

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

**INTERNATIONAL  
DIRECT INVESTMENT  
INFORMATION BULLETIN**

**November 2006  
GENERAL DIRECTORATE OF FOREIGN INVESTMENT**

# CONTENTS

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

# TABLES

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

## INTERNATIONAL DIRECT INVESTMENT INFORMATION BULLETIN

### 1) International Direct Investment Inflow<sup>1</sup>

#### *Developments in September 2006*

According to the balance of payment statistics of the Central Bank of Turkey, the net inflow has been \$ 245 million in September 2006 (Table-1).

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

	(Million \$)									
	January	February	March	April	May	June	July	August	September	Jan.-Sept.
<b>International Direct Investment Total (Net)</b>	402	299	343	501	6.765	572	270	3.407	245	12.804
<b>International Direct Investment Capital</b>	80	88	80	250	6.491	276	83	3.123	4	10.475
Equity Investment (Net)	63	74	115	244	6.530	357	78	3.122	-117	10.466
<i>Inflows</i>	63	99	118	276	6.531	357	79	3.122	383	11.028
<i>Liquidation Outflows</i>	0	-25	-3	-32	-1	--	-1	--	-500	-562
Other Capital * (Intra-company loans)	17	14	-35	6	-39	-81	5	1	121	9
<b>Real Estate (Net)</b>	322	211	263	251	274	296	187	284	241	2.329

\*Loans which companies with foreign capital take from foreign partners

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 \$ 383 million. The majority of this has been into financial intermediation, manufacturing and wholesale and retail trade sectors (Table-2).

<sup>1</sup>International 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-September 2006

Sectors	(Million \$)									
	January	February	March	April	May	June	July	August	September	Jan.-Sept.
Agriculture, hunting, fishing and forestry	--	--	--	--	--	--	--	--	--	--
Mining and quarrying	6	6	7	6	14	18	4	1	2	64
Manufacturing	27	44	36	116	59	190	25	143	72	712
<i>Manufacture of food products and beverages</i>	6	16	14	97	28	50	1	1	3	216
<i>Manufacture of textiles</i>	--	3	2	--	1	--	4	5	--	15
<i>Manufacture of chemicals and chemical products</i>	--	--	11	7	7	115	1	108	55	304
<i>Manufacture of machinery and equipment n.e.c.</i>	5	1	--	2	1	3	--	8	1	21
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	7	13	5	3	6	5	4	19	3	65
<i>Other Manufacturing</i>	9	11	4	7	16	17	16	2	10	92
Electricity, gas and water supply	3	1	--	--	--	--	2	52	--	58
Construction	13	4	46	63	64	1	28	86	26	331
Wholesale and retail trade	1	2	2	1	1,391	3	2	14	12	1,428
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	4,718
Financial intermediation	7	31	7	6	275	36	14	2,799	239	3,414
Real estate, renting and business activities	--	--	--	13	3	--	--	8	--	24
Other community, social and personal service activities	5	6	10	68	34	105	2	6	--	236
<b>Total</b>	<b>63</b>	<b>99</b>	<b>118</b>	<b>276</b>	<b>6,531</b>	<b>357</b>	<b>79</b>	<b>3,122</b>	<b>383</b>	<b>11,028</b>

Provisional Data

Source: Central Bank of the Republic of Turkey

\$ 346 million of the \$383 million equity investment has been exported by the EU countries (Table-3).

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

Countries	(Million \$)									
	January	February	March	April	May	June	July	August	September	Jan.-Sept.
European Union (25)	37	69	86	199	6,086	272	63	3,006	346	10,164
<i>Germany</i>	4	5	9	4	4	142	37	56	46	307
<i>The Netherlands</i>	16	6	53	41	4,710	14	2	41	19	4,902
<i>United Kingdom</i>	1	1	1	104	19	84	1	113	65	389
<i>Other European Countries</i>	11	54	21	43	1,343	21	19	2,792	211	4,515
Other European Countries (Excluding EU)	1	3	--	2	43	1	3	9	--	62
Africa	1	1	1	1	1	12	4	1	7	29
America	15	18	17	70	350	60	5	10	7	552
North America	15	12	17	70	348	56	5	9	7	539
<i>U.S.A.</i>	9	6	12	4	334	38	4	9	7	423
<i>Canada</i>	6	6	5	66	14	18	1	--	--	116
<i>Central-South America And Caribbean</i>	--	6	--	--	2	4	--	1	--	13
Asian	9	8	7	4	51	12	4	96	5	196
<i>Gulf Arabian Countries</i>	2	3	4	3	49	3	3	84	4	155
<i>Near And Middle Eastern Countries</i>	5	4	--	--	--	3	--	10	--	22
<i>Other Asian Countries</i>	2	1	3	1	2	6	1	2	1	19
Other Countries	--	--	7	--	--	--	--	--	18	25
<b>Toplam</b>	<b>63</b>	<b>99</b>	<b>118</b>	<b>276</b>	<b>6,531</b>	<b>357</b>	<b>79</b>	<b>3,122</b>	<b>383</b>	<b>11,028</b>

Provisional Data

Source: Central Bank of the Republic of Turkey

### *Developments in the 2006 January-September Period*

According to the balance of payment statistics, the net total international direct investment inflow has been \$ 12.804 million in the first nine months of 2006 (Table-4).

Equity investment inflow component of the international direct investment inflows reached up to \$ 11.028 million in the January-September period in 2006, representing a two-fold increase with respect to the same period in 2005, which was \$3.860 million (Table-4).

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

(Million \$)

	2005	January-September		
		2005	2006	% Change
<b>International Direct Investment Total (Net)</b>	<b>9.794</b>	<b>3.860</b>	<b>12.804</b>	<b>231,7</b>
<b>International Direct Investment Capital</b>	<b>7.953</b>	<b>2.832</b>	<b>10.475</b>	<b>269,9</b>
<i>Equity Investment (Net)</i>	<b>8.191</b>	<b>3.029</b>	<b>10.466</b>	<b>245,5</b>
<i>Inflows</i>	8.527	3.352	11.028	229,0
<i>Liquidation Outflows</i>	-336	-323	-562	74,0
<i>Intra Company Loans*</i>	<b>-238</b>	<b>-197</b>	<b>9</b>	<b>104,6</b>
<i>Real Estate (Net)</i>	<b>1.841</b>	<b>1.028</b>	<b>2.329</b>	<b>126,6</b>

Provisional Data

Source: Central Bank of the Republic of Turkey

The majority of the total \$ 11.028 million of the equity investment is mainly in the wholesale and retail trade sectors while manufacturing, real estate renting and other business activities (Table-5).

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

(Million \$)

Sectors	2005	January-September	
		2005	2006
Agriculture, hunting, fishing and forestry	5	5	--
Mining and quarrying	40	25	64
Manufacturing	788	541	712
<i>Manufacture of food products and beverages</i>	68	36	216
<i>Manufacture of textiles</i>	183	178	15
<i>Manufacture of chemicals and chemical products</i>	174	163	304
<i>Manufacture of machinery and equipment n.e.c.</i>	13	11	21
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	106	93	65
<i>Other Manufacturing</i>	244	60	91
Electricity, gas and water supply	4	3	60
Construction	100	21	331
Wholesale and retail trade	68	51	1.428
Hotels and restaurants	42	35	15
Transport, storage and communications	3.250	400	4.718
Financial intermediation	4.016	2.153	3.414
Real estate, renting and business activities	29	3	24
Other community, social and personal service activities	177	115	262
<b>Total</b>	<b>8.519</b>	<b>3.352</b>	<b>11.028</b>

Provisional Data

Source: Central Bank of the Republic of Turkey

During the January and September period in 2006, 92,2 % of the equity investment is from the EU countries, corresponding to 86,5 % for the same period in 2005 (Table-6).

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

(Million \$)

Countries	2005	January-September	
		2005	2006
European Union (25)	4.974	2.898	10.164
<i>Germany</i>	391	331	307
<i>The Netherlands</i>	2.105	294	333
<i>United Kingdom</i>	249	222	4.902
<i>Other European Countries</i>	2.229	2.051	4.622
Other European Countries (Excluding EU)	1.662	39	62
Africa	3	2	29
America	122	82	552
North America	114	78	539
<i>U.S.A.</i>	88	63	423
<i>Canada</i>	26	15	116
<i>Central-South America And Caribbean</i>	8	4	13
Asian	1.756	329	196
<i>Gulf Arabian Countries</i>	1.675	291	155
<i>Near And Middle Eastern Countries</i>	3	3	22
<i>Other Asian Countries</i>	78	35	19
Other Countries	2	2	25
<b>Toplam</b>	<b>8.519</b>	<b>3.352</b>	<b>11.028</b>

Provisional Data

Source: Central Bank of the Republic of Turkey

## 2) Number of Companies with International Capital

### *Developments in September 2006*

232 companies and branch offices with international capital have been established and 38 foreign capital participations to the existing domestic companies incurred in September 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	243	72	7	322	43,8
April	182	33	9	223	235	58	3	296	32,7
May	203	51	5	258	245	58	7	310	20,2
June	218	47	3	267	249	71	6	326	22,1
July	225	34	6	265	221	48	4	273	3,0
August	181	27	6	213	215	48	10	273	28,2
September	223	39	3	264	228	38	4	270	2,3
October	207	47	6	260	--	--	--	--	--
November	178	48	2	226	--	--	--	--	--
December	219	57	7	281	--	--	--	--	--
<b>Total</b>	<b>2.316</b>	<b>505</b>	<b>58</b>	<b>2.879</b>	<b>1.994</b>	<b>471</b>	<b>48</b>	<b>2.513</b>	

Provisional Data

Source: Undersecretariat of Treasury

### *Developments in the 2006 January-September period*

In the first nine month of 2006, 2.042 companies and branch offices with international capital have been established and 471 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-September			General Total (1954-2006*)
	2005*	2006*	% Change	
Company Establishment	1.709	1.994	16,7	11.306
Participation	354	471	33,1	2.486
Branch Office	43	48	11,6	416
<b>Total</b>	<b>2.106</b>	<b>2.513</b>	<b>19,3</b>	<b>14.208</b>

\*: (As of September 2006) Provisional Data

Source: Undersecretariat of Treasury



In the January-September period in 2006, majority of the total 2.513 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 2.513, 138 have capital values higher than \$500.000. Among these, 37 companies operate in manufacturing, 27 companies operate in wholesale and retail trade sectors and 24 companies operate in construction sector. Number of companies with international capital, capital value of which is greater than \$500.000, was 85 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	3	30
Mining and quarrying	31	7	7	4	49	15	9	1	3	28
Manufacturing	259	132	36	29	456	188	91	22	37	338
<i>Manufacture of food products and beverages</i>	20	13	6	4	43	18	6	1	7	32
<i>Manufacture of textiles</i>	43	25	3	8	79	23	10	3	1	37
<i>Manufacture of chemicals and chemical products</i>	24	9	5	3	41	16	9	3	7	35
<i>Manufacture of machinery and equipment n.e.c.</i>	18	10	2	1	31	22	12	2		36
<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	103	50	12	19	184
Electricity, gas and water supply	4	7		1	12	15	6	4	5	30
Construction	200	105	28	15	348	176	85	35	24	320
Wholesale and retail trade	531	213	37	28	809	415	179	39	27	660
Hotels and restaurants	117	47	11	9	184	103	54	11	6	174
Transport, storage and communications	180	63	14	5	262	128	68	21	7	224
Real estate, renting and business activities	374	122	17	12	525	373	127	24	13	537
Other community, social and personal service activities	142	31	5	16	194	110	38	11	13	172
<b>Total</b>	<b>1.862</b>	<b>733</b>	<b>162</b>	<b>122</b>	<b>2.879</b>	<b>1.538</b>	<b>666</b>	<b>171</b>	<b>138</b>	<b>2.513</b>

\*: (As of September 2006) Provisional Data

Source: Undersecretariat of Treasury

When the country of origin of the companies with international capital are analyzed, it is seen that 1.567 of the total 1.567 companies are of EU origin, followed by Near and Middle Eastern Countries (334 firms) and other EU countries (301). 93 of the 138 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	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
	(Number of Companies)									
European Union (25)	1.120	418	84	77	1.699	984	397	93	93	1.567
<i>Germany</i>	342	128	33	22	525	283	112	30	21	446
<i>The Netherlands</i>	141	54	9	10	214	128	47	16	16	207
<i>United Kingdom</i>	243	72	13	9	337	242	98	6	14	360
<i>Other European Countries</i>	394	164	29	36	623	331	140	41	42	554
Other European Countries (Excluding EU)	237	80	27	14	358	191	73	22	15	301
North Africa	28	12	2	--	42	15	6	1		22
Other African Countries	14	6	--	--	20	9	3	1		13
North America	78	30	9	6	123	65	18	9	3	95
<i>U.S.A.</i>	71	24	8	5	108	56	16	7	2	81
<i>Canada</i>	7	6	1	1	15	9	2	2	1	14
<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	164	127	27	16	334
<i>Azerbaijan</i>	42	22	1	--	65	28	27	3	4	62
<i>Iraq</i>	32	24	5	2	63	29	26	4	3	62
<i>Iran</i>	73	46	7	3	129	45	36	5		86
<i>Other</i>	102	39	14	5	160	62	38	15	9	124
Other Asian Countries	113	48	8	9	178	73	31	14	6	124
Other Countries	13	7	3	3	26	33	8	4	1	46
<b>Total</b>	<b>1.862</b>	<b>733</b>	<b>162</b>	<b>122</b>	<b>2.879</b>	<b>1.538</b>	<b>666</b>	<b>171</b>	<b>138</b>	<b>2.513</b>

\*: (As of September 2006) Provisional Data

Source: Undersecretariat of Treasury

### *Companies with international capital in Turkey*

In the first nine month 2006, 11.722 companies and branch offices with international capital have been established and 2.486 foreign capital participations to the existing companies incurred. Currently, a total of 14.208 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*	2.513
<b>Total</b>	<b>14.208</b>

\*: (As of September 2006) Provisional Data

Source: Undersecretariat of Treasury

Majority of the total 14.208 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	2005	(Number of Companies)		
		January-September		1954-2006*
		2005	2006	General Total
Agriculture, hunting, fishing and forestry	40	25	30	220
Mining and quarrying	49	42	28	222
Manufacturing	456	346	338	2.863
<i>Manufacture of food products and beverages</i>	43	32	32	296
<i>Manufacture of textiles</i>	79	61	37	383
<i>Manufacture of chemicals and chemical products</i>	41	29	35	326
<i>Manufacture of machinery and equipment n.e.c.</i>	31	22	36	221
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	20	16	14	200
<i>Other Manufacturing</i>	242	186	184	1.437
Electricity, gas and water supply	12	12	30	132
Construction	348	246	320	1.033
Wholesale and retail trade	809	599	660	4.803
Hotels and restaurants	184	127	174	1.103
Transport, storage and communications	262	208	224	1.221
Real estate, renting and business activities	525	366	537	1.765
Other community, social and personal service activities	194	135	172	846
<b>Total</b>	<b>2.879</b>	<b>2.106</b>	<b>2.513</b>	<b>14.208</b>

\*: (As of September 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 7.723 of the total 14.208 companies with foreign capital are of EU origin, in which Germany leads with 2.487 firms followed by United Kingdom (1.289 firms) and the Netherlands (1.128 firms) (Table-13).

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

Countries	2005	January-September		1954-2006*
		2005	2006	Total
European Union (25)	<b>1.699</b>	<b>1.232</b>	<b>1.567</b>	<b>7.723</b>
<i>Germany</i>	525	377	446	2.487
<i>The Netherlands</i>	214	157	207	1.128
<i>United Kingdom</i>	337	257	360	1.289
<i>Other European Countries</i>	623	441	554	2.819
Other European Countries (Excluding EU)	<b>358</b>	<b>268</b>	<b>301</b>	<b>1.736</b>
African Countries	<b>62</b>	<b>46</b>	<b>35</b>	<b>262</b>
North America	<b>123</b>	<b>82</b>	<b>95</b>	<b>782</b>
<i>U.S.A.</i>	108	71	81	706
<i>Canada</i>	15	11	14	76
Central-South America And Caribbean	<b>16</b>	<b>12</b>	<b>11</b>	<b>90</b>
Near And Middle Eastern Countries	<b>417</b>	<b>327</b>	<b>334</b>	<b>2.506</b>
<i>Azerbaijan</i>	65	46	62	322
<i>Iraq</i>	63	52	62	394
<i>Iran</i>	129	102	86	790
<i>Other</i>	160	127	124	1.000
Other Asian Countries	<b>178</b>	<b>120</b>	<b>124</b>	<b>926</b>
<i>China</i>	33	22	15	255
<i>South Korea</i>	18	15	9	112
<i>Other</i>	127	83	100	559
Other Countries	<b>26</b>	<b>19</b>	<b>46</b>	<b>183</b>
<b>Total</b>	<b>2.879</b>	<b>2.106</b>	<b>2.513</b>	<b>14.208</b>

\*: (As of September 2006) Provisional Data  
Source: Undersecretariat of Treasury

When the investment location distribution of the 14.208 international capital companies are considered, it is seen that 7.946 of the total 14.208 are in Istanbul, which is followed by Antalya (1.655 firms), Ankara (1.010 firms) and Izmir (871 firms) (Table-14).

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

İl	Number of Companies (1954-2006*)
İstanbul	7.946
Antalya	1.655
Ankara	1.010
İzmir	871
Muğla	788
Bursa	290
Mersin	276
Aydın	205
Kocaeli	180
Adana	111
Other City	876
<b>Total</b>	<b>14.208</b>

\*: (As of September 2006) Provisional Data  
Source: Undersecretariat of Treasury

In Istanbul, the majority of the 7.946 companies with international capital is in the wholesale and retail trade sectors (3.103 firms) while they also operate in manufacturing (1.717 firms), real estate renting and other business activities (898 firms) (Table-15).

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

Sectors	(Number of Companies)				
	Istanbul	Antalya	Ankara	Izmir	Muğla
Agriculture, hunting, fishing and forestry	57	48	17	25	14
Mining and quarrying	74	10	42	26	2
Manufacturing	1.717	99	158	258	16
<i>Manufacture of food products and beverages</i>	133	24	16	36	3
<i>Manufacture of textiles</i>	264	4	10	22	2
<i>Manufacture of chemicals and chemical products</i>	226	9	9	24	--
<i>Manufacture of machinery and equipment n.e.c.</i>	140	--	14	20	1
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	75	--	9	16	--
<i>Other Manufacturing</i>	879	62	100	140	10
Electricity, gas and water supply	64	8	37	8	1
Construction	317	311	109	48	124
Wholesale and retail trade	3.103	274	325	296	83
Hotels and restaurants	361	329	63	60	200
Transport, storage and communications	779	153	48	45	103
Real estate, renting and business activities	898	338	130	66	214
Other community, social and personal service activities	576	85	81	39	31
<b>Total</b>	<b>7.946</b>	<b>1.655</b>	<b>1.010</b>	<b>871</b>	<b>788</b>

\*: (As of September 2006) Provisional Data  
Source: Undersecretariat of Treasury

### 3) Investment Projects<sup>2</sup>

10 incentive certificates having a total investment value of \$ 44,1 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 126, while their capital value reached to \$ 1,65 billion (Table-17). 34,6 % of this capital will be covered by the international partners (Table-16).

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

	2005	January-September	
		2005	2006*
<b>Number of Investment Projects for which Incentive Certificates Issued (Number)</b>	206	152	126
<b>Total Cost of Investment Projects for which Incentive Certificates Issued (Billion \$)</b>	3,48	2,35	1,65

\*: (As of September 2006) Provisional Data

Source: Undersecretariat of Treasury

Out of the total 126 investment incentive certificates, 98 were issued for manufacturing, 3 for agriculture hunting and forestry, 4 for mining-quarrying and 21 for services sector.

<sup>2</sup> 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) \*

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	(Million \$)	
												January-September	
												2005	2006
<b>International Direct Investment Total (Net)</b>	885	722	805	940	783	982	3.352	1.137	1.752	2.883	9.794	3.860	12.804
<b>International Direct Investment</b>	885	722	805	940	783	982	3.352	1.137	754	1.540	7.953	2.832	10.475
<i>Equity Investment (Net)</i>	885	722	805	940	783	982	3.352	617	737	1.191	8.191	3.029	10.466
<i>Inflows</i>	934	914	852	953	813	1.707	3.374	622	745	1.291	8.527	3.352	11.028
<i>Liquidation Outflows</i>	-49	-192	-47	-13	-30	-725	-22	-5	-8	-100	-336	-323	-562
<b>Intra Company Loans*</b>	--	--	--	--	--	--	--	520	17	349	-238	-197	9
<b>Real Estate (Net)</b>	--	--	--	--	--	--	--	--	998	1.343	1.841	1.028	2.329

\*Loans which companies with foreign capital take from foreign partners

Provisional Data

Source: Central Bank of the Republic of Turkey



Table annex-2: 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	7	1	30
Mining and quarrying	37	9	3	49	19	9	0	28
Manufacturing	351	93	12	456	245	83	10	338
<i>Manufacture of food products and beverages</i>	31	12	0	43	18	13	1	32
<i>Manufacture of textiles</i>	54	21	4	79	31	6	0	37
<i>Manufacture of chemicals and chemical products</i>	29	11	1	41	22	11	2	35
<i>Manufacture of machinery and equipment n.e.c.</i>	28	2	1	31	30	5	1	36
<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	136	44	4	184
Electricity, gas and water supply	6	6	0	12	24	4	2	30
Construction	295	47	6	348	274	40	6	320
Wholesale and retail trade	616	180	13	809	504	147	9	660
Hotels and restaurants	153	31	0	184	134	39	1	174
Transport, storage and communications	209	44	9	262	178	37	9	224
Real estate, renting and business activities	476	41	8	525	477	55	5	537
Other community, social and personal service activities	148	41	5	194	117	50	5	172
<b>Total</b>	<b>2.316</b>	<b>505</b>	<b>58</b>	<b>2.879</b>	<b>1.994</b>	<b>471</b>	<b>48</b>	<b>2.513</b>

\*: (As of September 2006) Provisional Data

Source: Undersecretariat of Treasury

Table annex-3: Breakdown of Companies with International Capital by Sector

Sectors	(Number of Companies)									
	1954-1999	2000	2001	2002	2003	2004*	2005*	January-September		1954-2006*
	(Cumulative)							2005	2006	Total
Agriculture, hunting, fishing and forestry	71	6	9	4	29	31	40	25	30	220
Mining and quarrying	66	8	8	18	12	33	49	42	28	222
Manufacturing	1.165	94	91	83	268	368	456	346	338	2.863
<i>Manufacture of food products and beverages</i>	128	8	7	9	18	51	43	32	32	296
<i>Manufacture of textiles</i>	115	3	13	12	64	60	79	61	37	383
<i>Manufacture of chemicals and chemical products</i>	151	11	7	6	29	46	41	29	35	326
<i>Manufacture of machinery and equipment n.e.c.</i>	87	8	6	7	21	25	31	22	36	221
<i>Manufacture of motor vehicles, trailers and semi-trailers</i>	99	13	12	7	17	18	20	16	14	200
<i>Other Manufacturing</i>	585	51	46	42	119	168	242	186	184	1.437
Electricity, gas and water supply	48	10	5	5	7	15	12	12	30	132
Construction	144	9	25	21	29	137	348	246	320	1.033
Wholesale and retail trade	1.458	152	173	207	433	911	809	599	660	4.803
Hotels and restaurants	472	39	53	44	59	78	184	127	174	1.103
Transport, storage and communications	280	46	50	44	96	219	262	208	224	1.221
Real estate, renting and business activities	243	54	43	38	89	236	525	366	537	1.765
Other community, social and personal service activities	212	29	27	34	86	92	194	135	172	846
<b>Total</b>	<b>4.159</b>	<b>447</b>	<b>484</b>	<b>498</b>	<b>1.108</b>	<b>2.120</b>	<b>2.879</b>	<b>2.106</b>	<b>2.513</b>	<b>14.208</b>

\*: (As of September 2006) Provisional Data

Source: Undersecretariat of Treasury

Table annex-4: Breakdown of Companies with International Capital by Country

Countries	(Number of Companies)									
	1954-1999	2000	2001	2002	2003	2004*	2005*	January-September		1954-2006*
	(Cumulative)							2005	2006	Toplam
European Union (25)	<b>2.165</b>	<b>265</b>	<b>252</b>	<b>231</b>	<b>466</b>	<b>1.078</b>	<b>1.699</b>	<b>1.232</b>	<b>1.567</b>	<b>7.723</b>
Germany	772	80	66	66	155	377	525	377	446	2.487
The Netherlands	341	64	40	43	74	145	214	157	207	1.128
United Kingdom	273	30	41	36	66	146	337	257	360	1.289
Other European Countries	779	91	105	86	171	410	623	441	554	2.819
Other European Countries (Excluding EU)	<b>507</b>	<b>40</b>	<b>46</b>	<b>50</b>	<b>145</b>	<b>289</b>	<b>358</b>	<b>268</b>	<b>301</b>	<b>1.736</b>
African Countries	<b>62</b>	<b>4</b>	<b>9</b>	<b>14</b>	<b>30</b>	<b>46</b>	<b>62</b>	<b>46</b>	<b>35</b>	<b>262</b>
North America	<b>278</b>	<b>35</b>	<b>37</b>	<b>43</b>	<b>62</b>	<b>109</b>	<b>123</b>	<b>82</b>	<b>95</b>	<b>782</b>
U.S.A.	260	31	35	39	54	98	108	71	81	706
Canada	18	4	2	4	8	11	15	11	14	76
Central-South America And Caribbean	<b>34</b>	<b>5</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>12</b>	<b>16</b>	<b>12</b>	<b>11</b>	<b>90</b>
Near And Middle Eastern Countries	<b>845</b>	<b>65</b>	<b>78</b>	<b>112</b>	<b>275</b>	<b>380</b>	<b>417</b>	<b>327</b>	<b>334</b>	<b>2.506</b>
Azerbaijan	64	7	12	13	38	61	65	46	62	322
Iraq	121	11	16	26	40	55	63	52	62	394
Iran	271	15	20	26	111	132	129	102	86	790
Other	389	32	30	47	86	132	160	127	124	1.000
Other Asian Countries	<b>232</b>	<b>24</b>	<b>46</b>	<b>37</b>	<b>113</b>	<b>172</b>	<b>178</b>	<b>120</b>	<b>124</b>	<b>926</b>
China	62	10	17	13	46	59	33	22	15	255
South Korea	34	3	11	2	16	19	18	15	9	112
Other	136	11	18	22	51	94	127	83	100	559
Other Countries	<b>36</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>34</b>	<b>26</b>	<b>19</b>	<b>46</b>	<b>183</b>
<b>Total</b>	<b>4.159</b>	<b>447</b>	<b>484</b>	<b>498</b>	<b>1.108</b>	<b>2.120</b>	<b>2.879</b>	<b>2.106</b>	<b>2.513</b>	<b>14.208</b>

\*: (As of September 2006) Provisional Data

Source: Undersecretariat of Treasury

Table annex-5: 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	126	1.646,6	34,6
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

Source: Undersecretariat of Treasury