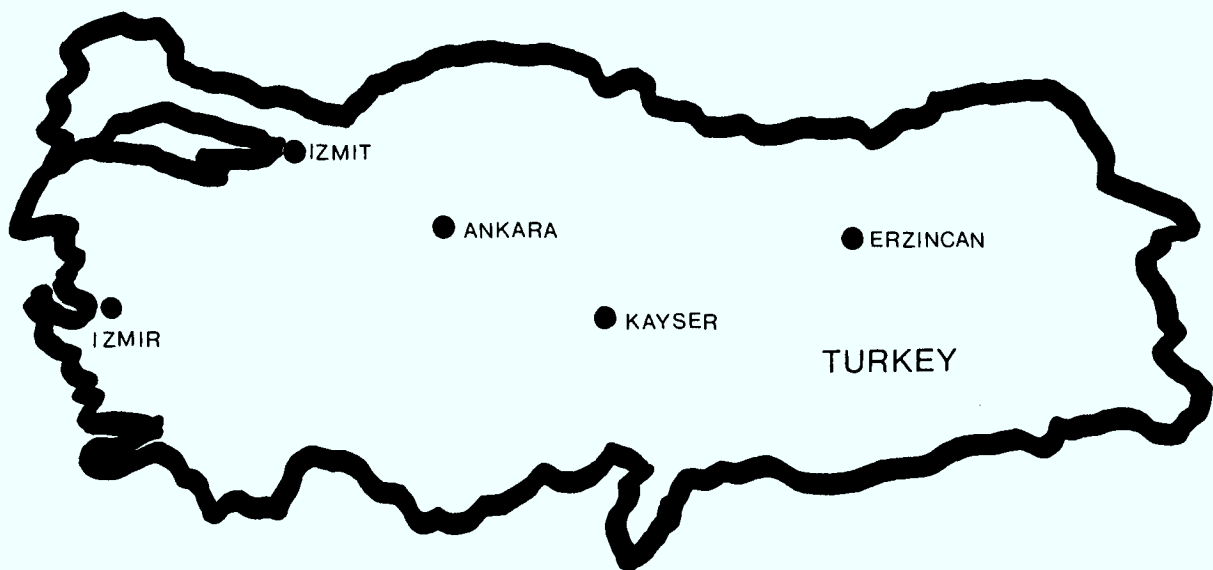


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markets
for canadian
exporters

TURKEY



MARKETS FOR CANADIAN EXPORTERS

TURKEY



Government
of Canada

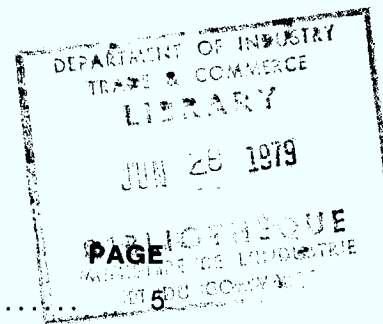
Gouvernement
du Canada

Industry, Trade
and Commerce

Industrie
et Commerce

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I. GENERAL

National Flag

The Turkish national flag consists of a white crescent moon and star on red ground.

History

Modern Turkey is the direct descendant of the Turkish Empire that once stretched around the south and east shores of the Mediterranean. After many years of ascendancy in which Turkey spread well into Europe, almost to the gates of Vienna, the empire declined until, with World War I, it was shorn of much of its former lands.

The end of World War I marked the start of modern Turkey. The war brought into power General Mustafa Kemal who, as first president, proclaimed the Turkish Republic in 1923. Taking the name of Kemal Atatürk, he led the country into the twentieth century, reorganizing its political and social structures and westernizing its society.

Atatürk also started the process of industrializing Turkey and reducing its dependence on a largely agricultural economy. After his death in 1938, this process has continued under succeeding governments. The result has been that today Turkey has a growing industrial base.

Turkey is a member of NATO and has associate membership status in the EEC.

Geography

Turkey covers an area of about 767,930 km² (296,500 sq. mi.) and has a coastline extending more than 6,400 km (4,000 mi.). The greater part of the country lies in Asia (Anatolia) and is bounded to the north by the Black Sea and the U.S.S.R., to the east by Iran, and in the south by Iraq and Syria and the Mediterranean Sea. The remainder of the country (about 23,300 km² — 9,000 sq. mi.) is in Europe and known as Thrace. It borders Greece and Bulgaria to the west and north with the coastline in the south extending along the Sea of Marmara.

Population

The population was estimated at 43 million in 1978; the rate of increase is between 2.4 and 2.5 per cent per annum. Ninety-five per cent of the population is Moslem in greatly varying degrees of orthodoxy. Roughly 60 per cent of the Turkish population is engaged in agriculture. Turks are self-respecting, hard working and hospitable people. While preserving valued old traditions, they are striving to modernize this country using western societies as models.

Climate

The climate varies according to district. Winter can be severe on the central Anatolian plateau, in the Black Sea and Marmara coastal districts, and to a lesser extent the Aegean seaboard, whereas the summer months are usually hot. The southern coastal districts, sheltered by the Taurus mountains, enjoy a milder winter but are correspondingly hotter and more humid during the summer. The months of April, May and June and from the end of September to the beginning of December are the best times to visit Turkey; late autumn and early spring for the southern coastal districts.

Religion and Social Customs

Most Turks are Moslems but there are Christian (Greek Orthodox, Armenian and Roman Catholic) and Jewish minorities in Istanbul and Izmir. Practically all business entertaining is done in restaurants and clubs.

Language

Apart from Turkish, English is extensively used particularly in the business community. German has now become the second most important foreign language spoken in Turkey at the expense of French which is still occasionally used particularly in the business communities of Istanbul and Izmir.

II. THE ECONOMY AND FOREIGN TRADE

Although agriculture has traditionally produced the largest proportion of the national income, recently a structural change has been taking place in the Turkish economy. In 1974, 29.6 per cent of the total GDP came from agriculture, 22.2 per cent from industry and 48.2 per cent from services. In 1977, 26.2 per cent of total GDP was from agriculture, 19.4 per cent from industry and 53.2 per cent from services.

Turkey has a diversity of rich mineral reserves — chromite, copper, colemanite, mercury, iron, lignite coal, manganese, pyrite, manganosite and meerscham — which constitute important items in the country's foreign trade. Cotton, tobacco, raisins, sultanas, hazelnuts and, more recently, wheat and barley are major agricultural export items.

The participation of the Turkish government in the economic life of the country is significant. The government owns or holds interests in a wide number of industries, ranging from textiles to iron and steel, as well as utilities and capital intensive heavy industries.

The importation, exportation and/or distribution within Turkey of a large number of commodities are also reserved to the state. For example, grains and some agricultural implements may be traded in foreign commerce only by the Office of Soil Products; coal is distributed only by the Turkish Coal Board; and chrome, borax, etc., may be exported only by Etibank.

The main long-term planning tool of successive governments has been the Five-Year Development Plans. The first and second Five-Year Plans were prepared in the framework of a 15-year perspective plan (1963-77). The first plan gave emphasis to investment in infrastructure, employment and institutional reforms. The second plan concentrated mainly on industrialization. Agriculture was given a supporting role in both plans. The third plan was drawn up in a new 22-year perspective (1973-95).

As a result of a change in government early in 1978, the new government decided to revise the 1978 to 1982 fourth Five-Year Development Plan passed under the previous government. This resulted in a one-year delay of the plan's implementation and its period will now be from 1979 to 1983.

Turkey's per capita GNP in 1977 was estimated at slightly more than \$1,000.

The Turkish economy grew rapidly in the early 1970s. While GNP growth was somewhat uneven because of fluctuations in agricultural output, industrial output grew in real terms by more than 10 per cent in each of the years 1971 to 1973. This high rate of growth was accompanied by a strong improvement of the external position. Foreign exchange receipts rose rapidly following the devaluation of the Turkish lira in August 1970 as a result of a much improved export performance and a marked increase in the inflow of workers' remittances.

In 1974 the economic picture changed, unfortunately for the worse, with the balance of payments deteriorating sharply mainly as a result of the oil crisis. Growth in GNP in that year reached 7.1 per cent in real terms. The rate of inflation accelerated to about 30 per cent. Unemployment, partly as a result of a more restrictive attitude to the employment of foreign workers in many European countries, reached 12 per cent.

The year 1975 showed mixed results for the Turkish economy. Leading positive developments were a fall in the rate of inflation from 30 per cent to around 18 per cent, an exceptional agricultural harvest, and a growth in real GNP of 8 per cent. On the other hand, a decline in export revenues and worker remittances coupled with a rapid growth in imports led to an unprecedented deficit on current account of \$1.8 billion.

In 1976, growth in real terms was 7.2 per cent. The rate of inflation was almost double that of 1975. Exports reached \$1,960 million, an improvement of 40 per cent over the previous year, while imports, on the other hand, increased by only 8.2 per cent to \$5,129 million and the foreign trade deficit fell by \$169 million to \$3,169 million. Remittances from workers abroad dropped by a further 25 per cent to \$983 million. Overall, the balance of payments account showed a deficit of \$1,751 million.

The growth rate in 1977 was only 5 per cent. The government, in compliance with IMF demands, imposed measures to reduce the demand and consequently the inflation rate which had escalated to some 45 per cent. Other factors for Turkey's slower growth during 1977 were a relatively poor performance and a disappointing level of workers' remittances.

These factors resulted in a record balance of payments deficit which produced a serious foreign exchange crisis. Transfers of most letters of credit were suspended between February 1977 and May 1978 when cautious transfers at the rate of \$3 million per day resumed only to be suspended again after six weeks.

The growth rate in 1978 attained 2.7 per cent after the new government, in consultation with the IMF, decided to take bolder and more drastic steps to reduce the inflationary spiral and to bring the Turkish economy into balance. Part of these measures was a 30 per cent devaluation of the Turkish lira in March 1978. Short-term relief was provided by the IMF through the provision of \$450 million stand-by credit. The Turkish government also entered into debt rescheduling negotiations with several countries to postpone debt coming due in 1979.

A drastic reduction in imports coupled with an increase in exports brought some relief for the Turkish balance of payments. Workers' remittances, however, have still not reached a desirable level and additional measures to attract these funds are expected to be introduced by the government.

Turkish Investment Policy

The announced policy of the government is to encourage private foreign investment in projects in line with Turkey's national interest and introducing new technology and promote exports. Various tax and import duty concessions are available for approved investments, and the repatriation of profits and capital is allowed in principle.

In actual application, there have been a series of restrictions and government controls which have inhibited normal business operations. These include work permit refusals, mandatory export levels, disagreements over amounts of remittable profits due to differing interpretations of Turkish financial regulations, and direct or indirect government controls over prices. Expansion of existing investments is controlled and limited by a requirement that any capitalization of retained earnings must be approved by a separate decree of the Council of Ministers.

In general, the government favours private investment in projects that will help fulfill its development goals, increase foreign exchange earnings (either through exports or import substitution) or transfer "significant" new technology to Turkey. Some industries are closed to private investment, primarily those in which the government exercises a monopoly.

The only Canadian companies with investments in Turkey are Northern Telecom and Massey-Ferguson.

Canadian/Turkish Trade

Most Canadian exports to Turkey are associated with sales to the government or to industries in which the government has a share. Sales to such organizations are not subject to tariffs (Turkey, as an associate member of the EEC, grants preference to those countries on a wide range of items). Government purchases are often of a size to make a prospective sale economic for a Canadian supplier. Such purchases must be by tender and require bid and (usually) performance bonds. Bids are evaluated on the basis of price (present worth value in the case of offers accompanied by financing), delivery, and on how closely the bidders meet the specifications. Long-term supply contracts are normally not permitted. Because of the formalities involved and the language problem, most Canadian firms appoint a local representative to look after their interests.

Canada is not a major trading partner of Turkey. Turkey's associate membership of the European Economic Community inevitably makes the EEC the main trade area.

In 1976 Canada ranked 16th as an exporter to Turkey with sales of \$62.86 million, accounting for 1.1 per cent of total imports. This comparatively high level of exports (aside from Canada's traditional exports of raw materials and semi-processed products) has been made possible in large part through loans granted by the Export Development Corporation. Turkish exports to Canada in 1976 were \$5.89 million.

In spite of the previously mentioned balance of payments problems, lack of foreign exchange and import controls, Turkey's infrastructure requirements and industrialization program present opportunities for Canadian equipment and machinery manufacturers (particularly in resource base fields and electrical, electronics, telecommunications and transportation).

Opportunities for foreign consultants are becoming increasingly limited to highly specialized fields where international financing is available or in a joint venture with a local partner for a turnkey project supported by bilateral financing. Because of the immensity of the development program and the economic situation, it is increasingly imperative for companies to accompany their bids with offers of financing including, if possible, financing for the downpayment portion of a loan. Such offers invariably receive preference. Companies selling on a letter of credit basis without financing must expect to wait up to several months for the foreign exchange to be transferred. Because of its relatively advanced stage of development, Turkey does not qualify for financing from the Canadian International Development Agency.

Total Canadian Exports to Turkey amounted to \$42.3 million in 1975, \$62.9 million in 1976 and \$50.9 million in 1977.

PRINCIPAL CANADIAN EXPORTS TO TURKEY

	1975	1976	1977
Hides and skins, raw	1,402,005	1,342,258	—
Wood pulp bleached Kraft paper ground hard	1,400,000	1,133,275	3,516,513
Fuel oil, heavy no. 4-6 and bunker	2,653,601	—	—
Aluminum pigs, ingots shot slabs	8,969,751	10,976,501	7,707,331
Zinc blocks, pigs and slabs	1,101,625	1,460,664	1,196,326
Industrial furnace, kilns, ovens and parts	1,651,300	—	—
Construction machinery and equipment	1,560,770	6,945,046	—
Machine tools metalwork and parts	1,260,000	—	—
Telephone apparatus equipment and parts	12,664,265	20,985,314	19,131,953

Steel scrap	—	6,038,264	—
Pig iron	—	1,396,663	—
Parts for construction machinery equipment	—	1,309,366	1,309,398
Asbestos milled fibres	—	—	1,028,721
Newsprint paper	—	—	1,265,399
Wrap paper, unbleached sulphite/ sulphate	—	—	3,252,254
Pulp and paper industry machinery	—	—	1,071,947
Trucks and chassis, commercial n.e.s.	—	—	1,844,686

Total Turkish Exports to Canada amounted to \$3.4 million in 1975, \$5.9 million in 1976 and \$7.0 million in 1977.

PRINCIPAL TURKISH EXPORTS TO CANADA

	1975	1976	1977
Raisins	584,971	1,161,406	2,525,142
Fruits, preserved, not canned	210,689	—	398,687
Filberts, shelled or roasted	752,849	803,175	1,348,864
Tomato paste, canned	389,354	—	374,600
Telephone apparatus, equipment and parts	441,020	482,226	—
Nuts kernels seeds shelled	—	267,547	—
Apricots, dried	—	316,500	548,373
Cotton, raw	—	521,467	—
Cotton linters and carded sliver	—	408,865	356,912
Chrome in ores and concentrates	—	492,449	—

III. DOING BUSINESS IN TURKEY

Appointment of Agents

Unless a firm's interests are large enough to warrant the opening of an office in the country, the most effective means of introducing and developing the sale of products is by securing the services of a reliable and qualified local representative on a commission basis or, in the case of certain goods, as a distributor. The great bulk of Canadian export trade with Turkey is done through local agents who keep their principals informed of local market conditions.

Careful enquiries regarding the standing and possible conflicting interest of any prospective agents should be made before agreements are signed.

Istanbul and, to a lesser extent, Izmir are the chief markets for imports, while Ankara is the centre for most government business. It is strongly recommended that sole agents/distributors are appointed, either for the whole country or for specifically designated areas or types of business. In cases where a large volume of government business is expected, it is essential either to appoint an Ankara firm specifically for such business, or to appoint an Istanbul firm which has its own branch office in the capital.

For most goods it is strongly recommended either to have an agent in Istanbul who has a branch or agency in Izmir, Ankara and Adana, or to appoint separate agents in each of these centres. The more reliable Istanbul agent-firms cover all parts of the country at regular intervals; at present comparatively few Ankara and Izmir firms have coverage outside their immediate area.

Much government business is transacted on a system of public tender and competent local representation is virtually essential during the preliminary stages. For the more important contracts, the presence of a technically qualified member of the contracting firm is an advantage.

Once an agent is appointed, he should be given his principal's fullest support regarding literature, technical information, etc. Possible government buyers and the larger importing firms should be given catalogues and other literature clearly indicating the name and address of the local agents/distributors. In the case of technical goods, agreement should be reached with the agent concerning the production of Turkish-language leaflets, catalogues, instruction manuals, etc., in accordance with Law No. 632. Few, if any, commercial vehicle drivers, diesel engine and generator, etc., operators understand English and provision of a Turkish-language instruction manual is essential apart from being legally necessary.

Agency Legislation

Sections 116 to 134 of the Turkish Commercial Code, Law No. 6762 of June 29, 1956, govern the position of agents in Turkey. Under the law, each of the parties may, with three months' notice, terminate the agency contract concluded for an undefined time. Even if a term has been specified by the contract it may also be terminated on cogent grounds. The party terminating the contract without cogent grounds and without giving three months' notice shall compensate for the losses of the other party resulting from the non-completion of the business commenced.

Visits by Canadian Representatives

The Turkish market and the Turkish foreign trade and exchange regulations are subject to rapid change and, no matter how efficient and reliable an agent or distributor may be, regular visits by representatives of Canadian manufacturers and exporters are an essential part of a progressive selling policy.

Turkish customers, government and private, welcome visits from manufacturers' representatives and these visits often result in the finalizing of orders under discussion for months.

Canadian manufacturers should encourage visits to their plants by their agents/distributors and entertain visiting government officials, importers and equipment users.

Buying Seasons

There are no particular seasons except, in the case of Izmir, during the Izmir International Trade Fair (August 20 to September 20).

Overseas Status Information

Reports on the suitability-for-purpose of local firms for potential representatives or partners (joint venture or manufacture-under-licence) of Canadian manufacturers can be obtained through the Commercial Division of the Canadian Embassy in Ankara.

Foreign Investment in Turkey

Joint ventures with Turkish companies can be advantageous but the present application of the law on foreign investment lays down stringent conditions which must be fulfilled before a project can be approved. Licensing agreements are also worth considering and are more likely to obtain approval.

Correspondence and Trade Literature

Correspondence and trade literature can be in English, but technical goods, leaflets, catalogues, etc., must be in Turkish. Weights and measures should be in the metric system.

Price Quotations

Prices should be quoted in Canadian or U.S. dollars, f.o.b. and c.i.f. port of discharge. The quotations should indicate the separate value for goods, insurance and freight. If c.i.f. prices are quoted, they must be strictly maintained (even if this means adjustment of invoice prices of individual items). Customers in both public and private sectors insist on quotations for a fixed period rather than price escalation clauses, since it is difficult to vary the amount of foreign exchange once an import licence has been issued.

Tenders

The following is intended to provide some indication of the considerable bureaucracy involved and act as a guide to those considering bidding on Turkish tenders. The difficulties resulting from this system are compounded by the relatively short lead time given; the fact that it is obvious in some cases that the specifications have been written around a certain company's or country's products; and the general reluctance to extend bidding deadlines unless it is apparent that nearly all prospective bidders on a particular tender will be unable to submit quotations. In addition, bids are rejected by some ministries for minute omissions such as the lack of a stamp or signature.

The principal legislation on this subject is Law No. 2490 (voted in 1934); "The Law Governing the Adjudication of Contracts by Government Departments and Some Related Concerns."

Under Law No. 2490, buyers are bound to accept the "lowest suitable offer" — a condition which often leads to considerable dissatisfaction all round since buyers do not put too much emphasis on "suitable" in case they should lay themselves open to accusations of malpractice.

It is usual for foreign tenderers to provide their own bid bonds — in the form of a bank guarantee — although some regular tenderers have an arrangement with their local agent/distributor whereby they provide him with a "float" deposit or guarantee against which he organizes local bonds as required.

However, buyers accept only locally established bid and performance bonds so that those provided from abroad have to be converted through a Turkish bank. Stamp duty on both bid and performance bonds amounts to a total of 1 per cent, payable again if the period of the bond is extended. The standard rate of interest charged by Turkish banks on bid bonds is 1/8 per cent for the first month and 1/4 per cent per quarter (or part thereof) thereafter; on performance bonds the rate is 1/4 per cent per quarter. All these charges are subject to the addition of 25 per cent Transaction Tax.

All departments, etc., covered by Law No. 2490 are bound to make a public call for tenders, usually in the Official Gazette but often also or instead in the daily press. For local purchases, at least 15 days notice is normally given; for purchases from abroad (directly or indirectly through local contractors), 45 days notice is the usual minimum (but translation time reduces this considerably). Two types of adjudication are in force — for (usually only) local purchases for relatively modest sums an open bargaining session; and sealed envelope bids. In both cases, tenderers must provide

a bid bond (either a cash deposit, treasury bonds or a bank guarantee) of good faith. The following rates apply:

- 7.5 per cent for the first TL 50,000 value
- 5 per cent for the amount between TL 50,001 and TL 250,000
- 4 per cent for the amount between TL 250,001 and TL 1 Million
- 3 per cent for the amount in excess of TL 1 million
- (That is, a bond for TL 58,750 for tenders amounting to TL 1.5 million.)

It is usual for contracts to be prepared and signed within 15 days of the adjudication (although no period is fixed in the law). If, before the contract is actually signed, a competitor submits an offer which is not less than a fixed percentage (this varies from 5 to 15 per cent according to the category of buyer) below the originally accepted price, the newcomer is awarded the contract — provided a third tenderer (or the first successful one) does not meantime under-cut the new price by a minimum of (usually) 5 per cent.

Before the contract is signed, the successful tenderer must convert his bid bond into a performance bond. This is at double the rates for bid bonds and most buyers request that the period of validity should be unlimited. Japanese, West German and some other contractors often, if not usually, observe this requirement but few Canadian companies do. Instead, they provide a bond for the contract term plus a reasonable additional period. This arrangement is acceptable but cases have been reported where an alternative tender has been successful because an "open" period bond was offered.

Detailed terms of contract naturally vary according to the service or supply in question but, in general, the buyers lay down specific cash penalties (to be withdrawn from the performance bond) for late deliveries and, after a certain period of delay, give them the option of cancelling the contract and refusing delivery. Force majeure reasons for delay are normally accepted, but only those stipulated in the contract or terms of tender — fire, flood, accident and strike are examples of the more usually accepted reasons, although they naturally have to be properly documented.

In so far as quality is concerned, the buyers normally appoint an independent professional inspection agency for pre-shipment acceptance. Final acceptance (of machinery, etc.) is after a (fixed) trial period; contracts often leave the final 10 per cent payment until after acceptance. Final acceptance is not always a matter of routine and delays and difficulties can and do arise.

In the case of produce, final acceptance is usually by the buyer's representative either at port of shipment or at port of arrival in Turkey.

Where payment terms provide for an amount (or amounts) in advance of shipment/installation, the supplier must provide a bank guarantee to the effect that, if the terms of contract are not complied with and delivery made to time, the advance payment(s) will be refunded in full to the buyer.

For administrative (and sometimes for financial) reasons, letters of credit are seldom opened promptly after signature of a contract. Most contracts go into effect with the opening of the L/C or receipt of the first payment but, in practice, Turkish state sector buyers tend to ignore this and consider the contract to be in force from date of signature. Legally, of course, this is not the case but there are many foreign suppliers who are prepared to base themselves on the spirit rather than the letter of the contract. It is best to "play safe" unless the local agent/distributor gives his assurance that there will be no unreasonable delay in opening the L/C.

Although Law No. 2490 does not apply to the state enterprises or to many other state sector organizations, almost all of them have standard tender terms which are basically similar but do not bind them to accepting "the lowest suitable tender". Virtually all of them demand bid and performance bonds but mostly at a flat overall rate slightly below the Law No. 2490 average. In addition, they are not bound to make public calls for tenders and may simply make a direct approach to possible tenderers known to them. (Whether or not a manufacturer has a local agent, he should ensure that all possible state sector buyers have his literature on file).

All tender calls normally specify that late bids will not be considered although if insufficient or no satisfactory tenders are received then a fresh call is made or the original tender period extended.

Often the tenderer who receives the earliest advice of an impending tender call obtains the contract, if only because it is by no means unusual for the specification to have been written around his product. Thus, it is of great importance for the would-be supplier to have an efficient and well-introduced agent on the spot who can keep in regular touch with potential buyers and give his principals early advice of forthcoming investments, plant extensions, etc., as laid down in the Five-Year Plans and annual Development Programs or otherwise in prospect.

It is not unusual for tenders to be called for on a speculative basis. The buyer then uses them to prepare his specification (which often takes the "best" from each tender in such a manner that no single contractor can supply exactly what is called for). For very large contracts, it is now near-standard practice for "qualification bids" to be called for — potential contractors/suppliers are asked to submit details of their past experience, work force, etc., and the final tender calls then go out only to those who have been selected at this preliminary scrutiny.

In general terms, tenders are requested in U.S. dollars on an f.o.b. basis, with separate quotations for insurance and freight. Fixed-price tenders are invariably requested (even by the private sector) and it is unusual that an escalation clause will be accepted, especially under Law No. 2490. There is, in fact, no provision in the import regulations for import licence values to be raised. On occasion tender calls specify that preference will be given to the tenderer offering the most attractive credit terms. In the case of machinery and plant, it is dangerous to quote for a process, machine or component which does not exactly fit the specification, even if the tenderer's alternative is cheaper and/or more efficient. The answer is to quote for exactly what is specified and make a separate tender (or footnote) showing the alternative process, etc., and the difference in price. German (DIN) Standards and, to a lesser extent, BSS are commonly used and it is important that, where quoted, they be complied with. If there is any variation, the alternatively used standard should be mentioned by the tenderer. In the case of machinery, plant, etc., it is often advisable (if not mandatory) to offer the maximum possible "local content" of Turkish-made/supplied materials, labour, etc.; great importance is given to foreign exchange saving. In practically all engineering and similar consultancy contracts, tenders have to be made jointly with or in association with a local firm or firms.

Local Contracts

There is a heavy scale of compulsory charges for having local contracts certified by notaries public. The rate is between 5 and 7 per cent per mille or 0.5 and 0.7 per cent of the total value of the contract.

Credit

Credit terms are limited to cash against documents (c.a.d.), cash against goods (c.a.g.) and acceptance transactions.

Canadian manufacturers and exporters should take steps to satisfy themselves of the standing of their customer before granting c.a.d. and, particularly, c.a.g. terms. So far as foreign exchange payment is concerned, the Central Bank normally approves applications for the transfer of foreign exchange without difficulty provided that all the regulations have been complied with. From time to time, government orders are offered on medium to long credit terms. Such cases should be investigated and considered on their individual merits.

No import licences or cash guarantees are required for books and exposed films. Exporters of such goods should, therefore, take particular care to ascertain the credit-worthiness and commercial standing of the buyer before shipping under these terms. Unfortunately, there have been many cases of bad debts in this sector.

Debt Collection

Litigation is slow and costly and it is as well to give the local agent, in conjunction with the banks, discretion to make as good a settlement as possible.

In the case of imports on letters of credit terms, debts should not arise. But when goods have been shipped on cash against document terms and the customer fails to take delivery of them before the import licence expires, or when they have been shipped on cash against goods terms and the customer fails to apply for the foreign exchange within the specified period of clearing the goods through the customs, he will not be allowed to remit subsequently. It is advisable anyway to instruct bankers to release c.a.g. documents against the provision by the importer of a post-dated foreign exchange transfer application. A post-dated transfer application cannot be used until it is backed by the customs house documents showing that the goods have been cleared from customs. In these circumstances any payment the customer may make, either for the goods or as a result of a settlement with the exporter, will be blocked at the Central Bank and can only be released for use within Turkey for certain specified purposes. Such blocked funds can occasionally be sold to persons outside Turkey, but only at a heavy discount.

It is extremely difficult to arrange the re-export of c.a.d. or c.a.g. consignments without the co-operation of the consignee who is required to sign the relevant documents.

Patents and Trademarks

General — Patent and trademarks law is briefly described below, but it must be noted that such law is subject to change. Therefore the information given could become outdated after publication of this booklet.

Manufacturers and traders are strongly advised to patent their inventions and register their trademarks in Turkey. Applications should be made through a patent or trademark agent either in Canada or in Turkey.

Turkey subscribes to the International Convention for the Protection of Industrial Property, and to the European Convention relating to the formalities required for patent applications.

Patents — Application for a patent may be made by the inventor or by his assignee, whether an individual, firm or corporation. Prior to the filing date (or the convention date) of the application, an invention must not have received sufficient publicity in Turkey or elsewhere to enable it to be put into practice. Patents of invention are granted for terms of five, 10 or 15 years at the option of the applicant, and are subject to the payment of annual renewal fees. Inventions which have become known as a result of publication by foreign patent offices, but which had not been publicly worked in Turkey, may be protected by a patent of importation, provided application is made to the Turkish authorities within one year of the registration of the foreign patent.

Trademarks — The first applicant is entitled to registration and exclusive use of a trademark. However, a prior user of a mark for the same goods may prove, in a lawsuit or counter-claim, his prior right either within six months following the registration or use of the mark by the registrant and, in any event, within three years of the publication of the registration.

Registration lasts for 10 years and may be renewed for similar period. Application for renewal may be made within three years from the expiry date of the registration, such renewal being effective from the expiry date of the previous term of protection.

The use of a registered trademark on all industrial products, whether locally manufactured or imported from abroad, is compulsory if so required by a decree of the Council of Minister.

Advertising

Canadian exporters should consult their advertising agents before embarking on a comprehensive advertising campaign.

Newspapers and Magazines — The newspapers with the largest circulations are published in Istanbul, but their circulations are small by English standards. The largest is Hürriyet (650,000), followed by Günaydin, Tercüman and Milliyet. The major national Ankara papers are Zafer (5,000), Baris, Bugün. There are a large number of magazines which deal with local and international topics. The Günaydin group of publications produces 10 different magazines (total circulation 800,000), followed by Hürriyet group (total 600,000) and Hayat (Life) (60,000).

There are two English language papers, The Turkish Daily News and Outlook (a weekly) in Ankara, both with small circulations.

Trade Press — Milliyet carries a page devoted to economic/trade news. Otherwise there are a few newspapers dealing with this subject generally, circulation about 10,000.

Radio and Television — Short periods are available for advertising purposes on the state radio. There is a state television service that accepts advertising, run by the TRT in Ankara, Istanbul, Izmir, Eskisehir and 21 other cities every evening.

Trade Fairs

The Izmir International Trade Fair is held annually from August 20 to September 20, and claims some four million visitors. It is the largest trade fair in the Middle East and the only one in Turkey open to non-Turkish exhibitors. In 1977, 34 countries sponsored national pavilions and displayed a large variety of goods ranging from raw materials to advanced technological equipment and heavy machinery. The Izmir fair is a rather unique event as specific import quotas are negotiated and obtained prior to the opening date; thus very little business is done (orders written) during the fair. As the fair regulations are highly complex, the Commercial Division of the Canadian Embassy is engaged in a large part of the organization of the Canadian participation by negotiating with the Turkish Ministry of Commerce, the fair management, importers, etc. The Commercial Division also maintains and staffs the Canadian pavilion. In 1977, Canada received special Izmir fair import allocations worth some \$692,000. Despite Turkey's foreign currency shortage, the quota for Canada went up in 1978 to \$814,475 representing an increase of some 18 per cent.

IV. IMPORT AND EXCHANGE CONTROL REGULATIONS

Exchange Control and Terms of Payment

The issue of an import licence guarantees that the necessary foreign exchange will be made available. Imports can be paid for on letter of credit, cash against documents or cash against goods terms. Letters of credit may be opened for a maximum of five months for the date of issue of the import licence. Under c.a.g. terms, the importer must apply for the transfer of payment to the authorized banks within five months from the date of the import licence. Documents may not be released to the importer until after the transfer has been effected. In c.a.g. transactions, the importer should apply for transfer within two months from the date of physical importation of goods and deposit with the authorized bank the Turkish lira equivalent of the amount to be transferred in payment. If the importer fails to apply and deposit the import value within two months as stipulated above, applications made hereafter and until expiry of the sixth month will be accepted only on the proviso that the import guarantee shall have been forfeited. (This rule does not apply to state sector importers.)

Acceptance credits for periods of at least six months may be used for imports of specified commodities. Applications for special credit terms are accepted in certain cases such as complete factory installations.

Customs Tariff

The customs tariff is based on the Customs Council Nomenclature (formerly Brussels Nomenclature) system. It is advisable to quote the tariff numbers in making enquiries, but not on invoices unless the customer has so requested. Most duties are ad valorem and levied on the c.i.f. value of the goods.

Taxes

In addition to customs duty the following charges are made:

Municipal tax:	15 per cent of customs duty.
Wharf dues:	5 per cent of the sum of the c.i.f. invoice values, plus customs duty, plus municipal tax, plus stamp tax on customs declarations.
Expenditure tax:	At varying rates levied on the sum of the c.i.f. invoice value plus, customs duty, plus municipal tax and wharf rates, plus stamp tax on customs declarations.
Stamp duty:	9-10 per cent of the c.i.f. value of the goods.
Stamp tax and miscellaneous customs charges (including warehousing):	The total charge will vary but may be taken as approximately 2 per cent of the c.i.f. value.

Import Procedure

The import licensing and quota system severely restricts the range and quantity of goods that may be imported. Nearly all imports are subject to licensing but special regulations apply to the import of books, printed matter, exposed films, photographs, posters, etc., NATO offshore purchases, arms and ammunition. Licences are only granted to persons or firms possessing an Importers' Certificate.

Permissible imports are listed under three headings:

- (i) Liberalization List I
- (ii) Liberalization List II
- (iii) Allocation List, sub-divided into importers' quotas, industrialists' quotas and assorted quotas with no tariff reference under which provision is made for requirements of assembly and manufacturing industries, private and public sector investments, urgent requirements of establishments in both sectors.

Copies of current import lists are available from Overseas Tariffs and Regulations Section, Export Services and Promotions Division.

Exporters contemplating doing business in Turkey should study these lists as a matter of first priority. No goods should be shipped without an assurance that an import licence has been issued and is still valid.

Special arrangements apply regarding imports from countries (mainly East Bloc) with whom Turkey has bilateral trade agreements.

Pharmaceutical raw materials imports are subject to pre-import price control by the Import Goods Registration and Price Control Department. All other import prices have to be registered with the department after import as may be subject to check.

Applications to the Ministry of Commerce for import licences must fulfil the following criteria:

- (a) The importer possesses an Importer's Certificate
- (b) The price is comparable with the world market prices or with suitable prices in the country of origin; this is in support of the exchange control regulations and is aimed at preventing over- or under-invoicing
- (c) The required period within which importation can be effected and the goods marketed
- (d) For industrialists, their capacity, physical consumption or production and the estimated value of exports.

The procedure for applying for import licences is as follows:

Imports Under Liberalization List I

No limit is placed on the value or quantity of individual List I goods that may be imported. However, there is a variable overall limit and the Ministry of Commerce is authorized to suspend the importation of any commodity either temporarily or permanently if the need arises. Applications for imports under this list are made by the importer to authorized commercial banks. The actual permit will be issued to the importer by the Central Bank provided:

- (a) In the case of imports to be made payable through a letter of credit, the cash guarantee (see below) and the Turkish lira equivalent of the amount of foreign exchange to be transferred is deposited with an authorized bank and a fund allotment request is filed with the Central Bank along with the import permit request.
- (b) In cases where the import will be made payable against documents or cash against goods, the cash guarantee is deposited with an authorized bank and the selected mode of payment is marked on the import permit request.

Imports Under Liberalization List II

Initial approval of imports under List II is delegated to government departments in many cases — importers apply to the responsible department and submit a foreign exchange requisition form. Approved applications are forwarded to the Ministry of Commerce which issues a permission certificate valid for two months. After approval by the Price Control Department, the procedure follows that for List I imports.

Allocation List

- (i) **Importers' Quota:** The quota is distributed at six-month intervals (February and August). No importer may apply for more than one-half of the quota. Applications are filed with the authorized banks, transmitted to the Central Bank within five working days and forwarded to the Ministry of Commerce. The ministry issues a non-transferable exchange allocation certificate valid for four months.
- (ii) **Industrialists' Quotas:** The Ministry of Commerce determines the allocation quotas between the public and private sectors.
 - a) Applications to import for the public sector are submitted to the Ministry of Commerce together with a foreign exchange requisition form. The procedure then follows (i) above.
 - b) Applications to import for the private sector must be submitted to Chamber of Industry or Commerce in April and September. Approved applications are forwarded to the Ministry of Commerce for the issue of an exchange allocation certificate. The procedure in (i) above then applies. Industrialists holding an importers' certificate may also apply for a share of the importers' quota to satisfy their own requirements. The term "industrialists" includes mining companies, tourist companies, shipowners, contractors and manufacturers.

- (iii) **Assorted Quotas:** Regarding quotas listed under the heading assorted, applications for import licences must be submitted to the designated authorities and accompanied by a domestic manufacturer situation certificate obtained from the Ministry of Industry and Technology. Approved applications are then forwarded to the Ministry of Commerce. Applications for quotas allocated to import requirements of the manufacturing industry and emergency requirements of industrialists, have to be submitted through the applicants' Chamber of Industry to the Ministry of Commerce.
- (iv) **AET Contingent:** This is the share of the sum allocated to a particular commodity group, which is reserved for imports from the EEC. The procedure for importing under this heading is as for (i), (ii) and (iii) above but the fact that the goods are to come from an EEC country must be stated on the exchange allocation requisition.

Cash Guarantees

The cash guarantees to be deposited by importers and returnable at the completion of the import transaction are as follows:

Liberalized List I:	30 per cent of the Turkish lira equivalent of the requested foreign exchange
Liberalized List II:	15 per cent of the Turkish lira equivalent of the requested foreign exchange
Goods subject to allocation:	(a) Importers Quota — 10 per cent (b) Industrial Quota — 2½ per cent

A special rate of 1 per cent applies to ammonia, cattle for breeding purposes and goods for the private sector investment quota, car and truck tires and tubes, iron and steel. Cash guarantees are not required for public sector imports. Importers who fail to complete an authorized import transaction are liable to a penalty of up to 10 per cent of the Turkish lira countervalue of the licence.

Imports on consignment are not normally allowed and re-exports can only be made with the permission of the Ministry of Commerce or customs authorities. Import licences are valid for a period of six months from the date of issue and goods must be effectively imported within this period. However, goods which have arrived at the customs within the prescribed time limit but which could not be imported in time may be cleared within 20 days of the expiry of the licence.

In the case of goods requiring additional time for manufacture beyond the normal import period, this can be added to the validity of the licence at the time of issue upon application to the Ministry of Commerce. The application for a manufacturing period should be made within the licence application. Extensions to the period of validity of exchange allocation certificates and import licences may be claimed in certain prescribed cases of proved force majeure for up to one month and up to six months respectively. Non-force majeure extensions may also be obtained for a maximum of 12 months, provided the importer forfeits from his guarantee 1 per cent of the licence value for each month's extension. The regulations are strict and later deliveries are at risk. Time lost due to transfer delays is automatically added to the validity period of the licence.

The importation of old, used, substandard or reconditioned goods is not permitted other than in exceptional cases with the permission of the Ministry of Commerce.

Turkey and the EEC

An Association Agreement between the EEC and Turkey was signed on September 12, 1963, and was followed by an Additional Protocol signed on November 23, 1970, providing for gradual elimination of Turkish import duties on imports from the original six members of the EEC. Under an interim agreement these provisions now also apply to Britain. Duty reductions are being effected under two timetables. Under a 12-year timetable, Turkey already reduced duties by 10 per cent on January 1, 1973, and a further 10 per cent on January 1, 1976. Under a 22-year timetable duties have

been reduced by 5 per cent on each of these dates. The next 10 per cent reduction for the 12-year list was scheduled for January 1, 1978, while a 5 per cent reduction for the 22-year list was due on January 1, 1979.

Documentation

Consular invoices are not required. A commercial invoice in triplicate is required, with the original certified and signed by the exporter as follows:

We hereby certify that this is the first and original copy of our invoice,
the only one issued by our firm for the goods herein mentioned.

In addition, a certificate of origin in duplicate issued by a chamber of commerce or similar body is necessary where the standard rate of duty is subject to a contractual or other reduction. This must be certified by a Turkish consular officer otherwise it will not be accepted by the customs authorities. One copy must be surrendered to the customs authorities at the time of the importation of the goods. The certificate must contain the following information:

Name and address of the consignor and consignee.
Nature of goods, type of packing and number of packages.
Marks, numbers, gross and net weights in kilograms f.o.b. and
c.i.f. values and route by which despatched.

Four copies (two original) of the bill of lading and a packing list in triplicate are also required.

Sanitary certificates are required for plants, livestock and certain animal products.

No erasures or corrections are permitted on any shipping document and it is important that the description on the invoice, certificate of origin and bill of lading should be identical.

A point of paramount importance, in which great care should be exercised, is the need for a correct description of the goods. All merchandise arriving in the country, especially processed goods, is liable to analysis by the customs authorities and heavy fines are imposed if the description does not conform with the make-up. For instance, cotton textiles having a percentage, however small, of rayon or silk yarn in their make-up, should be so described and the percentage stated. The Turkish customs authorities are very rigid in the interpretation of the regulations which make no provision for the slightest margin of error. This also applies to errors in the declaration of weight, value, etc. The fines imposed are extremely heavy and, in most cases, represent more than the value of the goods, so that the need for the most meticulous accuracy is evident. In any case of doubt shippers should request specific written instructions from the buyer.

Instructions for use and servicing are required in the Turkish language for all imported machinery, vehicles, technical equipment, etc. Normally, manufacturers make arrangements for their local agents or distributors to provide this.

Commercial Samples

Samples of no commercial value, which are easily identifiable as samples and which could not be put to any other use, are admitted free of customs duty.

Other samples and advertising matter are subject to duty at the rate applicable to commercial shipments of the goods represented. They may be sent by post or freight.

Samples of value taken in by visitors may be imported duty-free provided:

- (a) A deposit for the amount of duty is made with the Turkish customs authorities;
- (b) They are re-exported within six months; and
- (c) Are entered by the owners or the owners' representatives.

On production of ATA carnets or cash guarantees, goods for display or use at exhibitions, fairs, meetings or similar events, and professional equipment, may be temporarily admitted into Turkey free of import duties and free of import prohibitions and restrictions, subject to re-exportation within six months. Samples may also be imported under an ATA carnet which is an international customs clearance document. It allows both personally accompanied or unaccompanied samples (the latter being shipped as freight or by parcel post and not by letter post) to be temporarily imported without duty, deposit or a bank guarantee for the amount of the deposit.

Insurance

Unless instructions are given to the contrary, goods should be fully insured on the c.i.f. value and covered for the transit from the seller's to the buyer's warehouse.

Under Turkish insurance legislation, any insurance cover required by a company licensed to operate in Turkey must be taken out in Turkish lira with an insurance company (national or foreign) authorized to operate in Turkey.

Exceptions are allowed for cover not obtainable in Turkey but are extremely rare as practically all types of cover can be obtained.

Port and Warehouse Facilities

Waiting time at Istanbul and Izmir may be two to three days. It takes two days to unload a ship 400 to 500 tons of cargo, depending on the distribution of the cargo to be unloaded. Some shipments are still discharged into lighters and strong packing is essential. At Istanbul, however, most cargo is handled across the quays. Warehouse facilities are not adequate, and only limited covered storage is available. Care should be taken to arrange with local steamship agents in advance before shipments requiring heavy lift facilities are made.

Merchandise Marks

The Turkish government does not ordinarily require imported merchandise to be specially marked to show country of origin. False indication of origin is, however, prohibited.

Hallmarking regulations apply to imported articles made of gold and silver. X-ray films must be marked both on the inner wrapping of black paper and on outer boxes with the last date indicated by the maker on which they can be used with success.

The outer packing of cotton and antiseptic gauze must bear the name and address of the producer as well as local druggist or distributing agent.

Drugs, pharmaceutical products and certain toilet preparations must be registered and approved by the Turkish Ministry of Health before importation and are subject to detailed labelling regulations.

All industrial products marketed in Turkey are required to bear a registered trademark.

The name and address of the manufacturer of inorganic and synthetic organic foodstuff colours, the trade and scientific name of the product, and, if the product is a mixture, the names and amount of each mixture, shall be shown clearly on the labels.

V. TRAVEL

Passports and Visas

Travellers to Turkey must carry valid passports. Visas are not required by holders of Canadian passports who intend to visit Turkey for less than three months. For a visit exceeding three months, a residence permit must be obtained and, during their stay, visitors should notify the police of their address and any change of address. Anyone who wishes to take up employment in Turkey must obtain an entry visa and work permit and apply to the police for a residence permit within one month of arrival.

Visitors staying more than three months and not possessing a residence permit are charged TL 300 (from one day to six months), TL 600 (from six months to one year), TL 900 (from one year to two years) on departure to cover the fee for a residence permit, entry visa and fine.

Visitors who apply for a residence permit before the expiry of the three months will, if a permit is granted, be charged TL 100 for a permit valid for six months from the date of arrival and TL 100 for the entry visa. The Visa Abolition Agreement applies only to visitors staying for a maximum of three months.

Residence permits valid for one year cost TL 200 and those for two years TL 300.

Foreigners in the following categories will be granted a residence permit, free of charge, for one year:

- (1) Persons arriving with the exclusive object of scientific research and work.
- (2) Newspaper correspondents doing no other work.
- (3) Specialists employed by Turkish government departments and municipalities.

An exit permit is not required but residence permits must be given up on departure.

Travel regulations are liable to change at short notice and intending visitors are advised to consult their travel agent or the consular authorities of Turkey in Canada before departure.

Health Regulations

Visitors are not required to produce vaccination certificates except when travelling from an infected area. As there have been outbreaks of cholera in the Middle East and Eastern Turkey, vaccination against the disease is advisable. Although vaccination against cholera is not insisted upon by the Turkish authorities for persons arriving from areas where the disease is not endemic, it is probably wise to arrange vaccination against cholera whenever travel to the Middle East is contemplated.

Currency

The official currency is the Turkish lira (TL) which is divided into 100 kuruş. Businessmen are advised to consult their banks for the latest rate of exchange. Denominations of the currency in circulation are:

Notes: 5, 10, 20, 50, 100 and 1,000 lira

Coins: 25 and 50 kuruş, and 1, 2.50 and 5 lira.

Currency Regulations

There are no restrictions on the import of foreign currency, but not more than TL 1,000 in Turkish currency may be taken into or out of the country. Turkish currency may be exchanged only on production of a banker's exchange slip showing that the currency was obtained from the sale of foreign exchange in Turkey.

Banking Facilities

Travellers' cheques are recommended. The Eurocheque system is in operation in some banks in the main centres.

Customs and Other Formalities

Visitors are not required to declare personal jewellery, watches, etc. Two hundred cigarettes, 50 grams (1.7 ounces), of tobacco or 20 cigars; 1 litre (34 ounces) of alcoholic liquor; and 200 grams (7 ounces) of tea may be imported free of duty.

Gifts and other articles bought in Turkey up to a value of TL 5,000 may be freely exported. Evidence, such as a local bank statement, showing that the visitor has sold sufficient foreign exchange to cover the cost of the purchase is, however, required for the export of gifts and other articles of a value exceeding TL 5,000. The export of antiques without a licence is prohibited.

Travel Routes to Turkey

Air

The two international airports in Turkey are Esenboğa, 30 km (19 mi.) from Ankara, and Yeşilköy, 24 km (15 mi.) from Istanbul. Airline bus services to the city centres are available at the airports.

There are frequent direct flights to Istanbul from most major European cities operated by most European, other international and Turkish airlines. Foreign airlines providing direct service to Ankara are: Swissair, Lufthansa, KLM and PanAm.

Sea

There are no direct passenger steamship services from Canada. Occasional cargo ship sailings from Europe to Istanbul do exist with accommodation for a limited number of passengers only.

In the summer, Turkish Maritime Lines runs a weekly passenger service to Istanbul from the main north and south Mediterranean ports and a car ferry service from Venice to Brindisi and Izmir. There is also a regular service all the year round to Istanbul and Izmir by the Italian Adriatica Line from French and Italian ports.

Rail

There is regular rail service from Europe to Turkey. However, trains to Istanbul run via Venice or Munich and the total travel time varies from two to 2½ days.

Travel In Turkey

Air

Turkish Airlines (THY) operates regular services between Istanbul, Izmir and Ankara, and services linking a number of other important Turkish towns.

Sea

There are regular steamship services between Istanbul and all the large coastal towns. The journey from Istanbul to Izmir by boat takes from 20 to 25 hours.

Rail

Istanbul is linked by rail with the coastal towns of Izmir, Mersin, Iskenderun, Zonguldak and Samsun; sleeping and restaurant coaches are available. The Anadolu Express runs daily between Istanbul and Ankara (12 hours), with sleeping and restaurant coaches available. The Toros Express, linking Istanbul and Ankara with Baghdad via Aleppo, runs twice weekly both ways. It leaves Istanbul on Sundays and Thursdays at 10:00 hours (10 a.m.) and Ankara at 22:00 hours (10 p.m.) on the same days. In the reverse direction it departs from Ankara on Mondays and Thursdays at 08:00 hours (8 a.m.) and arrives at Istanbul on the same day at 19:05 hours (7:05 p.m.).

Road

Bus services link most of the larger towns, but travelling in this way is apt to be uncomfortable, dusty and crowded.

Taxis may be hired in all the main cities and are distinguishable by their black and white or yellow check markings. Taximeters rarely work and it is advisable to arrange the price before commencing a journey. The first price asked will usually be much higher than the normal fare.

An economical way of travelling in the cities is by dolmuş. These are taxis shared between as many as eight people which operate between fixed points and can usually be boarded anywhere en route. The cost is much less than that for an ordinary taxi. The dolmuş network operates from Istanbul and Ankara to nearby towns.

Self-drive cars may be hired through a travel agent, international airline office, hotel or on application to one of the car-hire firms. A valid international driving licence is required. Traffic travels on the right.

Hotels

There are first or second class hotels in most of the main towns. In Ankara, Istanbul and Izmir there are also hotels in the luxury class. A service charge of 15 per cent is added to all hotel bills. In some cities, for example Istanbul, a municipality tax is levied on hotel and restaurant bills.

Tipping

In addition to the service charge at a restaurant, a tip of up to 10 per cent of the bill is sometimes given for specially good service. For some service, e.g. porters at railway stations, there is a scale of charges on display and it is usual to pay this plus a small amount.

Porters:	15 lira per package
Taxi drivers:	No tipping
Cloakroom attendants:	5 lira
Cinema ushers:	2.50 lira
Barbers:	15 lira

Business Hours

Banks	09:00 — 12:00 14:00 — 17:00 week days
Government Departments	08:30 — 12:00 13:00 — 17:30 week days
Foreign Embassies (Western Countries)	08:30 — 12:30 13:30 — 17:30 week days
Canadian Embassy	08:30 — 12:30 13:30 — 17:30 week days
Business Offices	09:00 — 12:30 14:00 — 18:00 week days
Retail Establishments	09:00 — 13:30 14:00 — 19:00 Monday to Saturday

Please note that Turkey observes the western work week (Monday to Friday).

Major Holidays

1978

New Year's Day	January 1
Independence Day	April 23
May Day	May 1
Youth and Sports Holiday	May 19
Constitution Day	May 26 afternoon and May 27
Victoria Day	August 30
*Seker Bayramı (end of Ramazan)	September 3, 4 and 5
Republic Day	October 29 and 30
*Kurban Bayramı (Sacrifice Holiday)	November 11, 12, 13 and 14

*Dates differ from year to year for these religious holidays. During the above public and religious holidays all government and business offices are closed.

The Most Important Turkish Ministries

Ticaret Bakanlığı (Ministry of Commerce) — Controls domestic and foreign trade, distribution of import and export licences; establishes floor prices; controls Chambers of Commerce and formation of private companies; sets import regime.

Gıda, Tarım ve Hayvancılık Bakanlığı (Ministry of Food, Agriculture and Animal Husbandry) — Controls the production, development, sales and exports of all food, agricultural and animal products; sets import and export rules and regulations for agricultural and food products; controls state production farms; animal and poultry development, meteorology; close co-operation with the Faculty of Agriculture; controls imports of fertilizer.

Sanayi ve Teknoloji Bakanlığı (Ministry of Industry and Technology) — Controls the establishment of all private and state industrial enterprises, quality of production and sale prices; controls imports and exports of industrial products; issues import permit and incentive licences; new technological development; control of all imports of iron and steel and controls all state industrial plants.

Enerji ve Tabii Kaynaklar Bakanlığı (Ministry of Energy and Natural Resources) — Responsible for the production and distribution of power; research, exploration and production of mines, petroleum and coal; controls petroleum refineries and petrochemical complexes and sales of petroleum products; sets energy prices.

Köylsler ve Kooperatifler Bakanlığı (Ministry of Rural Affairs and Co-operatives) — Construction of rural roads; supply of water and electricity to the villages; irrigation; establishment of village co-operatives; purchase of related equipment; controls the re-establishment of villages.

Bayındırlık Bakanlığı (Ministry of Public Works) — Responsible for the construction of highways, airports, ports and railways and up-keep highways and railways.

Ulaştırma Bakanlığı (Ministry of Communications) — Responsible for construction and distribution of telephone, telegraph installations and controls all land, sea and air transportation; controls all prices and schedules of railways, maritime lines and airlines, civil aviation, radio links, operation of airports, sea ports and railways microwave networks, telephone switching, postal services, satellite communications.

Milli Savunma Bakanlığı (Ministry of Defence) — Controls Turkish armed forces; construction of military airports, pipelines; detailed mapping of Turkey; construction of naval vessels.

Gümrük ve Tekel Bakanlığı (Ministry of Customs and Monopolies) — Responsible for all customs rules and regulations; manufacturing of cigarettes, tea and some liquor and controls the purchase of related equipment; imports of whisky and other alcoholic beverages which are not locally manufactured.

Sağlık ve Sosyal Yardım Bakanlığı (Ministry of Health) — Controls all hospitals and clinics (except university, military hospitals and private clinics); purchases and distributes vaccines; issues permission to import pharmaceuticals and raw materials to manufacture medicines; purchases medical, laboratory and research equipment on behalf of all public hospitals.

Turizm ve Tanıtma Bakanlığı (Ministry of Tourism and Information) — Radio and television broadcasting; construction of stations and radio links; press and publications, public relations; controls touristic sites hotels, motels, holiday villages.

İmar ve İskan Bakanlığı (Ministry of Reconstruction and Settlement) — Town planning, rural development, construction of prefabricated houses, village settlement.

Millî Eğitim Bakanlığı (Ministry of Education) — Responsible for the construction and operation of all schools and universities; controls all private schools; purchases all necessary tools, machinery, training aids, and laboratory equipment, audiovisual products.

Autonomous and Semi-Autonomous Agencies

Merkez Bankası (Central Bank) — Responsible for all foreign currency transfers.

Turkish Electricity Authority (TEK) — Responsible for production and distribution of power, construction of thermal power stations and nuclear power stations; purchase of all related equipment and plants.

State Hydraulic Works (DSI) — Responsible for seismic studies and exploration of hydro-power dam sites; construction of hydro-power dams and purchase of all related equipment; irrigation; geophysical and geological surveys.

Mineral Research and Exploration (MTA) — Responsible for all mineral research exploration including oil and uranium; purchases related equipment.

Machinery and Chemical Industry (MKEK) — Responsible for the manufacturing production of heavy machinery, small arms, artillery, ammunition, missiles, explosives for the requirement of the Turkish armed forces; graders, lathes, industrial chemicals; prefabricated houses, jeeps.

Maritime Bank (Denizcilik Bankasi) — Responsible for the construction of ships, up to 30,000 DWT in its shipyards; operates ships both passenger and cargo; purchases related equipment.

Turkish Airlines (THY) — Responsible for the operation of Turkish Airlines and the purchase of aircraft, ground handling equipment and aircraft repair equipment.

Post-Telephone-Telegraph (PTT) — Responsible for the manufacture of telephone equipment; provides telephone, telex, telegraph, postal services, satellite communication; responsible for setting up plants, coaxial networks, microwave networks.

Etibank — Responsible for the production of certain mines; setting up production plants; does some further exploration on producing mines sale of mine output; imports required raw materials and equipment.

Turkish Iron and Steel Works — Responsible for the production of iron and steel, purchase of raw material and expansion of the existing plants and construction of new mills; purchases coking coal.

Ereğli Iron and Steel Mills — Manufactures flat products, purchases raw materials and machinery; enters into long-term agreements for coal and iron ore; responsible for the expansion of the existing mill. This firm is reasonably autonomous as the Turkish government owns 49 per cent of the equity.

Black Sea Copper Concentrates (Karadeniz Bakır İşletmeleri) — Produces copper concentrates; responsible for geophysical, geological studies, and further exploration of existing copper properties; purchases related equipment.

General Directorate of Monopolies (Tekel Genel Müdürlüğü) — Responsible for the production of cigarettes, liquor and tea; responsible for the purchase of related equipment, production plants, cigarette papers and filters.

Turkish Cement Industries (Turkish Cimento Sanayii) — Responsible for the operation of 26 cement mills and for the export of cement; purchase of related equipment and of complete mills; controls the quantities and prices of cement to be exported.

İller Bank (Municipalities Bank) — Responsible for the purchase of equipment required by the municipalities; constructs water, sewage disposal systems, etc., for certain municipalities.

Turkish Petroleum (TPAO) — Responsible for the seismic, geophysical, geological studies, exploration and production of oil, purchase or lease of equipment and rigs; owns and operates the state-owned refineries.

Soil Products Office (TMO) — Responsible for the purchase and sale of wheat, barley, lentils and rice; sets floor prices; operates and constructs grain storage facilities and purchases grain handling equipment.

Turkish Coal Works (TKİ) — Responsible for the operation of coal mines, purchases related equipment and machinery; exploration studies; setting coal prices; provides coal and lignite to the thermal power plants, iron and steel companies and sells coal and lignite to the public for heating purposes.

Petrol Ofisi — Responsible for the marketing of oil products; operates gasoline stations and tankers; purchases related equipment and machinery and tankers.

State Pulp and Paper Corp. (SEKA) — Responsible for the construction and production of pulp, paper and newsprint mills; imports newsprint; imports all equipment, machinery and complete mills.

Rural Road Water and Power General Directorate (YSE) — Responsible for the construction and maintenance of rural roads; provides water and electricity to the villages; purchase related equipment and machinery.

Turkish State Railways (TCDD) — Responsible for the operation and maintenance of the railways and for the manufacture of diesel electric locomotives; purchases of locomotives, rails, signalization equipment and other equipment and machinery.

Sugar Factorles — Responsible for the construction and production of sugar plants; purchases related equipment and machinery; purchase of quality cattle, production of milk, purchase of tractors.

Sümerbank — Responsible for the manufacturing of various types of textiles, industrial chemicals, shoes, ceramics and purchases of related equipment and machinery and raw materials.

Azot Sanayii — Responsible for the production of nitrogen and other fertilizers; purchase of related equipment, machinery and complete mills.

Petkim — Responsible for the construction of petrochemical complexes and for the production of petrochemical products; purchases related equipment and machinery and complete mills and raw materials.

Turkish Radio-Television Corp. (TRT) — Responsible for radio and television broadcasting; setting up new broadcasting stations; purchases related equipment and machinery for the construction of stations and radio links.

State Airports Administration (DHMI) — Responsible for the operation of airports; purchases servicing equipment and machinery.

Turkish Agricultural Supply Organization (TZDK) — Responsible for the purchase and distribution of fertilizers; production and purchase of tractors.

Hotels

First Class — may vary somewhat from North American first class.

International — a better hotel of reasonable Canadian standard.

AMEX — American Express accepted.

Diners — Diners Club Credit Card accepted.

Hotel	Rating	Location	AMEX	Diners
Ankara				
Büyük Ankara Oteli Atatürk Bulv. 183 Tel: 17 11 06 Telex: 42398 GTEL TR	International	Near Ministries	Yes	
Mola Oteli Atatürk Bulv. 80 Tel: 18 31 40 Telex: 42294 MOLA TR	First Class	Near Ministries	Yes	Yes

Hotel	Rating	Location	AMEX	Diners
Otel Tunali Tunalihilmi Cad. 119 Tel: 27 81 00 Telex: 42142 YEL TR	First Class	Near Canadian Embassy	No	No
Marmara Oteli Ciftlik Tel: 23 13 61 Telex: 42275 MAOT TR	First Class	Out of town (Atatürk farm)	No	Yes
Kent Oteli Mithatpasa Cad. 4 Tel: 18 42 20 Telex: 42424 KENT TR	First Class	Downtown	Yes	Yes
Bulvar Palas Atatürk Bulv. 141 Tel: 17 50 20 Telex: 42613 BLVD TR	Second Class	Near Ministries	No	No
Dedeman Oteli Büklüm Sok. 1 Tel: 17 11 00 Telex: 42408 DEDE TR	First Class	Near Ministries	No	Yes
Istanbul				
Sheraton Oteli Taksim Tel: 48 90 00 Telex: 22729 SHER TR	International	Downtown	Yes	Yes
Hilton Hotel Cumhuriyet Cad. Tel: 46 70 50 Telex: 22379 ISHI TR	International	Downtown	Yes	Yes
Intercontinental Oteli Taksim Tel: 44 88 50	International	Downtown	Yes	Yes
Etap Oteli Tepebasi Tel: 44 88 80 Telex: 22725 BOT TR	International	Downtown	Yes	Yes
Büyük Tarabya Oteli Tarabya Tel: 62 10 00 (14 lines) Telex: 22203 HTRB TR	First Class	Tarabya (Bosphorus)	Yes	Yes
Divan Oteli Cumhuriyet Cad. Taksim Tel: 46 40 20 (10 lines) Telex: 22402 DVAN TR	First Class	Downtown	Yes	Yes

Hotel	Rating	Location	AMEX	Diners
Carlton Oteli Yeniköy Tel: 62 10 20 (5 lines) Telex: 22660 CARL TR	First Class	Yeniköy (Bosphorus)	Yes	Yes
Pera Palas Oteli Mesrutiyet Cad. 98 Tel: 45 22 30 (12 lines) Telex: 22029 PERA TR	Second Class	Downtown	Yes	Yes
Macka Oteli Nisantasi Tel: 40 10 53 (3 lines) Telex: 23114 MAKO TR	Second Class	Downtown	Yes	Yes
Izmir				
Büyük Efes Oteli Cumhuriyet Meydani Tel: 14 43 00 Telex: 52341 EFES TR	International	Downtown	Yes	Yes
Etap Oteli Cumhuriyet Meydani Tel: 14 42 95 Telex: 52463 ANER TR	First Class	Downtown	Yes	No
Antalya				
Antalya Oteli Fener Cad. Hasim Iscan Mah. Tel: 5600 Telex: 56111 TATA TR	International	Downtown	Yes	Yes
Mersin				
Mersin Oteli Gumruk Meydani Tel: 2200-1389 2214-2638 Telex: 67180 MRS TR	First Class	Downtown	No	Yes
Samsun				
Büyük Samsun Oteli Sahil Cad. Tel: 7720-21-22	First Class	Near Fairgrounds	No	No
Bursa				
Çelik Palas Çekirge Cad. 79 Tel: 19600-19606 Telex: 32121 CEPA TR	First Class	Çekirge	Yes	Yes

VI. SERVICES FOR EXPORTERS

Export Development Corporation

Of vital importance to Canadian businessmen is the Export Development Corporation (EDC), a crown corporation that reports to parliament through the Minister of Industry, Trade and Commerce. Its purpose is to encourage, facilitate and develop Canadian export trade by providing credit insurance, guarantees, loans and other financial assistance to enable exporters to meet international competition.

The main functions of EDC are:

1. To insure the Canadian exporter against non-payment due to credit or political risks beyond the control of either the exporter or the buyer when export sales are made on normal credit terms. Almost all export transactions are insurable, not only those involving "invisible" exports such as managerial services, advertising programs, the licensing or sale of patents, trademarks, copyrights, etc.;
2. To issue appropriate guarantees to chartered banks or to any person providing non-recourse supplier financing in respect of an export sale. Guarantees may also be issued in connection with a loan made to a foreign buyer for the purchase of Canadian goods and services;
3. To finance foreign buyers of Canadian capital goods and related services when extended credit terms are necessary and not available from commercial lenders. Major engineering and other technical services (but not feasibility studies) may be financed, even when such sales are not related to the export of goods;
4. To insure Canadian investments abroad against non-commercial risks such as loss through confiscation, expropriation, war or revolution or the inability to repatriate capital or earnings.

For further information on EDC services contact:

HEAD OFFICE

110 O'Connor Street
Ottawa, Ontario
K1P 5T9

Tel: (613) 237-2570
Telex: 053-4136

EASTERN REGION

Lock Box 124
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Montréal (Québec)
H4Z 1C3

Tel: (514) 866-4796

ONTARIO REGION

Suite 2011
145 King Street West
Toronto, Ontario
M5H 1J8

Tel: (416) 364-0135

WESTERN REGION

P.O. Box 49024
The Bentall Centre
Vancouver, British Columbia
V7X 1C4

Tel: (604) 688-8658
Telex: 045-4284

Federal Export Programs and Services

To further its export development objectives, the Department of Industry, Trade and Commerce administers two trade promotional programs, namely:

- a) The Promotional Projects Program (PPP) in which the department plans and implements the projects; and
- b) The Program for Export Market Development (PEMD) in which the initiative rests with Canadian companies operating either individually or collectively (for details see PEMD brochure).

Through the PPP, Canadian trade fairs abroad, trade missions and trade visits are initiated, organized and implemented by the department. The range of these activities includes participation in international trade fairs, solo shows and in-store promotions; the organizing of technical seminars and trade missions abroad; and the sponsoring of foreign visits to Canada to stimulate the sale of Canadian products in various export markets. The department also provides promotional publicity and specially designed exhibits for the trade fair participants.

Missions and technical seminars vary in type depending on the objective. In general, outgoing missions are used for market investigation, evaluation and identification of technical market access problems. Incoming missions are designed to invite foreign government or company representatives, who can influence buying, to inspect the industrial capacity and technical capabilities of Canadian firms and the products and services they can supply. Technical seminars are used to acquaint potential buyers with Canadian expertise and technology in specific fields as a basis for joint ventures and/or sales of Canadian products and services. Using the trade visitors section of the PPP, the department is able to take advantage, at short notice, of export market opportunities by bringing foreign government trade representatives, buyers and export-oriented trainees to Canada.

In contrast to the PPP projects, proposals under PEMD are made by Canadian industry rather than the government. Through PEMD, the department makes repayable loans to individual companies to cover costs in developing export business which, because of the risks involved, might otherwise discourage such initiatives. There are several sections in PEMD each of which is designed to deal most effectively with a particular market in terms of the regions, products or services and marketing techniques concerned. In all sections, companies are encouraged to develop self-sustaining export markets for their products.

Section "A" deals with Canadian participation in capital projects abroad; Section "B" with the export of Canadian products and services; Section "C" with participation in trade fairs outside Canada; Section "D" with the bringing of foreign buyers to Canada; and Section "E" with the formation of export consortia.

VII. USEFUL ADDRESSES

1. Commercial Counsellor
Canadian Embassy
Nenehatun Caddesi 75
Gaziosmanpasa, Ankara
Turkey
Tel: 27 58 03-06
Telex: 42369-DCAN—TR
2. Mr. N. Covey
Honorary Commercial Agent for Canada
Meşrutiyet Caddesi 34
Tepebaşı, Beyoğlu
Istanbul

P.O. Box 190
Karaköy, Istanbul
Turkey
Tel: 49 06 58-45 17 93

3. Commercial Counsellor
Turkish Embassy
197 Wurtemberg Street
Ottawa K1N 8L9

4. Middle East Division
Pacific, Asia and Africa Bureau
Department of Industry, Trade and Commerce
Ottawa K1A 0H5

VIII. BIBLIOGRAPHY

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Donald E. Webster	The Turkey of Atatürk, Social Process in the Turkish Reformation. The American Academy of Political and Social Science, Philadelphia, 1939
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Ziya Gökalp	Turkish Nationalism and Western Civilization, George Allan and Urwin Ltd., London 1959
E. E. Ramsaur Jr.	The Young Turks, Prelude to the Revolution of 1908, Princeton University Press 1957
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REGIONAL OFFICES

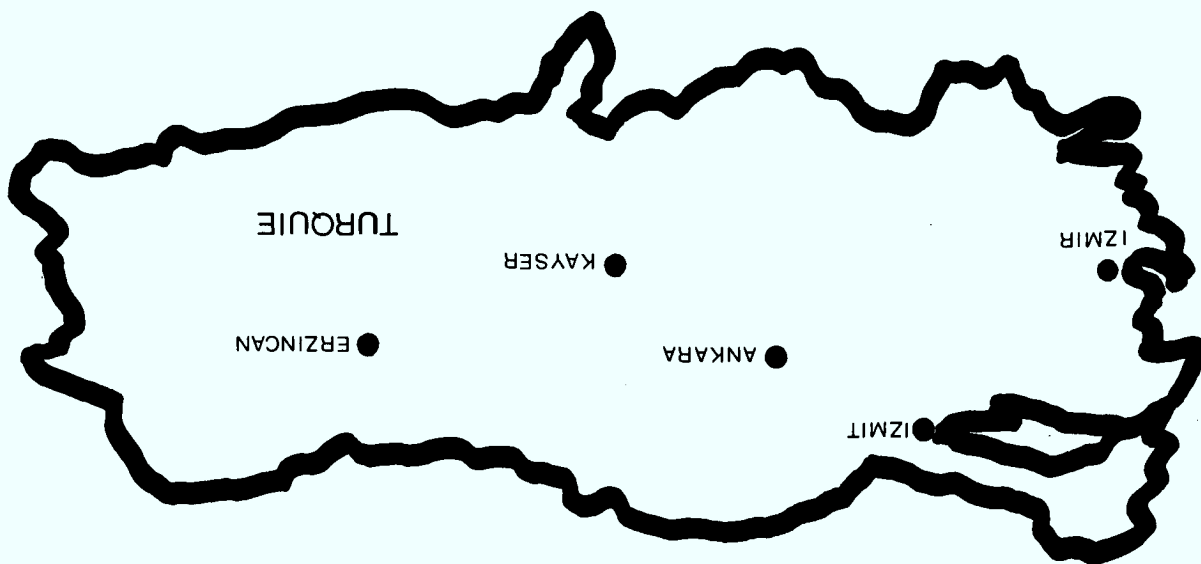
IF YOU HAVE NOT PREVIOUSLY MARKETING ABROAD, CONTACT ANY REGIONAL OFFICER OF THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE AT THE ADDRESSES LISTED BELOW.

NEWFOUNDLAND
LABRADOR

P.O. Box 6148
127 Water Street (2nd Floor)
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Tel: (709) 737-5511
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NOVA SCOTIA	Suite 1124, Duke Tower 5251 Duke Street, Scotia Square Halifax, Nova Scotia B3J 1N9	Tel: (902) 426-7540 Telex: 019-21829
NEW BRUNSWICK	Suite 642, 440 King Street Fredericton, New Brunswick E3B 5H8	Tel: (506) 452-3190 Telex: 014-46140
PRINCE EDWARD ISLAND	P.O. Box 2289 Dominion Building 97 Queen Street Charlottetown Prince Edward Island C1A 8C1	Tel: (902) 892-1211 Telex: 014-44129
QUEBEC	C.P. 1270, Station B Suite 600 685, rue Cathcart Montréal (Québec) H3B 3K9	Tél: (514) 283-6254 Télex: 012-0280
	Suite 620, 2, Place Québec Québec (Québec) G1R 2B5	Tél: (418) 694-4726 Télex: 051-3312
ONTARIO	Commerce Court West 51st Floor P.O. Box 325 Toronto, Ontario M5L 1G1	Tel: (416) 369-3711 Telex: 065-24378
MANITOBA	507 Manulife House 386 Broadway Avenue Winnipeg, Manitoba R3C 3R6	Tel: (204) 949-2381 Telex: 075-7624
SASKATCHEWAN	Room 980 2002 Victoria Avenue Regina, Saskatchewan S4P 0R7	Tel: (306) 569-5020 Telex: 071-2745
ALBERTA NORTHWEST TERRITORIES	500 Macdonald Place 9939 Jasper Avenue Edmonton, Alberta T5J 2W8	Tel: (403) 425-6330 Telex: 037-2762
BRITISH COLUMBIA YUKON	P.O. Box 49178 Suite 2743 Bentall Centre, Tower III 595 Burrard Street Vancouver, British Columbia V7X 1K8	Tel: (604) 666-1434 Telex: 04-51191



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