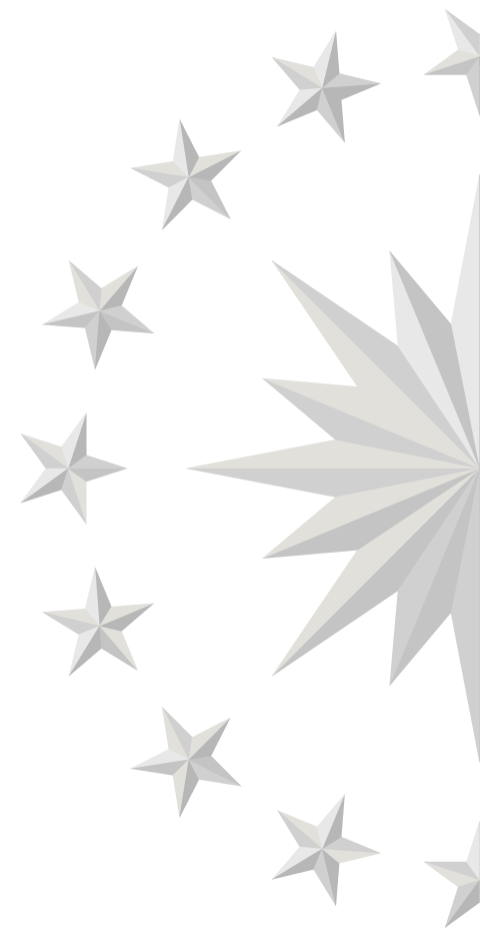


WHY INVEST IN TURKEY?

August 2020



PRESIDENCY OF THE REPUBLIC OF TURKEY
INVESTMENT OFFICE



10 reasons to invest in Turkey



Robust
Economy



Domestic
Market + EU



Strategic
Location



Favourable
Demographics



Skilled Workforce
with Cost
Advantage



Continuous
Reform Process



Business-friendly



Lucrative
Incentives



Benign R&D
Ecosystem



Opportunities



ROBUST ECONOMY

13TH LARGEST ECONOMY IN THE WORLD



RANKING OF ECONOMIES BY GDP AT PPP

2003

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

2019

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

TRACK RECORD GROWTH AND BRIGHT FUTURE WITH PROVEN RESILIENCE

AVERAGE ANNUAL GDP
GROWTH (%), 2003-2018

5.3

TURKEY

4.0

POLAND

4.0

ROMANIA

2.8

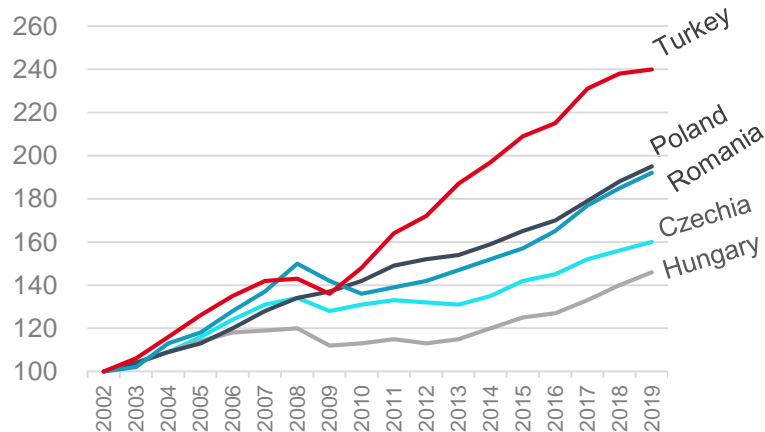
CZECHIA

2.2

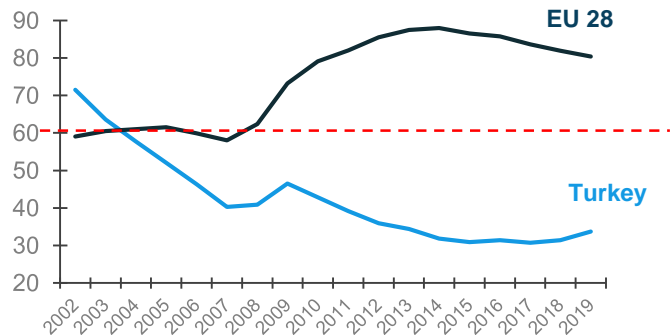
HUNGARY

REAL GDP GROWTH

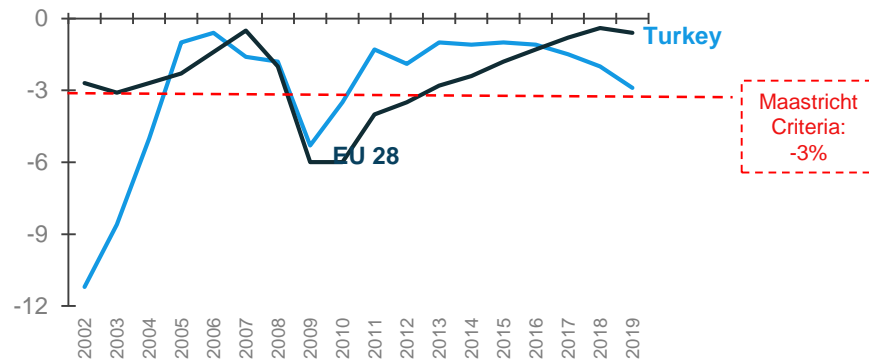
(INDEX: 2002=100)



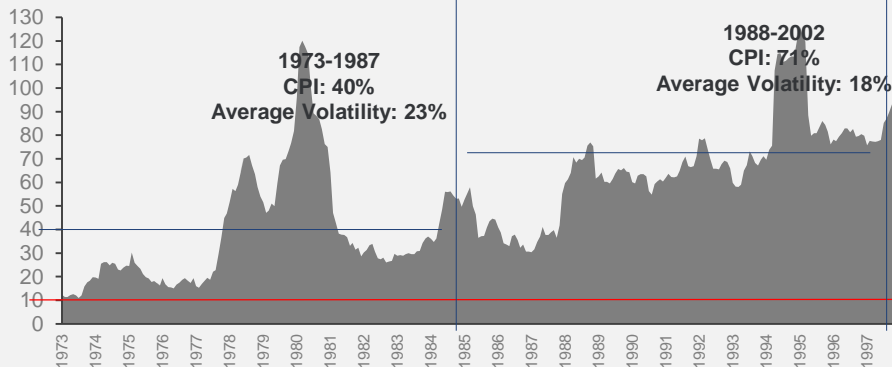
Gross Public Debt Stock as % of GDP



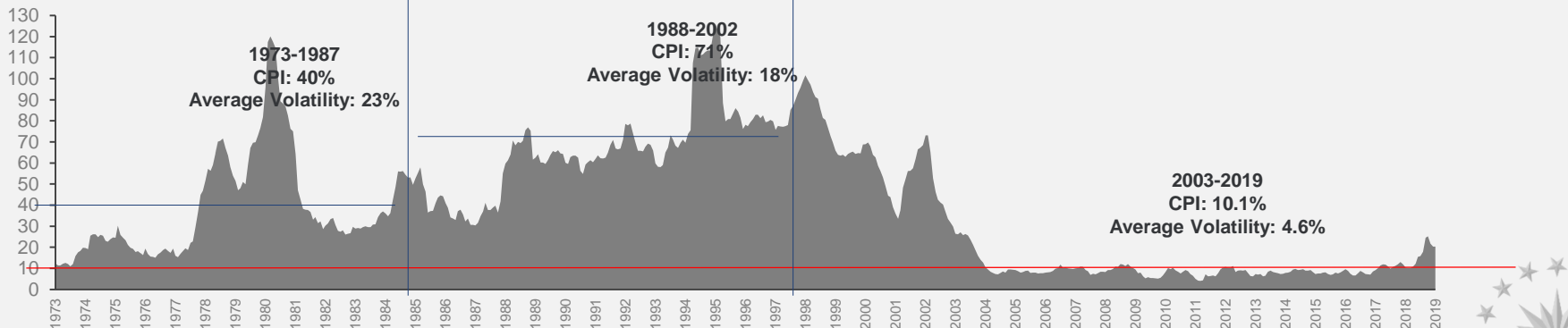
Budget Balance as % of GDP



Annual Inflation (%)



End-Year Inflation (%)

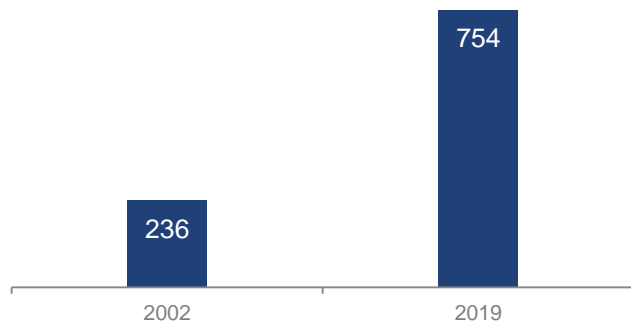


DRIVEN BY A DIVERSIFIED STRUCTURE, TURKISH ECONOMY HAS MORE THAN TRIPLED OVER THE PAST 16 YEARS

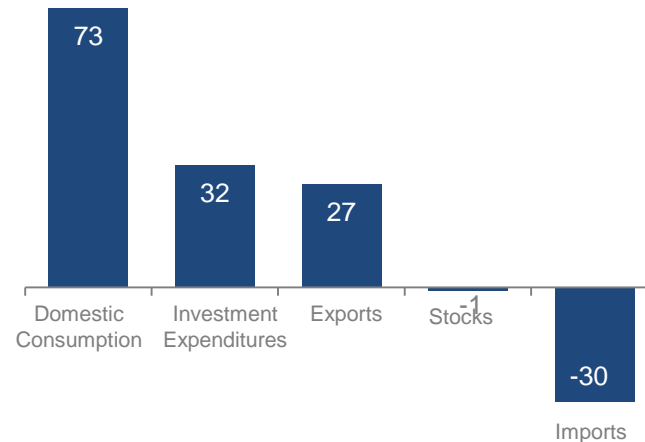
Turkish economy has more than tripled over the past 16 years and is promising more growth in future

Driven by a robust domestic market and entrepreneurial private sector which has spurred investments and exports

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



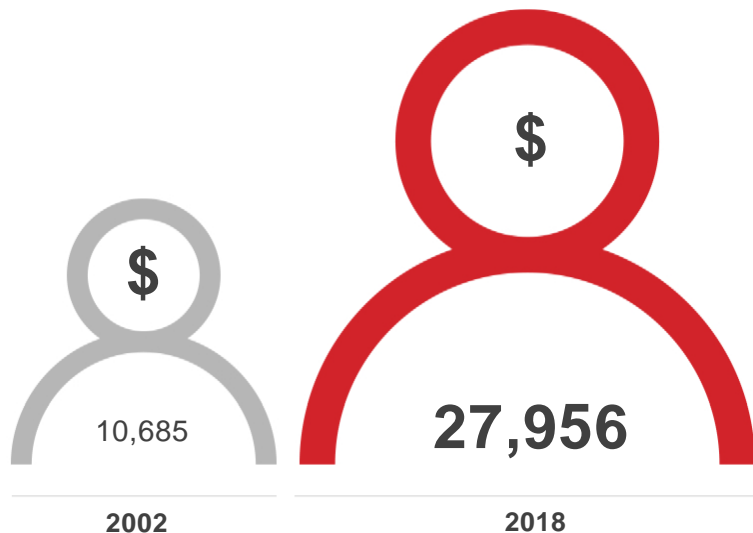
Contribution to GDP Growth 2002-2019* (%)



TURKEY'S ECONOMIC GROWTH HAS PAVED THE WAY
FOR EMERGENCE OF A SIZEABLE MIDDLE-CLASS
WITH AN INCREASING PURCHASING POWER

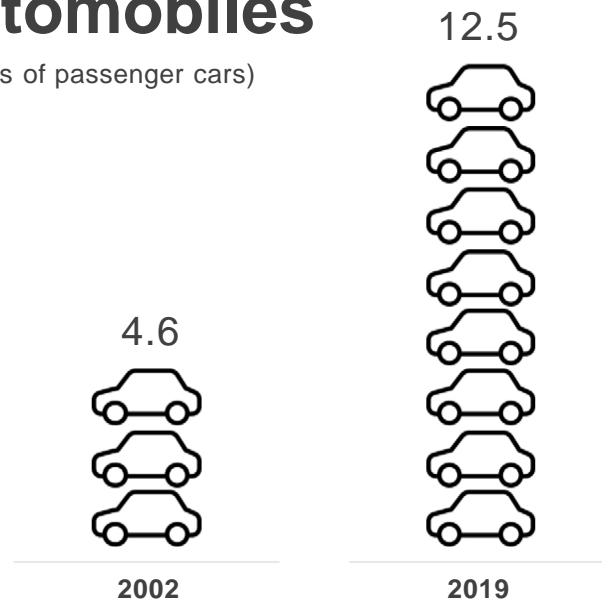
Income per capita

(GDP per capita at purchasing power parity)



Stock of Automobiles

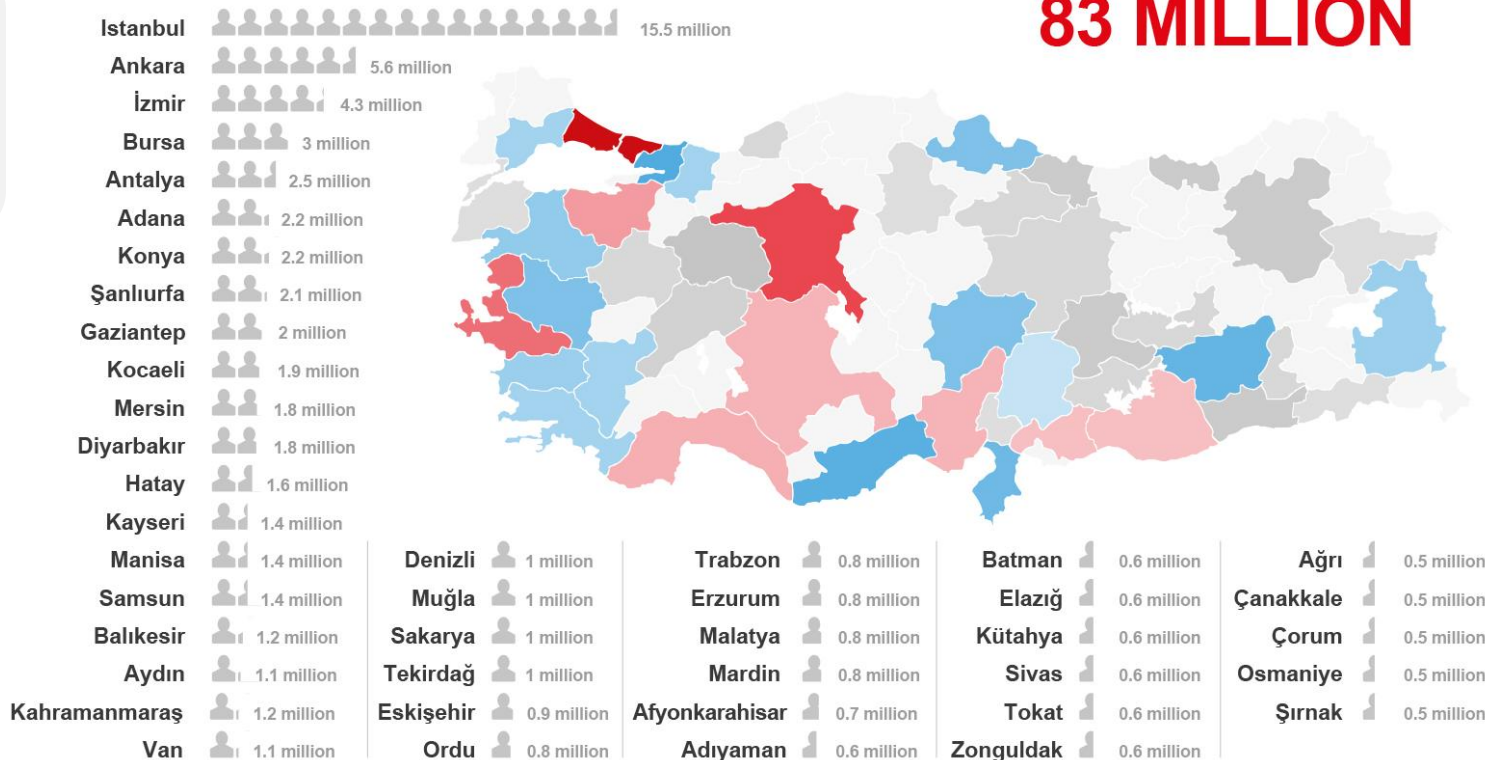
(millions of passenger cars)



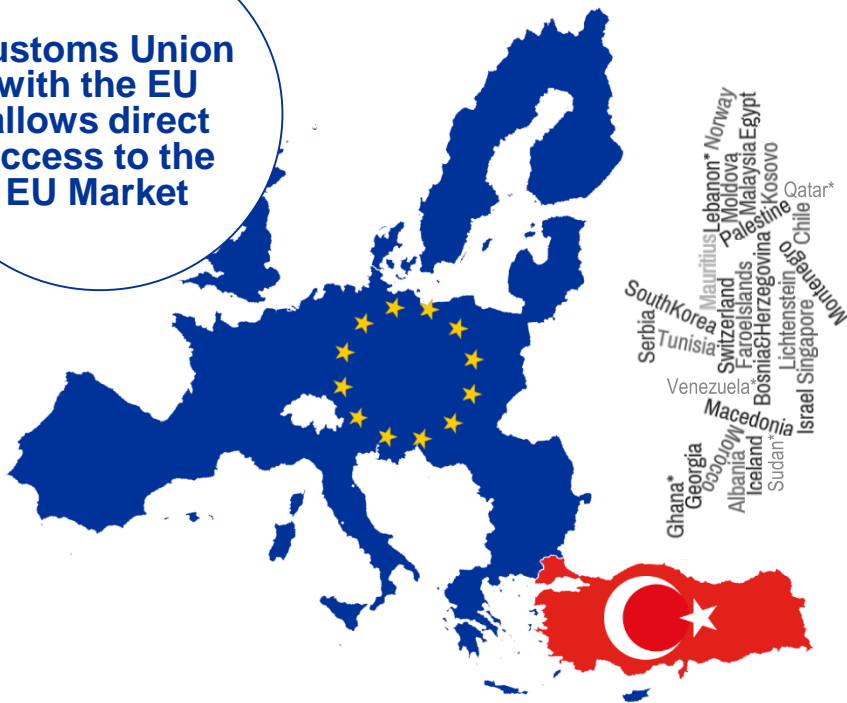
THE DOMESTIC MARKET IS FURTHER SUPPORTED BY EMERGING URBAN CENTERS ACROSS TURKEY

24 urban centers with populations over 1 million

Total Population in 2019
83 MILLION



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



+

308

million in FTA
Area

in 27 countries
with Free Trade
Agreements

+

83

million in
Turkey

Free access
904
Million consumers

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



72 countries



67 countries



63 countries



60 countries



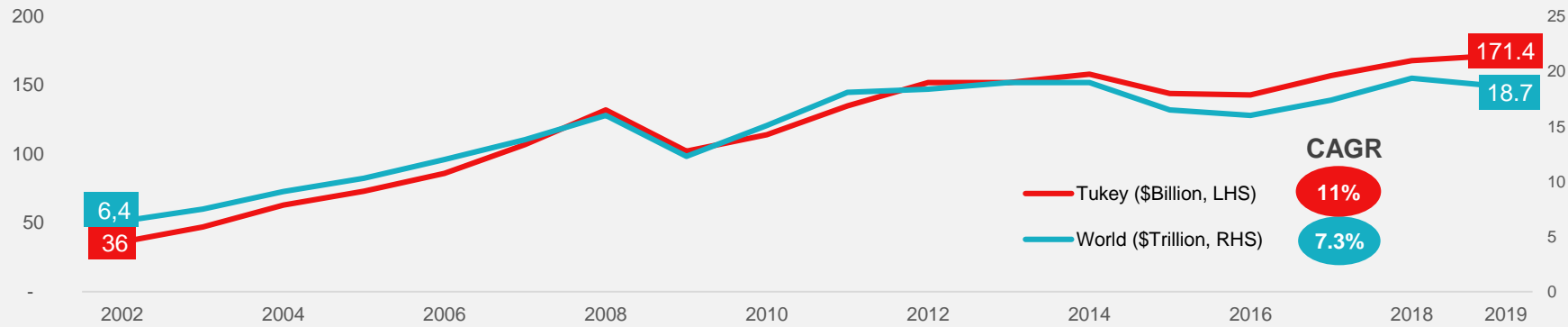
30 countries



25 countries

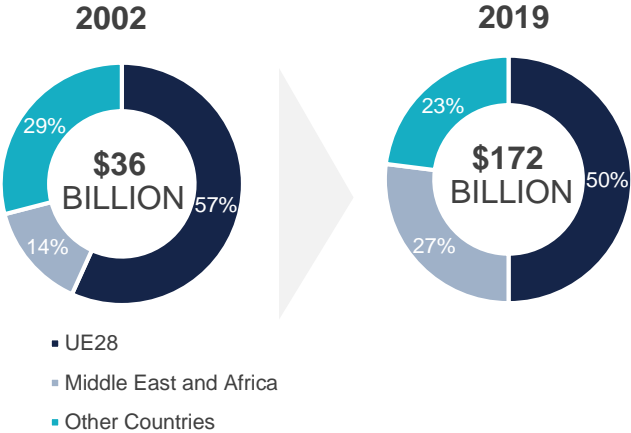
THE CONVENIENT LOCATION HAS ENABLED
TURKEY TO TAP SIGNIFICANT EXPORT OPPORTUNITIES
WITH INCREASING DIVERSIFIED MARKETS AND PRODUCTS

Exports of Goods in Turkey and World

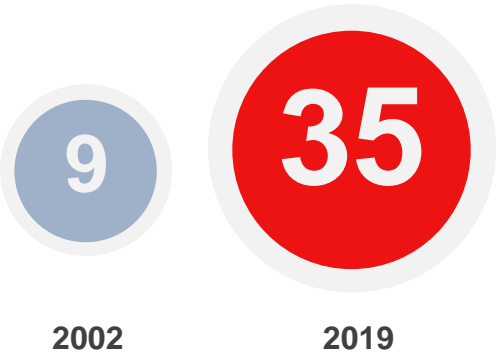


THE CONVENIENT LOCATION HAS ENABLED
TURKEY TO TAP SIGNIFICANT EXPORT OPPORTUNITIES
WITH INCREASING DIVERSIFIED MARKETS AND PRODUCTS

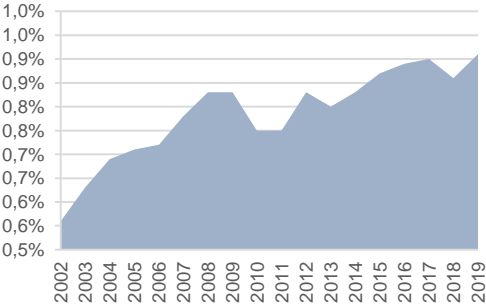
Merchandise Exports by Geography



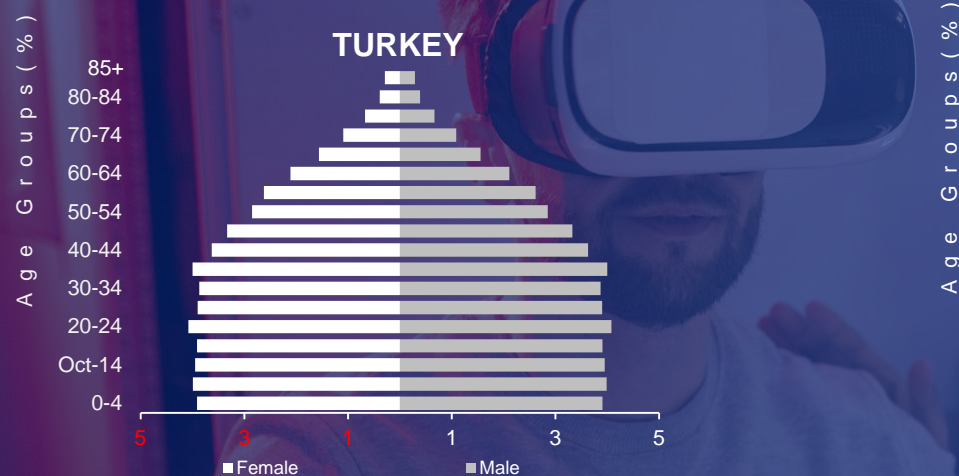
Number of Export Products over
\$1 Billion



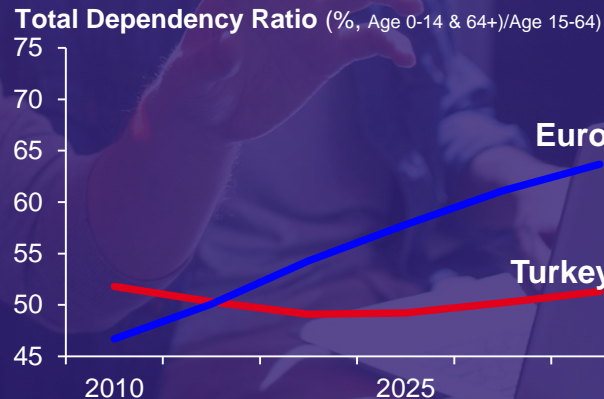
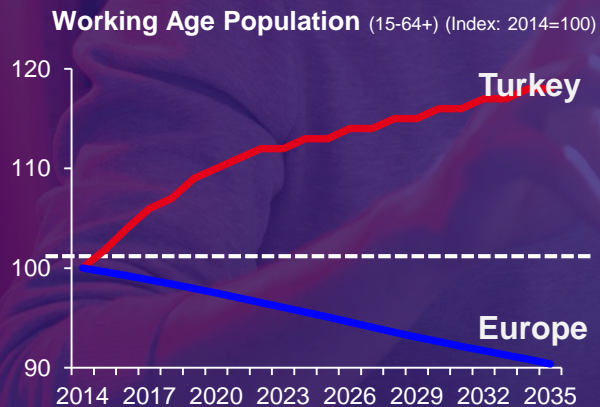
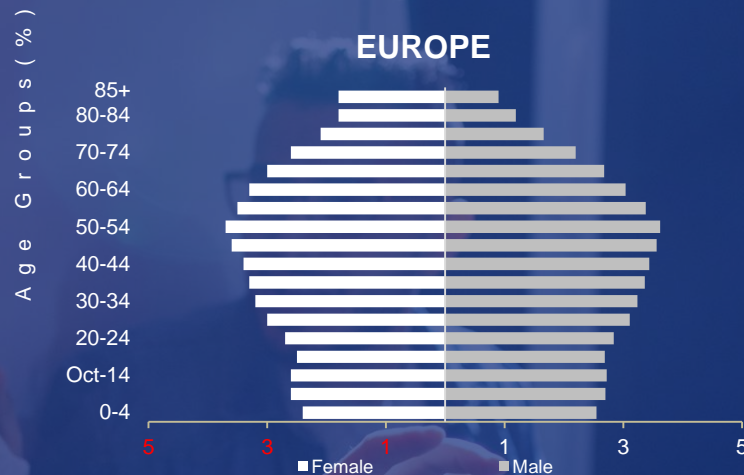
Turkey's Share in
Global Exports of Goods



FAVORABLE DEMOGRAPHICS



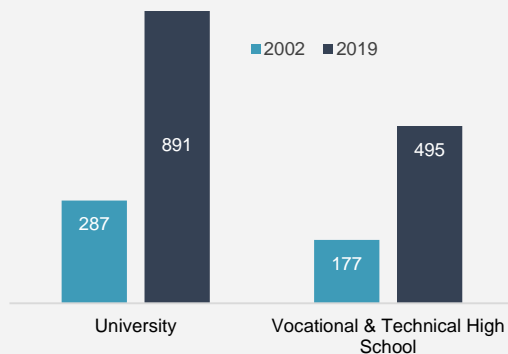
...HALF OF POPULATION UNDER AGE 32.4



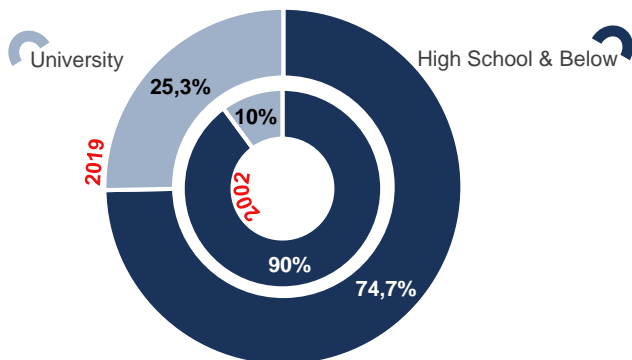
SKILLED WORKFORCE WITH COST ADVANTAGE

TURKEY'S EDUCATION SYSTEM HAS BEEN UPGRADED TO SUPPORT A SKILLED LABOR POOL THAT MEETS BUSINESS REQUIREMENTS..

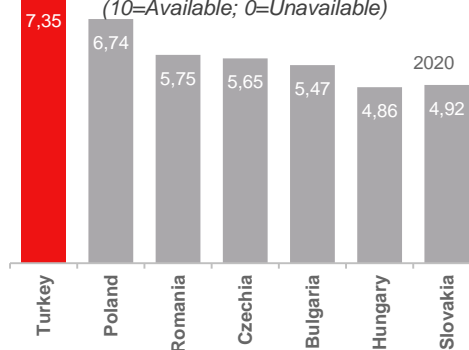
Annual Number of Graduates
(thousands)



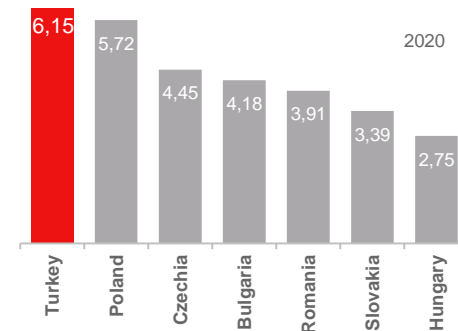
Labor Force by Education Level



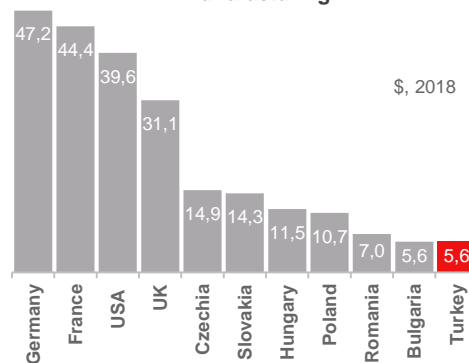
Availability of Qualified Engineers
(10=Available; 0=Unavailable)



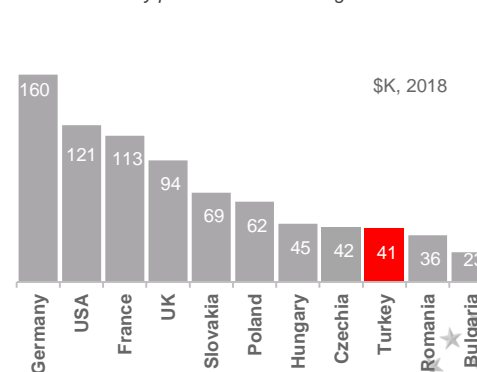
Availability of Competent Senior Managers
(10=Available; 0=Unavailable)



Labor Cost per hour
in Manufacturing

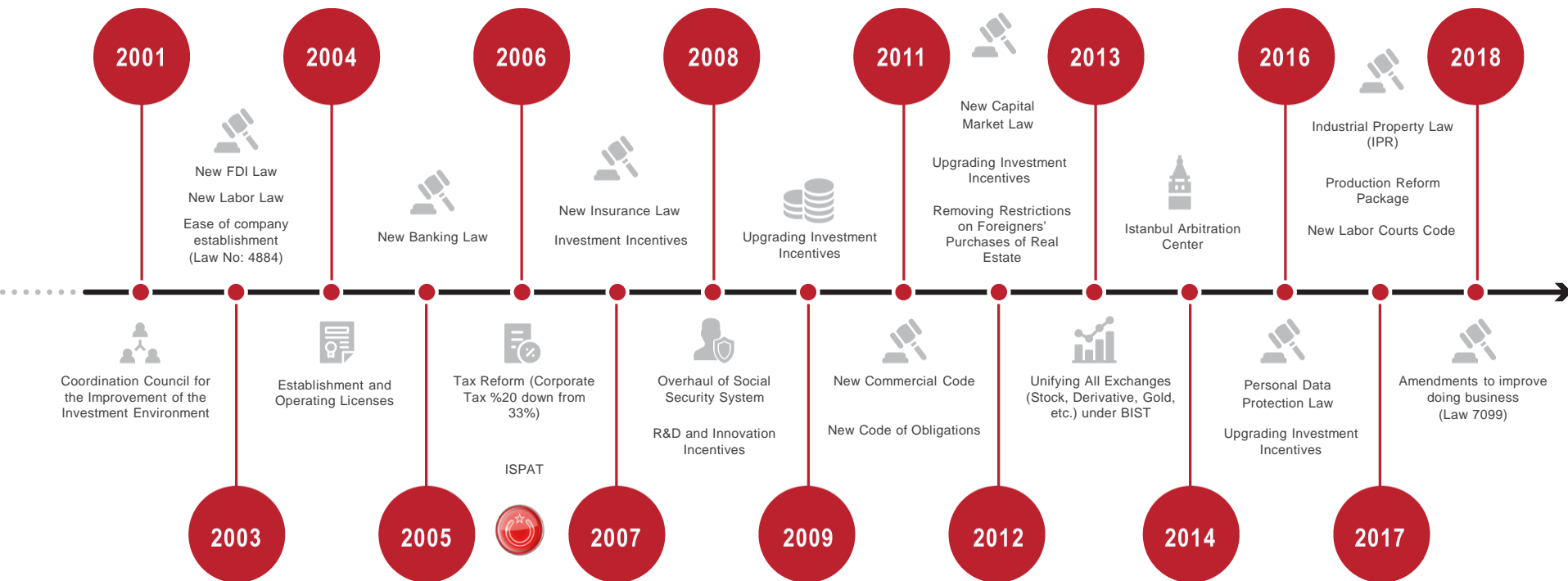


Remuneration of Management/Engineer
Total base salary plus bonuses and long-term incentives



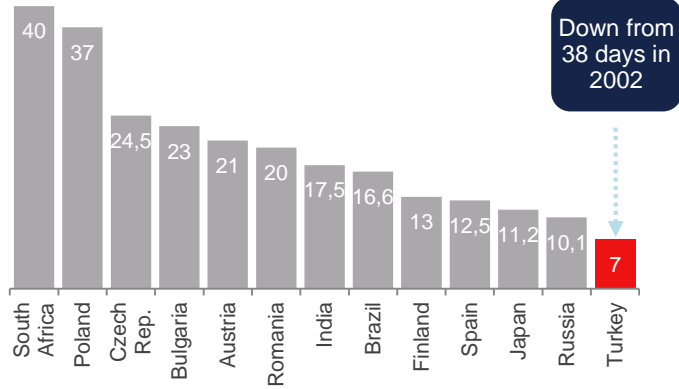
TURKEY HAS IMPLEMENTED SWEEPING REFORMS IN MANY AREAS AND CONTINUES TO INTRODUCE NEW REFORMS

MAJOR REFORMS

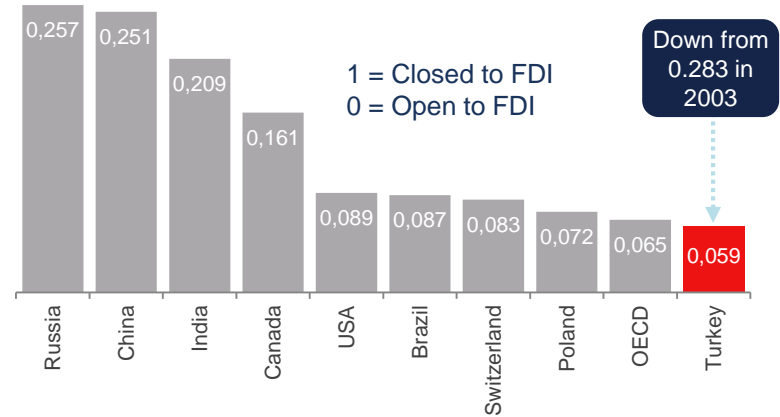


TURKEY HAS IMPLEMENTED SWEEPING REFORMS IN MANY AREAS AND CONTINUES TO INTRODUCE NEW REFORMS

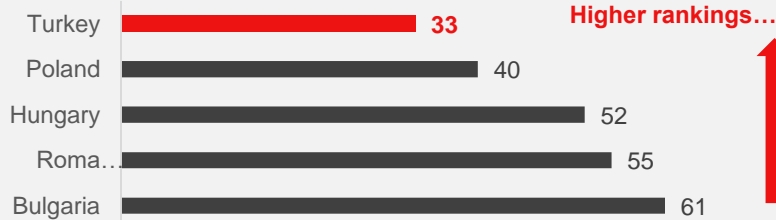
Number of Days to set up a Company, 2019



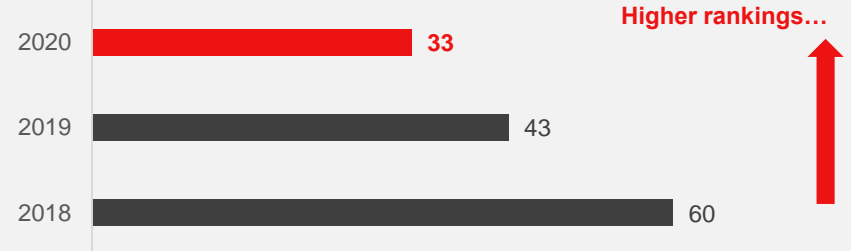
FDI Regulatory Restrictiveness Index, 2018



Ease of Doing Business Ranking, 2020



Ease of Doing Business Ranking (y-o-y)





**Foreign Direct
Investment Law**

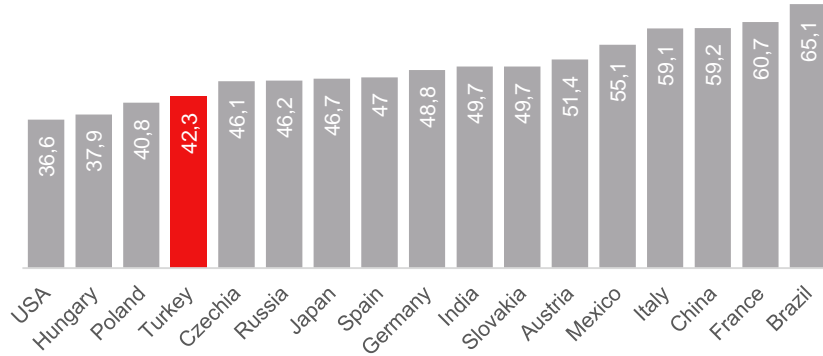


**Bilateral Investment
Protection Treaties with
82 countries**

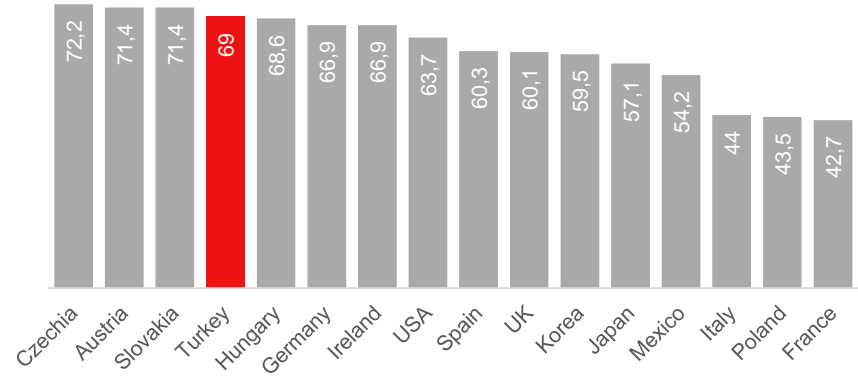


**Treaties to avoid
Double Taxation with
86 countries**

Total Tax and Contribution Rate, 2019
(% of Profit)



International Tax Competitiveness, 2019
(Index=100 as most competitive)





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;

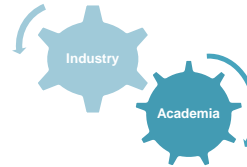
Engineering
Architecture
Design
Software
Medical Reporting

Accounting
Call Center
Datacenter
Education
Healthcare



Technology Development Zones

- ✓ To support R&D
- ✓ Tax deduction & exemption +



Exclusive Zones

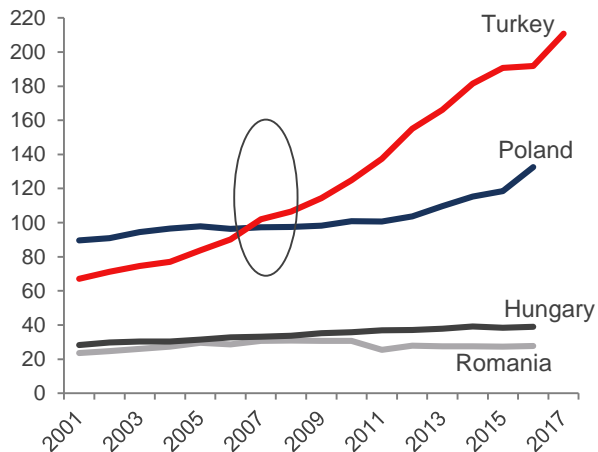
Free Zones

- ✓ Tax deduction & exemption +

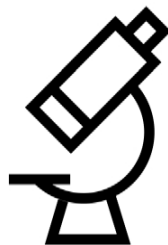
Organized Industrial Zones

- ✓ Developed infrastructure

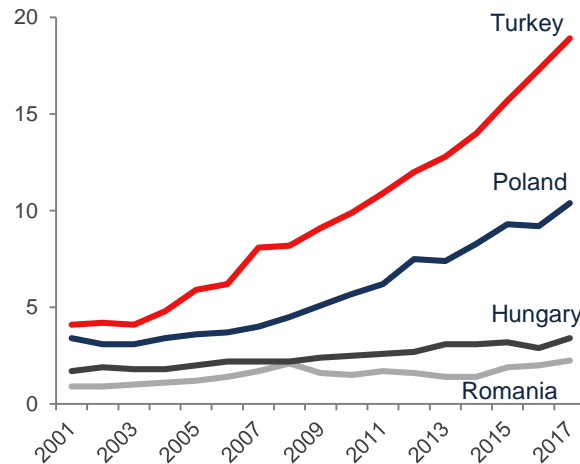
Number of Researchers (thousands)



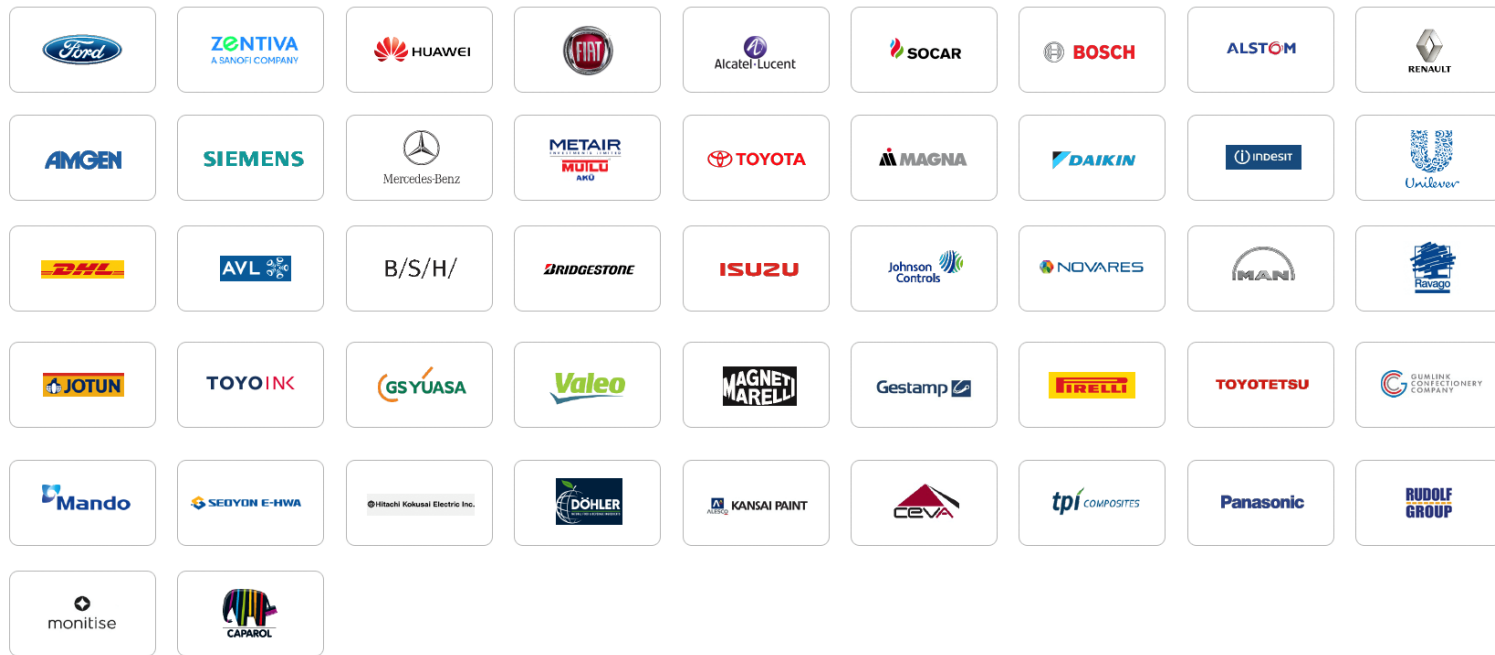
Over 100 R&D centers
by foreign companies



Increasing R&D Spending (\$ Billion, PPP)



Selected Foreign Companies conducting R&D in Turkey



RESILIENT HEALTHCARE SYSTEM

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



State hospitals, social security hospitals and institutional hospitals **were merged for use by all citizens.**



With their modern infrastructure, high-tech devices and qualified healthcare professionals, **12 city hospitals entered into service in 11 provinces. 10 more city hospitals are under construction.**



1,526 hospitals, some 4,000 medical treatment facilities and over 15,000 primary healthcare centers continue to provide healthcare services without any disruption.



State-of-the art technology ambulance fleets were formed with **5,400 fully-equipped vehicles and 19 aircrafts.**



Targeting to reach **5,000** at the end of May, Turkey is **able to manufacture domestic ventilators** to address domestic and international demand.



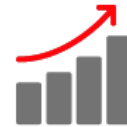
Having 46 intensive care beds per 100K inhabitants, Turkey is leading in the list of countries including Germany (34), Austria (29), the US (26), France (16), Canada (13), the UK 11), Spain (10), Italy (9), Denmark (8) and Ireland (5).



The budget set aside for healthcare services was increased **from 19 billion TRY to 190 billion TRY** over the past 17 years.



An army of medical professionals was built with the **employment of some 1.4 million people.**



Healthcare expenditures **during the past 6 years have grown by 14%.**

TURKEY OFFERS ABUNDANT OPPORTUNITIES IN A VARIETY OF SECTORS



AUTOMOTIVE

- 15th largest manufacturer
- 1.5 million vehicle produced
- Market: \$24 billion
- Export: \$31.2 billion



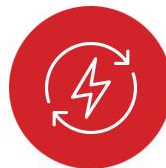
MACHINERY & ELECTRICAL EQP.

- Largest TV & white goods producer in Europe
- Market: \$38 billion
- Export: \$25 billion



AEROSPACE & DEFENCE

- \$19 billion defence spending
- Industry: \$8.7 billion
- Export: \$2.2 billion
- Air passengers: 210 million



ENERGY

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



AGROFOOD

- Market: \$80 billion
- Export: \$17 billion
- Export to around 200 countries



INFRASTRUCTURE

- \$127 billion PPP contracts (2003-2018)
- More opportunities in transport, energy, health



FINANCE

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

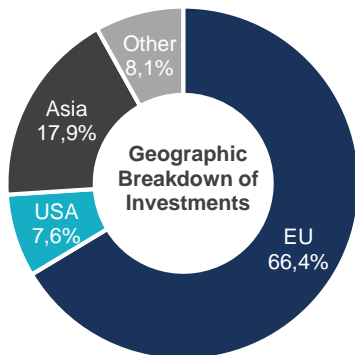
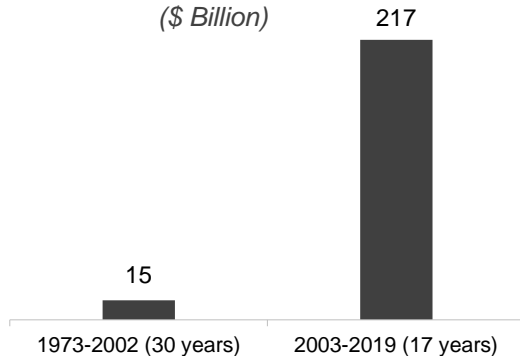
OPPORTUNITIES



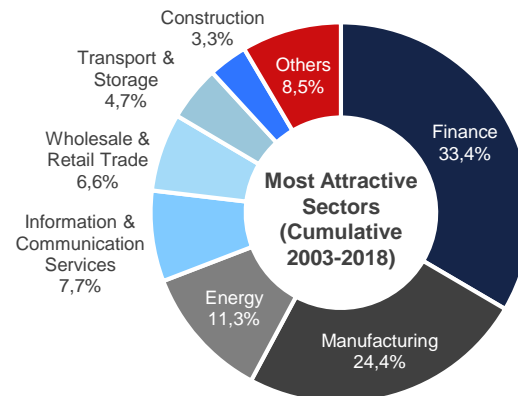
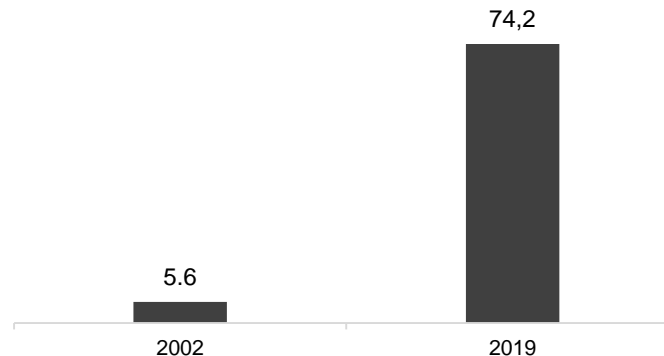
FOREIGN DIRECT INVESTMENT (FDI)

TURKEY'S VALUE HAS BEEN APPRECIATED BY FOREIGN INVESTORS WITH INCREASING FDI INFLOW TO TURKEY

FDI Inflows
(\$ Billion)

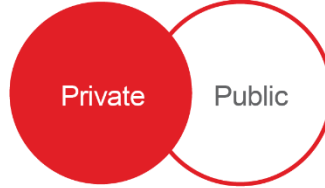


Number of Foreign Companies in Turkey ('000)





A governmental agency
reporting to the President



Private sector approach with
public sector capabilities



Acting as your
solution partner



General & customized
business information &
Sectoral analysis & reports



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



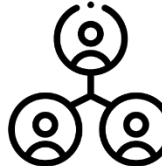
Arrangements of meetings
with governmental bodies
and other stakeholders



AFTERSALES



Facilitating your investment
at all stages



Matchmaking with local
partners & establishing
business linkages



Project launch & Press
release Services

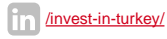
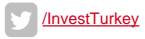
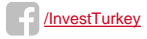


Facilitating your visit
to Turkey





invest.gov.tr



PRESIDENCY OF THE REPUBLIC OF TURKEY
INVESTMENT OFFICE

