



Malatya Agricultural Investment Report



Why should you invest in Malatya?

Because; Infrastructure

Because; Agriculture

Because; Transportation

Because; Incentives

Because; Climate

Because; Trade

Because; Tax

Because; --

East or West? Malatya is the best to invest!

1.MALATYA IN BRIEF

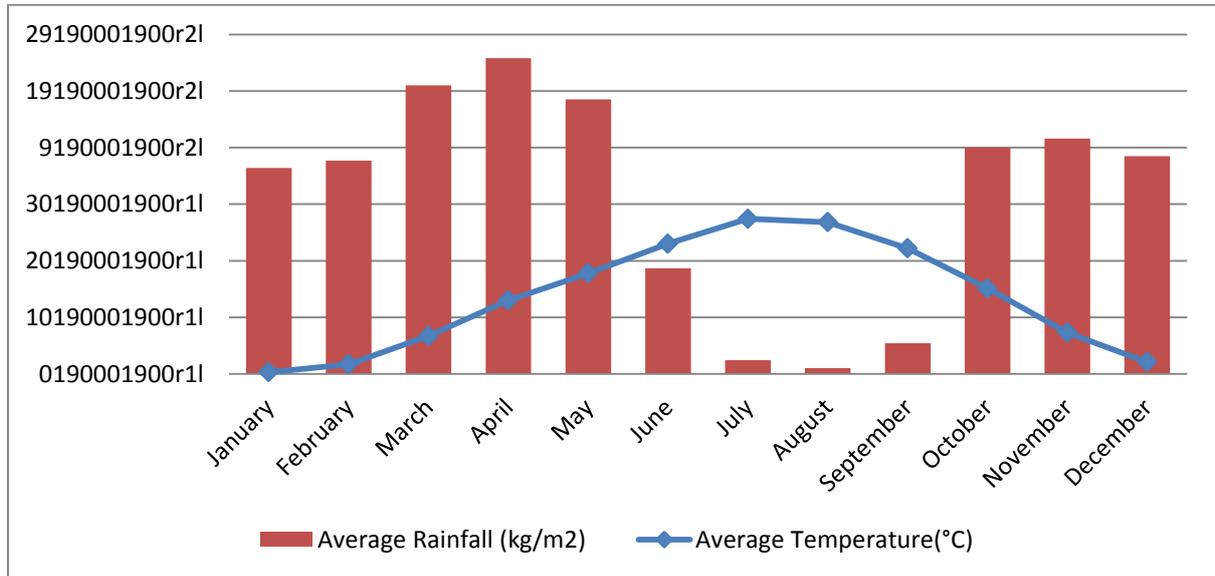
Malatya is like a bridge which connects eastern and western Turkey. It has also been at the crossroads of Anatolian and Mesopotamian civilizations throughout the history.

Malatya has shown great performance in economic and social development especially in recent years. Being one of the prioritized cities in development, Malatya has been attracting a lot of attention from investors. Its strong infrastructure, lively social life and agricultural industry contribute to Malatya in a great extent towards becoming a growth pole of Turkey. Positive changes in economic and social structure makes Malatya the safest and the most peaceful city in the east of Turkey. Malatya is also a health center for its neighborhood, the university's medical school sets an example of successful healthcare

Out of its labor force, 36,5% works in agriculture. Value of agricultural production per capita is 968 TRY in Malatya while it is 923 TRY in Turkey.

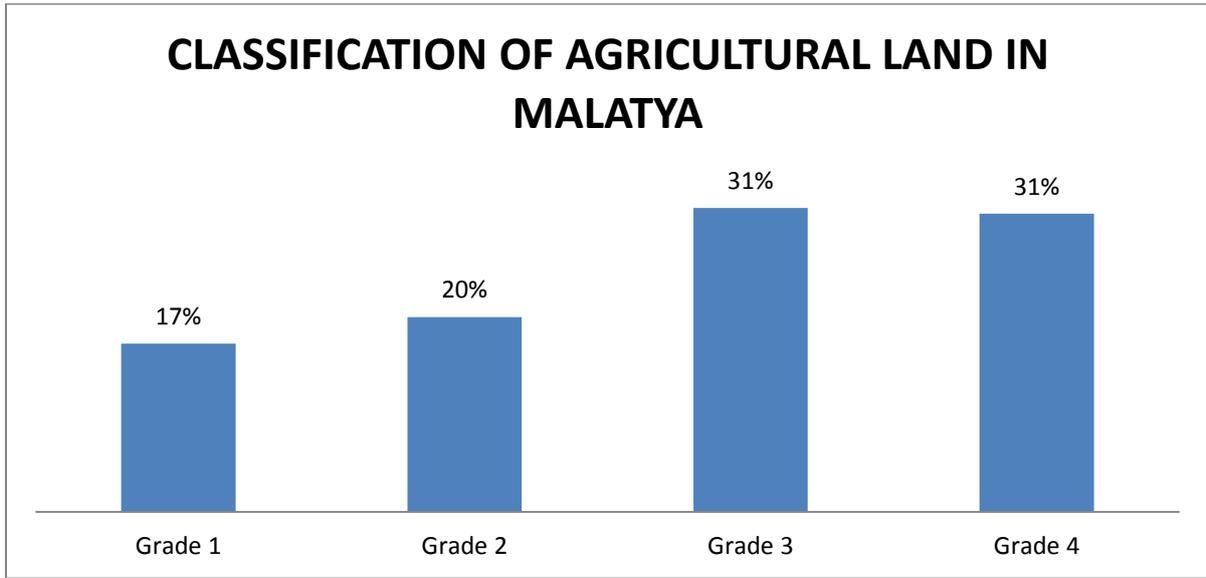
Below, you will learn about Malatya in more detail:

2.CLIMATE



- ✓ Malatya is a scene for both Mediterranean and terrestrial climate characteristics.
- ✓ Yearly rainfall is heavily concentrated in winter, autumn and spring.
- ✓ The average of rainfall in Malatya in the last 40 years is 382,6 millimeters.
- ✓ Total duration of insolation in Malatya is 2704 hours per year on average

3.LAND STRUCTURE AND IRRIGATION



- ✓ 34% of the land is available for agriculture, 47% is available for grazing
- ✓ On an eight grade scale, the first four grades of land is available for mechanized agriculture.
- ✓ 76% of the agricultural land is used for growing crops, 20% is used for orcharding.
- ✓ 40% of agricultural land is currently irrigated, 91% will be available for irrigation after infrastructure is completed.

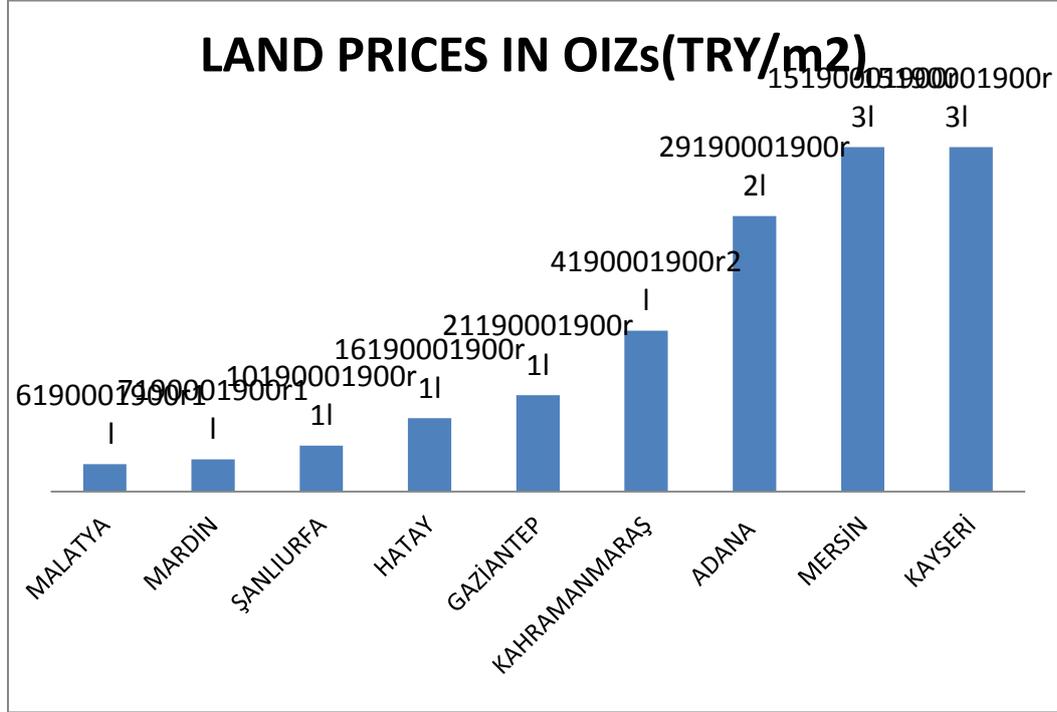
4.RANGE OF AGRICULTURAL PRODUCTS

- ✓ Malatya has a share of 80% in dried apricot production worldwide, and 25% share in fresh apricot production worldwide.
- ✓ Malatya is placed at the top of 16 Eastern Anatolian cities in vegetable and fruit production
- ✓ Apple and grape production follows apricot production in fruits category
- ✓ Tomato, melon and watermelon are the vegetables with the highest production volumes
- ✓ Among crop production, wheat, sugar beet and corn takes the biggest portion.

5.INDUSTRIAL INFRASTRUCTURE AND TRANSPORTATION

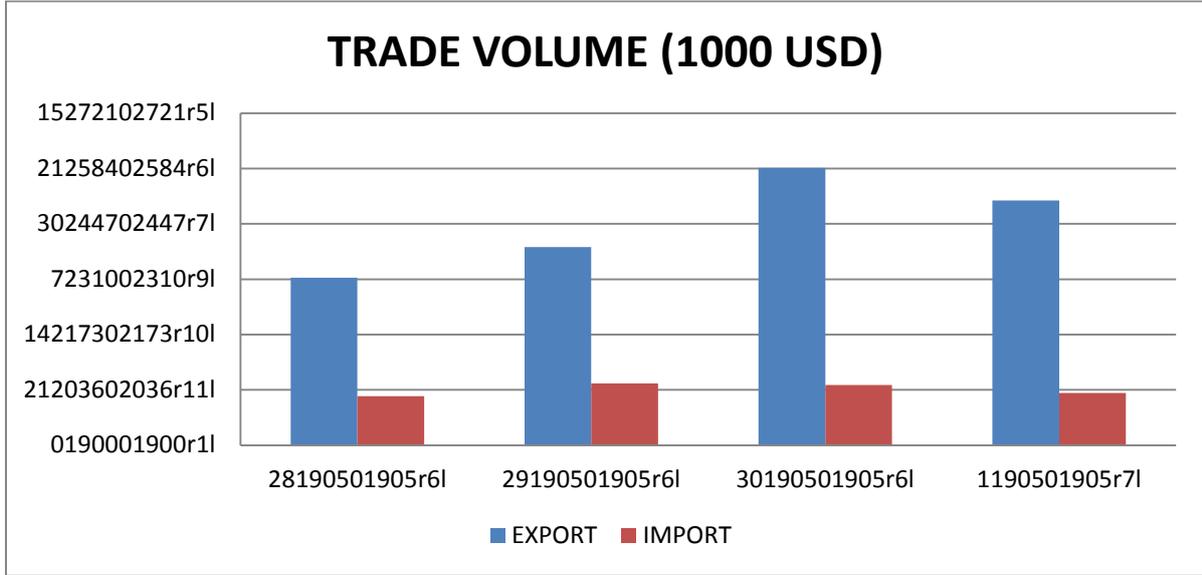
- ✓ There are currently 2 organized industrial zones in Malatya.
- ✓ 30000 acres of additional land with full infrastructure is ready for investors.

- ✓ Land is very cheap in Malatya compared to near cities:



- ✓ Malatya has easy access to ports and national borders. It is 307 kms away from the Syrian border and 400 kms from the Port of İskenderun.
- ✓ Malatya is in the intersection of different railway routes, which is an advantage for decreasing transportation costs.
- ✓ There are direct flights to Frankfurt and Cologne from Malatya airport. The airport is also used for shipment of goods.
- ✓ Natural gas is used in Malatya in both houses and industrial zones. With the Keban and Karakaya Dams added, stable energy supply for industry is no problem in Malatya.
- ✓ Industrial zones have purification facilities too.
- ✓ The university in Malatya supplies industry with qualified labor force.
- ✓ Agricultural research institutions in the city provide expertise for modern practices

6.CROSS-BORDER TRADE RELATIONS



- ✓ Malatya's exports rose by 46% in the last four years.
- ✓ 93% of exports consist of agricultural products, especially apricot products.
- ✓ Malatya sells its products to 82 countries.
- ✓ Main export destinations are Russia, USA, Germany, France and UK.
- ✓ Customs union with the EU and free trade agreements with 16 countries make way into large markets.

7.TURKISH TAX SYSTEM

- ✓ Corporate income tax is 20 percent
- ✓ Personal income tax varies between 15 and 35 percent
- ✓ 266% tax paid for gasoline and 188% tax paid for diesel

8.GOVERNMENT SUPPORT AND INCENTIVES

- ✓ Especially investments in agricultural industry are highly encouraged by the government
- ✓ For a minimum investment amount of 500.000 TRY, corporate income tax is charged **2% instead of 20%**
- ✓ Social security premium contribution for employers up to a minimum wage ceiling is paid by the government for businesses which have more than 50 employees. If you invest in 2010, this support will be given for 7 years, for investments after 2010, it will last for 5 years.

- ✓ State properties can be allocated to investors who hold incentive certificates. Right of Access for 49 years can be gained in return of an annual rent which accounts for 3% of the property's value
- ✓ If interest expenses are at most 70% of fixed investments, maximum 500000 TRY of credit interest can be paid by the government. For TRY nominated credits, 5 points is covered, for foreign currency nominated credits, 2 points is covered.
- ✓ Malatya is one of the 12 cities chosen by the government to become an attraction center. So Malatya is prioritized for new government incentives.
- ✓ Extra support is available through the IPARD agency office in Malatya
- ✓ Agricultural fairs and events are traditionally organized in Malatya

9.SOCIAL LIFE

- ✓ Malatya is the most secure and peaceful city in the east of Turkey
- ✓ It has a mall, cinemas, a theater, a conference center; variable places for enjoying city life.
- ✓ There are lots of recreational activities and lots of places to see. Nemrut Mountain, Aslantepe remnants, the caravansarai are interesting places to visit. Many kinds of water and nature sports can be done too.