

TURKEY and WMR

West Mediterranean Region of Turkey offers investors unparalleled investment opportunities in a wide variety of sectors and competitive advantages thanks to its strategic location with easy access to Europe, Middle East and Asia, fast growing economy, young well-skilled population and liberal investment climate.

Turkey has a number of characteristics that makes it a unique and attractive destination for foreign investment. The country is located at the intersection of Europe, Middle East and Asia with easy access to 1.5

parta and Burdur have breathtaking lakes, ancient sites and charming landscapes. The region is rich in natural resources, a huge asset for mining, manufacturing and energy companies. There is a highly developed infrastructure with modern transportation facilities, seaports, free trade zones, technology parks and organized industrial zones.



billion customers. It has a fast growing economy with GDP at US \$ 618 billion ranking 16th in the world and an average annual growth rate of 4.3 percent over the last seven years. With almost 25 million young, well-educated workforce and a population of 73 million people, the country offers a competitive labor force and a huge domestic market. Turkey offers a liberal investment climate with incentives based on regions and sectors, strong industrial and service culture and equal treatment to all investors. There are more than 23000 companies with international capital operating in Turkey.

West Mediterranean Region comprises the provinces of Antalya, Burdur and Isparta and is located in the southern part of Turkey. The region is well known for its wonderful climate, natural attractions and historical and cultural sites. Antalya alone attracts around 10 million visitors annually from around the world thanks to its golden beaches and extraordinary climate while Is-

Area: 35.882 km2
 Climate: Mediterranean
 Natural Resources: Chrome, Aluminum, Brass – Zinc, Barite, Magnetite, Sulfur, Marble, Pumice, Lime Stone Quartz
 Time Zone: GMT + 3
 Official Language: Turkish
 Currency: Turkish Lira
 Government type: Metropolitan Municipalities
 WMR: Antalya, Burdur, Isparta
 Population: 2.864.292 (2009)
 Urbanization rate: +/- 60 percent
 Export: 890.562.000 \$ (2009)
 Import: 514.772.000 \$ (2009)
 Nr of export firm: 847 (2009)
 Main Sectors of Income: Agriculture, Tourism, Mining
 Airports: ICF Airport Antalya, SD Airport Isparta
 Major Port: Antalya Port
 Education: Akdeniz Univ. Antalya, Suleyman Demirel Univ. Isparta, Mehmet Akif Ersoy Univ. Burdur

infrastructure. The presence of logistic multinationals has enabled the transfer of know-how to local players.

Still large-scale infrastructure projects are in need, such as the building of dams and hydro electric power plants, which can provide long-term business opportunities. Moreover, there is a need for the construction of logistic centers and facilities for solid water disposals and irrigation. Trends in the logistic sector are focused on the building of long-term relationships; price-based competition; expansion of e-commerce companies; and combined transportation possibilities. The government adopted several policies to make the country's infrastructure safer and efficient. It has also provided operational advantages for industrial activities. Turkish relations with Islamic countries and possible acceptance in the EU have forced the government to cooperate with those countries and unions to reduce substantial transportation quotas, visa restrictions, and custom documentation.

REAL ESTATE & CONSTRUCTION

The high rate of urbanization in the region, the number of students, the huge number of visiting tourists, and the trade attractiveness of the region make the real estate and construction sector very promising. There is a huge demand for housing, student residences, and safe up-to-standard houses. Moreover, tourists and expats visiting the region not only stay in luxury hotels and resorts, but also buy and rent property, increasing the demand for residences and plaza buildings. The trade attractiveness of the region creates demand for offices and logistical and industrial areas.

With its wonderful climate, charming towns and villages, golden beaches, wealth of history and nature, and friendly hospitable people, the region is becoming increasingly popular with foreigners buying homes. In the region, there is a huge demand created by the increasing domestic and international tourism sector for luxury accommodations like villas, hotels, shopping centers and holiday villages. Particularly in the places where alternative tourism is offered, there is a lack of facilities accommodation. Moreover, since Isparta houses one of the largest army bases and medical facilities in Turkey, accommodation is a necessity for visitors who come to access these destinations. The increase in logistics and industrial firms in the surrounding areas also need capital investment for building and construction.

Essential legislative reforms that have been introduced make investing in the real estate market easier and more profitable. Some important amendments include changes in the Land Registry Law and Tax Law. The industry can rely on the support of a sound banking system.

MANUFACTURING INDUSTRIES

Manufacturing industries of the region are varied and still developing. The region benefits from a large quantity of raw material supply, a well skilled and technically trained workforce and a good and easily accessible location for the manufacturing of several products and items.

Some of the goods produced and producible in the West Mediterranean Region are textile and apparels, leather and leather products such as footwear, hand-made and machine-made carpets, forest products and furniture, bottled water, cosmetic and personal care products, machinery, ships and yachts.

Although the region has received many investments in its manufacturing industries from both national as well as international firms, a huge part of the production capacity and raw material availability is still unused. Due to this unused capacity, there is a need for large production plants that can operate cost-effectively, incorporation of modern technologies, research and development investments and promotion of these industries. There are regional and national incentives and also public and private sponsorship programs available for the industry.



Isparta is well known for its pumice and sulfur reserves. Burdur is one of Turkey's main marble centers. For its part, Antalya offers one of the most important metal products, Ferro Chrome. There is a huge demand for mining products from the domestic market, especially from the construction industry. Most of the region's mineral trading partners are located in Eastern Asia. In recent years, exploration and development have been on the increase along with the number of foreign investor activities, and yet, some resources are still partially developed. The potential in this sector rests on minimizing the environmental impact while reaching maximum production capacity. There is a need for policies that improve environmental awareness and sustainable development, improve the infrastructure for research and development, increase efficiency, and improve the quality of the working environment. Since the sector has not received as much FDI as its potential calls for, the government has been encouraging mineral exports as well as domestic and foreign private mining investments. Large state owned conglomerates are being privatized. These state actions result in layoffs and closure of inefficient operations.

ENERGY

The location, climate and geology of the region are perfect for clean energy resources. The high amount of annual sunny days offers good potential for solar energy plants; also wind farms and hydroelectric plants have great potential in the region. Currently, Antalya has four dams, of which two are used for electricity generation. Burdur has eight dams of which two are used for electricity generation, and two dams will be constructed in the near future; Isparta has 19 dams of which seven are used for electricity generation.

The Turkish Electricity Transmission Company estimates that Turkey's demand for electricity will increase at an annual rate of six percent between 2009 and 2023. The increase in demand will stimulate a rise in long-term substantial investments made by the private sector. A lively investment environment and a well organized and structured legal framework offer foreign companies possibilities such as Greenfields investments; entering into partnerships with local market players; acquisition of state- and privately-owned companies; and, investments in continuous development, equipment production and maintenance of plants and firms.

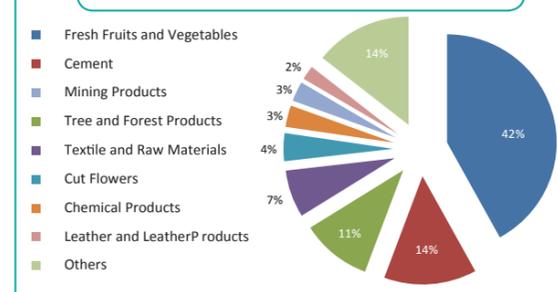
The Turkish government encourages investors to

implement energy projects in Turkey through new incentives in renewable energy. A Feed-Inn tariff will accelerate investment projects in the coming years. Moreover, the privatization of regional distribution companies and transitions towards a competitive market structure, market liberalization, correct implementation of regulation and, easier financing possibilities make the energy sector one of the most promising and attractive areas for investment.

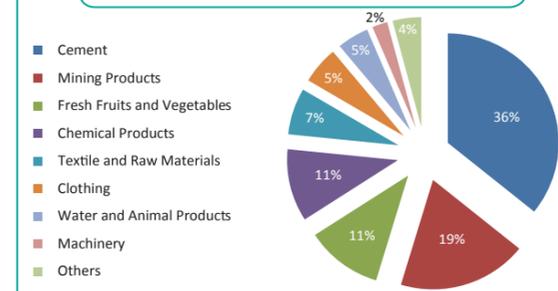
INFRASTRUCTURE, LOGISTICS and TRANSPORT

With two airports open for domestic and international flights, the geo-strategic importance of the Mediterranean Sea in the south open for cargo traffic and the modernization of roads and railways crossing through, the region is very well advanced in its infrastructure. In recent years, airports, ports, railways and roads have been the major areas of investment in terms of

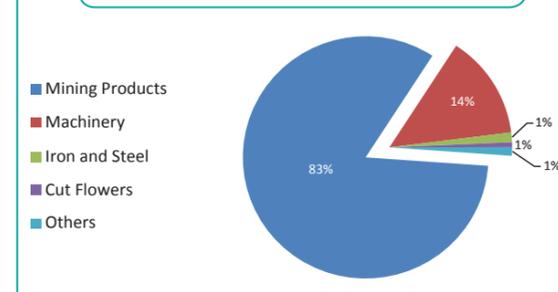
ANTALYA EXPORT BY SECTORS IN 2009



ISPARTA EXPORT BY SECTORS IN 2009



BURDUR EXPORT BY SECTORS IN 2009



KEY ECONOMIC SECTORS:

TOURISM

In the region, there is a fast-growing market for all sorts of tourism and the number of tourists is rising every year. The West Mediterranean region of Turkey offers an excellent coastline, a wide range of natural attractions, unique historical and archeological sites, and a suitable Mediterranean climate.

Antalya is known as the center of Turkey's tourism industry, offering seaside tourism to 30 percent of tourists visiting Turkey annually. Burdur and Isparta have great potential with their wide range of natural attractions, and unique historical and archeological sites. The West Mediterranean climate makes it possible to enjoy tourism 12 months a year.

The region has huge, unutilized potential not only in coastal tourism but also in various other types of tourism, including rural and eco tourism, health and medical tourism, sports and alternative tourism, and not to forget winter tourism. Antalya is emerging as an important city for cruise tourism. Furthermore, it offers an excellent location for congress tourism. Broad experience in the hospitality sector, a well-trained young workforce, and strong government support such as incentives for tourism development offered at attractive rates, make the tourism sector in the region a convenient investment environment.

AGRICULTURE, LIVESTOCK, And AGRIBUSINESS

The region's favorable geographical conditions, fertile soil and suitable climate have positive effects on the field of agriculture and related businesses. The region is self-sufficient in terms of its domestic food demand. A large portion of the land is arable, and there is an ample potential for the production of fruits and vegetables; cereals and pulses; aromatic and medicinal plants; and, livestock.

The agricultural sector has been and still is a large employer and a major contributor to the GDP of the region. The workforce has a long history in production and is well-skilled and hard working. The region is dominant in the production and trade of agricultural products; its main export partners are the US and Europe for products such as dried fruits, and

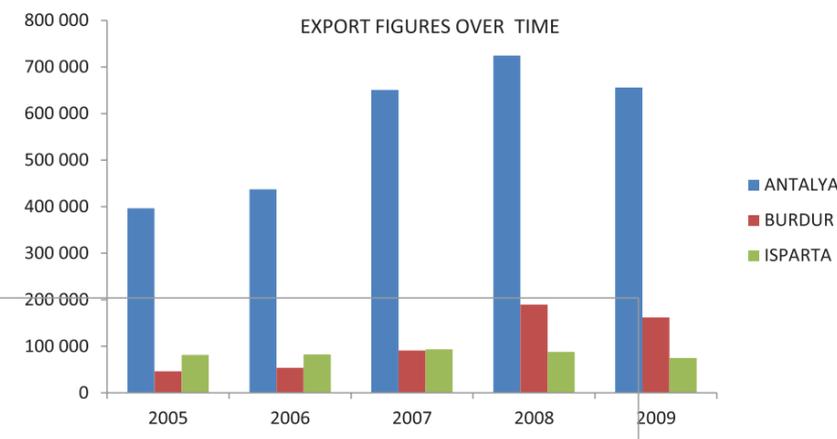
the Middle East for fresh fruit and vegetables, meat and cereals. The food industry is up to international standards and very well developed.

Agricultural resources here are vast and offer considerable potential for expansion. Potentials lay in

organic cultivation; plant extraction for perfume and cosmetics, flavoring and coloring; processing industries, such as freezing, drying, storing and packaging; the management of water and irrigation systems; and, greenhouses. Products that are produced on a large scale in the region are fruits and vegetables, cut flowers, medicinal and aromatic plants, grains and pulses, cattle, poultry and fishery. Antalya covers 85 percent of Turkey's total Greenhouse production, about 150 000 hectares mainly used for fruits, vegetables and cut flowers. Of the total agricultural production in Burdur, grains and pulses - such as wheat, barley and chickpeas - have the biggest share with an annual production of 300 000 ton. Isparta is well-known for its fruit production of apples and cherries as well as thyme. Moreover, all of Turkey's rose oil production takes place in Isparta and covers 50 percent of the world demand for rose oil. Restructuring efforts and reforms like privatization and the reduction of trade barriers in recent years have made the sector even more attractive. The state and local governments use incentives to encourage farmers to adopt modern techniques.

MINING

Due to its highly varied geology and good climate for mining, the region hosts several minerals and metals. Although the WMR provinces have extensive experience in production, mining has only become a major interest since 2000. The region has seen an increase in exports of almost 300 percent in the last decade.



in US dollars, Source: Turkish Statistical Institute

-  Cruise tourism
-  Yacht building
-  Medical and aromatic plants
-  Greenhouses
-  Citrus fruits
-  Marble
-  Machinery
-  Packaging
-  Meat and Milk products
-  Leather
-  Cosmetics

-  Health tourism
-  Congress tourism
-  Sports tourism
-  Ecotourism
-  Culture tourism
-  Food and Beverage
-  Logistics
-  Solar Energy
-  Gift and toy manufacturing
-  Ornamental plants
-  Medical devices
-  Furniture

