



REPUBLIC OF TURKEY
MINISTRY OF TRADE

ECONOMIC OUTLOOK

March 2022

Last Updated: 5 April 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.



MACROECONOMIC DEVELOPMENTS.....	3
MACROECONOMIC OUTLOOK.....	21
DEVELOPMENTS IN FOREIGN TRADE.....	28
1) MERCHANDISE.....	29
2) SERVICES.....	41
D- INVESTMENTS and FOREIGN CAPITAL.....	46
E- FREE ZONES in TURKEY.....	51
F-BILATERAL, REGIONAL, PLURILATERAL and MULTILATERAL TRADE.....	57



REPUBLIC OF TURKEY
MINISTRY OF TRADE

A- MACROECONOMIC DEVELOPMENTS



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

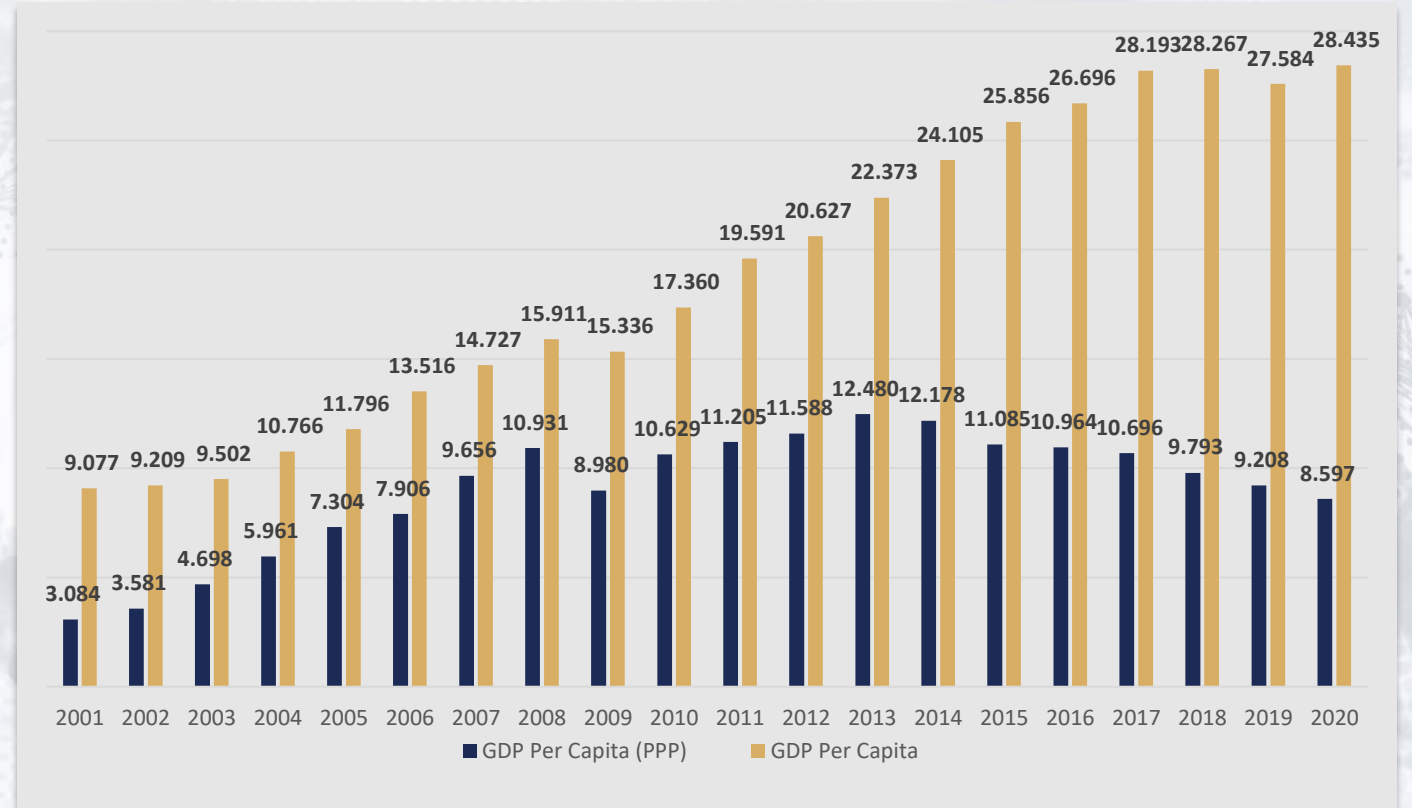
Source: TURKSTAT, CBRT

*STS: General Trade System



GDP Per Capita, US Dollars

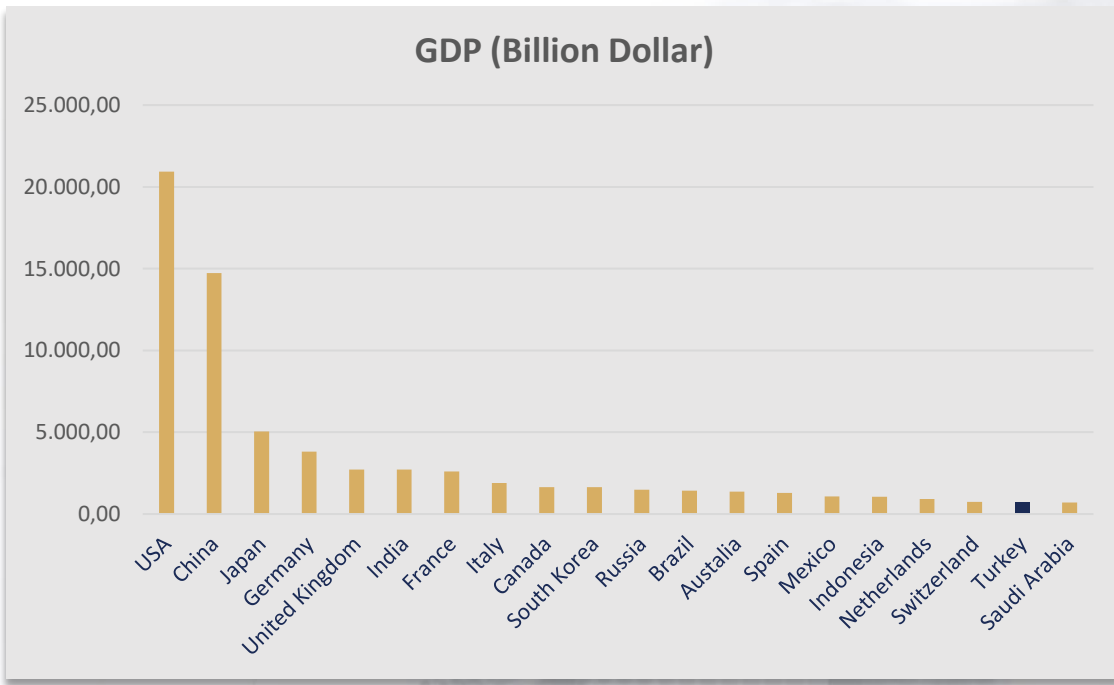
- GDP per capita increased from 3,608 USD in 2002 to 8,597 USD in 2020.
- In Purchasing Power Parity (PPP) terms (temporary data), GDP per capita exceeded 28,435 USD in 2020.



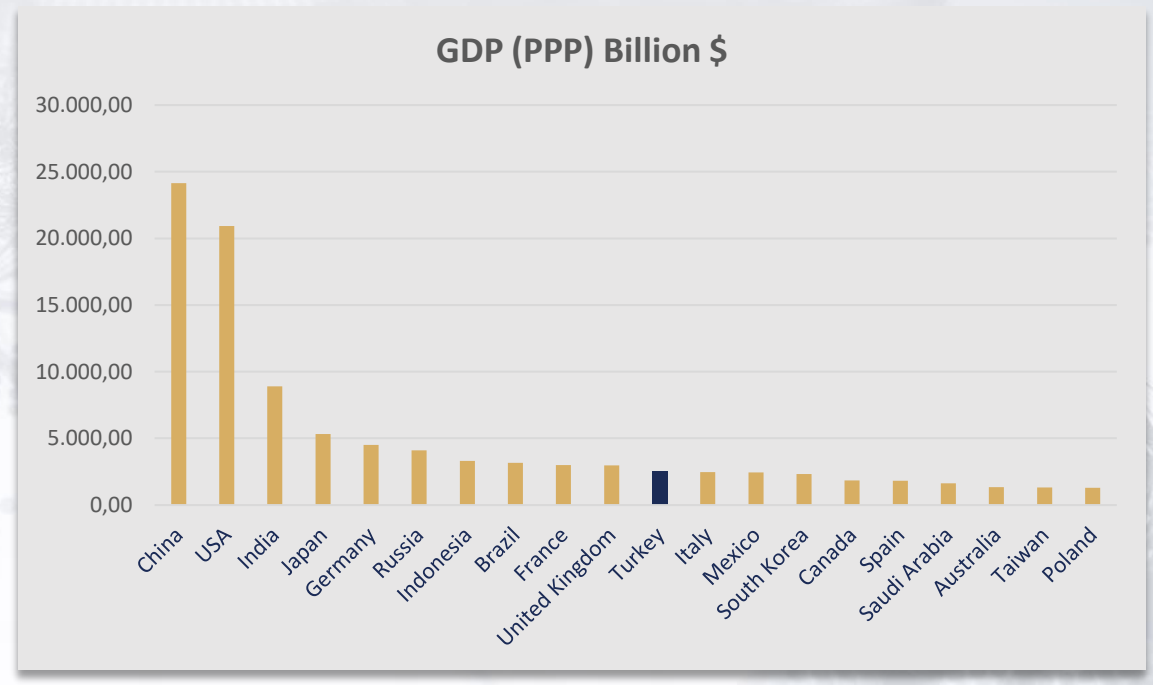
Source: TURKSTAT



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



Source: IMF



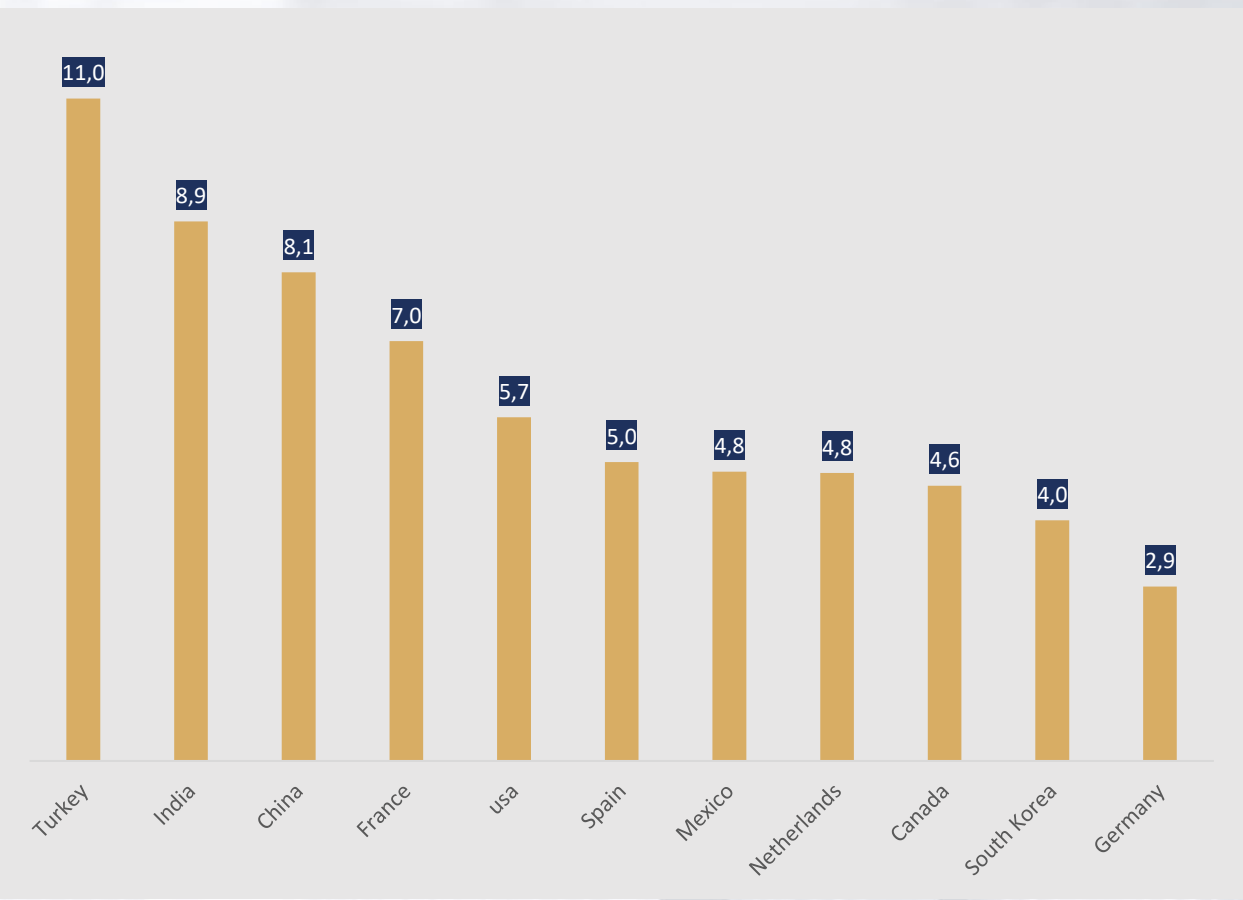
Source: IMF

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



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

➤ Turkish economy expanded by 11.0% in 2021.

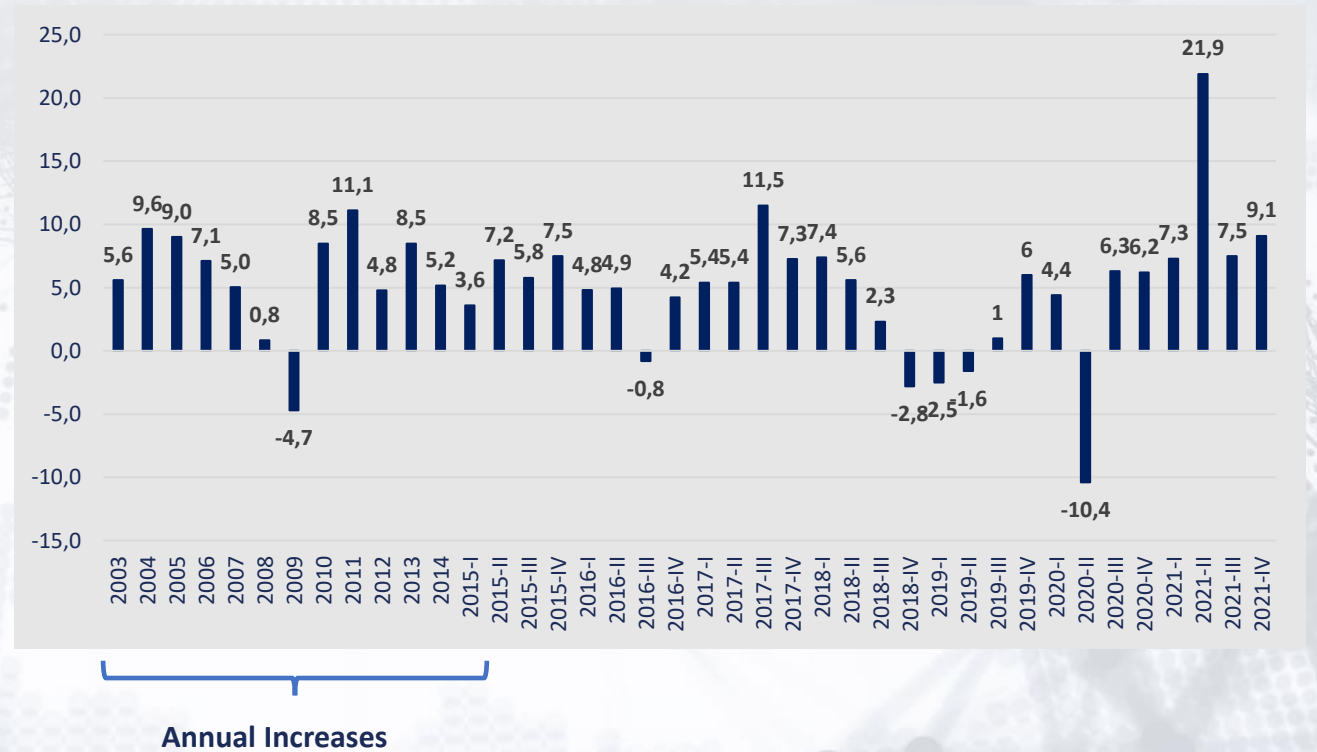


Source: IHS Markit, BEA



- 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%.

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





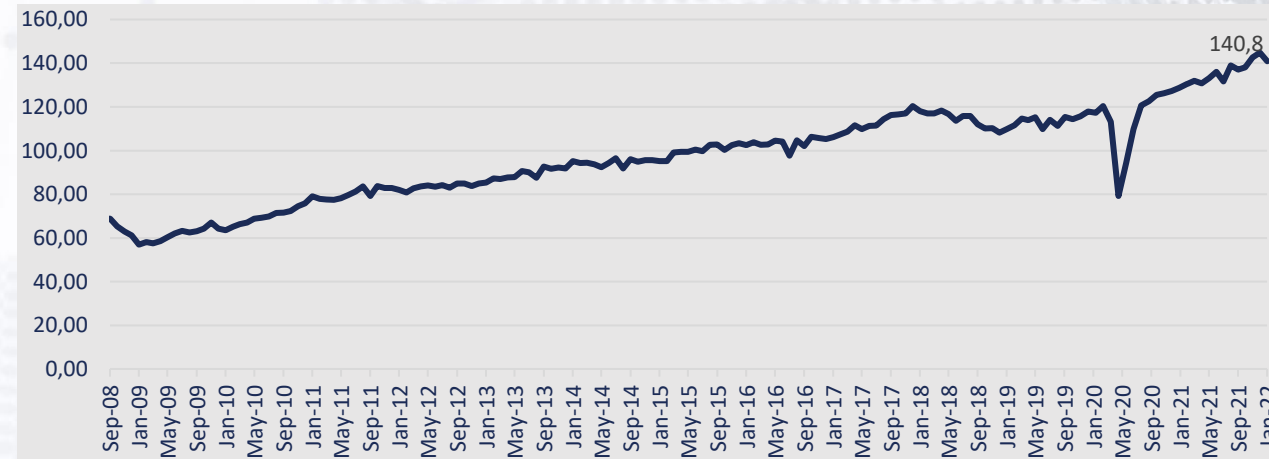
- Capacity utilization rate in March 2022 increased by 2.6 percentage points compared to the same month of the previous year and realized as 77.3.
- In January 2022, seasonally adjusted industrial production decreased by 2.4% compared to previous month and calendar adjusted industrial production index increased by 7.6% compared to same month of the previous year.

Capacity Utilization Rate in Manufacturing Industry (%)



Source: CBRT

Industrial Production Index (2015=100)*



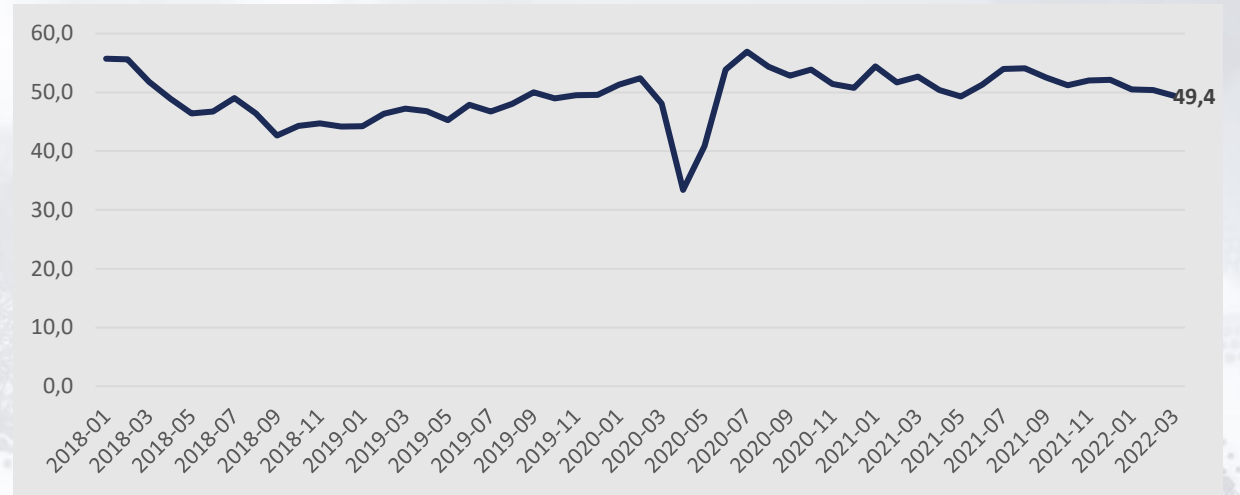
Source: TURKSTAT



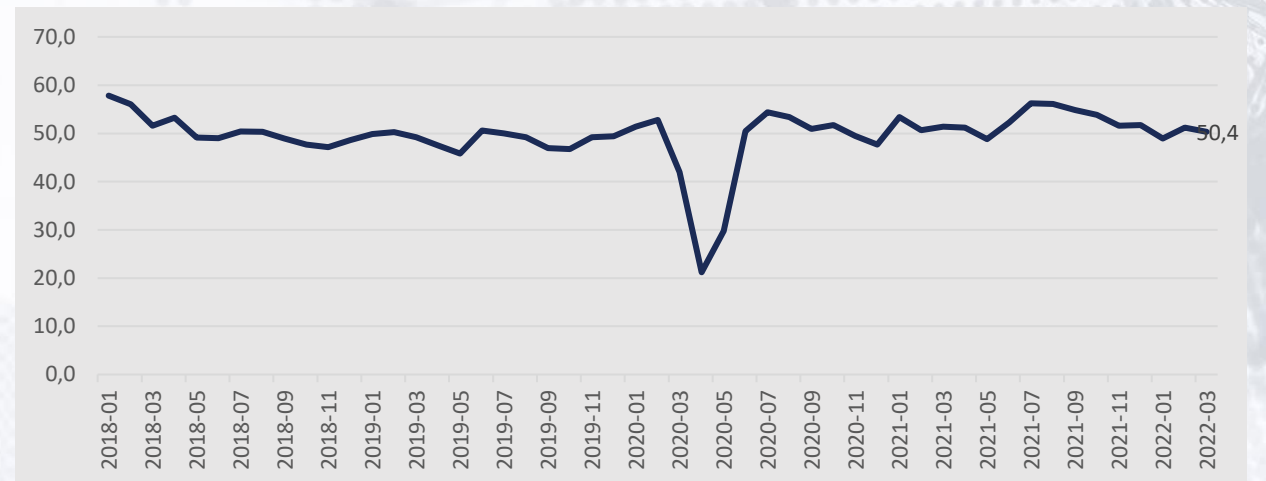
➤ In March 2022, the PMI realized as 49.4

➤ In March 2022, New Export Orders Index realized as 50.4

Purchasing Managers' Index (PMI)



New Export Orders Index

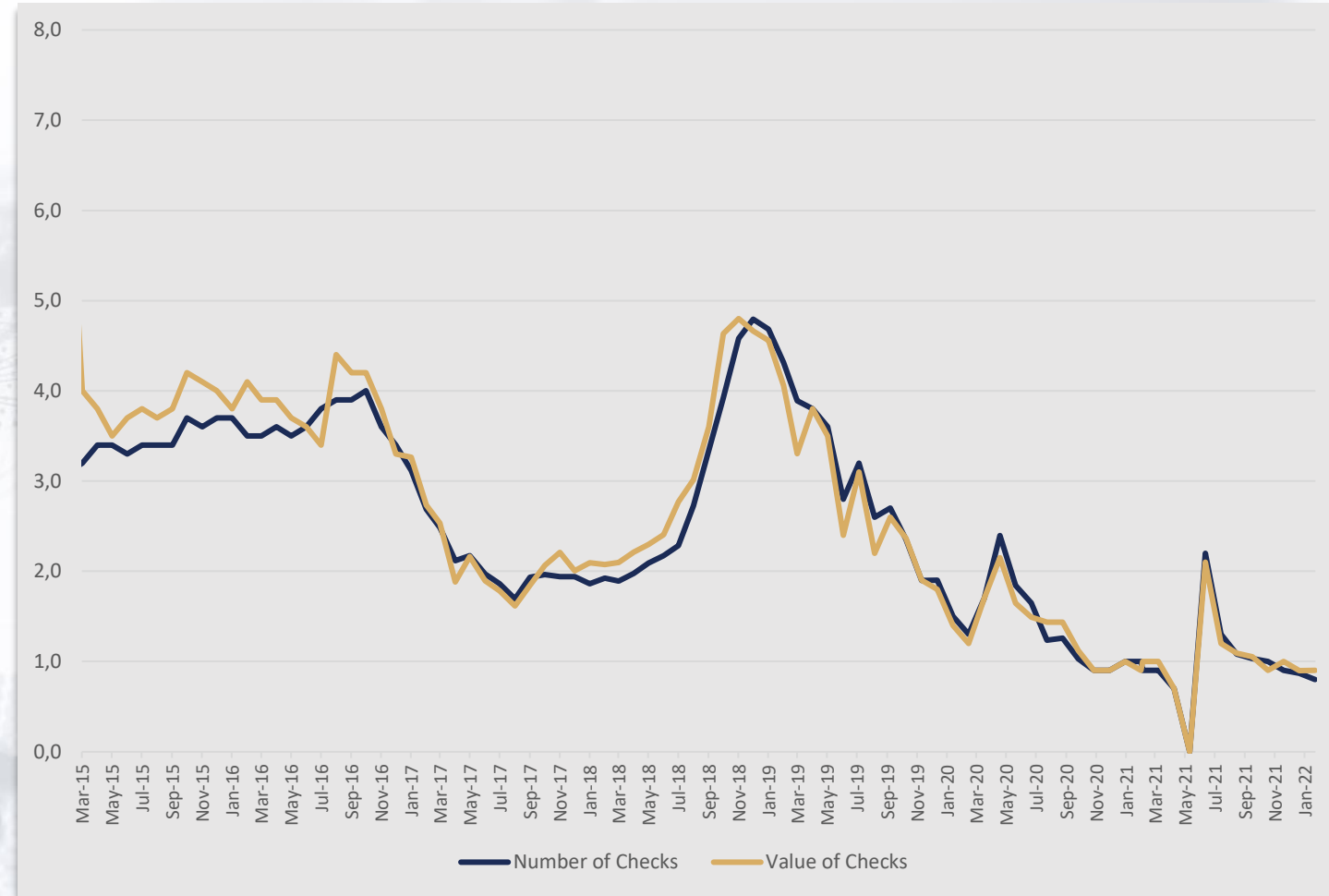


Source: Markit Economics



Bounced Back Checks (%)

In January 2021, the ratio of the number of bounced back checks in total submitted to banks was decreased, while the ratio of value of bounced back checks remains constant compared to the previous month.

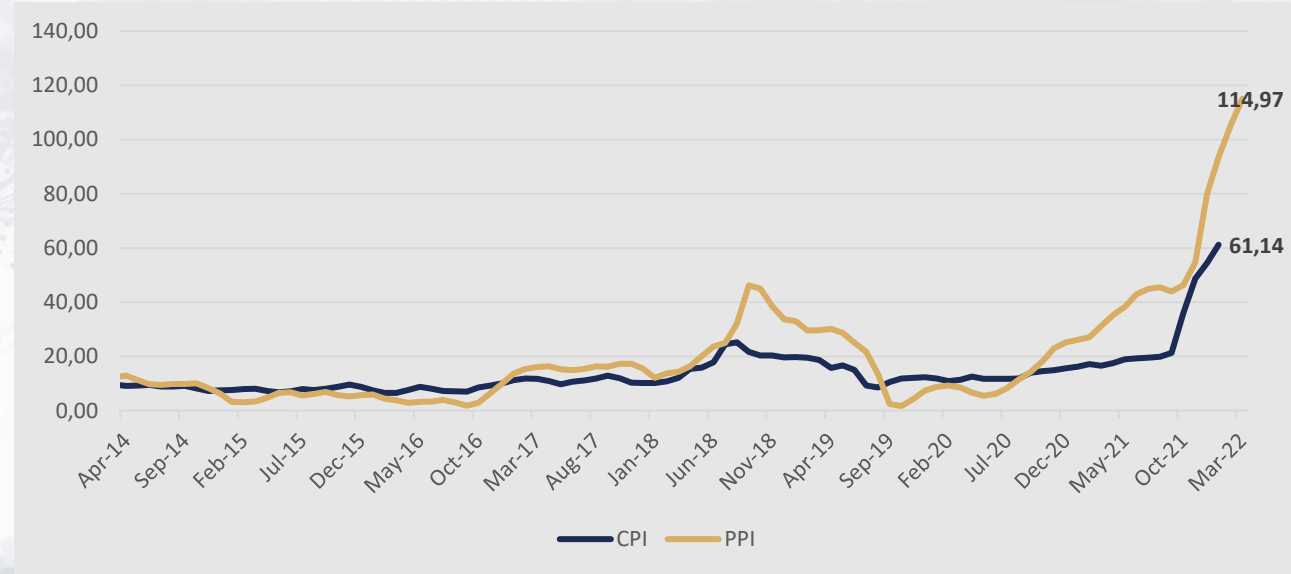


Source: The Banks Association of Turkey



- **CPI inflation rates realized as 61.14 and PPI inflation rates realized as 114.97 % in March 2022.**

Price Indices (%)*



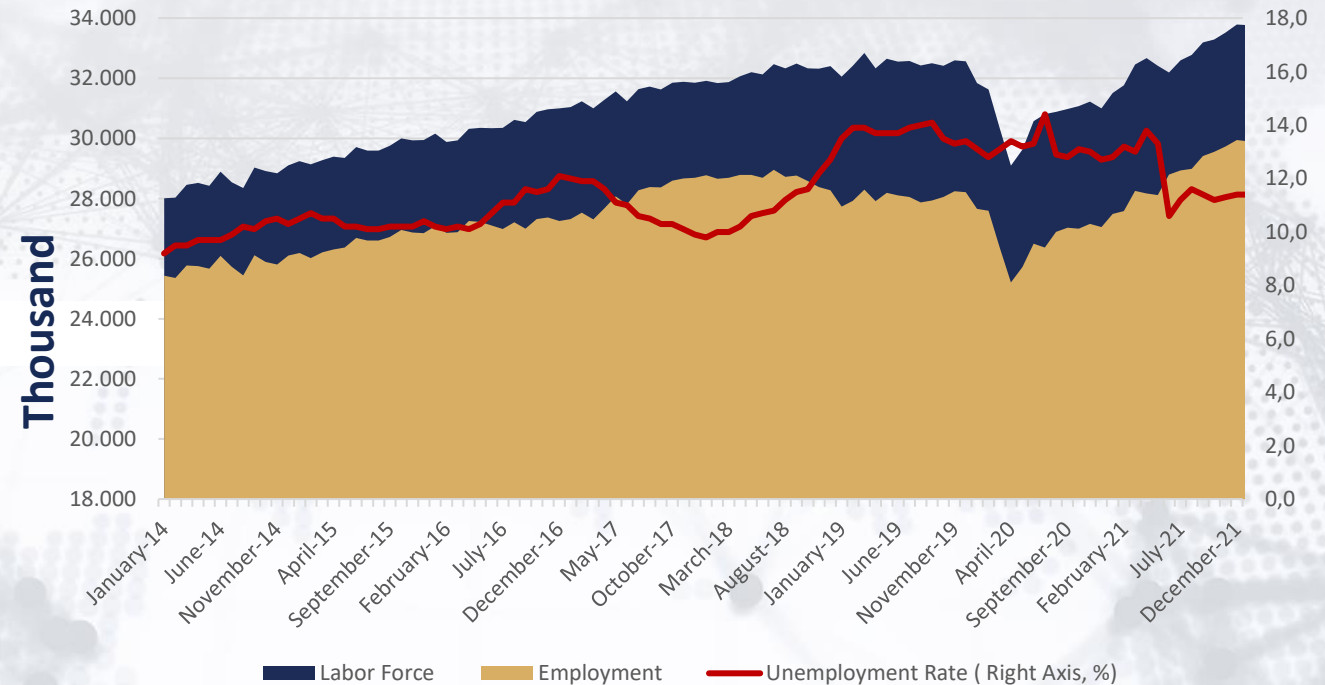
*Index (2003=100)

Source: TURKSTAT



Developments in Turkish Labor Market

- In January 2022, seasonally adjusted unemployment rate was 11.4%.

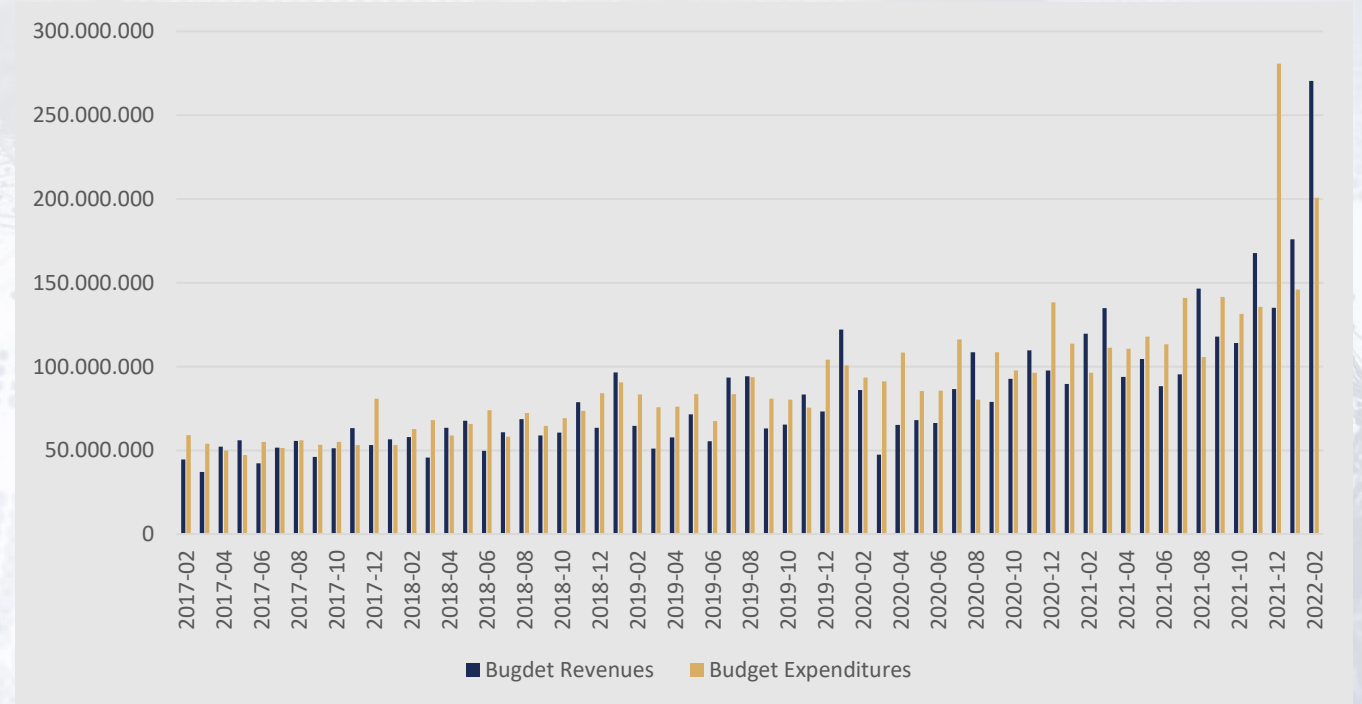


Source: TURKSTAT
*Seasonally Adjusted Series



- In February 2022, central government budget revenues was TL 200,8 billion. Central government budget expenditures was TL 270,6 billion, and the central government budget surplus was TL 69,7 billion.

Central Government Budget Realizations

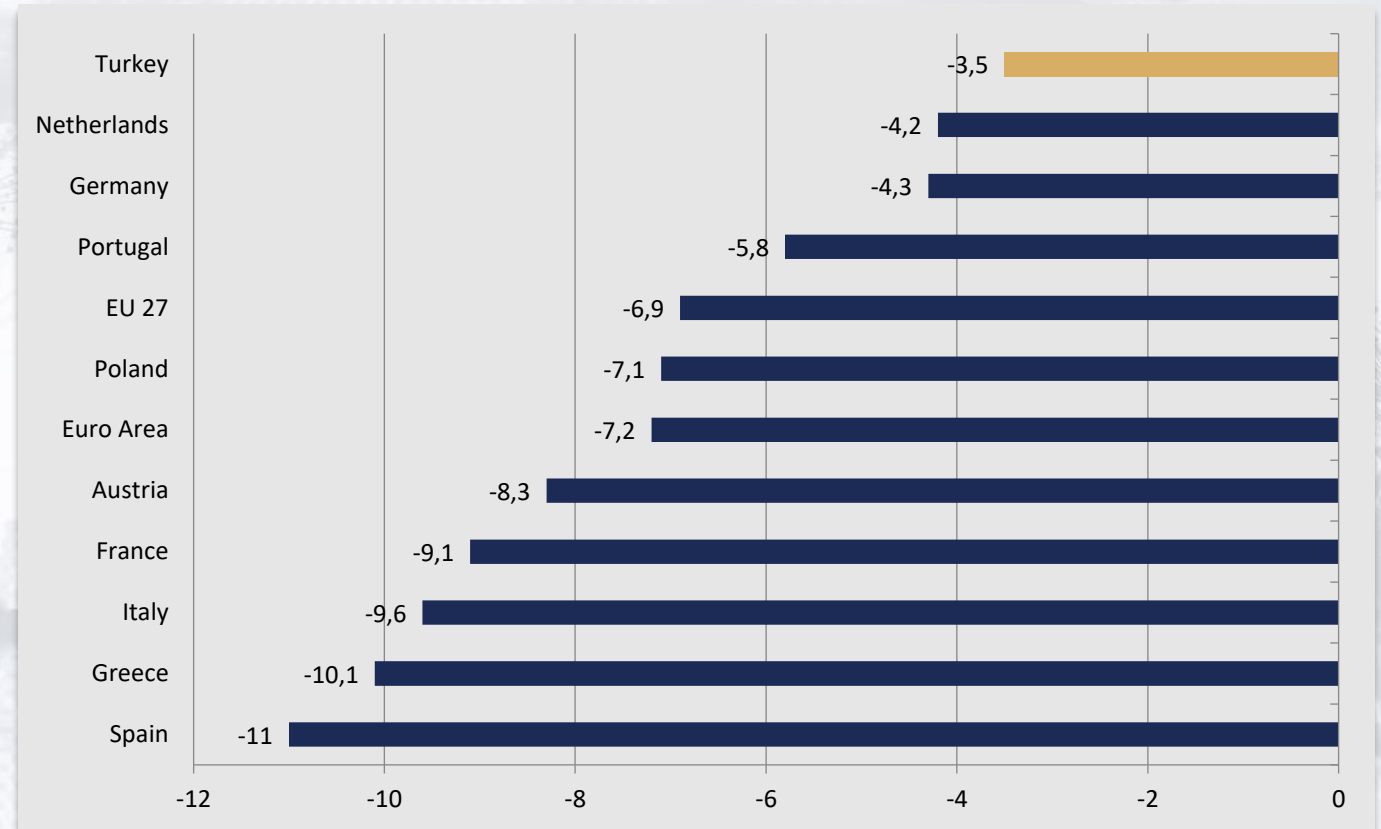


Source: Ministry of Treasury and Finance



- Central Government budget deficit/GDP ratio in Turkey was 3.5% in 2020 and 2.7% in 2021.

Central Government Budget Deficit/ GDP (%), 2020

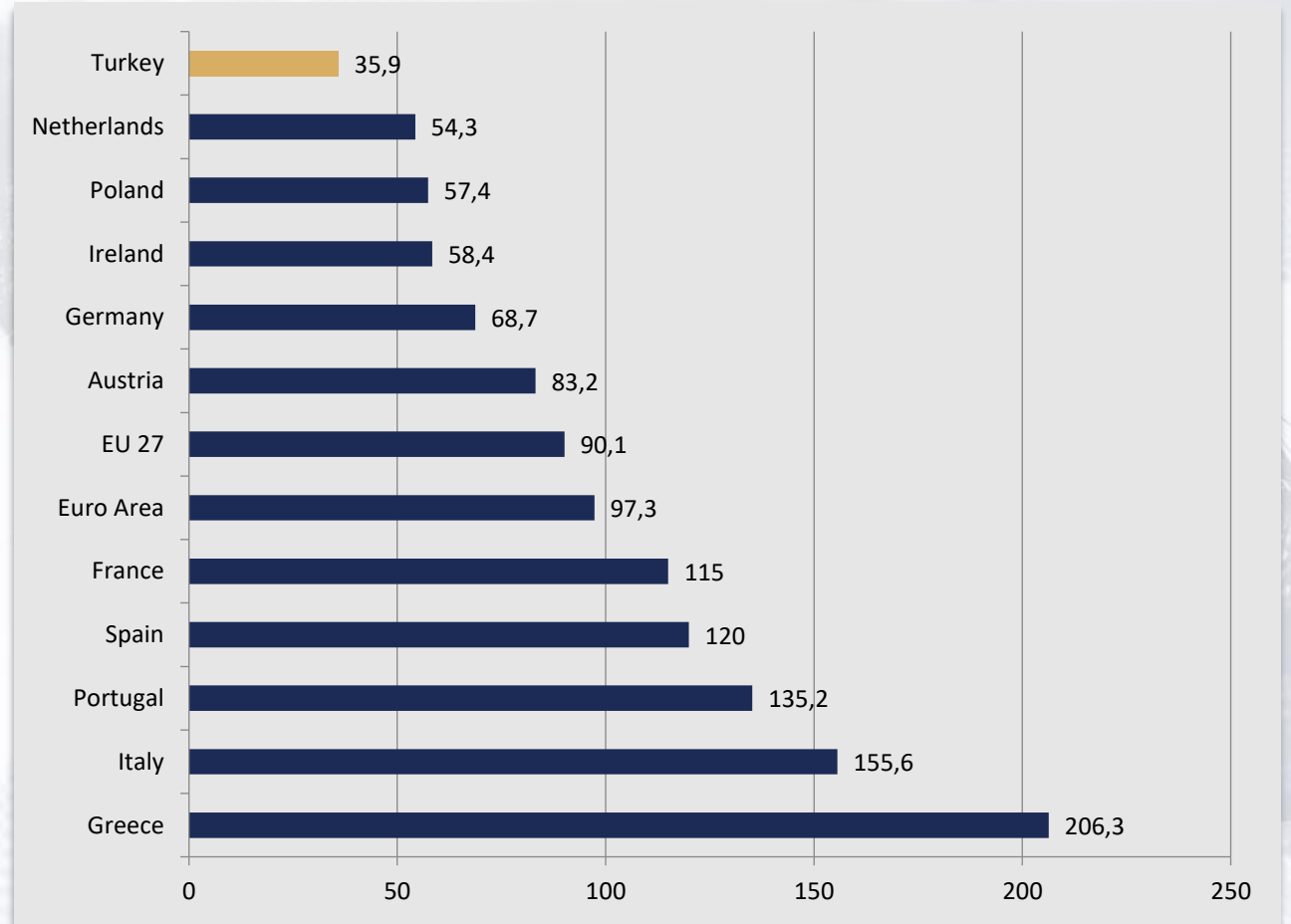


Source: Ministry of Treasury and Finance, Eurostat



- General Government Debt Stock/GDP ratio of Turkey, defined by European Union Standards, was 35.9% in 2020, and it was below the Maastricht Criterion (60%). General Government Debt Stock/GDP ratio of Turkey was %38.1 in 2021.

General Government Debt Stock / GDP (%), 2020



Source: Ministry of Treasury and Finance, Eurostat



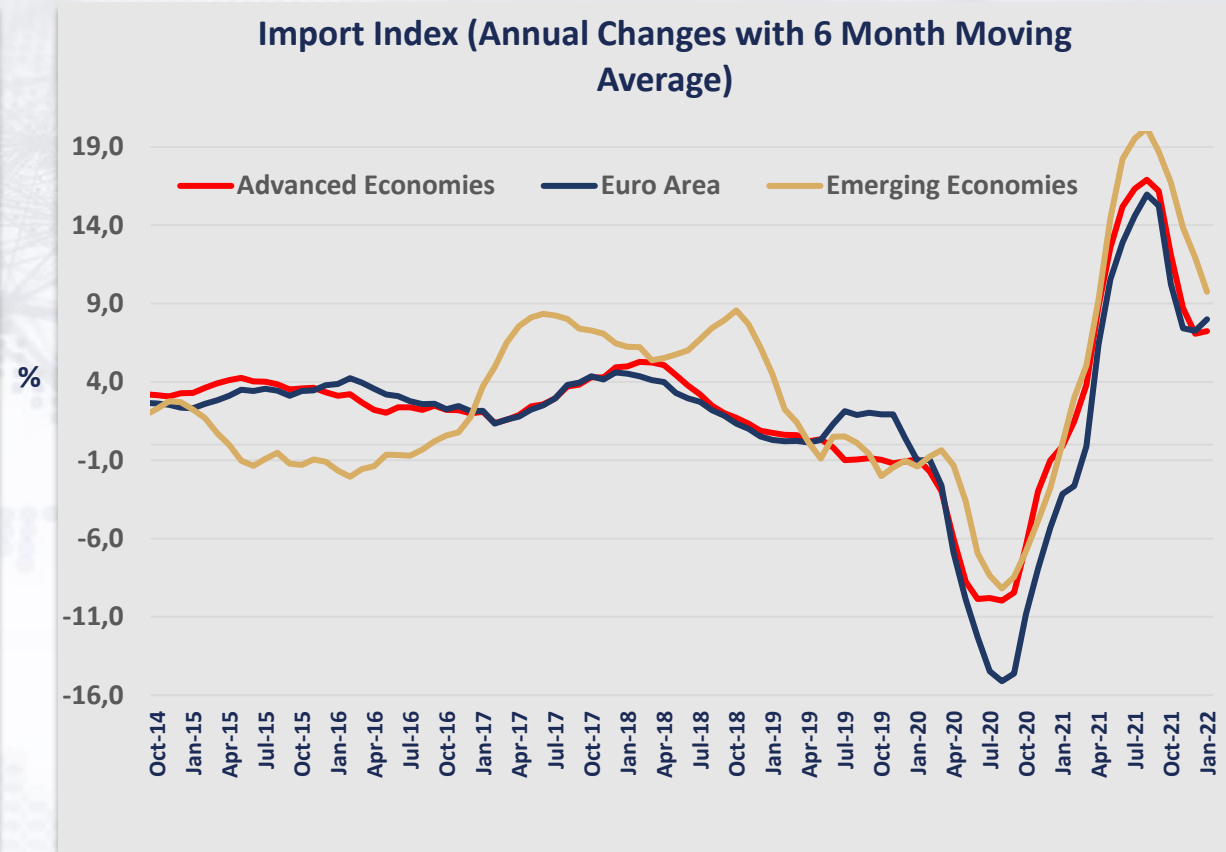
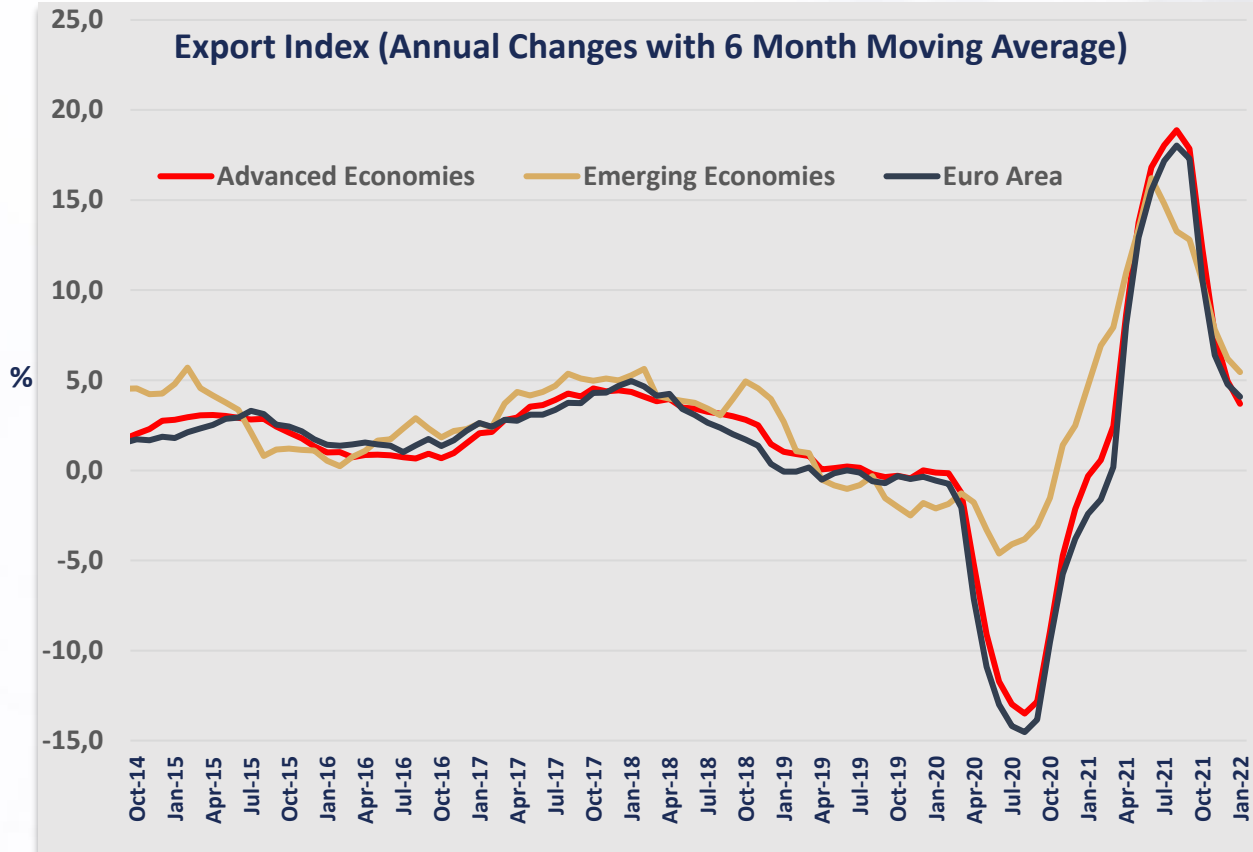
Balance of Payments

- In January 2022, the current account deficit increased by 300.5% compared to January of the previous year and was realized as 7,1 billion dollars.

Million Dollar	January		
	2021	2022	Change (%)
I- CURRENT ACCOUNT	-1.776	-7.112	300,5
A. BALANCE ON GOODS	-1.908	-8.333	336,7
B. BALANCE ON SERVICES	656	1.631	148,6
C. BALANCE ON PRIMARY INCOME	-550	-360	-34,5
D. BALANCE ON SECONDARY INCOME	26	-50	-292,3
II- CAPITAL ACCOUNT	-18	0	-100,0
III- FINANCIAL ACCOUNT	-685	-7.357	974,0
Direct Investment	-225	-516	129,3
Net Acquisition of Financial Assets	296	334	12,8
Net Incurrence of Liabilities	521	850	63,1
Equity Capital	181	482	166,3
Inflow	184	489	165,8
Outflow	3	7	133,3
Other Capital (Net)	66	21	-68,2
Real Estate (Net)	274	347	26,6
Portfolio Investment	-5.056	766	-115,2
Other Investment	1.026	-6.665	-749,6
Rezerve Assets	3.570	-942	-126,4
IV- NET ERRORS AND OMISSIONS	1.109	-245	-122,1



Developments in Global Trade Indices *



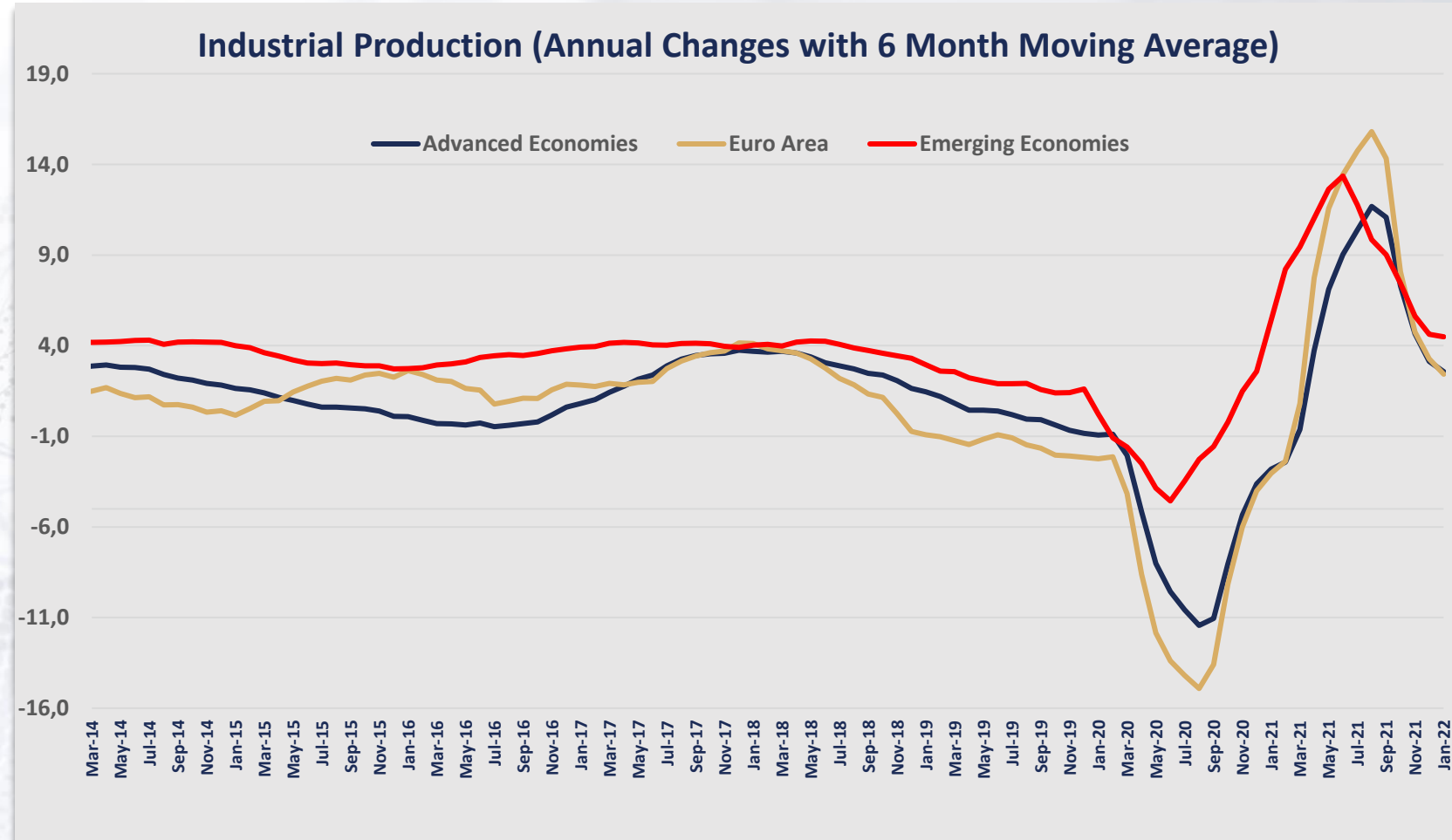
Source: Netherlands Bureau for Economic Policy Analysis (CPB)

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



Developments in Global Industrial Production Index *

➤ As of January 2022, the slowdown trend in the World industrial production indice continues.



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

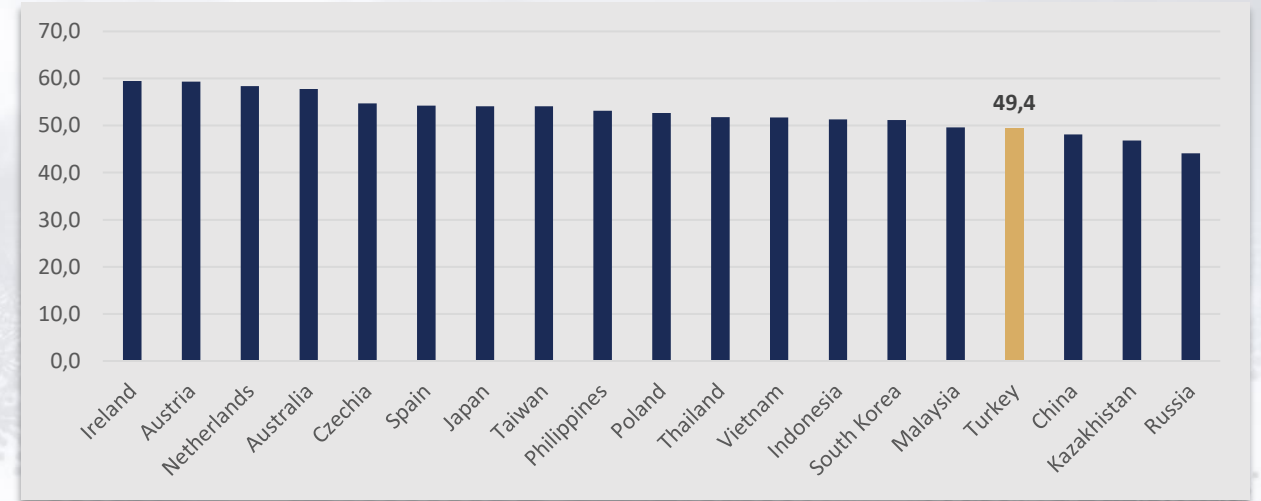


Developments in Global Economy..

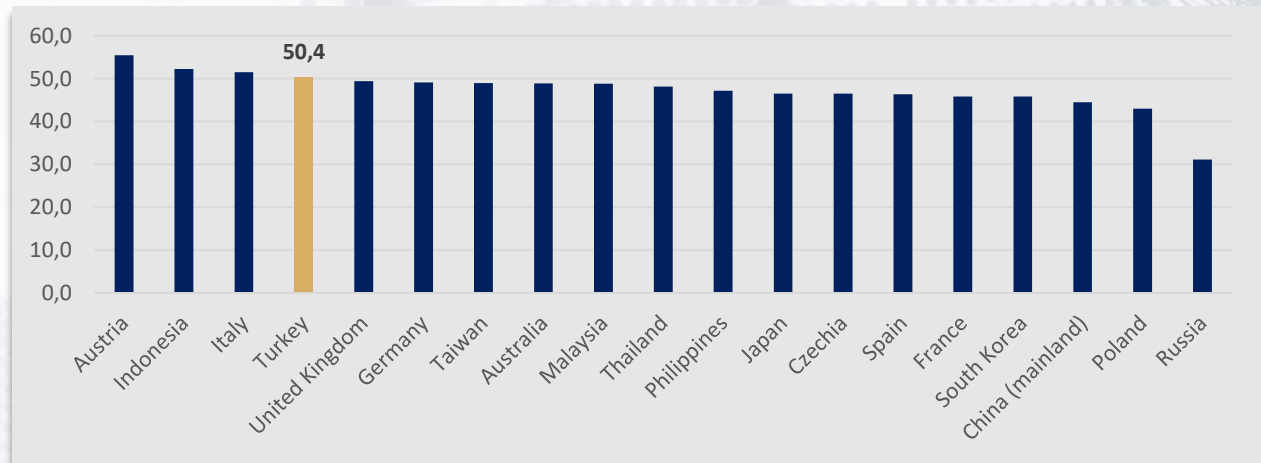
In March 2022, PMI Index in Turkey realized as 49.4.

In March 2022, New Export Orders Index in Turkey realized as 50.4.

PMI Index, March 2022



New Export Orders Index, March 2022



Source: IHS Markit
Seasonally Adjusted Series



REPUBLIC OF TURKEY
MINISTRY OF TRADE

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)



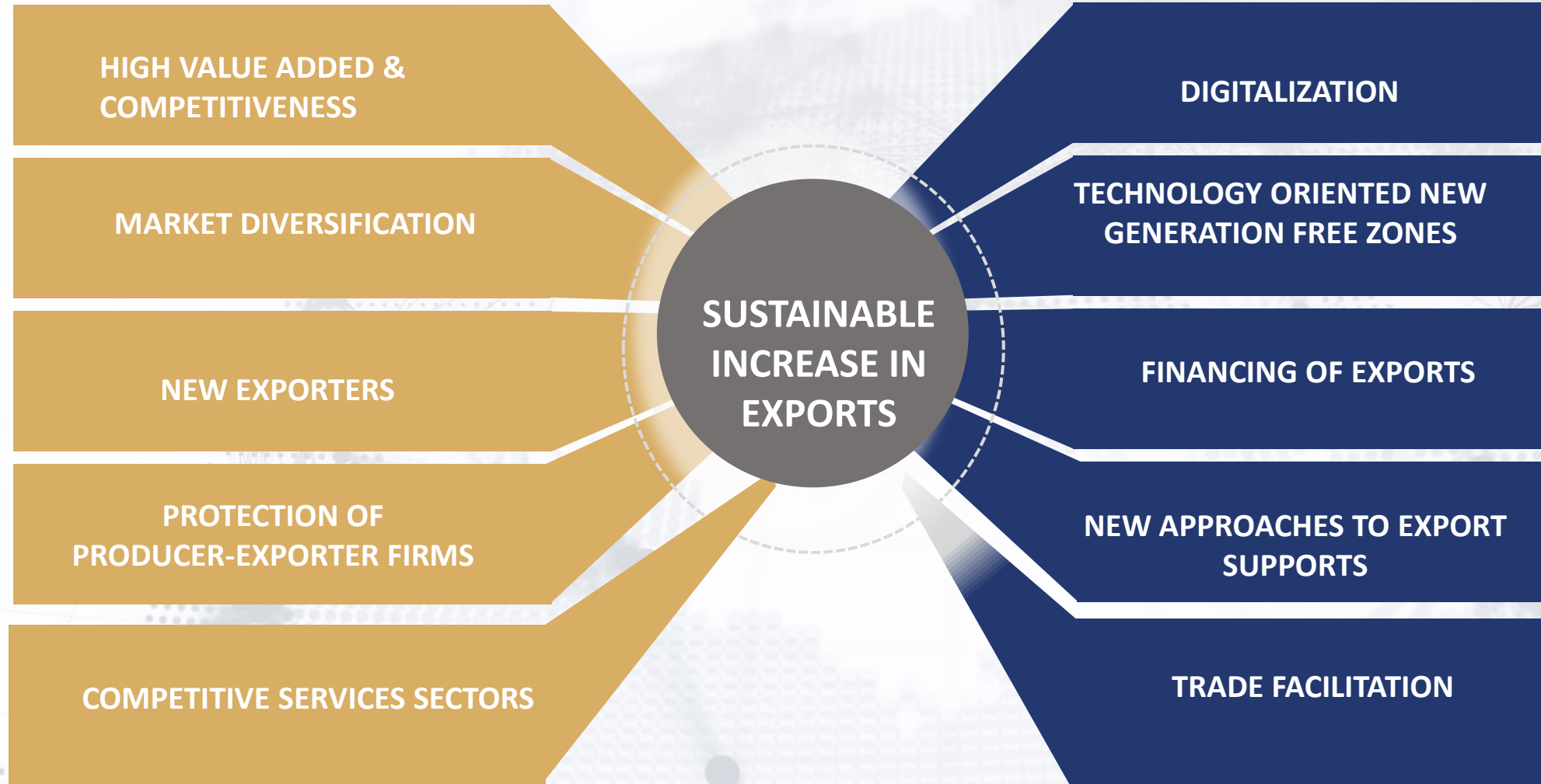
Merchandise Trade Targets (2022-2024 Medium Term Program)

	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 icaret.gov.tr



Targets of Export Master Plan





Policy Instruments Of the Export Master Plan

Digitalization & Trade Facilitation	Trade Diplomacy & New Exporters	Technology Oriented New Free Zones	Finance of Exports (EXIMBANK Products)
<ul style="list-style-type: none">➤ Digitalization in Customs➤ Friendly Digital Applications for Exporters➤ Trade Diplomacy Tools➤ Trade Policy Measures	<ul style="list-style-type: none">➤ Commercial Attaches Network➤ Turkish Women Entrepreneurs Network➤ Angel Investors Network➤ Foreign Trade Vocational Education	<ul style="list-style-type: none">➤ Finance Support➤ Energy Support➤ Rent Support➤ Employment Support	<ul style="list-style-type: none">➤ Long Term Financing➤ New Products for FX Volatility Risks➤ Special Programs for Women and Young Entrepreneurs➤ Seasonal Credit Support Program



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	5.9	5.2	5.6	4.7	4.5	9	8.1	1.6
	2022	4.4	3.9	4	0.3	2.8	9	4.8	3.3
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 (January 2022), OECD (December 2021), World Bank (January 2022)



Forecasts for Merchandise Trade Growth

WTO Forecasts for Merchandise Trade Volume (%)

	2021	2022
Volume of World Merchandise Trade	10,8	4,7
<i>Exports</i>		
North America	8,7	6,9
South and Central America	7,2	2,0
Europe	9,7	5,6
Asia	14,4	2,3
<i>Imports</i>		
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	9,3	6,0
-Advanced Economies	8,3	6,2
-Emerging Economies	11,1	5,7

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



REPUBLIC OF TURKEY
MINISTRY OF TRADE

C-DEVELOPMENTS IN EXTERNAL TRADE



REPUBLIC OF TURKEY
MINISTRY OF TRADE

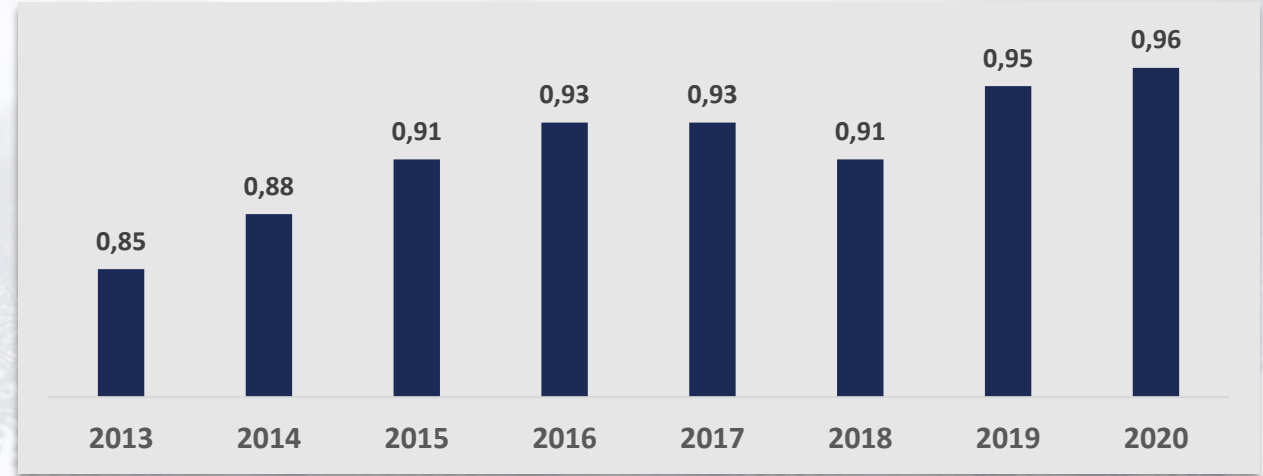
1) MERCHANDISE TRADE



➤ Turkey's share in global merchandise exports was %0.96 in 2020.

➤ Turkey's share in global merchandise imports was %1.23 in 2020.

Turkey's Share in Global Merchandise Exports (%)



Turkey's Share in Global Merchandise Imports (%)

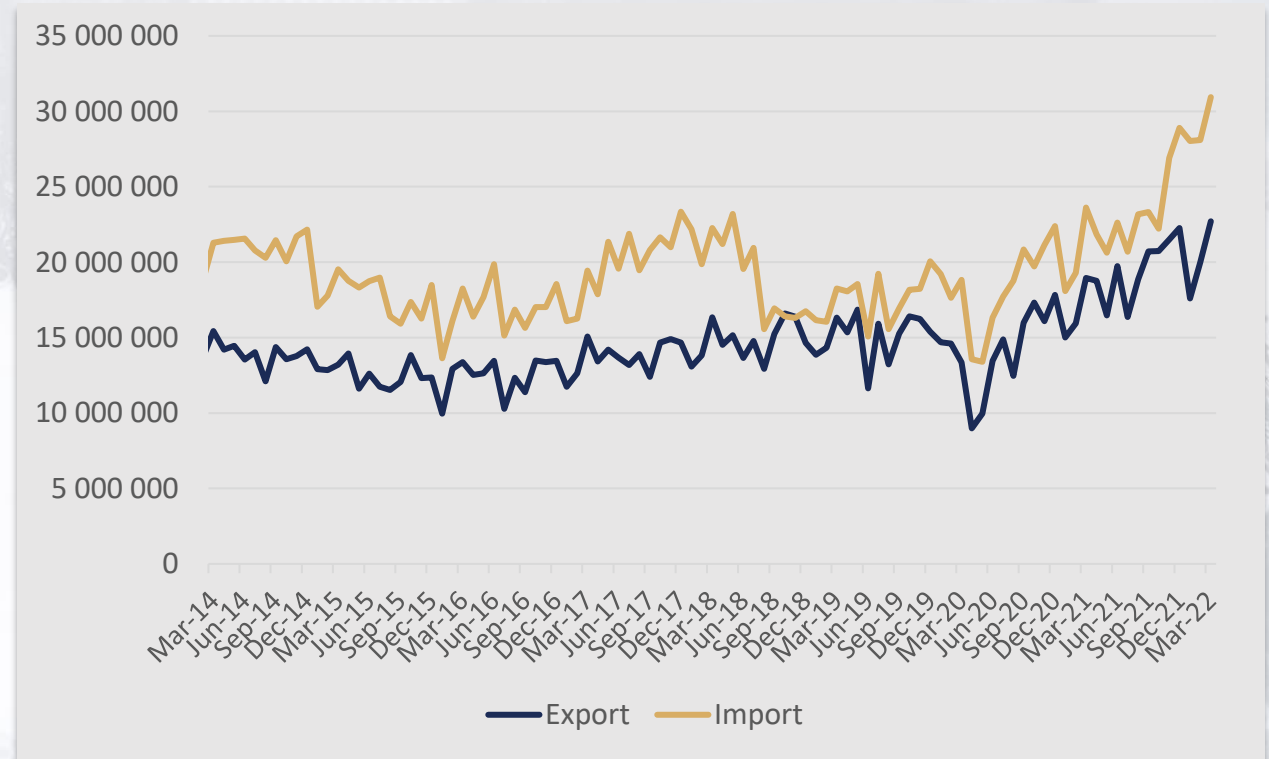


Source: WTO



➤ In March 2022, compared to the same month of the previous year, exports increased by 19.8% and realized as 22.7 billion dollars, and imports increased by 31.0% to the level of 30.9 billion dollars. External trade deficit increased by 76.7% and realized as 8.2 billion dollars.

Monthly Exports and Imports (Thousand \$)



Source: TURKSTAT, Ministry of Trade
Note: Unadjusted Series



➤ In February 2022, compared to the same month of 2021, exports increased by 25.4% and realized as 20 billion dollars. Imports increased by 44.5% in the same period and realized as 27.9 billion dollars.

	2020	2021	Change (%) 2020/2021	2021-February	2022- February	Change (%) 2021/2022
Export	169.637.755	225.264.314	32,8	15.952.577	20.004.019	25,4
Energy Export*	4.715.214	8.516.413	80,6	551.645	787.217	42,7
Gold Export	2.779.978	3.482.598	25,3	154.926	86.641	-44,1
Import	219.516.807	271.422.758	23,6	19.299.649	27.884.977	44,5
Energy Import*	28.925.037	50.691.655	75,3	2.754.573	7.763.705	181,8
Gold Import	25.183.792	5.498.632	-78,2	1.023.011	431.936	-57,8
Foreign Trade Volume	389.154.562	496.687.072	27,6	35.252.227	47.888.996	35,8
Foreign Trade Balance	-49.879.052	-46.158.443	-7,5	-3.347.072	-7.880.958	135,5
Balance excl. Energy	-25.669.229	-3.983.202	-84,5	-1.144.145	-904.470	-20,9
Export/Import (%)	77	83	7,4	83	72	-13,2

Source: Ministry of Trade

* Energy corresponds to Chapter 27.



➤ In January 2022, compared to the same period of the previous year, export volume index increased by 10.0% and the import volume index increased by 8.1%.

Foreign Trade Indices (2010=100)

	2019		2020		2022 January	
	Index	Change %	Index	Change %	Index	Change %
Export Unit Value Index	95,6	-4,2	94,8	-0,8	105,9	6,5
Export Volume Index	125,3	6,5	118,4	-5,5	131,9	10,0
Import Unit Value Index	101,2	-4,3	96,3	-4,9	145,5	42,7
Import Volume Index	97,3	-5,0	106,7	9,6	107,5	8,1
Terms of Trade	94,5	0,1	98,5	4,2	72,8	-25,4

Source: TURKSTAT

*Periodical data are obtained by taking average.



	March			January-March		
	2021	2022	Change (%)	2021	2022	Change (%)
Export (Million \$)	18.957	22.708	19,8	49.913	60.288	20,8
Import (Million \$)	23.622	30.948	31,0	60.987	86.681	42,1
Foreign Trade Volume (Million \$)	42.579	53.656	26,0	110.900	146.969	32,5
Foreign Trade Balance (Million \$)	-4.665	-8.240	76,7	-11.073	-26.393	138,4
Export/Import (%)	80,3	73,4		81,8	69,6	

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

Export (Million \$)	March			January-March		
	2021	2022	Change (%)	2021	2022	Change (%)
Investment Goods	2.282	2.615	14,6	5.665	6.593	16,4
Intermediate Goods	9.246	12.233	32,3	24.493	31.632	29,1
Consumption Goods	7.311	7.761	6,2	19.492	21.676	11,2
Others	118	98	-17,1	264	387	46,6
TOTAL	18.957	22.708	19,8	49.913	60.288	20,8

Source: Ministry of Trade

IMPORT

Export (Million \$)	March			January-March		
	2021	2022	Change (%)	2021	2022	Change (%)
Investment Goods	3.470	3.252	-6,3	8.637	8.735	1,1
Intermediate Goods	17.677	25.329	43,3	45.948	71.786	56,2
Consumption Goods	2.441	2.355	-3,5	6.305	6.124	-2,9
Others	35	13	-62,0	97	37	-62,2
TOTAL	23.622	30.948	31,0	60.987	86.681	42,1

Source: Ministry of Trade



Main Export Items

CODE	EXPORT Million Dollar	March			January-March		
		2021	2022	% Change	2021	2022	% Change
87	Vehicles other than railway or tramway rolling-stock, parts thereof	2.490,0	2.256,0	-9,4	6.564,0	6.345,0	-3,3
84	Boilers, machineries and mechanical appliances, parts thereof	1.819,3	1.998,9	9,9	4.947,7	5.342,9	8,0
72	Iron and steel	1.145,4	1.694,7	48,0	2.760,1	4.156,4	50,6
27	Mineral fuels, minerals oils and product of their distillation	560,7	1.323,3	136,0	1.617,7	2.868,3	77,3
85	Electrical machinery and equipment, parts thereof	1.040,1	1.164,1	11,9	2.714,2	3.081,9	13,5
39	Plastic and articles thereof	812,0	1.051,5	29,5	2.091,5	2.804,6	34,1
61	Knitted and crocheted goods and articles thereof	829,7	992,6	19,6	2.330,1	2.731,3	17,2
73	Articles of iron and steel	717,8	976,7	36,1	1.808,9	2.550,5	41,0
62	Non knitted and crocheted goods and articles thereof	651,2	846,0	29,9	1.830,9	2.181,8	19,2
71	Precious stones, precious metals, pearls and articles thereof	1.021,3	753,9	-26,2	2.565,3	2.305,4	-10,1

Source: Ministry of Trade



Main Import Items

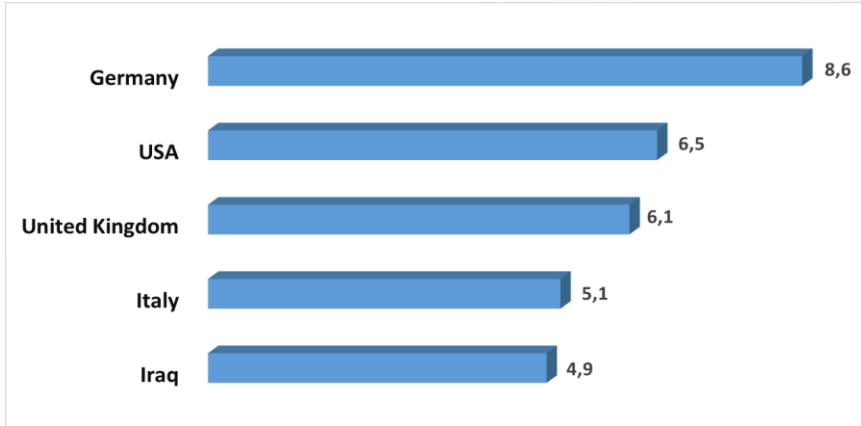
CODE	IMPORT Million Dollar	March			January-March		
		2021	2022	% Change	2021	2022	% Change
27	Mineral fuels, minerals oils and product of their distillation	3.303	8.440	155,6	8.682	25.027	188,3
84	Boilers, machineries and mechanical appliances, parts thereof	3.001	2.875	-4,2	7.338	7.710	5,1
72	Iron and steel	2.244	2.586	15,2	5.733	7.940	38,5
39	Plastic and articles thereof	1.619	1.933	19,4	3.938	5.341	35,6
85	Electrical machinery and equipment, parts thereof	1.922	1.832	-4,7	5.101	4.814	-5,6
87	Vehicles other than railway or tramway rolling-stock, parts thereof	1.683	1.358	-19,3	4.250	3.534	-16,8
71	Precious stones, precious metals, pearls and articles thereof	875	1.334	52,5	3.483	2.680	-23,1
29	Organic chemicals	796	1.133	42,3	1.966	3.098	57,5
76	Aluminium and articles thereof	465	777	67,3	1.061	2.274	114,3
74	Copper and articles thereof	447	503	12,6	1.145	1.233	7,7

Source: Ministry of Trade

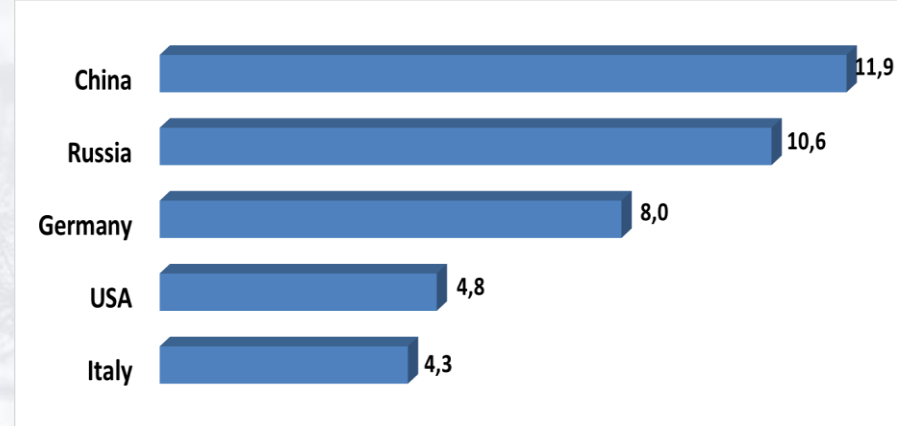


Main Trade Partners

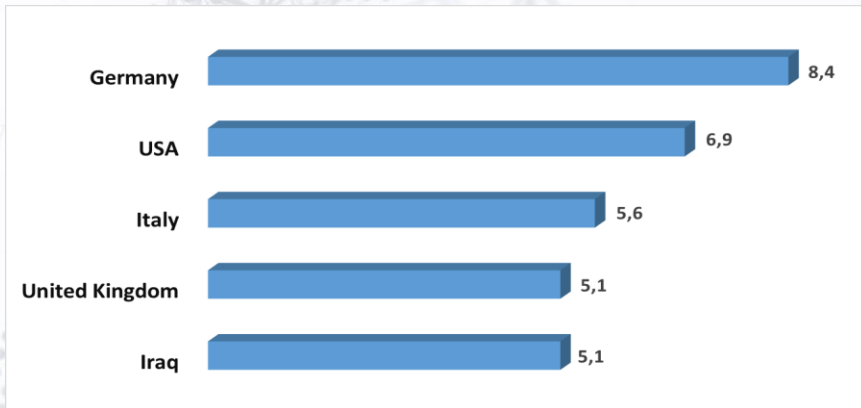
Leading Export Partners in 2021 (Share in Total Exports)



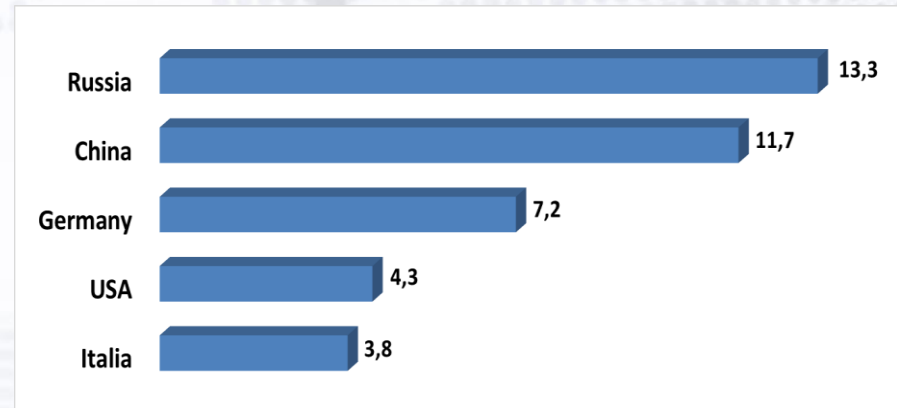
Leading Import Partners in 2021 (Share in Total Imports)



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



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





Exports by Regions

Million Dollar			March				January-March			
			2021	2022	Share %	Change	2021	2022	Share %	Change
		Country Groups								
1	Europe	European Union (EU-27)	7.856	9.975	43,9	27,0	21.158	25.701	42,6	21,5
		Other European Countries	2.513	2.434	10,7	-3,2	6.429	7.292	12,1	13,4
2	Africa	Other African Countries	608	823	3,6	35,3	1.621	2.279	3,8	40,6
		North African Countries	1.194	1.504	6,6	25,9	3.051	4.035	6,7	32,2
3	America	South American Countries	341	309	1,4	-9,4	792	757	1,3	-4,5
		North American Countries	1.330	1.785	7,9	34,3	3.327	4.586	7,6	37,8
		Central America and Caraips	172	187	0,8	8,6	438	614	1,0	40,2
4	Asia	Other Asian Countries	1.375	1.587	7,0	15,4	3.778	4.182	6,9	10,7
		Near and Middle Eastern	3.458	3.975	17,5	14,9	8.991	10.482	17,4	16,6
5	Australia & New Zeland	Australia and New Zealand	93	107	0,5	15,4	261	271	0,4	3,8
6	Others	Other Countries	18	23	0,1	28,5	67	91	0,2	36,6
Total			18.957	22.708	100,0	19,8	49.913	60.288	100,0	20,8

Source: TURKSTAT



Imports by Regions

Million Dollar			March				January-March			
			2021	2022	Share %	Change (%)	2021	2022	Share %	Change (%)
		Country Groups								
1	Europe	European Union (EU-27)	8.262	8.270	26,7	0,1	20.866	22.125	25,5	6,0
		Other European Countries	4.338	5.377	17,4	23,9	10.467	16.860	19,5	61,1
2	Africa	Other African Countries	248	491	1,6	98,2	787	1.043	1,2	32,6
		North African Countries	429	553	1,8	29,0	1.103	1.406	1,6	27,4
3	America	South American Countries	514	919	3,0	78,7	1.313	2.299	2,7	75,1
		North American Countries	1.149	1.370	4,4	19,2	2.859	3.992	4,6	39,6
		Central America and Caraips	104	86	0,3	-17,7	267	252	0,3	-5,7
4	Asia	Other Asian Countries	5.663	7.472	24,1	31,9	14.626	20.592	23,8	40,8
		Near and Middle Eastern	1.182	2.389	7,7	102,1	4.279	5.510	6,4	28,8
5	Australia & New Zealand	Australia and New Zealand	80	219	0,7	174,1	235	515	0,6	119,2
6	Others	Other Countries	1.652	3.802	12,3	130,2	4.185	12.088	13,9	188,9
Total			23.622	30.948	100,0	31,0	60.987	86.681	100,0	42,1

Source: TURKSTAT



2) SERVICES



Targets in Services

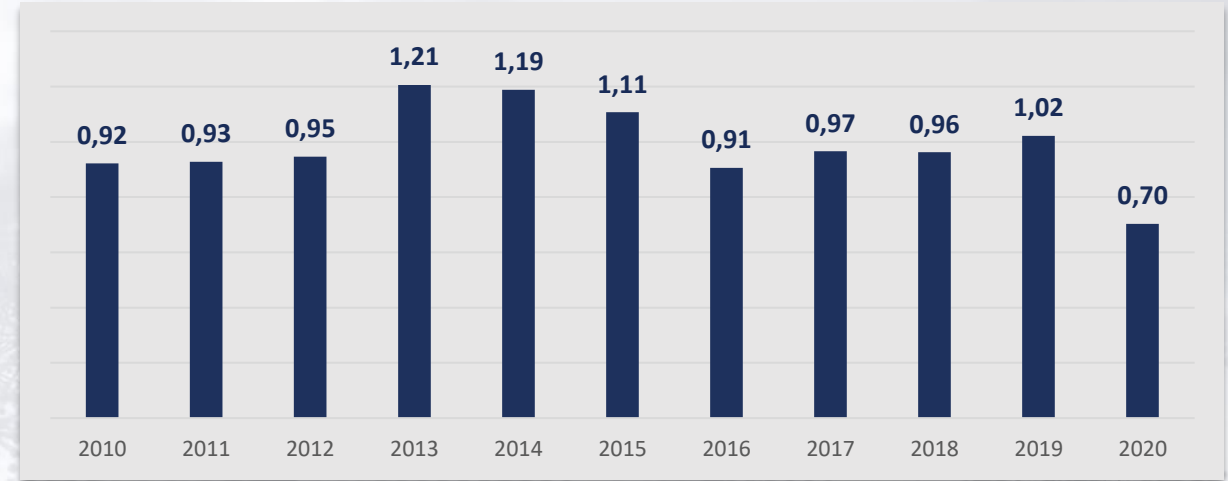
In the scope of 2023 Strategy for Commercial Services;

- To increase the share from the World's commercial trade
- To reach 150 billion USD of services exports



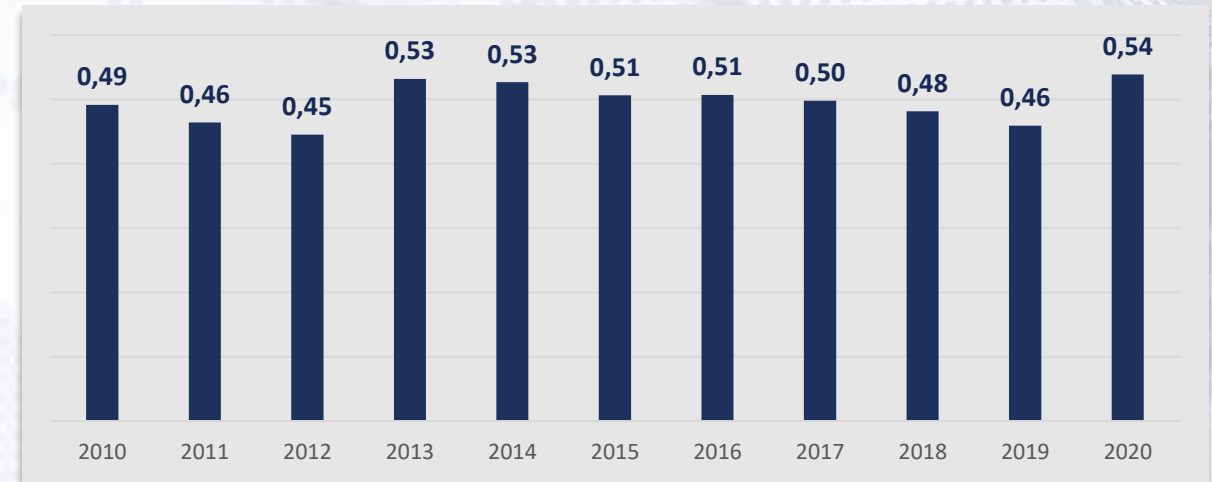
➤ Turkey's share in global exports of services realized as 0.7 % in 2020.

Turkey's Share in Global Services Exports (%)



➤ Turkey's share in global imports of services realized as 0.54% in 2020.

Turkey's Share in Global Services Imports (%)





Balance of Payments- Services Items

CREDIT	Million Dolar	January		
		2021	2022	Change(%)
Services		2.792	4.760	70,5
Transport		1.311	2.061	57,2
Travel		662	1.692	155,6
Construction		19	38	100,0
Insurance and pension services		274	307	12,0
Financial Services		63	75	19,0
Charges for the use of intellectual property		13	20	53,8
Telecommunications, computer, information serv.		153	192	25,5
Other business services		169	195	15,4
Personal, cultural, and recreational services		21	49	133,3
Government goods and services		18	22	22,2
DEBIT	Million Dolar	January		
		2021	2022	Change(%)
Services		2.136	3.129	46,5
Transport		765	1.439	88,1
Travel		59	198	235,6
Construction		2	3	50,0
Insurance and pension services		375	301	-19,7
Financial Services		74	127	71,6
Charges for the use of intellectual property		174	230	32,2
Telecommunications, computer, information serv.		209	197	-5,7
Other business services		350	466	33,1
Personal, cultural, and recreational services		25	31	24,0
Government goods and services		60	70	16,7



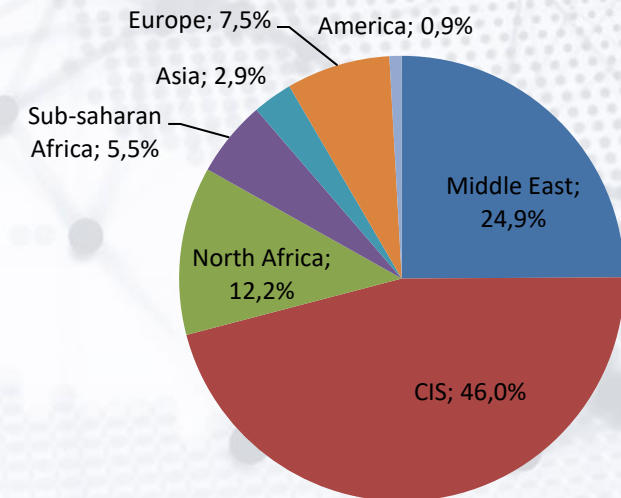
Contracting Services Abroad

Years	Projects	Countries	Project Volume (Million \$)	Cum. Project Volume (Million \$)	Avr. Project Volume (Million \$)
1971-2002	2426	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	617	45	25.826.885.662	125.933.320.339	41.858.810
2008	667	39	24.685.207.075	150.618.527.415	37.009.306
2009	508	45	20.210.153.992	170.828.681.407	39.783.768
2010	634	50	23.922.947.628	194.751.629.034	37.733.356
2011	561	51	24.432.626.988	219.184.256.022	43.551.920
2012	549	49	31.649.824.190	250.834.080.212	57.649.953
2013	438	50	31.246.854.830	282.080.935.042	71.339.851
2014	360	54	26.650.861.975	308.731.797.017	74.030.172
2015	287	57	23.830.656.516	332.562.453.533	83.033.646
2016	222	56	15.095.810.897	347.658.264.430	67.999.148
2017	333	52	17.658.769.990	365.317.034.420	53.029.339
2018	377	53	22.718.599.311	388.035.633.732	60.261.537
2019	535	45	19.366.115.065	407.401.748.796	36.198.346
2020	358	36	15.860.756.903	423.262.505.699	44.303.790
2021	420	71	30.687.193.973	453.949.699.672	73.064.748
2022*	74	15	3.075.178.266	457.024.877.939	41.556.463

*March

- *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 (%) (March 2022)





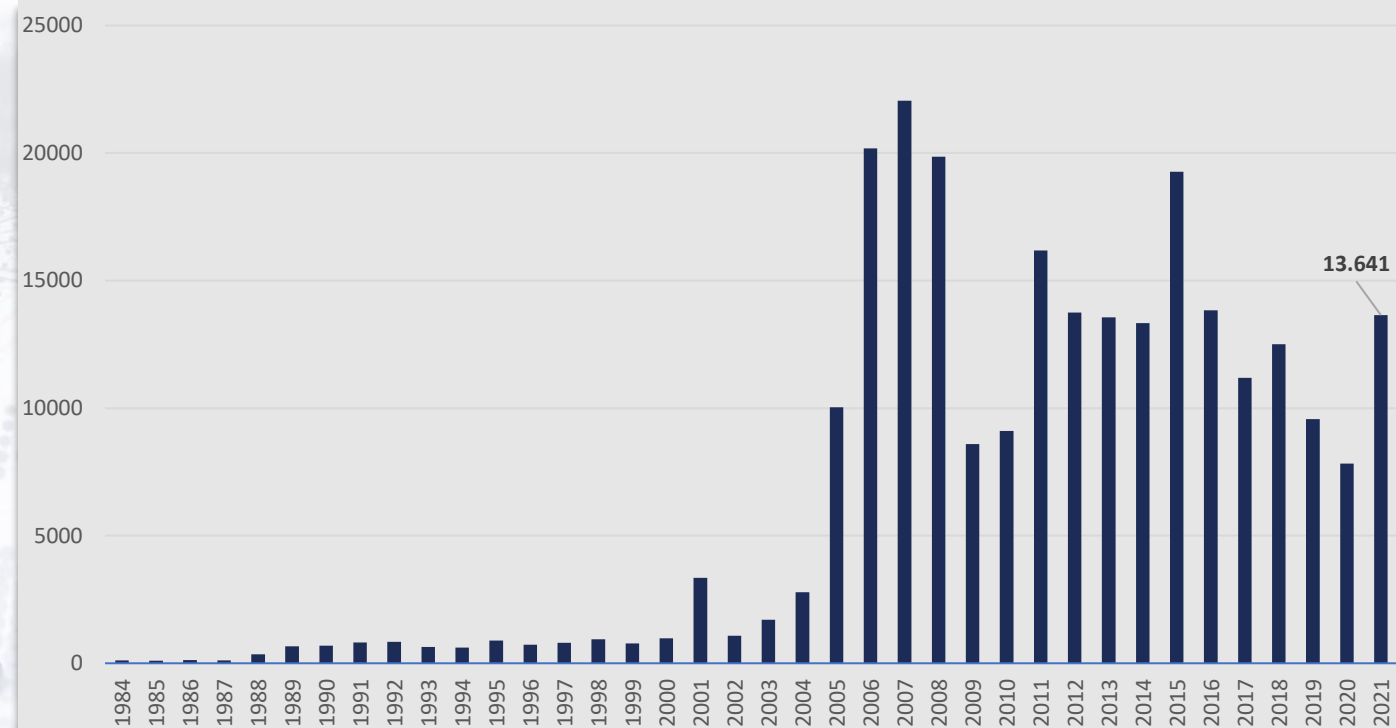
REPUBLIC OF TURKEY
MINISTRY OF TRADE

D- INVESTMENTS



- FDI stock reached 239 billion USD over 2003-2021 period. It was 14.6 billion USD over 1984-2002 period.
- In January 2021, FDI inflows realized as 521 million dollars. In January 2022, FDI inflows realized as 850 million dollars.

Foreign Direct Investment (Million \$)

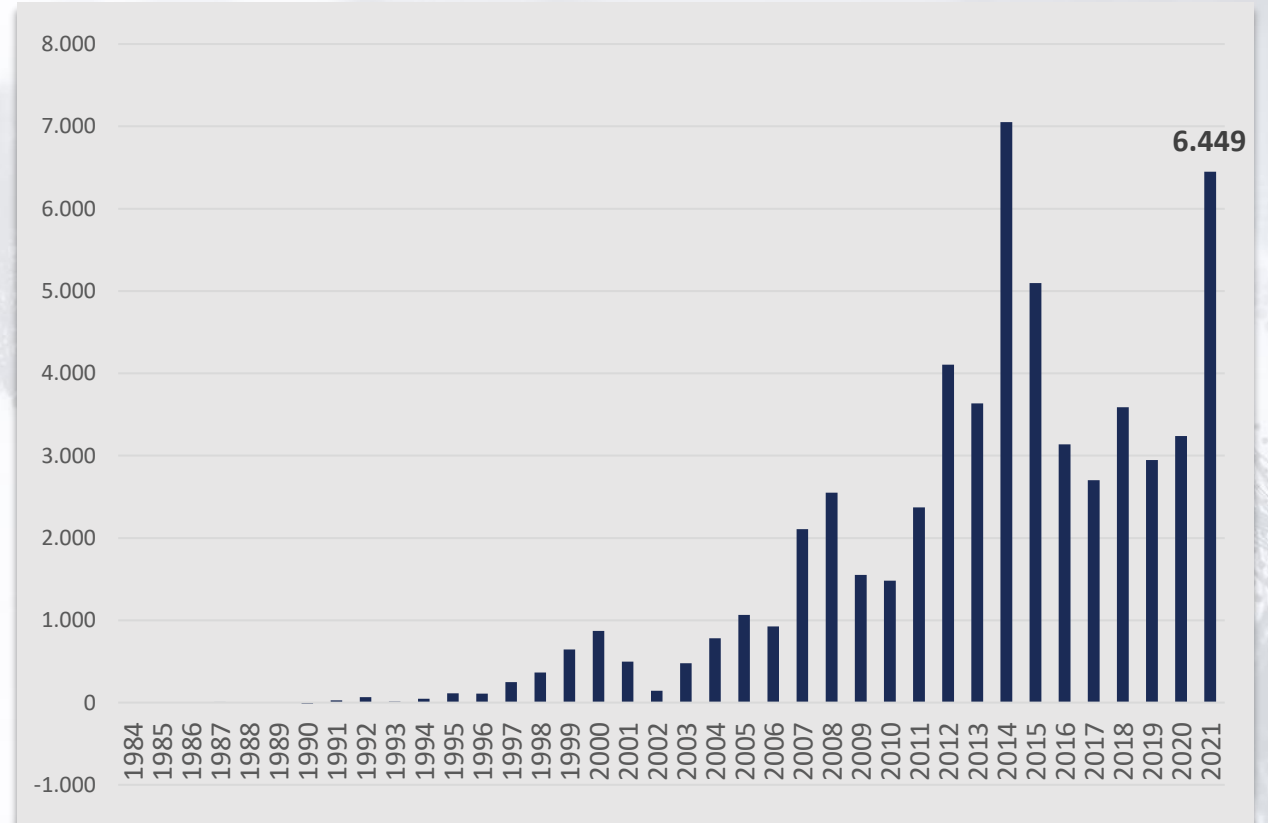


Source: CBRT



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 January 2022, foreign direct investment increased by 12.8% compared to the same month of the previous year, and realized as 334 million dollars.



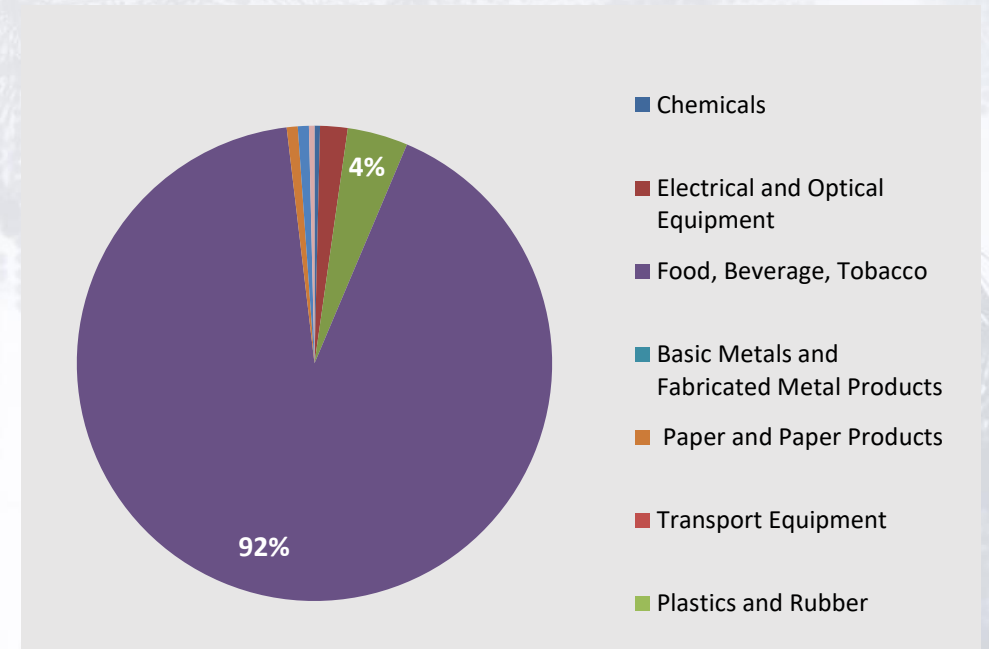
Source: CBRT



The Sectoral Breakdown of Foreign Investments

(Million \$)	Annual		January	
	2020	2021	2021	2022
AGRICULTURE	21	144	1	0
INDUSTRIAL SECTORS	1.358	1.981	69	276
Mining and Quarrying	133	51	8	2
Manufacturing	1.172	1.799	25	267
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	114	213
TOTAL	5.791	7.592	184	489

Breakdown of Investment in Manufacturing Industry (%)
January 2022



Source: CBRT



Breakdown of Foreign Investments by Country

Rank*	Countries	2021 FDI (Million Dolar)	2022 FDI January (Million Dolar)
1	Switzerland	540	300
2	Holland	1014	76
3	United States of America	1.180	41
4	Britain	1436	21
5	Germany	466	11
6	Chinese	89	10
7	Kuwait	61	5
8	United Arab Emirates	495	4
9	France	134	3
10	Italy	39	3
11	Japan	259	3
12	Spain	67	2
13	South Korea	345	2
14	Austria	103	1
15	Belgium	83	1
16	Ireland	222	1
17	Liechtenstein	9	1
18	Ukraine	1	1
19	Saudi Arabia	12	1
20	Hong Kong	71	1
LIST TOTAL		6.626	488
TOTAL		7.591	489

Source: CBRT

*Sorted by FDI in January 2022 www.ticaret.gov.tr



REPUBLIC OF TURKEY
MINISTRY OF TRADE

E - FREE ZONES IN TURKEY



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



➤ Employment in the 18 Free Zones of Turkey is 84,265 in January 2022.



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, Istanbul Specialized Free Zone was declared on 20/02/2020.
- With the President's Decree No. 2635, R&D-intensive; employment and rent supports 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 Dollar	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, Foreign Investments and Services, Ministry of Trade

➤ In January 2022 total trade volume of the Free Zones was 2 billion US dollars.



Concentration in Free Zones by Industries

Istanbul Ataturk Airport 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 FZ	R&D Activities
Adana-Yumurtalik FZ	Ship Repair and Maintenance



REPUBLIC OF TURKEY
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



Free Trade Agreements (FTA)

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



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.



Locations of Trade Representatives



165 Representatives from The Ministry are serving in **113** countries, **206** locations (**3** Permanent Representation) abroad.