

Share of Tourism Investments in Fixed Capital Investments: Türkiye during the Planned Development Period

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Abstract

This study examines the share of tourism investments in fixed capital investments during planned development periods. The research employed panel data analysis, which is a qualitative research method. The data used in this study were obtained from the key economic indicators, investment, and savings statistics of the Presidency of the Republic of Türkiye Strategy and Budget Office. This study presents the amount of tourism investments made by the private and public sectors over the years and conveys the share of tourism investments in fixed capital investments to the reader. The share of tourism investments, which consistently increased from 1963 to 1989, experienced a decline between 1989 and 1995. However, starting in 1995, the share of tourism investments began to rise again, continuing its upward trend until 2003—except for the 2001 crisis—reaching its highest level of all time. Following a fluctuating pattern until 2010, tourism investment declined sharply after the year, falling below 1% as of 2023. To increase the share of tourism investments within fixed capital investments again, it is recommended to review tourism incentive policies and shift them toward alternative tourism sectors, improve tourism infrastructure investments, particularly in transportation, increase sustainable tourism investments, and develop new marketing and promotional strategies that will enable Türkiye to utilize its tourism potential more efficiently.

Keywords: Planned Development, Sustainable Development, Fixed Capital Investments, Tourism Investments, Economic Growth

1. INTRODUCTION

The planned development period in Türkiye began in 1963, during which five-year development plans were developed. Within the scope of these plans, significant investments were made in industries such as manufacturing, agriculture, distribution, and energy—sectors that Türkiye needed to develop. In the early stages of the planned development period, the tourism sector received limited attention in development plans; however, it gained greater prominence in the fourth and fifth development plans and eventually became one of the key focus sectors. The planned development period, which started in 1963, played a crucial role in the expansion of tourism and the realization of tourism-related infrastructure and superstructure investments.

Fixed capital investments refer to the acquisition of physical assets used in the production process over the long term. These investments typically include machinery, factories, infrastructure projects, transportation systems, and technological equipment. Fixed capital consists of assets directly used in production activities that generate long-term economic value (OECD, 2023). Fixed capital investments are critical to economic growth sustainability and are considered a fundamental component. These investments encompass various sectors, including infrastructure, industry, agriculture, education, healthcare, and tourism (TÜİK, 2022). Fixed capital investments

are significant for national economies as they contribute to economic growth, generate employment, enhance technological progress and efficiency, attract foreign investment and support macroeconomic stability (IMF, 2023).

The tourism sector is a crucial driver of economic growth in many countries. Investments in this sector directly contribute to fixed capital investments through the development of hotels, transportation infrastructure, entertainment facilities, and other tourism-related infrastructure (UNWTO, 2021). Moreover, tourism investments offer various economic benefits, such as generating foreign exchange (FX) earnings, creating employment opportunities, and promoting regional development. Tourism investments are a key component of fixed capital investments and play a critical role in economic growth and development. These investments encourage infrastructure improvements, creating both direct and indirect economic effects. Research has demonstrated that tourism investments not only boost the tourism sector and stimulate other industries, such as construction, retail, agriculture, and services, thereby supporting overall economic growth (Seetanah, 2011). In addition, multiple studies have highlighted that tourism investments foster regional development and make substantial contributions to local economies. Researchers emphasize that tourism investments are not limited to the construction of tourist facilities; they also create investment opportunities in transportation infrastructure, healthcare services, and cultural institutions. These investments enhance the living standards of local communities (Dwyer et al., 2020).

2. CONCEPTUAL FRAMEWORK

Since the 1960s, Türkiye's planned developmental periods have included state development plans to guide economic and social progress. This process began with the First Five-Year Development Plan (1963–1967), which included strategic plans aimed at industrialization, infrastructure investments, and social development (DPT, 2006). Planned development in Türkiye was carried out under the coordination of the State Planning Organization (DPT) and was shaped within the framework of periodically changing economic policies (Öztürk & Acar, 2018). With the acceleration of economic liberalization in the 1980s, the role of the private sector in development plans increased, and integration into global markets became a primary objective (Sönmez, 2020). Today, Türkiye's development plans are shaped by new-generation development goals such as sustainable growth, digital transformation, and the green economy (Presidency of the Republic of Türkiye Strategy and Budget Office, 2019).

Fixed capital investments refer to long-term investments in production equipment, such as physical infrastructure, machinery, equipment, and construction (Solow, 1956). These investments are directly related to economic growth and contribute to economic development by increasing the efficiency of production factors. Fixed capital investments play a crucial role in ensuring sustainable economic development. Investments in new machinery and technologies enhance productivity and accelerate economic growth (Jorgenson & Vu, 2005). Factories, infrastructure projects, and industrial facilities developed through fixed capital investments generate both direct and indirect employment (Barro, 1991). Capital investments foster innovation, improve efficiency, and enhance competitiveness (Romer, 1990). According to neoclassical growth theory, capital accumulation is one of the main drivers of economic growth. The Solow-Swan model is among the fundamental theories explaining the impact of physical capital investments on economic growth (Solow, 1956). Similarly, Endogenous Growth Theory emphasizes that fixed capital investments, together with technological and knowledge accumulation, promote economic growth (Lucas, 1988; Romer, 1990).

Fixed capital investments are influenced by various economic and political factors. Low-interest rates encourage investors to increase their investments (Bernanke & Gertler, 1989). Inflation,

exchange rate fluctuations, and political uncertainties can affect investment decisions (Aghion & Howitt, 1992). Tax incentives, infrastructure investments, and industrial policies can support fixed capital investments (Rodrik, 2000). Fixed capital investments are a cornerstone of economic growth and development. Policymakers should develop appropriate strategies to improve the investment environment and ensure economic stability. In particular, lowering interest rates, promoting infrastructure investments, and increasing investor confidence are key factors supporting economic growth.

Tourism investments are crucial to infrastructure development and capital accumulation. Investments in the tourism sector enhance fixed capital investments by supporting infrastructure projects such as airports, roads, and accommodation facilities (Sharpley & Telfer, 2015). Additionally, investments in the tourism sector facilitate the development of innovative services and technological infrastructure (WTTC, 2020). Tourism investments have positive effects on various macroeconomic factors, including employment growth, regional development, improved income distribution, and increased foreign exchange reserves (World Bank, 2019).

Investments in tourism are vital to promoting fixed capital investments and advancing economic growth. In this context, governments must develop incentives for tourism investments and support sustainable development. Furthermore, promoting infrastructure projects and increasing innovation-driven investments enhances the tourism sector's contribution to economic growth.

Since the 1980s, the tourism sector in Türkiye has developed rapidly, making significant contributions to the national economy. Investments in accommodation and transportation infrastructure during planned development have facilitated tourism growth and enhanced global competitiveness. According to the Turkish Statistical Institute (TÜİK, 2020), tourism investments have not only accelerated economic growth but also contributed to regional development and created new employment opportunities for local communities. Coastal regions, such as Antalya, Muğla, and Aydın have benefited the most from the economic contribution of tourism due to large-scale hotel investments and resort developments.

3. METHODOLOGY

The aim of this study is to examine the share of tourism investments in fixed capital investments during planned development periods. The study employs panel data analysis, which is a qualitative research method. The data for this study were obtained from key economic indicators, investment, and savings statistics from the Presidency of the Republic of Türkiye Strategy and Budget Office. Fixed capital and tourism investments in the private and public sectors are presented as current prices for each year. Subsequently, the share of tourism investments within private sector fixed capital investments, public sector fixed capital investments, and total fixed capital investments was calculated. The findings were then tabulated and interpreted. This study is limited to data from 1963 to 2023.

4. RESULTS

In Table 1, the total amounts of tourism and fixed capital investments for the period between 1963 and 1972 are presented based on private sector and public sector investments. Additionally, the share of tourism investments within total fixed capital investments has been calculated.

Table 1. Tourism and Fixed Capital Investments Between 1963-1972 Current Prices (Thousand TL)

Years	Tourism Investments	Total Fixed Capital Investments	Share of Tourism Investments
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	Publi c	Private	Total	Public	Private	Total	Public	Private	Total
1963	0,02	0,04	0,06	4,75	5,00	9,75	0,50	0,80	0,66
1964	0,03	0,06	0,09	5,42	4,85	10,28	0,59	1,24	0,90
1965	0,04	0,12	0,16	6,08	5,43	11,51	0,72	2,21	1,42
1966	0,07	0,18	0,25	7,86	6,86	14,71	0,84	2,62	1,67
1967	0,08	0,19	0,25	9,00	7,85	16,85	0,90	2,42	1,49
1968	0,16	0,30	0,46	11,16	9,10	20,26	1,44	3,30	2,28
1969	0,16	0,35	0,51	12,76	10,49	23,61	1,25	3,34	2,16
1970	0,18	0,39	0,57	14,44	12,90	27,34	1,26	2,98	2,07
1971	0,22	0,42	0,65	16,23	16,00	32,23	1,37	2,65	2,00
1972	0,19	0,44	0,64	20,20	20,37	40,57	0,96	2,17	1,57

Source: Republic of Türkiye Presidency Strategy and Budget Directorate basic economic indicators, investment and savings statistics

According to Table 1, total tourism investments in 1963 amounted to only 0.06 thousand TL, but by 1972, this figure had increased to 0.64,000 TL, reflecting a nearly 10-fold nominal increase in tourism investments over this ten-year period.

Public sector tourism investments rose from 0.02 thousand TL in 1963 to 0.19 thousand TL in 1972. Although this increase was not as rapid as that in the private sector, it indicates a gradual increase in government support for tourism. In 1968, public sector tourism investments reached their highest share, at 1.44%.

Private sector tourism investments increased from 0.04 thousand TL in 1963 to 0.44 thousand TL in 1972. While the share of private sector tourism investments was 66% in 1963, it rose to 69% in 1972. This suggests that the private sector perceives tourism as an attractive investment area.

The share of tourism investments among total fixed capital investments was 0.66% in 1963, rising to 2.28% in 1968. It then declined to 2.16% in 1969, remained relatively stable over the next two years, and stood at 1.57% in 1972. While total fixed capital investments were 9.75 thousand TL in 1963, they increased to 40.57 thousand TL in 1972. This indicates a significant increase in investment volume, which is consistent with Türkiye's overall economic growth. However, tourism investments did not grow as rapidly as total fixed capital investments.

In Table 2, the total amount of tourism and fixed capital investments for the period between 1973 and 1982 are presented based on private- and public-sector investments, and the share of tourism investments within total fixed capital investments has been calculated.

Table 2. Tourism and Fixed Capital Investments Between 1973-1982 Current Prices (Thousand TL)

Years	Tourism Investments			Total Fixed Capital Investments			Share of Tourism Investments		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
1973	0,35	0,53	0,88	25,08	28,34	53,42	1,38	1,87	1,64
1974	0,32	0,56	0,88	35,04	37,93	72,97	0,92	1,47	1,21
1975	0,37	0,55	0,92	53,79	52,92	106,70	0,70	1,03	0,86
1976	0,55	0,61	1,16	75,23	70,74	145,97	0,74	0,86	0,80
1977	0,90	0,63	1,53	107,74	91,99	199,72	0,84	0,68	0,77
1978	1,17	1,26	2,43	134,96	126,10	261,06	0,87	1,00	0,93
1979	1,79	1,36	3,15	237,63	177,34	414,96	0,75	0,77	0,76
1980	2,32	2,34	4,65	482,45	379,09	861,54	0,48	0,62	0,54
1981	3,74	3,75	7,49	761,18	489,73	1.250,91	0,49	0,77	0,60
1982	4,17	5,50	9,67	1.005,51	641,44	1.646,95	0,41	0,86	0,59

Source: Republic of Türkiye Presidency Strategy and Budget Directorate basic economic indicators, investment and savings statistics

According to Table 2, total tourism investments, which amounted to 0.88 thousand TL in 1973, increased to 9.67 thousand TL by 1982, reflecting an approximately 11-fold growth over 10 years. The rapid increase, particularly after 1978, indicates a growing emphasis on tourism and the increasing effectiveness of incentives.

Private sector tourism investments rose from 0.53 thousand TL in 1973 to 5.50 thousand TL in 1982. From the second half of the 1970s onward, private sector investments surpassed public sector investments, becoming the driving force of the industry. By 1982, the private sector's share of total tourism investments had reached 56.9%.

Between 1973 and 1980, the share of tourism investments within total fixed capital investments declined from 1.64% to 0.54%. This decline is believed to have been caused by political instability in Türkiye. However, after 1980—especially in 1981 and 1982—a significant surge occurred. The main reasons for this increase include the transition to a free-market economy in 1980, the adoption of liberal economic policies and increased tourism incentives, the implementation of tourism-oriented infrastructure and incentive programs in the 1980s, and the recognition of tourism as a crucial source of foreign exchange revenue.

While tourism investments accounted for 1.64% of total fixed capital investments in 1973, this share declined to 0.59% by 1982. This decrease was due to the overall economic growth rate outpacing the growth in tourism investments.

In Table 3, the total amount of tourism and fixed capital investments for the period between 1983 and 1992 are presented based on private- and public sector investments, and the share of tourism investments within total fixed capital investments has been calculated.

Table 3. Tourism and Fixed Capital Investments Between 1983-1992 Current Prices (Thousand TL)

Years	Tourism Investments			Total Fixed Capital Investments			Share of Tourism Investments		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
1983	6,47	7,48	13,94	1.315,76	865,05	2.180,81	0,49	0,86	0,64
1984	14,40	15,70	30,10	2.021,80	1.384,10	3.369,90	0,71	1,13	0,89
1985	22,80	44,90	67,70	3.107,70	2.333,70	5.441,50	0,73	1,92	1,24
1986	131,80	115,00	246,80	5.299,40	3.821,20	9.120,60	2,49	3,01	2,71
1987	134,20	244,30	378,50	7.557,50	6.570,60	14.128,10	1,78	3,72	2,68
1988	249,50	600,70	850,20	12.053,40	12.917,30	24.970,70	2,07	4,65	3,40
1989	190,70	1.356,40	1.547,10	17.355,50	20.803,40	38.158,90	1,10	6,52	4,05
1990	362,40	2.246,10	2.608,50	28.096,50	36.483,40	64.579,90	1,29	6,16	4,04
1991	709,00	3.359,00	4.068,00	47.030,00	55.363,00	102.393,00	1,51	6,07	3,97
1992	1.182,00	4.733,00	5.915,00	79.025,00	94.346,00	173.370,00	1,50	5,02	3,41

Source: Republic of Türkiye Presidency Strategy and Budget Directorate basic economic indicators, investment and savings statistics

According to Table 3, total tourism investments increased from 13.94 million TL in 1983 to 5.9 million TL in 1992, reflecting approximately 424-fold growth over 10 years. The rapid expansion, particularly after 1986, indicates the beginning of substantial investments in the tourism sector.

Private sector tourism investments rose from 7.48 million TL in 1983 to 4.73 million TL in 1992, significantly surpassing public sector investments after 1986. In 1989, private sector tourism investments peaked at 6.52%. From 1990 onward, private sector investments increased from 2.24 million TL to 4.73 million TL. This suggests that tourism growth was driven primarily by private sector investments rather than state support. The free-market economic policies introduced in the 1980s, along with tourism-related incentives, may have played a role in attracting private sector interest.

1986 was a turning point for tourism investments. While total tourism investments stood at 67.7 thousand TL in 1985, they surged to 246.8 thousand TL in 1986, marking a 3.6-fold increase in just one year. Another striking point is that private sector tourism investments grew tenfold between 1986 and 1989, rising from 115 thousand TL to 1.35 million TL.

The percentage of investments in tourism was 0.64% in 1983, rising to 4.05% in 1989. The sharp increase in tourism's share of total investment during the 1988–1989 period suggests that tourism had become a significant investment sector in the economy. However, tourism investments remained stable after 1990 at approximately 4%. This indicates that as the economy expands, tourism investments also increase, but growth in other sectors maintains tourism investment share unchanged.

Although tourism investments continued to rise nominally after 1989, their share of total investments declined. The tourism investment share, which stood at 4.05% in 1989, dropped to

3.41% by 1992. It is also evident that after reaching its peak in 1989, the growth rate of private sector tourism investments began to slow down.

In Table 4, the total amount of tourism and fixed capital investments for the period between 1993 and 2002 are presented based on private- and public-sector investments, and the share of tourism investments within total fixed capital investments has been calculated.

Table 4. Tourism and Fixed Capital Investments Between 1993-2002 Current Prices (Thousand TL)

Years	Tourism Investments			Total Fixed Capital Investments			Share of Tourism Investments		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
1993	2.588	8.225	10.813	143.977	381.529	525.507	1,80	2,16	2,06
1994	4.007	18.026	22.033	192.242	753.944	946.186	2,08	2,39	2,33
1995	8.199	36.233	44.433	326.721	1.513.053	1.839.774	2,51	2,39	2,42
1996	10.729	69.434	80.163	762.067	2.981.166	3.743.233	1,41	2,33	2,14
1997	14.585	150.271	164.856	1.733.050	5.995.322	7.728.372	0,84	2,51	2,13
1998	15.898	499.981	515.880	3.359.432	13.513.020	16.872.453	0,47	3,70	3,06
1999	23.480	861.406	884.886	5.172.829	16.173.486	21.346.315	0,45	5,33	4,15
2000	39.069	1.280.902	1.319.97	8.602.117	29.489.065	38.091.182	0,45	4,34	3,47
2001	58.006	1.785.723	1.843.730	11.300.049	33.085.001	44.385.050	0,51	5,40	4,15
2002	133.466	2.934.337	3.067.803	17.307.671	53.212.080	70.519.752	0,77	5,51	4,35

Source: Republic of Türkiye Presidency Strategy and Budget Directorate basic economic indicators, investment and savings statistics

Tablo According to Table 4, total tourism investments increased from 10.8 million TL in 1993 to 3.07 billion TL in 2002, reflecting an approximately 284-fold increase over 10 years. The significant surge, particularly after 1998, highlights the growing private sector interest in the tourism industry and the impact of government incentives.

Private sector tourism investments rose from 8.2 million TL in 1993 to 2.93 billion TL in 2002, significantly surpassing public sector tourism investments. In 1998, private sector tourism investments totaled 499 million TL, rising to 861 million TL in 1999 and reaching 1.28 billion TL in 2000. Even after the 2001 economic crisis, private sector tourism investments continued to grow. This trend suggests that the tourism sector is now driven primarily by the private sector, while the government's role is focused more on infrastructure support and incentive policies.

Between 1998 and 2002, tourism investments increased significantly. In 1998, total tourism investments totaled 515 million TL, rising to 3 billion TL in 2002—an approximately six-fold increase. The reasons for this growth may include the expansion of tourism incentives in 1997, particularly in hotel and resort investments in Antalya, Istanbul, and the Aegean and Mediterranean regions; the introduction of "quality in tourism" projects in 1999; and the increasing interest of international hotel chains in Türkiye.

The share of tourism investments among total investments increased from 2.06% in 1993 to 4.35% in 2002. Notably, after 1998, the proportion of investments in tourism increased significantly. Private sector investments peaked in 1999 at 5.33%, but after 2000, this ratio stabilized at around 4%. Although the 2001 economic crisis affected investments across Türkiye, tourism investments did not decline; rather, they continued to grow. Total tourism investments increased from 1.3 billion TL in 2000 to 1.84 billion TL in 2001, with the share of private sector investments continuing to rise, reaching 5.40% in 2001.

In Table 5, the total amount of tourism and fixed capital investments for the period between 2003 and 2012 are presented based on private- and public-sector investments, and the share of tourism investments within total fixed capital investments has been calculated.

Table 5. Tourism and Fixed Capital Investments Between 2003-2012 Current Prices (Thousand TL)

Years	Tourism Investments			Total Fixed Capital Investments			Share of Tourism Investments		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
2003	129.960	4.901.247	5.031.207	17.287.520	80.348.820	97.636.341	0,75	6,10	5,15
2004	121.546	7.153.886	7.275.432	17.977.066	128.774.438	146.751.504	0,68	5,56	4,96
2005	112.101	8.879.879	8.991.980	24.578.314	155.084.971	179.663.285	0,46	5,73	5,00
2006	116.429	10.136.066	10.252.495	28.463.487	198.095.364	226.558.851	0,41	5,12	4,53
2007	143.047	8.001.469	8.144.517	32.524.827	215.037.807	247.562.635	0,44	3,72	3,29
2008	147.956	9.278.240	9.426.197	39.060.671	228.189.252	267.249.923	0,38	4,07	3,53
2009	120.065	8.756.694	8.876.759	39.172.646	184.537.957	223.710.604	0,31	4,75	3,97
2010	239.080	14.158.598	14.397.678	47.003.477	240.656.023	287.659.501	0,51	5,88	5,01
2011	322.617	17.848.681	18.171.299	53.246.570	336.537.217	389.783.787	0,61	5,30	4,66
2012	414.612	20.703.991	21.118.603	60.108.265	367.814.941	427.923.207	0,69	5,63	4,94
2013	520.167	21.213.588	21.733.756	78.165.354	438.712.141	516.877.496	0,67	4,84	4,20

Source: Republic of Türkiye Presidency Strategy and Budget Directorate basic economic indicators, investment and savings statistics

According to Table 5, total tourism investments increased from 5.03 billion TL in 2003 to 21.73 billion TL in 2013, reflecting approximately 4.3-fold growth over the past 10 years. Private sector investments significantly outpaced public sector investments, rising from 4.9 billion TL in 2003 to 21.2 billion TL in 2013. In contrast, public sector investments increased from 129 million TL in 2003 to 520 million TL in 2013. However, private sector investments grew 40-fold more than public sector investments. This trend indicates that the tourism sector has continued to expand under the leadership of the private sector, with the government providing support primarily through incentives and infrastructure investments.

The impact of the 2008 global financial crisis on tourism investments can be clearly observed. While investments increased from 8.14 billion TL in 2007 to 9.42 billion TL in 2008, they declined to 8.87 billion TL in 2009, particularly due to a drop in private sector investments. This suggests that global economic fluctuations have had a significant effect on tourism investments. However, a rapid recovery followed the crisis, and investments began to rise again from 2010 onward.

A new momentum in tourism investments emerged after 2010, with the sector experiencing over 50% growth between 2010 and 2013. This period was marked by Türkiye's increased global competitiveness in tourism, a strong focus on infrastructure projects and airport investments, and the expansion of hotel chains.

The percentage of investments in tourism was 5.15% in 2003 but declined to 4.20% in 2013. Although this ratio fluctuated over time, it generally remained within the 4-5% range. The decline in 2009 due to the 2008 financial crisis highlights the sector's sensitivity to global economic conditions. After 2006, the share of tourism investments in total investments stabilized in the 4-5% range, indicating that the sector's growth rate lagged behind that of overall investments. By 2013, the slowdown in private sector investment growth suggests that the tourism sector is approaching saturation.

In Table 6, the total amount of tourism and fixed capital investments for the period between 2014 and 2023 are presented based on private- and public-sector investments, and the share of tourism investments within total fixed capital investments has been calculated.

Table 6. Tourism and Fixed Capital Investments Between 2014-2023 Current Prices (Thousand TL)

Years	Tourism Investments			Total Fixed Capital Investments			Share of Tourism Investments		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
2014	379.084	22.929.291	23.308.374	80.433.110,	510.262.305	590.695.415	0,47	4,49	3,95
2015	750.861	19.009.575	19.760.436	95.271.236	599.539.284	694.810.520	0,79	3,17	2,84
2016	525.667	13.232.667	13.758.331	105.822.623	658.722.507	764.545.129	0,50	2,01	1,80
2017	610.818	14.497.032	15.107.851	134.515.717	801.118.910	935.634.627	0,45	1,81	1,61
2018	996.942	21.080.789	22.077.731	168.305.040	951.279.362	1.119.584.401	0,59	2,22	1,97
2019	436.474	29.748.186	30.184.660	141.241.878	980.178.572	1.121.420.450	0,31	3,03	2,69
2020	285.445	13.489.673	13.775.117	159.946.612	1.229.531.830	1.389.478.442	0,18	1,10	0,99
2021	385.027	18.016.392	18.401.419	234.075.821	1.810.157.703	2.044.233.525	0,16	1,00	0,90
2022	794.268	36.534.970	37.329.238	542.159.362	3.835.713.459	4.377.872.821	0,15	0,95	0,85
2023	1.539.107	67.471.894	69.011.001	964.434.663	7.053.761.979	8.018.196.643	0,16	0,96	0,86

Source: Republic of Türkiye Presidency Strategy and Budget Directorate basic economic indicators, investment and savings statistics

According to Table 6, total tourism investments totaled 23.3 billion TL in 2014, declining to 19.7 billion TL in 2015 and further dropping to 13.7 billion TL in 2016. Although a recovery began between 2017 and 2019, the tourism sector experienced another sharp decline due to the COVID-

19 pandemic in 2020. Following the crisis, investments began to recover in 2021, reaching 69 billion TL by 2023. While tourism investments continuously increased from 1963 to 2015, they experienced a decline for the first time in 2016–2017 before rising again in 2018. After a severe drop in 2020 due to the pandemic, the sector began to recover from 2021 onward.

Private sector investments totaled 22.9 billion TL in 2014, but declined to 13.2 billion TL in 2016. In 2019, private sector investments peaked at TL 29.7 billion. However, due to the pandemic, investments fell sharply to 13.4 billion TL in 2020. Following a recovery starting in 2021, private sector investments surged to 67.4 billion TL in 2023. This trend confirms that the tourism sector is highly sensitive to crises and demonstrates the severe impact of the COVID-19 pandemic on investments.

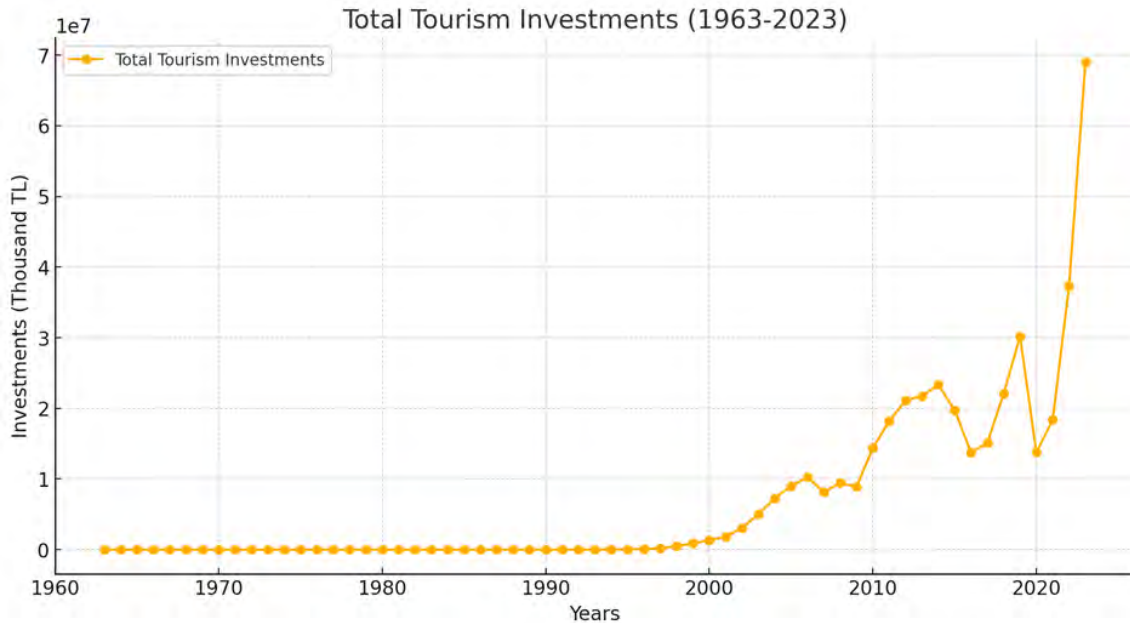
The percentage of investments in tourism declined from 3.95% in 2014 to 0.86% in 2023. Similarly, private sector investments fell from 4.49% in 2014 to 0.96% in 2023.

In 2020, tourism investments suffered a severe downturn, with total tourism investments plummeting from 30 billion TL in 2019 to 13.7 billion TL in 2020, marking a decline of more than 50%, particularly in private sector investments. Although a slight recovery was observed in 2021, investment levels did not return to pre-pandemic levels until 2022 and 2023, when investments rapidly increased to 69 billion TL. This suggests that confidence in the tourism sector was restored after the pandemic, leading to a resurgence in large-scale investments.

The years 2016–2017 witnessed a significant decline, marking the lowest investment levels. Similarly, investments fell by approximately 50% in 2020 due to the pandemic. The percentage of investments in tourism decreased from 3.95% in 2014 to 0.86% in 2023.

Figure 1 presents a graphical representation of the development of tourism investments between 1963 and 2023.verilmiştir.

Figure 1. Total Tourism Investments (1963-2023)



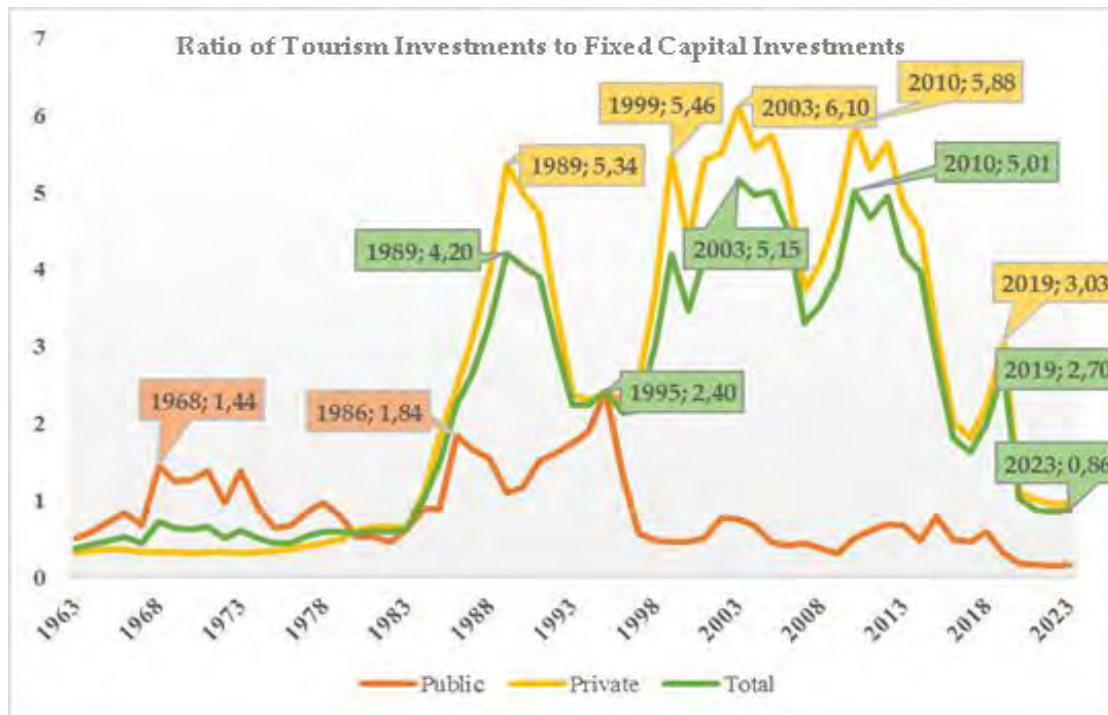
According to Figure 1, tourism investments remained at relatively low levels between 1963 and 1980, showing only a slow increase. However, after 1980, tourism investments gained momentum with the involvement of private sector investments. A significant surge occurred after 1990, and tourism investments experienced a substantial jump by 2000.

The 2008 global financial crisis negatively impacted tourism investments, as it did with worldwide investments. After 2010, tourism investments continued to grow nominally but followed a fluctuating trend. In 2020, the COVID-19 pandemic caused a sharp decline in investments, but a recovery began in 2021, and by 2023, tourism investments had reached their highest historical level.

In summary, tourism investments were relatively low between 1963 and 1980 but grew rapidly after 1980 with private sector support. However, global economic crises and pandemics have influenced investment trends. As of 2023, tourism investments had reached their highest historical level.

Figure 2 presents a graphical representation of the share of tourism investments in fixed capital investments between 1963 and 2023.

Figure 2. Graph of the Ratio of Tourism Investments to Fixed Capital Investments (1963-2023)



According to Figure 2, from 1963 to 1980, the tourism sector experienced slow growth, driven primarily by public sector investments. Throughout the 1960s and 1970s, the share of tourism investments in fixed capital investments remained low. The private sector's investments were minimal, and growth was driven largely by the public sector. However, after 1986, tourism investment increased sharply with the increasing involvement of the private sector.

In 1986, private sector investments reached 1.84%, and by 1989, they surged to 5.34%, marking the highest level since 1963. During this period, tourism investments gained significant weight within total investments for the first time, with the share of total tourism investments within fixed capital investments reaching 4.20% in 1989.

With strong private sector investments, tourism investments peaked in the early 1990s. However, by 1995, their share declined to 2.40%. A new peak occurred in 1999, when tourism investments rose to 5.46%. This period reflects the expansion of tourism incentives and large-scale investments in the sector. Despite economic crises and regional fluctuations in the late 1990s, tourism investments continued to grow.

In 2003, the share of total tourism investments was 5.15%. Between 2003 and 2010, a fluctuating trend was observed, but private sector investments continued to increase. In 2010, private sector investments reached their highest level at 5.88%. The early 2000s saw significant investments in hotels, airports, and infrastructure projects in Türkiye's tourism sector.

After 2010, a gradual decline in tourism investments was observed, with a brief recovery in 2019, when the share increased to 3.03%. However, in 2020, due to the impact of the COVID-19 pandemic, tourism investments dropped dramatically, and their share of total investments fell below 1%. As of 2023, tourism investments had declined to 0.86% of total investments, marking one of the lowest levels in history.

Compared with the significant surges and peaks observed after 1980, the declining share of tourism in total investments suggests that tourism is losing its relative importance in overall capital investments.

5. DISCUSSION AND CONCLUSION

1963 The planned development period, which began in 1963 with the introduction of five-year development plans, has played a significant role in Türkiye's economic growth. Through these strategic plans, the necessary fixed capital investments were implemented, contributing to economic growth, job creation, and Türkiye's ability to compete in the global market.

One of the most critical aspects of the tourism sector is the substantial infrastructure and superstructure investment required to provide tourism products. These investments are crucial to national economies because of opportunity costs and resource allocation. Because countries operate with limited resources, it is essential to carefully plan fixed capital investments and allocate them to the most needed regions to ensure efficient capital use. To maximize the economic benefits of tourism infrastructure and superstructure investments, which require high capital, careful planning and execution are necessary. Therefore, strategic plans related to the tourism sector were included in the five-year development plan.

This study examines the development of tourism investments from 1963—when the planned development period began—to the present. This study presents annual tourism investment amounts made by the private and public sectors and highlights the share of tourism investments within total fixed capital investments.

According to the study, tourism investments started at low levels in the 1960s and showed slow but steady growth until the 1970s, with contributions from both the public and private sectors. However, until 1980, tourism investments remained below 1% of total fixed capital investments. A significant surge in tourism investments began in the 1980s, marking the first time that private sector investments surpassed public sector investments.

During the 1990s, tourism investments accelerated and increased annually until 2000. However, the economic crises of 1994 and 1999 caused fluctuations in investment levels. Notably, even during the 2001 economic crisis, tourism investments continued to grow.

From the 2000s onward, private sector tourism investments became more prominent. However, the 2008 global financial crisis caused tourism investments to decline in 2009. After 2010, tourism investments continued to increase nominally, but their share of total investments remained below 5%.

A decline in tourism investment was observed in 2016 and 2017, likely due to political and economic uncertainties in Türkiye. Although tourism investments recovered in 2018 and 2019, they declined sharply in 2020 due to the COVID-19 pandemic. While investments began increasing in 2021, their proportional share did not return to pre-pandemic levels. By 2022 and 2023, private sector investments increased again, but tourism investments fell below 1%.

As a result:

- * The share of tourism investments consistently increased from 1963 to 1989,
- * Between 1989 and 1995, a decline was observed:
- * From 1995 until the 2001 crisis, the share of tourism investments rebounded, except for the 2001 crisis.
- * Until 2003, tourism investments continued to grow, reaching their highest level in the country.
- * After 2010, their share began to decline rapidly, reaching below 1% by 2023.

To increase tourism investments' share in fixed capital investments, the following recommendations can be made:

Review and adjust tourism incentive policies by shifting focus toward alternative tourism sectors

Enhance tourism infrastructure investments, particularly in transportation;

Promote sustainable tourism investments,

Develop new marketing and promotion strategies to enhance Türkiye's tourism potential more effectively.

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