



REPUBLIC OF TURKEY PRIME MINISTRY
INVESTMENT
SUPPORT AND PROMOTION
AGENCY

WHY INVEST IN **TURKEY**?

10 Reasons to Invest in Turkey



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Robust Economy

Track record growth and bright future...



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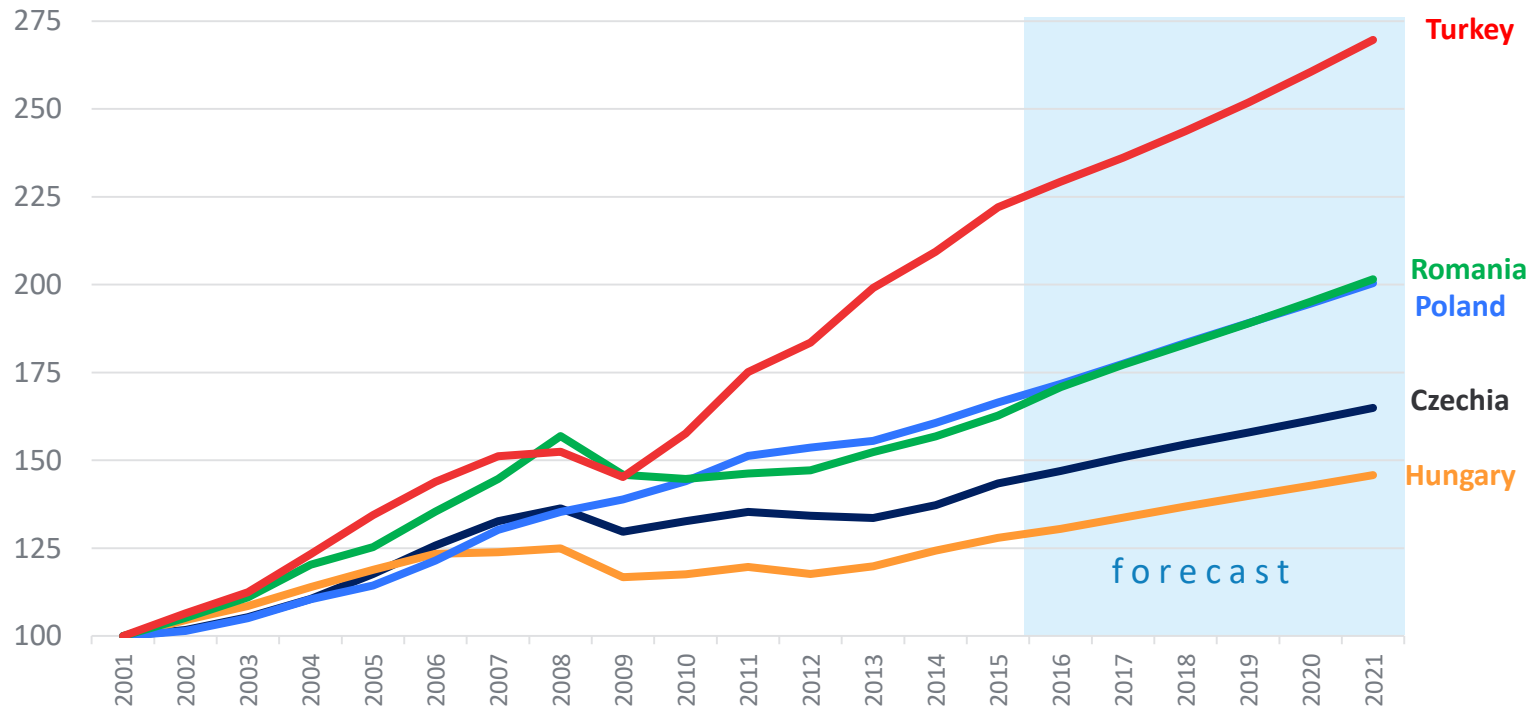
**17th largest
economy in the
world (GDP, PPP)**



**2002-2015
Annual GDP
Growth (%)**

5.9 Turkey
3.7 Poland
3.5 Romania
2.6 Czechia
1.8 Hungary

Real GDP Growth (Index: 2001=100)

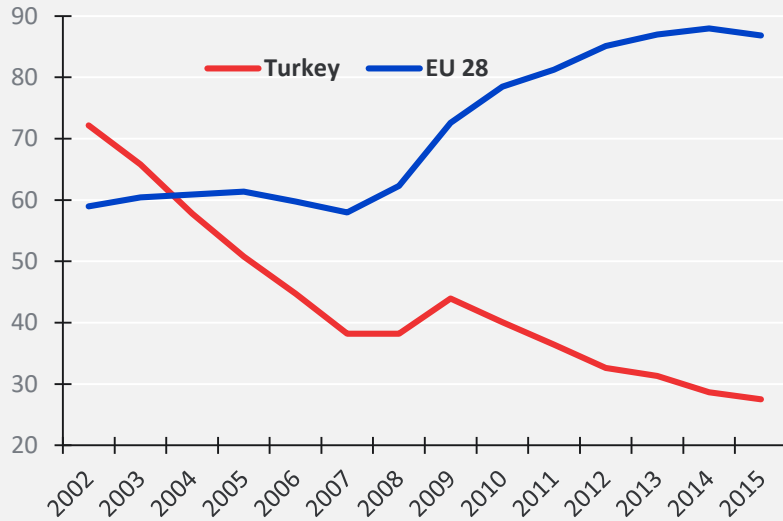


Source: TurkStat, IMF

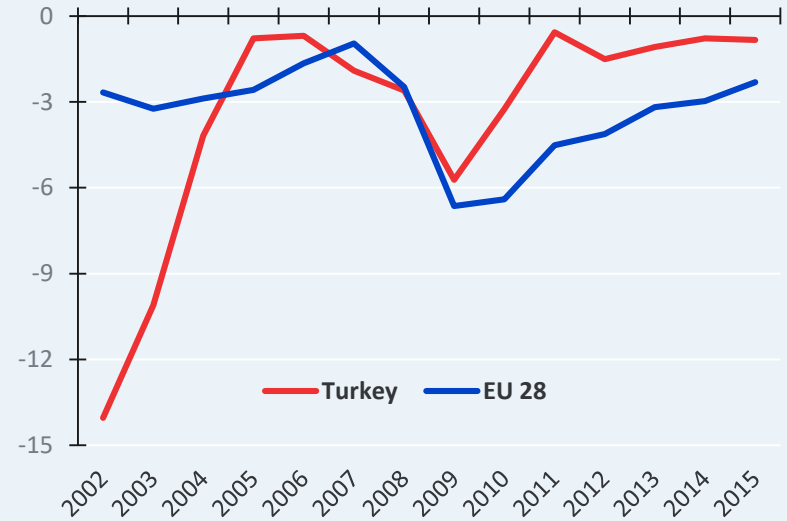
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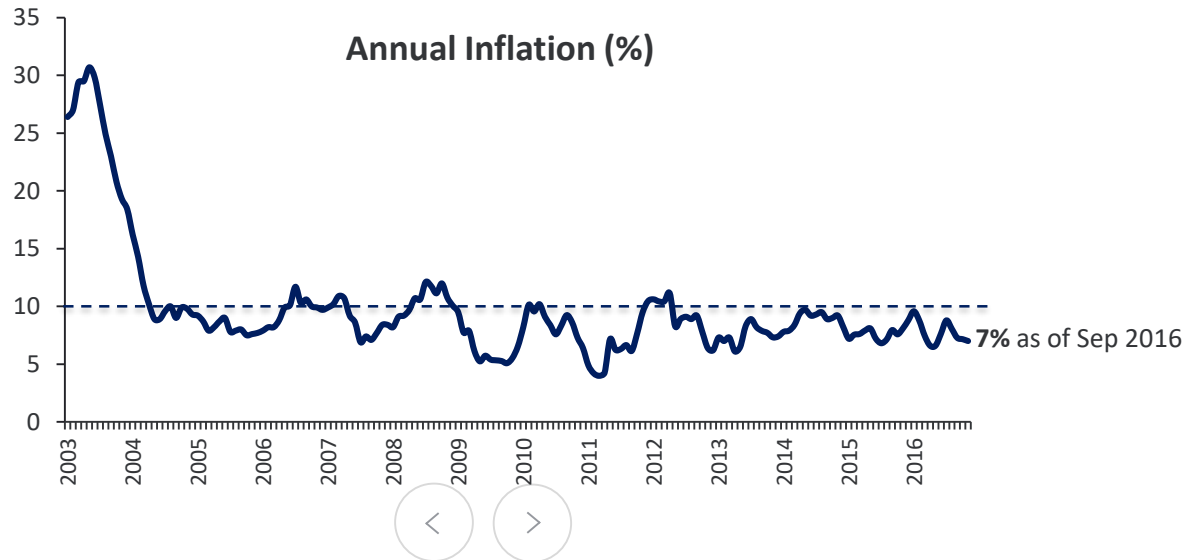
Gross Public Debt Stock as % of GDP



Budget Balance as % of GDP



Annual Inflation (%)

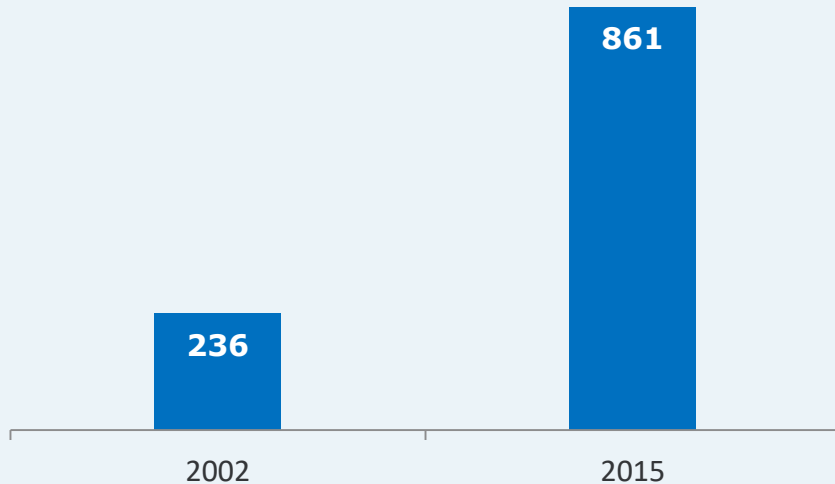




Turkish Economy has more than tripled over the past 13 years & promising more growth in future

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

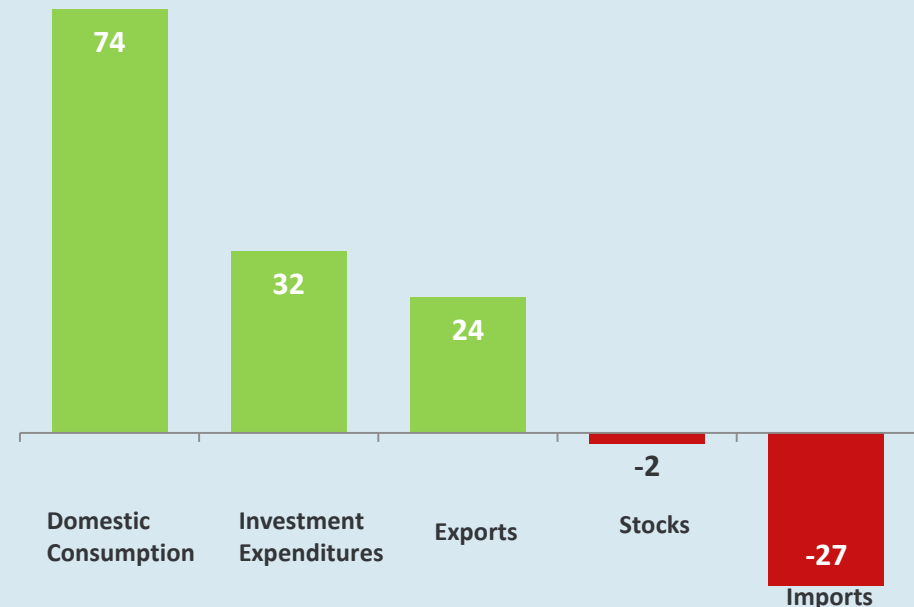
Turkish Economy
(GDP at current prices, \$Billion)



Source: TurkStat, IMF

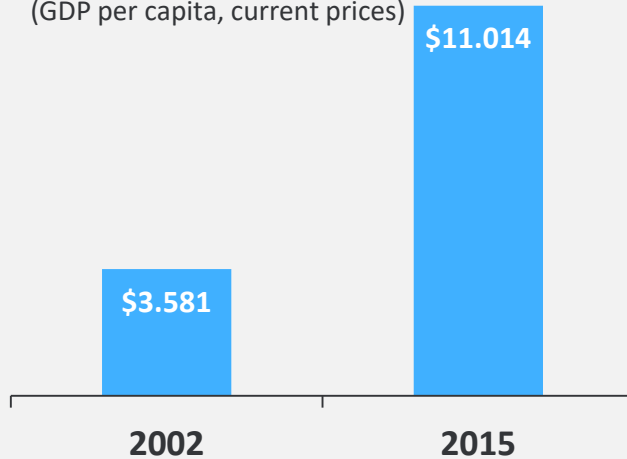
Contribution to Real GDP Growth (%)

2002-2015



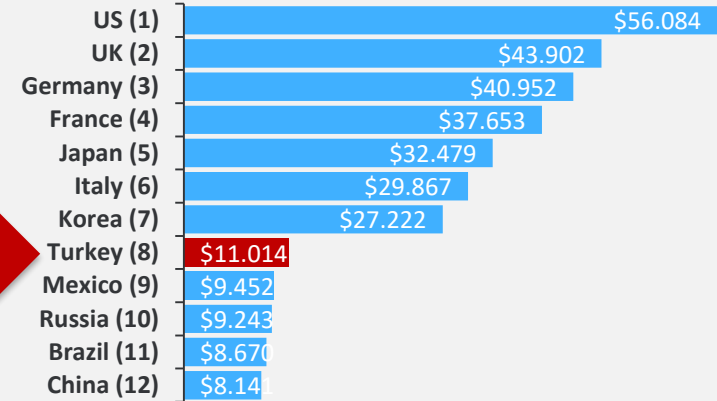
Tripling Income per capita

(GDP per capita, current prices)

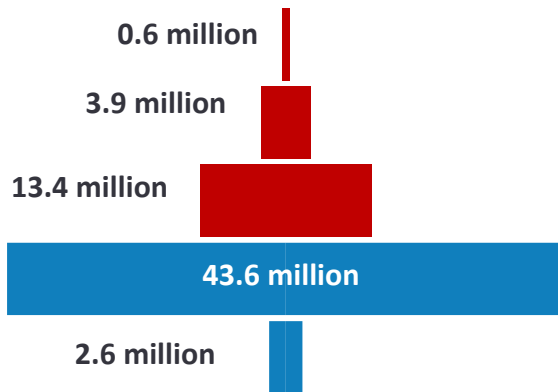


Among countries with population over 50 million, only 8 countries have GDP per capita over \$10.000

GDP per capita ranking in countries with population over 50 million



2001



High Income

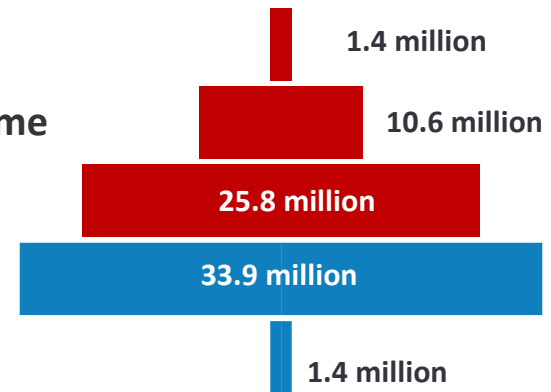
Upper-Middle Income

Middle Income

Low Income

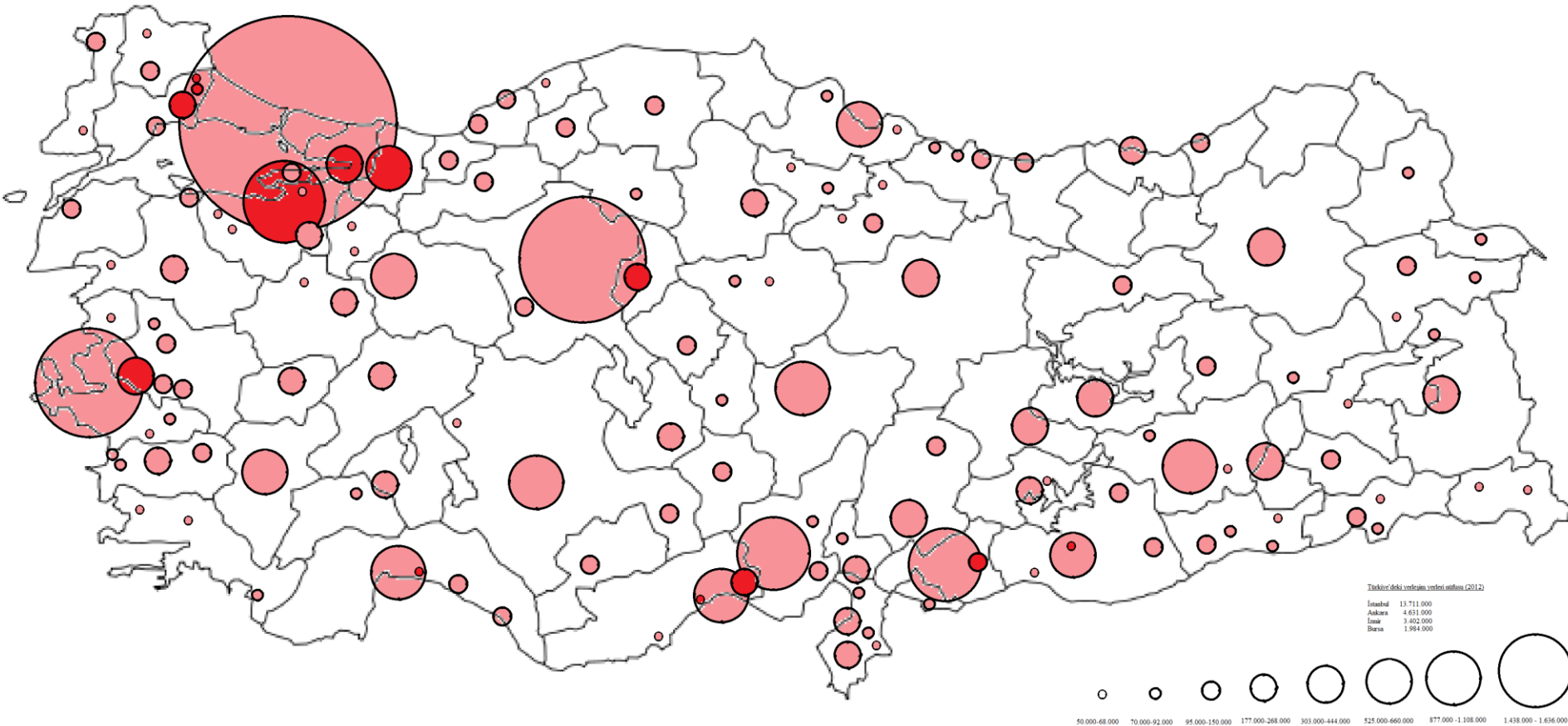
Poor

2011



Source: IMF, Turkstat, Pew Research; The poor live on \$2 or less daily, low income on \$2.01-10, middle income on \$10.01-20, upper-middle income on \$20.01-50, and high income on more than \$50; figures expressed in 2011 purchasing power parities (PPP) in 2011 prices.

There are 20 urban centers with populations over 1 million



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

= 510

million people

+

= 355

million people
in 27 countries
with Free Trade
Agreements

+

= 79

million people

Free
Access
to
944

million consumers



Strategic Location

to manufacture, export and manage...



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Connectivity with key markets through road, rail, sea and air..



Proximity to 1.6 billion people, \$24T GDP & \$7T trade at 4 hour flight-distance



Follow and cover markets in 16 times zones from New York to Tokyo

Turkish Airlines connects you to 243 destinations in 117 countries



16
TIME
ZONES



Already a manufacturing & export hub for global companies..

As well as a management hub managing dozens of countries from Turkey..



Exporting 85% of its production



Exporting 77% of its production



Production base for MENA



Using Turkey as Super Hub



Its largest production facility
In the world



-----> 90 countries



GE Healthcare --> 80 countries



Microsoft -----> 80 countries



-----> 67 countries



-----> 52 countries

"Besides regional proximity to our clients, İstanbul provides appropriate infrastructure, convenient airport links, and a good quality of life for our staff."

Dimitris Tsitsiragos, Vice-President, IFC

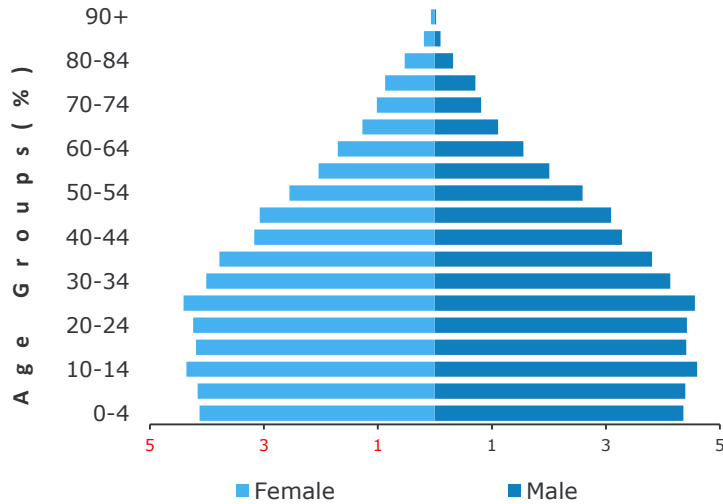
Favorable Demographics

half of population under age 30

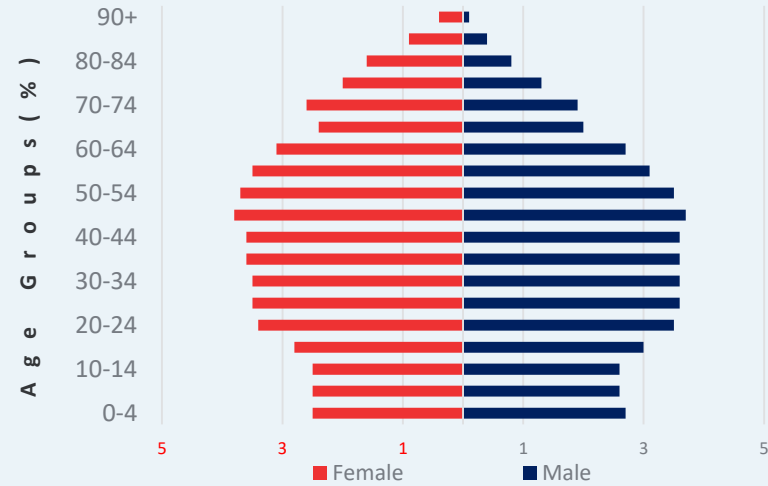


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TURKEY

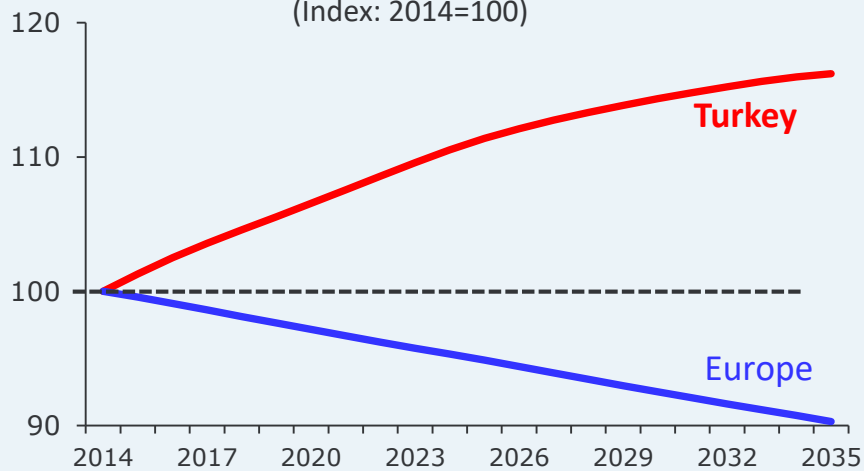


EUROPE



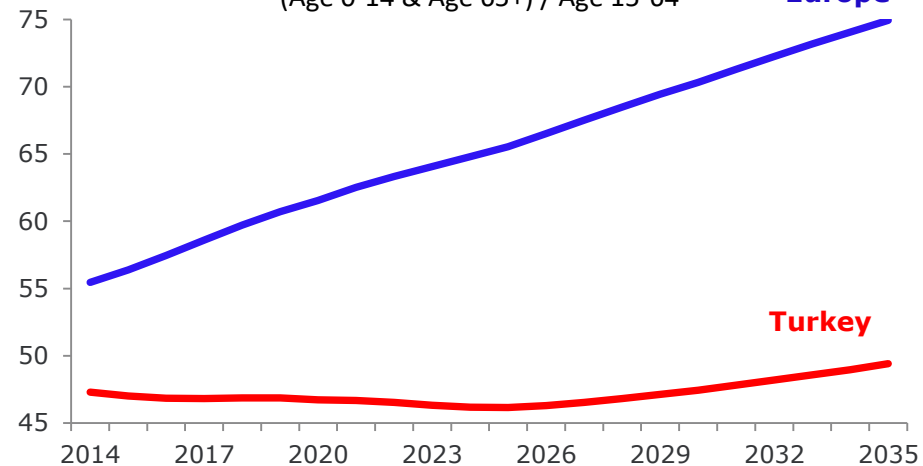
Working Age Population (15-64)

(Index: 2014=100)



Total Dependency Ratio (%)

(Age 0-14 & Age 65+) / Age 15-64



Skilled & Cost-competitive Labor Force

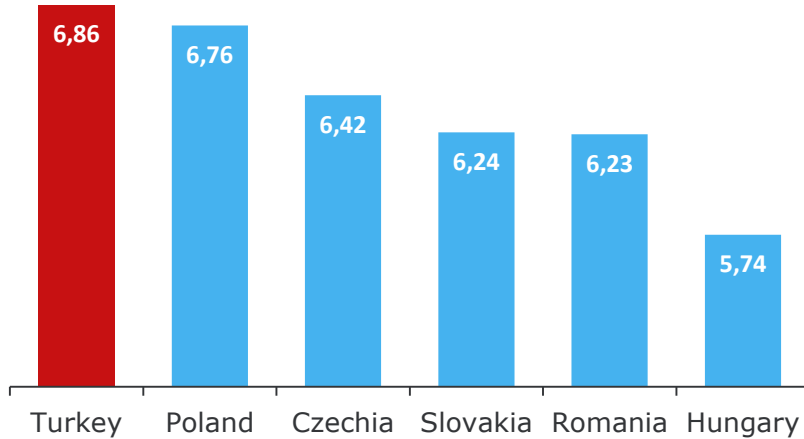
together with a diligent working culture and cost-competitive edge provides productive capacities..



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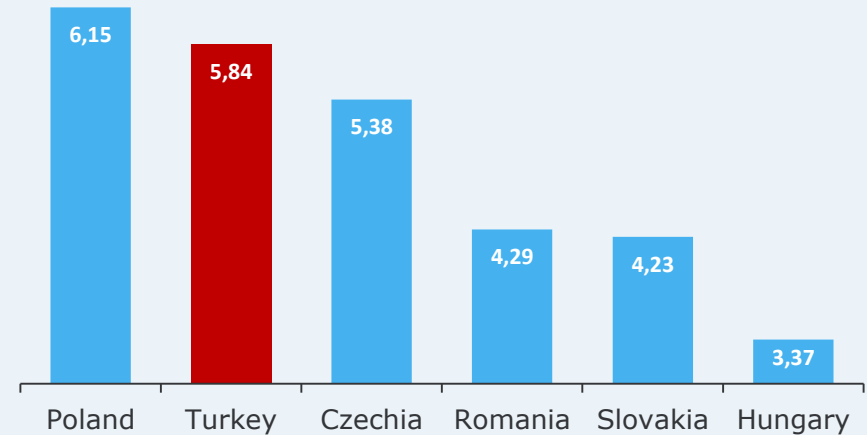
Availability of Qualified Engineers, 2015

(10=Available; 0=Unavailable)



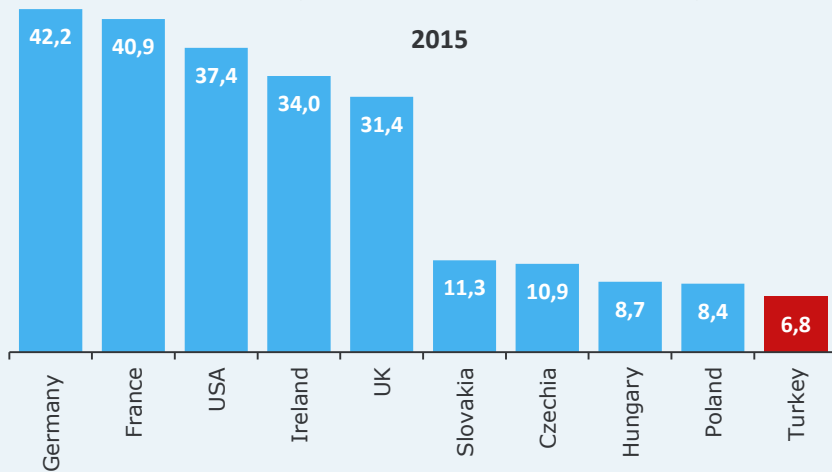
Availability of Competent Senior Managers, 2015

(10=Available; 0=Unavailable)



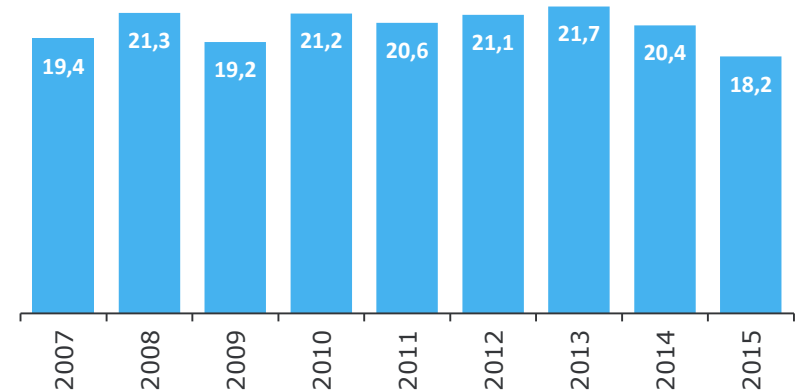
Labor Cost per hour in Manufacturing (\$)

2015



Labor Cost per hour in Manufacturing

Turkey vs. USA (US=100)



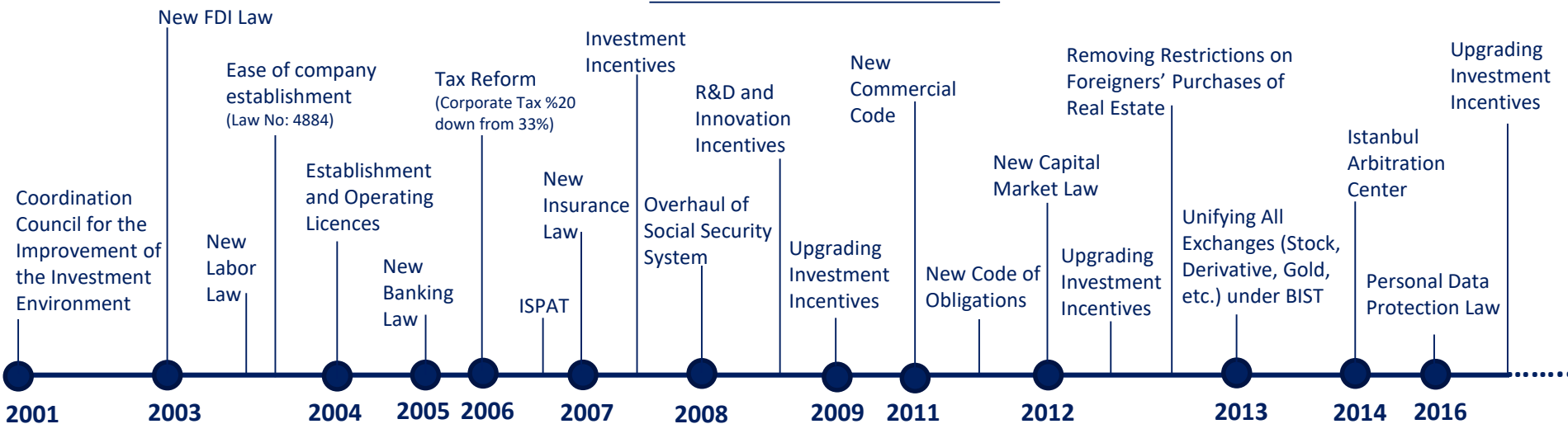
Reforms

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

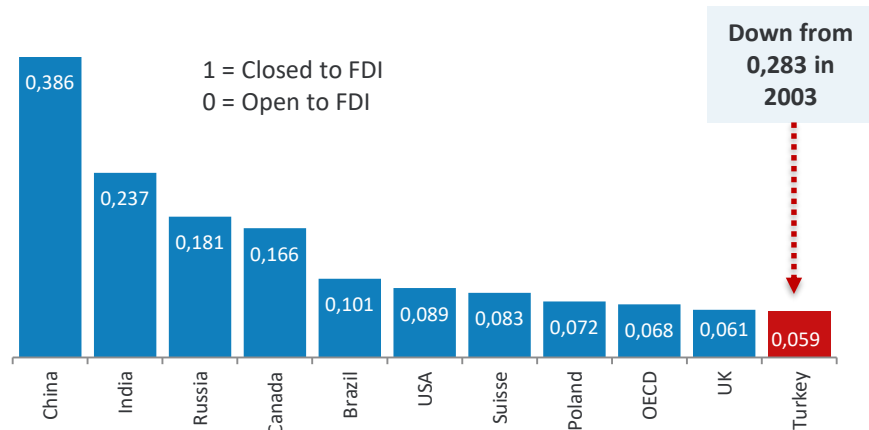


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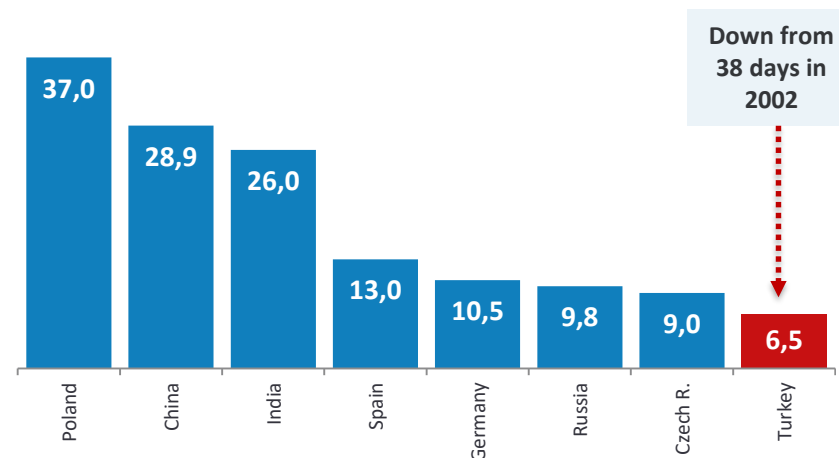
MAJOR REFORMS



FDI Regulatory Restrictiveness Index, 2015



Number of Days to set up a Company, 2016



Foreign Direct Investment (FDI) Law

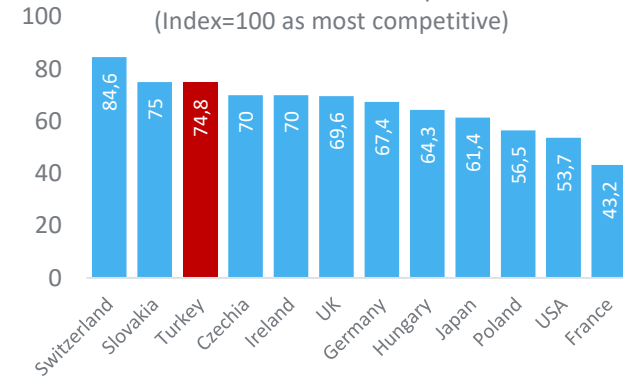
Bilateral Investment Protection Treaties with 75 countries

Double Taxation Agreements with 80 countries



Afghanistan, Albania, Argentina, Australia, **Austria**,
Azerbaijan, Bangladesh, Belarus, **Belgium**,
Luxembourg, Bosnia, Bulgaria, **China**,
Croatia, Cuba, Czech R., **Denmark**, Egypt, Estonia, Ethiopia,
Finland, **France**, Georgia, **Germany**, Greece,
Hungary, **India**, Indonesia, Iran, Israel, **Italy**,
Japan, Jordan, Kazakhstan, **Kuwait**, Kyrgyzstan,
Latvia, Lebanon, Libya, Lithuania, Macedonia, Malaysia, Malta,
Moldova, Mongolia, Morocco, **Netherlands**, Oman,
Pakistan, Philippines, Poland, Portugal, Qatar, Romania,
Russia, **Saudi Arabia**, Senegal, Serbia,
Singapore, Slovakia, Slovenia, **Korea**, **Spain**,
Sweden, **Switzerland**, Syria, Tajikistan, Thailand,
Tunisia, Turkmenistan, Ukraine, **UAE**, **UK**, **US**,
Uzbekistan, Yemen

2016 International Tax Competitiveness
(Index=100 as most competitive)



Albania, Algeria, Australia, Austria, Azerbaijan, Bahrain, Bangladesh,
Belarus, **Belgium**, Bosnia, Brazil, Bulgaria, **Canada**,
China, Croatia, Czech Republic, **Denmark**, Egypt, Estonia,
Ethiopia, **Finland**, **France**, Georgia, **Germany**,
Greece, Hungary, **India**, Indonesia, Iran, **Ireland**, Israel,
Italy, **Japan**, Jordan, Kazakhstan, **Kuwait**, Kyrgyzstan, Latvia,
Lebanon, Lithuania, **Luxembourg**, Macedonia, Malaysia,
Malta, Moldova, Mongolia, Morocco, **Netherlands**, New
Zealand, **Norway**, Oman, Pakistan, **Poland**, Portugal, **Qatar**,
Romania, **Russia**, **Saudi Arabia**, Serbia, Montenegro,
Singapore, Slovakia, Slovenia, South Africa, **Korea**, **Spain**,
Sudan, **Sweden**, **Switzerland**, Syria, Tajikistan, Thailand,
Tunisia, Turkish Republic of Northern Cyprus, Turkmenistan,
Ukraine, **UAE**, **UK**, **US**, Uzbekistan, Yemen



Lucrative Incentives



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Manufacturing Incentives

Employment incentives

Special Zones

✓ Tax deduction & exemption +



✓ Payroll & Training support +



Free Zones

✓ Tax deduction & exemption +

Organized Industrial Zones

✓ Developed infrastructure



Services Incentives

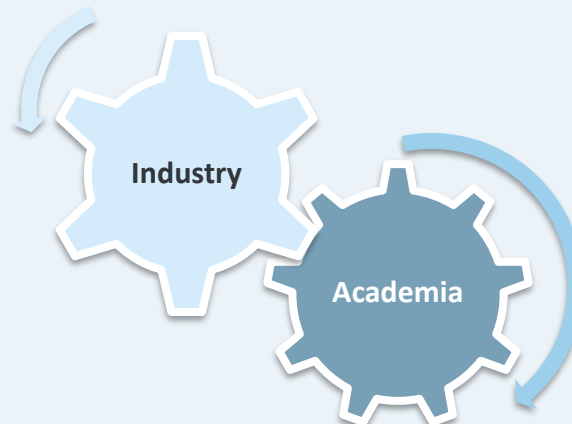
Technology Development Zones

R&D and Innovation Incentives

✓ Tax deduction for exporting services in;

Engineering
Architecture
Design
Software
Medical Reporting
Accounting
CALL CENTER
Datacenter
EDUCATION
Healthcare

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



✓ Tax deduction & exemption +



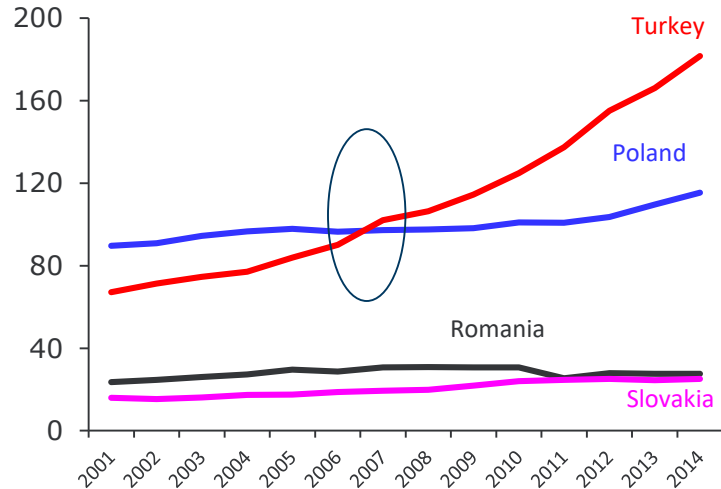
Benign R&D Ecosystem

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

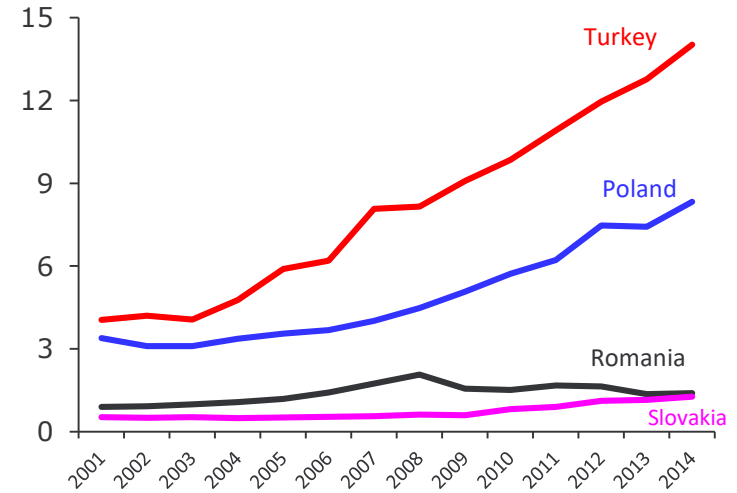


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Number of Researchers (thousands)



Increasing R&D Spending (\$ Billion)



Selected Foreign Companies conducting R&D in Turkey



ALSTOM



BOSCH



Mercedes-Benz

AMGEN

SIEMENS

ISUZU



RENAULT



B/S/H/

ZENTIVA
A SANOFI COMPANY



GS YUASA



TOYOTETSU

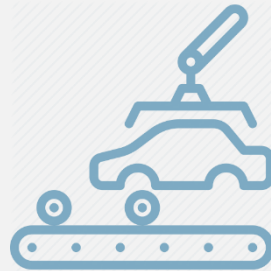


Panasonic



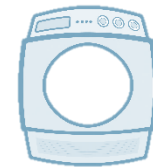
A U T O M O T I V E

- 17th largest auto producer in the world
- 2nd largest auto source to the EU
- Production: over 1 million vehicles per year
- Export: **\$18 billion**



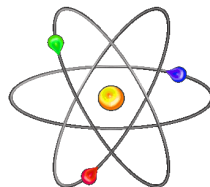
M A C H I N E R Y & E L E C T R I C A L E Q P T.

- Largest TV & white goods producer in Europe
- Export: **\$21 billion**



E N E R G Y

- Growing demand
- Energy corridor; proximity to 70% of world's proven primary energy sources
- Untapped renewable sources
- Government support to renewables



A G R O F O O D & B E V E R A G E

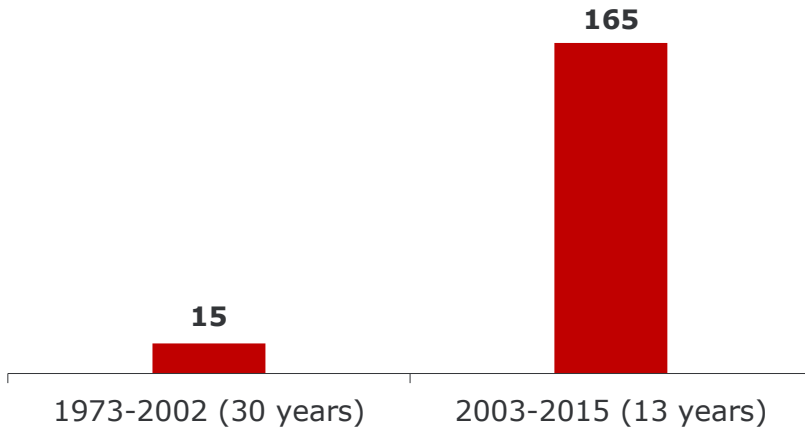
- Export: **\$17 billion**
- Turkey exports 1,781 types of agricultural products to 190 countries



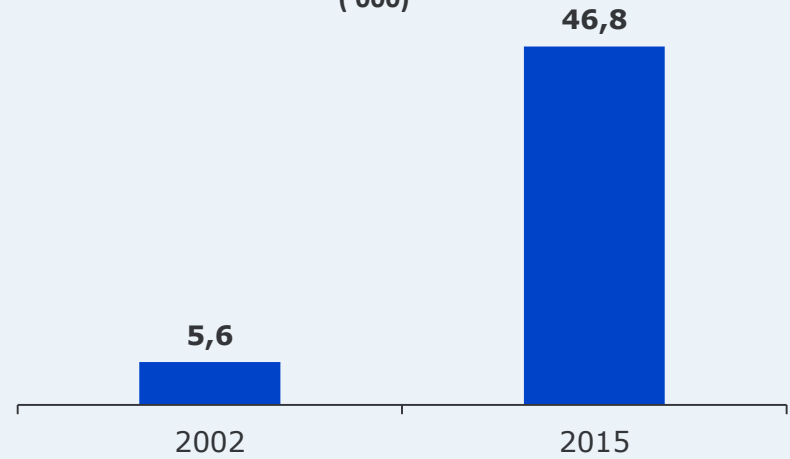
Turkey's value has been appreciated by foreign investors with increasing FDI in Turkey...



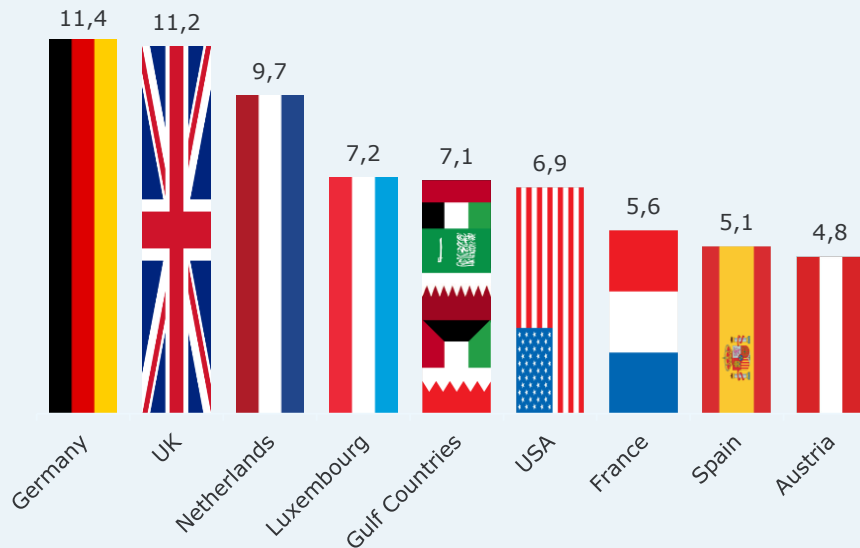
FDI Inflows (\$ Billion)



Number of Foreign Companies in Turkey ('000)



Top Investors by FDI stock (%) '14



Top Sectors by FDI Stock (%) '15

Sector	Share (%)
Manufacturing	33,6
Finance & Insurance	22,9
Wholesale & Retail Trade	15,4
Information & Communication	10,4
Energy	10,4
Mining & Quarrying	1,9
Transportation & Storage	1,5



INVEST IN TURKEY

INVESTMENT SUPPORT & PROMOTION AGENCY OF TURKEY

Attached to the Prime Ministry

Private sector approach with public sector capabilities

Acting as your solution partner;

OUR SERVICES

ISPAT assists investors before, during and after their entry in Turkey, providing them with professional consulting services including but are not limited to:

- ✓ General and customized business information
 - ✓ Sectoral analysis and reports
- ✓ Site selection support to find appropriate location/land for your investment
- ✓ Arrangements of meetings with governmental bodies and other stakeholders
 - ✓ Matchmaking with local partners and establishing business linkages
 - ✓ Facilitating your investment at all stages
 - ✓ Aftercare Services
 - ✓ Project Launch Services
 - ✓ Facilitating your visit to Turkey





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THANK YOU!

