

REPUBLIC OF TURKEY PRIME MINISTRY

Investment Support and Promotion Agency of Turkey ISPAT

Bekir POLAT
Senior Project Director

“Investment Climate in Turkey”

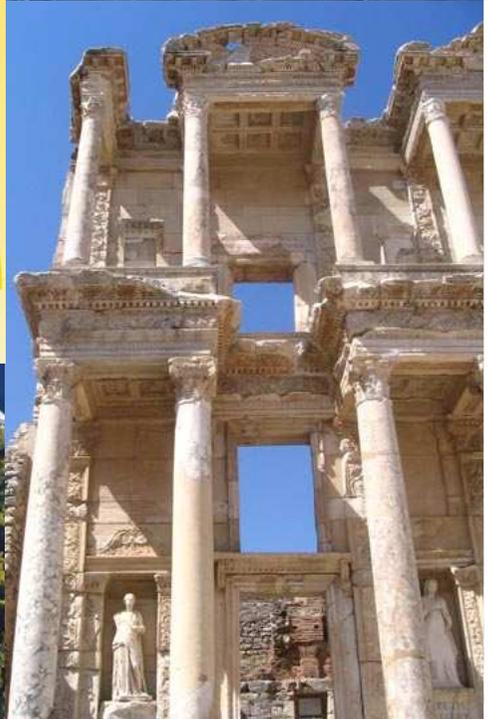
20th April 2010 , Vienna

REPUBLIC OF TURKEY PRIME MINISTRY
INVESTMENT SUPPORT AND
PROMOTION AGENCY



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

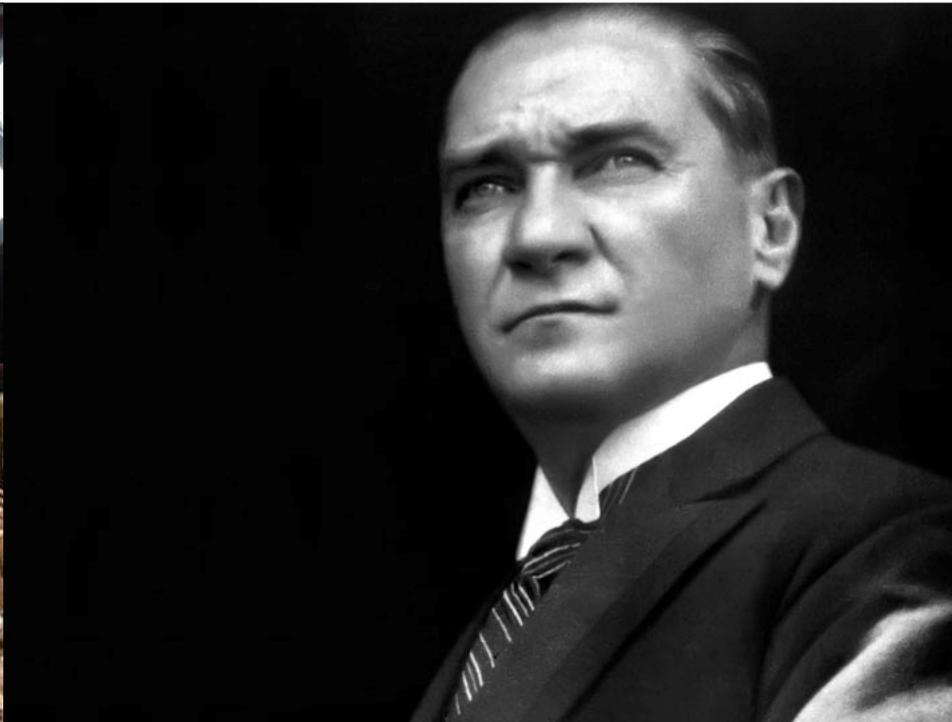
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**Combination of
contemporary and
traditional...**





**Home of many
successful
people...**



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

AGENDA

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

REPUBLIC OF TURKEY PRIME MINISTRY
INVESTMENT SUPPORT AND
PROMOTION AGENCY



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

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Turkey with some key figures...





15th largest economy in the world and 6th when compared to the EU Countries in 2008 (IMF)

The largest youth population when compared to the EU countries



30 million internet users (2009)



63 million GSM users (2009)



44.4 million credit card users (2009)





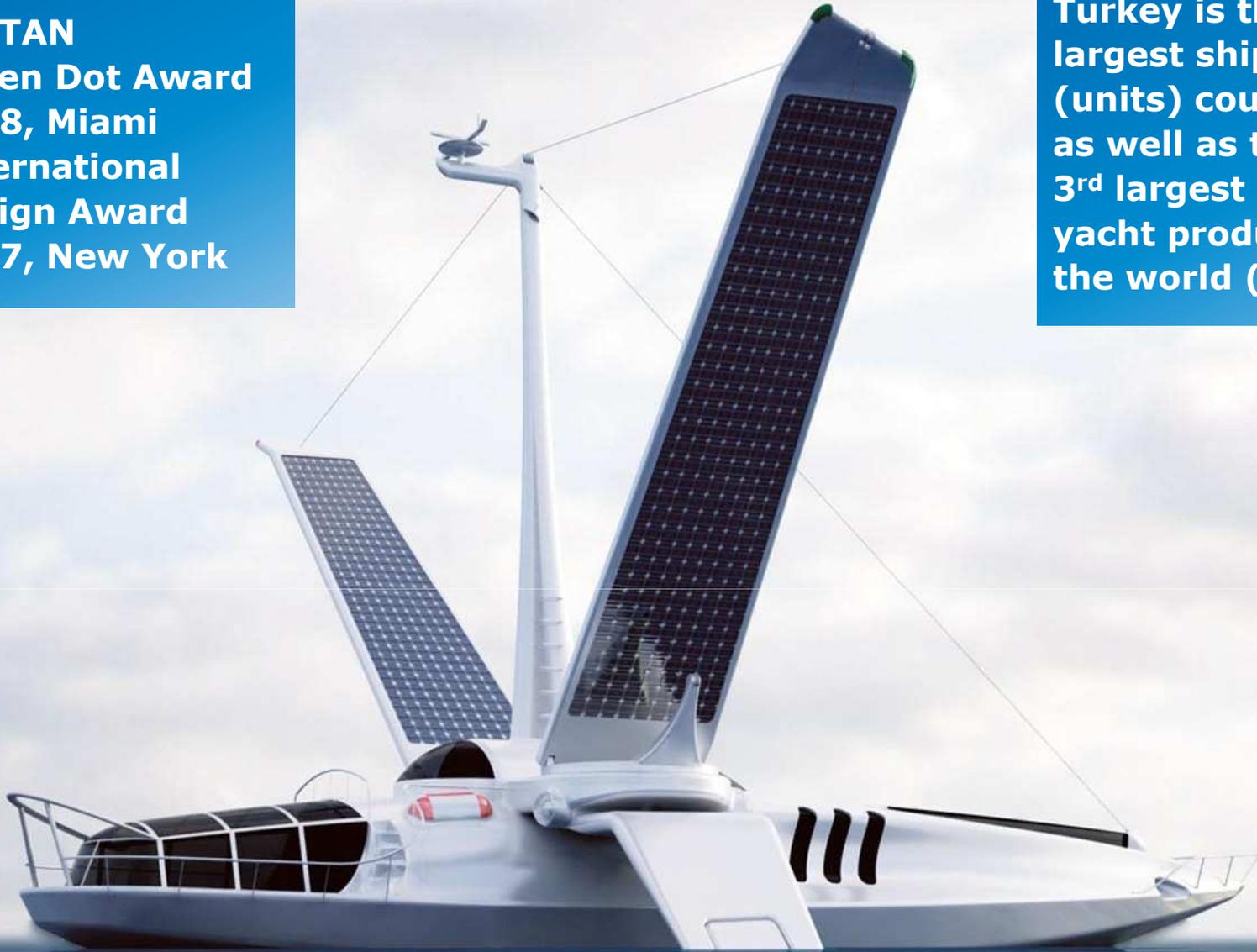
Turkey is the 10th largest steel producer in the world and 2nd compared with the EU countries (worldsteel 2009)

Turkey is the 15th largest automotive producer in the world, with 17 global brands producing over 1 million motor vehicles in 2008 (OICA 2008)

VOLITAN

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

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



VOLITAN
Designer Dr. Hakan GÜRSU & Designer Sözümlü DOĞAN, TURKEY

- Turkish Airlines is one of the fastest growing airlines in Europe; the leader in traffic and capacity growth in Europe (AEA, 2009)

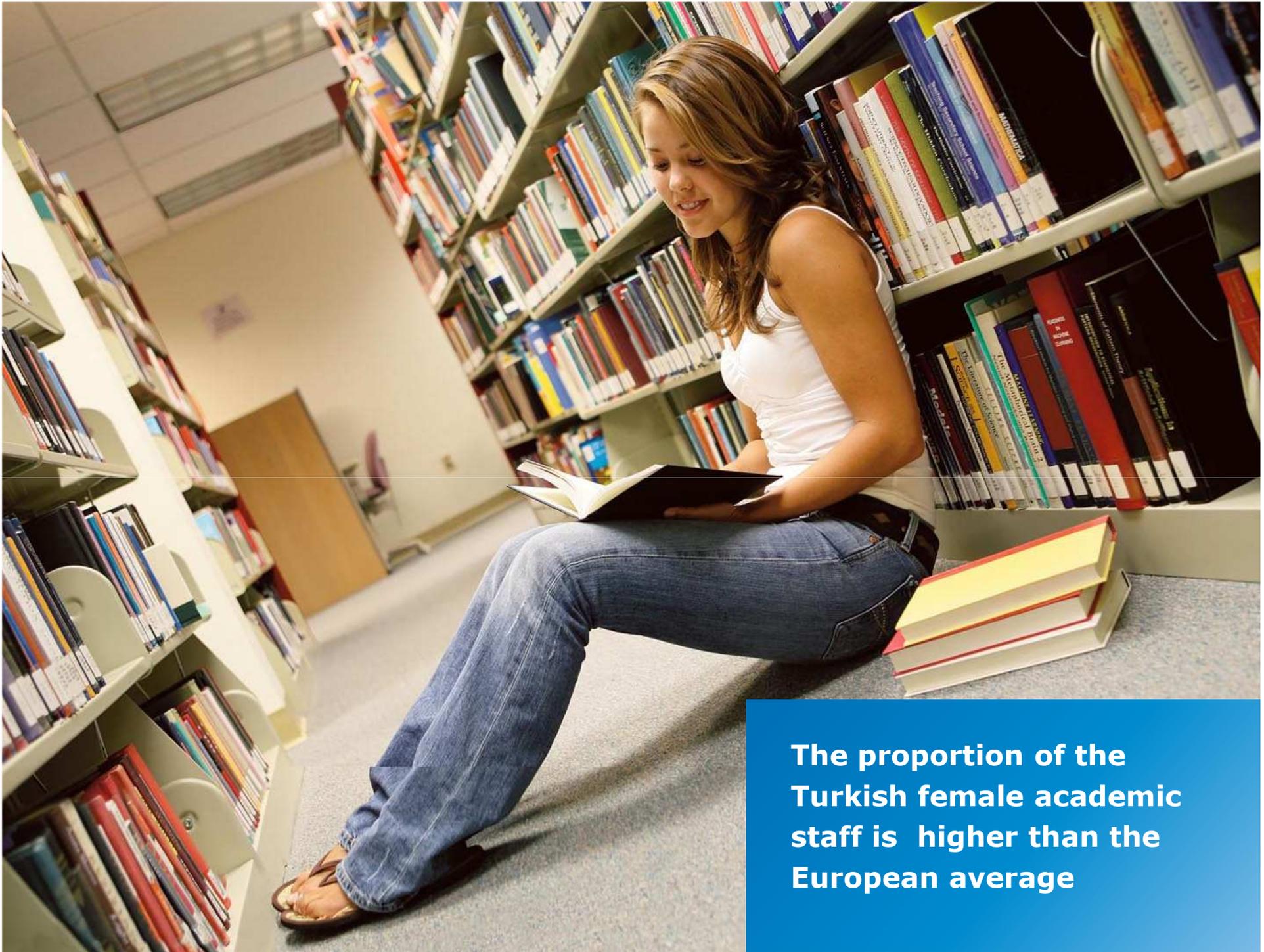
- Fleet Plan for 2009-2023; purchase 105 aircrafts

The best airline in Southern Europe; sole 4-star airline in Europe (Skytrax 2009)



- 85.2 million airline passengers in Turkey (2009)

- Istanbul Ataturk Airport is the best airport in Southern Europe (Skytrax 2010)



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

Turkey is the 7th most visited holiday destination in the world (2008)

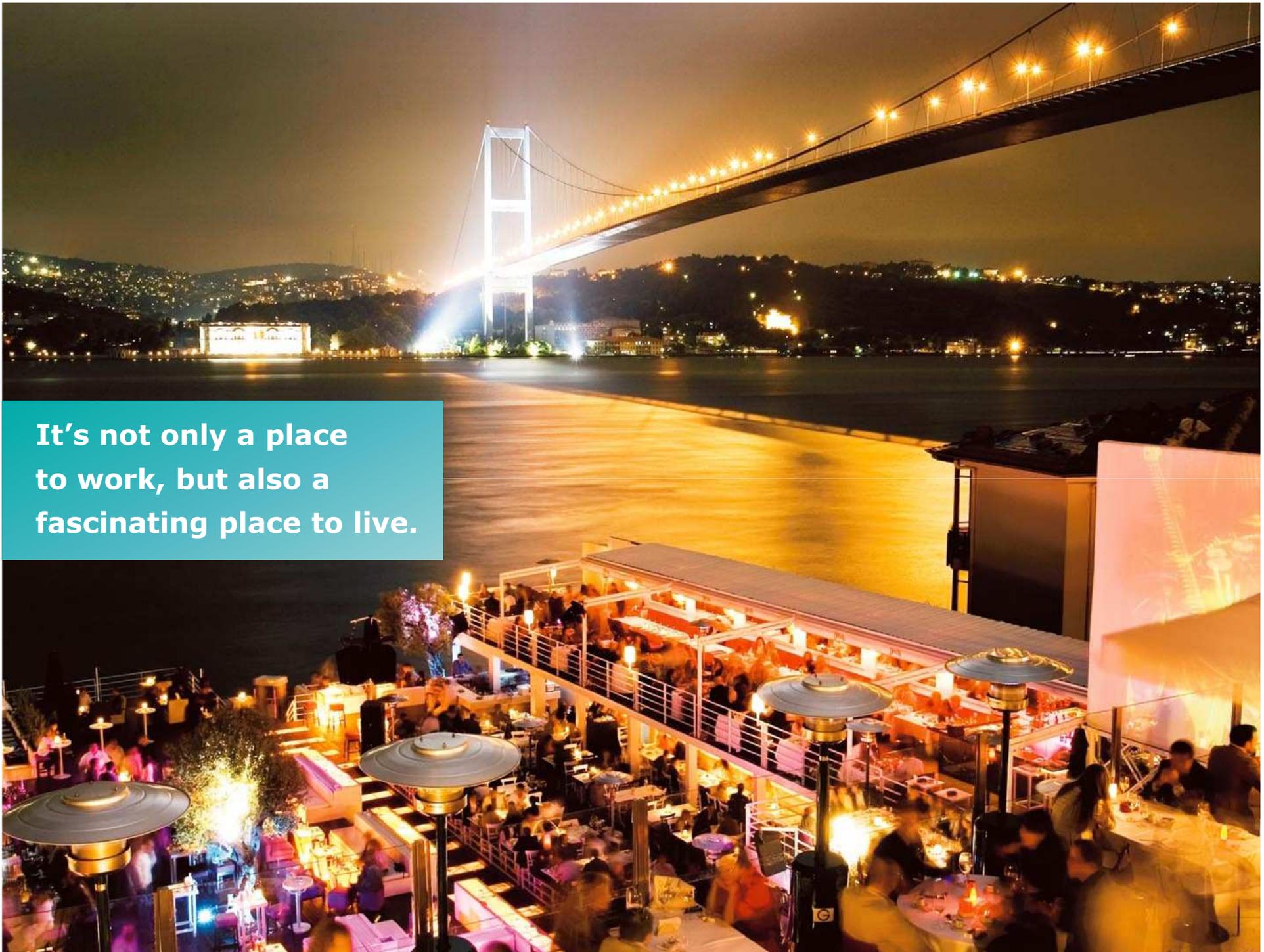


International Tourist Arrivals

Country	2008 (million)
1. France	79.3
2. USA	58.0
3. Spain	57.3
4. China	53.0
5. Italy	42.7
6. UK	30.2
7. Turkey*	26.5
8. Ukraine	25.4
9. Germany	24.9
10. Mexico	22.6

Source: UNWTO ; *Ministry of Culture and Tourism

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



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

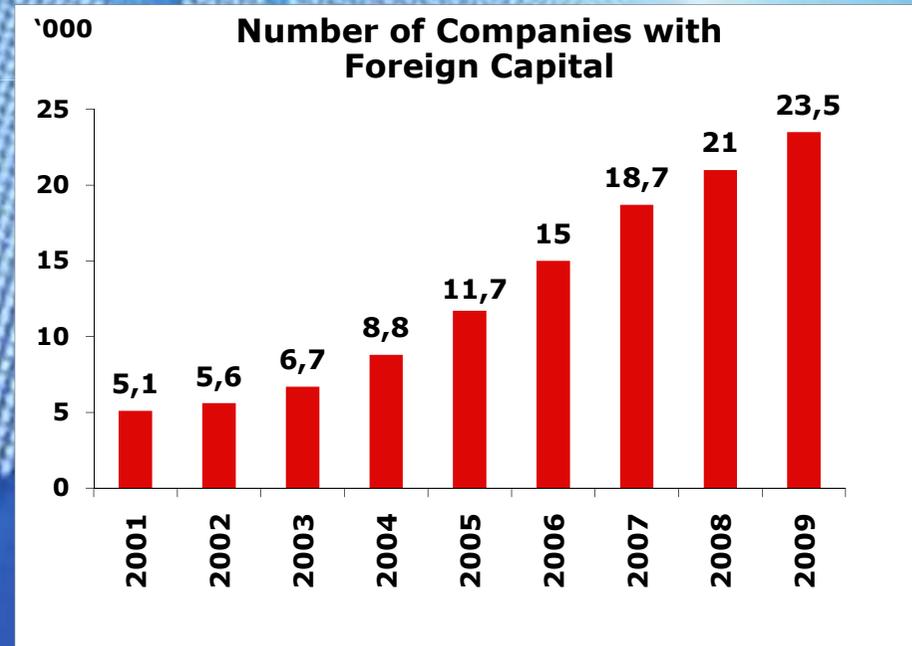
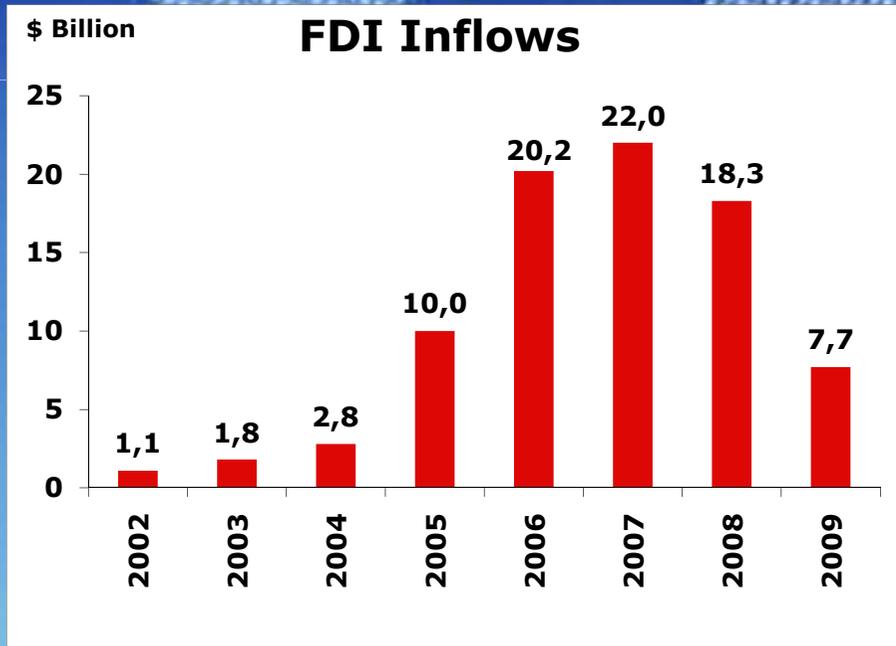
FDI in

FDI in Turkey

Turkey



Strengthening upward trend in FDI Inflows



Top reasons to invest in Turkey

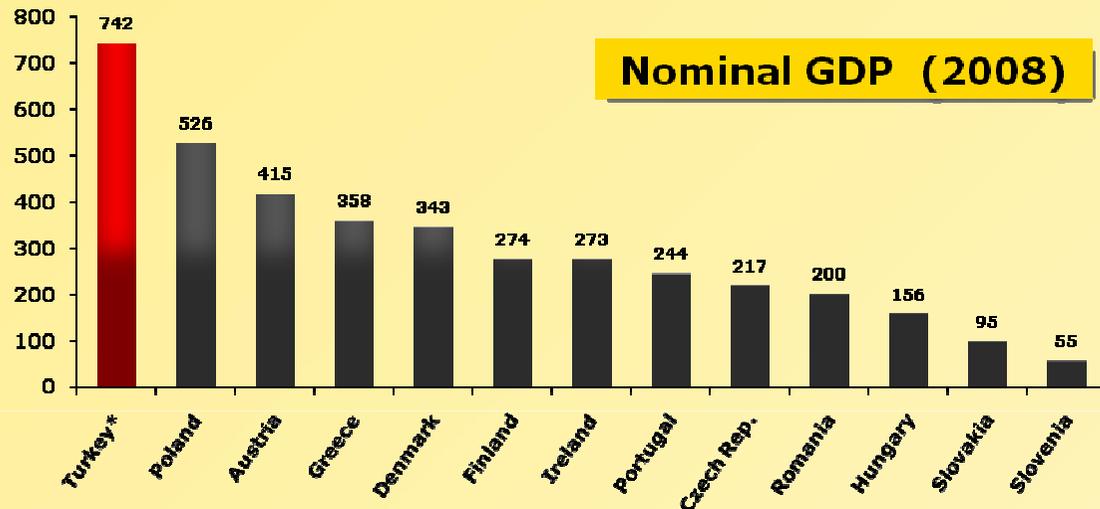


Top reasons to invest in Turkey

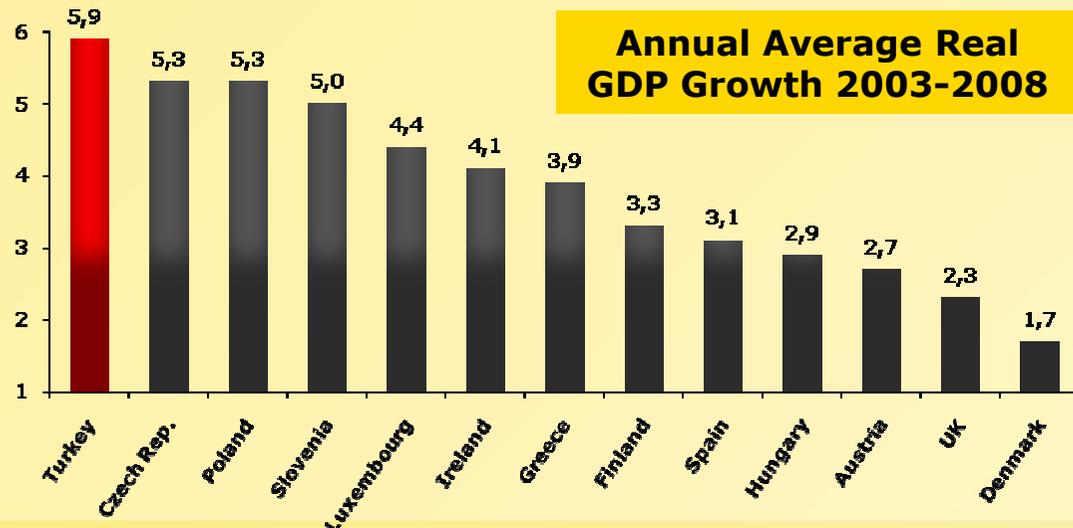
- **Dynamic, Stable & Attractive Economy**
 - **GDP**
 - **Key numbers**
- **Population**
- **International Hub**
- **Structural Reforms**

Benchmarking Performance of the Turkish Economy

Billion USD



%



Source: IMF World Economic Outlook, April 2009;
*TurkStat

Top reasons to invest in Turkey

Let your business blossom in a thriving economy and promising future



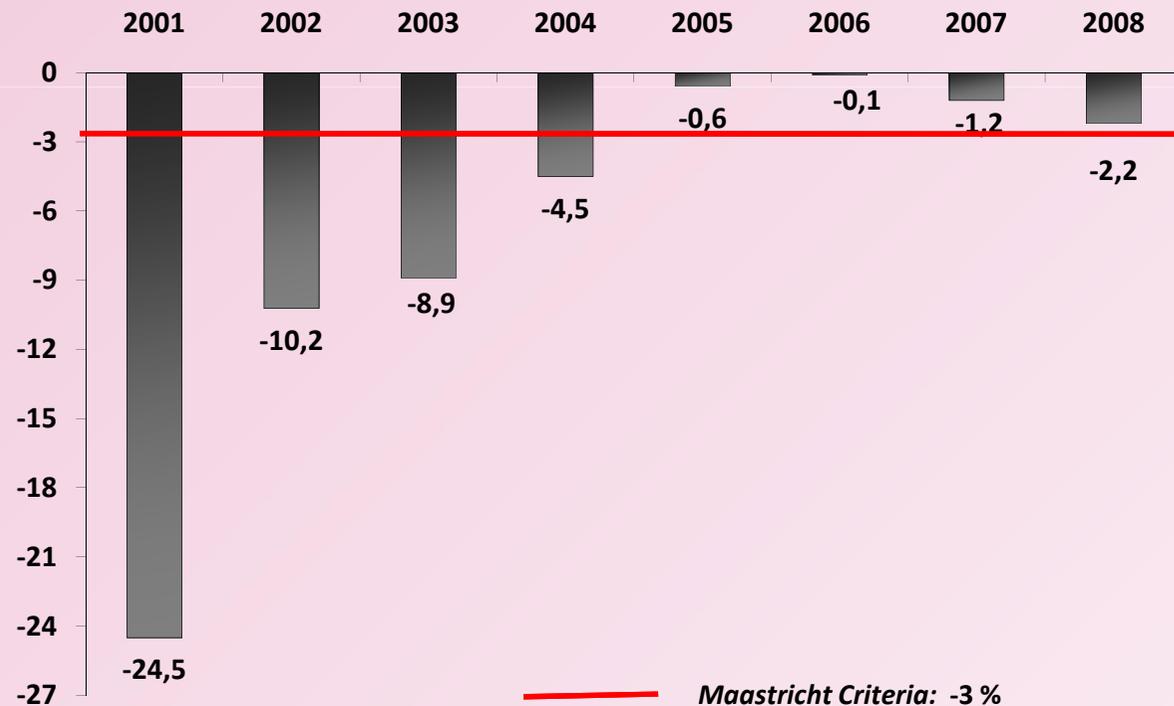
The fastest growing economy among the OECD countries

Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
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Stability and High Performance in the Economy

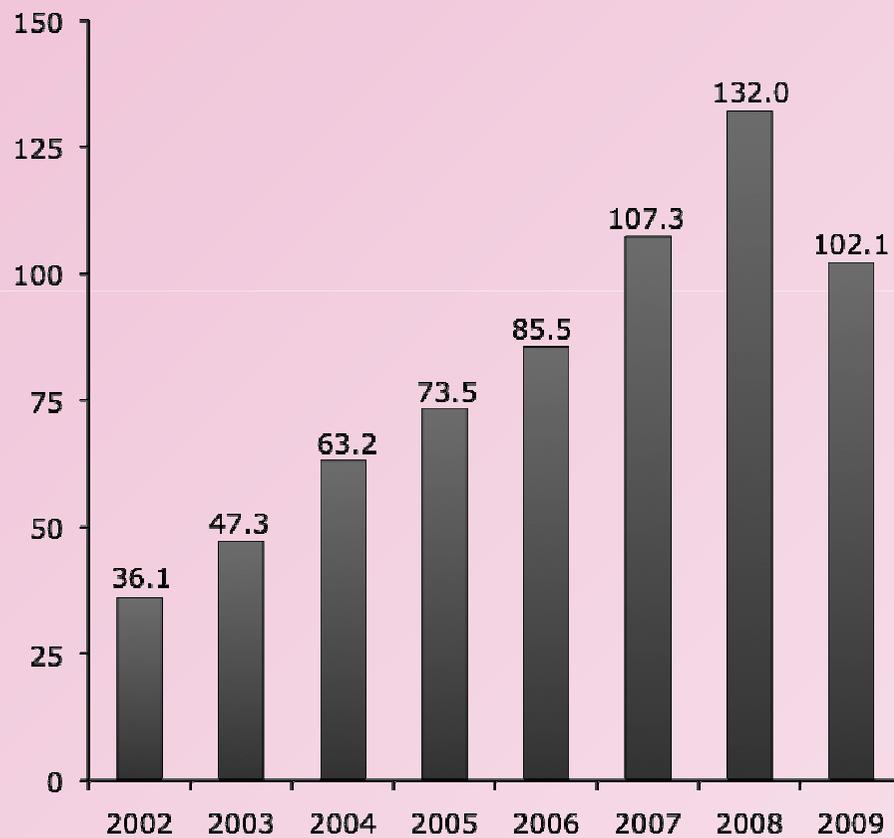
EU Defined General Government Budget Balance (% of GDP)



Source: EUROSTAT & TURKSTAT

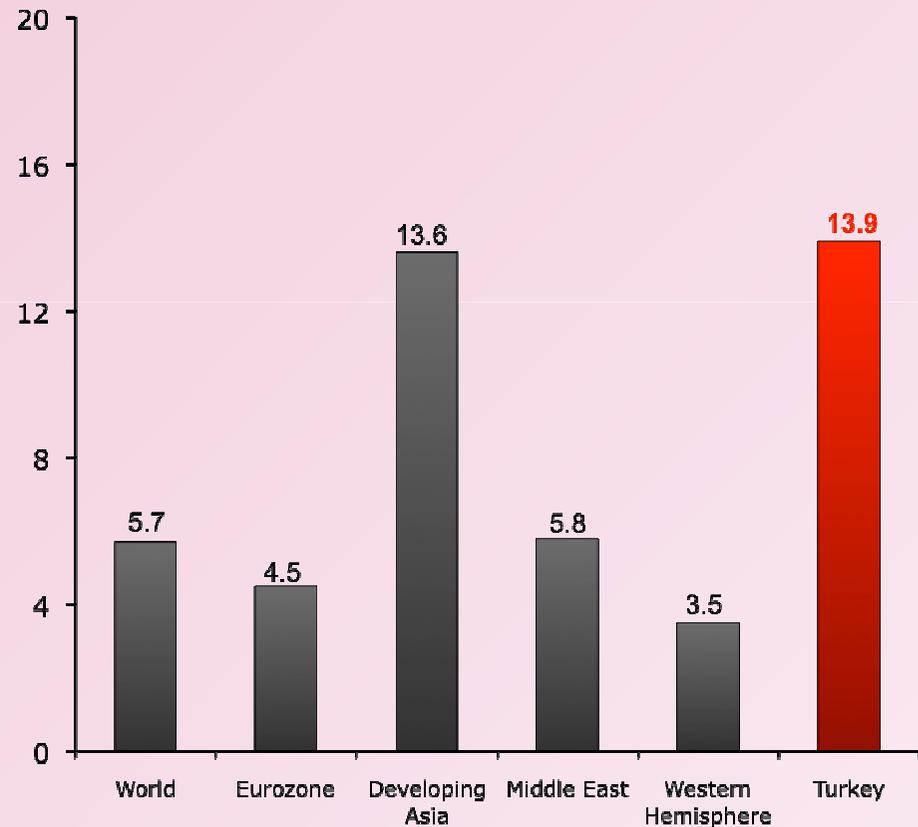
Top reasons to invest in Turkey

Exports (billion, US Dollars)



Source: TURKSTAT

Export Performance (annual average change, percent, 2001-2008)



Source: TURKSTAT, IMF

Top reasons to invest in Turkey

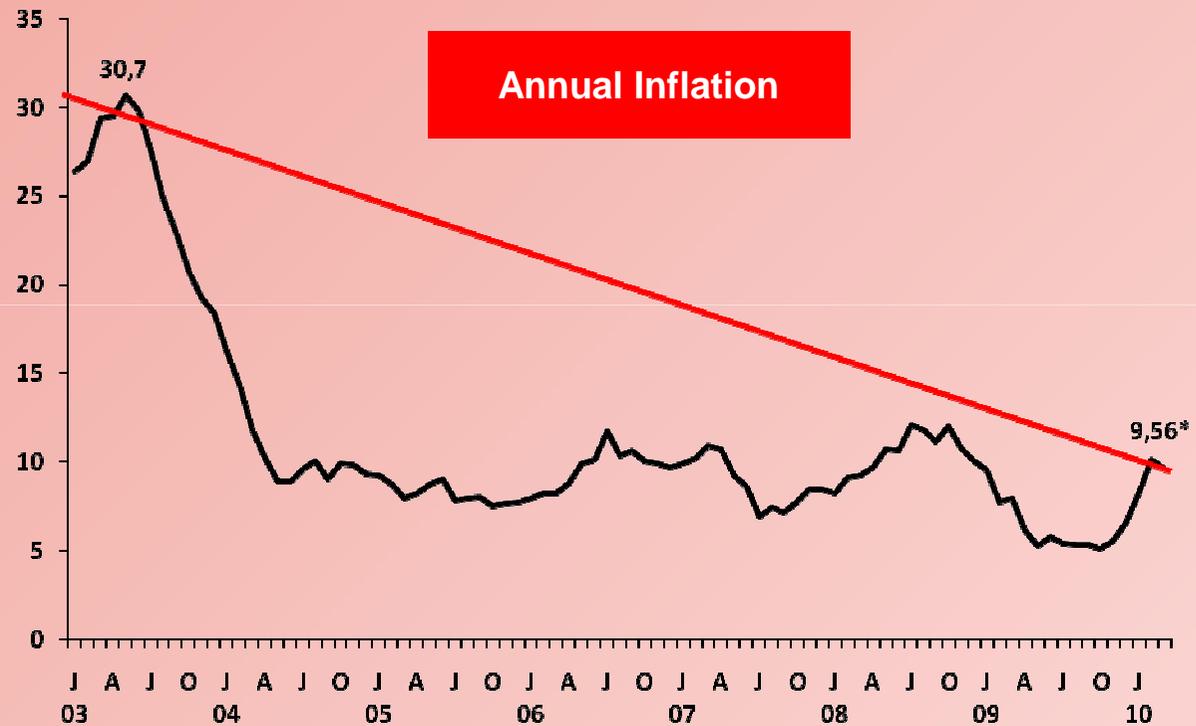
**Turkey has the 5th most liberal trade policies in the world
(World Trade Indicators 2008)**

- ❖ **Customs Union with the EU**
- ❖ **Free Trade Agreements with 16 countries:**
 1. Albania
 2. Bosnia & Herzegovina
 3. Croatia
 4. Egypt
 5. Georgia
 6. Iceland
 7. Israel
 8. Lichtenstein
 9. Macedonia
 10. Morocco
 11. Norway
 12. Palestine
 13. Switzerland
 14. Syria
 15. Tunisia
 16. Montenegro
- **Dynamic, Stable & Attractive Economy**
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Top reasons to invest in Turkey

Stability and High Performance in the Economy

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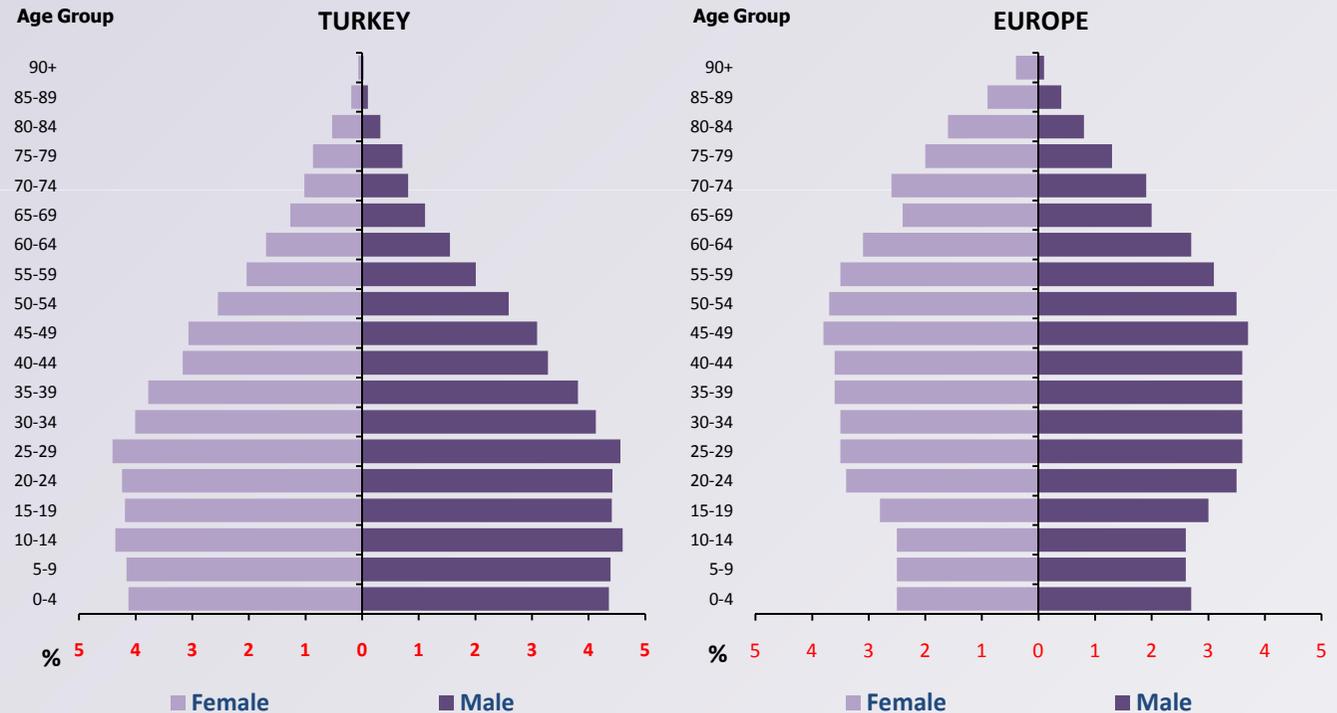
* As of March 2010

Top reasons to invest in Turkey

Potential of the Turkish Economy - Young Population -

Population Pyramid

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



Source: UN and TURKSTAT, 2010

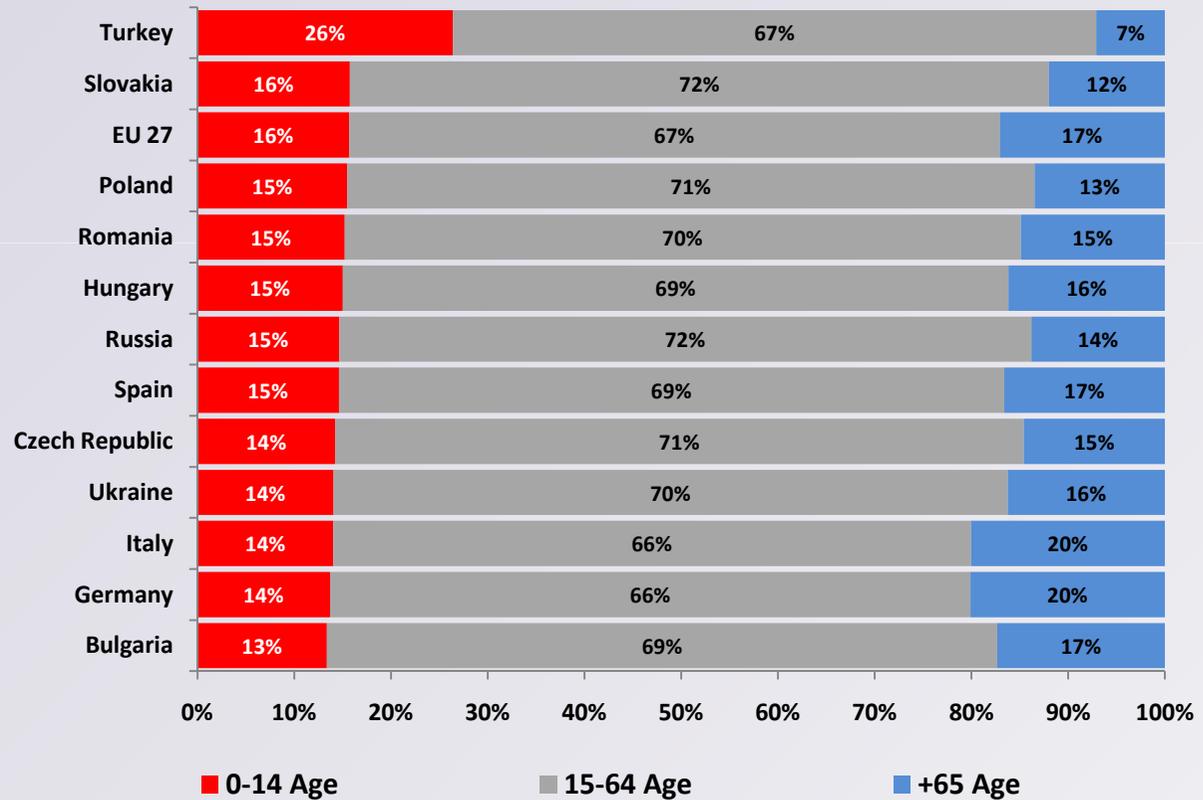
✓ Half of population in Turkey is under age 29

Top reasons to invest in Turkey

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Potential of the Turkish Economy - Young Population -

Favorable Demographics
Population by Age Groups (2008)



✓ 26% of populations is under age 15

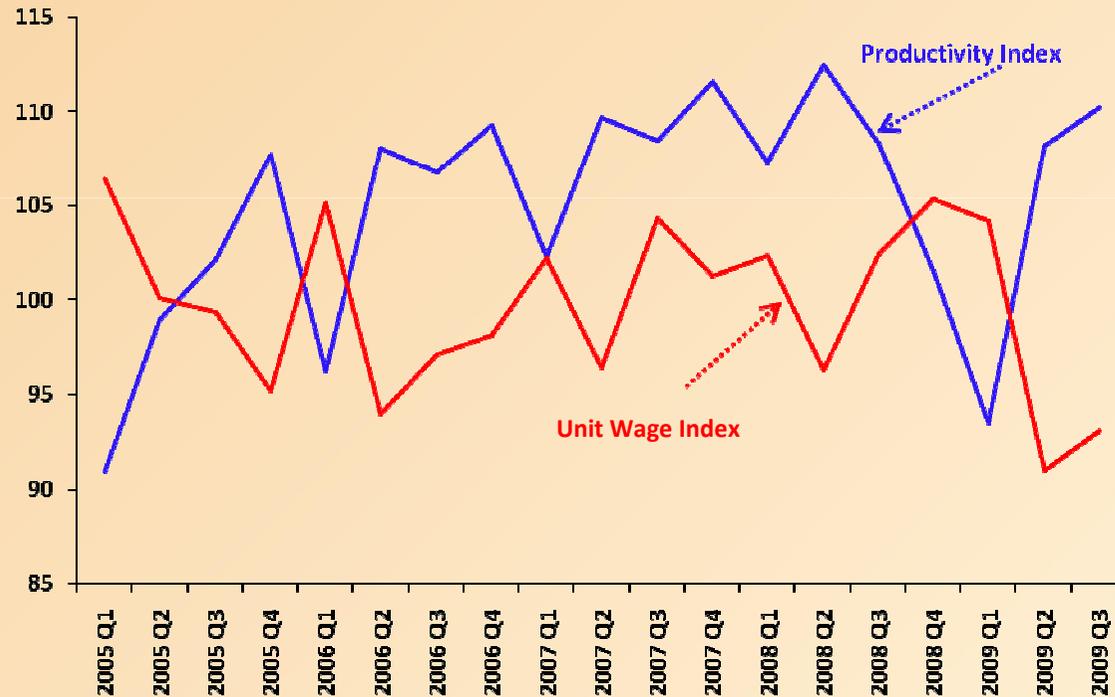
Source: EUROSTAT

Top reasons to invest in Turkey

Productive and Cost-effective Labor Force

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

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



Top reasons to invest in Turkey

Productive and Cost-effective Labor Force

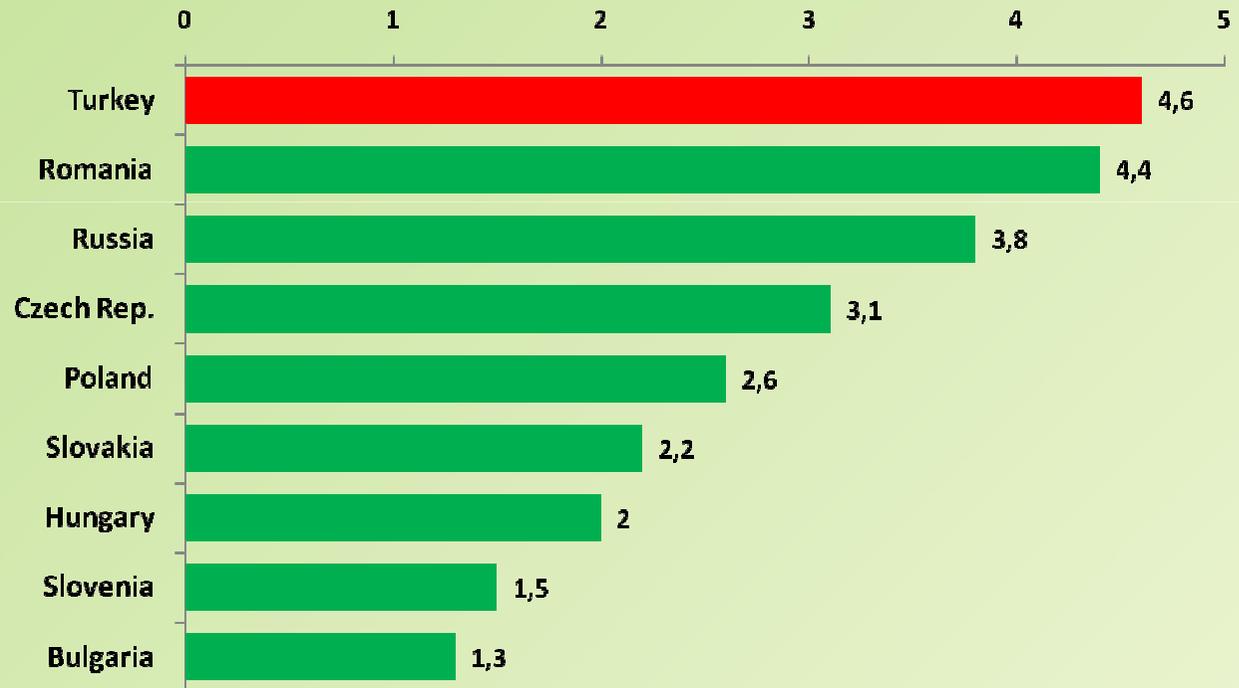
- **Dynamic, Stable & Attractive Economy**

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

- **International Hub**

- **Structural Reforms**

Labour Productivity Growth (%)
Annual Average (2002 – 2009)

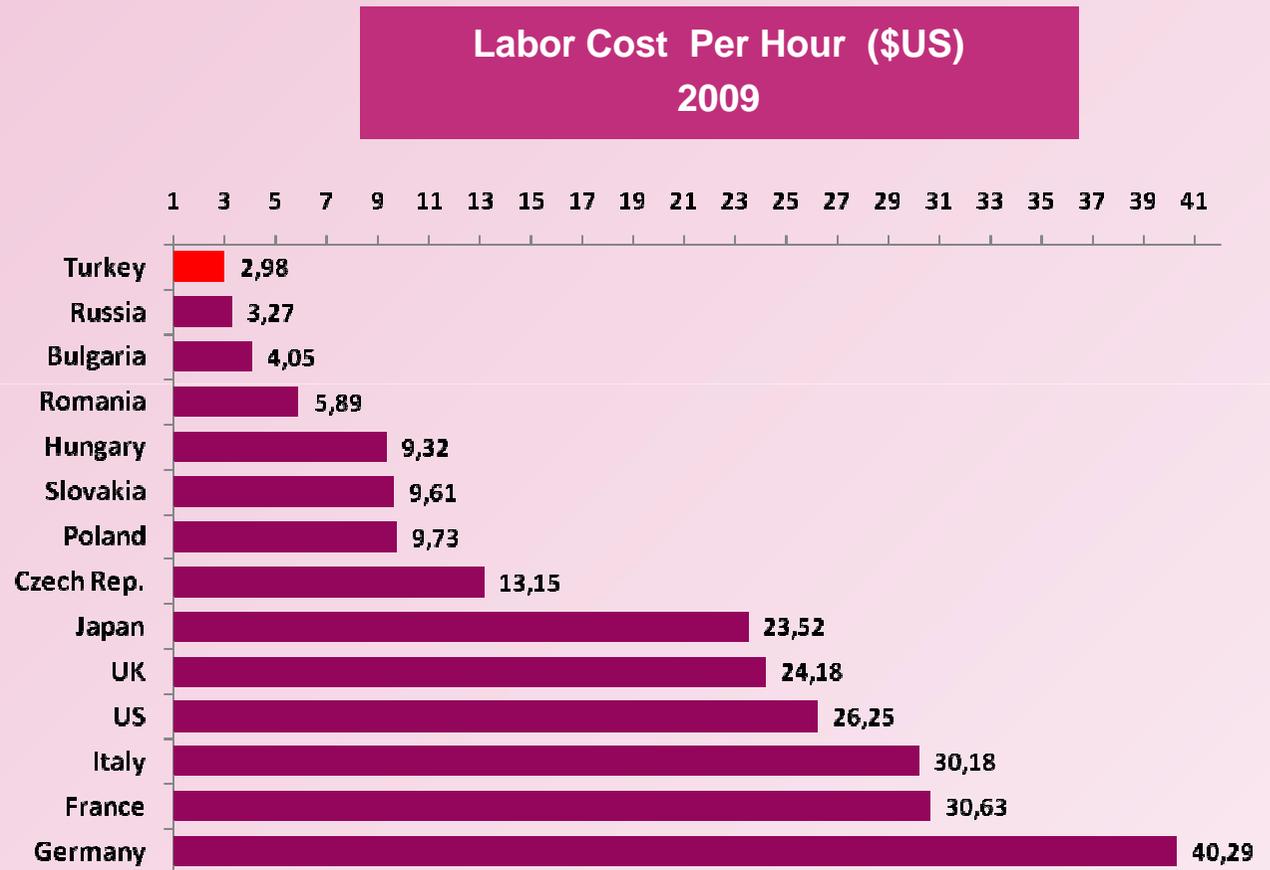


Source: Economist Intelligence Unit (EIU), February 2010; Efficiency of labor measured in terms of output per worker (real GDP per person employed).

Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
- **Population**
 - **Age**
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Productive and Cost-effective Labor Force



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

Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
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Availability of the Skilled Labor Force

Qualified Engineers 2009



Competent Senior Managers 2009



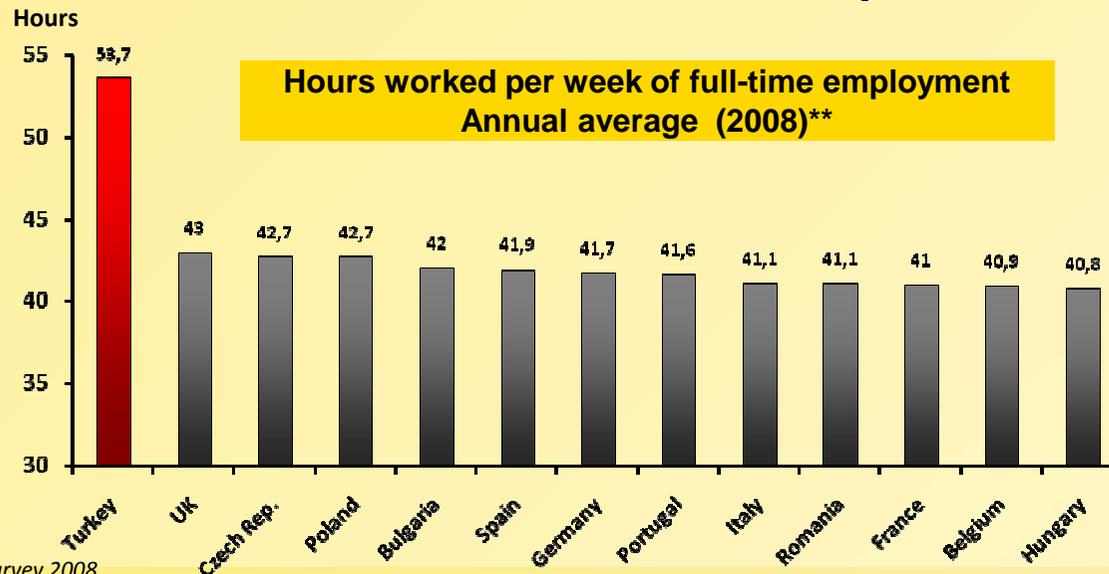
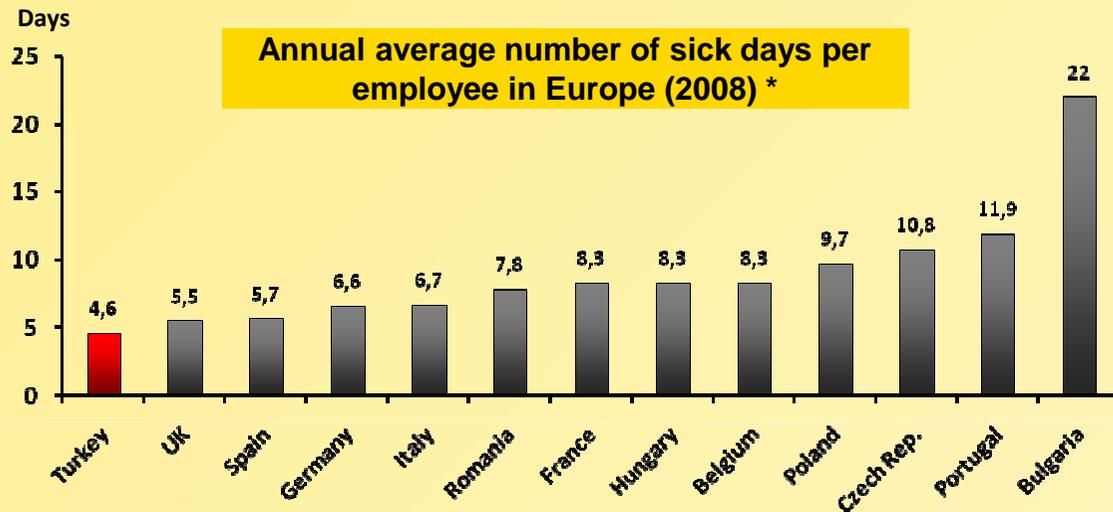
IT Skills 2009



Top reasons to invest in Turkey

Productive and Cost-effective Labor Force

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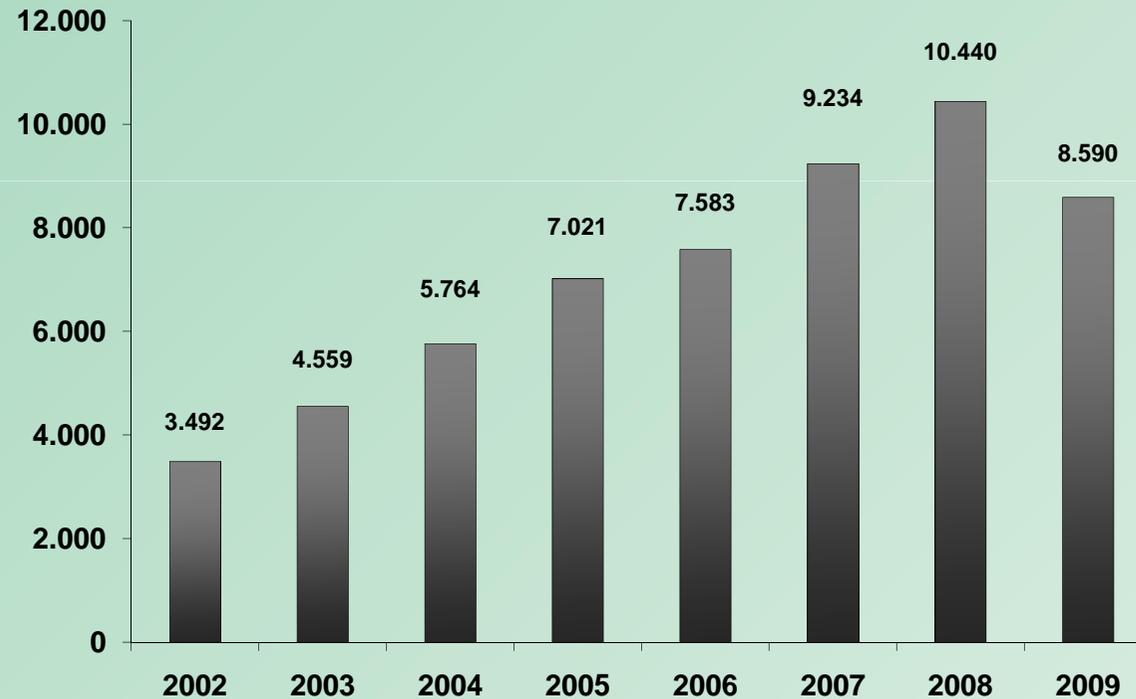
Source: *MERCER - Pan-European Employer Health Benefits Issues Survey 2008
 **EUROSTAT 2008

Top reasons to invest in Turkey

Potential of the Turkish Economy

GDP Per Capita – Nominal (USD)

- **Dynamic, Stable & Attractive Economy**
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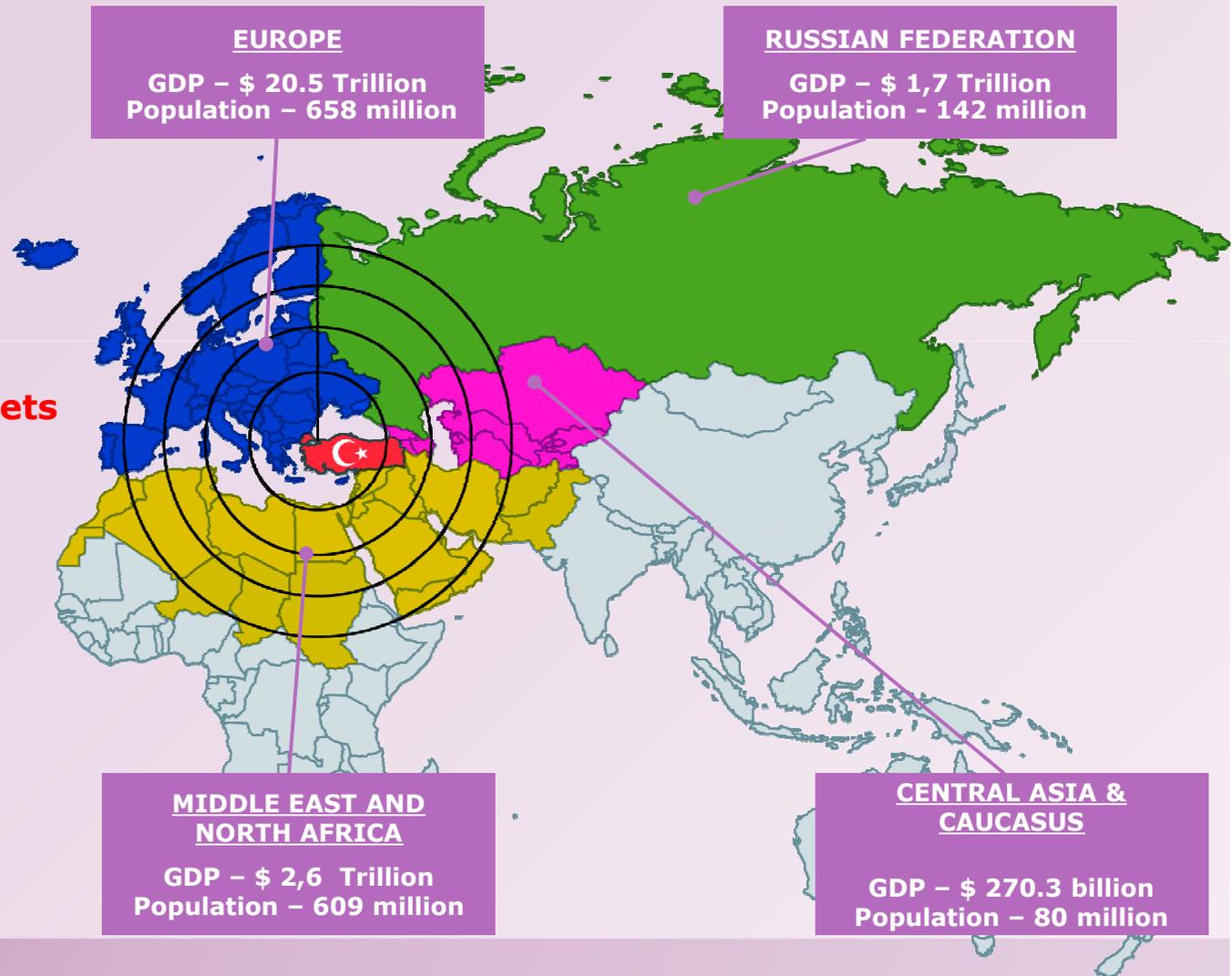


Source: TURKSTAT

Top reasons to invest in Turkey

Access to Multiple Markets Total 1,5 Billion People \$ 25 Trillion GDP

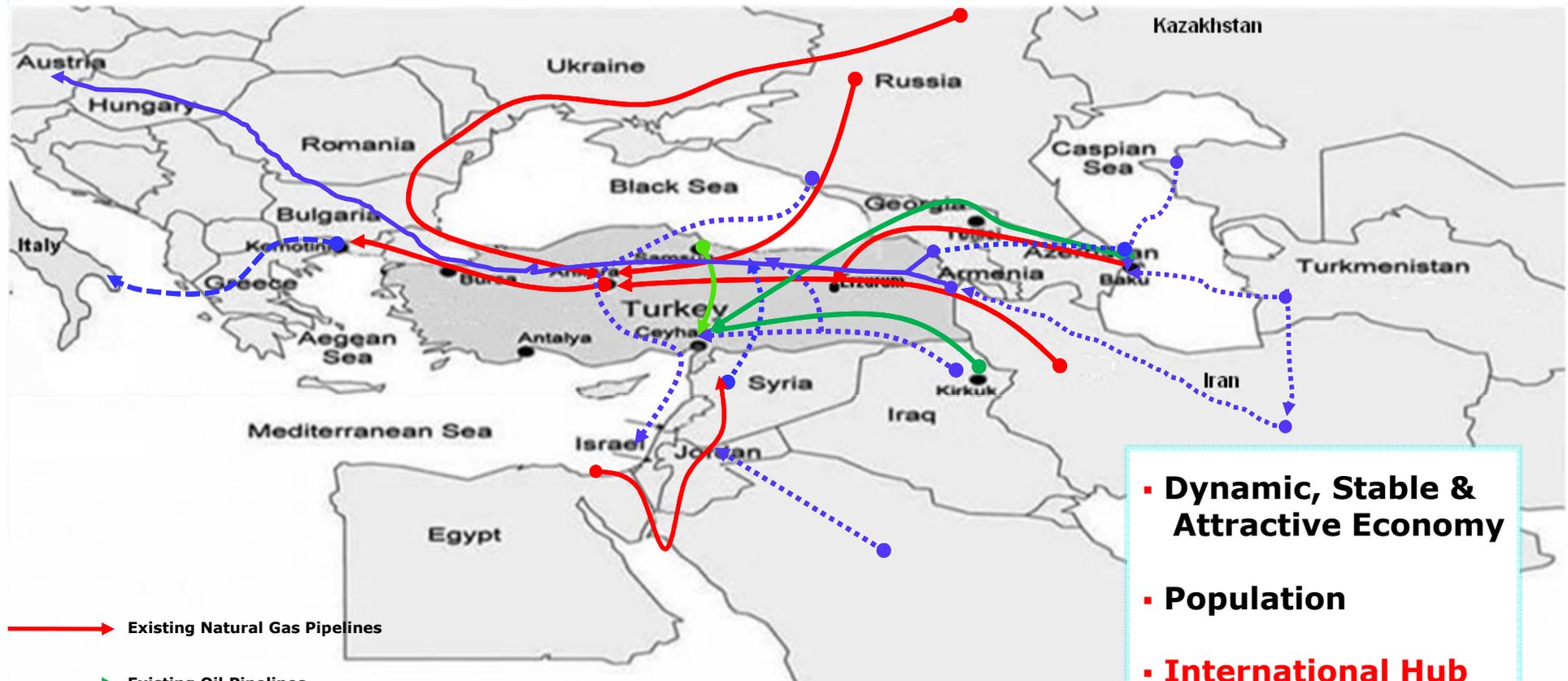
- **Dynamic, Stable & Attractive Economy**
- **Population**
- **International Hub**
 - **Access to Multiple Markets**
- **Energy Corridor**
- **Structural Reforms**



Source: IMF World Economic Outlook April 2009

Top reasons to invest in Turkey

Turkey As An Energy Corridor And Terminal



- Existing Natural Gas Pipelines
- Existing Oil Pipelines
- Natural Gas Pipelines under Construction
- Natural Gas Pipelines Underway
- Proposed Natural Gas Pipelines
- Oil Pipelines under Construction

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

Top reasons to invest in Turkey

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

Key Elements of Structural Reform Agenda

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

Top reasons to invest in Turkey

Structural Reforms

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



Top reasons to invest in Turkey

INVESTMENT INCENTIVES IN TURKEY

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

The Agency



The Agency

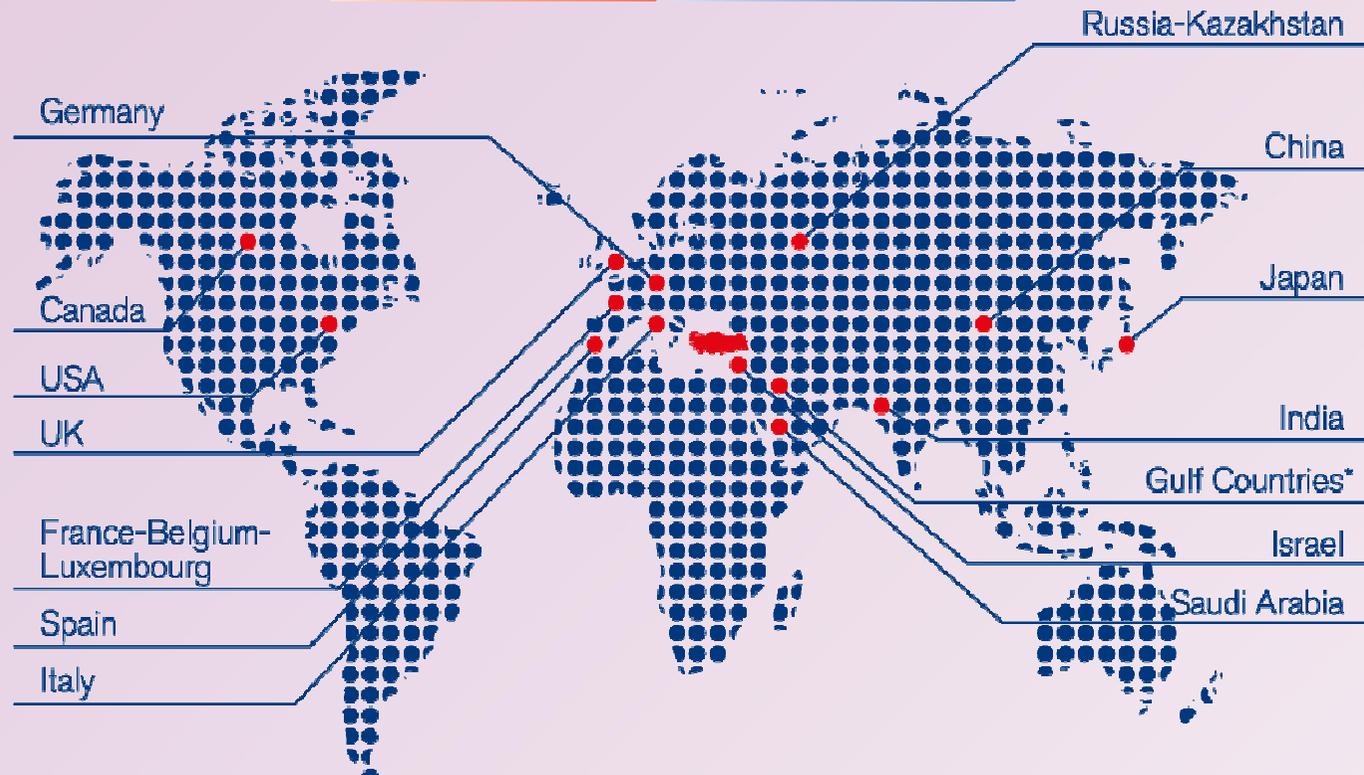
The Agency

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

The Agency

The International Network

15 representatives → 21 countries



* Bahrain, Kuwait, Oman, Qatar, United Arab Emirates

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

The Agency

WORLD BANK'S GLOBAL INVESTMENT PROMOTION BENCHMARKING REPORT 2009

Among 181 National Investment Promotion Agencies,

INVESTMENT SUPPORT and PROMOTION AGENCY of TURKEY ranked as;

15th in the World in terms of General Performance Assessment

5th in the World and 2nd in Europe in terms of Inquiry Handling

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



Some International Investors in ICT & Electronics



Some International Investors in FMCG & Retail

Amway

AVON
the company for women

3M

AllianceOne

AVERY
DENNISON

BRITISH AMERICAN
TOBACCO

Barilla

Clariant

Colgate

Gloria Jean's
COFFEES

Henkel

Levi's

groupe carrefour

Coca-Cola

TESCO

DANONE

HARIBO

Imperial
Tobacco

Kimberly-Clark

JTI

KRAFT

Cadbury Schweppes

L'ORÉAL

McDonald's

METRO Group

Nestlé

PEPSI

PERFETTI
van Melle

PHILIP MORRIS
INTERNATIONAL

Praktiker

RECKITT
BENCKISER

NIKE

STARBUCKS
COFFEE

Unilever

DARTY

BAUHAUS

P&G
Procter & Gamble

Red Bull

Some International Investors in Different Sectors

ALSTOM



VELUX

TOYOTA

AREVA

AstraZeneca 

iPRAGAZ



ABB

NEWMONT



Mobil



**RIO
TINTO**

Why Turkey?



Enjoy your potential in Turkey



Why Turkey?

According to the projection of Goldman Sachs,

Turkey will be the 9th largest economy in the world and the 3rd largest economy in Europe by 2050.

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

Source: Goldman Sachs, 2009

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



ON

INVEST IN TURKEY

THANK YOU FOR YOUR ATTENTION

**REPUBLIC OF TURKEY PRIME MINISTRY
INVESTMENT SUPPORT AND
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**YOUR ONE-STOP-SHOP
IN TURKEY**

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