

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

**INTERNATIONAL
DIRECT INVESTMENT
INFORMATION BULLETIN**

**July 2009
GENERAL DIRECTORATE OF FOREIGN INVESTMENT**

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INTERNATIONAL DIRECT INVESTMENT INFORMATION BULLETIN

1) International Direct Investment Inflow¹

Developments in May 2009

The net international direct investment inflow has been \$ 466 million in May 2009 (Table-1).

Table 1- Components of International Direct Investment Inflow, 2009/May

(Million \$)

| | January | February | March | April | May |
|--|--------------|------------|------------|------------|------------|
| International Direct Investment Total (Net) | 1.486 | 292 | 548 | 792 | 466 |
| International Direct Investment | 1.383 | 206 | 434 | 710 | 379 |
| <i>Equity Investment (Net)</i> | 1.297 | 224 | 381 | 470 | 411 |
| <i>Inflows</i> | 1.297 | 225 | 381 | 470 | 411 |
| <i>Liquidation Outflows</i> | -- | -1 | -- | -- | -- |
| Intra Company Loans* | 86 | -18 | 53 | 240 | -32 |
| Real Estate (Net) | 103 | 86 | 114 | 82 | 87 |

*Loans which companies with foreign capital take from foreign partners

Provisional Data, Source: Central Bank of the Republic of Turkey

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.

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 \$ 411 million. \$ 166 million of this has been into electricity, gas and water supply sector (Table-2).

Table 2- International Direct Investment Inflow, by Sector, 2009/May

| (Million \$) | | | | | |
|---|--------------|------------|------------|------------|------------|
| Sectors | January | February | March | April | May |
| Agriculture, hunting and forestry | -- | 16 | 1 | 1 | 2 |
| Fishing | -- | -- | 1 | -- | -- |
| Mining and quarrying | 11 | 2 | 1 | 1 | 16 |
| Manufacturing | 62 | 51 | 84 | 275 | 114 |
| Manufacture of food products and beverages | 10 | 3 | 41 | 4 | 23 |
| Manufacture of textiles | 12 | 6 | 7 | 5 | 2 |
| Manufacture of chemicals and chemical products | 17 | 3 | 5 | 3 | 2 |
| Manufacture of machinery and equipment n.e.c. | 1 | 16 | 4 | 101 | 2 |
| Office machinery and computers | 8 | 1 | 18 | 6 | 1 |
| Manufacture of motor vehicles, trailers and semi-trailers | 1 | 2 | 3 | -- | 2 |
| Other Manufacturing | 13 | 19 | 6 | 156 | 82 |
| Electricity, gas and water supply | 983 | 2 | 62 | 92 | 166 |
| Construction | 60 | 43 | 11 | 37 | 26 |
| Wholesale and retail trade | 65 | 67 | 8 | 24 | 7 |
| Hotels and restaurants | -- | 1 | -- | 1 | 1 |
| Transport, storage and communications | 12 | 10 | 34 | 2 | 6 |
| Financial intermediation | 72 | 16 | 28 | 30 | 30 |
| Real estate, renting and business activities | 18 | 13 | 147 | 3 | 43 |
| Health and social work | 1 | 2 | -- | -- | -- |
| Other community, social and personal service activities | 13 | 2 | 4 | 4 | -- |
| Total | 1.297 | 225 | 381 | 470 | 411 |

Provisional Data, Source: Central Bank of the Republic of Turkey

\$ 310 million of the \$ 411 million equity investment has been exported by the EU countries (Table-3).

Table 3- International Direct Investment Inflow, by Country, 2009/May

| (Million \$) | | | | | |
|---|--------------|------------|------------|------------|------------|
| Countries | January | February | March | April | May |
| European Union (27) | 1.250 | 182 | 279 | 426 | 310 |
| Germany | 16 | 74 | 12 | 27 | 7 |
| France | 415 | 3 | 60 | 2 | 9 |
| Netherlands | 87 | 39 | 23 | 43 | 51 |
| United Kingdom | 17 | 13 | 17 | 2 | 34 |
| Italy | 5 | 18 | 8 | 149 | 30 |
| Other European Countries | 710 | 35 | 159 | 203 | 179 |
| Other European Countries (Excluding EU) | 7 | 8 | 16 | 2 | 12 |
| Africa | -- | -- | -- | -- | -- |
| U.S.A. | 9 | 9 | 56 | 22 | 67 |
| Canada | -- | -- | -- | -- | -- |
| Central-South America And Caribbean | -- | -- | 1 | 1 | 1 |
| Asian | 19 | 26 | 29 | 19 | 21 |
| Near And Middle Eastern Countries | 10 | 2 | 10 | 19 | 18 |
| Gulf Arabian Countries | 2 | 2 | 4 | 4 | 2 |
| Other Near And Middle Eastern Countries | -- | -- | -- | -- | 6 |
| Other Asian Countries | 9 | 24 | 19 | -- | 3 |
| Other Countries | 12 | -- | -- | -- | -- |
| Total | 1.297 | 225 | 381 | 470 | 411 |

Provisional Data, Source: Central Bank of the Republic of Turkey

Developments in 2009 January-May Period

The net international direct investment inflow has been \$ 3.584 million in 2009 (Table-4).

Equity investment inflow component of the international direct investment inflows (net) reached up to \$ 2.783 million January and May Period in 2009 (Table-4).

Table 4- Components of International Direct Investment Inflow, (2009-2009/May)

(Million \$)

| | January-May | | % Change |
|--|--------------|--------------|----------------|
| | 2008 | 2009 | |
| International Direct Investment Total (Net) | 7.498 | 3.584 | -52,2 |
| International Direct Investment Capital | 6.255 | 3.112 | -50,2 |
| <i>Equity Investment (Net)</i> | 6.239 | 2.783 | -55,4 |
| <i>Inflows</i> | 6.247 | 2.784 | -55,4 |
| <i>Liquidation Outflows</i> | -8 | -1 | -- |
| <i>Intra Company Loans*</i> | 16 | 329 | 2.116,7 |
| <i>Real Estate (Net)</i> | 1.243 | 472 | -62,0 |

*Loans which companies with foreign capital take from foreign partners Provisional Data,
Source: Central Bank of the Republic of Turkey

\$ 1.305 million of the total \$ 2.784 million of the equity capital entry has been into electricity, gas and water supply sector (Table-5).

Table 5- International Direct Investment Inflow, by sector, (2008-2009/May)

(Million \$)

| Sectors | January-May | |
|--|--------------|--------------|
| | 2008 | 2009 |
| Agriculture, hunting and forestry | 17 | 20 |
| Fishing | 15 | 1 |
| Mining and quarrying | 92 | 31 |
| Manufacturing | 1.081 | 586 |
| Manufacture of food products and beverages | 203 | 81 |
| <i>Manufacture of textiles</i> | 81 | 32 |
| <i>Manufacture of chemicals and chemical products</i> | 40 | 30 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 133 | 124 |
| <i>Office machinery and computers</i> | 163 | 34 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 17 | 8 |
| <i>Other Manufacturing</i> | 444 | 277 |
| Electricity, gas and water supply | 173 | 1.305 |
| Construction | 124 | 177 |
| Wholesale and retail trade | 1.336 | 171 |
| Hotels and restaurants | 5 | 3 |
| Transport, storage and communications | 73 | 64 |
| Financial intermediation | 2.920 | 176 |
| Real estate, renting and business activities | 295 | 224 |
| Health and social work | 90 | 3 |
| Other community, social and personal service activities | 26 | 23 |
| Total | 6.247 | 2.784 |

Provisional Data, Source: Central Bank of the Republic of Turkey

During the January and May period in 2009, %87,9 of the equity capital entry is from EU (Table-6).

Table 6- International Direct Investment Inflow, by Country, (2008-2009/May)

(Million \$)

| Countries | January-May | |
|--|--------------|--------------|
| | 2008 | 2009 |
| European Union (27) | 3.871 | 2.447 |
| <i>Germany</i> | 314 | 136 |
| <i>France</i> | 401 | 489 |
| <i>Netherlands</i> | 663 | 243 |
| <i>United Kingdom</i> | 120 | 83 |
| <i>Italy</i> | 85 | 210 |
| <i>Other European Countries</i> | 2.288 | 1.286 |
| Other European Countries (Excluding EU) | 107 | 45 |
| Africa | 82 | -- |
| <i>U.S.A.</i> | 250 | 163 |
| <i>Canada</i> | 7 | -- |
| Central-South America And Caribbean | 55 | 3 |
| Asian | 1.875 | 114 |
| Near And Middle Eastern Countries | 1.782 | 59 |
| <i>Gulf Arabian Countries</i> | 1.621 | 14 |
| <i>Other Near And Middle Eastern Countries</i> | 69 | 6 |
| Other Asian Countries | 93 | 55 |
| Other Countries | -- | 12 |
| Total | 6.247 | 2.784 |

Provisional Data, Source: Central Bank of the Republic of Turkey

2) Number of Companies with International Capital

Developments in May 2009

188 companies with international capital have been established and 49 foreign capital participations to the existing domestic companies incurred in May 2009 (Table-7).

Table 7- Breakdown of Companies with International Capital by Mode of Establishment, (2008-2009 Monthly)

(Number of Companies)

| | 2008 | | | | 2009 | | | | % Change |
|--------------|-----------------------|---------------|---------------|--------------|-----------------------|---------------|---------------|--------------|-----------|
| | Company Establishment | Participation | Branch Office | Total | Company Establishment | Participation | Branch Office | Total | |
| January | 239 | 61 | 9 | 309 | 185 | 48 | 8 | 241 | -22,0 |
| February | 230 | 52 | 8 | 290 | 181 | 46 | 3 | 230 | -20,7 |
| March | 258 | 48 | 5 | 311 | 193 | 52 | 1 | 246 | -20,9 |
| April | 246 | 56 | 4 | 306 | 168 | 48 | 1 | 217 | -29,1 |
| May | 298 | 68 | 5 | 371 | 181 | 49 | 7 | 237 | -36,1 |
| June | 228 | 65 | 4 | 297 | -- | -- | -- | -- | -- |
| July | 268 | 54 | 6 | 328 | -- | -- | -- | -- | -- |
| August | 229 | 60 | 6 | 295 | -- | -- | -- | -- | -- |
| September | 196 | 38 | 2 | 236 | -- | -- | -- | -- | -- |
| October | 170 | 46 | 6 | 222 | -- | -- | -- | -- | -- |
| November | 173 | 47 | 4 | 224 | -- | -- | -- | -- | -- |
| December | 160 | 43 | 5 | 208 | -- | -- | -- | -- | -- |
| Total | 2.695 | 638 | 64 | 3.397 | 908 | 243 | 20 | 1.171 | -- |

Provisional Data, Source: Undersecretariat of Treasury

Developments in the 2009 January-May Period

In the first five month of 2009, 928 companies and branch offices with international capital have been established and 243 international capital participations to the existing domestic companies incurred (Table-8).

Table 8- Breakdown of Companies with International Capital by Mode of Establishment, (2008-2009/May)

(Number of Companies)

| | January-May | | % Change |
|-----------------------|--------------|--------------|--------------|
| | 2008 | 2009 | |
| Company Establishment | 1.271 | 908 | -28,6 |
| Participation | 285 | 243 | -14,7 |
| Branch Office | 31 | 20 | -35,5 |
| Total | 1.587 | 1.171 | -26,2 |

Provisional Data, Source: Undersecretariat of Treasury

In the January-May period in 2009, majority of the total 1.171 companies with international capital is in the wholesale and retail trade sectors while real estate renting and business activities and manufacturing sectors follow (Table-9). Food beverage products lead the manufacturing sector investments followed by chemicals-chemical products, motor vehicles, trailers and semi-trailers and machinery and equipment n.e.c sector.

Of these total 1.171, 82 have capital values higher than \$ 500.000. Among these, 20 companies operate in wholesale and retail trade, 12 companies operate in manufacturing sector and 12 companies operate in real estate renting and business activities sectors (Table-9).

Table 9- Breakdown of Companies with International Capital by Sector according to Size of Equity Capital, (2008-2009/May)

(Number of Companies)

| Sectors | 2008 | | | | | 2009 (January-May) | | | | |
|---|--------------|----------------------|-----------------------|------------|--------------|--------------------|----------------------|-----------------------|------------|--------------|
| | <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 | 20 | 9 | 7 | 60 | 12 | 8 | 1 | 4 | 25 |
| Mining and quarrying | 39 | 31 | 8 | 15 | 93 | 14 | 10 | 4 | 1 | 29 |
| Manufacturing | 195 | 135 | 65 | 64 | 459 | 74 | 50 | 15 | 12 | 151 |
| <i>Manufacture of food products and beverages</i> | 13 | 13 | 3 | 4 | 33 | 14 | 3 | 1 | -- | 18 |
| <i>Manufacture of textiles</i> | 9 | 6 | 2 | 3 | 20 | 3 | 1 | -- | 2 | 6 |
| <i>Manufacture of chemicals and chemical products</i> | 22 | 11 | 7 | 7 | 47 | 8 | 5 | -- | 1 | 14 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 20 | 14 | 4 | 6 | 44 | 3 | 3 | 2 | 1 | 9 |
| <i>Manufacture of motor vehicles, trailers, semi-trailers</i> | 9 | 4 | 3 | 5 | 21 | 3 | 2 | 2 | -- | 7 |
| <i>Other Manufacturing</i> | 122 | 87 | 46 | 39 | 294 | 43 | 36 | 10 | 8 | 97 |
| Electricity, gas and water supply | 64 | 23 | 8 | 20 | 115 | 28 | 8 | 1 | 7 | 44 |
| Construction | 153 | 132 | 61 | 36 | 382 | 36 | 42 | 13 | 8 | 99 |
| Wholesale and retail trade | 407 | 253 | 83 | 59 | 802 | 171 | 135 | 36 | 20 | 362 |
| Hotels and restaurants | 131 | 61 | 11 | 23 | 226 | 40 | 30 | 5 | 6 | 81 |
| Transport, storage and communications | 159 | 76 | 38 | 27 | 300 | 58 | 43 | 9 | 5 | 115 |
| Financial intermediation | 14 | 5 | 3 | 22 | 44 | 4 | 1 | 1 | 2 | 8 |
| Real estate, renting and business activities | 404 | 195 | 54 | 39 | 692 | 123 | 55 | 8 | 12 | 198 |
| Other community, social and personal service activities | 139 | 52 | 16 | 17 | 224 | 33 | 21 | 0 | 5 | 59 |
| Total | 1.729 | 983 | 356 | 329 | 3.397 | 593 | 403 | 93 | 82 | 1.171 |

Provisional Data, Source: Undersecretariat of Treasury

573 of the total 1.171 companies are of EU origin, 237 companies are of Near and Middle Eastern Countries and 181 companies are of other EU countries (Table-10).

Table 10- Breakdown of Companies with International Capital by Country according to Size of Equity Capital (2008-2009/May)
(Number of Companies)

| Countries | 2008 | | | | | 2009 (January-May) | | | | |
|--|--------------|----------------------|-----------------------|------------|--------------|--------------------|----------------------|-----------------------|------------|--------------|
| | <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) | 952 | 471 | 173 | 193 | 1.789 | 307 | 182 | 43 | 41 | 573 |
| <i>Germany</i> | 323 | 170 | 50 | 52 | 595 | 110 | 70 | 16 | 10 | 206 |
| <i>The Netherlands</i> | 153 | 65 | 28 | 40 | 286 | 26 | 12 | 3 | 7 | 48 |
| <i>United Kingdom</i> | 137 | 63 | 23 | 25 | 248 | 52 | 27 | 4 | 6 | 89 |
| <i>Other European Countries</i> | 339 | 173 | 72 | 76 | 660 | 119 | 73 | 20 | 18 | 230 |
| Other European Countries (Excluding EU) | 287 | 159 | 53 | 49 | 548 | 89 | 66 | 18 | 8 | 181 |
| North Africa | 14 | 13 | 8 | -- | 35 | 5 | 6 | 1 | 2 | 14 |
| Other African Countries | 13 | 3 | 1 | -- | 17 | 6 | 8 | -- | -- | 14 |
| North America | 86 | 38 | 10 | 15 | 149 | 32 | 10 | 2 | 1 | 45 |
| <i>U.S.A.</i> | 78 | 31 | 8 | 13 | 130 | 25 | 7 | 2 | 1 | 35 |
| <i>Canada</i> | 8 | 7 | 2 | 2 | 19 | 7 | 3 | -- | -- | 10 |
| <i>Central-South America And Caribbean</i> | 6 | 1 | 3 | 2 | 12 | 3 | 5 | -- | -- | 8 |
| Near And Middle Eastern Countries | 233 | 219 | 74 | 41 | 567 | 108 | 91 | 14 | 24 | 237 |
| <i>Azerbaijan</i> | 55 | 42 | 24 | 15 | 136 | 22 | 25 | 6 | 7 | 60 |
| <i>Iraq</i> | 31 | 42 | 12 | 3 | 88 | 19 | 18 | 3 | 4 | 44 |
| <i>Iran</i> | 58 | 66 | 10 | 5 | 139 | 31 | 24 | 2 | 2 | 59 |
| <i>Other</i> | 89 | 69 | 28 | 18 | 204 | 36 | 24 | 3 | 11 | 74 |
| Other Asian Countries | 107 | 74 | 33 | 20 | 234 | 33 | 34 | 14 | 6 | 87 |
| Other Countries | 31 | 5 | 1 | 9 | 46 | 10 | 1 | 1 | -- | 12 |
| Total | 1.729 | 983 | 356 | 329 | 3.397 | 593 | 403 | 93 | 82 | 1.171 |

Provisional Data, Source: Undersecretariat of Treasury

Companies with international capital in Turkey

Currently, a total of 22.250 companies with international capital are operating in Turkey. Among these, 18.088 companies and branch offices with international capital have been established and 4.162 foreign capital participations to the existing companies incurred (Table-11).

Table 11- Number of Companies with International Capital by Year according to Mode of Establishment
(Number of Companies)

| Year | Company Establishment | Participation | Branch Office | Total |
|------------------------|-----------------------|---------------|---------------|---------------|
| 1954-2003 (Cumulative) | 5.021 | 1069 | 233 | 6.323 |
| 2004 | 1.440 | 446 | 62 | 1.948 |
| 2005 | 2.081 | 478 | 54 | 2.613 |
| 2006 | 2.473 | 633 | 63 | 3.169 |
| 2007 | 2.913 | 655 | 61 | 3.629 |
| 2008 | 2.695 | 638 | 64 | 3.397 |
| 2009/May | 908 | 243 | 20 | 1.171 |
| Total | 17.531 | 4.162 | 557 | 22.250 |

Provisional Data, Source: Undersecretariat of Treasury

Majority of the total 22.250 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 chemical products, food beverage products (Table-12).

Table 12- Breakdown of Companies with International Capital by Sector, (2008-2009/May)

| Sectors | (Number of Companies) | | |
|--|-----------------------|--------------|-----------------|
| | January-May | | (1954-2009/May) |
| | 2008 | 2009 | General Total |
| Agriculture, hunting, fishing and forestry | 27 | 25 | 354 |
| Mining and quarrying | 37 | 29 | 440 |
| Manufacturing | 228 | 151 | 3.908 |
| <i>Manufacture of food products and beverages</i> | 15 | 18 | 387 |
| <i>Manufacture of textiles</i> | 11 | 6 | 434 |
| <i>Manufacture of chemicals and chemical products</i> | 26 | 14 | 428 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 23 | 9 | 325 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 10 | 7 | 226 |
| <i>Other Manufacturing</i> | 143 | 97 | 2.108 |
| Electricity, gas and water supply | 48 | 44 | 378 |
| Construction | 183 | 99 | 2.069 |
| Wholesale and retail trade | 364 | 362 | 6.572 |
| Hotels and restaurants | 107 | 81 | 1.601 |
| Transport, storage and communications | 126 | 115 | 1.911 |
| Financial intermediation | 23 | 8 | 283 |
| Real estate, renting and business activities | 337 | 198 | 3.606 |
| Other community, social and personal service activities | 107 | 59 | 1.128 |
| Total | 1.587 | 1.171 | 22.250 |

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 12.199 of the total 22.250 companies with foreign capital are of EU origin, in which Germany leads with 3.806 firms followed by United Kingdom (2.110 firms) and the Netherlands (1.721 firms) (Table-13).

Table 13- Breakdown of Companies with International Capital by Country, (2008-2009/May)

(Number of Companies)

| Countries | January-May | | (1954-2009/May) |
|---|--------------|--------------|-----------------|
| | 2008 | 2009 | Total |
| European Union (25) | 860 | 573 | 12.199 |
| <i>Germany</i> | 270 | 206 | 3.806 |
| <i>The Netherlands</i> | 140 | 48 | 1.721 |
| <i>United Kingdom</i> | 129 | 89 | 2.110 |
| <i>Other European Countries</i> | 321 | 230 | 4.562 |
| Other European Countries (Excluding EU) | 270 | 181 | 2.897 |
| African Countries | 18 | 28 | 375 |
| North America | 78 | 45 | 1.106 |
| <i>U.S.A.</i> | 71 | 35 | 964 |
| <i>Canada</i> | 7 | 10 | 142 |
| Central-South America And Caribbean | 6 | 8 | 123 |
| Near And Middle Eastern Countries | 231 | 237 | 3.764 |
| <i>Azerbaijan</i> | 49 | 60 | 631 |
| <i>Iraq</i> | 32 | 44 | 619 |
| <i>Iran</i> | 56 | 59 | 1.078 |
| <i>Other</i> | 94 | 74 | 1.436 |
| Other Asian Countries | 106 | 87 | 1.507 |
| <i>China</i> | 21 | 18 | 355 |
| <i>South Korea</i> | 10 | 8 | 150 |
| <i>Other</i> | 75 | 61 | 1.002 |
| Other Countries | 18 | 12 | 279 |
| Total | 1.587 | 1.171 | 22.250 |

Provisional Data, Source: Undersecretariat of Treasury

When the investment location distribution of the 22.250 international capital companies are considered, it is seen that 12.172 of the total 22.250 are in Istanbul, which is followed by Antalya (2.827 firms), Ankara (1.471 firms) and Izmir (1.300 firms) (Table-14).

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

| City | Number of Companies (1954-2009/May) |
|---------------|--|
| ISTANBUL | 12.172 |
| ANTALYA | 2.827 |
| ANKARA | 1.471 |
| IZMIR | 1.300 |
| MUĞLA | 1.291 |
| BURSA | 441 |
| AYDIN | 400 |
| MERSIN | 371 |
| KOCAELI | 268 |
| ADANA | 173 |
| Other Cities | 1.536 |
| Toplam | 22.250 |

Provisional Data, Source: Undersecretariat of Treasury

In Istanbul, the majority of the 12.172 companies with international capital is in the wholesale and retail trade sectors (4.306 firms) while they also operate in manufacturing (2.307 firms), real estate renting and other business activities (1.806 firms) (Table-15).

Table 15- Breakdown of Companies with International Capital by Sector according to the Investment Location (1954-2009/May)

| Sectors | (Number of Companies) | | | | |
|--|-----------------------|--------------|--------------|--------------|--------------|
| | Istanbul | Antalya | Ankara | Izmir | Muğla |
| Agriculture, hunting, fishing and forestry | 92 | 71 | 22 | 44 | 16 |
| Mining and quarrying | 155 | 21 | 80 | 48 | 7 |
| Manufacturing | 2.307 | 171 | 223 | 332 | 41 |
| <i>Manufacture of food products and beverages</i> | 188 | 26 | 18 | 46 | 6 |
| <i>Manufacture of textiles</i> | 289 | 6 | 9 | 25 | 5 |
| <i>Manufacture of chemicals and chemical products</i> | 293 | 16 | 13 | 31 | 1 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 196 | 2 | 29 | 32 | 1 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 90 | -- | 10 | 14 | -- |
| <i>Other Manufacturing</i> | 1.251 | 121 | 144 | 184 | 28 |
| Electricity, gas and water supply | 209 | 15 | 98 | 26 | 1 |
| Construction | 675 | 585 | 162 | 97 | 207 |
| Wholesale and retail trade | 4.306 | 364 | 408 | 403 | 94 |
| Hotels and restaurants | 516 | 520 | 71 | 72 | 259 |
| Transport, storage and communications | 1.156 | 265 | 66 | 85 | 145 |
| Financial intermediation | 246 | 8 | 8 | 8 | 7 |
| Real estate, renting and business activities | 1.806 | 687 | 228 | 128 | 470 |
| Other community, social and personal service activities | 704 | 120 | 105 | 57 | 44 |
| Total | 12.172 | 2.827 | 1.471 | 1.300 | 1.291 |

Provisional Data, Source: Undersecretariat of Treasury

3) Investment Projects²

13 incentive certificates having a total investment value of \$ 186,8 million were issued by the Undersecretariat of Treasury in May 2009 for companies with international capital. Thus, In the first five month of 2009, the number of certificated investment projects reached up to 66, while their capital value reached to \$ 3,3 billion (Table-17). 47,9% of this capital will be covered by the international partners (Table-16).

Table 16: Investment Incentive Certificates Issued for Companies with International Capital, 2009/Monthly

| | January | February | March | April | May |
|--|---------|----------|-------|-------|-------|
| Number of Incentive Certificates (Number) | 17 | 8 | 13 | 15 | 13 |
| Amount of Investment* (Million \$) | 1.898,9 | 466,6 | 351,6 | 384,0 | 186,8 |
| Equity Share of Foreign Direct Investor (%) | 36,7 | 97,9 | 20,1 | 45,5 | 94,9 |

* Investment value is prescribed in the investment certificate which is issued for companies with foreign capital
Source: Undersecretariat of Treasury

Out of the total 66 investment incentive certificates, 46 were issued for manufacturing, 1 mining-quarrying, 19 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 \$)

| | 2004 | 2005 | 2006 | 2007 | 2008 | January-May | |
|--|--------------|---------------|---------------|---------------|---------------|--------------|--------------|
| | | | | | | 2008 | 2009 |
| International Direct Investment Total (Net) | 2.785 | 10.031 | 20.185 | 22.046 | 18.012 | 7.498 | 3.584 |
| International Direct Investment | 1.442 | 8.190 | 17.263 | 19.120 | 15.075 | 6.255 | 3.112 |
| <i>Equity Investment (Net)</i> | 1.092 | 8.134 | 16.982 | 18.393 | 14.701 | 6.239 | 2.783 |
| <i>Inflows</i> | 1.190 | 8.535 | 17.639 | 19.136 | 14.736 | 6.247 | 2.784 |
| <i>Liquidation Outflows</i> | -98 | -401 | -657 | -743 | -35 | -8 | -1 |
| Intra Company Loans** | 350 | 56 | 281 | 727 | 374 | 16 | 329 |
| Real Estate (Net) | 1.343 | 1.841 | 2.922 | 2.926 | 2.937 | 1.243 | 472 |

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

Provisional Data, Source: Central Bank of the Republic of Turkey

Table annex-2: International Direct Investment Inflow by Sector

| Sectors | 2004 | 2005 | 2006 | 2007 | 2008 | (Million \$) | |
|--|--------------|--------------|---------------|---------------|---------------|--------------|--------------|
| | | | | | | January-May | |
| | | | | | | 2008 | 2009 |
| Agriculture, hunting and forestry | 4 | 5 | 5 | 5 | 26 | 17 | 20 |
| Fishing | 2 | 2 | 1 | 3 | 19 | 15 | 1 |
| Mining and quarrying | 73 | 40 | 122 | 336 | 153 | 92 | 31 |
| Manufacturing | 190 | 785 | 1.866 | 4.210 | 3.791 | 1.081 | 586 |
| Manufacture of food products and beverages | 78 | 68 | 608 | 766 | 1.244 | 203 | 81 |
| <i>Manufacture of textiles</i> | 9 | 180 | 26 | 232 | 190 | 81 | 32 |
| <i>Manufacture of chemicals and chemical products</i> | 38 | 174 | 601 | 1.109 | 202 | 40 | 30 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 6 | 13 | 54 | 48 | 222 | 133 | 124 |
| <i>Office machinery and computers</i> | 2 | 13 | 53 | 117 | 242 | 163 | 34 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 27 | 106 | 63 | 70 | 67 | 17 | 8 |
| <i>Other Manufacturing</i> | 30 | 231 | 461 | 1.868 | 1.624 | 444 | 277 |
| Electricity, gas and water supply | 66 | 4 | 112 | 567 | 1.053 | 173 | 1.305 |
| Construction | 3 | 80 | 222 | 285 | 517 | 124 | 177 |
| Wholesale and retail trade | 72 | 68 | 1.166 | 169 | 2.073 | 1.336 | 171 |
| Hotels and restaurants | 1 | 42 | 23 | 33 | 27 | 5 | 3 |
| Transport, storage and communications | 639 | 3.285 | 6.696 | 1.116 | 169 | 73 | 64 |
| Financial intermediation | 69 | 4.018 | 6.957 | 11.662 | 6.025 | 2.920 | 176 |
| Real estate, renting and business activities | 3 | 29 | 99 | 560 | 675 | 295 | 224 |
| Health and social work | 35 | 74 | 265 | 177 | 149 | 90 | 3 |
| Other community, social and personal service activities | 33 | 103 | 105 | 13 | 59 | 26 | 23 |
| Total | 1.190 | 8.535 | 17.639 | 19.136 | 14.736 | 6.247 | 2.784 |

Provisional Data, Source: Central Bank of the Republic of Turkey

Table annex-3: International Direct Investment Inflow by Country

(Million \$)

| Countries | 2004 | 2005 | 2006 | 2007 | 2008 | January-May | |
|--|--------------|--------------|---------------|---------------|---------------|--------------|--------------|
| | | | | | | 2008 | 2009 |
| European Union (27) | 1.027 | 5.006 | 14.489 | 12.600 | 11.123 | 3.871 | 2.447 |
| <i>Germany</i> | 73 | 391 | 357 | 954 | 1.217 | 314 | 136 |
| <i>France</i> | 34 | 2.107 | 439 | 368 | 685 | 401 | 489 |
| <i>Netherlands</i> | 568 | 383 | 5.069 | 5.443 | 1.580 | 663 | 243 |
| <i>United Kingdom</i> | 126 | 166 | 628 | 702 | 1.335 | 120 | 83 |
| <i>Italy</i> | 14 | 692 | 189 | 74 | 222 | 85 | 210 |
| <i>Other European Countries</i> | 212 | 1.267 | 7.807 | 5.059 | 6.084 | 2.288 | 1.286 |
| Other European Countries (Excluding EU) | 6 | 1.646 | 85 | 373 | 291 | 107 | 45 |
| Africa | -- | 3 | 21 | 5 | 82 | 82 | -- |
| <i>U.S.A.</i> | 36 | 88 | 848 | 4.212 | 864 | 250 | 163 |
| <i>Canada</i> | 61 | 26 | 121 | 11 | 23 | 7 | -- |
| Central-South America And Caribbean | -- | 8 | 33 | 494 | 60 | 55 | 3 |
| Asian | 60 | 1.756 | 1.927 | 1.405 | 2.291 | 1.875 | 114 |
| Near And Middle Eastern Countries | 54 | 1.678 | 1.910 | 608 | 2.131 | 1.782 | 59 |
| <i>Gulf Arabian Countries</i> | 43 | 1.675 | 1.783 | 311 | 1.910 | 1.621 | 14 |
| <i>Other Near And Middle Eastern Countries</i> | 11 | 2 | 3 | 196 | 96 | 69 | 6 |
| Other Asian Countries | 6 | 78 | 17 | 797 | 160 | 93 | 55 |
| Other Countries | -- | 2 | 115 | 36 | 2 | -- | 12 |
| Total | 1.190 | 8.535 | 17.639 | 19.136 | 14.736 | 6.247 | 2.784 |

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 -(2008-2009)

(Number of Companies)

| Sectors | 2008 | | | | 2009 (January-May) | | | |
|--|-----------------------|---------------|---------------|--------------|-----------------------|---------------|---------------|--------------|
| | Company Establishment | Participation | Branch Office | Total | Company Establishment | Participation | Branch Office | Total |
| Agriculture, hunting, fishing and forestry | 47 | 12 | 1 | 60 | 17 | 8 | -- | 25 |
| Mining and quarrying | 68 | 21 | 4 | 93 | 25 | 3 | 1 | 29 |
| Manufacturing | 342 | 103 | 14 | 459 | 111 | 39 | 1 | 151 |
| <i>Manufacture of food products and beverages</i> | 22 | 10 | 1 | 33 | 14 | 4 | -- | 18 |
| <i>Manufacture of textiles</i> | 15 | 4 | 1 | 20 | 2 | 4 | -- | 6 |
| <i>Manufacture of chemicals and chemical products</i> | 35 | 11 | 1 | 47 | 9 | 5 | -- | 14 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 38 | 5 | 1 | 44 | 6 | 3 | -- | 9 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 18 | 3 | -- | 21 | 6 | 1 | -- | 7 |
| <i>Other Manufacturing</i> | 214 | 70 | 10 | 294 | 74 | 22 | 1 | 97 |
| Electricity, gas and water supply | 84 | 31 | -- | 115 | 29 | 14 | 1 | 44 |
| Construction | 317 | 59 | 6 | 382 | 73 | 25 | 1 | 99 |
| Wholesale and retail trade | 632 | 155 | 15 | 802 | 292 | 64 | 6 | 362 |
| Hotels and restaurants | 176 | 49 | 1 | 226 | 61 | 19 | 1 | 81 |
| Transport, storage and communications | 226 | 66 | 8 | 300 | 93 | 17 | 5 | 115 |
| Financial intermediation | 30 | 14 | -- | 44 | 6 | 2 | 0 | 8 |
| Real estate, renting and business activities | 608 | 71 | 13 | 692 | 163 | 33 | 2 | 198 |
| Other community, social and personal service activities | 165 | 57 | 2 | 224 | 38 | 19 | 2 | 59 |
| Total | 2.695 | 638 | 64 | 3.397 | 908 | 243 | 20 | 1.171 |

Provisional Data, Source: Undersecretariat of Treasury

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

| Sectors | (Number of Companies) | | | | | | | | |
|--|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| | 1954-2003 | 2004 | 2005 | 2006 | 2007 | 2008 | January-May | | (1954-2009/May) |
| | (Cumulative) | | | | | | 2008 | 2009 | Total |
| Agriculture, hunting, fishing and forestry | 108 | 30 | 34 | 46 | 51 | 60 | 27 | 25 | 354 |
| Mining and quarrying | 105 | 31 | 51 | 49 | 82 | 93 | 37 | 29 | 440 |
| Manufacturing | 1.596 | 349 | 407 | 448 | 498 | 459 | 228 | 151 | 3.908 |
| <i>Manufacture of food products and beverages</i> | 164 | 51 | 39 | 45 | 37 | 33 | 15 | 18 | 387 |
| <i>Manufacture of textiles</i> | 188 | 52 | 67 | 51 | 50 | 20 | 11 | 6 | 434 |
| <i>Manufacture of chemicals and chemical products</i> | 195 | 42 | 36 | 38 | 56 | 47 | 26 | 14 | 428 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 124 | 23 | 27 | 52 | 46 | 44 | 23 | 9 | 325 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 125 | 18 | 20 | 16 | 19 | 21 | 10 | 7 | 226 |
| <i>Other Manufacturing</i> | 800 | 163 | 218 | 246 | 290 | 294 | 143 | 97 | 2.108 |
| Electricity, gas and water supply | 74 | 15 | 10 | 43 | 77 | 115 | 48 | 44 | 378 |
| Construction | 223 | 127 | 322 | 418 | 498 | 382 | 183 | 99 | 2.069 |
| Wholesale and retail trade | 2.282 | 797 | 722 | 780 | 827 | 802 | 364 | 362 | 6.572 |
| Hotels and restaurants | 636 | 77 | 167 | 202 | 212 | 226 | 107 | 81 | 1.601 |
| Transport, storage and communications | 491 | 209 | 229 | 269 | 298 | 300 | 126 | 115 | 1.911 |
| Financial intermediation | 117 | 6 | 19 | 48 | 41 | 44 | 23 | 8 | 283 |
| Real estate, renting and business activities | 445 | 225 | 503 | 683 | 860 | 692 | 337 | 198 | 3.606 |
| Other community, social and personal service activities | 246 | 82 | 149 | 183 | 185 | 224 | 107 | 59 | 1.128 |
| Total | 6.323 | 1.948 | 2.613 | 3.169 | 3.629 | 3.397 | 1.587 | 1.171 | 22.250 |

Provisional Data, Source: Undersecretariat of Treasury

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

(Number of Companies)

| Countries | 1954-2003 | 2004 | 2005 | 2006 | 2007 | 2008 | January-May | | (1954-2009/May) |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| | (Cumulative) | | | | | | 2008 | 2009 | Total |
| European Union (27) | 3.223 | 1.006 | 1.545 | 1.979 | 2.084 | 1.789 | 860 | 573 | 12.199 |
| Germany | 1.062 | 355 | 469 | 556 | 563 | 595 | 270 | 206 | 3.806 |
| The Netherlands | 532 | 138 | 192 | 270 | 255 | 286 | 140 | 48 | 1.721 |
| United Kingdom | 418 | 130 | 308 | 461 | 456 | 248 | 129 | 89 | 2.110 |
| Other European Countries | 1.211 | 383 | 576 | 692 | 810 | 660 | 321 | 230 | 4.562 |
| Other European Countries (Excluding EU) | 719 | 265 | 320 | 372 | 492 | 548 | 270 | 181 | 2.897 |
| African Countries | 113 | 37 | 55 | 43 | 47 | 52 | 18 | 28 | 375 |
| North America | 402 | 98 | 111 | 136 | 165 | 149 | 78 | 45 | 1.106 |
| U.S.A. | 370 | 87 | 97 | 113 | 132 | 130 | 71 | 35 | 964 |
| Canada | 32 | 11 | 14 | 23 | 33 | 19 | 7 | 10 | 142 |
| Central-South America And Caribbean | 44 | 12 | 16 | 10 | 21 | 12 | 6 | 8 | 123 |
| Near And Middle Eastern Countries | 1.315 | 349 | 380 | 410 | 506 | 567 | 231 | 237 | 3.764 |
| Azerbaijan | 128 | 51 | 55 | 81 | 120 | 136 | 49 | 60 | 631 |
| Iraq | 199 | 46 | 57 | 73 | 112 | 88 | 32 | 44 | 619 |
| Iran | 421 | 123 | 121 | 109 | 106 | 139 | 56 | 59 | 1.078 |
| Other | 567 | 129 | 147 | 147 | 168 | 204 | 94 | 74 | 1.436 |
| Other Asian Countries | 430 | 151 | 163 | 165 | 278 | 233 | 106 | 87 | 1.507 |
| China | 139 | 56 | 32 | 22 | 42 | 46 | 21 | 18 | 355 |
| South Korea | 59 | 16 | 18 | 12 | 24 | 13 | 10 | 8 | 150 |
| Other | 232 | 79 | 113 | 131 | 212 | 174 | 75 | 61 | 1.002 |
| Other Countries | 77 | 30 | 23 | 54 | 36 | 47 | 18 | 12 | 279 |
| Total | 6.323 | 1.948 | 2.613 | 3.169 | 3.629 | 3.397 | 1.587 | 1.171 | 22.250 |

Provisional Data, Source: Undersecretariat of Treasury

Table annex-7: Investment Incentive Certificates Issued for Companies with International Capital -(2004-2009/May)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 January- May |
|--|---------|---------|---------|---------|---------|-------------------------|
| Number of Incentive Certificates (Number) | 231 | 206 | 151 | 198 | 211 | 66 |
| Amount of Investment* (Million \$) | 3.834,2 | 3.484,7 | 1.802,8 | 5.404,4 | 6.162,3 | 3.287,9 |
| Equity Share of Foreign Direct Investor (%) | 41,7 | 51,7 | 36,1 | 49,1 | 50,2 | 47,9 |

* Investment value is prescribed in the investment certificate which is issued for companies with foreign capital

Source: Undersecretariat of Treasury