

Tourism update 2023

Türkiye and İstanbul

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Highlights

Source

Glossary

Istanbul
hospitality sector

Türkiye
hospitality sector

Istanbul
tourism market

Türkiye
tourism market

Tourism
trends

Highlights



Highlights (2022 vs. 2019)

Türkiye ¹	Visitors		Tourism receipts		Average expenditure per capita		Top three countries of origin by number of visitors to Türkiye
2022	51.4m	↓	US\$46.5b	↑	US\$905	↑	Germany, Russia, UK
2019	51.9m	-1%	US\$38,9b	+19%	US\$751	+21%	Germany, Russia, UK

İstanbul ²	Visitors		% of foreign visitors to İstanbul		Top three countries of origin by number of visitors to İstanbul
2022	16.0m	↑	36%	↑	Russia, Germany, Iran
2019	14.9m	+7%	33%	+3%	Germany, Iran, Russia

- ▶ According to the World Tourism Organization (UNWTO), **963 million people traveled globally in 2022**, while the **total tourism receipt was US\$1.1 trillion**.³
- ▶ The countries with the highest number of tourists in 2022 were France, Spain, the US, Türkiye and Italy respectively. A total of 51 million people visited Türkiye in 2022.



Highlights (Q1 2023 vs. Q1 2022)

Türkiye ⁴	Visitors		Tourism receipts		Average expenditure per capita	
Q1 2023	8.1m	↑ +27%	US\$8.7bn	↑ +32%	US\$1,062	↑ +4%
Q1 2022	6.5m		US\$6.6bn		US\$1,018	

İstanbul ⁵	Visitors		Top three countries of origin by number of visitors to İstanbul
Q1 2023	3.5m	↑ +20%	Russia, Iran, Germany
Q1 2022	2.9m		Germany, Russia, UK

- ▶ According to TURKSTAT, Türkiye's tourism receipts were US\$8.7 billion in Q1 2023 total and US\$6.6 billion in Q1 2022.
- ▶ Türkiye's tourism receipts rose 32% year-on-year (yoy) to US\$8.7 billion in the first quarter of 2023.
- ▶ The average total expenditure of visitors was US\$1,062 per capita in Türkiye in Q1 2023.
- ▶ İstanbul had a record 3.5 million foreign visitors in the first quarter of 2023. Russia, Iran, Germany, the US and the UK were the leading countries in terms of visitors by country of origin to İstanbul.



Türkiye tourism highlights

Global events

- ▶ Spending on sports, education and culture increased by 116.5%, while spending on package tours increased by 83.4% and spending on travel services increased by 82.1% in 2022 compared with the previous year in Türkiye.⁶
- ▶ The Champions League final between Inter Milan and Manchester City in İstanbul was expected to deliver an economic boost of approximately €75 million (US\$80 million) to the host city on 10 June 2023. This was a significant boost to İstanbul's economy and a showcase for the city to a global audience.⁷

Cruise

- ▶ With investments in recent years, Türkiye has become one of the leading cruise tourism countries. According to the Ministry of Transportation and Infrastructure data, more than 483,000 people visited Türkiye in the first half (H1) of 2023 by cruise.⁸
- ▶ In the first half of 2023, the number of cruise ships docked at ports increased by 32% (420 ship dockings), while the number of cruise passengers increased by 107% (31,057 passengers) compared with the same period in the previous year. With 191 cruise ships, Kuşadası had the highest number of cruise ship dockings and welcomed 258,719 visitors. Galataport (İstanbul) followed Kuşadası with 115,760 visitors and 72 cruises.⁹

International airport hub

- ▶ In 2023 H1, the number of passengers arriving at Türkiye's airports increased by 25.4% compared with 2022 H1, reaching 95.5 million. Specifically, İstanbul's airports saw a 28% increase, welcoming 52.7 million passengers during the January-June period.
- ▶ According to a report prepared by IATA, Dubai International Airport ranked first as the world's busiest airport for international passengers in March 2023 with over 4.6 million scheduled seats. London Heathrow was second, while İstanbul Airport, which was ranked 10th in 2015, achieved third position with a significant increase in passenger traffic.

Health tourism

- ▶ Health tourism witnessed an 88% increase in tourist arrivals and a 23% increase in health services income in 2022 compared with 2021.
- ▶ In 2022, 1,258,382 individuals received health services, generating US\$2.12 billion income, compared with 670,730 individuals generating US\$1.73 billion in 2021.¹⁰
- ▶ In Q1 2023, Türkiye welcomed 411,490 people seeking health services, with health tourism income reaching US\$454 million.
- ▶ According to the statement of the chairman of the TURSAB, Türkiye will host over 1.9 million health tourists in 2023, indicating an increase of approximately 30% compared with the previous year.



Tourism trends

Highlights

Tourism trends

Türkiye tourism market

Istanbul tourism market

Türkiye hospitality sector

Istanbul hospitality sector

Glossary

Source

Tourism trends

In the travel industry, there is constant change and shifting priorities. In 2023, we see a distinct tourism paradigm marked by innovative traveler experiences. Technological advancements, social and environmental consciousness, cultural awareness and health considerations stand as pivotal drivers shaping the trajectory of the tourism landscape this year. Key trends in the world of tourism for 2023 are shown below.

1. Rise of sustainable travel

In 2023, travelers increasingly prioritize sustainable and eco-friendly travel options. Green accommodation and ecologically conscious tourist activities play decisive roles in travel choices. Initiatives and ventures contributing to the preservation of natural spaces and bolstering local community wellbeing have captured the interest of tourists.

2. Digital traveler experience

Technological advancements are redefining the traveler experience. Technologies such as augmented reality (AR) and virtual reality (VR) enable travelers to explore destinations in advance and engage interactively. Smartphone apps, personalized traveler guides and digital maps enhance the ease and enjoyment of travel.

3. Cultural exchange and unique experiences

Tourists now seek profound connections with local cultures over more commercial tourist activities. Delving into local cuisines, learning traditional artisanal crafts, and participating in Indigenous festivals align with the contemporary traveler's vision. Immersing themselves in local life and embracing unique experiences leave lasting imprints on tourists' memories.

4. Priority on health and safety

The impact of the COVID-19 pandemic has underscored health and safety priorities for travelers. In 2023, travelers still follow cleanliness and hygiene measures. Fully vaccinated destinations and facilities foster greater trust among tourists. Travel insurance and health assurance prevails to mitigate potential risks during travel.

5. Remote work and travel (bleisure)

The remote work trend extends its influence into the tourism sphere. Travelers are blending business and leisure by adopting the "bleisure" trend. Remote work opportunities enable tourists to extend business trips, providing opportunities to work in new destinations and savor the region's offerings.

6. Summary

In 2023, we see an amalgamation of sustainability, technology, cultural experiences, health and security trends within the realm of global tourism. Travelers, attuned to these trends, embark on more meaningful and informed journeys. Simultaneously, the tourism industry embraces this paradigm shift, striving to offer unforgettable experiences that resonate with the contemporary traveler's quest for enrichment and consciousness.



Türkiye tourism market

Highlights

Tourism
trends

**Türkiye
tourism market**

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Glossary

Source

World tourism market: travel and tourism economic impact in 2022¹¹

Total contribution of travel and tourism GDP (Gross domestic profit)

Before to the COVID-19 pandemic, travel and tourism (including its direct, indirect and induced effects) accounted for one in every five new employment opportunities globally between 2014 and 2019, accounting for 10.3% of all businesses (334 million jobs) in 2019 and 10.4% of global GDP (US\$10 trillion) in 2019.

In 2022, the travel and tourism sector contributed 7.6% to global GDP, with a 22% increase on 2021 a 23% decrease on 2019. WTTC estimates that it will reach US\$9.5 trillion in 2023 and US\$15.5 trillion in 2033.

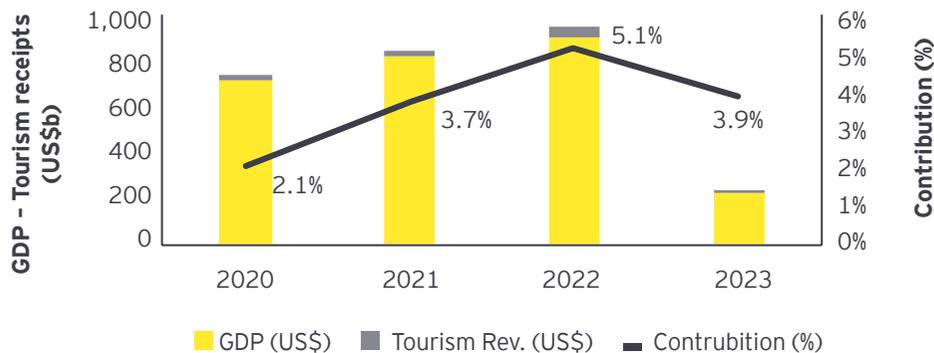
Meanwhile, worldwide visitor expenditure in 2019 was US\$1.9 trillion.

- ▶ Domestic visitor spending increased by 20.4% in 2022, just 14.1% lower than 2019.
- ▶ International visitor spending increased by 81.9% in 2022, but it is still 40.4% lower than 2019 figures.

Türkiye remains within the borders of Europe. According to the WTTC, travel and tourism's contribution to GDP in Europe amounted to US\$579.2 billion, an increase of 40% compared with 2021. However, it is still 7.2% lower in 2022 than in 2019.

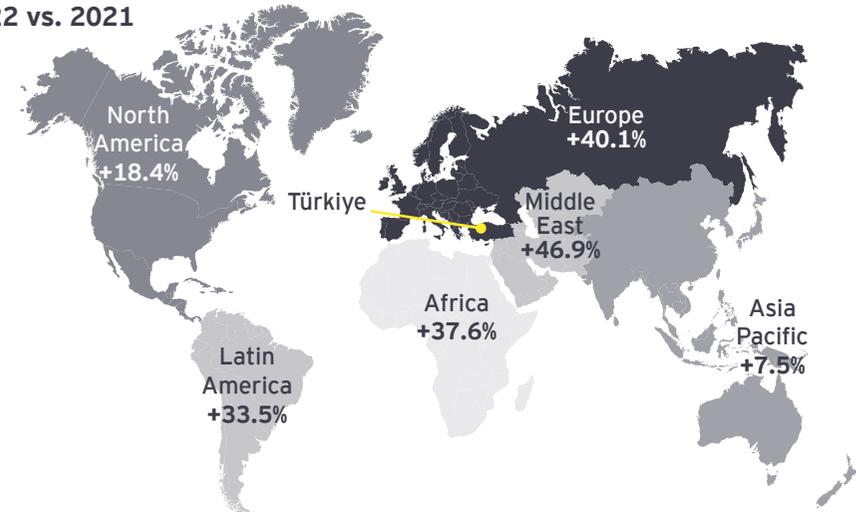
The contribution to Europe's GDP by Türkiye's tourism receipt increased from 2.1% in 2020 to 5.1% in 2022. In Q1 2023, the contribution of tourism receipts has been dropped to 3.9%.

The contribution of tourism receipts to GDP in Türkiye (2020 - 2023)

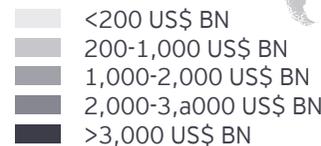
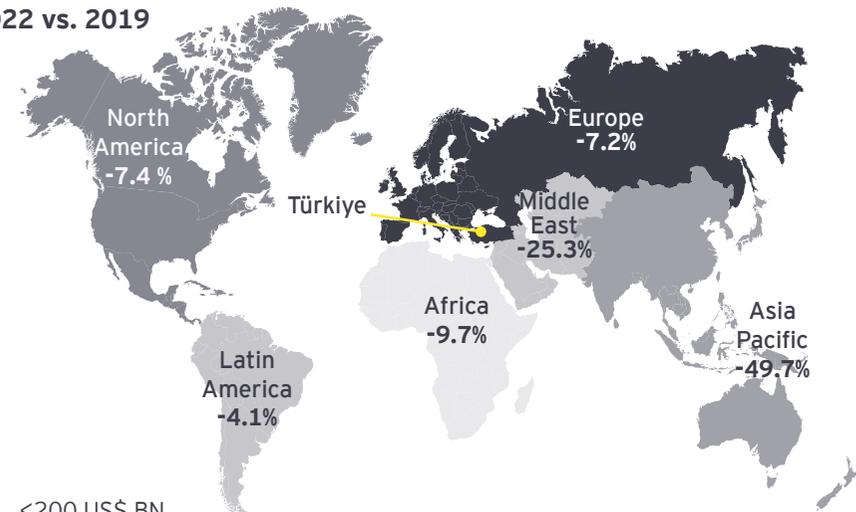


Total contribution of travel and tourism to GDP

2022 vs. 2021

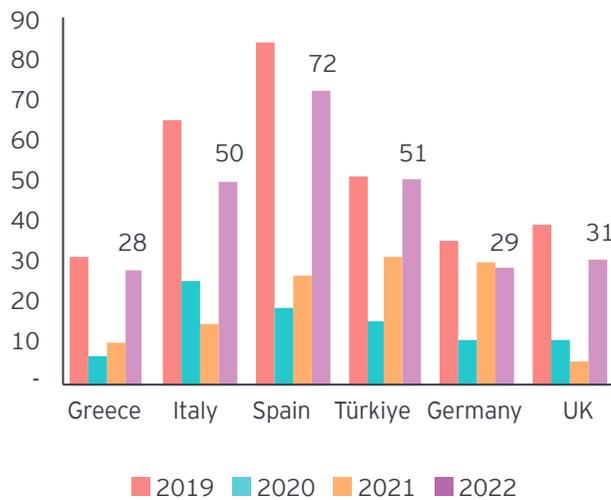


2022 vs. 2019

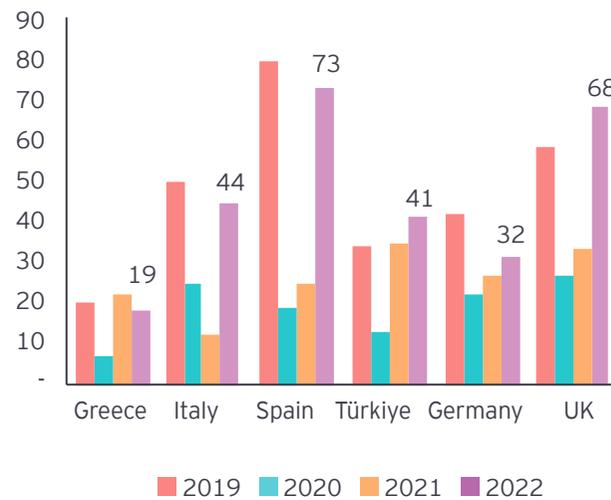


Türkiye tourism market: comparison of the indicators across selected countries (2019-22)¹²

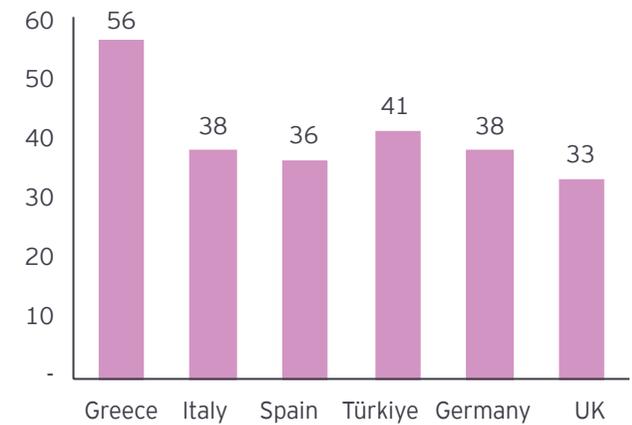
International tourist arrivals (millions)



International tourism receipts (US\$ billions)



Share of top three months in annual arrivals (2022 %)



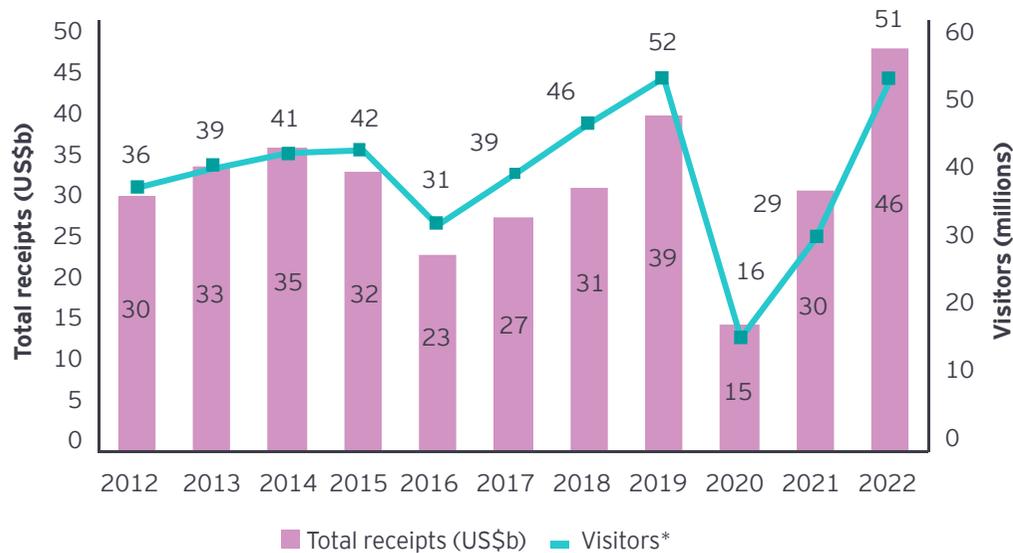
► According to data released by the World Tourism Organization, in 2022, Türkiye had the same number of visitors (51 million) as in 2019, had almost the same as Italy and 21% less than Spain.

► Regarding the tourism receipts, Türkiye has the same figures as Italy but is far behind Spain by 32% in 2022.

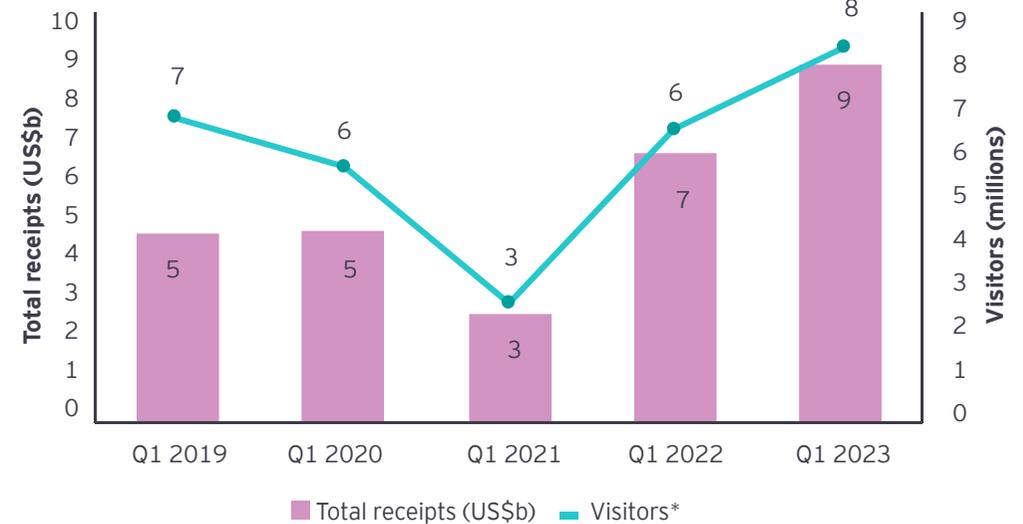
► In the peak tourist period, Türkiye has the highest figures after Greece.

Türkiye tourism market: overview

Total receipts and visitors¹³
(10-year trend)



Total receipts and visitors
(5-year trend for Q1)



* Visitor data includes foreigners and citizens living abroad.

- ▶ After the COVID-19 pandemic, the tourism market in Türkiye continued to experience a positive trend, peaking in 2022 with 51 million visitors and US\$46.5 billion in total receipts.
- ▶ In 2022, Türkiye ranked fourth in terms of visitors among global tourism destinations according to UNWTO.
- ▶ Türkiye's total tourism receipts in 2022 reflected an increase of 19.4% compared with US\$39 billion in 2019, which is a record high according to TURKSTAT. Although tourist numbers were almost the same in 2019 and 2022, annual tourism receipts were higher in 2022.

- ▶ The last five years' Q1 data from TurkSat show that, Türkiye's total tourism receipts in Q1 2023 reached approximately US\$9 billion, an increase of 88% compared with the same period in 2019.
- ▶ Furthermore, tourism receipts in Q1 2023 showed an increase of 32% over the same period in the previous year.
- ▶ The number of visitors increased by 27% compared with the same period in 2022, with approximately eight million visitors in Q1 2023 and it increased by 23% compared with the pre-pandemic period (Q1 2019).

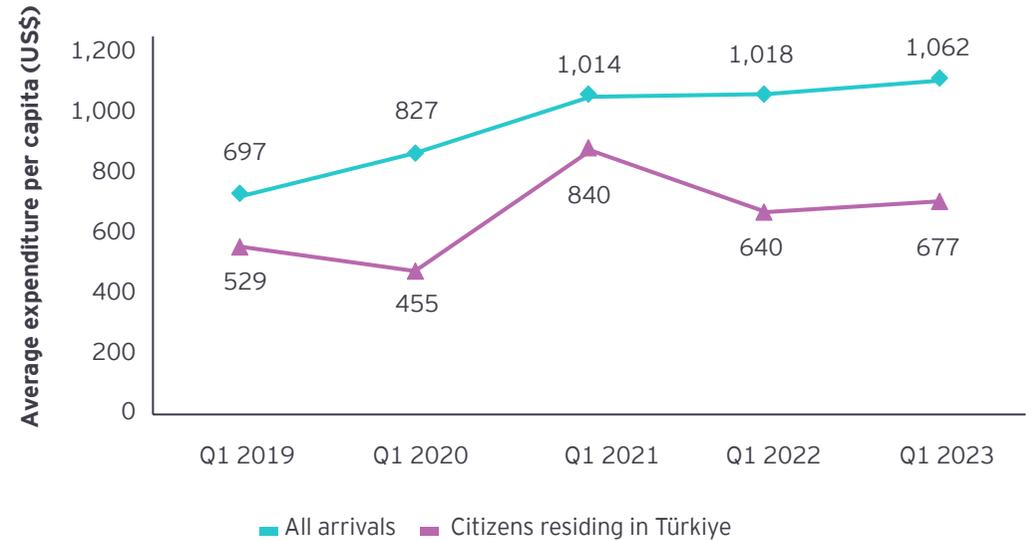
Türkiye tourism market: overview (cont.)

Average expenditure per capita¹⁴ (US\$)
(10-year trend)



- ▶ Average tourism expenditure per capita of all visitors has decreased by 12% from US\$1,028 to US\$905 in 2022 compared with 2021.
- ▶ Average tourism expenditure per capita for citizens residing in Türkiye was US\$589 in 2022, a decrease of 4.1% compared with 2021 (US\$676).

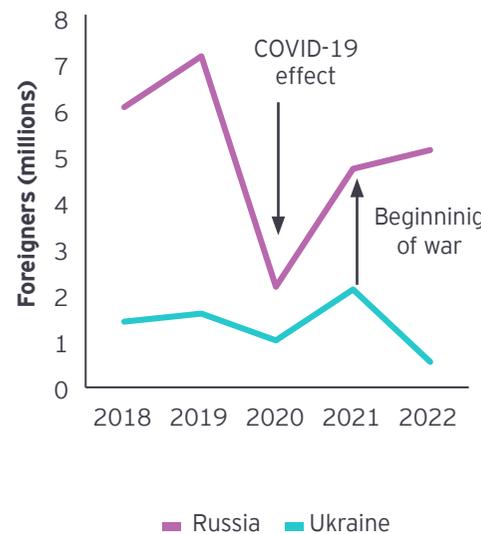
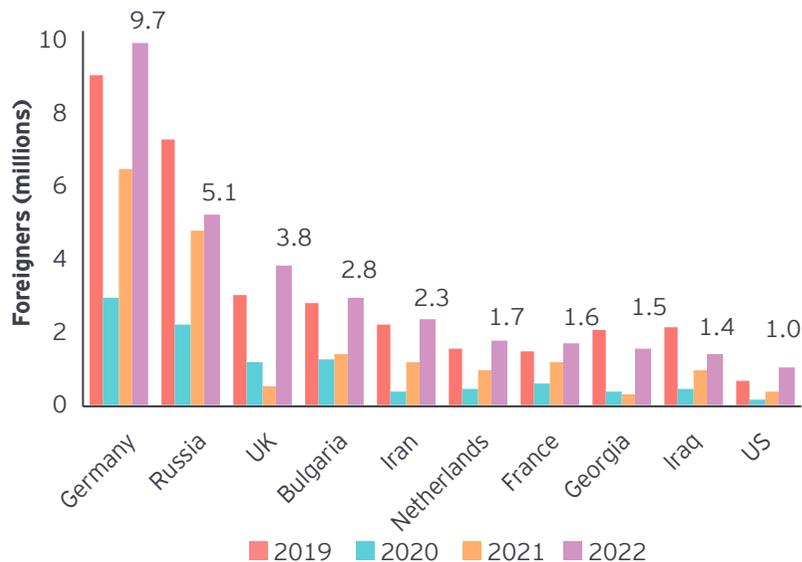
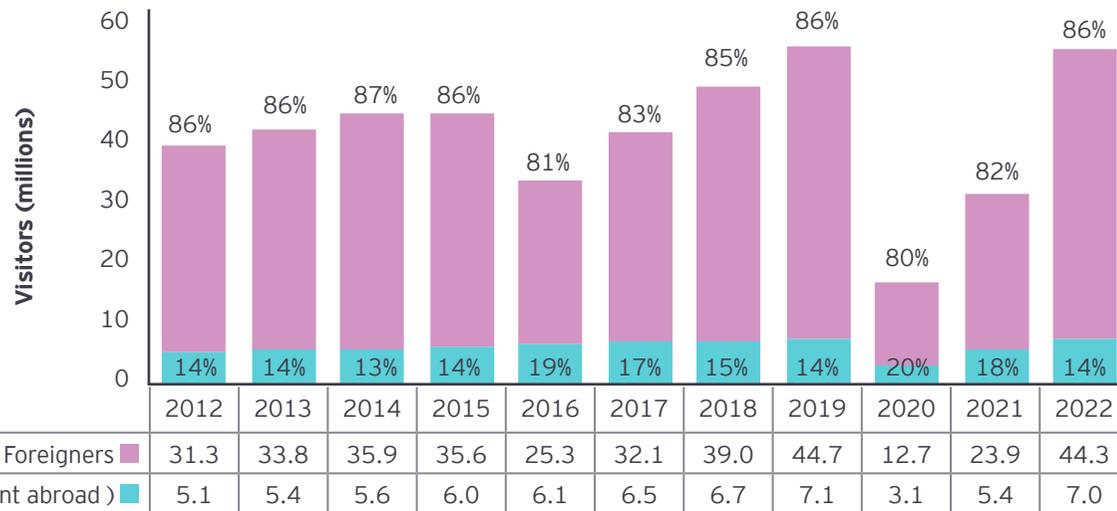
Average expenditure per capita (US\$)
(5 years trend of Q1)



- ▶ Average tourism expenditure per capita of all visitors has increased by 4% from US\$1,018 to US\$1,062 in Q1 2023 compared with Q1 2022.
- ▶ Also, average tourism expenditure per capita for citizens residing in Türkiye has exceeded the pre-pandemic period (Q1 2019) in Q1 2023 with an increase rate of 52% and reached to US\$677.
- ▶ Average tourism expenditure per capita for citizens residing in Türkiye increased by 6% in Q1 2023 compared with Q1 2022 (US\$640).

Türkiye tourism market: overview (cont.) – current scenario

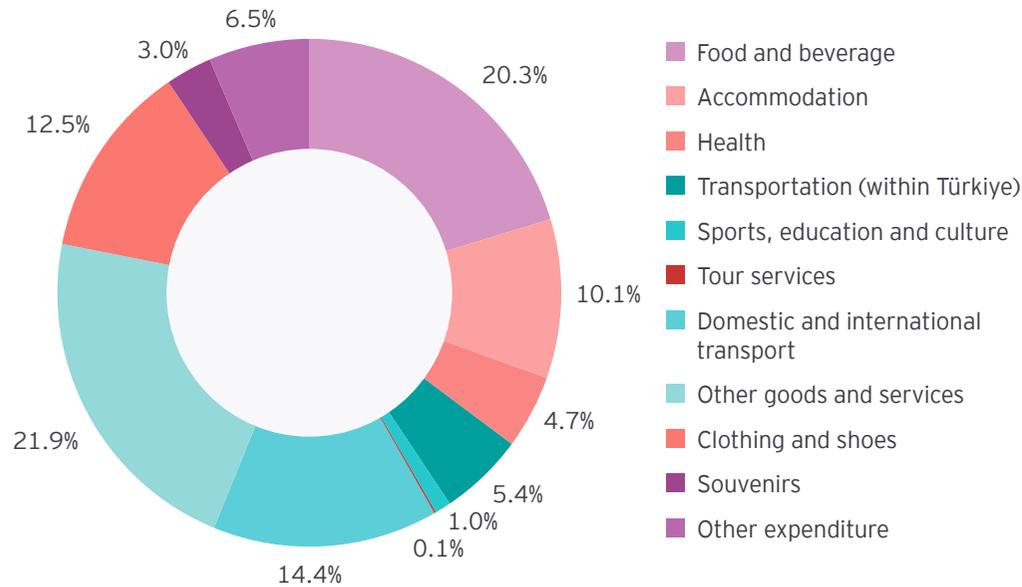
Total visitors (2022)¹⁵



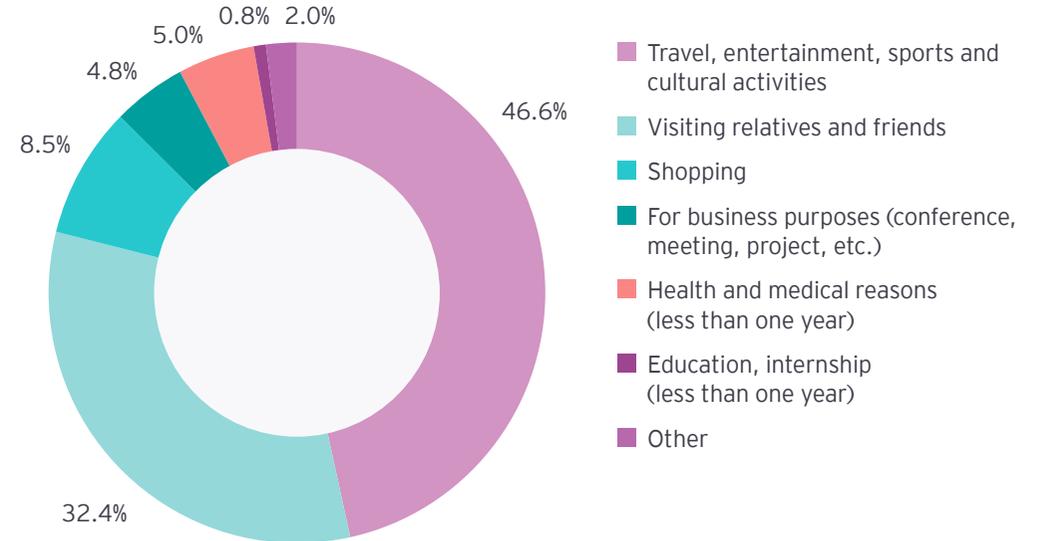
- ▶ Türkiye is the fifth most visited country in 2022, with a total of 51 million visitors. It was most visited country according to the World Tourism Organization in 2019, with almost the same number of visitors.
- ▶ According to TURKSTAT, the total number of foreign visitors in 2022 was 44.3 million, an increase of 85% compared with the previous year.
- ▶ The number of visitors of “citizens residing abroad” increased by 30% compared with the previous year, with seven million people.
- ▶ The highest number of visitors recorded in 2022 came from Germany, with 9,7 million people, an increase of 54% compared with the previous year. They constitute 19% of the total, while the number of visitors from the Russia constitutes 10%.
- ▶ The number of visitors from the UK ranked as third in 2022, increasing by 694% compared with the previous year. And the number of visitors from Georgia increased by 413% in 2022 compared with 2021.
- ▶ According to TURKSTAT, 11% of foreign visitors visited to Türkiye in 2022 were from Russia and Ukraine, compared with 23% in 2021. While the number of visitors from Russia has increased, there has been a decrease (73%) in those from Ukraine.
- ▶ This decrease in visitor numbers can be associated with the war between Russian and Ukraine, which started on 24 February 2022.

Türkiye tourism market: overview (cont.) – tourism receipts

Tourism receipts by expenditure type (Q1 2023)¹⁶



Visitors by reason for travel (Q1 2023)



- ▶ The two categories with the largest expenditure types are "other goods and services" and "food and beverage" with 21.9% and 20.3% of total receipts in Q1 2023.
- ▶ The expenditure types that showed a significant increase in Q1 2023 compared with the same quarter of 2022 are:
 - ▶ "Sports, education and culture" expenditure increased by 116.5%
 - ▶ "Package tour" expenditure increased by 83.4%
 - ▶ "Tour services" expenditure increased by 82.1%

- ▶ In Q1 2023, the most common reason for travel was recorded as "travel, entertainment, sports and cultural activities" at 46.6%.
- ▶ In second place was "visiting relatives and friends" at 32.4%.
- ▶ The third most common reason for travel was "shopping" at a much lower percentage of 8.5%.

Türkiye tourism market: M&A sectoral breakdown (2022-23)¹⁷

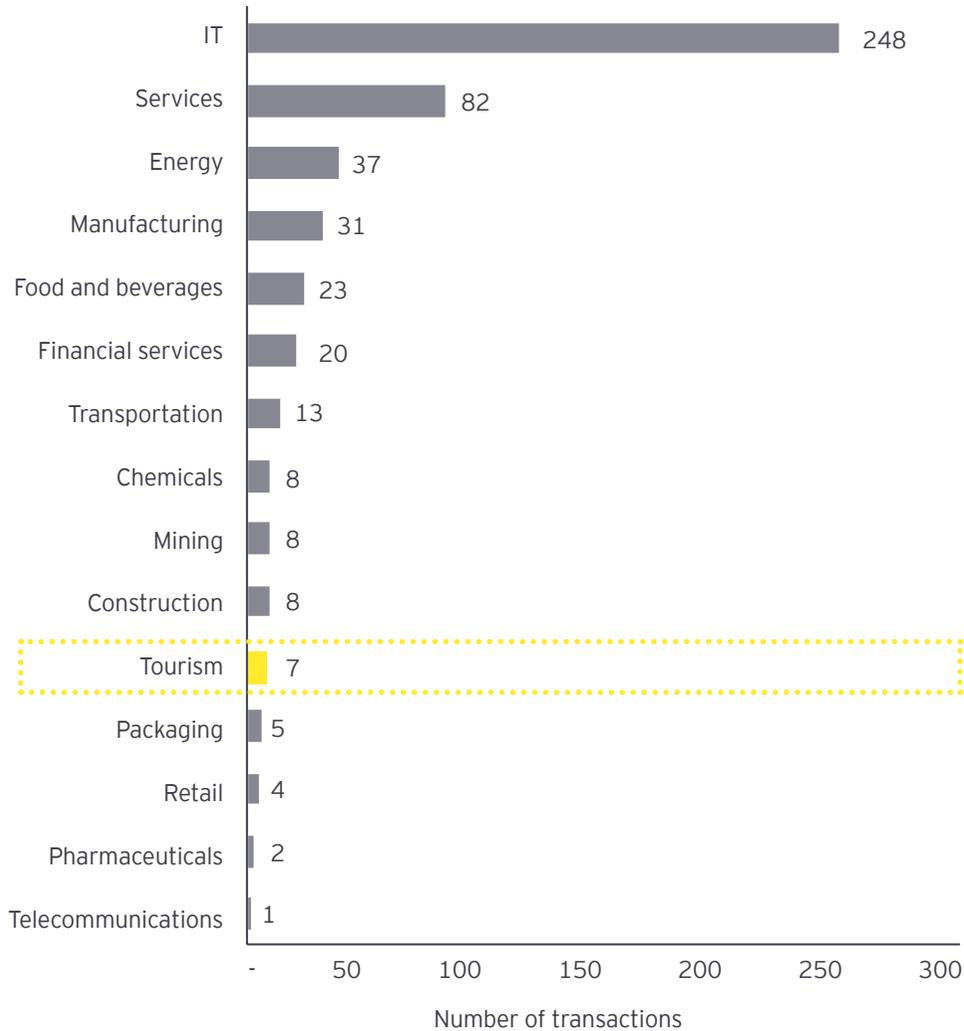
Sector distribution	Transaction volume	Number of public data	Average transaction volume (US\$m)	Maximum transaction volume (US\$m)	Minimum transaction volume (US\$m)	Sum of transaction value (US\$m)
Telecommunications	1	1	3,187	3,187	3,187	3,187
Financial services	20	8	239	1,489	1	1,915
IT	248	138	16	768	0	2,150
Transportation	13	6	138	504	0	826
Energy	37	22	67	490	0	1,479
Manufacturing	31	14	49	426	0	692
Construction	8	6	80	271	0	477
Packaging	5	3	100	191	1	301
Tourism	7	7	54	157	8	326
Mining	8	5	41	150	2	207
Pharmaceuticals	2	1	135	135	135	135
Food and beverages	23	10	11	55	0	110
Services	82	40	3	54	0	126
Retail	4	1	20	20	20	20
Chemicals	8	2	7	9	4	13

- ▶ The leading sectors in terms of transaction volume are IT, services, energy and manufacturing with 248, 82, 37 and 31 transactions respectively between 2022 and 2023.
- ▶ Although the value of tourism transactions are not all publicly released, it is officially known that there have been seven transactions in FY22 and FY23 as of April.
- ▶ These transactions were registered in Bodrum (4), Antalya (2) and Fethiye (1).

Türkiye tourism market: M&A sectoral breakdown (2022-23)¹⁸ (cont.)

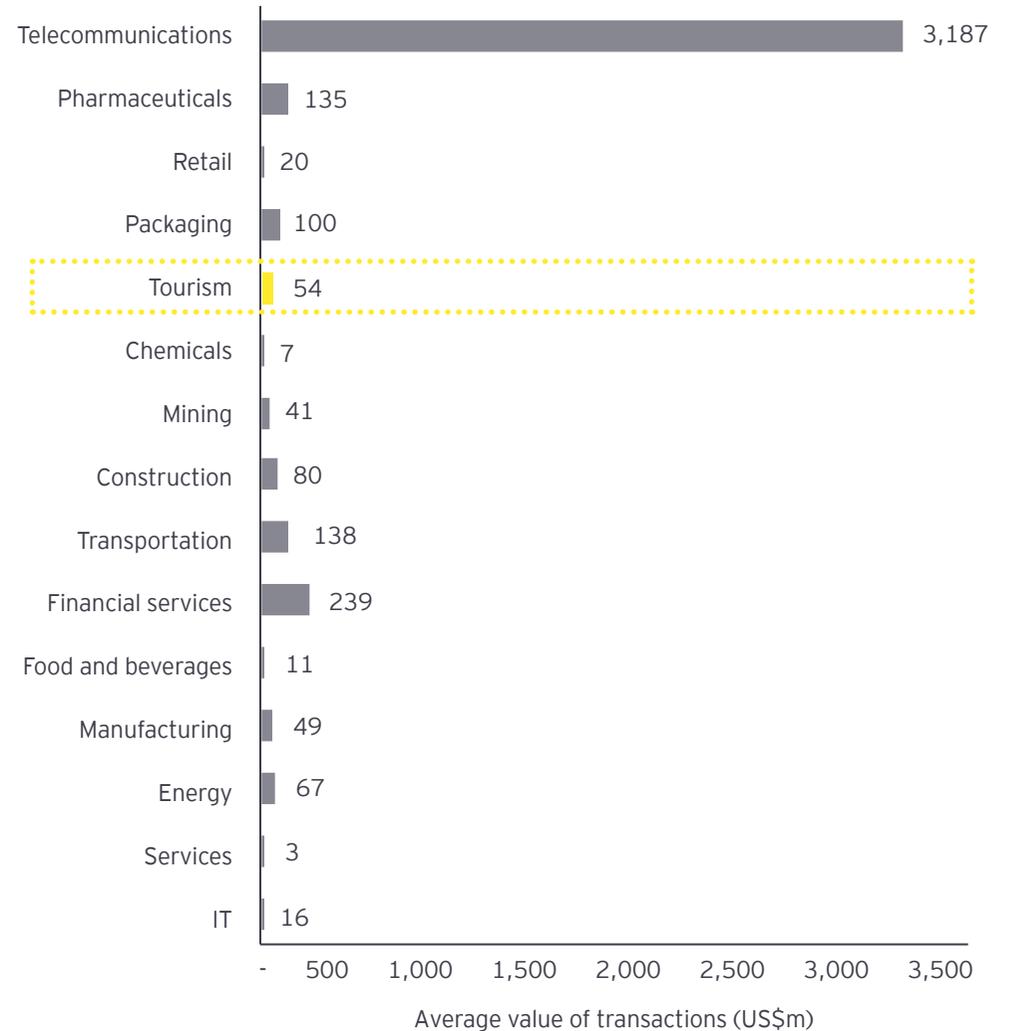
2022-23 sectoral breakdown of target companies (by transaction volume)

Transaction volume



2022-23 sectoral breakdown of target companies (by average transaction volume)

Average transaction volume (US\$m)

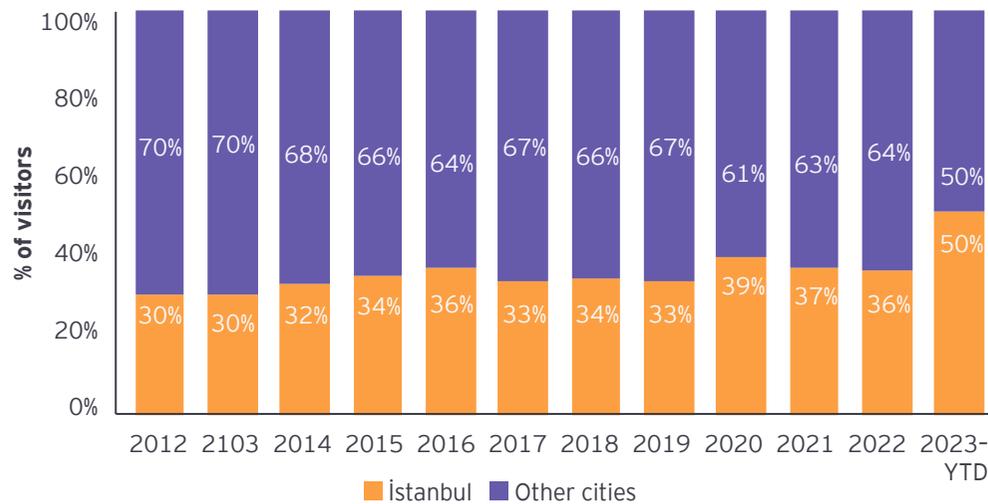


Istanbul tourism market

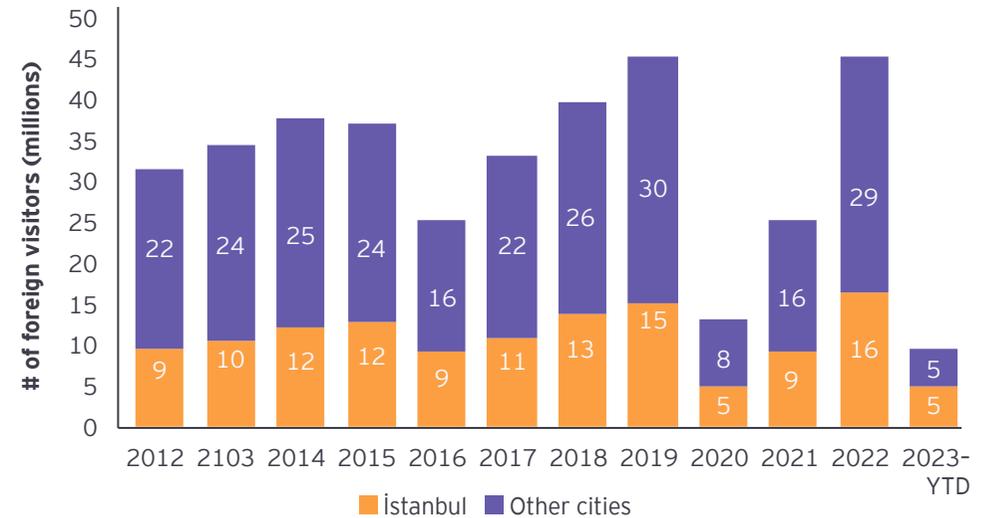


İstanbul tourism market: foreign visitors

% of foreign visitors to İstanbul and other cities in Türkiye¹⁹
(2012-April 2023)



Number of foreign visitors to İstanbul and other cities in Türkiye²⁰
(2012-April 2023)

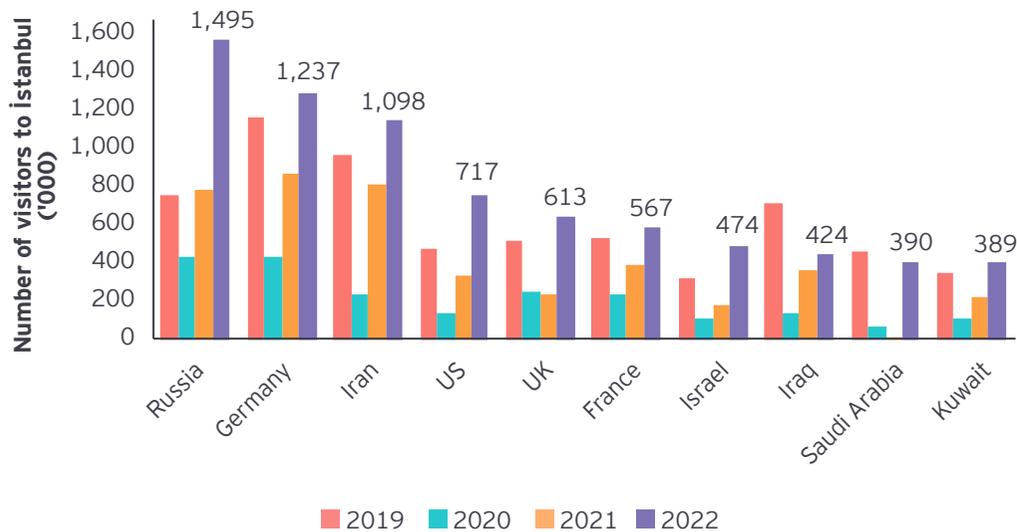


- ▶ As of 2022, 36% of the foreign tourists visiting Türkiye chose İstanbul as their holiday destination, which demonstrates the importance of İstanbul in Türkiye's tourism sector.
- ▶ The percentage of foreign tourists visiting İstanbul among other cities in Türkiye has fluctuated between 30%-39% between 2012 and 2022. In April 2023, the percentage of foreign visitors visiting İstanbul increased to 50%.
- ▶ The percentage of foreign visitors to İstanbul among other cities of Türkiye was %36 in 2022 and 50% January-April 2023.
- ▶ Similarly, the number of foreign tourists visiting Türkiye has also increased by 80% and reached 45 million in 2022 according to the İstanbul Culture and Tourism Directorate.

- ▶ İstanbul welcomed 16.02 million foreign visitors in 2022, while the other cities in Türkiye welcomed 28.55 million.
- ▶ Antalya, located on the Mediterranean coast and well known for its resorts, followed İstanbul with 12.82 million foreign visitors in 2022.
- ▶ The third most visited city was the northwestern province, Edirne, which has borders with both Bulgaria and Greece, with 4.64 million foreign visitors.
- ▶ The fourth city in terms of foreign visitors was Muğla province, which includes Bodrum, Marmaris and Fethiye and had 3.0 million foreign visitors.

Istanbul tourism market: foreign visitors (cont.)

Top 10 visitors to İstanbul by country of origin²¹
(2019-22)



- ▶ The highest number of foreign visitors to İstanbul came from Russia (9.33% of the total) in 2022, followed by Germany (7.72%) and Iran (6.85%).
- ▶ The highest increase in foreign visitors was Saudi Arabia at 3,256% yoy between 2021 and 2022. However, the number of visitors was higher in 2019, at 444,891 than in 2022 (390,533).
- ▶ The highest increase foreign visitors was from Russia at 107% yoy between 2019 and 2022.
- ▶ The highest decrease foreign visitors was from Iraq at 37% yoy between 2019 and 2022.
- ▶ While Russia was the source the third-highest number of tourists in 2021, with 8.28% of the total, it rose to the first place with 9.33% of the total tourists in 2022, following the outbreak of war between Ukraine and Russia, on 24 February 2021.

Number of foreign visitors to İstanbul
(2019-22)



- ▶ The number of foreign visitors showed a positive trend before the COVID-19 pandemic, fluctuating between nine and 15 million.
- ▶ The number of foreign visitors in 2022 was 16.02 million, which is 7.5% higher than the 2019 figures (14.9 million).
- ▶ The number of foreign visitors increased by 80% in 2021 and 77% in 2022, following a drop of 66% in 2020 due to COVID-19.

Türkiye hospitality sector

Highlights

Tourism
trends

Türkiye
tourism market

Istanbul
tourism market

**Türkiye
hospitality sector**

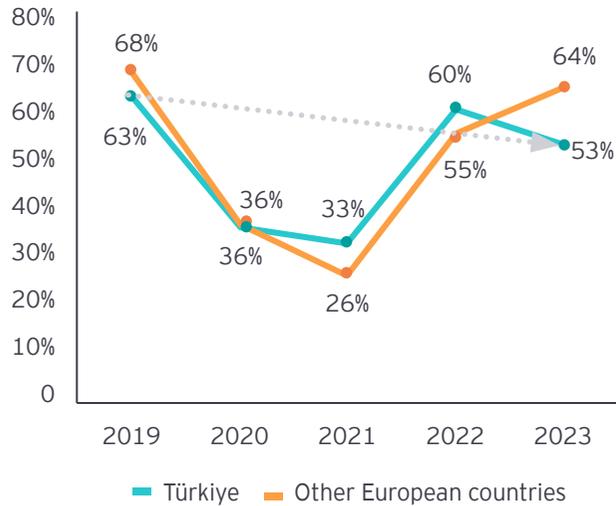
Istanbul
hospitality sector

Glossary

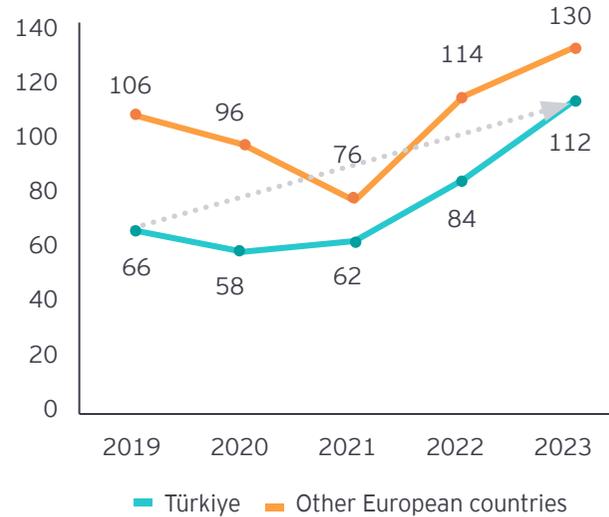
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Türkiye hospitality sector: overview

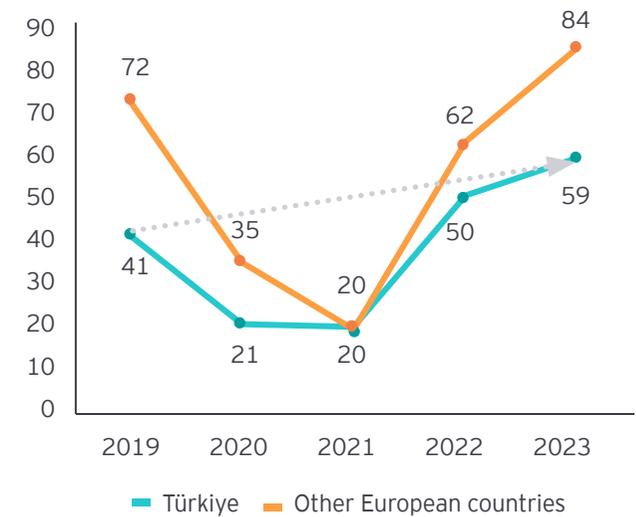
Occupancy rates²²
(January-May - 2019 to 2023)



Average daily room rate
(January-May - 2019 to 2023 - €)



Revenue per available room
(January-May - 2019 to 2023 - €)



- ▶ According to the STR Global Report published by TÜROB in June 2023, before the COVID-19 pandemic, the occupancy rate of hotels in European countries was 68%, while hotels in Türkiye had an occupancy rate of 63%.
- ▶ In 2023, following the pandemic, Türkiye did not recover its previous level, with a 53% occupancy rate. However, the same cannot be said for Europe as a whole. The occupancy rates in European countries have almost returned to been able to reach pre-pandemic levels.

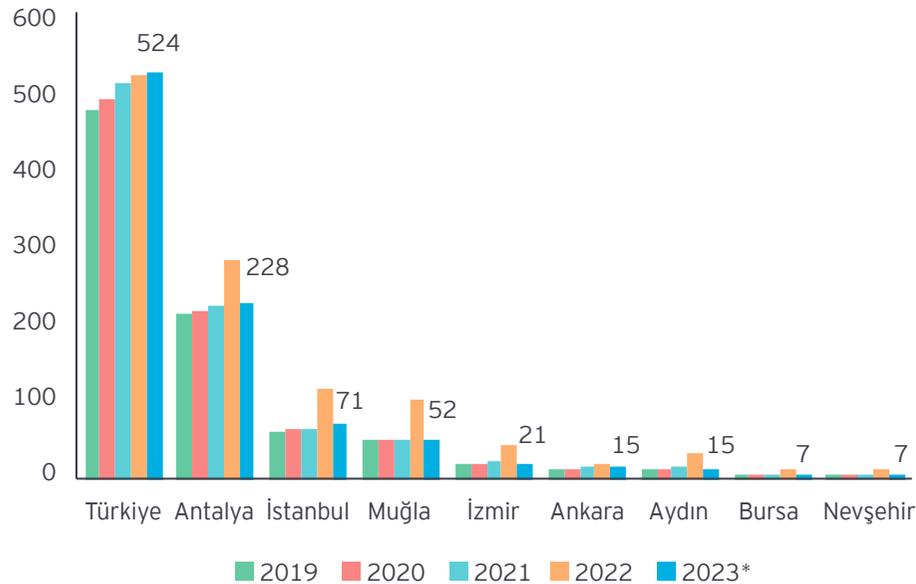
- ▶ Before the COVID-19 pandemic, hotels in European countries had an average daily room rate (ADR) of €106, whereas hotels in Türkiye had an ADR of €66.
- ▶ In 2023, after the pandemic, Türkiye successfully returned to, and exceeded, its pre-pandemic level with an ADR of €112. However, ADR in European countries has also exceeded pre-pandemic levels at €130.
- ▶ ADR increased by 23% in Türkiye, while Europe's increased by 70% between 2019 and 2023.

- ▶ Before the COVID-19 pandemic, European hotels had a revenue per available room (RevPAR) of €72, while hotels in Türkiye had a RevPAR of €41.
- ▶ In 2023, following the pandemic, both Türkiye and Europe managed to recover and return to their pre-pandemic level, with Türkiye exceeding it with an increase of 44% to €59.



Türkiye hospitality sector: supply

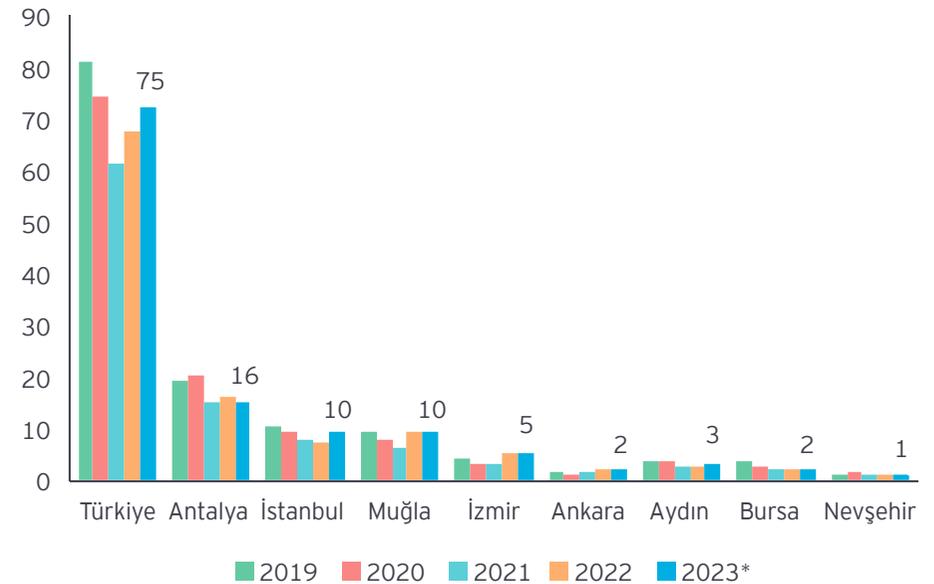
Tourism operation license²³
(room numbers) ('000)



*As of May 2023

- ▶ The total number of rooms in Türkiye was 524,011 according to the Ministry of Culture and Tourism in Q1 2023.
- ▶ According to data as of May 2023, released by the Ministry of Culture and Tourism, for tourism operation licensed room numbers in Turkish cities, Antalya is the leader with 228,394 rooms, followed by İstanbul and Muğla with 71,165 and 51,628 rooms.
- ▶ Tourism operation licensed room numbers in 2022 (520,249 rooms) increased by 10% compared with 2019 (473,609 rooms).
- ▶ The highest increase in tourism operation licensed rooms was in Aydın (156%), Nevşehir (142%), İzmir (118%) and Bursa (102%) in 2022 compared with 2019.

Tourism investment license²³
(room numbers) ('000)



- ▶ According to data as of May 2023, released by the Ministry of Culture and Tourism, for tourism investment licensed room numbers in Turkish cities, Antalya is the leader with 15,642 rooms, followed by İstanbul and Muğla with 9,757 and 9,737 rooms.
- ▶ Tourism investment licensed room numbers increased by 6% overall in Türkiye in the first five months of 2023 compared with the same period of the previous year. The biggest change was in İstanbul (35%) and Aydın (25%).

Istanbul hospitality sector

Source

Glossary

**Istanbul
hospitality sector**

Türkiye
hospitality sector

Istanbul
tourism market

Türkiye
tourism market

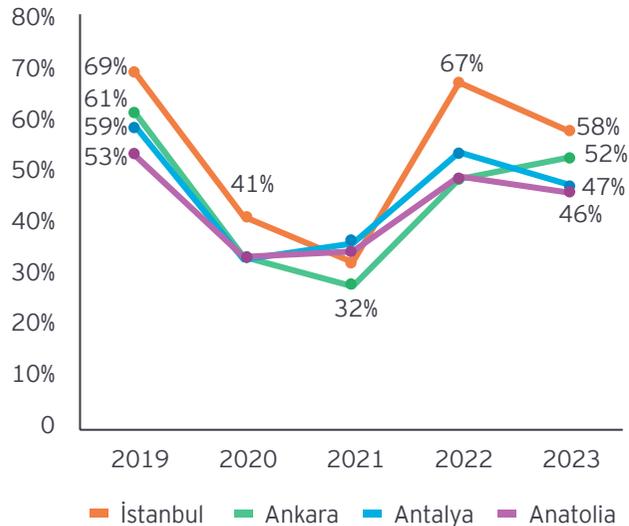
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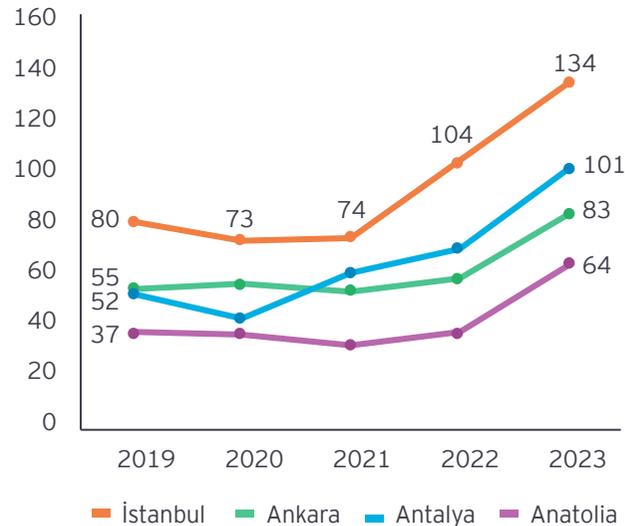


İstanbul hospitality sector: overview²⁴

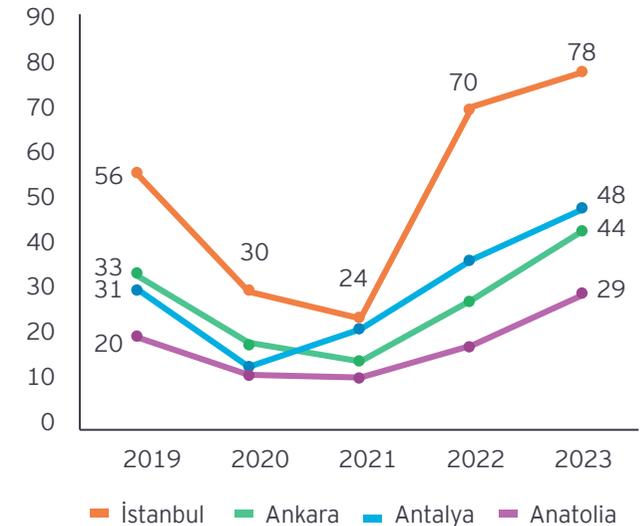
Occupancy rates
(January-May - 2019 to 2023)



Average daily room rate
(January-May - 2019 to 2023 - €)



Revenue per available room
(January-May - 2019 to 2023 - €)



- ▶ In 2019, before the COVID-19 pandemic, the hotel occupancy rate in İstanbul was 69%. In 2022, it was 67%.
- ▶ From the beginning of 2023 to the end of May, the occupancy rate in İstanbul was 58%, a 13% decrease compared with the previous year.
- ▶ Furthermore, the occupancy rates in İstanbul are significantly higher than in Ankara, Antalya and other cities in Anatolia.

- ▶ The average daily room rate (ADR) in İstanbul increased by 68% from €80 (2019) to €134 (2023).
- ▶ Similarly, in Antalya, the ADR increased by 94% in 2023 compared with the same period in 2019 and reached €101 in 2023.
- ▶ Ankara and other Anatolian cities are far below İstanbul and Antalya in terms of ADR.

- ▶ Revenue per available room (RevPAR) was €78 in the first five months of 2023 in İstanbul.
- ▶ RevPAR, which was €56 in İstanbul before the COVID-19 pandemic (2019), in İstanbul increased by 39% to €78 in 2023.
- ▶ A similar increase was also seen in Antalya, where RevPAR increased by 54% to €48 between 2019 and 2022.
- ▶ The RevPARs of Ankara and other Anatolian cities have not changed significantly between 2019 and 2023.

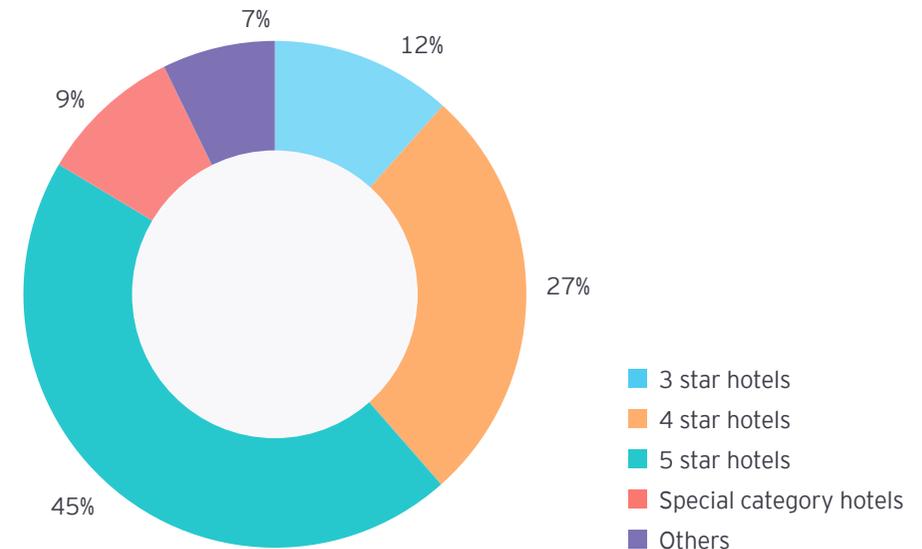


İstanbul hospitality sector: supply²⁵

Number of tourism facilities with a tourism operation license in İstanbul (as of May 2023)

Category	Number of facilities	Number of rooms	Number of beds
Apart hotel	6	433	1,384
B type resort	1	25	112
Boutique hotels	23	972	2,022
Camping	3	286	860
Detached apart hotel	3	233	760
1 star hotels	16	377	721
2 star hotels	42	1,522	2,913
3 star hotels	162	8,292	16,317
4 star hotels	177	19,148	38,281
5 star hotels	134	32,109	64,839
Special category hotels	185	6,543	12,998
Pensions	34	388	789
4 star spa hotel	1	80	160
Tourism complex	1	840	1,764
Ranch house	1	16	32
Total	789	71,264	143,952

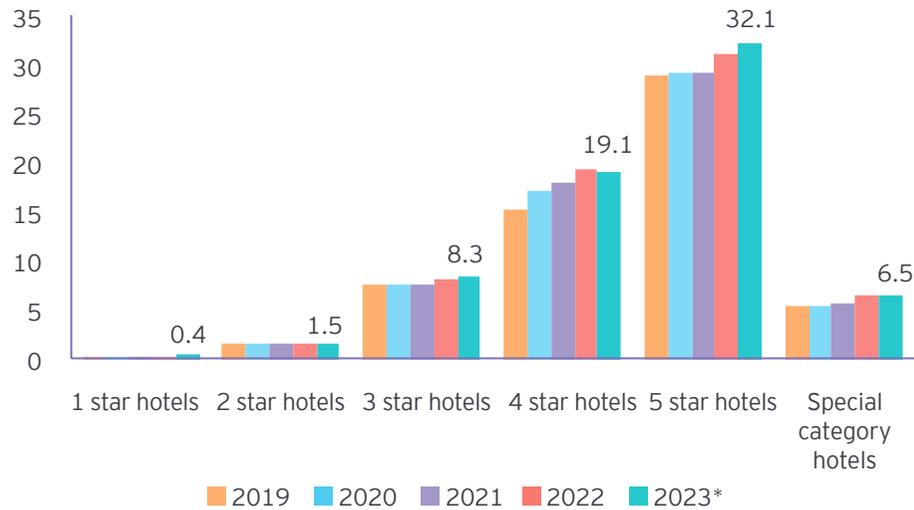
Distribution of hotel category by room number in İstanbul (as of May 2023)



- ▶ In terms of room number, most of the hotels in İstanbul are 5 star hotels with 32,109 rooms, followed by 4 star hotels with 19,148 rooms.
- ▶ Of the hotels with tourism operation licenses, the total number of rooms in İstanbul is 71,264.
- ▶ 5 star hotel rooms represent 45% of the total number of rooms in İstanbul.

Istanbul hospitality sector: supply (cont.)

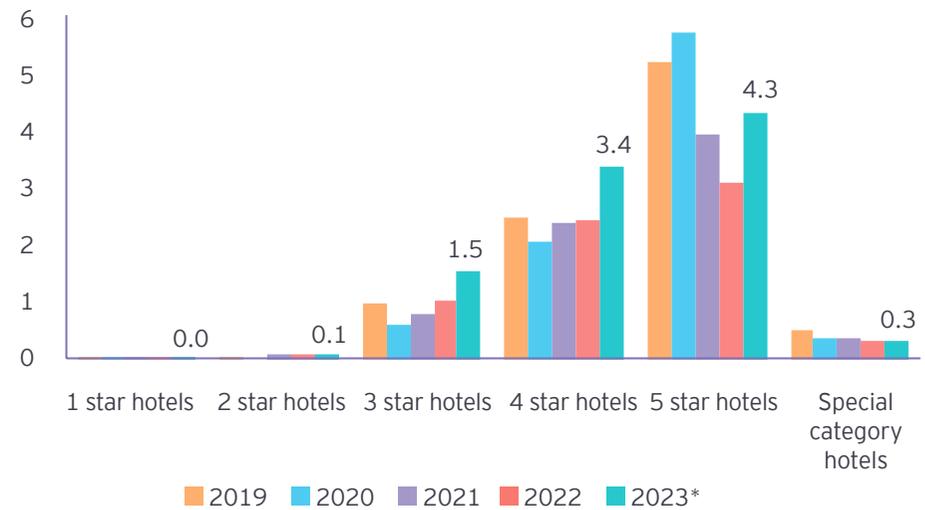
Tourism operation license (room numbers)²⁶
(‘000)



* January-May 2023.

- ▶ It can be seen that hotel investments continued during the COVID-19 pandemic.
- ▶ The number of rooms in 1 star hotels increased by 81% from 208 to 377, 4 star hotels by 26% from 15,195 to 19,148, special category hotels by 21%, and 5 star hotels by 12% between 2019 and 2023.

Tourism investment license (room numbers)²⁶
(‘000)



* January-May 2023.

- ▶ Boutique hotels, 1 star and 5 star hotel investments decreased by 58%, 80% and 18% respectively on a room basis compared with 2019.
- ▶ 2 star and 3 star hotel investments increased by 80% and 56% respectively compared with the pre-pandemic period (2019).
- ▶ According to the tourism investment license, while the number of rooms decreased compared with 2019, it rose again in 2022 and beyond.
- ▶ In the first five months of 2023, the number of rooms of boutique hotels increased by 135%, 3 star hotels by 51%, and 4 and 5 star hotels by 38% compared with 2022.



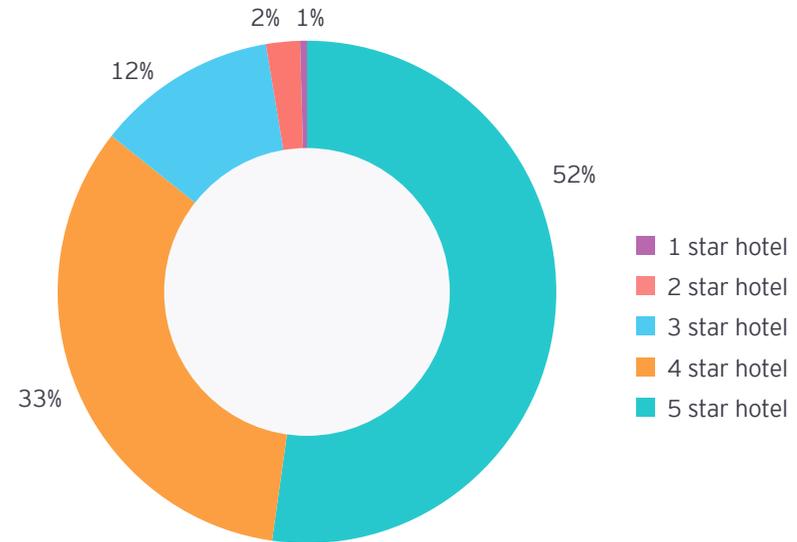
Istanbul hospitality sector: hotel types²⁷

Accommodation by hotel type
(2019 vs. 2022)

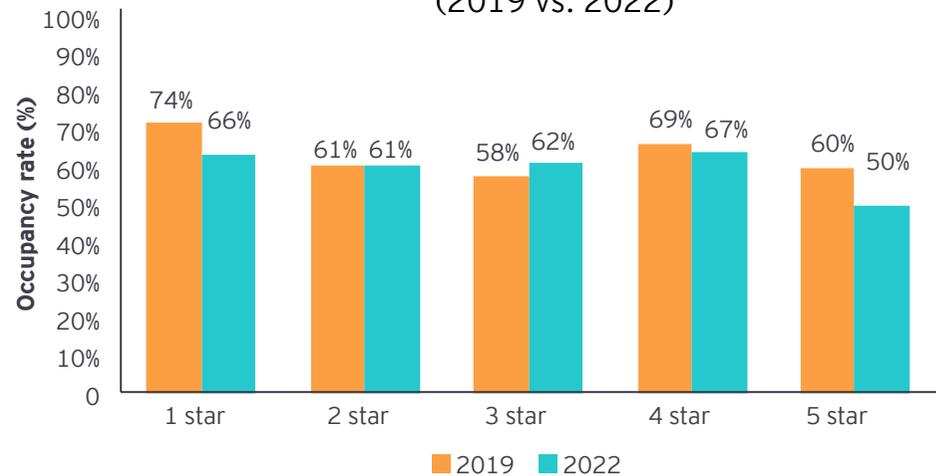
Hotel type	Nights Spent		Average Length of Stay		Occupancy Rate (%)	
	2019	2022	2019	2022	2019	2022
1 star	0.09	0.1	2.4	2.2	74%	66%
2 star	0.5	0.5	2.2	2.1	61%	61%
3 star	2.5	2.8	2.3	2.3	58%	62%
4 star	6.8	7.9	2.5	2.5	69%	67%
5 star	10.9	12.5	2.2	2.4	60%	59%

- ▶ In terms of accommodation, 5 star hotels have the highest percentage of total nights spent both in 2019 and 2022.
- ▶ In 2022, 52% of the nights were spent in 5 star hotels, with 33% in 4 star hotels and 12% in 3 star hotels.
- ▶ The average length of stay is almost the same in all types of hotel, between 2.1 and 2.5 nights.
- ▶ The occupancy rates by hotel type only increased in 3 star hotels in 2022 in compared with 2019.
- ▶ The highest occupancy rates were in 4 star hotels at 67% in 2022.

Number of nights spent by hotel type
(2022)

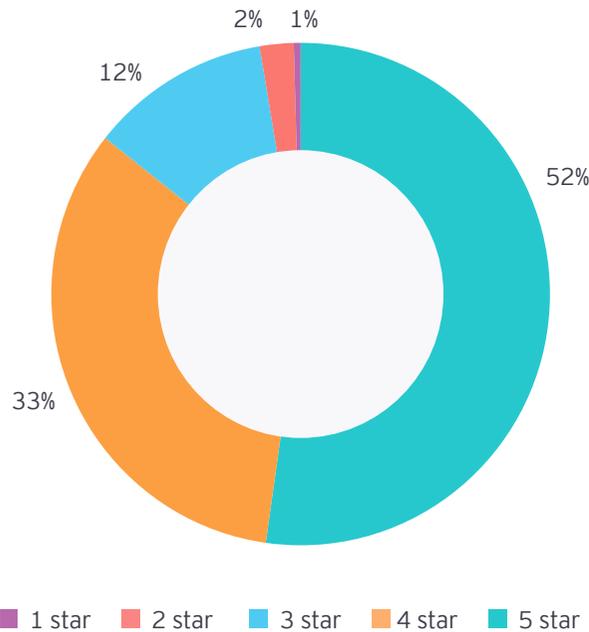


Occupancy rates by hotel type
(2019 vs. 2022)



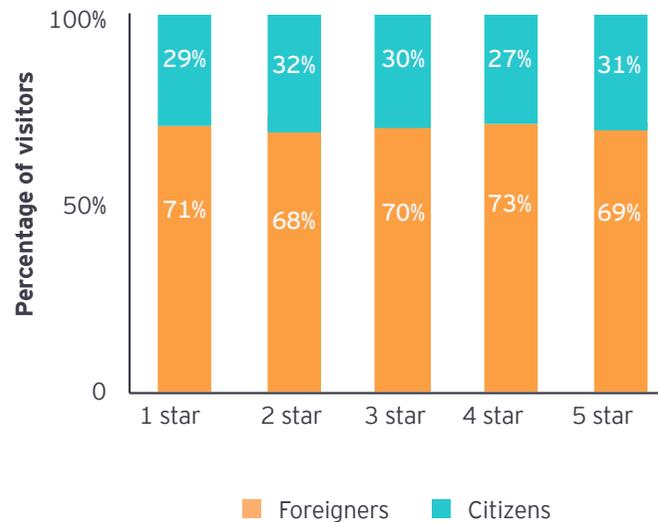
İstanbul hospitality sector: hotel types²⁸ (cont.)

Number of visitors by hotel type (foreigners)



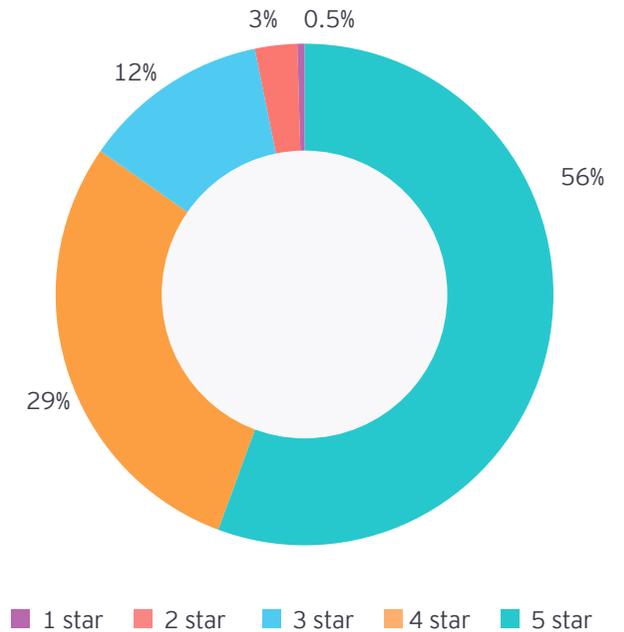
► According to data released by the Ministry of Culture and Tourism, foreign visitors mostly prefer 5 star hotels (52%), followed by 4 star hotels (33%) and 3 star hotels (12%).

% of visitors by foreigners vs. citizens



► In terms of number of visitors to these five types of hotel, the majority (around 70%) are, foreign.

Number of visitors by hotel type (citizens)



► Citizens also prefer 5 star hotels (56%), followed by 4 star hotels (29%) and 3 star hotels (12%).



Glossary

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Istanbul
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Tourism:	The activity of visitors taking a trip to a main destination outside their usual environment, for less than a year, for any main purpose, including business, leisure or other personal purpose, other than to be employed by a resident entity in the place visited.
Tourist:	A visitor who stays more than 24 hours in the country they visit for the following purpose: <ul style="list-style-type: none"> ▸ Recreation (holiday making, cultural and sports event, visiting relatives and others) ▸ Professional (meeting, assignment, work) ▸ Other (training, study, health, transit passage, miscellaneous)
Trip:	Traveling from the place of residence and returning to it. The main purposes of a trip are holidays, recreation, leisure and business, etc., and is other than of an activity remunerated from within one or more than one of the places visited.
Same-day visitor:	A visitor who spends less than 24 hours and does not stay overnight in the country they visit.
Visitor:	Any person traveling to a place other than that of their usual environment for less than one year for any main purpose (business, leisure or other personal reason) other than to be employed by a resident entity in the country visited. This definition includes "tourist" and "same-day visitor."
Foreigner:	Departing visitors who are not using a passport of the Republic of Türkiye on departure.
Citizen (resident abroad):	Departing citizens who are using a passport of the Republic of Türkiye on departure.
Citizen (resident in Türkiye):	Arriving citizens who are using passport of the Republic of Türkiye on arrival.
Domestic tourism:	The activity of residents who travel to the places outside their usual environment within the country and who stay in these places.
Tourism income:	The total expenditure in Türkiye by foreigners and citizen visitors resident abroad; includes food and beverages, accommodation, health (by visitors who stay for less than a year for diagnosis, treatment, spa etc.), transportation in Türkiye, sports, education, culture, international transportation with Turkish firms, GSM (global system for mobile communication) roaming, marina service and other (clothing, souvenirs, carpets and rugs, personal care, newspaper magazines, books, jewelry, durable consumer goods expenditure, etc.) individual and package tours. Tourism income does not cover real estate, donations, repairs and maintenance for residences and wholesale goods for the purpose of selling abroad. The values are given in thousand US dollars.
Tourism expenditure:	The amount paid for the acquisition of consumer goods and services, for use or to give away, for and during tourism trips. Commercial and investment expenditure and cash given to relatives are not included. Tourism expenditure is defined as the total expenditure made abroad by a citizen resident in Türkiye; it includes food and beverages, accommodation, health, transportation, sports, education, culture, international transportation by foreign firms, GSM roaming and other (clothing, souvenirs, carpets and rugs, personal care, newspaper and magazines, books, jewelry, etc.) individual and package tours. Tourism expenditure does not cover real estate expenditure, donations, durable consumer goods expenditure and repair or maintenance expenses for residences. Number of persons who went on the pilgrims (hadj and umre) were started to be taken from Presidency of Religious Affairs from 2012 and first quarter of 2013 respectively. Separate weight is given to the those who went on the pilgrimage of the survey and expanded to this number. The values are given in thousand US dollars.
Average expenditure per night:	Calculated by dividing the income gained from the overnight visitors by the total number of nights.

Glossary (cont.)

Nationality:	Country shown on the passport of visitors departing from Türkiye.
Country of residence:	Where people have been permanently residing in an economy for more than one year.
Health tourism:	A tourism activity by visitors who come to Türkiye to receive treatment such as aesthetic surgery, organ transplant, dental treatment, physical therapy and rehabilitation in order to improve physical wellbeing in health institutions and spas.
Educational tourism:	A type of tourism that occurs when individuals go to a different country in order to improve themselves in a certain field, to gain new knowledge, to develop their careers or to conduct scientific research.
Package tour:	A tourism product provided by a tour operator and sells it directly or through travel agencies. A package tour may include transportation, accommodation, food and beverage, entertainment, etc., offered to the visitor in a package. Package tours could cover one or more locations in the place visited, or more than one country.
Individual expenditure:	All expenditure in the place visited by a visitor or to accompany a visitor during a trip, excluding package tour expenditures, commercial and investment expenditure and cash given to relatives.
Package tour expenditure:	The amount paid to package tours provided by a tour operator and sold directly or through a travel agency. It must be purchased with at least two of the following related to the trip as part of the package tour: transportation, accommodation, food service, entertainment, etc.
Tour operator:	A business that combines accommodation, transportation and other types of tourist services with organizing a day or overnight trip and offers it to the public for a fee.
Tourism operation license:	A legal requirement for operation by businesses or entities that provide tourism-related services. It is issued by the Ministry of Culture and Tourism, and it ensures that the tourism services offered by the business comply with the country's tourism regulations and standards.
Tourism investment license:	A legal authorization issued by the Ministry of Culture and Tourism to individuals or companies planning to invest in the tourism sector. This license is a prerequisite for establishing and operating new tourism facilities and projects in the country.
Amount remaining in Türkiye from package tour:	The ratio in the package tour expenditure corresponding to the amount paid for the services in Türkiye such as accommodation, food and beverages, sightseeing, guidance and transfer in Türkiye, tour operator's services inside Türkiye and local international transport.
Amount remaining abroad from package tour:	The ratio in the package tour expenditure of citizens (resident in Türkiye) corresponding to the amount paid for the services abroad such as accommodation, food and beverages, sightseeing, guidance and transfer abroad, tour operator's services abroad and foreign international transport.
Household:	A community comprising one or more than one person living in the same dwelling with or without blood relationship who meet their needs together, such as housing, food, etc., and share the services and management of the household.
Usual environment:	<p>The geographic boundaries in which a person spends their daily life. The usual environment of a person includes their own home, the place where they study or work and the other places they frequently visit. In order to be considered as a visitor, the person must be away from the usual environment. It is not easy to determine the usual environment. However, besides the daily routine are the usual environmental has two dimensions: frequency and regularity. Although rarely visited, the places in the daily routine of the person are a part of the usual environment. The places that the person visited regularly and frequently (each month in a certain period, more than once each month) is a part of the usual environment even if they were far away from.</p> <p>There is only one usual environment for each person. The concepts of usual environment and place of residence are not the same. People in the same household may have different usual environments due to different workplaces.</p>

Source



Highlights

Tourism trends

Türkiye tourism market

Istanbul tourism market

Türkiye hospitality sector

Istanbul hospitality sector

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Source

Source

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2	Ministry of Culture and Tourism, İstanbul tourism statistics, Retrieved 26 July 2023	5
3	World Tourism Organization (UNWTO), Tourism Data Dashboard, Retrieved 14 July 2023	5
4	Turkish Statistical Institute (TURKSTAT), Total receipts, visitors, tourism Income and expenditure, Retrieved 26 July 2023	6
5	Ministry of Culture and Tourism, İstanbul tourism statistics, Retrieved 26 July 2023	6
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7	Mastercard, Economic effect of UCL final, Retrieved 04 July 2023	7
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11	World Tourism and Travel Council (WTTC), Economic Impact Research, Retrieved 26 July 2023	11
12	World Tourism Organization (UNWTO), Tourism Data Dashboard, Retrieved 14 July 2023	12
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14	Turkish Statistical Institute (TURKSTAT), Tourism Income, Expenditure and Average Number of Nights, Retrieved 26 July 2023	14
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17	Merger Market, Deals Search by Target Country, Retrieved 06 August 2023	17
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20	Hotel Association of Türkiye (TÜROB), İstanbul Tourism Statistics Report, April 2023, Retrieved 20 July 2023	20
21	Ministry of Culture and Tourism, General Directorate of Investment and Enterprises, İstanbul tourism statistics, Retrieved 18 July 2023	21
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22	Hotel Association of Türkiye (TÜROB), İstanbul Tourism Statistics Report, June 2023, Retrieved 26 July 2023	23
23	Ministry of Culture and Tourism, General Directorate of Investment and Enterprises, Tourism operation and investment license statistics, Retrieved 27 July 2023	24
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24	Hotel Association of Türkiye (TÜROB), İstanbul Tourism Statistics Report, April 2023, Retrieved 20 July 2023	26
25	Ministry of Culture and Tourism, General Directorate of Investment and Enterprises, Tourism operation and investment license statistics, Retrieved 27 July 2023	27
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27	Ministry of Culture and Tourism, General Directorate of Investment and Enterprises, Tourism statistics, Retrieved 27 July 2023	29
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