



OPPORTUNITIES IN TURKEY

- ❖ Turkey is currently the fastest growing country in Europe (grew by 9.6% for the first nine months of 2011) and it is estimated to be the third fastest growing country in the world after China and India by 2017.⁴
- ❖ Turkey is currently ranked the world's 16th largest economy, and Europe's 6th largest economy, with a GDP near one trillion dollars.¹ Those rankings are expected to further improve over the next decade given its current growth projections (8% annually).
- ❖ Tax rates currently sit at 20% for corporations and 15-35% for individuals, lower than most European countries.
- ❖ In 2011, U.S. companies exported over US\$14 billion to Turkey, more than 2011 U.S. exports to Russia, Poland, Greece, and Bulgaria combined. This figure reflected a 40% increase from 2010 (\$10 billion) and a 100% increase over 2009 (\$7 billion).³
- ❖ Part of Turkey's unique attractiveness comes from its geographic position as a gateway country between the Middle East, Southeastern Europe, the Caucasus and Central Asia. This prime location gives businesses access to over 1.5 billion consumers.¹
- ❖ Turkey attracted \$9 billion of Foreign Domestic Investment (FDI) in 2010 and this is expected to increase to \$10bn in 2011, particularly in energy, automotive, financial services, R&D, and IT.⁴
- ❖ As a candidate to join the European Union, Turkey has been rapidly building momentum by adopting European business regulations and standards, thereby ultimately making it easier to sell and conduct business in this market.¹ Turkey is already a member of the EU Customs Union (since 1995) allowing goods to travel between the two regions without any customs restrictions (traditional agricultural products are excluded).
- ❖ Turkey has the largest youth population (half of the population under the age 29) and the 4th largest labor force in the European Union with the longest working hours (53.2 hours per week) and the lowest sick day leaves (annual average 4.6 days per employee).²



❖ ENERGY

- Energy demand in Turkey will grow nearly 6-8% per year through 2020, requiring over \$100 billion of investment in power generation, transmission, and distribution.⁵
- The country aims to increase its clean energy share to 30% of its power supply by 2023 and over \$40 billion in investment expected in this area by 2020.⁵
- Turkey is rich in renewable resources. Turkey ranks 1st in Europe and 7th in the world in geothermal energy resources, has the 3rd largest wind energy potential and the 2nd best solar potential in in Europe. ⁷
- Turkey ranks 1st in the world in terms of highest growth rate in wind energy plants and only 15 percent of its potential has been utilized up until now.²
- 73% of the world's proven oil reserves and 72% of the world's proven gas reserves are located in the surrounding regions of Turkey: the Middle East, Caspian Region and Russia. This makes Turkey a crucial bridge between energy rich regions and Europe and is why Turkey is widely called as '*The Energy Bridge between the East and the West*'. ⁷

❖ FINANCIAL SERVICES

- Turkish financial services industry is heavily regulated and requirements are very strict. As a result, Turkish banks are regarded as some of the safest in the world. Technology is widely used and Turkish internet and telephone banking is one of the most advanced in the world.⁶
- The banking sector had a sound capital adequacy ratio of 19 percent in 2010, far above the legal limit of 8 percent.²
- According to Istanbul Stock Exchange, more than 60 percent of the total value of the traded stocks is held by foreign investors as of October 2011.²

❖ AGRICULTURE

- Agricultural exports of Turkey, excluding processed food, increased to \$5 billion in 2010, up from \$1.7 billion in 2002. Turkey has been agriculturally self-sufficient since the mid-80's.²
- Turkey is the world leader in the production of dried figs, hazelnuts, sultanas/raisins and dried apricots.
- The total exports of agricultural products (including processed foods) reached USD 12 billion in 2010.
- Turkey has the largest milk and dairy production in its region.
- Turkey has an estimated total of 11,000 plant species, whereas the total number of species in Europe is 11,500.



❖ **COMMUNICATION AND ELECTRONICS**

- The estimated size of the Information Communication Technologies (ICT) market was \$27.3 billion and the growth rate is estimated as 8-10% for 2011 which makes it one of the key growth markets in the world.⁸ In particular, with the growth in e-commerce and online banking, the IT infrastructure and security systems, both corporate and government based, are a particular focus.
- While the rest of the world averaged an increase of 10% in the consumer electronics market, Turkey averaged 35% annual growth in 2010.⁸ As the biggest consumer electronics manufacturers of Turkey, Arçelik/Beko holds a 7% share of the European free-standing appliances market and 5% of the OBM (Original Brand Manufacturer) market, whereas Vestel is the 2nd biggest LCD TV manufacturer of Europe. (According to company websites)
- It is anticipated that the Turkish call center market will grow by 17 percent in 2011 (according to agent employment), and will continue to grow by 18 percent over the next five years.²

❖ **AUTOMOTIVE**

- The Turkish automotive market, ranks 17th globally and 7th in Europe, is expected to grow as Europe continues to expand eastward economically.¹⁰
- Turkish automotive industry has been ranked as the 16th among automotive manufacturing countries in 2010, producing more than 1 million vehicles, while it is the largest commercial vehicle producer in Europe.²

❖ **PHARMACEUTICALS AND MEDICAL DEVICES**

- Turkish pharmaceutical market was around \$9.2 billion in 2010, up from \$4 billion in 2003, growing by 12.6 percent of CAGR.²
- The Turkish healthcare market has great volume due to the country's population of about 72.5 million and their increasing health concerns, and has averaged double digit growth rates in recent years. The development of private hospitals, clinics, health centres has shown enormous growth in Turkey, particularly for plastic and cosmetic surgery, orthopaedics, and ophthalmology.

❖ **TOURISM AND REAL ESTATE**

- 28.5 million tourists visited Turkey in 2010, making Turkey the 6th most visited holiday destination in the world.²
- With 9 million arrivals, Antalya is the 5th most visited city in the world and Istanbul is the 9th most visited city, as of 2009.¹¹



TURKISH RESOURCE CENTER OF NORTH AMERICA



- Housing loans increased from TRY 3.5 billion in 2004 to TRY 68 billion as of September 2011. The share of housing loans as a proportion of Turkey's GDP is estimated to hit 15 percent in 2015.²
- Both residential and non-residential construction is expected to see continued growth. Estimates are that approximately 650,000 new houses are needed per year. The number of modern shopping centers (malls & outlets) increased from 44 to 284 between 2000 and 2011. This number is also expected to continue to increase. ^{2, 14}

❖ LEISURE BOATS

- Turkey specializes in the super (24-40 meters long) & mega (40 meters and longer) yachts building, and it ranks 3rd in mega yacht building in the world.¹²
- Turkey is also renowned for its after-sales servicing. Both high quality workmanship and reasonable prices attract international yachts to Turkish waters for after sales servicing. This has resulted in an active parts industry, both serving the yacht producers, as well as the after sale providers. Imports represent 99 percent of the parts market as there is very little local production.

❖ SECURITY AND DEFENSE

- Turkey is one of the world's largest defense and security equipment markets. The total spending budget for Turkish Public Security bodies (police, gendarmerie, coast guard, military, intelligence, etc.) in 2012 is approximately US\$20 billion.¹³
- Turkey's Defense Industry strategic plan has set out a goal of making Turkey self-sufficient in the defense/security industry in the next 5 years.

❖ REFERENCES

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