

# TÜRKİYE LOGISTICS MARKET OVERVIEW

2022



## FOREWORD

*Dear Valued Readers,*

*A resilient, fast-growing economy, Türkiye offers business-friendly policies, a deep talent pool and global market access at the nexus of Europe, Asia and Africa to attract sustainable FDI. With its unique geo-strategic location, manufacturing capabilities and logistics infrastructure, Türkiye is at the center of economic activity in the region. As a result of strong fundamentals and decisive reform agenda, cumulative FDI inflows to Türkiye reached to USD 240 billion since 2003. Türkiye has become a regional R&D, design, manufacturing, logistics, and management hub of multinationals to run their operations in the wider region.*

*Türkiye's export volume stood at USD 36 billion in 2002, climbing to USD 225 billion in 2021. Its share in global exports has surpassed 1% for the first time in its history in 2021. The FDI inflow in 2021 was USD 14 billion which is a clear proof of V-shape recovery to pre-pandemic level. With 11 percent annual GDP growth, Türkiye has been the fastest growing economy in the G-20 countries in 2021. According to the Bounce Back rating in Global Manufacturing Risk Index, released by Cushman & Wakefield Plc to measure a country's ability to restart its manufacturing sector, Türkiye settled among top countries in rankings due to its economic conditions and infrastructure conducive to faster recovery, as you will find out in this report.*

*Türkiye has proven itself as a resilient player of global value chains with multinational companies shoring up their presence in the country in line with their strategies of nearshoring, regionalization and diversification. Given its strategic location that*

*unites three continents, Türkiye is coming to the world stage in the search for alternatives to the Asian-based production network. As is known, logistics is a key element of global value chains. Therefore, under the leadership of President Erdoğan, Türkiye has invested heavily in transport infrastructure over the last two decade, establishing domestic and international transport links. Motorways, high-speed railways, commercial ports and airports were established to make it easier to conduct business in Türkiye and the region.*

*Investing in transportation has remarkably transformed Türkiye's infrastructure landscape. Türkiye remains even more determined to improve it further in the coming days. Türkiye's logistics potential lies in the various demand drivers such as economic growth, its diverse and export-oriented industry base, strong retail market and a rapidly-growing e-commerce sector. E-commerce share in total retail sales rate in Türkiye has increased from 0.6% in 2010 to 7.8% in 2021. Turkish local e-commerce startups are growing globally. Last year, for instance, 3 of them have become unicorns by exceeding a billion-dollar valuation.*

*We believe that this report titled "Logistics Market Overview", authored in collaboration with Cushman Wakefield, aims to assist individuals and organizations wishing to invest in Türkiye by providing detailed and comprehensive information on the logistics industry in the country. Finally, I would like to extend a special thanks to the Cushman Wakefield Team for contributing to this guide by sharing their valuable expertise with us.*

*I would like to remind you that we, as the Investment Office of Türkiye, are always at your service at every stage of your investment journey in Türkiye.*



**A. Burak Dağlıoğlu**

President

The Presidency of the Republic of  
Türkiye Investment Office



## EXECUTIVE SUMMARY

The global Covid-19 pandemic continued to affect the economy throughout 2021. The industrial and logistics sectors have also faced a lot of global challenges such as disruption in supply chains, along with, container and chip shortages. Especially the automotive sector and other sectors were adversely affected by the supply chain disruption then, global shipping costs increased with freight prices tripled compared to the previous year and manufacturers have entered a bottleneck. At this stage, Türkiye has come to the fore with the advantage of its geopolitical position in line with the strong connectivity, business environment, regulatory, trade agreements, workforce and entered the lens of foreign manufacturers as a nearshore destination. Given Türkiye's significance as a manufacturing and logistics hub, several investment plans by global manufacturers including Chinese smartphone manufacturers, European apparel and pharmaceutical players have been announced in 2021.

The evolving landscape of e-commerce logistics recorded in 2021 has kept growing as the omnichannel retail players have retained and expanded their market share. In that line, as the demand for qualified storage areas increases, technology and automation investments are expected to increase in parallel with new warehouse development projects. In addition, investments in transfer centers and regional warehouses will increase in the axis of developing e-commerce activities.

Growing exports, expanding e-commerce and the recent nearshoring trend have been key demand drivers for quality warehouse space in Türkiye. Ongoing demand in the quality warehouse will further accelerate not only from 3PL providers, food retailers, or e-commerce platforms but also from manufacturers and other end users. Quality warehouse supply however has always been limited and last-mile delivery and urban logistics are expected to play a key role in distribution strategies.

Warehouse rents have increased every quarter and the last quarter of 2021 recorded a 15.8% increase year on year on a USD basis despite significant inflation pressure and recent foreign currency exchange volatility at the end of 2021. The upward trend is expected to remain in warehouse leasing activity and rent levels for the foreseeable future.

Occupier demand is likely to further fuel new developments which have accelerated again in the latter part of 2021. Interest from investors in logistics assets has increased on the back of strong occupier demand and higher rent levels and is expected to result in even more development activity in the short to medium term.

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# 10 THINGS YOU SHOULD KNOW ABOUT TÜRKİYE



Türkiye has the 2<sup>nd</sup> largest population in Europe

**84.7** MILLION

24 more provinces with a population

**1** MILLION OR MORE

Out of the population...

**45%** is below the age of 30

**22%** is below the age of 15

Istanbul has a total grade A office supply of **6.46** MILLION SQM about 1/3 of Moscow's

Türkiye has the 11<sup>th</sup> largest in the World with

**\$720** BILLION

GDP per capita \$8,597

There are **439** shopping centres in Türkiye with more than 13.7 million sqm or 160 sqm per 1,000 population, Türkiye has the first largest shopping centre pipeline in EMEA

## 10 THINGS YOU NEED TO KNOW ABOUT TÜRKİYE



Türkiye is the only country with 2 destinations in top 10 and 6<sup>th</sup> most visited country\*

Istanbul is the 8<sup>th</sup> most visited city **14.9** MILLION

Antalya\* is the 10<sup>th</sup> most visited city **12.4** MILLION \*UNWTO 2019



With more than **323** direct connections

Turkish Airlines offers the most direct flight connections across the World

1.3 billion people and \$26T GDP in Europe, MENA and Central Asia at 4 hour flight distance



Manufacturing & export & management hub for multinationals **\$172** BILLION

Merchandise export **35** BILLION

Number of export products over \$1 BILLION

**16** DIFFERENT TIME ZONES

Covered within one working day in Türkiye, follow Hangseng to NYSE stock exchange in one day



**ISTANBUL** is the largest city with a population of **15.84** MILLION Istanbul is within 4 hours flight time each to London and Dubai

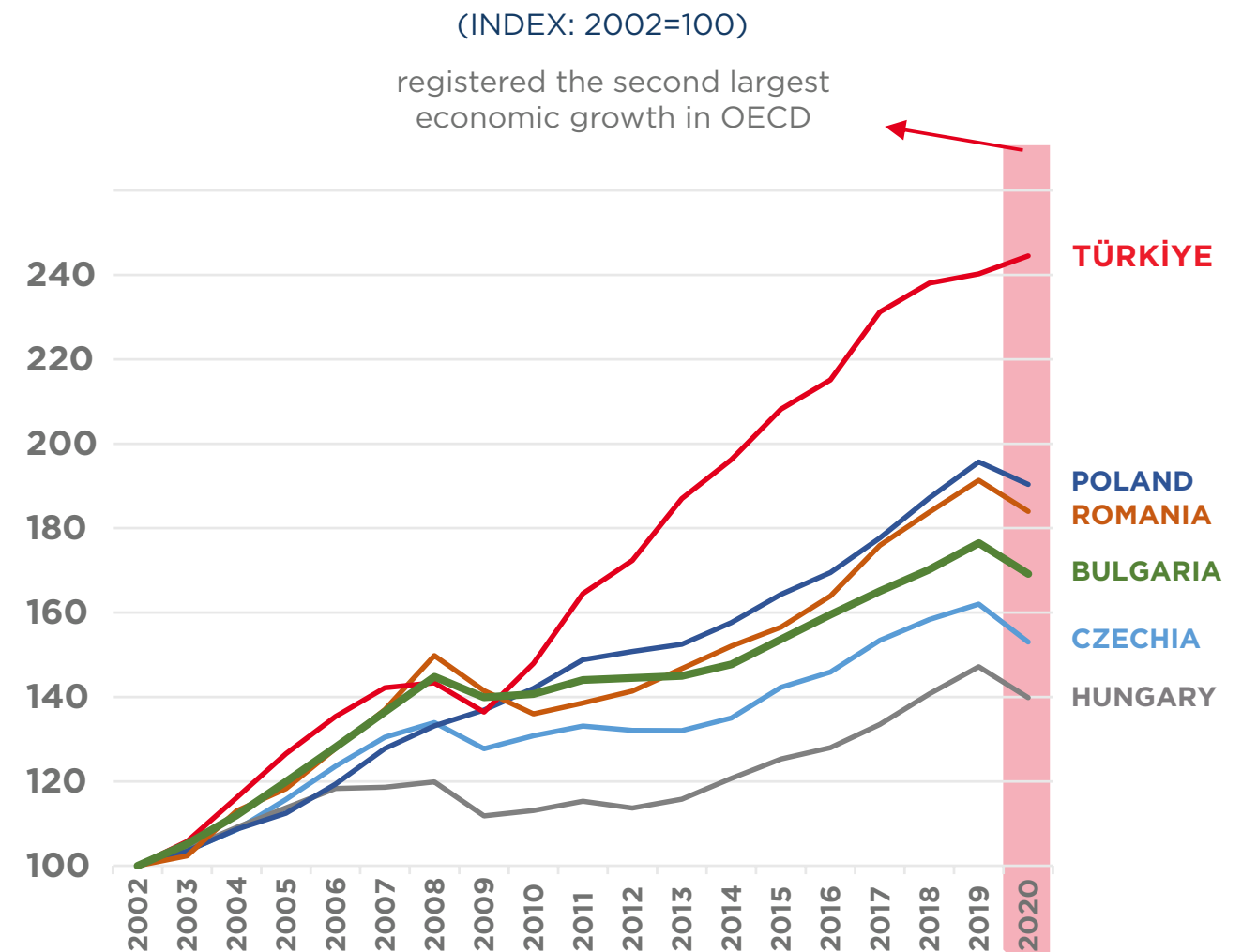
# ECONOMIC POTENTIAL OUTPUT OF TÜRKİYE

11th largest economy in the World

## RANKING OF ECONOMIES BY GDP AT PPP

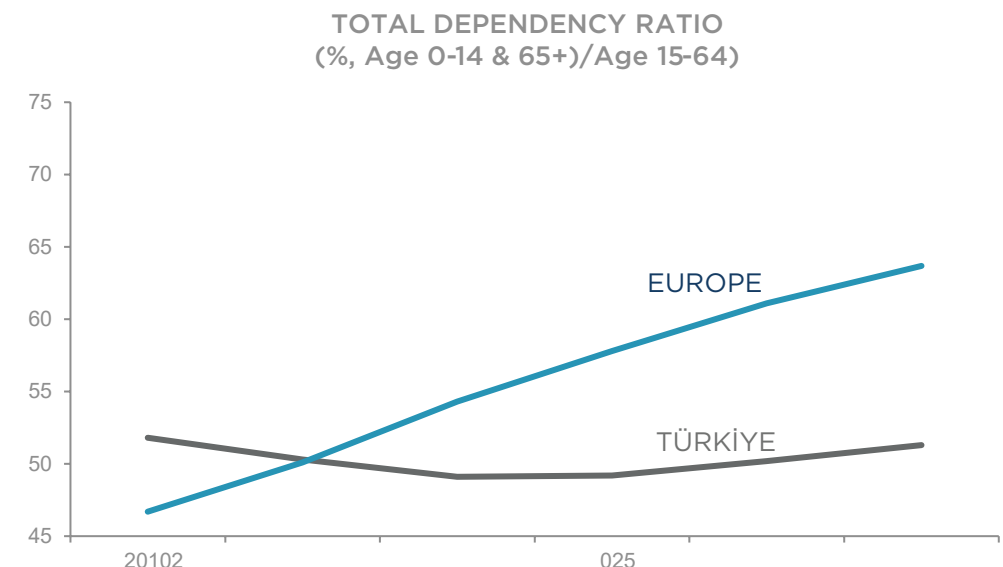
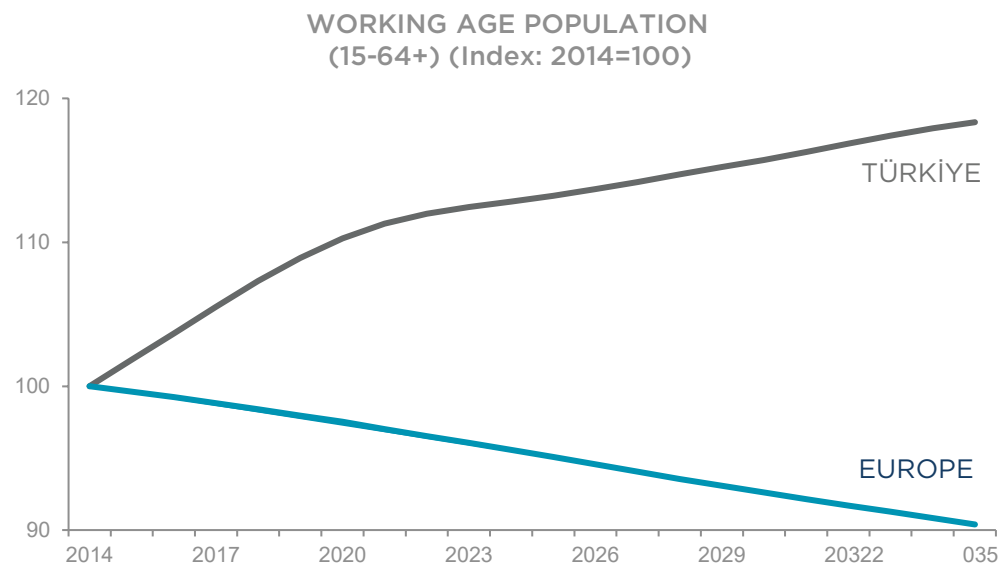
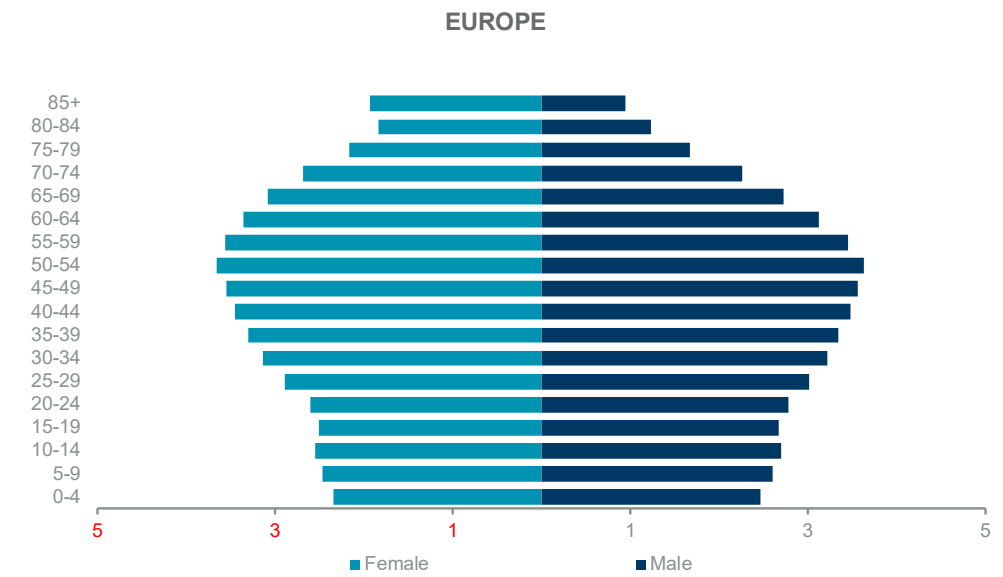
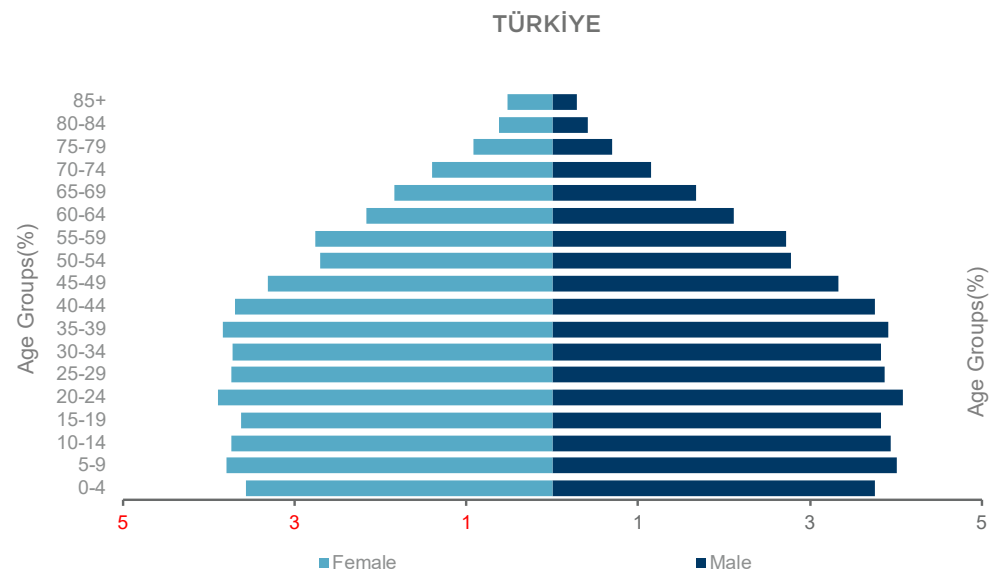
2003		2019		2020	
1.	USA	1.	CHINA	1.	CHINA
2.	CHINA	2.	USA	2.	USA
3.	JAPAN	3.	INDIA	3.	INDIA
4.	GERMANY	4.	JAPAN	4.	JAPAN
5.	INDIA	5.	GERMANY	5.	GERMANY
6.	RUSSIA	6.	RUSSIA	6.	RUSSIA
7.	FRANCE	7.	INDONESIA	7.	INDONESIA
8.	UK	8.	BRAZIL	8.	BRAZIL
9.	BRAZIL	9.	UK	9.	FRANCE
10.	ITALY	10.	FRANCE	10.	UK
11.	MEXICO	11.	MEXICO	11.	<b>TÜRKİYE</b>
12.	INDONESIA	12.	ITALY	12.	ITALY
13.	SPAIN	13.	<b>TÜRKİYE</b>	13.	MEXICO
14.	CANADA	14.	S.KOREA	14.	KOREA
15.	S.KOREA	15.	SPAIN	15.	CANADA
16.	S.ARABIA	16.	CANADA	16.	SPAIN
17.	IRAN	17.	S.ARABIA	17.	S.ARABIA
18.	<b>TÜRKİYE</b>	18.	IRAN	18.	AUSTRALIA

## AVERAGE ANNUAL GDP GROWTH (%) 2002-2020



# FAVORABLE DEMOGRAPHICS

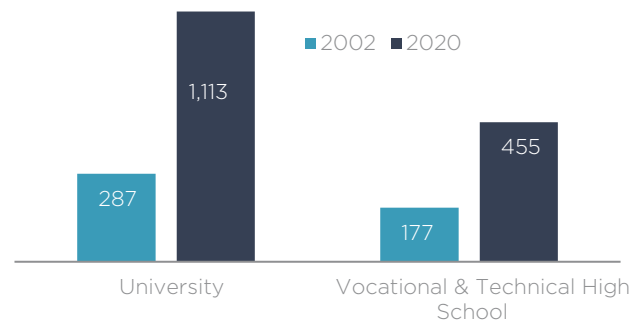
HALF OF POPULATION UNDER AGE OF 32.7 CREATING DYNAMIC LABOR FORCE AND FISCAL DISCIPLINE



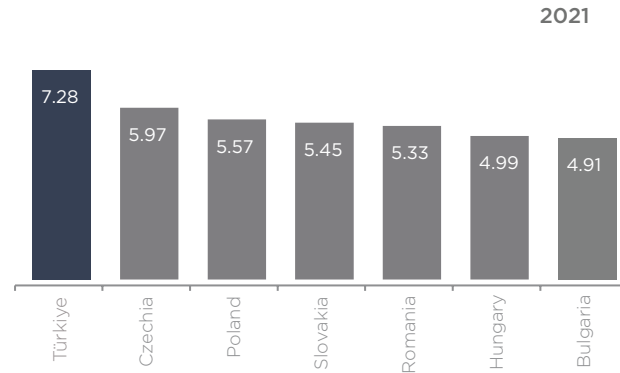
Source: Turkstat, Eurostat, UN, 2019

# SKILLED WORKFORCE

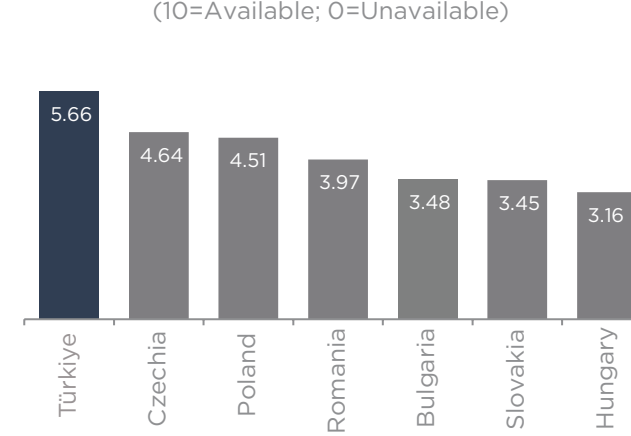
ANNUAL NUMBER OF GRADUATES (thousands)



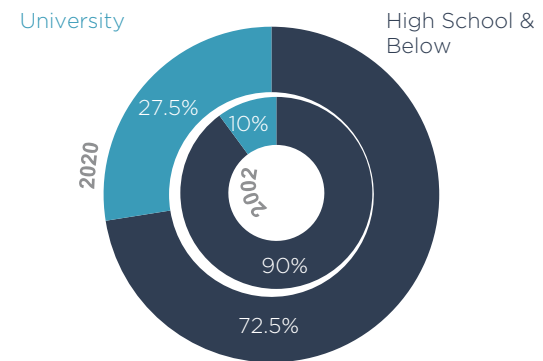
AVAILABILITY OF QUALIFIED ENGINEERS (10=Available; 0=Unavailable)



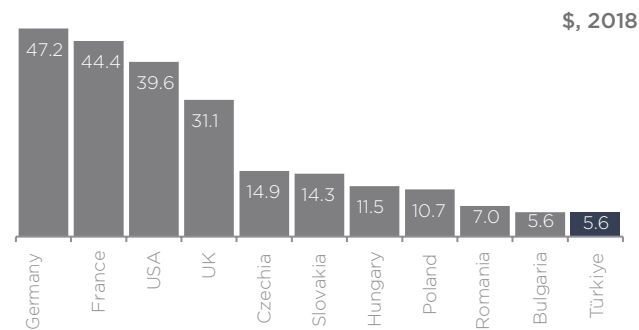
AVAILABILITY OF COMPETENT SENIOR MANAGERS (10=Available; 0=Unavailable)



LABOR FORCE BY EDUCATION LEVEL

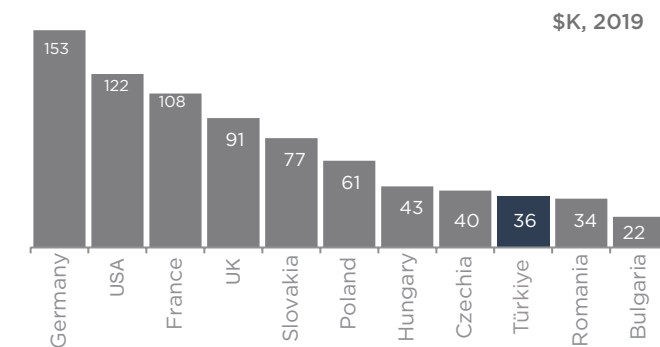


LABOR COST PER HOUR IN MANUFACTURING \$, 2018



REMUNERATION OF MANAGEMENT/ENGINEER

Total base salary plus bonuses and long-term incentives





# HUB FOR MULTINATIONALS TO MANUFACTURE, EXPORT AND MANAGE

## WORKING HOURS INTERSECT WITH 16 TIME ZONES

### PROXIMITY TO MAJOR MARKETS

1.3 billion people  
and \$26T GDP in  
Europe, MENA and  
Central Asia at 4 hour  
flight-distance

### CONNECTIVITY

Turkish Airlines  
connects you to 323  
destinations in 127  
countries

### MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

### AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS



# SECTOR OVERVIEW

## INDUSTRIAL & LOGISTICS MARKET

- + Türkiye ranks 40th in Economic Complexity Rankings (ECI)
- + Potential 'Global Logistics Hub'
- + Increased infrastructure investments
- + Fast growing e-commerce
- + Mainly owner-occupied warehouses
- + Large population base, wide labor pool

### MAJOR LOGISTICS COMPANIES

LOCAL FREIGHT FORWARDERS	DISTRIBUTION FREIGHT OUT OF TÜRKİYE
	
	
	
	
	
	
	
	
	
	
	

# BENIGN R&D ECOSYSTEM

R&D INCENTIVES ARE FURTHER SUPPORTED BY A FAVORABLE ECOSYSTEM

SELECTED FOREIGN COMPANIES CONDUCTING R&D IN TÜRKİYE				
AUTOMOTIVE	CONSUMER GOODS	ENERGY	CHEMICALS	AUTO AND TRUCK PARTS MANUFACTURER

SELECTED FOREIGN COMPANIES CONDUCTING R&D IN TÜRKİYE			
FOOD COMPANY	PHARMACEUTICAL	ENGINEERING & ICT	TRANSPORTATION

# INFRASTRUCTURE

## KEY INVESTMENTS



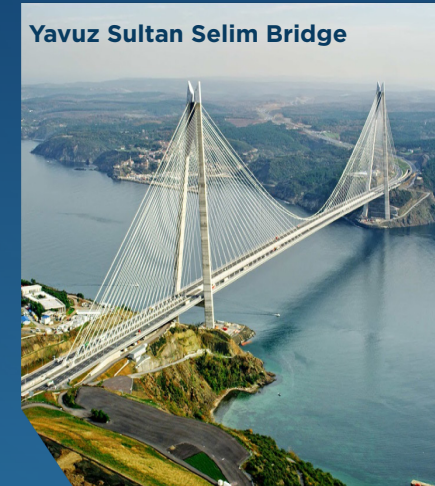
**Istanbul Airport**

Set to become world's largest airport

Annual capacity of 150 million passengers when all phases are completed

Commissioned in April 2019

Investment of \$6.5 billion



**Yavuz Sultan Selim Bridge**

3rd Bosphorus Bridge - 95 km-long motorway featuring a bridge for rail & motor vehicle transit over Bosphorus

Commissioned in August 2016

Investment of \$3.5 billion

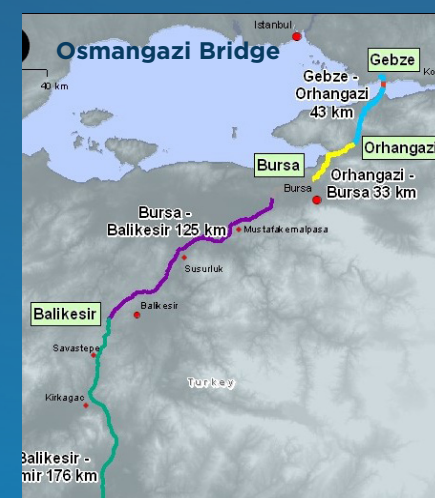


**Marmaray & Eurasia Tunnels**

Double-deck underwater tunnel connecting Asia & Europe in Istanbul

Commissioned in December 2016

Investment of \$1.2 billion



**Osmangazi Bridge**

427 km-long motorway connecting Istanbul, Bursa & Izmir via world's 4th longest suspension bridge

All phases are under operation



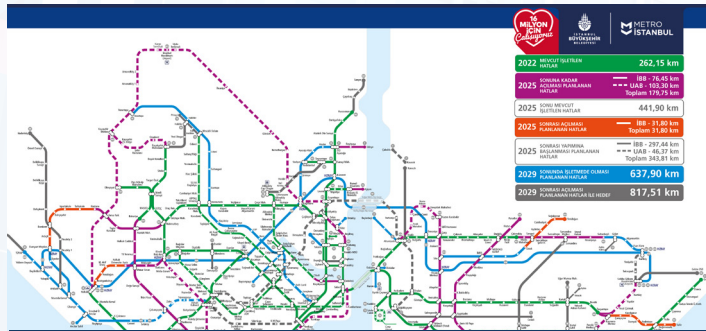
**Middle Corridor**

Route of First Train: China H.C. (Xi'an) -Kazakhstan- TÜRKİYE- Azerbaijan-Georgia-Bulgaria-Serbia-Hungary-Slovakia Czech Republic (Prague); 11,500 km

# KEY INVESTMENTS

# TRANSPORTATION LANDSCAPE

INVESTING IN TRANSPORTATION HAS REMARKABLY TRANSFORMED TÜRKİYE'S INFRASTRUCTURE LANDSCAPE, YET TÜRKİYE IS DETERMINED TO IMPROVE IT FURTHER



Istanbul Metro Network



Turkstream



PPP Healthcare Projects - 18 Medical Campuses across Türkiye



Airport Projects Across



North Marmara Highway



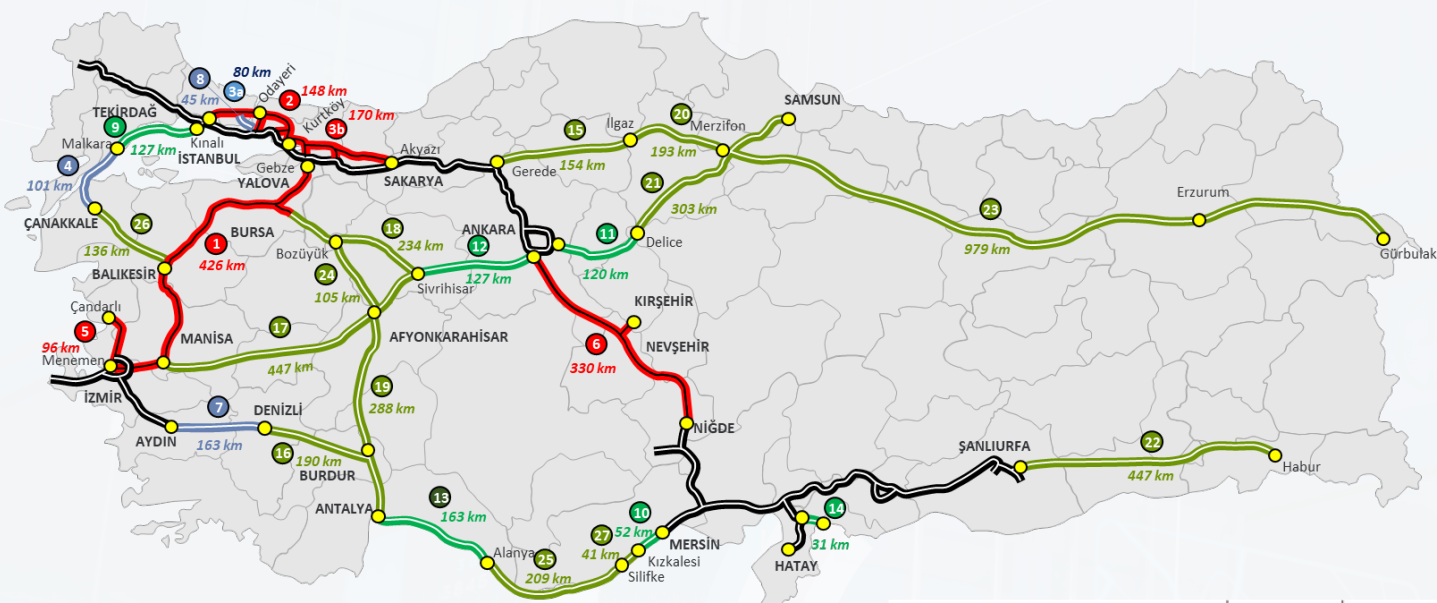
1915 Çanakkale Bridge

	2002	2021
DUAL CARRIAGEWAY	6.101 km	28.546 km
HIGH SPEED RAILWAY	0 km	1.213 km
MARITIME CONTAINERS TRANSPORT	190 million Tons	526 million Tons
NUMBER OF AIRPORTS	26	56

Source: Ministry of Transport and Infrastructure

# MOTORWAY MAP OF TÜRKİYE

AROUND 5,000 KM IS IN THE PIPELINE OFFERING SIGNIFICANT OPPORTUNITIES.



Source: Ministry of Transport and Infrastructure

	Already Completed	2.282 km	3.523 km
	Completed BOT Projects	1.241 km	
	Continuing BOT Projects	318 km	4.664 km
	Target 2023	620 km	
	Target 2035	3.726 km	
<b>TOTAL</b>			<b>8.187 km</b>

The total length of highways currently in service is 3,523 km. Following the completion of the highway projects under construction and planning stages, it is aimed to increase the total length of the highway to 4,461 km in 2023 and 8,187 km in 2035.

# RAILWAY MAP OF TÜRKİYE

IS COMMITTED TO TRANSFORMING ITS RAIL TRANSPORT INFRASTRUCTURE FROM CONVENTIONAL TO HIGH SPEED.

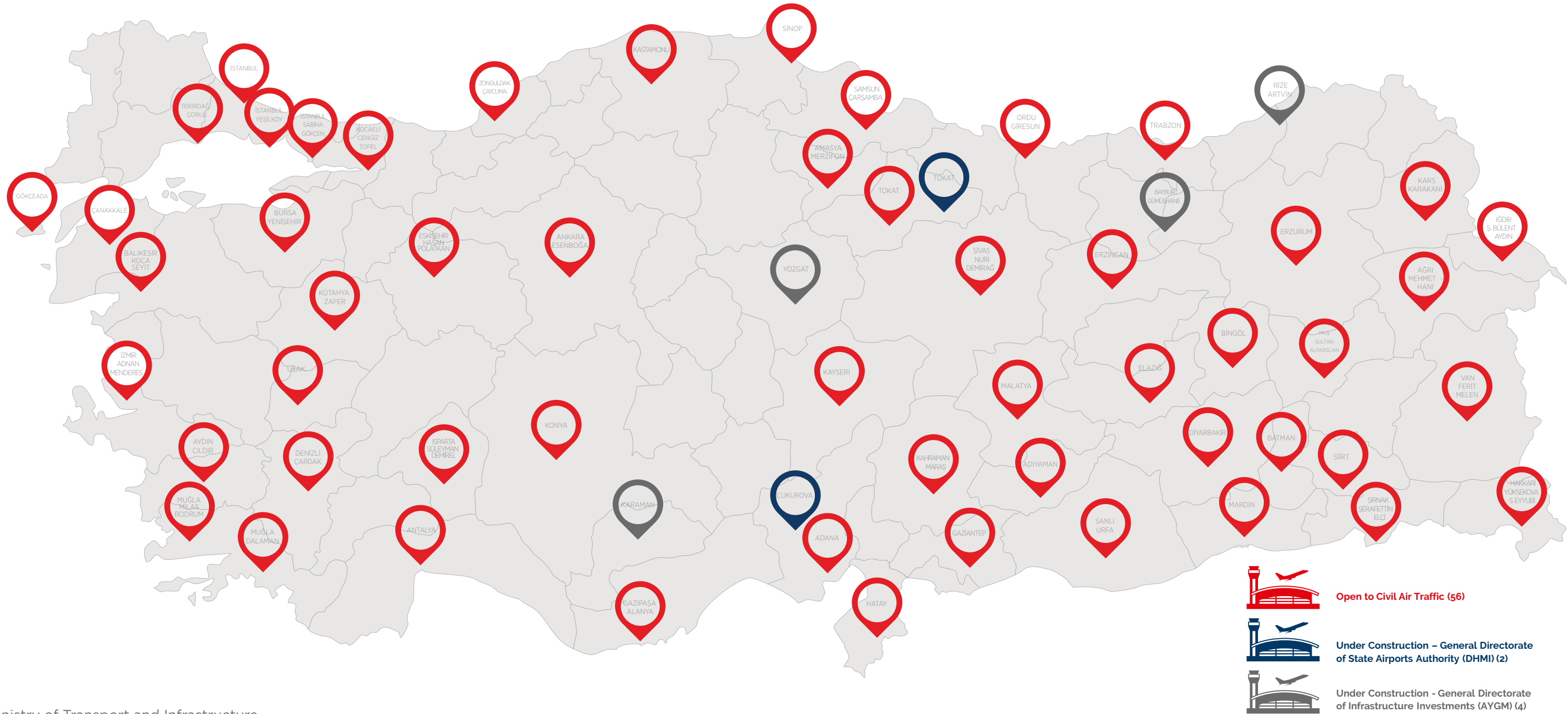


Source: Ministry of Transport and Infrastructure

	Existing Conventional Railway.....	(14,273 KM)
	Existing High Speed Railways .....	(1,213 KM)
	Under Construct .....	(3,872 KM)
	Project Phase Completed .....	(3,567 KM)
	Preliminary Surveys and Studies.....	(6,682 KM)

# AIRPORT MAP OF TÜRKİYE

TÜRKİYE HAS SIGNIFICANTLY IMPROVED AND UPGRADED ITS AIRPORT INFRASTRUCTURE AND CONTINUES TO INVEST IN AIRPORTS



Source: Ministry of Transport and Infrastructure

## DEMAND

## MANUFACTURING

- + Türkiye's logistics potential lies in the various demand drivers such as economic growth, its diverse and export-oriented industry base, strong retail market and a rapidly growing e-commerce sector.
- + Türkiye's strategic location and ongoing infrastructure investments support this.
- + Diverse industry base, Türkiye ranks 48<sup>th</sup> in Economic Complexity Rankings (ECI)
- + Key Industries
- + Automotive 1.5m units/year
- + Life Sciences market >₺35.5b
- + Agriculture & Food >6.4% of GDP
- + Machinery \$13.4b export p.a.
- + Location selection
- + Supply chain
- + Infrastructure
- + Work force
- + Government incentive programs





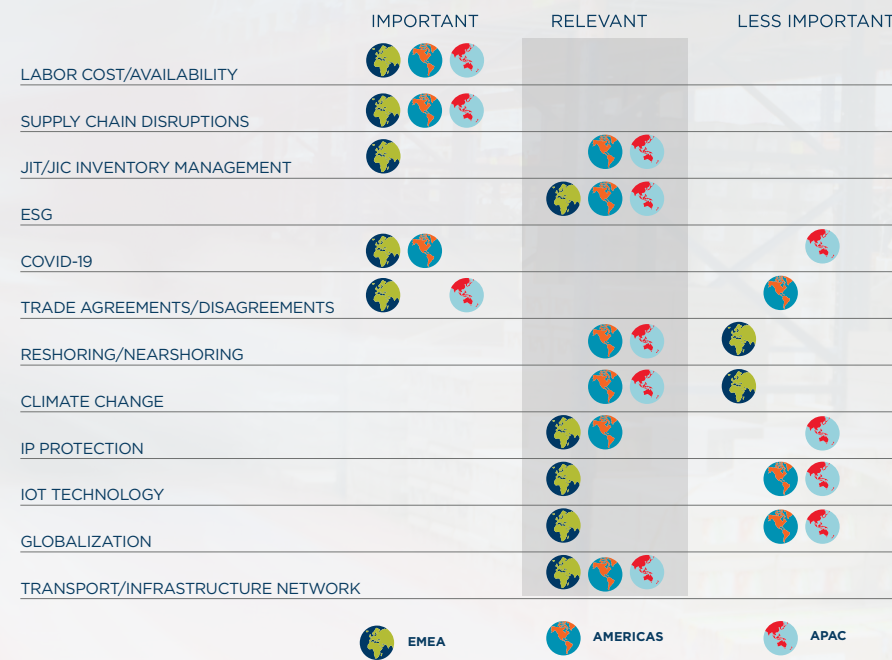
# MANUFACTURING RISK INDEX / GLOBAL MANUFACTURING TRENDS

As the COVID-19 pandemic continues to underscore the manufacturing sector’s reliance on global production lines and supply chains, qualified location decisions remain vital for manufacturers seeking to safeguard output and maintain growth.

Global Manufacturing Risk Index assesses the most advantageous locations for global manufacturing among 47 countries in Europe, the Americas and Asia Pacific.

Within the following report, countries are assessed based on four key areas:

- + Bounce Back:** Projected ability to restart manufacturing operations as vaccines are rolled out and business begins to return to normal.
- + Conditions:** Business environment, including the availability of talent/labor and access to markets.
- + Costs:** Operating costs including labor, electricity and real estate.
- + Risks:** Political, economic and environmental.



## 1) MEASURING THE BOUNCE BACK

### DESCRIPTION AND WEIGHTINGS :

The Bounce Back rating measures a country’s ability to restart its manufacturing sector. Those with economic conditions and infrastructure supportive of a faster recovery are at the top of the ranking, while those with more obstacles to achieving a full recovery are at the bottom.

TOP QUARTILE	SECOND QUARTILE	THIRD QUARTILE	FOURTH QUARTILE
China	United States	Greece	Sri Lanka
Ireland	Hungary	Brazil	Mexico
Netherlands	United Kingdom	South Korea	Vietnam
Canada	Switzerland	Slovakia	Indonesia
Denmark	Lithuania	Argentina	Bulgaria
Singapore	Portugal	Australia	India
Finland	Austria	Japan	Thailand
Norway	Italy	Romania	Tunisia
Belgium	Poland	Morocco	Peru
Sweden	Czech Republic	Malaysia	Philippines
Türkiye	Spain	Russian Federation	Venezuela
Germany	France	Colombia	

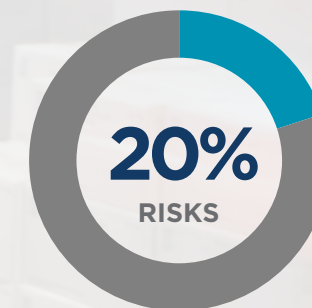
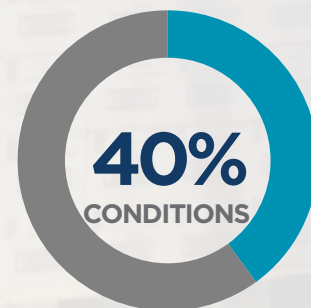
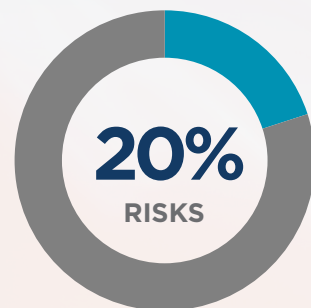
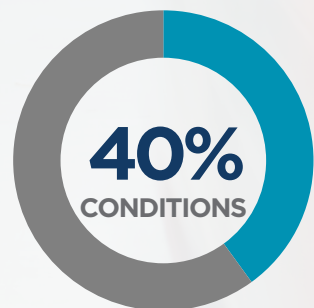
2) BASELINE

DESCRIPTION AND WEIGHTINGS :

The Baseline scenario gives equal importance to a country's operating conditions and cost competitiveness.

TOP QUARTILE	SECOND QUARTILE	THIRD QUARTILE	FOURTH QUARTILE
China	Colombia	Japan	Tunisia
India	Romania	Slovakia	Greece
United States	Portugal	Australia	Germany
Canada	Hungary	Philippines	Austria
Czech Republic	Singapore	Argentina	Italy
Indonesia	Bulgaria	Finland	Denmark
Lithuania	Türkiye	United Kingdom	Ireland
Thailand	South Korea	Brazil	Belgium
Malaysia	Mexico	Morocco	Norway
Poland	Sri Lanka	Sweden	Switzerland
Vietnam	Russian Federation	Netherlands	Venezuela
Spain	Peru	France	

2) BASELINE



## 2) BASELINE

China retains the top position on our baseline scenario ranking. Even with concerns about the Biden administration's continued strong position on trade, China continues to diversify its manufacturing base, moving up the value chain in order to focus on telecom, high-tech (40% of robots produced globally are made in China), and computers. Key manufacturing regions in China include Guangdong and Jiangsu, which focus on electronic components and automotive, while Zhejiang and Liaoning focus on chemicals and natural resources.

On this year's baseline ranking, India and the U.S. switched places (second and third respectively). India could benefit from plant relocations from China to other parts of Asia due to its already established base in pharmaceuticals, chemicals and engineering, sectors that continue to be the focus of U.S.-China trade tensions. However, reforms to both land and labor laws are critical to India's success as a global manufacturing location.

The U.S. offers a large consumer market and incentives at both the federal and state level, as well as an established infrastructure network (though less modern than China). With the rapid adoption of technology and The American Rescue Plan, the U.S. and its higher cost workforce could become better aligned to compete with China for manufacturing production and jobs.

Switching places with the Czech Republic, Canada moved up to fourth place on our baseline ranking from sixth place last year. Leading the CEE regional ranking, the Czech Republic retained fifth place in this year's baseline scenario. While supply chain disruptions during the pandemic put pressure on many manufacturers to consider locations further East, significant wage inflation in the region hampered reshoring plans to Central Europe. Among the highest increases in the 47 countries we track, labor costs have risen in Poland and Hungary by 17% and 23% respectively since 2016. By contrast, significant improvements in economic and political stability, amendments to intellectual property rights laws, and lower labor costs helped move Spain up our baseline list from 29<sup>th</sup> last year to 12<sup>th</sup> place. With its younger population, relative to the rest of Western Europe, Spain is well positioned to replenish its more ample labor pool in the coming years.

## 3) COST

### DESCRIPTION AND WEIGHTINGS :

The Cost scenario places greater emphasis on cost reduction to give a higher score to countries where operating costs, including labor, are lower.

TOP QUARTILE	SECOND QUARTILE	THIRD QUARTILE	FOURTH QUARTILE
China	Türkiye	Slovakia	Netherlands
Indonesia	Romania	Brazil	France
India	Czech Republic	United States	Italy
Vietnam	Philippines	Spain	Sweden
Thailand	Mexico	South Korea	Austria
Malaysia	Argentina	Singapore	Ireland
Sri Lanka	Poland	Greece	Germany
Colombia	Morocco	Australia	Denmark
Lithuania	Tunisia	Japan	Belgium
Russian Federation	Hungary	United Kingdom	Norway
Peru	Canada	Venezuela	Switzerland
Bulgaria	Portugal	Finland	



3) COST

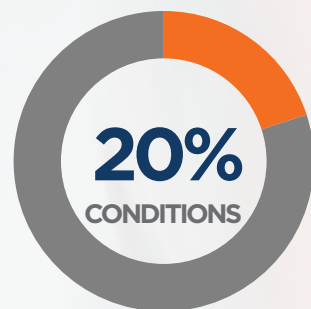


3) COST

While China retains its lead position, Vietnam and India were overtaken by Indonesia which moved up to second from fifth place, not least in part due to the decline in rents in Jakarta seen over the past year. India also swapped places with Vietnam to rank third and fourth respectively.

While wage costs in Vietnam remain cheaper than China, it is facing increasing competition from lower cost locations and therefore will need to clearly demonstrate its strengths in other areas of the manufacturing process such as its geographical connectivity. Like Indonesia, Thailand's cost profile improved this year helping it move to fifth place from eighth and ahead of Malaysia, which has seen ongoing wage increases.

Colombia's continued rise on our cost scenario, reaching eighth place this year, suggests a competing region to Asia for manufacturers. Notwithstanding an improved geopolitical profile, Colombian labor costs are clearly competitive with those in Asia which explain its climb in ranking from 15<sup>th</sup> place in 2020.



4) RISK

**DESCRIPTION AND WEIGHTINGS :**

Taking into account rising geo-political risk, our Risk scenario favours countries presenting lower levels of economic and political risk.

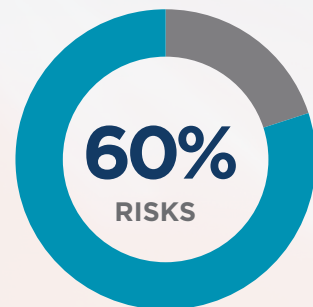
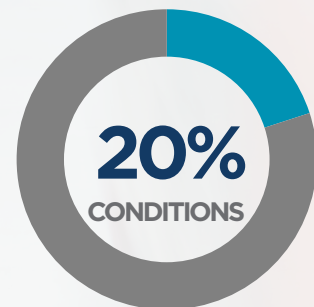
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Czech Republic	Poland	Bulgaria	Brazil
Sweden	Japan	Romania	Russian Federation
South Korea	United Kingdom	Thailand	Philippines
Germany	Switzerland	Hungary	Argentina
Singapore	Portugal	Colombia	Tunisia
Denmark	Slovakia	Italy	Greece
Australia	Ireland	Peru	Venezuela
Austria	Norway	Vietnam	

4) RISK

Early and effective lockdowns to control the first wave of the pandemic helped China's manufacturing sector rebound after Q1 2020. Strong performance of its manufacturing sector during the rest of 2020 contributed to a "better-than-expected" first place ranking on our risk scenario.

The U.S. and Canada were pushed back to second and third place respectively while China jumped up from fifth place last year. The U.S. and Canada remain well positioned to fuel an acceleration in reshoring. Natural resources, ample labor pools, federal and state incentives, large consumer markets and infrastructure make these countries competitive, especially in a less predictable and less secure global environment.

A younger population helped boost the Finnish manufacturing sector last year, helping its performance on our risk scenario to move up to fourth place from ninth last year. While labor costs are among the highest globally, Scandinavian countries as a region have some of the world's lowest geo-political risk profiles. The robust recovery of Finland's manufacturing during 2020 added to an already strong global position on our risk scenario.









## 3PL

On a global level, achieving greater supply chain resiliency will undoubtedly mean reorganizing both logistics and production platforms. As part of this, expect continued growth in 3PLs as ongoing outsourcing to these operators affords enormous efficiencies and in an increasingly unpredictable world, flexibility is rapidly moving up the priority list.

Such flexibility offered by 3PLs is founded upon scale, both in regard to geographical coverage and volume of goods movement. Not surprisingly, there has been considerable merger and acquisition (M&A) activity in the sector to build that scale such that today, many 3PL platforms have large enough geographic footprints to be able to offer the nimbleness and flexibility required to maneuver supply chains in a fast-moving global landscape.

- + 2023 Vision: Türkiye Eurasian Logistics Hub
- + €39b Turkish Logistics Market
  - + Road
  - + Maritime
  - + Air
  - + Railway
  - + Multi-Modal
- + Last mile delivery
- + Urban Logistics
- + M&A activity

### MAJOR INTERNATIONAL 3PL PROVIDERS

COMPANIES	DISTRIBUTION FREIGHT OUT OF TÜRKİYE
	Europe & Middle East & Russia
	Europe & Middle East
	Europe
	Europe & Russia
	Europe & Russia & Middle East
	Europe & Middle East & Central Asia

## RETAIL & E-COMMERCE

In 2020 with the effects of the COVID-19 pandemic, the share of e-commerce in total retail sales has increased year by year. In 2019 that pre-pandemic year e-commerce share was recorded as 4.5%, in 2020 unprecedentedly jumped 3,2 points and recorded as 7.7%. E-commerce share in total retail sales rate is expected to rise in the previous year degree.

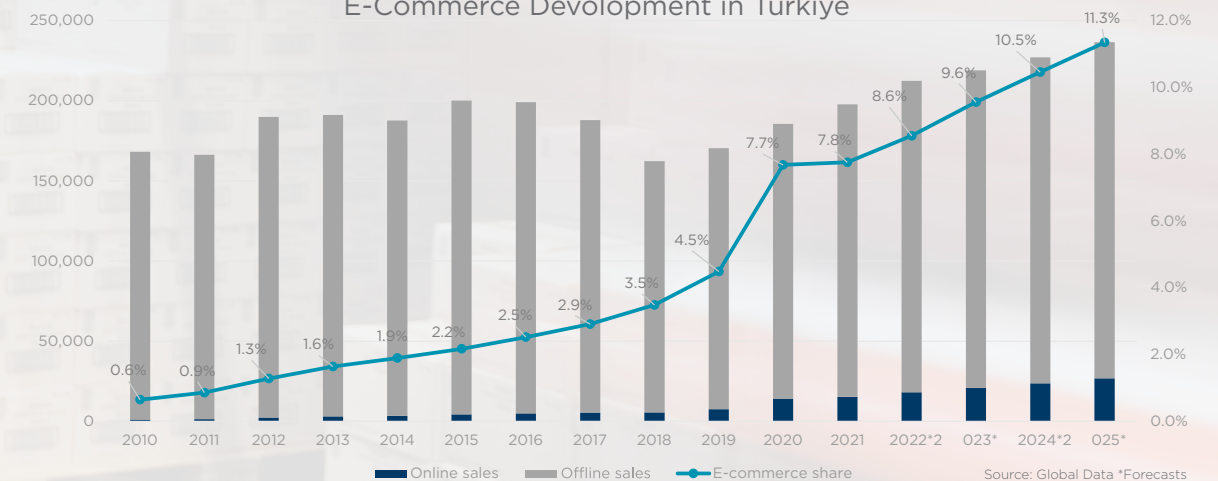
While in CEE and southern countries Türkiye was at the end of the list in the top 10 countries in 2010, in 10 years period Türkiye become the 5<sup>th</sup> country in 2021.

- + Growing local retailers, regional expansion
- + Omni-channel key trend
- + ₺ 83.1 bn in e-commerce market in Türkiye
- + E-commerce accounts for 6.2% of retail in Türkiye
- + 1/3 of internet % users buy online
- + Urban Logistics demand
- + M&A activity

Share of E-Commerce in Total Retail Sales by Country



E-Commerce Development in Türkiye



# NEARSHORING

Freight prices, which were in the \$1,400-\$4,400 band in 2020 due to the pandemic, increased significantly to \$4,500 - \$12,000 in 2021. International investors seeking a solution to increasing logistics costs and supply chain problems consider Türkiye's advantageous geopolitical position as an opportunity.

In the first quarter of 2021, the world giant automotive company Ford and Volkswagen announced that they will produce in Kocaeli for their new commercial vehicle they will put on the market.

Swedish furniture company IKEA has announced that it will manufacture more in Türkiye to shorten the supply chain and avoid exorbitant shipping costs.

The Italian clothing brand Benetton announced that it wants to move its production closer and stated that they will diversify their production sites and make production in Serbia, Croatia, Türkiye, Tunisia and Egypt, apart from Asia. German clothing brand Hugo Boss announced that it will expand its production capacity close

to its European base in order to reduce its dependence on South-East Asia, and announced that it plans to invest more by expanding its factory in Izmir.

The Chinese electronics and smartphone manufacturer Xiaomi and its partner Salcomp opened the factory in Avcilar and OPPO also opened the factory in Tuzla Istanbul, where it will produce. Also, the South Korean technology company Samsung has started production in Tekirdag.

National companies operating in the fields of insulation, paper and cement are getting ready to make production in various provinces of Anatolia by increasing their investments.

### Why Nearshoring Up Trended?

- + Exorbitant shipping costs
- + Supply chain crisis
- + Bringing production closer to home
- + Understanding the importance of diversification of production location
- + Decreased dependency on one place
- + Increasing carbon emissions

Freightos Baltic Index (FBX) Global Container Index



Source: Freightos Data FBX

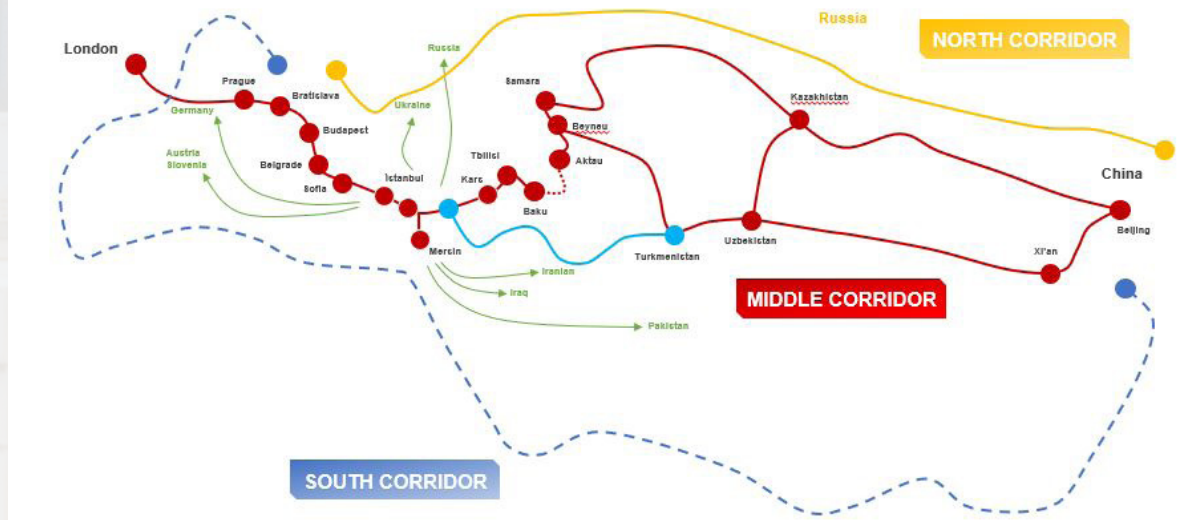
# MIDDLE CORRIDOR

The route that starts from China, passes through Central Asia, Kazakhstan, Turkmenistan, Caspian Sea, Azerbaijan and Georgia and reaches Türkiye, is briefly called the "Middle Corridor". The Middle Corridor, which is more advantageous in terms of cost, time, and climate conditions in trade between Asian and European countries than the North Corridor, also the most important component of efforts to revive the ancient Silk Road. In addition, Türkiye offers great opportunities for cargo in Asia to reach the Middle East, North Africa, and the Mediterranean region through its ports. Approximately 10 million containers are transported from China to Europe in a year, 96% are transported by sea, while only 4% are transported by the Trans-Siberian Railway, also called the Northern Corridor. If the Middle Corridor is used effectively, there will be significant economic opportunities for Central Asian countries to benefit from trade between China and Europe, which is estimated to be worth 600 US\$ billion annually.

Baku-Tbilisi-Kars (BTK) railway and Istanbul Marmaray Tunnel which are important projects for the Middle Corridor and railway trade between Türkiye and China, made it possible to transport uninterrupted freight from Europe to China. On 7th November 2019, freight train departed China and went Central Europe by passing below the Bosphorus via Istanbul's Marmaray Tunnel for the first time. Thanks to these projects, cargoes arrive from China to Türkiye in 12 days, and from China to Europe in 18 days.

Since 2017, when it was put into operation on the BTK rail line, approximately 1.5 million tons of cargo has been transported. It is aimed to carry 3.2 million tons of cargo annually in the medium term on the BTK rail line, with the railway transportation becoming more efficient due to Covid-19.

### MIDDLE CORRIDOR

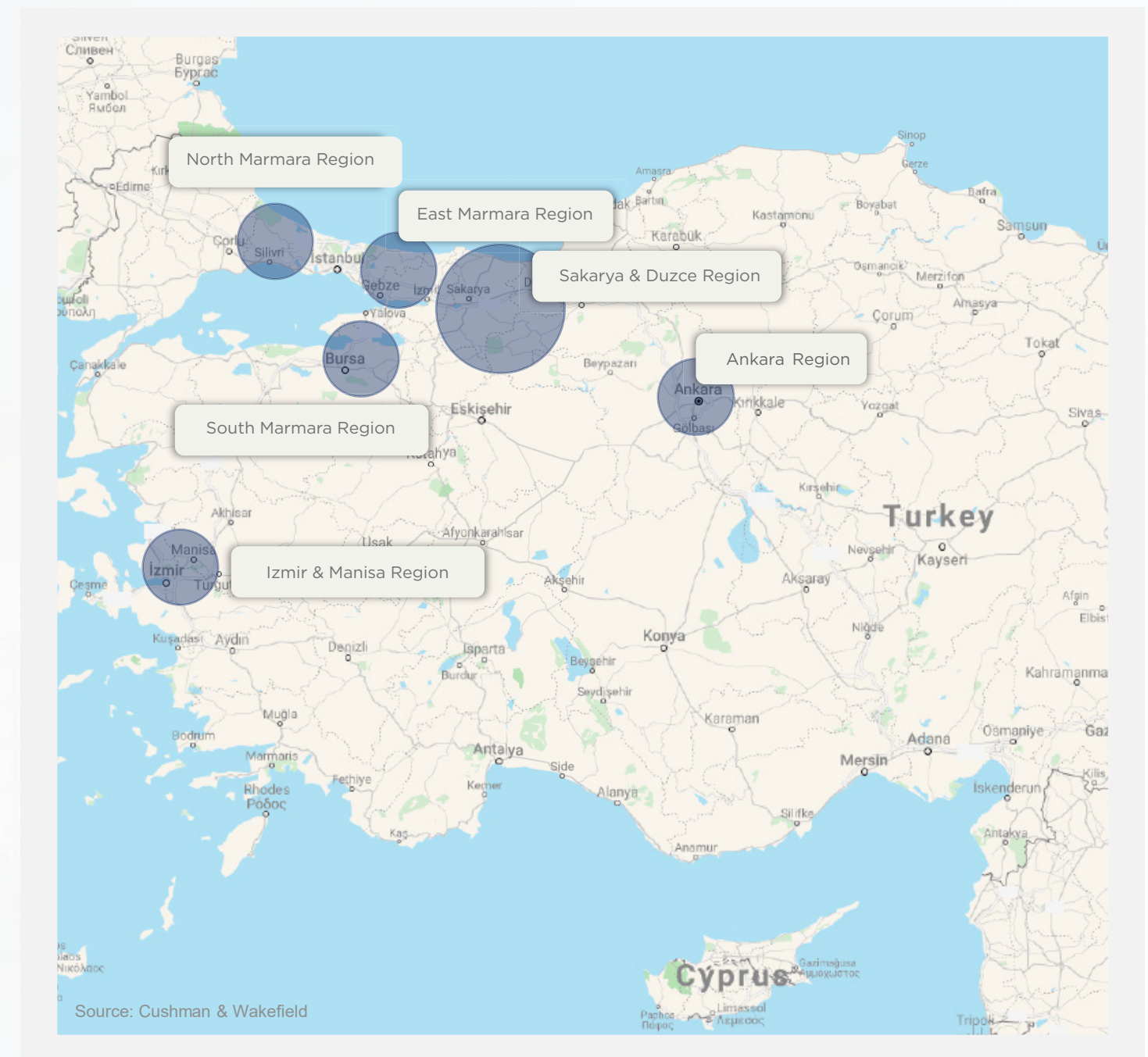


Source: Mercator Institute for China Studies, DW

SUPPLY

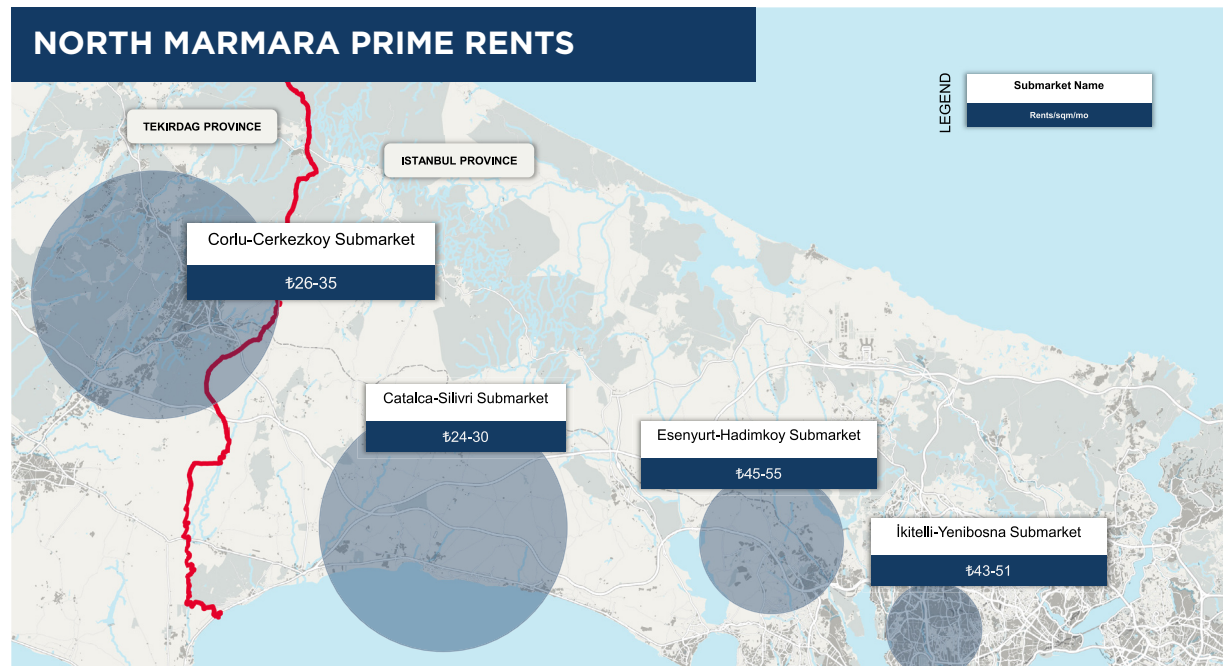
# KEY INDUSTRIAL MARKETS OVERVIEW

## PRIMARY REGIONS

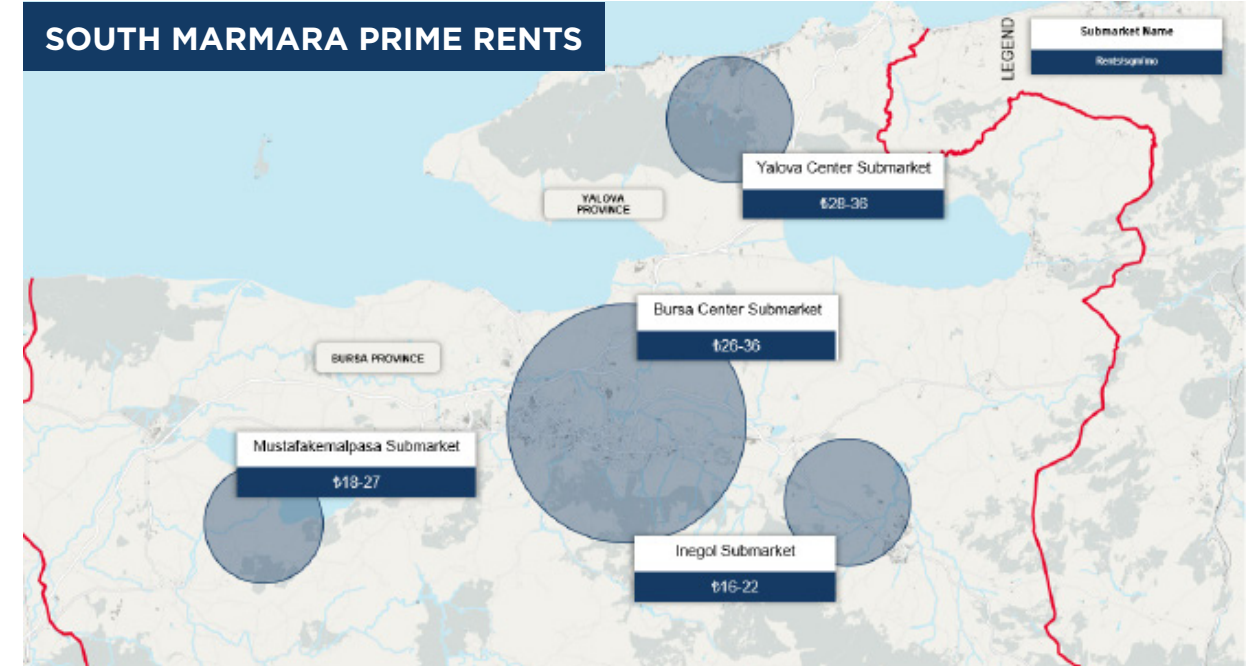




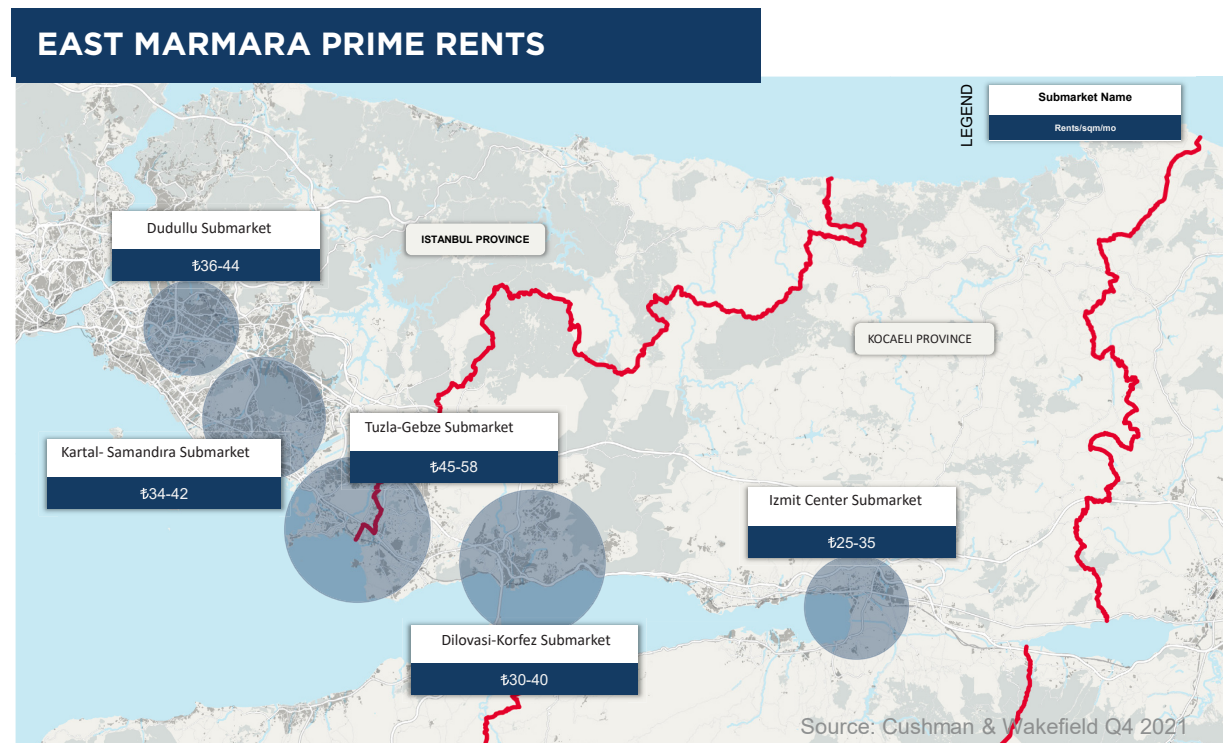
## KEY INDUSTRIAL MARKETS OVERVIEW



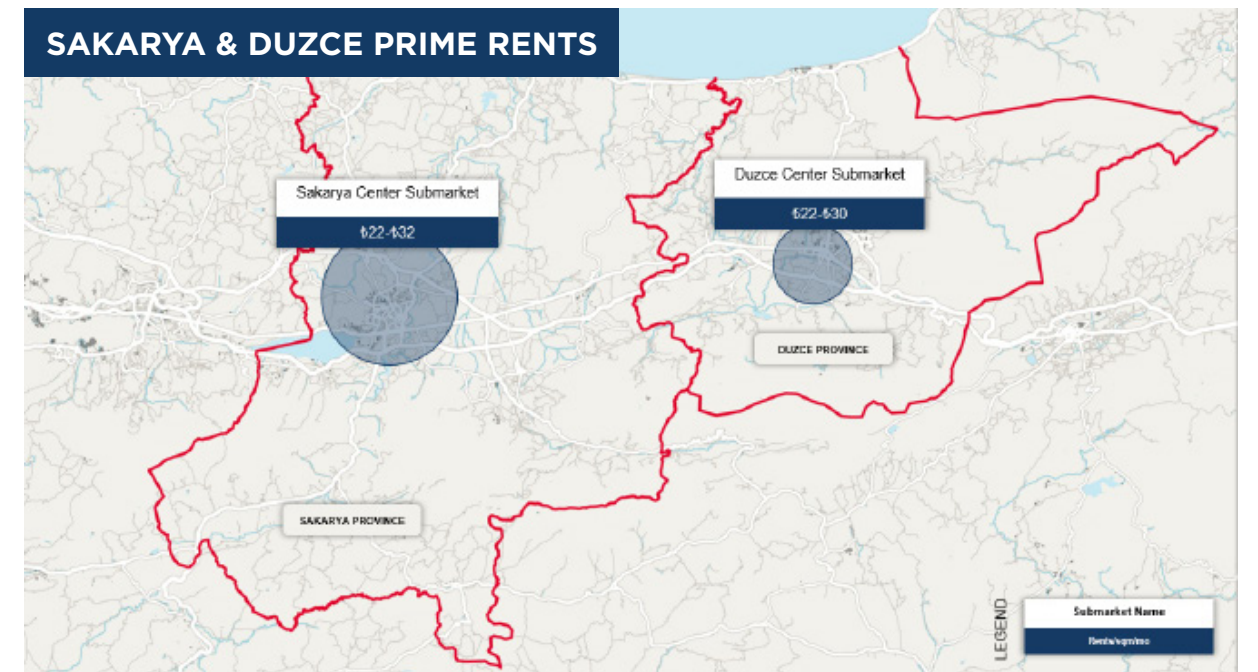
Source: Cushman & Wakefield Q4 2021



Source: Cushman & Wakefield Q4 2021

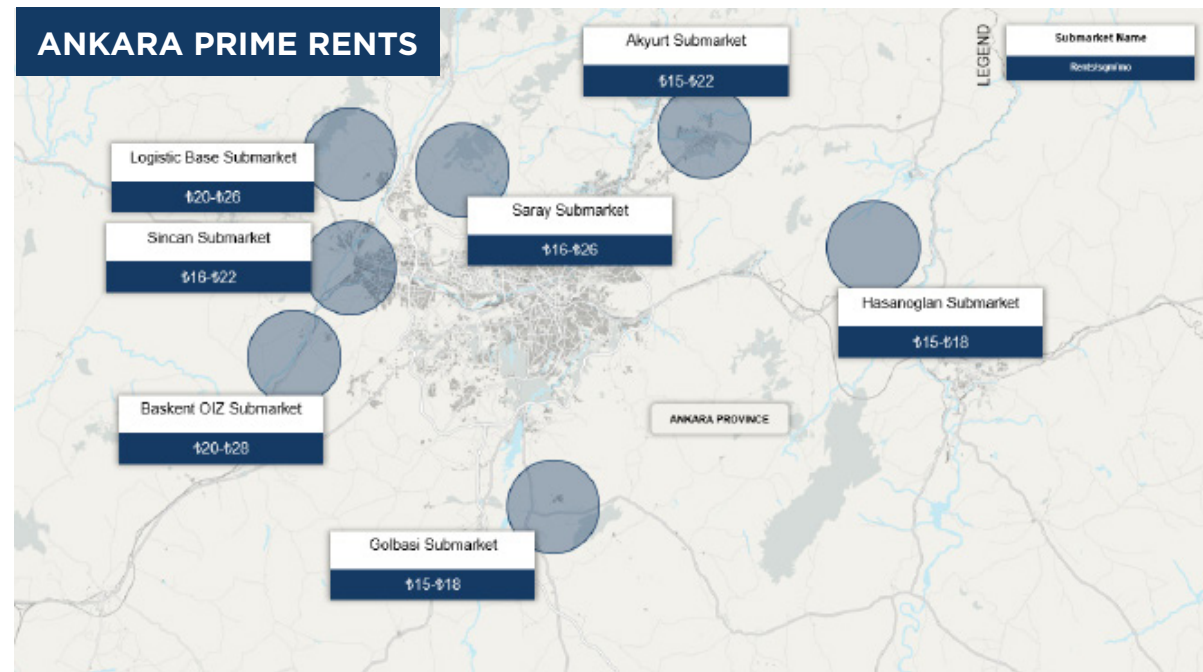


Source: Cushman & Wakefield Q4 2021

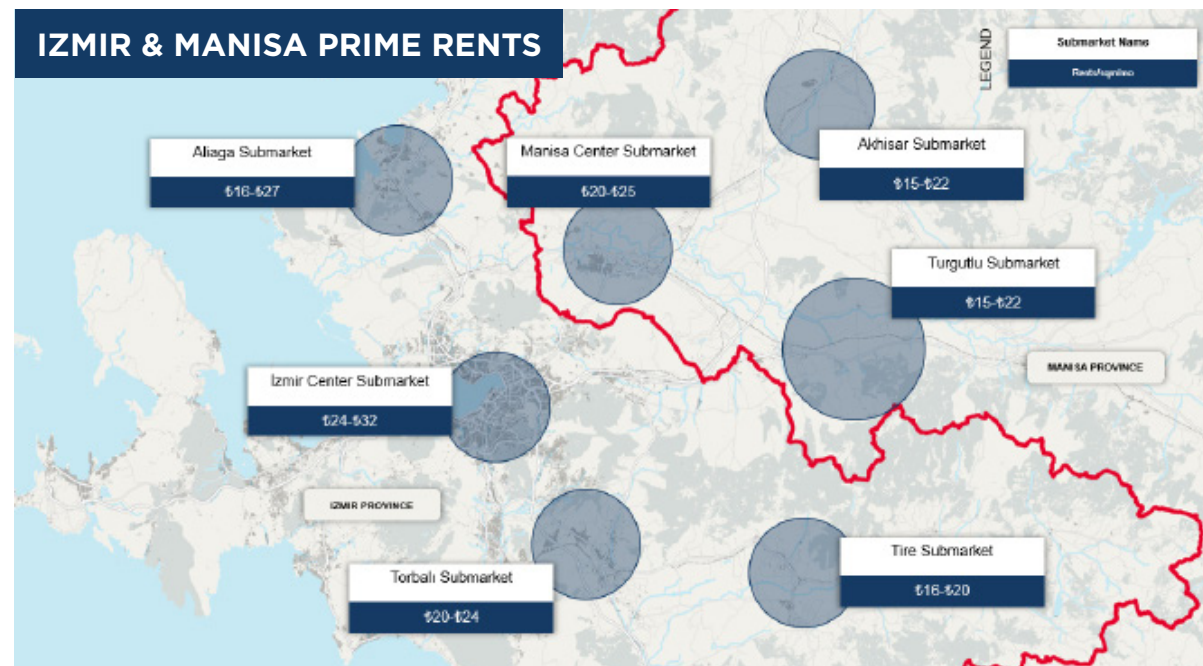


Source: Cushman & Wakefield Q4 2021

## KEY INDUSTRIAL MARKETS OVERVIEW



Source: Cushman & Wakefield Q4 2021



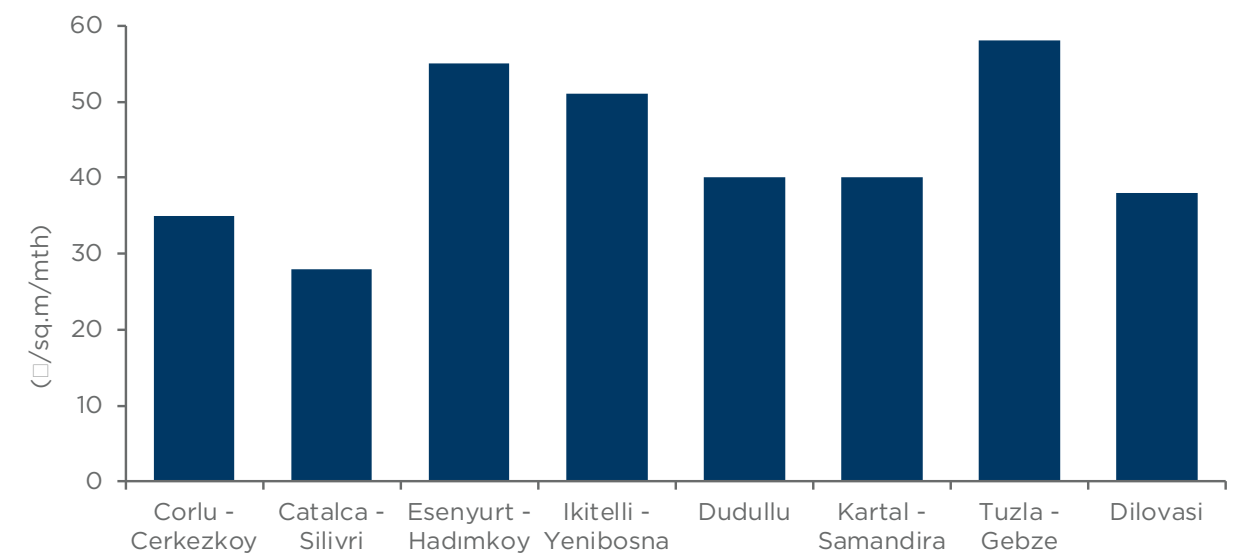
Source: Cushman & Wakefield Q4 2021

- + Total supply over approx 10m sqm
  - + Marmara Region -9m sqm
  - + Rest -1m sqm (Izmir, Ankara, Iskenderun, Trabzon, etc)
- + Vast majority owner occupied
- + Limited quality supply
  - + Ceiling height <12 m
  - + Floor load <50kN/sqm
  - + Gates <1:1,000sqm
  - + Structural grid <10m x 20m
  - + Floors <10,000sqm GLA
  - + Limited open space
- + Multi level warehouses common
- + Limited expansion/scale

### KEY PLAYERS

- + Increasing interest from international logistics developers however none active in the market currently, limited market entries in the past however no lasting presence
- + Very limited specialty developers, most with 3PL background
- + Mostly owner occupier or land owner driven development
- + Land banking key for long term development success.

### PRIME RENTS - NORTH MARMARA LOGISTIC SUBMARKETS



SOURCE: CUSHMAN & WAKEFIELD Q4 2021

# MARKET CONDITIONS

## RENTS & YIELDS

STABLE ON A USD BASIS IN THE MEDIUM-SHORT TERM, WHILE THE UPWARD TREND IS EXPECTED TO CONTINUE IN TRY BASIS

- Local currency conversion not mandatory for foreign occupiers (>50% foreign ownership) and foreign currency denominated leases still possible, however most transactions in local currency in line with market practice
- Prime rent levels in Istanbul recorded a decrease of 15.8% y/y in Q4 2021 in line with FX volatility
- Prime yields are expected to be less impacted in the short to medium term

### Market Indicators

Prime Rents	Stable on a USD basis in the medium-short term, while the upward trend is expected to continue in TRY basis.	▼
Prime Yields	Yields expected to remain stable over the medium term.	▶
Supply	Development activities gained momentum with the increase in demand for logistics facilities. Supply is expected to increase in the short and medium term.	▼
Demand	The trend of increasing demand will continue with the rise of e-commerce, 3rd party logistics companies and the concept of nearshoring.	▼

Location	□ / sqm per month	Prime Rents		
		US\$ / sqm per month	1 Yr Growth	5 Yr CAGR
Istanbul	60	5.50	15.79	-2.52
Ankara	30	2.75	0.00	-6.01

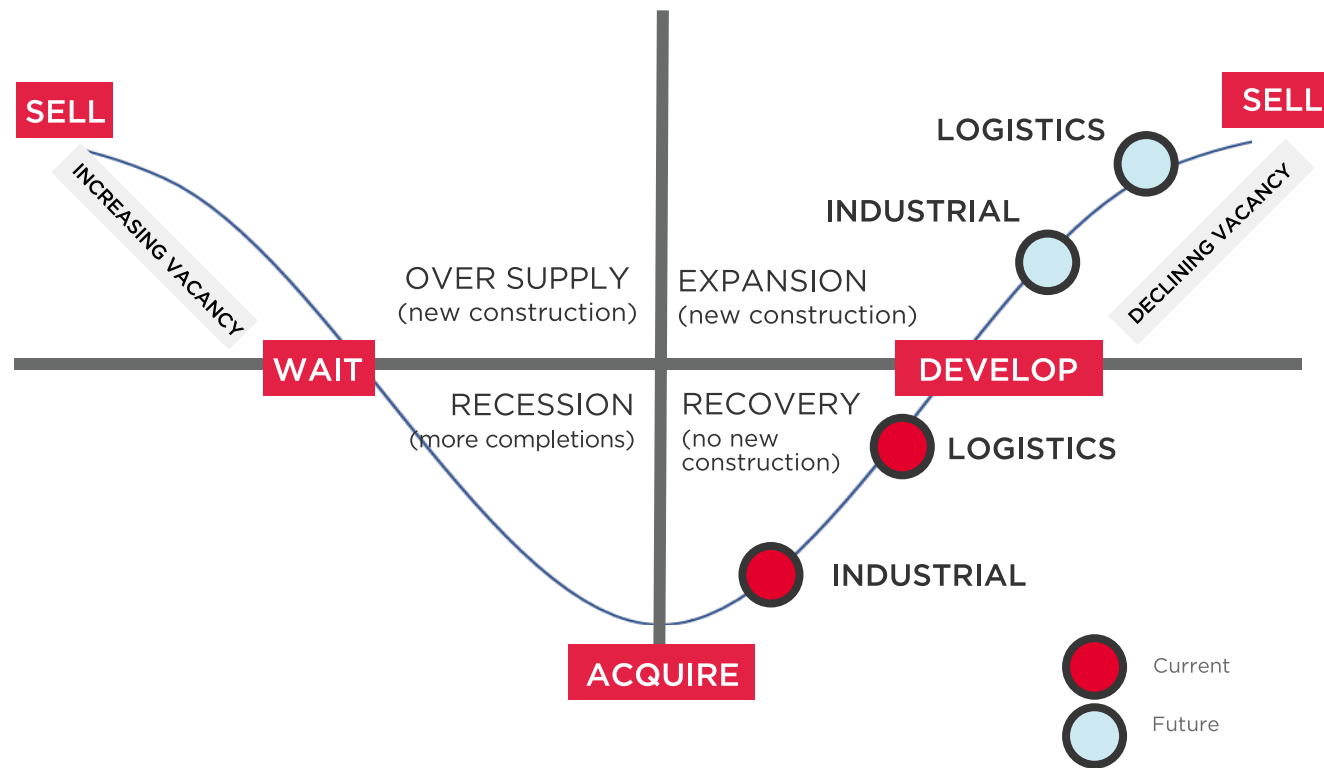
Location	Prime Yields				
	Q4-2021	Q3-2021	Q4-2020	10 Yr Max	10 Yr Min
Istanbul	9.00	9.00	9.25	9.25	8.75
Ankara	10.25	10.25	10.00	10.25	10.00

# EVOLUTION

Leasing transactions in industrial and logistics sector doubled compared to the same period of the previous year. The main driver in transactions is the short-term warehouse demand due to the COVID-19 pandemic. With the impact of the pandemic, customer demand for E-commerce, which is already on the rise, has increased. The increase in leases in the logistics sector was also in direct proportion to this customer demand.

It is estimated that industrial and logistics sector, which is currently in a recovery period, will enter into expansion period with increasing demand and decreasing vacancy rates.

With the opening of the Osmangazi Bridge and the establishment of a new OIZ, it is considered that Yalova region and the Corlu-Cerkezkoy-Buyukkaristiran region with the new Kapikule high-speed train project may become critical industrial locations in the future.



# MARKET CONDITIONS

## EMEA - PRIME RENTS COMPARISON

COUNTRY	CITY		Q1 2021	Q2 2021	Q3 2021	Q4 2021
Austria	Vienna	€/sq.m/mth	5,75	5,75	6,00	6,00
Belgium	Brussels	€/sq.m/yr	58,00	58,00	58,00	60,00
Belgium	Antwerp	€/sq.m/yr	48,00	48,00	48,00	51,00
Bulgaria	Sofia	€/sq.m/mth	3,80	3,80	3,80	3,80
Czech Republic	Prague	€/sq.m/mth	4,50	5,30	5,40	5,60
Denmark	Copenhagen	Dkr/sq.m/yr	625	625	625	650
Finland	Helsinki	€/sq.m/mth	9,25	9,25	9,50	9,50
France	Paris	€/sq.m/yr	58,00	58,00	58,00	59,00
France	Lyon	€/sq.m/yr	52,00	52,00	53,00	55,00
France	Marseille	€/sq.m/yr	45,00	45,00	45,00	47,00
Germany	Berlin	€/sq.m/mth	5,60	5,60	5,70	5,90
Germany	Frankfurt	€/sq.m/mth	6,50	6,75	6,80	6,85
Germany	Hamburg	€/sq.m/mth	6,30	6,50	6,60	6,65
Germany	Munich	€/sq.m/mth	7,70	7,70	7,80	7,85
Germany	Dusseldorf	€/sq.m/mth	5,60	5,60	5,60	5,75
Hungary	Budapest	€/sq.m/mth	4,90	4,75	4,65	4,65
Ireland	Dublin	€/sq.m/yr	112,00	112,00	112,00	115,00
Italy	Rome	€/sq.m/yr	55,00	56,00	56,00	56,00
Italy	Milan	€/sq.m/yr	56,00	57,00	57,00	57,00
Luxembourg	Luxembourg City	€/sq.m/mth	8,00	8,00	9,00	9,00
Netherlands	Amsterdam	€/sq.m/yr	92,00	92,00	92,00	92,00
Netherlands	Rotterdam	€/sq.m/yr	75,00	75,00	75,00	75,00
Netherlands	The Hague	€/sq.m/yr	60,00	60,00	60,00	60,00

Source: Cushman & Wakefield - The DNA of Real Estate Q4 2021

### EMEA - PRIME RENTS COMPARISON

COUNTRY	CITY		Q1 2021	Q2 2021	Q3 2021	Q4 2021
Norway	Oslo	Nkr/sq.m/yr	1.350,00	1.350,00	1.350,00	1.400,00
Poland	Warsaw	€/sq.m/mth	3,80	3,80	3,80	3,90
Portugal	Lisbon	€/sq.m/mth	4,00	4,00	4,00	4,20
Romania	Bucharest	€/sq.m/mth	4,10	4,10	4,10	4,10
Russia	Moscow	US\$/sq.m/yr	4.2	4.2	4.25	5.3
Slovakia	Bratislava	€/sq.m/mth	4,00	4,00	4,00	4,00
Spain	Madrid	€/sq.m/mth	5,25	5,25	5,25	5,50
Spain	Barcelona	€/sq.m/mth	7,25	7,25	7,25	7,25
Sweden	Stockholm	Skr/sq.m/yr	900,00	900,00	900,00	900,00
Sweden	Gothenburg	Skr/sq.m/yr	750,00	750,00	750,00	750,00
Sweden	Malmo	Skr/sq.m/yr	700,00	700,00	700,00	700,00
Switzerland	Zurich	Sfr/sq.m/yr	165,00	240,00	240,00	240,00
Switzerland	Geneva	Sfr/sq.m/yr	180,00	180,00	190,00	190,00
Türkiye	Istanbul	US\$/sq.m/mth	5,00	5,00	5,50	5,50
United Kingdom	London	GB£/sq.ft/yr	16,50	17,00	17,75	17,75
United Kingdom	Birmingham	GB£/sq.ft/yr	7,00	7,25	7,25	7,75
United Kingdom	Bristol	GB£/sq.ft/yr	8,50	8,50	8,50	8,50
United Kingdom	Leeds	GB£/sq.ft/yr	6,75	6,75	7,00	7,25
United Kingdom	Manchester	GB£/sq.ft/yr	7,25	7,25	7,50	8,25
United Kingdom	Newcastle	GB£/sq.ft/yr	6,00	6,00	6,00	6,25
United Kingdom	Central Scotland	GB£/sq.ft/yr	6,50	6,50	6,50	6,50

Source: Cushman & Wakefield - The DNA of Real Estate Q4 2021

### EMEA - PRIME YIELDS COMPARISON

COUNTRY	CITY		Q1 2021	Q2 2021	Q3 2021	Q4 2021
Austria	Vienna		5,00%	4,90%	4,90%	4,75%
Belgium	Brussels		4,50%	4,50%	4,25%	4,00%
Belgium	Antwerp		4,50%	4,50%	4,25%	4,00%
Bulgaria	Sofia		8,00%	8,00%	8,00%	7,50%
Czech Republic	Prague		4,25%	4,00%	4,00%	3,75%
Denmark	Copenhagen		4,25%	4,25%	4,00%	4,00%
Finland	Helsinki		4,30%	4,15%	4,00%	3,80%
France	Paris		3,60%	3,50%	3,25%	3,00%
France	Lyon		3,60%	3,50%	3,25%	3,00%
France	Marseille		3,80%	3,60%	3,40%	3,10%
Germany	Berlin		3,30%	3,30%	3,10%	3,00%
Germany	Frankfurt		3,30%	3,30%	3,10%	3,00%
Germany	Hamburg		3,30%	3,30%	3,10%	3,00%
Germany	Munich		3,30%	3,30%	3,10%	3,00%
Germany	Dusseldorf		3,30%	3,30%	3,10%	3,00%
Hungary	Budapest		6,75%	6,50%	6,25%	5,75%
Ireland	Dublin		4,50%	4,25%	4,00%	3,95%
Italy	Rome		5,00%	5,00%	4,75%	4,50%
Italy	Milan		4,75%	4,50%	4,25%	4,00%
Luxembourg	Luxembourg City		7,00%	6,75%	6,75%	6,50%
Netherlands	Amsterdam		4,10%	4,00%	4,00%	3,75%
Netherlands	Rotterdam		3,90%	3,60%	3,60%	3,50%
Netherlands	The Hague		4,10%	4,00%	4,00%	3,80%

Source: Cushman & Wakefield - The DNA of Real Estate Q4 2021

## EMEA - PRIME YIELDS COMPARISON

COUNTRY	CITY	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Norway	Oslo	4,25%	4,25%	4,25%	4,00%
Poland	Warsaw	5,50%	5,40%	5,10%	4,80%
Portugal	Lisbon	5,75%	5,50%	5,25%	5,00%
Romania	Bucharest	8,00%	8,00%	7,85%	7,25%
Russia	Moscow	10,50%	10,50%	10,50%	10,50%
Slovakia	Bratislava	6,00%	5,75%	5,50%	5,25%
Spain	Madrid	4,25%	4,15%	4,00%	4,00%
Spain	Barcelona	4,35%	4,15%	4,00%	4,00%
Sweden	Stockholm	4,00%	3,75%	3,50%	3,40%
Sweden	Gothenburg	4,00%	3,75%	3,50%	3,40%
Sweden	Malmö	4,25%	4,00%	3,75%	3,75%
Switzerland	Zurich	5,40%	4,50%	4,25%	4,00%
Switzerland	Geneva	5,25%	5,25%	5,00%	4,00%
Türkiye	Istanbul	9,25%	9,00%	9,00%	9,00%
United Kingdom	London	3,75%	3,65%	3,55%	3,35%
United Kingdom	Birmingham	4,40%	4,15%	3,95%	3,80%
United Kingdom	Bristol	4,50%	4,25%	4,05%	3,85%
United Kingdom	Leeds	4,80%	4,50%	4,25%	4,00%
United Kingdom	Manchester	4,35%	4,00%	3,85%	3,60%
United Kingdom	Newcastle	4,75%	4,50%	4,45%	4,25%
United Kingdom	Central Scotland	5,35%	4,75%	4,65%	4,50%

Source: Cushman & Wakefield - The DNA of Real Estate Q4 2021



## INVESTMENT FOCUS

### The key investment transactions in Q1 include;

- A factory disposal by Honda to Habas in Kocaeli, Gebze (80,000 sq. m Land, 292,297 sq. m GLA)
- Land acquisition by Nersan Industrial Investments in Yalova, Imes Machinery Organized Industrial Zone (30,000 sq. m)
- Land acquisition by Izmir Firca Industry Co. in Izmir, Aliaga Chemical and Mixed OIZ.(10,000 sq. m)
- Land disposal by Modul Celik Yapi to its current tenant Ege Profil. (34,318 sq. m)

### The key investment transactions in Q2 include;

- Land acquisition by Qua Granite in Aydin, Soke Organized Industrial Zone to be used in the capacity increase of the company's existing treatment system facility. (37,000 sq. m)

### The key investment transactions in Q3 include;

- Land acquisition by Reysas REIT Kocaeli, Gebze (37,000 sq. m) and Izmir, Kemal-pasa (12,900 sq. m)
- Warehouse investment by Reysas REIT in Istanbul, Esenyurt (180,000 sq. m and 400,000 sq. m)

### The key investment transactions in Q4 include;

- Land acquisition by Kontrolmatik Technology Ankara, Polatli Organized Industrial Zone (25,466 sq. m, 35,002 sq. m and 45,277 sq. m)
- Land acquisition by Ozerden Plastic Firm Yalova, Kirazli (17,062 sq. m)
- Land acquisition by Akkim Chemistry Yalova, Ciftlikkoy (16,960 sq. m)
- Land acquisition by E-Data Technology Marketing Ankara, Kazan (12,828 sq. m)

### Largest sale investments in 2020;

- A factory disposal to Neutec in Istanbul, Topkapi (16,000 sq. m land, 21,500 sq. m GLA),
- Private investor's land acquisition from Oakland Real Estate in Mugla, Milas (35,000 sq. m),
- Land disposal by Sempilic to Mutlular and Hiral Logistics in Istanbul, Tuzla (32,550 sq. m)
- A factory disposal by Honda to Heksagon Engineering in Kocaeli, Sekerpinar, Koska's factory acquisition from Koroza in Istanbul, Esenyurt (11,955 sq. m land, 22,240 sq. m closed area)
- Servet REIT's land acquisition from Sinpas REIT in Istanbul, Umraniye (4,647 sq. m)
- Land disposal by Bossa Trade in Adana, Seyhan (210,655 sq. m) to Kivanc Textile
- Towsan Paper's land and building acquisition from Sasa Polyester in Adana, OIZ (63,810 sq. m)
- Bossa Trade's land acquisition from Sasa Polyester in Adana, Seyhan (64,000 sq. m)
- A land disposal by Opet to local investor group in Izmir, Torbali (66,560 sq. m)

## OCCUPIER FOCUS

According to available data, leasing activity for warehouse space reached approx. 318,156 sq.m by the end of 2021 Q4.

Leasing activity for warehouse space recorded a distinct increase of 12% compared to the year before and recorded as approx. 54,156 sq. m in the fourth quarter.

### Largest transactions include in Q1 2021;

- Trendyol (13,180 sq.m, Istanbul/Esenyurt)
- An international electronics manufacturer (16,000 sq.m, Tekirdag)
- Maersk (8,700 sq.m, Kocaeli/Cayirova)
- Borusan Logistics (10,806 sq.m, Antalya/Serik)
- Reysas Logistics (5,601 sq.m, Sakarya)
- Tekfen Agricultural Research (3,600 sq.m, Adana/Saricam)

### Largest transactions include in Q2 2021;

- Crown Bevcan (10,975 sq. m, Adana/Saricam)
- TK Agricultural Credit Marketing (9,123 sq. m, Antalya/Serik)

### Largest transactions include in Q3 2021;

- Local 3PL firm (19,000 sq. m, Istanbul/Esenyurt)
- Bidfood Efe Distribution and Marketing (7,128 sq. m, Izmir/Kemal-pasa)
- S.S. Haydarpasa Highway Cargo Transport Coop. (5,404 sq. m, Kocaeli/Gebze)
- Ferrero (3,168 sq. m, Duzce/Akcakoca) and (3,134 sq.m, Duzce/Araciftligi)
- A pre-lease in Kocaeli Dilovasi (24,000 sq.m, Kocaeli/Dilovasi).

### Largest transactions include in Q4 2021;

- Ekol Logistics (5,800 sq. m, Istanbul/Esenyurt)
- Reysas Logistics (4,350 sq.m, Sakarya/Arifiye)
- Cobantur Cargo Firm (3,500 sq. m, Istanbul/Tuzla)
- Henka Chemistry (3,500 sq. m, Antalya/Kumluca)
- A Pharmaceutical Warehouse (3,500 sq.m, Istanbul/Esenyurt)

# COMMON MARKET PRACTICES

## LEASING TERMS

LEASING DESCRIPTIONS	PRACTICES
Leasable Area	Gross Built Area (no formal market standard)
Rents	Quoted in ₺/Sqm/Month or in US\$ or €* (Accordingly, if 50% or more of the shares of a legal entity residing in Türkiye belong to persons not residing in Türkiye, agreements in relation to immovable properties can be determined in a foreign currency.)
Typical Lease Term	5-10 Years
Frequency Of Rental Payments (In Advance)	Monthly, Quarterly or Annually
Typical Rent Deposit	1-3 Months
Basis Of Rent Increases Or Rent Review	Rents in ₺: Consumer Price Index & Wholesale Price Inflation; Rents in US\$ or €**: U.S. and E.U. Consumer Price Index and/or Stepped Rents
Frequency Of Rental Increases Or Rent Review	Annual Indexation
TAXATION DESCRIPTIONS	PRACTICES
Responsibility For Stamp Duty	Legally, responsibility divided equally between landlord and tenant; in practice, tenant generally pays full amount
Responsibility For Local Property Taxes	Landlord responsible with possible charge back of costs to tenant via service charge
Responsibility For VAT/ GST Payable On Rent & Service Charge	Tenant responsible (18% on both rent and service charge)

Decision No. 32 on the Protection of the Value of Turkish Currency

\*\*The rent increase provided above is only applicable for lease agreements in Turkish Lira. For rents determined in foreign currency, Article 344 of TCO envisages that no rent increase is allowed for the first five years of the lease.



## LEASING TERMS

DISPOSAL OF LEASES DESCRIPTIONS	PRACTICES
Tenant Subletting & Assignment Rights	Subletting and assignment are subject to negotiation, however, generally not permitted
Tenant Early Termination Right	By break clause or through negotiation with landlord (typical three to six months' notice period and may only be granted through securing a replacement tenant)

SERVICE CHARGES DESCRIPTIONS	PRACTICES
Responsibility for Service Charges/ Management Fees	Tenant responsible for their pro-rata share in addition to the rent - payable monthly and reconciled either once per year or month
Responsibility for Utilities	Utility consumption is typically separately metered and payable by each tenant; water and heating consumption may be included in the service charge
Responsibility for Internal Repairs	Tenant responsible within the private leased area
Responsibility for Repairs Of Common Parts (Reception, Lifts, Stairs, Etc)	Landlord responsible but costs charged back to tenant via service charge
Responsibility for External/ Structural Repairs	Landlord responsible but costs typically charged back to tenant via service charge
Responsibility for Building Insurance	Landlord responsible with possible charge back of costs to tenant via service charge

## LEASING TERMS

PURCHASING PROPERTY DESCRIPTIONS	PRACTICES
Common Land Titles	Freehold or long leasehold. Ownership for land and buildings is separated
Foreign Ownership Rights	Permission required for the acquisition of property/land in military security zones and the investor has to qualify the condition that the acquisition of real estate lies within the scope of activities of the company
Strata Title (Partial ownership of the building)	Very common
Security Deposit	Usually 5-10% of purchase price
Responsibility for Stamp Duty	Responsibility divided equally between parties, unless full purchaser responsibility negotiated (9.48 per thousand of purchase price in total)

# INCENTIVES

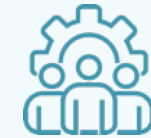
## INCENTIVES

OFFERING LUCRATIVE INCENTIVES IN MANY WAYS



### MANUFACTURING INCENTIVES

TAX DEDUCTION & EXEMPTION +



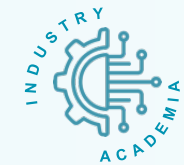
### EMPLOYMENT INCENTIVES

PAYROLL & TRAINING SUPPORT +



### R&D AND INNOVATION INCENTIVES

TAX DEDUCTION & EXEMPTION +



### TECHNOLOGY DEVELOPMENT ZONES

- TO SUPPORT R&D
- TAX DEDUCTION & EXEMPTION +



### INCENTIVES FOR SERVICE EXPORTERS

TAX DEDUCTION FOR EXPORTING SERVICES IN;

- ENGINEERING
- ARCHITECTURE
- DESIGN
- SOFTWARE
- MEDICAL REPORTING
- ACCOUNTING
- CALL CENTER
- DATACENTER
- EDUCATION
- HEALTHCARE



### EXCLUSIVE ZONES

- **FREE ZONES**  
TAX DEDUCTION & EXEMPTION +
- **ORGANIZED INDUSTRIAL ZONES**  
DEVELOPED INFRASTRUCTURE

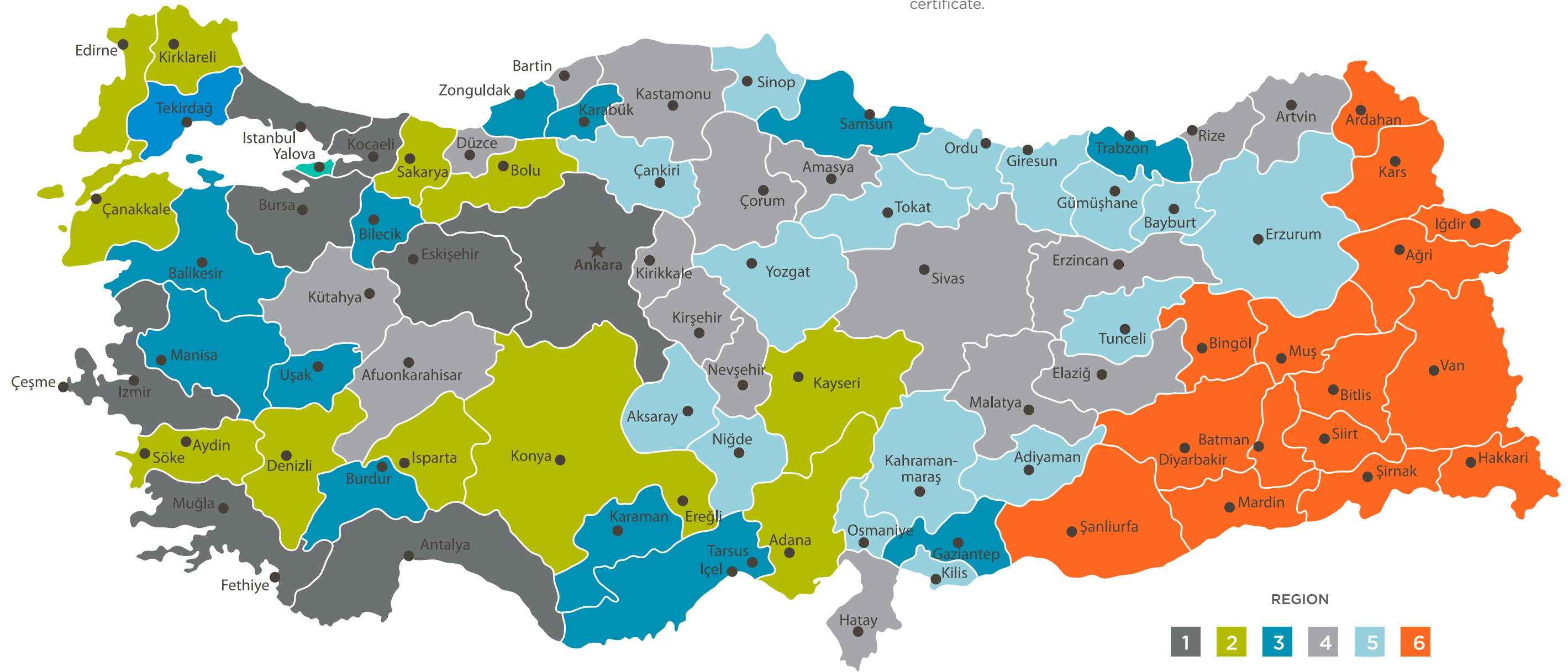
# INCENTIVES

Regardless of the region where investment takes place, all projects meeting both the specific capacity conditions and the minimum fixed investment amount are supported within the framework of the General Investment Incentives Scheme. Some types of investments are excluded from the investment incentives system and would not benefit from this scheme.

The minimum fixed investment amount is ₺ 1 million in Region 1 and 2, and ₺ 500,000 in Region 3, 4, 5 and 6.

## Major investment incentive instruments are:

- Customs tax exemption for imported machinery and equipment for projects with an investment incentive certificate.
- VAT exemption for imported or domestically purchased machinery and equipment for projects with an investment incentive certificate.



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Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and approximately 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow [@CushWakeTurkiye](https://twitter.com/CushWakeTurkiye) on Twitter.

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Cushman & Wakefield (C&W) is known the world over as an industry knowledge leader. Through the delivery of timely, accurate, high-quality research reports on the leading trends, markets around the world and business issues of the day, we aim to assist our clients in making property decisions that meet their objectives and enhance their competitive position. In addition to producing regular reports such as global rankings and local quarterly updates available on a regular basis, C&W also provides customized studies to meet specific information needs of owners, occupiers and investors.

**About Invest in Türkiye**

The Investment Office of the Presidency of the Republic of Türkiye is the official organization for promoting Türkiye's investment opportunities to the global business community and for providing assistance to investors before, during, and after their entry into Türkiye. Directly reporting to the President of Türkiye, the Investment Office is in charge of encouraging investments that further enhance the economic development of Türkiye. To this end, the Investment Office supports high-tech, value-added, and employment-generating investments with its facilitation and follow-up services during whole processes of relevant investments.

Active on a global scale, the Investment Office operates with a network of local consultants based in a number of locations including China, France, Germany, Italy, Japan, Malaysia, Qatar, Saudi Arabia, Singapore, South Korea, Spain, the UAE, UK, and USA. The Investment Office offers an extensive range of services to investors through a one-stop-shop approach, ensuring that they obtain optimal results from their investments in Türkiye. The Investment Office's team of professionals can assist investors in a variety of languages, including English, German, French, Italian, Spanish, Arabic, Japanese, and Chinese.

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