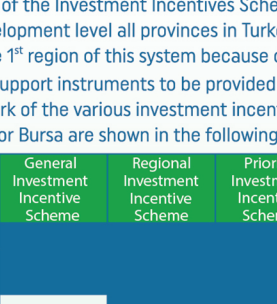


INVESTMENT INCENTIVE SYSTEM BURSA



The investment incentives scheme is specifically designed to encourage investments with the potential to reduce dependency on the importation of intermediate goods vital to the country's strategic sectors. The Ministry of Industry and Technology, Directorate of Incentive Implementation and Foreign Investment is responsible for the implementation and coordination of the investment incentives scheme at national level.

Both local and foreign investors can benefit from the investment incentives scheme equally.

The Investment Incentives Scheme is comprised of four different schemes:

- 1 General Investment Incentive Scheme
- 2 Regional Investment Incentive Scheme
- 3 Priority Investment Incentive Scheme
- 4 Strategic Investment Incentive Scheme

Within the scope of the Investment Incentives Scheme, according to their socio-economic development level all provinces in Turkey have been grouped into 6 regions. Bursa is in the 1st region of this system because of its high development level.

The support instruments to be provided within the framework of the various investment incentives schemes for Bursa are shown in the following table:

Support Measures	General Investment Incentive Scheme	Regional Investment Incentive Scheme	Priority Investment Incentive Scheme	Strategic Investment Incentive Scheme
VAT Exemption				
Custom Duty Exemption				
Tax Deduction				
Social Security Premium Support (Employer's Share)				
Social Security Premium Support (Employee's Share) *				
Interest/Profit Share Support **				
Land Allocation				
VAT Refund***				

* Provided that the investment is made in the Region 6 and the strategic investments supported within the Technology Focused Industry Movement Program (TFIMP).
** Provided that the investment is made in the Regions 3, 4, 5 or 6 within the frame of the Regional Investment Incentive Scheme.
*** For Strategic Investments with a minimum fixed investment amount of 500 million TL.

1 General Investment Incentives Scheme

Regardless of the region where investment takes place, all projects meeting both the specific capacity conditions and the minimum fixed investment amount are supported within the framework of the General Investment Incentives Scheme. Some types of investments are excluded from the investment incentives system and would not benefit from this scheme. The minimum fixed investment amount is 3 million TL for Bursa (Region 1).

General Investment Incentives Instruments

- VAT Exemption
- Customs Duty Exemption

2 Regional Investment Incentives Scheme

The sectors to be supported in each region are determined in accordance with regional potential and the scale of the local economy, while the intensity of support varies depending on the level of development in the region.

The minimum fixed investment amount is defined separately for each sector and region with the lowest amount being 3 million TL for Bursa (Region 1).

Regional Investment Incentives Instruments for Bursa

- VAT Exemption
- Custom Duty Exemption
- Tax Deduction
- Social Security Premium Support (Employer's Share)
- Land Allocation
- Interest/Profit Share Support

INDUSTRIES TO RECEIVE REGIONAL SUPPORTS IN BURSA

Industries to receive regional incentives	Minimum Fixed Investment Amount
Integrated animal husbandry	4 Million TL
Aquaculture	4 Million TL
Manufacturing of food and beverages	4 Million TL
Manufacturing of textile products	10 Million TL for investments in textile finishing, 4 Million TL for other areas of investment
Clothing manufacturing	Investments of expanding and modernization worth of over 4 Million TL
Tannery and leather processing	4 Million TL
Manufacturing of wood and cork products	4 Million TL
Manufacturing of paper and paper products	10 Million TL
Manufacturing of chemical and herbal products used in drugs/pharmaceuticals and medicine	4 Million TL
Manufacturing of non-metallic mineral products	4 Million TL
Main metal industry, metal casting industry except for iron and steel	4 Million TL
Manufacturing of central heating radiators and boilers, manufacturing of steam boilers	4 Million TL
Manufacturing of machinery and equipment	4 Million TL
Manufacturing of office, accounting and data processing devices	4 Million TL
Manufacturing of electrical machinery and equipment	4 Million TL
Manufacturing of radio, television, communication equipment and devices	4 Million TL
Manufacturing of medical devices, high precision and optical instruments	4 Million TL
Manufacturing of motor vehicles and supply industries	50 Million TL for motor vehicle investments; 4 Million TL for motor vehicle supply industry investments
Manufacturing of furniture	4 Million TL
Hotels	3 Million TL / 3 and more stars
Student dormitories	3 Million TL / 100 Students
Cold storage services	3 Million TL ve 1000 m2
Licensed warehousing	Establishment permission letter of the Ministry of Commerce
Educational services	-
Investments in hospital, nursing home for the elderly	Hospital: 4Million TL; Nursing Home: 100 persons
Smart, multifunctional, technical textile	4 Million TL
Waste recovery or disposal facilities	Environmental Permit and License Certificate
Greenhousing	3 Million TL and 20 decares
Manufacturing of chemicals and chemical products	4 Million TL

3 Priority Investment Incentives Scheme

Some investment subjects have been designated as priority investments within the framework of our country's requirements and these investments are supported by measures of Region 5 even if they are made in Regions 1, 2, 3 and 4.

Incentive Measures	Terms and Rates of Supports*
VAT Exemption	YES
Customs Duty Exemption	YES
Tax Deduction	Rate of Contribution to Investment (%)
	Tax Deduction (%)
Social Security Premium Support (Employer's Share)	7 year
Land Allocation	YES
Interest / Profit Share Support	Local Loans
	Foreign Exchange/ FX Denominated Loans
	5 points
	2 points

*Support of Region 5 for the investments that are made in Regions 1-5 ; Supports of Region 6 for the Investments that are made in Region 6

4 Strategic Investment Incentives Scheme

Investments meeting the criteria below are supported within the framework of the Strategic Investment Incentives Scheme:

- The domestic production capacity for the product to be manufactured with the investment shall be less than the import of the product.
- The investment shall have a minimum investment amount of 50 million TL.
- The investment shall create a minimum added-value of 40% (this condition is not applicable to refinery and petrochemicals investments).
- The total import value of the product to be manufactured with the investment shall be minimum of USD 50 million as of the past one year (excluding products that are not locally produced)

Strategic Investment Incentives Instruments for Bursa

- VAT Exemption
- Custom Duty Exemption
- Tax Deduction
- Social Security Premium Support (Employer's Share)
- Land Allocation
- Social Security Premium Support (Employee's Share)
- Interest/Profit Share Support
- VAT Refund

Priority Investment Subjects

The new investment incentives system defines certain investment areas as "priority" and offers them the regional support extended to Region 5 by the Regional Investment Incentives Scheme, regardless of the region of the investment.

Fields of investment with specific priorities to be supported with Region 5 instruments in Bursa are:

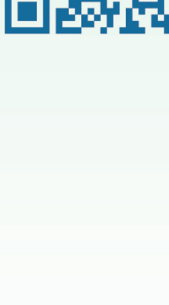
- Tourism investments in Cultural and Touristic Preservation and Development Regions and thermal tourism investments,
- Mining investments,
- Railroad, maritime and airline transportation investments,
- Defense industry investments,
- Test center investments for products in the medium-high and high-tech industry class according to the technology density definition of the Organization for Economic Cooperation and Development (OECD), Nursery, Preschool, Primary, Middle and High School and education investments for the use, repair and maintenance of air vehicles
- Investments made to manufacture the products and parts designed and developed as an outcome of the R&D Projects supported by the Ministry of Science, Industry and Technology, TUBITAK and KOSGEB,
- Motorized land vehicles key industry investments with a minimum investment amount of 300 million TL, automotive engine manufacturing investments with a minimum amount of 75 million TL and transmission components/parts and automotive electronics manufacturing investments,
- Investments made to generate electricity from coal,
- Investments made to generate electricity through waste heat recovery in a facility,
- Energy efficiency investments made in existing manufacturing facilities,
- Liquefied natural gas (LNG) investments and underground gas storage investments with a minimum amount of 50 million TL,
- Investments of carbon fiber or the composite materials made from carbon fiber provided that along with carbon fiber production.
- Investments made to manufacture high-technology products classified according to OECD technology intensive definition.
- Investments made to explore mines in the permitted fields for the investors holding Mining License and Certificate.
- Investments made to manufacture turbines and generators for renewable energy and wind turbine wings for wind power.
- Integrated investments for aluminium flat products using direct chill slab casting and hot rolling methods.
- Licensed warehousing investments.
- Nuclear power plant investments
- Qualified laboratory investments
- Greenhouse investments based on automation with a minimum of 5 million TL, 25 decares and domestic spare parts
- Investments subject to Environmental License within the scope of Environmental Permit and License Regulation. Elderly and Disabled care centers and wellness investments
- Medium-high technology investments amounting to a minimum 500 million TL
- Investments in the production of software and information products to be made in specialized free zones without requiring a minimum investment amount.
- R&D and environmental investments
- Manufacturing electric or hydrogen-powered transportation vehicles
- Data center investments that meet the international technical standards to be announced by the Ministry and meet the minimum white space requirement of 5,000 m2.
- Investments in the production of carrier columns and transmission columns from vulcanized rubber
- Investments within the scope of the Digital Transformation Support Program
- Investments within the scope of the Green Transformation Support Program

BURSA INVESTMENT SUPPORT OFFICE

Bursa ISO provides:

- Consultancy about investment supports and incentives
- Information and guidance to investors
- Its services free of charge

Investment Incentive Document application is made online using the Electronic Incentive Implementation and Foreign Investment Information System (E-TUYS).



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