

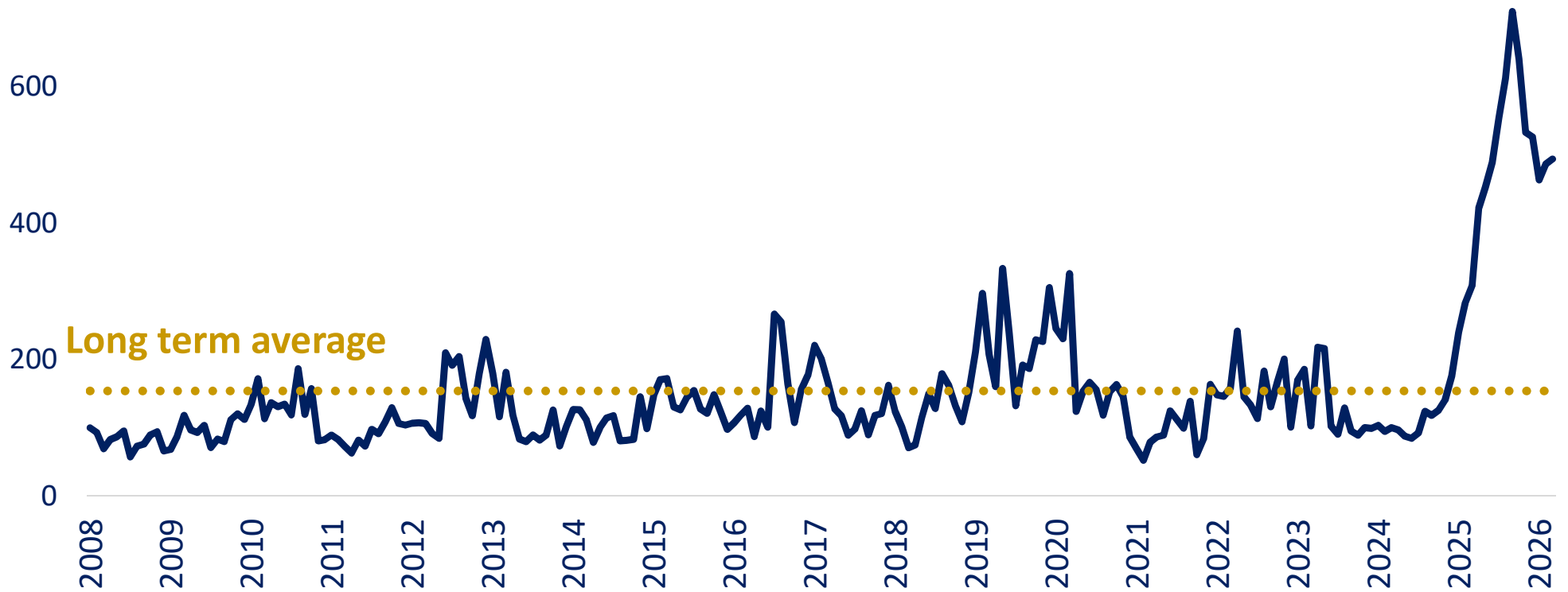
Outlook for Türkiye

Mehmet ŞİMŞEK

Minister of Treasury and Finance

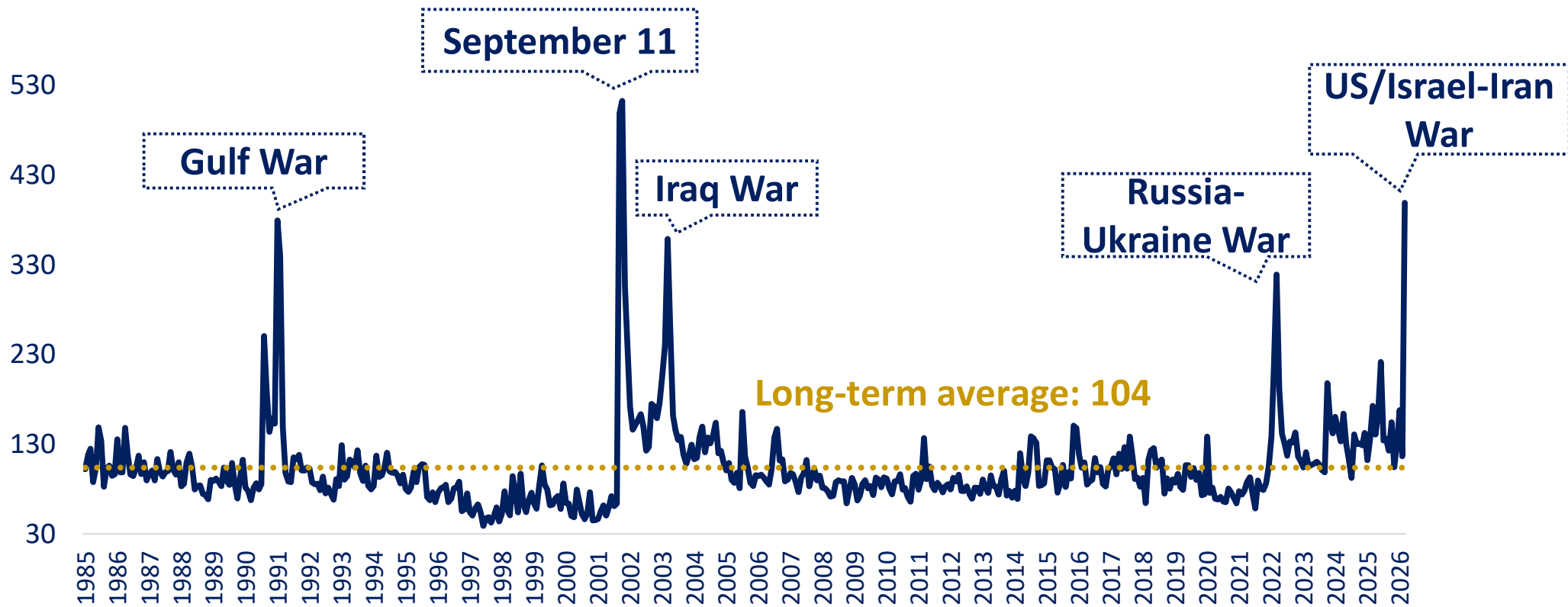
April 2026

World Uncertainty Index



Source: Ahir, Bloom & Furceri (<https://worlduncertaintyindex.com/data/>), 2008=100, Latest data: March 2026

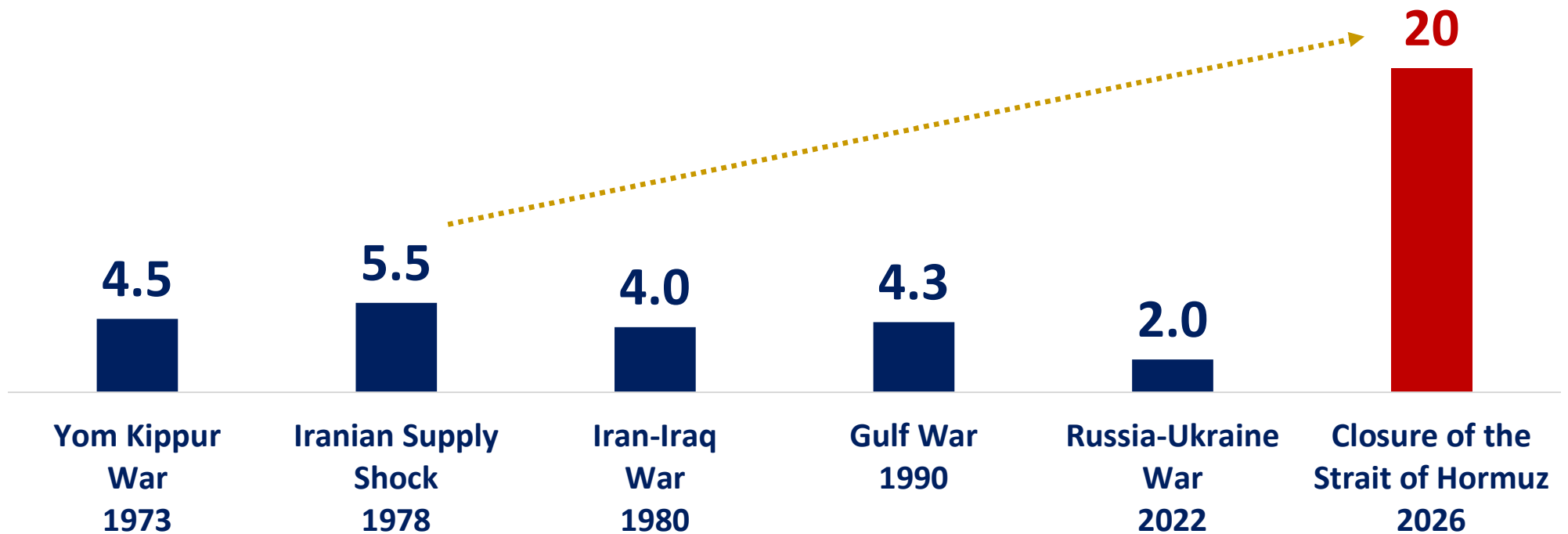
Geopolitical Risk Index



Source: Caldara, Dario and Matteo Iacoviello (2022), "[Measuring Geopolitical Risk](#)," American Economic Review

The largest oil supply shock since 1970s

Oil supply disruption (million barrels per day)



Global outlook: War driven near-term risks, structural weaknesses over the medium term

Near term:

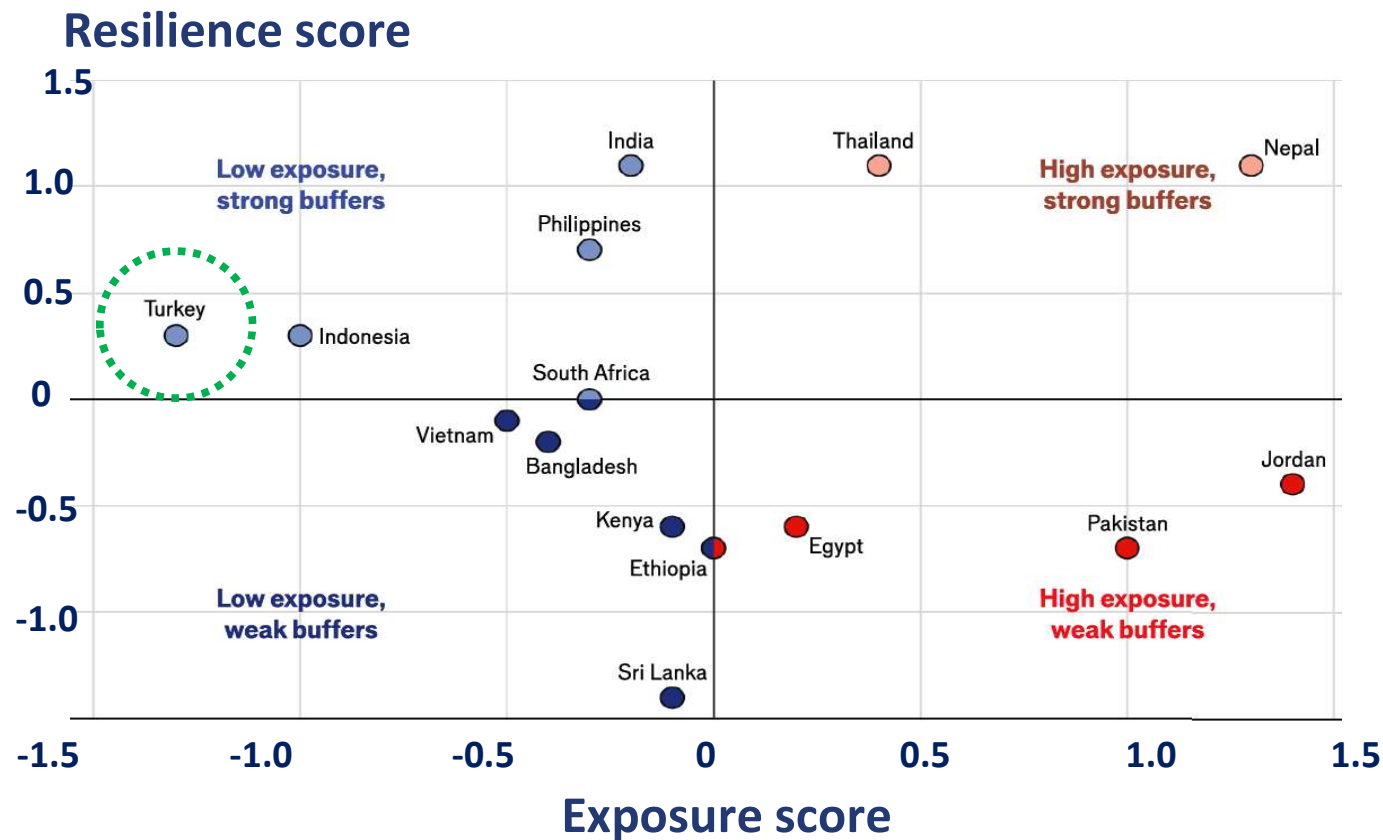
- **Commodity price shocks**
- **Rising global inflation**
- **Tighter financial conditions**
- **Slowing growth momentum**
- **The Second China Shock**
(overcapacity, weak domestic demand & export rerouting)

Medium term:

- **Geopolitical tensions & conflicts**
- **Trade fragmentation/protectionism**
- **Transformative/disruptive frontier technologies**
- **High global indebtedness**
- **Aging world population**
- **Impending climate disaster**

Iran War: Türkiye's low exposure, strong buffers

The insulated & the isolated



Components of resilience score

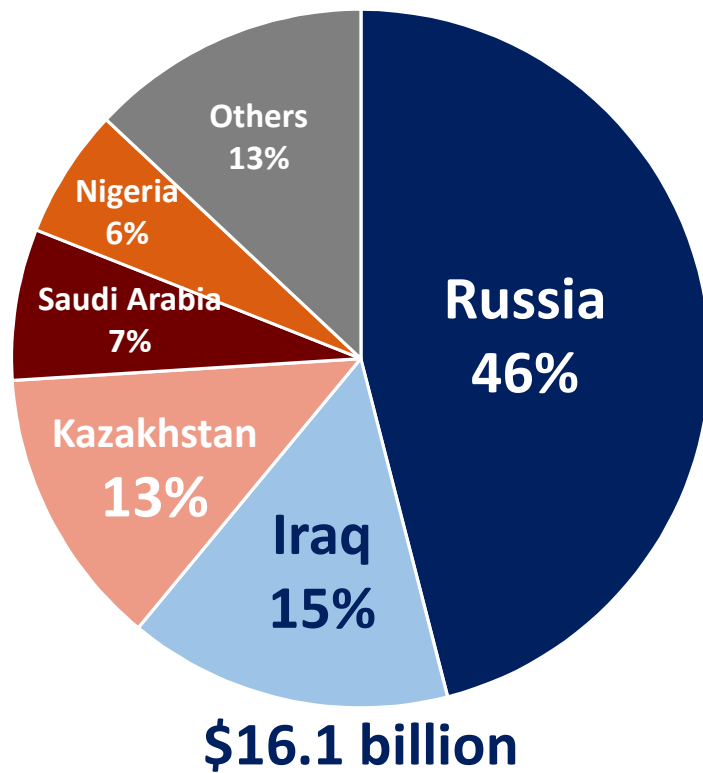
- ✓ Foreign-exchange reserves
- ✓ External government debt

Components of exposure score

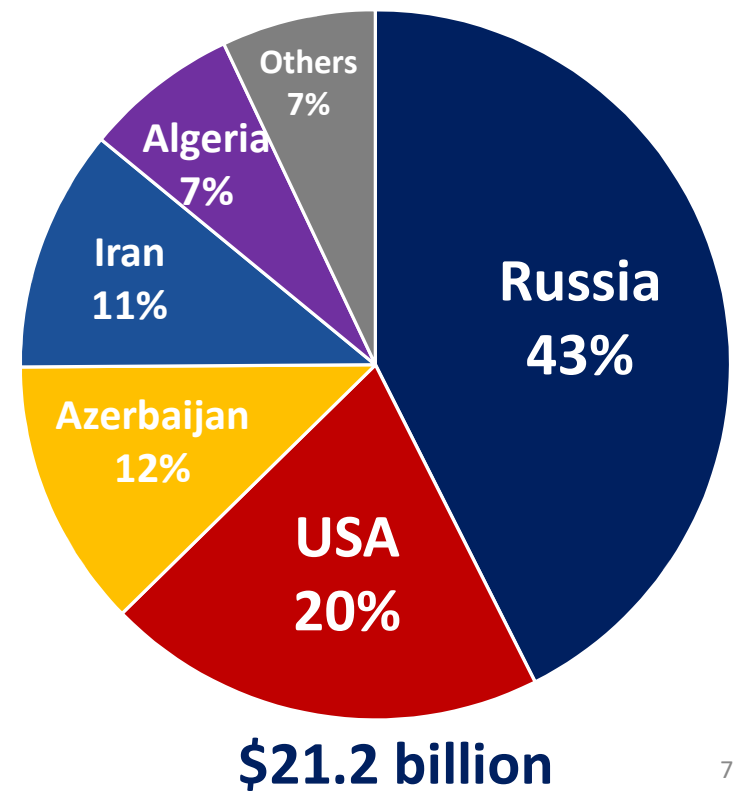
- ✓ Net oil & gas imports
- ✓ Oil & gas imports from the Middle East & Gulf remittances

Low exposure: Energy supply security not at stake

Crude oil imports (2025)



Gas imports* (2025)



Source: Ministry of Trade, *Pipeline + LNG

Strong buffers

- **Low fiscal deficit & gross public debt**
- **Moderate current account deficit**
- **Relatively low gross external financing requirements & gross external debt**
- **Adequate international reserves**

Key priorities

- **Attaining price stability**
- **Maintaining fiscal discipline**
- **Sustainable current account balance**
- **Enhancing competitiveness, governance & institutional strength through structural reforms**

Never waste a crisis

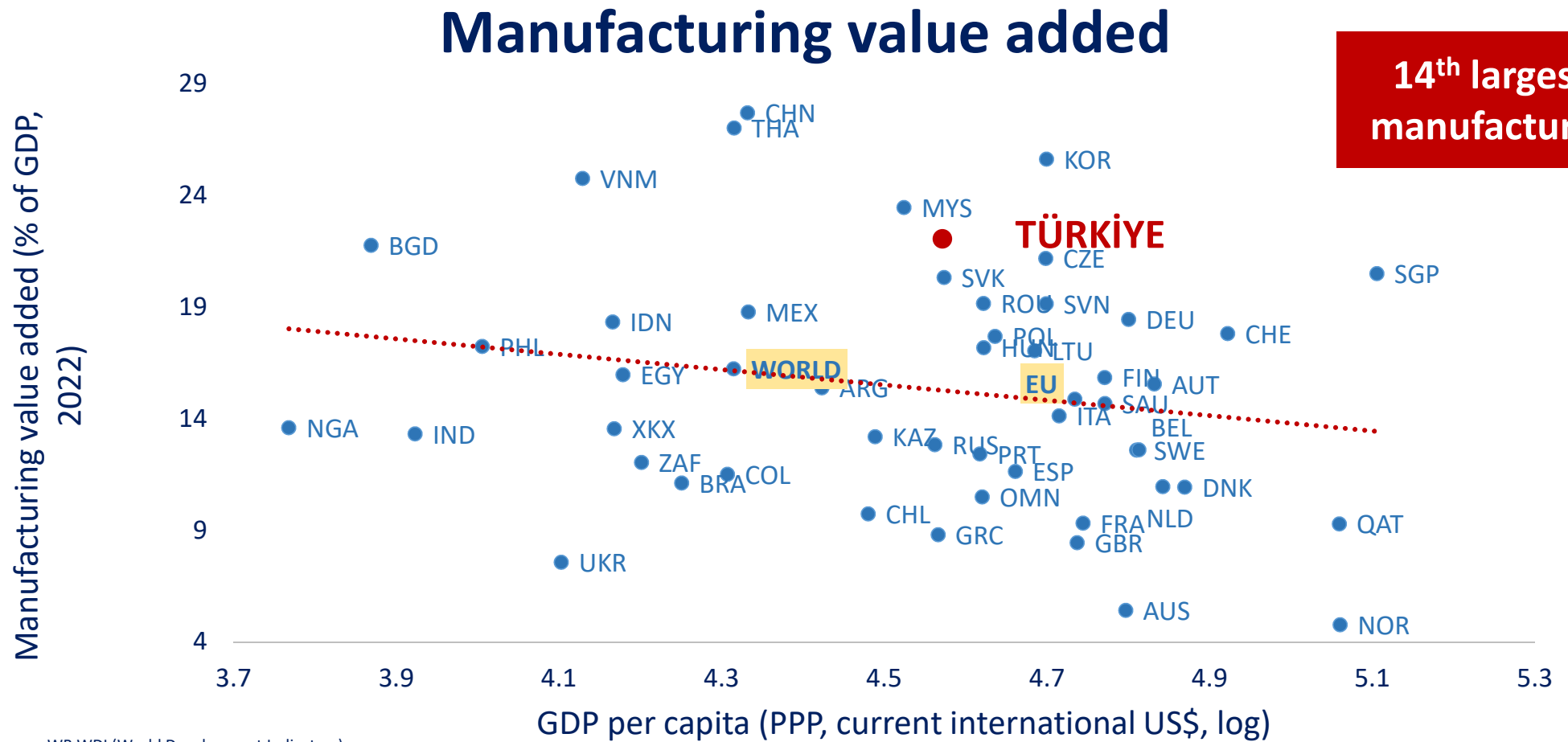
*“Only a crisis -actual or perceived-
produces real change*”*

*Milton Friedman

Reform agenda

- ✓ **Moving up the value chain (industrial transformation)**
- ✓ **Speeding up green transition & digital transformation**
- ✓ **Prioritizing investments in productive infrastructure (railways)**
- ✓ **Enhancing regional integration through Kurdish reconciliation**
- ✓ **The New Investment Framework**

A manufacturing powerhouse



Source: WB WDI (World Development Indicators)

Industrial policy initiatives: Moving up the value chain

HIT-30

8 areas, 30+ priority investments,
\$30 bn

Active investment calls

- ✓ Wind
- ✓ EVs
- ✓ Battery
- ✓ Semi-conductors

New investment calls

- ✓ Data center
- ✓ AI
- ✓ Quantum
- ✓ Industrial robot

Preferential Credit Policy

- Supporting investments in 284 medium-high and high tech products*
- TRY 500bn loan package
- 2Y grace, 10Y maturity, at 1/3 market interest rate

Green transition: Not a choice but a necessity

Total energy imports, 2003-2026*

Nearly
\$1.1 trillion

1.6x
*Total C/A
deficit*

2x
*Total external
debt*

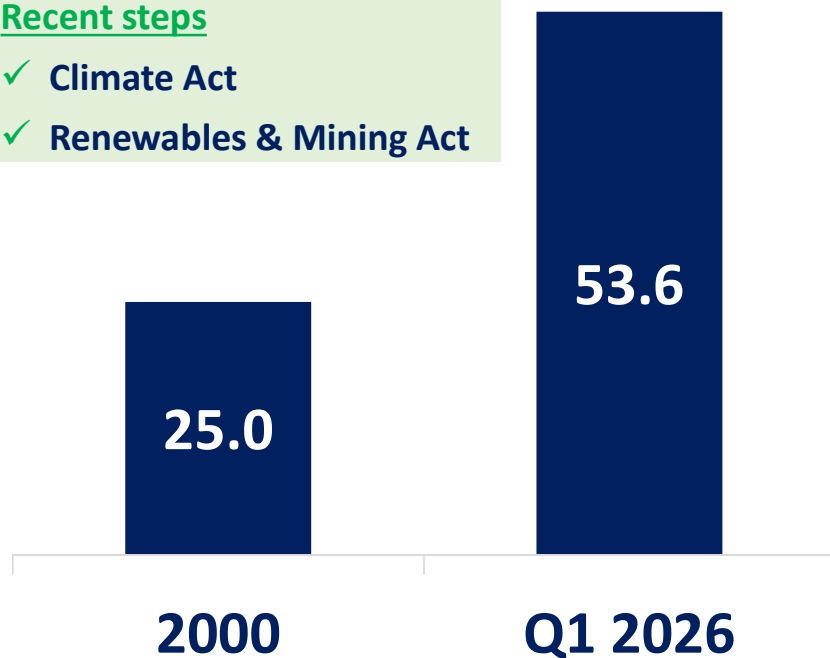
(*) Including 2026 estimates of deficit
Source: TURKSTAT

Green transition: Renewables

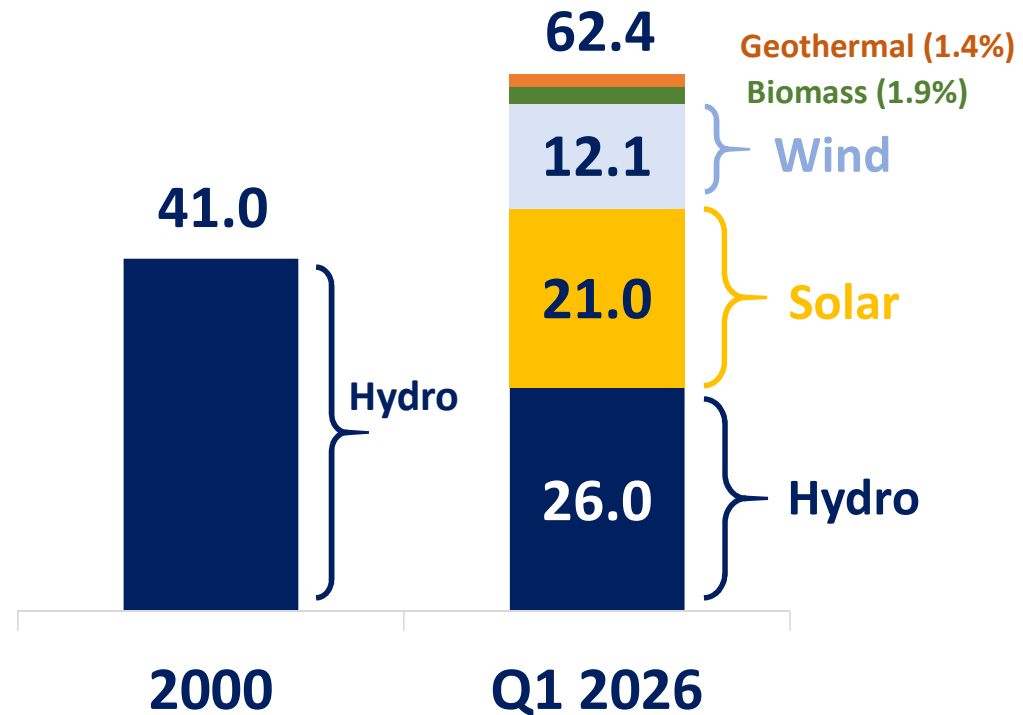
Share of renewables in electricity production (%)

Recent steps

- ✓ Climate Act
- ✓ Renewables & Mining Act

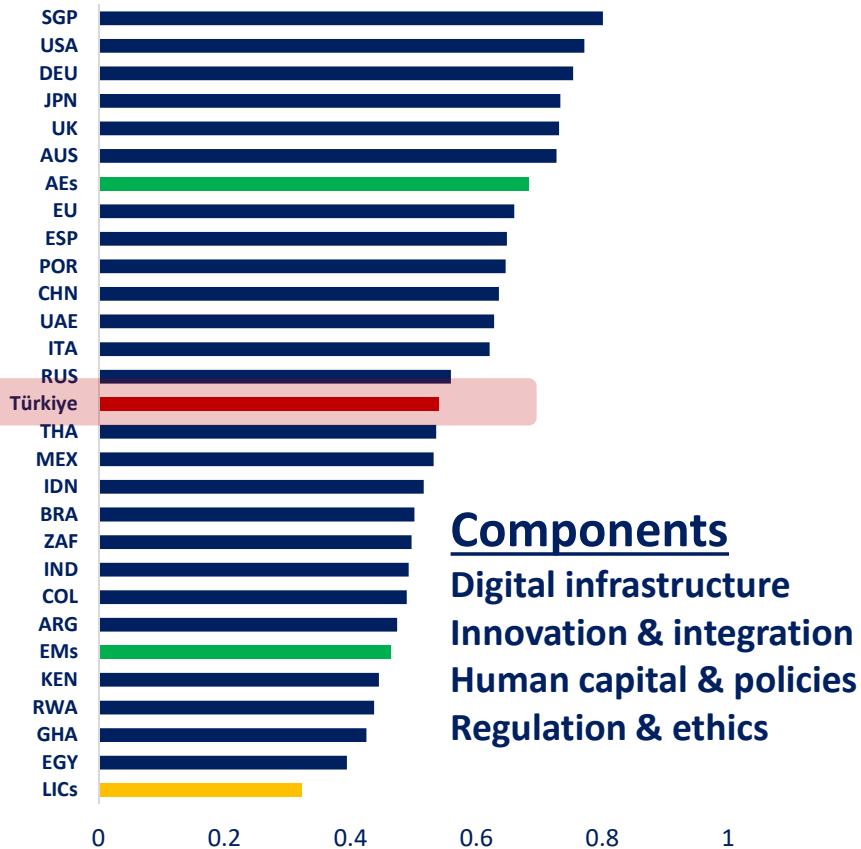


Share of renewables in installed capacity (%)



Digital transformation: Türkiye's roadmap

IMF AI Preparedness Index

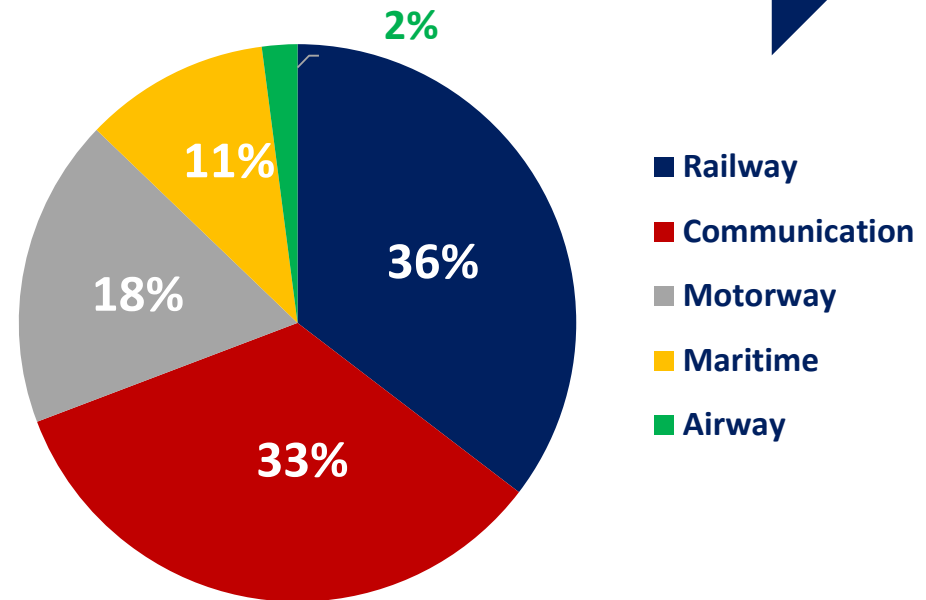


- Investing in 5G+
- Expanding fiber capacity
- Hyperscaler data centers
- Investing in nuclear power plants
- Incentivizing apps using LLM models

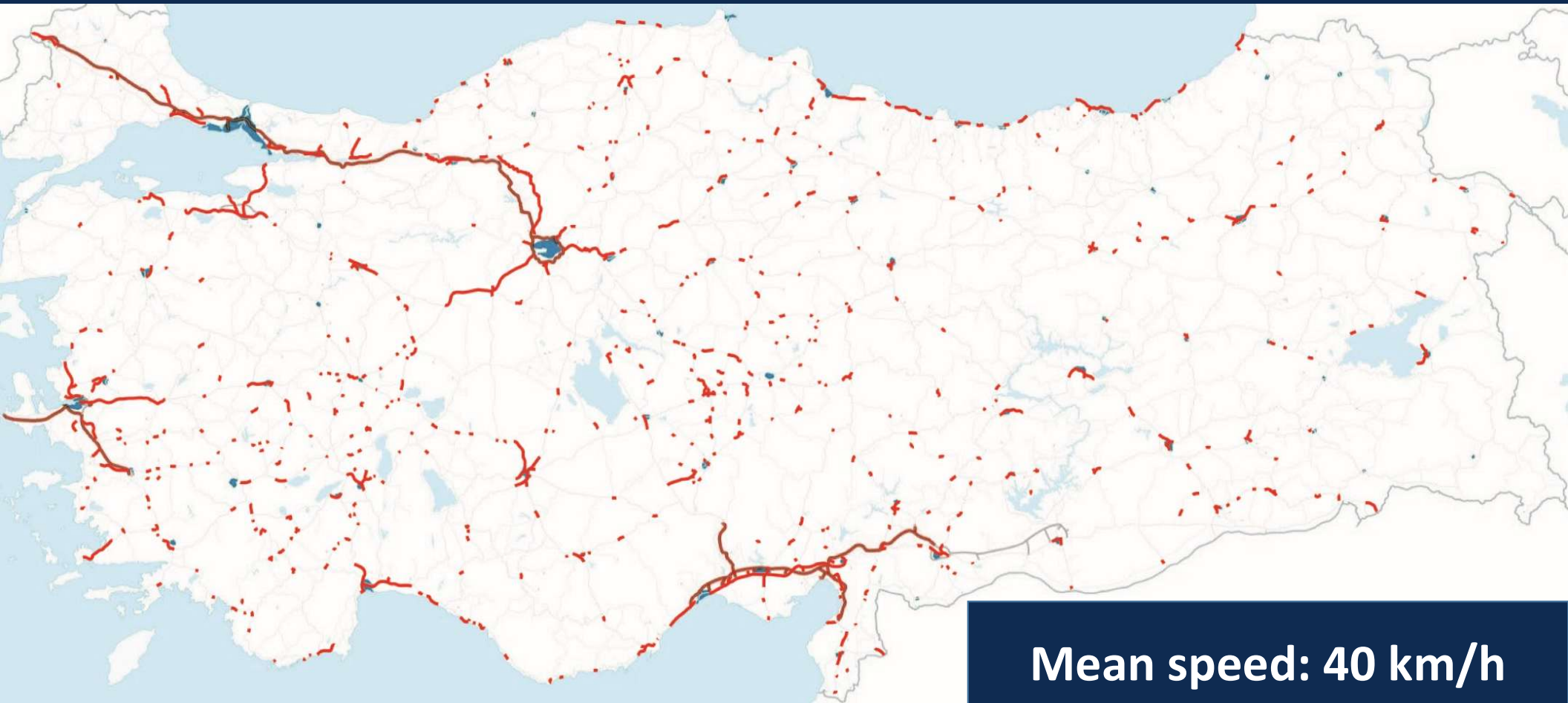
Investments in infrastructure



**TOTAL
INFRASTRUCTURE
INVESTMENTS UNTIL
2053
\$197bn**



Motorways & dual carriage highways (2000)



Mean speed: 40 km/h

Source: Ministry of Transportation and Infrastructure

Motorways & dual carriage highways (2025)



Mean speed: 93 km/h

Source: Ministry of Transportation and Infrastructure

Airports



 1923-2003

 2003-2024

 Under construction
Yozgat, Bayburt-Gümüşhane, Trabzon

2003

26



2025

58+3

Connecting manufacturing hubs to ports via railways



EXISTING
287 lines
446 km

UNDER CONSTRUCTION
9 lines
151 km

READY TO BE BUILT
10 lines
82 km

PLANNED
17 lines
189 km

Regional integration & connectivity



MIDDLE CORRIDOR
70 km/h, 12.500 km
18 days

DEVELOPMENT ROAD
70 km/h, 5.788 km
25 days

SOUTH CORRIDOR
13 miles/h, 11.011 miles
35 days, 7 hours

BEIJING-LONDON
Cape of Good Hope
13 miles/h, 14.327 miles
45 days, 22 hours

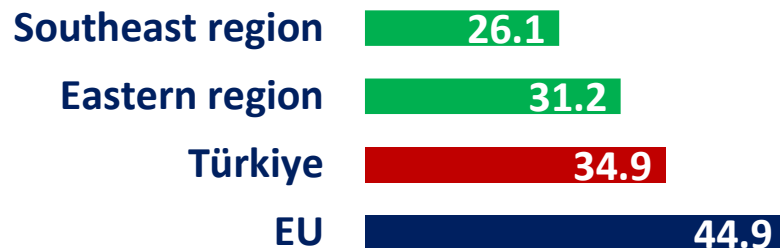
Significance of PKK disbanding & disarming itself

Türkiye's new engines of growth

Real GDP per capita growth rate
(annual average, 2004-2024, %)



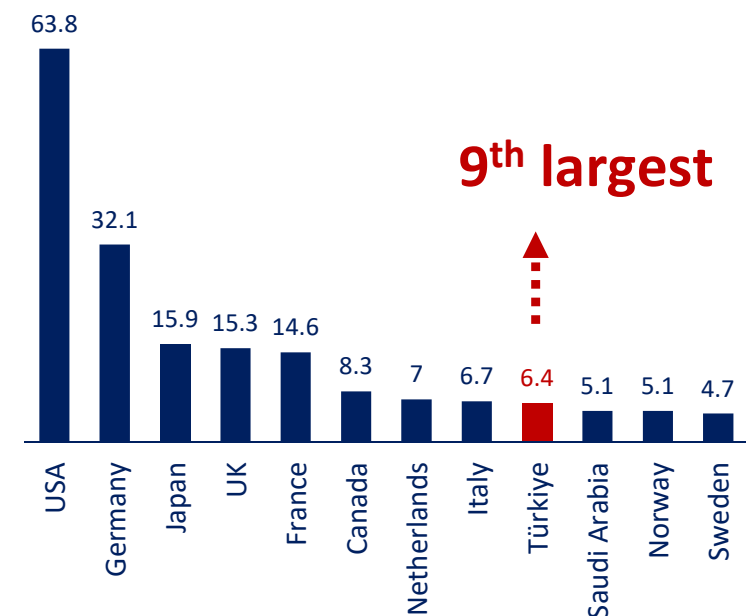
Median age (2025)



- New investment frontier
- Enhanced prospects for regional integration

Türkiye as an emerging soft power

Official Development Assistance (2024, \$ bn, constant 2023 prices*)

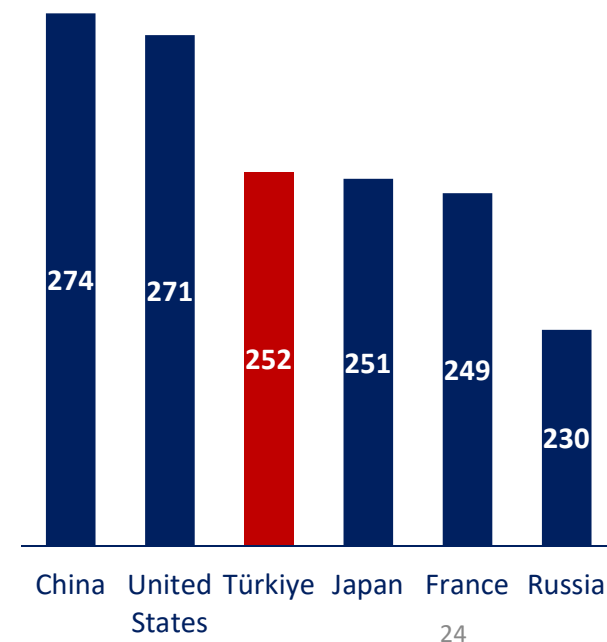


Turkish Airlines

With 356 destinations in 132 countries, Turkish Airlines runs the largest international network globally



Diplomatic Missions (number of total posts)

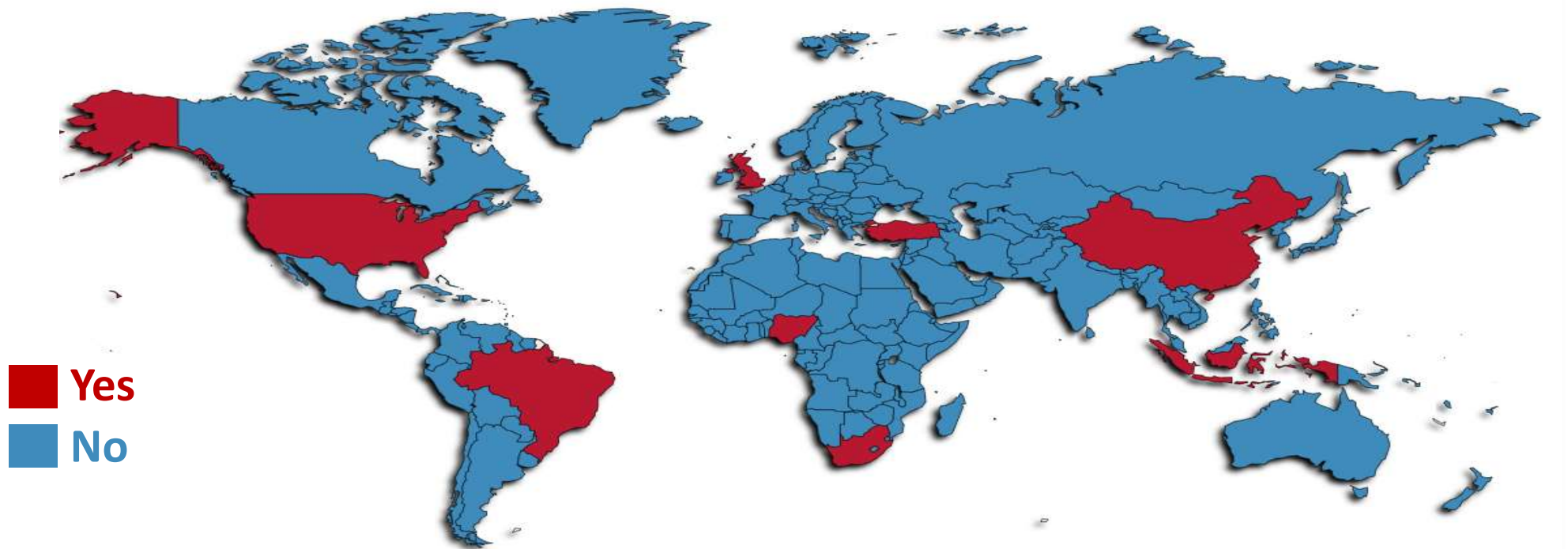


Why invest in Türkiye?

Countries with more GDP than all neighbors combined

Türkiye's GDP: \$1.6 trillion

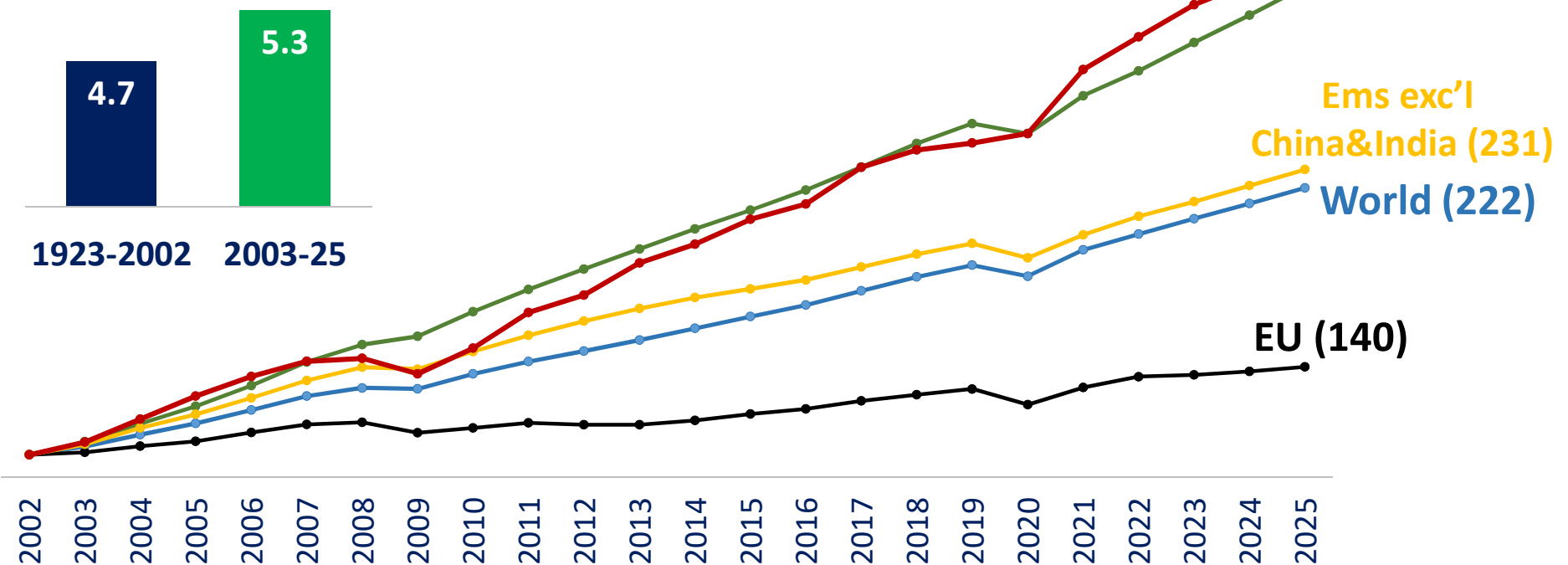
All neighbors combined: \$1.3 trillion



Strong growth performance



GDP (2002=100)

Average growth rate (%)

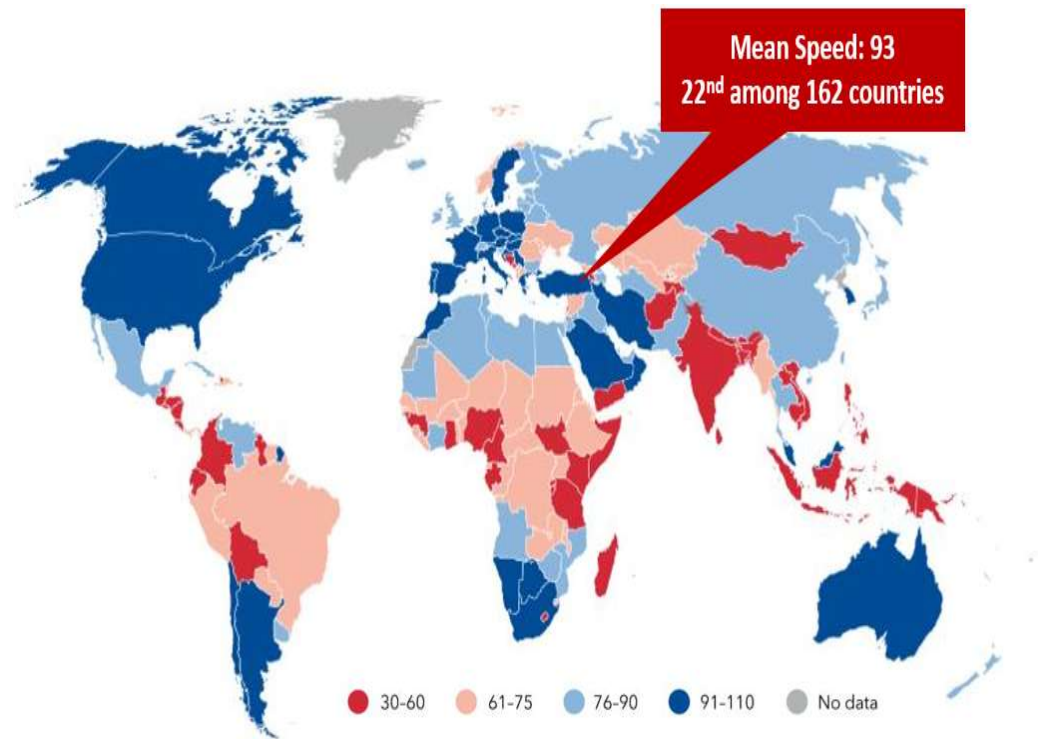


Quality infrastructure

The world's best-connected airports

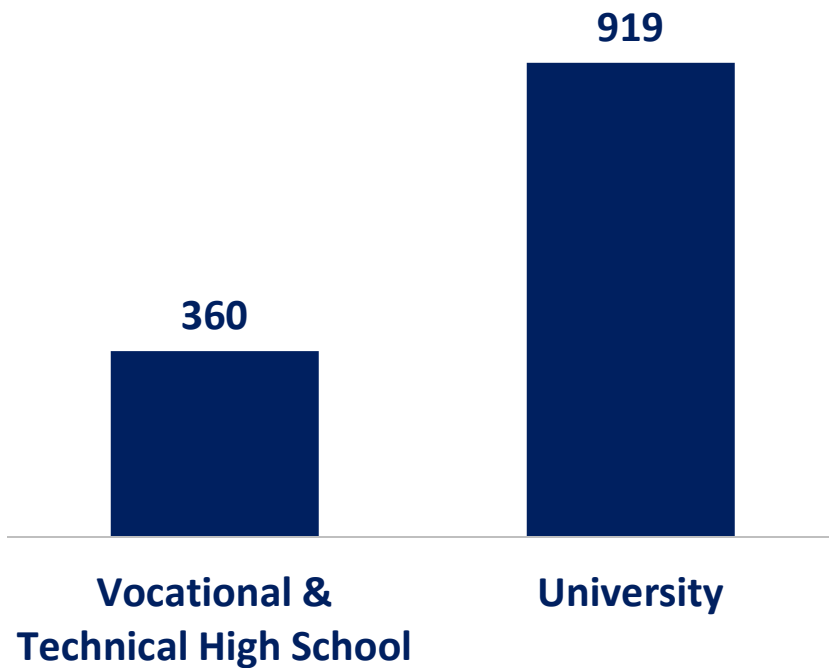
- 1  Istanbul
- 2  Frankfurt
- 3  Paris Charles de Gaulle
- 4  Amsterdam Schipol
- 5  Chicago O'Hare

The world's fastest roads (mean speed km/h)

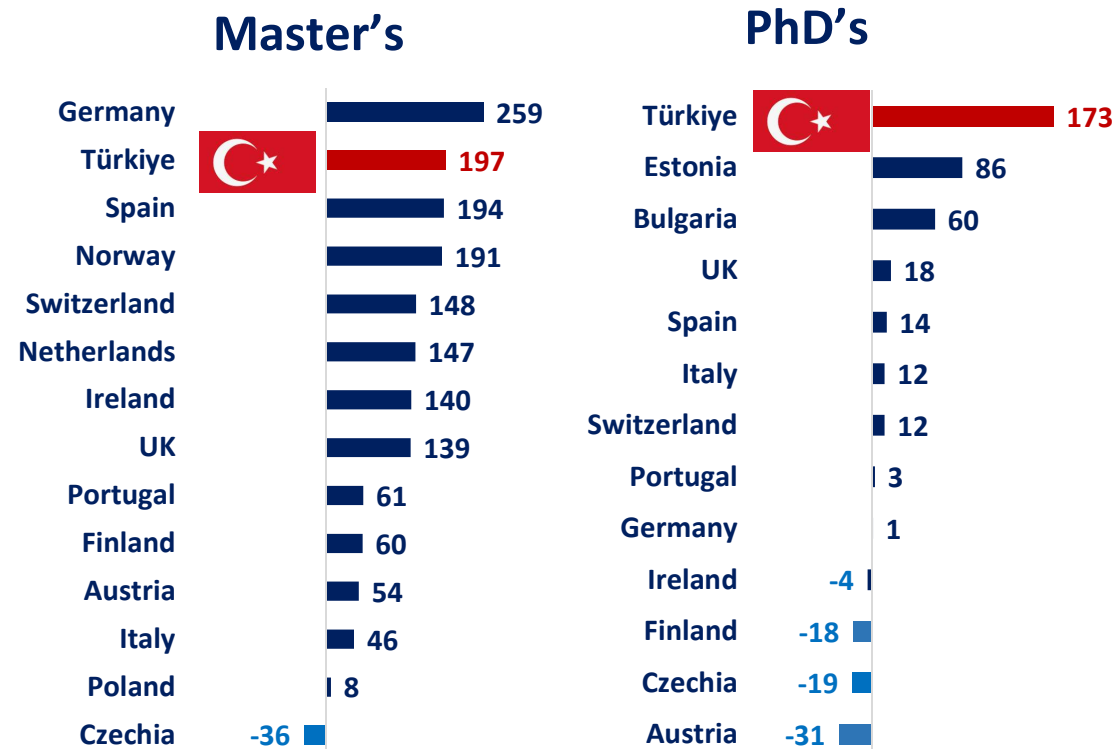


Large & increasingly better qualified labor force

of Graduates
(2024-2025, thousands)



Graduates of CS, CE, IT*
(%, 2012-22)



Source: Presidency of The Republic of Türkiye Investment Office, Stanford University, Artificial Intelligence Index Report, December 2024, *CS: Computer Science, CE: Computer Engineering, IT: Information Technologies

A regional hub for FDI

Over the past 23 years

✓ Nearly **87k** companies

✓ ~**\$300** bn in FDI

Türkiye's new investment framework

Four strategic initiatives



**EXPORT
MORE**



**ATTRACT
MORE**



**BRING IT
HOME**



**REGIONAL
CORE**

**GLOBAL
TÜRKİYE**

**TRADE
MORE**

Zero corporate income tax on transit trade

Istanbul Financial Centre



100% tax exemption

Outside the IFC

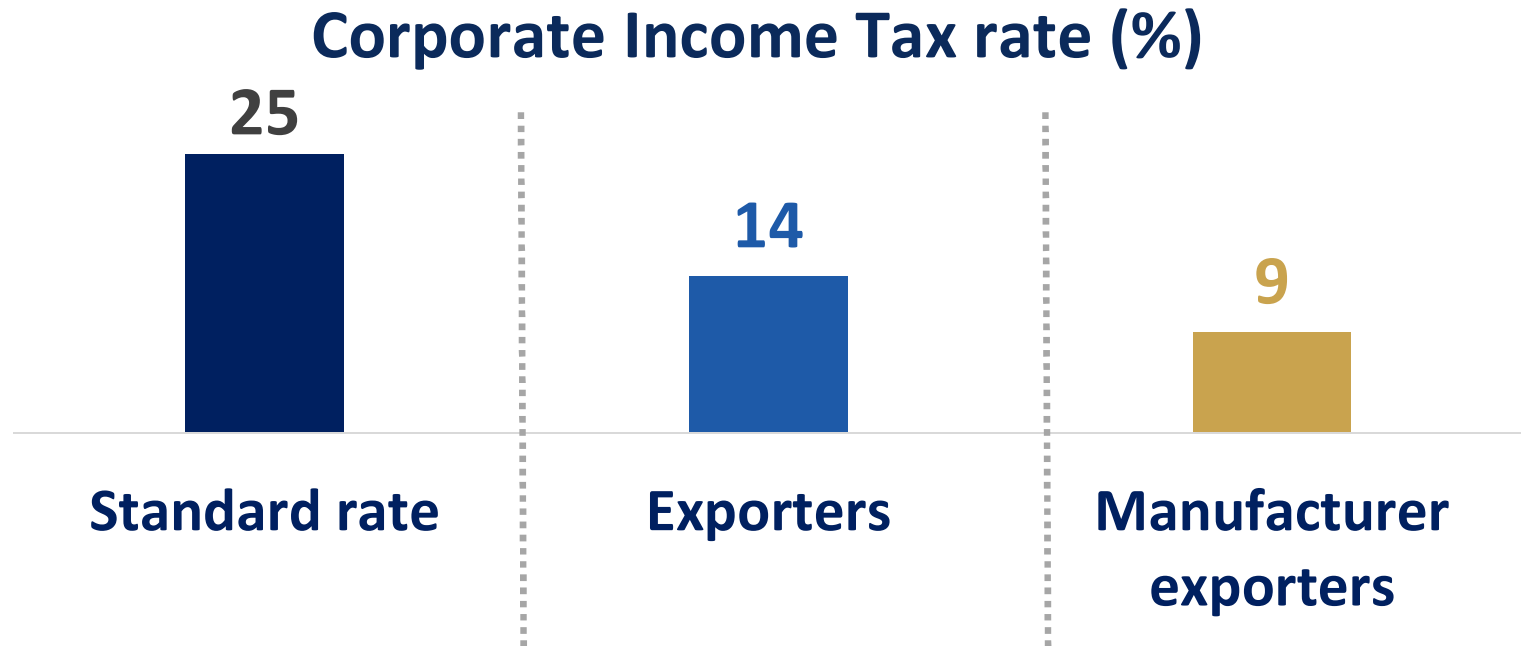


95% tax exemption

Aligning Türkiye with Singapore, Hong-Kong and the Netherlands as a competitive merchanting jurisdiction

**EXPORT
MORE**

Single digit CIT for manufacturer exporters



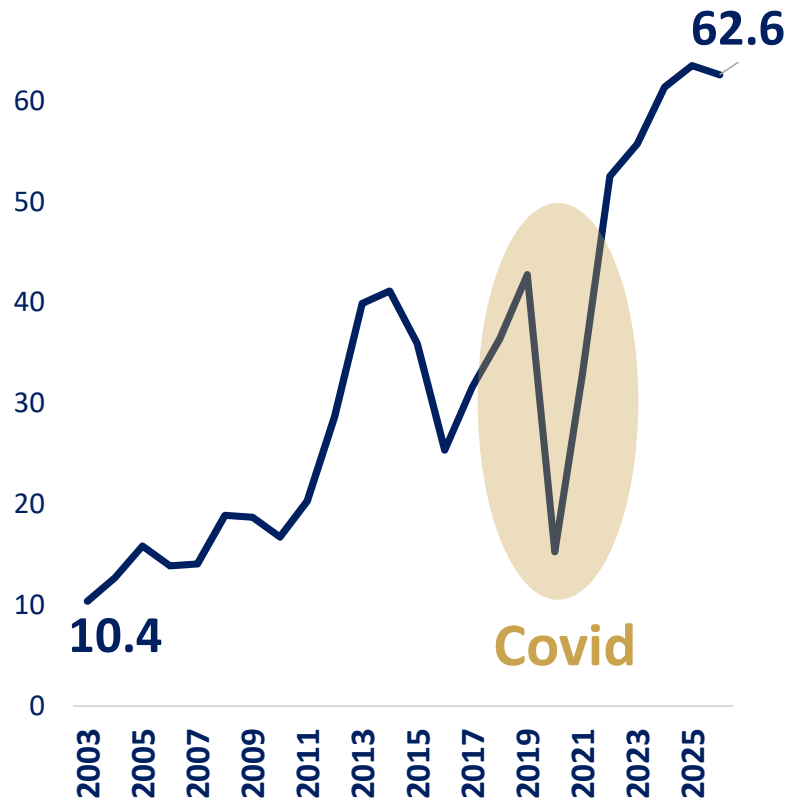
A targeted incentive to

- ✓ *make Turkish exporters more competitive*
- ✓ *attract FDI*

EXPORT MORE

100% tax exemption on services exports

Services surplus (annual, bn \$)



- ✓ Targets high-value services exports (i.e software, video gaming, medical tourism, education, engineering, design, and more)
- ✓ Captures resilient global trade flows, services over goods

**ATTRACT
MORE**

A regional headquarters regime for multinationals

- ✓ Corporate tax exemption for 20 years

Istanbul Financial Centre



100%

Outside the IFC



95%

- ✓ **Income tax exemption:** Zero tax up to **4x** the minimum wage (nearly \$3000)
- ✓ **Eligible activities:** Management, strategy, advisory, audit, supply-chain, HR
- ✓ **Eligibility criteria:** $\geq 80\%$ of revenue must come from abroad

Placing Türkiye in the same league as Singapore

SIMPLIFYING INVESTMENT PROCESSES

One stop-shop

- ✓ Transform Presidential Investment and Finance Office one-stop shop for investors
- ✓ *Reducing bureaucracy*

- Company formation
- Land allocation
- Work & residence permits
- Investment incentives
- Tax & social security
- Environmental approvals

**ATTRACT
MORE**

A 20-year non-dom window

20 years: Zero tax on foreign-source income for new residents

Local income: Only Turkish-source earnings are taxed

1% inheritance tax

Eligibility: No Turkish tax residency in the prior 3 years

The world's longest non-dom window (Italy & Greece 15 years), designed for entrepreneurs and high net worth individuals



**ATTRACT
MORE**

A new hub for start-ups

Digital company regime: Incorporate, operate and govern, all online

Employee Stock Option Plans (ESOPs): Tax-efficient employee equity

VC-friendly funding tools (streamlined convertibles)

Terminal İstanbul: The flagship start-up campus (Atatürk Airport)



***Built for entrepreneurs, built for capital,
built for talent***

**BRING IT
HOME**

Asset-repatriation framework

Attracting Turkish citizens' offshore wealth back to Türkiye

Eligible assets: Cash, gold and securities held abroad



Strengthening financial system

REGIONAL CORE

Creating a regional financial center

Istanbul Financial Centre

Transit trade: Exemption raised from 50% to 100%

Regional headquarters: 100% exemption introduced

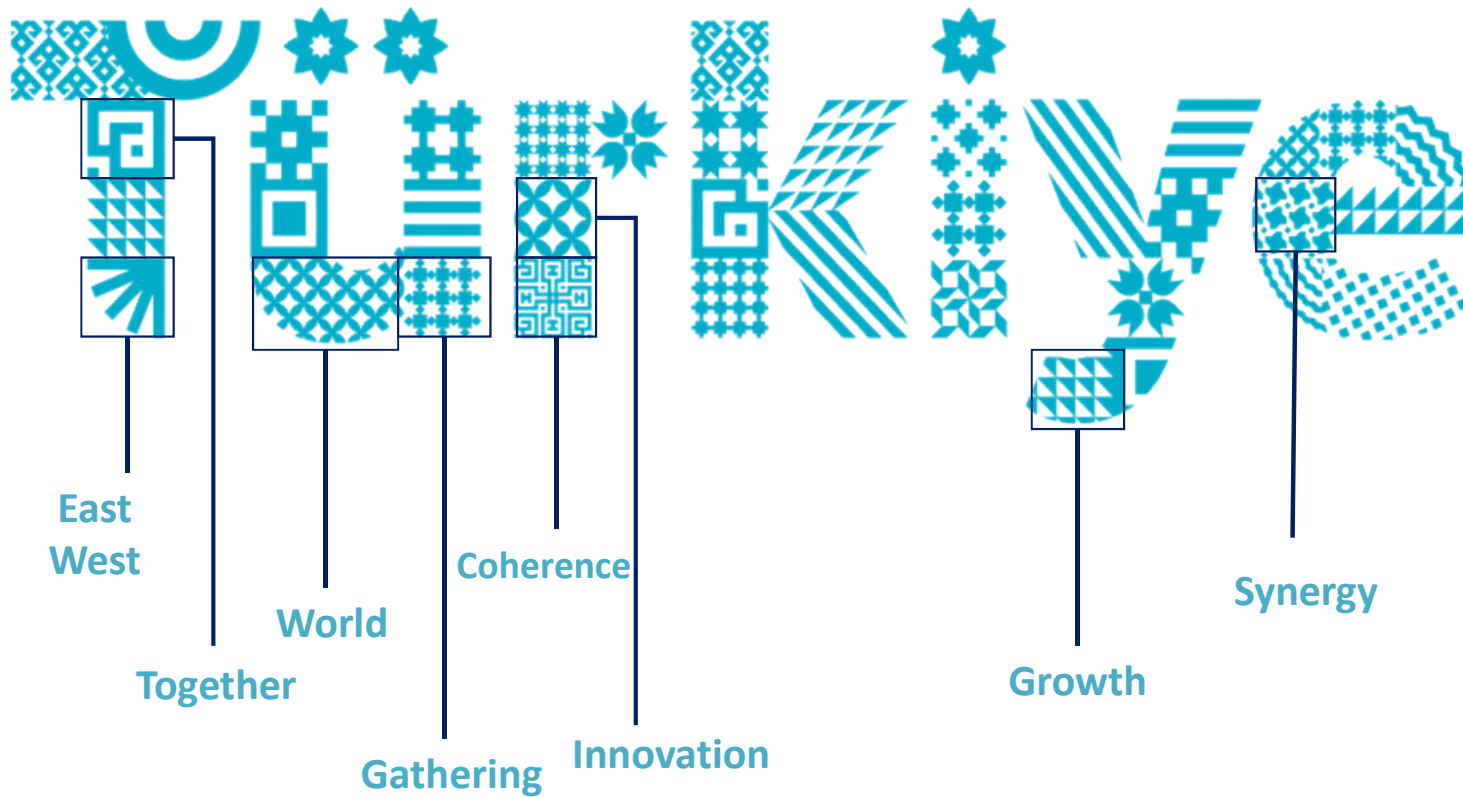
IFC tax incentives: Extended from 2031 to **2047**



Positioning Istanbul as the leading financial gateway across Europe, the Middle East, North Africa and Central Asia

In sum: This is not an incentive package, it is full economic positioning strategy

- **Tax architecture: Top-tier globally**
- **Duration: Long term certainty (20-year visibility)**
- **Scope: Full spectrum; goods, services, capital, talent**
- **Execution: Frictionless entry, investor-centric design**
- **Positioning: Regional financial & trade hub**



THANK YOU