

# INVESTMENT OPPORTUNITIES IN DIYARBAKIR







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#### POPULATION

**12**<sup>th</sup> biggest population in Turkey





#### AGRICULTURE

- \* Diyarbakır, with its **576.064** hectares agricultural land, ranks **7**<sup>th</sup> in Turkey.
- \* Diyarbakır has **5** % of Turkey's economically **irrigable** agricultural land.
- \* Diyarbakır ranks the 5<sup>th</sup> with the share of 8 % of cotton production in Turkey.
- \* Diyarbakır ranks the 5<sup>th</sup> with the **1,4 million tones** (share of 4 % in Turkey) of cereal production in Turkey.

### **EXPORT**



\* In 2014, Diyarbakır had **264 Million** \$ export to **61** countries, mainly Iraq; and it is expected to reach to **500 Million** \$ export volume in the next **5** years.



### GAP



Diyarbakır is one of the main city of **Southeastern Anatolia Project (GAP)**.

### DEVELOPMENT



Diyarbakır is determined as one of the "Regional Growth Center" in the National Strategy for Regional Development.





Diyarbakır Airport, with its **1,8 million** passanger, ranks **11**<sup>th</sup> in Turkey.

**5 million** passenger capacity new terminal building, will be opened by the end of 2015. And Direct international flights will begin.



# YOUNG, DYNAMIC AND COMPETITIVE LABOUR FORCE



- **12**<sup>th</sup> biggest population in Turkey
- Average age is **21,9** in Diyarbakır while it is **30,7** in Turkey.
- According topopulation projection for 2023, Diyarbakır will be the 11th largest population in Turkey

Years	2014	2015	2017	2019	2021	2023
Diyarbakır	1.635.048	1.661.074	1.707.231	1.753.156	1.798.521	1.842.923
Turkey	77.695.904	78.151.750	79.766.012	81.321.569	82.816.250	84.247.088





#### **DİYARBAKIR'S POPULATION PYRAMIDE** 64 % of population is under **30** years old. 90+ The working age population (15female 80-84 **65 years old)** is 993.459 people. 70-74 60-64 Age groups There are **298** thousand people 50-54 male between 20-30 years old. 40-44 30-34 20-24 There are 73 regular and 72 10-14 50.000 50.000 100.000 100.000 **Population EUROPE'S TURKEY'S POPULATION PYRAMIDE POPULATION PYRAMIDE** 90+ 90+ female female 80-84 80-84 70-74 70-74 groups Age groups 60-64 60-64 50-54 50-54 male male 40-44 40-44 Age 30-34 30-34 20-24 20-24 10-14 10-14 0-4 0-4 400.000 400.000 400.000 400.000

**Population** 

**Population** 



### **UNIVERSITY**



"A University that knowledge, civilization and tolerance come together"

- Faculty Of Economics and Administrative Sciences
- Faculty of Communication
- Faculty of Theology
- Faculty of Architecture
- Faculty of Medicine
- Faculty of Agriculture
- Faculty of Veterinary Medicine
- Ziya Gökalp Faculty of Education
- Faculty of Law
- Faculty of Dentistry
- Faculty of Pharmacy
- Faculty of Literature
- Faculty of Science

- Faculty of Engineering
  - Computer Engineering
  - Electrical and Electronics Engineering
  - Civil Engineering
  - Mechanical Engineering
  - Mining Engineering





# ORGANIZED INDUSTRIAL ZONES WITH COMPLETED INFRASTRUCTURE

#### DİYARBAKIR ORGANIZED INDUSTRIAL ZONE

Distance From City Center	22 km, 20 minutes
Total Area	721 hectares
Number of Parcels	329
Major Sectors	Textile , Food, Plastic-Chemical, Electricity Machinery, Construction Material
Fill Rate	% 75

#### DİYARBAKIR LIVESTOCK ORGANIZED INDUSTRIAL ZONE

Distance From City Center	22 km, 20 munites
Total Area	180 Ha
Number of Parcels	113
Major Sectors	Livestock
Fill Rate	% 50



# AVERAGE PRICES IN ORGANIZED INDUSTRIAL ZONES, LOGISTIC LOCATION AND TRANSPORTATION

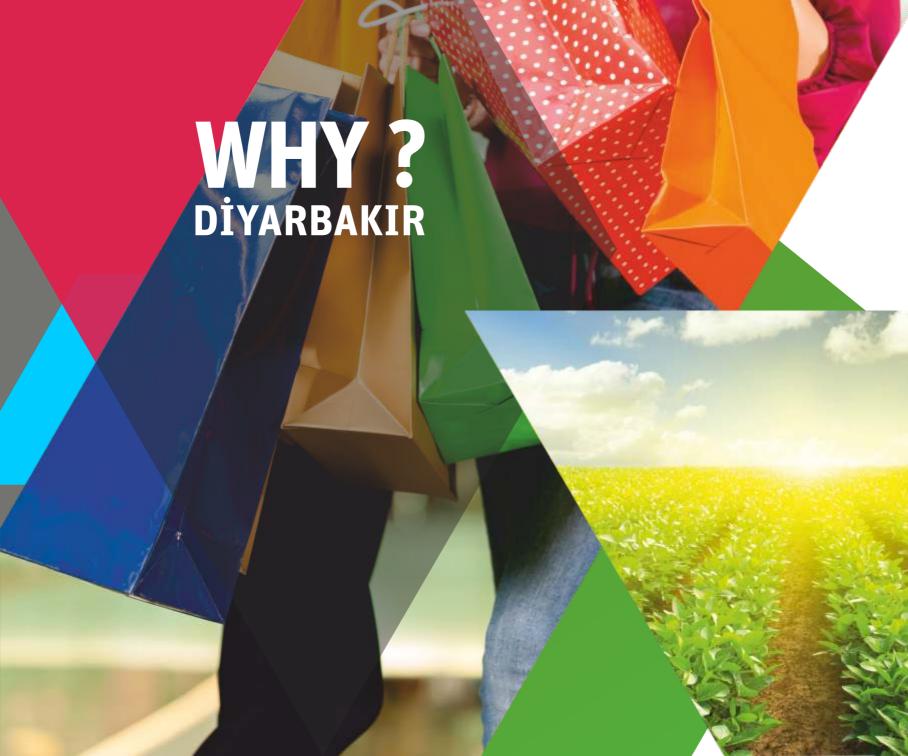
#### AVERAGE PRICES IN ORGANIZED INDUSTRIAL ZONES

	Land Price	15 TL/m <sup>2</sup>
	Electricity Price	20 Kr / KWh (Avarage)
	Water Price	1,45 TL/ton
<b>\</b>	Water Treatment Price	0,45 TL/m <sup>3</sup>
	Natural Gas Price	0,80 TL/m <sup>3</sup>
	<b>Construction Price</b>	350 TL/m² (Cost can be changed according to Construction Materials)

#### LOGISTIC LOCATION AND TRANSPORTATION INFRASTRUCTURE

**Diyarbakır,**Turkey's andEurope's
Gateway to the
Middle East

- Istanbul is 1 hour and 40 minutes, Ankara is 1 hour and 15 minutes by flight,
- Iskenderun Port is 5 hours, Mersin Port is 6 hours by Highway
- Habur border gate is 3 hours for Iraq
- Akçakale border gate is 2 hours for Syria



# STRONG DOMESTIC MARKET AND BROAD HINTERLAND

**10** *million consumers* 



\*4 hours by road from Diyarbakir with 10 million people (consumers) can be reached.

#### AGRICULTURE AND LIVESTOCK POTENTIAL

#### VALUE OF AGRICULTURAL PRODUCTION (TL)

Diyarbakır gets **3,9 Billion TL**(1,6 Billion \$) from
Agricultural Activities

Years	2003	2011	2014
Vegetable Product (1000 TL)	960.199	1.910.202	2.080.031
Live Animal (1000 TL)	289.095	1.167.267	1.454.050
Animal Product (1000 TL)	219.485	294.924	500.691
Total	1.468.779	3.372.393	3.922.225



### RENEWABLE ENERGY SOURCES

NATURAL ENERGY RESOURCES IN DİYARBAKIR

SUN POWER

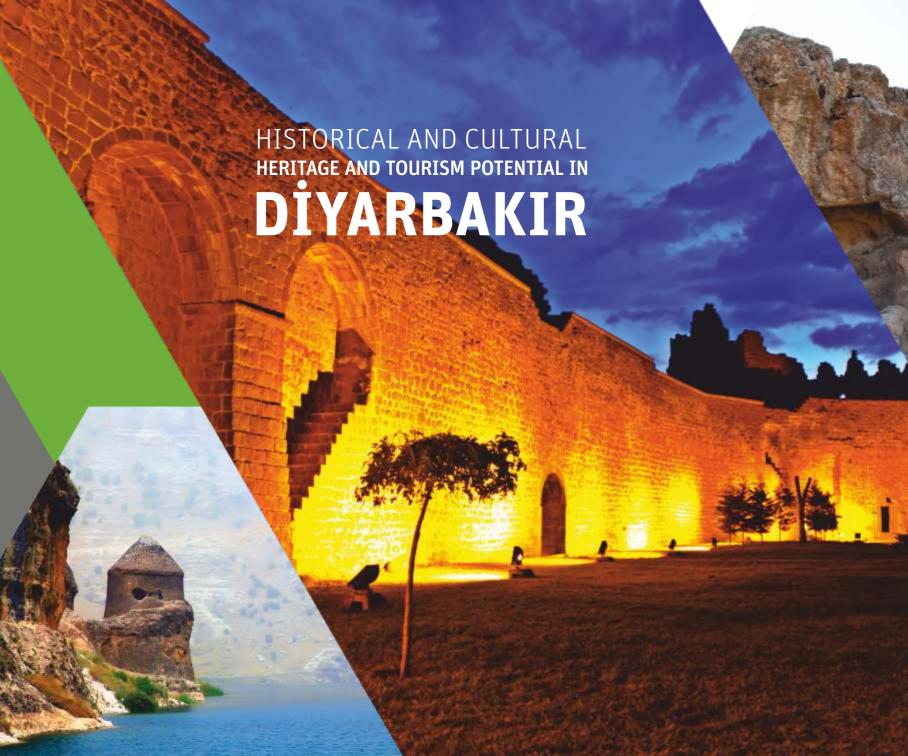
GEOTHERMAL

**BIOGAS** 

**Cermik Thermal Spring** 











### **GOVERNMENT INCENTIVES**

"Diyarbakır is located in the most supported  $\mathbf{6}$ . region according to new investment incentive program."

#### **DECREE OF CONCERNING STATE INCENTIVES TO INVESTMENTS**

The purpose of the Decree is;

- \* Steer savings into high value added investments,
  - \* Boost production and employment,
    - \* Encourage large scale and strategic investments with high R&D content for increased international competitiveness,
      - \* Increase foreign direct investments,
        - \* Reduce regional development disparities,
          - \* Promote investments for clustering and environment protection, in line with the objectives set in development plans and annual programs.

# REGIONS

## Region 1 Re

## **Region 2**

## **Region 3**

Ankara
Antalya
Bursa
Eskişehir
İstanbul
İzmir
Kocaeli

Adana
Aydın
Bolu
Çanakkale
Denizli
Edirne
Isparta
Kayseri
Kırklareli
Konya
Sakarya

Balıkesir
Bilecik
Burdur
Gaziantep
Karabük
Manisa
Mersin
Samsun
Trabzon
Uşak
Zonguldak

#### **Support Measures;**

- VAT Exemption
- Customs Duty Exemption
- Tax Deduction
- Social Security Premium Support (Employer's Share)
- Income Tax Withholding Exemption (Only in 6<sup>th</sup> Region 10 Years)
- Social Security Premium Support (Employers)
   Share) (Only in 6<sup>th</sup> Region 10 Years)
- Interest Rate Support
- Land Allocation

Yalova

For an investment to be eligible to benefit from support measures, the minimum fixed investment amount should be **500,000 TL** in 6<sup>th</sup> Region (Diyarbakır)





Investment machinery and equipment imported and/ or locally provided within the scope of the incentive certificate will be VAT exemption.



Investment machinery and equipment imported within the scope of the incentive certificate will be customs duty exemption.



Investment machinery and equipment imported within the scope of the incentive certificate will be customs duty exemption. If your company is working in Turkey and invests in Diyarbakır, instantly your existing company can benefit tax reduction till the 80% of total tax reduction amount during the investment period. The minimum 20% of tax reduction amount should be applied in operation period. So investors can use tax money in their investments instead of paying to Government.

#### PERIOD RATES IN REGIONAL INCENTIVE IMPLEMENTATIONS

REGIONAL INCENTIVE APPLICATION		APPLICABLE CONTRIBUTON RA	OPERATION PERIOD		
Regions	Contribution Rate	Annual Tax	Investment	Operation	
to Investment (%)		Deduction Rate (%)	Period (%)	Period (%)	
1	15	50	50	50	
2	20	55	55	45	
3	25	60	60	40	
4	30	70	65	35	
5	40	80	70	30	
(DİYARBAKIR) <b>6</b>	50	90	80	20	

Contribution Rate to Investment is **55 (%)** in OIZ

SOCIAL SECURITY PREMIUM SUPPORT (EMPLOYER'S SHARE)

The Ministry of Economy will assume the costs associated with the social security premium, to be paid by the Employer for the new staff, in the amount corresponding to the legal minimum wage.

Regions	Investments started before Dec. 31st 2014	Investments started after Jan. 1st 2015
1	2 Year	-
2	3 Year	-
3	5 Year	3 Year
4	6 Year	5 Year
5	7 Year	6 Year
(DİYARBAKIR) <b>6</b>	10 Year	7 Year

In 6th Region, Support will be applied **12 years** if the investment will be in OIZ.

# INCOME TAX WITHHOLDING EXEMPTION

The withholding tax imposed on the income tax of employees will not be levied for new staff employed within the scope of the investment. This support will be available for the investments in Region 6 only **(10 Years).** 

## SOCIAL SECURITY PREMIUM SUPPORT (EMPLOYER'S SHARE)

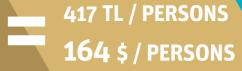
The Ministry of Economy will assume the costs associated with the social security premium, to be paid by the Employee recruited for the new investment, in the amount corresponding to the legal minimum wage. This support will be available for the investments in Region 6 only **(10 Years).** 

# Labor Costs in Diyarbakır With Introduction of New Incentive Program

SOCIAL SECURITY PREMIUM SUPPORT (EMPLOYER'S SHARE)







Normally minimum salary net cost of one person is about 1.200 TL (600 \$).

After new incentive system net cost of one person will be 850 TL (425 \$) to employer in Diyarbakır

Employees	Support Amount Person/Month	Duration of Support (Month)	Total Support
10	417 TL	120	500.400 TL
20	417 TL	120	1.000.800 TL
50	417 TL	120	2.502.000 TL
100	417 TL	120	5.000.400 TL
500	417 TL	120	25.020.000 TL
1000	417 TL	120	50.040.000 TL

	Suppo			
Regions	For TL Loans	For Foreign Exchange Loans	Maximum Support Amount	
1	-	-	-	
2	-	-	-	
3	3 Points	1 Points	500 TL	
4	4Points	1 Points	600 TL	
5	5Points	2 Points	700 TL	
6 Diyarbakır	7Points	2 Points	900 TL	

#### INTEREST RATE SUPPORT

This support will be available for investment loans which were borrowed to finance the investment with a term of at least one year and which shall not exceed 70 % of the fixed investment amount registered on the certificate. The Ministry of Economy will pay a portion of the interest/profit share of the loan up to certain maximum limits.

# LAND

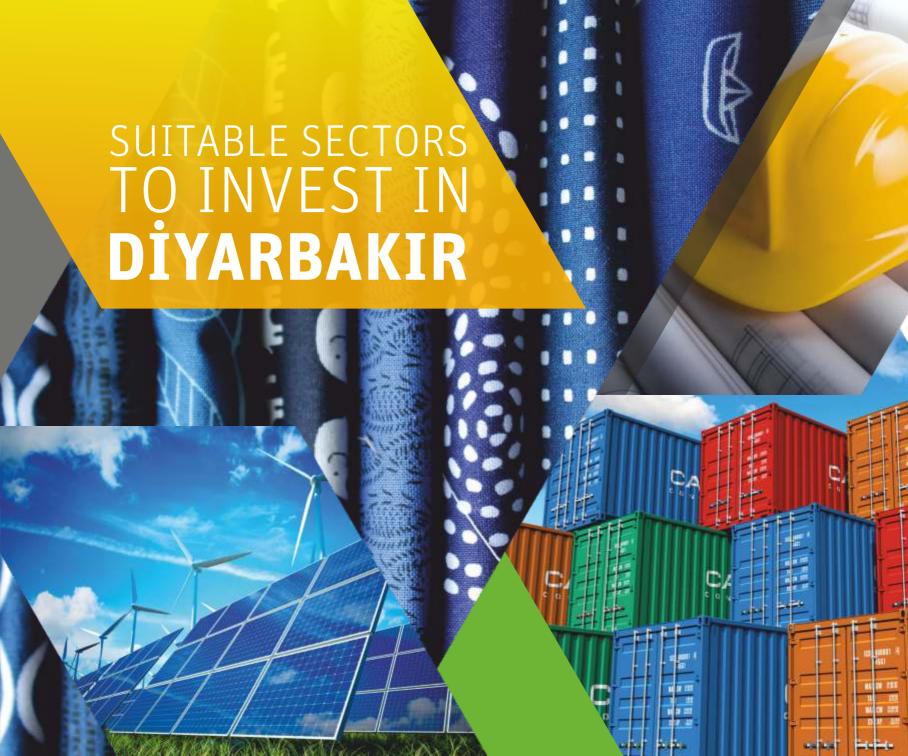
Government land will be allocated for the investments in accordance with the rules and principles of the Ministry of Finance, depending on availability of such land at the locations preferred by the investor.

# COMPARATIVE STATEMENT OF INCENTIVES

INCENTIVE MEASURES						
VAT Exemption	<b>√</b>	✓	✓	✓	✓	✓
Customs Duty Exemption	<b>✓</b>	✓	✓	✓	✓	✓
Tax Deduction (%) Out of OIZ	15	20	25	30	40	50
Rate of Contribution (%) Within OIZ	20	25	30	40	50	55
Social Security Out of OIZ Premium Support	2 Years	3 Years	5 Years	6 Years	7 Years	10 Years
(Employer's Share) within OIZ	3 Years	5 Years	6 Years	7 Years	10 Years	12 Years
Land Allocation	<b>√</b>	✓	✓	✓	✓	✓
Interest Rate Support	N/A	N/A	✓	✓	✓	✓
Income Tax Withholding Exemtion	N/A	N/A	N/A	N/A	N/A	10 Years
Social Security Premium Support (Employee's Share)	N/A	N/A	N/A	N/A	N/A	10 Years









#### RENEWABLE ENERGY

- \*Solar Energy,
- \*Biogas and Biomass,
- \*Renewable Energy
- \*Sub-Industry Products Production Facilities,
- \*Renewable Energy Sales, Technical and
- \*Engineering Services.

### CONSTRUCTION MATERIALS, CHEMICALS, PLASTIC

- \*Construction Materials and Chemicals
- \*Electrical Machines (Transformers, Panels, Electric Motors,
- \*Submersible Pump, Cable, Lighting System etc.)
  - \*Plastic Pipe & Packing Materials Manufacturing Facilities

#### **TEXTILE**

- \*Cotton Yarn Production Facilities, Yarn Dyeing Facilities,
- \*Cotton Fabric and Denim (jeans fabric) Weaving Facilities,
- \*Finishing and Dyeing Facilities,
- \*Technical and Organic Textile
- \*Production Facilities, Apparel Facilities,
- \*Nonwoven Fabric Production Facilities

#### **LOGISTIC**

- \*National and International
- \*Air Cargo Logistic Services
- \*National and International
- \*Truck Logistic Services

### FOOD PROCESSING INDUSTRY

- \*Fruit Juice
- \*Processed and Frozen Food Products
- \*Package Food (Catering)
- \*Vegetable and Animal Oil Production Facilities
- \*Fruit, Vegetable Drying and Processing Facilities
- \*Cereals, Pulses, Meat, Milk,
- \*Fish Processing and Packaging Facilities



### SPECIALIZED TEXTILE INDUSTRIAL ZONE

Diyarbakır Specialized Textile Industrial Zone will be built on 145 hectares. Its expected 7.500 people to be employed with the activation of Specialized Textile Industrial Zone







### COMPANIES INVESTED IN DİYARBAKIR

































### BANK BRANCHES IN DİYARBAKIR





YATIRIM DESTEK OFÍSÍ INVESTMENT SUPPORT OFFICE

Diyarbakır

## DIYARBAKIR INVESTMENT SUPPORT OFFICE

Diyarbakır ISO mainly;

- Coordinate and follow-up permitting and licensing and investment site process for investors in the province of Diyarbakır
- Free consulting and investment advice for investors
- Cooperate with other organizations such as Invest in Turkey Agency (ISPAT), and Development Bank of Turkey
- Promote investment opportunities in Diyarbakır nationally and internationally
- Organize meetings and matching facilities for companies and foundations
- Identify and address problems faced by investors

Votes:



# Discover the potential

### DIYARBAKIR INVESTMENT SUPPORT OFFICE

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