



Reframing Türkiye's Investment Narrative: From Bridge Economy to Strategic Nexus

**A. Burak DAĞLIOĞLU - President of the Investment and Finance Office
of the Presidency of the Republic of Türkiye**

In my conversations with global investors over recent years, I have encountered a recurring challenge: Türkiye continues to be understood through narratives that no longer solely reflect its economic status. The “bridge between East and West” metaphor, while geographically accurate, has become a conceptual constraint, one that limits how markets might perceive and value Turkish assets. This matters profoundly for investment professionals, as the frameworks used to position companies and countries directly influence valuation outcomes.

The world needs connectors, neither dividers, nor just consumers or producers or exporters or importers, but geographies that bring systems together. In this sense, bridges are passive structures. They could also be lifeless, unresponsive, uncaring. They connect endpoints without transforming what flows across them. Yet when we examine Türkiye's economic transformation over the past two decades, we see something fundamentally different: an active convergence point, where global value chains intersect, where production ecosystems deepen, and where capital increasingly anchors rather than merely transits. This is the distinction between a bridge economy and a strategic nexus, and for investment professionals, understanding this difference is essential to unlocking appropriate valuations.

The shift from bridge to nexus is grounded in structural data. Türkiye provides access to 1.3 billion people and USD 31.2 trillion in GDP within a four-hour flight radius, supported by Turkish Airlines' network spanning 353 destinations across 131 countries. However, connectivity alone does not constitute strategic positioning. What distinguishes Türkiye is how this access has catalyzed real economic integration.

Consider export transformation. Goods exports grew sevenfold to USD 262 billion in 2024, with high- and medium-high-technology products now accounting for 41 percent of total exports, up from 30 percent in 2003. This reflects deep integration into sophisticated global value chains. When supply chains faced disruptions in the Suez Canal and the Gulf of Aden, Türkiye's resilience became tangible: a 2022 Reuters Events–Maersk study ranked it as the third most preferred investment destination for EU companies reconfiguring post-pandemic supply chains.

The macroeconomic trajectory reinforces this narrative. Türkiye's economy expanded at an average annual rate of 5.3 percent between 2002 and 2024, rising from 18th to 12th globally, with OECD projections indicating a move to 10th place by 2026. These are not aspirational targets; they are trend-based projections grounded in institutional reforms that have transformed the investment environment.

Foreign direct investment (FDI) flows provide further compelling evidence. Between 1973 and 2002, Türkiye attracted USD 15 billion in cumulative FDI. Between 2003 and 2025, that figure reached USD 280 billion, while the number of international companies operating in the country expanded from 5,600 to nearly 87,000. When global FDI flows contracted by 11 percent in 2024, Türkiye recorded a 10.2 percent increase, countercyclical performance characteristic of mature markets and a signal that sophisticated investors increasingly view Türkiye as a safe harbor during periods of uncertainty.

For investment professionals, these shifts create new opportunities in how Turkish companies are framed. The default benchmark—regional emerging-market peers such as Egypt or Pakistan—imports volatility assumptions that may no longer apply.

Sector-specific developed-market comparables are often more appropriate. A Turkish logistics company should be evaluated against European operators serving multi-regional supply chains. A Turkish renewable energy developer competes with Spanish or Portuguese peers.

The proof points extend beyond firm-level metrics to ecosystem validation. Does your talent pipeline benefit from Türkiye's 32,000 annual ICT graduates? Do your export channels leverage 30 free trade agreements providing duty-free access to more than 1 billion consumers? Does your sustainability strategy align with Türkiye's legally binding 2053 Net Zero target and the country's hosting of COP31 in 2026? These are tangible operational advantages that sophisticated investors incorporate into competitive assessments.

The innovation ecosystem adds another critical dimension. With 1,360 R&D centers and USD 16 billion in annual R&D expenditure, Türkiye has attracted global technology leaders, including Ericsson, Huawei, GE Aerospace, and Mercedes-Benz, to establish research hubs. The startup ecosystem has produced six unicorns, with USD 5 billion in venture funding positioning Türkiye 12th in Europe. For investment professionals, this ecosystem maturity provides credible comparables to established innovation clusters.

Looking ahead, Türkiye's hosting of COP31 in 2026 will focus global attention on climate infrastructure, an area where Türkiye's 73 GW renewable capacity (7th in Europe for solar and wind, and 4th globally in geothermal energy) represents genuine leadership. The maturation of the Istanbul Financial Center, including the Islamic Megabank initiative, will further deepen financial infrastructure, enhance liquidity, and expand alternative financing structures for investors.

As investment professionals, we translate operational reality into market perception. When country narratives lag economic fundamentals, it is incumbent upon us to articulate both company-specific stories and the broader structural context. Türkiye's evolution from bridge to nexus provides that context.

Companies operating here benefit from strategic positioning and institutional momentum that deserve recognition in valuation models. The most compelling equity stories emerge when firm-level excellence aligns with ecosystem-wide transformation. For Türkiye-linked investments, that alignment has never been stronger.