



Report for Invest in Sunflower Oil Production in Elazığ

FIRAT DEVELOPMENT AGENCY

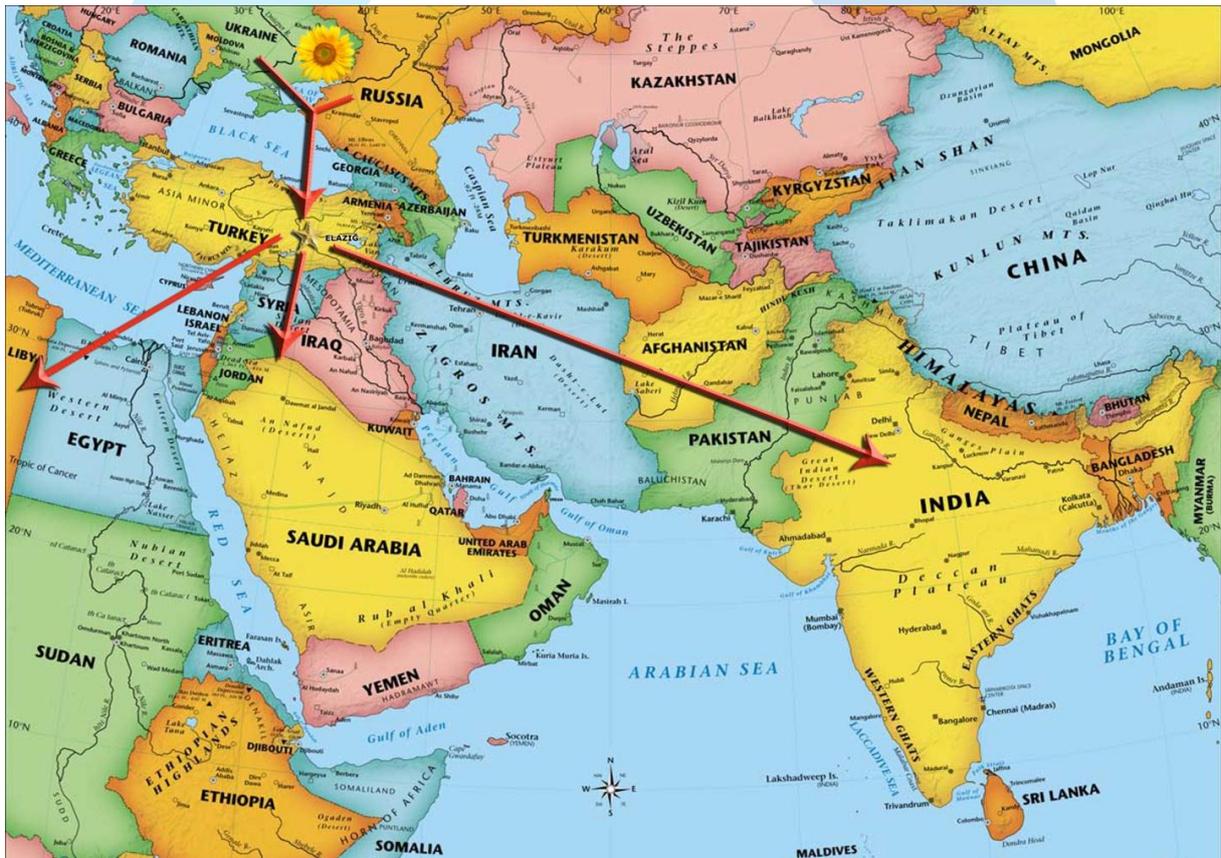
DEVELOPMENT AGENCY

2010



- **OPPORTUNITY OF SUNFLOWER OIL PRODUCTION IN ELAZIĞ**

The Doğan Erdil Oil Factory in Elazığ has been established in 1974. In 1987 Karadeniz Birlik Cooperative purchased and modernized the factory and started to production. However, because of difficulties in supplying the crude sunflower, factory has closed in 2007 and has put on sale since February 2008. Since the company type is cooperative, the factory should be bought by auction method. The factory is established on an area of 130.000 square meters. It has a 12.000 square meters closed area. It is situated on the 10th km of Elazığ – Malatya Road. The factory is also close to the railway station. In terms of capacity the factory has 75-100 tons of crude material capacity per day and 50 tones of production capacity per day. In order make factory active again an extra investment of 500.000 Turkish Lira (appx. 250.000 Euro) is needed. The Factory also needs a waste treatment plant.



For the investors, gathering of crude sunflower may seem as a problem but it can be got from Trakya region in Turkey, and from abroad, it can be imported from Ukraine or Russia. Then after processed, the sunflower oil can be exported to India, Middle East and Africa. The advantage of factory in this scenario is its location. Elazığ is standing just between these importing and exporting locations as it can be seen from the map below.

- **ELAZIĞ**

Elazığ province is the leading province among East Anatolian Provinces which are open to development and improvement. Elazığ has become one of the 7 metropolitan provinces according to the report establishing the 7 metropolitan provinces of Turkey issued by State Planning Organization in 1970s. Elazığ has also become one of the 12 provinces in our country announced as “Centers of Attraction” by State Planning Organization. Rich historical background, natural beauties, underground resources, Fırat University, regional directorates, qualified labor force, developed industrial estates, efficient water resources and soil structure, being located on the transit center according to the geographical situation and being the most important fattening area of the region, one of the oldest civil airports being located in our province makes Elazığ is a leading province in development and improvement.



Below, you will learn about Elazığ in more detail:

- **LOCATION**

Situated on the center of the transit roads that connect the East Anatolian Region to the west, Elazığ is a province with significant geographical advantages. Elazığ is a province which provides service to Tunceli and Bingol prominently and also other provinces in the region partially in the means of transportation capabilities and all infrastructure opportunities it has. It is also close to the Syria, Iraq and Iran borders.

- **TRANSPORTATION**

Elazığ has a transportation infrastructure that enables access to every point in our country through highway and railroad transportation. Having the oldest civil airport of the region, daily and regular flights are made from Elazığ to Ankara and Istanbul. Izmir flights twice a week- have already started, international flights are coming soon. Elazığ Airport has become available for landing and takeoff of all types of airplanes and cargo planes with the construction of the new runway. Elazığ is 758kms away from Ankara and 480 kms away from Iskenderun Port.



- **TECHNICAL EDUCATION**



Located in the province, having more than 20 thousand students Firat University represents a major richness and capital for the province. Elazığ is above Turkey's average in the means of trained workforce. The only Technical Training Faculty (Converted to Technology Training Faculty) on the East of Ankara, 5 different Technical schools and an Apprenticeship training center

that are situated in Elazığ makes it one step further on the basis of qualified personnel.

- **TOURISM & SOCIAL LIFE**

Having major advantages in the field of tourism, Elazığ draws attention with its unique touristic and



cultural wealth. Harput is just like an open air museum with a historical background of one thousand years. Hosting artifacts obtained from Upper-Euphrates recovery excavations due to construction of Keban and Karakaya Dam reservoirs, Elazığ Ethnography and Archeology Museum is one of the most important museums in its field in our country A wonder of nature, Lake Hazar attracts attention with one of the largest submerged cities of our country within its borders. Located approximately 5 km. from Lake Hazar, Hazar Baba Ski Resort is another value in terms of tourism. There are 2 shopping malls, 1 theatre and 5 cinemas 8 libraries in the city.

- **INDUSTRY**



Industrialization process which have initiated by the state in 1930s is still ongoing with great speed in Elazığ. Therefore, Elazığ province has a significant substructure for industrialization. Small Industrial Estates, Organized Industrial Manufacturing Zone consisting of 3 sections, Animal Products Organized Industrial Zone, Elazığ Business Development Center and Elazığ Fırat Teknokent introduce important opportunities to the investors. Being situated in the 4th region receiving the highest subsidization in the Regional and Sectoral Subsidization practice, Elazığ provides major opportunities to the investors. Customs union with the EU and free trade agreements with 16 countries make way into large markets. Fırat Development Agency also helps investors about their investments in the region.

- **AGRICULTURE**

Agriculture and Livestock, Water Products have a distinguished place and importance in the leading sectors of the province. Having a mild climate in the means of climate and natural conditions, vegetable and fruit growing is at an important point. Homeland of Boğazkere and Okuzgozu grapes which are ideal for winemaking is Elazığ.



- **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.

