

REPUBLIC OF TURKEY PRIME MINISTRY

Investment Support and Promotion Agency of Turkey

Turkey

Vision 2023

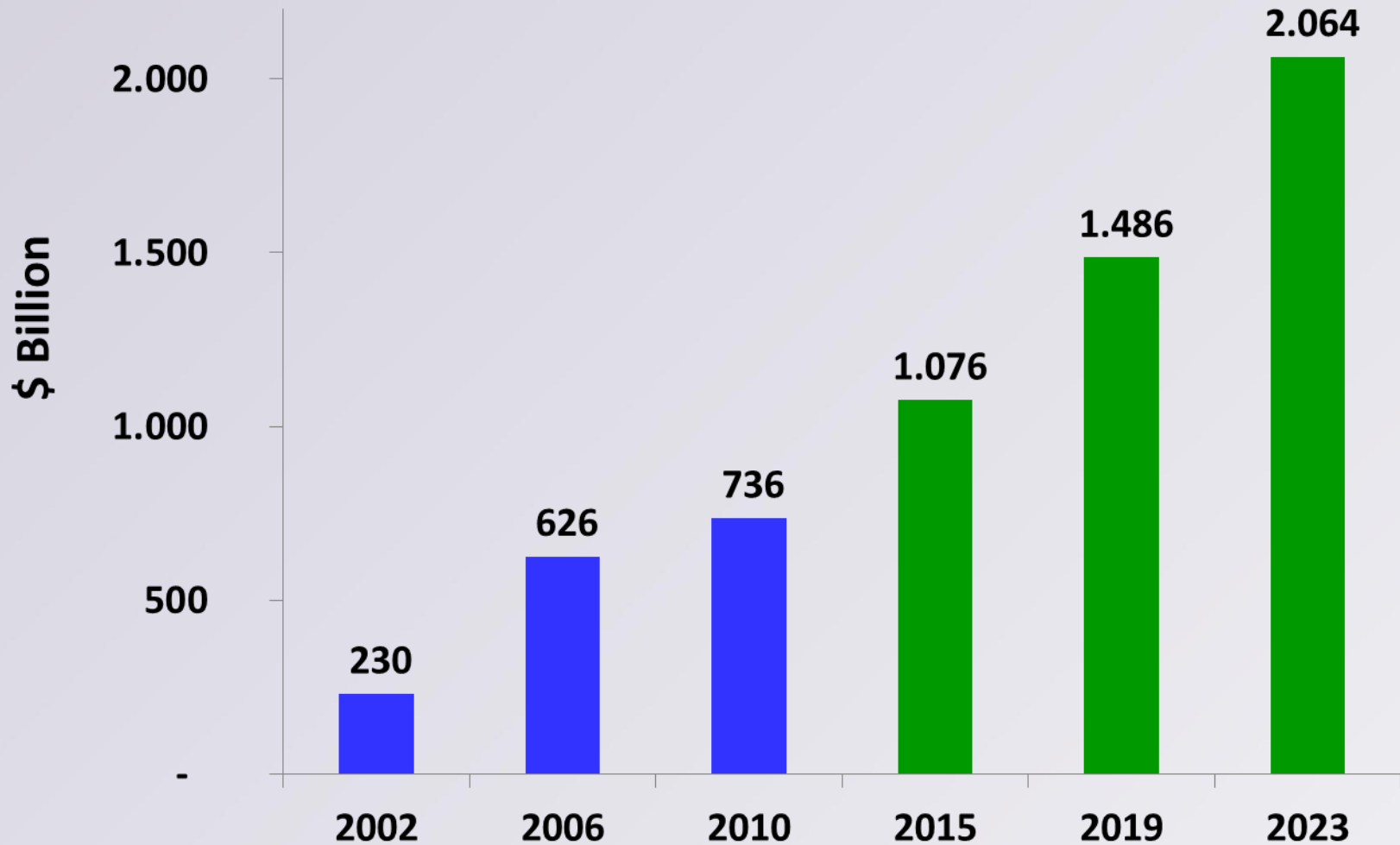


Turkey in 2023

- **One of the top 10 economies in the world**
- **GDP: circa \$2 trillion**
- **Population: 82 million**
- **Export: \$500 billion**
- **Single digit Inflation and Interest rates**

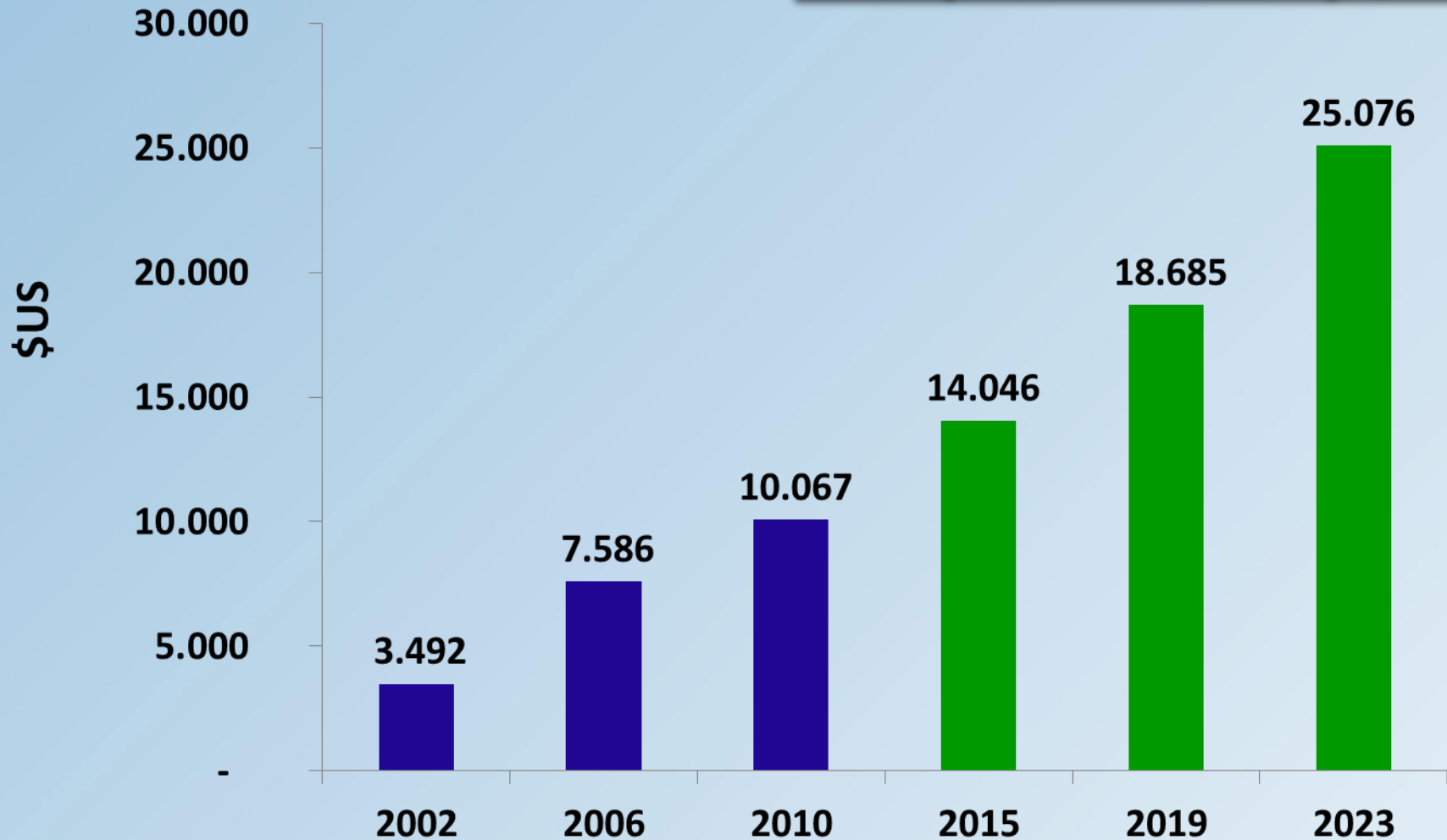
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GDP (Current Prices)



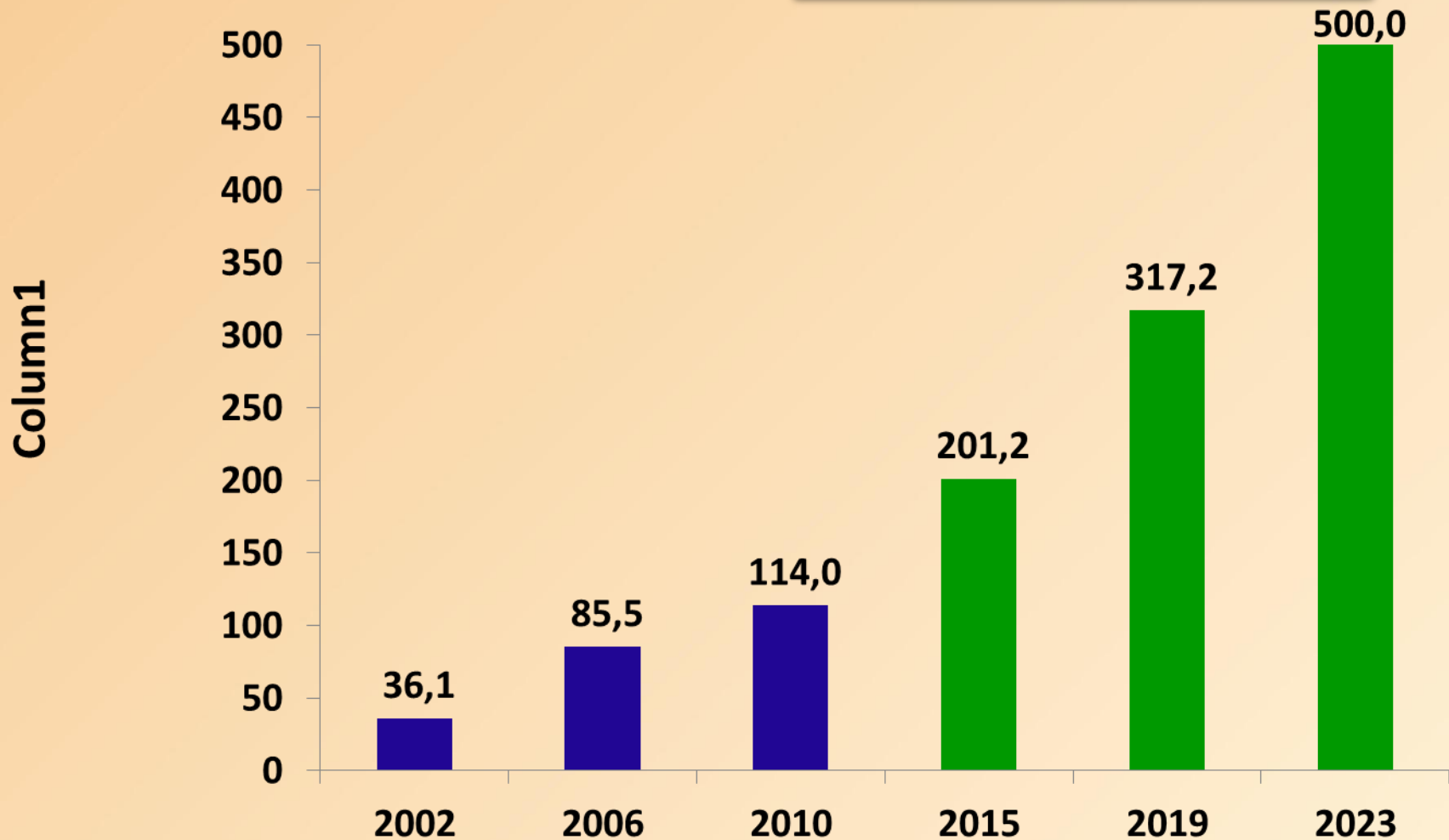
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GDP Per Capita (Current Prices)



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Export (\$ Billion)



- **Enhance fiscal transparency and accountability**
- **Reinforce pioneering role of private sector and decisively continue privatization**
- **End state's role in power distribution and sugar production**
- **Diminish state's role in power generation, telecom, management of ports, highways and bridges**

- **A new governance model for State-Owned-Companies based accountability, transparency and flexibility**
- **To utilize dormant public land in favor of economy**
- **To expand investor base for domestic government bonds by introducing new instruments and selling methods**
- **Diminish state's role in power generation, telecom, management of ports, highways and bridges**

Revenue Policy

- **Revising tax policy to support economic growth, investment and employment and to decrease unregistered economy**
- **The less unregistered economy, the lower tax rates**
- **New tax system will be predictable and proactive, supporting investors producing more, committed to utilize their resources efficiently, paying taxes regularly, creating more jobs and expanding economy**

- **Sources of taxes will change in favor of indirect taxes**
- **Tax policies will aim to increase FDI inflows, support investment and R&D, increase employment and reduce regional disparity**
- **A simplified and effective tax system**
- **New regulations to increase revenue sources of local authorities**

Public Expenditure & Investment

- **Priority will be given to infrastructure investments which will support economic productivity in the medium and long term (highway, railway, airports, dams, irrigation, ICT)**
- **Public investments will focus on economic and social infrastructure which cannot be realized by private sector**
- **Public-Private-Partnership will increasingly continue**
- **Public spending will focus on social and infrastructure projects with development potential**

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Public Finance Policy

- **Sources of taxes will change in favor of indirect taxes**
- **Tax policies will aim to increase FDI inflows, support investment and R&D, increase employment and reduce regional disparity**
- **A simplified and effective tax system**

- **Monetary policies will support government's growth and employment policies provided that they are not in contradiction with financial and price stability**
- **Inflation targetting will continue to be the main policy**
- **Inflation targets will be determined for 3 years by the Central Bank and government**
- **Floating exchange rate regime will continue**
- **Central Bank will continue to be the principal authority**

- **Istanbul will be one of top 10 financial centers in the world; to this end, human resource, physical, technical, legal and tax measures will be taken**
- **Other cities will support istanbul to be a financial center**
- **Number of Turkish companies tarded in Istanbul Stock Exchange (ISE) will be at least 1000;**
- **Foreign companies in ISE will be more than Turkish companies and will be representing at least 10 countries**

Balance of Payment

- **In order to diminish dependency of production and export on import, policies and incentives to increase local production capacity of especially intermediary and capital goods**
- **Improve local technologic skills in the sectors with high external dependence**
- **For global competitiveness in export, production and marketing of products and services based on innovation, R&D, high added-value and branding, will be supported**

Employment

- **Unemployment: 5%; Employment: 50%**
- **Unregistered non-agriculture employment: 15% (from 30%)**
- **Lifelong learning participation from 8% (from 2%)**
- **Annual training of 400.000 unemployed to attain skills**
- **Analysis of provincial labor force in order to meet labor force demand for required skills, number and sector**
- **International standards in professional competence**

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R&D and Innovation

- **R&D expenditures: 3% of GDP**
- **2/3 of R&D expenditures by private sector**
- **Number of full-time equivalent researcher: 300.000**
- **Working on manned rocket to space and national satellite**
- **National centers of excellence**
- **Venture capital and angel investor to turn R&D into business**

Microeconomy, Entrepreneurship and Industrial Policies

- **Manufacturing base of medium and high tech products**
- **Support companies' technological development**
- **Manufacturing and R&D base in automotive, national automobil**
- **Aircraft factory for commercial planes**
- **Support production of unmanned aerial vehicles**

Microeconomy, Entrepreneurship and Industrial Policies

- **Improve infrastructure (OIZ)**
- **Free land for investors in OIZs where it is available**
- **Laboratory and test centers with int'l standards**
- **Ending poor-quality and non-standard products**
- **Online company establishment in 5 minutes.**

Microeconomy, Entrepreneurship and Industrial Policies

- **Support SMEs, IPO of SMEs**
- **R&D and innovation support for SMEs up to 1 million TL**
- **27K TL grant and 70K TK loan for new entrepreneurs**
- **15 new business development centers**

- **National rifle**
- **National cannon**
- **National tank**
- **National helicopter**
- **National fighter aircraft**

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Export of Goods & Services

In order to achieve \$500 billion export volume;

- **Export-based production, 100.000 exporters (from 50.000)**
- **To create at least 10 national brands known worldwide**
- **Diversification of export markets and products**
- **Support high value-added, medium and high tech products**
- **Support key sectors; machinery, iron&steel, automotive, textile, electronics, chemicals**

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Tourism

- **Annually 50 million tourists with \$50 billion revenue**
- **Existing 1-million bed capacity will be increased to 1,5 mio**
- **Number of marinas will be increased 65 up from 25**
- **Promote health, religion, convention, fair, culture, golf, thermal tourism**

- **\$150 billion gross agricultural domestic product**
- **\$40 billion agricultural export**
- **One of top 5 countries in term of agricultural size**
- **8,5 million hectare irrigable area (from 5,4 million)**
- **Number 1 in fisheries in EU**

- **125.000 MW installed power (up from 54.423 MW)**
- **Increase share of renewables to 30%**
- **60.717 km transmission lines (from 49.104 km)**
- **158.460MVA power distribution unit capacity (from 98.996MVA)**
- **Decrease electricity loss-theft to 5% and smart grids**
- **5 billion m³ natural gas storage capacity (from 2.6 billion m³)**
- **To establish an energy stock exchange**

- **8 nuclear reactor with 10.00 MW will be active**
- **Contract 4 nuclear reactors with 5.000 MW**
- **Construct power plants with 18.500 MW in the coal basins**
- **Full utilization of hydro power**
- **Increase wind power to 20.000 MW (up from 1.694 MW)**
- **Power plants with 600 MW geothermal, 3000 MW solar energy**

- **\$20 billion export of mining (from \$10 billion)**
- **5.5 million tons production of \$2.5 billion export of boron**
- **Meeting demand for coking coal by domestic production**
- **Annual 5 million m² drilling for mining (from 1 million m²)**
- **20 billion tons proved reserve of lignite (from 11.5 billion tons)**
- **70% of geothermal potential proved to transfer to investors**

- **Additionally 16 new large-scale logistic centers**
- **36.500 km dual carriageway, 7.500 km motorway**
- **70.00 km with bitumen hot-mix asphalt**
- **In 2019 sub-marine tube, 3. bridge on Bosphorus**
- **Bridge on Dardanelles**

- **10.000 km high-speed railway, 4.000 km new railway**
- **8.000 km with electricity and signal**
- **Annually 500 km railway will be renovated**
- **Liberalization of railways opening to private sector**
- **Renovation of terminals and stations and construction of new terminals for high-speed trains**
- **Support railway projects to connect Turkey with Caucasus, Middle East, North Africa**

- **Domestically produced plane (regional)**
- **New airports, 400 million passenger capacity (165 mio)**
- **3 new airports in Istanbul**
- **750 planes fleet (200 regional)**
- **At least 2 aviation maintenance and training centers**
- **Establish Turkish Space Institute by 2015**

- **Connect main ports with railways**
- **Transfer ports in Aegean/Mediterranean/Marmara/Blacksea**
- **To have at least one of top 10 ports in the world by 2019**
- **32 million TEU handling capacity for container transport**
- **Handling 500 million tons of solid & 350 million liquid load**
- **10 million DWT shipbuilding capacity**
- **100 marina with 50.000 yachth capacity**

- **30 million broadband subscribers**
- **50% of ICT sector by domestic products and services**
- **8% ICT sector's share in GDP**
- **One of top 10 countries in e-transformation**
- **Provide all public services electronically by 2019**
- **80% of population will be computer literate**
- **Liberalization of postal services by 2015**

THANK YOU

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