

## 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 Eskişehir are:

- Airway and maritime freight or passenger transportation investments
- Private sector railroad
- Test centers, wind tunnels, and similar investments made for the automotive, aerospace or defense industries
- Tourism accommodation investments in Cultural and Tourism Preservation and Development Regions and investments that could benefit from regional incentives with regard to thermal tourism
- International trade fair investments
- Investments in the defense industry
- Mine extraction and/or processing investments
- Investments made by the private sector for kindergartens and day-care centers, as well as preschools, primary, elementary, and high schools
- Investments for the manufacturing of products or parts developed by an R&D project
- Investments in the motor vehicles main industry
- Investments for power generation where mines are used as inputs
- Investments for energy efficiency projects which are to be carried out at existing manufacturing industry facilities
- Investments for electricity generation through waste heat recovery
- Liquefied natural gas (LNG) investments and underground gas storage investments
- Investments for the production of carbon fiber or composite materials made from carbon fiber provided that it takes place along with carbon fiber production
- Investments for the production of items in high-tech industry segment stipulated in the OECD's definition for technology intensity
- Mining exploration investments to be made in the licensed areas
- Investments for the production of turbines and generators used in renewable energy generation, as well as investments for the production of blades used in wind energy generation
- Integrated investments for the production of aluminum flat products
- Licensed warehousing
- Nuclear power plant investments
- Investments for research and reference laboratories, laboratory complexes
- Greenhousing based on automation systems
- Integrated animal husbandry for meat production
- Waste recovery or disposal facilities
- Care village and wellness center investments for elderly and/or disabled within the scope of healthcare tourism

First stop for the investment incentives in Eskişehir is:

## ESKİŞEHİR INVESTMENT SUPPORT OFFICE

Eskişehir ISO provides:

- Consultancy about investment supports and incentives
  - Information and guidance to investors
  - Its services free of charge
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- Investment Incentive Document application is made online using the Electronic Incentive Implementation and Foreign Investment Information System (E-TUYS).



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Investment  
Support Office  
**IN ESKİŞEHİR**

INVESTMENT  
INCENTIVE SYSTEM  
**ESKİŞEHİR**



REPUBLIC OF TURKEY  
MINISTRY OF INDUSTRY  
AND TECHNOLOGY



BEBKA  
Bursa Eskişehir Bilecik Development Agency

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 three different schemes:**

- 1 General Investment Incentives Scheme
- 2 Regional Investment Incentives Scheme
- 3 Strategic Investment Incentives 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. Eskişehir is in the 1<sup>st</sup> 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 Eskişehir are shown in the following table:

Support Instruments	General Investment Incentives Scheme	Regional Investment Incentives Scheme	Priority Investment Incentives Scheme	Strategic Investment Incentives Scheme
VAT Exemption	+	+	+	+
Customs Duty Exemption	+	+	+	+
Tax Reduction		+	+	+
Social Security Premium Support (Employer's Share)		+	+	+
Interest Rate Support			+	+
Land Allocation		+	+	+
VAT Refund*				+

\*For construction expenditures of 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 1 million TL for Eskişehir (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 1 million TL for Eskişehir (Region 1).

### Regional Investment Incentives Instruments for Eskişehir

- VAT Exemption
- Customs Duty Exemption
- Tax Reduction
- Social Security Premium Support (Employer's Share)
- Land Allocation

### INDUSTRIES TO RECEIVE REGIONAL SUPPORTS IN ESKİŞEHİR

Industries to receive regional incentives	Minimum Fixed Investment Amount
Integrated animal husbandry	1 Million TL
Aquaculture	1 Million TL
Manufacturing of food and beverages	2 Million TL
Manufacturing of textile products	10 Million TL for investments in textile finishing
	2 Million TL for other areas of investment
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,	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	1 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 and more stars
Student dormitories	100 students
Cold storage services	1.000 m <sup>2</sup>
Licensed warehousing	2 Million TL
Educational services	1 Million TL
Investments in hospital, nursing home for the elderly	Hospital: 1 Million TL; Nursing Home: 100 persons
Smart, multifunctional, technical textile	1 Million TL
Waste recovery or disposal facilities	1 Million TL
Coal gas production (synthesis gas)	50 Million TL
Greenhousing	40 decares

## 3 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)
- Investments in the production of products with high import rates are considered as strategic investments.

### Strategic Investment Incentives Instruments for Eskişehir

- VAT Exemption
- Customs Duty Exemption
- Tax Reduction
- Social Security Premium Support (Employer's Share) - for 7 years
- Land Allocation
- VAT Refund

### Priority Investment Incentives Scheme

#### Priority Investment Subjects Incentives Instruments for Eskişehir

- VAT Exemption
- Customs Duty Exemption
- Tax Reduction
- Social Security (Employer's Share)
- Land Allocation
- Interest Rate Support

The rates and duration of Incentives Instruments are determined in accordance with the 5th Region Incentive Practices.