

Investment Environment of Turkey

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Republic of Turkey
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Agenda

▶ Key Figures on Turkey

▶ Top Reasons to Invest in Turkey

▶ The Agency



Key Figures





Republic of Turkey

“Türkiye”

- Parliamentary Democracy ▶ Established in 1923
- Capital City ▶ Ankara
- Major Cities ▶ İstanbul (14.2 million), Ankara (5.0 million), İzmir (4.1 million), Bursa (2.7 million), Adana (2.2 million)
- Official Language ▶ Turkish
- Currency ▶ Turkish Lira
- Time Zone ▶ GMT+2



Where is Turkey?



Largest Land in Europe

Total Area: 783.562 km²



2nd Largest Population in Europe

Population: 76,7 million



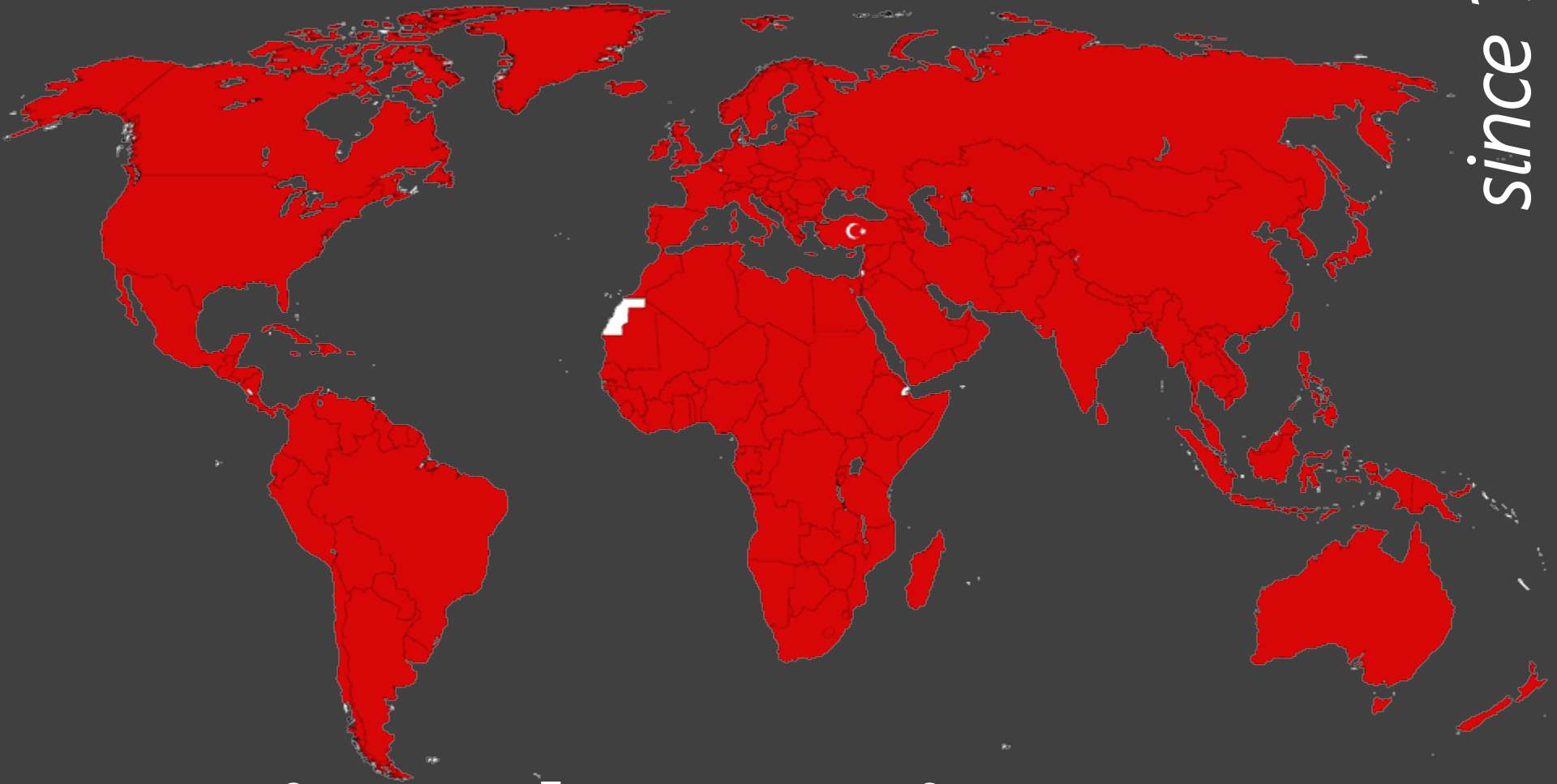
International



Organizations



Turkey is member of

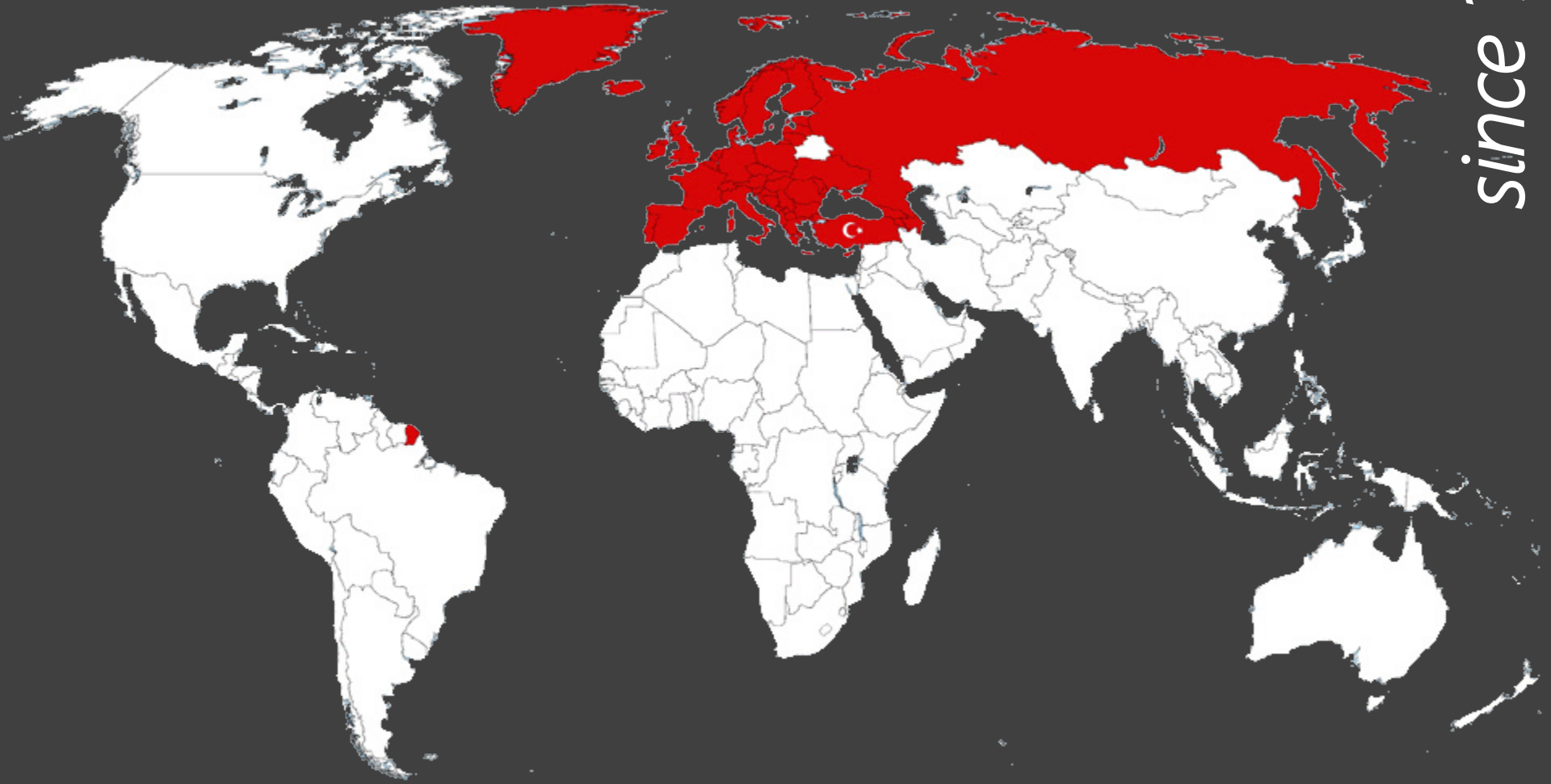


since 1945

United Nations



Turkey is member of

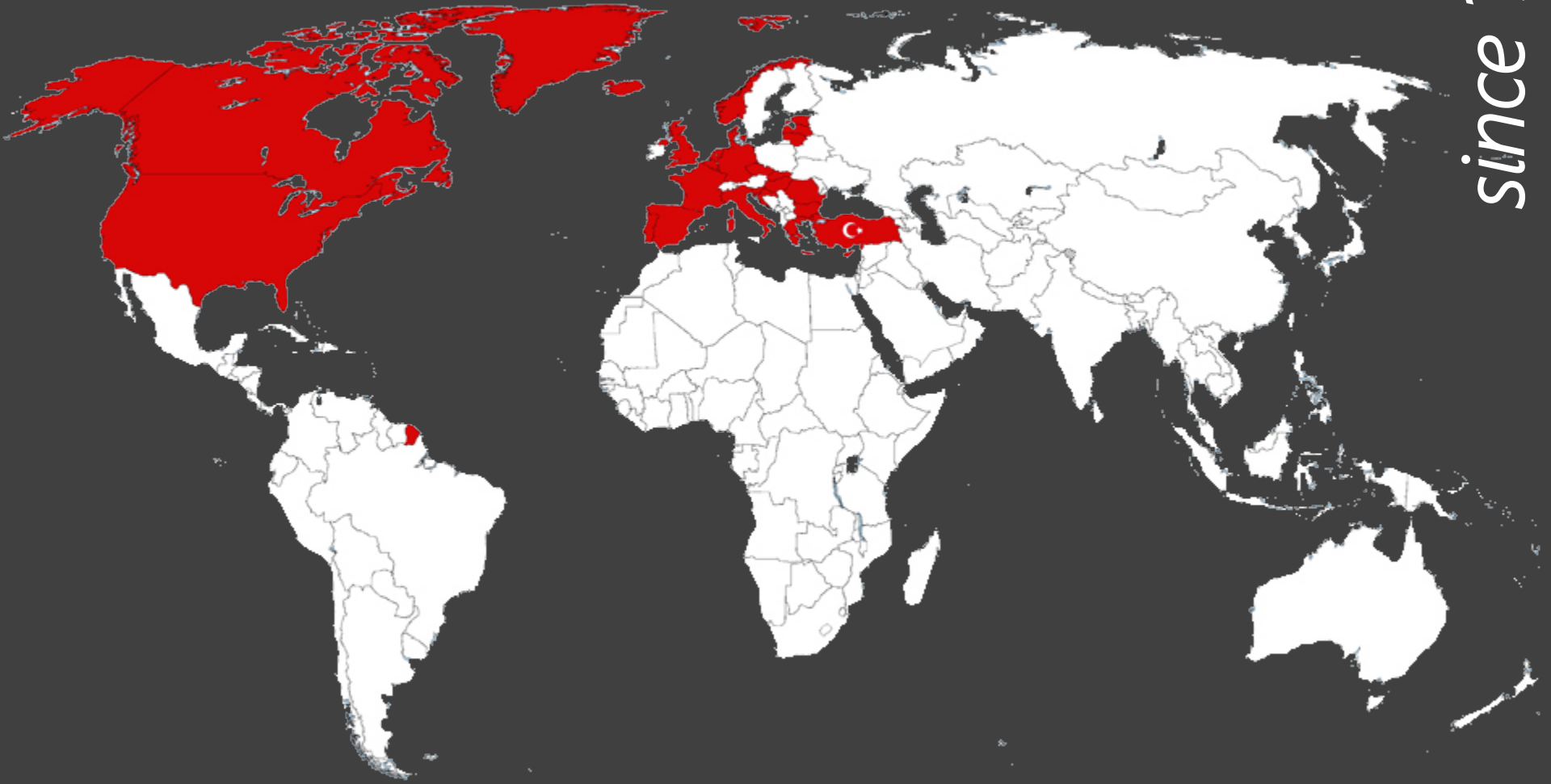


since 1949

Council of Europe



Turkey is member of

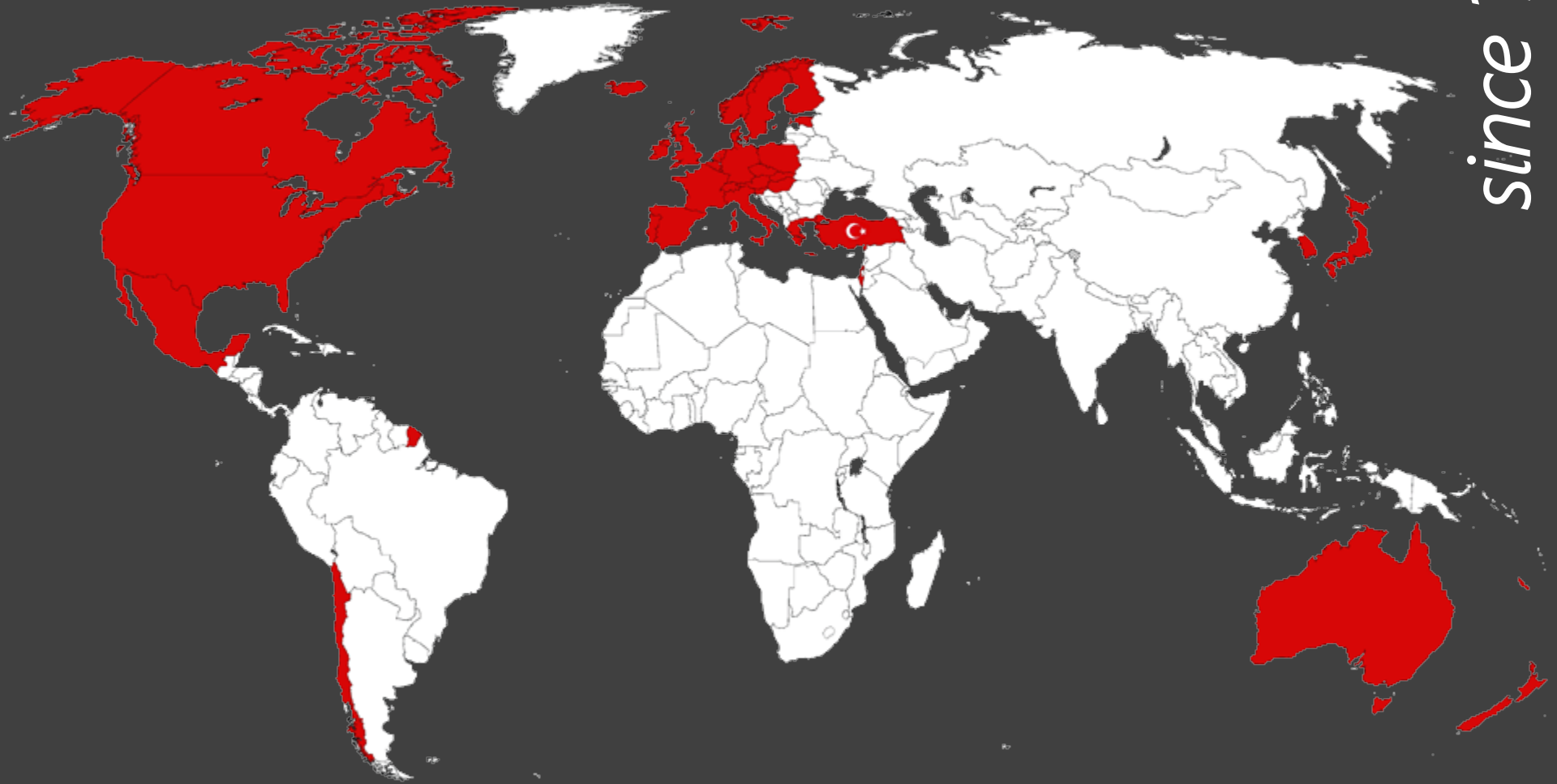


since 1952

NATO



Turkey is member of

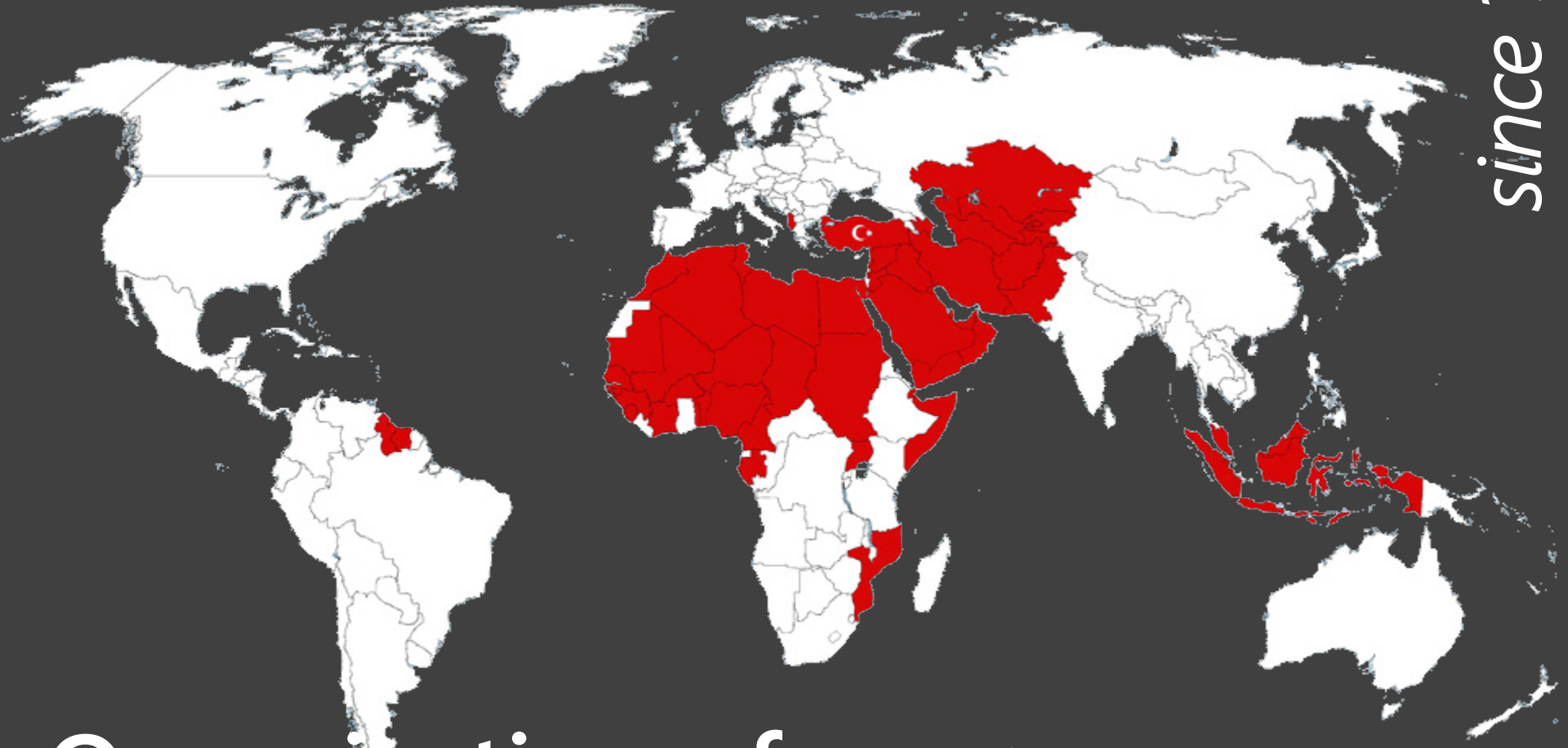


since 1961

OECD



Turkey is member of

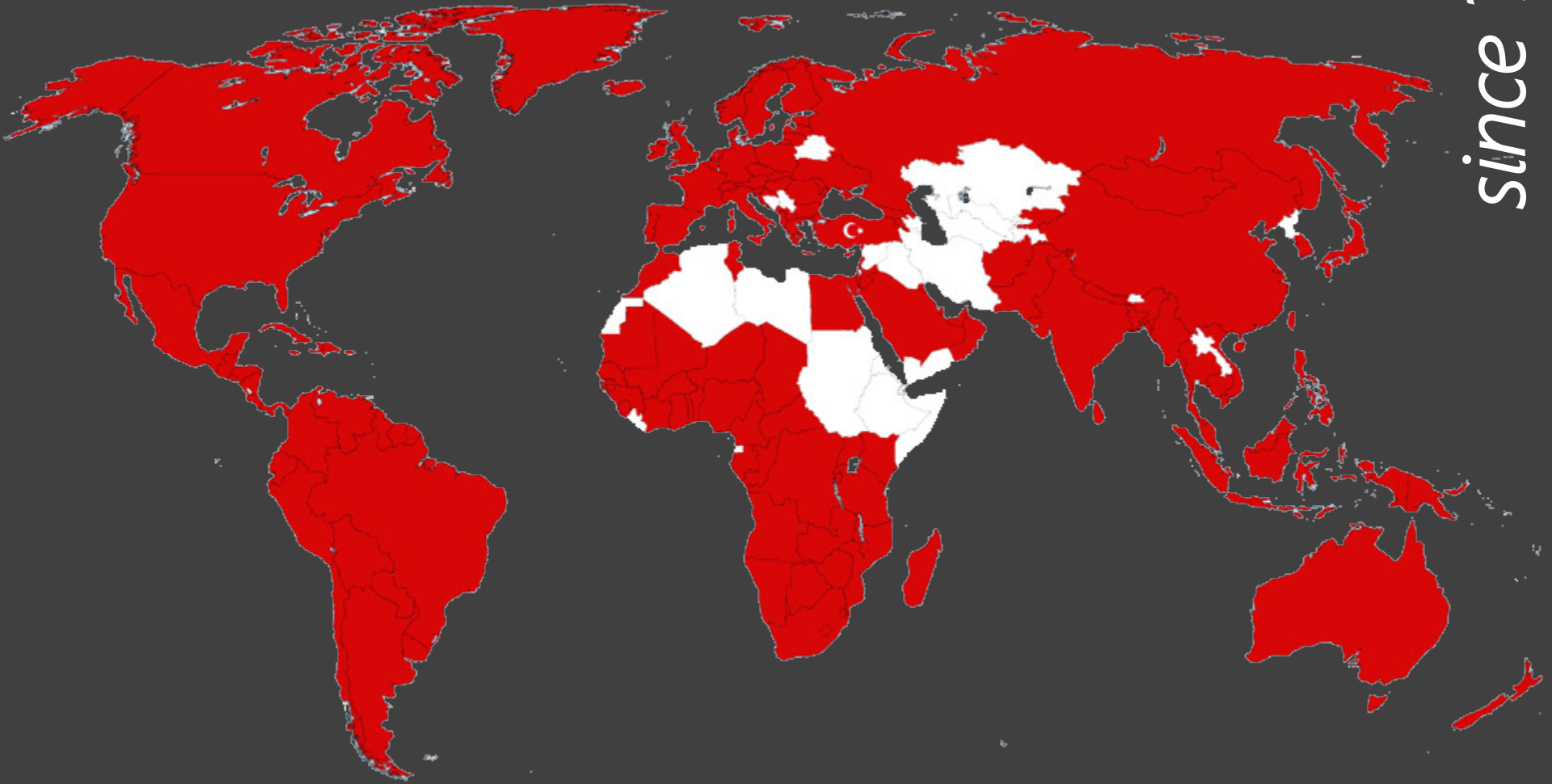


since 1969

Organisation of Islamic Cooperation



Turkey is member of

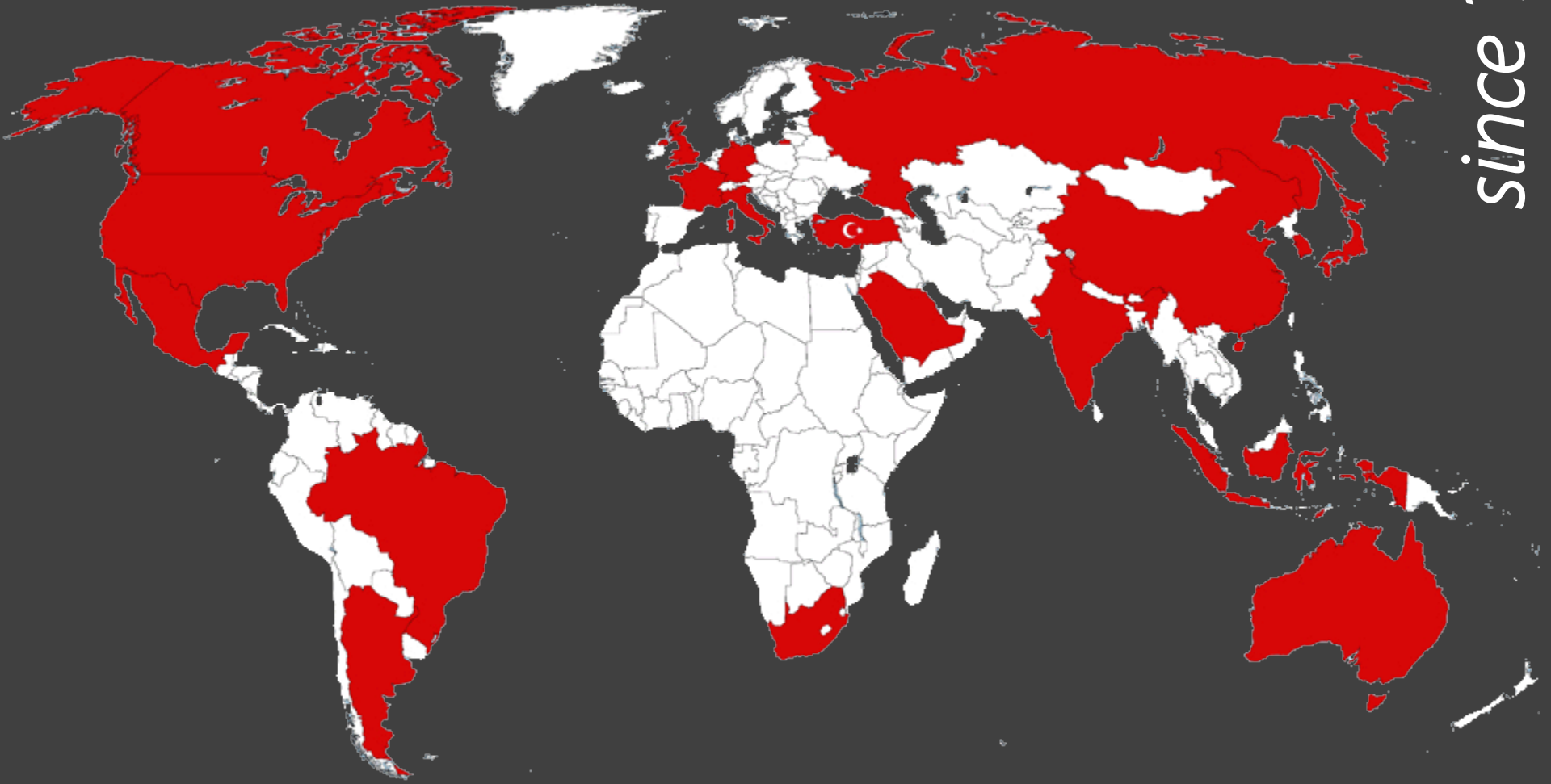


since 1995

World Trade Organisation



Turkey is member of



since 1999

G20 – Major Economies





17th Largest Economy in the World

**6th when
compared to EU
Countries
(IMF/2013)**





76.667.863

76.667.864

76.667.865

Expected to reach
86,8 Million in 2030

UNDP

**Increasing
Population**

(+1.040.480 last year)





**Largest
youth
population
when
compared
to EU
countries**





Automotive

***17 Global Brands
produce 1.1
millions vehicles
per year***

**16th largest
automotive
producer
in the World**





White Goods & TV Sets

One out of three TV sets sold in Europe last year was produced in Turkey

Largest TV and white goods manufacturer in Europe 



Iron & Steel

***2nd largest
steel producer
when compared to
EU countries***

**8th largest
steel producer
in the World**





Construction

***31,3 billion worth
of projects in 45
countries last year***

**Out of
top 250
International
Contractors,
42 are Turkish**





Shipbuilding

National Warship with indigenous anti-submarine warfare and stealth system completed in 2011

3rd largest mega yacht producer in the World





Airline Transportation

***150 million
airline passengers
in Turkey in 2013
(up %320 since 2003)***

**Turkish
Airlines flies to
107 countries
in the World**





Tourism

***39,2 million
tourist arrivals
in 2013***

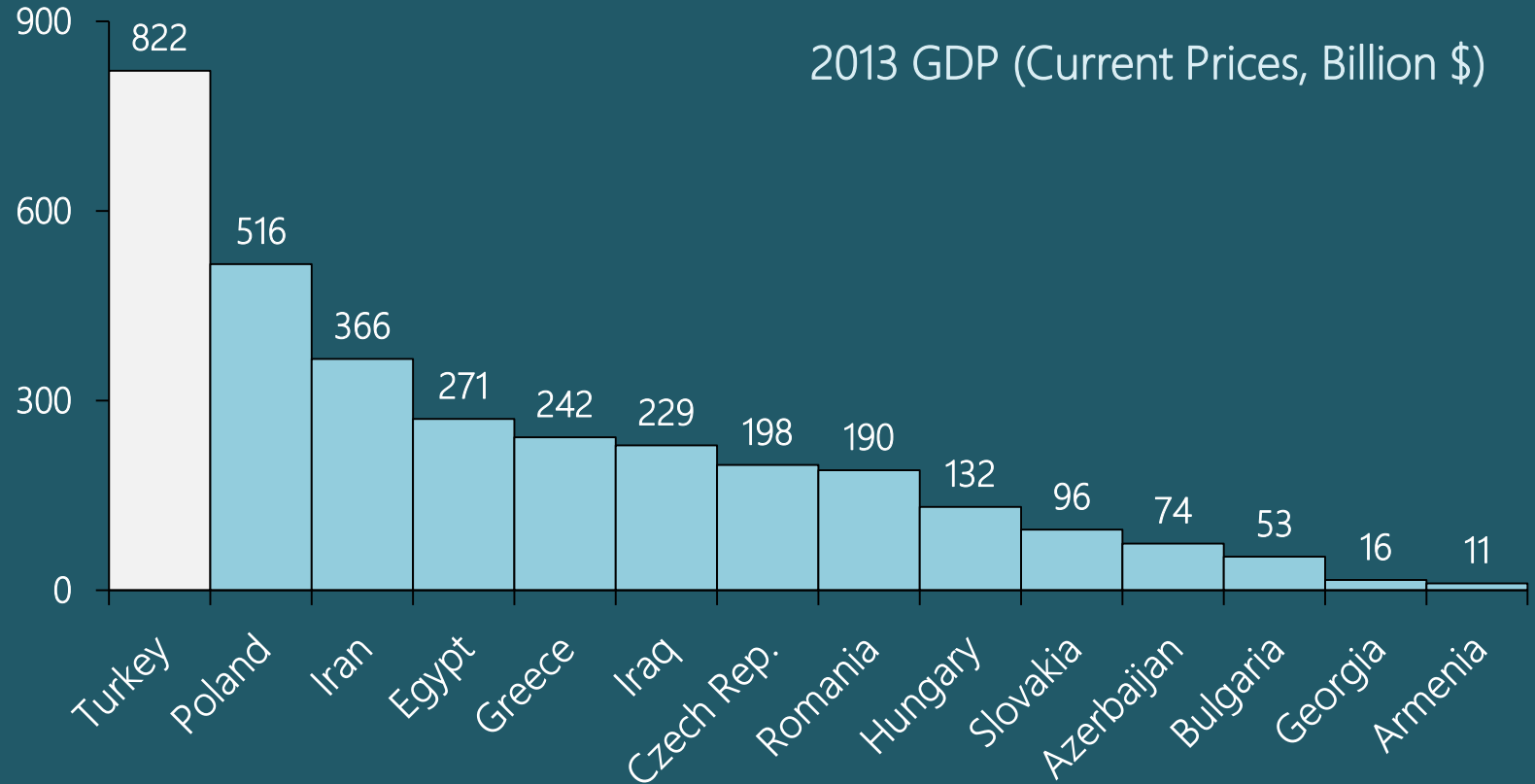
**6th most
visited holiday
destination
in the World**



Top Reasons to Invest in Turkey



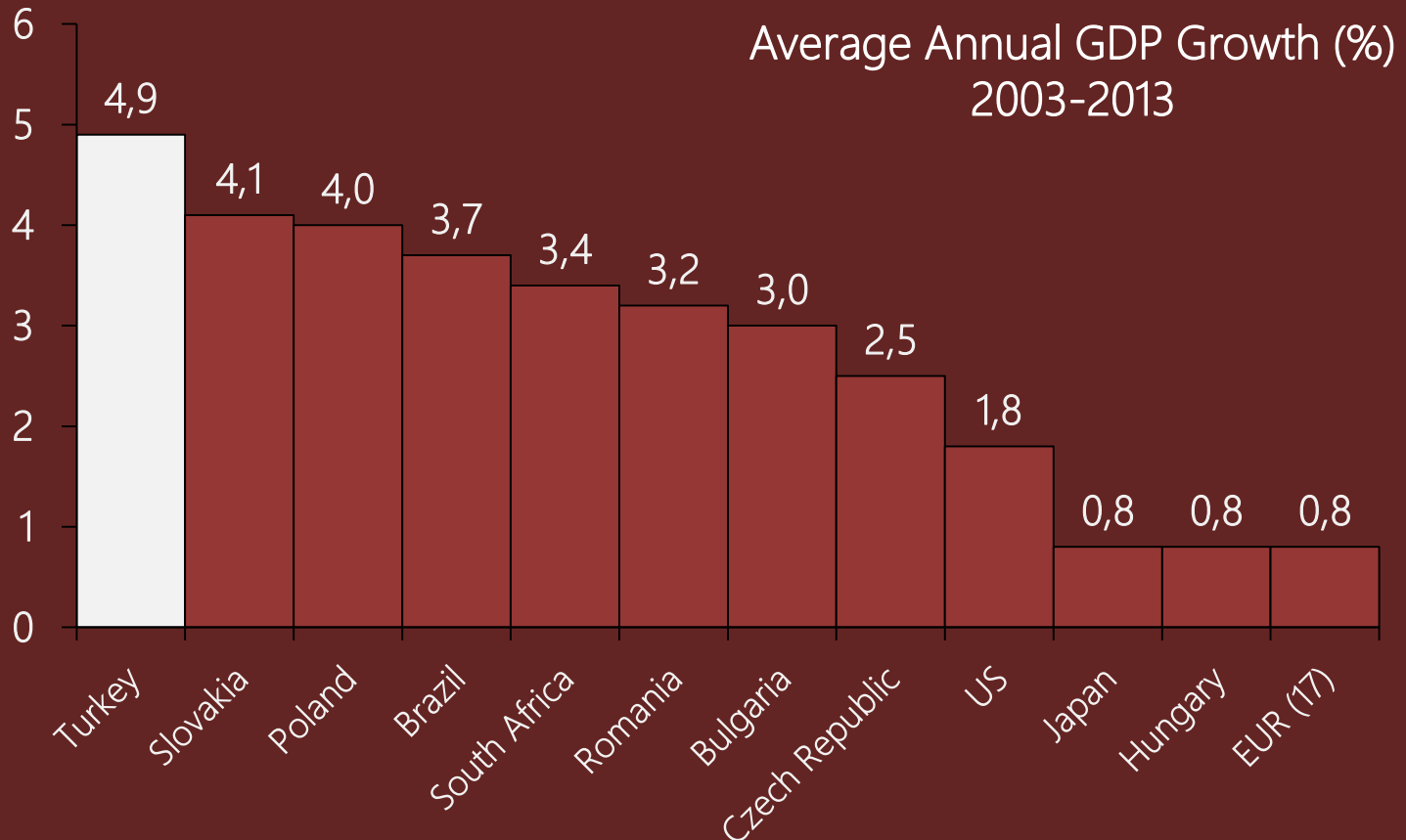
GDP - Gross Domestic Product



The biggest economy in the region



GDP Growth in the Last Decade

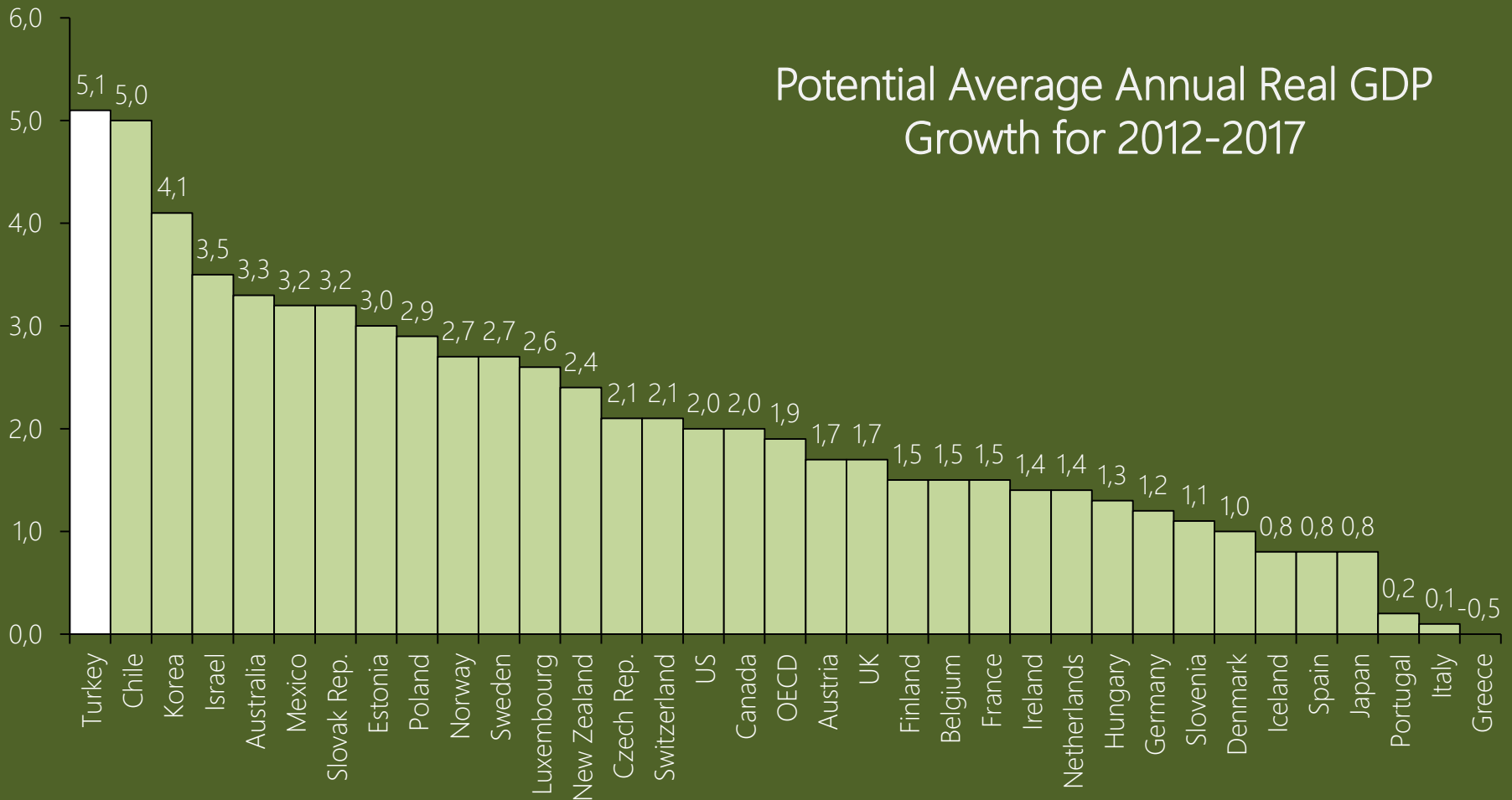


One of the fastest growing economies in the World



GDP Growth

Future Projection by the OECD



Medium-Term Program 2015-2017

Macroeconomic Indicators	2014*	2015	2016	2017
GDP (\$ Billion, Current Prices)	810	850	907	971
Real GDP Growth (%)	3,3	4,0	5,0	5,0
GDP per Capita	10.537	10.936	11.541	12.229
Unemployment (%)	9,6	9,5	9,2	9,1
Export/Import (%)	65,8	67,1	67,7	68,4
Current Acc.Balance (\$ Billion)	-46,0	-46,0	-49,2	-50,7
Current Acc.Balance (% of GDP)	-5,7	-5,4	-5,4	-5,2
Inflation (CPI, end year) (%)	9,4	6,3	5,0	5,0
Privatization Revenues (Billion TL)	10,6	11,8	9,9	5,5
Govt.Budget Balance (% of GDP)	-1,4	-1,1	-0,7	-0,3
Govt.Debt Stock (% of GDP)	33,1	31,8	30,0	28,5

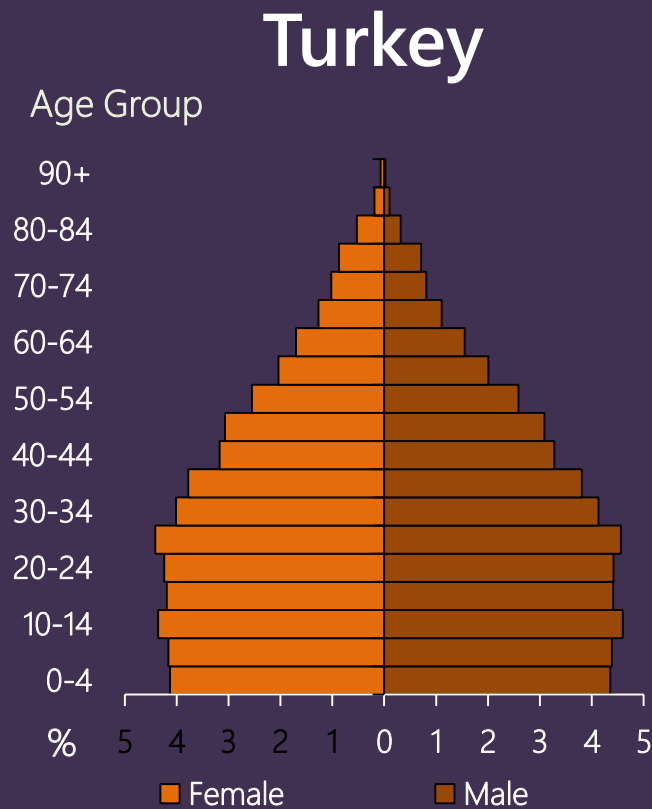
* Estimated

Source: Republic of Turkey Ministry of Development.



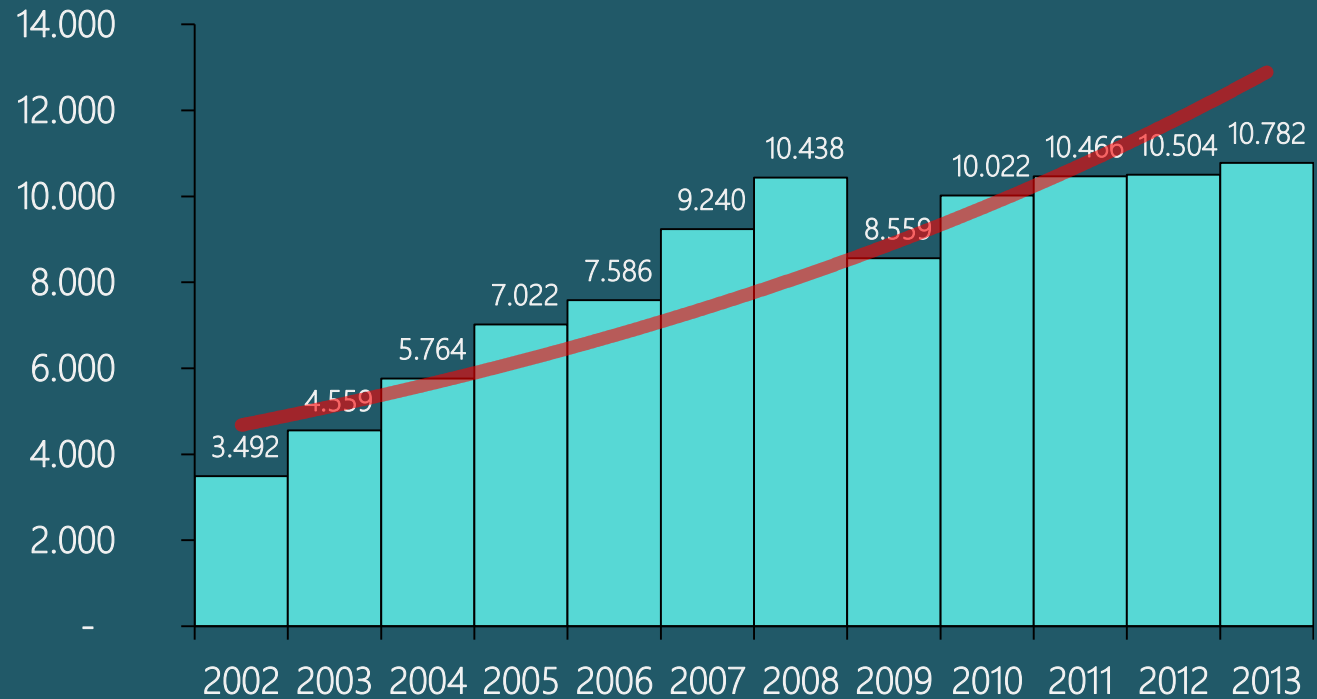
Population Pyramid

Half of the population in Turkey is under the age of 30.4



GDP per Capita

Purchasing Power in Turkey has been tripled in the last decade



Turkey is located in the center of the most promising markets of the World



You can access to multiple markets from Turkey
(Total 56 Nations, 1,5 Billion People \$ 25 Trillion GDP in 4h Flight Time from Istanbul)



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Turkey as Regional Hub

Multinational Company	Countries Managed from Turkey
Coca Cola	94
GE Healthcare	80
Microsoft	80
Intel	67
Unilever	36
Verifone	30
Schneider El.	27
Ericsson	22
Cargill	20
Pfizer	20
Volvo	18
BASF	18
PepsiCo	14
P&G	11
LG Electronics	9
Adobe	9



EU Customs Union and Free Trade Agreements

Free circulation of goods between
Turkey and 28 European Union
member countries



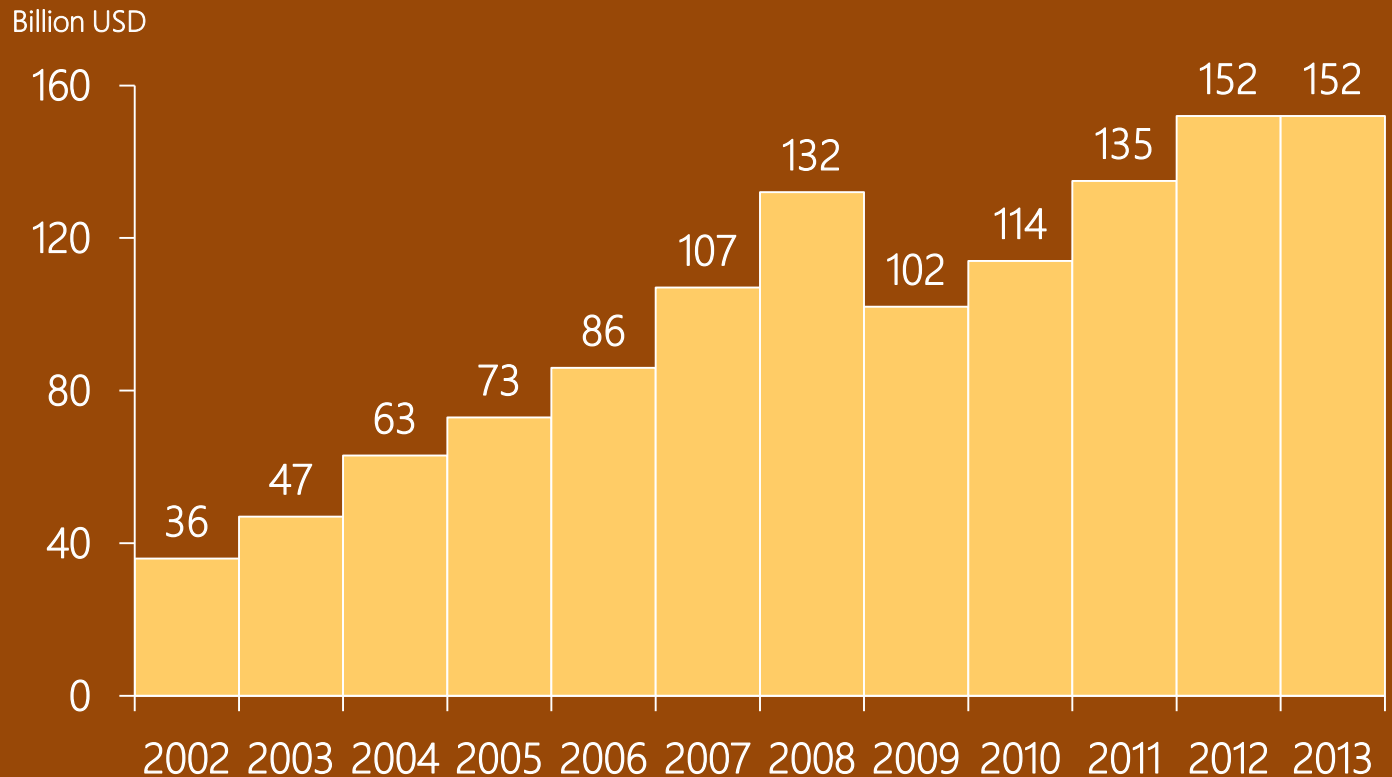
Free Trade Agreements with 23 countries:

- | | | | |
|-------------------------|-----------------|-----------------|----------------|
| 1. Albania | 7. Israel | 13. Switzerland | 19. Jordan |
| 2. Bosnia & Herzegovina | 8. Lichtenstein | 14. Syria | 20. Mauritius |
| 3. South Korea | 9. Macedonia | 15. Tunisia | 21. Lebanon * |
| 4. Egypt | 10. Morocco | 16. Montenegro | 22. Malaysia * |
| 5. Georgia | 11. Norway | 17. Serbia | 23. Kosovo * |
| 6. Iceland | 12. Palestine | 18. Chile | |



Exports

The share of the industrial goods in total exports is **%93,4** (2012)



Main Export Markets:

2002: %55 EU, %15 Middle East and Africa



2012: %40 EU, %35 Middle East and Africa



Oil and Gas Pipelines



Trans Anatolia Natural Gas Pipeline (TANAP) Project



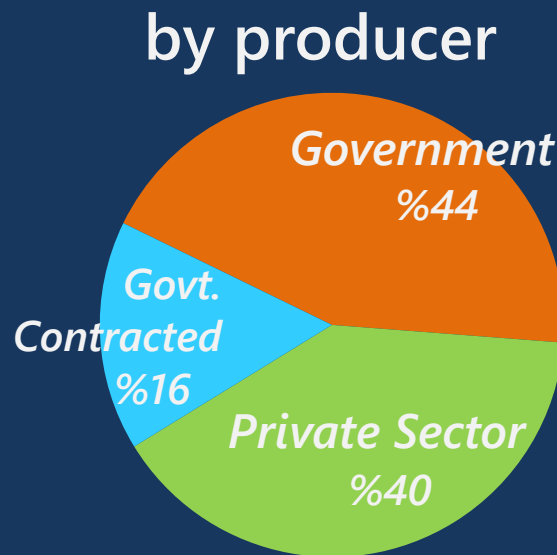
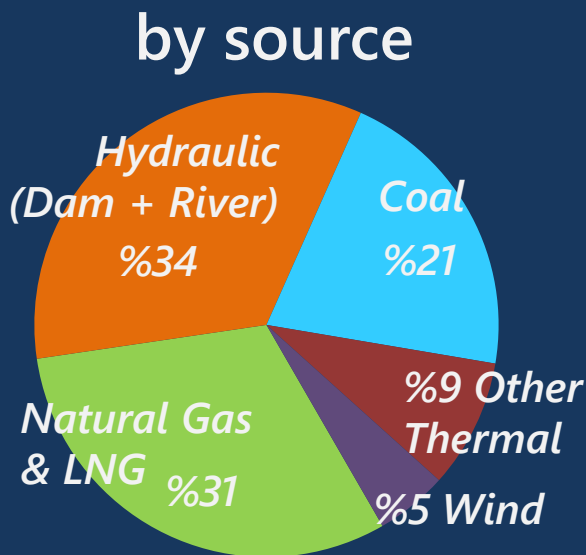
The pipeline will start to deliver natural gas from Azerbaijan to Turkey & EU by 2018 with an initial capacity of 16 billion cubic meters per year.



Turkish Electricity Market Overview

Turkish energy market is regulated by EMRA - Energy Market Regulatory Authority

**Total
Installed
Capacity is
68 GW**
(Sep, 2014)



Installed capacity will be doubled by 2023 with %6 CAGR.
The investment requirement until 2023 is 130 billion USD.

2023 Targets for Renewables

	Current	2023
Installed Hydro Capacity	19.609 MW	36.000 MW
Installed Wind Capacity	2.261 MW	20.000 MW
Installed Solar Capacity	-	3.000 MW
Installed Geothermal Capacity	159 MW	600 MW



Feed-in Tariffs for Renewables (USD Cent per kWh): for Hydro:7.3, for Wind:7.3, for Geothermal:10.5, for Biomass:13.3, for Solar:13.3



Structural Reforms

National Treatment



Freedom to Invest



Access to Real Estate



Protection Against Expropriation



International Arbitration



Employment of Expatriates



Guarantee of Transfers



The New Commercial Code



Corporate Income Tax

%20



The Investment Incentive Scheme



- V.A.T. Exemption (for the imported and domestically provided Machinery and Equipment)
- Customs Duty Exemption (for the imported Machinery and Equipment)
- Reduced Corporate Income Tax (C.I.T. between %2 - %10)
- Social Security Premium Support (Both Employer's and Employee's Share, for 2 – 12 years)



The Agency



Republic of Turkey Prime Ministry Investment Support and Promotion Agency



Attached to the Prime Ministry and
Reports directly to the Prime Minister

2 offices (Ankara – Istanbul)

Established in 2007

A Governmental body with private sector
approach

Multi-lingual, professional and dedicated
project directors, International
representatives network worldwide

Confidential, Free of Charge



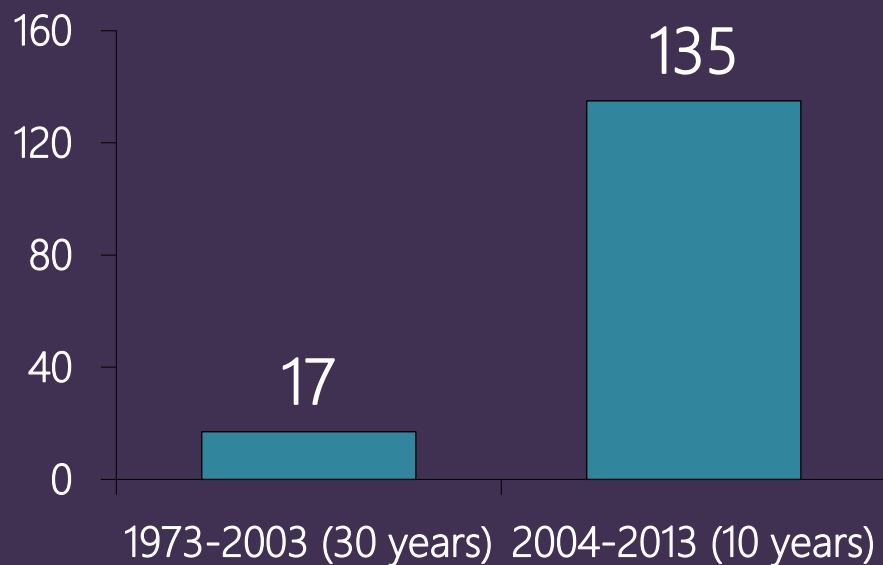
Our Strategy & Assistance

- Attracting and supporting investments that will contribute to Turkey's economic development as such investments which will;
- Transfer technology to Turkey
- Create added-value and integrate Turkey into Global Value Chain
- Create employment in Turkey
- Increase exports and decrease import
- Guidance on Laws & Regulations
- Site Selection
- Market Information and Analyses
- Matchmaking Potential Partners
- Facilitating Legal Procedures
(Such as Establishing business operations, Incentive applications and Work & Residence permits)

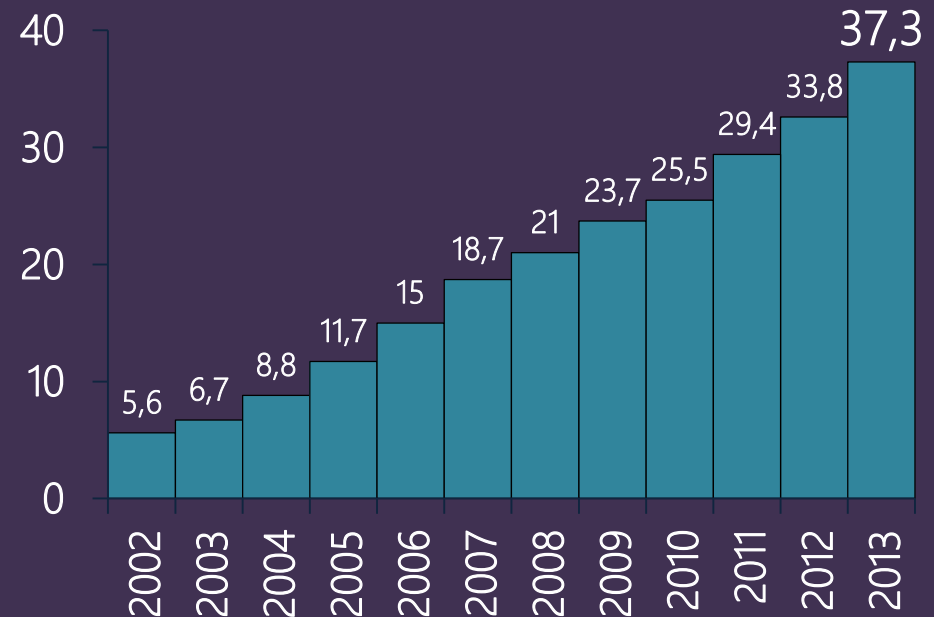


FDI inflows to Turkey

FDI Inflows
(\$ billion)



Number of Companies
with Foreign Capital
(Thousand)



Why Turkey?

▶ Strong Domestic Market

▶ Geostrategic Location

▶ Investor Friendly Environment





L'ORÉAL



TOYOTA



HONDA



Microsoft



Coca-Cola



SIEMENS



posco



P&G



VOLVO





PHILIPS

3M

SONY



NORTEL



RIO
TINTO



Mobil

AREVA



**Enjoy your potential
in Turkey**



**FOR MORE POWER
TO YOUR GLOBAL BUSINESS
PUSH THE BUTTON**



ON

INVEST IN TURKEY

Thank You...