

# ***TURKISH ECONOMY***

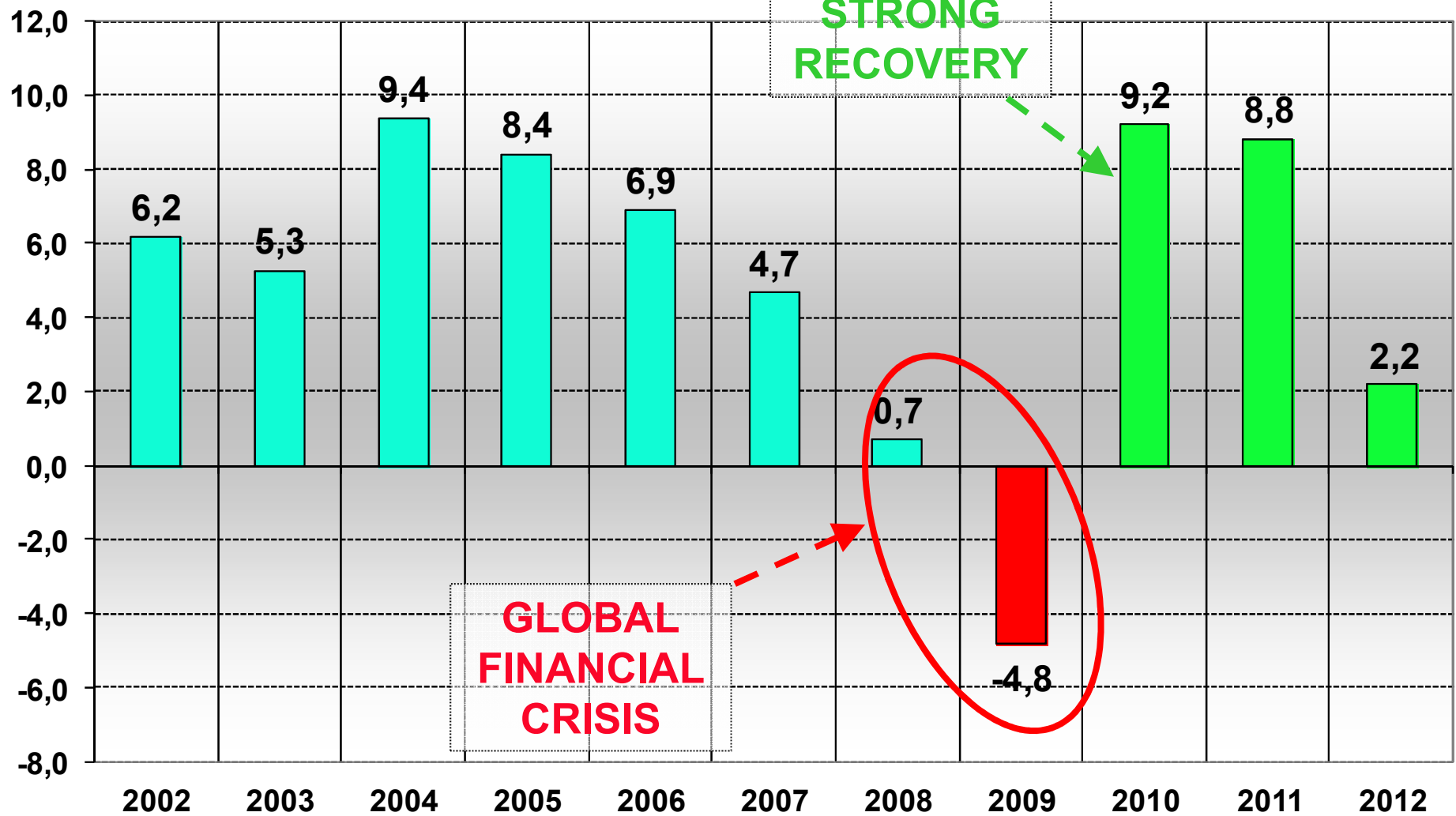
## ***MACROECONOMIC INDICATORS***

## ***BUSINESS ENVIRONMENT***

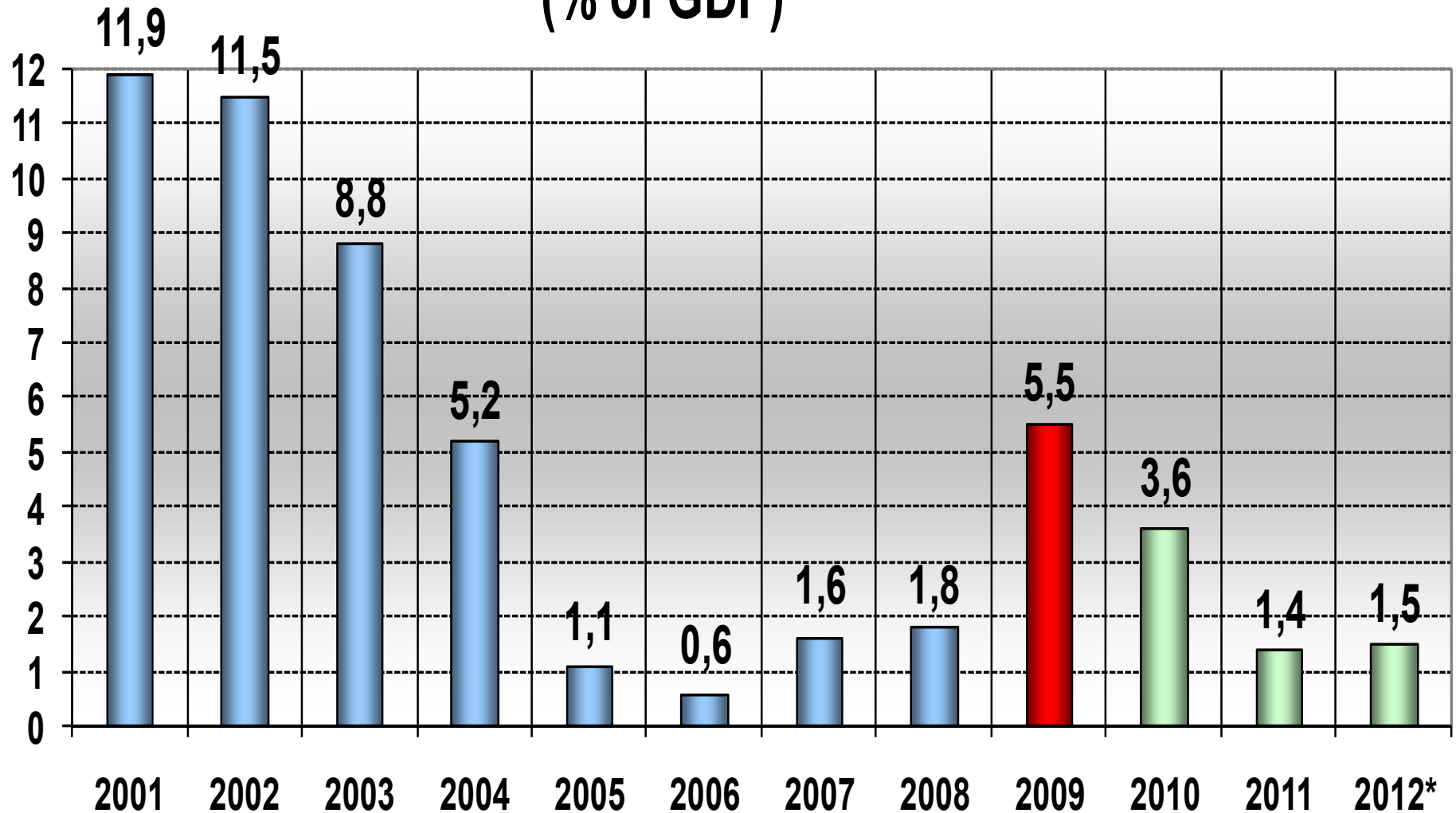
***İSTANBUL CHAMBER OF COMMERCE***

***November 2013***

## GDP Growth Rate (% - Annual)



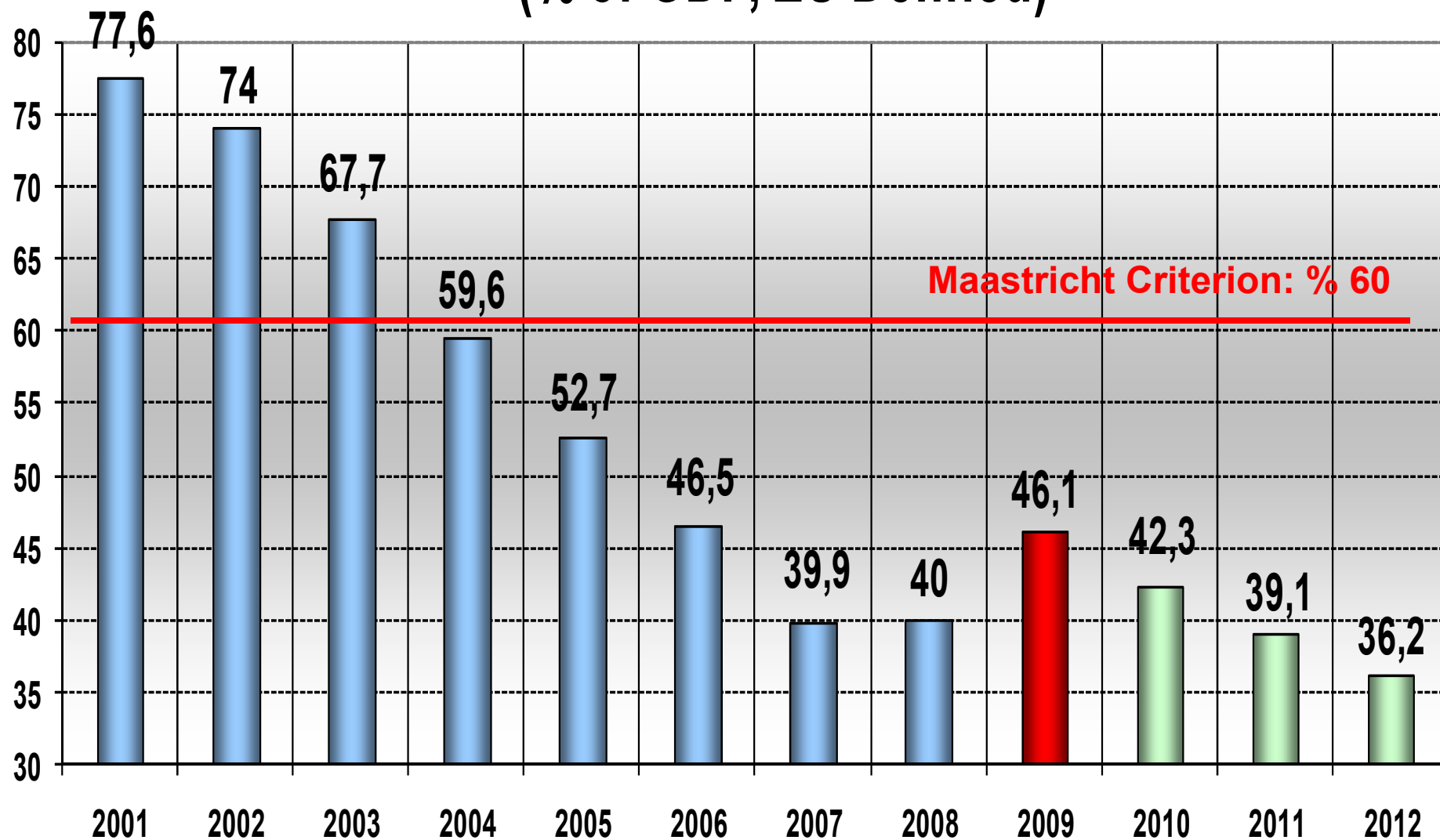
# CENTRAL GOVERNMENT BUDGET DEFICIT (% of GDP)



Source : Ministry of Finance.

\* 2012 - 2014 Medium-Term Program Targets

# PUBLIC SECTOR GROSS DEBT STOCK (% of GDP, EU Defined)



Source : Treasury

# **ANNUAL AVERAGE GDP GROWTH RATES IN THE EMEA REGION FOR 2002-2007**

**1,9%**  
EURO AREA

**5,8%**  
CEE REGION

**6,8%**

**TURKEY**

**7,5%**  
CIS COUNTRIES

**6,1%**  
AFRICA

**5,7%**  
MIDDLE EAST

**TURKEY HAD BEEN ONE OF THE FASTEST GROWING ECONOMIES IN THE REGION DURING 2002-2007, OUTPACING ALMOST ALL OF THE AVERAGES OF THE NEIGHBOUR COUNTRY GROUPS.**

## **GROWTH PERFORMANCES OF COUNTRY GROUPS (2010)**

**EURO AREA ..... 1,9%**

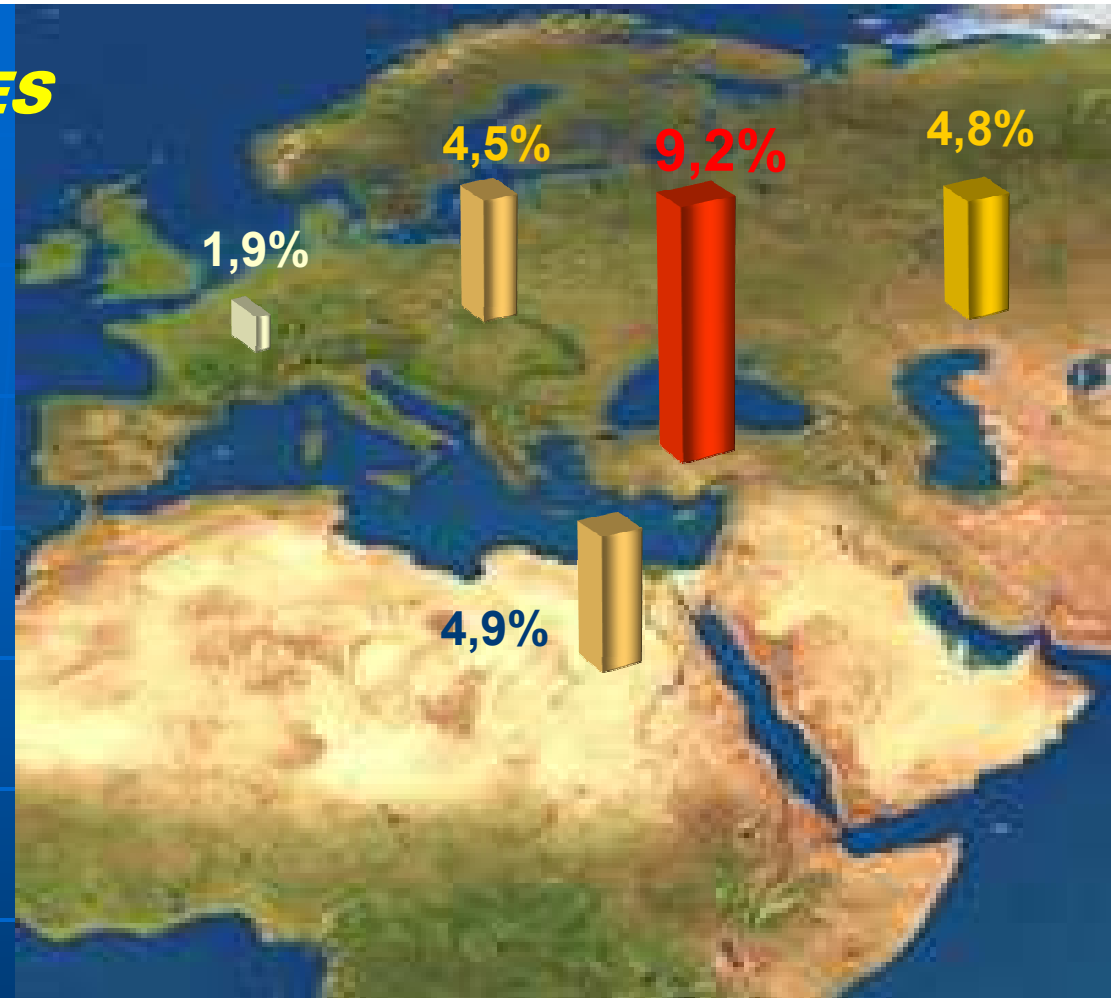
**CEE REGION ..... 4,5%**

**CIS COUNTRIES ..... 4,8%**

**MIDDLE EAST &  
NORTH AFRICA..... 4,9%**

**LATIN AMERICA ..... 6,2%**

**ASIA ..... 9,7%**



**TURKEY WAS  
THE FASTEST GROWING ECONOMY  
IN THE EMEA REGION  
WITH 9,2% IN 2010.**

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# **GROWTH PERFORMANCES OF COUNTRY GROUPS (2011)**

**EURO AREA ..... 1,4%**

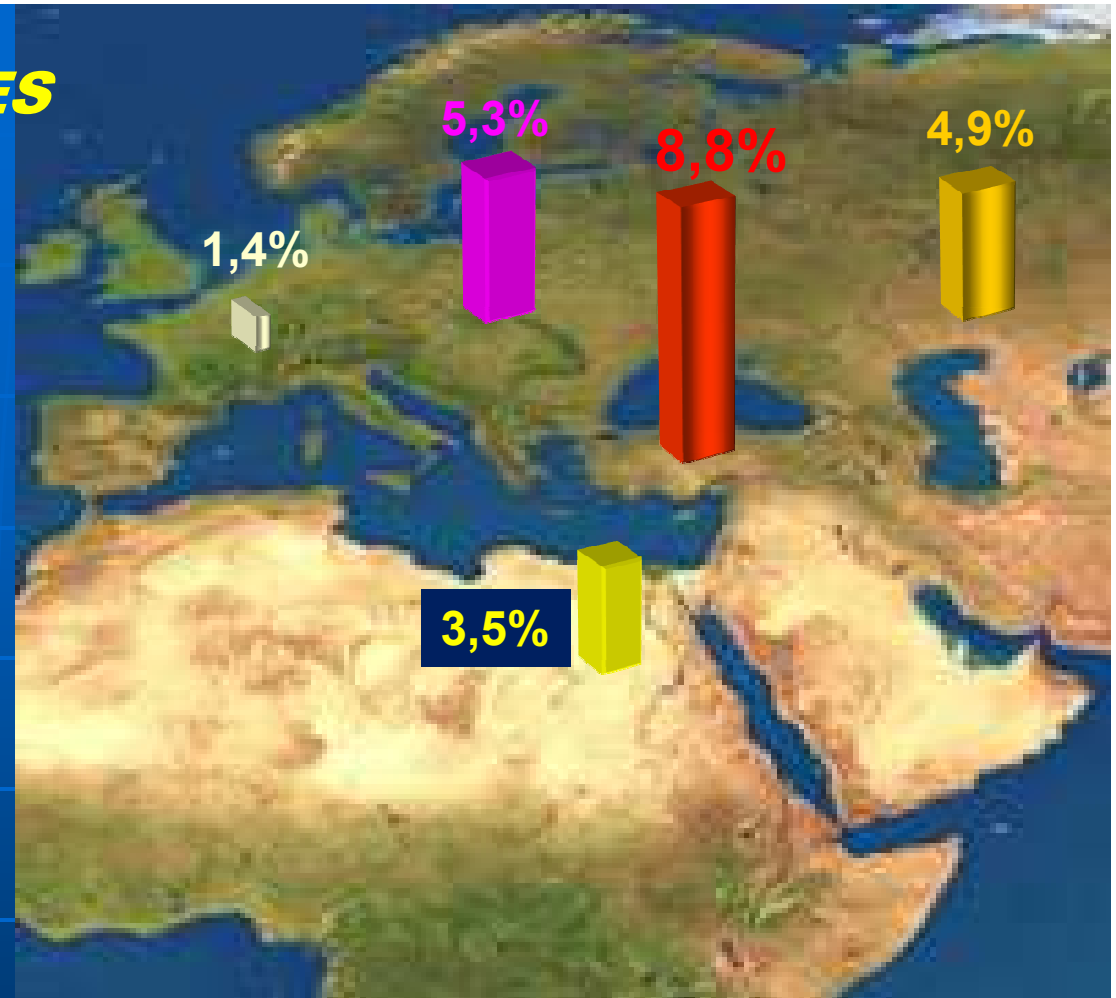
**MIDDLE EAST &  
NORTH AFRICA..... 3,5%**

**LATIN AMERICA ..... 4,5%**

**CIS COUNTRIES ..... 4,9%**

**CEE REGION ..... 5,3%**

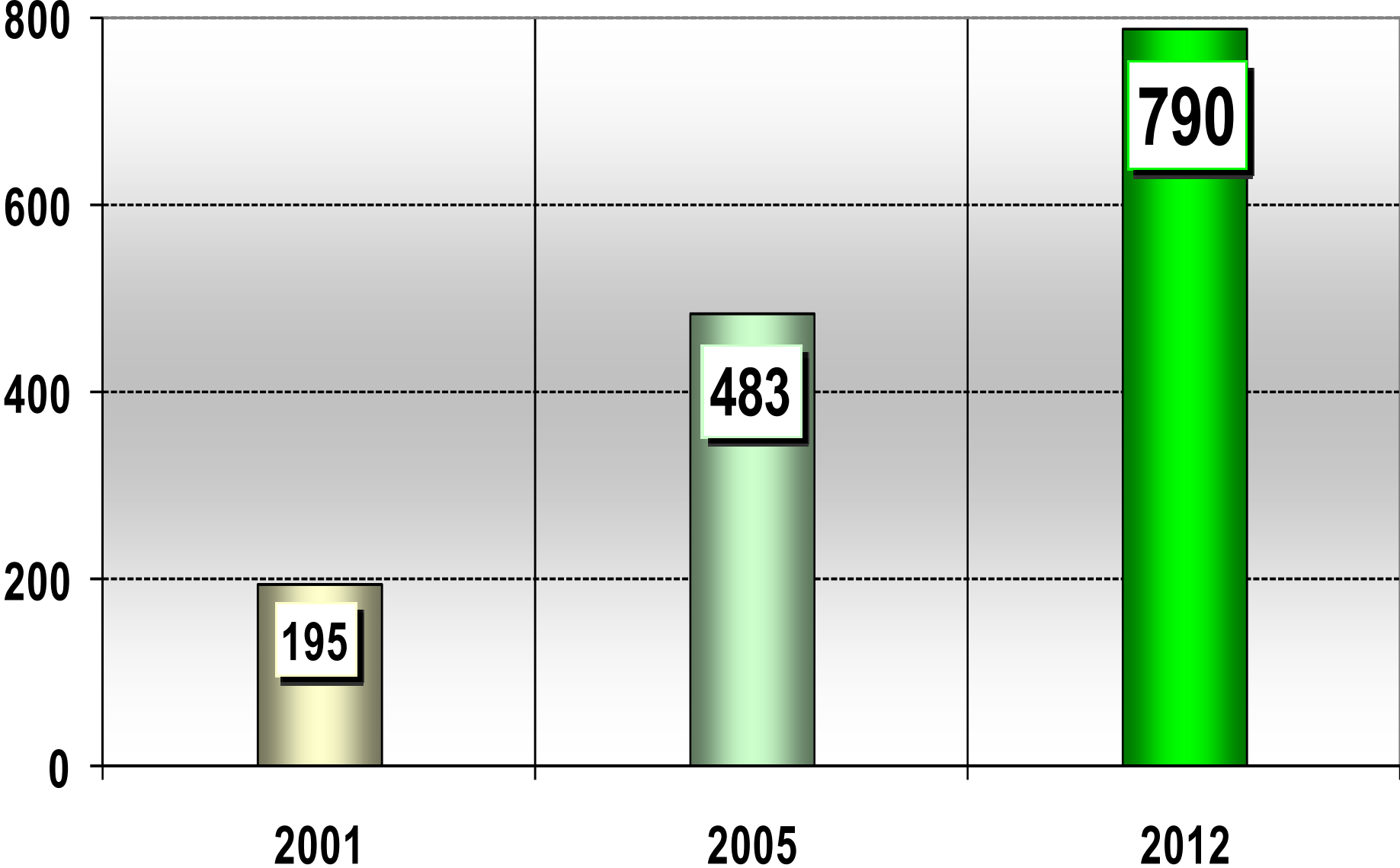
**ASIA ..... 7,8%**



**ONE OF THE FASTEST GROWING  
ECONOMIES OF THE WORLD  
WITH 8,5% IN 2011.**

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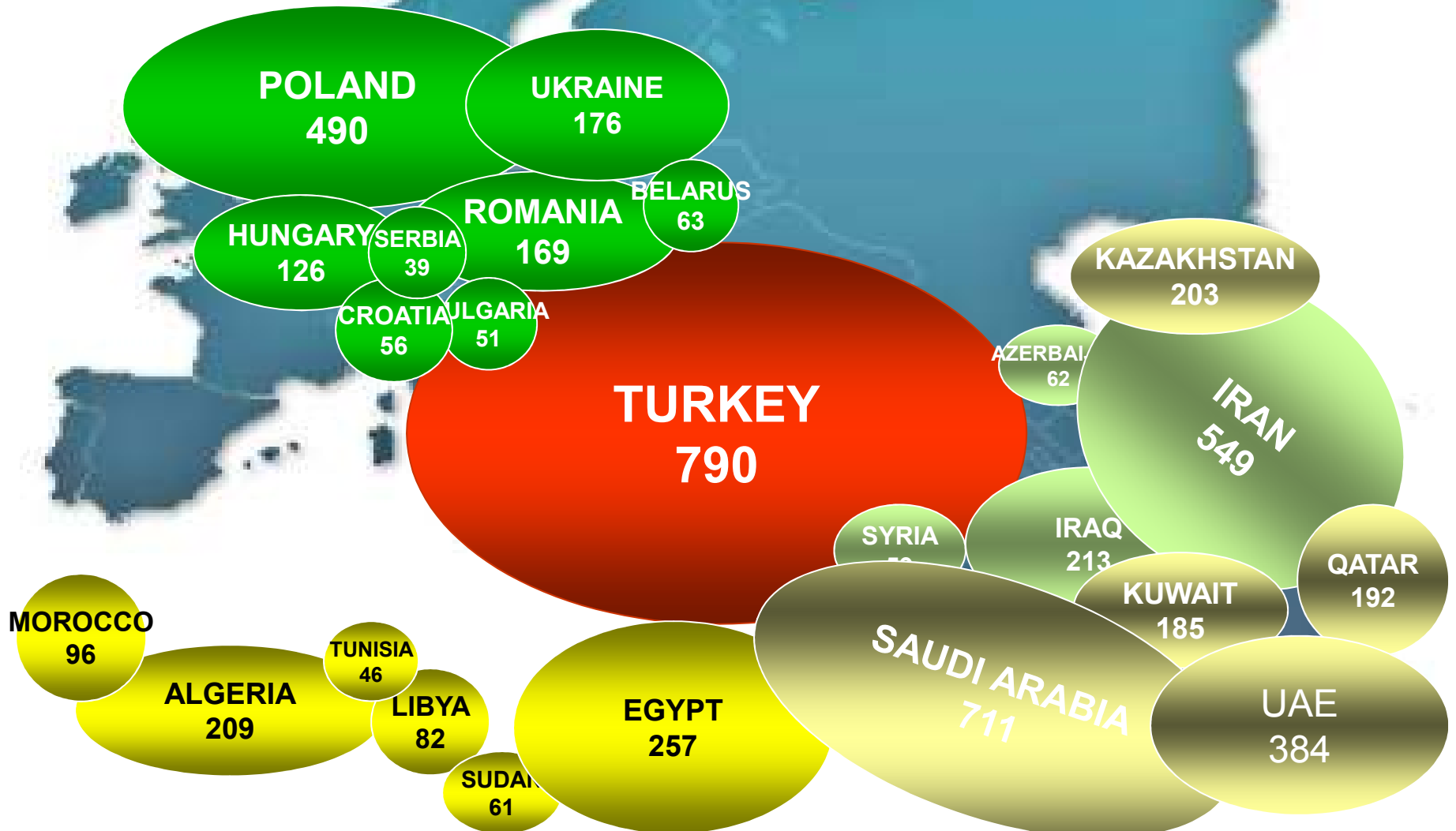
# GDP (Billion \$)



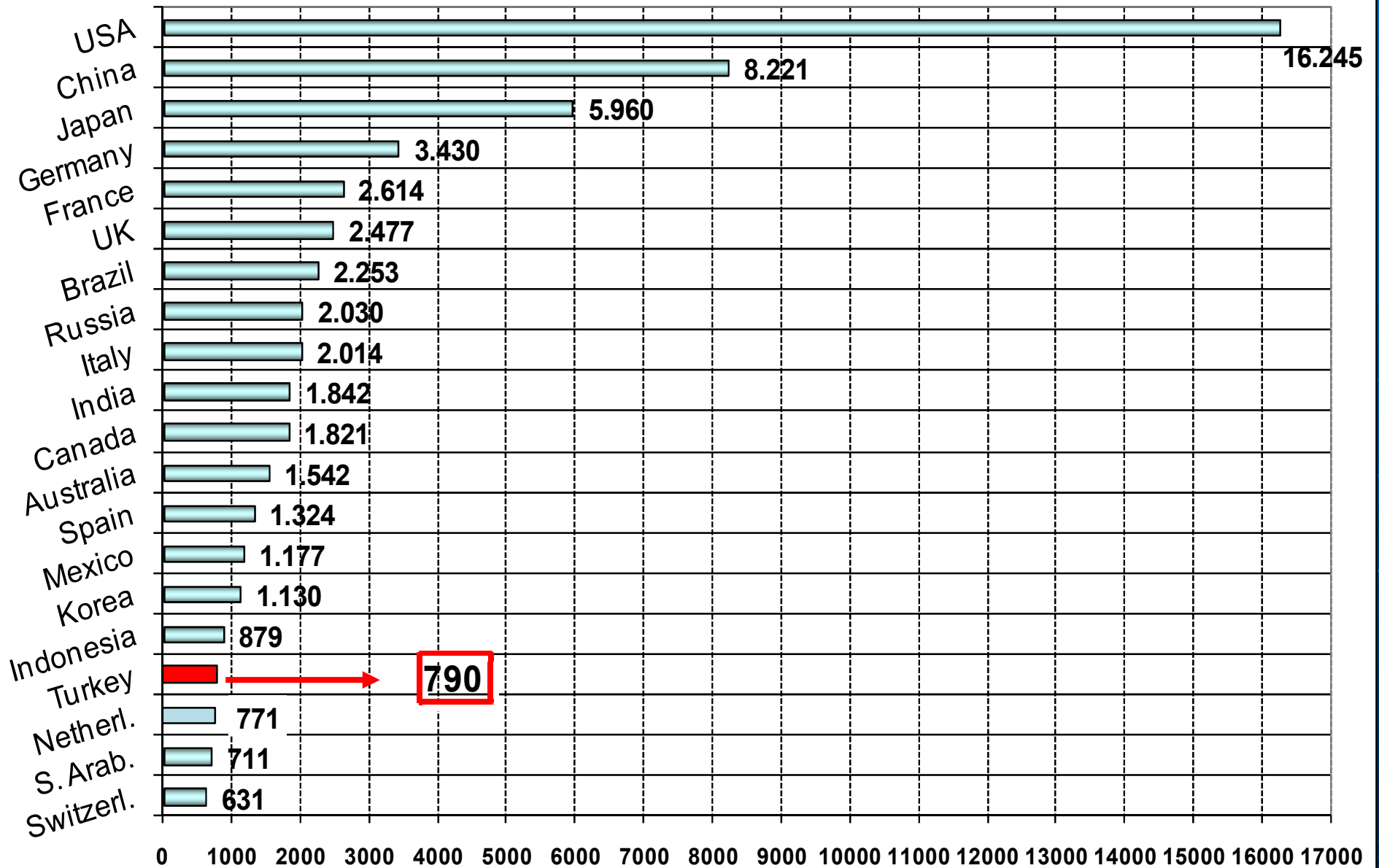


**TURKEY IS THE LARGEST AND MOST DYNAMIC EMERGING MARKET IN THE EMEA REGION. (excluding Russia)**

**GDP COMPARISON OF THE EMERGING MARKETS IN THE SURROUNDING REGION FOR 2012 (BILLION US\$)**

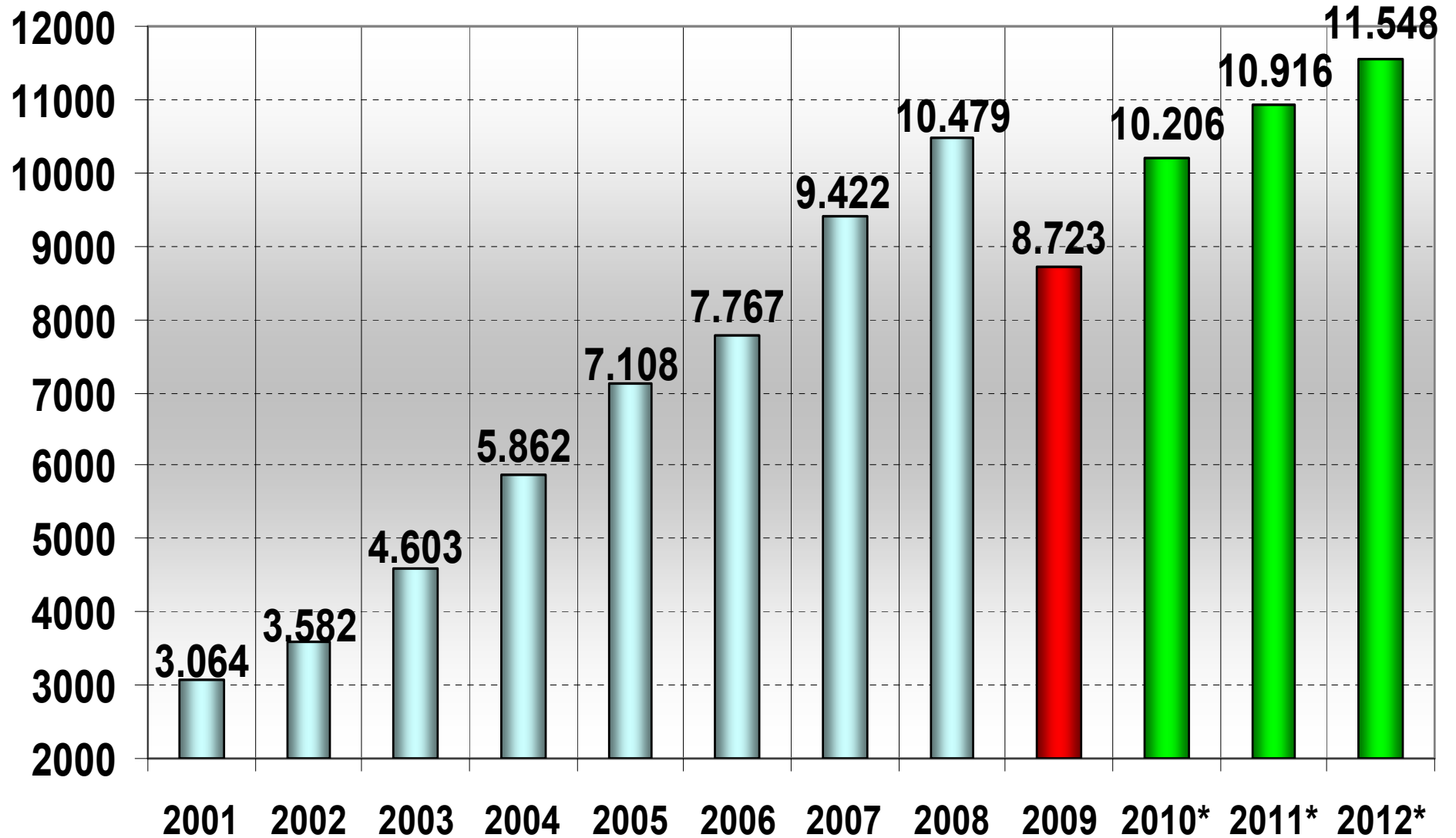


# TOP 20 ECONOMIES - 2012 (Billion \$)



Source : IMF – WEO Database.

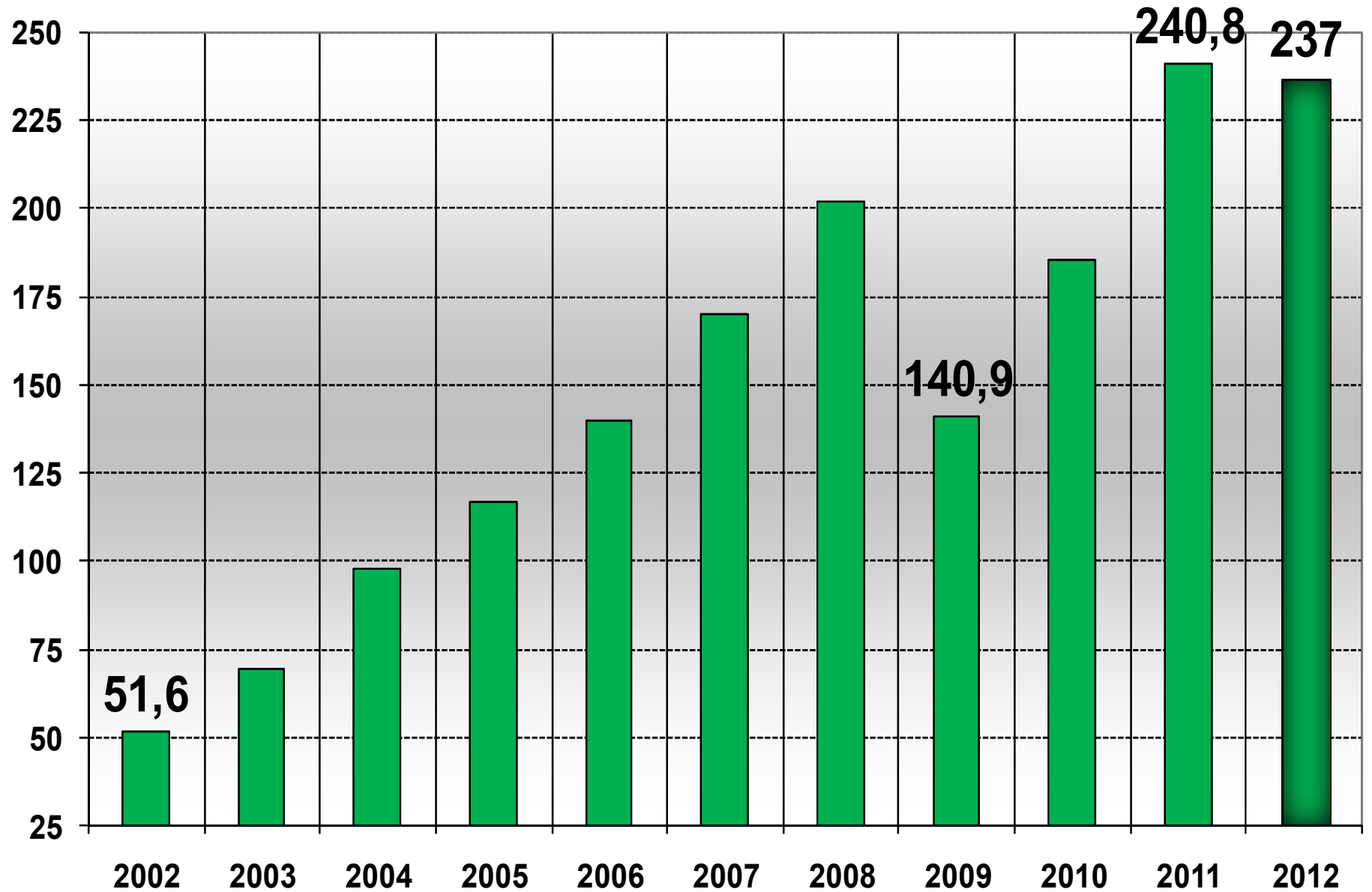
# GDP Per Capita (\$)



Source : TURKSTAT

\* IMF Forecasts (WEO – April 2010)

# IMPORT PERFORMANCE (Billion \$)



Source : TURKSTAT

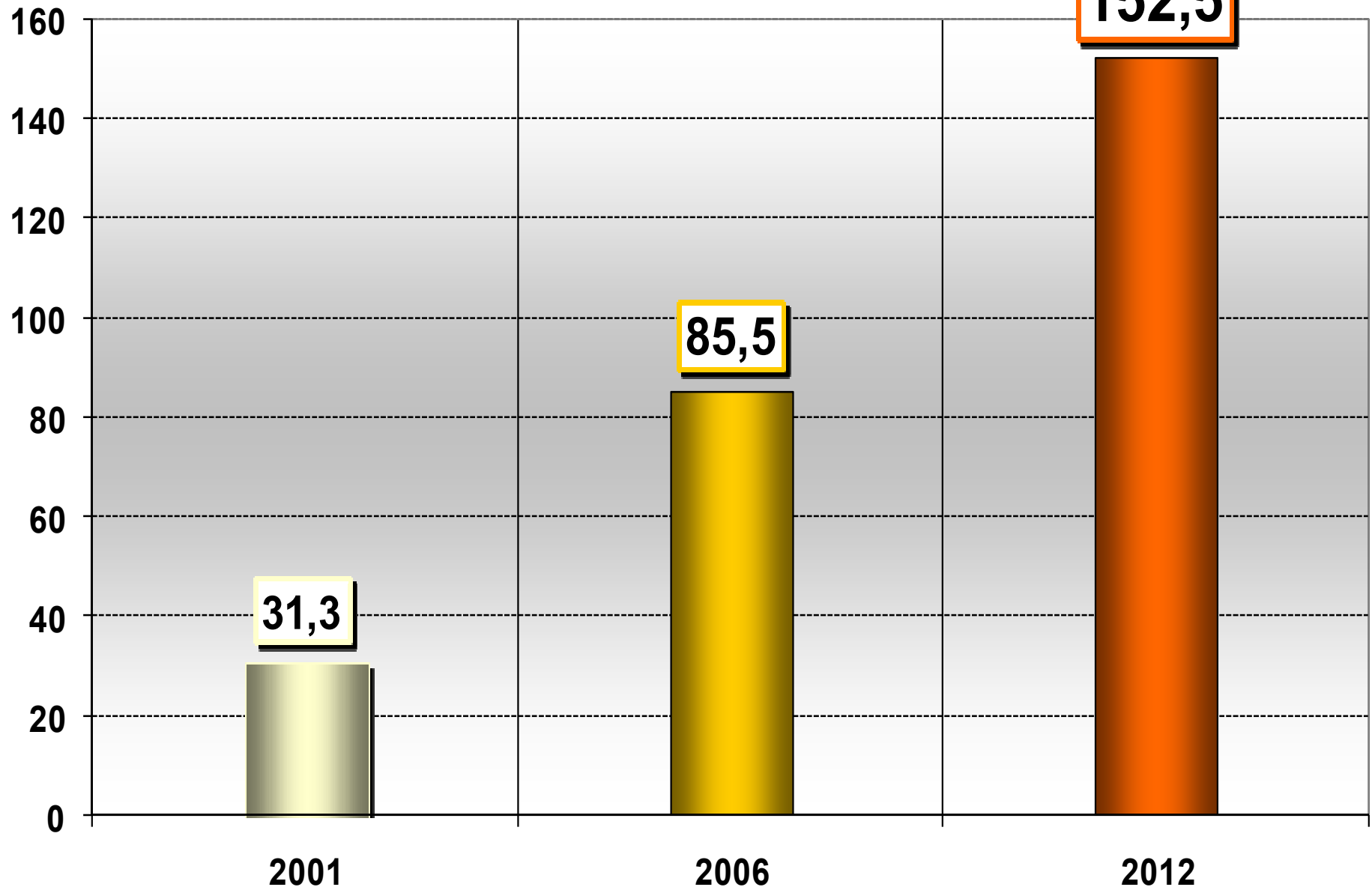
## MAIN CHAPTERS IN TURKEY'S IMPORTS (2012 – Billion \$)

Mineral fuels & oils	60,1
Machineries, mechanical appliances & parts	26,3
Iron & steel	19,6
Electrical machinery & equipment	16,3
Motor vehicles & parts	14,5
Plastics and articles thereof	12,5
Pearl and other precious stone and products, coins	8,5
Organic chemicals	5,1
Optical, photographic, measuring, precision apparatus	4,1
Pharmaceutical products	4,0
Copper and articles thereof	3,9
Aircraft & parts	3,2
Rubber & articles thereof	3,0
Aluminum and articles thereof	2,9
Paper & paperboard	2,9
<b>TOTAL</b>	<b>237</b>

## **MAIN PARTNERS IN TURKEY'S IMPORTS (2012 – Billion \$)**

RUSSIA	26,6
GERMANY	21,4
CHINA	21,3
U.S.A.	14,1
ITALY	13,3
IRAN	12,0
FRANCE	8,6
SPAIN	6,0
INDIA	5,8
SOUTH KOREA	5,6
UNITED KINGDOM	5,6
UKRAINE	4,4
SWITZERLAND	4,3
BELGIUM	3,7
NETHERLANDS	3,6
<b><i>TOTAL</i></b>	<b>237</b>

# EXPORT PERFORMANCE (Billion \$)



## MAIN CHAPTERS IN TURKEY'S EXPORTS (2012 – Billion \$)

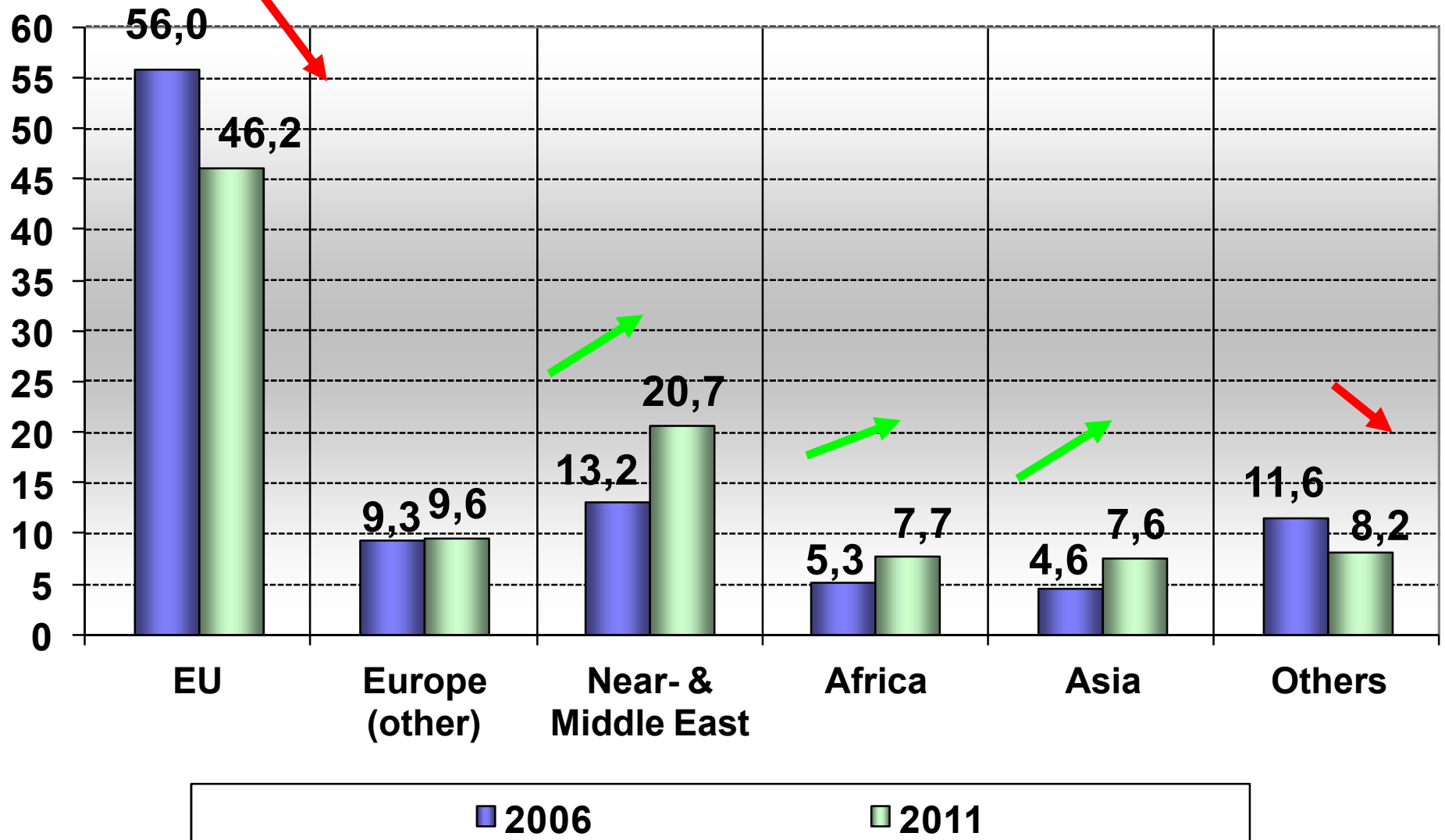
Pearl and other precious stone and products, coins	16,3
Motor vehicles	15,1
Machineries, mechanical appliances & parts	12,0
Iron & steel	11,3
Electrical machinery & equipment	9,4
Clothing & articles thereof (knitted)	8,4
Mineral fuels & oils	7,7
Articles of iron or steel	6,1
Clothing & articles thereof (not knitted)	5,4
Plastics and articles thereof	5,0
Edible fruit and nuts	3,8
Salt; sulphur; stone; plastering materials, cement	2,5
Rubber & articles thereof of	2,4
Furniture	2,4
Aluminum & articles thereof	2,3
<b>TOTAL</b>	<b>152</b>



## MAIN PARTNERS IN TURKEY'S EXPORTS (2012 – Billion \$)

GERMANY	13,1
IRAQ	10,8
IRAN	9,9
UNITED KINGDOM	8,7
U.A.E.	8,2
RUSSIA	6,7
ITALY	6,4
FRANCE	6,2
U.S.A.	5,6
SPAIN	3,7
EGYPT	3,7
SAUDI ARABIA	3,7
NETHERLANDS	3,2
CHINA	2,8
AZERBAIJAN	2,6
<b>TOTAL</b>	<b>152</b>

# EXPORTS TO MAIN COUNTRY GROUPS (Share in Total - %)





**EUROPEAN UNION**  
**(CUSTOMS UNION)**  
↓  
**MAJOR TRADE PARTNER**

**RECENT SHIFT IN  
TURKEY'S TRADE ROUTES**

**TURKEY IS  
DIVERSIFYING ITS  
EXPORT DESTINATIONS**

# RECENT INITIATIVES TOWARDS IMPROVING RELATIONS WITH VARIOUS COUNTRIES

## ALREADY EXISTING FTA'S

Montenegro  
EFTA  
Israel  
Macedonia  
Croatia  
Bosnia-Herzegovina  
Morocco  
Palestine  
Tunisia  
Syria  
Egypt  
Georgia  
Albania  
Serbia  
Jordan  
Chile

## FTA'S TO BE APPROVED

Lebanon

## VISA APPLICATIONS ABOLISHED

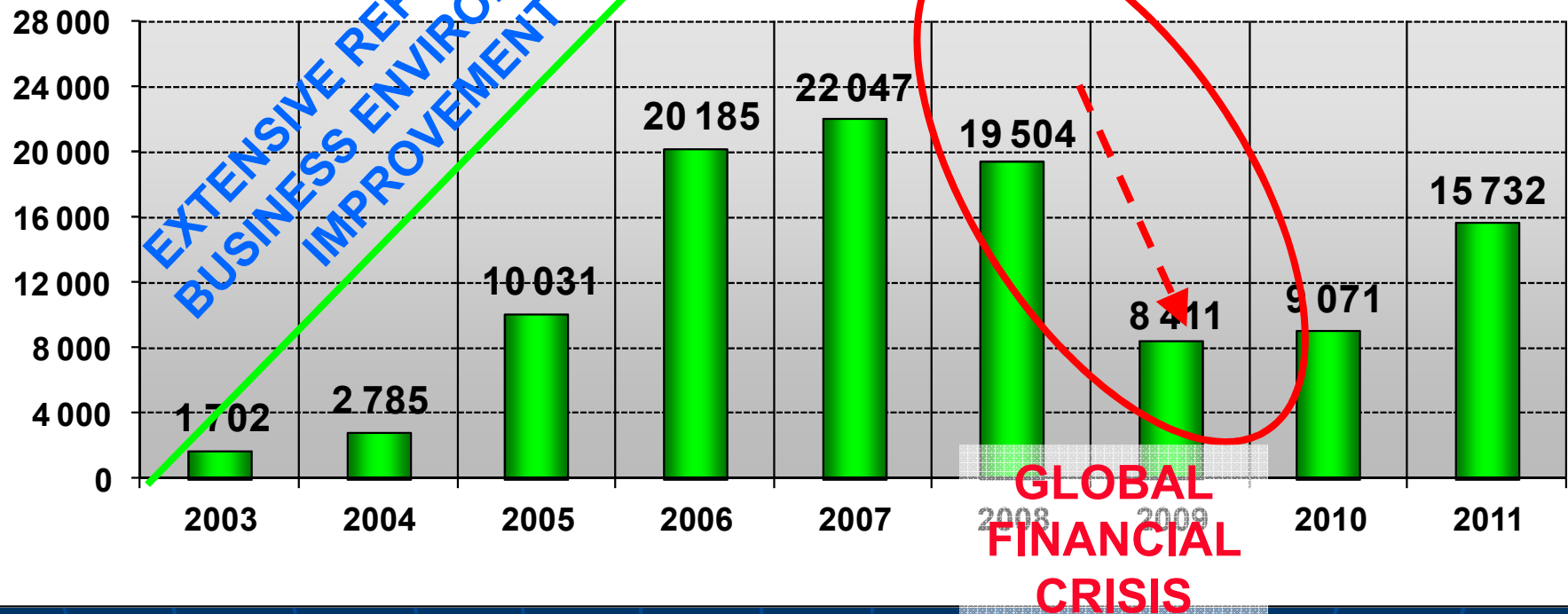
Syria  
Pakistan  
Albania  
Libya  
Jordan  
Lebanon  
Qatar  
Tanzania

Russia  
Kyrgyzstan

## ONGOING FTA NEGOTIATIONS

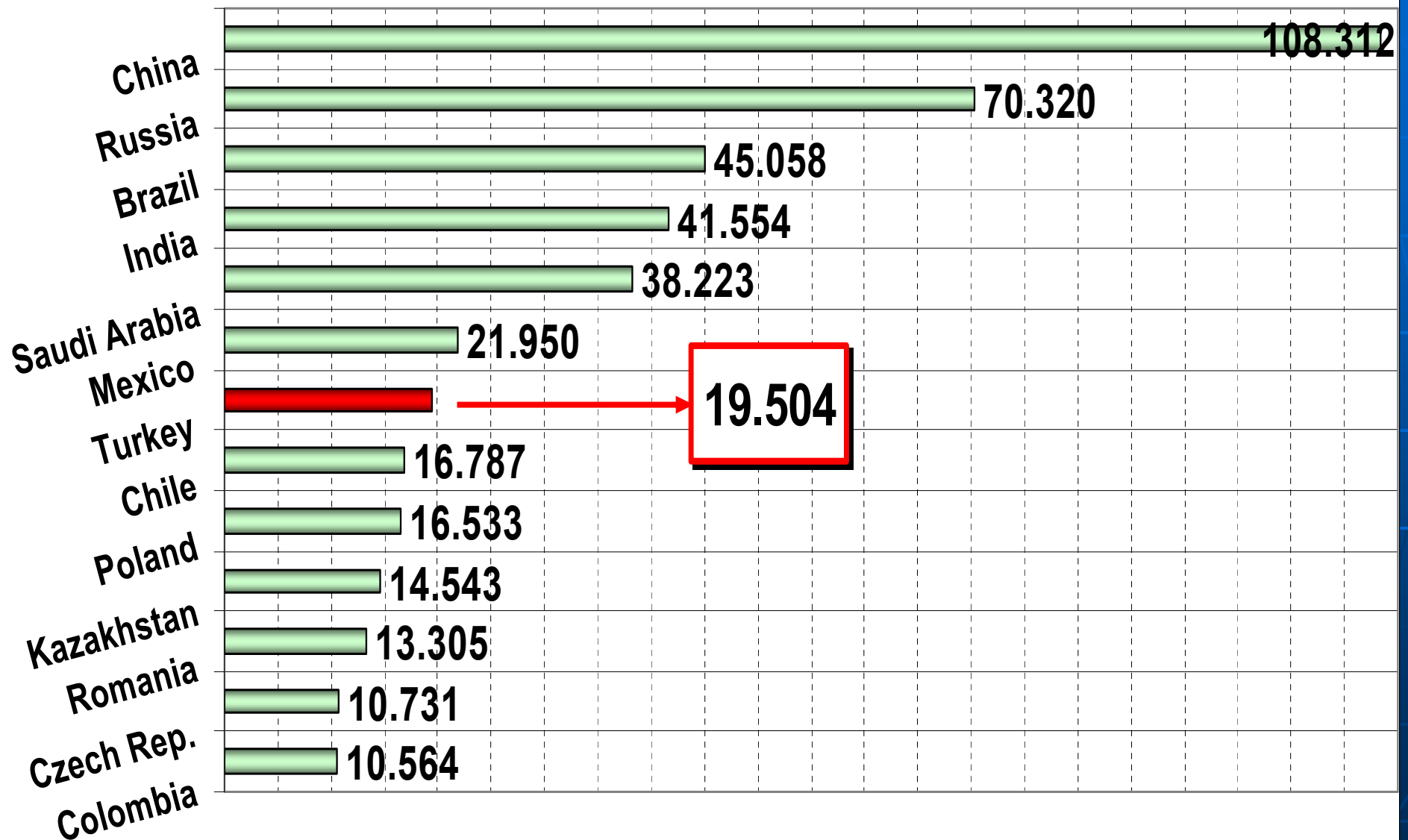
GCC  
Ukraine  
MERCOSUR  
Libya  
Seychelles  
Mauritius  
Faroe Islands

## ANNUAL NET FDI INFLOWS (Million \$)



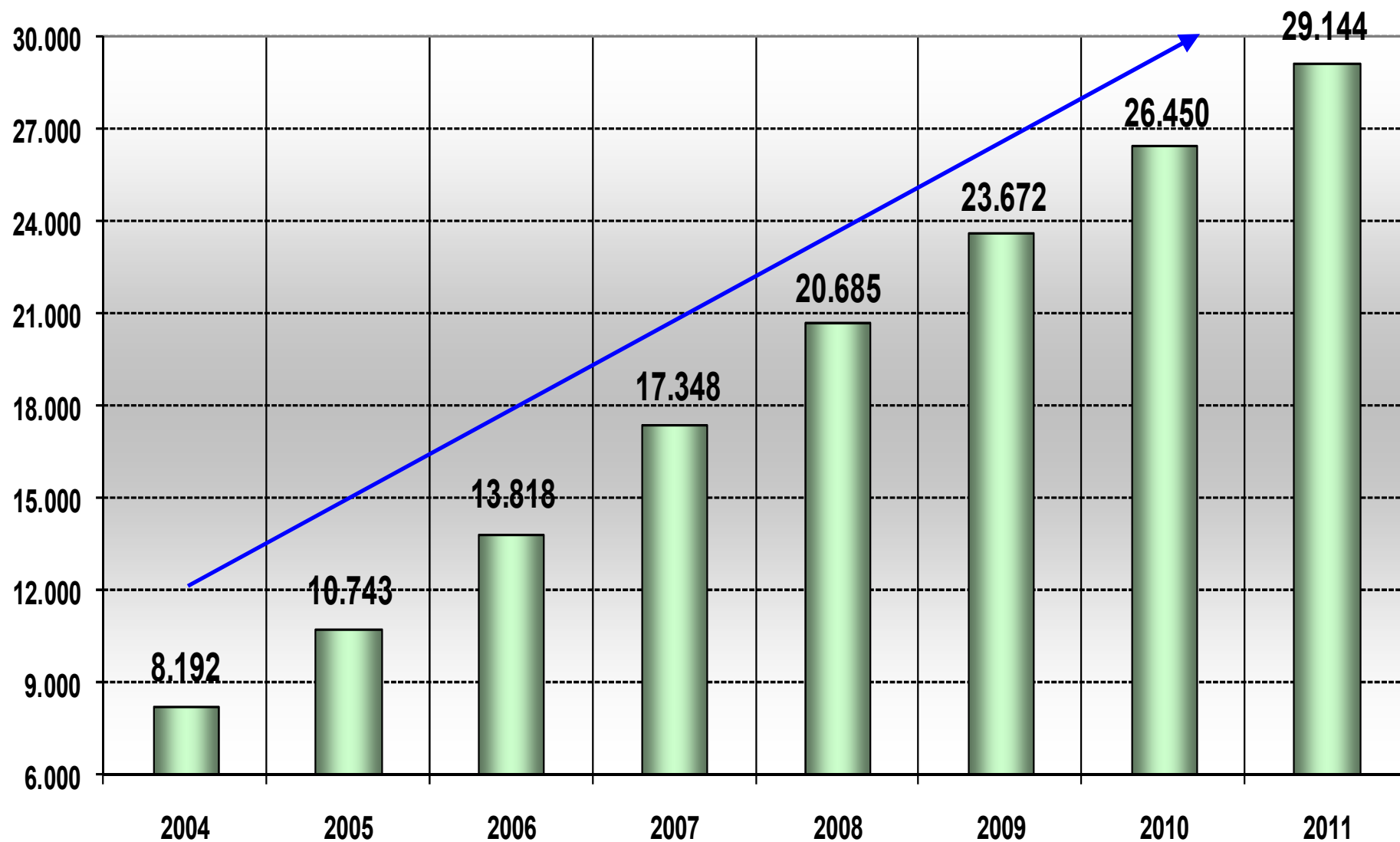
# NET FDI INFLWS TO MAJOR EMERGING MARKETS - 2008

(Million \$)



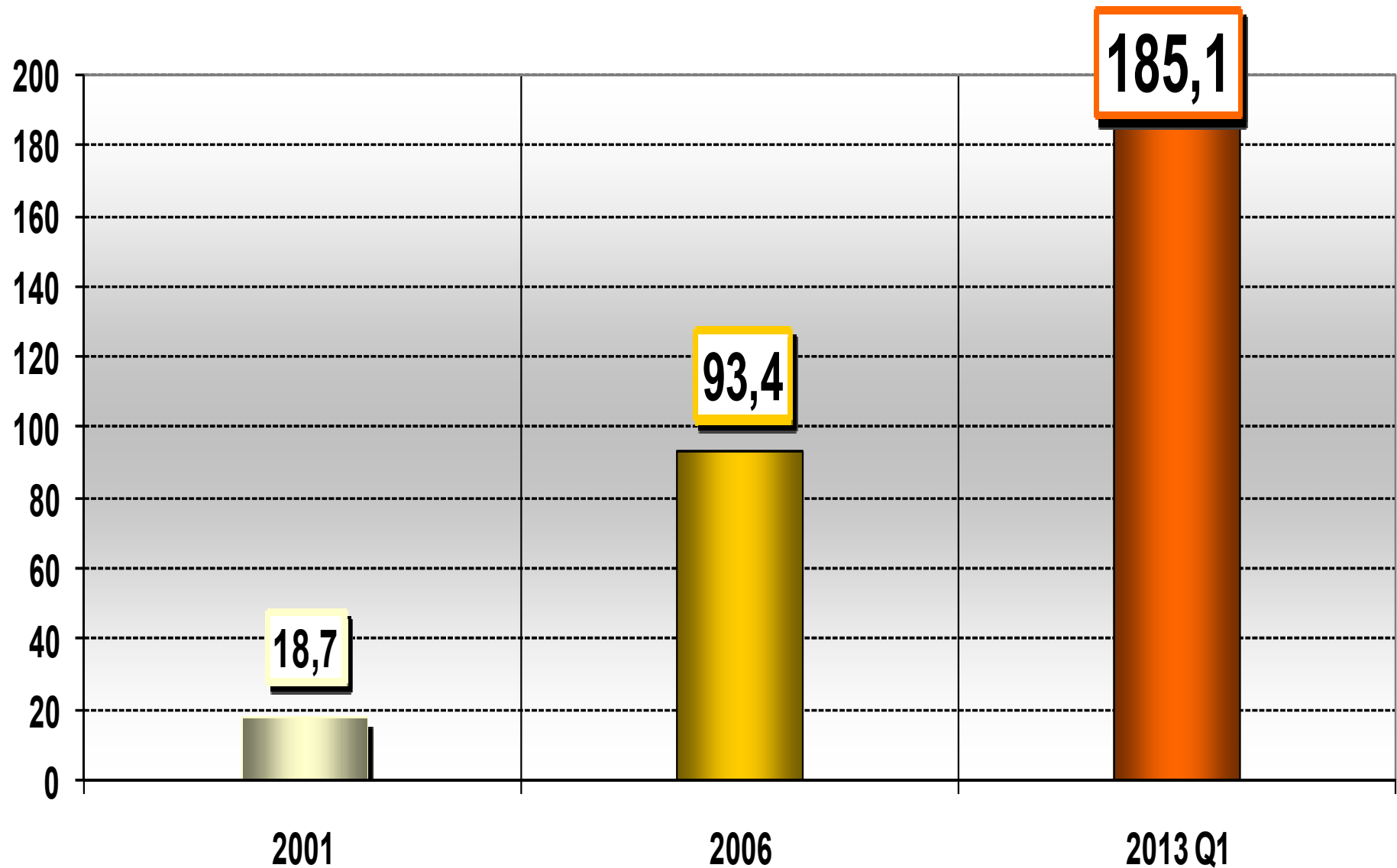
Source : UNCTAD – WIR 2009 Report.

## NUMBER OF COMPANIES WITH FOREIGN CAPITAL (Units)



Source : CBRT.

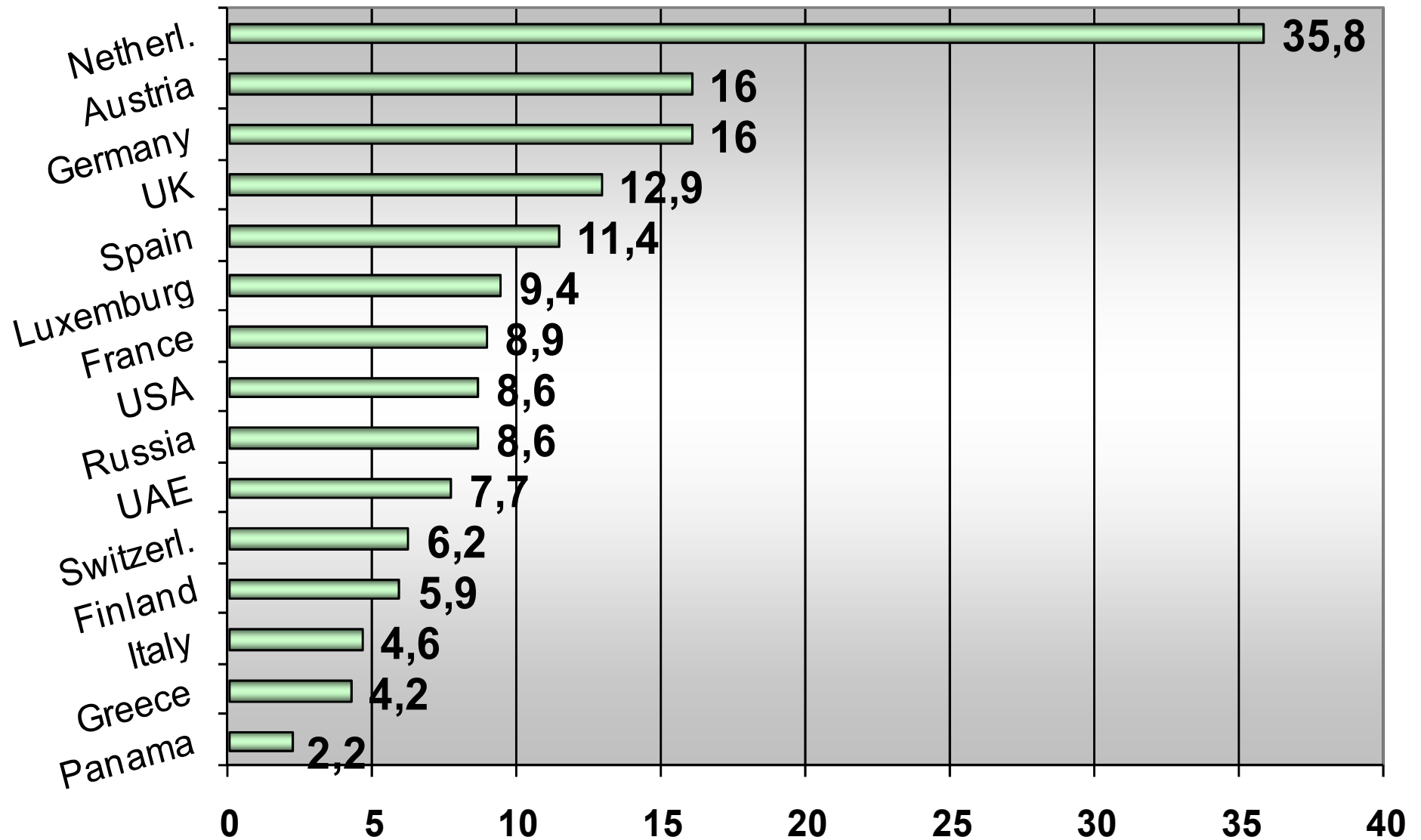
# FOREIGN DIRECT INVESTMENT STOCK (Billion \$)



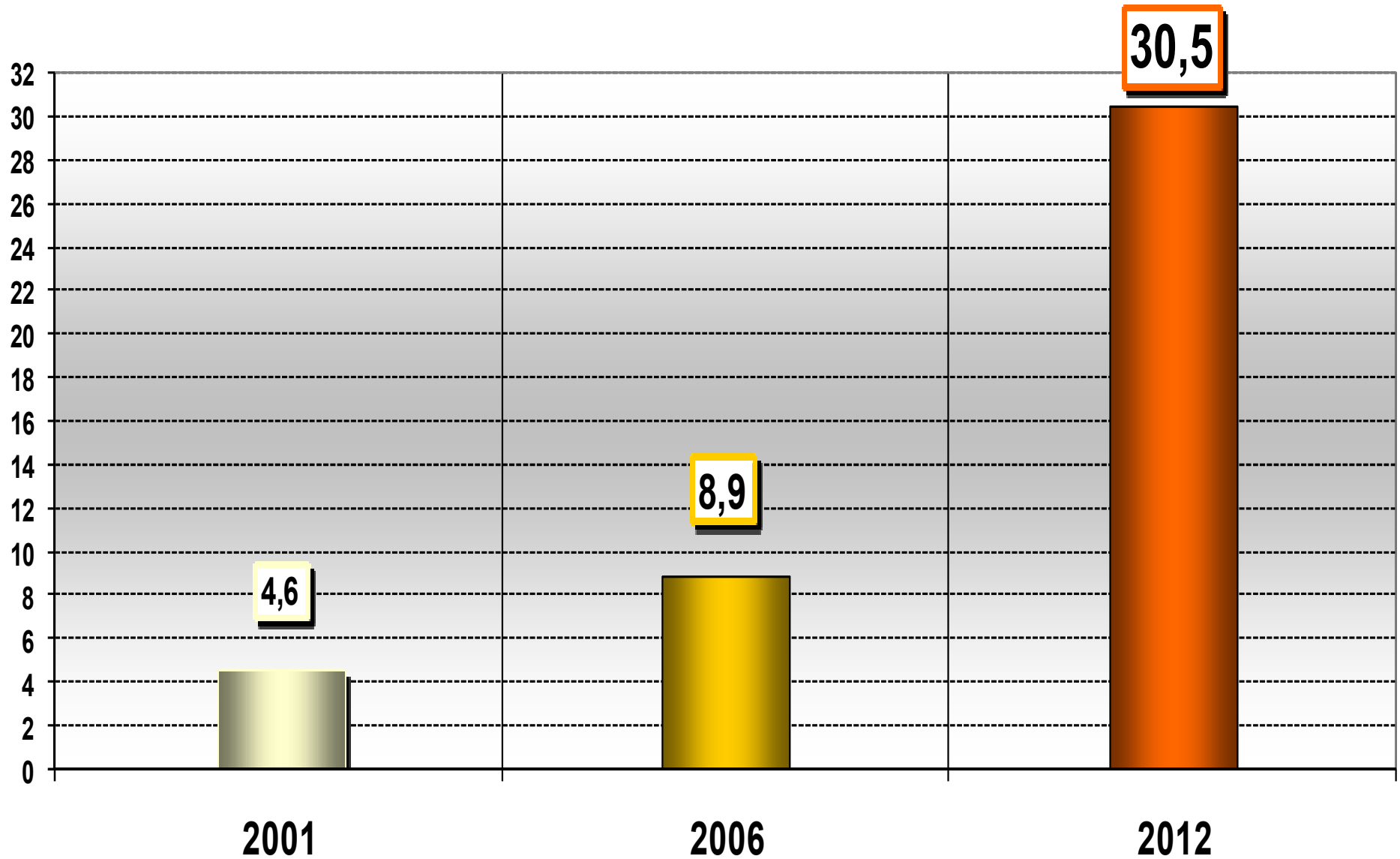
Source : CBRT.



# TOP INVESTOR COUNTRIES IN TURKEY (2012 - Billion \$)



# TURKISH OUTWARD FDI STOCK (Billion \$)



Source : CBRT.

# BUSINESS ENVIRONMENT

## ■ **FDI LAW**

- ***National Treatment (Equal treatment with Turkish Companies)***
- ***No Restrictions***
- ***No Permissions (for industrial and commercial companies)***
- ***Free Transfer of Capital, Dividends and Profits.***

# BUSINESS ENVIRONMENT

## ■ ***COMPANY ESTABLISHMENT LAW***

- ***Company Set-up preparations can be completed in 4-5 days.***
- ***Company registration process can be completed in 1 day.***
- ***One-stop Registration (Istanbul Trade Registry Office under the ICOC)***

# BUSINESS ENVIRONMENT

- ***MANY GENEROUS & BUSINESS FRIENDLY INCENTIVES***
  - ***Investment Incentives***
  - ***Incentives for SME's***
  - ***State Supports for Exports (in compliance with WTO rules)***
  - ***State Supports for R&D and Innovation Activities***
  - ***Many Others...***



# İSTANBUL



## CENTER & HEART OF TURKISH ECONOMY

**28 % OF GDP**

**28 % OF TOTAL INDUSTRY**

**31 % OF TOTAL SERVICES**

**43 % OF TOTAL TAX REVENUES**

**50 % OF**

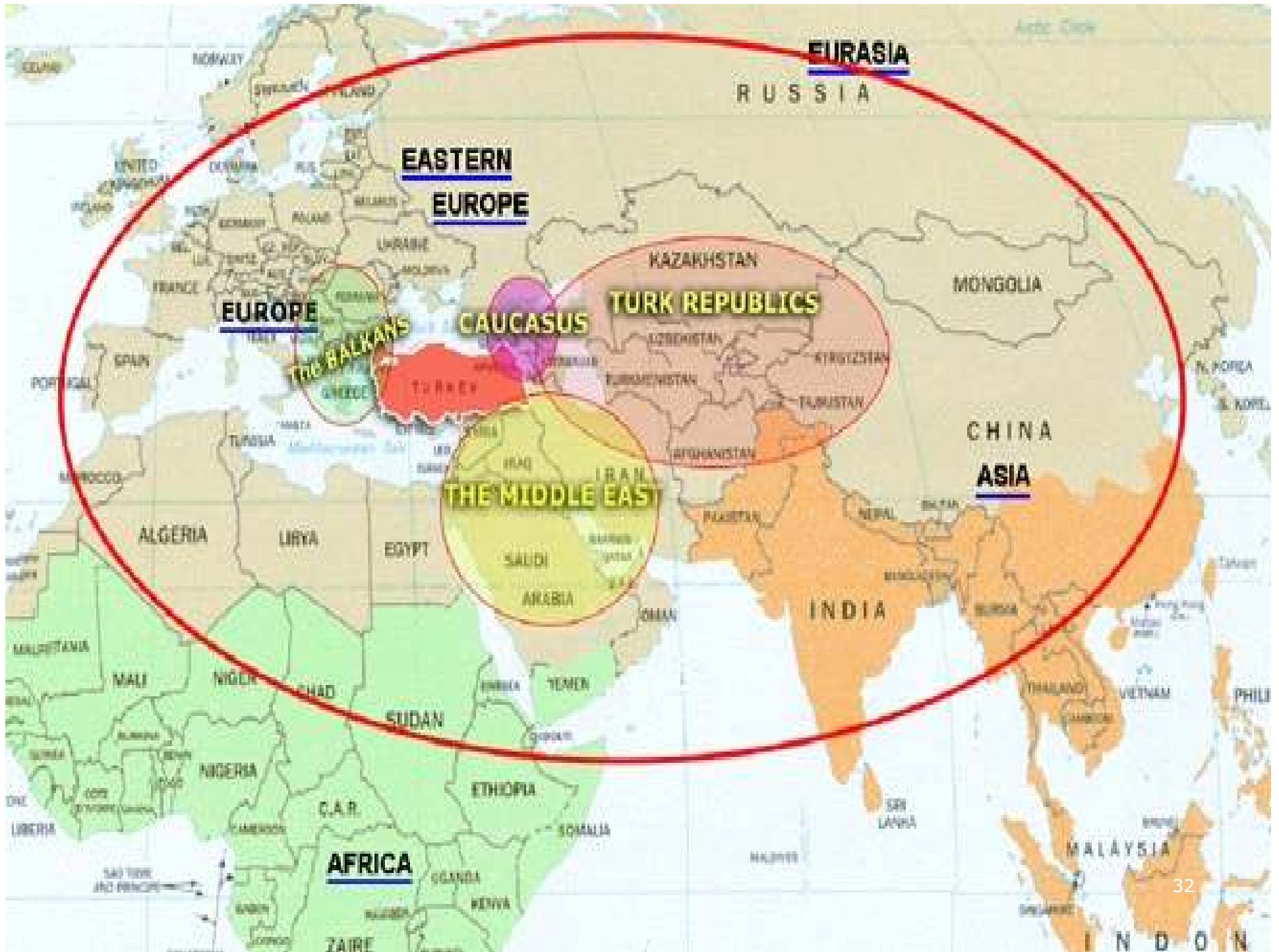
**TOTAL FOREIGN TRADE VOLUME**

**MORE THAN 50 % OF FDI's**





***THANK YOU***





# TURKEY - 72,6 MILLION PEOPLE

➤ **THE 2<sup>ND</sup> MOST POPULOUS COUNTRY  
IN EUROPE AFTER GERMANY**

**CEE REGION**  
1,194 Billion US\$  
105 Million People

**CIS COUNTRIES**  
2,171 Billion US\$  
280 Million People

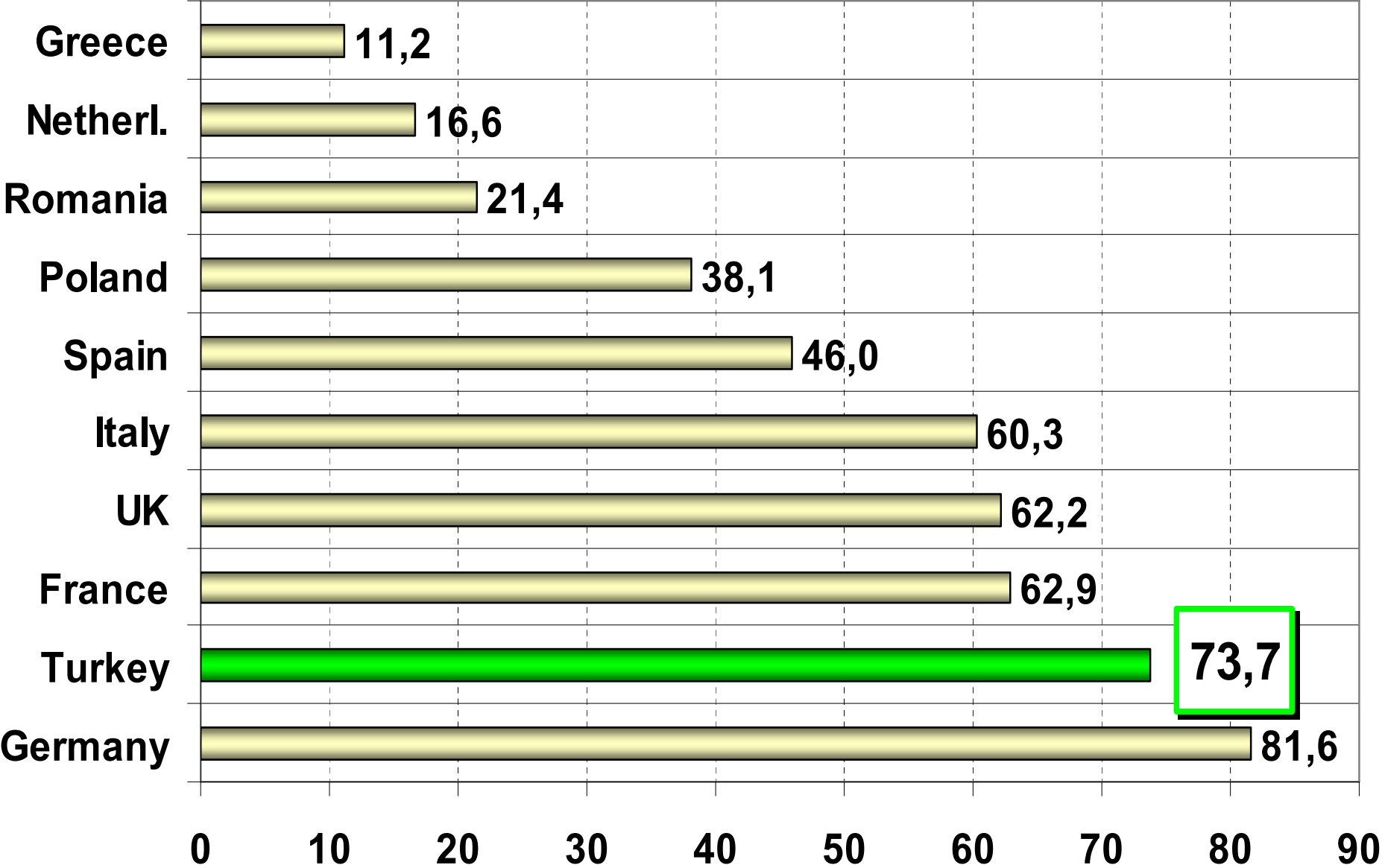
➤ **ONE OF THE HIGHEST POPULATIONS  
IN THE EMEA REGION**

**NORTH AFRICA**  
628 Billion US\$  
280 Million People

**MIDDLE EAST**  
1,632 Billion US\$  
194 Million People

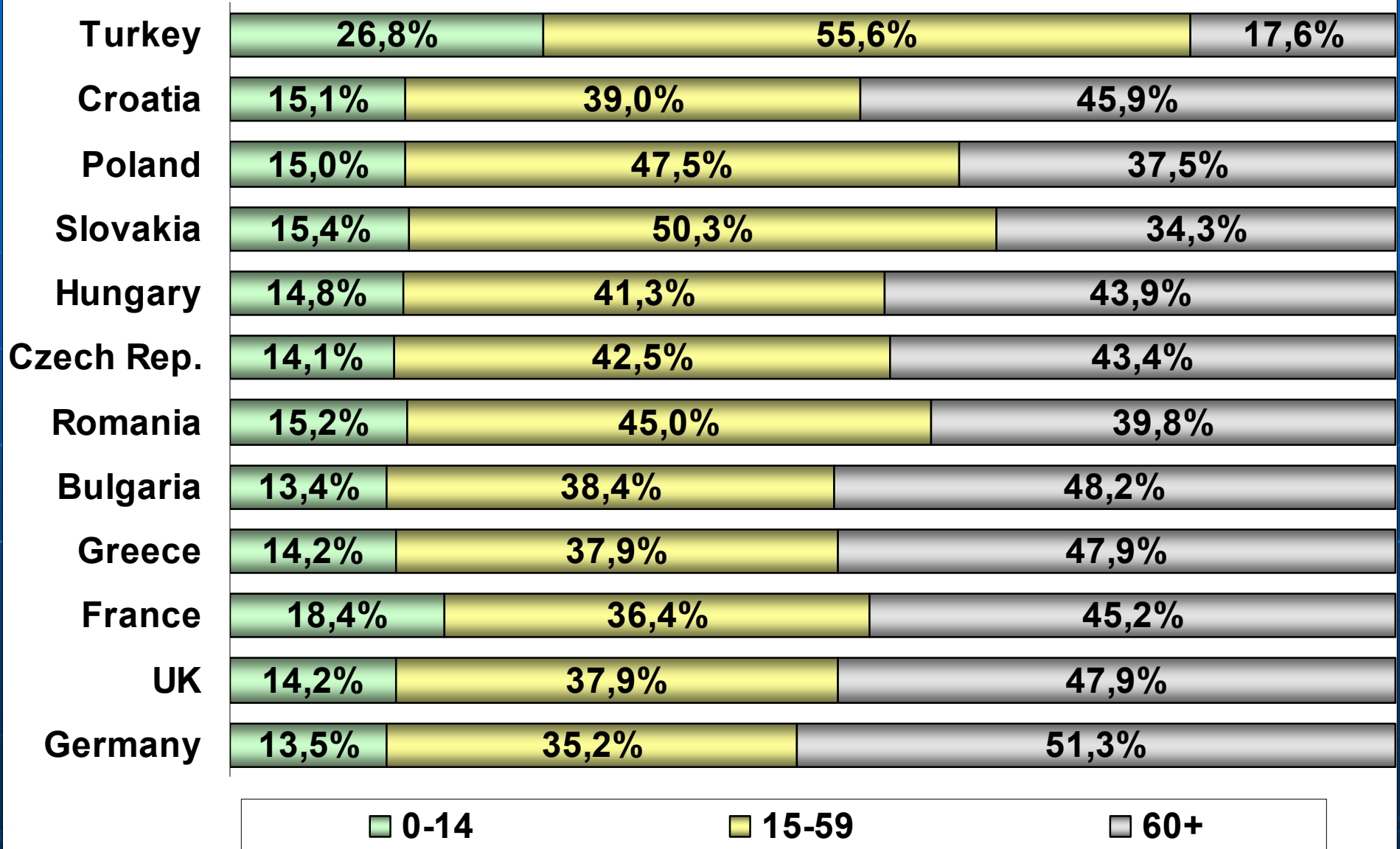
**TOTAL GDP & POPULATIONS  
OF THE SURROUNDING  
COUNTRY GROUPS IN 2008**

# POPULATION IN EUROPE - 2010 (Million)



Source : IMF; TURKSTAT.

## DEMOGRAPHIC PROFILES OF SELECTED COUNTRIES



## **TURKEY OBTAINED**

### **A SERIES OF CREDIT RATING UPGRADES FROM**

### **MAJOR CREDIT RATING AGENCIES IN 2009:**

- **FITCH :**            *from BB- to BB+ (2 levels)*
- **MOODY'S :**        *from Ba3 to Ba2 (1 level)*
- **S&P :**              *from BB- to BB (1 level)*
- **JCR :**                *from BB- to BB (1 level)*

### **NEW UPGRADE OBTAINED FROM S&P IN SEPTEMBER 2011**

**S&P :**                *from BB to BBB- (investable)*

# PROMISING SECTORS

- **TRANSPORTATION & LOGISTICS**
- **INFORMATION & COMMUNICATION TECHNOLOGIES**
- **MANUFACTURING INDUSTRIES**
  - **Automotive**
  - **Machinery & Equipment**
  - **Electronics**
  - **Shipbuilding**
  - **Jewelry**
  - **Furniture**
  - **Chemistry**
  - **Iron & Steel**
  - **Construction Materials**

# PROMISING SECTORS

## ■ ENERGY

- **130 Billion \$ Worth of Investment until 2020**
- **High Potential for Renewable Energy (wind, solar, thermal etc.)**
- **Energy Terminal (NABUCCO Project etc.)**
- **Privatization of Energy Distribution Companies & Energy Plants**

# PROMISING SECTORS

## ■ TOURISM

- **Tourism Revenues from 10 Billion \$ in 2001 to 23 Billion \$ in 2011**
- **Number of foreign visitors from 11 Million in 2001 to 27 Million in 2011**
- **High Potential in All Sub-sectors of Tourism (Sea-sand-sun; Shopping; Health; Culture; Congress; Highland; Winter; Sports etc.)**

# PROMISING SECTORS

## ■ FINANCIAL SECTOR

- **Low Household Liabilities (%15 of GDP)**
- **Low Total Housing Loans (% 3.6 of GDP)**
- **Low Total Credit Volume (%40 of GDP)**
- **Plenty of Room for Further Expansion**



# BUSINESS ENVIRONMENT

## ■ FOR FURTHER INFORMATION VISIT:

- [www.invest.gov.tr](http://www.invest.gov.tr)  
INVEST IN TURKEY (INVESTMENT SUPPORT AND PROMOTION AGENCY – ISPAT)
- [www.ekonomi.gov.tr](http://www.ekonomi.gov.tr)  
MINISTRY OF ECONOMY
- [www.tcp.gov.tr](http://www.tcp.gov.tr)  
EXPORT PROMOTION CENTER OF TURKEY
- [www.oaib.org.tr](http://www.oaib.org.tr)  
CENTRAL ANATOLIAN EXPORTERS' UNION
- [www.ito.org.tr](http://www.ito.org.tr)  
İSTANBUL CHAMBER OF COMMERCE

# ***COMPANY ESTABLISHMENT PROCEDURES***

- **PROCEDURE 1**

**Execute and notarize :**

- ***Articles of Association***
- ***Signature Declaration of the Managers***
- ***Copies of each Manager's Identity Card / Passport***

- **PROCEDURE 2**

**Deposit a percentage of the capital to the account of Competition Authority. (0.04%)**

### ■ **PROCEDURE 3**

**File :**

- ***Incorporation Notice Form***
- ***Commitment Letter***
- ***Chamber Registration Statement***

**and submit to the Trade Registry Office together with those from Procedure 1 & 2.**

### ■ **PROCEDURE 4**

**Notarize the legal (commercial) books of the company.**

- **PROCEDURE 5**

**Follow-up with the Tax Office on the Trade Registry's notification.**

- **PROCEDURE 6**

**Deposit the initial capital in a bank and obtain the certificate of paid-in capital.**

# İSTANBUL CHAMBER OF COMMERCE MEMBERSHIP FEES

## ***1) ANNUAL FIXED FEE***

### **CAPITAL**

<b>1 – 999 TL</b>	<b>=&gt;</b>	<b>77 TL</b>
<b>1.000 – 24.999 TL</b>	<b>=&gt;</b>	<b>100 TL</b>
<b>25.000 – 249.999 TL</b>	<b>=&gt;</b>	<b>150 TL</b>
<b>250.000 – 999.999 TL</b>	<b>=&gt;</b>	<b>200 TL</b>
<b>1.000.000 – +</b>	<b>=&gt;</b>	<b>225 TL</b>

## ***2) ADDITIONAL (PROPORTIONAL) FEE***

***PROFIT X 0.5%***

***(with an upper limit of 7.965 TL)***

***FOR MORE DETAILED INFORMATION VISIT***

**[www.invest.gov.tr](http://www.invest.gov.tr)**

**(Turkish Investment Support & Promotion Agency)**

**or**

***"DOINGBUSINESS 2011 – TURKEY" Report***

**[www.doingbusiness.org](http://www.doingbusiness.org)**

**(Doing Business Home Page – World Bank Group)**



***THANK YOU***