

VAN INVESTMENT SUPPORT OFFICE

Your Solution  Partner

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 Briefing on incentives and national and international scale support schemes

 Support for business partnerships and matching activities

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Key Sectors

RENEWABLE ENERGY

- Van province has the highest solar energy potential in Turkey. Named Tuşba meaning 'the city of the sun' in history, Van ranks 1st in Turkey in terms of electric energy production efficiency in solar power plant investments in the light of technical data. Investors in the sector are particularly interested in the province and activities to establish a Solar Energy Specialised Industrial Zone are in progress.

Values	Unit	Van	Turkey
Annual average solar energy global radiation values	KWh/sqm-year	1635,81	1524,18
Annual sunshine duration	Hours	3068,74	2736,89

(Solar Energy Potential Atlas parameters, Renewable Energy General Directorate)



MINING

- Van has the 2nd highest perlite reserves in Turkey.

AGRICULTURE AND ANIMAL HUSBANDRY

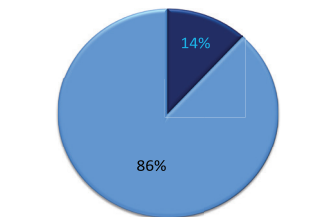
- Van is among the leading provinces in terms of meadows and pastures. With its favourable climate and land conditions, Van occupies an important position in animal husbandry at the national scale. Van ranks 1st in sheep and goat husbandry with 2 million 738 thousand animals (TÜRKSTAT, 2017).
- The climate, various micro-climate areas and lands free of chemical effects offer significant advantages in fruit and vegetable production.
- Van is in the pole position in Turkey in terms quality and volume of honey production having brand values as Gevaş, Çatak and Bahçesaray honey.

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Emerging Sectors

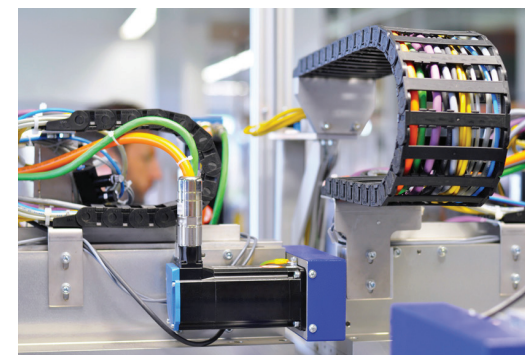
TEXTILE SECTOR

- Indoor areas and land are allocated in scope of Van Tekstilcent (Textile Cluster) Project.
- According to 2017 data, Turkey's export in Textile and Ready-Made Garment Sector is 27.16 billion dollars. Exports made to Middle East countries and Turkic Republics are 3.11 billion dollars and 589 million dollars, respectively. Export is predominantly to European countries, but exports to Central Asia and Middle East markets are also on the rise in line with the developing political and economic relations.
- Compared with the other regions, the labour force costs are 50-60 % lower on account of Region 6 incentives.



■ Exports Made to Middle East and Turkic Republics ■ Others

PLASTIC SECTOR



- Plastic sector, one of the sub-components of the chemical sector, is 90 % related to the petro-chemical sector and that's why, 88 % dependent on imports. Iran ranks 5th in plastic raw material imports of Turkey, having a significant share amounting to 485 million \$ (PAGEV, 2017).
- Turkey's 2017 export was approximately 5.5 billion dollars. 963 million dollars of this amount is to countries close to TRB2 Region. Primary markets are Iraq (8.1 %), Russia (2.1 %), Azerbaijan (2.1 %), Iran (3.1 %) and Georgia (2.3 %).
- TRB2 Region neighbouring oil-rich regions in terms of raw material as well as proximity to the Middle East and Asian countries seen as export markets and factors such as the advantages offered by the investment incentive scheme make Van province attractive for plastic production investments.



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IRON AND STEEL SECTOR

- Although there are no production facilities in the TRB2 Region, 20 % (19.77 million \$, 2017) of TRB2 Region's exports are iron and steel industry products.
- According to 2017 data, iron and steel products exports to Middle East countries are 1.75 billion \$ and exports to CIS countries are 188 million \$ and the share of exports made to these countries on sector basis to total exports is 24 %. (Turkey's 2017 export is 8.24 billion dollars).
- As known, 2 production methods are applied mainly in the sector: First, Integrated Production Facilities (IPF) and second, Electric Arc Furnaces (EAF). The production method to be applied in prospective investments in the sector in Van province is considered to be Electric Arc Furnaces (EAF) method. The reasons for this are as follows:



- » There is no iron and steel industry facility to the west of Sivas province,



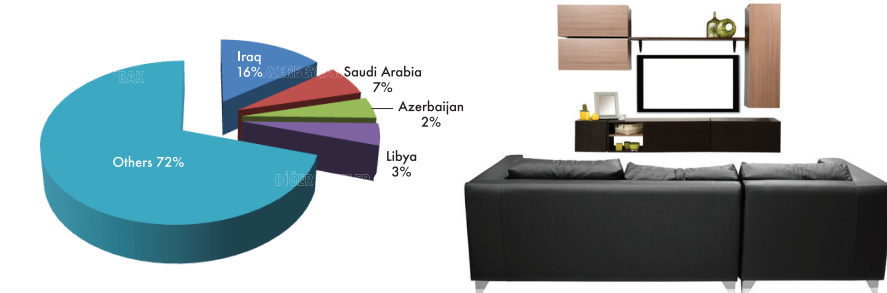
- » 21 % (2014) of the inputs used in Electric Arc Furnaces can be supplied from Middle East/Gulf and CIS countries,
- » Eastern Anatolia Region ranks 1st in Turkey in terms of iron mine,
- » The potential to collect scraps in Eastern Black Sea, Eastern Anatolia and Southeast Anatolia Regions and to process them at a facility to be established in the region,

- » Likewise, the potential to import scrap from Middle East countries (Iran, Iraq), the Caucasus countries (Georgia, Armenia), Russia and Ukraine and Turkic Republics (Azerbaijan, Nakhchevan) (particularly to enjoy inward processing regime).

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FURNITURE SECTOR

- With the advantages of the incentive scheme, TRB2 Region is rated to be 40-60 % more cost-effective according to feasibility studies performed by various companies. Furthermore, compared with the neighbouring regions, TRB2 Region's prominence in wood, wood products and cork products due to manufacturing concentrated in Van province marks the existence of know-how in the furniture sector.
- Markets constituting Turkey's export of 2.76 billion \$ are Iraq (15.9 %), Saudi Arabia (6.7 %), Libya (2.8 %), Azerbaijan (1.9 %) and Iran (1.7 %). (Trademap, 2017)



PAINT SECTOR

- With its sector structure and power, Turkey is currently the 5th paint producer of Europe. With this scale, Turkish paint industry's share in the world markets is around 2 %.
- Turkey's paint sector total export in 2017 amounts to 689 million \$. Primary markets are Iran (7.5 %), Iraq (7.1 %), Uzbekistan (5.4 %), Azerbaijan (4.1 %), Russian Federation (3.9 %) and Georgia (3.6 %).
- Less globalised, closed economies are considered as new markets in the following times in the paint sector. For this reason, paint producers focus on countries as Syria, Libya, Serbia, Croatia and Iran. Turkey's export profile and international developments raise the investment edge of Van province in the paint sector.



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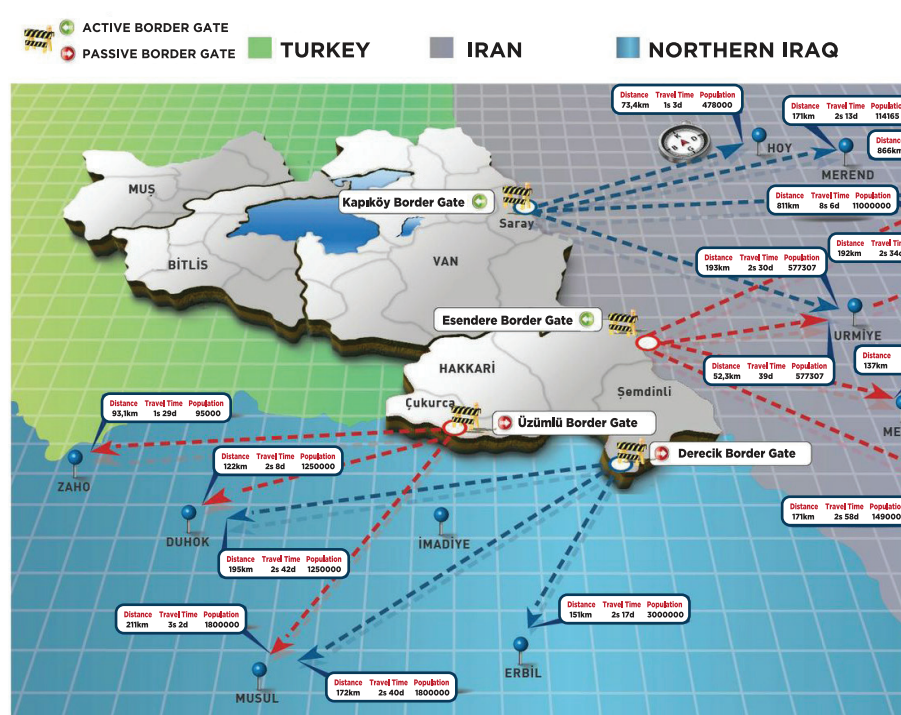
Access to **21** countries with a total population exceeding **180** million within **2** hours' flight distance



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Strategic location to boost your investment opportunities

- Van is the gateway of Turkey and Europe to Asia. The city is located at the intersection of the Middle East, the Caucasus and Central Asia. Within 2 hours' flight distance, 21 countries with a total market population of 180 million can be reached from Van.
- Thanks to its strategic location, the city is a major base of trade with Iran, Iraq, Armenia and Azerbaijan, 6 countries, namely Iraq, Syria, Azerbaijan, Nakhchevan, Georgia and Armenia are located within a perimeter of 500 km.
- A great part of Turkey-Iran border is within the boundaries of Van province. A significant deal of export to Iran is made through Kapıköy border gate that has both rail and road connections and is 1 hour distance to Van centre.
- Esendere (Hakkari) and Gürbulak (Ağrı) border gates opening to Iran are in 3 hours' distance to Van. Moreover, Uzümlü and Derecik border gates opening to Iraq via Hakkari enhance the economic potential of our province.
- Van is authorised to perform border trade in scope of foreign trade.



- Finalisation of Van-Şırnak highway project will enable fast and cost-effective access to Habur Border Gate, the main route to the Iraqi market.

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Cost-Effective Dynamic Labour Force

- According to TURKSTAT 2017 data, 30,5 % of Van population of 1,106,891 is between the ages of 15-29.
- According to TURKSTAT 2017 data, the median age in Turkey is 31,7 whereas 21,6 in Van.
- Yüzüncü Yıl University, founded in 1981, hosts 16 faculties, 8 vocational schools, 5 colleges and 32 thousand students. Together with the university, existing vocational high schools are important sources to meet the need for qualified labour.

	Turkey	TRB2	Van
Age			
Population	19,033,488	734,315	389,632
%	0-14	24	34
Population	19,214,639	663,907	337,246
%	15-29	24	31
Population	18,598,439	391,204	206,543
%	30-44	23	18
Population	13,697,336	207,654	109,209
%	45-59	17	10
Population	7,620,409	101,068	50,018
%	60-74	9	5
Population	2,646,214	30,522	14,243
%	75+	3	1
Population	Total	80,810,525	2,128,670
%			1,106,891

Strong Transportation Advantage in Access to the Market Network

- You can enjoy direct flights to/from İstanbul, Ankara, İzmir, Antalya and Adana from Van Ferit Melen Airport, 8 km to Van city centre.
- One of the main railway lines connecting Turkey to western and eastern countries transits Van city centre. Transasia Train, Van-Tabriz - Van train services, Vangölü Express passenger and load transportation make Van a prime route in railway transportation.

FERİT MELEN AIRPORT	NUMBER OF FLIGHTS/WEEK	
FLIGHT DIRECTION	SUMMER SEASON	WINTER SEASON
VAN-ADANA	7	7
VAN-ANTALYA	14	10
VAN-İZMİR	14	10
VAN-İSTANBUL	49	49
VAN-ANKARA	30	28

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Attraction Centre of the Region with Huge Internal Market

- Van is one of the biggest provinces of Eastern and Southeast Anatolia with a population of 1,106,891.
- Van province influences the surrounding centres economically and has been labelled as a "regional growth pole" in the "Regional Development National Strategy" prepared by the relevant ministry.



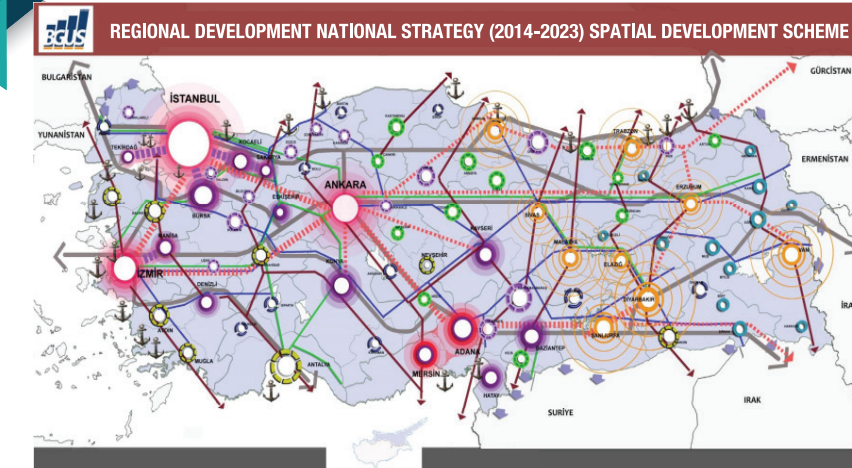
- In scope of Growth Poles Support Programme implemented by the Ministry of Industry and Technology, Van is among the 11 identified growth poles throughout Turkey. İnci Tur Watercraft Procurement, Abalı Ski Resort, Tekstilkent (Textile Cluster), Tuşba Fair and Congress Centre and Urartu Museum projects have been completed and İskele Coastline Recreation Stage 2 and City Square projects are ongoing.

Most Advantageous Region in Regional Incentives

- Van is classified under Region 6, the most advantageous region in the regional incentive scheme implemented by the Ministry of Industry and Technology.
- The investments made in the province save 50-60 % from labour costs with social security premium employer's share support, employee's share support and income tax withholding support provided through Region 6 incentives. Therefore, Van is a cost-effective city particularly in labour-intensive lines of business.

Regional Incentive Scheme						
SUPPORT ELEMENTS	I	II	III	IV	V	VI
VAT Exemption	✓	✓	✓	✓	✓	✓
Customs Duty Exemption	✓	✓	✓	✓	✓	✓
Tax Reduction Investment Contribution Rate (%)	Out of OIZ	15	20	25	30	40
	Within OIZ	20	25	30	40	50
Social Security Premium Employer's Share Support (Support Duration)	Out of OIZ	2 years	3 years	5 years	6 years	7 years
	Within OIZ	3 years	5 years	6 years	7 years	10 years
Investment Land Allocation	✓	✓	✓	✓	✓	✓
Interest Support	None	None	✓	✓	✓	✓
Income Tax Withholding Support	None	None	None	None	None	10 years
Social Security Premium Employee's Share Support	None	None	None	None	None	10 years

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Liveable city with its cultural heritage and assets

- One of the 30 metropolitan cities in Turkey
- One of the 11 provinces in the scope of the Growth Poles Support Programme
- Rich cultural heritage and environment of tolerance brought by being the capital of ancient Urartu civilisation
- 187 cultural assets such as Van Castle, Hoşap Castle, Ayanis Castle and Akdamar Church
- Important tourism destinations such as Lake Van, Akdamar Island, Muradiye Waterfall, 'Vanadocia'
- Urartu Museum covering an area of 52,000 sqm to host the legacy of civilisations
- Cuisine with Van breakfast in the first place and rich local delicacies
- 5 star hotels at international standards
- Tuşba Fair and Congress Centre responding to economic and commercial activities of the Eastern and Southeast Anatolia Regions



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Common Use Areas with Potent Facilities

ORGANISED INDUSTRIAL ZONE

- Van Organised Industrial Zone (OIZ) currently hosts production activities of 110 companies on an area of 171 ha with 136 parcels. Other extension projects for Stage IV 60 hectares and 277 hectares land are ongoing. Investors are allocated free-of-charge land within the extension area.

VAN OIZ	
TOTAL AREA (ha)	508
EXTENSION AREA (ha)	277
TOTAL PARCELS	158
ALLOCATED PARCELS	136
AVAILABLE PARCELS	22
PRODUCING COMPANIES	110

TEKSTİL KENT (TEXTILE CLUSTER)

- Van province has become a cost-effective attraction centre particularly in ready-made garment and clothing industries with its dynamic labour force potential and labour force supports offered under the regional incentive scheme. Furthermore, with the Tekstilkent Stage 2 Project under construction on an area of 77 decares, Van will become a major textile and ready-made garment hub of Turkey. On a total area of 569,000 sqm:
 - Free-of-charge land allocation
 - 32 indoor area allocations with 1200 and 2400 sqm areas
 - 3600 sqm social facility
 - 240 kW solar power plant for the costs of common use areas

VAN YYÜ TEKNOKENT

- On an area of 218,000 sqm:
 - Yüzüncü Yıl University Teknokent (Technopolis) aiming to serve all organisations conducting/ to conduct R&D and R&D based operations, particularly advanced technology, innovation, creativity and knowledge based activities, has started operations in 2015.
 - With the Teknokent deemed as one of the leading centres of university-industry cooperation, R&D and innovation ecosystem of Van province is developing.



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