

INVEST IN TURKEY



Transformation Begins

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Message from the Investment Office

Turkey attaches great importance to foreign direct investments for its economic development. We believe that four of the main reasons to invest in Turkey include the ongoing successful economic reforms to support the inward investment proposition, having unique and strong market fundamentals, being an international hub for key sectors, and benefiting from a modern economy supported by a young and educated population.

Against this backdrop, we proudly announce that Turkey has jumped up 10 places and ranked 33rd in the World Bank's Doing Business 2020 Report. This remarkable increase serves as a reference for Turkey's investment potential.

Arda ERMUT

President, Investment Office



Thanks to the reforms implemented, achievements in the macroeconomic field, improvements in the investment environment, rising productivity in business life, and the reduction of costs and processing times, Turkey has jumped up 10 places to 33rd in the World Bank's Doing Business 2020 report.

Commenting on the report, Turkish Vice President Fuat Oktay said that Turkey's primary of target is to rank in the top-20 of the index.

Referring to the Ease of Doing Business Reform Workgroup led by the Ministry of Treasury and Finance, Minister Berat Albayrak also said that Turkey will proceed with the continuous reform process and will pursue its activities to improve the investment environment in the fields of company establishment, tax payments, and foreign trade. "In particular, by further reducing costs and increasing productivity in business life, we will raise the investment climate in Turkey to the highest level," said Albayrak.

Turkey ranked 69th in 2017, 60th in 2018, and 43rd in the 2019 editions of the report.



Investment Office President Arda Ermut briefed global investors in London on the latest developments in Turkey's investment landscape.

During the roundtable meeting held for Asia House Corporate Members, Investment Office President Arda Ermut briefed participants on several topics, including the incentives introduced by the Turkish government to attract more FDI, the regulatory environment in Turkey, opportunities in the country's renewable energy sector, and the advantages of Turkey for global investors.

Ermut outlined four major reasons to invest in Turkey; ongoing successful economic reforms to support the inward investment proposition, having unique and strong market fundamentals, being an international hub for key sectors, and benefiting from a modern economy supported by a young and

educated population.

Ermut also took questions on the recent developments in northern Syria and said that these will not have an impact on Turkey's investment environment as the country's track record is proof of its ability to manage such events.

The UK is one of the largest investors in Turkey with more than USD 10.3 billion of FDI inflows into Turkey since 2002 through more than 3,100 companies. The UK is also one of the leading commercial partners of Turkey, with a trade volume of USD 18.6 billion in 2018, which made the UK Turkey's 2nd largest export and 7th largest import partner.



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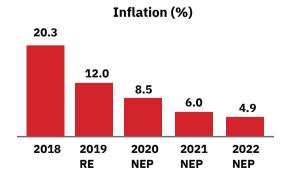


MINISTER OF TREASURY AND FINANCE BERAT ALBAYRAK UNVEILS TURKEY'S NEW ECONOMY PROGRAM

Minister of Treasury and Finance Berat Albayrak unveiled Turkey's New Economy Program covering the 2020-2022 period with a detailed presentation under the theme of "Transformation Begins".

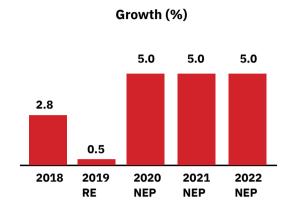
On the notable accomplishments of the New Economy Program, Minister Albayrak said, "We have achieved significant progress on the inflation front in just a year, bringing down inflation by 10 percent from 25 percent in October 2018 to 15 percent in August 2019." Albayrak announced the new program for

the three-year period starting from 2020, while pointing out that Turkey would end 2019 with a revised inflation forecast of 12 percent, down from 15 percent. "Under these targets, priority will continue to be given to the coordination of money and fiscal policies," said Minister Albayrak.

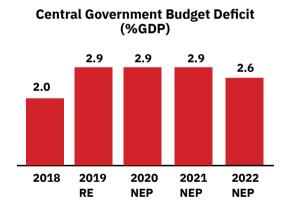


Comparison of New and Old Economy Programs for 2019		
(%)	New	Old
Inflation	12	15.9
Growth	0.5	2.3
Budget Deficit	-2.9	-1.8
Current Account Balance	0.1	-3.3

He added that the new program targets 5 percent annual growth rate for the next three years, with 2019 year-end economic growth expected to be 0.5 percent.

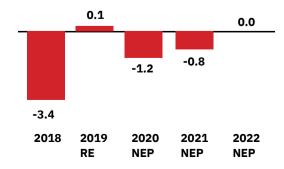


The New Economy Program proposes that fiscal discipline will be maintained in Turkey and that structural changes will be implemented to ensure efficient use of resources and savings in designated areas. During the 2020-2022 period, the budget deficit to GDP ratio is expected to remain below 3 percent.



The program reveals considerable improvement in the current account balance through rising export volumes of high value-added products, rising tourism revenues, and a reduction in import dependency thanks to localization, particularly the energy sector.

Current Account Balance/GDP (%)



WAIPA HOLDS INVESTMENT CONFERENCE IN POLAND Rither Agency A Conference of the Conf

The 24th WAIPA (World Association of Investment Promotion Agencies) World Investment Conference held in Warsaw, Poland, from October 7-8, 2019, brought together leading investment promotion agencies (IPAs) from around the world, leaders of international organizations, heads of financial institutions, leading political figures, private sector representatives, and prominent economists and researchers for two days of discussions on what is in store for the future as well as to share best practices for investment promotion strategies.

Held under the name "The future of FDI: Prospects, challenges, and role of IPAs", the conference aimed to underline the importance of IPAs vis-à-vis the current stage of the global economy. A thought leadership workshop with contributions from UNIDO, OECD, ILO, IEDC, and the World Bank as well as the UK Department of International Trade, was followed by the General Assembly, in which the member agencies also voted for a new Steering Committee of the Association.

During the General Assembly of WAIPA, held on the sidelines of the World Investment Conference, the Presidency of WAIPA was handed from the Presidency of the Republic of Turkey Investment Office, which successfully held the position for two terms, to

the Dubai Investment Development Agency (Dubai FDI). Furkan Karayaka of the Investment Office, on behalf of WAIPA President Arda Ermut, delivered a speech at the General Assembly Meeting to mark the conclusion of the Investment Office's term of presidency. WAIPA General Director Bostjan Skalar presented a plaque to the Investment Office for its contributions to WAIPA during its tenure.

WAIPA represents investment promotion agencies worldwide as the only official umbrella organization. The association works closely with international organizations such as UNCTAD, UNIDO, OECD, ILO, IEDC, ICC, and the World Bank as well as key opinion shapers.

HIGHLIGHTS OF THE TURKISH ENERGY SECTOR



5.5%

Annual growth rate of energy demand in Turkey since 2002.



85%

Share of private sector in power generation as of 2018.

USD 18 billion

FDI inflows into energy sector in Turkey during 2002-2018.

USD 400 million

M&A transaction volume in Turkish energy sector in 2018.

Total Installed Capacity in Turkey

2002: 31.8 GW

2018: 88.5 GW



30%

Share of renewables in Turkey's total electricity generation in 2018.

28.2 GW

Turkey's electricity generation from hydro sources in 2018.



Turkey's electricity generation from solar sources in 2018.



7.5 GW

Turkey's electricity generation from wind sources in 2018.

USD 30.2 billion

Total savings by 2033 as a result of the National Energy Efficiency Action Plan, which was adopted in 2018.

USD 11 billion

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







INVESTMENT OFFICE TAKES STAGE AT YASED EXECUTIVE PANEL

Investment Office President Arda Ermut was a speaker at an executive panel in the YASED Business Lounge meeting moderated by YASED President and Boeing Turkey Managing Director Aysem Sargin.

The panelists, including Mr. Ermut, Bosch Turkey and Middle East President Steven Young, and Shell Turkey Country Chairman Ahmet Erdem, discussed Turkey's business and investment environment at the session.

INVESTMENT OFFICE HOSTS A DELEGATION FROM HONG KONG

A working group meeting that hosted a delegation of top executive business people from the Better Hong Kong Foundation (BHKF) was held on September 23-24, 2019 in Istanbul in order to strengthen the trade and investment cooperation between Turkey and Hong Kong.

The opening session of the event, which was held on September 23 at the Turkish Presidency's Dolmabahçe Office, was hosted by the Investment Office. The event featured multiple presentations on Turkey's investment climate and ways to boost trade and investment ties between Turkey and Hong Kong. A. Burak Dağlıoğlu of the Investment Office highlighted the advanced and long-term strategic cooperation between Turkey and Asian countries.



INVESTMENT OFFICE ATTENDS BLOCKCHAIN SUMMIT

The first-ever Eurasia Blockchain Summit was held October 18-20 in Istanbul, bringing together local and overseas representatives who talked about the "blockchain revolution" that is already taking place in the region. Hosting more than 1400 attendees and over 70 speakers from leading blockchain companies, the event saw major companies disclose ambitions to participate in the booming market, including a pioneering move by Huobi to announce development plans in Turkey.

A. Cüneyt Selçuk of the Investment Office delivered a presentation on Turkey's ecosystem for early stage investments and top reasons to invest in Turkish startups at the Eurasia Blockchain Summit held in Istanbul.

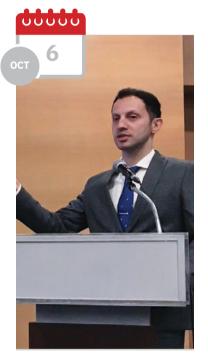
EVENTS

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KUALA LUMPUR | MALAYSIA

Investment Office Country Advisor Emre Büyükkılıç addressed more than 120 Malaysian company representatives at the Malaysia Turkey Business Forum held in Kuala Lumpur as part of the MUSIAD delegation's Malaysia visit. Turkish Ambassador to Malaysia Dr. Merve Kavakçı, Forum Host CIMB CEO Rafe Haneef, and Malaysian Businessmen and Industrialists Association (Perdasama) President Tan Sri Matshah Safuan also spoke at the forum.



SEOUL | SOUTH KOREA

Investment Office, together with the Korea Rail Network Authority (KRNA), co-hosted the second round of its workshops in Seoul to provide further details to Korean investors on the high-speed train projects of Turkish State Railways (TCDD).

The event started with the speech of Country Advisor Taha Saran, followed by the presentation of Economic Research Coordinator Bilal İlhan that provided an in-depth analysis of the Turkish economy. The event concluded with the presentation of Kılınç Law & Consulting Founding-Partner Levent Kılınç and Senior Associate Duygu Doğan sharing details on the legal aspects of doing business in Turkey.

During the workshop, top executives, mainly from large Korean construction and engineering companies, were briefed on Turkey's infrastructure sector, track record and planned investment projects for railways, the current state of the Turkish economy and future projections, the legal framework regarding PPP practices, and on legal procedures for international investors in Turkey.



ISTANBUL | TURKEY

A. Burak Dağlıoğlu of the Investment Office spoke at Turkey Energy Forum 2019, where he highlighted the ample opportunities in Turkey's growing energy sector and the country's aim to prioritize supply security, diversification, and efficiency.



SEOUL | SOUTH KOREA

Investment Office and the International Contractors Association of Korea (ICAK) co-hosted an investment seminar entitled Investment Opportunities in Turkey's Infrastructure Sector at the Korea Chamber of Commerce & Industry (KCCI) headquarters in Seoul. Over 80 high-level executives, mainly from large Korean construction and engineering companies, attended the seminar.

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FDI SPOTLIGHT IN 2019

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SOCAR -the largest foreign direct investor in Turkey- and BP plan to start construction of a new petrochemicals plant in Turkey at the end of 2020. The investment cost of the SOCAR-BP joint project is expected to be around USD 1.8 billion and the construction is expected to be completed by 2023. Once up and running, it is projected that the facility could help decrease Turkey's current account deficit by up to USD 5-6 billion annually.



Partnering with the Algerian national energy company **Sonatrach, South Korean GS Engineering and Construction**, Rönesans Holding, and the **Dutch Port of Rotterdam**, the Turkish Ceyhan Petrochemical Industrial Zone project is welcoming a USD 8 billion petrochemicals investment to Turkey's Adana region.



Turkey held the second wind power plant tender as part of its Renewable Energy Resource Zones (YEKA) project. The total 1 GW tender was split into 250 MW each across four provinces in Turkey—Aydın, Muğla, Balıkesir, and Çanakkale. The Enerjisa joint venture of Turkey's Sabancı Holding and **Germany's Eon** won the tenders for Aydın and Çanakkale, while another German giant, **Enercon**, won the bids to build wind farms in Muğla and Balıkesir. Joint ventures are expected to invest USD 1 billion in total within the scope of the projects.



Global fintech firm **PayU** acquired Turkish digital payments company Iyzico for USD 165 million. The deal will expand the Dutch unit's presence in Turkey's e-commerce market.



Alipay, a payment platform introduced by Alibaba, has begun providing services through a partnership with Ininal to Chinese tourists visiting Turkey. Ininal is a subsidiary of MultinetUp operating in fintech.



Sabanci Holding and **Bridgestone Corporation's** joint venture Brisa, one of the largest tire manufacturers in Europe, announced their decision to invest around USD 45 million this year and to increase exports by 20 percent. Sabanci Holding also sold its stocks in Temsa for TRY 182.7 million to British True Value Capital Partner.



Toyota and Panasonic took a step forward to produce batteries for electric cars in Turkey. The establishment of the joint venture between the two companies to engage in R&D, production, and sales was recently authorized.



Microsoft launched its first technology center of the MEA region in Turkey. During his address at the opening ceremony, Minister of Industry and Technology Mustafa Varank said that the new plant is expected to add TRY 2.5 billion (USD 430 million) value to the national economy.



French **PSA Group** invested in Opel's existing operational premises in Torbali, Izmir, as part of efforts to establish a strategic spare parts distribution center in Europe. PSA Group Turkey President Olivier Cornuaille: "PSA Group has confidence in the Turkish economy and market. We will continue with our growth and investments with Peugeot, Citroen, DS, and Opel. Our upcoming investment project in Turkey backs this perspective."



Japanese technology giant **Secom** and Turkish financial technology company Aktif Bank, a subsidiary of Çalık Holding, have jointly announced the establishment of Secom Aktif Yatırım A.Ş., a 50:50 partnership that will offer end-to-end security solutions to companies and individual users with its turn-key project models.



Huawei and Turkey's technology park Informatics Valley signed a cooperation protocol for smart cities. Speaking at the signing ceremony, Minister of Industry and Technology Mustafa Varank said, "World giant Huawei and Informatics Valley will work together in the framework of Turkey's Technological Research Council's Research & Development (R&D) Laboratory Support Program." Informatics Valley, Turkey's first and largest thematic technopark, hosts over 50 technology companies.



Turkey's floating power plant company Karpower International B.V. (Karpowership) and Japanese shipping company **Mitsui O.S.K. Lines** (MOL) have agreed to collaborate in the liquefied natural gas (LNG)-to-powership business under the brand name KARMOL. Karpowership is a subsidiary of Turkish Karadeniz Energy Group; it is the only owner, operator, and builder of the first powership fleet in the world.



One of the leading Turkish industrial and services conglomerates, Koç Holding's subsidiary KoçSistem, which offers digitalization solutions to Turkey's major brands, has signed a strategic partnership agreement with South Korean giant **Samsung Electronics** aimed at bringing together innovative mobile solutions in IoT, advanced analytics, and security.



Japanese marine transporter **Nippon Yusen Kaisha (NYK Line)** and Turkish maritime and port operator OYAK Denizcilik ve Liman Isletmeleri's USD 110 million joint venture for the construction of an automotive-oriented Ro-Ro port is being sped up. Following the signing of the joint venture, OYAK Denizcilik ve Liman Isletmeleri inked a loan agreement with the Japan Bank for International Cooperation (JBIC) and MUFG Bank, the investment banking branch of the Mitsubishi UFJ Financial Group.



Turkey will host the OIC High Level Public and Private Investment Conference on December 8-9, 2019.

Under the theme of "Unleashing Intra-OIC Investment Opportunities: Investment for Solidarity and Development", the upcoming OIC conference is slated to be held in collaboration with the Presidency of the Republic of Turkey Investment Office, the General Secretariat of the OIC, and the Islamic Development Bank Group with a view to boosting the volume of intra-OIC investments, eliminating barriers to trade and investment, and ensuring sustainable socio-economic development.

One of the main objectives of the conference is to get a better assessment on the investment opportunities and implications associated with doing business in the region by involving all key stakeholders and allowing them to make informed decisions about investments and reforms.

Conference invitees are set to include a selection of businesspeople from a range of leading companies in the area of banking, construction, tourism, and commerce operating in the OIC geography, in addition to 56 OIC member

states, observers, and international organizations. Furthermore, opinions and suggestions from countries where Muslim business circles are present, e.g. the US, UK, and Germany, will also be considered.

The OIC Investment Conference will represent a key win-win platform between the OIC private and public policymakers to discuss policy recommendations that will enable attendees to reach a vibrant public and private dialogue. On the sidelines of the conference, thematic panel sessions in which private sector decision makers and investors are expected to meet among themselves (B2B) and hold meetings with governmental entities (B2G) have been planned. Pending the approval of the OIC Higher Committee, a "Leaders Roundtable Session" with the participation of state/government leaders will also take place.

Visit www.oicinvestmentconference.org for registration.



ISTANBUL HOSTS 7TH HALAL EXPO AND 5TH WORLD **HALAL SUMMIT**

The 7th Organization of Islamic Cooperation (OIC) Halal Expo and the 5th World Halal Summit 2019 will be held on November 28 - December 01, 2019 in Istanbul under the auspices of the Presidency of the Republic of Turkey.

The summit will provide a unique climate for the exchange of expertise and experience between participants and the group of researchers and experts in all areas related to the definition of Halal (e.g. Halal food & beverage, halal cosmetics & personal care, halal tourism & accommodation, Islamic banking & finance, textile & modest fashion etc.).

The 7th OIC Halal Expo Istanbul 2019 offers a unique opportunity to showcase the products and services of companies and to maximize their export profits in response to the demands of new developing Halal markets.

A Hosted Buyer Program will be held as a side-event. This exceptional trade business event will facilitate the conclusion of dozens of contracts between the companies involved in halal business, as the program aims at bringing in more professional buyers in order to offer new business cooperation opportunities to the participating countries.

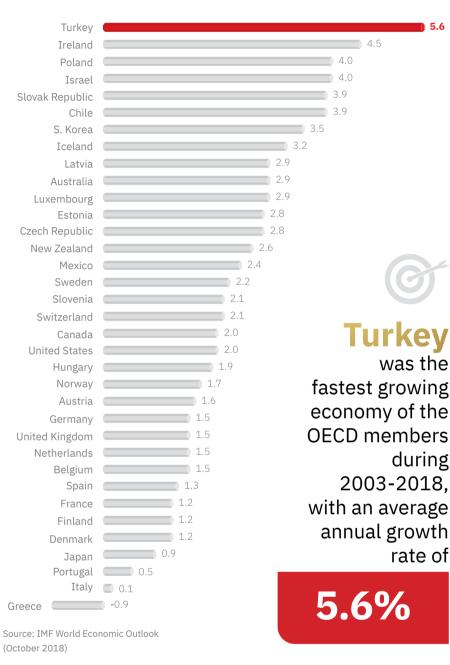


TURKEY: HUB FOR INNOVATION AND GROWTH

Easy access to multiple markets of \$25 trillion GDP, \$7.8 trillion trade, 1.7 billion people.

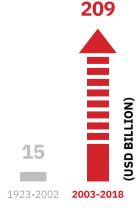


AVERAGE ANNUAL REAL GDP GROWTH (%) (2003-2018)



CUMULATIVE FDI INFLOWS TO TURKEY (USD BILLION)

- Investment incentives as well as R&D support.
- Equal treatment to national and global investors guaranteed by law.
- 6.5 days to set up a company in Turkey, while it takes an average of 8.5 days in OECD high-in come countries. (World Bank Doing Business 2018)



NEWSLETTER Movember'19

HIGHLIGHTS

- 13th largest economy in the world with **USD 2.2 trillion** (GDP at PPP).
- The fastest growing economy in Europe and one of the fastest growing economies in the world with an average annual

GDP growth rate of 5.6% over the past 15 years.

(TurkStat. 2003-2018)

• The largest bus producer and the 2nd largest commercial vehicle producer in the EU.

(OICA, 2018)

• 2nd largest steel producer in the EU and 8th in the world.

(Worldsteel, 2016)

• Among top 6 holiday destinations in the world with over **46 million** international tourists in 2018.

(UNWTO & Ministry of Culture and Tourism)

SOPHISTICATED CONSUMER BASE



A population of 82 million,

half of which is under the age of 32.

(2018, TurkStat)



72 million

broadband internet subscribers and 80.6 million mobile phone subscribers.

(2018, TurkStat and ICTA)

Largest vouth population

compared with the EU.

(Eurostat)

SKILLED AND DEDICATED LABOR FORCE



Over 32.3 million young, well-educated and motivated professionals.

(2018, TurkStat)



More than **800.000** students graduate annually from over

183 universities.

(2018, CoHE)

INFRASTRUCTURE



Well-developed and low-cost sea transport facilities.



Railway transport advantage

connecting Asia to Central and Eastern Europe.

AIRPORTS IN TURKEY

Swift and efficient air transportation with 55 airports connected to international destinations



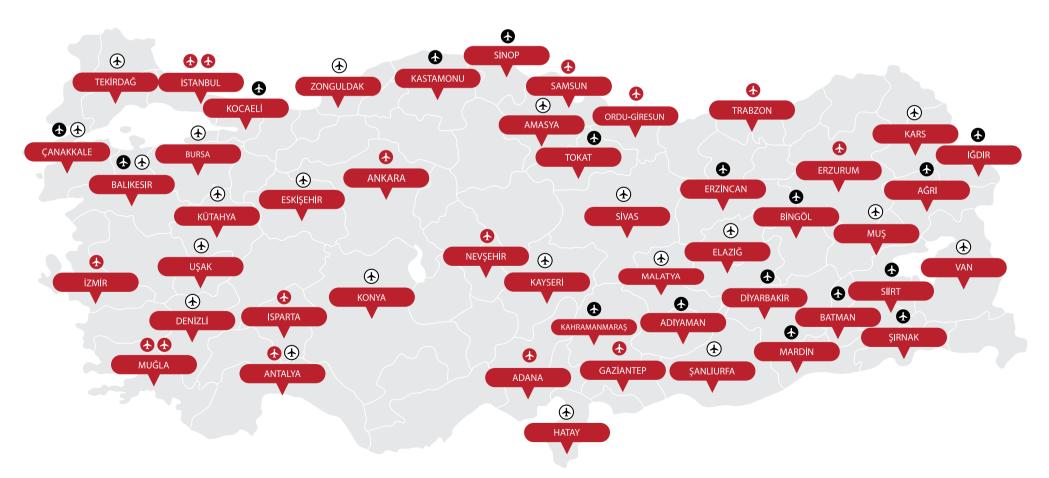
Airports open to domestic and international flights



Airports open to domestic and chartered international flights



Airports open to domestic flights



Turkey is a perfect investment destination

with its strategic location and motivated and qualified workforce. Global investors are invited to be a part of Turkey's economic and social growth.



A dynamic population, combined with a highly-skilled labor force, a favorable geographical location, international partnerships, and modern infrastructure together make Turkey an attractive partner of choice. Today, with eight facilities in five cities, and over 2,000 employees across the country, Turkey is the headquarters for GE Power Service, GE Healthcare (Eastern Growth Markets), and GE Transportation. The Turkey Technology Center located in Gebze TÜBİTAK Marmara Research Center is one of the six GE Aviation global engineering centers with more than 400 engineers. In 2015, we inaugurated GE's eighth Innovation Center in Teknopark Istanbul. Turkey represents a robust platform for GE's economic expansion in the country, as well as in the entire region.

NEWSLETTER Movember'19



Canan ÖZSOY

President & CEO, GE Turkey

2,400 employees, **USD 1.5 billion pharma exports**

As the Novartis Group (Novartis Pharmaceuticals, Novartis Oncology and Sandoz), we have been discovering new ways to improve the quality of life, extend the life of our people and contribute to the development of Turkish medicine. Through our manufacturing sites in Turkey, we aim to export selected innovative products from Turkey, while continuing research and development activities for unmet medical needs. We create added-value to the Turkish economy with USD 1.5 billion pharma exports for more than a decade and together with our approx. 2,400 employees. As one of the largest pharmaceutical companies globally, we aim to ensure the continuity of our assets and future investments in Turkey.



President, Novartis Turkey



Population of over 80 million featuring a young and motivated workforce and high education level

We do believe the business opportunities in Turkey are promising due to its proximity to Europe, Asia, and the Middle East, its population of over 80 million featuring a young and motivated work force and high education level, as well as the long-lasting friendship between Turkey and Japan.

Tatsuo YASUNAGA

President & CEO. Mitsui & Co., Ltd.



More than **65,000** companies with foreign capital

Having been active in the Turkish market since 2012, VHV Reinsurance provides insurance and risk management solutions to their corporate clients, mainly in the fields of construction, commercial property, heavy industries, and energy. Representing an S&P A-rated German Insurance Group established in 1919, we promote highly-developed corporate governance standards and have benefitted from a liberal and reformist investment climate. In this respect, we strongly believe in

the continuation of sound economic policies that will be a prerequisite for the sustainability of a benign investment climate. The presence of more than 65,000 companies with foreign capital and USD 209 billion of FDI in the last two decades underscores the past and present prominence of Turkey's domestic market, as well as its significance as a regional hub. I am confident that Turkey's resilient economy will maintain its attractiveness in the long-run.

Maximilian G. F. STAHL

CEO, VHV Turkey



Unique demographic advantages

Turkey has many competitive advantages, including a young, skilled workforce that have helped drive its economic success over the past 15 years. Cisco is committed to growing its network of over 650 local partners and Cisco Networking Academies, which have trained over 43,000 Turkish graduates to-date. We will continue to support Turkey's ambitious plans to take its economy to the next level.

Chuck ROBBINS

Chairman & CEO, CISCO



WHO WE ARE

Investment Office is the official organization that:

- Promotes the investment environment of Turkey and provides assistance to investors.
- · Reports directly to the President.

WE ARE HERE TO FACILITATE YOUR INVESTMENT IN TURKEY

HOW WE HELP

- Multilingual (Turkish, English, German, French, Italian, Arabic, Spanish, Chinese, Japanese and Korean)
- One-Stop-Shop approach
- Result-oriented
- Private sector approach with full confidentiality
- Focusing on high-tech, value-added and employment generating investments.



WHAT WE DO

OUR GLOBAL LOCATIONS

- To present investment opportunities to the investors and provide assistance during all the stages of their investments.
- To serve as the reference point for international investors and the point of contact for all institutions engaged in promoting and attracting investments at national, regional and local levels.
- To offer free-of-charge services including market information and analyses, site selection, B2B meetings, coordination with relevant governmental institutions, and facilitate legal procedures and applications such as establishing business operations, incentive applications, obtaining licenses and work permits.



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PRESIDENCY OF THE REPUBLIC OF TURKEY **INVESTMENT OFFICE**

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







