

Introduction

Turkey is a transcontinental country located in Southeastern Europe and Southwestern Asia bordering the Black Sea. Neighboring countries include Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Iran, Iraq, and Syria. Turkey has a strategic location controlling the Turkish Straits that link the Black and Aegean Seas. The geography of Turkey consists of narrow coastal plains in the west that become increasingly rugged as they progress eastward. The government system is a republican parliamentary democracy; the chief of state is the president, and the head of government is the prime minister. Turkey has a mixed economy in which there is a growing private sector combined with centralized economic planning and government regulation.



Location: Western Asia

Capital City: Ankara (+2 GMT)

Chief of State: President Recep Tayyip Erdogan

Head of Govt.: President Recep Tayyip Erdogan

Currency: Turkish Lira (TRY)

Major Languages: <p>Turkish (official), Kurdish, other minority languages</p>

Primary Religions: <p>Muslim 99.8% (mostly Sunni), other 0.2% (mostly Christians and Jews)</p>

Calling Code: 90

Voltage: 230

Key Websites

Main Government Page: tccb.gov.tr

Commerce Ministry: economy.gov.tr

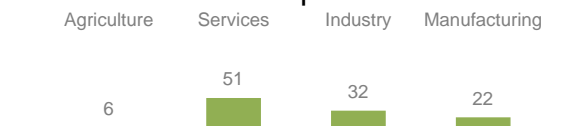
Export Promotion Agency: turkishexporter.net

Investment Promotion Agency: invest.gov.tr

Key Economic Facts

| | |
|--|-----------------------------|
| Income Level (by per capita GNI): | Upper Middle Income |
| Level of Development: | Developing |
| GDP, PPP (current international \$): | \$3,180.98 billion (2022) |
| GDP growth (annual %): | 5.57% (2022) |
| GDP per capita, PPP (current international \$): | \$37,273.70 (2022) |
| External debt stocks, total (DOD, current US\$): | \$435,450,866,075.50 (2021) |
| Manufacturing, value added (% of GDP): | 22.06% (2022) |
| Current account balance (BoP, current US\$): | -\$48.75 billion (2022) |
| Inflation, consumer prices (annual %): | 72.31% (2022) |
| Labor force, total: | 34,427,719 (2022) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 10.03% (2022) |
| Imports of goods and services (current US\$): | \$385.99 billion (2022) |
| Exports of goods and services (current US\$): | \$343.32 billion (2022) |

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

| Index | Rank |
|---|-----------|
| Corruption Perceptions Index | 95 / 178 |
| EY Globalization Index | 46 / 60 |
| Global Competitiveness Index | 61 / 141 |
| Global Enabling Trade Index | 59 / 136 |
| Global Manufacturing Competitiveness Index (GMCI) | 16 / 40 |
| Global Services Location Index | 26 / 60 |
| Index of Economic Freedom | 104 / 176 |
| International Logistics Performance Index (LPI) | 47 / 160 |
| Inward FDI Potential Index | 71 / 139 |
| KOF Index of Globalization | 42 / 185 |
| Networked Readiness Index (NRI) | 48 / 139 |

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: A4 - The business environment is acceptable. Corporate financial information is sometimes neither readily available nor sufficiently reliable. Debt collection is not always efficient and the institutional framework has shortcomings. Intercompany transactions may thus run into appreciable difficulties in the acceptable but occasionally unstable environments rated A4.

Strengths

- Strategic geographic location, proximity to key export markets
- Highly diversified manufacturing tissue, strong production knowledge
- Young population, educated workforce
- Renewables reaching 53% of Turkey's total installed power capacity
- Discovery of gas field off the Black Sea shore
- More stable currency after return to orthodox policies: narrowing external gap, expected slowdown in inflation

Weaknesses

- Geopolitical risks, especially the potential impacts of any expansion and intensification of the wars in the region
- Dependence on imported energy and intermediate goods
- Concentration of exports mostly on European countries
- Inertia in services inflation, difficulties in anchoring inflation expectations, especially with the deterioration in income distribution
- High level of short-term private external debt exposing to external shocks

U.S. Embassy

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