



PRESIDENCY OF  
THE REPUBLIC OF TÜRKİYE  
**INVESTMENT  
OFFICE**

# NEXUS OF THE WORLD

November 2024

[INVEST.GOV.TR](https://invest.gov.tr)

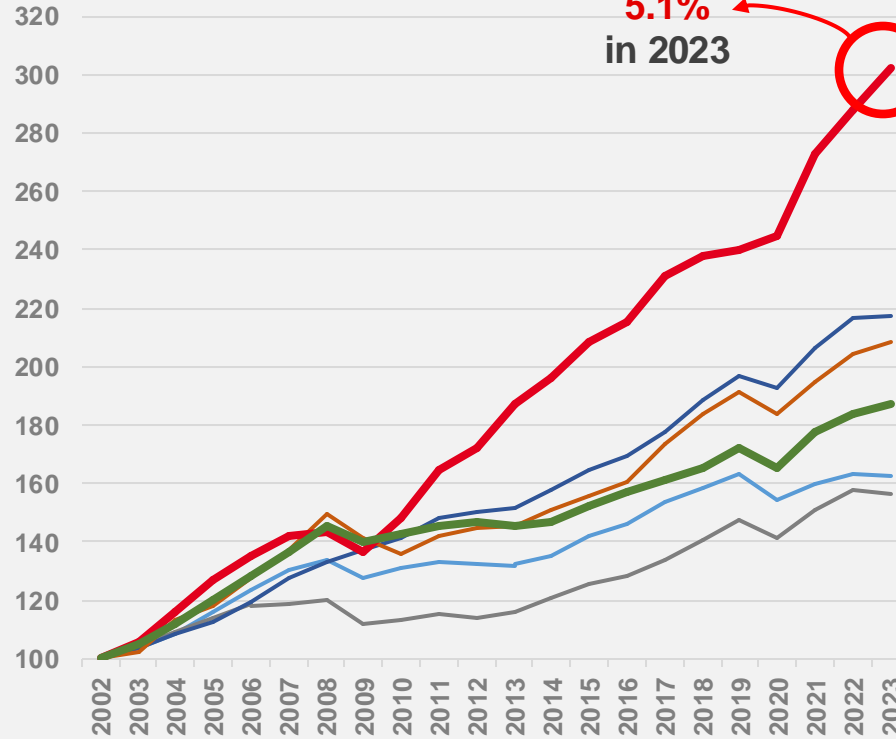


# RESILIENT & FAST GROWING ECONOMY

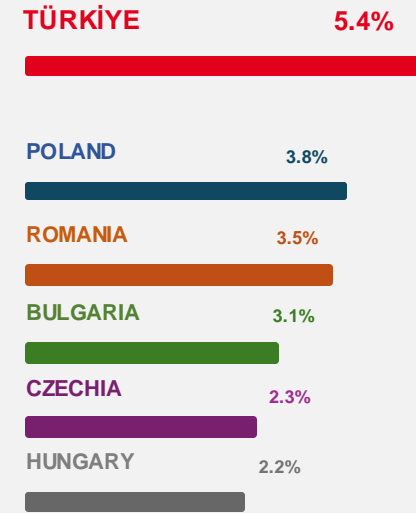


Track record  
growth and bright  
future with proven  
resilience

## REAL GDP GROWTH (INDEX: 2002=100)



## CAGR (2002-2023)



# ROBUST ECONOMY

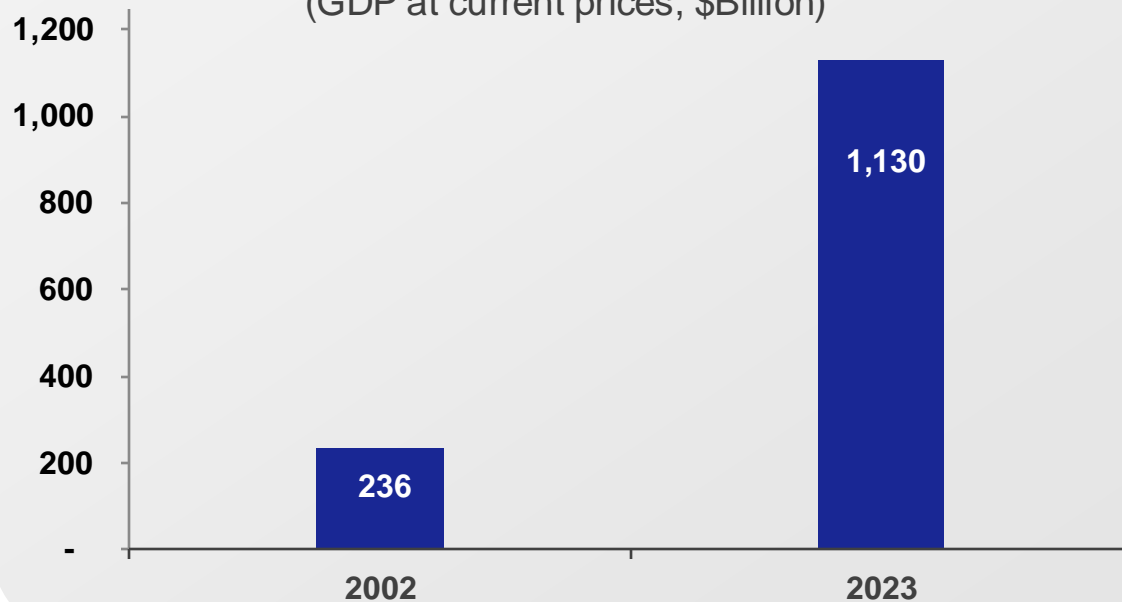


## FIVEFOLDING SIZE OF THE ECONOMY OVER THE PAST 21 YEARS

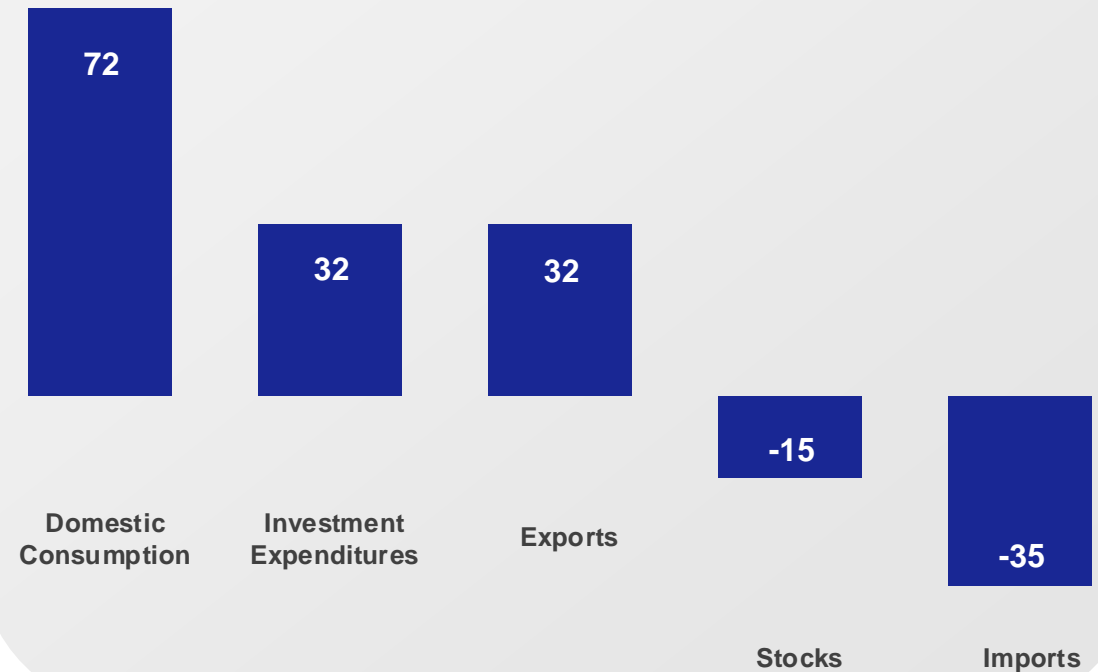
Turkish economy has **quintupled over the past 21 years** and is promising to be on the growing trend

**Robust domestic market** and entrepreneurial private sector spurred investments and exports

### Turkish Economy (GDP at current prices, \$Billion)



### Contribution to GDP Growth 2002-2023 (%)

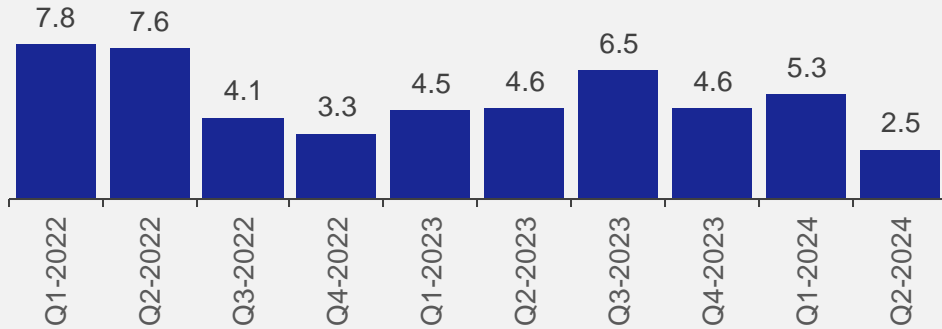


# GDP GROWTH – RECENT FIGURES

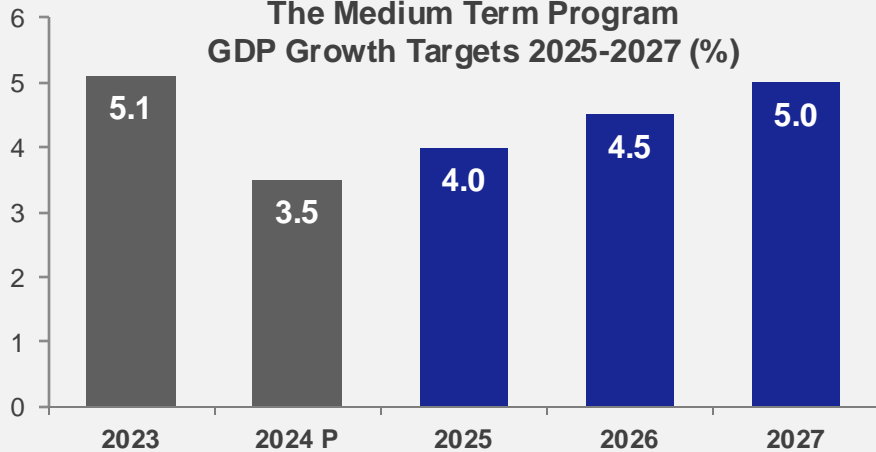
Despite the two major earthquakes and tight financial conditions, Turkish economy continues to grow for the sixteenth consecutive quarters.



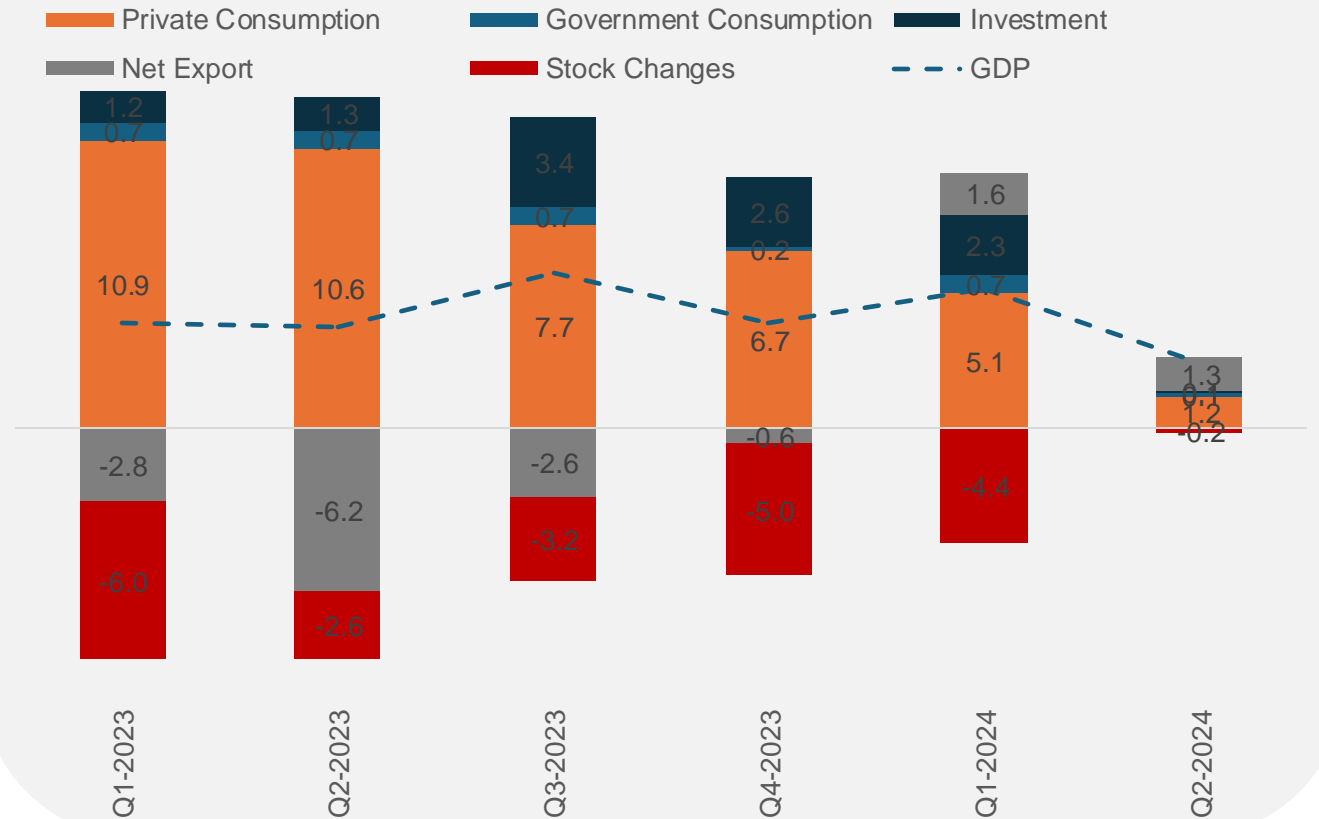
Quarterly Real GDP Growth (y-on-y, %)



The Medium Term Program  
GDP Growth Targets 2025-2027 (%)



Contributions to Growth by Expenditure Approach y-o-y



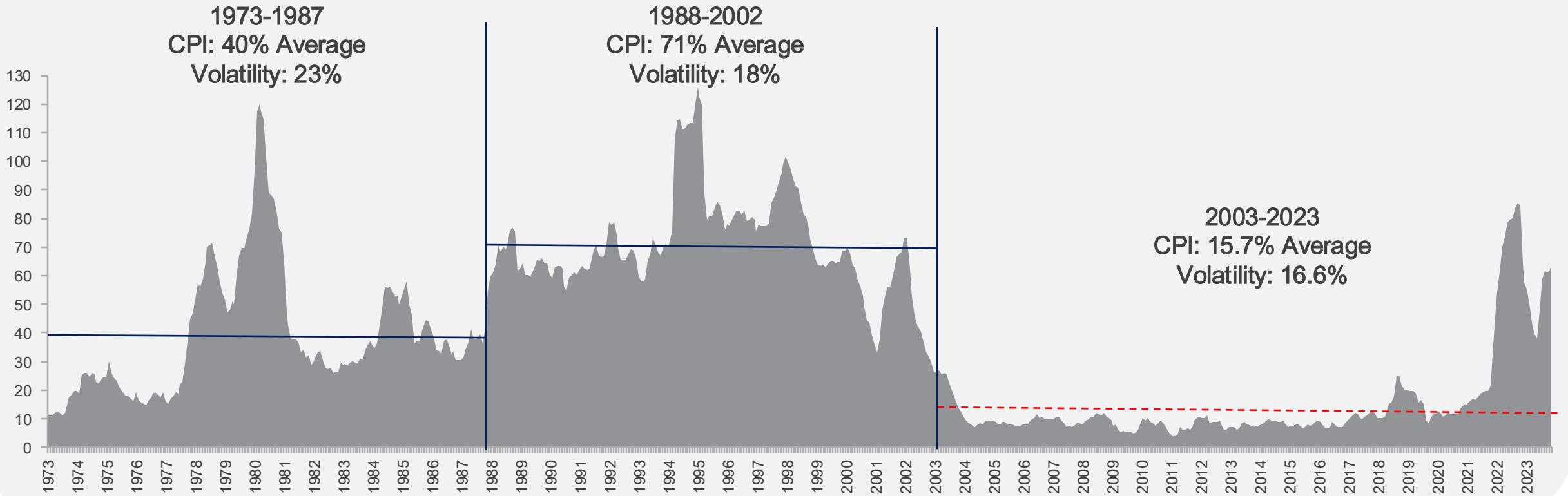
*Turkish economy expanded by 2.5% year on year in the second quarter of 2024.*

# LONG-TERM TRENDS IN INFLATION

Exorbitant inflation rates in the preceding periods has structurally shifted downward, and has been hovering around 10% until recently



### Annual CPI (%) - Long Horizon

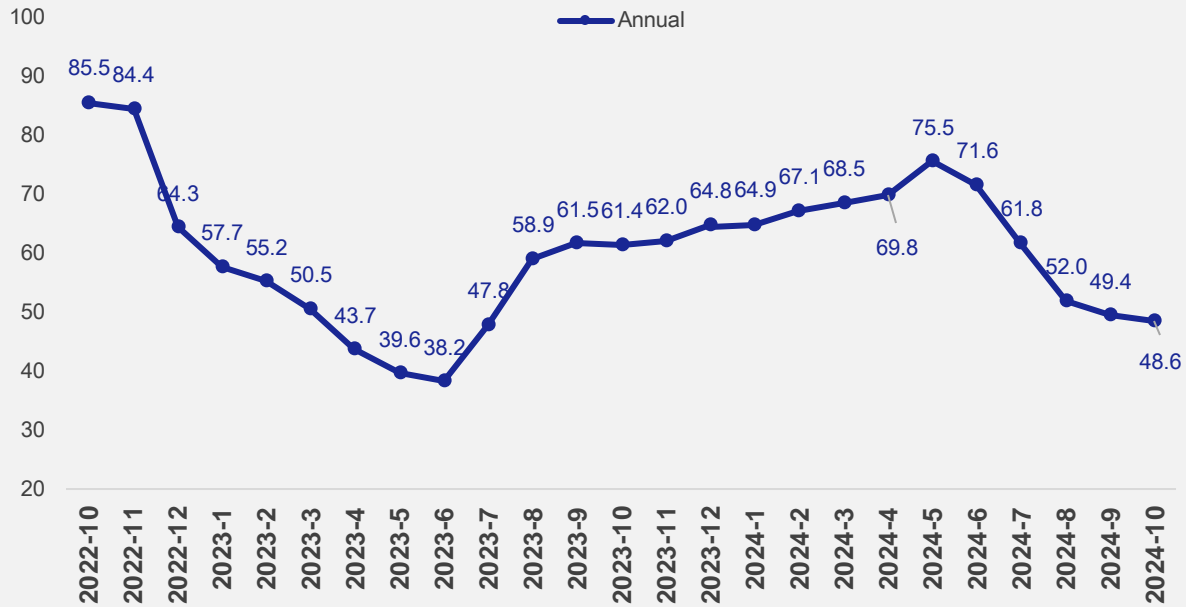


# LONG-TERM TRENDS IN INFLATION

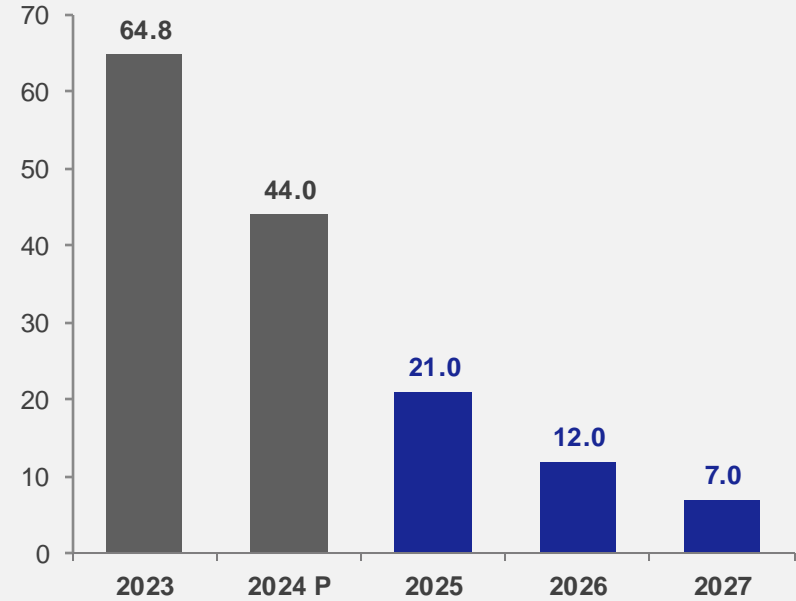
Positive expectations for the inflation outlook are sustained through steadfast policies.



### Annual CPI (%)



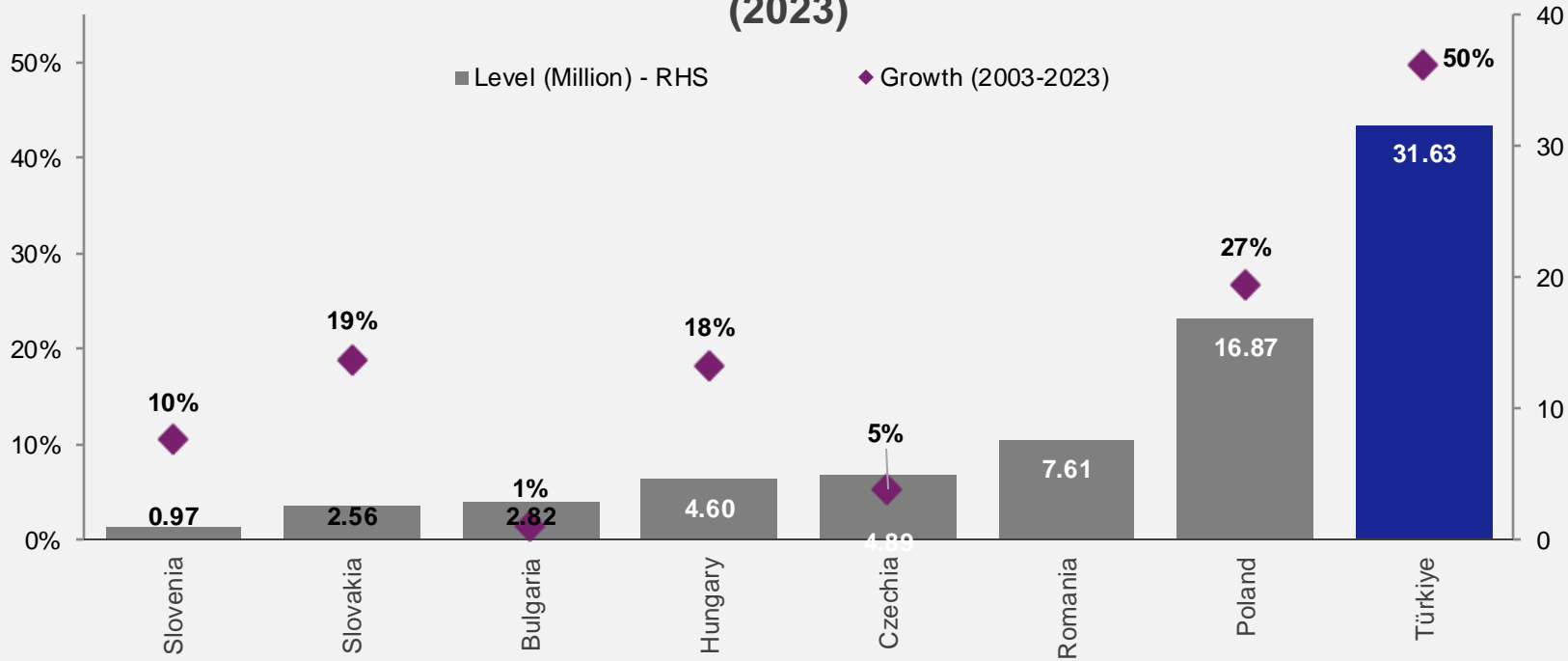
### Central Bank of Türkiye CPI Forecasts (Year-end, %)



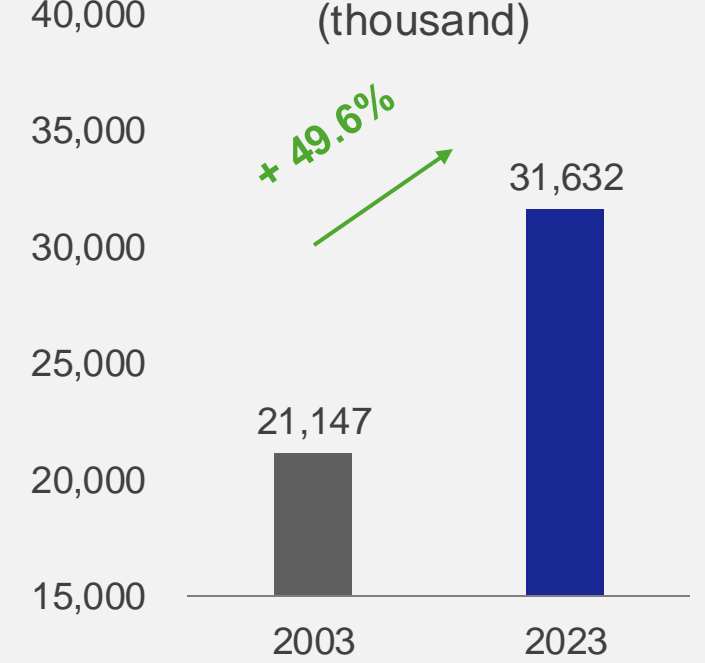
# EMPLOYMENT



## EMPLOYMENT GROWTH (2003-2023) & LEVEL (2023)



## Türkiye Total Employment (thousand)

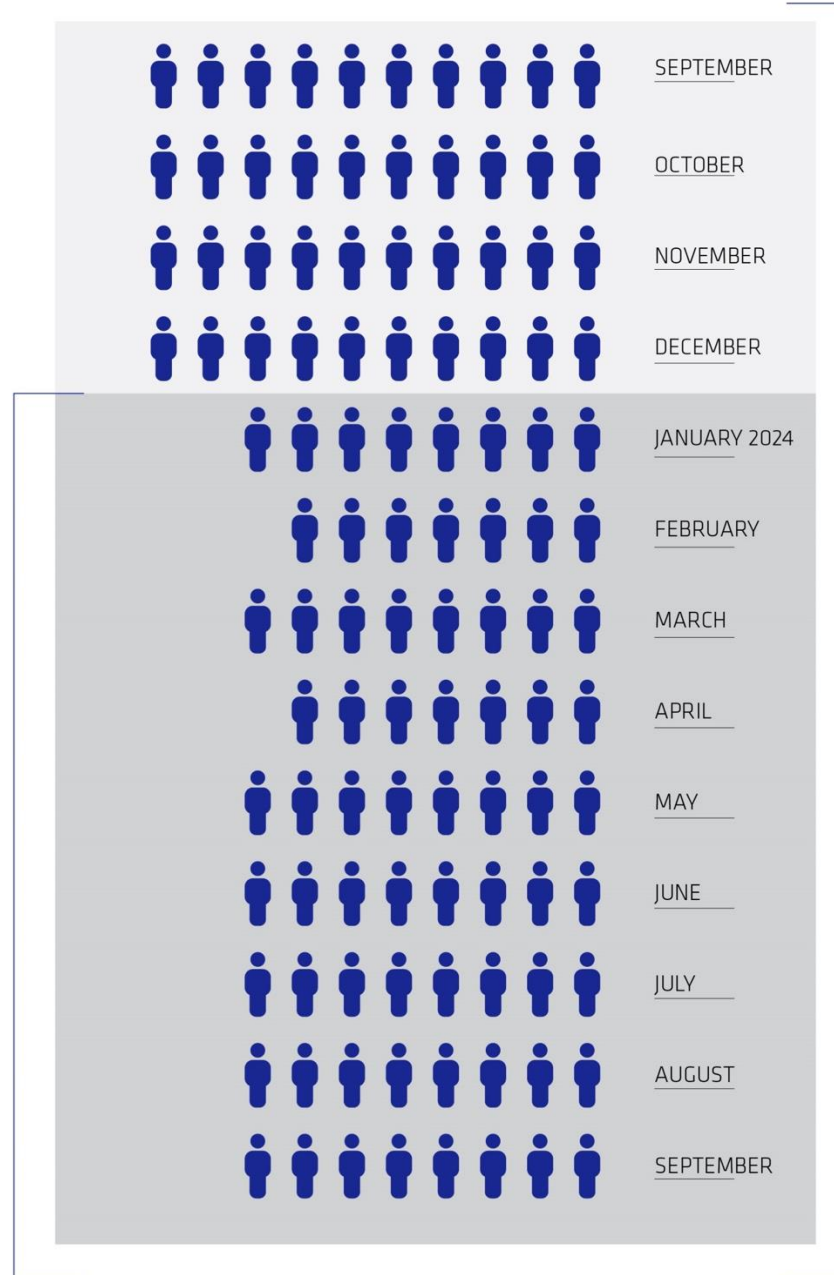


# EMPLOYMENT



Unemployment rate  
dropped by 0.4 from 9.0 to  
8.6 percent in the first  
9 months of 2024.

Almost  
**700 thousand**  
new employment  
created in the first  
9 months of  
2024.



  
100K  
PEOPLE

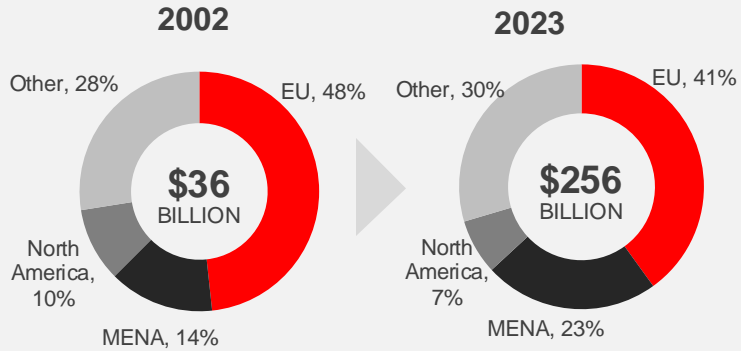
Almost  
**1.1 million**  
new employment  
generated between  
September 2023  
and September  
2024.



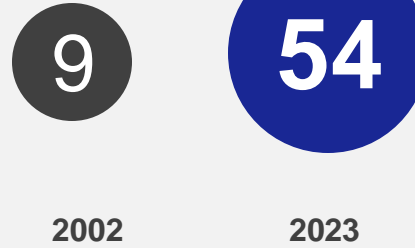
# BOOSTING EXPORTS



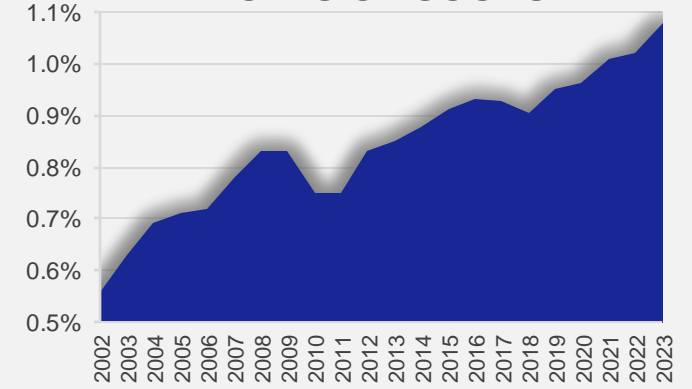
## MERCHANDISE EXPORTS BY GEOGRAPHY



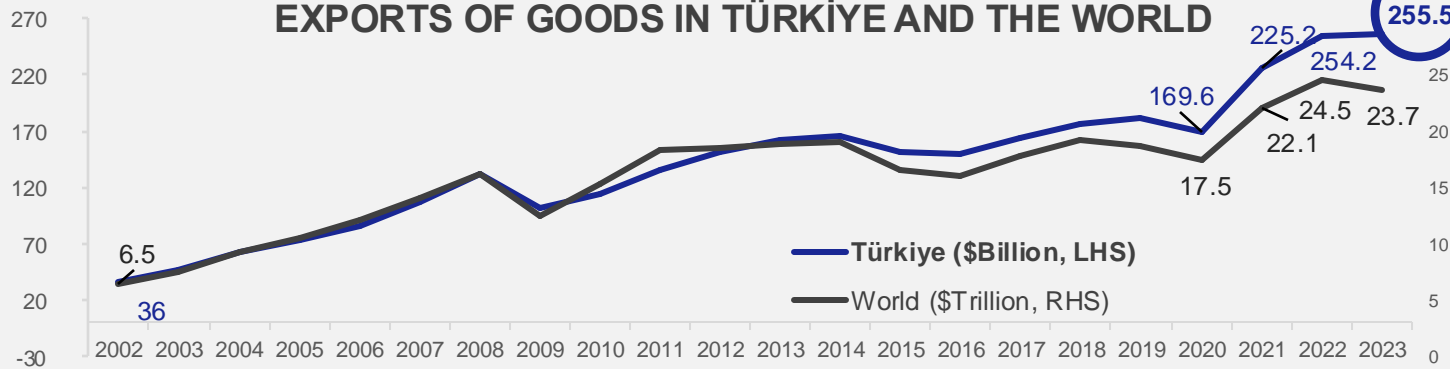
## NUMBER OF EXPORT PRODUCTS OVER USD 1 BILLION



## TÜRKİYE'S SHARE IN GLOBAL EXPORTS OF GOODS



## EXPORTS OF GOODS IN TÜRKİYE AND THE WORLD



**Türkiye Records All-Time High Exports in 2023**

### ANNUAL AVERAGE GROWTH OF EXPORTS (2002-2023)

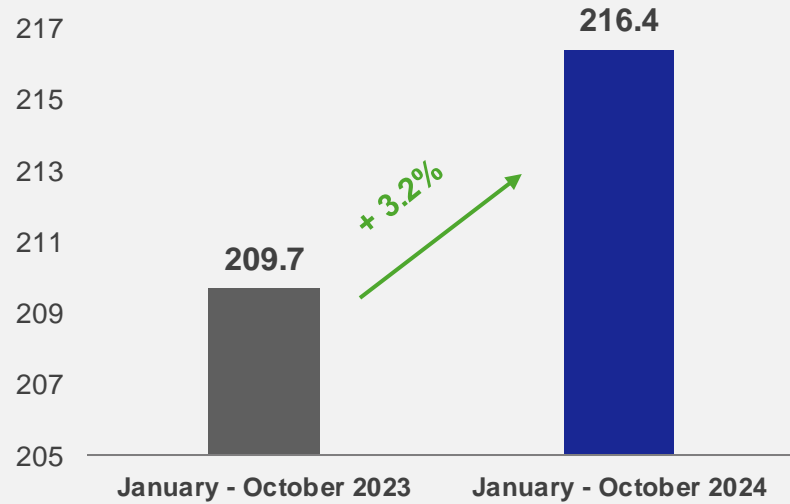


# BOOSTING EXPORTS

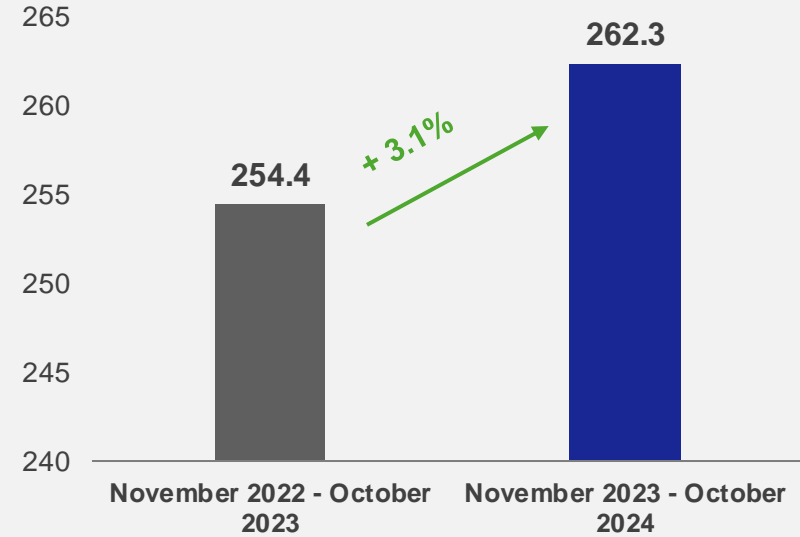
Recent export data indicates the sustainability of export success over the long horizon.



### Exports (\$ BILLION)



### Annualized Exports (\$ BILLION)

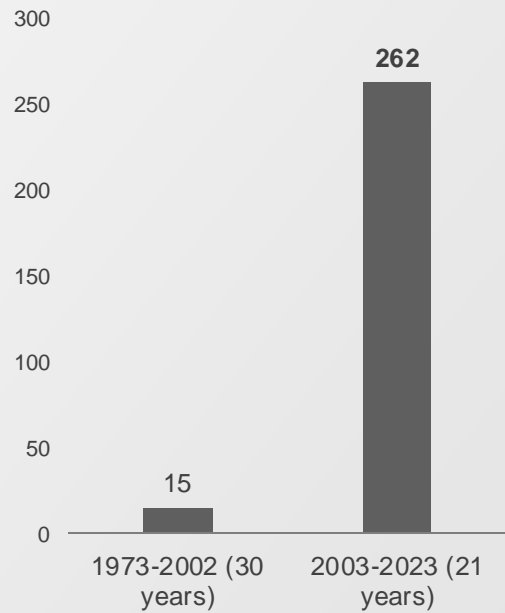


# SOARING FDI INFLOWS

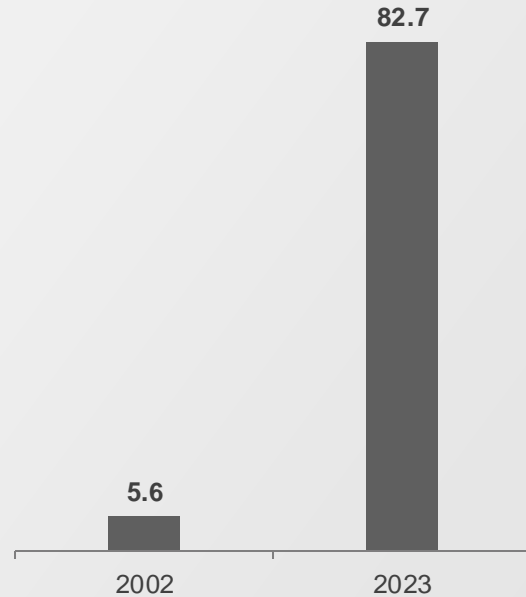
Türkiye's value proposition gained over two decades boosted FDI



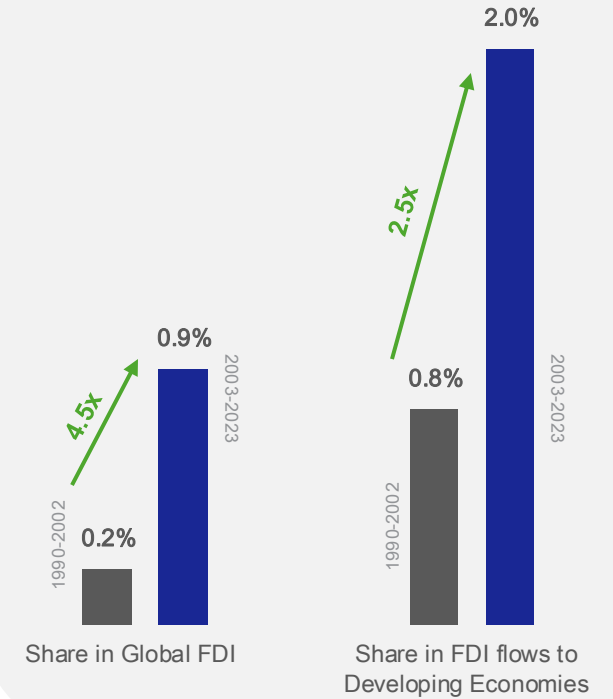
### FDI INFLOWS (\$ BILLION)



### NUMBER OF INTERNATIONAL COMPANIES IN TÜRKİYE ('000)



### Türkiye's Share in Global FDI

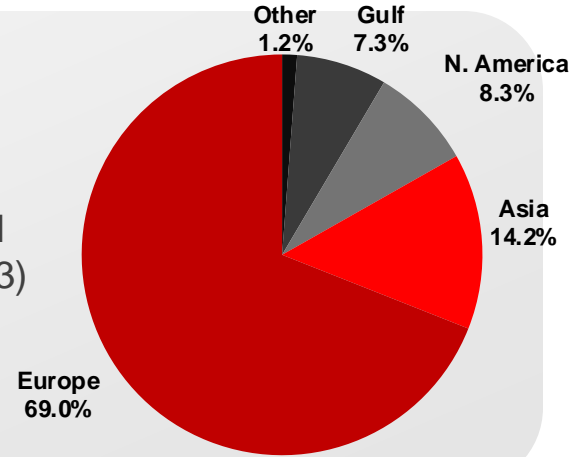


# SOARING FDI INFLOWS

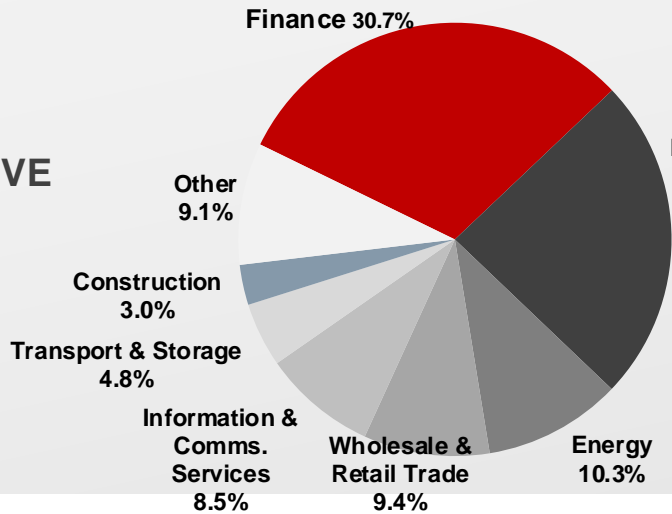


Türkiye's value proposition gained over two decades boosted FDI

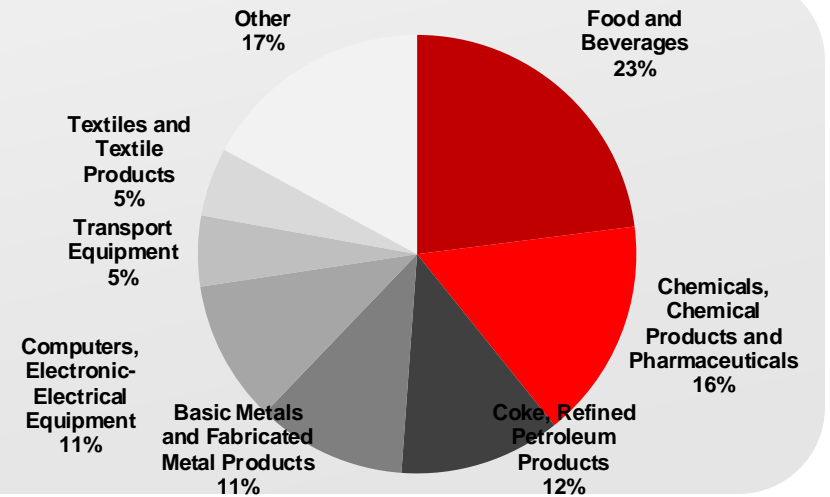
## GEOGRAPHIC BREAKDOWN OF INVESTMENTS (2003-2023)



## MOST ATTRACTIVE SECTORS (CUMULATIVE 2003-2023)



## Manufacturing Breakdown



# RECENT FDI FIGURES

In the first half of 2024, the global FDI outlook showed a negative trend due to ongoing uncertainties.



**In the First Half of 2024;**

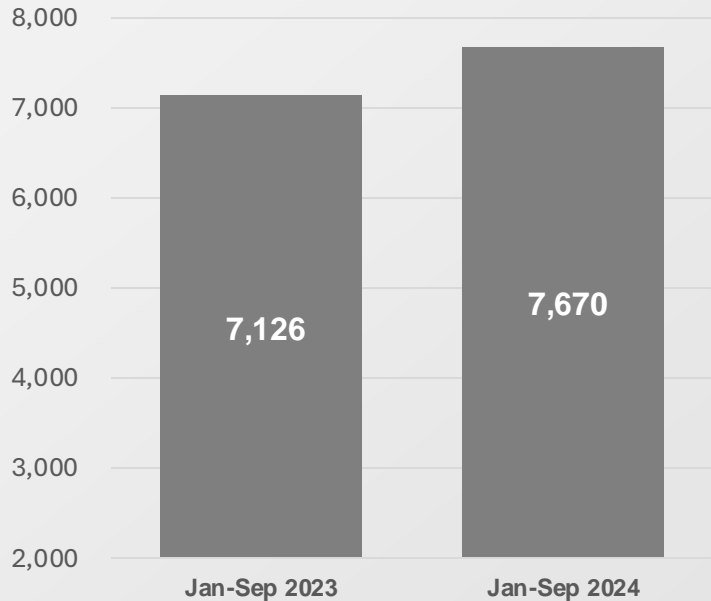
**Global FDI flows dropped by 36% in Q2 2024**

**OECD FDI flows were down by 14%\***

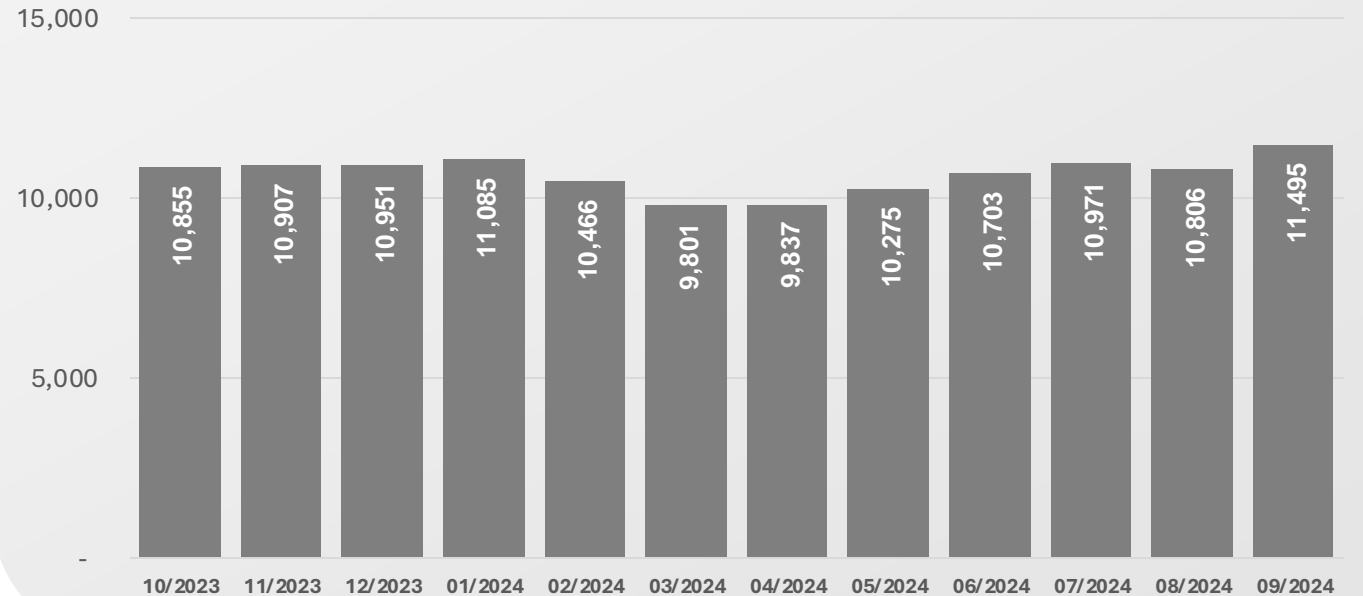
**FDI flows into non-OECD G20 economies dropped by 19%**

**In the same period, Türkiye successfully sustained the momentum in its FDI performance.**

**FDI Inflows to Türkiye (million \$)**



**Annualized FDI Inflows in the last 12 months (million \$)**

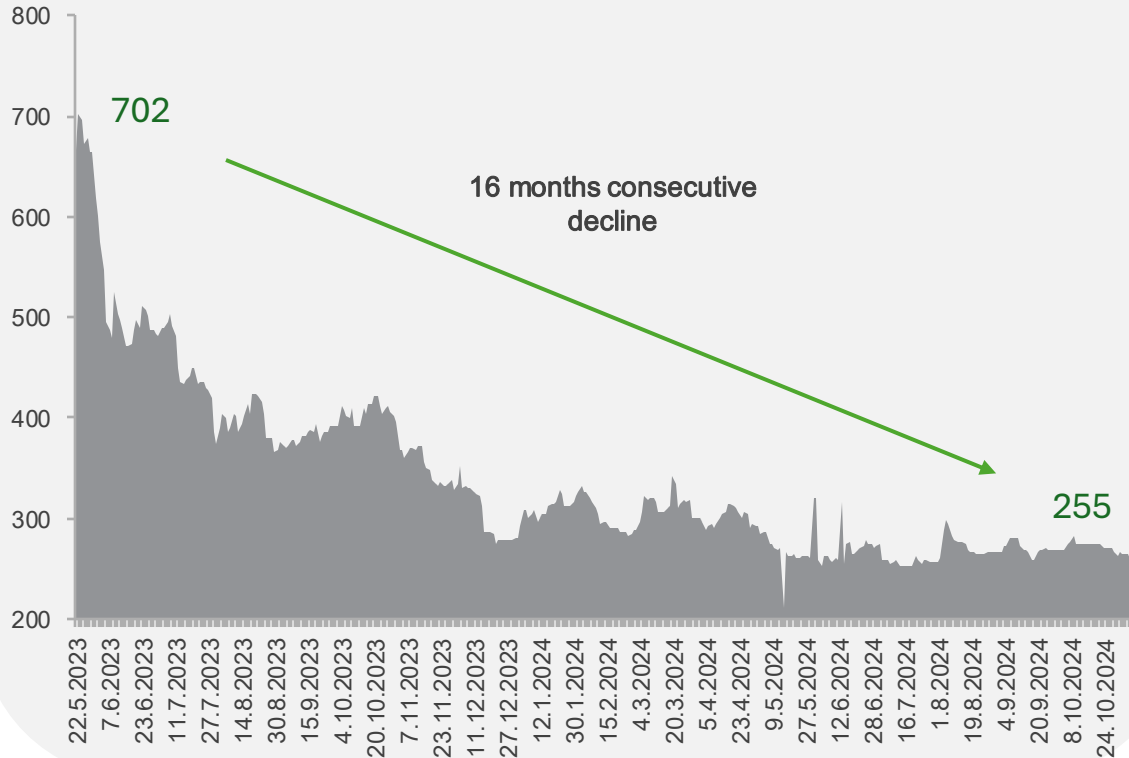


# IMPROVING CREDIT OUTLOOK

Recent positive developments help CDS rate to diminish significantly while upgrading Türkiye's credit rating outlook.



### Türkiye CDS 5 Years



### Most Recent Credit Rating Upgrades

<b>Fitch</b>	B+ -> BB-	September 2024
	B -> B+	March 2024
<b>S&amp;P</b>	B+ -> BB-	November 2024
	B -> B+	May 2024
<b>Moody's</b>	B3 -> B1	July 2024

# INVESTMENT ADVISORY COUNCIL



*The last IAC meeting was held at the Dolmabahçe Palace and chaired by President Recep Tayyip Erdoğan on September 28, 2024.*

A platform for dialogue between the Turkish government and leading global investors. The first council was held in 2004.

**OBJECTIVE:** Strengthening investment climate and improving investor-government relations.

**PARTICIPANTS:** Senior government officials, top executives of multinational companies and international organisations.



## KEY OUTCOMES OF THE 10TH MEETING OF THE INVESTMENT ADVISORY COUNCIL

### Macroeconomic Stability

- Maintain fiscal discipline
- Accelerate reforms
- Adopt innovative policies

### Investment Incentives

- Update incentives for green & digital investments
- Fostering high-value investments
- Boost university-industry collaboration

### Green & Digital Transformation

- Enhance energy efficiency
- Promote renewables
- Strengthen digital infrastructure

### Infrastructure & Logistics

- Expand investments in energy, transport, and telecom through public-private partnerships.

### Healthcare & Education

- Advance healthcare access and education reforms to drive digital skills and international cooperation



# HIT-30



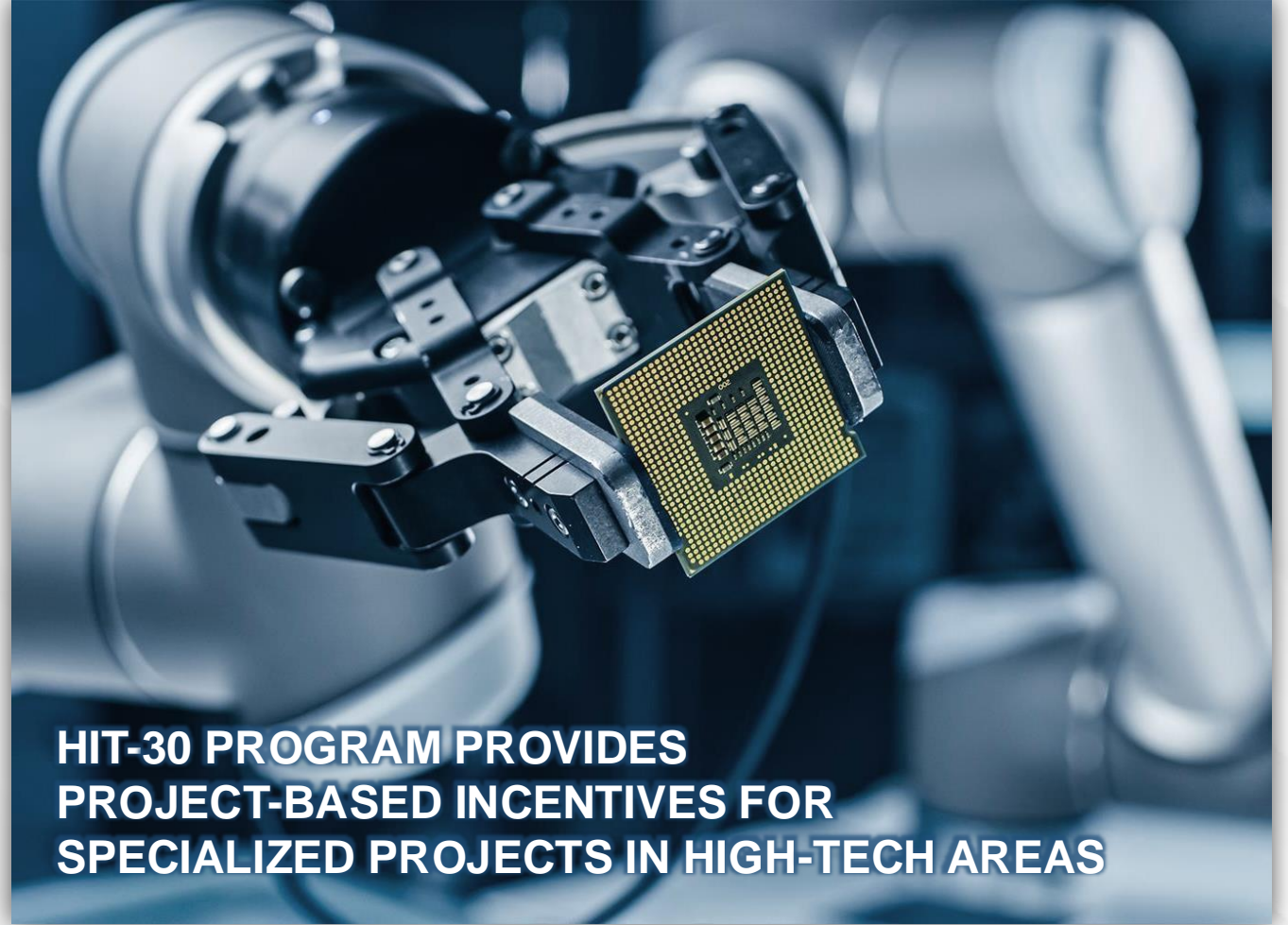
## HIGH TECH TÜRKİYE

### Eligibility Criteria

- The product should be on the high-tech product list determined by the Ministry of Industry and Technology

### Incentive

- Cash Support
- Energy Support
- Qualified Personnel Support
- Corporate Tax Reduction
- Customs Duty Exemption
  - Interest Rate Support
- VAT Exemption for Machinery & Construction
- Social Security Premium Support (Employer's Share)



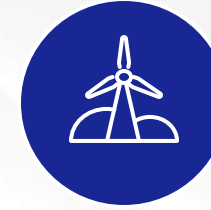
**HIT-30 PROGRAM PROVIDES  
PROJECT-BASED INCENTIVES FOR  
SPECIALIZED PROJECTS IN HIGH-TECH AREAS**

## HIGH TECH INVESTMENT PROGRAM (HIT-30)

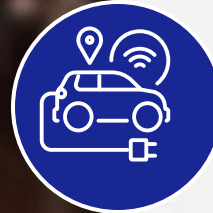
### 30+ PRIORITY INVESTMENT TOPICS IN 8 HIGH-TECH AREAS



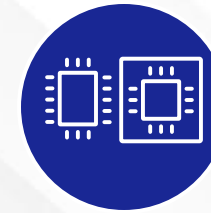
Health & Life  
Technologies



Green Energy



Mobility



Semi Conductors



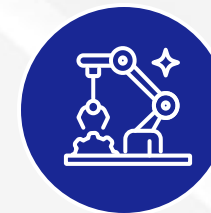
Digital  
Technologies



Communication  
and Space



Complementary  
Investments in the  
Value Chain



Advanced  
Manufacturing



# 2024-2028 Türkiye's FDI Strategy



# Quality FDI Definition for Türkiye

Investments that contribute to the strong growth and sustainable development of Türkiye's economy, accelerate its technological transformation, increase its global competitiveness, and support regional development within the country are defined as "Quality FDI".

01

Climate FDI

02

Digital FDI

03

Global Value Chain (GVC) related FDI

04

Knowledge Intensive FDI

05

High-quality Job Generating FDI

06

High-end Service FDI

07

High-quality Financial FDI

08

Regional Development Oriented FDI

# The Primary Goal and Policy Areas of the Strategy

The Türkiye FDI Strategy (2024-2028) aims to enhance the country's FDI portfolio by improving both its quality and quantity.

**GOAL 1** **1.5%**  
Increasing Türkiye's share of the **global FDI** to 1.5%

**GOAL 2** **12%**  
Increasing Türkiye's **regional share in FDI** inflows to 12%

**GOAL 3** Achieving the targeted total number of projects in each quality FDI profile over a 5-year period



Climate FDI

120 FDI Projects



Digital FDI

240 FDI Projects



Global Value Chain (GVC) related FDI

360 FDI Projects



High-end Service FDI

270 FDI Projects



High-quality Job Generating FDI

360 FDI Projects



Knowledge Intensive FDI

300 FDI Projects

# Policy Areas of the Türkiye FDI Strategy (2024-2028)

Within this framework, the policies to be implemented under the Türkiye FDI Strategy (2024-2028) will focus on 6 themes.



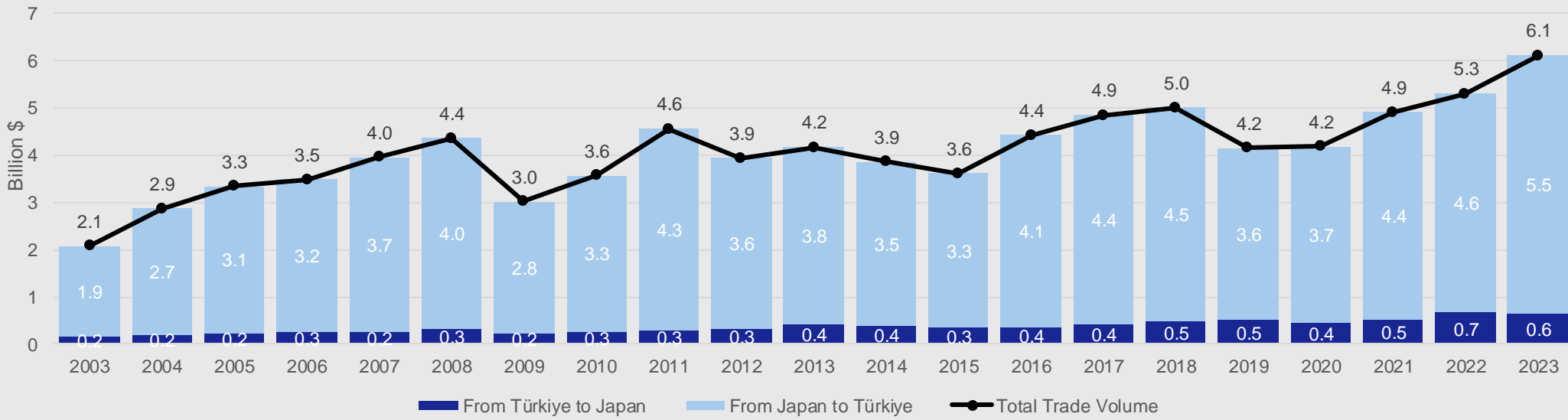




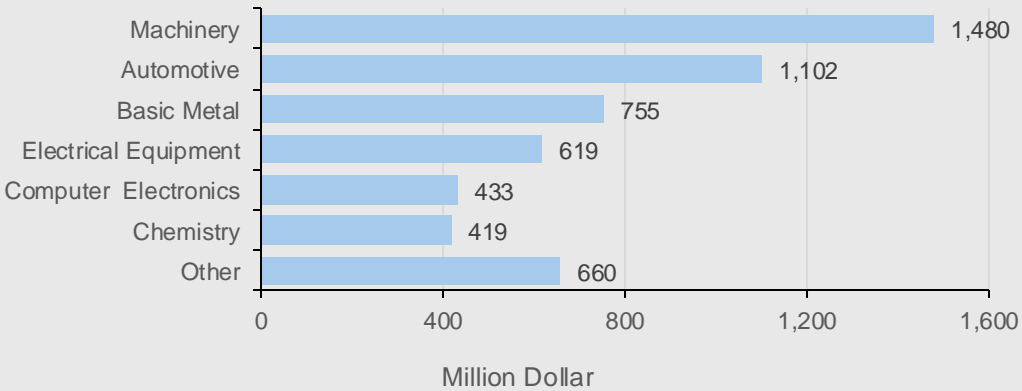


# TRADE RELATIONS BETWEEN TÜRKİYE AND JAPAN

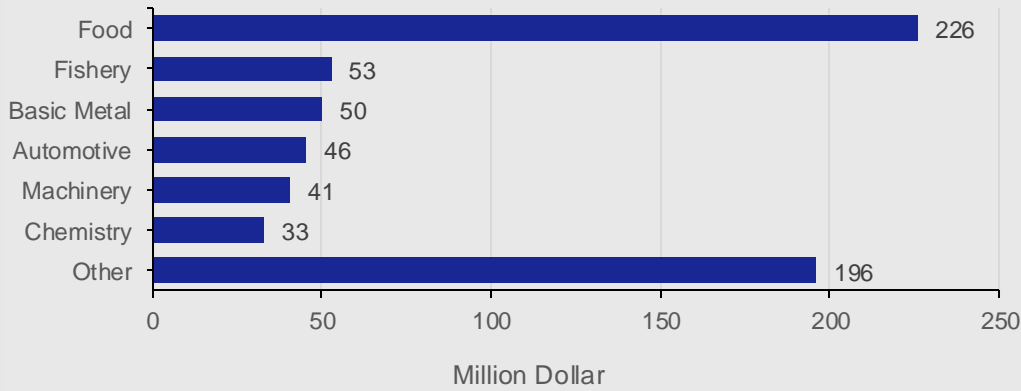
### Bilateral Trade between Türkiye and Japan



### From Japan to Türkiye (2023)

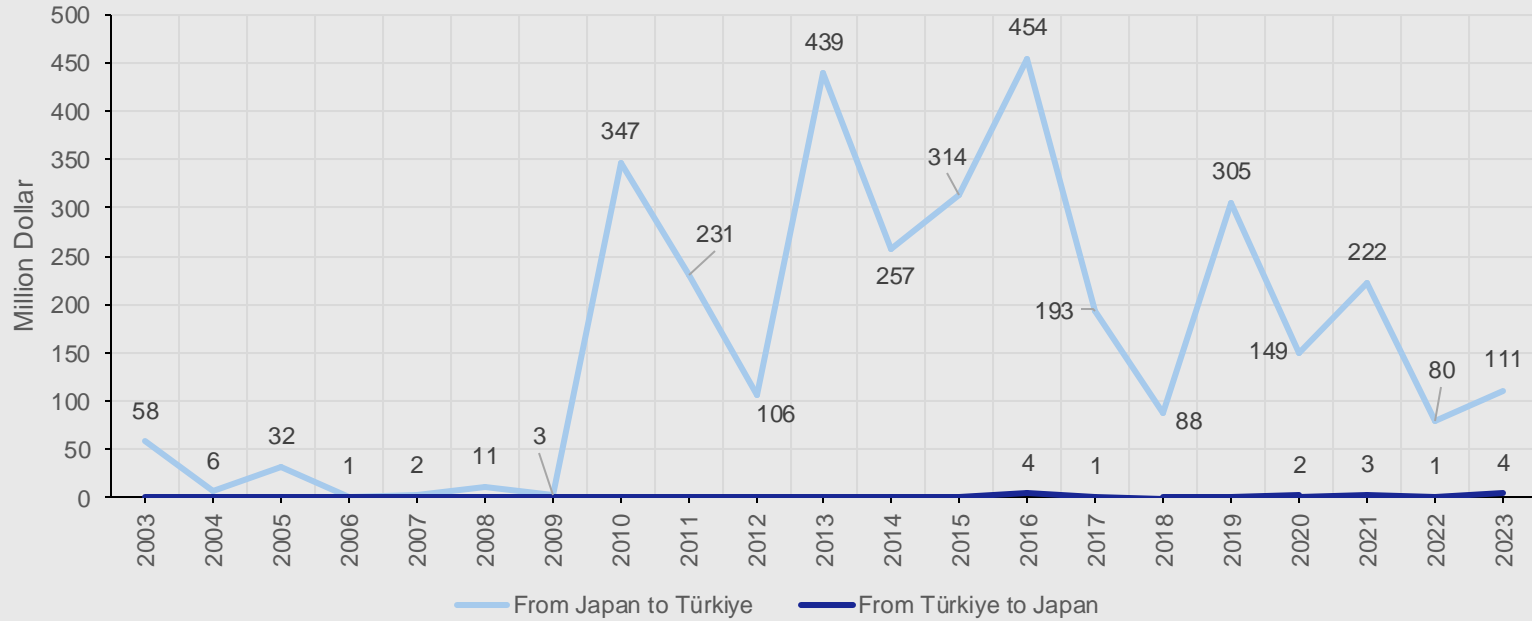


### From Türkiye to Japan (2023)



# INVESTMENT RELATIONS BETWEEN TÜRKİYE AND JAPAN

## Bilateral Investment Relations Between Japan and Türkiye



- Since 2002, there have been **3.5 billion USD** FDI inflows from Japan to Türkiye (As of September 2024)
- FDI Stock from Japan to Türkiye was **3.1 billion USD** as of end-2023

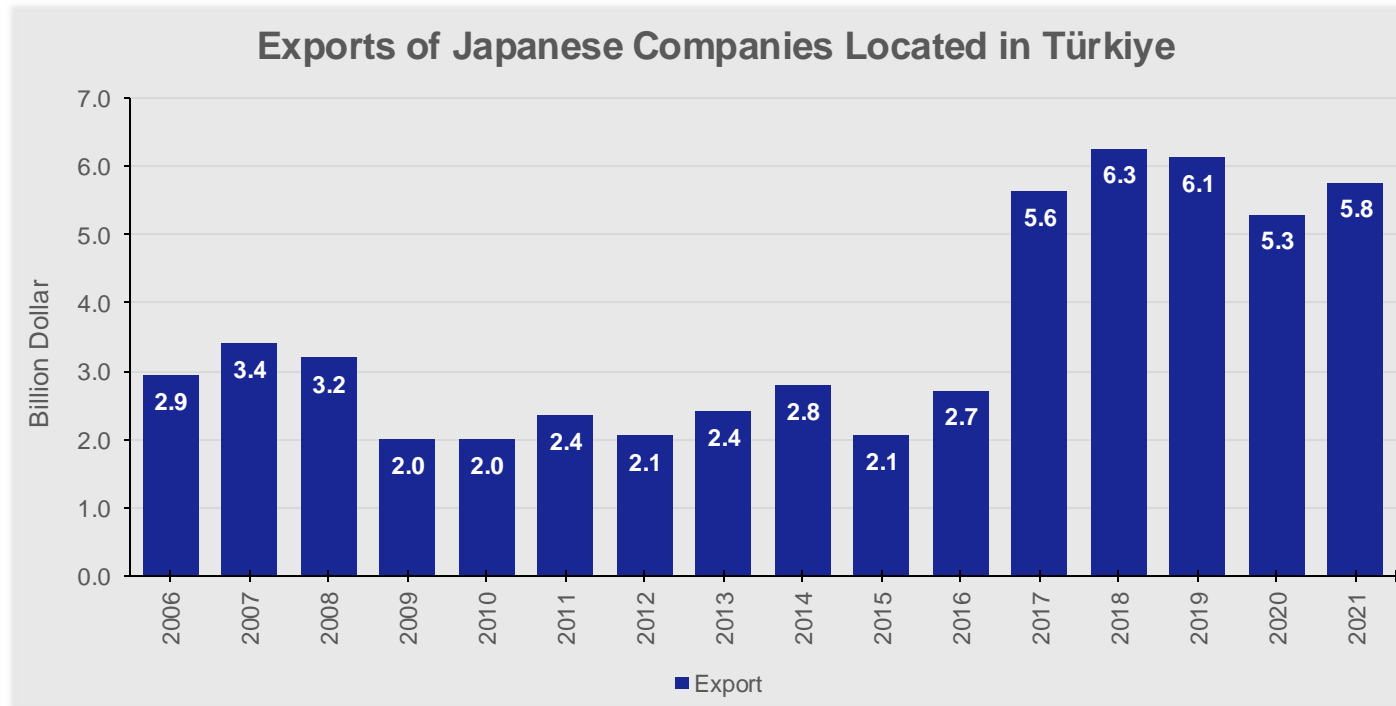
## JAPANESE COMPANIES IN TÜRKİYE

As of mid-2024, there are **259 companies** and **15 liaison offices** with the Japanese capital in Türkiye.

Sectoral Breakdown of the Japanese Companies in Türkiye	Number of Companies
Wholesale trade and commission trade, except of motor vehicles and motorcycles	54
Other business activities	21
Hotels and restaurants	20
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	20
Supporting and auxiliary transport activities; activities of travel agencies	14
Manufacture of motor vehicles, trailers and semi-trailers	12
Others	118
<b>Total</b>	<b>259</b>



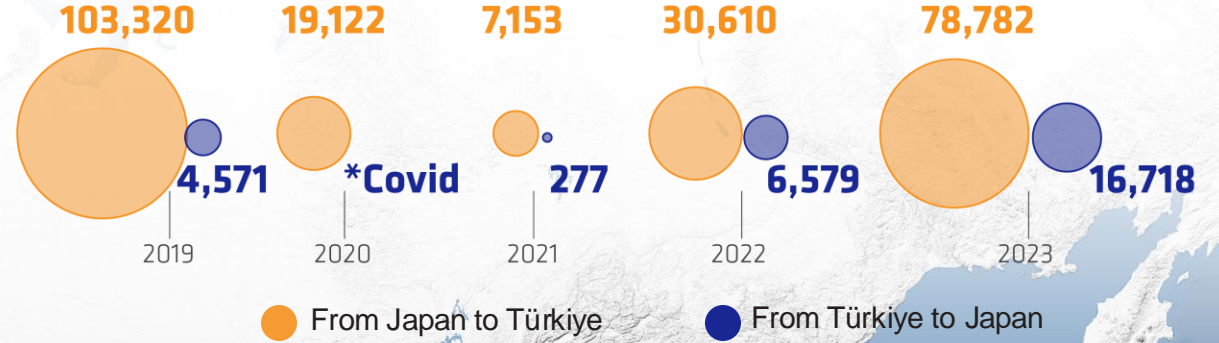
**Direct Employment in Japanese Firms as of 2021: 37.200 people**  
**R&D Spending at Japanese Firms in 2021: \$50 Million**

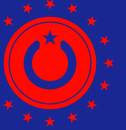


# TÜRKİYE - JAPAN RELATIONSHIPS



## Number of Tourists





# NEXUS OF SUSTAINABILITY

VISION FOR  
FUTURE





Thanks to the manufacturing capabilities and ambitious targets in green economy, Türkiye is to become a leading green manufacturing hub.

### GREEN COMPLEXITY RANKINGS, 2020

1.  GERMANY
3.  USA
6.  CZECHIA
7.  JAPAN
9.  UK
10.  FRANCE
12.  POLAND
13.  HUNGARY
14.  ROMANIA
15.  SPAIN
20.  BULGARIA
27.  S. KOREA
30.  **TÜRKİYE**
31.  NETHERLANDS
49.  S. AFRICA
75.  BRAZIL

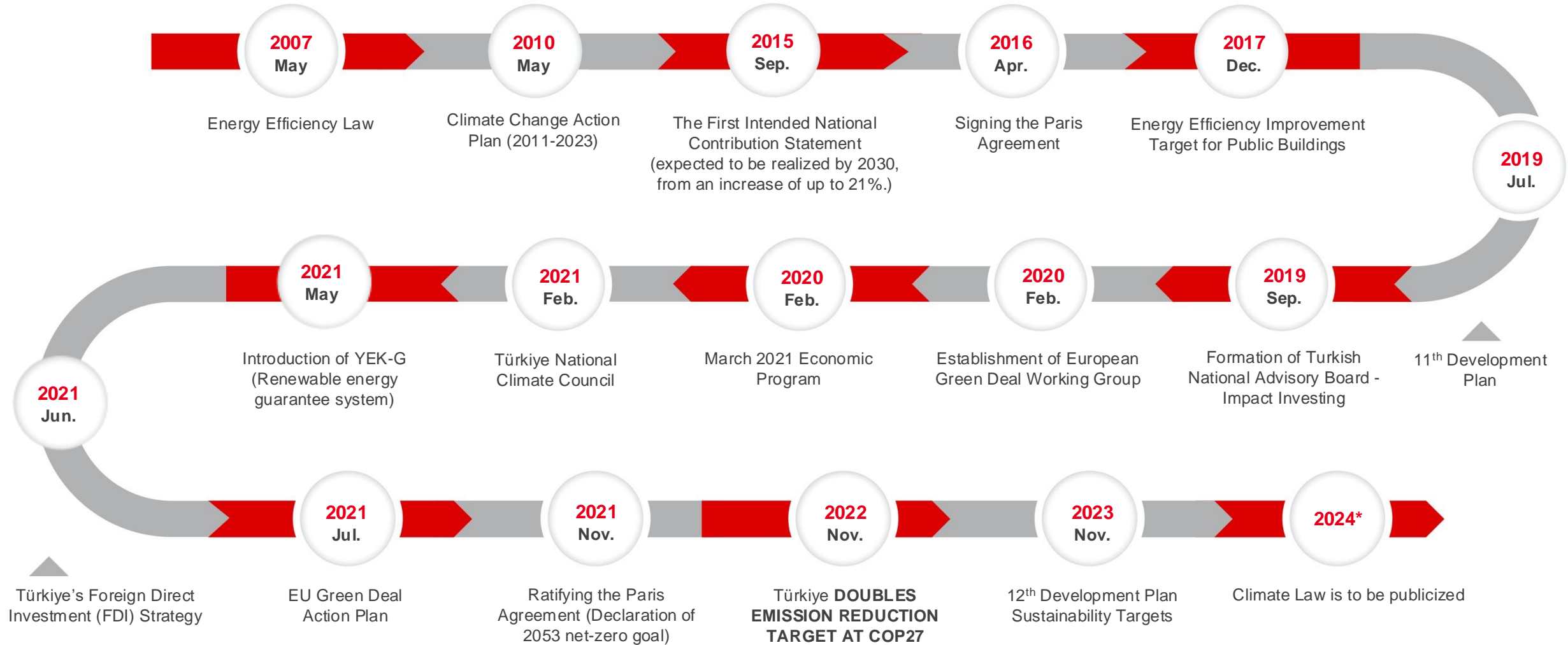
### GREEN COMPLEXITY POTENTIAL RANKINGS, 2020

1.  CHINA
3.  SPAIN
4.  FRANCE
5.  GERMANY
6.  **TÜRKİYE**
7.  POLAND
11.  USA
14.  UK
15.  CZECHIA
18.  BULGARIA
20.  JAPAN
26.  ROMANIA
29.  HUNGARY
34.  S. KOREA
45.  S. AFRICA
62.  BRAZIL

# VISION FOR FUTURE: SUSTAINABILITY FOCUS



## Strong Commitments Towards Sustainability

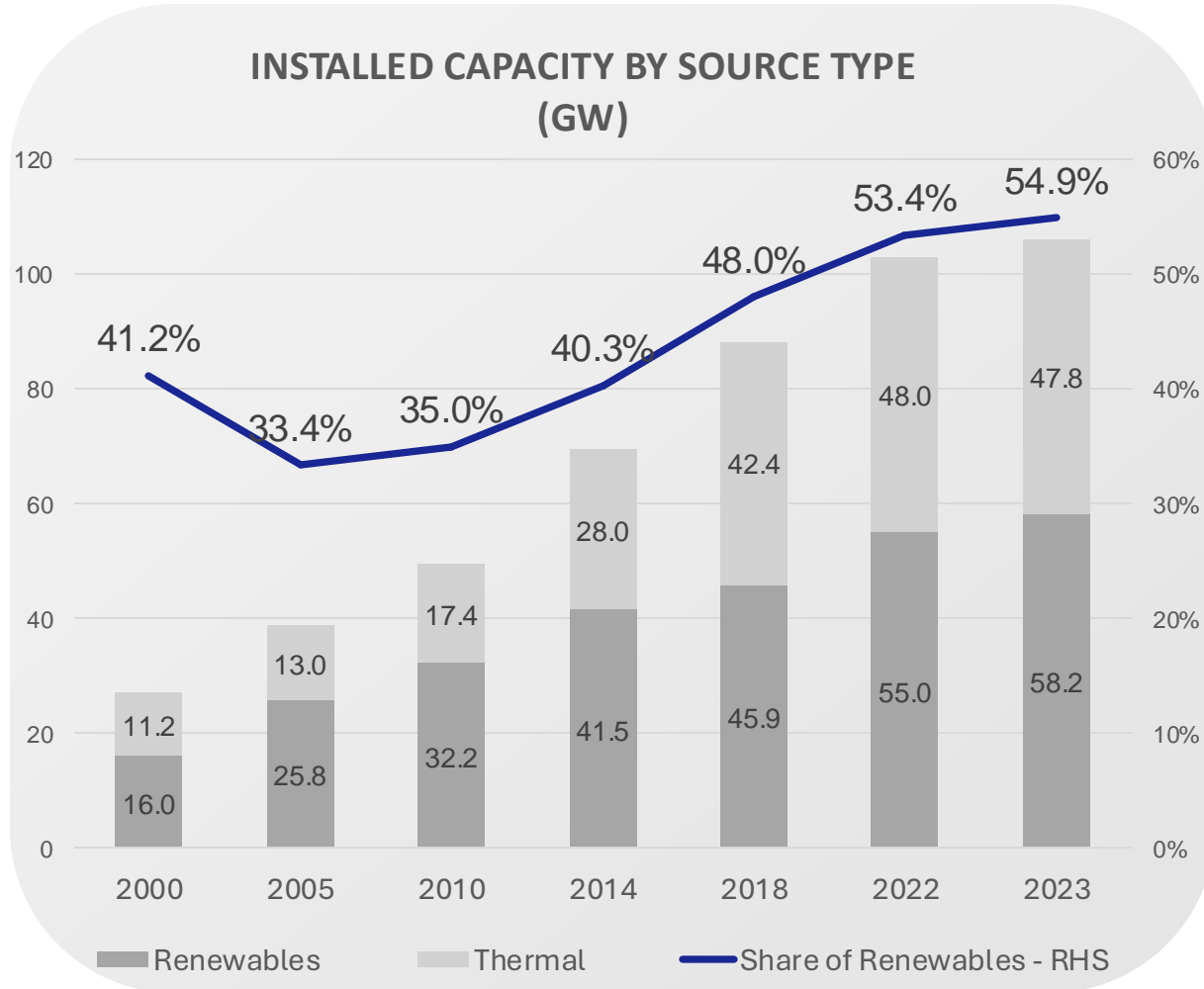


# STRONG INFRASTRUCTURE

## Energy Infrastructure



### OFFICIAL TARGETS



	2023	2035
Installed Capacity	106 GW →	189.7 GW
Renewable's Share	55.0% →	64.7%
Solar	11.3 GW →	52.9 GW
Wind	11.8 GW →	29.6 GW
Nuclear	0 GW →	7.2 GW
Hydro	31.9 GW →	35.1 GW
Geothermal	1.69 GW →	5.1 GW



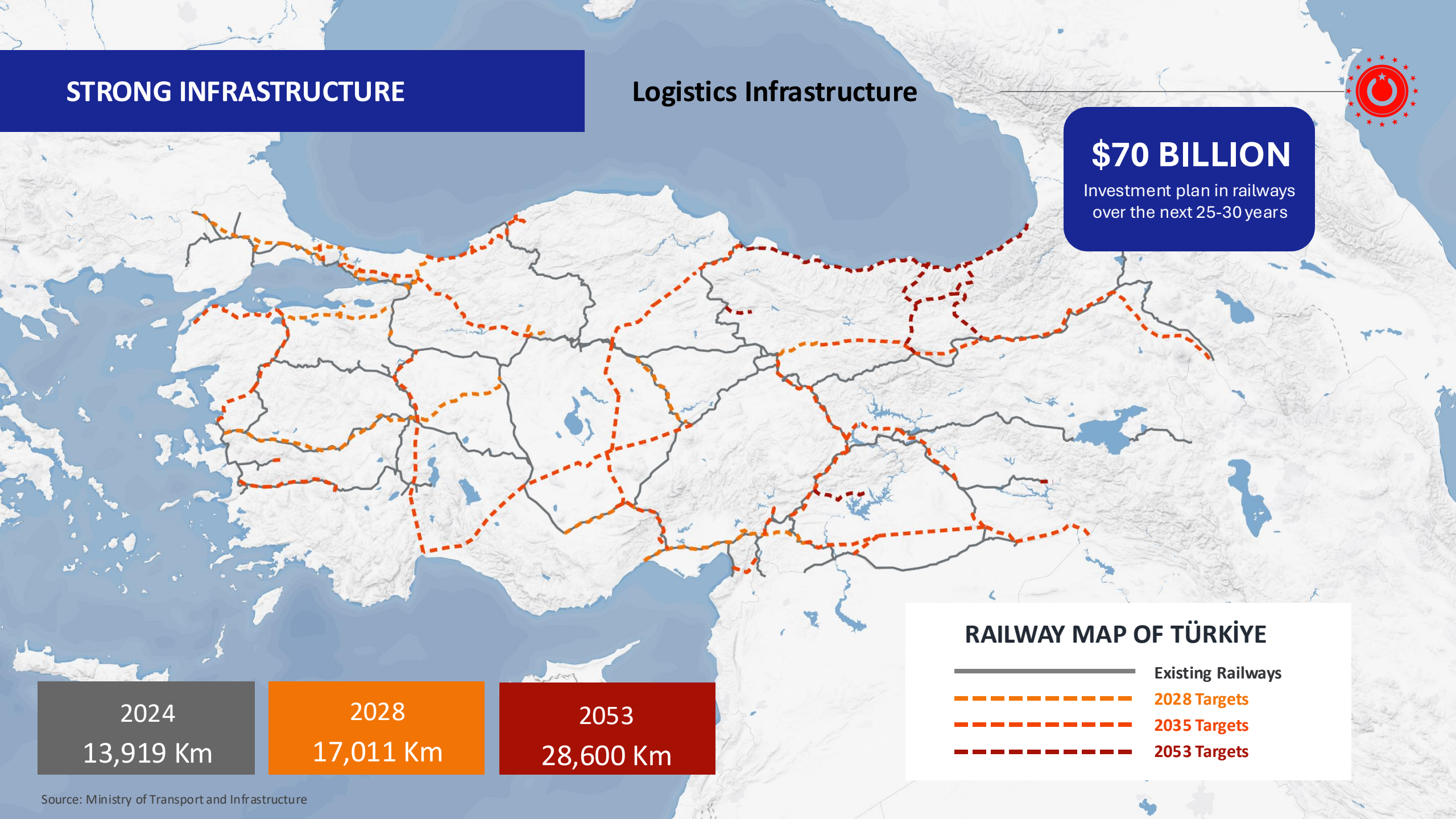
# STRONG INFRASTRUCTURE

## Logistics Infrastructure



**\$70 BILLION**

Investment plan in railways  
over the next 25-30 years



### RAILWAY MAP OF TÜRKİYE

- Existing Railways
- 2028 Targets
- 2035 Targets
- 2053 Targets

2024  
13,919 Km

2028  
17,011 Km

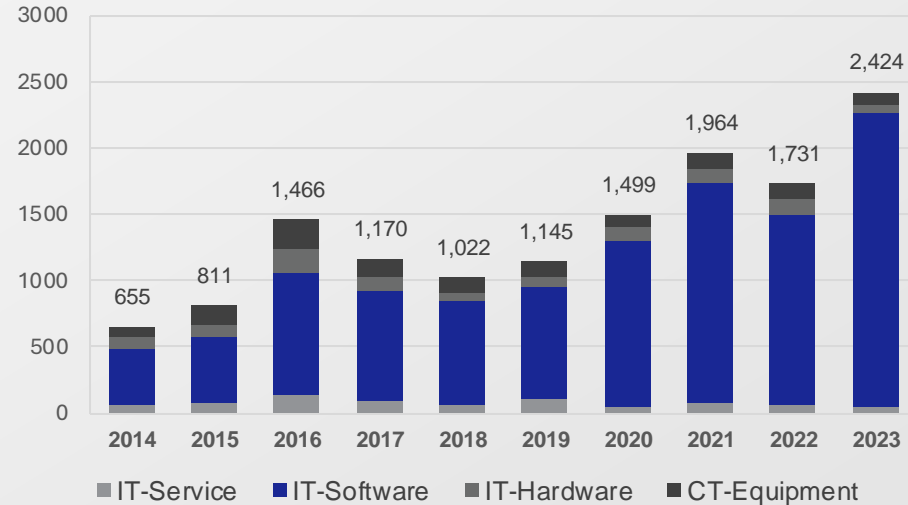
2053  
28,600 Km

# VISION FOR FUTURE: ADVANCING DIGITALIZATION

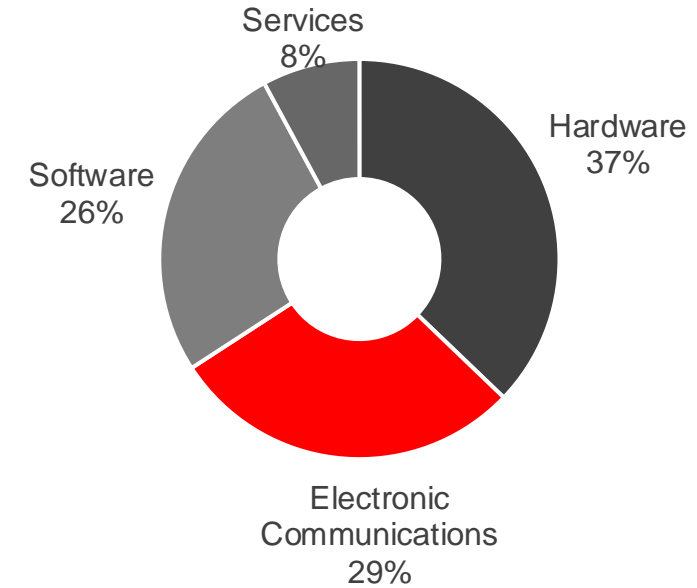


**Growing ICT market  
size increasingly  
penetrating to  
international markets**

## ICT Exports Exports (Million USD)



## 2023 ICT Market Breakdown Shares of Subsectors



## OUT OF 237,000 ICT SECTOR EMPLOYEES

**30%**  
are women  
executive

**60%**  
are R&D  
Personnel

**1 MILLION+**

software developer program  
launched in 2021



## MAJOR PLAYERS

Large – sized local  
and international  
companies in the  
ICT ecosystem

Alcatel-Lucent 

arvento  
Mobile Systems

aselsan

Atos

 DATAMARKET

 delaysoft

Ekin

getir

 HAVELSAN

 Hewlett Packard  
Enterprise

 hp

 HUAWEI

IBM

INNOVA

 INDEX  
Türkiye'nin Bilgi Kaynağı

 Insider

intertech

 isbak

iyzico  
a PayU company

KAREL

 KoçSistem

LOGO

 Microsoft

millenicom

NETAŞ

ORACLE

peak

Prysmian  
Group

 SAP

 softtech

 STM

 TURKCELL

Türk Telekom 

 VERIPARK

VESTEL

 vodafone



## Strong R&D and Technology Ecosystem

### TECHNOPARKS

- 91 Technoparks  
(an additional 13 underway)
- 2,148 companies with academia partnership
- Over 114K employment in 10,987 companies 5% international companies
- Total export exceeded USD 11 Billion

- Türkiye's gross expenditure on R&D (GERD) is 1.42% of GDP
- 53% of R&D expenditures by private sector

### R&D CENTERS

- 1,326 R&D Centers
- 86K employment;
- 18% international companies

### UNIVERSITIES

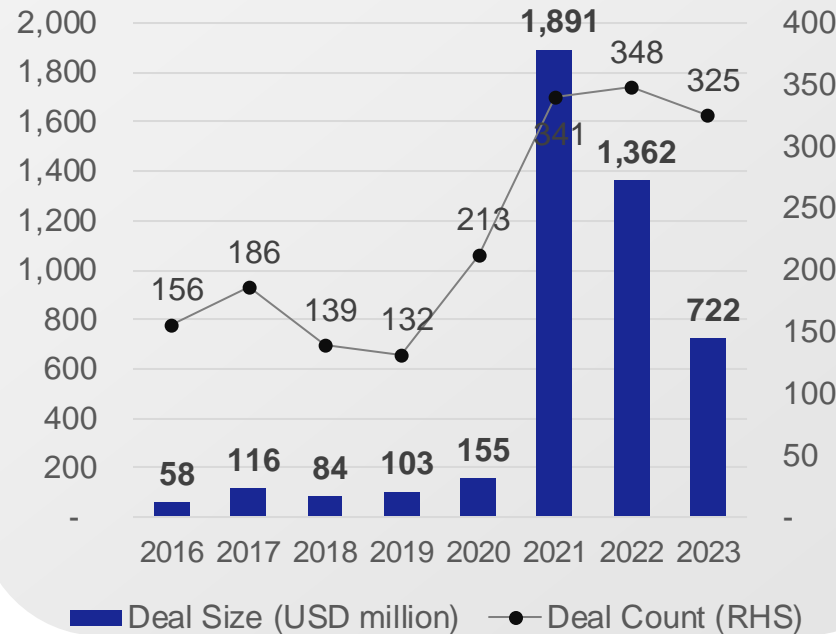
- 10 universities in Top 1000  
(QS World University Rankings 2024)

# VISION FOR FUTURE: ADVANCING DIGITALIZATION

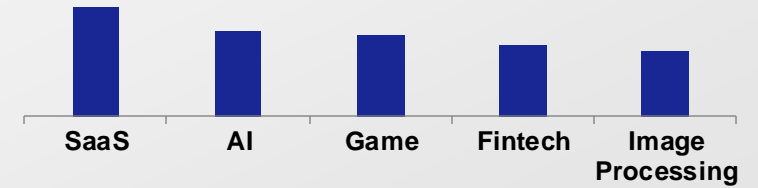


Startup ecosystem's recent outstanding performance helps to thrive the sector

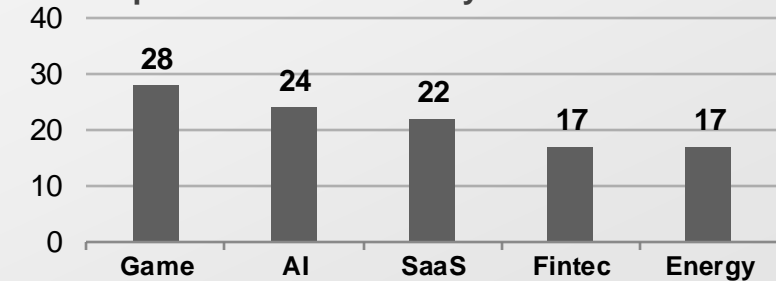
### Türkiye Yearly Angel & VC Deal Activity



### Top 5 funded verticals by deal value (\$M)



### Top 5 funded verticals by deal count



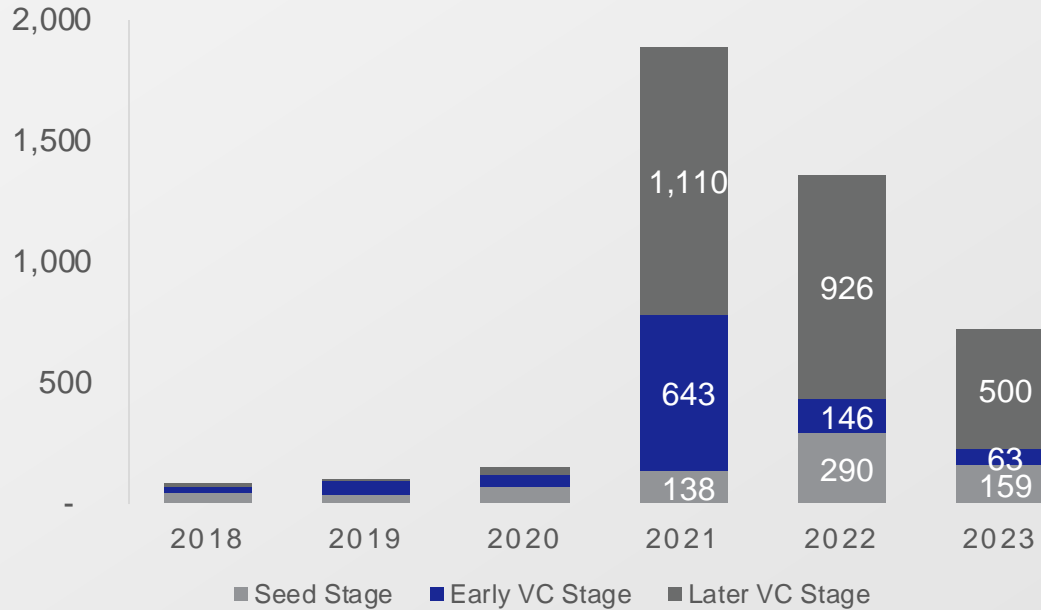
TURKISH UNICORNS



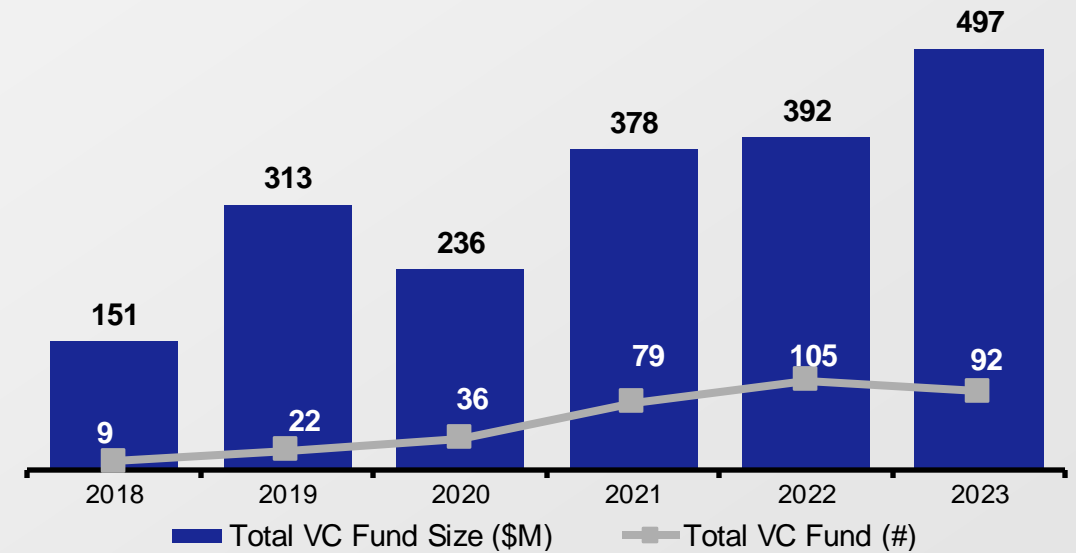
# VISION FOR FUTURE: ADVANCING DIGITALIZATION



**Angel & VC Deals**  
(Millions USD)



**Türkiye VC Fundraising Activity**  
(Million USD)



**Trust on the startup ecosystem is gaining momentum**

**İstanbul has been ranked among the top 15 of the world's 100 best "emerging ecosystems" for startups**

# RESILIENT & FAST GROWING ECONOMY



12<sup>th</sup> largest  
economy in the  
World

## REAL GDP RANKINGS: PAST, PRESENT, FUTURE

2003	2023	2026	2052
1.  USA	1.  CHINA	1.  CHINA	1.  CHINA
2.  CHINA	2.  USA	2.  USA	2.  INDIA
3.  JAPAN	3.  INDIA	3.  INDIA	3.  USA
4.  GERMANY	4.  RUSSIA	4.  JAPAN	4.  INDONESIA
5.  INDIA	5.  JAPAN	5.  INDONESIA	5. <b>TÜRKİYE</b>
6.  FRANCE	6.  GERMANY	6.  GERMANY	6.  JAPAN
7.  RUSSIA	7.  BRAZIL	7.  RUSSIA	7.  GERMANY
8.  UK	8.  INDONESIA	8.  BRAZIL	8.  BRAZIL
9.  ITALY	9.  FRANCE	9.  UK	9.  RUSSIA
10.  BRAZIL	10.  UK	10. <b>TÜRKİYE</b>	10.  MEXICO
11.  MEXICO	11.  ITALY	11.  FRANCE	11.  UK
12.  SPAIN	12. <b>TÜRKİYE</b>	12.  MEXICO	12.  FRANCE
13.  INDONESIA	13.  MEXICO	13.  S. KOREA	13.  ITALY
14.  CANADA	14.  S. KOREA	14.  ITALY	14.  S. KOREA
15.  S. KOREA	15.  SPAIN	15.  SPAIN	15.  S. ARABIA
16.  S. ARABIA	16.  CANADA	16.  CANADA	16.  CANADA
17.  AUSTRALIA	17.  EGYPT	17.  S. ARABIA	17.  AUSTRALIA
18. <b>TÜRKİYE</b>	18.  S. ARABIA	18.  AUSTRALIA	18.  SPAIN

# DOMESTIC + ACCESSIBLE MARKETS



DOMESTIC MARKET + EU MARKET + FREE TRADE AREA

Customs Union with the EU allows direct access to the EU Market





# GEOSTRATEGIC LOCATION



## LOCATED AT THE NEXUS OF EUROPE, ASIA AND AFRICA

1.3 billion people and \$30.2T GDP in Europe, MENA and Central Asia at **4-hour flight** distance

### EUROPE

GDP: \$22 trillion  
Import: \$7.6 trillion  
Population: 601 million

### RUSSIA

GDP – \$2 trillion  
Import: \$335 billion  
Population: 142 million

### MENA

GDP: \$3.6 trillion  
Import: \$979 billion  
Population: 486 million

### CENTRAL ASIA & CAUCASUS

GDP: \$195 billion  
Import: \$92 billion  
Population: 156 million

# THANK YOU

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