



ISTANBUL FACT SHEET





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FACT SHEET

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GLOBAL GATEWAY

Connectivity, Diversity, Accessibility

The Land of Stability & Confidence

Economic, trade and international relations put aside, what has really allowed Istanbul to become a hub at the crossroads are several successive civilizations. People to people contact, increasing number of international visitors add value to Istanbul's cultural and natural treasures, offer ample opportunities to contribute genuine understanding and mature bond of friendship.

Turkey's Shining Star on the Rise

A Most Favored Relationship

Acclaimed as two of the world's best airports, Ataturk Airport and Sabiha Gokcen Airport provide effortless access not just to Turkey but also to the Balkans, the Caucuses, the Middle East and beyond. With more than 70 airlines now servicing Istanbul, these two airports offer global connections to 80 million passengers annually.

While ranking among the world's major airline companies with its impressive growth figures and already having the world's 4th largest flight network by flying to 280 destinations in 110 countries, Turkish Airlines continues to grow by adding new destinations to its expanding network. According to Skytrax, which is recognized worldwide as the professional, unified airline quality rating classification and the airline industry benchmark for quality excellence, Turkish Airlines is named the Best Airline in Europe for the fifth year by customers at the 2015 World Airline Awards.

A Globally Respected City

The challenge that faces most cities outside America is how to change the terms or balance of a relationship that is already to a large extent global, as emphasized in the 10 Traits of Globally Fluent Metro Area Report of the Brookings Institution.

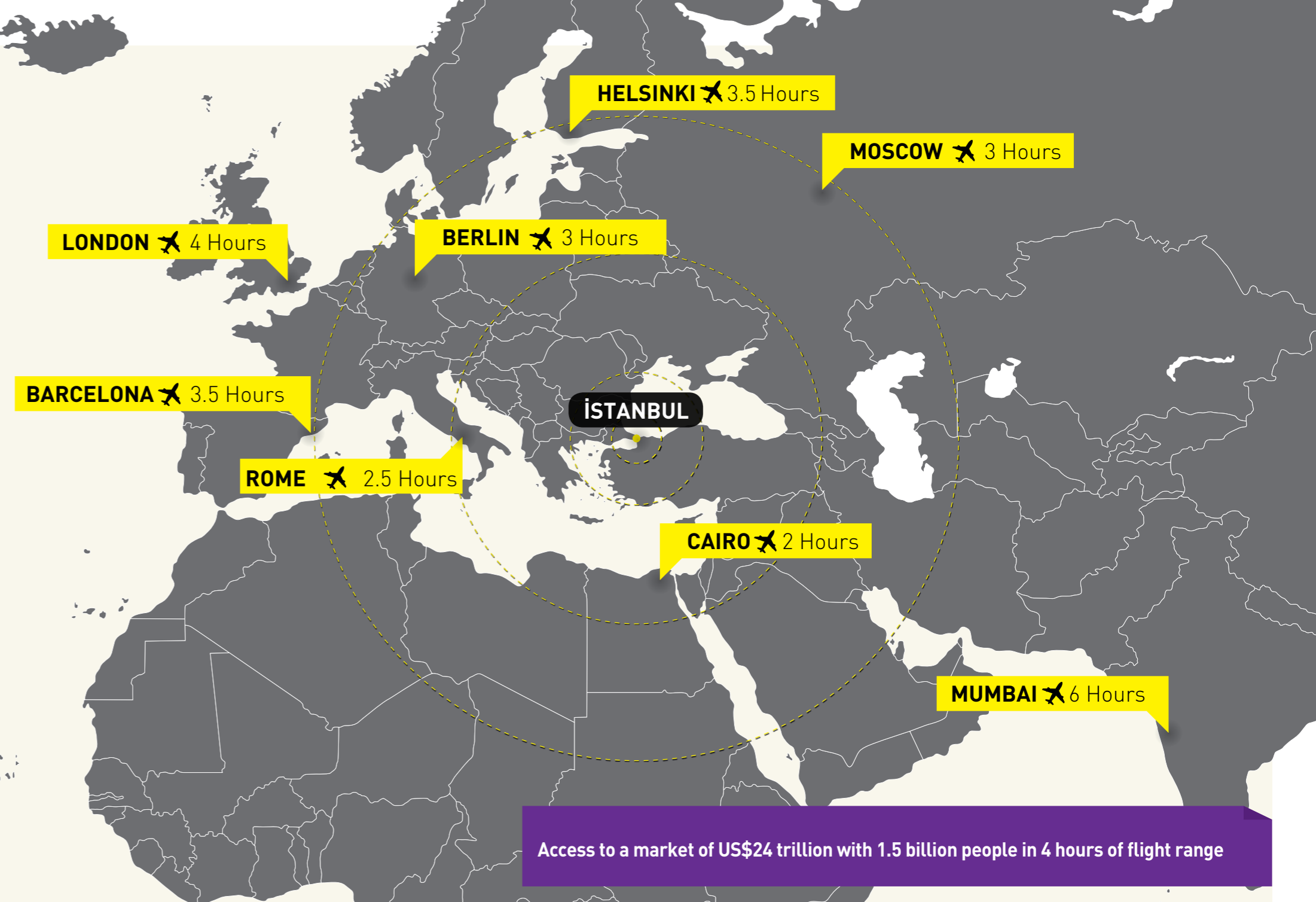
Strategies will differ depending on the economic, political, and geographic factors that distinguish regions from one another. However, all metropolitan areas share the initial step on the path to global fluency: evaluate rigorously the strengths and weaknesses that together define their global position.

Larger cities in emerging economies like Istanbul will now play the primary mediating roles for their nations and regions, acting as hubs and junction boxes for new global interactions. Cities of Opportunity Report of PwC entitles Istanbul as one of the "dreamlands" that captures your imagination.

Turkish Airlines becomes #1 in the world, flying to most countries worldwide

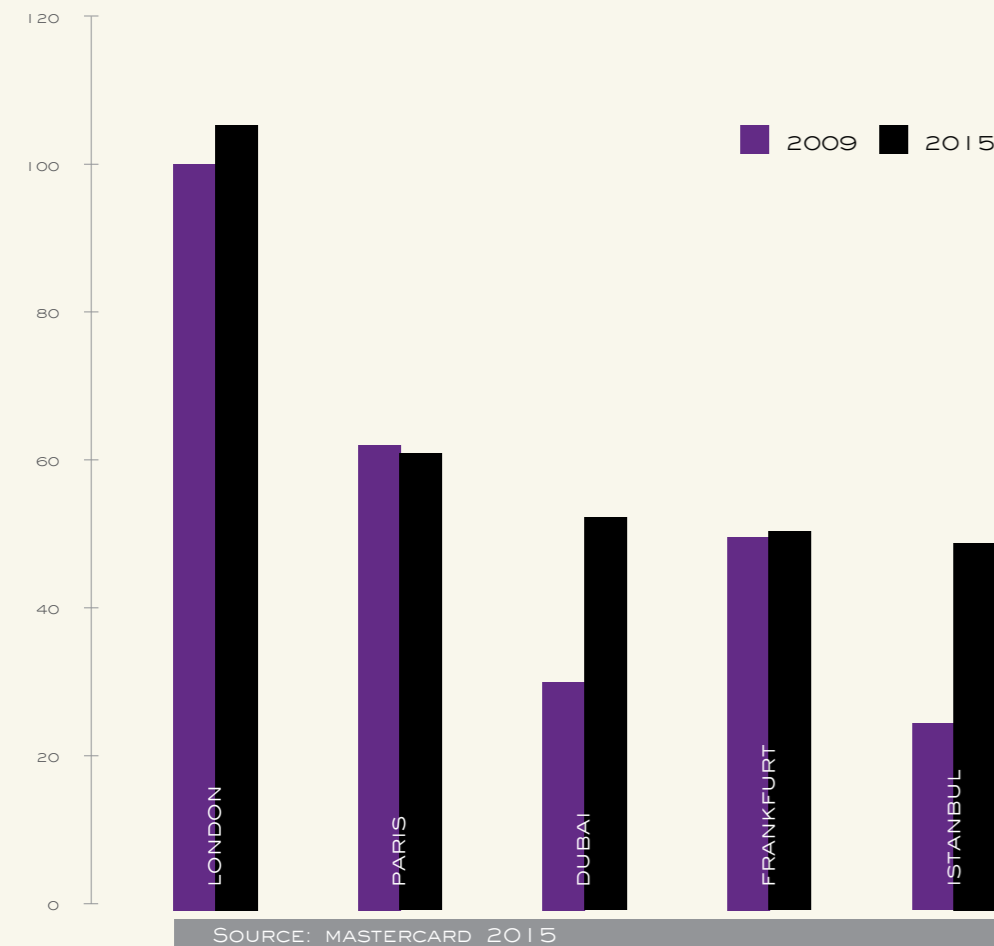
Turkish Airlines
Voted as Europe's Best Airline in 2015 at the Skytrax Passenger Choice Awards

Access to a market of US\$24 trillion with 1.5 billion people in 4 hours of flight range



GLOBAL GATEWAY

Top 5 Global Leading Hubs by International Connectivity Score
(London 2009 = 100)



Istanbul is the 5th Global Leading Hub in the World

A prerequisite for any destination city that aspires to attract more international visitors is to increase the capacity of its airport(s) and frequency of flight connections between the airport and the rest of the world. Mastercard's "Global Leading Air Hubs index" is a connectivity index based on weekly non-stop flight frequencies to international city destinations; weighted in favor of inter-regional city pairs (as opposed to intra-regional city pairs). The index base of 100 is London's Raw Score in 2009.

Istanbul is world's 5th global leading hub by international connectivity score.



ISTANBUL: AN ECONOMIC SNAPSHOT

Rapid GDP Growth

Istanbul is enjoying strong economic performance and a highly favorable business climate. The city is a dynamic economic engine of growth, with a diversified structure and international recognition. Istanbul has maintained its strong position internationally, in addition to boasting a recognized city brand. As such, in 2015 Istanbul was among the ten best European cities for business and FDI, based on the weighted average of city-based impact survey on national economies according to the Global Cities Investment Monitor by KPMG.

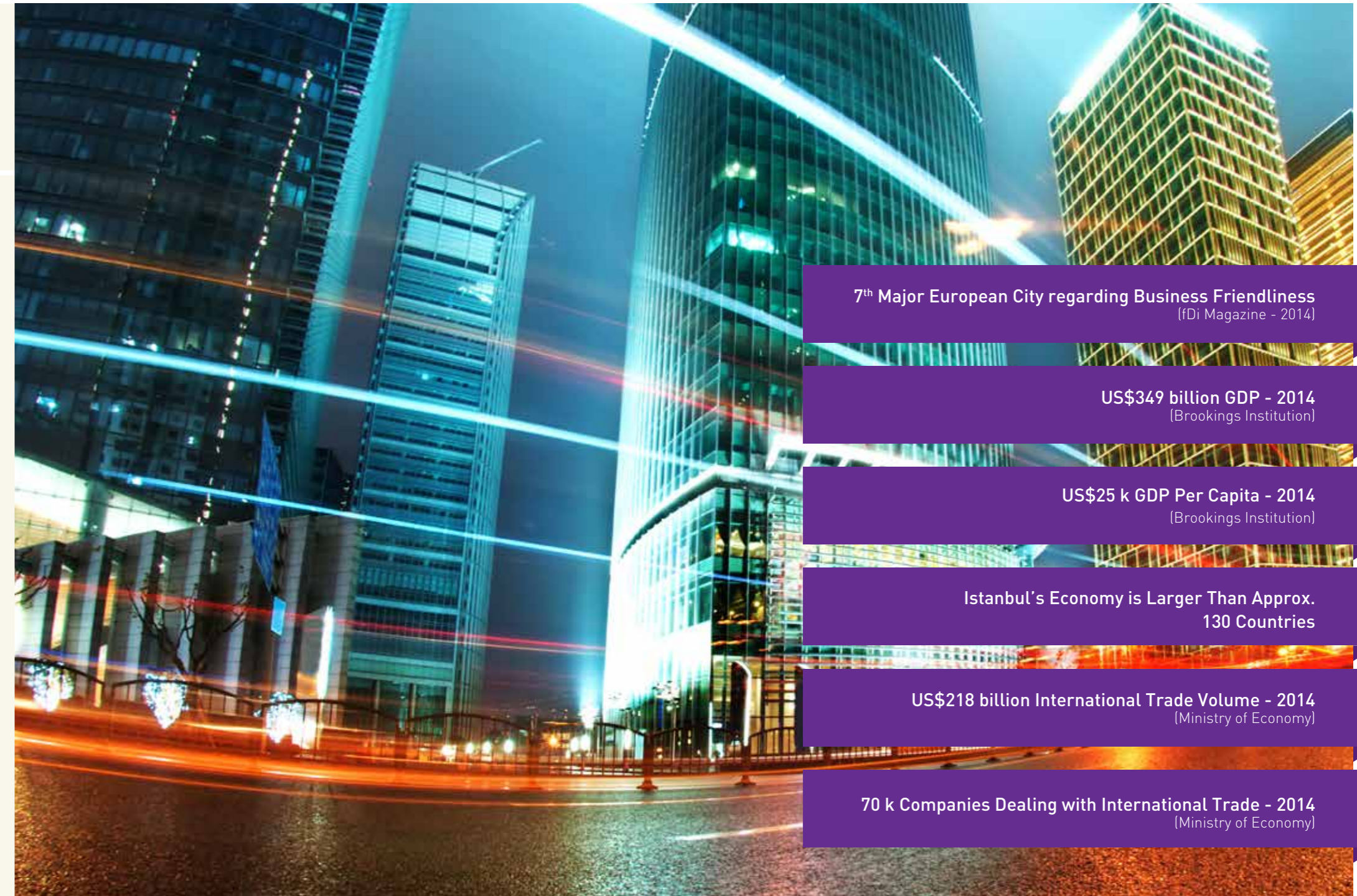
According to the Wealth Report 2015 of Knight Frank the number of ultra-high net worth individuals, who have at least US\$30 m, is 1,153, which ensures the 29th spot among top 40 global cities. Moreover, one legacy of the Arab Spring is the enhanced status of Turkey as a safe haven for investors from the Gulf and North Africa. This, added to the country's strong economic growth rate, has propelled Istanbul higher in the rankings of the several reports.

A Model of Success

The Turkish economy has undergone a profound economic transformation recently. Owing to the appropriate policy implementation aimed at solving the structural problems of the economy, the negative impact of the global financial crisis on Turkey, and so in Istanbul, has been very limited.

As a growth city with a strong history of economic performance and significant infrastructure investment, Istanbul is Turkey's locomotive. Valued US\$349 billion of GDP in 2014, Istanbul's economy accounted for approx. 40% of Turkey's economy. Istanbul's GDP, therefore, surpasses that of about 25 European countries such as Romania, Hungary, Croatia and Luxembourg.

As Turkish economy grows with historic records, Istanbul acts as the engine of growth, having US\$25 k GDP per capita, which is well above the national average. Compared to 2001 level, GDP per capita in Istanbul has increased more than fivefold. The foreign trade volume is approx. US\$218 billion, where 70 k companies are dealing with international trade in Istanbul.



7th Major European City regarding Business Friendliness
(fDi Magazine - 2014)

US\$349 billion GDP - 2014
(Brookings Institution)

US\$25 k GDP Per Capita - 2014
(Brookings Institution)

Istanbul's Economy is Larger Than Approx.
130 Countries

US\$218 billion International Trade Volume - 2014
(Ministry of Economy)

70 k Companies Dealing with International Trade - 2014
(Ministry of Economy)

ISTANBUL: AN ECONOMIC SNAPSHOT

Less Money More Life!
99th City in the World regarding Cost of Living
(Mercer - 2015)

Booming Economy Tightly Knit

The global financial crisis of the late 2000s precipitated an economic downturn of such magnitude and reach that many now refer to the period as the "Great Recession". According to the International Monetary Fund, global economic output, which had grown at an annual rate of 3.2% from 1993 to 2007, actually shrank by 2% from 2008 to 2009. Aggregate views of the global economy, however, mask the distinct experiences of its real hubs - major metropolitan areas. Metro areas, which are economically integrated collections of cities, suburbs, and often surrounding rural areas, are centers of high-value economic activity in their respective nations and worldwide. According to LSE European MetroMonitor, Istanbul displayed an outstanding performance by 2.5% of Gross Value Added growth and 6.6% of employment growth in 2014.

Cost of Living - City Rankings

RANK	CITY	COUNTRY
1	Luanda	Angola
2	Hong Kong	Hong Kong
3	Zurich	Switzerland
4	Singapore	Singapore
5	Geneva	Switzerland
12	London	United Kindom
16	New York City	United States
50	Moscov	Russia
69	Amsterdam	Netherlands
99	Istanbul	Turkey

SOURCE: MERCER, 2015

Cost of Living in Istanbul is Business Friendly

For their cities to stand out and attract businesses and the investments they bring, city leaders need a clear understanding of the specific factors that affect quality of living for their residents. Addressing the issues that may lower a city's quality of living and highlighting where it succeeds can provide a sustainable competitive advantage.

Mercer's Cost of Living Survey, one of the world's most comprehensive, is designed to help multinational companies and governments determine compensation allowances for their expatriate employees. The survey covers 207 cities across five continents and measures the comparative cost of more than 200 items in each location, including housing, transportation, food, clothing, household goods, and entertainment. Governments and major companies use data from this survey to protect the purchasing power of their employees when transferred abroad and to assess local expatriate housing allowances. Istanbul is ranked 99th city in the cost of living survey, which means a low-cost urban life awaits you at the crossroads of Europe and Asia.



ENTREPRENEURSHIP AND INVESTMENT

A City of Inviting Possibilities

Over the past 12 years, Istanbul's economy has experienced rapid structural change. Istanbul's defining economic role has evolved from a service center to a dynamic urban center with strong, multi-faceted international connections that have strengthened dramatically with the rise of Turkey's broad vision. The economy is now highly diversified thanks to strengths in many new areas including significant clusters in knowledge-based sectors.

367,772 Companies Registered in Istanbul Chamber of Commerce
(Istanbul Chamber of Commerce - May 2015)

49,945 Companies Newly Founded
(Union of Chambers and Commodity Exchanges of Turkey - 2014)

Housing Sector Comes #1 with 30,180 Companies
(Istanbul Chamber of Commerce - May 2015)

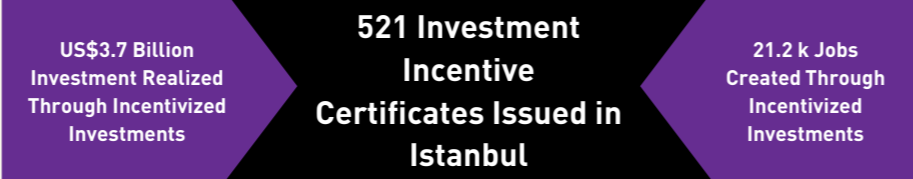
24,612 Companies with Foreign Partners (59% of Turkey)
(Ministry of Economy - January 2015)

The rise of high-tech industries in Istanbul has paved the way for globally competitive companies selecting Istanbul as their headquarters.

Entrepreneurial activity is a crucial measure for Turkey as the country aims for a transition from an efficiency-driven economy to being an innovation-driven economy. Istanbul is, without question, a tantalizing market for entrepreneurship.

It is strategically located between key markets in Europe, the Middle East, Russia and Central Asia. There is absolutely a real and serious entrepreneurial ecosystem in the city, thanks to its young, educated, and risk taking workforce.

The ecosystem is supported by business angel networks and the government. The latest regulations passed in the parliament paved the way for entrepreneurs and business angels to reach their goals with fewer obstacles.



SOURCE: MINISTRY OF ECONOMY - 2014

39% of International Companies Operate in Wholesale and Retail Sector
(Ministry of Economy - January 2015)

Corporate Tax Rate 20%

Income Tax Rate 15%-35%

ENTREPRENEURSHIP AND INVESTMENT

Istanbul is Full of Entrepreneurs

Turkey is rapidly emerging as a high-growth market for many businesses. Istanbul is the locomotive of this fascinating economy, offering many and varied opportunities. As European cities struggle to recover from the recent global crisis, Istanbul enriches its FDI portfolio toward new horizons.

After 1980s, Istanbul decided to transform its economy by shifting the focus away from low-cost manufacturing to knowledge based industries and high-value-added services sector in order to keep up with global developments and remain competitive as an investment location.

Big Ambitions

According to 2015 A.T. Kearney Foreign Direct Investment Confidence Index, Turkey is the 22nd best country, as a platform to serve Europe and the Middle East and a large domestic market in its own right. It also has its own ambitious growth agenda, having prioritized eight key sectors and established plans for investments in infrastructure as part of its goal to become a top 10 economy by 2023, the 100th anniversary of the founding of its modern republic.

To meet those objectives in an increasingly competitive global environment, Turkey continues to push forward with business reforms that attract greater and more diversified FDI targeting higher-value-added industries. Moreover, credit rating agency Fitch upgraded Turkey's rating to "investment grade" in late 2012, noting to its declined government debt, sound banking system, dynamic private sector, and favorable medium-term growth prospects.

The investor outlook is optimistic about the improvement of laws, regulations, and intellectual property rights. Foreign investors continue to flock to Istanbul, so every year ends with announcements of various strategic greenfield investment projects. FDI boom is expected to go on! Please visit our Investment Support Office to nail down Istanbul's opportunities.

PULL FACTORS: TOP TEN REASONS TO INVEST IN ISTANBUL

Largest, richest and most diverse economy in Turkey

National leader in job creation

Rapidly growing domestic market

Mature and dynamic private sector

Leading role in the region

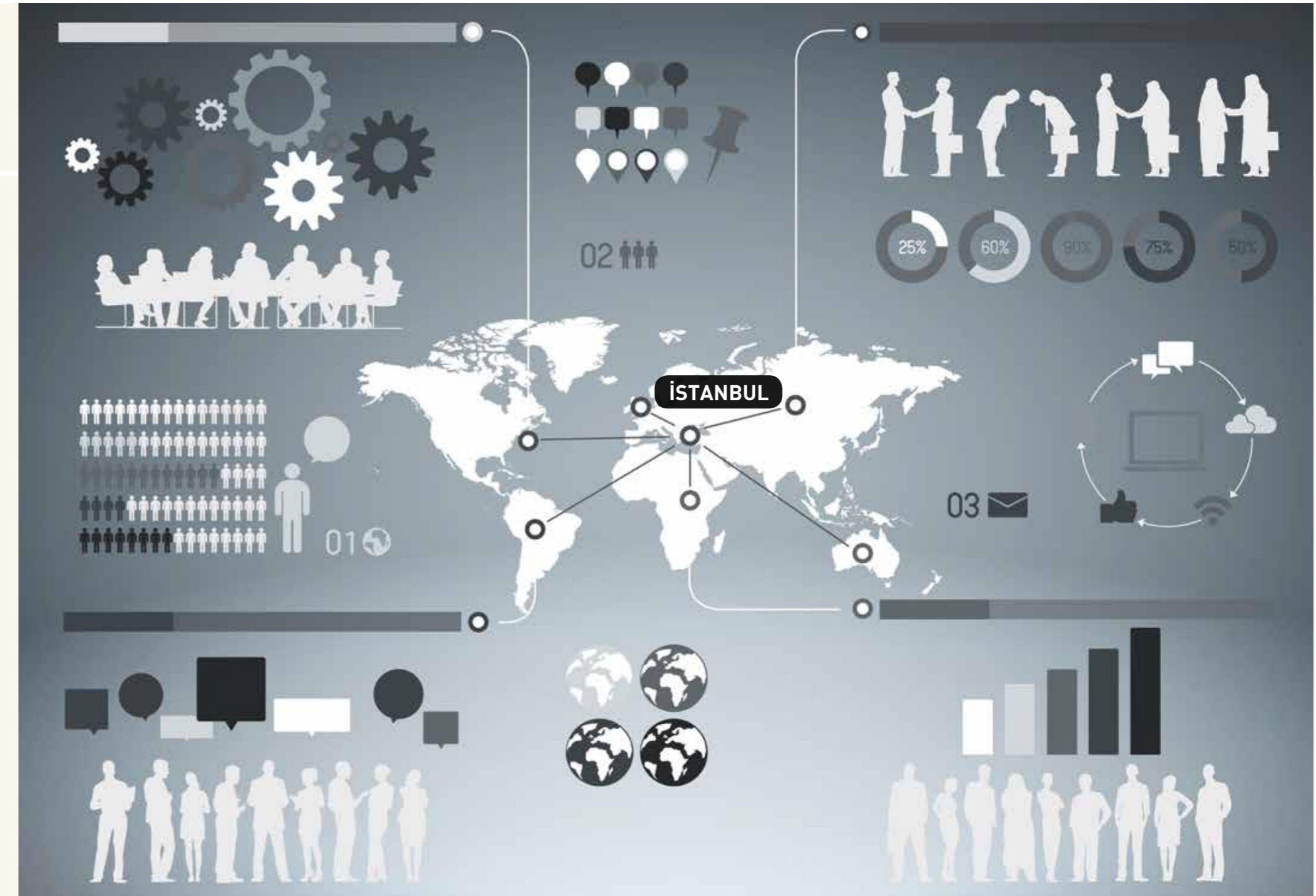
Liberal, secure and incentivized investment environment

Supply of high quality and cost-effective labor force

Institutionalized economy and customs union with EU countries

Developed infrastructure

Competitive tax system



INNOVATION, LABOR AND TALENT

A Smart City with a Fast-Growing Workforce in a Majestic Setting

Istanbul is a city where your business goals are smoothly achieved. One means of achieving these goals is the dynamic and energetic workforce, which is capable, skilled, and cost effective through knowledge. Leading the way as the youngest population in Top European Cities, Istanbulites' median age is 30, where 71% of the whole population is still in the labor pool. Thanks to its dynamic 14.4 million inhabitants (2014 census) Istanbul has a strong and large labor market with well qualified workers, whose human capital is flexible and globally competitive.

The unemployment rate has shown steady decreases after the global crisis, from 16.8% in 2009 down to 11.9% in 2014.

Labor Force: 5.8 million

(Turkstat - 2014)

64% of Labor in Services Sector

(Turkstat - 2013)

783 Vocational and Technical Schools

(Ministry of National Education - 2015)

Innovation is a Cultural Heritage in Istanbul

Istanbul's high-quality educational institutions, cultural diversity and enviable lifestyle have transformed the city into an internationally recognized hub for human resources. Istanbul has 663 k students studying in 53 universities. This means that the city hosts almost one third of Turkey's universities and one tenth of students. The investment on academic researches has yielded a rapid increase in the awareness of intellectual property rights. Still a fast-growth economy, but no longer a fast-follower, Istanbul has become one of the global centers of excellence with its differentiated knowledge.

Innovation is more than just a phenomenon in Istanbul: "It's a cultural heritage". Istanbulites have a strong need to express themselves and a long history of free thinkers conceiving the inconceivable. Patent applications per year have risen 860% when 2014 figures are compared to 2002 figures. Therefore, Istanbul naturally is the technological hub of Turkey, ranking 1st in every single category of patent applications, utility model applications, brand name applications and industrial design applications. The city captures almost 50% of Turkey's total intellectual property application numbers.

Technological Hub of Turkey

#1 in Intellectual Property Rights (Turkish Patent Institute - 2014)

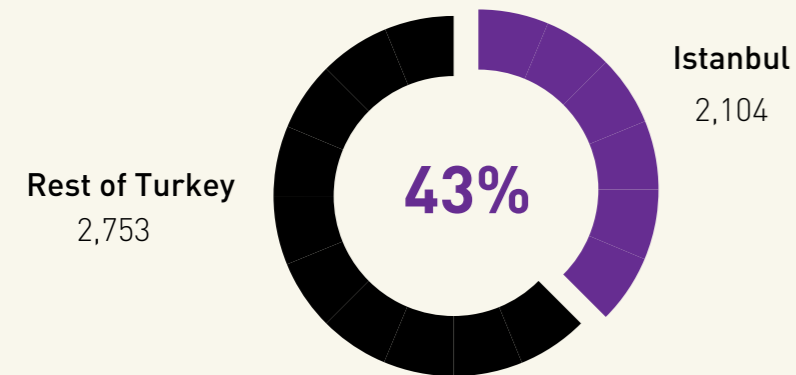


INNOVATION, LABOR AND TALENT

Academic Excellence

Educational institutions have leveraged Istanbul's diversity to build strong multicultural and international linkages and programs. These linkages benefit local businesses by strengthening their access to foreign language skills, foreign business practices, international talents and potential business partners. Istanbul's talent is young, skilled and often multilingual. As the city continues to attract large numbers of international migrants due to its bright performance after the global economic crisis, the talent pool grows in skill and diversity. In Istanbul investors are fortunate to draw talent from a creative, cosmopolitan, highly-educated labor pool. Its excellent universities and superb quality of life have made the city a magnet for professionals.

Patent Applications



SOURCE: TURKISH PATENT INSTITUTE - 2013

Population: 14.4 million

(Turkstat - 2014)

Median Age: 30

The Youngest among Top European Cities

71% of Population Still in the Labor Pool

53 Universities

(Council of Higher Education - 2015)

**Entrepreneurial and Innovative University Index:
14 Universities from Istanbul among Top 50**

(The Scientific and Technological Research Council of Turkey - 2014)

663 k Higher Education Students

(Council of Higher Education - 2015)

28 k Professors

(Council of Higher Education - 2015)



EXPANDING INFRASTRUCTURE PROJECT GALORE

Powering Global Infrastructure

A city represents human civilization in one of its most advanced forms. That is why the relationship between infrastructure and urban life is so deep, indivisible, and transformative, as it channels prosperity into social enrichment and, thus, to a much higher quality of life. Cities of Opportunity Report of PwC explains Istanbul's current condition as one of the most dynamic cities, in need of more hospitals, residential cities, airports and so on. In terms of absolute increase in future demand, the cities that consistently stand out across different infrastructure areas are large emerging cities like Istanbul, Shanghai, Beijing and Sao Paulo.

Spurred on by the rise of real estate sector especially in the last decade, a handful of megaprojects have sprouted up in and around Istanbul. Marmaray, Istanbul's trans-Bosphorus rail link, finally opened to passengers last year. Istanbul-Ankara High Speed Railway Project is now finished. Here are the other megaprojects under construction in Istanbul.

Eurasia Tunnel

Asia and Europe to Join Under the Seabed for the First Time via a Highway Tunnel

The Eurasia Tunnel Project (Istanbul Strait Road Crossing Project), whose foundations were cast in 2011, will connect the Asian and European sides via a highway tunnel going underneath the seabed.

The Tunnel, which is valued approx.US\$1.5 billion, will serve the Kazlıçeşme-Göztepe route where vehicle traffic is most intense in Istanbul and will cover a total of 14.6 kilometers. Tunnel pass and road improvement-expansion works will cause holistic relief on vehicle traffic. Not only will the travel duration on the route with its highly intensive Istanbul traffic decline from 100 minutes to 15 minutes, but also the privilege of safe and comfortable travel will be experienced. It will also contribute to the reduction of environmental and noise pollution in the city.

Istanbul New Airport

Istanbul New Airport, which consists of a total of 6 runways, 16 taxiways, 4 terminals connected with a railway system, 181 aircraft passenger bridges at all terminals, 6.5 million m² apron with 271 aircraft parking capacity, 3 maintenance buildings, 8 air traffic control towers, a car park with a capacity of about 70,000 vehicles, a clinic, a fire department, hotels, a convention center, and recycling and waste disposal plants, is now being constructed at the Istanbul's Northwestern side, on an area of 7,659 hectares. Following the finalization of the project, it will provide a capacity of 150 million passengers; the world's largest in terms of the passenger volume. The airport, which is planned to add 100,000 more jobs to the market, is expected to be completed in 2018.

The capacity of Istanbul New Airport:
"150 million passengers per year"
making Istanbul the largest airline hub in the world



EXPANDING INFRASTRUCTURE PROJECT GALORE

Canal Istanbul

The project, which will set up an artificial waterway that will split Istanbul's European side into two and create an island between the European and Asian sides, is one of the most ambitious and giant projects in Turkey's history. The 45-to-50-kilometer canal, which will be 25 meters deep and up to 150 meters wide, will link the inner Marmara Sea to the Black Sea. The objectives to construct this canal are to shift tanker traffic from the Bosphorus to Canal Istanbul and to remove the risks of cargo tankers carrying dangerous loads through the Bosphorus every day.

Yavuz Sultan Selim Bridge

Yavuz Sultan Selim Bridge is a suspension bridge under construction located at the northern end of the Bosphorus, north of the other two bridges, in Istanbul. The bridge is part of the projected 260 km long "Northern Marmara Motorway", which will bypass urban areas of Istanbul in the north connecting Silivri district in the west and Hendek area in the east. When completed in 2015, Yavuz Sultan Selim Bridge, whose budgeted cost of construction is approx. US\$2.5 billion, will be the longest combined motorway/railway bridge of the world and the world's 9th longest suspension bridge.



EXPANDING INFRASTRUCTURE PROJECT GALORE

Galataport

As a part of tourism-related investment, Galataport Project basically aims three goals to be accomplished: increase the port's prestige and realize Istanbul's tourism potential, make Istanbul a key stop for cruise lines and enable public access to the area and historical sites as well as restoration of surroundings. Galataport is considered to cover a 112,147 m² project land, which consists of a cruise port, roads, recreational areas and sociocultural facilities. The outcome based on calculations suggests that the budget of this investment will be around US\$1 billion.



Istanbul Sea Tunnel Mega Project

Istanbul Becomes the Core of Environmentally Friendly Mega Projects

A three-level sub-sea tunnel project has been approved by the Istanbul Metropolitan Municipality; and was recently announced by Prime Minister Ahmet Davutoglu.

The estimated US\$3.5 billion mega-project, with a three-level, sub-sea tunnel under Istanbul's Bosphorus Strait which will connect the city's two sides with one railway and two highways, is expected to cut travel times to 14 minutes. Bosphorus Bridge, Fatih Sultan Mehmet Bridge and Yavuz Sultan Selim Bridge will be connected to each other once the tunnel is completed.

The three-level tunnel is an environmentally-friendly project. According to calculations, oil consumption will decrease by roughly 54 million liters due to the project and carbon emissions will decrease by 175 tons per year. The project will not damage the city's silhouette either.



PROJECT GALORE

✈️ ISTANBUL NEW AIRPORT

🌉 YAVUZ SULTAN SELIM BRIDGE

🚇 ISTANBUL SEA TUNNEL MEGA PROJECT

⚓ GALATAPORT

🚆 EURASIA TUNNEL

FINANCE

Over the past decade, Turkey has shed its more familiar boom and bust economic mantle, where in a low interest rate and competitive environment, banks have developed a plethora of instruments and services to tempt investors, both local and foreign; as emphasized in the Business Year 2014 Turkey report.

Financial services sector employ more than 83 k people in Istanbul. This workforce is highly educated and loyal, with relatively low turnover due to Istanbul's quality of life. A robust, diversified economy and a favorable tax environment make Istanbul's financial services sector highly competitive. Moreover, activities in banking, insurance, pension funds, international financial transactions and venture capital investment are exceptionally competitive.

Strong Financial Ecosystem

Turkish banking system has proved resilient to the financial crisis in Europe. Thanks to prudent measures enforced by the Banking Regulation and Supervision Agency of Turkey, Turkish banking system has become the envy of many European countries. While advanced economies suffered severely from the global financial crisis, Turkey's finance sector has been given a clean bill of health by rating agencies, the EU, the IMF and all other world-renowned institutions. Istanbul's banks didn't require any single bailout program stimulated by the central government. Additionally, their strong capital reserves and liquidity ratios continue to serve them well.

The financial sector, which ensures accumulation and effective distribution of resources, incorporates various subsectors integrated with global markets and is capable of producing products/services of high added value, will be the driving force of economy in the coming years, as expressed in the Strategy and Action Plan for Istanbul International Financial Center.

45 Local & International Banks operate in Istanbul

(Banks Association of Turkey - 2014)

3,138 Bank Branches

(Banks Association of Turkey - 2014)

83,636 Employees in Banking Sector

(Banks Association of Turkey - 2014)

4.1 million Active Internet Banking Customers

(Banks Association of Turkey - March 2015)

31.4 million Credit Cards in Use

(Banking Regulation and Supervision Agency - 2014)



FINANCE

Borsa Istanbul: Benchmark for Investment

Borsa Istanbul, aka Istanbul Stock Exchange, offers the opportunity to invest in various products in an organized, transparent and reliable trading environment to local and international investors with its modern technological capabilities. On all markets of Borsa Istanbul, transactions are conducted electronically, and market information is disseminated on a real-time basis.

Equities have been the best performing investment instrument of 2014

In 2014, Borsa İstanbul investors gained a yield of 26.4 %, while registering a historic high session closing. In this regard, BIST 100 Index was the best performing investment instrument on the basis of the 2014 annual yields which secured its spot among top 5 performers of the world. In October 2014, Borsa Istanbul also rose from 32nd to 11th in the Sustainable Exchanges Index, which includes exchanges with a minimum market capitalization of US\$2 billion.



Borsa Istanbul Ranks Among Top 5 Stock Markets in the World
(Borsa Istanbul - January 2015)

Top 5 Stock Market Performances in 2014

	COUNTRY	INDEX	2013	2014	YIELD
1	Argentina	Merval / Index	5391,03	8579,02	59%
2	China	Shcomp / Index	2115,03	3234,677	53%
3	Egypt	Egx30 / Index	6782,84	8926,58	32%
4	India	Sensex / Index	21170,68	27499,42	30%
5	Turkey	XU100 / Index	67801,73	85721,13	26%

SOURCE: BORSA İSTANBUL, 2015

FINANCE

NASDAQ Welcomes Borsa Istanbul

NASDAQ and Borsa Istanbul have signed a partnership agreement recently, which aims to expand Borsa Istanbul's global presence, while substantially strengthening Istanbul's position as a regional hub for capital markets. Borsa Istanbul will therefore integrate and operate NASDAQ OMX's suite of world-class market technologies for trading, clearing, market surveillance and risk management, covering all asset classes including energy contracts. Further, the two companies will actively collaborate in the region. This strategic partnership points to a long-term commitment which would benefit member firms and customers of both exchanges.

BORSA ISTANBUL MARKETS ARE ORGANIZED UNDER FIVE MAIN CATEGORIES:

Equity Market

Emerging Companies Market

Debt Securities Market

Derivatives Market (VIOP)

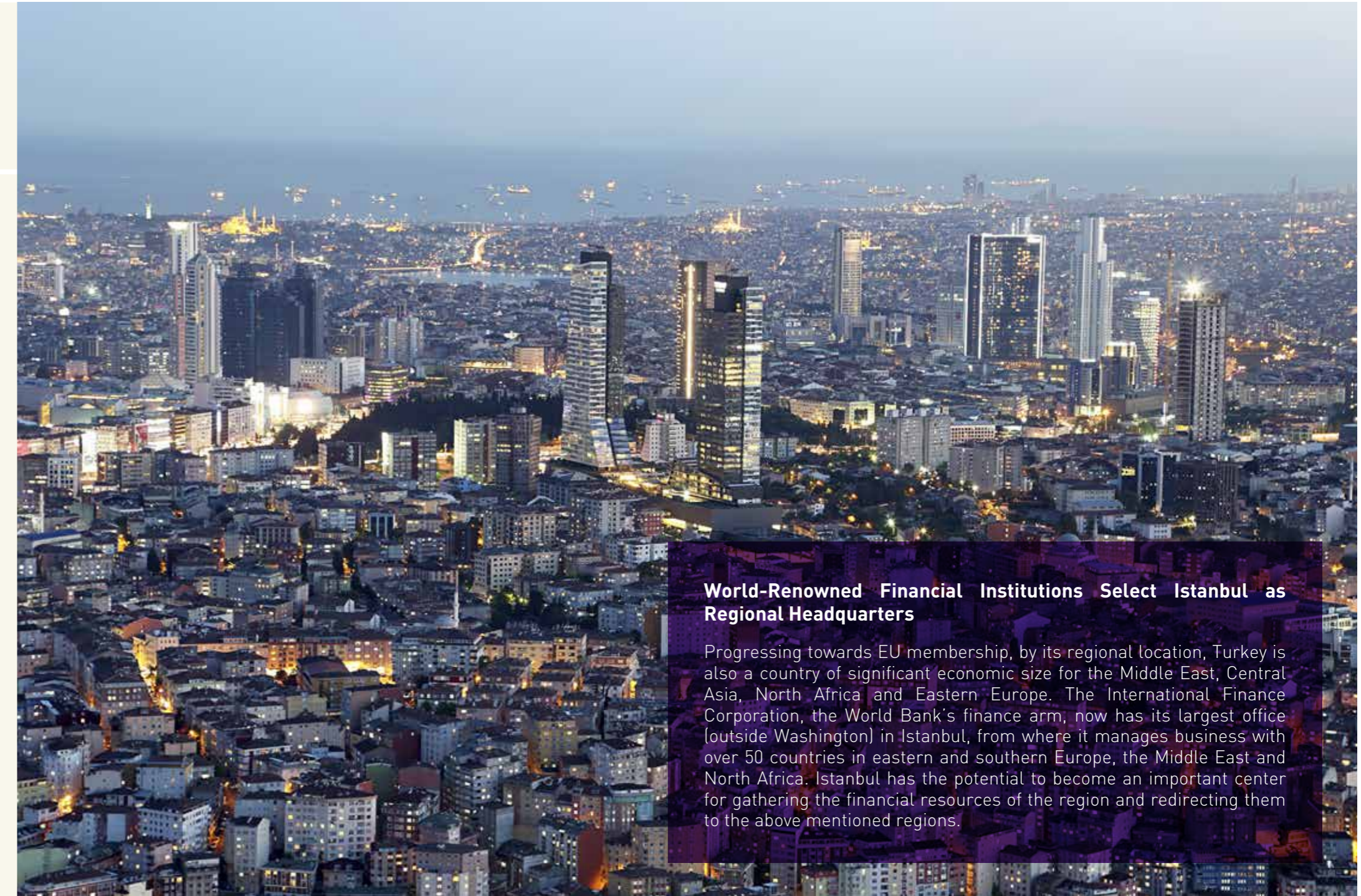
Precious Metals and Diamond Markets

Aiming High: "Istanbul International Finance Center Project"

Vision: "Istanbul shall first become a regional financial center, and ultimately a global financial center"

Sharing the vision of "Istanbul shall first become a regional financial center, and ultimately a global financial center", Istanbul International Finance Center (IIFC) Project will help integrate the city to global financial markets towards creating an operating infrastructure of law at international standards, increasing financial product and service diversity, simplifying and activating the tax system, improving the regulating and supervising environment, strengthening the physical and technological infrastructure, ensuring an education infrastructure that would meet the requirement of qualified human resources, and creating an organization structure that would perform world-scale promotion and monitoring.

The Prime Ministry Circular about Istanbul International Finance Center Administrative Structure was published in the Official Gazette dated May 1, 2010. In the official administrative structure, six program components have been determined in order to be improved through various working committees. Key stakeholders of IIFC in this administrative structure are Ministry of Development, Capital Markets Board of Turkey, Ministry of Justice, Istanbul Metropolitan Municipality, Borsa Istanbul, and Ministry of National Education. Istanbul Development Agency, in collaboration with Borsa Istanbul, is involved and technically supports the 5th component of IIFC Project, which aims to strengthen technological infrastructure in the region.



World-Renowned Financial Institutions Select Istanbul as Regional Headquarters

Progressing towards EU membership, by its regional location, Turkey is also a country of significant economic size for the Middle East, Central Asia, North Africa and Eastern Europe. The International Finance Corporation, the World Bank's finance arm, now has its largest office (outside Washington) in Istanbul, from where it manages business with over 50 countries in eastern and southern Europe, the Middle East and North Africa. Istanbul has the potential to become an important center for gathering the financial resources of the region and redirecting them to the above mentioned regions.

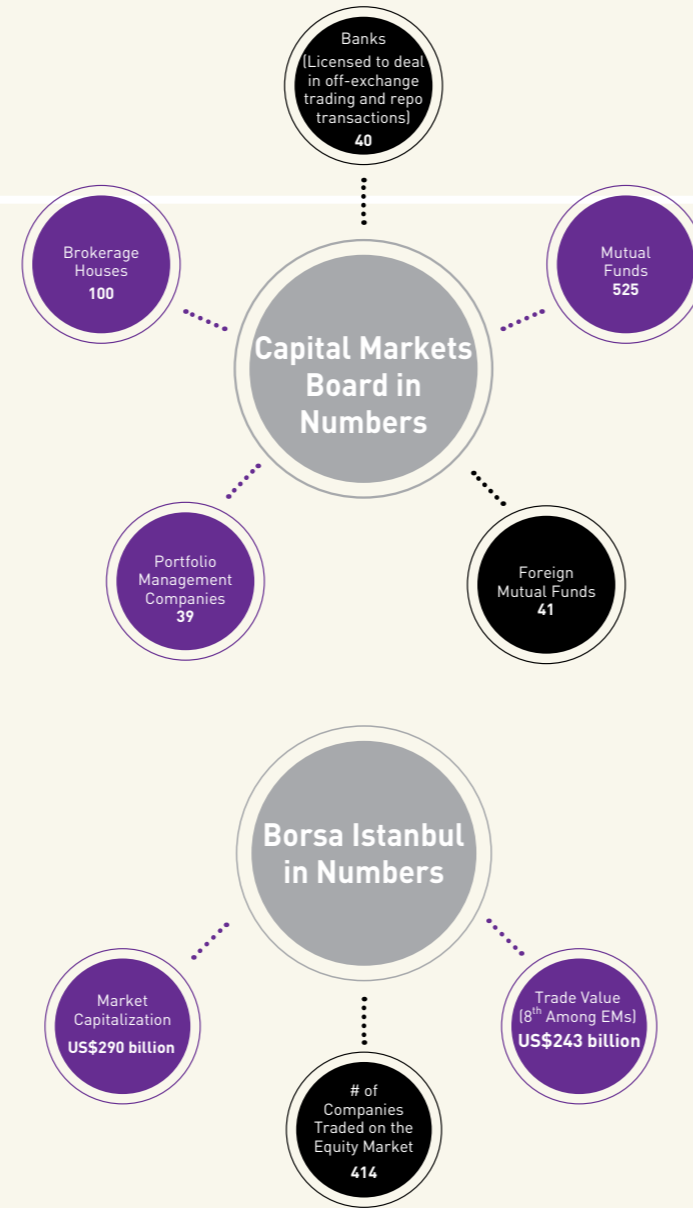
FINANCE

Finance & Insurance

Istanbul is moving up gears to match its geographic centrality with its rising volume of regional and global financial flows. In line with the government's goals of positioning among world's top 10 largest economies by 2023 is the Istanbul International Finance Center Project (IIFC). This ambitious vision has the aim of turning Istanbul into a regional – and eventually global– financial center. The site of IIFC will host head offices of Turkey's financial market governing bodies, state-owned and private banks, insurance companies, and all other non-banking financial organizations.

Borsa Istanbul, aka Istanbul Stock Exchange, has incorporated the NASDAQ brand into its logo, which means that it will inspire greater confidence among other parties. Thanks to the latest technology, and in addition to the know-how and creation of a market-friendly environment, the already-high liquidity of the Turkish market stands to increase further.

On the other hand; Turkey's economic stability - triggered by Istanbul acting as an engine of growth - demographic structure, and legal environment, along with lateral means of nurturing the client base and distribution spell a bright future for the insurance sector.



SOURCE: THE BUSINESS YEAR TURKEY 2014 REPORT



LIFESTYLE

Istanbul's Cosmopolitan Spirit

While standing at the crossroads of East and West, the city's breathtakingly beautiful landmarks also merge cultures and religions. The famous Hagia Sophia has been a church and a mosque, while remnants of the city's former incarnations as Byzantium and Constantinople are everywhere in this sprawling city.

While history may ooze from every street, Istanbul is a 21st century city mixing exciting contemporary attractions and designer shops with timeless monuments. It is also a modern metropolis with trendy cafes and clubs, which is a fascinating surprise to any visitor. In the light of all these facts, Istanbul is titled as the 9th cosmopolitan city in the world by the Ultimate Urban Guides Magazine.

Global & Livable

Party in both Asia and Europe in Turkey's Most Hip and Populated City

When the lights begin to dim and most of the world begins to sleep, cities around the world become alive with a vibrant and exciting night life. Get your fill of entertainment and excitement by visiting Istanbul with fantastic night life in the world. Known for the wild shenanigans in world's famous Taksim Square, you will find some of the world's hottest nightclubs and most diverse populations with Americans, Europeans, Middle Easterners and Asians and more partying together. The Cities Journal Magazine names Istanbul as the 14th city with the craziest night life in the world.

According to A.T. Kearney 2014 Global Cities Index, Istanbul posts the largest jump from 14th spot to 11th spot in Europe, as Turkey's commercial capital recovers its prominence as a center of political, business and cultural activity acting as a hinge between West and East at the crossroads of Europe and Asia, with rich imperial culture and deep knowledge about how to govern intersections.

9th Cosmopolitan City in the World
(The Ultimate Urban Guides - 2014)

14th Global City in Night Life Attractions
(Cities Journal - 2014)

11th Global City in Europe
(A.T. Kearney - 2014)



LIFESTYLE

Quality of Life

A city's quality of living standards is certainly an important element for employers & employees to consider. As the world continues to recover from the global economic and social distress, Istanbul converts itself into a vibrant and limitless city with its countless opportunities and cultural background. In a poll carried out by one of the world's leading business news dailies, the Financial Times, Istanbul was chosen as the most livable city in the world, followed by London and New York.

Cities are already home to a majority of people on the planet. The safety of cities can ebb and flow as some threats recede, others mature. The Safe Cities report released by the Economist Intelligence Unit, is based on an index composed of more than 40 quantitative and qualitative indicators. These indicators are split across four thematic categories: digital security; health security; infrastructure safety; and personal safety. Istanbul becomes world's 41th safest city, surpassing Moscow, Johannesburg and Mumbai.

41st Safest City in the World

(The Economist - 2015)

Level of Hope in Istanbul: 79%

(Turkstat- 2013)

Level of Hope Maximized

Turkey has made considerable progress in improving the quality of life of its citizens over the last two decades. Money, while it cannot buy happiness, is an important means to achieving higher living standards. In Istanbul, the average household net-adjusted disposable income per capita is higher than Turkey's average with a substantial difference.

Humans are social creatures. The frequency of our contact with others and the quality of our personal relationships are thus crucial determinants of our well-being. Helping others can also make you happier. The level of hope of Istanbul's inhabitants is 79%, way ahead of its global counterparts.



Istanbul is Legendary

When you talk with Istanbul natives, they'd tell you: "If our city walls could talk, they'd recite hundreds of legends involving mythological gods, prophecies fulfilled, and tales of love lost and betrayal that make our city so enchanting". The Matador Network lists 27 reasons why Istanbul residents believe they live in the best city on earth. The Bosphorus itself - the strait between Asia and Europe - was born of the myth of the beautiful mortal Io. She was turned into a cow by Zeus to hide their tryst from his vengeful wife, Hera. Not to be fooled, Hera stung Io with a horsefly, sending Io crashing away, leaving behind the legendary strait.

TOURISM

Unique Juxtaposition of Nature and History

Istanbul's beauty has made it a magnet for people from all over the world for several decades. Excluding domestic tourists, more than 10 million people visit the city each year, particularly from Germany, United Kingdom, United States and Russia. Istanbul's strongly competitive tourism sector is based on its unique juxtaposition of natural beauty and a diverse, historical, cosmopolitan and exciting city.

In Istanbul a sizzling and bubbling pot of many ethnic groups and religions live together with a harmony. One of Istanbul's key attractions is its extreme contrasts which further add to the theme of diversity. Towering skyscrapers look over the Bosphorus while five-star hotels sit just meters away from ancient constructions. Tourism in Istanbul is a major industry and contributor to the Turkish economy, attracting 11.8 million tourists in 2014 and 12.6 million tourists projected for 2015, which yields the city to become the 5th most popular destination in the world.

Congress Tourism

According to some statistics there were only 70 congresses in the world in 1901. The number has shown a rapid increase, rising up to 11,505 international meetings per year in 2014. It is estimated that there are approximately 24,000 different association meetings organized on a regular basis. According to International Congress and Convention Association's report on International Association Meetings Market, Istanbul increased its number up to 130 events in 2014; therefore, found itself in the top 10 global cities in global congresses. Istanbul was at the 40th spot in 2000 with only 20 events.



130 International Events in 2014
(International Congress and Convention Association)

From 40th spot in 2000 to 9th spot in 2014

#1 in 500+ Participant Congresses
(International Congress and Convention Association)

TOURISM

Fastest Growing Destination City in Europe

MasterCard's Global Destination Cities Index charts how 132 of most important cities in the world are connected through air travel - how many international visitors arrive at each of these cities from other cities; and how much these visitors spend during their visit. Istanbul moves up from 7th to 5th place by showing the strongest growth (11.4%) among top 20 destination cities. If Paris and Istanbul continue to grow their international visitors' numbers at the current rates, in 4 years, Istanbul will take over Paris to become 2nd ranked in Europe.

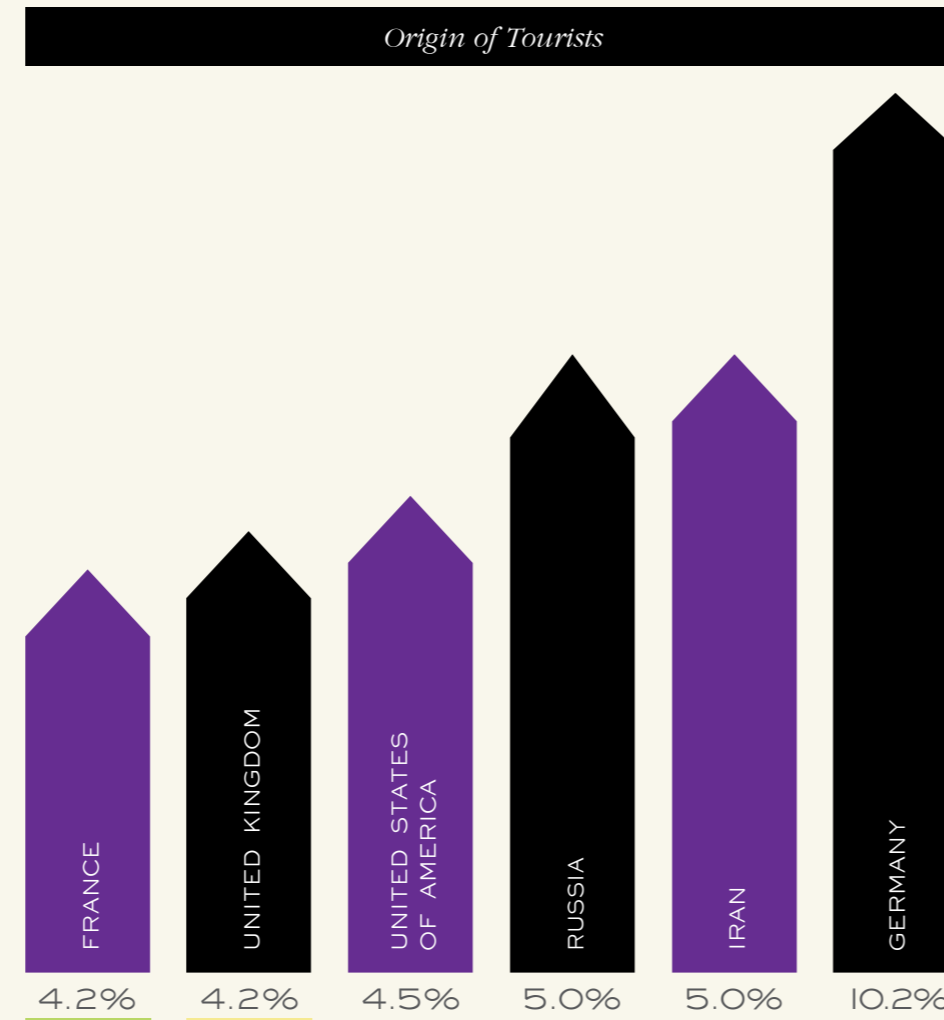
The answer to "Why are Travelers Flocking to Istanbul?" is that it's perhaps the vibrant city embodies both ancient and modern. It's chock-full of historic mosques and monuments, but it also has tons of hip boutiques, cool restaurants, and design-savvy boutique hotels that hipsters, foodies, artists and fashionistas love. The city feels decidedly chic — and travelers from all over the world are taking note, as described by Business Insider magazine. Istanbul is not only one of the particular tourism destinations in specific fields, but also one of the foremost cities in the world with its tourism diversity. Having a bed capacity of 150,000, Istanbul is ready to welcome more tourists from all over the world.

163 k Bed Capacity of Accommodation Facilities

(Ministry of Culture and Tourism – 2015)

79 5-Star Hotels & 44 More to Come (under construction)

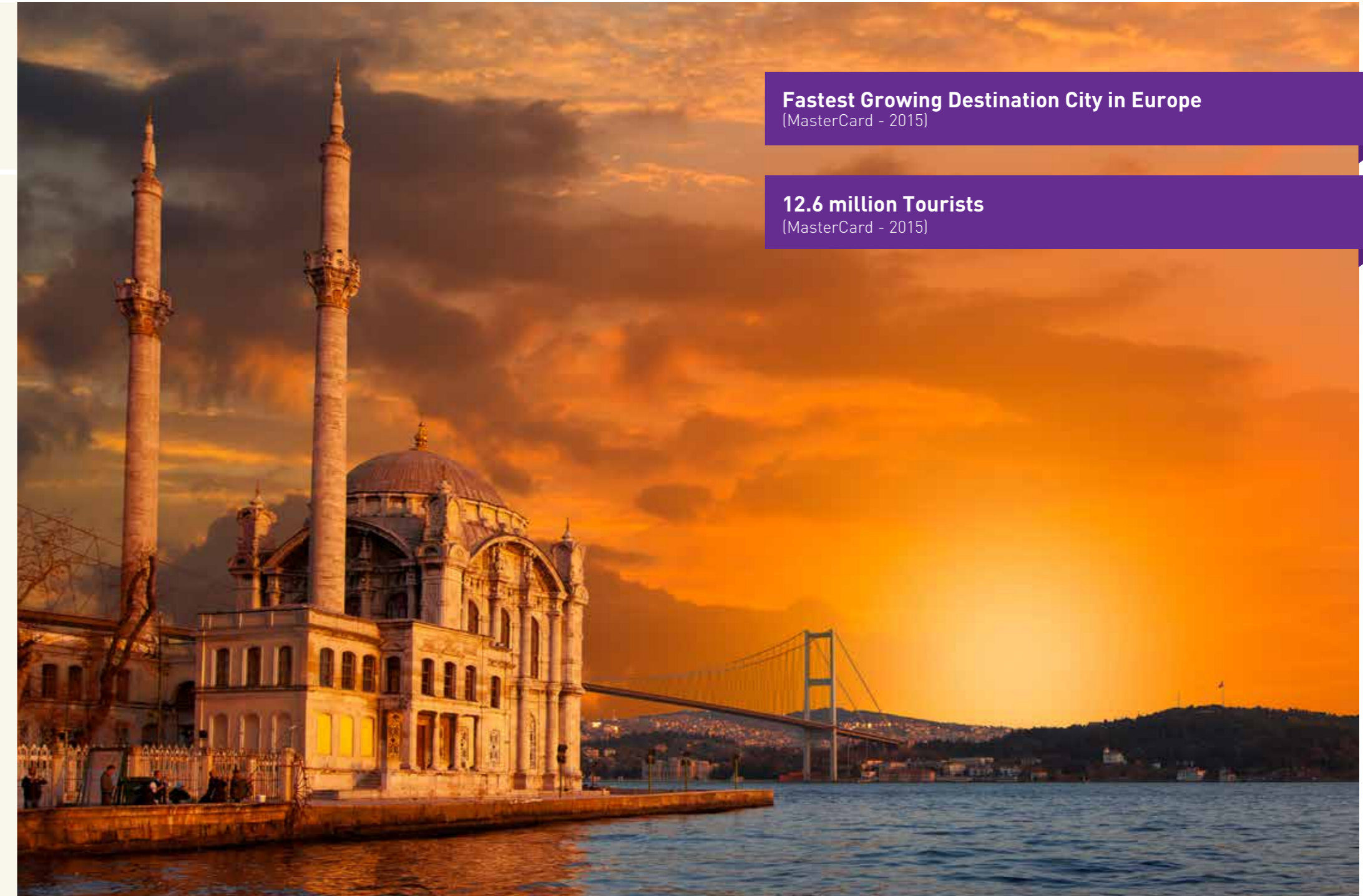
(Ministry of Culture and Tourism – 2015)



SOURCE: PROVINCIAL DIRECTORATE OF TOURISM AND CULTURE, 2014

Fastest Growing Destination City in Europe
(MasterCard - 2015)

12.6 million Tourists
(MasterCard - 2015)



TOURISM

Health Tourism

About 12 million tourists don't just come to Istanbul for the historical peninsula and the sights. Hundreds of thousands of foreign patients each year are now traveling to receive treatment in private hospitals in Turkish cities, especially in Istanbul. From eye surgery to dental treatment, plastic surgery to hair transplant, Istanbul's medical infrastructure, including 224 hospitals with 32 k bed capacity, offers several advantages to benefit from.

of JCI Accredited Health Care Organizations

World : 768
Turkey : 52
Istanbul : 29

(www.jointcommissioninternational.org - July 2015)

Average Annual Growth Rate of Number of Tourists Visiting Istanbul between 2000-2014: 12%

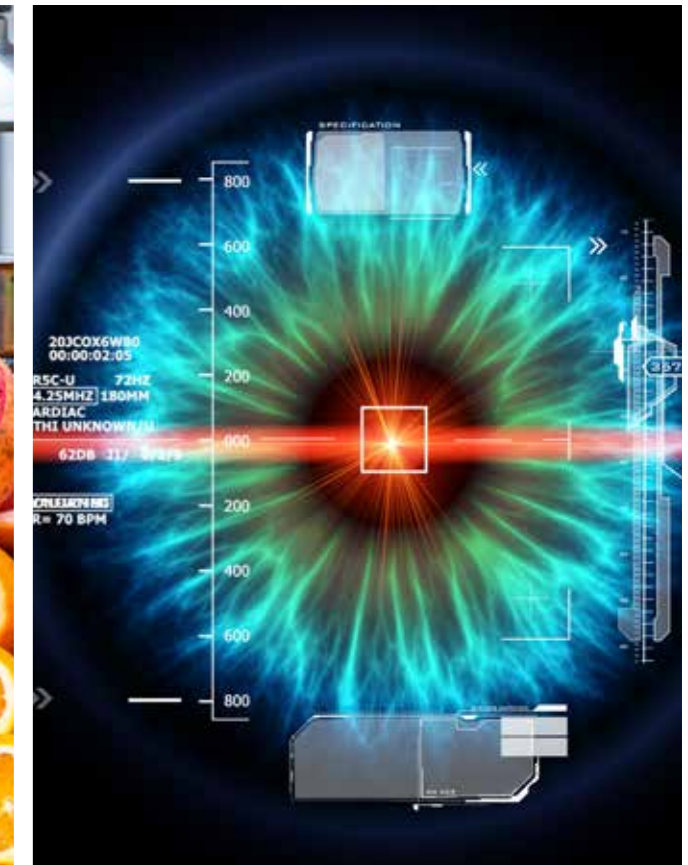
(Provincial Directorate of Culture and Tourism - 2014)

World Renowned Accredited Hospitals

Accreditation is a long-term process that demands commitment. There is a great deal of preparatory work leading up to a survey and then subsequent performance and improvement work is done to ensure those accreditation standards are maintained. As mentioned in Joint Commission International's (JCI) web site, organizations that achieve and maintain JCI accreditation are dedicated to providing their patients the best level of care possible. 29 hospitals, which equals 4% of all JCI accredited health care organizations in the world, are operating in Istanbul.

Bed Capacity of Hospitals: 32 k
(Provincial Directorate of Health - 2013)

233 Hospitals
(Provincial Directorate of Health - 2013)



TOURISM

Priceless moments in the timeless city...

Istanbul offers a pristine natural and historic setting, world class dining and nightlife, luxurious accommodations and a variety of one-of-a-kind attractions. The city is also a magnetic location for tourists searching for alternative destinations. The city maintains its dynamism and brightness the whole year through various tourism types. You can find a combination of alternatives waiting for you. Culture, congress & event, cruise & yacht, health, golf, faith, sports and many more are ready to get explored in the city.

Istanbul's Top 5 Feeder Cities (2015)

	FEEDER CITIES	2015 VISITORS	2015 SPEND
1	London	471 k	US\$432 m
2	Paris	406 k	US\$275 m
3	Düsseldorf	385 k	US\$373 m
4	Frankfurt	350 k	US\$338 m
5	Amsterdam	310 k	US\$192 m

SOURCE: MASTERCARD, 2015



ISTANBUL'S TOP 5 FEEDER CITIES



PORTRAYING ISTANBUL'S CULTURAL EXTRAVAGANZA

A Journey of Ancient and Contemporary

Istanbul combines its fascinating history with modern culture to perfection. This has earned the city the honor to become the European Capital of Culture in 2010. Istanbul is today a UNESCO World Heritage site. Ancient and modern, religious and secular, Asia and Europe, mystical and earthly all co-exist here. What makes Istanbul exclusive is not just its rich historic harmony, but also a packed calendar of arts throughout year.

Feel the Rhythm

Museums in Istanbul - well worth visiting for its world-class collection of classical antiquities - exhibits a journey dating all the way back to ancient civilizations with contemporary arts. Numerous movie theaters and concert halls prove the socially vibrant life of the city. Moreover, there are celebrations, concerts, street fashion shows and amazing performances in various venues to flatter Istanbul's visitors.

704 Movie Theaters

(Turkstat - 2013)

189 Theater Halls

(Turkstat - 2013)

78 Museums

(Ministry of Culture and Tourism - 2015)

Taste Fantastic Flavors of Turkish Cuisine

When it comes to exquisite cuisine and great restaurants, globe-trotting will pay off exponentially. The best markets, bakeries, kitchenware shops, dessert spots and cooking classes are all out there - you just need to know where to look. If you're a foodie and love to travel, no doubt you're in search of world's premier food destination: Istanbul. According to Cities Journal web site, Istanbul is World's 4th Best Food City.

If you are finished with shopping in Istanbul, it is now time to relax and taste the fantastic flavors of Turkish Cuisine. Get ready to make a quick entrance to Istanbul's gastro world via wonderful scenes along the Bosphorus. You are welcome to experience a synthesis of modern and traditional flavors, which is not limited to kebabs and fish culture.

4th Best Food City in the World

(Cities Journal - 2015)



PORTRAYING ISTANBUL'S CULTURAL EXTRAVAGANZA

Posh & Elegant in Istanbul

Shopping is the world's lingua franca, a venture of discovery, driven both by minds and hearts. Shopping in Istanbul, on the other hand, is an exciting passionate adventure of never ending flux.

According to Destinations Europe 2015 Index of Jones Lang LaSalle, Istanbul is the 7th most attractive location for international retailers in Europe. The city's retail market is revolutionizing itself at great speed, with significant quantities of modern shopping center stock coming online.

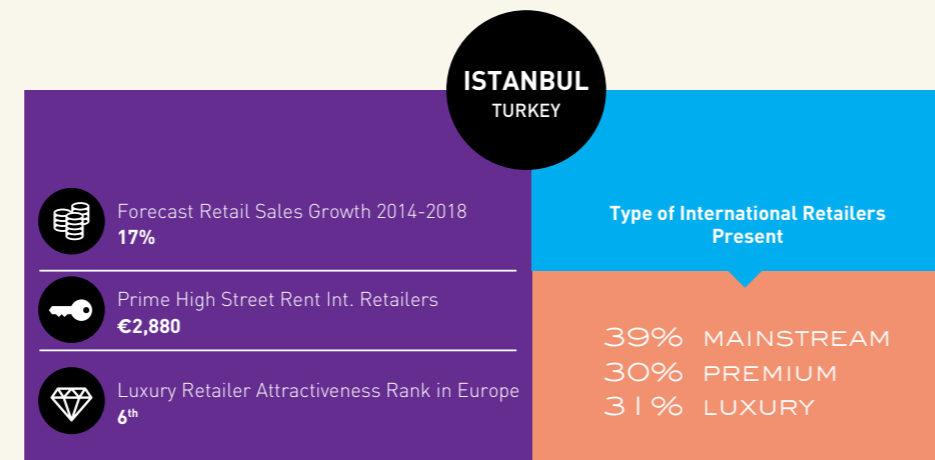
Shop till You Drop

Amid the growth in per capita income and the overall economic developments, Istanbul's retail sector has acquired modern-scale segmentations with plenty of local and international players benefitting from rising consumption level. With 93 shopping malls plus 22 more to come (under construction), the city that bills itself as one of the largest in the world is all set to flatter tourists with its very own shopping festival. Istanbul Shopping Fest, which has been a great contribution not just to Istanbul, but to the shopping and entertainment industry as well in terms of turnover since 2011, is preparing to welcome visitors from all over the world every year.

The mission of the Festival is to make Istanbul the shopping, culture and entertainment center of the world. Every year, visitors get to witness the colorful events planned for this very Shopping Fest, bringing new life to this fabulous city.

93 Shopping Malls & 22 More to Come (Under Construction)
[Maptriks Consultancy - 2015]

7th Most Attractive Location for International Retailers in Europe [Jones Lang LaSalle - 2015]



SOURCE: DESTINATION EUROPE REPORT, JONES LANG LASALLE, 2015.

DENSITY OF SHOPPING MALLS



REAL ESTATE

Real Estate Never Slows Down in Istanbul

The urban centers of Istanbul are set for a rapid transformation, as major districts are rebuilt, historic areas are renewed and new cities are founded. This presents opportunities for construction and real estate sector. Foreign interest therefore continues to support growth in Istanbul's real estate market. Istanbul has cemented itself as the darling of investors looking for strong returns without any risk.

Europe Still Recovering

From a global perspective, 2014 was a better year for the office real estate sector, with many markets in much better shape than twelve months ago, and on solid footing heading into 2015. Of course, there are a number of exceptions, particularly in markets in or near areas of political instability, and in those with stalled economic growth.

As highlighted in Cushman & Wakefield's Global Office Forecast Report, Europe is continuing on its recovery march – indeed, there are increasingly positive signs being seen across the office markets, and the outlook is brighter than it has been for some considerable time. Overall performance is strong across leading indicators including rental growth, supply levels and demand, although variances do, of course, exist from city to city across the continent.

The Istanbul Standard in Real Estate

Another report, which was released by PricewaterhouseCoopers on Emerging Trends in Real Estate 2015 Europe, states that Turkey's business capital is generally quite popular with investors, emphasizing Istanbul's huge growth potential. Turkey's demographics are also very appealing, with a young and rapidly growing population of more than 77 million. Retail is attractive because "affluence is developing" and "the middle class is establishing itself".

The government's 2012 decision to lift restrictions on foreign property ownership is attracting investors from Europe, Asia and the Middle East. Turkey's Association of Real Estate Investment Companies predicts foreign investors will put US\$10 billion into the Turkish market over the coming years, especially as they will now receive the right to reside in Turkey, regardless of the amount invested.

The Wealth Report 2015 of Knight Frank highlights key research findings including global wealth distribution, property investment and luxury spending trends. The report also calculates an index called Prime International Residential Index, which marks the change in price of prime residential property in 100 cities and second-home locations. Istanbul, in the report, is ranked #3, surpassing global hubs like Los Angeles, Sydney and Amsterdam.



Prime Rate Residential Index

RANK	LOCATION	WORLD REGION	ANNUAL % CHANGE
1	New York	North America	18,8%
2	Aspen	North America	16,0%
3	Istanbul	Middle East	15,0%
4	Bali	Asia	15,0%
5	Abu Dhabi	Middle East	14,7%
6	San Francisco	North America	14,3%
7	Dublin	Europe	13,4%
8	Cape Town	Africa	13,2%
8	Muscat	Middle East	13,2%
10	Los Angeles	North America	13,0%

SOURCE: KNIGHT FRANK, THE WEALTH REPORT 2015

REAL ESTATE

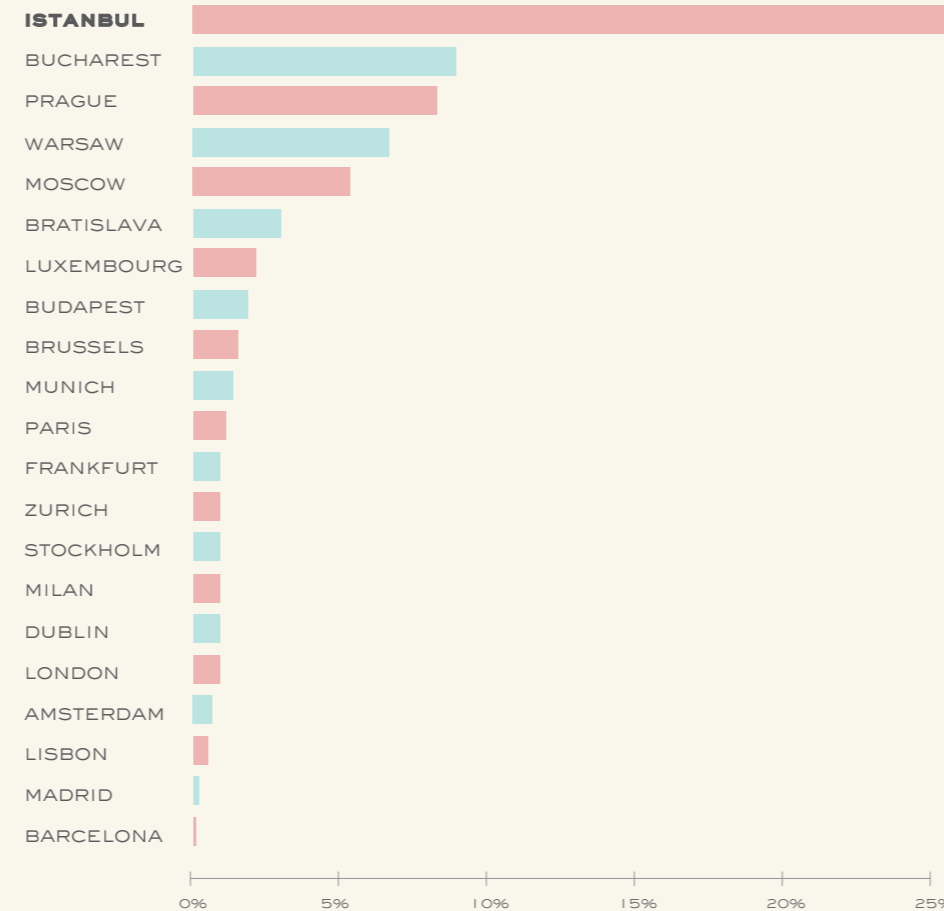
Growth Potential

As seen in the "New Supply as a percentage of Inventory" figure, Istanbul is by far ahead of its European rivals. Istanbul is a clear winner in the real estate market, thanks not only to its new supplies but also to the absorption of its inventories. Regarding its percentage of absorption in new inventories, the city is ranked #2 in the world, surpassing all other emerging market cities.

The majority of real estate investors in the office sector continue to favor core markets, but as prime opportunities decrease and prices become more competitive in the leading markets in particular, they are prepared to move up the risk curve and look at what options are available to them in emerging market cities. Also for the risk-takers, speculative development and refurbishment is expected to rise in 2015 and beyond. Istanbul, in this scope, is anticipated to acquire lion's share with less expensive costs and high growth rates. The construction and real estate sector has huge opportunities to capitalize on this vision by providing houses and offices that meet the demands of Istanbul's new economy.

World's 2th Best in Absorption as a Percentage of Inventory
(Cushman & Wakefield - 2015)

New supply as a percentage of inventory (2014-2016)



SOURCE: CUSHMAN & WAKEFIELD RESEARCH, GLOBAL OFFICE FORECAST REPORT 2015-2016.



European Office Market Annual Rent Rates in 2015
(Cushman & Wakefield Research, Global Office Forecast Report 2015-2016)

Istanbul : US\$52 sqf/yr

Madrid: US\$38 sqf/yr

Brussels: US\$36 sqf/yr

Barcelona: US\$29 sqf/yr

REAL ESTATE

Beyond Expectations

Istanbul is a highly urbanized city with a growing population. This movement is constantly creating demand for more urban spaces. Therefore, the revitalization of old spaces and the introduction of technological innovations have become top priorities on the heritage-rich Istanbul.

According to Pricewaterhouse Coopers' Emerging Trends in Real Estate 2015 Europe Report, Student Housing investments are on the rise. Dubai-based private equity firm the Abraaj Group has already bought a number of student housing properties in Turkey in the past 18 months. The investments include properties in Ortakoy and Buyucekmece – both strong catchment areas for students in Istanbul. One of the interviewee says that "student housing is becoming popular in Istanbul where there are more students now than in London."

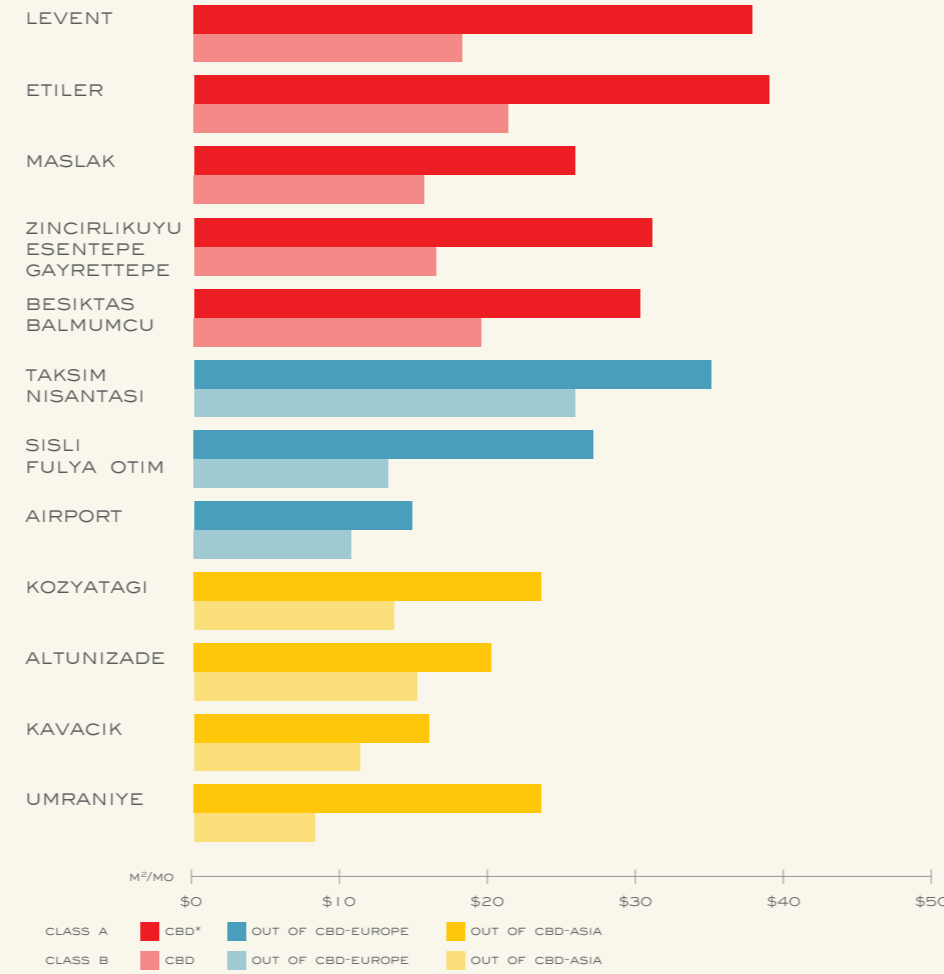
Global companies such as Nestlé and Microsoft, as well as newcomers from banking and insurance, are establishing bases in Istanbul, drawn by the proximity to cities in Eastern Europe, the Caucasus and the Middle East.

Annual Home Sales in Turkey

	# of Homes Sold
Istanbul	225 k
Ankara	132 k
Izmir	72 k

SOURCE: TURKSTAT, 2014.

Average Rental Rates by District



SOURCE: PROPIN, ISTANBUL OFFICE MARKET GENERAL OVERVIEW, FIRST QUARTER - 2015.



How Many Luxury M² Does US\$1 million Buy in Europe?
 Istanbul: 84 m² Beijing: 61 m² Paris: 50 m² London: 21 m²
 (Knight Frank - 2015)

RISING SECTORS

Information and Communication Technologies

Istanbul's rising ICT sector has become an important source of growth for the local economy, driven by its younger generation rapidly adopting brand new technologies. The city is attracting an increasing number of ICT companies and is establishing a strong position as a technology hub. The sharp rise of patent applications, 53 universities and 5 technoparks offer a large number of opportunities across a diverse set of industries.

Moreover, Istanbul is attempting to boost its ICT sector by increasing access to broadband infrastructure, as its young population demands more and more online services. Now, international companies are increasingly interested in establishing operations in Istanbul, where a young, educated and skilled population offers several opportunities to develop R&D centers for the region.

The analysis of Ernst & Young states that Turkey's ICT sector will attract significant investments in the coming years, particularly from angel investors and web-based firms founded by private funds. According to the report, Turkey's ICT sector, which is mainly concentrated in Istanbul, was the second busiest after energy in terms of mergers and acquisitions.

40.5% of Turkey's total ICT workers are employed in Istanbul

(Social Security Institution - 2013)

ICT has the top percentage of sectoral competitiveness strength on Istanbul's economic growth: 34.01%

(Istanbul Regional Plan 2014-2023)



Life Sciences

Istanbul has paved the way to be a regional hub for life sciences in terms of both knowledge resources and economic activity. Biotechnology, pharmaceuticals and medical technology are the concentrated sectors in this regard. Istanbul exhibited great performance in drawing health care investments in recent years.

Istanbul is becoming an ever increasingly popular destination for cost-effective, high quality cosmetic surgery. The city aims to be a hub for health tourism, healthcare services and R&D center for life sciences.

In this respect, Istanbul's technoparks put special emphasis on life sciences. Moreover, a biotechnology technopark is now under construction in Catalca district. This very technopark is poised to become Turkey's first technopark in its field and one of the few leading technoparks worldwide. The project aims to create a worldwide technology and innovation powerhouse offering service-oriented first-rate business opportunities to ensure competitive advantage in the area with the focus on R&D and innovation initiatives to draw global investment funds.

12 Technology Transfer Offices

(Ministry of Science, Industry and Technology - 2015)



RISING SECTORS

Creative Industries

As emphasized in 2014-2023 Istanbul Regional Plan, the potential on creative industries should be utilized with the current knowledge, skills and qualifications of the human capital. The creative industries, which are determined to be fostered in Istanbul, shall be listed as cultural fields, traditional cultural products, performing arts, audio and visual publications, new media, creative services, design, press and publications, and visual arts. The emphasis on creative industries is helping Istanbul to distinguish itself from other global counterparts and compete internationally.

of Turkish Movies in Theaters : 4,916
of International Movies in Theaters: 8,107
 (Turkstat - 2013)

of Turkish Shows Performed on Stage: 3,194
of International Shows Performed on Stage: 479
 (Turkstat - 2013)

of Press Card Holders: 2,460
of Visits in Internet Media: 1.78 billion
 (Turkstat - 2013)

Energy & Environment

Over the next twenty years, it is predicted that global energy demand will increase by around 40% with vast majority of the growth coming from the emerging market countries. In a move to reduce global warming and protect the environment, Istanbul implements several projects to boost energy efficiency and eco-innovation. In this context, there are plenty of opportunities in Istanbul's clean technologies.

Moving parallel with Istanbul's booming economy is its energy sector. Such growth beckons international investment, especially as Turkey is a net importer of oil and gas. Additionally, 17.5% of total electricity consumption of Turkey is realized in Istanbul, with 6.9 million subscribers. Regarding natural gas consumption, Istanbul has seen a 166% increase between 2000 and 2014, with 5.7 million subscribers. In this scope, the energy industry is evolving rapidly with liberalization efforts leading the way. Meanwhile, Istanbul continues to enjoy its geographically crucial position, harnessing the supply-rich East and the demand-rich West.

Energy Consumption in Istanbul

	# of Subscribers	Consumption
Electricity	6.9 million	34.9 million MWh
Natural Gas	5.7 million	4.9 billion m ³

SOURCE: BEDAS, AYEDAS, IGDAS, 2014

As our planet continues to evolve, people will continue to flock to its busy, dynamic and imposing urban centers. A city is much more than just a place for people to live and do business. Cities are areas of emotional attachment, each with their own distinct personality, traditions and attraction factor. The Sustainable Cities Index takes 50 of the world's most prominent cities and looks at how viable they are as places to live, their environmental impact, their financial stability, and how these elements complement one another. Each possesses its own geolocation and cultural distinctions but shares common urban challenges in the areas of job creation, mobility, resiliency and improving the quality of life of its residents. Istanbul becomes the 36th most sustainable city in the world, offering unique opportunities for urban sustainability.

36th Most Sustainable City in the World
 (ARCADIS Sustainable Cities Index - 2015)

RISING SECTORS

Education

Education and training have long been recognized as key drivers of social and economic development. With a population of 14.4 million, Istanbul has more than 3 million students from primary school to universities. Out of these 3 million students, 663k study in higher education programs of 53 universities. According to OECD's October 2013 report on education in Turkey, the country has made impressive gains in tertiary enrollment over the past decade.

Turkey has long expressed its determination to harmonize tertiary education in Turkey to EU standards, so adopted a three-cycle degree structure and introduce the common European Credit Transfer and Accumulation System. Plus, Turkish universities now participate in the EU's Erasmus student exchange program; therefore, Istanbul's 53 universities accept thousands of international students. The portion of private sector participation in education sector is only 4% in Turkey, mostly concentrated in Istanbul. It is now targeted to rise to 25% by 2023, which is an excellent opportunity for international investors. Moreover, current investment incentive system provides great advantages in both lower and higher education.

Turkish universities are now taking steps to raise foreign student numbers. Among many issues attracting the attention of education policy makers in Turkey, one of the most critical is the country's and Istanbul's position in the global higher education. This has been an area of success over the past several years, as seen by the huge increase in international student enrollment, as emphasized in the 2013 Report of Turkey, released by Oxford Business Group.



Aviation

While several ambitions of Istanbul for the aviation sector are still at the testing stages, its potential for the future is obvious as the city targets to become a major hub for both international flights and aerospace industry. The aerospace and defense industries are capital intensive, but create a high level of value-added for Istanbul's economy.

In order to reach US\$25 billion in exports of defense industry, aerospace industry plays a vital role. Technopark Istanbul, which is located at the Asian side of Istanbul, is focusing mainly on aerospace and defense industries. Therefore, there are plenty of opportunities in Istanbul, where Turkish Government creates numerous incentives to reduce its reliance on foreign manufacturers, the route being to produce products in strategic sectors.

Aviation Industry is Supported within the Frame of both Large and Strategic Investment Incentive Schemes



RISING SECTORS

Classification of Istanbul's Competitive Sectors

Ranking	Sector
1	Logistics
2	Real Estate
3	High Level Services
4	Finance & Insurance
5	Tourism & Culture

SOURCE: ISTANBUL REGIONAL PLAN 2014-2023, ISTANBUL DEVELOPMENT AGENCY.

Logistics

Turkish logistics sector produces US\$6.5 billion worth of goods and services, and employs about 400 k workers. Permanently increasing foreign trade pattern, which is US\$218 billion for 2014, is a sign for Istanbul's competitiveness for logistics. Current airports and seaports are being modernized, where Yavuz Sultan Selim Bridge and Istanbul New Airport are under construction. Among top 500 global logistics companies, 11 of them operate in Turkey. Additionally 1,630 foreign companies are here with 46 k vehicles.

Istanbul has 2 international seaports, one in European side and one in Asian side. According to Containerisation International Magazine, which classifies top 100 container ports globally in 2012, Istanbul is the 4th busiest port in Mediterranean Region. Moreover, Ataturk Airport and Sabiha Gokcen Airport are logistically important for cargo planes. On the other hand, railway systems, which come from China and reach all the way to England, help companies transfer their goods smoothly.

Turkish Cargo strengthens its presence in Logistics

Along with its spectacular passenger growth, Turkish Airlines is also rapidly growing its cargo network and operations. Turkish Cargo provides the most efficient connections to the leading production and commercial centers across the globe. As from the beginning of the Summer schedule 2015, Turkish Cargo is now present at more than 265 destinations, including 50 freighter destinations, in 109 countries by its 9 freighters and 259 passenger aircraft.

By expanding to new destinations, Turkish Cargo brings its network and quality service to even more customers, meeting the needs of its clients with a careful attention to detail that is part of all aspects of Turkish Airlines.



2 Giant Projects Under Construction

Yavuz Sultan Selim Bridge



Istanbul New Airport

High-Level Services

Istanbul is now going through a process where services sector not only dominates the local economy, but also increases its share day by day. In this context, high level services sector (i.e. consultancy, legal and administrative services, advertising) has a great potential for development and competitiveness. High level services are now considered in a cluster of high-value added sectors.



GET IN THE ZONE!

Technological Development Zones

The main objectives of Technological Development Zones (TDZs), aka Technoparks, in Turkey are to produce and commercialize technological know-how, to develop innovations in products and production methods and to create investment opportunities in high-tech industries. These zones are usually located in or around college campuses in order to boost academy-industry cooperation.

Istanbul has 5 TDZs, which are Ari Teknokent of Istanbul Technical University, Yıldız Teknopark of Yıldız Technical University, İstanbul Teknokent of İstanbul University, Bosphorus Teknopark of Bosphorus University and Teknopark İstanbul of İstanbul Commerce University.

ZONE NAME	AFFILIATED UNIVERSITY	WEBSITE	E-MAIL
Bogazici Teknopark	Bogazici University	teknopark.boun.edu.tr	teknopark@boun.edu.tr
Teknopark İstanbul	Istanbul Commerce University	teknoparkistanbul.com.tr	info@teknoparkistanbul.com.tr
Yıldız Teknopark	Yıldız Technical University	yildizteknopark.com.tr	info@yildizteknopark.com.tr
Ari Teknokent	Istanbul Technical University	ariteknokent.com.tr	ariteknokent@ariteknokent.com.tr
Istanbul Teknokent	Istanbul University	teknokent.istanbul.edu.tr	info@istanbulteknokent.com.tr

Why to launch your business in TDZs?

Revenues from R&D and software activities of R&D companies are exempt from corporate tax and income tax

Wages of researchers, software developers and R&D personnel working in the zone related to R&D projects are exempt from income taxes

50% discount on Social Security Premium of Employees

Sales of application software produced in TDZs are exempt from VAT

TECHNOLOGICAL DEVELOPMENT ZONES



GET IN THE ZONE!

Organized Industrial Zones

Industrial infrastructure is at the top of Turkey's economic development agenda. Turkish Government has taken a promoting and organizing role in industrialization instead of making industrial investments directly; and undertook investments in infrastructure and put great emphasis on energy, transportation and communication. In this context, Organized Industrial Zones (OIZs) are designed in a way that allow companies which provide goods and services to operate within approved boundaries with the necessary infrastructure, technoparks and social facilities. Basic objectives of OIZs are to allow more rational production for industrial firms that complement each other and encourage others' production, working together under a certain program aligned with environmental regulations, to enable the relations among industries to grow easily and to establish a sound, inexpensive and reliable infrastructure and common social facilities.

There are 2 OIZs in the European Side of Istanbul, which are Beylikdüzü OIZ and İkitelli OIZ; 6 OIZs in the Asian Side, which are Dudullu OIZ, Tuzla OIZ, Birlik OIZ, Leather OIZ, Anatolian Side OIZ and Tuzla Chemical Industrialists OIZ.

ZONE NAME	WEBSITE	E-MAIL
İkitelli OIZ	iosb.org.tr	iosb@iosb.org.tr
Beylikdüzü OIZ	ibosb.com	yonetim@ibosb.com
Anatolian Side OIZ	iayosb.com	info@iayosb.com
Leather OIZ	ideriosb.org.tr	info@ideriosb.org.tr
Birlik OIZ	birlikosb.org.tr	info@birlikosb.org.tr
Dudullu OIZ	idosb.org.tr	idosb@idosb.org.tr
Tuzla OIZ	itosb.org.tr	itosb@itosb.org.tr
Tuzla Chemical Industrialists OIZ	kosb.com.tr	info@kosb.com.tr

Why to launch your business in OIZs?

VAT exemption for land acquisitions

Exemption from real estate duty for 5 years starting after the construction of the plant

Exemption from municipality tax for construction and usage of plant

Lower costs on utilities

ORGANIZED INDUSTRIAL ZONES



GET IN THE ZONE!

Free Trade Zones

Turkish Free Trade Zones (FTZs) are the areas specified by the Council of Ministers of Turkey within the political borders of Turkey but considered outside the customs borders, where all types of industrial, commercial and certain types of service activities are encouraged through certain tax exemptions and incentives. The objectives of FTZs are to increase export-oriented investment and production, to accelerate the inflow of foreign capital and technology, to procure the inputs of the economy in an economic and orderly fashion, and to increase the utilization of external finance and trade possibilities.

There are 3 FTZs in Istanbul; 2 in European Side (Thrace FTZ and Ataturk Airport FTZ) and 1 in Asian Side (Industry & Trade FTZ).

ZONE NAME	WEBSITE	E-MAIL
Ataturk Airport FTZ	isbi.com.tr	info@isbi.com.tr
Industry&Trade FTZ	desbas.com.tr	desbas@desbas.com.tr
Thrace FTZ	isbas.com.tr	info@isbas.com.tr

Why to launch your business in FTZs?

Profit/capital transfer option without any tax to 3rd parties & countries

Exemption from customs duties & other related duties

Exemption from corporate income tax for manufacturing companies

Exemption from VAT and special consumption tax

Exemption from income tax on employees' salaries

Goods can remain in free zones for an unlimited period



INVESTMENT INCENTIVES



“The Cabinet’s Decision” about the New Incentive System was first announced by Former Prime Minister Erdogan on April 9th, 2012. The decision entered into effect with the release of Official Gazette No.28328 on June 19th, 2012. The objectives of the new investment incentive system are:

- to reduce Turkey’s current account deficit
- to support mid-tech and high-tech investments
- to reduce interregional socioeconomic differences.

Together with the implementation of the new investment incentive system, it is expected to have widespread use of technology as well as the synergistic effects of R&D spending.

There are 4 investment incentive schemes in Turkey:

- General Investment Incentive Scheme
- Regional Investment Incentive Scheme
- Large Scale Investment Incentive Scheme
- Strategic Investment Incentive Scheme

SUPPORT MEASURES UNDER THE NEW INCENTIVE SYSTEM

VAT Exemption

Purchases of imported and/or domestically provided machinery are exempt from VAT.

Customs Duty Exemption

Purchases of imported machinery and equipment are exempt from customs duty.

Tax Reduction

Income tax (15-35%) or corporate tax (20%) is calculated with reduced rates.

Social Security Premium (Employer’s Share)

For any additional employment created by an investment, the amount corresponding to the employer’s share of the social security premium on legal minimum wage, paid by the investor, is covered by the Ministry of Economy.

Social Security Premium (Employee’s Share)

For any additional employee recruited for new investments in Region 6, the Ministry of Economy covers employee’s share of social security premium, which normally is handled by investors. This support is available only in Region 6 and for 10 years.

Interest Support

The measure stipulates that a certain portion of the interest/profit share regarding the loan equivalent of at most 70% of the fixed investment amount registered in the certificate will be covered by the Ministry of Economy.

Land Allocation

It refers to the allocation of available land to the investments in accordance with the rules and principles determined by the Ministry of Finance.

VAT Refund

VAT collected through building & construction expenses made within the frame of strategic investments with a fixed investment amount of 500 million TL will be rebated.

Income Tax Withholding Support

The withholding tax imposed on the income tax of employees will not be levied for new staff employed for the investments made in Region 6 (applicable for 10 years).

INVESTMENT INCENTIVES

1. General Investment Incentive Scheme

There are two requirements to benefit from this incentive mechanism in Istanbul, which are “the investment topic must not be listed among ‘not to be supported’ section” and “the minimum fixed investment amount must exceed TRY 1 million level.”



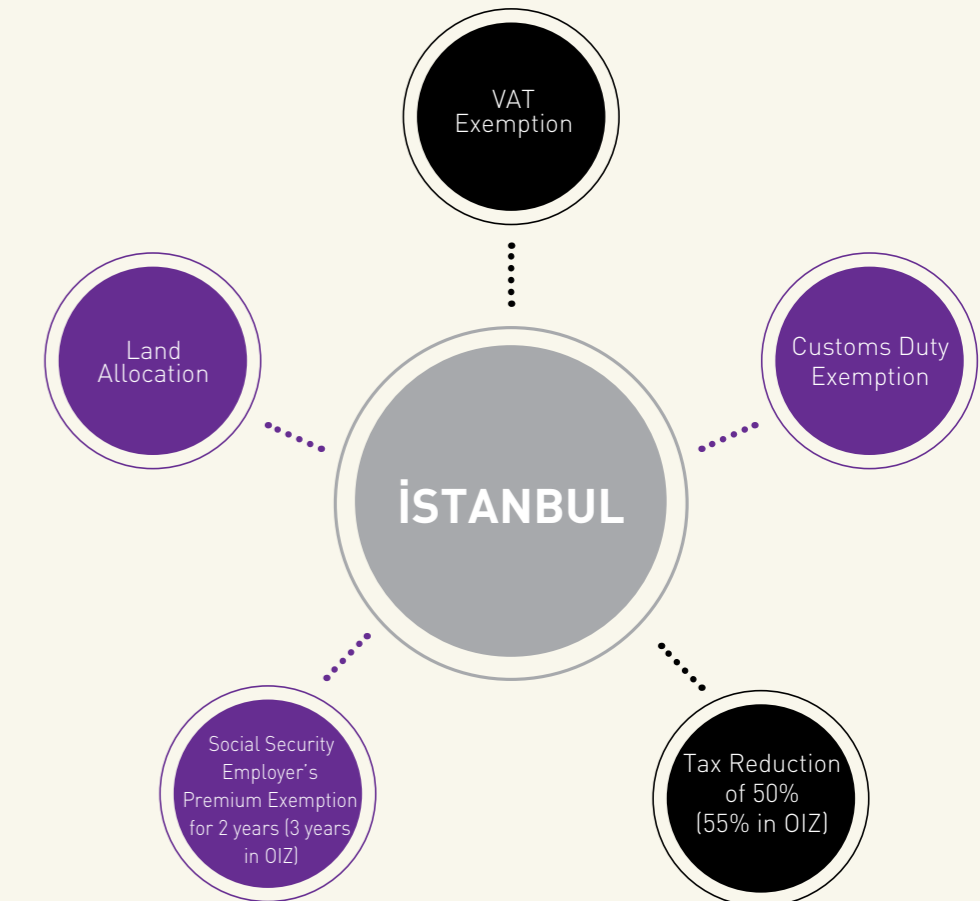
Prospective investors may apply to Istanbul Development Agency’s Investment Support Office in order to obtain investment incentive certificates in the general scheme. The certificates, which are issued by the Agency, cover any investment within TRY 1 million - TRY 10 million range.



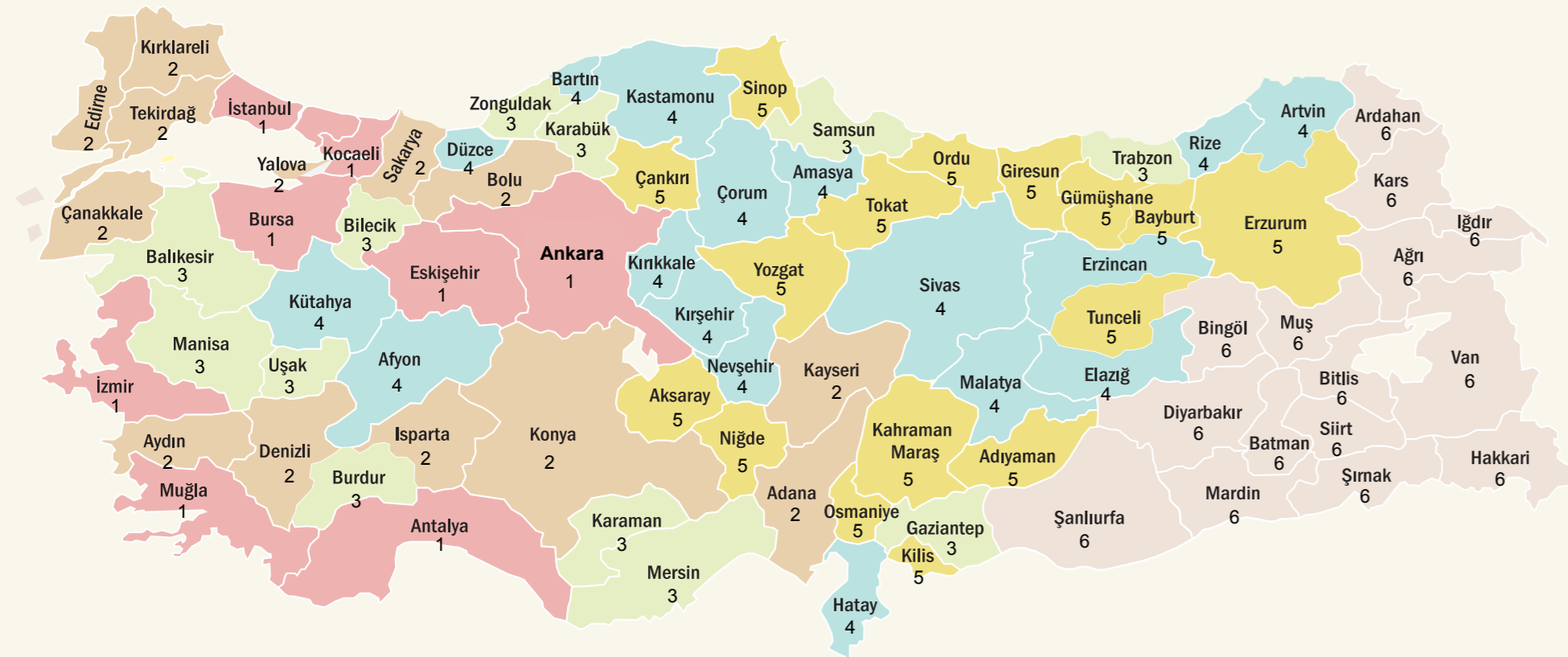
2. Regional Investment Incentive Scheme

Regional system aims to eliminate inter-regional imbalances by means of encouraging pre-determined sectors. Therefore, investment topics to be supported have been identified by taking into consideration of the economic potentials of each province and economies of scale.

Through the new regime, 81 provinces of Turkey are classified under 6 investment regions. Istanbul, which is the most developed region of Turkey, is classified in the 1st degree regional list.



INVESTMENT INCENTIVES



1st Degree Region 2nd Degree Region 3rd Degree Region 4th Degree Region 5th Degree Region 6th Degree Region

The sectors supported through regional scheme in İstanbul are shown in the list below.

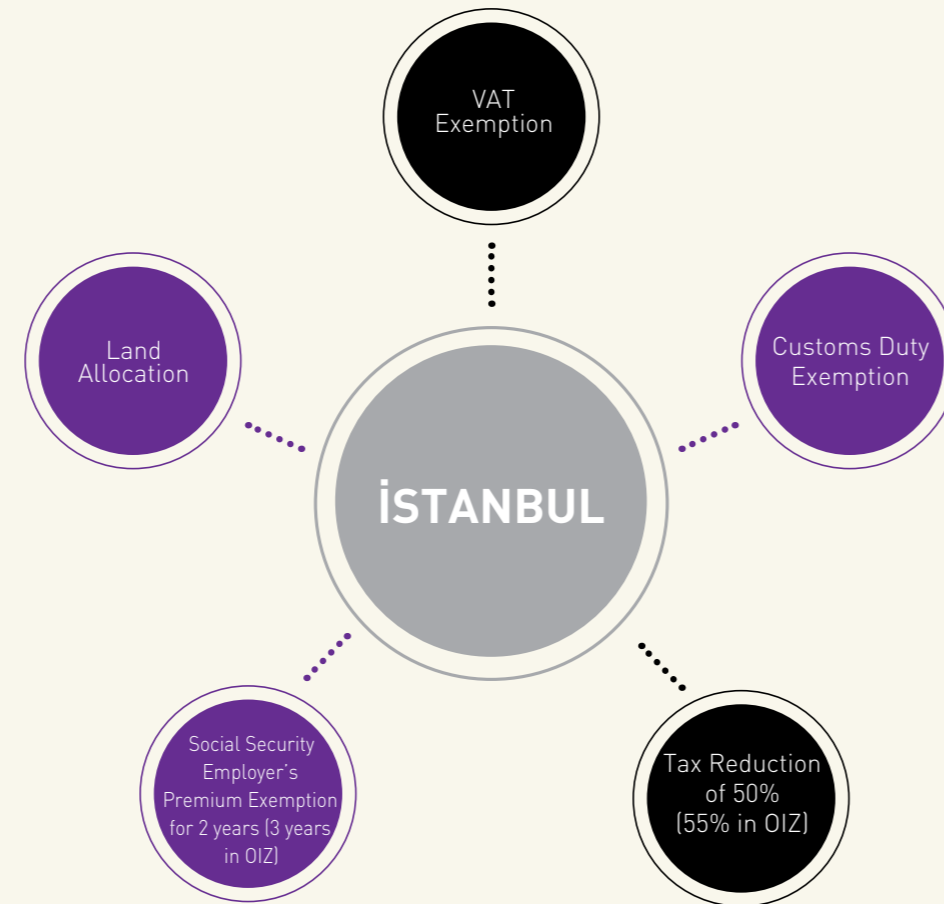
Sectoral Code	Regional Investment Topics in İstanbul	Minimum Amount / Capacity
1911	Leather Tanning & Processing (Only in İstanbul Leather Specialized OIZ and Tuzla OIZ)	TRY 1 million
2423	Manufacturing of Herbal and Chemical Products Used in Medicine and Pharmaceuticals	TRY 1 million
2929	Industrial Pattern	TRY 4 million
30	Manufacturing of Office, Accounting and IT Processing Machines	TRY 1 million
32	Manufacturing of Radio, TV, Communication Equipments and Devices	TRY 1 million
33	Manufacturing of Medical Devices, Sensitive and Optic Devices	TRY 1 million
5510.3.01	Dormitories	100 students
80 (809 Excluded)	Educational Services (from Pre-school up to Grad School)	TRY 1 million
8511.0.01-05	Hospitals, Nursing Home	Hospital: TRY 1 million Nursing Home: 100 persons
8511.0.99		
8531.0.01-03		
	Waste Management or Recycling Facilities	TRY 1 million

INVESTMENT INCENTIVES



3. Large Scale Investment Incentive Scheme

The goals of this scheme are to improve technological and R&D capacity of regions and to provide a competitive advantage in the global arena. The listed investment topics that exceed the designated minimum amounts are eligible in Istanbul.



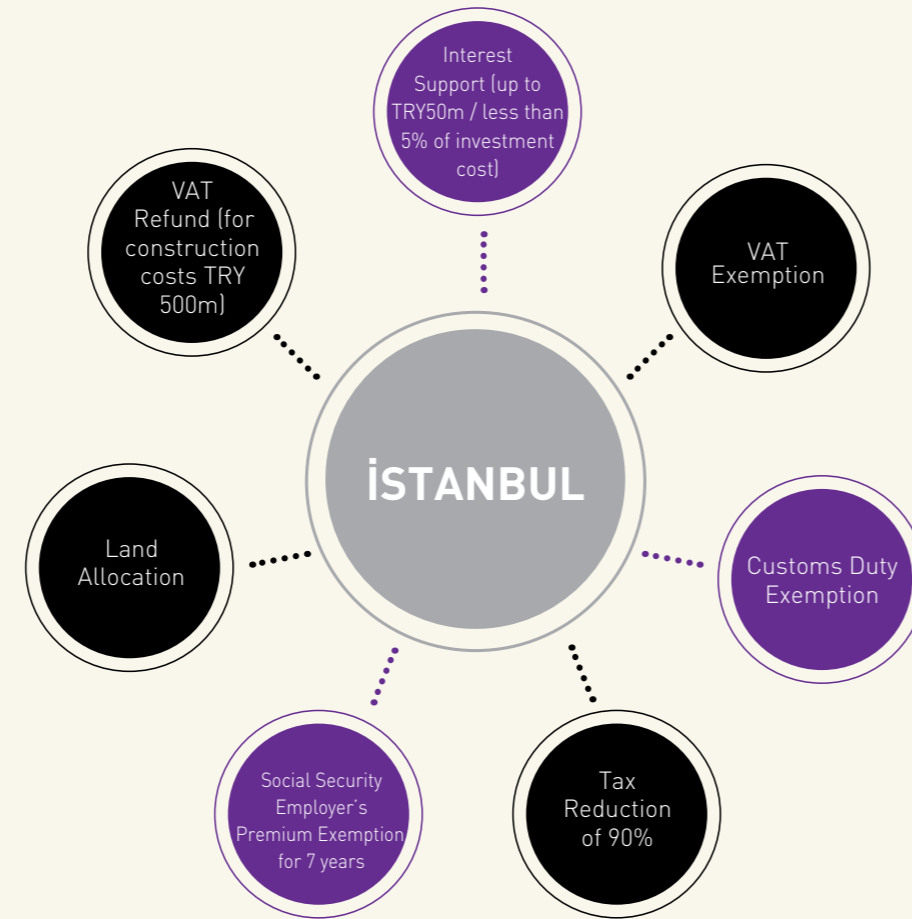
#	Large Scale Investment Topics	Min. Investment Amount
1	Refined Petroleum Products	TRY 1 billion
2	Chemical Products	TRY 200 million
3	Harbors and Harbor Services	
4	Automotive OEM and Side Suppliers	TRY 200 million
4.a	Automotive OEM Investments	
4.b	Automotive Side Suppliers Investments	TRY 50 million
5	Rolling Stocks	TRY 50 million
6	Transportation Services Through Transit Pipeline	
7	Electronics	
8	Medical Devices, High Precision and Optical Equipment	
9	Pharmaceuticals	
10	Aircraft and Space Vehicles and/or Related Parts	
11	Machinery (Including Electrical Machinery and Equipment)	
12	Mining (Including Metal Production)	

INVESTMENT INCENTIVES



4. Strategic Investment Incentive Scheme

There are two main goals of strategic investment incentive scheme, which are to support production of intermediate and final products with high import dependence with a view to reduce current account deficit and to encourage high-tech and high value added investments with a potential of strengthening Turkey's international competitiveness. Investments meeting the criteria shown on the next page are supported within the frame of the Strategic Investment Incentive Scheme.



Criteria to benefit from Strategic Investment Incentive Scheme

- Minimum Investment Amount of TRY 50 million
- Domestic Production of the Related Product must be less than the Importation of that Product
- Value Added through the Investment must be at least 40%
- Related product's last year's importation must exceed US \$50 million level.



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