

# BUSINESS SERVICES SECTOR IN **TURKEY**

 INVEST IN TURKEY





- **Executive Summary**
- **Why invest in the Turkish Business Services Sector**
- **Business Services Sector in Turkey**
  - **Call Centers**
  - **Engineering and Architectural Consulting**  
Engineering / Architectural Design / Technical Drawing / Urban Planning / Scientific and Environmental Services
  - **Technical Testing**  
Composition and Purity Testing / Technical Inspection and Road Transport / Other Testing and Analysis Services
  - **Knowledge Based Services**  
Auditing and Accounting / Legal Advisory / Consulting Services



Turkey's strategic location at the crossroads of Europe, the CIS, the Middle East, and North Africa, along with the country's existing potential, the increase in per capita income, and its large, young, and growing population have positively impacted the development of the business services sector in Turkey. Turkey has significant experience in a wide range of business service lines, such as engineering and architectural consulting, technical testing, and call centers. The country also boasts expertise in knowledge-based services, such as auditing and accounting, legal advisory, and consulting.

## **Call Centers, Business Process Outsourcing Firms (BPOs)**

- The call center sector in Turkey has gained momentum since the inception of the country's first call centers in the 1990s.
- According to the Turkish Call Centers Association, the industry had a value of TRY 5.1 billion and employed 91,000 people in all the call centers throughout the country in 2017, up from the 2013 figures of TRY 2.9 billion and 70,200 employees.
- The call center sector has set an ambitious target of having a work force of 300,000 people by 2023.

## **Engineering and Architectural Consulting**

- Engineering and architectural consulting companies in Turkey provide services related to engineering, architectural design, technical drawing, urban planning, and scientific and environmental services.
- A skilled workforce, cost-effective service compared to international standards, and expertise in diverse markets and project types help move the sector forward in Turkey.
- During the 2015-2016 academic year in Turkey, a total of 33,785 students graduated from the fields of engineering and engineering trades in universities, while 14,585 students received their degree in the fields of architecture and construction.

## **Technical Testing**

- The technical testing market offers a wide variety of business lines, such as composition and purity testing, technical inspection, and road transport.
- The total annual turnover in these services has been showing an upward trend in the last decade, and as industries such as manufacturing, automotive, chemicals, and ICT continue to grow in Turkey the need for technical testing will increase accordingly.

## **Knowledge-based Services**

- Knowledge-based services such as auditing and accounting, legal advisory, and consulting also play a crucial role in Turkey's economy.
- Turkey's vibrant economy and improved business environment have paved the way for a dramatic increase in the number of foreign companies in Turkey.
- The number of companies in Turkey with foreign capital quintupled in the last decade to reach 58,422 in 2017. This increase, together with the improved business environment, has resulted in the growth of knowledge-based services in Turkey.
- As new regulations come into force and Turkey aspires to have compatible standards with the EU, the sector is set for significant growth.



# WHY INVEST IN THE TURKISH BUSINESS SERVICES SECTOR

**LARGE ECONOMY  
WITH HIGH GDP  
GROWTH RATE**

**YOUNG AND  
DYNAMIC  
POPULATION**

**UNIQUE  
GEOGRAPHICAL  
LOCATION**

+ investor friendly investment environment, increasing number of companies with foreign capital, availability of industries supporting business services sectors

# 1. LARGE ECONOMY WITH HIGH GDP GROWTH RATE



17.

**TURKEY'S RANKING IN THE G20 (2017)**

13.

**NOMINAL (BILLION \$)**

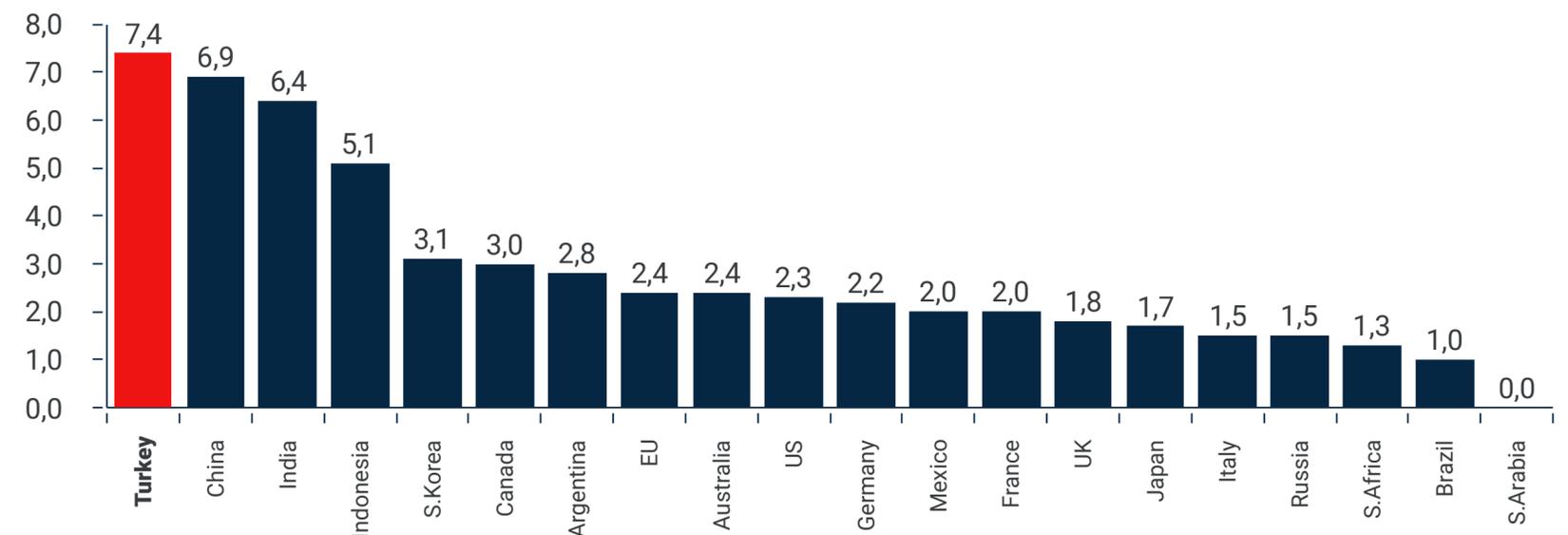
**PPP (BILLION \$)**

	Country	GDP
1	US	19,362
2	China	11,938
3	Japan	4,884
4	Germany	3,652
5	France	2,575
6	UK	2,565
7	India	2,439
8	Brazil	2,081
9	Italy	1,921
10	Canada	1,640
11	S.Korea	1,530
12	Russia	1,469
13	Australia	1,390
14	Spain	1,307
15	Mexico	1,142
16	Indonesia	1,011
<b>17</b>	<b>Turkey</b>	<b>841</b>
18	Netherlands	824
19	Switzerland	681
20	S.Arabia	679

	Country	GDP
1	China	23,122
2	US	19,362
3	India	9,447
4	Japan	5,405
5	Germany	4,150
6	Russia	4,000
7	Indonesia	3,243
8	Brazil	3,219
9	UK	2,880
10	France	2,826
11	Mexico	2,406
12	Italy	2,307
<b>13</b>	<b>Turkey</b>	<b>2,133</b>
14	S.Korea	2,027
15	S.Arabia	1,789
16	Spain	1,769
17	Canada	1,764
18	Iran	1,631
19	Australia	1,235
20	Thailand	1,229

Turkish GDP expanded %7.4 in Turkey in 2017 and Turkey became the fastest growing economy among G20 countries.

**%7.4**



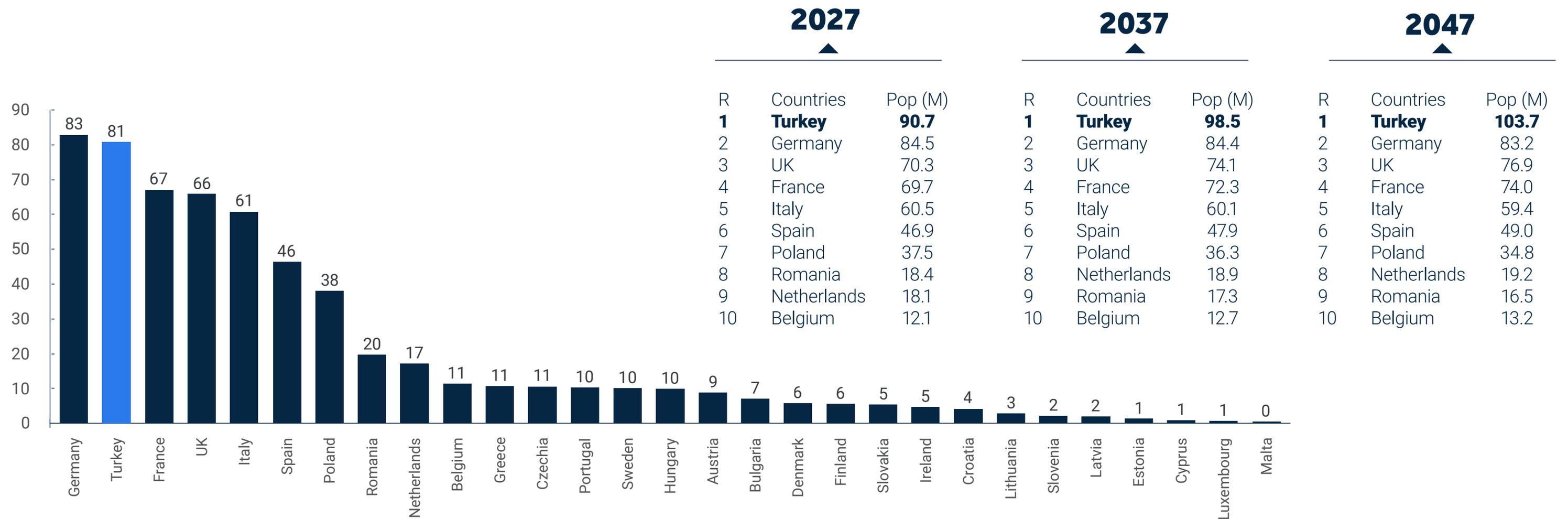
# 2. YOUNG AND DYNAMIC POPULATION



## POPULATIONS OF THE EU COUNTRIES AND TURKEY IN 2017

Half of the population in Turkey is below 31.7 years old.  
(EU28: 42.9 Denmark: 41.7)

## FUTURE POPULATION PROJECTIONS FOR EU AND TURKEY



# 3. UNIQUE GEOGRAPHICAL LOCATION



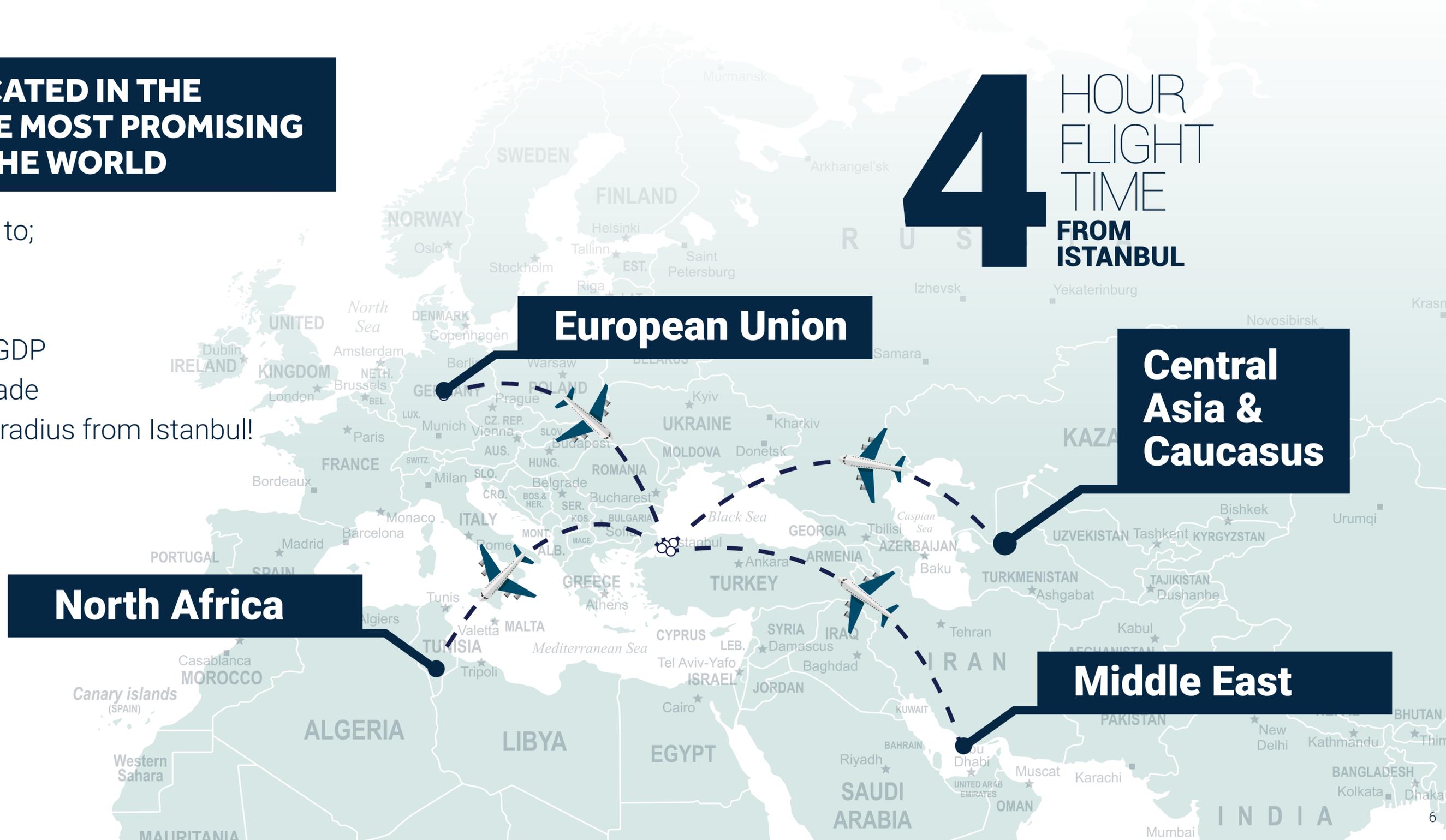
**TURKEY IS LOCATED IN THE CENTER OF THE MOST PROMISING MARKETS OF THE WORLD**

Turkey offers access to;

- 76 nations
- 1.5 billion people
- USD 24 trillion of GDP
- USD 7 trillion of trade

in just a 4 hour-flight radius from Istanbul!

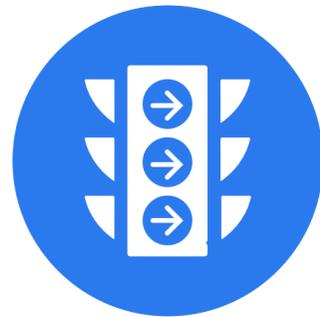
**4** HOUR  
FLIGHT  
TIME  
FROM  
ISTANBUL



# + INVESTOR FRIENDLY INVESTMENT ENVIRONMENT



## FOREIGN DIRECT INVESTMENT LAW LAW NO: 4875 - JUNE 5, 2003



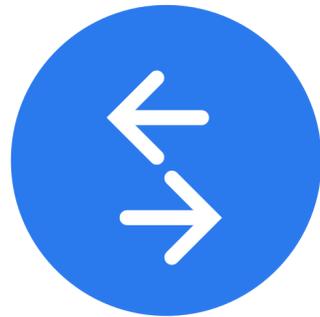
Global investors are free to pursue FDI in Turkey



Foreign investors are subject to equal treatment with local investors



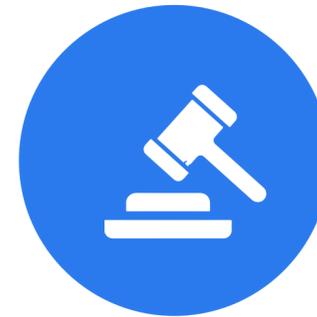
FDI cannot be expropriated or nationalized



Foreign investors may freely transfer abroad net profits, dividends...



Acquisition of real estate



International arbitration

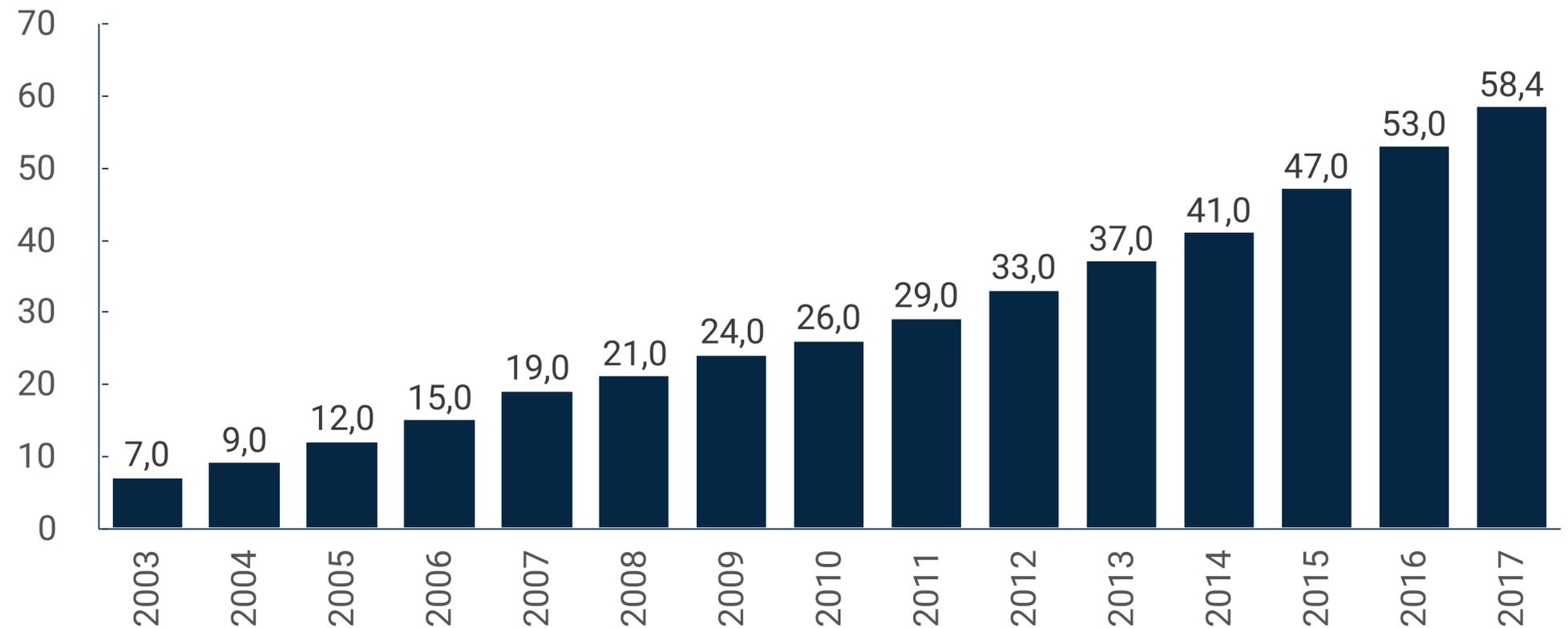


Employment of expats

# INCREASING NUMBER OF COMPANIES WITH FOREIGN CAPITAL



**NUMBER OF COMPANIES IN TURKEY HAS BEEN STEADILY INCREASING**

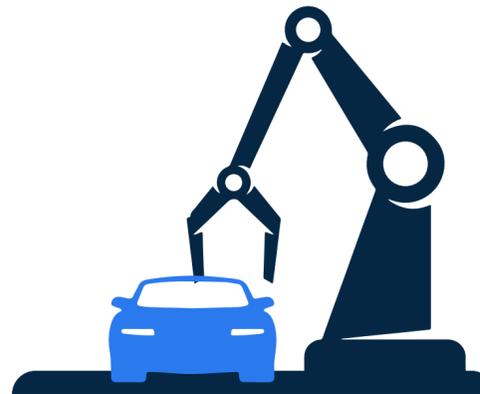


# INDUSTRIES SUPPORTING BUSINESS SERVICES SECTOR IN TURKEY



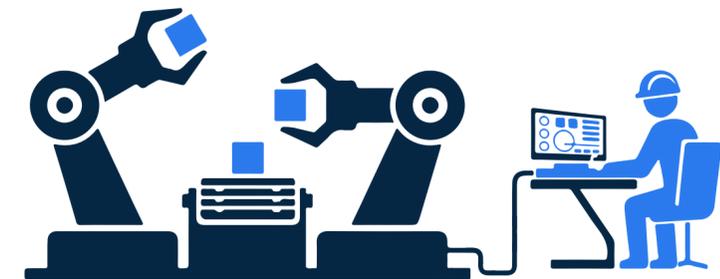
## AEROSPACE & DEFENSE

\$15 bn defense spending  
Market: \$5+ bn (CAGR: 12%)  
Exports: \$1.7 bn (CAGR: 13%)  
A civil aviation hub  
Civilian fleet size: 540  
Civilian passengers: 174 mn  
Well-developed clusters  
Strong support for joint ventures with foreign firms



## AUTOMOTIVE

14<sup>th</sup> largest auto producer in the World  
2<sup>nd</sup> largest source to the EU  
Production of over 1 million vehicles per year  
Market: \$25 bn (CAGR: %6)  
Export: \$20 bn  
Well-developed supplier base



## MACHINERY & ELEC. EQUIPMENT

Largest TV & white goods producer in Europe  
Market: \$40 bn (CAGR: 6.5%)  
Export: \$21 bn

# INDUSTRIES SUPPORTING BUSINESS SERVICES SECTOR IN TURKEY



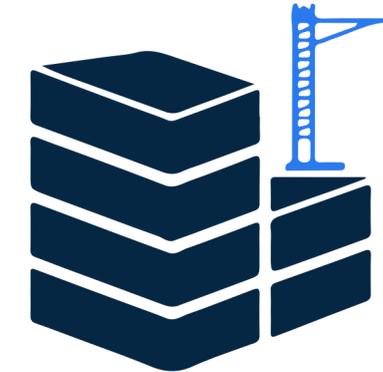
## ENERGY

Market: \$70 bn (CAGR: %8)  
Growing demand  
Energy corridor: proximity to 70% of World's proven primary energy sources  
Untapped renewable sources  
Government support for renewables



## REAL ESTATE

Turkish Citizenship offered to property buyers  
No reciprocity requirement  
Residential and commercial opportunities  
Strong demand for malls & grade A retail units  
Sustainable yields



## CONSTRUCTION

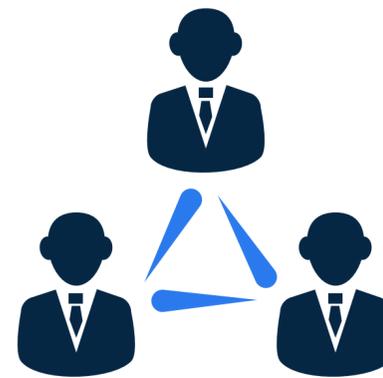
Market: \$93 bn (CAGR: %10)  
Annual average number of new dwelling units: >800K over the past 5 years  
Infrastructure projects (PPP)

# INDUSTRIES SUPPORTING BUSINESS SERVICES SECTOR IN TURKEY



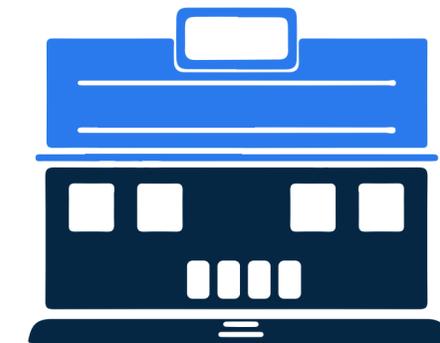
## FINANCIAL SERVICES

- Robust growth with double digits
- Growing interest in Islamic finance
- Istanbul Finance Center
- Unsaturated insurance sector
- Strong presence of foreign investors



## PPP

- ~\$150 bn PPP investment (2003-2016)
- \$325 bn PPP investment expected (2017-2023)
- Transportation
- Healthcare
- Energy



## RETAIL

- Increasing income per capita
- Wealthy tourists from West and Gulf generating sales for retailers in medium and high price range segments
- Growth affluence for luxury retailers



# CALL CENTERS



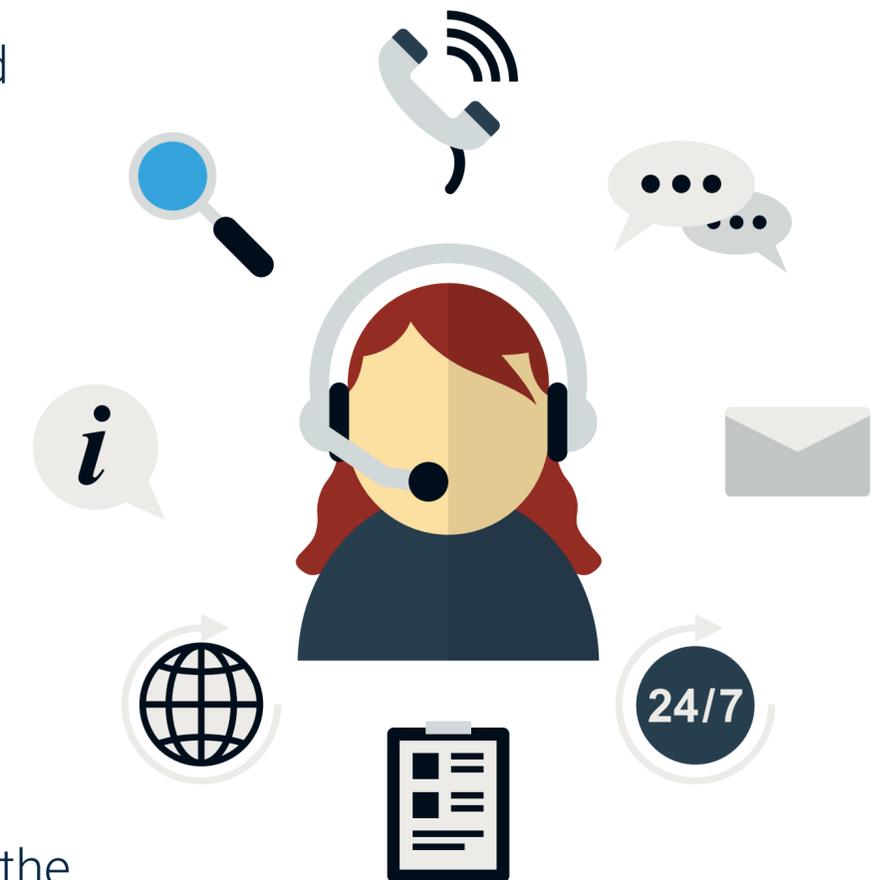


As the private sector increasingly focuses on customer services, Turkey's call center and business process outsourcing (BPO) sector has achieved considerable growth in recent years.

In addition to thousands of business centers with services for telecom operators, airlines, and financial institutions, the sector is set for further growth owing to demand drivers such as a young and skilled work force, strategic geographic position, and government incentives aiming to increase growth in underdeveloped regions. The list of major companies with BPO units in Turkey includes Allianz, DHL, ING Bank, Lufthansa, TNT Express, and Vodafone.

The call center sector in Turkey has gained momentum since the inception of the country's first call centers in the 1990s.

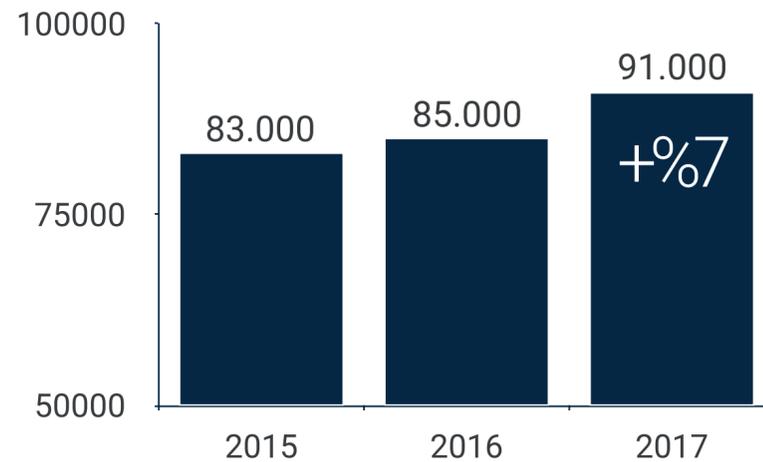
According to the Turkish Call Centers Association, the industry had a value of TRY 5.1 billion and employed 91,000 people in all the call centers throughout the country in 2017, up from the 2013 figures of TRY 2.9 billion and 70,200 employees.



# CALL CENTERS



## NUMBER OF CALL CENTER REPRESENTATIVES IN TURKEY



## SECTORS PROVIDED SERVICE BY CALL CENTERS IN 2017

Sectors	%
1 Telecommunications	23
2 Finance	17
3 Consumer Goods	13
4 Media & Entertainment	12
5 Retail	7
6 Tourism & Accommodation	6
7 Transportations & Logistics	6
8 Energy & Infrastructure	4
9 Public services	4
10 E-trade	2
11 IT	1
12 Healthcare	1
- Others	4

**%66**

%66 of the call center representatives are female

## FOREIGN LANGUAGES CALL CENTERS PROVIDE SERVICE IN OTHER THAN TURKISH (2017)

Languages	%
1 German	53
2 English	31
3 French	11
4 Arabic	3
- Other languages	2

## GEOGRAPHICAL DISTRIBUTION OF THE CALL CENTER REPRESENTATIVES (2017)

Cities in Turkey	%
1 Istanbul	39
2 Ankara	12
3 Izmir	5
4 Other cities	44

**26.5**

Average age of the call center representatives is 26.5



## SOME OF THE MAJOR COMPANIES IN THE CALL CENTER SECTOR IN TURKEY



assist



arvato  
BERTELSMANN



Atos

prizma  
ETKİLEŞİM MERKEZİ YÖNETİM SİSTEMLERİ



CCC

PUSYLA  
CALL CENTER



alonet



## SOME OF THE GOVERNMENTAL AND NON GOVERNMENTAL ORGANIZATIONS IN THE SECTOR



T.C.  
ULAŞTIRMA, DENİZCİLİK  
ve HABERLEŞME  
BAKANLIĞI



**ÇSGB**  
T.C. ÇALIŞMA VE  
SOSYAL GÜVENLİK  
BAKANLIĞI



**BDDK**  
BANKACILIK  
DÜZENLEME VE DENETLEME  
KURUMU



**BTK**  
BİLGİ TEKNOLOJİLERİ  
VE İLETİŞİM KURUMU



**ÇAĞRI  
MERKEZLERİ  
DERNEĞİ**  
CALL CENTERS  
ASSOCIATION



T.C. GÜMRÜK VE TİCARET BAKANLIĞI  
MINISTRY OF CUSTOMS AND TRADE



# ENGINEERING & ARCHITECTURAL CONSULTING





## ENGINEERING / ARCHITECTURAL DESIGN / TECHNICAL DRAWING / URBAN PLANNING / SCIENTIFIC AND ENVIRONMENTAL SERVICES



Engineering and architectural consulting firms in Turkey provide services in engineering, architectural design, technical drawing, urban planning, and scientific and environmental services.



Skilled workforce, cost effective service compared to international standards, and expertise in diverse markets and project types help move the sector forward in Turkey.



During the 2015-2016 academic year in Turkey, a total of 33,785 students graduated from the fields of engineering and engineering trades in universities, while 14,585 students received their degree in the fields of architecture and construction.



## SOME OF THE MAJOR COMPANIES IN THE ENGINEERING AND ARCHITECTURAL CONSULTING SECTOR IN TURKEY

 **GAMA HOLDING**

**YÜKSEL PROJE**  
ULUSLARARASI A.Ş.

 **STRUCTORIS**

**VINCI** 

 **AKTÜRK**

**ENKA**

 **GÜRİŞ**

  
**ATLAS İNŞAAT**

 **temelsu**

 **UBM  
İNŞAAT**

**miyamoto** EARTHQUAKE +  
STRUCTURAL  
ENGINEERS  
save lives, impact economies

 **Lindström**

**PROKON**

HENNING **LARSEN** ARCHITECTS

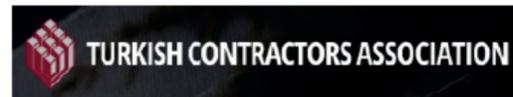
 **DOLSAR**

  
**SU YAPİ İNŞAAT TURİZM A.Ş.**

# ENGINEERING AND ARCHITECTURAL CONSULTING



## SOME OF THE GOVERNMENTAL AND NON GOVERNMENTAL ORGANIZATIONS IN THE SECTOR



UNION OF CHAMBERS OF TURKISH ENGINEERS AND ARCHITECTS





# TECHNICAL TESTING



## COMPOSITION AND PURITY TESTING / TECHNICAL INSPECTION AND ROAD TRANSPORT / OTHER TESTING AND ANALYSIS SERVICES

The technical testing market contains a variety of business lines such as composition and purity testing, technical inspection and road transport, and other testing and analysis services.

The total annual turnover in these services has been showing an upward trend in the last decade. As industries such as manufacturing, automotive, chemicals, and ICT continue to grow in Turkey, the need for technical testing will also grow.





## SOME OF THE MAJOR COMPANIES IN THE TECHNICAL TESTING SECTOR IN TURKEY





## SOME OF THE GOVERNMENTAL AND NON GOVERNMENTAL ORGANIZATIONS IN THE SECTOR





# KNOWLEDGE BASED SERVICES



# KNOWLEDGE BASED SERVICES



The knowledge based services such as auditing and accounting, legal advisory and consulting services also play a crucial role in Turkey's economy. Turkey's vibrant economy and improved business environment have helped to achieve a dramatic increase in the number of the foreign companies in Turkey.

The number of companies in Turkey with foreign capital has quintupled in the last decade, from 11,700 in 2005 to 58,422 in 2017. This increase, together with the improved business environment, has resulted in the growth of knowledge based services in Turkey.

In addition, as new regulations come into force and Turkey aspires to have compatible standards with the EU, this sector will continue to grow.



# KNOWLEDGE BASED SERVICES



## SOME OF THE MAJOR COMPANIES IN THE KNOWLEDGE BASED SERVICES SECTOR IN TURKEY

**Deloitte.**

Roland  
Berger **B**

**pwc**

**EY** Building a better  
working world

**KPMG**

**BCG**  
THE BOSTON CONSULTING GROUP

**Crowe Horwath.**

**GW** Graf von Westphalen

**BAIN & COMPANY**

**C L I F F O R D  
C H A N C E**

**YINGKE GLOBAL**

**McKinsey & Company**

**BAKER & MCKENZIE**

**ATKearney**



## SOME OF THE GOVERNMENTAL AND NON GOVERNMENTAL ORGANIZATIONS IN THE SECTOR

