

INVEST IN TÜRKİYE



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Message from the Investment Office

With more than 1 million vehicles rolling off the line every year, Turkey is the 15th largest automotive producer in the world and 5th largest in Europe. Turkey is a strong manufacturing and engineering hub for the global automotive value chain with 85 percent average export rate.

We are now experiencing a milestone in the automotive industry with the prototype of the indigenous automobile from TOGG (Turkey's Automobile Joint Venture Group). Guided by the vision of President Recep Tayyip Erdoğan, the all-electric automobile project will further strengthen Turkey's position in the global automotive market.

President, Investment Office
Arda ERMUT

TURKEY STARTS NEW JOURNEY IN AUTOMOTIVE INDUSTRY

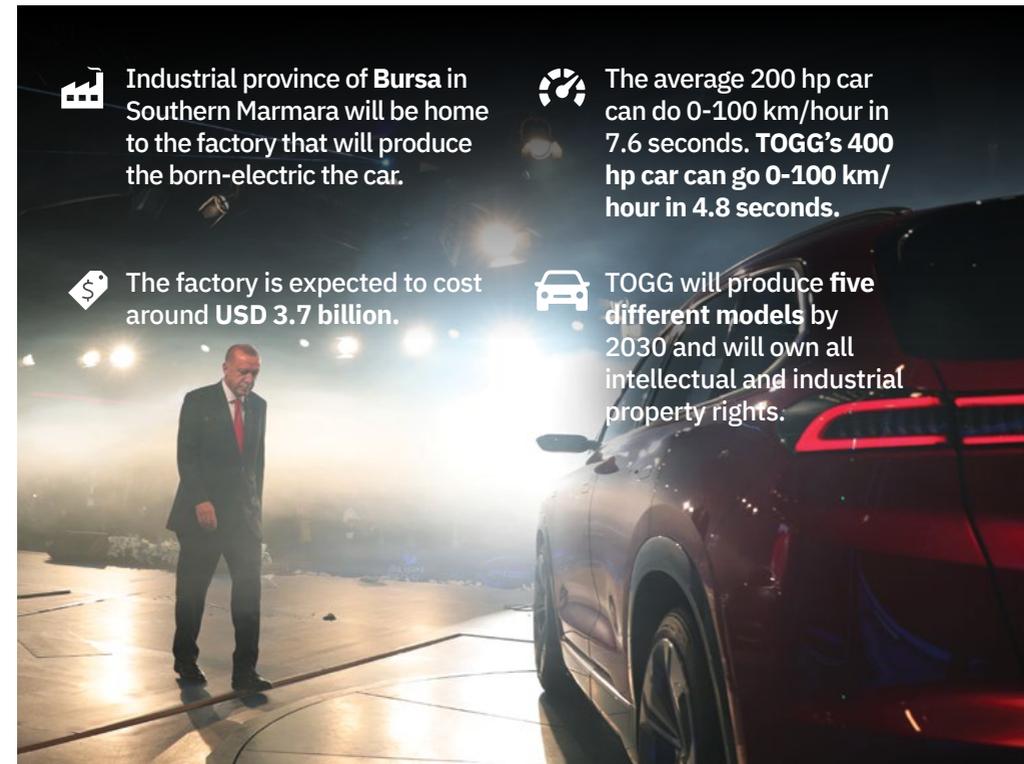
President Recep Tayyip Erdoğan unveiled Turkey's new all-electric indigenous automobile in a ceremony held at the IT Valley in Gebze on December 27, 2019.

Turkey's Automobile Joint Venture Group (TOGG) was founded with a unique collaboration model meant to build upon synergies between the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and five Turkish industry giants Anadolu Group, BMC, Kök Group, Turkcell, and Zorlu Group.

TOGG introduced a preview version of the C-segment SUV models, which will begin production in 2022. A C-segment sedan concept was also displayed along with the C-SUV model. By 2030, TOGG will produce five different models on a joint e-platform, with fully owned intellectual and industrial property rights.

We are witnessing a historic day of realizing Turkey's 60-year dream together. Our technological experience in Turkey's Automobile project will clear the way and act as a catalyst for numerous sectors. We cannot afford any mistakes here.

President, Republic of Turkey
Recep Tayyip Erdoğan



Industrial province of Bursa in Southern Marmara will be home to the factory that will produce the born-electric the car.

The average 200 hp car can do 0-100 km/hour in 7.6 seconds. TOGG's 400 hp car can go 0-100 km/hour in 4.8 seconds.

The factory is expected to cost around USD 3.7 billion.

TOGG will produce five different models by 2030 and will own all intellectual and industrial property rights.

Regarded by the Ministry of Industry and Technology as one of the projects of strategic importance in the 2023 Vision goals, Turkey's automobile will be one of the pioneers in the targeted technological transformation. As of 2022, when it will start production, TOGG will take its place in the industry as Europe's first non-classical born electric SUV manufacturer.

Turkey's automobile is not only a technological transformation, it is also a global brand, 20,000 additional jobs, and a USD 7.5 billion reduction in the current account deficit. It will also contribute USD 50 billion to GDP.

TOBB President and TOGG Chairman
Rifat Hisarcıklıoğlu

With this prototype, Turkey will achieve its two targets; owning a global brand and creating a billion-dollar enterprise. Now, our first goal is to begin the construction of the factory and begin efforts to prepare the infrastructure.

Minister of Industry and Technology
Mustafa Varank

Turkey's automobile's intellectual and industrial property rights 100 percent belong to Turkey. From the very beginning, we planned our 15-year roadmap step by step. We formed a team mostly of engineers who are competent, dedicated people with global work experiences and with an average work experience of over 10 years.

TOGG CEO
M. Gürcan Karakaş



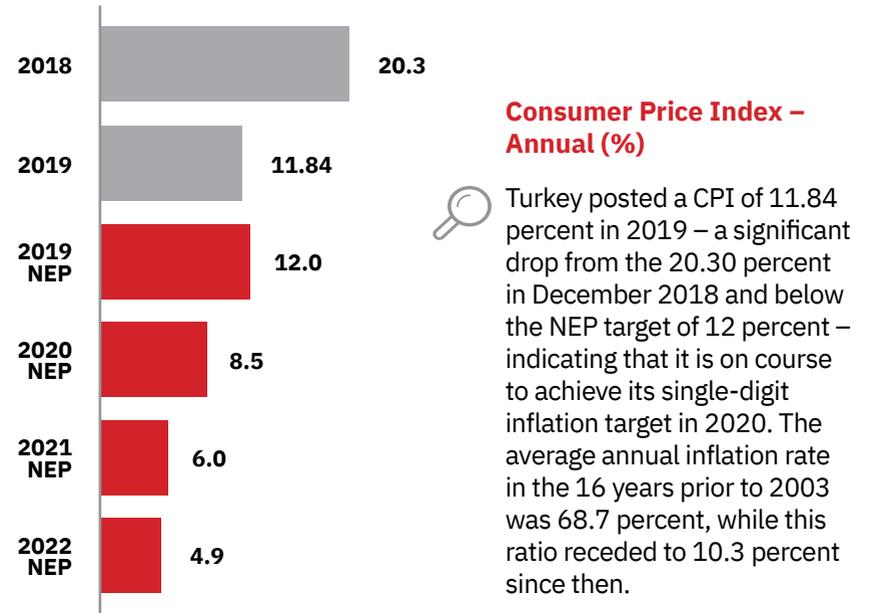
TURKEY USHERING IN NEW ERA OF GREAT PROGRESS

The 2019 Review Meeting was held at the Presidential Complex in Ankara on January 16, 2020. In his speech, President Recep Tayyip Erdoğan made remarks on the economy, trade, defense industry, education, judiciary, energy, agriculture, environment, security, social policies, and tourism. Below is the spotlight on some of the economic and related issues from 2019.

Turkey's exports rose by 2 percent and reached USD 180.5 billion in 2019. While the EU countries still topped the list with a 49.5 percent share in Turkey's total exports, the Middle Eastern and African countries and the Commonwealth of Independent States recorded increases in value terms in 2019. In fact, the Middle Eastern countries posted the highest increase in exports in value basis in 2019.

Turkey's foreign trade deficit decreased by 44.9 percent in 2019 and lowered to USD 29.9 billion in 2019, compared to USD 54.3 billion in 2018. In the 2019 top 50 exporting countries list of the World Trade Organization, Turkey ranked 7th regarding export increase ratio and 5th regarding increase in export amount.

The Turkish defense industry's exports in the 2002-2018 period reached USD 18.3 billion, generating a turnover of USD 64.9 billion. In the same period, Turkey decreased foreign dependency on defense products by increasing domestic production to 65 percent in 2018, up from 20 percent in 2002.



GDP Growth Revisions for Turkey (%)

	2019		2020	
	OLD	NEW	OLD	NEW
OECD	-0.3	0.3	1.6	3.0
WORLD BANK	-1.0	0.0	3.0	3.0
IMF	-2.5	0.2	2.5	3.0
EU	-2.3	0.3	3.9	3.1
MOODY'S	-2.0	0.2	2.0	3.0

Turkey recorded a positive growth rate again in Q3 of 2019 with 0.9 percent. Even though 2019 year-end economic growth is only expected to be 0.5 percent, Turkey is targeting a 5 percent annual growth rate for the next three years. As a result of the developments in 2019, most of the international organizations and rating agencies revised upwards their growth targets for Turkey, as many of them had been expecting the Turkish economy to contract.

The total amount of FDI inflows to Turkey between 2003-2019 has exceeded USD 217 billion.

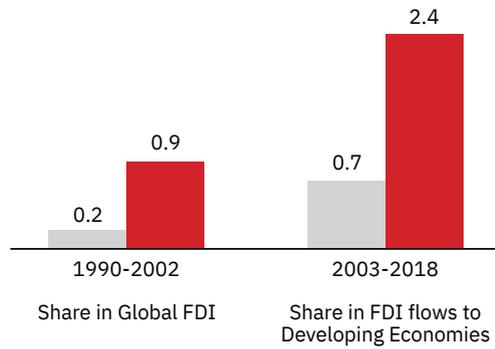
Turkey has jumped up 10 places to 33rd in the World Bank's Doing Business 2020 Report.

FDI SPOTLIGHT IN TURKEY

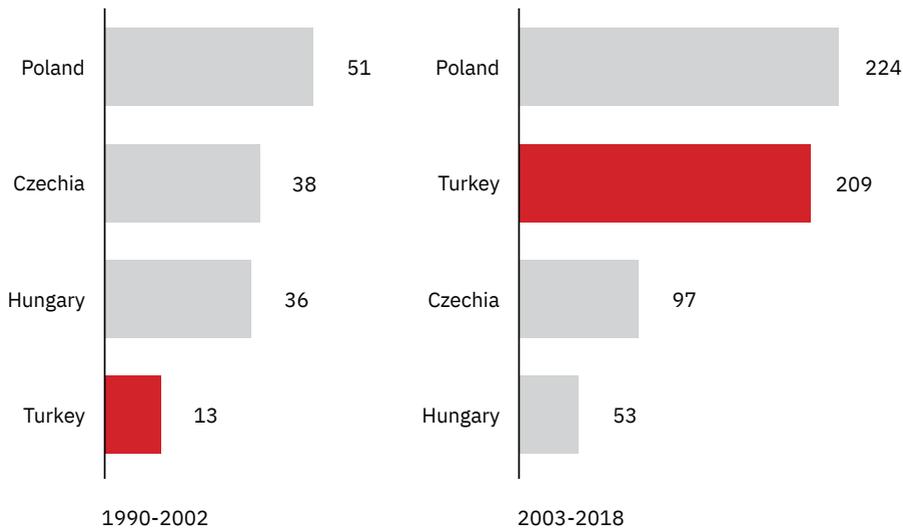
Turkey attaches great importance to foreign direct investments for its economic development. It believes that four of the main reasons to invest in Turkey include the ongoing successful economic reforms to support the inward investment proposition, having unique and strong market fundamentals, being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

Turkey has jumped up 10 places and ranked 33rd in the World Bank's Doing Business 2020 Report. This remarkable increase serve as a reference for Turkey's investment potential.

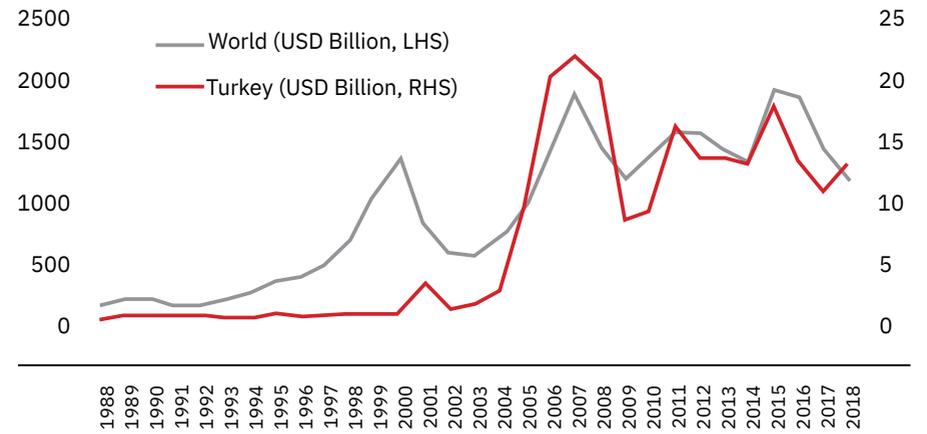
Turkey's Share in Global FDI (%)



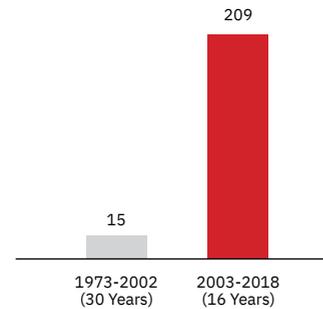
FDI Inflows (USD Billion)



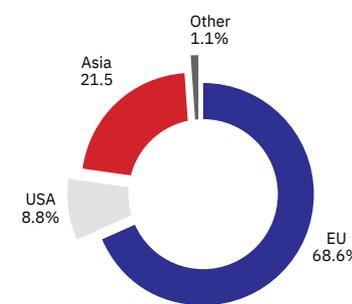
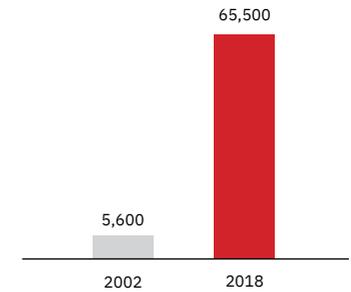
FDI Inflows (USD Billion)



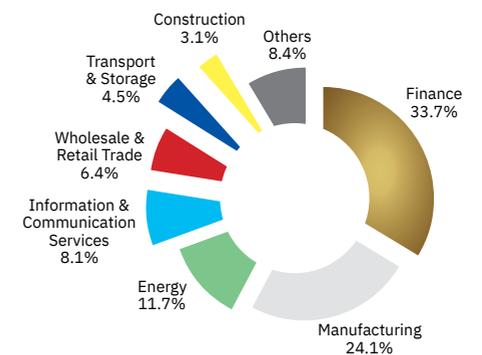
FDI Inflows (USD Billion)



Number of Foreign Companies in Turkey



Geographical Breakdown of Investments (2003-2018)



Sectoral Breakdown of Investments (2003-2018)



TURKEY, A GLOBAL ENERGY HUB

TurkStream, Turkey's natural gas pipeline project transporting Russian natural gas to Europe via Turkey launched on January 8, 2020, honored by President Recep Tayyip Erdoğan. Also attending the ceremony were President Vladimir Putin of Russia, President Aleksandar Vučić of Serbia, and Prime Minister Boyko Borisov of Bulgaria.

TurkStream will directly connect the gas reserves in Russia to the Turkish gas transportation network, enhancing Turkey's position as a primary energy hub and creating a reliable source of energy for Turkey and Europe.

Highlighting Turkey's vision to be a global energy hub, President Erdoğan said that Turkey's vision for cooperation is embodied by TANAP, which carries Azerbaijani natural gas to Europe, and TurkStream, which transports Russian natural gas to Europe.



- TurkStream Gas Pipeline Project consists of 930 km-long pipelines (TA1 and TA2), constructed across the Black Sea and having capacity of 15.75 billion cubic meters each.
- The first string of TurkStream will provide natural gas supply for Turkey and the second one for European countries.
- The natural gas to be supplied via TurkStream from the Russian Federation will replace the gas currently supplied via Western route.
- The agreement on TurkStream gas pipeline project was signed on October 10, 2016 and entered into force on February 21, 2017.
- TurkStream comes ashore in the town of Kiyikoy in Turkey.
- TA2 will run through Bulgaria, Serbia and Hungary.
- As part of the project, a 400 km-long-pipeline will be constructed in Serbia.
- The construction work in Bulgaria, Serbia and Hungary is planned to end in 2020.

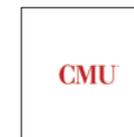
FDI NEWS



İstanbul-based on-demand grocery delivery startup **Getir** has secured USD 38 million "Series A" funding from a group of Silicon Valley venture capitalists, providing a boost to Turkey's tech scene.



Turkey's electricity giant **Enerjisa Enerji** – a joint venture between Turkish Sabanci Holding and **German E.ON** – will be receiving a USD 100 million financing package from the EBRD.



A consortium of six Chinese companies—the Chinese highway company **Anhui Expressway**, **China Merchants Expressway Network & Technology**, **CMU**, **Zhejiang Expressway**, **Jiangsu Expressway** and **Sichuan Expressway**—are planning to buy a majority stake in Turkey's **ICA Construction** for USD 688.5 million in order to participate in a Turkish expressway project. ICA is a joint venture between Turkey's **IC İctas Construction** and Italy's **Astaldi**, each possessing a 64 percent and 36 percent share respectively.



Danish wind turbine internals producer **Resolux Group** and Turkish industrial manufacturer Bayramoğlu have established a joint venture, Resolux Turkey, for the production of internal turbine components in Turkey. The joint venture will primarily focus on exports, with plans to sell to the domestic market as well.



Turkey's **İş Bank** and **Alibaba** are further expanding their cooperation in Alibaba's payment platform AliPay. The duo were previously working on making the system accessible to Chinese tourists visiting Turkey.

EVENTS



TURKIYE HOUSE SHINES OUT AT DAVOS

The 50th World Economic Forum Annual Meeting 2020 was held on January 21-24 in Davos, Switzerland. The Investment Office and Turkey Wealth Fund held bilateral talks at the Turkiye House in Davos with distinguished participants of the forum.

Minister of Treasury and Finance Berat Albayrak, Minister of Foreign Affairs Mevlüt Çavuşoğlu, and Minister of Trade Ruhsar Pekcan represented Turkey at the forum. As well as attending sessions, ministers also met with leading figures of the business world as part of WEF 2020.

Minister Berat Albayrak spoke at the “Shaping the Global Growth Agenda” panel at the forum and acknowledged the audience on Turkey’s growth targets and economic performance. Also, visiting the Turkiye House, Albayrak said that the Investment Office, the Turkey Wealth Fund, the Finance Office and executives of the Istanbul Financial Center held one-on-one and bilateral talks with related local and foreign groups at the House.



INVESTMENT OFFICE MEETS INVESTORS IN ITALY

Investment Office Country Advisor Gino Costa spoke at a conference held by ANFIA and SACE in Turin, Italy, to mark SACE’s EUR 62.5 million extension of credit to Ford Otosan for Italian automotive suppliers.



INVESTMENT OFFICE ATTENDS BUSINESS MEETING IN ITALY

Investment Office President Arda Ermut attended a business meeting in Italy on January 20, organized by Italian law firm Grimaldi Studio Legale and independent and non-profit think tank CeSPI. The meeting showcased the survey results compiled from the 78 Italian companies operating in Turkey in the November-December 2019 period.

Commenting on the survey results, Ermut said that 9 out of 10 Italian companies are pleased to invest in Turkey. “It is encouraging to get such positive feedback. We hope that this trend will continue to improve moving forward,” said Ermut.

Ermut also spoke to participants about Turkey’s strategic location, fiscal system, legal system, macroeconomic policies, geostrategic risks, and relations with the US and EU. Turkish Ambassadors to Rome and Vatican Murat Salim Esenli and Lütfullah Gökteş also attended the meeting.



INVESTMENT OFFICE JOINED TEKNOFEST MEETING IN GAZIANTEP

Plans for the third edition of TEKNOFEST Aerospace and Technology Festival, organized by the Turkish Technology Team (T3) Foundation and the Ministry of Industry and Technology, Teknofest 2020, were unveiled during a meeting held in Gaziantep Zeugma Museum on January 20. Furkan Karayaka of the Investment Office joined the launch meeting.

Turkey’s most extensive festival covering aerospace, space, and technology events, TEKNOFEST lasted 6 days in 2019 and boasted attendance of 1.7 million tech-focused people from various global and domestic companies, universities, and public institutions.



INVESTMENT OFFICE TAKES STAGE AT EMPEA GLOBALTURK PRIVATE EQUITY EVENT

The 4th Annual Executive Briefing on Private Equity in Turkey and Environs took place on December 5, 2019 in Istanbul. Jointly organized by the Emerging Markets Private Equity Association (EMPEA) and Globalturk Capital, the event brought together private equity executives from around the globe.

Investment Office President Arda Ermut gave an address on growth prospects for Turkey and on the recent developments in private equity in the country. He stated that private equity and venture capital companies were quite active in Turkey in 2018 and three of top ten venture capital-backed exits in Europe were Turkish. “We believe that private equity will make a significant contribution to our endeavors to attract investment into Turkey. This is because private equity is a major source of FDI in the world, as well as in Turkey,” said Ermut.

TURKEY EYES NEW TOURISM RECORDS IN 2020

Turkey is one of the leading tourism destinations in the world with its stunning scenery, rich historic legacy, beautiful coastline, spectacular icons, exciting events, and cultural festivals. The country offers great deals on accommodation, and there are a variety of things to see and do. Facts and figures regarding Turkish tourism support the forecasts that anticipate records being broken this year.

The first signal to these was given at the end of 2018, when Turkish President Recep Tayyip Erdoğan declared 2019 “the Year of Göbeklitepe” in honor of the 12,000-year-old temple in southeastern Turkey. Following that

declaration, tourism to the world’s oldest archeological site surged.

Turkey was awarded the “Best Overseas Destination” prize at the 6th Road Trip Festival 2019 in China, which helped to introduce Turkish culture from cuisine to coast lines and enabled Chinese tourist figures coming to Turkey to skyrocket. Following these positive developments, for the 2020 tourism season, Turkey expects additional growth in income and number of tourists. The growth in world international tourism and positive developments in the natural markets of Turkish tourism are aligning to make this expectation a reality.

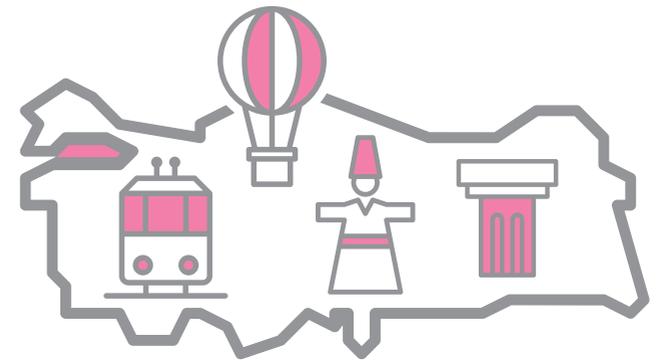
Highlights of Tourism in Turkey



✓ **As the 6th most popular tourist destination in the world and attracting more than 46 million tourists in 2018, Turkey continues to present vast investment opportunities in both the established and newly-developing subsectors of the tourism industry.**

6th

Turkey's rank among most preferred tourist destinations in the world in 2018.



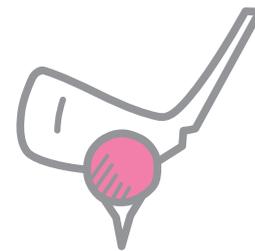
46 million

Number of foreign travelers arriving in Turkey in 2018.



463

Number of blue-flag beaches in Turkey.



18

Number of golf courses in Turkey's Belek region – one of the most popular tourism centers globally.



8th

Turkey's rank in Forbes Travel's list of the world's top 10 most visited places.

4th



Turkey's rank in UNWTO's list of most popular tourism destinations in Europe.



WHY TURKEY?

TURKEY: HUB FOR INNOVATION AND GROWTH

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

ACCESS TO MULTIPLE MARKETS

Europe

GDP: \$19.5 trillion
Import: \$6.5 trillion
Population: 700 million

MENA

GDP: \$3.6trillion
Import: \$1.0 trillion
Population: 800 million

Russia

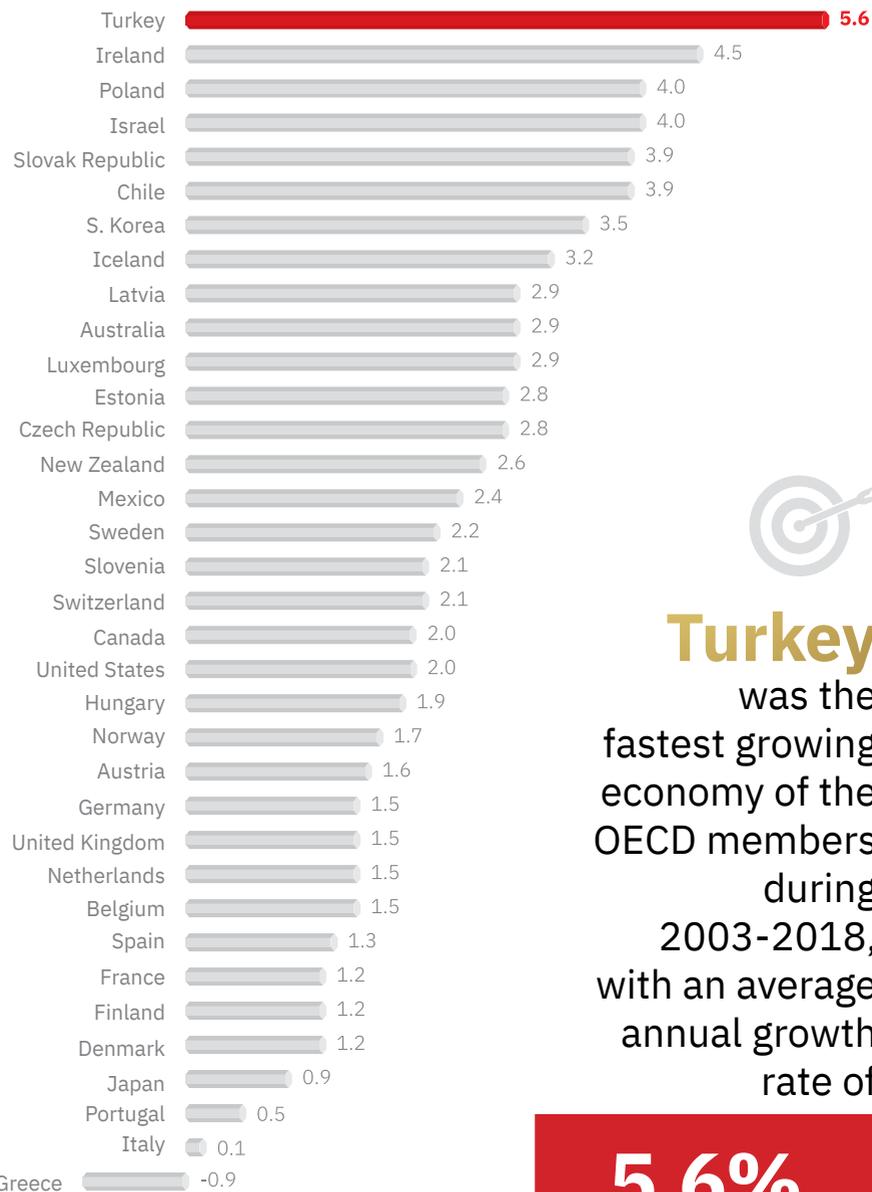
GDP: \$1.5 trillion
Import: \$0.2 trillion
Population: 100 million

Central Asia & Caucasus

GDP: \$0.3 trillion
Import: \$0.1 trillion
Population: 100 million

- Booming economy reaching USD 784 billion in 2018, up from USD 231 billion in 2002.
- One of the fastest growing OECD economies between 2014-2025, with an estimated average annual growth rate of 4.7%.
- USD 209 billion of FDI between 2003-2018, while the total amount of FDI attracted between 1923-2003 stood at USD 15 billion.

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



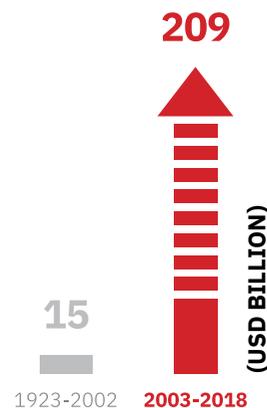
Turkey was the fastest growing economy of the OECD members during 2003-2018, with an average annual growth rate of

5.6%

Source: IMF World Economic Outlook (October 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-income countries. (World Bank Doing Business 2018)



HIGHLIGHTS

- 13th largest economy in the world with **USD 2.2 trillion** (GDP at PPP). (IMF, 2018)
- 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)

Largest youth population compared with the EU. (Eurostat)



72 million broadband internet subscribers and 80.6 million mobile phone subscribers. (2018, TurkStat and ICTA)

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)

TURKEY'S INFRASTRUCTURAL DEVELOPMENT



According to the World Bank, Turkey ranks 3rd globally in Public-Private Partnership (PPP) projects.



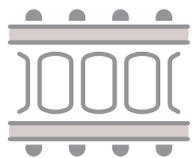
USD 127 billion

Total value of PPP contracts in Turkey during the 2003-2018 period.



175

Total number of PPP projects in Turkey during the 2003-2018 period.



11,800 km

Total length of new high-speed railway projects in Turkey.



44,300

Number of new hospital beds in 32 integrated health campuses across Turkey.

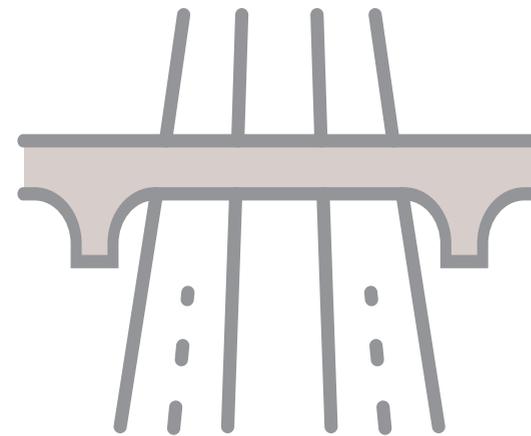


35%

Expected growth in Turkey's total installed power generation capacity from 2018 to 2023 (from 88 GW to 120 GW).

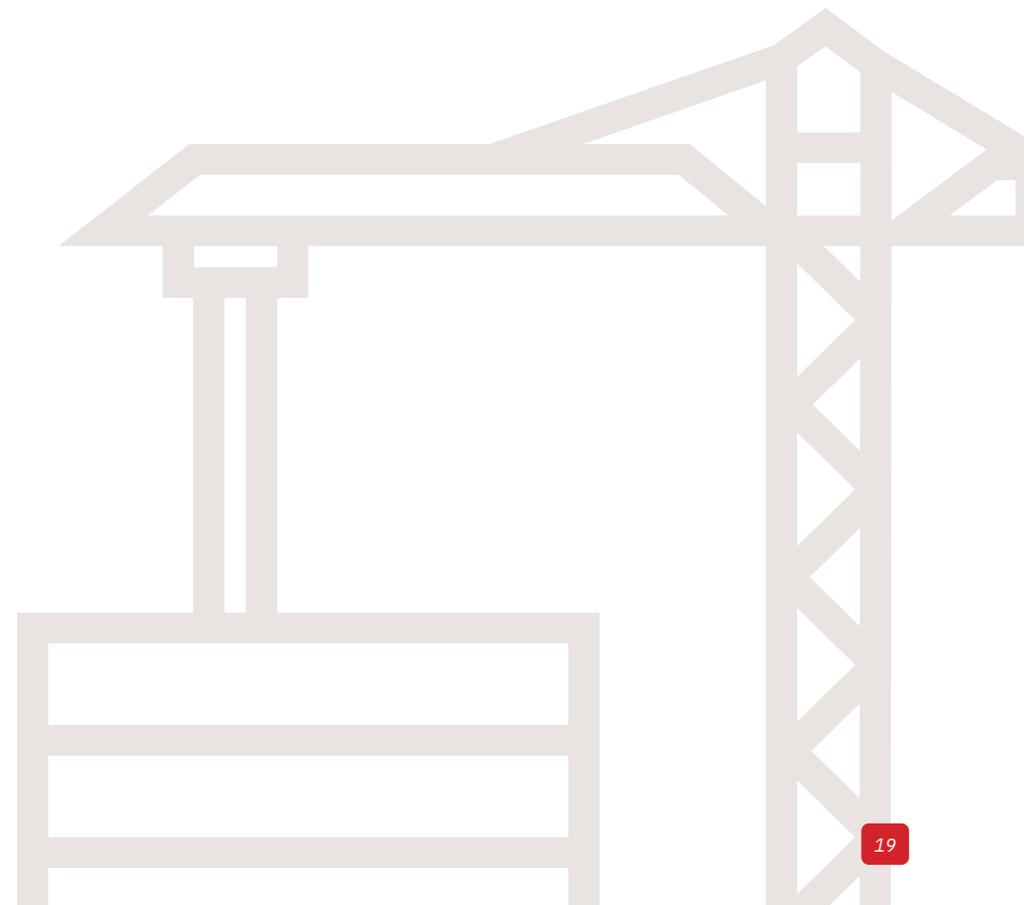
200 million

Annual passenger capacity once all stages are completed of the newly commissioned Istanbul Airport in Turkey.



5,600 km

Total length of new motorway (toll roads) projects in Turkey.



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.

Running
79 countries
from
Istanbul

We are running 79 countries from Istanbul and are enjoying the dynamism, diversity, and availability of a high-quality work force. These attributes and more, we believe, represent big potential for Turkey, in the way of development through the effective use of technology as well as becoming a software and services provider to other countries, particularly the EU. Microsoft Turkey will be here to support economic development and capacity building.



Jean-Philippe COURTOIS
Executive Vice President & President -
Global Sales, Marketing & Operations,
Microsoft

Two factories and over 3,000 direct employees

Félix ALLEMANN

Former Chairman & CEO, Nestlé Turkey



Turkey is a dynamic and promising market with its young population and great location. It has a strategic importance for Nestlé and offers interesting opportunities for us to grow and invest. We are proud to be here for more than 100 years and to make contributions to the development of the Turkish food industry and Turkish consumers' tastes over the years. We are convinced that there is still great potential to grow our business even more and to contribute to the development of the Turkish economy. Having established our first factory in Turkey in 1927, today, we are carrying out local production in Turkey together with two factories and more than 3,000 direct employees. We are committed to offering high-quality products to our consumers that are healthy, nutritious, and tasty.

Turkey's economic dynamism –
perfect match for innovation culture

We believe 3M's innovation culture built on 3M Science and Turkey's economic dynamism is a perfect match. 3M's global manufacturing and technological legacy, combined with the skills and dedicated work of our Turkish employees, will continue to strengthen 3M and the Turkish economy. We thank the Investment Office for its valuable assistance and guidance throughout our decision and investment processes.

Hak Cheol SHIN

Former Executive Vice President -
International Operations, 3M



45 years of experience as a domestic manufacturer in Turkey

Andrew N. LIVERIS

Former Chairman & CEO, DOW



The core of the Turkish national economic agenda, and the key value for investors, is a dedicated effort to promote innovation, enhance competitiveness, and encourage investment in global value chains. Dow has over 45 years of experience as a domestic manufacturer in Turkey, and our new joint venture with AKSA is a key example of how we can bring together raw materials, a high-skilled workforce, and most importantly a booming downstream customer industry. With a strong, pro-business government in Turkey, the investment environment makes sense. And it is also easy to operate, thanks to the Investment Office President and his entire team.

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

- 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.

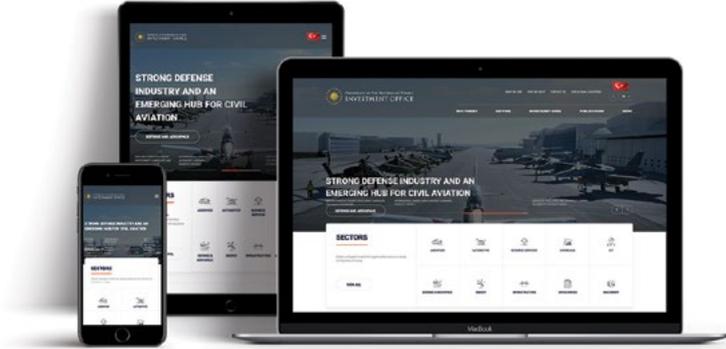
OUR GLOBAL LOCATIONS



OUR NEW WEBSITE HAS LAUNCHED!



BRAND NEW WEB SITE LOOK



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.



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