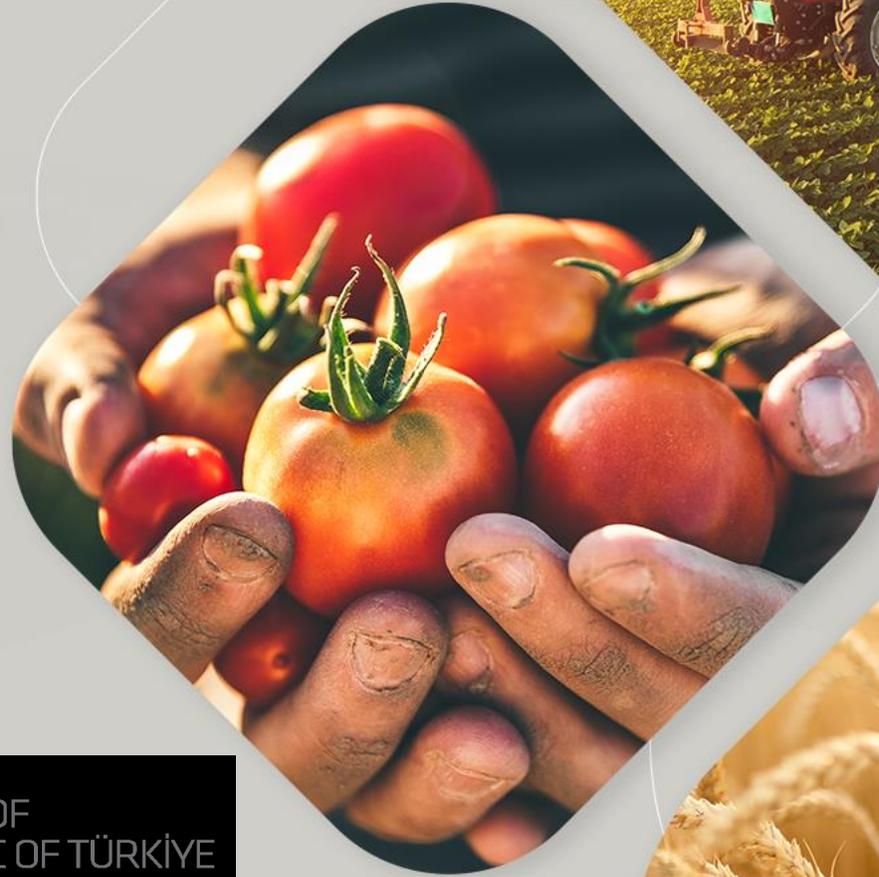


WHY INVEST IN TURKISH AGROFOOD INDUSTRY?



TÜRKİYE CUMHURİYETİ
CUMHURBAŞKANLIĞI
**YATIRIM
OFİSİ**



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

AGENDA

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Executive
Summary

2

Turkish Agrofood
Industry Outlook

3

Growth Drivers
in Türkiye

4

Opportunities in
Turkish Agrofood Industry

5

Success
Stories

EXECUTIVE SUMMARY

1



EXECUTIVE SUMMARY

TÜRKİYE HAS A GROWING MACHINERY INDUSTRY OFFERING OPPORTUNITIES IN MANY AREAS...



FAVORABLE INVESTMENT ENVIRONMENT

- Strong macroeconomic growth with increasing income per capita and a burgeoning middle-class
- Favorable demographics with a dynamic, young, and skilled labor force
- Cost-competitive labor prices. Compared to Europe and the rest of the world, the labor costs in the sector are 70% -80% lower
- Strong government support through incentives
- Developed industrial and commercial infrastructure



STRONG INTERNATIONAL PRESENCE

- Global agrofood giants are present in Türkiye with significant productive activities, using Türkiye as a hub to access regional markets
- Successful partnerships with local companies to grow in the region, capitalizing on locals' experience and networks



LUCRATIVE OPPORTUNITIES IN SUB-SECTORS

- Geographically well-placed to take advantage of trade opportunities in Europe, Middle East, and former Soviet countries
- With a growing population of more than 83 million, Türkiye is one of the largest markets in the region
- The government invests heavily in irrigation projects and improvements to infrastructure



STRENGTHS OF THE INDUSTRY

- Agriculturally sufficient country with favorable climate, large arable lands, and abundant availability of water resources
- Considered to be one of the leading countries in the world in the field of agriculture and food
- Export opportunities thanks to Türkiye's proximity to regional markets
- Strong food and agriculture sector, which employed about 18% of the active population of the country and represented approximately 6.6% of GDP in 2020

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TURKISH AGROFOOD INDUSTRY OUTLOOK



TÜRKİYE AGRICULTURE SECTOR OUTLOOK

TÜRKİYE İS



1st

LARGEST COUNTRY IN EUROPE IN TERMS OF AGRICULTURAL ECONOMY (2022)

with its **USD 58.5 billion** agricultural production volume



10th

LARGEST COUNTRY IN THE WORLD IN TERMS OF AGRICULTURAL ECONOMY (2022)



3rd

LARGEST AGRICULTURAL PRODUCING COUNTRY IN THE WORLD BY QUANTITY FOR LEADING COMMODITIES (2021)



FRUITS, VEGETABLES, COARSE GRAINS, DAIRY AND OILS

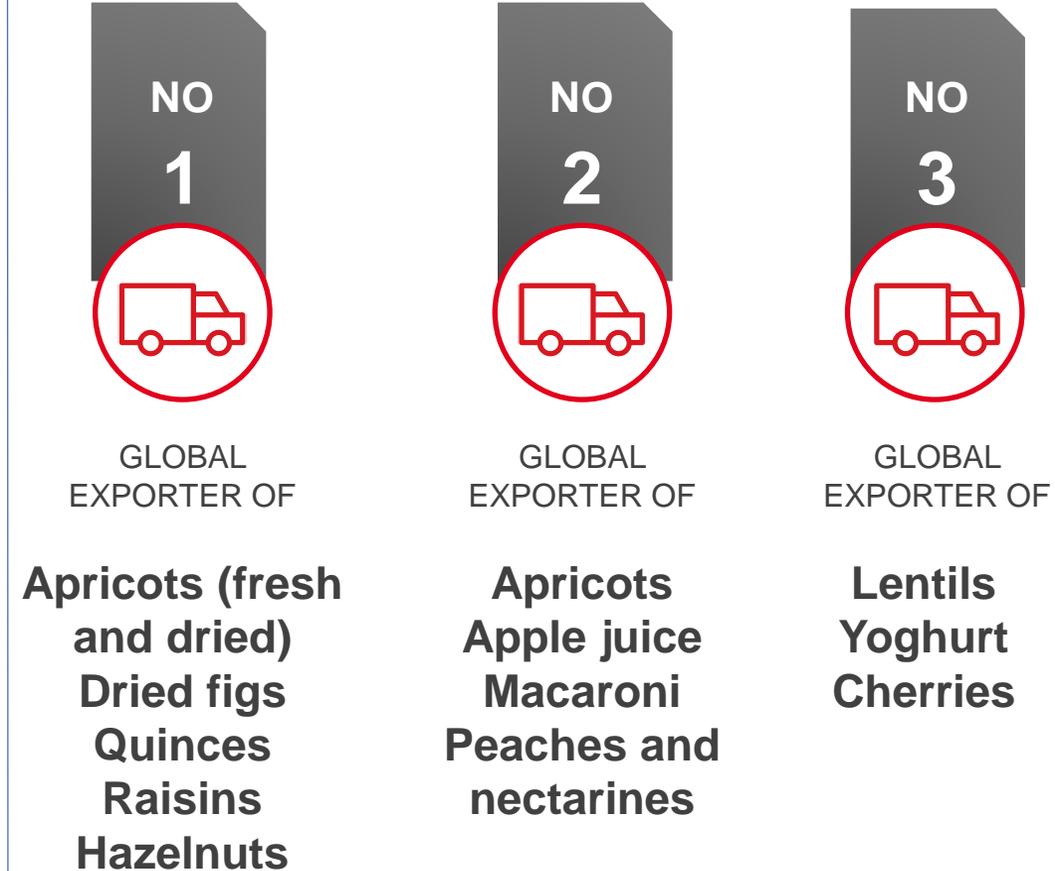
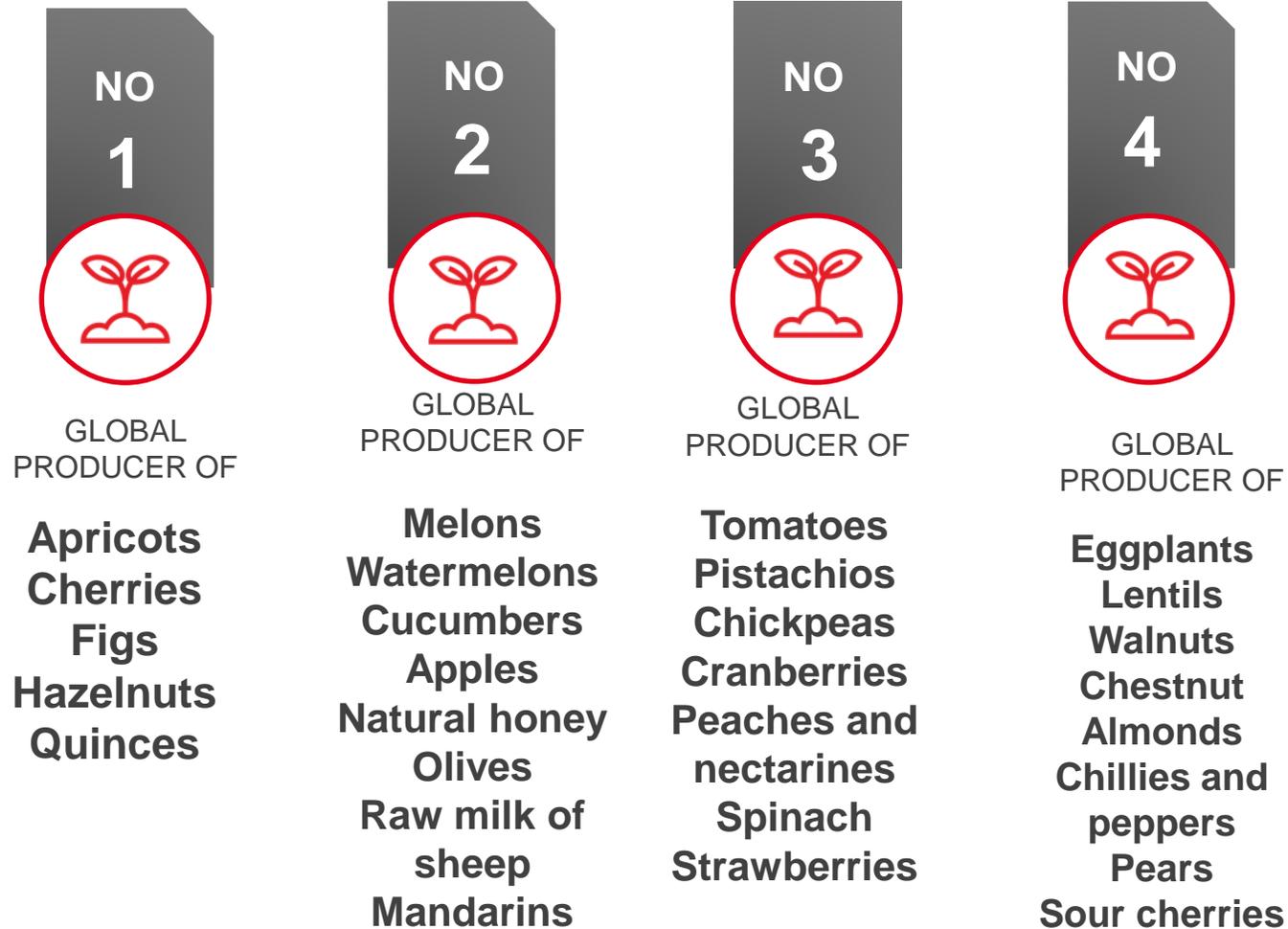


TÜRKİYE'S RANKINGS FOR AGRICULTURAL AND AGROFOOD PRODUCTION AND EXPORT (2022)



PRODUCTION AMOUNT

EXPORT AMOUNT



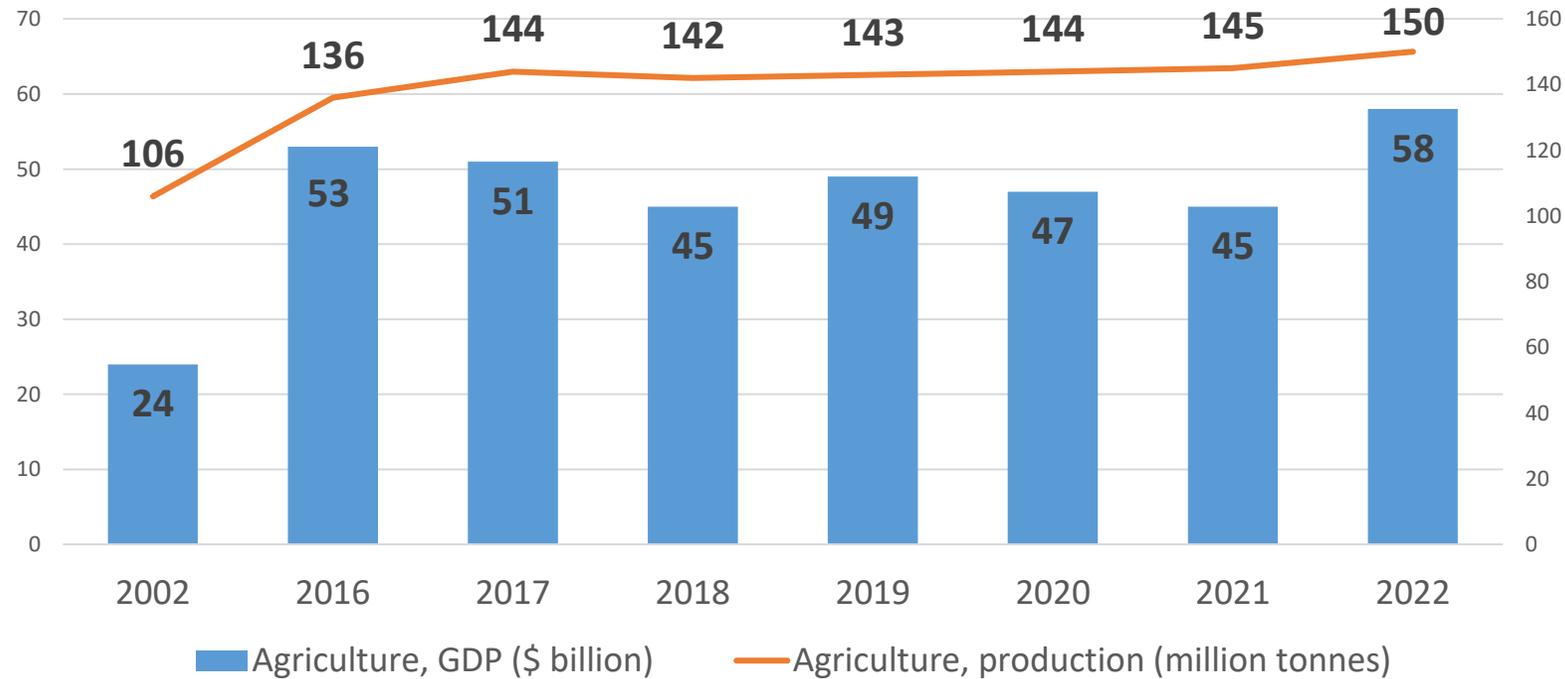
TÜRKİYE AGRICULTURE SECTOR OUTLOOK

TÜRKİYE HAS BECOME A MAJOR PLAYER
IN THE WORLD AGRICULTURAL
PRODUCTION IN THE LAST TWO DECADES.



The agricultural GDP
increased by 141%
between 2002 and 2022.

Agriculture sector employed almost
18 percent of the country's working
population and that accounted for
6.5% of the country's GDP in 2022.



AGROFOOD SECTOR VALUE CHAIN (2022/2023)



INPUTS

- Turkish fertilizer consumption per hectare: 130 kg while the world average: 138 kg
- Türkiye's demand for fertilizers is 10th highest in the world.
- The lack of local raw material supply in all three raw material categories (Nitrat, Phosphorus and Pottasium)
- 756 certified seed producers in Türkiye & a significant proportion is multinational brands & producing 1.36 million tons of seeds



PRODUCTION

- 2.8 million enterprises
- 14k associations & cooperatives
- 4.7 million employment: 15% of national employment
- Agricultural land: 37.7 million ha
- Average enterprise size: 6 ha
- 67% of total enterprises are below 5 ha size, realizing 22% of total planting
- 78% of planting activities are carried out by remaining medium and large companies.



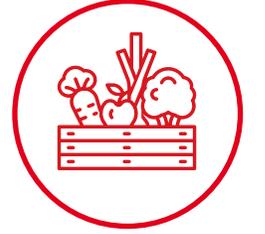
PROCESSING

- 51k food companies with 514k employment
- Food manufacturing industry turnover: USD 54bn - most contributing sector to total manufacturing sector turnover
- A large number of major multinationals active in processing business: Mondelēz, PepsiCo, The Coca-Cola Company, Mars, Nestle, Unilever, Corteva, Dr. Oetker, Cargill, Ferrero, Danone, among others.



MARKETING

- Türkiye's grocery retail market has experienced rapid expansion in parallel with the shift to modern Western-style grocery retail formats.
- Strong presence of Turkish retailers such as BİM, A101, Şok and Migros, while foreign retailers including CarrefourSA (JV) and Metro are also performing well.
- Total sales of grocery retailers: USD 69Bn (Modern grocery retailers: USD 43bn -Traditional grocery retailers: USD 27bn)
- Imports of consumer-oriented agrofood products : USD 3.5bn



CONSUMPTION

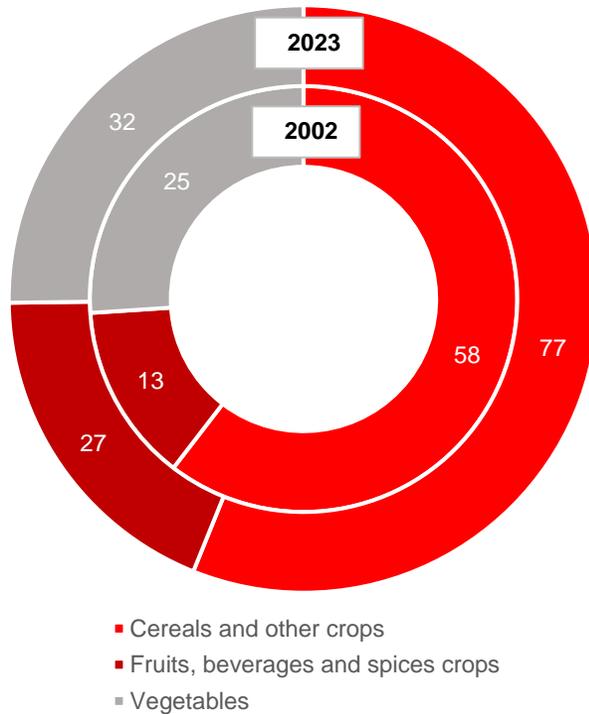
- A domestic market of 85 million with increasing per capita food consumption each year
- Türkiye is well-positioned to easily reach Europe, MENA, and Central Asia markets.
- Agrofood exports: USD 29.9bn
Agrofood imports: USD 23bn

PLANTS

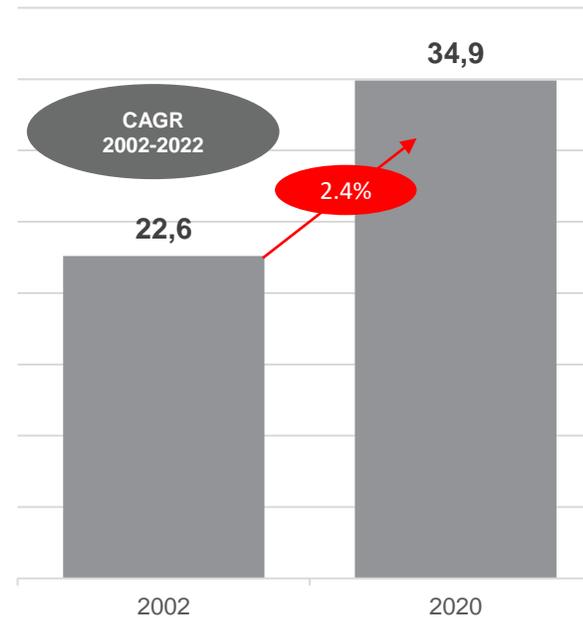
TÜRKİYE HAS AN ESTIMATED TOTAL OF 11,000 PLANT SPECIES, WHEREAS THE TOTAL NUMBER OF SPECIES IN EUROPE IS 11,500.



Plant production
(million tonnes)



Plant production
(billion USD)



TÜRKİYE IS THE WORLD LEADER IN THE PRODUCTION OF VARIOUS CROPS.

TOP PRODUCER

Hazelnuts, apricots, figs, cherries, quinces

ONE OF TOP 5 PRODUCERS

Melons, apples, watermelons, cucumbers, lentils, pistachios, sour cherries, almonds, chestnut, green beans, olives, sugar beet, tomatoes, walnuts, plums

ONE OF TOP 10 PRODUCERS

Cotton, barley, sunflower seed, grapes

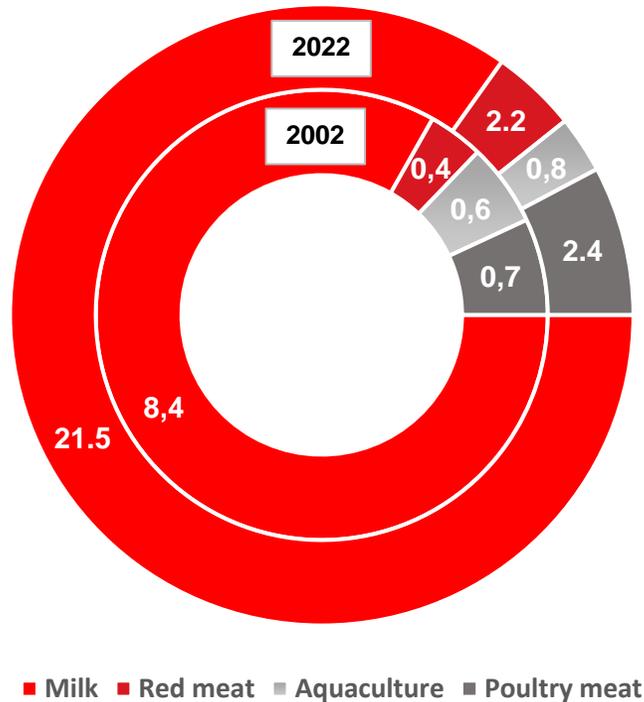
ANIMAL PRODUCTS

TÜRKİYE BOASTED PRODUCTION OF 22.9 MILLION TONS OF MILK IN 2019, MAKING IT THE LEADING MILK AND DAIRY PRODUCER IN ITS REGION

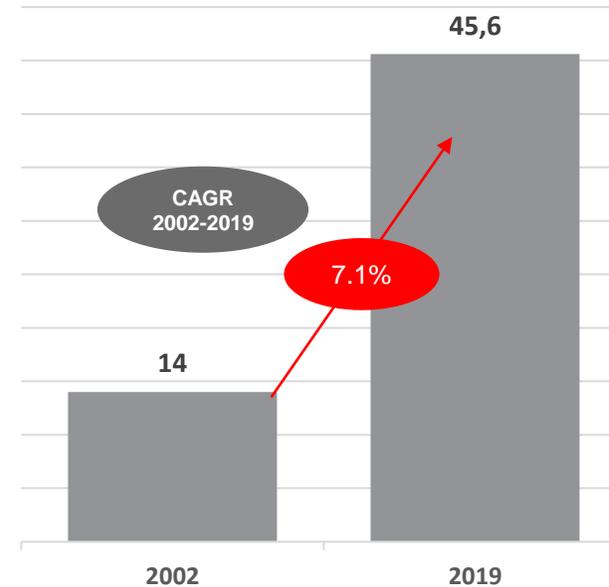


The country is one of top ten producing countries of honey and eggs in the world.

Production of animal products
(million tonnes)



Production of animal products
(billion USD)

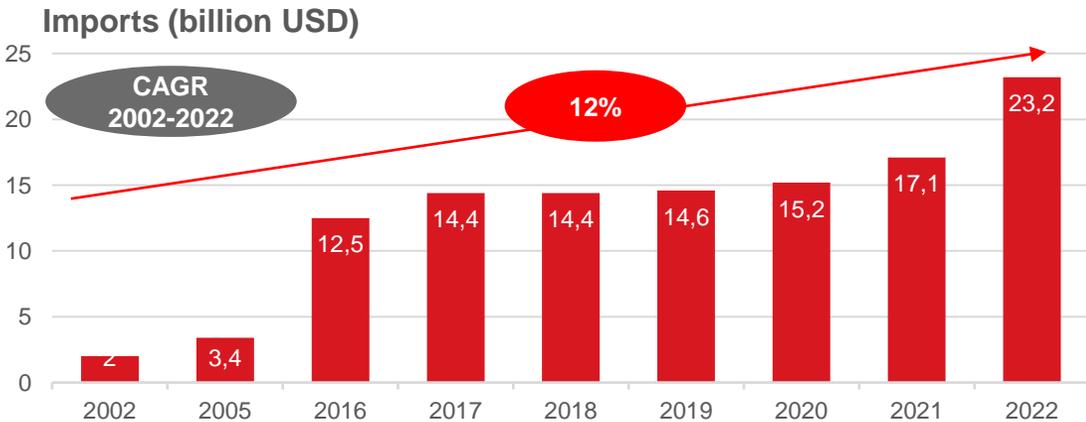
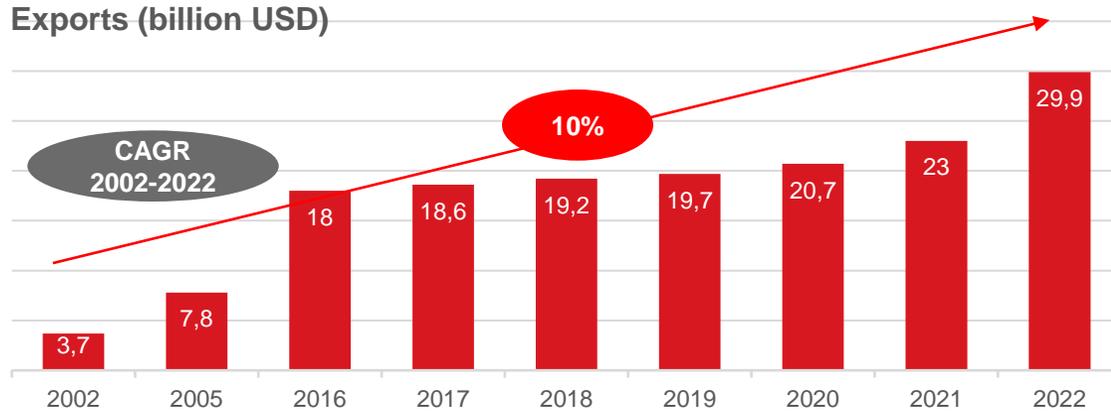


AGROFOOD FOREIGN TRADE

TURKISH EXPORTS OF AGROFOOD PRODUCTS INCREASED 6 TIMES IN THE LAST TWO DECADES.

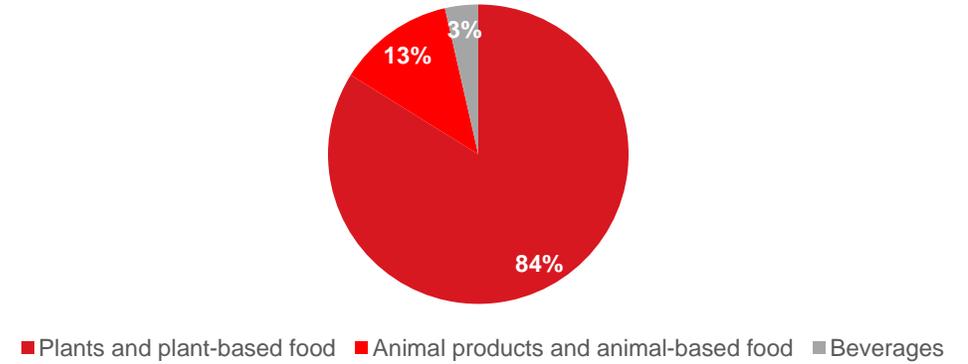


Agrofood exports make up 11% of Türkiye's total exports

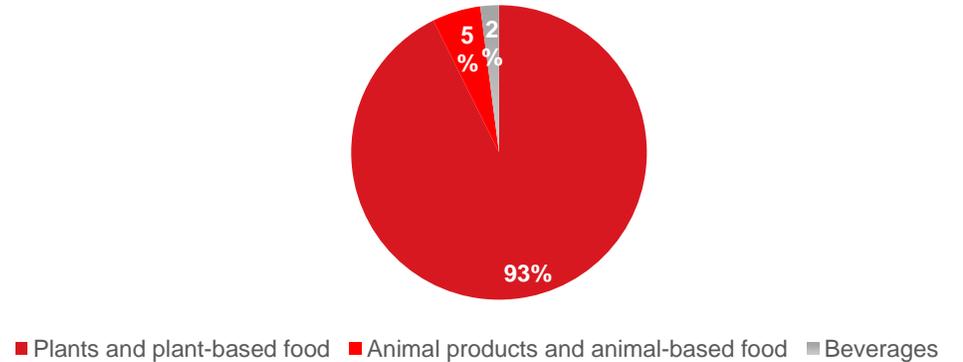


World leader in the export of flour, quinces and raisins

Breakdown of exports by sub-sector (2022)



Breakdown of imports by sub-sector (2022)



MAJOR TRADE ITEMS (2022)

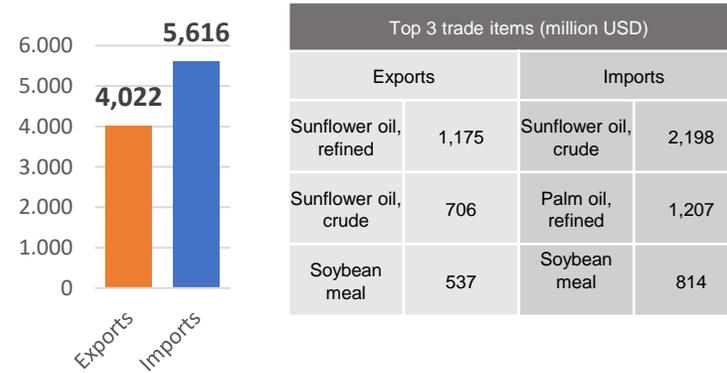
A SIGNIFICANT PORTION OF IMPORTED AGRO-PRODUCTS ARE USED BY AGROFOOD INDUSTRY TO PROCESS AND EXPORT.



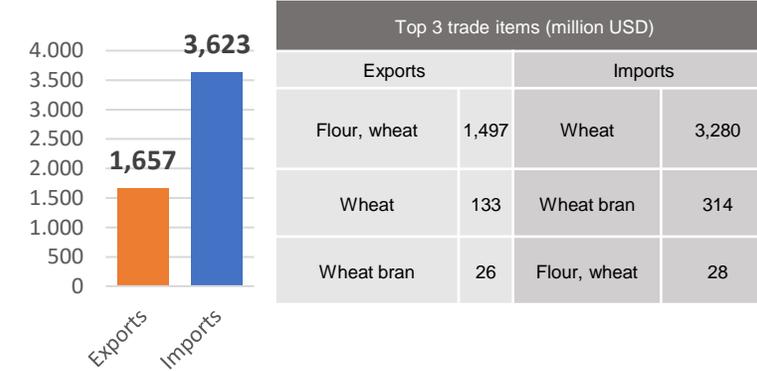
Dried fruits and vegetables sector (million USD)



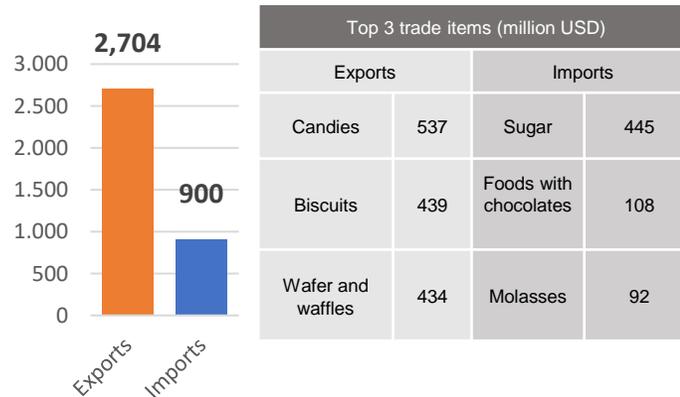
Vegetable oils sector (million USD)



Flour sector (million USD)



Sugar & Sugar products sector (million USD)



Pasta sector (million USD)



Fresh fruits sector (million USD)

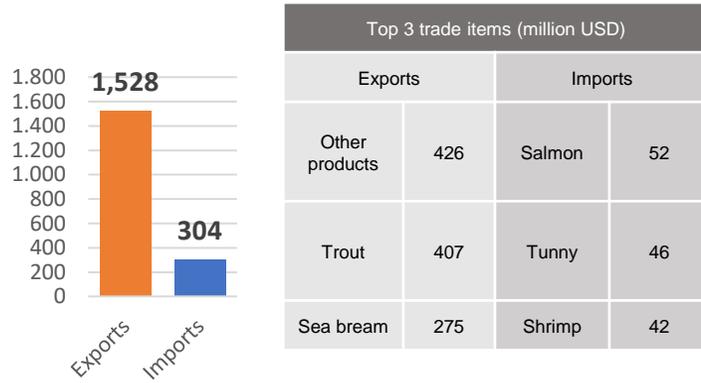


MAJOR TRADE ITEMS (2022)

THE LIVESTOCK SECTOR NEEDS FURTHER INVESTMENTS TO MEET THE GROWING DEMAND..



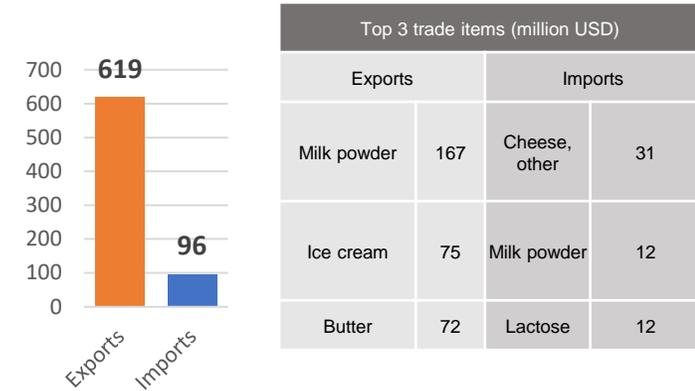
Fisheries sector (million USD)



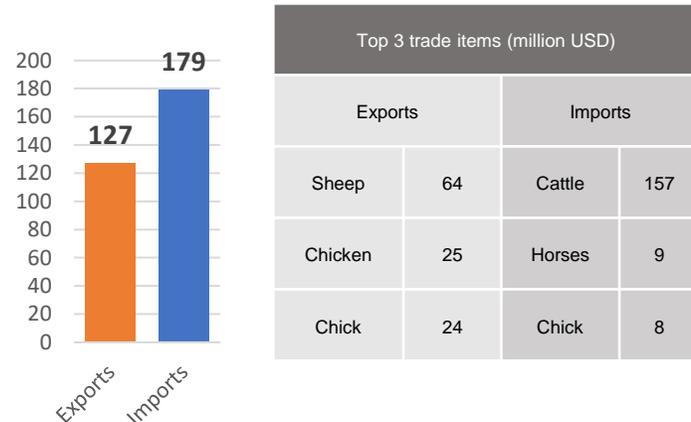
Poultry sector (million USD)



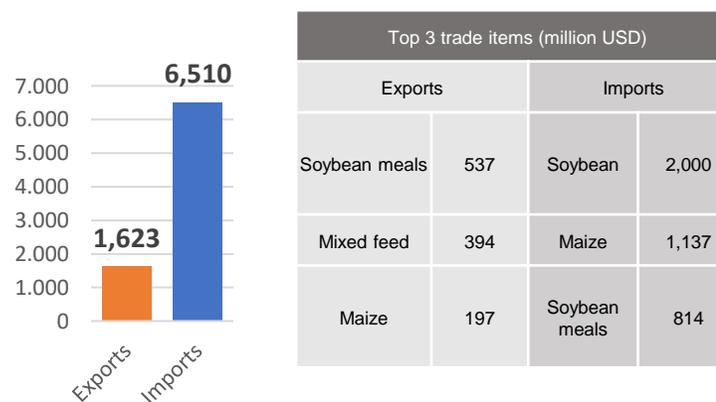
Dairy sector (million USD)



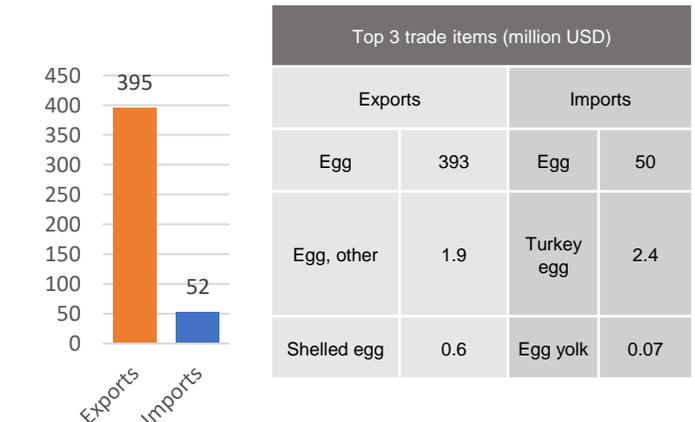
Livestock trade sector (million USD)



Animal feed sector (million USD)



Egg sector (million USD)



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GROWTH DRIVERS IN TÜRKİYE



3

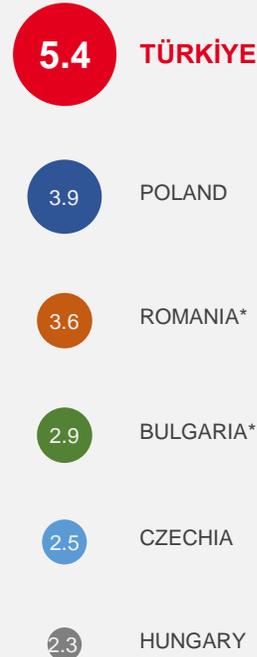


11th largest economy in the World

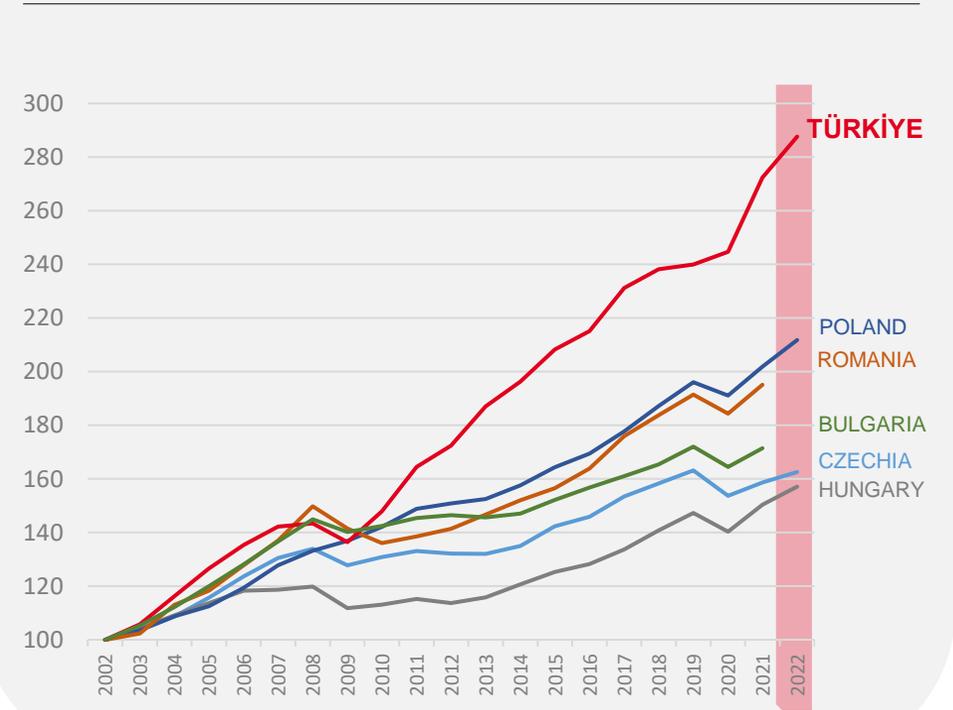
RANKING OF ECONOMIES BY GDP AT PPP

2003	2019	2021
1. USA	1. CHINA	1. CHINA
2. CHINA	2. USA	2. USA
3. JAPAN	3. INDIA	3. INDIA
4. GERMANY	4. JAPAN	4. JAPAN
5. INDIA	5. GERMANY	5. GERMANY
6. RUSSIA	6. RUSSIA	6. RUSSIA
7. FRANCE	7. INDONESIA	7. INDONESIA
8. UK	8. BRAZIL	8. BRAZIL
9. BRAZIL	9. UK	9. UK
10. ITALY	10. FRANCE	10. FRANCE
11. MEXICO	11. MEXICO	11. TÜRKİYE
12. INDONESIA	12. ITALY	12. ITALY
13. SPAIN	13. TÜRKİYE	13. MEXICO
14. CANADA	14. S.KOREA	14. KOREA
15. S.KOREA	15. SPAIN	15. CANADA
16. S.ARABIA	16. CANADA	16. SPAIN
17. IRAN	17. S.ARABIA	17. S.ARABIA
18. TÜRKİYE	18. IRAN	18. TAIWAN, PRC

AVERAGE ANNUAL GDP GROWTH (%) 2002-2022



REAL GDP GROWTH (INDEX: 2002=100)



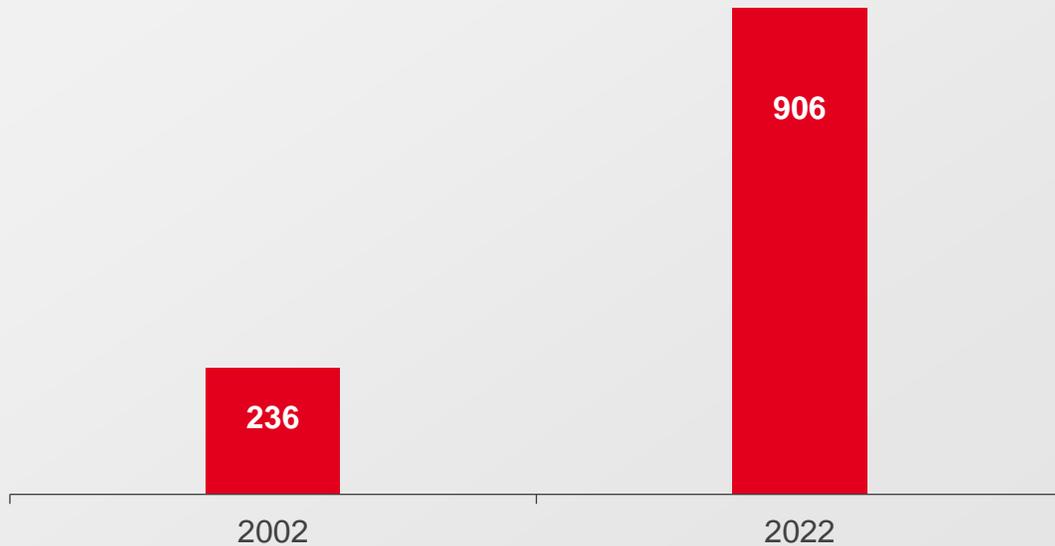
ROBUST ECONOMY

TRIPLING SIZE OF THE ECONOMY OVER THE PAST 20 YEARS



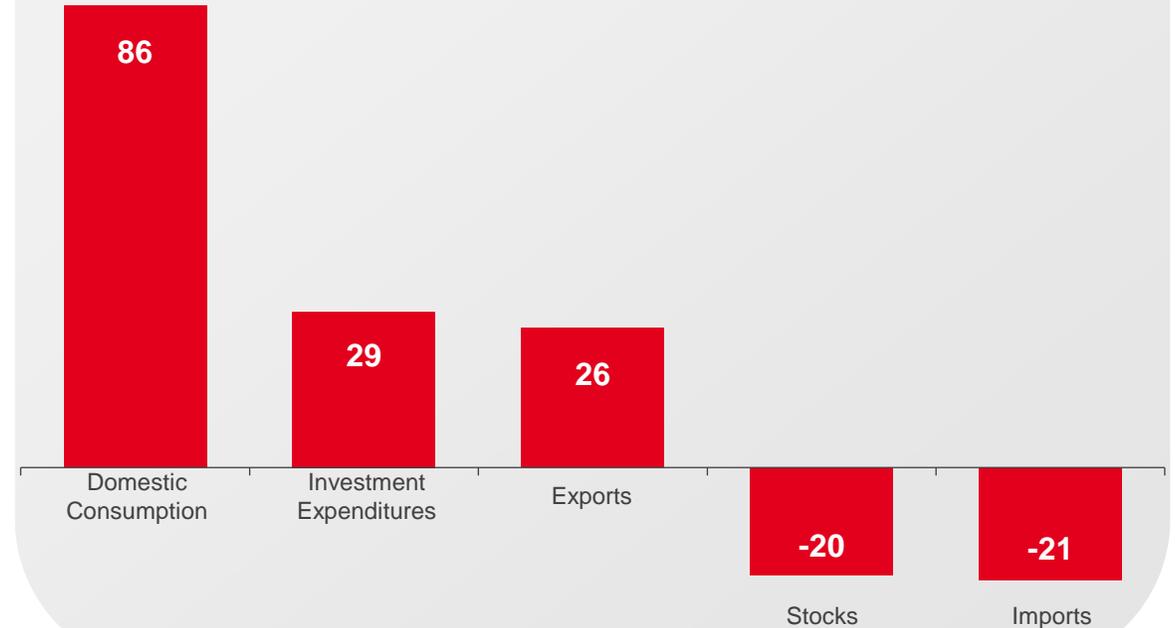
Turkish economy has **more than tripled over** the past 20 years and is promising to be on the growing trend

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



Robust domestic market and entrepreneurial private sector spurred investments and exports

Contribution to GDP Growth 2002-2022 (%)



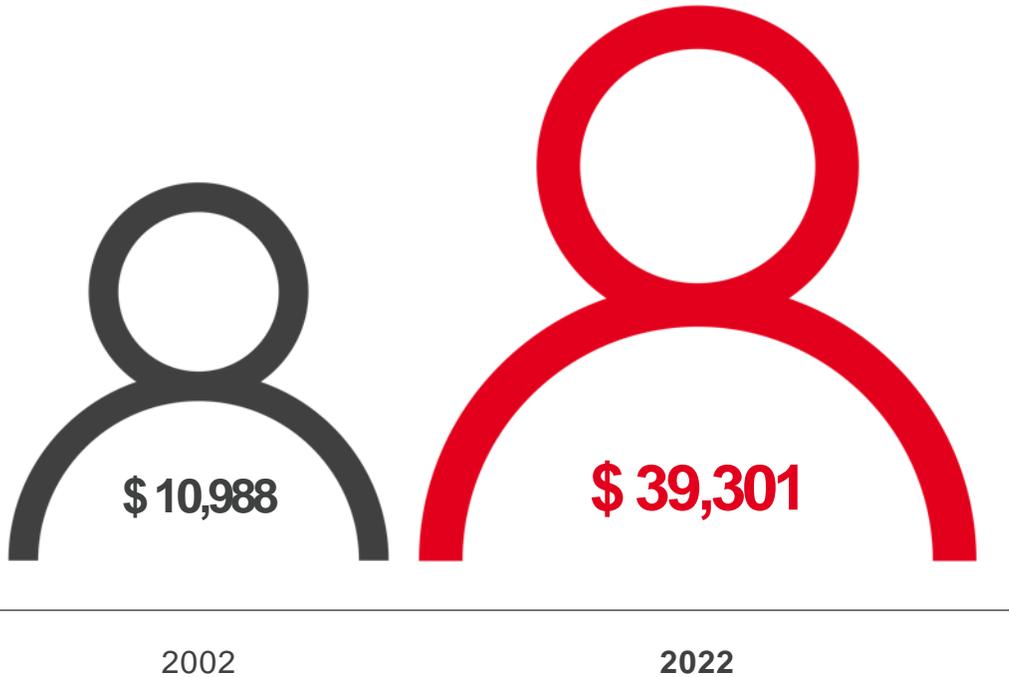
DOMESTIC MARKET

TÜRKİYE'S ECONOMIC GROWTH HAS PAVED THE WAY FOR EMERGENCE OF A SIZEABLE AGRI-MIDDLE-CLASS WITH AN INCREASING PURCHASING POWER



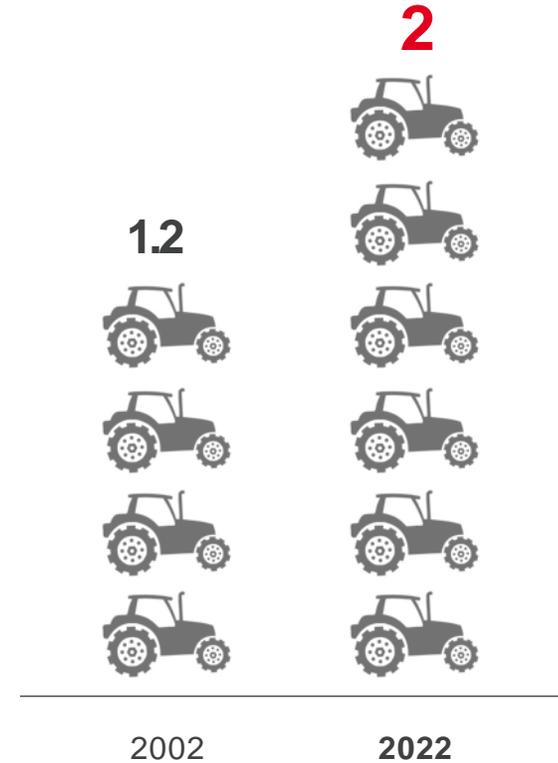
Income per capita

(GDP per capita, current prices at purchasing power parity)



Stock of Tractors

(millions of tractors)



Largest tractor sales in Europe, 5th in the world, 75% of the local market supplied by local players

Major producers in Türkiye

TürkTraktör

YANMAR

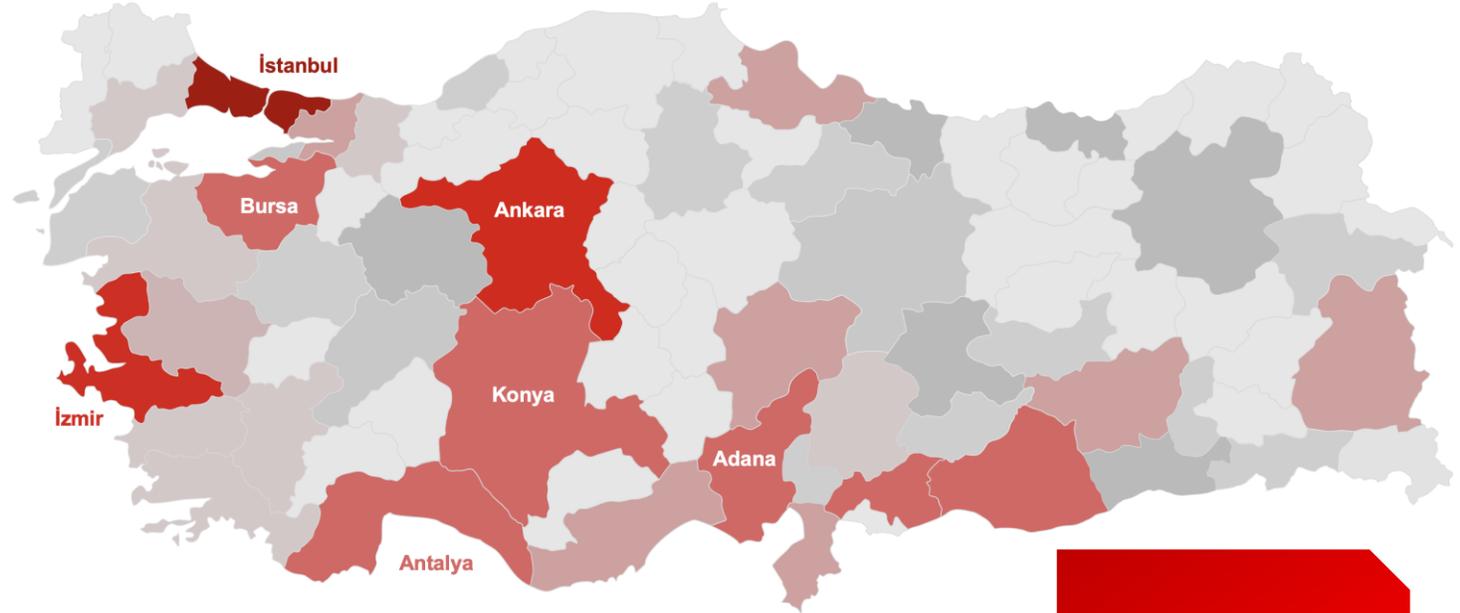
TÜMOSAN

JOHN DEERE



Total Population in 2022 **85.3 million**

İstanbul	15.9 Million	Denizli	1.1 Million
Ankara	5.8 Million	Muğla	1 Million
İzmir	4.5 Million	Eskişehir	0.9 Million
Bursa	3.2 Million	Mardin	0.9 Million
Antalya	2.7 Million	Trabzon	0.8 Million
Konya	2.3 Million	Malatya	0.8 Million
Adana	2.3 Million	Ordu	0.8 Million
Şanlıurfa	2.2 Million	Erzurum	0.7 Million
Gaziantep	2.2 Million	Afyonkarahisar	0.7 Million
Kocaeli	2.1 Million	Sivas	0.6 Million
Mersin	1.9 Million	Adıyaman	0.6 Million
Diyarbakır	1.8 Million	Batman	0.6 Million
Hatay	1.7 Million	Tokat	0.6 Million
Manisa	1.5 Million	Zonguldak	0.6 Million
Kayseri	1.4 Million	Elazığ	0.6 Million
Samsun	1.4 Million	Kütahya	0.6 Million
Balıkesir	1.3 Million	Çanakkale	0.6 Million
Kahramanmaraş	1.2 Million	Osmaniye	0.6 Million
Van	1.1 Million	Şırnak	0.6 Million
Aydın	1.1 Million	Çorum	0.5 Million
Tekirdağ	1.1 Million	Ağrı	0.5 Million
Sakarya	1.1 Million		



24 urban centers
With Populations
over 1 million

SKILLED AND COMPETITIVE LABOR FORCE

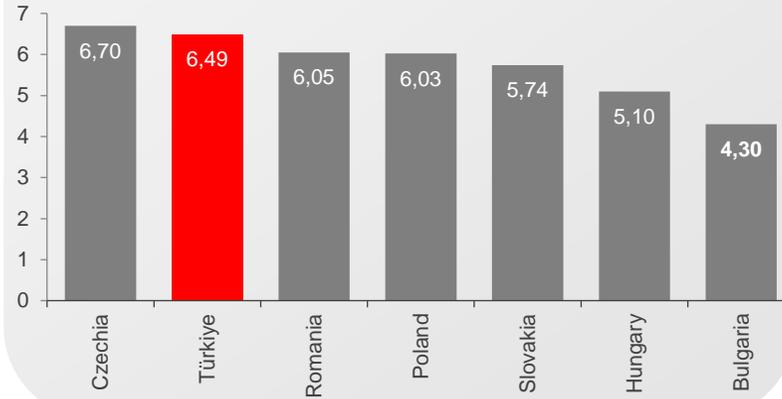
UPGRADED EDUCATION SYSTEM TO ENABLE
A SKILLED LABOR POOL AND ADDRESS
BUSINESS REQUIREMENTS



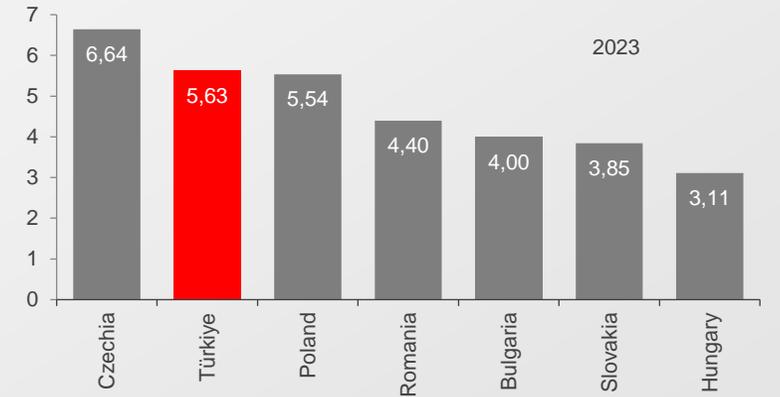
ANNUAL NUMBER OF GRADUATES
(thousands)



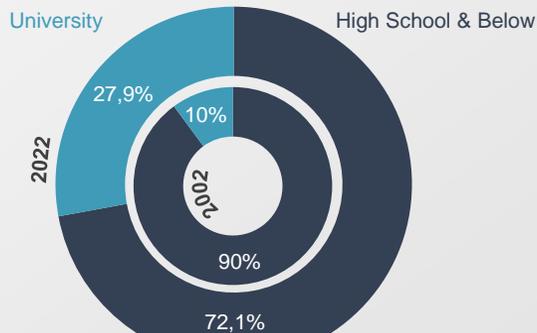
AVAILABILITY OF QUALIFIED ENGINEERS
(10=Available; 0=Unavailable) 2023



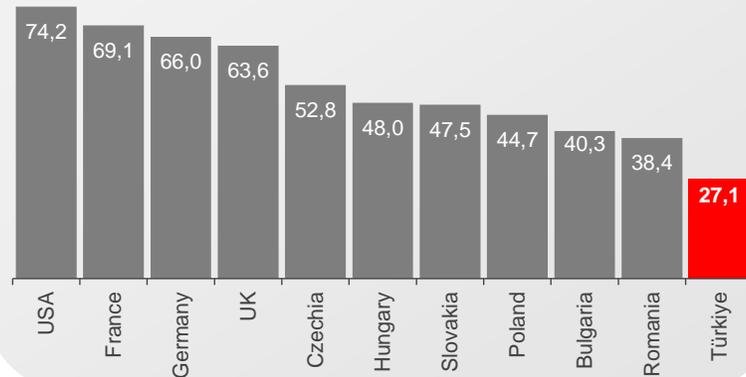
AVAILABILITY OF COMPETENT SENIOR MANAGERS
(10=Available; 0=Unavailable) 2023



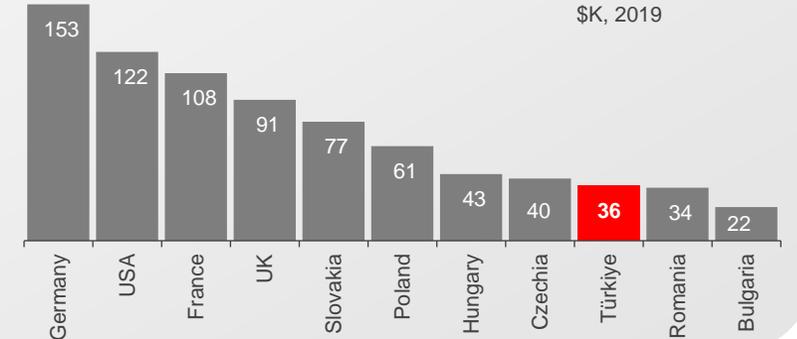
LABOR FORCE BY EDUCATION LEVEL



COST OF LIVING INDEX 2023
(New York=100)



REMUNERATION OF MANAGEMENT/ENGINEER
Total base salary plus bonuses and long-term incentives



DOMESTIC + ACCESSIBLE MARKETS

DOMESTIC MARKET + EU MARKET + FREE TRADE AREA



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

- NORWAY ISRAEL *SUDAN
- LIECHTENSTEIN
- SWITZERLAND ICELAND
- BOSNIA AND HERZEGOVINA
- PALESTINE MACEDONIA
- MOROCCO TUNISIA
- ALBANIA EGYPT
- GEORGIA MONTENEGRO
- SERBIA CHILE
- MAURITIUS SOUTH KOREA
- MALAYSIA *LEBANON MOLDOVA
- FAROE ISLANDS
- SINGAPORE VENEZUELA
- UNITED KINGDOM
- *QATAR KOSOVO
- UAE



+



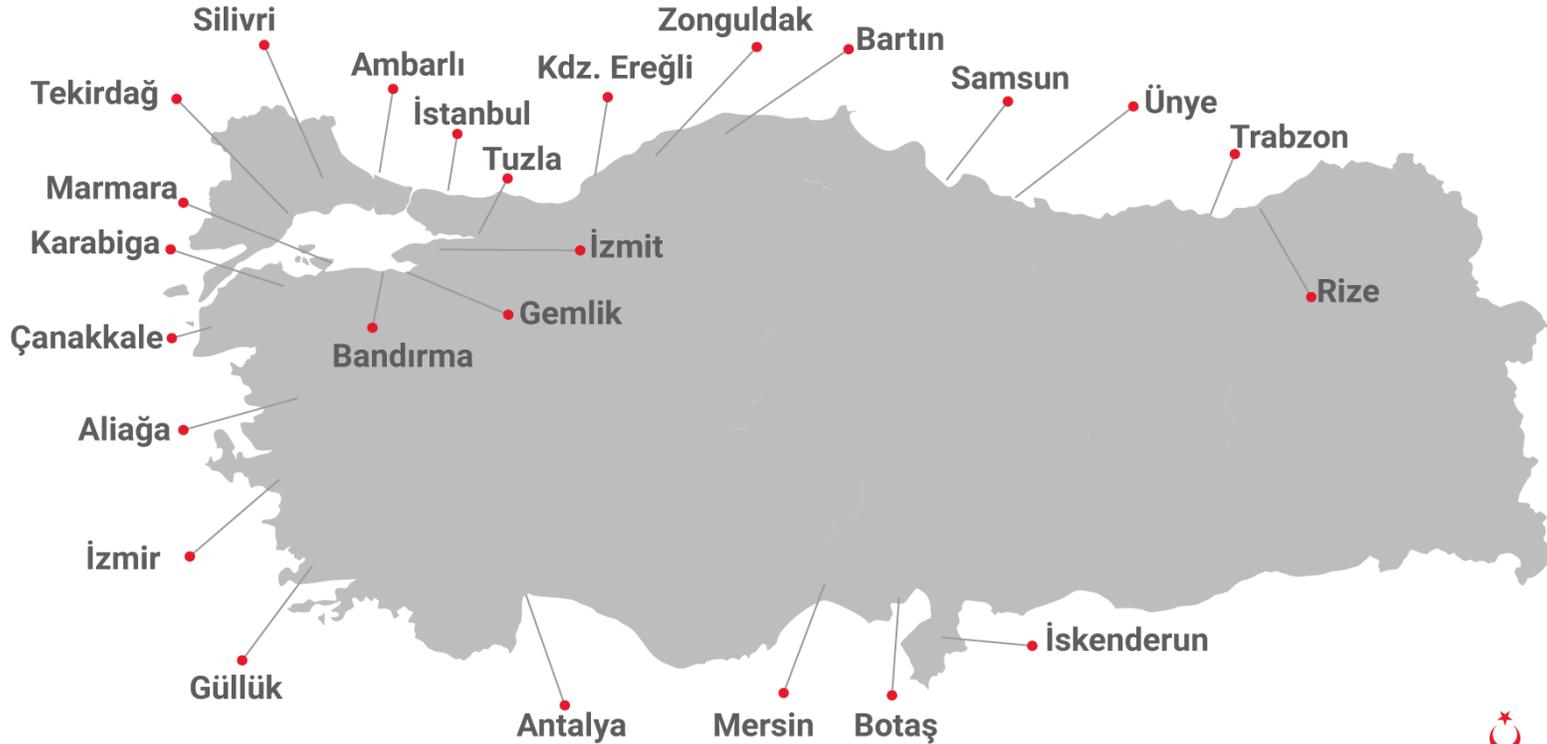
in 29 countries
with Free Trade
Agreements

+



MARINE TRANSPORTATION

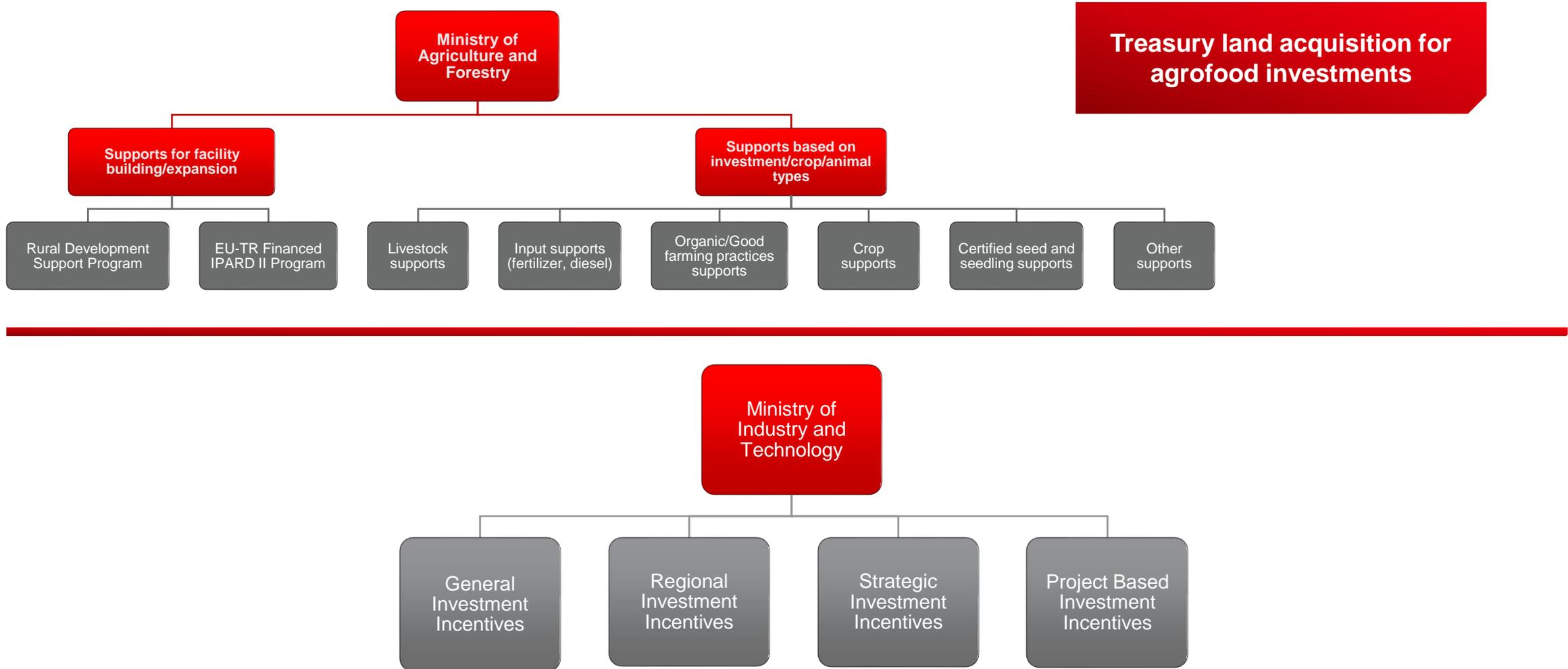
TÜRKİYE IS ALSO VERY ADVANTAGEOUS FOR MARITIME TRANSPORTATION, ALLOWING AGROFOOD PRODUCERS TO EXPORT EASILY



Cargo handling statistics of Türkiye in 2020
(tons)

Cereals	13,512,106
Oil seeds, oleaginous fruit and fats	6,817,726
Animal feed and foodstuff waste	4,701,744
Other non-perishable foodstuffs and hops	1,118,428
Sugars	438,674
Fresh and frozen fruit and vegetables	312,207
Livestock	101,377
Beverages	48,840
Potatoes (excluding frozen ones)	24,339





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OPPORTUNITIES IN TURKISH AGROFOOD INDUSTRY





Key policy agendas for Turkish agrofood sector

High demand&import

Environment&
Health-friendly

High value - added

Sustainability and
security of food supply

MAJOR COMMODITIES



Sunflower & sunflower oil



Wheat



Maize



Soya bean

Rising opportunities



Walnuts



Almonds



Greenhouse products



Industrial hemp



Seeds



Medicinal and aromatic plants



Essential oils



Tropical fruits



Berries



Frozen fruits & vegetables



Licensed warehousing



Pet food



Aquaculture



Milk proteins

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SUCCESS
STORIES



5

SUCCESS STORIES

STRONG INTERNATIONAL PRESENCE IN TÜRKİYE



SUCCESS STORIES

AGROFOOD INDUSTRY GIANTS HAVE BEEN MANUFACTURING IN TÜRKİYE FOR DECADES



- Operational for 139 years
- 6 manufacturing facilities and 8 offices in Türkiye for chemicals, performance products, functional materials & solutions, agricultural solutions
- Sales of EUR 63 billion globally in 2018
 - Managing 78 countries from Türkiye
- 800 employees



- Operational in Türkiye for 110 years
- 2 manufacturing facilities in Bursa
- Employs 3,800 people directly and over 7,000 indirectly
- Produces locally 95% of the products it sells in Türkiye
- Offers more than 800 products and around 50 brands in 12 different categories
- From its production hub in Türkiye, exports to the neighboring countries, particularly to MENA countries



- Producing in Manisa OIZ since 2013
- Made an initial investment of 95 million EUR and expanded it to produce more varieties of products
- 7 manufacturing facilities, 6 of them processing nuts
- Exporting to 100 countries from Türkiye



- Market share in sparkling of Coca-Cola İçecek (CCI) in Türkiye is 65%
- Producing 25 brands in 5 categories
 - Following the acquisition of Efes Invest in 2005, evolved from a bottling operation to a regional beverage company
- More than 2.500 employees and 10 production plants



- Operational in Türkiye for around 60 years
- 200 employees
- Headquarter & innovation center in Istanbul, seed conditioning & processing plant facility in Adana, sunflower R&D center in Lüleburgaz



- Operational in Türkiye for around 59 years
- More than 600 employees in 7 locations in Türkiye – Adana, Ankara, İstanbul, İzmir, Bursa, Balıkesir, Kocaeli,
- 3 production facilities: starch & sweeteners in Bursa, fats & oils in Balıkesir, oleo-chemicals in Kocaeli

SUCCESS STORIES

AGROFOOD INDUSTRY GIANTS HAVE BEEN MANUFACTURING IN TÜRKİYE FOR DECADES



- Operational in Türkiye for over 100 years
- 8 manufacturing facilities, over 5,000 employees
- Uses Türkiye as a management hub for 35 countries
- New factory for personal and homecare categories in Türkiye creates an investment ecosystem of EUR 350 million along with suppliers
- 29 brands and presence in 9 out of 10 households with its products
- Exports from Türkiye to 34 countries



- Operating in Türkiye since 1993
- An important production facility with an indoor area of 85.000 m2 in Gebze
 - Sales of TL 872 million in 2018
- Employs about 1,200 people directly and about 900 indirectly
- Increased its investments in Türkiye steadily over the past 20 years



- Operational in Türkiye since 1998
 - Over 500 employees



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



invest.gov.tr

