

**REPUBLIC OF TURKEY
PRIME MINISTRY**

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

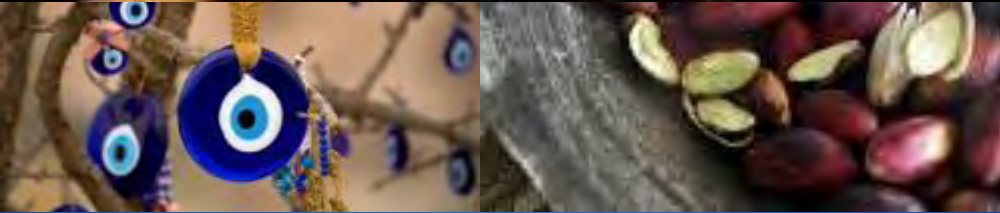
**Ismail Bitirim
Senior Project Director
“Investment Climate in Turkey ”**





Beautiful landscape...

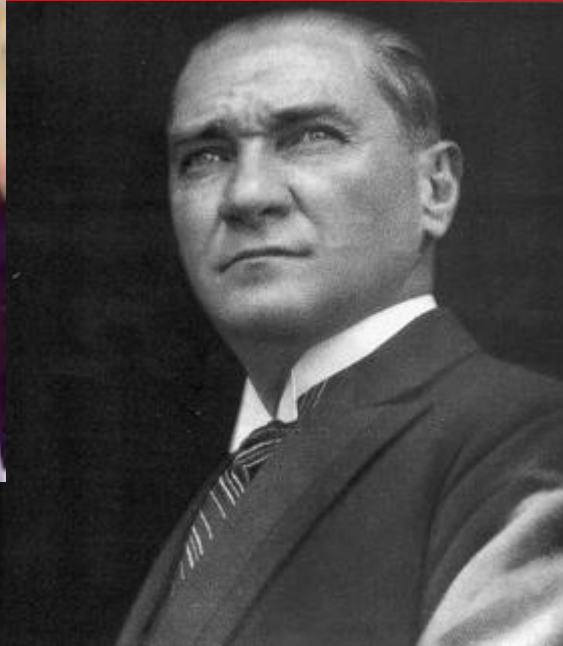


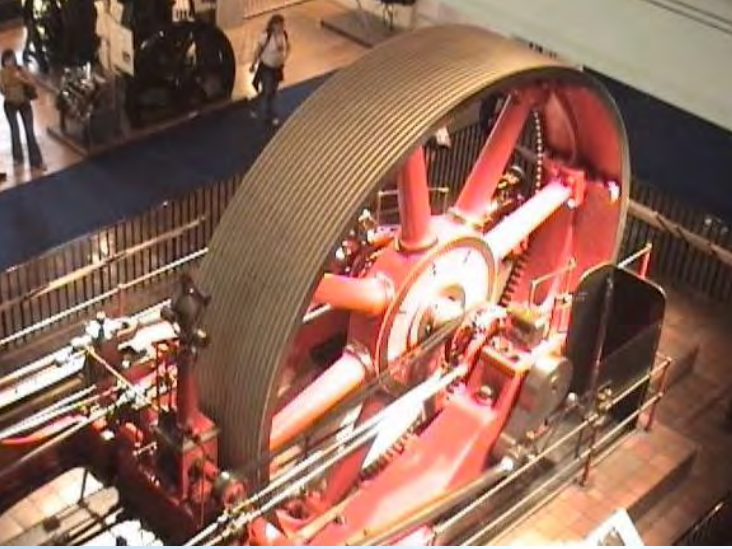


**Combination of
contemporary and
traditional...**



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





What about the investment opportunities...



AGENDA

- TURKEY with SOME KEY FIGURES
- GLOBAL FDI
- FDI in TURKEY
- TOP REASONS to INVEST in TURKEY
- THE AGENCY
- WHY TURKEY



Turkey with some key figures....



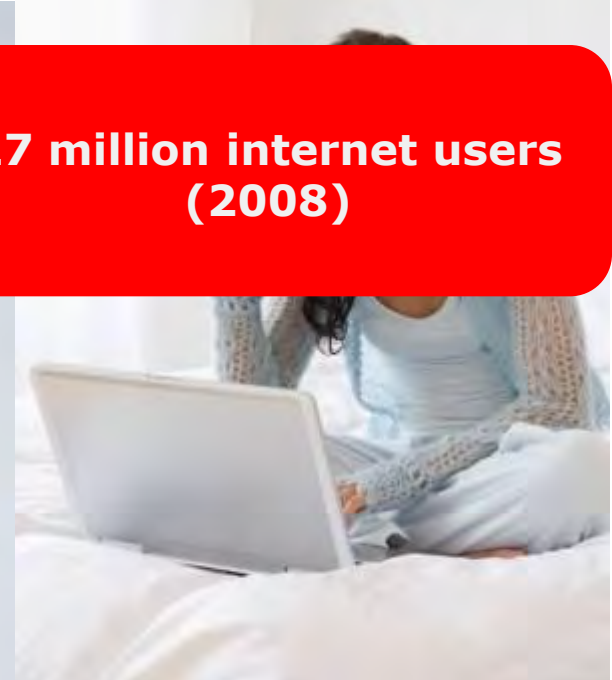
15th largest economy in the world and 6th largest compared to the 27 EU Countries in 2007 (IMF)



The largest youth population compared to the 27 EU countries



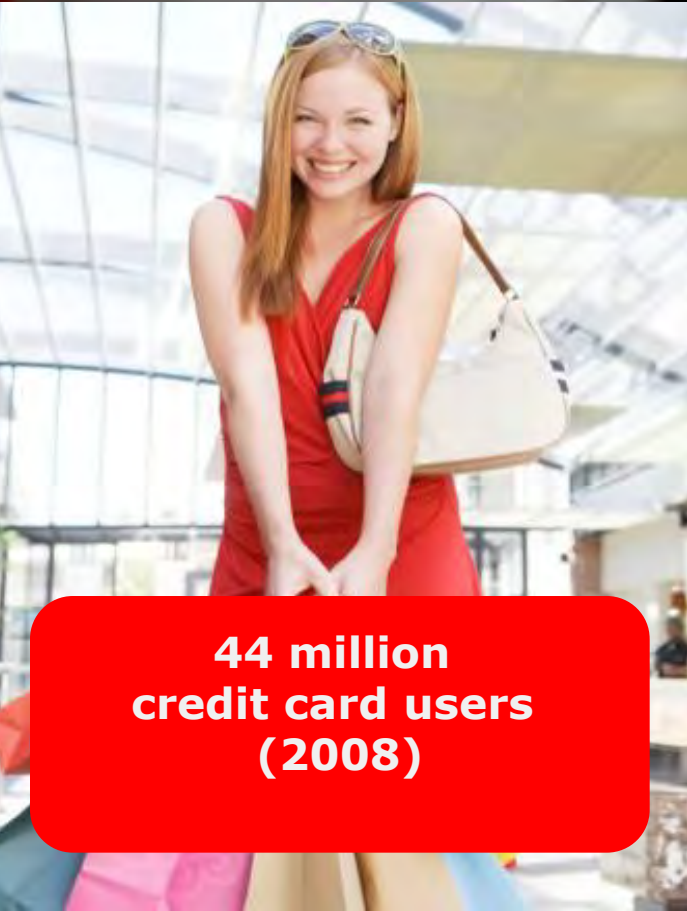
**27 million internet users
(2008)**



**66 million
GSM users
(2008)**



**44 million
credit card users
(2008)**



Turkey is the 4th largest shipbuilding (units) country as well as the 3rd largest mega yacht producer in the world (2007)



VOLITAN

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

DESIGNER HAKAN GÜRSU Dr.
ASS. DESIGNER SÖZÜM DOĞAN
- TURKEY -

VOLITAN - Zephyr of the Sun

Turkey is the 11th largest iron & steel producer in the world and 3rd compared to the 27 EU countries



Turkey is the 16th largest automotive producer in the world, with 17 global brands producing over 1 million motor vehicles in 2007

Turkish Airlines is the fastest growing airline company in Europe, increasing its profit by 63 % in 2007



75 million airline passengers in Turkey (2008)



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

Turkey is the 8th most visited holiday destination in the world with 23.3 million tourists

**INTERNATIONAL
TOURIST ARRIVALS**

Country	2007 (million)
1. France	81.9
2. Spain	59.2
3. USA	56.0
4. China	54.7
5. Italy	43.7
6. UK	30.7
7. Germany	24.2
8. Turkey	23.3
9. Ukraine	23.1
10. Mexico	21.4



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

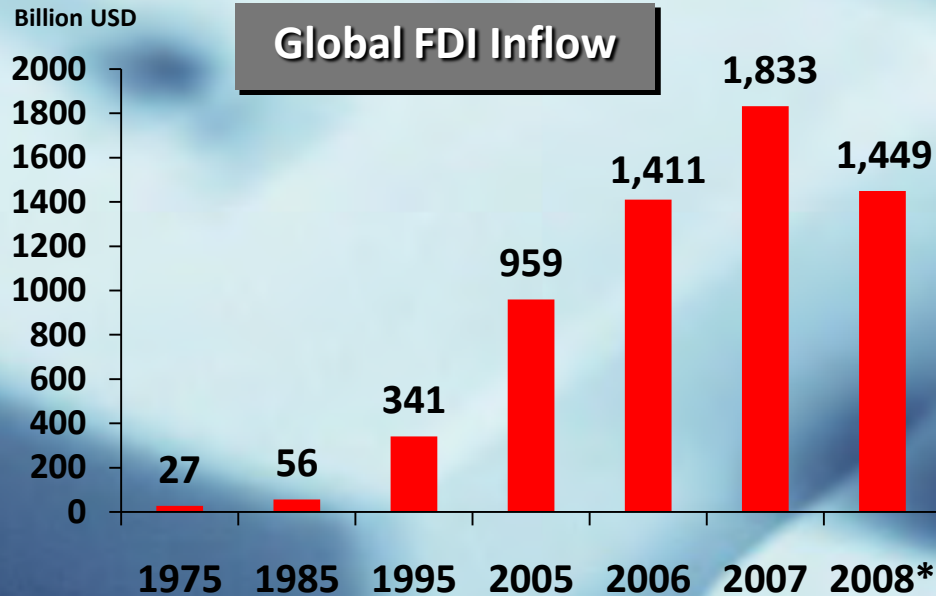


Global FDI



Global FDI

In 2007, 67 % of global FDI flew into developed countries while 33 % into developing countries.



* UNCTAD Staff Estimate



Today, because of the strategic choices of TNCs (transnational companies), the increase in M&A is an important portion of the global FDI movements.

89% of the global FDI in 2007 was realized through M&A.

Major Types of FDI:

- ✓ Market Seeking
- ✓ Efficiency Seeking
- ✓ Resource Seeking





Challenges of 2009;

- Global economic uncertainty
- Exchange rates volatility
- Rising interest rates
- Inflation pressure

Factors for the fall of FDI:

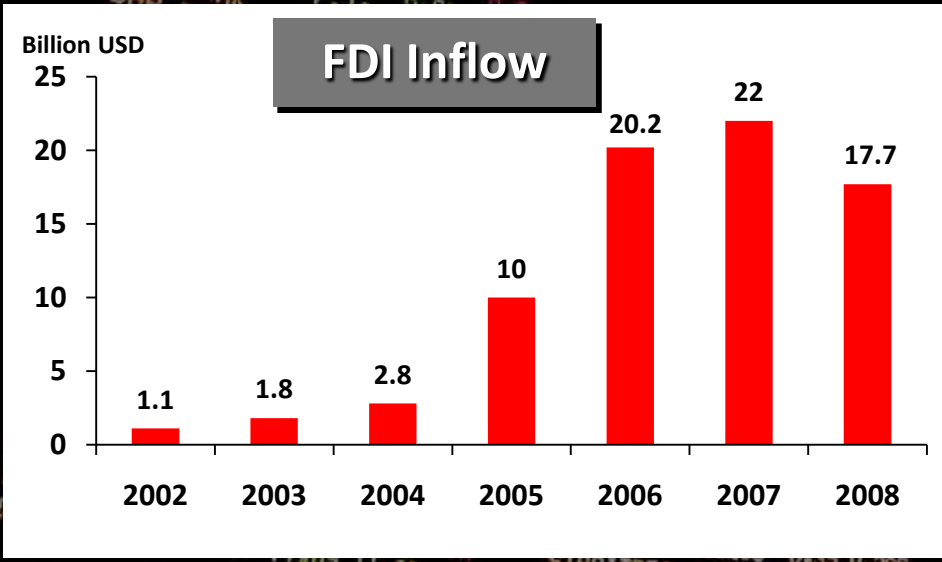
- ✓ Financial resources limits and higher cost of finance
- ✓ Recession in large scale economies



FDI in Turkey

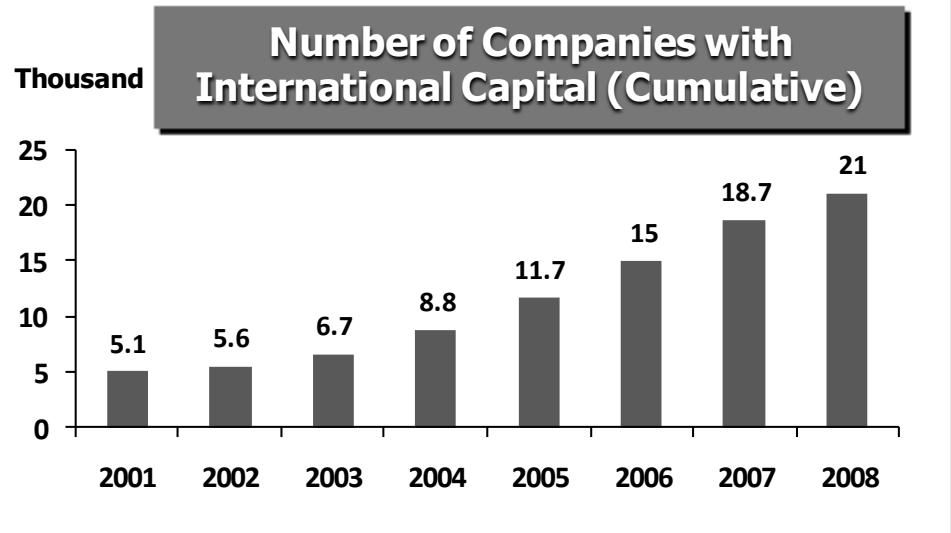


Strengthening upward trend in FDI Inflows



Japan	2002	2003	2004	2005	2006	2007	2008*
	63	58	6	31	1	2	10

*Jan-October (M USD)



**Turkey ranked 15th most attractive FDI destination in 2006
and 3rd among Emerging & Developing Economies**



Rising Sectors in Turkey:

- ✓ ICT
- ✓ Petrochemicals
- ✓ High Tech Industries
 - ✓ Life Sciences
 - ✓ Electronics
- ✓ Agro Business
- ✓ Transportation
 - ✓ Services
- ✓ Infrastructure



Top reasons to invest in Turkey



Top reasons to invest in Turkey

Benchmarking Performance of the Turkish Economy

- Dynamic, stable & attractive economy

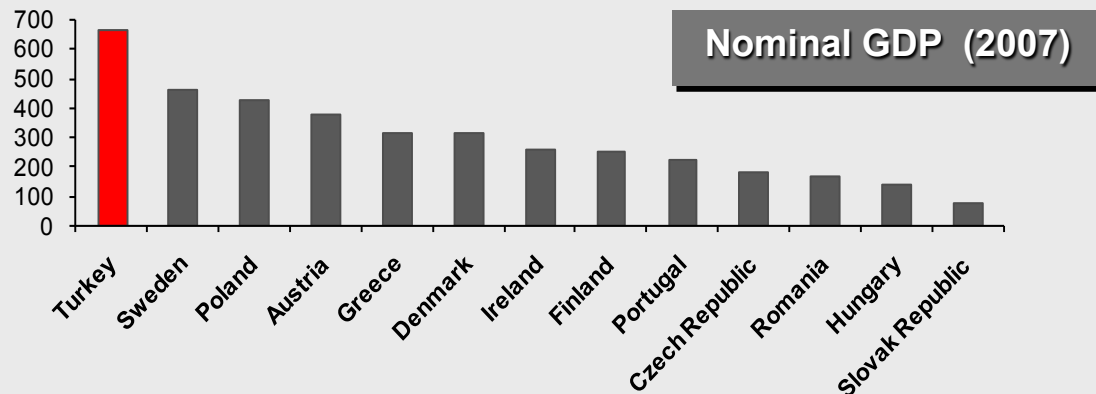
- GDP
- Key numbers

- Population

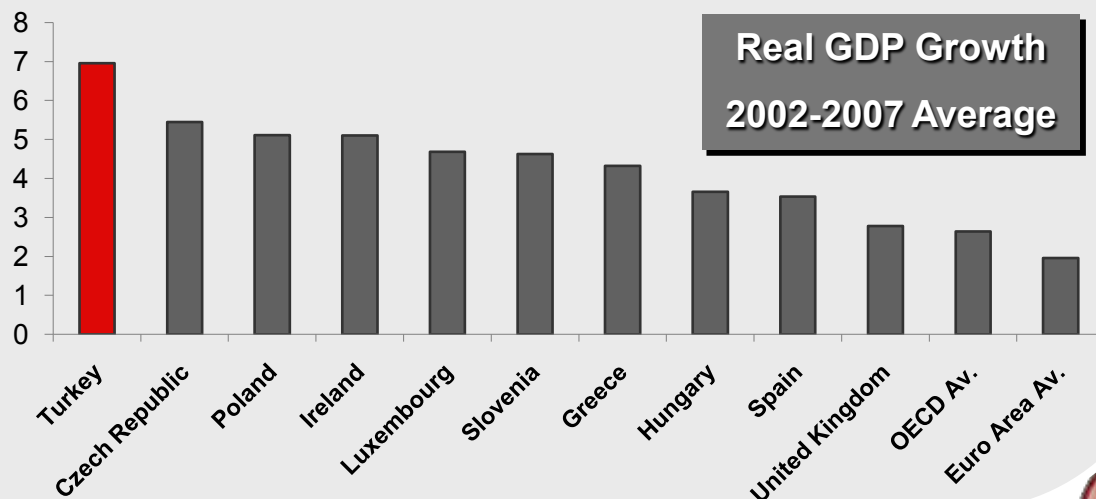
- International Hub

- Structural Reforms

Billion USD



%



Top reasons to invest in Turkey

- Dynamic, stable & attractive economy

- GDP
- Key numbers

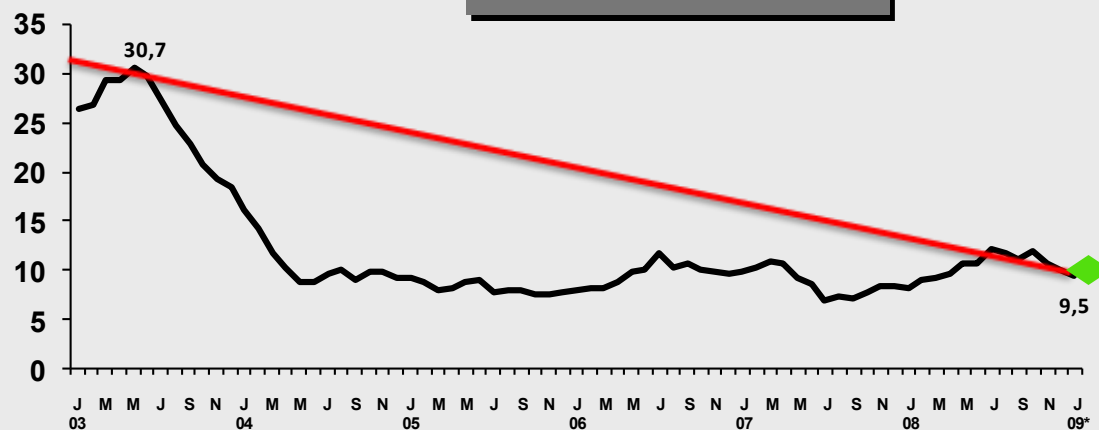
- Population

- International Hub

- Structural Reforms

Stability and High Performance in the Economy

Annual Inflation



* As of January 2009

Top reasons to invest in Turkey

- **Dynamic, stable & attractive economy**

- GDP
- Key numbers

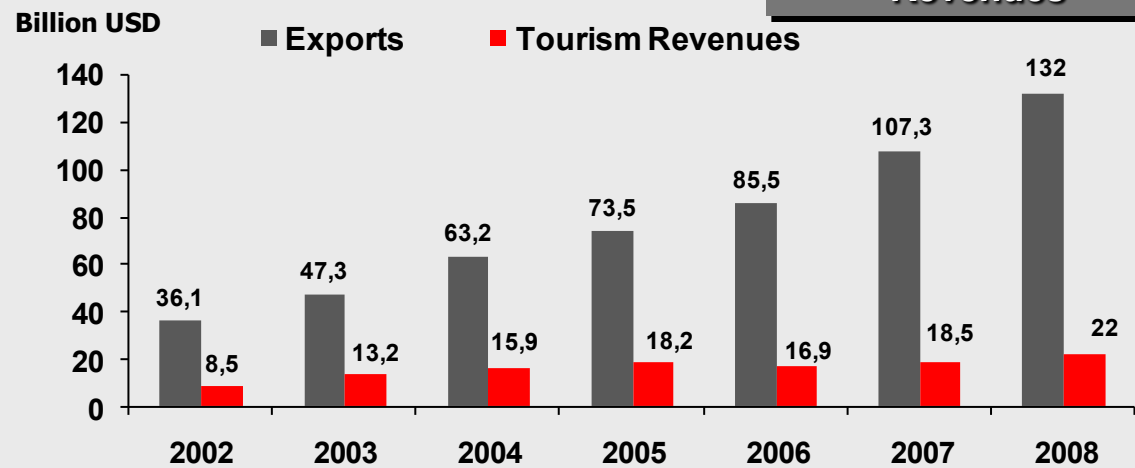
- Population

- International Hub

- Structural Reforms

Stability and High Performance in the Economy

Exports and Tourism Revenues

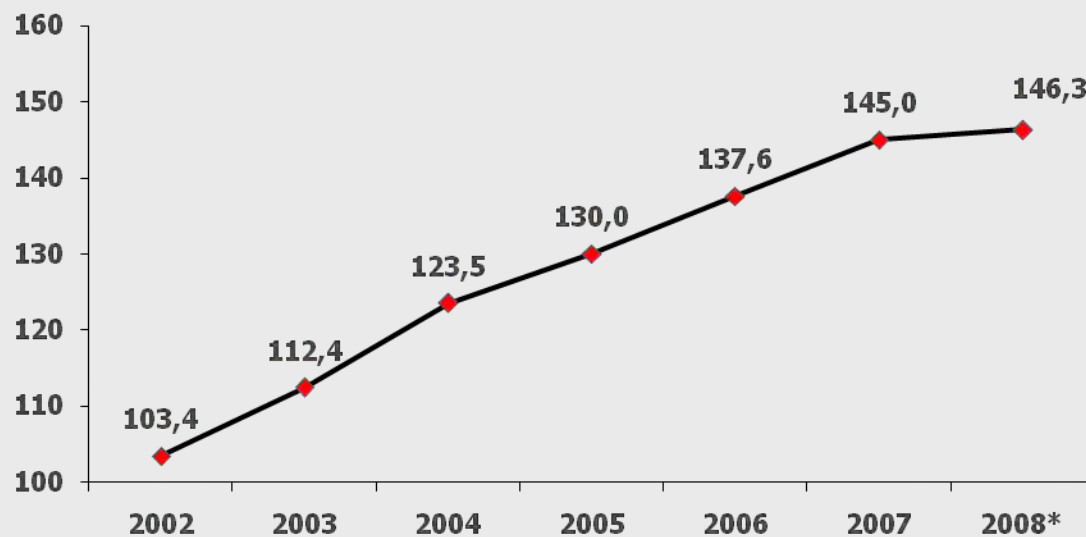


Top reasons to invest in Turkey

- Dynamic, stable & attractive economy
 - GDP
 - Key numbers
- Population
- International Hub
- Structural Reforms

Stability and High Performance in the Economy

Industrial Production Index
(1997= 100)



*As of October 2008

Top reasons to invest in Turkey

- Dynamic, stable & attractive economy

- Population

- Age

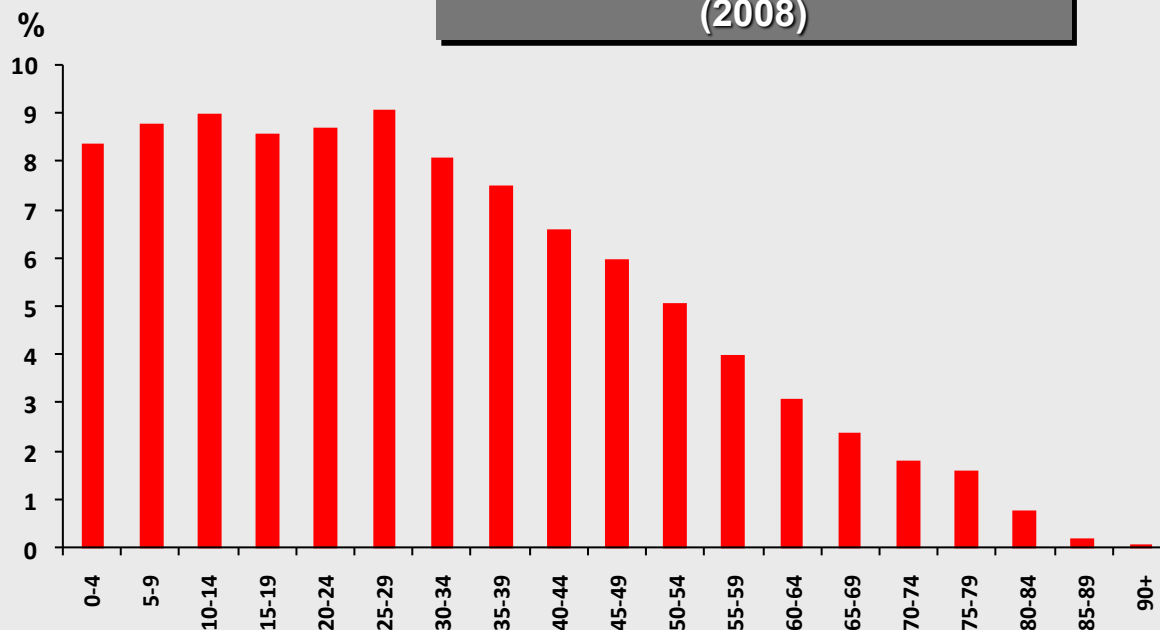
- GDP

- International Hub

- Structural Reforms

Potential of the Turkish Economy - Young Population -

Population-Age Groups Pyramid (2008)



Top reasons to invest in Turkey

- Dynamic, stable & attractive economy

- **Population**

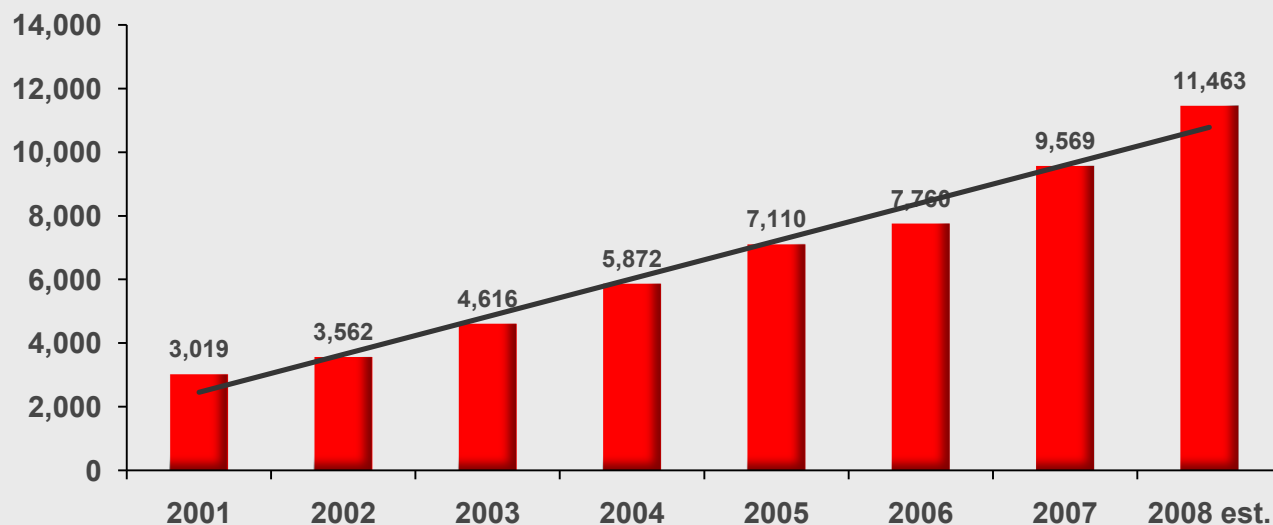
- Age
- GDP

- International Hub

- Structural Reforms

Potential of the Turkish Economy

GDP Per Capita – Nominal (USD)



Top reasons to invest in Turkey

Access to Multiple Markets

Total 1,34 Billion People & \$ 23 trillion GDP

- Dynamic, stable & attractive economy
- Population
- International Hub
 - Access to Multiple Markets
- Structural Reforms

EUROPE
GDP - 17,984 billion USD
Population - 588 million

RUSSIAN FEDERATION
GDP - 1,289 billion USD
Population - 142 million



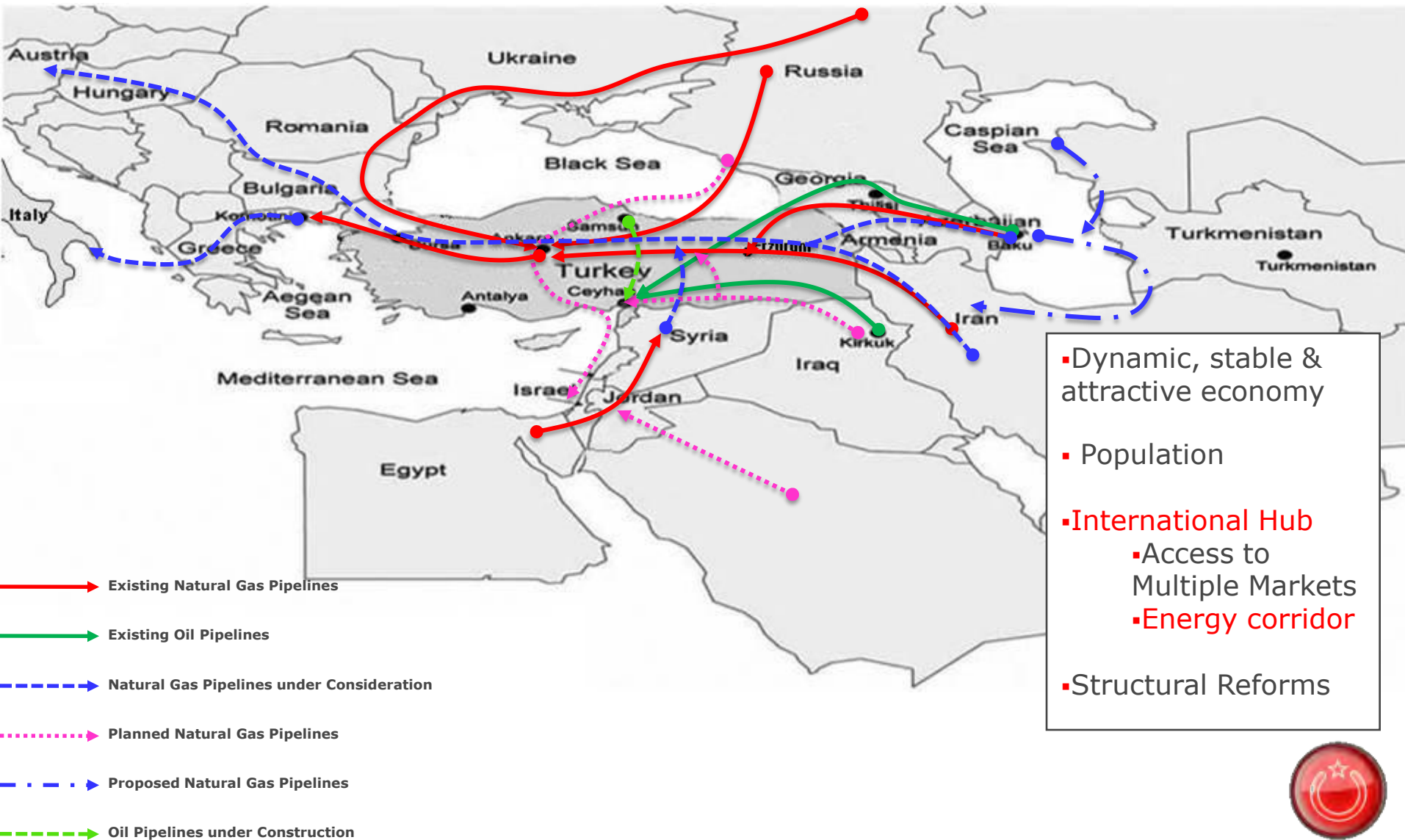
MIDDLE EAST AND NORTH AFRICA
GDP - 3,453 billion USD
Population - 506 million

CENTRAL ASIA AND CAUCASIA
GDP - 223 billion USD
Population - 105 million



Top reasons to invest in Turkey

Turkey As An Energy Corridor And Terminal



- 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

- Dynamic, stable & attractive economy
 - Population
- International Hub
- **Structural Reforms**

Structural Reforms



Top reasons to invest in Turkey

- Dynamic, stable & attractive economy
 - Population
- International Hub
- Structural Reforms

Special Investment Zones

Investment Incentives in Turkey

- General Investment Incentive Program
- Incentives for the Priority Development Regions
 - Technoparks
 - Free zones
 - New R&D Law
- Turkey has 3 kinds of regions:



Developed Regions: Istanbul, Kocaeli, Ankara, Izmir, Bursa, Adana and Antalya.
Priority Development Regions: 54 provinces determined by the Council of Ministers
Normal Regions: The remaining provinces

Privatizations & Upcoming PPP-Projects



Main Privatization Projects



Turk Telecom



Electricity
Distribution



National Lottery



Sugar Factories



Toll Roads



State Bank



Electricity
Generation



Galataport

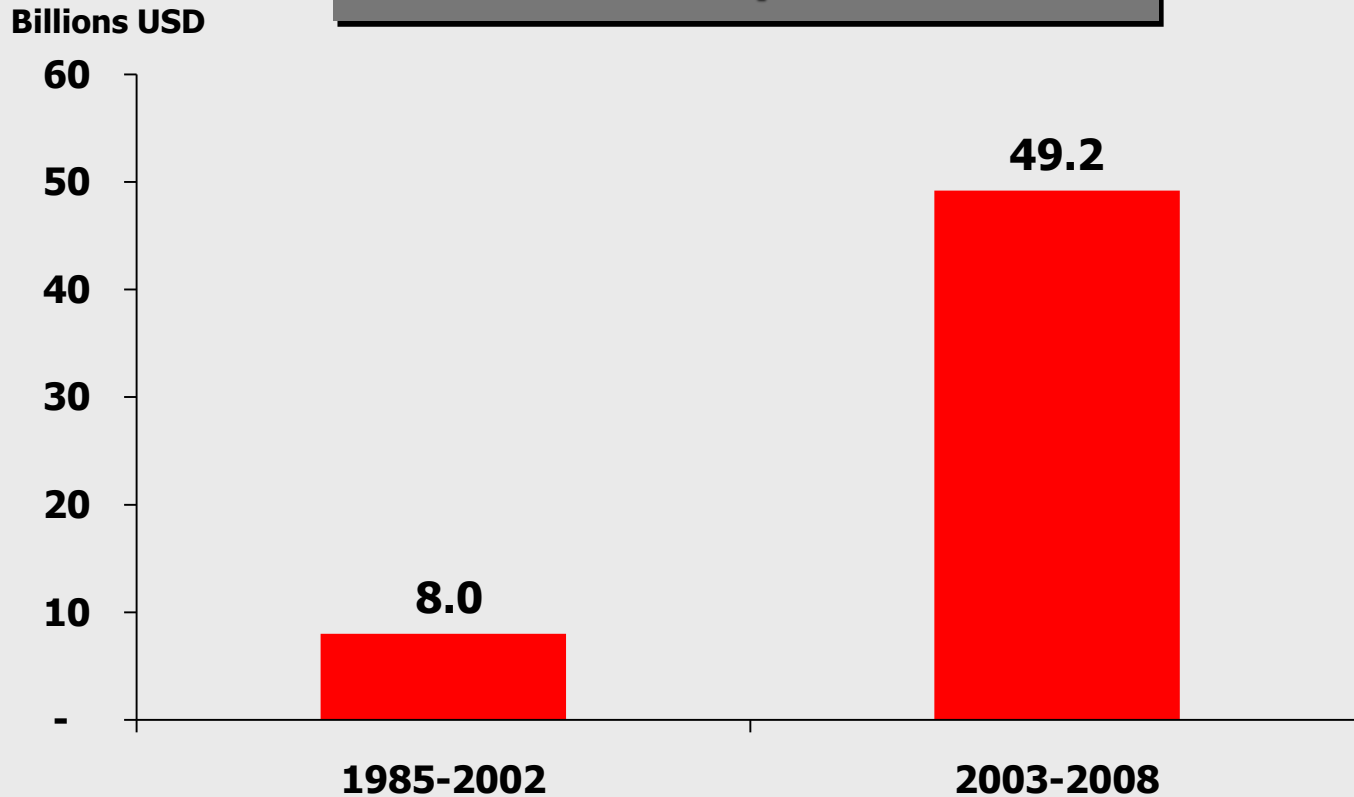
AGENDA

- PRIVATIZATION PROJECTS
 - PRIVATIZATION OF ELECTRICITY DISTRIBUTION COMPANIES –TEDAŞ
 - PRIVATIZATION OF ELECTRICITY GENERATION FACILITIES
 - PRIVATIZATION OF TALL MOTORWAYS
 - PRIVATIZATION OF NATIONAL LOTTERY
 - PRIVATIZATION OF STATE –OWNED HALKBANK
 - PRIVATIZATION OF SUGAR FACTORIES (TÜRKŞEKER)
 - PRIVATIZATION OF TURKISH AIRLINES
 - PRIVATIZATION OF SOME PORTS



Privatization Implementations

Privatization Implementations*



*1985 – 2002 figures include privatizations done by PA, 2003 – 2008 figures include privatizations done by PA, SDIF and Ministry of Transportation

Upcoming PPP Projects

I. HOSPITAL PROJECTS:

- ✓ KAYSERİ Health Campus Project (1048 BEDS) – more than 500 Million \$ Dollars
 - ✓ ANKARA (Etlik and Bilkent), İSTANBUL (İkitelli) (2100 BEDS)

II. HIGH SPEED RAILWAY CONNECTIONS CONSTRUCTION PROJECTS:

- ✓ Ankara High Speed Railway Train Station – 300 Million \$ Dollars
- ✓ BANDIRMA-BURSA-OSMANELI Railroad – 592 Million \$ Dollars

III. INVESTMENT PROJECTS WHICH NEED FINANCIAL SUPPORT:

- ✓ Ankara-İstanbul High Speed Train Project – 106 Million € (EUR)
 - ✓ Başkentray Railroad – 290 Million \$ Dollars

IV. LIGNITE BASED POWER GENERATION PROJECT:

- ✓ AFSIN-ELBİSTAN C & D Units (2 x 1200 MWt) – 2 x 1,5 Billion \$ Dollars



Case Studies



Case Studies

In Turkey for Turkey, In Turkey for the world



Key Points of Investment Project

Employment	240 employees
Description	Regional headquarter: leading 80 countries out of Turkey



GE Healthcare

Perfect Wind

Renewable Energy

Key Points of Investment Project

Budget	EUR 210 million
Employment	150 employees
Description	Construction of Wind Farm of 150 MWt in Kırşehir



Case Studies



**Solutions for power
generation and
electricity transport**

Key Points of Investment Project

Budget: USD 105 million

Employment: 600 employees





One of the world's leading OEM suppliers



Key Points of Investment Project

Budget	USD 10 million
Employment	100 employees
Description	<ul style="list-style-type: none">• Distribution Center,• Fluid Power Engineering and Service Center• Power Transmission facility



DRIVEN BY VALUES



Key Points of Investment Project

Budget	USD 100 million
Employment	250 employees
Description	Manufacturing of Tractors in Manisa Organized Industrial Zone



THE AGENCY



The Agency

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



The International Network

- International representatives network worldwide and strategic partners in Turkey (Embassies, Consulates, Commercial Attaches, NGO's etc)
- In charge of attracting FDI by promoting Turkey's dynamic economic environment
- In charge of supporting settlement of the investors in Turkey and the follow up (after sales service)



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



Investors go where they feel

W E L C O M E



Some International Investors in ICT & Electronics



Some International Investors in FMCG & Retail



Some International Investors in Different Sectors

ALSTOM



bp



AstraZeneca



VELUX

iPRAGAZ



Mobil

INTERGEN

RIO TINTO



INTERGEN



**WHY
TURKEY?**



invest.gov.tr

TURKEY IS A JEWEL



WHY TURKEY?

- **'Booming' Economy**
(**\$231 bn to \$663 bn GDP in 5 years**)
- **70 million population (average age 28.3!)**
65% of the population is below 34!)
- **Growing domestic market**
- **Liberal and reformist investment climate**
- **Dynamic and mature private sector**



WHY TURKEY?

- **Qualified and cost-effective labor force**
- **Centrally located (Europe, Central Asia, Middle East)**
- **Energy corridor and terminal of Europe**
- **Low taxes & incentives**
- **EU accession country since October 2005**
- **Customs Union with the EU since 1996**
- **Opportunities, opportunities and opportunities!**



For More Power To Your Global Business

Push The Button



INVEST IN TURKEY



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