

HISTORY OF BODRUM

History of Bodrum basis on B.C. 3500's

Carians, which are one of the first settled public of Southern west Anatolia were lived in Bodrum and environs.



Besides being a clan presenting Artemisia I and Artemisia II (who are the first female admirals of the world), Queen Ada and warrior king Mausollos to us, Bodrum is like an extension of today's Anatolian people in past also with their strong, resisting, courageous and free spirited personalities.

Although Carians were one of the small civilization of Anatolia, were a generation left us: Mausoleum , which is one of the seven wonders of the ancient world; Herodotus of

Halicarnassus, who is the father of history; and traditional wooden boat manufacturing which still continues in our territory.

Bodrum castle which was built by Saint John's Knights, contains the Bodrum Museum of Underwater Archaeology one of the most important underwater museums in the world.



The shipyard was built in 1775 and in Ottoman period used in ship building.

Bodrum Ancient Theatre is an example of typical B.C 4 Traditional Greek theatres and among the protected theatre models.

The other important Historical artifacts are Gümüşlük Myndos archaeological site, Pedesa, Windmills, Myndos Gate, etc....



TOPOGRAPHY OF BODRUM

As Bodrum Peninsula has a sinuous shoreline, the shore is 174 km long in total. Thus Bodrum Peninsula has a longer shoreline with respect to other regions. Total surface area is 680 sq km and main residential areas are: Güvercinlik, Torba, Bitez, Gümüşlük, Turgutreis, Yalıkavak.

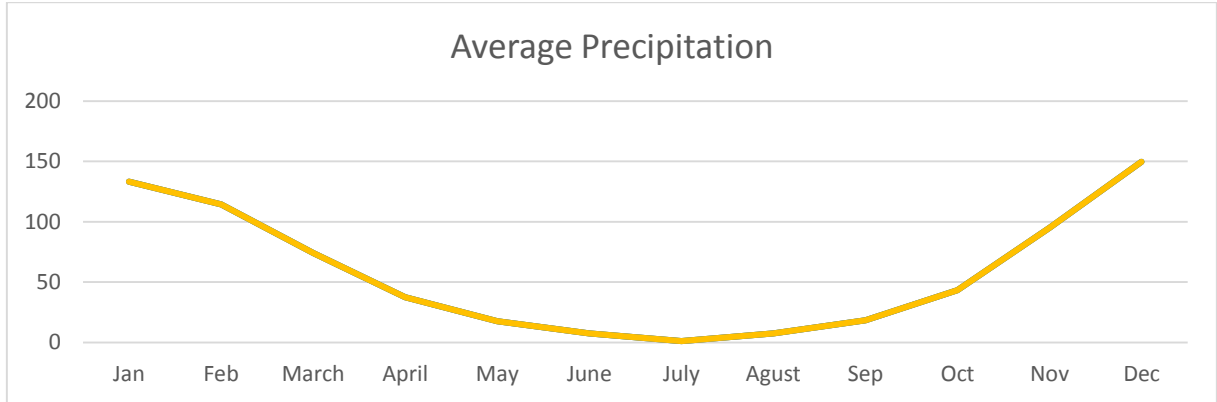
CLIMATE OF BODRUM



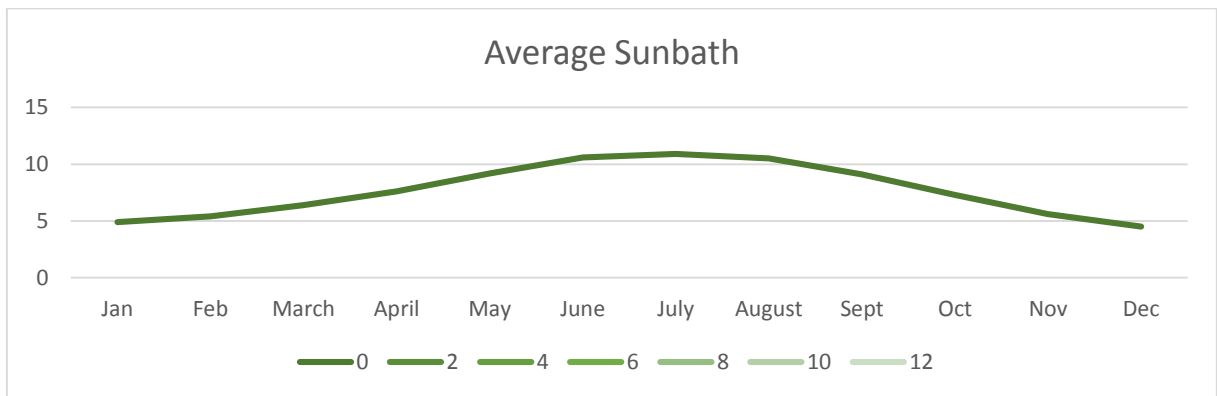
Mediterranean Climate dominates in Bodrum. Dry and hot in summers warm and rainy in winters. Annual average of precipitation and temperature is suitable for comfortable life for 12 months. Daily sunbathing period in winter time is around 5.5-6 hours. As the humidity is low, apparent temperature is low and not muggy. For this reason, Bodrum is an alternative place for respiratory patients.

Especially in summer period, the apparent temperature is not muggy with respect to other regions of our country, and with the sea breeze the temperature is felt less. In winter times the average temperature is 13 degrees centigrade.

Average Precipitation Rates by Month



Average Sunbath Rates by Hours



SOCIAL STRUCTURE AND CULTURE OF BODRUM



As the history of Bodrum goes back a long way, it has distinctive characteristics and culture. Bodrum Sandals, Bodrum Mandarin, Bodrum Gulet and Tirhandil, Authentic Bodrum Cuisine, Blue Voyages and district bazaars are few of them.

Every year 1.5 million foreign tourists and 3.5 million domestic tourists visit Bodrum. There exist summer houses of many Turkish denizens from metropolitans and of people from all over the world. Correspondingly with easy means of transport we can see that summer houses are also in use in winter season.



Bodrum is a city of latitude as it embrace many visitors from every nation and country. Has all opportunities for an easy life for young, olds, for everybody.



Some cities has spirit. And the spirit of Bodrum is: the join of peace and freedom.

While female image distinguished, the recent researches reveal that the most preferred tourism region of women is Bodrum. And this presents that Bodrum is a free and reliable city.

BODRUM'S ECONOMIC LIFE AND BODRUM WITH NUMBERS

We can see that Bodrum economy which is acquainted with tourism since 1970s moves every passing year from agriculture, fishing, sponge fishing, traditional commerce to tourism and sectors connected with it. The sectoral allocation of tourism, construction, manufacturing of craft, fish farming, and industry and large-scale managements supports them is respectively as follows:

Sectors	The Number Of Memebers
Construction Sector	2.064
Food Sector	923
Travel Agencies, Transportation and Automotive Sector	925
Financial Institutions Sector	669
Hospitality Sector	819
Durable-Furniture Sector	801
Restaurants & Entertainment Sector	817
Services Sector	840
Textile Industry and Personel Products Sector	384
Yacht Manufacturing and Water Sports Sector	292
SUM	8.534

SMALL SCALE COMMERCIAL ENTERPRISES

The percentage distribution of approximately 20.000 small enterprises throughout Bodrum Peninsula is as follows:

- 20% Ready-made garment, Soft furnishings, Glassware
- 16% Bars, Restaurants and entertainment
- 12% Food
- 10% Accommodation

In order to provide various needs become evidence particularly with the increasing summer population, so many supermarkets have been sat up in Bodrum. Approximately 110 supermarket exist throughout Bodrum.

Spending per shopping basket ratios are at rather high levels.

POPULATION OF BODRUM

The population difference between summer and winter is rather high. Bodrum population by years is as follows:

Bodrum, Number Of Population

2010	124.820
2011	130.940
2012	136.317
2013	140.716
2014	152.440
2015	155.815
2016	160.002
2017	164.158
2018	171.850
2019	175.735
2020	181.541
2021	187.284

While Muğla has a Provincial wide population of 1 million, Bodrum is the district with having highest population density.

EMPLOYMENT CAPACITY OF BODRUM

When we look the employment structure of Bodrum Peninsula, rather intense increment is observed in tourism season. Bodrum has the biggest portion in Muğla provincial wide with its employment capacity.

Number of the employee in high season rises up to 90.000 levels.

BODRUM TAX

In tax revenues gradation, Bodrum has ranked as the 38th throughout Türkiye with an assessment of 1 Million Turkish Lira.

BODRUM BANKS



By the end of 2022, 61 branches of total 178 branches (throughout Muğla) operates in Bodrum that is most of the branches in Bodrum.



BODRUM EDUCATION

Bodrum has rather important structure with regards to education and training. There are approximately 33.395 students and 2.117 teachers throughout the peninsula.

Beside many public education institution, 14 private schools, 1 university comprising Faculty of Fine Arts and Faculty of Professional Maritime.

BODRUM HEALTH



There is 1 public hospital, 3 private hospitals, 30 polyclinics and medical centre, 20 ambulances in Bodrum. The existing 4 hospitals have impatient bed availability of about 300 persons and most of the medical treatment can be conveniently performed.

Bodrum has spring and weather conditions particularly to develop health tourism. Health tourism is quite

important field for improving Bodrum's tourism for 12 months.

In recent years, within the tourism activities, health tourism also progresses in Bodrum.

Furthermore, the number of private practice and dentistry polyclinics within the health care services is higher in respect to the other districts.

BODRUM AGRICULTURE

Before Bodrum peninsula met tourism, was intensely dealing with agriculture. Especially mandarin production was major source of income of whole community. Currently, total 5.000 tons Bodrum mandarin is being produced in Bodrum. Together with the other citrus fruits, total production is 10.000 tons. Bodrum mandarin has geographic indications and with regard to its characteristics, it is a product only produced in Bodrum.



Another agricultural activity is fishing. Fishing in Bodrum basis on ancient periods. Such that, reason of the first boat's manufacture was fishing.



Nowadays, sea fishing is being continued with fish farms constituted on sea. The production is quite demanded in domestic and foreign markets. When fish production in our country and export is considered, our region provides 65% of all requirement.

BODRUM TOURISM

Bodrum has ranked as the 5th, as the most preferred arrivals in the World, as per the recent 2014 research of "Trip Advisor", the famous American holiday site. As the only place from Türkiye was Bodrum in the grading, it indicates the increasing interest in Bodrum throughout the world and indicates that Bodrum has the structure to response this interest.

Especially in recent years, the infrastructure of Bodrum is being strengthen, in the meaning of facilities, with the investments in accommodation and service sector.

On the other hand, although the sea-sand-sun concept of Bodrum is well known, it also distinguishes with local and regional tastes and products.

While sport tourism and health tourism in some branches are being improved, the visitors can have the opportunity to closely view and see the most natural state of Bodrum by sailing and trekking.

Bodrum aims at conveying right investigations to the region for conspiratorially grow and conveying the dynamism between May and September to 12 months with respect to a strategic growth.

Number of Visitors Coming to our Country and Bodrum by Years

	Türkiye	Muğla	Bodrum
2010	28.632.204	3.092.881	1.215.578
2011	31.456.076	3.183.424	1.354.993
2012	31.782.832	3.132.475	1.373.746
2013	34.910.098	3.222.315	1.331.839
2014	33.528.056	3.297.785	1.336.463
2015	36.244.632	3.081.467	1.192.593
2016	25.352.213	1.822.777	742.593
2017	32.406.245	2.089.503	780.699
2018	39.488.401	2.805.115	1.117.343
2019	45.058.286	3.266.650	1.329.926
2020	12.734.213	695.314	255.202
2021	24.712.266	1.083.589	532.622
2022-April	7.477.047	123.578	33.077

Number of Visitors Came to Bodrum - By Countries (top ten)

	Countries
1	England
2	Germany
3	Holland
4	Belgium
5	Poland
6	Ukraine

7	Denmark
8	France
9	Azerbaijan
10	Sweden

Accommodation sector in Bodrum and the Capacity

MUĞLA			BODRUM		
Number of Facilities	Number of Rooms	Rooms Beds	Number of Facilities	Number of Rooms	Rooms Beds
483	56.431	121.624	205	24.492	54.551

The bed capacity of premises in Bodrum constitutes 45% of Muğla provincial-wide. Accordingly, contributes Muğla provincial-wide.

There are 100 thousand qualified accommodation facility beds in Bodrum with municipal certified facilities and the bed capacity of blue cruise boats.

Marinas in Bodrum and Capacity



There are 3 marinas, 1 boat landing wharf and ports belong to the municipality.

With its total general yacht capacity of 2.005, has the highest infrastructure in Muğla.

Transportation in Bodrum



There exist all kind of transportation convenience; air, road, marine. There are 50-60 flights per day in season and 9 flights off season from the International Airport. Three marinas and 1 boat landing wharf, direct bus transportation through widespread highway transportation network.

Bodrum Blue Flag

By 2022, there are 76 blue flag beaches and 3 blue flag marinas in Bodrum.

Bodrum shoreline has the most blue flag throughout Türkiye.

Tourism Alternatives in Bodrum



When Bodrum tourism is examined; first of all the sea-sand-sea triplet and recreational tourism and game-fun tourism. Beside the aforesaid top priorities; Historical and cultural structure, natural and healthy environment makes Bodrum centre of attraction for the visitors.

Various art and sport activities (diving, golf, sailing and sea sports, etc.) becomes another advantage for the visitors. With clean sea, rich underwater and bays very convenient for

diving and blue voyages.

Our projection in terms of diversify of tourism is that health-football-golf and weekend sailing races are appropriate for Bodrum's configuration.

Agrotourism in Bodrum

Benefiting from the blessings of the Mediterranean and Aegean climates in recent years, Bodrum has become an important center with the turn of tourism to agrotourism due to the pandemic, with the increase in awareness in sustainable tourism and agriculture works.

With the harvest of tangerines, grapes and olives, the conduct of agro-cultural tourism activities for 12 months and the revival of many businesses in this regard, Bodrum is also opening a different tourism gate.

Bodrum Leleg Road Hiking and Nature Tourism

Hiking and extreme sports are developing in Türkiye, and the "Bodrum Leleg Road" has merged with the "Karia Road" and the "Lycian Road" to reach the Mediterranean from the Aegean. Apart from classical tourism, there are many tourism products available in Bodrum. There are many tourism products in Bodrum besides classical tourism. One of them is the Bodrum Leleg Road. During the spring and winter months, you can rediscover yourself in Bodrum's unique nature, historical and cultural structure by going through the 185 km Bodrum Leleg Road. In addition to history, sea, sand, sun, many local plants and fauna and scenery will welcome you in Bodrum. Bodrum Leleg Road was presented to all nature lovers as a 185 km walking route by following the historical remains of the historical Leleg Civilization.

Let's Explore Bodrum on Foot

The infrastructure of Bodrum Leleg Road; a total of 185 km of walking path, 20 km of bicycle path, camping areas and landscape hills across the entire peninsula has been created, landscaping, signage and marking works have been completed to serve sports, nature and adventure tourism. We bring our visitors together with a different Bodrum that they are not accustomed to. Nature, mountains, trees, Bodrum's local fauna and unique scenery are on the Bodrum Leleg Road.

Wedding Tourism in Bodrum

Either with its historical areas, high-quality capacity of accommodation facilities or the presence of organizations in Bodrum, it has recently become prominent in wedding tourism. Blue cruise routes have an infrastructure that can meet all the needs of boutique crowds on the boat and sometimes in historical areas. In recent years, Bodrum has been the choice of Indian and European tourists for wedding ceremonies.

Green Destination – Bitez

Bitez, an important district of Bodrum, has made Bodrum proud as the first green destination in the Green Destinations Story Awards 2021 Competition. The foundations of sustainable tourism and life has been laid in Bodrum with Bitez, which has achieved significant success with exemplary studies on the use of green and renewable energy waste. The sustainable and green tourism platform Green Destination, one of the most prestigious organizations in the world, attended only by Bodrum in Türkiye, took its place in the global map of Bitez.

Organisations in Bodrum

- Bodrum International Ballet Festival
- Gümüşlük Classical Music Festival
- Bodrum Cup Wooden Boat Races
- Bodrum Yacht Festival
- BAYS Bodrum Open Sea Yachting
- Presidency Bicycle Races
- Bodrum Jazz Days
- Motorcycle Races
- Enduro Races
- Classical West Motor Races
- D-Marine International Classical Music Festival
- International Ortakent-Yahşi Folk Dancing Festival
- Peninsula Towns Camel Wrestling Festival

BODRUM MARINA

Bodrum Gulet and Tirhandil Building



Completely skilled work and handmade hull and internal partitions are usually made of pinewood, chestnut tree wood and mahogany tree wood. Gulets and Tirhandils, recently redesigned according to modern requirements of human, till maintain their traditional structure.

Bodrum Gulet and Tirhandils are special designed boats equipped with motor and canvas, which are used at

Aegean coast having magnificent beauty.

In the past, they were being used for fishing and transportation purposes, afterwards were become having wide living space with special purpose, modern accessories and equipments.



Blue Voyage



Blue voyage has been originated from Bodrum and has been introduced to world's tourism as a tourism product. Bodrum has opportunities for all those needs. Blue voyages with traditional Bodrum gulets to bays one more beautiful than the other is at your disposal.

Bodrum Modern Boat Naval Museum

Bodrum Naval Museum was founded in order to; transmit the production of Gulet and Tirhandil, which continues from past to present, to future; protect the yesterday's values; and to introduce this traditional structure. Within the museum, Hasan Güleşçi seashell collection.

INVESTMENT OPPORTUNITIES IN BODRUM



1. Transportation as an investment area; Bodrum, with its developed air-marine and road transportation infrastructure, is one of the closest points of our country, to west. This makes Bodrum important about transportation in terms of location. For example, nearest Greek Kos Island is 3 miles away and shall be able to provide advantage with transportation easiness in terms of trade.
2. Power as an investment area; As the number of the sunny days is high, Bodrum is one of the most suitable region for investments on solar power to enhance all kind of house and establishments.
3. Construction as an investment; Because of its tourism platform, Bodrum has an intense investment potential especially on secondary residences. And there are custom design buildings exhibiting distinctive structural characteristics, special to Bodrum, in terms of architecture.
4. Green buildings as an investment; Bodrum has a high potential for developing applicable investments on green building concept when its developed structure in construction, geographical and climatic features are considered.
5. Construction materials as an investment; with intense construction movements, Bodrum is suitable for investment on construction materials such as marble, wood, pvc and construction chemicals.
6. Yacht production as an investment area; In order to introduce traditional Bodrum yacht manufacturing to broad markets and to develop its different structure, the potential of developing yacht production sector with research and development is quite high.
7. Developing infrastructure investments on marine transportation is important as an investment area.
8. Aquaculture as an investment; through its wide coast and clean sea, Bodrum has an underwater source with lots of marine products. Especially takes place on the top with the aquaculture production and export seen in our region. This makes investments on this area important.
9. Bodrum mandarin has geographic indications and being produced in our region. It is important: for research and developments on enhancing "citrus" product processing capacity, introducing different alternative products into the market, increasing added-value; and for investments on organic agriculture.
10. Health as an investment area; investments on founding health facilities for treatment and rehabilitation of especially disadvantaged groups (disabled, aged people, etc). When sufficiency of the region in transportation and climate and weather conditions is considered

together with the developed social structure of Bodrum, it becomes an important investment field.

11. Many economical-social-scientific and academic organisations can be conducted in Bodrum. Bodrum has required infrastructure for it.
12. Marina investment and telfer. Air transport investments at strategic points are necessary in order to enhance tourism.
13. Particularly, Hippocrates from Kos, Father of Medicine, had received this title by using herbs in Bodrum geography. With the richness of endemic, developing this area accordingly establishing development zones (making natural medicine from those herbs) shall be an important investment area.
14. To sum up, Bodrum stands out as a touristic city that promises tolerance and happiness, embracing many nations, bringing together its proximity to the West, the development of the transportation and accommodation sector, its historical past and cultural richness. Due to the diversity of tourism and the favorable climate of tourism for 12 months, it is acclaimed as a rising tourism city with its tourism skills and popularity from the past. Bodrum, which has an important infrastructure in terms of all kinds of investments with the existing incentive and grant programs, is eager and open to develop with its trade history, maritime and agricultural experience.



Türkiye's Investment Incentives System

The new investment incentives scheme is specifically designed to encourage investments with the potential to reduce dependency on the importation of intermediate goods vital to the country's strategic sectors.

Amongst the primary objectives of the new investment incentives scheme are: reduce the current account deficit; boost investment support for lesser developed regions; increase the level of support instruments; promote clustering activities; and to support investments that will create the transfer of technology.

Effective as of January 1, 2012, the new investment incentives system has been comprised of four different schemes. Local and foreign investors have equal access to:

- 1- General Investment Incentives Scheme
- 2- Regional Investment Incentives Scheme
- 3- Large-Scale Investment Incentives Scheme
- 4- Strategic Investment Incentives Scheme

The support instruments to be provided within the framework of the various investment incentives schemes are shown in the following table:

>Support Instruments	General Investment Incentives Scheme	Regional Investment Incentives Scheme	Large-Scale Investment Incentives Scheme	Strategic Investment Incentives Scheme
VAT Exemption	+	+	+	+
Customs Duty Exemption	+	+	+	+
Tax Reduction		+	+	+
Social Security Premium Support (Employer's Share)		+	+	+
Income Tax Withholding Allowance *		+	+	+
Social Security Premium Support (Employee's Share) *		+	+	+
Interest Rate Support **		+		+
Land Allocation		+	+	+
VAT Refund***				+

Kocaeli	Isparta	Manisa	Elazığ	Gümüşhane	Hakkari
Muğla	Kayseri	Mersin	Erzincan	Kahramanmaraş	Iğdır
	Kırklareli	Samsun	Hatay	Kilis	Kars
	Konya	Trabzon	Kastamonu	Niğde	Mardin
	Sakarya	Uşak	Kırıkkale	Ordu	Muş
	Tekirdağ	Zonguldak	Kırşehir	Osmaniye	Siirt
	Yalova		Kütahya	Sinop	Şanlıurfa
			Malatya	Tokat	Şırnak
			Nevşehir	Tunceli	Van
			Rize	Yozgat	Bozcaada & Gökçeada
			Sivas		

1- General Investment Incentives Scheme

Regardless of the region where investment takes place, all projects meeting both the specific capacity conditions and the minimum fixed investment amount are supported within the framework of the General Investment Incentives Scheme. Some types of investments are excluded from the investment incentives system and would not benefit from this scheme.

The minimum fixed investment amount is TRY 1 million in Region 1 and 2, and TRY 500,000 in Region 3, 4, 5 and 6.

Major investment incentive instruments are:

1) Exemption from customs duties:

Customs tax exemption for imported machinery and equipment for projects with an investment incentive certificate.

2) VAT exemption:

VAT exemption for imported or domestically purchased machinery and equipment for projects with an investment incentive certificate.

2- Regional Investment Incentives Scheme

The sectors to be supported in each region are determined in accordance with regional potential and the scale of the local economy, while the intensity of support varies depending on the level of development in the region.

The minimum fixed investment amount is defined separately for each sector and region with the lowest amount being TRY 1 million for Region 1 and 2, and TRY 500,000 for the remaining regions.

The terms and rates of support provided within the Regional Investment Incentives Scheme are shown in the following table.

Regional Investment Incentives Scheme Instruments									
Incentive Instruments				Region					
				I	II	III	IV	V	VI
VAT Exemption				YES					
Customs Duty Exemption				YES					
Tax Reduction	Tax Reduction Rate (%)			30	40	50	60	70	90
	Reduced Tax Rate (%)			14	12	10	8	6	2
Rate of Contribution to Investment (%)	Out of OIZ*			10	15	20	25	30	35
	Within OIZ*			15	20	25	30	35	40
Social Security	Support Period	Out of OIZ*		-	-	3 years	5 years	6 years	7 years
		Within OIZ*		-	3 years	5 years	6 years	7 years	9 years
Premium Support (Employer’s Share)		Upper Limit for Support (%)	Out of OIZ*	10	15	20	25	35	No limit
			Within OIZ*	15	20	25	35	No limit	No limit
Land Allocation				YES					
Interest Rate Support	TRY Denominated Loans (points)			N/A	N/A	3 points	4 points	5 points	7 points
	FX Loans (points)					1 point	1 point	2 points	2 points

Social Security Premium Support (Employee's Share)	N/A	N/A	N/A	N/A	N/A	10 years
Income Tax Withholding Allowance	N/A	N/A	N/A	N/A	N/A	10 years

*OIZ: Organized Industrial Zones

Contribution Rate to Investment Applicable During Investment / Operating Periods

Under Regional Investment Incentives Scheme

Regions	Investment Period	Operating Period
I	0 %	100 %
II	10 %	90 %
III	20 %	80 %
IV	30 %	70 %
V	50 %	50 %
VI	80 %	20 %

The new investment incentives system defines certain investment areas as “priority” and offers them the regional support extended to Region 5 by the Regional Investment Incentives Scheme, regardless of the region of the investment. If the fixed investment amount in priority investments is TRY 1 billion or more, tax reduction will be applied by adding 10 points on top of the “rate of contribution to investment” available in Region 5. If priority investments are made in Region 6, the regional incentives available for this particular region shall apply.

Fields of investment with specific priorities to be supported with Region 5 instruments regardless of the investment's region are:

Tourism accommodation investments in Cultural and Tourism Preservation and Development Regions and investments that could benefit from regional incentives with regard to thermal tourism

Mine extraction and/or processing investments

Railroad and maritime freight or passenger transportation investments

Specific pharmaceutical, defense, and aerospace industry investments with a minimum fixed investment amount of TRY 20 million

Test centers, wind tunnels, and similar investments made for the automotive, aerospace or defense industries

Investments made by the private sector for kindergartens and day-care centers, as well as preschools, primary, elementary, and high schools

International trade fair investments with a minimum indoor area of 50,000 square meters (excluding accommodation and shopping center units)

Investments for the manufacturing of products or parts developed by an R&D project that is supported by the Ministry of Science, Industry and Technology, TUBITAK or KOSGEB

Investments in the motor vehicles main industry worth a minimum amount of TRY 300 million, engine investments worth a minimum amount of TRY 75 million, and investments for motor engine parts, transmission components/parts and automotive electronics worth a minimum amount of TRY 20 million

Investments for power generation where metals stated in the 4-b group of Article 2 of the current Mining Law No. 3213 within the scope of a valid mining license and permit issued by the Ministry of Energy and Natural Resources are used as inputs

Energy efficiency investments that would reduce energy consumption in unit production by a minimum of 20 percent for at least 5 years in existing manufacturing facilities with an annual consumption of least 500 tons of oil equivalent (toe) energy

Investments for electricity generation through waste heat recovery in a facility (excluding natural gas-fired electricity generation plants)

Liquefied natural gas (LNG) investments and underground gas storage investments with a minimum amount of TRY 50 million

Investments for the production of carbon fiber or composite materials made from carbon fiber provided that it takes place along with carbon fiber production.

3- Large-Scale Investment Incentives Scheme

12 investment subjects, which will potentially foster Türkiye's technology, R&D capacity and competitiveness, are supported by Large-Scale Investment Incentives Scheme instruments.

Large-Scale Investments		
	Investment Subject	Minimum Fixed Investment Amount (million TRY)
1	Production of refined petroleum products	1,000
2	Production of chemical products	200
3	Harbors and harbor services	200
4	a) Automotive main industry	

	b) Automotive supply industry	200
		50
5	Production of railway and tram locomotives and/or tram cars	50
6	Transit pipeline transportation services	
7	Electronics industry	
8	Production of medical, high-precision and optical equipment	
9	Production of pharmaceuticals	
10	Production of aircraft and spacecraft and/or related parts	
11	Production of machinery (including electrical machinery and equipment)	
12	Mining (including metal production)	

The terms and rates of support provided within the Large-Scale Investment Incentives Scheme are shown in the following table.

Large-Scale Investment Incentives Scheme Instruments								
Incentive Instruments			Region					
			I	II	III	IV	V	VI
VAT Exemption			YES					
Customs Duty Exemption			YES					
Tax Reduction	Tax Reduction Rate (%)		30	40	50	60	70	90
	Reduced Tax Rate (%)		14	12	10	8	6	2
Rate of Contribution to Investment (%)	Out of OIZ*		20	25	30	35	40	45
	Within OIZ*		25	30	35	40	45	50
Social Security	Support Period	Out of OIZ*	-	-	3 years	5 years	6 years	7 years
		Within OIZ*	-	3 years	5 years	6 years	7 years	9 years

Premium Support (Employer's Share)		Upper Limit for Support (%)	Out of OIZ*	3	5	8	10	11	No limit
			Within OIZ*	5	8	10	11	No limit	No limit
Land Allocation				YES					
Social Security Premium Support (Employee's Share)				N/A	N/A	N/A	N/A	N/A	10 years
Income Tax Withholding Allowance				N/A	N/A	N/A	N/A	N/A	10 years

*OIZ: Organized Industrial Zones

Contribution Rate to Investment Applicable During Investment / Operating Periods

Under Large-Scale Investment Incentives Scheme

Regions	Investment Period	Operating Period
I	0 %	100 %
II	10 %	90 %
III	20 %	80 %
IV	30 %	70 %
V	50 %	50 %
VI	80 %	20 %

The following categories of investment within the Regional and Large-Scale Investment Incentives Schemes can benefit from support granted to a one-grade lower region in terms of tax reduction and social security premium support (employer's share).

Investments in Organized Industrial Zones (OIZ)

Joint investments to be made by at least five companies operating in the same sector with the purpose of greater integration

E.g.: A Region 3-level investment in an OIZ can take advantage of the tax reduction level in Region 4. Similarly, a Region 6-level investment may benefit from an additional 5% contribution to the investment.

4- Strategic Investment Incentives Scheme

Investments meeting the criteria below are supported within the framework of the Strategic Investment Incentives Scheme:

The domestic production capacity for the product to be manufactured with the investment shall be less than the import of the product.

The investment shall have a minimum investment amount of TRY 50 million.

The investment shall create a minimum added-value of 40% (this condition is not applicable to refinery and petrochemicals investments).

The total import value of the product to be manufactured with the investment shall be minimum of USD 50 million as of the past one year (excluding products that are not locally produced).

The terms and rates of support provided within the Strategic Investment Incentives Scheme are shown in the following table.

Strategic Investment Incentives Scheme Instruments						
Incentive Instruments		Region				
		I	II	III	IV	V
VAT Exemption		YES				
Customs Duty Exemption		YES				
Tax Reduction	Tax Reduction Rate (%)	90				
	Reduced Tax Rate (%)	2				
Rate of Contribution to Investment (%)		50				
Social Security Premium Support (Employer’s Share)	Support Period	7 years (10 years for Region 6)				
	Upper Limit for Support (%)	15 (No limit for Region 6)				
Land Allocation		YES				
Interest Rate Support	TRY Denominated Loans (points)	5			5	
	FX Loans (points)	2			2	
	Maximum Support Amount (*)	TRY 50 million			TRY 50 million	

Social Security Premium Support (Employee's Share)	10 years (for investments in Region 6)
Income Tax Withholding Allowance	10 years (for investments in Region 6)
VAT Refund	YES (for construction expenditures of the strategic investments over TRY 500 million)

*Provided that it will not exceed 5 percent of the investment amount

Contribution Rate to Investment Applicable During Investment / Operating Periods

Under Strategic Investment Incentives Scheme

Regions	Investment Period	Operating Period
I, II, III, IV, V	50 %	50 %
VI	80 %	20 %

Support Instruments

VAT Exemption:

VAT is exempt for imported and/or domestically delivered machinery and equipment within the scope of the investment incentive certificate.

Customs Duty Exemption:

Customs duty is exempt for imported machinery and equipment within the scope of the investment incentive certificate.

Tax Reduction:

The income or corporate tax is calculated on basis of reduced rates until the total amount of reduced tax reaches the amount of contribution to the investment. The rate of contribution to investment refers to the rate of the total fixed investment amount that is subject to tax reduction.

Social Security Premium Support (Employee's Share):

For additional employment created by the investment, the employee's share of the social security premium calculated on basis of the legal minimum wage will be covered by the government. The instrument is applicable only to investments made in Region 6 within the scope of the investment incentive certificate. There is no upper limit for Social Security Premium Support and it is applicable for 10 years.

Social Security Premium Support (Employer's Share):

For additional employment created by the investment, the employer's share of the social security premium calculated on basis of the legal minimum wage will be covered by the government.

Income Tax Withholding Allowance:

The income tax with regard to additional employment created by the investment, within the scope of the investment incentive certificate, will not be liable to withholding taxes. The instrument is applicable only to investments made in Region 6 within the scope of the investment incentive certificate. There is no upper limit for income tax withholding allowance and it is applicable for 10 years.

Interest Rate Support:

Interest rate support is a financial support instrument provided for investment loans with a term of at least one year obtained within the scope of an investment incentive certificate. A portion of the interest/profit share regarding the loan equivalent, at most 70 percent of the fixed investment amount registered in the investment incentive certificate, will be covered by the government.

Land Allocation:

Land may be allocated for investments, with an investment incentive certificate, in accordance with the rules and principles set by the Ministry of Finance, depending on the availability of such land.

VAT Refund:

VAT collected on construction expenses, made within the scope of strategic investments with a minimum fixed investment amount of TRY 500 million, will be rebated.

R&D support

1) R&D Law

The R&D Law provides special incentives for R&D investment projects in Türkiye provided that a minimum of 30 personnel are employed in an R&D center. The incentives within the new law will remain in effect until 2024 and include:

100 percent deduction of R&D expenditure from the tax base if the number of researchers exceeds 500, then in addition to the 100 percent deduction, half of the R&D expenditure increase incurred in the operational year compared to the previous year will also be deducted.

Income withholding tax exemption for employees (this item will be effective until December 31, 2023.)

50 percent social security premium exemption for employers for a period of 5 years

Stamp duty exemption for applicable documents

Techno-initiative capital for new scientists up to TRY 100,000

Deduction from the tax base of certain funds granted by public bodies and international organizations

2) Support for Technology Development Zones

The advantages in Technology Development Zones are:

Profits derived from software development and R&D activities are exempt from income and corporate taxes until 31.12.2023.

Sales of application software produced exclusively in TDZs are exempt from VAT until 31.12.2023. Examples include software for systems management, data management, business applications, different business sectors, the Internet, mobile phones and military command control.

Wages of R&D and support personnel employed in the zone are exempt from all taxes until 31.12.2023. The number of the support personnel covered by the exemption shall not exceed 10 percent of the number of the R&D personnel.

Investments for the production of the technological product obtained as a result of the R&D projects conducted in the zone may be made in the TDZ, if deemed suitable by the operator company and allowed by the Ministry.

50 percent of the employer's share of the social security premium will be paid by the government for 5 years until 31.12.2024.

3) TUBITAK (Scientific and Technological Research Council of Türkiye) and TTGV (Turkish Technology Development Foundation) both compensate or grant R&D related expenses and capital loans for R&D projects.

Projects eligible for TUBITAK incentives:

Concept development

Technological research & technical feasibility research

Laboratory studies in the translation of a concept into a design

Design and sketching studies

Prototype production

Construction of pilot facilities

Test production

Patent and license studies

Activities concerning the removal of post-sale problems arising from product design

Support for SMEs

SMEs are defined as companies employing less than 250 employees and earning less than TRY 40 million in revenue or turnover per year.

Incentives granted to SMEs include:

1. Exemption from customs duties
2. VAT exemption for imported and domestically purchased machinery and equipment
3. Credit allocation from the budget
4. Credit guarantee support

In order to meet financial needs of SMEs, a TRY 1 billion fund was transferred to the Credit Guarantee Fund (KGF) by the Treasury to create credit capacity worth TRY 10 billion. The guarantee limit is TRY 1,000,000 per SME and TRY 1,500,000 for the risk group that the SME related to. KGF covers up to 80 percent of the loan.

5. KOSGEB support to SMEs (www.kosgeb.gov.tr)

The Small and Medium Sized Industry Development Organization (KOSGEB) makes significant contributions to strengthening SMEs by various support instruments in financing, loan interest, R&D, common facilities, market research, investment site, marketing, export, consultancy, promotion, designing, industrial property, licensing and training.

Industrial Thesis (SANTEZ) program

Direct financial support for new technology adaptation, process development, quality improvement and environmental modification projects to be achieved via university partnerships:

Up to 85 percent of the project budget could be supported by direct grants

Project term is 2 years, with a possible extension of 6 months

Expenditure on staff, travel, consumable materials, machinery equipment, consultancy and relevant service procurements, transportation, insurance and customs are supported

The application file could be approved within 4 months, and the project supervision committee is independent

Loans for technology development projects

The Technology Development Foundation of Türkiye (TTGV) offers long term interest-free loans for technology development, renewable energy production, energy efficiency improvement and environmental impact-reduction projects.

Exemplary support for environmental projects:

The maximum contribution rate is 50 percent per project

Maximum budget of USD 1 million per project

The pay-back term is 4 years in total after project execution, including a one-year grace period

Training support

ISKUR, the National Recruitment Agency, may support vocational training projects for a maximum period of 6 months.

Direct salary support for interns, and unemployed candidates that are registered at ISKUR, (partial wage=TRY 25/day) during the pre-employment training session

Social security premium expenses (Occupational accidents and occupational diseases) are covered by ISKUR.

Program expenses such as the trainer's fee, energy and water bills are partially paid to the employer by ISKUR. The total amount is calculated by the cost per trainee and the employer must bill ISKUR for the services given.

ISKUR considers the employer (company) the legal party in this training program.

A certain number (percentage) of trainees must be employed after the program.

The Ministry of National Education cooperates for:

Vocational schools with the desired programs could be opened according to the decision of the Ministry.

The general cost of a trainee team for the adaptation of every requested program on a present vocational high school could be supported by the Ministry.

State aid for exports

The main aims of this scheme are to encourage exports and to increase the competitiveness of companies in international markets. This specific package mainly covers R&D activities, market research, participation in exhibitions and international fairs, and expenditure for patents, trademarks and industrial design.