

AN IMPORTANT LOGISTIC CENTER IN THE EASTERN MEDITERRANEAN



MERSIN FREE ZONE

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OUTLINE

1. Organizational Structure
2. Why Mersin Free Trade Zone
3. Mersin FTZ Benefits & Advantages
4. Employment & Trade Figures
5. Future Targets
6. Trade Figures between OIC Member states and Mersin FTZ
7. Challenges
8. Qs & As

1.ORGANIZATIONAL STRUCTURE ADMINISTRATIVE MANAGEMENT

« **Republic of Turkey Ministry of
Economy** »

- ✓ *General Directorate of Free Zones, Overseas Investment
and Services*

MERSIN FREE ZONE

The first established and operated free zone
in Turkey

- *Official Opening* : **January , 1987**
- **30 years of operating experience**

MERSIN FREE ZONE AREA

■ Total Area : 836.000 m²

■ Investment Area : 625.000 m²

(%100 invested)

■ The zone territory is publicly owned and the modern infrastructure was built by the Government

➤ BOT ; Built - Operate - Transfer

MERSIN FREE ZONE



2.WHY A FREE ZONE ESTABLISHED IN MERSIN -1



- ❖ The presence of «MERSIN PORT» which is one of the most important ports of Eastern Mediterranean (Capacity 2.6m TEU)
- ❖ The presence of an advanced agricultural potential and the ability to export



WHY A FREE ZONE ESTABLISHED IN MERSIN -2

- Commercial and industrial provinces in hinterland with high trading volumes
- Agency, banking, representation and consulting services have reached to a certain level



WHY A FREE ZONE ESTABLISHED IN MERSIN -3

- ❖ Foreign trade experience
- ❖ All personnel requirements for companies in production, service and the management fields can be sourced in the City of Mersin



WHY A FREE ZONE ESTABLISHED IN MERSIN -4



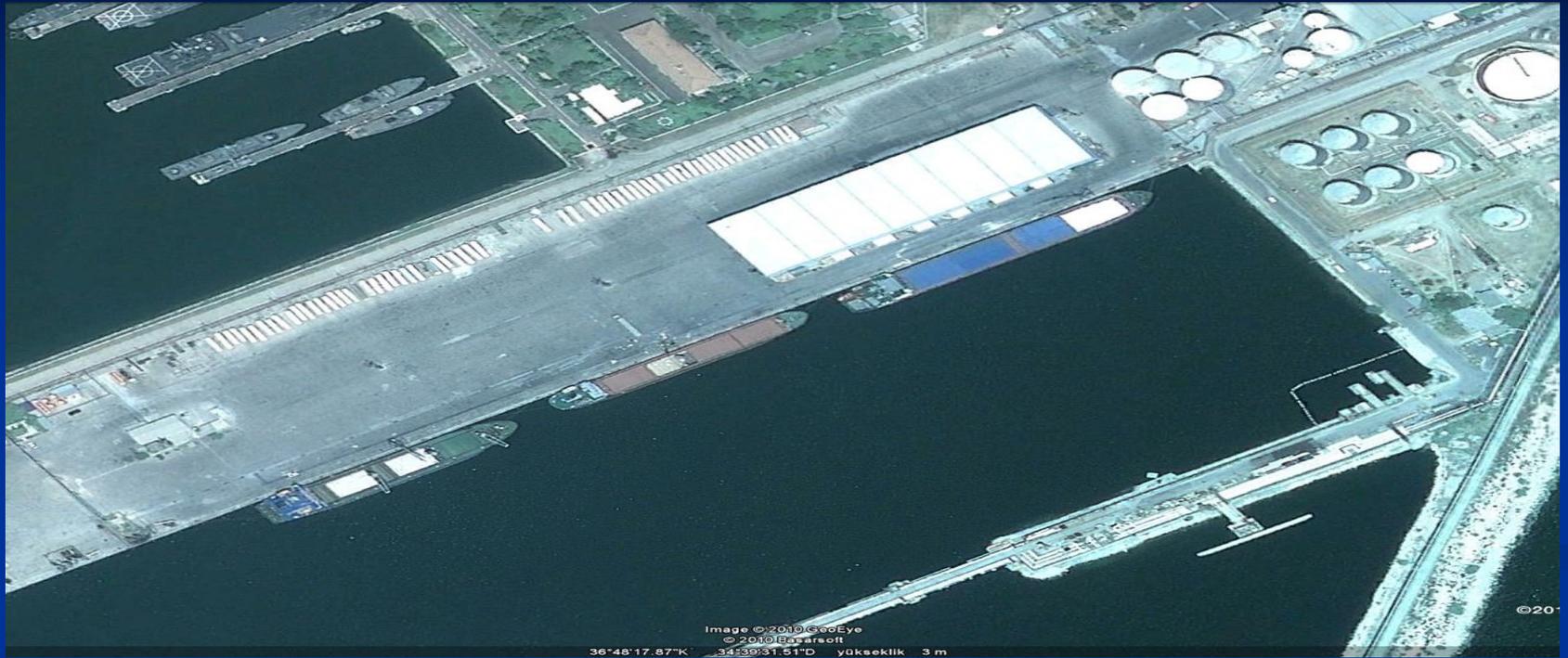
- ❖ Mersin city has strong transport links



- ❖ As a city on Eastern Mediterranean and has a position allowing the transit goods to be despatched to Middle East and Central Asian Countries

MERSIN FREE ZONE

- ✓ It is a unique free zone with a private seaport in Turkey.



Free Zone Piers

General View of Free Zone & Mersin Port



3.BENEFITS & ADVANTAGES -1

- %100 exemption from corporate and income taxes for manufacturing firms
- If manufacturing firms sell min. %85 of their products to other countries, labour salaries are also exempted from income tax
- %100 exemption from corporate and income taxes for those companies who serve abroad-centered firms

BENEFITS & ADVANTAGES -2

- The zone is deemed to be outside of customs border, so there is no customs tax , fees , VAT., etc. within the zone
- Customs-free production and easy supply-chain management
- Transit trade facilities to be recognized.
(Transshipment via Free Zone or from a 3rd countries to a 3rd countries)
- Investment and operational stage bureaucracy is minimized

BENEFITS & ADVANTAGES -3

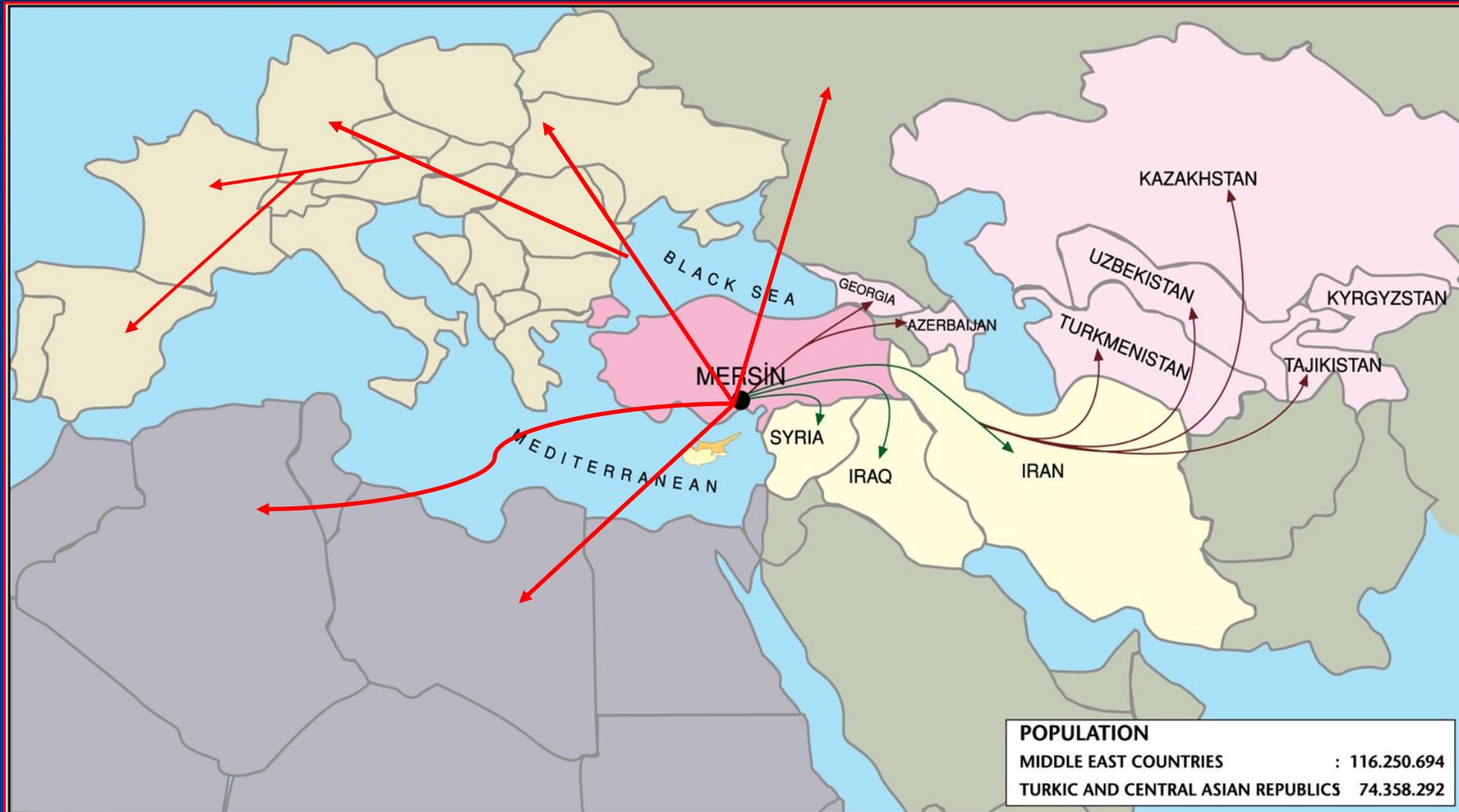
- 100% of capital repatriation and 100% foreign ownership
- *Attractive license periods (up to 45 years)*
- It is allowed to sale into domestic markets
- *Land and warehouse lease prices are very competitive*
- There is no time limit on storing period of the goods inside the zone

MERSIN FREE ZONE
AVAILABLE CAPACITY
« Total 626.000 m² closed area »

**❖ AN IMPORTANT LOGISTIC AND STACKING AREA
OUT OF CUSTOMS BORDER**

- ✓ 170.000 m² Warehousing Area *(for dry and packaged goods)*
- ✓ 15.000 m² Cold Storage Area
- ✓ 5.000 m² Open Stacking Area
- ✓ 75.000 m³ Liquid Tanks

POTENTIAL MARKETS CAN BE REACHED



TRADING

682 different goods

are traded with

112 different countries

in Mersin Free Zone

FREE ZONE ACTIVITIES

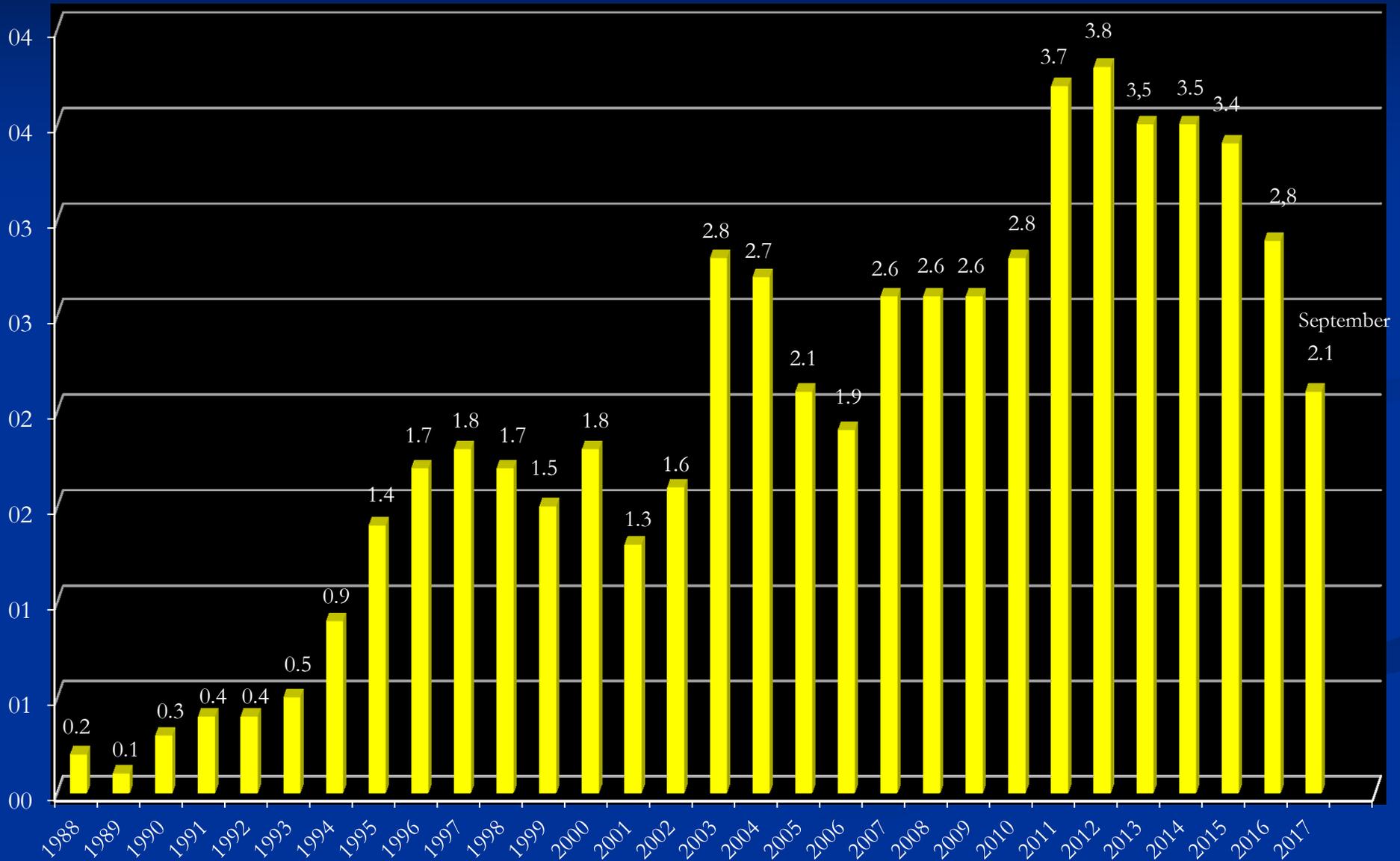
- **Manufacturing** (steel pipes, textile, medical materials, food stuff, construction chemicals etc)
- **Purchasing & Selling**
- **Assembling – Disassembling**
- **Repair - Maintenance**
- **Office Renting**
- **Warehouse Operating**
- **Other services**

4.EMPLOYMENT

- Provided directly : 8.294 people
- Total Employment (*approx.*) : 9.000 people
(*Directly and indirectly*)

TRADE VOLUMES

1988 – 2017  58,7 billion US\$



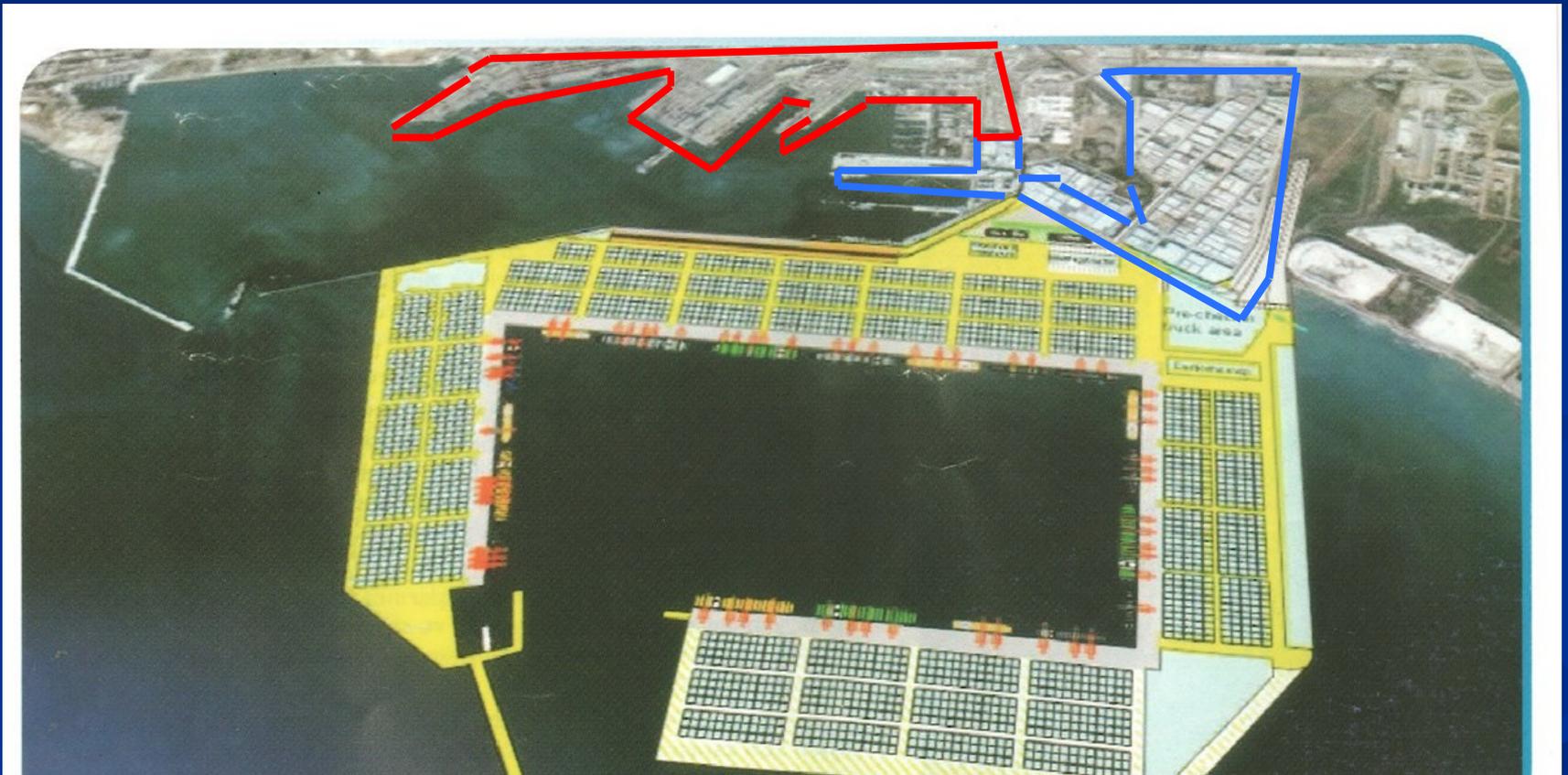
5.FUTURE TARGETS

- **Effective coordination with sectoral institutions**
- **Developing the existing logistical services**
- **Create new investment areas and attracting foreign investors**

MERSIN FREE ZONE - The New Investment Area



THE NEW CONTAINER PORT PROJECT



PLANNED CAPACITY : 12,000,000 TEU/YEAR

6. TRADE FIGURES

32 OIC MEMBERS HAVING TRADE ACTIVITIES WITH MERSIN FTZ

| | | | |
|-------------|------------|------------|--------------|
| Afghanistan | Indonesia | Libya | Saudi Arabia |
| Albania | Iran | Malaysia | Sudan |
| Algeria | Iraq | Mauritania | Tajikistan |
| Azerbaijan | Jordan | Morocco | Tunus |
| Bahrain | Kazakhstan | Nigeria | Turkmenistan |
| Bangladesh | Kuwait | Omman | UAE |
| Cameroon | Kyrgyzstan | Pakistan | Uzbekistan |
| Egypt | Lebanon | Qatar | Yemen |

TRADE VOLUMES BETWEEN OIC MEMBERS & MERSIN FTZ

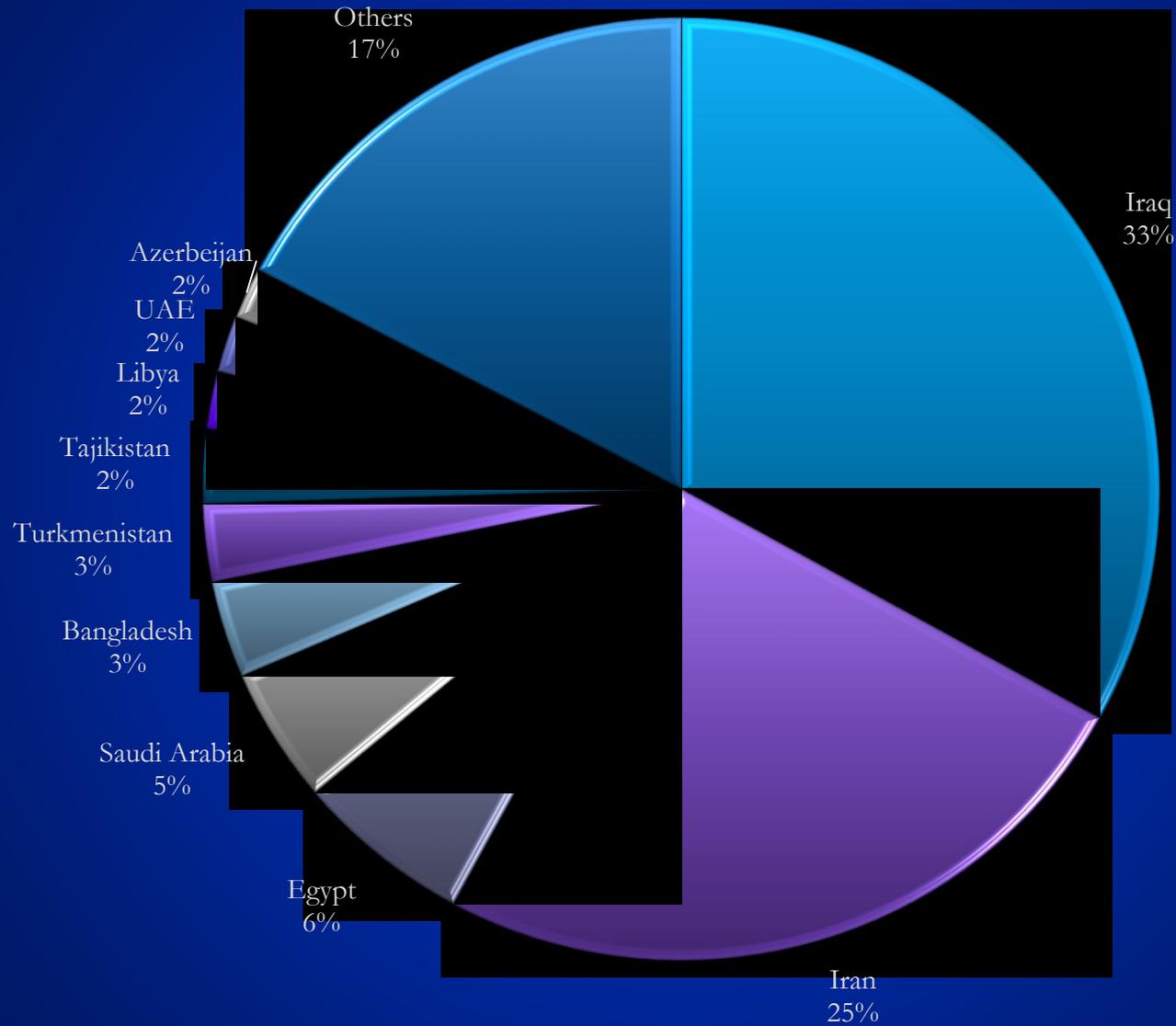
Million US \$

| | |
|--------------|----------------------|
| 2013 | 710.024.808 |
| 2014 | 616.488.686 |
| 2015 | 852.050.575 |
| 2016 | 545.684.084 |
| 2017/9 | 448.996.407 |
| Total | 3.173.244.559 |



2013-2017/9 Figures

TOP 10 OIC MEMBER COUNTRIES TRADING MERSIN FTZ



BREAKDOWN BY COUNTRY OF OIC MEMBERS IN MERSIN FTZ

| Countries | %100 Foreign | Partnership | Total |
|--------------|--------------|-------------|-----------|
| Iraq | 18 | 4 | 22 |
| Iran | 5 | | 5 |
| Lebanon | 2 | 1 | 3 |
| Uzbekistan | 3 | | 3 |
| Morocco | 1 | 1 | 2 |
| Algeria | 1 | | 1 |
| Bahrain | | 1 | 1 |
| Kazakhstan | 1 | | 1 |
| Kuwait | | 1 | 1 |
| Libya | 1 | | 1 |
| Saudi Arabia | | 1 | 1 |
| Sudan | 1 | | 1 |
| Total | 33 | 9 | 42 |

7.MERSIN FTZ OIC TRADE CHALLENGES

- Overall decline in world trade restrict trading volumes
- Exchange rate fluctuations
- High transport costs
- Slow-moving procedures at border Gates
- Solution tables should be set up to make effective and quick decisions btw countries to solve problems

THANK YOU



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