



AVRUPA SERBEST BÖLGESİ

EUROPEAN FREE ZONE

FREE ZONE CONCEPT

Free Zone Incentives Offered to Investors by Law no. 3218 and Free Zone Legislation

- Free zones are defined as special sites within the country but deemed to be outside of the customs borders and they are the regions where the valid regulations to foreign trade and other financial and economic laws are not applicable.
- Free zones are also the regions where more convenient business climate is offered in order to increase trade volume and export for industrial and commercial activities as compared to the other parts of country



FREE ZONE CONCEPT

Organization Chart

Undersecretariat of
Foreign Trade
General Directorate of
Free Zones

Free Zone Director

Customs Directorate

**Customs Control
Directorate**

**Free Zone Founder &
Operator Co. (ASB)**

FREE ZONE CONCEPT

Types of Free Zones

1- Semi-Private Free Zones

In these free zones, the land is owned by state and operator company can rent places and operate the zone.

2- Private Free Zones

In these free zones, the land is owned by the operator company and along with the operation of the zone, operator company can sell places to it's investors.

European Free Zone is a private free zone and operated by Sahinler Holding, which is one of the most reputable and reliable companies in Turkey.



FREE ZONES IN TURKEY

Some key numbers in Turkish Free Zones

24,5 Billion \$

Trade volume of Turkish Free Zones

650

Number of FDI companies

830

Production Companies

50.000

Number of directly employed people

3700

Approx. Number of companies

FREE ZONES IN TURKEY

Operation Types

Any kind of operation can be done in free zone like;

- Production
- Assembly-disassembly
- Trade
- Others (service)



ADVANTAGES & INCENTIVES

Monetary Advantages: No Taxes, No Duties

Corporate Tax (Income Tax) Exemption : The **manufacturer** companies are **100% exempt from corporate tax** over their profits.

20%

(Corporate Tax Ratio in Turkey)

Free Transfer of Profits: The profits gained at free zone can be transferred to Turkey or other countries without any permission.

ADVANTAGES & INCENTIVES

Monetary Advantages: No Taxes, No Duties

Income Tax over Employees' Salaries – Low Employment Cost

The producer companies who export minimum 85% of their trade volume are **100% exempt** from the **income tax over salaries** which they pay on behalf of their employees (15%-35%).



ADVANTAGES & INCENTIVES

Custom Related Tax Exemptions

Since free zones are out of customs borders of Turkey, while goods staying within free zone, custom related taxes and regulations are not applicable.

Such as;

- **Value Added Tax**
- **Customs Duties**
- **KKDF Tax (3%)**

By keeping their stocks at free zone in a tax free environment, trader companies may decrease their finance costs and can make re-export, transit trade, packaging, labeling etc..

ADVANTAGES & INCENTIVES

Other Exemptions & Advantages

- Free entrance of 2nd hand machinery into the zone
- Free Circulation of Goods in EU Market
- Lower construction costs (exempt from VAT)
- Full ownership of lands and buildings (exempt from 3% title tax)
- 100% foreign investment allowed. No minimum capital required
- Book keeping and accounting can be in foreign currency
- Sales to domestic market is allowed*

* 100% of raw material, semi-finished products or industrial goods may be sold to Turkey but maximum 49% of the total trade volume of end-user goods (like; ready wear, car, shoe, TV, white goods etc...) can be sold to Turkey)

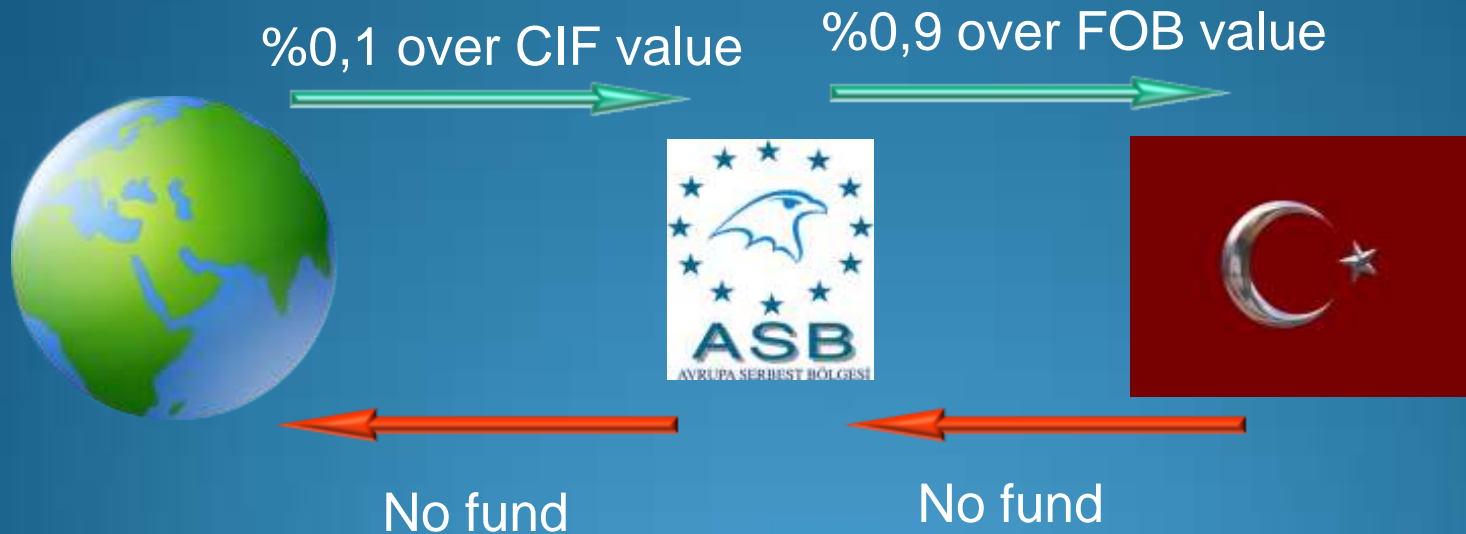
ADVANTAGES & INCENTIVES

One Stop Service

- Easier to get work permits for expatriates
(from Free Zone Directorate instead of Ministry of Social Security & Labour)
- Easier to get project approvals, construction permits etc...
(from Free Zone Directorate instead of Municipality)
- Easier to get connected to infrastructure
(from ASB instead of several suppliers, private or half-governmental companies)
- No export & import declarations needed between the trade between free zone and other countries

FREE ZONE FUND

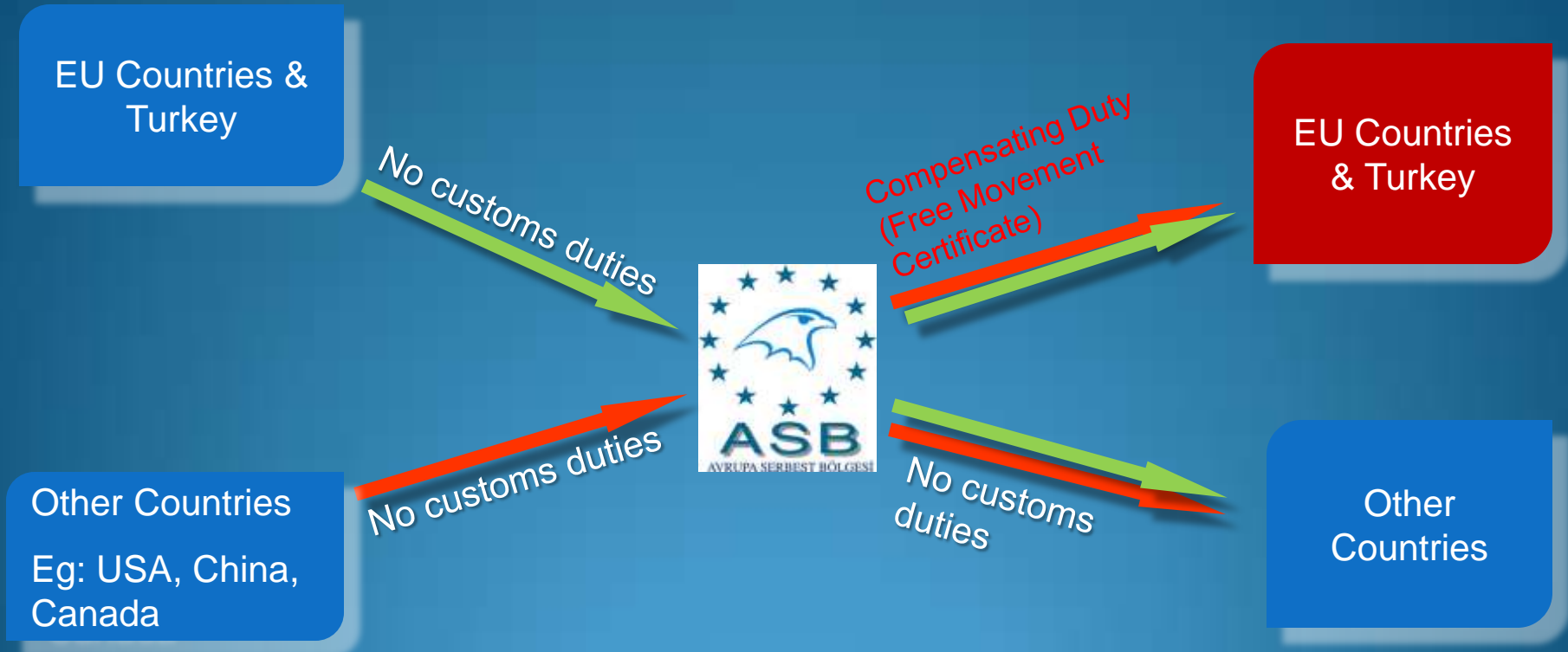
Free Zone fund is payable to government accounts by manufacturing companies over the goods' value on below mentioned directions.



* Companies that have licences other than manufacturing do not pay this fund

CUSTOMS APPLICATIONS

How to Calculate Customs Taxation in FTZ



EUROPEAN FREE ZONE



EUROPEAN FREE ZONE

**European Free Zone
is one of Turkey's largest and most modern industrial parks**



Total area : 2,000,000 m²
Establishment year : 1999
Number of Companies : 150
Employment number : 2500
Trade volume Year 2010: 1.5 Billion USD

EUROPEAN FREE ZONE

Location

- Bordering Trans European Motorway
- 100 km. from Istanbul city and international airport
- Only 125 km. Away from EU borders (Greece & Bulgaria)
- 80 km. from Istanbul international port (Ambarlı)
- 45 km. From Tekirdağ international port (Akport)
- 4-7 days transportation time to West Europe, Russia & Middle East



ASB – LOCATION

Road Distances

		Distance	
Istanbul Atatürk Havalimanı	110 km	Çorlu	15 km
Yunanistan (İpsala)	125 km	Çerkezköy	15 km
Bulgaristan(Kapıkule)	125 km	Silivri	35 km



TEM Highway

E-5 inter-city road

ASB – LOCATION

Container Ports in the Thrace Sea

	2005 (TEUS)	2006 (TEUS)
Marport	589.644	720.603
Kumport	438.849	531.382
Mardaş	158.099	194.282
Gemport	240.953	274.559
Haydarpaşa	340.629	400.067
Borusan	90.513	94.772
Yılport	33.785	35.830
Evyap	14.007	32.972
Toplam	1.906.479	2.284.467



ASB – LOCATION

Transit Cargo from ASB to Black Sea Ports by Seaway



Seaway Distances

Varna	216 Miles
Constanta	263 Miles
Odessa	410 Miles
Novorossiysk	525 Miles
Poti	656 Miles

ASB – LOCATION

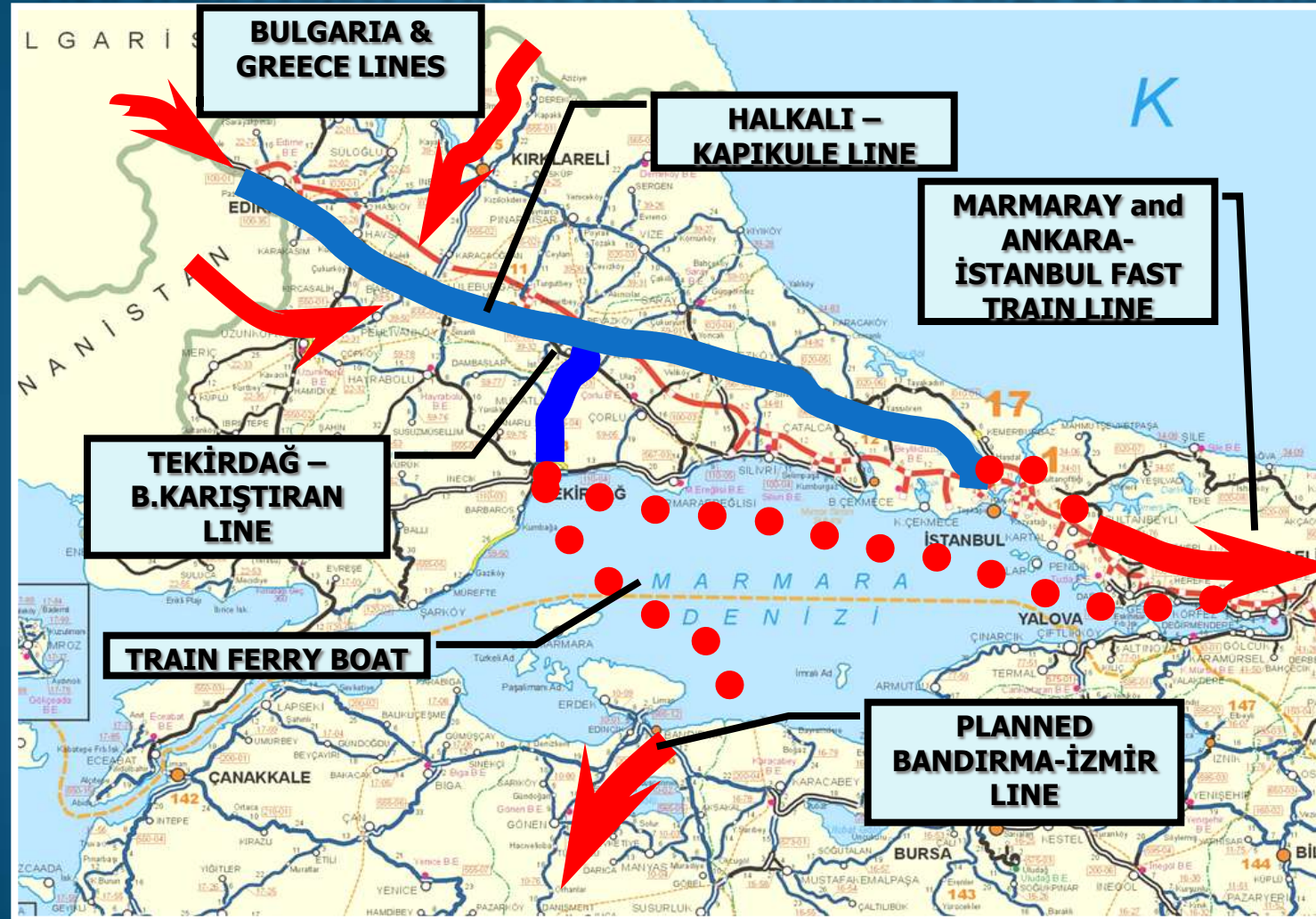
Transit Cargo from ASB to Bulcon Countries by Railways and Highways



Distances	
Sofia	550 km
Burgas	450 km
Costanta	720 Km
Bucharest	650 km
Varna	570 km

ASB – NEW TRAIN PROJECT

New Train Project – Thrace Region – Planned Cargo & Pax Traffic



Total Length: 230 km
Project Speed (Vp): 250 km/h
Estimated Duration: 65 min.

Stations:

- | | |
|--------------------|--------------|
| 1.Halkalı | 5.Lüleburgaz |
| 2.Çatalca | 6.Babaeski |
| 3.Çerkezköy | 7.Edirne |
| 4.Büyük Karıştiran | 8.Kapıkule |

EUROPEAN FREE ZONE

Potential Workforce

Population of Tekirdağ year 2007

Total	: 728.000
City center	: 161.000
Çorlu	: 225.000
Çerkezköy	: 131.000
Others	: 211.000

48% of total population active at work life

Unemployment rate 10%

Population of İstanbul

16.000.000

EUROPEAN FREE ZONE

Education

- In the region there are 2 universities (4.800 graduates/year)
 - Trakya University-Edirne
 - Namık Kemal University-Tekirdağ
- 29 vocational & technical high schools (3.000 graduates/year)
- Some of the branches in technical education are;
Computer Engineering
Electronics
Engineering
Industrial Electricics
Industrial Electronics
Computer Science
Industrial Automation
- In Istanbul 23 universities and plenty of vocational & technical high schools available

RESIDENCE

City Center



Parasailing in Tekirdağ



RESIDENCE

Çorlu

- 20 km. from European Free Zone,
- 100 km. From Istanbul (Mahmutbey) with an area of 899 km²,
- It is one of the largest towns in the province of Tekirdag with 225,000 inhabitants.
- Emerging business areas in Corlu cause high migration numbers from other regions.
- Therefore the city is expanding and new housing units are being completed.
- Today there are a lot of housing units in and around the city, either rental or for sale.



Corlu International Airport



RESIDENCE

Çerkezköy

- Çerkezköy's population is about 131.000. Located east of the zone.
- It is 15 kms away from European Free Zone and 80 kms from Istanbul (Mahmutbey).
- Even though Cerkezkoy is not as big as Corlu, industrial areas are considerably large.



ASB – SERVICES

Warehouses

- Warehouses for lease & sale
(Starting from 240m²)



ASB – SERVICES

Offices & Production Units

- Office for Lease
- Production units for lease or sale



ASB – SERVICES

Lands

- Open stock areas for lease
- Lands for sale

**READY INFRASTRUCTURE,
FULL OWNERSHIP**

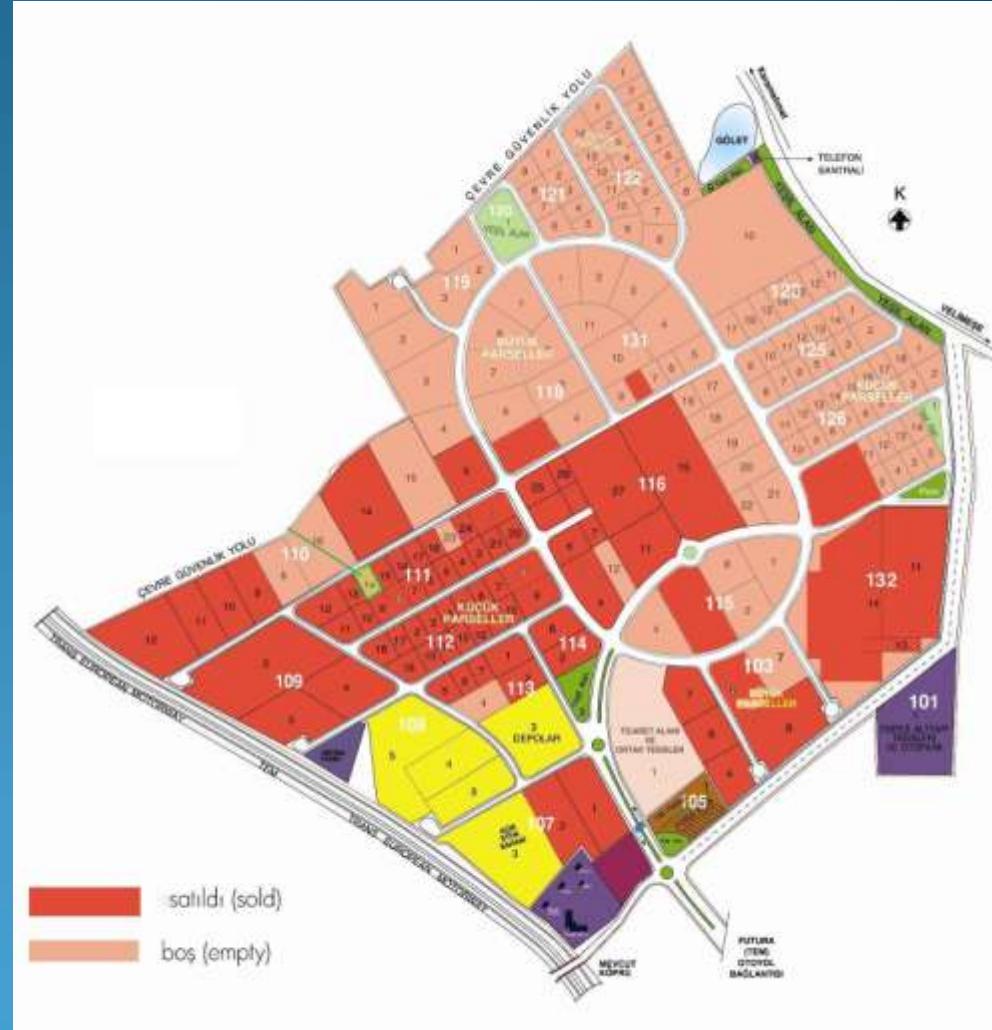
Starting at 2,500 m²

COSTRUCTION PRINCIPLES

For 2500-9000m² BSR (Base Space Ratio) 55%

Over 9000m² BSR (Base Space Ratio) 60%

Maximum height 19 mt.



ASB – SERVICES

Services

- All infrastructure services at favorable terms and exempt from taxes: Electricity, water, waste water, natural gas, telecommunication, road
- Catering, handling, IT services
- 24 hours private security
- Construction and maintenance services
- Sensitive to environmental issues
- Services certified by
DIN ISO 9001-2000,
ISO 22000,
ISO 14001 and
OHSAS 18001



EUROPEAN FREE ZONE

How to Apply

- Operating License Fee: 5000\$
- Duration of the licenses 15 to 45 years
- Applications are made to Undersecretariat of Foreign Trade, General Directorate of Turkish Free Zones. (EFZ experts assists you)
- Application completed just in 2-4 weeks time
- Once the Operating License is obtained, you can start your activities in European Free Zone

ASB YATIRIMCILAR

Investors



Leading PC brand



Leading OEM PC & Notebook producer



Leading logistics solution provider for electronics

EUROPEAN FREE ZONE

Investors



Polyplex Polyester Film. San. Ve Tic. A.Ş. – India

3rd largest polyester film producer

EUROPEAN FREE ZONE

Investors



Bekaert Textile (Belgium)

World Leader in mattress ticking fabric manufacturing

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Investors



Daiyang Metal San. Ve Tic. Ltd. Şti. (South Korea)

Stainless Steel Sheet manufacturer

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Investors



Epta İstanbul Refrigeration Systems –
Italy
industrial type cooling systems

EUROPEAN FREE ZONE

Investors



Buro Teknik - Germany
Metal spare parts for automotive
industry



EUROPEAN FREE ZONE

Investors



TSK Test Sistemleri – Germany
Producer of test systems for
automotive industry

EUROPEAN FREE ZONE

Investors

Şahinler Holding, group companies

Turkey's leading textile manufacturer



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