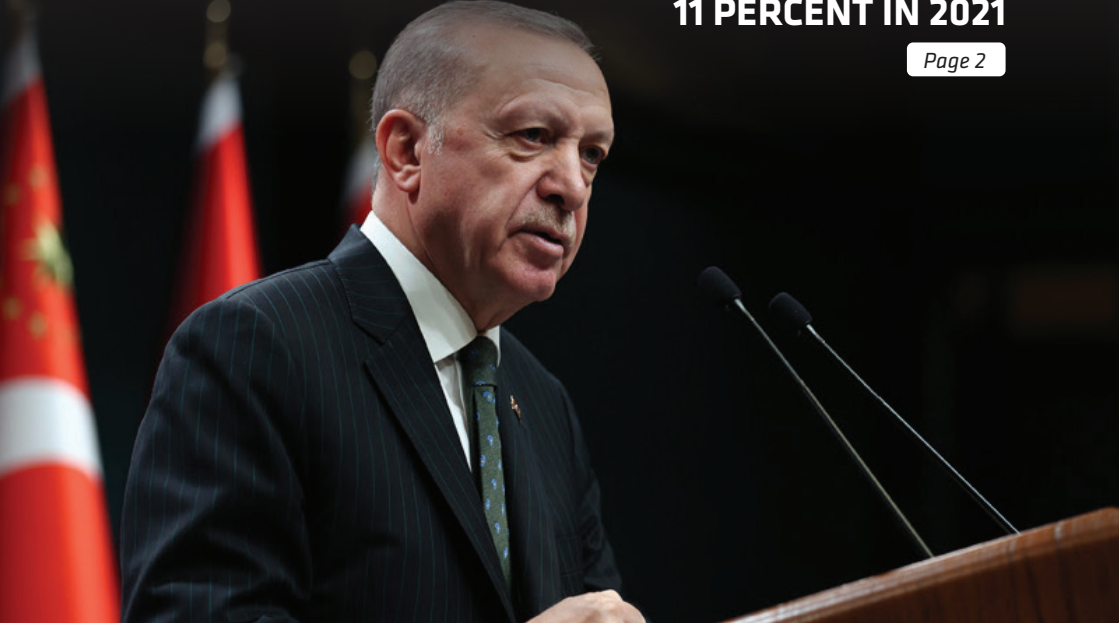


INVEST IN TÜRKİYE

TURKISH ECONOMY GROWS 11 PERCENT IN 2021

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Message from the Investment Office

Türkiye's economy has once again proven resilient with successful fiscal policies amid the turmoil caused by the pandemic, with our GDP expanding 11 percent annually in 2021, making us the fastest growing country in the G20, OECD and the EU.

As a sign of the continued investor appetite in Türkiye, FDI inflows into our country totaled USD 14.1 billion in 2021, up a spectacular 81 percent increase year-on-year, bringing total FDI inflows into our country to USD 239 billion from 2003 to 2021. Both GDP and FDI figures overall show Türkiye is maintaining its robust recovery and remains an excellent investment destination.

February 2022 saw the signing of several agreements with the UAE in a large variety of fields including trade, defense, healthcare and technology during President Recep Tayyip Erdoğan's official visit to the country.

In addition to economic recovery, the Investment Office is stepping up its efforts to promote prospects in Türkiye, both through its dedicated staff of professionals and in collaboration with stakeholders in Türkiye and target regions.

A. Burak DAĞLIOĞLU
President, Investment Office

Türkiye attracted USD 14.1 billion FDI inflows in 2021, the highest such figure since 2016.

TURKISH ECONOMY GROWS 11 PERCENT IN 2021

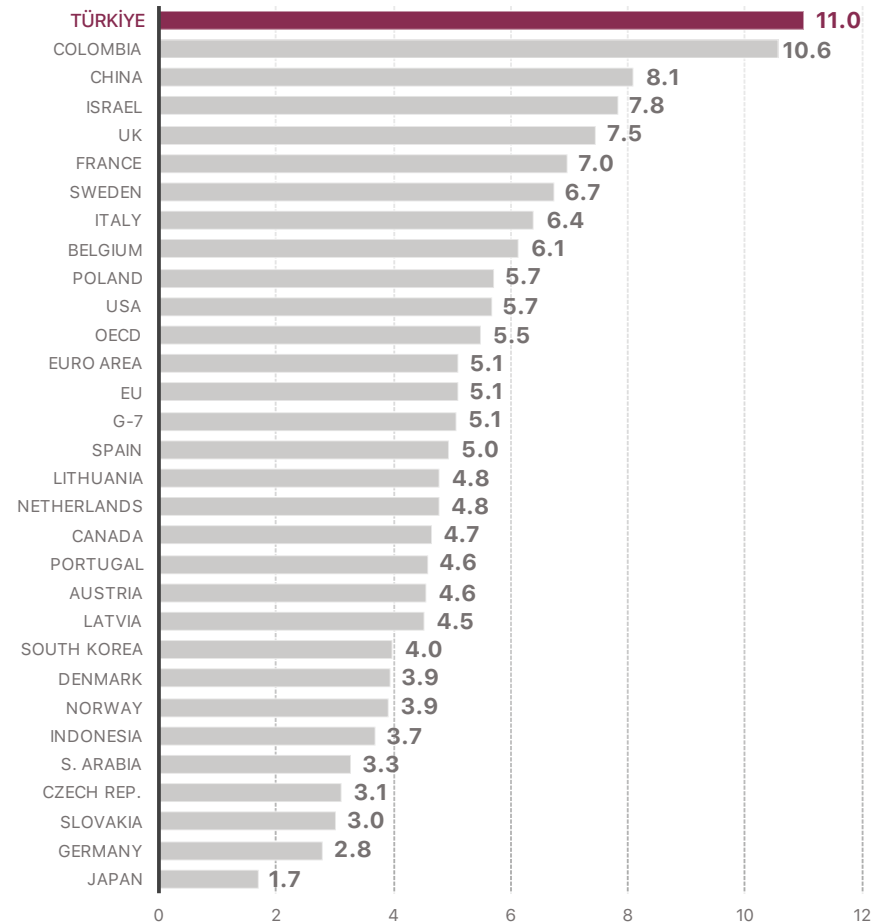
Türkiye's economy grew 11 percent annually in 2021 and 9.1 percent year-on-year in Q4, bringing the average annual GDP growth rate during the 2002-2021 period to 5.5 percent. With 11 percent annual GDP growth, Türkiye has been the fastest growing economy in the G20, OECD and the EU in 2021.

The data unveiled by the Turkish Statistical Institute (TurkStat) demonstrated the Turkish economy's robust recovery continued at full speed in 2021, with GDP at current prices reaching USD 803 billion in 2021 from USD 717 billion in 2020, and GDP per capita amounting to USD 9,539 from USD 8,599.

A close analysis of GDP's activities demonstrated that all of the components, particularly manufacturing and exports contributed positively to economic growth, with the exception of financial services and agriculture. The value-added increased by 21.1 percent in services sector, 20.2 percent in ICT activities, and 16.6 percent in manufacturing.

TurkStat also revised upwards Türkiye's growth in Q3 of 2021 to 7.5 percent from 7.4 percent.

2021 GDP GROWTH RATES(%)



Source: OECD

Türkiye's average annual GDP growth rate during the 2002-2021 period is 5.5%.

Türkiye has been the fastest growing economy in the G20, OECD and the EU in 2021, with an annual GDP growth rate of 11%.

DID YOU KNOW?

TÜRKİYE, UAE SIGN A SERIES OF INVESTMENT DEALS TO CONSOLIDATE TIES



President Recep Tayyip Erdoğan paid an official visit to Abu Dhabi and Dubai on February 14-15 at the invitation of Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan as part of joint efforts of Türkiye and the UAE to review bilateral relations and further enhance cooperation. This visit follows Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan's visit to Türkiye last November at the invitation of President Erdoğan.

Following the welcoming ceremony in Abu Dhabi, President Erdoğan and Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan co-chaired the meeting between the delegations at the Qasr Al Watan and presided over the signing of 13 agreements in the fields of defense, healthcare, climate change, industry, technology, culture, agriculture, trade, economy, land and maritime transportation, youth, disaster management, meteorology, communications, and archives.

As part of his visit to Abu Dhabi, President Erdoğan addressed at the United Arab Emirates-Türkiye Economic Forum held at the Emirates Palace in Abu Dhabi. "Our shared goal with the UAE is now to elevate our bilateral relations to much higher levels in all areas," President Erdoğan said, noting that the UAE has been Türkiye's main trade partner in the Gulf region. He also stated that the recently inked agreements in a wide variety of areas, ranging from industry, advanced technology, and transportation to healthcare, agriculture, and bilateral investments have expressed joint willingness to further cooperate.

President Erdoğan also met with Dubai Emir Sheikh Mohammed bin Rashid Al Maktoum and honored the Türkiye Pavilion at the Dubai Expo 2020. Following their bilateral meeting at the Expo, President Erdoğan and Dubai Emir Sheikh Mohammed bin Rashid Al Maktoum co-chaired a meeting between delegations.



TÜRKİYE LOWERS VAT FOR BASIC FOOD PRODUCTS

President Recep Tayyip Erdoğan announced a VAT rate reduction on basic food products from 8 percent to 1 percent as part of the program to simplify the VAT system at the ceremony held for the launch of Ministry of Treasury and Finance's Program on Combating Inflation on February 12.

Addressing the launch meeting via videoconference, President Erdoğan noted, "We are determinedly advancing on our path to developing

our country's economy on the pillars of investment, employment, exports and current account surplus," and added globally rising commodity and energy prices appeared as high inflation and instability in financial markets. "The fight against inflation requires determination and confidence. The Turkish government is taking all promised steps one by one to overcome this situation and lowering of VAT for basic food products, which is already 1 percent for flour and bread, is one of these steps," President Erdoğan said.



INVESTMENT OFFICE AND AMCHAM VISIT MINISTER OF TREASURY & FINANCE NUREDDİN NEBATİ



On February 2021, Investment Office President A.Burak Dağlıoğlu and a delegation including American Business Forum in Türkiye (AmCham) Chair Tankut Turnaoğlu and AmCham Board Members were received by Minister of Treasury and Finance Nureddin Nebati.

“We focused on how to enhance Turkey-US economic relations further,” Minister Nebati noted, and added steps to be taken for improving trade relations and empowering investments between the countries were on the agenda at the meeting.

Minister Nureddin Nebati meets with investors and business people to showcase the new Türkiye Economy Model and to hear from representatives of the Turkish economy. Founded in 2004, AmCham is a business association and NGO, comprised of U.S. companies with operations in Türkiye. The NGO represents over 110 U.S. member companies, with investments over USD 50 billion having created around 100,000 jobs in the country.

INDUSTRIAL PRODUCTION KEEPS UPWARD TREND

Türkiye has recorded a monthly increase of 1.6 percent and an annual increase of 14.4 percent in industrial production in December 2021, according to the data released by Turkish Statistical Institute (TurkStat).

Sectoral breakdown of the data unveiled manufacturing recorded an increase of 16.2 percent for 2021 while production of medium-high-technology products scored an increase of 49.2 percent.

Commenting on the data, Minister of Industry and Technology Mustafa Varank said, “We are advancing with

determination towards our growth target thanks to our manufacturing industry and high-tech products.”



MINISTRY OF TREASURY AND FINANCE UNVEILS NEW PROGRAMS TO FIGHT INFLATION



The Minister of Treasury and Finance Nureddin Nebati unveiled a new anti-inflation program on February 12 at a ceremony honored by President Recep Tayyip Erdoğan via videoconference. President Erdoğan announced that the VAT rate on basic food products was reduced from 8 percent to 1 percent as part of a program to streamline the VAT system.

Minister Nebati also revealed the details of the newly-introduced “Gold Savings Ecosystem” and three credit support packages, including the “Investment Support Package”, “Export Support Package” and “Operating Expenses Support Package” in addition to the VAT reduction.

The Gold Savings Ecosystem includes depositing physical gold in Turkish banks through bank branches and

licensed jewelers, which allows account holders to withdraw gold physically at the end of the maturity. Investment loans and investment-related commercial loans to companies up to TRY 25 billion are now available under the Investment Support Package, with grace periods and maturities of 96 months and 30 months, respectively.

The Export Support Package introduces Credit Guarantee Fund-backed loans of up to USD 25 billion to SMEs and non-SME businesses with an interest rate of TLREF + 1 percent.

Finally, a USD 10 billion Operating Expenses Support Package has been established for SMEs and non-SME businesses, and features a 6-month grace period, a 24-month maturity, a cash loan of up to 10 percent, and an interest rate of TLREF + 1 percent.

TURKISH TREASURY RAISES USD 3 BILLION FROM GLOBAL INVESTORS VIA SUKUK ISSUANCE

In its first USD-denominated debt certificate issuance since September 2021, the Ministry of Treasury and Finance raised USD 3 billion from international capital markets through a Sukuk (lease certificate) issuance on February 16, with a total demand of over three times.

According to a press release from the Ministry, over 200 investors attended the Sukuk issuance, with 66 percent

operating in the Middle East, 12 percent in the US, 12 percent in the UK, 5 percent in other European countries, 4 percent in Türkiye, and 1 percent in Asia.

Citibank, Dubai Islamic Bank, HSBC and Kuwait Finance House were mandated lead arrangers (MLA) in the Sukuk issuance, which had maturity of five years and a lease rate of 7.25 percent.

FDI INFLOWS INTO TÜRKİYE SURGE IN 2021

Türkiye has been one of the fastest recovering economies in the world in the aftermath of the Covid-19 outbreak. As a sign of the continuing investor appetite and the quick rebound, FDI inflows into Türkiye totaled USD 14.1 billion in 2021, up 80.7 percent, while FDI inflows into developing countries increased 30 percent in the same period. With this figure, which is also the highest yearly figure since 2016, total FDI inflows into Türkiye from 2003 to 2021 exceeded USD 239 billion.

With this performance, Türkiye has once again proved resilient against crises and shocks, while also

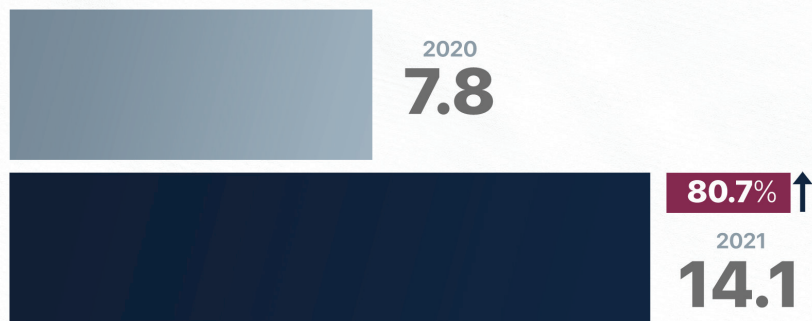
demonstrating that it is a safe haven with robust economic fundamentals.

Türkiye diversified its FDI sources in 2021 as well. While traditional FDI investments continued to originate from European countries, with around 60 percent share in total, Türkiye saw higher FDI inflows from Asian countries, the USA, the Middle East with respective shares of 23 percent, 16 percent, and 9 percent in total FDI in 2021. On a country basis, Türkiye's top five sources of FDI in 2021 were the UK, the USA, the Netherlands, Switzerland, and the UAE.

Türkiye's FDI inflows reached USD 14.1 billion in 2021, up an eye-catching 81% increase year-on-year.

FDI INFLOWS IN TÜRKİYE

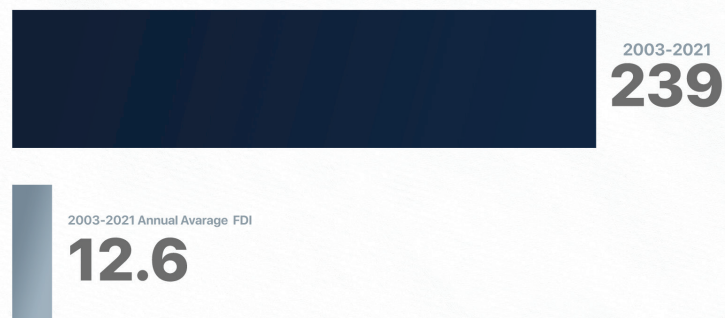
USD BILLION



Total FDI inflows into Türkiye from 2003 to 2021 exceeded USD 239 billion.

FDI INFLOWS IN TÜRKİYE

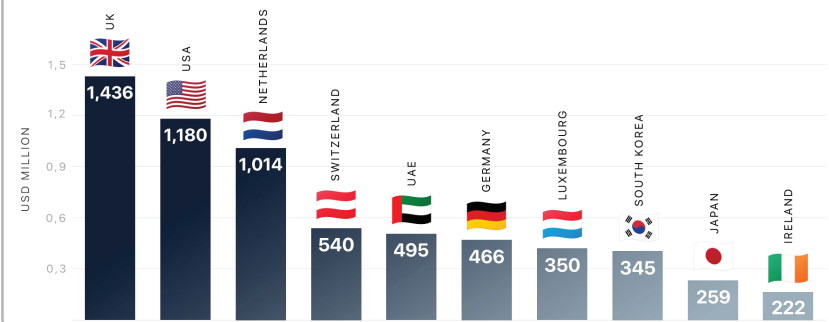
CUMULATIVE / USD BILLION



Türkiye's top five sources of FDI in 2021 were the UK, the USA, the Netherlands, Switzerland, and the UAE.

FDI INFLOWS IN TÜRKİYE BY COUNTRY

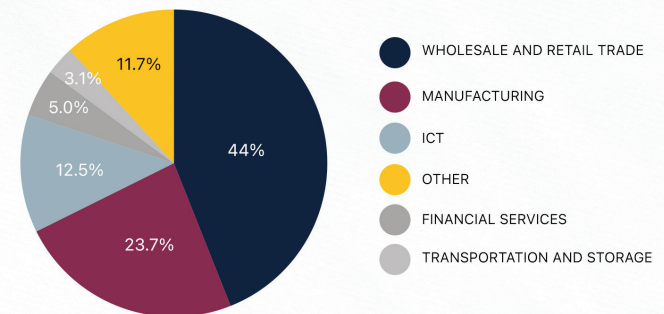
2021 (TOP 10)



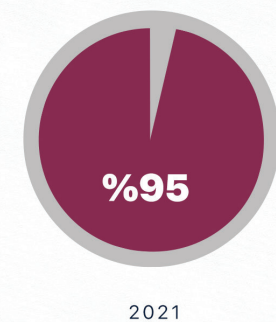
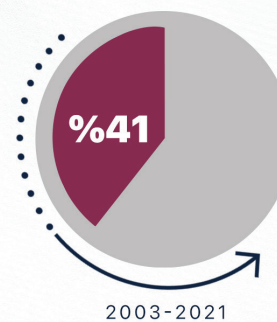
Wholesale and retail trade, manufacturing and ICT industries respectively account for the largest share in Türkiye's total FDI in 2021, with FDI inflows in the wholesale and retail trade fueled mostly by investments in tech startups.

FDI INFLOWS IN TÜRKİYE BY SECTOR

2021



SUPPORT OF TÜRKİYE'S FDI INFLOWS TO CURRENT ACCOUNT BALANCE



FDI NEWS

SPAIN-BASED FERROVIAL INVESTS IN DALAMAN INTERNATIONAL AIRPORT



Türkiye's YDA Group, the operator of the Dalaman International Airport, has signed an agreement with Spain-based Ferrovial, one of the world's leading infrastructure operators and municipal services companies, for 60 percent of its operating right until the end of 2042 for EUR 140 million. The agreement is expected to be finalized in H1 2022, following the completion of the required approvals.

In his statement on the agreement, YDA Group Chairman Hüseyin Arslan said the deal is of great significance for the Turkish economy and the entire aviation industry, and that this partnership

between two globally renowned groups will further contribute to their success.

Commenting on the partnership, Ferrovial Airports CEO Luke Bugeja said, "This agreement offers us a unique opportunity to diversify our portfolio in a location that has become a rapidly growing destination in Türkiye for international tourism. YDA Group holds vast experience in building and operating infrastructure under the PPP model, which makes it an ideal partner for us in this project."

The Spanish Ferrovial Group also operates London's largest airport, Heathrow.

SWISS SCHINDLER ACQUIRES OMSAN



As approved by the Competition Authority, Schindler, Swiss manufacturer of escalators and elevators, has acquired 100 percent of the shares in the Turkish company OM Elektrik Makina Sanayi ve Ticaret A.Ş.-known with Omsan brand- through its wholly owned subsidiary Schindler Türkeli Asansör Sanayi A.Ş.

Founded in 1874, Schindler Group operates in more than 140 countries, including Germany, Brazil, China, Spain, India, and the

USA. It is among the world's top three companies in its particular field. It employs 66,000 workers around and rakes in a turnover of USD 10 billion. This acquisition is the second biggest investment of the brand in Türkiye -after the buy out of Türkeli Asansör back in 1992.

Omsan was founded in 1948, only to enter the elevator industry in 1975. It currently works with 180 employees at a 7,500 m² production facility in Gebze, Kocaeli, Türkiye.

EVENTS

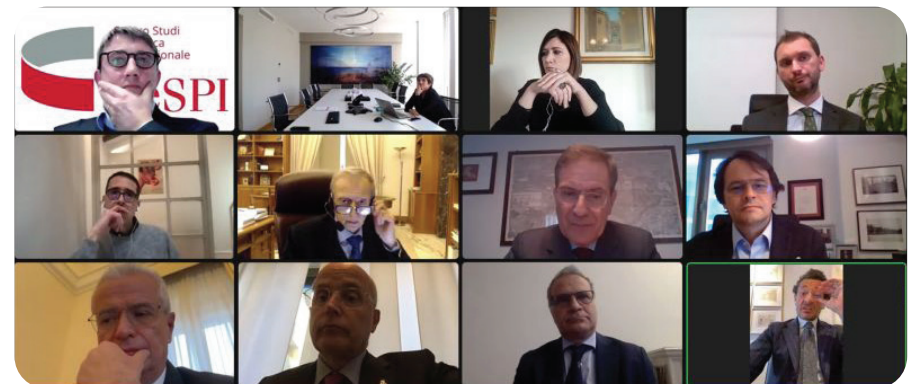
BRIEFING SPANISH INVESTORS ON TÜRKİYE'S LOGISTICS CAPABILITIES



Investment Office Project Manager Zeki Emre Tekin presented on Türkiye's logistics capabilities at the "Global Change: How International Trade is Reshaping the Global Economy"

webinar cohosted by the Investment Office and the Spanish-Turkish Chamber of Commerce and Industry (Cámara Oficial de Comercio e Industria Hispano-Turca).

WEBINAR WITH ITALIAN BUSINESS COMMUNITY



The "Survey on Italian Companies Operating in Türkiye" webinar, hosted by CeSPI (Centro Studi di Politica Internazionale Observatory on Türkiye), Grimaldi Alliance, and supporting partners Investment Office and the

Italian Chamber of Commerce in Türkiye as part of the "Italy-Türkiye: a bridge towards Asia and Africa" event cycle, provided analyses on Türkiye's latest trends, regional and international connections.



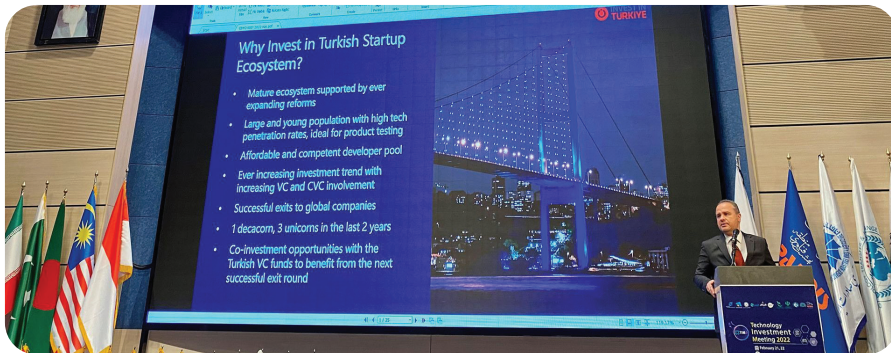
INVESTMENT OFFICE OPENS OFFICE IN NEW YORK

The Investment Office of the Presidency of Türkiye opened an office at New York's Turkish House, an iconic skyscraper that serves as home to Türkiye's permanent mission to the United Nations and the Turkish Consulate General.

The Turkish House, also known as Türkevi, was inaugurated by President Recep Tayyip Erdoğan on September 20, 2021.

Welcoming the Investment Office's country advisor assigned to New York office, Mehmet Tangut, Turkish Consul General in New York Reyhan Özgür expressed his support for promoting Türkiye's investment opportunities to the US business community.

The Investment Office is operational in the United States with two offices run by country advisors based in Washington, D.C. and New York.



TECHNOLOGY INVESTMENT MEETING IN TEHRAN

Investment Office of the Presidency of the Republic of Türkiye Financial Investments Unit Manager Ahmet Cüneyt Selçuk presented on the "Turkish Early Stage Investment Environment" at the "Technology

Investment Meeting 2022" held by the "D-8 Technology Transfer and Exchange Network" (D8TTEN Secretariat) in Tehran, Iran.

INVESTMENT OFFICE NOTEPAD

ISTANBUL AIRPORT WINS AIRPORT OF THE YEAR' AWARD FOR THE SECOND TIME

IGA Istanbul Airport claimed the "Airport of the Year" award for the second year in a row at the "Air Transport Awards 2022", one of the most prestigious awards in the global aviation industry.

The Air Transport Awards are held every year in partnership with Hermes - Air Transport Organization, Air Transport News (ATN) and America Latina Aeronoticias (ALA), with representatives from leading aviation industry organizations such as the Airports Council

International (ACI), the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA) serving on the selection committee.

In January 2022, air passengers rose 77 percent year-on-year, soaring 9 million. Meanwhile, domestic passenger traffic increased 49 percent year-on-year to 5 million 25 thousand, with international passenger traffic soaring 128 percent year-on-year to 4 million 241 thousand.



- Will your freight procurement method change as a result of Covid-19?
- Will your supply & flow-planning model become more flexible?
- How will your inventory procurement strategy change?
- How do you plan to integrate further technology solutions into your supply chain?



Discover how international trade is reshaping the global economy at "Türkiye's Logistics Capabilities" report!

WHY TÜRKİYE

TÜRKİYE: 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 803 billion** in 2021, up from USD 238 billion in 2002.

Over **USD 239 billion** of FDI between 2003-2021, while the total amount of FDI attracted between 1980-2002 stood at USD 15 billion.

ACCESS TO MULTIPLE MARKETS

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

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

TOTAL

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

Source: World Bank, 2019
Comtrade, 2019

REAL GDP GROWTH (2021, %)



Source: OECD

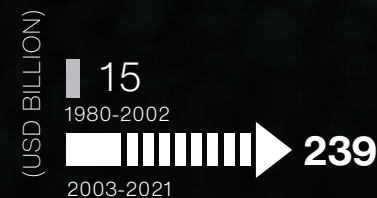
TÜRKİYE

was the fastest growing economy of the OECD members during 2003-2021, with an average annual growth rate of

5.4%

CUMULATIVE FDI INFLOWS TO TÜRKİYE

(USD BILLION)



Source: CBRT

- 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 Türkiye, while it takes an average of 8,5 days in OECD high-income countries.
- (World Bank Doing Business 2020)

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 5.4%

over the past 19 years.

(2003-2021, TurkStat)

SOPHISTICATED CONSUMER BASE

A population of 84.7 million,

half of which is under the age of 33.1.

(2021, 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)

TÜRKIYE'S INFRASTRUCTURAL DEVELOPMENT



1ST

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



**USD
159 Billion**

Total value of PPP contracts in Türkiye during the 1986-2021 period.



253

Total number of PPP projects in Türkiye during the 1986-2021 period.



44,350

Number of hospital beds to be introduced once 31 integrated health campuses are put into operation across Türkiye. Of those, 20 will be PPP city hospitals with a total bed capacity of 31,315.



56

Number of airports in Türkiye increased from 26 in 2002 to 56 in 2020.





8,200

Total motorway length targeted to be reached in Türkiye by 2035.



60%

The share of rail sector among infrastructure investments in Türkiye in 2023.



42.4%

Share of renewable energy in total electricity production in 2020.



25%

Expected growth in Türkiye's total installed power generation capacity from 2020 to 2023 (from 95.9 GW to 120 GW).

For more info

invest.gov.tr/en/sectors/pages/infrastructure.aspx



“

In 2011, Daikin Türkiye was established following the acquisition of a local air-conditioning company.”

Türkiye's own growth potential is complemented by its strategic location at the heart of other emerging markets such as the CIS, the Middle East, and North Africa, and will thus act as a base for Daikin to expand business across these regions.

As a result of the acquisition, we also obtained a highly-skilled and spirited workforce, ready for the challenges ahead. We are convinced that new investment in Türkiye was the right decision.

Masatsugu MINAKA

Chairman of the Board, Daikin Europe N.V.



“

45 years of experience as a domestic manufacturer in Türkiye”

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 Türkiye, 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 Türkiye, the investment environment makes sense. And it is also easy to operate, thanks to the Investment Office President and his entire team.

Andrew N. LIVERIS

Former Chairman & CEO, DOW



“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 Türkiye, 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 Türkiye will be here to support economic development and capacity building.

Jean-Philippe COURTOIS
Executive Vice President and President,
National Transformation Partnerships at
Microsoft



“We do believe the business opportunities in Türkiye are promising”

Due to its proximity to Europe, Asia, and the Middle East, its population of over 80 million featuring a young and motivated work force and high education level, as well as the long-lasting friendship between Türkiye and Japan.

We have various investments in Türkiye, such as in the healthcare sector and in the packaging sector. We also believe that the Türkiye's sustainable economic development for the medium and long-term will lead us to many other investment opportunities.

Tatsuo YASUNAGA
Representative Director, Chairman of
the Board of Directors



Who we are? ↓

Investment Office is the official organization that:

- Promotes the investment environment of Türkiye and provides assistance to investors.
- Reports directly to the President of the Republic of Türkiye.

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.

















We are here to facilitate your investment in Türkiye



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

	USA
	GERMANY
	ITALY
	SPAIN
	TÜRKİYE
	S. ARABIA
	UAE
	QATAR
	CHINA
	MALAYSIA
	S. KOREA
	JAPAN
	FRANCE
	UNITED KINGDOM

SECTORS

Agrofood
Automotive
Chemicals
Defense & Aerospace
Energy
Financial Investments & Startups
ICT
Infrastructure
Life Sciences
Machinery
Business Services
Financial Services
Mining & Metals
Real Estate
Tourism

Explore untapped investment opportunities across a variety of industries in Türkiye.

INVEST IN  **TÜRKİYE**

TÜRKİYE YOUR
RESILIENT
PARTNER

VISIT
invest.gov.tr

