

TURKEY'S MODEL OF EXCELLENCE «AEGEAN FREE ZONE»



- A Free Zone is an area inside a country's borders but considered to be outside the customs area.
- The purpose of the area is to encourage exports by offering special incentives for commercial and industrial activities.



Basic Objectives of the Free Zones in Turkey



Developing international trade



Accelerating foreign direct investment



Technology access and employment



Promoting export oriented investment and production



Directing enterprises towards export

Free Zones in Turkey



Types of Operating License



Manufacturing



Trading



Assembly-Disassembly



Maintenance



Others (Banking, Consulting)



100% Corporate Tax Exemption for manufacturing companies



100% Income Tax Exemption on employee's salaries for manufacturing companies which export 85% or more of their products



No Customs Duties for goods, equipment and machinery brought into the Zone.



Opportunity to buy Turkish products at export prices without the Sales and Value Added Tax



Special Consumption Tax Exemption



Stamp Taxes, Tariffs and Duties Levied Exemption



Resource Utilization Support Fund (RUSF) Exemption



Withholding Tax Exemption

 **Manufacturing**

- Corporate Tax %22
- Income Tax* %15-35
- Value Added Tax
- Customs Duties
- Special Consumption Tax
- Stamp Taxes, Tariffs and Duties Levied
- Resource Utilization Support Fund (RUSF)
- Withholding Tax

* Minimum %85 export

Assembly-Disassembly, Maintenance

- Corporate Tax ** %22
- Value Added Tax
- Customs Duties
- Special Consumption Tax
- Stamp Taxes, Tariffs and Duties Levied
- Resource Utilization Support Fund (RUSF)
- Withholding Tax

** %100 export

Trading

- Value Added Tax
- Customs Duties
- Special Consumption Tax
- Stamp Taxes, Tariffs and Duties Levied
- Resource Utilization Support Fund (RUSF)
- Withholding Tax

Comparison of the Tax Rates with Other Countries

Countries	Total Tax Rate	# of Different Taxes	Profit Tax		Labor Tax		Other Tax	
Turkey	41,1	11	1	18,2	1	19,9	9	3
USA (NY)	45,8	11	2	27,1	4	10	5	8,7
Hungary	46,5	11	2	9,9	2	34,3	7	2,3
Italy	48	14	2	19,5	1	43,4	11	1,9
Germany	48,9	9	2	23,2	1	21,4	6	4,3
Japan (Tokyo)	47,4	14	3	24,6	2	18,5	9	4,3
Morocco	49,8	6	1	25,1	1	23,3	4	1,4
Czech Republic	50	8	1	9,1	2	38,4	5	2,5
India (Delhi)	55,3	13	1	23,5	4	20,4	8	11,4
China (Shanghai)	67,1	9	3	11,1	1	47,6	5	8,4
France	62,2	9	1	0,7	2	51,1	6	10,4

Source : Paying Taxes 2018 Report - Pwc



About Aegean Free Zone



Founded
in 1990



Built
Operate
Transfer
System



First in
Private
Sector



2.200.000 m²



176
Investor



21.158
Employment



600.000 m²
Expansion
Area



23.000
Goal for
Employment



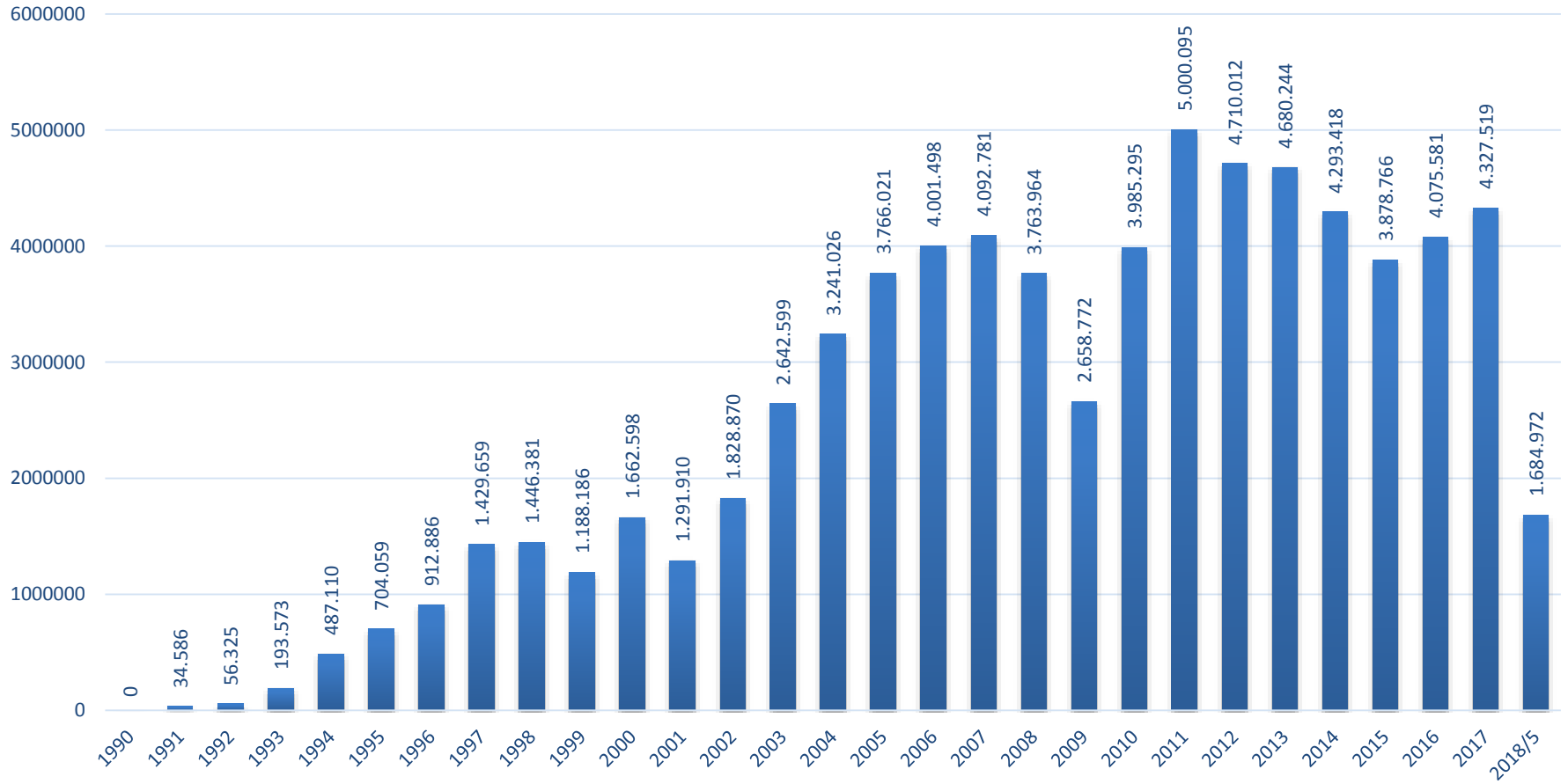
- Developed and Operated by ESBAS (US Company)
- 530 Employees On-Site
- Shareholders
 - EAC International (USA)
 - Aegean Region Chamber of Industry
 - İzmir Chamber of Commerce
 - İzmir Metropolitan Municipality
 - Ministry of Finance
- Certificates
 - ISO 9001 Quality Management System Certificate
 - ISO 14001 Environmental Management System Certificate
 - OHSAS 18001 Occupational Health and Safety Management System Certificate
 - ISO 22000 Food Safety Management System Certificate
 - EFQM Management Systems





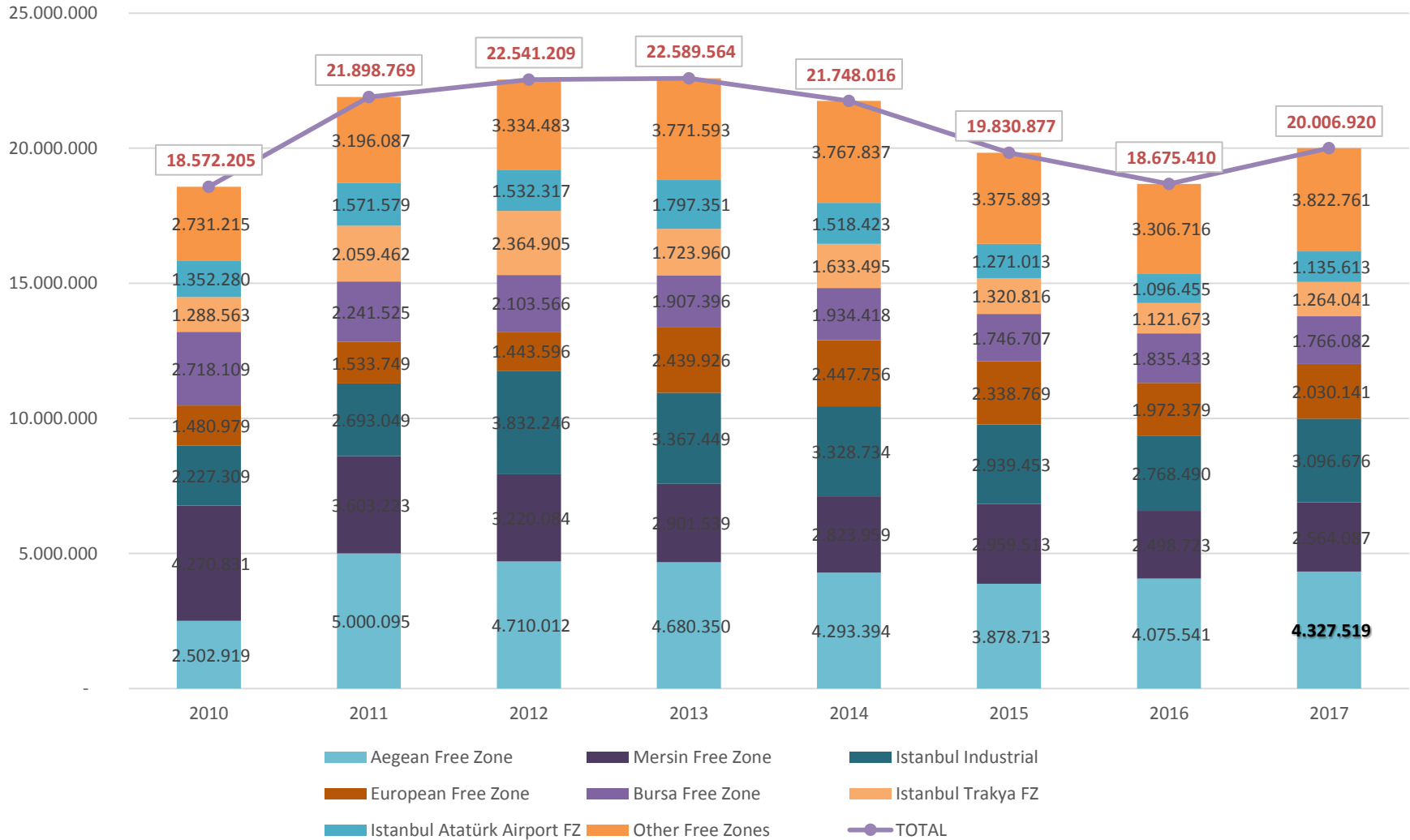


Aegean Free Zone Trade Volume [1000\$]



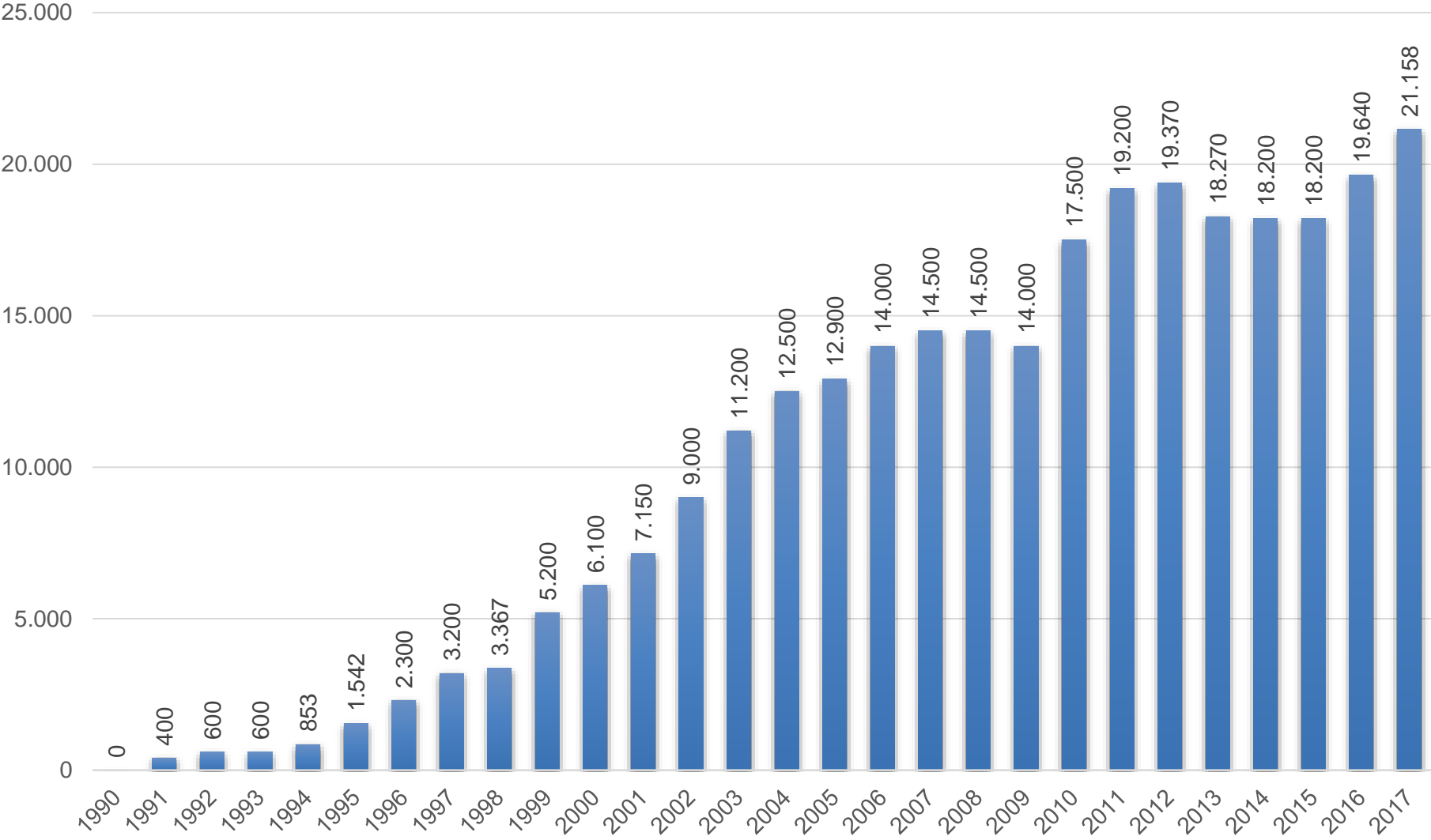
TOTAL	YEAR
0	1990
34.586	1991
56.325	1992
193.573	1993
487.110	1994
704.059	1995
912.886	1996
1.429.659	1997
1.446.381	1998
1.188.186	1999
1.662.598	2000
1.291.910	2001
1.828.870	2002
2.642.599	2003
3.241.026	2004
3.766.021	2005
4.001.498	2006
4.092.781	2007
3.763.964	2008
2.658.772	2009
3.985.295	2010
5.000.095	2011
4.710.012	2012
4.680.244	2013
4.293.418	2014
3.878.766	2015
4.075.581	2016
4.327.519	2017
1.684.972	2018/5
72.038.706	TOTAL

Annual Trade Volume of the Free Zones in Turkey [1000\$]

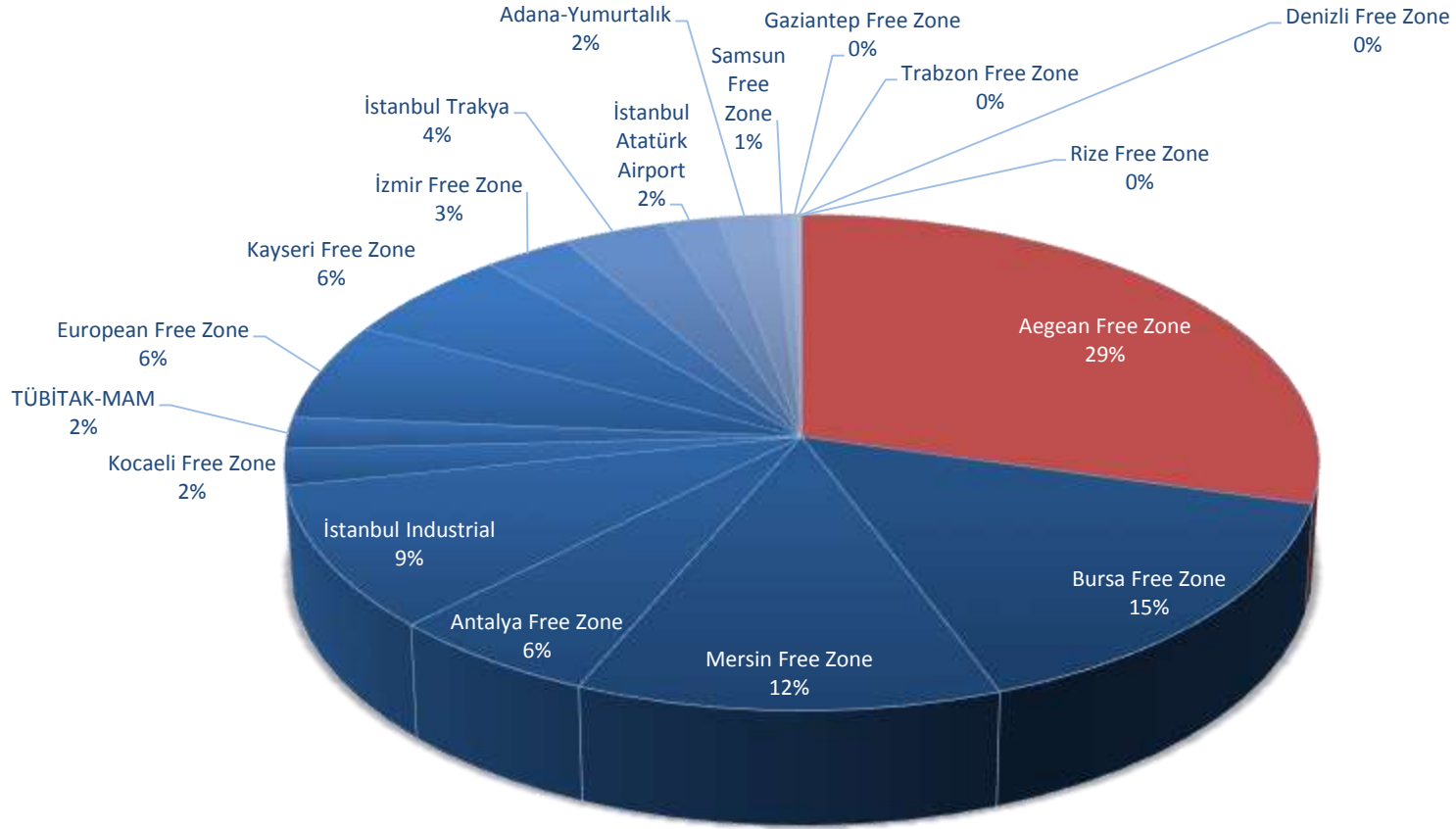


Source: Ministry of Economy

Aegean Free Zone Employment

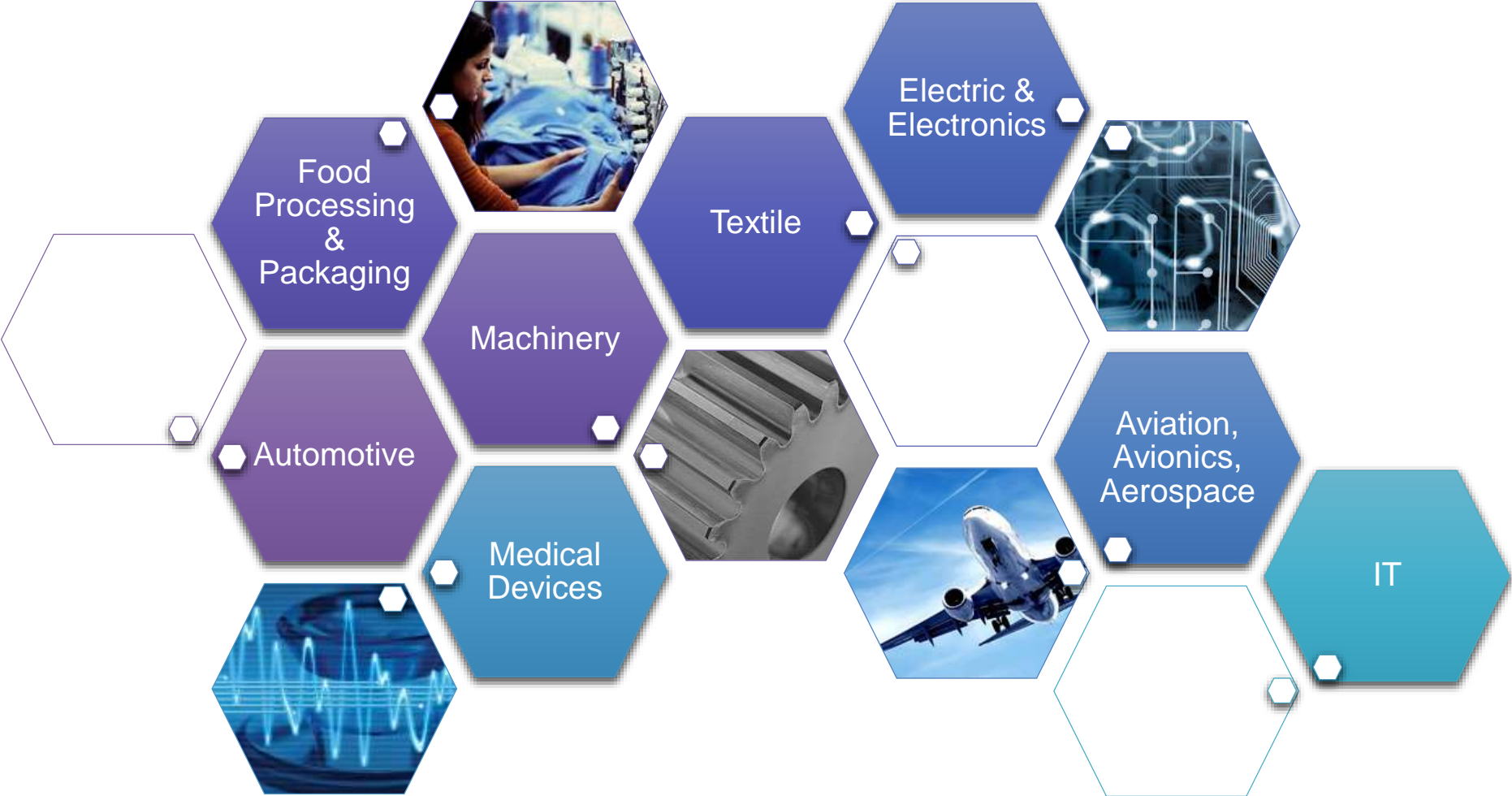


Employment of the Free Zones in Turkey

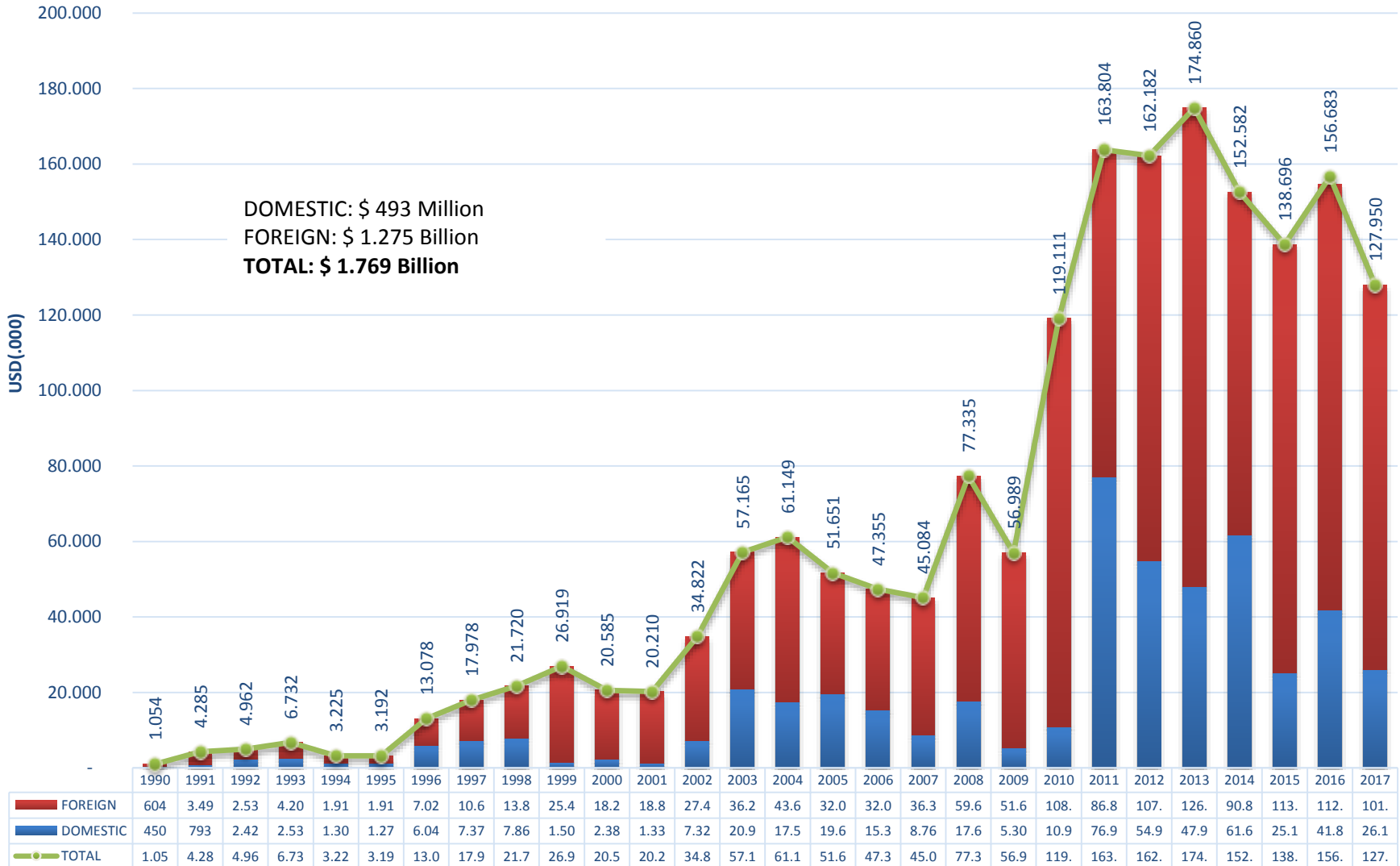


Total employment is 66.984 persons

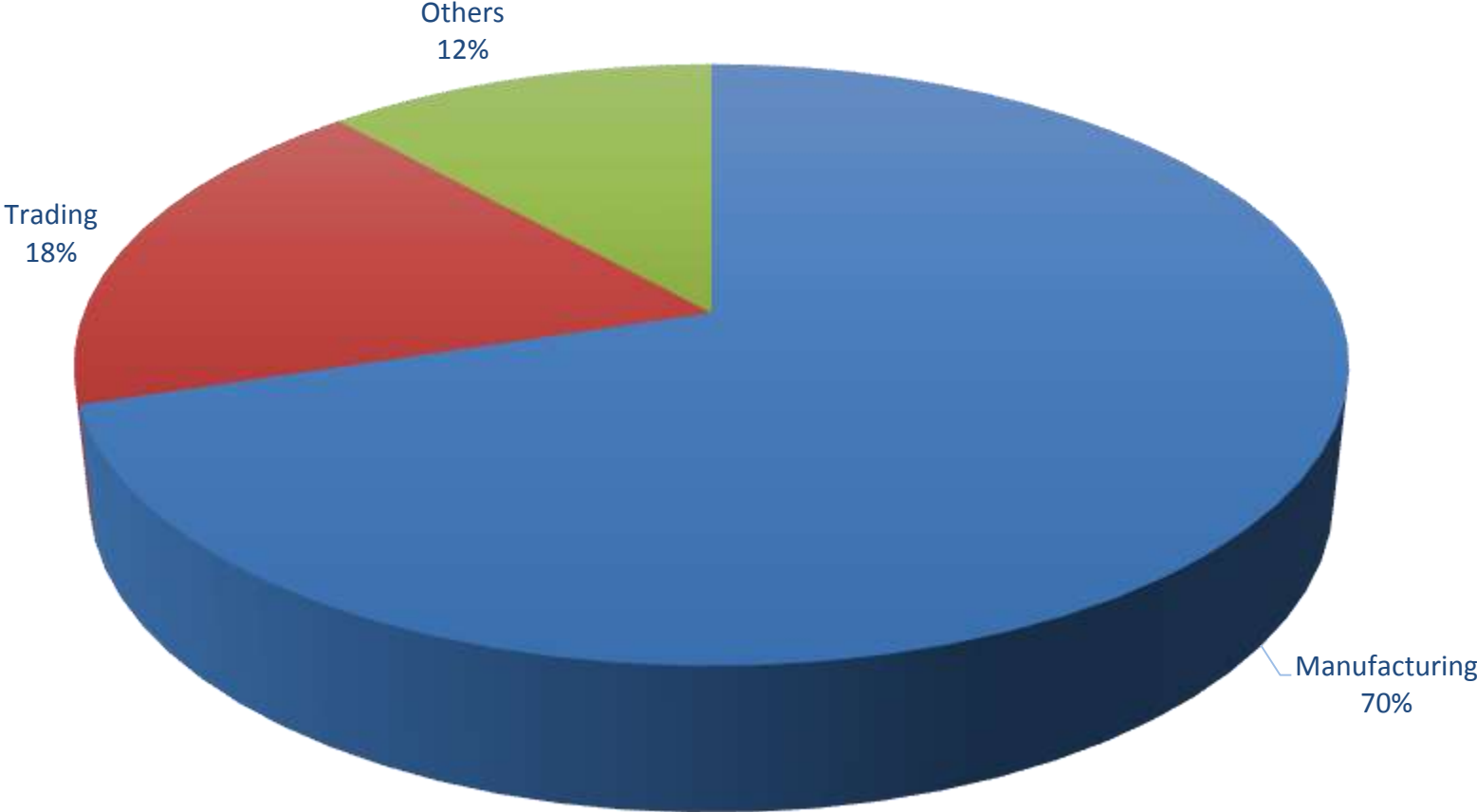
Prominent Sectors at the AFZ

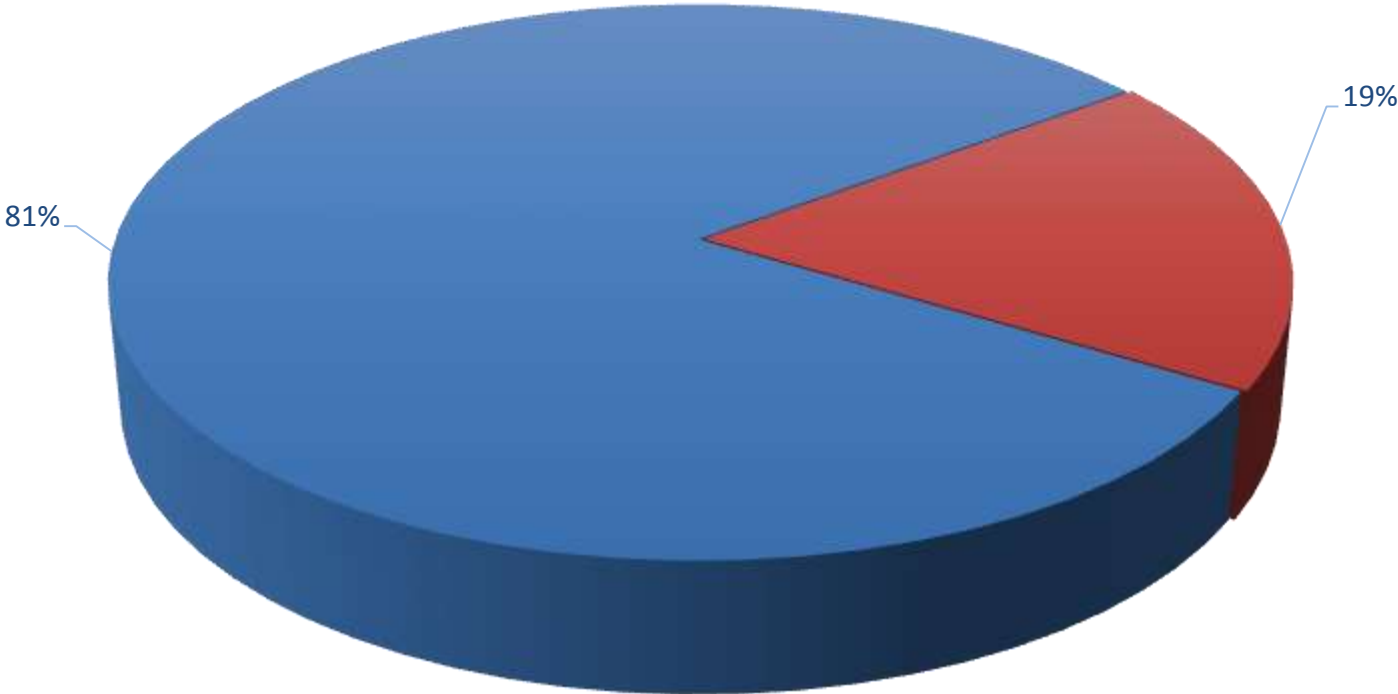


Aegean Free Zone Total Investment Volume [1.000\$]



Dispersion of User Companies





■ FOREIGN INVESTORS ■ DOMESTIC INVESTORS

FOREIGN INVESTORS : 74
DOMESTIC INVESTORS : 102
TOTAL : 176

Some of the Leading Multinational Companies



Hugo Boss

Germany

(Manufacturing men's apparel)



Delphi Diesel

USA

(Manufacturing injector nozzles, valves and pump parts for diesel motors)



FTB Lisi Aerospace

France

(Manufacturing air craft fasteners)



Gates

USA

(Manufacturing tensioners and oil pump parts)



Safe Spice

England

(Spice sterilization and packaging)



Aero

Germany/Netherlands

(Manufacturing wind turbine blades for wind energy power plants)

Some of the Leading Multinational Companies



Eldor Electronics

Italy

(Producing ignition coils and bobbin of ABS braking systems)



PFW

Germany

(Manufacturing aviation fuel tanks and tubes)



Mahle

Germany

(Manufacturing pistons and cylinder liners)



Fokker Elmo

Netherlands

(Manufacturing wire harnesses for aircrafts)



Kale – Pratt & Whitney

Turkish/U.S.A.

(Manufacturing Aircraft engine parts)



DEZEGA

Ukraine

(Manufacturing respiratory protective equipment)

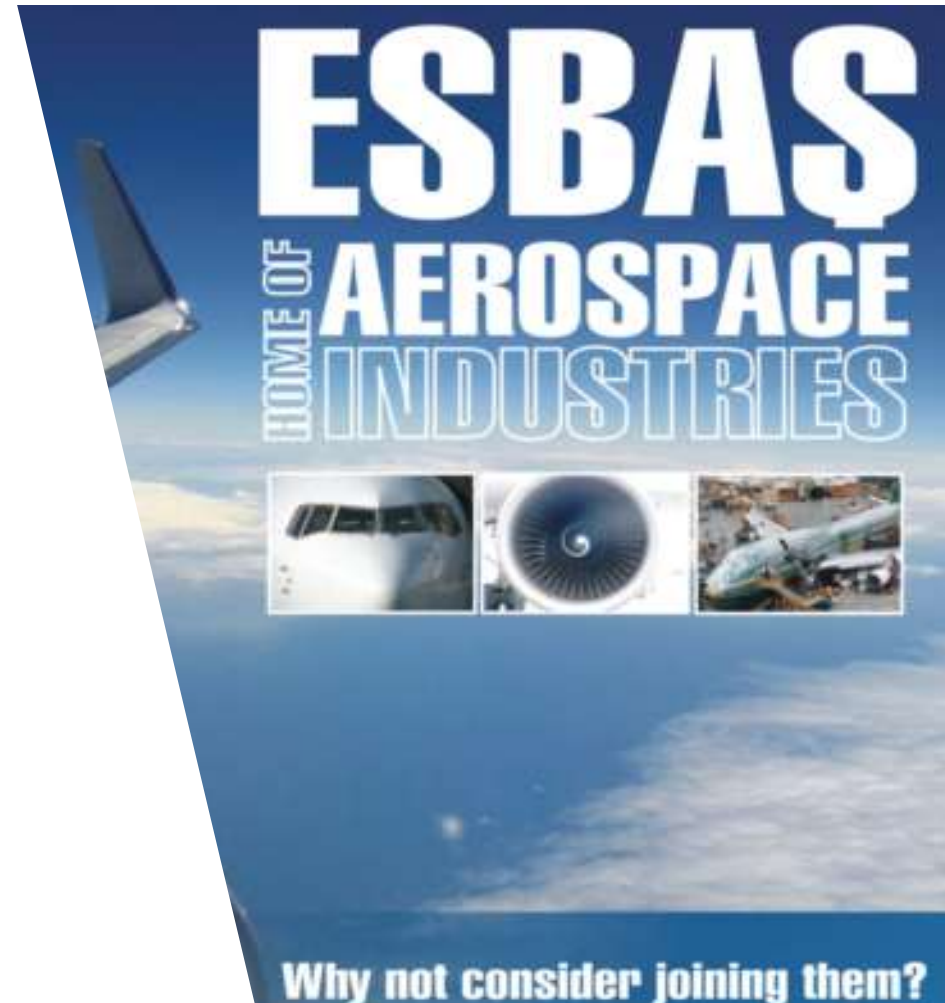
Pigeon – Lansinoh in AFZ



Pigeon – Lansinoh in AFZ



- ESBAŞ has organized nearly 50 national and international conferences since 2001.
- We have hosted approximately 9.000 guests through its organizations to date.
- Turkey's first Aerospace Clustering Association-ACA established as a result of ESBAŞ's initiative.
- Izmir's first aerospace sector specific technical school "Aircraft Technologies Technical School" established in cooperation with the Ege University.



- Space Camp Turkey is one of three space camps in the world which have brought together more than 200,000 young people from 60 countries.
- As a space and science education center, Space Camp Turkey is primarily focused on motivating young people from around the world to pursue careers in science, math, and technology.
- Through interactive, space-related simulations, both youth and adults learn about communication, teamwork, and leadership in a dynamic, fun-filled environment.



Some of the Corporate Social Responsibility Projects



KİT-VAK Guest House Building Construction



Gaziemir Women Counseling Center



Gaziemir Sports Hall



TEC Project



DLD Sparking Project



Gaziemir Health Village Project

Aegean Free Zone Occupancy Rate



550 Acres (220 Hectares)

99% FULL



A New Opportunity





















ありがとうございました。

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