

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

**INTERNATIONAL
DIRECT INVESTMENT
INFORMATION BULLETIN**

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INTERNATIONAL DIRECT INVESTMENT INFORMATION BULLETIN

1) International Direct Investment Inflow¹

Developments in June 2010

The net international direct investment inflow has been \$ 531 million in June 2010 (Table-1).

Table 1- Components of International Direct Investment Inflow, 2010/June

| | (Million \$) | | | | | |
|--|--------------|------------|------------|------------|------------|------------|
| | January | February | March | April | May | June |
| International Direct Investment Total (Net) | 422 | 488 | 521 | 830 | 430 | 531 |
| International Direct Investment | 272 | 336 | 317 | 566 | 122 | 187 |
| <i>Equity Investment (Net)</i> | 263 | 309 | 295 | 434 | 131 | 202 |
| <i>Inflows</i> | 264 | 310 | 296 | 436 | 135 | 203 |
| <i>Liquidation Outflows</i> | -1 | -1 | -1 | -2 | -4 | -1 |
| Intra Company Loans* | 9 | 27 | 22 | 132 | -9 | -15 |
| Real Estate (Net) | 150 | 152 | 204 | 264 | 308 | 344 |

*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 \$ 203 million. \$ 59 million of this has been into financial intermediation sector (Table-2).

Table 2- International Direct Investment Inflow, by Sector, 2010/June

(Million \$)

| Sectors | January | February | March | April | May | June |
|--|------------|------------|------------|------------|------------|------------|
| Agriculture, hunting and forestry | 1 | 0 | 6 | 3 | 4 | 0 |
| Fishing | 0 | 0 | 0 | 0 | 0 | 0 |
| Mining and quarrying | 55 | 2 | 1 | 17 | 3 | 3 |
| Manufacturing | 18 | 156 | 93 | 33 | 37 | 38 |
| <i>Manufacture of food products, beverages and tobacco</i> | 1 | 4 | 3 | 8 | 13 | 3 |
| <i>Manufacture of textiles</i> | 1 | 2 | 5 | 1 | 2 | 2 |
| <i>Manufacture of chemicals and chemical products</i> | 1 | 11 | 13 | 1 | 3 | 0 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 1 | 0 | 4 | 1 | 1 | 0 |
| <i>Office machinery and computers</i> | 0 | 4 | 0 | 0 | 3 | 5 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 1 | 1 | 6 | 1 | 1 | 11 |
| <i>Other Manufacturing</i> | 13 | 134 | 62 | 21 | 14 | 17 |
| Electricity, gas and water supply | 17 | 18 | 19 | 311 | 18 | 41 |
| Construction | 40 | 61 | 69 | 16 | 12 | 5 |
| Wholesale and retail trade | 28 | 28 | 24 | 12 | 17 | 14 |
| Hotels and restaurants | 0 | 0 | 0 | 1 | 0 | 6 |
| Transport, storage and communications | 4 | 7 | 48 | 5 | 1 | 3 |
| Financial intermediation | 52 | 30 | 17 | 18 | 31 | 59 |
| Real estate, renting and business activities | 32 | 6 | 9 | 12 | 10 | 8 |
| Health and social work | 1 | 0 | 0 | 0 | 0 | 0 |
| Other community, social and personal service activities | 16 | 2 | 10 | 8 | 2 | 26 |
| Total | 264 | 310 | 296 | 436 | 135 | 203 |

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

\$ 161 million of the \$ 203 million equity investment has been exported by the EU countries (Table-3).

Table 3- International Direct Investment Inflow, by Country, 2010/June

(Million \$)

| Countries | January | February | March | April | May | June |
|--|------------|------------|------------|------------|------------|------------|
| European Union (27) | 169 | 258 | 248 | 396 | 88 | 161 |
| <i>Germany</i> | 7 | 12 | 18 | 16 | 13 | 44 |
| <i>France</i> | 17 | 135 | 49 | 19 | 15 | 1 |
| <i>Netherlands</i> | 72 | 17 | 17 | 12 | 15 | 39 |
| <i>United Kingdom</i> | 8 | 36 | 69 | 6 | 13 | 2 |
| <i>Italy</i> | 4 | 2 | 2 | 2 | 3 | 6 |
| <i>Other European Countries</i> | 61 | 56 | 93 | 341 | 29 | 69 |
| Other European Countries (Excluding EU) | 3 | 12 | 8 | 21 | 4 | 2 |
| Africa | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>U.S.A.</i> | 4 | 21 | 8 | 6 | 16 | 25 |
| <i>Canada</i> | 54 | 0 | 0 | 0 | 0 | 0 |
| Central-South America And Caribbean | 0 | 0 | 0 | 0 | 0 | 4 |
| Asian | 34 | 19 | 32 | 13 | 27 | 11 |
| Near And Middle Eastern Countries | 33 | 12 | 22 | 12 | 20 | 10 |
| <i>Gulf Arabian Countries</i> | 32 | 7 | 13 | 11 | 19 | 9 |
| <i>Other Near And Middle Eastern Countries</i> | 1 | 2 | 4 | 1 | 0 | 2 |
| Other Asian Countries | 1 | 7 | 10 | 1 | 8 | 0 |
| Other Countries | 0 | 1 | 0 | 0 | 0 | 0 |
| Total | 264 | 310 | 296 | 436 | 135 | 203 |

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

Developments in 2010 January-June Period

The net international direct investment inflow has been \$ 3.222 million in 2010 (Table-4).

Equity investment inflow component of the international direct investment inflows reached up to \$ 1.644 million January and June Period in 2010 (Table-4).

Table 4- Components of International Direct Investment Inflow, (2009-2010/June)

(Million \$)

| | January-June | | % Change |
|--|--------------|--------------|--------------|
| | 2009 | 2010 | |
| International Direct Investment Total (Net) | 4.270 | 3.222 | -24,5 |
| International Direct Investment Capital | 3.494 | 1.800 | -48,5 |
| <i>Equity Investment (Net)</i> | 3.238 | 1.634 | -49,5 |
| <i>Inflows</i> | 3.245 | 1.644 | -49,3 |
| <i>Liquidation Outflows</i> | -7 | -10 | -- |
| <i>Intra Company Loans*</i> | 256 | 166 | -35,2 |
| <i>Real Estate (Net)</i> | 776 | 1.422 | 83,2 |

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

\$ 424 million of the total \$ 1.644 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, (2009-2010/June)

(Million \$)

| Sectors | January-June | |
|--|--------------|--------------|
| | 2009 | 2010 |
| Agriculture, hunting and forestry | 22 | 14 |
| Fishing | 1 | 0 |
| Mining and quarrying | 42 | 81 |
| Manufacturing | 755 | 375 |
| <i>Manufacture of food products, beverages and tobacco</i> | 93 | 32 |
| <i>Manufacture of textiles</i> | 39 | 13 |
| <i>Manufacture of chemicals and chemical products</i> | 29 | 29 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 190 | 7 |
| <i>Office machinery and computers</i> | 40 | 12 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 51 | 21 |
| <i>Other Manufacturing</i> | 313 | 261 |
| Electricity, gas and water supply | 1.468 | 424 |
| Construction | 81 | 203 |
| Wholesale and retail trade | 228 | 123 |
| Hotels and restaurants | 6 | 7 |
| Transport, storage and communications | 99 | 68 |
| Financial intermediation | 259 | 207 |
| Real estate, renting and business activities | 257 | 77 |
| Health and social work | 4 | 1 |
| Other community, social and personal service activities | 23 | 64 |
| Total | 3.245 | 1.644 |

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

During the January and June period in 2010, %80.3 of the equity capital entry is from EU (Table-6).

Table 6- International Direct Investment Inflow, by Country, (2009-2010/June)

(Million \$)

| Countries | January-June | |
|--|--------------|--------------|
| | 2009 | 2010 |
| European Union (27) | 2.659 | 1.320 |
| <i>Germany</i> | 162 | 110 |
| <i>France</i> | 534 | 236 |
| <i>Netherlands</i> | 155 | 172 |
| <i>United Kingdom</i> | 104 | 134 |
| <i>Italy</i> | 218 | 19 |
| <i>Other European Countries</i> | 1.486 | 649 |
| Other European Countries (Excluding EU) | 167 | 50 |
| Africa | 0 | 0 |
| <i>U.S.A.</i> | 142 | 80 |
| <i>Canada</i> | 0 | 54 |
| Central-South America And Caribbean | 10 | 4 |
| Asian | 255 | 136 |
| Near And Middle Eastern Countries | 158 | 109 |
| <i>Gulf Arabian Countries</i> | 57 | 91 |
| <i>Other Near And Middle Eastern Countries</i> | 61 | 10 |
| Other Asian Countries | 97 | 27 |
| Other Countries | 12 | 0 |
| Total | 3.245 | 1.644 |

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

2) Number of Companies with International Capital

Developments in June 2010

77 companies with international capital have been established and 15 foreign capital participations to the existing domestic companies incurred in June 2010 (Table-7).

Table 7- Breakdown of Companies with International Capital by Mode of Establishment, (2009-2010 Monthly)

(Number of Companies)

| | 2009 | | | | 2010 | | | | % Change |
|--------------|-----------------------|---------------|---------------|--------------|-----------------------|---------------|---------------|--------------|-----------|
| | Company Establishment | Participation | Branch Office | Total | Company Establishment | Participation | Branch Office | Total | |
| January | 184 | 44 | 8 | 236 | 201 | 46 | 5 | 252 | 6,8 |
| February | 174 | 46 | 3 | 223 | 199 | 46 | 7 | 252 | 13,0 |
| March | 189 | 57 | 2 | 248 | 251 | 42 | 9 | 302 | 21,8 |
| April | 167 | 44 | 1 | 212 | 205 | 35 | 6 | 246 | 16,0 |
| May | 180 | 49 | 7 | 236 | 200 | 34 | 5 | 239 | 1,3 |
| June | 233 | 55 | 9 | 297 | 75 | 15 | 2 | 92 | -69,0 |
| July | 206 | 47 | 5 | 258 | -- | -- | -- | -- | -- |
| August | 213 | 46 | 4 | 263 | -- | -- | -- | -- | -- |
| September | 179 | 45 | 4 | 228 | -- | -- | -- | -- | -- |
| October | 207 | 49 | 1 | 257 | -- | -- | -- | -- | -- |
| November | 200 | 40 | 12 | 252 | -- | -- | -- | -- | -- |
| December | 206 | 63 | 8 | 277 | -- | -- | -- | -- | -- |
| Total | 2.338 | 585 | 64 | 2.987 | 1.131 | 218 | 34 | 1.383 | -- |

Provisional Data, Source: Undersecretariat of Treasury

Developments in the 2010 January-June Period

In the first six month of 2010, 1.165 companies and branch offices with international capital have been established and 218 international capital participations to the existing domestic companies incurred (Table-8).

Table 8- Breakdown of Companies with International Capital by Mode of Establishment, (2009-2010/June)

(Number of Companies)

| | January-June | | % Change |
|-----------------------|--------------|--------------|-------------|
| | 2009 | 2010 | |
| Company Establishment | 1.127 | 1.131 | 0,4 |
| Participation | 295 | 218 | -26,1 |
| Branch Office | 30 | 34 | 13,3 |
| Total | 1.452 | 1.383 | -4,8 |

Provisional Data, Source: Undersecretariat of Treasury

In the January-June period in 2010, majority of the total 1.383 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, machinery and equipment sector.

Of these total 1.383, 107 have capital values higher than \$ 500.000. Among these, 24 companies operate in manufacturing sector, 21 companies operate in wholesale and retail trade sector and 16 companies operate in electricity, gas and water supply sector (Table-9).

Table 9- Breakdown of Companies with International Capital by Sector according to Size of Equity Capital, (2009-2010/June)

(Number of Companies)

| Sectors | 2009 | | | | | 2010 (January-June) | | | | |
|---|--------------|----------------------|-----------------------|------------|--------------|---------------------|----------------------|-----------------------|------------|--------------|
| | <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 | 30 | 21 | 3 | 6 | 60 | 9 | 4 | 3 | 2 | 18 |
| Mining and quarrying | 33 | 26 | 8 | 4 | 71 | 18 | 8 | 0 | 4 | 30 |
| Manufacturing | 174 | 129 | 40 | 41 | 384 | 77 | 58 | 22 | 24 | 181 |
| <i>Manufacture of food products, beverages and tobacco</i> | 24 | 15 | 3 | 7 | 49 | 17 | 15 | 0 | 4 | 36 |
| <i>Manufacture of textiles</i> | 6 | 6 | 1 | 5 | 18 | 3 | 2 | 1 | 0 | 6 |
| <i>Manufacture of chemicals and chemical products</i> | 19 | 13 | 3 | 4 | 39 | 9 | 9 | 4 | 8 | 30 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 9 | 7 | 4 | 4 | 24 | 7 | 4 | 0 | 0 | 11 |
| <i>Manufacture of motor vehicles, trailers, semi-trailers</i> | 9 | 5 | 3 | 1 | 18 | 0 | 0 | 0 | 2 | 2 |
| <i>Other Manufacturing</i> | 107 | 83 | 26 | 20 | 236 | 41 | 28 | 17 | 10 | 96 |
| Electricity, gas and water supply | 76 | 29 | 4 | 23 | 132 | 18 | 14 | 2 | 16 | 50 |
| Construction | 124 | 125 | 23 | 30 | 302 | 56 | 53 | 4 | 13 | 126 |
| Wholesale and retail trade | 473 | 323 | 82 | 55 | 933 | 231 | 170 | 29 | 21 | 451 |
| Hotels and restaurants | 82 | 60 | 15 | 17 | 174 | 45 | 26 | 5 | 3 | 79 |
| Transport, storage and communications | 139 | 92 | 21 | 16 | 268 | 87 | 45 | 8 | 9 | 149 |
| Financial intermediation | 9 | 2 | 3 | 4 | 18 | 1 | 1 | 0 | 0 | 2 |
| Real estate, renting and business activities | 292 | 130 | 18 | 36 | 476 | 139 | 58 | 12 | 9 | 218 |
| Other community, social and personal service activities | 110 | 42 | 7 | 10 | 169 | 48 | 16 | 9 | 6 | 79 |
| Total | 1.542 | 979 | 224 | 242 | 2.987 | 729 | 453 | 94 | 107 | 1.383 |

Provisional Data, Source: Undersecretariat of Treasury

576 of the total 1.383 companies are of EU origin, 341 companies are of Near and Middle Eastern Countries and 227 companies are of other EU countries (Table-10).

Table 10- Breakdown of Companies with International Capital by Country according to Size of Equity Capital (2009-2010/June)
(Number of Companies)

| Countries | 2009 | | | | | 2010 (January-June) | | | | |
|---|--------------|----------------------|-----------------------|------------|--------------|---------------------|----------------------|-----------------------|------------|--------------|
| | <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) | 792 | 424 | 82 | 125 | 1.423 | 315 | 168 | 37 | 56 | 576 |
| Germany | 283 | 161 | 32 | 37 | 513 | 106 | 61 | 10 | 18 | 195 |
| The Netherlands | 81 | 36 | 10 | 19 | 146 | 37 | 23 | 7 | 5 | 72 |
| United Kingdom | 115 | 60 | 12 | 18 | 205 | 39 | 27 | 4 | 8 | 78 |
| Other European Countries | 313 | 167 | 28 | 51 | 559 | 133 | 57 | 16 | 25 | 231 |
| Other European Countries (Excluding EU) | 215 | 143 | 41 | 32 | 431 | 121 | 80 | 12 | 14 | 227 |
| North Africa | 16 | 16 | 5 | 2 | 39 | 17 | 14 | 1 | 1 | 33 |
| Other African Countries | 14 | 13 | 0 | 0 | 27 | 7 | 4 | 0 | 0 | 11 |
| North America | 93 | 31 | 14 | 10 | 148 | 37 | 13 | 3 | 6 | 59 |
| U.S.A. | 79 | 22 | 8 | 7 | 116 | 34 | 9 | 2 | 5 | 50 |
| Canada | 14 | 9 | 6 | 3 | 32 | 3 | 4 | 1 | 1 | 9 |
| Central-South America And Caribbean | 10 | 5 | 0 | 2 | 17 | 4 | 1 | 1 | 0 | 6 |
| Near And Middle Eastern Countries | 281 | 258 | 52 | 48 | 639 | 157 | 128 | 33 | 23 | 341 |
| Azerbaijan | 66 | 65 | 23 | 14 | 168 | 28 | 27 | 6 | 1 | 62 |
| Iraq | 39 | 48 | 9 | 10 | 106 | 14 | 25 | 3 | 3 | 45 |
| Iran | 80 | 78 | 8 | 7 | 173 | 64 | 45 | 12 | 9 | 130 |
| Other | 96 | 67 | 12 | 17 | 192 | 51 | 31 | 12 | 10 | 104 |
| Other Asian Countries | 104 | 83 | 29 | 23 | 239 | 62 | 44 | 6 | 6 | 118 |
| Other Countries | 17 | 6 | 1 | 0 | 24 | 9 | 1 | 1 | 1 | 12 |
| Total | 1.542 | 979 | 224 | 242 | 2.987 | 729 | 453 | 94 | 107 | 1.383 |

Provisional Data, Source: Undersecretariat of Treasury

Companies with international capital in Turkey

Currently, a total of 25.055 companies with international capital are operating in Turkey. Among these, 20.386 companies and branch offices with international capital have been established and 4.669 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 |
|------------------------|-----------------------|---------------|---------------|---------------|
| 1954-2004 (Cumulative) | 6.408 | 1491 | 293 | 8.192 |
| 2005 | 2.040 | 459 | 52 | 2.551 |
| 2006 | 2.387 | 625 | 63 | 3.075 |
| 2007 | 2.823 | 644 | 63 | 3.530 |
| 2008 | 2.623 | 647 | 67 | 3.337 |
| 2009 | 2.338 | 585 | 64 | 2.987 |
| 2010/June | 1.131 | 218 | 34 | 1.383 |
| Total | 19.750 | 4.669 | 636 | 25.055 |

Provisional Data, Source: Undersecretariat of Treasury

Majority of the total 25,055 companies with international capital is in the wholesale and retail trade sectors while manufacturing, real estate renting and other business activities follow. Chemicals and chemical products lead the manufacturing sector investments followed by food beverage products, textile goods production (Table-12).

Table 12- Breakdown of Companies with International Capital by Sector, (2009-2010/June)

(Number of Companies)

| Sectors | January-June | | (1954-2010/June) |
|--|--------------|--------------|------------------|
| | 2009 | 2010 | General Total |
| Agriculture, hunting, fishing and forestry | 31 | 18 | 387 |
| Mining and quarrying | 36 | 30 | 510 |
| Manufacturing | 195 | 181 | 4,311 |
| <i>Manufacture of food products, beverages and tobacco</i> | 27 | 37 | 481 |
| <i>Manufacture of textiles</i> | 4 | 6 | 452 |
| <i>Manufacture of chemicals and chemical products</i> | 20 | 30 | 483 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 13 | 11 | 353 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 10 | 1 | 242 |
| <i>Other Manufacturing</i> | 121 | 94 | 2,298 |
| Electricity, gas and water supply | 69 | 50 | 514 |
| Construction | 132 | 126 | 2,331 |
| Wholesale and retail trade | 431 | 451 | 7,491 |
| Hotels and restaurants | 92 | 79 | 1,746 |
| Transport, storage and communications | 144 | 149 | 2,172 |
| Financial intermediation | 11 | 2 | 297 |
| Real estate, renting and business activities | 236 | 218 | 4,002 |
| Other community, social and personal service activities | 75 | 79 | 1,294 |
| Total | 1,452 | 1,383 | 25,055 |

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 13.417 of the total 25.055 companies with foreign capital are of EU origin, in which Germany leads with 4.256 firms followed by United Kingdom (2.256 firms) and the Netherlands (1.842 firms) (Table-13).

Table 13- Breakdown of Companies with International Capital by Country, (2009-2010/June)

(Number of Companies)

| Countries | January-June | | (1954-2010/June) |
|---|--------------|--------------|------------------|
| | 2009 | 2010 | Total |
| European Union (25) | 704 | 576 | 13.417 |
| <i>Germany</i> | 260 | 195 | 4.256 |
| <i>The Netherlands</i> | 62 | 72 | 1.842 |
| <i>United Kingdom</i> | 105 | 78 | 2.256 |
| <i>Other European Countries</i> | 277 | 231 | 5.063 |
| Other European Countries (Excluding EU) | 212 | 227 | 3.305 |
| African Countries | 33 | 44 | 448 |
| North America | 64 | 59 | 1.241 |
| <i>U.S.A.</i> | 53 | 50 | 1.071 |
| <i>Canada</i> | 11 | 9 | 170 |
| Central-South America And Caribbean | 8 | 6 | 134 |
| Near And Middle Eastern Countries | 305 | 341 | 4.464 |
| <i>Azerbaijan</i> | 80 | 62 | 792 |
| <i>Iraq</i> | 55 | 45 | 719 |
| <i>Iran</i> | 76 | 130 | 1.308 |
| <i>Other</i> | 94 | 104 | 1.645 |
| Other Asian Countries | 114 | 118 | 1.753 |
| <i>China</i> | 18 | 19 | 392 |
| <i>South Korea</i> | 9 | 7 | 167 |
| <i>Other</i> | 87 | 92 | 1.194 |
| Other Countries | 12 | 12 | 293 |
| Total | 1.452 | 1.383 | 25.055 |

Provisional Data, Source: Undersecretariat of Treasury

When the investment location distribution of the 25.055 international capital companies are considered, it is seen that 13.613 of the total 25.055 are in Istanbul, which is followed by Antalya (3.097 firms), Ankara (1.685 firms) and Izmir (1.497 firms) (Table-14).

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

| City | Number of Companies (1954-2010/June) |
|---------------|---|
| ISTANBUL | 13.613 |
| ANTALYA | 3.097 |
| ANKARA | 1.685 |
| IZMIR | 1.497 |
| MUĞLA | 1.368 |
| BURSA | 494 |
| AYDIN | 432 |
| MERSIN | 418 |
| KOCAELI | 295 |
| ADANA | 184 |
| Other Cities | 1.972 |
| Toplam | 25.055 |

Provisional Data, Source: Undersecretariat of Treasury

In Istanbul, the majority of the 13.613 companies with international capital is in the wholesale and retail trade sectors (4.838 firms) while they also operate in manufacturing (2.452 firms), real estate renting and other business activities (2.034 firms) (Table-15).

Table 15- Breakdown of Companies with International Capital by Sector according to the Investment Location (1954-2010/June)

| Sectors | (Number of Companies) | | | | |
|--|-----------------------|--------------|--------------|--------------|--------------|
| | İstanbul | Antalya | Ankara | İzmir | Muğla |
| Agriculture, hunting, fishing and forestry | 100 | 75 | 23 | 54 | 18 |
| Mining and quarrying | 182 | 22 | 106 | 51 | 8 |
| Manufacturing | 2.452 | 190 | 240 | 374 | 53 |
| <i>Manufacture of food products, beverages and tobacco</i> | 227 | 28 | 19 | 69 | 5 |
| <i>Manufacture of textiles</i> | 293 | 6 | 9 | 25 | 5 |
| <i>Manufacture of chemicals and chemical products</i> | 319 | 16 | 13 | 34 | 1 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 206 | 3 | 33 | 34 | 1 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 96 | -- | 10 | 17 | -- |
| <i>Other Manufacturing</i> | 1.311 | 137 | 156 | 195 | 41 |
| Electricity, gas and water supply | 285 | 20 | 119 | 33 | 1 |
| Construction | 823 | 598 | 198 | 107 | 200 |
| Wholesale and retail trade | 4.838 | 439 | 464 | 471 | 104 |
| Hotels and restaurants | 571 | 564 | 72 | 75 | 281 |
| Transport, storage and communications | 1.284 | 306 | 76 | 98 | 164 |
| Financial intermediation | 253 | 8 | 8 | 9 | 7 |
| Real estate, renting and business activities | 2.034 | 731 | 261 | 159 | 487 |
| Other community, social and personal service activities | 791 | 117 | 118 | 66 | 45 |
| Total | 13.613 | 3.097 | 1.685 | 1.497 | 1.368 |

Provisional Data, Source: Undersecretariat of Treasury

3) Investment Projects²

20 incentive certificates having a total investment value of \$ 947 million were issued by the Undersecretariat of Treasury in June 2010 for companies with international capital. Thus, In the first six month of 2010, the number of certificated investment projects reached up to 97, while their capital value reached to \$2.4 billion (Table-17). 16.5% of this capital will be covered by the international partners (Table-16).

Table 16: Investment Incentive Certificates Issued for Companies with International Capital, 2010/Monthly

| | January | February | March | April | May | June |
|--|---------|----------|-------|-------|---------|-------|
| Number of Incentive Certificates (Number) | 16 | 16 | 13 | 21 | 11 | 20 |
| Amount of Investment (Million \$) | 158,1 | 538,7 | 110,4 | 251,1 | 947,1 | 353,0 |
| Amount of Investment (Million TL) | 237,0 | 811,2 | 168,0 | 376,2 | 1.448,0 | 558,0 |
| Equity Share of Foreign Direct Investor (%) | 6,4 | 0,2 | 44,4 | 18,3 | 0,9 | 45,8 |

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

Out of the total 97 investment incentive certificates, 75 were issued for manufacturing, 16 for services, 4 mining-quarrying, 1 for agriculture hunting and forestry 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 \$)

| | 2005 | 2006 | 2007 | 2008 | 2009 | January-June | |
|--|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | | | | | | 2009 | 2010 |
| International Direct Investment Total (Net) | 10.031 | 20.185 | 22.047 | 18.269 | 7.860 | 4.270 | 3.222 |
| International Direct Investment | 8.190 | 17.263 | 19.121 | 15.332 | 6.078 | 3.494 | 1.800 |
| <i>Equity Investment (Net)</i> | 8.134 | 16.982 | 18.394 | 14.698 | 5.931 | 3.238 | 1.634 |
| <i>Inflows</i> | 8.535 | 17.639 | 19.137 | 14.733 | 6.013 | 3.245 | 1.644 |
| <i>Liquidation Outflows</i> | -401 | -657 | -743 | -35 | -82 | -7 | -10 |
| Intra Company Loans** | 56 | 281 | 727 | 634 | 147 | 256 | 166 |
| Real Estate (Net) | 1.841 | 2.922 | 2.926 | 2.937 | 1.782 | 776 | 1.422 |

**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

(Million \$)

| Sectors | 2005 | 2006 | 2007 | 2008 | 2009 | January-June | |
|--|--------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | | | | | | 2009 | 2010 |
| Agriculture, hunting and forestry | 5 | 5 | 6 | 23 | 42 | 22 | 14 |
| Fishing | 2 | 1 | 3 | 18 | 1 | 1 | 0 |
| Mining and quarrying | 40 | 122 | 337 | 152 | 213 | 42 | 81 |
| Manufacturing | 785 | 1.866 | 4.211 | 3.931 | 1.713 | 755 | 375 |
| <i>Manufacture of food products, beverages and tobacco</i> | 68 | 608 | 766 | 1.252 | 214 | 93 | 32 |
| <i>Manufacture of textiles</i> | 180 | 26 | 232 | 189 | 78 | 39 | 13 |
| <i>Manufacture of chemicals and chemical products</i> | 174 | 601 | 1.109 | 200 | 339 | 29 | 29 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 13 | 54 | 48 | 226 | 223 | 190 | 7 |
| <i>Office machinery and computers</i> | 13 | 53 | 117 | 236 | 58 | 40 | 12 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 106 | 63 | 70 | 77 | 233 | 51 | 21 |
| <i>Other Manufacturing</i> | 231 | 461 | 1.869 | 1.751 | 568 | 313 | 261 |
| Electricity, gas and water supply | 4 | 112 | 568 | 1.068 | 1.727 | 1.468 | 424 |
| Construction | 80 | 222 | 285 | 331 | 277 | 81 | 203 |
| Wholesale and retail trade | 68 | 1.166 | 165 | 2.084 | 404 | 228 | 123 |
| Hotels and restaurants | 42 | 23 | 33 | 24 | 48 | 6 | 7 |
| Transport, storage and communications | 3.285 | 6.696 | 1.117 | 170 | 382 | 99 | 68 |
| Financial intermediation | 4.018 | 6.957 | 11.662 | 6.069 | 497 | 259 | 207 |
| Real estate, renting and business activities | 29 | 99 | 560 | 656 | 559 | 257 | 77 |
| Health and social work | 74 | 265 | 177 | 149 | 101 | 4 | 1 |
| Other community, social and personal service activities | 103 | 105 | 13 | 58 | 49 | 23 | 64 |
| Total | 8.535 | 17.639 | 19.137 | 14.733 | 6.013 | 3.245 | 1.644 |

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

Table annex-3: International Direct Investment Inflow by Country

(Million \$)

| Countries | 2005 | 2006 | 2007 | 2008 | 2009 | January-June | |
|--|--------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | | | | | | 2009 | 2010 |
| European Union (27) | 5.006 | 14.489 | 12.601 | 11.051 | 4.749 | 2.659 | 1.320 |
| <i>Germany</i> | 391 | 357 | 954 | 1.211 | 485 | 162 | 110 |
| <i>France</i> | 2.107 | 439 | 367 | 679 | 617 | 534 | 236 |
| <i>Netherlands</i> | 383 | 5.069 | 5.442 | 1.343 | 784 | 155 | 172 |
| <i>United Kingdom</i> | 166 | 628 | 703 | 1.336 | 346 | 104 | 134 |
| <i>Italy</i> | 692 | 189 | 74 | 249 | 284 | 218 | 19 |
| <i>Other European Countries</i> | 1.267 | 7.807 | 5.061 | 6.233 | 2.233 | 1.486 | 649 |
| Other European Countries (Excluding EU) | 1.646 | 85 | 373 | 291 | 308 | 167 | 50 |
| Africa | 3 | 21 | 5 | 82 | 1 | 0 | 0 |
| <i>U.S.A.</i> | 88 | 848 | 4.212 | 863 | 254 | 142 | 80 |
| <i>Canada</i> | 26 | 121 | 11 | 23 | 52 | 0 | 54 |
| Central-South America And Caribbean | 8 | 33 | 494 | 60 | 19 | 10 | 4 |
| Asian | 1.756 | 1.927 | 1.405 | 2.361 | 618 | 255 | 136 |
| Near And Middle Eastern Countries | 1.678 | 1.910 | 608 | 2.199 | 305 | 158 | 109 |
| <i>Gulf Arabian Countries</i> | 1.675 | 1.783 | 311 | 1.978 | 167 | 57 | 91 |
| <i>Other Near And Middle Eastern Countries</i> | 2 | 3 | 196 | 96 | 77 | 61 | 10 |
| Other Asian Countries | 78 | 17 | 797 | 162 | 313 | 97 | 27 |
| Other Countries | 2 | 115 | 36 | 2 | 12 | 12 | 0 |
| Total | 8.535 | 17.639 | 19.137 | 14.733 | 6.013 | 3.245 | 1.644 |

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 -(2009-2010)

(Number of Companies)

| Sectors | 2009 | | | | 2010 (January-June) | | | |
|--|-----------------------|---------------|---------------|--------------|-----------------------|---------------|---------------|--------------|
| | Company Establishment | Participation | Branch Office | Total | Company Establishment | Participation | Branch Office | Total |
| Agriculture, hunting, fishing and forestry | 47 | 13 | 0 | 60 | 16 | 2 | 0 | 18 |
| Mining and quarrying | 59 | 10 | 2 | 71 | 23 | 6 | 1 | 30 |
| Manufacturing | 288 | 86 | 10 | 384 | 151 | 23 | 7 | 181 |
| <i>Manufacture of food products, beverages and tobacco</i> | 36 | 13 | 1 | 50 | 29 | 6 | 2 | 37 |
| <i>Manufacture of textiles</i> | 13 | 5 | 0 | 18 | 6 | 0 | 0 | 6 |
| <i>Manufacture of chemicals and chemical products</i> | 27 | 12 | 0 | 39 | 22 | 8 | 0 | 30 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 18 | 6 | 0 | 24 | 11 | 0 | 0 | 11 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 16 | 1 | 1 | 18 | 1 | 0 | 0 | 1 |
| <i>Other Manufacturing</i> | 178 | 49 | 8 | 235 | 82 | 9 | 5 | 94 |
| Electricity, gas and water supply | 97 | 32 | 3 | 132 | 32 | 18 | 0 | 50 |
| Construction | 230 | 67 | 5 | 302 | 101 | 19 | 6 | 126 |
| Wholesale and retail trade | 757 | 154 | 22 | 933 | 377 | 66 | 8 | 451 |
| Hotels and restaurants | 124 | 48 | 2 | 174 | 68 | 11 | 0 | 79 |
| Transport, storage and communications | 209 | 49 | 10 | 268 | 115 | 26 | 8 | 149 |
| Financial intermediation | 13 | 5 | 0 | 18 | 2 | 0 | 0 | 2 |
| Real estate, renting and business activities | 388 | 80 | 8 | 476 | 179 | 35 | 4 | 218 |
| Other community, social and personal service activities | 126 | 41 | 2 | 169 | 67 | 12 | 0 | 79 |
| Total | 2.338 | 585 | 64 | 2.987 | 1.131 | 218 | 34 | 1.383 |

Provisional Data, Source: Underscretariat of Treasury

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

| Sectors | (Number of Companies) | | | | | | | | |
|--|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|
| | 1954-2004 | 2005 | 2006 | 2007 | 2008 | 2009 | January-June | | (1954-2010/June) |
| | (Cumulative) | | | | | | 2009 | 2010 | Total |
| Agriculture, hunting, fishing and forestry | 131 | 34 | 42 | 49 | 53 | 60 | 31 | 18 | 387 |
| Mining and quarrying | 138 | 50 | 48 | 82 | 91 | 71 | 36 | 30 | 510 |
| Manufacturing | 1,937 | 400 | 441 | 497 | 471 | 384 | 195 | 181 | 4,311 |
| <i>Manufacture of food products, beverages and tobacco</i> | 233 | 39 | 44 | 38 | 40 | 50 | 27 | 37 | 481 |
| <i>Manufacture of textiles</i> | 242 | 66 | 50 | 49 | 21 | 18 | 4 | 6 | 452 |
| <i>Manufacture of chemicals and chemical products</i> | 232 | 37 | 39 | 58 | 48 | 39 | 20 | 30 | 483 |
| <i>Manufacture of machinery and equipment n.e.c.</i> | 145 | 27 | 54 | 46 | 46 | 24 | 13 | 11 | 353 |
| <i>Manufacture of motor vehicles, trailers and semi-trailers</i> | 141 | 21 | 17 | 23 | 21 | 18 | 10 | 1 | 242 |
| <i>Other Manufacturing</i> | 944 | 210 | 237 | 283 | 295 | 235 | 121 | 94 | 2,298 |
| Electricity, gas and water supply | 89 | 9 | 42 | 75 | 117 | 132 | 69 | 50 | 514 |
| Construction | 338 | 312 | 404 | 477 | 372 | 302 | 132 | 126 | 2,331 |
| Wholesale and retail trade | 3,048 | 708 | 752 | 808 | 791 | 933 | 431 | 451 | 7,491 |
| Hotels and restaurants | 710 | 162 | 194 | 207 | 220 | 174 | 92 | 79 | 1,746 |
| Transport, storage and communications | 691 | 222 | 266 | 284 | 292 | 268 | 144 | 149 | 2,172 |
| Financial intermediation | 121 | 19 | 48 | 43 | 46 | 18 | 11 | 2 | 297 |
| Real estate, renting and business activities | 658 | 487 | 660 | 828 | 675 | 476 | 236 | 218 | 4,002 |
| Other community, social and personal service activities | 331 | 148 | 178 | 180 | 209 | 169 | 75 | 79 | 1,294 |
| Total | 8,192 | 2,551 | 3,075 | 3,530 | 3,337 | 2,987 | 1,452 | 1,383 | 25,055 |

Provisional Data, Source: Undersecretariat of Treasury

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

(Number of Companies)

| Countries | 1954-2004 | 2005 | 2006 | 2007 | 2008 | 2009 | January-June | | (1954-2010/June) |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|
| | (Cumulative) | | | | | | 2009 | 2010 | Total |
| European Union (27) | 4.182 | 1.513 | 1.926 | 2.027 | 1.770 | 1.423 | 704 | 576 | 13.417 |
| Germany | 1.405 | 462 | 540 | 557 | 584 | 513 | 260 | 195 | 4.256 |
| The Netherlands | 652 | 189 | 257 | 249 | 277 | 146 | 62 | 72 | 1.842 |
| United Kingdom | 536 | 297 | 453 | 436 | 251 | 205 | 105 | 78 | 2.256 |
| Other European Countries | 1.589 | 565 | 676 | 785 | 658 | 559 | 277 | 231 | 5.063 |
| Other European Countries (Excluding EU) | 981 | 311 | 356 | 471 | 528 | 431 | 212 | 227 | 3.305 |
| African Countries | 146 | 52 | 42 | 48 | 50 | 66 | 33 | 44 | 448 |
| North America | 496 | 104 | 132 | 160 | 142 | 148 | 64 | 59 | 1.241 |
| U.S.A. | 453 | 90 | 111 | 127 | 124 | 116 | 53 | 50 | 1.071 |
| Canada | 43 | 14 | 21 | 33 | 18 | 32 | 11 | 9 | 170 |
| Central-South America And Caribbean | 54 | 14 | 11 | 20 | 12 | 17 | 8 | 6 | 134 |
| Near And Middle Eastern Countries | 1.657 | 375 | 396 | 492 | 564 | 639 | 305 | 341 | 4.464 |
| Azerbaijan | 177 | 54 | 82 | 118 | 131 | 168 | 80 | 62 | 792 |
| Iraq | 249 | 56 | 70 | 107 | 86 | 106 | 55 | 45 | 719 |
| Iran | 540 | 118 | 104 | 103 | 140 | 173 | 76 | 130 | 1.308 |
| Other | 691 | 147 | 140 | 164 | 207 | 192 | 94 | 104 | 1.645 |
| Other Asian Countries | 574 | 159 | 163 | 271 | 229 | 239 | 114 | 118 | 1.753 |
| China | 191 | 30 | 24 | 41 | 44 | 43 | 18 | 19 | 392 |
| South Korea | 74 | 16 | 13 | 23 | 13 | 21 | 9 | 7 | 167 |
| Other | 309 | 113 | 126 | 207 | 172 | 175 | 87 | 92 | 1.194 |
| Other Countries | 102 | 23 | 49 | 41 | 42 | 24 | 12 | 12 | 293 |
| Total | 8.192 | 2.551 | 3.075 | 3.530 | 3.337 | 2.987 | 1.452 | 1.383 | 25.055 |

Provisional Data, Source: Undersecretariat of Treasury

Table annex-7: Investment Incentive Certificates Issued for Companies with International Capital -(2005-2010/June)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 January- June |
|--|---------|---------|---------|---------|----------|--------------------------|
| Number of Incentive Certificates (Number) | 199 | 145 | 198 | 211 | 183 | 97 |
| Amount of Investment (Million \$)* | 3.266,7 | 1.721,5 | 3.917,7 | 5.394,4 | 10.810,0 | 2.358,5 |
| Amount of Investment (Million TL)* | 4.415,0 | 2.516,5 | 5.187,0 | 7.152,8 | 16.653,2 | 3.598,4 |
| Equity Share of Foreign Direct Investor (%) | 51,7 | 36,1 | 49,1 | 50,2 | 62,2 | 16,5 |

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

Source: Undersecretariat of Treasury