

The Economy

AT A GLANCE

- **GDP: \$358.7 billion**
- **GDP per capita: \$9,047**
- **GDP growth rate (2006) 6%**
- **Inflation 7.5%**

Turkey has a very dynamic economy with a vigorous and rapidly growing private sector. The countries most important industries are textiles and clothing, employing between over 35% of the workforce. These sectors produce the countries main export, although other manufacturing industries, such as car making and consumer goods are of growing significance. Low labour rates and proximity to markets in Europe and the Middle East have encouraged the growth of these industries. Agriculture remains an important economic activity, employing around 40% of the country's workforce.

Fiscal belt tightening and economic reform have succeeded in reducing the public deficit. Inflation has dropped significantly over the recent years. The newly introduced mortgage system is expected to encourage further growth in the booming construction industry. Tourism continues to develop and the sector raised over \$9.5 billion in 2005.

Reforms in the banking sector have boosted investor confidence and the improving economic climate has promoted foreign investment, which is expected to exceed \$20 billion in 2007.