REPUBLIC OF TURKEY
MINISTRY OF TRADE

ECONOMIC OUTLOOK
April 2022

Last Updated: 26 May 2022

Note: Data, views and assessments in the presentation do not include any commitment to any person, institution or organization and for informational purposes only.

A- MACROECONOMIC DEVELOPMENTS

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Main Economic Indicators

	2000	2010	2015	2016	2017	2018	2019	2020	2021
GDP Growth, 2009 Prices, %	6.9	8.4	6.1	3.3	7.5	3	0.9	1.8	11
GDP, at Current Prices, Billion TL	171	1,168	2,351	2,627	3,134	3,759	4,318	5,047	7209
GDP, at Current Prices, Billion $	273	777.5	867	869	859	797	760.4	716.9	802.7
Population, Thousand People, Mid-Year	64,729	73,723	78,741	79,815	80,810	82,003	83,155	83,614	84,680
GDP Per Capita, at Current Prices, $	4,249	10,629	11,085	10,964	10,696	9,793	9,208	8,597	9,539
Export (GTS*, F.O.B.), Billion $	-	-	151	149.2	164.5	177.2	180.8	169.6	225.3
Export (GTS*)/GDP,%	-	-	17.4	17.2	19.1	22.2	23.8	23.7	28.1
Import (GTS*, C.I.F.), Billion $	-	-	213.6	202.2	238.7	231.2	210.3	219.5	271.4
Import(GTS*)/GDP, %	-	-	24.6	23.3	27.8	29.0	27.7	30.6	33.8
Export/Import Ratio (%, GTS*)	-	-	70.7	73.8	68.9	76.6	86	77.3	83
Travel Income, Billion $	7.6	22.6	26.6	18.7	22.5	25.2	29.8	10.2	20.8
Foreign Direct Investment, Billion $	1	9.1	19.3	13.8	11	12.5	9.6	7.8	14.1
Current Account Balance/GDP, %	-3,6	-5.7	-3.2	-3.1	-4.8	-2.7	0.7	-5.0	-1.9
Labour Force Participation Rate, %		46.5	51.3	52	52.8	53.2	53	49.3	51.4
Unemployment Rate, %		11.1	10.3	10.9	10.9	11	13.7	13.2	12.0
Employment Rate, %		41.3	46	46.3	47.1	47.4	45.7	42.8	45.2
CPI (2003=100), Annual Average, % Increases		8.6	7.7	7.8	11.1	16.3	15.2	12.28	19.6

Source: TURKSTAT, CBRT

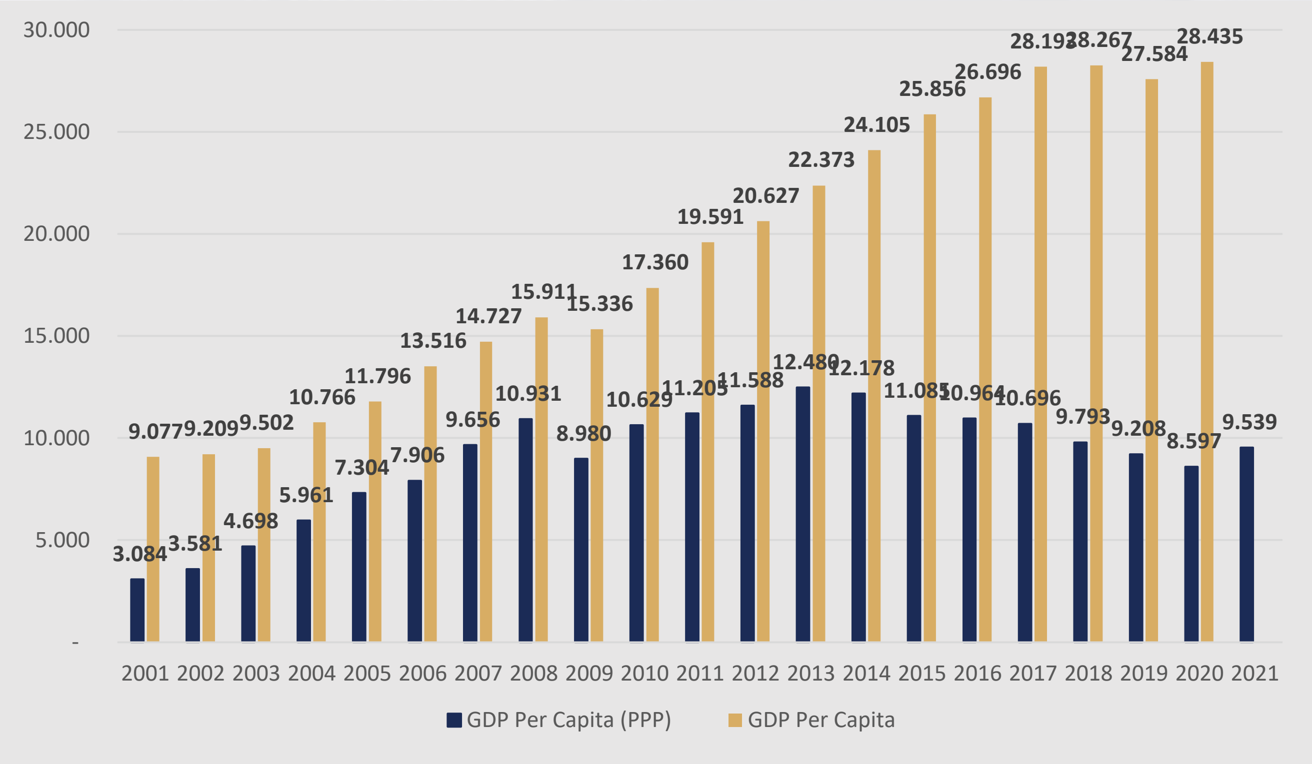
**STS: General Trade System*

REPUBLIC OF TURKEY
MINISTRY OF TRADE

GDP Per Capita, US Dollars

- GDP per capita increased from 3,608 USD in 2002 to 9,539 USD in 2021.

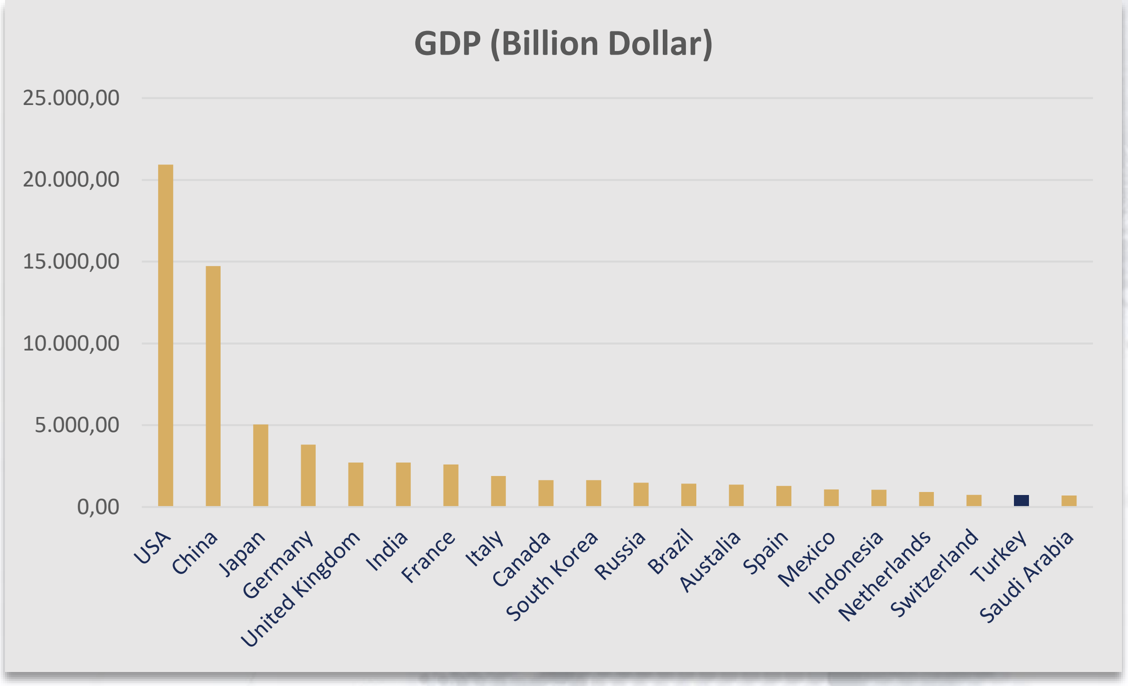
- In Purchasing Power Parity (PPP) terms (temporary data), GDP per capita exceeded 28,435 USD in 2020.



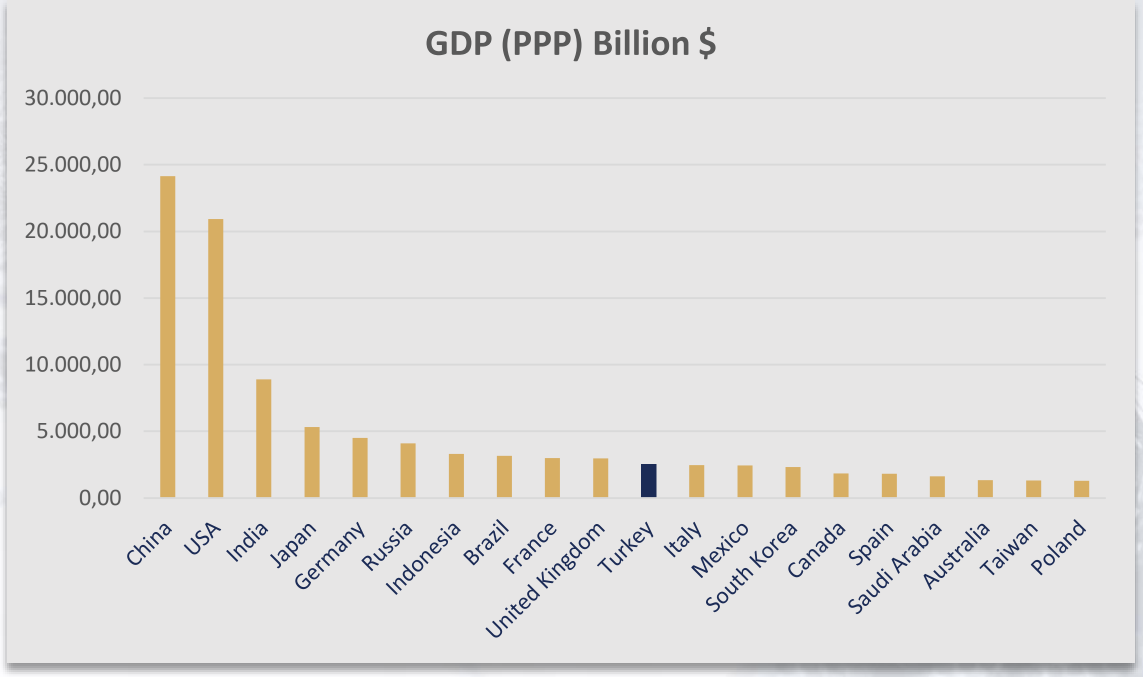
Source: TURKSTAT

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Top 20 Economies
(Current and Purchasing Power Parity (PPP))



Source: IMF



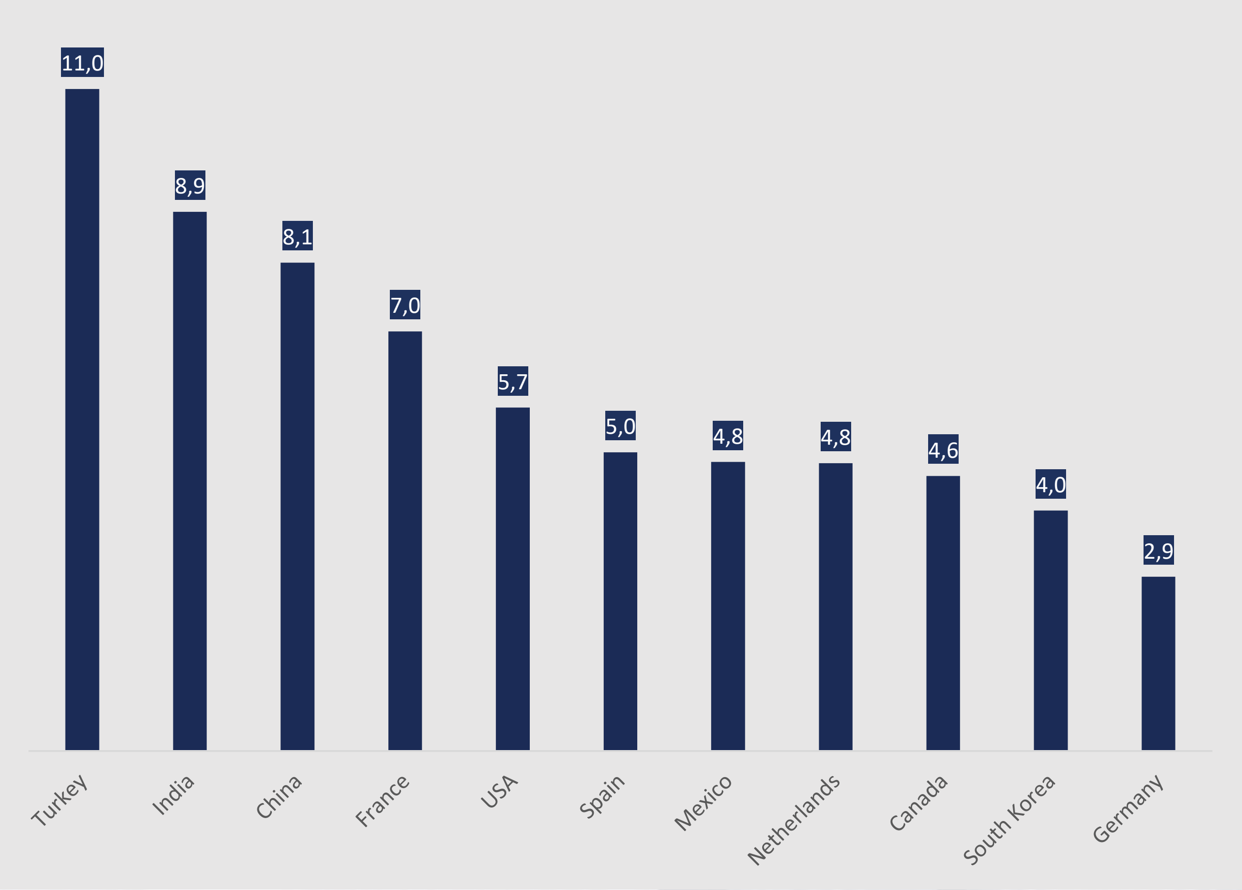
Source: IMF

- **In 2020, according to Purchasing Power Parity GDP figures, Turkey ranks as the 11th largest economy in the World and 4th in Europe.**

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Real GDP Growth of Selected Countries/Country Groups (%) (2021)

- Turkish economy expanded by 11.0% in 2021.

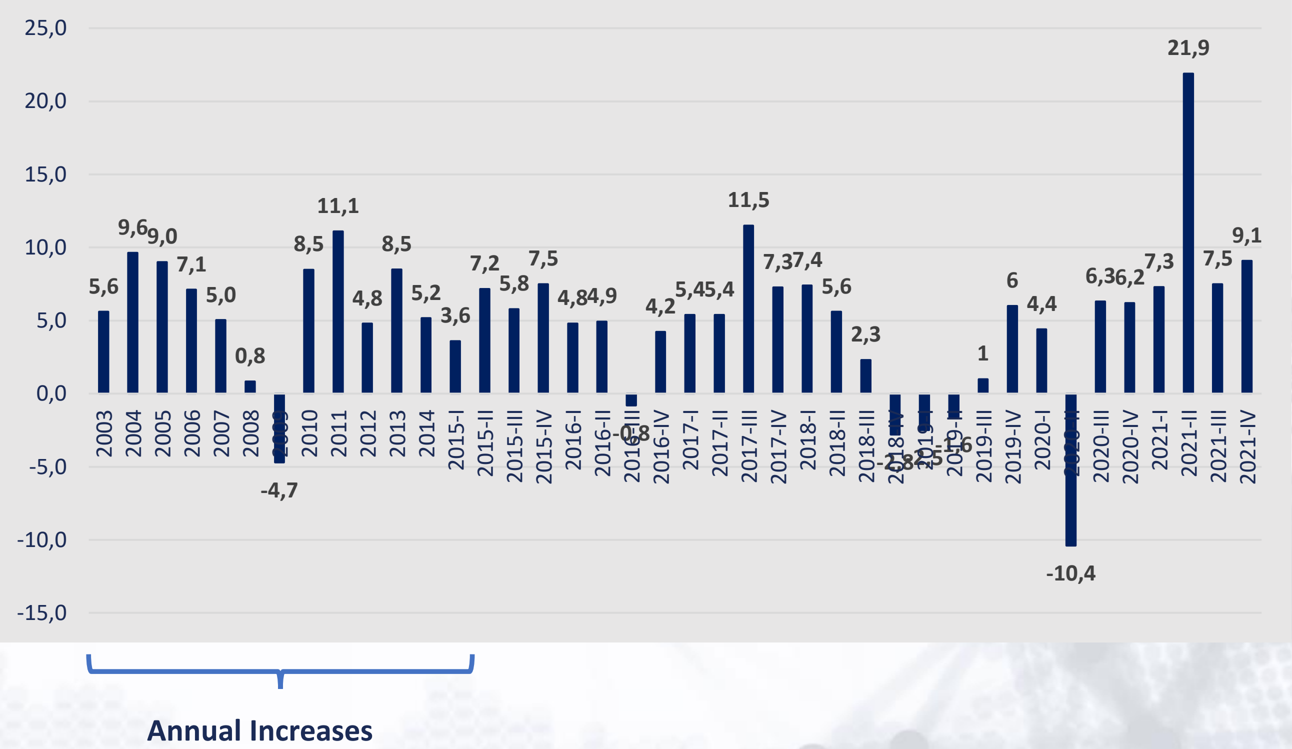


Source: IHS Markit, Bureau of Economic Analysis

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Real GDP Growth Rates (%) (2003-2021)

- Real GDP growth rate of the fourth quarter of 2021 is 9,1%. Therefore, In 2021, Turkish economy grew by 11.0%
- During 2003-2021 period, average annual growth rate in Turkey realized as 5.5%.

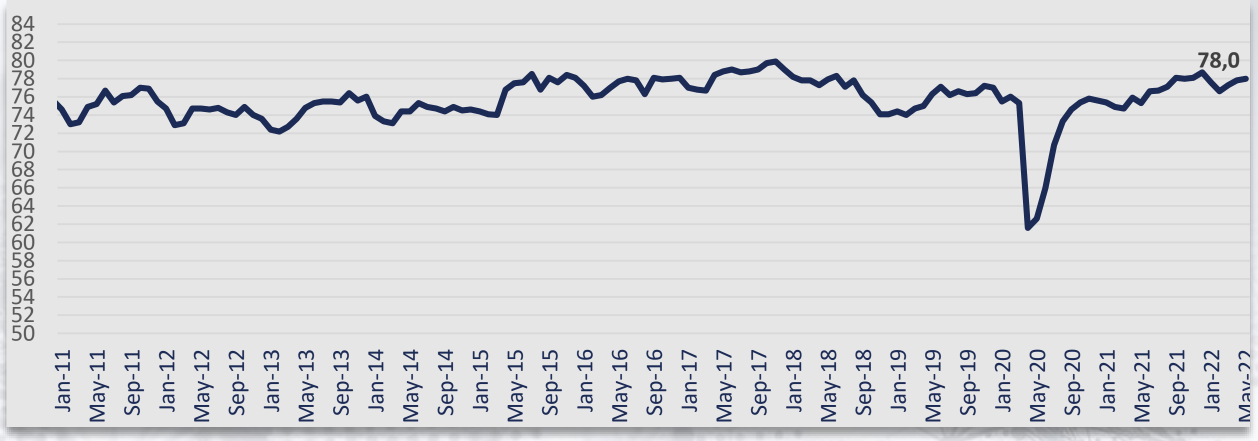


Source: TURKSTAT

- **Capacity utilization rate in May 2022 increased by 3.6 percentage points compared to the same month of the previous year and realized as 78.0.**

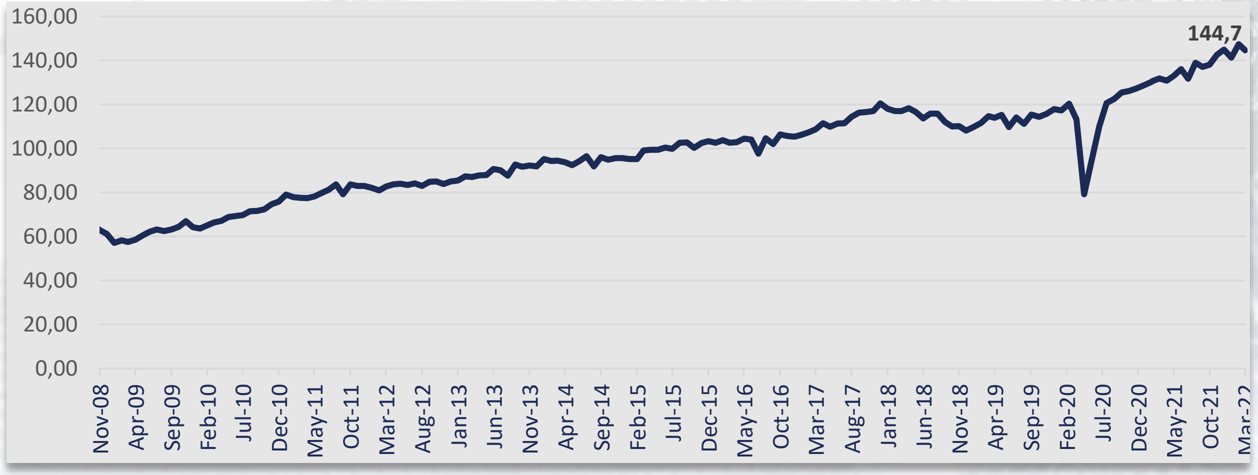
- **In March 2022, seasonally adjusted industrial production decreased by 1.8% compared to previous month and calendar adjusted industrial production index increased by 9.6% compared to same month of the previous year.**

Capacity Utilization Rate in Manufacturing Industry (%)



Source: CBRT

Industrial Production Index (2015=100)*



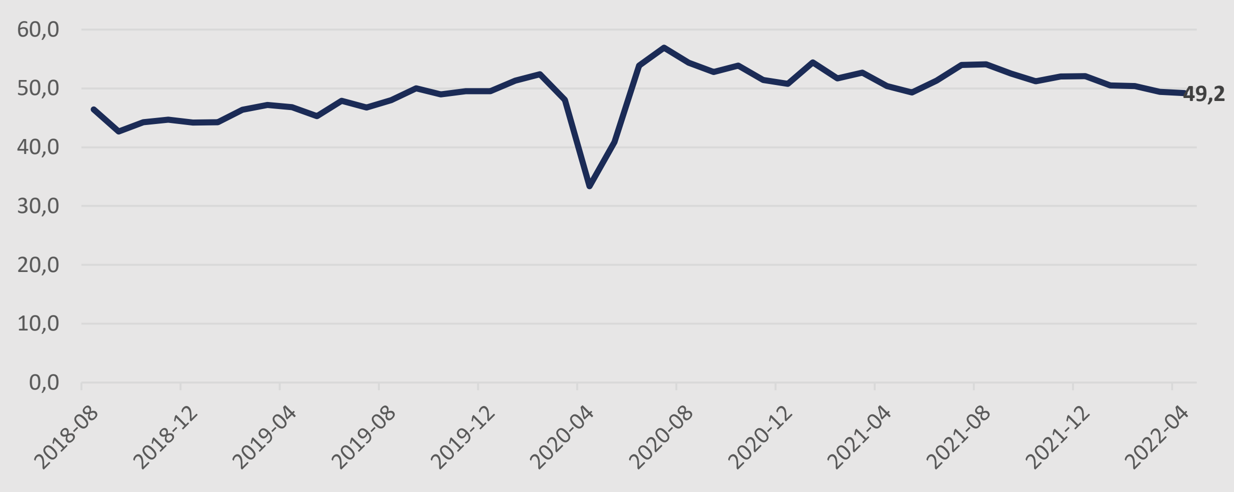
Source: TURKSTAT

REPUBLIC OF TURKEY
MINISTRY OF TRADE

- In April 2022, the PMI realized as 49.2

- In April 2022, New Export Orders Index realized as 49.3.

Purchasing Managers' Index (PMI)



New Export Orders Index

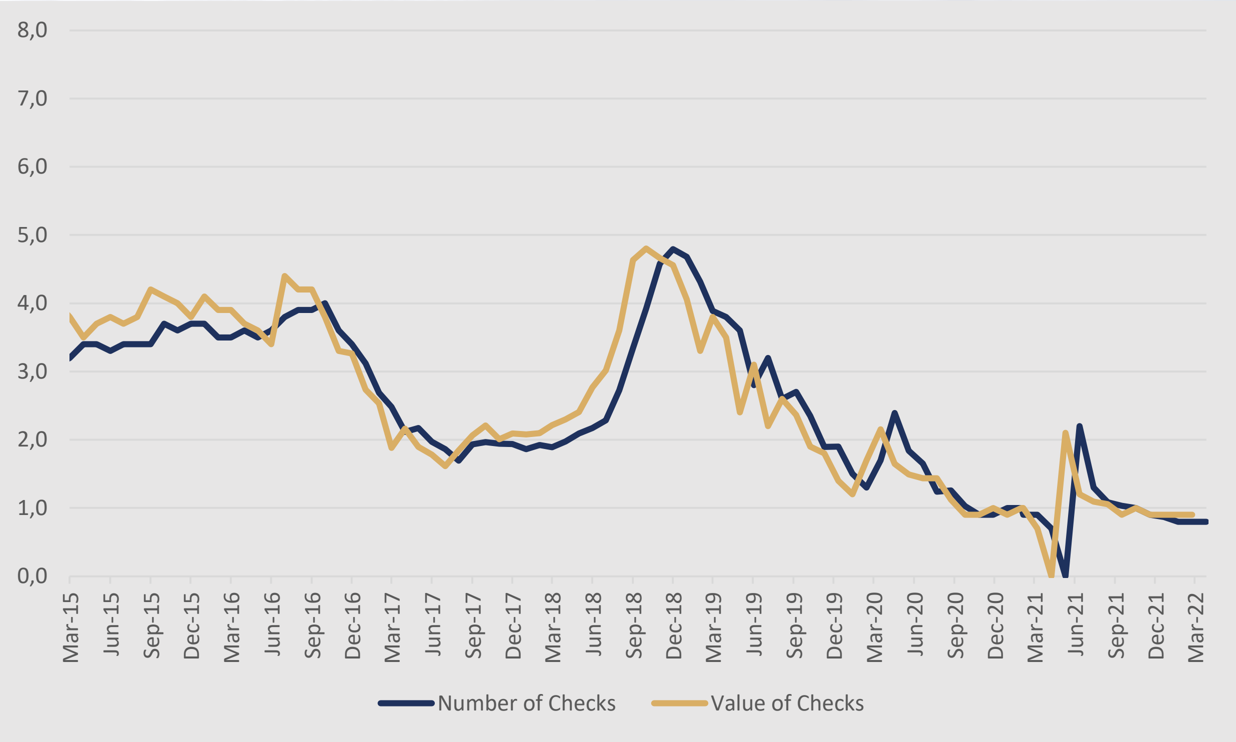
Source: Markit Economics

Note: The index measured above 50 indicates an increase, the index measured below 50 indicates a decline.

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Bounced Back Checks (%)

In March 2022, both the ratio of the number of bounced back checks in total submitted to banks and the ratio of value of bounced back checks remain constant compared to previous month.

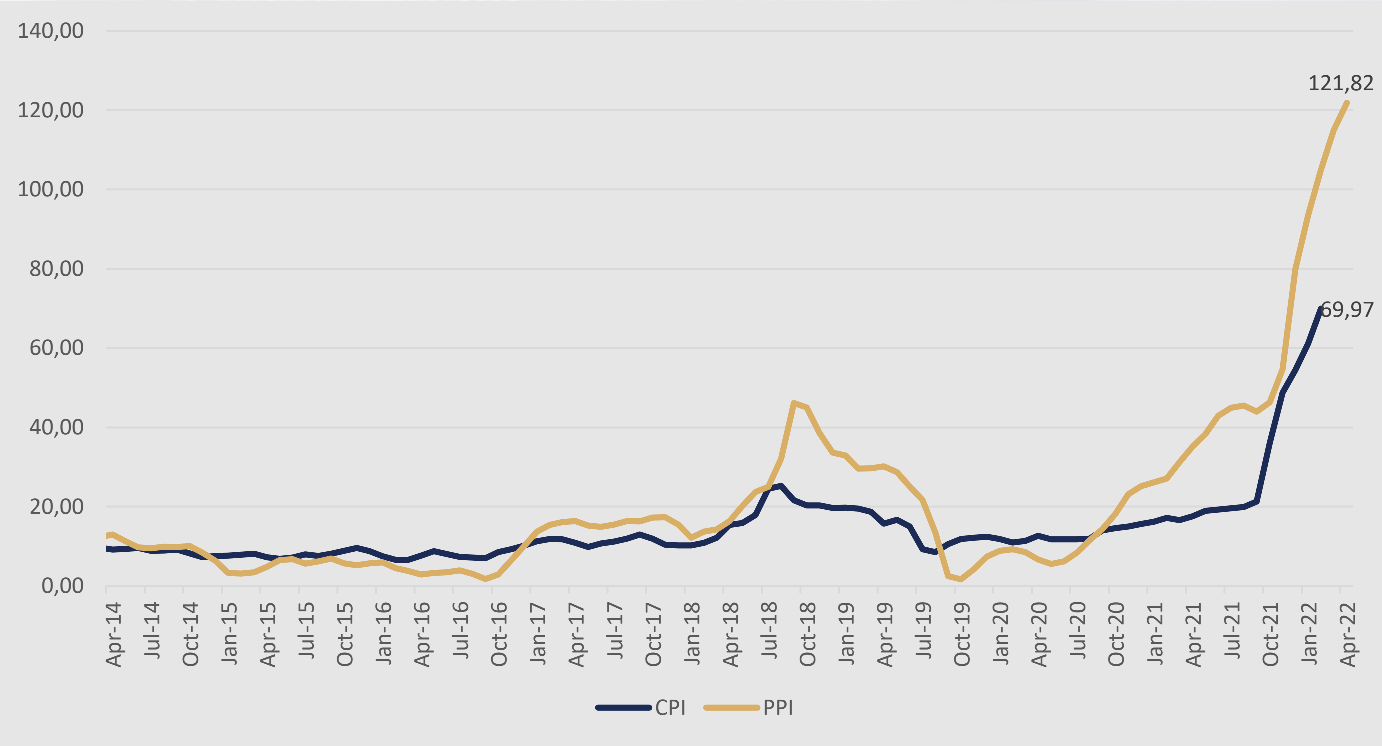


Source: The Banks Association of Turkey

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Price Indices (%)*

- **CPI inflation rates realized as 69.97 and PPI inflation rates realized as 121.82 % in April 2022.**



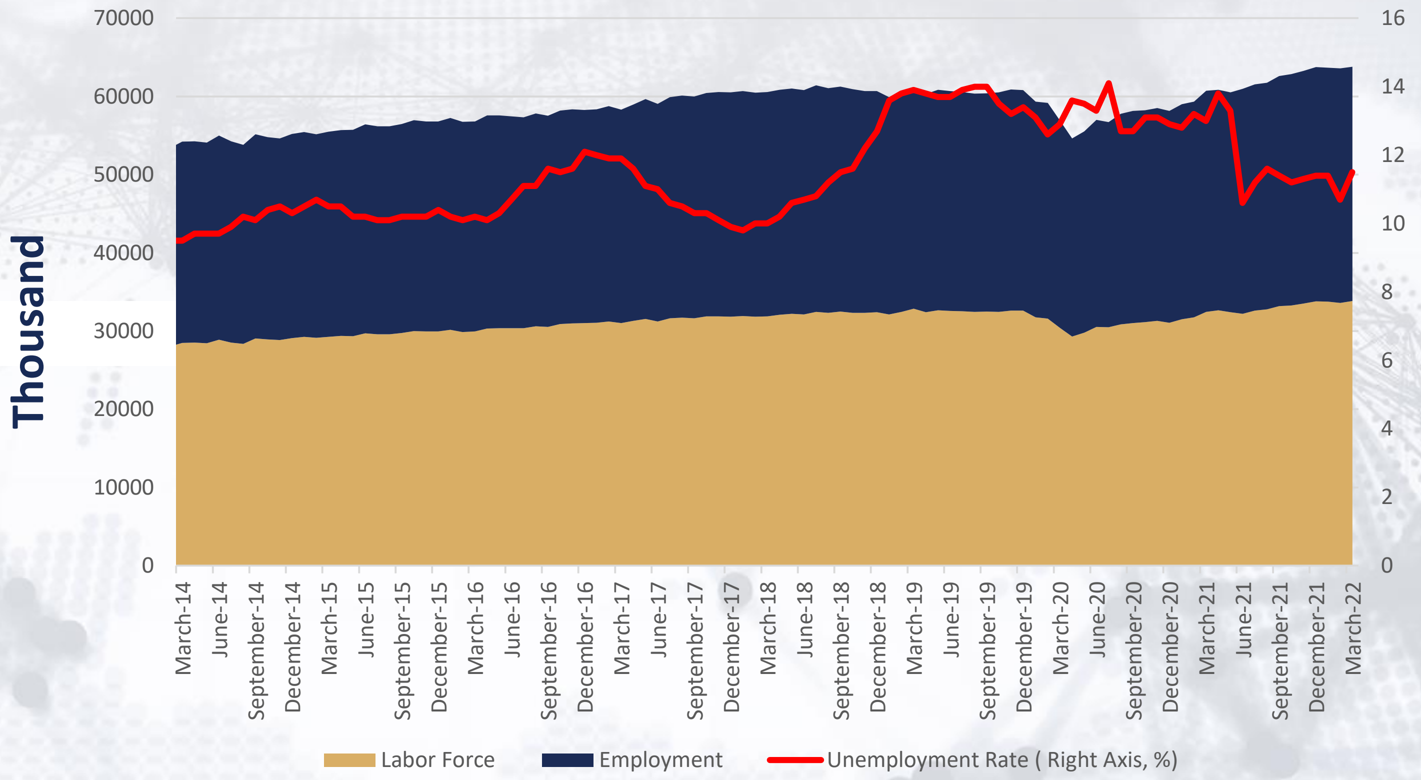
***Index (2003=100)**

Source: TURKSTAT

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Developments in Turkish Labor Market

- In March 2022, unemployment rate was 11.5%.

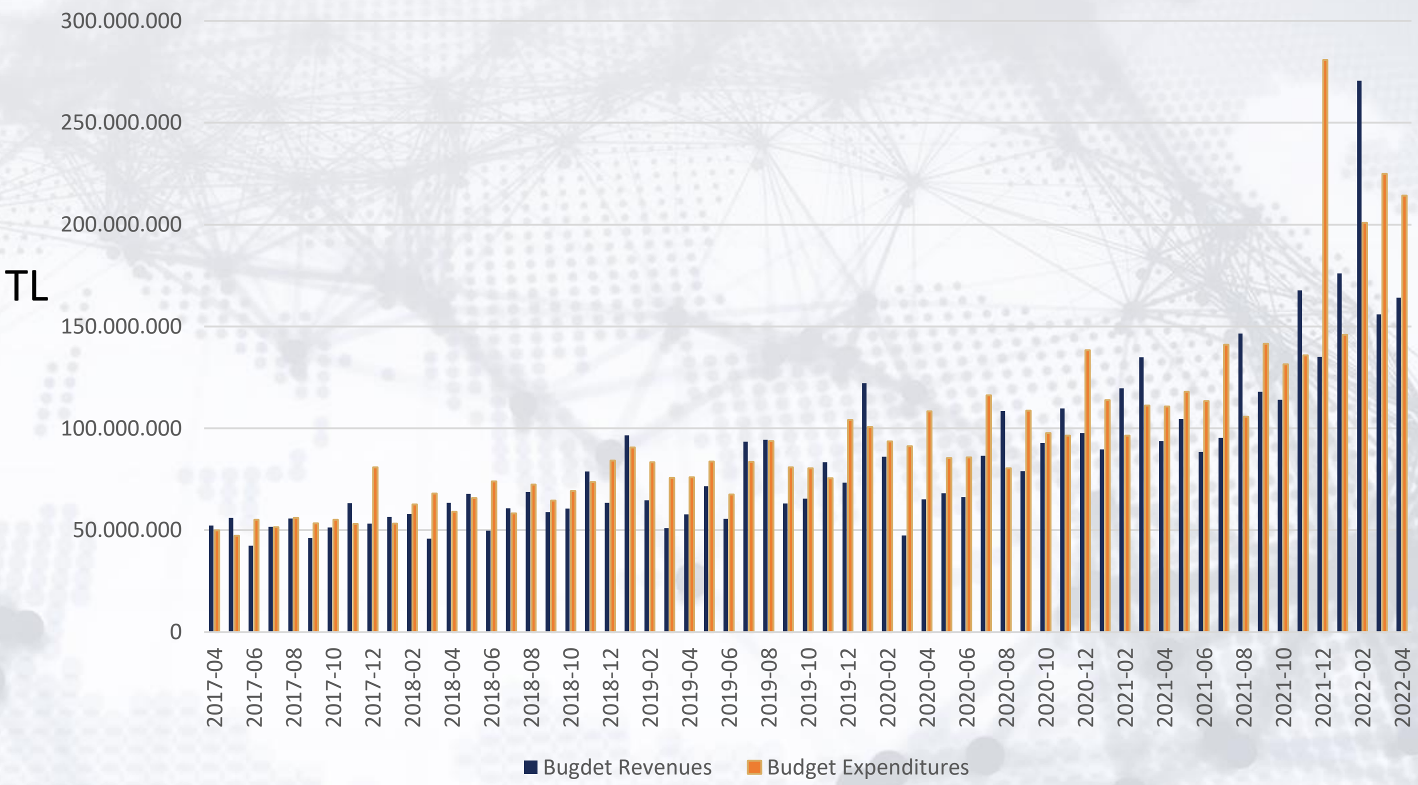


Source: TURKSTAT
**Seasonally Adjusted Series*

REPUBLIC OF TURKEY
MINISTRY OF TRADE

- **In April 2022, central government budget revenues was TL 164,1 billion. Central government budget expenditures was TL 214,3 billion, and the central government budget surplus was TL 50,2 billion.**

Central Government Budget Realizations

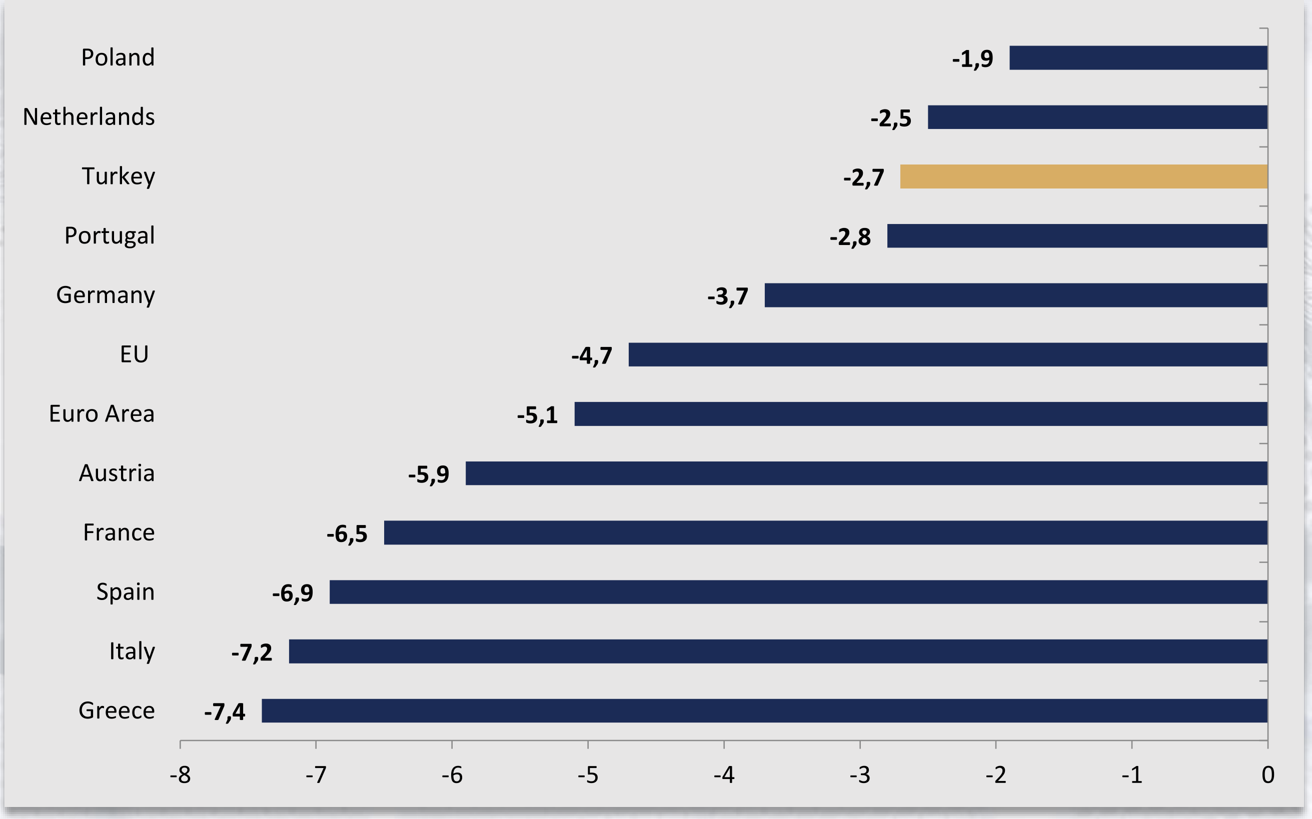


Source: Ministry of Treasury and Finance

REPUBLIC OF TURKEY
MINISTRY OF TRADE

- Central Government budget deficit/GDP ratio in Turkey was 2.7% in 2021.

Central Government Budget Deficit/ GDP (%), 2021

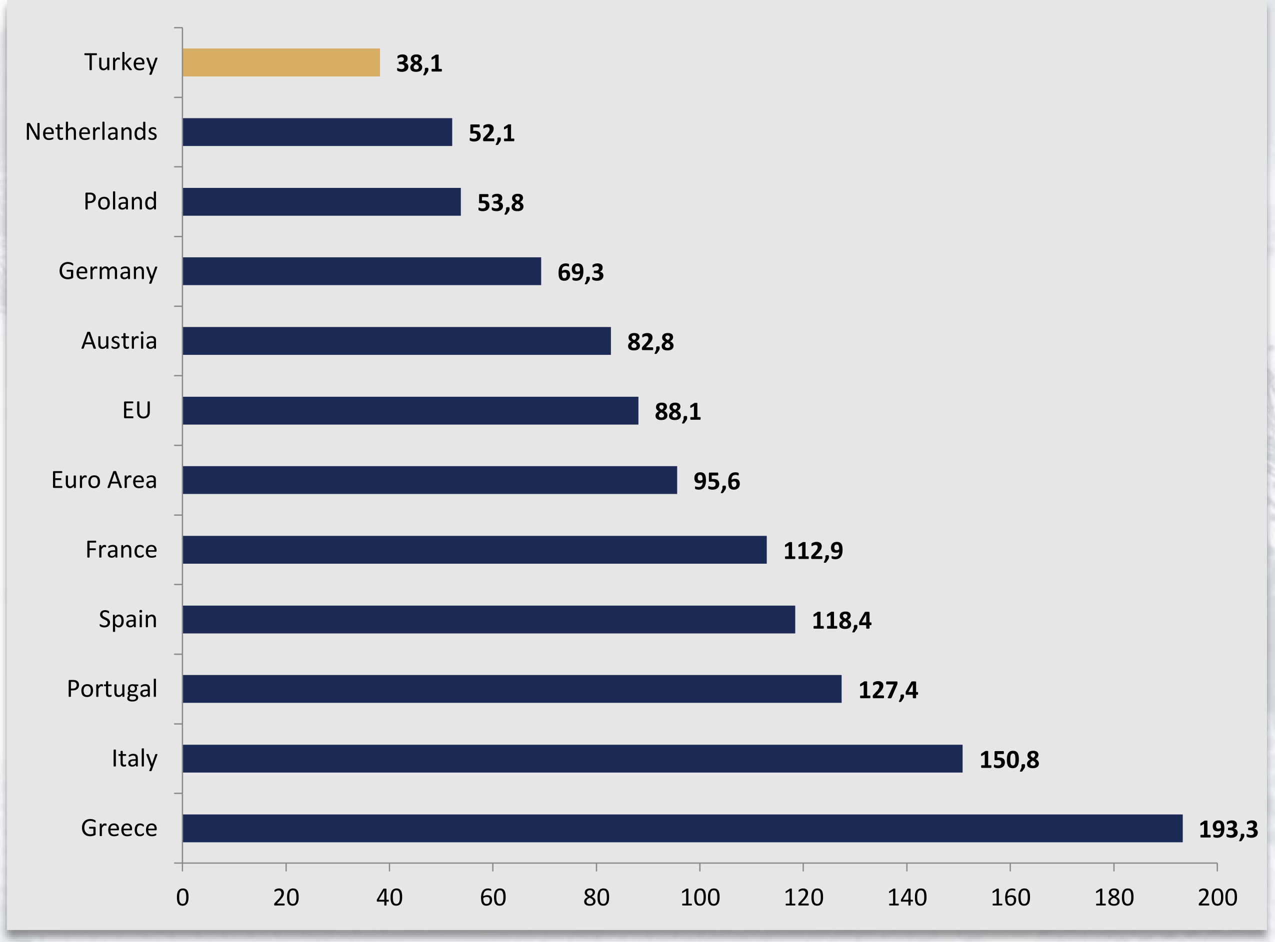


Source: Ministry of Treasury and Finance, Eurostat

REPUBLIC OF TURKEY
MINISTRY OF TRADE

- **General Government Debt Stock/GDP ratio of Turkey, defined by European Union Standards, was 38.1% in 2021, and it was below the Maastricht Criterion (60%).**

General Government Debt Stock / GDP (%), 2021



Source: Ministry of Treasury and Finance, Eurostat

Balance of Payments

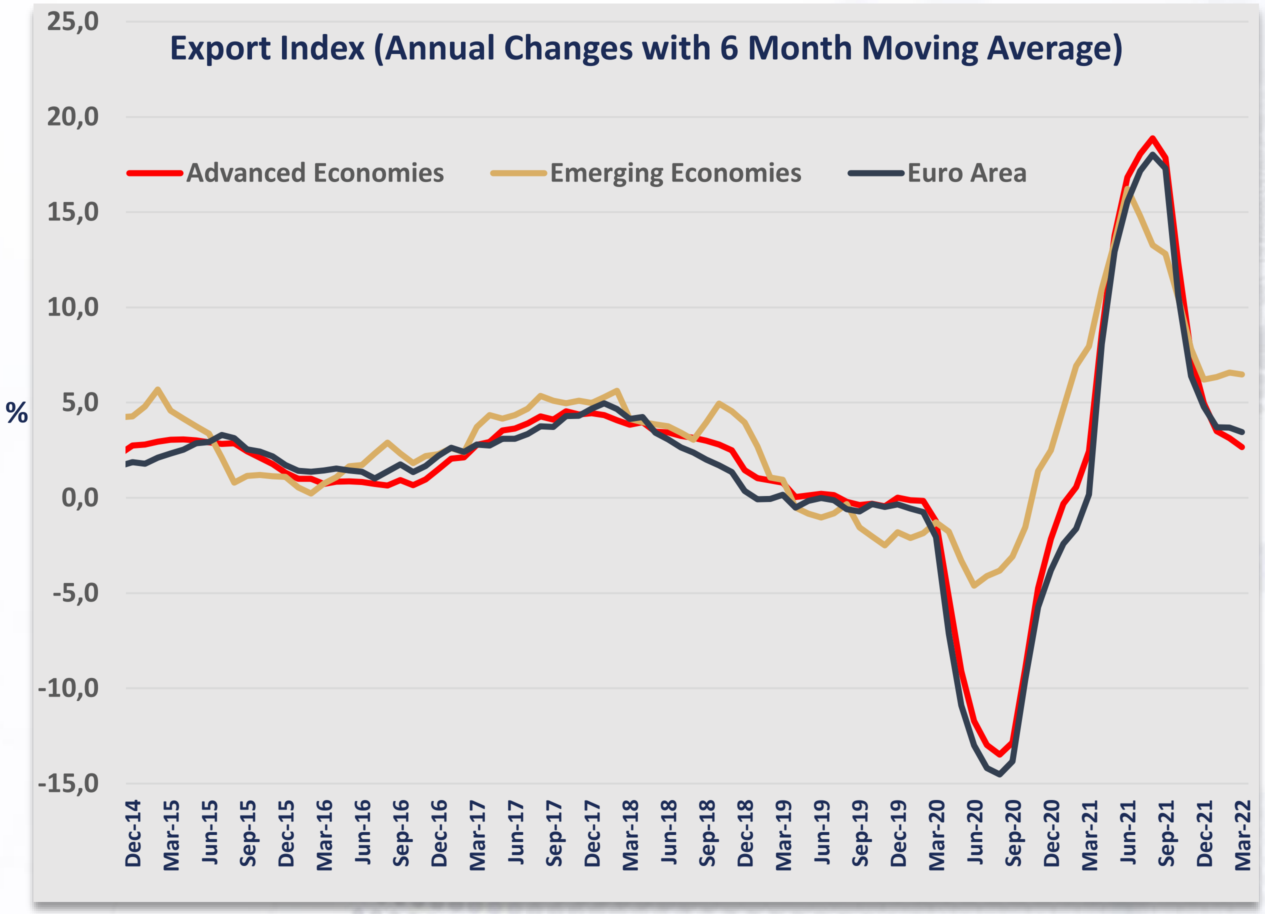
- In March 2022, the current account deficit increased by 67% compared to February of the previous year and was realized as 5,6 billion dollars.

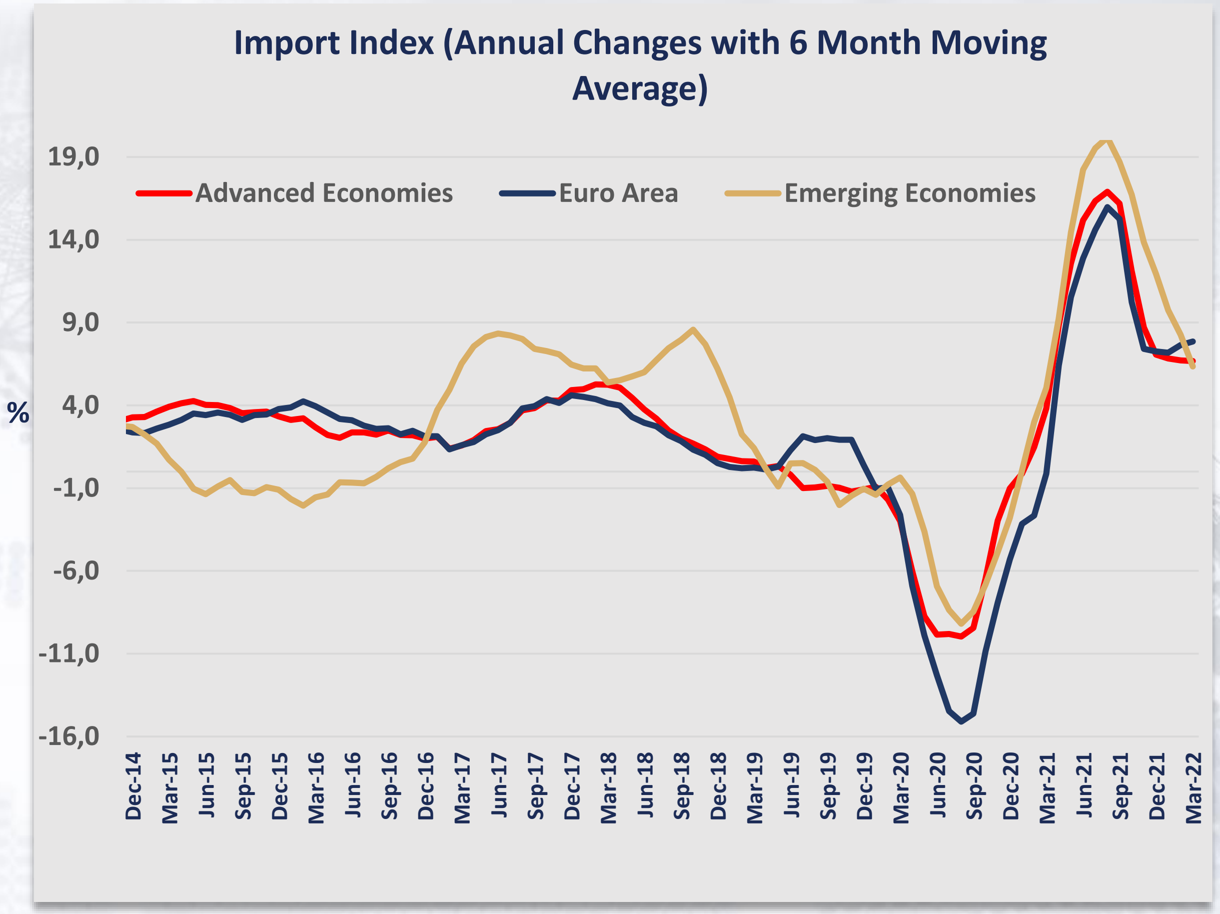
	March			January-March		
Million Dollars	2021	2022	Change (%)	2021	2022	Change (%)
I- CURRENT ACCOUNT	-3325	-5.554	67,0	-7.544	-18.074	139,6
A. BALANCE ON GOODS	-2986	-6.342	112,4	-6.992	-21.042	200,9
B. BALANCE ON SERVICES	857	2329	171,8	2.262	5.751	154,2
C. BALANCE ON PRIMARY INCOME	-1.223	-1.397	14,2	-3.011	-2.589	-14,0
D. BALANCE ON SECONDARY INCOME	27	-144	-633,3	197	-194	-198,5
II- CAPITAL ACCOUNT	-2	-2	0,0	-21	-3	-85,7
III- FINANCIAL ACCOUNT	-1.494	-3.977	166,2	-2.889	-17.994	522,8
Direct Investment	-386	-296	-23,3	-1.380	-781	-43,4
Net Acquisition of Financial Assets	220	444	101,8	777	1.224	57,5
Net Incurrence of Liabilities	606	740	22,1	2.157	2.005	-7,0
Equity Capital	398	278	-30,2	1.070	971	-9,3
Inflow	399	290	-27,3	1.145	1.000	-12,7
Outflow	1	12	1.100,0	75	29	-61,3
Other Capital (Net)	-215	70	-132,6	-14	-98	600,0
Real Estate (Net)	423	392	-7,3	1.101	1.132	2,8
Portfolio Investment	5.641	3.051	-45,9	352	4.782	1.258,5
Other Investment	-580	-2.226	283,8	-187	-14.329	7.562,6
Rezerve Assets	-6.169	-4.506	-27,0	-1.674	-7.666	357,9
IV- NET ERRORS AND OMISSIONS	1.833	1.579	-13,9	4.676	83	-98,2

Source:CBRT

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Developments in Global Trade Indices *





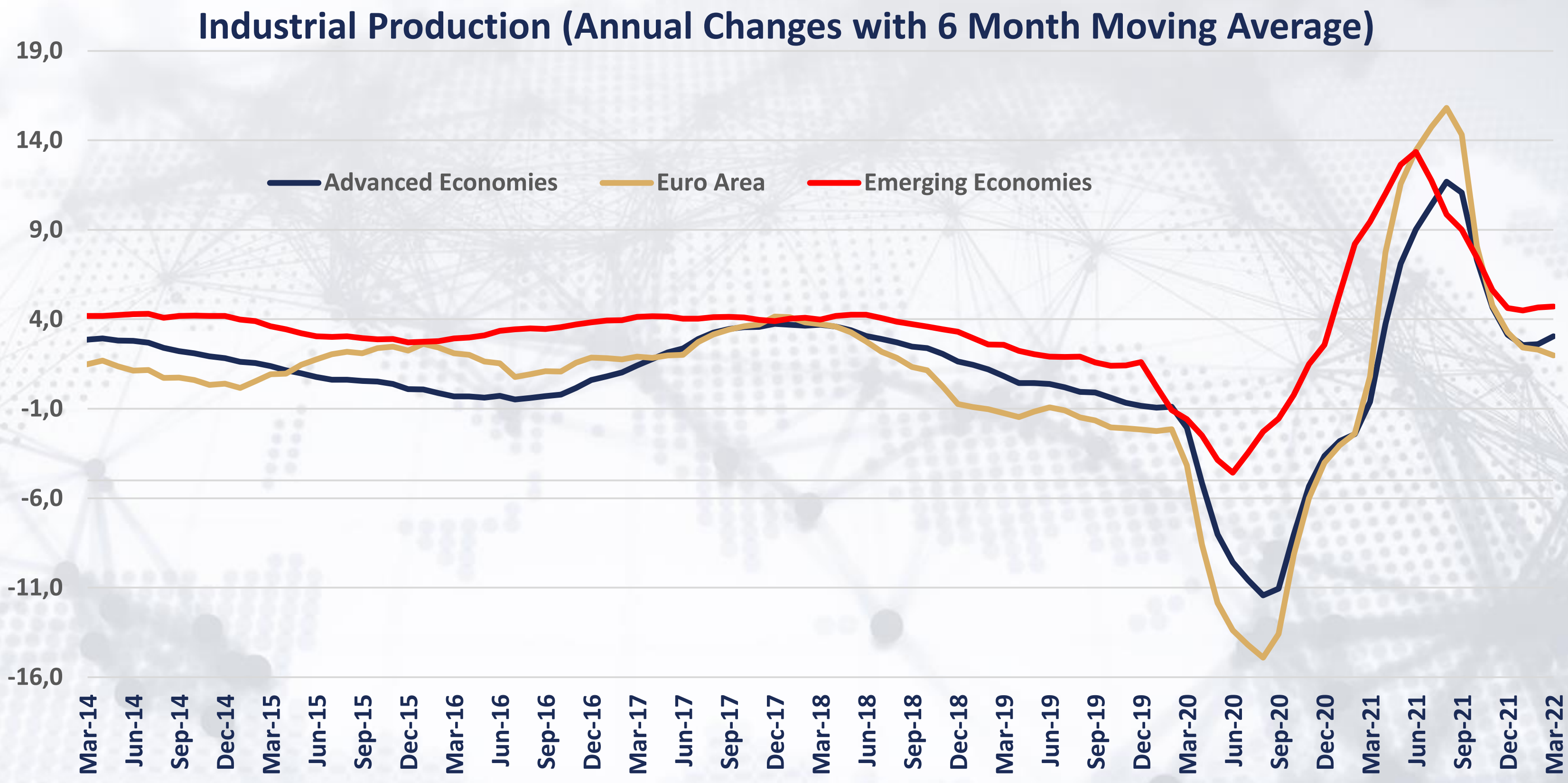
Source: Netherlands Bureau for Economic Policy Analysis (CPB)

* Trade Indices (2010=100), Seasonally adjusted series.

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Developments in Global Industrial Production Index *

- As of March 2022, the slowdown trend in the World industrial production indice continues.



Source: Netherlands Bureau for Economic Policy Analysis (CPB)

* Industrial Production Index (2010=100), Seasonally adjusted series.

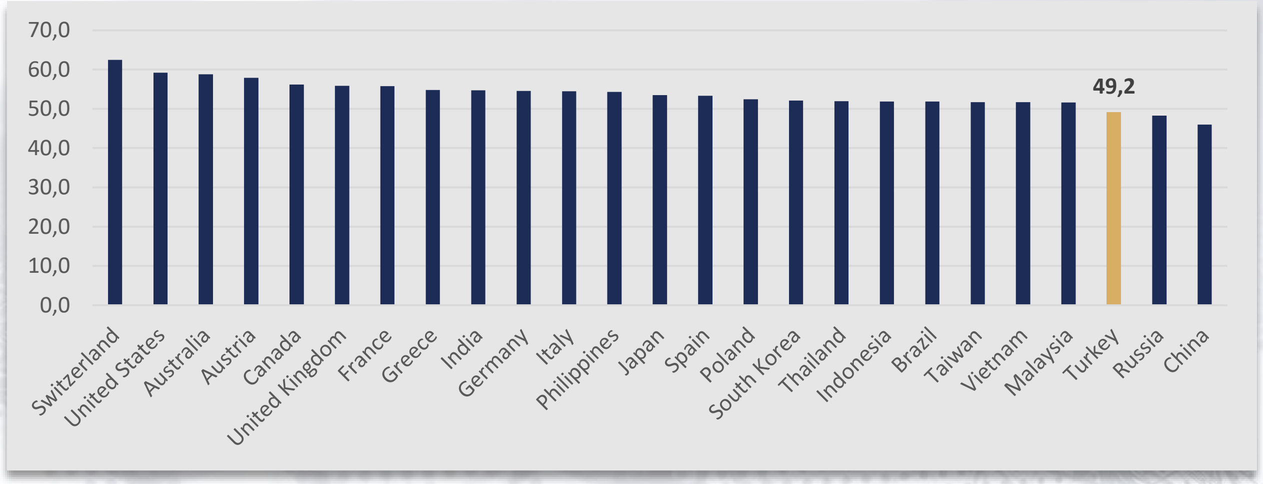
REPUBLIC OF TURKEY
MINISTRY OF TRADE

Developments in Global Economy..

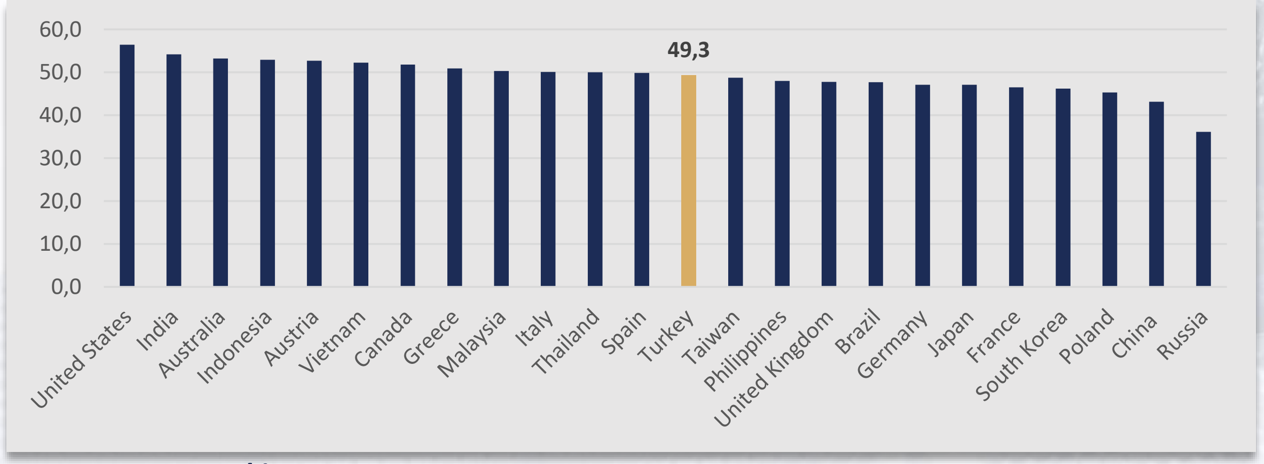
In April 2022, PMI Index in Turkey realized as 49.2.

In April 2022, New Export Orders Index in Turkey realized as 49.3.

PMI Index, April 2022



New Export Orders Index, April 2022



Source: IHS Markit
Seasonally Adjusted Series

B-MACROECONOMIC OUTLOOK

Main Economic Targets (2022-2024 Medium Term Program)

	2020	2021	2022	2023	2024
GDP (Billion TL, Current Prices)	5.047	6.648	7.880	9.041	10.287
GDP Per Capita ($)	8.597	9.489	9.947	10.703	11.465
Real GDP Growth	1,8	9,0	5,0	5,5	5,5
Unemployment Rate(%)	13,2	12,6	12,0	11,4	10,9
Tourism Revenues (Billion $)	10,2	17,0	25,0	30,0	33,0
Current Account Balance (Billion $)	-37,3	-21,0	-18,6	-13,5	-10,0
Current Account Balance/GDP(%)	-5,2	-2,6	-2,2	-1,5	-1,0

Source: Ministry of Treasury and Finance, New Economic Programme(NEP)

Merchandise Trade Targets (2022-2024 Medium Term Program)

	2020	2021	2022	2023	2024
Exports (Billion $) (GTS)	169,6	211,0	230,9	242,0	255,0
Imports (Billion $) (GTS)	219,5	258,0	282,7	294,0	309,0
Balance of trade (Billion $)	-49,9	-47,0	-51,8	-52,0	-54,0
Volume of trade/GDP(%)	54,3	58,6	60,4	58,0	56,3
Exports/Imports (%)	77,3	81,8	81,7	82,3	82,5

Source: Ministry of Treasury and Finance
GTS: According to General Trade System

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Targets of Export Master Plan

SUSTAINABLE INCREASE IN EXPORTS

- HIGH VALUE ADDED & COMPETITIVENESS
- MARKET DIVERSIFICATION
- NEW EXPORTERS
- PROTECTION OF PRODUCER-EXPORTER FIRMS
- COMPETITIVE SERVICES SECTORS
- DIGITALIZATION
- TECHNOLOGY ORIENTED NEW GENERATION FREE ZONES
- FINANCING OF EXPORTS
- NEW APPROACHES TO EXPORT SUPPORTS
- TRADE FACILITATION

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Policy Instruments Of the Export Master Plan

Digitalization & Trade Facilitation	Trade Diplomacy & New Exporters	Technology Oriented New Free Zones	Finance of Exports (EXIMBANK Products)
➢ Digitalization in Customs	➢ Commercial Attaches Network	➢ Finance Support	➢ Long Term Financing
➢ Friendly Digital Applications for Exporters	➢ Turkish Women Enterpreneurs Network	➢ Energy Support	➢ New Products for FX Volatility Risks
➢ Trade Diplomacy Tools	➢ Angel Investors Network	➢ Rent Support	➢ Special Programs for Women and Young Enterpreneurs
➢ Trade Policy Measures	➢ Foreign Trade Vocational Education	➢ Employment Support	➢ Seasonal Credit Support Program

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Growth Forecasts of International Organizations

Growth Forecast for Selected Countries/Country Groups(%)									
		World	Euro Area	US	Brazil	Russia	India	China	Japan
IMF	2020	-3.1	-6.4	-3.4	-3.9	-2.7	-7.3	2.3	-4.5
	2021	6,1	5,3	5,7	4,6	4,7	8,9	8,1	1,6
	2022	3,6	2,8	3,7	0,8	-8,5	8,2	4,4	2,4
OECD	2020	-3.4	-6.5	-3.4	-4.4	-3	-7.3	2.3	-4.6
	2021	5.6	5.2	5.6	5	4.3	9.4	8.1	1.8
	2022	4.5	4.3	3.7	1.4	2.7	8.1	5.1	3.4
World Bank	2020	-3.4	-6.4	-3.4	-3.9	-3	-7.3	2.2	-4.5
	2021	5.5	5.2	5.6	4.9	4.3	8.3	8	1.7
	2022	4.1	4.2	3.7	1.4	2.4	8.7	5.1	2.9

Source: IMF (April 2022), OECD (December 2021), World Bank (January 2022)

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Forecasts for Merchandise Trade Growth

WTO Forecasts for Merchandise Trade Volume (%)

	2021	2022
Volume of World Merchandise Trade	10,8	4,7
Exports		
North America	8,7	6,9
South and Central America	7,2	2,0
Europe	9,7	5,6
Asia	14,4	2,3
Imports		
North America	12,6	4,5
South and Central America	19,9	2,1
Europe	9,1	6,8
Asia	10,7	2,9

IMF Forecasts for Goods and Services Trade (%)

Real Growth (%)	2021	2022
World Trade Volume	**10,1**	**5,0**
-Advanced Economies	**9,5**	**6,1**
-Emerging Economies	**11,8**	**3,9**

Source: IMF (April 2022), WTO (October 2021)

C-DEVELOPMENTS IN EXTERNAL TRADE

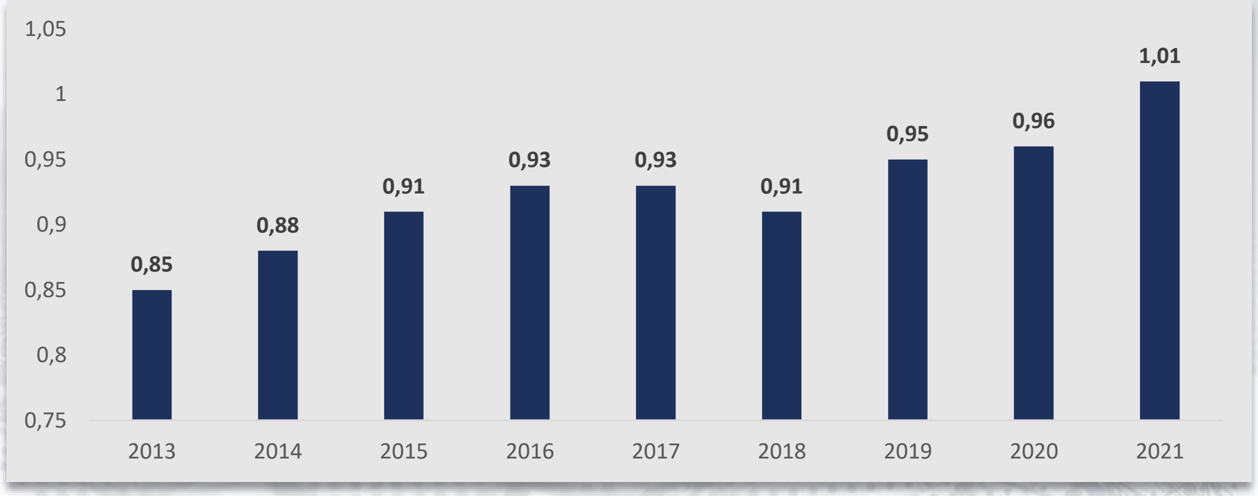
1) MERCHANDISE TRADE

REPUBLIC OF TURKEY
MINISTRY OF TRADE

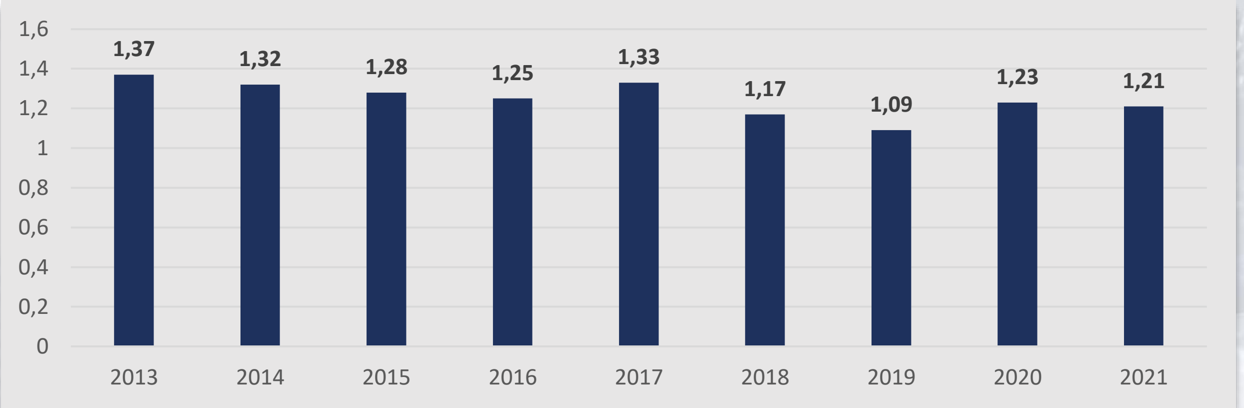
- **Turkey’s share in global merchandise exports was %1,01 in 2021.**

- **Turkey’s share in global merchandise imports was %1.21 in 2021.**

Turkey's Share in Global Merchandise Exports (%)



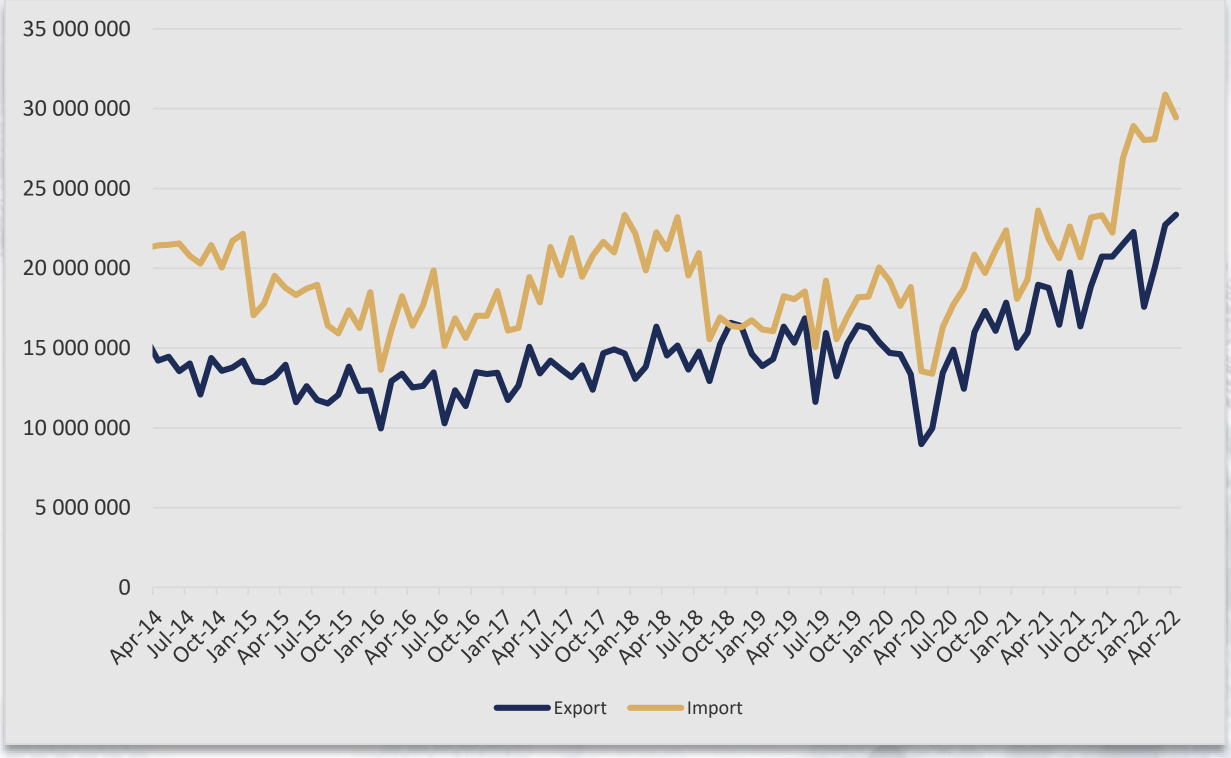
Turkey's Share in Global Merchandise Imports (%)



Source: WTO

- In April 2022, compared to the same month of the previous year, exports increased by 24.6% and realized as 23.4 billion dollars, and imports increased by 34.9% to the level of 29.5 billion dollars. External trade deficit increased by 98.13% and realized as 6.1 billion dollars.

Monthly Exports and Imports (Thousand $)



Source: TURKSTAT, Ministry of Trade
Note: Unadjusted Series

REPUBLIC OF TURKEY
MINISTRY OF TRADE

- In March 2022, compared to the same month of 2021, exports increased by 19.8% and realized as 22.7 billion dollars. Imports increased by 30.7% in the same period and realized as 30.9 billion dollars.

	2020	2021	Change (%) 2020/2021	2021-March	2022-March	Change (%) 2021/2022
Export	169.637.755	225.264.314	32,8	18.955.872	22.708.727	19,8
Energy Export*	4.715.214	8.516.413	80,6	560.699	1.332.380	137,6
Gold Export	2.779.978	3.482.598	25,3	436.239	83.892	-80,8
Import	219.516.807	271.422.758	23,6	23.621.771	30.877.702	30,7
Energy Import*	28.925.037	50.691.655	75,3	3.302.465	8.410.156	154,7
Gold Import	25.183.792	5.498.632	-78,2	705.120	1.039.512	47,4
Foreign Trade Volume	389.154.562	496.687.072	27,6	42.577.643	53.586.429	25,9
Foreign Trade Balance	-49.879.052	-46.158.443	-7,5	-4.665.899	-8.168.975	75,1
Balance excl. Energy	-25.669.229	-3.983.202	-84,5	-1.924.132	-1.091.199	-43,3
Export/Import (%)	77	83	7,4	80	74	-8,4

Source: Ministry of Trade

** Energy corresponds to Chapter 27.*

- **In January-March 2022, compared to the same period of the previous year, export volume index increased by 10.5% and the import volume index increased by 3.6%.**

Foreign Trade Indices (2010=100)

	2019		2020		2022 January-March	
	Index	Change %	Index	Change %	Index	Change %
Export Unit Value Index	95,6	-4,2	94,8	-0,8	109,5	9,4
Export Volume Index	125,3	6,5	118,4	-5,5	145,9	10,5
Import Unit Value Index	101,2	-4,3	96,3	-4,9	146,1	37,1
Import Volume Index	97,3	-5,0	106,7	9,6	111,0	3,6
Terms of Trade	94,5	0,1	98,5	4,2	74,9	-20,2

Source: TURKSTAT

**Periodical data are obtained by taking average.*

DEVELOPMENTS IN EXTERNAL TRADE:MERCHANDISE

	April			January-April		
	2021	2022	Change (%)	2021	2022	Change (%)
Export (Million $)	18.757	23.364	24,56	68.670	83.565	21,69
Import (Million $)	21.837	29.466	34,94	82.824	116.073	40,14
Foreign Trade Volume (Million $)	40.594	52.830	30,14	151.493	199.638	31,78
Foreign Trade Balance (Million $)	-3.080	-6.102	98,13	-14.154	-32.508	129,68
Export/Import (%)	85,90	79,29		82,91	71,99	

Source: Ministry of Trade

General Trade System, includes customs warehouses, all types of free zones, free circulation area and premises for inward processing.

Distribution of External Trade in Broad Economic Categories

EXPORT

	April			January-April		
Export (Million $)	2021	2022	Change (%)	2021	2022	Change (%)
Investment Goods	1.932	2.717	40,6	7.597	9.297	22,4
Intermediate Goods	9.510	12.426	30,7	34.004	44.010	29,4
Consumption Goods	7.161	8.070	12,7	26.652	29.722	11,5
Others	153	151	-1,5	417	536	28,4
TOTAL	18.757	23.364	24,6	68.670	83.565	21,7

Source: Ministry of Trade

IMPORT

	April			January-April		
Export (Million $)	2021	2022	Change (%)	2021	2022	Change (%)
Investment Goods	2.870	3.199	11,5	11.507	11.933	3,7
Intermediate Goods	16.599	24.045	44,9	62.546	95.758	53,1
Consumption Goods	2.345	2.170	-7,5	8.651	8.293	-4,1
Others	23	52	127,1	120	89	-26,1
TOTAL	21.837	29.466	34,9	82.824	116.073	40,1

Source: Ministry of Trade

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Main Export Items

CODE	EXPORT Million Dollar	April			January-April		
		2021	2022	% Change	2021	2022	% Change
87	Vehicles other than railway or tramway rolling-stock, parts thereof	2.107,1	2.305,4	9,4	8.670,6	8.632,3	-0,4
84	Boilers, machineries and mechanical appliances, parts thereof	1.883,9	1.994,9	5,9	6.831,6	7.332,7	7,3
72	Iron and steel	1.275,3	1.512,5	18,6	4.035,4	5.651,1	40,0
27	Mineral fuels, minerals oils and product of their distillation	649,0	1.444,2	122,5	2.266,7	4.331,9	91,1
85	Electrical machinery and equipment, parts thereof	1.045,6	1.251,7	19,7	3.759,8	4.332,4	15,2
39	Plastic and articles thereof	854,7	1.116,9	30,7	2.946,2	3.919,9	33,1
61	Knitted and crocheted goods and articles thereof	826,2	1.013,8	22,7	3.156,3	3.743,9	18,6
73	Articles of iron and steel	692,2	936,0	35,2	2.501,0	3.458,9	38,3
71	Precious stones, precious metals, pearls and articles thereof	986,6	869,0	-11,9	3.551,9	3.172,0	-10,7
62	Non knitted and crocheted goods and articles thereof	631,0	861,2	36,5	2.460,8	3.042,5	23,6

Source: Ministry of Trade

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Main Import Items

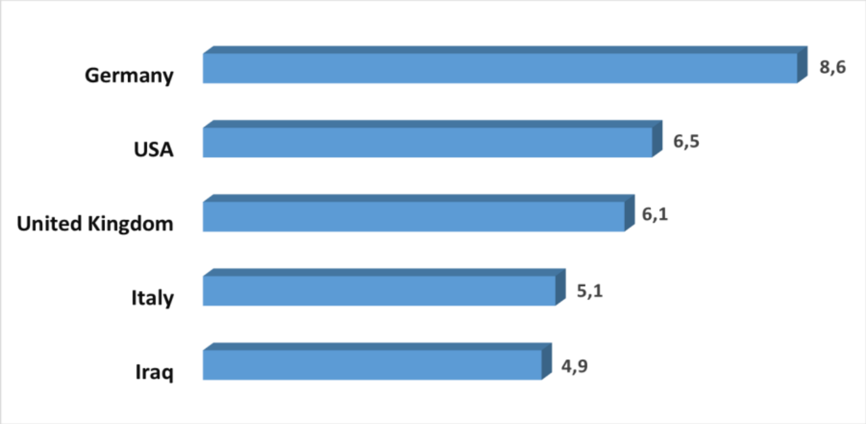
CODE	IMPORT Million Dollar	April			January-April		
		2021	2022	% Change	2021	2022	% Change
27	Mineral fuels, minerals oils and product of their distillation	3.310	7.748	134,1	11.992	32.746	173,1
72	Iron and steel	2.536	2.890	13,9	8.269	10.829	31,0
84	Boilers, machineries and mechanical appliances, parts thereof	2.536	2.855	12,6	9.874	10.566	7,0
39	Plastic and articles thereof	1.553	1.759	13,3	5.491	7.099	29,3
85	Electrical machinery and equipment, parts thereof	1.610	1.688	4,9	6.711	6.501	-3,1
87	Vehicles other than railway or tramway rolling-stock, parts thereof	1.556	1.257	-19,2	5.806	4.791	-17,5
29	Organic chemicals	724	929	28,2	2.691	4.026	49,6
71	Precious stones, precious metals, pearls and articles thereof	439	753	71,4	3.922	3.394	-13,5
74	Copper and articles thereof	390	560	43,3	1.536	1.793	16,7
10	Cereals	200	556	178,5	1.267	1.700	34,1

Source: Ministry of Trade

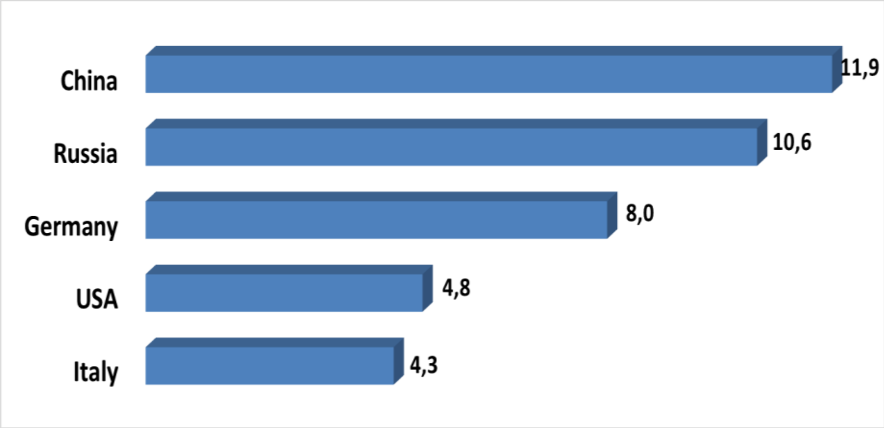
REPUBLIC OF TURKEY
MINISTRY OF TRADE

Main Trade Partners

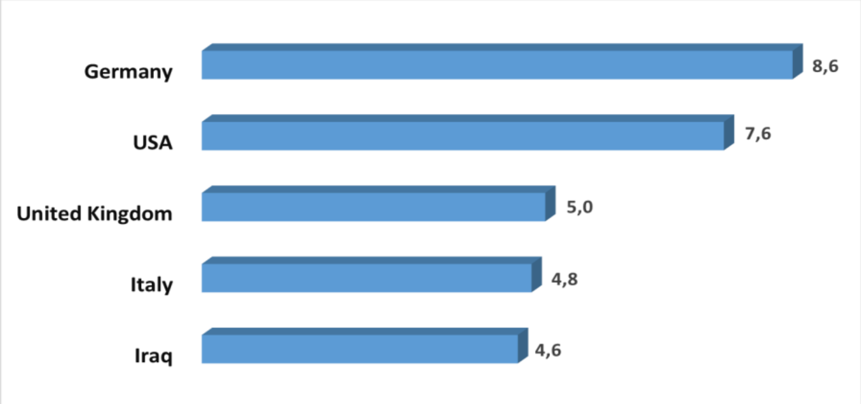
Leading Export Partners in 2021 (Share in Total Exports)



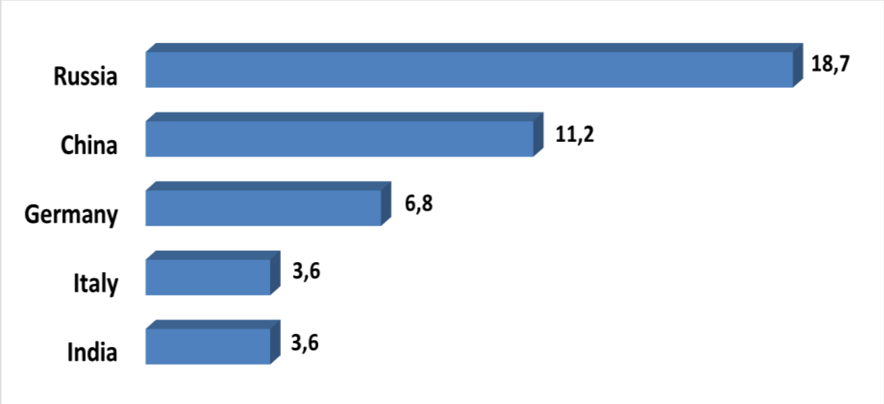
Leading Import Partners in 2021 (Share in Total Imports)



Leading Export Partners in April 2022 (Share in Total Exports)



Leading Import Partners in April 2022 (Share in Total Imports)



Source: Ministry of Trade

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Exports by Regions

Million Dollar			April				January-April			
			2021	2022	Share %	Change	2021	2022	Share %	Change
		Country Groups								
1	**Europe**	European Union (EU-27)	7.656	9.889	42,3	29,2	28.814	35.595	42,6	23,5
		Other European Countries	2.461	2.889	12,4	17,4	8.890	10.148	12,1	14,1
2	**Africa**	Other African Countries	596	1.006	4,3	68,8	2.217	3.277	3,9	47,8
		North African Countries	1.145	1.428	6,1	24,7	4.196	5.456	6,5	30,0
3	**America**	South American Countries	312	292	1,3	-6,5	1.105	1.047	1,3	-5,2
		North American Countries	1.338	2.006	8,6	49,9	4.665	6.565	7,9	40,7
		Central America and Caraips	190	247	1,1	30,2	628	854	1,0	36,1
4	**Asia**	Other Asian Countries	1.586	1.618	6,9	2,0	5.364	5.799	6,9	8,1
		Near and Middle Eastern	3.368	3.869	16,6	14,9	12.357	14.333	17,2	16,0
5	**Australia & New Zeland**	Australia and New Zealand	75	94	0,4	25,9	336	365	0,4	8,7
6	**Others**	Other Countries	30	24	0,1	-18,9	97	125	0,1	29,2
Total			18.757	23.364	100,0	24,6	68.670	83.565	100,0	21,7

Source: TURKSTAT

Imports by Regions

Million Dollar			April				January-April			
			2021	2022	Share %	Change (%)	2021	2022	Share %	Change (%)
		Country Groups								
1	**Europe**	European Union (EU-27)	7.705	7.763	26,3	0,8	28.571	29.883	25,7	4,6
		Other European Countries	3.522	6.652	22,6	88,9	13.989	23.620	20,3	68,8
2	**Africa**	Other African Countries	230	206	0,7	-10,2	1.016	1.238	1,1	21,8
		North African Countries	451	476	1,6	5,4	1.554	1.880	1,6	21,0
3	**America**	South American Countries	633	1.275	4,3	101,3	1.946	3.573	3,1	83,6
		North American Countries	1.199	1.172	4,0	-2,3	4.058	5.163	4,4	27,2
		Central America and Caraips	85	144	0,5	69,6	352	396	0,3	12,5
4	**Asia**	Other Asian Countries	5.376	7.482	25,4	39,2	20.002	28.068	24,2	40,3
		Near and Middle Eastern	1.167	2.061	7,0	76,7	5.446	7.339	6,3	34,8
5	**Australia & New Zeland**	Australia and New Zealand	57	58	0,2	1,6	292	573	0,5	96,3
6	**Others**	Other Countries	1.414	2.177	7,4	54,0	5.598	14.341	12,4	156,2
Total			21.837	29.466	100,0	34,9	82.824	116.073	100,0	40,1

Source: TURKSTAT

2) SERVICES

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Targets in Services

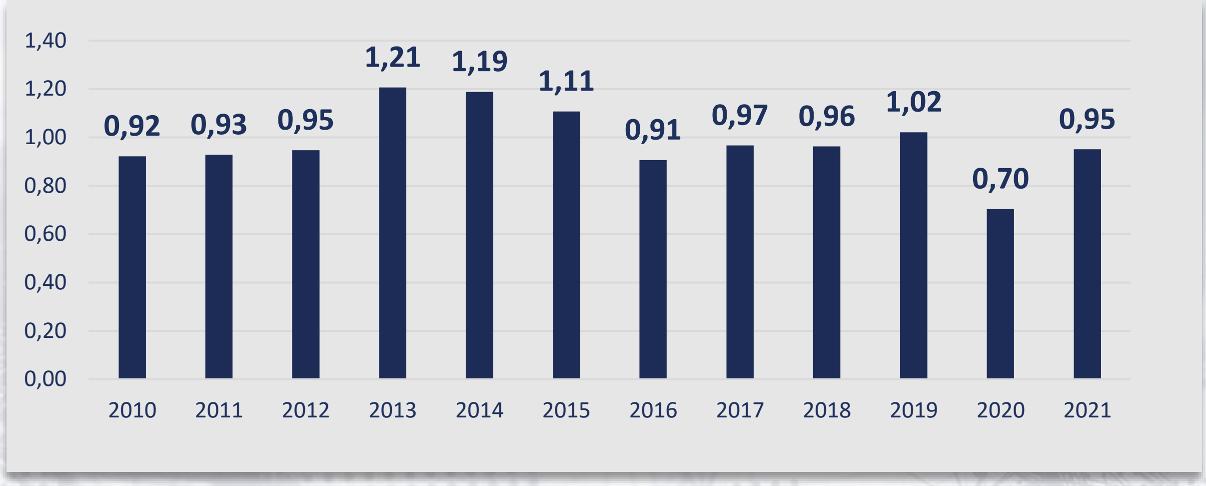
In the scope of 2023 Strategy for Commercial Services;

- To increase the share of the World's commercial trade
- Sustainable increase in service exports
- Balancing the current account deficit

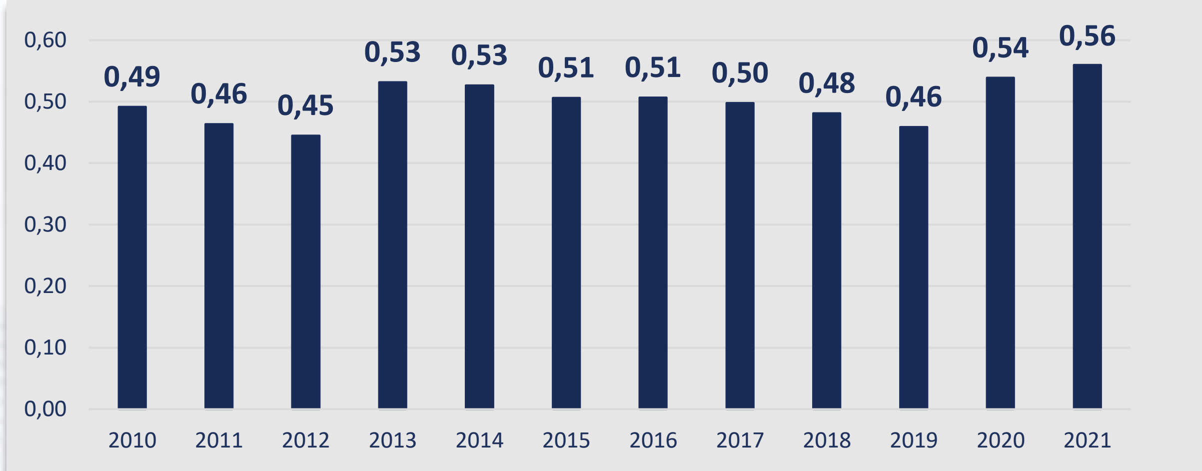
- Turkey’s share in global exports of services realized as 0.95 % in 2021.

- Turkey’s share in global imports of services realized as 0.56% in 2021.

Turkey's Share in Global Services Exports (%)



Turkey's Share in Global Services Imports (%)



Source: WTO,CBRT

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Balance of Payments- Services Items

CREDIT	March			January-March		
Million Dolar	2021	2022	Change(%)	2021	2022	Change(%)
Services	3.496	5.768	65,0	9.057	15.045	66,1
Transport	1.700	2.868	68,7	4.388	7.416	69,0
Travel	826	1.682	103,6	2.048	4.510	120,2
Construction	41	61	48,8	82	132	61,0
Insurance and pensıon services	211	209	-0,9	712	686	-3,7
Financial Services	64	43	-32,8	200	156	-22,0
Charges for the use of intellectual property	21	25	19,0	48	59	22,9
Telecommunications, computer, information serv.	197	288	46,2	507	674	32,9
Other business services	247	337	36,4	612	748	22,2
Personal, cultural, and recreational services	41	70	70,7	89	159	78,7
Government goods and services	24	24	0,0	57	68	19,3
DEBIT	March			January-March		
Million Dolar	2021	2022	Change(%)	2020	2021	Change(%)
Services	2.639	3.439	30,3	6.795	9.294	36,8
Transport	973	1.426	46,6	2.531	4.070	60,8
Travel	84	232	176,2	205	625	204,9
Construction	2	2	0,0	6	19	216,7
Insurance and pensıon services	316	286	-9,5	936	789	-15,7
Financial Services	72	138	91,7	214	413	93,0
Charges for the use of intellectual property	233	254	9,0	567	640	12,9
Telecommunications, computer, information serv.	293	297	1,4	693	683	-1,4
Other business services	503	619	23,1	1.203	1.558	29,5
Personal, cultural, and recreational services	25	30	20,0	72	88	22,2
Government goods and services	71	88	23,9	208	232	11,5

Source: CBRT

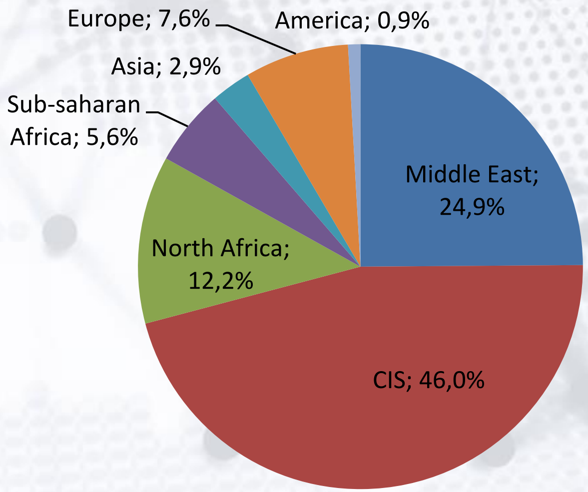
Contracting Services Abroad

Years	Projects	Countries	Project Volume (Million $)	Cum. Project Volume (Million $)	Avr. Project Volume (Million $)
1971-2002	2.426	48	49.750.177.407	49.750.177.407	20.507.081
2003	339	35	6.397.601.656	56.147.779.063	18.871.981
2004	477	36	8.630.027.566	64.777.806.629	18.092.301
2005	452	33	12.918.426.923	77.696.233.553	28.580.591
2006	577	35	22.410.201.125	100.106.434.677	38.839.170
2007	616	45	25.701.551.043	125.807.985.720	41.723.297
2008	667	39	24.685.207.075	150.493.192.795	37.009.306
2009	508	45	20.210.153.992	170.703.346.787	39.783.768
2010	634	50	23.922.947.628	194.626.294.415	37.733.356
2011	561	51	24.432.626.988	219.058.921.403	43.551.920
2012	549	49	31.649.824.190	250.708.745.592	57.649.953
2013	438	50	31.246.854.830	281.955.600.422	71.339.851
2014	360	54	26.650.861.975	308.606.462.397	74.030.172
2015	287	57	23.826.944.016	332.433.406.413	83.020.711
2016	222	56	15.095.810.897	347.529.217.310	67.999.148
2017	333	52	17.658.769.990	365.187.987.301	53.029.339
2018	379	53	22.723.380.488	387.911.367.789	59.956.149
2019	533	45	19.361.005.349	407.272.373.138	36.324.588
2020	358	36	15.860.756.903	423.133.130.041	44.303.790
2021	425	71	30.740.349.086	453.873.479.127	72.330.233
2022	102	26	3.748.525.692	457.622.004.819	36.750.252

*January-April

- *There are 40 Turkish companies in the list of the world's 250 largest contracting companies in 2020. In this regard, Turkey ranks 3rd after China and USA.*
- **Contributions to the overall economic performance:** ***Creating foreign exchange inflows, supporting exports and employment, enhancing technology transfer, adding to the machinery stock and facilitating internationalization.***

Distribution of Contracting Services By Country Groups (%) (April 2022)



Source: Ministry of Trade

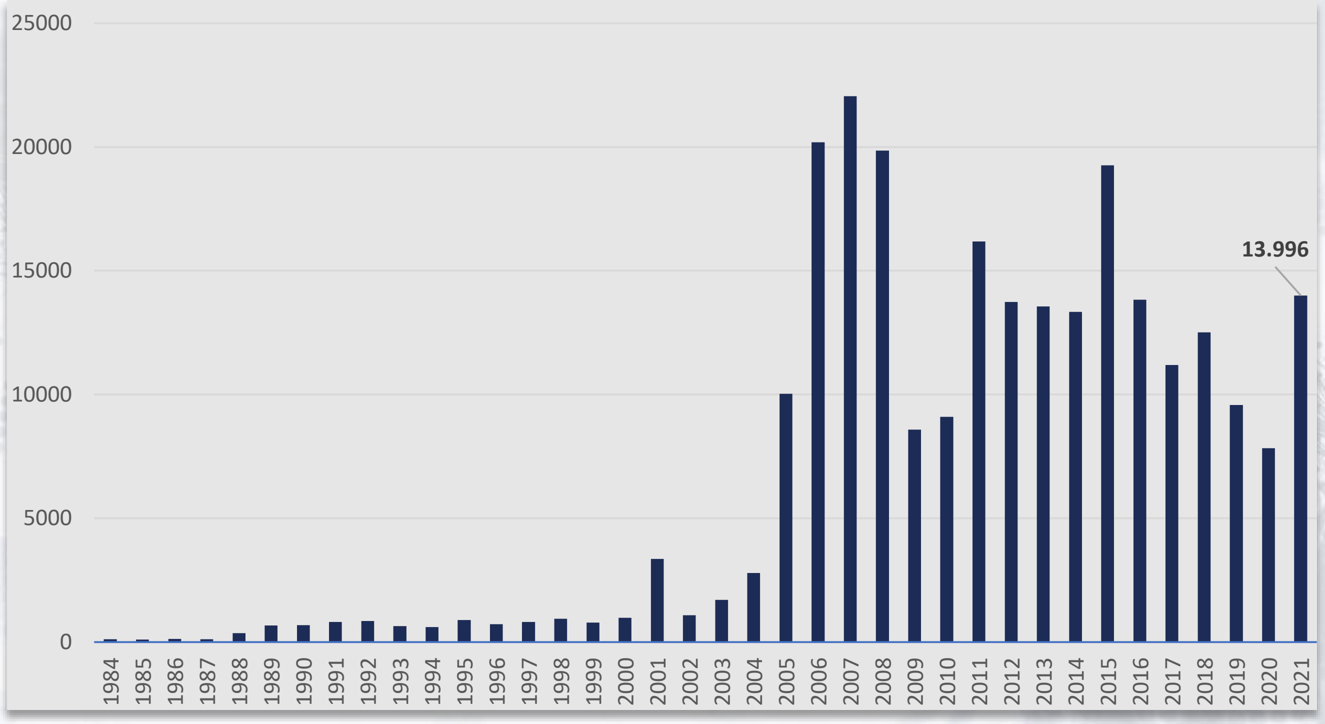
D- INVESTMENTS

REPUBLIC OF TURKEY
MINISTRY OF TRADE

- **FDI stock reached 239.3 billion USD over 2003-2021 period. It was 14.6 billion USD over 1984-2002 period.**

- **In March 2021, FDI inflows realized as 606 million dollars. In March 2022, FDI inflows realized as 740 million dollars.**

Foreign Direct Investment (Million $)



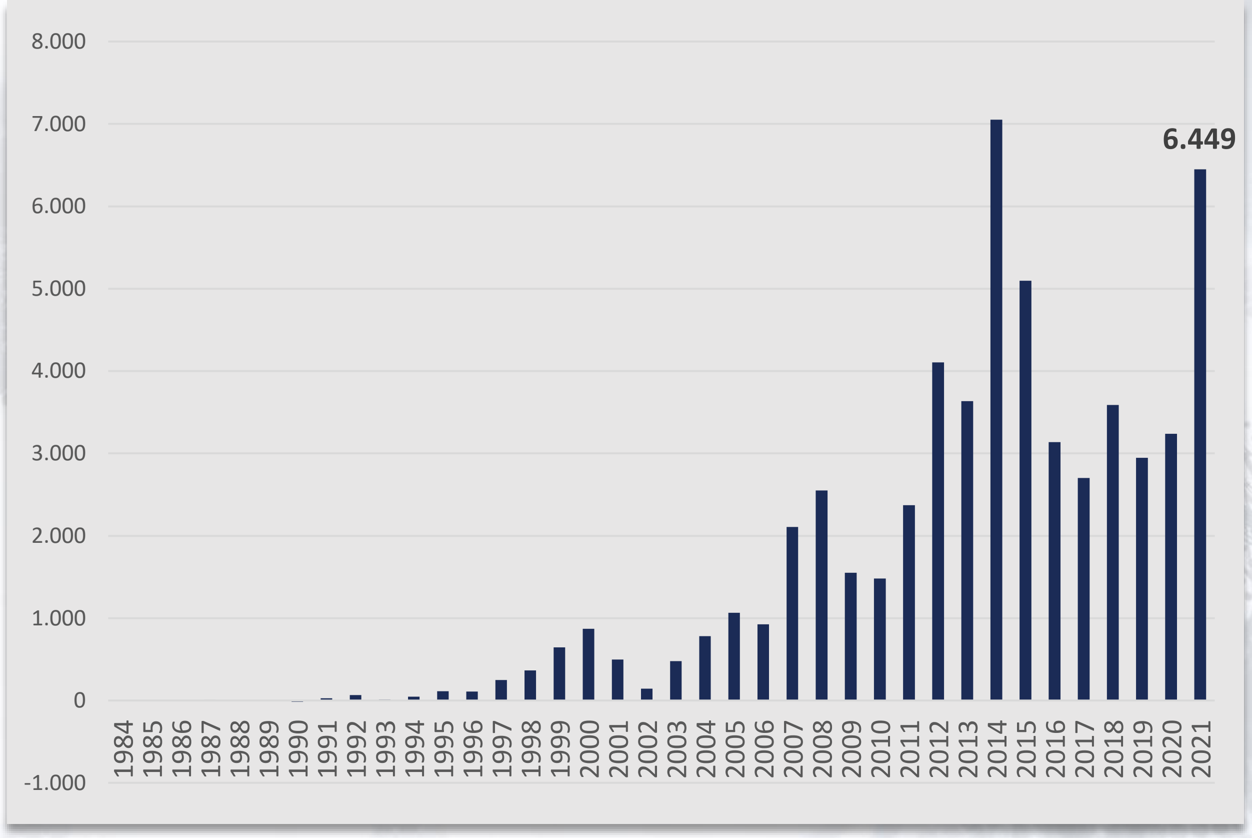
Source: CBRT

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Foreign Direct Investment Abroad (Million $)

- Direct investments from Turkey to abroad reached 55.3 billion USD from 2003 to 2021 on a cumulative basis.

- In March 2022, foreign direct investment increased by 101.8% compared to the same month of the previous year, and realized as 444 million dollars.



Source: CBRT

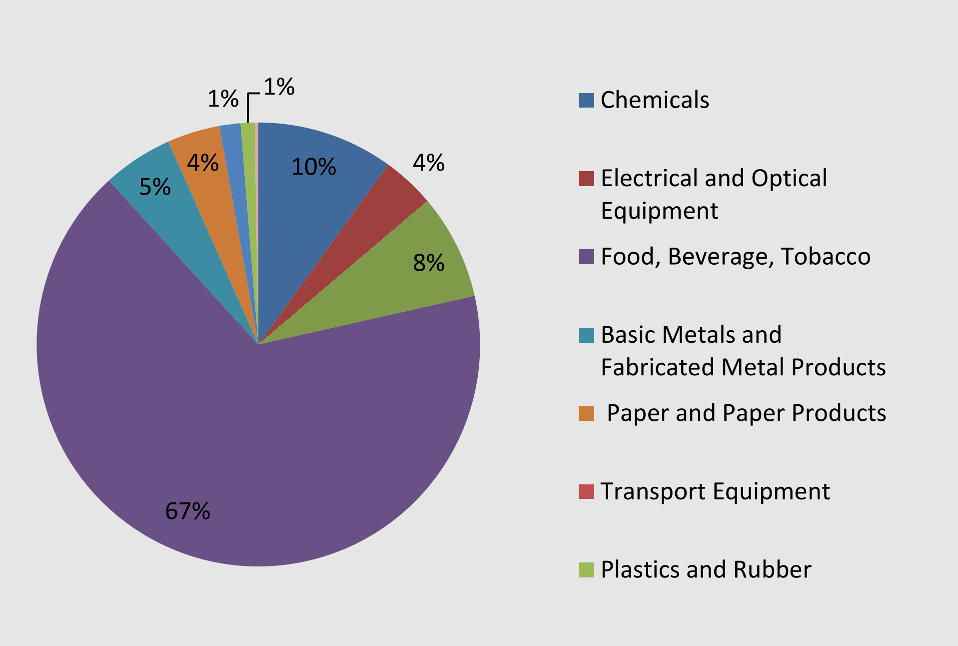
REPUBLIC OF TURKEY
MINISTRY OF TRADE

The Sectoral Breakdown of Foreign Investments

	Annual		January- March	
(Million $)	2020	2021	2021	2022
AGRICULTURE	**21**	**144**	**12**	**13**
INDUSTRIAL SECTORS	**1.358**	**1.981**	**656**	**439**
Mining and Quarrying	133	51	33	41
Manifacturing	1.172	1.799	587	391
Electricity, Gas, Steam and Air-conditioning Supply	52	129	35	7
Water Supply; Sewerage, Waste Management and Remediation	1	2	1	0
SERVICES SECTOR	**4.412**	**5.467**	**477**	**548**
TOTAL	**5.791**	**7.592**	**1.145**	**1.000**

Source: CBRT

Breakdown of Investment in Manufacturing Industry (%) January- March 2022



REPUBLIC OF TURKEY
MINISTRY OF TRADE

Breakdown of Foreign Investments by Country

Rank*	Countries	2021 FDI (Million Dolar)	2022 FDI March (Million Dolar)	2022 FDI January-March (Million Dollar)
1	Holland	1014	106	259
2	Germany	466	33	73
3	France	135	31	39
4	United States of America	1180	22	66
5	Japan	259	13	21
6	Britain	1436	12	44
7	Belgium	83	11	14
8	Russia	3	7	7
9	Singapore	39	7	13
10	Serbia	0	5	5
11	United Arab Emirates	495	5	13
12	Kuwait	61	5	15
13	Hong Kong	71	5	6
14	Denmark	3	4	4
15	Switzerland	540	4	311
16	Australia	0	4	5
17	Austria	103	3	46
18	Spain	67	3	7
19	Israel	2	3	3
20	Luxembourg	351	2	2
LIST TOTAL		**6.308**	**285**	**953**
TOTAL		**7.592**	**290**	**1.000**

Source: CBRT

**Sorted by FDI in March 2022*

E – FREE ZONES IN TURKEY

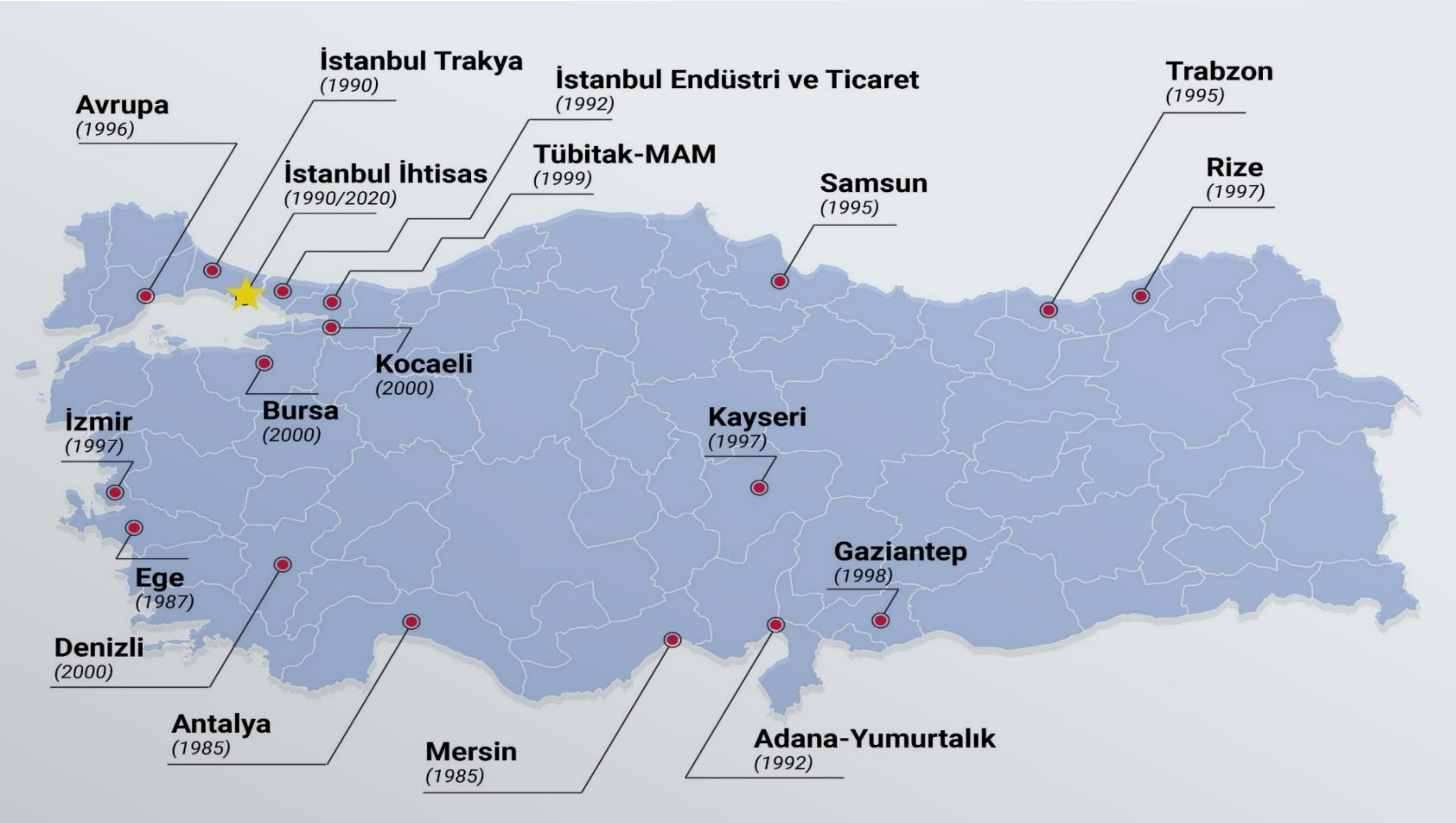
REPUBLIC OF TURKEY
MINISTRY OF TRADE

The Advantages of Free Zones

- Tax advantages for manufacturers
- Medium-and long-term investment view
- Availability to transfer profits
- Commercial facilities
- Exemption from customs duties
- Acquisition of the documents relating to the free movement of goods under the scope of Customs Union with the EU
- Principle of equality
- No time restrictions
- Flexibility to adjust to the market needs and conditions
- Reliable inflation accounting
- Market access to domestic and foreign markets
- Reduced bureaucratic procedures and dynamic business management
- Strategic advantages
- Affordable and compatible infrastructure
- Supply chain opportunities

FREE ZONES IN TURKEY

REPUBLIC OF TURKEY
MINISTRY OF TRADE



- **Employment in the 18 Free Zones of Turkey is 87,091 in April 2022.**
- **Western Anatolia Free Zone has been established according to Presidential Decree No. 4482 dated September 8th, 2021. Western Anatolia Free Zone Founder and Operator Company BASBAŞ, which was authorized by the same Decree, has started necessary investment works for the free zone.**

Specialized Free Zones

- Specialized Free Zones project was implemented in order to increase the share of **R&D, value added** and **high technology** products and services production in foreign trade from free zones.

- In this context, <u>**Istanbul Specialized Free Zone**</u> was declared on 20/02/2020.

- With the President's Decree No. 2635, <u>**R&D-intensive; employment and rent supports**</u> are provided to **high value-added, innovation and technology-focused** investments focusing on exports with wider opportunities.

- Investments on software and IT production in specialized free zones were included among the **priority investments** and benefit from **Region 5 Incentives** in General Investment Incentives Scheme.

- In the upcoming period, establishment of **new Specialized Free Zones** in different sectors with added value and high technology are within our Ministry's projections.

Trade Flows of Free Zones (Million $)

Million Dollars	2013	2014	2015	2016	2017	2018	2019	2020	2021
From Domestic Market To Free Zones	2,887	2,732	2,205	2,125	2,376	2,563	2,665	2,574	3,466
From Free Zones To Abroad	7,701	7,958	7,494	7,041	7,525	8,147	7,978	7,727	9,755
From Abroad To Free Zones	7,490	7,059	6,550	5,868	6,404	6,453	5,633	7,028	7,073
From Free Zones To Domestic Market	5,162	4,683	4,012	3,999	4,073	3,766	3,379	4,729	4,325
*TOTAL TRADE VOLUME	23,240	22,432	20,261	19,033	20,378	20,929	19,656	22,058	24,618

Source: General Directorate of Free Zones, Ministry of Trade
**Sum of inward and outward trade flows*

- **In January-April 2022 sum of inward and outward trade flows in free zones was 9.9 billion US dollars.**

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Concentration in Free Zones by Industries

Istanbul Specialized FZ	Services and Software
Antalya FZ	Yacht-building, Medical Equipment
Kocaeli FZ	Ship-building
Avrupa FZ	Ready-Wear
Mersin FZ	Ready Wear
Bursa FZ	Automotive sub-industries
Izmir FZ	Leather
TUBITAK – MAM Technology FZ	R&D Activities
Adana Yumurtalik FZ	Ship Repair and Maintenance

Source: General Directorate of Free Zones, Ministry of Trade

F – BILATERAL, REGIONAL, PLURILATERAL and MULTILATERAL TRADE

Trade Relations of Turkey with Others

- **Bilateral Trade Relations of Turkey**

  Europe, Asia-Pacific, Eurasia, Middle East and North Africa, Sub-Saharan Africa, Americas

- **Regional Trade Relations of Turkey**

  EU, ECO, D8, BSEC, OIC, COMCEC

- **Multilateral Trade Relations of Turkey**

  WTO, G20

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Free Trade Agreements (FTA)

1. EFTA (Norway, Switzerland, Iceland, Liechtenstein) (1992)
2. Israel (1997)
3. Macedonia (2000)
4. Bosnia and Herzegovina (2003)
5. Palestine (2005)
6. Tunisia (2005)
7. Morocco (2006)
8. Egypt (2007)
9. Albania (2008)
10. Georgia (2008)
11. Montenegro (2010)
12. Serbia (2010)
13. Chile (2011)
14. South Korea (2013)
15. Mauritius (2013)
16. Malaysia (2015)
17. Moldova (2016)
18. Faroe Islands (2017)
19. Singapore (2017)
20. Kosovo (2019)
21. Venezuella (2020)
22. United Kingdom (2021)
23. Qatar*
24. Lebanon*
25. Sudan*
26. Ukraine*

(*) Agreements that are in the approval process

FTA Countries (On-going Negotiations)

Active Negotiations

1. Japan
2. Thailand
3. Indonesia
4. Somalia

Other Negotiations

1. Mexico
2. Ecuador
3. MERCOSUR
4. Peru
5. Colombia
6. Pakistan
7. Cameroon
8. Democratic Republic of the Congo
9. Gulf Cooperation Council
10. Djibouti
11. Chad
12. Seychelles

G-20 Presidency

- **G20 is composed of United States, Germany, Argentina, European Union, Australia, Brazil, China, Indonesia, France, South Africa, South Korea, India, United Kingdom, Italy, Japan, Canada, Mexico, Russia, Saudi Arabia and Turkey.**
- **G20 accounts for 80 % of the world economy, 75 % of global trade and is home to almost two thirds of the world's population.**
- **G20 Term Presidency is carried out by a member country every year. In 2020, G20 Term Presidency has been assumed by Saudi Arabia. In 2021, the G20 Term Presidency was carried out by Italy. In 2022, G20 Presidency is being carried out by Indonesia.**

REPUBLIC OF TURKEY
MINISTRY OF TRADE

Locations of Trade Representatives

165 Representatives from The Ministry are serving in **113** countries, **209** locations (**3** Permanent Representation) abroad.