

## 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](http://tccb.gov.tr)

Commerce Ministry: [economy.gov.tr](http://economy.gov.tr)

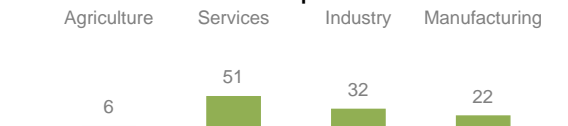
Export Promotion Agency: [turkishexporter.net](http://turkishexporter.net)

Investment Promotion Agency: [invest.gov.tr](http://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

- Strong post COVID-19 recovery
- Strategic geographic location, proximity to key export markets
- Very diversified manufacturing tissue, strong production knowledge
- Young population, educated workforce
- Narrowing current account deficit
- Renewables account for 53% of Turkey's total installed power capacity

### Weaknesses

- Dependence on imported energy and intermediate goods
- High inflation, local currency hitting record weak levels
- Vulnerability resulting from high level of short-term private external debt, low level of gross international reserves
- Credit-driven growth performance causing a high level of debt, overheating risk
- Uncertainty over the monetary policy

## U.S. Embassy

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