

## **OVERVIEW OF DENİZLİ ECONOMY**

Denizli is a pioneer city in entrepreneurship, manufacturing and export, and has a 7500 year history in trade to fall back on. Economic activities such as textile, marble processing, leatherworks and alternative tourism have long been present in Denizli since the ancient civilizations. Denizli attracts attention through its fertile agricultural lands, rich biological diversity, long-reaching history, cultural heritage and its awe-inspiring past. From the ancient era to our day, Denizli is also thousands of years old "City of Medicine and Health" with unique Pamukkale and the once "Holy City" of Hierapolis, both of which are on the UNESCO World Heritage List. Its geography, which blends the climates of the Mediterranean, Aegean and Central Anatolia (continental climate), its location and its diverse agricultural production have carried the city to a higher level of agriculture and agriculture based industries. Occasionally hosting a myriad of bird species that visit our country on their migration paths thanks to its lakes and water resources potential, Denizli is also one of the pioneers of Turkey in aquaculture produced in inland waters. Buldan cloth, Yatağan knives, Denizli's roasted chickpeas and Denizli Travertines are modern cultural and economic values that have a long reaching past.

Denizli, one of the cities named "Anatolian Tigers" in Turkey, makes significant contributions to the economy by hosting leading companies in various sectors and export companies. Today, Denizli offers potential investment opportunities to investors in **a wide range of sectors**, from textile and readymade clothing to marble processing, from copper wire and cable industry to machine manufacturing, from organic agriculture and greenhouse farming to metal and steelworks, from leatherworks to glass and cement, chemical and plastic production to recycling, viniculture to health, thermal and eco-tourism. The city provides an on-site and safe investment climate through its innovative approach, diverse structure, strong human resources, rich biological diversity, historic and cultural features, and is inviting domestic and foreign investors looking to invest in high technology, innovation and clean production.

**Table 1. Key Indicators of the Province of Denizli**

Area	12,134 km <sup>2</sup>
Province Population (Turkish Statistical Institute-TÜİK, 2018)	1,027,782
Population Density - per km <sup>2</sup> (Turkish Average 102 people) (Turkish Statistical Institute-TÜİK, 2017)	87
Socio-Economic Development Ranking (Ministry of Development, 2011)	10 <sup>th</sup> place
Ranking in the List of Turkish Provinces with the Highest Export (Turkish Exporters' Assembly-TİM, 2018)	9 <sup>th</sup> place
Gross Value Added Per Person (TR 32) (Turkish Statistical Institute-TÜİK, 2011)	14,534 TL
Province-based Gross Domestic Product (Turkish Statistical Institute-TÜİK, 2017)	36.18 billion TL
Number of Companies in the Top 1000 (Istanbul Chamber of Industry, 2017)	23
Number of Companies with Foreign Capital (Union of Chambers and Commodity Exchanges of Turkey-TOBB, 2018)	14
Number of Organized Industrial Zones (Active)	3
Free Zones	Present
Total Export (Turkish Exporters' Assembly-TİM, 2018)	3.37 billion \$
Total Import (Turkish Statistical Institute-TÜİK, 2018)	1.98 billion \$
Net Pre-School (Age 5) Enrollment Rate (Turkey 65.9%) (Ministry of National Education-MEB, 2017-2018)	81.4%
Middle School Enrollment Rate (Turkey 83.6%) (Ministry of National Education-MEB, 2017-2018)	90.4%
Number of Students Per Class (Elementary-Middle School) (Turkey 24) (Ministry of National Education-MEB, 2017-2018)	19 Students
Number of Hospital Beds Per 100 Thousand People (Turkey 279) (Turkish Statistical Institute-TÜİK, 2017)	320
Agricultural Land (Denizli Provincial Directorate of Agriculture and Forestry, 2018) (Agricultural land is 32% of the total land of Denizli)	376,738 ha
Number of Tourists Visited Pamukkale-Hierapolis Ancient City (Denizli Provincial Directorate of Culture and Tourism, 2018)	2,100,129 person

The population of Denizli is **1,027,782 as of 2018**, and had a growth rate of 8.7 % in 2012; 13.5 % in 2013; 15.7 % in 2014; 15 % in 2015; 12.3 % in 2016, 12.9 % in 2017 and 8.9 % in 2018. According to the changes in population, it has been determined there were 81 people per km<sup>2</sup> in 2012; 82 per km<sup>2</sup> in 2013; 84 per km<sup>2</sup> in 2014; 85 in 2015; 86 in 2016; and 87 in 2017.

Denizli has a strong population of qualified human resources, and is above the Turkish literacy rate of 96.7 % with its own standing at 98.49 % (Turkish Statistical Institute-TÜİK, 2017). This is interpreted as one of the important signs of Denizli's human resources potential. There are science, Anatolian, private, vocational and technical high schools, practical art schools and apprentice training centers in Denizli. Pamukkale University, founded in 1992 in Denizli and has 96,275 alumni, is an active state university with 2,098 academic personnel, 1,459 administrative personnel and 53,931 students, and is home to 6 institutes, 16 faculties, 3 graduate schools, 17 vocational high schools, 39 application and research centers in different branches.

The research done under the scope of Socio-Economic Development Ranking Survey (SEGE) are of great importance for comparisons of development in provinces and regions. Thanks to SEGE research, the development rankings of provinces and regions can be identified and then classified according to the established development degrees, which provides the analysis infrastructure needed for a more effective use of resources and better balanced development. Denizli took 10<sup>th</sup> place with a development index value of 0.9122 in the "Provincial and Regional Socio-Economic Development Ranking Study-2011" conducted by the Ministry of Development, which also provides a basis for the incentive system. According to this index, Denizli is among the "Second Degree Developed Provinces". Another characteristic of Denizli according to the SEGE-2011 is its **"strong manufacturing capacity and high industrial employment"**.

According to 2019 (February) data of Provincial Directorate of Industry and Technology, there are **8** R&D Centers and **21** Design Centers in Denizli.

**Table 2. Social Security Figures in Denizli**

Province Population	1.018.735
Number of Workplaces	25.988
Total Population With Social Security (Enrolled Actively+Passively+Within the Scope of Universal Health Insurance (GSS))	1.010.080
Total Population With Social Security (Excluding Those Under the Scope of GSS)	940.635
Ratio of the Population With Social Security (Excluding Those Under the Scope of GSS) to Province Population (%)	92,33
Population Without Access to Social Security	8.655
<b>Working Population with Social Security</b>	
Retirement Fund (4/c)	36.300
Social Security Organization for Artisans and Self-Employed (Bağ-Kur) (4/b)	53.958
Social Security Institution (SGK) (4/a)	217.782
Total	308.040
Ratio of Working Population with Social Security to the Provincial Population (%)	30,24
<b>Population with a Monthly Stipend Within the Scope of Social Security</b>	
Retirement Fund (4/c)	29.921
Social Security Organization for Artisans and Self-Employed (Bağ-Kur) (4/b)	60.748
Social Security Institution (SGK) (4/a)	120.909
Total	211.578
Ratio of Retirees Within the Scope of Social Security to Total Provincial Population (%)	20,77
<b>Number of Beneficiaries Within the Scope of Social Security</b>	
Retirement Fund (4/c)	62.907
Social Security Organization for Artisans and Self-Employed (Bağ-Kur) (4/b)	160.068
Social Security Institution (SGK) (4/a)	198.042
Total	421.017
Ratio of Beneficiaries Within the Scope of Social Security (%)	41,33
<b>Population Registered under Universal Health Insurance</b>	
Population With State-Paid Universal Health Insurance	46.344
Population With Self-Paid Universal Health Insurance	23.101
Total	69.445

\*As of 01/01/2012, people who have no social security coverage, or those who have no dependents on their universal health insurance (GSS) and are excluded by Law no. 5510, are now included within the scope of compulsory universal health insurance

\*\*People with 2022 stipends, people included in retirement funds under the 20<sup>a</sup> article, soldiers and army officers are not included within the population within the scope of social security.

Source: Social Security Institution, 27 February 2019

There are **3 Organized Industrial Zones (OIZ)** and **1 Free Zone (DENSER)** active in Denizli, considered one of the Anatolian Tigers for its enterprising and innovative character, high export rate and strong industry. Denizli Organized Industrial Zone is one of the few organized industrial zones in Turkey with its infrastructure, superstructure, corporate structure and the services provided. All of its 186 industry plots have been allocated, giving it a 100 % occupancy rate. It still has room for expansion, which is expected to become an important investment area alternative for investors in medium and long term. Denizli Leather Specialized and Hybrid OIZ and Çardak Özdemir Sabancı OIZ are awaiting investors. Çardak OIZ, which recently had an important share of plots put on sale and is enjoying an increased company mobility, offers attractive opportunities for investments with its airport and highway connection, infrastructure and superstructure. Denizli Leather Specialized and Hybrid OIZ is open to all industrial investments except food, and is especially ready for potential investments in energy acquisition through high-calorie leather waste.

Exports were made to a total of **175 countries** in the January-December 2018 period. Denizli exported 3,370,191,470 US dollars (\$) worth of goods in 2018. The import figure in 2018 was 1,989,534,000 US dollars (\$).

The leading sectors in export for Denizli, **the ninth biggest exporter city** of Turkey; **Textile Products, Base Metal Industry, Clothing, Electrical Machines and Appliances, Non-Metal Mineral Goods, Metalware Industry, Food Products and Beverages, Quarrying and Other Mining, Machinery and Equipment, and Agriculture and Livestock.**

**Table 3. Export and Import Figures of Denizli (2012-2018)**

Year	Export (\$)	Import (\$)
2012	2,739,106,770	2,262,295,000
2013	3,083,293,590	2,208,190,000
2014	3,199,066,550	2,176,670,000
2015	2,523,669,210	1,902,001,000
2016	2,766,607,000	1,666,338,000
2017	3,067,302,603	2,022,645,000
2018	3,370,191,470	1,989,534,000

Source: Turkish Exporters' Assembly (TİM), Turkish Statistical Institute (TÜİK), 2019

23 companies from Denizli found a place in the top 1000 Biggest Industrial Organizations list of Turkey in 2017, according to the first and second 500 Biggest Industrial Organizations research (2018) undertaken by the Istanbul Chamber of Industry. Out of these companies, 8 are active in the cable-copper wire sector, 7 in the textile sector, 2 in the food sector, 2 are in the iron-steel sector, 1 is in the energy sector, 2 are in cement, concrete (construction) and 1 is in the animal feed sector.

The **renewable energy potential** of Denizli is above the Turkish average, particularly in solar and geothermal energy. Denizli is located in the Büyük Menderes Graben and has a wealth of geothermal energy sources; a significant part of high enthalpy geothermal fields in Turkey that are suitable for energy generation are located in the city. The strong agriculture, livestock and agriculture-based industries present in Denizli also have a positive impact on the biogas potential.

Denizli may stand out for its industry, but it is also home to a **high tourism and agricultural production potential**. Denizli produces **125 types of agricultural products**. Denizli exports **96** different agricultural products to **74 countries**. Leading among the fresh ones are table grapes, followed by pomegranates, quinces, peaches, apples and cherries; among dried products are roasted chickpeas, thyme, sunflower seeds, aniseed, cumin, dried grapes, bay leaves, corn etc. Denizli is one of the pioneers of aquaculture in the country and it occupies an advantageous position for aquaculture investments, particularly in the district of Çameli with its cold and clear waters.

Denizli has significant potential in **alternative tourism**, since it has taken responsibility as a city of health since ancient times and has long-lasting values alongside a wealth of nature, history and culture. Denizli is home to **19** "Ancient Cities" and has its tourism potential largely in health, thermal, cultural and religious tourism, as well as eco-tourism. Denizli has a significant but currently under-utilized alternative tourism potential on account of Pamukkale and Hierapolis (Holy City), two world-famous locations on the UNESCO World Heritage List. Pamukkale, which is akin to a natural miracle with its unique, cotton-like look, entertains millions of tourists every year and has hosted many a goddess in its waters in mythology; and Hierapolis, which is called the "Land of the gods" and served as the background to many scenes of war and intrigue for Greek gods: are centers of attraction. The restoration of the stage belonging to the 1800 year old Ancient Theater in Hierapolis has also been completed, and now hosts a myriad of activities.