



# ISTANBUL CHAMBER OF COMMERCE

## TURKISH ECONOMY: ATTRACTING FOREIGN INVESTMENTS

TABCON 2006

Presented by

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# DEMOGRAPHIC INDICATORS

- **IMPORTANT SOCIO-ECONOMIC INDICATORS OF TURKEY**
- **BY 2005;**
  - **LAND AREA** : 779,452 km<sup>2</sup>
  - **POPULATION** : 72.1 MILLION
  - **ANNUAL POPULATION GROWTH** : 1,44%
  - **GNP** : US\$ 360.9 BILLION
  - **INCOME PER CAPITA** : US\$ 5,016

# ECONOMIC INDICATORS

- **TURKEY IS AMONG FIRST 20 COUNTRIES WITH RESPECT TO ECONOMIC PERFORMANCE.**
- **HER ECONOMY STANDS AS THE FASTEST GROWING ECONOMY IN WORLD.**

# MACROECONOMIC PROGRAM

- **STRONG MACROECONOMIC PROGRAM IN ASSISTANCE OF THE IMF SINCE 2002**

## INCLUDING

- **BUDGET DISCIPLINE**
- **INDEPENDENT CENTRAL BANK APPLYING MONETARY POLICY COMMITTED TO PRICE STABILITY**
- **FLEXIBLE EXCHANGE RATE REGIME**

# KEY MACROECONOMIC INDICATORS

	2000	2001	2002	2003	2004	2005
<b>GNP (Billion US\$)</b>	<b>201,5</b>	<b>148,2</b>	<b>180,9</b>	<b>239,2</b>	<b>299,5</b>	<b>360,9</b>
<b>Real Growth %</b>	<b>6,3</b>	<b>-9,5</b>	<b>7,9</b>	<b>5,9</b>	<b>9,9</b>	<b>7,6</b>
<b>GNP Per Capita (US\$)</b>	<b>2.965</b>	<b>2.123</b>	<b>2.598</b>	<b>3.383</b>	<b>4.172</b>	<b>5.016</b>
<b>Inflation Rate (Annual Average - %)</b>	<b>54,9</b>	<b>54,0</b>	<b>41,3</b>	<b>25,3</b>	<b>8,6</b>	<b>8,2</b>
<b>Budget Deficit / GNP - %</b>	<b>10,2</b>	<b>16,2</b>	<b>14,2</b>	<b>11,2</b>	<b>7,1</b>	<b>2,0</b>
<b>Exports (Billion US\$)</b>	<b>27,8</b>	<b>31,3</b>	<b>36,1</b>	<b>47,3</b>	<b>63,1</b>	<b>73,3</b>
<b>Imports (Billion US\$)</b>	<b>54,5</b>	<b>41,4</b>	<b>51,6</b>	<b>69,3</b>	<b>97,5</b>	<b>116,4</b>
<b>International Reserves (Billion US\$)</b>	<b>34,2</b>	<b>30,2</b>	<b>38,1</b>	<b>44,9</b>	<b>53,8</b>	<b>68,7</b>

# WHY INVEST IN TURKEY

1. **UNIQUE GEOGRAPHICAL LOCATION.**
2. **FAST DEVELOPING ECONOMY.**
3. **HUGE DOMESTIC MARKET AND INCREASING PURCHASING POWER.**
4. **HIGHLY-SKILLED, COMPETITIVE LABOR.**
5. **GATEWAY OF ENERGY RESOURCES.**

# WHY INVEST IN TURKEY

6. **DEVELOPED TELECOMMUNICATIONS NETWORK.**
7. **STRONG TIES WITH CAUCASUS AND CENTRAL ASIA.**
8. **EQUAL TREATMENT & LEGISLATIVE PROTECTION.**
9. **100% REPATRIATION OF PROFITS AND DIVIDENDS.**
10. **EU ACCESSION PROCESS HAS STARTED.**

**TURKEY,  
YOUR BUSINESS PARTNER**

**THE NEW FOREIGN INVESTMENT LAW**

**(LAW NO. 4875)**



**TURKEY,  
YOUR BUSINESS PARTNER**

**THE NEW LAW OF AMENDMENTS ON  
COMPANY ESTABLISHMENT**

**(LAW NO. 4884/2003)**

# **TURKEY, YOUR BUSINESS PARTNER**

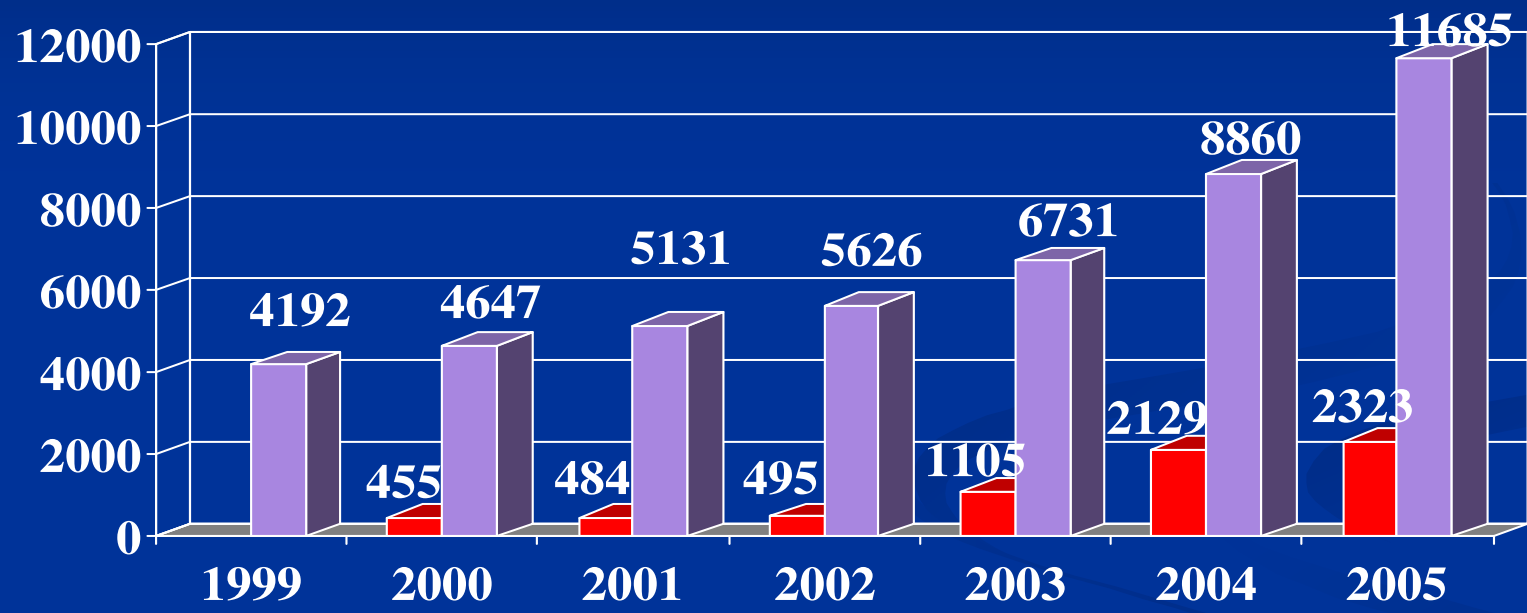
- **TOGETHER WITH OTHER REFORMS OF THE COMMERCIAL CODE AND THE FACT THAT ACCESSION NEGOTIATIONS WITH THE EUROPEAN UNION STARTED IN OCTOBER 2005, THE NEW LEGISLATION CAUSED FDI'S TO SKYROCKET TO AN AMOUNT OF MORE THAN US\$ 9.7 BILLION IN 2005.**

# TURKEY, YOUR BUSINESS PARTNER

## EQUITY CAPITAL INFLOWS TO TURKEY

YEAR	US\$ MILLION
2000	1,707
2001	3,374
2002	622
2003	745
2004	1,245
2005	8,427

# FOREIGN INVESTMENT BY YEARS



- Number of Companies (annual)
- Number of Companies (cumulative)

## **BREAKDOWN OF COMPANIES WITH FOREIGN CAPITAL BY COUNTRY (AS OF MARCH 2006)**

<b>GERMANY</b>	<b>2,175</b>
<b>UNITED KINGDOM</b>	<b>1,007</b>
<b>NETHERLANDS</b>	<b>965</b>
<b>IRAN</b>	<b>734</b>
<b>U.S.A.</b>	<b>650</b>
<b>RUSSIA</b>	<b>496</b>
<b>FRANCE</b>	<b>490</b>
<b>ITALY</b>	<b>443</b>
<b>SWITZERLAND</b>	<b>324</b>
<b>CHINA</b>	<b>245</b>

# **BREAKDOWN OF COMPANIES WITH FOREIGN CAPITAL BY SECTOR (AS OF MARCH 2006)**

<b>WHOLESALE AND RETAIL TRADE</b>	<b>4352</b>
<b>REAL ESTATE, RENTING AND BUSINESS ACTIVITIES</b>	<b>1387</b>
<b>TRANSPORT, STORAGE AND COMMUNICATIONS</b>	<b>1065</b>
<b>HOTELS AND RESTAURANTS</b>	<b>983</b>
<b>CONSTRUCTION</b>	<b>807</b>
<b>TEXTILES</b>	<b>360</b>
<b>CHEMICALS AND PRODUCTS</b>	<b>295</b>
<b>FOOD AND BEVERAGES</b>	<b>275</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>198</b>
<b>AUTOMOTIVE</b>	<b>193</b>

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THANK YOU