Turkish Free Zones





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In general, free zones are defined as special sites within the country that are deemed to be outside of the customs territory, and where the valid regulations related to foreign trade and other financial and economic areas are not applicable.

In the Free Zones Law No.3218 dated 15.6.1985 the goals of the establishment and operation of free zones are listed as increasing export-oriented investment and production in Turkey, and accelerating the entry of foreign capital and technology. In addition, through their flexible and contemporary administrative structure free zones are also gaining importance in Turkey as logistical centers that provide the firms that wish to engage in foreign trade with a modern, developed investment environment.

Basically, since 1987 nineteen free zones have become operational with the aim of increasing and promoting export-oriented investment and production. They are:

- In the Mediterranean Region: Mersin (1987), Antalya (1987), Adana Yumurtalik (1999) Free Zones,
- In the Aegean Region: Aegean (1990), Izmir Menemen-Leather (1998), Denizli (2001) Free Zones,
- In the Marmara Region: Istanbul Ataturk Airport (1990), Istanbul-Leather and Industry (1995), Istanbul Thrace (Çatalca) (1998), Europa (1999), Bursa (2001), Kocaeli (2001) and Tubitak-Marmara Research Center Technology (2002) Free Zones,
- In the South East Anatolia Region: Gaziantep (1999), Mardin (1995) Free Zones,
- In the Black Sea Region: Trabzon (1992), Rize (1998), Samsun (1998), Zonguldak Filyos (2007), Sakarya İpekyolu (2007) Free Zones,
- In Central Anatolia: Kayseri (1998), respectively.



ADVANTAGES OF THE TURKISH FREE ZONES

- Turkish free zones offer foreign investors attractive incentives including 100% repatriation of capital and 100% foreign ownership and there exists no distinction between foreign
- and domestic firms in terms of the advantages offered by Turkish free zones.
- The validity period of an operating licence is a maximum of 15 years for tenant users, and 20 years for users who wish to build their own working spaces in the zone; If the operating

licence is for production, these terms are 30 and 45 years for tenant users and investors, respectively.

- Free zone earnings and revenues can be transferred to any country, including Turkey, freely without prior permission.
- Trade conducted between Turkey and the free zones is subject to the foreign trade regime; free zone users can purchase goods and services from Turkey without paying value added tax.
- Since free zones are part of the Turkey-EU
 Customs Territory, the goods in free circulation
 are sent to the EU Countries by an A.TR certificate.
 Customs duties for goods of third country origin
 are also not paid at the entry into the free zones.
 However, goods of third country origin that are
 not in free circulation are sent to the EU countries
 by an A.TR certificate, only after the customs
 duties have been paid at the rates determined in
 the Common Customs Tariff.
- The incentives and advantages provided in the free zones are available to all firms regardless of their origin.
- Goods can remain in the zones with no time limit.
- There are no procedural restrictions regarding the price, standards or quality of goods in Turkish free zones.
- Currencies used in the zones are convertible foreign currencies dealt by the Central Bank of Turkey.
- In contrast to most free zones in the world, sales into the domestic market are allowed. Barter trade is also allowed.
- Red tape and bureaucracy have been minimized during the application and operation phases.
- The geographical location of Turkey provides significant advantages to the Turkish free zones.
 Turkish free zones are close to the European Union and Middle East markets and adjacent to the major Turkish ports on the Mediterranean, Aegean and Black Seas. They also have easy access to international airports and highways.

- The infrastructure of the Turkish free zones is competitive with international standards.
 Within this context, operating in a free zone can be more advantageous for the firms, that:
- Require minimum bureaucracy,
- Sell the goods they produce with imported inputs abroad,
- Engage in labour intensive sectors,
- Engage in transit trade, re-export and barter activities,
- Prefer to use foreign exchange in all transactions
- Demand modern office and working spaces with a good, ready infrastructure.

HOW TO OPERATE IN FREE ZONES

In order to engage in operations in free zones, an Operating Licence must be granted by the Undersecretariat for Foreign Trade, Directorate General of Free Zones.

An application form for an Operating Licence can be obtained from the Directorate General of Free Zones, Zone Directorates, or Zone Operator, Founder/Operator Companies and must be completed and the documents listed below must be attached to the copy of the said form.

- 1- Descriptive information about the Applicant and its Free Zone operation,
- 2- Authorization document and specimen signature of the signatory and power of attorney and specimen signature of the representative of the firm (if any),
- 3- A Turkish Trade Registration Gazette that announces the establishment of the Applicant Firm showing its current capital composition (for foreign firms Trade Registration Document ratified by the related Turkish Consulate),
- 4- Balance sheets and income statements for the last three years,
- 5- The original receipt for the application fee deposited in the Central Bank of Turkey, and a copy,



- 6- Documents related to the foreign currency brought into Turkey in the last three years, (if any),
- 7- Branch Establishment Permit obtained from the Undersecretariat for the Treasury, General Directorate of Banking and Foreign Exchange for Banks, Off-Shore Banks and Financial Leasing Institutions and from the General Directorate of Insurance for Insurance Institutions.

The above mentioned documents must be sent to the Undersecretariat for Foreign Trade, Directorate General of Free Zones directly, or through Zone Operator or Founder/Operator Firms.

Trade Registration

In order to obtain an Operating Licence, a Turkish Trade Registration Gazette that announces the establishment of the domestic firm or a certificate indicating the registration of the foreign firm is required in addition to other related documents. This requires a trade registration either in the Chamber of Commerce and/or Industry in order to operate in free zones.

Within this framework:

- a) Real persons or legal entities residing in Turkey holding a trade registration may engage in free zone activities in the offices they have constructed or rented by obtaining an Operating Licence from Undersecretariat for Foreign Trade, Directorate General of Free Zones.
- b) Turkish residents who intend to establish a firm to operate in a free zone; must apply to the Undersecretariat for Foreign Trade, Directorate General of Free Zones together with the draft of their contract as a substitute for the document mentioned above in item 3 along with the other documents. If their application is approved, they may proceed with the procedures to establish their firms. When the firm is established, the application is made by this firm to the Undersecretariat for Foreign Trade, General Directorate of Free Zones along with the Trade Registration Gazette

announcing the establishment of the firm together with the rental contract to obtain an Operating Licence.

- c) Real persons or legal entities residing abroad who hold a trade registration in their countries, may also apply directly to the Undersecretariat for Foreign Trade, Directorate General of Free Zones for an Operating Licence without the need to obtain permission from the Undersecretariat for Treasury, Directorate General of Foreign Investment, and may operate only from the offices they have rented or constructed in a free zone within the framework of the Operating Licence they are granted.
- d) A foreign real person residing abroad who does not hold a trade registration in his/her native country intends to operate in a free zone by establishing a company by himself or with real persons or legal entities residing in Turkey, or foreign real persons or legal entities residing abroad who hold a trade registration in their own countries intend to operate in a free zone by establishing a company with Turkish real persons or legal entities residing in Turkey; must apply to the Undersecretariat for Foreign Trade, Directorate General of Free Zones to operate in Turkish Free Zones and obtain an Operating Licence.

Establishment of Firms in Turkey or Free Zones by Real Persons or Legal Entities Residing Abroad

The documents below should be submitted to the Undersecretariat for Foreign Trade together with the Operating Licence Application Form, which can be downloaded from the Undersecretariat's web-site.

- 1. For legal entities residing abroad:
- a) Certificate of activity,
- b) Activity Report for the previous year (including balance sheet and field of activity for the previous year)
 - 2. For real persons residing abroad:
 - a) A copy of the passport,

- b) A detailed commercial and industrial background together with the verifying documents. (Certificate of Activity and a copy of the passport shall be certified by either the related Turkish Consulate or in accordance with the provisions of Convention Abolishing the Requirement of Legalization for Foreign Public Documents, prepared on the basis of the Hague Conference on International Private Law. If the copy of the passport is certified by a public notary in Turkey, no other certification is required.)
- c) Letter of Intent by real person or legal entity residing abroad stating that the required capital for the desired field of activity to be realized in Turkey shall be transferred into the country.
 - d) An application form.
- e) A draft contract of the company to be established.
- f) Proforma invoices, prospectuses and catalogues of the machinery, equipment and material to be imported together with three copies of global lists in FOB (currency of the country of origin), FOB (US Dollars), CIF (Turkish Liras) values and customs duties and charges thereof.
- g) Documents required by the Incentive Legislation if the investment intends to benefit from the incentive measures.
- h) Power of attorney given by shareholders to the person who will be the contact person in the course of the application procedure (power of attorney should be certified by a public notary or in the manner mentioned above)
- i) Any other documents and information considered to be of value.

Evaluation and Granting of Operating Licences by Directorate General:

Firms, which are determined to be qualified to receive an Operating Licence, and which intend to rent an open area, must sign a rental contract with the Zone Operator, Founder/Operator Company. Firms that intend to rent a closed area must sign a rental contract with one of the users holding the

Renting Operating Licence within 30 days of being so notified.

A copy of the rental contract approved by the related Zone Directorate must be sent to General Directorate of Free Zones and the Operating Licence can be obtained thereafter.

Those who are determined to be ineligible for an Operating Licence, will have their application fee refunded.

The terms of the Operating Licences are 15 years for tenant users who intend to rent a completed office, and 20 years for investor users who intend to build their own offices.

However, this term is extended to 30 years for tenant users and 45 years for investor users who are engaged in production activities. If investor users engaged in production activities intend to operate in other fields of activity, then the term of the Operating Licence is 20 years on the condition that they operate in their same offices. If the investor users hold an Operating Licence for fields of activity other than production, then the term of the Operating Licence is also 20 years.

How to Begin Operations in a Free Zone:

Tenant users may begin operations as soon as they receive their Operating Licences. On the other hand, investor users must obtain a "construction licence" after receiving their Operating Licence in order to carry out their construction projects. When construction is complete they must obtain permission to move in before they begin their activities. However, they may conduct their free zone activities by renting a closed area during the construction period.

FREE ZONES IN TURKEY I- Adana-Yumurtalık Free Zone

The zone is established on an area of 4.8 million square meters, on the Iskenderun Bay coast. It provides great facilities to access markets in the Middle East,



North Africa and the EU. The TAYSEB-Toros Adana Yumurtalık Free Zone Founder and Operator was authorized to found and operate the zone. Commercial activities in the zone started in 2000.

The zone was designed to cater to heavy industries like petrochemicals and the energy sector. The port facilities of the Toros Fertilizer and Chemical Industry Inc. adjacent to the zone are also used for the purpose of transferring goods. The zone is also the natural maritime gateway for the industrial and agricultural trade generated by Turkey's massive South East Anatolian Project. Due to the vast facilities the zone itself offers, the ship-building industry can also be supported in the zone.

There are 26 licences held by operating companies. By the end of 2009, the volume of trade by zone users was US\$ 173 million. Employment in the zone reached 227.

II- Aegean Free Zone

4 kilometres from Adnan Menderes International Airport and 14 kilometres from the Port of İzmir, the Aegean Free Zone covers an area of 2.2 square kilometres of public property. The zone is primarily designed for hi-tech industries and commercial activities began in 1990. ESBAS, the founder-operator company of the zone, has a foreign share of 96.4 percent. By the end of 2009, the volume of trade realized by zone users was US\$ 2.6 billion. Employment in the zone is 13,846. 319 companies have been granted licenses to operate in the free zone.

III- Antalya Free Zone

Adjacent to the Port of Antalya, the Antalya Free Zone encompasses an area of 536,740 square meters of public property. A customs corridor has been established between the zone and the port. Commercial activities in the Antalya Free Zone started in 1988 and ASBAS-Antalya Free Zone Operator Inc. is the zone operator company.

Initially the zone was used as a machinery park

for firms whick take tenders from Mediterranean countries. Since 1995 the Antalya Free Zone has made considerable progress in terms of textile production. Since maritime is one of the fastest growing sectors in Turkey, the Antalya Free Zone has received many applications for the building of mega yachts since 2000 and attracted many investors in this sector.

As of the end of 2009, the volume of trade realized by zone users was US\$ 606 million. Employment in the zone reached 3147. 171 licenses have already been granted to companies in this free zone.

IV- Bursa Free Zone

Taking into account its economic activities, Bursa demonstrates a special regard for the economic activities that will take place in the years ahead. In order to accelerate these activities, it was decided to establish a free zone in the Gemlik district of Bursa, which has a leading position with regard to its industrial and commercial structure in the Turkish economy, on an area of 825,452 square meters, 25 kilometres from Bursa, adjacent to the southern part of the Port of Gemlik.

By the end of 2009, there were 169 licenses issued to the operating companies. The zone began its commercial activities in July 2001. The volume of trade was US\$ 1.3 billion and employment in the zone has reached 6341.

V-Denizli Free Zone

The zone was established in 2001 on an area of 538.285 square meters in Çardak, next to the industrial estate and close to the airport. Textiles and clothing, machinery, glassware, electrical machinery production, leather goods processing, and banking are the main sectors of the zone.

There are 29 licenses held by the companies in the zone. By the end of 2009, the volume of trade by zone users was US\$ 33 billion. Employment in the zone is 42.

VI- Europe Free Zone

The Europe Free Zone was established on an area of 2,000,000 square meters in Çorlu, in the center of the Corlu-Luleburgaz-Cerkezkoy region, where intensive industrialization has taken place in recent years. The zone is located near the TEM highway that connects Turkey to Europe, with Istanbul 110 kilometres and the Port of Tekirdağ just 47 kilometres away. Turkish exports to Europe, especially in textiles are transported by road. Corlu has undergone great development with respect to industrial investments. Along with direct investments in the textiles industry, it has become a focus of start-up investments in various industries due to its proximity to Istanbul.

There were 175 licences granted to companies by the end of 2009, and the volume of trade by zone users was US\$ 1.2 billion. Employment in the zone is 1911.

VII- Gaziantep Free Zone

The Gaziantep Free Zone was established on an area of 1,137,000 square meters in 1998 in Gaziantep, as a part of the GAP project, which has an important role in Turkey's economy with its industrial and commercial character. The zone is located near the Gaziantep-Kahramanmaraş highway and is close to the connection with another highway that gives access to the Ports of Mersin and Iskenderun.



The production as well as trade of textiles, food and machinery, assembling-disassembling, warehousing, renting, banking and insurance activities are the target activities for the zone.

There are 36 licences operated by companies in the zone. By the end of 2009, the volume of trade by zone users was US\$ 111 million. Employment in the zone is 164.

VIII- Istanbul Ataturk Airport Free Zone

The Istanbul Ataturk Airport Free Zone is one kilometre away from the international airport and is next to the Istanbul World Trade Centre. The zone is on two main highways where the E5 and TEM intersect. It has its own trade centre of 35,000 square meters indoor capacity, which has office, storage and showroom areas with all the necessary technological infrastructure. The zone is operated by ISBI–Istanbul Ataturk Airport Free Zone Founder and Operator Inc.

Zone activities, other than textiles and garments, machinery and electrical industry products, are concentrated on computer software production and firms in the computer business have begun to congregate in the zone.

The IFTC-Istanbul International Flight Training Center, which aims at meeting the growing demand for aviation training, is located in the Istanbul Ataturk Airport Free Zone. This first independent, private training center, the IFTC was established to provide simulator capacity in Airbus 320 and Boeing 737-NG aircraft as well as quality training services. In addition to training, the IFTC Istanbul provides individuals and airlines with crew recruitment, cabin crew training, flight safety, dispatch and security training with its highly professional training team.

In total there were 302 licenses given to companies by the end of 2009. The volume of trade realized by zone users was US\$ 2.9 billion. Employment in the zone stands at 993.



IX- Istanbul Leather and Industry Free Zone

The zone was established on 88,000 square meters of private property by the founder operator company DESBAS. Commercial activities in the zone started in May 1995.

There are 698 licenses held by companies as of the end of 2009. The volume of trade realized was US\$ 3.8 billion.

Though the Istanbul Leather and Industry Free Zone was intended to specialize in leather products, other fields of activity can also be carried out by zone users. Employment in the zone is 2513.

X- Istanbul Thrace (Çatalca) Free Zone

The Istanbul Thrace Free Zone was founded and is still operated by ISBAS- the Istanbul Thrace Free Zone Founder and Operator Inc. on an area of 387,500 square meters in the Catalca district of Istanbul and came into operation in August 1998.

There are 321 licenses operated by companies. By the end of 2009, the volume of trade by zone users was US\$ 1.2 billion, and there were 1328 people employed in the zone.

XI- Izmir Menemen Leather Free Zone

Commercial activities started in the zone in May 1995, which was established on an area of 1,600,000 square meters. 246 licenses have been given to companies. By the end of 2009, the volume of trade by zone users was US\$ 280 million, and employment in the zone stood at 1537.

XII- Kayseri Free Zone

Taking into consideration the increasing foreign trade potential of Kayseri due to the intensive industrialization observed in recent years, the Kayseri Free Zone was established on an area of 6,905,000 square meters. The Kayseri Free Zone is

located adjacent to the Organized Industrial Zone on the highway and railroad connections to Adana and Ankara. Kay-Ser, the founder and operator firm, operates the zone.

Considering the large size of the area, the zone will be allocated phase by phase and the total cost of the project is estimated to reach \$50 million. There are 96 licenses operated by companies. By the end of 2009, the volume of trade by zone users was US\$ 442 million. Employment in the zone is 1251.

XIII- Kocaeli Free Zone

Kocaeli accounts for 13% of Turkey's total industrial product. The city has increased its capacity utilization rate from the level of 30% to the level of 70%. These facts and the concentration of tindustries such as chemicals, automotive, machinery, metals and paper in Kocaeli show that the city has the most convenient logistics for the establishment of a free zone.

As a modern free zone, the Kocaeli Free Zone attracts high technology into the region while becoming a logistical center on an international scale. The zone has also concentrated on the shipbuilding industry.

There are 47 licensed companies in operation. By the end of 2009, the volume of trade by zone users was US\$ 811 million. Employment in the zone reached 2274.

XIV- Mardin Free Zone

The Mardin Free Zone was established within the Mardin Organized Industrial Zone on a total area of 515,000 square meters, 365,998 square meters of which is allocated for investment.

There are 28 licenses held by the operating companies. The total employment in the zone is 15.

XV- Mersin Free Zone

Adjacent to the Port of Mersin, the Mersin Free Zone is located on a 776,000 square meters of public property. Commercial activities have been

conducted since the beginning of 1988 and the zone is operated by MESBAS-Mersin Free Zone Operator Inc. By the end of 2009, the volume of trade realized by zone users was US\$ 1.9 billion. Employment in the zone reached 6219. There are 551 licensed companies operating in the zone.

XVI- Rize Free Zone

Rize Free Zone was founded and is operated by RISBAS on an area of 85,000 square meters, 8 kilometres to Rize Port and put into operation in April 1998.

There are 4 licensed companies. By the end of



2009, the volume of trade by zone users was US\$ 6 million. Employment in the zone stands at 13.

XVII- Samsun Free Zone

The Samsun Free Zone was founded and is operated by SASBAS on an area of 72,632 square meters adjacent to the Port of Samsun; the zone came into operation in May 1998.

There are 19 licensed operators in the zone. By the end of 2009, the volume of trade by zone users was US\$ 37 million. Employment in the zone has reached 207.

XVIII- Trabzon Free Zone

Commercial activities commenced in the zone on 4 August 1992. The founder-operator company of the zone is TRANSBAS and has a foreign share

of 94 percent. TRANSBAS rents an area of 44,692 square meters in Trabzon Harbour from the General Directorate of Turkish Marine Works Organization.

By the end of 2009, the volume of trade realized by zone users was US\$ 43 million. 65 people are employed in the zone. There are 8 licenses held by firms in the zone.

XIX-TUBITAK Marmara Research Centre Technology Free Zone

With the aim of encouraging the establishment of high technology based and high technology producing small and medium sized enterprises in Turkey, the location and borders of the TUBITAK Marmara Research Centre Technology Free Zone were determined and the TUBITAK Marmara Research Centre Management was authorized to found and operate the zone in 1999. The zone is located on an area of 360,000 square meters adjacent to the TUBITAK Marmara Research Centre.

The Zone is designed to create an appropriate environment for research studies while accelerating the production of hi-tech goods. As the first technology free zone of Turkey the target sectors are envisaged as follows: biology (diagnostic kits production relating to human, plant and animal health), electronics and industrial automation (robots, security systems, measuring technology), environmental technologies (drinking and utility water, waste water and recycling technologies), energy (energy savings, energy production through natural resources), agriculture and food technologies (additives for agricultural products and food health), data processing (computers, software).

There are 42 licensed firms operating in the zone. By the end of 2009, the volume of trade by zone users was US\$ 165 million. Employment in the zone stood at 1990.

Trade Volume in Free Zones (1 000 USD)

| Trade Volume in Free Zones (1 000 USD) | | | | | | | | |
|--|-----------------------|-----------------------|--------|--|--|--|--|--|
| Zones | January-December 2008 | January-December 2009 | % | | | | | |
| Istanbul Leather | 6,001,678 | 3,867,187 | -35.56 | | | | | |
| Aegean | 3,763,964 | 2,658,772 | -29.36 | | | | | |
| Istanbul Atatürk Airport | 3,539,000 | 2,954,765 | -16.51 | | | | | |
| Mersin | 2,637,921 | 1,918,637 | -27.27 | | | | | |
| Istanbul Thrace | 1,862,771 | 1,190,035 | -36.11 | | | | | |
| Bursa | 1,604,603 | 1,279,473 | -20.26 | | | | | |
| Europe | 1,575,653 | 1,180,940 | -25.05 | | | | | |
| Antalya | 729,233 | 605,927 | -16.91 | | | | | |
| Kocaeli | 705,309 | 810,654 | 14.94 | | | | | |
| Kayseri | 702,948 | 442,397 | -37.07 | | | | | |
| Menemen Leather | 412,922 | 280,040 | -32.18 | | | | | |
| Samsun | 406,402 | 37,290 | -90.82 | | | | | |
| Adana-Yumurtalık | 263,148 | 172,937 | -34.28 | | | | | |
| Gaziantep | 143,306 | 110,740 | -22.72 | | | | | |
| TUBITAK-MAM TECH. | 111,715 | 164,828 | 47.54 | | | | | |
| Trabzon | 67,114 | 42,675 | -36.41 | | | | | |
| Denizli | 43,584 | 33,079 | -24.10 | | | | | |
| Rize | 6,784 | 6,507 | -4.08 | | | | | |
| Mardin* | - | - | - | | | | | |
| TOTAL | 24,578,055 | 17,756,882 | -27.75 | | | | | |

January-December Breakdown Of Trade Volume By Countries (US \$ 1.000)

| COUNTRIES | INFLOW TO ZONES (January- December 2008) | INFLOW TO ZONES (January- December 2009) | % | OUTFLOW FROM ZONES (January- December 2008 | OUTFLOW FROM ZONES (January- December 2009 | % | TOTAL (January- December 2008 | TOTAL (January- December 2009 | % |
|--------------------------------------|--|--|--------|---|---|--------|--|--|--------|
| I. OECD and EU COUNTRIES | 5.567.655 | 3.644.629 | -34,54 | 3.515.794 | 2.732.700 | -22,27 | 9.083.449 | 6.377.330 | -29,79 |
| A. EU (27) COUNTRIES | 4.124.078 | 2.848.560 | -30,93 | 3.205.621 | 2.441.529 | -23,84 | 7.329.699 | 5.290.089 | -27,83 |
| B. OTHER OECD COUNTRIES | 1.443.577 | 796.069 | -44,85 | 310.173 | 291.171 | -6,13 | 1.753.749 | 1.087.241 | -38,00 |
| II. OTHER EUROPEAN COUNTRIES | 10.026 | 12.542 | 25,08 | 35.992 | 26.579 | -26,15 | 46.018 | 39.121 | -14,99 |
| III. CIS | 462.758 | 195.785 | -57,69 | 704.437 | 441.754 | -37,29 | 1.167.195 | 637.539 | -45,38 |
| IV. NORTH AFRICA & MIDDLE EAST | 524.131 | 388.364 | -25,90 | 825.082 | 1.075.529 | 30,35 | 1.349.213 | 1.463.893 | 8,50 |
| V. OTHER COUNTRIES | 1.682.953 | 1.251.640 | -25,63 | 792.254 | 636.961 | -19,60 | 2.475.207 | 1.888.601 | -23,70 |
| VI. TURKEY | 3.194.849 | 2.176.871 | -31,86 | 7.262.124 | 5.173.528 | -28,76 | 10.456.973 | 7.350.399 | -29,71 |
| TOTAL | 11.442.372 | 7.669.831 | -32,97 | 13.135.683 | 10.087.052 | -23,21 | 24.578.055 | 17.756.882 | -27,75 |

January-December Breakdown Of Trade Volume By Sectors (US \$ 1.000)

| SECTORS | INFLOW TO ZONES (January- December 2008) | INFLOW TO ZONES (January- December 2009) | % | OUTFLOW FROM ZONES (January- December 2008 | OUTFLOW FROM ZONES (January- December 2009 | % | TOTAL (January- December 2008 | TOTAL (January- December 2009 | % |
|--|--|--|--------|---|---|--------|--|--|--------|
| I. AGRICULTURE | 498.268 | 427.141 | -14,27 | 504.516 | 428.776 | -15,01 | 1.002.784 | 855.917 | -14,65 |
| A. VEGETABLE PRODUCTS | 435.137 | 395.355 | -9,14 | 475.583 | 409.072 | -13,99 | 910,720 | 804,428 | -11,67 |
| B. LIVESTOCK PRODUCTS | 57.491 | 27.761 | -51,71 | 23.635 | 14.878 | -37,05 | 81.126 | 42.640 | -47,44 |
| C. FISHERY PRODUCTS | 1.995 | 1.121 | -43,79 | 1.514 | 1.472 | -2,76 | 3.509 | 2.594 | -26,09 |
| D. FORESTRY PRODUCTS | 3.645 | 2.902 | -20,38 | 3.784 | 3.353 | -11,38 | 7.429 | 6.256 | -15,79 |
| II. MINING & QUARRYING | 22.568 | 24.430 | 8,25 | 22.505 | 21.006 | -6,66 | 45.073 | 45.435 | 0,80 |
| III. INDUSTRY | 10.921.536 | 7.218.260 | -33,91 | 12.608.662 | 9.637.270 | -23,57 | 23.530.198 | 16.855.530 | -28,37 |
| A. PROCESSED AGRICULTURAL PRODUCTS | 568.747 | 534.151 | -6,08 | 652.038 | 605.209 | -7,18 | 1.220.785 | 1.139.360 | -6,67 |
| B. PROCESSED PETROLEUM PRODUCTS | 104.103 | 14.397 | -86,17 | 98.582 | 6.391 | -93,52 | 202.715 | 20.787 | -89,75 |
| C. INDUSTRIAL PRODUCTS | 10.248.657 | 6.669.713 | -34,92 | 11.858.042 | 9.025.670 | -23,89 | 22.106.699 | 15.695.383 | -29,00 |
| TOTAL | 11.442.372 | 7.669.831 | -32,97 | 13.135.683 | 10.087.052 | -23,21 | 24.578.055 | 17.756.882 | -27,75 |

Breakdown Of Free Zone Operation Licences By 2009

| USER'S ACTIVITIES | LOCAL | FOREIGN | TOTAL |
|--------------------|-------|---------|-------|
| PRODUCTION | 651 | 166 | 817 |
| PURCHASING-SELLING | 1,571 | 339 | 1,910 |
| OTHER | 498 | 93 | 591 |
| TOTAL | 2,720 | 598 | 3,318 |

FREE ZONE APPLICATION PROCESS

Operating Licence Application Forms can be obtained from the General Directorate or Free Zone Directorate



Application fee is deposited into the Free Zone account at the Central Bank of the Turkish Republic (\$5000)



The Central Bank receipt, together with the application forms and other necessary documents are submitted to the General Directorate



Application Forms are assessed by the General Directorate



Approved

Application is made to the Free



Zone to sign a sales/rental contract

Along with the sales/rental contract, an application to the General Directorate is made for an Operating Licence



Once the Operating Licence is obtained, it is possible to commence Free Zone activities





Application fee is refunded (\$5000)

Abandoned

(Within one month) If the venture is abandoned despite being approved, the application fee is refunded (\$4500)