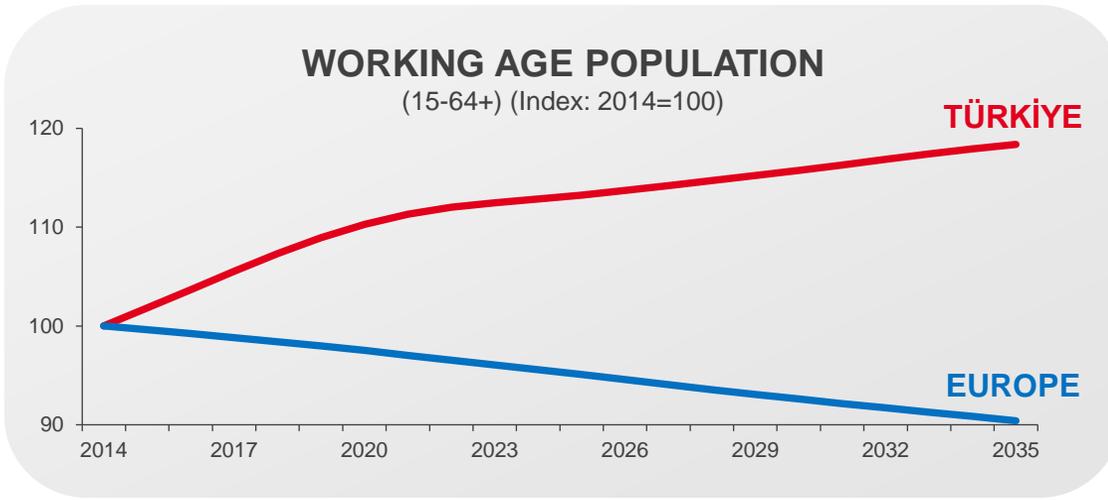
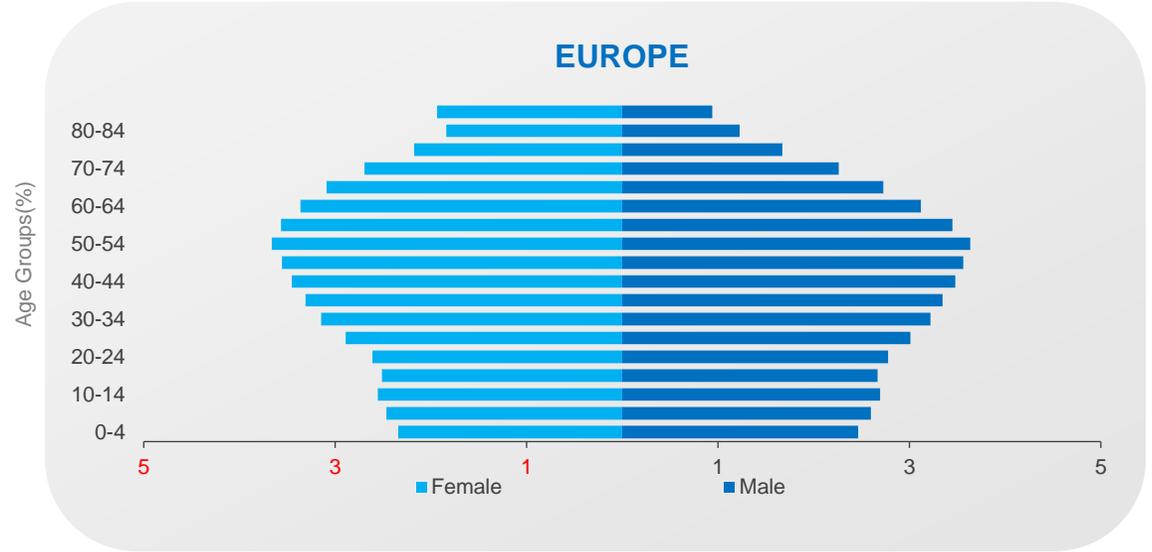
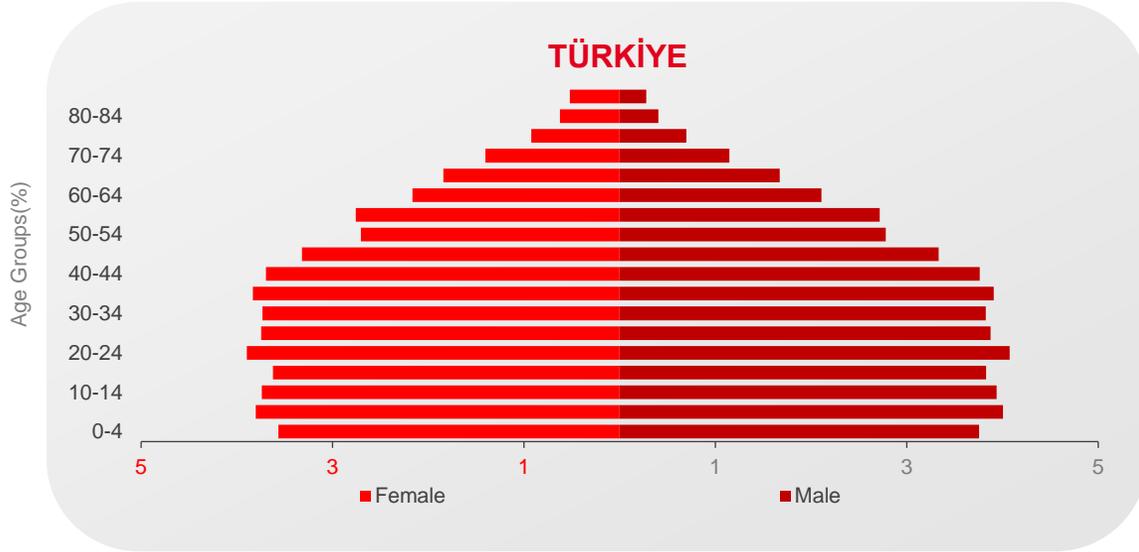
Türkiye Records All-Time High Exports in 2022

ANNUAL AVERAGE GROWTH OF EXPORTS (2002-2022)



FAVORABLE DEMOGRAPHICS

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

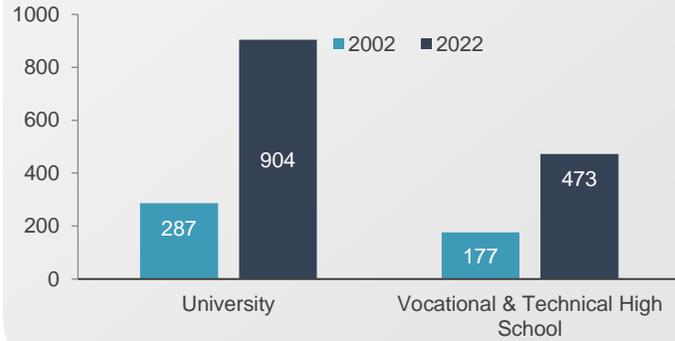


SKILLED AND COMPETITIVE LABOR FORCE

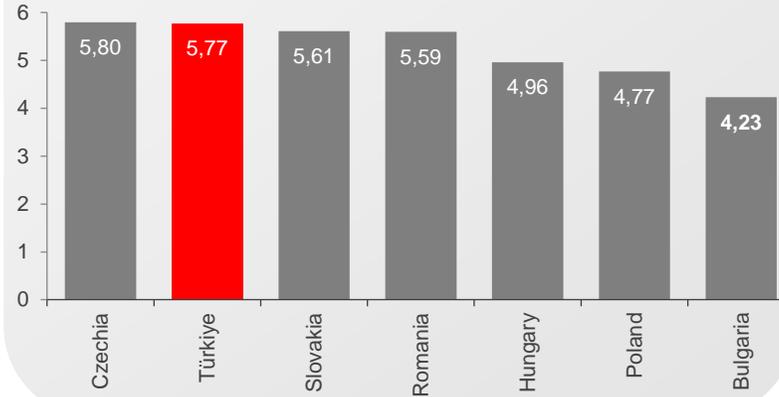
UPGRADED EDUCATION SYSTEM TO ENABLE
A SKILLED LABOR POOL AND ADDRESS
BUSINESS REQUIREMENTS



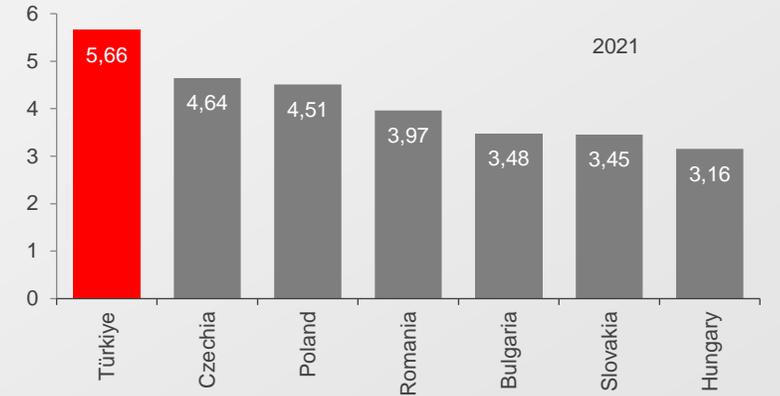
ANNUAL NUMBER OF GRADUATES
(thousands)



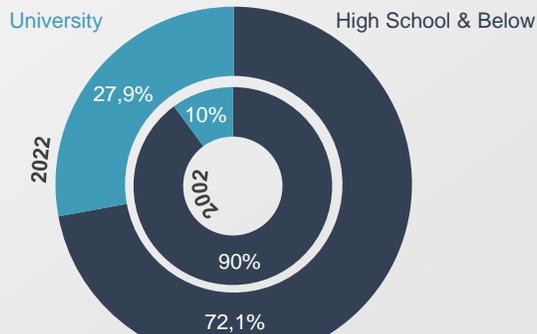
AVAILABILITY OF QUALIFIED ENGINEERS
(10=Available; 0=Unavailable) 2022



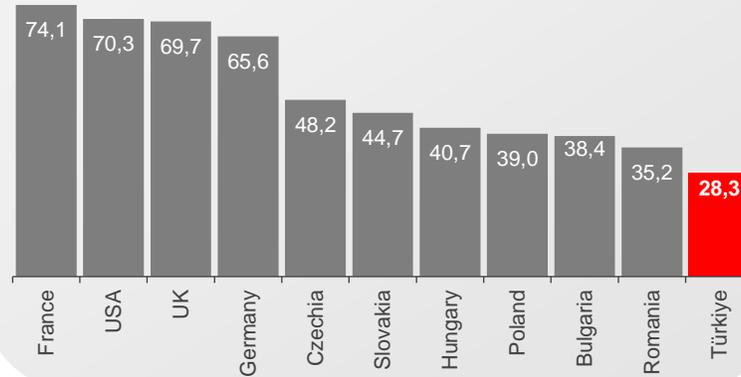
AVAILABILITY OF COMPETENT SENIOR MANAGERS
(10=Available; 0=Unavailable)



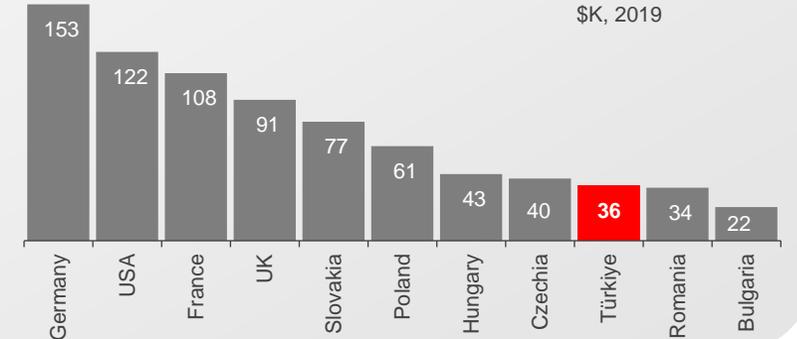
LABOR FORCE BY EDUCATION LEVEL



COST OF LIVING INDEX 2022
(New York=100)

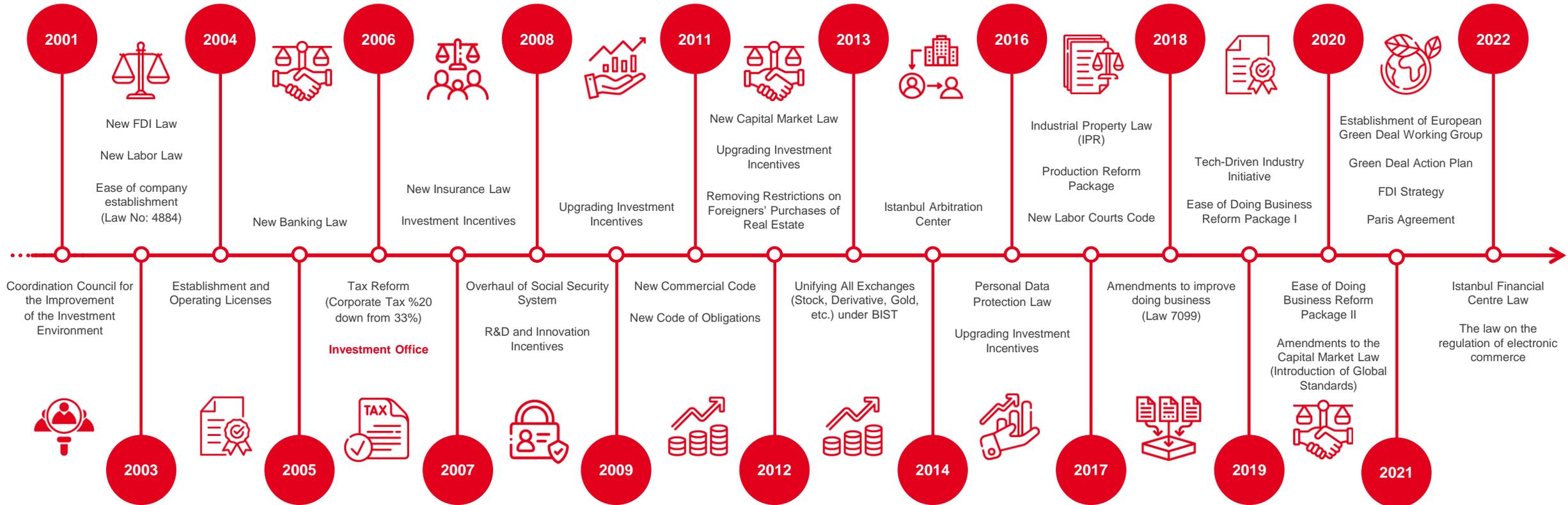


REMUNERATION OF MANAGEMENT/ENGINEER
Total base salary plus bonuses and long-term incentives





Thanks to stability established over the last two decades, Türkiye remains committed to implementing **major reforms** nearly every 18-24 months across various areas.

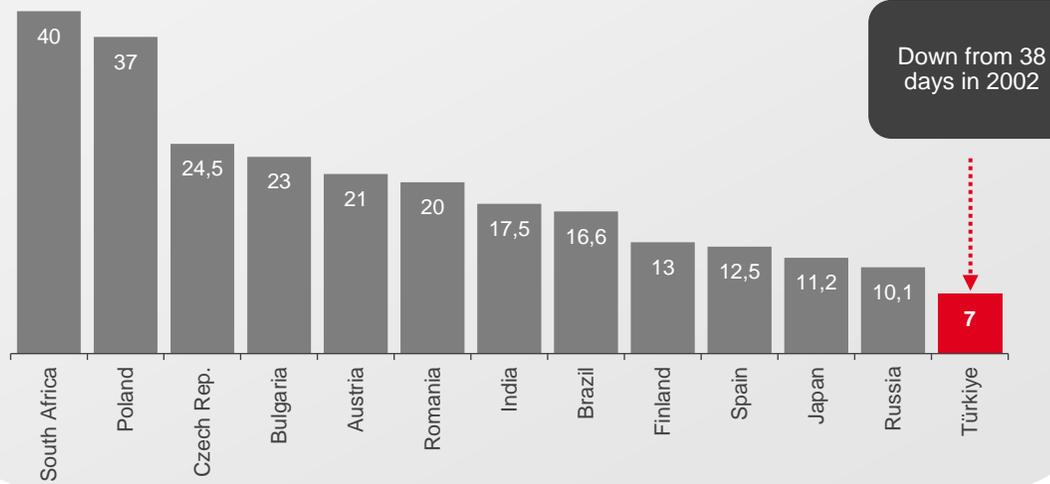


REFORMS

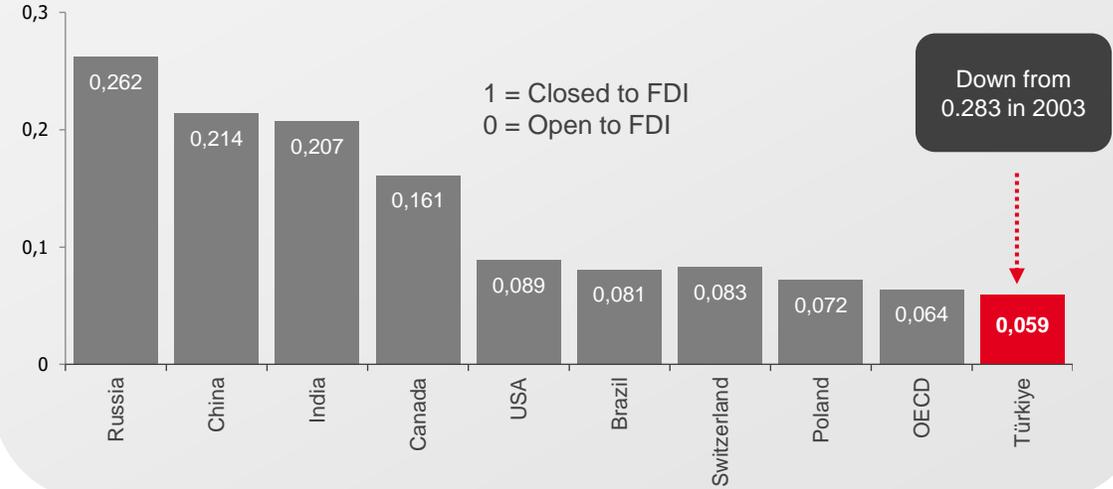
CONTINUOUSLY IMPLEMENTING SWEEPING REFORMS IN MANY AREAS



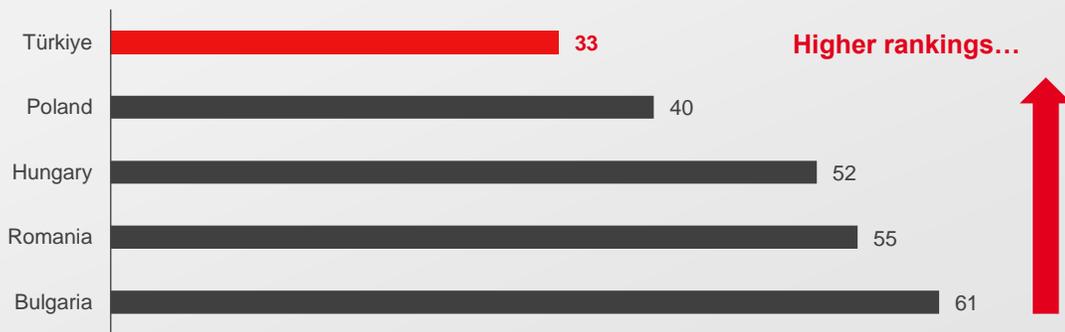
NUMBER OF DAYS TO SET UP A COMPANY, 2020



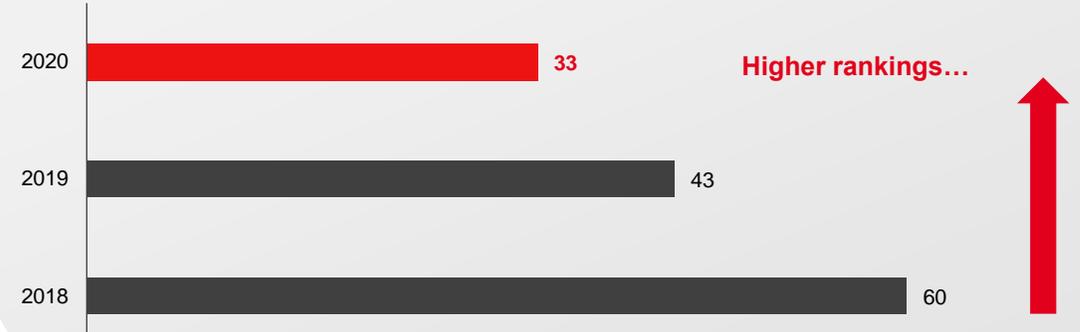
FDI REGULATORY RESTRICTIVENESS INDEX, 2020



EASE OF DOING BUSINESS RANKING, 2020



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



BUSINESS-FRIENDLINESS

OFFERING PROTECTION AND EASE OF DOING BUSINESS



Protection of
International Investors
by FDI Law

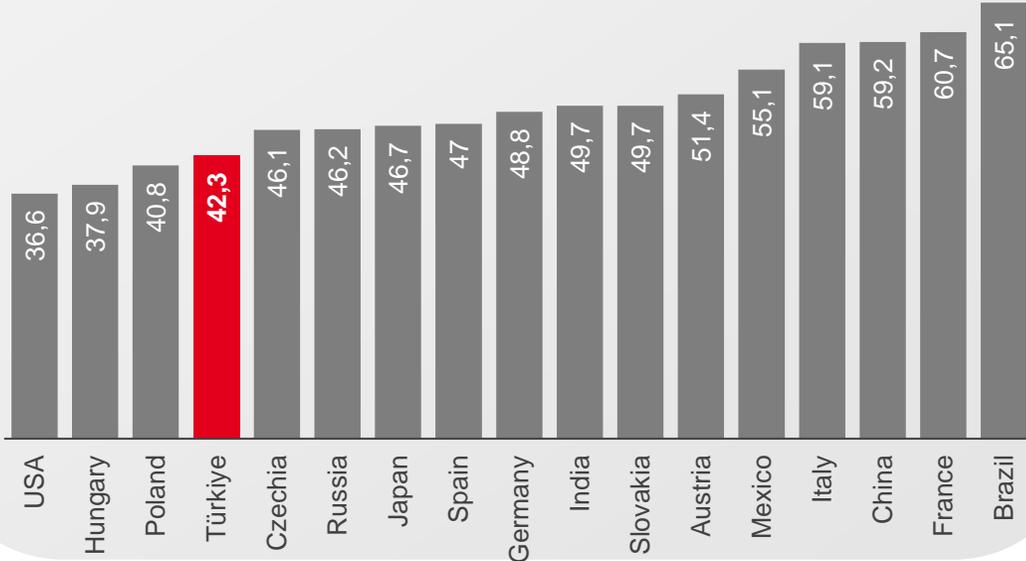


Bilateral Investment
Protection Treaties with
88 countries

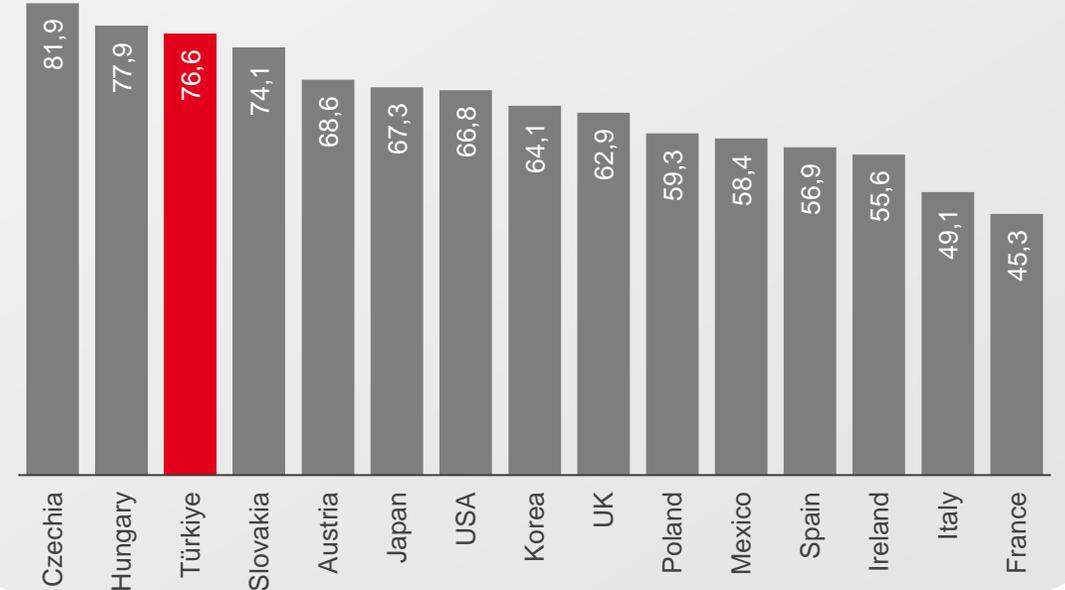


Treaties to avoid
Double Taxation with
87 countries

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



INTERNATIONAL TAX COMPETITIVENESS**, 2022
(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

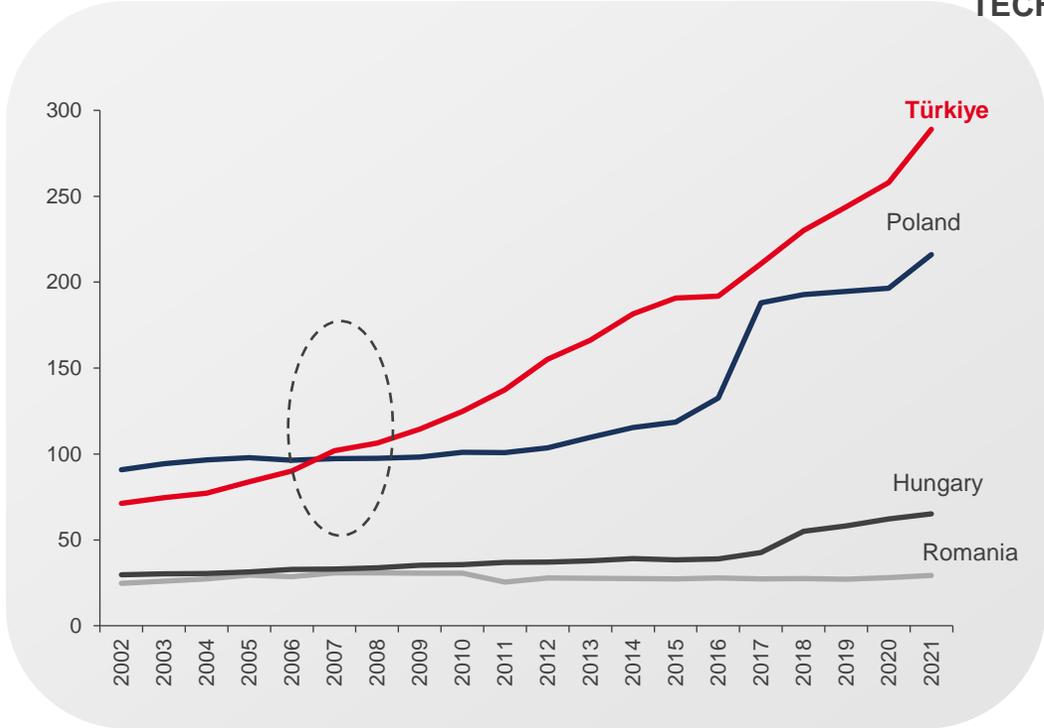


BENIGN R&D ECOSYSTEM

R&D INCENTIVES ARE FURTHER SUPPORTED BY A FAVORABLE ECOSYSTEM



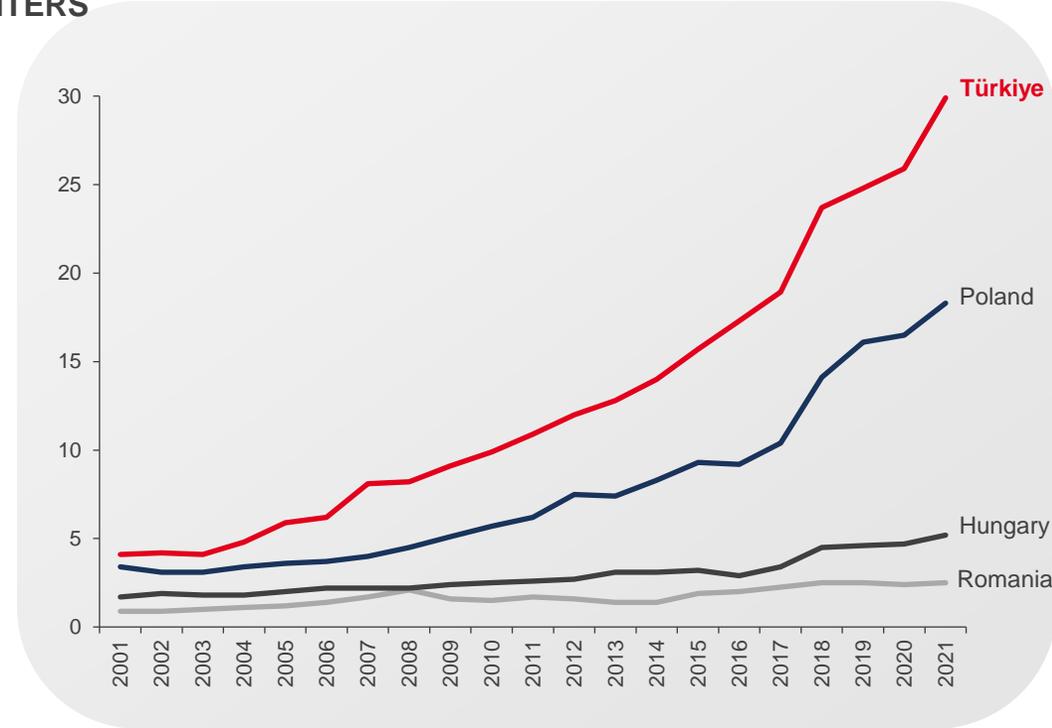
NUMBER OF RESEARCHERS
(thousands)



ALMOST 700 INTERNATIONAL COMPANIES OPERATING IN TECHNOPARK AND R&D CENTERS

700
INTERNATIONAL COMPANIES

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

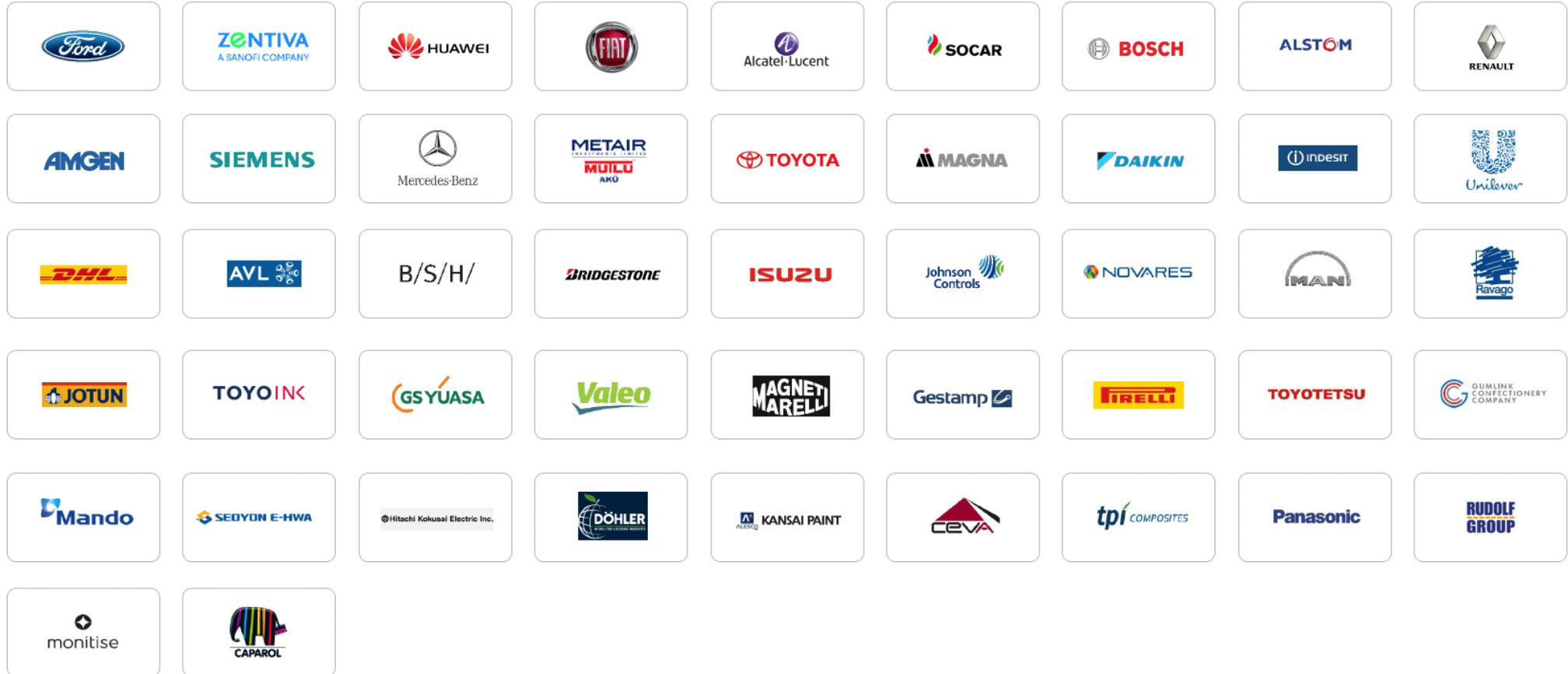


BENIGN R&D ECOSYSTEM

R&D INCENTIVES ARE FURTHER
SUPPORTED BY A FAVORABLE ECOSYSTEM



SELECTED INTERNATIONAL COMPANIES CONDUCTING R&D IN TÜRKİYE



SECTORAL OPPORTUNITIES

OFFERING ABUNDANT OPPORTUNITIES
IN A VARIETY OF SECTORS



AUTOMOTIVE

- 13th largest manufacturer in the World, 4th in Europe (2022)
- 1.4 million vehicle produced (2022)
- Export: \$31.0 billion



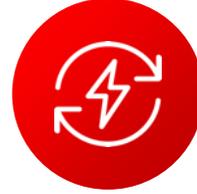
MACHINERY & ELECTRICAL EQP.

- Largest TV & white goods producer in Europe
- Exporting 75% of its production
- Revenue: \$76 billion (2022)
- Export: \$26 billion (2022)



AEROSPACE & DEFENCE

- \$10.6 billion defence spending (2022)
- Export: \$4.4 billion (2022)
- Air passengers: 182 million (2022)
- İstanbul is the 1st city in Europe by passenger traffic



ENERGY

- 6th largest electricity market in Europe with more than 100 GW
- %54 renewable energy share of electricity capacity (2022)
- Türkiye generated 3.5 GW new capacity in 2022
- 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

- \$195 billion PPP contracts (1986-2022)
- 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.



FOREIGN DIRECT INVESTMENT (FDI)

EXCEPTIONAL INCREASE IN FOREIGN INVESTMENT BOOSTED BY THE VALUE TÜRKİYE OFFERS



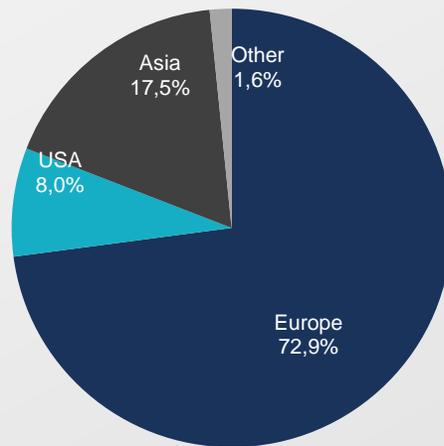
FDI INFLOWS (\$ BILLION)



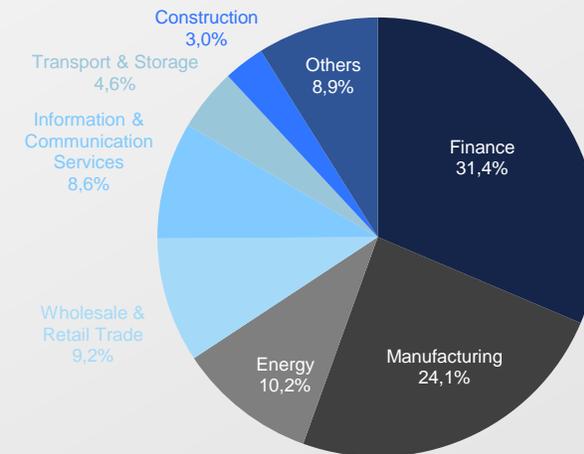
NUMBER OF INTERNATIONAL COMPANIES IN TÜRKİYE ('000)

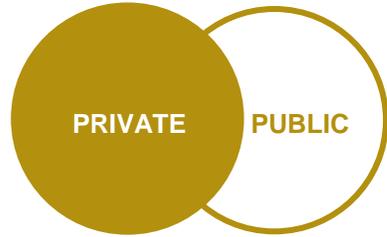


GEOGRAPHIC BREAKDOWN OF INVESTMENTS (2003-2022)



MOST ATTRACTIVE SECTORS (CUMULATIVE 2003-2022)





**PRIVATE SECTOR APPROACH
WITH PUBLIC SECTOR CAPABILITIES**



**A GOVERNMENTAL AGENCY
REPORTING TO THE PRESIDENT**



**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



PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
**INVESTMENT
OFFICE**



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