

The Regional Economic Working Group
Under the leadership of The American University Center for Global Peace

TURKEY

Country Presentation

Prepared according to the guidelines for
Armenian – Azerbaijani – Georgian – Turkish
business climate research groups

Prepared by the Turkish Armenian Business Development Council (TABDC)
www.tabdc.org

Table of Contents

Table of Contents.....	2
Country overview	4
Geography	4
Population	4
Population distribution	5
Ethnic composition.....	5
Languages	5
Religion.....	5
The State	5
The Constitution.....	5
The Legislation	6
The Executive	6
General Economic Overview	7
Economic Developments.....	7
Open Economy Policies	9
Financial Sector.....	11
Social Indicators	12
Economic Reforms and Institutional Developments.....	13
Liberalization	13
Privatization.....	14
Taxation and Custom Regulations	14
Fiscal Structure and Payment Mechanism	15
Insurance Sector	17
Economic Background	17
Energy.....	17
Transportation and Communication Sector	18
Land Transportation.....	18
Sea Transportation	19
Air Transportation	19
Railroads	19

Pipelines	19
Communication.....	20
Real Sector of the Economy	21
Industrial Sector	21
Food Industry.....	22
Textile Industry	23
Leather and Leather Products Industry.....	23
Chemical Industry	23
Automotive Industry	23
Electronics Industry	24
Jewelry	24
Agriculture Sector.....	24
Animal Husbandry	26
Construction Sector	26
Tourism	28
International Trade.....	29
The ratio of Exports financing Imports	30
Exports.....	31
Imports	34
Important Information for Doing Business in Turkey	37
List of bi-lateral and multilateral agreements.....	37
Custom Procedures.....	38
Import Tariff Rates according to the Harmonized Commodity System	38
Import Restrictions	38
Technical Barriers to Trade	38
Currency.....	38
Main Routes of Transportation	39
Banking System	40
Trade Fairs	40
Appendix 1.....	41
Appendix 2.....	43

Country overview

Geography

The Republic of Turkey is an intercontinental country with land on two continents and is surrounded by the Black Sea, the Mediterranean Ocean and the Aegean Sea. Neighboring countries (with their border lengths) include Georgia (252 km), Armenia (268 km), Nakhchivan (9 km) and Iran (499 km) in the East; Bulgaria (240 km) and Greece (206 km) in the West; and Iraq (352 km) and Syria (822 km) in the South. Turkey, being a unique intercontinental bridge, with a critical strategic position and extensive coast line, has become a convergence point for many important trade and migration routes. The Marmara Sea and Straits are crucial water channels connecting the Black Sea to outermost seas. The Marmara, as an inland sea totally encompassed by the Turkish landmass is connected to the Black Sea by the İstanbul Strait and to the Aegean and Mediterranean Seas by the Çanakkale Strait.

Turkey, with 814,578 square km of area, is the largest country in the region among the neighboring countries with the exception of Iran. 3% of the Turkish land (Thrace) is located in the European side, whereas the 97% (Anatolia) lies on the Asian side. The length of borders on the land is 2875 km and the coast line is 8333 km in total. The width of the country is 550 km and the total length is around 1500 km.

Turkey has a unique position for communication with Southeastern Europe, the Middle East, the Black Sea and Central Asia countries. Hence, this attributes the country an important characteristic that attracted many multinational companies' regional offices to be located in the country. Furthermore, Turkey is in a privileged position by transporting oil from the Caspian to the world market.

Turkey, as one of the founding members of the United Nations, is also a member of NATO. Turkey is also a member of the Black Sea Economic Cooperation Organization. Charged with important missions for economic development and cooperation between Islamic countries, Turkey aspires to acquire EU membership.

Population

The Republic of Turkey is the third most populated country in Europe, following the Russian Federation and Germany. Moreover, it has the highest population density in the Middle East. According to the national census held in October 2000, Turkey has a population of 67.8 million people. This quantity will reach 69.9 million people by the end of 2003. This quantity comprises 33.6 million women and 34.2 million men. The annual rate of change of the population was 2.49% in 1980-1985, 2.17% in 1985-1990 and 1.83% in 1990-2000. The rate is expected to be 1.45% in 2000-2005.

Population distribution: Turkey has experienced a very fast urbanization process since 1960. 2000 census data has shown that 44 million people live in cities and districts; 23.7 million people live in the rural locations. Among 81 Turkish cities, İstanbul, with a population of 10 million, is the most populated city. Ankara (4 million) and İzmir (3.4 million) follow it.

Turkey has a young population. 0-14 year-olds make up 30% of the population, 15-64 year-old individuals are the 64.4% and people older than 65 are only the 5.6%. When these statistics are compared to those of EU countries it is observed that the 0-14 year-old portion is 17.2%. European people older than 65 comprise the 15.7% of the population.

Ethnic composition: Turks make up 80%; Kurds 17%; Arab, Greek and Jewish people constitute 3% of the population.

Languages: 90% of Turkey's population speaks Turkish as a mother tongue. Caucasian and Kurdish dialects, Greek and Armenian are the other languages among 70 different languages and dialects spoken in Anatolia. Turkish, as a member of the Ural-Altay language group, has been very much influenced by Arabic and Persian until the 20th century and today stands to be a modern language as the successor of the Ottoman language.

Religion: 99% of Turkey's population is Muslims. 20% of this portion is Shiite Muslims.

The State

The Turkish Republic was founded on October, 29 1923. The Constitution sets the regime of the state as Republic and the sovereignty belongs to the Turkish public.

The state is highly centralized and consists of 81 city centers. These cities are administered by the governors appointed by the central government.

The Constitution: The constitution which is in power in Turkey now was enacted in 1982. It imputes the main structure of the state as the legislation, execution and the judiciary and relies on the principle of separation of powers.

The Constitution includes all basic human rights and freedoms stemming from natural and contemporary law. It legally ascertains that the articles regarding the State's regime, founding principles, unitary structure, form of the national flag and the anthem, The Independence Anthem, its language and the capital Ankara, cannot be modified and cannot be proposed to be modified. All other articles are codified via a written proposal of minimum 2/3 of the Turkish Great National Assembly's (TGNA) and two discussion sessions in the General Assembly. The codifications are concluded through secret- voting carried out by a quorum of 3/5 of the total number of TGNA members. The President has the discretion of

returning the draft to the Assembly, propose re-elaboration on constitutional modifications and start a referendum on them.

The Legislation: The legislative power in Turkey belongs to the TGNA. The TGNA is composed of 550 members elected once every five years. There are over 50 political parties in Turkey. 19 parties out of 50 participated in the elections held on November 3, 2002. Justice and Development Party (JDP) presided by Recep Tayyip Erdoğan achieved 363 seats in the Parliament out of 550, gaining the 34.28% of the ballots. Following JDP, the Republican Public Party (RPP) has taken 19.39% of the votes and become the second party in the Parliament with 178 members. 9 independent members were also elected.

The Executive: The executive comprises the President and the Council of Ministers. Furthermore high education institutions; vocational institutions for the public; Turkey Radio and Television Association; Culture, Language and History Institution of Atatürk and Religious Affairs Administration are also included in the executive bodies.

The President: The President is the head of the Turkish state. S/he represents the Republic of Turkey and the unity of the Turkish nation. TGNA members who are over 40 years old and college graduates and also the citizens who have the necessary attributes, are eligible to be elected as the President through secret voting by a minimum 2/3 of the total number of TGNA members. The tenure of the President is 7 years.

The President is responsible for the realization of the Constitution, regulation of the functioning of state organs, summoning the Parliament, publicization of codifications and returning them to the Parliament when necessary, starting referenda for constitutional modifications, litigations against actions and codes having no conformity with the Constitution, decree laws and TGNA Internal Bye-Law, deciding upon the repetition of TGNA elections when necessary conditions hold, and all other tasks in the legislative realm.

Executive responsibilities of the President include the appointment of the Prime Minister and the appointment of the ministers, sending ambassadors, consulates and all other national representatives to foreign countries, accepting foreign representatives, ratification and publicization of all international agreements, presiding the National Security Council and Council of Ministers when necessary, signing decree documents, declaring amnesty under specific conditions, appointment of members of the State Inspection Institute and Higher Education Board, and electing the presidents of universities. The President's judicial responsibilities are confined to the election of the members of high courts.

The Council of Ministers: The Council is composed of ministers and the Prime Minister. The Prime Minister, appointed by the President among all other TGNA members, is the head of the Council. All ministers are elected by the

Prime Minister among TGNA members who are eligible for the position and appointed by the President. The President can terminate the tenure of a minister proposed by the Prime Minister.

The tenure of the Council, which is responsible for the execution of the general politics, starts with the presentation of the government program in the General Assembly and with a voting of confidence.

The National Security Council, as a constitutional organ, consists of the President, the Prime Minister, the Commander of the Turkish Armed Forces, ministers of national defense, internal and external affairs, Commanders of Turkish Land, Air, Naval Forces and General Commander of Gendarme. In line with the constitutional modifications on October,3 2001, the number of civilians in the Council was increased by including three vice-Prime Ministers and the Minister of Justice. The Council possesses a critical position giving decisions regarding national security policies, its implementations and recommending these to the Council of Ministers. These decisions are carefully evaluated by the Council of Ministers.

The Judiciary: Judicial power in Turkey is administered by independent courts and high judicial organs. The principle of supremacy of the law, independence of the judges, the courts and the guarantee for judges are the pillars of the judiciary realm. It is constitutionally enacted that all actions of the Parliament is supervised by the Constitutional Court, whereas the executive body's actions are controlled by the administrative judiciary. Some reformatory implementations are still being carried out aspiring to the conformity in the EU standards.

In the Turkish constitution, the judiciary system is determined as a three-legged structure that comprises judicial, administrative and the special courts (Military courts and State Security Courts). According to modifications on Article 143 of the Constitution in 1999, the composition of State Security Courts has been changed and they have been transmuted into totally civilian courts having civilian judges and prosecutors. At the same time, with a modification on Article 125, accession to international arbitration in the case of conflicts on public contracts was made easier.

Turkish high courts are the Constitutional Court, the Supreme Court of Appeal, the Council of State, Military Supreme Court of Appeal, the High Military Administrative Court and the Court of Jurisdictional Disputes. In addition, the High Council of Judges and Prosecutors and Turkish Court of Accounts are the other important courts included in the judiciary.

General Economic Overview

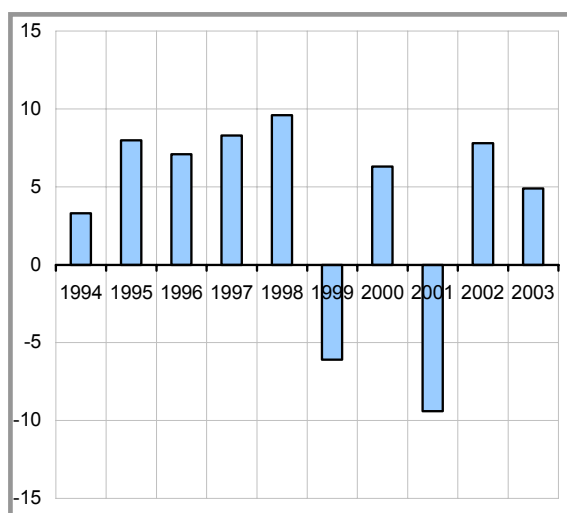
Economic Developments:

World Development Indicators in the 1997 report of the World Bank mentioned Turkey among the so called emerging giants of the world such as China, Brazil,

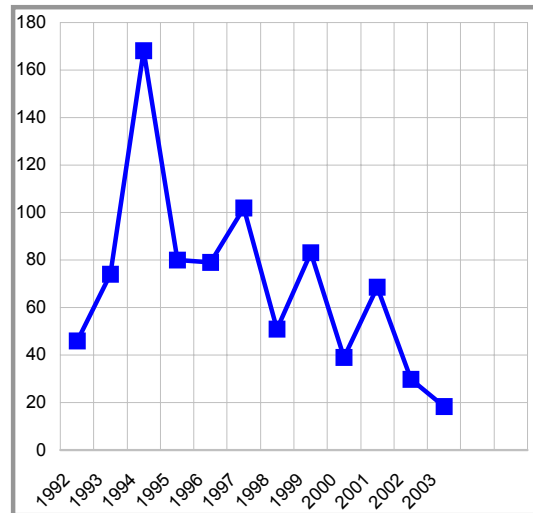
Russian Federation, India, Mexico, Argentina, Indonesia, Thailand and Pakistan, which have the highest development capacity. Although the country has experience an economic crises and contraction in the last 20 years, Turkey is still among the 20 largest economies in the world.

Turkish GNP has shown an incredible growth performance of 3.2% on the average in 1990-1995 and 7.9% in 1995-1997, which far exceeds the world average. However, the adverse repercussions of the 1998 Russian Crisis struck all Turkish sectors, especially exports and Turkish economy was influenced by an economic contraction due to tight monetary and fiscal policies and the taxation reform. Although stimulation has been observed in the mid 1999, earthquakes and government crises have created a second wave of crises in the economy. Vis a vis the contraction by 9.4% in 2001, March 2002 has become a harbinger of recuperation with a growth performance in the manufacturing sector of 18.7%. In 1980-2001, Turkish GNP increased annually by 3.65% on average. National income per capita in 1980 was \$1570 USD. However it has increased annually by 1.5% and reached \$2143 USD in 2001. Under Purchasing Power Parity, national income per capita in 1980 was \$2299 and in 2001 \$6082.

Annual GNP growth (%)

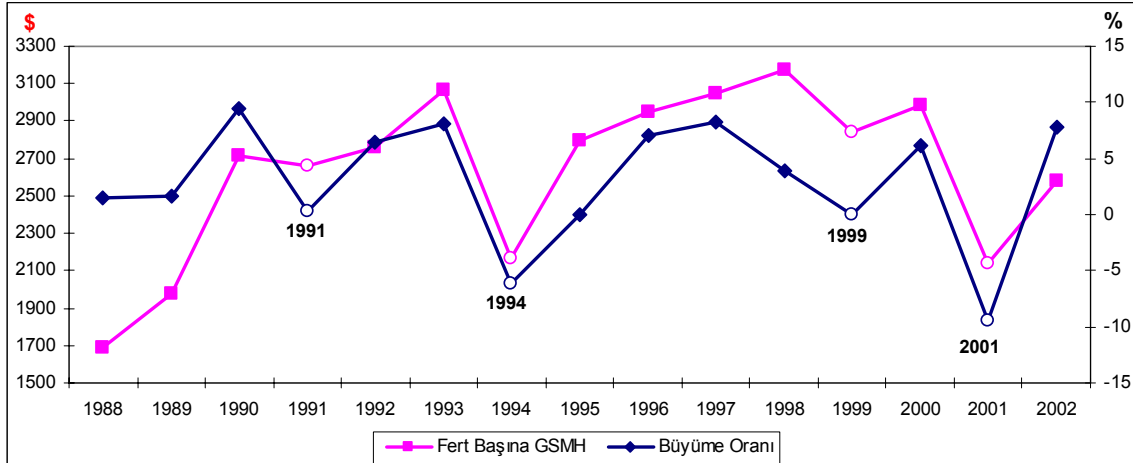


Annual Inflation rates (%)



Price stability became a major problem in Turkish economy after 1980. The country has coped with an inflation of 51.3% in 1980-1989 and in 1990-1999 experienced annual inflation of 78% on average. In 2000-2003, annual inflation decreased to 44.8% per annum. In 2003, the Turkish economy achieved an inflation rate of 18.4%. However, the monthly increase in the price level in Turkey is nearly the annual increase in the price levels of OECD countries.

Pink: GDP per capita (current prices) Blue: Growth Performance, 1988-2002



Open Economy Policies

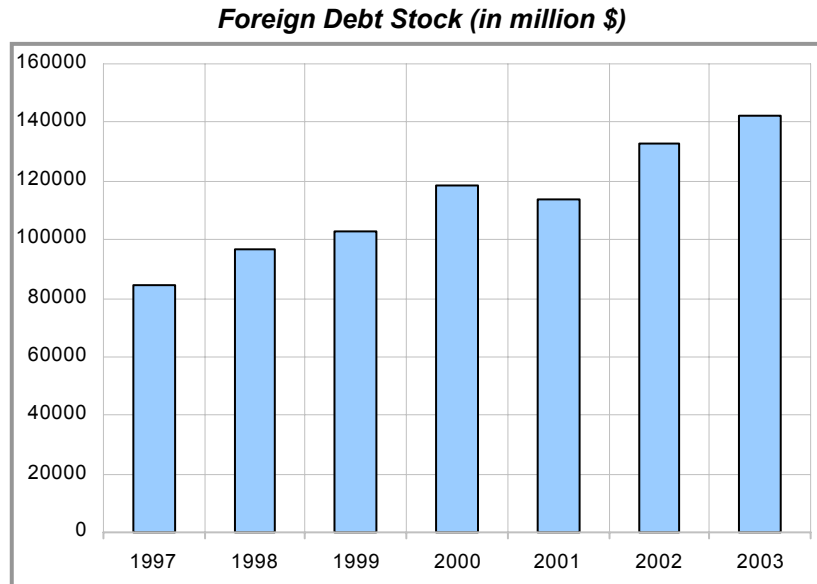
Between 1923-1980 Turkey had an economy based on import substitution that focused on domestic production of the goods demanded in the country. After 1980, in line with economic reforms, industrial policies based on import substitution were replaced and export oriented economic policies and models were adopted. Via the economic program in 1990-2002, supervised by the World Bank and the IMF, Turkey has become one of the most liberal economies of the world. On the 3rd January 1986, the İstanbul Stock Exchange (ISE) market was founded.

Since the Customs Union agreement between the European countries and Turkey, enforced on the January 1st 1996, all protective implementations in the trade of industrial goods between European countries and Turkey were eliminated. Moreover, tariffs of the Customs Union began to be used in the trade with non-European countries. This situation damaged the trade balance in 1996 and by the end of 1997, exports increased by 13% reaching to \$26.2 billion and imports increased by 11.3% to \$48.6 billion.

In 2000, Turkey started a comprehensive macroeconomic program as a continuation of the policies adopted in 1998 in order to sustain economic stability and cope with the high inflationary trends. Afterwards, as the outcome of several meetings with the IMF, positive results of the economic program began to be seen; interest rates and the inflation started to fall. After the crisis in 2001, the Turkish economy has begun to recover in 2002. At the end of 2003, exports were \$50 billion and imports were \$68 billion.

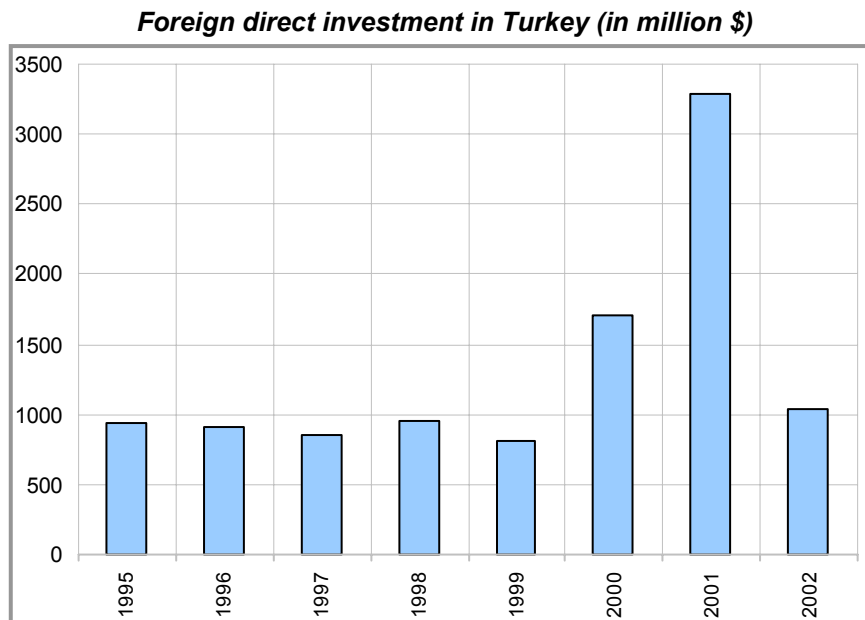
In 1991-1999, foreign debt increased from \$50 billion to \$111.2 billion. Interest payments in the same period were \$37.5 billion in total. In 1999, the ratio of the foreign debt to GNP was 59.5%; however this ratio became approximately 70% with a foreign debt stock of \$115.1 billion at the end of 2001. 85.8% of this debt is long and medium term whereas 14.2% is the short term debt. In the recent years,

due to payments of net foreign debt, the public sector deficit has been financed by domestic fiscal sources.



According to 1993 data, Turkey had \$67.3 billion in foreign debt. In 2003 this quantity became \$142 billion.

Although the Code for Promotion of Foreign Investment was promulgated in 1954, due to social, political and economic instability, the gains from foreign direct investment were unrealized.

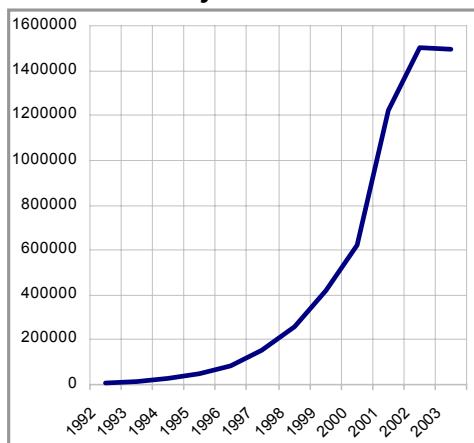


Foreign direct investment permissions in 1980-2001 were \$31.254 billion in total. By the end of 2001, the number of foreign firms in Turkey was 5350. In 1980-2001, when the quantities of permitted foreign direct investment of several countries are compared, the ranking were as follows: France, Holland, Germany and the USA. By the end of 2001, 86.5% of foreign direct investment in Turkey is financed by the OECD countries. Furthermore, 65.6% of foreign firms belong to investors from OECD countries. EU countries rank the first among those OECD countries.

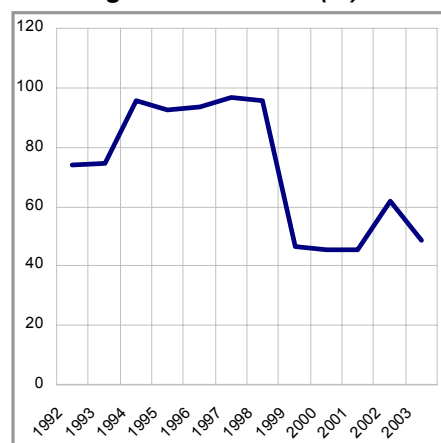
Financial Sector:

The main monetary authority in Turkey is the Central Bank (CB), which operates as a corporate firm. It has the discretion of issuing banknotes as well as administering monetary policies, regulating the money supply, giving credits to the banks. These form the tools of its monetary policy. In line with the modifications on the Code of the Central Bank in May 2001, the Bank is also charged with the responsibility of maintaining price stability.

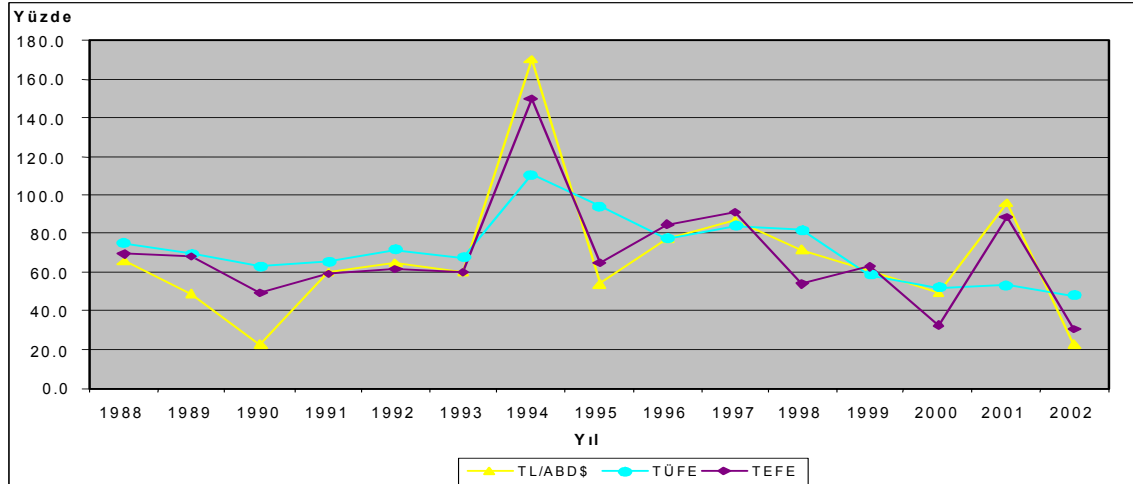
TL/USD ratio in years



Average interest rates (%)



In the last 10 years, the Turkish economy has proved to be highly unstable with its increasing public sector deficit, high inflation rates and cyclical growth performance. Public sector deficit has put a pressure on domestic financial markets and contributed to an increase in real interest rates. High real interest rates have led to a surge in the public sector deficit, thus the debt-interest rate cycle has become an unsustainable conundrum for the economy. In 1999, the public sector finance has been frustrated, domestic debt has increased, the rate of increase in the price level has jumped and a contraction in economic activity has been experienced.



Yellow: TL/USD ratio Blue: CPI Purple: WPI

At the end of 2001, the inflation rate was 80%, in 2002 around 30% and in August 2003 it decreased to 24%. The main contributor to this achievement has certainly been effective monetary policies. At the beginning of 2002, the CB started a monetary program in which the rate of increase in the money supply is used as the nominal anchor. Within this program, the CB has succeeded to reduce the inflation rate to 30% by restricting the increase in the money supply by 35% in 2002. What is much more gratifying for the economy is in 2003, the CB achieved an inflation of 18% by limiting the rate of increase in the money supply by 25%. Hence, parallel to this new low inflationary trend, nominal and real interest rates have fallen. One other reason for this fall is also the improvement in the stability of Turkish politics and the credibility it created.

Social Indicators

Demographically, Turkey has a very young population. Due to the lack of sufficient job opportunities, recurrent financial crises and vulnerability of the economy, Turkey has confronted the problem of structural unemployment. It ranks fourth among all OECD countries after Poland, Slovakia and Spain, with an unemployment rate of 10.5% in 2003.

Employment (2000-2003)	1999	2000	2001	2002	2003
Civilian labour force (1000 people)	22925	22031	22269	24347	23206
Civilian employment (1000 people)	21236	20579	20367	21658	20811
Agriculture	8595	7103	7217	7618	6799
Industry	3664	3738	3734	3953	3836
Services	8976	9738	9416	10086	10176
Unemployment rate (%)	7.4	6.6	8.5	11.0	10.5
Working population residing abroad	1206067	1170226	1178412	1200725	1197968

Turkey suffered from the repercussions of economic crises. The unemployment rate which was 6.6% in 2000, became 8.5% in 2001, and increased to 11% in 2002. In the same year, the unemployment rate among educated youth is 30%.

According to data from the Ministry of Industry and Trade, during the latest crisis, over 120,000 workplaces have closed. Moreover, the State Institute of Statistics (SIS) has verified that in line with their household labor force survey, unaccounted employment ratio was 53% in 2003.

Economic Reforms and Institutional Developments

Liberalization

Before 1980, financial markets, international trade and markets for some specific goods were controlled. Until 1979, before which industrial policies were based on import substitution, the state aspired to industrial targets through its economic enterprises as an investor and as also a producer. These policies, in conjunction with the oil crises of the 1970s, came to an end in 1976. After the currency crisis, experienced during 1977-1980, under the supervision of the IMF and the World Bank, liberalization attempts were started via structural adaptation programs in 1980.

Today Turkey has one of the most liberal currency regimes in the world. Today there are no restrictions on the operations of foreign individual or institutional investors investing on the assets in the ISE. Through this regulation, Turkish equities and bonds have been opened to foreign investors without any enforcement on capital and profits being taken out of the country.

ISE is a full member of several associations such as "The World Federation of Exchanges" (WFE), "Federation of Euro-Asian Stock Exchanges" (FEAS), "International Securities Services Association" (ISSA), "International Securities Market Association" (ISMA), "European Capital Markets Institute" (ECMI), "World Economic Forum" (WEF) "Swiss Futures and Options Association" (SFOA).

With the leadership of ISE, which gradually is becoming an international finance center, the Federation of Euro-Asian Stock Exchanges was founded in İstanbul. This federation is regional in nature and non-profit seeking. The aims of this federation include sustaining the cooperation between member stock exchange markets, representing the member stock exchange markets before other non-member markets and federations and supporting the integration of regional stock exchange markets.

In line with the target of being an open economy and achieving export oriented industrialization, some regulations (especially in the realms of trade and foreign exchange) were enacted. Some policies were adopted to set a realistic exchange rate mechanism for the Turkish Lira and to leave determination of exchange rates to the financial markets. Since 1981, not discounting the developments in the foreign and domestic price levels, balance-of-payments and international

currency markets, the exchange rates in Turkey have been determined by the CB every day. However, after August 1988 they were determined by the foreign exchange market. In addition to foreign exchange market, in April 1989, the gold market was also founded by the ISE.

Privatization:

The privatization process in Turkey is on going. In order to tackle the problems that have emerged since 1984, several legal regulations have been enacted. Total value of enterprises privatized since 1984 is \$8.1 billion. In the period of 1985-2003, public shares in 240 firms, 22 uncompleted establishments, 5 real estates, 4 electrical power stations, 6 motorways, 2 bridges, 48 establishments and 1 service unit were included in the privatization program, but targets were not achieved. 41 public institutions are still to be privatized. In 29 of these institutions, public shares comprise the 50% of all shares. It is aimed to gain revenues of \$4 billion from PETKİM and TÜPRAŞ privatization auctions held in 2004. It is expected that in the short and medium term, privatization process will accelerate.

In Turkey, serious statistical work regarding the volume of public sector has started through letters of intent given to the IMF. The following table shows the 2002 data on the consolidated budget:

Consolidated budget expenses / GNP	42,6 %
State Economic Enterprise Expenses/ GNP	13,8 %
Local Authorities' Expenses / GNP	3,97 %
Social Security Institutions / GNP	10,4 %
Several Funds /GNP	0,7 %
Revolving Fund Expenses / GNP	2,18 %
Total	73,65 %

The table clearly shows that around 70% of Turkish economy is allocated to the public sector and only a 30% portion belongs to the private sector.

Taxation and Custom Regulations:

With a profound taxation reform carried out in 1998, many taxation codes force and institutions were drastically modified. However, just after the enforcement of the new Code of Taxation, by the strike of the Russian Crisis, the fiscal markets began to fluctuate, eliminating some adverse effects of the crisis. In 1999, some of the newly enforced implementations and codes were relinquished or postponed temporarily. In the same year, to counteract the devastating loses from the earthquakes; new taxes or one-time incremental taxes were imposed. Other than these regulations, with the endorsement of the Council of Ministers, some precautionary measures of incremental taxes could be taken in Turkey.

In Turkey, the ratio of the whole tax revenues to the GNP gradually converges to the OECD average. When the trend in the OECD average is elaborated on, an incessant increase could be discerned. However, a decrease in the tax burden in

some transitory economies (as well as some mature economies) forebodes that this trend may come to an end. While in the fast developing countries such as East European countries and Ireland, the tax burden has been decreasing when 2000 is compared to 1995, Turkey has experienced an incredibly fast rate of increase in the tax burden with a rate of 10%. This situation mainly stems from the fact that the unbalanced fiscal position in the public sector in Turkey is financed by the increases in tax rates and by the incremental taxes in the budget. The ratio of the debt stock to GNP in Turkey is not smaller than 100% and through interest payments nearly the whole of tax revenues are spent. Thus, renovation attempts for the public sector continue.

% of GNP	1995	1996	1997	1998	1999	2000	2001	2002
Tax Revenues	13.8	15.0	16.1	17.2	18.9	21.1	22.5	21.8
Non-Tax Revenues	1.1	1.1	1.4	2.3	2.4	2.8	4.2	4.0
Special Revenues and Funds	2.6	1.8	1.8	2.1	2.3	2.2	1.9	1.0
<i>Total</i>	17.5	17.9	19.3	21.6	23.6	26.1	28.6	26.8

% of GNP	1995	1996	1997	1998	1999	2000	2001	2002
Current Expenditures	21.95	26.45	27.39	29.18	35.88	37.19	45.66	42.30
Domestic and Foreign Interest Payments	7.33	10.00	7.75	11.54	13.69	16.27	23.27	18.97
Transfer payments	12.42	16.16	15.72	17.62	22.19	24.38	31.72	28.41
Investment	1.31	1.70	2.18	1.87	1.97	1.97	2.35	2.52
Total	43.01	54.31	53.04	60.00	73.73	80.00	103.0	92.00
Consolidated Budget Deficit	-4.0	-8.3	-11.4	-10.5	-16.4	-14.7	-11.4	-11.3

In the Turkish budgetary system, real expenditures capture current and investment expenditures. The percentage of the total public sector expenditures in the GNP at the end of 2001 is 47.6%. In the same year, the portion of the transfer payments in the whole public sector increased from 52.4% to 58.9% and in the GNP from 22.3% to 28%. The main factor resulting in this increase is that especially after 1998, the interest payments increased faster than public sector revenues. In 2001, interest payments in the budget were over 50% and their portion in the GNP was 23%, whereas in 2002, it was 18%.

Because tax revenues in Turkey don't suffice for financing the expenditures in the tasks that the government is responsible for, issuing debt is a welcome mechanism for the public sector. When also the expenditures of State Economic Enterprises (SEE), social security institutions, local authorities and special funds are also added, this deficit exacerbates and especially the domestic debt becomes substantially necessary yielding a higher stock of debt. The debt stock was nearly \$80 billion at the end of 2001 comprised 14.5% constant interest, 49.9% variable interest and 35.6% foreign currency denominated securities.

Fiscal Structure and Payment Mechanism

The main monetary authority in Turkey is the Central Bank (CB), which operates as a corporate firm. It has the discretion of issuing banknotes as well as administering monetary policies, regulating the money supply, giving credits to

the banks, forming the tools of its monetary policy. In line with the modifications on the Code of the Central Bank in May 2001, the Bank is also charged with the responsibility of sustaining price stability.

The Turkish economy and the banking sector were subject to comprehensive modifications after January 24, 1980 in line with the Structural Adjustment Program. The enacted economic policies succeeded in eliminating existing restrictive regulations and embraced a competitive economic environment. Free entry and the exit of domestic and foreign banks into Turkish financial markets and the liberalization of interest rates stimulated the banking sector. As an outcome of the liberalization process, new entrant banks into the sector reduced the burden of the public sector in the economy. All the banks in the system diversified the service they render and moreover, within the context of technological competition, they improved the quality of their service by switching to electronic banking.

Until 2000, the responsibility of auditing and inspection of Turkish banks belonged to the Treasury and the Central Bank. Since the year of 2000, an autonomous auditing body was created for the position. This body, the Banking Regulation and Inspection Council, having fiscal, administrative autonomy and decisive independence, was created by the promulgation of the Code No. 4389 of the Council of Ministers and brought a high degree of inspection to the banking sector. In order to achieve conformity in international banking standards, the Council started brand new implementations regarding capital adequacy, risk-management, foreign exchange positions, independent audition and regulation of the consolidated fiscal tables.

Additional important developments in privatization and commercialization of Turkish banks aimed at the gradual elimination of the public sector from the banking sector occurred as well. In this period, a public bank, Emlak Bank, functioning in the real estate sector, was privatized.

	December 2001		December 2002		December 2003	
	Banks	Branches	Banks	Branches	Banks	Branches
Commercial Banks	46	6.889	40	6.087	36	5.946
Public Banks	3	2.725	3	2.019	3	1.971
Private Banks	22	3.523	20	3.659	18	3.591
Banks in the Fund	6	408	2	203	2	175
Foreign Banks	15	233	15	206	13	209
Non-deposit banks	15	19	14	19	14	17
Kamu bankaları	3	4	3	4	3	4
Private Banks	9	12	8	12	8	10
Foreign Banks	3	3	3	3	3	3
Total	61	6.908	54	6.106	50	5.963

Turkey, aspiring to financial integration with the EU and world markets, still carries out the reformatory implementations in the banking sector. As of 2003, the total value of the actives in the sector is worth \$120 billion.

The Turkish banking sector today has reached a significant level in terms of their financial and institutional positions. In recent years, while increasing the availability of their high technology products and services, banks have also engaged in some new implementations such as “Call Centers”, “Internet Banking” and “Clientele Relationships Management”. By the end of 2003, 50 banks in total are active in the sector, which have 5963 branches and 123,243 personnel countrywide.

Since 1984, private financial institutions have been also active. As of 2001, there are 5 private financial institutions functioning in the system. Through the legal modifications in 1999, these private institutions were included in the Code of Banks. Apart from them, insurance companies, ISE, all intermediary institutions in the financial market, real estate investment trusts, leasing and factoring institutions are also included in this code.

Insurance Sector

In Turkey, the entrance of domestic and foreign insurance companies into the Turkish market was permitted with a new regulation in 1990. By this regulation, a flexible, liberalized insurance tariffs system (excluding long term health insurances, life and compulsory insurances) was created within the old, administratively determined insurance tariffs system. This stimulated the sector, compared to previous years and rendered a high growth performance. In 2001, the Turkish insurance sector created \$2,052 million worth of total premia – \$378 million of which are in life insurance. On the other hand, the sector has supported the economy by paying indemnities of \$1,232 million.

As of 2001, in Turkey there are 64 insurance companies and 4 reinsurance firms which are active in 11 different branches. In the insurance sector, there are 15,000 agents in total.

Economic Background

Energy

In Turkey, primary energy sources are coal, lignite, oil, natural gas. Alternative fuels such as hydroelectrical and geothermal sources, wood, animal and plant residues, solar and wind energy are also being used. Electrical energy is the secondary energy source.

Parallel to the growing economy, developing and diversifying industrial activities and to the changing demographic structure, some significant alterations in the consumed amounts of primary and secondary energy sources could be observed in the last 40 years. In this period, primary electricity consumption has increased annually by 4.5% and electricity consumption has increased by 10%. In 2000, primary electricity consumption reached to 82.2 million tones by increasing 4.7% vis a vis the previous year, whereas, per capita primary electricity consumption was equivalent to 1259 kilograms of oil. When the depletion of primary energy

sources accelerates, an increase in the consumption of coal and natural gas, but a decrease in petroleum products, lignite and hydroelectric energy are noticed.

In the period of 1996-2000, a growth by 1.3% in the production of primary energy was sustained. In the case of supply shortages, those insufficient energy sources are provided through imports. Today, the demand for energy is met by 66% by the usage of external sources. The greatest portion among external sources is the oil. However, in recent years, natural gas consumption has had an incredible jump.

By 2000, the total amount of electrical generation was 27,264 megawatt, and the average production capacity was 125 billion kilowatt per hour. In the electricity production hydroelectricity centrals have a portion of 24.7%, lignite centrals have 27.5% and natural gas centrals have 37%. In the year of 2000, electricity consumption increased by 8.3% and reached to 128.3 billion kilowatt. Per capita gross consumption was 1,963 kilowatts.

It is expected that in 2005, the demand for primary energy will be equivalent to 115.2 million tones of oil, and in 2010, 153.9 million tones. Similarly, the demand for electricity in 2005 will reach to 195.5 billion kilowatts and in 2010, to 286.6 billion kilowatts.

Turkey possesses various sources of primary energy. It has coal, lignite, asfaltit, crude oil, natural gas sources and some fossil source reserves such as uranium and thorium, as well as hydroelectric, geothermal, solar, weave and biomass renewable and inexhaustible energy sources. However, the fossil sources, especially the reserves of fluid fossil sources don't suffice for the country, while its potential for coal, geothermal and hydroelectric energy is the 1% of the total sources in the world.

Transportation and Communication Sector

The transportation and communication sector is the greatest constant investment area in the public sector with a portion of 27.2%. Its portion of the GDP is 16%.

90% of transportation for goods and services is by land. This ratio is 3.5% for the railroads, 4.5% for the sea transportation and 2% for pipeline. 95% of domestic transportation is carried out by land transportation, whereas passenger transportation abroad is conducted via air transportation. Cargo freights dominate sea transportation.

Land Transportation

The total length of roads in Turkey is 63,167 km. In the recent years, the network of motorways in Turkey has been enlarged impressively. At the end of 2001, the total length of motorways in Turkey was 1851 km. There is a 31.376 km-long network of state motorways, whereas provincial ways are 29.940 km long in total.

Recently, due to international land transportation, Turkey has had great revenues in foreign exchanges. The total revenue yielded by this sub-sector is around \$1.5-2 million annually.

Most international trade is conducted via land transportation. (46% of the total value of exports and 39% of imports were achieved through land transportation in 1999.) Accordingly, Turkey today has the greatest land transportation fleet in Europe. The goods with high unit value are transported via land or air, but raw materials and goods with low export value are transported via sea ways. Railway transportation is limited.

Sea Transportation

Sea transportation remains dominant in international cargo transportation. Turkey, which has a coast line of 6480 km in Anatolia, 786 km in Thrace and 8333 km along its islands, performs 72% of its exports and 95% of its imports via sea transportation. 3% of intra-city transportation is also executed through sea transportation. The Turkish Sea Trade Fleet, comprises 3157 ships, 87 of which belong to the public sector. The average age in the Turkish fleet is 18.86.

Air Transportation

Turkish Airlines, which had been a monopoly for a long time, was founded in 1933 within the public sector, but since 1956, it has been a corporate firm of both foreign and domestic capital. In 1990, after the private sector was permitted to enter, Turkish Airlines lost its monopolistic position to several other airline firms. Diversity of private air transportation firms is correlated with the development of Turkey's tourism sector. Turkish Airlines has the one of the youngest fleets in the world. As of 2001, their 70 passenger planes and 1 cargo plane fly to 103 destinations in the world and employ 11,000 personnel.

Since 2002, within the conformity in international standards and in order to sustain security, speed and providence, a 38.666 km flight network has been created. Furthermore, there are over 30 airports (20 are international) administered by the General Directorate of State Airports Administration.

Railroads

The Republic of Turkey State Railroads Administration carries out both passenger and cargo transportation along its 10,940 km long railway network. 97% of this network operates as single track. 2122 km of the railroads are electrical and 2505 km part operate by signals. As of 2000, Turkish railroads have a portion of 2% in the passenger transportation and a 6% in the cargo transportation. Besides, these lines are on the shortest international corridor. Pan-Europe transportation corridor no. IV, meets Turkish railroads.

Pipelines

The first pipeline in Turkey was created in 1966, by Turkish Petroleum Corporate Partnership (TPCP) between Batman and Dörtyol (İskenderun Gulf). This

pipeline was connected also to Shell and Mobil production plants in Diyarbakır by secondary pipelines as well as to main TPCP facilities.

BOTAŞ which was founded in 1974 in order to transport Iraqi crude oil to the İskenderun Gulf, was charged in 1987 with natural gas exports, marketing, sales and transportation through the pipelines. The Code of Regulation of the Natural Gas Market that was promulgated in May 2, 2001 eliminated the monopolistic position of BOTAŞ. Thus, the market for natural gas was also made competitive and opened to third parties.

The Iraq-Turkey Crude Oil Pipeline, which is the most important pipeline of Turkey, transmits oil from production plants such as Kerkük, to Ceyhan Sea Terminal in the İskenderun Gulf.

There is still a significant endeavor to realize the projects of building new pipelines that transport oil obtained in Central Asia and Caucasia to the markets in the West Europe via Turkey. The “Intergovernmental Declaration” regarding the project of Turkmenistan-Turkey-Europe pipeline on the Caspian Sea, was signed by Turkey, Turkmenistan, Georgia, and Azerbaijan during the European Security and Cooperation Organization Summit on November 18, 1999 in İstanbul. Moreover, the project of Baku-Tbilisi-Ceyhan crude oil pipeline has been engaged to transport crude oil produced in Azerbaijan via Georgia to the Sea Terminal in Ceyhan. The annual capacity of this pipeline is 50 million tones, and the total length is 1730 km. Another project still in planning is the Azerbaijan-Turkey natural gas pipeline.

In line with policies to diversify natural gas supply resources, the Agreement of Natural Gas Purchases and Sales was signed in August 8, 1996. It will be active for 22 years and sustain the natural gas transportation from Iran to Turkey in the amount of 10 billion cubic meters annually. The Agreement started a natural gas transfer of 3 billion cubic meters annually. The expected amount to be realized by 2007 is 10 billion. On the other hand, by a sales and purchases agreement with the Russian Federation in 1997, the Blue Stream Project created a natural gas transfer of 16 billion cubic meters through two parallel 390-km pipelines at 2150m below the Black Sea.

Communication

To achieve higher efficacy for communication services in Turkey, the post and telecommunication services were separated. Accordingly, the Posting Administration General Directorate and Turkish Telecommunications Co. were founded. The privatization of Turkish Telecommunications Co. has accelerated in recent years.

In Turkey, there are 3 private GSM operators operating to fulfill the increasing demand for mobile communication and to follow developments in the sector's high- tech supply side.

The greatest step for Turkey, experiencing also an arresting process of improving satellite communications, is the launch of the Turksat 1B communication satellite (produced by the French firm Aerospatiale in 1994) onto the orbit on behalf of Turkish Telecommunications. Turksat 1B was followed by Turksat 1C in 1996 and two contral stations were built near Ankara. The firm Eurasiasat was founded (75% owned by Turkish Telecommunications and 25% owned by Alcatel Spacecom) to market and control a third satellite which began operating in February of 2001.

At the end of 2001, the number of subscribers for Turkish cable TV was around 1 million, and there were 15 million mobile phone subscribers. In addition, the Turpak Network was created to improve communication among different types of computers and terminal devices.

In order to intensify the interactions with the Central Asian Turkish Republics, the Eurasia Posting Union was founded. On June 5-7 2001, its first congress was held in İstanbul.

Real Sector of the Economy

Industrial Sector

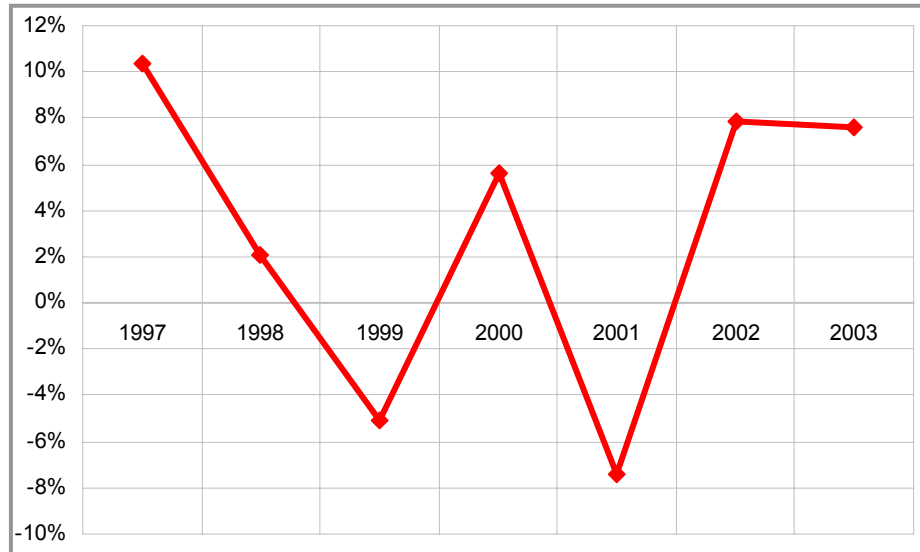
The main targets of the Turkish economy have been “high growth rate” and “structural changes in the industry sector” in line with a series of 5-year development plans implemented since 1963. These adopted policies of industrialization and economic programs have yielded different outcomes before and after 1980. The Economic Stability Program enacted on January 24, 1980 and others reflect an ingrained process of reformation in economic policy. Through the Program, revolutionary reforms were realized in the monetary and fiscal realms, international trade and foreign exchange policies. “Import substitution based on domestic demand” was superseded by “open economy through exports” and a transformation was started.

Turkish free-zones and international fairs were effective in the development of Turkish industry and its integration within the world markets. As the results of these attempts for the betterment of the industry, the share of industrial products in whole exports has risen from 36% in 1980 to 92.7% in 2003.

The impetus for this industrial growth is certainly the investments of the private sector and the sector’s dynamism. In recent years, privatization attempts have been accelerated vis a vis efforts to ameliorate the structure of Turkish industry. Furthermore, the industrial investments of the public sector have also been lessened.

In addition a significant endeavor has shown to increase the productivity, international competitiveness and value added of small and medium size firms.

The annual growth rate of Turkish industry



The concern of creating and improving organized industry zones and small industrial sites and disseminating them in the country has gained more support in recent years. The number of workshops in the 349 small industrial sites countrywide reached 81,453 in 2001. In addition, 65 organized industrial zones were built on an area of 16,139 hectares.

When the sectoral composition of the GDP in 2001 is examined, industrial production amounts to 25.6%. The crises of the late 2000 and 2001 resulted in a rise in the interest rates and inflation, devaluation, fluctuations in the exchange rate and a chaotic environment in the economy. This situation had adverse effects on industry. After those developments, by May 2001, “Adjustment to the Strong Economy Program” was enacted. Within these implementations, several measures for the real sector and hence the industry were taken. Industrial production that grew by 8.8% in 2000, experienced a bust after 2001 crisis, with a fall by 8.6%. The capacity utilization rate in 2000 was 75.9% but it became 71.1% in 2001. After the reduction in the production and devaluation of 2001, the share of the industry in the whole imports became \$39 billion by decreasing 25.3% from a 96.4% portion. The industrial exports in the same year increased by 12.1% and became \$28.9 billion. 51.6% of the whole exports were to EU countries and 44.6% of all imports were from them.

Turkish integration into world markets continues at a speedy pace. Turkish industry has achieved a preeminent position by its investments and partnerships especially the Central Asian Turkish republics. The Customs Union Agreement provided the economy a higher degree of competitive power. Free mobilization of industrial and processed agricultural products has also brought several structural changes and paved the way to conformity with EU’s technical codifications and Common Trade and Competition Policies.

Food Industry

The food sector has a share of 20% in total industrial production. The greatest part of the value added is produced by the private sector.

Textile Industry

The Turkish textile industry is a spur of economic development in Turkey. In textiles and confection, the country has a leading position in the world. It is the 6th greatest cotton producer in the world. 85% of the whole textile exports are cotton products. 35-40% of textile products are exported. Clothes production has a greater share in the textile sector with 60%. Turkey ranks 15th among all countries in textile exports and 7th in clothes. It is 6th and 2nd among EU countries in the same categories consecutively. Germany, USA, UK, France, Netherlands and the Russian Federation are the most important markets for Turkey's textiles.

The share of the private sector in textiles has reached to 95%. The sector employs 2.5 million people in total.

Leather and Leather Products Industry

The leather and leather products industry is one of the most important sectors in Turkey in terms of production and exports. Especially with the activation of İstanbul-Tuzla, Tekirdağ-Çorlu Organized Leather Industry Zones and İzmir-Menemen Leather Free-Zone, the capacity of crude leather processing has surged. These zones, mainly the Menemen Zone create attractive opportunities to domestic and foreign investors. Turkey has a share of 16% of the world's crude leather processing capacity.

The leather and leather products sector has 1.1% portion of the manufacturing sector employment and 1.5% of the whole industry. It is one of the most important sectors of the country with exports worth \$210 million.

Chemical Industry

Production in the chemical sector comprises 5.5% of industrial production. This sector, which experiences a gradual growth, provides inputs for many other sectors. 2000 exports were worth of \$1,382 million. In Turkey, there are 970 chemical firms 270 of which are large size.

Automotive Industry

The roots of the Turkish automotive industry date back to the 1950s. The manufacture of military jeeps and vans commenced in 1954 and grew to manufacture commercial trucks and buses. The first bus production was in 1966. The automobile production that was started by OTOSAN was developed gradually by the investments of TOFAŞ and RENAULT.

10 of the 15 automotive firms active in Turkey are the European. In 2001, 270,685 vehicles were produced; 175,000 of which were automobiles and 95,000 were commercial vehicles. In the same year, 195,715 vehicles were sold and

9,000 were imported. In 2001, primary and the secondary automotive sector exports were worth \$2.7 billion. Primary export markets are Germany, France, Italy, Spain, Romania, Egypt and the Russian Federation. The most important aspect of the sector is its possession of well-equipped human capital since the sector employs directly or indirectly 500,000 people.

Electronics Industry

The electronics industry is one of the most developing and evolving sectors in Turkey, parallel to improvements in information and communication technologies. In recent years, significant developments were experienced in sub-sectors of computer, telecommunications and consumption.

According to data from the Turkish Electronics Industrialists Association, the sector's production in 2000 was \$2.9 billion and the sector's total exports were \$1.4 billion. 62.7% of exports is composed of consumption devices. Color TV exports are the most important category of this sub-sector. In 2000, \$844.4 billion worth of color TV exports were realized.

Durable Consumption Goods Industry

The sector for white goods in Turkey has been experiencing a lively period and the domestic demand is increasing gradually. In 2000, one of sector's peak years, the demand for refrigerators and washing machines was 1.5 million and the total demand for dish washers and ovens was over 500,000. The sector follows contemporary technological developments, challenges rival markets with its production, marketing and services power and owns a competitive position.

This sector has been a net exporter since 1999, and had exports worth of over \$600 million in 2001.

Jewelry

Turkey has an ingrained jewelry tradition. Istanbul was the jewelry center of the world in the era of Magnificent Süleyman. And, today Turkish jewelry has a deserved worldwide fame. Some traditional idiosyncratic Turkish motives such as Telkari, Savat and Hasır are the objects of interest. Although new in the Turkish exports market, the jewelry sector had good performance in recent years. In 1995, jewelry exports were \$60 million and grew to \$394 million in 2000. A very large share of jewelry exports belongs to silver products. The most important export markets are the USA, Germany, United Arab Emirates, Israel, Italy and Switzerland in which 80% of the Turkish jewelry production is purchased.

Agriculture Sector

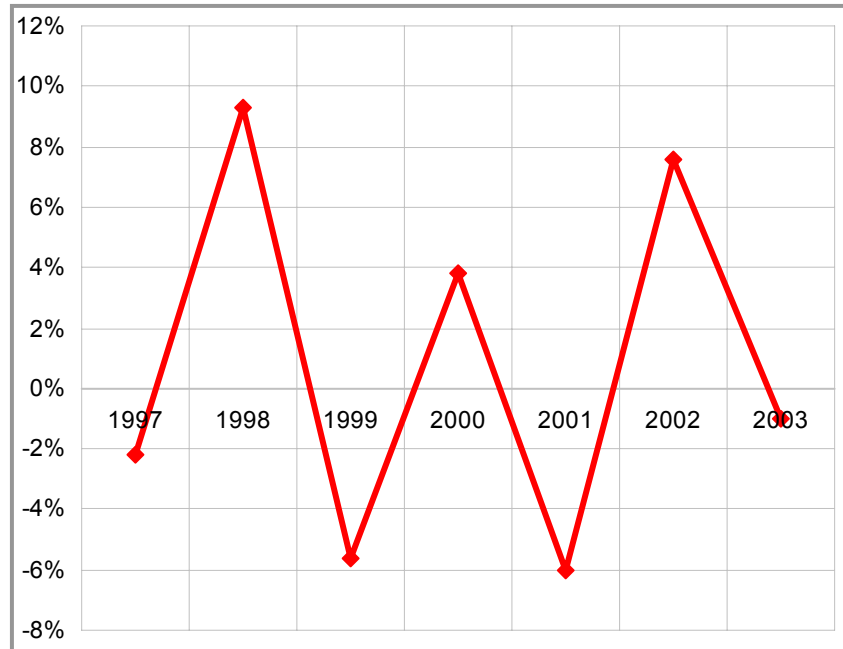
Turkey has a preeminent position in agriculture and animal-husbandry among neighboring countries. It is one of the rare self-sufficient countries in the world in agricultural food production.

Turkey is one of the large countries of the world in terms of soil. 16% of the country's soil comprises heaths and meadows, 26% is forests, and 25% is allocated to cultivation. Cultivated land was 14.8 million hectares in 1940 and 26.5 millions hectares in 2000. 83.5% of the cultivated land allocated to dry farming and the rest is for the agricultural products grown through irrigation. According to 2000 data, 68.3% of the total production is herbal products, 25.7% is animal-husbandry, 2.7% is the forestry, and 3.3% emanates from aquaculture. Field products and fruit production yield $\frac{3}{4}$ of herbal agriculture and wheat ranks the first among all plants. As of 2000, Turkey was the world leader in nut, fig and apricot production, fourth in vegetable, grape and tobacco production and seventh in wheat and cotton agriculture.

In recent years, the state's support of irrigation and cultivation as well as its infrastructural development had a positive impact on improving Turkish agriculture. The most important is certainly the Southeastern Anatolia Project (SAP). With the completion of SAP, it is expected that an amazing rise in the diversity of agricultural products will be achieved – especially the production of cotton, cloves, rice in the husk, oily seeds, wet fruits and vegetables.

The share of the agricultural sector in GDP was 26.1% in 1980. However this ratio has diminished and was 14% by the end of 2001. The sector's share the civilian employment is 42%. The reduction of sector's share in GDP does not necessarily mean that agricultural productivity has decreased, but rather, with the adoption of industry oriented policies, industry's share in the national output has risen. Indeed, parallel to developments in the industrial sector, modern and contemporary technologies as well new agricultural management techniques were introduced to the agricultural sector. In 2001, agricultural exports were \$4.5 billion. 2001 shares in the GDP were 12.9% for the agriculture and 25.3% for the industry. 2001 ratios have decreased by 6.1% for the agriculture and by 7.5% for the industry.

The annual growth rate of the agricultural sector



With the process that was started by the Helsinki Summit in 1999, Turkey agriculture sector has been renovated in line with the European acquis communautaire. To do so, the Cultivator Registration System was created in 2001 and 2.3 million cultivators were registered and a 1.2 quadrillion TL credit was given to them as Revenue Support. Furthermore, with the formation of the Agricultural Support and Guidance Council, authorities aim at organizing all agricultural activities through a single body with the funds raised by the Council and at transferring some duties of the Ministry to agricultural unions, some firms and other private or legal entities.

Animal Husbandry

The share of animal husbandry in total agricultural production varies between 20-25%. It is targeted to increase this ratio in the medium term to 70% by the Agricultural Reformation Program. The cow population in 2000 was 11 million whereas the sheep population was 28.4 million in 2000.

In the sub-sector of chicken farming, Turkey achieved the level of developed countries. The total number of broiler and egg chickens in the country is around 250 million.

Construction Sector

The construction sector in Turkey is one of the most important locomotive sectors having a propelling and motivating power for other sectors. When other sectors that provide inputs for construction are considered, the total share of the sector in the GDP reaches to 33%. Besides, its contribution to employment is around 15%.

The activities of Turkish construction firms abroad comprise an important sub-sector through their connections with other sectors, foreign exchange and employment potential. These activities compose the 6% of the whole GDP and the employment in Turkey.

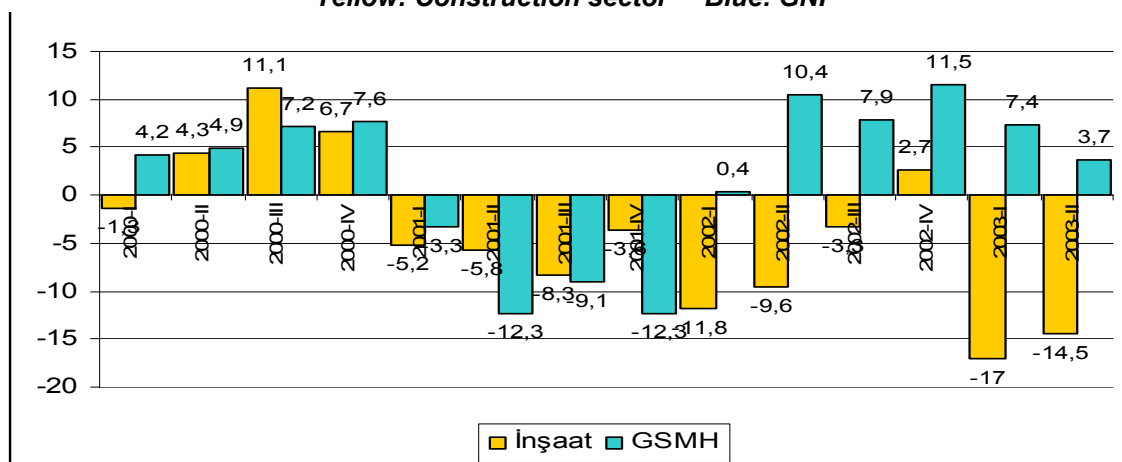
The Turkish construction sector abroad is 2-3% of the world's international business volume. This sector focuses on Eurasian and the Russian markets with 1300 projects in 50 countries. The total auction value of the construction work carried out by Turkish firms today is over \$50 billion.

The composition of the international construction work of Turkish firms in the period 1972-1999 is as follows: Libya 34%, the Russian Federation 21%, Saudi Arabia 11%, Kazakhstan 5%, Pakistan 4%, Iraq 4%, Turkmenistan 3% and the others 18%. Since the dawn of 1990s, the work done for Libya has gradually aggrandized and become the largest share with 34%.

However, due to the Russian Crisis in 1998, its influence on the Russian and other Central Asian economies, Turkish construction sector confronted a serious contraction in the market. Thus, the annual quantity of starting new construction work has waned to \$1 billion in 1999-2003 from 1990-1998's \$3 billion per annum.

The sector's net share in GNP in 2000 was 6%; however because of economic contraction and its repercussions on the construction sector, 2002 ratio was 4.6% with fixed prices.

The quarterly growth in the construction sector and in GNP
Yellow: Construction sector Blue: GNP



With the exception of 2.7% growth in 2002, the construction sector has contracted since the beginning of 2001. As also seen in the graph above, in the first quarter of 2003, the sector became smaller by 17%, and in the second quarter by 14.5%. In spite of these negative developments in the sector, as of

2003, 10% of the total construction work in the world is carried out by Turkish firms.

According to SIS statistics, the construction sector is included among service sectors while it is also included in industry in terms of the production of construction materials. Production capacity of construction materials ranks third in Turkish industry after textile and food sectors, with a portion of 10%. Furthermore, the sector generates 10% of all Turkish exports. Its export revenues are around \$2.5-3 billion annually.

Turkey is one of the largest countries worldwide in the production of construction materials. In ceramics, it is the 3rd in Europe and 5th in the world. Its rivals in Europe are Italy and Spain, China and Brazil world wide. China has an annual production of 1.4 billion square meters, but Turkey produces 200 million square meters of ceramics per annum.

In the cement production, Turkey is the 3rd in Europe and among the top 10 in the world.

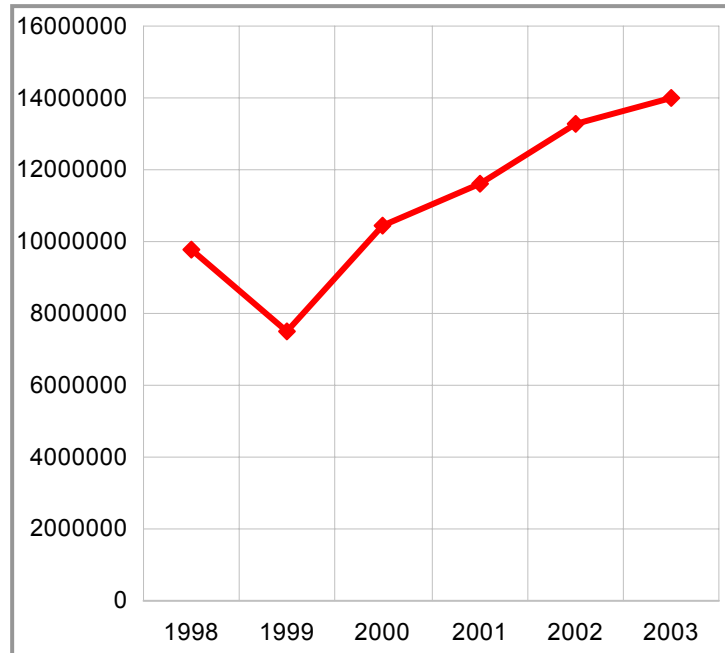
In iron and steel production, it is among the 20 largest and it also exports 35% of national glass production.

Tourism

Turkey is a rare land which owns an inheritance of history, culture and natural beauties. With its regions enjoying four-seasons all the time, green forests, high snowy mountains suitable for winter sports, clean coasts, beaches, thermal facilities and baths, hospitable disposition of its people, and its cuisine, Turkey is undoubtedly a privileged country.

Increase in tourism revenues play a major role in the boom of trade revenues of the recent years. In 2003, tourism revenues were \$11 billion.

Annual number of arriving foreign tourists



The continuous increase in the number of tourists and in tourism revenues shows that there is a significant development in the sector. In 2001, the number of tourists who arrived in Turkey was over 11.6 million. In 2003, that number reached to 14 million and the net tourism revenues were over \$11 billion. According to the report “Tourism: 2020 Vision of Europe” prepared by the World Tourism Organization, in 2020 Turkey would be the 4th largest tourism country in the region with revenue expected at \$40 billion. Turkey’s 2020 target is 60 million visitors yielding revenue of \$50 billion.

International Trade

January 24 Economic Stability Measures enacted in 1980 were an important turning point in the Turkish economy. For the first time, exports were given a significant importance and supported by tax refunds, low interest credits, customs exemptions for those exporters who are also producers and other promotion policies. After 1984, in line with liberalization policies, the domestic market was opened to competition and thus impressive achievements were experienced in imports. However developments in exports in the same period were worth more: agricultural exports were improved which supported industrial production.

Trade volume that was \$11 billion in 1980 became \$82.3 billion in 2000, \$71.7 billion in 2001, \$91 billion in 2002 and finally \$118 billion in 2003. The share of international trade in GNP, which is a good indicator of globalization was 16% in 1980 and over 40% in 2003.

After attending the Customs Union in 1996, the Turkish economy had a trade deficit of \$20 billion. In 1997, exports increased by 13% and became \$26.2 billion

whereas imports, increasing by 11.3%, were realized as \$48.6 billion. According to the report “Developments in the World Trade” prepared by the World Trade Organization, Turkey was among the top economies of the world.

Annual international trade indicators of Turkey

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Volume of the Int. Trade (Million \$)	57,345	75,694	80,669	76,584	69,513	85,224	75,772	91,678	117,099
Imports (Million \$)	35,709	43,627	48,559	45,921	40,671	54,503	40,410	50,146	64,741
Exports (Million\$)	21,636	23,225	26,261	26,973	26,588	27,775	31,334	36,059	45,884
Balance (Million \$)	-14,073	-20,402	-21,586	-18,948	-14,083	-26,728	-9,076	-14,087	-18,857
Balance/ GNP (%)	7,7	5,7	7,9	6,9	5,6	11,1	3,1	4,6	5,6

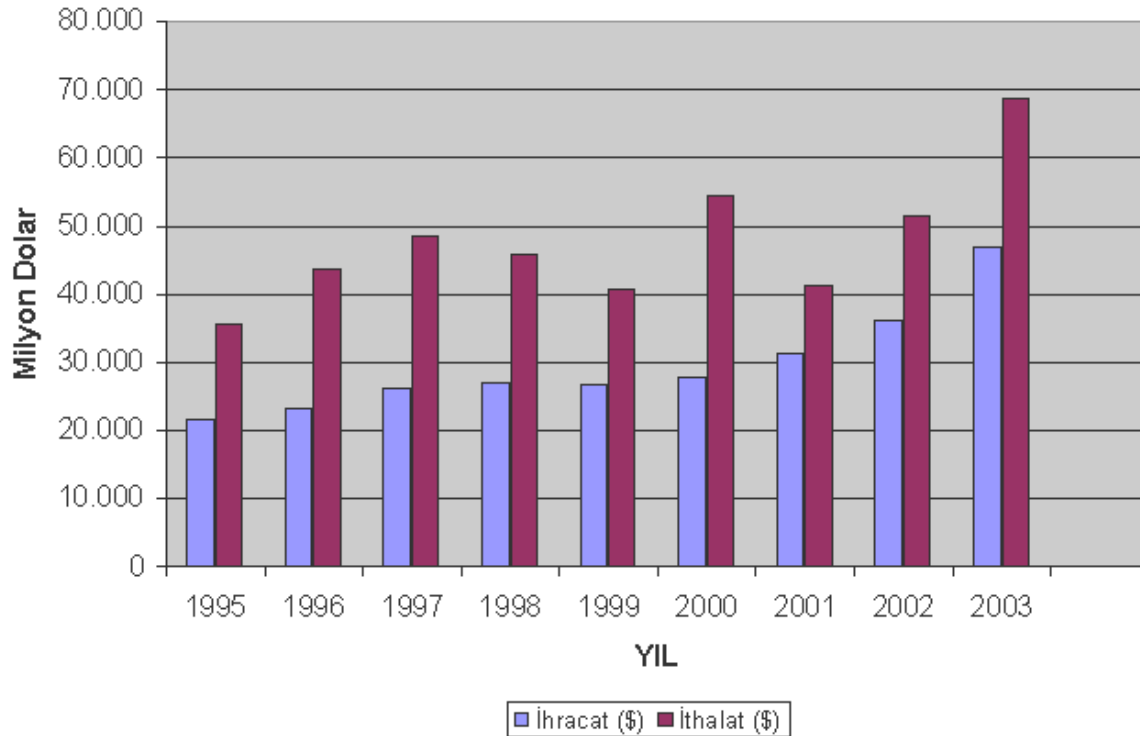
The ratio of Exports financing Imports

This ratio during 1990s was 50%, but during the 1994 Crisis this ratio became 77.8%. Imports which increased by 53.5% in 1995, reduced the ratio to 60.6%. This ratio has gradually increased in 1997, 1998, 1999 and became 54.1%, 58.7%, 65.3% respectively. Although a significant fall in 2000 was experienced, it again increased in 2001 to 70%.

On the other hand, prospective integration into the EU, is expected to result in higher shares of European trade and stronger competitive power in the markets of third world countries. Under the assumption that the economy will grow by 5-6% in the following 20 years, it is predicted that imports will be at a level of \$560 million.

Exports and Imports in the 1995-2003 period (\$million)

Blue: Exports Purple: Imports

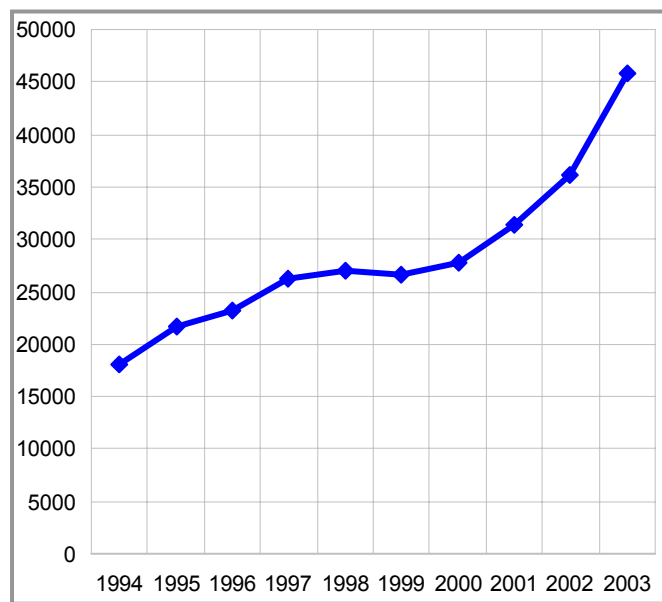


Exports

The exacerbating problems of the economy especially after the second half of 1998, resulted in a period of contraction, some negative developments in the change of GNP, productivity and capacity utilization rates. Furthermore, also due to the global economic crisis in 1997 and followed by the Russian Crisis in 1998, the Turkish economy couldn't escape adverse effects. In addition, the great earthquake and related natural disasters contracted the national economy by 6.1% - the effects were also felt in exports, which waned by 1.4% in 1999 for the first time since 1989.

2000 was a hard year in terms of exports. Because the inflation rate was higher than the pre-determined rate of increase in the exchange rate, which was set in line with the Economic Program, and due to the real appreciation of TL vis a vis the Euro and an increase in domestic demand, the rise in the exports was deflated. In 2000, exports increased only by 4.5% to \$27.8 billion. In 2003, this amount was \$46 billion.

Annual quantities of exports (in million \$)



Sectoral Structure of Exports:

EXPORTS (\$ Million)	Annual						
	1996	1997	1998	1999	2000	2001	2002
1- Agricultural Products	4.949	5.470	5.053	4.442	3.855	4.349	4.052
i-Food	4.556	5.133	4.688	4.084	3.543	3.997	3.668
Animals and Food	3.559	4.078	3.771	3.189	2.891	3.316	3.118
Animals	85	83	48	12	2	44	31
Cereals and cereal products	507	637	581	379	406	327	299
Fruits and vegetables	2.219	2.466	2.357	2.132	1.817	2.142	2.062
Honey and sugar	211	270	232	217	239	343	183
Animals feedstuff	15	8	5	6	10	25	13
Other Food	522	616	548	444	416	435	530
Beverages, tobacco and tobacco products	742	754	645	603	529	471	426
- alcoholic and non-alcoholic beverages	105	71	55	41	37	36	41
-tobacco and tobacco products	638	683	590	562	491	435	385
Animals, vegetable fat and candles	232	271	239	256	100	180	98
Fat containing seeds and fruits	23	30	33	36	23	29	27
ii-Agricultural Raw Materials	392	337	365	358	313	352	384
Leather, stout leather and raw pelts	4	3	22	10	26	31	34
Natural, synthetic and regenerated rubber	14	9	8	9	10	5	5
Natural fungus and trees	18	31	30	24	16	40	36
Wood dough and paper relics	0	0	1	0	1	0	1
Ready-to-weave fiber	279	213	220	233	196	219	232
Other Agricultural and organic raw materials	78	82	84	82	64	56	76
2- Mining products	991	992	1.034	1.078	1.157	1.236	1.497
i- Mine ores	418	462	409	423	454	406	455

ii- Mineral oil	275	192	259	337	329	445	691
Coal	1	1	2	1	2	4	2
Petroleum and by-products	250	169	233	308	292	399	651
Natural gas	9	11	9	13	15	21	23
Electricity	15	11	15	14	20	20	16
iii- Metals except iron	298	338	365	319	374	386	351
3- Industry	17.256	19.769	20.866	21.023	22.699	25.661	30.288
i-Iron and steel	1.926	2.248	1.824	1.737	1.865	2.500	2.831
ii-Chemicals	999	1.169	1.152	1.121	1.243	1.367	1.523
Plastics	196	235	245	248	299	383	405
Pharmaceuticals	97	114	120	127	148	153	164
Other Chemicals	705	820	787	746	796	831	954
iii-Other intermediate products	1.602	1.875	2.035	2.054	2.280	2.625	3.140
Ready to use Leather, stout leather and pelts	44	62	60	49	48	52	47
Rubber products	251	278	327	339	373	453	509
Mushrooms and forestry products	52	44	41	45	48	69	82
Paper, carton paper	127	156	154	150	166	242	307
Mineral products without metal	693	838	845	857	1.015	1.097	1.311
Cement, gypsum and other construction materials	221	279	273	287	371	437	558
Glass and glass-ware	254	323	328	306	363	381	413
Others	218	236	244	264	281	279	339
Metal goods	434	497	607	614	629	711	883
iv- Machines and transportation vehicles	3.012	3.364	4.092	5.037	5.740	7.153	8.632
Automotive industry products	806	665	800	1.438	1.531	2.336	3.174
Office and communication machines	331	492	896	819	1.017	1.045	1.606
Other machines and transportation vehicles	1.876	2.206	2.395	2.780	3.192	3.771	3.852
Machines producing electricity	92	111	158	138	149	195	183
Non- electrical machines	505	612	677	737	844	964	1.109
Other transportation vehicles	320	516	558	937	1.094	1.250	947
Electrical machines and devices	960	967	1.002	968	1.106	1.362	1.613
v- textile industry	2.724	3.352	3.557	3.478	3.706	3.943	4.268
vi- ready-to-wear	6.076	6.697	7.074	6.516	6.586	6.661	8.094
Leather and fur clothing	347	407	357	308	343	374	389
Other clothing	5.729	6.289	6.717	6.208	6.243	6.287	7.705
vii – Other consumption goods	918	1.065	1.132	1.080	1.279	1.413	1.800
Heating, lighting and medical apparatus	134	137	158	155	167	185	270
Furnitures	87	91	111	140	178	197	288
Travelling commodities	38	40	36	31	34	40	43
Shoes	151	209	186	110	114	126	132
Scientific measure and control devices	39	42	56	48	53	59	65
Other consumption goods	468	545	585	596	734	807	1.002
4- Other products	28	30	22	45	63	89	222

TOTAL	23.224	26.261	26.974	26.587	27.775	31.334	36.059
--------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Turkey's Country Based Export Composition:

(\$ million)					
	1999	2000	2001	2002	2003
Total Exports	26587	27775	31334	36059	46878
OECD Countries	18056	19006	20615	23533	30263
- USA	2437	3135	3126	3356	3736
EU Countries	14348	14510	16118	18459	24350
- Germany	5470	5180	5367	5869	7453
- Italy	1685	1789	2342	2376	3167
- UK	1830	2037	2175	3025	3659
- France	1570	1657	1895	2134	2818
- Holland	932	874	892	1055	1520
- Spain	751	714	950	1125	1781
- Belgium	623	647	688	693	871
- Greece	407	438	476	590	903
EFTA Countries	362	324	316	409	533
Other European Countries	1202	2278	2658	3447	4687
Middle Eastern Countries	2205	2553	3582	3576	5037
- Saudi Arabia	367	387	501	555	739
African countries	1659	1373	1521	1697	2111
Independent States Union	1531	1649	1978	2279	2937

Source: SIS

Imports

Until 1984, Turkey followed an international trade policy relying on imports substitution. They permitted imports only when domestic production didn't exist or fell short of demand. As a consequence, traditional imports comprised energy raw materials, machines and transportation vehicles and chemical products. In other fields, in principle, the market was closed to competition with foreign producers and the domestic industry was protected.

However, in 1984 competitive, exports-oriented economic policies were adopted. Through several structural and institutional transformations such as custom discounts that began in the second half of 1980s and accelerated in 1990s, abatement in the bureaucratic proceedings, transparency and simplicity, imports have surged gradually in terms of composition, diversity, value and volume.

Some regional and global developments, the foundation of the World Trade Organization and Turkey's engagement in the Customs Union were the cardinal

factors that increased the role of international dynamics in shaping import policies.

In the recent years, imports had many fluctuations because of the changes in GNP's growth rate and in the exchange rate due to economic crises. During the next 3 years after the 1994 Crisis, the growth rate was significantly high and the appreciation of the TL was dominant, hence in the period of 1995-97, imports have increased by 27.7%. In the last 2-3 years due to general economic trend, imports have waned annually by 4.1%. In 2003, imports were \$68.7 billion.

Sectoral Structure of Imports:

IMPORTS (\$ Million)	Annual						
	1996	1997	1998	1999	2000	2001	2002
1- Agriculture Products	4.866	4.926	4.321	3.398	4.156	3.079	3.995
i- Food	2.831	2.649	2.311	2.038	2.133	1.487	1.912
Animals and Goods	1.776	1.426	1.165	1.075	1.159	736	1.055
Animals	167	19	26	24	33	23	16
Cereals and cereal products	788	719	480	418	408	193	392
Fruits and vegetables	101	176	183	159	193	118	142
Honey and Sugar	294	44	14	17	16	12	20
Animal Feedstuff	150	184	158	176	207	136	144
Other Food	277	285	304	281	302	254	341
Beverages, tobacco and tobacco products	296	393	319	308	365	296	218
Alcoholic and non-alcoholic beverages	19	10	12	15	15	13	10
Tobacco and tobacco products	277	383	307	293	351	283	208
Animal and vegetable fat & candles	509	570	521	436	375	321	415
Fat containing seeds and fruits	250	260	305	219	233	134	223
ii-Agricultural Raw Materials	2.035	2.278	2.010	1.360	2.023	1.593	2.083
Leather, stout leather and raw pelts	677	589	373	102	225	275	453
Natural, synthetic and regenerated rubber	242	205	167	135	161	130	183
Natural Fungus and Trees	183	167	186	157	183	99	121
Wood dough and paper relics	127	144	153	164	238	149	192
Ready to weave fiber	732	1.089	1.022	703	1.117	866	1.031
Agriculture and Animals Other Raw Materials	74	83	108	99	99	73	104
2- Mining Products	8.079	8.417	6.589	7.134	11.682	9.859	11.656
i- Mine ores	1.350	1.389	1.187	942	1.048	709	1.362
ii- Mineral Oil	5.914	6.063	4.506	5.375	9.529	8.339	9.204
Coal	624	626	521	345	676	348	749
Petroleum and by-products	3.998	3.716	2.575	3.482	5.643	4.675	5.411
Natural Gas	1.280	1.636	1.295	1.467	3.079	3.154	2.915
Electricity	12	84	114	81	132	162	128
iii- Metals except iron	815	965	896	816	1.105	811	1.090
3- Industry	30.526	34.996	34.739	29.917	38.482	27.153	34.023

i-Iron and Steel	1.970	2.334	2.230	1.565	2.422	1.803	2.198
ii-Chemicals	5.777	6.476	6.579	6.288	7.415	6.243	7.909
Plastics	1.381	1.657	1.647	1.536	1.872	1.482	2.064
Pharmaceutical	636	811	1.019	1.159	1.345	1.345	1.721
Other chemicals	3.759	4.008	3.912	3.593	4.198	3.416	4.123
iii-Other intermediate products	2.512	2.523	2.546	2.251	2.802	2.108	2.681
Ready to use Leather, stout leather and pelts	278	284	199	125	230	249	296
Rubber products	258	277	311	282	369	227	330
Mushrooms and forestry products	72	76	99	75	148	71	112
Paper , carton paper	711	698	707	736	927	636	831
Mineral products without metal	430	416	457	377	394	287	380
Cement, gypsum and other construction materials	27	44	64	53	60	32	29
Glass and glass-wares	170	166	187	153	157	118	151
Others	234	206	205	171	177	138	200
Metal goods	763	772	773	656	733	638	730
iv- Machines and transportation vehicles	15.806	18.642	18.232	15.378	20.509	12.701	15.609
Automotive industry products	2.847	4.322	4.030	3.303	5.854	2.126	2.794
Office and communication	2.067	2.733	3.295	4.272	5.468	2.709	3.180
Other machines and transportation vehicles	10.892	11.587	10.907	7.803	9.187	7.865	9.636
Machines producing electricity	552	947	1.080	685	656	1.408	1.277
Machines not using electricity	6.758	6.872	6.285	4.159	4.905	3.776	5.472
Other transportation vehicles	2.052	1.970	1.536	1.221	1.701	1.340	1.202
Electrical Machines and devices	1.530	1.796	2.005	1.738	1.925	1.341	1.685
v- Textile industry	2.111	2.324	2.317	1.907	2.136	1.921	2.844
vi- Ready-to-wear	171	233	243	208	264	239	283
Leather and fur clothing	17	16	21	12	12	25	25
Other clothing	154	217	222	196	252	214	258
vii – Other consumption goods	2.179	2.465	2.592	2.319	2.935	2.138	2.498
Heating, lighting and medical apparatus	144	155	208	193	207	113	131
Furnitures	127	161	179	148	186	115	126
Travelling commodities	19	21	31	29	34	28	37
Shoe	99	135	128	80	116	84	116
Scientific measure and control devices	650	732	753	675	836	625	750
Other consumption goods	1.139	1.260	1.292	1.194	1.555	1.172	1.339
4- Other Products	155	218	273	222	182	1.308	1.880
TOTAL	43.627	48.559	45.921	40.671	54.503	41.399	51.554

Turkey's Country Based Import Composition:

(\$ million)

	1998	1999	2000	2001	2002	2003

(\$ million)						
	1998	1999	2000	2001	2002	2003
Total Imports	45.921	40687	54503	41399	51553	68734
OECD Countries	33.473	28326	35682	26007	32984	43544
- USA	4.043	3081	3911	3261	3099	3420
- Japan	2.045	1393	1621	1307	1466	1914
EU Countries	24.091	21416	26610	18280	23321	31495
- Germany	7.311	5881	7198	5335	7042	9400
- Italy	4.249	3192	4333	3484	4097	5446
- France	3.033	3128	3532	2284	3053	4158
- UK	2.681	2190	2748	1914	2438	3471
- Holland	1.446	1316	1584	1042	1311	1633
- Belgium	1.202	1133	1661	985	1150	1521
EFTA Countries	1.168	926	1155	1481	2512	3355
Other European Countries	948	938	6319	5269	6343	8818
Middle Eastern Countries	2.214	1987	4155	3303	3682	4334
-Saudi Arabia	669	579	962	730	794	968
African Countries	1.760	1690	2714	2819	2696	3244
Independent States Union	3.722	3732	5693	4630	5555	7713
- Russian Federation	2.153	2372	3887	3436	3892	5420

Source: SIS

Important Information for Doing Business in Turkey:

List of bi-lateral and multilateral agreements

Several bi-lateral agreements have been signed between Turkey and Azerbaijan. Two of the most important are the Agreement for Mutual Promotion and Protection of Investments and the Agreement for the Prevention of Double Taxation that were signed on February 9, 1994. The first agreement was put into enforcement in September, 1997 and the other was enforced in January, 2000.

The Main agreements between Turkey and Georgia are:

- The Protocol on the Creation of Free Trade and Economic Zones (August 31, 1995)
- Agreement for Mutual Promotion and Protection of Investments (July 30, 1992)
- Agreement for Visa Easiness (April 4, 1996)
- Agreement for Customs Transition Points (April 4, 1996)
- Agreement for Cooperation in Communications (April 4, 1996)
- Agreement for the Prevention of Double Taxation (Still being negotiated)

Borders between Armenia and Turkey are closed, there are no relationships.

Turkey cooperates with all of the participant countries in line with the Black Sea Economic Cooperation.

All of the international agreements of Turkey can be accessed via <http://www.dpt.gov.tr>

Custom Procedures

For customs proceedings, following web sites could be beneficial:

<http://www.gumruk.gov.tr>
<http://www.customs-edi.gov.tr>
<http://www.igmd.org>
<http://www.gumrukmevzuat.com>
<http://www.igeme.org.tr>

Import Tariff Rates according to the Harmonized Commodity System

In line with the Customs Union Agreement that Turkey signed in 1996, Turkey adopted the same customs tariff rates with the EU countries. For the EU Customs import tariffs and standards, please refer to:

<http://mkaccdb.eu.int/>

Import Restrictions

After the Customs Union Agreement in 1996, Turkey has implemented the European customs tariffs in its transactions with third countries. However, it does not implement customs tariffs for non-agricultural products of EU and EFTA countries. After the Union, the average protection imposed by Turkey on industrial imports from third countries was reduced. The high import tariffs on some intensive industry products such as leather and ceramics are being gradually decreased. However, Turkey perseveres with some high tariffs on food and agricultural products in order to protect the domestic market.

Technical Barriers to Trade

The Turkish Standards Institute has gone to great effort in order to comply with the European and international social or ecological standards for imports with SA 8000, ISO 14000 and CE. For further information:

<http://www.tse.org.tr>
<http://www.foreigntrade.gov.tr>

Currency

Since the 1980s, Turkey has entered an on-going process of liberalization and the currency is fully convertible.

Main Routes of Transportation

Turkey is in a position of an international junction between important economic centers and the sources of raw materials. The European Highway Network (E Network) has been started with the European Agreement of Main International Air Corridors which Turkey has also signed. According to this agreement, Turkey has provided a 5947 km long network of highways for the E Network, for which several security, equipments and protection standards are entailed.

At the dawn of the 21st century, after rejuvenations of the projects planning to connect China, Central Asian Republics to Europe via Iran and Turkey by railroads and highways, ESCAP has determined the corridors for the “Trans-Asia Railroad Network”. The Middle Corridor for the Trans-Asia of this network connects İstanbul to Almatı. A year ago, although not regularly, commercial block container trains started to operate on this track.

In the studies led by the EU, a common transportation policy aiming at the easier integration of Central and Eastern Europe (CEE) countries in the EU, has been developed. In that framework, transportation projects are determined and then financial sources are directed to these projects. In line with this scheme, in the region of CEE countries, 10 corridors were determined and named as the PEN – Pan Europe Transportation Corridor. PEN corridors complete 14 other European corridors in the Trans-Europe Corridor Network (TEN). The most important corridor for Turkey among these is the 4th one, which connects Constance, Thessaloniki and İstanbul through the Berlin-Prague-Budapest track. Turkey’s offers and attempts to expand this corridor in neighboring countries have not been supported yet.

The importance of the 4th Corridor also emanates from the situation that it intersects with the 8th Corridor in Sofia. The 8th Corridor connects Turkey with Macedonia, Albania and Italian harbors on the Adriatic and also will diversify the route choices in between.

The program carried out by the EU, in order to connect Europe to Asia is the Corridor for Europe-Caucasia-Asia Transportation (TRACECA). The Program was started with the attempts of creating alternative transportation routes to the Russian corridor in the North and the Iranian corridor in the South, supporting the transportation in the then-newly independent states of the Caucasia and the Central Asia. Turkey’s acceptance was ratified at the Helsinki Summit.

“Fundamental Agreement on the Development of International Transportation on the Silk Road” was signed also by Turkey. Together with the Turkish participation in TRACECA in the future, at the end of the highways on the routes of Poti and Batum, Turkish highways could start and thus, the Central Asian and the Caucasian republics could be connected to Europe via Turkey.

Banking System

The banking sector in Turkey is liberalized to the highest degree. The Turkish foreign exchange system hinges upon a residence criterion, rather than citizenship.

In 2001 and 2002, through legal modifications, citizen and foreign investors were given the same rights and responsibilities. Foreign investors are given the right of investing in every service and goods producing sector open to the Turkish private sector and of benefiting investment incentives, if and only if they don't monopolize the market and create concessions. According to the related code:

- Foreign residents' possession of foreign exchanges, their purchase of them from banks, related institutions and private financial institutions, their foreign exchange transfers to abroad and foreign exchange accounts in the banks are permitted.
- There is no restriction in percentage shares of foreign business partners.
- Foreign exchanges that are brought to the country as the foreign capital could be held in foreign exchange accounts without being converted into TL.
- Profit, royalty and liquidation shares could be transferred to abroad freely.
- Foreign investors could employ foreign employees when necessary. Furthermore, firms resided abroad could open contact offices in Turkey, if and only if they don't operate commercially in Turkey.
- The requirement of approval is abolished for license, know-how, technical support and management agreements, only the registration is needed.
- Approval of foreign credit agreements is not required.

Trade Fairs

For detailed information about fairs refer to:

www.dtm.gov.tr

Appendix 1

Main economic indicators of Turkey, 1999-2002

	1999	2000	2001	2002
GNP				
In current prices (TL Billion)	78.282.967	125.596.129	176.483.953	273.463.168
In current prices (\$ Million)	185.267	200.002	145.693	179.898
In 1987 prices (TL Billion)	112.044	119.144	107.783	116.167
GNP per capita (Thousand TL)	1.216.609	1.861.759	2.571.978	3.927.601
GNP per capita (\$)	2.879	2.965	2.123	2.584
Deflator	55,8	50,9	57,8	43,8
GDP per capita (in current prices and in purchasing power parity,\$	5.966	6.211	5.734	6.158
GNP –Sectoral Growth Rates (%)				
Agriculture	-5,6	3,8	-6,0	7,6
Industry	-5,1	5,6	-7,4	7,9
Services	-3,9	6,5	-6,1	5,8
GNP	-6,1	6,3	-9,5	7,8
GNP- Sectoral Composition (%)				
Agriculture	16,0	15,4	12,8	13,0
Industry	19,0	20,0	21,1	21,5
Services	64,9	64,6	66,1	65,5
Production				
Agricultural Value-Added (In 1987 prices- TL Billion)	15.426	15.962	14.994	15.978
Industrial Value-Added (In 1987 prices- TL Billion)	31.814	33.738	31.194	34.142
Manufacturing Industry Production Index (1997=100)	95,9	102,1	92,4	102,5
Capacity Utilization Rate (weighted average)	72,4	75,9	70,9	75,4
Electricity Production (Hydroelectrical GWh)	34.678	30.879	24.010	33.684
Electricity Production (Thermic GWh)	81.661	93.934	98.563	95.563
Geothermal + Wind Energy	101	109	152	153
Constant Capital Investments (TL Billion)	16.863.755	27.688.468	32.408.981	46.031.221
Public sector (TL Billion)	4.435.215	7.983.004	10.047.332	15.880.805
Private sector (TL Billion)	12.428.540	19.705.464	22.361.649	30.150.416
Employment				
Civillian labor force (1000 people)	22.925	22.031	22.269	24.347
Civillian employment (1000 people)	21.236	20.579	20.367	21.658
Agriculture	8.595	7.103	7.217	7.618
Industry	3.664	3.738	3.734	3.953
Services	8.976	9.738	9.416	10.086
Unemployment rate (%)	7,4	6,6	8,5	11,0

Workers abroad	1.206.067	1.170.226	1.178.412	1.200.725
----------------	-----------	-----------	-----------	-----------

Appendix 2

Turkey's Exports and Imports & Countries

Million Dollars(\$)	2002		2003	
	Exports	Imports	Exports	Imports
Germany	5.869	7.042	7.453	9.400
UK	3.025	2.438	3.659	3.471
USA	3.356	3.099	3.736	3.420
France	2.135	3.053	2.818	4.158
Italy	2.376	4.097	3.167	5.446
Spain	1.125	1.419	1.781	1.953
Holland	1.056	1.311	1.520	1.633
Russia	1.172	3.892	1.363	5.420
Romania	566	662	871	942
Belgium	693	1.150	871	1.521
Israel	861	544	1.067	459
Greece	590	312	903	425
Iran	334	921	524	1.857
Bulgaria	380	508	619	684
Saudi Arabia	555	794	739	968
Ukraine	313	991	437	1.304
Denmark	365	293	454	343
China	268	1.368	492	2.596
Sweden	296	535	454	820
Austria	367	588	472	823
Poland	343	245	483	411
Syria	267	506	408	413
Switzerland	289	2.143	348	2.957
Canada	240	321	220	237
Finland	136	372	214	478
Hungary	201	326	282	409
Japan	130	1.466	156	1.914
Ireland	183	477	262	500
LIST'S SUM	27.491	40.873	35.773	54.962
GENERAL SUM	36.059	51.554	46.878	68.734