

INVEST IN TÜRKİYE



**NEXUS OF
THE WORLD**

ROADSHOW 2024



PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
**INVESTMENT
OFFICE**



FOREWORD

Türkiye is an important center of attraction for international investors due to its dynamic and fast-growing economy, vast production potential, qualified talent pool, proximity to global markets, advanced logistics infrastructure, and investor-friendly policies. With the Covid-19 pandemic, Türkiye's participation in global value chains has become more visible.

Bridging East and West, Asia, and Europe, Türkiye is located at a critical crossroads for global trade. Within a four-hour flight radius, Türkiye offers access to a large market with a total population of 1.3 billion people and a trade volume of USD 30 trillion. In addition to the Customs Union with the EU and free trade agreements with more than 30 countries, Türkiye is one of the most reliable energy transportation routes on the east-west axis.

Türkiye's rapid economic growth over the last 20 years has led to the emergence of a middle class with steadily increasing purchasing power. With 85.4 million people and a median age of 34 years, Türkiye has the youngest population in Europe. Furthermore, Türkiye ranks among the top in the world in terms of the number of qualified engineers.

The reforms we have enacted over the past two decades have further cemented Türkiye's competitive position. These reforms varied in a large range from restructuring the social security system to amendments to the ease of doing business, new trade, banking, capital markets, insurance, and data protection laws to a technology-driven industry initiative. Thus, we have created an investor-friendly environment that allows for the growth of a vibrant private sector.

As a result of these policies, the Turkish economy has attracted more than USD 262 billion in foreign direct investment since 2003. Companies that chose Türkiye for investment have gradually increased their investments, positioning it as a production, export, and management center.

We are committed to enhancing Türkiye's economic development and investment climate. Our ongoing commitment is reflected in the "Türkiye Foreign Direct Investment Strategy (2024-2028)," published with the coordination of the Investment Office in collaboration with a number of public and private sector organizations. Along with that, I hope this document will also be of great benefit to our country and will serve as a useful guide for international entrepreneurs planning to invest in Türkiye. I would also extend my gratitude to those who helped with the preparation of the document.

Recep Tayyip ERDOĞAN
President of the Republic of Türkiye



Dear Readers,

A resilient, fast-growing economy, Türkiye offers business-friendly policies, a deep talent pool, and global market access at the nexus of Europe, Asia, and Africa to attract sustainable foreign direct investments (FDI). With its geostrategic location, manufacturing capabilities, young and dynamic population, and developed logistics infrastructure, Türkiye has become a regional powerhouse where manufacturing activities of multinationals are supported by R&D centers, design teams, procurement offices, logistics hubs, and regional management centers. Today, almost 83,000 international companies operate in Türkiye.

Thanks to the strong political will under President Recep Tayyip Erdoğan's leadership, as well as Türkiye's economic performance and top-notch value propositions, cumulative FDI inflows to Türkiye have exceeded USD 262 billion since 2003, up from USD 15 billion in the previous three decades until 2002. Since 2003, the top four sectors in FDI inflows have been financial services, manufacturing industries, energy, and information & communication technologies (ICT).

Türkiye's economic performance during the pandemic and global financial crisis proved that its diversified economy is robust and resilient. Türkiye is the world's 11th largest economy in terms of purchasing power parity (PPP) as of 2023, with an average annual growth rate of 5.4 percent from 2003 to 2023. Türkiye's share in global FDI rose to 0.9 percent after 2003, up from 0.2 percent in the 1990-2002 period. With the brand new "FDI Strategy (2024-2028)", Türkiye put forth its objective to expand its share in global FDI to 1.5 percent by increasing its market share in quality FDI profiles. In our strategy, our foremost objective is to attract investments that bring high added value, emphasizing green and digital transformation, advanced technology, and promoting high-quality employment and sustainability-focused initiatives in our country. Current global trends such as sustainability, digital transformation, and the reconfiguration of value chains offer abundant opportunities for Türkiye.

Thanks to many successful international and domestic investors, Türkiye is seamlessly integrated with global supply chains (GVCs). As "Invest in Türkiye", our goal is to attract value-added and technology-intensive investments that will cement and propel Türkiye's position in GVCs. We prioritize sectors such as e-mobility, life science, energy storage, chemicals, ICT, machinery, advanced manufacturing, defense & aerospace, and agrofood.

Türkiye strengthened its GVC integration through targeted strategies, rational trade, and investment policies. In exports, for instance, Türkiye has not only diversified its product range and export markets, but it also increased the sophistication of its exported products portfolio. According to a World Bank flagship report, Türkiye has successfully moved up the value chain and has recently joined the advanced manufacturing and services grouping, from the limited manufacturing group. As a result of its upward progression in the GVCs, Türkiye's export composition has also shifted toward higher value-added products, particularly in medium-high tech manufacturing.

Turkish exports reached USD 256 billion in 2023, the highest annual merchandise exports figure in the Republic's history. Investors producing in Türkiye continue to ship their products all around the world, thanks to strong logistics facilities and trade relations, as Türkiye is a member of the EU Customs Union and has an extensive network of free trade agreements with 30 countries.

Fueled by an entrepreneurial business culture, young and tech-savvy population, and a skilled engineer pool, Turkish startups raised USD 1.6 billion in funding in 2022. Türkiye claimed a spot among the top ten investment recipients in Europe. More to that point, Türkiye's ecosystem has raised three unicorns and two decacorns in grocery delivery, gaming, and SaaS verticals since 2020. Istanbul ranked 6th among European cities in terms of early-stage investments in 2022, and 2nd city in the gaming vertical in Europe.

Türkiye has redefined its economic development policy to align with the UN's Sustainable Development Goals (SDGs) and is actively engaged with the international community to achieve these objectives. Türkiye is committed to the Paris Climate Agreement, aiming to reach net zero emissions by 2053. Under the leadership of President Erdoğan, Türkiye seeks a sustainable transition that maximizes opportunities for individuals and communities alike. To this end, policies that promote innovation in areas such as electric vehicles, energy storage, and digital technologies will be critical in the coming years.

At Invest in Türkiye, we prioritize and substantially support investments that contribute to specific SDGs. So, while prioritizing quality FDI, we have made SDGs one of the main pillars of Türkiye's FDI strategy, and we are conducting studies to boost business climate and the regulatory framework compliance with SDGs and the European Green Deal.

We sincerely believe that all stakeholders who create value for Türkiye will come together and get off to a flying start in the new century in the history of the Republic of Türkiye!

A. Burak DAĞLIOĞLU
President, Investment Office of the Presidency of the Republic of Türkiye

TÜRKİYE

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NEXUS of INVESTMENT

RIGHT NEXT TO YOU FOR EVERYWHERE YOU WANT TO BE

Easy access to major markets in the Middle East & North Africa, Europe & Central Asia with a combined **population of 1.3 billion** and a **market of \$30.2 trillion** within a 4 hour-flight radius.

Same-day reachability of key markets across **16 different time zones**, from Tokyo to New York.

Global connectivity of Turkish Airlines with **130 countries** and **347 international destinations**.

24 urban centers with populations over 1 million that drive economic growth and social development through their production of goods and services.

ABOUT INVEST IN TÜRKİYE

The **Investment Office of the Presidency of the Republic of Türkiye** is the official organization for promoting Türkiye's investment opportunities to the global business community and providing assistance to investors before, during, and after their entry into Türkiye.

Directly reporting to the President of Türkiye, the Investment Office is in charge of encouraging investments that further enhance the economic development of Türkiye. To this end, the Investment Office supports high-tech, value-added, and employment-generating investments with its facilitation and follow-up services during whole processes of relevant investments.

Active on a global scale, the Investment Office operates with a network of local consultants based in a number of locations including **China, France, Germany, Italy, Japan, Malaysia, Qatar, Saudi Arabia, Kuwait, South Korea, Spain, the UAE, UK, and USA**. The Investment Office offers an extensive range of services to investors through a one-stop-shop approach, ensuring that they obtain optimal results from their investments in Türkiye. The Investment Office's team of professionals can assist investors in a variety of languages, including English, German, French, Italian, Spanish, Arabic, Japanese, Chinese, Korean, and Russian.

Working on a fully confidential basis, as well as combining the private sector approach with the backing of all governmental bodies, the Investment Office's free-of-charge services include customized consulting, coordination with stakeholders, business facilitation, site selection support, tailor-made delegation visits, project launch, partnership development assistance, and ongoing support.

Our Global Locations



TÜRKİYE AT A GLANCE

5.1%
GDP growth
(2023)

5.4%
GDP growth
(CAGR, 2003-2023)

11th
Largest economy in the world
(GDP at PPP, as of 2023)

\$255.6 billion
Exports
(2023)



\$1,130 billion
GDP at current prices
(2023)

85.37 million
Population
(2023)

**Fastest growing economy
in the EU in 2023**

82,716
Companies with
international capital
(2023)

34
Average age of population
(2023)

Around
1 million
University graduates
(2021-2022)

\$262 billion
FDI inflows
(2003-2023)

RESILIENT ECONOMY GROWTH



Türkiye has performed stellar growth in 2023, and posted one of the highest GDP growths across the OECD and the EU countries.

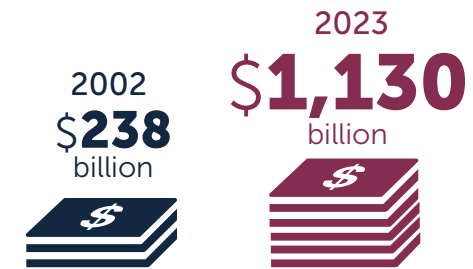
11th largest economy in the world (2023, GDP at PPP)

5th largest economy in Europe (2023, GDP at PPP)

5.4% average annual growth rate in 2003-2023

Fastest GDP growth in the EU and the OECD member states in 2023.

GDP at Current Prices



GDP Growth (CAGR, 2003-2023)



Fastest GDP growth in the EU and the OECD member states in 2023.

Türkiye	5.1%
Costa Rica	5.1%
United States	2.5%
Spain	2.5%
Greece	2.0%
Israel	1.9%
Japan	1.7%
Slovak Republic	1.6%
Slovenia	1.6%
Korea	1.4%
France	0.9%
Italy	0.9%
Switzerland	0.7%
Colombia	0.6%
Norway	0.5%
Chile	0.2%
Poland	0.2%
United Kingdom	0.1%
Netherlands	0.1%
Czechia	-0.1%
Germany	-0.3%
Hungary	-0.9%
Luxembourg	-1.1%



RESILIENT ECONOMY - EMPLOYMENT

The development in economic activity has a positive impact in all domains of the Turkish economy since 2003.

Compared to the OECD, G20 and EU averages, the economy of Türkiye has recovered faster following the Global Financial Crisis and the Covid Pandemic, not only in terms of economic growth but also job creation.

Upgraded education system enables a skilled labor pool and addresses business requirements.

Total Employment

Türkiye



2013

24.5 million



2023

31.6 million

EU27



2013

177.5 million



2023

195.3 million

Employment Growth (2013 vs. 2023)

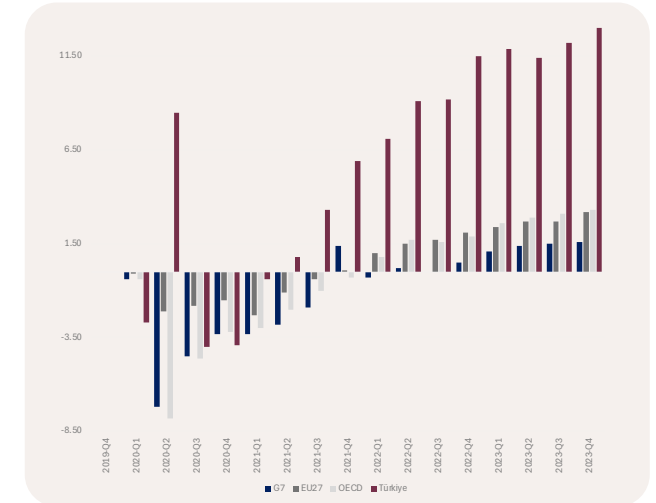


Türkiye
29.2% Increase



EU 27
10.0% Increase

Employment Growth (%) (Indexed, 2019-Q4=0)

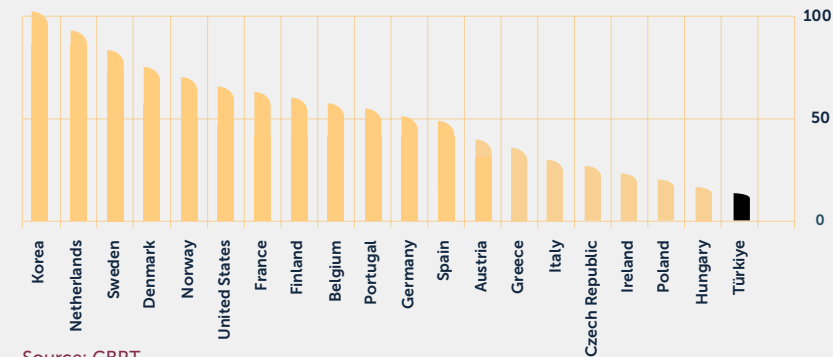


RESILIENT ECONOMY LOW INDEBTEDNESS



Economic resilience has been further supported by successful management of public finance and corporate finance, as well as low household debt.

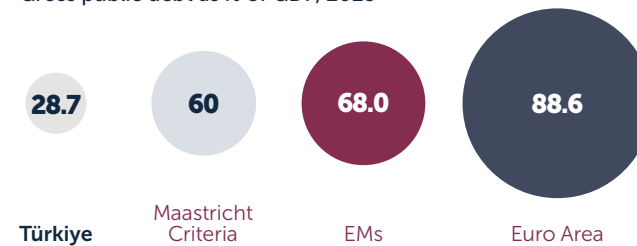
HOUSEHOLD DEBT/GDP*



Source: CBRT
*Q2 2023

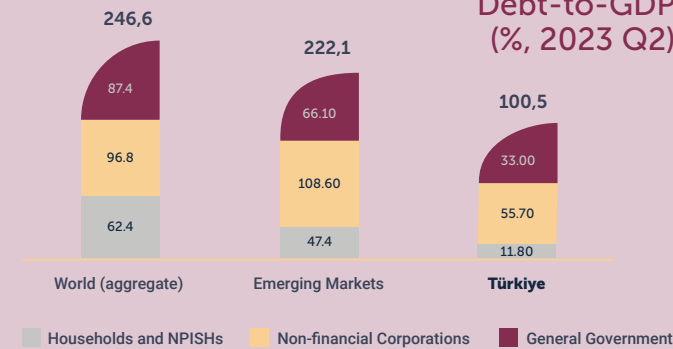
Low Indebtedness

Gross public debt as % of GDP, 2023



Source: Turkstat, CBRT, IMF

Debt-to-GDP (%, 2023 Q2)

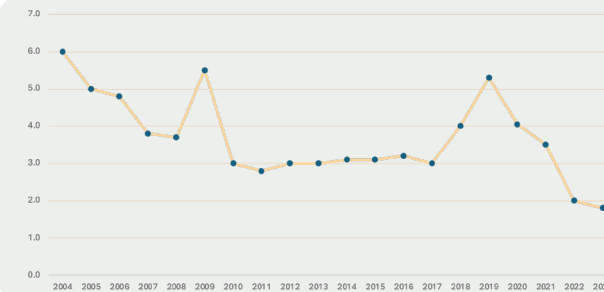




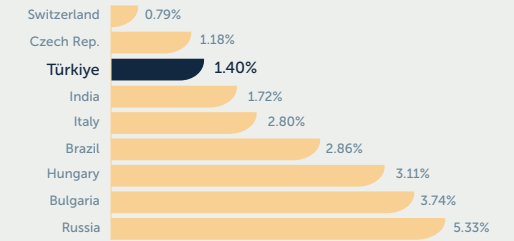
RESILIENT ECONOMY - STRONG BANKING SECTOR

Successful risk management has enhanced stability and efficiency of the Turkish banking industry with sound financial indicators that further support macro fundamentals and economic resilience.

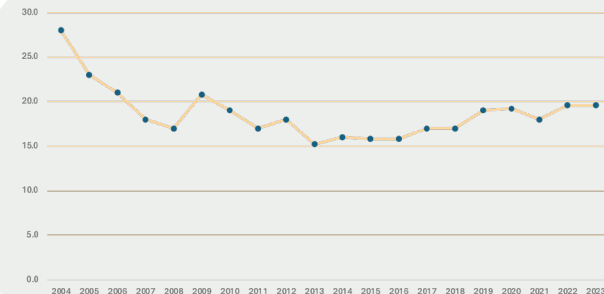
Non-Performing Loans Ratio (NPL)(%)



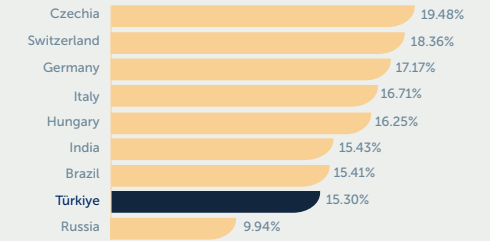
Non-Performing Loans Ratio (as of Q1-2024)



Capital Adequacy Ratio (CAR)(%)



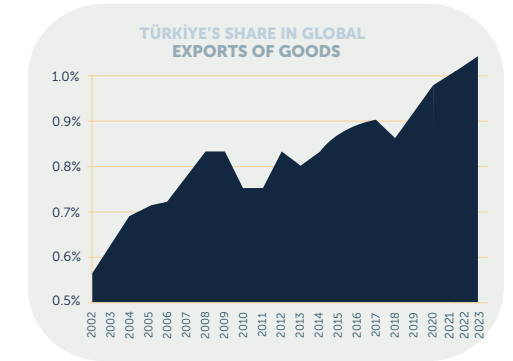
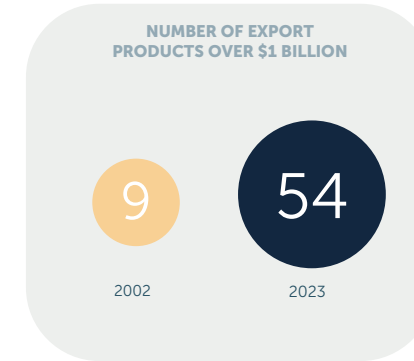
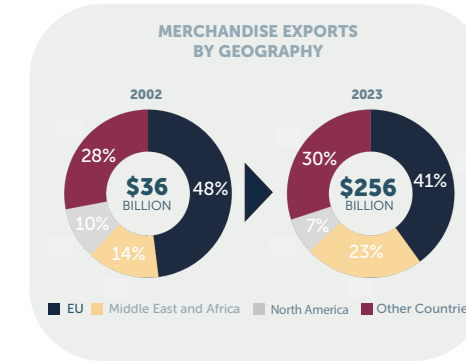
CAR (as of Q1-2023)



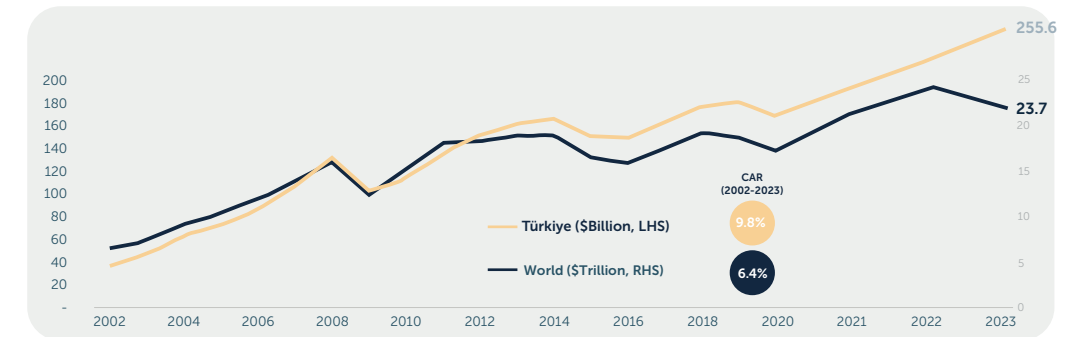


RESILIENT ECONOMY - RISING EXPORTS (2002-2023)

Strategic location and enhanced production capabilities attract multinationals seeking to invest in and export from Türkiye.



Exports of Goods in Türkiye and the World



RESILIENT ECONOMY RISING EXPORTS (2020-2023)



Türkiye offers lucrative export opportunities for companies looking to increase their commitments in the region.

139,830

Number of exporting companies in 2023

30

number of cities with more than \$1 billion worth of export (2023)

1.08%

Share of Türkiye's exports in world trade in 2023. (2002: 0.56%)

Türkiye's Exports
(\$ billion)

169.6

2020

225.2

2021

254.2

2022

255.6

2023

Türkiye's Top Exporting Sectors (2023, \$ billion)

35.0	Automotive
30.6	Chemicals
19.3	Apparel
16.2	Electric and Electronic
14.9	Steel
12.5	Ferrous and Non-Ferrous Metals
12.4	Cereals, Pulses, Oil Seeds and Products
11.3	Machinery and Machinery Accessories
9.6	Textile and Raw Materials
8.0	Furniture, Paper and Forestry Products

Türkiye's Top 10 Exports Destinations (2023, \$ billion)

Germany	21.1
USA	14.8
Iraq	12.8
UK	12.5
Italy	12.4
Russia	10.9
France	10.3
Spain	9.8
UAE	8.6
Netherlands	7.9

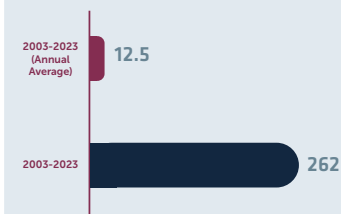


RISING FDI INFLOWS - TÜRKİYE

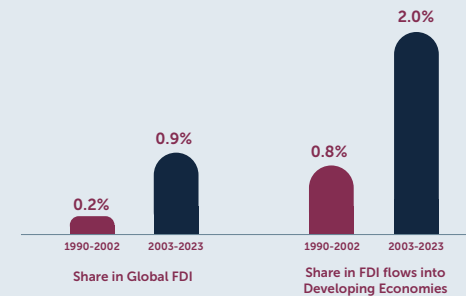
Up until 2002, total FDI inflows into Türkiye stood only at USD 15 billion, while the country attracted **USD 262 billion** of FDI during the 2003-2023 period.

As of end-2023, the number of companies with international capital in Türkiye hit **82,716**, up from 5,600 in 2002.

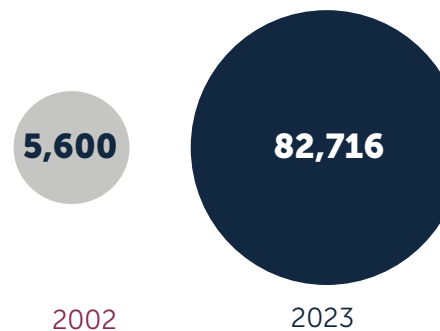
FDI INFLOWS (\$ billion)



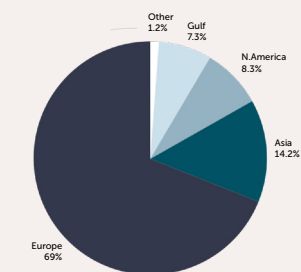
TÜRKİYE'S SHARE IN GLOBAL FDI



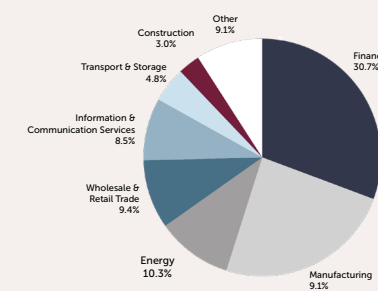
NUMBER OF COMPANIES WITH INTERNATIONAL CAPITAL



GEOGRAPHIC BREAKDOWN of FDI (2003-2023, %)



MOST ATTRACTIVE SECTORS (cumulative 2003-2023, %)





RISING FDI INFLOWS - TÜRKİYE VS. EUROPE

Türkiye's impressive growth performance and **structural reforms** implemented over the past decade and a half have landed it on the radar of many international investors. Türkiye's steady rise among Europe's top countries in the post-Covid period in attracting FDI has continued in 2023.

1st

Türkiye attracted the highest number of FDI projects among the Emerging European countries in 2023.

1st

Türkiye ranked first in terms of annual project growth rate among the top 10 FDI receiving countries in 2023.

17%

FDI projects in Türkiye increased by 17% while FDI projects in Europe decreased by 4% in 2023.

4th

Türkiye is ranked as the 4th highest FDI receiving country in 2023, climbing from 7th in 2020 and 5th in 2022.

Top 10 countries in terms of FDI projects in Europe in 2023

Country	Number of projects in 2023	Change 2022-2023	Number of jobs in 2023
1 France	1,194	-5%	39,773
2 UK	985	+6%	52,211
3 Germany	733	-12%	14,261
4 Türkiye	375	+17%	21,032
5 Spain	304	-6%	42,450
6 Poland	229	-3%	22,378
7 Portugal	221	-11%	18,259
8 Belgium	215	-8%	4,918
9 Italy	214	-12%	14,004
10 Netherlands	157	+7%	n.a
11 Ireland	100	-46%	6,070
12 Switzerland	89	+53%	1,781
13 Austria	80	-21%	2,345
14 Hungary	77	+54%	11,349
15 Serbia	76	+3%	11,116
All others	645	-11%	57,742
Total	5,694	-4%	319,923



RIISING FDI INFLOWS - NATIONAL FDI STRATEGY

Türkiye's national FDI Strategy has identified eight different "Quality FDI Profiles" that align with these global trends and Türkiye's other macro strategies. These profiles, each of which is of critical importance, are designed to serve the long-term development goals of our country. During the strategy period (2024-2028), investment projects defined under each profile will be prioritized, and accordingly, targeted activities will be conducted to attract more 'Quality FDI' projects into the country.

01	Climate FDI
02	Digital FDI
03	Global Value Chain (GVC) related FDI
04	Knowledge Intensive FDI
05	High-quality Job Generating FDI
06	High-end Service FDI
07	High-quality Financial FDI
08	Regional Development Oriented FDI

Source: Investment Office, Türkiye's Foreign Direct Investment (FDI) Strategy (2024-2028)



NEXUS of INCENTIVES

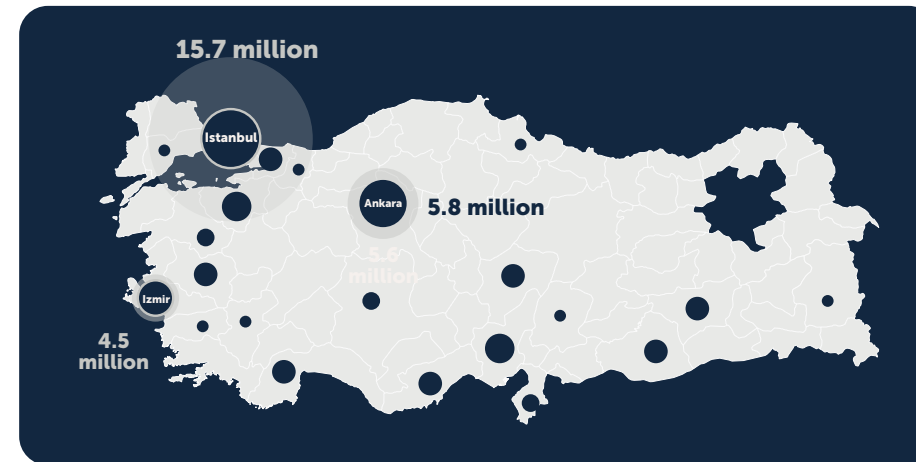
RESILIENCE AND POWER TO BACK YOU UP

The world's **11th largest economy** (GDP at PPP) that climbed up 7 notches in 19 years.
Enhanced production capabilities soared export volume by seven times from 36 billion USD in 2003 to 256 billion USD in 2023, with the number of products worth over 1 billion USD increasing sixfold from 9 to 54.
An eye-catching performance that expanded **GDP** from \$238 billion to **\$1,130 billion** in 21 years.
Generation of **7.1 million new jobs** in 10 years.

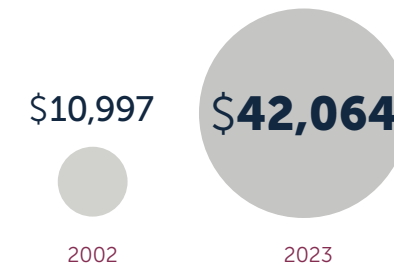
The Presidency of the Republic of Türkiye Investment Office, the official investment advisory body of Türkiye, is a knowledge center for foreign direct investments and a solution partner for the global business community in all stages of investments. It provides customized guidance and qualified consulting before, during, and after entry into Türkiye.

MARKET ACCESS

The emergence of a sizeable middle class, with increasing purchasing power and income per capita, has strengthened Türkiye's strong domestic market that is also supported by 24 urban centers with populations of over 1 million.



GDP per capita (current prices at PPP)



Total population (million)



Accessible Markets (Number of consumers, 2023)



STRATEGIC LOCATION

Türkiye is geographically and logistically well-connected to the world and around **40% of import volume** occurs within a 4-hour direct flight radius of Türkiye.

Connectivity with the region through road, rail, sea, and air.

Connectivity with over **347 destinations** in **130 countries** through Turkish Airlines.

Access to **1.3 billion** population, **\$30.2 trillion GDP**, and **\$9 trillion** import volume.

Same day coverage of **16-time zones**.
Availability to follow markets of **New York and Tokyo on the same day**.



İstanbul Airport



High Speed Train



Mersin International Port



Northern Marmara Highway

LOGISTICS INFRASTRUCTURE

Investing in **transportation** has remarkably transformed Türkiye's infrastructure landscape, yet Türkiye is determined to further improve it.

LOGISTICS CENTER



27 logistics centers



73.2 million tons of additional transport capacity



19 millions square meters of container storage and handling area



The total length of **highways** currently in service is **3,726** km. Following the completion of the highway it will reach 5,486 km in 2028 and 9,253 km in 2053.

AIRPORTS IN TÜRKİYE



57
Open to civil traffic



1
Under Construction -
General Directorate of State
Airports Authority



2
Under Construction -
General Directorate of
Infrastructure Investments

	2002	2023
DUAL CARRIAGEWAY	6,101 km	29,283 km
HIGH SPEED RAILWAY	0 km	2,251 km
MARITIME CONTAINERS TRANSPORT	190 million tons	436 million tons
NUMBER OF AIRPORTS	26	57

TÜRKİYE IS ALSO INVESTING IN MARITIME TRANSPORTATION INFRASTRUCTURE

PORT OF ÇANDARLI

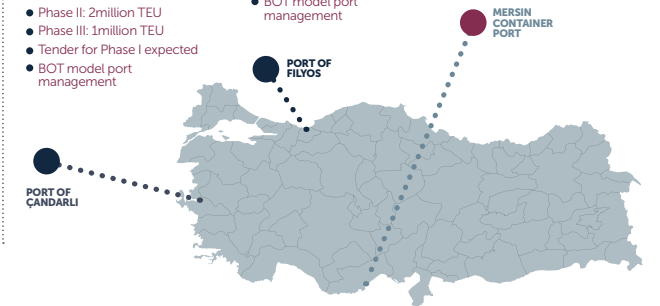
- 1,500 m of jetty work completed
- Capacity to reach 4 million TEU/year in 3 phases
- Phase I: 1 million TEU
- Phase II: 2 million TEU
- Phase III: 1 million TEU
- Tender for Phase I expected
- BOT model port management

PORT OF FİLYOS

- Ongoing infrastructure construction.
- 25 million TEU/year capacity
- Special economic zones in the hinterland
- BOT model port management

MERSİN CONTAINER PORT

- Ongoing infrastructure construction
- 12.8 million TEU/year capacity
- BOT model port management





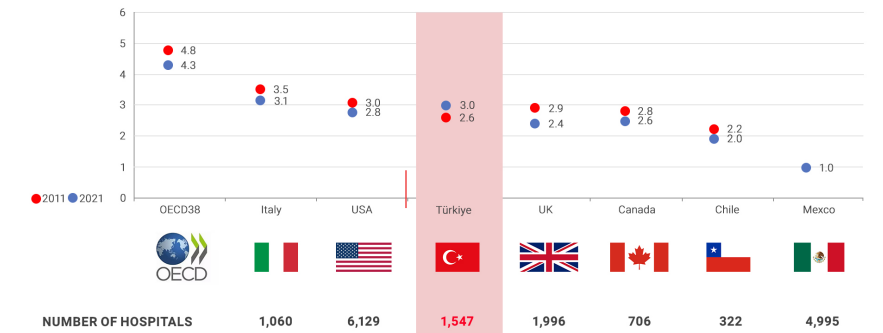
HEALTHCARE INFRASTRUCTURE

Türkiye has recently introduced new projects to build **integrated healthcare campuses** across the country and more opportunities are in the pipeline.

PPP PROJECTS IN INTEGRATED HEALTHCARE CAMPUSES

Status	Number	Bed Capacity
Completed (in service)	17	27,187
Under Construction	1	610
TOTAL	18	27,797

NUMBER OF HOSPITAL BEDS PER 1,000 POPULATION



2003

The Turkish government introduced the **Health Transformation Program** in 2003 to provide universal healthcare services.

2006

Universal Health Insurance introduced to cover all citizens.

2023

Number of hospitals increased from 1,156 in 2002 to **1,555** in 2022 (bed capacity 165,000 to 265,000)

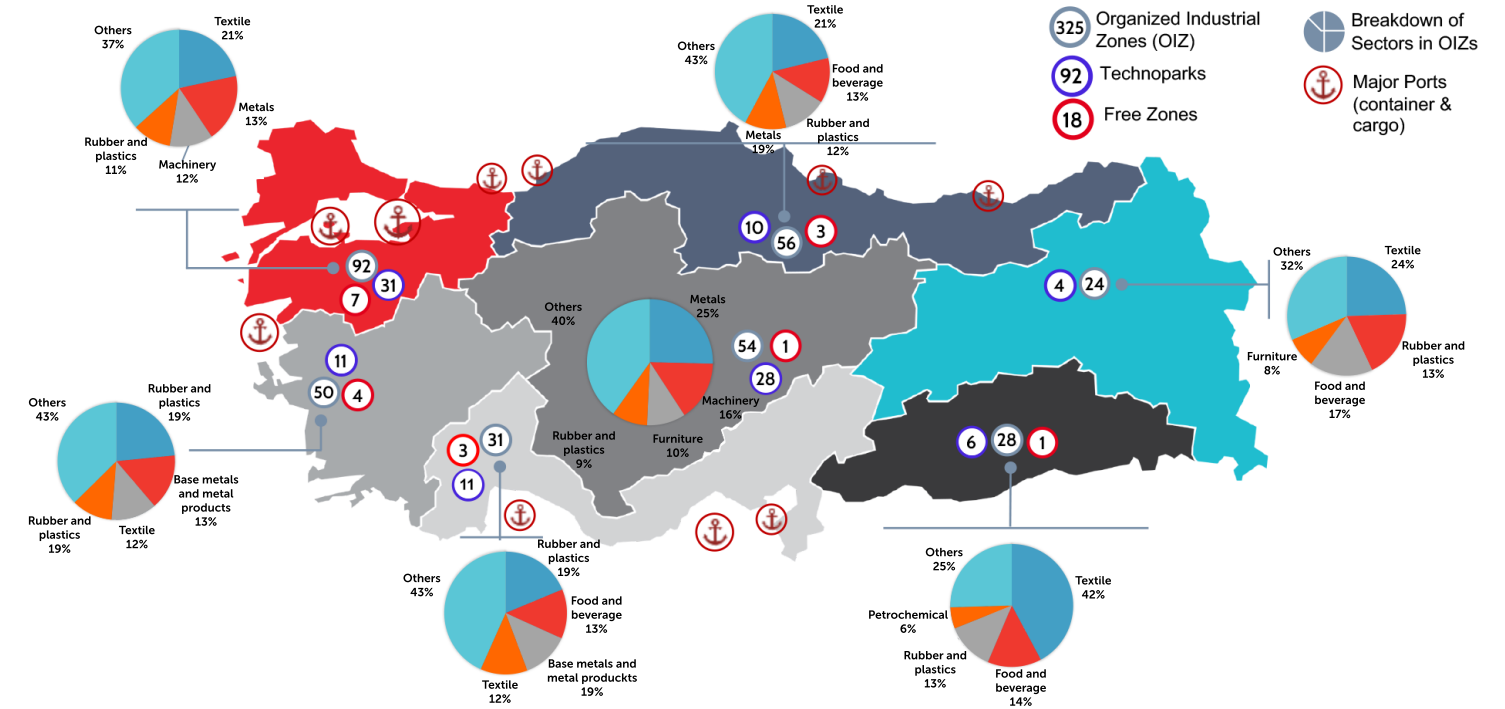
2023

Number of doctors increased from 92,000 in 2002 to **195,000** in 2022 (from 1.4 to 2.2 per 1,000)



The diversified economic structure is built on key clusters which are supported by industrial, logistics and technological infrastructure across Türkiye.

SECTORAL CLUSTER MAP



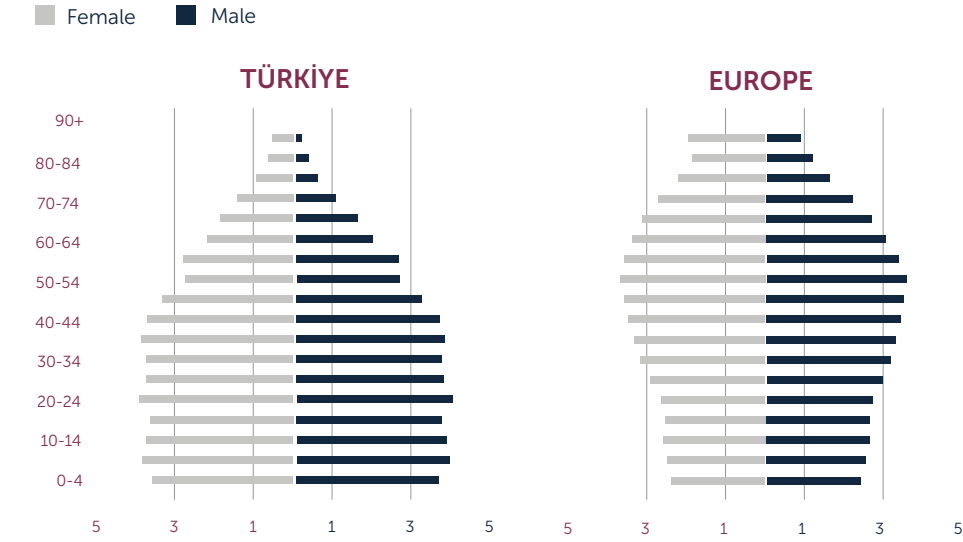
Source: Ministry of Industry and Technology, Ministry of Trade, OSBÜK.

FAVORABLE DEMOGRAPHICS

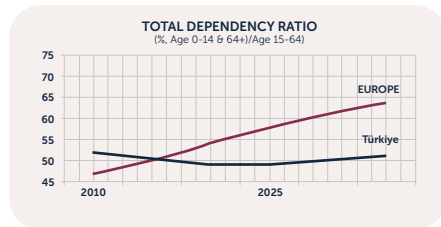
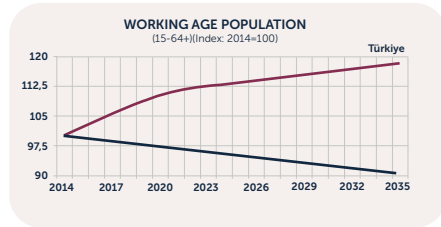


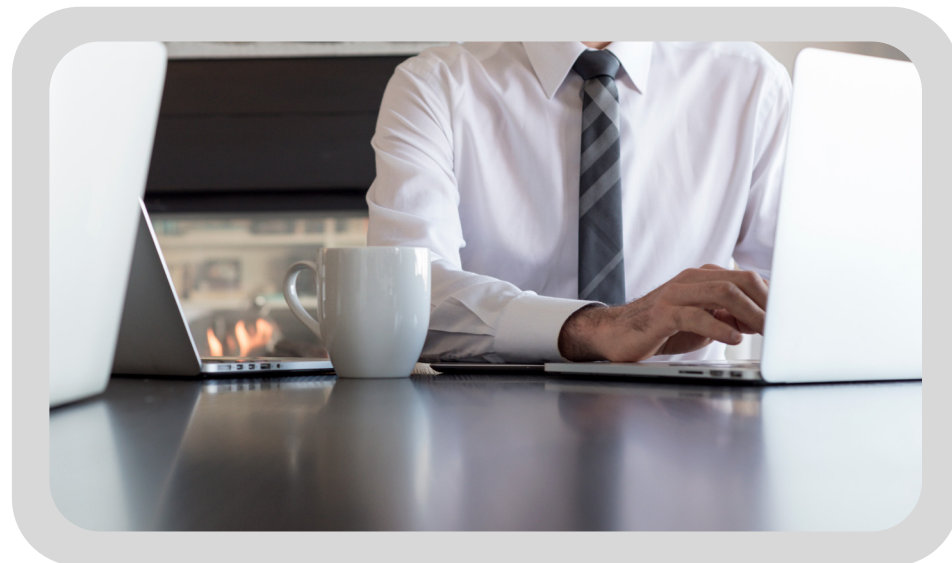
With half of its population under the age of **33.5**, Türkiye's young, dynamic and highly-skilled labor force has been a key driver of the economic growth and makes the country with the **largest youth population in Europe**.

Age Groups (%)



Working Age Population Growth
(Avg. growth rate, 15-64, %, 2003-2021)



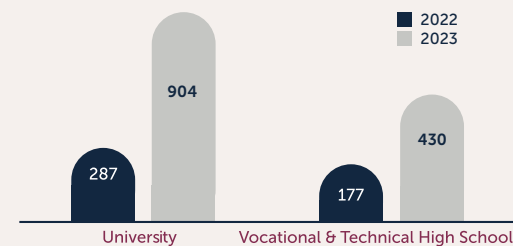


SKILLED LABOR FORCE

Upgraded education system enables a **skilled labor pool** and addresses business requirements.

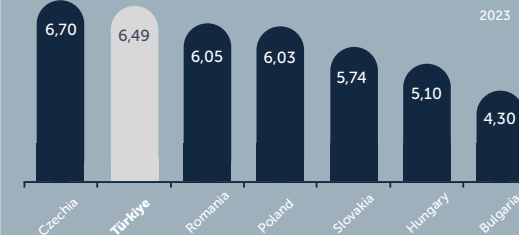
ANNUAL NUMBER OF GRADUATES

(thousands)



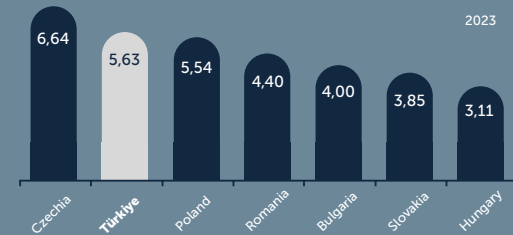
AVAILABILITY OF QUALIFIED ENGINEERS

(10= Available ; 0= Unavailable)

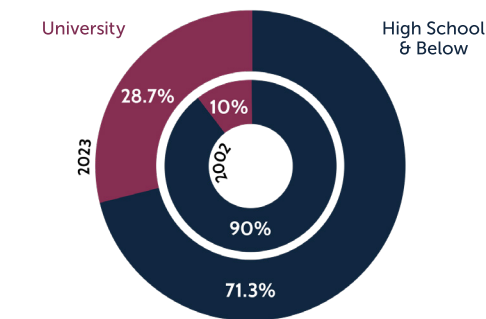


AVAILABILITY OF COMPETENT SENIOR MANAGERS

(10= Available ; 0= Unavailable)



LABOR FORCE BY EDUCATION LEVEL

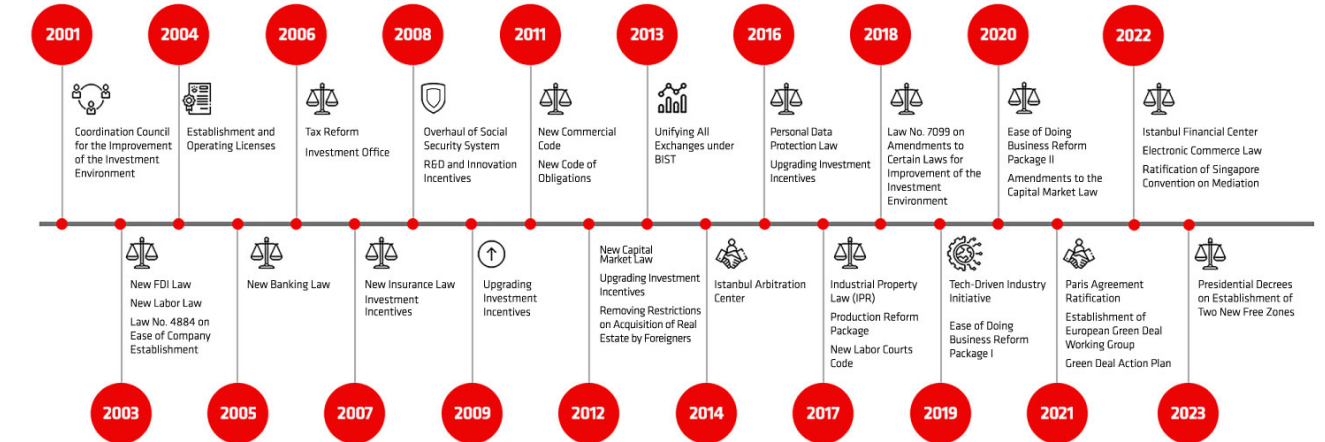


SWEEPING REFORMS

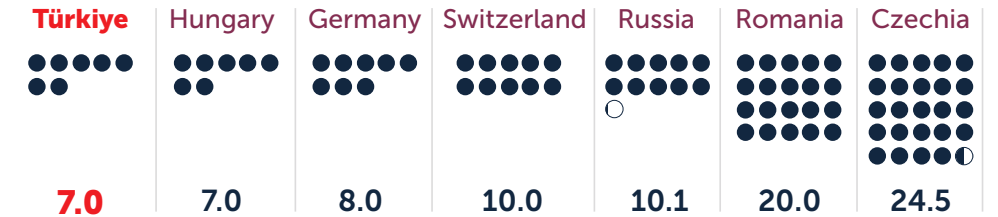


Türkiye has implemented sweeping **reforms** in many areas to improve business environment.

Major Reforms



Number of Days to Set up a Company (2020)



The FDI Law in Türkiye

provides equal treatment for all investors and grants international arbitration.

Investments are under constitutional protection in Türkiye.

Bilateral investment promotion and protection treaties with more than 82 countries.



NEXUS of TALENT

SMART & YOUNG TO STAND SHOULDER TO SHOULDER WITH YOU

Exponentially increasing working age population expected to hit 82.3 million in 2071, according to UN's projections.
The youngest population in the EU. The 2nd largest workforce in the EU with 32 million people.
Over 8.2 million students enrolled in higher education.
Around 1.1 million university graduates annually.
World-class engineering education.

BUSINESS FRIENDLINESS - ESTABLISHING A BUSINESS IN TÜRKİYE

Türkiye's **FDI Law** is based on the principle of equal treatment, allowing international investors to have the same rights and liabilities as local investors.

COMPANY TYPES*

Corporate Forms

- Joint Stock Company (JSC)
- Limited Liability Company (LLC)
- Cooperative Company

Non-Corporate Forms

- Collective Company
- Commandite Company

*Although companies may be established according to these five different types, JSC and LLC are the most common types chosen both in the global economy and Türkiye.

Source: Investment Office-Legal Guide to Investing in Türkiye

Steps of Incorporation

Preparatory works in connection with the incorporation (such as obtaining tax identification numbers for foreign shareholders and/or directors)

Preparation and submission of the articles of association through **MERSIS**

Certification of the articles of association by a **public notary** or the relevant trade registry in Türkiye

Registration of the entity by the relevant **trade registry**

Submission of the certified articles of association and other supporting establishment documents to the relevant trade registry in Türkiye

Post-incorporation actions (e.g. registrations with tax authorities and the **Social Security Institution**, etc.)

25%

of the subscribed **share capital** must be paid prior to the new company registration. The remaining 75% must be paid within two years. Alternatively, the capital may be fully paid prior to registration.

Liaison Offices

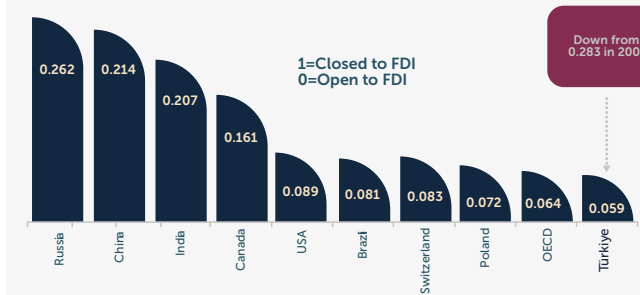
Any company incorporated under the laws of a foreign country may establish a liaison office (aka representative office) in Türkiye upon obtaining a license from the **Ministry of Industry and Technology**, provided that the company does not engage in any commercial activities in Türkiye.

BUSINESS FRIENDLINESS BUSINESS ENVIRONMENT



Türkiye made gradual progress in the World Bank's Global Ease of Doing Business Index to climb from **84th** place among **155** countries in 2006 to **33rd** place among **190** countries as of 2020.

FDI Regulatory Restrictiveness Index, 2020

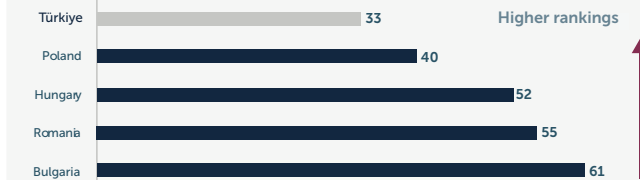


Bilateral Investment Protection Treaties with **89** countries

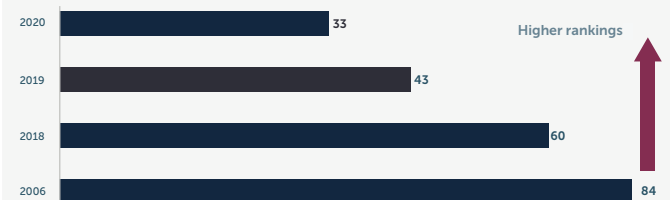


Treaties to avoid Double Taxation with **90** countries

Ease of Doing Business Ranking (2020)



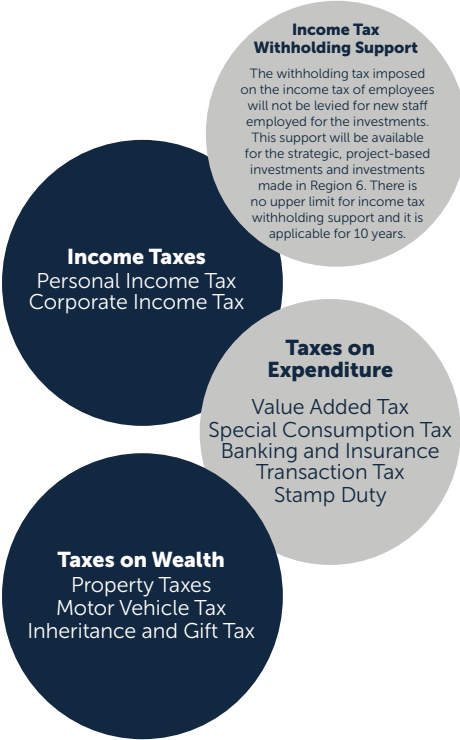
Ease of Doing Business Ranking (y-o-y)



Source: OECD, World Bank

BUSINESS FRIENDLINESS
TURKISH TAXATION SYSTEM

Türkiye has one of the most **competitive corporate tax rates** among OECD member countries. The Turkish corporate tax legislation has noticeably clear, objective, and harmonized provisions that are in line with international standards.



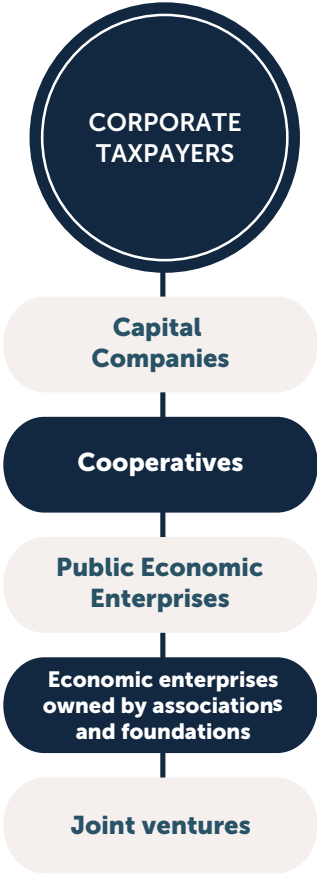
INDIVIDUAL INCOME TAX RATES APPLICABLE FOR 2024			
Income Scales (TRY) (Employment Income)	Rate (%)	Income Scales (TRY) (Non - Employment Income)	Rate (%)
Up to 110,000	15	Up to 110,000	15
110,001 - 230,000	20	110,001 - 230,000	20
230,001 - 870,000	27	230,001 - 580,000	27
870,001 - 3,000,000	35	580,001 - 3,000,000	35
3,000,001 and over	40	3,000,001 and over	40

25%

In Türkiye, the Corporate income tax rate levied on business profits is 25%. (For financial sector companies, the corporate income tax rate is 30%.)

Generally applied VAT rates in Türkiye

1% **10%** **20%**





BUSINESS FRIENDLINESS - ACQUISITION OF TURKISH CITIZENSHIP

As per the regulations published in the Official Gazette on September 18, 2018, foreigners who meet any of the following criteria may be eligible for **Turkish citizenship**, subject to the decision of the President of the Republic of Türkiye:

Making a minimum **fixed capital investment** of **\$500,000** or equivalent foreign currency or Turkish lira, as attested by the Ministry of Industry and Technology.

1

Acquiring a **property** worth a minimum of **\$400,000** or equivalent foreign currency or Turkish lira with a title deed restriction on its resale for at least three years, as attested by the Ministry of Environment, Urbanization and Climate Change.

2

Buying at least **\$500,000** or equivalent foreign currency or Turkish lira worth of **real estate investment** fund share or venture capital investment fund share with the condition that they cannot be sold for at least three years, as attested by the Capital Markets Board of Türkiye.

3

Do I have to buy all those properties at the same time?
No. Application can be made for properties which are purchased at different times.

Can I apply for citizenship even if the acquired property is mortgaged or seized?
The property can be sold with any existing mortgage or seizure.

Can I apply for citizenship if I buy the property with a mortgage loan?
In that case, the net down payment of the loan amount shall be considered. The down payment should be minimum \$400,000 also for legally mortgaged sales.

Can I purchase multiple properties to apply for Turkish citizenship?
Yes.

Is it possible to sell the property before 3 years?
Action shall be taken according to the response from the Provincial Directorate General of Civil Registration and Citizenship.

Can I apply for a long term residence permit (up to 5 years if the passport date of expiration is appropriate) if I am not interested in getting Turkish Citizenship?
Yes, as long as you fulfill the relevant six criteria.

Can I apply through a proxy for property acquisition to obtain exceptional Turkish citizenship?
It is possible if clearly stated on the power of attorney.

Can I apply for exceptional Turkish citizenship if I buy some shares of a property?
Yes, as long as the value of the acquired share is minimum \$400,000.

FAQ

Buying at least **\$500,000** or equivalent foreign currency or Turkish lira worth of **government bonds** with the condition that they cannot be sold for at least three years, as attested by the Ministry of Treasury and Finance.

4

Creating jobs for at least **50** people, as attested by the Ministry of Family, Labor and Social Services.

5

Depositing at least **\$500,000** or equivalent foreign currency or Turkish lira in banks operating in Türkiye with the condition not to withdraw the same for at least three years, as attested by the Banking Regulation and Supervision Agency.

6

LUCRATIVE INCENTIVES
STATISTICS



In 2023, more than **15,740** incentives certificates were awarded, a total of **USD 50.21 Billion** investments were made and among them **340,000** employment were provided within the scope of incentives in Türkiye. Among these, **481** certificates were awarded to foreign direct investments, which amounted to **USD 6.16** in **2023**.

Number of Incentive Certificates



Total Fixed Investments Made



Total Employment Generated



Number of International Investors' Incentive Certificates



Fixed Investments Made by International Investors



Employment Generated by International Investors



LUCRATIVE INCENTIVES INTRODUCTION



The **Incentive System** entered into force in 2012 aiming to;

Increase production of intermediate goods

Reduce import dependency

Reduce trade deficit

Support medium-high and high-tech investments

Support less developed regions

Reduce differentiation in regional development

Support clusters

Types of Incentives

Type of Incentive	General Incentives	Regional Incentives (Including Medium-High Tech and Priority Incentives)	Strategic Incentives	Project Based Incentives
VAT Exemption	✓	✓	✓	✓
VAT Refund*		✓	✓	✓
Customs Duty Exemption	✓	✓	✓	✓
Corporate Tax Reduction		✓	✓	✓
Social Security Premium Support (Employer's Share)		✓	✓	✓
Income Tax Withholding Support**	✓	✓	✓	✓
Interest Rate Support		✓	✓	✓
Land Allocation		✓	✓	✓
Cashback Support				✓
Qualified Personnel Support				✓
Energy Support				✓
Infrastructure Support				✓
Purchasing Guarantee				✓

* For investments in the manufacturing industry by the end of 2024.

**For investments in the 6th region

LUCRATIVE INCENTIVES

GENERAL INVESTMENT INCENTIVES SCHEME

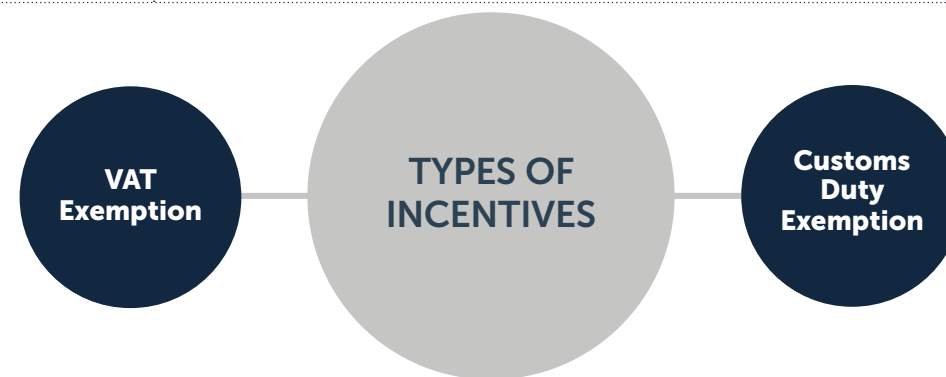


Tax exemption
for procurement
of machinery
and equipment,
regardless of the
investment's
location.

Regardless
of region,
general incentives
scheme is available
for all investment
projects
which

meet the
minimum fixed
investment
amount requirement
(3.000.000 TL in
Region-1 and 2,
1.500.000 TL in
Region-3, 4,
5 and 6.)

**are not
excluded from
the investment
incentives programs**
(e.g.: Cube sugar
production,
Catering
companies)



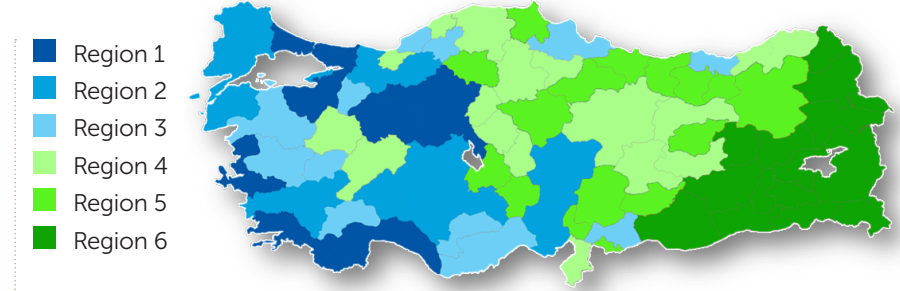
LUCRATIVE INCENTIVES REGIONAL INVESTMENT INCENTIVES SCHEME



The scope of the support instruments varies depending on the **development levels** of the regions. In Türkiye's Incentive Scheme, investments in less developed regions are able to receive higher incentives.

Aims to reduce differentiation regarding development between provinces and to increase production and export potential.

Specific sectors are supported in **6** different regions in Türkiye.



- Region 1
- Region 2
- Region 3
- Region 4
- Region 5
- Region 6

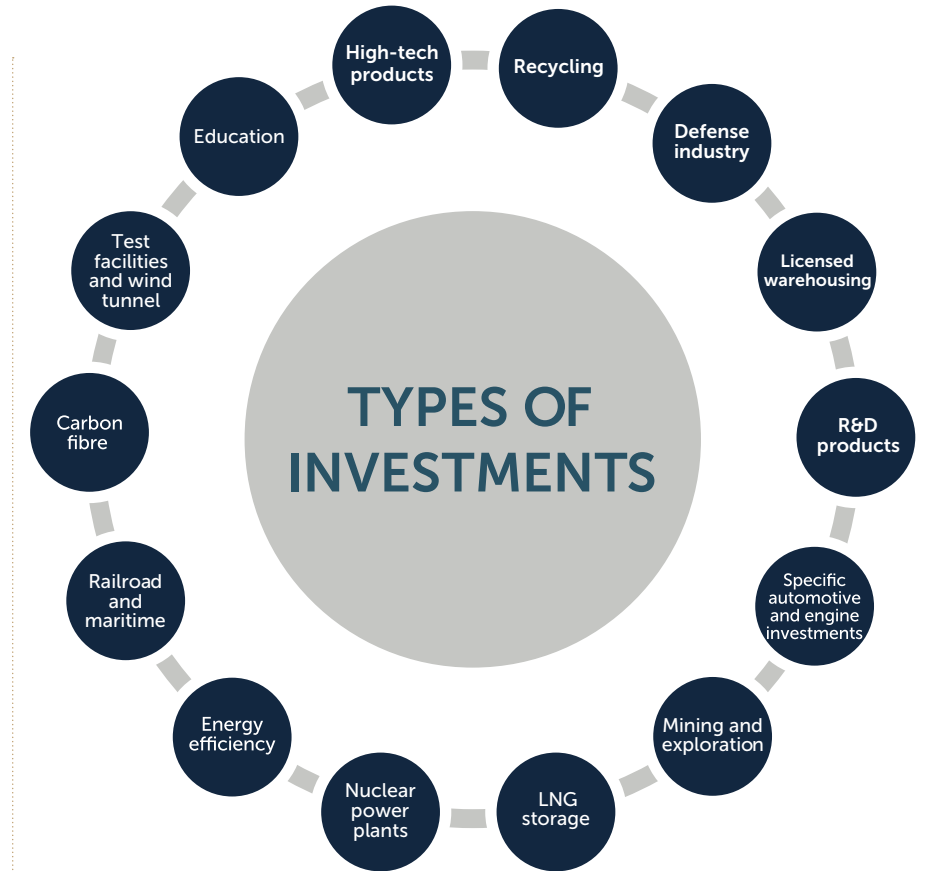
Incentives		Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
VAT Exemption		✓	✓	✓	✓	✓	✓
Customs Duty Exemption		✓	✓	✓	✓	✓	✓
C.I.T to be Applied (%)		11	9.9	8.8	6.6	4.4	2.2
Rate of Contribution (%)	Outside O.I.Z.	15	20	25	30	40	50
	Inside O.I.Z.	20	25	30	40	50	55
Social Security Premium Support (Employer's Share) (*)	Outside O.I.Z.	2 years	3 years	5 years	6 years	7 years	10 years
	Inside O.I.Z.	3 years	5 years	6 years	7 years	10 years	12 years
Interest Support		-	-	✓	✓	✓	✓
Income Tax Withholding Allowance		-	-	-	-	-	10 years
Social Security Premium Support (Employee's Share)		-	-	-	-	-	10 years

LUCRATIVE INCENTIVES PRIORITY INVESTMENTS



Priority investments aims to support specific investments with terms and rates of the Region 5 incentives.

Support Types		Duration and % of Supports
VAT Exemption		✓
Customs Duty Exemption		✓
Corporate Tax Reduction	Investment Contribution (%)	40
	Reduction Rate (%)	80
Social Security Premium Support (Employer's Share)		7 years
Land Allocation		✓
Interest Support	Domestic loans	5 points
	FX loans	2 points



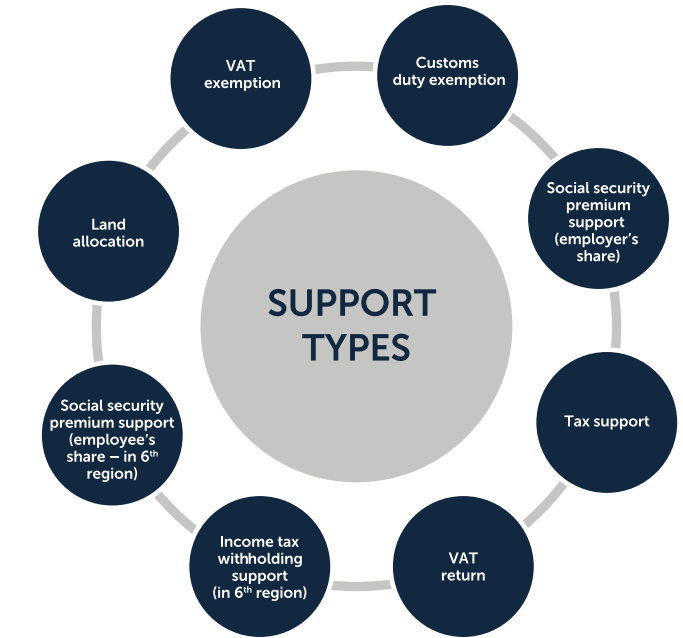
LUCRATIVE INCENTIVES

STRATEGIC INVESTMENT INCENTIVE SCHEME



Aims to support **high value-added investments** that will reduce current account deficit.

Support Types		Duration and % of Supports
VAT Exemption		✓
Customs Duty Exemption		✓
Corporate Tax Reduction	Investment Participation Rate (%)	50
Social Security Premium Support (Employer's Share)		7 years (10 years in 6 th zone)
Land Allocation		✓
Interest Support	Domestic Loans	5 points
	FX Loans	2 points
	Upper Limit	Up to 75 million TRY (Max 10% of fixed investment amount)
Social Security Premium Support (Employee's Share)		10 years (in 6 th zone only)
Income Tax Withholding Support		10 years (in 6 th zone only)
VAT Refund		✓ (investments > TRY 500 million)



Criteria to Benefit From Strategic Investments

TRY **50**
million
Minimum investment amount

40%
Minimum value-added through the investment

\$50
million
Minimum import amount of the product in the last one year

"The total domestic production capacity should be less than the import"



LUCRATIVE INCENTIVES - PROJECT BASED INCENTIVES SUPPORT SYSTEM

Objectives

Reduce import dependency

Ensure supply security

Supply production needs in strategic sectors

Provide technological transformation, innovation, R&D and high value-added production

Contribute to competitive advantage of Türkiye

Projects with an investment of TRY 1 billion or above

over
USD 40 Billion

Incentive amount provided for investments in strategic sectors.

70

Number of Projects

3,600

Qualified Employees

57,820

Total Employment

USD 43,602,700,61

Total Investment Amount

Advantages

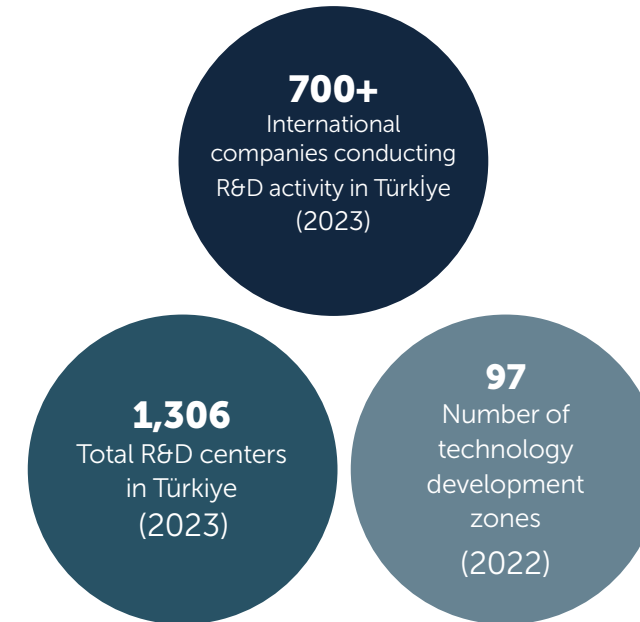
- Customs duty exemption
- **VAT exemption for machinery and equipment**
- Cash support
- **VAT refund for building construction expenses**
- Corporate tax exemption up to 100 percent and investment support up to 200 percent; or a corporate tax exemption exclusively for the profits derived from the investment for the first 10 years following the commencement of operations.
- **Social security premium support for employer's share for up to 10 years.**
- Qualified employee support for up to 5 years
- **Income tax withholding support for up to 10 years.**
- Energy support for 10 years
- **Land allocation for 49 years**
- Interest support for up to 10 years

GLOBAL COMPANIES WITH R&D OPERATIONS IN TÜRKİYE

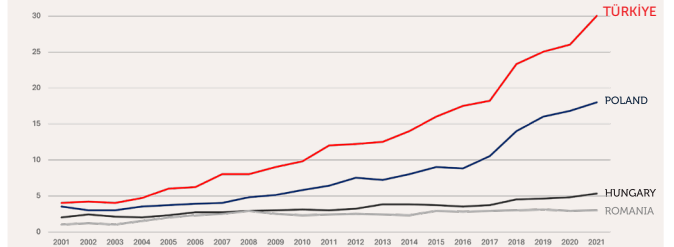


ADVANTAGEOUS R&D ECOSYSTEM

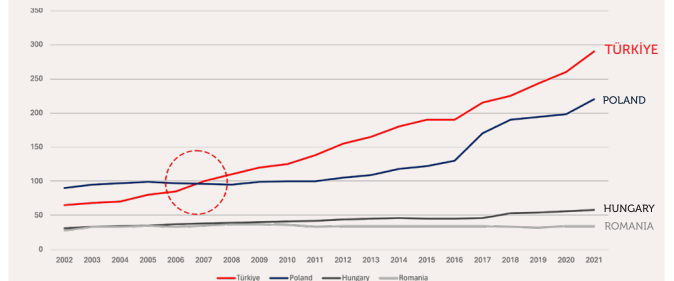
Extensive **R&D incentives** are further supported by a favorable ecosystem in Türkiye.



INCREASING R&D SPENDING (\$ billion, PPP)



NUMBER OF RESEARCHERS (Thousands)





ADVANTAGEOUS R&D ECOSYSTEM

R&D INCENTIVES IN TÜRKİYE



Companies with R&D activities in Türkiye have the opportunity to benefit from a wide range of incentives and supports provided within the scope of R&D legislation and cash support programs. Thus, investors can choose the most appropriate support / incentive mechanism in order to reduce their costs of R&D and innovation activities.

Technology Development Zones Law No. 4961

Law No. 5746 on Supporting R&D and Design Activities

Corporate tax exemption

R&D and design support up to 100%

Income tax exemption up to 100%

Income tax withholding support (80-90-95%)

Social Security Premium Support (Employer's Share) up to 50%

Custom Duty Exemption

Support for activities on basic sciences

Stamp duty exemption (payrolls only)

Stamp duty exemption

VAT exemption

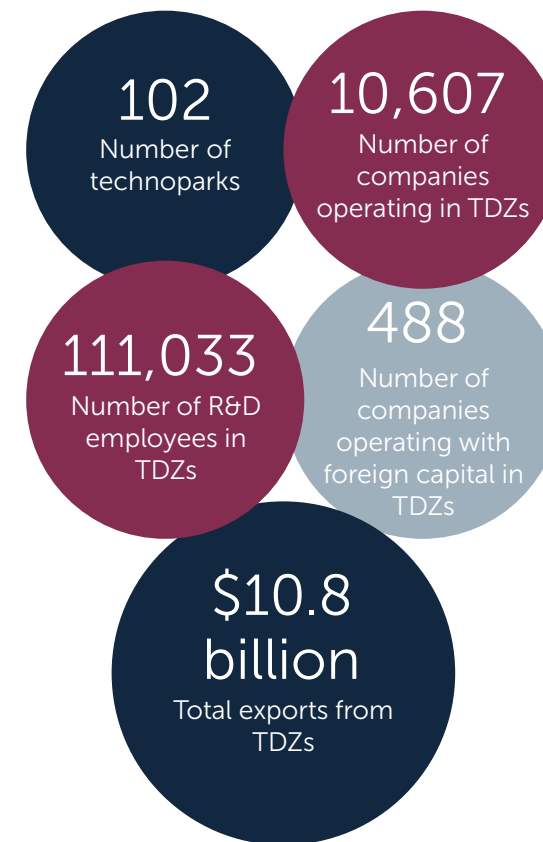
-

ADVANTAGEOUS R&D ECOSYSTEM

TECHNOLOGY DEVELOPMENT ZONES / TECHNOPARKS



Technology Development Zones (TDZ) are areas designed to support R&D activities and attract investments in high-technology fields.



Advantages of TDZs

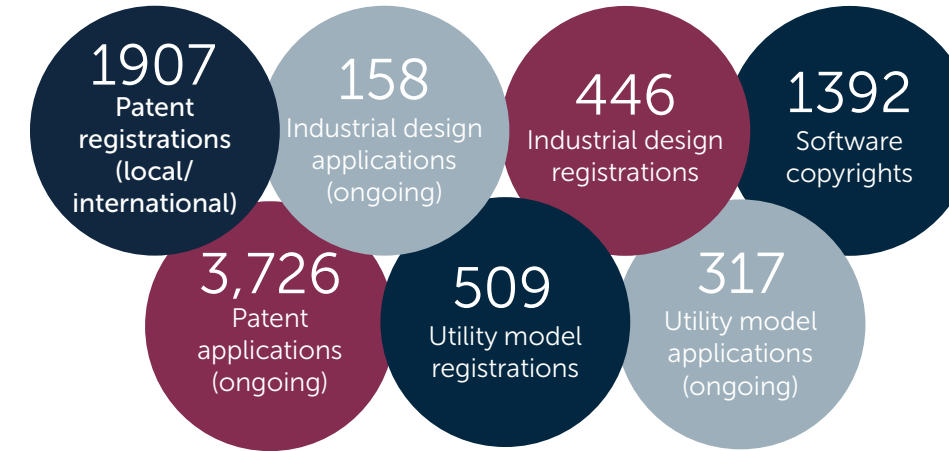
- ✓ Profits derived from software development, R&D, and design activities are exempt from income and corporate taxes until December 31, 2023.
- ✓ Sales of application software produced exclusively in TDZs are exempt from VAT until December 31, 2023.
- ✓ Remuneration for R&D, design and support personnel employed in the zone is exempt from all taxes until December 31, 2023.
- ✓ 50% of the employer's share of the social security premium will be paid by the government until December 31, 2023.
- ✓ Customs duty exemption for imported products and stamp duty exemption for applicable documents within the scope of R&D, design, and software development projects.

ADVANTAGEOUS R&D ECOSYSTEM INTELLECTUAL PROPERTY RIGHTS

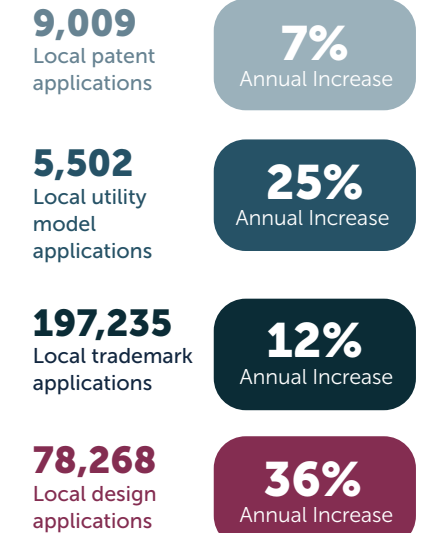


Under the Turkish law, intellectual properties such as trademarks, patents, utility models, designs and geographical indications, are offered protection upon the registration with the Turkish Patent and Trademark Institution. Trademarks and utility models are protected for 10 years, while patents are protected for 20 years, and designs are protected for 5 years. Registrations may be renewed before their expiration dates upon the satisfaction of certain requirements.

TECHNOLOGY DEVELOPMENT ZONES



PATENTS IN TÜRKİYE IN 2021





ROBUST INFRASTRUCTURE - PPP PROJECTS

Türkiye has a strong track record in **PPP** implementations across a variety of sectors such as **infrastructure, transportation, energy** and **healthcare**.

Since 2002, PPP investments in transport and communication have represented **25%** of the total investment amount in the transportation and communication sector.

\$204
billion
worth of PPP
projects Türkiye has
implemented in a
variety of sectors.
(1986-2023)

Number of PPP Projects

2003 **72**

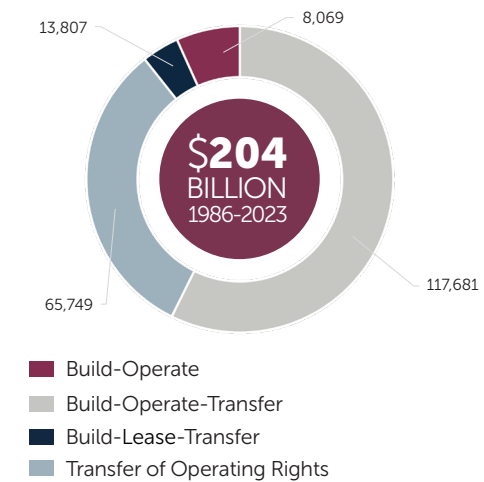
2023 **270**

PPP Contract Volume (\$ billion)

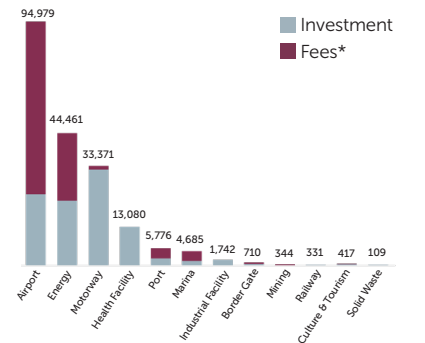
1986-2001 **25**

2002-2023 **179**

PPP Contract Models (1986-2023)



PPP Investments by Sector (1986-2023)





ROBUST INFRASTRUCTURE - MEGA PROJECTS

Türkiye has implemented a variety of **mega projects** with **BOT model** and continues to do so.

İSTANBUL AIRPORT



- Set to become world's largest airport
- Annual capacity of **150 million** passengers when all phases are completed
- Commissioned in **April 2019**
- Investment of **USD 6.5 billion**

EURASIA TUNNEL



- Double-deck underwater tunnel connecting Asia & Europe in Istanbul
- Commissioned in **December 2016**
- Investment of **USD 1.2 billion**

CANAL ISTANBUL



- **45 km, 21 m** depth and **275 m** width
- **6 bridges**
- New satellite cities

ANKARA-ISTANBUL HIGH SPEED RAILROAD



- Shortened travel time
- Faster and more comfortable travel
- **347 km** total length
- **11 million** passengers/year
- **350 km/h** design speed

GEBZE-HALKALI RAILROAD



- **213 km** with **10 stations**
- **31 viaduct** (8 km) and **53 tunnel** (120 km)
- Passenger capacity: **13 million** (passengers/year)
- Freight capacity: **12 million** (Ton/Year)

YAVUZ SULTAN SELIM BRIDGE



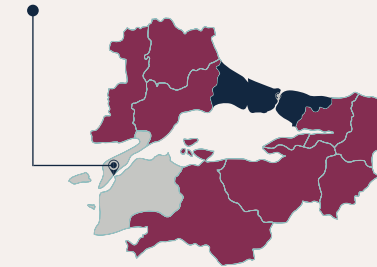
- **95 km**-long motorway featuring a bridge for rail & motor vehicle transit over Bosphorus
- Commissioned in **August 2016**
- Investment of **USD 3.5 billion**

GEBZE-ORHANGAZI-İZMİR MOTORWAY



- **427 km**-long motorway connecting Istanbul Bursa & Izmir via world's **4th** longest suspension bridge
- Investment of **USD 6.5 billion**

1915 ÇANAKKALE BRIDGE

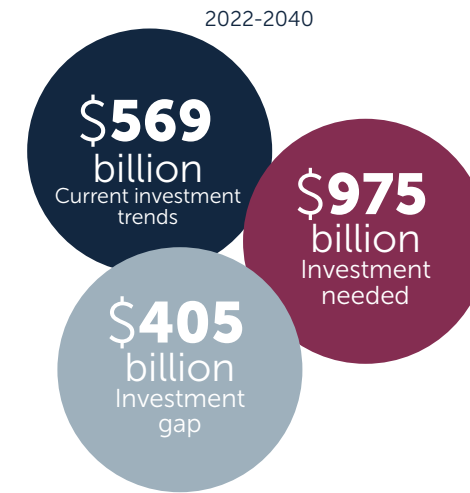


- Longest main span (**2,023 km**) of any suspension bridge in the world
- Bridge length: **4,608 m**
- **101 km** motorway (including the bridge)
- Construction started in **March 2017**
- Operation period: **16 years** 2 months (including construction)
- **USD 2.8 billion** investment with BOT
- The project was completed in **March 2022**

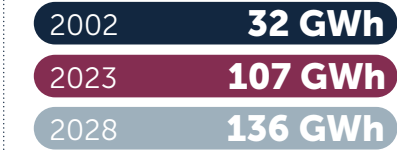
ROBUST INFRASTRUCTURE TARGETS



Türkiye has set ambitious infrastructure investment targets for **2028** in its 12th Development Plan.



Installed Power Capacity (GW)



High Speed Railways (km)



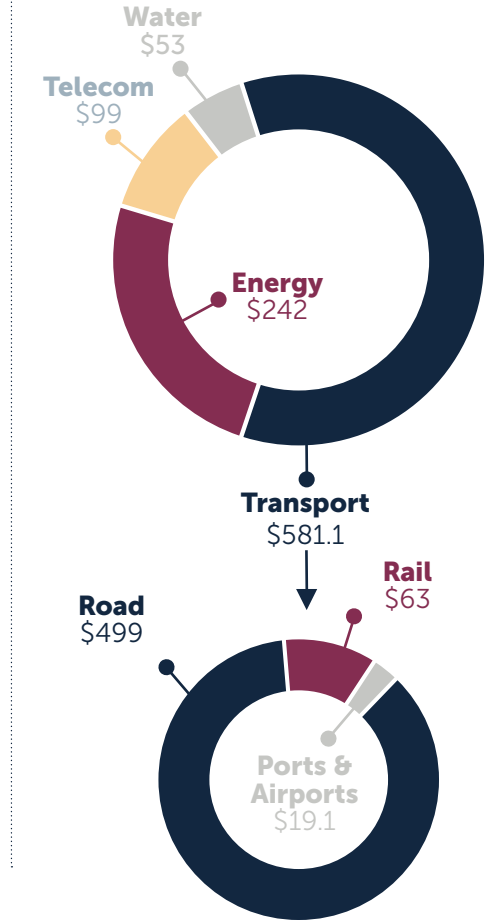
Number of Hospital Beds Per 10,000 Population



Highways (km)



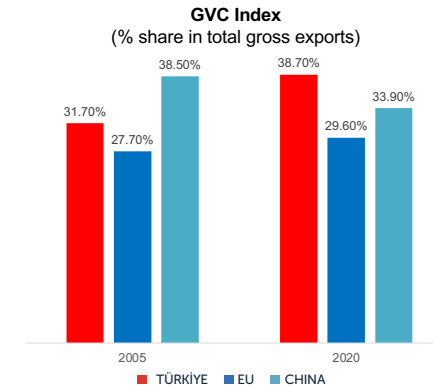
Investment Need by Sector (2022-2040, \$bn)



TÜRKİYE'S PARTICIPATION IN GVCs



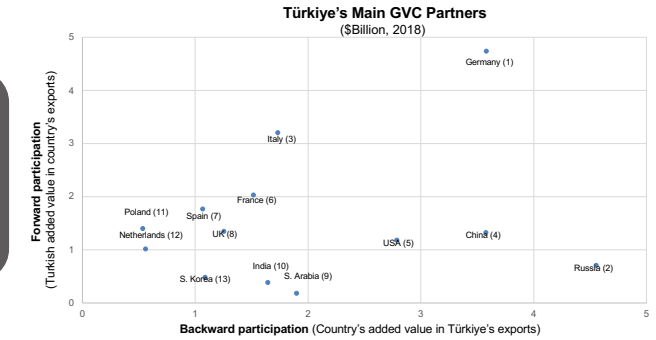
Türkiye's participation in GVCs has steadily increased over the past two decades



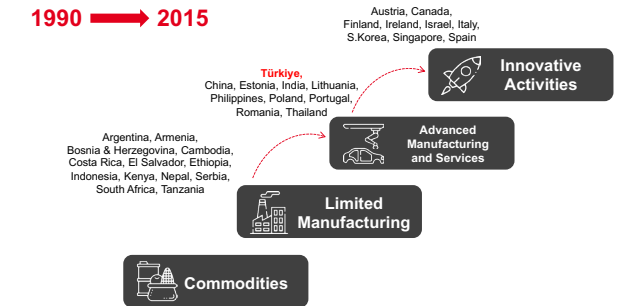
The **GVC Participation index** provides an estimation of how much an economy is connected to global value chains for its production and foreign trade. The indicator is composed of two components reflecting the upstream and downstream links in international production chains. Basically, individual economies participate in global value chains by importing foreign inputs to produce the goods and services they export (backward GVC participation) and also by exporting domestically produced inputs to partners in charge of downstream production stages (forward GVC participation).

Source: OECD, Turkish value added embodied in foreign country's exports (forward participation) and foreign country's value added contained in Türkiye's exports (backward participation) are shown for TÜRKİYE's main GVC partner countries. () Ranking based on combined GVCs (forward + backward participation), World Bank World Development Report 2020: Trading for Development in the Age of Global Value Chains (GVCs), OECD-WTO GVC Database

Combining both forward and backward linkages, **Germany** is Türkiye's main GVC partner, followed by **Russia** and **Italy**.



Country Transitions Between Different Types of GVC Participation

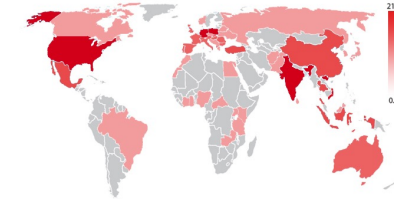


TÜRKİYE'S PARTICIPATION IN GVCS

GEOSTRATEGIC LOCATION

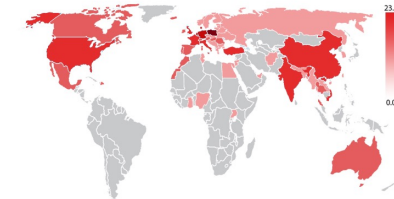


Shifts in the GVCs enable Türkiye as one of most attractive FDI destinations in the post-pandemic world.



Globally attractive sourcing locations
(Reuters & Maersk Survey Results)

#	COUNTRY	%
1	Vietnam	21.2%
2	India	20.7%
3	Germany	13.7%
4	Poland	13.3%
5	United States	12.4%
6	China	9.1%
7	Mexico	9.1%
8	Türkiye	9.1%
9	United Kingdom	7.5%
10	Indonesia	7.1%
11	Romania	5.8%
12	Hungary	5.4%
13	Czech Republic	4.6%
14	Bulgaria	4.6%
15	Morocco	4.6%



Most popular sourcing and reshoring locations for European companies
(Reuters & Maersk Survey Results)

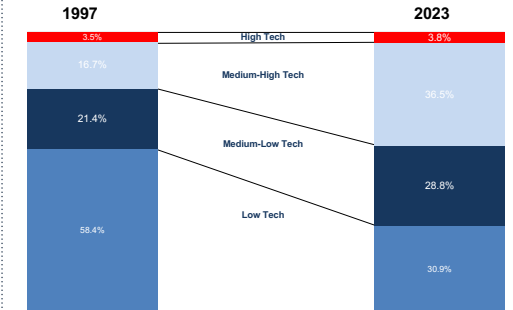
#	COUNTRY	%
1	Poland	23.3%
2	Germany	19.4%
3	Türkiye	12.4%
4	United Kingdom	10.9%
5	United States	10.1%
6	Vietnam	10.1%
7	France	8.5%
8	Romania	8.5%
9	Czech Republic	7.8%
10	India	7.8%
11	Hungary	7.0%
12	Romania	7.0%
13	Bulgaria	6.2%
14	Morocco	6.2%

In 2022, Reuters Events and MAERSK has published a report with title of "A generational shift in sourcing strategy".

Türkiye comes to the forefront as the third most attractive FDI destination for the European companies

Türkiye also stands as the 8th most popular sourcing, nearshoring and reshoring country among the most 30 popular destinations globally.

Classification of Turkish Manufacturing Exports by Technology Intensity



Türkiye's progress in value chain has also transformed its export composition toward higher value-added products



SDGs IN TÜRKİYE

GENERAL INFORMATION

In 2015, countries in the world adopted the **2030 Agenda for Sustainable Development** and its 17 SDGs.

The **17 SDGs** of the 2030 Agenda for Sustainable Development are the blueprint for achieving a better and more sustainable future for all.

The “**SDG Investor Map Türkiye**” provides in-depth information on **27** investment opportunity areas identified across **9** priority sectors and **14** subsectors.

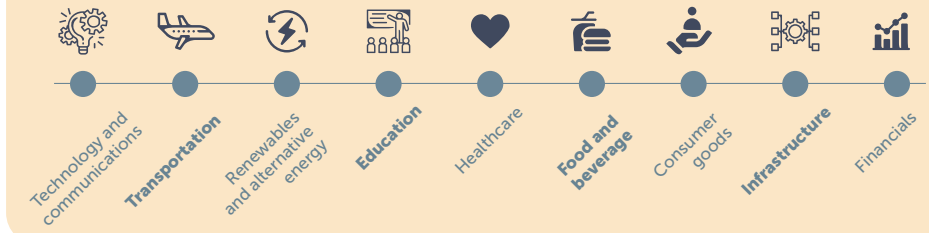
Dec
2019

Investment Office co-prepared a report on stakeholder mapping and preliminary analysis for impact investing in Türkiye in partnership with the Istanbul International Center for Private Sector in Development (IICPSD) team. The **Sustainable Development Goals Investor Map Türkiye** report was published in December 2019.

March
2021

The report prepared upon the request of the **United Nations Development Programme (UNDP)**—was launched at the 11th **Bosphorus Summit** held in Istanbul and honored by **President Recep Tayyip Erdoğan**.

PRIORITY SECTORS FOR TÜRKİYE CLASSIFIED IN THE MAP





SDGs IN TÜRKİYE

PARIS AGREEMENT RATIFICATION

"The Turkish Parliament ratified the Paris Agreement on October 6, 2021 and put it into effect following its publication in the Official Gazette on October 7.

✓ Türkiye has been a signatory to the Paris Agreement since April 22, 2016 within the framework of the UN Climate Change Conference. Türkiye's parliamentary adoption of the decision by consensus came in ahead of the COP26, which took place from October 31 to November 12, 2021 in Glasgow, Scotland.

✓ The Paris Agreement aims to strengthen the global response to the threat of climate change by stopping global average temperatures from rising more than 2 degrees Celsius above pre-industrial levels by the end of 21st century, and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius if possible.

✓ Türkiye is expected to update its national climate action plan, officially known as the Nationally Determined Contribution (NDC), including emission reduction targets in the energy, waste, transportation, buildings, and agriculture sectors and submit them to the UN Secretariat.

✓ Türkiye also plans to organize a council in January 2022, attended by representatives from the private sector, non-governmental organizations, universities, industrialists and international organizations, to examine the long-term strategy.

✓ As part of its efforts to contribute to the fight against climate change, Türkiye renamed the Ministry of Environment and Urbanization as Ministry of Environment, Urbanization and Climate Change.



SDGs IN TÜRKİYE

PARIS AGREEMENT - 2053 NET ZERO EMISSION TARGET

✓ As a first step, Türkiye has committed to reduce of 21 percent by 2030, from a projected emission of 1,175 million tons to 929 million tons, and to achieve "net-zero carbon emissions" by 2053, as announced by President Recep Tayyip Erdoğan.

✓ Climate change; is a development issue that concerns many areas from trade to transportation, industry to food, energy to education. In this sense; It should be managed with a perspective that evaluates economy and ecology together but always prioritizes our environmental sensitivity.

✓ The target of Türkiye; to successfully implement the Green Development Revolution (Transformation) and be among the top 10 economies of the world. At this point, with the Memorandum of Understanding signed with the World Bank on October 22, 2021; A financing of 3 billion 157 million Euros was provided to be used in the fight against climate change. This fund; is aimed to support climate-friendly investments in many fields from industry to agriculture, from transportation to energy, from waste to the construction sector, from clean energy to micro-mobility.

✓ Developed countries have to reinvest for green transformation, but developing countries will turn this crisis into an opportunity. Türkiye plans to turn its green transformation move into an opportunity. Türkiye has a high and qualified workforce potential and greenhouse gas reduction potential. The era of making the economically necessary structural improvements despite nature is over. Countries that produce and catch up with technology and trends on the path of low-carbon development will be the essential economies of the age after the industrial revolution and the digital revolution.

SDGs IN TÜRKİYE

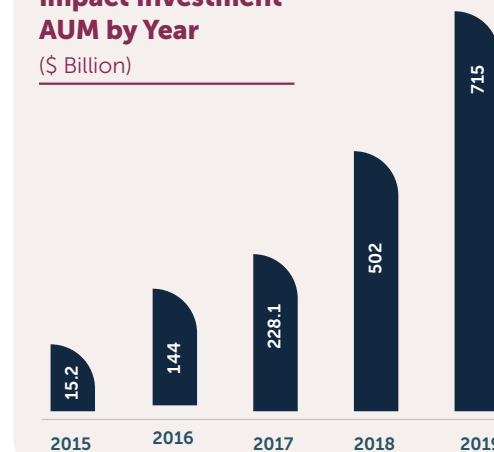
IMPACT INVESTMENT AS A NEW MODEL



Global market for impact investing reached **\$715** billion in assets under management (AUM) at the end of 2019.

The Turkish National Advisory Board for Impact Investing was established in partnership with **UNDP**, the Impact Investment Platform (Etkiyap), the Development Investment Bank of Türkiye and the Investment Office.

**Impact Investment
AUM by Year**
(\$ Billion)



Source: Investment Office-The Impact Investment Ecosystem in Türkiye

Positive and
measurable social
and environmental
impact

**Impact
Investing**

Financial
Return

EXAMPLES OF IMPACT CAPITAL IN TÜRKİYE

In 2019, the **European Bank for Reconstruction and Development (EBRD)** approved the provision of a €50 million loan to **Sütaş**, an agribusiness company, to finance Sütaş's investment in an integrated production facility in Bingöl, Eastern Türkiye.

The **Industrial Development Bank of Türkiye (TSKB)** issued the first ever **Green/Sustainable Bond** in 2016 to finance renewable energy and resource efficiency investments as well as healthcare and education projects.

Idacapital is an investment management firm focusing on impact through technology, innovation and growth investments in and out of Türkiye, and currently holds the lead in investments focused on impact, devoting funds exclusively to with/for impact.

Turkish Red Crescent Association Venture Capital Investment Fund was established by Kızılay, which will channel its management fees into funding their humanitarian activities.

The **Development and Investment Bank of Türkiye** has played a key role in contributing to Türkiye's sustainable development while facilitating investments to boost employment and prosperity.

The **Scientific and Technological Research Council of Türkiye (TÜBİTAK)**'s **Tech-InvesTR Venture Capital Support Program** was established in order to enable venture capital funds to invest in R&D intensive early-stage companies in order to meet the financial needs of these companies.

SDGs IN TÜRKİYE

IMPACT INVESTMENT AS A NEW MODEL



Impact Investing Advisory Board of Türkiye

Impact Investing Advisory Board of Türkiye “EYDK” was established in April 28, 2021.

EYDK will facilitate the development of impact investing and a well-functioning ecosystem in Türkiye. EYDK has 43 member organizations representing public and private sector and non-profit organizations.

Investment Office, Development Investment Bank of Türkiye, UNDP, UNDP Istanbul International Center For Private Sector Development (IICPSD) and Etkiyap were the task force members which took the lead for the establishment.



On March 30 2022, Türkiye’s membership application to the GSG was accepted, and Türkiye has become the 35th member country to the GSG.

The Global Steering Group for Impact Investment (GSG) is an independent organization catalyzing impact investment and entrepreneurship to benefit people and the planet. The

GSG was established in August 2015 as the successor to and incorporating the work of the Social Impact Investment Taskforce established under the UK’s 2013 presidency of the G8.

GSG Leadership Meeting 2023

GSG Leadership Meeting 2023 will take place in Istanbul between May 30 – June 1, 2023. 150 executives from 43 countries are expected to visit Istanbul for the meeting.



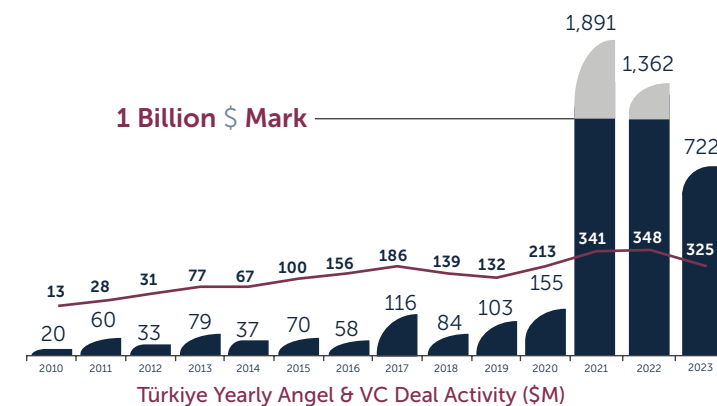
GROWING STARTUP ECOSYSTEM WHY INVEST IN TURKISH STARTUPS

Türkiye's **diversified economy**, **entrepreneurial business culture** and **young and tech-savvy population** have been attracting significant investments from global players into Turkish startups, which have proven that their products and services are globally competitive.

Early stage investments in Türkiye have shown a significant increase in the recent period.

-Turkish startup ecosystem attracted \$722 million of investments in 2023 and became the 11th country in Europe, and 4th country in the MENA region.

-Türkiye has achieved significant success in early-stage investments in recent years. Over the 11 years from 2010 to 2020, the Turkish startup ecosystem attracted \$815 million in investments. However, in the last three years alone, this figure has surged to nearly \$4 billion.



Source: Startups.Watch



Co-investment opportunities with the Turkish VC funds to benefit from the next successful exit round



GROWING STARTUP ECOSYSTEM

MILESTONES IN TÜRKİYE'S STARTUPS ECOSYSTEM

5 Unicorns, 1 Decacorn

trendyol In August 2021, a group of Private Equity investors acquired 9.09% of e-commerce platform Trendyol for \$1.5 billion and carried Trendyol's value to \$16.5 billion as the first **decacorn** in Türkiye.



Turkish rapid delivery startup **Getir** became **unicorn** in March 2021. In 2023, the company managed to secure \$500 million further investment.



In January 2022, mobile puzzle games developer **Dream Games** raised \$255 million in a series-C funding round which carried the startup's value to \$2.75 billion.



The US-based interactive entertainment company **Zynga** acquired the Turkish mobile game developer **Peak Games** for \$1.8 billion, in June 2020.



The B2B software-as-a-service (SaaS) platform Insider has become Türkiye's first software unicorn after raising \$121 million from investors in a Series D funding round held by the Qatar Investment Authority (QIA).



Hepsiburada, a major Turkish e-commerce platform, achieved unicorn status in 2021. It is the first Turkish company to have an initial public offering (IPO) on NASDAQ.

325

startups recieved \$722 million through Angels & VC Funds in 2023.

107

startups have been funded by TÜBİTAK BiGG Fund in Q1 2024.

2012

Introduction of VC Funds by the Capital Markets Board of Türkiye

2013

Enactment of the Regulation on Angel Investments

2014

Launch of Tax Incentives Program for companies investing in VC Funds

Introduction of Tübitak's 1514 Tech-InvesTR "Venture Capital Funding Program" V.1

2016

Commissioning of a prominent R&D reform and introduction of support for design.

2017

Enactment of a new law on Industrial Property Rights

Passing of crowdfunding legislation

2018

Convening of the Global Entrepreneurship Congress in Istanbul

2020

Techno-Investment Fund (TRY350 million) established by Development Investment Bank of Türkiye

Introduction of Tübitak's 1514 Tech-InvesTR "Venture Capital Funding Program" V.2

2023

Establishment of the BiGG Pre-Seed Fund

2022

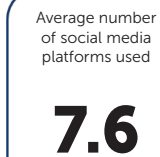
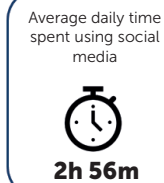
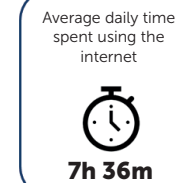
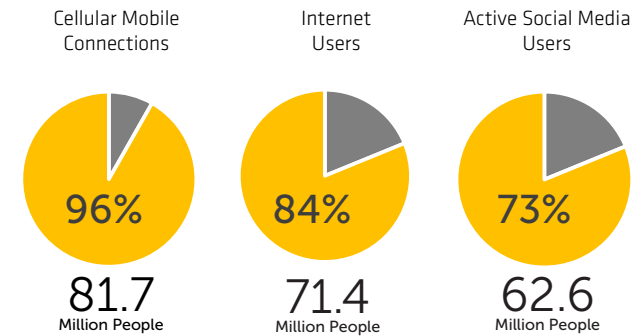
"Turcorn 100 (Turkish unicorn) Program" was launched by Ministry of Industry and Technology and 17 global stakeholders



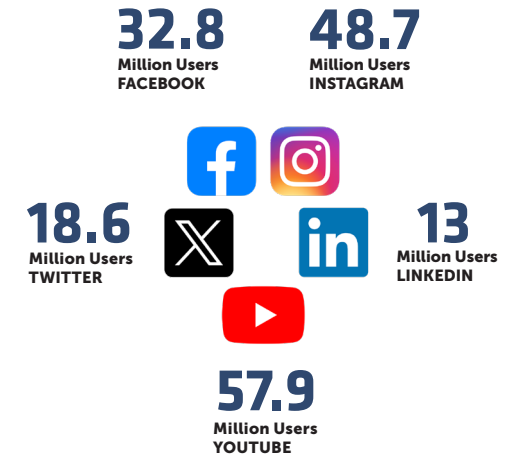
GROWING STARTUP ECOSYSTEM

MOBILE, INTERNET, AND SOCIAL MEDIA USE IN TÜRKİYE

Türkiye has large and young population with high tech penetration rates.



Number of social media users in Türkiye



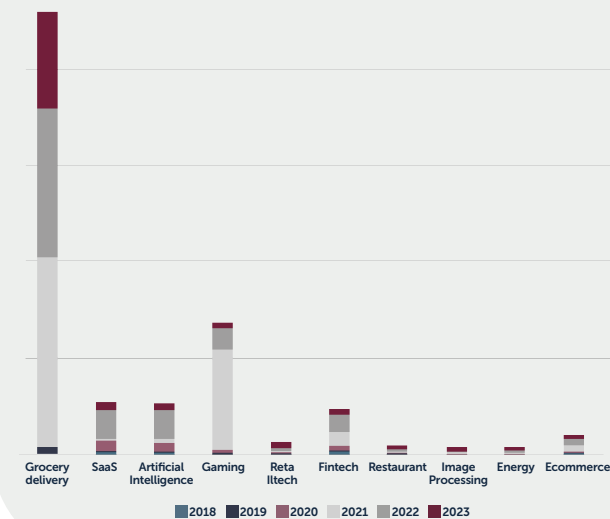


GROWING STARTUP ECOSYSTEM

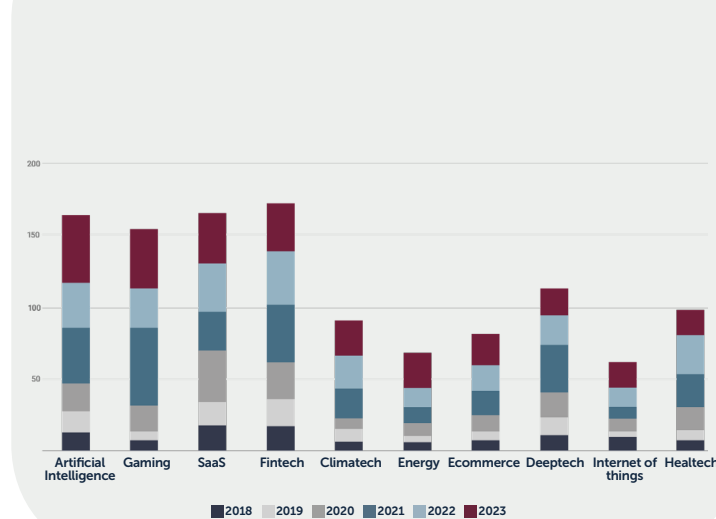
TOP 10 FUNDED VERTICALS IN 2023

"In the Turkish startup landscape, key technological domains such as Gaming, Artificial Intelligence, and Fintech stand out as particularly dynamic. These sectors are well-positioned for substantial future growth. This trend underscores the potential these areas hold for contributing to the broader economic development."

TOP 10 FUNDED VERTICALS IN 2023
(DEAL SIZE) (\$ Mn)



TOP 10 FUNDED VERTICALS IN 2023
(DEAL COUNT)



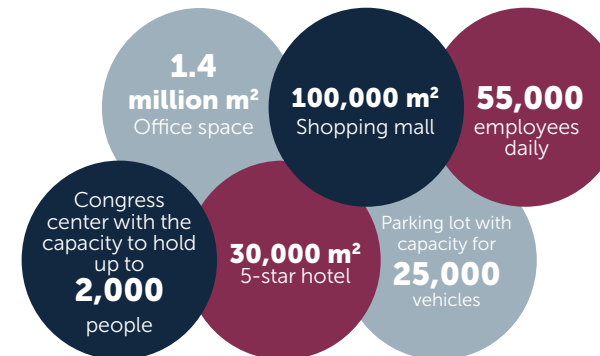


ISTANBUL FINANCIAL CENTER

Strategically important to Türkiye's economy and the flow of international capital, Istanbul Financial Center (IFC) is a global financial services hub, with easy access to world markets.

Established to provide an efficient financial services ecosystem, the IFC aims to deliver growth to the Turkish economy and international investors by becoming a regional center in the short term and a global center in the medium term. IFC brings together public and private sector banks, asset management companies, brokerage firms, insurance companies, professional service companies along with Turkish and international financial institutions.

The IFC has:



ISTANBUL FINANCIAL CENTER LAW

- ✓ Published in the Official Gazette on June 28, 2022
- ✓ Include exceptions and discounts on taxes and other financial liabilities
 - ✓ 75% of the earnings obtained within the scope of the activities shall be deducted from the corporate income.
- ✓ Exemption from banking and insurance transactions tax.
- ✓ Exemption from all kinds of fees and stamp duty.
- ✓ For persons with at least 5 years of professional experience abroad, 60% of the monthly wage shall be exempt from income tax.
- ✓ For persons with at least 10 years of experience, the exemption shall be 80%.

TMB TÜRKİYE CUMHURİYET
MERKEZ BANKASI

BDDK
BANKACILIK
DÜZENLEME VE DENETLEME
KURUMU

SPK
SİRKÜLERİ
PİYASASI
KURUMU

BORSA
İSTANBUL

TÜRKİYE
SİGORTA

Ziraat Bankası

HALKBANK

VakıfBank

İŞ GYO

SECTORAL OPPORTUNITIES - AGROFOOD

With its **favorable geographical conditions** and climate, large arable lands, and well-developed agricultural industry, Türkiye is considered to be one of the leading countries in the world in the field of agriculture and food.



Largest country in Europe in terms of agricultural economy with **\$58.5 billion** agricultural production volume in 2022.

10th largest country in the world in terms of agricultural economy in 2022.

3rd Largest agricultural producing country in the world by quantity for leading commodities such as **fruits, vegetables, coarse grains, dairy and oils** in 2022.

Türkiye is the world leader in the production of apricots, cherries, figs, hazelnuts and quinces. It is among the top 5 countries in the world in the production of many agricultural products such as **tomatoes, cucumbers, apples, eggplants and walnuts** (2022).

\$29.9
billion
export in 2022

\$23.2
billion
import in 2022

2.8
million
Enterprises operating in
agrofood production



SECTORAL OPPORTUNITIES - AUTOMOTIVE

With a history of more than **50 years**, Türkiye's automotive industry is now home to **14 OEMs** with a total product portfolio covering passenger cars, light commercial vehicles, as well as heavy duty vehicles. Türkiye is a strong production and engineering hub for the global automotive value chain.

12th largest automotive producer in the world, with an **70%** average export rate (2023)

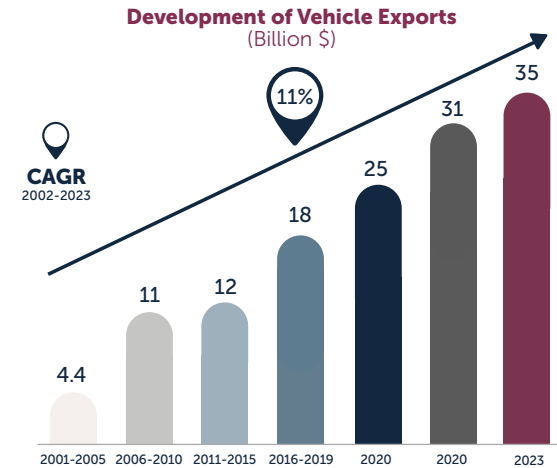
Vehicles of Turkish origin hold a leading position in the EU among the vehicles coming from outside of the EU.

1st largest commercial vehicle producer in Europe (2023)

1.5 million Vehicle production in Türkiye (2023)

35% Share of commercial vehicles in total production (2023)

\$35 billion Automotive exports of Türkiye (2023)



STRONG INTERNATIONAL PRESENCE IN TÜRKİYE

164 accredited R&D centers dedicated to the automotive industry out of total 1,306 R&D centers.



Türkiye's first indigenous all-electric car Togg has rolled-off the line in April 2023. 24k SUV models have been sold for the first 12 months (Apr'23-Mar'24). New sedan model will come in end-2024.

Sources: Automotive Manufacturers Association of Türkiye
Automotive Distributors Association of Türkiye
Türkiye Exporters Assembly



SECTORAL OPPORTUNITIES - CHEMICALS

Türkiye is an attractive investment location for **chemical** companies with a **robust market growth** fueled by end user markets, while offering competitive production costs.

Sustainability of growth in customer industries in Türkiye is a source of strength

Chemical sales in Türkiye outperformed the global trend over the past decade

Europe appears to be the largest trade partner of Türkiye in chemicals

Number of greenfield projects announced in the 2007-2023 period:

141 (chemicals)
+
21 (rubber)
+
136 (plastics)

25%

Share of Türkiye and its surrounding markets in global petrochemical consumption

FDI in Turkish chemicals industry have been active through **greenfield** and **M&A** activities

2nd

Largest plastics producer in Europe

10th

Largest fertilizer consumer globally

91

M&A Activities (2022)

2nd

Largest net petrochemical importer after China

7th

Largest plastics producer in the world

2nd

Largest polypropylene importer after China

5th

Largest paint producer in Europe



SECTORAL OPPORTUNITIES - DEFENSE & AEROSPACE

Türkiye's decisive policies have yielded significant results in transforming the defense industry. Growing and diversifying exports have explored new opportunities in US, EU, Middle East, Africa, Central Asia and South America.



\$18.8 BILLION
DEFENSE EXPENDITURES
(2021)

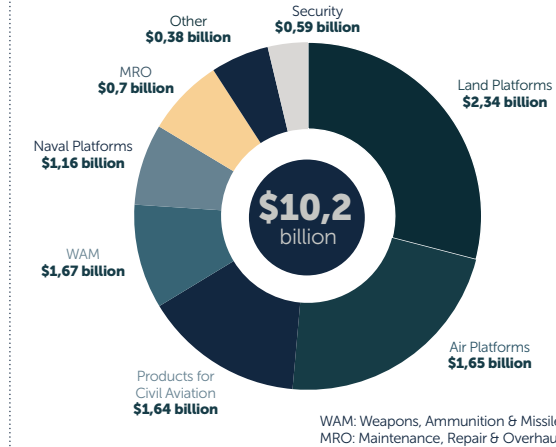


\$8.6 BILLION
Defence and Aerospace
Turnover (2021)



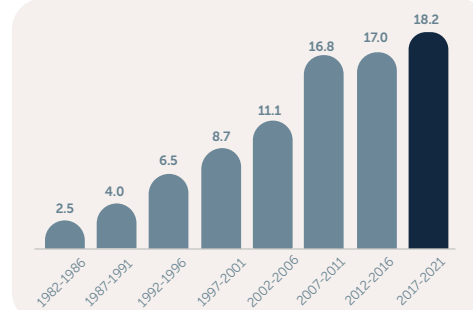
\$4.4 BILLION
DEFENSE & AEROSPACE
INDUSTRY EXPORTS (2022)

Turnover Breakdown (2021)

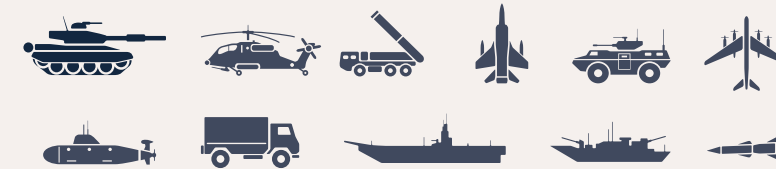
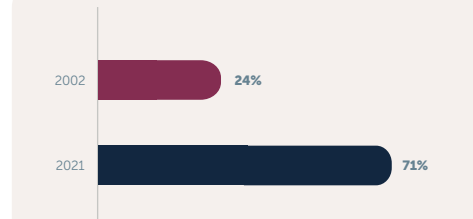


Türkiye's Annual Defense Expenditures

(\$ Billion, current prices)



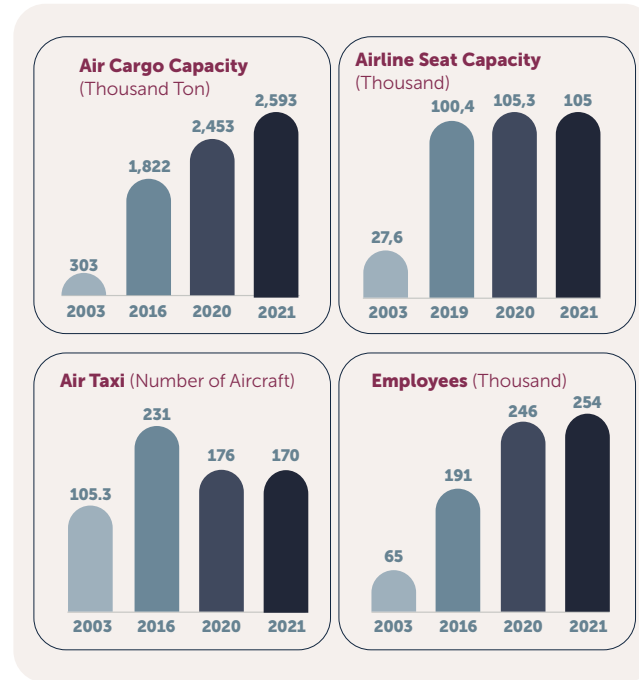
Local Content in Türkiye's Defense Procurement





SECTORAL OPPORTUNITIES - DEFENSE & AEROSPACE

Türkiye is a key player in global air transportation and offers lucrative opportunities for global investors with rapidly growing civil aviation.





SECTORAL OPPORTUNITIES - ENERGY

Being a high-profile OECD country in terms of energy demand, Türkiye has created a solid action plan to achieve a smooth transition to **self-sufficiency**, robustness, **diversification**, supply security, competitiveness and environment-friendly energy.

Great potential for being a new LNG hub with new explorations in the Black Sea.

65%

Estimated Share of Renewable Energy by 2035.

1ST

Solar Panel Producing Capacity in Europe in 2023.

42.3%

Share of renewable energy in total electricity production (2023).

Total Installed Capacity in Türkiye

2002 **31.8GW**

2023 **109.3GW**

31.9GW

Türkiye's installed hydro power capacity as of 2023.

11.8GW

Türkiye's installed wind power capacity as of 2023.

13.9GW

Türkiye's installed solar power capacity as of 2023.

Türkiye's Rank in Europe (2023)

3rd largest electricity demand

4th in primary energy consumption

4th in gas consumption

\$11 billion

Investments to be made by 2023 within the scope of the National Energy Efficiency Action Plan.

5GW Annual wind and solar capacity will be added by 2035.

87% Share of private sector in power generation as of 2023.

4th Türkiye's rank in global geothermal power generation capacity in 2023.



SECTORAL OPPORTUNITIES - ICT

Favorable demographics with a dynamic **young and online population** supports the Turkish ICT sector, which is strongly backed by international and local companies.

Turkish ICT market has reached **\$33 billion** in 2023.

Workforce in the industry reached **237K** in the last five years

\$19 billion FDI has been attracted since 2005

92,2
million

Fixed and Mobile Broadband subscription, an impressive penetration rate of 112,9%

109%

Annual growth rate of e-commerce market in Türkiye, which reached TRY 800 billion in 2022

Türkiye is transforming into a fintech hub, with over **700** companies and an online payment market of almost **\$100 billion in 2023**.

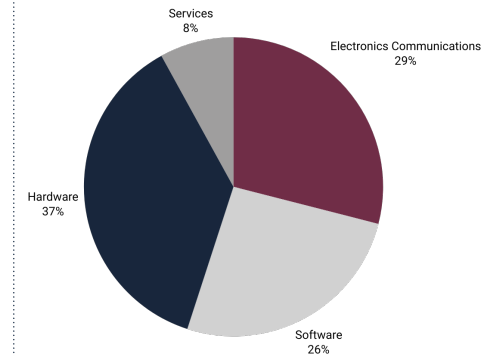
2nd

Türkiye is the country with the highest number of game studios in Europe after the UK, while İstanbul is the second largest European city in this industry after London.

48%

of large size companies in Türkiye use cloud computing services

2022 ICT Market Breakdown
Shares of Subsectors



Türkiye has doubled its exports since 2019, reaching \$3.5 billion in 2023, while broadening its export markets.



SECTORAL OPPORTUNITIES - LIFE SCIENCES

Türkiye's life sciences industries have experienced a great number of FDI projects in the last 15 years coupled with an **intensive M&A investment flows** targeting attractive domestic companies.

100+
Greenfield FDI projects

Created
5,500
jobs in the industry

Worth
\$1.3
billion

\$36.5 billion
Healthcare expenditures in Türkiye in 2021

\$2.2 billion
Türkiye's pharma exports in 2023

68%
Rise in Türkiye's pharma exports in 2023

47,000
Employment of the pharma industry in 2022

Top 3 M&A Deals in Pharma Industry Since 2010

AMGEN **\$670** million
in 2012

RECORDATI **\$130** million
in 2011

Takeda **\$120** million
in 2015

Size of Turkish Pharma Market in 2023

2.82
billion boxes

\$7.3
billion



SECTORAL OPPORTUNITIES - MACHINERY

Producing **intermediate goods** and providing inputs to key sectors such as chemicals, construction, automotive, energy, textiles, agriculture, and mining, machinery manufacturing plays a crucial role in the development of Türkiye.

Global machinery companies have been present in Türkiye with significant manufacturing activities, using Türkiye as a hub to access regional markets

Turkish machinery industry has been robustly growing over the past decade with around **8% CAGR**

77% Share of SMEs in machinery revenue

40% Export rate on average

10 of the largest 25 companies in the sector are international

4th Türkiye's agricultural machinery market has reached to \$3.6 billion in 2022, being 4th in the World.

3rd Largest growth in the world after China and India for the last eight years in construction machinery

\$6.6 billion Size of Türkiye's HVAC market (2022), in which exports billion more than quadrupled in 5 years.

3rd Largest elevator market in the world (2022)

3% Share of Türkiye in textile machinery exports in the world (2022)

8% Share of machinery export in Türkiye (2023)

5th

Largest machine producer in Europe (2022)

200+

Number of countries worldwide Türkiye exports machinery

Turkish machinery sector has more than quadrupled its revenues to **\$47 billion** and doubled its workforce to **400K** over the past decade



SECTORAL OPPORTUNITIES - REAL ESTATE

Strategically situated at the crossroads of Europe, the Middle East, and Central Asia, and home to 85 million people, Türkiye offers **great opportunities for real estate developers and investors.**

In 2022, residential sales in Türkiye continued its strong performance and recorded as **1.5** million

Projected retail sales growth in Türkiye significantly outpaces some mature European markets such as Italy, UK, Germany and France with an annual growth forecast of **%2.4** between 2022 and 2024

Retail density in İstanbul is **333** sqm per **1,000** inhabitants in 2021

48%

Share of FDI into Turkish real estate sector in total in 2022

256

Total number of Grade A office units in İstanbul in 2021 with 5.8 million sqm GLA

10.6 million

Number of homes sold between 2013-2020

453

Total number of shopping malls in Türkiye in 2021 with 14 million sqm GLA

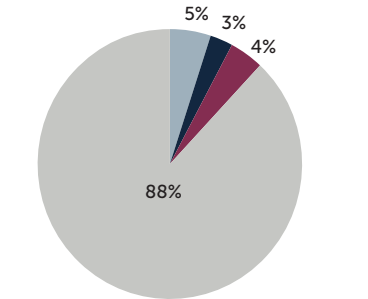
+1 million sqm

Expected new supply by İstanbul Finance Center in 2023

233K sqm

Logistics leasing transactions completed during 2022

Regional Distribution of Vacancy in Logistics Market



■ Istanbul Europe ■ Istanbul Asia ■ Kocaeli ■ Occupied Area

According to JLL forecasts, İstanbul is one of the best opportunistic market in terms of forecasted retail sales growth total change and is competing with main mature markets such as London, Paris and Madrid.

SECTORAL OPPORTUNITIES - TOURISM

As the **4th most popular tourism destination** in the world in 2023 and attracting 56.7 million tourists (foreign & Turkish citizens living abroad) in 2023, Türkiye continues to present vast investment opportunities in both the established and newly-developing subsectors of the tourism industry.

Türkiye ranked **3rd** in the World among **49** countries with **551** blue flag awarded beaches in 2023.

Employment in the tourism sector reached to more than **3 million** in **2022** having **10%** share in total employment in Türkiye.

In 2023, tourism revenue break all times record and recorded as \$ **54.3** billion. (Ministry of Culture and Tourism data)

Türkiye boasts **20,991** tourism accommodation establishments with over **941,000** rooms as of 2023 year-end, experiencing a **%13.1** increase compared to 2021.

11.5%

Total contribution of Travel & Tourism to GDP of Türkiye as of 2022

+3

million employment in tourism sector

56.7

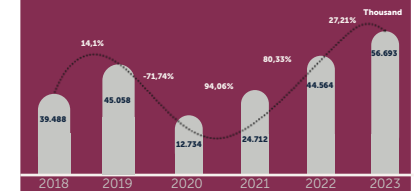
million number of visitors in 2023

12.3%

Number of visitors to Türkiye increased by 12.3% compared to 2022

Number of Foreign Visitors (2018-2022)

(annual change, thousand people)

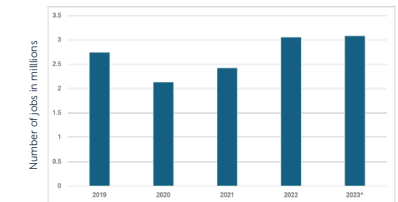


Source: Ministry of Culture and Tourism

Türkiye is home to 19 (17 cultural and 2 mixed) UNESCO World Heritage Sites

2nd Occupancy rate in Istanbul ranked at second place in Europe with 54.5% ratio in 2021

TOTAL CONTRIBUTION AND TOURISM TO EMPLOYMENT IN TÜRKİYE FROM 2019 TO 2023 (in million jobs)



Source: Ministry of Tourism, UNWTO Barometer, World Travel and Tourism Council (WTTC)





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