

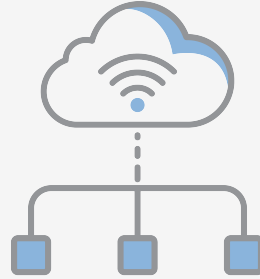


PRESIDENCY OF THE REPUBLIC OF TURKEY  
INVESTMENT OFFICE



[invest.gov.tr](https://invest.gov.tr)

# WHY INVEST IN **TURKISH** **ICT SECTOR?**



# AGENDA

<b>Executive Summary</b>	<b>03</b>
<b>Turkish ICT Sector Outlook</b>	<b>05</b>
<b>Growth Drivers in Turkey</b>	<b>11</b>
<b>Opportunities in Turkish ICT Sector</b>	<b>22</b>
<b>Start-up Ecosystem</b>	<b>38</b>
<b>Success Stories</b>	<b>43</b>





# Executive Summary





## FAVORABLE INVESTMENT ENVIRONMENT

- Strong macroeconomic growth with increasing income per capita and a burgeoning middle class
- Favorable demographics with a dynamic, young and online population supporting the industry
- Cost-competitive ICT skills and communication data infrastructure
- Strong government support through technology and innovation ecosystems as well as incentives that focus on R&D



## STRONG INTERNATIONAL PRESENCE

- Global ICT companies have been present in Turkey with significant activities, using Turkey as a managerial hub to access regional markets
- Successful partnerships with local companies to grow in the region, capitalizing on locals' human capital, experience and networks



## MARKET POTENTIAL

- World-scale domestic demand and strong ICT skills offer ample opportunities in telecommunications, e-commerce, gaming, cloud & data center operations, digital transformation of the Turkish industry, public investments, e-government projects and ICT use in automotive, healthcare and hospitality sectors



## ROBUST GROWTH IN THE SECTOR

- Turkish ICT market surpassed USD 27 billion in 2018
- The backbone of the growth is the young and well-educated human capital that the country offers
- The ICT ecosystem is strongly backed by international and local companies, creating a diverse environment for all players

**TURKEY HAS A GROWING ICT SECTOR OFFERING AMPLE OPPORTUNITIES IN MANY AREAS**

# Executive Summary



# Turkish ICT Sector Outlook

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# Turkish Information & Communication Technologies Sector

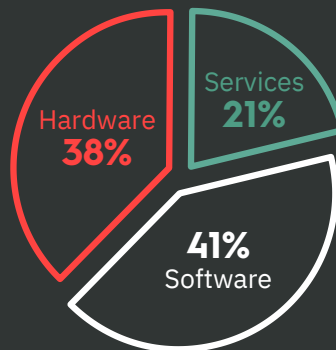
## ICT Market Size (In billion USD)



The drop is due to changing currency rates, although by TRY, it is recorded as an unprecedented average growth of 17% in 5 years

Source: TUBISAD ICT Market Data 2018

## 2018 ICT Market Breakdown Shares of Subsectors



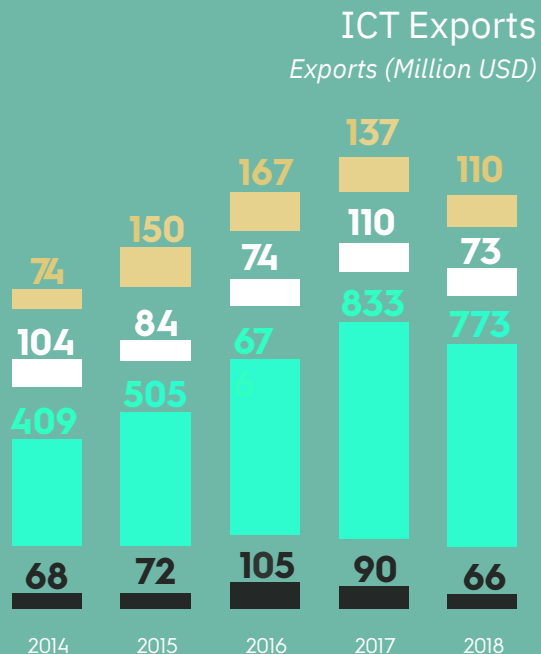
TURKISH ICT MARKET HAS SURPASSED USD 27 BILLION AND REACHED A WORKFORCE OF ALMOST 130K IN THE LAST FIVE YEARS

# Foreign Trade

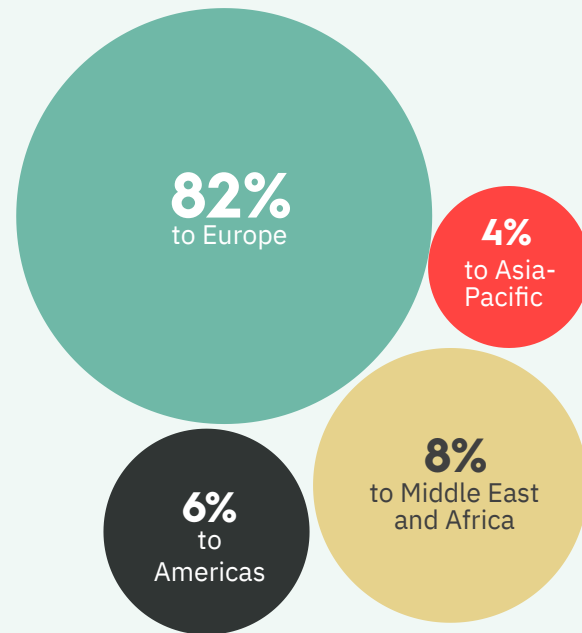
## TURKEY HAS DOUBLED ITS EXPORTS IN 3 YEARS...

TURKEY HAS NEARLY DOUBLED ITS EXPORTS SINCE 2014 - REACHING OVER USD 1 BILLION WHILE BROADENING ITS EXPORT MARKETS

IT-Service IT-Hardware  
IT-Software CT-Equipment



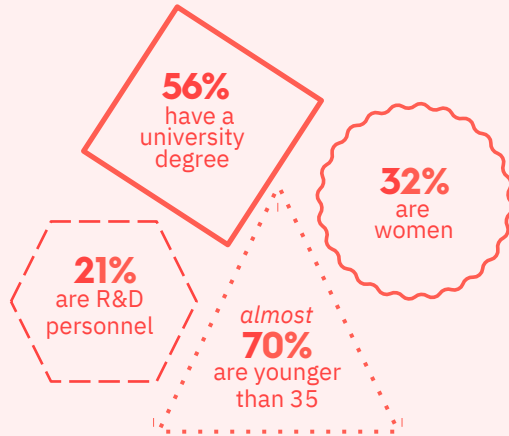
## ...WHILE BROADENING ITS EXPORT MARKETS



Source: TUBISAD ICT Market Data 2018

# Major Players

OUT OF  
139,000 EMPLOYEES



LARGE-SIZED LOCAL  
AND INTERNATIONAL  
COMPANIES IN THE  
ECOSYSTEM



THERE ARE OVER  
2,000 COMPANIES IN  
TURKISH ICT SECTOR  
WHERE BOTH LOCAL  
AND INTERNATIONAL  
PLAYERS ARE ACTIVE

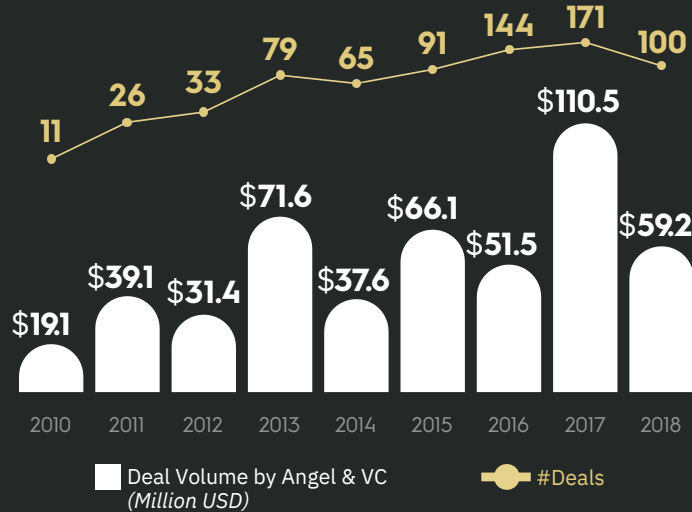
USD 16 billion  
of international  
investment  
attracted since  
early 2000s

**Source:** TUBISAD ICT Market Data 2018, BTHaber Bilisim 500 2017 List, Fortune 500 2018 List, Deloitte Technology Fast 50 Turkey 2017, CBRT

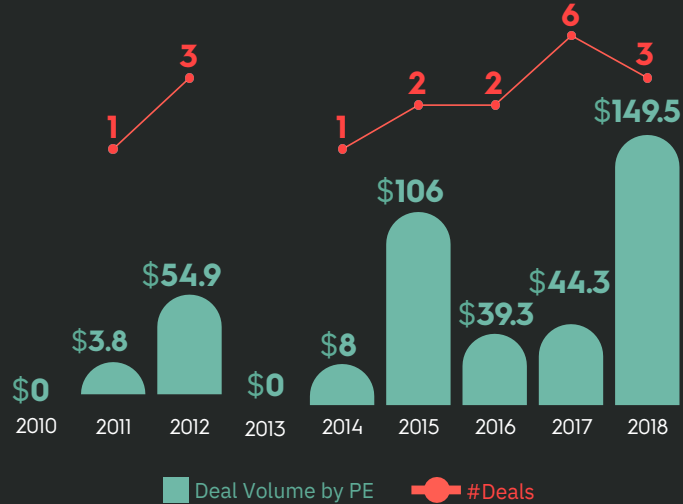


# M&A Market

EARLY STAGE INVESTMENTS  
IN ICT COMPANIES IN  
TURKEY ARE ON THE RISE



TURKISH ICT  
SECTOR IS POISED  
TO FURTHER GROW  
WITH M&AS AND  
NEW ENTRANTS



Source: Startups.watch Turkish Entrepreneurship Ecosystem 2018

# M&A Market

3 out of  
top 10 VC-backed  
exits in Europe  
during 2018  
were Turkish!

**\$728 Million**

trendyol

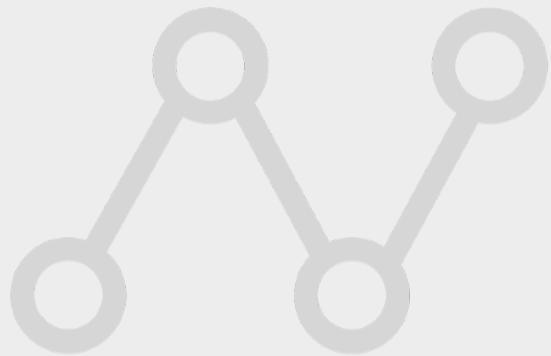


**\$250 Million**



**\$295 Million**





# Growth Drivers in Turkey



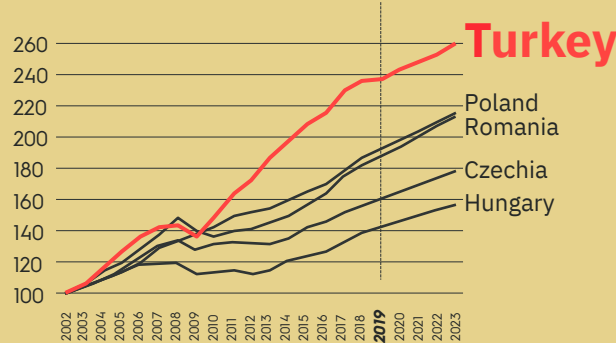
# Robust Economy

Ranking of Economies by GDP at PPP

1	USA	1	CHINA
2	CHINA	2	USA
3	JAPAN	3	INDIA
4	GERMANY	4	JAPAN
5	INDIA	5	GERMANY
6	RUSSIA	6	RUSSIA
7	FRANCE	7	INDONESIA
8	UK	8	BRAZIL
9	BRAZIL	9	UK
10	ITALY	10	FRANCE
11	MEXICO	11	MEXICO
12	INDONESIA	12	ITALY
13	SPAIN	13	TURKEY
14	CANADA	14	S.KOREA
15	S.KOREA	15	SPAIN
16	S.ARABIA	16	S.ARABIA
17	IRAN	17	CANADA
18	TURKEY	18	IRAN

**13<sup>TH</sup> LARGEST ECONOMY IN THE WORLD**

## Real GDP Growth (Index: 2002=100)



TRACK RECORD  
GROWTH AND  
BRIGHT FUTURE  
WITH PROVEN  
RESILIENCE

**AVERAGE  
ANNUAL GDP  
GROWTH (%),  
2003-2018**

**5.6 Turkey**

**4.0 Poland**

**3.9 Romania**

**2.8 Czechia**

**2.1 Hungary**

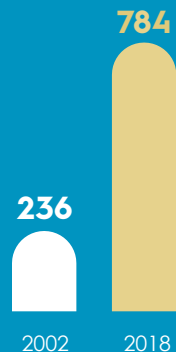
Source: TurkStat, OECD, World Bank, IMF, PPP: Purchasing Power Parity

# Bourgeoning Middle Class

Turkish economy has more than tripled over the past 15 years and is promising more growth in future

TURKEY'S ECONOMIC GROWTH HAS PAVED THE WAY FOR EMERGENCE OF A SIZEABLE MIDDLE-CLASS...

Turkish Economy  
(GDP at current prices, USD Billion)



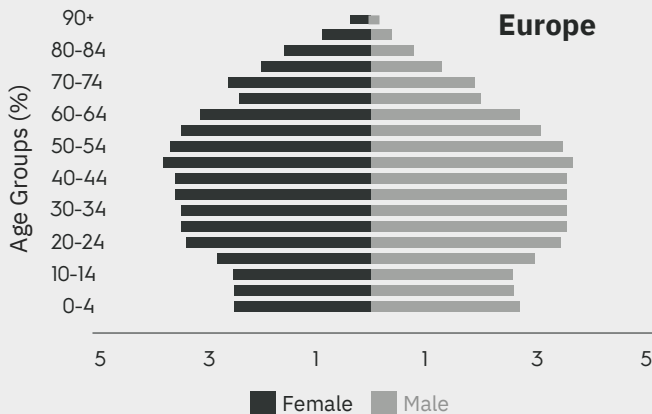
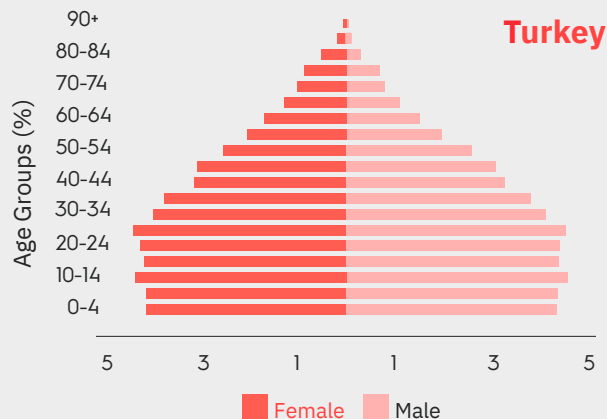
TRIPLING INCOME PER CAPITA  
(GDP per capita at purchasing power parity)



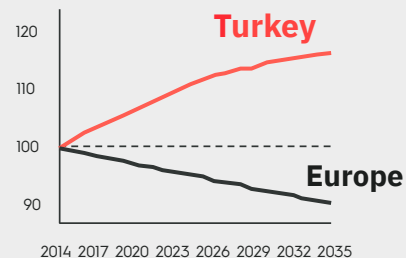
Source: IMF, TurkStat, Euromonitor

# Favorable Demographic

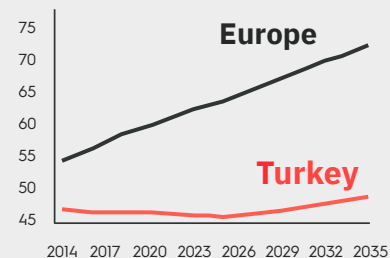
...HALF OF  
POPULATION  
UNDER AGE 30



## Working Age Population (15-64) (Index: 2014=100)

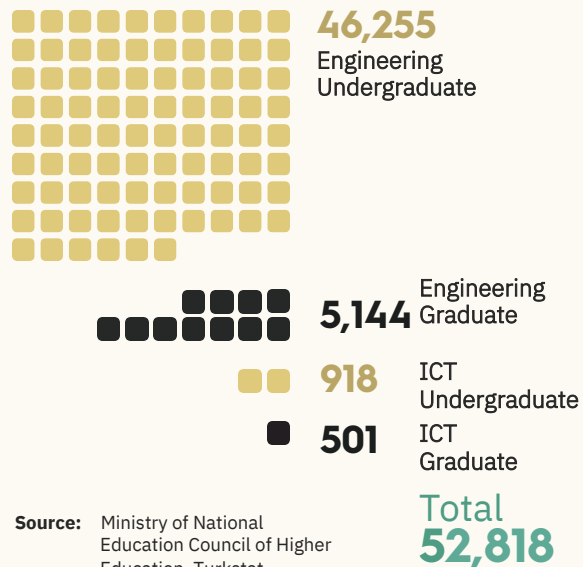


## Total Dependency Ratio (%, Age 0-14 & 64)/Age 15-64)



# Skilled & Cost-Competitive Labor Force

Annual Number of University Grads in ICT & Engineering Fields (2018)

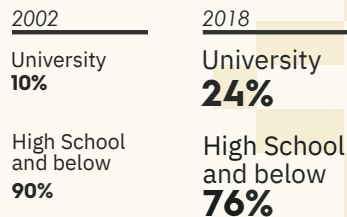


Source: Ministry of National Education Council of Higher Education, Turkstat, stackoverflow.com

Number of Grads from Vocational & Technical High Schools (In Thousands)



Labor Force by Education Level

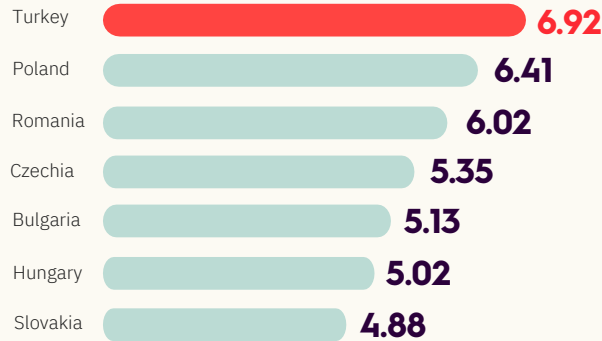


Over 120K professional software developers in Turkey

TURKEY'S EDUCATION SYSTEM UPGRADED TO OFFER OUTSTANDING ACADEMIC PROGRAMS

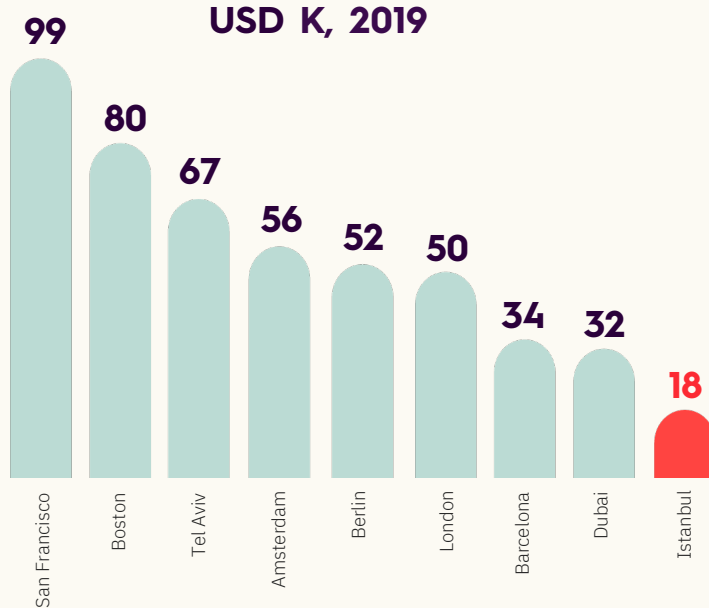
# Skilled & Cost-Competitive Talent Pool

## Availability of Qualified Engineers (10=Available; 0=Unavailable)



**Source:** IMD World Competitiveness Yearbook Executive Opinion Survey based on an index from 0 to 10; Daxx software developers salaries, Poyraz Consultancy, Eurostat, OECD, BLS, Turkstat

## Average Salaries for Software Developers (with 3-5 year experience)



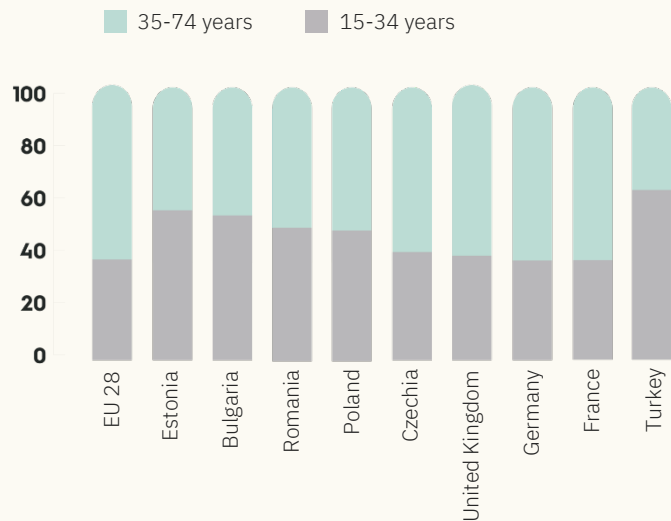
...TO SUPPORT A SKILLED  
ENGINEERING POOL AT  
COST-COMPETITIVE  
PRICES



# Skilled & Cost-Competitive Talent Pool

## Distribution of ICT Specialist by Age (%)

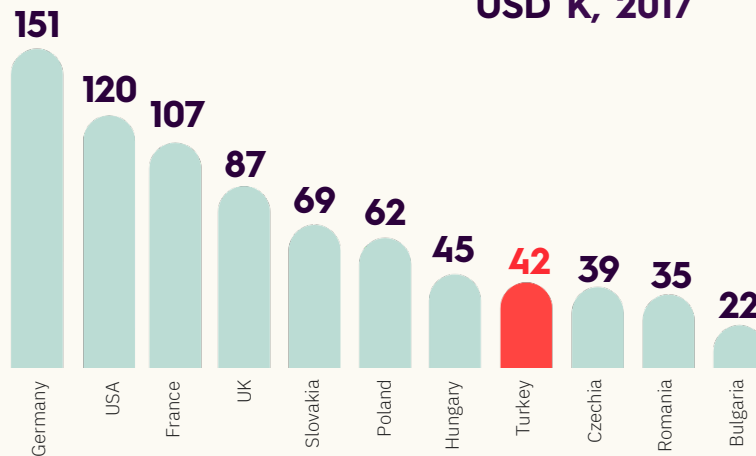
*Distribution of ICT specialist by age, 2018 (%)*



## Remuneration of Management/Engineer

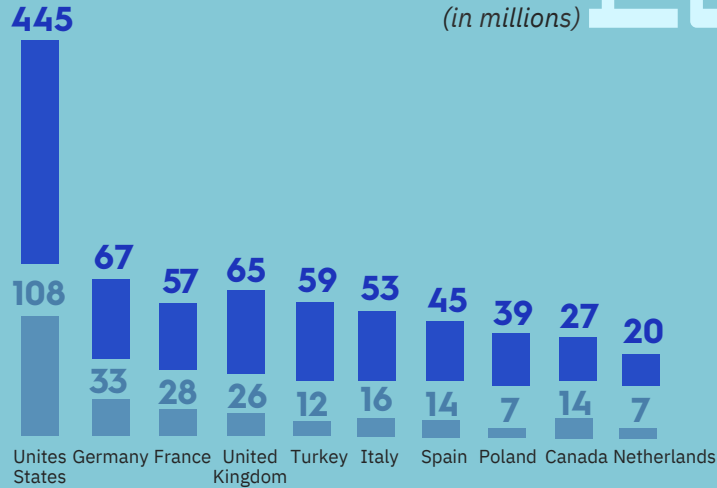
*Total base salary plus bonuses and long-term incentives*

**USD K, 2017**



# Data Infrastructure

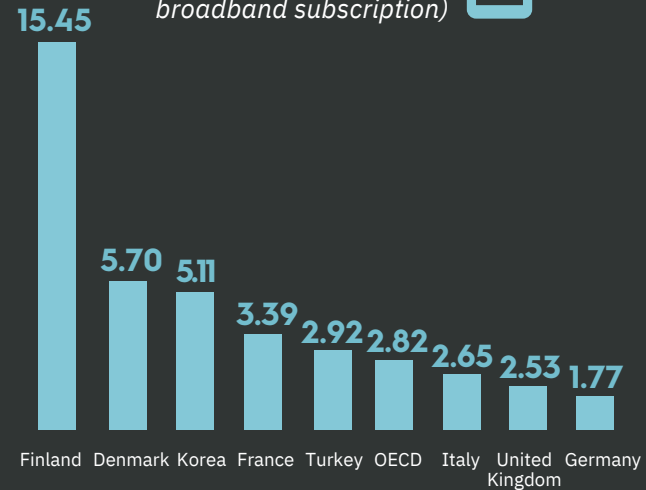
## FIXED AND MOBILE BROADBAND SUBSCRIPTIONS (in millions)



Source: OECD Broadband Portal, 2018 June

BROADBAND SUBSCRIPTIONS DOUBLED SINCE 2010 TO REACH 69 MILLION, EUROPE'S 4<sup>TH</sup> BIGGEST ONLINE POPULATION

## MOBILE DATA USAGE (GB per month, per mobile broadband subscription)





## Technoparks

- **64** Technoparks (an additional **20** underway)
- **53K** employment in over **5,345** companies
- **5%** international companies
- **>1000** companies with academia partnership
- Total export is **USD 4.3Billion**

## Technoparks & R&D Centers



## R&D Centers

- **1,188** R&D Centers
- **58K** employment; **18%** with graduate degree in ICT
- **14%** international companies



## Universities

- 10 universities in Top 1000; 2 in Top 500 (QS World University Rankings 2019)
- Over 1100 academicians in ICT

TECHNOPARKS AND R&D CENTERS MAKE IMPORTANT CONTRIBUTIONS TO INNOVATION ECOSYSTEM AND TECHNOLOGY DEVELOPMENT

Turkey's GERD (gross expenditure on R&D) is 1% of GDP

Turkey ranks 19<sup>th</sup> in GERD financed by business enterprises

Source:  
Global Innovation Index 2018

Out of 63 countries, Turkey ranks

- 26<sup>th</sup> in female researchers ratio
- 11<sup>th</sup> in R&D productivity by publication

Source:  
IMD Digital Competitiveness Index 2018

Source: Turkish Ministry of Industry and Technology R&D Centers and Technology Development Zones 2019 August Reports, Ministry of National Education Council of Higher Education, IMD World Digital Competitiveness Yearbook 2017

# Incentives

**Tax Deduction:** Reduced tax rates for investor's income (50-90%) until the total deduction reaches to a certain percentage of capex. (15-65% of capex, in the case of project based incentives up to 200% of capex). For R&D investments, all R&D expenditures are deducted from tax base.

**VAT Exemption:** Investment machinery and equipment imported and/or locally provided within the scope of the incentive certificate will be VAT exempt.

**Customs Duty Exemption:** Investment machinery and equipment imported within the scope of the incentive certificate will be customs duty exempt.

**Interest Rate Support:** For investment loans, a certain portion of the interest share will be covered by government. (3-7% points for TL-denominated, 1-2% points for forex-denominated loans) (500K-900K TL).

**Land Allocation:** Government land will be allocated for the investments, if no land is available in OIZs.

Income Tax Withholding Exemption will provide exemption from income tax withholding (only for Region 6).

**Source:** Ministry of Industry and Technology, MSTI

## Main Incentive Tools

	General Incentives	Regional Incentives	Incentives for Strategic Investments	Project Based Incentives	R&D Incentives
Corporate Tax Reduction		●	●	●	●
VAT/Custom Duty Exemption	●	●	●	●	●
Social Security Premium Support		●	●	●	●
Income Tax Withholding Support*	●	●	●	●	
Interest Support**		●			
Land Allocation		●	●	●	
Partnership (Equity Investment by Gov.)				●	
Guarantee of Purchase by Gov.				●	
Energy Cost Support				●	

\*Provided that investments, except R&D, are made in Region 6,

\*\*Provided that investment, except R&D, are made in Regions 3, 4, 5 or 6 within the frame of the Regional Incentive Scheme

ICT INVESTMENTS AND R&D ARE CONSIDERED PRIORITY INVESTMENTS AND CAN BENEFIT FROM VARIOUS LUCRATIVE INCENTIVES

# Incentives Through Innovation Lifecycle

**TUBITAK 1514 VC Support Program is launched to support the VC ecosystem in Turkey**

ANGEL INVESTORS ARE EXEMPT FROM INCOME TAX BY 80-100% AT THE AMOUNT OF THEIR INVESTMENT



## **START**

**Technostartup Incentives:**  
Cash support up to 500K TRY



## **PRODUCT / PROJECT DEVELOPMENT**

**Tubitak programs:**  
Cash support up to 60-80% of the project budget



## **COMMERCIALIZATION**

**Technoparks and R&D Centers:**  
Income Tax Exemption  
Tax cuts up to 25-40% of the personnel cost



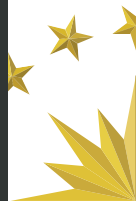
## **MANUFACTURING**

**Technoinvestment Incentives:**  
Cash support up to 10Million TRY for SMEs,  
2Million TRY for large companies



## **GROWTH & COMPETITION**

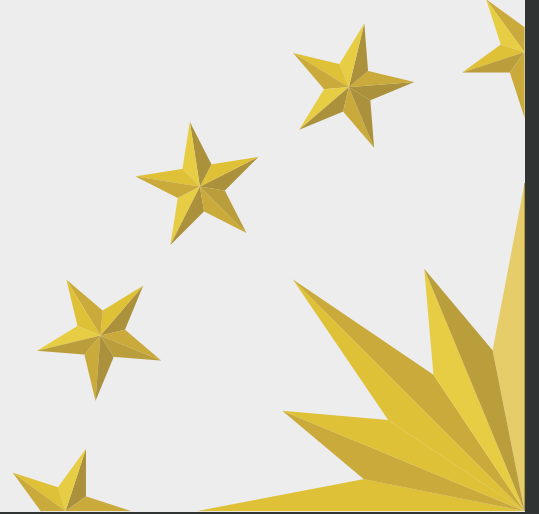
**Patented sales:**  
Income Tax & VAT Exemption





# Opportunities in Turkish ICT Sector

[invest.gov.tr](https://invest.gov.tr)



# Opportunities In Sub-Sectors



**Telecommunications**



**Digital Transformation**



**E-Commerce**



**Public Investments & E-Government**



**Fintech**



**ICT in Mobility**



**Gaming**



**ICT in Healthcare**



**Cloud & Data Center**



**ICT in Hospitality**

TURKEY OFFERS  
SOLID FUNDAMENTALS  
FOR PROFITABLE  
INVESTMENTS IN  
THE ICT SUBSECTORS



# Telecommunications

Strong growth of the market – almost doubled to **87 Billion TRY** in the last 5 years

Growing export – **USD 110Million** in **2018**

Fixed and mobile broadband subscriptions in Turkey have exceeded **74 million** in 2018 – an impressive penetration rate of **90%**

**355,028km** of fiber-optic with 2.8 million subscribers (as of 2018 Q4)

A high mobile / smartphone possession rate of **98.7%** - 19<sup>th</sup> in the world

Strong ecosystem with local and international players with a total of **33K employees**



TURKEY'S TELECOMMUNICATIONS MARKET HAS REACHED TO 87 BILLION TRY - USD 18.1 BILLION IN 2018

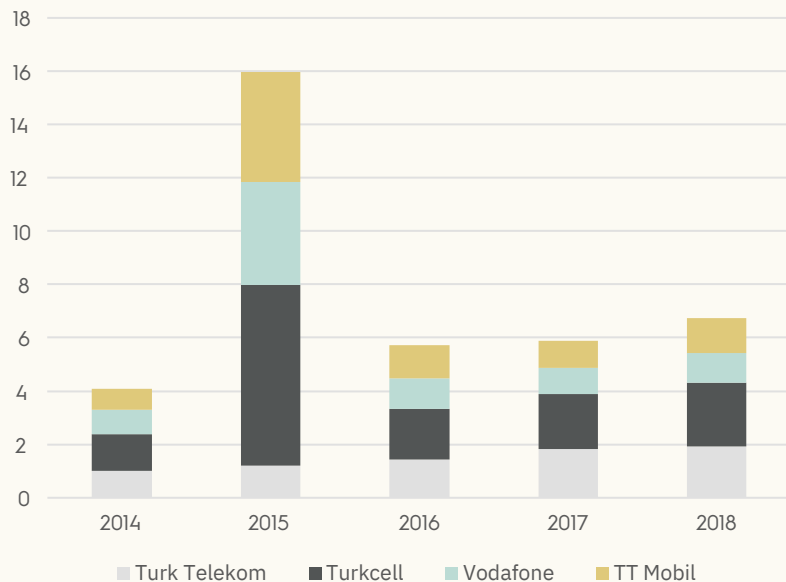
**Source:** TurkStat ICT Usage Survey in Households 2018, TUBISAD ICT Market Report 2018, BTK Market Report 2018 Q4, National Broadband Strategy and Roadmap 2017-2020



# Telecommunications

**TRY 38 billion** has been invested on telecom infrastructure since 2014  
(tender amounts for 2015 are included in year 2015)

## Investments (Billion TRY)



**Growth in the Sector is  
Driven by National Broadband  
Strategy Targets to Reach by 2023:**

**Fixed & Mobile  
broadband  
penetration rate  
130%**

**100Mbps speed  
for at least  
100%  
of households**

**Internet Usage Rate  
80% of population  
(between ages 16-74)**

**Fiber Internet  
Subscription  
10 million**

# E-Commerce

E-commerce market in Turkey continues to grow with **an average annual growth of 33%** since 2014, reaching **TRY 59.9 Billion**

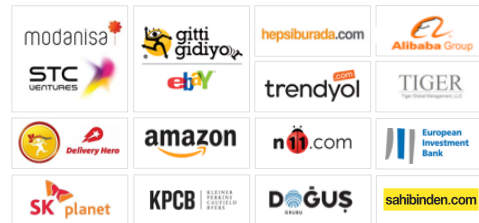
Fixed and mobile broadband subscriptions in Turkey have reached a **total of 74 million** in 2018 – an impressive penetration rate of **90%**

Online shoppers rate of **67%** - a population of **over 30 Million**

Potential in mobile phone shopping – a mobile shoppers rate of **50%**, which is higher than that of **USA, UK, Spain and Brazil**

**Turkey is home to global e-commerce giants** and received many international investments

**Source:** TUBISAD E-Commerce Report 2018, press excerpts



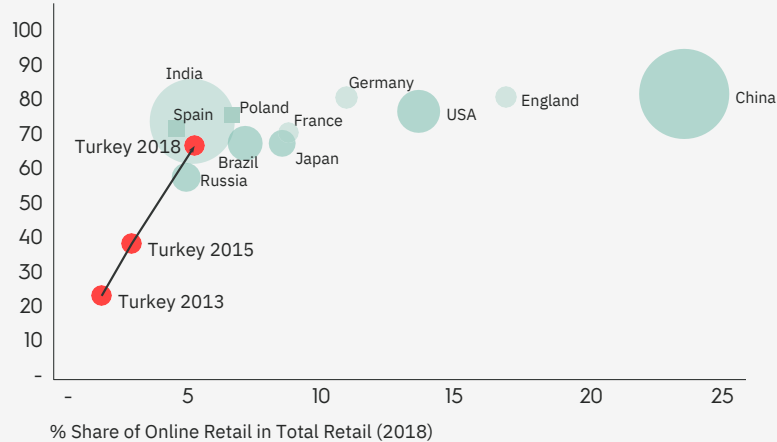
**TURKEY'S E-COMMERCE MARKET HAS REACHED 60 BILLION TRY IN 2018 -OVER USD 12 BILLION**

# E-Commerce

## MARKET BREAKDOWN

**TURKEY'S ONLINE RETAIL RATIO IS 5.3% IN 2018, WHICH REPRESENTS A MINIMUM 2X GROWTH OPPORTUNITY:**

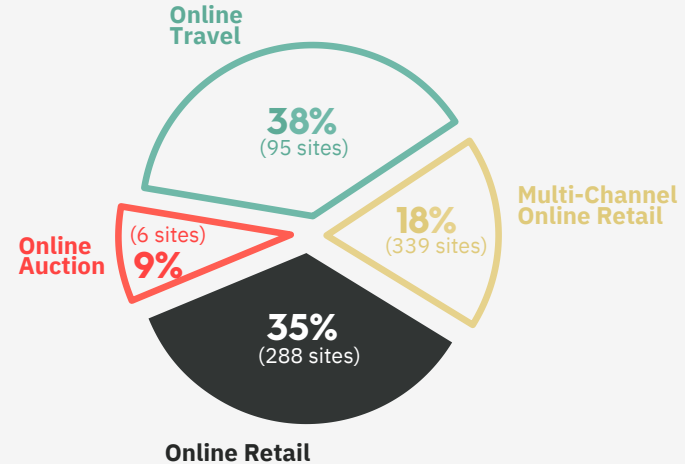
Online Shopping Penetration (2018)



○ =Population

Online retail/total retail ratio is calculated by dividing retail e-commerce size used in this study over total retail sector size in Turkey estimated that Euromonitor. Online and mobile shoppers are based on internet users who reported that they shopped online (desktop vs mobile) one month ago.

Source: TUBISAD E-Commerce Report 2018, press excerpts



# Fintech



A strong banking system with an educated workforce



Europe's biggest credit and debit card market – **213 million (by 2018)**



Total amount of card payments at around **USD 170 Billion (in 2018)**



Share of online payments is 17% with around **USD 29 Billion**



Turkey's strategic location within a **4-hour flight distance** from London and Dubai



Turkey's vision of turning **Istanbul** into a **regional finance center**



Turkish government's support in developing and promoting the **Turkish fintech ecosystem**

**CAN TURKEY  
BE THE NEXT  
FINTECH  
HOTSPOT?**

TURKEY IS  
TRANSFORMING INTO A  
FINTECH HUB, WITH OVER  
200 COMPANIES AND AN  
ONLINE PAYMENT MARKET  
OF ALMOST USD 30  
BILLION





# Gaming

Total generated game revenue in 2018 is

**USD 853 Million**

*USD 400 Million in mobile*

*USD 453 Million in PC/console*

*18<sup>th</sup> highest in global revenue*

**15%** yearly growth is forecasted

**30 million active users** in Turkey spending **70%** of their gaming time (total game time spent) on PC - **3<sup>rd</sup> highest** in the world after Poland and Russia

An ecosystem that consists of over **600 large & small companies** including indies – exports in 2018 **exceeded \$1Billion**

TURKEY'S GAMING MARKET HAS PASSED USD 853M IN 2018, 18TH LARGEST REVENUE IN THE WORLD



With Strike of Kings announcement we are investing USD 5 million in 2017 in the Turkish game market with our mobile MOBA game. Turkey is one of the countries with the highest potential in mobile gaming. It is also very important in terms of the bridge between Europe and Asia and between West and East. A game that is successful in the east must be the first station to spread to the West from Turkey.



**Vincent Gao**  
Marketing Director,  
Tencent Overseas Markets

# Cloud & Data Center

Public cloud market in Turkey is **USD 97 Million** in 2017

**Microsoft, Google, Amazon, Oracle, IBM & Alibaba** in the market

10% of companies in Turkey use cloud computing services whereas this ratio increases to **20% for large size companies** (with **>250 employees**)

Regulation requires data systems for telecom companies and banks in the country

*Capital Markets Board Communique in 2018 Jan requires data systems of all public companies to be in the country – postponed*

There are 43 Tier II and Tier III data centers (centers that belong to banks and private companies are excluded) and 2 Tier IV data centers

A total of 100,000m2 white space is estimated – 35,000m2 for data center operators, 10,000 m2 for banks, 35,000m2 for companies and 20,000m2 for public institutions

Data center investments are incentivized - lower energy costs, fiber optic infrastructure, land etc.

**355,028 km**  
**Fiber length**

**24 DATA CENTERS RUN BY OPERATORS - 40K m<sup>2</sup> WHITE SPACE**

## VoD (Video-on-Demand) Market in Turkey

- VoD market in Turkey has reached USD 171 Million in 2017
- Turkey to remain MEA market leader, with USD 257 Million in SVOD revenues by 2021, out of USD 1.2 Billion total
- **Netflix** and **Amazon** in the market as well as Turkish VoD platforms like BluTV and PuhuTV
  - Turkish content is widely popular in Eastern Europe, Middle East and Latin America - amounts for 25% of all TV show transactions around the world

**TURKEY'S PUBLIC CLOUD MARKET HAS REACHED USD 97 MILLION AND DATA CENTER MARKET USD 400 MILLION IN 2017**



# Digital Transformation

## DIGITAL TURKEY PROGRAMME



### INFRASTRUCTURE

#### Improving data communication infrastructure

- 1 Gbps speed for 100% of industry zones and technology development zones
- Attendance to international studies on data communication standards
- Development of a national industrial cloud platform



### TECHNOLOGY

#### Development of education infrastructure and raising qualified workforce

- Technology Roadmaps for Focus Technologies (Cloud, Big data, AI, Autonomous Robots etc.)
- 50 Applied Research Centers for Focus Tech
- 60K R&D personnel in Focus Technologies
- 2500 Digital Innovation Projects in R&D Centers
- 250 patents in Digital Technologies



### USERS

#### Supporting digital transformation of the industry

- 10 Digital Transformation Centers
- 81 Digital Transformation Information Centers
- 500 Consultants on Digital Transformation of the industry
- 7000 Companies to benefit from Transformation Centers
- 2500 Companies to develop high digital expertise



### SUPPLIERS

#### Supporting local technology suppliers

- 1000 medium and large sized digital technology suppliers
- USD 1Billion capital investment for technology firms
- 10 Digital Technology Excellence Centers



### HUMAN CAPITAL

#### Development of education infrastructure and raising qualified workforce

- 100 Thematic Technical Colleges
- 400 Digital Technology High School Teachers
- 100K Digital Technology High School Graduates
- 5K Phd Graduates in Digital Technology
- 30K Phd Students in Digital Technology
- 50 Continuous Education Centers in Digitalization
- 10K Companies to attend Digitalization Trainings
- 300K workforce to gain digital competence



### GOVERNANCE

#### Improving corporate governance

- Digital Transformation Platform to include all stakeholders
- Committees on education, data communication standards and focus technologies to be established

TURKEY HAS  
ANNOUNCED ITS DIGITAL  
TRANSFORMATION ROADMAP  
ON ITS ROAD TO BECOME  
A REGIONAL LEADER IN  
SELECTED TECHNOLOGIES

Source: Ministry of Industry and Technology Digital Turkey Roadmap 2018



# E-Government

**Digital Transformation Office of Turkey** was established in 2018 to coordinate the digital transformation of the Turkish government, as well as develop strategies and oversee projects in **cyber security** and **AI**.

**Public ICT investments** have reached a total of 50Billion TRY since 2002 - 5Billion TRY in 2018

**Education, transportation-communication and public security** with **larger shares**

**FATİH project** is a comprehensive project that is designed to enhance education through technology and create equal opportunity base for students and schools - Includes hardware (interactive boards, tablets, printers), high speed internet for every school, data centers, management and content software and trainings

## Selected e-government services provided for businesses:

### Start and grow

- Centralised Corporate Body Information System (MERSIS)
- Registration of a new company
- Commercial business and company interrogation
- Intellectual property rights
- Submission of data to statistical offices

### VAT and Customs

- VAT declaration, electronic payments
- Corporate tax

### Staff

- Social contribution payments for employees
- National council on occupational safety and health web portal

### Public Contracts - eProcurement

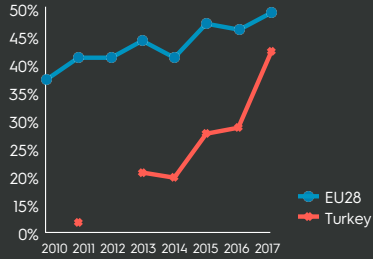
### Environment related permits

TURKEY IS  
ON TRACK WITH ITS  
COMPREHENSIVE  
2016-2019  
EGOVERNMENT  
STRATEGY AND  
ACTION PLAN

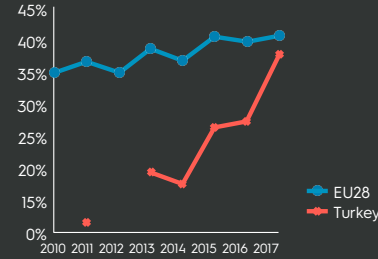


# E-Government

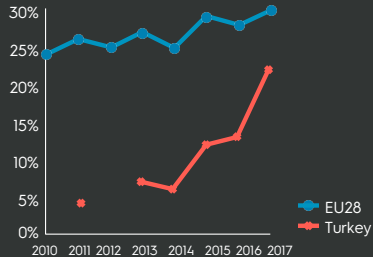
Percentage of individuals using the internet for obtaining information from public authorities in Turkey



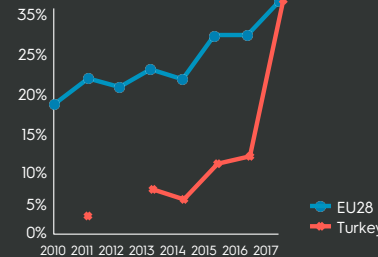
Percentage of individuals using the internet for obtaining information from public authorities in Turkey



Percentage of individuals using the internet for downloading official forms from public authorities in Turkey



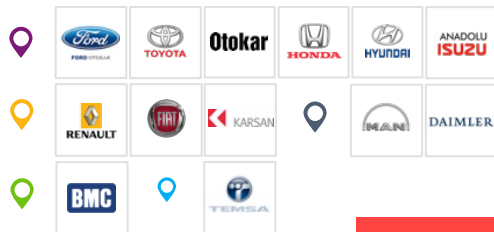
Percentage of individuals using the internet for sending filled forms to public authorities in Turkey



NUMBER OF SERVICES PROVIDED THROUGH EGOVT PORTAL HAVE INCREASED BY 73% AND REACHED OVER 3K SINCE 2017



# ICT in Mobility



Highly integrated to the global industry with 13 OEMs manufacturing passenger cars, LCVs and heavy-duty trucks - around **1.5 million vehicles**

**6<sup>th</sup> largest domestic market** in Europe - around **1 million vehicles**

Export hub for the European market - **75% export**

**Well-trained human capital - cost competitive and high-quality production and engineering**

Increasing R&D activities - **9 R&D Centers** play a dominant role in exporting engineering services

**Ford Otosan R&D Center** is among Ford's top3 global R&D Centers

**Tofas Fiat R&D Center** is Fiat's only R&D Center outside of Italy serving the European market

**TURKEY IS A MANUFACTURING AND ENGINEERING CENTER IN AUTOMOTIVE AND ALREADY AN EXPORT HUB FOR THE EUROPEAN AUTOMOTIVE INDUSTRY**

ADVANCED ANALYTICS



AR / VR



CYBER SECURITY



ICT  
TRANSFORMING  
THE AUTOMOTIVE  
SECTOR



MACHINE LEARNING / AI



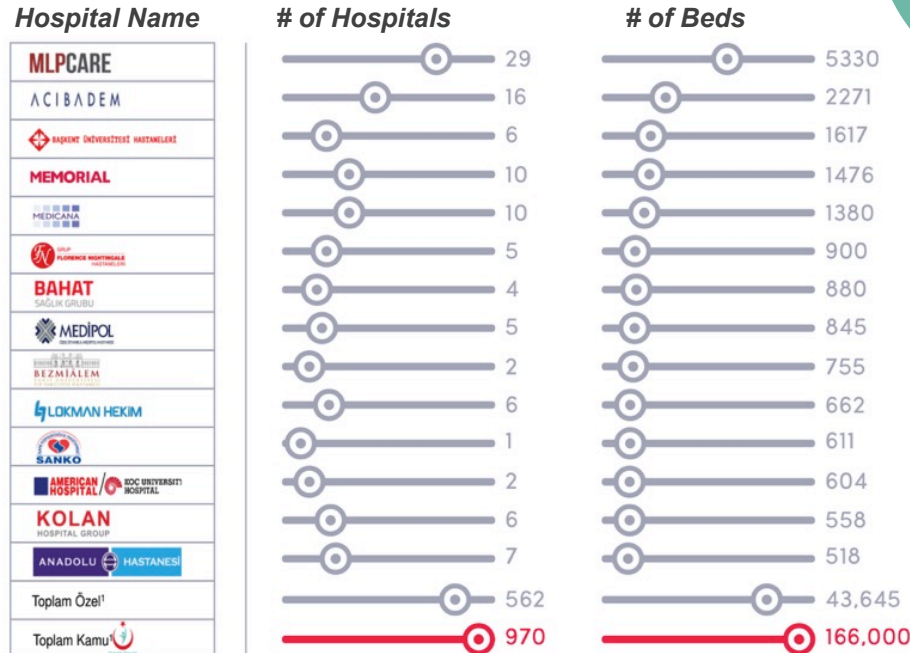
COMPUTER VISION



IoT

# ICT in Healthcare

Turkey has 970 public and over 560 private hospitals, some of which are PE-backed:



Turkey is investing USD 16 Billion to modernize public hospitals through PPP projects...

TURKEY'S HEALTHCARE SECTOR HAS GROWN BY 2% CAGR SINCE 2009 AND IS POISED TO GROW MORE WITH INCREASING USE OF ICT

## Healthcare Campus Transformation

The Turkish Government initiated a transformation project to modernize the public hospitals and unite the smaller regional hospitals within one campus. That led to a PPP (Public-private partnership) hospital project pipeline with a total capacity of +50,000 beds and total investment of USD 16 Billion.

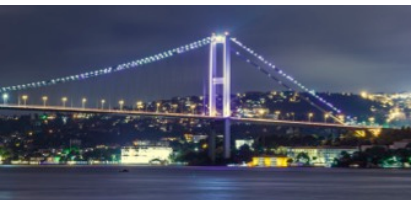
32 projects are announced, some of which are already tendered. As of today, 9 hospitals are opened; 12 projects are under construction, 10 has ongoing tenders.

## Medical Tourism

Sector has grown by **15%** every year since 2010

Over **550K** visitors in 2018 with over **USD 1Billion** spending

# ICT in Hospitality & Tourism



## Istanbul as a global congress destination

Ranked 8<sup>th</sup> in the world in 2014 with 130 congresses



## Antalya has the highest number of tourists

Antalya is the most preferred city in Turkey based on the number of incoming foreign visitors. Antalya has over 500 4-star and 5-star hotels in its neighbourhood.



There are over 13K registered accommodation facilities in Turkey. Over 9K are licensed by municipalities, whereas over 4K facilities hold tourism operation licenses. The total bed capacity exceeds 1.5 million.

By the end of 2017, there were more than 165 hotel chains in Turkey, 15% of which is owned by international investors.

**The total number of chain hotels is over 800.**

TURKEY IS THE 6<sup>TH</sup> MOST POPULAR TOURIST DESTINATION IN THE WORLD, ATTRACTING MORE THAN 45M TOURISTS

## HOSPITALITY BUSINESSES IN TURKEY

- Over 95% has broadband connection and a website
- 56% receives orders via website
- 67% uses social media





# Start-up Ecosystem

[invest.gov.tr](https://invest.gov.tr)



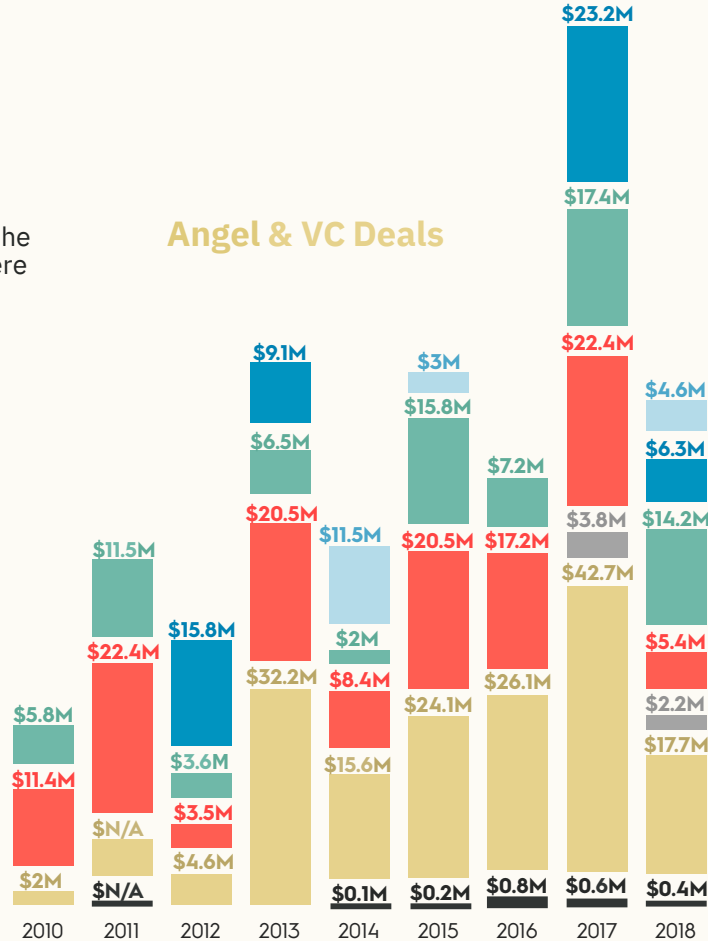
# Startup Ecosystem

Turkey ranks 37<sup>th</sup> out of 137 countries in the Global Entrepreneurship Index 2018, where

- its strongest areas are startup skills, product innovation and high growth
- its weakest areas are risk acceptance and internationalization

Most funded verticals in 2018 are **Fintech**, **Saas**, and **Marketing-tech**

## Angel & VC Deals

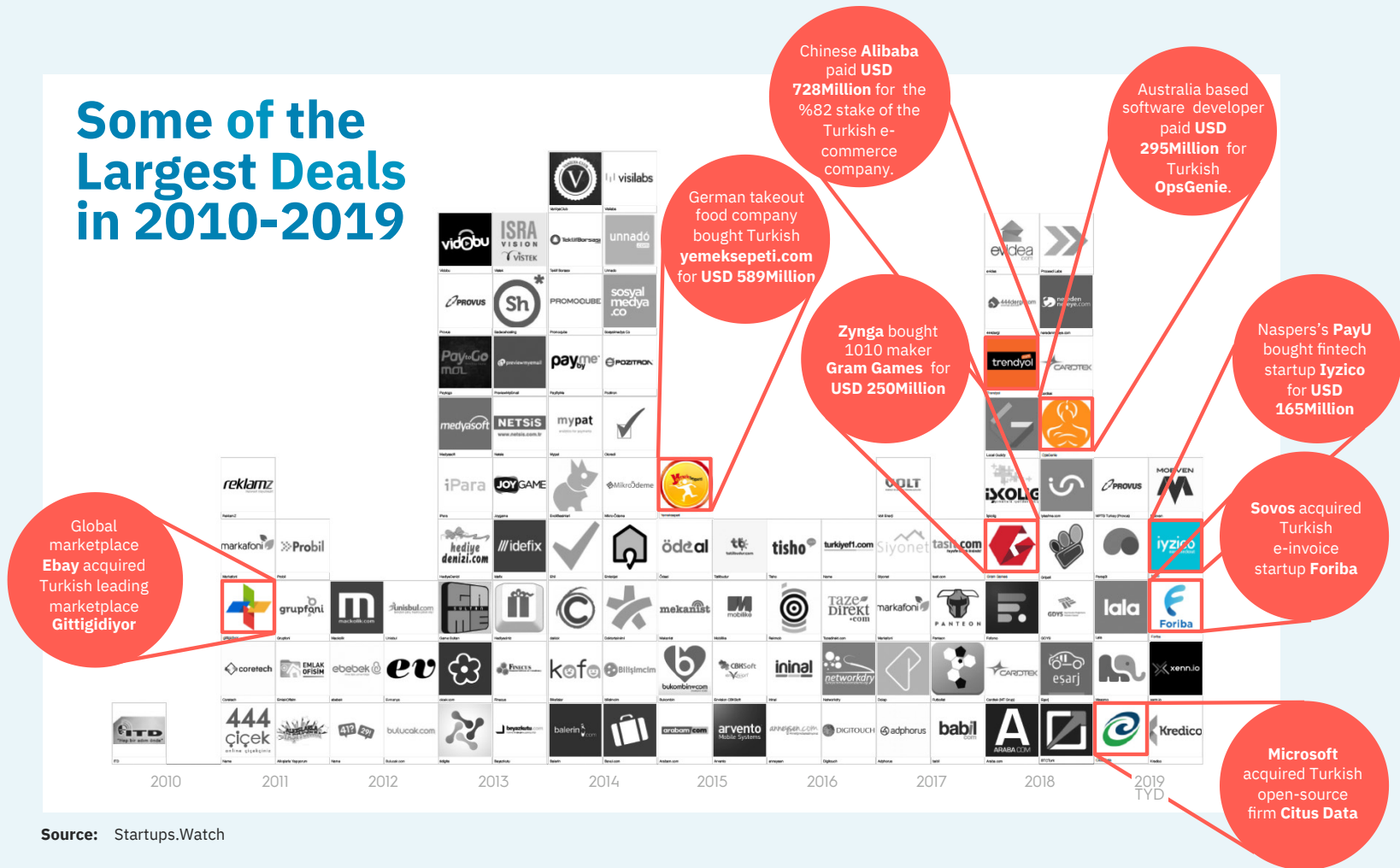


The drop is mainly due to

- planned investment periods of many VC funds ending in 2017
- Treasury Undersecretariat's co-funding program approval process ending in 2019

- Pre Seed
- Seed
- Post Seed
- Series A
- Series B
- Series C
- Series D

# Some of the Largest Deals in 2010-2019



Source: Startups.Watch



# Startup Ecosystem Map

Turkish Startup Ecosystem Map

## FUNDING

### Business Angel Networks



### Business Angels

463 Accredited Business Angels  
(as of September 30, 2019)

### Crowdfunding



### FFs/ Grants



### Local GE & PEs



### Accelerator Funds



### Accelerator Funds



### Local Investors & VCs



### FI/DFI



### Corporate Investors



### Foreign VCs



### Foreign GE & PEs



### Corporate Investors & GE & PE



# Startup Ecosystem Map

Turkish Startup Ecosystem Map

## SUPPORTING

### Accelerators (Run By Universities, TTO, Technoparks, NGOs)



### Accelerators (Run By Banks)



### Living Labs



### Accelerators (Privately Held)



### Mentor Trainers



### Media (English)



### Technoparks



### Investor Analytics



### Community Centers



### Mentor Movement



### Top 3 Startup Friendly Companies



### NGOs & Organizations



### Government



### Deal Rooms / Investment Platforms





# Success Stories

[invest.gov.tr](https://invest.gov.tr)



# Success Stories



Founded in 1984, Cisco Systems, Inc. is an American multinational technology conglomerate that develops, manufactures and sells networking hardware, telecommunications equipment and other high-technology services and products. The largest networking company in the world, Cisco's FY'18 Revenue is USD 49.3 billion with an employee count of 74,200 globally.

Cisco has been present in Turkey for years and has invested in various areas, one of which is training programs in the tech industry through the Cisco Networking Academy Program. Trainings have been provided through this program since early 2000s.

In 2018, Cisco opened an **innovation center in Istanbul**, Turkey in a bid to develop solutions for the digital era.



American multinational information technology company that not only provides hosting and consulting services from computers to nanotechnology, but also manufactures and markets computer hardware, middleware and software.

IBM has been operating in Turkey since the 1930s, and since then has participated in various projects. Projects have included working together with Turkish local bodies, both governmental and NGO, to strengthen the governance practices of community organizations who are implementing a range of local initiatives that promote economic development and growth.



ZTE, Chinese multinational ICT solutions vendor **acquired nearly half of Turkish Netas'** shares in 2017. This is considered one of the biggest transactions in technology development investments in Turkey.

ICT GIANTS  
HAVE BEEN  
INVESTING IN  
TURKEY FOR  
DECADES



# Success Stories



SAP SE is a German-based European multinational software corporation that makes enterprise software to manage enterprise resources, business operations and customer relations.

▶ Founded in 1972, SAP currently has operations in over **180 countries** and has labs in only **20 countries**, one of which is in Turkey.

SAP SE sees Turkey as the "main hub" for digital transformation and Turkish engineers carry out "mega" projects in Turkic republics, Russia, Africa, the Middle East and Europe



American multinational technology company that develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers and related services.

▶ Founded in 1975, in 2017, Microsoft reported revenue was 110 billion dollars with over 131,300 employees.

Microsoft Turkey is used as a managing center for the Middle East and Africa regions, composed of **79 countries**.



Chinese multinational networking, telecommunications equipment, and services company.

▶ Founded in 1987, Huawei is currently the largest telecommunications equipment manufacturer in the world, as well as the second largest smartphone manufacturer in the world.

Huawei begun its operations in Turkey in 2002. Currently, in its Turkey office, Huawei has **over 1,500 employees**, an R&D center, training center, and a customers solutions and integration experience center.

ICT GIANTS  
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TURKEY FOR  
DECADES





PRESIDENCY OF THE REPUBLIC OF TURKEY  
**INVESTMENT OFFICE**



**Contact:**  
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