

# **REPUBLIC OF TURKEY PRIME MINISTRY**

## **Investment Support and Promotion Agency of Turkey ISPAT**

“Investment Climate in Turkey”

REPUBLIC OF TURKEY PRIME MINISTRY  
INVESTMENT SUPPORT AND  
PROMOTION AGENCY



**YOUR ONE-STOP-SHOP  
IN TURKEY**

**invest.gov.tr**



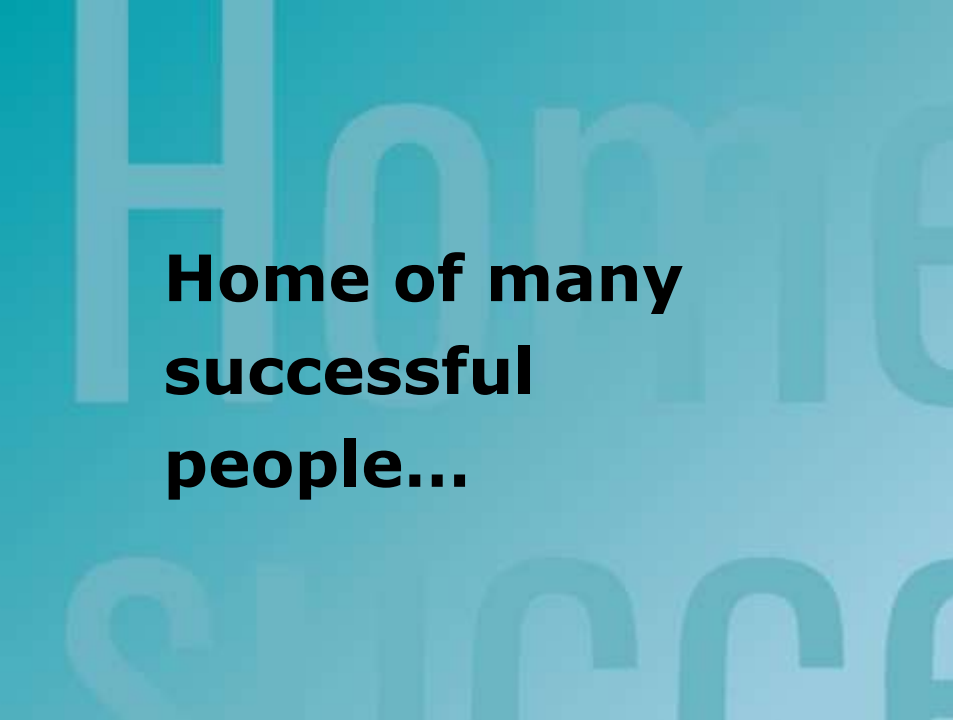
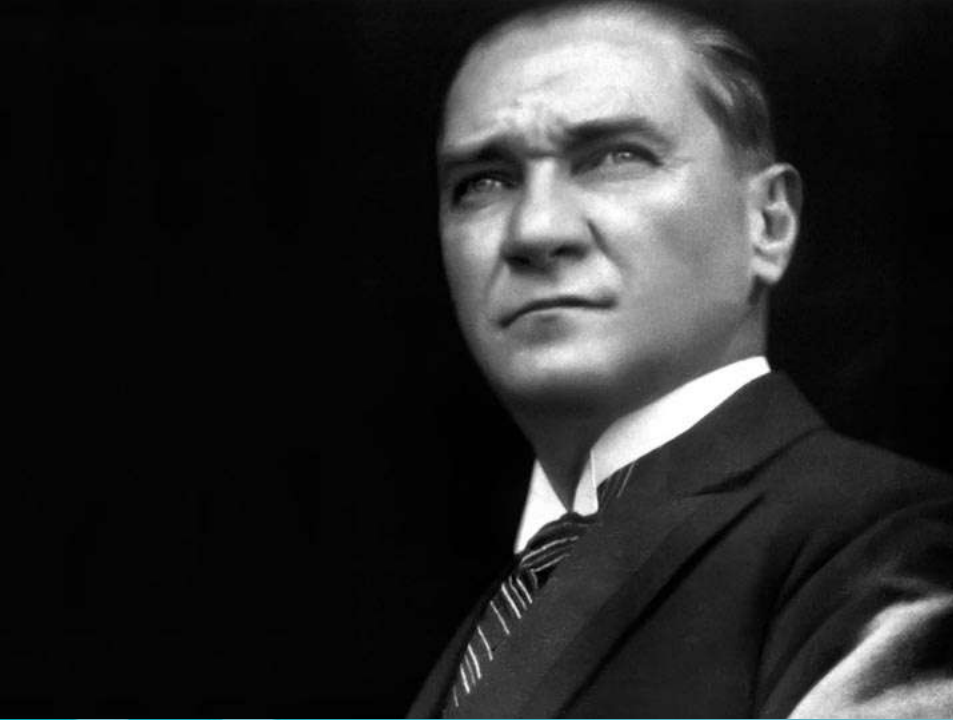




**Combination of  
contemporary and  
traditional...**











**What about the  
investment  
opportunities...**



# AGENDA

- **TURKEY WITH SOME KEY FIGURES**
- **FDI IN TURKEY**
- **TOP REASONS TO INVEST IN TURKEY**
- **THE AGENCY**
- **WHY TURKEY**

REPUBLIC OF TURKEY PRIME MINISTRY  
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# **Turkey with some key figures...**



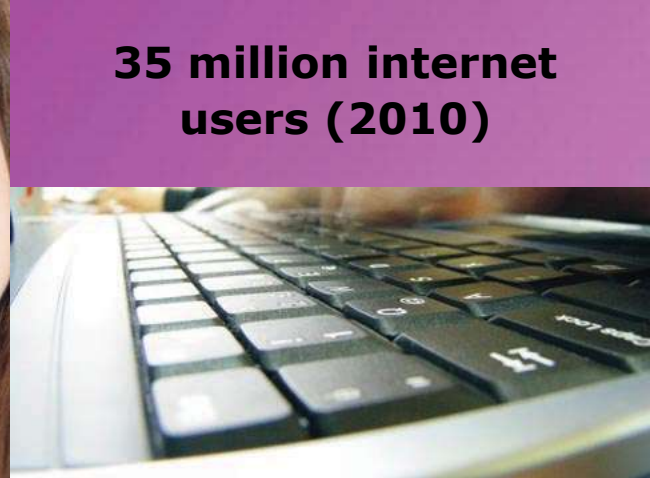


**16<sup>th</sup> largest economy in the world and 6<sup>th</sup> when compared to the EU Countries in 2009 (IMF)**

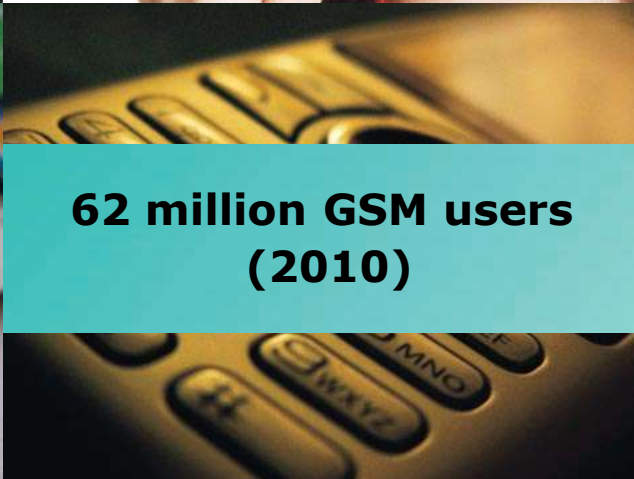


**The largest youth population when compared to the EU countries**





**35 million internet  
users (2010)**



**62 million GSM users  
(2010)**



**46 million credit card  
users (2010)**



## **VOLITAN**

- Green Dot Award 2008, Miami
- International Design Award 2007, New York

**Turkey is the 5<sup>th</sup> largest shipbuilding (units) country as well as the 3<sup>rd</sup> largest mega yacht producer in the world (2008)**



**VOLITAN**  
Designer Dr. Hakan GÜRSU & Designer Sözümler DOĞAN, TURKEY





**Turkey is the 10<sup>th</sup> largest steel producer in the world and 2<sup>nd</sup> compared with the EU countries (worldsteel 2009)**

**Turkey is the 17<sup>th</sup> largest automotive producer in the world (OICA 2009)**

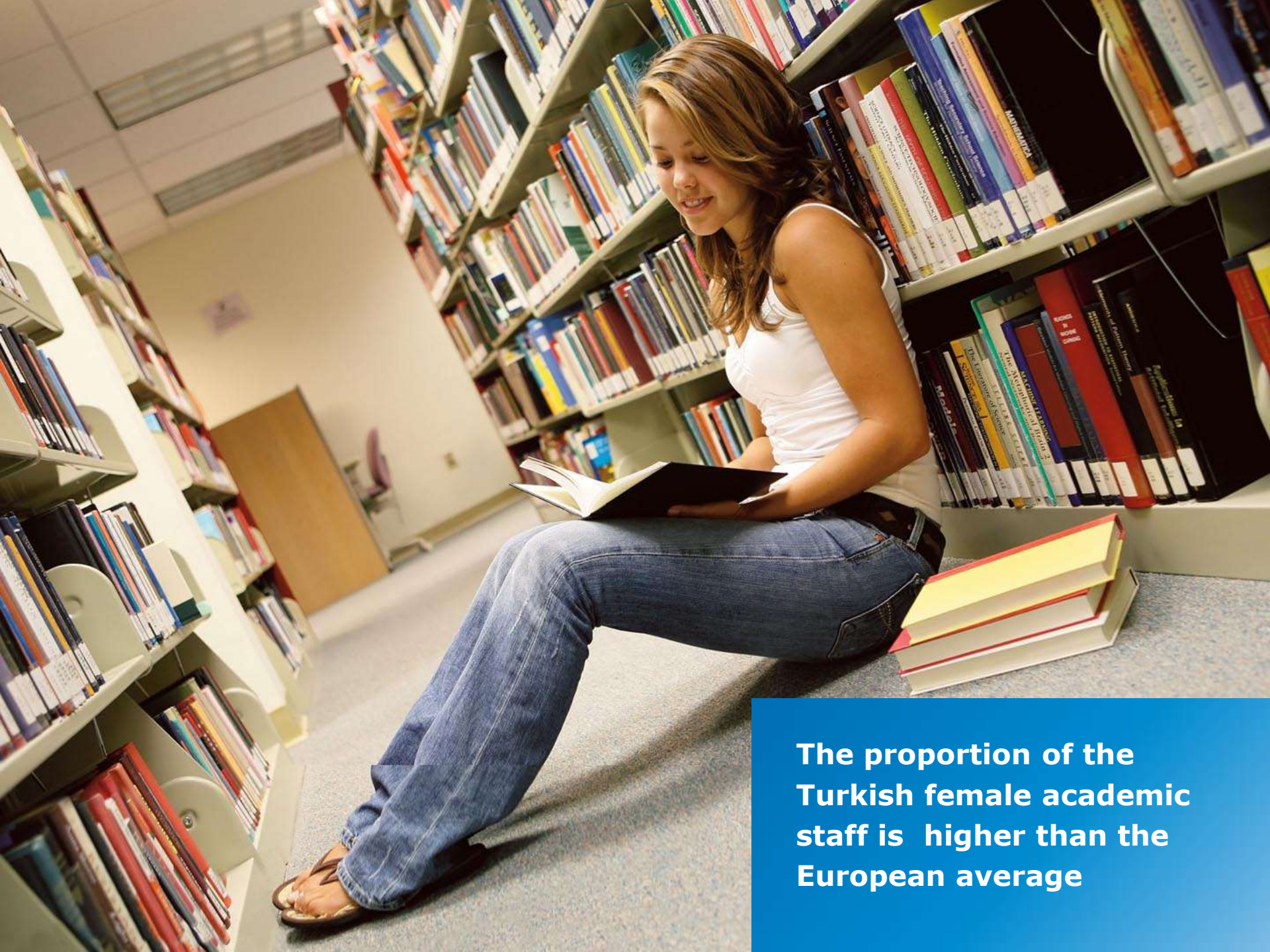


- Turkish Airlines is one of the fastest growing airlines in Europe; the leader in traffic and capacity growth in Europe (AEA, 2009)
- Fleet Plan for 2009-2023; purchase 105 aircrafts
- The best airline in Southern Europe; sole 4-star airline in Europe (Skytrax 2009)



- 85.5 million airline passengers in Turkey (2009)
- Istanbul Ataturk Airport is the best airport in Southern Europe (Skytrax 2010)

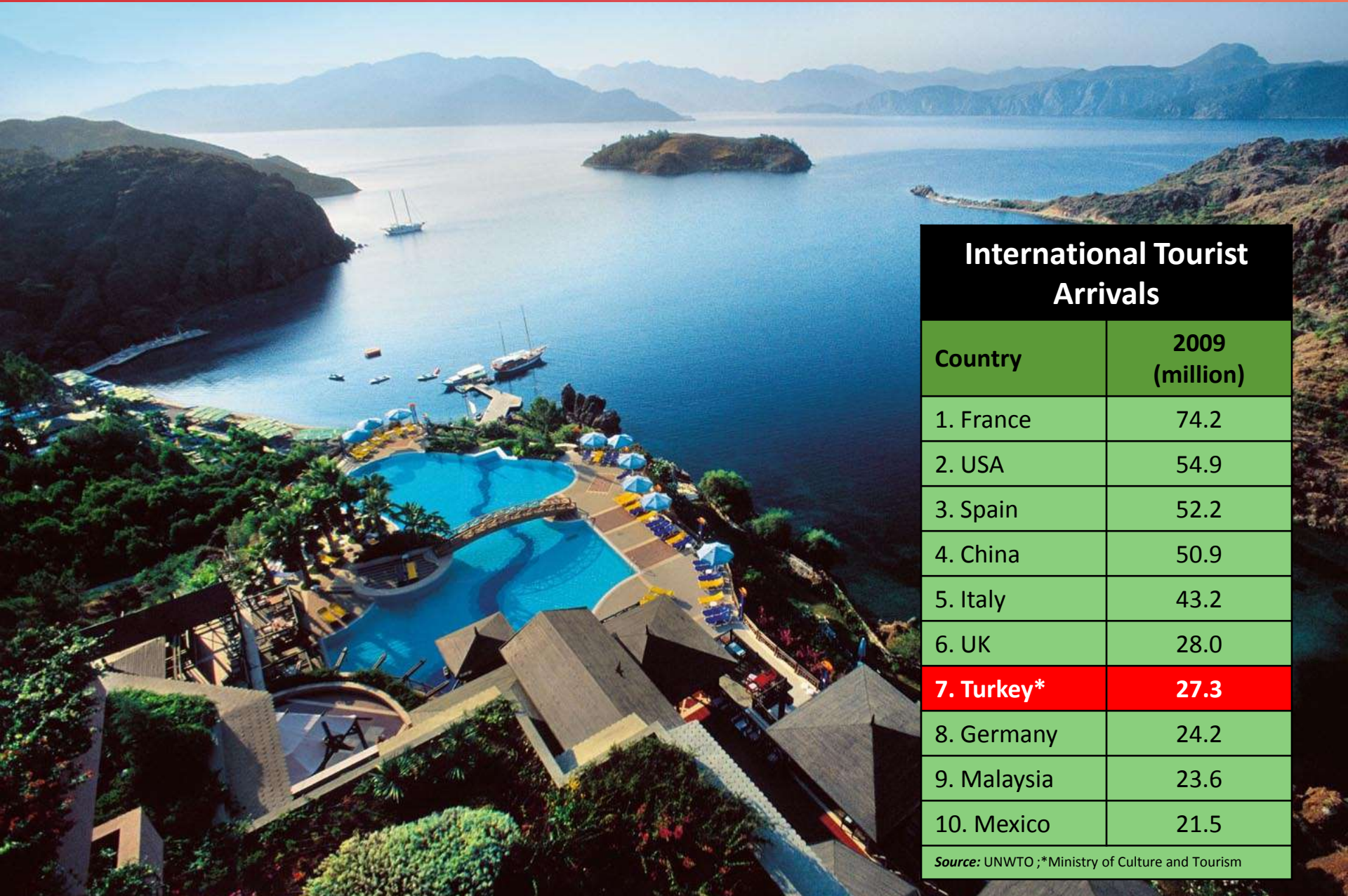




**The proportion of the Turkish female academic staff is higher than the European average**



# Turkey is the 7<sup>th</sup> most visited holiday destination in the world (2009)



## International Tourist Arrivals

Country	2009 (million)
1. France	74.2
2. USA	54.9
3. Spain	52.2
4. China	50.9
5. Italy	43.2
6. UK	28.0
<b>7. Turkey*</b>	<b>27.3</b>
8. Germany	24.2
9. Malaysia	23.6
10. Mexico	21.5

Source: UNWTO ;\*Ministry of Culture and Tourism

Out of world's top 100 best hotels 20 are from Turkey (TUI Holly, 2009)





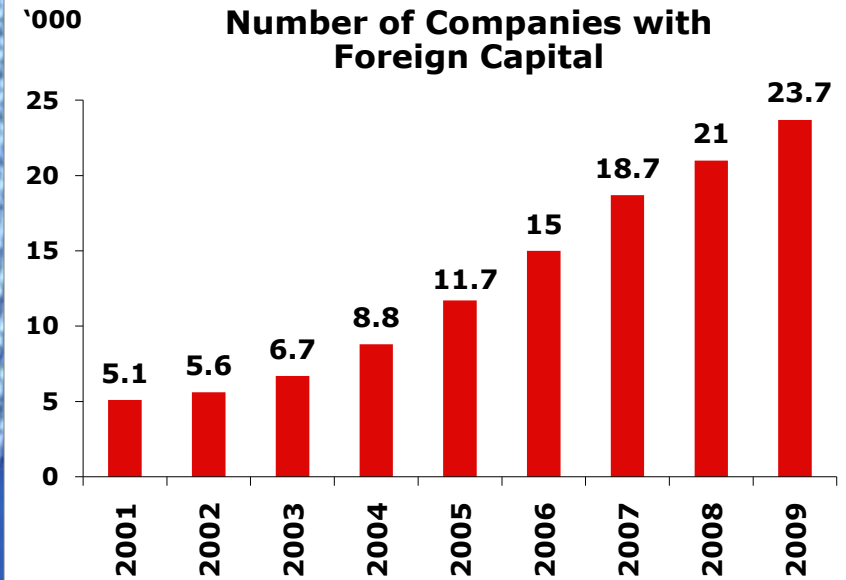
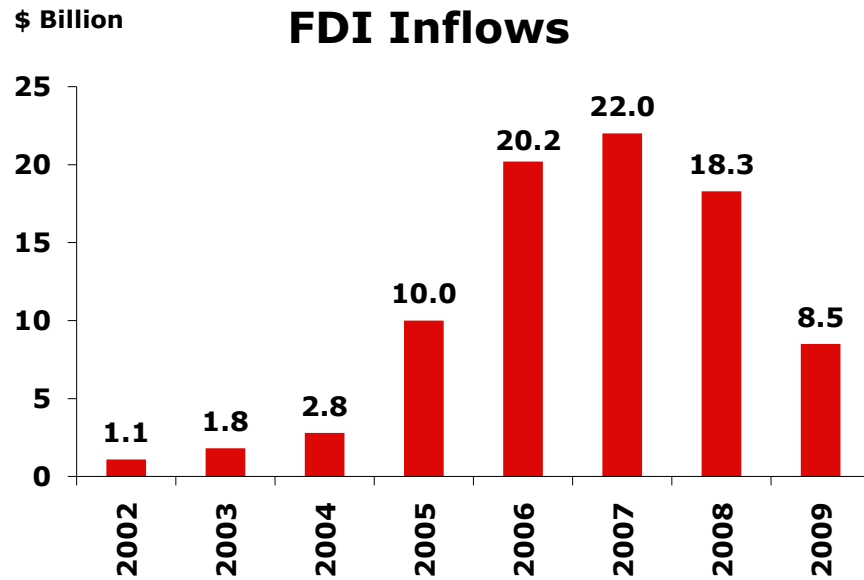
**It's not only a place  
to work, but also a  
fascinating place to live.**

# FDI in Turkey





## Strengthening upward trend in FDI Inflows



**Turkey is the 15<sup>th</sup> most attractive FDI destination for 2008-2010 according to the World Investment Prospects Survey**



Source: UNCTAD



# Top reasons to invest in Turkey

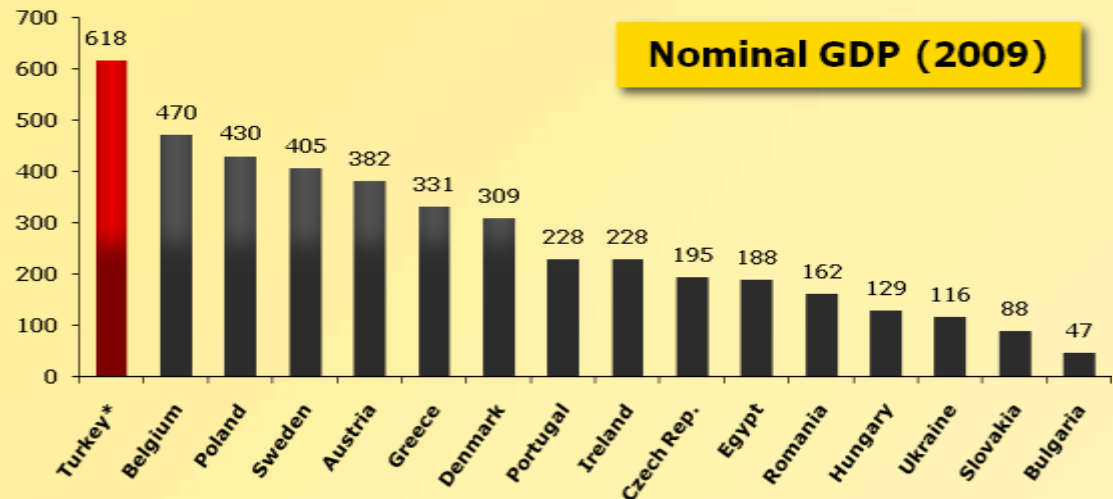


# Top reasons to invest in Turkey

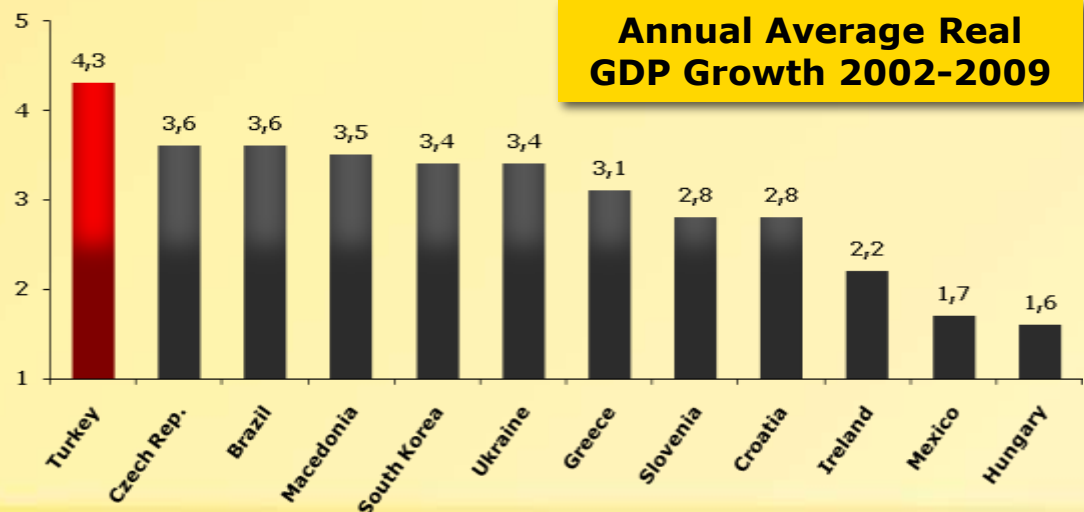
- **Dynamic, Stable & Attractive Economy**
  - **GDP**
  - **Key numbers**
- **Population**
- **International Hub**
- **Structural Reforms**

## Benchmarking Performance of the Turkish Economy

Billion USD



%





# Top reasons to invest in Turkey

**Let your business blossom in a thriving economy and promising future**

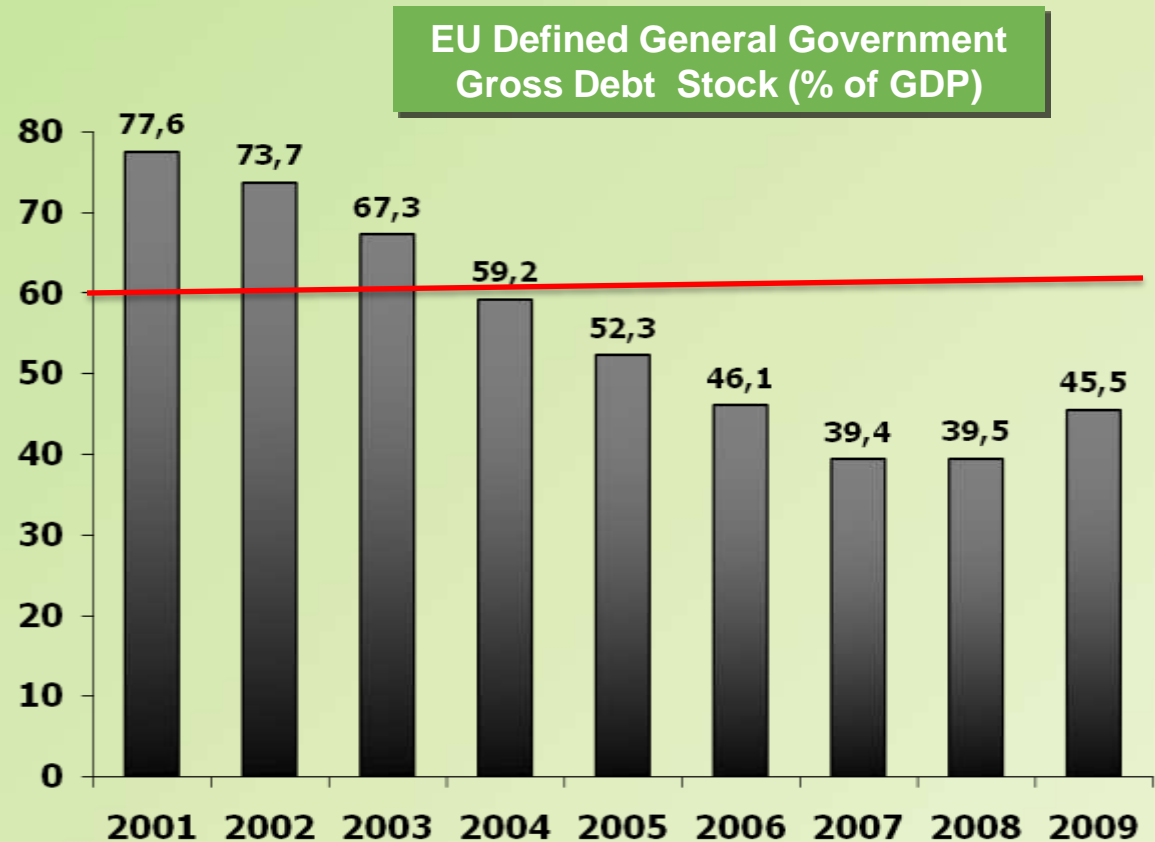


**The fastest growing economy among the OECD countries**

# Top reasons to invest in Turkey

## Stability and High Performance in the Economy

- **Dynamic, Stable & Attractive Economy**
  - **GDP**
  - **Key numbers**
- **Population**
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- **Structural Reforms**



Source: Treasury

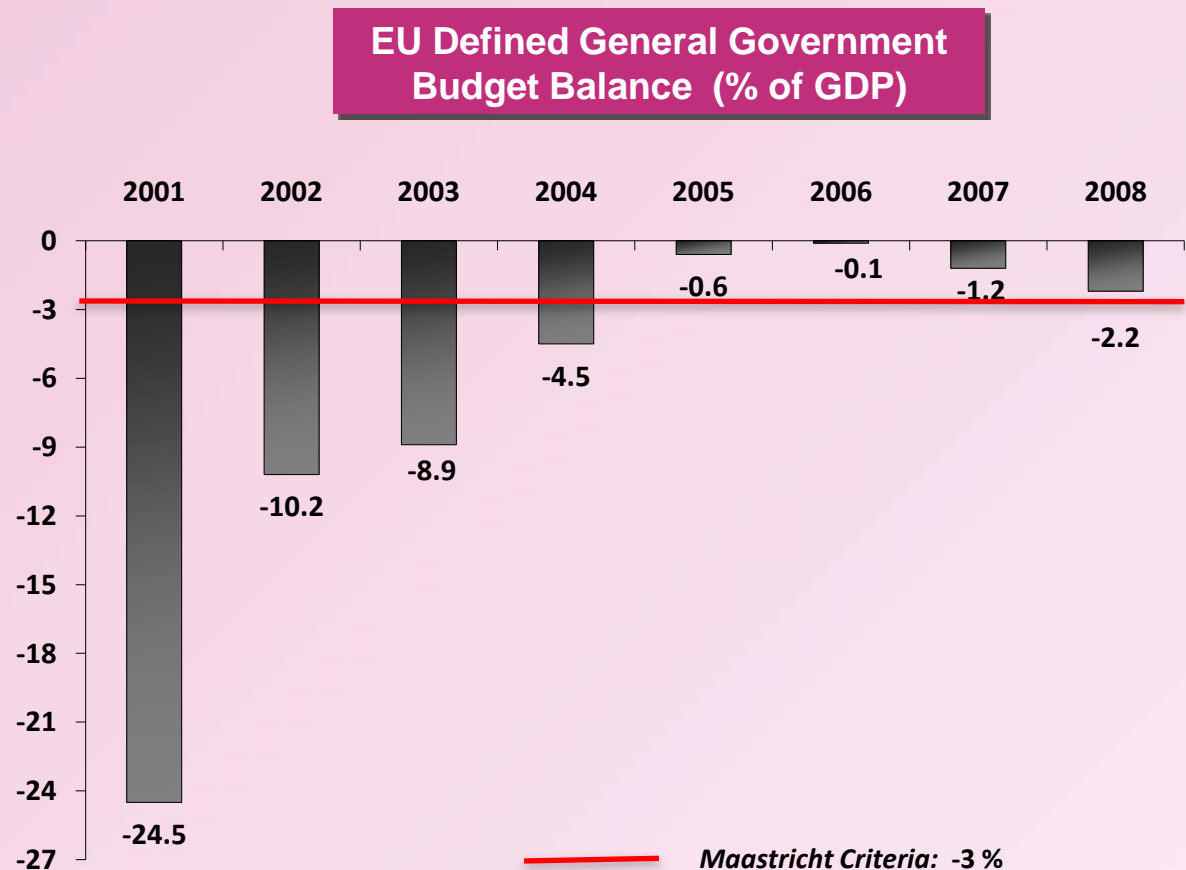
— Maastricht Criteria: 60 %



# Top reasons to invest in Turkey

## Stability and High Performance in the Economy

- **Dynamic, Stable & Attractive Economy**
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# Top reasons to invest in Turkey

## Stability and High Performance in the Economy

- **Dynamic, Stable & Attractive Economy**
  - **GDP**
  - **Key numbers**
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- **Structural Reforms**





# Top reasons to invest in Turkey

**Turkey has the 5<sup>th</sup> most liberal trade policies in the world  
(World Trade Indicators 2009)**

- **Dynamic, Stable & Attractive Economy**

- **GDP**
- **Key numbers**

- **Population**

- **International Hub**

- **Structural Reforms**

- ❖ **Customs Union with the EU**

- ❖ **Free Trade Agreements with 17 countries:**

1. Albania
2. Bosnia & Herzegovina
3. Croatia
4. Egypt
5. Georgia
6. Iceland
7. Israel
8. Lichtenstein
9. Macedonia
10. Morocco
11. Norway
12. Palestine
13. Switzerland
14. Syria
15. Tunisia
16. Montenegro
17. Serbia

# Top reasons to invest in Turkey

## Stability and High Performance in the Economy

- **Dynamic, Stable & Attractive Economy**
  - **GDP**
  - **Key numbers**
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\* As of September 2010

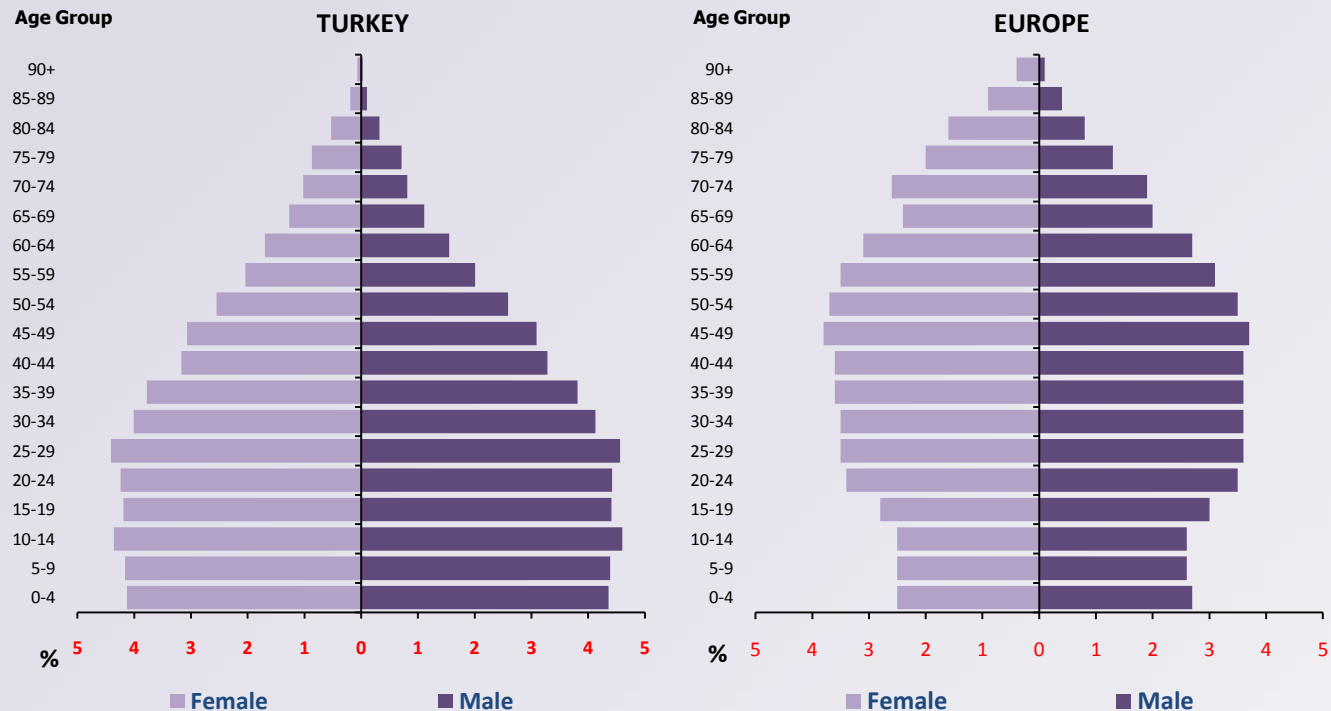


# Top reasons to invest in Turkey

## Potential of the Turkish Economy - Young Population -

### Population Pyramid

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - **Age**
  - **Labor Force**
  - **GDP**
- **International Hub**
- **Structural Reforms**



Source: UN and TURKSTAT, 2010

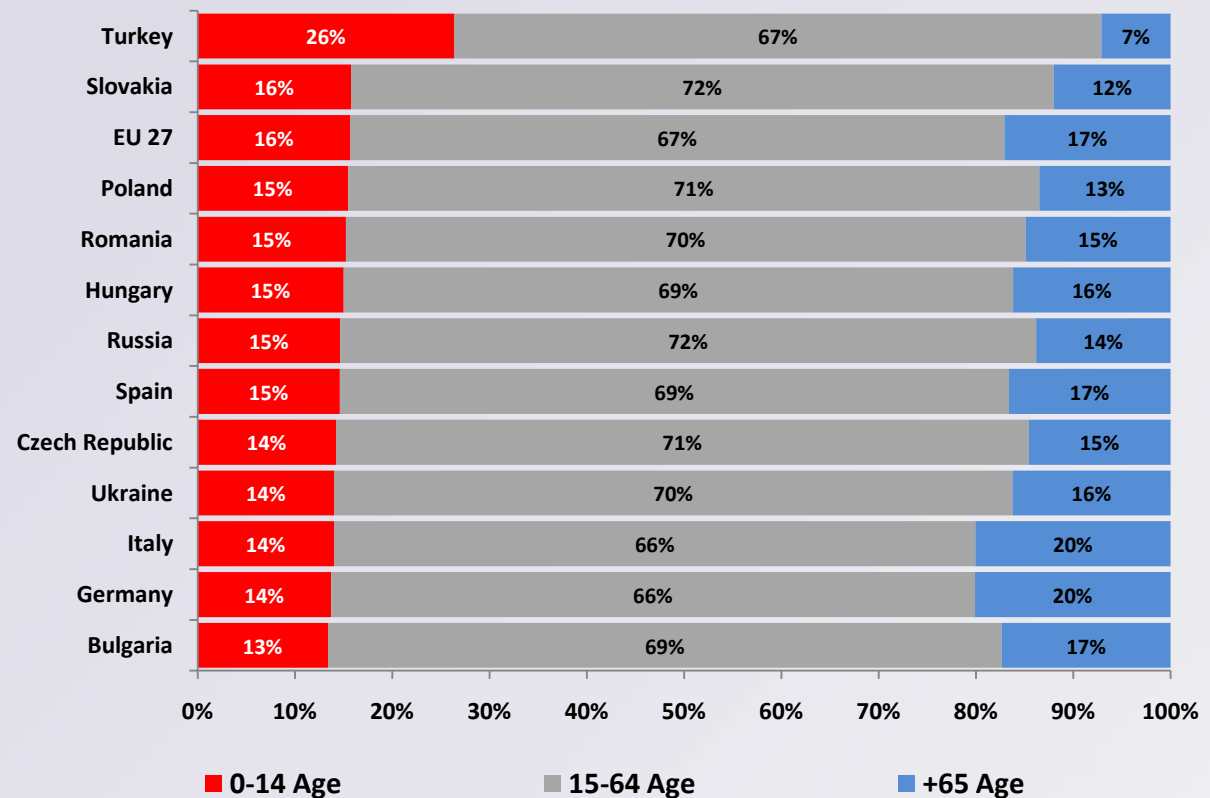
✓ Half of population in Turkey is under age 29

# Top reasons to invest in Turkey

## Potential of the Turkish Economy - Young Population -

- **Dynamic, Stable & Attractive Economy**
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### Favorable Demographics Population by Age Groups (2008)



✓ 26% of populations is under age 15



# Top reasons to invest in Turkey

## Availability of the Skilled Labor Force

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - **Age**
  - **Labor Force**
  - **GDP**
- **International Hub**
- **Structural Reforms**

Qualified Engineers 2009



Competent Senior Managers 2009



IT Skills 2009

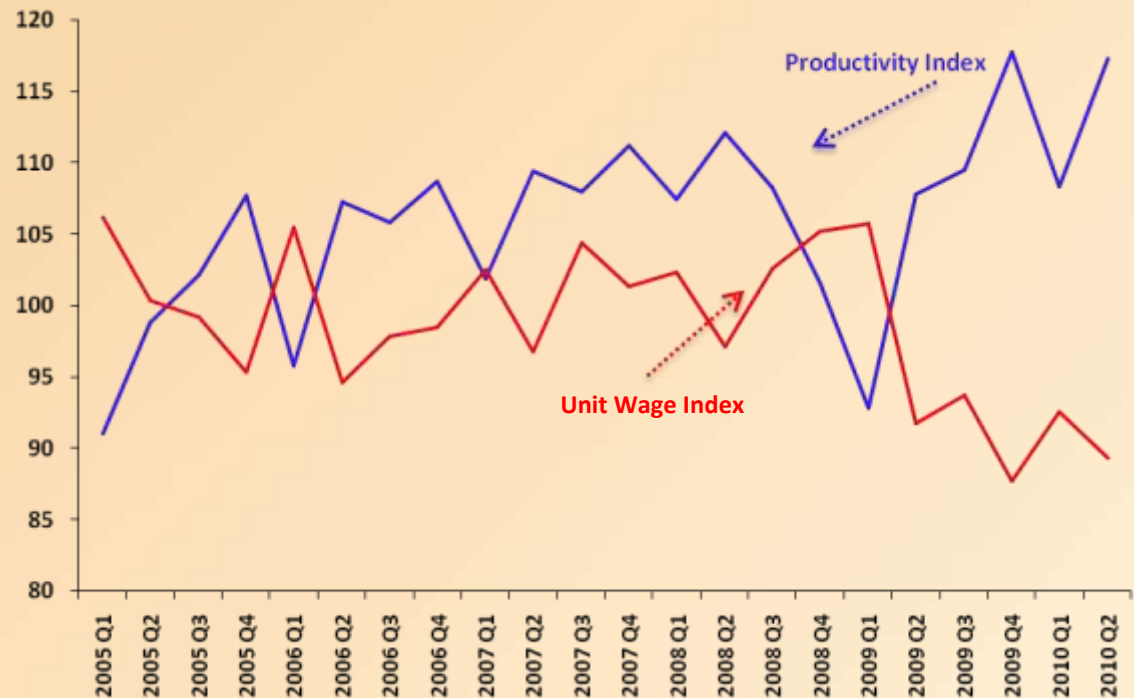


# Top reasons to invest in Turkey

## Productive and Cost-effective Labor Force

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - Age
  - Labor Force
  - GDP
- **International Hub**
- **Structural Reforms**

**Productivity and Unit Wages Index in Industry**  
(Per Worker; 2005=100)





# Top reasons to invest in Turkey

## Productive and Cost-effective Labor Force

- **Dynamic, Stable & Attractive Economy**

- **Population**

- Age
- Labor Force
- GDP

- **International Hub**

- **Structural Reforms**



**Source:** Economist Intelligence Unit (EIU), February 2010; Efficiency of labor measured in terms of output per worker (real GDP per person employed).

# Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**

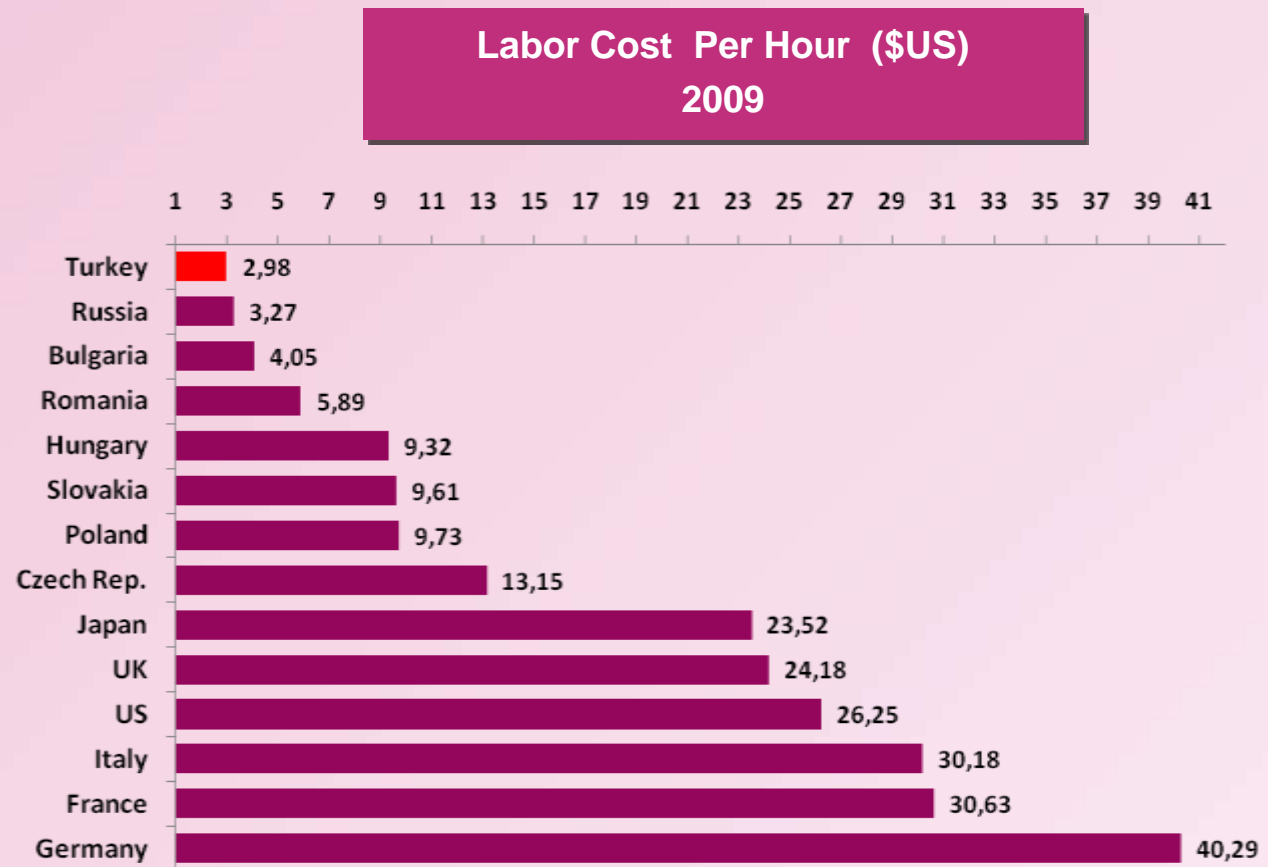
- **Population**

- **Age**
- **Labor Force**
- **GDP**

- **International Hub**

- **Structural Reforms**

## Productive and Cost-effective Labor Force



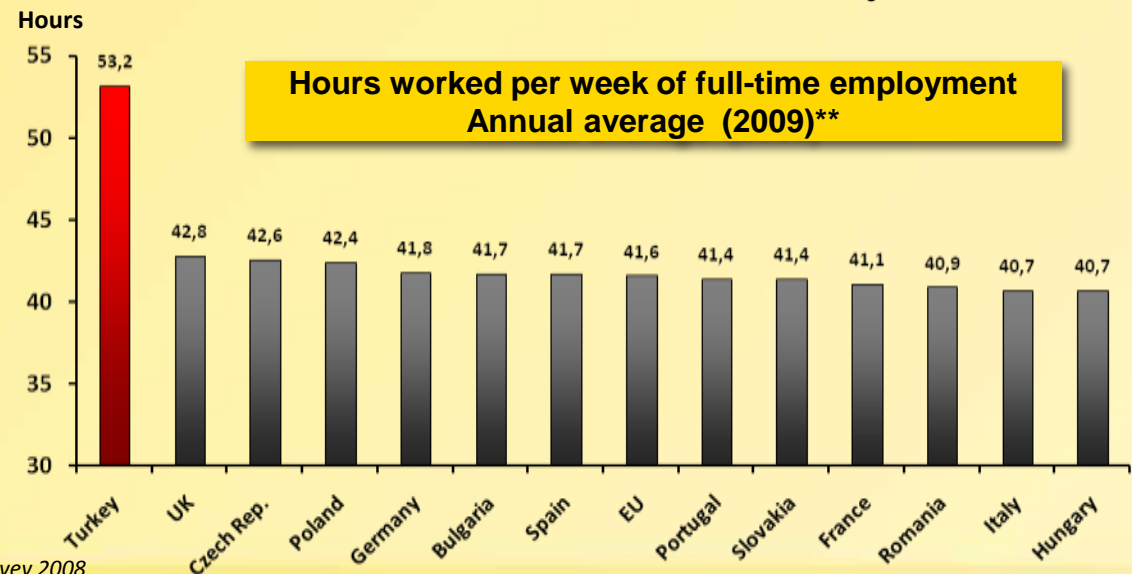
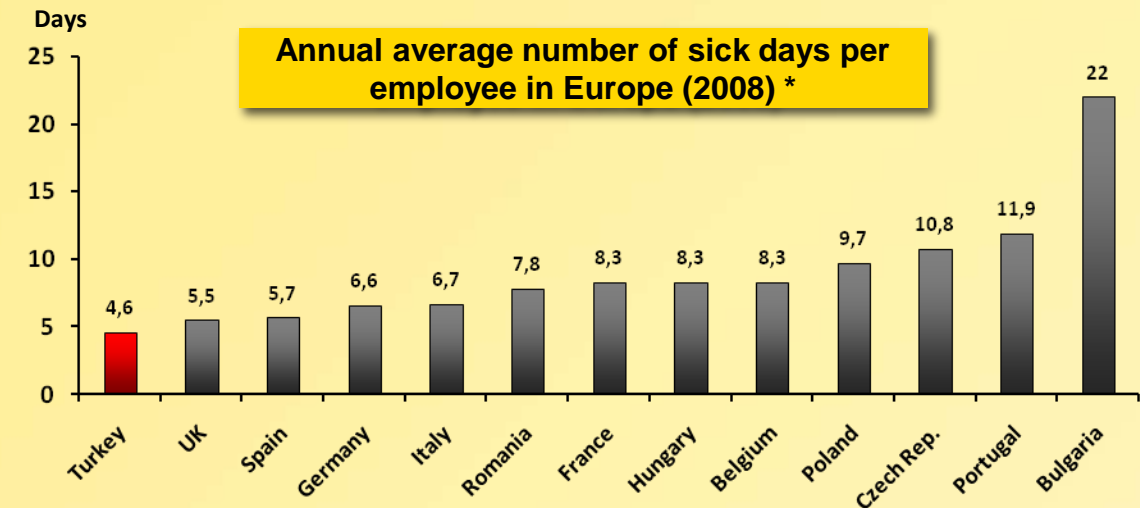
**Source:** EIU, February 2010; Average cost of labor per hour (pay and non-pay costs).



# Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - Age
  - Labor Force
  - GDP
- **International Hub**
- **Structural Reforms**

## Productive and Cost-effective Labor Force

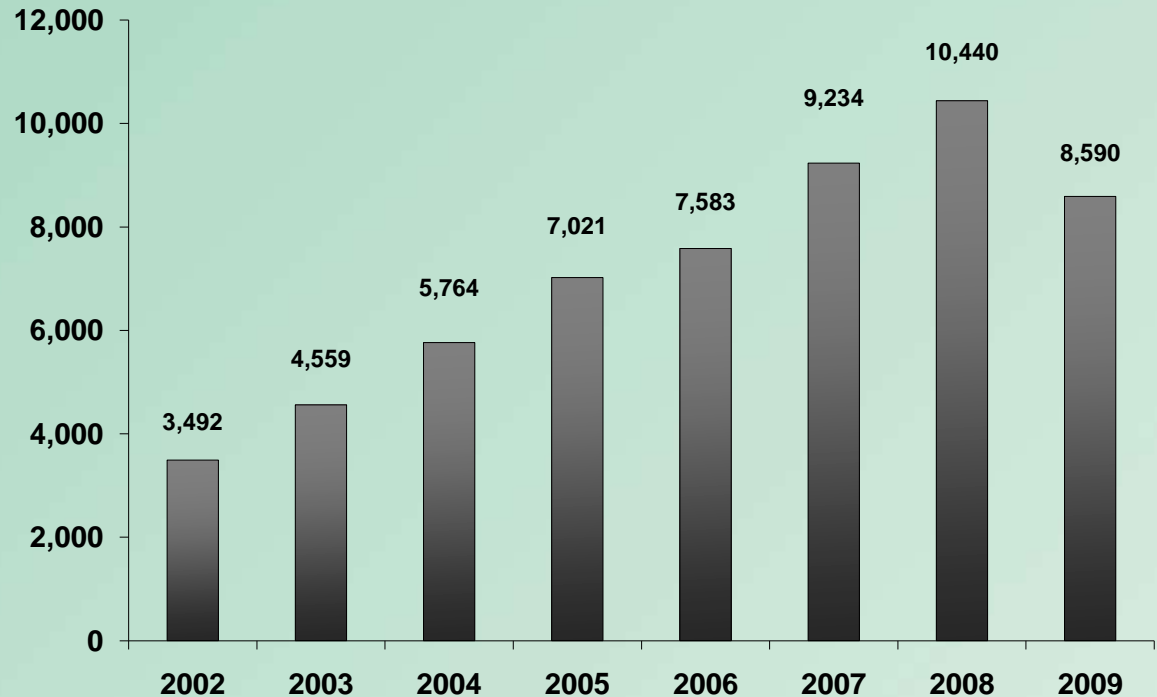


# Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - Age
  - Labor Force
  - GDP
- **International Hub**
- **Structural Reforms**

## Potential of the Turkish Economy

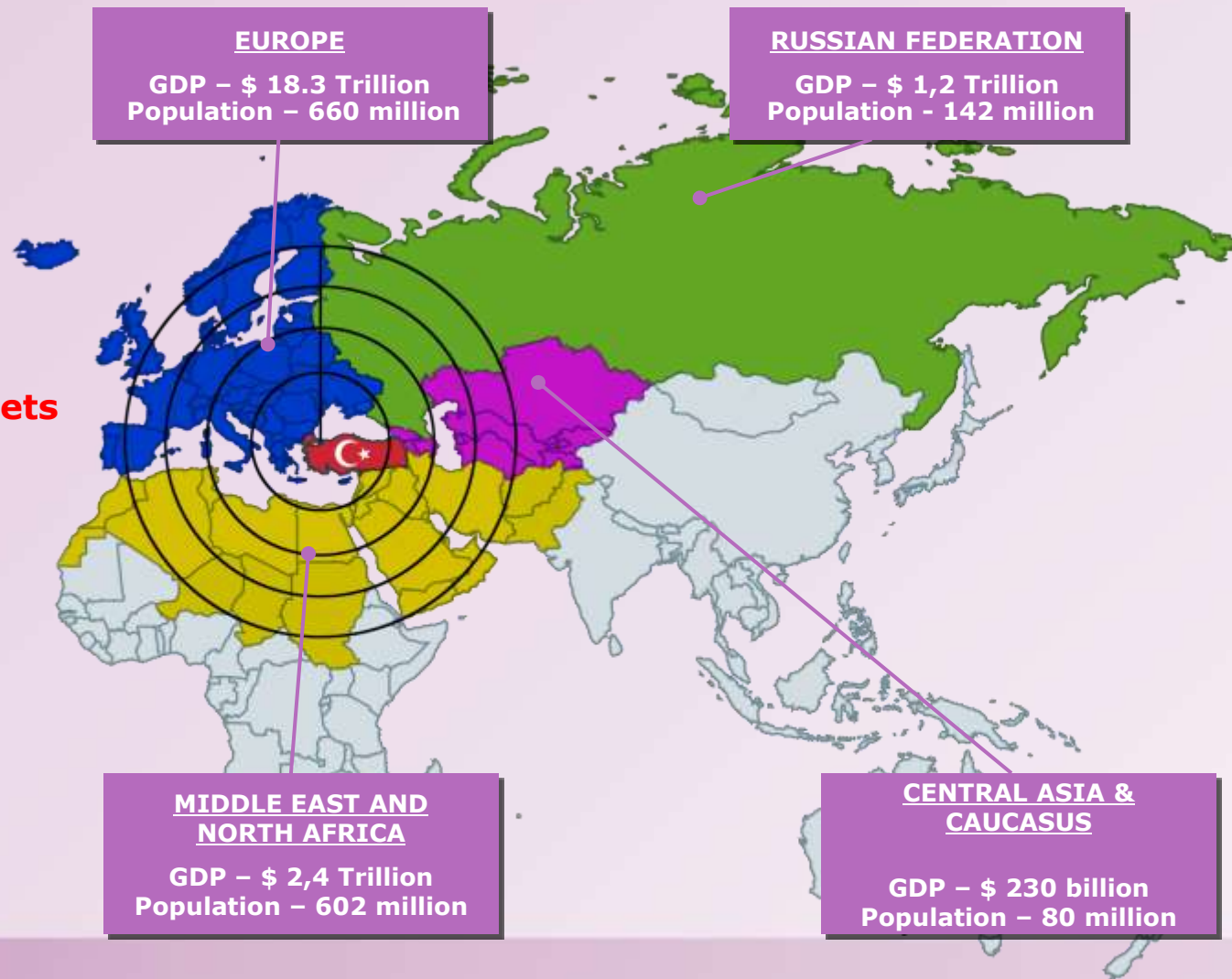
### GDP Per Capita – Nominal (USD)



# Top reasons to invest in Turkey

## Access to Multiple Markets Total 1,5 Billion People \$ 22 Trillion GDP

- **Dynamic, Stable & Attractive Economy**
- **Population**
- **International Hub**
  - Access to Multiple Markets
- **Energy Corridor**
- **Structural Reforms**





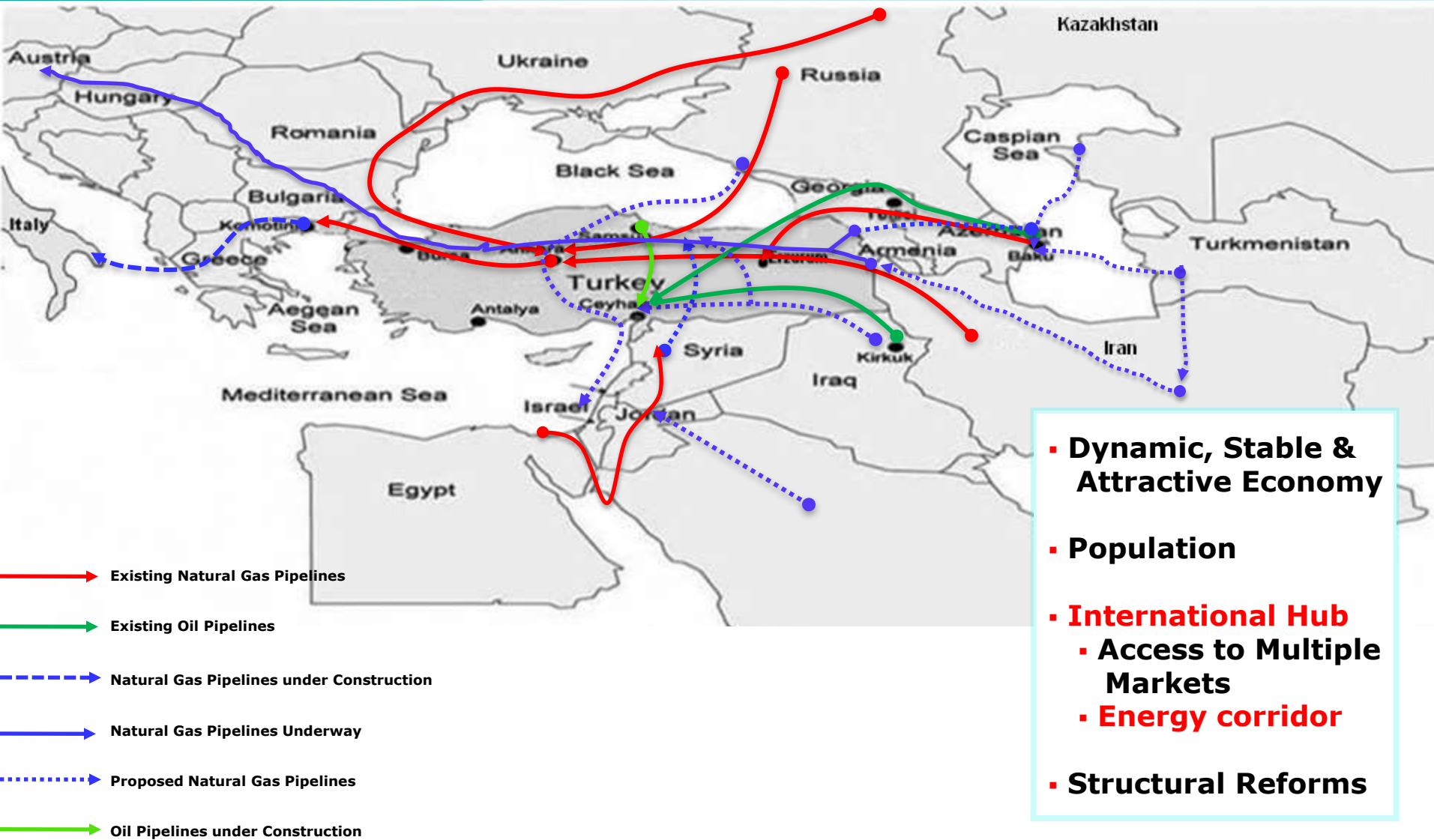
## Top reasons to invest in Turkey

### Key Elements of Structural Reform Agenda

- **Dynamic, Stable & Attractive Economy**
  - **Population**
  - **International Hub**
  - **Structural Reforms**
- **Public Sector Reform**
  - **Financial Sector Reform**
  - **Social Security Reform**
  - **Tax Reform**
  - **Enhancing Private Sector's Role in the Economy**
    - ✓ **Opening the Key Markets to Competition, and Regulation by Independent Agencies**
    - ✓ **Improving the Investment Environment**
    - ✓ **Accelerated Privatization**
    - ✓ **New R&D and Innovation Support Law**

## Top reasons to invest in Turkey

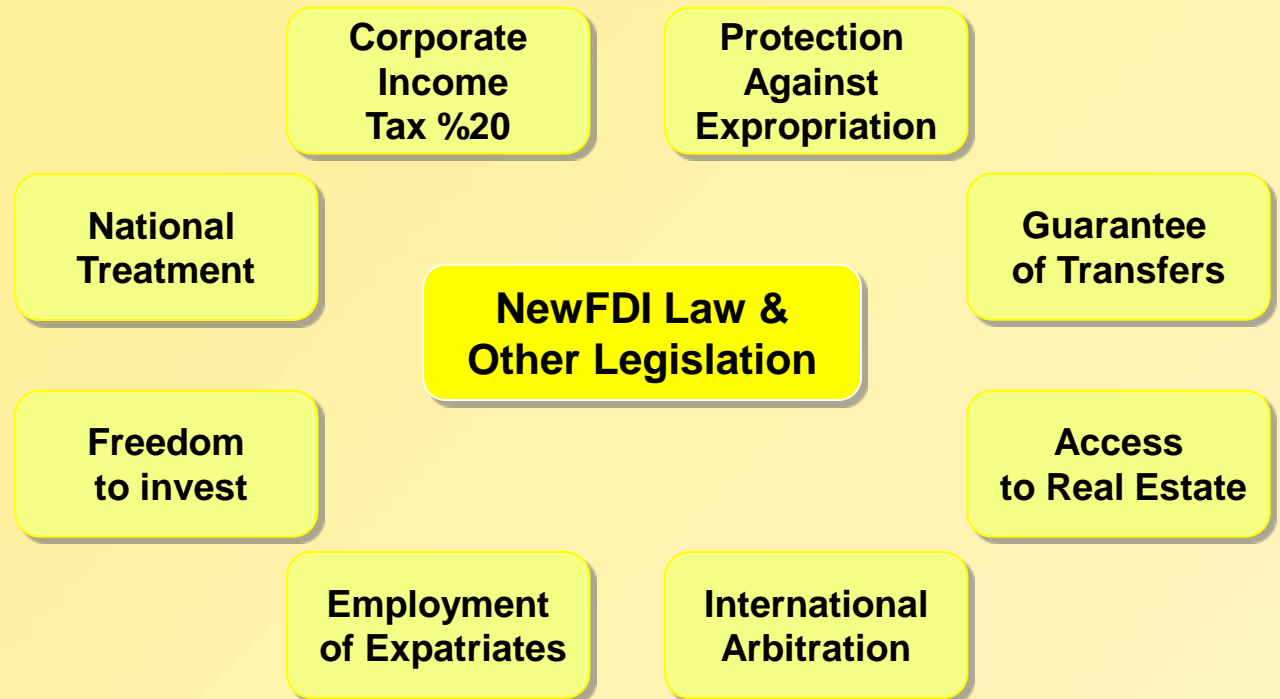
## Turkey As An Energy Corridor And Terminal



# Top reasons to invest in Turkey

## Structural Reforms

- **Dynamic, Stable & Attractive Economy**
- **Population**
- **International Hub**
- **Structural Reforms**





## **INVESTMENT INCENTIVES IN TURKEY**

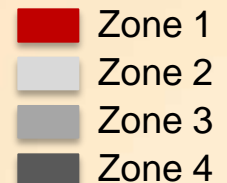
- 1. General Incentive System**
- 2. Large Scale Investments**
- 3. Region and Sector-Based Incentive System**
- 4. Employment Scheme**
- 5. Research and Development Supports**
- 6. State Incentives for Export**

# Top reasons to invest in Turkey



## The Incentives Granted According To The Region, Sector and The Scale of The Investment:

- Reduced Corporate Tax: between 2-10%
- Social Security Premium Contribution for Employers up to 7 years
- Interest Support
- Land allocation for investments



# The Agency



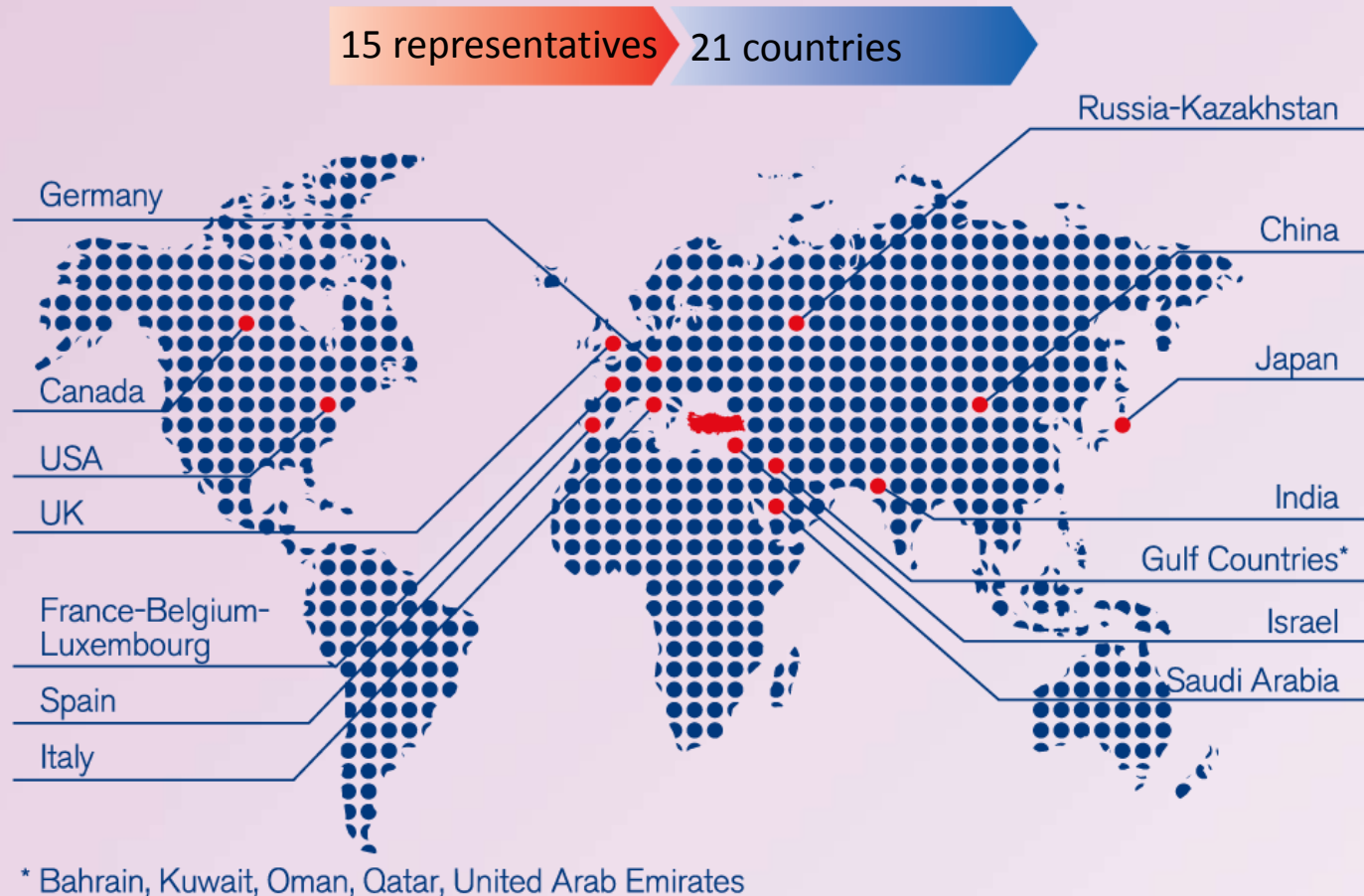


## **The Agency**

- Attached to the Prime Ministry and reports directly to the Prime Minister
- Private sector approach
- Multi-lingual, professional and dedicated project directors
- ONE STOP SHOP
- 2 offices (Ankara – Istanbul)
- Result oriented
- The EU Negotiation Progress Report shows that the establishment of the Agency is a proof for improvement of the investment climate in Turkey

# The Agency

## The International Network



International representatives network worldwide and strategic partners in Turkey  
(Embassies, Consulates, Commercial Attaches, NGO's etc)

### **WORLD BANK's GLOBAL INVESTMENT PROMOTION BENCHMARKING REPORT 2009**

*Among 181 National Investment Promotion Agencies,*

INVESTMENT SUPPORT and PROMOTION AGENCY of TURKEY ranked as;

**15<sup>th</sup> in the World** in terms of General Performance Assessment

**5<sup>th</sup> in the World and 2<sup>nd</sup> in Europe** in terms of Inquiry Handling



The **TURKEY** Agency  
for all potential investors!



## Some International Investors in ICT & Electronics



# Some International Investors in FMCG & Retail

Amway

AVON  
the company for women

3M

AllianceOne

AVERY  
DENNISON

BRITISH AMERICAN  
TOBACCO

Barilla

Clariant

Colgate

Gloria Jean's  
COFFEES

Henkel

Levi's

groupe carrefour

Coca-Cola

TESCO

DANONE

HARIBO

Imperial  
Tobacco

Kimberly-Clark

JTI

KRAFT

Cadbury Schweppes

L'ORÉAL

McDonald's

METRO Group

Nestlé

PEPSI

PERFETTI  
van Melle

PHILIP MORRIS  
INTERNATIONAL

Praktiker

RECKITT  
BENCKISER

NIKE

STARBUCKS  
COFFEE

Unilever

DARTY

BAUHAUS

P&G  
Procter & Gamble

Red Bull

## Some International Investors in Different Sectors

ALSTOM



VELUX®

TOYOTA

AREVA

AstraZeneca 

 iPRAGAZ



ABB

 NEWMONT™



Mobil



RIO  
TINTO



**Why Turkey?**



**Enjoy your potential in Turkey**



# Why Turkey?

**According to the projection by Goldman Sachs,**

**Turkey will be the 9<sup>th</sup> largest economy in the world and the 3<sup>rd</sup> largest economy in Europe by 2050.**

- 1.China
- 2.U.S.A.
- 3.India
- 4.Brasil
- 5.Russia
- 6.Indonesia
- 7.Mexico
- 8.U.K.
- 9.Turkey**
- 10.Japan

**Source:** Goldman Sachs, 2009

# Why Turkey?

## Increasing Confidence in the Turkish Economy

Turkey's Sovereign Credit Ratings											
S&P			Moody's			Fitch			JCR		
Scale	January 2010	February 2010	Scale	December 2009	January 2010	Scale	December 2009	January 2010	Scale	January 2010	February 2010
A			A2			A			AAA+		
									AAA		
									AAA-		
A-			A3			A-			A+		
									A		
									A-		
BBB+			Baa1			BBB+			BBB+		
BBB			Baa2			BBB			BBB		
BBB-			Baa3			BBB-			BBB-		
BB+			Ba1			BB+			BB+		
BB		Turkey	Ba2		Turkey	BB			BB		Turkey
BB-	Turkey		Ba3	Turkey		BB-	Turkey		BB-	Turkey	
B+			B1			B+			B+		
B			B2			B			B		
B-			B3			B-			B-		
CCC+			Caa1			CCC+			CCC		
CCC			Caa2			CCC			CC		
CCC-			Caa3			CCC-			C		
SD			Ca			DDD			D		
						D					



# Why Turkey?

## The Most Promising Sectors

- **Automotive** ; Target to produce over 2 mio vehicles within 5 years
- **Energy** ; The total amount of investment needed to meet the energy demand in Turkey until 2023 is \$ 130 billion
- **Real Estate** ; Istanbul is the first-ranked development market in 2009 (Emerging Trends in Real Estate Europe 2009 Report - PWC & ULI)
- **Agriculture** ; Concerning Southeastern Anatolia Project, \$ 26.7 billion investment is required until 2012
- **Transportation**; Highway capacity planned to be trippled up until 2023 with 12 different project
- **Finance** ; In 2009, the net profit of the banking sector has increased by 50% comparing with 2008. The real growth rate of the financial sector of Turkey was 8.5% in 2009 despite the global financial crisis.
- **ICT & IT** ; IT Market growth rate exceeds 220 % within the last decade and reaches to \$28,1 billion turnover.

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



**ON**

**INVEST IN TURKEY**

# **THANK YOU FOR YOUR ATTENTION**

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