



Merty Energy Petroleum Exploration, Education, Consulting and Services Limited

Incentives

In addition to the existing incentives provided for the less developed regions of Turkey which include; income tax refunds until an investment is totally recovered, reductions in customs duties. VAT and other tax concessions; the Parliament passed a new law on 21 January 1998, granting extra incentives specifically for the Region. The incentives for new investments employing 10 or more people are as follows:

1. Exemption from all income tax payments for 5 years including the investment period. Depending upon the number of employees these taxes, will be paid at 40-60 % reduced rates, until the end of 2007.
2. The payment of income and corporate taxes withheld from employees may be deferred for two years.
3. The employer's share of the employee social security payments are to be paid by the Turkish Government
4. 50 % reduction on the cost of electricity consumed during the investment period and the initial 3 years of operations.
5. The Government owned land is allocated for new investments without charge, subject to the availability of public land.

Prospective Industries in the GAP Region

- Wheat related industries (wheat flour, macaroni-semolina)
- Cotton related industries (ginning, yarn, weaving, ready-made clothing)
- Edible oil industry (raw edible oils, refined oils, animal feed)
- Industry based on livestock (slaughtering, tanning and leather, meat and milk processing, finished leather)
- Construction materials industry (bricks, tiles, pipes)
- Others (printing and publishing materials, packing, mineral extraction)

Potential Investment Areas

Agriculture, nurseries, seed production farms, export oriented vegetables production, greenhouse establishments, vegetable seedling, vegetable and fruit canning and processing, frozen food, packing and storage facilities, integrated livestock and poultry production, edible oils industry, textile and clothing, ginning and pressing, cotton yarn and weaving, wood and wood products, furniture, wooden packaging materials, commercial fertilizers, machine and farm equipment, water pumps.



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Business Prospects in Other Fields

Animal husbandry, improvement of local cattle and sheep breeds, improvement of intensive stock raising practices, irrigation and hydropower generation, transportation network, container depots, grain storage facilities, cold storage establishments, telecommunication systems, tourism accommodation facilities, construction, urban infrastructure (water supply, sewage and treatment facilities).

GAP Centers for Supporting and Guiding Entrepreneurs (GAP-GIDEM)

This is an organization to encourage local and foreign potential entrepreneurs interested in advancing business and investment opportunities in the region, and to supply such entrepreneurs with relevant information and consultancy services. In cooperation with the Union of Chambers (TOBB) and the Development Bank of Turkey (TKB), the GAP Administration undertook in 1996 the establishment of GAP-GIDEMs in all GAP provinces. In the first phase, GAP-GIDEM offices became operational in 5 GAP provinces in the summer of 1997.