



REPUBLIC OF TURKEY  
MINISTRY OF TRADE

# ECONOMIC OUTLOOK

## March 2020

Last Updated: 03 April 2020

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REPUBLIC OF TURKEY  
MINISTRY OF TRADE

## A- MACROECONOMIC DEVELOPMENTS



## Main Economic Indicators

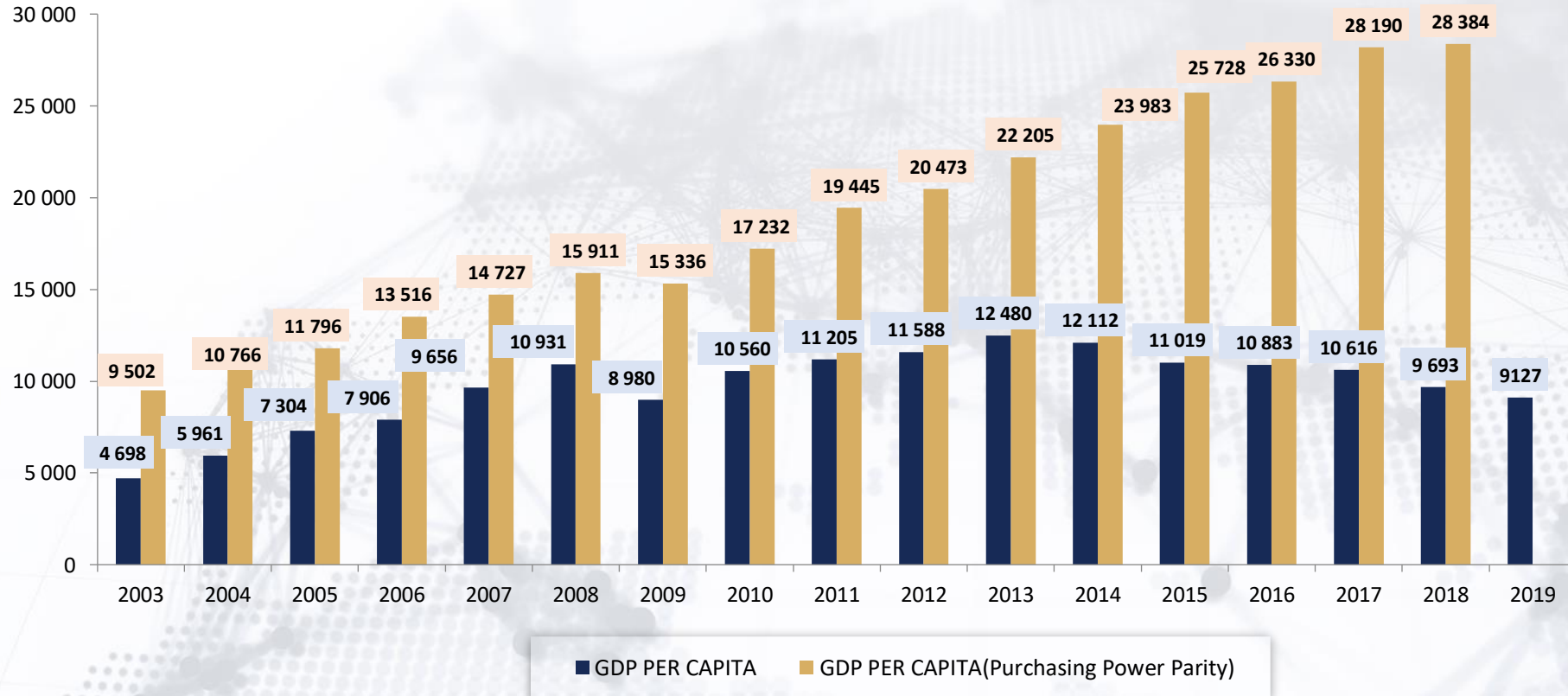
	2000	2010	2015	2016	2017	2018	2019
GDP Growth, 2009 Prices, %	6,6	8,5	6,1	3,2	7,5	2,8	0,9
GDP, at Current Prices, Billion TL	171	1.160	2.339	2.609	3.111	3.724	4.280
GDP, at Current Prices, Billion \$	272	772	862	863	853	789	754
Population, Thousand People, Mid-Year	64.269	73.142	78.218	79.278	80.313	81.407	82.579
GDP Per Person, at Current Prices, \$	4.229	10.560	11.019	10.883	10.616	9.693	9.127
Export (STS*, F.O.B.), Billion \$	27.775	113.883	143.839	142.530	156.993	167.921	171.481
Export (STS*)/GDP,%	10,2	14,7	16,7	16,5	18,4	21,3	22,8
Import (STS*, C.I.F.), Billion \$	54.503	185.544	207.234	198.618	233.800	223.047	202.703
Import(STS*)/GDP, %	20,1	24,0	24,0	23,0	27,4	28,3	26,9
Export/Import Ratio (% , STS*)	51,0	61,4	69,4	71,8	67,1	75,3	84,6
Travel Income, Billion \$	7,6	22,6	26,6	18,7	22,5	25,2	29,8
Foreign Direct Investment, Billion \$	1,0	9,1	19,3	13,9	11,1	13,0	8,4
Current Account Balance/GDP, %	-3,7	-6,1	-4,5	-3,8	-5,6	-3,4	0,22
Labour Force Participation Rate, %		46,5	51,3	52,0	52,8	53,2	53,0
Unemployment Rate, %		11,1	10,3	10,9	10,9	11,0	13,7
Employment Rate, %		41,3	46,0	46,3	47,1	47,4	45,7
CPI (2003=100), Annual Average, % Increases		8,6	7,7	7,8	11,1	16,3	15,2

Source: TURKSTAT, CBRT

\*STS: Special Trade System



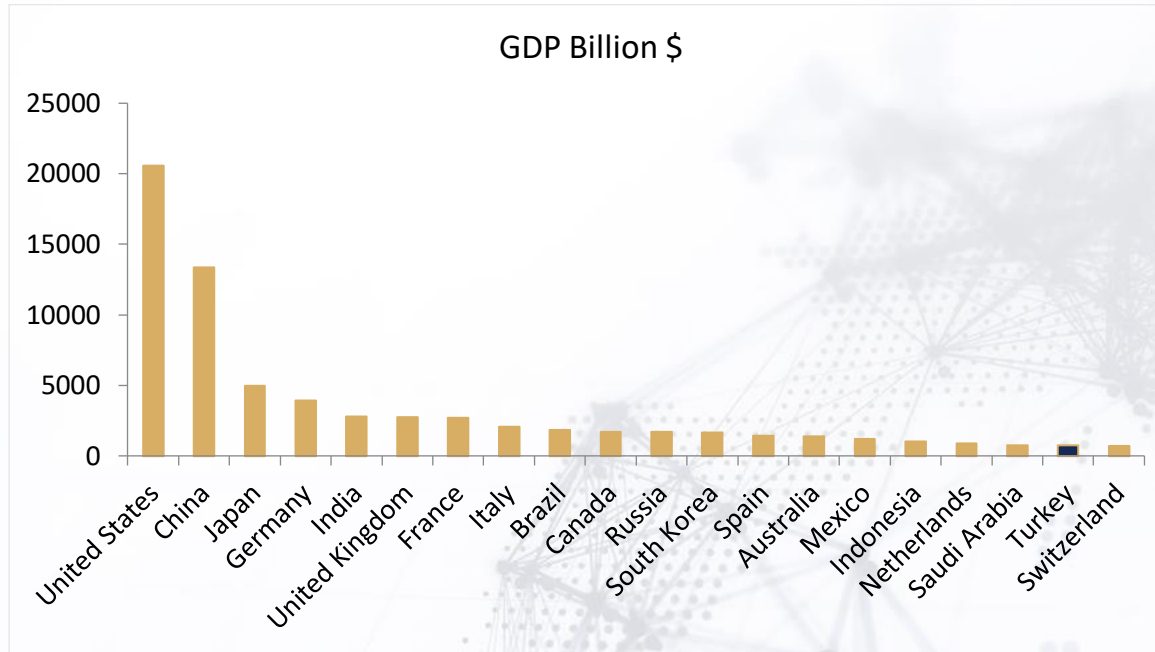
## GDP Per Capita, US Dollars



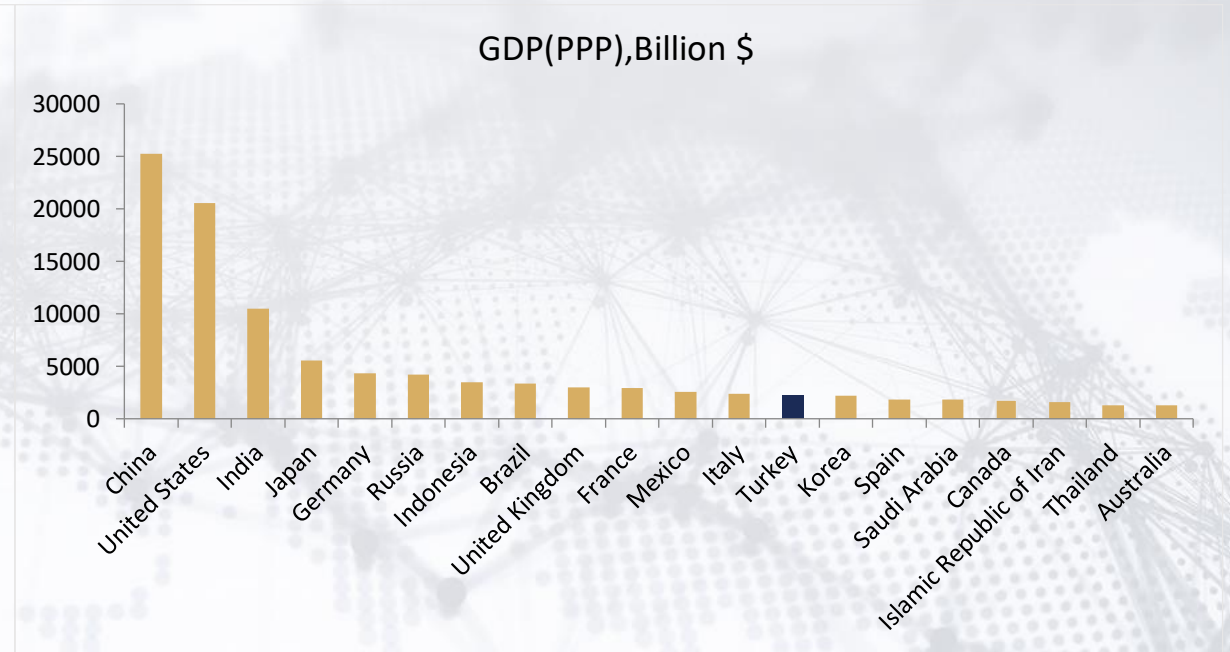
- Since 2002, GDP per capita has increased from 3,581 USD to 9,127 USD in 2019.
- In Purchasing Power Parity (PPP) terms, GDP per capita exceeded 28,384 USD in 2018.



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



Source: TURKSTAT, IMF

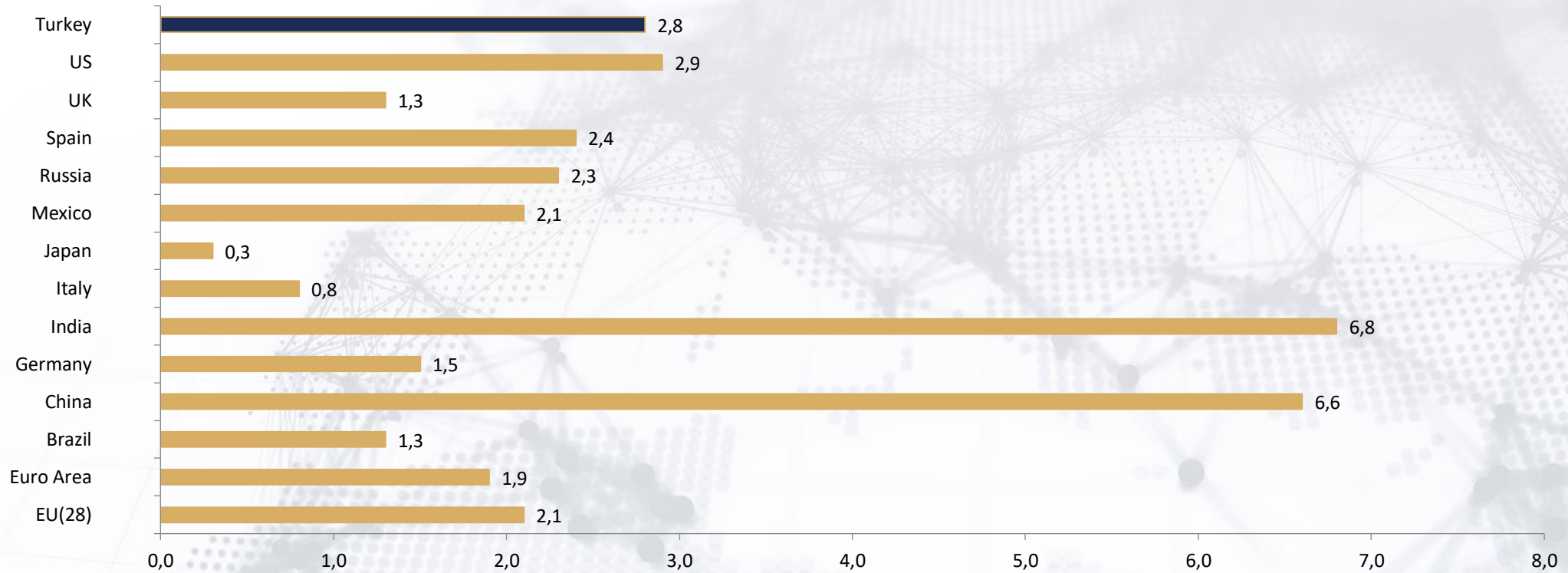


Source: IMF

➤ In 2019, according to current GDP figures, Turkey ranks as the 19<sup>th</sup> largest economy in the World and 7<sup>th</sup> in Europe.



## Real GDP Growth of Selected Countries/Country Groups (2018)



Source: TURKSTAT, IMF

➤ **Turkish economy expanded by 2.8% in 2018 and 0.9% in 2019.**



## GDP Growth Rates (2003-2019)



Source: TURKSTAT

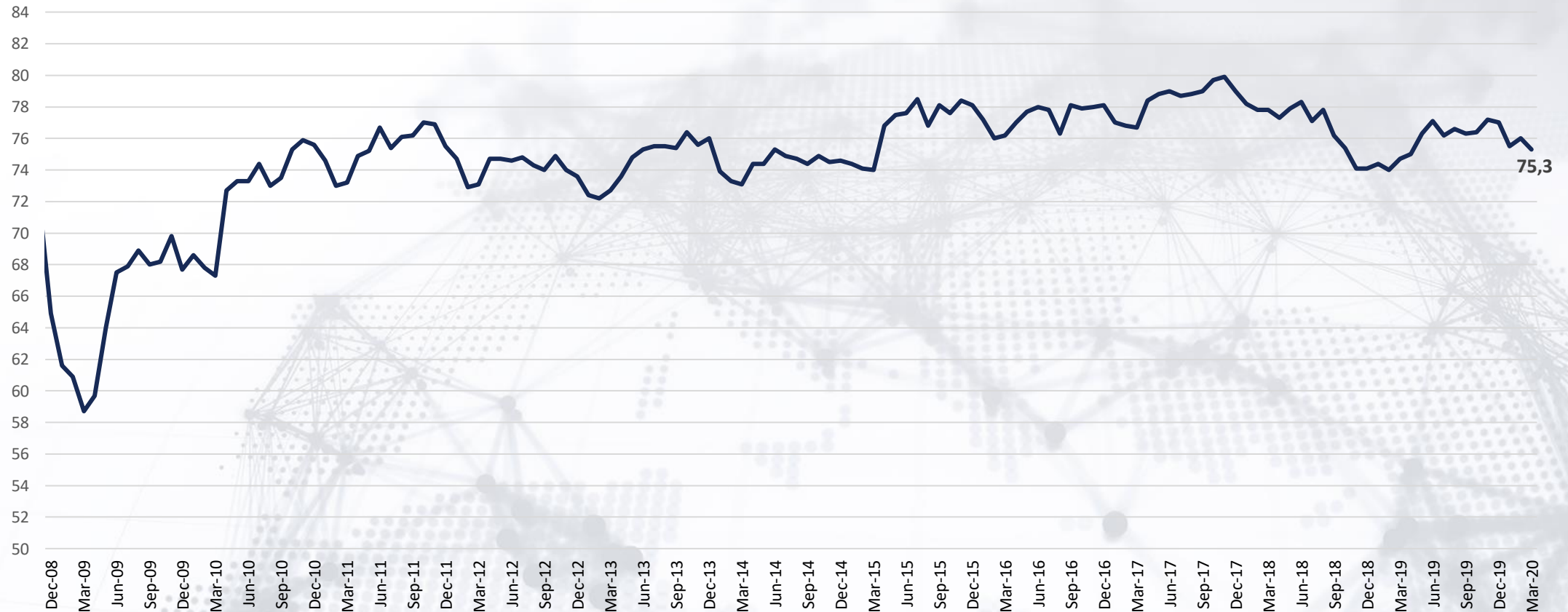
Annual Increases

- GDP growth rate of the 4<sup>th</sup> quarter of 2019 is 6.0%.
- During 2003-2019 period, average annual growth rate in Turkey realized as 5.2%.





## Capacity Utilization Rate in Manufacturing Industry (%)

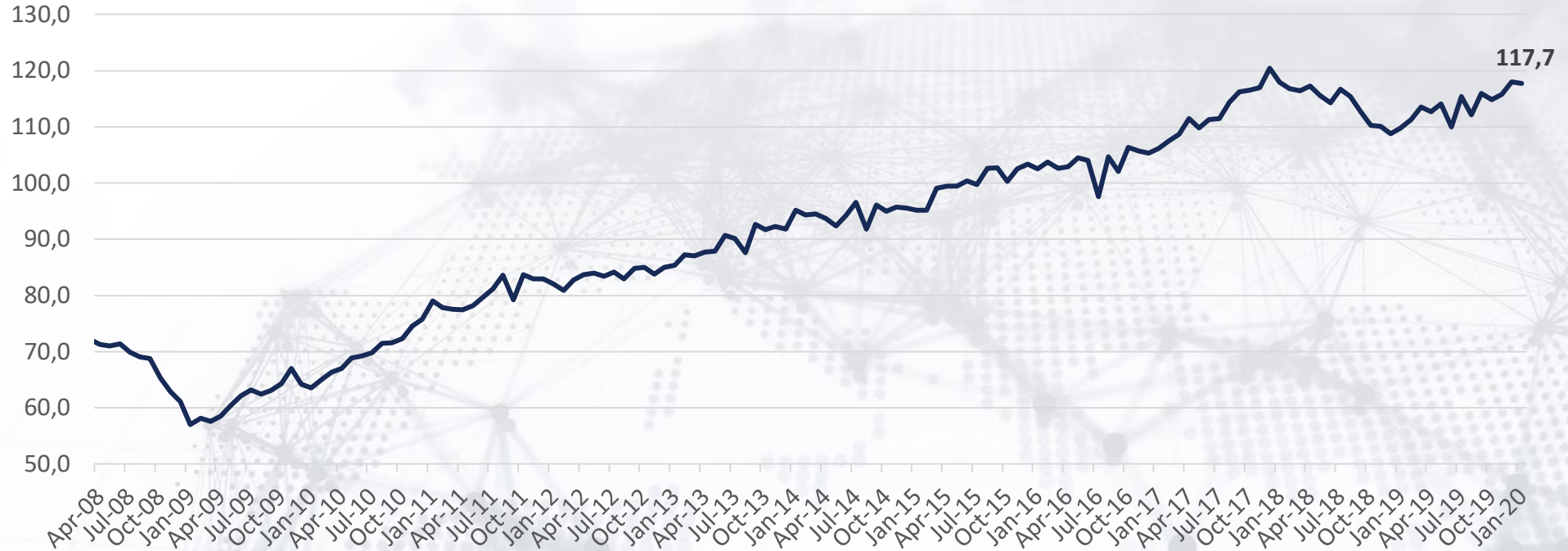


Source: CBRT

➤ Capacity utilization rate in March 2020 increased by 0.6 percentage points compared to same month of the previous year.



## Industrial Production Index (2015=100)

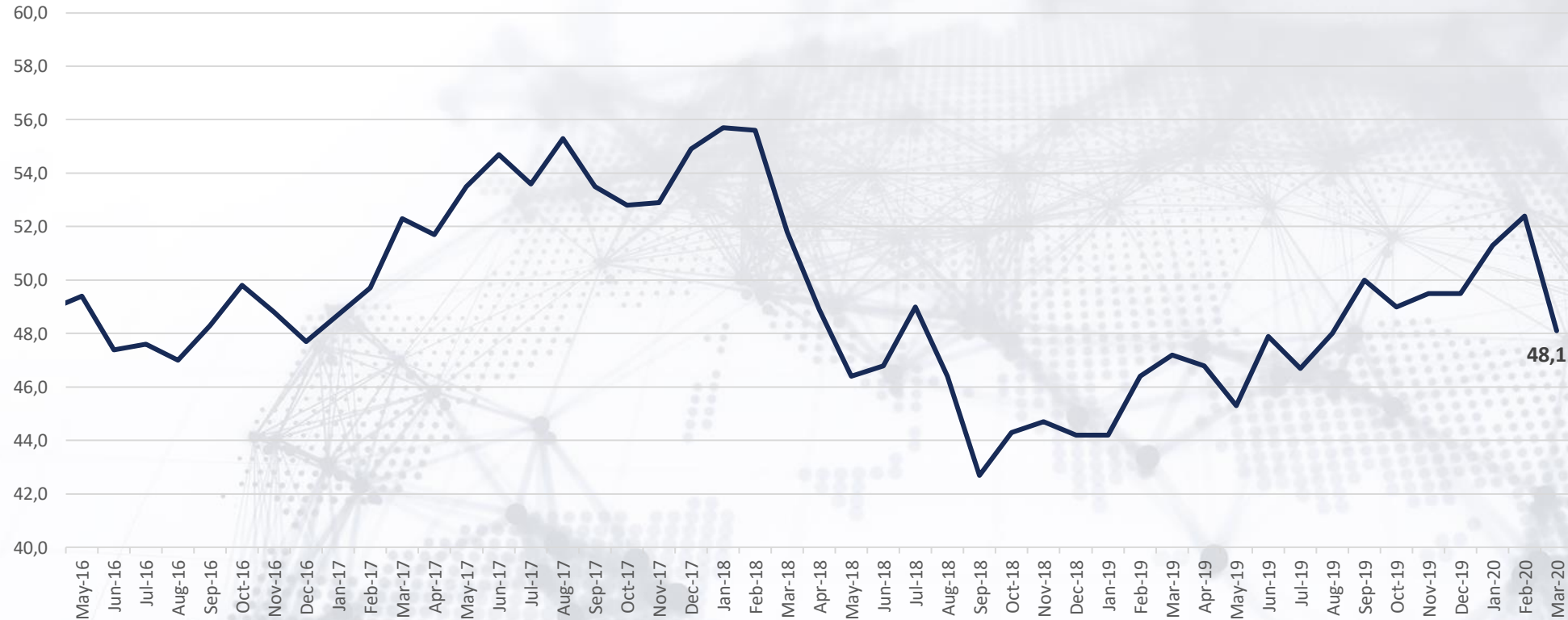


Source: TURKSTAT

- In January 2020, seasonally and calendar adjusted industrial production index decreased by 0.2% in compared to December 2019.



## Purchasing Managers' Index (PMI)



Source: Markit Economics

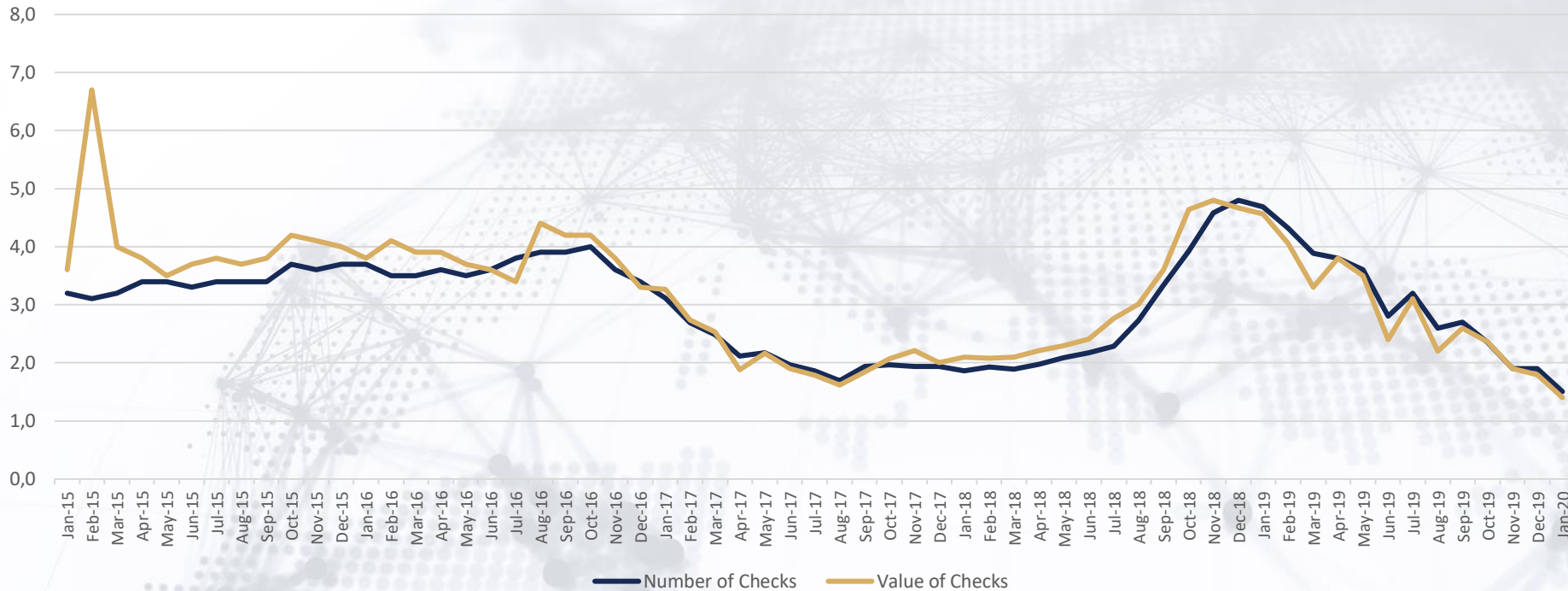
➤ In March 2020, the PMI was realized as 48.1.

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



# Bounced Checks

Bounced Checks/ Presented Checks to Banks(%)

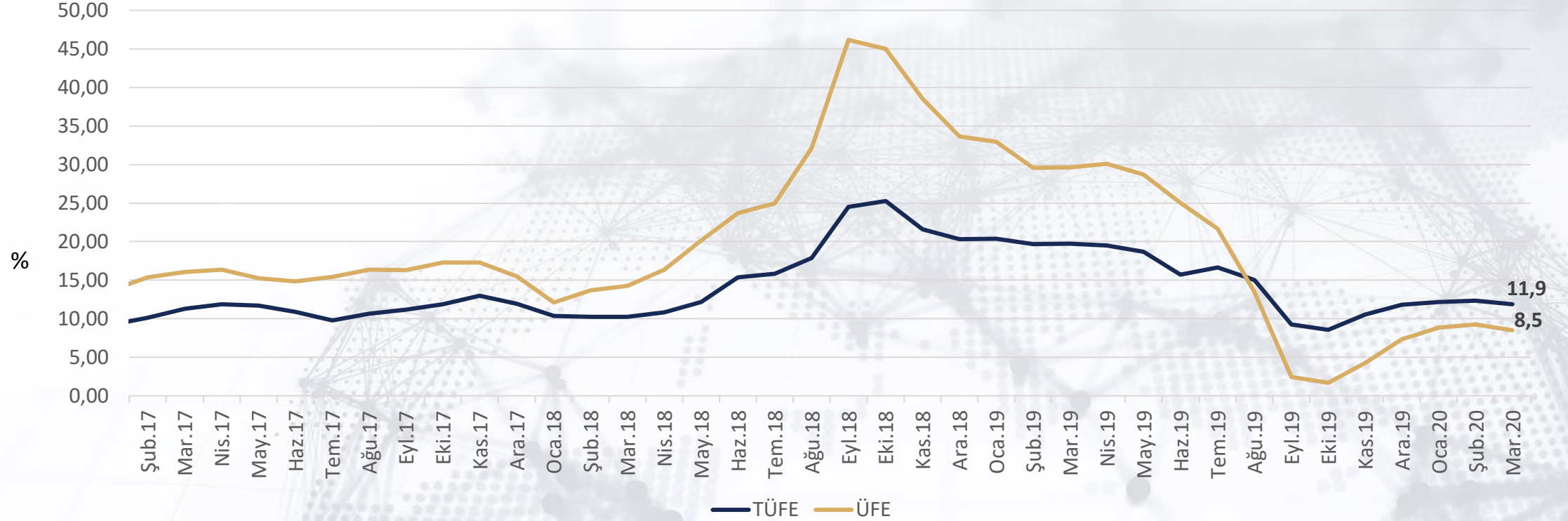


Source: The Banks Association of Turkey

- In January 2020, the ratio of the number of bounced checks in total submitted to banks and the ratio of value of bounced checks in total decreased.



## Price Indices\*



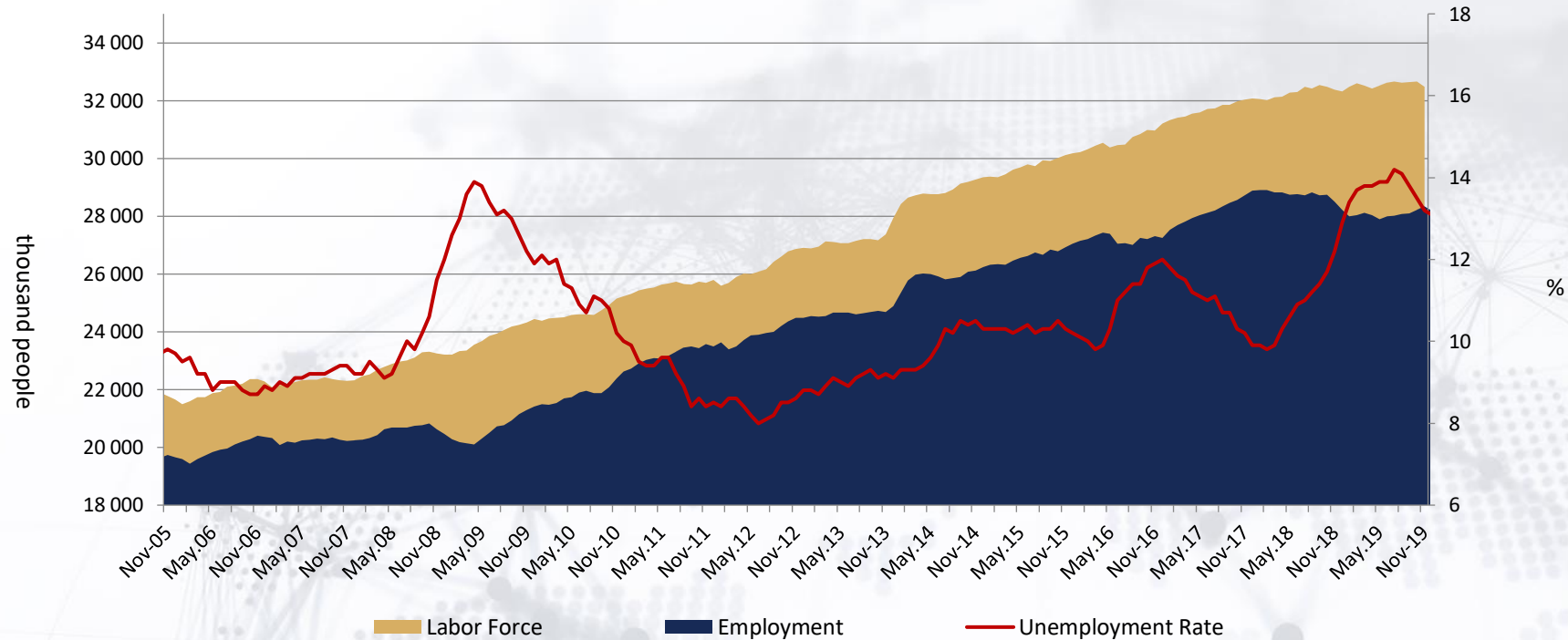
Source: TURKSTAT

- CPI inflation rates realized as 11.9% in March 2020, and PPI inflation rates realized as 8.5% in March 2020.

\*Index (2003=100)



## Developments in Turkish Labor Market



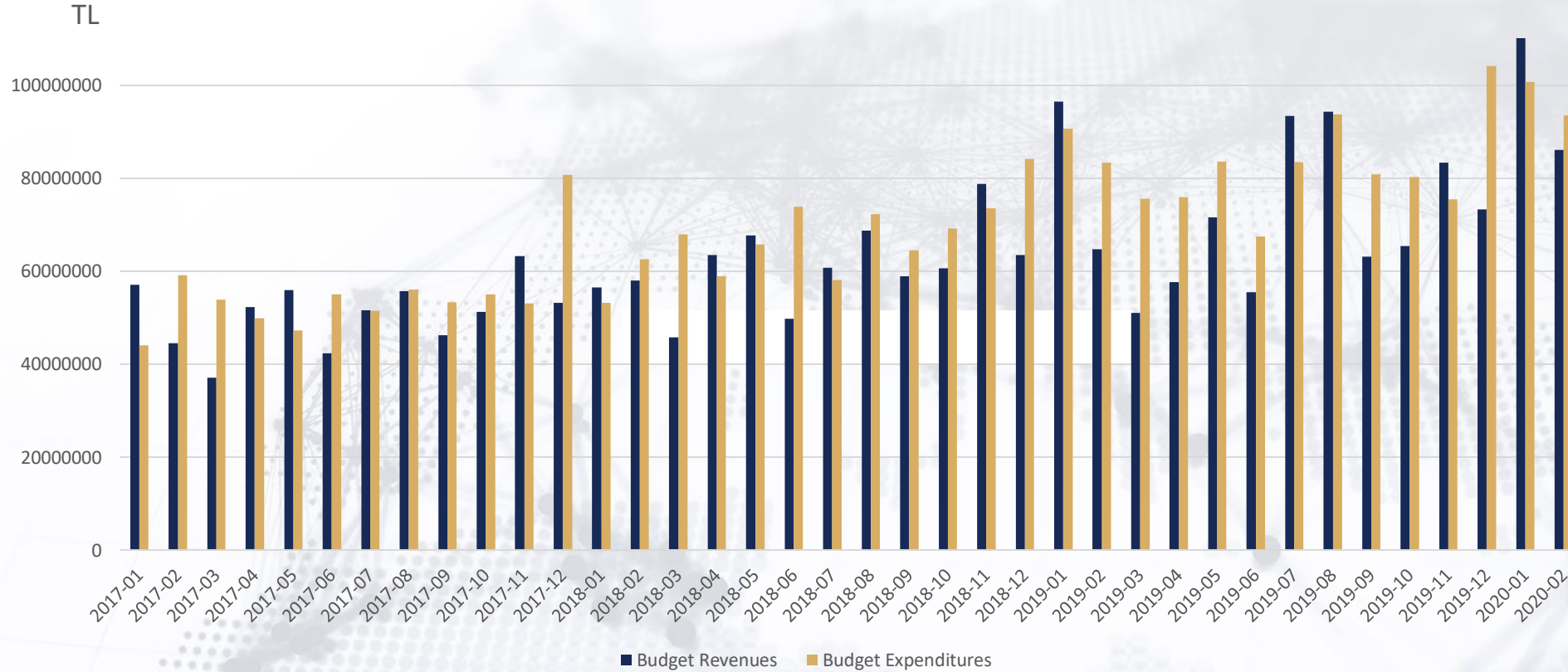
Source: TURKSTAT

\*Seasonally Adjusted Series

- In December 2019, unemployment rate and seasonally adjusted unemployment rate were 13.7% and 13.1% respectively.
- In December 2019, seasonally adjusted unemployment rates was 6.2% in EU28 and 7.4% in Euro Area. In the USA, the seasonally adjusted unemployment rate realized as 3.5%.



## Central Government Budget Realizations

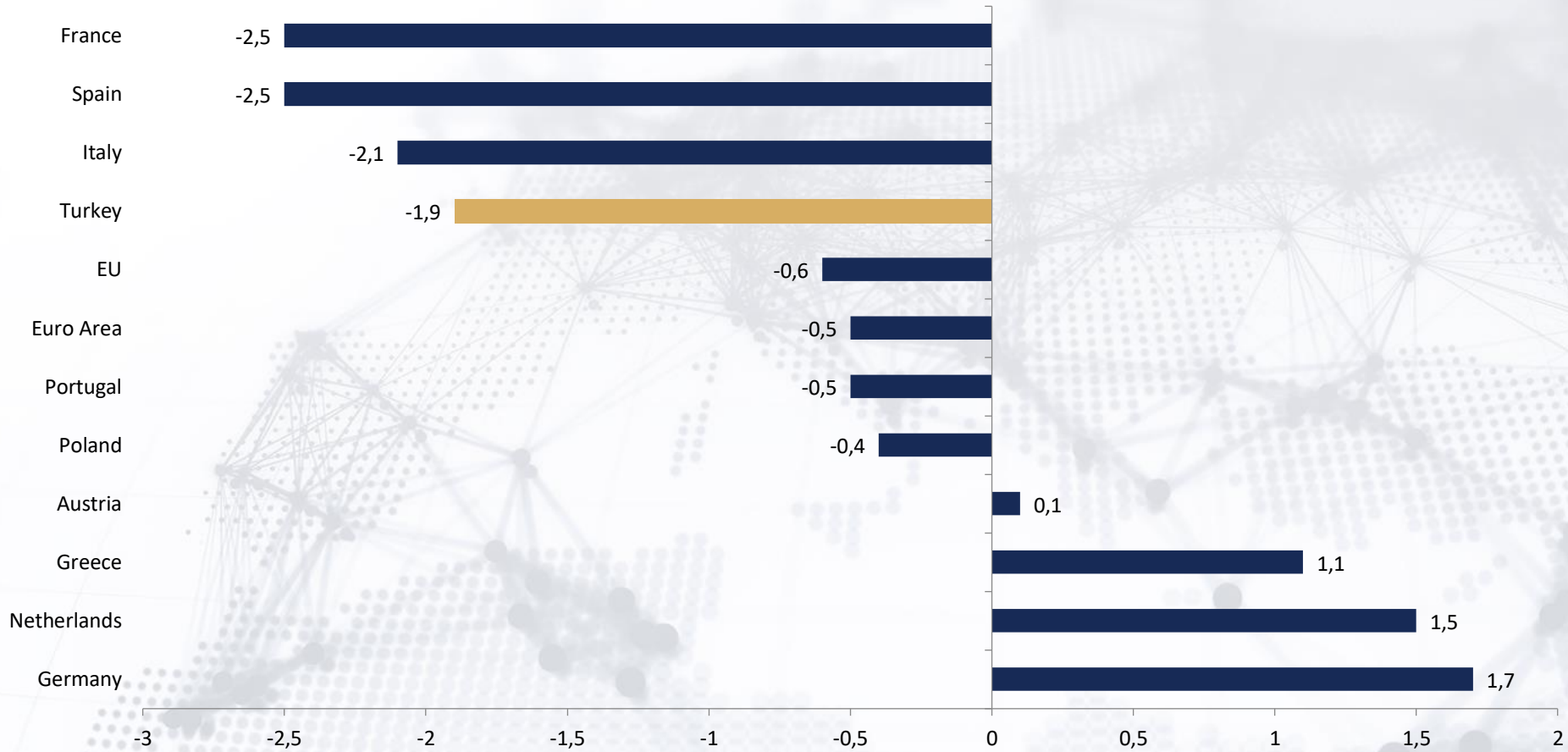


Source: Ministry of Treasury and Finance

➤ In February 2020, central government budget revenues was TL 86.1 billion, budget expenditures was TL 93.5 billion and the budget was a deficit of TL 7.4 billion.



## Central Government Budget Deficit/ GDP (%), 2018



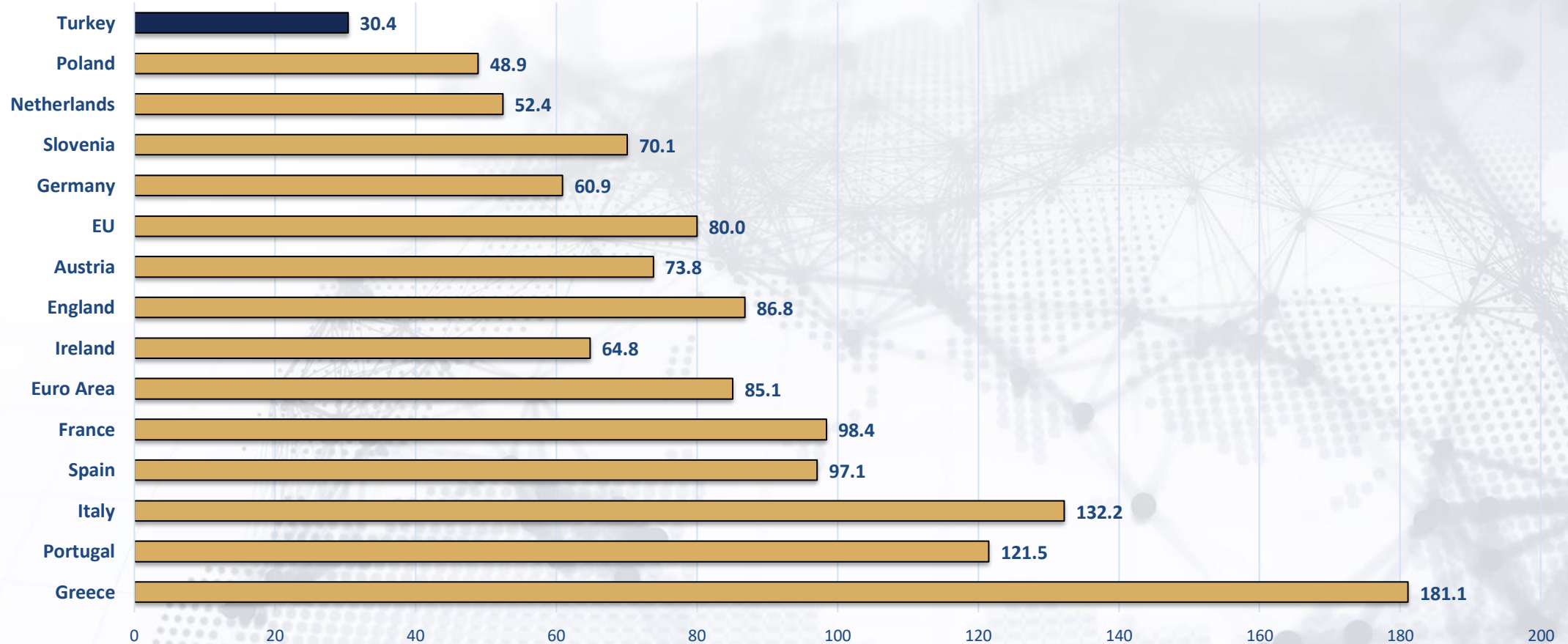
Source: Ministry of Treasury and Finance, Eurostat

➤ **Central Government budget deficit/GDP ratio was 1.9% in 2018, and it is below the Maastricht criteria of 3%.** [www.ticaret.gov.tr](http://www.ticaret.gov.tr)





## General Government Debt Stock / GDP (%), 2018



Source: Ministry of Treasury and Finance, Eurostat

- **General Government Debt Stock/GDP ratio of Turkey, defined by European Union Standards, was 30.4% in 2018, which is below the Maastricht Criterion (60%).**



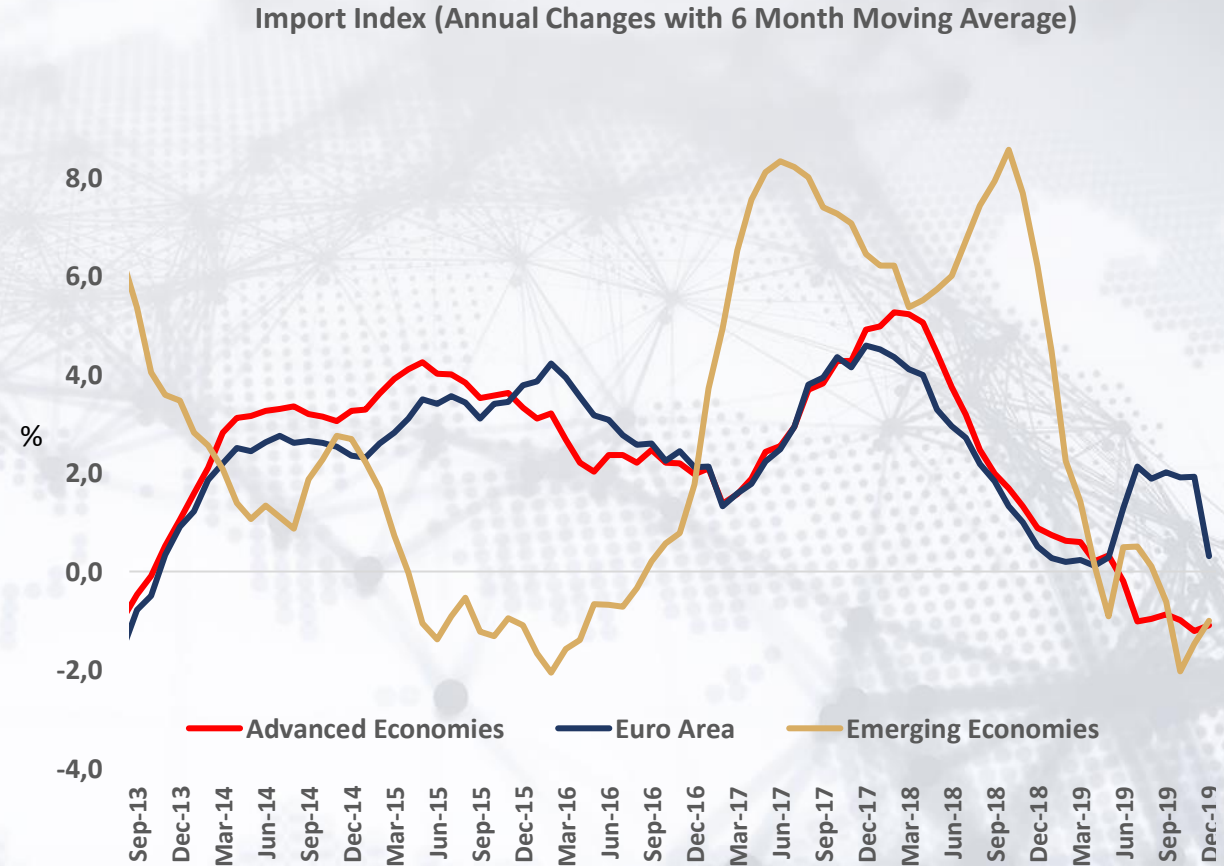
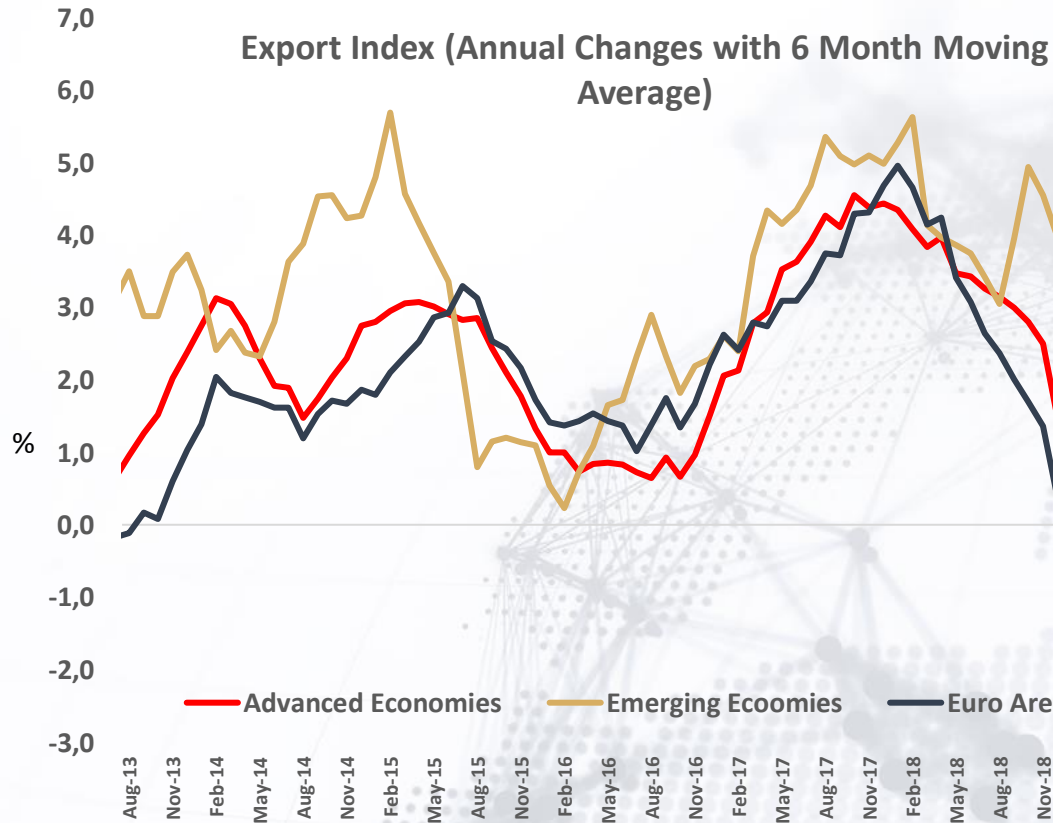
## Balance of Payments

Million Dollar	January		
	2019	2020	Change (%)
<b>I- CURRENT ACCOUNT</b>	-276	-1.804	553,6
A. BALANCE ON GOODS	-1.251	-3.245	159,4
B. BALANCE ON SERVICES	1.508	1.586	5,2
C. BALANCE ON PRIMARY INCOME	-633	-340	-46,3
D. BALANCE ON SECONDARY INCOME	100	195	95,0
<b>II- CAPITAL ACCOUNT</b>	28	-8	-129,0
<b>III- FINANCIAL ACCOUNT</b>	-2.271	-1.238	-45,5
Direct Investment	-791	-765	-3,3
Net Acquisition of Financial Assets	162	167	3,1
Net Incurrence of Liabilities	953	932	-2,2
Equity Capital	591	543	-8,1
Inflow	593	567	-4,4
Outflow	2	24	1.100,0
Other Capital (Net)	-91	-175	92,3
Real Estate (Net)	453	564	24,5
Portfolio Investment	-6.129	1.222	-119,9
Other Investment	1.381	1.239	-10,3
Rezerve Assets	3.268	-2.934	-189,8
<b>IV- NET ERRORS AND OMISSIONS</b>	-2.023	574	-128,4

Source:CBRT



# Developments in Global Trade Indices \*



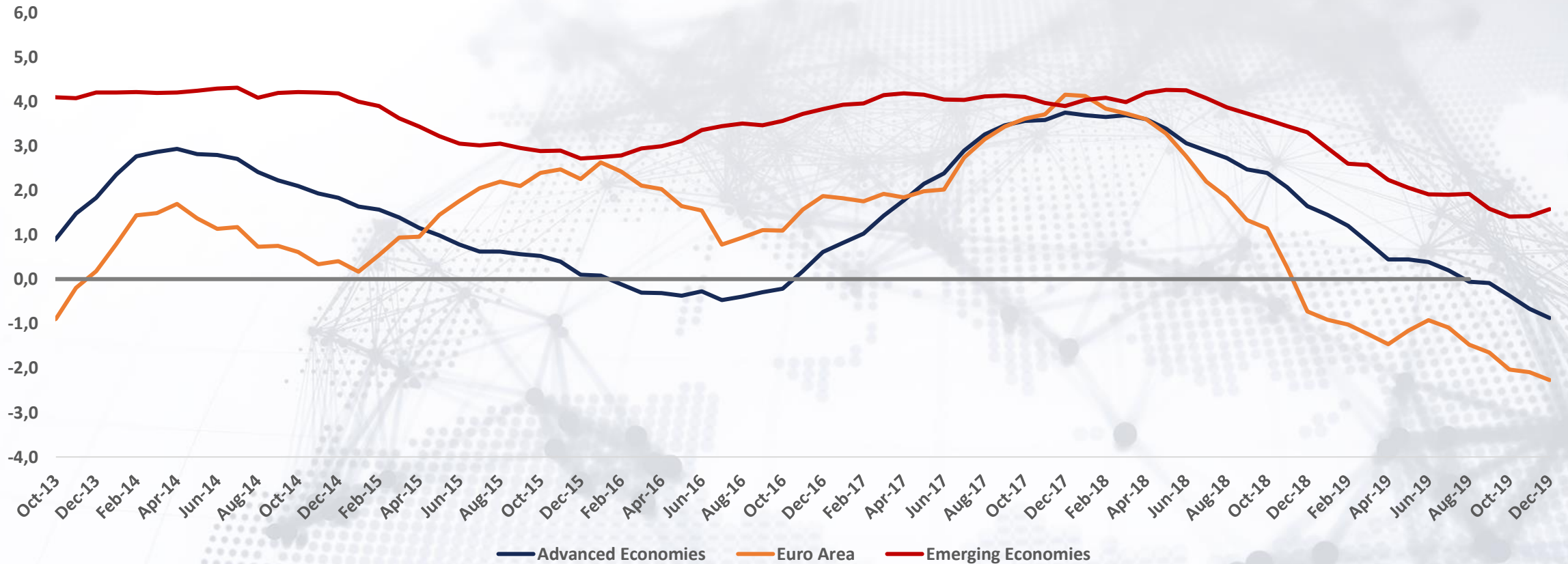
Source: Netherlands Bureau for Economic Policy Analysis (CPB)

\* Trade Indices (2010=100), Seasonally adjusted series. [ret.gov.tr](http://ret.gov.tr)



# Developments in Global Industrial Production Indices \*

Industrial Production (Annual Changes with 6 Month Moving Average)



Source: Netherlands Bureau for Economic Policy Analysis (CPB)

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



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# B-MACROECONOMIC OUTLOOK



## Economic Targets of 2020-2022 New Economy Program (NEP)

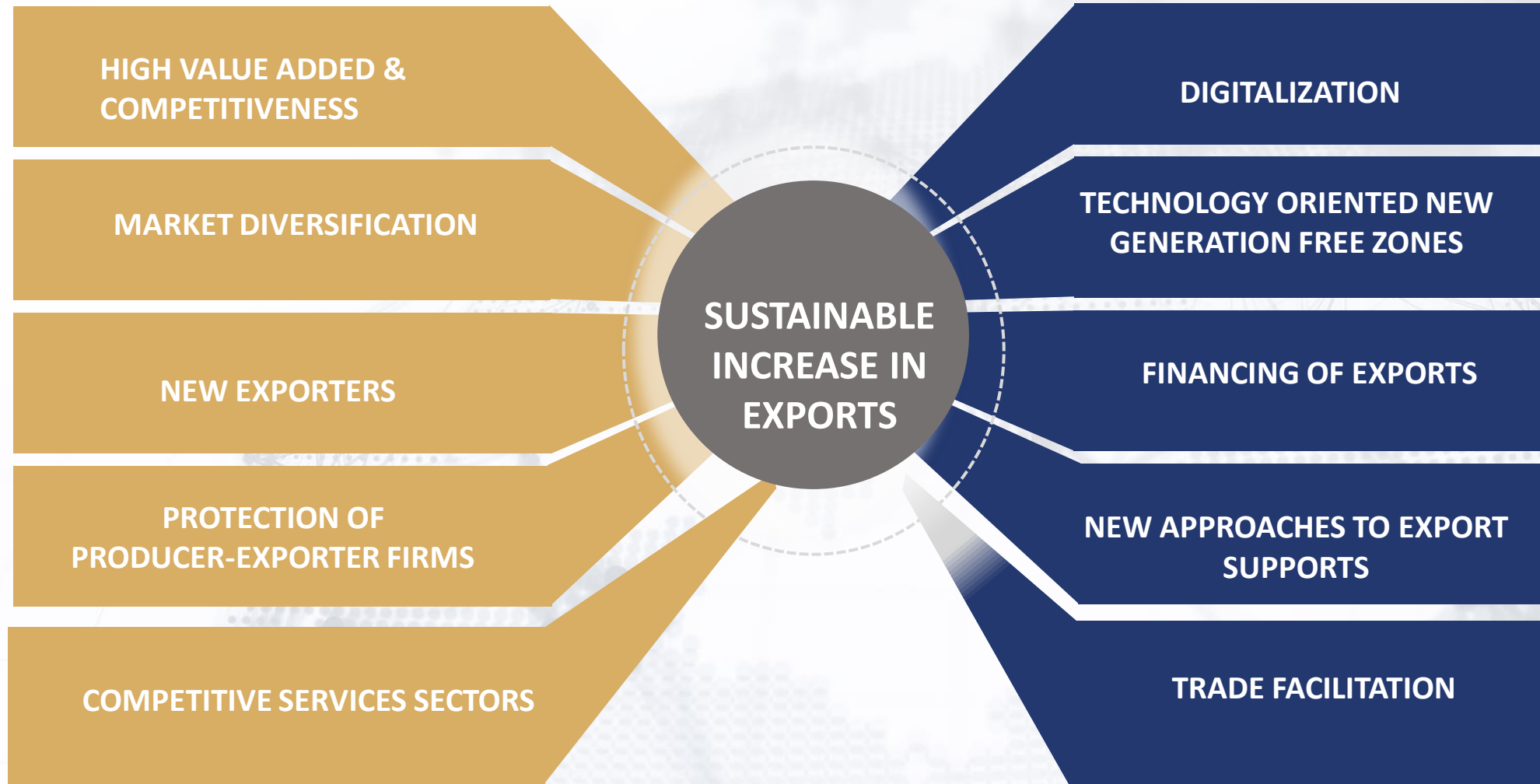
	2019	2020	2021	2022
<b>GDP (Billion TL, Current Prices)</b>	4,269	4,872	5,484	6,070
<b>GDP Per Capita (\$)</b>	9,093	9,738	10,144	10,534
<b>Real GDP Growth</b>	0.5	5.0	5.0	5.0
<b>Unemployment Rate(%)</b>	12.9	11.8	10.6	9.8
<b>Tourism Revenues (Billion \$)</b>	29.0	34.3	40.1	46.5
<b>Current Account Balance (Billion \$)</b>	1.0	-9.6	-7.0	0.0
<b>Current Account Balance/GDP(%)</b>	0.1	-1.2	-0.8	0.0

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

- **New Economy Program, which covers 2020-2022 period, aims to realize economic transformation and sustainable growth.**



# Targets Of Export Master Plan





# Policy Instruments Of 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"><li>➤ Digitalization in Customs</li><li>➤ Friendly Digital Applications for Exporters</li><li>➤ Trade Diplomacy Tools</li><li>➤ Trade Policy Measures</li></ul>	<ul style="list-style-type: none"><li>➤ Commercial Attaches Network</li><li>➤ Turkish Women Entrepreneurs Network</li><li>➤ Angel Investors Network</li><li>➤ Foreign Trade Vocational Education</li></ul>	<ul style="list-style-type: none"><li>➤ Finance Support</li><li>➤ Energy Support</li><li>➤ Rent Support</li><li>➤ Employment Support</li></ul>	<ul style="list-style-type: none"><li>➤ Long Term Financing</li><li>➤ New Products for FX Volatility Risks</li><li>➤ Special Programs for Women and Young Entrepreneurs</li><li>➤ Seasonal Credit Support Program</li></ul>





## Growth Forecasts of International Organizations

Growth Forecast for Selected Countries/Country Groups(%)									
		World	Euro Area	US	Brazil	Russia	India	China	Japan
IMF	2018	3.6	1.9	2.9	1.3	2.3	6.8	6.6	0.3
	2019	2.9	1.2	2.3	1.2	1.1	4.8	6.1	1.0
	2020	3.3	1.3	2.0	2.2	1.9	5.8	6.0	0.7
OECD	2018	3.6	1.9	2.9	1.1	2.3	6.8	6.6	0.8
	2019	2.9	1.2	2.3	0.8	1.1	5.8	6.2	1.0
	2020	2.4	0.8	1.9	1.7	1.2	5.1	4.9	0.2
World Bank	2018	3.0	1.9	2.9	1.3	2.3	6.8	6.6	0.8
	2019	2.4	1.1	2.3	1.1	1.2	5.0	6.1	1.1
	2020	2.5	1.0	1.8	2.0	1.6	5.8	5.9	0.7

Source: IMF (January 2020), OECD (March 2020), World Bank (January 2020)



## Forecasts for Merchandise Trade Growth

Forecasts for Merchandise Trade Growth(%)						
	Years	Exports		Imports		World Trade Volume*
		Advanced Economies	Emerging Economies	Advanced Economies	Emerging Economies	
IMF	2018	3.1	3.9	3.0	5.1	3.7
	2019	0.9	1.9	1.2	0.7	1.0
	2020	2.5	4.1	2.7	4.3	2.9
WTO	2018	2.1	3.5	2.5	4.1	3.0
	2019	0.4	2.1	1.6	1.1	1.2
	2020	2.2	3.4	1.2	4.3	2.7

\*\* IMF forecasts include goods and services trade.

Source: IMF (January 2020), WTO (October 2019)

- According to the IMF estimates, world trade volume is expected to increase by 1.1% in 2019 and %3.2 in 2020.
- According to the WTO estimates, world trade volume is expected to increase by 1.2% in 2019 and 2.7% in 2020.



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# C-DEVELOPMENTS IN FOREIGN TRADE



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# 1) MERCHANDISE TRADE



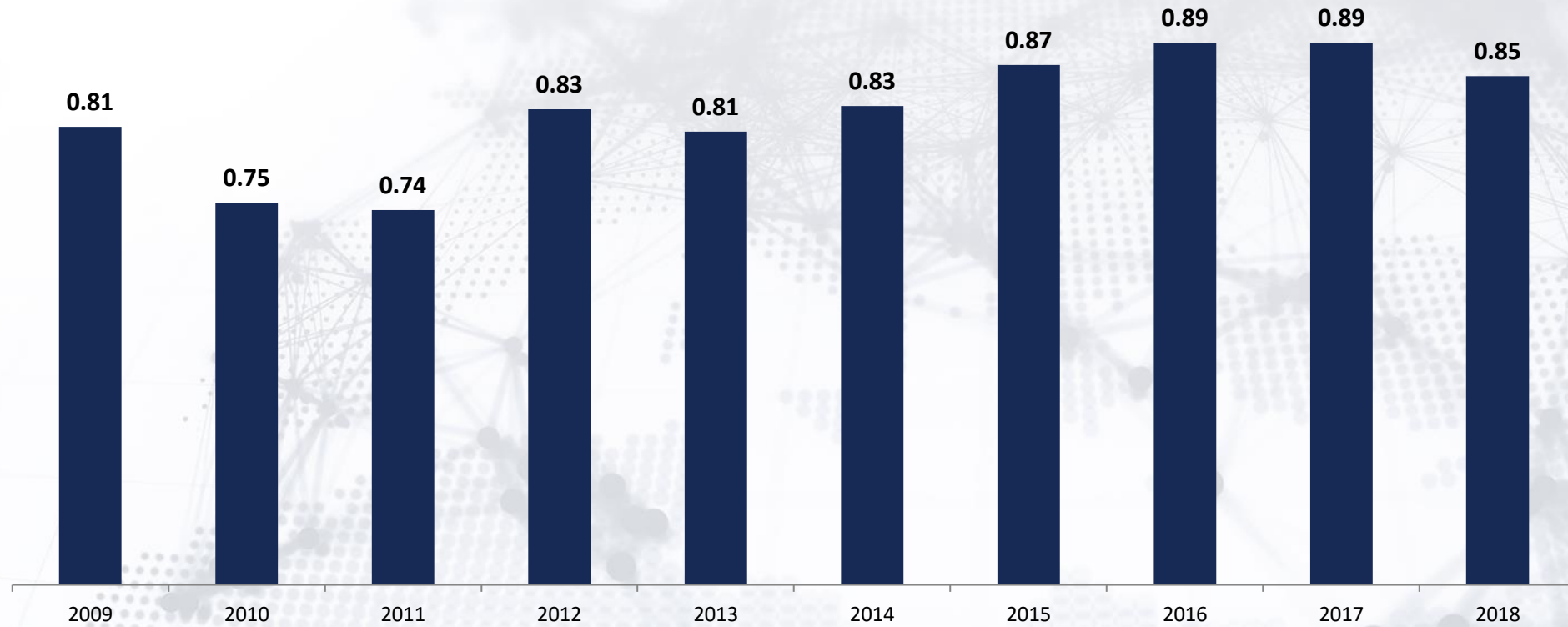
## Merchandise Trade Targets (New Economic Plan)

	2020	2021	2022
<b>Exports (Billion \$) (GTS)</b>	190.0	202.0	213.0
<b>Imports (Billion \$) (GTS)</b>	231.5	247.0	260.0
<b>Balance of trade (Billion \$)</b>	-41.5	-45.0	-47.0
<b>Volume of trade/GDP(%)</b>	51.9	52.4	52.6
<b>Exports/Imports (%)</b>	82.1	81.8	81.9

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



## Turkey's Share in Global Merchandise Exports (%)

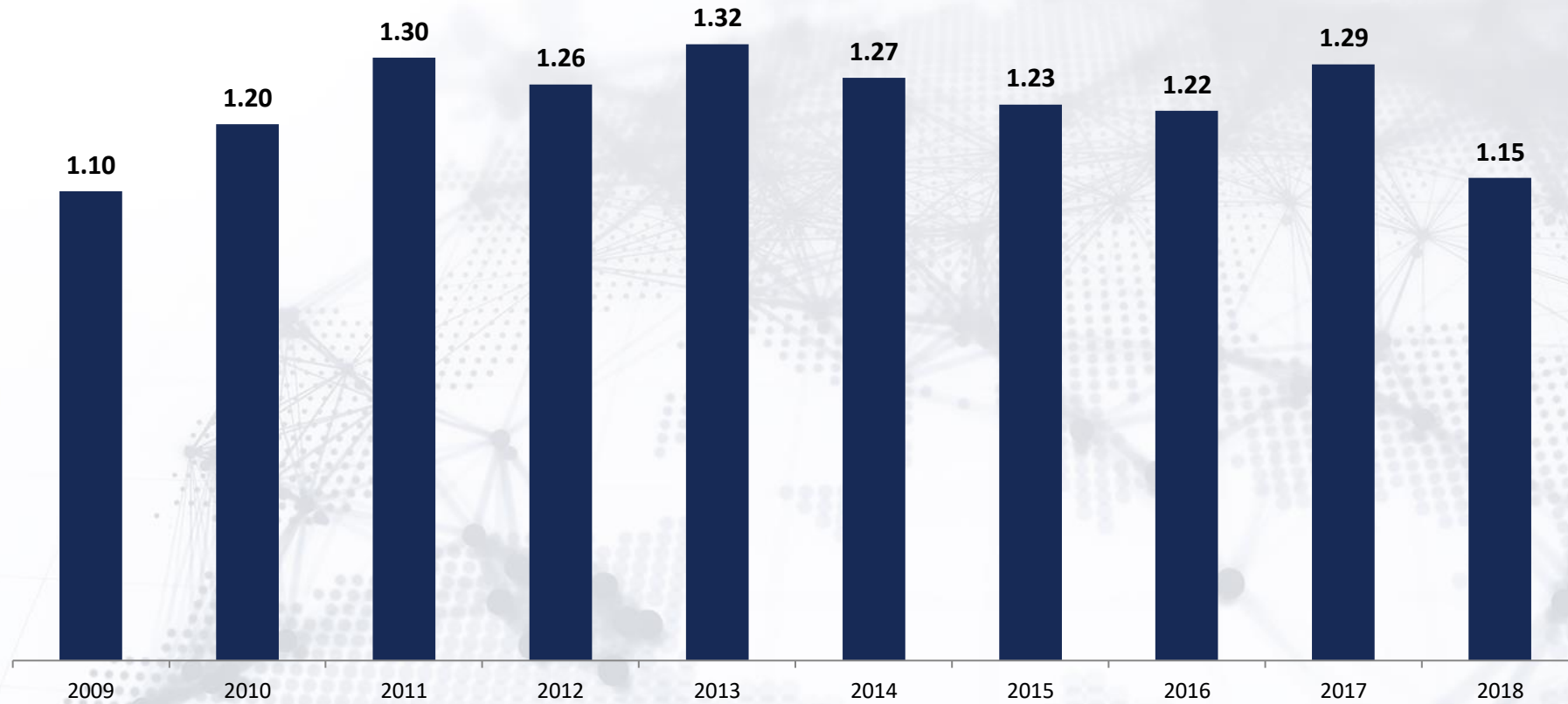


Source: WTO

➤ Turkey's share in global merchandise exports was %0.86 in 2018.



## Turkey's Share in Global Merchandise Imports (%)

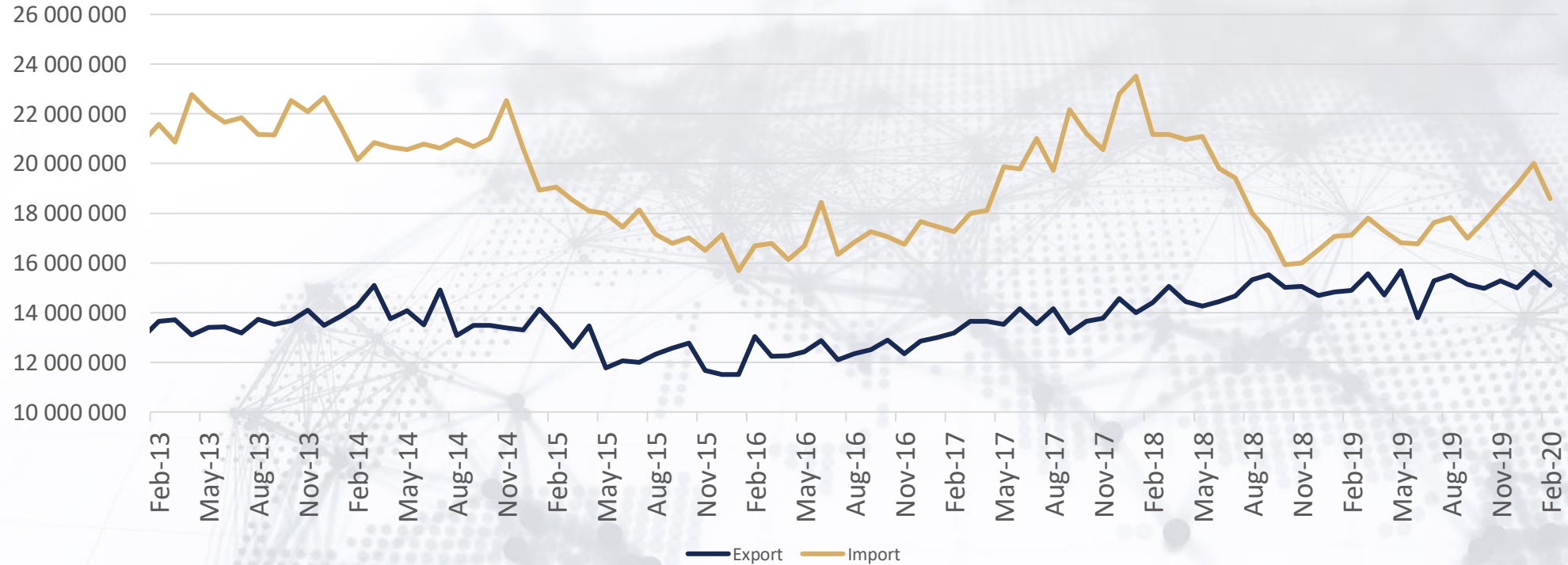


Source: WTO

➤ Turkey's share in global merchandise imports was %1.12 in 2018.



## Monthly Exports and Imports (Thousand \$)



Source: TURKSTAT

Note: Seasonally and Calendar Adjusted Series

➤ **In February 2020, compared to the same month of the previous year, exports increased by 2.3% and realized as 14.7 billion dollars, and imports increased by 9.8% to the level of 17.6 billion dollars. External trade deficit increased by %72 and realized as 3 billion dollars.**





## Foreign Trade Developments

	Annual (Billion \$)		(JANUARY) (Billion \$)		Change (%) 2019/2020
	2018	2019	2019 (JAN-FEB)	2020 (JAN-FEB)	
Export	167,921	180.849	28.198	29.357	4,1
Energy Export*	4,412	8.447	1.224	1.207	-1,4
Gold Export	2,577	2.001	244	278	13,6
Import	223,047	210.344	32.221	36.841	14,3
Energy Import*	43,006	41.731	7.263	7.245	-0,2
Gold Import	11,299	11.269	1.233	3.092	150,8
Foreign Trade Volume	390,968	391.193	60.419	66.198	9,6
Foreign Trade Balance	-55,126	-29.496	-4.023	-7.484	86,0
Balance excl. Energy	-16,533	3.788	2.015	-1.445	-171,7
Export/Import (%)	75,3	86,0	87,5	79,7	-8,9

Source: Ministry of Trade

\* Energy corresponds to Chapter 27.

➤ In January-February 2020, compared to same period of 2019, exports increased by 4.1% and realized as 29.4 billion dollars. Imports increased by 14.3% in the same period and realized as 36.8 billion dollars.



## Foreign Trade Indices (2010=100)

	2017		2018		2019		2020 January	
	Index	Change %	Index	Change %	Index	Change %	Index	Change %
Export Unit Value Index	93.3	1.5	95.8	2.7	91.8	-4.2	92.0	-0,7
Export Volume Index	147.8	8.6	154.0	4.2	164.1	6.5	158.6	5,9
Import Unit Value Index	88.8	7.5	93.6	5.4	89.4	-4.5	86.6	-5,0
Import Volume Index	141.9	9.5	128.4	-9.5	122.3	-4.8	138.1	24,3
Terms of Trade	105.0	-5.8	102.3	-2.6	102.7	-0.1	106.2	4,5

Source: TURKSTAT

\*Periodical data are obtained by taking average.

➤ In January 2020, compared to the same period of the previous year, export volume index increased by 5.9% and the import volume index increased by 24.3%.



# General and Special Trade Systems in Foreign Trade

## General Trade System (GTS)

	March			January-March		
	2019	2020	Change (%)	2019	2020	Change (%)
Export (Million \$)	16.336	13.426	-17,81	44.534	42.783	-3,93
Import (Million \$)	18.250	18.821	3,13	50.472	55.662	10,28
Foreign Trade Volume (Million \$)	34.586	32.247	-6,76	95.006	98.446	3,62
Foreign Trade Balance (Million \$)	-1.915	-5.395	181,79	-5.938	-12.879	116,89
Export/Import (%)	89,5	71,3		88,2	76,9	

Source: Ministry of Trade

## Special Trade System (STS)

	March			January-March		
	2019	2020	Change (%)	2019	2020	Change (%)
Export (Million \$)	15.462	12.680	-17,99	42.212	40.455	-4,16
Import (Million \$)	17.628	17.960	1,88	49.026	53.489	9,10
Foreign Trade Volume (Million \$)	33.089	30.640	-7,40	91.239	93.944	2,97
Foreign Trade Balance (Million \$)	-2.166	-5.280	143,78	-6.814	-13.034	91,28
Export/Import (%)	87,7	70,6		86,1	75,6	

Source: Ministry of Trade

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

In special trade system; customs warehouses, all types of free zones and premises for inward processing are excluded from the statistical territory thus only imports and exports of the free circulation area are recorded.



## Distribution of Foreign Trade in Broad Economic Categories

### EXPORT

Export (Million \$)	February			January - February		
	2019	2020	Change (%)	2019	2020	Change (%)
Investment Goods	1.745	1.766	1,2	3.383	3.337	-1,3
Intermediate Goods	6.812	6.668	-2,1	13.539	13.689	1,1
Consumption Goods	5.711	6.168	8,0	11.142	12.156	9,1
Others	54	51	-6,2	134	175	30,1
<b>TOTAL</b>	<b>14.323</b>	<b>14.653</b>	<b>2,3</b>	<b>28.198</b>	<b>29.357</b>	<b>4,1</b>

Source: TURKSTAT

### IMPORT

Import (Million \$)	February			January - February		
	2019	2020	Değ. (%)	2019	2020	Değ. (%)
Investment Goods	2.345	2.187	-6,7	3.925	4.486	14,3
Intermediate Goods	12.135	13.443	10,8	25.119	28.437	13,2
Consumption Goods	1.509	1.964	30,1	3.051	3.767	23,5
Others	67	41	-38,6	127	151	19,3
<b>TOTAL</b>	<b>16.057</b>	<b>17.634</b>	<b>9,8</b>	<b>32.221</b>	<b>36.841</b>	<b>14,3</b>

Source: TURKSTAT



## Main Export Items

COD E	EXPORT Million Dollar	February			January-February		
		2019	2020	% Change	2019	2020	% Change
87	Vehicles other than railway or tramway rolling-stock, parts thereof	2.194	2.177	-0,8	4.217	4.303	2,0
84	Boilers, machineries and mechanical appliances, parts thereof	1.415	1.459	3,1	2.739	2.859	4,4
85	Electrical machinery and equipment, parts thereof	784	748	-4,6	1.457	1.484	1,9
61	Knitted and crocheted goods and articles thereof	718	735	2,3	1.446	1.495	3,4
72	Iron and steel	877	717	-18,2	1.798	1.499	-16,6
71	Precious stones, precious metals, pearls and articles thereof	505	671	32,8	1.036	1.199	15,8
62	Non knitted and crocheted goods and articles thereof	579	641	10,8	1.141	1.246	9,2
39	Plastic and articles thereof	552	557	0,9	1.063	1.089	2,4
27	Mineral fuels, minerals oils and product of their distillation	628	515	-18,0	1.224	1.207	-1,4
73	Articles of iron and steel	526	512	-2,7	1.020	1.067	4,7

Source: TURKSTAT

\* Sorted by February 2020



## Main Import Items

CODE	IMPORT Million Dollar	February			January-February		
		2019	2020	% Change	2019	2020	% Change
27	Mineral fuels, minerals oils and product of their distillation	3.388	3.136	-7,4	7.263	7.245	-0,2
84	Boilers, machineries and mechanical appliances, parts thereof	1.607	1.851	15,2	3.206	3.693	15,2
71	Precious stones, precious metals, pearls and articles thereof	844	1.428	69,2	1.596	3.341	109,4
85	Electrical machinery and equipment, parts thereof	1.147	1.246	8,6	2.297	2.580	12,3
72	Iron and steel	930	1.203	29,4	2.091	2.574	23,1
87	Vehicles other than railway or tramway rolling-stock, parts thereof	660	1.039	57,3	1.226	1.814	48,0
39	Plastic and articles thereof	912	925	1,3	1.861	1.910	2,7
29	Organic chemicals	494	482	-2,6	1.017	980	-3,7
30	Pharmaceutical products	339	440	29,6	732	797	8,9
90	Optical, photographic, cinematographic, measuring checking, precision	348	360	3,5	688	730	6,0

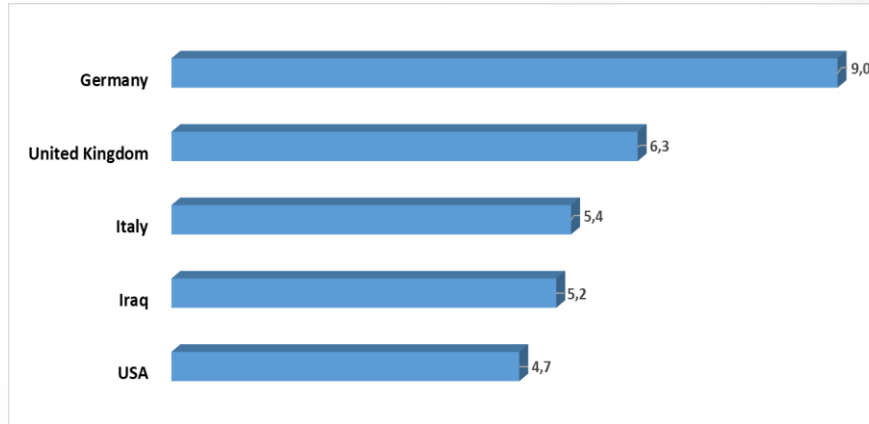
Source: TURKSTAT

\*Sorted by February 2020

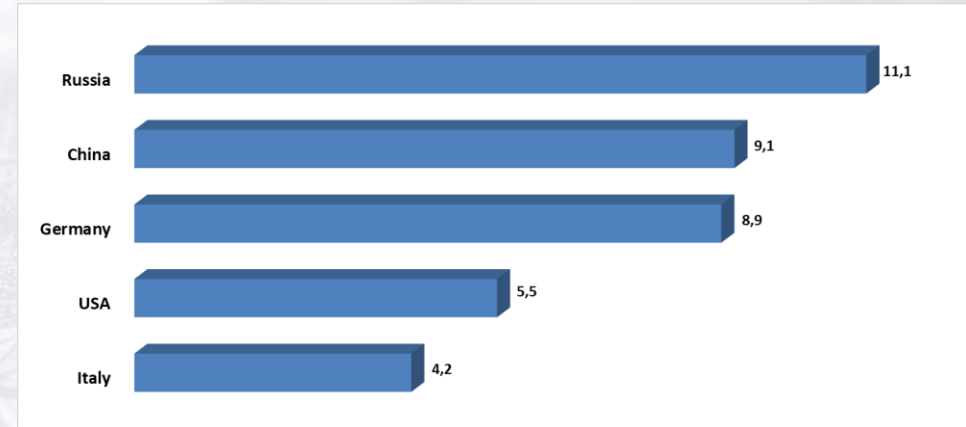


# Main Trade Partners

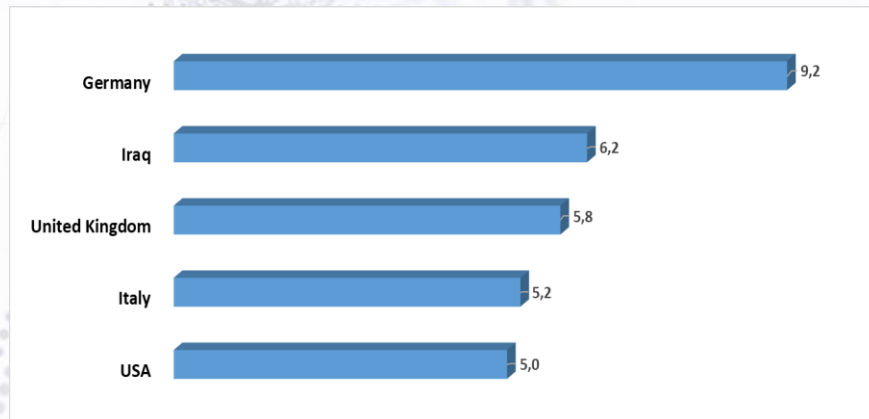
### Leading Export Partners in 2019 (Share in Total Exports)



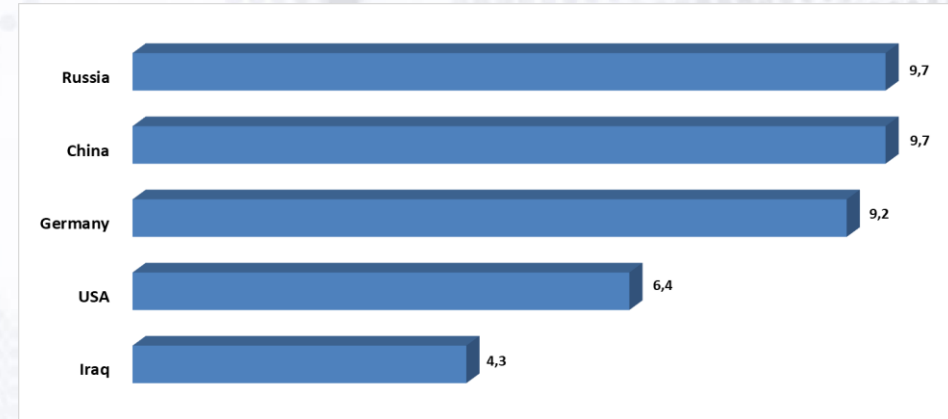
### Leading Import Partners in 2019 (Share in Total Imports)



### Leading Export Partners in February 2020 (Share in Total Exports)



### Leading Import Partners in February 2020 (Share in Total Imports)





## Exports by Regions

Million dolar	FEBRUARY				JANUARY-FEBRUARY			
	2019	2020	% Share	% Change	2019	2020	% Share	% Change
<b>A- European Union (EU-28)</b>	<b>7.391</b>	<b>7.053</b>	<b>48,1</b>	<b>-4,6</b>	<b>14.543</b>	<b>14.371</b>	<b>49,0</b>	<b>-1,2</b>
<b>B- Other Countries</b>	<b>6.932</b>	<b>7.600</b>	<b>51,9</b>	<b>9,6</b>	<b>13.655</b>	<b>14.986</b>	<b>51,0</b>	<b>9,7</b>
<b>1- Other European Countries</b>	<b>955</b>	<b>1.177</b>	<b>8,0</b>	<b>23,3</b>	<b>1.795</b>	<b>2.257</b>	<b>7,7</b>	<b>25,8</b>
<b>2- Africa</b>	<b>1.264</b>	<b>1.446</b>	<b>9,9</b>	<b>14,4</b>	<b>2.553</b>	<b>2.818</b>	<b>9,6</b>	<b>10,4</b>
North African Countries	844	938	6,4	11,1	1.701	1.782	6,1	4,8
Other African Countries	421	508	3,5	20,8	852	1.036	3,5	21,5
<b>3- America</b>	<b>1.000</b>	<b>1.090</b>	<b>7,4</b>	<b>9,0</b>	<b>2.041</b>	<b>2.178</b>	<b>7,4</b>	<b>6,7</b>
North American Countries	755	810	5,5	7,3	1.499	1.640	5,6	9,4
Central America and Caraips	125	112	0,8	-10,0	264	244	0,8	-7,7
South American Countries	120	168	1,1	39,7	278	294	1,0	5,8
<b>4- Asia</b>	<b>3.639</b>	<b>3.816</b>	<b>26,0</b>	<b>4,9</b>	<b>7.105</b>	<b>7.576</b>	<b>25,8</b>	<b>6,6</b>
Near and Middle Eastern	2.676	2.864	19,5	7,0	5.195	5.637	19,2	8,5
Other Asian Countries	962	952	6,5	-1,1	1.909	1.939	6,6	1,6
<b>5-Australia and New Zealand</b>	<b>60,6</b>	<b>54,5</b>	<b>0,4</b>	<b>-10,1</b>	<b>124,5</b>	<b>113,8</b>	<b>0,4</b>	<b>-8,6</b>
<b>6-Other Countries</b>	<b>13,5</b>	<b>16,3</b>	<b>0,1</b>	<b>20,4</b>	<b>36,5</b>	<b>42,7</b>	<b>0,1</b>	<b>16,9</b>
<b>TOTAL</b>	<b>14.323</b>	<b>14.653</b>	<b>100</b>	<b>2,3</b>	<b>28.198</b>	<b>29.357</b>	<b>100</b>	<b>4,1</b>

Source: TURKSTAT





## Imports by Regions

Million dolar	FEBRUARY				JANUARY-FEBRUARY			
	2019	2020	% Share	% Change	2019	2020	% Share	% Change
<b>A- European Union (EU-28)</b>	5.354	6.213	35,2	16,0	10.379	12.055	32,7	16,2
<b>B- Other Countries</b>	10.702	11.421	64,8	6,7	21.843	24.786	67,3	13,5
<b>1- Other European Countries</b>	2.205	2.331	13,2	5,7	4.545	5.209	14,1	14,6
<b>2- Africa</b>	384	470	2,7	22,4	906	1.021	2,8	12,7
North African Countries	260	321	1,8	23,4	591	733	2,0	24,2
Other African Countries	124	149	0,8	20,3	315	288	0,8	-8,8
<b>3- America</b>	1.424	1.618	9,2	13,6	2.807	3.551	9,6	26,5
North American Countries	1.043	1.179	6,7	13,1	1.914	2.535	6,9	32,5
Central America and Caraips	56	84	0,5	49,9	106	185	0,5	75,1
South American Countries	326	355	2,0	9,1	788	831	2,3	5,4
<b>4- Asia</b>	5.212	5.404	30,6	3,7	10.430	11.431	31,0	9,6
Near and Middle Eastern	1.463	1.657	9,4	13,3	2.726	3.424	9,3	25,6
Other Asian Countries	3.749	3.748	21,3	0,0	7.705	8.007	21,7	3,9
<b>5-Australia and New Zealand</b>	106	12	0,1	-89,0	156	23	0,1	-85,3
<b>6-Other Countries</b>	1.371	1.585	9,0	15,6	2.998	3.551	9,6	18,4
<b>TOTAL</b>	<b>16.057</b>	<b>17.634</b>	<b>100</b>	<b>9,8</b>	<b>32.221</b>	<b>36.841</b>	<b>100</b>	<b>14,3</b>

Source: TURKSTAT



## 2) SERVICES



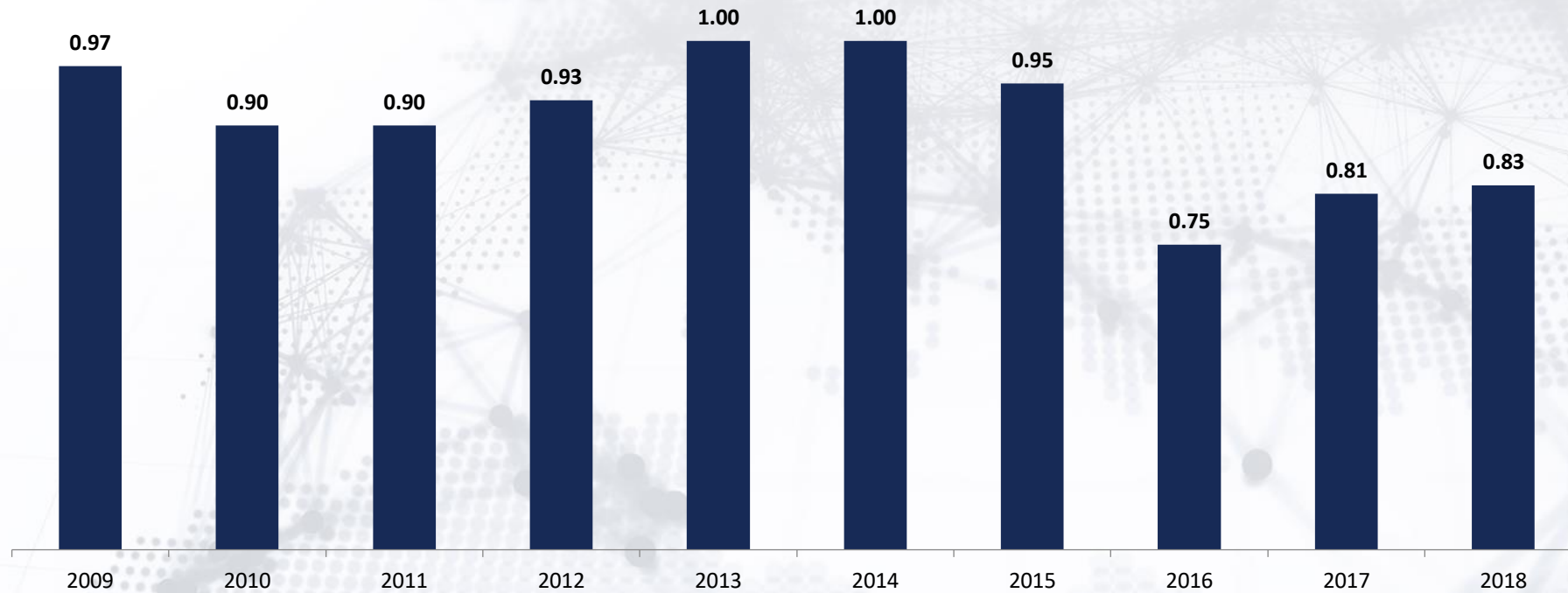
## Targets in Services

### 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 Services Exports (%)

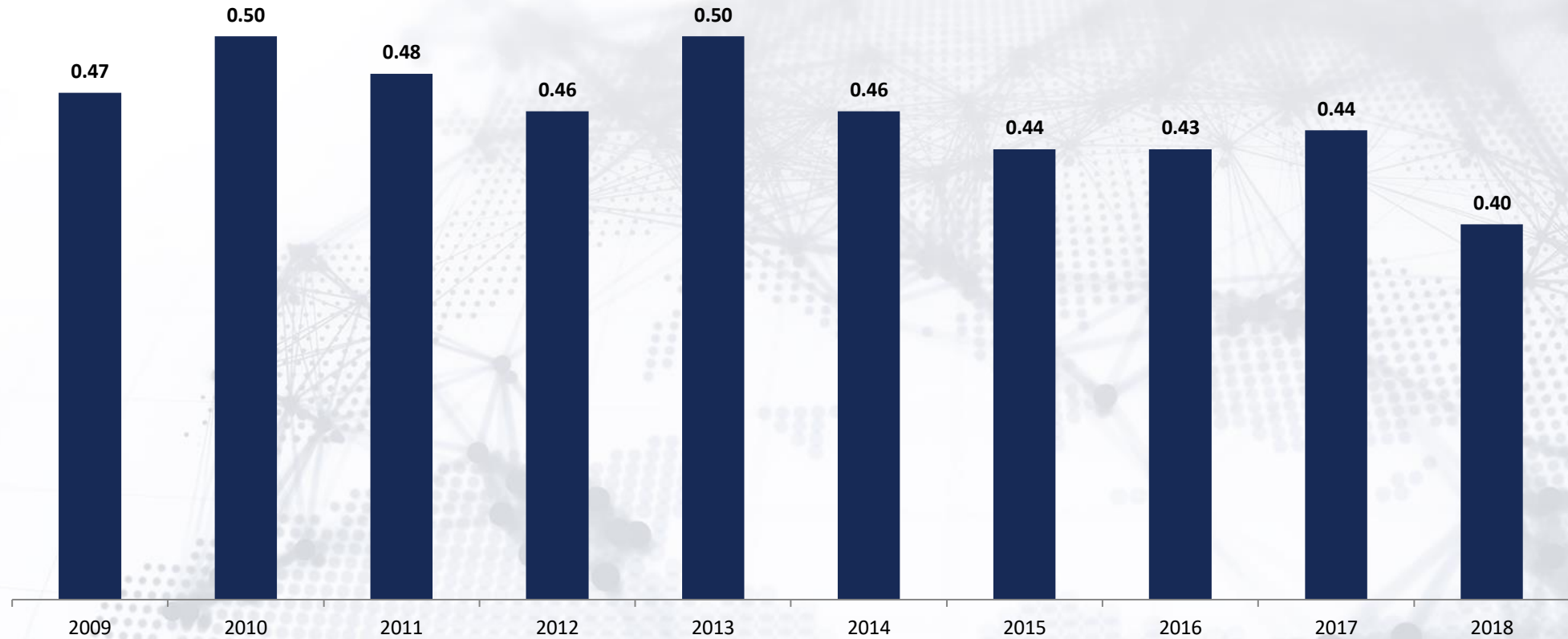


Source: WTO, CBRT

➤ Turkey's share in global exports of services realized as 0.83 % in 2018.



## Turkey's Share in Global Services Imports (%)



Source: WTO, CBRT

➤ Turkey's share in global imports of services realized as 0.40% in 2018.



## Balance of Payments- Services Items

CREDIT	January			January-December		
	2019	2020	Change(%)	2018	2019	Change(%)
Million Dolar						
Services	3.660	4.167	13,9	59.023	64.834	9,8
Transport	1.737	2.008	15,6	24.666	25.231	2,3
Travel	1.312	1.460	11,3	25.220	29.829	18,3
Construction	17	20	17,6	565	418	-26,0
Insurance and pension services	143	131	-8,4	1.279	1.763	37,8
Financial Services	49	51	4,1	643	714	11,0
Charges for the use of intellectual property	4	13	225,0	98	88	-10,2
Telecommunications, computer, information serv.	105	134	27,6	1.440	1.537	6,7
Other business services	153	186	21,6	2.753	2.981	8,3
Personal, cultural, and recreational services	11	8	-27,3	140	138	-1,4
Government goods and services	40	37	-7,5	786	766	-2,5
DEBIT	January			January-December		
Million Dolar	2019	2020	Change(%)	2018	2019	Change(%)
Services	2.152	2.581	19,9	27.930	28.630	2,5
Transport	700	1.134	62,0	9.056	8.556	-5,5
Travel	324	360	11,1	4.595	4.110	-10,6
Construction	7	2	-71,4	196	69	-64,8
Insurance and pension services	250	165	-34,0	1.966	2.549	29,7
Financial Services	128	96	-25,0	982	1.617	64,7
Charges for the use of intellectual property	133	156	17,3	1.879	1.932	2,8
Telecommunications, computer, information serv.	143	158	10,5	2.167	2.118	-2,3
Other business services	340	340	0,0	4.998	5.069	1,4
Personal, cultural, and recreational services	7	7	0,0	99	87	-12,1
Government goods and services n.i.e	62	75	21,0	1.082	1.202	11,1

Source: CBRT



## Contracting Services Abroad

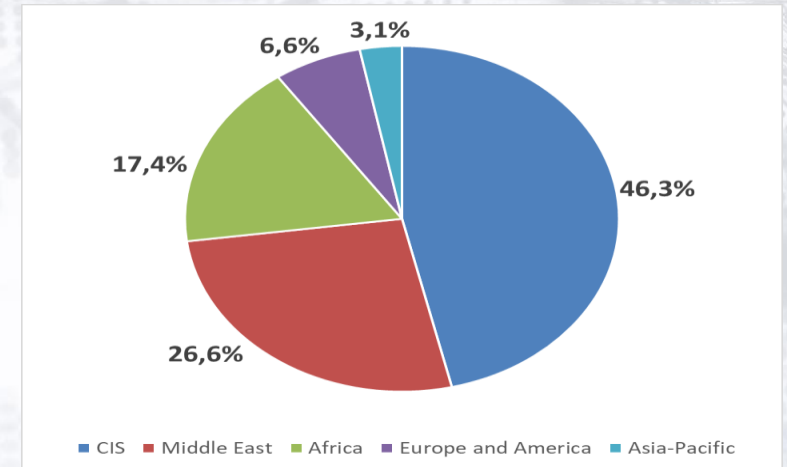
Years	Projects	Countries	Project Volume (Million \$)	Cum. Project Volume (Milion \$)	Avr. Project Volume(Mil.\$)
1971-2002	2,427	48	50	0	0.0
2003	339	35	6,398	56,157	18.9
2004	477	36	8,620	64,777	18.1
2005	451	33	12,944	77,721	28.7
2006	576	35	22,288	100,009	38.7
2007	617	45	25,815	125,824	41.8
2008	665	39	24,554	150,378	36.9
2009	512	45	20,350	170,728	39.7
2010	631	50	23,682	194,410	37.5
2011	564	51	24,589	218,999	43.6
2012	543	49	31,002	250,001	57.1
2013	431	50	31,167	281,168	72.3
2014	345	54	27,185	308,353	78.8
2015	271	57	23,602	331,955	87.1
2016	198	56	14,033	345,988	70.9
2017	301	52	15,285	361,272	50.8
2018	324	53	21,214	382,487	65.5
2019	451	45	18,266	400,753	40.5
2020*	11	6	14	400,767	1.3

Note: Figures are as of January 2020

Source: Ministry of Trade

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(%) (January 2020)





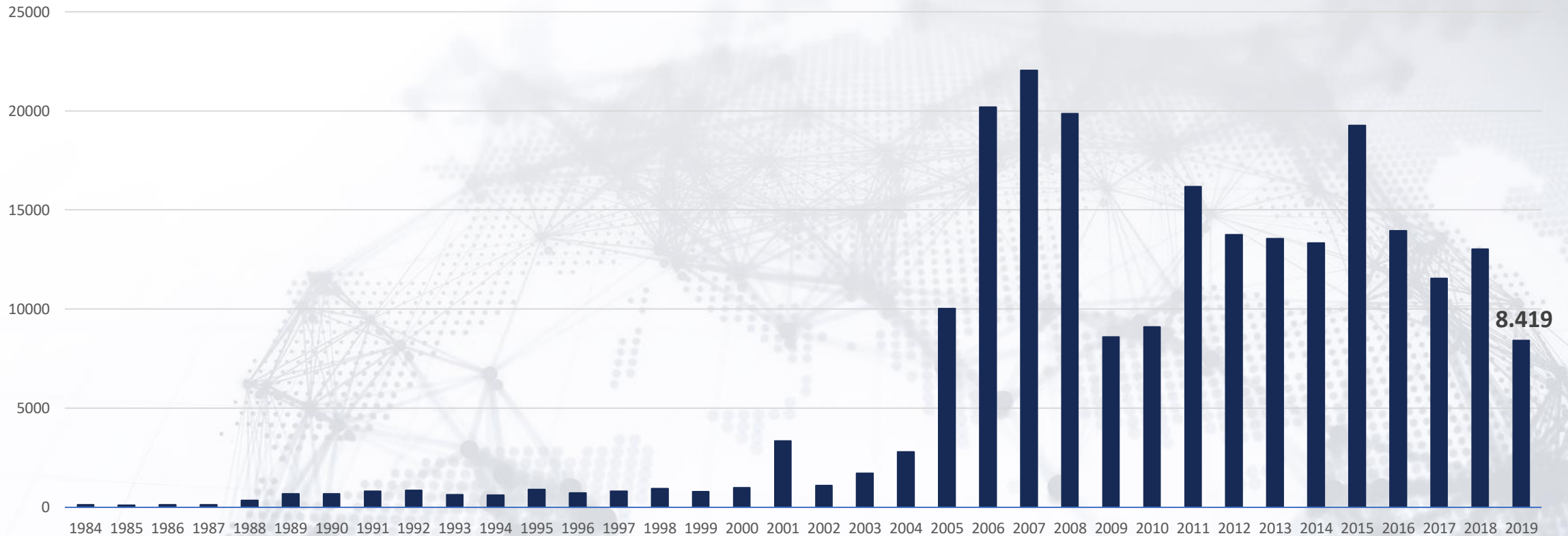
REPUBLIC OF TURKEY  
MINISTRY OF TRADE

## **D- INVESTMENTS**





## Foreign Direct Investment (Million \$)

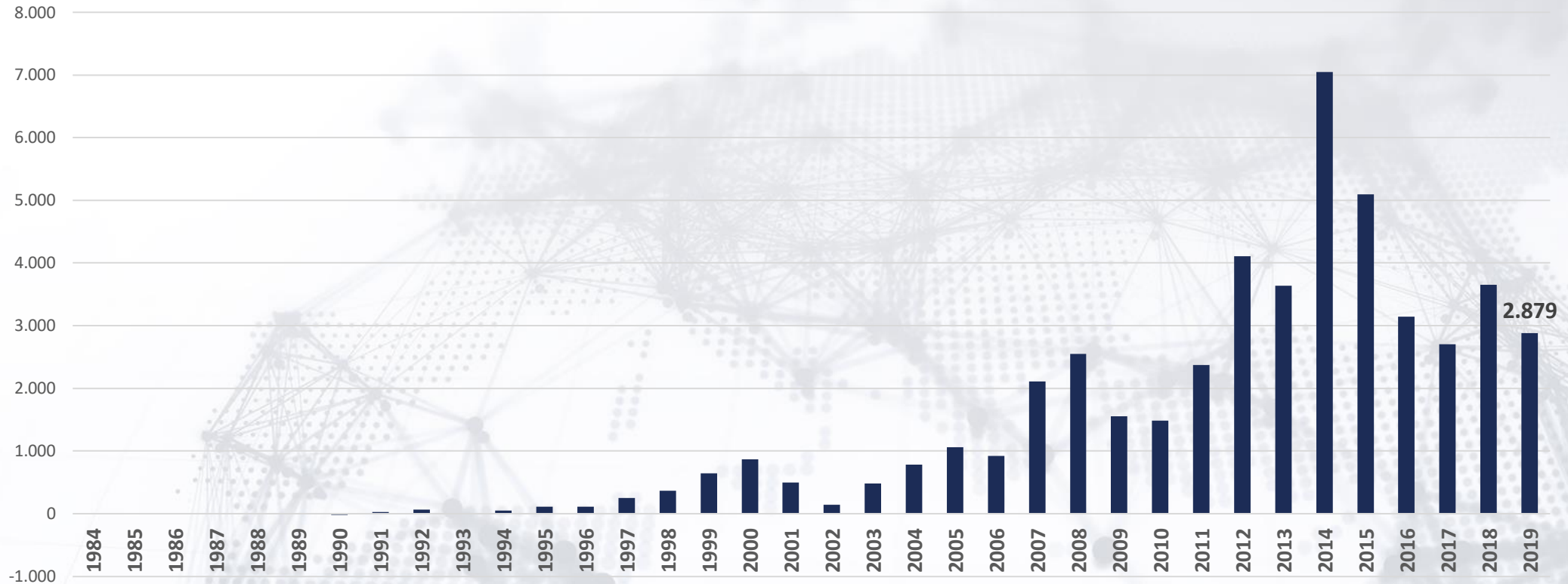


Source: CBRT

- FDI stock reached 216,8 billion USD in the 2003-2019 period. It was 14.6 billion USD in over 1984-2002 period.
- In January 2020, foreign direct investment decreased by 2.2% compared to the same period of the previous year, and realized as 932 million dollars.



## Foreign Direct Investment Abroad (Million \$)



Source: CBRT

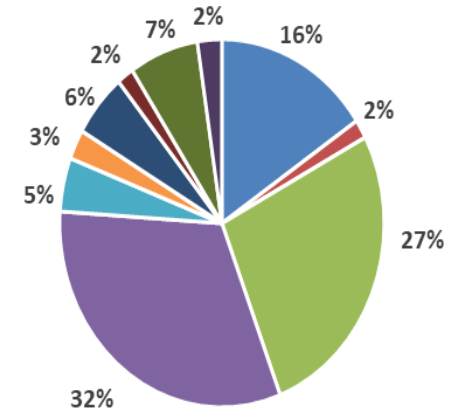
- Direct investments from Turkey to abroad reached 45.6 billion USD from 2003 to 2019 on a cumulative basis.
- In January 2020, foreign direct investment increased by 3.1% compared to the same month of the previous year, and realized as 167 million dollars.



# The Sectoral Breakdown of Foreign Investments

(Million \$)	Annual		January	
	2018	2019	2019	2020
<b>AGRICULTURE</b>	<b>4</b>	<b>23</b>	<b>0</b>	<b>0</b>
<b>INDUSTRIAL SECTORS</b>	<b>2.706</b>	<b>2.195</b>	<b>122</b>	<b>151</b>
Mining and Quarrying	81	91	1	77
Manufacturing	1.934	2.004	120	73
Electricity, Gas, Steam and Air-conditioning Supply	687	99	1	1
Water Supply; Sewerage, Waste Management and Remediation	4	1	0	0
<b>SERVICES SECTOR</b>	<b>4.034</b>	<b>3.393</b>	<b>471</b>	<b>416</b>
<b>TOTAL</b>	<b>6.744</b>	<b>5.611</b>	<b>593</b>	<b>567</b>

Breakdown of Investment in Manufacturing Industry (%)



- Food, Beverage, Tobacco
- Textile
- Refined Petroleum
- Chemicals and Man-made Fibers
- Plastics and Rubber
- Minerals other than Metallics
- Basic and Fabricated Metals
- Machinery and Equipment
- Electrical and Optical Equipment
- Manufacturing n.e.c.

Source: CBRT



## Breakdown of Foreign Investments by Country

Rank*	Countries	2019 FDI (Million Dolar)	2019 FDI January (Million Dolar)	2020 January FDI (Million Dolar)
1	England	825	190	344
2	Netherlands	844	26	116
3	Switzerland	294	5	24
4	France	176	3	12
5	Italy	113	15	11
6	Germany	437	134	10
7	Tajikistan	0	0	10
8	South Korea	51	5	5
9	Belgium	71	46	4
10	Spain	220	32	4
11	United States	342	25	4
12	Kuwait	58	4	4
13	Hong Kong	45	1	4
14	Luxemburg	157	4	3
15	Virgin Islands (British)	42	3	3
16	Qatar	570	0	3
17	China	26	2	2
18	Czech Republic	12	1	1
19	Canada	5	0	1
20	Saudi Arabia	12	1	1
<b>LIST TOTAL</b>		<b>4.300</b>	<b>497</b>	<b>566</b>
<b>TOTAL</b>		<b>5.611</b>	<b>593</b>	<b>567</b>

Source: CBRT

\*Sorted by FDI in January 2020



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



## Free Zones in Turkey



➤ Employment in the 18 Free Zones of Turkey is 71,457 in January 2020.



## Trade Flows of Free Zones (Million \$)

Million Dollar	2012	2013	2014	2015	2016	2017	2018	2019
From Domestic Market To Free Zones	2,971	2,887	2,732	2,205	2,125	2,376	2,563	2,665
From Free Zones To Abroad	7,071	7,701	7,958	7,494	7,041	7,525	8,147	7,978
From Abroad To Free Zones	7,257	7,490	7,059	6,550	5,868	6,404	6,453	5,633
From Free Zones To Domestic Market	5,754	5,162	4,683	4,012	3,999	4,073	3,766	3,379
<b>TOTAL TRADE VOLUME</b>	<b>23,053</b>	<b>23,240</b>	<b>22,432</b>	<b>20,261</b>	<b>19,033</b>	<b>20,378</b>	<b>20,929</b>	<b>19,656</b>

Source: General Directorate of Free Zones, Foreign Investments and Services, Ministry of Trade

- In 2019, total trade volume of the Free Zones was 19.7 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

Source: General Directorate of Free Zones, Foreign Investments and Services



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



## FTA Countries

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. Syria (\*)
9. Egypt (2007)
10. Albania (2008)

11. Georgia (2008)
12. Montenegro (2010)
13. Serbia (2010)
14. Chile (2011)
15. South Korea (2013)
16. Mauritius (2013)
17. Lebanon\*\*
18. Kosovo (2019)
19. Malaysia (2015)
20. Moldova (2016)

21. Faroe Islands (2017)
22. Singapore (2017)
23. Sudan\*\*
24. Venezuela\*\*
25. Qatar\*\*
26. Ghana\*\*

(\*) Pending

(\*\*) Agreements that are in the approval process



## FTA Countries (On-going Negotiations)

### Active Negotiations

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

### Other Negotiations

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



## 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 2019, G20 Term Presidency has been assumed by Japan. In 2020, the G20 Term Presidency is being carried out by Saudi Arabia.



## Regional Breakdown of Exports

Country Groups	2019 (Million Dollar)	2019 February (Million Dollar)	2020 February (Million Dollar)	2019-2020 February (% Change)
EU(28)	88.025	7.391	7.053	-4,6
CIS	9.560	708	867	22,5
EFTA	1.795	125	195	56,1
Economic Cooperation Organization	8.709	630	682	8,4
Organization of Islamic Cooperation	48.772	3.728	4.048	8,6
Black Sea Economic Cooperation	20.450	1.589	1.681	5,8
OECD Countries	98.053	8.049	7.984	-0,8
FTA Countries	20.174	1.506	1.755	16,5
Turkish Republics	5.108	356	426	19,5

Source: Ministry of Trade, TURKSTAT



## Trade Representatives Abroad

Representatives from The Ministry are serving in **110** countries, **162** locations and **3** Permanent Representation abroad.





# Locations of Trade Representatives

