



REPUBLIC OF TÜRKİYE
MINISTRY OF TRADE

ECONOMIC OUTLOOK

January 2023

Last Updated: 09 February 2023

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



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REPUBLIC OF TÜRKİYE
MINISTRY OF TRADE

B-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	0.9	1.9	11.4
GDP, at Current Prices, Billion TL	171	1,168	2,351	2,627	3,134	3,759	4,312	5,048	7,249
GDP, at Current Prices, Billion \$	273	777,5	867	869	859	797	759,3	717,1	807,1
Population, Thousand People, Mid-Year	64,269	73,142	78,218	79,278	80,313	81,407	82,579	83.385	84,147
GDP Per Capita, at Current Prices, \$	4,249	10,629	11,085	10,964	10,696	9,793	9,195	8,600	9,592
Export (GTS*, F.O.B.), Billion \$	-	-	151	149,2	164,5	177,2	180,8	169,6	225,2
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	2312,	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	25,1	26,0	28,8	30,4	27,3	19,1	23,0
Foreign Direct Investment, Billion \$	1	9,1	19,3	13,8	11	12,5	9,6	7,8	13,3
Current Account Balance/GDP, %	-3.6	-5.7	-3,1	-3,1	-4,7	-2,5	1,4	-4,4	-0,9
Labour Force Participation Rate, %	-	46.5	51.3	52.0	52.8	53.2	53.0	49.3	51.4
Unemployment Rate, %	-	11.1	10.3	10.9	10.9	11.0	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

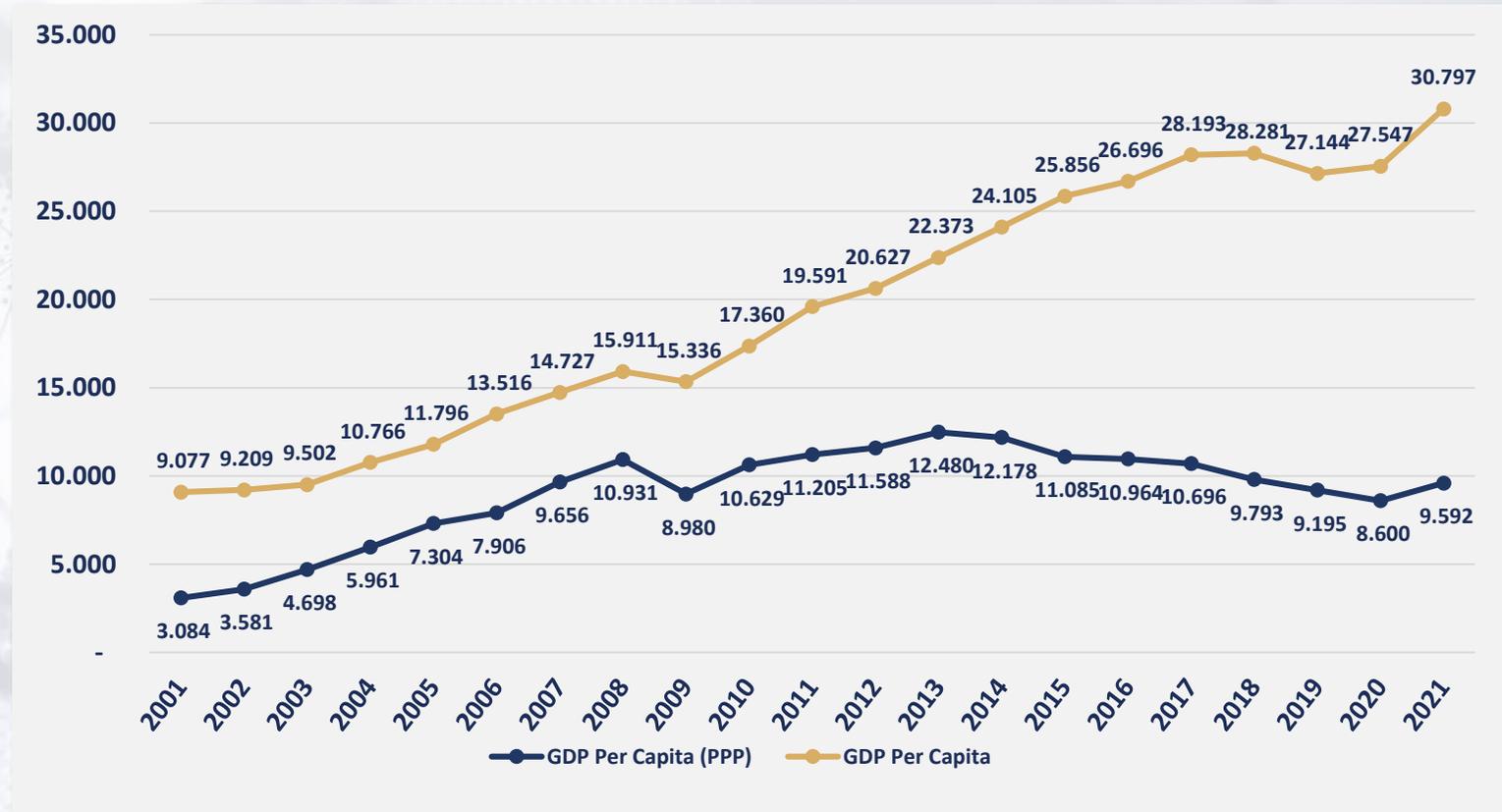
Source: TURKSTAT, CBRT

*STS: General Trade System



GDP Per Capita, US Dollars

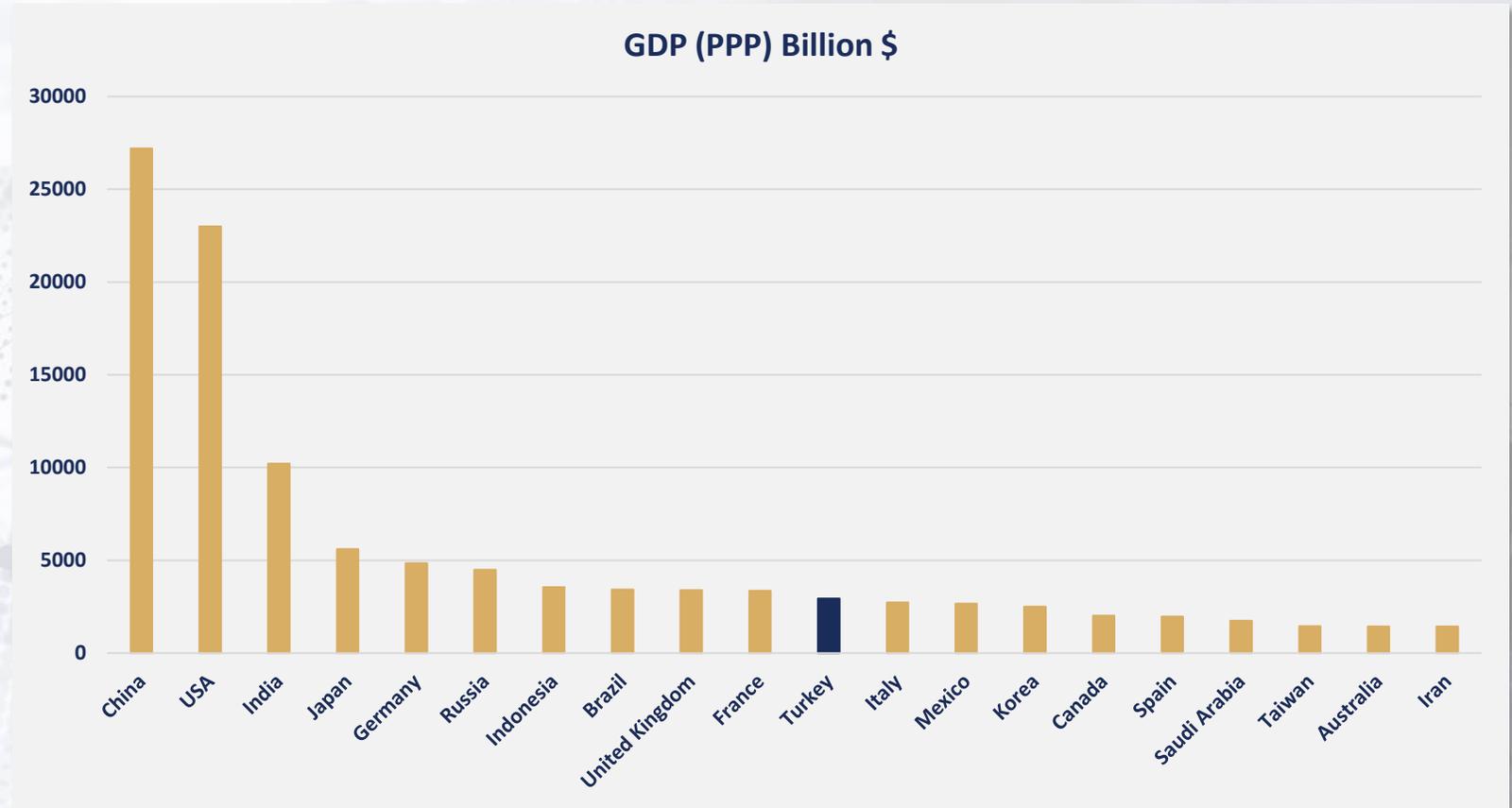
- GDP per capita increased from 3,608 USD in 2002 to 9,592 USD in 2021.
- In Purchasing Power Parity (PPP) terms, GDP per capita exceeded 30,797 USD in 2021.



Source: TURKSTAT



Top 20 Economies (Purchasing Power Parity (PPP))



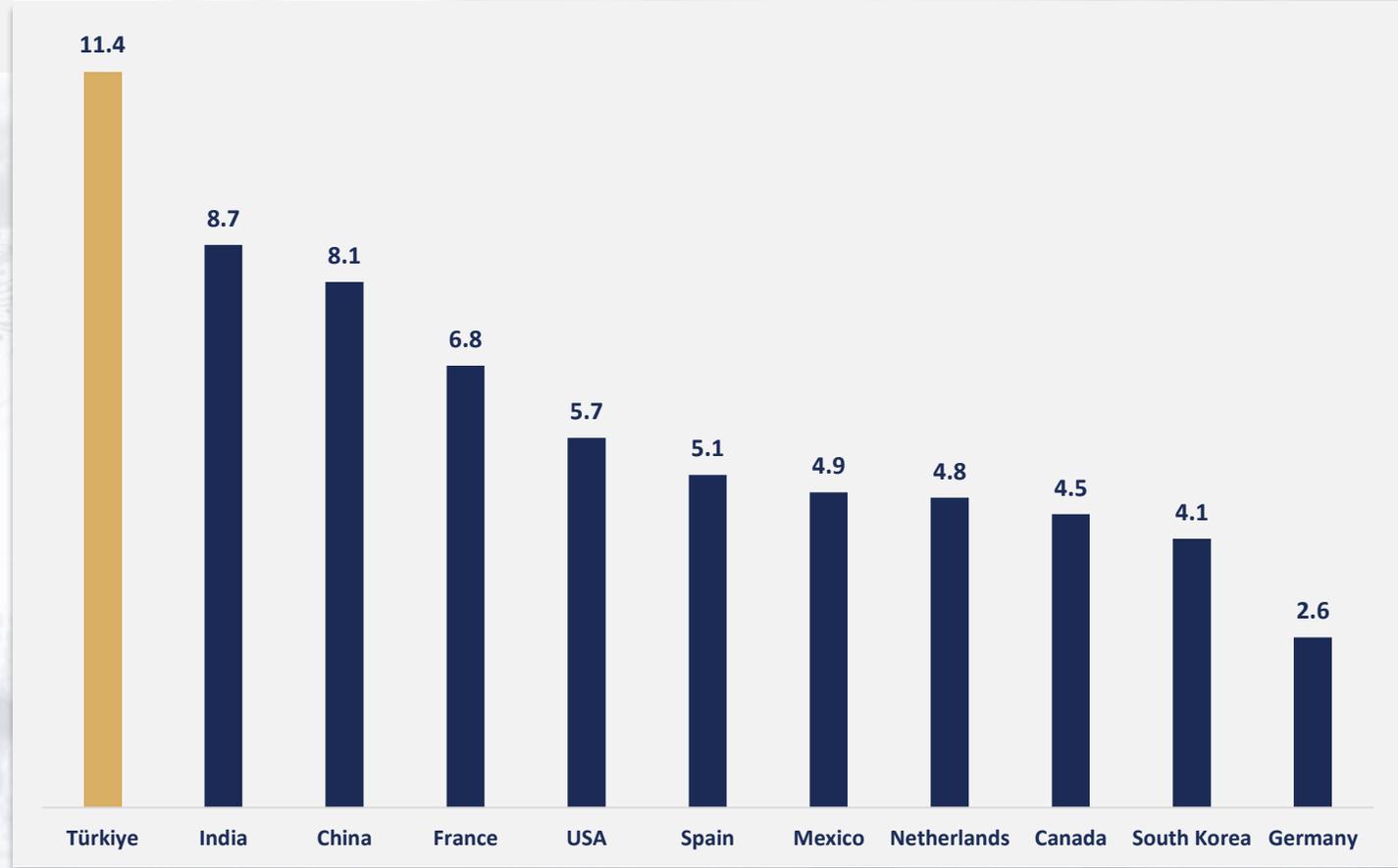
Source: IMF

➤ In 2021, according to Purchasing Power Parity GDP figures, TÜRKİYE ranks as the 11th largest economy in the World and 4th in Europe.



➤ Turkish economy expanded by 11.4% in 2021.

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

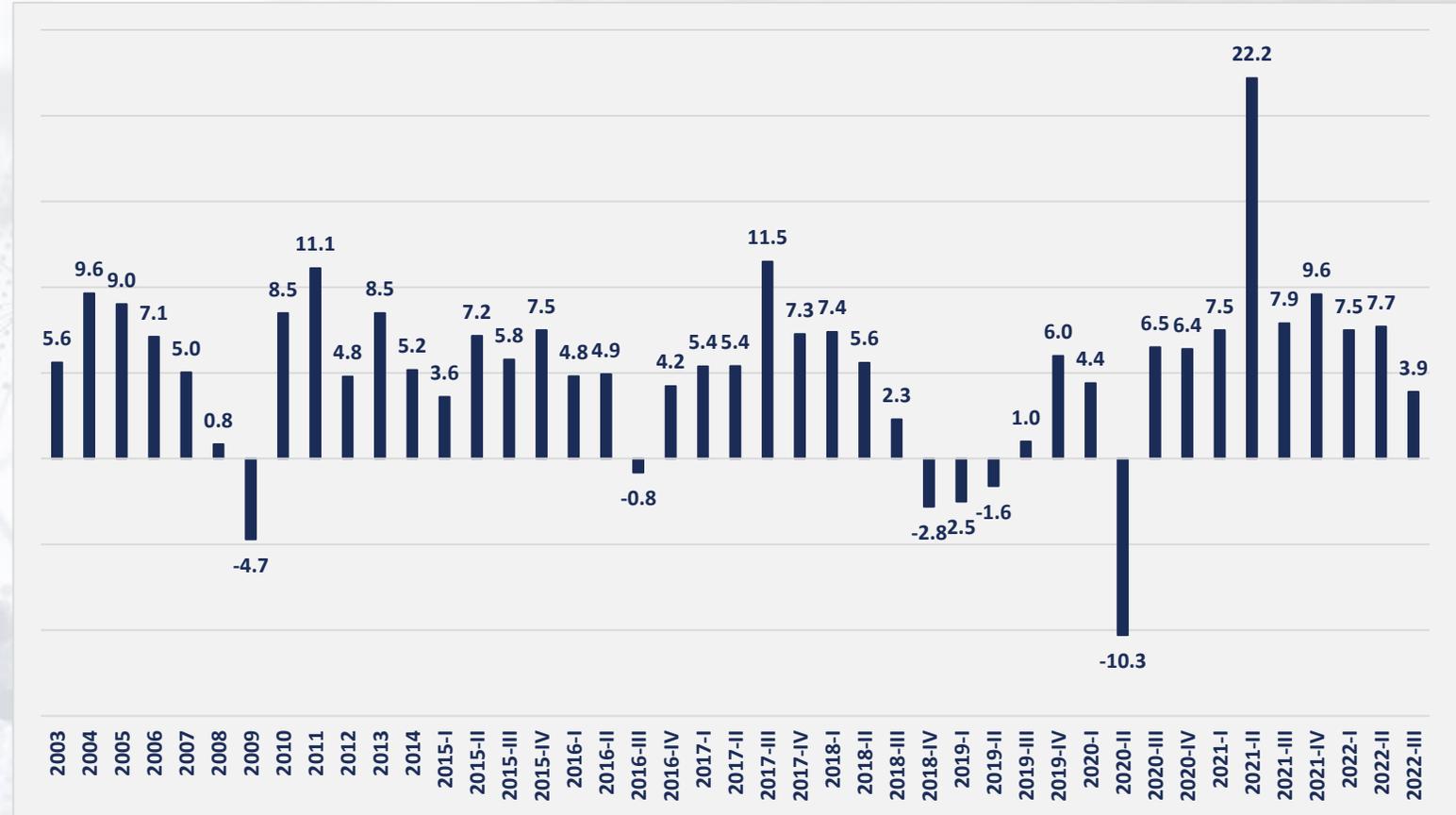


Source: IHS Markit, Bureau of Economic Analysis



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

- Turkish economy grew by 11.4% in 2021.
- Real GDP growth rate of the third quarter of 2022 is 3.9%.
- During 2003-2021 period, average annual growth rate in TÜRKİYE realized as 5.5%.



Source: TURKSTAT



➤ Capacity utilization rate in January 2023 decreased by -2.3 percentage points compared to the same month of the previous year and realized as 75.3.

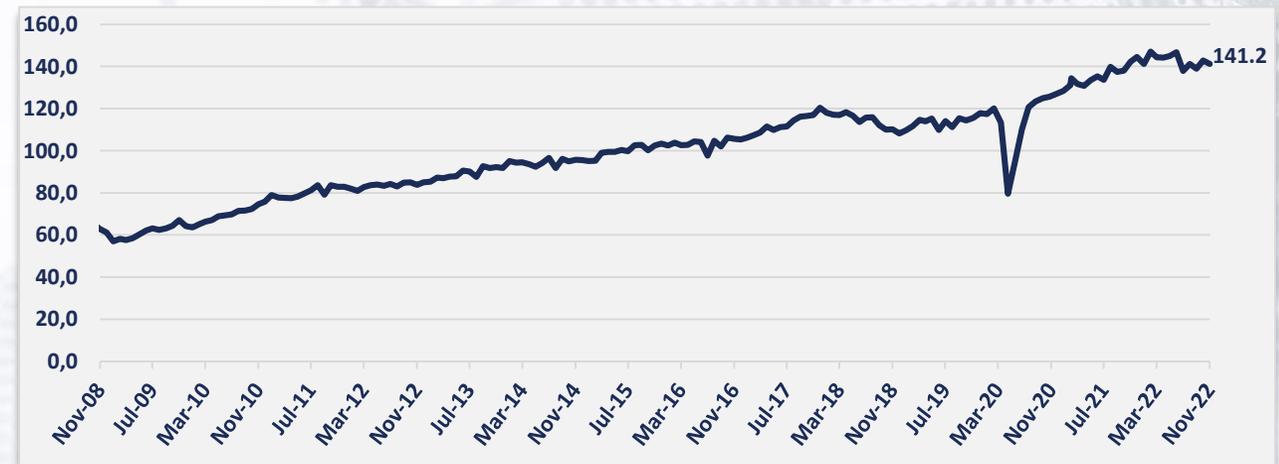
➤ In November 2022, seasonally adjusted industrial production index decreased by 1.1% constant with compared to previous month and calendar adjusted industrial production index decreased by 0.7% compared to same month of the previous year.

Capacity Utilization Rate in Manufacturing Industry (%)



Source: CBRT

Industrial Production Index (2015=100)*



Source: TURKSTAT

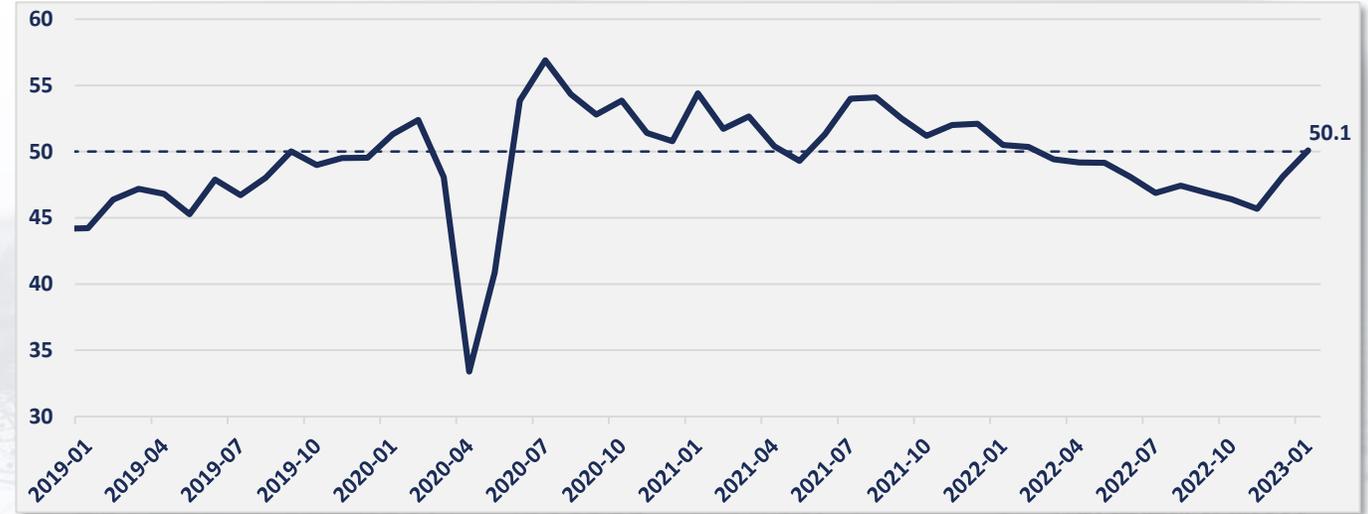


MACROECONOMIC DEVELOPMENTS

➤ In January 2023, the PMI realized as 50.1.

➤ In January 2023, New Export Orders Index realized as 47.6.

Purchasing Managers' Index (PMI)



Source: S&P Global

New Export Orders Index



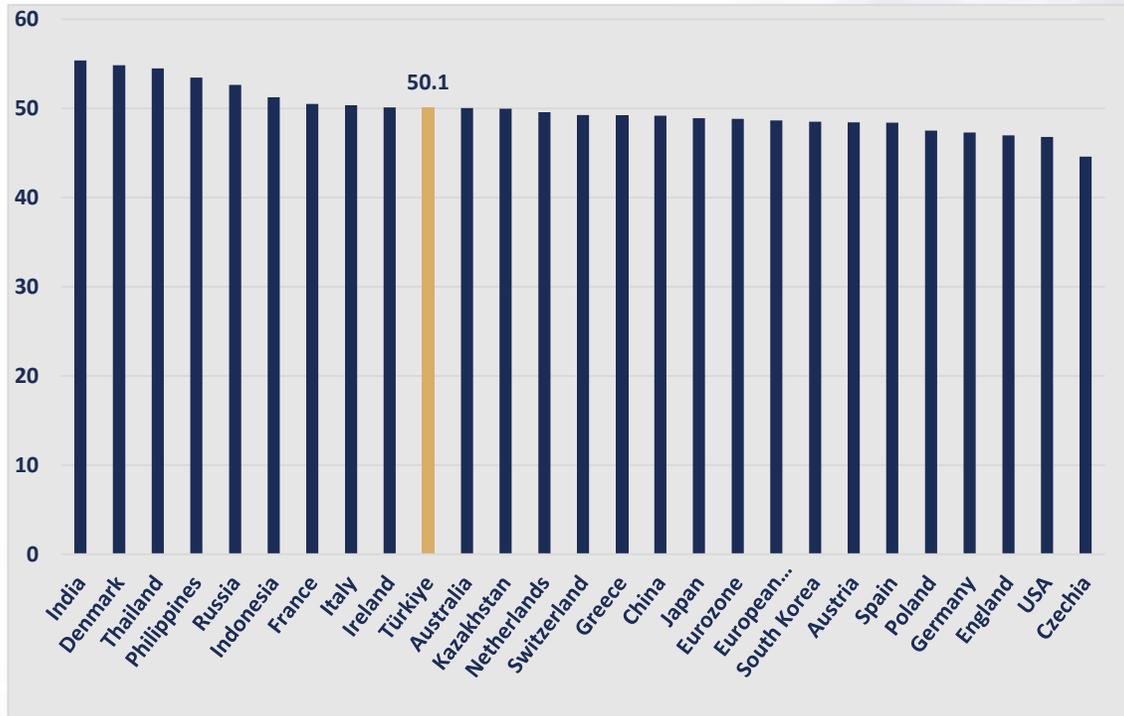
Source: S&P Global

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

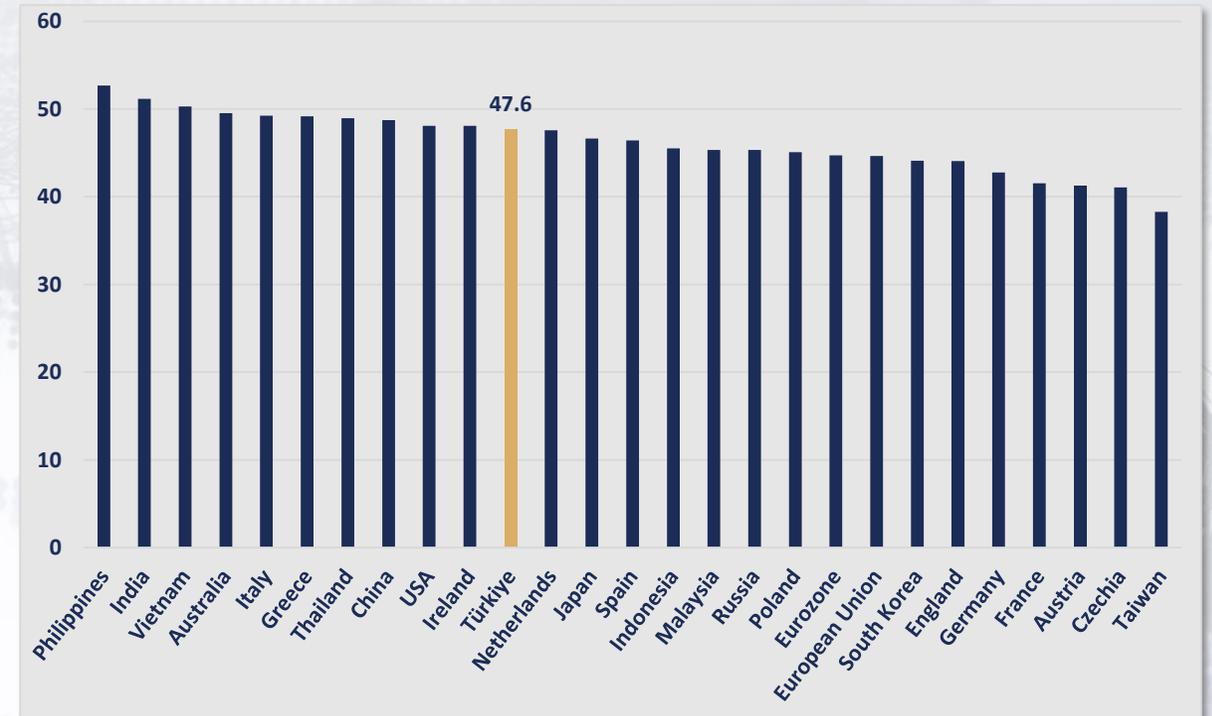


Developments in Global Economy

PMI Index, January 2023



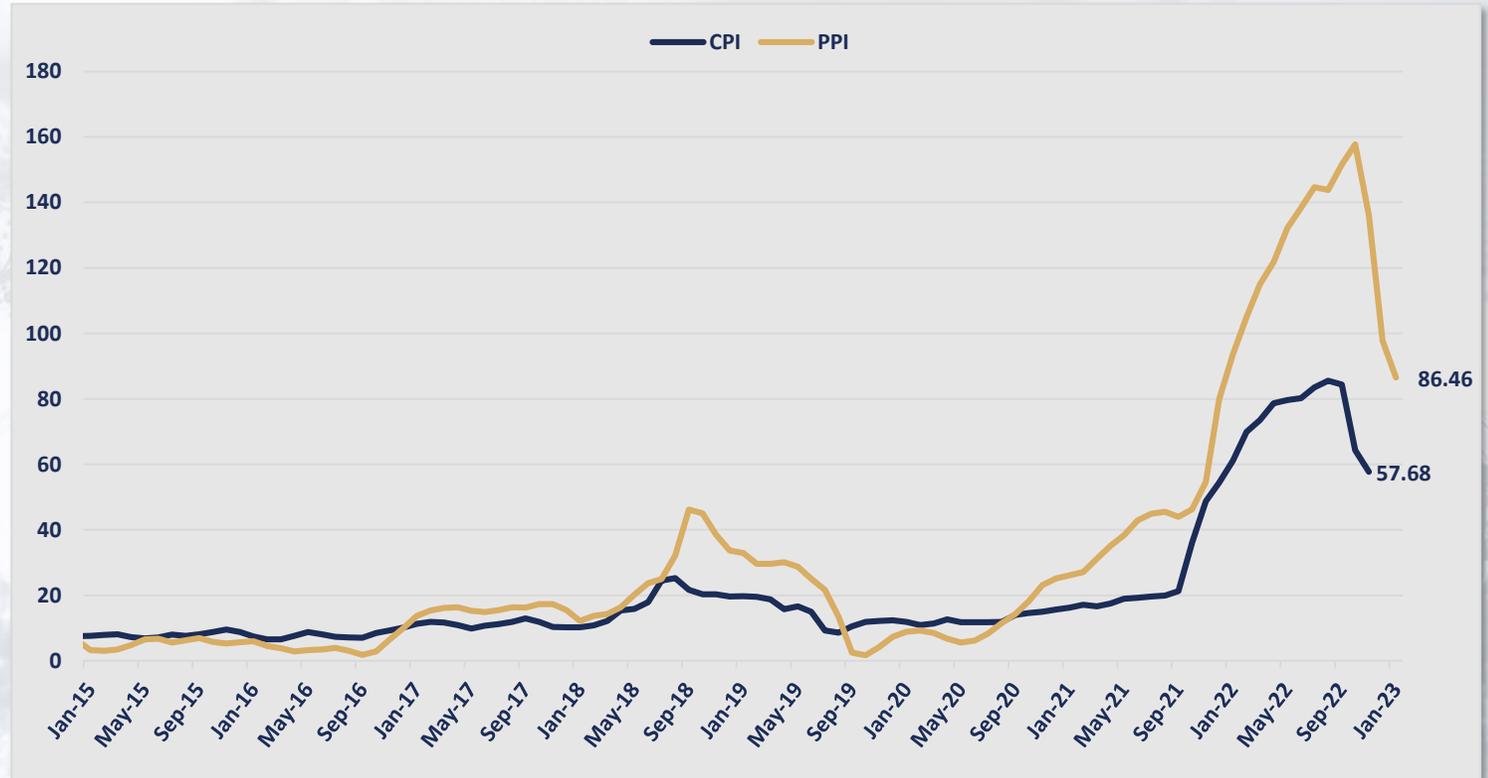
New Export Orders Index, January 2023





➤ CPI inflation rates realized as 57.68 and PPI inflation rates realized as 86.46 % in January 2023.

Price Indices (%)

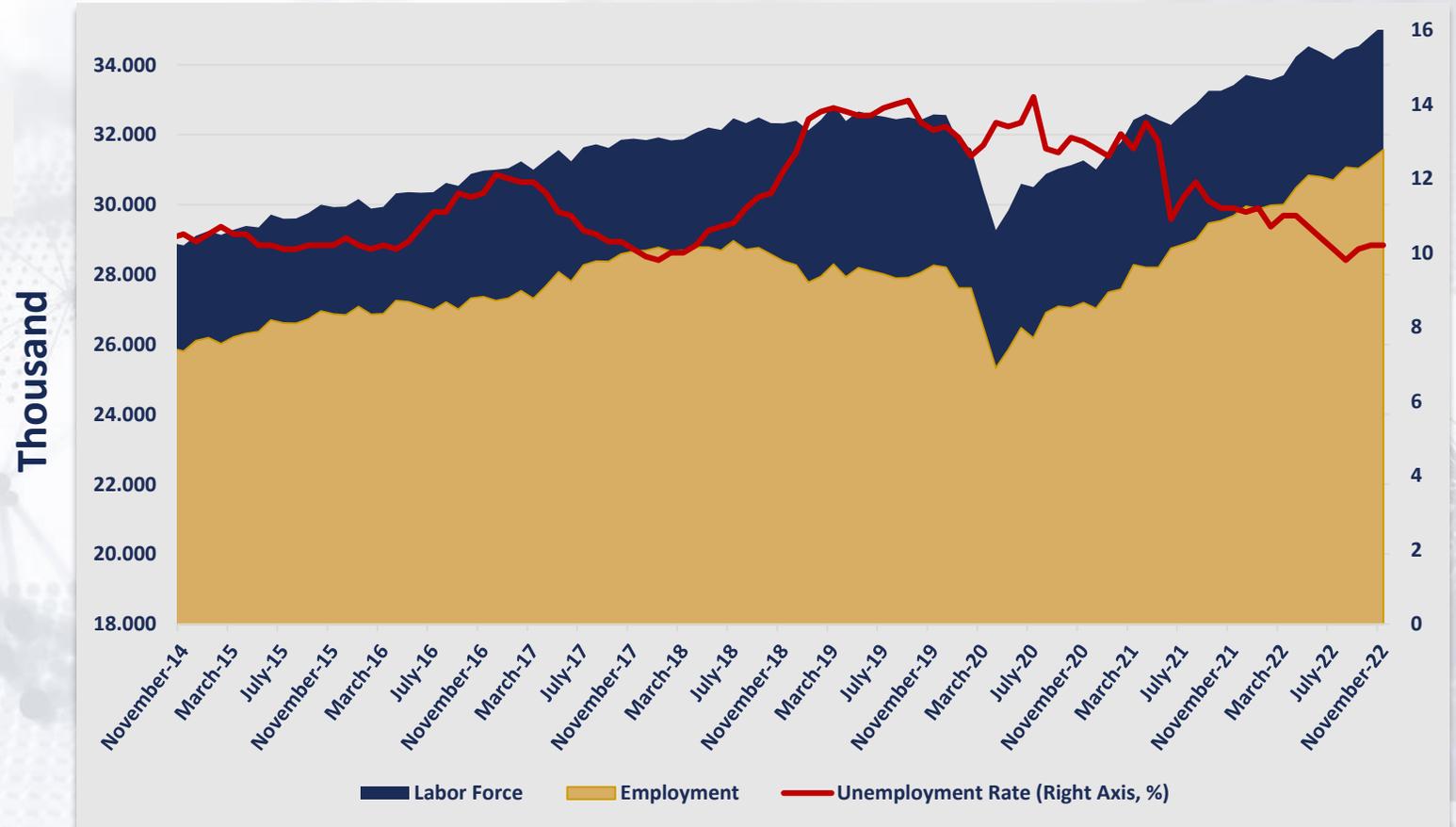


Source: TURKSTAT



Developments in Turkish Labor Market

➤ In November 2022, unemployment rate was 10.2%.



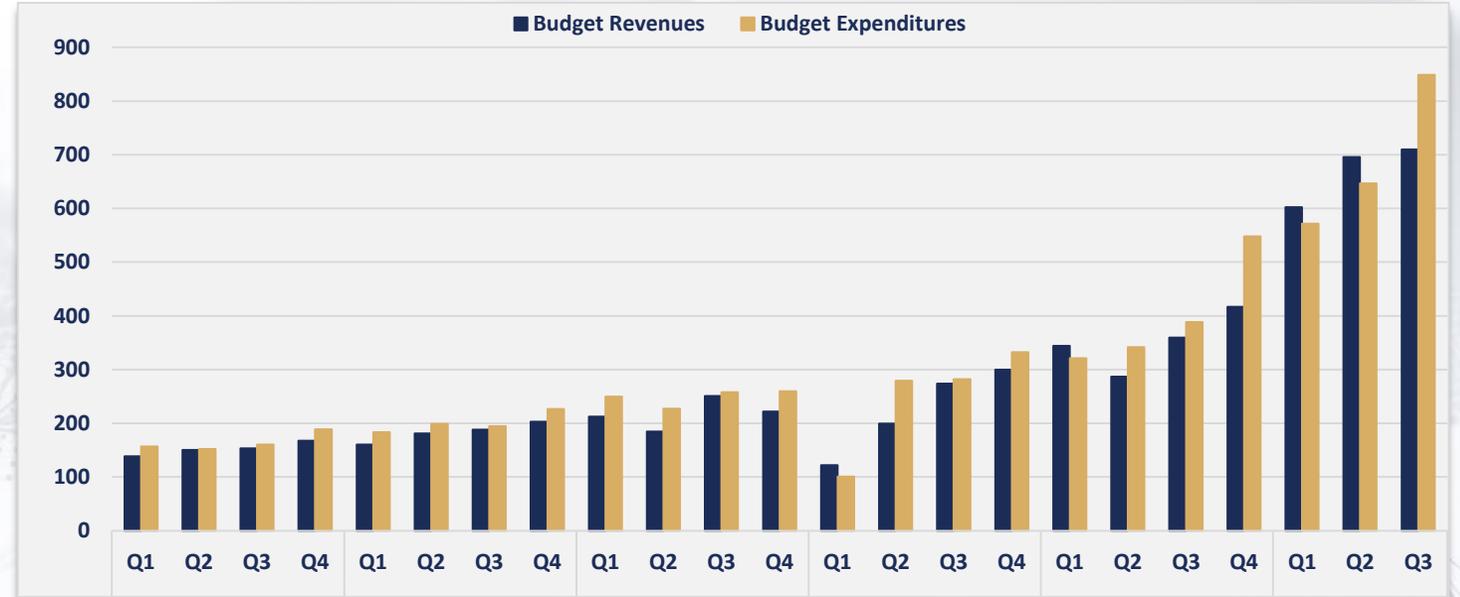
Source: TURKSTAT

*Seasonally Adjusted Series



Central Government Budget Realizations

➤ In December 2022, central government budget revenues was TL 373.8 billion. Central government budget expenditures was TL 255.2 billion, and the central government budget deficit was TL 118.6 billion.

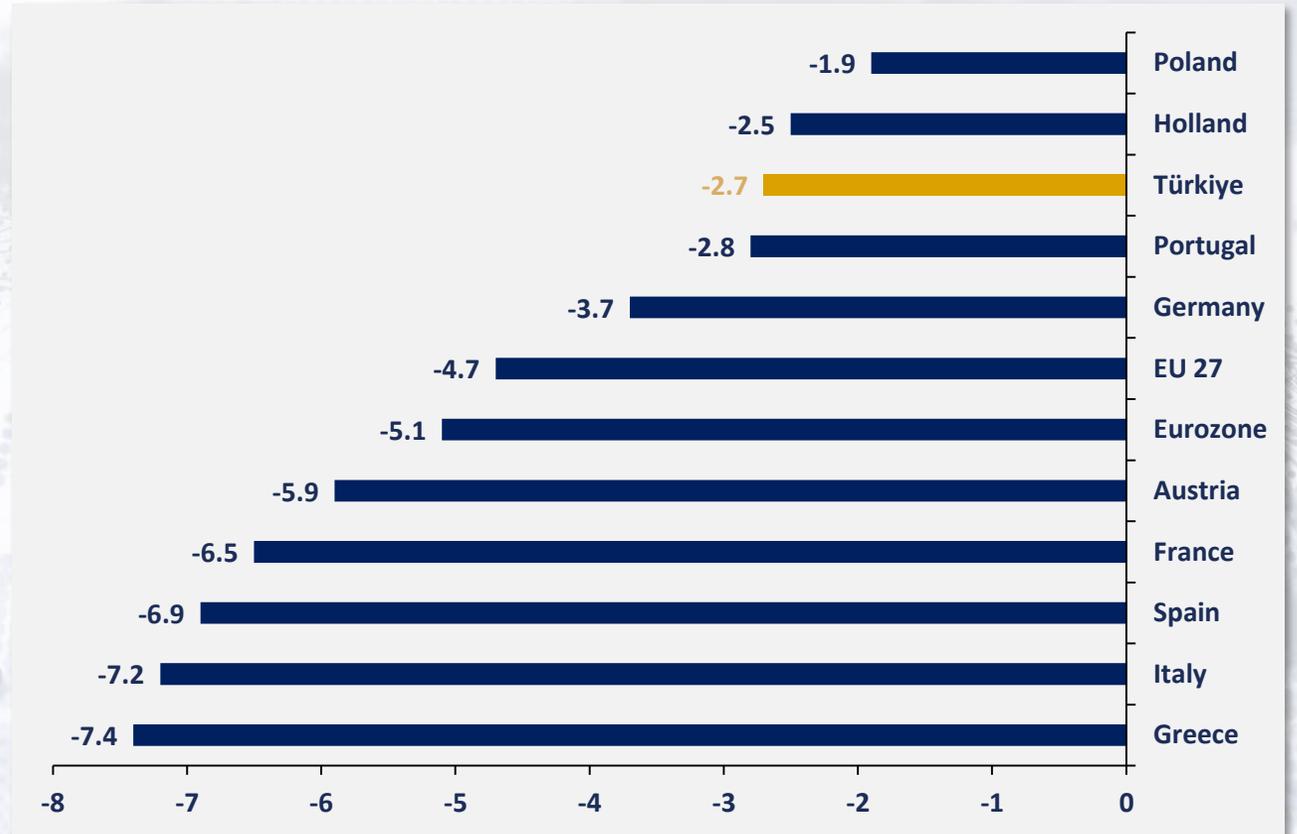


Source: Ministry of Treasury and Finance



➤ Central Government budget balance/GDP ratio in TÜRKİYE was 2.7% in 2021.

Central Government Budget Balance/ GDP (%), 2021

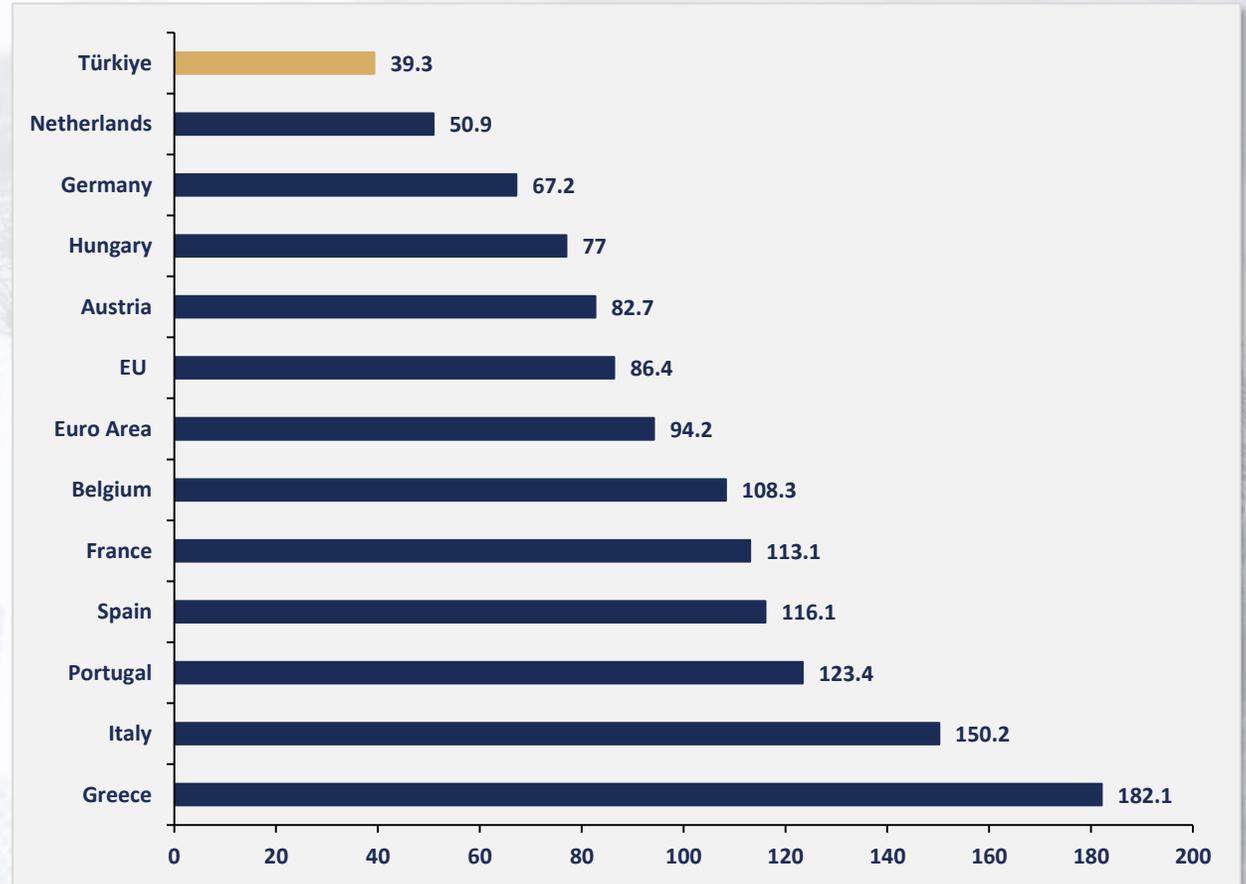


Source: Ministry of Treasury and Finance, Eurostat



General Government Debt Stock / GDP (%), 2022 Q2

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



Source: Ministry of Treasury and Finance, Eurostat



Balance of Payments

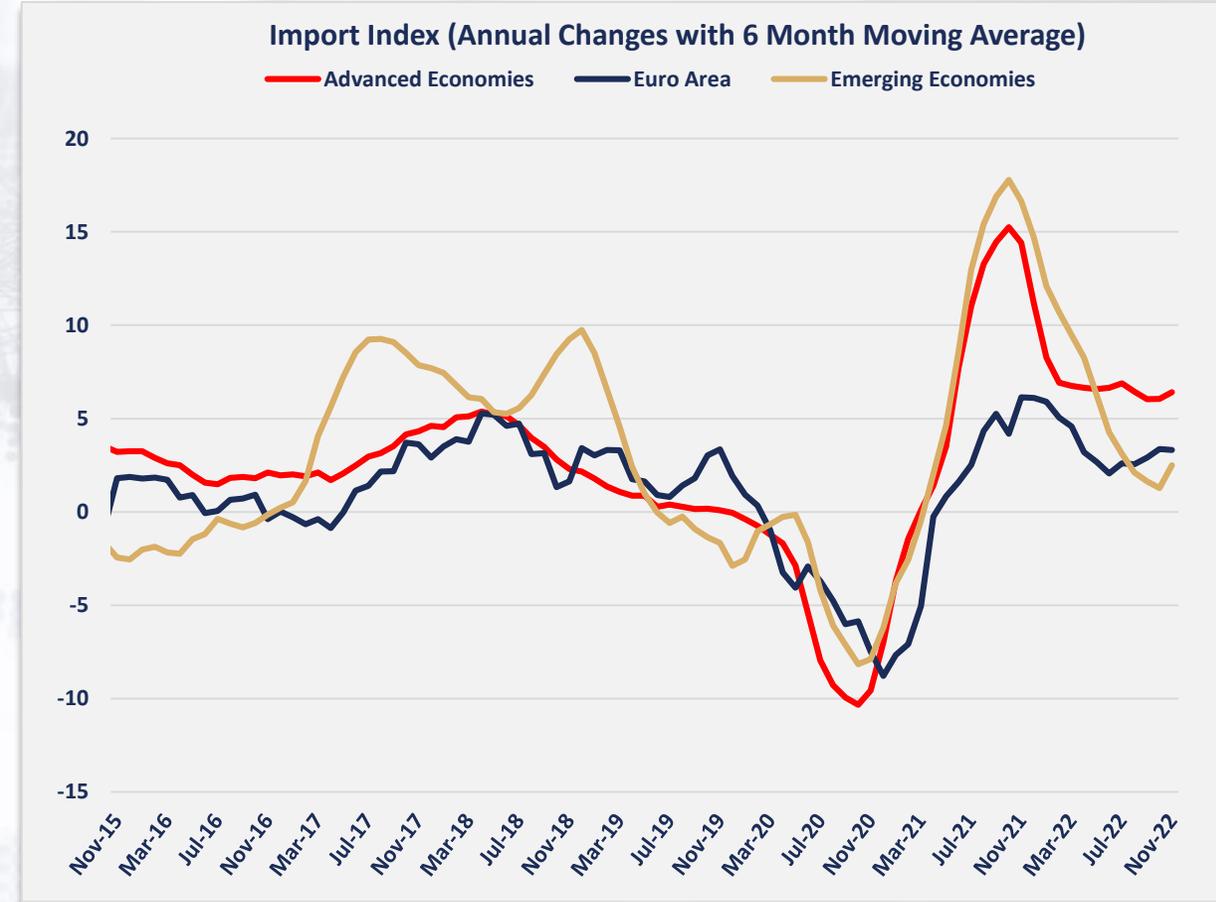
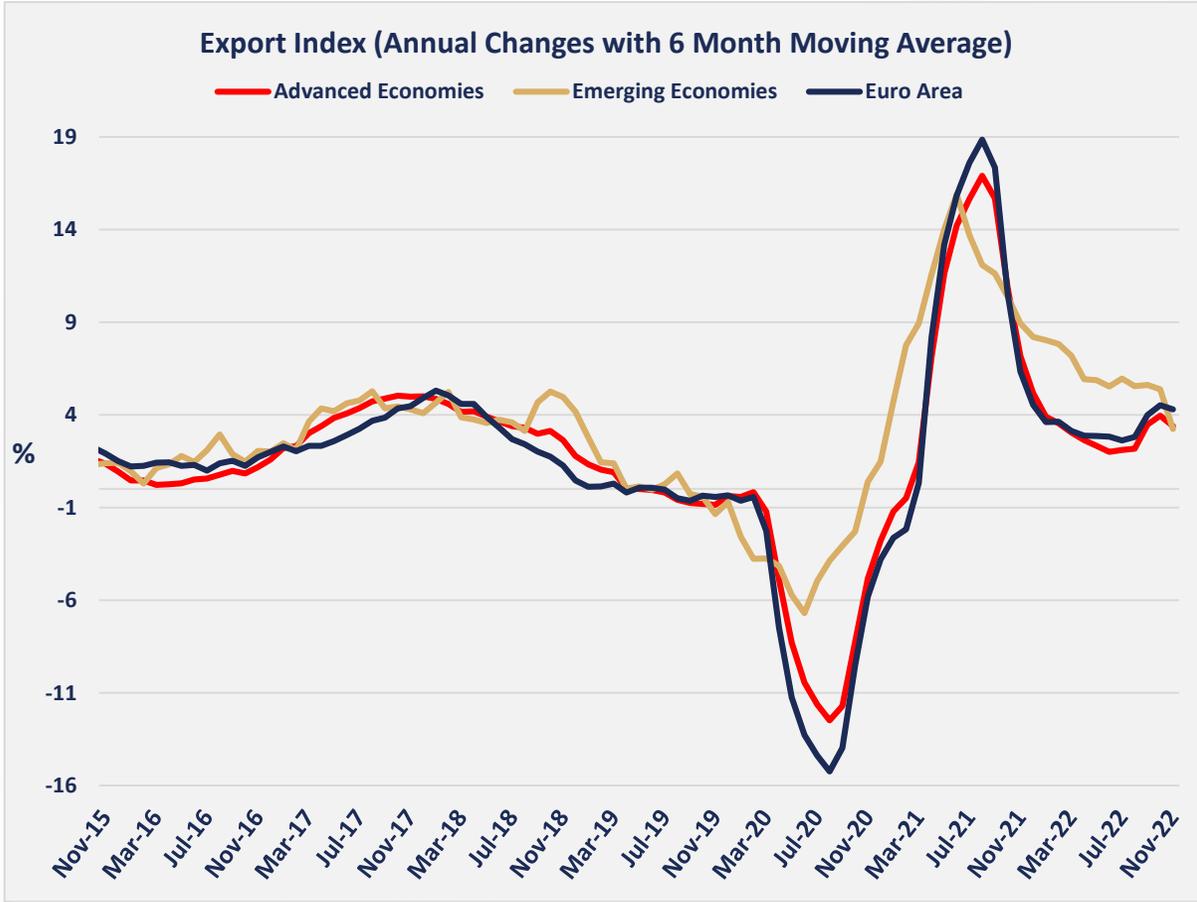
➤ In October 2022, the current account deficit decreased by 108.7% compared to October of the previous year and was realized as 359 billion dollars.

Million Dollars	November			January-November		
	2021	2022	Change (%)	2021	2022	Change (%)
I- CURRENT ACCOUNT	-2,104	-3,666	74.2	-4,057	-41,814	930.7
A. BALANCE ON GOODS	-3,628	-7,122	96.3	-24,267	-81,537	236.0
B. BALANCE ON SERVICES	2,519	3,683	46.2	29,502	48,183	63.3
C. BALANCE ON PRIMARY INCOME	-889	-240	-73.0	-10,128	-7,925	-21.8
D. BALANCE ON SECONDARY INCOME	-106	13	-112.3	836	-535	-164.0
II- CAPITAL ACCOUNT	-2	-1	-50.0	-66	-28	-57.6
III- FINANCIAL ACCOUNT	177	-2,768	-1663.8	7,870	-19,501	-347.8
Direct Investment	-334	-775	132.0	-6,185	-7,122	15.1
Net Acquisition of Financial Assets	541	412	-23.8	5,330	4,414	-17.2
Net Incurrence of Liabilities	875	1,187	35.7	11,515	11,536	0.2
Equity Capital	310	946	205.2	6,122	5,566	-9.1
Inflow	364	949	160.7	6,314	6,119	-3.1
Outflow	54	3	-94.4	192	553	188.0
Other Capital (Net)	16	-246	-1637.5	386	302	-21.8
Real Estate (Net)	549	487	-11.3	5,007	5,668	13.2
Portfolio Investment	1,446	-538	-137.2	-2,746	14,253	-619.0
Other Investment	-3,766	-5,068	34.6	-20,310	-36,509	79.8
Reserve Assets	2,831	3,613	27.6	37,111	9,877	-73.4
IV- NET ERRORS AND OMISSIONS	2,283	899	-60.6	11,993	22,341	86.3

Source:CBRT



Developments in Global Trade Indices *



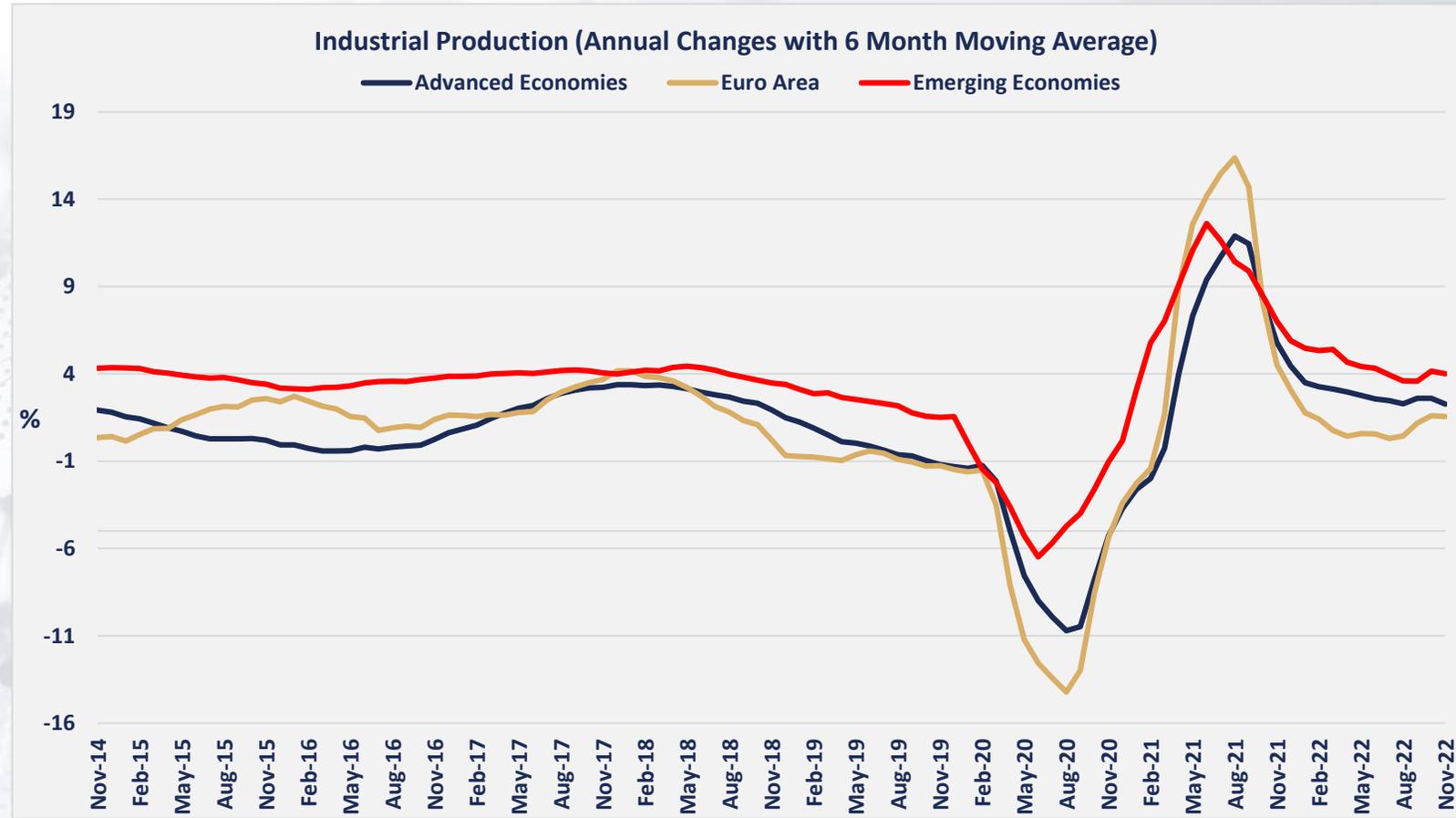
Source: Netherlands Bureau for Economic Policy Analysis (CPB)

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



➤ As of November 2022, the slowdown trend in the Euro Area, Advanced Economies and Emerging Economies industrial production indice continues.

Developments in Global Industrial Production Index *



Source: Netherlands Bureau for Economic Policy Analysis (CPB)

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



REPUBLIC OF TÜRKİYE
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B-MACROECONOMIC OUTLOOK



Main Economic Targets (2023-2025 Medium Term Program)

	2021	2022 (GT)	2023 (P)	2024 (P)	2025 (P)
GDP (Billion TL, Current Prices)	7,249	13,429	18,654	23,438	27,440
GDP Per Capita (\$)	9,592	9,485	10,071	10,931	12,091
Real GDP Growth	11.4	5.0	5.0	5.5	5.5
Unemployment Rate(%)	12.0	10.8	10.4	9.9	9.6
Tourism Revenues (Billion \$)	20,8	34,0	45,0	55,0	62,0

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



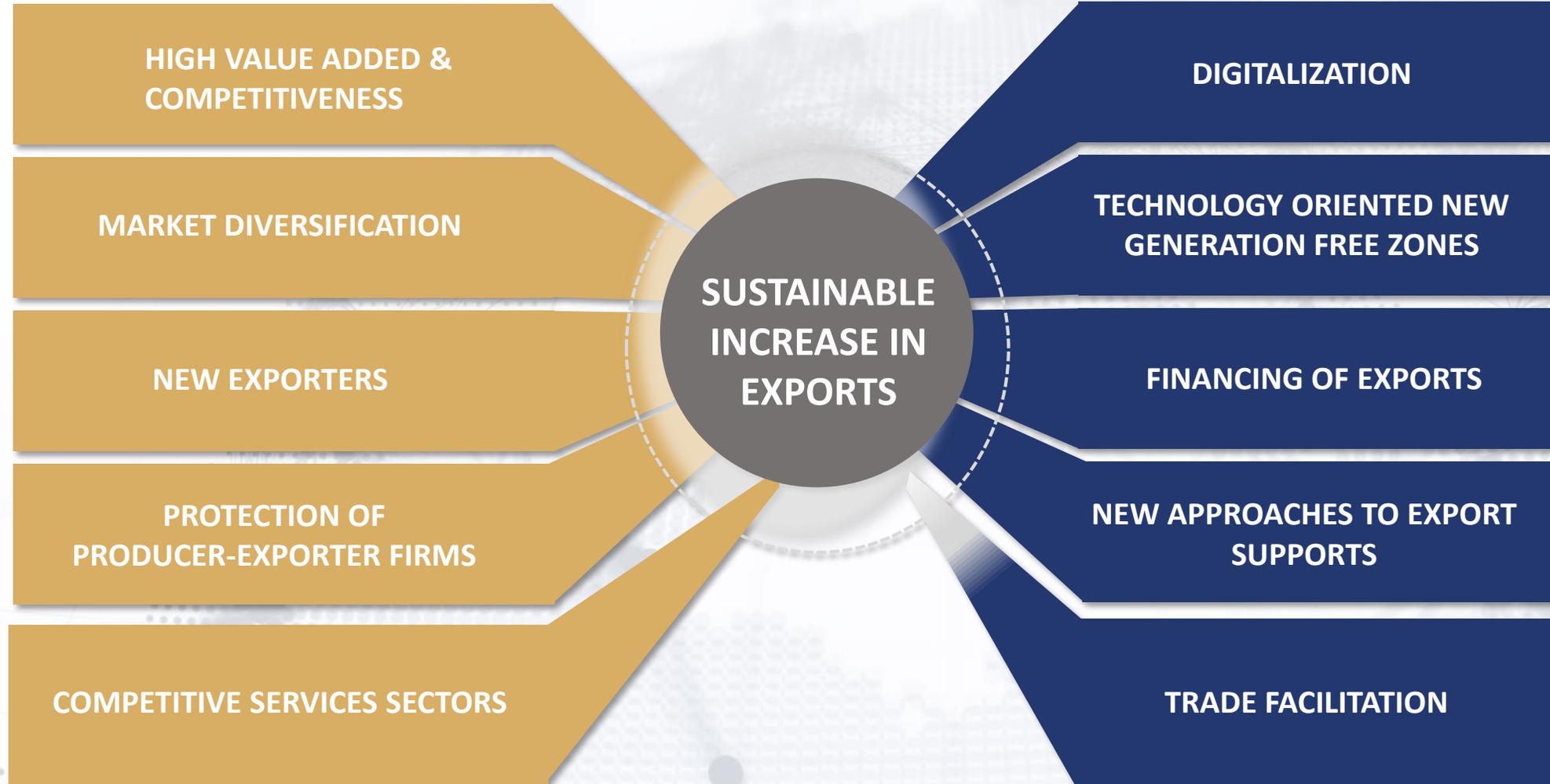
Merchandise Trade Targets (2023-2025 Medium Term Program)

	2022	2023 (P)	2024 (P)	2025 (P)
Exports (Billion \$) (GTS)	254.2	265.0	285.0	305.0
Imports (Billion \$) (GTS)	364.4	345.0	363.0	384.0
Balance of trade (Billion \$)	-110.2	-80.0	-78.0	-79.0
Volume of trade/GDP(%)	-	70.3	68.1	64.7
Exports/Imports (%)	69.8	76.8	78.5	79.4

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



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



Why Faraway Countries ?

- About two-thirds of Türkiye's total export is to countries that are relatively close to Turkey.
- Türkiye's average export distance remains below the World's mean.



➤ The strategy aims to evaluate the faraway countries' commercial and economic cooperation potential and to ensure sustainable increase in exports.

Increasing Türkiye's share in world trade

It is recognized that it has received a share of the major markets geographically distant, high-income, under the potential of our country.

Diversifying export markets

The tendency of our exporters to geographically distant and major markets will contribute significantly to the diversification of our export markets.



Guidance to exporters

A guiding strategy document has been released to increase the average range of Türkiye's export, which is 3.065 km, to the world average at 4.744 km and also share in distant major markets.

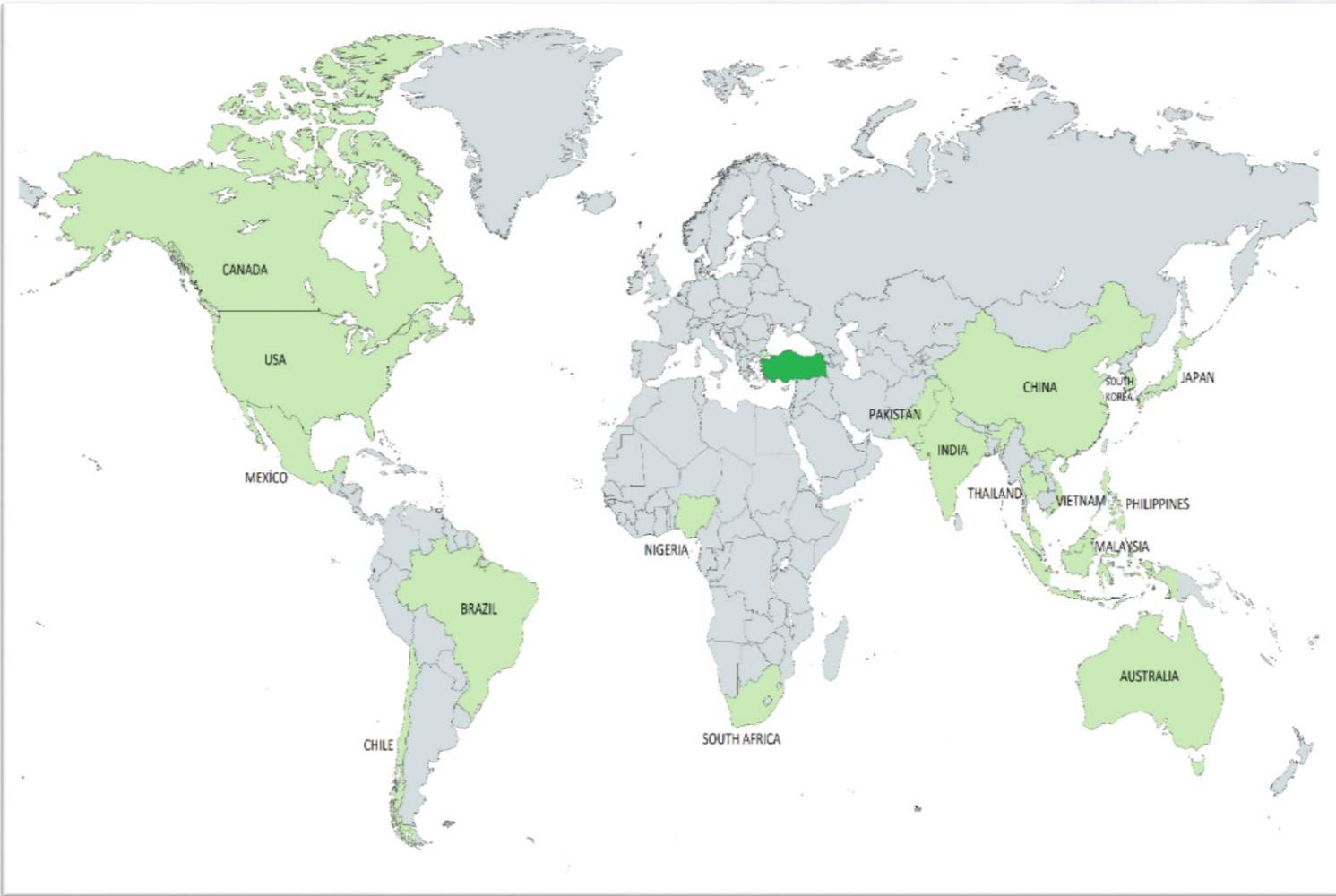


The Strategy of Faraway Countries prepared on the basis of:

- 11th Development Plan (2019-2023),
- Export Master Plan,
- Medium Term Program,
- Presidential Annual Program,
- The Strategic Plan of Ministry of Trade



With the Strategy of Faraway Countries,



representing 62% of the world's population,
composing 64% of global GDP,

We aim to quadruple our exports of goods to 18 countries, which is approximately 20 billion dollars on average in 2018-2020, by increasing them to about 80 billion dollars and thus increasing our share to 1%, in the total imports of these countries from all over the world.



Within the context of the Strategy of the Faraway Countries, trade in goods and services is considered together as complementary elements. The importance of the services sector on the global economy and its impact on exports of goods is increasing every year.



These points indicate that the policies for the trade of goods and services should be considered unseparable/with an holistic view.



GDP Forecasts of International Organizations

International Organizations	Year	GDP Growth Forecast for Selected Countries/Country Groups(%)							
		World	Euro Zone	USA	Brazil	Russia	India	China	Japan
IMF	2021	6.2	5.3	5.9	5.0	4.7	8.7	8.4	2.1
	2022	3.4	3.5	2.0	3.1	-2.2	6.8	3.0	1.4
	2023	2.9	0.7	1.4	1.2	0.3	6.1	5.2	1.8
OECD	2021	5.9	5.2	5.7	4.9	4.7	8.7	8.1	1.7
	2022	3.1	3.3	1.8	2.8	-5.5	6.6	3.3	1.6
	2023	2.2	0.5	0.5	1.2	-4.5	5.7	4.6	1.8
World Bank	2021	5.9	5.3	5.9	5.0	4.8	8.7	8.1	2.2
	2022	2.9	2.5	1.9	3.0	-3.5	6.9	2.7	1.2
	2023	1.7	0.5	0.5	0.8	-3.3	6.6	4.3	1.0

Source: IMF (January 2023), OECD (November 2022), World Bank (January 2023)



Forecasts for Merchandise Trade

WTO Forecasts for Merchandise Trade Volume (%)

Provinces	2022	2023
Volume of World Merchandise Trade	3.5	1.0
Exports		
North America	3.4	1.4
South and Central America	1.6	0.3
Europe	1.8	0.8
Asia	3.4	1.4
Imports		
North America	8.5	0.8
South and Central America	5.9	-1.0
Europe	5.4	-0.7
Asia	9.0	2.2

IMF Forecasts for Goods and Services Trade (%)

Real Growth (%)	2022	2023
Volume of World Merchandise Trade	5.4	2.4
Exports Volume		
Advanced Economies	6.6	2.3
Emerging Economies	3.4	2.6
Imports Volume		
Advanced Economies	6.0	2.0
Emerging Economies	2.4	3.0

Source: IMF (January 2023), WTO (October 2022)



REPUBLIC OF TÜRKİYE
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C- DEVELOPMENTS IN EXTERNAL TRADE



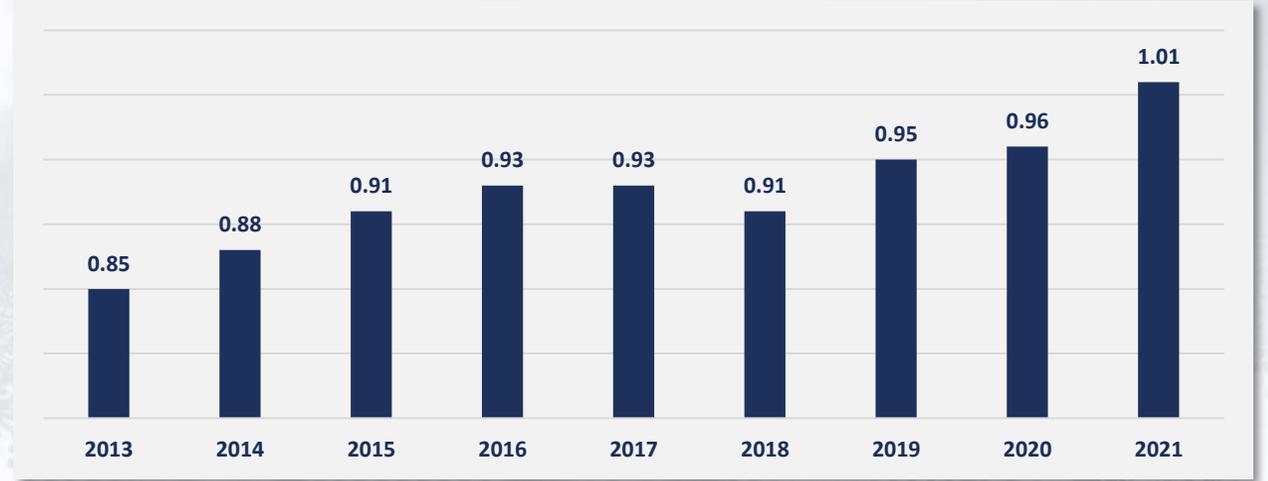
REPUBLIC OF TÜRKİYE
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1) MERCHANDISE TRADE



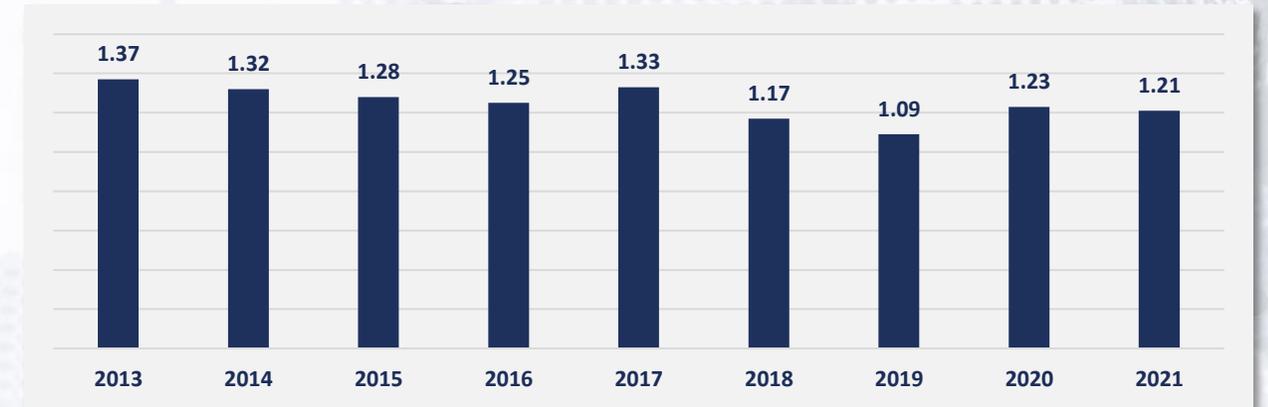
➤ Türkiye's share in global merchandise exports was %1.01 in 2021.

Türkiye's Share in Global Merchandise Exports (%)



➤ Türkiye's share in global merchandise imports was %1.21 in 2021.

Türkiye's Share in Global Merchandise Imports (%)

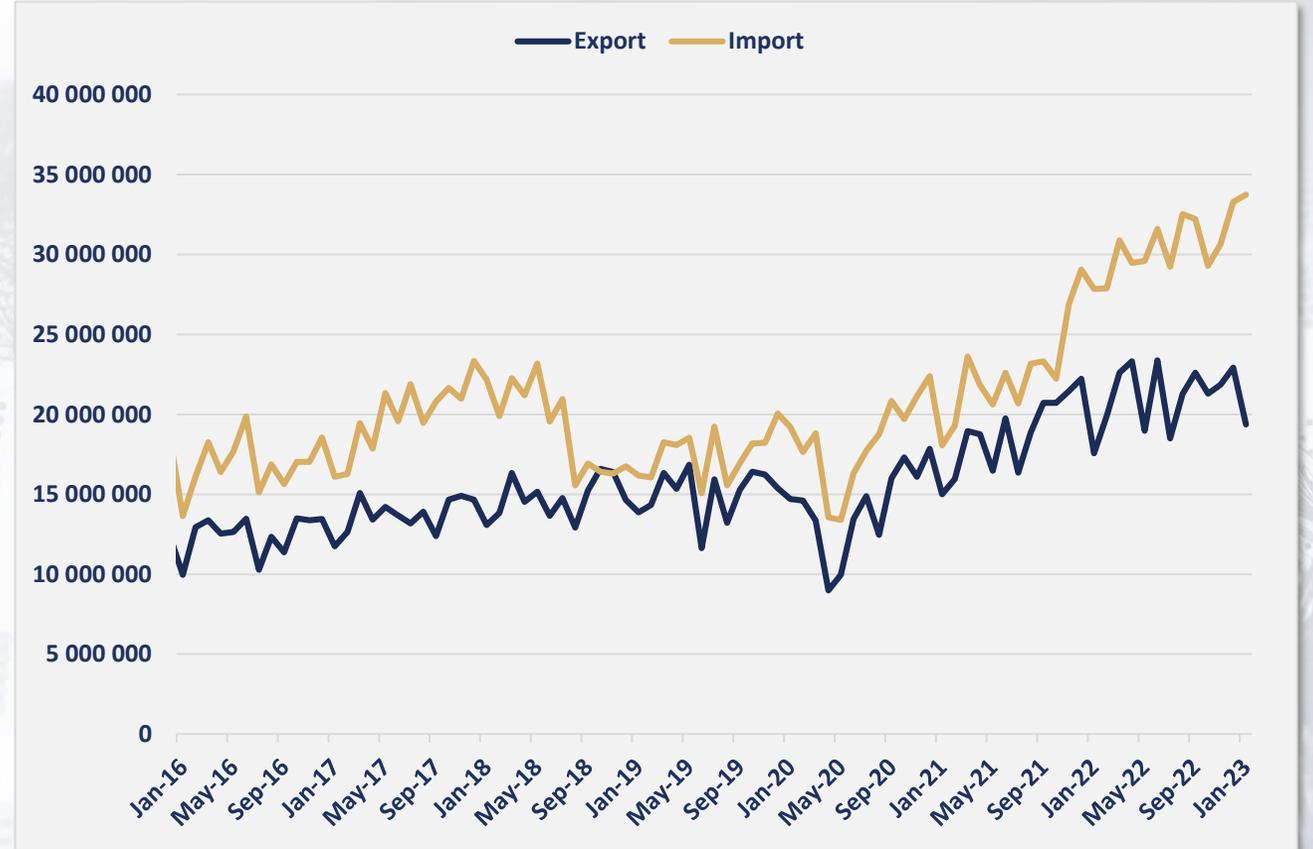


Source: WTO



➤ In January 2023, compared to the same month of the previous year, exports increased by 10.4% and realized as 19,4 billion dollars, and imports increased by 21.2% to the level of 33,7 billion dollars. External trade deficit increased by 39.6% and realized as 14,4 billion dollars.

Monthly Exports and Imports (Thousand \$)



Source: TURKSTAT, Ministry of Trade

Note: Unadjusted Series



Foreign Trade Developments

(Million \$)	2021	2022	Change (%) 2020/2021	2022 January	2023 January	Change(%) 2022/2023
Export	225,214	254,172	12.9	17,554	19,376	10.4
Energy Export*	8,507	16,374	92.5	763	1,141	49.7
Gold Export	3,483	1,051	-69.8	83	125	50.9
Import	271,426	363,711	34.0	27,844	33,742	21.2
Energy Import*	50,692	96,549	90.5	8,824	8,750	-0.8
Gold Import	5,499	20,440	271.7	611	5,095	733.2
Foreign Trade Volume	496,640	617,883	24.4	45,398	53,117	17.0
Foreign Trade Balance	-46,211	-109,539	137	-10,290	-14,366	40
Balance excl. Energy	-4,026	-29,365	629.4	-2,228	-6,757	203.2
Export/Import (%)	83.0	69.9	-13.1	63.0	57.4	-5.6
Export/Import (%) **	98.2	89.0	-9.2	88.3	73.0	-15.3
Export/Import (%) ***	99.6	96.0	-3.1	90.8	91.0	0.3

Source: Ministry of Trade

* Energy corresponds to Chapter 27.

** Energy except

*** Energy and gold except



Foreign Trade Indices (2010=100)

	2020		2021		2022 January-November	
	Index	Change %	Index	Change %	Index	Change %
Export Unit Value Index	94.0	-1.4	103.1	9.7	111.0	7.8
Export Volume Index	119.2	-5.2	144.7	21.4	150.9	6.0
Import Unit Value Index	94.3	-6.2	116.3	23.3	148.1	28.3
Import Volume Index	108.4	10.7	109.1	0.7	114.2	6.5
Terms of Trade	99.7	5.2	89.0	-10.7	75.0	-16.3

Source: TURKSTAT

➤ In January-November 2022, compared to the same period of the previous year, export unit value index increased by 7.8% and the import unit value index increased by 28.3%.



Distribution of External Trade in Broad Economic Categories

EXPORT

Million Dollar	Annual			January		
	2021	2022	Change (%)	2022	2023	Change (%)
Investment Goods	24,841	29,043	16.9	1,856	2,310	24.5
Intermediate Goods	115,184	133,414	15.8	9,140	9,818	7.4
Consumption Goods	83,844	89,810	7.1	6,418	7,140	11.2
Others	1,346	1,906	41.6	140	109	-22.2
Total	225,215	254,172	12.9	17,554	19,376	10.4

Source: Ministry of Trade

IMPORT

Million Dollar	Annual			January		
	2021	2022	Change (%)	2022	2023	Change (%)
Investment Goods	35,948	40,535	12.8	2,776	3,684	32.7
Intermediate Goods	210,143	292,439	39.2	23,350	27,102	16.1
Consumption Goods	24,947	30,481	22.2	1,706	2,915	70.9
Others	388	257	-33.9	12	41	242.0
Total	271,426	363,711	34.0	27,844	33,742	21.2

Source: Ministry of Trade



Main Export Items

CODE	EXPORT (Million Dollar)	Annual			January*		
	CHAPTER	2021	2022	Change (%)	2022	2023	Change (%)
87	Vehicles other than railway or tramway rolling-stock, parts thereof	25,023	26,804	7.1	1,944	2,307	18.7
84	Boilers, machineries and mechanical appliances, parts thereof	20,775	22,676	9.1	1,537	1,946	26.6
27	Mineral fuels, minerals oils and product of their distillation	8,507	16,374	92.5	763	1,142	49.7
85	Electrical machinery and equipment, parts thereof	12,011	13,706	14.1	886	1,125	27
61	Knitted and crocheted goods and articles thereof	10,781	11,012	2.1	814	834	2.4
39	Plastic and articles thereof	10,015	11,570	15.5	812	832	2.5
73	Articles of iron and steel	8,801	10,536	19.7	685	796	16.2
71	Precious stones, precious metals, pearls and articles thereof	10,965	10,206	-6.9	705	736	4.3
62	Non knitted and crocheted goods and articles thereof	7,513	8,465	12.7	601	703	16.9
72	Iron and steel	17,063	14,628	-14.3	1,203	661	-45.1
	Subtotal	131,452	145,977	11.0	9,949	11,080	11.4
	Total	225,215	254,172	12.9	17,554	19,376	10.4

*Sorting is based on January 2023

Source: Ministry of Trade



Main Import Items

CODE	IMPORT (Million Dollar)	Annual			January*		
	CHAPTER	2021	2022	Change (%)	2022	2023	Change (%)
27	Mineral fuels, minerals oils and product of their distillation	50,692	96,549	90.5	8,824	8,750	-0.8
71	Precious stones, precious metals, pearls and articles thereof	7,074	23,457	231.6	714	5,393	655.6
84	Boilers, machineries and mechanical appliances, parts thereof	30,967	34,574	11.7	2,441	3,006	23.2
85	Electrical machinery and equipment, parts thereof	19,964	21,534	7.9	1,493	2,099	40.5
72	Iron and steel	27,618	28,367	2.7	2,684	1,740	-35.2
87	Vehicles other than railway or tramway rolling-stock, parts thereof	15,596	17,679	13.4	1,017	1,496	47
39	Plastic and articles thereof	17,591	18,976	7.9	1,660	1,308	-21.2
29	Organic chemicals	9,341	11,120	19.0	961	784	-18.4
74	Copper and articles thereof	5,266	5,510	4.6	296	564	90.7
76	Aluminium and articles thereof	6,593	7,683	16.5	652	504	-22.7
	Subtotal	190,701	265,450	39.2	20,741	25,643	23.6
	Total	271,426	363,711	34.0	27,844	33,742	21.2

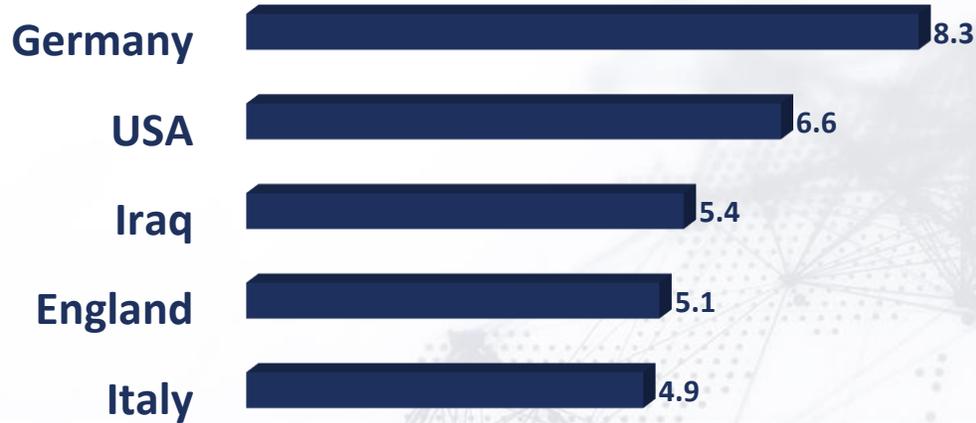
*Sorting is based on January 2023

Source: Ministry of Trade



Main Trade Partners

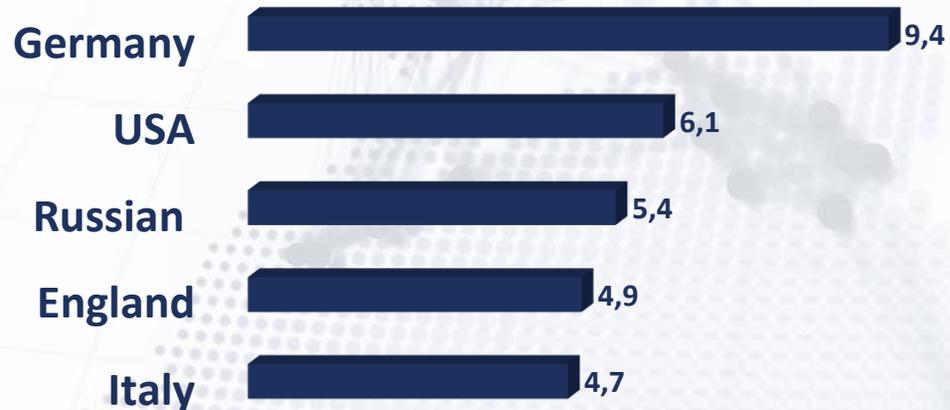
Leading Export Partners in 2022 (Share in Total Exports)



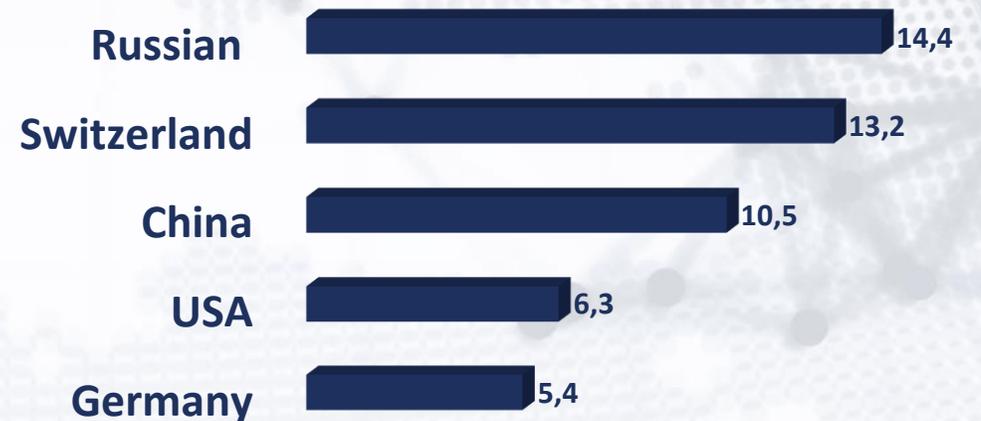
Leading Import Partners in 2022 (Share in Total Imports)



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



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





Exports by Regions

Million Dollar			Annual				January			
			2021	2022	Share (%)	Change (%)	2022	2023	Share (%)	Change (%)
Rank	Main Country Groups	Country Groups								
1	Europe	European Union (EU-27)	93,053	103,106	40.6	10.8	7,311	8,159	42.1	11.6
		Other European Countries	31,465	36,805	14.5	17.0	2,216	3,254	16.8	46.9
2	Africa	Other African Countries	7,876	9,877	3.9	25.4	736	646	3.3	-12.2
		North African Countries	13,336	14,159	5.6	6.2	1,198	909	4.7	-24.1
3	America	South American Countries	3,593	3,356	1.3	-6.6	251	191	1	-24.1
		North American Countries	16,408	18,787	7.4	14.5	1,346	1,280	6.6	-4.9
		Central America and Caraips	2,443	2,769	1.1	13.3	179	194	1	8.0
4	Asia	Other Asian Countries	17,234	18,409	7.2	6.8	1,196	1,347	6.9	12.5
		Near and Middle Eastern	38,355	45,225	17.8	17.9	2,990	3,299	17	10.3
5	Australia & New Zeland	Australia and New Zealand	1,128	1,089	0.4	-3.4	86	72	0.4	-16.4
6	Others	Other Countries	325	590	0.2	81.4	45	26	0.1	-42.0
Total			225,215	254,172	100	12.9	17,554	19,376	100	10.4

Source: TURKSTAT



Imports by Regions

Million Dollar			Annual				January			
			2021	2022	Share (%)	Change (%)	2022	2023	Share (%)	Change (%)
Rank	Main Country Groups	Country Groups								
1	Europe	European Union (EU-27)	85,383	93,286	25.6	9.3	6,300	7,722	22.9	22.6
		Other European Countries	44,758	87,506	24.1	95.5	6,175	10,663	31.6	72.7
2	Africa	Other African Countries	2,815	3,411	0.9	21.2	371	397	1.2	7.2
		North African Countries	5,418	6,099	1.7	12.6	403	1,370	4.1	239.5
3	America	South American Countries	7,772	9,920	2.7	27.6	604	473	1.4	-21.7
		North American Countries	14,227	16,545	4.5	16.3	1,377	2,177	6.5	58.2
		Central America and Caraips	1,099	1,421	0.4	29.3	85	339	1	301.4
4	Asia	Other Asian Countries	68,242	87,936	24.2	28.9	6,342	7,655	22.7	20.7
		Near and Middle Eastern	16,126	21,346	5.9	32.4	1,668	2,772	8.2	66.1
5	Australia & New Zeland	Australia and New Zealand	1,158	1,690	0.5	46.0	143	167	0.5	16.7
6	Others	Other Countries	24,429	34,552	9.5	41.4	4,377	8	0	-99.8
Total			271,426	363,711	100.0	34.0	27,844	33,742	100	21.2

Source: TURKSTAT



2) SERVICES



Targets in Services

In the scope of 2023 Strategy for Commercial Services;

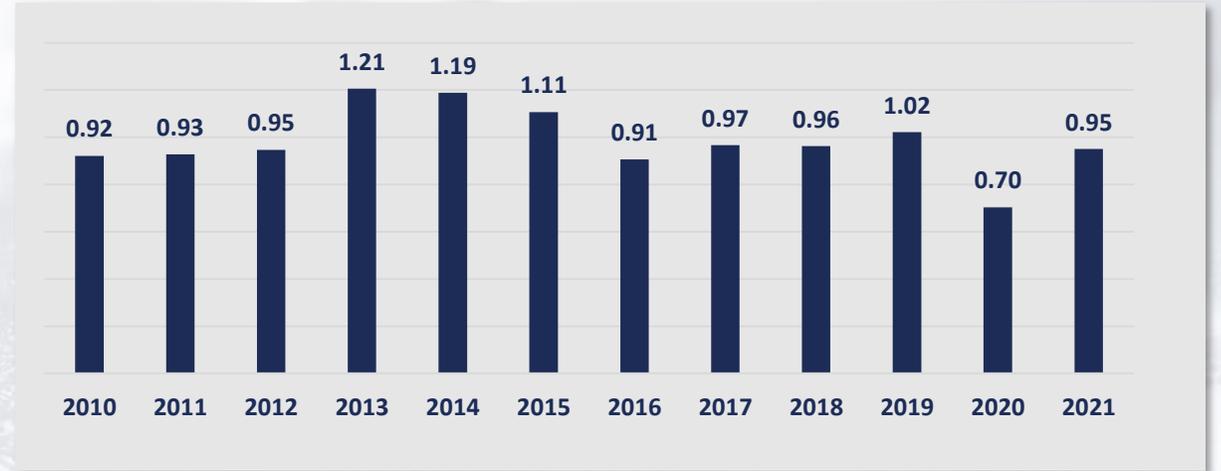
- To increase the share of the World's commercial trade
- Sustainable increase in service exports
- Balancing the current account deficit



DEVELOPMENTS IN EXTERNAL TRADE: SERVICES

➤ Türkiye's share in global exports of services realized as 0.95 % in 2021.

Türkiye's Share in Global Services Exports (%)



➤ Türkiye's share in global imports of services realized as 0.56% in 2021.

Türkiye's Share in Global Services Imports (%)



Source: WTO, CBRT



Balance of Payments - Services Items

Credit Million Dolar	November			January-November		
	2021	2022	Change(%)	2021	2022	Change(%)
Services	5,482	7,149	30.4	55,441	83,555	50.7
Transport	2,396	2,965	23.7	21,862	33,185	51.8
Travel	2,205	3,073	39.4	24,795	39,897	60.9
Construction	20	50	150.0	188	353	87.8
Insurance and pension services	81	173	113.6	905	1,619	78.9
Financial Services	28	90	221.4	356	629	76.7
Charges for the use of intellectual property	20	15	-25.0	320	193	-39.7
Telecommunications, computer, information serv.	217	194	-10.6	2,217	2,229	0.5
Other business services	319	301	-5.6	2,930	1,051	-1.9
Personal, cultural, and recreational services	19	55	189.5	144	396	175.0
Government goods and services	28	32	14.3	303	360	18.8
Debit Million Dolar	November			January-November		
	2021	2022	Change(%)	2021	2022	Change(%)
Services	2,963	3,466	17.0	25,939	35,372	36.4
Transport	1,108	1,451	31.0	9,666	16,259	68.2
Travel	263	425	61.6	1,482	3,440	132.1
Construction	1	19	1800.0	18	82	355.6
Insurance and pension services	187	212	13.4	2,014	2,459	22.1
Financial Services	68	166	144.1	460	1,537	234.1
Charges for the use of intellectual property	206	198	-3.9	2,347	2,326	-0.9
Telecommunications, computer, information serv.	250	226	-9.6	2,840	2,349	-17.3
Other business services	563	520	-7.6	5,132	5,001	-2.6
Personal, cultural, and recreational services	27	28	3.7	279	293	5.0
Government goods and services	214	120	-43.9	950	983	3.5

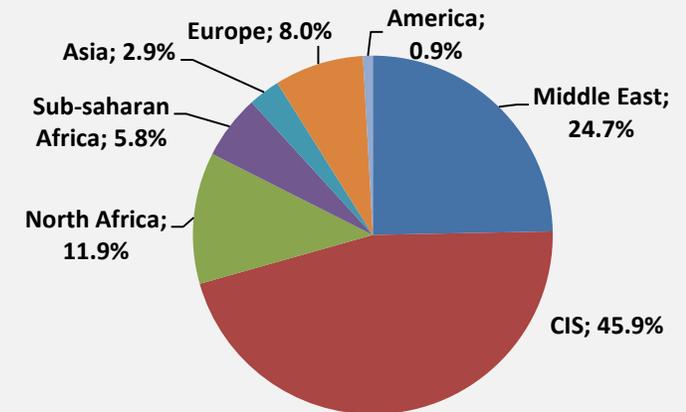
Source: CBRT



Contracting Services Abroad

Years	Projects	Countries	Project Volume (Billion \$)	Cum. Project Volume (Billion \$)	Avr. Project Volume (Billion \$)
1971-2002	2,426	48	49.75	49.75	0.02
2003	339	35	6.40	56.15	0.02
2004	477	36	8.63	64.78	0.02
2005	452	33	12.92	77.70	0.03
2006	577	35	22.41	100.11	0.04
2007	614	45	25.66	125.76	0.04
2008	667	39	24.69	150.45	0.04
2009	505	45	20.12	170.57	0.04
2010	633	50	23.42	193.99	0.04
2011	561	51	24.48	218.46	0.04
2012	549	49	31.65	250.11	0.06
2013	438	50	31.23	281.34	0.07
2014	360	54	26.70	308.04	0.07
2015	285	57	23.98	332.02	0.08
2016	223	56	15.21	347.22	0.07
2017	312	52	17.80	365.02	0.06
2018	386	53	22.76	387.78	0.06
2019	537	45	19.25	407.03	0.04
2020	371	42	16.21	423.24	0.04
2021	443	71	30.73	453.97	0.07
2022	480	45	18.71	472.68	0.04
2023	12	8	0.95	473.63	0.08

- There are 40 Turkish companies in the list of the world's 250 largest contracting companies in 2020. In this regard, Türkiye 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 (%) (December) 2022





REPUBLIC OF TÜRKİYE
MINISTRY OF TRADE

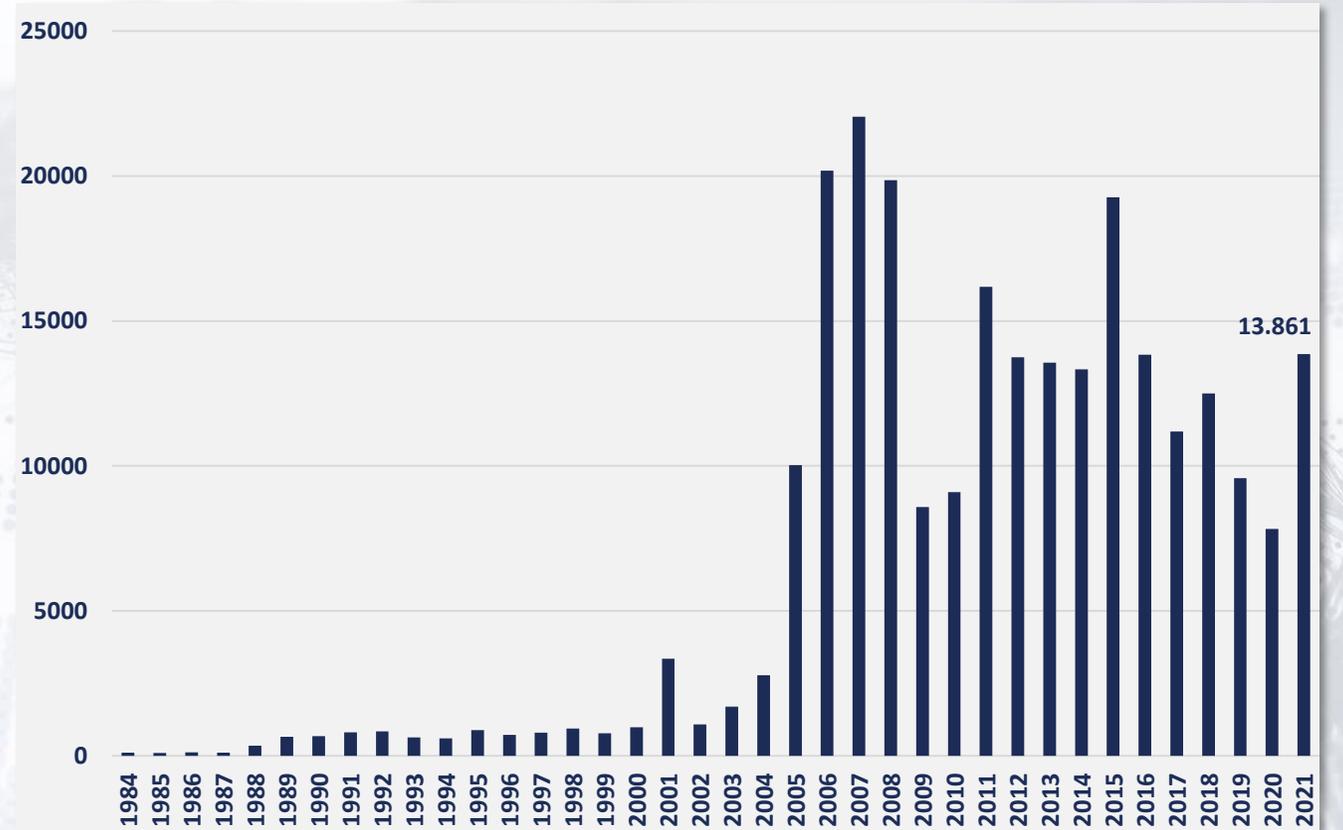


D- INVESTMENTS



- FDI stock reached 239,2 billion USD over 2003-2021 period. It was 14,6 billion USD over 1984-2002 period.
- In November 2021, FDI inflows realized as 875 million dollars. In November 2022, FDI inflows realized as 1187 million dollars.

Foreign Direct Investment (Million \$)

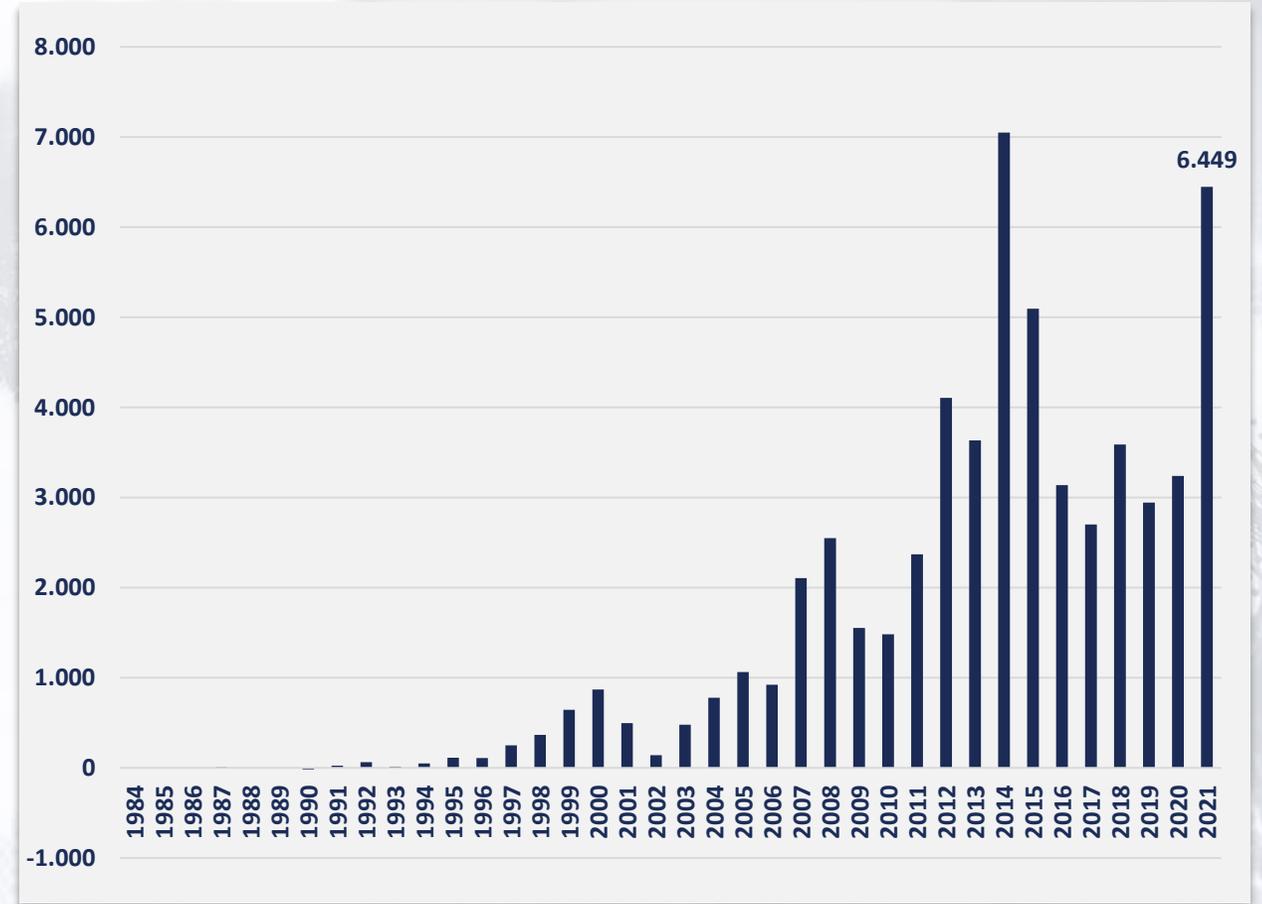


Source: CBRT



Foreign Direct Investment Abroad (Million \$)

- Direct investments from Türkiye to abroad reached 55.3 billion USD from 2003 to 2021 on a cumulative basis.
- In November 2022, foreign direct investment decreased by 24% compared to the same month of the previous year, and realized as 412 million dollars.



Source: CBRT

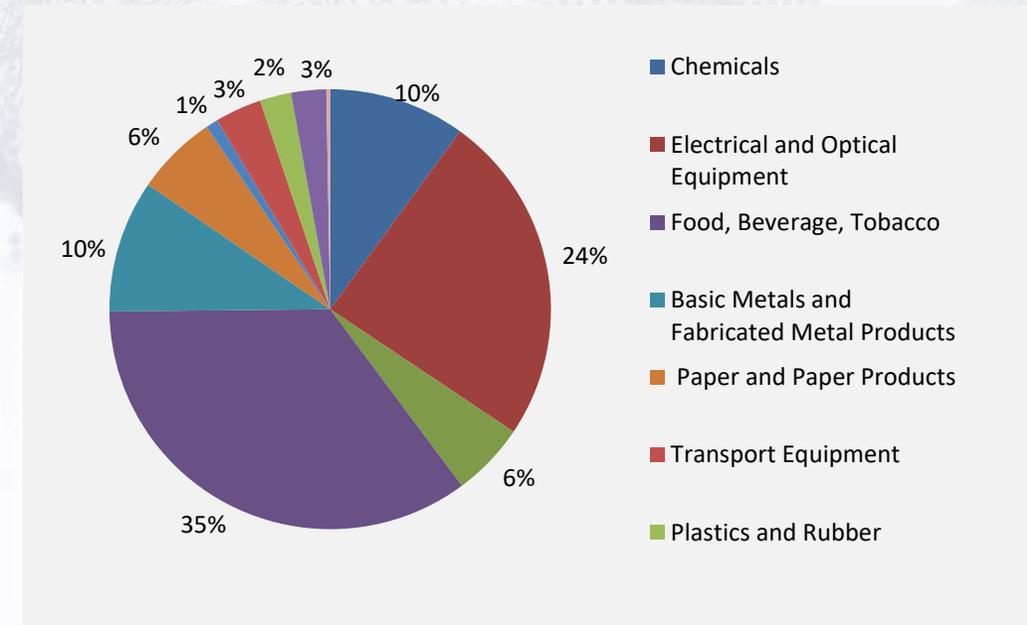


The Sectoral Breakdown of Foreign Investments

(Million \$)	Annual		January-October	
	2021	2022	2021	2022
AGRICULTURE	17	148	147	70
INDUSTRIAL SECTORS	1,188	1,850	1,568	1,728
Mining and Quarrying	128	65	63	181
Manufacturing	1,010	1,655	1,376	1,439
Electricity, Gas, Steam and Air-conditioning Supply	49	129	129	108
Water Supply; Sewerage, Waste Management and Remediation	1	1	0	0
SERVICES SECTOR	4,586	5,100	4,599	4,321
TOTAL	5,791	7,098	6,314	6,119

Source: CBRT

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





Breakdown of Foreign Investments by Country

Rank*	Countries	2021 FDI	2022 FDI	2022 FDI
		(Million Dolar)	November (Million Dolar)	January-November (Million Dolar)
1	Ireland	221	236	355
2	Netherlands	749	197	819
3	Germany	479	147	642
4	Italy	40	75	209
5	Austria	94	60	189
6	France	127	35	161
7	United States of America	1,180	35	248
8	South Korea	344	35	54
9	Luxembourg	368	29	284
10	Taipei, Chinese	51	20	112
11	Switzerland	521	18	688
12	Japan	222	16	80
13	China	88	15	60
14	England	1,392	10	301
15	Spain	58	6	1,589
16	Belgium	83	5	75
17	Singapore	32	3	27
18	Czech Republic	20	2	3
19	Malta	5	2	5
20	Romania	0	2	2
TOTAL LIST		6,074	948	5,903
TOTAL		7,098	949	6,119

Source: CBRT

*Sorted by FDI in November 2022



REPUBLIC OF TÜRKİYE
MINISTRY OF TRADE

E - FREE ZONES IN TÜRKİYE



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 TÜRKİYE



- Employment in the 18 Free Zones of Türkiye is 91,303 in December 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, 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 Dollars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
From Domestic Market To Free Zones	2.887	2.732	2.205	2.125	2.376	2.563	2.665	2.574	3.466	3.808
From Free Zones To Abroad	7.701	7.958	7.494	7.041	7.525	8.147	7.978	7.727	9.755	11.431
From Abroad To Free Zones	7.490	7.059	6.550	5.868	6.404	6.453	5.633	7.028	7.073	11.155
From Free Zones To Domestic Market	5.162	4.683	4.012	3.999	4.073	3.766	3.379	4.729	4.325	6.430
*TOTAL TRADE VOLUME	23.240	22.432	20.261	19.033	20.378	20.929	19.656	22.058	24.618	32.823

Source: General Directorate of Free Zones, Ministry of Trade

**Sum of inward and outward trade flows*

➤ **In 2022 sum of inward and outward trade flows in free zones was 32.8 billion US dollars.**



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



REPUBLIC OF TÜRKİYE
MINISTRY OF TRADE



F - BILATERAL, REGIONAL, PLURILATERAL and MULTILATERAL TRADE



Trade Relations of TÜRKİYE with Others

➤ Bilateral Trade Relations of TÜRKİYE

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

➤ Regional Trade Relations of TÜRKİYE

EU, ECO, D8, BSEC, OIC, COMCEC

➤ Multilateral Trade Relations of TÜRKİYE

WTO, G20



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. Venezuela (2020)
22. United Kingdom (2021)
23. Pakistan *
24. Qatar *
25. Lebanon *
26. Sudan *
27. Ukraine *

(*) Agreements that are in the approval process



FTA Countries (On-going Negotiations)

Active Negotiations

1. Japan
2. Thailand
3. Indonesia
4. United Arab Emirates

Other Negotiations

1. Mexico
2. Ecuador
3. MERCOSUR
4. Peru
5. Colombia
6. Cameroon
7. Gulf Cooperation Council
8. Djibouti
9. Seychelles
10. Somalia



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 Türkiye.
- 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 was carried out by Indonesia. In 2023, the G20 Presidency will be assumed by India.



Locations of Trade Representatives



217 Representatives from The Ministry are serving in **119** countries, **179** locations (**3** Permanent Representation) abroad.