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Ambitious goals fuel Turkey's tourism growth

The travel and tourism sector remains a driving force in Turkey's emergence onto the world stage.

Travel and tourism's total contribution to the global economy in 2014 was \$7.6 trillion, which equates to 9.8% of total economy GDP in 2014. The World Travel & Tourism Council forecasts that the total contribution of travel and tourism to GDP will reach \$10.5 trillion by 2023.

The Turkish tourism industry has grown at a faster clip than global travel and tourism industry. The direct contribution of the country's travel and tourism to GDP was \$35 billion in 2014, an increase of 6% compared to the previous year.

The total number of international visitor arrivals was more than 41 million, up 5% compared to 2013 and an improvement of more than 200% compared to 2002.

Country	2008	2009	2010	2011	2012 p/	2013 p/	2014 p/	Var. 14/13 (%)
Chile	452,705	464,153	595,944	741,717	806,929	886,485	903,793	2.0%
USA	420,608	426,325	417,232	411,935	447,218	487,328	514,228	5.5%
Ecuador	128,063	136,054	152,445	160,841	176,071	208,358	223,995	7.5%
Argentina	97,478	121,172	127,062	147,403	158,950	155,145	155,931	0.5%
Colombia	76,559	87,225	98,642	112,816	133,975	134,725	151,876	12.7%
Brazil	64,573	82,764	87,674	117,537	126,085	143,538	147,875	3.0%
Spain	84,906	90,714	96,666	105,231	111,041	122,567	131,174	7.0%
Bolivia	86,619	93,408	86,181	88,042	101,546	111,983	126,689	13.1%
France	63,920	66,071	66,985	72,900	81,851	81,904	82,260	0.4%
Germany	52,173	51,864	53,201	56,197	62,051	62,570	68,703	9.8%
Rest of the world	530,016	520,211	517,155	583,184	639,906	769,036	708,410	-7.9%
TOTAL	2,057,620	2,139,961	2,299,187	2,597,803	2,845,623	3,163,639	3,214,934	1.6%

Turkey ranks as the sixth most popular tourist destination in the world, according to the UNWTO World Tourism Barometer. That number might increase, as the Turkish Ministry of Culture & Tourism has set an annual target of 50 million tourist arrivals and revenues of \$50 billion by 2023.

Natural riches

Breath-taking coastlines along the Aegean and Mediterranean Seas, with long sandy beaches and pristine bays, contribute significantly to this growing industry. Adding to Turkey's natural riches, the country is the birthplace of many ancient civilizations that left their mark on history. The vast number of archaeological sites dotting the landscape of Anatolia reveals the various empires and diverse cultures, some dating back millennia, that once thrived there. From Ephesus in the west to Mount Nemrut in the east and further beyond, it is common to encounter sacred sites, temples and religious grounds belonging to various cultures and beliefs.

Istanbul

Istanbul is Turkey's most populous city as well as its cultural and financial center, with a population of more than 14 million people. The number of international visitors coming to Istanbul continues to grow, but hotel supply has not fully kept up with tourist demand.

Owing to its increasing global connectivity, due in no small part to its favorable geographical position, Istanbul is very much the center of attention with its recent rise to the fifth most visited city in the world, according to MasterCard Global Destinations Cities Index 2015.

It is not just tourism driving the growth of visitors to Istanbul; the city remains a preferred site for hosting international meetings. The International Congress & Convention Association's Country and City Rankings Report for 2014 saw Istanbul maintain its top 10 position as a global congress destination. Ranking ninth in the world in 2014 with 130 congresses, Istanbul has now held a top 10 position since 2010.

Antalya

Antalya has more than 433 4-star and 5-star hotels in its centre and surrounding towns such as Kemer, Belek and Kas, according to a “Travel & Tourism” report from Deloitte. The city also had the largest bed capacity with more than 345,000 beds.

Health tourism

Health-related tourism—which includes medical tourism, thermal, spa and wellness tourism and tourism for the elderly and disabled—has a very high potential for global growth, due to low costs and the necessary highly-skilled.

In terms of geothermal tourism potential, Turkey is among the top seven countries in the world and ranks first in Europe with its 1,500 thermal springs. Bed capacity in the various thermal spa resorts has reached a combined 55,140, according to the Turkish Ministry of Culture & Tourism.

A flurry of new hotel openings and brand hotel investments all over Turkey, not just in major tourism centers such as Antalya, Mugla and Istanbul, will go a long way toward helping the tourism sector meet and exceed its 2023 targets.

Sports tourism

Turkey is an important centre of winter activities and attractions with its high altitude mountains covered with snow throughout the year. Turkey’s ski season typically lasts for four or six months and usually offers good snow conditions throughout. The high altitude mountains of Turkey have made the country an important center for winter tourism, including skiing, heli-skiing and snowboarding.

There are 13 winter tourism resorts in Turkey with a total capacity of 8,541 beds, according to the “Travel & Tourism” report.

The Ministry of Culture & Tourism plans to expand the capacities of existing facilities and invest in new ones. The target capacity for winter tourism resorts is a total of 74,915 beds. The Ministry and local authorities are conducting master planning studies to bolster the sector further.

Turkey also is an emerging destination for golf tourism with 15 licensed golf resorts, according to the “Travel & Tourism” report. Most golf courses in Turkey use Bermuda grass, perfect for a Mediterranean climate and which lasts for more than a decade.

Turkish Airlines

Turkish Airlines, the flagship carrier of Turkey’s tourism industry, has grown significantly, with a compound annual growth rate as high as 15%, according to the “Travel & Tourism” report.

The airline has been ranked as the best in Europe for five consecutive years in the Skytrax World Airline Awards. Turkish Airlines has a fleet of 256 planes that flies to 45 domestic destinations and 276 destinations in 110 countries.

New investments

There are 300 projects in the pipeline that would add 74,130 much-needed beds to Turkey’s short supply, according to the Ministry. As a result of its popularity, many global hotel chains have targeted the country for growth.

In 2014, there were more than 165 hotel chains in Turkey, with 15% of those chains’ hotels being owned by international investors, according to HTL research. Hilton Worldwide Holdings is the leading international hotel chain with 36 open and 30 pipeline projects.

According to Horwath HTL’s Turkey office, the country’s tourism investment volume is approximately \$3 billion, including greenfield, renovations and conversions.

Outlook for 2015

The Turkish tourism sector continues to grow at a rate that outstrips its bed capacity. Even though there has been a surge of investments in the past several years, there is still ample room for new investments. Eastern and Southeastern Anatolia both have untapped potential for culture tourism as well as the increasingly popular boutique hotel concept that blends well with the regions' characteristic nature, history and culture.

The Turkish government offers incentives and pursues policies that offer reduced utility prices and reduced tax rates while decisively eliminating bureaucratic barriers that might hinder sectorial growth. The combined efforts of government and industry already have enabled the rise of investment in new areas, such as construction of large convention and expo centers that have contributed to a boom in the events industry, particularly in Istanbul.

Turkey is well on its way to attracting more than 40 million tourists annually within the next couple of years. With its favorable location, existing potential, mega projects and ambitious targets for 2023, Turkey offers great opportunities for investors by combining a large tourism sector with growing commercial and infrastructure output.

Despite economic recession in neighboring countries such as Russia and increasing Kurdish rebel attacks in the southeast, Turkey is expect to see it's tourism sector flourish and remain on the growth track.

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