

INVEST IN TÜRKİYE



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Message from the Investment Office

On the July 15 Democracy and National Unity Day, Turkey marked the 5th anniversary of July 15 coup attempt and commemorated with gratitude hundreds of martyrs and veterans.

That day will go down in history as one of the most treacherous attempts in Turkey's history, yet will also serve as a testament to the Republic of Turkey and its nation's commitment to the rule of law and democracy.

Following the start of the normalization process on July 1, and also prior to the Eid al-Adha, all teams and overseas offices at the Investment Office worked on a busy calendar packed with business webinars and virtual events held with the international business community.

All these and more are available in our August edition for your reading pleasure.

On Turkey's recent success stories in the international arena, the month of July heralded the good news that Turkey's giant e-commerce platform Hepsiburada became the first Turkish company to be listed on the Nasdaq stock exchange in the US. Hepsiburada, as a private-equity backed investment, generated a good return for investors and also set the pace for the Turkish tech industry with its successful IPO.

With regard to investments, and impact investing in particular, Turkey has now reached a new milestone.

The Impact Investing Advisory Board (EYDK) commenced its works with the participation of 30 leading institutions, including our Office, to create an enabling environment for the growth of impact investing and a well-functioning ecosystem in Turkey.

EYDK's mission is to make impact investing a mainstream, sustainable, and inclusive investment model, fueled by Turkey's entrepreneurial spirit and geopolitical, social, economic power.

A. Burak DAĞLIOĞLU
President, Investment Office

TURKEY LIGHTS FIRST GAS FLARE IN BLACK SEA



Turkey lit the first gas flare in the Sakarya Türkali-2 gas field located in the Black Sea on July 28, with a ceremony honored by President Recep Tayyip Erdoğan.

"Today, for the first time, we will burn off the Black Sea gas that we discovered hundreds of meters underground," said President Erdoğan, addressing at the virtual event to mark the milestone.

Drawing attention to Turkey's natural gas discoveries totaling 540 billion cubic meters (bcm) in the Black Sea so far, President Erdoğan said, "We have added exploration and drilling vessels to our fleet. We have made sure that these vessels are the best of their classes following their maintenances. Thus, we will soon significantly decrease foreign dependency in energy with the Black Sea gas."

Following the discovery of 405 bcm natural gas in the Black Sea last year, Turkey revealed an additional 135 bcm in the northern Sakarya Gas Field last month, increasing the overall gas discovery to 540 bcm.

TURKEY COMMEMORATES JULY 15 MARTYRS ON 5TH ANNIVERSARY



Turkey marked the 5th anniversary of the failed coup attempt that took place on July 15, 2016, with a number of memorial activities for the martyrs who had confronted the heinous coup plotters.

Addressing guests and the families of the victims in a commemoration ceremony in the Parliament, President Recep Tayyip Erdoğan remembered those who lost their lives on the night of July 15.

"July 15 marks the victory of our nation, our national will, and the victory of those who believe in democracy. July 15 represents the victory of the truth over lies, the victory of justice over oppression, and the victory of freedom over humiliation. With the resistance showed on July 15, our nation both repelled a putsch and thwarted

an attempt of invasion," President Erdoğan said.

President Erdoğan then moved on to participate in the commemoration held for July 15 Democracy and National Unity Day and the opening ceremony of the July 15 Democracy Museum.

Praising the Turkish nation for heroically standing up against the coup plotters with their own bare hands, President Erdoğan said, "Our people do not forgive treachery, traitors, or those who back them, or those conspirators who seek political gains by supposedly using them in their own way. That is why we say that we will continue our struggle no matter what until the last FETO is neutralized, brought to justice and stopped from being a burden on our country and nation."

MINISTER ELVAN HOLDS ONLINE MEETING WITH UK INVESTORS



Minister of Treasury and Finance Lütfi Elvan held a videoconference with UK business executives on July 8, moderated by the British Chamber of Commerce in Turkey (TBCCI).

Elvan delivered a presentation titled "Economic Outlook and Reform Program" at the meeting attended by senior executives of leading companies in the UK business community.

Elvan outlined the macroeconomic policies and structural improvements in the Economic Reform Program, emphasizing that the program was developed with the goal of reducing vulnerabilities while also boosting efficiency and competitiveness.

Minister Elvan noted that Turkey's advantageous location within global supply chains ensures lower trade transportation costs. Elvan further pointed out that Turkey, which has established distribution networks throughout Central Asia and the Middle East, offers substantial benefits to UK companies.

In terms of incentivizing investors, Minister Elvan stated Turkey provides plenty of opportunities for international businesses. Elvan also addressed questions of executives on the Turkish economy and investment opportunities within the country.

G-20 HOLDS FINANCE MINISTERS MEETING IN VENICE



Minister of Treasury and Finance Lütfi Elvan also attended the G20 Finance Ministers and Central Bank Governors (FMCBG) meeting- the first in-person meeting since February 2020- in Venice during July 9-11.

On the sidelines of the G20 summit, Minister Elvan met with US Treasury Secretary Janet Yellen, his South Korean counterpart Nam-Ki Hong, his French counterpart Bruno Le Maire, and German Finance Minister Olaf Scholz.

TURKEY SETS ALL-TIME HIGH EXPORTS IN THE HISTORY OF THE REPUBLIC



Minister of Trade Mehmet Muş announced on July 2 that the country's exports in June and the first half of the year were both record highs.

While Turkish exports soared to USD 19.8 billion in June, up 47 percent over the same month of last year, exports from January to June came in USD 105 billion, up 40 percent.

"These results are the highest monthly, quarterly, and semi-annual export figures on record since Turkey declared itself a republic," Minister Muş asserted.

Minister Muş also said that Turkey recorded the "highest ever export value in the rolling 12 months", netting USD 199.5 billion. "Our foreign trade deficit narrowed 11.4 percent from the same period of last year, reaching USD 21.2 billion," Minister Muş added.

The exports/imports coverage ratio grew by 7.3 percentage points to 83.2 percent from January to June.

The number of exporting businesses also climbed in this period, up 12 percent.

MANUFACTURING PMI IN TURKEY ABOVE THRESHOLD LEVEL IN JUNE



Turkey's Manufacturing Purchasing Managers' Index (PMI) edged above the threshold level in June, according to the IHS Markit's monthly PMI report prepared in collaboration with the Istanbul Chamber of Industry.

The index rose to 51.3 in June 2021 from

49.3 in May following the loosening of COVID-19 restrictions, the report found.

According to report, the result suggests a return to growth in the Turkish manufacturing sector as output and new orders increase with a relaxation of COVID-19 limitations.

TURKEY COMMENCES DIGITALPARK TEKNOKENT



On July 7, Minister of Industry and Technology Mustafa Varank attended the groundbreaking ceremony of Digitalpark Teknokent, which will be built in partnership with Recep Tayyip Erdoğan University and Turkish-German University.

Minister Varank stated at the ceremony that technoparks are an essential element of the "R&D and Innovation" ecosystem because of their crucial role in the creation and marketing of technological information.

"Our technoparks are home to 6,680 companies that have generated USD 6.2 billion in exports and TRY 131 billion in sales so far, with over 60,000 full-

time R&D employees in these sectors. 45 percent of these companies are in the software business," added Minister Varank.

The Minister stated that the Digitalpark Teknokent will host 300 entrepreneurs employing 4,000 full-time R&D personnel once it has reached full capacity with its campuses in Istanbul and Rize.

"In 2001, Turkey had only two technoparks. Currently, we have 88 technoparks spread over 57 locations. We will make every effort in the next months to introduce at least one technopark in each of our cities," said Minister Varank.

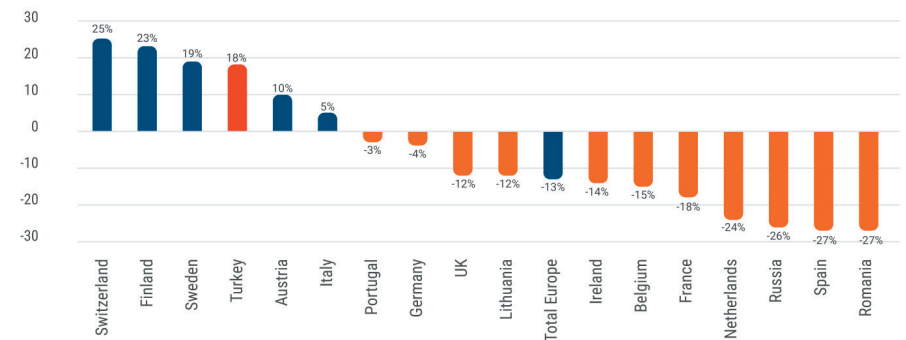
EY REPORT NAMES TURKEY ONE OF THE MOST POPULAR INVESTMENT DESTINATIONS IN EUROPE

EY's recent "EY Attractiveness Survey Europe June 2021," report revealed that despite the 13 percent decline in the number of FDI projects in Europe, stemming from the turbulence and uncertainty caused by COVID-19, the number of FDI projects in Turkey increased 18 percent in 2020, making the country one of the largest investment destinations in Europe. According to the report, Turkey is one of the largest investment spots, which increased its share in Europe along with Switzerland, Finland and Sweden.

In the meantime, Turkey became the 2nd largest destination in Europe for manufacturing with 153 projects in 2020, while manufacturing investments in Europe fell 22 percent due to supply chain disruptions and uncertainties in demand.

The report also reveals that Turkey grew to be the 2nd most preferred investment location for the chemicals industry in Europe at a time when European countries had to contend with a 5 percent decline in total.

% CHANGE IN FDI PROJECTS IN EUROPE (2019/20)



TECHNOPARKS IN TURKEY

NUMBER OF TECHNOPARKS IN TURKEY



2001: 2
2021: 88 in 57 provinces



USD 6.2 BILLION
TOTAL EXPORTS

6,680
Number of companies

350
Number of companies
with international capital



60,000
Number of
full-time employees



11,000
Number of
ongoing projects



41,000
Number of completed
R&D projects to-date

1,330

Number of patents
received by companies
in technoparks so far

TRY 21 BILLION

Amount of tax allowance granted to
companies in technoparks by the Ministry
of Industry and Technology

FDI NEWS

SCHOTT ORIM BREAKS GROUND FOR ITS NEW PLANT IN TURKEY



German Schott Orim, a global leader in glass manufacturing, began the construction of its new glass facility in Bolu province of Turkey.

With a TRY 100 million-worth investment, Schott Orim will manufacture flat glass for the white goods industry in Turkey.

"We will produce high value-added glass; mainly oven, cooker, hood, and refrigerator front glass in our new factory, which will operate in 20,000 square meters of closed area," said Schott Orim General Manager Hakan Gerdan. He also highlighted that they currently export from Turkey to 20 countries across four continents and they plan to double labor force with the new investment.

SPAIN'S LEADING TRANSFORMER MANUFACTURER ARTECHE ACQUIRES TURKEY'S ESİTAŞ

Spain-based Artech, one of the world's largest transformer makers, has inked an agreement to acquire 100 percent of the shares in Turkey's premier low-medium voltage transformer manufacturer Esitaş.

Established in Istanbul in 1984, Esitaş produces low and medium voltage instrument transformers up to 40.5kV in its factories located in Turkey and Indonesia.

The transaction marks the first foreign M&A deal in Turkey's transformer industry, and will be subject to approvals by the Turkish and Indonesian

Competition Authorities.

Meanwhile, founded in Spain in 1946, Artech offers equipments and solutions for the electric power industry, including generation, transmission and distribution. With more than 2,000 employees and operations across 150 countries, Artech boasts a total of 11 production sites and 6 research centers in Europe, America and Asia. The company ranks among the top three global instrument transformer manufacturers and is a regional leader in renewable energy and railway markets with its high added-value product portfolio.

INVESTMENT OFFICE WEBINARS & EVENTS

SOUTH KOREAN INVESTORS BRIEFED ON TURKEY'S INVESTMENT CLIMATE



Turkish Ambassador to South Korea Ersin Erçin, South Korean Ambassador to Turkey Won-Ik Lee, Investment Office President Burak Dağlıoğlu, and KOTRA President & CEO Jeong-Yeol Yu delivered keynote speeches at the "Korea-Turkey Business & Investment Partnership" webinar co-hosted by the Investment Office and the Korea Trade-Investment

Promotion Agency (KOTRA).

Dağlıoğlu said in his speech that Turkey offers unique opportunities for South Korean companies to access lucrative markets around Turkey and to diversify their supply chains, particularly in terms of reaching out to European markets, the MENA and CIS countries.

INVESTMENT OFFICE HOSTS FOURTH GVC TALKS WITH AMCHAM TURKEY



Investment Office and AmCham Turkey successfully held the fourth edition of GVC Talks on "Tax Mechanisms" on July 8 with the participation of Deputy Minister of Treasury and Finance Şakir Ercan Gül, Investment Office Vice President Ahmet İhsan Erdem and AmCham Turkey Board Member Emre Karter.

The importance of tax mechanisms for attracting investments to increase GVC

participation has been discussed during the webinar.

Erdem highlighted the reforms introduced over the past two decades and how they significantly improved Turkey's business environment and tax legislation, noting that the effective corporate tax rate in Turkey drastically reduced to minimal levels, to single digits starting from 2 percent with incentives.

INVESTMENT OFFICE **WEBINARS & EVENTS** **JUNE 30 - EXPERIENCE SHARING WITH INVESTORS IN KUWAIT**

Investment Office, the Turkish Embassy in Kuwait, and Kuwait Finance House provided a unique platform for those interested in finding out more about investment climates of Turkey and Kuwait at the "Investment Opportunities & Collaboration Areas between Turkey and Kuwait" webinar.

 **JUNE 29 - BRIEFING FOR GERMAN INVESTORS**

Executives from several German Chambers of Commerce and Industry were briefed on Turkey's economy and investment landscape by Investment Office's County Advisors Ferruh Parmaksız and Faruk Kurtulmuş at an exclusive meeting in Frankfurt hosted by the Investment Office, the Turkish Consulate General in Frankfurt, and a Turkish delegation led by the



Union of Chambers and Commodity Exchanges of Turkey (TOBB) President Rifat Hisarcıklıoğlu.

 **JUNE 29 - WEBINAR FOR PAKISTANI BUSINESSPEOPLE**

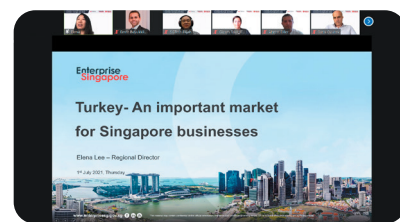
Investment Office and the Turkish-German Chamber of Commerce and Industry's machinery industry webinar shed light on the sector's key drivers such as a qualified workforce, a reliable energy supply, logistical advantages due to a geostrategic location, generous investment incentives, an



innovation-oriented infrastructure and a strong supply base.

 **JULY 1 - ICT SECTOR WEBINAR FOR SINGAPOREAN INVESTORS**

"Turkey: The Regional Hub to Connect Europe and Asia" webinar offered an overview of the tech ecosystem and common business practices in Turkey which has emerged as a growing innovation hub with its sizable young and digitally connected population.

 **JULY 6 - LAUNCH EVENT FOR REAL ESTATE EXPORTS STRATEGIC ACTION PLAN**

Investment Office Vice President Ahmet İhsan Erdem delivered a speech at the Real Estate International Promotion Association's (GIGDER) launch event for the Real Estate Exports 2025 Strategic Action Plan that convened with the participation of Turkey's leading housing developers, international investment and



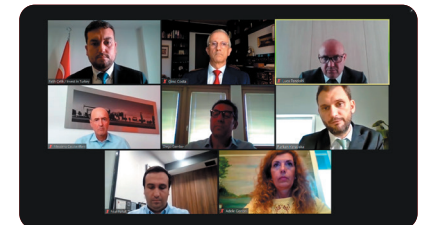
consultancy agencies, and local/foreign fund and asset management companies.

 **JULY 8 - MEETING WITH SPANISH INVESTORS**

Investment Office and the Basque Trade and Investment's recent webinar on "Investment and Business Opportunities in Turkey" looked closely at bilateral investment ties between Turkey and Spain, as well as existing business climates and new opportunities that will arise in the short and medium

 **JULY 8 - MACHINERY SECTOR WEBINAR FOR ITALIAN INVESTORS**

The "Turkey: Focus on Machinery Sector" webinar, hosted by the Investment Office in collaboration with Confindustria Bergamo, shed light on Turkey's development process and opportunities in the machinery sector by providing data, percentages and success stories from foreign companies that have already established a presence in Turkey. The testimonials of Italian



companies that participated in the webinar also highlighted Turkey's modernization and digitalization process.

 **JULY 21 - LAUNCH EVENT WITH U.S. ENERGY COMPANIES**

Investment Office, together with the U.S. Chamber of Commerce and the Turkish Embassy in Washington, D.C., held a working lunch with Turkey's Deputy Minister of Energy and Natural Resources Alparslan Bayraktar and leading U.S. energy companies to discuss potential areas of



investment and cooperation.

WHY TURKEY?

TURKEY: HUB FOR INNOVATION AND GROWTH



Within 4-hours flight, easy access to multiple markets of USD 25.55 trillion GDP, USD 7.9 trillion trade, and 1.3 billion people.



Booming economy reaching **USD 717 billion** in 2020, up from USD 236 billion in 2002.



Over **USD 225 billion** of FDI between 2003-2020, while the total amount of FDI attracted between 1980-2002 stood at USD 15 billion.

ACCESS TO MULTIPLE MARKETS

Europe

GDP: \$19.9 trillion
Import: \$6.8 trillion
Population: 601.1 million

MENA

GDP: \$3.65 trillion
Import: \$755.6 billion
Population: 456.7 million

Russia

GDP: \$1.70 trillion
Import: \$257 billion
Population: 144.4 million

Central Asia & Caucasus

GDP: \$0.3 trillion
Import: \$76.6 billion
Population: 90.5 million

TOTAL

GDP: \$25.55 trillion
Import: \$7.8 trillion
Population: 1.3 billion

Source: World Bank, 2019
Comtrade, 2019



AVERAGE ANNUAL REAL GDP GROWTH (%) (2003-2020)



Source: IMF World Economic Outlook, 2020

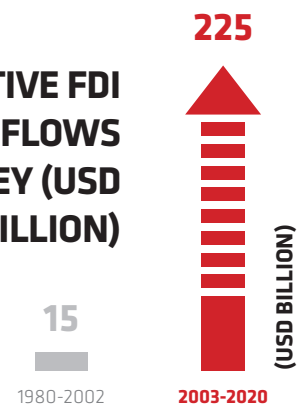


Turkey was the fastest growing economy of the OECD members during 2003-2020, with an average annual growth rate of

5.1%

- Investment incentives as well as R&D support.
- Equal treatment to national and global investors guaranteed by law.
- 7 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 2020)

CUMULATIVE FDI INFLOWS TO TURKEY (USD BILLION)



Source: CBRT

HIGHLIGHTS



The fastest growing economy in Europe and one of the fastest growing economies in the world with an average annual **GDP growth rate of 5.1%** over the past 18 years.
(2003-2020, TurkStat)

SOPHISTICATED CONSUMER BASE



A population of 83.6 million, half of which is **under the age of 32.7**.
(2020, TurkStat)



Largest youth population compared with the EU.
(2020, Eurostat)



80.9 million fixed and mobile broadband internet subscribers.
(2020, Q3)

SKILLED AND DEDICATED LABOR FORCE



Over **31 million** **young, well-educated** and **motivated** professionals.
(2020, TurkStat)



Around **900,000 students** graduate annually from **211 universities**.
(2019, CoHE)

TURKEY'S INFRASTRUCTURAL DEVELOPMENT



According to the European Investment Bank, Turkey ranks 1st in Europe in total value of Public-Private Partnership (PPP) projects during the 2015-2019 period.



**USD
132 billion**

Total value of PPP contracts 2003-2020 period.



179

Total number of PPP projects in Turkey during the 2003-2019 period.

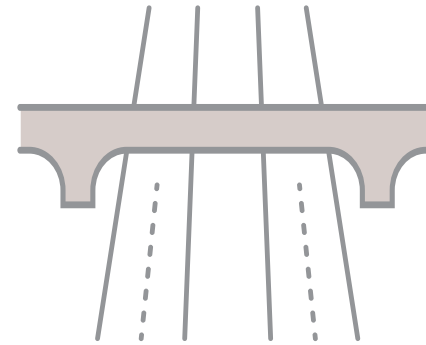


44,350

Number of hospital beds to be introduced once 31 integrated health campuses are put into operation across Turkey. Of those, 20 will be PPP city hospitals with a total bed capacity of 30,750.

200 million

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

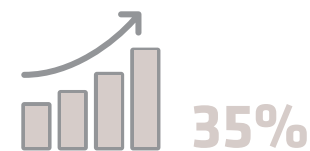
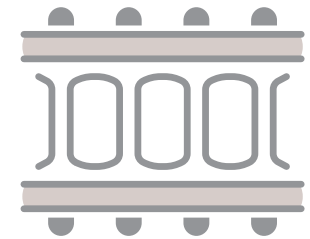


8,200 km

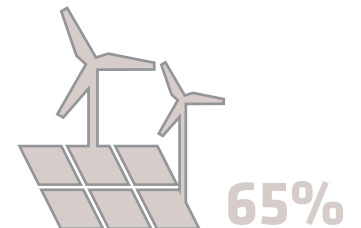
Total length of motorways in Turkey by 2035 once the 320 km currently under construction and the 4550 km planned projects are completed.

4,700 km

Total length of high-speed railways in Turkey by 2023 once the planned projects with the total length of 3500 km are completed.



Expected growth in Turkey's total installed power generation capacity from 2018 to 2023 (from 88 GW to 110 GW).



Targeted share of renewable sources in Turkey's total installed power generation capacity (planned increase from 59% (52 GW) in 2018 to 65% (72 GW) in 2023).

For more info

invest.gov.tr/en/Sectors/Pages/infrastructure.aspx



“China is Turkey’s third largest trade partner and second largest import partner. As two major emerging economies in the world, it is our wish that the two countries will learn from each other and strive towards win-win goals based on mutual needs in various fields.”

ICBC Turkey is a full-license bank holding commercial bank, investment bank, and asset management licenses with 44 branches and 21 securities business offices with around 860 employees. Its branch network covers areas where the economy and banking industry are active in Turkey (these areas cover nearly 70 percent of GDP of Turkey).

As the world’s largest commercial bank, ICBC attaches tremendous importance to the Turkish market. ICBC Turkey is a young member of the ICBC Group. Based on the growth potential of the regional market and the support of local regulators and the ICBC group, we aim to become the leading bank of the “Belt and Road Initiative” and the preferred bank of “Chinese elements”.

As a key international subsidiary of the group, ICBC Turkey has already

provided a wide array of high-quality financial services for the Turkish economy. In the future, it will provide a greater contribution to promoting economic and social development, and will continue to contribute more to the deepening of the mutually beneficial and win-win economic and trade cooperation between China and Turkey through the implementation of the “Belt and Road Initiative”. In the process, ICBC Turkey will continue to devote effort to building the links of economic and trade exchanges between China and Turkey, playing the role of a think-tank, putting forward strategic and forward-looking suggestions, taking tangible integrated financial services to promote investment and trade contacts between China and Turkey, and improving Turkey’s global position in the finance industry.

Gao XIANGYANG
Chairman, ICBC Turkey



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.

Following the Toyota Way, we implemented the Toyota Production System to
produce high-quality motor vehicles in Turkey.



Toshihiko KUDO

President & CEO,
Toyota Motor Manufacturing Turkey

“Turkey is very attractive for production and exports”

There is a huge need for tires in and around Turkey, as well as in Europe, Russia, the Middle East, and North Africa. Turkey has great advantages such as customs duty exemption to the Customs Union agreement, and also the location of Turkey is very convenient for transportation to these markets. Considering all, Turkey is very attractive for production and exports.

In addition, the Turkish government supports foreign and local investors from different aspects such as incentives. At the same time, with the help of the Investment Office, we managed to team up with AKO, one of the biggest tire distributors in Turkey, and built a joint venture.

Norifumi FUJIMOTO

Former President & CEO,
Sumitomo Rubber Industries Turkey



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 of the Republic of Turkey.

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

- Presenting investment opportunities to the investors and providing assistance during all the stages of their investments.
- Serving 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.
- Offering free-of-charge services including market information and analyses, site selection, B2B meetings, coordination with relevant governmental institutions, and facilitating legal procedures and applications such as establishing business operations, incentive applications, obtaining licenses and work permits.

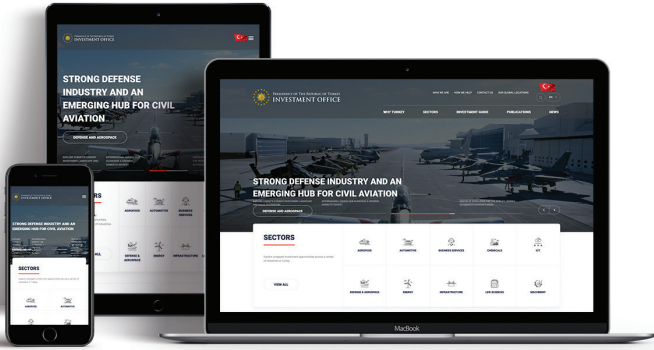
OUR GLOBAL LOCATIONS



VISIT
invest.gov.tr



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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