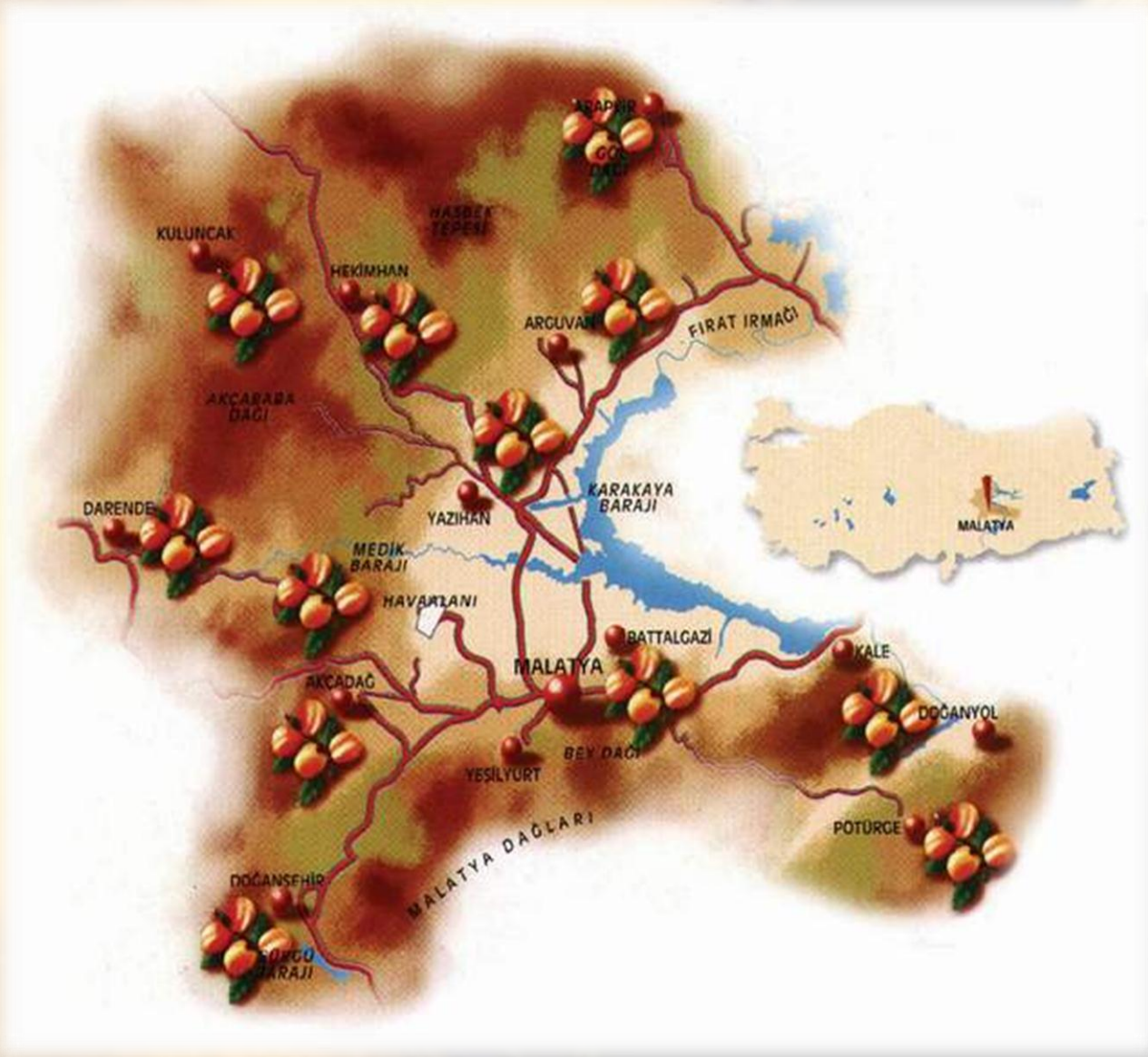


# Invest in **MALATYA**

## Malatya Investment Support Unit

July 2011



# WHY INVEST IN MALATYA?

- + Rapid improvement of business climate with its 5 Industrial zones
- + Favourable legislative treatment for FDI from local authorities
- + Being one of the 12 Attraction centers means for Malatya; developing economy, increasing public and private investments
- + Strong local support for investor
- + Availability of skilled, educated and competitively priced labour force
- + Improving business environment according to EU standards
- + Getting most benefits from state incentives and supports

# Incentives in Malatya

Large investments may benefit from;

- a) Customs duty exemption
- b) VAT exemption
- c) Tax reduction
- d) Social security premium support
- e) Land allocation

# Investment Incentives in Malatya

Malatya is in the IV Regions, which means investments to Malatya **mostly benefit** from state incentives & supports.



# Leading Sectors in Malatya

- Agriculture and food (Crops, Fruit growing, livestock breeding)
- Textile Industry
- Machinery Industry



# *UNIVERSITY*

- New departments opened according to the needs of city and region
- Cooperation with industry at high level



# *LIVELY SOCIAL LIFE*

Various recreational activities



Excursion spots to spend time with family and friends

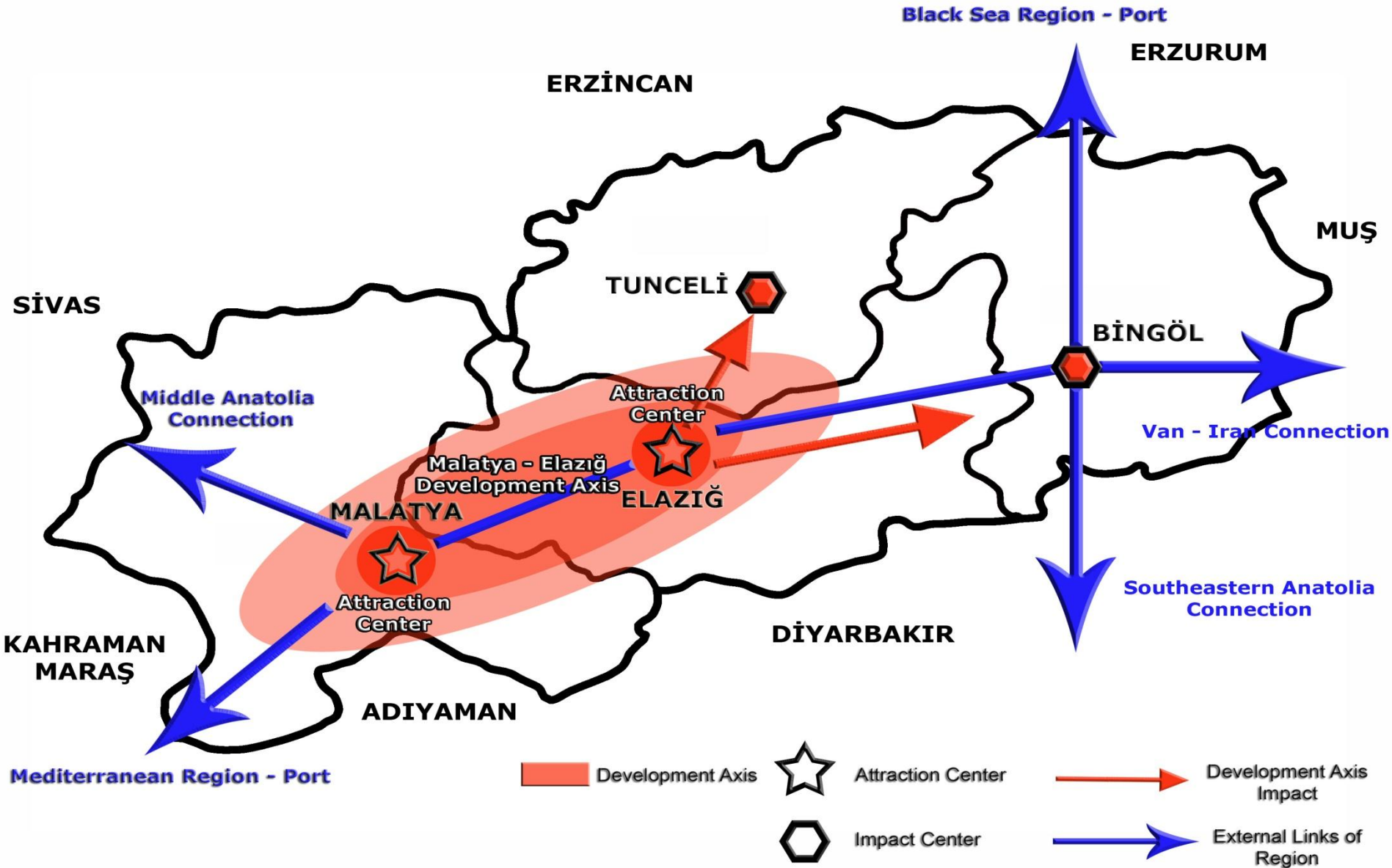
# *MEDICAL CENTER*

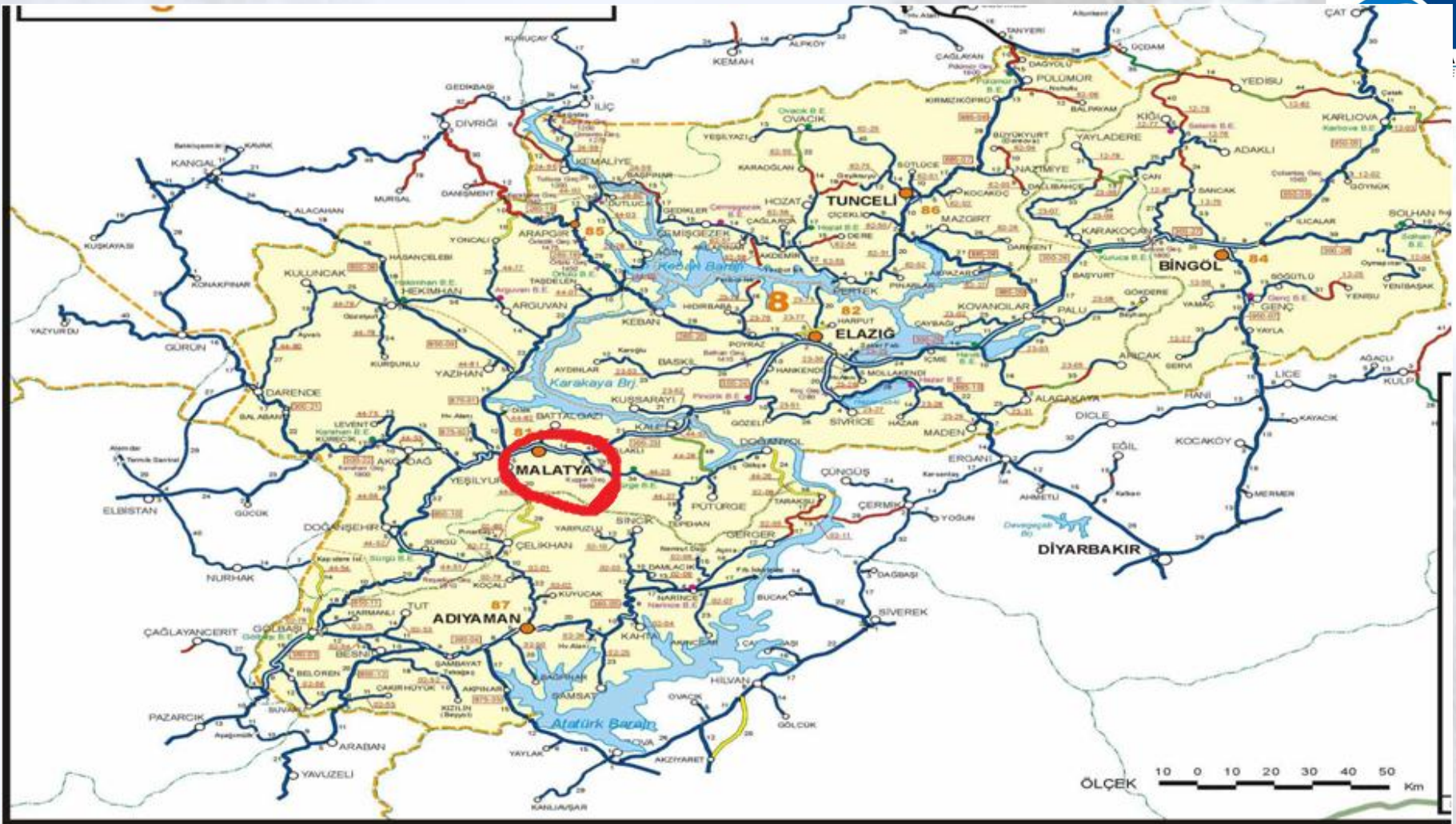
✚ Especially famous  
for successful liver  
transplantations

✚ Bed capacity: 880  
26 operating rooms  
120 beds in the  
intensive care unit



# TRANSPORTATION





Developed network of intra and interregional **highways**



# International Airport

# Rail network



The railway station lies at a distance of 3 kilometers west of the city center.



# **FIRAT DEVELOPMENT AGENCY & TRB1 REGION**

# 26 NUTS II REGIONS in TURKEY



The EU candidate countries in the accession period have to comply with certain requirements that are addressed in accession negotiations. In its National Plan for the Adoption of the *Acquis* (NPAA), Turkey has committed itself to legal and institutional changes that will contribute to its adjustment to EU regional policy. Turkey has already complied with the requirement on territorial organization with the establishment of 26 NUTS II regions. In order to eliminate regional disparities, to accelerate local and regional economic development and to enable sustainable development, regional development agencies have been established in each NUTS II region.

# WHY TURKEY NEEDS REGIONAL DEVELOPMENT AGENCIES (RDAs)?

- Better diagnose and treatment of local problems
- Acting proactively rather than reactively in times of change
- Narrow development gaps among regions
- For harmonization with the EU regional policy

# FIRAT DEVELOPMENT AGENCY & TRB1 REGION



TRB1 consists of provinces of Malatya, Elazığ, Bingöl and Tunceli. The main purpose of Fırat Development Agency is fostering regional development in TRB1 region.

# FUNCTIONS OF FIRAT DEVELOPMENT AGENCY

- Preparing the regional development plan
- Creating synergy among local actors
- Increasing local capacity in planning, programming and project writing
- Supporting economic and social development projects in accordance with the main targets, objectives and priorities defined in regional plans
- Providing technical and financial aid to SMEs and entrepreneurs
- Following up the permit and license procedures for investors
- Tackling the bureaucratic obstacles in investment process
- Promoting the region on national and international platforms

# VISION & MISSION of FIRAT DEVELOPMENT AGENCY

## VISION

Inspiring Turkey's development efforts through the positive change it achieves in the region

## MISSION

Preparing necessary plan, program and instruments and applying them with its stakeholders for activating local potential and ensuring sustainable development of TRB1 Region.

# ORGANIZATIONAL STRUCTURE



# ORGANIZATIONAL STRUCTURE

<b>Administrative Board</b>	<p>The decision making body of the Agency consists of 16 people, who are:          TRB1 Region's four governors (Bingöl, Elazığ, Malatya, Tunceli)          Mayors of the region,          Presidents of four cities' Provincial Councils          Presidents of Region's Chambers of Commerce</p>
<b>Development Council</b>	<p>The consultative component of the development agency, consisting of 100 people from public and private sectors, nongovernmental organizations and academia. Development Council gives consultative decisions in determining policies and strategies for the problems and opportunities encountered in the region.</p>
<b>Secretariat General</b>	<p>The executive body of the Agency which consists of Secretary General, experts and support staff. The Units of Secretariat General are:</p> <ul style="list-style-type: none"> <li>* Secretary General,</li> <li>* Planning, Programming and Corporation Unit,</li> <li>* Program Management Unit,</li> <li>* Monitoring and Evaluation Unit,</li> <li>* Support Unit,</li> <li>* Investment Support Offices.</li> </ul>
<b>Investment Support Offices</b>	<p>The unit that is responsible for attracting new investments to the region. It consists of expert staff which informs and guides potential investors about legislative procedures. It also promotes the region on national and international scale.</p>

# TRB1 KEY INDICATORS

	Malatya	Elazığ	Bingöl	Tunceli	TRB1	TRB1 (% of Turkey)
Area (km <sup>2</sup> )	11,776	8,455	8,253	7,432	35,916	% 4.7
Population - 2009	736,884	550,667	255,745	83,061	1,626,357	% 2.24
Urbanization Rate - 2009	% 63.6	% 71.3	% 54.2	% 64.7	% 64.8	% 86
Population density - 2009 (capita per km <sup>2</sup> )	63	65	31	11	45	% 48
GDP per Capita – 2006 (USD)	-	-	-	-	3,876	% 58
Unemployment Rate - 2009	% 11.5	% 15.5	% 14.8	% 17.9	% 16.8	% 120

# POTENTIAL OF THE REGION

# AGRICULTURE

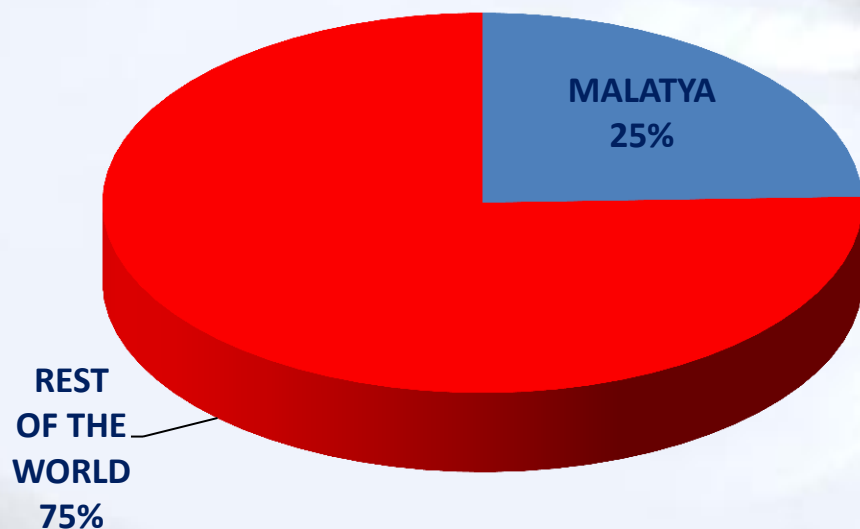
# APRICOT: ENGINE OF THE REGIONAL AGRICULTURE

- Approximately 300 million USD contribution to the region annually
- Wide area of usage in food industry
- Suitable for biofuel production
- Currently huge gap in advanced production

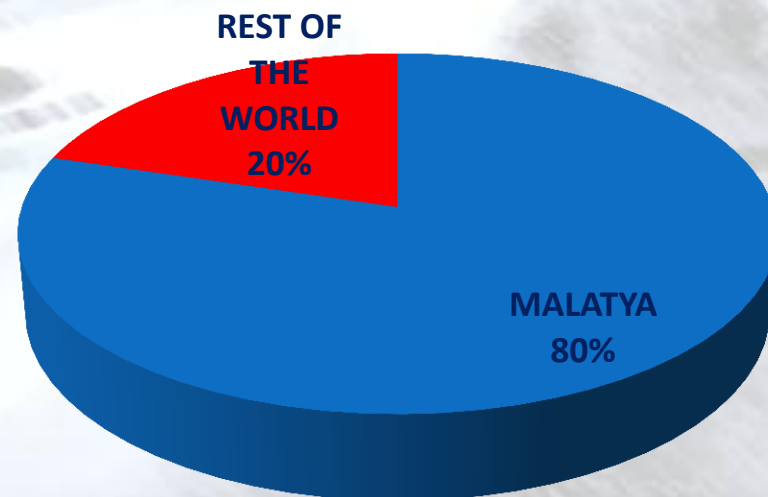


# APRICOT PRODUCTION

## FRESH APRICOT PRODUCTION



## DRIED APRICOT PRODUCTION



## OTHER IMPORTANT PRODUCTS

- Grape
- Strawberry
- Sugar beet
- Wheat
- Legumes



# BEEKEEPING

- Rich flora and convenient climate
- Qualified workforce
- High internal demand for high quality honey



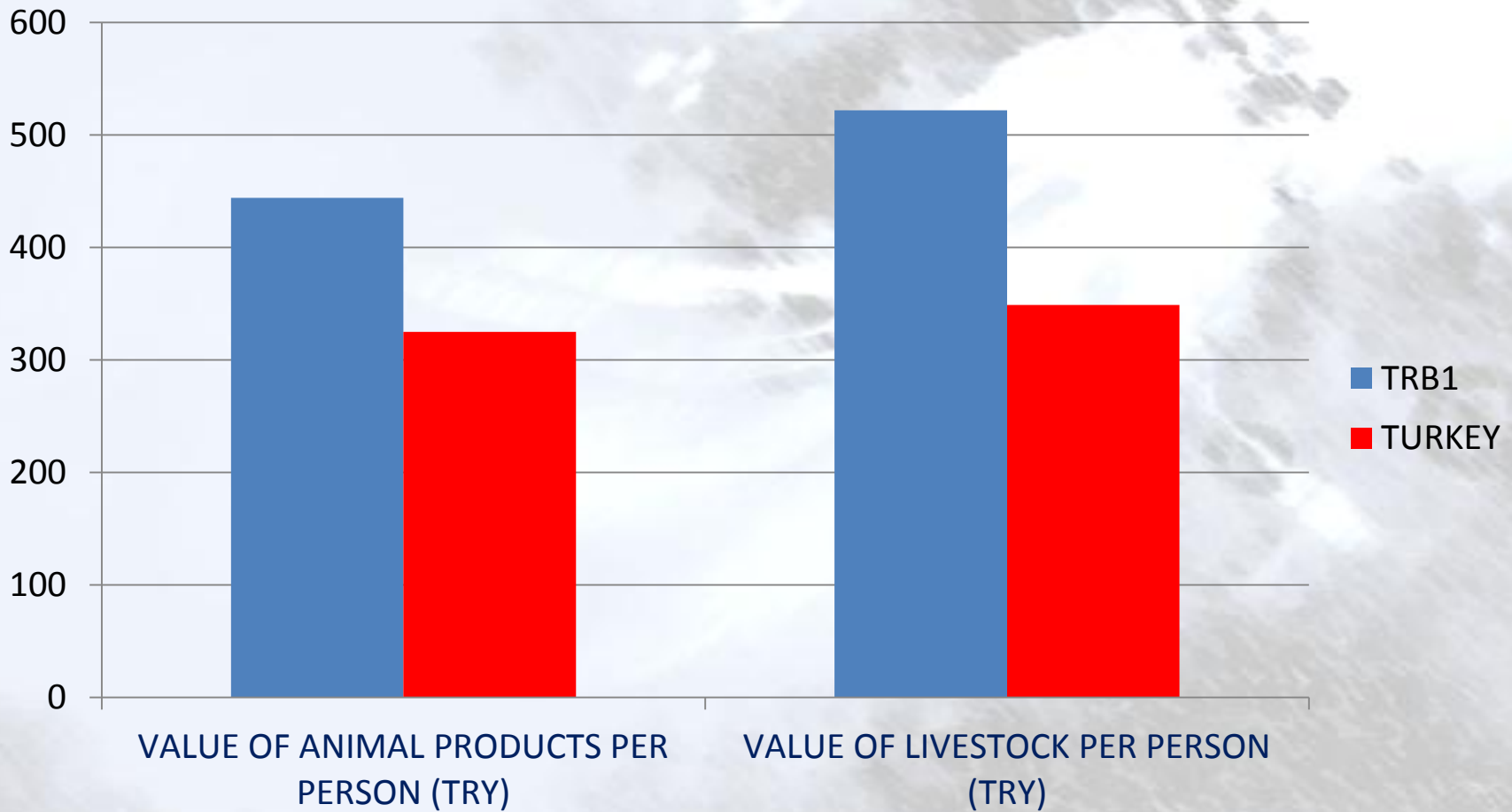
# STOCKBREEDING

# RIGHT PLACE FOR RAISING LIVESTOCK

- 47,6% of the land consists of pasturage
- Strong government support for stockbreeding
- Specialized industrial zone for stockbreeding
- High meat prices in Turkey



# STOCKBREEDING'S POSITION IN THE TRB1 REGION



# HORSE BREEDING

- Home of champion race horses
- Pureblood English and Arab horses raised



# INDUSTRY

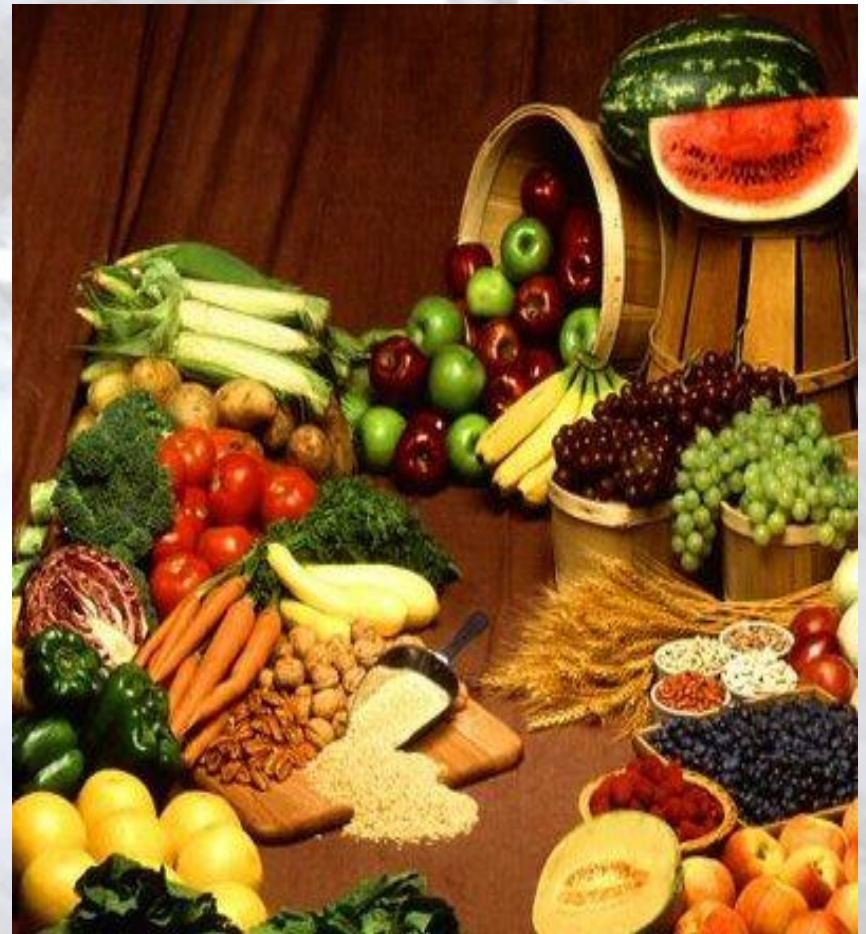
# TEXTILE

- Most important sector in the region
- Cloth production for famous brands (e.g. Diesel Jeans)
- Increasing variation in textile activity



# FOOD

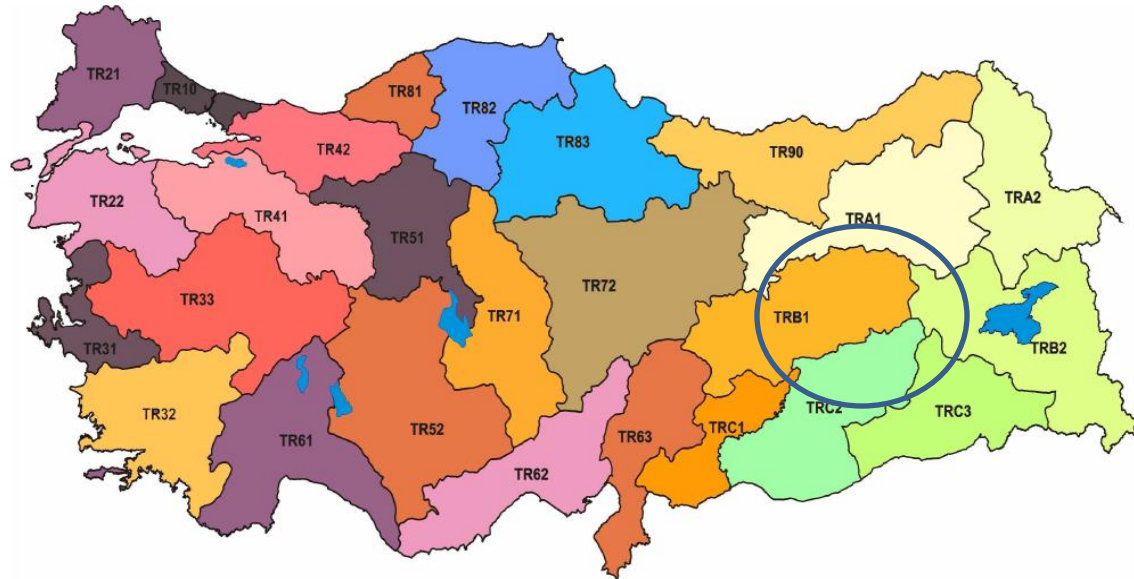
- Heavy weight on packaging
- Milk processing plants
- Sugar
- Generally basic products rather than advanced ones



# LOGISTICS

# ADVANTAGEOUS LOCATION

- Gateway between eastern and western Turkey
- Proximity to the Middle East
- Direct flights to Frankfurt and Cologne



# NATURAL RESOURCES

# RICH MINE RESERVES

- Marble
- Iron
- Lead-zinc
- Profillit
- Chromium



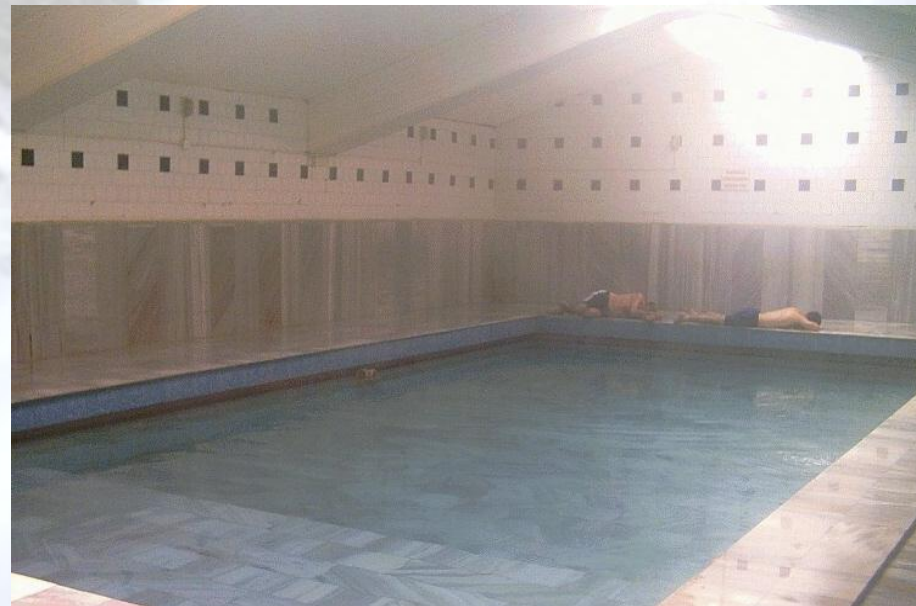
# MARBLE

- Critical raw material for construction industry
- Exported to EU countries, USA and China
- Rosso lepanto marble used in the White House
- Close to large markets (e.g. Middle East, Africa, Eastern Europe, Middle Asia)



# THERMAL WATER

- Ready to host people from all over the world



## FISHERY PRODUCTS

- Suitable for farming all kinds of limnetic fish
- Traditionally trout is the most common one



# TOURISM

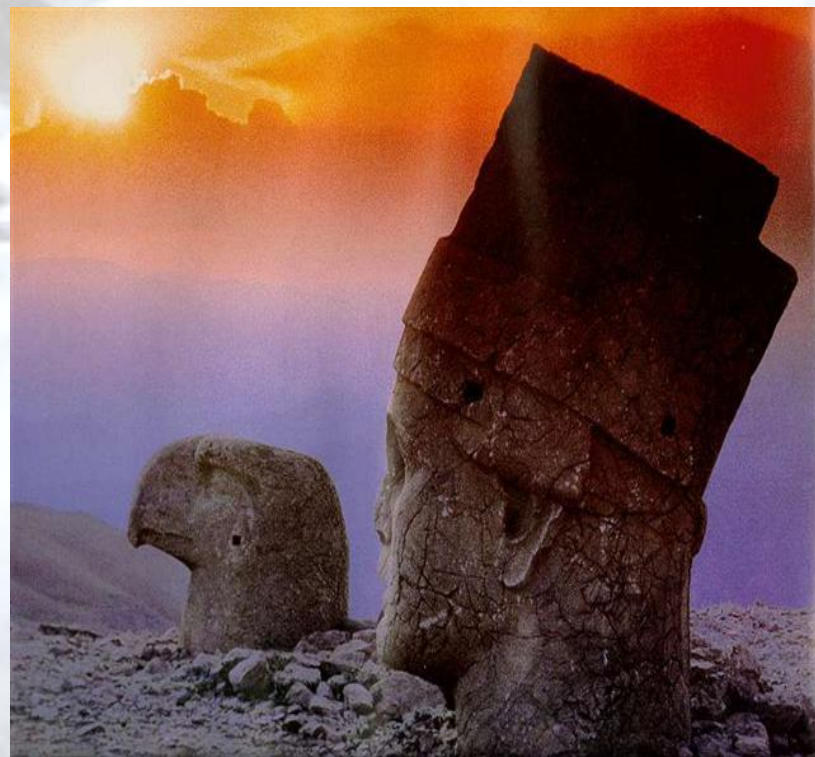
# ASLANTEPE

- Dates back to 5000 B.C.
- Oldest city remnants discovered until now
- Professor Marcella Frangipane from University of Rome: “Civilization started in Anatolia, not in Mesopotamia”



# NEMRUT MOUNTAIN

- Inherited from Commagene Kingdom, 109 B.C.
- Statues of gods on top of the mountain
- Perfect spot for watching the sunrise



# HARPUT

- Traces of Seljuk and Ottoman history
- An open air museum with mosques, a church and ice caves



# FLOATING ISLANDS

- Only in Bingöl and Chile



# MUNZUR NATIONAL PARK

- An untouched paradise
- Endemic species
- Perfect for nature sports (e.g. trekking, rafting, hunting)



# NATURE SPORTS

- Water sports in Elazığ and Malatya
- Skiing in Elazığ and Bingöl
- Trekking and rafting in Tunceli



# EDUCATION AND HEALTH

# UNIVERSITIES

- Each city of the region has a university
- New departments opened according to the needs of the region
- Cooperation with industry at high level



# MEDICAL CENTER OF THE REGION

- Future health center for the Middle East
- Especially famous for successful liver transplantations
- Bed capacity: 880
- 26 operating rooms
- 120 beds in the intensive care unit



# WHY SHOULD YOU INVEST IN OUR REGION?

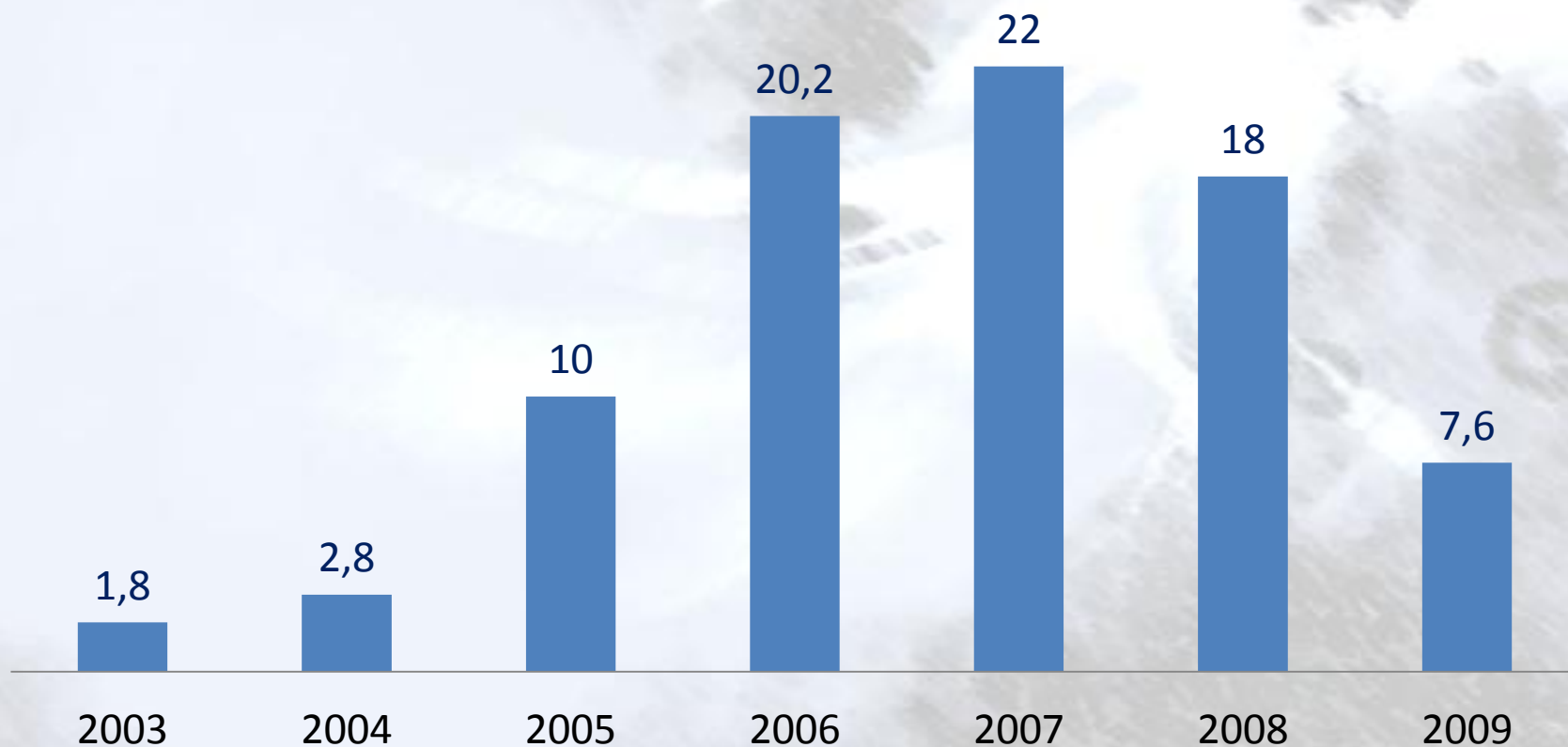
# BUSINESS FRIENDLY ENVIRONMENT

## TIME NECESSARY TO START YOUR BUSINESS (DAYS)



# ATTRACTIVE FOR INVESTORS

FDI INFLOWS (USD BILLION)



# LIBERAL LEGAL SYSTEM FOR FDI

## MAIN PRINCIPLES

- Equal treatment for domestic and foreign countries
- No pre-entry screening requirements
- Unrestricted foreign ownership
- No obligation to choose a specific company type

## RIGHTS OF FOREIGN INVESTORS

- Free transfer of funds
- Acquisition of real estate
- Dispute settlement in either local courts or international arbitration bodies
- Work permits for expatriates
- Valuation of non-cash capital
- Opening a liaison office

# INCENTIVES TO INVEST IN THE REGION

# TAX DEDUCTIONS

- For minimum investment amount of 500.000 TRY
- Corporate tax is normally 20% in Turkey
- In our region it is 2%
- Machinery and equipment expenses are exempted from value added tax

## **SOCIAL SECURITY PREMIUM SUPPORT**

- If you invest in 2011, you are supported for 7 years
- If you invest after 2011, support continues for 5 years

# LAND AND BUILDING ALLOCATION

- State properties can be allocated to investors who hold incentive certificates
- Right of access for 49 years in return for 3% of property tax

## INTEREST PAYMENT SUPPORT

- If interest expense is maximum 70% of fixed investment
- Maximum 500000 TRY amount of support can be received
- For TRY credits 5 points
- For foreign currency credits 2 points is paid by the government

# CUSTOM DUTY EXEMPTION

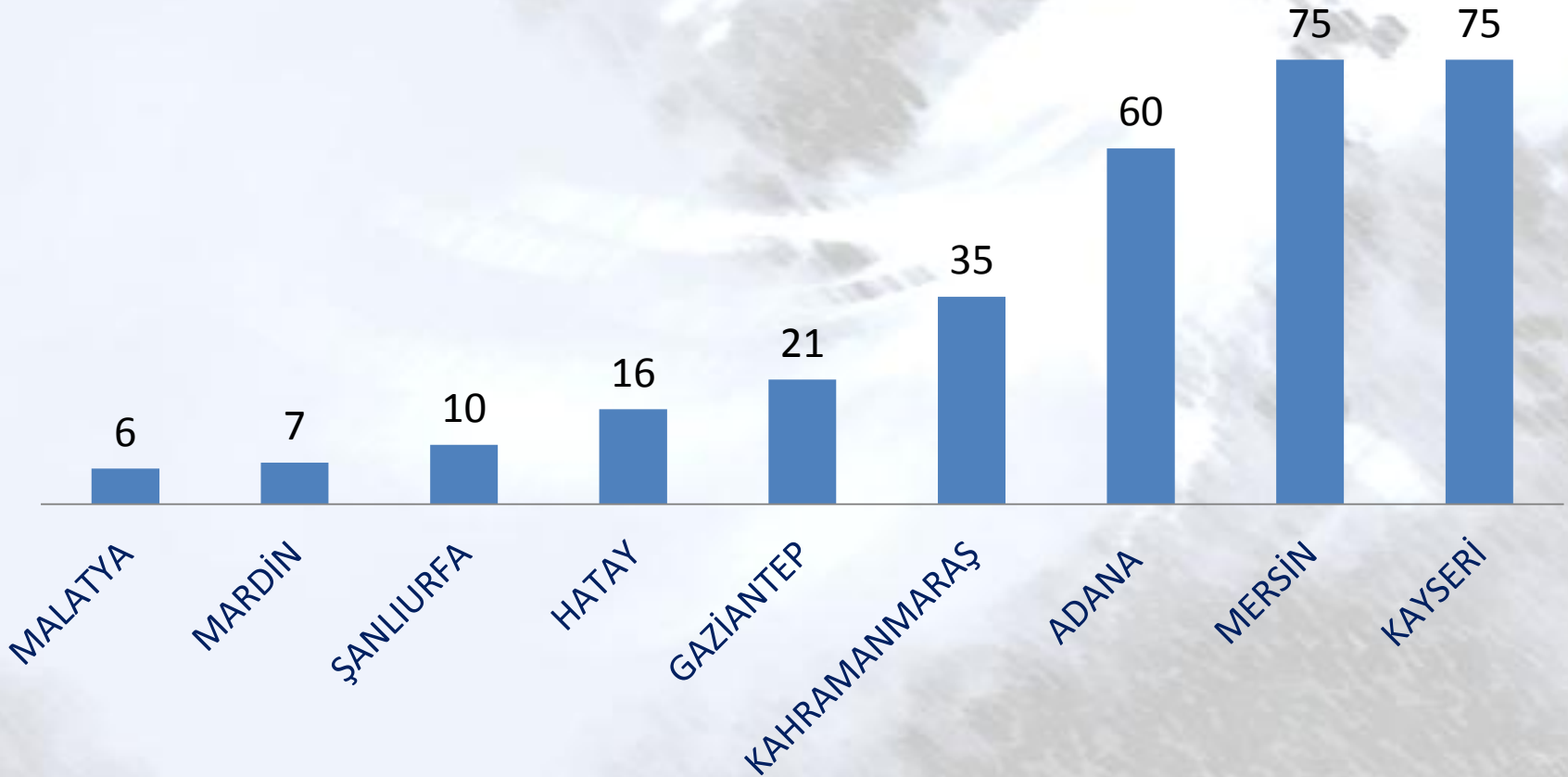
- Minimum investment amount must be 500000 TRY
- No custom duty paid for eligible machinery and equipment
- Customs union with the European Union
- 12 Free trade agreements
  - Albania, Bosnia, Croatia, Iceland, Norway, Switzerland, Lichtenstein, Egypt, Georgia, Israel, Macedonia, Morocco, Palestine, Syria, Tunisia
- 80 bilateral trade agreements

# STRONG INFRASTRUCTURE

- Organized industrial zones with available spaces for newcomers
  - 30.000 acres of new space available in Malatya with full infrastructure
- Common purification facility in Malatya organized industrial zone
- Stockbreeding specific OIZ in Elaziğ
- Airports in Malatya and Elaziğ
- Keban Dam in Elaziğ is one of the largest Turkey's power plants
- Healthcare advantages(Turgut ozal medical center)

# CHEAP LAND

LAND PRICES IN OIZs(\$/m<sup>2</sup>)

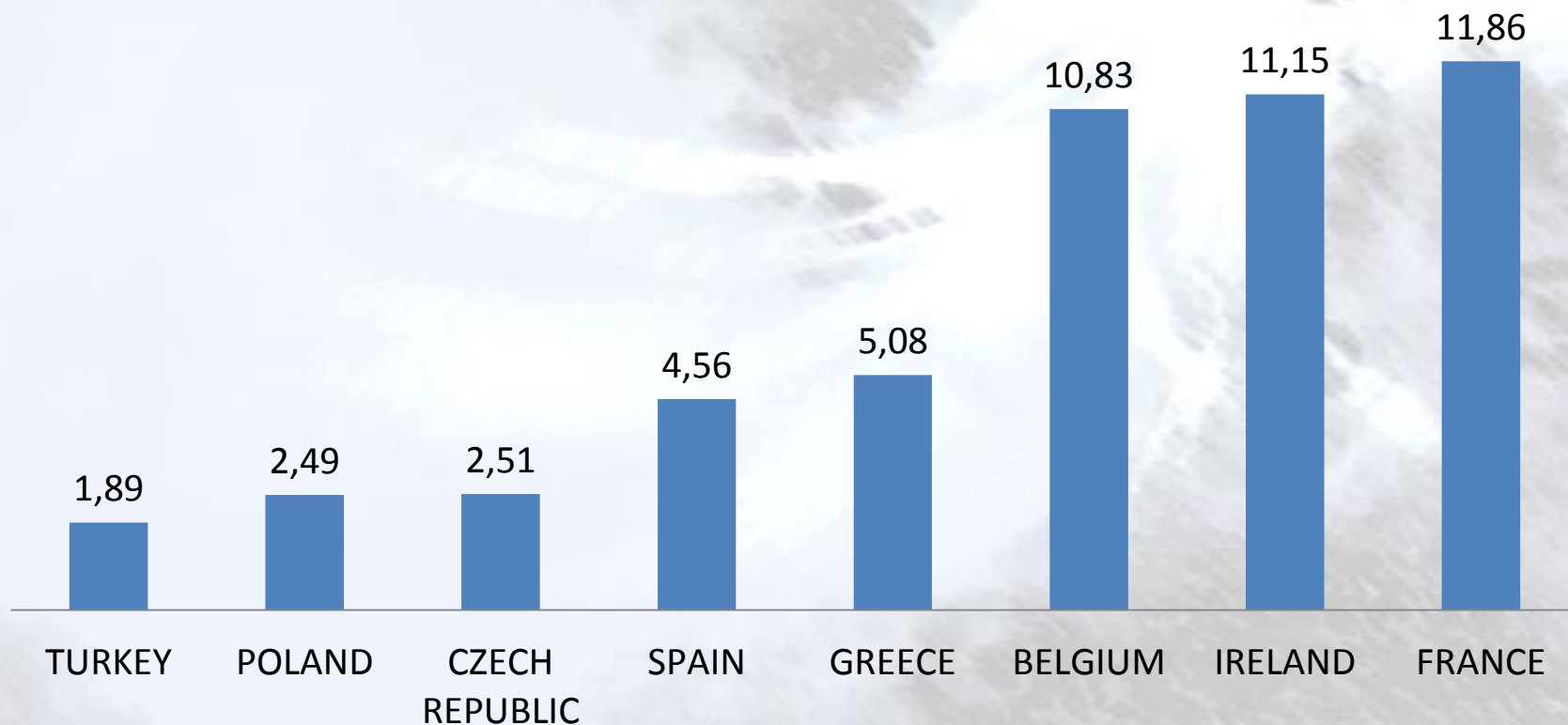


## QUALIFIED LABOR

- Universities and vocational schools in all cities
- Specific curriculums for sectoral needs
- Young, talented, motivated population

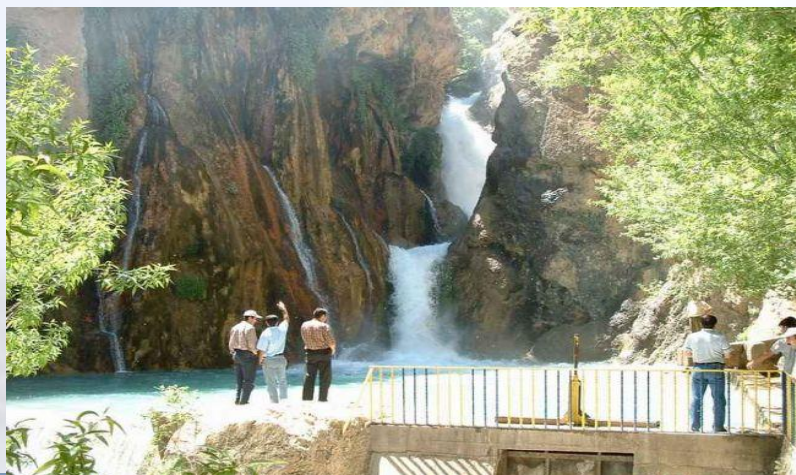
# CHEAP LABOR

## HOURLY MINIMUM WAGES IN SOME OECD COUNTRIES (USD 2008)



# LIVELY SOCIAL LIFE

Various recreational activities



Excursion spots to spend time with family and friends

