

# **REPUBLIC OF TURKEY PRIME MINISTRY**

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

Bekir POLAT  
Senior Project Director

**“Investment Climate in Turkey”**

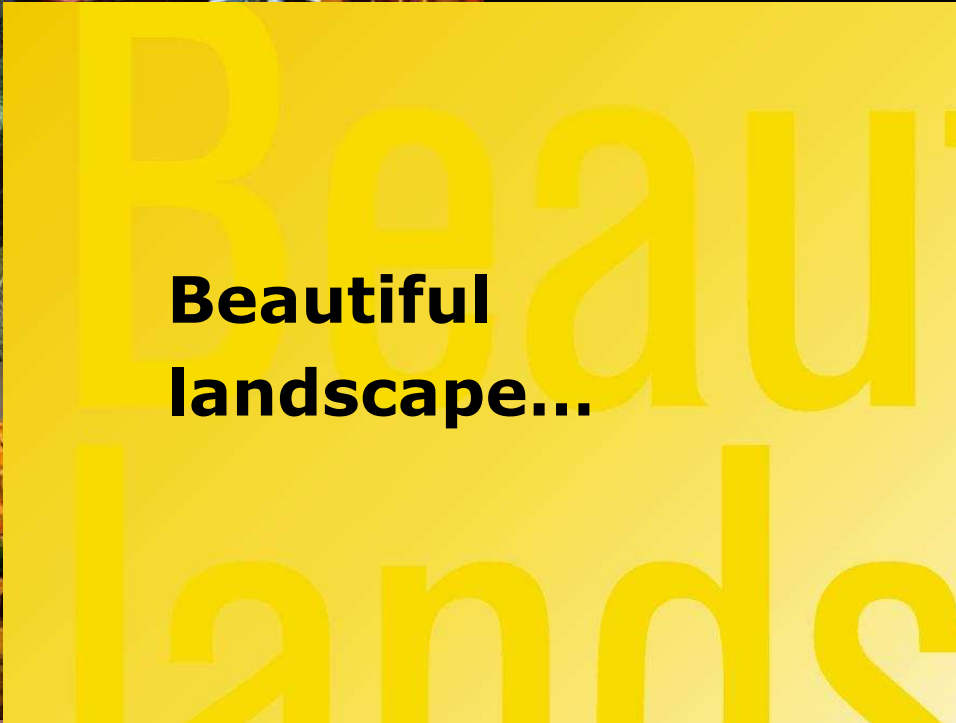
20th April 2010 , Vienna

REPUBLIC OF TURKEY PRIME MINISTRY  
INVESTMENT SUPPORT AND  
PROMOTION AGENCY



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

**invest.gov.tr**



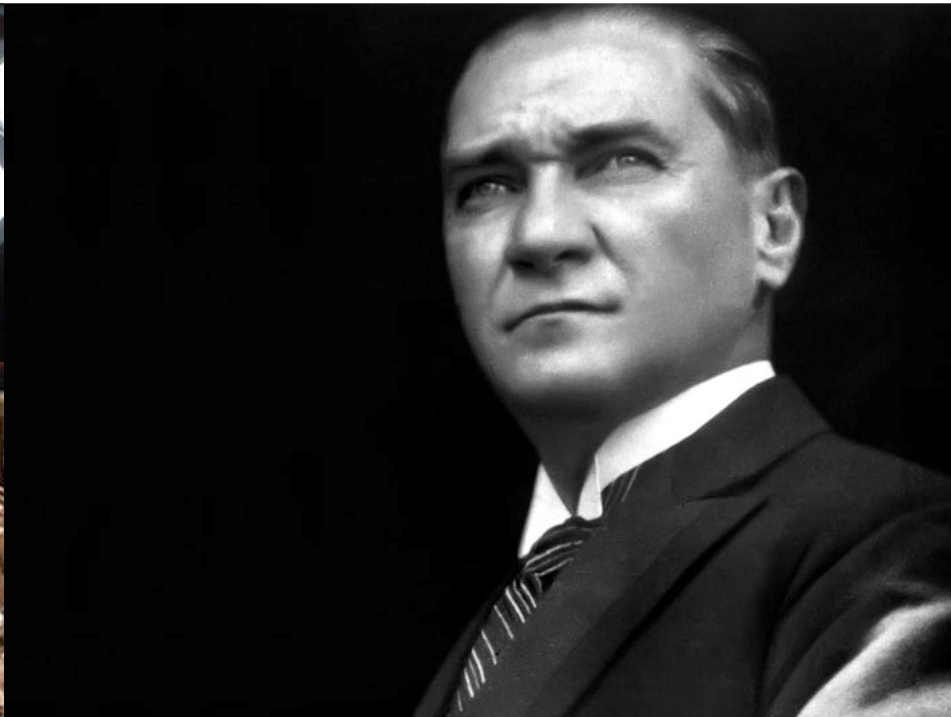




**Combination of  
contemporary and  
traditional...**







**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  
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# **Turkey with some key figures...**



A nighttime photograph of the Istanbul skyline. In the background, several tall skyscrapers are illuminated against the dark sky. The middle ground shows a dense urban area with many smaller buildings and a prominent elevated highway with light trails from traffic. In the foreground, a mosque with two minarets is visible, and the city lights reflect on the water in the bottom left corner.

**15<sup>th</sup> largest economy in the world and 6<sup>th</sup> when compared to the EU Countries in 2008 (IMF)**

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

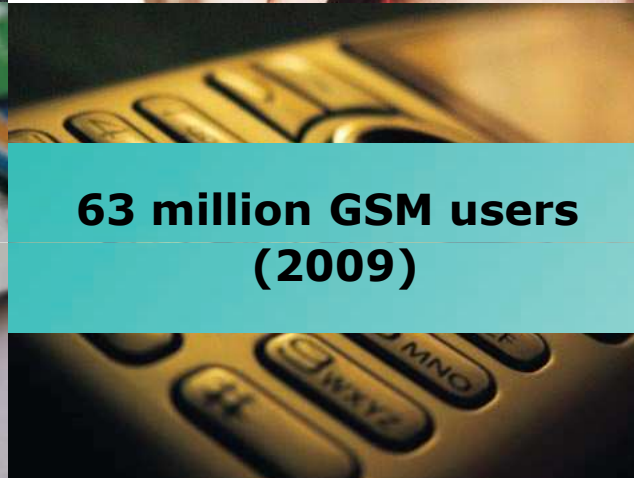




**30 million internet  
users (2009)**



**63 million GSM users  
(2009)**



**44.4 million credit card  
users (2009)**







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

**Turkey is the 15<sup>th</sup> 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 5<sup>th</sup> largest shipbuilding (units) country as well as the 3<sup>rd</sup> largest mega yacht producer in the world (2008)



**VOLITAN**

Designer Dr. Hakan GÜRSU & Designer Sözümler DOĞAN, TURKEY

**- 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**

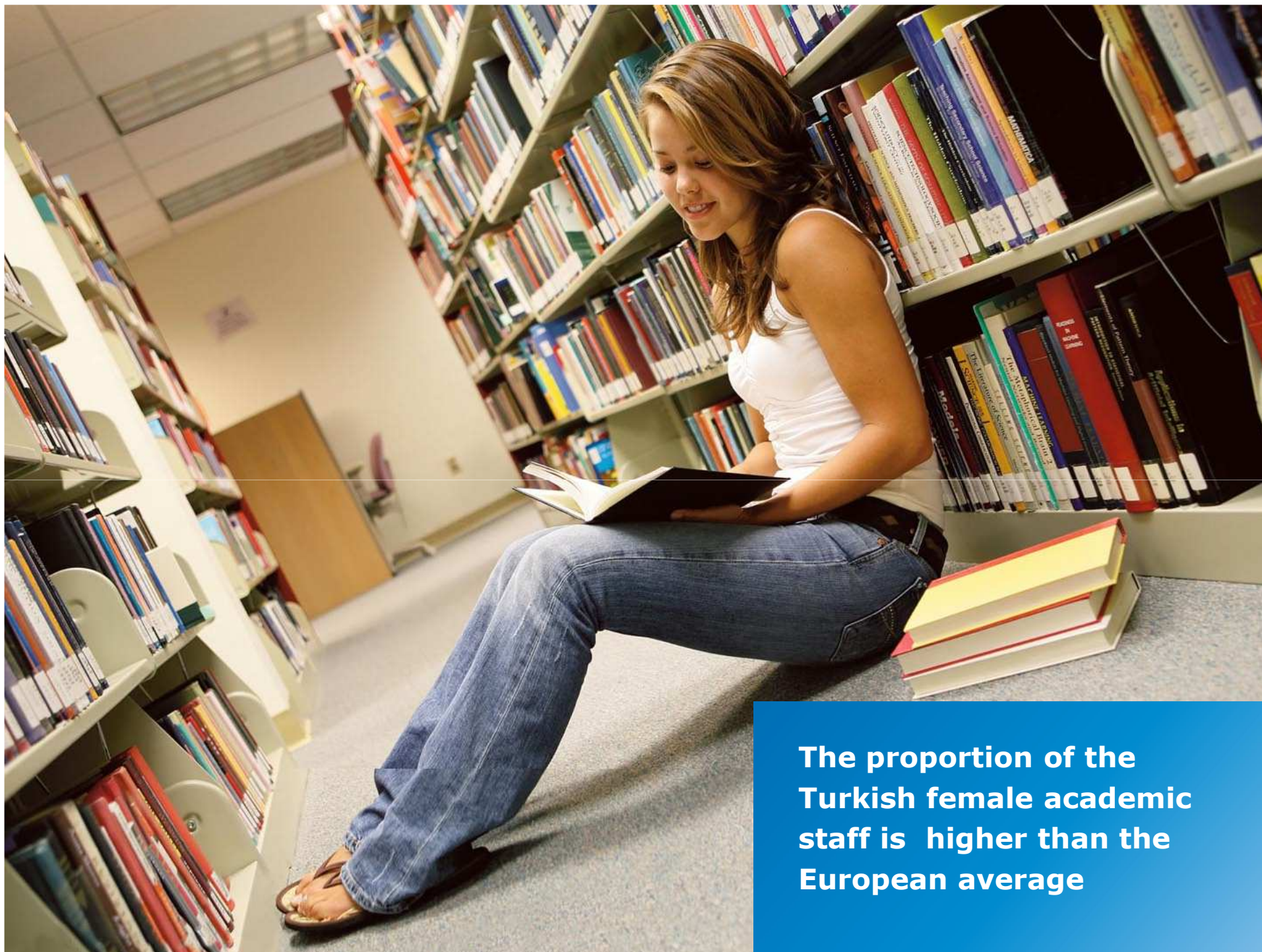
**The best airline in Southern Europe; sole 4-star airline in Europe (Skytrax 2009)**



**- 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 7<sup>th</sup> most visited holiday destination in the world (2008)

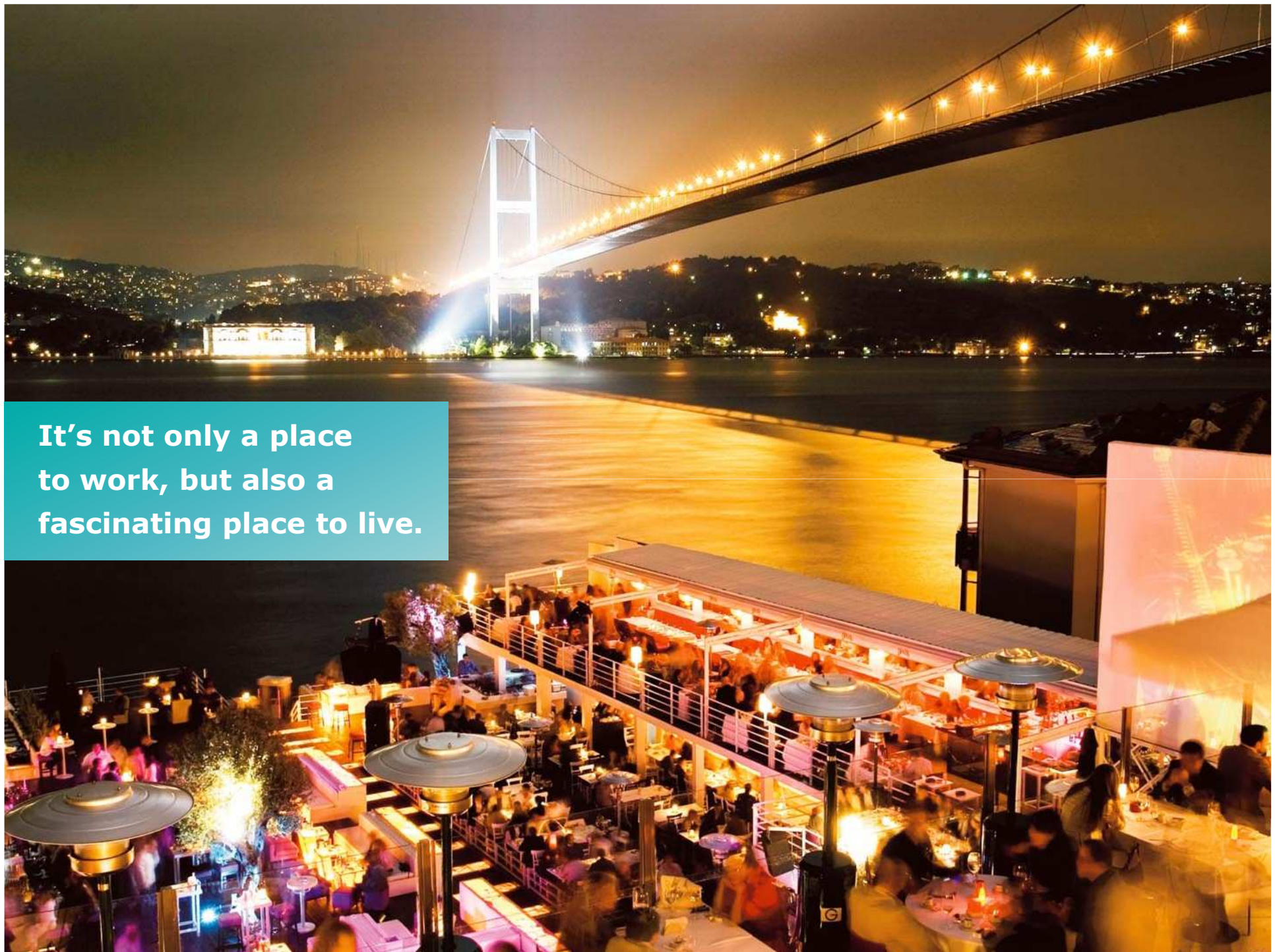
### International Tourist Arrivals

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
<b>7. Turkey*</b>	<b>26.5</b>
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)





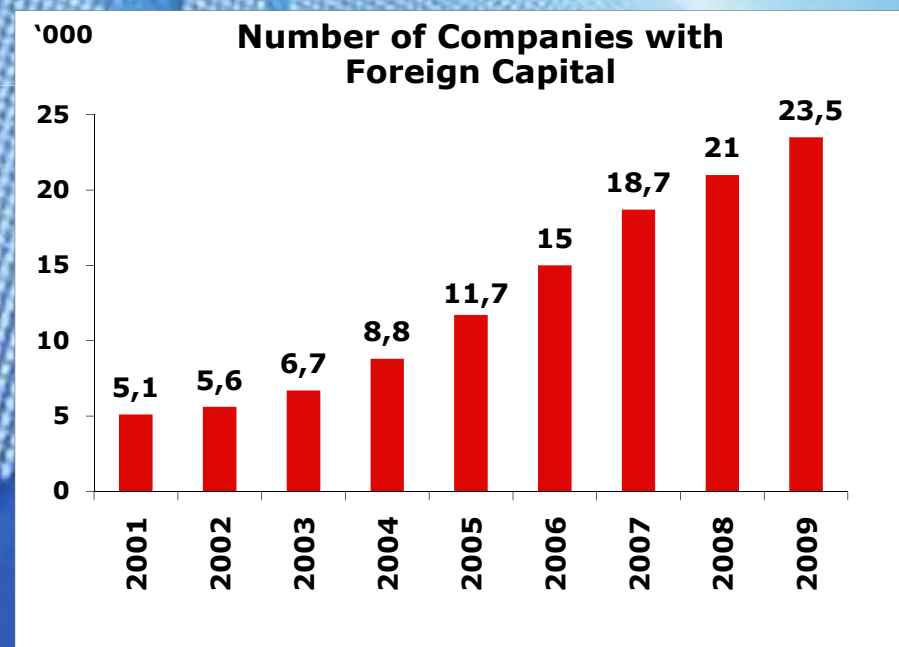
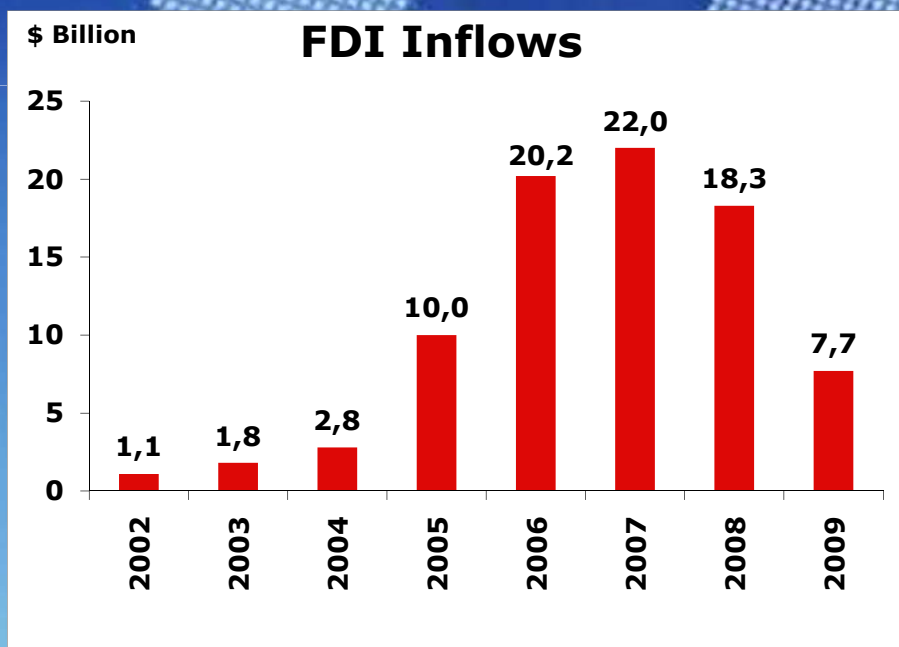
**It's not only a place  
to work, but also a  
fascinating place to live.**

# FDI in Turkey





## Strengthening upward trend in FDI Inflows



Source: Central Bank of Republic of Turkey & Treasury

# Top reasons to invest in Turkey



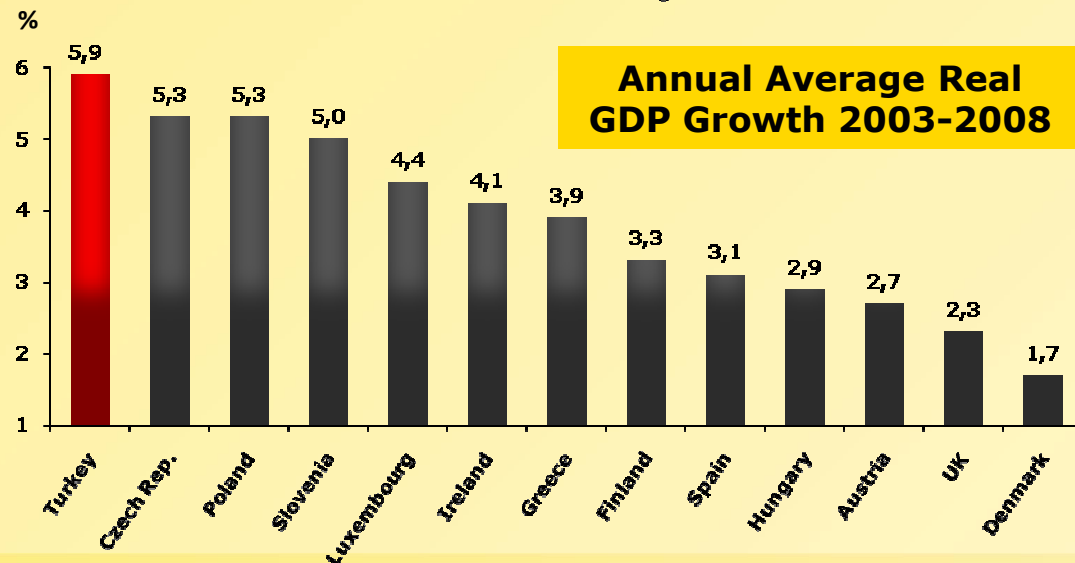
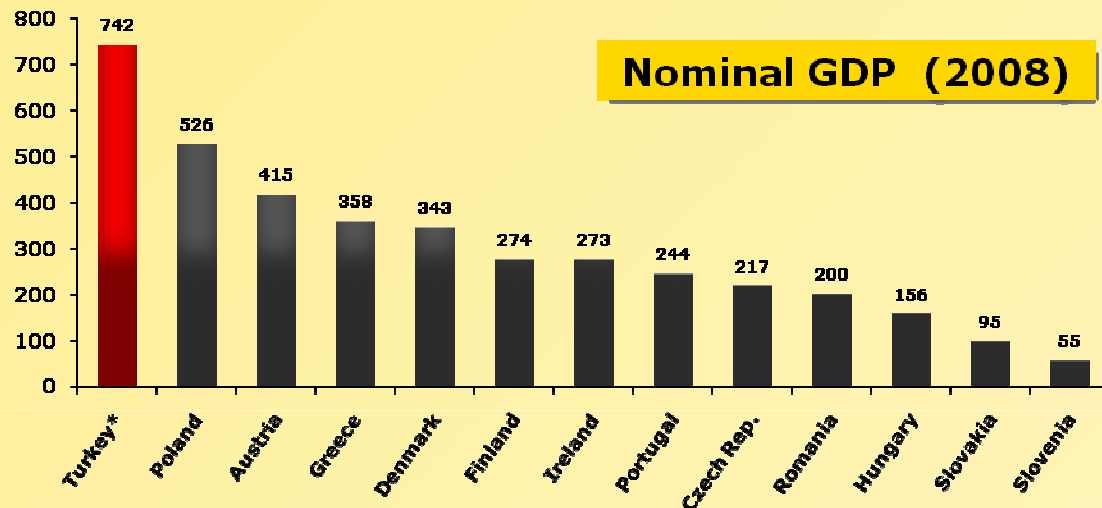


## Top reasons to invest in Turkey

- **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**

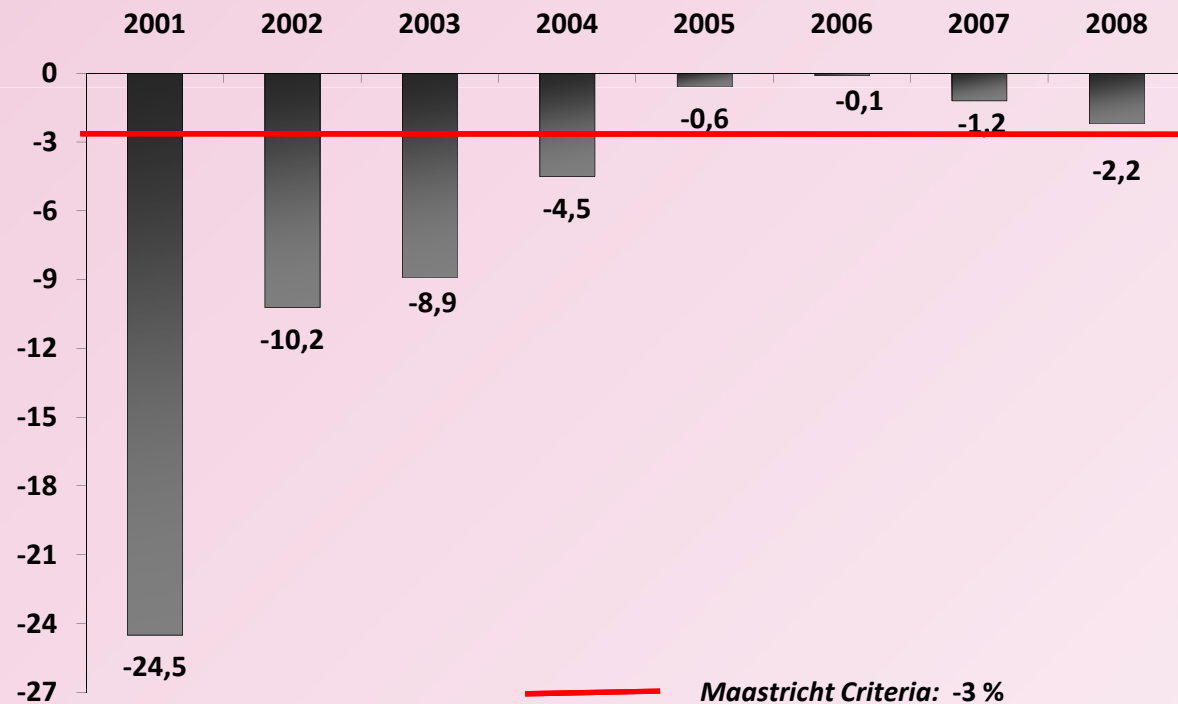


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## Stability and High Performance in the Economy

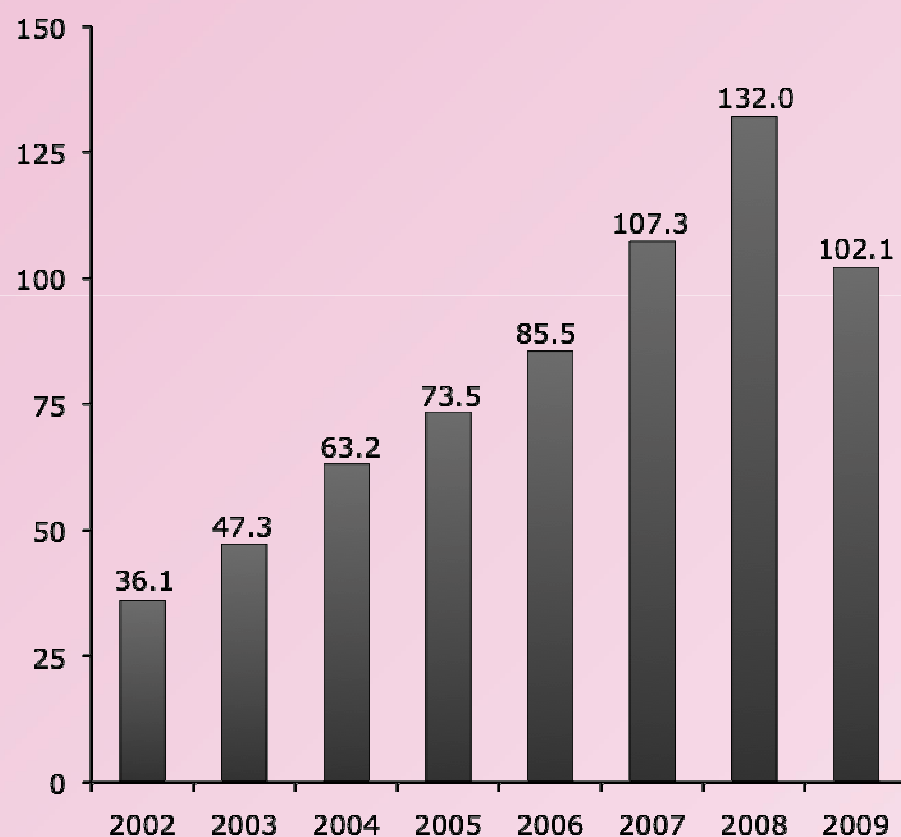
EU Defined General Government Budget Balance (% of GDP)



Source: EUROSTAT & TURKSTAT

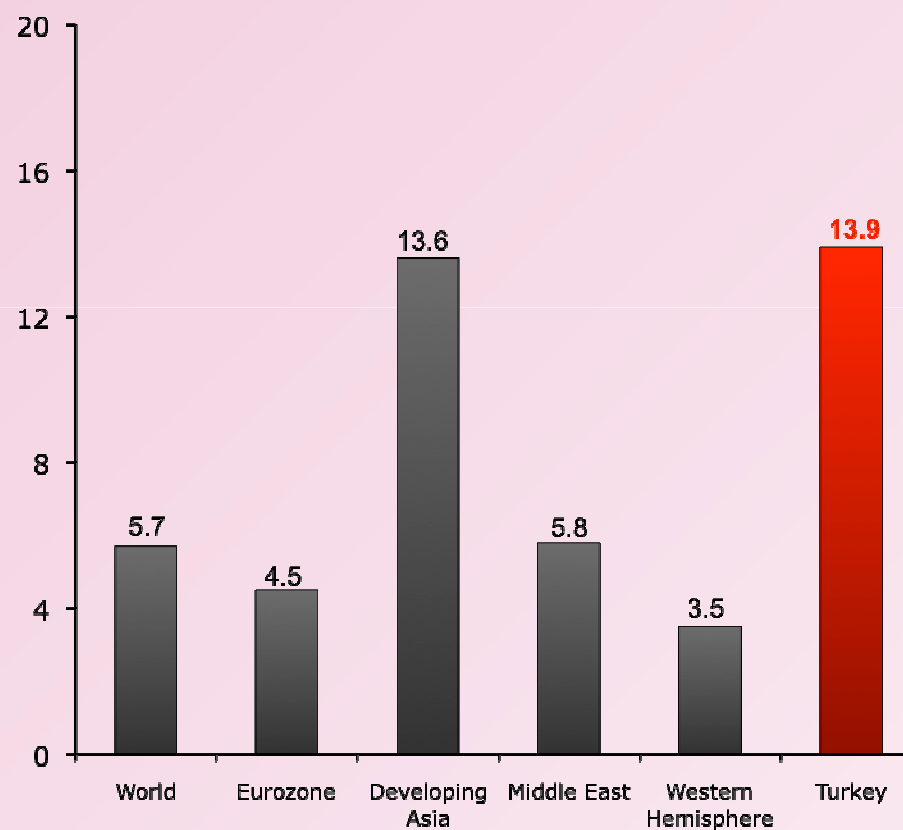
## Top reasons to invest in Turkey

**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 5<sup>th</sup> most liberal trade policies in the world  
(World Trade Indicators 2008)**

### ❖ **Customs Union with the EU**

#### ▪ **Dynamic, Stable & Attractive Economy**

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

#### ▪ **Population**

#### ▪ **International Hub**

#### ▪ **Structural Reforms**

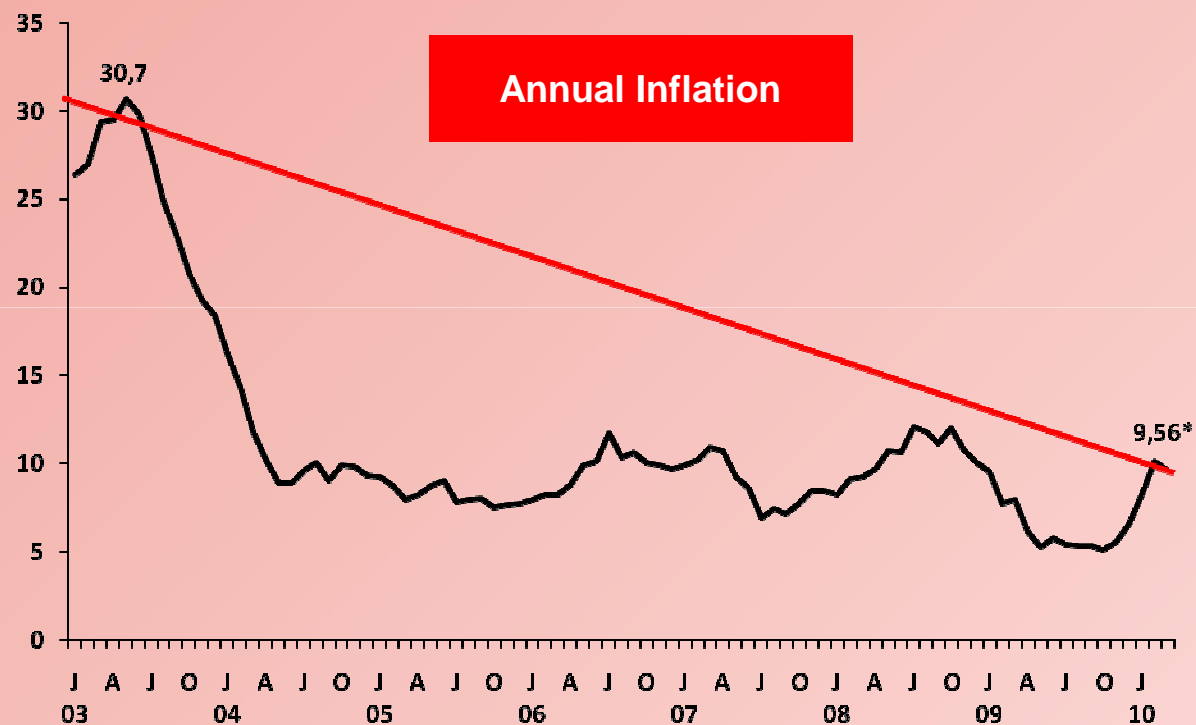
### ❖ **Free Trade Agreements with 16 countries:**

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

## Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
  - **GDP**
  - **Key numbers**
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### Stability and High Performance in the Economy



\* As of March 2010

Source: TURKSTAT

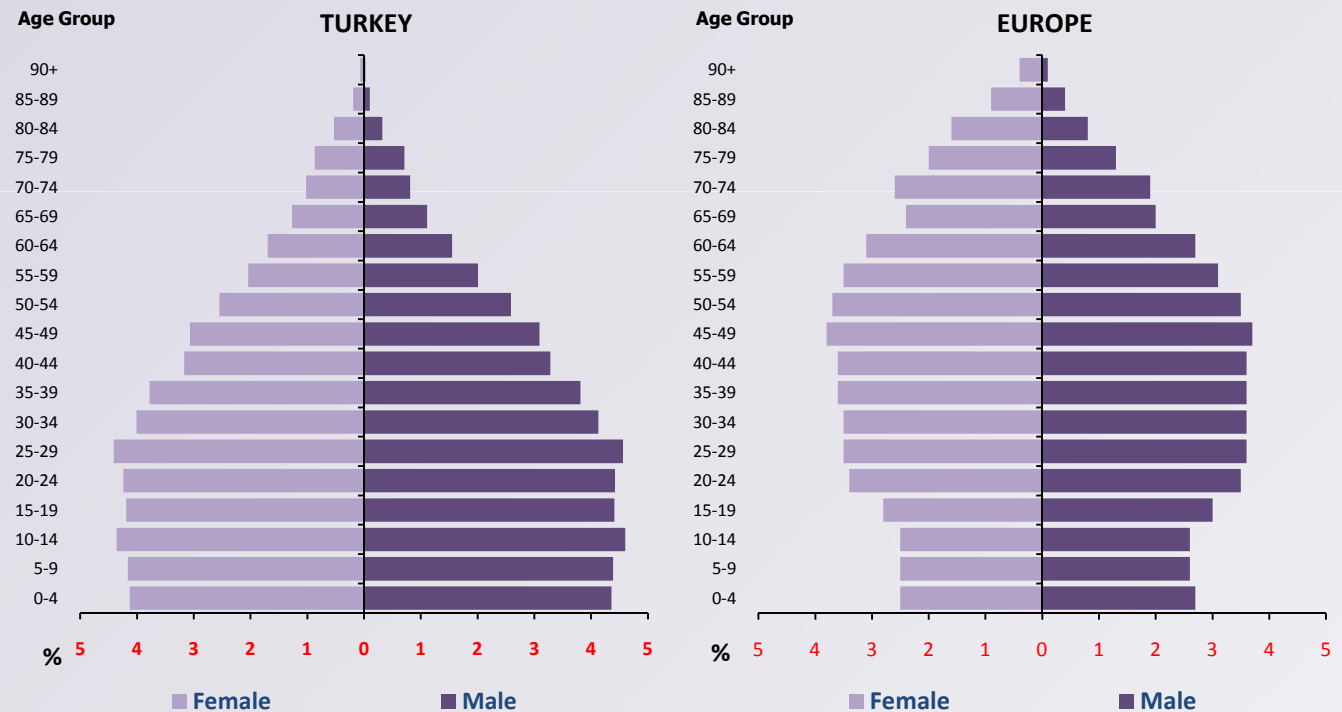


## Top reasons to invest in Turkey

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

## Potential of the Turkish Economy - Young Population -

### Population Pyramid



Source: UN and TURKSTAT, 2010

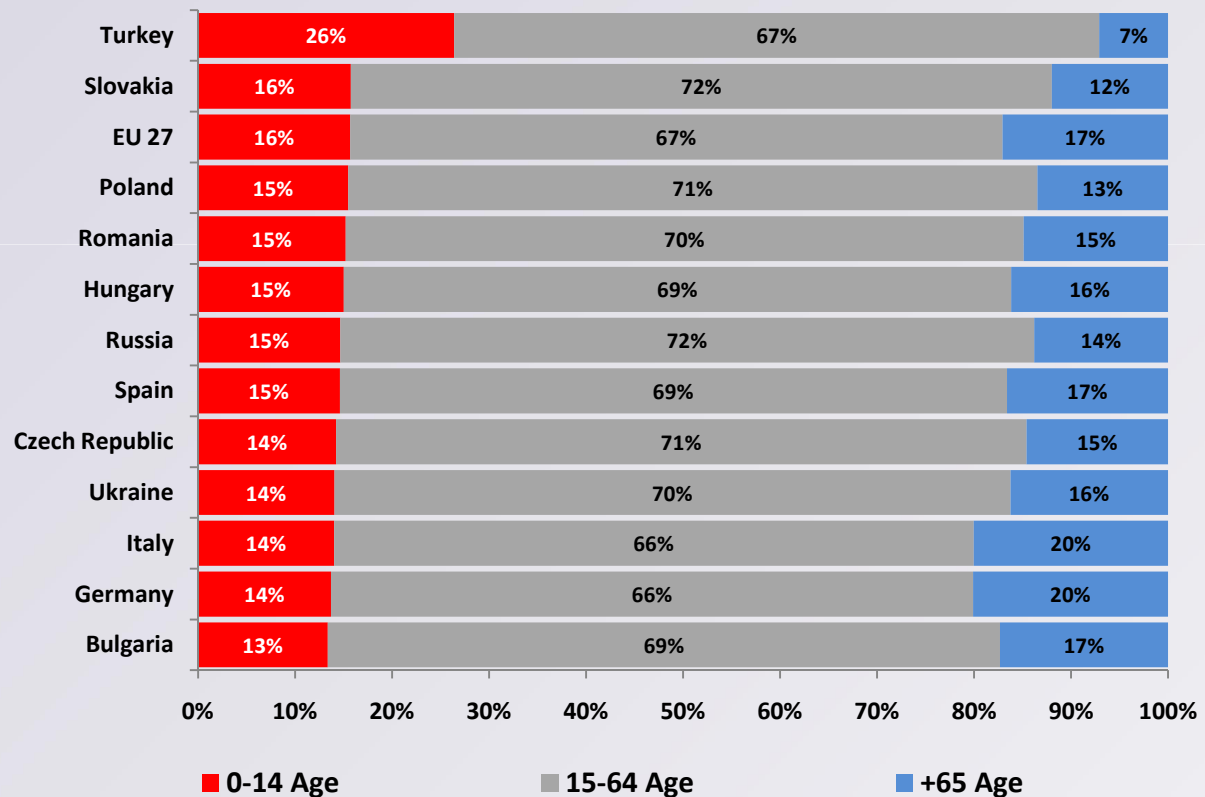
✓ Half of population in Turkey is under age 29

## Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - **Age**
  - **Labor Force**
  - **GDP**
- **International Hub**
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## Potential of the Turkish Economy - Young Population -

### Favorable Demographics Population by Age Groups (2008)



Source: EUROSTAT

✓ 26% of populations is under age 15

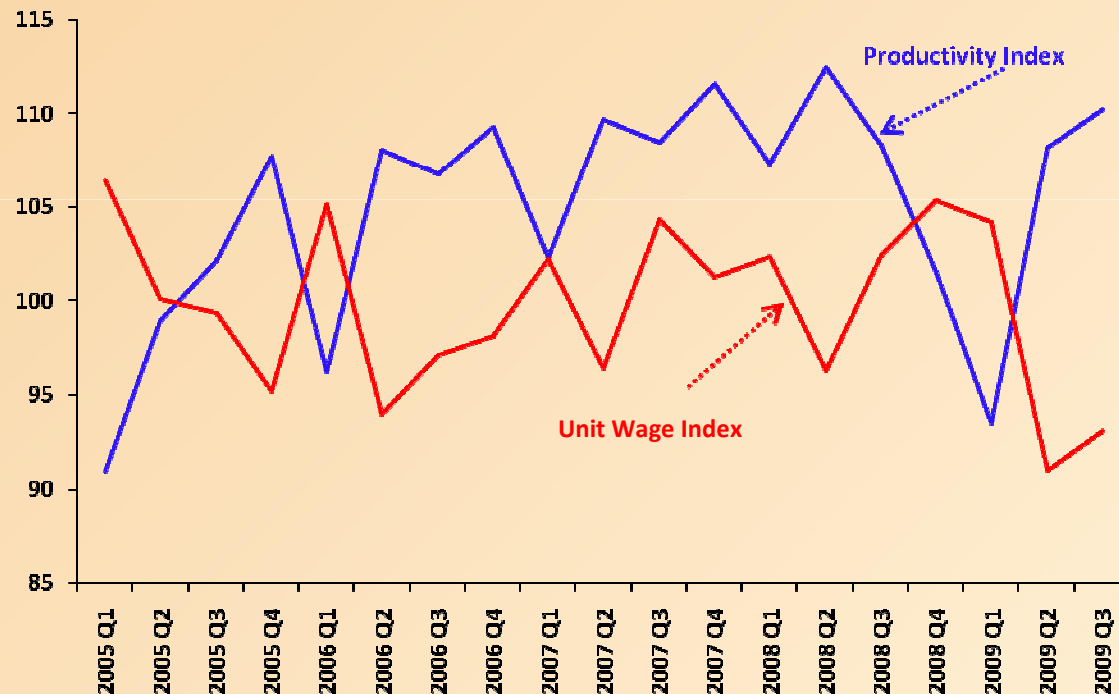


## Top reasons to invest in Turkey

### 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

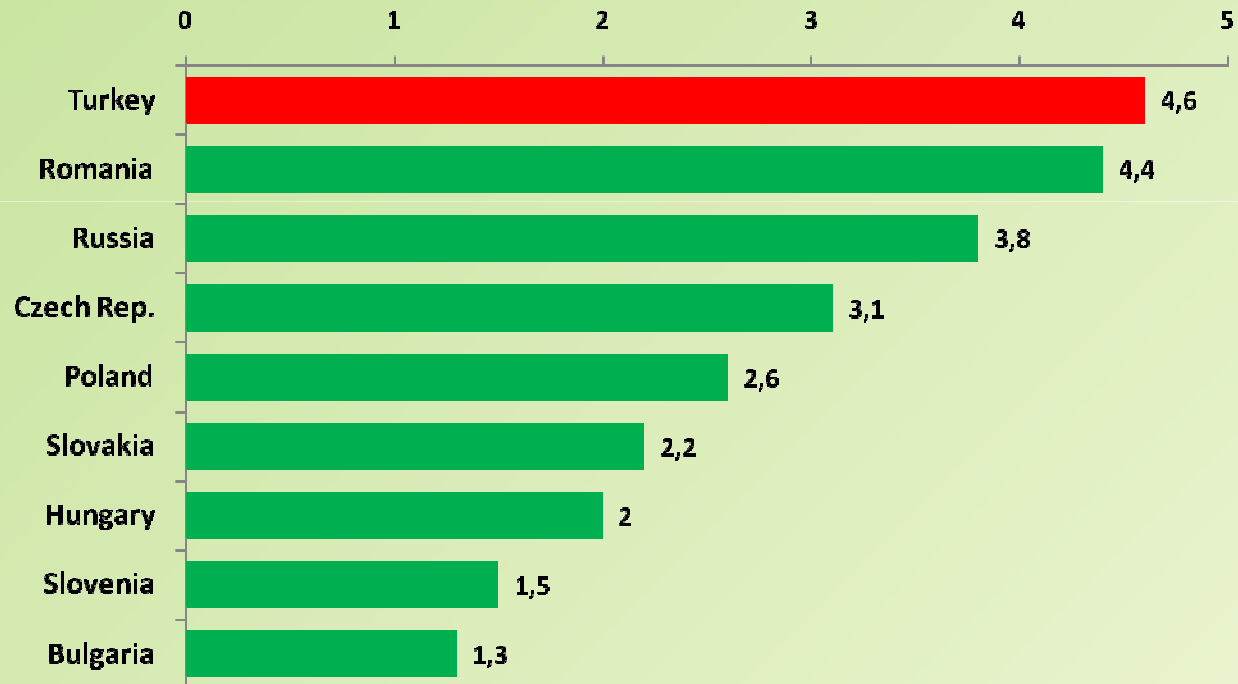
- **Dynamic, Stable & Attractive Economy**

- **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**

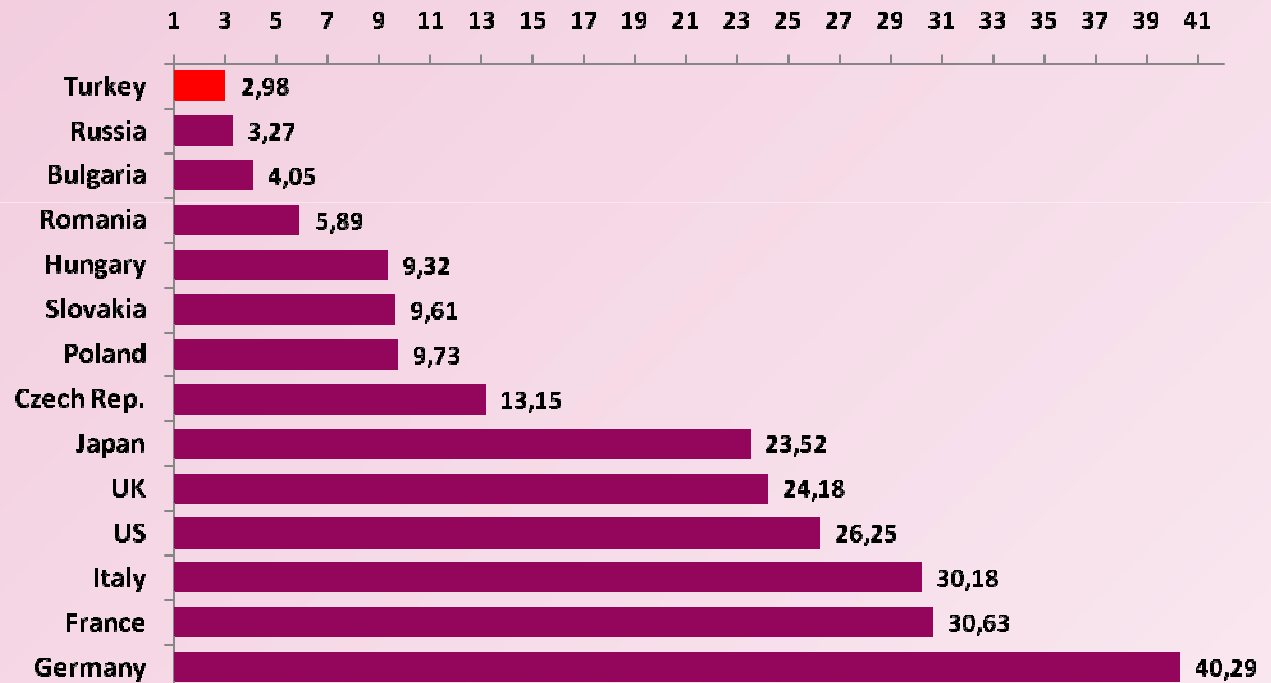
- **Population**
  - **Age**
  - **Labor Force**
  - **GDP**

- **International Hub**

- **Structural Reforms**

## Productive and Cost-effective Labor Force

Labor Cost Per Hour (\$US)  
2009



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

# Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**

- **Population**

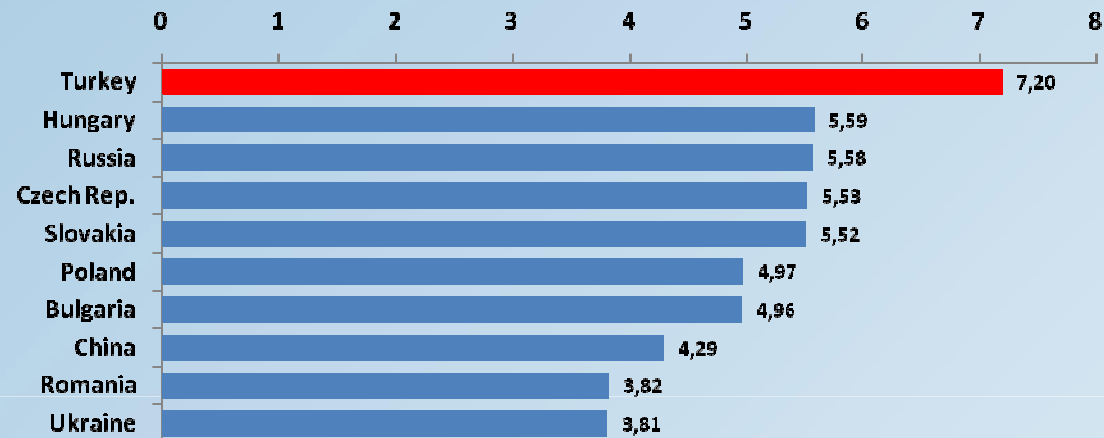
- Age
- Labor Force
- GDP

- **International Hub**

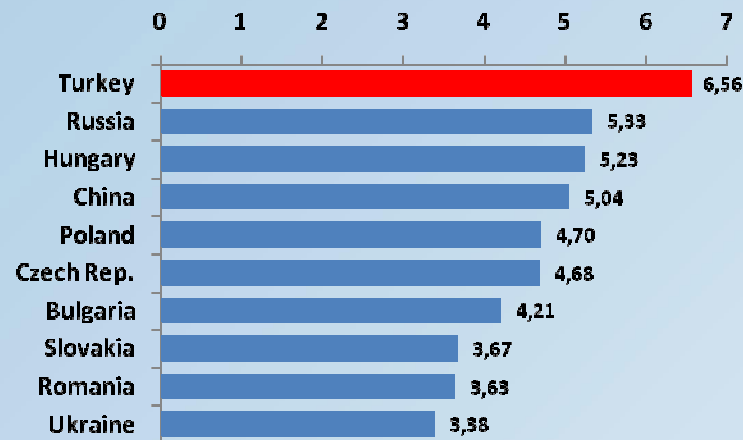
- **Structural Reforms**

## Availability of the Skilled Labor Force

Qualified Engineers 2009



Competent Senior Managers 2009



IT Skills 2009

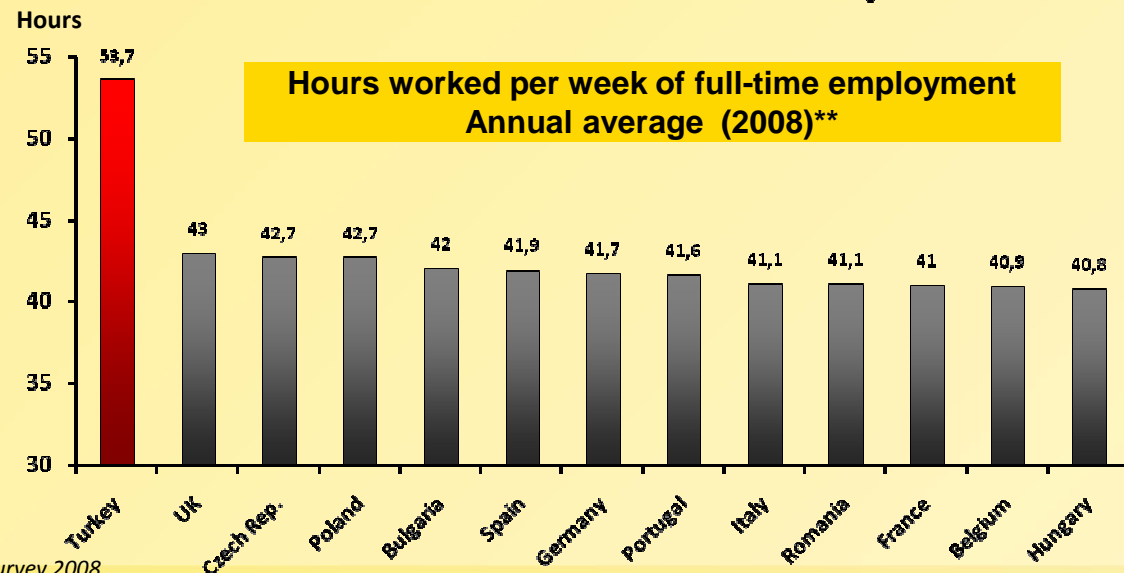
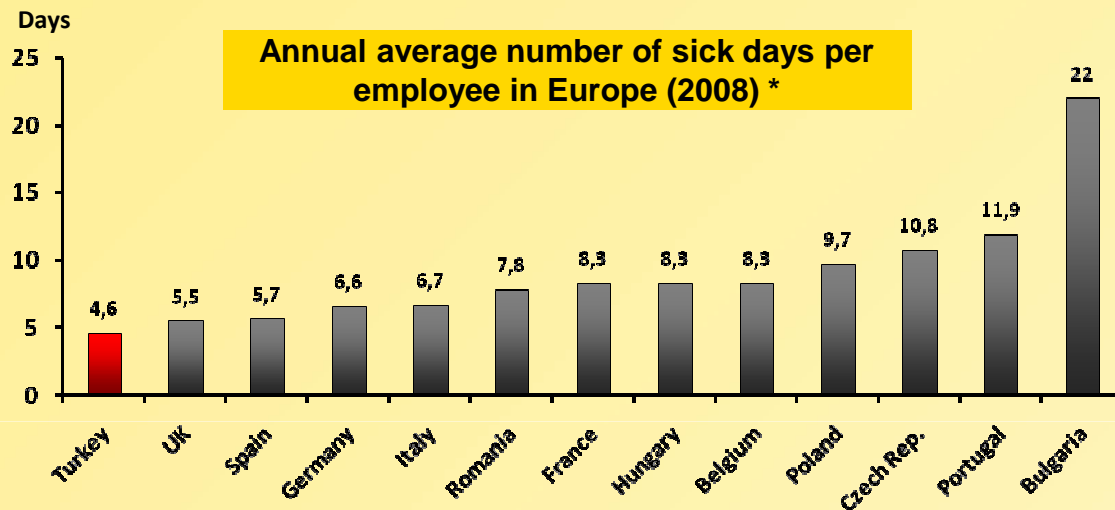




## Top reasons to invest in Turkey

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

## Productive and Cost-effective Labor Force



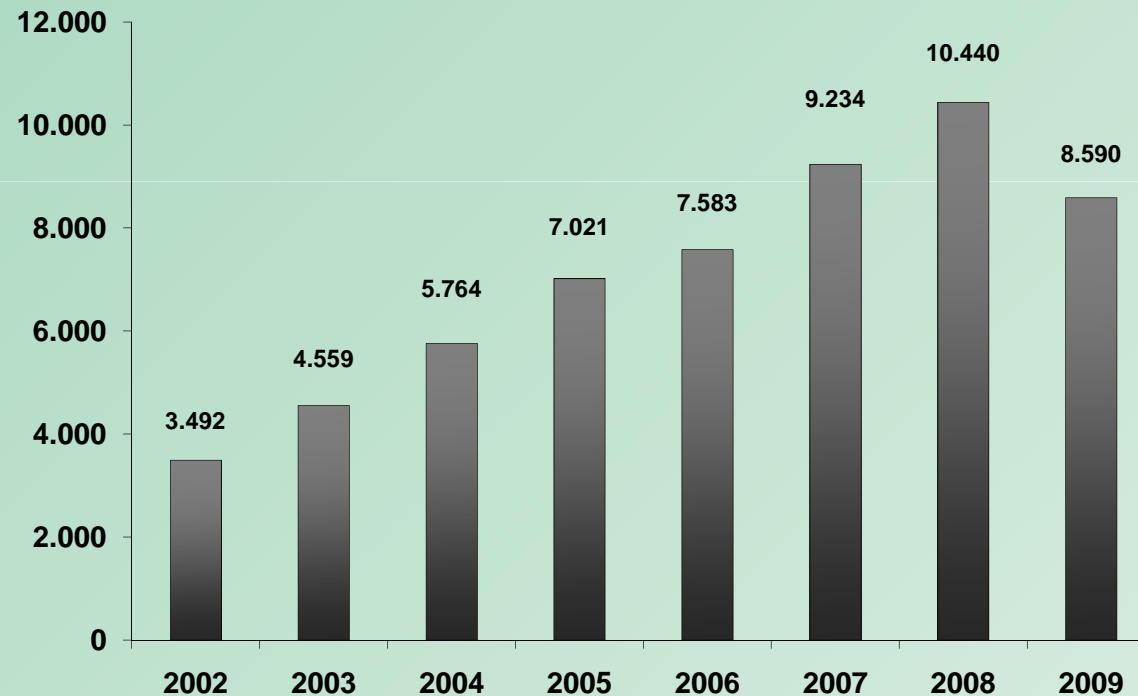
Source: \*MERCER - Pan-European Employer Health Benefits Issues Survey 2008  
 \*\*EUROSTAT 2008

## Top reasons to invest in Turkey

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

## Potential of the Turkish Economy

### GDP Per Capita – Nominal (USD)

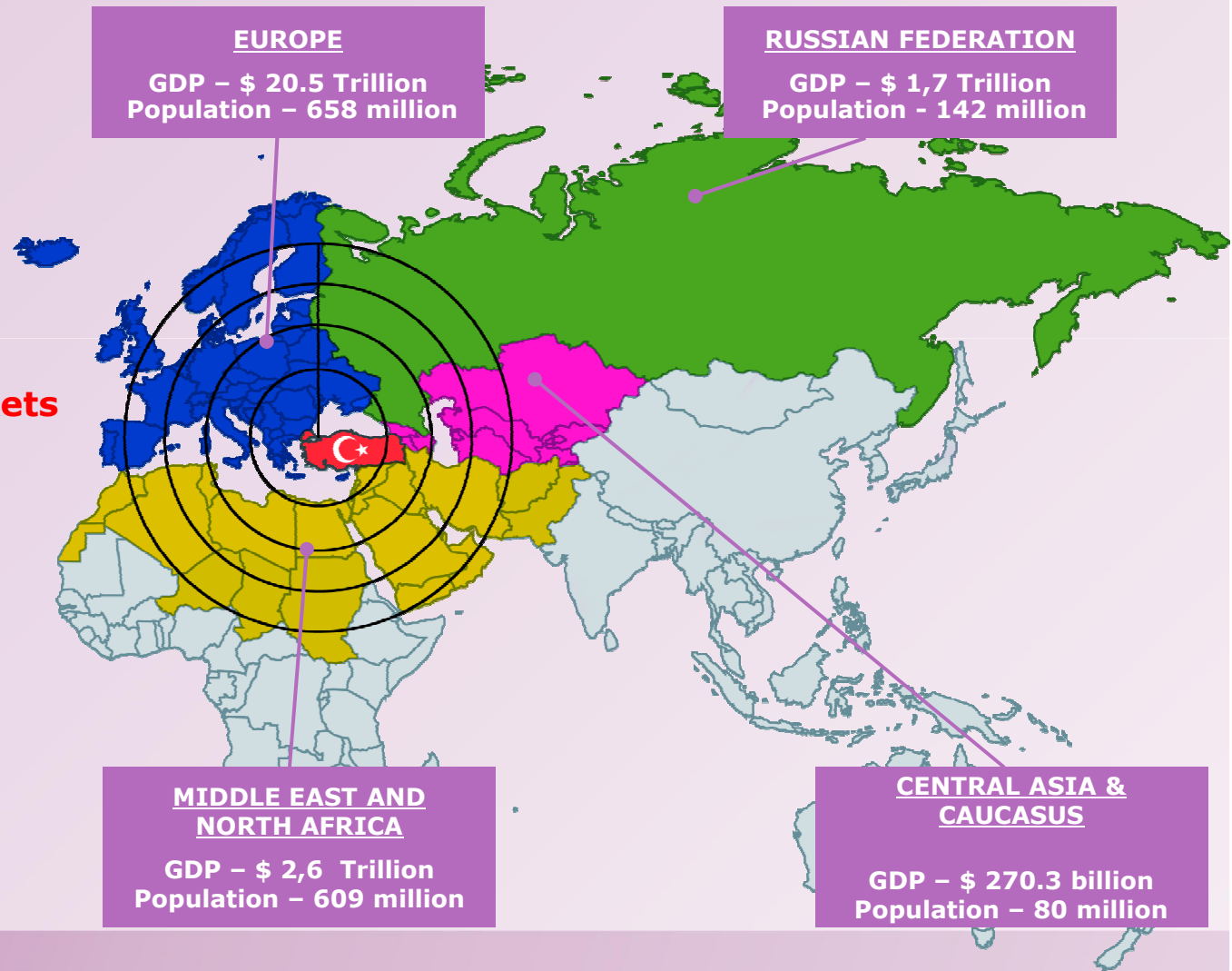


Source: TURKSTAT

## 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**

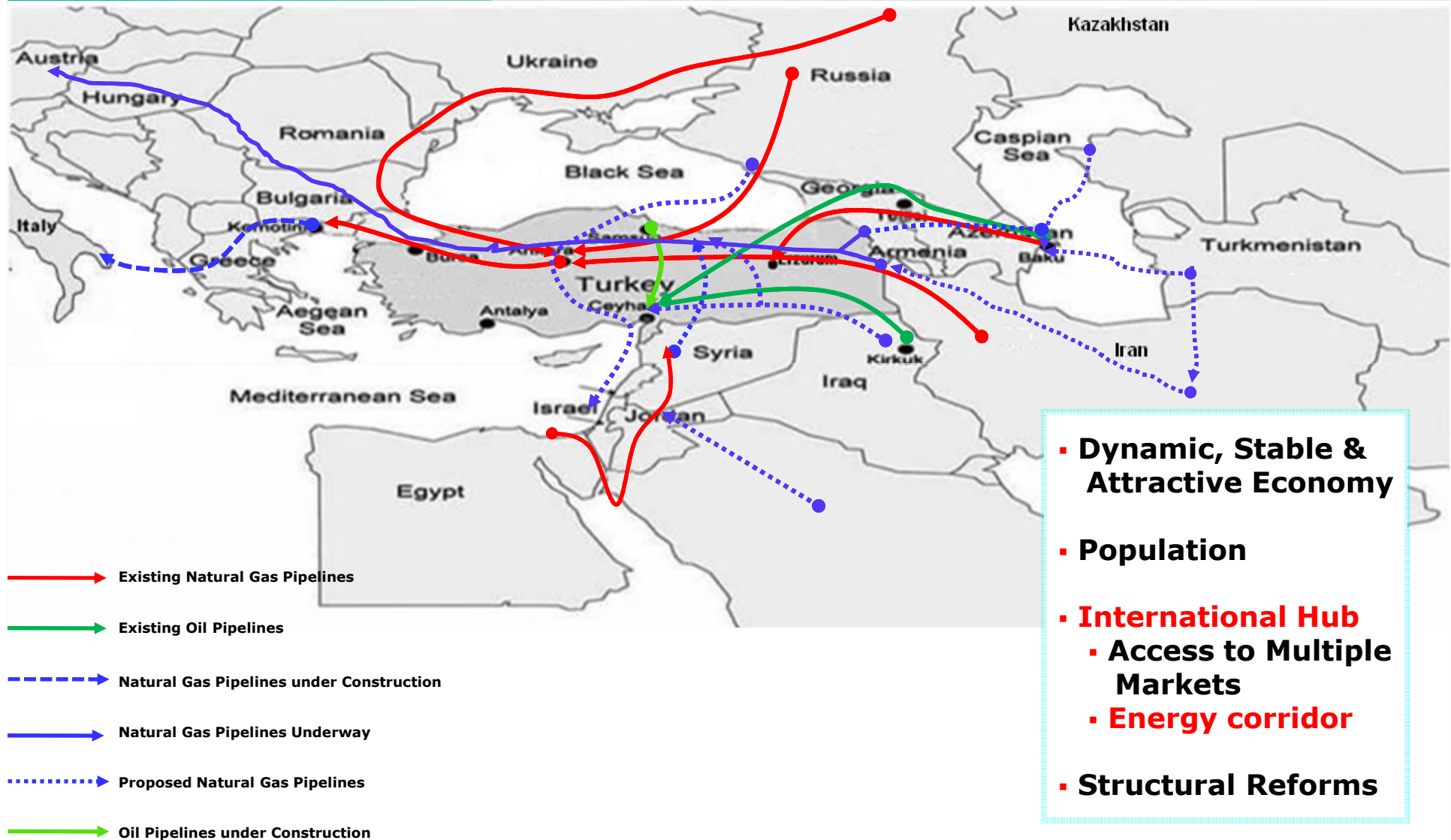


Source: IMF World Economic Outlook April 2009



## Top reasons to invest in Turkey

### Turkey As An Energy Corridor And Terminal



## 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**



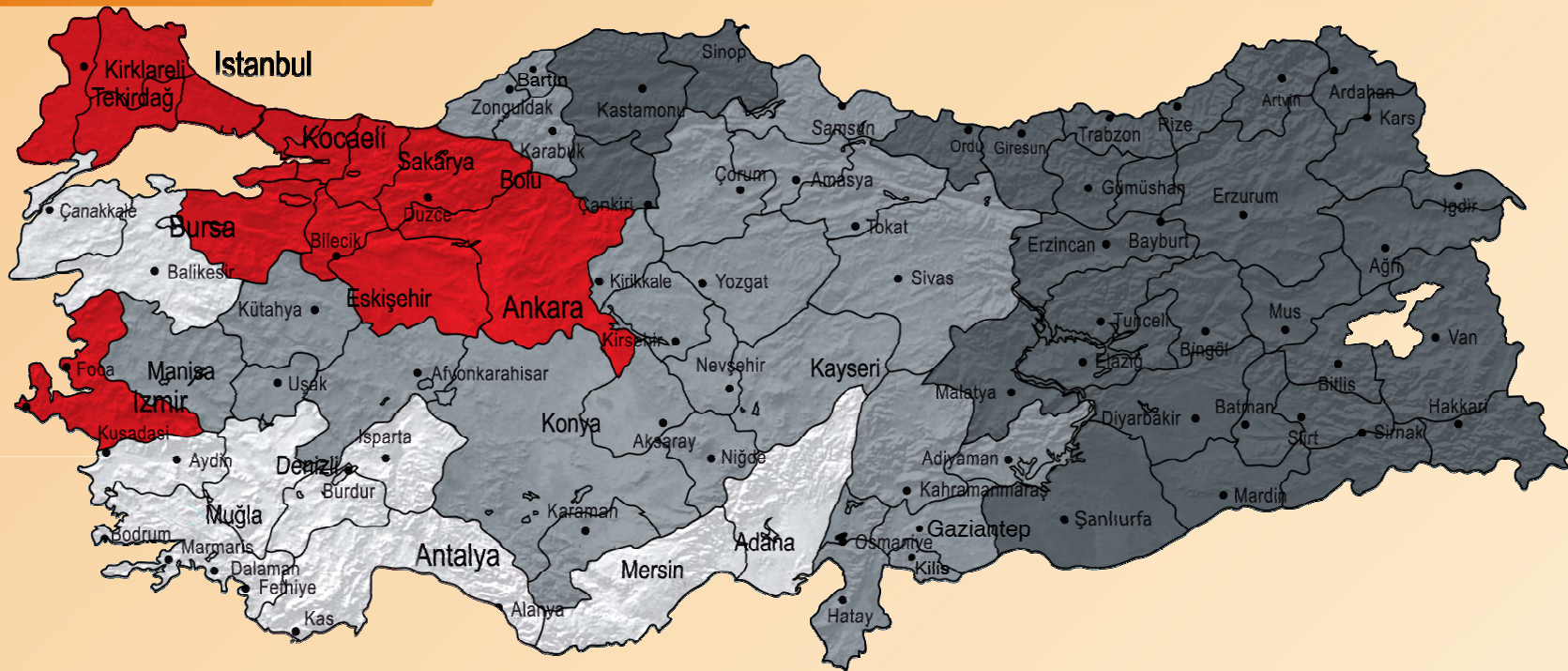


## **Top reasons to invest in Turkey**

### **INVESTMENT INCENTIVES IN TURKEY**

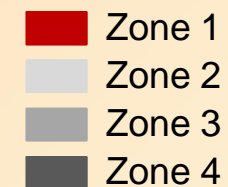
- 1. General Incentive System**
- 2. Large Scale Investments**
- 3. Region and Sector-Based Incentive System**
- 4. Employment Scheme**
- 5. Research and Development Supports**
- 6. State Incentives for Export**

## Top reasons to invest in Turkey



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

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



# The Agency





# The Agency

## **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)

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

*Among 181 National Investment Promotion Agencies,*

INVESTMENT SUPPORT and PROMOTION AGENCY of TURKEY ranked as;

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

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



The <sup>n</sup>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 9<sup>th</sup> largest economy in the world and the 3<sup>rd</sup> largest economy in Europe by 2050.**

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

**Source:** Goldman Sachs, 2009

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



**ON**

**INVEST IN TURKEY**

**THANK YOU FOR YOUR ATTENTION**

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