

INVEST IN TÜRKİYE

PRESIDENT ERDOĞAN INAUGURATES FIRST PHASE OF BAŞAKŞEHİR CITY HOSPITAL

Page 2



TURKEY SENDS MEDICAL AID TO COUNTRIES IN FIGHT AGAINST COVID-19



Page 4

Highlights of City Hospitals in Turkey

Highlights of the Turkish Healthcare System

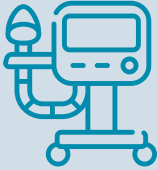
Page 3

ECONOMIC STIMULUS PACKAGE

WEATHERS ANY FINANCIAL TURMOIL CAUSED BY COVID-19



Page 6



TURKEY'S FIRST DOMESTICALLY DESIGNED MEDICAL VENTILATOR READY

Page 5

MEASURES TAKEN BY THE REGULATORS



Page 8

FDI NEWS

Page 11





Message from the Investment Office

Thanks to the great transformation we have made in the fields of services and infrastructure during the last 17 years, Turkey is well prepared to face the COVID-19 pandemic.

Policies implemented by our government support the manufacturing of the private sector while ensuring continuous services in health. During the last 10 years, Turkey has accelerated the roll out of PPP city hospitals across the country. With the inauguration of Başakşehir City Hospital in Istanbul on April 20, 13 of the projected city hospitals have been launched so far.

At this point, Turkey is one of the least damaged countries from the pandemic.

President, Investment Office
Burak DAĞLIOĞLU



PRESIDENT ERDOĞAN INAUGURATES FIRST PHASE OF BAŞAKŞEHİR CITY HOSPITAL

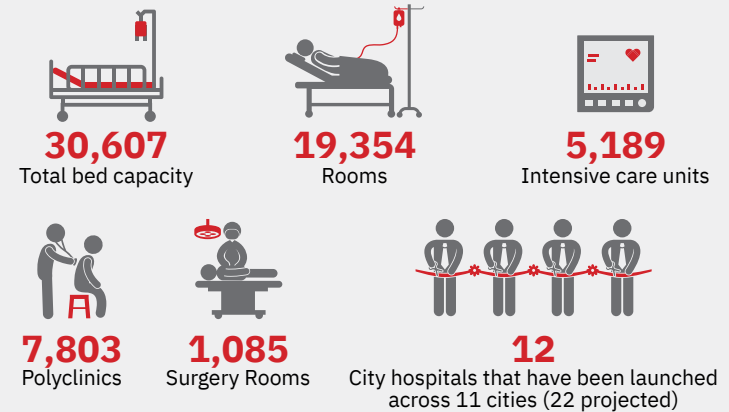
President Recep Tayyip Erdoğan attended the partial opening of Başakşehir City Hospital in Istanbul on April 20. The hospital will assist in Turkey's fight against the Covid-19 outbreak.

"Turkey, standing on its own feet, is demonstrating its power at a time when international organizations are losing their meaning," said Erdoğan at the opening ceremony.

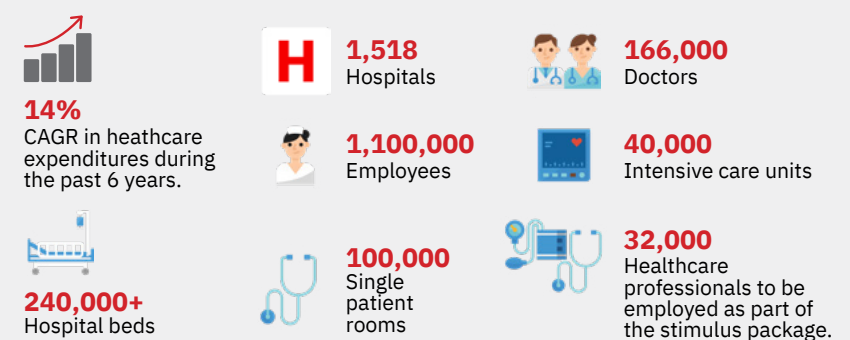
President Erdoğan also stated that Turkey will produce 5,000 ventilators by the end of May. "While the world is facing difficulties, Turkey has successfully overcome hurdles to producing medical ventilators," Erdoğan emphasized. The hospital will be fully operational on May 20.

Previously, President Erdoğan announced that two large capacity hospitals will be built in the Atatürk Airport area and Sancaktepe in Istanbul to fight against Covid-19. Each hospital will have approximately 1,000 beds. "We will finish the construction works in 45 days and put them into the service of our nation," said President Erdoğan.

TURKEY'S CITY HOSPITALS



TURKISH HEALTHCARE SYSTEM



TURKEY SENDS MEDICAL AID

TO COUNTRIES IN FIGHT AGAINST COVID-19



Turkey has sent aid, medical supplies, and protective equipment to countries seriously hit by the coronavirus epidemic. These countries include the US, the UK, Italy, Spain, and several Balkan countries.

President Recep Tayyip Erdoğan emphasized that the military cargo planes were sent to demonstrate solidarity with Turkey's friends and allies.

Turkey sent medical aid to five Balkan countries including Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia, and Kosovo. Supplies were also sent to Ukraine.

Libya and Somalia were also among the recipients of Turkish aid. "At the direction of President Erdoğan as part of the measures against Covid-19, medical supplies were

sent to our Libyan brothers and our military training cooperation and consultancy teams who are on duty in the region," said Turkey's National Defense Ministry on Twitter.

Previously, Turkey sent aid, including masks, hazmat suits, goggles, and disinfectants to Italy and Spain. The crates containing the supplies carried messages reading: "With love to the people of Spain and Italy, from Turkey" and the words of the 13th century Sufi mystic Mevlana Jalaluddin Rumi: "There is hope after despair, and many suns after darkness."

TURKEY'S FIRST DOMESTICALLY DESIGNED MEDICAL VENTILATOR READY

Turkish technology venture BIOSYS produced the first domestically designed medical ventilator device in collaboration with Baykar, Arçelik, Aselsan, Roketsan, and Havelsan. The device is a culmination of a five-year research and development effort. At first, the company produced 100 ventilators and handed them over to the Ministry of Health for use at hospitals treating Covid-19 patients across the country. BIOSYS aims to produce 5,000 medical ventilators by the end of May.

Selçuk Bayraktar, the CTO of unmanned aerial vehicle producer Baykar, said that leading tech companies in Turkey supported BIOSYS. **"I invite all of our Teknofest stakeholders and those who want to contribute this campaign as much as possible. Now, more than ever, we see the importance of developing domestic and national technologies,"** said Bayraktar.



ECONOMIC STIMULUS PACKAGE

TO WEATHER ANY FINANCIAL TURMOIL CAUSED BY COVID-19



Minister of Treasury and Finance Berat Albayrak said that more than TRY 200 billion in funding has been allocated so far as part of the financial stimulus package launched to protect employment and support businesses.

Over 200,000 companies have applied for a short-term employment allowance to cover more than three million employees. Albayrak also said that 4.4 million families that were adversely affected by the outbreak will be provided with TRY 1,000 cash aid.

He further noted that around 600,000 tradesmen applied for Halkbank's TRY 25,000 loan facility, and that around 450,000 of these applications have been processed so far. Also, TRY 22.3 billion has been allocated to 4 million citizens within the scope of the TRY 10,000 basic needs support scheme.

The Law No. 7244 on Reducing the Effects of the Novel Coronavirus Outbreak on Economic and Social Life and Amendments to Certain Laws went into force. Accordingly, workers who do not receive unemployment benefits will receive TRY 39.24 cash wage support per day.

ECONOMIC SUPPORTS

- 🔍 **TRY 200 billion**
Total funding allocated so far as part of the financial stimulus package, exceeding the TRY 100 billion threshold
- 🔍 **582,000**
Tradesmen applied for TRY 25,000-loan facility
- 🔍 **4.4 million**
Families supported within the scope of TRY 1,000 cash aid
- 🔍 **448,148**
Tradesmen applications completed so far
- 🔍 **3 million**
Employees supported within the short-term employment allowance scheme
- 🔍 **TRY 8.4 billion**
Loans allocated to tradesmen so far by state-owned banks
- 🔍 **4 million**
Citizens provided with TRY 10,000 loan support
- 🔍 **TRY 16.9 billion**
Total financing support to tradesmen including Paraf Card
- 🔍 **TRY 22.3 billion**
Amount of loans allocated to 4 million citizens
- 🔍 **TRY 107.4 billion**
Financing provided to 119,800 companies applied for CGF-backed Business Support Program

TURKEY WEALTH FUND INKS MoU WITH CHINA'S SINOSURE

The Turkey Wealth Fund (TWF) and the China Export and Credit Insurance Corporation (Sinasure) inked a memorandum of understanding (MoU) to promote bilateral investment cooperation.

According to a statement of TWF, Sinasure will consider providing insurance support up to USD 5 billion with respect to the financing activities.

Sinasure will also recommend to TWF Chinese enterprises that are relevant to investors, contractors, and financial institutions for projects in the energy, petrochemical, and mining sectors.

TWF CEO Zafer Sönmez said, "Announcing this agreement during the times of uncertainty around the world due to the Covid-19 pandemic is an indication of the strength of our cooperation." Sönmez noted that China has been a strong trade and business partner of Turkey and that Turkey is pleased to enter into a new phase of their collaboration with the country.

According to the legislative amendments submitted to the parliament on April 14, Turkey has moved to allow the TWF to take over private companies in distress. The fund will inject cash or acquire controlling stakes in strategic companies under a framework drawn up by policymakers.



MEASURES TAKEN BY THE REGULATORS

As part of the Economic Stability Shield Program, regulatory bodies in Turkey took some measures to cope with the possible effects of the pandemic.

Central Bank of the Republic of Turkey



- Lowering the main policy rate from 10.75% to 8.75%.
- Reducing FX reserve requirement ratios by 500 basis points for banks meeting CBRT's real credit growth conditions.
- Extension of securities accepted as collateral in transactions with banks.
- Readiness to inject liquidity through repo auctions with maturities of up to 91 days.
- Offering banks additional liquidity facilities to secure uninterrupted credit flow to the corporate sector.
- Increasing liquidity limits of Primary Dealers in Open Market Operations (OMOs).
- A number of improvements in the provision of rediscount credits for exporters and FX earning services.
- Extension of available rediscount credits for exporters (70% allocated to SMEs in export credits intermediated by banks).

Banking Regulation and Supervision Agency



- The number of days to be passed in the delay period for classifying a loan as non-performing has been increased from 90 days to 180 days.
- Customers' principal and interest payments have been postponed for a period of at least three months upon request.
- Loans to collateral ratio on mortgage loans has been increased from 80% to 90%.
- Flexibility has been granted to banks for not classifying a performing forbore loan under probation as nonperforming even though additional forbearance measures are applied or it becomes more than 30 days past due.
- Forbearance measures have been applied to the measurement of the capital adequacy ratio, of the foreign exchange net general position, and of the own funds of banks.
- The minimum front payment ratio in credit card transactions has been reduced from 30% to 20%, and authorized card holders under debt restructuring arrangements can postpone their reimbursements until December 2020.
- Changing the definition of "asset ratio" for the Turkish banks as follows in order to encourage banks to allocate more of their resources to loans in their assets.

$$\text{Asset Ratio} = \frac{\text{Loans} + (\text{Securities} * 0.75) + (\text{CBRT Swap} * 0.5)}{\text{TL Deposit} + (\text{FX Deposit} * 1.25)}$$

Capital Markets Board of Turkey



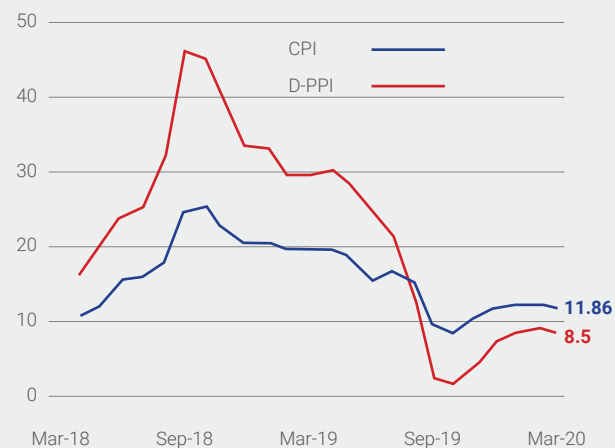
- Imposed a ban on short selling to control price volatility.
- Announced new conditions for issuers to buy back their shares without limitations.
- Tightened circuit-breaker thresholds.
- Allowed extra flexibility for margin trading transaction.
- Extended the reporting periods of financial reports by portfolio management companies, mutual funds, and capital market instruments traded on a stock exchange or other organized marketplaces.

ECONOMY AGENDA

- ▶ The World Bank has projected Turkey's GDP to expand by 0.5% in 2020 and 4% in 2021. The uptick is expected to be supported by a "strong" government stimulus, the bank said in its "Fighting Covid-19 Europe and Central Asia Economic Update - Spring 2020" report.
- ▶ Fitch Ratings Director Douglas Winslow said Turkey's GDP will expand by 0.8% in 2020 and 4.5% in 2021, despite the global slowdown. "The reason we still expect slight GDP growth for 2020 is the strong momentum early in the year driven by a recovery in private bank lending, as well as the lower interest rates," said Winslow.
- ▶ Annual inflation in Turkey in March fell to 11.86% from 12.4% in February. This showed that price pressures remain contained and that FX pass-through has been quite mild. The plunge in global oil prices and the immediate reflection of this to local gasoline prices also contributed.



Turkey-Annual Inflation (%)



- ▶ Lowering oil prices will also help Turkey prevent deterioration in the current account. Thus, the possible weakness stemming from tourism revenues will be offset by a smaller energy bill in 2020.

FDI NEWS



German giant **Bosch** received a project-based incentive for its additional TRY 500 million next generation high-pressure pump investment in Bursa. Bosch's number of employees is expected to double to 600 with the new facility.



A partnership of Turkish, Chinese, and American companies are working on a project to build a 1000-MW pumped-storage hydropower plant in Turkey's Isparta province. A pumped-storage **hydropower plant** generates power through potential gravitational energy, which is then utilized by an electric power system.



Sun Express, a joint venture of Turkish Airlines and Lufthansa, will begin cargo flights with 18 aircrafts in its fleet while utilizing the passenger cabin to maximize the capacity for cargo. The venture expects to carry a maximum load of up to 21.7 tons on passenger seats and overhead bins, as well as in the under-aircraft cargo sections.



Imperial Logistics, ranked among the top 30 global logistics providers, entered into a partnership with Turkish freight forwarder MEX. It plans to leverage the fast-growing range of global destinations served from Istanbul's new airport as a gateway for traffic to the African continent.



PBKM (Polski Bank Komorek Macierzystych) acquired a 70 percent share in the newly created Famicord-Acibadem company.



Inventram, a Koç Holding and **Japanese Mitsui** partnership, has acquired a 10 percent stake in Vispera, which is working on image processing and data.

EVENTS



INVESTMENT OFFICE BRIEFED US INVESTORS DURING VIRTUAL ROUNDTABLE

Investment Office President Burak Dağlıoğlu briefed nearly 50 executives of US-based companies at the US Chamber of Commerce Virtual Roundtable.

Dağlıoğlu provided an overview of the Investment Office's general services, with a focus on measures and support for the business community during the Covid-19 pandemic. He mentioned that the Office created an e-mail hotline for investors during Covid-19 so that companies could easily reach for urgent matters.

The call also provided a platform for an open Q&A session. US-

Turkey Business Council members discussed Turkey's product-specific investment incentives for value-added exports, policy reforms for pricing and reimbursements for healthcare products, possibilities of government support on employment for multinationals, and agriculture manufacturing capacity.

The virtual roundtable was led by Khush Choksy, the Chamber's Senior Vice President for Middle East and Turkey Affairs; Cargill's Mr. Van Yeutter, Chair of US-Turkey Business Council (USTBC); and Sabancı Holding's Dr. Tamer Saka, Vice-Chair of USTBC.

Investor's Notepad

JIM O'NEILL:
“EMERGING MARKETS INCLUDING TURKEY ARE ATTRACTIVE FOR INVESTMENT”

Renowned British economist Jim O'Neill, who coined the acronym BRIC to refer to emerging markets of Brazil, Russia, India, and China, recently said that other emerging markets such as Turkey seemed attractive for investment.

O'Neill, Chairman of the think-tank Chatham House, noted that even if there will be volatility over the coming weeks or months, now is the right time to be thinking about investing in emerging markets. In addition to being known for inventing the term BRIC, O'Neill also popularized the acronym MINT (Mexico, Indonesia, Nigerian, and Turkey), which was first used by Fidelity Investments to refer to emerging markets with great potential over the next two decades.

MARK MOBIUS:
“TURKEY PRIMED TO BENEFIT FROM DIVERSIFICATION OF GLOBAL SUPPLY CHAINS”

Mobius Capital Founder Mark Mobius recently spoke about how many companies are having second thoughts on their reliance on China in the global supply chain.

“But at the end of the day, I think there's going to be a diversification where these supply chains get moved into places like Vietnam, Bangladesh, Turkey, even Brazil, so that these companies can have a more diversified supply chain,” said Mobius, while also emphasizing that China will still have a part to play in the global supply chain.

INVESTMENT GURU JIM ROGERS:
“THERE ARE INVESTMENT OPPORTUNITIES IN EMERGING MARKETS”

US investor and financial expert Jim Rogers spoke in early April with Turkey's state run news agency Anadolu Agency.

In addition to talking about the global effects of the Covid-19 pandemic, and how in particular the US will see some long-term consequences from becoming the most indebted nation, Rogers also spoke about the investment opportunities that are presented by emerging markets during a time such as this.

“All emerging markets have fallen during this process,” said Rogers. “I would actually consider whether to go and look at the Turkish market and buy from there. All emerging markets are scattered. This situation often provides opportunities (for investors).”

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

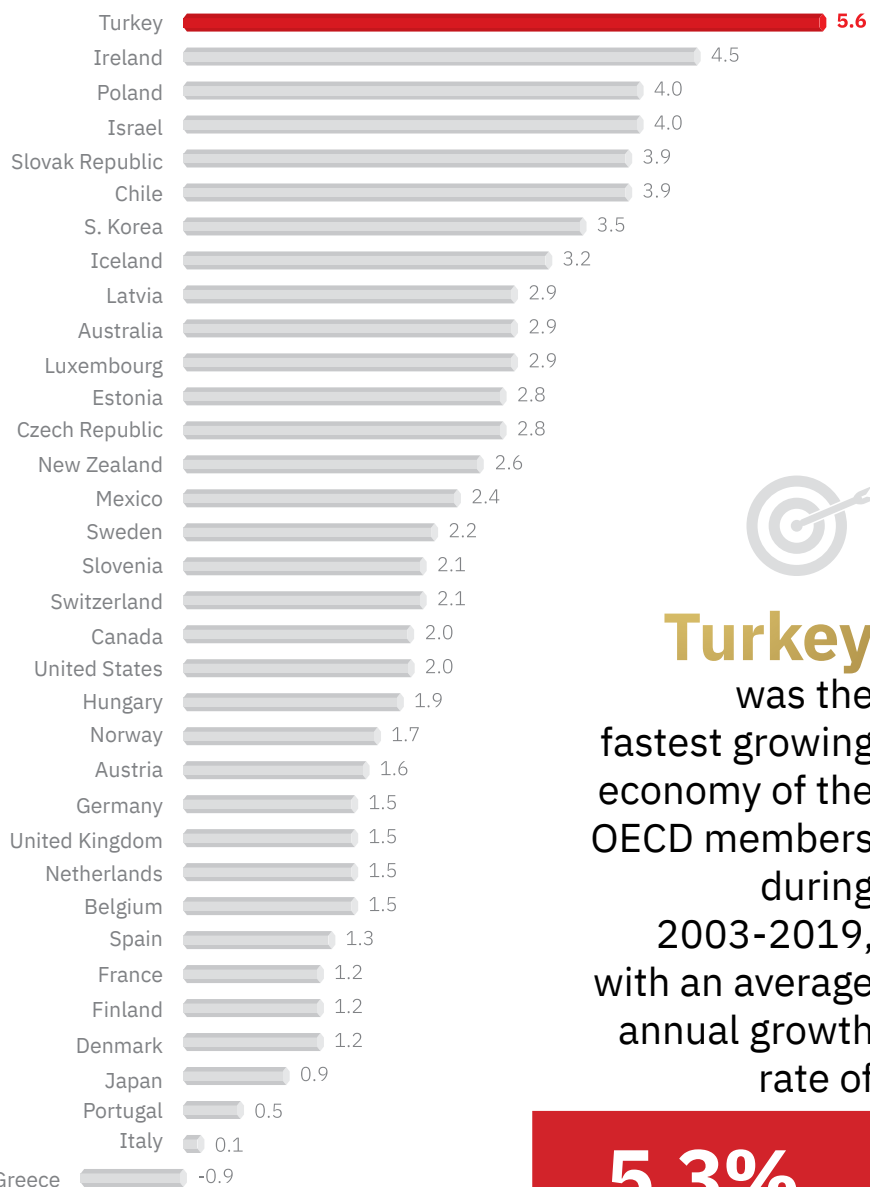
GDP: \$1.5 trillion
Import: \$0.2 trillion
Population: 100 million

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)



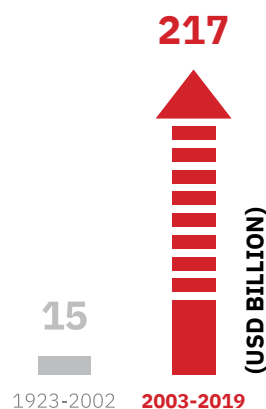
Turkey was the fastest growing economy of the OECD members during 2003-2019, with an average annual growth rate of

5.3%

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 5.3%** over the past 16 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 83 million, half of which is **under the age of around 32.4**. (2019, 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.



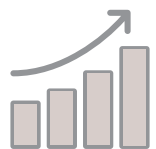
175

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



44,300

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

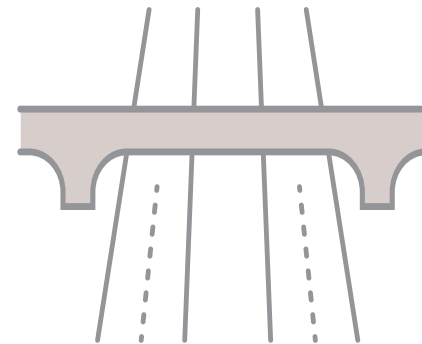


35%

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.

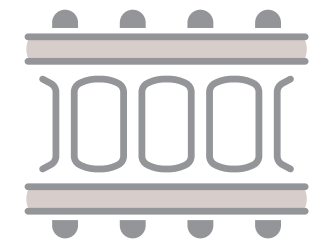


5,600 km

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

11,800 km

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



For more info

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



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.



TOYOTA

Toshihiko KUDO

President & CEO,
Toyota Motor Manufacturing Turkey

Following the Toyota Way,
we implemented the Toyota
Production System to

**produce
high-quality
motor vehicles
in Turkey.**

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.

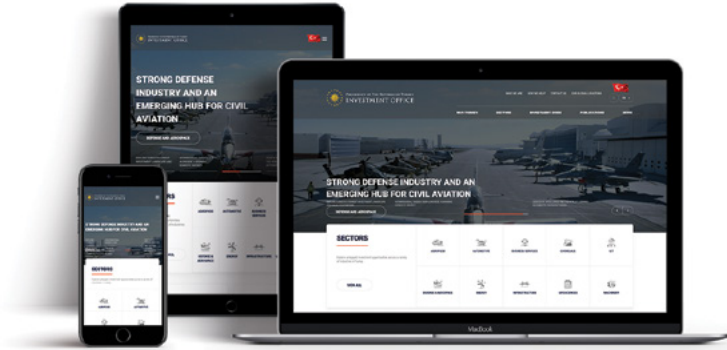
OUR GLOBAL LOCATIONS



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.



/investturkey



/invest-in-turkey



/InvestTurkey

invest.gov.tr