



BEBKA
Bursa Eskişehir Bilecik Development Agency



INVESTMENT CLIMATE of ESKİŞEHİR

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1. ABOUT BEBKA

Bursa Eskişehir Bilecik Development Agency (BEBKA) was established with the decision of the Council of Ministers dated July 14, 2009 and numbered 2009/15236 on the basis of Law No. 5449 on the Establishment, Coordination and Duties of Development Agencies dated 25.01.2006. BEBKA is an institution that provides solutions for local problems by providing coordination and cooperation between the public, private sector and non-governmental organizations, providing solutions locally and providing sustainable development by using resources in place and effectively in Bursa, Eskişehir and Bilecik provinces.

BEBKA's main goal is to reduce intra-regional development disparities by providing coordination and cooperation between the public sector, private sector, civil society and universities. In line with this objective, 2014-2023 Bursa Eskişehir Bilecik Regional Plan, which defines BEBKA's regional priorities with scientific methods and participatory approach, has been prepared. Within the framework of this regional plan, a model has been developed to guide development of project financing support, training needs, investment and promotion possibilities. BEBKA supports projects and activities that will provide solutions to sectoral and thematic problems in the region within the framework of the strategies and priorities set out in the Regional Plan.

Eskişehir Investment Support Office is a work unit that is directly responsible to the General Secretariat of the BEBKA regarding its duties.

**Eskişehir Investment
Support Office,
beside you in all the
processes about your
investment...**

Free of Charge Services of Eskişehir Investment Support Office

- Provides analysis, report and strategy studies on the business and investment environment of the province.
- Provides information to investors and guides them.
- Cooperates with relevant institutions and organizations in order to improve business and investment environment.
- Tracks investments.
- Introduces the business and investment environment of the province and attracts investors.
- Regarding state aids, it does transactions specified in the relevant legislation.
- Monitors and coordinates the authorization and licensing transactions of investors and other administrative affairs and transactions on behalf of the agency's board of directors in order to finalize them with the relevant authorities.
- Performs information and reporting activities.

2. FACTS AND FIGURES

GENERAL	Data	Year	Source
Area	13.925 km ²	2002	Turkish Statistical Institute
Number of District	14	2015	Turkish Statistical Institute
POPULATION and MIGRATION	Data	Year	Source
Population	844.842	2016	Turkish Statistical Institute
City Center Population	717.076	2015	Turkish Statistical Institute
Annual Population Growth Rate	17,60%	2015	Turkish Statistical Institute
Population density (Number of people per km ²)	60	2015	Turkish Statistical Institute
Ergenous Fertility Rate	14,9 (‰)	2012	Turkish Statistical Institute
Net Migration	7.743	2015	Turkish Statistical Institute
Net Migration Rate	9,4%	2015	Turkish Statistical Institute
Most Immigrated From	Ankara	2015	Turkish Statistical Institute
Most Migrated To	Ankara	2015	Turkish Statistical Institute

CLIMATE	Data	Year	Source
Central Altitude (m)	782	2016	General Directorate of Meteorology
Average Maximum Temperature (°C)	29,1 °C	1950-2015	General Directorate of Meteorology
Average Minimum Temperature (°C)	-3,5 °C	1950-2015	General Directorate of Meteorology
HEALTH	Data	Year	Source
Number of Hospitals	17	2014	Turkish Statistical Institute
Number of Beds	3.482	2014	Turkish Statistical Institute
Number of Total Doctors	1.719	2014	Turkish Statistical Institute
Number of Expert Doctors	983	2014	Turkish Statistical Institute
EDUCATION	Data	Year	Source
Net Schooling Rate (High School)	90,87%	2015	Turkish Statistical Institute
Number of Universities	2	2016	Higher Education Institution
Number of College / Faculty Graduates	114.339	2015	Turkish Statistical Institute
Number of Master of Science Graduates	9.715	2015	Turkish Statistical Institute
Number of University Students	62.334	2015-2016	Anadolu University and Osmangazi University
Number of Assistant Professors	783	2015	Higher Education Institution
Number of Associate Professors	461	2015	Higher Education Institution
Number of Professors	527	2015	Higher Education Institution
BUSSINESS ENVIRONMENT	Data	Year	Source
Number of Establishments	19.632	2015	Social Security Institution
Number of Active Employees	243.555	2015	Social Security Institution
Number of Established Companies	1.783	2015	Union of Chambers and Commodity Exchanges of Turkey
Number of Closed Companies	567	2015	Union of Chambers and Commodity Exchanges of Turkey
Number of Foreign Capital Companies	95	2016	Ministry of Economy
Number of Investment Incentive Certificate	69	2015	Ministry of Economy

Investment Incentive Certificate (Fixed Investment Amount /TL)	816 Milyon	2015	Ministry of Economy
Investment Incentive Certificate (Employment)	736	2015	Ministry of Economy
Public Investments (TL)	526.420.000	2015	Ministry of Development
Employment Rate	42,9%	2013	Turkish Statistical Institute
Unemployment rate	8,5%	2013	Turkish Statistical Institute
TRANSPORTATION AND COMMUNICATION	Data	Year	Source
State and Provincial Road Length (km)	849	2014	General Directorate of Highways
Divided Road Length (km)	305	2014	General Directorate of Highways
Railway Main Line Length (km)	483	2015	State Railways of Turkish Republic
Passenger Number of Railway Main Line	3.048.579	2015	State Railways of Turkish Republic
Rail Cargo (ton)	737.815	2015	State Railways of Turkish Republic
Airline Flight Passenger Traffic	51.925	2015	State Airports Authority
Fiber-Optic Cable Length (km)	4.804	2015	Information and Technology Communication Institution
Number of Broadband Internet Subscribers	539.722	2015	Information and Technology Communication Institution
Number of Mobile Phone Subscribers	766.422	2015	Information and Technology Communication Institution
ENERGY	Data	Year	Source
Total Electricity Consumption (MWh)	2.551.887,54	2015	Energy Market Regulatory Authority
Industrial Electricity Consumption (MWh)	1.276.767,91	2015	Energy Market Regulatory Authority
Maximum Sunrise Time (Month-Hour)	July - 10,75	2016 (Access to Information)	General Directorate of Renewable Energy
Maximum Global Radiation Value (KWh / m ² - Day)	June - 6,38	2016 (Access to Information)	General Directorate of Renewable Energy

SOCIO-CULTURAL	Data	Year	Source
Number of Theatre Halls	12	2015	Turkish Statistical Institute
Number of Theater Audience	114.591	2015	Turkish Statistical Institute
Number of Cinema Halls	27	2015	Turkish Statistical Institute
Number of Cinema Audience	986.535	2015	Turkish Statistical Institute
Number of Public Library	11	2015	Turkish Statistical Institute
Number of Museums	17	2015	Ministry of Culture and Tourism
TOURISM (Accommodation Facilities With Tourism Operation Certificate)	Data	Year	Source
Number of Intersections	259.628	2015	Ministry of Culture and Tourism
Overnight Stay (nights)	394.115	2015	Ministry of Culture and Tourism
Average Accommodation Time (days)	1,5	2015	Ministry of Culture and Tourism
Occupancy Rate (%)	32,22	2015	Ministry of Culture and Tourism
REGISTERED IMMOVABLE CULTURE AND NATURAL ASSETS	Data	Year	Source
Number of Civil Architecture Examples	1.229	2012	Ministry of Culture and Tourism
Number of Religious Buildings	130	2012	Ministry of Culture and Tourism
Number of Cultural Buildings	83	2012	Ministry of Culture and Tourism
Number of Administrative Buildings	64	2012	Ministry of Culture and Tourism
Number of Military Buildings	9	2012	Ministry of Culture and Tourism
Number of Industrial and Commercial Buildings	175	2012	Ministry of Culture and Tourism
Number of Cemeteries	26	2012	Ministry of Culture and Tourism
Number of Martyrs	2	2012	Ministry of Culture and Tourism
Number of Monuments and Memorials	4	2012	Ministry of Culture and Tourism
Number of Historical Ruins	5	2012	Ministry of Culture and Tourism

R&D and INNOVATION	Data	Year	Source
Number of R&D Centers	8	2016	Ministry of Science and Technology
Number of Trademark Registration	695	2015	Turkish Patent and Trademark Office
Number of Patent Registration	27	2015	Turkish Patent and Trademark Office
Number of Industrial Design Registration	60	2015	Turkish Patent and Trademark Office
Number of Utility Model Registration	22	2015	Turkish Patent and Trademark Office
Number of Scientific Publications	4.328	2011-2015	National Academic Network and Information Center
FINANCE	Data	Year	Source
Loan Amount (Million TL)	3.629	2015	Turkish Banks Association
Deposit Amount (Million TL)	2.941	2015	Turkish Banks Association
Number of Bank Branches	115	2015	Turkish Banks Association
Number of Bank Employees	1.823	2015	Turkish Banks Association
Number of ATM's	577	2015	Turkish Banks Association
Number of POS	25.467	2015	Turkish Banks Association
LIFE INDEX	City Order	Year	Source
General Ordering	15.	2015	Turkish Statistical Institute
Housing	5.	2015	Turkish Statistical Institute
Work Life	38.	2015	Turkish Statistical Institute
Income and Wealth	14.	2015	Turkish Statistical Institute
Health	22.	2015	Turkish Statistical Institute
Education	18.	2015	Turkish Statistical Institute
Environment	13.	2015	Turkish Statistical Institute
Security	57.	2015	Turkish Statistical Institute
Civil Participation	52.	2015	Turkish Statistical Institute
Access to Infrastructure Services	7.	2015	Turkish Statistical Institute
Social Life	8.	2015	Turkish Statistical Institute
Life Satisfaction	33.	2015	Turkish Statistical Institute

3. LOCATION AND TRANSPORTATION

Eskişehir is located in the north-west of the Central Anatolia Region between 29-320 east longitude and 39-400 degree north latitude. Bolu is in the north of the province,

Konya and Afyonkarahisar are in the south, Ankara is in the east, Kütahya and Bilecik are in the west.

Criteria / Province	Ankara	İstanbul	İzmir	Bursa	Antalya	Konya
Distance (km)	233	324	411	155	424	339
Travel Time (h)	1,5	2,5	5	2	5	2
Type of Transportation	High Speed Train	High Speed Train	Car	Car	Car	High Speed Train



Eskişehir, which has important facilities in terms of land, railway and air transportation, is located in the center of Istanbul, Ankara, İzmir, Bursa, Antalya and Konya which are the most important cities of Turkey.

Beside Hasan Polatkan Airport, TCDD Hasanbey Logistics Center and Organized Industry Zone Logistics Center are two logistics bases in Eskişehir. Eskişehir is also very close to important ports and where road and railway connections are very concentrated.



4. SOCIAL LIFE

Eskişehir is considered as one of the cities with high life quality standards. Eskişehir is one of the most developed metropolises in Turkey and stands out in the field of culture & art in the order of livable cities. Eskişehir is also a settlement center with significant advantages in terms of education, health, transportation and social life opportunities. According to the research conducted by CNBC-e Business Magazine, Eskişehir has been in the forefront of many areas.

In recent years, Eskişehir has shown a rapid development in socio-economic life. In the Human Development Report prepared within the scope of the United Nations Development Program, Eskişehir ranked 3rd in terms of human development and livable cities level.



CNBC-e Business Experienceability Scorecard of Eskişehir					
Category	Culture & Art	Education	Health	Economy	General
Order	1	4	9	10	3

Source: CNBC-e Business Magazine



It has been determined that Eskişehir is the 6th most competitive province of Turkey in the study of “Competitiveness Index Between Provinces” conducted by the International Competitiveness Research Institution (URAK) and with supports of Deloitte Turkey. According to the human capital and quality of life sub-index of this study, Eskişehir was ranked 3rd in Turkey. Eskişehir also took place in the 1st place in terms of the number of people who graduated from an existing Higher Education Program on a variable basis and ranked 2nd in terms of the number of teaching members per capita.

Eskişehir is one of the leading cities of our country in terms of urbanization. The proportion of university graduates in the city to the general population is 13,6%.

Eskişehir - “Inter-provincial Competitiveness Index” - URAK & Deloitte Turkey				
Site	Number of Persons Graduated from a Higher Education Program Sub Index	Number of Teaching Members per Person Sub Index	Human Capital and Life Index	General
Order	1	2	3	6

5. ECONOMY

Eskişehir, which is one of the most important cities of Turkey in terms of socio-economic development, also stands out with its economy. 60% of Eskişehir economy is services, 30% is industry and 10% is agriculture sector.

According to 2015 data of the Social Security Institution, there are 19.632 workplaces in Eskişehir. Main activity groups are retail trade, building construction, overland transportation, pipeline transportation and food & beverage service activities.

Classification of Workplaces in Eskişehir by Activity Groups

Activity Groups	Number of Workplaces
Retail Trade	3.520
Building Construction	2.285
Overland Transportation and Pipeline Transportation	1.581
Food and Beverage Services	1.406
Real Estate Activities	875
Law and Accounting Activities	568
Food Production	484
Building and Landscaping Activities	483
Other	8440

Source: Social Security Institution, 2015.

Economy of Eskişehir



Source: Eskişehir Chamber of Industry, 2015

Rapid growth of the urban population compared to the rural population, the availability of trained labor and human capital, closeness to market, energy and raw material resources and the availability of adequate living facilities, adequate infrastructure possibilities have accelerated the development of Eskişehir industry. In the last 5 years, 60% of the incentive certificated investments in Eskişehir have been realized in the manufacturing sector. There are 366 incentive certificated investments in Eskişehir in terms of 2009-2016. In accordance with the Ministry of Economy’s regulations, investment follow-up forms are filled by the investor companies and sent to BEBKA Eskişehir Investment Support Office. These forms are transferred to the Ministry of Economy.

Mainly machinery manufacturing industry but many industry types such as chemical and plastic products industry, food industry, metal goods and metal main industry, mining, stone and soil based manufacturing industry; contribute to Eskişehir economy in Eskişehir where the sectoral diversity is very concentrated.

Eskişehir Industry

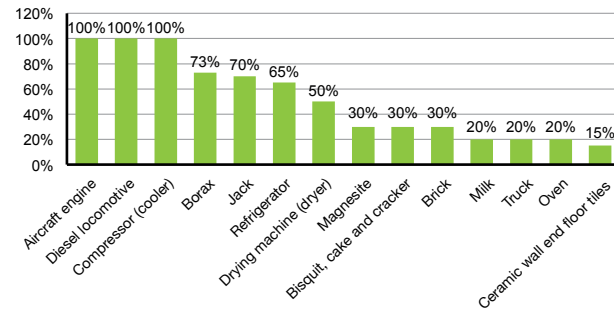
Type of Industry	Number of Companies (%)	Number of Employee (%)	Endorsement (%)	Export (%)
Machinery Manufacturing Industry	23,1	33,8	52,3	59,6
Chemical and Plastic Products Industry	12,4	8,7	7,6	18,7
Food Industry	11,6	16,5	21,1	4,5
Metal Goods Industry	11,6	6,9	1,6	2
Forest Products, Furniture and Paper Industry	10,2	4,9	1,8	0,1
Other Manufacturing Industries	8,7	4	1,5	0
Mining Sector	8	2,9	1,7	1,6
Stone and Soil Based Manufacturing Industry	7,7	10,8	9,6	10,1
Metal Main Industry	4,5	2,8	0,4	1,4
Textile, Ready to Wear and Leather Industry	2,3	8,7	2,4	1
Total	100	100	100	100

Source: Ministry of Science, Industry and Technology, General Directorate of Industry, 81 Provincial Status Report, 2014.



Some products produced in Eskişehir have a significant market share at national scale. Eskişehir has the whole national market for the manufacturing of compressor (cooler), aircraft engine and diesel locomotives. In addition to these products; Eskişehir is dominant over half of the national market in the production of borax, jack and refrigerator.

Eskişehir's Share in National Production



Source: Eskişehir Chamber of Industry, 2016.

6. LABOR

Eskişehir is a city where human capital and qualified workforce are concentrated. According to data provided by the Social Security Institution, 170.779 people were employed in Eskişehir in 2015. In TR41 region (Bursa, Eskişehir, Bilecik) where Eskişehir is also located in, unemployment rate is calculated as 7,8% in 2015. In addition, TR41 Region (Bursa, Eskişehir, Bilecik) was the region with the highest share of industry sector in employment by 39,4% in 2015. According to 2015 İŞKUR (Labor and Employment Agency) data; the number of registered unemployment in Eskişehir is 25.377. Among this figure, the biggest share is 2.746 people with other manufacturing and related workers (by machine), 2.091 people with physical workers (general) and 1.973 people with cleaning workers. In 2015, 27.813 open jobs were delivered to İŞKUR by the employers in Eskişehir. Other manufacturing and related workers (9.939 people), physical workers (3.073 people) and cleaning workers (2.999 people) requests were in first three order.

Labor Force Data of TR41 Region and Eskişehir

Year	Labor Participation Rate (%)	"Unemployment Rate (%)	Employment Rate (%)
2009	44,1	15,2	37,4
2010	42,7	10,5	38,2
2011	42,2	8,9	38,4
2012	44	8,4	40,3
2013	46,9	8,5	42,9
2014 (TR41)	54	6,2	50,6
2015 (TR41)	55,4	7,8	51,1
2015 (Türkiye)	51,3	10,3	46

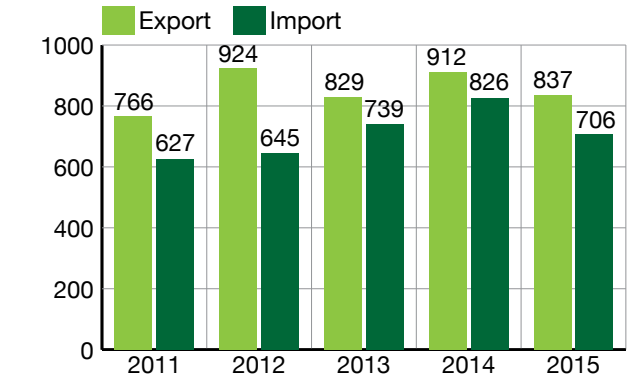
Source: Turkish Statistical Institute.

7. FOREIGN TRADE

• Foreign Trade Data of Turkish Statistical Institute

According to the data of the year 2015, Eskişehir took place in the first 20 most exporting provinces in Turkey with 837 million dollars of export figure. In the last 5 years, Eskişehir economy has provided foreign trade surplus.

Eskişehir's Foreign Trade Data



Source: Turkish Statistical Institute

Eskişehir's most exportation was realized to the U.S.A. in 2015. Share of U.S.A. in Eskişehir's total export was 31,05%.

Exports of Eskişehir by Countries (2015)

Country	Export Amount (U.S.A. \$)	Share in Total Export (%)
U.S.A	259.871.305	31,05
Germany	92.570.402	11,06
France	77.818.530	9,3
Austria	33.154.077	3,96
Romania	31.724.738	3,79
Belgium	21.811.192	2,61
Holland	19.776.143	2,36
Spain	18.668.380	2,23
Poland	16.775.274	2
Italy	13.838.582	1,65
United Kingdom	13.693.313	1,64
Other	237.336.887	28,35
Total	837.038.823	100

Source: Turkish Statistical Institute, 2015.

In 2015, Eskişehir's highest import value was realized from the U.S.A. and share of the U.S.A. in total import was 26,39%.

Imports of Eskişehir by Countries (2015)

Country	Import Amount (U.S.A. \$)	Share in Total Import (%)
U.S.A.	186.476.638	26,39
France	66.065.984	9,35
Germany	60.651.039	8,58
Spain	59.107.188	8,36
China	44.634.414	6,32
Italy	42.762.941	6,05
Holland	22.014.155	3,12
Japan	16.717.037	2,37
United Kingdom	15.083.878	2,13
Austria	14.046.472	1,99
Slovenia	11.876.865	1,68
Other	167.176.370	23,66
Total	706.612.981	100

Source: Turkish Statistical Institute, 2015.

In Eskişehir, the highest number of exports was realized in machinery-metal industry sector, and its share in total exports was 43,03% in 2015.

Export Data of Eskişehir by Sectors (2015)

Sector	Export Amount (U.S.A. \$)	Share in Total Export (%)
Boilers, machines, mechanical devices, nuclear reactors, parts and components of these devices	360.200.703	43,03
Articles made of iron or steel	60.060.761	7,18
Salt, sulfur, soils and rocks, gypsum, lime and cement	51.521.680	6,16
Plastics and plastic products	47.143.175	5,63
Motor vehicles, tractors, bicycles, motorcycles and other land vehicles, their parts and accessories	43.458.878	5,19
Electrical machinery and equipment, sound recording-output, television image-sound recording-output devices	42.108.11	5,1
Nonwoven clothing and clothing accessories	33.495.019	4
Other	199.050.490	23,78
Total	837.038.823	100

Source: Turkish Statistical Institute, 2015.

In Eskişehir, the highest number of imports was realized in machinery-metal industry sector and its share in total imports was 22,75% in 2015.

Import Data of Eskişehir by Sectors (2015)

Sector	Import Amount (U.S.A. \$)	Share in Total Import (%)
Boilers, machines, mechanical devices, nuclear reactors, parts and components of these devices	160.761.126	22,75
Nickel or articles made of nickel	91.450.634	12,94
Plastics and plastic products	57.244.274	8,1
Motor vehicles, tractors, bicycles, motorcycles and other land vehicles, their parts and accessories	52.509.890	7,43
Electrical machinery and equipment, sound recording-output, television image-sound recording-output devices	45.688.609	6,47
Other common metals	36.812.881	5,21
Aluminium and articles made of aluminium	34.186.904	4,84
Other	227.958.663	32,26
Total	706.612.981	100

Source: Turkish Statistical Institute, 2015.

• Foreign Trade Data of Eskişehir Chamber of Industry

The exports that registered addresses are located elsewhere or those that employ customs offices outside Eskişehir are not reflected in official export figures. For this reason, the export data of the Turkish Statistical Institute and Eskişehir Chamber of Industry are incompatible. According to data provided by Eskişehir Chamber of Industry, exports in Eskişehir exceeded \$ 8 billion over the last four years.

Exports of Eskişehir Chamber of Industry Member Enterprises

Year	Export (Million \$)
2015	2.141
2014	2.271
2013	2.211
2012	2.121
2011	1.756

Source: Eskişehir Chamber of Industry, 2016.

According to 2015 export figures of the member enterprises of the Eskişehir Chamber of Industry by sector, machinery manufacturing industry was the sector that realized the highest exports with a share of 46,2%.

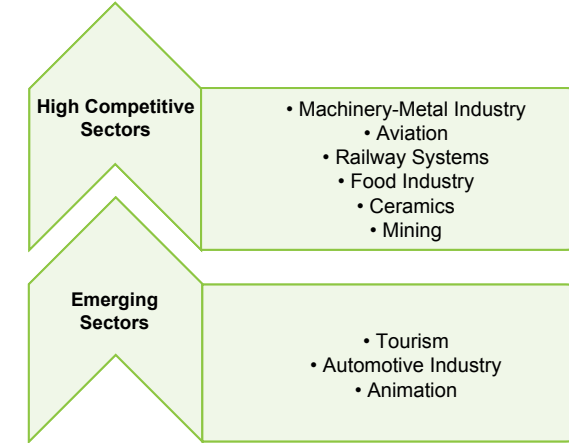
Sector-Based Exports in Eskişehir (Eskişehir Chamber of Industry Member Enterprises)

Sector	Quantity of Enterprises	Export (U.S.A. \$)	Share (%)
Machine Manufacturing Industry	35	988.413.186	46,2
Mining	9	411.578.352	19,2
Stone and Soil Based Manufacturing Industry	12	266.398.644	12,4
Weaving and Ready-to-Wear Industry	6	46.976.158	2,2
Metal Goods and Main Metal Industry	26	135.134.955	6,3
Food Industry	5	141.485.246	2,2
Chemical, Plastics and Rubber Industry	12	47.352.111	2,2
Electric Vehicle and Equipment Manufacturing Industry	9	96.761.611	4,5
Forest Products, Furniture and Paper Industry	7	7.130.766	0,3

Source: Eskişehir Chamber of Industry, 2016.

The share of Turkey's exports of high technology products in total exports is 3,5%. The share of Eskişehir's high-technology products in total exports is 15%. In this context Eskişehir took the first place in Turkey's high technology product exports.

8. SECTORS



• Machinery Metal Industry

Machinery sector, which is directly linked to the main metal industry, has the highest sectoral production value in Eskişehir and is one of the locomotive sectors with qualified labor force and advanced main and subsidiary industries. Machinery-metal industry is one of the main leading sectors of Eskişehir with high export value.

According to data provided by the Eskişehir Chamber of Industry, machinery and metal industry has realized exports of over \$ 1 billion in 2015.

• Aviation

Eskişehir is one of the very few cities specialized in the aerospace and defense industry. Eskişehir is hosting the most important companies of Turkey in aviation sector. 3 of the 7 main institutions in the Aerospace Group of the Defense and Aviation Industry Manufacturers Associati-

on (SASAD), which collects under the roof of the most important businesses in the defense industry in our country, operate in Eskişehir. These institutions are Alp Aviation, Coşkunöz Defense Aviation and TEI.

In 2014, Eskişehir's share of the national air and space vehicle exports was 31,41%. Eskişehir is ranked 2nd of the sector in Turkey.

• Railway Systems

Eskişehir is one of the main centers of the rail sector in terms of both production and transportation networks in Turkey. In Eskişehir, where private sector companies are located besides the subsidiaries of the public sector, TÜLOMSAŞ is the biggest institution operating in this area. Rail systems sector in the region is mainly concentrated in the sub-industry that supplies to TÜLOMSAŞ.

Eskişehir offers a production environment that provides firms with international competitive advantages in the rail systems sector. Being the logistics base of the region, the proximity to the major ports and the availability of the sectoral qualified workforce and the strong university-industry cooperation, provides significant competitive advantages to companies.

• Food Industry

TR41 region is one of the regions where the production of food products is concentrated. Mainly flour and bakery products, meat and dairy products, chocolate and confectionery production are the food industry areas of Eskişehir, where the city comes to the fore in the country. While 1,16% of the enterprises operating in the food industry in the country in 2015 are located in Eskişehir, this ratio reaches 2,25% in employment.

The largest firm that operates in food industry is ETİ Gıda A.Ş. The product groups that stand out in food industry exports are bakery, cocoa and chocolate products. According to data provided by the Eskişehir Chamber of Industry, exports of food products surpassed US \$ 140 million in 2015.

• *Ceramics*

Eskişehir residential area is one of the provinces that has a competitive advantage in the ceramic sector of Turkey in terms of strong transportation and physical infrastructure, closeness to natural resources and human resources.

Companies such as Seranit, Yurtbay, Eczacıbaşı and Lapino which are located in and around Eskişehir province are known worldwide in ceramic production. Eskişehir-based ceramic cluster, including Kütahya, Bilecik, and Eskişehir, has an important role in construction chemistry for the ceramics industry.



• *Mining*

Eskişehir is very rich in mineral deposits of industrial raw materials. There are important raw material sources such as sepiolite, marble, kaolin, perlite, mica and sand-gravel especially in the order of boron and magnesite. “White gold”, “sea foam” and “Eskişehir stone”, which are also referred to as the names of the meerschaum which commercially processed in Turkey is located only in Eskişehir. Many companies are operating in the mining sector, which exports more than US \$ 400 million in Eskişehir, in 2015.

• *Tourism*

Eskişehir has a considerable potential in alternative tourism types such as culture and thermal tourism, nature tourism, cave tourism, air sports tourism, faith tourism and congress tourism. Some high potential tourism areas in Eskişehir are:



Culture Tourism: Many civilizations took place in Eskişehir throughout history. Some of these civilizations are Hittites, Phrygians, Romans, Byzantines, Seljuks and Ottomans. For this reason, many ancient cities, monuments, castles, historical houses, museums and architectural works are sited in the city. There are also two cultural assets in the UNESCO World Heritage Temporary List; Frig Valleys and Odunpazarı Houses.

Nature Tourism: Eskişehir has many national parks and similar landscapes, walking paths, camping sites, bicycle routes, climbing areas and more than 25 caves and sinkholes.



Thermal Tourism: Eskişehir, is one of the cities which has a lot of thermal resources and hot springs in Turkey. Sakarılıca and Kızılınler districts are declared as “thermal tourism centers” region. Kızılınler Region is ready for investor allocation.

• Automotive Industry

One of the sectors with high development potential in Eskişehir is automotive industry. Ford Otosan, one of the most important automotive brands in Turkey, operates in İnönü district of Eskişehir.

In addition to the Eskişehir Organized Industrial Zone, it is planned that the area of 4,8 million m² will be separa-

ted as Automotive Specialized Industrial Zone, which is expected to be established on the Eskişehir-Ankara highway within the boundaries of İmişehir-Kalkanlı.

• Animation

The animation sector is considered as one of the sectors with high development potential in Eskişehir. The main reasons for this potential are; Eskişehir Anadolu University Animation Department is located in Eskişehir which has 30 years of animation history and culture, presence of important animation studios in and the presence of qualified workforce in Eskişehir. In addition, Animation R&D Center founded within Anadolu University, serves animation studios throughout Turkey.



9. CLUSTERING

It is possible to say that clustering model which is accepted as an approach to increase national and regional competitiveness is quite common in Eskişehir. Gathering

of the companies operating in similar business lines in Eskişehir and in surrounding areas resulted in four business clusters in Eskişehir.



Eskişehir Aviation Cluster

Established in 2010. It is one of the first cluster formation of Turkey. Some of ceramics and tile products production companies operating in Bilecik, Kütahya and Istanbul provinces are also member of this cluster.

Eskişehir Mining Clusters

Established in 2016. It is the first mining cluster in Turkey. The cluster aims to provide guidance to the firms operating in the mining sector from the professional, social, technical and economic perspectives and to provide cooperation within the competition.





Eskişehir Bilecik Kütahya Ceramic Business Cluster

Established in 2011. It is one of the three ceramic clusters in Turkey. Many special processes such as design and development, production and development of electrical and electronic products specific to the ceramics sector, production of engines and components, system integration, by member enterprises.

Eskisehir Rail Systems Cluster

Established in 2011 under the leadership of TÜLOMSAŞ. Member enterprises operate in welding and machining, assembly, casting, composite manufacturing, metal forming, design, R&D and product development.



10. SPECIAL INVESTMENT ZONES

Eskişehir hosts 3 Organized Industrial Zones and 1 Technology Development Zone.

• Organized Industry Zones

Eskişehir Organized Industrial Zone, which was offered to the investors in 1973, was established under the leadership of Eskişehir Chamber of Industry and is one of the biggest organized industrial zones of Turkey. Eskişehir Organized Industrial Zone is 160 km from Gemlik Port and 290 km from Istanbul Port and its infrastructure is appropriate and sufficient. Sivrihisar Organized Industrial Zone is in the planning stage and has not yet been available for investments. The infrastructure works of the Beylikova Livestock Fattening Specialized Organized Industrial Zone have been completed and the zone is ready for the investments.



No	Organized Industry Zone	Status	Type	District
1	Eskişehir Organized Industry Zone	Active	Mixed	Eskişehir
2	Sivrihisar Organized Industrial Zone	Planning stage	Karma	Sivrihisar
3	Beylikova Livestock Fattening Specialized Organized Industrial Zone	Land patent stage	Specialized	Beylikova

• Eskişehir Technology Development Zone

Eskişehir Technology Development Region is carrying out important studies about the Eskişehir industry being a technology and innovation production center. It is aimed to produce competitive and innovative products in the international market with high export potential, mainly in R&D in Eskişehir. Eskişehir Technology Development Zone has 3 campuses placed in Organized Industrial Zone, Anadolu University and Osmangazi University. In the region where R&D support is provided, the main fields of activity are: Computer and information technology, software and hardware, communication, electrical and electronics industry, plastic industry, ceramic and



composite materials and all kinds of R&D and high-tech product manufacture activities of industrial enterprises and other fields.

Eskişehir Anadolu University



11. UNIVERSITIES

There are two higher education institutions in Eskişehir: Anadolu University (1982) and Osmangazi University (1993).

Total number of active students with open-faculty students in Anadolu University reached approximately 1.5 million and there are total of 6555 people in the university, including 2554 academic staff.

Number of Anadolu University Students in 2015-2016 Term

Faculty / College / Institute	Number of Students
Faculty of Economics and Administrative Sciences	4399
Faculty of Education	4012
Faculty of Communication Sciences	1594
Faculty of Fine Arts	702
Faculty of Pharmacy	759
Faculty of Literature	1995
Faculty of Law	1619
Faculty of Science	1583
Faculty of Aeronautics and Astronautics	865
Faculty of Architecture and Design	1301
Faculty of Engineering	2820
Faculty of Health Sciences	315
Faculty of Sports Science	677
Faculty of Tourism	622
State Conservatory	218
Entegredated Impareds College	111
Eskişehir Vocational High School	638
Porsuk Vocational High School	1018
Yunus Emre Vocational High School	469
Transportation Vocational High School	1091
Graduate School of Social Sciences	1794
Graduate School of Natural and Applied Sciences	1131
Graduate School of Health Sciences	371
Graduate School of Education Sciences	783
Graduate School of Fine Arts	226
Total	31113

Source: Anadolu University, Date of Access: 17.01.2017.

Osmangazi University



Number of Osmangazi University Students in 2015-2016 Term

Faculty / College / Institute	Number of Students
Faculty of Dentistry	226
Medical Faculty	1316
Faculty of Education	2464
Faculty of Science and Literature	4187
Faculty of Agriculture	710
Faculty of Engineering and Architecture	7115
Faculty of Arts and Design	117
Faculty of Economics and Administrative Sciences	3637
Faculty of Theology	1190
Faculty of Tourism	760
Eskişehir Vocational High School of Health	1095
Vocational High School of Health Services	959
Sivrihisar Vocational High School	602
Mahmudiye Vocational High School	57
Graduate School of Natural and Applied Sciences	1926
Graduate School of Social Sciences	1587
Graduate School of Health Sciences	286
Graduate School of Education Sciences	986
Expertise in Medical Sciences	292
Total	29822

Source: Osmangazi University, Access Date: 17.01.2017.

R&D and Innovation Coordination Unit Technology Transfer Office (ARINKOM TTO) located in Anadolu University is offering various services to entrepreneurs and investors as of 2014. ARINKOM TTO's main fields of activity are:

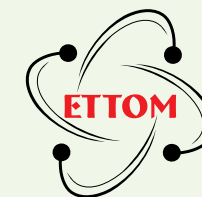
- Project Information and Support Services
- University-Sector Business Association Services
- Support Services for Intellectual Rights Processes
- Technology Assessment Services
- Techno-interference and Access to Capital Support and Information Services
- Project Based Internship (PTS) Services
- Legal Consultancy and Contract Management Services



Eskişehir Osmangazi University Technology Transfer Office Application and Research Center (ETTOM), which is located in Eskişehir Osmangazi University, has started its activities as of February 2015. ETTOM's main objectives are to make use of national and international financial support programs, to promote the dissemination and propagation of produced information into commercial products, to manage the intellectual and industrial property rights and to encourage academic entrepreneurship and to contribute to economic and social development by following universal approaches.

ETTOM, provides services to academicians and students of Eskişehir Osmangazi University and to other private and public institutions and organizations on the following issues:

- Promotion and Awareness
- Training and Consulting
- Project Management
- Access to Financial Resources
- Problem Solving
- Intellectual Property Rights
- Licensing
- Commercialization
- Entrepreneurship
- Cooperation and Coordination



12. R&D AND INNOVATION

There are 8 R&D centers in Eskişehir, which is one of the most innovative cities of Turkey. Where many R&D personnel are employed, industrial property rights and scientific publications are above the country average in Eskişehir.

Distribution of R&D Centers By Provinces

Order	Province	Quantity of R&D Centers	Quantity of R&D Personnel
1.	İstanbul	78	8.693
2.	Bursa	42	3.150
3.	Ankara	35	6.417
4.	Kocaeli	32	2.598
5.	İzmir	29	1.548
6.	Manisa	10	1.534
7.	Tekirdağ	9	801
8.	Eskişehir	8	915
9.	Sakarya	6	769
Total	-	280	28.182

Source: Ministry of Science, Industry and Technology, 2016.

Industrial Property Status of Eskişehir

Industrial Property Type	Number of Registrations	Share in Turkey %
Patent	27	2%
Utility Model	22	0,82%
Industrial Design	60	1%
Brand	695	1%

Source: Turkish Patent and Brand Institute, 2016

Scientific Publication Performance of Eskişehir (2011-2015)

Indication	Quantity / Value	Turkey Rank
Quantity of Publication	4.328	10
Number of Reference	16.205	14
Impact Value	3,74	30

Source: The Scientific and Technological Research Council of Turkey, National Academic Network and Information Center, 2016.

13. FOREIGN INVESTMENTS

Eskişehir hosts many international investors and the investment climate of the province continues to be attractive for companies with foreign capital. As of June of 2016, commerce and commerce commission has become the sector which has the largest share in terms of foreign investments in Eskişehir. Some of the major international companies operating in Eskişehir include: Barry Callebaut, Hoover, TEI, Peyman, Ford Otosan and Knauf.

Sectoral Distribution of Foreign Direct Investments in Eskişehir

Sector	Number of Facilities
Wholesale Trade and Commerce Commission (Excluding Motor Vehicles and Motorcycles)	23
Retail Trade, Repair of Personal and Household Goods (Excluding Motor Vehicles and Motorcycles)	11
Construction	6
Not elsewhere classified Machinery and Equipment Manufacture	5
Other Business Activities	4
Electricity, Gas, Steam and Hot Water Production and Distribution	4
Real Estate Activities	4
Manufacture of Other Transportation Vehicles	3
Hotels and Restaurants	3
Manufacture Of Other Non-Metallic Mineral Products	3
Computer and Related Activities	3
Agriculture, Hunting and Related Service Activities	3
Not elsewhere classified Electrical Machinery and Equipment Manufacture	3
Quarrying and Other Mining	2
Sale, Maintenance and Repair Of Motor Vehicles and Motorcycles; Retail Sale Of Motor Vehicle Fuel	2
Metal Goods Industry (Excluding Machinery and Equipment)	2
Manufacture of Chemical Substances and Products	2
Other	12
Total	95

Source: Ministry of Economy, 2016.

According to the countries, Germany, Iran and Belgium stand out in foreign companies operating in Eskişehir.

Foreign-Funded Companies Operating in Eskişehir According to Countries; June, 2016.

Country With Dominant Capital	Number of Facilities
Germany	26
Iran	11
Belgium	7
Italy	6
U.S.A.	5
Spain	5
Holland	4
Iraq	4
United Kingdom	4
Jordan	2
Luxembourg	2
Kazakhstan	2
China	2
Austria	2
France	2
Other	11
Total	95

Source: Ministry of Economy, 2016.

14. INVESTMENT INCENTIVE SYSTEM

The investment incentive system in our country is designed to direct savings to high value-added investments in line with the targets envisaged in development plans and annual programs, to increase production and employment, to encourage regional, large scale and strategic investments and investments with high research and development content that will increase international competitiveness, to increase foreign direct investments and the number of investment projects, to reduce regional development disparities, to build up investments in clustering, environmental protection and research & development activities.

Incentive system consists of general, regional, large-scale and strategic investment incentive applications. In Turkey, 6 incentive zones have been identified according to socio-economic development differences of provinces. Eskişehir, one of the most developed provinces of Turkey, is in the 1st incentive region.

• General Investment Incentive Applications

The fixed investment amount of TL 1 million and the investments on it to be made in Eskişehir, with the exception of investment issues that are not to be stimulated by regional, large-scale and strategic investments and investment subjects which do not meet the prescribed conditions, can benefit from the support elements defined below:

- Customs Tax Exemption
- Value Added Tax (VAT) Exemption

• Regional Investment Incentive Applications

Certain sectors, which vary according to provinces, may benefit from the following support elements provided in case they meet the conditions in the region in which they are located:

- Customs Tax Exemption
- Value Added Tax (Vat) Exemption
- Tax Discount
- Insurance Premium Employer Share Support
- Investment Location Designation

• Large Scale Investment Incentive Applications

Certain investment issues that provide minimum amounts can benefit from the following support elements:

- Customs Tax Exemption
- Value Added Tax (Vat) Exemption
- Tax Discount

Large Scale Investment Issues

Order	Investment Issue	Minimum Fixed Investment Amounts (Million TL)
1	Manufacture of refined petroleum products	1000
2	Manufacture of chemicals and chemical products	200
3	Port and port services investments and airport investments	200
4	Investments in Manufacture of Motor Vehicles: A) Motorized Land Vehicles Main Industry Investments B) Motorized Land Vehicles Sub-Industry Investments	200 50
5	Railway and Tram Locomotives and / or Wagon Manufacturing Investments	50
6	Transit Pipeline Transport Services Investments	50
7	Electronic Industry Investments	50
8	Medical Instruments, Precision and Optical Instruments Manufacturing Investments	50
9	Pharmaceutical Production Investments	50
10	Air and Space Vehicles and / or Parts Manufacturing Investments	50
11	Machinery (Including Electrical Machinery and Equipment) Manufacturing Investments	50
12	Metal Manufacturing Investments [Investments in the production of final metals from ore and / or concentrate of metallic minerals IV / c specified in the Mining Law (including integrated mining investments in these facilities)]	50

- Insurance Premium Employer Share Support
- Investment Location Designation

• Strategic Investment Incentive Applications

Investments in the production of products with high import dependency, which provide all of the criteria listed below, are considered strategic investments.

- Minimum fixed investment amount is over 50 million Turkish Liras (Non-natural gas based energy investments to be carried out exclusively to meet the energy needs of these investments, including the part to be proportionate to the power of the facility).
- When total domestic production capacity of the investment item is less than imports capacity.
- In accordance with the Ministry to be determined, added value to be obtained by the investment is at least 40%.
- Total amount of imports realized in the last year for the investment item is over 50 million US \$.

The investments that meet above criteria can benefit from the following supports in Eskişehir:

- Customs Tax Exemption
- Value Added Tax (VAT) Exemption
- Tax Discount
- Insurance Premium Employer Share Support
- Investment Location Designation
- Interest Support
- VAT Repayment

In addition, within the scope of the decision on granting project-based state aid to investments, the Council of Ministers Decision can provide the following support or supports to investments in line with the evaluation criteria.

- Customs Tax Exemption
- Value Added Tax (VAT) Exemption
- VAT Repayment
- Tax Deduction and Exemption
- Insurance Premium Employer Share Support
- Income Tax Withholding Support
- Qualified Personnel Support
- Interest or grant support
- Capital contribution
- Energy support
- Warranty of Public Purchase
- Investment Site Designation
- Infrastructure Support
- Exemption of permits, assignments, licenses and registrations and other restrictive provisions brought about the laws or facilitating arrangements in legal and administrative processes

Investment Incentive System Statistics of Eskişehir

Incentive Practices/Years	2013	2014	2015
General Investment Incentive Applications	Domestic:22	Domestic:10	Domestic:52
	Foreign:1	Foreign:0	Foreign:0
Regional Investment Incentive Applications	Domestic:29	Domestic:18	Domestic:14
	Foreign:5	Foreign:4	Foreign:2
Large Scale Investment Incentive Applications	Domestic:0	Domestic:0	Domestic:1
	Foreign:0	Foreign:0	Foreign:0
Strategic Investment Incentive Applications	Domestic:1	Domestic:0	Domestic:0
	Foreign:0	Foreign:0	Foreign:0

Source: Ministry of Economy.

15. COSTS

Land, Electricity and Natural Gas Prices in Eskişehir Organized Industry Zone

Expenditure Item	Cost (TL)
Site	150 TL / m ²
Electricity (TL/Kwh)	0.175000
Delivery Cost (TL/Kwh)	0.013100
Transmission System Usage Cost (TL/Kwh)	0.009424
Natural Gas Cost (TL/Kwh)	0.077370
Natural Gas Cost (TL/ Sm ³)	0.823220

Source: Organized Industry Zone, September 2016.

Water Prices in Eskişehir Organized Industry Zone

Consumption Rate	Price	Price for non-licenced Facilities
0 m ³ - 500 m ³	0,62 TL + KDV	1,86 TL + KDV
500 m ³ - 5000 m ³	0,53 TL + KDV	1,59 TL + KDV
5000 m ³ - 20000 m ³	0,49 TL + KDV	1,47 TL + KDV
20000 m ³ - 40000 m ³	0,46 TL + KDV	1,38 TL + KDV
40000 m ³ - +	0,45 TL + KDV	1,35 TL + KDV

Source: Organized Industry Zone, September 2016.

Minimum Wage in 2017

Effective Date	Net Minimum Wage	Gross Minimum Wage	Cost for Employer
01.01.2017-31.12.2017	1.404,06 TL	1.777,50 TL	2.088,56 TL

Source: Ministry of Labor and Social Security, 2017.

16. WHY ESKİŞEHİR?

- Excellent infrastructure facilities,
- Turkey's largest and best Organized Industry Zone
- Culture and experience of industrialization that surpasses a century
- Diversity in sectoral industry
- Environmentally conscious, planned, innovative, export-oriented industrialization approach
- A strong Technology Development Zone
- Due to the intersection of road and rail links, effective transportation network
- Closeness to market
- High urbanization rate and high quality standard of life
- Advanced social and cultural life
- Eligible life costs
- Ease of doing business
- Closeness to major ports
- Advanced main and subsidiary industry cooperation
- Advanced universities and educational institutions
- Qualified, educated, cheap labor force

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