



# Turkey

## Basic Facts

**Location:** South Eastern Europe and South Western Asia, bordering the Black Sea, between Bulgaria and Georgia

**Area:** 780,580 sq km

**Population:** 71,892,807 (July 2008)

**Capital:** Ankara

**Nationality:** Turkish

**Currency:** New Turkish Lira

**Climate:** Temperate, hot dry summers with mild wet winters, harsher in interior.

**Language:** Turkish (*official*), Kurdish, Dimli (*or Zaza*), Azeri, Kabardian. *Note: There is also a substantial Gagauz population in the European part of Turkey.*

**Natural Resources:** Coal, iron ore, copper, chromium, antimony, mercury, gold, barite, borate, celestite (*strontium*), emery, feldspar, limestone, magnesite, marble, perlite, pumice, pyrites (*sulfur*), clay, arable land, hydropower

**Industry:** Textiles, food processing, autos, electronics, mining (*coal, chromite, copper, boron*), steel, petroleum, construction, lumber, paper.



## Economy

**GDP (purchasing power parity):** £481bn (est. 2007)

**GDP (official exchange rate):** £359.6bn (est. 2007)

**GDP (per capita):** £6,992 (est. 2007)

**GDP (real growth rate):** 5%

Turkey's dynamic economy is a complex mix of modern industry and commerce along with a traditional agriculture sector that still accounts for more than 35% of employment. It has a strong and rapidly growing private sector, yet the state still plays a major role in basic industry, banking, transport, and communication. The largest industrial sector is textiles and clothing, which accounts for one-third of industrial employment; it faces stiff competition in international markets with the end of the global quota system. However, other sectors, notably the automotive and electronics industries are rising in importance within Turkey's export mix.



## Reasons to Invest in Turkey

- **Unique geographical location:** Turkey has a special location overlapping Europe and Asia. Being so close to the new emerging markets in the Middle East and Central Asia creates unique business opportunities.
- **Strong International Investment Record:** The experience of more than 15,000 foreign capital establishments, including 104 of the Fortune Top 5000 companies, confirms Turkey as a predominant investment location.
- **Fast Developing Country:** The average growth rate for the last 5 years, which is well above any OECD countries, implies a dynamic and growing economy.
- **Huge Domestic Market:** With a population of 72 million and an increasing consumer purchasing power, Turkey offers a huge and dynamic domestic market to investors
- **High-Skilled, Competitive Labour:** The Turkish labour force is well known for its skills and learning capacity, and competitive labour rates offer cutting edge for industries.
- **High Quality Standards:** The new quality oriented generation in both manufacturing and services sectors ensures high quality levels.
- **State of the Art Telecommunications Network:** Turkey has a relatively 'young' telecommunications network with the latest technology, which can easily compete with the developed countries.
- **Strong Ties with Caucasus and Central Asia:** Turkey is the leading investor in Caucasus and Central Asian Turkic Republics. Due to its strong cultural and historical ties, Turkey provides privileged access and a perfect base to develop business with these countries.

## Business Culture

Doing business in Turkey requires understanding the people, culture, etiquette and approach to business. By acquiring cross-cultural skills, international business people can maximise their prospects of success in Turkey.

- **Meeting & Greeting:** When meeting, shake hands firmly. When departing, it is not always customary to shake hands although it is practised occasionally. In the business context, most women will shake hands with men. If unsure, wait for the woman to extend her hand.
- **Entertaining:** When doing business in Turkey it is likely you will be taken to restaurants. Turks enjoy food and the meal is a time for relaxing and engaging in some good conversation. The protocol of Turkish hospitality dictates that the host always pays for the meal. The concept of sharing a bill is alien. You may try and offer to pay, which is seen as polite, but you would never be allowed to do so.
- **Negotiations:** Your success of doing business in Turkey is defined by two things. Your ability to build effective personal relationships and a clearly outlined and well-presented proposal. Turks will look at doing business with those they like, trust, feel comfortable with and with those that can provide a long term relationship.



## Sector Opportunities

- **Financial & Legal Services:** In the financial and legal services sector, Turkey is experiencing the launch of new products and services, widespread technologies and a growing emphasis on cost reduction. The profitability of the sector recorded a considerable increase with improvements in the quality of earnings.
- **Environment/Water:** The environment heavy-cost investment planning (EHCIP) of Turkey has led to the allocation of € 68bn for the infrastructure needs of the sector to be spent by 2023. Half of this has been allocated to the water sector, mostly covering much needed wastewater treatment facilities and solid waste investments.
- **ICT-Telecommunications:** The telecommunications sector in Turkey is amongst the most attractive and potentially profitable anywhere in the world. Sector analysts all agree that the market is thriving. Conservative estimates suggest the size of the sector is approximately US\$22bn and growing at about 20% per annum. The growth of the market is mainly because of an increasing number of fresh investments by local and international investors.
- **ICT-Software:** The Turkish software industry is one of the fastest-growing sectors of the economy claiming 25% growth in 2006 and double-digit growth rates in the past 5 years. Products of the local software industry ranged from packaged programs to customized applications in, for example, financial services, telecommunications and manufacturing processes.
- **Textiles & Clothing:** The textile and clothing industry contributes significantly to the Turkish economy, accounting for 10% of GDP, 17.5% of total manufacturing and 20% of the manufacturing labour force. One of the major drivers of Turkish exports, the clothing sector produced £6.8bn worth of goods in 2006, while the textile sector generated export revenues to the tune of £3bn.
- **Agriculture:** With excellent bilateral relations between the UK and Turkey, culminating in a Memorandum of Understanding (MoU) being signed in March 2007, Turkey is of increasing importance as a destination for British agri-business, particularly in relation to livestock, equine, crop development, fisheries, post-harvest technology, and research and development.

## Useful Contacts

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For more detailed information regarding **Turkey** or **ANY** other **European Country** please contact **Enterprise Europe Network (West Midlands)** on **0121 455 0268** or by email at [een@birminghamchamber.org.uk](mailto:een@birminghamchamber.org.uk)



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