

**T.C.
PRIME MINISTRY
UNDERSECRETARIAT OF TREASURY**

**INTERNATIONAL
DIRECT INVESTMENT
INFORMATION BULLETIN**

**December 2006
GENERAL DIRECTORATE OF FOREIGN INVESTMENT**

CONTENTS

	Page
List of Tables	i
1) International Direct Investment Inflow	1
- <i>Developments in October 2006</i>	1
- <i>Developments in the 2006 January-October Period</i>	3
2) Number of Companies with International Capital	6
- <i>Developments in October 2006</i>	6
- <i>Developments in the 2006 January-October period</i>	6
- <i>Companies with international capital in Turkey</i>	8
3) Investment Projects	12
4) Attached Tables	13

TABLES

		Page
Table-1:	Components of International Direct Investment Inflow –January-September 2006	1
Table-2:	International Direct Investment Inflow, by sector - January- September 2006	2
Table-3:	International Direct Investment Inflow by Country- January- September 2006	2
Table-4:	Components of International Direct Investment Inflow, (2005-2006)	3
Table-5:	International Direct Investment Inflow by sector, (2005-2006)	4
Table-6:	International Direct Investment Inflow by Country, (2005-2006)	5
Table-7:	Breakdown of Companies with International Capital by Mode of Establishment (2005-2006 Monthly)	6
Table-8:	Breakdown of Companies with International Capital by Mode of Establishment (2005-2006)	6
Table-9:	Breakdown of Companies with International Capital by Sector according to size of Equity Capital (2005-2006)	7
Table-10:	Breakdown of Companies with International Capital by Country according to size of Equity Capital (2005-2006)	8
Table-11:	Number of Companies with International Capital by Year	9
Table-12:	Breakdown of Companies with International Capital by Sector, (2005-2006)	9
Table-13:	Breakdown of Companies with International Capital by Country, (2005-2006)	10
Table-14:	Breakdown of Companies with International Capital by Investment Location	11
Table-15:	Breakdown of Companies With International Capital by sector according to the Investment Location	11
Table-16:	International Direct Investment Projects, (2005-2006)	12
Table-Annex 1:	Foreign Direct Investment (Inflows)	14
Table- Annex 2:	Breakdown of Companies with International Capital by Sector according to Mode of Establishment -(2005-2006)	15
Table- Annex 3:	Foreign Direct Investment Inflow by Country	16
Table- Annex 4:	Breakdown of Companies with International Capital by Country	17
Table- Annex 5:	Investment Incentive Certificates Issued for Companies with International Capital	18

INTERNATIONAL DIRECT INVESTMENT INFORMATION BULLETIN

1) International Direct Investment Inflow¹

Developments in October 2006

According to the balance of payment statistics of the Central Bank of Turkey, the net inflow has been \$ 2.936 million in October 2006 (Table-1).

Table 1- Components of International Direct Investment Inflow, January-October 2006

	(Million \$)										
	January	February	March	April	May	June	July	August	September	October	Jan.-Oct.
International Direct Investment Total (Net)	402	299	343	501	6.765	572	270	3.407	309	2.936	15.804
International Direct Investment	80	88	80	250	6.491	276	83	3.123	68	2.686	13.225
<i>Equity Investment (Net)</i>	63	74	115	244	6.530	357	78	3.122	-53	2.686	13.216
<i>Inflows</i>	63	99	118	276	6.531	357	79	3.122	447	2.690	13.782
<i>Liquidation Outflows</i>	0	-25	-3	-32	-1	--	-1	--	-500	-4	-566
Intra Company Loans*	17	14	-35	6	-39	-81	5	1	121	--	9
Real Estate (Net)	322	211	263	251	274	296	187	284	241	250	2.579

*Loans which companies with foreign capital take from foreign partners

As of October 2006, Provisional Data

Source: Central Bank of the Republic of Turkey

The equity investment inflow, which represents the equity share transfers of international investors for their new or existing companies in Turkey, and for their participation into the existing domestic companies, has been \$ 2.690 million. The majority of this has been into financial intermediation, manufacturing and wholesale and retail trade sectors (Table-2).

¹International direct investment inflow includes the net amount of transfers classified as “capital” and “other capital” in the balance of payment statistics of the Central Bank of Turkey, from abroad by the firms operating according to the “Foreign Direct Investment Law No.4875 and transfers for the real estate purchases of foreigners in Turkey.

Table 2- International Direct Investment Inflow, by Sector, January-October 2006

(Million \$)

Sectors	January	February	March	April	May	June	July	August	September	October	Jan.-Oct.
Agriculture, hunting, fishing and forestry	--	--	--	--	--	--	--	--	--	2	2
Mining and quarrying	6	6	7	6	14	18	4	1	--	--	62
Manufacturing	27	44	36	116	59	190	25	143	6	8	662
<i>Manufacture of food products and beverages</i>	6	16	14	97	28	50	1	1	130	102	547
<i>Manufacture of textiles</i>	--	3	2	--	1	--	4	5	3	16	50
<i>Manufacture of chemicals and chemical products</i>	--	--	11	7	7	115	1	108	--	--	249
<i>Manufacture of machinery and equipment n.e.c.</i>	5	1	--	2	1	3	--	8	55	--	75
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	7	13	5	3	6	5	4	19	1	1	65
<i>Other Manufacturing</i>	9	11	4	7	16	17	16	2	4	4	90
Electricity, gas and water supply	3	1	--	--	--	--	2	52	67	81	206
Construction	13	4	46	63	64	1	28	86	26	42	373
Wholesale and retail trade	1	2	2	1	1,391	3	2	14	13	4	1,433
Hotels and restaurants	1	1	1	2	1	1	2	1	5	--	15
Transport, storage and communications	--	4	9	1	4,690	1	--	12	1	50	4,768
Financial intermediation	7	31	7	6	275	36	14	2,799	239	2,478	5,892
Real estate, renting and business activities	--	--	--	13	3	--	--	8	1	--	25
Other community, social and personal service activities	5	6	10	68	34	105	2	6	26	4	266
Total	63	99	118	276	6,531	357	79	3,122	447	2,690	13,782

Provisional Data

Source: Central Bank of the Republic of Turkey

\$ 2.609 million of the \$2.960 million equity investment has been exported by the EU countries (Table-3).

Table 3- International Direct Investment Inflow, by Country, January-October 2006

(Million \$)

Countries	January	February	March	April	May	June	July	August	September	October	Jan.-Oct.
European Union (25)	37	69	86	199	6,086	272	63	3,006	410	2,609	12,837
<i>Germany</i>	4	5	9	4	4	142	37	56	47	11	319
<i>The Netherlands</i>	16	6	53	41	4,710	14	2	41	20	102	5,005
<i>United Kingdom</i>	1	1	1	104	19	84	1	113	69	13	406
<i>Other European Countries</i>	11	54	21	43	1,343	21	19	2,792	274	2,483	7,061
Other European Countries (Excluding EU)	1	3	--	2	43	1	3	9	--	--	62
Africa	1	1	1	1	1	12	4	1	7	1	30
America	15	18	17	70	350	60	5	10	7	68	620
North America	15	12	17	70	348	56	5	9	7	59	598
<i>U.S.A.</i>	9	6	12	4	334	38	4	9	7	54	477
<i>Canada</i>	6	6	5	66	14	18	1	--	--	5	121
<i>Central-South America And Caribbean</i>	--	6	--	--	2	4	--	1	--	9	22
Asian	9	8	7	4	51	12	4	96	5	12	208
<i>Gulf Arabian Countries</i>	2	3	4	3	49	3	3	84	4	5	160
<i>Near And Middle Eastern Countries</i>	5	4	--	--	--	3	--	10	--	3	25
<i>Other Asian Countries</i>	2	1	3	1	2	6	1	2	1	4	23
Other Countries	--	--	7	--	--	--	--	--	18	--	25
Toplam	63	99	118	276	6,531	357	79	3,122	447	2,690	13,782

Provisional Data

Source: Central Bank of the Republic of Turkey

Developments in the 2006 January-October Period

According to the balance of payment statistics, the net total international direct investment inflow has been \$ 15.804 million in the first ten months of 2006 (Table-4).

Equity investment inflow component of the international direct investment inflows reached up to \$ 13.782 million in the January- October period in 2006, representing a two-fold increase with respect to the same period in 2005, which was \$3.397 million (Table-4).

Table 4- Components of International Direct Investment Inflow, (2005-2006)

(Million \$)

	2005	January-October		
		2005	2006	% Change
International Direct Investment Total (Net)	9.793	4.203	15.804	276,0
International Direct Investment Capital	7.952	2.888	13.225	357,9
<i>Equity Investment (Net)</i>	8.190	3.069	13.216	330,6
<i>Inflows</i>	8.526	3.397	13.782	305,7
<i>Liquidation Outflows</i>	-336	-328	-566	72,6
<i>Intra Company Loans*</i>	-238	-181	9	-105,0
<i>Real Estate (Net)</i>	1.841	1.315	2.579	96,1

Provisional Data

Source: Central Bank of the Republic of Turkey

The majority of the total \$ 13.782 million of the equity capital entry is mainly in the wholesale and retail trade sectors while manufacturing, real estate renting and other business activities follow (Table-5).

Table 5- International Direct Investment Inflow, by sector, (2005-2006)

(Million \$)

Sectors	2005	January-October	
		2005	2006
Agriculture, hunting, fishing and forestry	5	5	2
Mining and quarrying	40	31	77
Manufacturing	789	550	871
<i>Manufacture of food products and beverages</i>	68	36	232
<i>Manufacture of textiles</i>	183	178	14
<i>Manufacture of chemicals and chemical products</i>	174	165	304
<i>Manufacture of machinery and equipment n.e.c.</i>	13	11	22
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	106	96	70
<i>Other Manufacturing</i>	245	64	229
Electricity, gas and water supply	4	3	60
Construction	107	22	373
Wholesale and retail trade	67	54	1.433
Hotels and restaurants	42	35	15
Transport, storage and communications	3.250	403	4.768
Financial intermediation	4.016	2.157	5.892
Real estate, renting and business activities	29	13	25
Other community, social and personal service activities	177	124	266
Total	8.526	3.397	13.782

Provisional Data

Source: Central Bank of the Republic of Turkey

During the January and October period in 2006, 93,1 % of the equity capital entry is from the EU countries, corresponding to 98,5 % for the same period in 2005 (Table-6).

Table 6- International Direct Investment Inflow, by Country, (2005-2006)

(Million \$)

Countries	2005	January-October	
		2005	2006
European Union (25)	4.981	2.923	12.837
<i>Germany</i>	391	351	319
<i>The Netherlands</i>	2.105	295	336
<i>United Kingdom</i>	256	222	5.005
<i>Other European Countries</i>	2.229	2.055	7.177
Other European Countries (Excluding EU)	1.662	44	62
Africa	3	2	30
America	122	94	620
North America	114	88	598
<i>U.S.A.</i>	89	67	477
<i>Canada</i>	26	21	121
<i>Central-South America And Caribbean</i>	8	6	22
Asian	1.756	332	208
<i>Gulf Arabian Countries</i>	1.675	293	160
<i>Near And Middle Eastern Countries</i>	3	3	25
<i>Other Asian Countries</i>	78	36	23
Other Countries	2	2	25
Toplam	8.526	2.967	12.837

Provisional Data

Source: Central Bank of the Republic of Turkey

2) Number of Companies with International Capital

Developments in October 2006

215 companies and branch offices with international capital have been established and 64 foreign capital participations to the existing domestic companies incurred in October 2006 (Table-7).

Table 7- Breakdown of Companies with International Capital by Mode of Establishment, (2005-2006 Monthly)

(Number of Companies)

	2005				2006*				% Change
	Company Establishment	Participation	Branch Office	Total	Company Establishment	Participation	Branch Office	Total	
January	147	31	2	180	179	30	2	211	17,2
February	157	46	6	209	179	48	5	232	11,0
March	176	45	3	224	242	72	7	321	43,3
April	182	33	9	223	234	58	3	295	32,3
May	203	51	5	258	244	58	7	309	19,8
June	218	47	3	267	247	71	6	324	21,3
July	225	34	6	265	221	48	4	273	3,0
August	181	27	6	213	217	49	10	276	29,6
September	223	39	3	264	244	48	4	296	12,1
October	207	47	6	260	209	64	6	279	7,3
November	178	48	2	226	--	--	--	--	--
December	219	57	7	281	--	--	--	--	--
Total	2.316	505	58	2.879	2.216	546	54	2.816	--

*: As of October 2006, Provisional Data
Source: Undersecretariat of Treasury

Developments in the 2006 January-October period

In the first ten month of 2006, 2.270 companies and branch offices with international capital have been established and 546 international capital participations to the existing domestic companies incurred (Table-8).

Table 8- Breakdown of Companies with International Capital by Mode of Establishment, (2005-2006)

(Number of Companies)

	January-October			General Total (1954-2006*)
	2005*	2006*	% Change	
Company Establishment	1.912	2.216	15,9	11.528
Participation	401	546	36,2	2.561
Branch Office	49	54	10,2	422
Total	2.362	2.816	19,2	14.511

*: As of October 2006, Provisional Data
Source: Undersecretariat of Treasury

In the January-October period in 2006, majority of the total 2.816 companies with international capital is in the wholesale and retail trade sectors while real estate renting, other business activities and manufacturing sectors follow (Table-9). Textile goods production leads the manufacturing sector investments followed by machinery - equipment, chemicals and chemical products.

Of these total 2.816, 169 have capital values higher than \$500.000. Among these, 45 companies operate in manufacturing, 30 companies operate in wholesale and retail trade sectors and 26 companies operate in construction sector. Number of companies with international capital, capital value of which is greater than \$500.000, was 100 in the same period in 2005 (Table-9).

Table 9- Breakdown of Companies with International Capital by Sector according to Size of Equity Capital, (2005-2006)

(Number of Companies)

Sectors	2005					2006*				
	<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, fishing and forestry	24	6	7	3	40	15	9	3	4	31
Mining and quarrying	31	7	7	4	49	17	10	1	4	32
Manufacturing	259	132	36	29	456	212	95	24	45	376
<i>Manufacture of food products and beverages</i>	20	13	6	4	43	19	6	1	8	34
<i>Manufacture of textiles</i>	43	25	3	8	79	28	10	5	1	44
<i>Manufacture of chemicals and chemical products</i>	24	9	5	3	41	17	9	3	7	36
<i>Manufacture of machinery and equipment n.e.c.</i>	18	10	2	1	31	23	12	2	1	38
<i>Manufacture of motor vehicles, trailers, semi-trailers</i>	11	6	1	2	20	6	4	1	3	14
<i>Other Manufacturing</i>	143	69	19	11	242	119	54	12	25	210
Electricity, gas and water supply	4	7		1	12	16	6	4	5	31
Construction	200	105	28	15	348	200	98	38	26	362
Wholesale and retail trade	531	213	37	28	809	464	202	44	30	740
Hotels and restaurants	117	47	11	9	184	117	58	11	8	194
Transport, storage and communications	180	63	14	5	262	143	74	23	8	248
Real estate, renting and business activities	374	122	17	12	525	420	138	30	17	605
Other community, social and personal service activities	142	31	5	16	194	124	40	11	22	197
Total	1.862	733	162	122	2.879	1.728	730	189	169	2.816

*: As of October 2006, Provisional Data

Source: Undersecretariat of Treasury

When the country of origin of the companies with international capital are analyzed, it is seen that 1.753 of the total 2.816 companies are of EU origin, followed by Near and Middle Eastern Countries (367 firms) and other EU countries (329). 119 of the 169 companies with international capital having above \$ 500.000 capital value in EU originated firms operated (Table-10).

Table 10- Breakdown of Companies with International Capital by Country according to Size of Equity Capital (2005-2006)

Countries	(Number of Companies)									
	2005					2006*				
	<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
European Union (25)	1.120	418	84	77	1.699	1.092	437	105	119	1.753
<i>Germany</i>	342	128	33	22	525	308	125	33	26	492
<i>The Netherlands</i>	141	54	9	10	214	151	50	18	20	239
<i>United Kingdom</i>	243	72	13	9	337	273	114	7	17	411
<i>Other European Countries</i>	394	164	29	36	623	360	148	47	56	611
Other European Countries (Excluding EU)	237	80	27	14	358	208	81	24	16	329
North Africa	28	12	2	--	42	15	5	1	--	21
Other African Countries	14	6	--	--	20	12	4	--	--	16
North America	78	30	9	6	123	84	20	9	5	118
<i>U.S.A.</i>	71	24	8	5	108	70	17	7	4	98
<i>Canada</i>	7	6	1	1	15	14	3	2	1	20
<i>Central-South America And Caribbean</i>	10	1	2	3	16	4	3	--	4	11
Near And Middle Eastern Countries	249	131	27	10	417	187	134	29	17	367
<i>Azerbaijan</i>	42	22	1	--	65	34	29	3	4	70
<i>Iraq</i>	32	24	5	2	63	33	28	4	4	69
<i>Iran</i>	73	46	7	3	129	51	37	5	--	93
<i>Other</i>	102	39	14	5	160	69	40	17	9	135
Other Asian Countries	113	48	8	9	178	86	37	17	7	147
Other Countries	13	7	3	3	26	40	9	4	1	54
Total	1.862	733	162	122	2.879	1.728	730	189	169	2.816

*: As of October 2006, Provisional Data
Source: Undersecretariat of Treasury

Companies with international capital in Turkey

In the first eleven month of 2006, 11.950 companies and branch offices with international capital have been established and 2.561 foreign capital participations to the existing companies incurred. Currently, a total of 14.511 companies with international capital are operating in Turkey (Table-11).

Table 11- Number of Companies with International Capital by Year

Year	Number Of Companies
1954-1999 (Cumulative)	4.159
2000	447
2001	484
2002	498
2003	1.108
2004*	2.120
2005*	2.879
2006*	2.816
Total	14.511

*: As of October 2006, Provisional Data

Source: Undersecretariat of Treasury

Majority of the total 14.511 companies with international capital is in the wholesale and retail trade sectors while manufacturing, real estate renting and other business activities follow. Textile goods production leads the manufacturing sector investments followed by chemicals and food beverage products (Table-12).

Table 12- Breakdown of Companies with International Capital by Sector, (2005-2006)

Sectors	(Number of Companies)			
	2005	January-October		1954-2006*
		2005	2006	General Total
Agriculture, hunting, fishing and forestry	40	30	31	221
Mining and quarrying	49	44	32	226
Manufacturing	456	385	376	2.901
<i>Manufacture of food products and beverages</i>	43	36	34	298
<i>Manufacture of textiles</i>	79	67	44	390
<i>Manufacture of chemicals and chemical products</i>	41	33	36	327
<i>Manufacture of machinery and equipment n.e.c.</i>	31	26	38	223
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	20	18	14	200
<i>Other Manufacturing</i>	242	205	210	1.463
Electricity, gas and water supply	12	12	31	133
Construction	348	278	362	1.075
Wholesale and retail trade	809	664	740	4.883
Hotels and restaurants	184	140	194	1.123
Transport, storage and communications	262	226	248	1.245
Real estate, renting and business activities	525	425	605	1.833
Other community, social and personal service activities	194	158	197	871
Total	2.879	2.362	2.816	14.511

*: As of October 2006, Provisional Data

Source: Undersecretariat of Treasury

When the distribution of the companies with international capital according to their country of origin is concerned, it is seen that 7.909 of the total 14.511 companies with foreign capital are of EU origin, in which Germany leads with 2.533 firms followed by United Kingdom (1.340 firms) and the Netherlands (1.160 firms) (Table-13).

Table 13- Breakdown of Companies with International Capital by Country, (2005-2006)

(Number of Companies)

Countries	2005	January-October		1954-2006*
		2005	2006	Total
European Union (25)	1.699	1.390	1.753	7.909
<i>Germany</i>	525	425	492	2.533
<i>The Netherlands</i>	214	180	239	1.160
<i>United Kingdom</i>	337	275	411	1.340
<i>Other European Countries</i>	623	510	611	2.876
Other European Countries (Excluding EU)	358	294	329	1.764
African Countries	62	50	37	264
North America	123	96	118	805
<i>U.S.A.</i>	108	83	98	723
<i>Canada</i>	15	13	20	82
Central-South America And Caribbean	16	14	11	90
Near And Middle Eastern Countries	417	355	367	2.539
<i>Azerbaijan</i>	65	48	70	330
<i>Iraq</i>	63	56	69	401
<i>Iran</i>	129	107	93	797
<i>Other</i>	160	144	135	1.011
Other Asian Countries	178	142	147	949
<i>China</i>	33	22	21	261
<i>South Korea</i>	18	14	12	115
<i>Other</i>	127	106	114	573
Other Countries	26	21	54	191
Total	2.879	2.362	2.816	14.511

*: As of October 2006, Provisional Data

Source: Undersecretariat of Treasury

When the investment location distribution of the 14.511 international capital companies are considered, it is seen that 8.087 of the total 14.511 are in Istanbul, which is followed by Antalya (1.698 firms), Ankara (1.018 firms) and Izmir (892 firms) (Table-14).

Table 14- Breakdown of Companies with International Capital by Investment Location

İl	Number of Companies (1954-2006*)
İstanbul	8.087
Antalya	1.698
Ankara	1.018
İzmir	892
Muğla	819
Bursa	298
Mersin	275
Aydın	210
Kocaeli	180
Adana	114
Other City	920
Total	14.511

*: As of October 2006, Provisional Data
Source: Undersecretariat of Treasury

In Istanbul, the majority of the 8.087 companies with international capital is in the wholesale and retail trade sectors (3.147 firms) while they also operate in manufacturing (1.742 firms), real estate renting and other business activities (928 firms) (Table-15).

Table 15- Breakdown of Companies with International Capital by Sector according to the Investment Location

(Number of Companies)

Sectors	Istanbul	Antalya	Ankara	Izmir	Muğla
Agriculture, hunting, fishing and forestry	57	48	17	25	14
Mining and quarrying	74	10	43	28	2
Manufacturing	1.742	103	157	260	16
<i>Manufacture of food products and beverages</i>	135	24	16	36	3
<i>Manufacture of textiles</i>	268	5	10	22	2
<i>Manufacture of chemicals and chemical products</i>	227	9	9	24	--
<i>Manufacture of machinery and equipment n.e.c.</i>	141	--	13	21	1
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	74	--	9	15	--
<i>Other Manufacturing</i>	897	65	100	142	10
Electricity, gas and water supply	64	8	37	8	1
Construction	329	321	111	51	133
Wholesale and retail trade	3.147	275	326	305	84
Hotels and restaurants	362	340	63	60	206
Transport, storage and communications	193	152	49	48	107
Real estate, renting and business activities	928	355	132	67	225
Other community, social and personal service activities	1.191	86	83	40	31
Total	8.087	1.698	1.018	892	819

*: As of October 2006, Provisional Data
Source: Undersecretariat of Treasury

3) Investment Projects²

9 incentive certificates having a total investment value of \$ 71,9 million were issued by the Undersecretariat of Treasury in September 2006 for companies with international capital. Thus, during the first nine months of 2006, the number of certificated investment projects reached up to 135, while their capital value reached to \$ 1,72 billion (Table-17). 35,8 % of this capital will be covered by the international partners (Table-16).

Table 16- International Direct Investment Projects -(2005-2006)

	2005	January-October	
		2005	2006*
Number of Investment Projects for which Incentive Certificates Issued (Number)	206	173	135
Total Cost of Investment Projects for which Incentive Certificates Issued (Billion \$)	3,48	2,82	1,72

*: As of October 2006, Provisional Data
Source: Undersecretariat of Treasury

Out of the total 135 investment incentive certificates, 106 were issued for manufacturing, 3 for agriculture hunting and forestry, 4 for mining-quarrying and 22 for services sector.

² Investment projects of international investors, certified within the framework of foreign direct investment legislation and the incentives regime.

ANNEXED TABLES

Table annex-1: International Direct Investment (Inflows) *

(Million \$)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	January-October	
												2005	2006
International Direct Investment Total (Net)	885	722	805	940	783	982	3.352	1.137	1.752	2.883	9.793	4.203	15.804
International Direct Investment	885	722	805	940	783	982	3.352	1.137	754	1.540	7.952	2.888	13.225
<i>Equity Investment (Net)</i>	885	722	805	940	783	982	3.352	617	737	1.191	8.190	3.069	13.216
<i>Inflows</i>	934	914	852	953	813	1.707	3.374	622	745	1.291	8.526	3.397	13.782
<i>Liquidation Outflows</i>	-49	-192	-47	-13	-30	-725	-22	-5	-8	-100	-336	-328	-566
Intra Company Loans*	--	--	--	--	--	--	--	520	17	349	-238	-181	9
Real Estate (Net)	--	--	--	--	--	--	--	--	998	1.343	1.841	1.315	2.579

*Loans which companies with foreign capital take from foreign partners

As of October 2006, Provisional Data

Source: Central Bank of the Republic of Turkey

Table annex-2: Foreign Direct Investment Inflow by Sector

(Million \$)

Sectors	2002	2003	2004*	2005*	January-October	
					2005	2006
Agriculture, hunting and forestry	--	1	4	5	5	2
Fishing	--	--	2	--	--	--
Mining and quarrying	2	14	75	40	31	77
Manufacturing	110	448	214	789	550	871
Manufacture of food products and beverages	14	249	78	68	36	232
<i>Manufacture of textiles</i>	10	8	14	183	178	14
<i>Manufacture of chemicals and chemical products</i>	9	9	39	174	165	304
<i>Manufacture of machinery and equipment n.e.c.</i>	13	17	8	13	11	22
<i>Office machinery and computers</i>	2	4	2	13	13	39
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	33	145	35	106	96	70
<i>Manufacture of furniture; manufacturing n.e.c.</i>	--	2	0	4	4	3
<i>Other Manufacturing</i>	19	14	38	228	47	--
Electricity, gas and water supply	68	86	69	4	3	60
Construction	3	8	23	107	22	373
Wholesale and retail trade	89	92	103	67	54	1.433
Hotels and restaurants	0	4	1	42	35	15
Transport, storage and communications	1	2	639	3.250	403	4.768
Financial intermediation	260	51	69	4.016	2.157	5.892
Real estate, renting and business activities	0	6	3	29	13	25
Public administration and defence; compulsory social security	--	--	--	--	--	--
Education	0	0	0	17	17	--
Health and social work	5	23	53	74	48	178
Other community, social and personal service activities	84	10	36	86	59	88
Private households with employed persons	--	--	--	--	--	--
Extra-territorial organizations and bodies	--	--	--	--	--	--
Total	622	745	1.291	8.526	3.397	13.782

* Provisional Data

Source: Central Bank of the Republic of Turkey

Table annex-3: Foreign Direct Investment Inflow by Country

Countries	2002	2003	2004*	2005*	(Million \$)	
					January-October	
					2005	2006
European Union (25)	455	555	1.025	4.981	2.923	12.837
<i>Germany</i>	86	142	73	391	351	319
<i>France</i>	22	120	34	2.105	295	336
<i>Netherlands</i>	72	50	568	256	222	5.005
<i>United Kingdom</i>	8	141	126	284	257	406
<i>Italy</i>	241	1	15	692	636	127
<i>Other European Countries</i>	26	101	209	1.253	1.162	6.644
Other European Countries (Excluding EU)	64	70	109	1.662	44	62
Africa	0	0	--	3	2	30
America	9	58	97	122	94	620
North America	9	58	97	114	88	598
<i>U.S.A.</i>	2	52	36	89	67	477
<i>Canada</i>	7	6	61	26	21	121
Central America And Caribbean	0	0	--	8	6	21
South America	0	0	--	--	--	1
Asian	70	60	60	1.756	332	208
<i>Gulf Arabian Countries</i>	5	0	--	1.675	293	160
<i>Near And Middle Eastern Countries</i>	0	1	54	3	3	25
Other Asian Countries	65	59	6	78	36	23
Australia	0	0	--	1	1	18
Unclassified	24	2	--	1	1	7
Total	622	745	1.291	8.526	2.967	13.782

* Provisional Data

Source: Central Bank of the Republic of Turkey

Table annex-4: Breakdown of Companies with International Capital by Sector According to Mode of Establishment -(2005-2006)

(Number of Companies)

Sectors	2005				2006*			
	Company Establishment	Participation	Branch Office	Total	Company Establishment	Participation	Branch Office	Total
Agriculture, hunting, fishing and forestry	25	13	2	40	22	8	1	31
Mining and quarrying	37	9	3	49	22	10	0	32
Manufacturing	351	93	12	456	264	102	10	376
<i>Manufacture of food products and beverages</i>	31	12	0	43	19	14	1	34
<i>Manufacture of textiles</i>	54	21	4	79	35	9	0	44
<i>Manufacture of chemicals and chemical products</i>	29	11	1	41	23	11	2	36
<i>Manufacture of machinery and equipment n.e.c.</i>	28	2	1	31	31	6	1	38
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	15	3	2	20	8	4	2	14
<i>Other Manufacturing</i>	194	44	4	242	148	58	4	210
Electricity, gas and water supply	6	6	0	12	25	4	2	31
Construction	295	47	6	348	311	44	7	362
Wholesale and retail trade	616	180	13	809	561	166	13	740
Hotels and restaurants	153	31	0	184	150	43	1	194
Transport, storage and communications	209	44	9	262	197	41	10	248
Real estate, renting and business activities	476	41	8	525	533	67	5	605
Other community, social and personal service activities	148	41	5	194	131	61	5	197
Total	2.316	505	58	2.879	2.216	546	54	2.816

*: As of October 2006, Provisional Data

Source: Undersecretariat of Treasury

Table annex-5: Breakdown of Companies with International Capital by Sector

Sectors	(Number of Companies)									
	1954-1999	2000	2001	2002	2003	2004*	2005*	January-October		1954-2006*
	(Cumulative)							2005	2006	Total
Agriculture, hunting, fishing and forestry	71	6	9	4	29	31	40	30	31	221
Mining and quarrying	66	8	8	18	12	33	49	44	32	226
Manufacturing	1.165	94	91	83	268	368	456	385	376	2.901
<i>Manufacture of food products and beverages</i>	128	8	7	9	18	51	43	36	34	298
<i>Manufacture of textiles</i>	115	3	13	12	64	60	79	67	44	390
<i>Manufacture of chemicals and chemical products</i>	151	11	7	6	29	46	41	33	36	327
<i>Manufacture of machinery and equipment n.e.c.</i>	87	8	6	7	21	25	31	26	38	223
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	99	13	12	7	17	18	20	18	14	200
<i>Other Manufacturing</i>	585	51	46	42	119	168	242	205	210	1.463
Electricity, gas and water supply	48	10	5	5	7	15	12	12	31	133
Construction	144	9	25	21	29	137	348	278	362	1.075
Wholesale and retail trade	1.458	152	173	207	433	911	809	664	740	4.883
Hotels and restaurants	472	39	53	44	59	78	184	140	194	1.123
Transport, storage and communications	280	46	50	44	96	219	262	226	248	1.245
Real estate, renting and business activities	243	54	43	38	89	236	525	425	605	1.833
Other community, social and personal service activities	212	29	27	34	86	92	194	158	197	871
Total	4.159	447	484	498	1.108	2.120	2.879	2.362	2.816	14.511

*: As of October 2006, Provisional Data

Source: Undersecretariat of Treasury

Table annex-6: Breakdown of Companies with International Capital by Country

Countries	(Number of Companies)									
	1954-1999	2000	2001	2002	2003	2004*	2005*	January-October		1954-2006*
	(Cumulative)							2005	2006	Toplam
European Union (25)	2.165	265	252	231	466	1.078	1.699	1.390	1.753	7.909
<i>Germany</i>	772	80	66	66	155	377	525	425	492	2.533
<i>The Netherlands</i>	341	64	40	43	74	145	214	180	239	1.160
<i>United Kingdom</i>	273	30	41	36	66	146	337	275	411	1.340
<i>Other European Countries</i>	779	91	105	86	171	410	623	510	611	2.876
Other European Countries (Excluding EU)	507	40	46	50	145	289	358	294	329	1.764
African Countries	62	4	9	14	30	46	62	50	37	264
North America	278	35	37	43	62	109	123	96	118	805
<i>U.S.A.</i>	260	31	35	39	54	98	108	83	98	723
<i>Canada</i>	18	4	2	4	8	11	15	13	20	82
<i>Central-South America And Caribbean</i>	34	5	6	1	5	12	16	14	11	90
Near And Middle Eastern Countries	845	65	78	112	275	380	417	355	367	2.539
<i>Azerbaijan</i>	64	7	12	13	38	61	65	48	70	330
<i>Iraq</i>	121	11	16	26	40	55	63	56	69	401
<i>Iran</i>	271	15	20	26	111	132	129	107	93	797
<i>Other</i>	389	32	30	47	86	132	160	144	135	1.011
Other Asian Countries	232	24	46	37	113	172	178	142	147	949
<i>China</i>	62	10	17	13	46	59	33	22	21	261
<i>South Korea</i>	34	3	11	2	16	19	18	14	12	115
<i>Other</i>	136	11	18	22	51	94	127	106	114	573
Other Countries	36	9	10	10	12	34	26	21	50	187
Total	4.159	447	484	498	1.108	2.120	2.879	2.362	2.816	14.511

*: As of October 2006, Provisional Data
Source: Undersecretariat of Treasury

Table annex-7: Investment Incentive Certificates Issued for Companies with International Capital

Years	Number of Certificates	Amount of Investment (Million \$)	Equity Share of Foreign Direct Investor (%)
2000	217	11.728,2	49,4
2001	169	2.517,8	48,6
2002	208	1.408,8	51,0
2003	211	1.729,5	71,8
2004	231	3.834,2	41,7
2005	206	3.484,7	51,7
2006	135	1.718,5	35,8
January	18	147,2	34,2
February	15	190,8	71,0
March	26	231,1	62,8
April	16	90,9	33,8
May	9	653,0	7,9
June	12	94,7	52,2
July	9	87,0	36,0
August	11	107,8	44,7
September	10	44,1	61,7
October	9	71,9	61,8

Source: Undersecretariat of Treasury