

# REPUBLIC OF TURKEY PRIME MINISTRY

Investment Support and Promotion Agency of Turkey  
ISPAT

“Investment Climate in Turkey”

*NASSCOM Delegation*

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Senior Project Director

26th November, 2010

REPUBLIC OF TURKEY PRIME MINISTRY  
INVESTMENT SUPPORT AND  
PROMOTION AGENCY



YOUR ONE-STOP-SHOP  
IN TURKEY

[invest.gov.tr](http://invest.gov.tr)



**Beautiful  
landscape...**





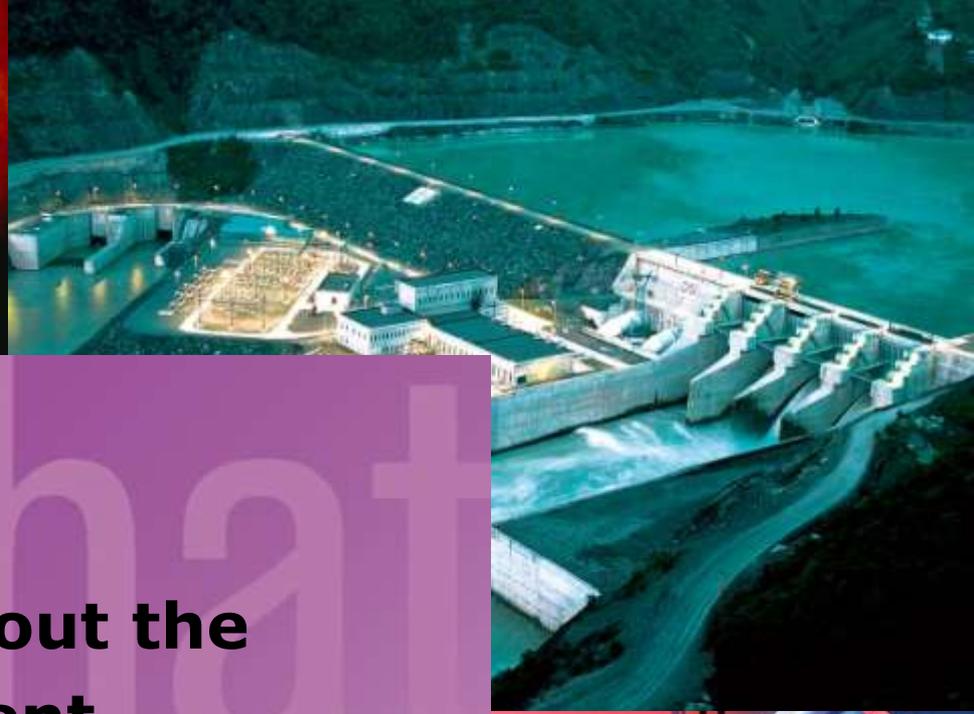
**Combination of  
contemporary and  
traditional...**





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





**What about the investment opportunities...**



# AGENDA

- **TURKEY WITH SOME KEY FIGURES**
- **FDI IN TURKEY**
- **TOP REASONS TO INVEST IN TURKEY**
- **THE AGENCY**
- **SUCCESS STORIES**

REPUBLIC OF TURKEY PRIME MINISTRY  
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**YOUR ONE-STOP-SHOP  
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# **Turkey with some key figures...**



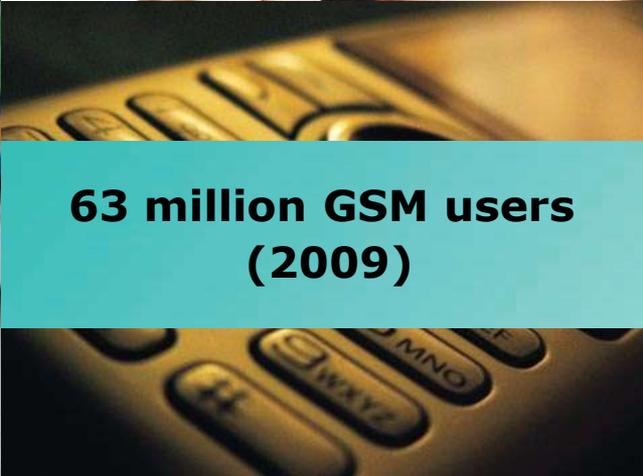
**15<sup>th</sup> largest economy of the world and 6<sup>th</sup> when compared to the 27 EU Countries in 2008 (IMF)**



**The largest youth population when compared to the 27 EU countries**



**30 million internet users (2009)**



**63 million GSM users (2009)**



**44 million credit card users (2009)**





**Turkey is the 5<sup>th</sup> largest shipbuilding (units) country as well as the 3<sup>rd</sup> largest mega yacht producer in the world (2008)**

## **VOLITAN**

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

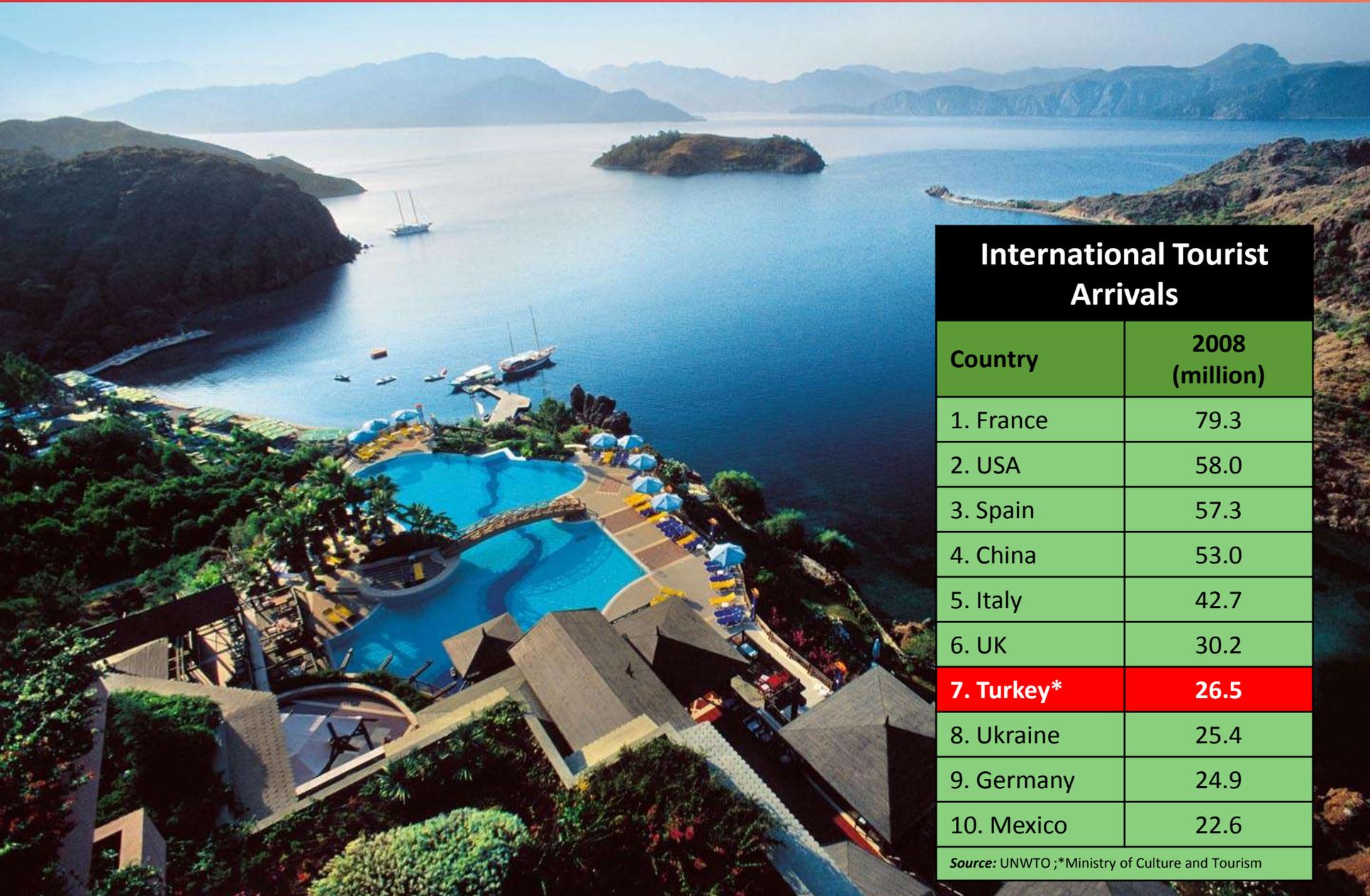
**VOLITAN**  
Designer Dr. Hakan GÜRSU & Designer Sözümlü DOĞAN, TURKEY

- Turkish Airlines is the fastest growing airline company in Europe,
- The best airline in Southern Europe (Skytrax World Airline Awards 2009)



- 85.2 million airline passengers in Turkey (2009)
- Istanbul Ataturk Airport is the 2<sup>nd</sup> best airport in Southern Europe (Skytrax'09)

# Turkey is the 7<sup>th</sup> most visited holiday destination in the world (2008)



## International Tourist Arrivals

Country	2008 (million)
1. France	79.3
2. USA	58.0
3. Spain	57.3
4. China	53.0
5. Italy	42.7
6. UK	30.2
<b>7. Turkey*</b>	<b>26.5</b>
8. Ukraine	25.4
9. Germany	24.9
10. Mexico	22.6

*Source: UNWTO ;\*Ministry of Culture and Tourism*

Out of world's top 100 best hotels 20 are from Turkey (TUI Holly, 2009)



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

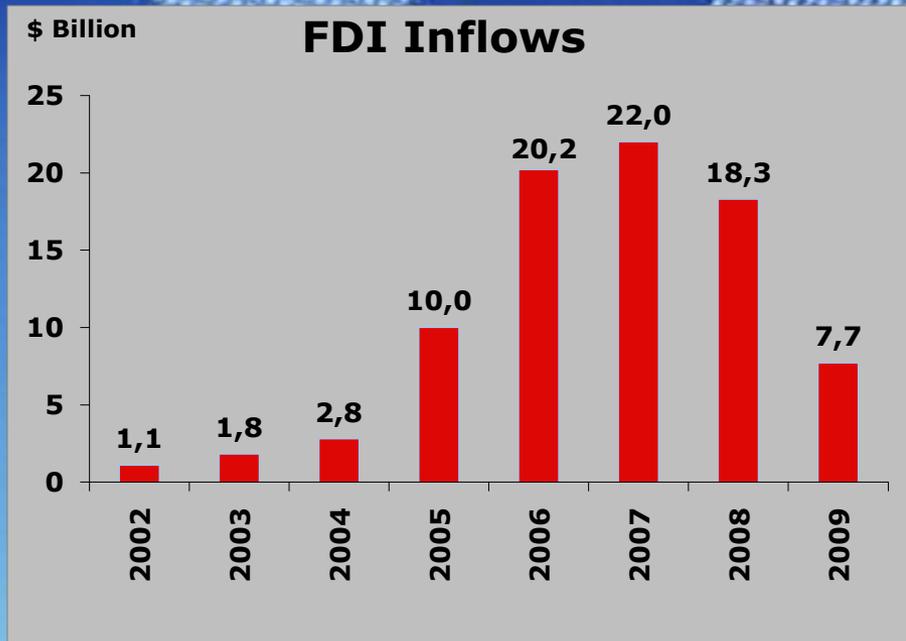
FDI in

# FDI in Turkey

Turkey



# Strengthening upward trend in FDI Inflows



# Top reasons to invest in Turkey

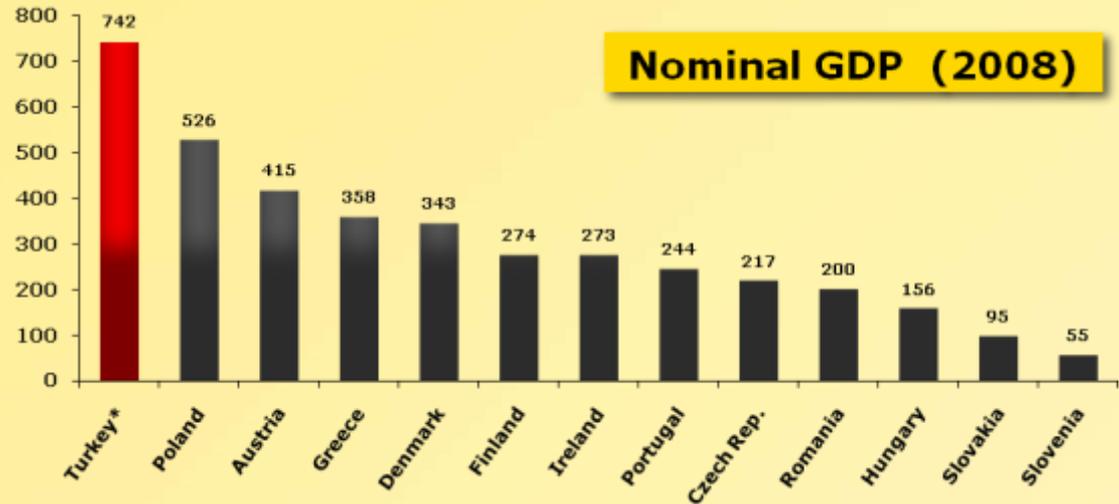


# Top reasons to invest in Turkey

## 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

Let your business blossom in a thriving economy and promising future

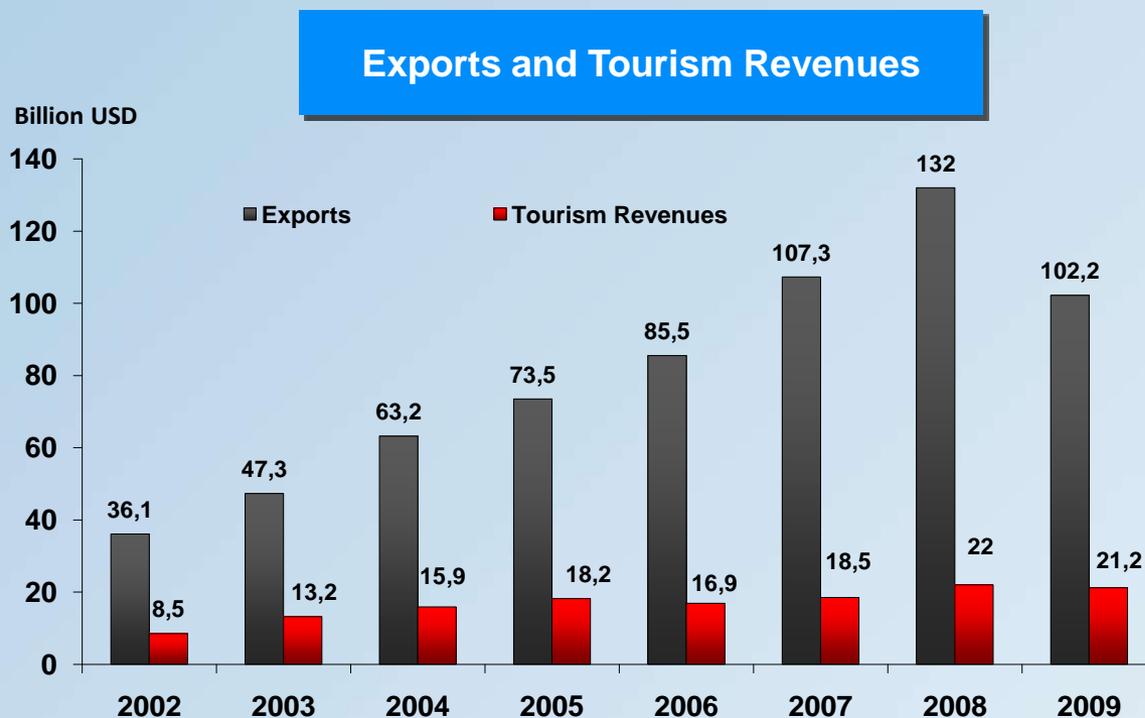


**The fastest growing economy among the OECD countries**

# Top reasons to invest in Turkey

## Stability and High Performance in the Economy

- **Dynamic, Stable & Attractive Economy**
  - **GDP**
  - **Key numbers**
- **Population**
- **International Hub**
- **Structural Reforms**



# Top reasons to invest in Turkey

**Turkey has the 5<sup>th</sup> most liberal trade policies in the world  
(World Trade Indicators 2008)**

- **Dynamic, Stable & Attractive Economy**

- **GDP**
- **Key numbers**

- **Population**

- **International Hub**

- **Structural Reforms**

- ❖ **Customs Union with the 27 EU Countries**

- ❖ **Free Trade Agreements with 15 countries:**

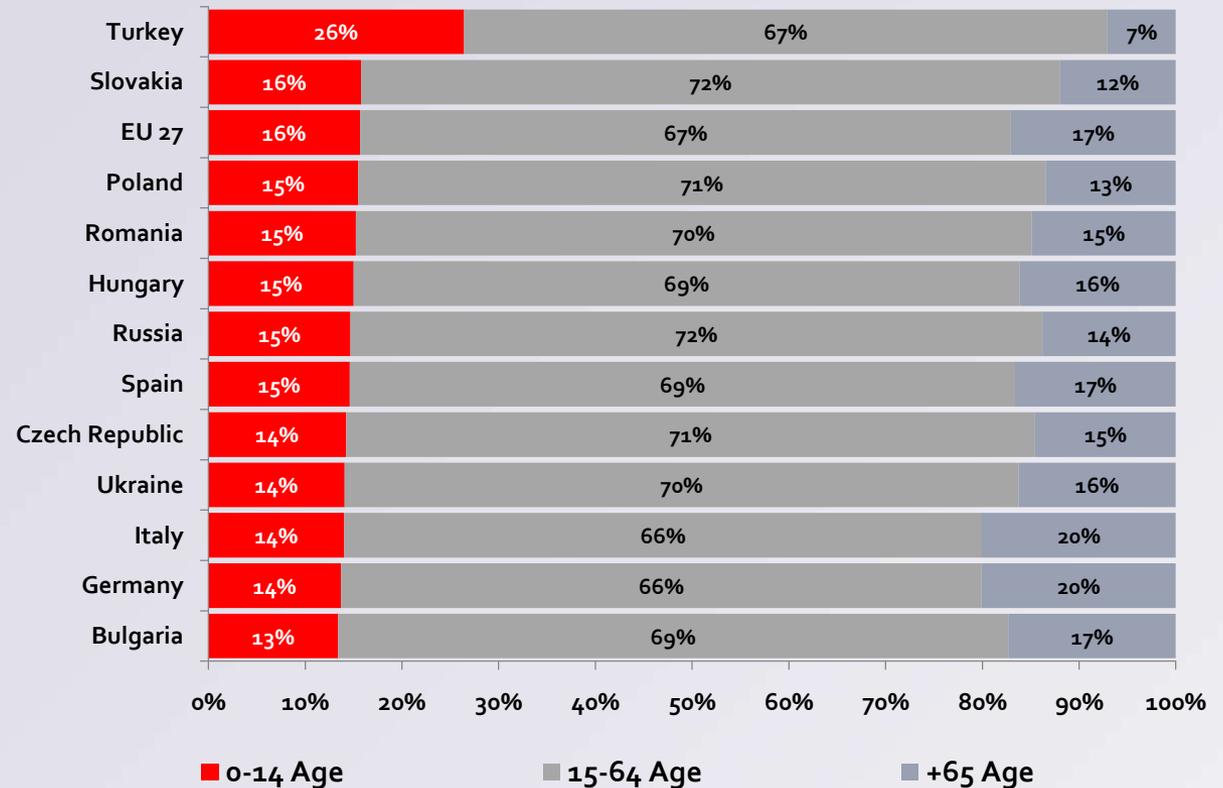
1. **Albania**
2. **Bosnia & Herzegovina**
3. **Croatia**
4. **Egypt**
5. **Georgia**
6. **Iceland**
7. **Israel**
8. **Lichtenstein**
9. **Macedonia**
10. **Morocco**
11. **Norway**
12. **Palestine**
13. **Switzerland**
14. **Syria**
15. **Tunisia**

# Top reasons to invest in Turkey

## Potential of the Turkish Economy - Young Population -

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - **Age**
  - **Labor Force**
  - **GDP**
- **International Hub**
- **Structural Reforms**

Favorable Demographics  
Population by Age Groups (2008)



✓ 26% of populations is under age 15

# Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - **Age**
  - **Labor Force**
  - **GDP**
- **International Hub**
- **Structural Reforms**

## Availability of the Skilled Labor Force

Qualified Engineers 2009



Competent Senior Managers 2009



IT Skills 2009



# Top reasons to invest in Turkey

## Productive and Cost-effective Labor Force

- **Dynamic, Stable & Attractive Economy**

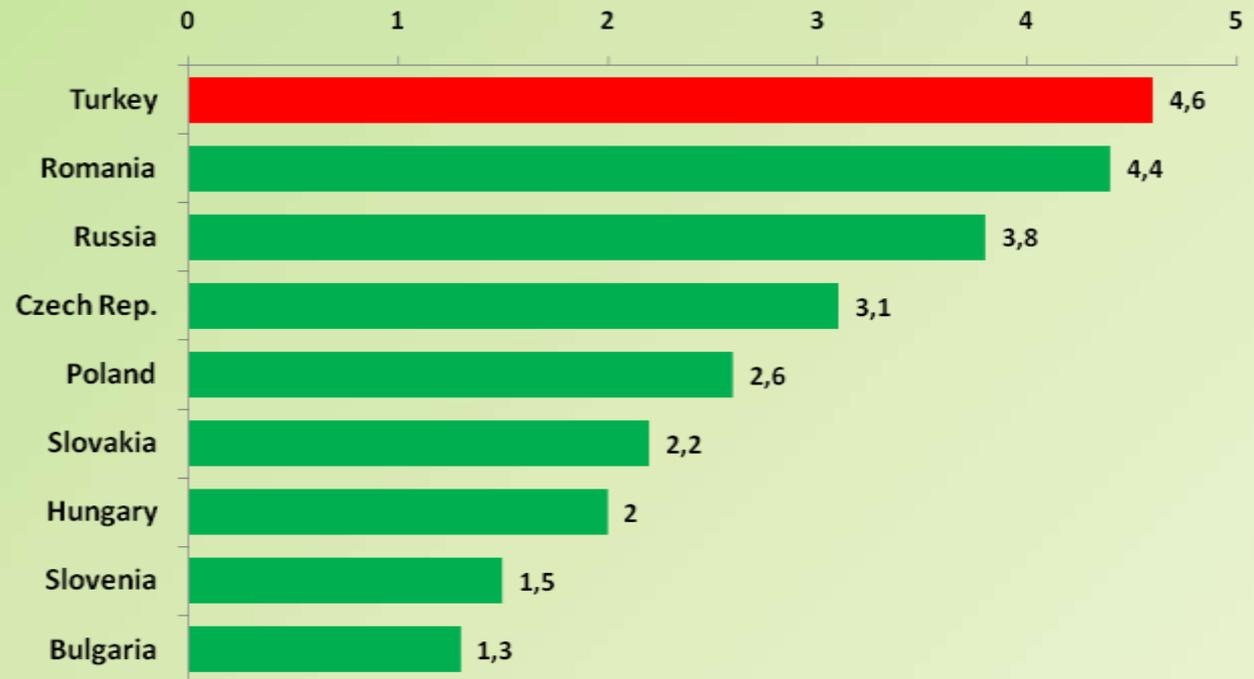
- **Population**

- **Age**
- **Labor Force**
- **GDP**

- **International Hub**

- **Structural Reforms**

Labour Productivity Growth (%)  
Annual Average (2002 – 2009)



Source: Economist Intelligence Unit (EIU), February 2010; Efficiency of labor measured in terms of output per worker (real GDP per person employed).

# Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**

- **Population**

- **Age**
- **Labor Force**
- **GDP**

- **International Hub**

- **Structural Reforms**

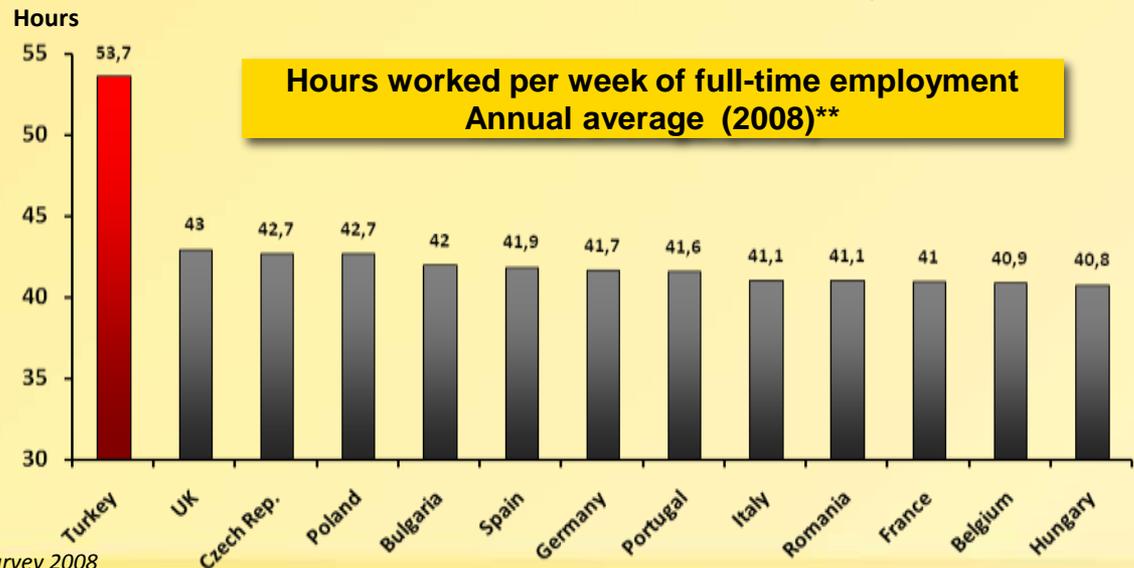
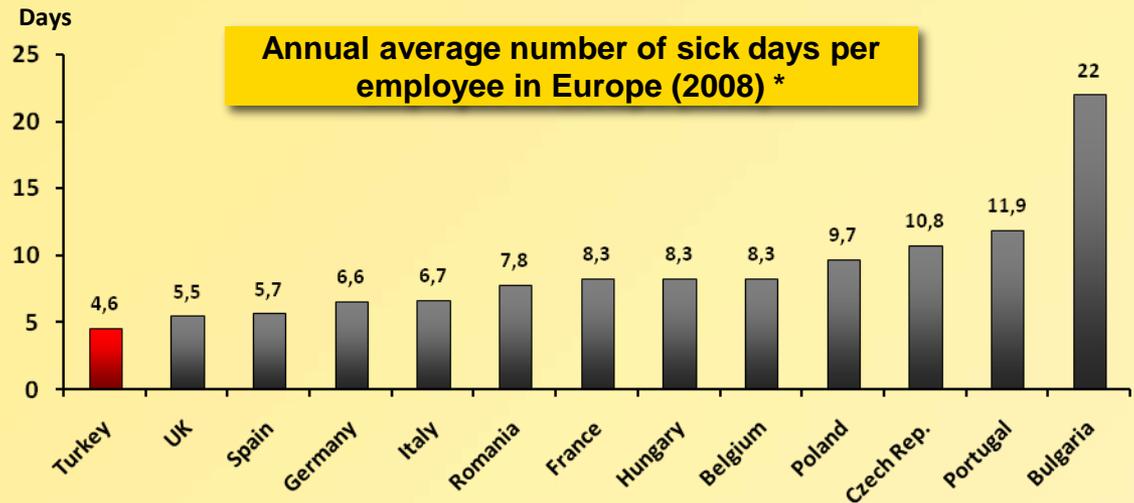
## Productive and Cost-effective Labor Force



# Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**
- **Population**
  - Age
  - Labor Force
  - GDP
- **International Hub**
- **Structural Reforms**

## Benchmarking Performance of the Turkish Labor Force



# Top reasons to invest in Turkey

- **Dynamic, Stable & Attractive Economy**

- **Population**

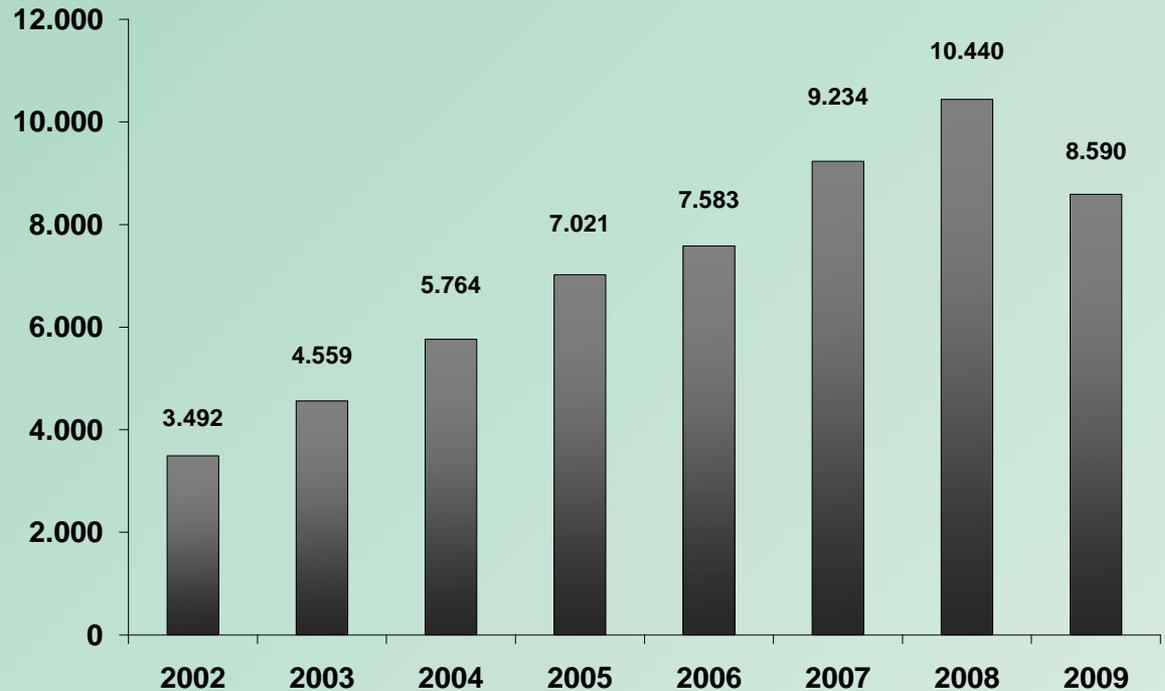
- Age
- Labor Force
- **GDP**

- **International Hub**

- **Structural Reforms**

## Potential of the Turkish Economy

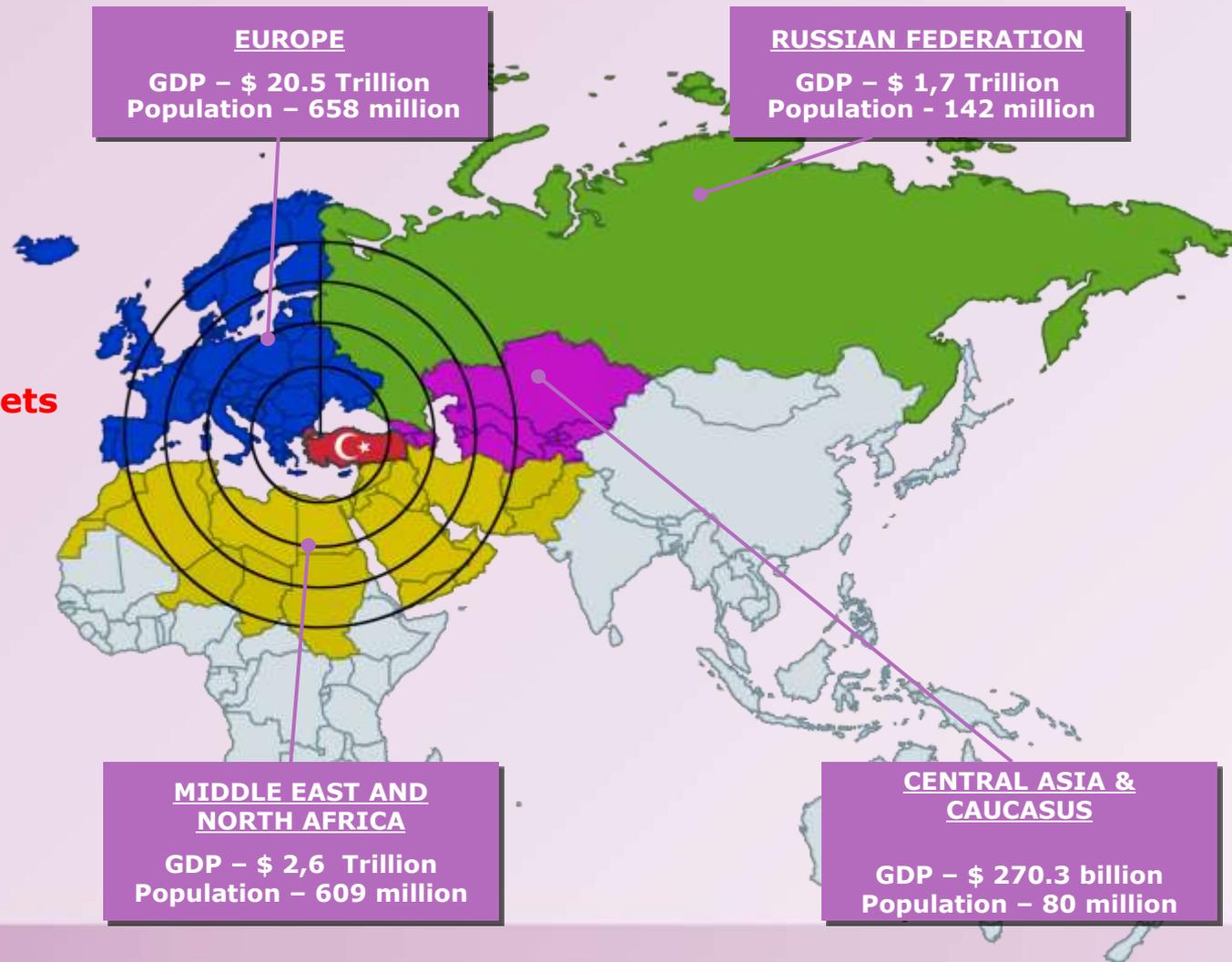
### GDP Per Capita – Nominal (USD)



# Top reasons to invest in Turkey

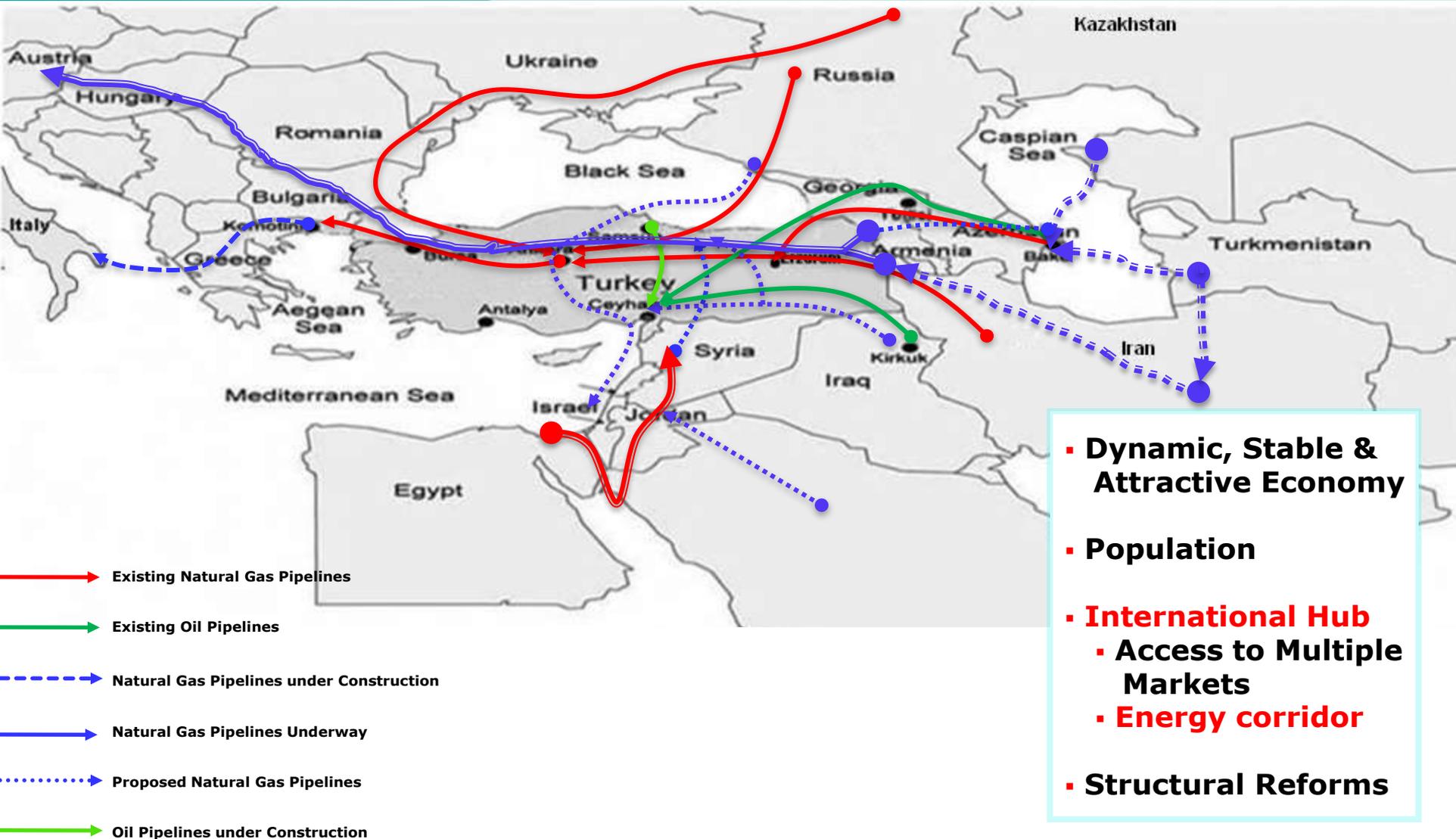
## Access to Multiple Markets Total 1,5 Billion People \$ 25 Trillion GDP

- **Dynamic, Stable & Attractive Economy**
- **Population**
- **International Hub**
  - **Access to Multiple Markets**
- **Energy Corridor**
- **Structural Reforms**



# 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

## Structural Reforms

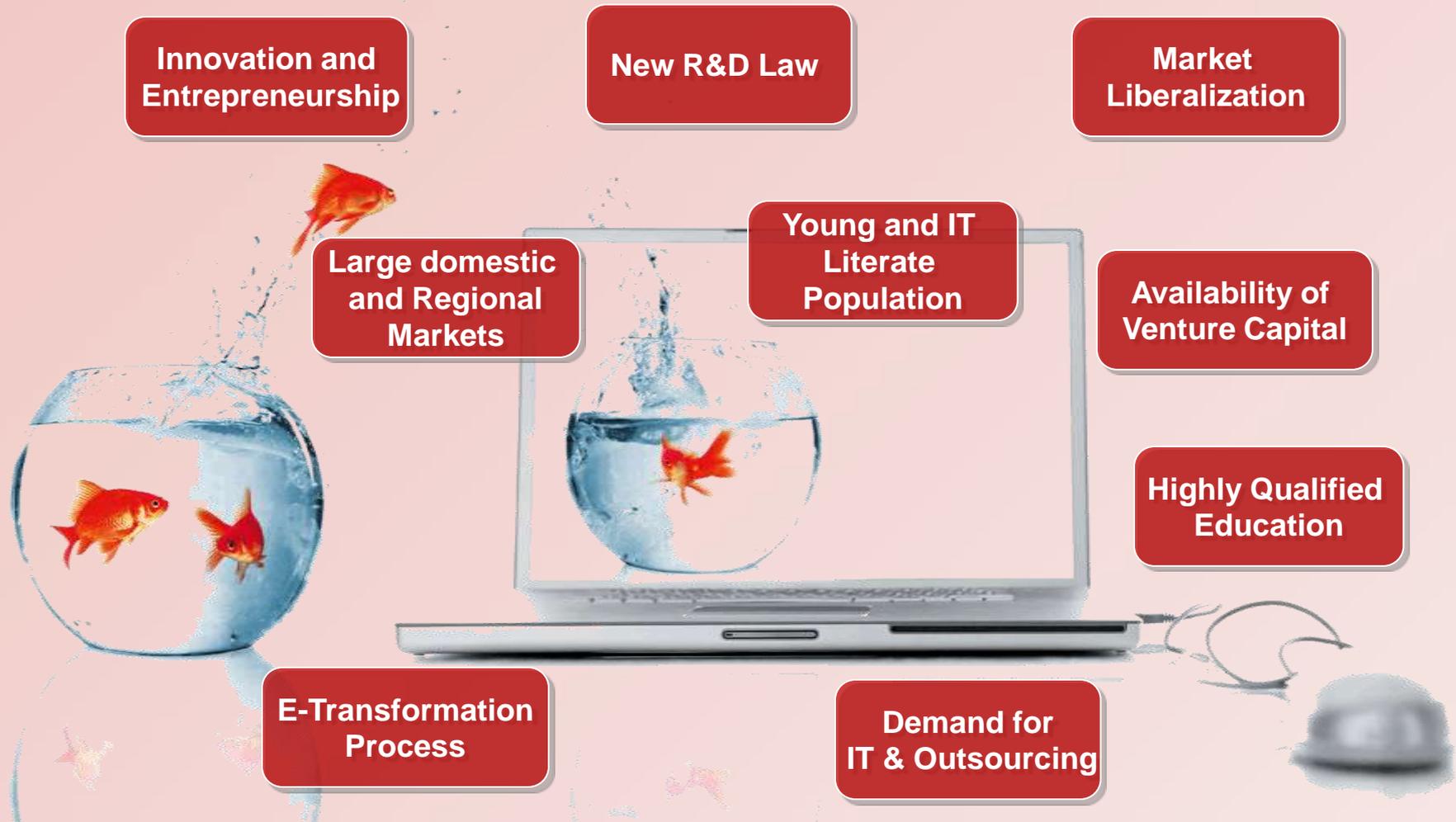
- **Dynamic, Stable & Attractive Economy**
- **Population**
- **International Hub**
- **Structural Reforms**



**Are we ready for  
a “Smarter Planet” ?**



# Turkey's Strengths In R&D and Innovation



**20 Turkish companies are ranked in the EMEA Region's 500 biggest IT companies list**

**□ 31 % of the enterprises have made technological innovations between 2004-2008**

**□ 62% have website/home page**

**□ 91 % use computers**

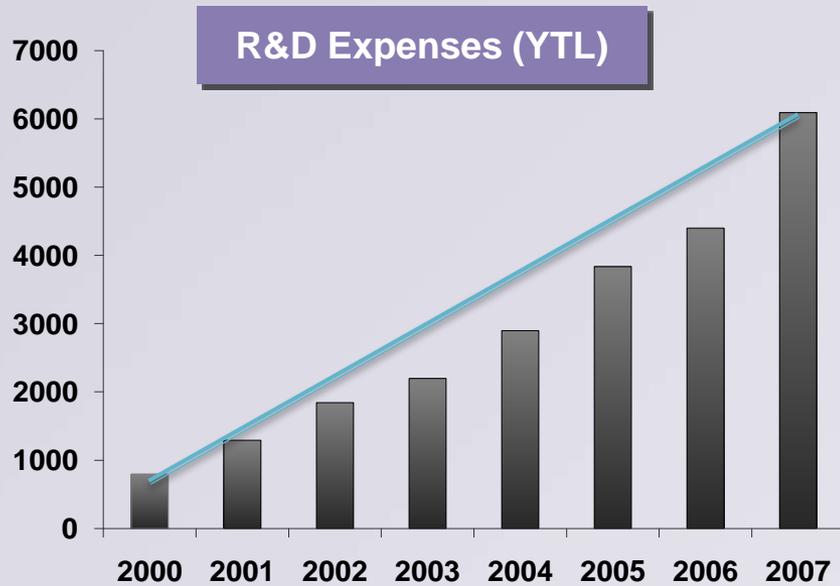
**□ 90 % have internet access**

**PURPOSE OF INTERNET USAGE IN ENTERPRISES**

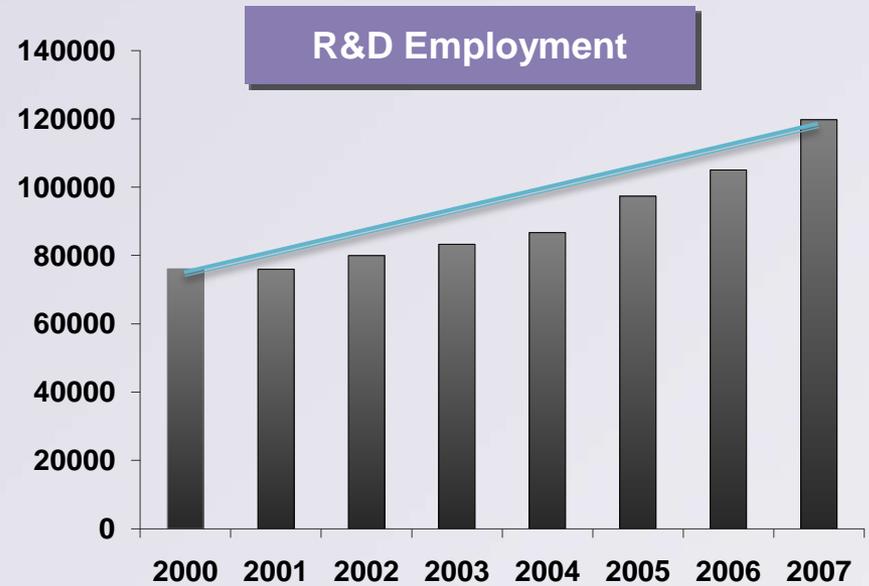
Year	Banking and financial services	Training and education	Market monitoring
	(%)	(%)	(%)
2005	75,4	34,3	67,7
2007	77,5	32,6	75,9
2008	77,6	33,4	77,0

# Are We Ready for A SMARTER PLANET

## Development of the Turkish R&D Sector



✓ 663% increase between 2000-2008

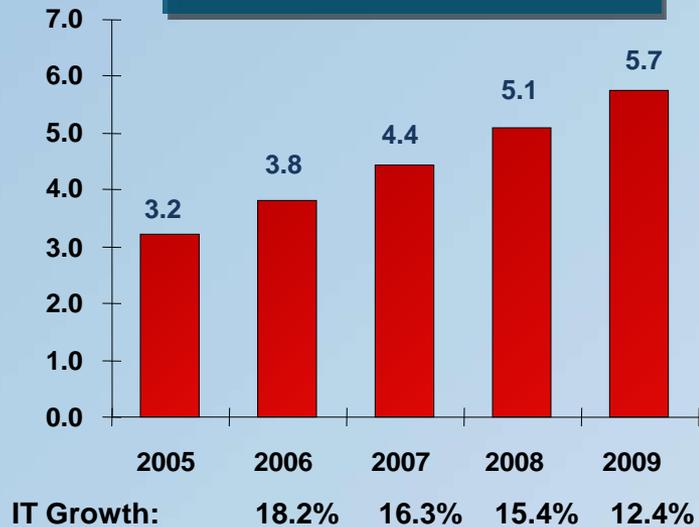


✓ 57.3% increase in the last eight years

# ICT Sector in Brief

## Turkish Software and IT Services Market

IT Market  
(2005-2009)



Software & IT Services  
Market (2005-2009)



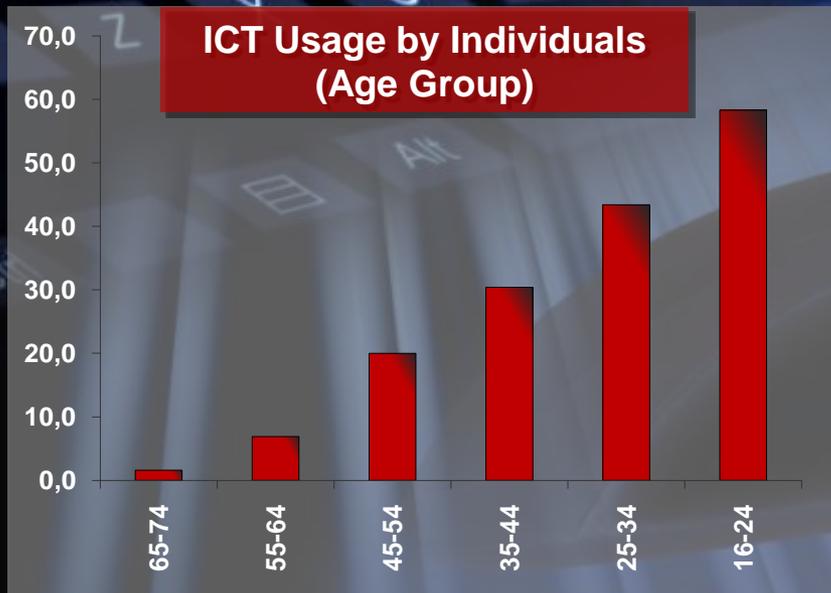
■ Software ■ IT Services

## HOUSEHOLDS

**24.7% of the households have access to the internet in 2008**

**Ownership of personal computers by households has increased from 10.83% to 35.7% between 2004 and 2008**

(Source: TUIK, 2008)



# Ready Infrastructure & Incentives

## Special Investment Zones

### Investment Incentives in Turkey

- General Investment Incentive Program
- Large project, Region & Sector based Incentives
- Technoparks
- Free zones
- R&D Law
- Turkey has 4 Incentive Zones



# New R&D Law

## Special Incentives within New R&D Law - at least 50 employees -

- 100% R&D expenditures deduction from tax base, if the number of researchers **exceed 500**, in addition to 100% deduction, half of the R&D expenditure increase incurred in the operational year compared to the previous year will also be deducted
- **Income withholding tax exemption** for the employees
- **50% of social security premium exemption** for the employees
- Techno-initiative capital for **new scientist** up to TRY 100,000 (**USD 62,200**)
- Deduction of some certain funds granted by public bodies and international organizations from tax base of the R&D company



# Turkey's Strengths In R&D and Innovation

## Technology Development Zones (Technoparks)

- **Dynamic, Stable & Attractive Economy**
- **Population**
- **International Hub**
- **Structural Reforms**

✓ 18 active TDZs

✓ 13 TDZs being constructed



✓ Small R&D  
Facilities

✓ Exemption from income & corporate  
taxes until December 31, 2013

✓ Pilot Study

✓ Exemption from VAT  
until December 31, 2013

# The Agency



## The Agency

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

# The Agency

## **Our mission**

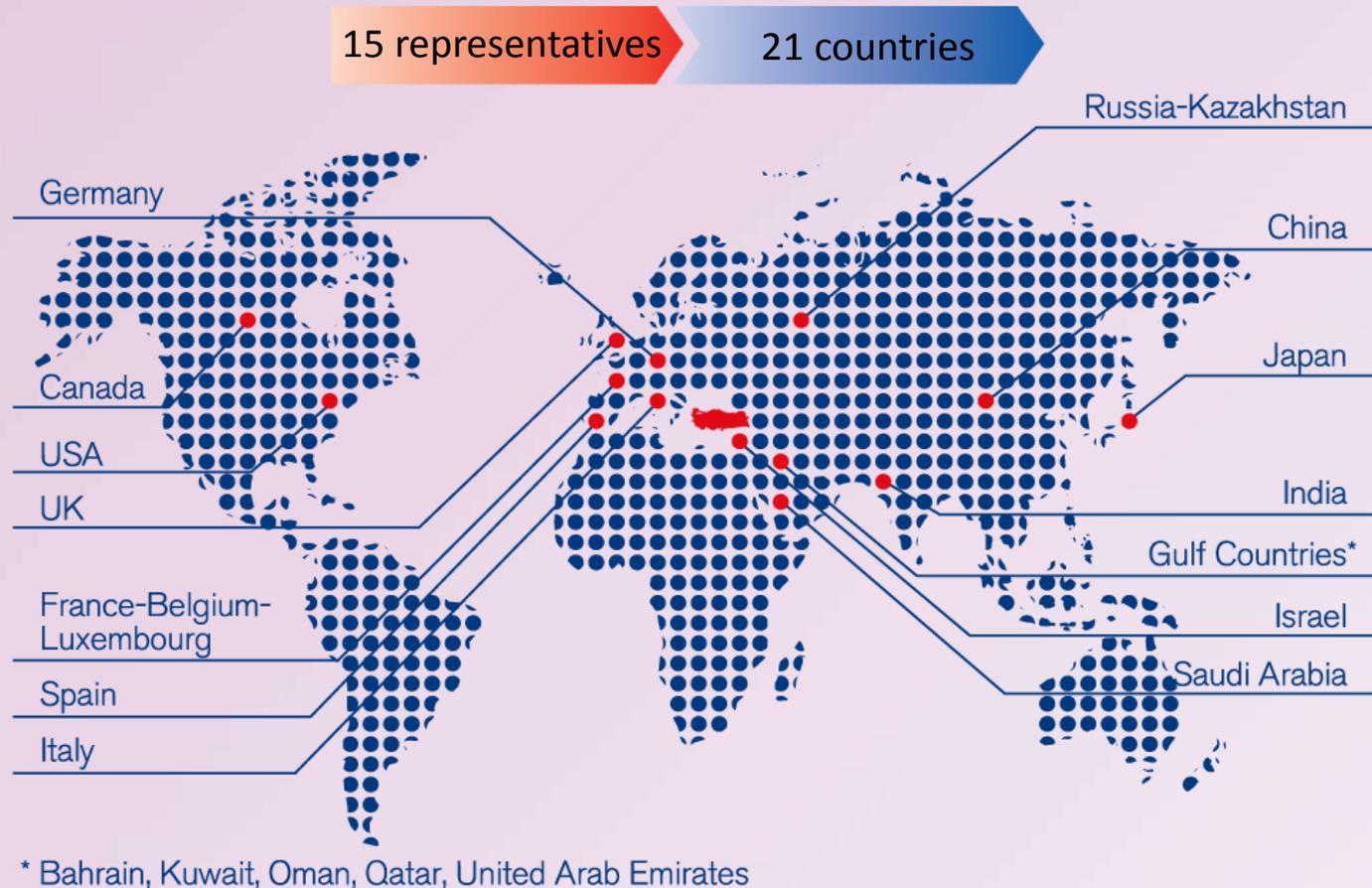
**To attract/support investments that bring**

- **employment**
- **high added value**



# The Agency

## The International Network



International representatives network worldwide and strategic partners in Turkey  
(Embassies, Consulates, Commercial Attaches, NGO's etc)

# The Agency

## WORLD BANK'S GLOBAL INVESTMENT PROMOTION BENCHMARKING REPORT 2009

*Among 181 National Investment Promotion Agencies,*

INVESTMENT SUPPORT and PROMOTION AGENCY of TURKEY ranked as;

**15<sup>th</sup> in the World** in terms of General Performance Assessment

**5<sup>th</sup> in the World and 2<sup>nd</sup> in Europe** in terms of Inquiry Handling

# Success Stories



# Project: MICROSOFT INNOVATION CENTER

## Key Points of Investment Project

Budget	USD 10 millions
Descripton	<ul style="list-style-type: none"><li>• Microsoft Innovation Center in Bilkent University Cyberpark in Ankara for innovative R&amp;D software projects</li><li>• DreamSpark program offering young software developers easy access to software development technologies &amp; tools</li></ul>



# Project: HEWLETT PACKARD – FOXCONN



THE COMPUTER  
IS PERSONAL  
AGAIN



## Key Points of Investment Project

Budget	USD 60 millions
Employment	2000 employees
Description	High Technology: PC Production facility in Çorlu region.



Project:  
HUAWEI



Partner for a networked world

### Key Points of Investment Project

Budget	USD 120 millions
Employment	400 employees
Description	Technology Education Facility: Main supplier for hardware and Network solutions in collaboration With Turk Telekom, Turkcell, Vodafone Turkey and Avea.





WE ARE READY TO PUSH THE BUTTON FOR A SMARTER PLANET

**FOR MORE POWER  
TO YOUR GLOBAL BUSINESS  
PUSH THE BUTTON**



**ON**

**INVEST IN TURKEY**

# धन्यवाद

## THANK YOU

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