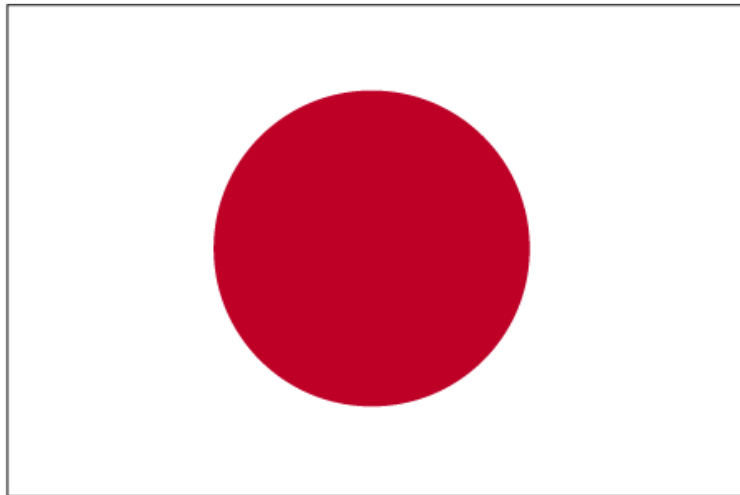


こんにちは



MERHABA





In the middle of the East  
and the West

The highest quality  
of life in Turkey

Extensive supports  
for new companies

1 to 4 hours distance  
from all over Europe

# İZMİR, SMARTEST CHOICE FOR YOUR NEXT INVESTMENT

Invest in



**WHO WE ARE**

**WHAT WE CAN DO FOR YOU**

# Who We Are?



## KEY FUNCTIONS

- Preparing Regional Development Plans & Strategies
- Providing Financial Support
- City Marketing as a touristic destination
- Promoting investment and business opportunities in İzmir
- Giving consultancy to new investors

## What We Can Do For You!

**One Stop Shop providing extensive and confidential services, free of charge:**



Providing the necessary information for your final decision



Site selection



Facilitating legal procedures such as:

- permit & license procedures
- establishing business operations
- incentive applications



To create your business network & coordination with relevant governmental institutions



*The Top Investment Promotion Agency of  
East Europe and Asia (2016),  
Site Selection Magazine*



PHILIPPO

PEPH

ANTONIN

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ANTONIN

ANTONIN

ANTONIN

# Strong Economy: Second Largest Commercial Center in Turkey



# Share of Exports & Imports by country of origin and sector (2017)

COUNTRY	EXPORT (\$)	%
Germany	1,015,605,139	12.0
USA	741,875,095	8.8
England	599,994,906	7.1
Spain	561,774,061	6.6
Italy	488,215,975	5.8

**Main Export Items: Knitted Clothing, Food & beverage, agriculture & farming, Machinery, Motor Vehicles, Tobacco, Plastics and Plastic Products**

COUNTRY	IMPORT (\$)	%
China	959,298,003	10.7
Germany	883,001,187	9.9
Russia Fed.	724,370,466	8.1
USA	522,971,851	5.8
Italy	508,555,327	5.7

**Main Import Items: Chemicals, machinery, petro chemicals, metal products, motor vehicles, food & beverage, agriculture & farming, electrical machinery and equipment, waste, medical devices**



# LOCATION & LOGISTICS



# Putting you at the center of Europe, Asia and Africa...

---

At the center of a market of a population of 1.6 billion, \$23.5 trillion GDP, \$7.1 trillion trade

A natural distribution center



Intersection point of  
Europe, Central Asia and  
Middle East.

# A Logistic Hub: İzmir International Airport



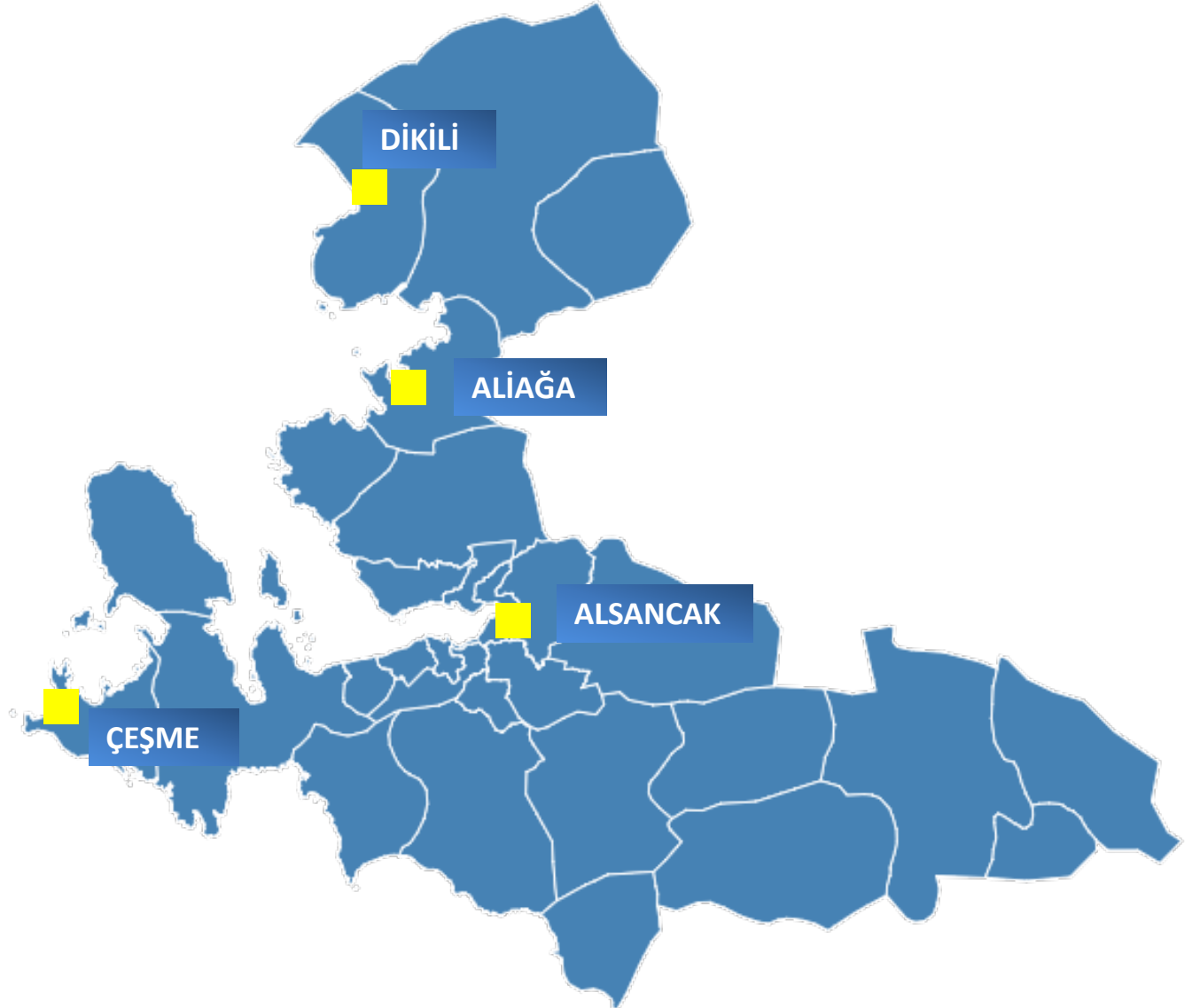
Direct flights from 28 countries and 70 destinations

18 km from the city center

Capacity of 25 million passengers

# A Logistic Hub: Ports of İzmir

- 26% of Turkey's total exports and 20% of total imports
- Total handling capacity of 2.50 m TEU
- Targeted capacity of 9.15 m TEU
- **Alsancak Port** has the 2<sup>nd</sup> largest container handling capacity in Turkey
- Cruise Port: 2.5 m visitors (2010-2015)
- **Aliğa Port**: 12 private docks
- **Çeşme Port**: Roro transportation



# HUMAN CAPITAL & COMPETITIVE PRICES



# High Living Standards: Attractive environment for the labor pool



**GLOBAL METRO**MONITOR **2014**  
AN UNCERTAIN RECOVERY

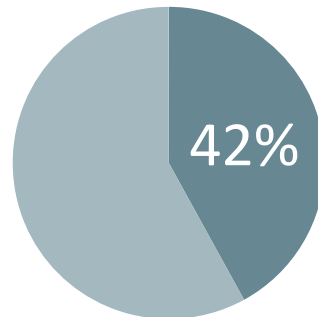


# Young and Dynamic Population with Qualified Workforce

- ▶ 8 Universities: 20,000 graduates annually
- ▶ 130 Research Centers
- ▶ Bilingual Education System
- ▶ 42 Vocational Training Schools
- ▶ 204 Vocational High Schools



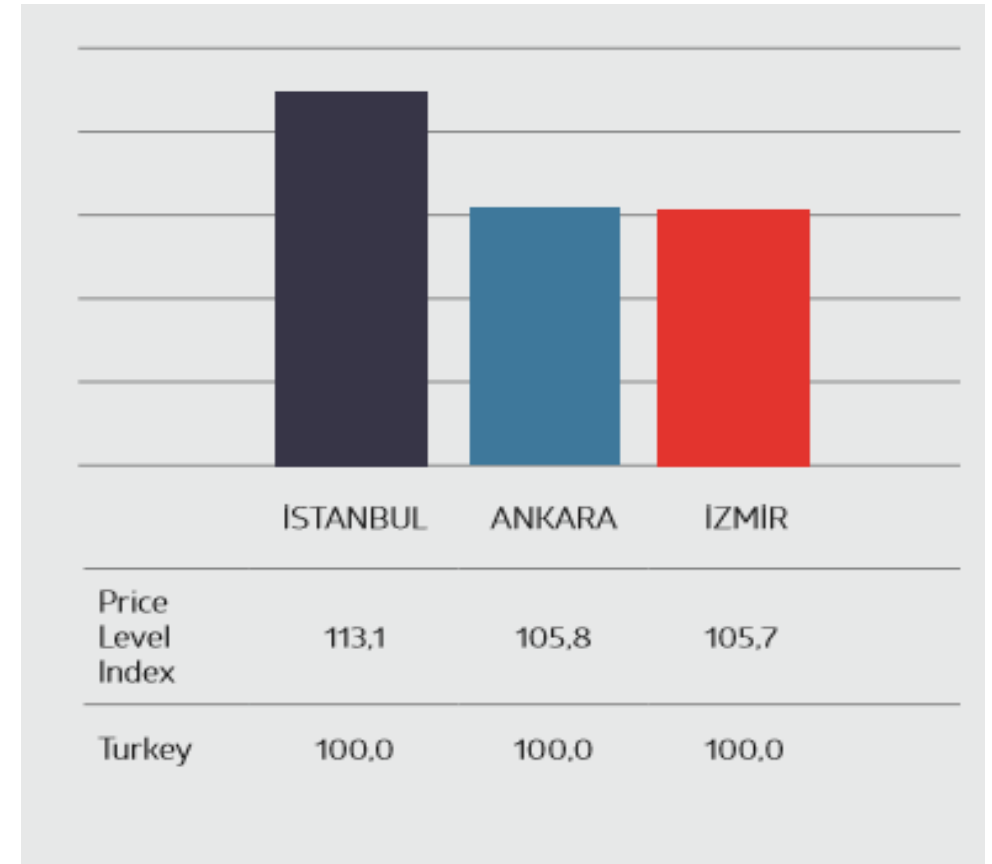
**4  
Million Population**



**Below 30 years  
old**

# Rare but Good Match: High quality and cost friendly living environment!

- ▶ Education
  - 25% cheaper than those in İstanbul
- ▶ Household appliances
  - 6% cheaper than those in Ankara,
  - 2% cheaper than those in İstanbul
- ▶ Rent, electric, water and gas expenses
  - 18% lesser than those in İstanbul
- ▶ Health service and product prices
  - 7% lower than those in Ankara,
  - 1% lower than those in İstanbul
- ▶ Entertainment and cultural activities
  - 12% cheaper than those in İstanbul,
  - 6% cheaper than those in Ankara
- ▶ Food and non-alcoholic beverages
  - 6% cheaper than those in İstanbul

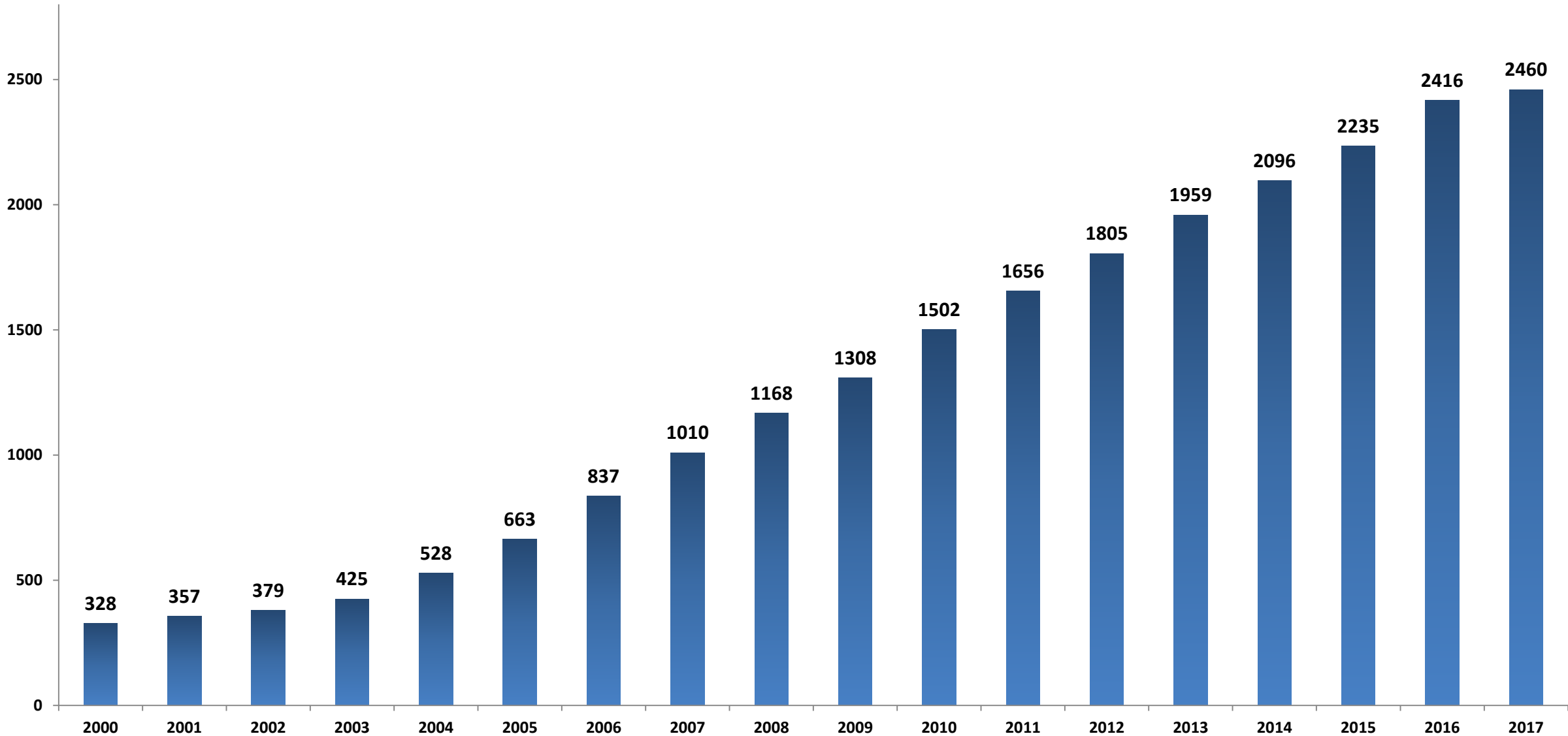




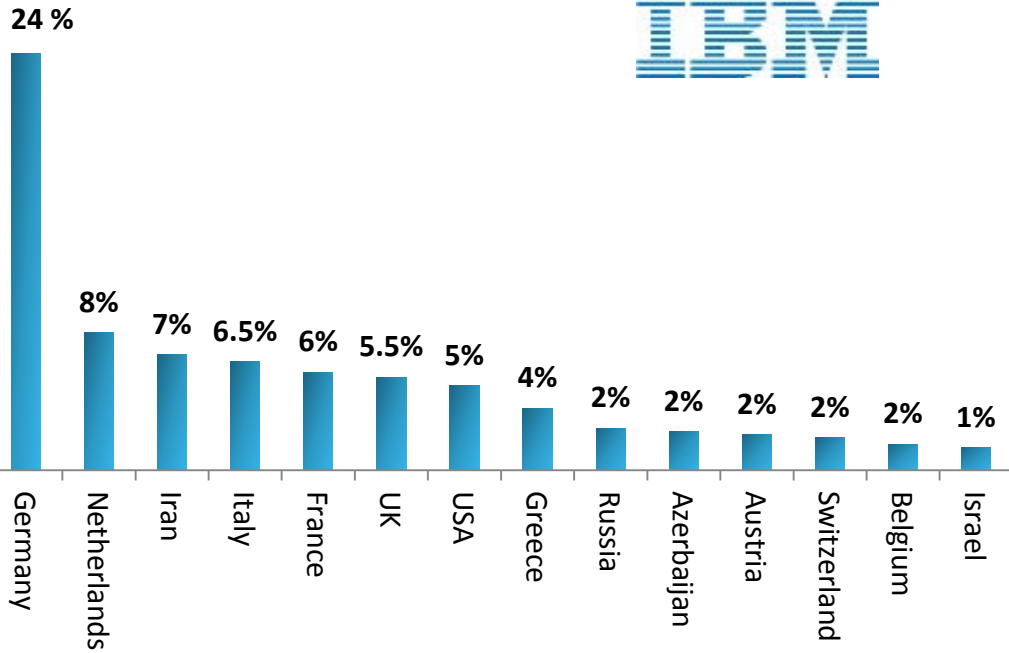


FOREIGN DIRECT INVESTMENT &  
SUCCESS STORIES

# Foreign Direct Investments rises in İzmir



# International companies are getting bigger here...



# Multi Sectorial Structure



# Renewable Energy- Wind

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- ▶ **1,331 MW installed power** (Ranked 1<sup>st</sup> in Turkey- %19 of the total)
- ▶ Turkey's first wind power plant in 1998
- ▶ Theoretical capacity is **11,815 MW**
- ▶ **Big potential:** Until 2023 around \$ 3 Billion WEPP market and more than \$ 18 Billion WE equipment market can be managed from Izmir.
- ▶ Enercon, TPI, Nordex and GE have wind turbine components manufacturing facilities in Izmir
- ▶ Strong local manufacturers and suppliers
- ▶ Wind energy equipment manufacturing is defined as the priority sector so the investors can benefit from **5th region incentives**.



# Information and Communication Technologies

- ▶ Revenues created by ICT companies in İzmir is around \$ 400 million annually
- ▶ About 10,000 people are employed in ICT sector in İzmir
- ▶ 4 technoparks with technology transfer offices and incubation centers
- ▶ Global companies such as Ericsson, IBM, Accenture, Netsis have service centers in İzmir.

İzmir Technology Development Zone (İZTEKGEB) [www.iztekgeb.com](http://www.iztekgeb.com)



Dokuz Eylül Technology Development Zone (DEPARK) [depark.deu.edu.tr](http://depark.deu.edu.tr)



İzmir Science Park [www.izmirbilimpark.com.tr](http://www.izmirbilimpark.com.tr)



- ▶ Aliğa Organized Industrial Zone is a sector-specialized zone that functions for chemicals companies.
- ▶ About 25% of Turkey's export in chemicals sector is realized in İzmir.
- ▶ The Turkish export goal for 2023 is more than 50 billion.
- ▶ PETKIM-SOCAR, one of the largest petro-chemicals companies in the world, is located in İzmir.

**Petkim**

**S O C A R**

**dpet**  
**FUCHS**

 **KANSAI ALTAN**

**SunChemical®**

# Biotechnology

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- ▶ 15.5% of the medical device companies in Turkey
- ▶ 16% of medical device sector's labor force in Turkey
- ▶ 23 state hospitals, 8 university hospitals, 24 private hospitals
- ▶ Biotechnology campuses
- ▶ First thematic health technopark in Turkey
- ▶ First translational research center: Izmir biomedicine and genome institute
- ▶ Manufacturing medical equipment, sensitive and optical instruments and clocks and manufacturing chemical and vegetative products used in pharmaceuticals and medicine are defined as the priority sector so the investors can benefit from **5th region incentives**.





# Industrial Machinery

---

- ◆ More than 5,000 manufacturing and machinery companies operate
- ◆ 3rd in Turkey with its 735 million USD in the machinery equipment export
- ◆ 860 million USD import of machinery equipment
- ◆ 8% of Turkey's machinery and equipment manufacture R&D activities
- ◆ İzmir is home to International companies such as Cummins, Mecalac, Hidromek, Mahle and Bonfiglioli.

**HIDROMEK®**

**MECALAC**

**MAHLE**

 **Bonfiglioli**  
Forever Forward



# Motor Vehicles

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- ▶ Accounts for over 10% of Turkey's exports of motor vehicles
- ▶ Strong supply-chain with 5,500 firms in related sectors
- ▶ Over 2,000 motor vehicle and related manufacturing firms

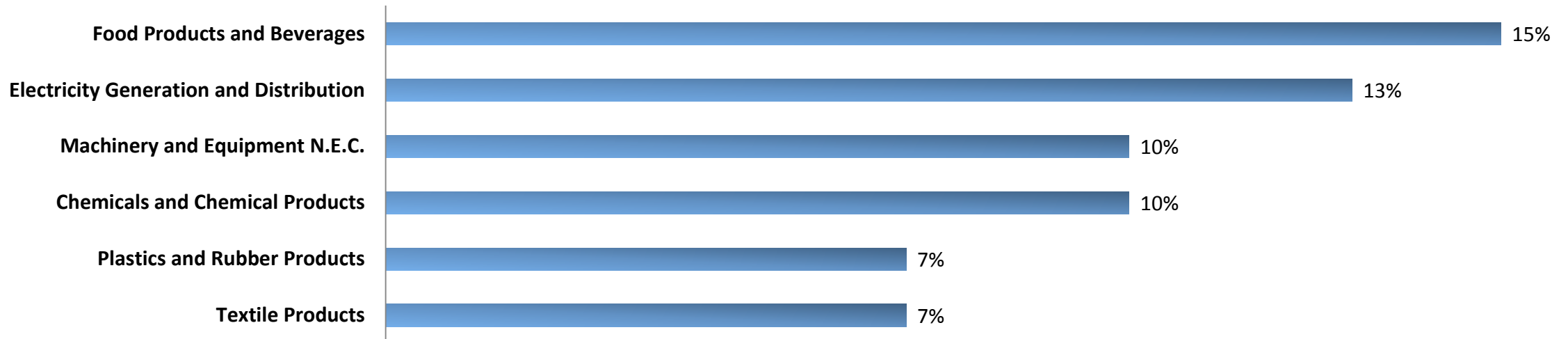


- ▶ About 250 companies in aviation and defense sector
- ▶ International aviation and defense companies such as Pratt & Whitney, PFW, Fokker Elmo, FTB-Lisi Fastener Technology and BMC have manufacturing facilities
- ▶ The First Aerospace Clustering Association (ACA) in Turkey



# Food and Beverages

- ▶ The number of companies operating in İzmir corresponds to **5.5% of companies in Turkey** and the level of employment corresponds to 8.9% of total value in Turkey in the sector.
- ▶ **11.3% of overall Turkey export** in food & beverages sector
- ▶ **21% of the canned food** manufacturers in Turkey
- ▶ **7.7% of the red meat** and 10% of the white meat production in Turkey
- ▶ A major attractive FDI sector in İzmir



# INVESTMENT AREAS

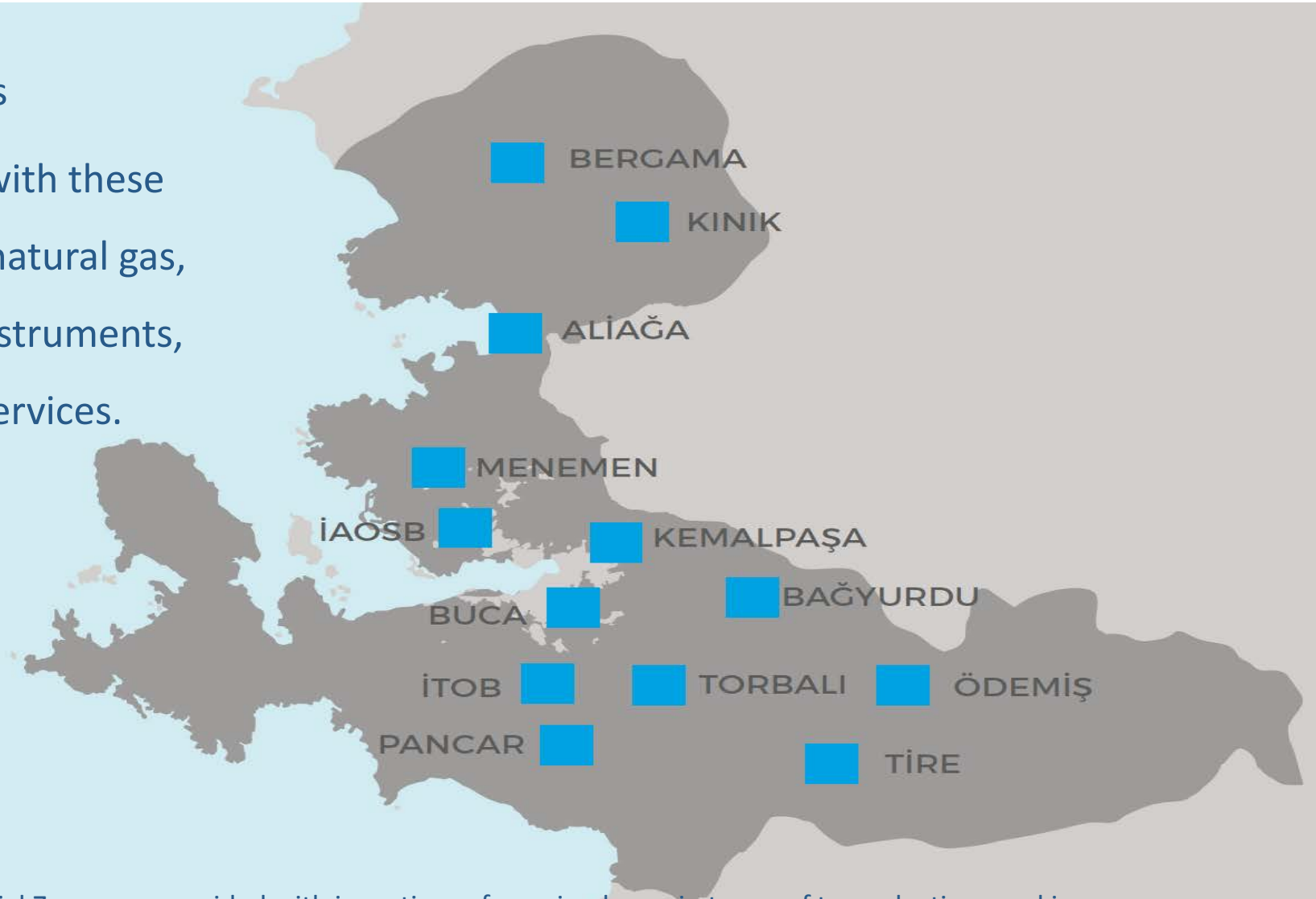


# World Class Investment Areas...

Tax Types		Organized Industrial Zone	Technology Development Zone	Free Trade Zone
Corporate		20%	0%	0%
VAT		8%-18%	0%	0% for buying Turkish products
Salary Costs	Income Tax	15%-35%	0%	0% for companies which export 85% or more of their products
	Social Security Premiums (employee share)	15%	15%	15%
	Social Security Premiums (employer share)	22.5%	11.25%	22.5%
	Unemployment insurance premiums	3%	3%	3%
	Stamp Tax	0.5%- 0.1%	0	0.5%- 0.1%
Custom Duties		-	-	0% for goods, equipment and machinery brought into the Zone.

# Organized Industrial Zones

- ▶ 13 Organized Industrial Zones
- ▶ The infrastructure provided with these regions include road, water, natural gas, electricity, communication instruments, waste treatment and other services.
- ▶ Sectorial value chain, cluster
- ▶ 3 EUR /m<sup>2</sup> – 200 EUR/m<sup>2</sup>



- The investments made in Organized Industrial Zones are provided with incentives of a region lower in terms of tax reductions and insurance premium employer share within the Regional Incentive Implications. (Decision No. 2012/3305 on State Aid for Investments)

# Free Zones

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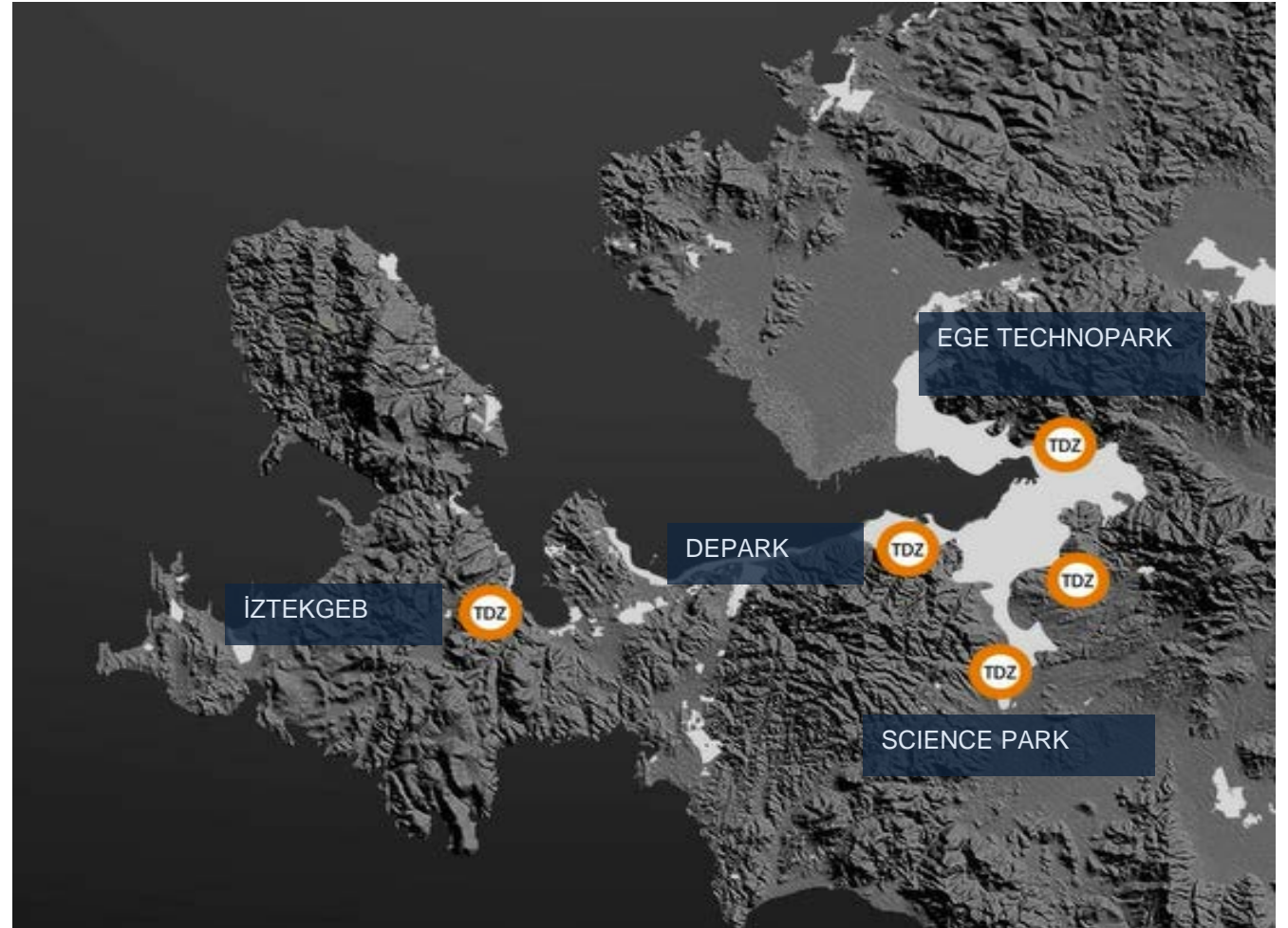
- ▶ 2 Free Zones
- ▶ Specific areas out of the frame of customs territories
- ▶ 100% exemption from customs duty
- ▶ 100% exemption from corporate taxes
- ▶ 100% exemption from value added tax (VAT) and private consumption taxes.





# Technology Development Zones

- ▶ 4 Technology Development Zones
- ▶ 3 of them are in universities, 1 of them is in Organized Industrial Zones (OIZ)
- ▶ Expertise on health technologies, life sciences, etc.
- ▶ Profits made from software development and R&D activities are exempt from income and corporate tax





# Japan – Turkey – İzmir



# JAPAN & TURKEY



- **Trade with Japan (\$)**
- **Principal imports from Japan:** \$4,280 billion (2017)  
(Construction equipment, automobiles, machinery, iron and steel, engines, chemical and optical equipment) (%1.3)
- **Principal exports to Japan:** \$411 million (2017) (Storage battery, tuna, leaf tobacco, processed foods, volatile oils, chrome steel, carpets, glass products) (%0.2)
- **226 FDI by Japanese companies in Turkey (2017)**

# JAPAN & TURKEY

## Latest News

- Yıldız Holding, owner of snack food giant Ülker, has sold several of its beverage properties including Cola Turka, Çamlıca Soda and Saka Water to Japanese DyDo DRINCO for TRY 335 mil. (JPY 13.5 bil.)
- Japanese KYOCERA Document Solutions has signed acquisition agreement with Bilgitas which is Turkey's one of the leading documentation management companies.
- İzmit Bay Bridge constructed by Japanese IHI started to be used. It is the fourth-longest suspension bridge in the world. The cost of the bridge is around EUR 800 million.
- Japan's Kansai Paint acquires 50 pct stake in Turkey's Polisan Boya for \$113 mln




# JAPAN & TURKEY

## Latest News

- Daikin has initiated a heating-system factory in Sakarya in Turkey's northwest.
- Honda has decided to celebrate its 20th anniversary in the Turkish market with a new investment of \$50 million at its Gebze plant. Honda exports the automobiles it produces in Turkey to 33 countries in Eastern Europe, the Middle East and North Africa.
- Mitsui & Co., one of Japan's largest general trading companies, acquired a 30 percent stake in Koç Holding's technological investment company Inventram. Inventram started its activities in 2010 and focuses on technological innovations for entrepreneurs, inventors, and companies. The company also provides solutions and consulting services for start-ups.



# JAPAN & İZMİR

- **Imports** from Japan: \$ 112 million (2017)
- **Exports** to Japan: \$ 36 million (2017)
-  Growth potential for both sides
- Big Japanese companies already in İzmir



**SunChemical<sup>®</sup>**

**JTi**

***DENSO***



**İNCI GS YUASA**



# JAPAN & İZMİR



- ✓ The trade relations started in 1990 in Turkey. The first production started in 1993 in İzmir Torbalı factory.
- ✓ İzmir factory is one of the 5 biggest factory of the 32 factories of JTI.
- ✓ The annual production of tobacco units is 35 billion in this factory. It corresponds to 16 percent of the Tobacco market of Turkey with a product range, and 50 percent of the products exported abroad.



# JAPAN & İZMİR



- ✓ Kansai Altan is a Turkish-Japanese joint venture paint company with an annual production capacity of 60 thousand tons, situated on a 100 thousand m<sup>2</sup> land in İzmir.
- ✓ It manufactures 75% of its polymer requirement in its own polymer production facility which is located in the same site and has 12 thousand tons of production capacity per annum.





# JAPAN & İZMİR

**SunChemical®**

- ✓ Owned by Japan's DIC Corporation, Sun Chemical is the world's largest producer of printing inks and pigments, employing 21,000 people globally. Having acquired Turkish ink producer CBS Inktas in 2004, Sun Chemical currently has two operational plants in Turkey, one of them is in İzmir.
- ✓ The plant produces liquid inks for packaging applications, a market which is forecasted to grow by 2-3 percent annually for the next several years in the EMEA region. İzmir's well-developed transportation links, highly skilled labor force and strong demand for liquid inks are the main reasons behind Sun Chemical's decision to invest in the city.

# JAPAN & İZMİR



✓ Japanese **Pigeon** owned **Lansinoh**, global **producer** of breastfeeding and **baby** supplies, has opened their production center (8,000 sqm<sup>2</sup>) in Aegean Free Zone in Izmir.



Mitsubishi Electric Corporation which operates in 43 countries with more than 138 thousand employees, officially opened its new factory for the development and manufacture of room air conditioners in Manisa close to izmir.

# JAPAN & İZMİR

- ✓ Japanese food giant, Nippon Ham, made a fast entry to Turkey. Japan firm purchased 60% of Ege-Tav, a broiler and feed manufacturer having plants in Bandırma and Izmir, for \$ 72 Million.



## *DENSO*

- ✓ **Denso Corporation** acquired 50% of **DJ Cool Klima ve Sogutma Cihazlari A.S.** operating in Izmir.

- ✓ A world leader in battery solutions, **GS Yuasa Corp of Japan**, has entered into a partnership agreement with the leading Turkish battery manufacturer, **İnci Akü** from İzmir.

## **İNCİ GS YUASA**

## **YANMAR.**

- ✓ **Yanmar Holdings Co., Ltd.** announced the opening of a representative and sales office in the Republic of Turkey. With the growth of the Turkish economy on the rise, Yanmar is currently intensifying data collection and marketing efforts in the local market to look for production opportunities.

# JAPAN & İZMİR

✓ **Toyo Ink Group**, a Japanese maker of printing inks, packaging materials, coating and polymers, has finalized a deal to acquire 75 percent of the shares of Turkish company **DYO Printing Inks** from its parent company, **Yaşar Holding**. Toyo Ink, recently announced that it would expand its Turkish venture with a new investment of \$30 million.

# TOYO INK

**Eat Well, Live Well.**



✓ **Ajinomoto Co.** agreed to acquire all of the shares of Örgen Gıda Sanayi ve Ticaret A.Ş. (“Örgen”), a major food company in Turkey, and the trademark for its brand *Bizim Mutfak*, which is widely sold in Turkey, for a total of approximately 220 million Turkish Lira (TRY) (approximately JPY 7.4 billion).

✓ **Yusen Logistics** decided to merge with İnci Logistics from İzmir.



## **WHY** Japanese companies rushing to **Turkey** to invest


- ✓ Turkey's large population with increasing disposable incomes makes it a lucrative market for Japanese products that are produced in Turkey, such as automobiles, air-conditioners, consumer electronics and so on.
- ✓ Turkey's economy continued to grow with 7.4 percent in 2017 & became one of the best performing countries in the world. Turkish economy grew 7.4 percent in first quarter of 2018 as well.
- ✓ Free Trade Agreement between the two countries is about to be signed.
- ✓ Turkey is at a central position at the crossroads of several subregions, which makes it attractive as a production hub. For instance, Toyo Ink has planned to invest in Turkey "as a production hub for Eastern Europe, Russia and the Turkic republics, Middle East, the entire African continent and Western Asia."
- ✓ For those Japanese ventures that export their products to Europe, Turkey offers the additional advantage of having a customs union with the European Union, which makes it possible for these companies to export their products on a tariff-free basis.


## **WHY** Japanese companies rushing to **İzmir** to invest


- ✓ İzmir offers both a high quality life and a competitive standard of living for Japan companies.
- ✓ Having significant ports, İzmir is a distribution center for major global markets.
- ✓ Presence of other global Japanese companies
- ✓ Qualified personnel with less salaries compared to İstanbul.


 WHY IZMIR


 SECTORS

 INVESTMENT AREAS

 SETTING UP IN IZMIR

 INCENTIVES

 SUCCESS STORIES

 ABOUT US

The second fastest growing metropolitan area in the world

WHY IZMIR?



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[www.twitter.com/izmirkalkinma](https://www.twitter.com/izmirkalkinma)

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