

Industrial Zones

The objective of the industrial zone implementation is to provide sites suitable for large scale and technology intensive investments. These zones are described as manufacturing areas created by equipping land which have authenticated boundaries with the required infrastructure facilities to encourage investments, to direct Turkish workers in overseas countries to invest their savings in Turkey, and to increase foreign capital inflow, and which are allocated to industries to be used for the specific purposes only.

Definition of industrial zones

In the Industrial Zones Regulation under Industrial Zones Code No. 4737 promulgated in the Official Gazette No. 26645, dated January 19, 2002, Industrial Zones are defined as:

'Manufacturing areas created by equipping land having authenticated boundaries with the required infrastructure facilities to encourage investments, to direct Turkish workers in overseas countries to invest their savings in Turkey, and to increase foreign capital inflow, and which are allocated to industries to be used for the specific purposes only. Currently, there are no declared Industrial Zones.

The Establishment of industrial zones

The Industrial Zones Coordination Board chaired by the Undersecretary of Prime Ministry has been set up to identify the areas for the establishment of Industrial Zones under the relevant regulations. Industrial Zones will be established by a Decree of the Council of Ministers, after assessing the requests received from potential investors, in the areas to be identified by the Board upon the recommendation of the Ministry of Industry and Trade. The land declared as an industrial zone will be expropriated and registered in the name of the Treasury and designated by the Ministry of Finance for use as an industrial zone. Expropriation costs for the establishment of industrial zones, and expenses for establishing their infrastructure, will be covered by the funds set aside for this purpose in the budget of the Ministry of Industry and Trade. Any interested investor, however, at the discretion of the Ministry, will be able to pay the cost of the expropriated land declared as an industrial zone,.

Investments in industrial zones

Upon application to the Ministry, a preliminary allocation will be made to domestic and foreign individuals and corporate bodies wishing to invest in industrial zones. However, an applicant company which has an investment permission by a positive Environmental Impact Assessment (EIA) decision or by a decision stating EIA is not required, must pay to the Central Accounting Office of the Ministry a sum to be determined by the Council of Ministers, in a figure not to exceed **.005%** of the fixed investment amount, before the required consents are granted. All the required consents for operations, including authorizations, permits and easement, will be given within **fifteen days of the application**, under a positive EIA decision, or a decision that EIA is not required, without any further action on the part of the relevant applicant. All the transactions cited above will be completed within a period of three months.

It will be possible to expropriate land declared as an industrial zone at the discretion of the Ministry of Industry and Trade in compliance with the law, through the payment of the expropriation cost by the relevant investor. If the expropriation cost of the land declared as an industrial zone is covered by the budget of the Ministry of Industry and Trade the investor must pay the worth of the real estate to get the easement of it; else if the appropriation cost is paid by the investor the easement of the real estate will be granted without any payment.

Industrial zones for individual investment

Areas deemed appropriate by the Ministry of Industry and Trade can be allocated as investment sites by the Council of Ministers upon the application of domestic and/or foreign individuals or corporate bodies for the realization of an individual industrial investment with certain qualifications provided that:

- the sum of the investment to be realized will be a **minimum of seventy-five trillion New Turkish Lira**,
- the intended investment should be one of the high technology investments indicated in the development plans,
- and the investment site should be at least **one hundred fifty thousand square meters**.

Investment Support for industrial zones

All the support implemented for investments in OIZs under Code No. 5084 'Regarding the Encouragement of Investment and Employment; and the Amendment of Certain Acts'; and the Council of Ministers Decree No. 2002/4367 regarding Government Subsidies, will also apply to investments in IZs.

The Council of Ministers shall be authorized to decide on the type of incentives applicable under the Investment Incentive Decree for investments by individuals and corporate bodies starting up operations for the first time in industrial zones. The Council of Ministers will also decide on the overall implementation method and on the scope of incentive for different types of investment.

For more detailed information you can visit the website, Ministry of Industry.