



PRESIDENCY OF THE REPUBLIC OF TURKEY
INVESTMENT OFFICE

WHY INVEST IN TURKEY?

Why invest in Turkey?

10 reasons to invest in Turkey..



Robust Economy

Track record growth and bright future with proven resilience..



13TH LARGEST ECONOMY

Average Annual GDP Growth (%), 2003-2017

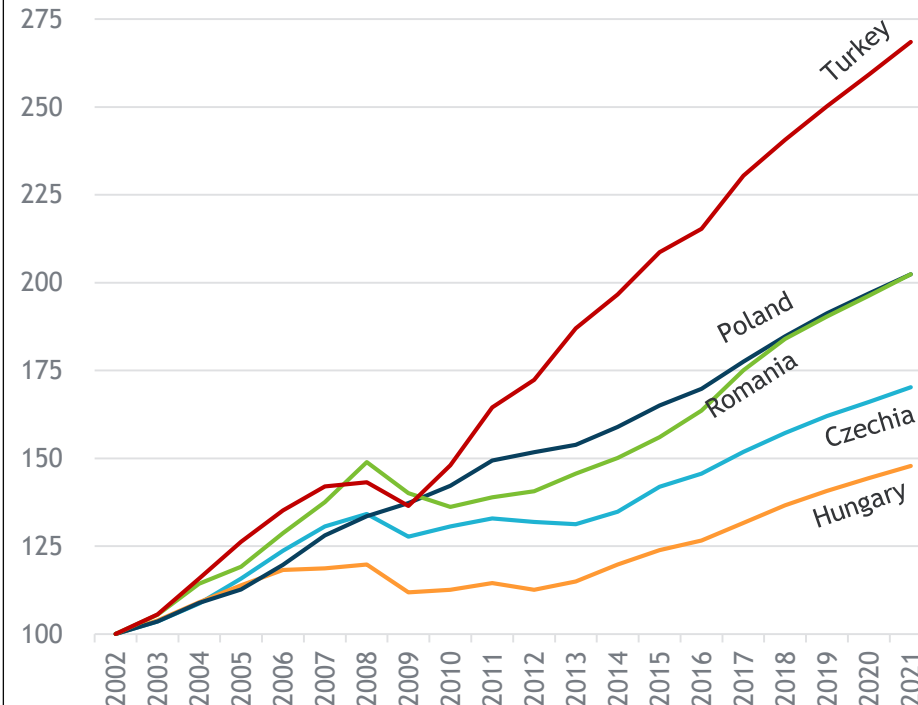


Fastest growing economy in G20

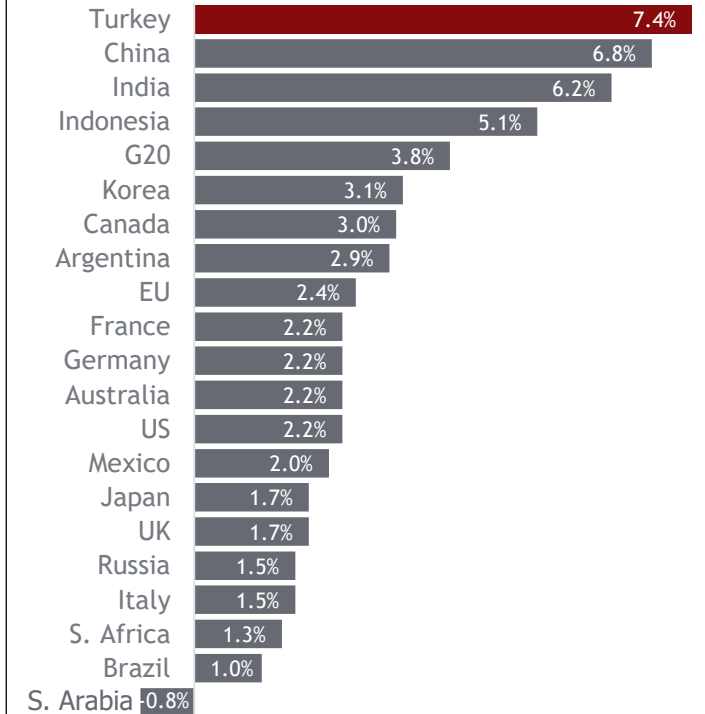
Ranking of Economies by GDP at PPP

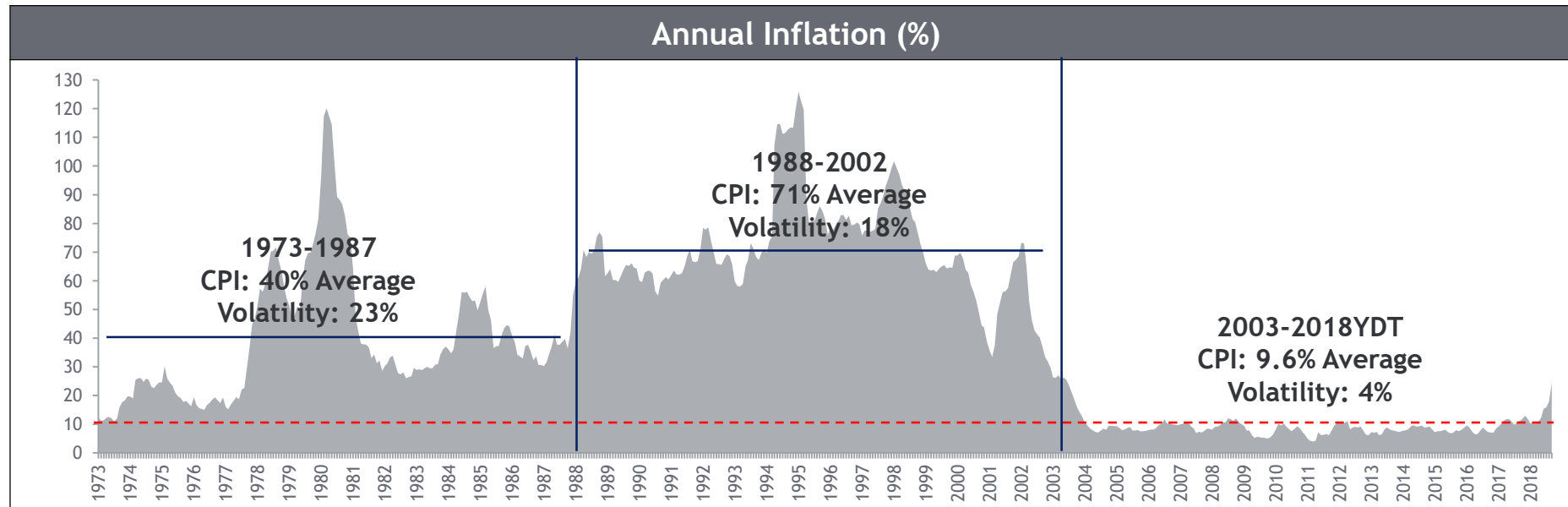
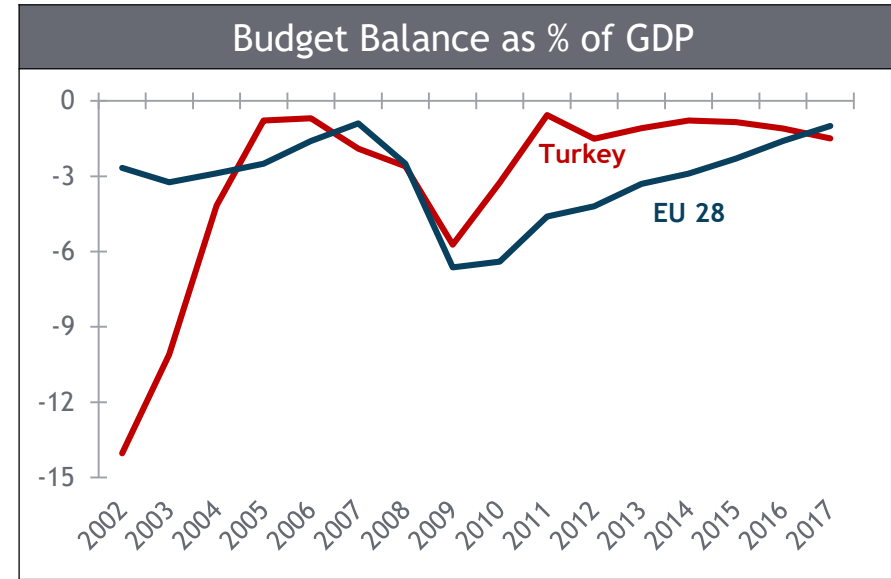
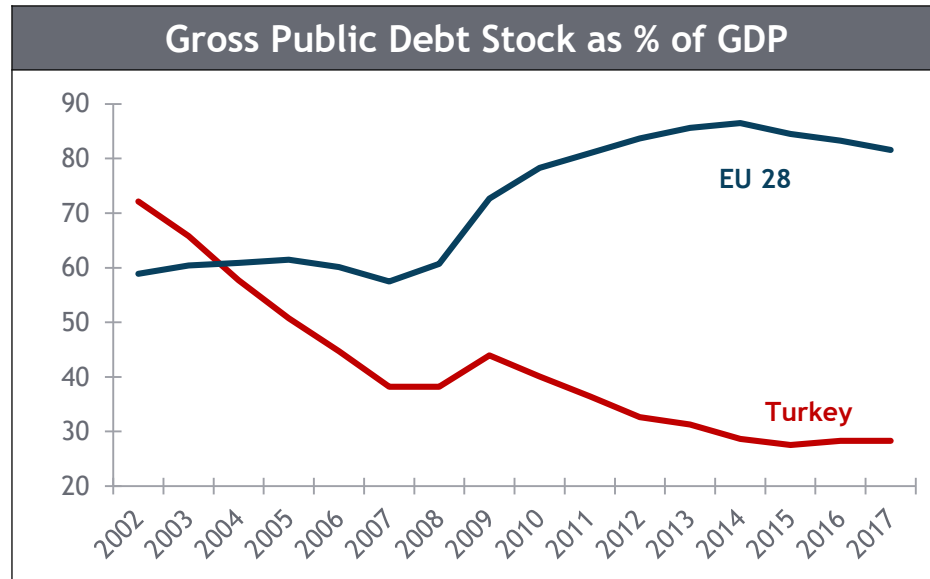
2003	2017	2021
1 USA	1 CHINA	1 CHINA
2 CHINA	2 USA	2 USA
3 JAPAN	3 INDIA	3 INDIA
4 GERMANY	4 JAPAN	4 JAPAN
5 INDIA	5 GERMANY	5 GERMANY
6 RUSSIA	6 RUSSIA	6 RUSSIA
7 FRANCE	7 INDONESIA	7 INDONESIA
8 UK	8 BRAZIL	8 BRAZIL
9 BRAZIL	9 UK	9 UK
10 ITALY	10 FRANCE	10 FRANCE
11 MEXICO	11 MEXICO	11 MEXICO
12 INDONESIA	12 ITALY	12 ITALY
13 SPAIN	13 TURKEY	13 TURKEY
14 CANADA	14 S. KOREA	14 S. KOREA
15 S. KOREA	15 SPAIN	15 IRAN
16 S. ARABIA	16 S. ARABIA	16 SPAIN
17 IRAN	17 CANADA	17 S. ARABIA
18 TURKEY	18 IRAN	18 CANADA

Real GDP Growth (Index: 2002=100)



2017 Real GDP Growth in G20

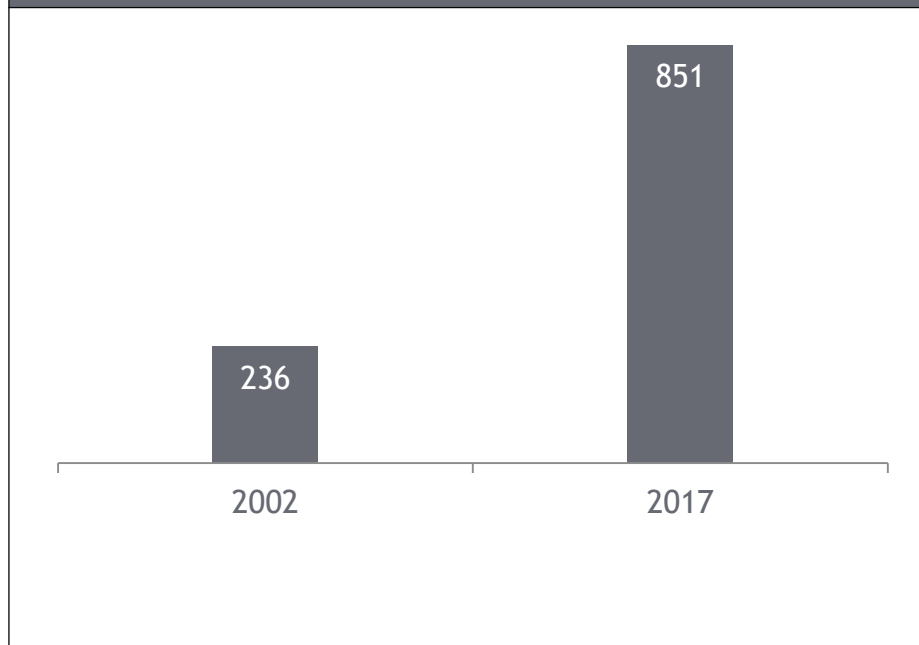






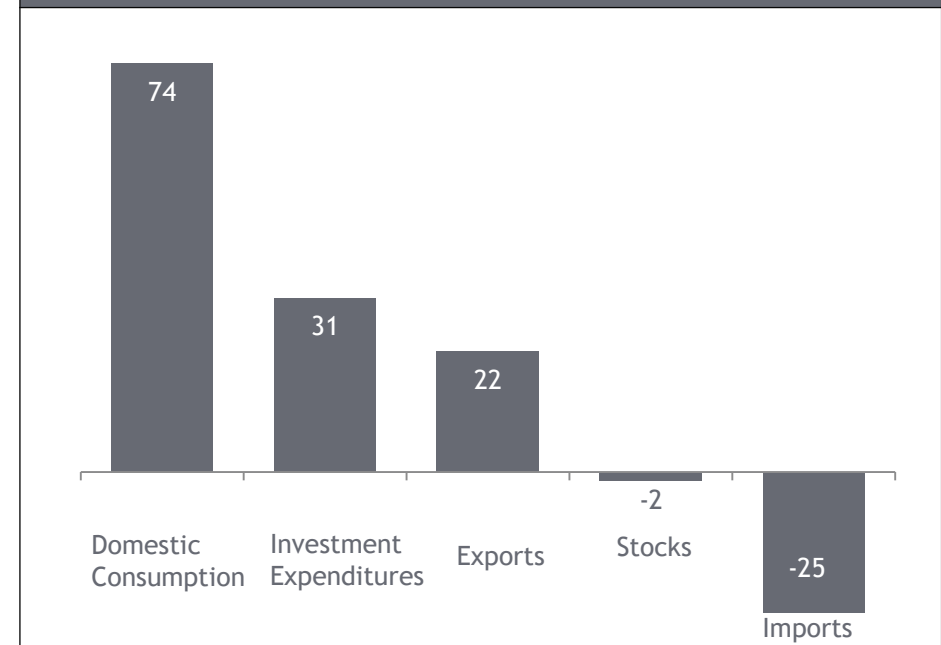
Turkish economy has more than tripled over the past 15 years and is promising more growth in future

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



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

Contribution to GDP Growth 2002-2017 (%)

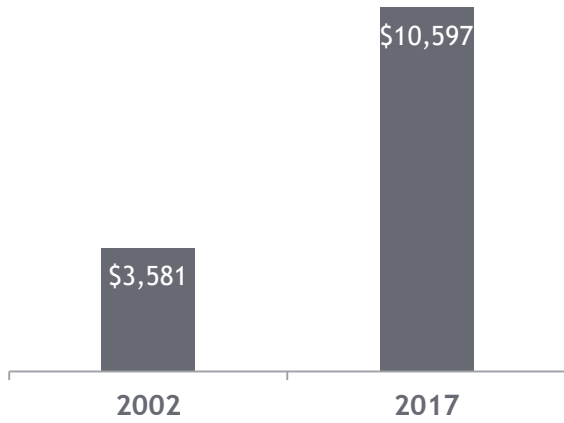


Domestic Market

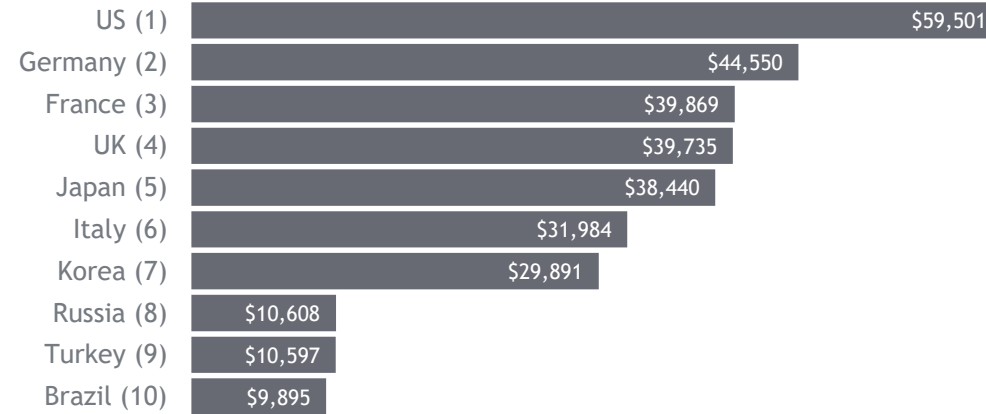
Turkey's economic growth has paved the way for emergence of a sizeable middle-class with an increasing purchasing power...



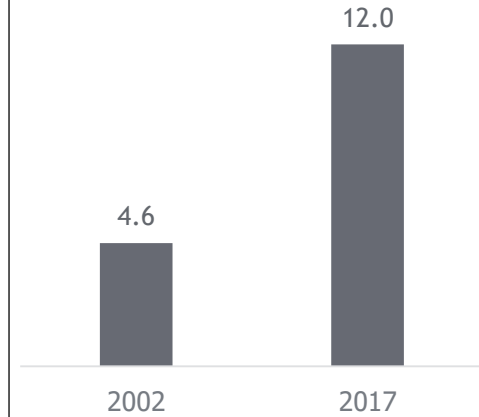
Tripling Income per capita
(GDP per capita, current prices)



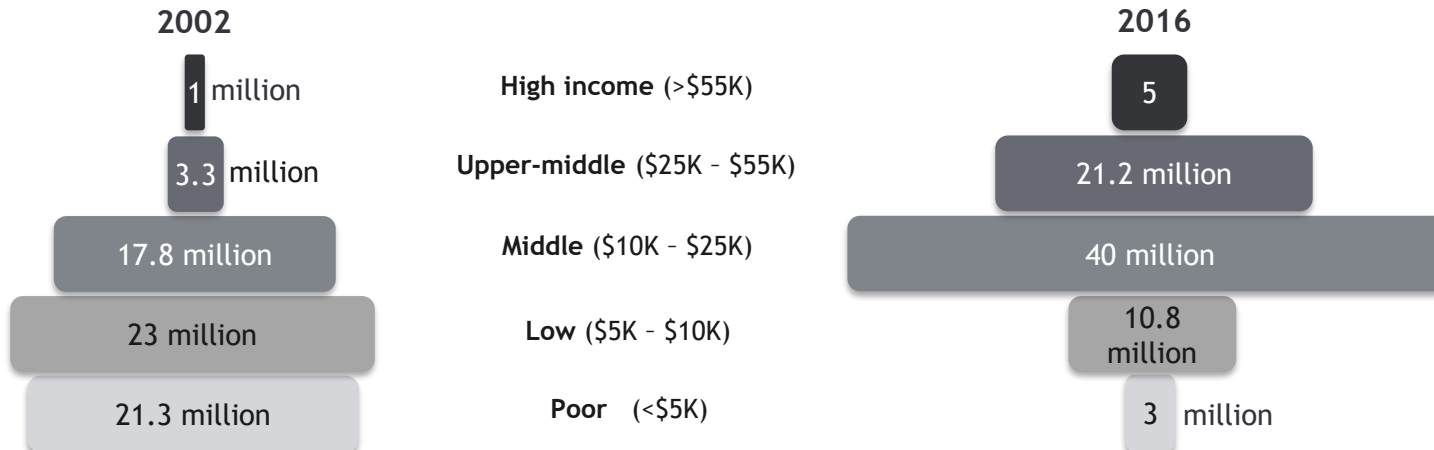
GDP per capita in countries with population over 50 million, 2017



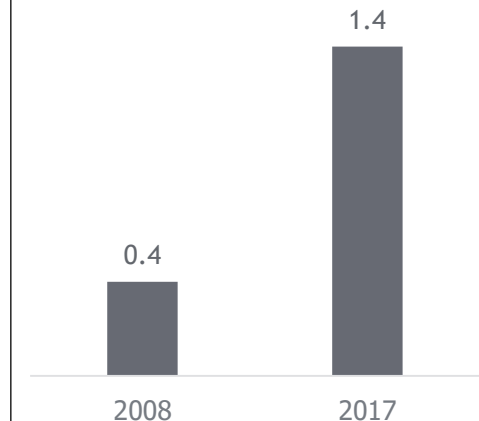
Stock of Automobiles
(millions of passenger cars)



The Rise of Turkish Middle Class
(# of individuals by annual disposable income per capita)

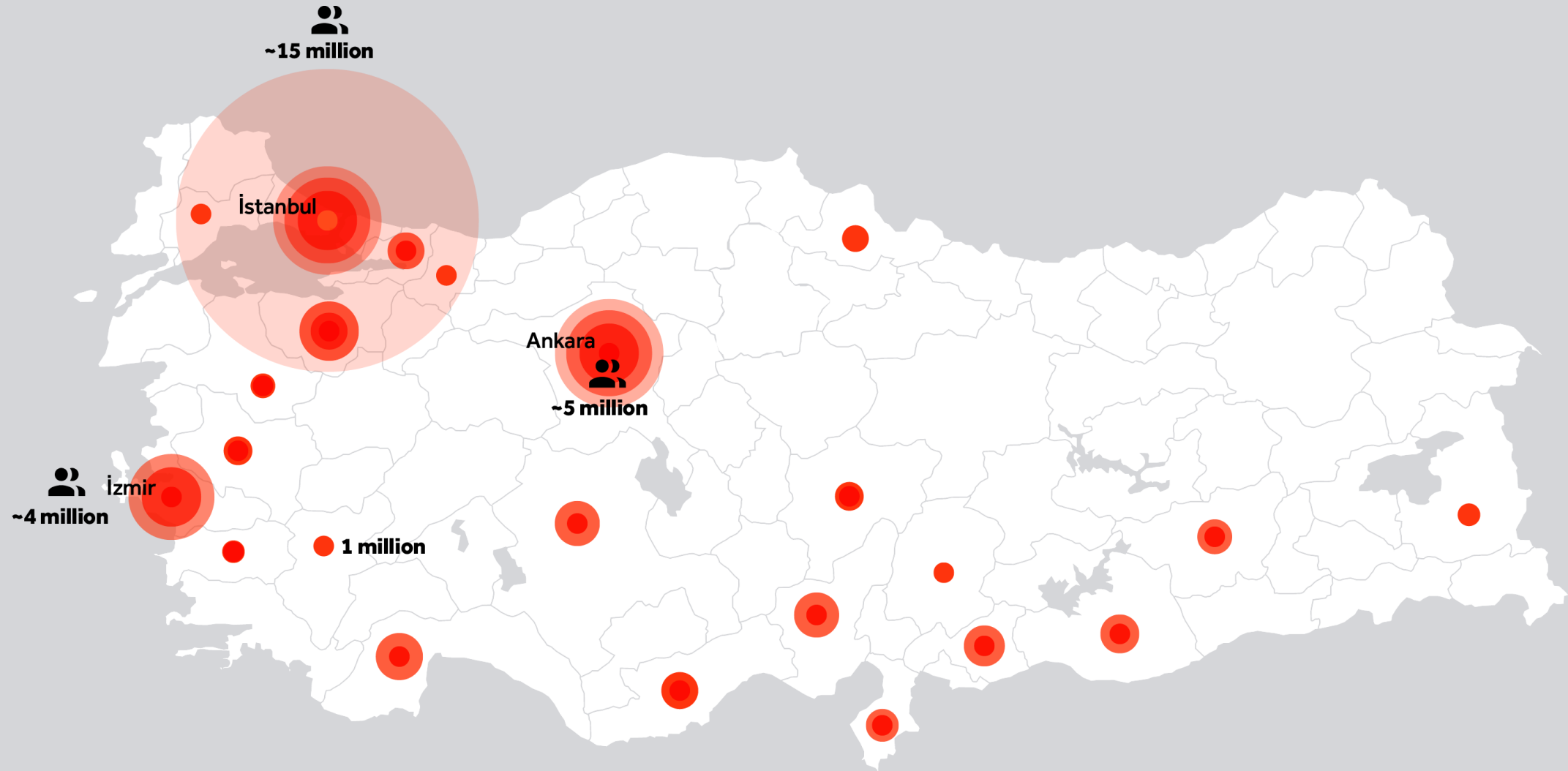


Annual House Sales
(million of houses)





More than 20 urban centers with populations over 1 million



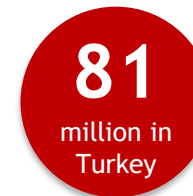


+



in 27 countries with Free Trade Agreements

+



Strategic Location

to manufacture, export and manage...



PROXIMITY TO MAJOR MARKETS

1.5 billion people and \$24T GDP in Europe, MENA and Central Asia at 4 hour flight-distance



CONNECTIVITY

Turkish Airlines connects you to 255 destinations in 122 countries

MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

 **TOYOTA** Exporting 85% of its production

 **Ford** Exporting 77% of its production

 **Nestlé** Production base for MENA

 **BOSS** Its largest production facility worldwide

AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS

 **B/S/H/** 89 countries

 **GE Healthcare** 80 countries

 **KNAUF** 80 countries

 **thyssenkrupp** 72 countries

 **intel** 67 countries

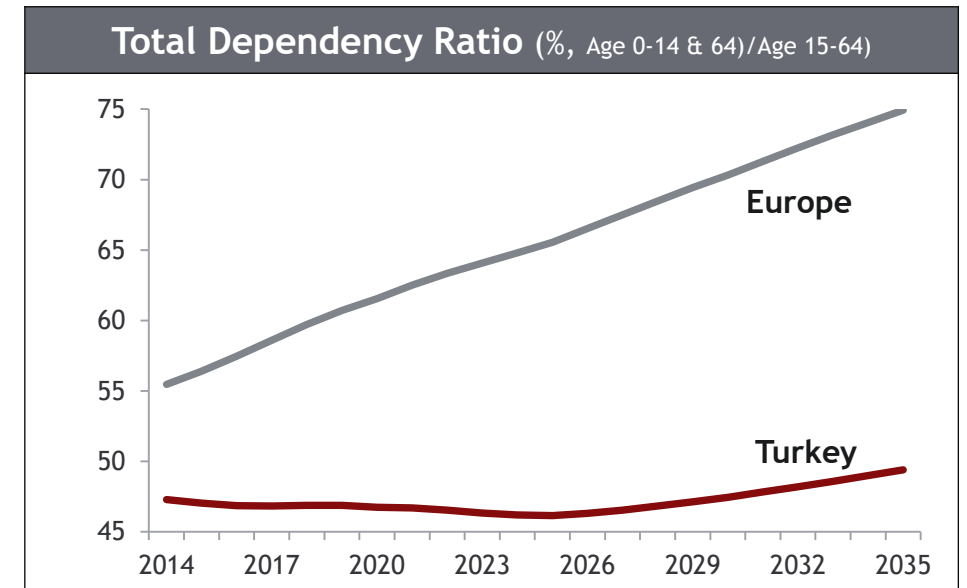
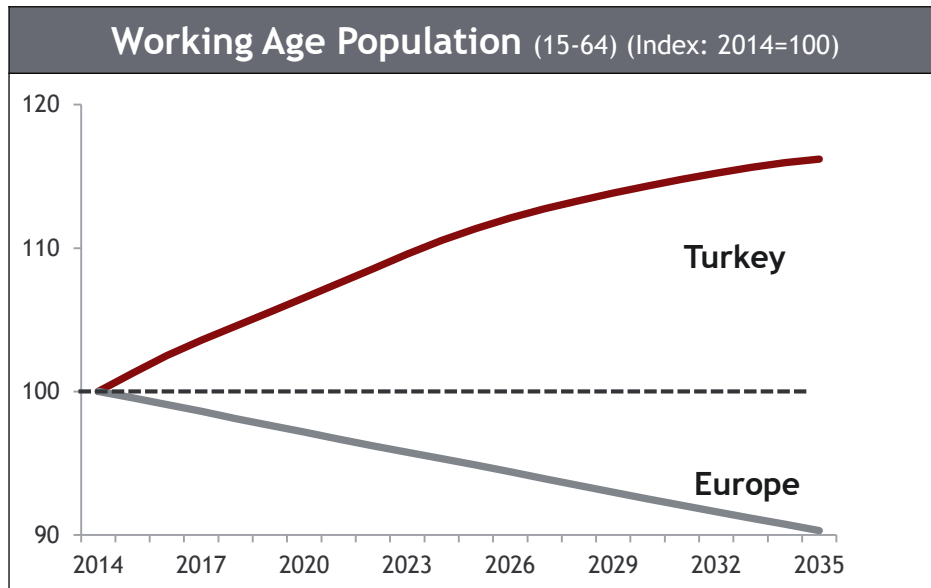
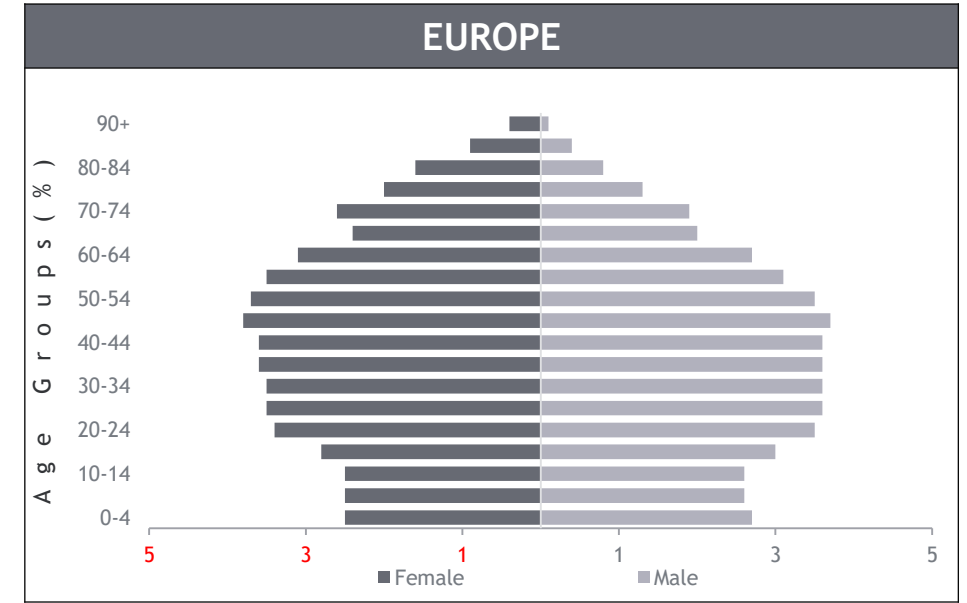
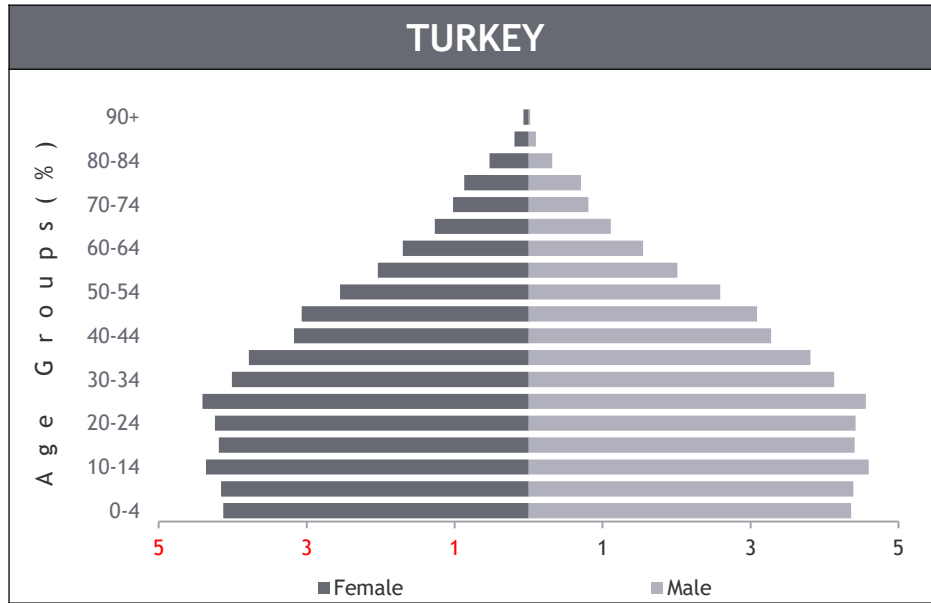
 **POWERCHINA** 63 countries

 **Verifone** 60 countries

 **gsk** 30 countries

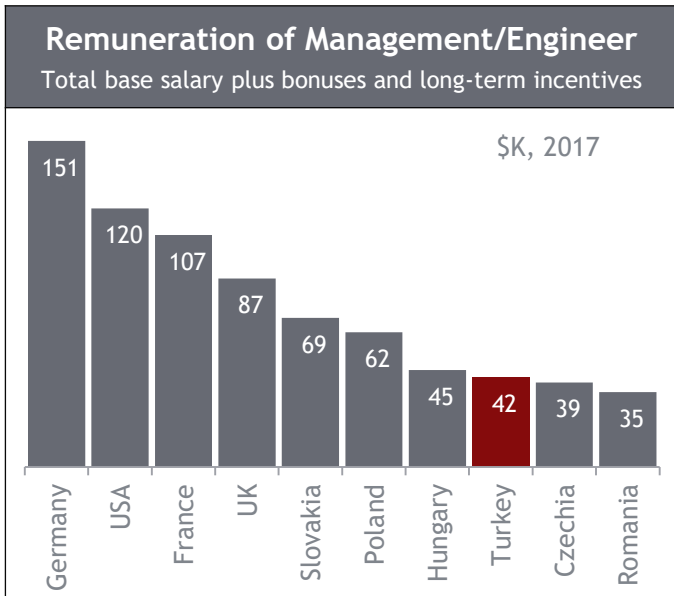
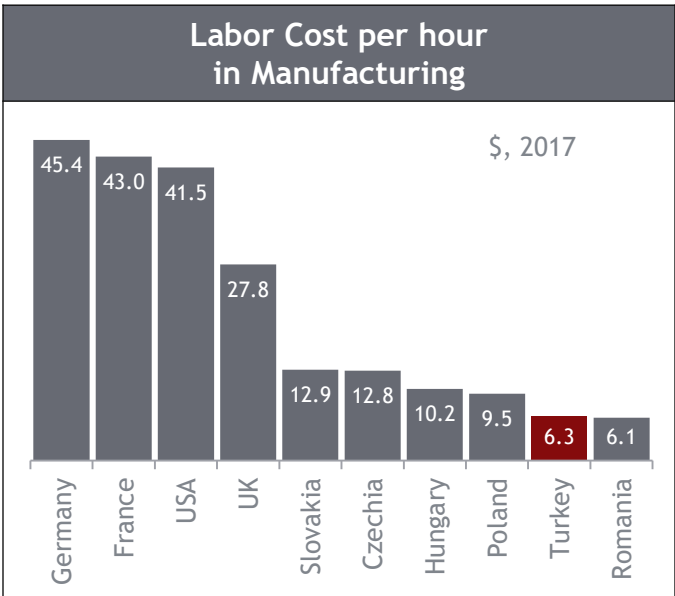
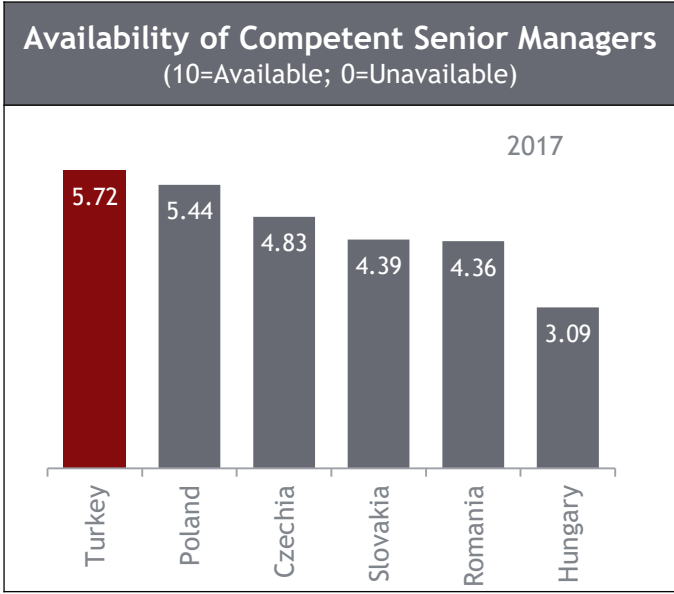
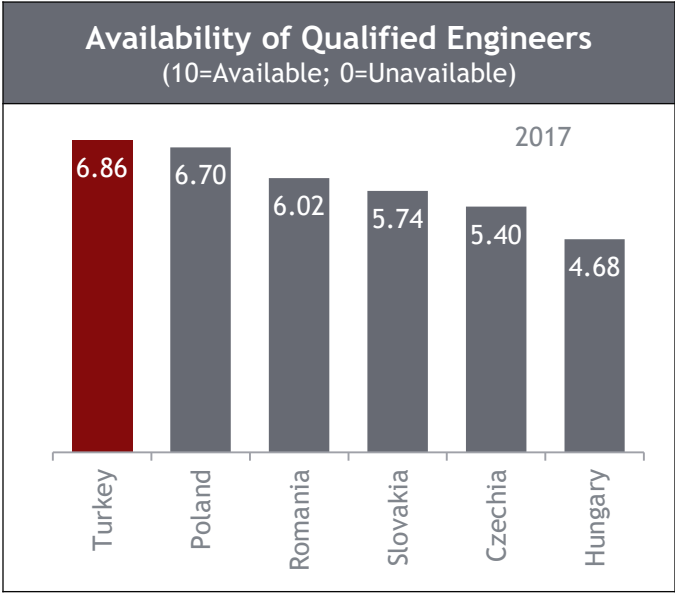
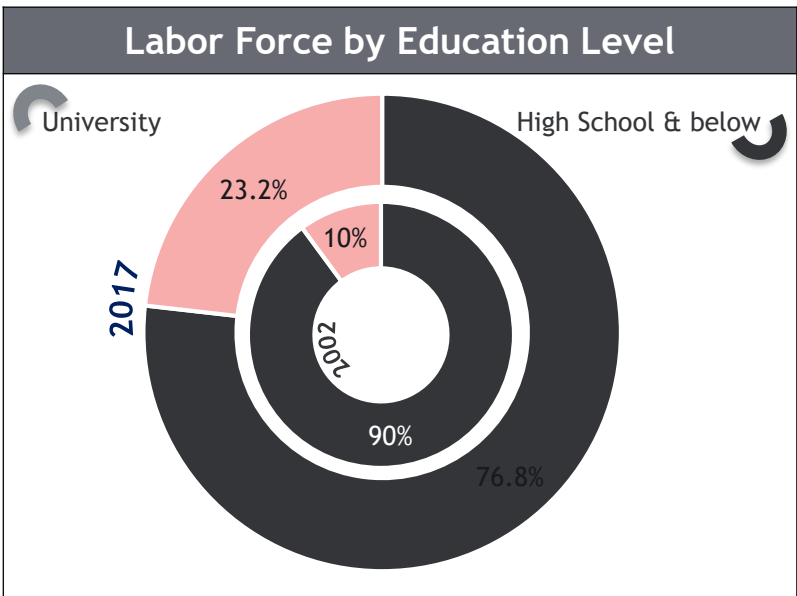
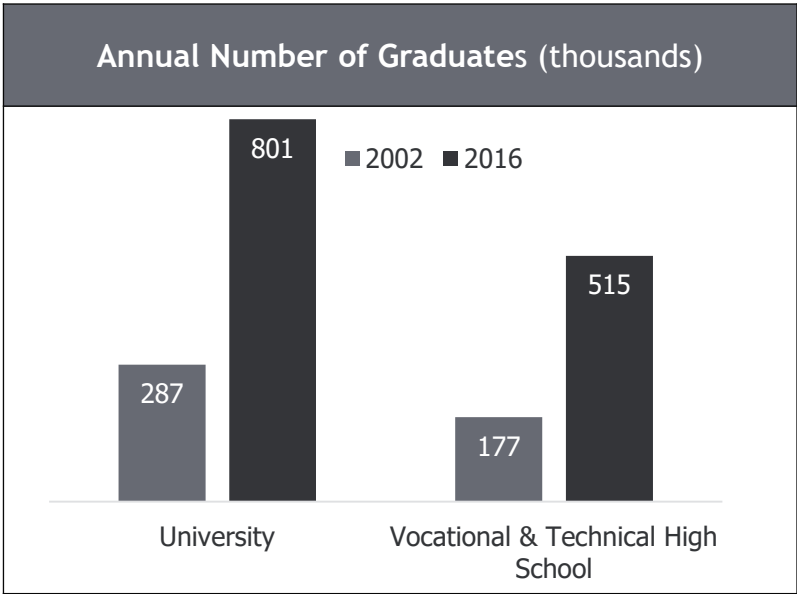
Favorable Demographics

half of population under age 31..



Skilled Workforce with Cost Advantage

Turkey's education system has been upgraded to support a skilled labor pool that meets business requirements..

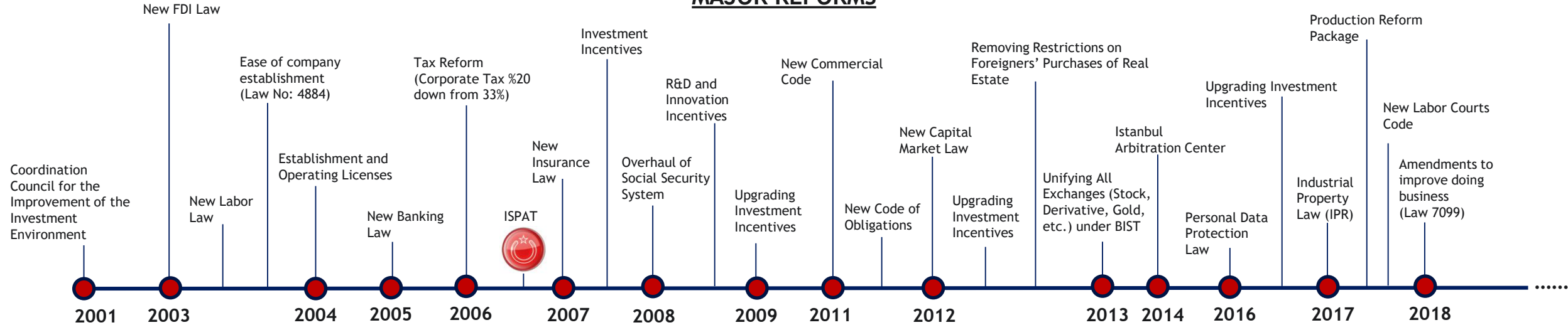


Reforms

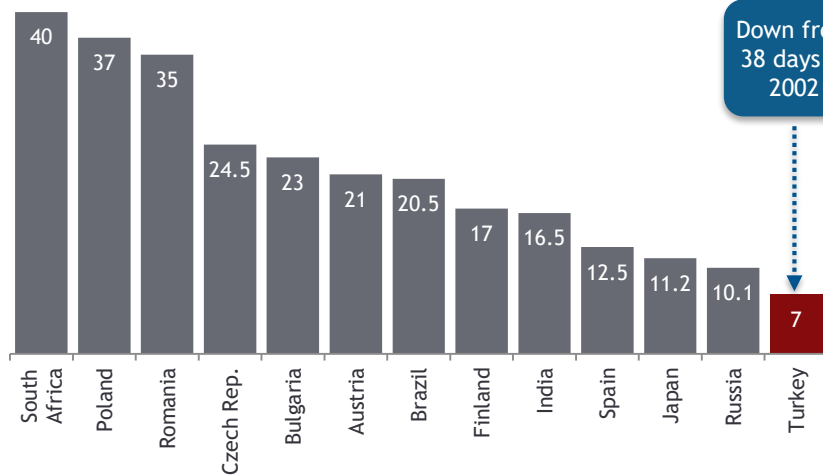
Turkey has implemented sweeping reforms in many areas and continues to introduce new reforms..



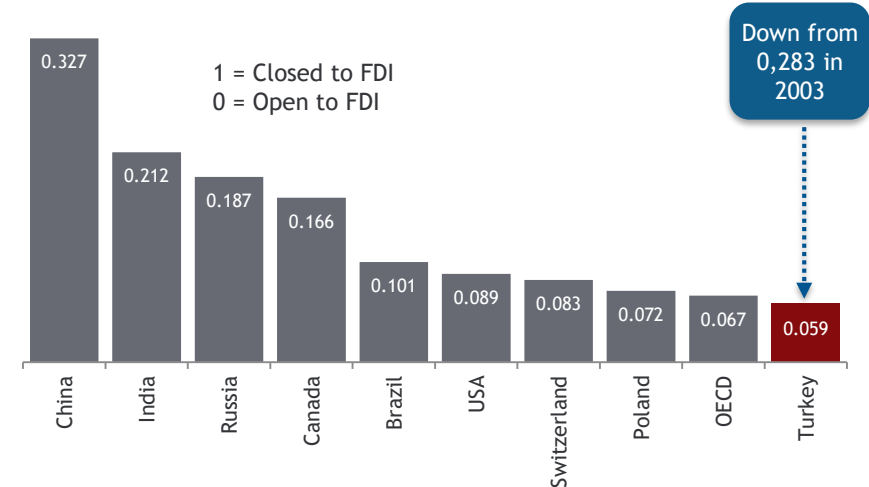
MAJOR REFORMS



Number of Days to set up a Company, 2018



FDI Regulatory Restrictiveness Index, 2016

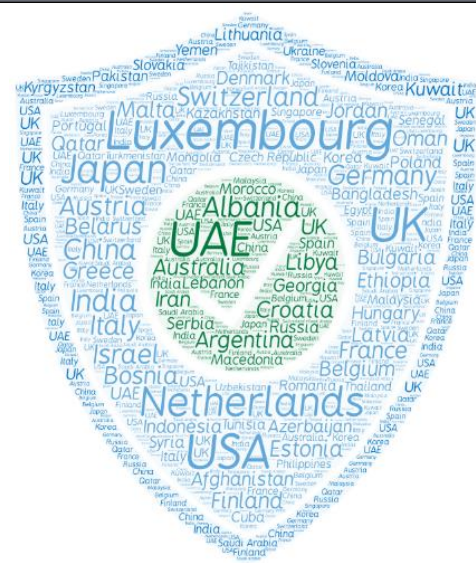




Foreign Direct Investment Law



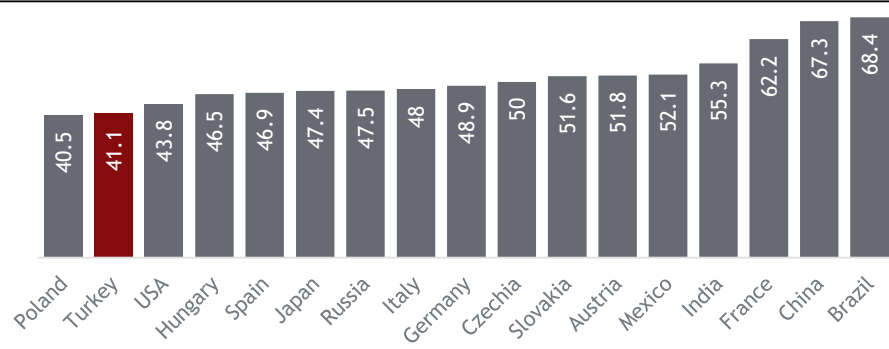
Bilateral Investment Protection Treaties with 75 countries



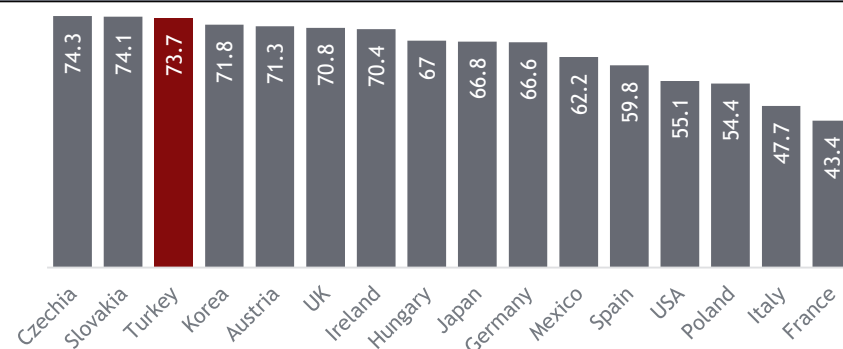
Treaties to avoid Double Taxation with 80 countries



Total Tax and Contribution Rate, 2017 (% of Profit)



International Tax Competitiveness, 2017 (Index=100 as most competitive)





Manufacturing Incentives

- ✓ Tax deduction & exemption +



Employment Incentives

- ✓ Payroll & Training support +



Exclusive Zones

Free Zones

- ✓ Tax deduction & exemption +

Organized Industrial Zones

- ✓ Developed infrastructure



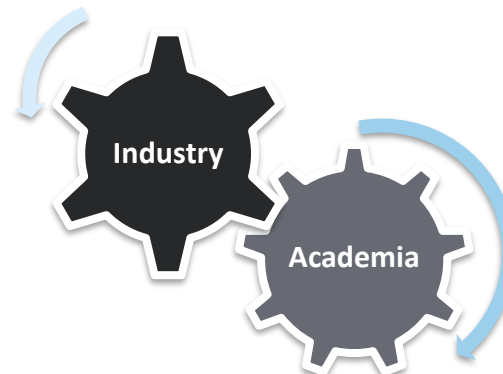
Incentives for Service Exporters

- ✓ 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+



R&D and Innovation Incentives

- ✓ Tax deduction & exemption +

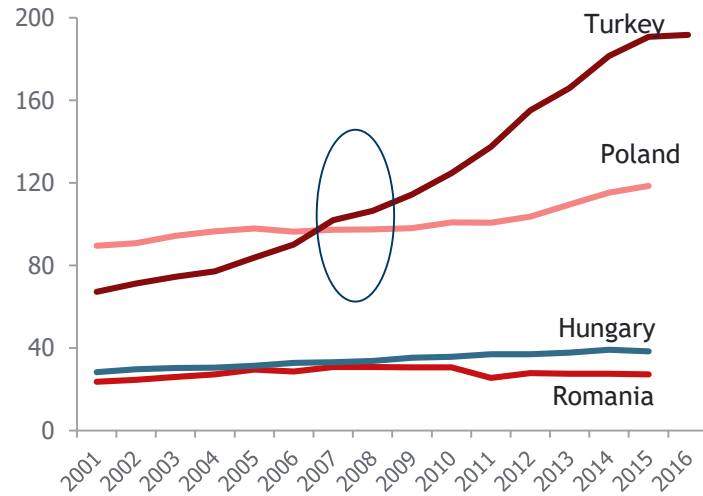


Benign R&D Ecosystem

R&D incentives are further supported by a favorable ecosystem..



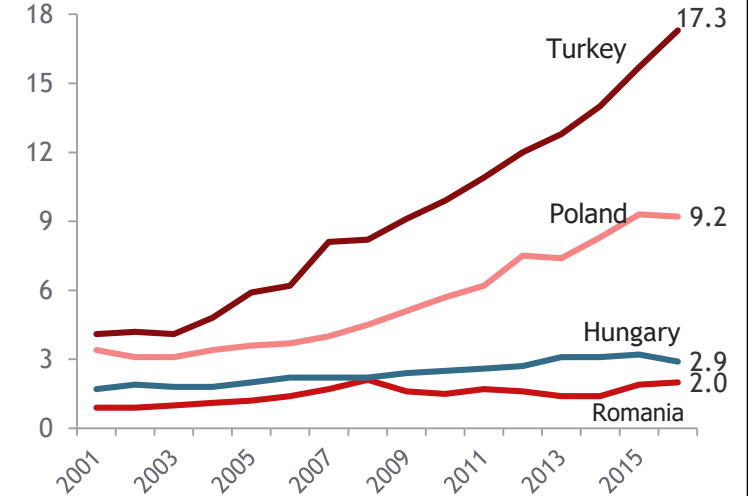
Number of Researchers (thousands)



Over 100 R&D centers by foreign companies

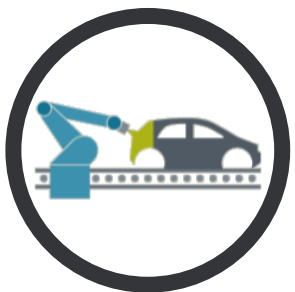


Increasing R&D Spending (\$ Billion, PPP)



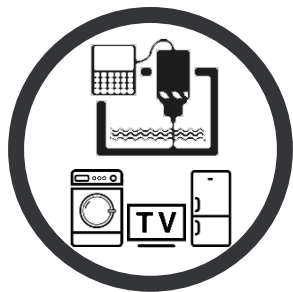
Selected Foreign Companies conducting R&D in Turkey





AUTOMOTIVE

- 14th largest manufacturer
- 1 million vehicle production
- Market: \$24 billion
- Export: \$24 billion



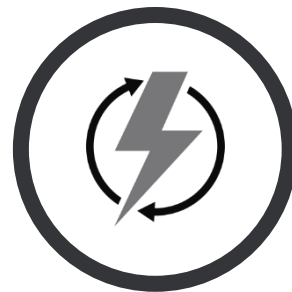
MACHINERY & ELECTRICAL EQP.

- Largest TV & white goods producer in Europe
- Market: \$38 billion
- Export: \$22 billion



AEROSPACE & DEFENCE

- \$15 billion defense spending
- Market: \$6 billion (industry)
- Export: \$2 billion
- Air passengers: 193 million



ENERGY

- Market: \$70 billion
- Growing demand
- Energy corridor
- Untapped renewables



FOOD & BEVERAGE

- Market: \$74 billion
- Export: \$17 billion
- Exports 1,781 products to 190 countries



INFRASTRUCTURE

- \$123 billion PPP investment (2003-2016)
- More opportunities in transport, energy, health



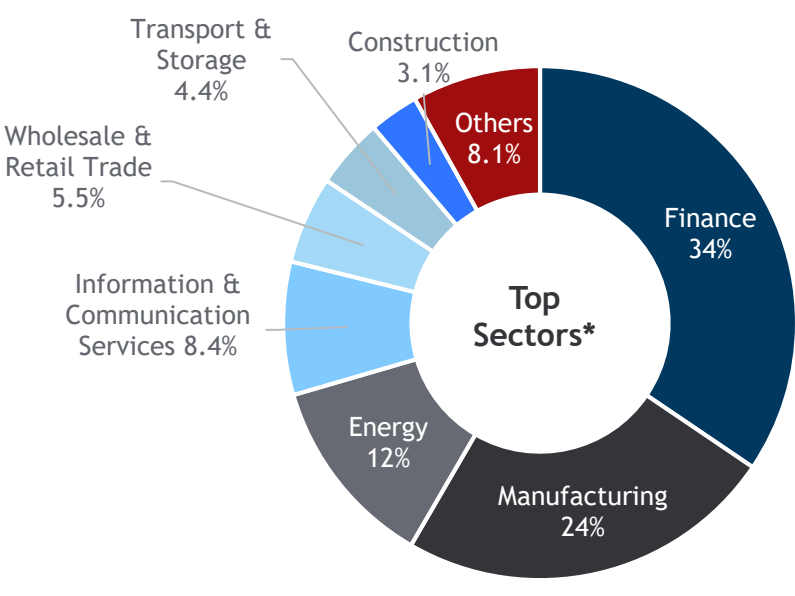
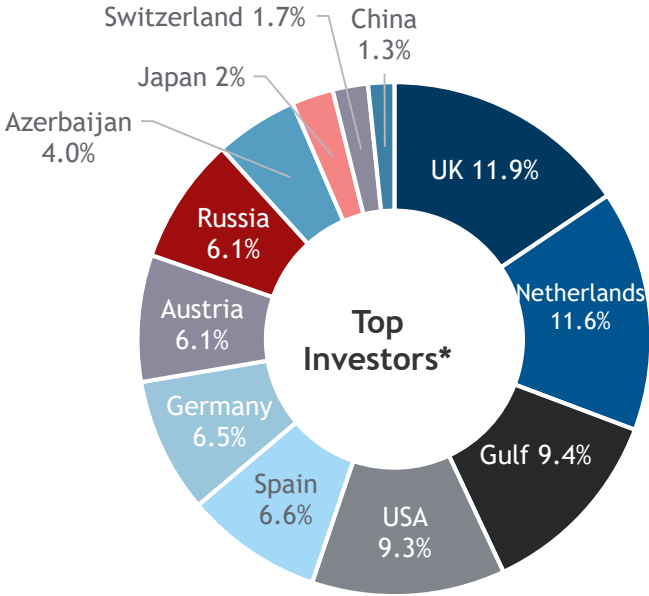
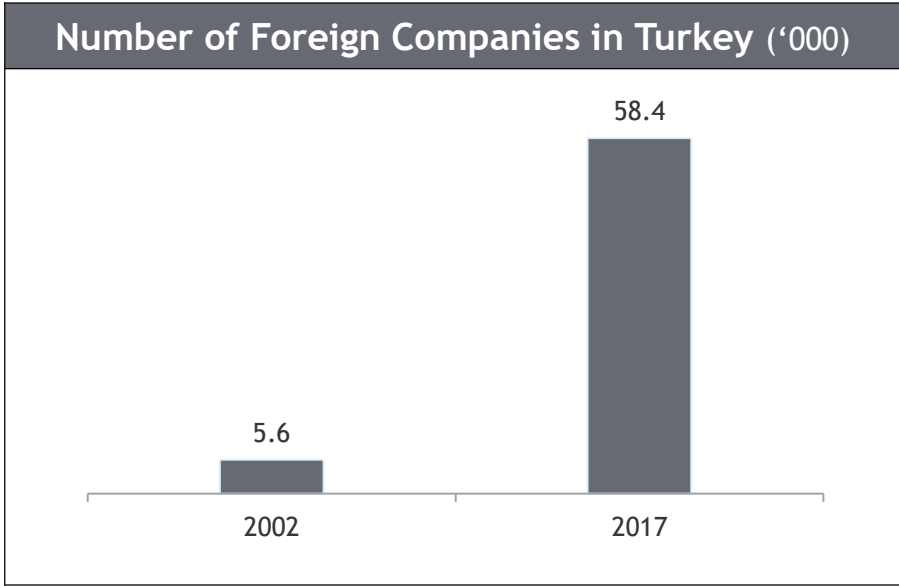
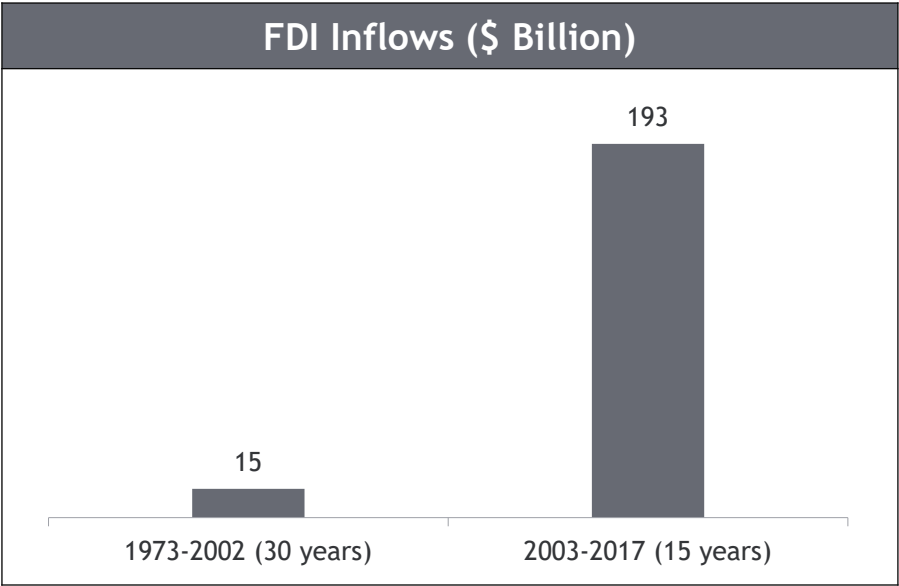
FINANCE

- 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...



Source: CBRT, Ministry of Economy, ISPAT Team Analysis *Geographic (adjusted) and sectoral breakdown of cumulative gross inflows of equity FDI from 2003 to 2017



Notable Recent Investments

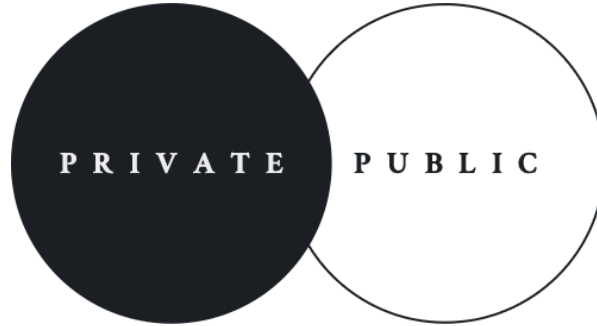
  <p>Hanwha Q CELLS</p> <p>Part of consortium for \$1 billion investment in solar PV (1GW)</p>	  <p>Part of consortium for \$1 billion investment in wind power plant (1GW)</p>	  <p>€300 million greenfield investment in paper mill (Kütahya)</p>	  <p>IFM Investors acquired 40% of MIP for \$869 million</p>
  <p>ZTE acquired 48.04% of NETAS for \$101 million</p>	  <p>DFDS acquired 98.8% of U.N. Ro-Ro for €950 million</p>	  <p>€100 million greenfield investment to produce hybrid engines</p>	  <p>€230 million greenfield investment</p>

What can Invest in Turkey do for you?

... assist you before, during and after your entry into Turkey



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

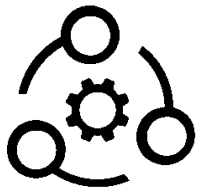


Site selection support to find appropriate location/land for your investment



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



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