



PRESIDENCY OF  
THE REPUBLIC OF TÜRKİYE  
**INVESTMENT  
OFFICE**

# **INVESTING IN INFRASTRUCTURE & PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECTS IN TÜRKİYE?**

[INVEST.GOV.TR](https://invest.gov.tr)

July 2022

# AGENDA



## EXECUTIVE SUMMARY



## NEED FOR INFRASTRUCTURE INVESTMENT



## TRANSPORTATION INFRASTRUCTURE

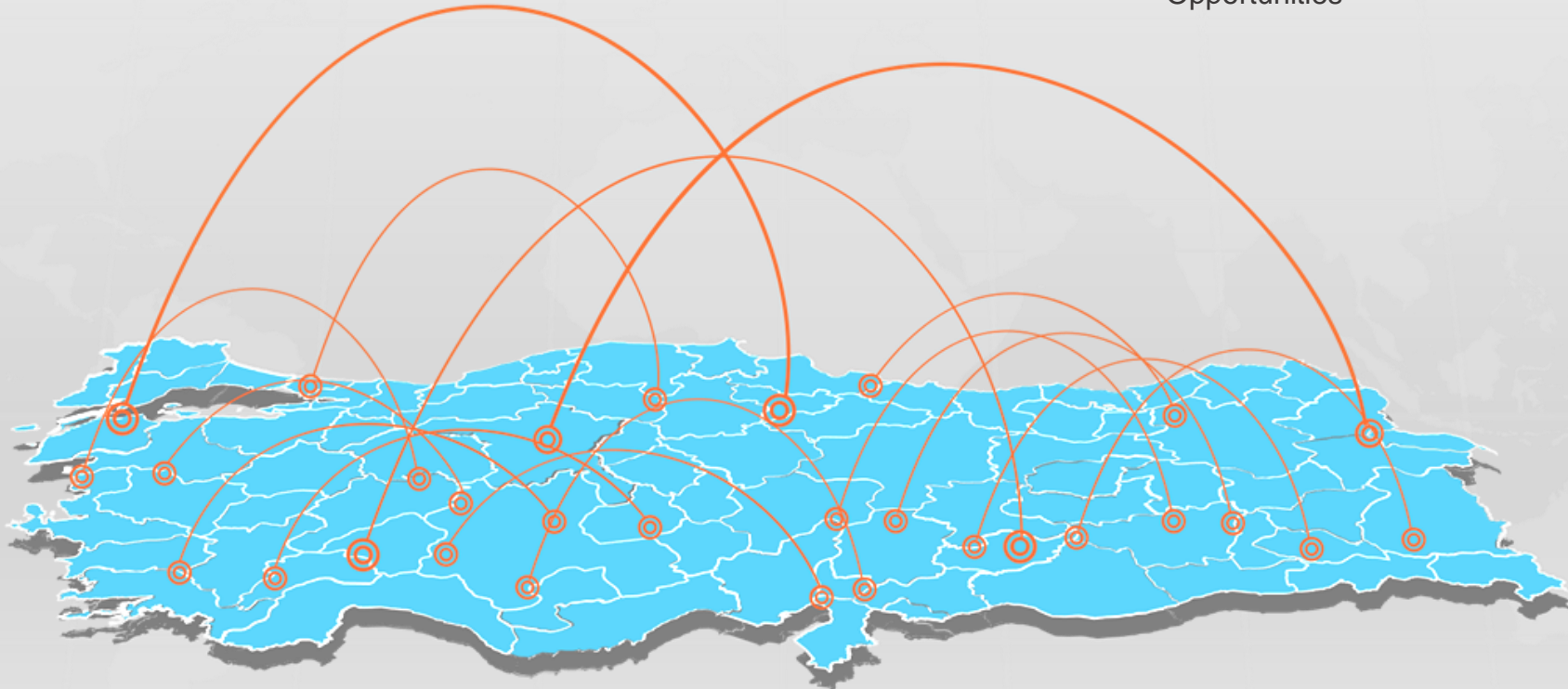


## TURKISH PPP MARKET

- Track Record
- Opportunities



## FAVORABLE INVESTMENT CLIMATE



## WHY INVEST IN TÜRKİYE?

### 10 REASONS TO INVEST IN TÜRKİYE



# 10 reasons to invest in Türkiye



**ROBUST  
ECONOMY**



**DOMESTIC  
+ ACCESSIBLE  
MARKETS**



**STRATEGIC  
LOCATION**



**FAVOURABLE  
DEMOGRAPHICS**



**SKILLED  
AND  
COMPETITIVE  
LABOR FORCE**



**CONTINUOUS  
REFORM PROCESS**



**BUSINESS-FRIENDLINESS**



**LUCRATIVE  
INCENTIVES**



**BENIGN R&D  
ECOSYSTEM**



**SECTORAL  
OPPORTUNITIES**

# EXECUTIVE SUMMARY

## TÜRKİYE HAS A STRONG CASE FOR INVESTMENT IN INFRASTRUCTURE



### Investment Need for Development

- Turkish economy is robustly growing with an average annual GDP growth rate of 5.4%.
- Türkiye's 84.7 million strong population is growing with additional 1 million people every year coupled with a rapid urbanization process which has resulted in more than 24 urban centers with populations over 1 million.
- Türkiye's growing trade volume and strategic location compels Türkiye to develop its infrastructure.

### Track Record with Significant Opportunities in the Pipeline

- Türkiye has implemented \$184 Billion worth of Public Private Partnership (PPP) projects in a variety of sectors. This trend has picked up in recent years with a bright prospect.
- Türkiye has set ambitious targets to upgrade its infrastructure.
- From transportation to healthcare and energy, ample opportunities are available in the pipeline.

### Favorable Investment Climate

- Türkiye has a favorable investment legislation for PPP investments that can be realized through various models, such as build-operate, build-operate-transfer, transfer of operational rights, etc.
- Türkiye's investment climate is further strengthened by domestic and international laws that protect investments and provide international arbitration.
- Türkiye's macroeconomic policies, investments and more importantly, strong public finance management support PPP investments that require guaranteed purchase.



# AGENDA



EXECUTIVE  
SUMMARY



**NEED FOR  
INFRASTRUCTURE  
INVESTMENT**



TRANSPORTATION  
INFRASTRUCTURE

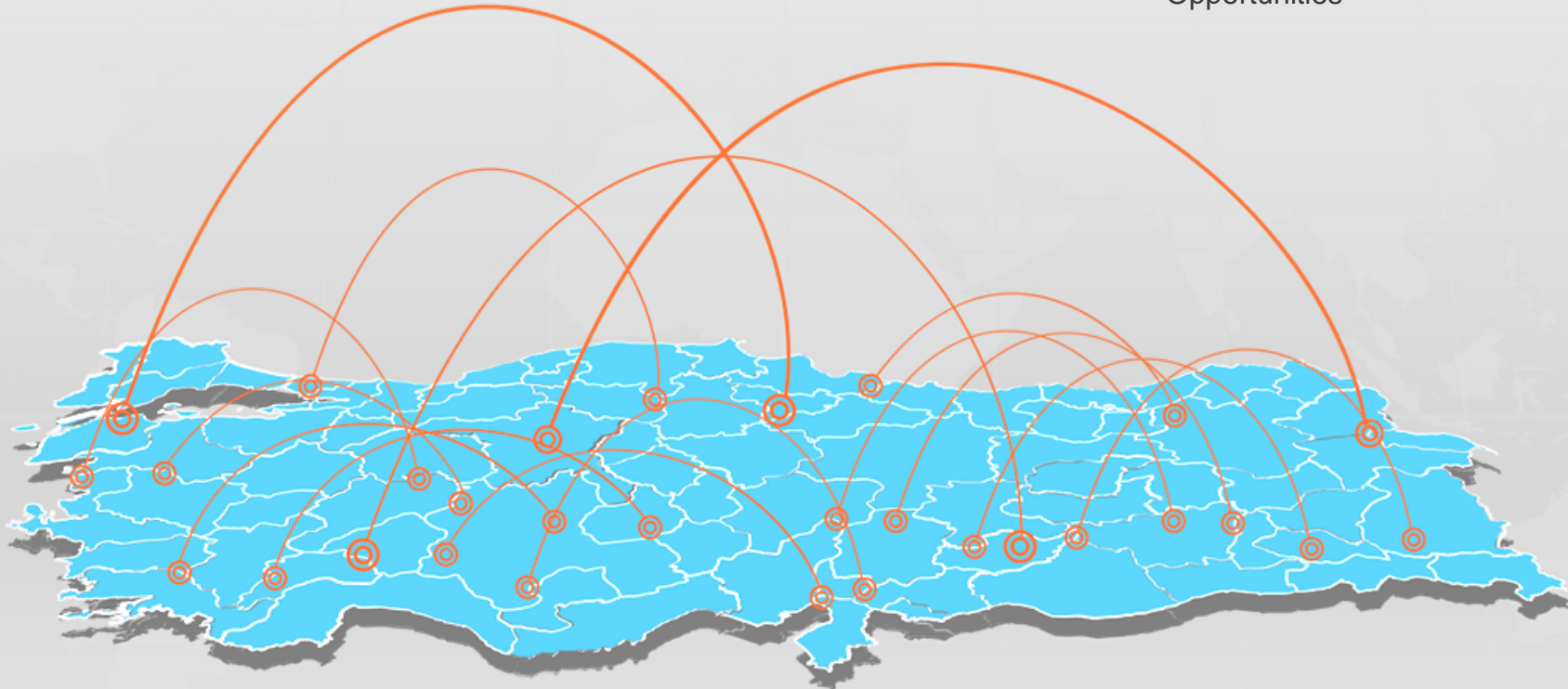


TURKISH PPP MARKET

- Track Record
- Opportunities



FAVORABLE  
INVESTMENT  
CLIMATE



# INFRASTRUCTURE NEED

## TÜRKİYE'S INVESTMENT NEED IN INFRASTRUCTURE IS DRIVEN BY SEVERAL FACTORS



**5.4%**

GDP GROWTH  
PER YEAR

### GROWING ECONOMY

Turkish economy has been robustly growing with an average annual GDP growth rate of 5.4 from 2002 to 2021

**84.7**

MILLION  
2021

### GROWING POPULATION

Türkiye's population has been rapidly growing by 1 million every year

**\$497**

BILLION  
TRADE  
VOLUME

### GROWING TRADE

Türkiye's foreign trade volume has increased from \$88 billion in 2002 to \$497 billion in 2021

**24**

URBAN CENTERS  
WITH POPULATIONS  
OVER  
1 MILLION

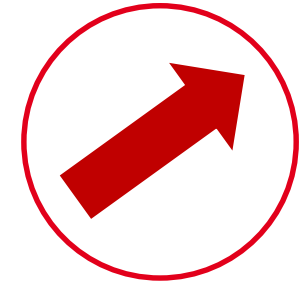
### URBANIZATION

As Turkish economy has developed, people from rural areas have migrated to urban centers



### STRATEGIC LOCATION

Türkiye is strategically located in the proximity of energy resources and trade routes



### GROWING NEED FOR EFFICIENCY

In order to maintain competitiveness, Türkiye needs to enhance efficiency and productivity by investing in infrastructure

# ROBUST ECONOMY

TRACK RECORD GROWTH AND BRIGHT  
FUTURE WITH PROVEN RESILIENCE

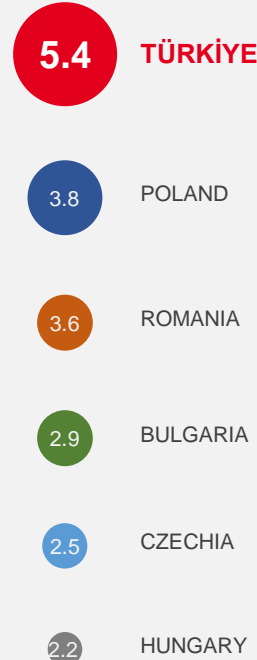


## 11<sup>th</sup> largest economy in the World

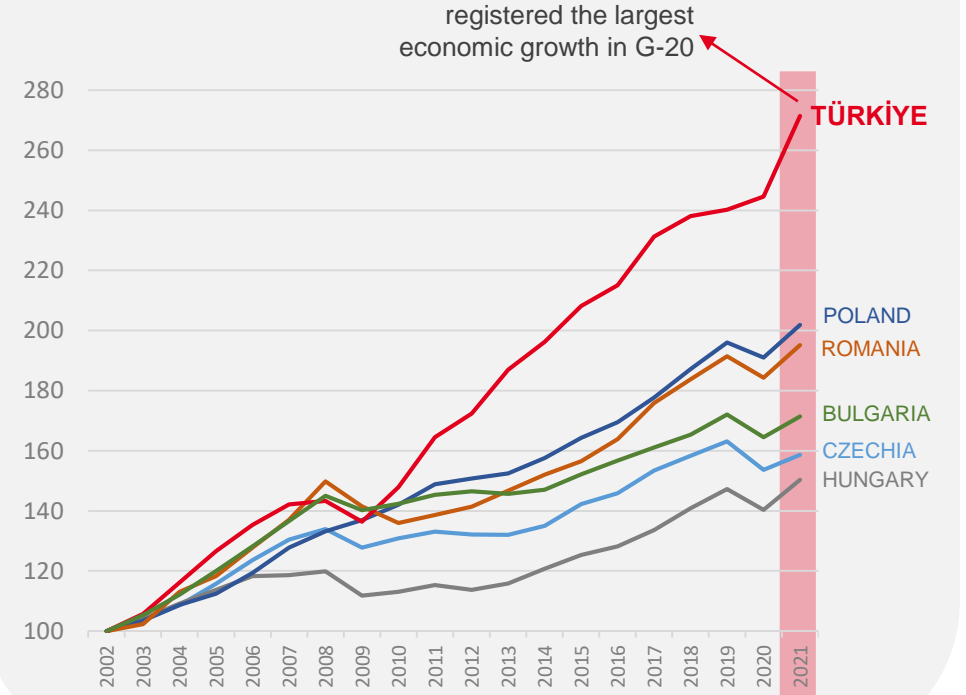
### RANKING OF ECONOMIES BY GDP AT PPP

2003	2019	2021
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. UK
10. ITALY	10. FRANCE	10. FRANCE
11. MEXICO	11. MEXICO	11. TÜRKİYE
12. INDONESIA	12. ITALY	12. ITALY
13. SPAIN	13. TÜRKİYE	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. TÜRKİYE	18. IRAN	18. TAIWAN, PRC

### AVERAGE ANNUAL GDP GROWTH (%) 2002-2021



### REAL GDP GROWTH (INDEX: 2002=100)



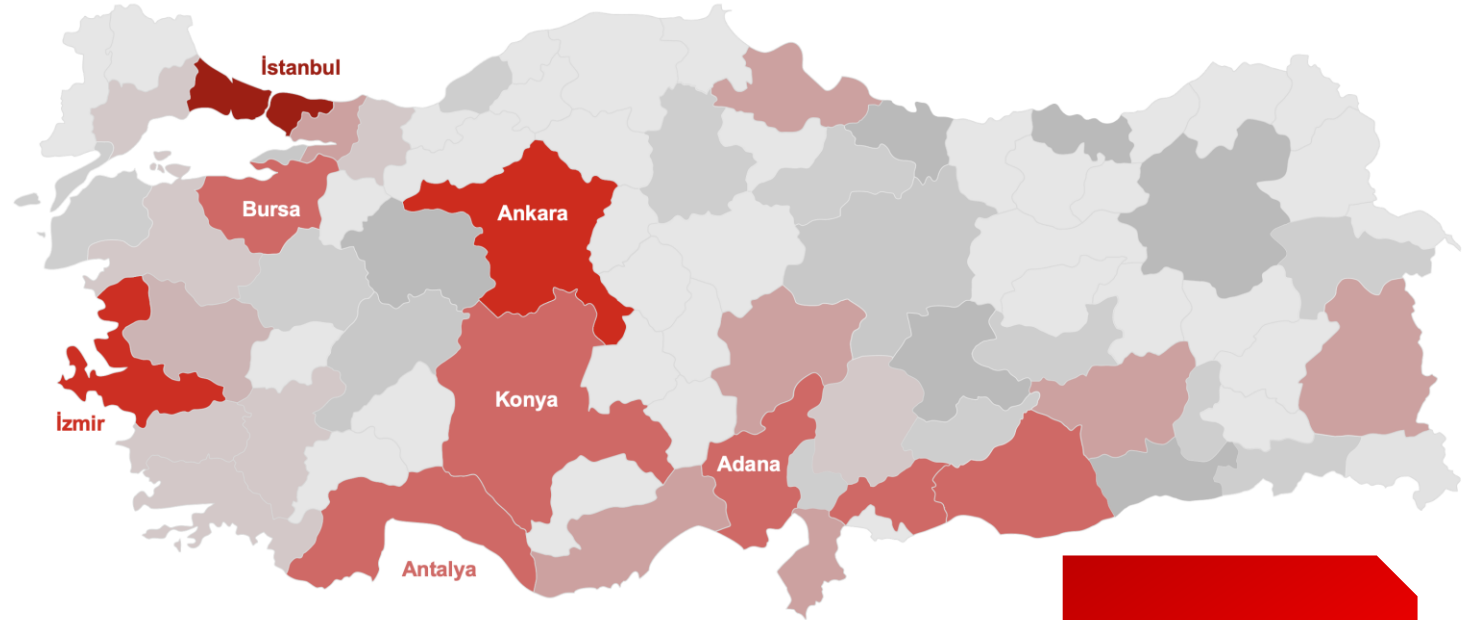
## DOMESTIC MARKET

DOMESTIC MARKET FURTHER SUPPORTED BY  
EMERGING URBAN CENTERS



# Total Population in 2021 **84.7 Million**

İstanbul	15.7 Million	Denizli	1.1 Million
Ankara	5.7 Million	Muğla	1 Million
İzmir	4.4 Million	Eskişehir	0.9 Million
Bursa	3.1 Million	Mardin	0.9 Million
Antalya	2.6 Million	Trabzon	0.8 Million
Konya	2.3 Million	Malatya	0.8 Million
Adana	2.3 Million	Ordu	0.8 Million
Şanlıurfa	2.1 Million	Erzurum	0.8 Million
Gaziantep	2.1 Million	Afyonkarahisar	0.7 Million
Kocaeli	2.0 Million	Sivas	0.6 Million
Mersin	1.9 Million	Adıyaman	0.6 Million
Diyarbakır	1.8 Million	Batman	0.6 Million
Hatay	1.7 Million	Tokat	0.6 Million
Manisa	1.5 Million	Zonguldak	0.6 Million
Kayseri	1.4 Million	Elazığ	0.6 Million
Samsun	1.4 Million	Kütahya	0.6 Million
Balıkesir	1.3 Million	Çanakkale	0.6 Million
Kahramanmaraş	1.2 Million	Osmaniye	0.6 Million
Van	1.1 Million	Şırnak	0.5 Million
Aydın	1.1 Million	Çorum	0.5 Million
Tekirdağ	1.1 Million	Ağrı	0.5 Million
Sakarya	1.1 Million		



24 urban centers  
With Populations  
over 1 million



## STRATEGIC LOCATION

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**

**Cargill**

66 countries

 **Microsoft**

70 countries

 **Nestlé**

Production base  
for MENA

**BOSS**  
HUGO BOSS

Its largest production  
facility worldwide

**B/S/H/**

89 countries

 **GE Healthcare**

22 countries

  
**中国电建**  
POWERCHINA

63 countries

**KNAUF**

80 countries

 **TOYOTA**

Exporting 85%  
of its production



- Exporting 87%  
of its production  
a

  
**SANOFI**

14 countries



30 countries

# INFRASTRUCTURE NEED

TÜRKİYE HAS A SIGNIFICANT INVESTMENT  
NEED IN INFRASTRUCTURE DEVELOPMENT



2022-2040

**\$569 Billion**

Investment current trends

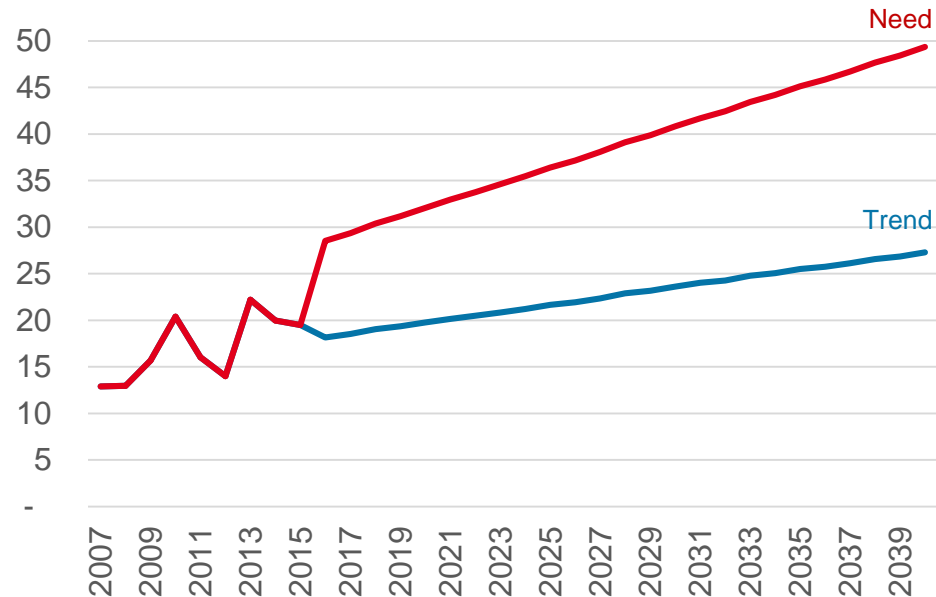
**\$975 Billion**

Investment needed

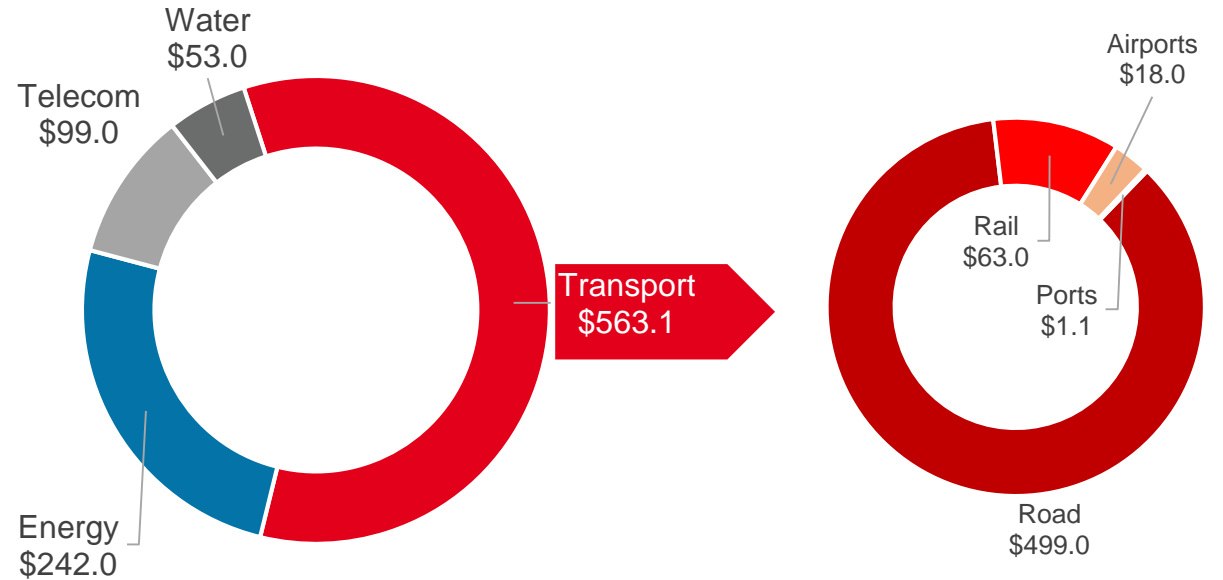
**\$405 Billion**

Investment gap

Türkiye's Infrastructure Current Trends and Need  
(\$Billion)



Investment Need by Sector  
(2022-2040)



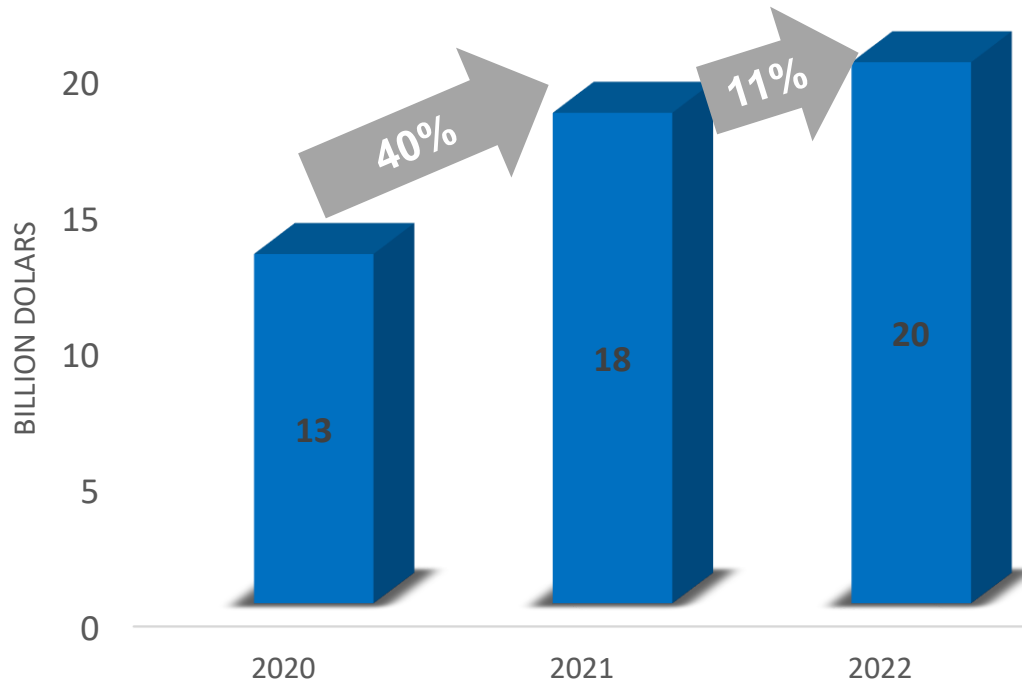
Investment Gap by Sector: \$335 bn in Road, \$48 bn in Energy, \$19 bn in Rail, \$2.2 in Water, \$0.66 bn in Airports

# PUBLIC INVESTMENT BUDGET

THE TURKISH GOVERNMENT HAS STEADILY INCREASED ITS PUBLIC INVESTMENT BUDGET IN 2021 AND 2022 DESPITE THE PANDEMIC.



## Public Investment Budget



### Increase in Investment Budget

Transportation, R&D, health and education sectors has the biggest jumps compared to other sectors.

### Carefully Selected Pipeline

Project selection will be extra important in the post-covid era so prioritization and rationalization has begun in the Public Investment Program.

### Coherence Between Macroeconomic Policies and Infrastructure Investments

Projects that not only financially more viable compared to traditional procurement but also more resilient by creating value to future generations will be prioritized. Affordability will be crucial.

# AGENDA



EXECUTIVE  
SUMMARY



NEED FOR  
INFRASTRUCTURE  
INVESTMENT



**TRANSPORTATION  
INFRASTRUCTURE**

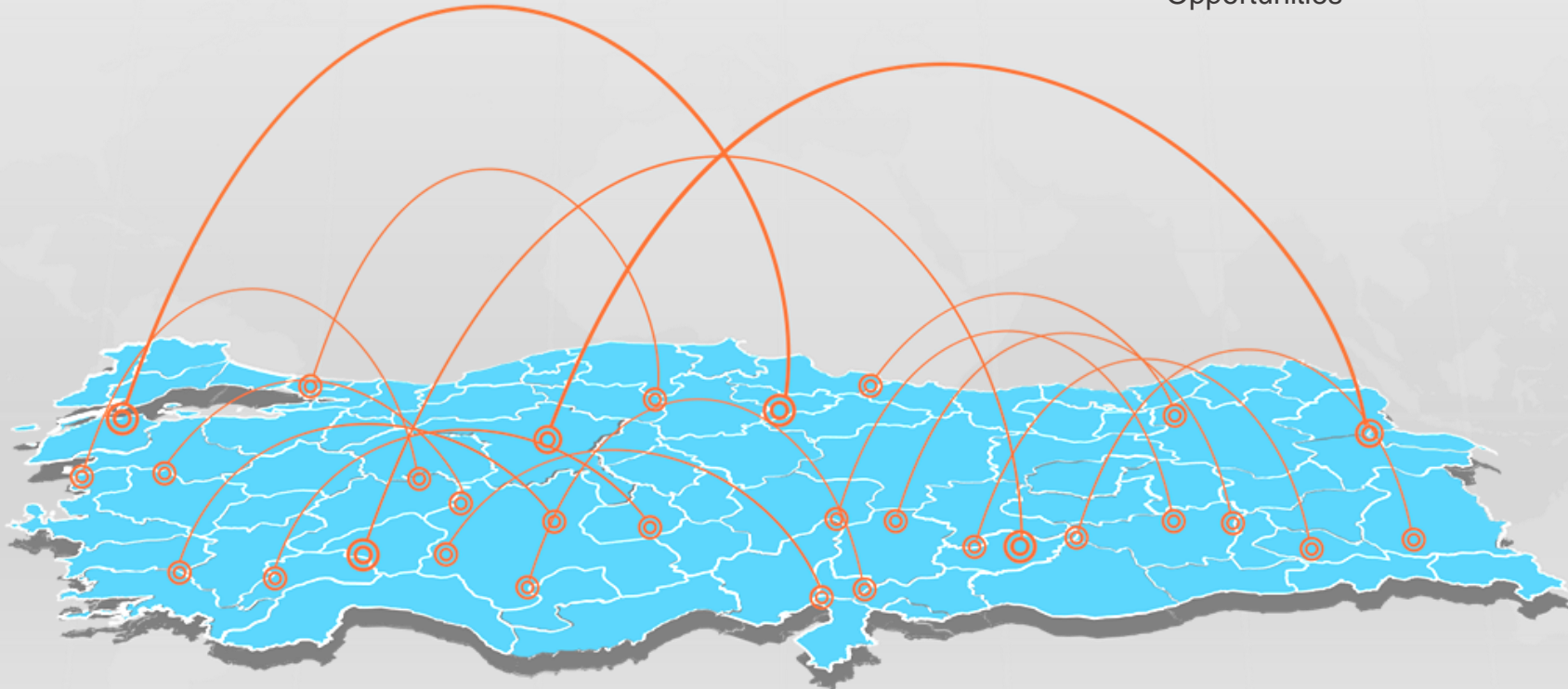


TURKISH PPP MARKET

- Track Record
- Opportunities








FAVORABLE  
INVESTMENT  
CLIMATE

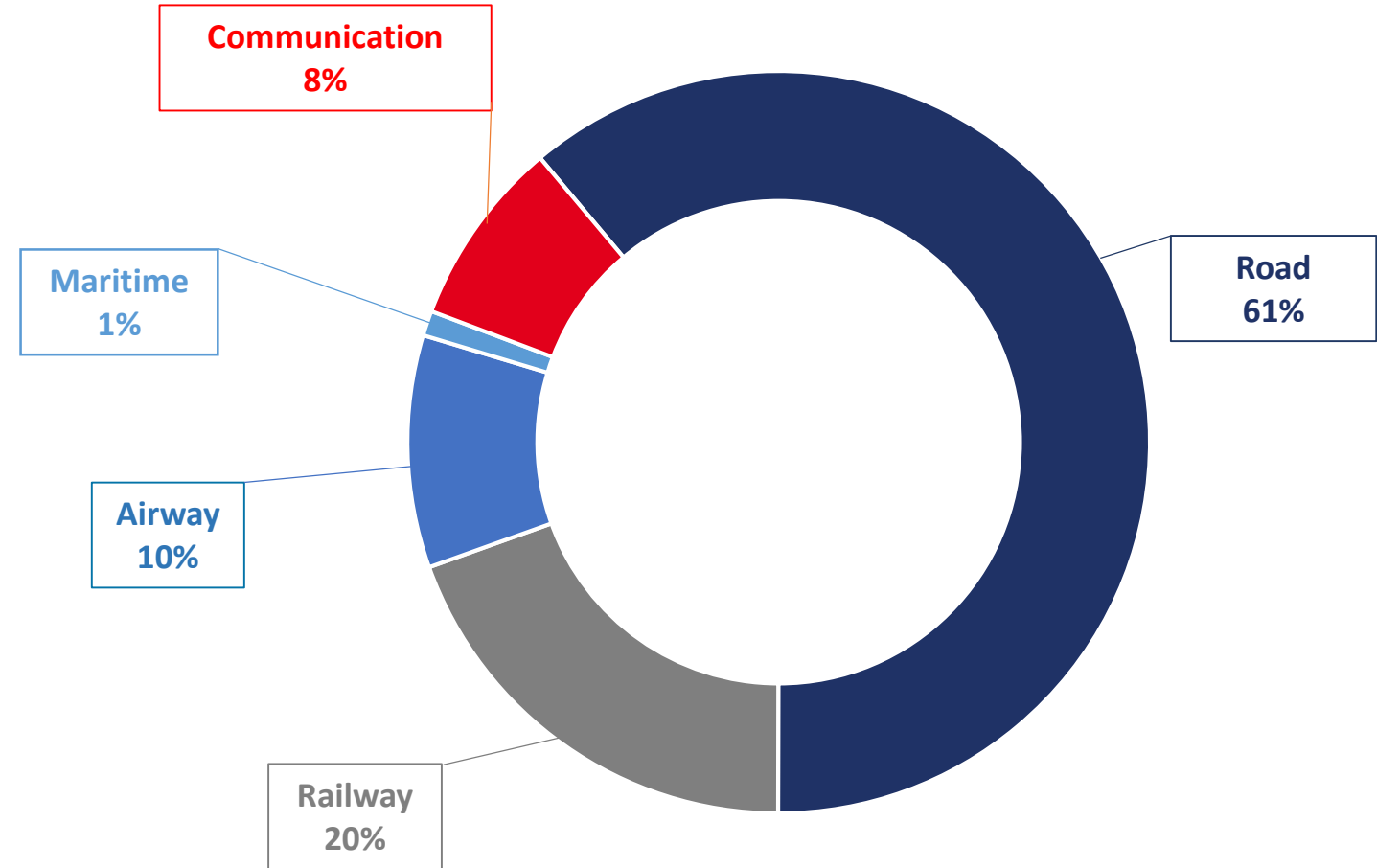


# INVESTMENTS IN TRANSPORT

## SECTORAL SHARE OF INVESTMENTS IN TRANSPORTATION AND COMMUNICATION (2003-2021)



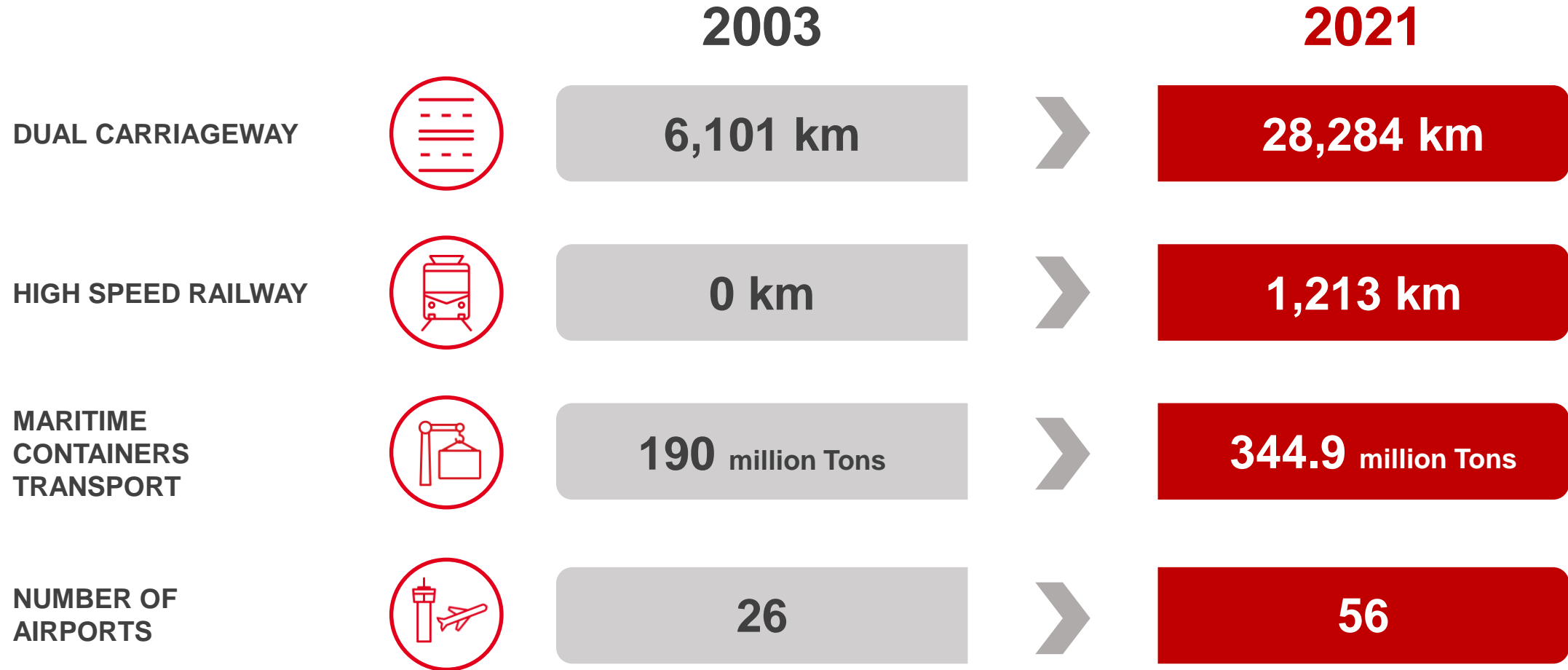
Sectors	Billion TL
Road 	697.9
Railway 	225.6
Airway 	115.2
Maritime 	12.5
Communication 	93.2
Total	1,144.8





# INFRASTRUCTURE INVESTMENTS IN TRANSPORT

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



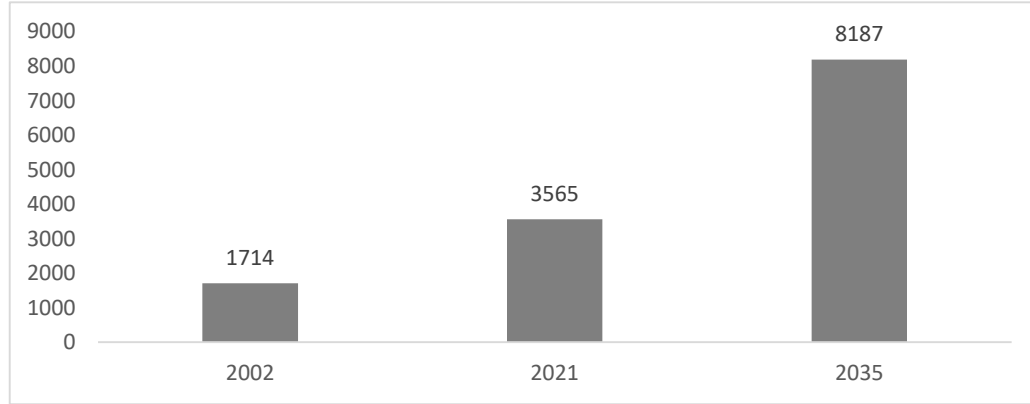
# AMBITIOUS TARGETS IN TRANSPORTATION INFRASTRUCTURE

TÜRKİYE HAS DONE A LOT FOR THE PAST 19 YEARS TO UPGRADE ITS TRANSPORTATION INFRASTRUCTURE



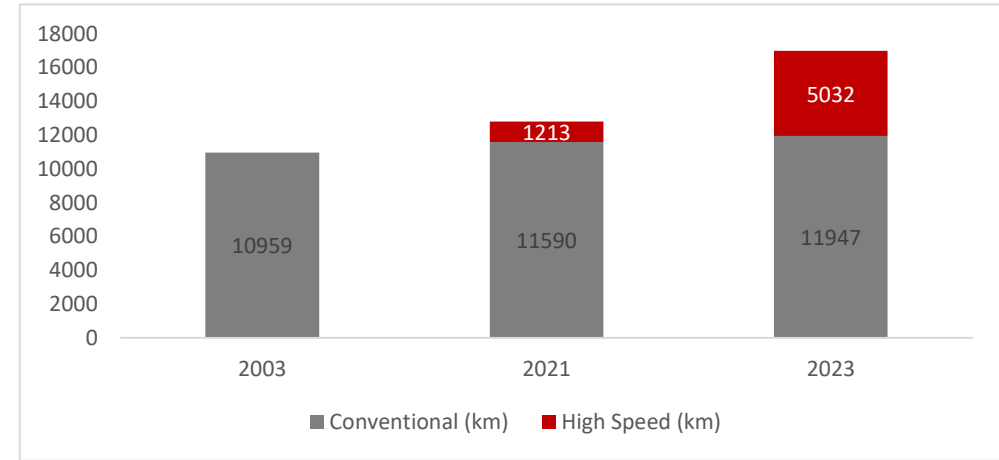
## MOTORWAY SECTOR

(TOLL ROADS) (KM)



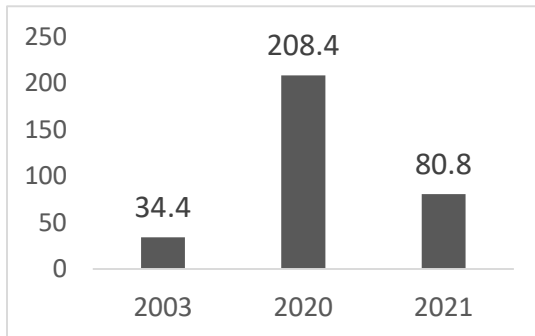
## RAILWAY SECTOR

(KM)

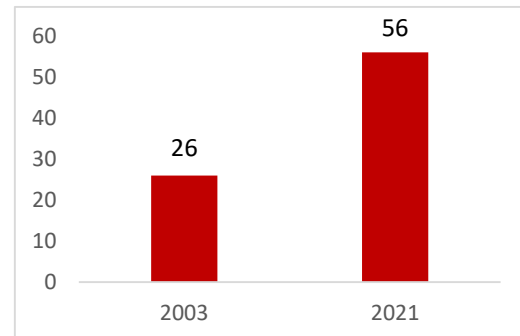


## AIRWAY SECTOR

Number of Passengers (million)

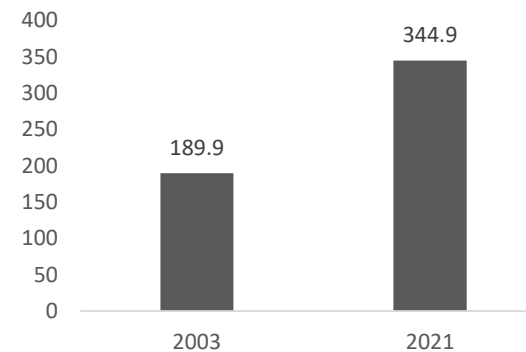


Number of Airports

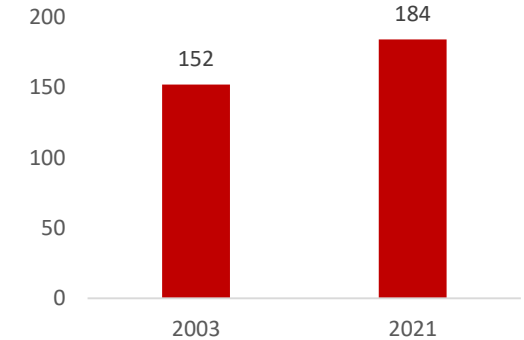


## MARITIME SECTOR

Freight Handling (ton/year)



Number of International Ports

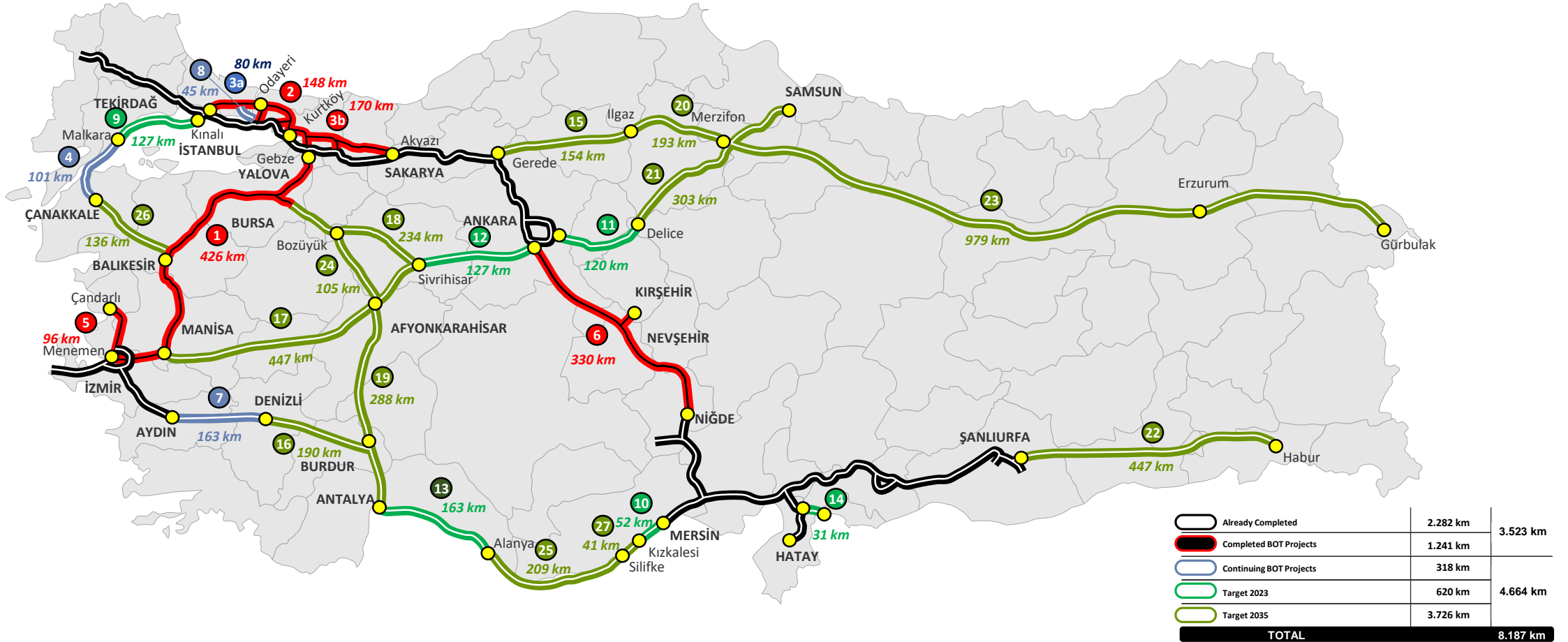


# HIGHWAY PROJECTS IN TÜRKİYE

## MOTORWAYS (TOLL ROADS) ARE KEY TO TÜRKİYE'S ROAD TRANSPORTATION



The total length of highways currently in service is **3,532 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**.

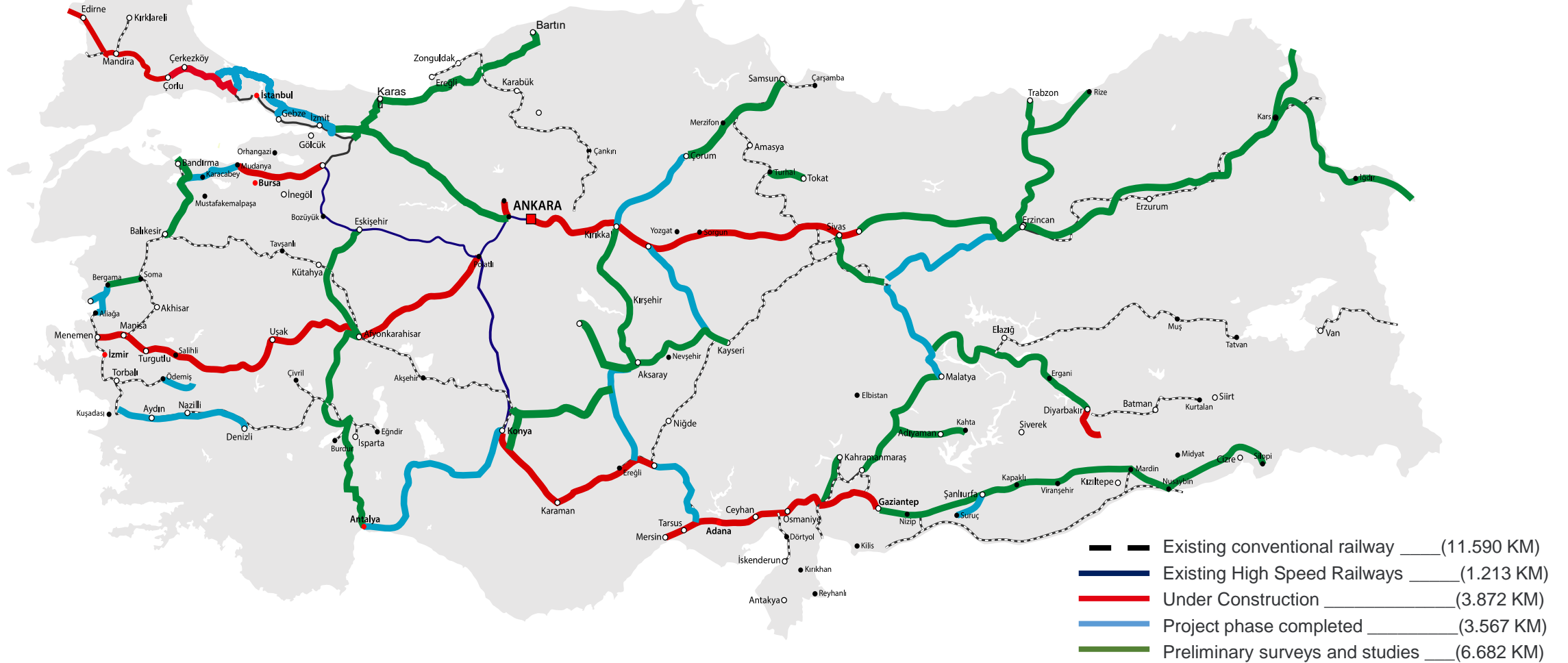


# RAILWAY PROJECTS IN TÜRKİYE

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



## RAILWAY MAP OF TÜRKİYE

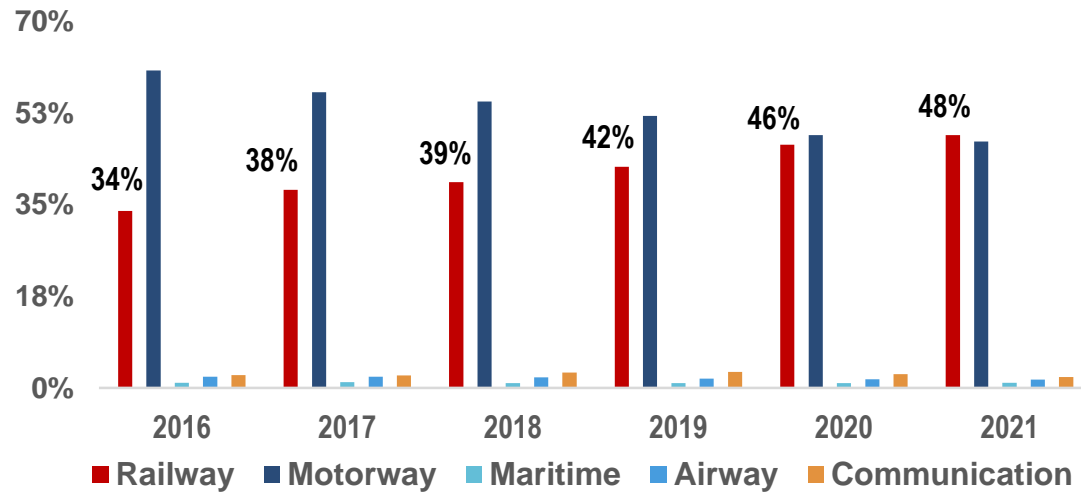


# INVESTMENT BUDGET IN RAILWAY

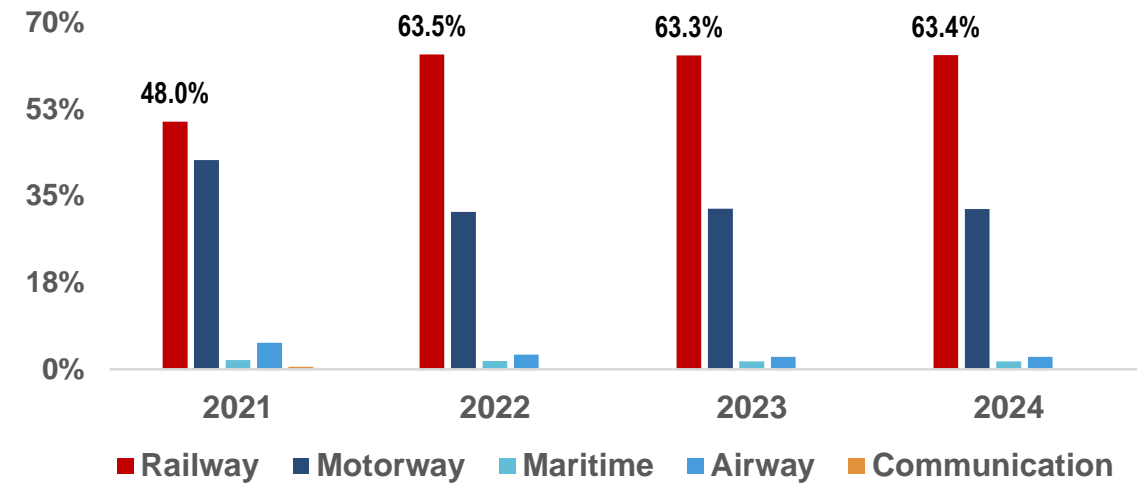
WHILE THE RATIO OF RAILWAYS IN TRANSPORTATION INVESTMENTS WAS 34% IN 2016, THIS RATIO INCREASED TO 48% AS OF 2021



Investment Budget Percentages of Transport Subsectors  
(Current Situation)



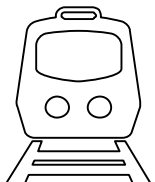
Investment Budget Percentages of Transport Subsectors  
(Projection)



2024  
(Medium Term)

2035  
(Long Term)

2053  
(Vision)



Investment  
Billion \$

30

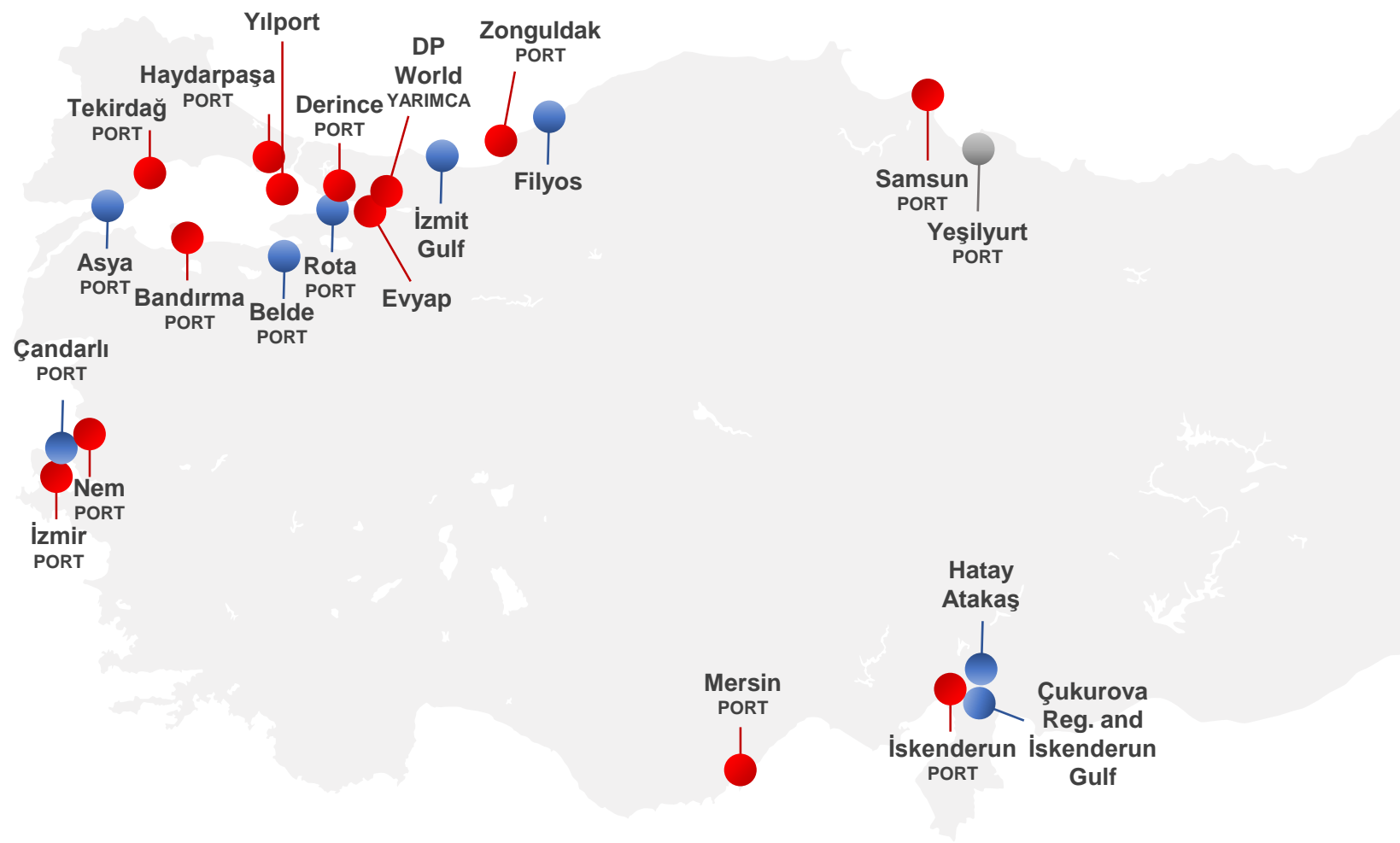
77

82



# JUNCTION LINES CONNECTED TO PORTS

JUNCTION LINE INVESTMENTS CONTINUE FOR PORTS, WHICH ARE OF GREAT IMPORTANCE FOR INTERNATIONAL TRADE

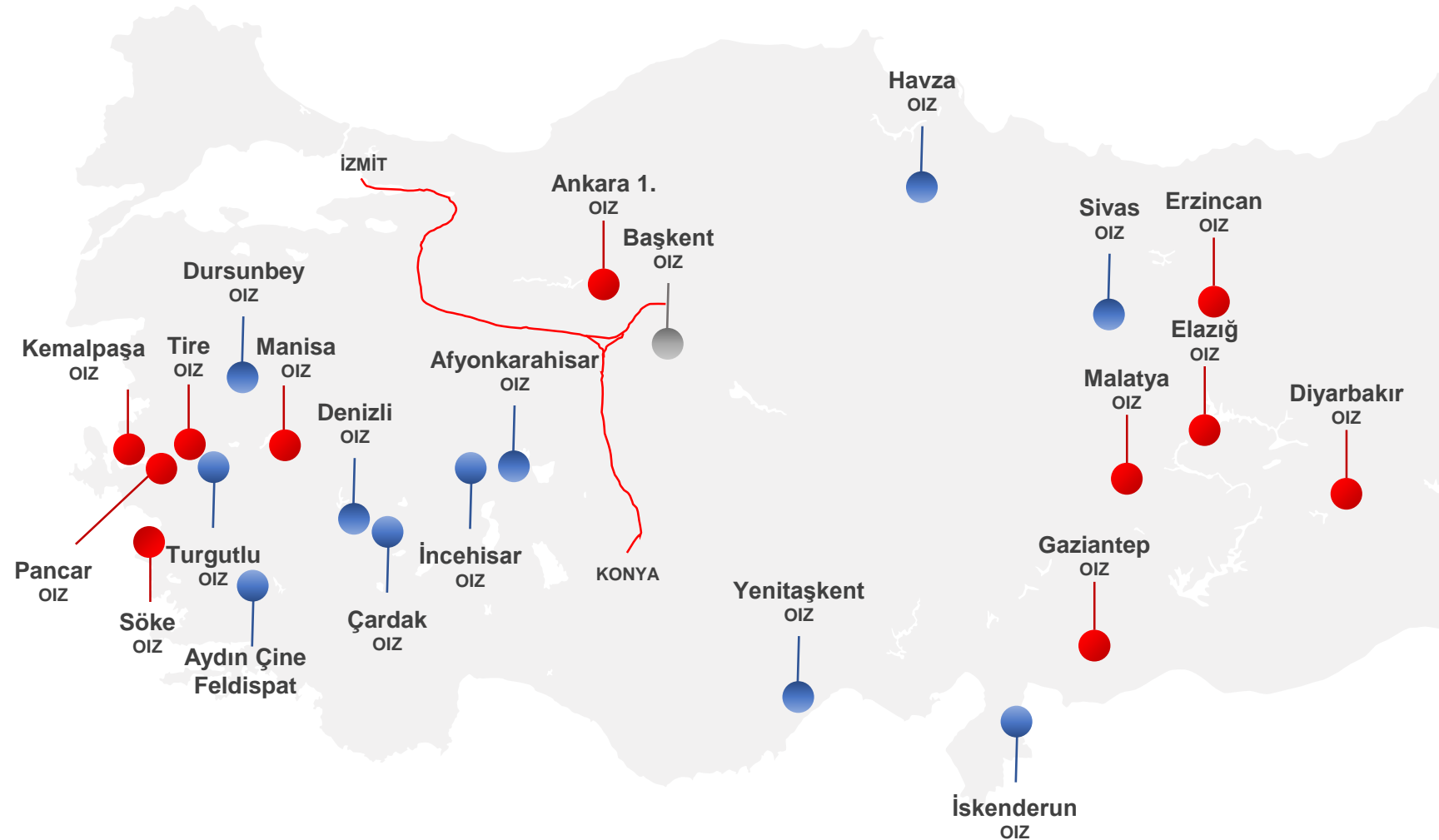


PORT CONNECTIONS					
EXISTING LINES	Km	UNDER CONSTRUCTION	Km	PLANNED	Km
H. Paşa	2.5	Samsun Yeşilyurt Gelemen	6.76	Belde Port	1
İzmir	5.3			Rota Port	1.5
Nemport	3.4			Hatay Atakaş	3
Bandırma	5.1			Asyaport	4
Mersin	13.8			Çukurova Reg. and Iskenderun Gulf	36
Samsun	14.6			Filyos Port	12
İskenderun	19.0			İzmit Gulf Industrial Centers	10
Derince	7.5			İzmir Çandarlı	7
Tekirdağ	1.6				
Zonguldak	1.7				
Yılport	0.2				
Evyap	1.9				
DP World Yarımca	1.0				
Kozlu Pier	4.3				
Ekinciler Pier	3.3				
Gübretaş Pier	0.3				
İsdemir Pier	3.0				
TOTAL	88.5		6.8		74.5

- EXISTING 13
- PLANNED 8
- UNDER CONSTRUCTION 1

# JUNCTION LINES CONNECTED TO OIZS

THE SHARE OF RAILWAYS IN COMBINED TRANSPORTATION APPLICATIONS IS INCREASED WITH THE JUNCTION LINES CONSTRUCTION IN ORGANIZED INDUSTRIAL ZONES, WHICH HAVE A HIGH SHARE IN FREIGHT TRANSPORTATION



EXISTING LINES	KM	UNDER CONSTRUCTION LINES	KM	PLANNED LINES	KM
Ankara 1. OIZ	8.6	Başkent OIZ	3.75	Havza OIZ	3.45
Pancar OIZ	1.25			Sivas 2.OIZ	1
Tire	0.62			Yenitaşkent OIZ	16
Kemalpaşa	27.8			İskenderun OIZ	4.2
Manisa	7.6			Afyonkarahisar OIZ	12
Erzincan OIZ	9.11			İncehisar OIZ	12
Elazığ OIZ	1.41			Çardak OIZ	2.3
Diyarbakır OIZ	4			Denizli OIZ	1
Malatya OIZ	0.87			Aydın Çine Feldispat OIZ	7
Gaziantep (Başpınar) OIZ	9			Turgutlu OIZ	1.5
Söke (OIZ)	1.27			Dursunbey OIZ	4
<b>TOTAL</b>	<b>71.5</b>			<b>TOTAL</b>	<b>64.45</b>

- EXISTING 11
- PLANNED 11
- UNDER CONSTRUCTION 1

# LOGISTICS CENTERS

TÜRKİYE HAS ESTABLISHED INTERMODAL LOGISTICS CENTERS ALONGSIDE THE TRANS-ASIAN RAILWAY NETWORK TO LOWER COSTS AND INCREASE EFFICIENCY OF LOGISTICS NETWORKS



25 logistics centers



35 million tons additional transport capacity



12.8 million m<sup>2</sup> container storage and handling area



In Service and Completed (12)



Planned (8)



Under Construction (2)

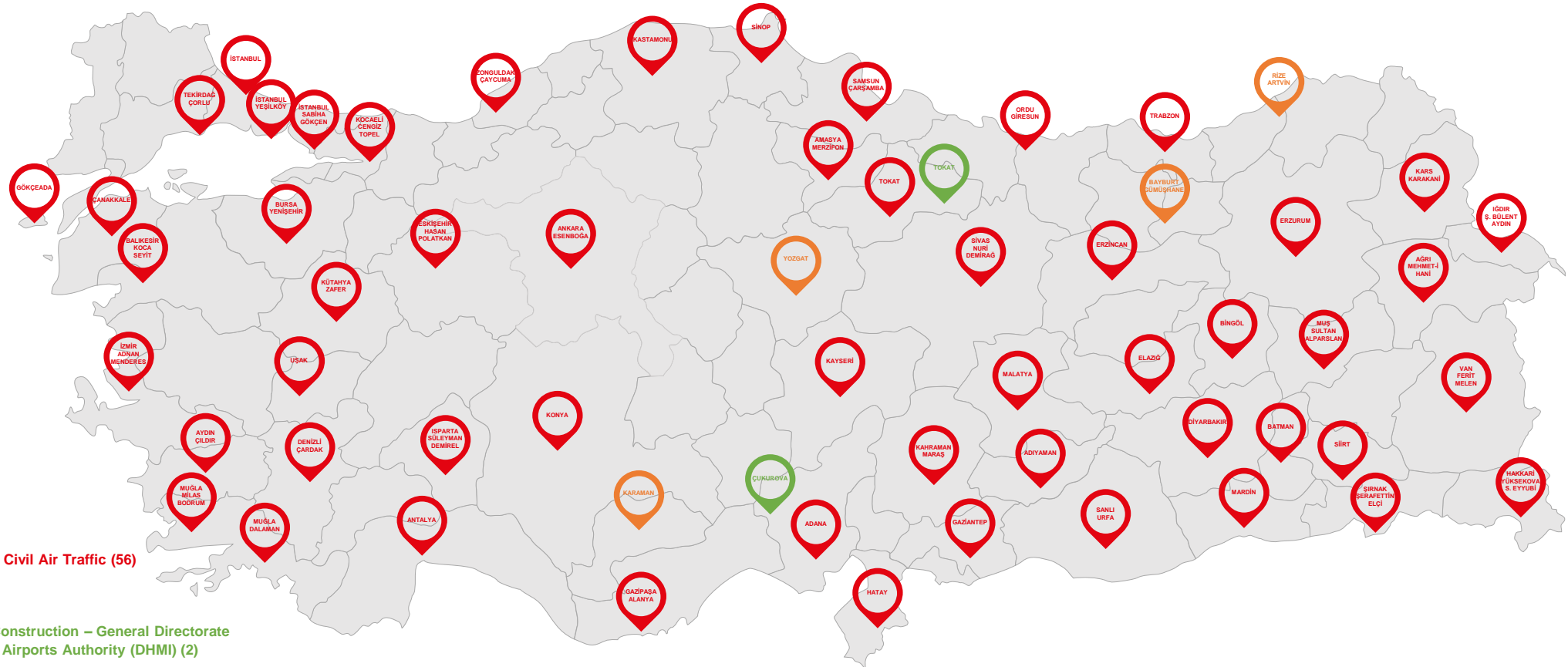


In Tender Stage (3)



# AIRPORT MAP OF TÜRKİYE

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



**Open to Civil Air Traffic (56)**



**Under Construction – General Directorate  
of State Airports Authority (DHMI) (2)**



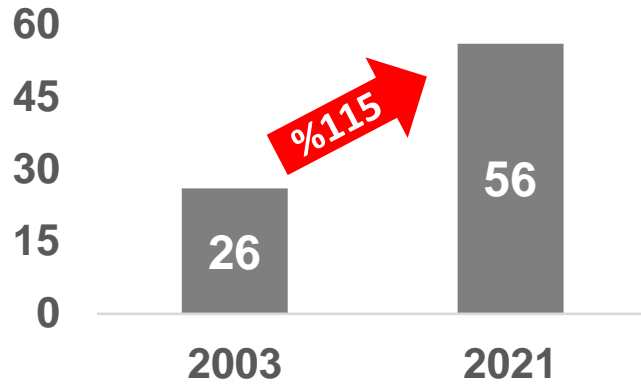
**Under Construction - General Directorate  
of Infrastructure Investments (AYGM) (4)**

# AVIATION INDICATORS

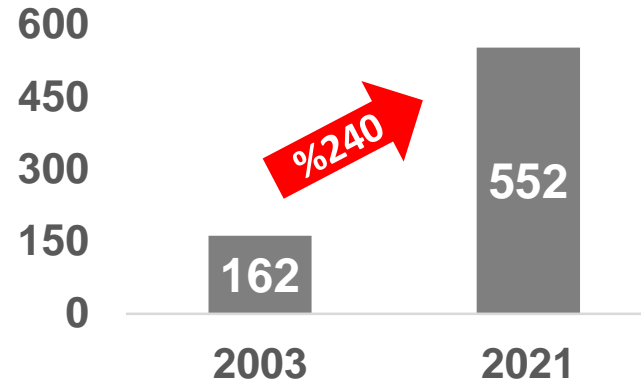
REMARKABLE INCREASES HAVE BEEN OBSERVED  
IN SECTORAL INDICATORS IN THE LAST 18 YEARS



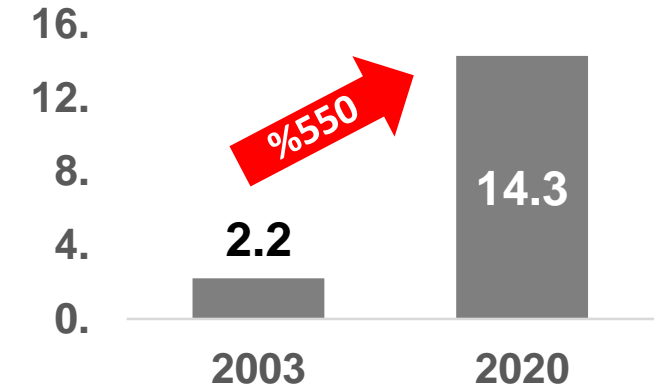
Number of Active Airports



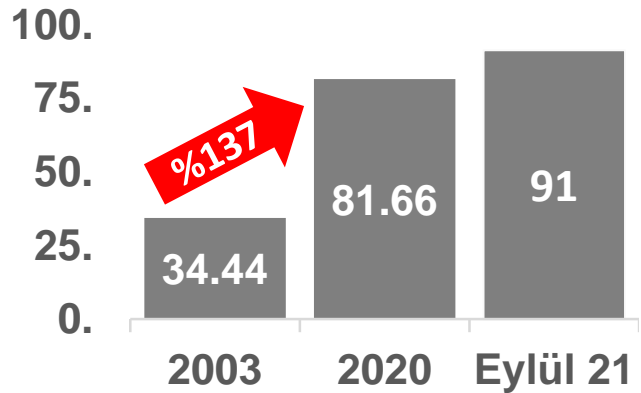
Wide-Body Plane



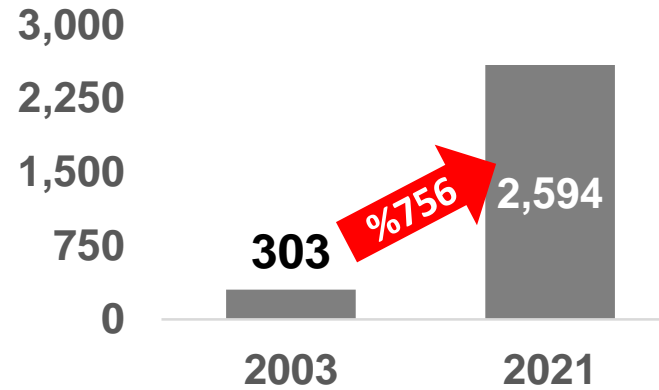
Sector Revenue (Billion \$)



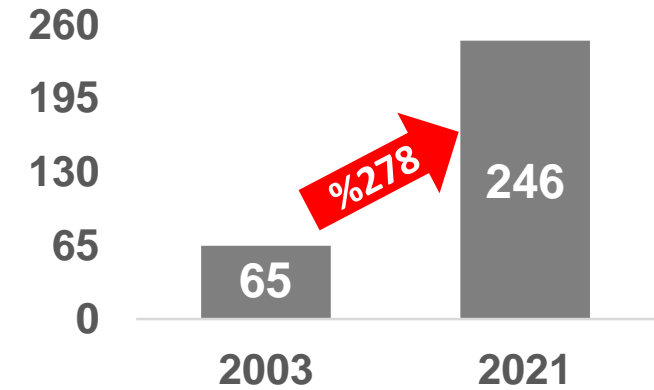
Total Passenger (Million)



Air Freight\* Capacity (ton)



Employment (thousand)





# AIRPORTS RANKING

İSTANBUL AIRPORT IS THE 1<sup>st</sup> IN EUROPE ACCORDING  
PASSENGER TRAFFIC RANKING IN 2021



## Ranking of Airports in EUROPE by Passenger Traffic in 2021

Rank	Airport	Passenger
1	İSTANBUL	37,176,509
2	MOSCOW - SHEREMETYEVO	30,623,796
3	PARIS - DE GAULLE	26,195,575
4	AMSTERDAM-SCHIPHOL	25,492,633
5	MOSCOW - DOMODEDOVO	25,065,087
6	İSTANBUL SABİHA GÖKÇEN	24,991,916
7	FRANKFURT	24,812,849
8	MADRID - BARAJAS	24,135,220
9	LONDON- HEATHROW	19,392,178
10	BARCELONA- EL PRAT	18,874,896
11	SAINT PETERSBURG - PULKOVO	18,043,464
12	MOSCOW - VNUKOVO	17,999,084
13	ANTALYA	17,148,111
14	PARIS ORLY	15,724,580
15	MALLORCA	14,496,857
16	MUNICH	12,496,432
17	ATHENS	12,346,078
18	LISBON	12,149,000
19	ROME- DA VINCI	11,662,842
20	VIENNA	10,405,523

## Ranking of Airports in the WORLD by Passenger Traffic in 2021

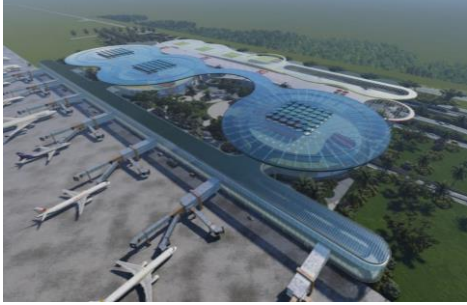
Rank	Airport	Passenger
1	ATLANTA, GA	75,537,213
2	DALLAS- FORT WORTH	62,465,756
3	DENVER	58,828,552
4	CHICAGO	54,020,399
5	LAX- INTERNATIONAL	48,007,284
6	CHARLOTTE – DOUGLAS	43,302,230
7	ORLANDO – FLORIDA	40,351,068
8	GUANGZHOU	40,249,679
9	CHENGDU- SHUANGLIU	40,117,496
10	LAS VEGAS – NEVADA	39,710,493
11	PHOENIX – ARIZONA	38,846,713
12	MIAMI - INTERNATIONAL	37,302,456
13	İSTANBUL	37,176,509
16	MEXICO CITY	36,056,614
24	XIANYANG – INTERNATIONAL	30,173,312
29	AMSTERDAM SCHIPHOL	25,500,000
31	MOW – DOMODEDOVO	25,100,000
33	İSTANBUL SABİHA GÖKÇEN	24,991,916
36	SAO PAULO - INTERNATIONAL	24,170,612

# PROJECTS UNDER CONSTRUCTION

TÜRKİYE CONTINUES TO INVEST IN AIRPORTS  
WITH NEW TERMINALS AND RUNWAY  
CONSTRUCTIONS



## Airport Projects (3)



ÇUKUROVA AIRPORT 8  
MIL. PASS/YEAR (DHMI)



YOZGAT AIRPORT  
2 MIL. PASS/YEAR



BAYBURT-GÜMÜŞHANE AIRPORT  
2 MIL. PASSENGER/YEAR

## Runway Projects (8)

1. Trabzon Airport new runway construction
2. Çukurova Airport runway construction
3. Elazığ Airport runway construction
4. Zonguldak Airport runway expansion
5. Diyarbakır Airport runway construction
6. Kars Airport runway renovation
7. Sivas Airport runway renovation
8. Ankara Esenboğa 3. runway construction

## Terminal Projects (6)

1. Gaziantep Airport terminal construction
2. Kayseri Airport terminal construction
3. Malatya Airport terminal construction
4. Samsun Airport new terminal construction
5. Siirt Airport terminal reconstruction
6. Kapadokya Airport terminal construction

# AGENDA



EXECUTIVE  
SUMMARY



NEED FOR  
INFRASTRUCTURE  
INVESTMENT



TRANSPORTATION  
INFRASTRUCTURE

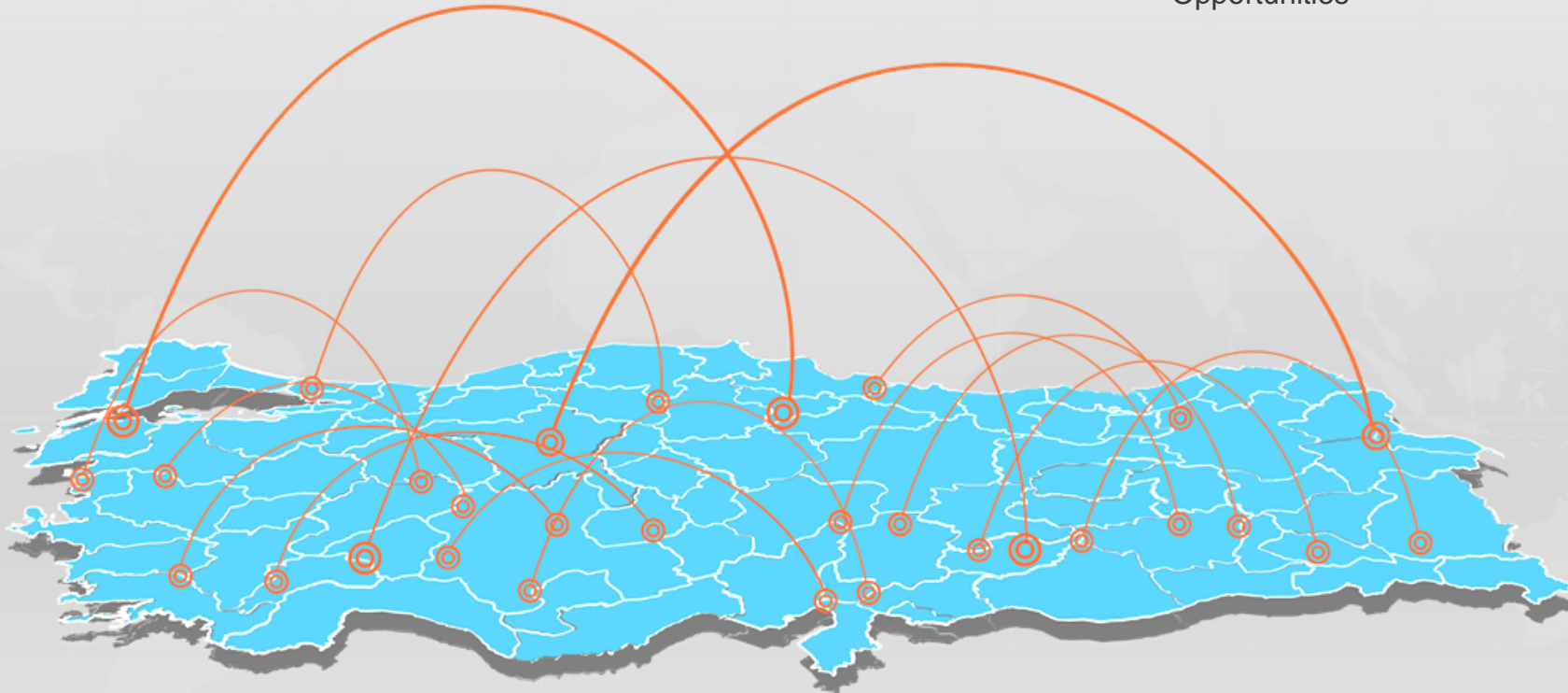


**TURKISH PPP MARKET**

- **Track Record**
- Opportunities



FAVORABLE  
INVESTMENT  
CLIMATE



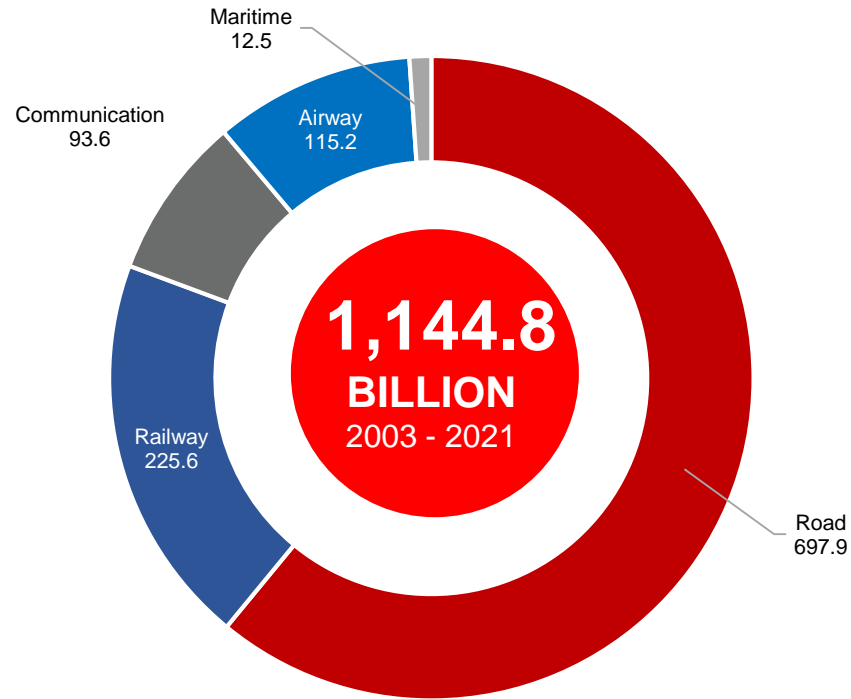
# PPP IN TRANSPORTATION

TÜRKİYE HAS HEAVILY INVESTED IN TRANSPORT INFRASTRUCTURE ACROSS THE COUNTRY AND CONTINUES WITH EVEN MORE AMBITIOUS TARGETS



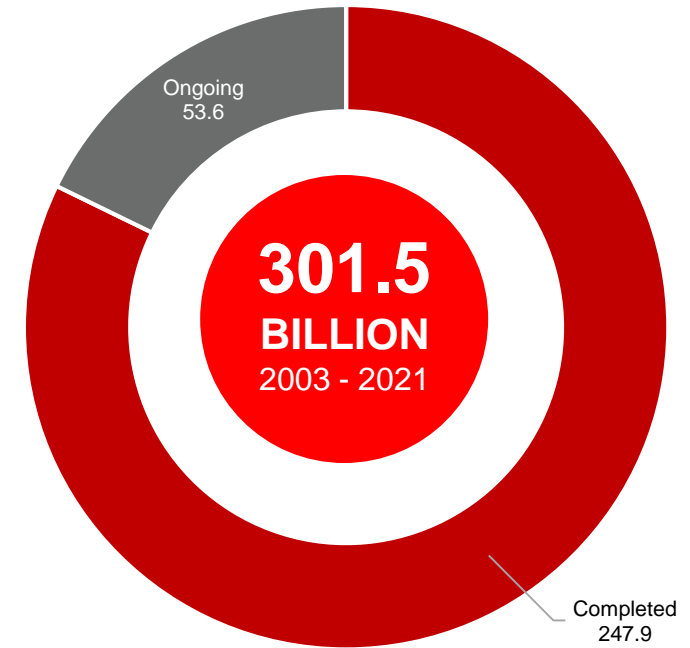
## Infrastructure Investments

(₺ Billion\*)



## PPP Investments in Transport & Communication

(₺ Billion)

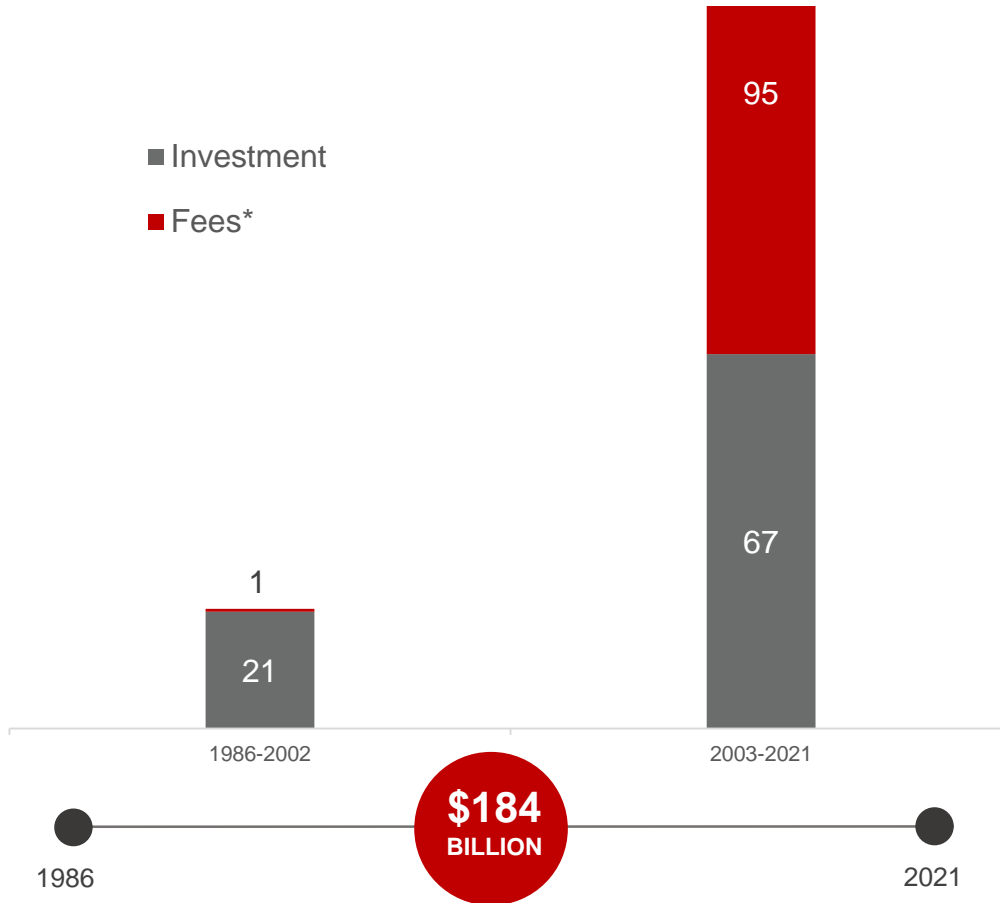


# TURKISH PPP MARKET

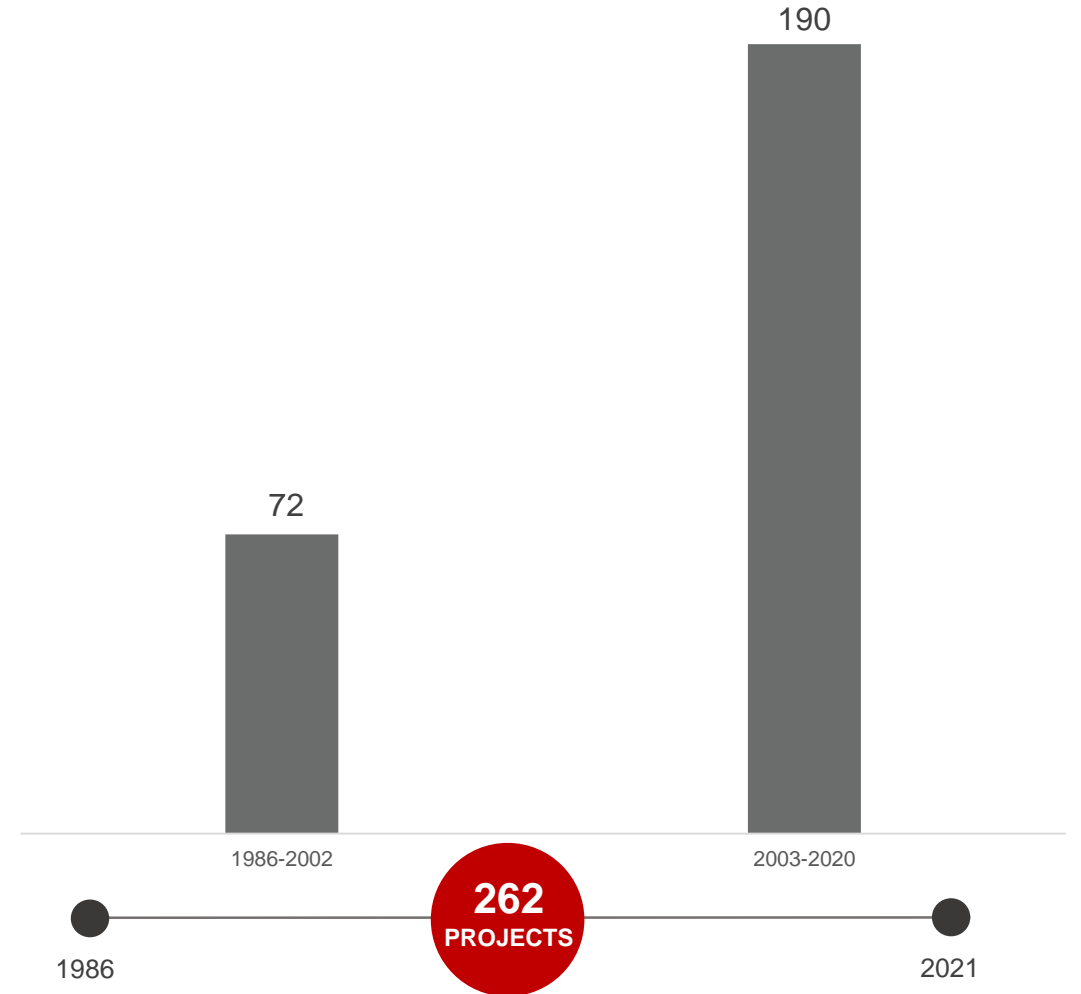
FOR THE LAST 19 YEARS, USE OF PPP MODELS INCREASED  
AS AN ALTERNATIVE TO PUBLIC PROCUREMENT



## PPP Contracts in Türkiye (\$ Billion\*\*)



## Number of PPP Projects in Türkiye





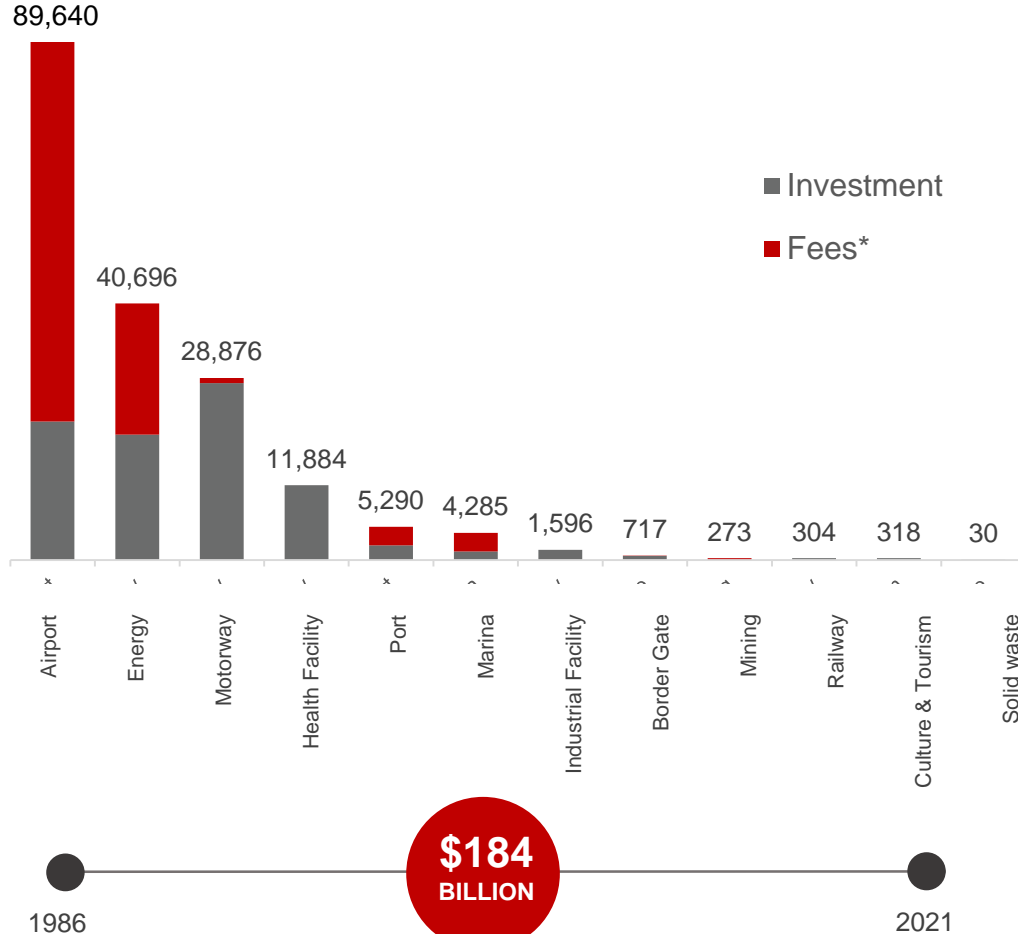
# TURKISH PPP MARKET

## TRANSPORTATION AND ENERGY INFRASTRUCTURE PROJECTS DOMINATE THE PPP MARKET IN TÜRKİYE



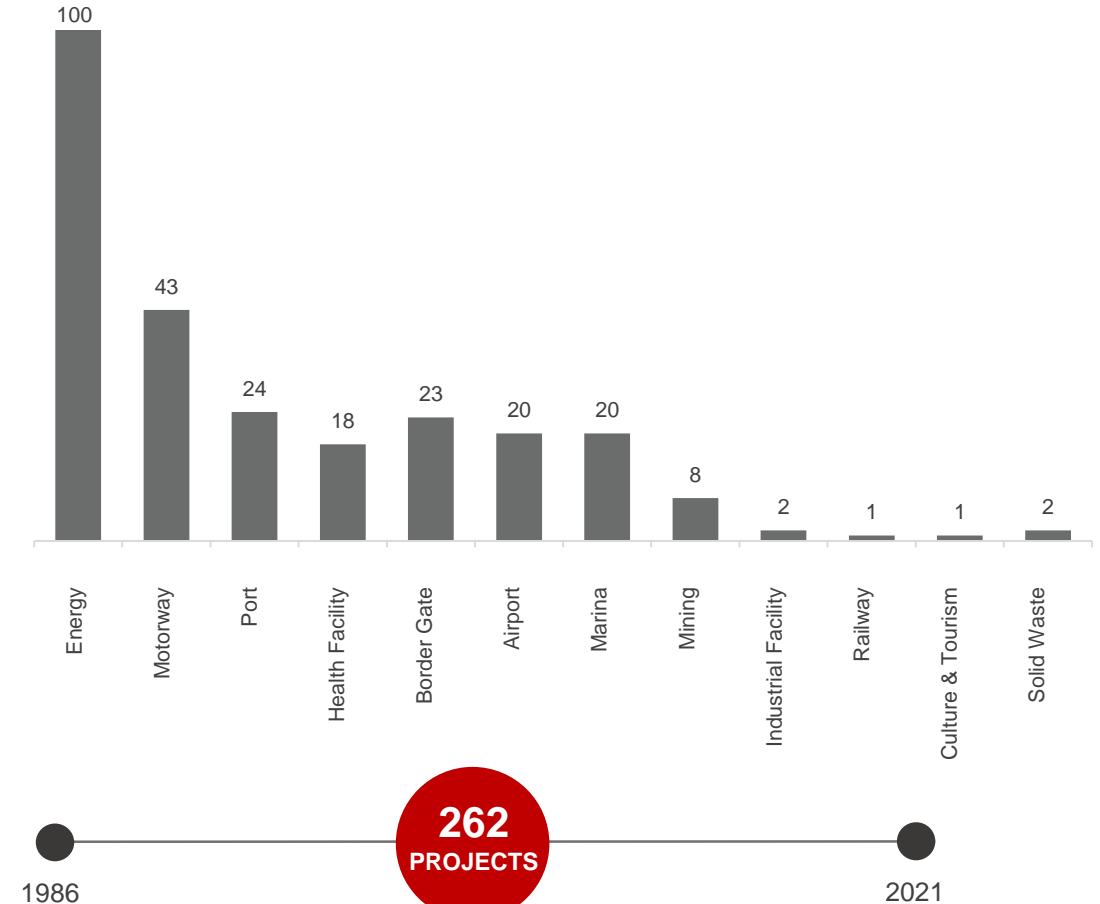
### Breakdown of the PPP Contracts

(\$ Million\*\*)



### Breakdown of the PPP Contracts

(Number)



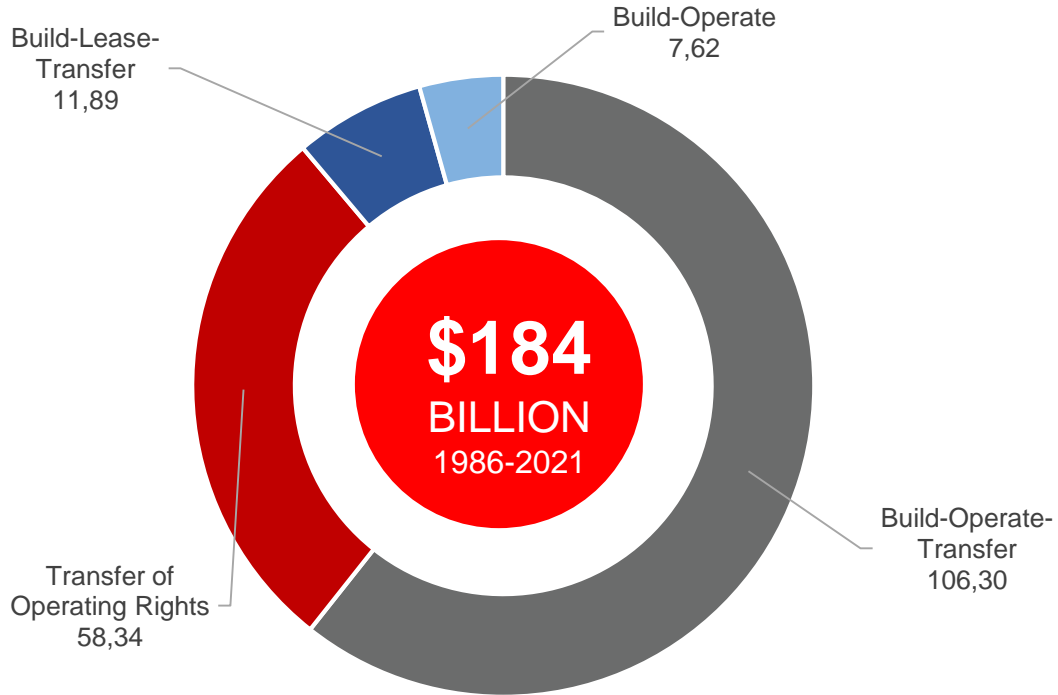
# TURKISH PPP MARKET

BUILD-OPERATE-TRANSFER AND TRANSFER OF OPERATING RIGHTS ARE THE MAIN CONTRACT MODELS IN THE TURKISH PPP MARKET



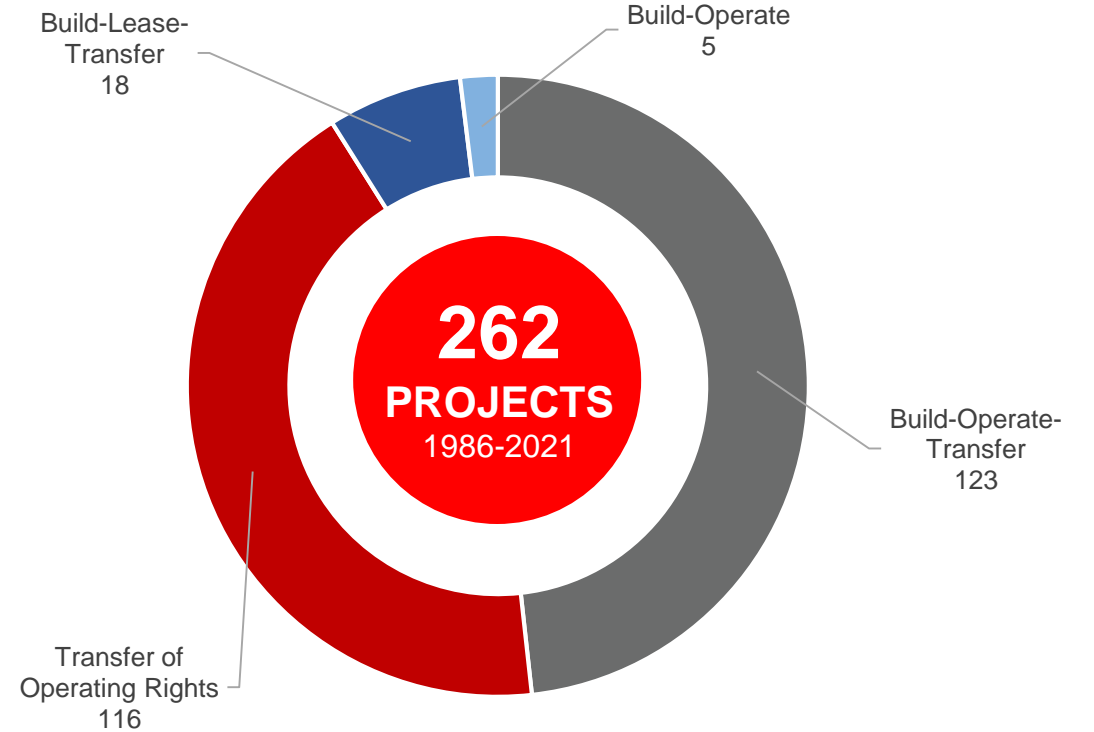
## PPP Contract Models

(\$ Million\*\*)



## PPP Contract Models

(Number)



# SHOWCASE IN TRANSPORTATION PPP

TÜRKİYE HAS IMPLEMENTED A VARIETY OF MEGA  
PROJECTS WITH BOT MODEL AND CONTINUES TO DO SO



ISTANBUL NEW AIRPORT



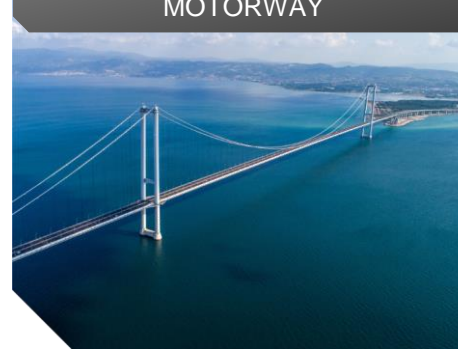
- Set to become world's largest airport
- Annual capacity of 150 million passengers when all phases are completed
- Commissioned in April 2019
- Investment of \$6.5 billion

YAVUZ SULTAN SELIM BRIDGE



- 95 km-long motorway featuring a bridge for rail & motor vehicle transit over Bosphorus
- Commissioned in August 2016
- Investment of \$3.5 billion

GEBZE - ORHANGAZI - IZMIR  
MOTORWAY



- 427 km-long motorway connecting Istanbul, Bursa & Izmir via world's 4<sup>th</sup> longest suspension bridge
- All phases are under operation
- Investment of \$6.5 billion

EURASIA TUNNEL



- Double-deck underwater tunnel connecting Asia & Europe in Istanbul
- Commissioned in December 2016
- Investment of \$1.2 billion



## SHOWCASE IN TRANSPORTATION PPP

ANOTHER MEGA PROJECT IS COMPLETED



### 1915 ÇANAKKALE BRIDGE



- Longest main span (2,023 m) of any suspension bridge in the world
- Bridge Length: 4,608 m
- 101 km motorway (including the Bridge)
- Construction started in March 2017
- Operation to start by 2023
- Operation period: 16 years 2 months (including construction)
- Investment: \$2.8 Billion with BOT

DAELIM

 **Limak**

 **SK E&C**

 **yapı  
merkezi**

# SHOWCASE IN HEALTHCARE PPP

THE PPP PROJECTS ARE STRUCTURED AS DESIGN, BUILD, FINANCE AND MAINTAIN FOR FACILITIES MANAGEMENT, WHILE CORE MEDICAL SERVICES REMAIN UNDER THE RESPONSIBILITY OF THE MINISTRY OF HEALTH



## PPP PROJECTS IN INTEGRATED HEALTHCARE CAMPUSES

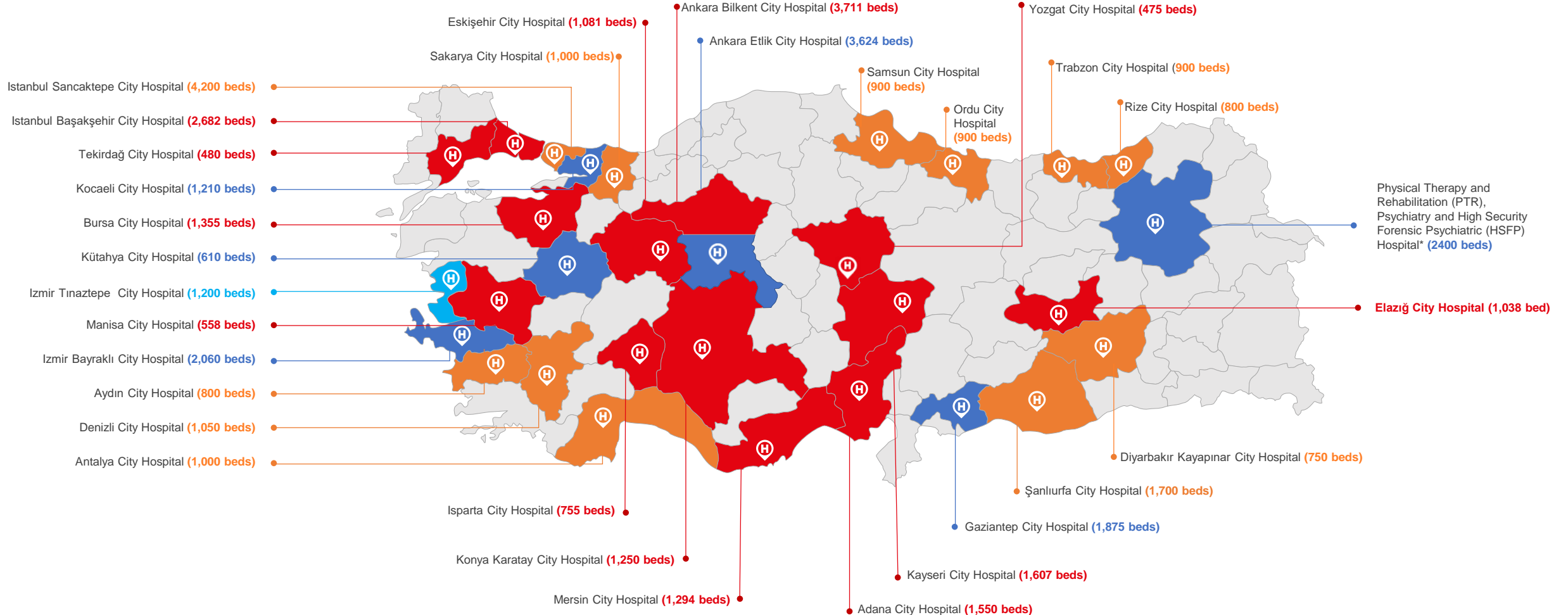
Status	Number	Bed Capacity
Completed (in service)	13	17,836
Under Construction	6	11,779
<b>TOTAL</b>	<b>19</b>	<b>29,615</b>





# SHOWCASE IN HEALTHCARE PPP

TÜRKİYE HAS RECENTLY INTRODUCED NEW PROJECTS TO BUILD INTEGRATED HEALTHCARE CAMPUSES ACROSS THE COUNTRY AND MORE OPPORTUNITIES ARE IN THE PIPELINE



**H** PPP In Operation (13) **H** PPP Under Construction (6) **H** Planned Public Investments(11) **H** Planned (1)

Source: Ministry of Health, \*Total bed capacity of PTR & HSFP Hospitals to be built in Afyon-Diyarbakır-Samsun-Malatya-Erzurum-Istanbul-Trabzon-Van: 2,400

# SHOWCASE IN HEALTHCARE PPP

THE ELAZIĞ FETHİ SEKİN CITY HOSPITAL PROVIDES HEALTHCARE SERVICES TO THE COMMUNITIES IN ELAZIĞ AND NEIGHBORING PROVINCES, WITH A COMBINED POPULATION OF 1.6 MILLION PEOPLE



## Elazığ Fethi Sekin City Hospital

July 2014  
Project Awarded

August 2018  
Operational

Operation Period  
25 Years

### Sponsors



### Credit Enhancers



### Enhanced Bondholders



### Unenhanced Bondholders



### ✓ The campus consists of three towers and annexes located around a central core and includes the following hospitals;

- General Hospital
- Maternity and Pediatric Hospital
- Detainee Forensic Psychiatry Hospital
- High Security Forensic Psychiatry (HSFP) Hospital
- Oral and Dental Health Central (ODHC)

- ✓ Bed capacity: 1,038
- ✓ LEED Gold Certificate (a designation for green buildings)
- ✓ Employment: 3,650



### Main Hospital

Beds	: 888
Polyclinic Rooms	: 227
Patient Rooms	: 519
Operating Rooms	: 37
Beds at the Intensive Care	: 160

### HSFP and Detainee

Beds	: 100 HSFP + 50 Detainees
Polyclinic Rooms	: 8 HSFP
Patient Rooms	: 100 HSFP + 50 Detainees

### ODHC

Polyclinic Rooms	: 69
Operating Rooms	: 2

- ✓ Project Cost: €360 million = €288 million senior debt + €72 million equity
- ✓ First project benefitting from risk mitigation provided jointly by MIGA's political risk insurance coverage and EBRD's unfunded liquidity facilities
- ✓ First project bond financing for a greenfield infrastructure project in Türkiye
- ✓ A1 Bonds were rated Baa2
- ✓ Vigeo Eiris certified the Elazig project bond as a 'green and social' bond – the first such certification for an infrastructure project in Türkiye
- ✓ With a 20 year maturity, the bond had the longest maturity for the Turkish Integrated Health Campuses PPP Programme





# AGENDA



EXECUTIVE  
SUMMARY



NEED FOR  
INFRASTRUCTURE  
INVESTMENT



TRANSPORTATION  
INFRASTRUCTURE

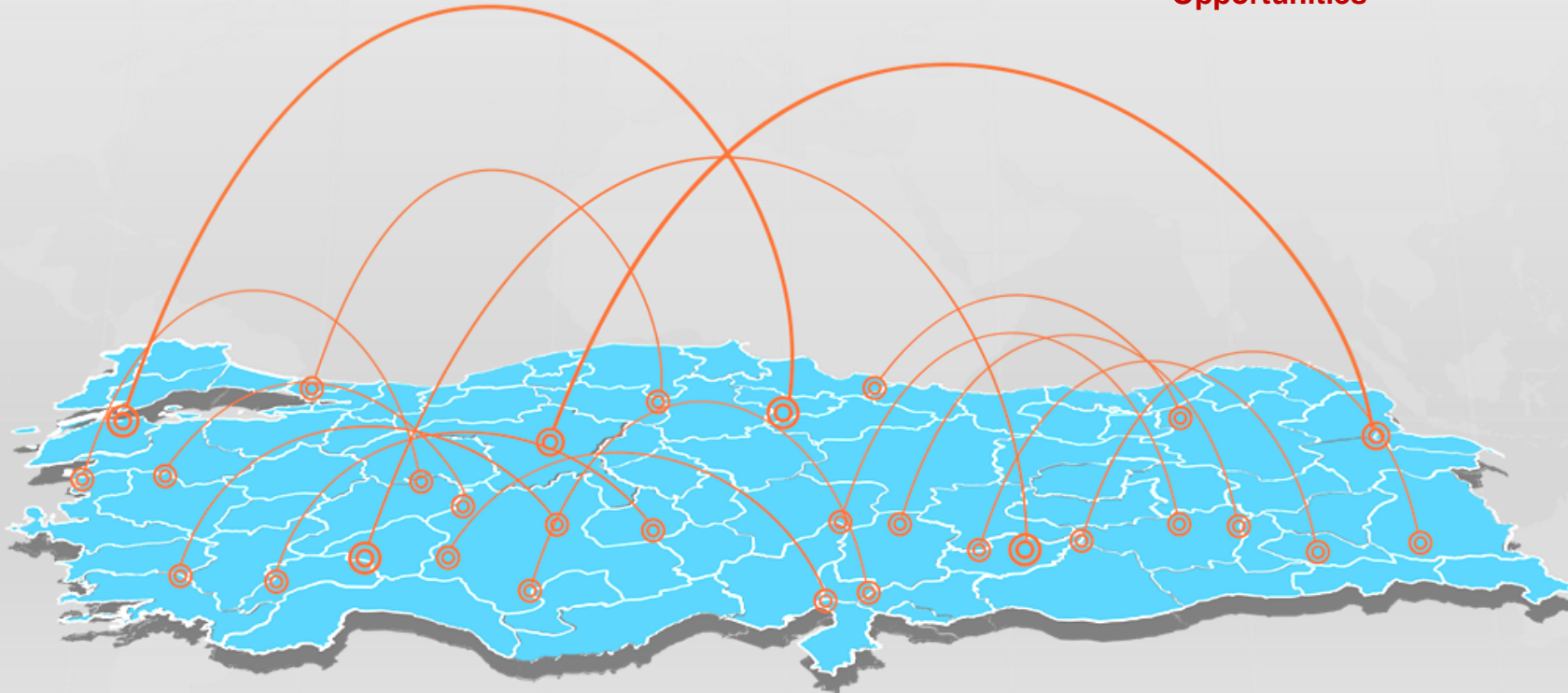


**TURKISH PPP MARKET**

- Track Record
- **Opportunities**



FAVORABLE  
INVESTMENT  
CLIMATE



## OPPORTUNITIES IN PPP

TÜRKİYE IS SET TO IMPLEMENT A MAGNIFICENT FEAT OF ENGINEERING PROJECTS; AN ARTIFICIAL SEA-LEVEL WATERWAY CONNECTING THE BLACK SEA TO THE SEA OF MARMARA, AND GEBZE-HALKALI RAILWAY PASSING OVER 3<sup>RD</sup> BOSPHORUS BRIDGE



### CANAL ISTANBUL



- 45 km, 21 m depth and 275 m width
- 6 bridges
- New satellite cities

**Tender  
process  
to start  
soon**

### GEBZE - HALKALI RAILROAD



- 213 km with 10 stations
- 31 viaduct (8 km) and 53 tunnel (120 km)
- Passenger capacity: 13 million (Passenger/Year)
- Freight capacity: 12 million (Ton/Year)

# PROJECT 1

## ANKARA-İSTANBUL HIGH SPEED RAILROAD (BOT)



### Project Overview



Location

Ankara-İstanbul



Total Length

347 KM



Passenger

11 Million / year (2027)

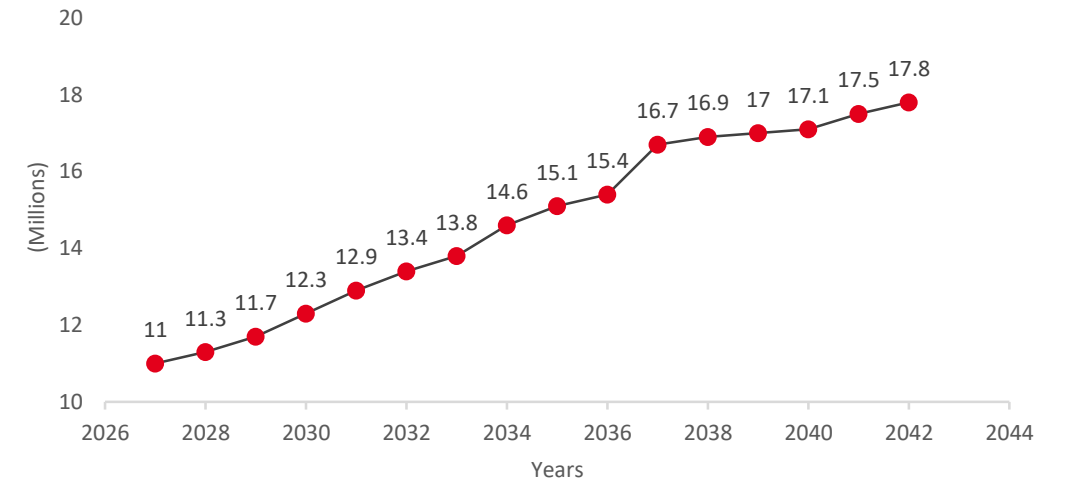
5.6  
Billion (€)



### Project Snapshot

Contract Type	Built-Operate-Transfer
Tender Criteria	Minimum Operation Period
Payment Mechanism	Fees
Governing Law	3996 BOT Law
Contracting Authority	Directorate General of Infrastructure Investments
Construction Period	5 years
Expected Contract Duration	30 years
Indicative Investment Amount	5.6 Billion Euro
Expropriation Responsibility	Government
Total Passenger Capacity	11.000.000 passenger/year (2027)
Total Length (km)	347
Design Speed (km/h)	350 km/h
Expected Tender Date	The end of 2022

### Passenger Projection



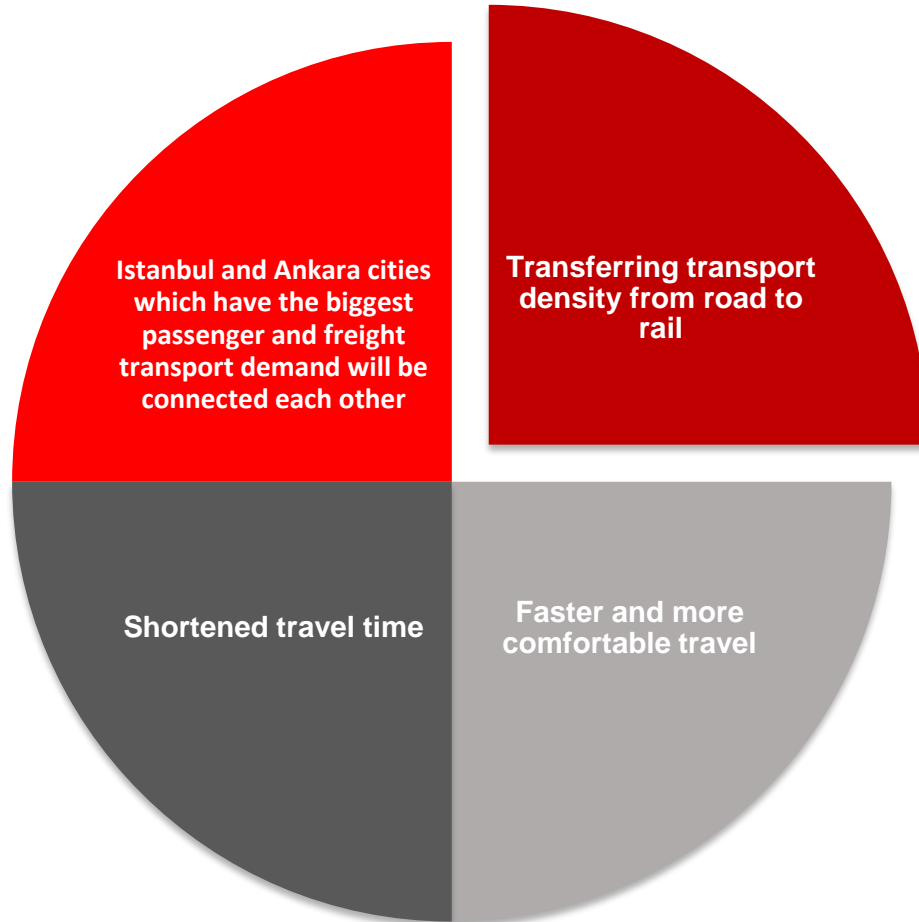


# PROJECT 1

## ANKARA-İSTANBUL HIGH SPEED RAILROAD (BOT)



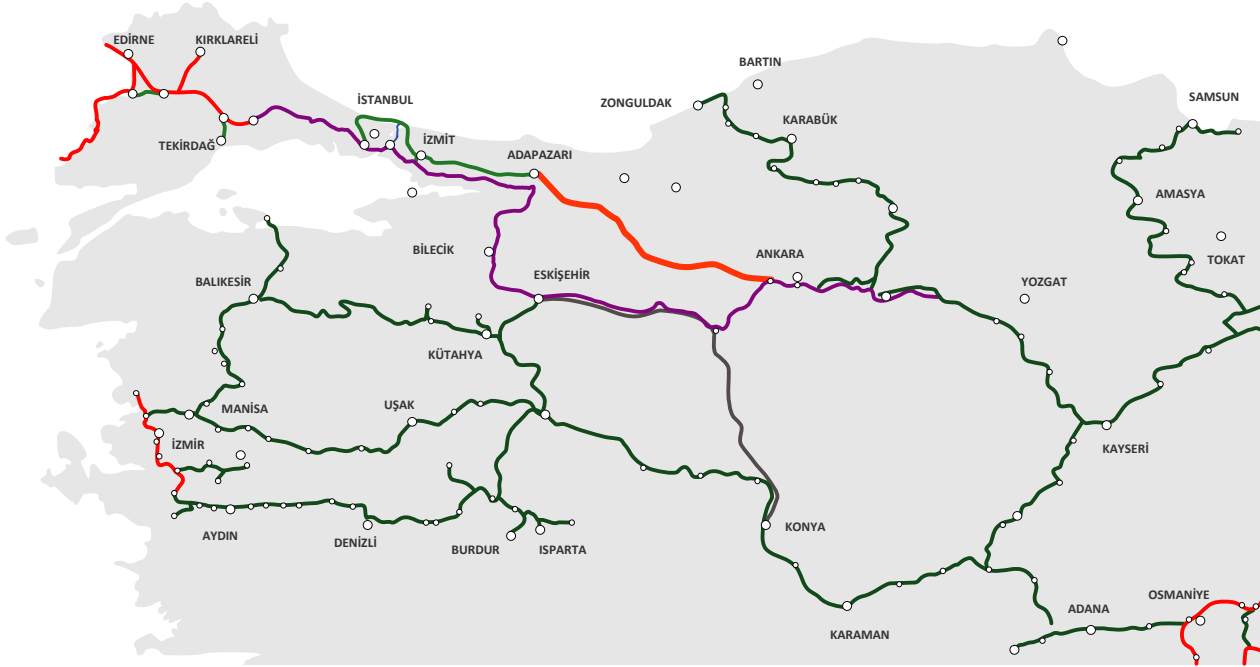
### Project Rationale



# OPPORTUNITIES IN PPP

ANOTHER  
PROJECT IS  
RAILROAD

EXEMPLARY TRANSPORTATION  
ANKARA-İSTANBUL HIGH SPEED



## ANKARA-ISTANBUL HIGH SPEED RAILROAD



- Shortened travel time
- Faster and more comfortable travel
- 347 km total length
- 11 million passenger/year
- 350 km/h design speed

# OPPORTUNITIES IN PPP

TWO BUILT-OPERATE-TRANSFER HIGHWAY PROJECTS ARE EXPECTED TO BE TENDERED IN AUGUST 2022



## 1. ANKARA - KIRIKKALE - DELICE

Reduced traffic density and an important highway corridor for Kırıkkale, which is becoming day by day a large industrial zone

**Total length: 120 km**

- 3.679 m x 2 Viaduct
- 3.656 m x 2 Tunnel
- 3 Facilities and 7 Crossroads

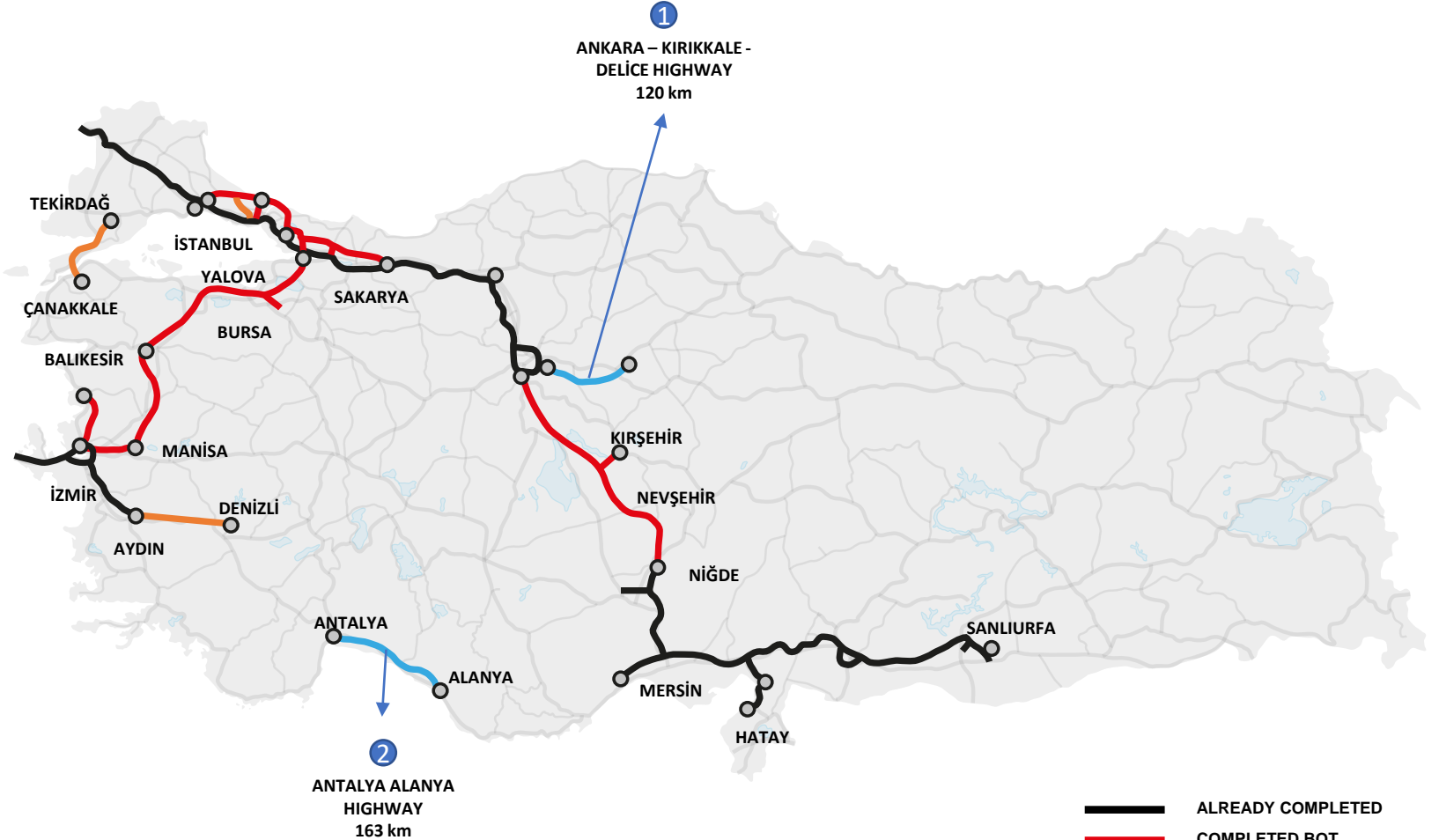


## 2. ANTALYA - ALANYA

Reducing heavy vehicle and transit traffic and increasing travel comfort

**Total length: 163 km**

- 8.822 m x 2 Viaduct
- 11.167 m x 2 Tunnel
- 7 Facilities and 9 Crossroads



## OPPORTUNITIES IN PPP

## TÜRKİYE IS ALSO INVESTING IN MARITIME TRANSPORTATION INFRASTRUCTURE



### PORT OF FILYOS

Ongoing infrastructure construction

- 25 million ton/year capacity
- With special economic zones in the hinterland
- Port management to be BOT model



### PORT OF ÇANDARLI

- 1,500 m jetty work completed
- To reach 4 million TEU/year capacity in 3 phases;
- Phase I: 1 million TEU
- Phase II: 2 million TEU
- Phase III: 1 million TEU
- Tender for Phase I is expected
- Port management to be BOT model



### MERSIN CONTAINER PORT

- Studies ongoing
- 12.8 million TEU/year capacity
- Port management to be BOT model



Ports





# AGENDA



EXECUTIVE  
SUMMARY



NEED FOR  
INFRASTRUCTURE  
INVESTMENT



TRANSPORTATION  
INFRASTRUCTURE

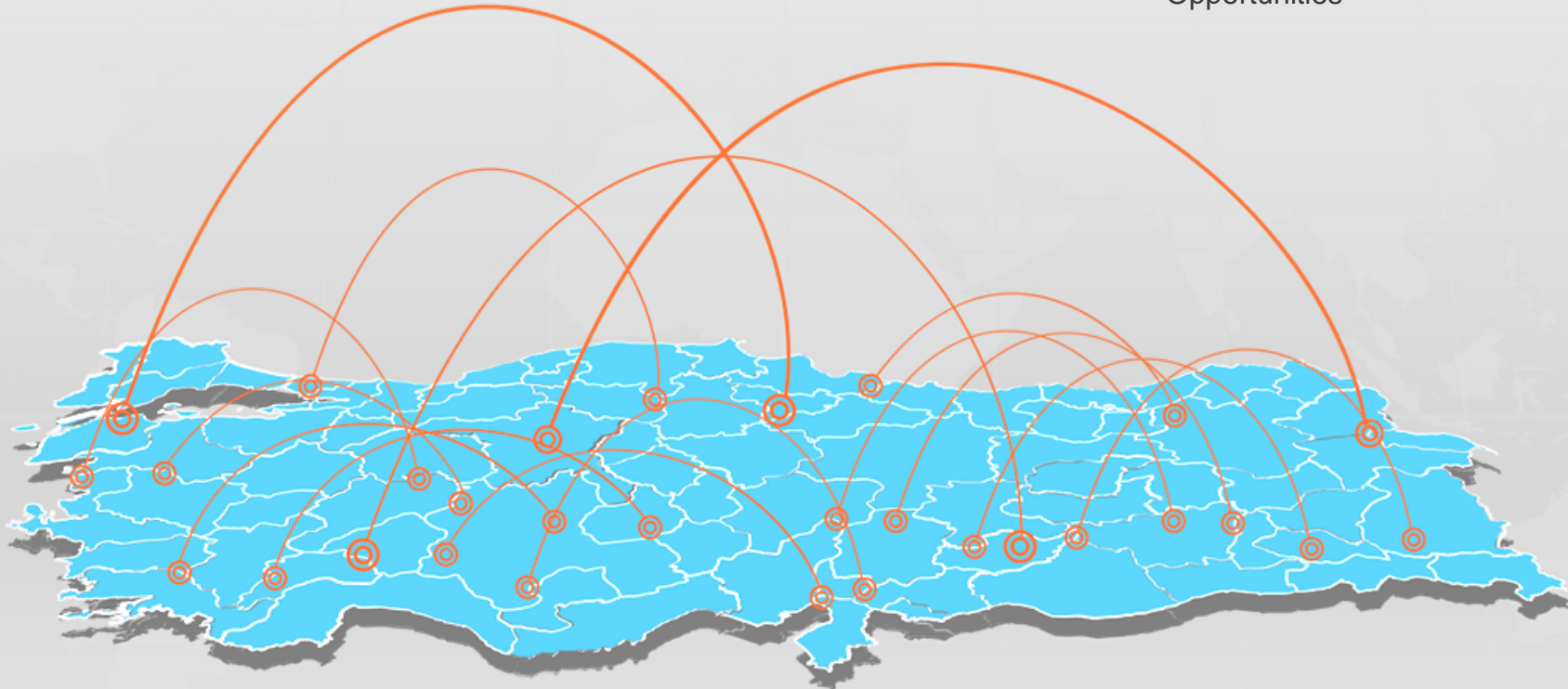


TURKISH PPP MARKET

- Track Record
- Opportunities



**FAVORABLE  
INVESTMENT  
CLIMATE**



# BUSINESS-FRIENDLINESS

## OFFERING PROTECTION AND EASE OF DOING BUSINESS



Protection of  
International Investors  
by FDI Law

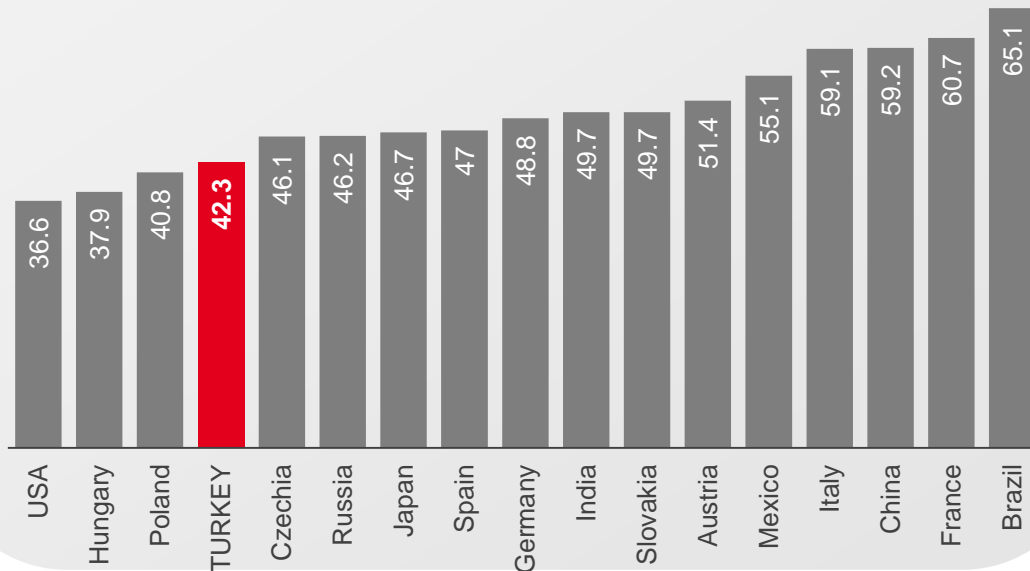


Bilateral Investment  
Protection Treaties with  
86 countries

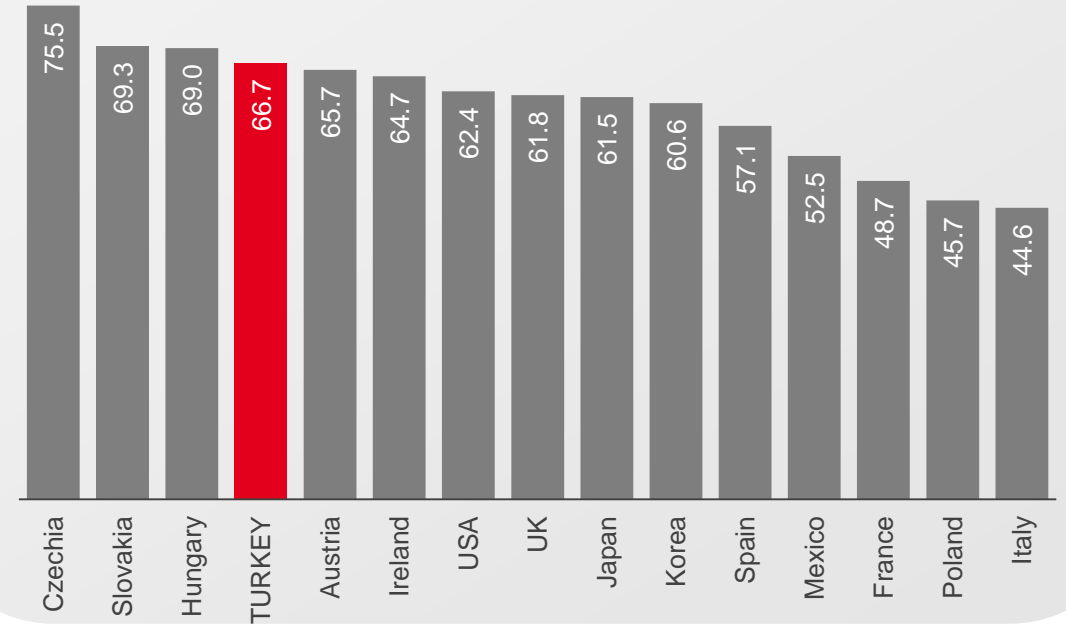


Treaties to avoid  
Double Taxation with  
86 countries

TOTAL TAX AND CONTRIBUTION RATE\*, 2019  
(% of Profit)



INTERNATIONAL TAX COMPETITIVENESS\*\*, 2021  
(Index=100 as most competitive)



Source: Ministry of Trade, World Bank, Tax Foundation Foreign Direct Investment Law 2003, \*Total Tax Rate: Profit or corporate income tax, social contributions and labor taxes paid by the employer, property taxes, turnover taxes and other taxes (such as municipal fees and vehicle taxes).

(Tax competitiveness measures countries' tax policies five categories: corporate income tax, consumption taxes, property taxes, individual taxes, and international tax rules.)

## INVESTMENT CLIMATE

RELEVANT LEGISLATION IS QUITE FLEXIBLE, ENABLING TO ADAPT VARIOUS PPP MODELS ACCORDING TO THE NATURE AND REQUIREMENTS OF PROJECTS



## MODELS AND LEGAL FRAMEWORK FOR PPP IN TÜRKİYE

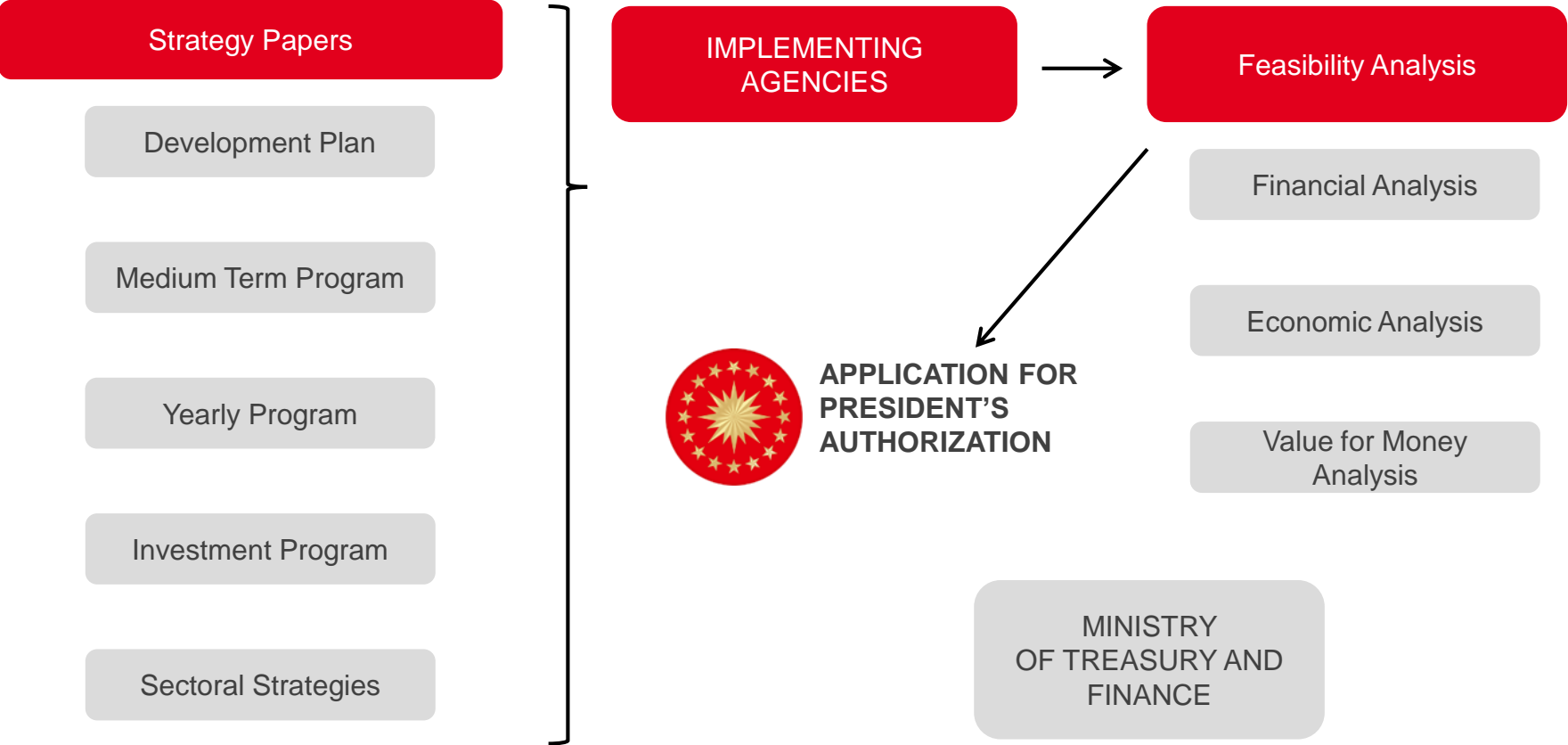
	Build-Operate-Transfer (BOT)	Build-Operate	Build-Lease-Transfer	Transfer of Operating Rights
Relevant Legislation (Law No)	No 3996 No 3465 No 3096	No 4283	No 652 No 6428 No 351	No 4046 No 5335 No 4458
Sectors	Motorway Port Airport Marina Border Gate Power Plant	Thermal Power Plant	Hospital College Dormitory School	Airport Port Power Plant Electricity Distribution

# SOUND PPP PROJECT CYCLE

DETAILED SELECTION PROCESS BRINGS  
BANKABLE PROJECTS TO MARKET



## 1) Preparation Phase



## 2) Authorization Phase



# INVESTMENT CLIMATE

## INCENTIVES IN TÜRKİYE MAKE PPP PROJECTS MORE BANKABLE



### DEBT

#### DEBT ASSUMPTION

The government may assume project companies' foreign debt in BOT and BLT projects either partially or in full. In order to qualify for debt assumption, the minimum investment must be ₺1 billion in BOT projects and ₺500 million in BLT projects.

### TAX

#### INCENTIVES

Exemptions from certain fees and taxes (VAT and Stamp Duty). In addition, where applicable, PPP investors may benefit from corporate tax deductions and other financial incentives.



#### LAND

PPP projects in Türkiye allow free use of government-owned land and expropriation.



#### REVENUE GUARANTEE

Certain PPP projects provide minimum revenue guarantees.

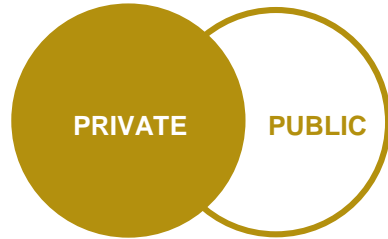
# INVESTMENT CLIMATE

BANKABILITY OF THE PPP PROJECTS ENABLES INVESTORS TO ACCESS FINANCE THROUGH BOTH NATIONAL AND INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS) AND INVESTORS



# WHAT CAN INVEST IN TÜRKİYE DO FOR YOU?

... ASSIST YOU BEFORE, DURING AND AFTER YOUR ENTRY INTO TÜRKİYE



**PRIVATE SECTOR APPROACH  
WITH PUBLIC SECTOR CAPABILITIES**



**A GOVERNMENTAL AGENCY  
REPORTING TO THE PRESIDENT**



**ACTING AS YOUR  
SOLUTION PARTNER**



General & customized  
business information &  
Sectoral analysis & reports



Site selection support to  
find appropriate location/  
land for your investment



Arrangements of meetings  
with governmental bodies  
and other stakeholders



Facilitating your  
investment at all stages



Matchmaking with local  
partners & establishing  
business linkages



Project launch & Press  
release Services



Facilitating your  
visit to Türkiye



## USEFUL LINKS



- Ministry of Transport and Infrastructure: <http://www.uab.gov.tr/>
- Healthcare Investments (Ministry of Health): <http://www.saglikyatirimlari.gov.tr/>
- Ministry of Treasury and Finance: <https://www.treasury.gov.tr/>
- Turkish Statistical Institute: <https://www.tuik.gov.tr/>
- Ministry of Trade: <https://www.trade.gov.tr/>
- Presidency of Strategy and Budget: <http://www.sbb.gov.tr/>
- Privatization Administration: <http://www.oib.gov.tr/>
  
- European Bank for Reconstruction and Development: <http://www.ebrd.com/Türkiye.html>
- Global Infrastructure Hub: <https://www.gihub.org/>
- Airports Council International: <https://aci.aero/resources/data-center/>
- European Investment Bank: <http://www.eib.org/infocentre/contact/offices/Türkiye-istanbul.htm>
- International Finance Corporation: <http://www.ifc.org/>
- Banks in Türkiye: <https://www.bddk.org.tr/Institutions-Category/Banks/22>



PRESIDENCY OF  
THE REPUBLIC OF TÜRKİYE  
**INVESTMENT  
OFFICE**



[invest.gov.tr](https://invest.gov.tr)

