

ISHC Annual Conference
Hospitality in a Changing World

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HISTORY OF TURKISH TOURISM DEVELOPMENT

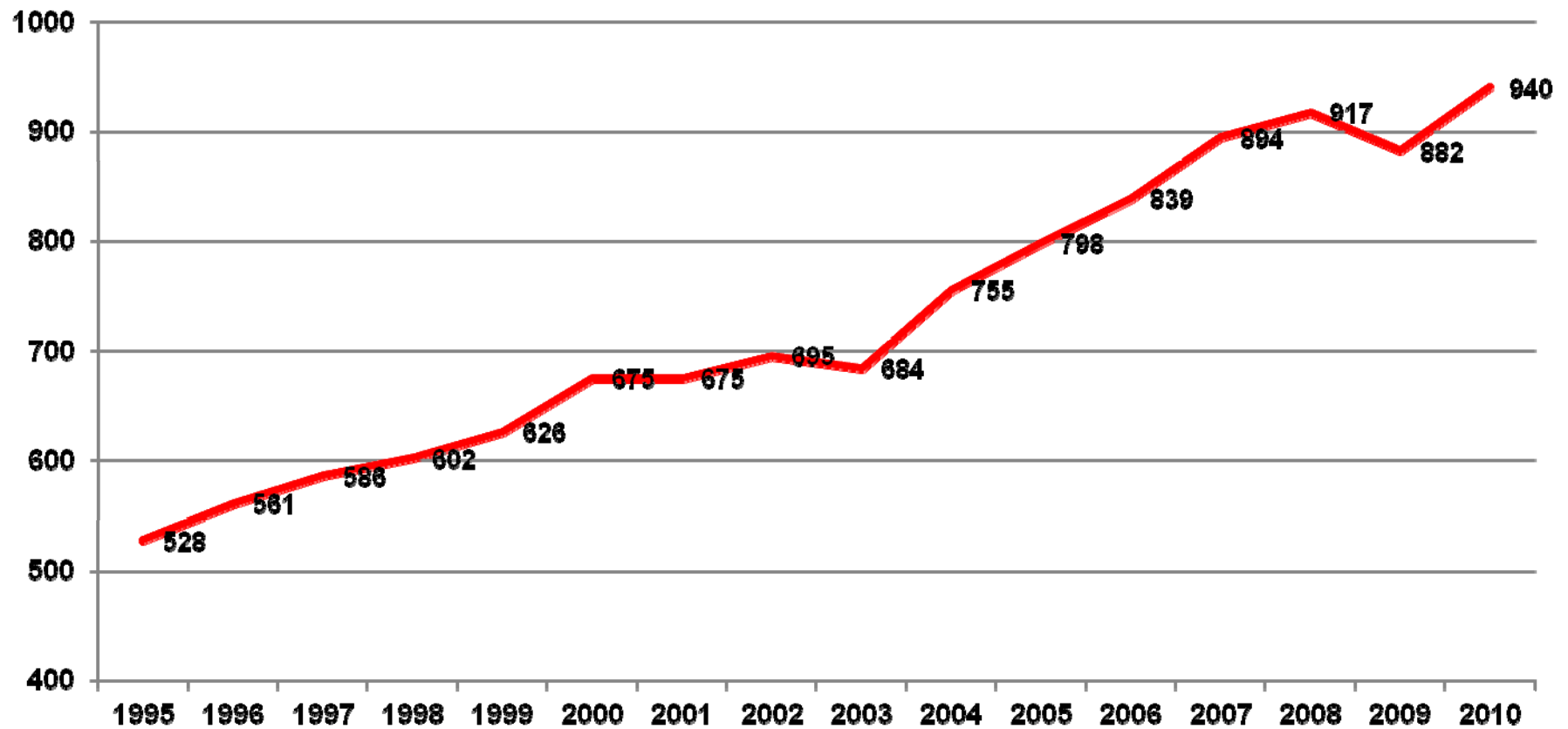
Presented by:
Mehmet Önkal CHA, ISHC
20 October 2011

Ceylan InterContinental Istanbul, Turkey

20 – 23 October 2011

THE WORLD

International Tourist Arrivals (millions)



THE WORLD (Source: UNWTO)



- International tourist arrivals up 6.7% over 2009
- Additional 22 million arrivals over former peak 2008

«Tourism's quick recovery in 2010 confirms the sector's resilience in the medium and long term, confirming that it is a key driver of growth and much needed employment in a changing economic setting»

THE WORLD (Source: UNWTO)



International Tourism 2011 - Forecast

	2010	Forecast 2011
World	+6.7%	+4% to 5%
Europe	+3.2%	+2% to 4%
Asia & Pacific	+12.6%	+7% to 9%
Americas	+7.7%	+4% to 6%
Africa	+6.4%	+4% to 7%
Middle East	+13.9%	+7% to 10%

THE WORLD (Source: UNWTO)

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Interim Update, January-June 2011

«International tourism grew by almost 5% in the first half of 2011 totalling a new record of 440 million arrivals»

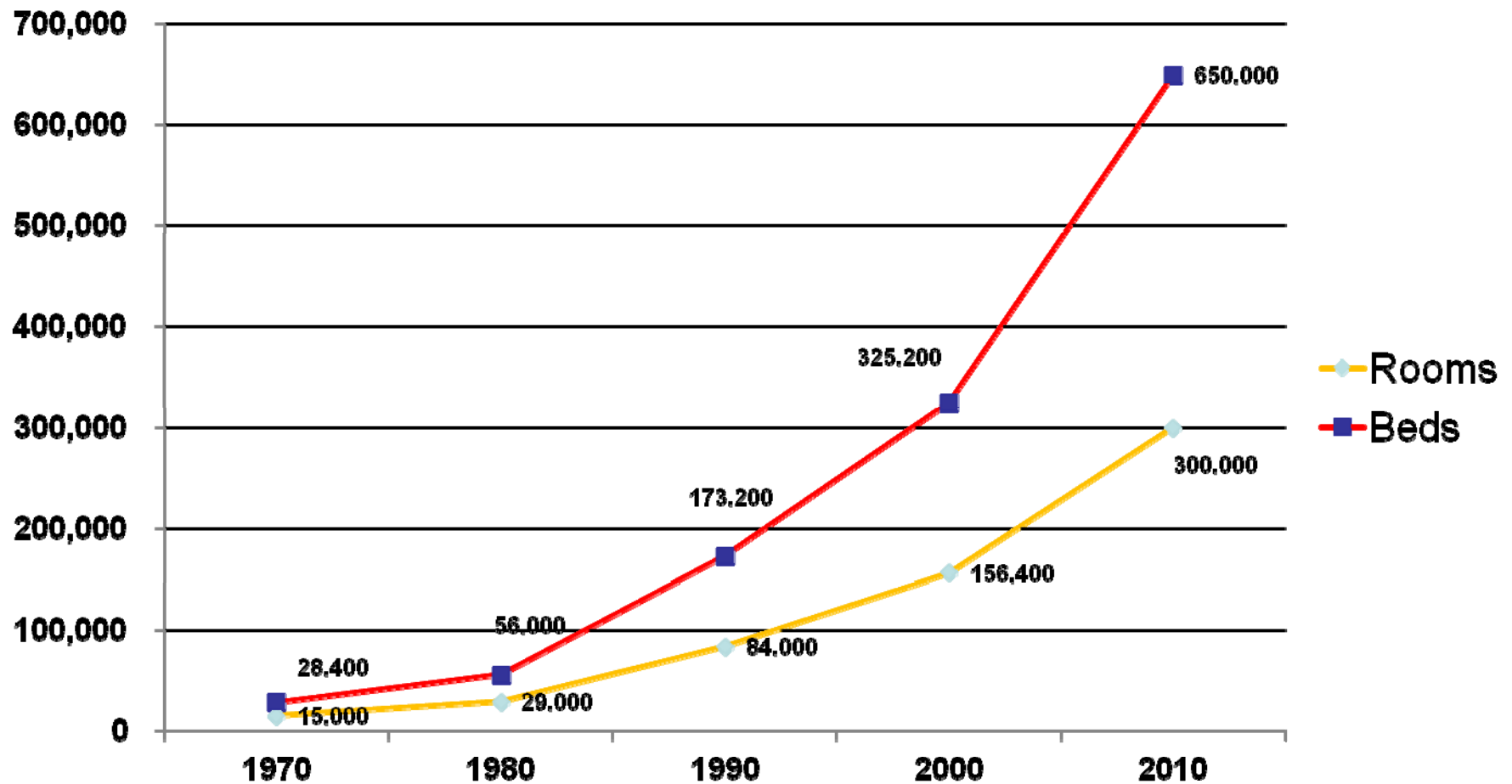
(Note: The above does not include July and August, the holiday months)

TURKEY

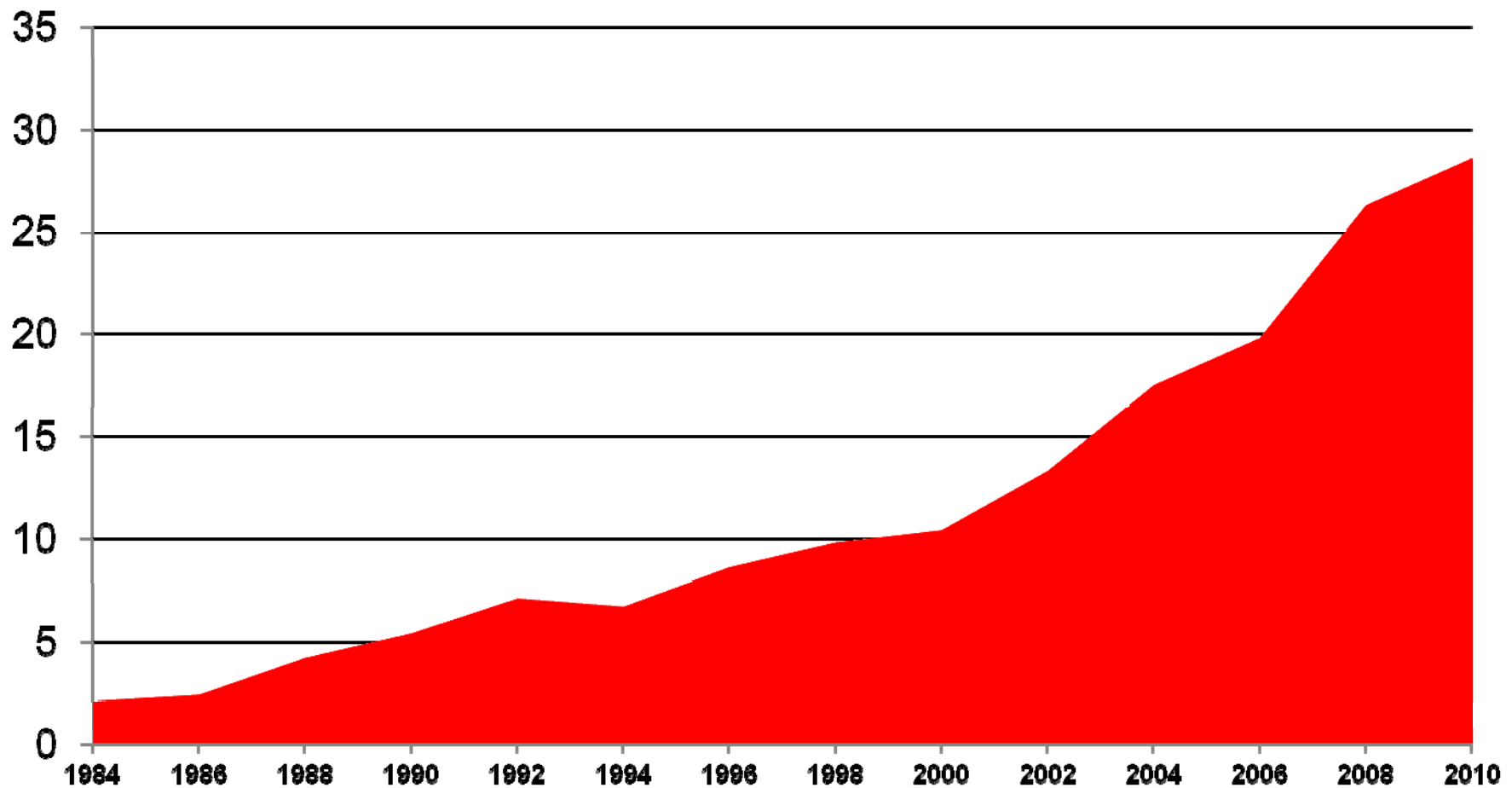
- Total area of 780,000 square kilometres
- Borders: Greece, Bulgaria, Georgia, Armenia, Iran, Iraq, Syria
- The only secular Islamic state in the World
- 74 million people
- 29 million under age 29
- Largest youth population in 27 European countries
- 26 million young, well-trained, motivated labour force
- 35 million internet and 62 million mobile phone users.

- Ranked 17th largest economy in the world
- Ranked 7th largest economy among 27 EU countries
- Fastest growing economy in Europe – GDP growth 8.8%
- Largest commercial vehicle producer in Europe
- 16th largest automotive manufacturer in the world
- 2nd largest steel producer in Europe
- 8th largest steel producer in the world
- Exports US\$114 billion in 2010
- Access to the EU, Central Asia and the Middle East

TURKEY Tourism Licenced Properties (Source: Ministry of Tourism)



TURKEY International Arrivals (millions) (Source: Ministry of Tourism)



TURKEY Top ten destinations 2010 (Source UNWTO)



1. France	76.8 million visitors
2. USA	59.7 million visitors
3. Chine	55.7 million visitors
4. Spain	52.7 million visitors
5. Italy	43.6 million visitors
6. UK	28.1 million visitors
7. Turkey	27.0 million visitors
8. Germany	26.9 million visitors
9. Malesia	24.6 million visitors
10. Mexico	22.4 million visitors

INCENTIVES

- Land Assignment to tourism investors (49 years B-O-T)
- Infrastructure (South Antalya Project)
- Resource Utilisation Support Fund (up to 40%)
- Investment Allowance
- Tax exemptions (VAT, Customs Duty, Stamp Duty, etc.)
- Tourism Loans and Credits
- Employment of Foreign Staff
- Reduced Utility Prices
- Communication Priority

TURKISH AIRLINES (THY)

- 176 planes
- 187 destinations (domestic and international)
- 29.1 million passengers (2010)

«Best Airline Europe»

«Best Airline Southern Europe»

«Best Seat in Premium Economy Class»

(2)

TURKEY How did this happen?

- Pegasus Airlines
 - 39 planes
 - 49 destinations (domestic and international)
- Onur Air
 - 33 planes
 - 83 destinations (domestic and international; including charters)
- Anadolu Jet
 - 22 planes
 - 45 domestic destinations
- Atlasjet
 - 16 planes
 - 11 destinations (domestic and international)
- Borajet
 - 43 planes
 - 14 destinations (domestic and international)
- Sky Airlines
 - 14 planes
 - 37 destinations (domestic and international; including charters)

(3)

TURKEY Commercial / Industrial Cities

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TURKEY Touristic Cities

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TURKEY Top 10 Nationalities (2010) (Source: Ministry of Tourism)



Germany	15.3 million visitors
C.I.S.	10.9 million visitors
UK	9.3 million visitors
Iran	6.6 million visitors
Bulgaria	5.0 million visitors
Georgia	3.9 million visitors
Netherlands	3.8 million visitors
France	3.3 million visitors
Italy	2.3 million visitors
USA	2.2 million visitors

TURKEY International Chain Hotels



Group	Operation	Pipeline
Hilton Worldwide Family	18	16
InterContinental Hotel Group	14	3
Accor Hospitality	9	4
Marriott Hotels Resorts Suites	8	2
Wyndham Hotel Group	7	13
Starwood Hotels & Resorts	6	4
Rezidor Hotel Group	4	4
Fairmont Raffles Hotels International	4	1
Kempinski Hotels & Resorts	3	-
Hyatt Hotels Corporation	2	-
Mövenpick Hotels & Resorts	2	1
Four Seasons Hotels & Resorts	2	1
Jumeira	-	1
Shangri-La	-	1
TOTAL	79	51

TURKEY Domestic Chain Hotels



Group	Operation	Pipeline
Anemon Hotels	15	2
Dedeman Hotels & Resorts	12	3
Rixos Hotels	9	1
Divan	8	2
The Marmara Collection	5	-
TOTAL	49	8

İSTANBUL

- The first Hilton in Europe opened in İstanbul in 1956.
- In 1975, Sheraton (now InterContinental) and InterContinental (now The Marmara) followed.

These were the first internationally branded hotels of İstanbul (and Turkey).

«Turkey is one of the fastest growing hotel markets in Europe and has been a focus for development in the past few years.

Hotels in İstanbul enjoyed an almost 50 per cent profit growth during the first six months of this year (2011)»

Source: TRI Hospitality Consulting.

İSTANBUL International Chain Hotels



Group	Operation	Pipeline
Hilton Worldwide Family	6	4
InterContinental Hotel Group	8	4
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Marriott Hotels Resorts Suites	5	2
Wyndham Hotel Group	3	6
Starwood Hotels & Resorts	3	1
Rezidor Hotel Group	2	3
Fairmont Raffles Hotels International	1	-
Kempinski Hotels & Resorts	1	-
Hyatt Hotels Corporation	2	-
Mövenpick Hotels & Resorts	1	-
Four Seasons Hotels & Resorts	2	-
Jumeira	-	1
Shangri-La	-	1
TOTAL	36	24

İSTANBUL Recent Performance (Source: STR)



	2009	2010	% Change
Occupancy	63.6%	72.7%	14.2%
RevPAR	\$125.80	\$137.05	8.9%

Note: Census 336 Sample: 35

İstanbul Atatürk International Airport (Europe)

- Air Passenger Traffic for 2010: 32 million
- Ranking 19th in the World

Sabiha Gökçen Airport (Asia)

- Air Passenger Traffic for 2010: 11 million

İSTANBUL 2011 Tourism Revenues (estimated)

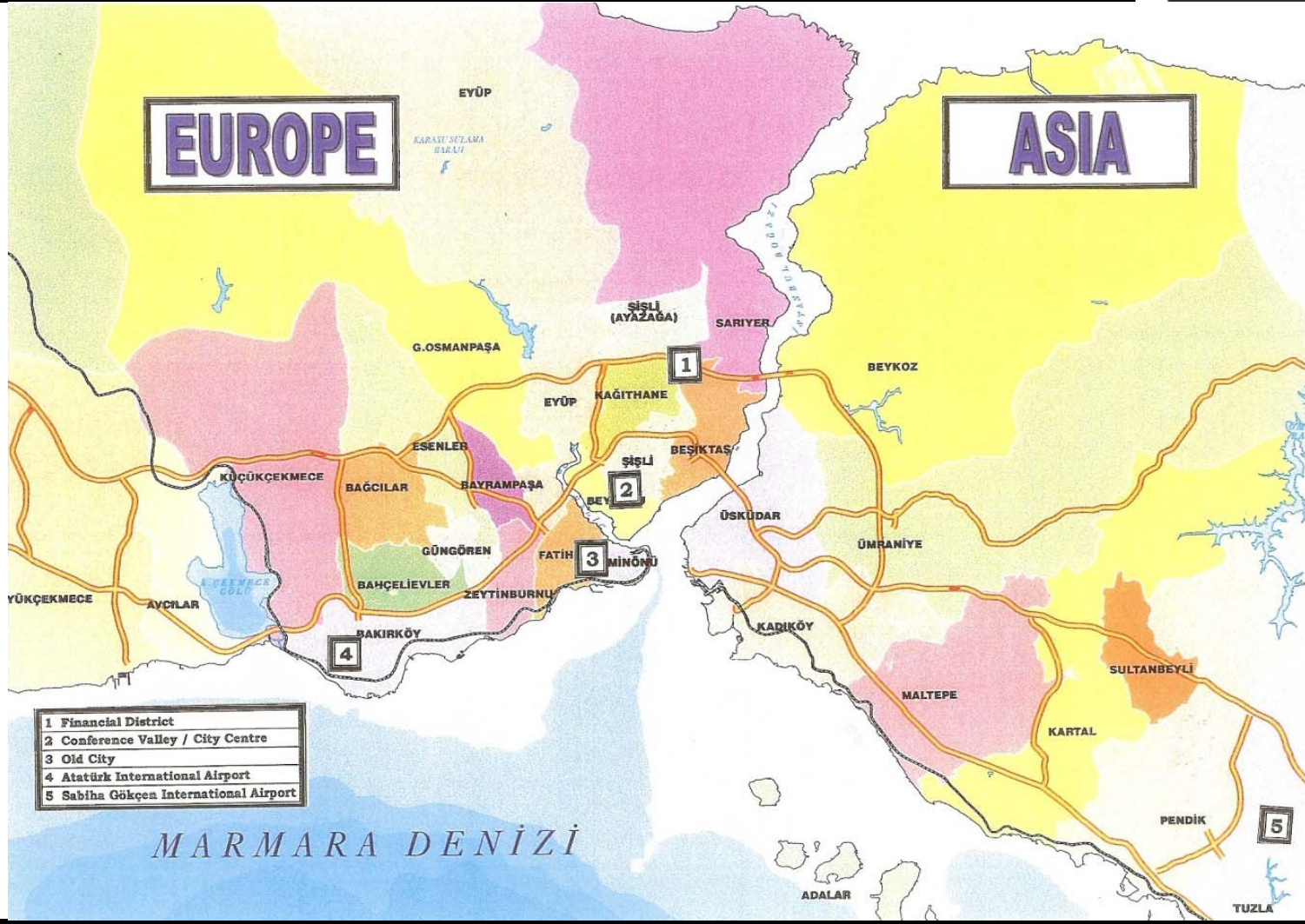


- İstanbul = \$10.2 billion
(ranking 12th in the highest earning cities in the World)
- Amsterdam = \$9.9 billion
- Rome = \$8.9 billion

Source: Mastercard Research

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THE END