



REPUBLIC OF TURKEY
MINISTRY OF ECONOMY

2012

**FOREIGN
DIRECT
INVESTMENTS
IN TURKEY**

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October 2013

**GENERAL DIRECTORATE OF INCENTIVE
IMPLEMENTATION AND FOREIGN INVESTMENT**



FOREWORD

Foreign Direct Investment (FDI) plays various significant roles in a country's economic development. While contributing to capital savings and production capacity of the host country, FDI also brings along technology and management skills as well. FDI also has a positive impact on balance of payments and serves as a powerful tool for policy in economic integration.

Turkey made notable progress over the past decade by maintaining economic and political stability. While Turkey attracted only USD 15 billion FDI until the end of 2002, the total FDI inflows to Turkey in the last ten years reached to USD 130 billion, that is more than 8.5 fold of the amount received before 2002. According to the 2013 World Investment Report of the United Nations Conference of Trade and Development (UNCTAD), Turkey moved up 2 places in 2012 reaching the 24th among the most attractive countries for FDI, ranked the 14th among the developing countries and the 1st within the West Asia region. Turkey is now an economy that not only attracts FDI but also increases its outward investments. Turkish investor's outward investments of USD 2.3 billion in 2011 reached to USD 4.1 billion with an impressive growth rate of 78% in 2012.

The global trends of FDI showed a downturn following the global economic crisis in 2008. After showing recovery signs in 2010 and 2011 FDI flows again fell worldwide by 18% to

USD 1.3 trillion in 2012 due to the uncertainties in many economies, especially the EU countries and global concerns towards the macroeconomic policies. During this period, developing countries started to receive larger shares of the global FDI flows and they are now more integrated into the global economy through the changes in dynamics of FDI. As a result of such shifts in international investment relations, investment opportunities have become more diversified today. In today's economy where impacts of the global fluctuations are more apparent, countries are now heavily competing with each other so as to increase their shares in FDI flows that are already narrowing.

Within this competitive environment, Turkey is experiencing a very serious economic transformation for the last 11 years. Throughout this period, apart from its strong market and young and dynamic population, the environment of trust created by stable and predictable policies, provides Turkey some important advantages. Today, international investors prefer investing in economies that have regulations in line with international standards and consistent implementation that ensure their investments' sustainability and competitiveness.

Turkey's Investment Climate Reform Program has been in continuous implementation by the Coordination Council for the Improvement of Investment Environment (YOİKK), a public-private dialogue platform, since 2001 with a view to ensure further rationalized investment regulations, to develop policies that will increase the competitiveness of investment environment and to remove administrative obstacles faced by the national and international investors. Moreover, principles of main legislation on foreign direct investments provide equal treatment of international investors with the locals in terms of rights and obligations, free transfer of profits, capitals and other similar financial assets in line with bilateral and multilateral treaties and rules in order to offer a reliable investment environment. The investor confidence is also built by free trade agreements (FTA) that helps

developing our foreign trade with the neighboring countries and increasing mutual investments and by bilateral investment treaties (BIT).

The *theme* for 29th session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) this year is determined to be “Foreign Direct Investment Flows to OIC Member Countries”. This *Country Report* is an outcome of an effort to share some detailed information about Turkey’s FDI inflows and ongoing works to further improve investment environment. I hope it provides a good reference for the member countries to design effective policies for attracting FDI.

Zafer ÇAĞLAYAN
Minister of Economy

CONTENTS

A. FOREIGN DIRECT INVESTMENT INDICATORS	1
1. 2012 GENERAL OVERVIEW	1
1.1. World Foreign Direct Investment Flows	1
1.2. Foreign Direct Investment Inflows to Turkey	15
1.3. Companies with Foreign Capital in Turkey	24
1.4. Investment Projects of Companies with Foreign Capital in Turkey	41
2. INVESTOR COUNTRIES IN TURKEY	56
B. ACTIVITIES FOR INCREASING FOREIGN DIRECT INVESTMENTS	69
1. THE EFFORTS ON IMPROVING INVESTMENT ENVIRONMENT	69
1.1. Activities of the Coordination Council for the Improvement of Investment Environment in Turkey (YOIKK) in 2012	69
1.2. Investment Advisory Council of Turkey	73
1.3. Turkey's Experience Sharing Programs	75
1.4. Turkey's Position in the Investment Indices	76
2. BILATERAL INVESTMENT TREATIES	79

TABLES

Table 1: Global FDI Inflows, Top 10 Host Economies and Turkey 2010-2012.....	3
Table 2: FDI Inward Stock, Top 10 Host Economies and Turkey (2012).....	6
Table 3: FDI Inflows by Component (1996–2012) (USD Million)	17
Table 4: FDI Inflows by Sector, 2012 (USD Million)	18
Table 5: Sectoral Distribution of FDI Inflows, 2003-2012 (USD Million)	19
Table 6: FDI Inflows by Home Country 2011-2012 (USD Million)	20
Table 7: Top Five Cross-Border M&A Transactions in 2012	22
Table 8: Number of Companies with Foreign Capital by Year According to Their Mode of Establishment.....	24
Table 9: Sectoral Breakdown of Companies with Foreign Capital	27
Table 10: Breakdown of Companies with Foreign Capital by Home Country	28
Table 11: Breakdown of Companies with Foreign Capital by Amount of Equity Capital (2008-2012).....	29
Table 12: Breakdown of Companies with Foreign Capital by Sector and Amount of Equity Capital (2011-2012)	30
Table 13: Breakdown of Companies with Foreign Capital by Home Country and Amount of Equity Capital (2011 - 2012)	31
Table 14: Breakdown of Companies with Foreign Capital by Province of Establishment (Top 10 Provinces)	32
Table 15: Breakdown of Companies with Foreign Capital by Sector and Province of Establishment (1954-2012).....	35
Table 16: Investment Projects of Companies with Foreign Capital	41
Table 17: Sectoral Distribution of the Investment Projects of Companies with Foreign Capital in 2012	45
Table 18: Sectoral Distribution of the Investment Projects of Foreign-owned Companies with Investment Certificates between 2008 and 2012.....	46
Table 19: Distribution of Investment Projects of Companies with Foreign Capital by Province 2008-2012 (USD Million)	47
Table 20: Distribution of Investment Projects of Companies with Foreign Capital by Province 2008-2012 (Number of Projects).....	48
Table 21: Distribution of Investment Projects by Schemes of State Aids Category in 2012 (USD Million)	51
Table 22: Projects with Investment Amount Over USD 30 Million in 2012 (USD Million) ..	52
Table 23: Distribution of the Incentive Certificates in 1 st and 2 nd halves of 2012 (Quantity- USD Million)	55
Table 24: FDI in Turkey in 2012	56
Table 25: FDI in Turkey, 2003-2012.....	56
Table 26: FDI and Number of Companies for Countries in Top 10.....	57
Table 27: Bilateral Investment Treaties of Turkey	80
Table 28: Bilateral Investment Treaties Signed by Turkey (in the Process of Ratification)	81

MAPS

Map 1: Breakdown of Companies with Foreign Capital by Province of Establishment (2012)	33
Map 2: Breakdown of Companies with Foreign Capital by Province of Establishment (1954-2012)	34
Map 3: Marmara Region	36
Map 4: Aegean Region	37
Map 5: Mediterranean Region	38
Map 6: Black Sea Region.....	38
Map 7: Central Anatolia Region.....	39
Map 8: Eastern Anatolia Region.....	39
Map 9: South Eastern Anatolia Region.....	40
Map 10: The Distribution of Investment Projects by Province (2008-2012)	43
Map 11: The Distribution of Investment Amount of Investment Projects by Province (2008-2012)	44
Map 12: Regions in the Scheme of State Aids for Investments Provinces	49
Map 13: Geographical Distribution of Investment Projects in 2012 by Category of State Aid for Investment Schemes (USD Million).....	53
Map 14: Geographical Distribution of Investment Projects in 2012 by Category of State Aid for Investment Schemes (Number of Projects)	54
Map 15: The Distribution of Turkey's Bilateral Investment Treaties by Country	82

CHARTS

Chart 1: FDI Inflows, by Groups of Economies	2
Chart 2: FDI Outflows, by Groups of Economies.....	5
Chart 3: FDI Inflows in Turkey Between 1996 and 2012	16
Chart 4: Sectoral Distribution of FDI Inflows 2012.....	19
Chart 5: Breakdown of Companies with Foreign Capital by Mode of Establishment	25
Chart 6: Breakdown of Companies with Foreign Capital by Sector According to Mode of Entry	26
Chart 7: Distribution of the Number of the Projects in 2012 by Region.....	50
Chart 8: Distribution of the Investment Amount of the Projects in 2012 by Region.....	50
Chart 9: Distribution of Manufacturing Sector Investments Benefited from the Regional and Sectoral Scheme in 2012	52
Chart 10: Number of Companies Established in Turkey by the UK Based Investors and FDI Inflows from by the UK to Turkey	58
Chart 11: Number of Companies Established in Turkey by Austria Based Investors and FDI Inflows from Austria to Turkey	59
Chart 12: Number of Companies Established in Turkey by Luxembourg Based Investors and FDI Inflows from Luxembourg to Turkey	60
Chart 13: Number of Companies Established in Turkey by Netherlands Based Investors and FDI Inflows from Netherlands to Turkey	61
Chart 14: Number of Companies Established in Turkey by Germany Based Investors and FDI Inflows from Germany to Turkey	62
Chart 15: Number of Companies Established in Turkey by Malaysia Based Investors and FDI Inflows from Malaysia to Turkey	63
Chart 16: Number of Companies Established in Turkey by Switzerland Based Investors and FDI Inflows from Switzerland to Turkey	64
Chart 17: Number of Companies Established in Turkey by USA Based Investors and FDI Inflows from USA to Turkey	65
Chart 18: Number of Companies Established in Turkey by Azerbaijan Based Investors and FDI Inflows from Azerbaijan to Turkey	66
Chart 19: Number of Companies Established in Turkey by Lebanon Based Investors and FDI Inflows from Lebanon to Turkey	67

BOXES

Box 1: Assessment of The Members of The COMCEC (Standing Committee For Economic and Commercial Cooperation of The Organization of The Islamic Conference) 7

Box 2: Investment Support and Promotion Agency of Turkey (ISPAT) 78

A. FOREIGN DIRECT INVESTMENT INDICATORS

1.2012 GENERAL OVERVIEW

1.1. World Foreign Direct Investment Flows

The foreign direct investments (FDI), after getting into a recovery trend in 2010 and 2011 under global financial crisis, started to show downward trend in 2012 as a result of adverse effects of political uncertainties and macroeconomic fluctuations.

The latest version of World Investment Report that includes the final data for 2012, prepared by the United Nations Conference on Trade and Development (UNCTAD) and considered as one of the most prominent sources regarding global distribution of FDI by country and sector, was published in June 2013.

According to the UNCTAD's preliminary assessments¹, the value of global FDI flows in 2012 declined to the level of USD 1,351 billion with a decrease of 18% compared to 2011. In 2012, while actual FDI flows to developing countries decreased by around 4.4% compared to 2011, this ratio was approximately 31.6% for developed countries.

Fragilities and uncertainties in the world economy have negative impacts on FDI flows, and these negative impacts are expected to continue by the economic circles. However, global FDI flows for 2013 are expected to reach the pre-crisis level and increase to a level of USD 1.45 trillion.

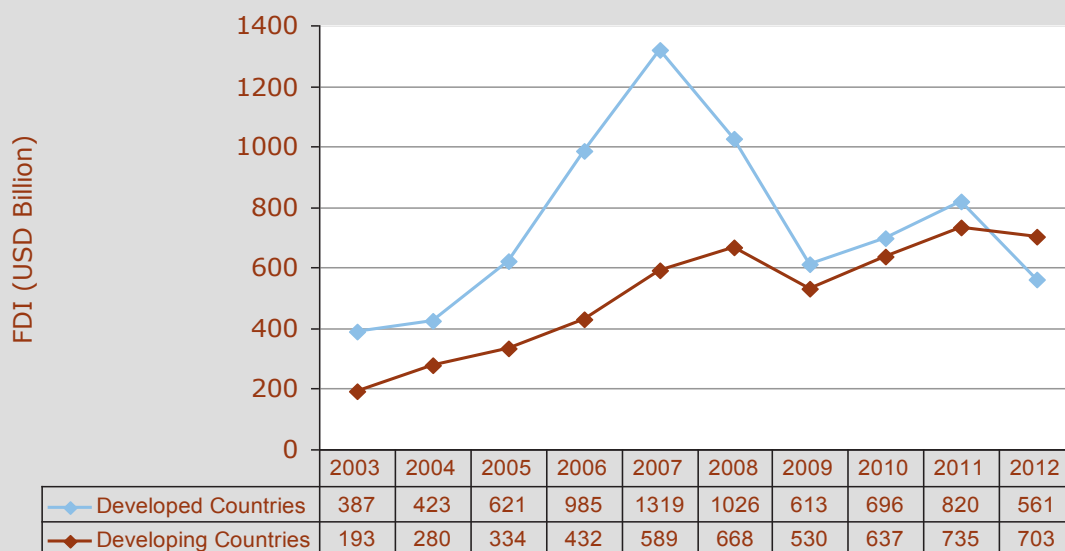
According to UNCTAD's report, the recession and debt crisis in the EU have had considerable impacts on the recent decline in the global FDI flows; however, the medium term expectations are optimistic. According to the Report, the volume of global FDI flows expected to be USD 1.6 trillion and USD 1.8 trillion respectively for the years 2014 and 2015.

¹ World Investment Report, June 2013, UNCTAD

The economic crisis changed investors’ preferences and risk perceptions with its global effects since 2008. In this regard, the developed countries with increasing debt stocks, notably the European Union region, have lost their attraction for investors. On the other hand, developing countries like Brazil, Russia, China and India have been regarded as the locomotives of global growth and strengthened their positions as the new leading destinations for international investors.

Within this context, for the first time, FDI flows to developing countries exceeded 50% in 2010, and continued with 50.9 % in 2011. In 2012, the share of FDI flows to the developing countries (USD 703 billion) and transition economies (USD 87.4 billion) increased to 58.5 %. These figures clearly indicate that negative economic developments in the EU and US in the post-crisis period resulted with the change of flows towards developing countries, making them gradually important in the global conjuncture (Chart 1).

Chart 1: FDI Inflows, by Groups of Economies



Source: WIR, 2013

In 2012, the United States could not overcome the negative effects of economic crisis, despite the recovery signals in its economy. As an outcome of this development that directly affected investments, despite of 26% decline compared to the previous year, the United States preserved its first position among the top recipient countries in the world by attracting an FDI amount of USD 167.6 billion. The United States was followed by China (USD 121.1 billion) and Hong Kong (USD 74.6 billion). Among the developing countries, China (USD 121.1 billion), Hong Kong (USD 74.6 billion), and Brazil (USD 65.3 billion) were the top three FDI recipients in 2012.

In 2012, FDI inflows to Turkey decreased by 22% compared to previous year and realized as USD 12.6 billion. In terms of global amount of FDI inflows, Turkey ranked 24th in the world by moving up two places in 2012 (Table 1).

Table 1: Global FDI Inflows, Top 10 Host Economies and Turkey 2010-2012 (USD Billion)

2010			2011			2012		
Rank	Country	FDI	Rank	Country	FDI	Rank	Country	FDI
1	The United States	197	1	The United States	226	1	The United States	167
2	China	114	2	China	123	2	China	121
3	Belgium	85	3	Belgium	103	3	Hong Kong	74
4	Hong Kong	82	4	Hong Kong	96	4	Brazil	65
5	Germany	57	5	Brazil	66	5	The United Kingdom	62
6	Singapore	53	6	Australia	65	6	Germany	56
7	The United Kingdom	50	7	Singapore	55	7	Australia	56
8	Brazil	48	8	Russia	55	8	Singapore	51
9	Russia	43	9	The United Kingdom	51	9	Russia	45
10	Ireland	42	10	Germany	48	10	Canada	62
29	Turkey	9	26	Turkey	16	24	Turkey	12.6
	World Total	1,408		World Total	1,651		World Total	1,351

Source: World Investment Report (WIR) 2013, UNCTAD

In 2012, Turkey's share in global FDI flows fell to 0.9% with a 0.1% decrease compared to previous year. Among 169 developing countries, Turkey had a share of 1.6% (it was 2% in 2011). Generally, Turkey's share in global FDI stayed stable at a level of 1-2% for many years.

UNCTAD's Report indicates that FDI flowing to the South and Eastern Asian Countries from EU countries have been an outcome of economic crisis. Moreover, despite the 22% decline in 2012, Turkey ranked the first largest recipient in the Western Asia region ahead of Saudi Arabia that attracted the largest amount of FDI in the region for the last six years.

Regarding FDI outflows of the countries that have the highest direct investments in Turkey, the outflows of EU Countries which particularly have an important share of 75% in Turkey's FDI fell down by 34% in 2012. Therefore, such significant decline in the outflows of the EU Countries has also been influential in drop of Turkey's FDI figures.

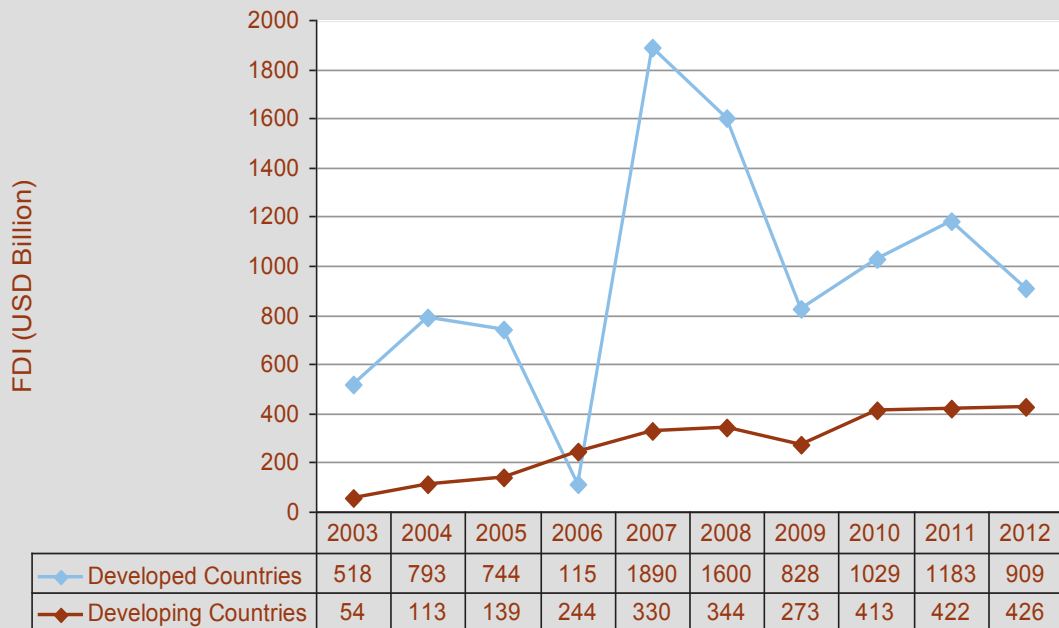
Turkey's top 8 investor countries (the Netherlands, Austria, the United States, Belgium, the United Kingdom, France, Luxemburg and Germany) which accounted for 66% of FDI inflows have a direct influence on investments to Turkey. An analysis of growth rates in these economies with their FDI outflows shows a positive relation between these two figures. In this regard, parallel to low growth rates in these developed countries; FDI outflows have recorded a decline in 2012.

According to the UNCTAD's Report, global FDI outflows decreased by 17% in 2012 compared to 2011 and reached to USD 1,390 billion. The FDI outflows of developing countries representing 65% of total investments, dropped by 23% to USD 909 billion. Developing and transition economies accounted for 35% of global investments with over USD 481 billion. The FDI outflows from developing and transition economies fell by 3% compared to previous year. This rate was 23% for developed countries. However, despite this decline, developed countries continued their leading position in terms of FDI outflows.

In 2012, the United States maintained its position among the top investor countries, ranking the first in the world with an investment amount of USD 328.8 billion. Japan (USD 122.5 billion) and China (USD 84.2 billion) followed the United States. Turkey ranked 43rd with USD 2.5 billion in 2011, and in 2012 Turkey moved up seven places and ranked 36th

with USD 4.1 billion. This shows that in 2012, Turkey was not only an attractive investment location, but also an increasingly important investor country.

Chart 2: FDI Outflows, by Groups of Economies



Source: WIR, 2013

According to UNCTAD's Report, the total inward FDI stock worldwide reached to USD 22.8 trillion as of 2012. The United States, Hong Kong and the United Kingdom hosted the top three places in terms of FDI stock. Among developing countries, Hong Kong, China, Brazil, Singapore, Russia and Mexico were the main holders of FDI stocks. In 2012, with an FDI stock value of USD 181 billion, Turkey rose to 28th place from 31st in the list of top countries in terms of FDI stock. The FDI stock to GDP ratio reached to 23% in 2012 from 17% in previous year.

Although the share of developing countries in FDI inflows was higher than developed countries in 2012, this trend has not yet reflected to the FDI stocks, so developed countries still preserve their leading positions in terms of FDI stocks.

Table 2: FDI Inward Stock, Top 10 Host Economies and Turkey (2012)

Rank	Country	FDI Stock (USD Billion)
1	The United States	3,931
2	Hong Kong	1,422
3	The United Kingdom	1,321
4	France	1,094
5	Belgium	1,010
6	China	832
7	Germany	716
8	Brazil	702
9	Singapore	682
10	Switzerland	665
28	Turkey²	181

Source: WIR, 2013

² Data on foreign direct investment in Turkey are obtained through an annual survey conducted with the FDI enterprises in Turkey, which are selected on the basis of certain criteria. Both book values and market values of the FDI enterprises are reported in the survey. In order to determine market values of the FDI enterprises that are quoted at the Istanbul Stock Exchange (ISE), market values announced by the ISE are used. As for the other enterprises, book values are multiplied with market value/book value ratios announced by the ISE for the related sectors.

Box 1: Assessment of The Members of The COMCEC (Standing Committee For Economic and Commercial Cooperation of The Organization of The Islamic Conference)

Investments of the COMCEC Countries in the World

According to UNCTAD's report, due to the crisis, FDI flows from the EU countries to Turkey moved towards the Asian and Middle Eastern Countries in recent years.

When UNCTAD's report is examined and the data is analyzed, FDI figures of some of the Asian and Middle Eastern countries, which include the COMCEC countries, attracted attention in recent years. FDI inflows of the COMCEC countries in the world were about 135 USD billion with the share of 8% in 2011 and 136 USD billion with the share of 10% in 2012. FDI outflows of the COMCEC countries in the world were about 58 USD billion with the share of 3% in 2011 and 55 USD billion with the share of 4% in 2012.

Azerbaijan, The United Arab Emirates, Saudi Arabia, Malaysia, Indonesia, Kuwait, Kazakhstan and Azerbaijan are the leading COMCEC countries in terms of foreign direct investment inflows and outflows in the world.

FDI Outflows of the COMCEC Countries (USD Million)

	2011	2012	Change (%)
Afghanistan	-	-	-
Albania	42	23	-45.2
Algeria	534	-41	-107.7
Azerbaijan	554	1,194	115.6
Bahrain	894	922	3.2
Bangladesh	13	53	304.8
Benin	60	-63	-206.2
Brunei	10	8	-20.0
Burkina Faso	1	1	-
Cameroon	144	193	33.8
Chad	-	-	-
Djibouti	-	-	-
Egypt	626	211	-66.3
Gabon	88	85	-3.1
Gambia	-	-	-
Guiana	-	-	-
Indonesia	7,713	5,423	-29.7
Iran	360	430	19.3
Iraq	366	549	49.9
Ivory Coast	-	-	-
Jordan	31	5	-82.6
Kazakhstan	4,630	1,582	-65.8
Kuwait	8,896	7,562	-15.0

Box 1 (Continued):

	2011	2012	Change (%)
Kyrgyzstan	-	-	-
Lebanon	754	611	-19.0
Libya	131	2,509	1815.3
Malaysia	15,249	17,115	12.2
Maldives	-	-	-
Mali	-	-	-
Mauritania	4	4	-
Morocco	179	361	101.9
Mozambique	-3	-9	151.7
Niger	9	7	-25.6
Nigeria	824	1,539	86.8
Oman	1,220	1,371	12.4
Pakistan	62	73	17.7
Palestin	-37	-2	-95.4
Qatar	6,027	1,840	-69.5
Republic of Guinea	-	-	-
Republic of Guinea Bissau	-	-	-
Saudi Arabia	3,430	4,402	28.3
Senegal	47	47	-
Sierra Leone	-	-	-
Somalia	-	-	-
Sudan	84	80	-5.4
Surinam	-3	1	129.0
Tajikistan	-	-	-
Togo	106	103	-2.8
Tunisia	28	13	-52.7
Turkey	2,349	4,074	73.4
Turkmenistan	-	-	-
Uganda	-	-	-
Union of the Komoros	-	-	-
United Arab Emirates	2,178	2,536	16.4
Uzbekistan	-	-	-
Yemen	77	71	-7.2
Total	57,676	54,884	-4.8

Source: WIR, 2013

Box 1 (Continued):

FDI Inflows of the COMCEC Countries (USD Million)

	2011	2012	Change (%)
Afghanistan	83	94	12.5
Albania	1,036	957	-7.6
Algeria	2,571	1,484	-42.3
Azerbaijan	1,467	2,005	36.7
Bahrain	781	891	14.1
Bangladesh	1,136	990	-12.9
Benin	161	159	-1.6
Brunei	1,208	850	-29.7
Burkina Faso	42	40	-5.2
Cameroon	243	507	108.7
Chad	282	323	14.7
Djibouti	78	100	28.2
Egypt	-483	2,798	679.6
Gabon	696	702	0.9
Gambia	36	79	118.8
Guiana	-	-	-
Indonesia	19,241	19,853	3.2
Iran	4,150	4,870	17.3
Iraq	2,082	2,549	22.4
Ivory Coast	-	-	-
Jordan	1,474	1,403	-4.8
Kazakhstan	13,903	14,022	0.9
Kuwait	855	1,851	116.5
Kyrgyzstan	694	372	-46.3
Lebanon	3,485	3,787	8.7
Libya	-	-	-
Malaysia	12,198	10,074	-17.4
Maldives	256	284	10.7
Mali	-	-	-
Mauritania	-	-	-

Box 1 (Continued):

	2011	2012	Change (%)
Morocco	2,568	2,836	10.4
Mozambique	2,663	5,218	96.0
Niger	1,066	793	-25.6
Nigeria	8,915	7,029	-21.2
Oman	739	1,514	104.9
Pakistan	1,327	847	-36.2
Palestin	214	244	14.3
Qatar	-87	327	476.6
Republic of Guinea	-	-	-
Republic of Guinea Bissau	-	-	-
Saudi Arabia	16,308	12,182	-25.3
Senegal	338	338	-0.2
Sierra Leone	-	-	-
Somalia	102	107	5.2
Sudan	2,692	2,466	-8.4
Surinam	70	70	0.4
Tajikistan	11	290	2502.0
Togo	171	166	-2.8
Tunisia	1,148	1,918	67.1
Turkey	16,047	12,557	21.7
Turkmenistan	3,399	3,159	-7.1
Uganda	894	1,721	92.5
Union of the Komoros	-	-	-
United Arab Emirates	7,679	9,602	25.0
Uzbekistan	1,467	1,094	-25.4
Yemen	-518	349	167.3
Total	134,888	135,872	0.7

Source: WIR, 2013

Box 1 (Continued):**Investments of the COMCEC Countries in Turkey**

An analysis of the investments of the COMCEC countries made since 2007 demonstrates that Azerbaijan (USD 1.7 billion), Saudi Arabia (USD 1.6 billion), Kuwait (USD 961 million), the United Arab Emirates (USD 582 million) and Lebanon (USD 516 million) are among the major investor countries in Turkey.

FDI Flows of the COMCEC Countries to Turkey (USD Million)

	2007	2008	2009	2010	2011	2012
Albania	0	0	0	0	0	5
Azerbaijan	10	18	69	12	1,266	339
Bahrain	36	47	96	0	5	23
Indonesia	0	0	0	0	9	1
Iran	3	25	30	31	0	0
Iraq	5	0	0	0	0	1
Jordan	102	44	0	0	4	0
Kazakhstan	613	1	20	2	1	1
Kuwait	77	330	73	193	43	245
Lebanon	84	34	9	29	45	315
Libya	0	82	1	0	0	0
Malaysia	0	8	25	6	15	461
Pakistan	15	23	25	25	0	0
Qatar	0	126	0	52	50	46
Saudi Arabia	10	1,312	34	39	8	152
United Arab Emirates	183	148	6	104	89	52
Total FDI Inflows from the COMCEC Countries	1,138	2,198	388	493	1,535	1,641
Total FDI Inflows to Turkey	22,047	19,760	8,663	9,036	16,047	12,557
The share of FDI flows from the COMCEC Countries to Turkey (%)	5	11	4	5	10	13

Source: UNCTAD, CBRT

* Afghanistan, Bangladesh, Benin, Brunei, Burkina Faso, Algeria, Djibouti, Chad, Morocco, Ivory, Palestine, Gabon, Gambia, Guinea Bissau, Guinea Republic, Guyana, Cameroon, Kyrgyzstan, Union of the Comoros, Maldives, Mali, Egypt, Mauritania, Mozambique, Niger, Nigeria, Uzbekistan, Senegal, Sierra Leone, Somalia, Sudan, Suriname, Tajikistan, Togo, Tunisia, Turkmenistan, Uganda, Oman and Yemen do not have any transactions reflected as FDI inflows in Balance of Payments of Central Bank of Turkey.

Box 1 (Continued):

Shares of FDI flows to Turkey in Outflows of the COMCEC Countries

Shares of FDI flows to Turkey in Total Outflows of the COMCEC Countries

	Outflows of the COMCEC Countries		Inflows to Turkey from the COMCEC Countries		Ratios (%)	
	2011	2012	2011	2012	2011	2012
Albania	42	23	0	5	0	22
Azerbaijan	554	1,194	1,266	339	229	28
Bahrain	894	922	5	23	1	2
Indonesia	7,713	5,423	9	1	0	0
Iraq	366	549	0	1	0	0
Jordan	31	5	4	0	13	0
Kazakhstan	4,630	1,582	1	1	0	0
Kuwait	8,896	7,562	43	245	0	3
Lebanon	754	611	45	315	6	52
Malaysia	15,249	17,115	15	461	0	3
Qatar	6,027	1,840	50	46	1	2
Saudi Arabia	3,430	4,402	8	152	0	3
United Arab Emirates	2,178	2,536	89	52	4	2

Source: UNCTAD, CBRT

* Afghanistan, Bangladesh, Benin, Brunei, Burkina Faso, Algeria, Djibouti, Chad, Morocco, Ivory, Palestine, Gabon, Gambia, Guinea Bissau, Guinea Republic, Guyana, Iran, Cameroon, Kyrgyzstan, Komolar Union, Libya, Maldives, Mali, Egypt, Mauritania, Mozambique, Niger, Nigeria, Uzbekistan, Pakistan, Senegal, Sierra Leone, Somalia, Sudan, Suriname, Tajikistan, Togo, Tunisia, Turkmenistan, Uganda, Oman and Yemen do not have any transactions reflected as FDI inflows in Balance of Payments of Central Bank of Turkey in 2011 and 2012; thus, they are not included in the comparison table above.

** FDI flows, from Azerbaijan to Turkey that realized in December 2011 were not reflected in UNCTAD's statistics which were announced in June 2013.

Sectoral Distribution and Investment Composition

Analysis of data on sectoral distribution indicates that there was a sharp drop in FDI inflows to manufacturing, agriculture and mining sectors in 2012.

Cross border mergers and acquisitions transactions and greenfield investments, are the cornerstones of global FDI flows. In this regard, greenfield investments fell by 33%, and cross border mergers and acquisitions transactions decreased by 45% in 2012. In sectoral basis, considering total greenfield investments, manufacturing industry amounted to USD 264 billion with 42% decline, agriculture and mining sector amounted to USD 25 billion with 67% decline and services sector fell to the level of USD 323 billion with 16% decline. In 2012, there were drops in important sectors like energy, petroleum products, manufacturing of motor vehicles and chemical products.

Mergers and Acquisitions (M&A)

According to the UNCTAD's Report, total value of worldwide cross border mergers and acquisition transactions was about USD 308 billion with a 45% decrease compared to the previous year. The number of cross border mergers and acquisition deals fell by 11% and declined to 5,400 in 2012. During the year, most of the cross border mergers and acquisition transactions were made in the United States, Canada and the EU Countries.

A look at the sectoral distribution of cross-border mergers and acquisitions shows that 46% of the transactions were made in manufacturing sector and 50% in services sector. Compared to 2011, in terms of the value of cross border mergers and acquisition transactions, manufacturing sector fell to the level of USD 137 billion with 33% decline, agriculture and mining sector to USD 47 billion with 66% decline and services sector to USD 47 billion with 42% decline.

The data in UNCTAD's Report show that the value of the cross border M&A transactions in Turkey which amounted to USD 9.8 billion in 2011 declined to USD 4.7 billion in 2012.

1.2. Foreign Direct Investment Inflows to Turkey

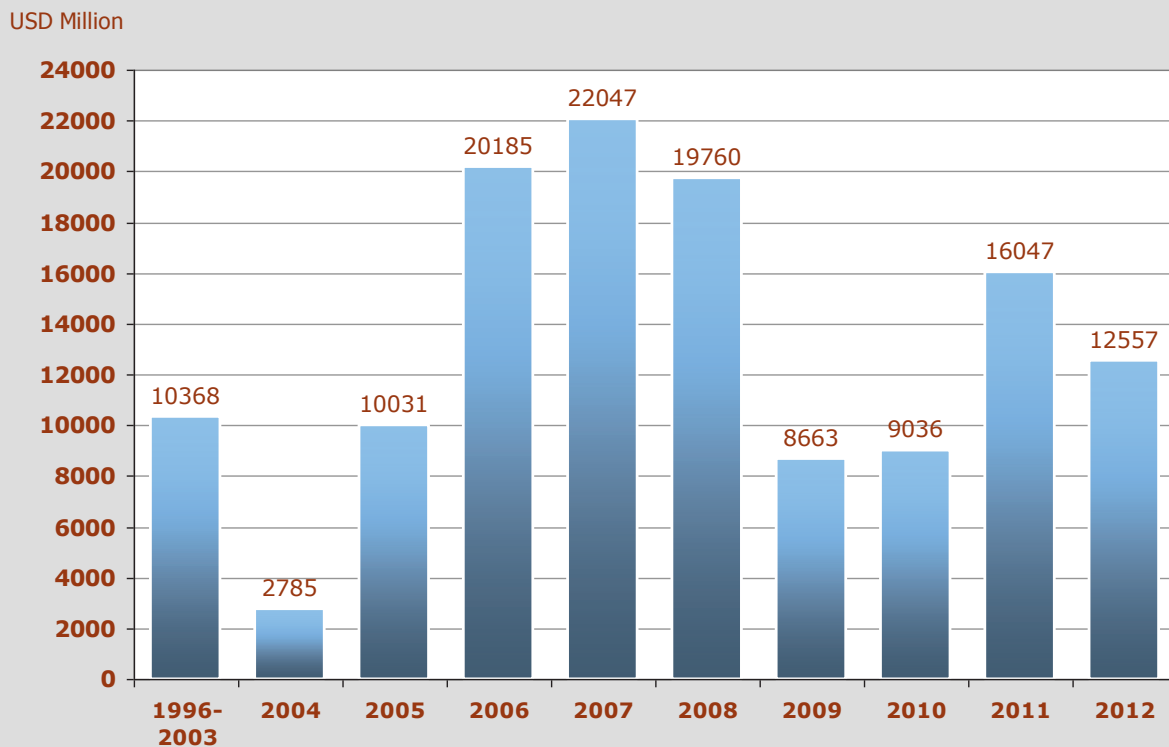
1.2.1. Components of Foreign Direct Investment Inflows³

Thanks to stable and predictable policies that have been carried out during the last decade, Turkey has sustained a confident economic environment, and in this context, FDI inflows to the country increased significantly. While the accumulated FDI inflows to Turkey until the year 2002 accrued to only about USD 15 billion, it reached to USD 122.8 billion between 2003-2012 with an increase of more than eightfold.

FDI inflows to Turkey has had an upward trend especially since 2005, and it reached to USD 22 billion in 2007 as the highest level ever recorded. However, the country got affected by the decline in global FDI flows which was due to the economic crisis in 2008, and since 2009 FDI inflows to Turkey has followed a fluctuating course. (Graph 3)

FDI inflows to Turkey reached to USD 16 billion in 2011; and USD 12.6 billion of in 2012. As previously mentioned, according to the UNCTAD's report, Turkey rose to the 24th rank moving up two places among the target countries in 2012.

³ According to Foreign Direct Investment Law no 4875; foreign direct investment inflow is defined as the net amount of cross-border transfers by companies based in Turkey which are classified as equity capital or other capital in Central Bank of the Republic of Turkey's balance of payment statistics and transfers for acquisitions of real estate by foreigners.

Chart 3: FDI Inflows in Turkey Between 1996 and 2012

Out of the USD 12.6 billion of the FDI inflows received in 2012, USD 9.5 billion came as the equity component and USD 2.6 billion was from real estate purchases. In this context, the equity component of FDI inflows in 2012 decreased by USD 4.5 billion compared to 2011, and the value of real estate purchases had an increase of approximately USD 600 million. (Table 3)

Table 3: FDI Inflows by Component (1996–2012) (USD Million)⁴

	1996-2004 (Cumulative)	2005	2006	2007	2008	2009	2010	2011	2012
Cumulative FDI (net)	13,153	10,031	20,185	22,047	19,760	8,663	9,036	16,047	12,557
<i>Capital (Net)</i>	9,930	8,134	16,982	18,394	14,712	6,170	6,203	14,064	9,503
Inflow	11,070	8,535	17,639	19,137	14,747	6,252	6,238	16,055	10,136
Outflow	-1,140	-401	-657	-743	-35	-82	-35	-1,991	-633
<i>Other Capital^a</i>	882	56	281	727	2,111	711	339	-30	418
Real Estate Purchases (Net)	2,341	1,841	2,922	2,926	2,937	1,782	2,494	2,013	2,636

Source: CBRT

a) Investment credits received by foreign-owned companies from the foreign partner

1.2.2. Foreign Direct Investments by Sector⁵

An analysis of the sectoral breakdown of FDI inflows in the last 10 years reveals that the financial intermediation sector holds the top place with USD 38.6 billion. Financial intermediation sector is followed by the manufacturing sector (21.8 USD billion), the energy sector (USD 12.1 billion), the telecommunications sector (USD 11.2 billion), and wholesale and retail trade sector (USD 4.8 billion).

In 2012, manufacturing, construction and financial intermediation have been the top three sectors in Turkey in terms of FDI inflows accounting for a 71.8% of the total (Table 4). While there has been an increase of USD 800 million in manufacturing sector FDI compared to previous year, the increase in the construction sector has been more than USD 1 billion.

⁴ 2011 data, released in 2012 Balance of Payments Report published by the Central Bank of the Republic of Turkey in April 2012, were used in this report. Balance of Payments statistics concerning previous years which are published by the Central Bank of the Republic of Turkey are revised retrospectively upon requirement.

⁵ In terms of equity component of FDI inflows in 2012

Table 4: FDI Inflows by Sector⁶, 2012 (USD Million)

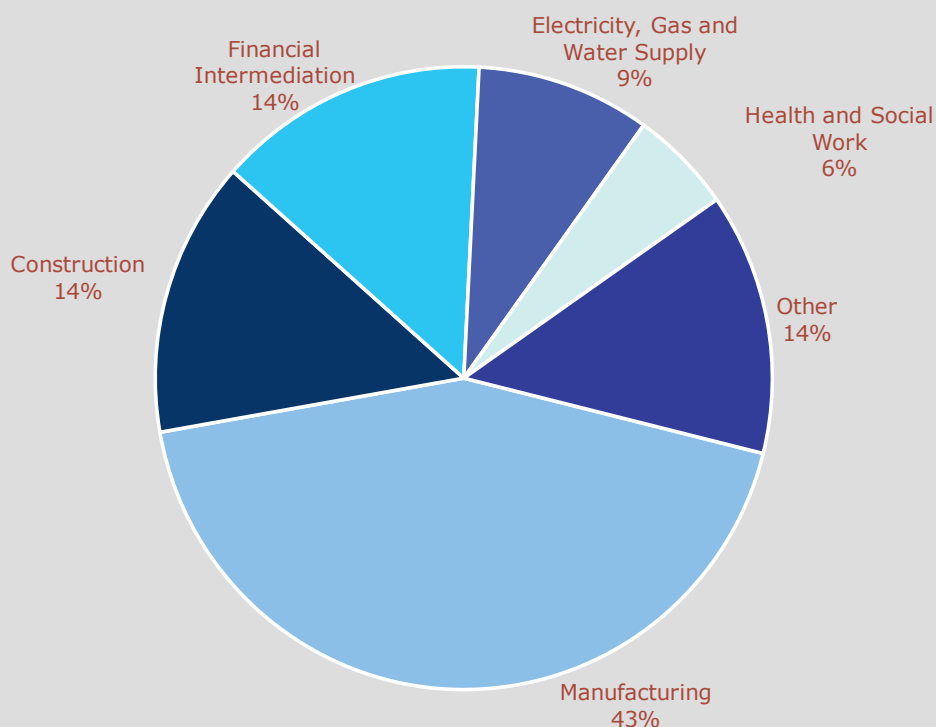
Rank	Sector	Capital	(%)
1	Manufacturing	4,392	43.3
2	Construction	1,453	14.3
3	Financial Intermediation	1,443	14.2
4	Electricity, Gas and Water Supply	924	9.1
5	Health and Social Work	545	5.4
6	Administrative and Support Service Activities	242	2.4
7	Wholesale and Retail Trade	219	2.2
8	Mining and Quarrying	214	2.1
9	Real Estate, Renting and Business Activities	179	1.8
10	Transport, Storage and Communication	131	1.3
	Other	394	3.9
	Total	10,136	100.0

Source: CBRT

Manufacturing sector held the first place with USD 4.4 billion of FDI inflows in 2012. Besides the fact that almost half of the M&A transactions in Turkey were made in this sector, significant capital increases were also observed. The major transaction which was reflected in the balance of payments in 2012 was the acquisition of shares of Anadolu Efes by SAB Miller amounting to USD 1.9 billion of FDI inflows.

In 2012, construction sector followed manufacturing sector in terms of FDI inflows, and the biggest transaction was the acquisition of 38% of the shares of TAV Airports Holding by the France based Aéroports de Paris, which was reflected in the balance of payments in 2012 as an FDI inflow of USD 1.1 billion.

⁶ Net amount of transfers of the companies and branch offices with foreign capital and domestic companies with the participation of foreign capital. Other capital, that is investment credits received by foreign-owned companies from foreign partners and transfers for acquisition of real estate by foreigners are excluded.

Chart 4: Sectoral Distribution of FDI Inflows 2012**Table 5: Sectoral Distribution of FDI Inflows, 2003-2012 (USD Million)**

Sector	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Manufacturing	347	206	865	1,701	4,131	3,971	1,642	923	3,573	4,392	21,751
Construction	8	2	81	215	287	337	209	314	301	1,453	3,207
Financial Intermediation	54	127	3,856	6,954	11,717	6,136	817	1,620	5,882	1,443	38,606
Electricity, Gas and Water Supply	87	63	2	1,164	567	1,055	2,153	1,823	4,244	924	12,082
Health and Social Work	3	0	26	71	176	147	105	112	231	545	1,416
Administrative and Support Service Activities	0	0	17	30	2	25	6	0	47	242	369
Wholesale and Retail Trade	177	36	78	456	234	2,088	390	435	709	219	4,822
Mining and Quarrying	13	74	41	123	336	145	89	135	146	214	1,316
Real Estate, Renting and Business Activities	0	1	216	79	448	453	210	241	300	179	2,127
Transportation and Storage	0	6	21	453	679	96	230	182	223	131	2,021
Telecommunication	2	670	3,263	6,353	472	97	173	36	36	114	11,216
Total	696	1,190	8,535	17,639	19,137	14,747	6,252	6,238	16,055	10,136	100,625

Source: CBRT

1.2.3. FDI Inflows⁷ by Home Country

Table 6: FDI Inflows by Home Country 2011-2012 (USD Million)

2011			
Rank	Country	Capital Inflow	(%)
1	Austria	2,418	15.1
2	Spain	2,251	14.0
3	Belgium	1,495	9.3
4	The Netherlands	1,425	8.9
5	The United States	1,402	8.7
6	Azerbaijan	1,266	7.9
7	France	999	6.2
8	The United Kingdom	904	5.6
9	Russia	762	4.7
10	Germany	665	4.1
	Total	16,055	100.0

Source: CBRT

2012			
Rank	Country	Capital Inflow	(%)
1	The United Kingdom	2,004	19.8
2	Austria	1,491	14.7
3	Luxembourg	1,261	12.4
4	The Netherlands	1,182	11.7
5	Germany	551	5.4
6	Malaysia	461	4.5
7	Switzerland	455	4.5
8	The United States	438	4.3
9	Azerbaijan	339	3.3
10	Lebanon	315	3.1
	Total	10,136	100.0

Source: CBRT

United Kingdom, Austria and Luxembourg, which were among the top investors in 2012, ranked in the top ten in terms of FDI inflows to Turkey between 2003 and 2012. In 2012, the amount of FDI inflows from Malaysia, Azerbaijan, and Lebanon revealed that there was an increasing interest of Asian countries in Turkey. Despite a rise in FDI flows from other regions, FDI inflows to Turkey from the EU countries sustained long lasting dominant share in total.

⁷ Net amount of transfers of the companies and branch offices with foreign capital and domestic companies with the participation of foreign capital. Other capital, that is, investment credits received by foreign-owned companies from foreign partners and transfers for acquisition of real estate by foreigners are excluded.

1.2.4. Cross-border M&A Activities and FDI⁸

In 2012, Turkey has maintained its economic stability in spite of the uncertainties and fragility in the world economy. In this sense, the country with its geographical location and a rapidly growing economy, sustained a stable image and certain attractiveness for the cross-border M&A transactions.

Even though, there exist differences regarding the number of and value of M&A transactions in different reports prepared by various organizations, due to the different methods of analysis and calculation, all agree upon the fact that the number and value of the M&A transactions in Turkey surpassed previous year's figures in 2012.

According a report published by Ernst & Young, M&A transactions both in terms of the number and the trading volume, showed a significant increase in 2012 compared to the previous year. In 2012, 315 M&A transactions were announced in Turkey. According to Deloitte's report, 259 M&A transactions were realized. Ernst & Young's report shows that the total volume of M&A transactions was about USD 23 billion in 2012; while according to Deloitte's report, the relevant figure was around USD 28 billion. Considering the decrease in the worldwide M&A transactions in 2012, this high number of M&A transactions in Turkey reveals that the country has been a major hub for the foreign investments by maintaining its macroeconomic stability.

According to Ernst & Young's report, similar to the previous year, in the total volume of M&A transactions in 2012, the share of foreign investors was 51%, and the share of Turkish investors was 49%. Deloitte's report, on the other hand, states that the share of Turkish investors was 46%. The profile of the investors demonstrates that the foreign investors remained behind Turkish investors in terms of the number of transactions (the number of transactions of Turkish investors was 184, the number of transactions of foreign

⁸ Source: Deloitte Annual Turkish M&A Review 2012, January 2013
2012 Report on Merger and Acquisition Transactions, Ernst & Young, January 2013

investors is 131), however, trading volume of transactions by foreign investors was higher than that of the Turkish investors. (Trading volume of Turkish investors was USD 11.5 billion, while trading volume of foreign investors was USD 11.7 billion).

Another analysis of the Ernst & Young’s report is the evaluation regarding the large-volume transactions. The analysis shows that preference of foreign investors for the larger volume of transactions in 2012 compared to 2011 was noteworthy. When analyzing the M&A transactions carried out by foreign investors, an apparent dominance of the EU countries and the United States was observed as in previous years in terms of the number of transactions. Russia, Japan, Singapore and Kuwait were also among the top ranking countries alongside the U.S. and EU countries.

Table 7: Top Five Cross-Border M&A Transactions in 2012⁹

Acquired Company	Acquiring Company	Home Country of the Acquiring Company	FDI (USD Million)
Anadolu Efes	SAB Miller	The United Kingdom	1,900
TAV Havalimanları	Aéroports de Paris	Austria	1,100
Acıbadem Sağlık Hizmetleri	Integrated Healthcare Holdings	Malaysia	400
Polimer Kauçuk Sanayi ve Pazarlama A.Ş.	Eaton Corporation	Luxembourg	371
Mustafa Nevzat İlaç Sanayi	Amgen	The United States	225

Source: Ministry of Economy, CBRT

In 2012, significant M&A transactions were realized mainly in manufacturing and services sectors. The acquisition of 24% of the shares of Anadolu Efes by the UK-based SAB Miller for U.S. \$ 1.9 billion, the acquisition of 38% of the shares of TAV Airports Holding by France-based Aéroports de Paris for USD 1.1 billion, the acquisition of 24% of the shares of Acıbadem Healthcare Services by Malaysia-based Integrated Healthcare Holdings for USD 400 million, the acquisition of the shares of Polymer Rubber Industry and Marketing Inc. by Eaton Corporation for USD 371 million, the acquisition of 99% of the shares of Mustafa Nevzat Pharmaceuticals Manufacturing by Amgen for USD 700 million

⁹In terms of the equity component of FDI inflows in 2012.

(USD 225 million of the transaction were transferred from Switzerland) and the acquisition of a portion of the shares in Eurobank Tefen by the Kuwait-based Burgan Bank for USD 192 million, were the most important cross-border M&A transactions in 2012.

1.3. Companies with Foreign Capital in Turkey¹⁰

As of the end of 2012 there are 33,439 companies with foreign capital in Turkey. 27,813 of them are companies and branch offices with foreign capital, and 5,626 of them are formed by participation of foreign partners to existing domestic companies. (Table 8)

Table 8: Number of Companies with Foreign Capital by Year According to Their Mode of Establishment

Year	Company Establishment	Participation	Branch Office	Total
1954-2007 (Accumulated)	12,632	3,031	436	16,099
2008	2,356	605	61	3,022
2009	2,189	549	65	2,803
2010	2,665	527	81	3,273
2011	3,628	628	91	4,347
2012	3,529	286	80	3,895
Total	26,999	5,626	814	33,439

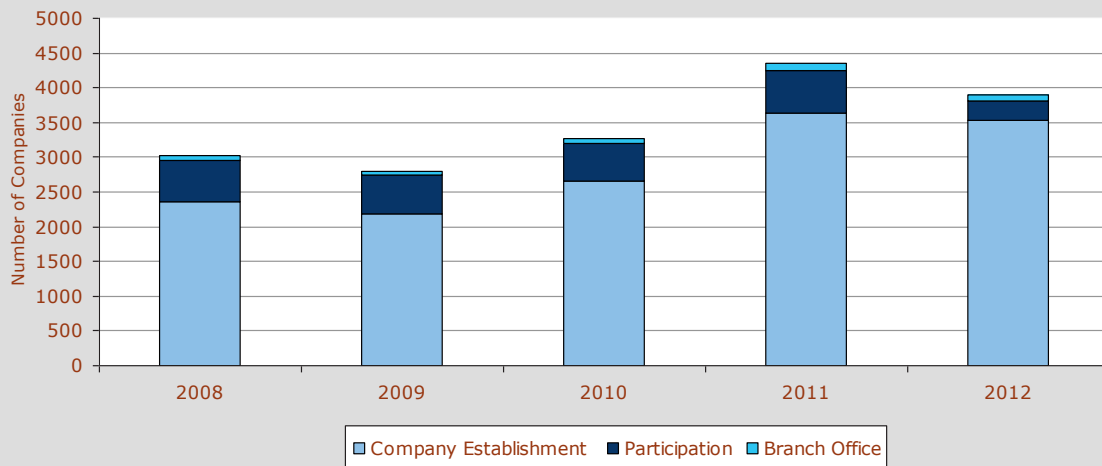
Provisional Data, Source: Ministry of Economy

Following the 7% decrease in 2009, number of companies with foreign capital increased by 17% and 33% in 2010 and 2011, respectively. Though there was a 10% decrease in 2012, the resulting figure is still the second largest among the annual number of the established companies ever recorded.

By the end of 2012, 78.4% of the 33,439 companies with foreign capital are limited companies, 19.4% of them are joint stock companies, and the remaining 2.2% are branch offices.

¹⁰ Number of companies with foreign capital is subject to change continuously due to updates on liquidations or exit of foreign partner. Revisions are made periodically.

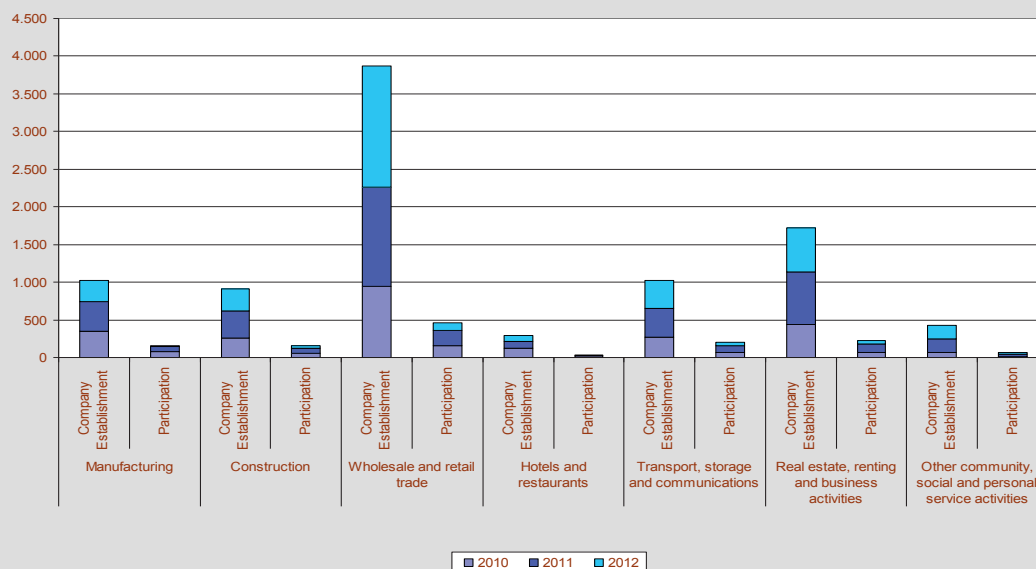
**Chart 5: Breakdown of Companies with Foreign Capital
by Mode of Establishment
2008-2012**



Provisional Data, Source: Ministry of Economy

The average share of the new companies and branch offices between the period of 2008-2012 is around 83% of the total companies with foreign capital.

Chart 6: Breakdown of Companies with Foreign Capital by Sector According to Mode of Entry 2010-2012



Provisional Data, Source: Ministry of Economy

Majority of the companies with foreign capital that have investments in Turkey operate in wholesale and retail trade, which is followed by the real estate rental and business activities and manufacturing sectors.

1.3.1. Sectoral Breakdown of Companies with Foreign Capital

Of the total 33,439 companies with foreign capital in Turkey, 10,884 are operating in the wholesale and retail trade, 5,046 are in manufacturing industry, and 5,391 are in real estate rental and business activities sector. Chemicals and chemical products are in the leading places in terms of number of companies with foreign capital in manufacturing industry, and manufacturing of food products, beverages and tobacco and manufacturing of textiles are sub-sectors that come after (Table 9).

Table 9: Sectoral Breakdown of Companies with Foreign Capital

Sector	1954-2007	2008	2009	2010	2011	2012	1954-2012
	(Cumulative)						Total
Agriculture, hunting, fishing and forestry	238	49	52	61	70	47	517
Mining and quarrying	291	86	70	81	102	17	647
Manufacturing	3,055	436	370	423	462	300	5,046
<i>Manufacture of food products, beverages and tobacco</i>	313	32	51	64	46	21	527
<i>Manufacture of textiles</i>	378	20	16	22	32	19	487
<i>Manufacture of chemicals and chemical products</i>	337	44	37	51	59	35	563
<i>Manufacture of machinery and equipment</i>	253	47	30	29	38	28	425
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	188	21	17	8	14	10	258
<i>Other Manufacturing</i>	1,586	272	219	249	273	187	2,786
Electricity, gas and water supply	198	103	121	120	139	139	820
Construction	1,412	329	291	315	435	313	3,095
Wholesale and retail trade	4,948	725	876	1,100	1,523	1,712	10,884
Hotels and restaurants	1,201	196	162	139	100	90	1,888
Transport, storage and communications	1,362	269	248	333	481	404	3,097
Financial intermediation	219	41	15	15	32	25	347
Real estate, renting and business activities	2,415	588	444	514	789	641	5,391
Other community, social and personal service activities	760	200	154	172	214	207	1,707
Total	16,099	3,022	2,803	3,273	4,347	3,895	33,439

Provisional Data, Source: Ministry of Economy

An analysis of sectoral distribution of the companies with foreign capital between 2008-2012 shows that wholesale and retail trade, real estate rental and business activities and the manufacturing industry rank in the first three places. In 2012, the total number of the companies with foreign capital in electricity, gas and water supply sector increased by 314%, compared to the figure in 2007. It is followed by 127% in transportation, communication and storage services sector and 124% other community, social and personal service activities.

1.3.2. Companies with Foreign Capital by Home Country

Composition of 33,439 companies with foreign capital by country groups shows that EU countries have leading ranks with a total of 16,758 companies. Among the EU countries the first three countries are Germany with 5,270 companies, the United Kingdom with 2,475 companies, and the Netherlands with 2,139 companies (Table 10).

Of the 3,895 companies established in 2012, 1,401 have partners from the EU, 1,529 from Near and Middle Eastern and 371 from the other European countries (Table 10).

Table 10: Breakdown of Companies with Foreign Capital by Home Country

Country	1954-2007	2008	2009	2010	2011	2012	1954-2012
	(Cumulative)						Total
EU Countries	9,128	1,661	1,407	1,408	1,753	1,401	16,758
Germany	2,751	537	480	458	599	445	5,270
The Netherlands	1,237	248	140	173	181	160	2,139
United Kingdom	1,583	217	188	156	182	149	2,475
Italy	531	98	86	93	112	94	1,014
Other EU Countries	3,026	561	513	528	679	553	5,860
Other European Countries (Except EU)	1,713	422	323	401	456	371	3,686
Africa Countries	269	43	66	98	130	142	748
North America	836	122	141	133	188	135	1,555
U.S.A.	734	105	109	102	160	98	1,308
Canada	102	17	32	31	28	37	247
Central and South America, Caribbean	94	14	15	13	20	18	174
Near and Middle Eastern Countries	2,779	509	604	924	1,430	1,529	7,775
Other Asia	1,087	212	223	261	334	263	2,380
China	267	41	39	41	53	49	490
South Korea	116	13	20	18	16	27	210
Other	704	158	164	202	265	187	1,680
Other Countries	193	39	24	35	36	36	363
Total	16,099	3,022	2,803	3,273	4,347	3,895	33,439

Provisional Data, Source: Ministry of Economy

1.3.3. Companies with Foreign Capital by the Size of Capital

When grouped by equity capital size, the downward trend regarding the share of companies with less than USD 50,000 of equity capital between 2009 and 2011 got reversed in 2012.

Nevertheless, the share of the companies with an equity capital within the range of USD 50,000-200,000 increased from 29.1% in 2008 to 38.7% in 2012.

The share of the companies with a capital higher than USD 500,000 was 7.5% in 2012 (Table 11)

Table 11: Breakdown of Companies with Foreign Capital by Amount of Equity Capital (2008-2012)

Capital Amount (\$)	2008		2009		2010		2011		2012	
	Number of Companies	Share in Total (%)	Number of Companies	Share in Total (%)	Number of Companies	Capital Amount (\$)	Number of Companies	Share in Total (%)	Number of Companies	Share in Total (%)
<50,000	1,324	43.8	1,295	46.2	1,462	44.7	1,846	42.5	1,859	47.7
50,000 – 200,000	878	29.1	925	33.0	1,152	35.2	1,720	39.6	1,507	38.7
200,000 – 500,000	344	11.4	238	8.5	291	8.9	366	8.4	235	6.0
>500,000	476	15.8	345	12.3	368	11.2	415	9.5	294	7.5
Total	3,022	100.0	2,803	100.0	3,273	100.0	4,347	100.0	3,895	100.0

Provisional Data, Source: Ministry of Economy

In 2012, 294 companies with an equity capital over USD 500,000, were established. Among these 113 were in the wholesale and retail trade sector, 42 in real-estate renting and business activities sector, 33 in the manufacturing industry, 28 in transportation, communication and storage services, 27 in construction sector and 14 in electricity, gas and water sector (Table 12).

Table 12: Breakdown of Companies with Foreign Capital by Sector and Amount of Equity Capital (2011-2012)

Sector	2011					2012				
	Capital Amount (\$)					Capital Amount (\$)				
	<50,000	50,000 – 200,000	200,000 – 500,000	>500,000	Total	<50,000	50,000 – 200,000	200,000 - 500,000	>500,000	Total
Agriculture, Hunting, Forestry and Fishery	31	26	6	7	70	14	25	4	4	47
Mining and Quarrying	32	41	14	15	102	4	12	1	0	17
Manufacturing Industry	154	174	53	81	462	132	107	28	33	300
<i>Food Products, Beverage and Tobacco Manufacturing</i>	11	17	7	11	46	7	8	4	2	21
<i>Textile Products Manufacturing</i>	10	13	5	4	32	11	7	1	0	19
<i>Chemical Substance and Products Manufacturing</i>	24	18	2	15	59	17	11	3	4	35
<i>Machinery and Equipment Manufacturing</i>	11	17	7	3	38	9	11	2	6	28
<i>Motor Land Vehicle Manufacturing</i>	4	1	1	8	14	4	1	2	3	10
<i>Other Manufacturing</i>	94	108	31	40	273	84	69	16	18	187
Electricity, Gas and Water	65	44	9	21	139	83	35	7	14	139
Construction	152	185	53	46	436	126	132	28	27	313
Wholesale and Retail Trade	600	673	132	116	1,521	733	753	113	113	1,712
Hotels and Restaurants	36	48	7	9	100	40	37	5	8	90
Transport, Communication, Storage	186	209	44	43	482	202	155	19	28	404
Activities of Financial Intermediation Organizations	16	3	2	11	32	8	5	1	11	25
Real-estate Renting and Business Activities	441	261	38	50	790	408	172	19	42	641
Other Communal, Social and Individual Service Activities	133	56	8	16	213	109	74	10	14	207
Total	1,846	1,720	366	415	4,347	1,859	1,507	235	294	3,895

Provisional Data, Source: Ministry of Economy

In 2012, 134 of the 294 companies with an equity capital over USD 500,000, were companies with partners from EU countries. Among them Germany is prominent with 33 companies operating in Turkey (Table 13).

Table 13: Breakdown of Companies with Foreign Capital by Home Country and Amount of Equity Capital (2011 - 2012)

Country	2011					2012				
	Capital Amount (Dollars)									
	<50,000	50,000 – 200,000	200,000 – 500,000	>500,000	Total	<50,000	50,000 – 200,000	200,000 – 500,000	>500,000	Total
EU Countries	906	522	134	191	1,753	799	391	77	134	1,401
Germany	307	187	49	56	599	241	142	29	33	445
The Netherlands	89	56	9	26	180	83	47	7	23	160
England	110	48	16	8	182	99	31	5	14	149
Italy	63	23	12	14	112	52	27	5	10	94
Other EU Countries	337	208	48	87	680	324	144	31	54	553
Other European Countries (Except EU Countries)	203	185	28	40	455	181	134	25	31	371
North African Countries	39	48	7	9	103	46	48	7	6	107
Other African Countries	18	8	0	1	27	19	15	0	1	35
North America	92	69	11	16	188	74	44	7	10	135
U.S.A.	80	56	9	15	160	55	29	5	9	98
Canada	12	13	2	1	28	19	15	2	1	37
Central and South America, Caribbean	11	5	0	4	20	8	5	1	4	18
Near and Middle Eastern Countries	439	741	150	99	1,429	591	759	100	79	1,529
Other Asia	120	135	36	44	335	120	101	17	25	263
Other Countries	18	7	0	11	36	21	10	1	4	36
Total	1,846	1,720	366	415	4,347	1,859	1,507	235	294	3,895

Provisional Data, Source: Ministry of Economy

1.3.4. Geographical Distribution of Companies with Foreign Capital

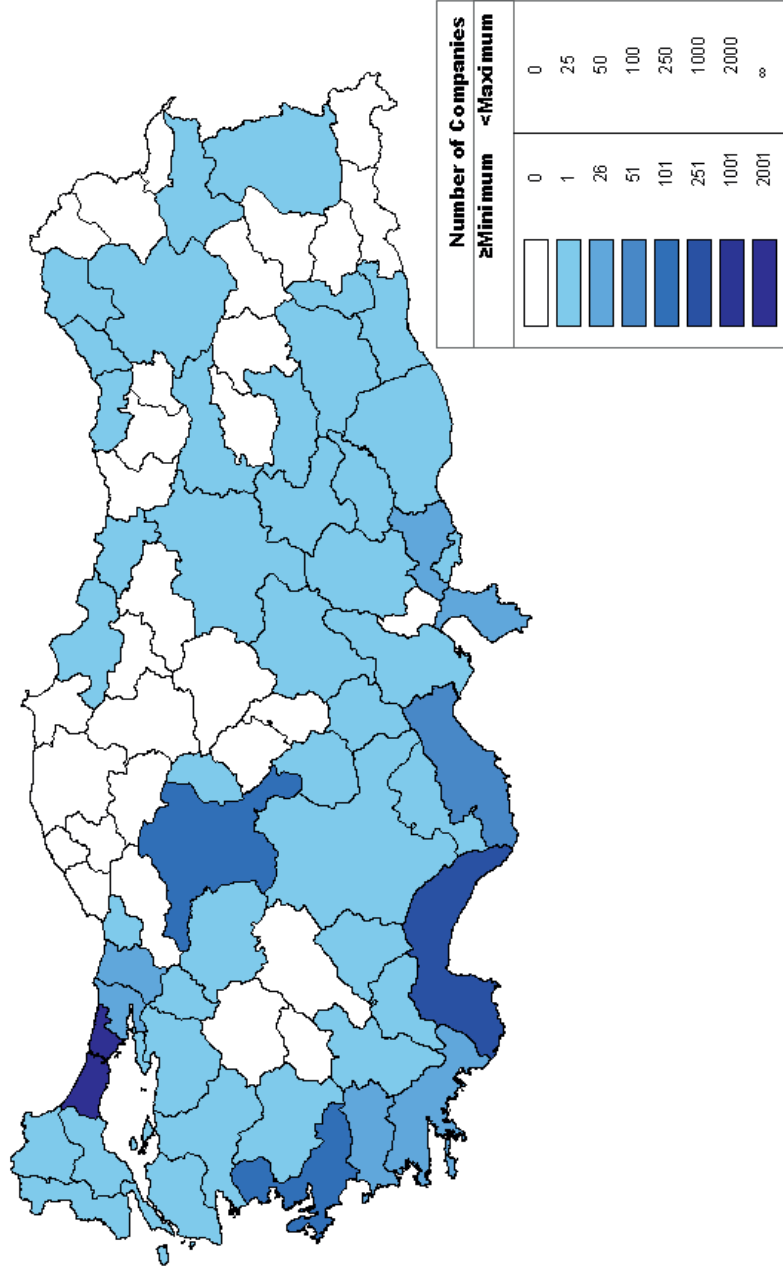
When total of 33,439 companies with foreign capital are grouped by their location of establishment, Istanbul ranks the first with 19,589 companies. The other leading locations after Istanbul are Antalya with 3,794, Ankara with 2,148 and İzmir with 1,819 companies. (Table 14)

Table 14: Breakdown of Companies with Foreign Capital by Province of Establishment (Top 10 Provinces)

City	Number of Companies (1954-2011)	(%)	Number of Companies (2012)	(%)
İSTANBUL	16,877	57,1	2,712	69.6
ANTALYA	3,477	11,8	317	8.1
ANKARA	1,929	6,5	219	5.6
İZMİR	1,675	5,7	144	3.7
MUĞLA	1,407	4,8	50	1.3
BURSA	572	1,9	13	0.3
MERSİN	503	1,7	75	1.9
AYDIN	492	1,7	32	0.8
KOCAELİ	348	1,2	32	0.8
ADANA	215	0,7	24	0.6
Other Provinces	2,049	6,9	277	7.1
Total	29,544	100,0	3,895	100.0

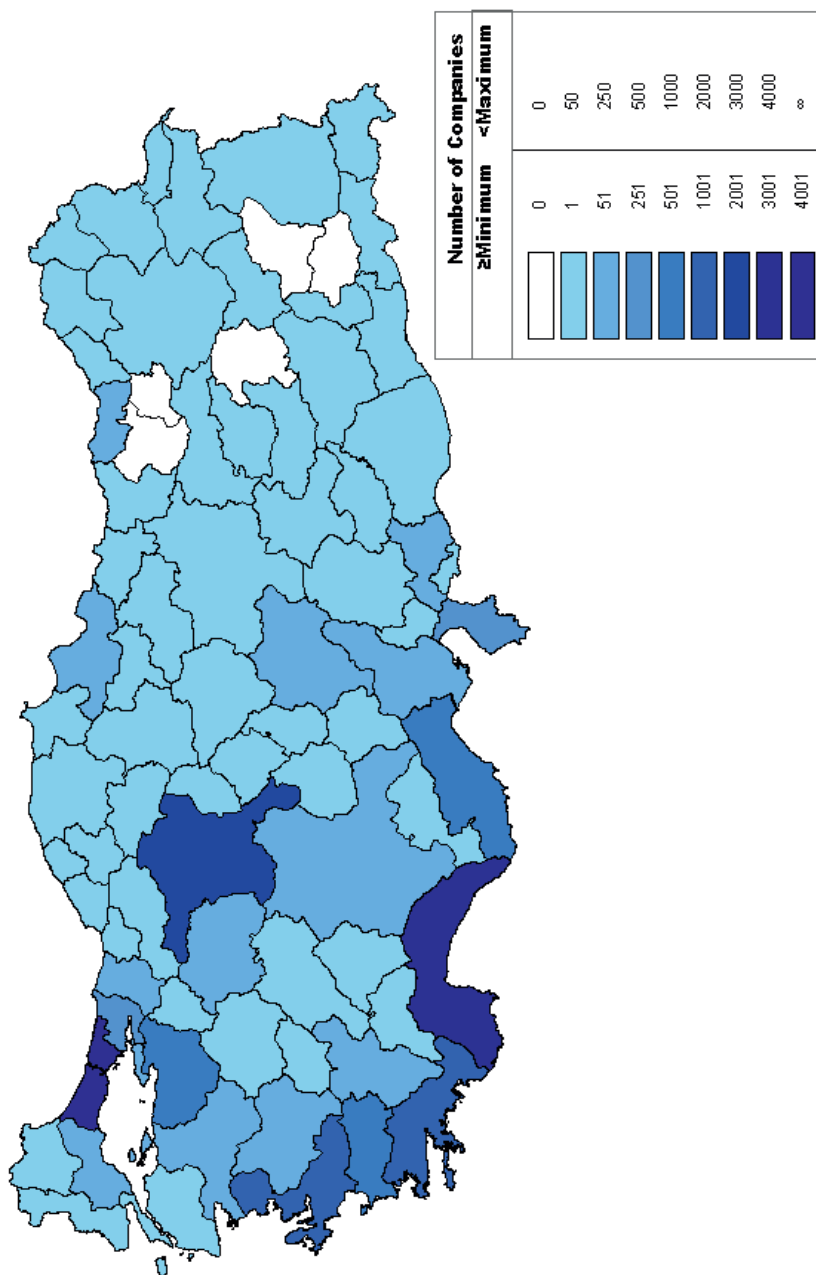
Provisional Data, Source: Ministry of Economy

Map 1: Breakdown of Companies with Foreign Capital by Province of Establishment (2012)



Provisional Data, Source: Ministry of Economy

Map 2: Breakdown of Companies with Foreign Capital by Province of Establishment (1954-2012)



Provisional Data, Source: Ministry of Economy

In the province of Istanbul where 58.6% of the 33,439 companies with foreign capital are operating, the fields that the companies with foreign capital mostly focus on are wholesale and retail trade, real estate rental and business activities and manufacturing industry sectors (Table 15).

Table 15: Breakdown of Companies with Foreign Capital by Sector and Province of Establishment (1954-2012)

Sectors	Istanbul	Antalya	Ankara	İzmir	Muğla
Agriculture, hunting, fishing and forestry	163	87	26	63	21
Mining and quarrying	266	28	126	58	10
Manufacturing	2,977	241	285	407	59
<i>Manufacture of food products, beverages and tobacco</i>	256	35	24	59	6
<i>Manufacture of textiles</i>	333	6	8	25	4
<i>Manufacture of chemicals and chemical products</i>	383	24	21	38	1
<i>Manufacture of machinery and equipment</i>	258	9	36	38	2
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	103	0	10	18	0
<i>Other Manufacturing</i>	1,644	167	186	229	46
Electricity, gas and water supply	477	44	157	46	4
Construction	1,307	664	245	135	213
Wholesale and retail trade	7,348	618	616	613	124
Hotels and restaurants	679	590	76	79	280
Transport, storage and communications	1,908	432	112	120	201
Financial intermediation	298	10	10	9	7
Real estate, renting and business activities	3,047	887	352	212	496
Other community, social and personal service activities	1,119	193	143	77	42
Total	19,589	3,794	2,148	1,819	1,457

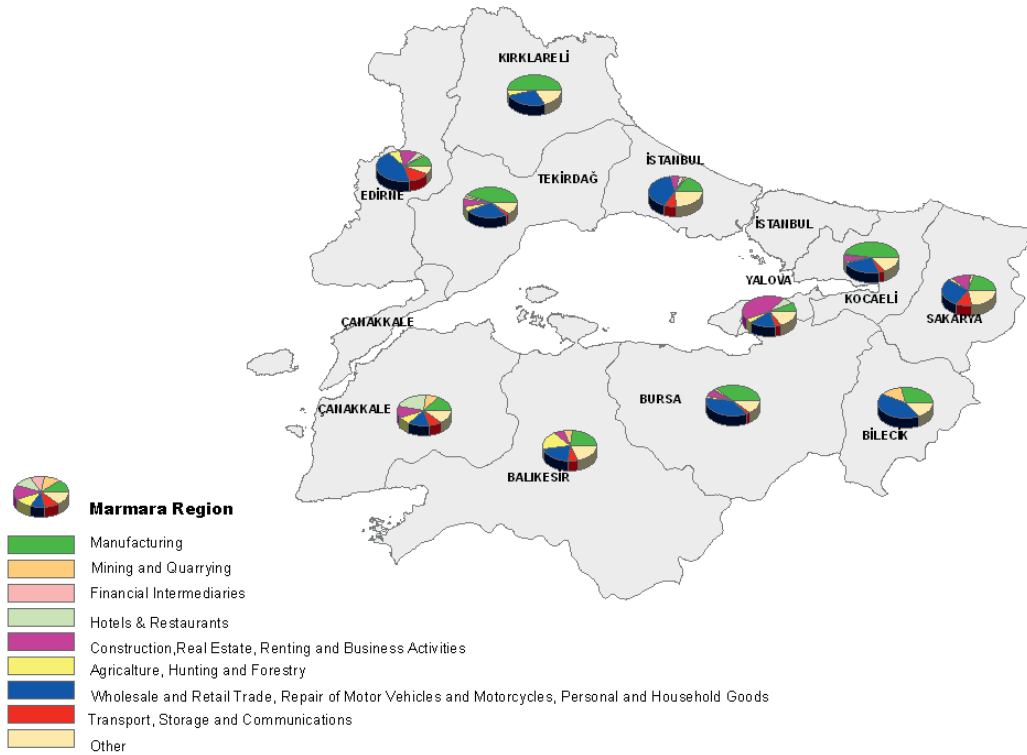
Provisional Data, Source: Ministry of Economy

63.3% of the 33,439 companies with foreign capital in Turkey is operating in the Marmara region, 14.8% in the Mediterranean, 12.7% in the Aegean region, 7.7% in Central Anatolia and the remaining 1.5% is operating in other regions.

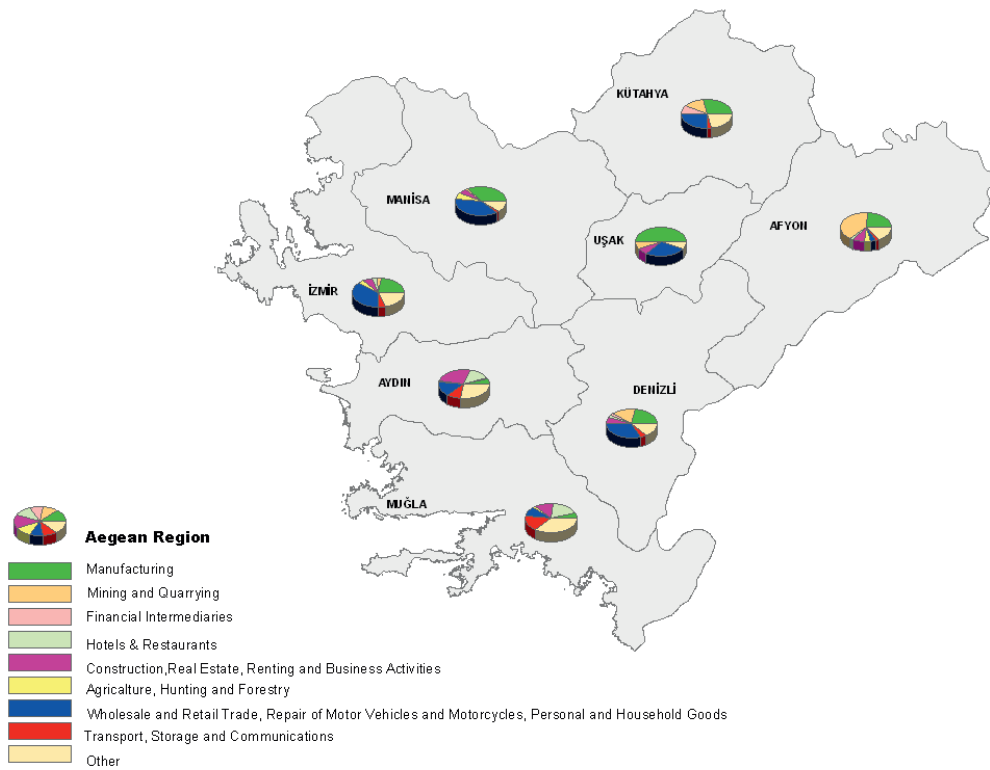
The wholesale and retail trade, manufacturing industry, real estate rental and business activities and transportation, communication and storage service sectors which have the highest numbers of the companies with foreign capital are mostly operating in Marmara Region (Map 3, 4, 5, 6, 7, 8, 9).

Regional Distribution of Companies with Foreign Capital by Sector

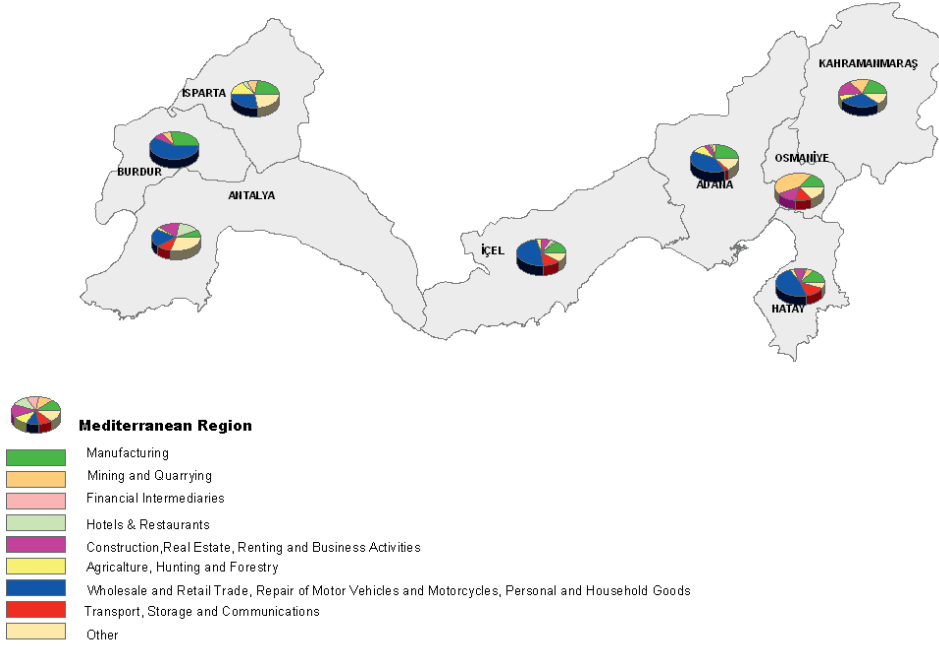
Map 3: Marmara Region



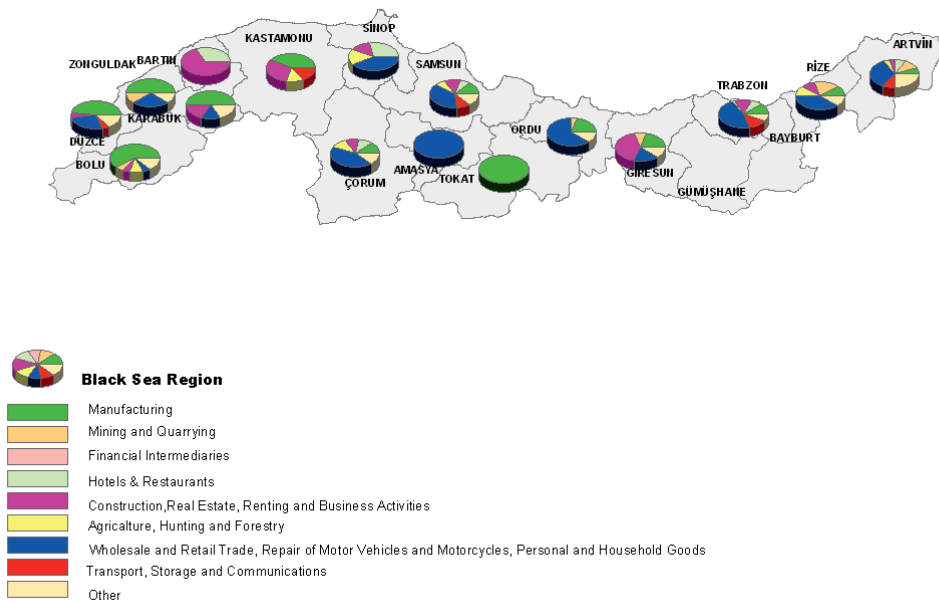
Map 4: Aegean Region



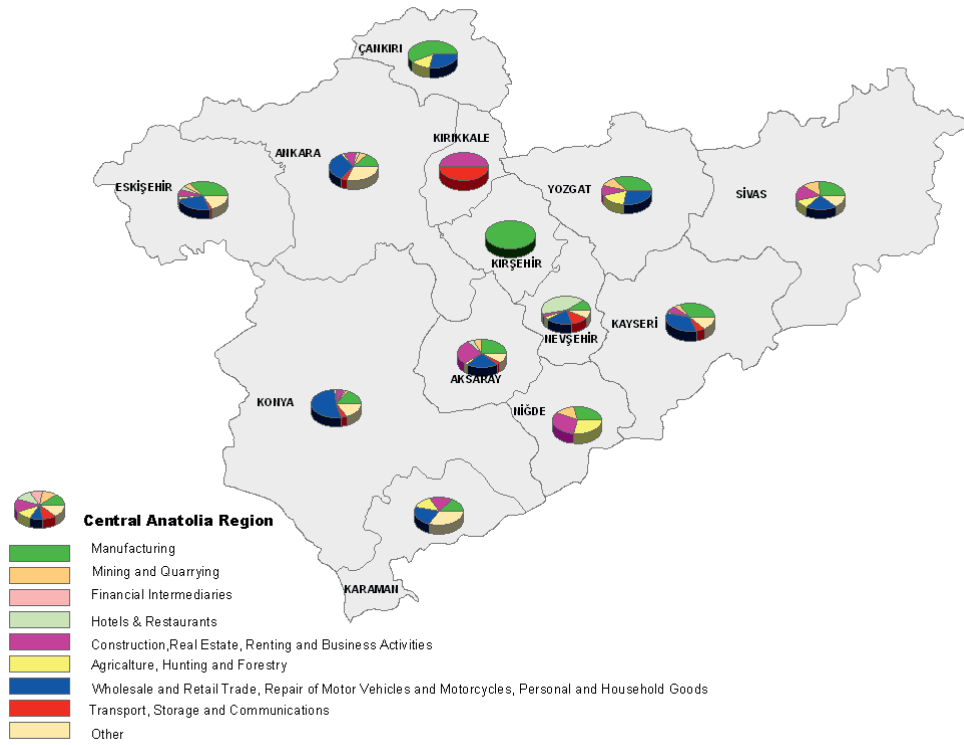
Map 5: Mediterranean Region



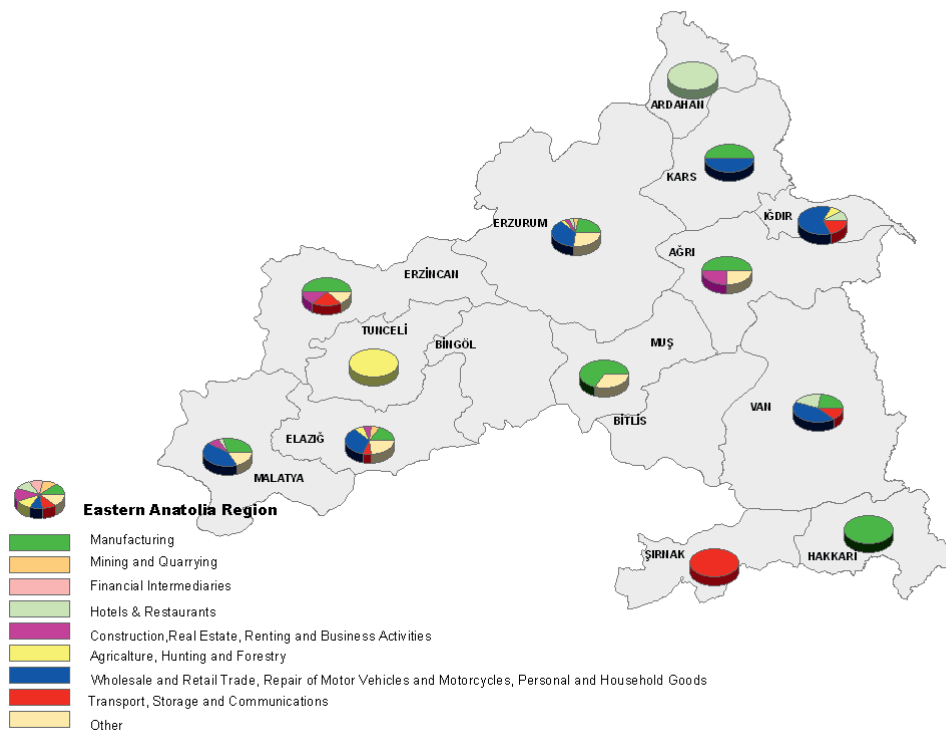
Map 6: Black Sea Region



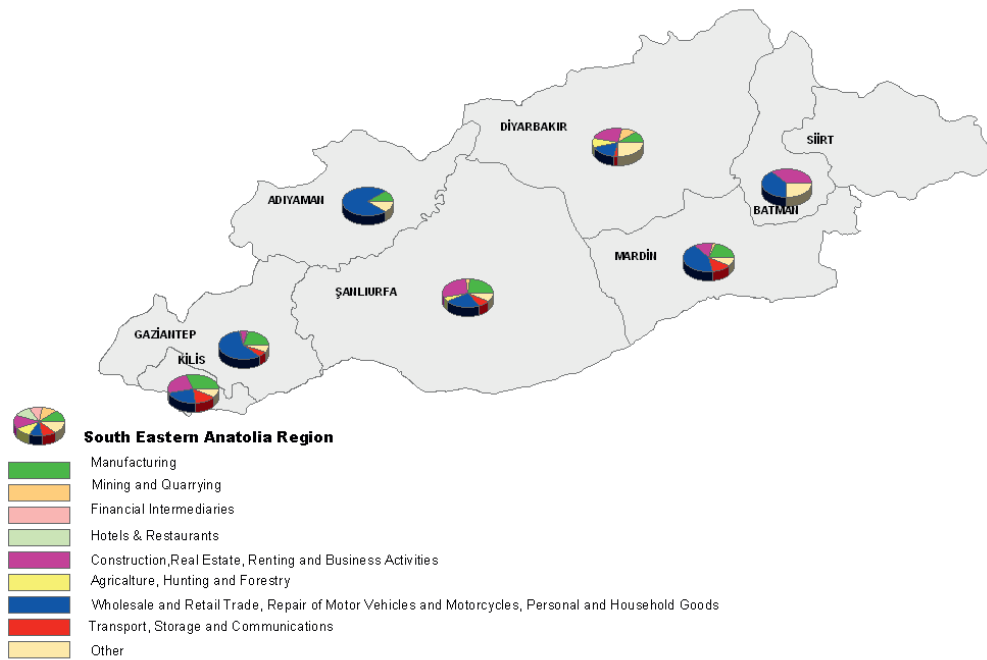
Map 7: Central Anatolia Region



Map 8: Eastern Anatolia Region



Map 9: South Eastern Anatolia Region



1.4. Investment Projects of Companies with Foreign Capital in Turkey

In the period of 2008-2012, a total amount of USD 27.1 billion was registered for investment with 1,121 projects which were foreseen by companies with foreign capital. 236 investment certificates were issued for these projects to be carried out by these companies in 2012. The projected investment amount regarding these projects was USD 3.9 billion. (Table 16)

Table 16: Investment Projects of Companies with Foreign Capital

	Greenfield Projects for Production or Services		Expansion Projects		Other Types of Investment ^a		Total	
	Projects (Number)	Investment Amount (USD Million)	Projects (Number)	Investment Amount (USD Million)	Projects (Number)	Investment Amount (USD Million)	Projects (Number)	Investment Amount (USD Million)
2008	91	3,600	62	666	30	310	183	4,576
2009	79	3,688	50	1,685	35	2,250	164	7,623
2010	116	2,595	65	923	32	1,780	213	5,298
2011	116	3,753	68	1,650	32	282	216	5,684
2012	117	1,791	84	1,818	35	296	236	3,906
Total	565	15,426	360	6,743	196	4,917	1,121	27,087

Source: Ministry of Economy

a) Modernization, Product Diversification, Integration

49.6% of the 236 projects initiated in 2012 were greenfield projects in production and services sectors, 35.6% were expansion, 14.8% were modernization; product diversification and integration projects. USD 1.79 billion investment amount registered for the 117 greenfield investment projects made up 45.9%, USD 1.82 billion for the 84 expansion investments made up 46.5% and USD 296 million for the 35 modernization, product diversification and integration investment projects made up 7.6% of the total investment amount. The greenfield projects corresponded to approximately 50.4% of the projects initiated in the last 5 years in numbers, and they had a share of 56.9% in the total investment amount.

The number of projects launched by the companies with foreign capital fell by 9% in 2012 compared to 2011, and the amount of investment decreased by 31%. In the sectoral

distribution in terms of total investment amount, automotive sector had the predominant place with USD 1 billion investment amount corresponding to a share of 27.1% (Table 17). In the industry, the Bosch San. ve Tic. A.Ş.'s project amounting to USD 494 million and Hyundai-Assan Otomotiv Sanayi ve Ticaret A.Ş.'s project with a value of USD 211 million were the leading ones.

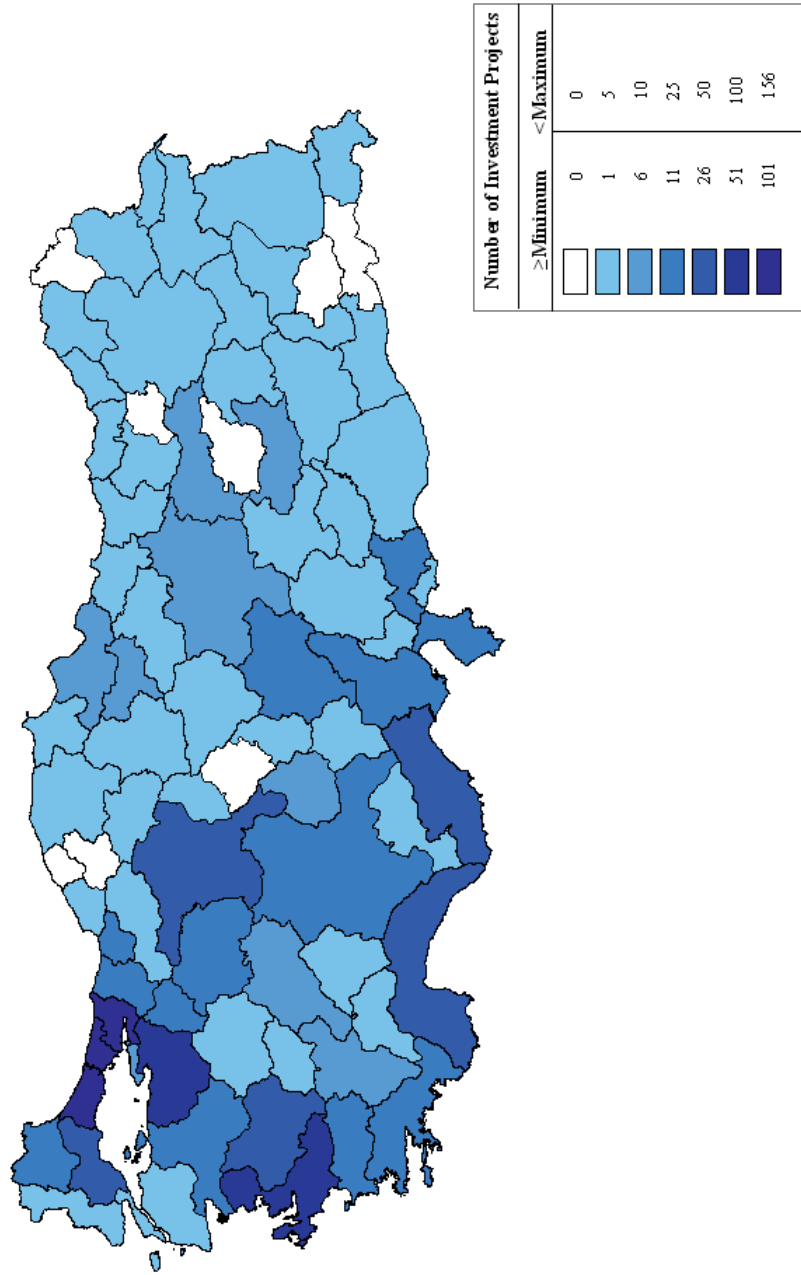
Even though the electricity, gas and water production and distribution sector which was in the second place only had a share of 3.8% in terms of number of investment projects, it reached to an investment volume of USD 949 million with 9 projects. The leading projects in 2012 in this sector were investment projects of Egemer Elektrik Üretim A.Ş. with USD 527.7 million, Enerjisa Enerji Üretim A.Ş. with USD 161 million.

In the transportation, communication and storage sector, which took third place with a share of 15.5% of the total; Limak İskenderun Uluslararası Liman İşletmeciliği A.Ş.'s USD 305 million project and Delta Rubis Petrol Tic.ve San.A.Ş.'s with USD 161 million were the significant projects in the sector in 2012.

Besides Vestel Elektronik San.ve Tic. A.Ş.'s USD 108 million project and Philips Philip Morris Sabancı Sigara ve Tütüncülük San. ve Tic. A.Ş.'s with USD 77 million were the other important projects in the manufacturing industry.

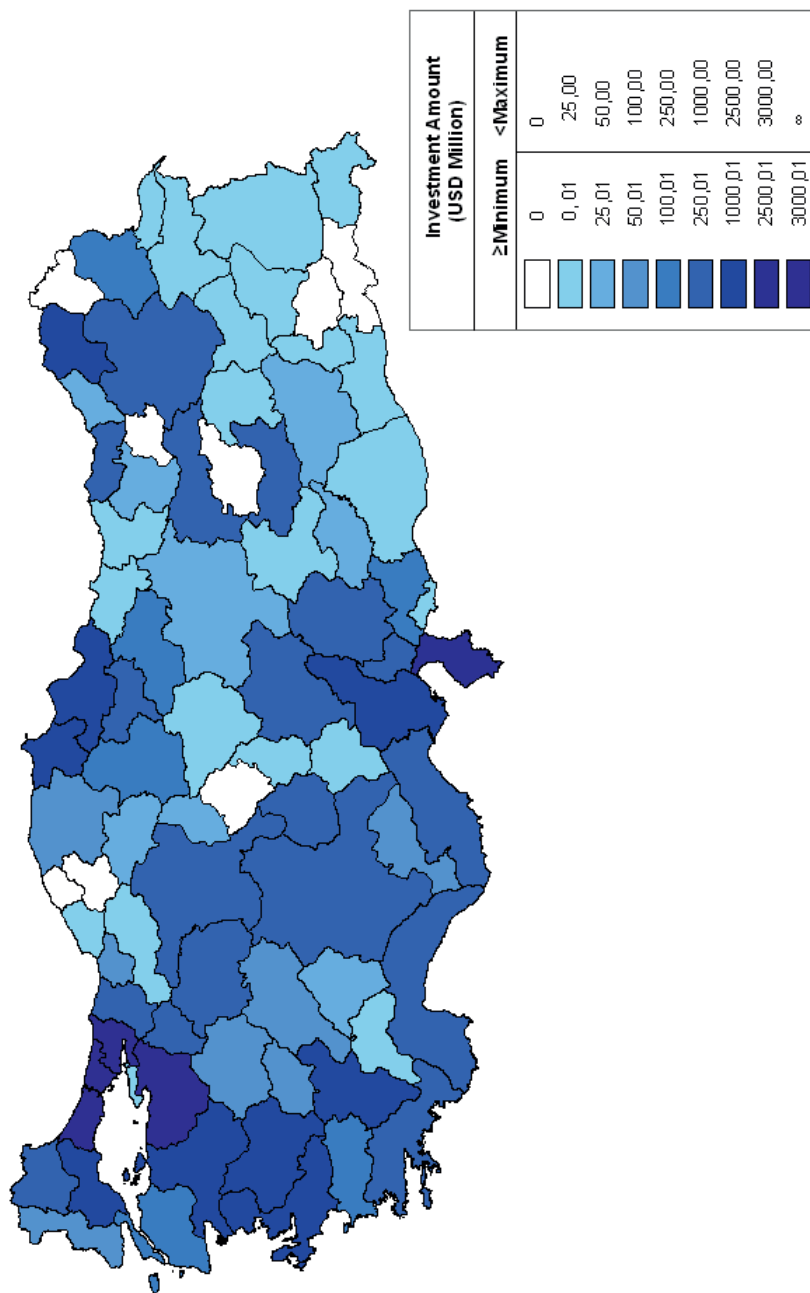
Since 2008 the projects initiated in the manufacturing and electricity, gas and water production industries have accounted for an important part of the total investment value. In the last five years, these sectors had an average investment amount of about 2.1 billion (Table 18).

Map 10: The Distribution of Investment Projects by Province (2008-2012)



Source: Ministry of Economy

Map 11: The Distribution of Investment Amount of Investment Projects by Province (2008-2012)



Source: Ministry of Economy

Table 17: Sectoral Distribution of the Investment Projects of Companies with Foreign Capital in 2012

Sectors	Projects Started for Greenfield Investments		Projects Started for Expansion Investments		Other Type of Investments		Total		The Shares of the Sectors In Total (%)	
	Number of Projects	Investment (USD Million)	Number of Projects	Investment (USD Million)	Number of Projects	Investment (USD Million)	Number of Projects	Investment (USD Million)	Number of Projects	Investment (USD Million)
	AGRICULTURE, HUNTING	3	9.4	2	4.0	1	5.4	6	18.9	2.5
MINING	3	7.8	4	20.7	2	55.2	9	83.7	3.8	2.1
Mining and Quarrying	1	2.1	1	11.5	2	55.2	4	68.8	1.7	1.8
Metal Ore Mining	2	5.7	3	9.2	0	0.0	5	14.9	2.1	0.4
MANUFACTURING INDUSTRY	72	449.2	74	1,436.9	25	180.3	171	2,066.5	72.5	52.9
Food and Beverages	6	18.2	23	149.4	9	13.8	38	181.4	16.1	4.6
Textile	2	1.1	2	26.9	0	0.0	4	28.0	1.7	0.7
Chemistry	6	32.9	3	10.5	2	2.0	11	45.4	4.7	1.2
Machinery and Equipment Manufacturing	10	70.6	2	10.8	3	73.1	15	154.5	6.4	4.0
Electrical Machinery and Devices Manufacturing	1	2.9	0	0.0	1	5.4	2	8.4	0.8	0.2
Motor Land Vehicle, Trailer and Semi-trailer Manufacturing	11	81.9	19	946.3	2	29.9	32	1,058.2	13.6	27.1
Main Metal Industry	1	2.4	1	44.9	1	0.6	3	47.9	1.3	1.2
Metal Goods Industry	3	75.3	2	12.7	4	28.1	9	116.0	3.8	3.0
Paper and Paper Products Manufacturing	3	28.4	1	4.0	1	4.4	5	36.8	2.1	0.9
Plastic and Rubber Products Manufacturing	7	17.8	8	16.1	0	0.0	15	33.8	6.4	0.9
Manufacturing of Non-Metal Other Substances	3	2.6	0	0.0	0	0.0	3	2.6	1.3	0.1
Recycling the Scissel and Salvage	4	20.9	1	0.5	0	0.0	5	21.4	2.1	0.5
Ship and Yacht	1	43.0	0	0.0	0	0.0	1	43.0	0.4	1.1
Other Manufacturing	14	51	12	215	2	23	28	289	11.9	7.4
ELEKTRICITY, GAS AND WATER	8	908.9	1	40.5	0	0.0	9	949.4	3.8	24.3
HOTELS AND RESTAURANTS	6	90.1	0	0.0	3	35.9	9	126.1	3.8	3.2
TRANSPORTATION, COMMUNICATION AND STORAGE OPERATIONS	18	287.6	3	316.3	1	0.8	22	604.7	9.3	15.5
Supportive and Assisting Transportation Activities	13	254.8	2	307.9	1	0.8	16	563.5	6.8	14.4
Land transport; transport via pipelines	1	6.9	1	8.4	0	0.0	2	15.3	0.8	0.4
Telecommunication	4	25.9	0	0.0	0	0.0	4	25.9	1.7	0.7
EDUCATION SERVICES	1	0.6	0	0.0	0	0.0	1	0.6	0.4	0.0
REAL-ESTATE, RENTAL AND WORKING ACTIVITIES	3	4.9	0	0.0	0	0.0	3	4.9	1.3	0.1
HEALTH	2	15.5	0	0.0	2	17.2	4	32.7	1.7	0.8
OTHER SERVICE ACTIVITIES	1	16.8	0	0.0	1	1.4	2	18.2	0.8	0.5
TOTAL	117	1,791	84	1,818	35	296	236	3,906	100.0	100.0

Source: Ministry of Economy

Table 18: Sectoral Distribution of the Investment Projects of Foreign-owned Companies with Investment Certificates between 2008 and 2012

Sectors	2008		2009		2010		2011		2012	
	Projects (Number)	Investment Amount (USD Million)	Projects (Number)	Investment Amount (USD Million)	Projects (Number)	Investment Amount (USD Million)	Projects (Number)	Investment Amount (USD Million)	Projects (Number)	Investment Amount (USD Million)
Agriculture, Hunting	2	3	2	4	9	44	5	39	6	19
Mining	6	49	6	212	8	19	6	21	9	84
Manufacturing Industry	147	1,774	112	3,332	154	3,323	162	1,621	171	2,066
Electricity, Gas and Water	13	2,204	17	2,134	12	1,269	17	2,486	9	949
Hotels and Restaurants	1	49	11	113	15	217	8	71	9	126
Transportation, Communication and Storage Activities	8	457	10	1,736	6	362	15	1,440	22	605
Education Services	0	0	0	0	0	0	0	0	1	1
Real Estate, Rental and Working Activities	2	5	1	0	1	1	1	1	3	5
Health	1	2	1	35	5	60	2	6	4	33
Wholesale and retail trade	1	10	1	6	1	1	0	0	0	0
Other Service Activities	2	25	3	51	2	3	0	0	2	18
Total	183	4,576	164	7,623	213	5,298	216	5,684	236	3,906

Source: Ministry of Economy

In terms of location of the investment projects launched in 2012, Hatay, where electricity production projects have an important place, and Bursa, where the motor vehicles, trailers and semi trailers industry are intense, took the first two locations of the investment projects.

Kocaeli with USD 3.96 million was in the first place in terms of investment amount in 2008-2012. The provinces of Bursa (USD 3.7 million) and Istanbul (USD 1.8 million) came after Kocaeli.

Table 19: Distribution of Investment Projects of Companies with Foreign Capital by Province 2008-2012 (USD Million)

Province	2008	2009	2010	2011	2012	2008-2012
KOCAELİ	373	401	1,316	1,366	506	3,961.3
BURSA	124	2,182	241	420	768	3,734.1
İSTANBUL	1,021	227	262	145	214	1,870.3
HATAY	120	223	7	1	1,011	1,361.0
SAMSUN	13	1,209	0	14	11	1,246.5
BALIKESİR	962	0	49	5	20	1,036.7
ADANA	10	360	312	11	301	993.5
TEKİRDAĞ	113	474	231	34	57	907.8
SİNOP	846	0	0	0	0	846.2
DENİZLİ	39	0	769	0	4	811.7
ARTVİN	51	13	0	703	0	766.9
MANİSA	45	68	111	269	170	663.0
İZMİR	154	154	107	67	153	636.3
ELAZIĞ	30	0	5	533	7	575.3
KAHRAMANMARAŞ	136	351	0	20	2	509.0
SAKARYA	33	21	338	35	73	500.4
ANTALYA	26	26	311	29	29	421.2
MERSİN	120	96	40	108	37	400.6
ANKARA	58	45	95	33	53	284.3
KIRKLARELİ	73	24	51	125	10	283.5

Source: Ministry of Economy

The provincial distribution of the total number of the investment projects launched in 2012 shows that Kocaeli (152) and Istanbul (132) took the first two places. Bursa followed them with 79 projects.

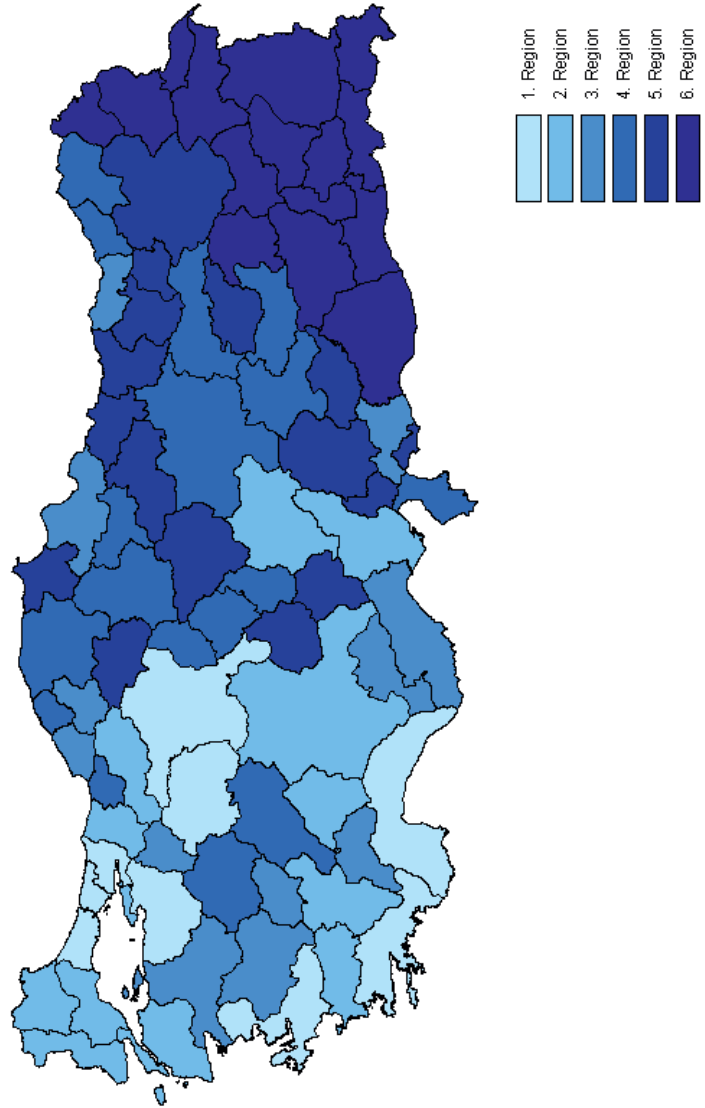
Table 20: Distribution of Investment Projects of Companies with Foreign Capital by Province 2008-2012 (Number of Projects)

Province	2008	2009	2010	2011	2012	2008-2012
KOCAELİ	30	31	27	27	37	152
İSTANBUL	30	16	23	30	33	132
BURSA	18	14	14	15	18	79
İZMİR	9	14	16	11	14	64
ANKARA	14	7	8	9	12	50
TEKİRDAĞ	6	7	9	10	13	45
MANİSA	7	5	9	11	11	43
ANTALYA	7	6	14	9	6	42
MERSİN	5	3	7	7	6	28
SAKARYA	4	4	6	6	3	23
ADANA	2	6	5	4	5	22
HATAY	1	5	3	1	8	18
MUĞLA	2	4	6	1	5	18
DÜZCE	3	3	3	6	2	17
ESKİŞEHİR	3	4	4	1	4	16
KIRKLARELİ	2	3	2	3	5	15
BİLECİK	3	3	2	3	3	14
BALIKESİR	2	0	5	2	4	13
KAYSERİ	1	1	3	6	2	13
KONYA	2	0	3	6	2	13

Source: Ministry of Economy

An analysis of the number of projects and the investment amounts in 2012 within the framework of regional and sectoral investment encouragement schemes indicates that the projects were mostly concentrated in the first region where companies with foreign capital heavily operate (Chart 7-8).

Map 12: Regions in the Scheme of State Aids for Investments Provinces



Source: Ministry of Economy

Chart 7: Distribution of the Number of the Projects in 2012 by Region

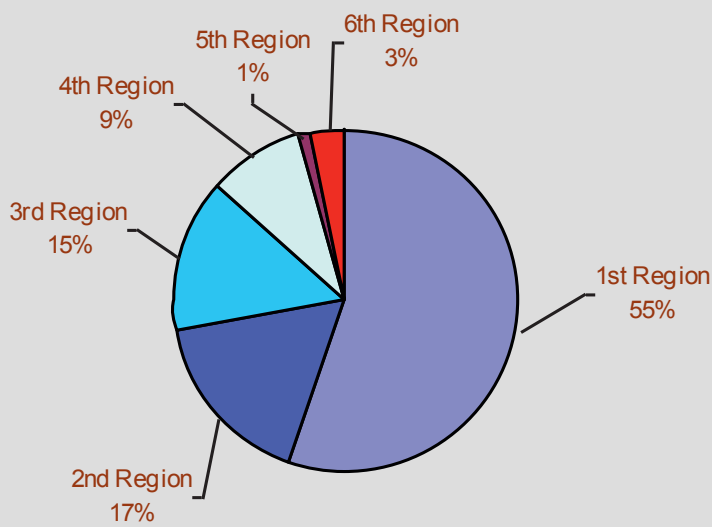
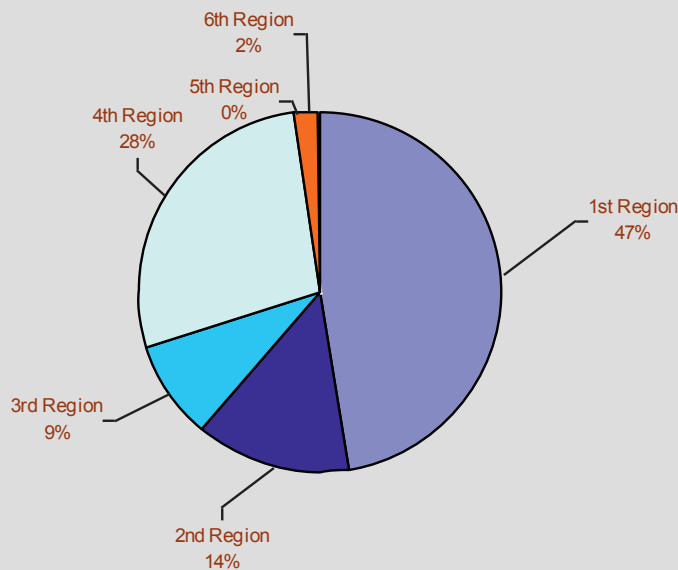


Chart 8: Distribution of the Investment Amount of the Projects in 2012 by Region



Source: Ministry of Economy

In the total investment amount of USD 3.9 billion, projects with a total value of USD 1.5 billion benefited from the Encouragement Measures of the General Scheme, while projects with a total investment amount of USD 791 million were supported by the

Large Scale Project Scheme and projects with a value of USD 1.7 billion benefited from the Regional Scheme (Table 21).

**Table 21: Distribution of Investment Projects by Schemes of State Aids Category in 2012
(USD Million)**

Support Class/ Sector	Regional		Large Scale		General		Total	
	Number	Investment Amount	Number	Investment Amount		Number	Investment Amount	Number
Energy	0	0	0	0	9	949	9	949
Services	28	244	2	451	16	114	46	809
Manufacturing	77	1,326	6	341	88	396	171	2,062
Mining	9	83	0	0	1	2	10	85
Total	114	1,653	8	791	114	1,461	236	3,906

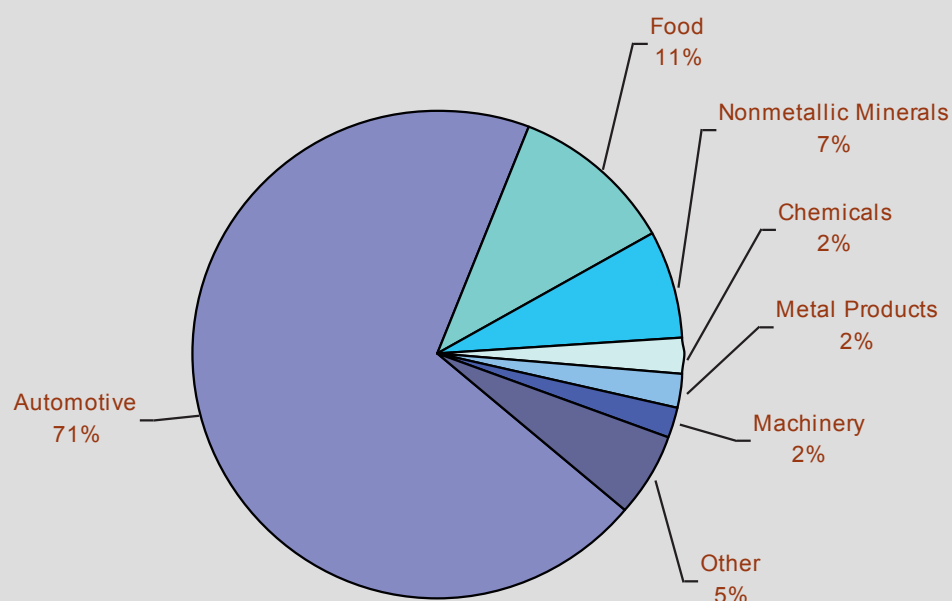
Source: Ministry of Economy

A significant part of the investments that benefited from the General Scheme was in the energy sector in 2012. Energy sector projects accounted for USD 949 million of the USD 1.5 billion of investments which benefited from the General Encouragement Scheme. Manufacturing industry took the first place among the investment projects that benefited from the Regional Scheme and services sector was the leading sector in terms of projects that benefited from the Large Scale Project Scheme.

Eight projects that benefited from the Large Scale Project Scheme with a total investment amount of USD 791 million were in the manufacturing and services sectors. USD 451 million of investment in the services sector is registered to be made in the transport, storage and communications sector. The investments benefiting from the Large Scale Project Scheme in the manufacturing industry were in the automotive industry, manufacturing of machinery and electronics sectors.

Looking at the 114 projects with a total amount of USD 1.7 billion, that benefit from the Regional and Sectoral Scheme, it is seen that manufacturing industry took the first place with an investment amount of USD 1.3 billion. In the manufacturing industry, the automotive industry ranked the first with an investment amount of USD 929.6 million and a share of 71% (Chart 9). Manufacturing of food products (11%) and non-metallic minerals sectors (7%) are other leading sectors.

Chart 9: Distribution of Manufacturing Sector Investments Benefited from the Regional and Sectoral Scheme in 2012



Source: Ministry of Economy

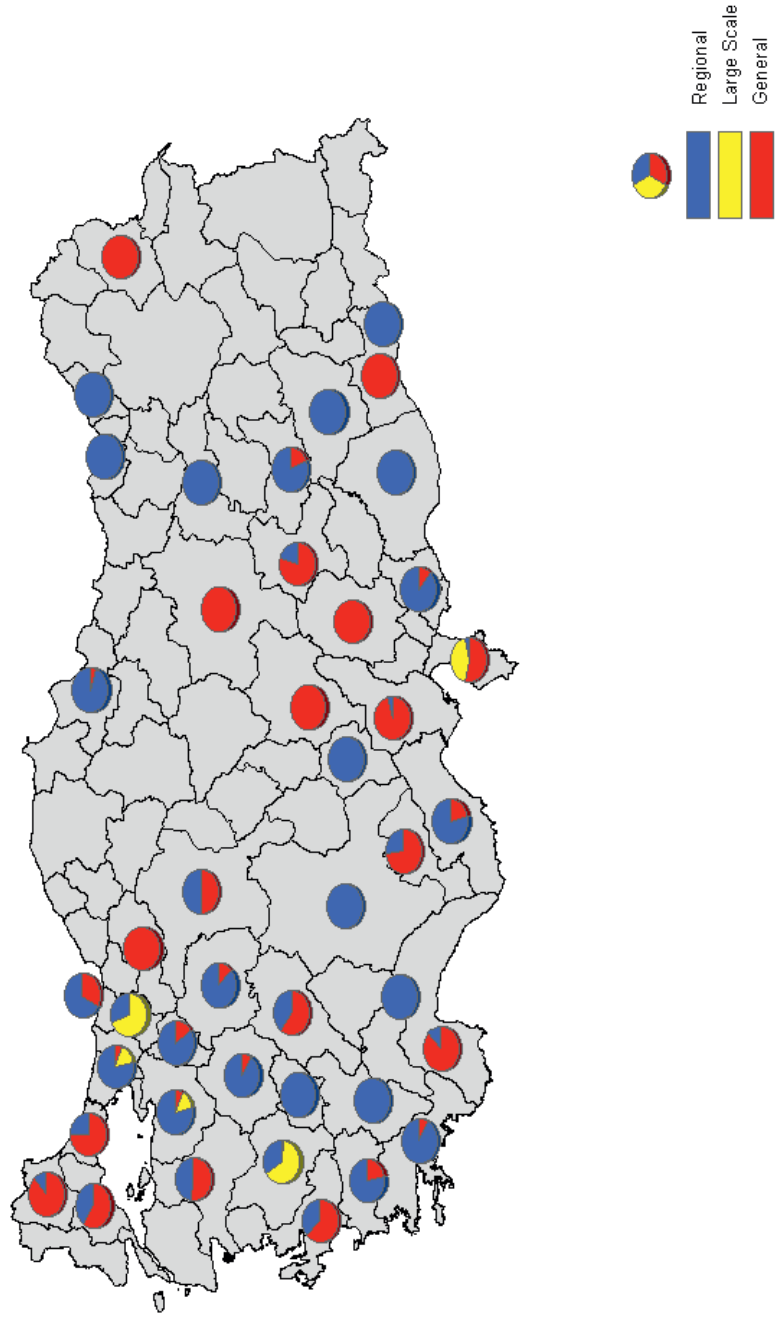
In 2012, a total of 236 investment certificates were issued for the total investment amount of USD 3.9 billion. 25 of these certificates had individual investment values over USD 30 million and their total investment value amounted to USD 2.8 billion. According to sectoral distribution of these 25 projects, manufacturing sector had the leading position both in terms of investment amount and the number of projects (Table 22).

Table 22: Projects with Investment Amount Over USD 30 Million in 2012 (USD Million)

Support Class/ Sector	Regional		Large Scale		General		Total	
	Number	Investment Amount	Number	Investment Amount	Number	Investment Amount	Number	Investment Amount
Energy	0	0.0	0	0.0	6	933.1	6	933.1
Services	1	37.5	2	450.5	1	32.0	4	520.1
Manufacturing	5	824.9	6	340.8	3	164.6	14	1,330.3
Mining	1	43.3	0	0.0	0	0.0	1	43.3
Total	7	905.8	8	791.3	10	1,129.7	25	2,826.8

Source: Ministry of Economy

Map 13: Geographical Distribution of Investment Projects in 2012 by Category of State Aid for Investment Schemes (USD Million)



Source: Ministry of Economy

The New Investment Incentive Program entered into force in the second half of 2012 and had a positive impact on the investment decisions of the companies with foreign capital. Projects initiated in the second half of 2012 comprised 63% of the total projects and in terms of investment amount they represented 69% of the total investment. In the second half, investment amount increased by 71% and number of projects increased by 121% compared to the first half of the year. (Table 23)

Table 23: Distribution of the Incentive Certificates in 1st and 2nd halves of 2012 (Quantity-USD Million)

	Number	Investment Amount
January-June	1,215.1	87
July-December	2,690.5	149
Total	3,906	236

Source: Ministry of Economy

2. INVESTOR COUNTRIES IN TURKEY

In the last 10-year period, the Netherlands took the first place with USD 16.7 billion in terms of FDI flows to Turkey. Austria (USD 8.6 billion), the United States (USD 8.5 billion) and Belgium (USD 7.3 billion) became the top investor countries respectively after the Netherlands.

The first ten countries in terms of FDI inflows in order ¹¹ were the United Kingdom, Austria, Luxembourg, the Netherlands, Germany, Malaysia, Switzerland, the United States, Azerbaijan and Lebanon in 2012. The United Kingdom, Austria and Luxembourg had, respectively, 19.8%, 14.7%, and 12.4% shares in FDI inflows in the same year.

**Table 24: FDI in Turkey in 2012
(USD Million)**

Rank	Country	Capital	(%)
1	The United Kingdom	2,004	19.8
2	Austria	1,491	14.7
3	Luxembourg	1,261	12.4
4	The Netherlands	1,182	11.7
5	Germany	551	5.4
6	Malaysia	461	4.5
7	Switzerland	455	4.5
8	The United States	438	4.3
9	Azerbaijan	339	3.3
10	Lebanon	315	3.1
	Other	1,639	16.2
	Total	10,136	100.0

Source: CBRT

**Table 25: FDI in Turkey, 2003-2012
(USD Million)**

Rank	Country	Capital	(%)
1	The Netherlands	16,667	16.6
2	Austria	8,586	8.5
3	The United States	8,527	8.5
4	Belgium	7,315	7.3
5	Greece	6,659	6.6
6	Luxembourg	6,614	6.6
7	The United Kingdom	6,602	6.6
8	France	6,091	6.1
9	Germany	5,465	5.4
10	Spain	4,314	4.3
	Other	23,775	23.6
	Total	100,625	100.0

Source: CBRT

The United Kingdom, Austria and Luxembourg, among the top investors countries in 2012, also ranked in the top ten in terms of FDI inflows to Turkey in the

¹¹ Net amount of transfers of the companies and branch offices with foreign capital and domestic companies with the participation of foreign capital. Other capital that is investment credits received by foreign-owned companies from foreign partners and transfers for acquisition of real estate by foreigners are excluded.

period between 2003-2012. It is worth mentioning that nine out of top ten investor countries were the EU countries in that period.

FDI flows from Malaysia and Lebanon in 2012 and FDI flows taking place from the United Arab Emirates and Saudi Arabia since 2003, are the clear evidence of Asian countries' increasing interest in Turkey. Along with the United States and EU countries, FDI flows from Asian countries prove that Turkey has attracted investments from different regions of the world in recent years.

Table 26: FDI and Number of Companies for Countries in Top 10

Rank	Country	Number of Companies in Turkey*	FDI in Turkey** (2012) (USD Million)	Global FDI Outflows*** (2012) (USD Million)
1	The United Kingdom	2,475	2,004	71,415
2	Austria	692	1,491	16,648
3	Luxembourg	321	1,261	17,273
4	The Netherlands	2,139	1,182	-3,509
5	Germany	5,270	551	66,926
6	Malaysia	32	461	17,114
7	Switzerland	639	455	44,313
8	The United States	1,308	438	328,869
9	Azerbaijan	1,276	339	1,194
10	Lebanon	234	315	611

Sources:

* Provisional Data, Ministry of Economy

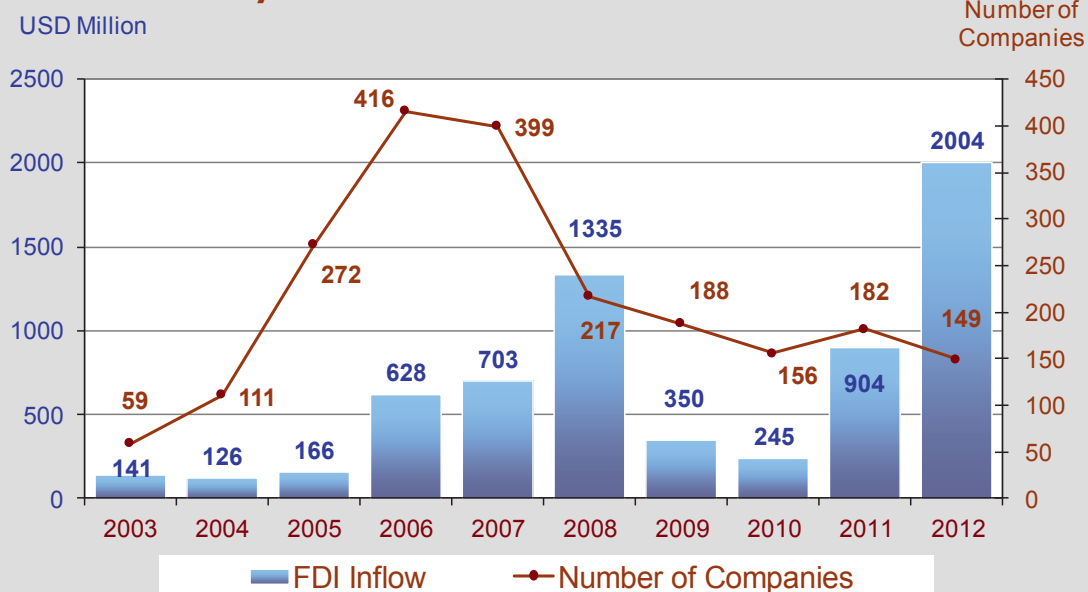
** CBRT

*** WIR, 2013

The United Kingdom

FDI flows from **the United Kingdom** to Turkey in 2012 reached to USD 2 billion which was enhanced more than twofold compared to the previous year. The United Kingdom took the first place in terms of FDI inflows in 2012 with these figures. According to UNCTAD's data, FDI outflows from the United Kingdom was about USD 106.6 billion in 2011. However, these figures declined by 33% approximately to USD 71.4 billion in 2012. It is worth noting that the share of FDI inflows to Turkey from the United Kingdom was increased although country's total FDI outflows decreased in 2012.

Chart 10: Number of Companies Established in Turkey by the UK Based Investors and FDI Inflows from by the UK to Turkey



Source: Ministry of Economy, CBRT

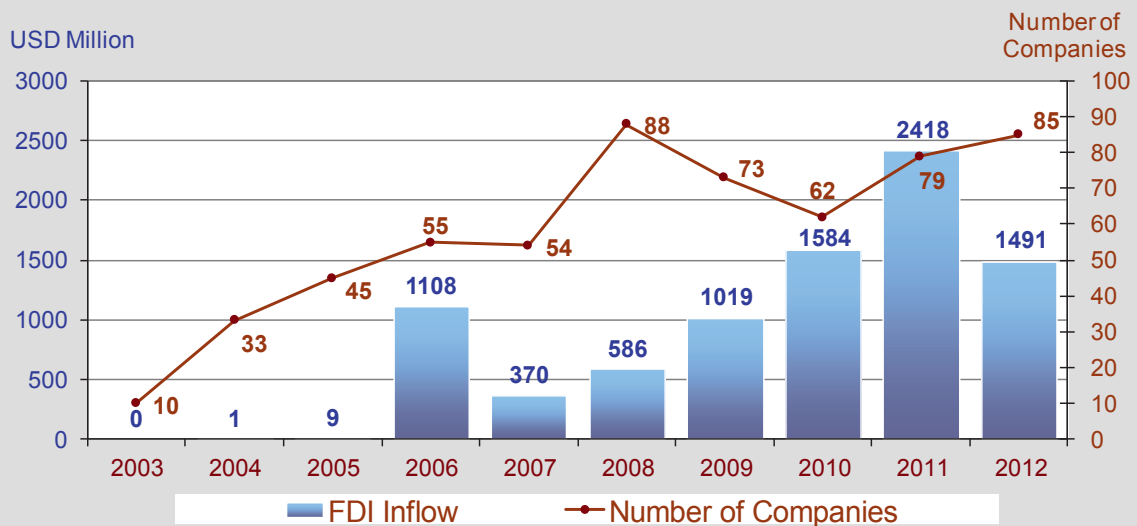
The acquisition of the 19% share of Anadolu Efes by the UK-based SAB Miller, for USD 1.9 billion was the highest M&A transaction in 2012 and made the largest share of FDI flows from the United Kingdom. Food and beverage sector has the highest share in FDI flows from the United Kingdom. In Turkey, 149 companies with British capital began to operate through new establishment or participation to a local company in 2012. With 2,475 companies, the United Kingdom is the 3rd biggest among the countries in terms of number of foreign owned companies in Turkey.

Austria

FDI flows from Austria to Turkey have been in high levels since 2006. Austria was in the first place in terms of FDI inflows to Turkey in 2010 and 2011 and took the 2nd place in 2012. Austrian FDI flows to Turkey in 2012, declined by 38% compared to the previous year and recorded as USD 1.5 billion. According to UNCTAD's data, Austrian FDI outflows were around USD 16.6 billion in 2012 after a decrease by 33% compared to

the previous year. Despite the decline in FDI outflows from Austria in 2012, FDI inflows from Austria to Turkey had a significant share of 8.9% with USD 1.5 billion.

Chart 11: Number of Companies Established in Turkey by Austria Based Investors and FDI Inflows from Austria to Turkey



Source: Ministry of Economy, CBRT

In 2012, almost all FDI flows from Austria were in the construction industry. In 2012, the acquisition of 38% share of TAV Havalimanları Holding by the France-based Aeroports de Paris for USD 1.1 billion was the most significant M&A transaction from Austria in the balance of payments in 2012 as a capital inflow from Austria. In Turkey, 85 companies with Austrian capital began to operate in 2012 through a new establishment or participation to local companies.

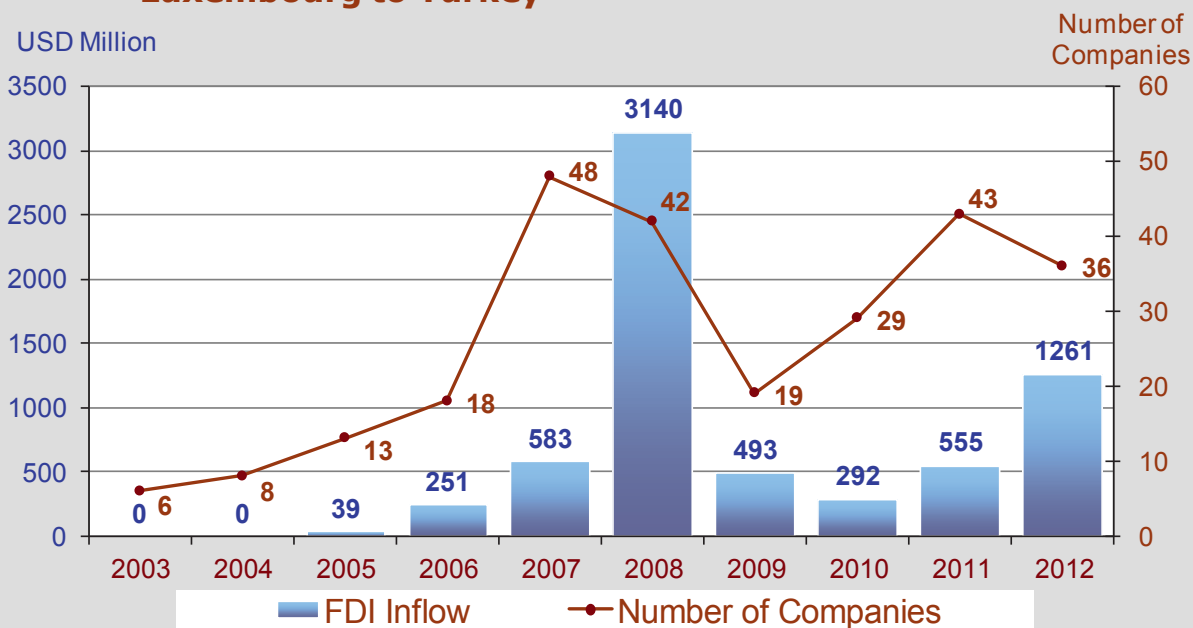
Luxembourg

FDI flows from **Luxembourg**, which was about USD 555 million in 2011, increased approximately twofold and reached to USD 1.3 billion in 2012. The major share of FDI inflows from Luxembourg in 2012 came from the acquisition of the shares of Polimer Kauçuk Sanayi ve Pazarlama A.Ş. by Eaton Corporation for USD 371 million

and the sale of the shares of Proteger Güvenlik Sistemleri A.Ş. to Proteger Investment SARL for USD 207 million.

According to UNCTAD’s data, FDI outflows of Luxembourg in 2012 realized at a level of USD 17 billion. Based on this figure, the share of FDI outflow to Turkey was around 7.4%. Some of the largest US-based multinational corporations operating in Turkey generally manage their activities and conduct their investments through their affiliates in Benelux countries. Being a significant host to the US multinationals, Luxembourg becomes one of the most significant investor countries in Turkey.

Chart 12: Number of Companies Established in Turkey by Luxembourg Based Investors and FDI Inflows from Luxembourg to Turkey

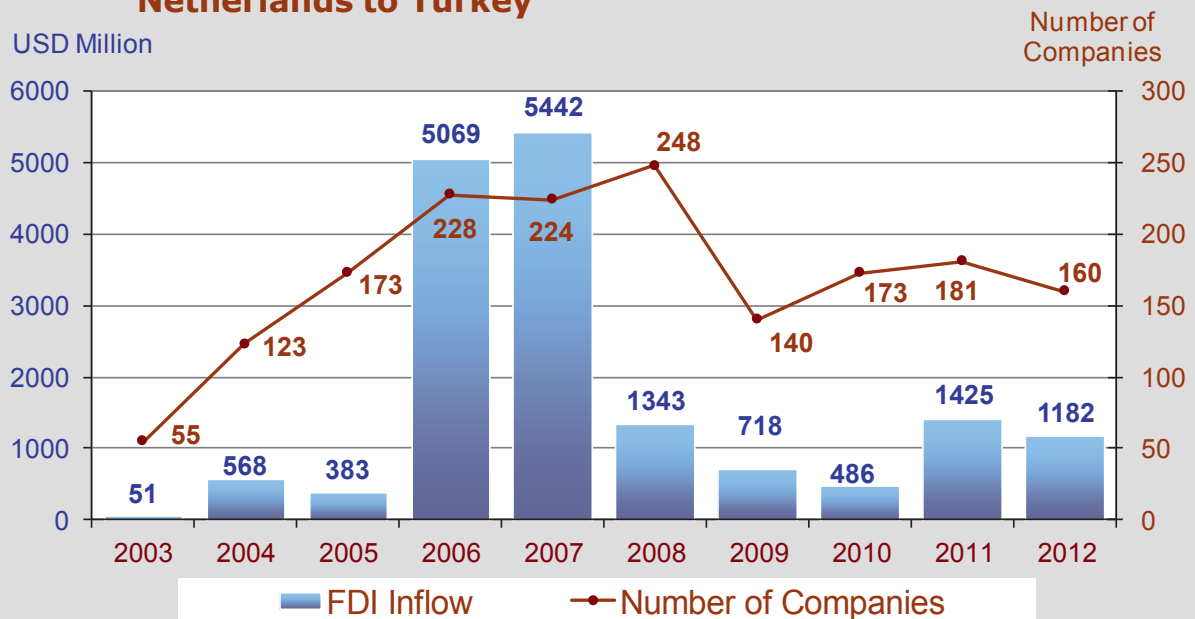


Source: Ministry of Economy, CBRT

The Netherlands

FDI inflows to Turkey from **the Netherlands**, which was USD 1,425 million in 2011, decreased by 17% to USD 1,182 million in 2012 compared to the previous year.

Chart 13: Number of Companies Established in Turkey by Netherlands Based Investors and FDI Inflows from Netherlands to Turkey



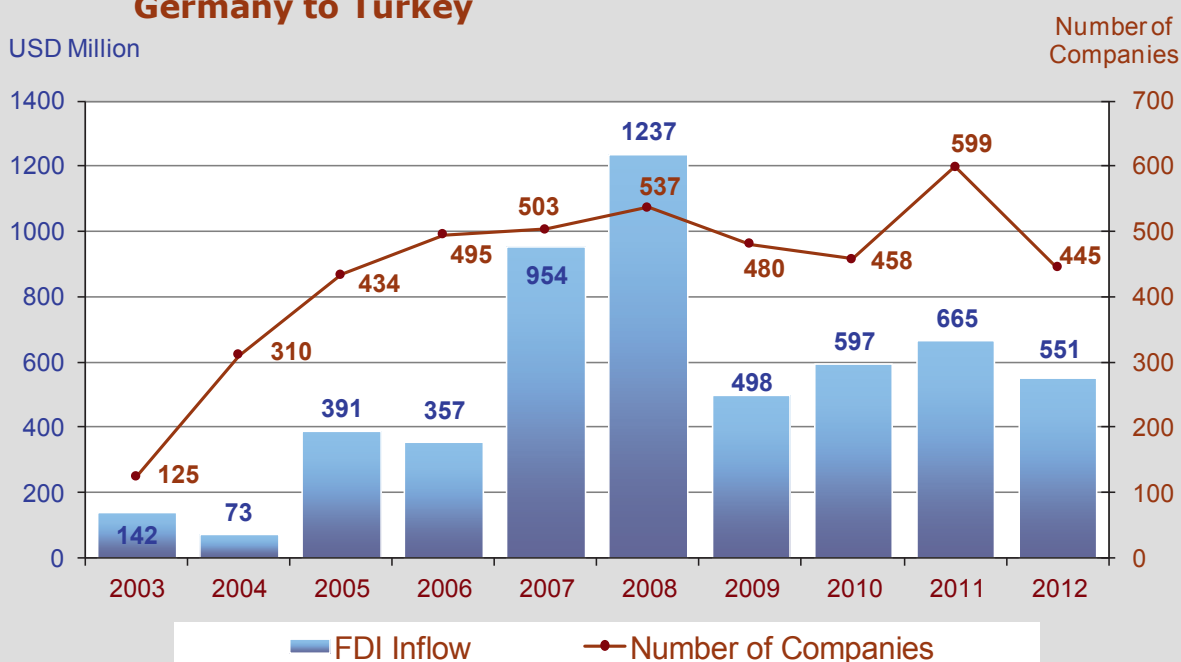
Source: Ministry of Economy, CBRT

Finance, health and social work, manufacturing and real estate, renting and business activities sectors have prominent places in the sectoral breakdown of FDI flows from the Netherlands in 2012. In the same year, Ing Bank B.V. and Nemo Apparel were among the major investors. 160 companies began to operate through a new establishment or participation to a local company by the Dutch capital. The Netherlands ranks 4th in terms of the number of foreign owned companies in Turkey with 2,139 companies.

Germany

FDI inflow from **Germany** to Turkey was recorded as USD 551 million in 2012. According to UNCTAD’s data, while the total FDI outflows of Germany in 2011 was about USD 52.2 billion, it reached approximately to USD 66.9 billion in 2012 with an increase of 29% compared to previous year. Germany, a leading investor country in Turkey, was one of a few countries that were able to increase their FDI outflows in 2012.

Chart 14: Number of Companies Established in Turkey by Germany Based Investors and FDI Inflows from Germany to Turkey



Source: Ministry of Economy, CBRT

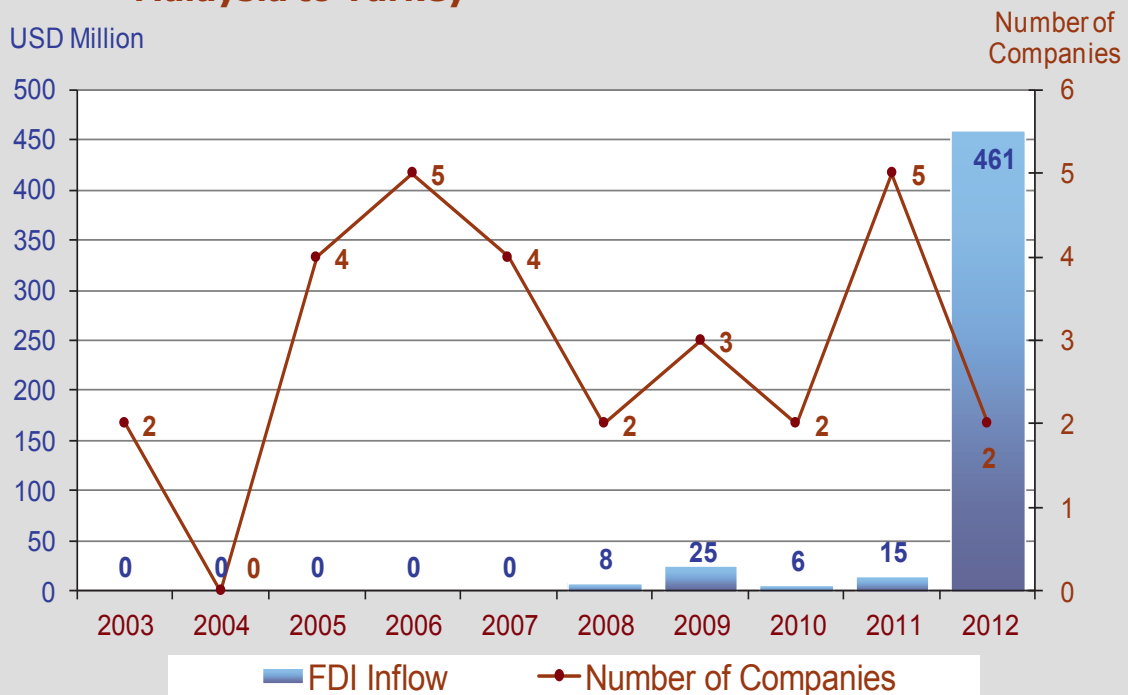
In 2012, 445 companies with German capital became operational in Turkey by either a new establishment or participation in a local company. Germany is the top country in terms of number of companies with foreign capital with a total of 5,270 companies in Turkey.

Malaysia

Among the Asian countries, **Malaysia** became a remarkable investor country in Turkey, with a FDI flow of USD 461 million in 2012. In addition to the capital from Europe, FDI flows from Asian countries also have an upward trend in recent years. The share of Asian countries in terms of FDI inflows to Turkey in the last 10-year period was about 13%. While the FDI inflows of the first five-year period (2003-2007) was about 11%, the share of second five-year period (2008-2013) rose to 15%.

According to UNCTAD’s data, FDI outflows from Malaysia have been increasing year by year. FDI outflows from Malaysia reached to USD 17.1 billion with an increase of 12% in 2012 compared to the previous year. In 2012, almost all of the FDI flows from Malaysia in Turkey were in the health sector, by the acquisition of 75% share of Acibadem Healthcare Services by Integrated Healthcare Holdings, for approximately USD 400 million. The transfer of this figure reflected to the balance of payments in 2012 as FDI inflows from Malaysia.

Chart 15: Number of Companies Established in Turkey by Malaysia Based Investors and FDI Inflows from Malaysia to Turkey



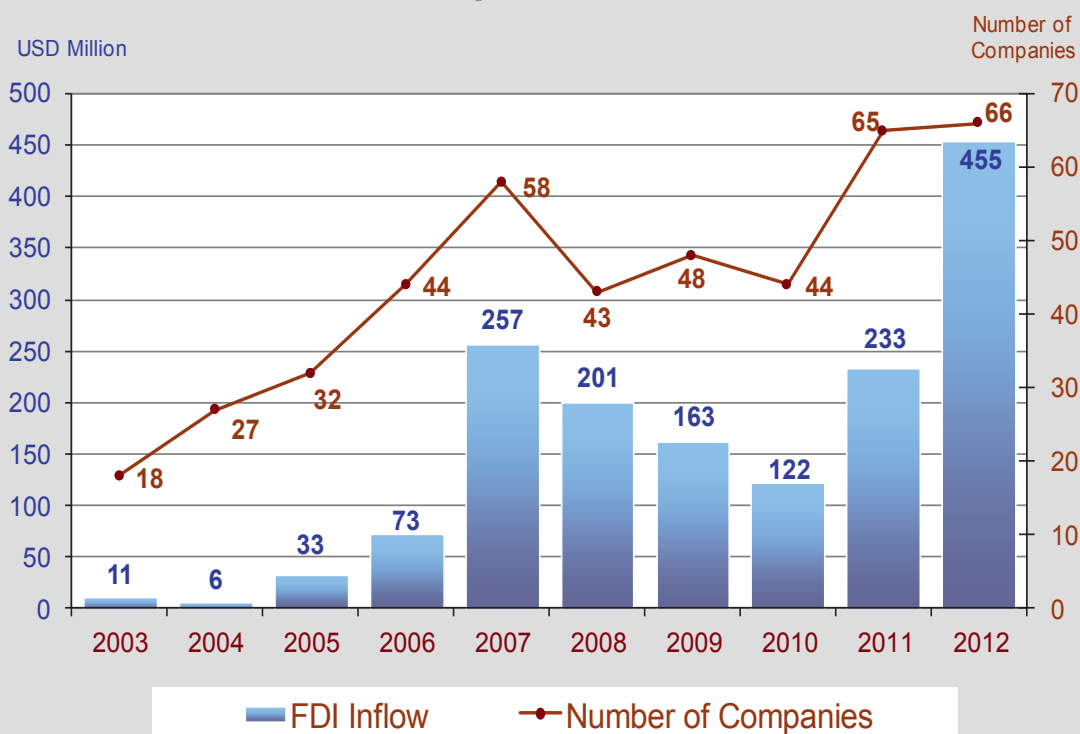
Source: Ministry of Economy, CBRT

Switzerland

In 2012, the direct investments from **Switzerland** to Turkey reached to USD 455 million. According to UNCTAD’s data, the total FDI outflows from Switzerland was around USD 44.3 billion.

Almost all of the FDI flows from Switzerland took place in the health sector in 2012. The highest FDI inflow from the Switzerland resulted from the acquisition of the share of Mustafa Nevzat İlaç Sanayi by Amgen for USD 225 million.

Chart 16: Number of Companies Established in Turkey by Switzerland Based Investors and FDI Inflows from Switzerland to Turkey

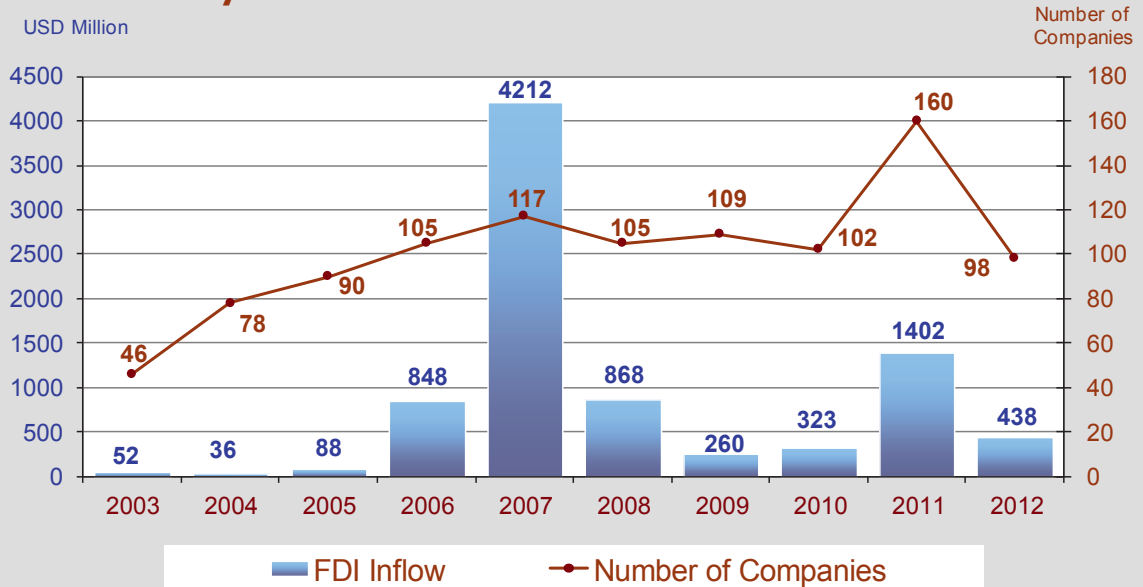


Source: Ministry of Economy, CBRT

The United States of America

FDI flows from **the United States** to Turkey reached to USD 438 million in 2012 after fluctuations from USD 4.2 billion in 2007 to USD 1.4 billion in 2011. According to UNCTAD's data, FDI outflows of the United States decreased by 17% to USD 328 billion in 2012.

Chart 17: Number of Companies Established in Turkey by the USA Based Investors and FDI Inflows from the USA to Turkey



Source: Ministry of Economy, CBRT

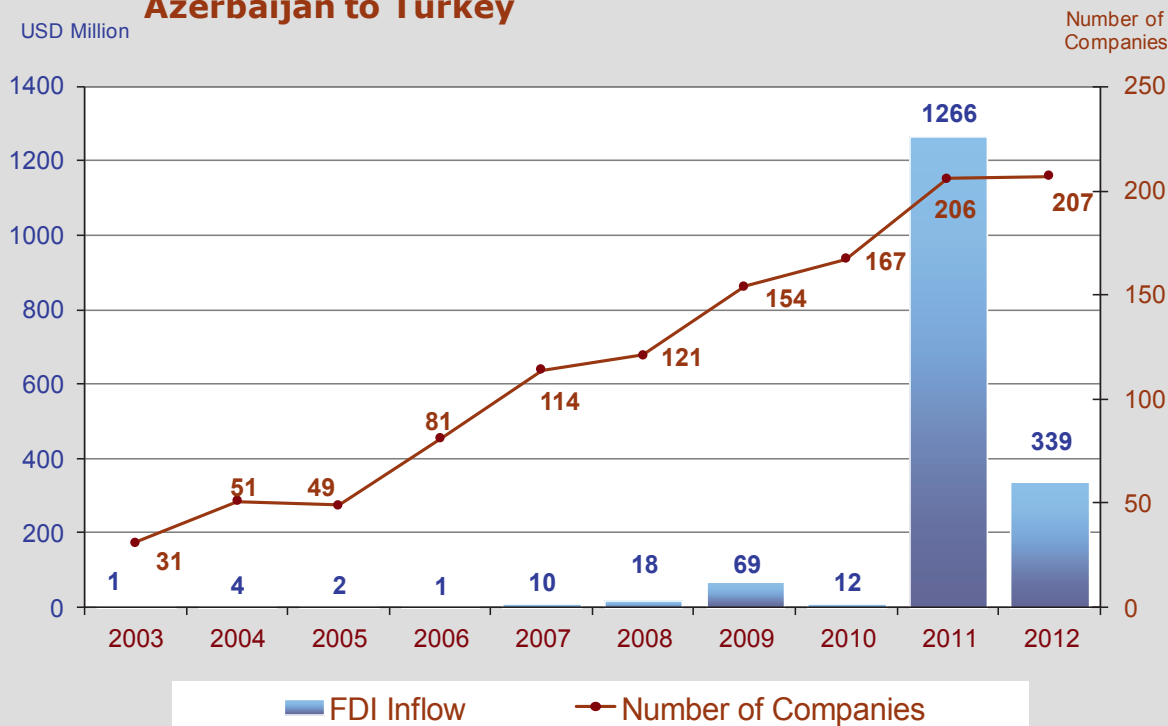
Sectoral breakdown of FDI inflows from the United States shows that real estate, renting and business activities, finance and manufacturing were leading recipient sectors in 2012. In this year, 98 companies with US capital became operational through either new establishments or participations in a local company. With 1,308 companies, the United States ranks the 6th in terms of the number of foreign owned companies in Turkey.

Azerbaijan

FDI flows from **Azerbaijan** to Turkey, which reached to USD 1,266 million in 2011, decreased to USD 339 million in 2012. The vast majority of FDI flows from Azerbaijan were realized by the state oil and gas company of Azerbaijan, Socar. The Socar Company transferred approximately USD 1,255 million in order to increase its share within its subsidiary in Turkey, Socar&Turcas A.Ş. from 51% to 75%.

In 2012, the acquisition of 24% share in Socar Turkey Enerji A.Ş. for USD 304 million by the Socar realized as a capital transfer. In Turkey, 207 companies with Azerbaijan capital began to operate in 2012 through new establishment or participation to local companies. Azerbaijan ranks the 7th in terms of the number of foreign owned companies with her 1,276 companies in Turkey.

Chart 18: Number of Companies Established in Turkey by Azerbaijan Based Investors and FDI Inflows from Azerbaijan to Turkey



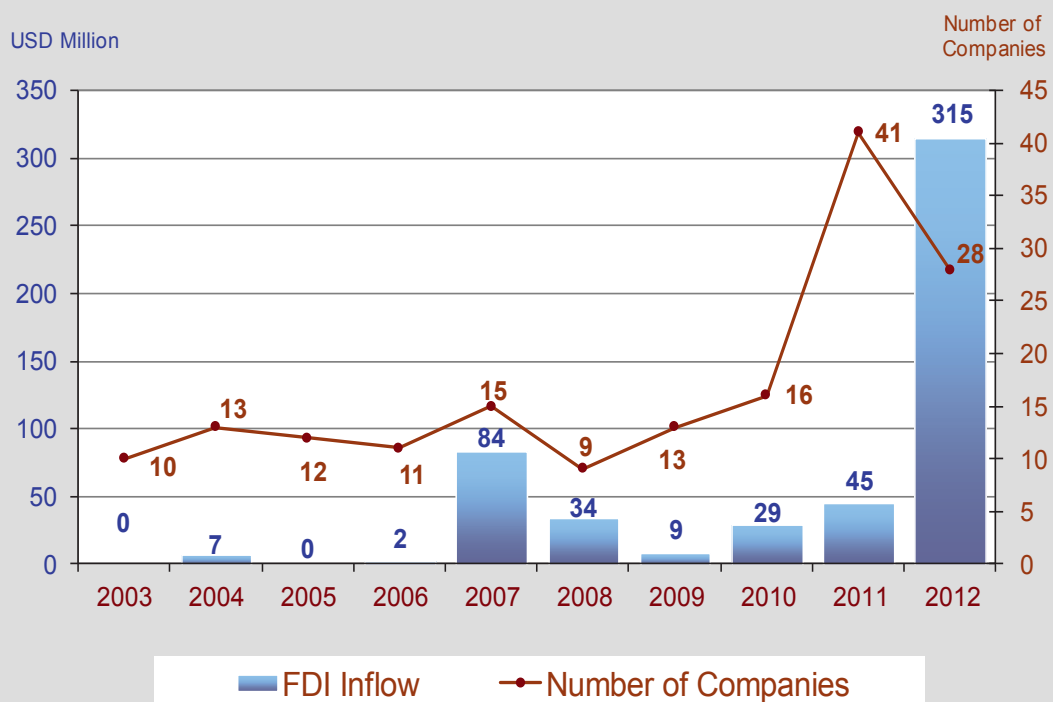
Source: Ministry of Economy, CBRT

Lebanon

In 2012 **Lebanon** was one of the prominent countries with FDI inflow of USD 315 million. According to UNCTAD's data, the share of the FDI flows to Turkey in the FDI outflow of Lebanon (USD 611 billion) had a significant share with a ratio of 51% in 2012.

The transfer of USD 300 billion by Bank Audi for establishment capital of Odea Bank was the largest capital inflow from Lebanon in 2012. Lebanon had a significant share in the FDI flows from Asian countries to Turkey which has an upward trend increasingly with USD 525 million FDI inflows during the 2002-2012 period.

Chart 19: Number of Companies Established in Turkey by Lebanon Based Investors and FDI Inflows from Lebanon to Turkey



Source: Ministry of Economy, CBRT

B. ACTIVITIES FOR INCREASING FOREIGN DIRECT INVESTMENTS

1. THE EFFORTS ON IMPROVING INVESTMENT ENVIRONMENT

1.1. Activities of the Coordination Council for the Improvement of Investment Environment in Turkey (YOIKK) in 2012

Efforts to improve investment environment play a significant role in enhancing both national and international investments. “The Reform Program for the Improvement of Investment Environment” was adopted in 2001 and a platform of representatives from public and private sectors to carry on activities to improve investment environment was established by a Council of Ministers Leading Decision in 2001. The platform follows a work program under the presidency of the Minister of Economy His Excellency Mr. Zafer ÇAĞLAYAN following the restructuring of the public institutions, in June 2011.

The structure and working principles of the Coordination Council for the Improvement of the Investment Environment (YOIKK), which is a successful platform for the cooperation between the public and private sector, was updated parallel to the economy’s increasing performance and the changing priorities of the private sector, and was restructured by the Council of Minister Leading Decision of 16 January 2012 No. 2012/2. The Decision re-defined working areas of 10 technical committees in line with the opinions of NGOs. On the basis of necessities that were raised by the institutions and organizations represented in the YOIKK, the platform was strengthened with the participation of the Ministry of Justice, the Ministry of Energy and Natural Resources and the Ministry of Transport, Maritime and Communication, which were not YOIKK stakeholders previously. Under the new Decision two new technical committees were created: one of which is the technical committee called “Investment Environment Legislation and Judicial Processes” under the presidency of the Ministry of Justice; and “Infrastructure” technical committee under the co-presidency of the Ministry of Energy and Natural Resources and the Ministry of Transport, Maritime and Communication.

The works and efforts of these 10 technical committees are monitored and reported on a regular basis through monitoring and performance evaluation mechanism. Another important improvement within the YOIKK structure is newly created

“Assessment and Evaluation Working Groups”. These working groups are basically assessing the efficiency of the fulfilled studies and inform the YOIKK through a report.

Some major developments provided as a result of the efforts carried out by the YOIKK Technical Committees in 2012 are as follows:

- In line with the targets envisaged in the development plans and annual programs, Decree on State Encouragement to Incentives was published in the Official Gazette No. 28328 dated 19.06.2012 in order to redirect the savings into high value added investments, enhance production and employment, encourage strategic investments and regional, large scale investments which will enhance international competitiveness level, increase foreign direct investments and reduce regional development differences.
- Turkish Commercial Code No.6335 and Law Regarding Amendment of Entry Into Force and Implementation of Turkish Commercial Code was published in the Official Gazette No. 28339 dated 30.06.2012.
- Law Regarding Arbitration in Legal Disputes was published in the Official Gazette No. 28331 dated 22.06.2012 in order to regulate procedures and principles implemented in the resolution of legal disputes through arbitration.
- Law of Obligations No. 6353 and Law on the Amendment of Some Provisions of the Law No. 6101 was published on the Official Gazette No.28351 dated 12.07.2012.
- Amending some laws in order to Increase Effectiveness of Judicial Services and Law Regarding Postponement of Cases and Punishments on Crimes Committed Through Press was published on the Official Gazette No.28344 dated 05.07.2012 in order to enhance the effectiveness in judicial system and fasten the trial in labor court.
- Regulation Regarding Procedures and Principles on Detection, Registration and Approval of Protected Zones was published on the Official Gazette No.28358 dated 19.07.2012 in order to detect procedures and principles regarding registration, approval and announcement of national parks, nature parks, natural monuments, nature conservation areas, wetlands and detection,

registration, approval, modification, and the declaration of the nature presence, natural sites and special nature protected zones.

- Amendment of the regulation regarding production of parts used in the plants producing electricity from renewable energy sources in the country was published on the Official Gazette No.28365 dated 26.07.2012.
- Capital Markets Law No.6362 was published in the Official Gazette No.28513 dated 30.12.2012 regarding regulation and supervision of the capital market in order to functioning and development of capital markets in a reliable, transparent, effective, stable, fair and competitive environment and protection of rights and interests of investors.
- Facilitation of Customs Procedures Regulations was published in the Official Gazette No.28524 dated 10.01.2013 in order to detect procedures and principles regarding other simplified implementations stemming from the customs regulation and the conditions for Authorized Economic Operator Status.
- Code of Liberalization of Rail Transport in Turkey No.6461 was published on the Official Gazette No. 28634 dated 01.05.2013 in order to enhance the service quality of passenger and freight transport through railways.
- Postal Services Law No.6475 was published on the Official Gazette No.28655 dated 23.05.2013 regarding liberalization of postal sector to provide servicing of postal services based on the principals of competitiveness, effectiveness, affordable prices, high quality and being continuous for all users; establishment, structuring, execution of activities and services of Postal and Telegraphs Organization Limited Companies, regulation and supervision of the sector.

In addition, over the last decade, many other important legislative changes such as laws, regulations, circulars, have been implemented as a result of studies conducted under the YOİKK Platform. In the context of these studies;

- Law Regarding Encouragement of Research and Development Activities which has significant support measures regarding generalization of R&D activities and innovation was published on the Official Gazette No.26814 dated 12.03.2008.

- Law Regarding Establishment of Investment Support and Promotion Agency of Turkey formed in order to enhance the investments needed in the economic development of the country, determine investment support and promotion activities to encourage multinational companies to invest in Turkey was published on the Official Gazette No. 26218 dated 04.07.2006.
- Law Regarding Establishment and Duties of Turkish Patent Institute was published on the Official Gazette No. 25294 dated 19.10.2003 in order to contribute technological improvement of Turkey and to support research and development activities and form a competitive environment; establishment of industrial property rights defined in various laws, providing the protection in this area and presenting the information and documentation regarding industrial property rights which exists in our country and abroad.
- Law Regarding Fighting against Smuggling was published in the Official Gazette No.26479 dated 31.03.2007 in order to define procedures and principals on smuggling actions and sanctions, monitor and investigate anti-trafficking.
- Amendment of law on company establishment which shorten the process by decreasing the related procedures for company registration, reduced registration and company establishment procedures to one day.
- Foreign Direct Investments Law No. 4875 was published in the Official Gazette No.25141 dated 17.06.2003 in order to encourage foreign investments, protect the rights of foreign investors, being in compliance with the international standards regarding the definition of international investors, transformation of permission and approval system into information system in international investments and enhance foreign direct investments through selected policies.
- Law on Establishment, Coordination and Duties of Development Agencies No.5449 was published in the Official Gazette No.26074 dated 08.02.2006 in order to provide the sustainable and balanced growth, fasten the regional and local development, transformation of the regional differences into a balanced structure.
- Regulations on enhancing the effectiveness of KOSGEB Support Programs were enacted. Moreover, significant steps have been taken to improve credit guarantee system which has an important role in access to finance for SMEs. In this context, in

2009 Undersecretariat of Treasury was authorized to provide TL1 billion to credit guarantee institutions and KGF's current capital increased by 4 times. In the context of these regulations, significant increases were experienced in terms of total amount of guarantee and the volume of credit.

1.2. Investment Advisory Council of Turkey

Investment Advisory Council (IAC) is a platform established with the participation of top executives of the multinational companies in the coordination of Turkish Government and World Bank in order to provide an international perspective to the ongoing investment climate reform studies, improve Turkey's image as an attractive investment destination and reduce administrative barriers to investment.

Investment Advisory Council convenes annually since 2004 and the declaration of outcomes which is set by the IAC members are publicized at the end of the meetings. IAC recommendations which take place in these declarations are the most important input among the factors that contribute the YOIKK studies and agenda setting. These recommendations are regarded as study areas that need further improvements and the efforts to improve these areas has also been followed and announced through IAC Progress Reports, published in Turkish and English annually.

The top level representatives of European Investment Bank, International Monetary Fund (IMF), World Bank and business leaders of the multinational companies such as Mango, Inditext, Alshaya Group, Coca-Cola, Metro Group, Vodafone, Toyota, Fiat, Indesit are among the members of the IAC meetings which convened seven times so far.

Family Picture of the 7th Investment Advisory Council, İstanbul, May 11, 2012



THE PARTICIPANT LIST OF THE SEVENTH INVESTMENT ADVISORY MEETING-MAY 11, 2012

International Organizations / Institutions		Name	Title	Country	Sector
1	International Monetary Fund	Ms. Christine Lagarde	Managing Director		
2	World Bank	Ms. Sri Mulyani Indrawati	Managing Director		
Multinational Companies <i>(in alphabetical order)</i>					
1	Aditya Birla Group	Mr. K.K.Maheshwari	Managing Director - Grasim Industries Ltd.	India	Textile
2	BBVA	Mr. Francisco Gonzalez	CEO and Chairman	Spain	Finance
3	Bayer Crop Science-Nunhems BV	Mr. Douwe Zijp	CEO – Nunhems	Netherlands	Agriculture
4	Citigroup	Mr. Hamid Biglari	Head of Emerging Markets and Vice Chairman- Citicorp	USA	Finance
5	GE Healthcare	Mr. John Dineen	President and CEO	USA	Personal Care & Health
6	Huawei Technologies Co.,Ltd.	Ms. Chen Lifang	Vice President and Board Director	China	Telecommunication
7	IBM	Mr. Harry van Dorenmalen	Chairman, IBM Europe	USA	IT
8	Inditex	Mr. Pablo Isla Álvarez de Tejera	CEO and Chairman	Spain	Textile
9	ITOCHU Corporation	Mr. Yoichi Kobayashi	Vice President	Japan	Infrastructure
10	MANGO	Mr. Isak Andic	President	Spain	Textile
11	Ogilvy Public Relations	Mr. Chris Graves	Global CEO	USA	Services
12	The Coca-Cola Company	Mr. Muhtar Kent	CEO and Chairman	USA	Beverages
13	The Timken Company	Mr. James W. Griffith	President and CEO	USA	Machinery
14	The Western Union Company	Mr. Hikmet Ersek	President and CEO	USA	Finance
15	UPS	Mr. Daniel J. Brutto	President - UPS International	USA	Logistics & Transportation
16	VERBUND AG	Mr. Wolfgang Anzengruber	CEO	Austria	Energy
17	Vodafone Group PLC	Mr. Vittorio Colao	CEO	UK	Telecommunication
Turkish Business Union / Association					
1	The Union of Chambers and Commodity Exchanges of Turkey (TOBB)	Mr. Rifat Hisarcıklıoğlu	President		
2	Turkish Exporters Assembly (TIM)	Mr. Mehmet Büyükekşi	President		
3	Turkish Industrialists' and Businessmen's Association (TUSIAD)	Ms. Ümit Boyner	President		
4	International Investors Association (YASED)	Mr. İzzet Karaca	President		

1.3. Turkey's Experience Sharing Programs

Turkey's Experience Sharing Program has been initiated in 2008 in order to share the institutional knowledge that has been accumulated on the improvement of the investment environment in the last 10 years with the demanding countries. Around 250 experts from 35 countries were attended to the training programs conducted in the context of the Turkey's Experience Sharing Program.

- November 5, 2008, Experience Sharing Program with Iraq Delegation, Ankara
- November 6-7, 2008, Experience Sharing Program with Kyrgyz Delegation, Ankara
- May 25-27, 2010, Assessment Study on Investment Conditions of Yemen on behalf of Friends of Yemen Group, Sana
- January 27-28, 2011, Experience Sharing Program with Turkish Republic of Northern Cyprus -Raising Awareness and Building Capacity, Girne
- May 2-6, 2011, Experience Sharing Program with Turkish Republic of Northern Cyprus-Designing Structures, Lefkosa
- May 25-26, 2011, Training Program on Improving Investment Climate in Economic Cooperation Organization (ECO) Member Countries and Turkish Experience, Ankara
- October 10-14, 2011, Expert Training Program for the Experts of the IDB Members "Turkey's Experience Sharing Program on Investment Climate Reforms", Ankara
- September 24-25, 2012, "Turkey-Palestine Experience Sharing Program", Palestine
- October 2-4, 2012, Experience Sharing Program on Investment Climate Reform for Tunisia, Ankara
- December 17-20, 2012, Expert Training Program for the Experts of the IDB Members "Turkey's Experience Sharing Program on Investment Climate Reforms", Ankara
- April 15, 2013, Experience Sharing Program on Investment Climate Reform for Egypt, Ankara

While Experience Sharing Program for Palestine was conducted on September 24-25, 2012 with the participation of 25 investment experts in Palestine, Experience Sharing Program for Tunisia was held on October 2-4, 2012 with the attendance of 10 Tunisian experts in Ankara. Moreover, the Capacity Building Program for Islamic Development Bank (IDB) member countries was took place also in Ankara on December 17-20, 2012 with the participation of 26 experts from 19 countries. Experience Sharing Programs held in 2013 are organized for Egypt and IDB Countries. The Experience Sharing Program for Egypt which was conducted on April 15, 2013 in Ankara and the third Program for IDB member countries was completed between September 23-27, 2013, in Çanakkale and Balıkesir apart from Ankara.

1.4. Turkey's Position in the Investment Indices

The perception of Turkey as an investment destination is stated clearly in the reports published by various international institutions. These studies which scrutinize the level of investment environment of countries in different scope and contexts are among the most important indicators that affect the decisions of the international investors.

The indices which are based on certain assumptions are regarded as not fully sufficient to provide a detailed analysis on the investment environment of our country. However they are significant in terms of advise the perception of the international investors towards Turkey and they enable a comparison among countries.

In the context of these studies:

- The Doing Business Report which is published by the World Bank is regarded as one of the leading report for investors. According to the report that examine 185 countries in terms of time, cost and procedures in 11 different indicators such as starting a business, foreign trade, protecting investors and access to finance, Turkey has been ranked as 71st among 185 countries by falling 3 steps compared to last year in 2013,

- In the Corruption Perception Index published by International Transparency Organization, Turkey moved up by 7 steps compared to last year in 2012 and ranked 54th among 176 countries,
- In the Global Competitiveness Report published by World Economic Forum, Turkey jumped 16 steps and ranked 43rd among 144 countries in 2012 compared to last year.

Moreover, according to a survey conducted by PricewaterhouseCoopers, it is expected that Turkey will be the 12th economy of the world with her USD 2.7 trillion in 2030. Likewise, Goldman Sachs envisages that Turkey will be among the 8 economies that will produce 46% of the world's GDP by 2050.

Box 2: Investment Support and Promotion Agency of Turkey (ISPAT)

ISPAT is the official organization for promoting Turkey's investment opportunities to the global business community and providing assistance to investors before, during and after their entry into Turkey. In order to support and serve investors, ISPAT was established under the auspices of the Prime Ministry. The Agency serves as a reference and a point of contact for international investors by linking them with both the government and businesses in Turkey, working on a fully confidential basis and functioning as a private venture. All of ISPAT's services are free of charge, and they include, but are not limited to, providing market information, site selection, B2B meetings, coordination with relevant governmental institutions, facilitating legal procedures and applications, such as establishing companies, incentive applications, obtaining licenses and work permits.

Since its establishment in 2006, ISPAT has facilitated plenty of investment projects and carried out numerous promotion activities in the world, raising awareness about the investment opportunities in Turkey. As for the ISPAT's purpose, it was established in order to attract and increase direct investment, which is needed for Turkey's economic development. To this end, the main mission of ISPAT is to attract the foreign direct investment which will contribute to the economic development of Turkey. The Agency attaches the utmost priority to the investments which create employment in Turkey, transfer technology to the country, increase Turkey's exports and reduce Turkey's import.

Active on a global scale, ISPAT operates with a network of local consultants in Canada, China, France, Germany, the Gulf states (Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates), India, Japan, Saudi Arabia, Spain, the Russian Federation, the United Kingdom, the United States, and South Korea offering an extensive range of services to investors through a one-stop-shop approach, and assists them in obtaining optimum results from Turkey. ISPAT's team of professionals can assist investors in Arabic, Chinese, English, French, German, Italian, Japanese, Korean, Russian, or Spanish as well as Turkish, and is dedicated to helping investors successfully develop their business operations in Turkey.

2. BILATERAL INVESTMENT TREATIES

The Agreements on the Reciprocal Promotion and Protection of Investments (Bilateral Investment Treaties or BITs in short), are signed with the countries with which promotion of mutual economic relations would be beneficial, or with which Turkey's investment relations are developing. The main objective of BITs is to stimulate the capital and technology flows between the Parties, provide favorable conditions for investors and to determine the limits of the legal treatment accorded by the hosting countries for mutual investments.

So far, Turkey has signed BITs with 88 countries. Today BITs are fundamental agreements having utmost importance for the international investors. BITs signed by Turkey include “sine qua non” provisions, such as the application of national treatment and most favored nation treatment to foreign investors by the hosting country, guarantee of free transfers of returns and profits, the conditions for nationalization, and resort to international arbitration in case of the arisal of a dispute between the investor and the hosting country.

Within the context of BITs negotiations, , BIT negotiations were concluded with Gambia, Kenya and Colombia, and Agreements were signed with Bangladesh, Gabon, Kosovo, Cameron and Pakistan in 2012. Furthermore, Agreements signed with the Chezh Republic and Senegal in the previous years entered into force in 2012.

Turkey's BITs that entered into force are shown below . (Table 27)

Table 27: Bilateral Investment Treaties of Turkey

	COUNTRY	ENTRY INTO FORCE		COUNTRY	ENTRY INTO FORCE
1	U.S.A.	18.05.1990	39	Kazakhstan	10.08.1995
2	Afghanistan	19.07.2005	40	Kyrgyzstan	31.10.1996
3	Germany	05.12.1965	41	Kuwait	25.04.1992
4	Argentina	01.05.1995	42	Cuba	23.10.1999
5	Albania	26.12.1996	43	Latvia	03.03.1999
6	Austria	01.01.1992	44	Libya	22.04.2011
7	Australia	29.06.2009	45	Lithuania	07.07.1997
8	Azerbaijan	08.09.1997	46	Lebanon	04.01.2006
9	Bangladesh	21.06.1990	47	Hungary	22.02.1995
10	Belarus	20.02.1997	48	Macedonia	27.10.1997
11	Belgium-Luxemburg	04.05.1990	49	Malaysia	09.09.2000
12	United Arab Emirates	24.07.2011	50	Malta	14.07.2004
13	Bosnia-Herzegovina	29.01.2002	51	Egypt	31.07.2002
14	Bulgaria	22.09.1997	52	Mongolia	22.05.2000
15	Czech Republic	01.08.1997	53	Moldova	16.05.1997
16	P.R. of China	20.08.1994	54	Sultanate of Oman	15.03.2010
17	Denmark	01.08.1992	55	Uzbekistan	18.05.1995
18	Indonesia	28.09.1998	56	Pakistan	03.09.1997
19	Estonia	29.04.1999	57	Poland	19.08.1994
20	Ethiopia	10.03.2005	58	Portugal	19.01.2004
21	Morocco	31.05.2004	59	Romania	08.07.2010
22	The Philippines	17.02.2006	60	Russian Federation	17.05.2000
23	Finland	23.04.1995	61	Senegal	17.07.2012
24	France	03.08.2009	62	Serbia	10.11.2003
25	R. Korea	04.06.1994	63	Singapore	27.03.2010
26	Georgia	28.07.1995	64	Slovakia	23.12.2003
27	India	18.10.2007	65	Slovenia	19.06.2006
28	Croatia	21.04.1998	66	Syria	03.01.2006
29	The Netherlands	14.11.1989	67	Saudi Arabia	05.02.2010
30	England	22.10.1996	68	Tajikistan	24.07.1998
31	Iran	13.04.2005	69	Thailand	21.07.2010
32	Spain	03.03.1998	70	Tunisia	28.04.1994
33	Israel	27.08.1998	71	Turkmenistan	13.03.1997
34	Sweden	08.10.1998	72	Ukraine	21.05.1998
35	Switzerland	21.02.1990	73	Jordan	23.01.2006
36	Italy	02.03.2004	74	Yemen	31.03.2011
37	Japan	12.03.1993	75	Greece	24.11.2001
38	Qatar	12.02.2008			

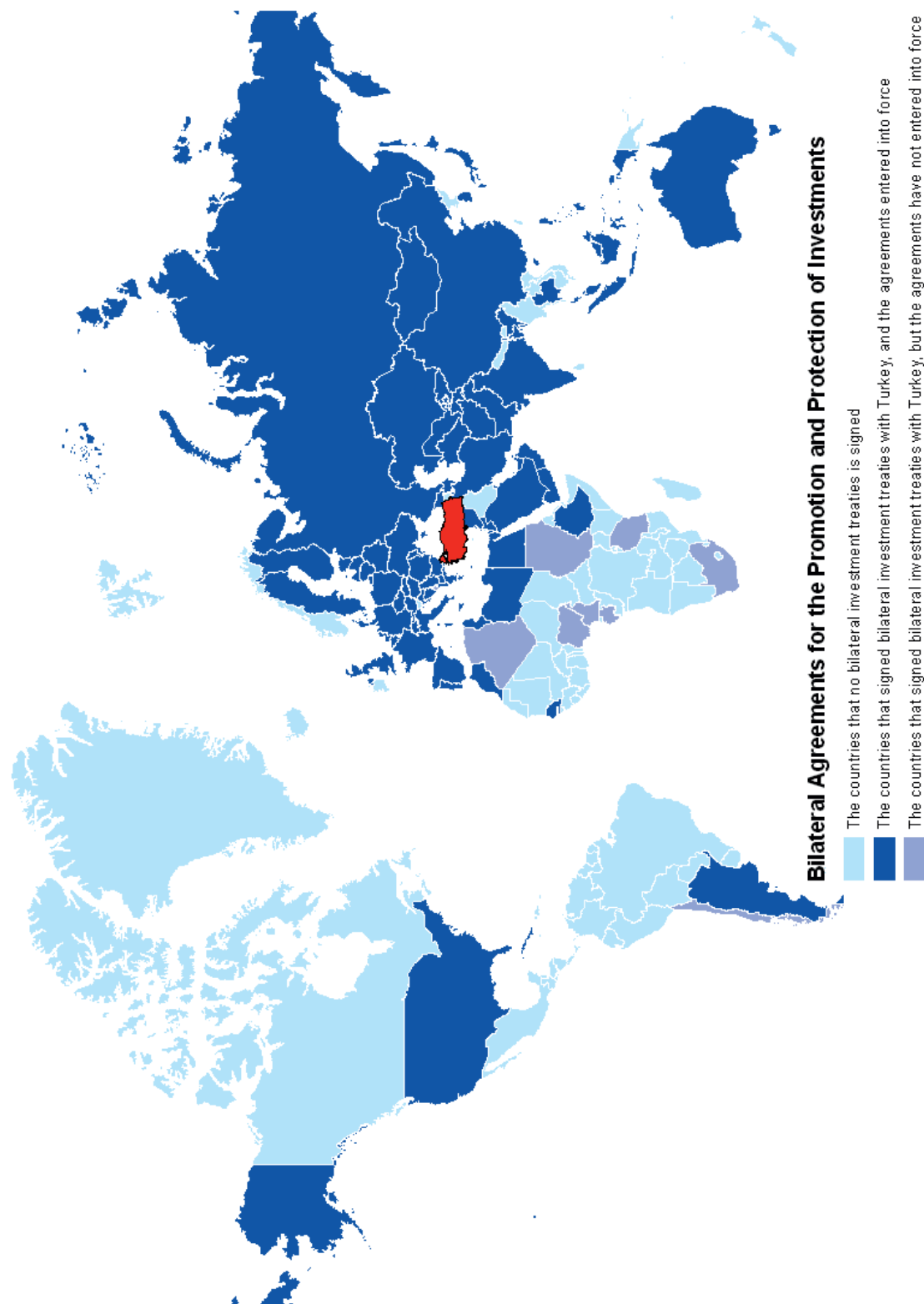
Source: Ministry of Economy

Table 28: Bilateral Investment Treaties Signed by Turkey (in the Process of Ratification)

	Countries	Date of Signature
1	Azerbaijan (New Agreement)	25.10.2011
2	Algeria	03.06.1998
3	Bahrain	15.02.2006
4	Bangladesh (New Agreement)	12.04.2012
5	Cameron	24.04.2012
6	Czech Republic (New Agreement)	29.04.2009
7	Croatia (Additional Protocol)	18.02.2009
8	Gabon	18.07.2012
9	Montenegro	14.03.2012
10	Kosovo	30.05.2012
11	Kuwait (New Agreement)	27.05.2010
12	Nigeria	02.02.2011
13	Pakistan (New Agreement)	22.05.2012
14	Slovakia (New Agreement)	13.10.2009
15	Republic of South Africa	23.06.2000
16	Tanzania	12.03.2011

Source: Ministry of Economy

Map 15: The Distribution of Turkey's Bilateral Investment Treaties by Country



Source: Ministry of Economy