State of the Market: Turkey’s Crypto Landscape

Binance Blockchain Week Special Edition

Nov 2023

Cryptocurrency trading is subject to high market risk. Please make your trades cautiously. There may be no recourse for any losses. See risk warnings here: www.binance.com/en/terms.
The report provides an overview of the landscape of crypto in Turkey and takeaways from Binance Blockchain Week.

**Overview**
Turkey has a relatively high level of crypto adoption, with around 40% of citizens having exposure to crypto. Crypto is one of the most widely invested asset classes.

**Motivations**
66% of investors surveyed believe that the most compelling case for investing in crypto is the potential for profits. Ease of portfolio monitoring and interest in the technology come in second and third place, respectively.

**Outlook**
In the near term, 64% of investors surveyed believe that crypto prices will increase in the next year. Looking ahead, 73% believe that the number of crypto investors will increase in the next 5 years, indicating rising adoption.

**Themes**
At Binance Blockchain Week 2023, there was a keen focus on recent innovations, institutional adoption, and the user journey. The two-day conference in Istanbul saw over 2,000 physical attendees, with more than 0.5M joining through livestream.
Overview
Overview of Crypto Adoption

Turkey has one of the highest crypto adoption rates internationally.

2 in 5 citizens hold crypto.

Crypto adoption has increased from 16% to 40% over the last 3 years.

Turkish is ranked 12th on Chainalysis' Global Crypto Adoption Index 2023, ahead of several larger economies.

Sources: HedgewithCrypto, Chainalysis
Turkey is the fourth-largest crypto market by estimated transaction volume globally, ahead of other major economies.

A challenging macroeconomic climate as well as interest in blockchain innovation have contributed to a relatively high level of crypto adoption.

An additional datapoint is observed in the emergence of the Turkish Lira as the largest fiat trading pair on Binance, accounting for 75% of all fiat volume in early September.^[Source: Kaiko - “Liquidity Remains Flat Amid Low Volatility”]
Real Life Use Case of Crypto
Case Study: Disaster Relief

Turkey Earthquake 2023

In the aftermath of natural disasters, access to traditional banking may be lost at the exact moment when extra funds are needed to help cover medical supplies, food, and other essential needs.

Crypto transfers can be used to deliver financial aid in a fast, low-cost, borderless, and transparent manner.

Binance’s Turkey Earthquake Relief Efforts

1) Airdropped US$100 worth of BNB to affected users

- Distributed: 17,411 BNB / US$5.79M
- Users: 57,939

2) Coordinated donations for emergency aid

- Raised: 12.04 BTC / US$442K
- Donors: 1,533
- End-Beneficiaries: 5,000

Source: Binance Charity - Image credit to Emin Ozmen for The New York Times.
Turkey Crypto Outlook Survey
Methodology

The following slides consist of data based on a survey with responses from 606 Turkish participants. We also refer to these participants as “investors” in this report. The survey was commissioned by Binance and conducted by Twentify, a consumer research company.

The survey, which ran from April to May 2023, explored questions surrounding the respondents' attitudes, adoption, and outlook toward cryptocurrency.
What Are Turkish Investors Investing In?

Crypto is one of the most widely invested asset class.

More than one in five (21%) of respondents are invested in cryptocurrency. This comes just after the Turkish Lira, the official currency of Turkey.

Notably, cryptocurrency has a higher rate of adoption as compared to traditional asset classes such as precious metals, stocks, and bonds.
Most respondents started investing in crypto around two years ago.

- On average, Turkish investors entered the crypto market around two years ago, during the last bull market.
- Interestingly, a sizable portion (27%) of participants have entered the crypto market within the last year, indicating continued interest in cryptocurrencies, even during a period of muted price movements.
How Active Are Turkish Crypto Investors?
Most check and/or trade crypto on a daily basis, at least

A majority of Turkish crypto investors (71%) check their accounts more than once a day, exhibiting their interest in monitoring portfolio developments.

Trading frequency, while relatively lower, is still noteworthy; 46% of respondents trade at least once a day.

Questions (1) How often do you check your crypto account? (2) How often do you trade crypto?
Crypto Allocation
Crypto exposure is relatively lower than other asset classes

The majority of respondents have less than 5,000 TL allocated to cryptocurrencies, as compared to 5,001-25,000 TL for equities and bonds and more than 1,000,000 TL for real estate.

This may be contributed by crypto as a maturing asset class, as well as the lower minimum investment thresholds as compared to asset classes like real estate.

Question: What is the approximate total value of your exposure to the respective asset class?
Motivations for Investing in Crypto
Profitability is one of the key reasons for investing in crypto

<table>
<thead>
<tr>
<th>Rank</th>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>66%</td>
<td>Profitability</td>
</tr>
<tr>
<td>2</td>
<td>56%</td>
<td>Ease of Monitoring</td>
</tr>
<tr>
<td>3</td>
<td>40%</td>
<td>Promising Technology</td>
</tr>
<tr>
<td>4</td>
<td>38%</td>
<td>No Minimum Investment</td>
</tr>
<tr>
<td>5</td>
<td>33%</td>
<td>Low Transaction Costs</td>
</tr>
<tr>
<td>6</td>
<td>26%</td>
<td>Secure</td>
</tr>
</tbody>
</table>

- **66%** of investors believe that the most compelling case for investing in cryptocurrencies is the potential for profits.

- Operational factors also stand out as motivating factors for crypto investing, with 3 out of the top 6 factors being related to: the ease of monitoring positions (56%), the lack of minimum investment (38%), and low transaction costs (33%).

**Question:** What are the factors that make crypto money attractive to you compared to other investment tools? Please tick up to 5 options.

**Note:** Percentages represent % of respondents.
Areas of Concern
Risk was cited as the top reason for not investing in crypto

Question: For respondents who have never invested in crypto - What are your reasons for not investing in crypto?

Top Reasons for Not Investing in Crypto

1. 40% Crypto is Risky
2. 26% Insufficient Knowledge
3. 26% Lack of Safety
4. 17% Time-Consuming
5. 16% Inability to Find Trustworthy Platforms
6. 16% Susceptible to Manipulation

- The perception that cryptocurrencies are risky is the biggest hurdle for crypto adoption. 40% of non-investors surveyed cited that risk of cryptocurrencies as the greatest impediment.

- Factors such as the lack of sufficient knowledge (#2) and safety concerns (#3) may also have contributed to the overall perception that crypto is risky.
Outlook of Crypto
A majority believes crypto prices and adoption will increase

The Value of Crypto Will Increase in the Next Year

- Strongly Agree: 30%
- Agree: 34%
- Neutral: 28%
- Disagree: 5%
- Strongly Disagree: 3%

No. of Crypto Investors Will Increase in the Next 5 Years

- Strongly Agree: 30%
- Agree: 43%
- Neutral: 21%
- Disagree: 5%
- Strongly Disagree: 1%

◆ A majority of Turkish investors are optimistic about the outlook for crypto. In the near term, 64% indicated that they believe that crypto prices will increase in the next year.

◆ Looking ahead, 73% of investors believe that the number of crypto investors will increase in the next 5 years, indicating rising adoption.

Questions: Give a score from 1 to 5, where 1 represents the lowest score and 5 represents the highest score. (1) I believe that the value of cryptocurrencies will increase within the next year; (2) The number of people investing in cryptocurrency will increase over the next 5 years. Note: Respondents who indicated “No Opinion” have been excluded.
Information Sources
Projects’ websites are key in the due diligence process

Sources of Information

- Turkish investors rely on a combination of primary and secondary sources to obtain information on cryptocurrencies.
- Project’s website and documentation were the most frequently used, with more than 42% of respondents relying on them.
- Social media platforms (34% of respondents) are also a key source of information for Turkish investors.

Questions: What information sources do you rely on before investing in crypto?
Takeaways From Binance Blockchain Week 2023
About Binance Blockchain Week ("BBW") 2023

The conference ran from November 8 to 9 in Istanbul

Istanbul is a city steeped in history and innovation, a crossroads where East meets West, and a place where finance increasingly embraces the future: blockchain.

**BBW 2023 in Numbers**

- 2,000+ Attendees
- 500+K Binance Live Views
- 100+ Speakers
- 50+ Panels & Keynotes

Source: Binance · Image: Divan Kuruçeşme
# Key Takeaways From The Event

**Crypto is Poised for Growth**

Continued innovations have prepared us for the next cycle. Better infrastructure, more use cases, and a diverse ecosystem of dApps are now in place, ready to welcome the next wave of users.

**The Institutions Are Here**

Institutional participants recognize the potential and opportunity of digital assets. From investing in crypto to leveraging blockchain technology for their operations, institutions are here to stay.

**Focus on User Experiences**

Simplifying the user journey is key to onboarding the next billion users. Builders should remain keenly aware of the challenges that users face and strive to increase accessibility.
Notable Quotes
Highlights from our speakers

I think the wallet is actually the entry point into the industry. We need to continue to invest very heavily on this front, and that’s why the Web3 Wallet launch is just a small step in the right direction. We will continue to do many more in the future.

Changpeng Zhao (CZ)
Founder & CEO, Binance

To achieve the bigger vision of allowing blockchain to empower more people, we need better bridges... We can leverage our technology to work with trusted partners who can spread trust and onboard more users into the industry.

Eowyn Chen
CEO, Trust Wallet

With the digital change we have experienced, everyone has become a digital nomad. During this time, many changes, especially social media, have entered our lives, and those who are used to these changes have become digital immigrants.

Faruk Eczacıbaşı
President, Turkish Informatics Foundation

I am not technically familiar with blockchain technologies, but as a charity president who has seen the benefits of blockchain, I am at Binance Blockchain Week Istanbul today.

Haluk Levent
Rock Music Artist & President, AHBAP
The space is ripe for any companies to come in; there’s better tools, clearer regulations that are coming into the space, and better underlying blockchain technology for scalability, transparency, and privacy. It’s just a matter of experimenting and not giving up after one try.

John Liu
Head of Product for Web3 & Blockchain Services, Amazon Web Services

Our aim is to look, source, and find new technologies, innovative projects, and platforms to see if they can be brought to UNICEF’s programming to improve outcomes. So, we can use blockchain to do that.

Shane O’Connor
Innovation Manager - Emerging Tech, UNICEF

Consumers are looking for more transparency, more privacy, more seamless solutions, smoother customer experiences, or more control over personal data. I think there’s more hunger for Web3 technologies because they can be a solution for all of these needs and expectations.

Sinem Cantürk
Partner, Fintech & Digital Finance Leader, KPMG Türkiye

If you believe in blockchain and believe in the future of crypto, it doesn’t matter when there’s a bump in the road. You have a long-term horizon, and that’s actually the only way to win.

Yat Siu
Co-Founder & Executive Chairman, Animoca Brands Limited
About Binance Research

Binance Research is the research arm of Binance, the world’s leading cryptocurrency exchange. The team is committed to delivering objective, independent, and comprehensive analysis and aims to be the thought leader in the crypto space. Our analysts publish insightful thought pieces regularly on topics related but not limited to, the crypto ecosystem, blockchain technologies, and the latest market themes.
Disclaimer: This material is prepared by Binance Research and is not intended to be relied upon as a forecast or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities, cryptocurrencies or to adopt any investment strategy. The use of terminology and the views expressed are intended to promote understanding and the responsible development of the sector and should not be interpreted as definitive legal views or those of Binance. The opinions expressed are as of the date shown above and are the opinions of the writer, they may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Binance Research to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy. As such, no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by Binance. This material may contain ‘forward looking’ information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader. This material is intended for information purposes only and does not constitute investment advice or an offer or solicitation to purchase or sell in any securities, cryptocurrencies or any investment strategy nor shall any securities or cryptocurrency be offered or sold to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the laws of such jurisdiction. Investment involves risks.