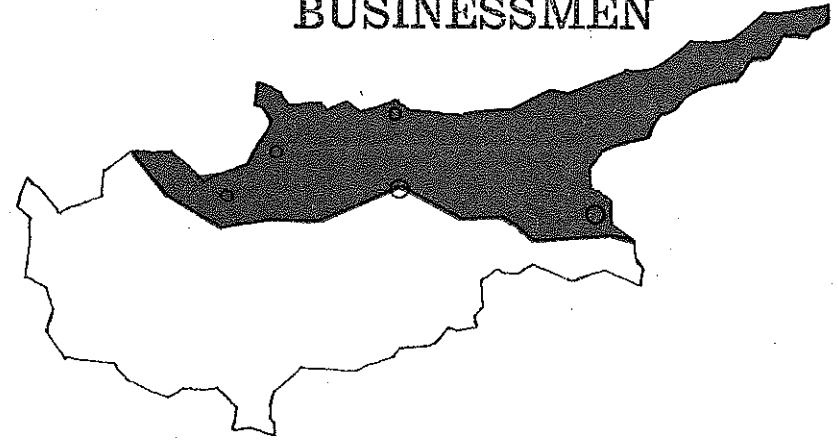


TURKISH REPUBLIC OF NORTHERN CYPRUS

GUIDE
TO FOREIGN INVESTORS
AND
BUSINESSMEN



MINISTRY OF ECONOMY, TRADE AND INDUSTRY
LEFKOŞA

June, 1987

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**GUIDE
TO FOREIGN INVESTORS
AND
BUSINESSMEN**

**TURKISH REPUBLIC OF NORTHERN CYPRUS
MINISTRY OF ECONOMY, TRADE AND INDUSTRY
DEPARTMENT OF INDUSTRY**

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PREFACE

This guide is designed to give some general information to foreign persons or companies interested initially in investing or doing business in the Turkish Republic of Northern Cyprus. It covers such basic aspects as company law, taxation, exchange regulations, incentives provided for foreign investors, as well as other business-related matters which would be of interest to potential investors and businessmen.

This booklet does not purport to be an exhaustive or detailed guide and some of the information given may also be subject to changes after publication.

We hope this booklet will be of use to you and we shall be happy to provide further information and give assistance to parties interested in investing or doing business in the Turkish Republic of Northern Cyprus.

June 1987
Ministry of Economy, Trade and Industry
Department of Industry.

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INTRODUCTION

The Turkish Republic of Northern Cyprus was proclaimed on 15 November, 1983, following a Resolution adopted unanimously by the Turkish Cypriot House of Representatives.

As it is explained in the Declaration of Independence, the new Republic pledges to remain loyal to the principles of the United Nations Charter; to follow a policy of peace and friendship towards the nations of the world; and to continue to seek a peaceful solution to the Cyprus problem based on a genuine federation between the Turkish Cypriot and Greek Cypriot peoples. The proclamation of the Turkish Republic of Northern Cyprus is a hand of peace and friendship extended not only to the Greek Cypriots, but also to all peace-loving nations in the world.

I. INFORMATION ON NORTHERN CYPRUS

1. Geography

The Turkish Republic of Northern Cyprus (T.R.N.C.) comprises an area of 3,355 square km. and covers the northern part of the island of Cyprus, which is the third largest island in the Mediterranean after Sicily and Sardinia. It is situated at the cross-roads of east-west and north-south navigation routes and is only 60 km. to the south of Turkey, 96 km. west of Syria and 385 km. north of Egypt. Because of its proximity to the rich Middle East countries and its advantageous location at the cross-road of East and West, the T.R.N.C. provides an ideal place and climate for foreign investment.

2. Climate

The climate is generally sunny and dry. Winter (November to early March) is mild, while in the peak summer months (July and August) it could get hot but fortunately not very humid.

3. Demography

According to 1986 estimates, the population of the T.R.N.C. is 163,000. Muslim Turkish Cypriots constitute 99.5% of the total population.

4. Major Towns

The capital of the T.R.N.C., Lefkoşa (Nicosia), has a population of approximately 60,000 and is the main administration and business centre. Other major towns include Magosa (Famagusta) (which is a flourishing tourist, industrial and commercial centre, as well as the country's principal port. Free Port and Zone is also situated in Famagusta), Girne (Kyrenia) (a town of touristic importance and archaeological interest to

any visitor) and Güzelyurt (Morphou) which is situated in north-west of the country at the centre of citrus plantations).

5. Language

Turkish is the official language. English is also widely used and understood in official and commercial circles.

6. Time

Local time is two hours ahead of Greenwich Mean Time (GMT) and eight hours ahead of Eastern Standard Time (EST).

7. Education

Education for children is of a very high standard. In addition to the comprehensive Turkish teaching schools, there is an English High School, with a tradition behind it. The Eastern Mediterranean University, which was previously the Higher Technical Institute, has been formally inaugurated in 1986. The language of instruction is English. The University offers four year courses in Engineering and business Administration.

8. Health Conditions

Health conditions are extremely good in Northern Cyprus and there are good hospital and medical facilities.

9. Currency

The Turkish Lira (TL) which has been in circulation after 1974, is the legal tender. The official exchange rates for the TL are adjusted daily according to changes in the international monetary markets.

10. Consumer Market

There is a wide selection of consumer goods of good quality. In addition to locally produced consumer goods, almost all foreign brands are available on the market.

11. Housing and Office Space

Good quality housing and office accommodation is available at very reasonable rents in comparison with Middle East countries and certainly lower than in most European countries.

12. Electricity

240/415 Volts AC, 50 Hz.

13. Duties on Motor Vehicles

Vehicles such as vans, trucks, station-wagons etc. imported solely for business purposes of a company are subject to low import duties. Both right-hand and left-hand drive vehicles are registered in Northern Cyprus.

14. Cars

Foreigners coming to the Turkish Republic of Northern Cyprus may import their cars without any customs duty for a temporary period of three months. A permit is issued to them at the port of entry. This permit can be renewed every three months for a period not exceeding one year. Such vehicles must be accompanied by insurance certificates valid in the Turkish Republic of Northern Cyprus.

15. Traffic Information

Traffic circulates on the left
Traffic signs are international
Roads linking towns are asphalted

II. ECONOMIC MEMORANDUM

1. A General Outlook

1.1. As a result of the Turkish Peace Operation of July 1974 genuine peace was brought to the island. The living conditions of the Turkish Cypriot People, which were curtailed by the Greek Cypriot embargo and suppression, improved substantially under the new conditions created by the Turkish Peace Operation. Great strides have been taken to overcome the difficulties encountered and it is observed that the economy of the Turkish Republic of Northern Cyprus (T.R.N.C) has sufficient potential for improvement with the help of foreign capital investment.

1.2. The economic policy of the government has been in the direction of providing the appropriate institutions and taking the necessary measures in order to mobilize the available human and physical resources to improve the living standards of the Turkish Cypriot People. For this purpose, the First Five Year Development Plan, covering the period 1978-1982 was implemented. During this period, various measures in all sectors of the economy were taken, such as; making up the deficiencies in infrastructure, completion of the necessary institutional framework for a new State, establishment of a working monetary and fiscal mechanism, reactivating the economic potential and creating a system for the improvement of man-power.

1.3. The fundamental target of the government's development policy has been, all along, to provide the Turkish Cypriot people with better living standards; to establish a sound State organization and authority; and to build a strong economic, social and cultural structure, without compromising democratic principles, social justice, and the supremacy of the rule of law.

2. Economic Growth

2.1. During the First Five Year Development Plan, an average growth rate of 2.5% was achieved at 1977 constant prices. The 7% annual growth rate envisaged by the Plan has not been realized due mainly to the exogenous and political factors. Lack of foreign exchange and insufficient capital for investment, coupled with the economic embargo imposed by the Greek Cypriot Administration, had adverse effects in the attainment of a more satisfactory economic performance.

2.2. Figures at 1977 constant prices indicate growth rates of Gross Domestic Products at 7.8% in 1977, 5.7% in 1978, 4.3 in 1979, 0.7% in 1980, 7.1% in 1981, 10.8% in 1982 and 1.5% in 1983.

2.3. Due to the recent political developments, the implementation of the Second Five Year Plan was postponed. The 1984 Transitional Programme, at the end of which 5.8% growth rate of the Gross Domestic Product was realized, aimed at overcoming the predominant bottlenecks in order to achieve higher growth of output through the completion of the 1983 stabilization measures. For the following transitional year (1985) 7.8% growth rate of GDP has been realized, exceeding the targeted growth rate of 4.2%. Another transitional programme for the year 1986 has been implemented, at the end of which provisional estimates indicated a growth rate of 5.4% in GDP. Currently, the transitional programme for 1987 has been prepared, envisaging a 6% growth rate.

2.4 Deliberations are now underway for the preparation of the Second Five Year Plan, which will cover the period 1988-1992.

3. Employment

3.1. There is no acute unemployment problem in the T.R.N.C. and according to the records of the Labour Office the number of registered unemployed has shown a continuous decline since 1978. Unemployment rate for the year 1986 is estimated to be 2.4%, compared to 4.5% in 1978.

3.2 According to the 1986 figures, around 32.4% of employment is provided by agriculture which is the main sector of the economy; 10.2% by industry; 7.2% by construction; 23.4% by public services (including state economic enterprises and municipalities) and 9.3% by trade and tourism sectors. It is believed that a considerable seasonal unemployment exists in agriculture and tourism.

3.3. Minimum monthly wage, which is annually revised, currently is TL90,000 plus 15% social benefits. The official working week is 40 hours in Winter and 36 hours in Summer.

4. Social Security

4.1. The Social Insurance Law of 1977 covers all the employees, employers as well as the self-employed people in all sectors. Risks covered by the law include work accidents, occupational disease, sickness and unemployment. Long-term benefits include old age, incapacity and death pensions. In cases of maternity and marriage other grants are also given. The social insurance premiums are split out between workers, employers and Government on a tripartite system. The insured workers pay 5%, the employers contribute 6-11.5% in accordance with the risk involved in that industry and the Government contributes 5.5% in the case of employees and 4.5% in the case of self-employed.

5. Cost of Living

5.1. According to the cost of living index the annual rate of increase in the retail price index for the year 1986 was 48.09% (In 1985 it was 43.04%). The retail price index for 1987 is expected to decrease considerably. Despite the prevailing high inflationary pressure, the economy is not going through stagflation, as seen clearly by the growth rates figures. Therefore, for foreign investors and businessmen, inflation is obviously not to be considered as a discouraging market risk factor.

6. Monetary Management

6.1. The maintenance of monetary stability have received first priority by the Government of the T.R.N.C. This is reflected by the establishment of a Central Bank in 1983 as a necessary institution for monetary policy. It is expected that the measures taken in this regard will enhance the propensity to save and also check the outflow of domestic savings to foreign countries.

7. Foreign Exchange

7.1. The T.R.N.C. follows a flexible foreign exchange policy. The official exchange rates for the Turkish Lira (TL), which has been in circulation as legal tender since 1974, are adjusted daily according to changes in the international monetary markets.

7.2. Foreign exchange controls and exchange operations are administered by the Central Bank within the regulations set by the Money and Foreign Exchange Legislation Act 1982. Foreign currency deposit accounts can be opened with local banks.

7.3. Foreign exchange may be brought into the country without any restrictions or control and the source of such income is not investigated.

8. Banking System

Commercial Banking:

8.1. The banking system in Northern Cyprus is very well organised. Banks are efficient and well equipped and employ experienced and well trained staff. They provide all types of banking services and they have proved flexible enough to satisfy the continuously diversifying needs of the business community. They have branch offices and correspondence in many important trading centers of the world.

8.2. Approvals for setting up of new local banks or opening of branches of foreign banks in the T.R.N.C. are granted according to the Banking Act 1976.

8.3. The following local and foreign banks are operating in the T.R.N.C.:

Local Banks :

Turkish Bank Ltd.
Turkish Cooperative Central Bank Ltd.
Kıbrıs Credit Bank Ltd.
Kıbrıs Industry Bank Ltd.
Kıbrıs Commercial Bank Ltd.
Kıbrıs Vakıflar Bank Ltd.
As Bank Ltd.

Foreign Banks :

İş Bank of Turkey
Agricultural Bank of Turkey
People's Bank of Turkey
Faisal Islamic Bank of Kıbrıs

9. Public Finance

9.1. Fiscal policy of the Government has been in the direction of increasing local revenues, reducing public expenditures and ultimately balancing the budget.

9.2. The ratio of local revenues to the Gross National Product (G.N.P.) was 16% in 1977. This figure rose to 18.2% in 1986. The budget deficits of the recent years were mainly due to the concentration of efforts on infrastructural investments and the inadequacy of local revenues to meet the demand of the expanding Government services. The Government has taken serious measures to improve the collection of revenues and ultimately to balance its budget.

10. External Trade

10.1. The T.R.N.C. follows a liberal trade policy and practices no discrimination against any foreign country. Practically no import restrictions exist. Local and foreign trade is based on free enterprise.

10.2. Despite the Greek Cypriot efforts to impose an all-out economic embargo, the T.R.N.C. has succeeded in establishing trade relations with more than 60 countries all over the world. Trade figures show that imports have risen from \$82.0 m. in 1977 to \$153.2 m. in 1986 and exports have risen from \$24.9 m. to \$52.0 m. during the same period.

10.3. Exports of agricultural products which was \$25.9 m. in 1978, increased to \$36.9 m. in 1986 accounting for over 70% of total exports, citrus constituting about 75% of such exports. Besides agricultural products T.R.N.C. has succeeded in increasing its manufactured goods export, including some processed goods based on agriculture. As it is envisaged in the Transitional Programmes, the manufactured goods export is expected to increase and constitute a higher percentage of total exports. In 1986 exports of processed agricultural products and other industrial products, including minerals accounted for 29.0% of total exports.

10.4. The Government is very active and anxious to extend and diversify its export markets by penetrating into as many new countries as possible. Special efforts are being made to establish and extend the existing trade relations with the neighbouring Arab World and the other Middle Eastern countries. The Middle East countries are now absorbing a considerable amount of live lamb, goats, citrus and dairy products. In 1986, 10.2% of total exports went to the Middle East countries compared to 7.1% in 1978.

10.5. The new government programme envisages the taking of all necessary measures in order to expand the volume of foreign trade and to increase export earnings. It is the intention of the government to attach more importance to marketing and market-research efforts for the promotion of its foreign trade relations. Co-operation of the appropriate professional institutions will be sought in this respect.

11. Balance of Payments

11.1. The consistent trade deficit is financed partly through earnings from invisibles, mainly tourism. The imports with waiver policy whereby the importers are allowed to procure their own foreign exchange requirements in free markets, has been a significant factor in redressing the deficit in the balance of payments. Considerable amount of aid and credit provided by Turkey has also contributed to the improvement of the balance of payments position. The transitional programme for 1987, envisages a more liberal policy of importation through devoting hard currency as a result of the improvement of the foreign exchange position of the country over the recent years.

11.2. The continuous increase in imports has caused a parallel increase in the trade deficit, which stands at \$96.0 m. in 1986. The increase in the balance of payments deficit is due mainly to the growing need

for capital investment goods deriving from development efforts and to the increasing prosperity of the people necessitating larger imports of consumer goods.

11.3. Net tourism revenues, accounting for \$48.5 m. in 1986, has been singled out as a vital element for the improvement of the balance of payments position.

12. Main Economic Sectors

(a) Agriculture:

12.1. Agriculture is the backbone of the economy accounting for 13.4% of G.D.P. in 1986; for nearly 70% of total commodity exports and 32.4% of total employment. T.R.N.C. is self-sufficient in most agricultural products, while it is mostly dependent on imported agricultural inputs.

12.2. Export capacity in this sector has increased over the years parallel to the increases in productivity.

(b) Manufacturing Industry:

12.3. Improvements in trade and tourism created a better environment for local manufacturers. Mainly small-scale firms undertook activities in the manufacturing sector which quickly developed into a major growth sector. According to 1986 statistics, there exists a total of 460 public and private industrial units (employing more than 5 persons), out of which 124 are engaged in production of food-stuffs, drinks and tobacco; 82 in textiles, clothing and leather goods; 46 in wood-products and furniture; 28 in paper, paper-products and printing; 53 in chemicals, petroleum products, rubber and plastics; 38 in brick and stone; 48 in machinery, transport equipment and precision equipment and 41 in other industrial activities.

12.4. Although industrial production is aimed largely to cater the local market, the duty-free entry permission granted by Turkey to a considerable range of Turkish Cypriot manufactured goods has provided new opportunities and incentives for the local manufacturers.

(c) Tourism :

12.5. The mild climate, the natural and scenic attractions, the rich antiquity coupled with the hospitality of the Turkish Cypriots make the T.R.N.C. an ideal place for tourists. There are many first class hotels, holiday resorts and restaurants offering excellent service and delicious food with reasonable prices within the means of the average tourist.

12.6. Tourist arrivals for 1986 has been realized as 131,492, almost twenty percent of which were from foreign countries other than Turkey.

12.7. Since tourism has been singled out as a vital sector for the future development of the economy of the T.R.N.C., the Government is determined to provide all the necessary incentives for touristic investments. The policy for the improvement of tourism is directed towards increasing the number of foreign tourists. For this purpose the Government has approved a new Bill which contains a wide range of incentives in addition to those already contained in tax laws.

13. Short Term Policies and Expectations

13.1 The statistical and qualitative evaluations given above suggest that T.R.N.C. has made significant improvement since 1974. Currently, one could easily observe that there exists a favourable economic and social climate in the country for a faster rate of economic growth and social development.

13.2. The stabilization measures envisaged in the 1987 Transitional Programme aims at tackling the current economic and social problems. These measures will be instrumental to the achievement of a self-sufficient and viable economic structure.

13.3. The new Geçitkale Airport was completed in 1985 and has been in use ever since. The newly improved and modernized Ercan Airport is expected further to contribute towards the economic and social development of the country by its better air transportation facilities.

13.4. Marketing and promotion efforts, in countries other than Turkey, and particularly in Islamic and European countries, will be revised and efforts will be made to set up tourism bureaus and public relations offices in these countries.

13.5. Considerable efforts are made towards the further improvement of the economic, social and cultural climate of the country. It is expected that foreign investors will take advantage of this favourable investment climate and make investments which will be beneficial to both parties.

III. INCENTIVES AND PROCEDURES FOR FOREIGN INVESTORS AND BUSINESSMEN

1. Foreign Investment Policy and Incentives

(a) Incentives for Investments in General:

1.1. Generally foreign investment is encouraged and those wishing to invest in Northern Cyprus can be sure of a positive Government attitude. Due to its location, Northern Cyprus is giving preferential treatment to industries geared to export markets. Government policy also encourages capital/technology-intensive and touristic projects. However each and every project proposed by a potential investor will be considered by the Government on its own merits. Co-operation between local and foreign firms in the form of joint ventures is actively promoted.

1.2. Foreign investors which have been given permission to establish business in the T.R.N.C. or participate in a joint venture with a local company and are therefore subject to normal rates of taxation, are also entitled to the incentives available to local companies.

1.3. Listed below are some of the incentives that are available to foreign investors:

(i) Suitable plots for factory buildings either on industrial estate or on a single site with long-term lease up to 99 years and at low rates of rent;

(ii) Foreign investors are allowed to repatriate profits earned on their investment up to 100% of their original capital outlay;

(iii) Foreign investors are allowed to repatriate the proceeds of the sale of their investment upon liquidation. This amount can not exceed the value of the original investment;

(iv) Money and Foreign Exchange Law allows for unlimited importation of foreign exchange into the T.R.N.C. According to the Law, permanent residents as well as non-residents are allowed to open private foreign exchange accounts in T.R.N.C. banks. Depositors are free to make transfers abroad without any restrictions.

(b) Taxation Incentives:

1.4. Allowances are given for capital expenditure incurred on the acquisition of plant and machinery or fixtures and fittings owned and used by a person or corporate body in trade or business or scientific research. These capital allowances are:

- (i) Initial (Investment) Allowance
- (ii) Annual (Wear and Tear) Allowances

1.5. Allowances are also given on existing buildings or on the construction, reconstruction, extension or adaption of buildings owned and used by a person or corporate body. In total, tax allowance is given equal to the cost of an asset plus the investment allowance.

(i) Initial (Investment) Allowances:

- a) Plant and Machinery : 20% on the capital expenditure in acquiring the asset.
- b) Building : 10% on the capital expenditure incurred on its construction.
- c) Fixture and Fittings : 10% on the capital expenditure in acquiring the asset.
- d) Fixed Assets : 5% on the capital expenditure in acquiring the asset.

These allowances can be increased by threefold by Council of Ministers decision taking into consideration the nature of the proposed investment.

(ii) Annual (Wear and Tear) Allowances :

- a) Machinery and Equipment : 10%
- b) Furniture and Fixtures : 10%
- c) Vehicles : 25%
- d) Buildings : 4%

(iii) Other Allowances :

- (1) Expenditure on scientific research and company formation.
- (2) Expenditure on Patent and Patent Rights

(iv) Corporation Tax :

1.6. Corporation Tax is applied to foreign companies registered in the T.R.N.C. at the rate of 25% of chargeable income. Initial allowances and annual depreciation allowances are deducted before setting net chargeable incomes. The rate of corporation tax is 2.5% on gross profit for the companies operating in the field of air transportation, whereas it is 5% for the ones operating in the field of land and sea-transportation. Twenty percent of earnings of corporate bodies from exports of goods and services is exempt from corporation tax.

(c) Investment Incentives at the Free Port and Zone

1.7. The Government of the T.R.N.C. is keen to encourage foreign capital investment, either in the form of joint-venture or independently, through capital commitment or introduction of improved technology in all sectors. The Free Port and Zone situated at Famagusta is considered to be an ideal place for all kinds of business and investment.

1.8. Famagusta Free Port and Zone covering an area of 115 acres, offers excellent opportunities to foreign investors who have the intention to engage in all kinds

of manufacturing industry as well as commercial activities. Among these activities, assembly and repair of any kind of ships; banking and insurance services; trans-shipment or re-export activities; manufactures of all kinds of industrial products are thought to be suitable investment fields.

1.9. The Free Port and Zone Law states that only "Approved Enterprises" are entitled to operate and erect concerns in the Free Port and Zone area. An "Approved Enterprise" is defined as one which has received approval from Free Port and Zone Council in order to function in the Free Port and Zone. Applications for "Approved Enterprise" status are to be submitted to the Free Port and Zone Council on the forms supplied by this body.

1.10. Incentives provided to businesses established in the Free Port and Zone are as follows :

- i) Five-year exemption from corporate tax and income tax;
- ii) 20% corporate tax for companies and 20% income tax for personal income after the exemption period;
- iii) No limit on repatriation of profit and capital;
- iv) Exemption from custom duties and indirect taxes

1.11. Annual rents for factory-building sites vary from US \$ 0.46 - 0.54 per sq.m. Areas of available sites are variable from 800-8000 sq. m. The leasing agreements initially are made for 21 years and may be renewed for an additional two terms.

1.12. Storage charges (Per ton or part thereof; per day or part thereof):

- i) For Cargoes in store and/or warehouse :
 - General Cargo : US\$ 0.10
- ii) For Cargoes in open stacking area :
 - a) General Cargo : US\$ 0.05
 - b) Bulk Cargo : US\$ 0.03

- iii) Containers (Per container, per day or part thereof):
 - a) Empty : US\$ 0.25
 - b) Full : US\$ 0.75
- iv) Areas rented for short periods :
 - Per sq. m., per day or part thereof: US\$ 0.03

1.13. In addition to the above incentives there is ample supply of skilled and unskilled labour and wages are reasonable. The port's handling charges are much lower than the other neighbouring ports. The port, which is geographically well located, offers sufficient covered storage area, experienced stevedoring and good security. A sound and receptive civil service, coupled with minimum of formalities, provides investors and dealers with a favourable working climate. All types of port machineries (forklifts, cranes etc) are available.

1.14. Proposed changes to the Free Port and Zone Law are currently being considered by the Council of Ministers which envisages measures in favour of business investors.

(d) Investment Incentives in Industry:

The law for the encouragement of industrial investments, which was enacted in 1984, contains the following incentives :

- (i) Long-term lease of government owned land and buildings at low rate, upto 60 years;
- (ii) Duty-free import of all machinery and equipment;
- (iii) 50% additional investment allowances on initial fixed investment expenditures;
- (iv) Government loans or interest rebates on loans secured from financial institutions in the T.R.N.C.;
- (v) Transfer of after-tax profits upto 100%, in foreign currency without any restriction;
- (vi) Permission to employ foreign personnel.

1.15. Annual rents at the Organized Industrial Areas are as follows:

a) Lefkosa Organized Indus. Area	100-150TL/sq.m.
b) Lefkosa Indus. Site	90-100TL/sq.m.
c) Haspolat Indus. Area	80-120TL/sq.m.
d) Magosa Small Indus. Area	85-100TL/sq.m.
e) Magosa Indus. Area	130-150TL/sq.m.
f) Other public land	120-150TL/sq.m.

A fixed rent is applied for the first 10 years. After the first 10-year period, the rent is revised every five years.

1.16. During the legal term of rent, industrial buildings may be transferred, mortgaged, sub-let or be transferred by inheritance.

(e) Investment Incentives in the Tourism Sector :

Tourism has been singled out as the most important sector for the development of the economy. A Bill for the encouragement of investments in the tourism sector has been enacted in 1987, which contains a wide range of incentives:

- (i) Leasing of state land for a period of up to 99 years according to the size of the project. The rent varies up to 20% of current rent;
- (ii) Import duty exemptions for investment goods concerning the project;
- (iii) Government contribution to charter-risk;
- (iv) Contribution to brochure and advertisement expenditures, upto 75% depending on the number of bednights realised;

- (v) Exemption from income tax and corporate tax for a period of 10 years, in case of investment in tourist accommodation units, and/or operating charter flights;
- (vi) For public companies of which the number of shareholders is not less than 50, the exemption period noted above is increased by an additional three years;
- (vii) Annual interest and principal instalments of foreign loans enjoy a transfer guarantee;
- (viii) Tourism establishments of hotels and travel agencies, may each year deduct 20% of their annual foreign exchange gross earnings from their taxable income;
- (ix) Repatriation of profit without any restriction or limitation;
- (x) Free transfer of proceeds in case of liquidation of investment;
- (xi) Employment of foreign qualified personnel who are not available locally;
- (xii) Transfer of net income earned by foreign personnel is free;
- (xiii) Exemption from construction licence fee;
- (xiv) The following expenses are also deductible when calculating annual taxable profit:

All travel expenses related to promotion and marketing;

All kinds of advertisement, promotion and marketing expenses.

(f) Export Incentives:

1.17. Export Promotion is one of the main objectives of the Government program, thus several measures have been taken in this respect. The exporters of industrial products who bring foreign exchange to the T.R.N.C., are entitled to use as high as 50% of the net amount earned for imports by Government permission. For certain products, including dairy products and clothing, a premium between 5-20% is paid on the net foreign exchange earned, according to export item.

1.18. The TL equivalent of the foreign exchange earnings from exports are paid to the exporter at the current exchange rate on the day it is brought into the country.

1.19. Exporters of commodities where the country enjoys comparative advantage vis a vis other countries, have to deposit the foreign exchange earned from such export transactions to an authorized bank for the use and allocation by the government for priority imports. In other exportable items, the exporter is entitled to keep up to 50% of the foreign exchange earned and the remittances from abroad are free to be exchanged in the free market. This amount can also be used for import under government permission. Furthermore, as it has been mentioned above, external accounts and hard currency deposit accounts may be opened in banks operating in the T.R.N.C and all such accounts are freely transferable.

1.20. According to the import regulations currently valid in the T.R.N.C., the imports of raw-materials and semi-finished products for export-oriented production are exempt from import duties.

1.21. The value of imported goods and expenditures on services accruing therefrom, are calculated at the rate of exchange valid on the date of the sale or transfer of the foreign exchange and paid accordingly. Services, other than the above, are also subject to the same procedure. Import duties on imported products, which are liable to such duties, are paid at the rate of exchange valid on the date of customs clearance.

2. Procedures and Facilities for Foreign Investment

(a) Registration of a Company

2.1. The legal form widely used for business undertakings in the T.R.N.C. both by foreign investors and by the local businessmen, is the private limited company. Partnerships are used principally for professional business activities.

2.2. The provisions concerning the limited companies are set out in the Companies Law, Cap. 113, which is almost identical with the United Kingdom Companies Act, 1948.

2.3. Foreign investors are allowed to own up to 49% of the share capital of a company. By special permission obtained from the Council of Ministers, a higher rate of investment ownership (up to 100%) may be allowed, especially in the fields of tourism, export oriented industries and foreign exchange earning services. Investments in different fields require permission from the relevant Ministry.

2.4. A foreign shareholder is required to subscribe a minimum of one million TL in convertible foreign currency.

2.5. A "business permit" is also required which may be obtained from the local Migration Office.

2.6. An overseas company wishing to establish a place of business in the T.R.N.C. has to obtain a permission from the Council of Ministers. Such a company also has to transfer to the T.R.N.C. an amount not less than the equivalent of one million TL. in convertible foreign exchange as working capital.

2.7. Off-shore and shipping companies are also registered in the T.R.N.C. under the Companies Law, subject to the approval and conditions laid by the Council of Ministers.

2.8. Partnerships are subject to the provisions set out in the Partnerships and Business Names Law, Cap. 116, which is also identical with the United Kingdom Partnerships Act, 1890. Partnerships may be general or limited and may not comprise more than 20 persons.

(b) Investment Procedure:

2.9. Foreign investors proposing to establish a business in the T.R.N.C. should:

1) Apply to the relevant T.R.N.C. Ministry to obtain a permission according to the nature of the proposed investment;

2) Be prepared to invest an amount not less than one million TL. which will have to be transferred into a T.R.N.C. bank in convertible foreign exchange before the registration of a company. In exceptional cases, the foreign capital share may be in kind (fixed assets or industrial property rights) for both of which special permission has to be acquired from the Ministry of Finance and Customs;

3) Obtain a business permit from the local Migration Office if they wish to take part in the administration of a corporate body.

(c) Patents and Trade-Marks:

2.10. Trade-marks are registered initially for seven years and are renewable for periods of 14 years. Trade-marks already registered abroad are favourably considered. The classification of goods is based on the international system and consists of 34 classes.

(d) Property Ownership:

2.11. Foreigners wishing to purchase immovable property in the T.R.N.C. have to apply for permission to the Interior Ministry. The purchase price should be paid in foreign currency.

(e) Import and Export Procedures:

(i) Import Procedure

2.12. Firms wishing to engage in import business must register with the Chamber of Commerce or with the Chamber of Industry.

2.13. Necessary import permission may be obtained on application from the Ministry of Economy, Trade and Industry. For the importation of certain basic consumption goods, raw-materials, health products, agricultural inputs and for other primary necessities, the Government provides the importer with the necessary foreign exchange. For goods of luxury nature the importers are required to acquire the foreign exchange from the free market.

2.14. Highly developed local banking services are available to meet the needs of both importers and exporters.

2.15. Necessary measures have been taken to further simplify import procedures and to minimize any bureaucratic impediments in this area.

(ii) Export Procedure

2.16. Any registered company may obtain a general export licence from the Ministry of Economy, Trade and Industry.

2.17. Generally no restrictions on exports exist except for temporary restrictions on certain products in short supply.

IV. THE ECONOMIC COOPERATION PROTOCOL
BETWEEN THE TURKISH REPUBLIC OF
NORTHERN CYPRUS
AND
THE REPUBLIC OF TURKEY

The Governments of the Turkish Republic of Northern Cyprus and the Republic of Turkey have decided after negotiations to mutually take the following measures relating to the implementation of an economic stability program in the Turkish Republic of Northern Cyprus and to continue to have their economic relations through high-level permanent committees.

Trade

1. The importation to Turkey, entirely with zero-rated customs duties and with zero-rated fund payments, of all products produced in the Turkish Republic of Northern Cyprus, within the framework of their compatibility with the following criteria, will be completed in three months' time and secured under the 9th Joint Economic Commission Protocol.

- a) A minimum of 30% value-added rate
- b) A minimum of 40% local input rate

2. Importation from the Turkish Republic of Northern Cyprus will be realized without the need for an import license and in accordance with the zero-rated customs duties list to be asked for at the customs entry points.

3. Committees on the subject of trade will meet once every six months.

4. The inclusion in the coverage of the Republic of Turkey Council of Ministers Decision No. 85/9569 of the subject of transit goods transportation by sea to the Turkish Republic of Northern Cyprus and from the Turkish Republic of Northern Cyprus to third countries will be secured within three months.

Currency, Foreign Exchange, Banking

Measures to be taken by the Turkish Republic of Northern Cyprus:

5. Interest rates will be brought to the parallel of those in the Republic of Turkey, free movement of foreign exchange and Turkish lira between the Republic of Turkey and the Turkish Republic of Northern Cyprus will be secured, and the Turkish lira will be allowed to find its value through free exchange rate. For this purpose, the subjects of a new Central Bank currency exchange, banking and off-shore banking will be legislated in three months.

Measures to be taken by the Republic of Turkey:

6. The free movement of the Turkish lira and of foreign currencies between the Turkish Republic of Northern Cyprus and the Republic of Turkey will come into force with the coming into operation, during the same period, of relevant legislation in the Turkish Republic of Northern Cyprus.

7. It will be made easier for Turkish banks to provide letters of guarantee and back-to-back letter of credit facilities to Turkish Republic of Northern Cyprus banks and companies.

8. Taking note of the fact that the Turkish Republic of Northern Cyprus Central Bank has no power to control the volume of emission, interbank-type short-term Turkish lira facilities will be available between the Turkish Republic of Northern Cyprus Central Bank and the Central Bank of the Republic of Turkey for the purpose of meeting seasonal cash requirements.

9. Technical assistance will be secured for the utilization in money markets in the Republic of Turkey of the account of the Turkish Republic of Northern

Cyprus Central Bank with the Central Bank of the Republic of Turkey through the operation of a portfolio protocol.

10. All aid from the Republic of Turkey to the Turkish Republic of Northern Cyprus will be channeled through the Central Bank of the Republic of Turkey by way of the Turkish Republic of Northern Cyprus Central Bank account with the Central Bank of the Republic of Turkey.

11. Selective credit implementation will be secured for the agriculture and tourism sectors.

Public Finance

Measures to be taken by the Turkish Republic of Northern Cyprus:

12. A reevaluation and financial reorganization law will be made.

13. Corporation tax will be cut down to 25% in order to end difficulties leading to deterrence for foreign capital.

14. Income tax laws will be simplified and draft legislation and infrastructure operations concerning consumption duty will be finalized with cooperation from the technical committee of the Republic of Turkey.

15. Capital gains tax will be based on real increases.

16. Customs duties will be lowered by an average rate of 30% and flexibility will be introduced so that possible shortcomings can be speedily removed. The necessary Decree will be issued in three months.

17. To reduce budget expenses and particularly to lower personnel and transfer payments:

a) the number of posts for personnel, including those of civil servants and those under a contract, will be frozen.

b) in principle, no appointments will be made to posts becoming vacant for reasons such as death and retirement; requirements will be met through transfers among the existing staff.

c) a 15% reduction in the number of posts has been set as the target by the end of 1988.

18. A foreign capital law will be prepared and enacted in three months.

19. Electricity and water rates will be increased to reasonable levels.

20. Labor laws are on the agenda of the Council of Ministers. Necessary work will be undertaken for the speedy amendment of the pension regulations so that length of service before retirement becomes 25 years and the minimum age for pension payment becomes 55, and that a relevant fund is set up. The work in this respect will have to be completed in six months.

21. Legislation will be prepared for the collection of tax and/or rent from people housed within the framework of Housing and Appropriation of Land.

22. a) Net differences in possible loss of income and profit resulting from reorganizations will be worked out at three monthly intervals by the permanent committee and the necessary financing aid will be secured by the Government of the Republic of Turkey in the form of grants and loans.

b) The amounts undertaken by the Republic of Turkey in the 1985 and 1986 budgets, and still unpaid, will be paid by 1 January 1987.

c) A credit agreement will be made for the deficit in the 1986 current budget.

d) The long-term current budget deficits of the Turkish Republic of Northern Cyprus will be assessed by the committee and a five-year account of credits given for current expenditure will be worked out. In accordance with this account and in a manner the Republic of Turkey deems appropriate, credit for the current budget will be provided.

e) The permanent technical committee will consist of three members from the Republic of Turkey and three members from the Turkish Republic of Northern Cyprus. The composition of the committee will be decided in 15 days and the first meeting will take place in January 1987.

Investments and Incentives

Measures to be taken by the Turkish Republic of Northern Cyprus:

23. A protocol agreement for the prevention of double taxation will be signed in three months.

24. The sectors to be encouraged are tourism, trade, banking and transportation; the types of incentives will be decided by the two parties within a period of three months.

25. Encouragement of Tourism Bill will become a law (three months).

26. Labor laws, collective agreements and strike laws will be reviewed. At the Free Port Area strikes and lockouts will be rendered impossible.

Measures to be taken by the Republic of Turkey:

27. Guarantee for Investments Agreement: The Government of the Republic of Turkey will draw up a financial transfer and political guarantee protocol to cover investments to be made in the Turkish Republic of Northern Cyprus.

28. Sea transport vessels registered in the Turkish Republic of Northern Cyprus will be treated at Turkish ports as if they were Republic of Turkey registered ships.

Public Enterprises

29. The Turkish Republic of Northern Cyprus and the Republic of Turkey joint committee will set up a consultative group, to advise in two months' time, on conditions for making public enterprises in the Turkish Republic of Northern Cyprus available to the public or for handing them over to Turkish Republic of Northern Cyprus institutions or to name alternatives.

Equal Value (Property) and Appropriation of Land

30. Laws for a just apportionment of equal value (real estate) and the situation concerning PUAN (units of property value) owners and source will be reviewed. (six months)

Infrastructure

Measures to be taken by the Republic of Turkey:

31. Necessary work will be undertaken for an urgent solution of the electricity problem. Technical help will be provided by the Electricity Board of Turkey and the cost of investment will be repaid by the Turkish Republic of Northern Cyprus through a fund of electricity rates.

32.The Telecommunication Project will be realized by the Republic of Turkey.

33.Projects and financing of reservoirs and irrigation investments will be decided on in six months.

Miscellany

34.The following protocols will be signed in three months' time:

- a)Guarantee for Investments Agreement
- b)Cultural Agreement
- c)Social Security and Labor Agreement
- d)Extradition Agreement
- e)Prevention of Double-Taxation Agreement

This protocol was signed in Ankara on 5 December 1986 as two original texts.

On Behalf of the
Turkish Republic of
Northern Cyprus:

Dervis EROGLU
Prime Minister

On Behalf of the
Republic of Turkey:

Turgut OZAL
Prime Minister

**TURKISH REPUBLIC OF NORTHERN CYPRUS
PRIME MINISTRY**

No.HB/878/8
Re:Protocol

10 December 1986

Embassy of the Republic of Turkey,

Along with the stipulations of the protocol dated 6 December 1986 signed by the Turkish Republic's Prime Minister Mr. Turgut Ozal on behalf of the Republic of Turkey and the Turkish Republic of Northern Cyprus Prime Minister Mr. Dervis Eroglu on behalf of the Turkish Republic of Northern Cyprus, agreement has been reached by the two countries' Prime Ministers on the following:

"1.It will be made possible for the Turkish Republic of Northern Cyprus persons and firms to join or establish within the framework of Republic of Turkey Laws an aviation company registered in the Republic of Turkey.

2.Ferryboat services will be increased in 1987 in accordance with requests from the Turkish Republic of Northern Cyprus.

3.The protocol relating to overland transportation will again be taken up with a view to enabling the Turkish Republic of Northern Cyprus TIRs and buses to undertake trips with greater ease to third countries."

Within the framework of this agreement it is respectfully requested that it is passed onto the Office of the Counsellor on Cyprus Affairs at the Republic of Turkey State Ministry for implementation along with the original protocol.

(Dr.DERVIS EROGLU)
Prime Minister

V. BASIC INFORMATION FOR FOREIGN INVESTORS AND BUSINESSMEN

1. Visas

1.1. All travellers to the T.R.N.C. must hold a valid passport. Visitors can acquire a three-month visa simply by filling a form which can be obtained from the Embassies or the Offices of the Representatives of the T.R.N.C. or alternatively, visas can be obtained on arrival in the country. Neither a photograph is required nor a fee is charged for granting a visa.

2. Access to Northern Cyprus

(a) Air Transport

2.1. Cyprus Turkish Airlines have daily flights from Istanbul and on certain days from Ankara, Adana, and Antalya to Ercan Airport.

Current flights are :

ERCAN-ISTANBUL ERCAN-ISTANBUL-LONDON
 ERCAN-IZMIR ERCAN-IZMIR-LONDON
 ERCAN-ANKARA
 ERCAN-ADANA
 ERCAN-ANTALYA

Turkish Airlines and Istanbul Airlines also have regular flights between Northern Cyprus and Turkey.

2.2. Passengers from the T.R.N.C. can travel to any country in the world via the Ercan-Istanbul route. Similarly, Northern Cyprus may be reached from any country via the Istanbul-Ercan route.

2.3. Current international air transportation fares on certain routes are given below :

Route	Single	Return
Ercan-Istanbul	TL 38,850	TL 59,650
Ercan-Izmir	TL 38,850	TL 57,350
Ercan-Ankara	TL 29,950	TL 45,700
Ercan-London (U.K.)	TL 319,000	TL 302,600
Ercan-Munich (Germany)	TL 438,810	TL 548,700
Ercan-Milano (Italy)	TL 361,800	TL 492,700

(b) Sea Transport :

2.4. T.R.N.C. is served by three ports, namely Magosa (Famagusta), Girne (Kyrenia), and Gemikonagi (Xeros). Magosa port is the largest port capable of handling all sorts of vessels and cargo. Girne harbour is suitable mainly for mooring yachts and small ferries operating between Northern Cyprus and Turkey. Gemikonagi, situated in western T.R.N.C. is used for handling export of minerals.

2.5. The Cyprus Turkish Maritime Lines car-ferries sail between Famagusta and Mersin all year round. During the high-season there are two additional car-ferries sailing between Tasucu (Turkey)- Girne (Kyrenia) and Mersin-Girne.

2.6. Sea transportation fares are given below :

Route	Class	1 pax price (1987)
Famagusta-Mersin (single)	Lux.	TL. 28,500
	A	TL 22,000
	B	TL 19,000
	C	TL 17,500
	pullman	TL 15,000
Kyrenia Tasucu	Single	TL 13,000
	Return	TL 25,000

3. Hotels

3.1. Northern Cyprus hotels have all the amenities associated with similar star classification in Europe. Special emphasis is given to traditional Turkish Cypriot friendliness, courtesy and service.

Average Bed and Meal Prices (in Turkish Lira)

Hotels Class	No of person	B/B	H/B	F/B
*****	1	26,500	33,000	37,500
	2	33,000	46,000	53,000
****	1	24,000	30,000	35,000
	2	31,000	43,000	53,000
***	1	17,500	23,500	28,500
	2	23,000	35,000	45,000
**	1	10,500	15,500	19,500
	2	14,500	24,500	32,500
*	1	8,000	13,000	18,000
	2	11,500	21,500	29,500

4. Local Transportation

4.1. The road network is the only form of transport within Northern Cyprus, since there exists no railways or domestic air services. All towns and villages are connected by a network of hard-surfaced roads.

4.2. Cost of Public Transportation :

Bus and minibus fares are given below :

Nicosia-Kyrenia	TL 250
Nicosia-Famagusta	TL 360
Nicosia-Guzelyurt	TL 340

Taxi fares are also fixed according to mileages.

4.3. Taxi Fares :

Up to 1 mile	TL 900
Up to 3 miles	TL1100
Between 3-5 miles	TL1300
Between 5-7 miles	TL1500
For 1 hour wait	TL 900
Up to 20 miles; for each mile, return	TL150
Up to more than 20 miles; for each mile,return	TL140

4.4. Rent - a - car Services

Internationally known rent-a-car companies, such as Oscar and Sun, operate in the T.R.N.C. Daily rents are given below :

During summer season	= \$12.00 - \$30.00 (daily)
During winter season	= \$ 8.00 - \$23.00 (daily)

4.5. Dolmus Fares :

a) Nicosia-Famagusta	TL 850
b) Nicosia-Kyrenia	TL 400
c) Kyrenia-Guzelyurt	TL 600
d) Nicosia-Kyrenia-Alsancak	TL 550
e) Nicosia-Yilmazkoy-Guzelyurt	TL 550
f) Kyrenia-Famagusta	TL1000

5. Telecommunication

5.1. T.R.N.C. possesses a fully automatic telephone network, incorporating self-dialing system with 81 countries. All other countries can be reached by operator services. Telexes are linked to the international telex system. Public telex facilities are available in main towns.

Telex Country code	: 0607
International Telephone code	: 090
Telephone area codes for major towns	
Lefkosa (Nicosia)	: 020
Magosa (Famagusta)	: 036
Girne (Kyrenia)	: 081
Guzelyurt (Morphou)	: 071

6. Working Hours

6.1. Sunday is the weekend holiday for all business and public offices. Shops and businesses close on Saturday afternoons, while Government Offices do not function on Saturdays.

	Winter	Summer
Government Offices:		
Monday to Friday	8.00-13.00 14.00-17.00	7.30-14.00 15.30-18.00 (Mondays only)
Shops and Business :		
Monday to Saturday	8.00-17.30	7.30-13.00 16.00-18.30 (except Saturdays)
Banks :		
Monday to Saturday	8.30-12.00	8.30-12.00

7. Public Holidays :

January 1	New Year's Day.
April 23	National Sovereignty and Children's Day
May 1	Labour Day
May 19	Youth and Sports Day
July 20	Peace Operation Day
August 1	National Resistance Day-Founda- tion of the Turkish Resistance Organization (TMT)
August 30	Turkish National Victory Day
October 29	Turkish Republic Day
November 15	Anniversary-Declaration of the Turkish Republic of Northern Cyprus.

Religious Holidays :

Birthday of the Prophet
Ramazan Bairam (3 days)
Kurban Bairam (4 days)

8. Weights and Measures

8.1. Metric system is gradually replacing other weights and measures, yet the following local weights and measures are still in use :

Donum : is a measure of land, equivalent to 1600 sq. yds., 1338 sq.m., 0.3306 acres.

Pic or Arsin : is a linear measure equivalent to 2 feet (60.96 cm.)

Oke : is a weight measure equivalent to 1.125 quarts, 2,8264 lb., 1.278 kg.

9. Cost of Inputs and other Facilities (1987)

(a) Labour : TL 75,000 (Minimum monthly wage for unskilled labour).
TL 90,000 (average monthly wage for skilled labour).

(b) Electricity (per kwh):
 Household : 1-250 kwh (TL10); 251-500 kwh (TL20);
 501-1000 kwh (TL30); 1001+kwh (TL50)
 Industry : fixed cost + kwh (TL40)
 Commercial : TL41/kwh.
 Hotels : TL35/kwh.

(c) Petroleum :
 Benzine : TL 1200/gallon
 Fuel-Oil : TL 650 /gallon
 Diesel-Oil : TL 750/gallon

(d) Construction unit costs (average) :
 Houses : TL215,000sq.m.
 Apartments : TL180,000 sq.m.
 Shops and Stores : TL45,000 sq.m.
 Factory Building : TL 130,000 sq.m.

(e) Communication :
 (i) Telephone :
 Local calls
 (without time limit) : TL 20
 Regional calls : TL 40
 International calls :
 Turkey : TL 200/minute
 U.S.A. : TL 2250/minute (self-dial)
 : TL 3000/minute (operator)
 U.K. : TL 750/minute (self-dial)
 : TL 1000/minute (operator)

(ii) Telex:
 Local and Turkey : TL 100/minute
 International rates are applied for international
 telex-calls.

APPENDIX I
 BASIC STATISTICS

THE LAND	(Sq.Km.)
Agriculture	1870
Forest	643
Tillage+Grassland	163
Towns, Roads+Rivers	352
Others	57
Total Area	3355

THE PEOPLE	1985	1986
Total population	160,287	163,000
population per sq. Km.	47.7	48.6

THE CURRENCY : Turkish Lira (TL)

ANNUAL AVERAGE EXCHANGE RATES

1980	1US\$ = 75.10TL
1981	1US\$ = 113.00TL
1982	1US\$ = 163.75TL
1983	1US\$ = 231.83TL
1984	1US\$ = 367.40TL
1985	1US\$ = 528.30TL
1986	1US\$ = 682.58TL
1987	1US\$ = 823.10TL (1 June, 1987)

SECTORAL EMPLOYMENT AND POPULATION (1986)

Sectors	Number	%
1. Agriculture	20,320	32.4
2. Industry	6,497	10.2
3. Construction	4,581	7.2
4. Trade-Tourism	5,923	9.3
5. Transport and Communications	4,554	7.2
6. Financial Institutions	1,564	2.5
7. Professions and other services	4,932	7.8
8. Public Services (Including state economic enterprises and municipalities)	14,881	23.4
Total Economically Active Population	63,252	100.0
Unemployed	1,556	

 PRODUCTION
(1 million US\$)

	1985	%	1986	%
Agriculture	49.5	20.9	38.6	14.3
Industry	22.0	9.3	27.8	10.3
Construction	10.1	4.3	18.9	7.0
Trade-Tourism	58.0	24.5	62.9	23.4
Government	34.8	14.7	54.0	20.1
Import Duties	16.6	7.0	17.2	6.4
Other Services	45.3	19.2	49.8	18.5
GDP	236.3	100.0	269.2	100.0

EXTERNAL TRADE

(million US\$, at current prices)

	1985	1986
Commodity Exports :	46.3	52.0
Agriculture	35.9	36.9
Manufactured Goods and others	10.4	15.1
Commodity Imports :	143.0	153.2
Food	16.5	16.1
Beverage & tobacco	7.0	7.3
Inedible crude materials except fuels	3.0	3.3
Mineral fuels, lubricants and related materials	19.9	11.3
Animals and vegetable oil and fats	2.0	1.0
Chemicals	13.3	13.2
Manufactured Goods classified by materials	37.3	49.3
Machinery and transportation equipment	32.7	37.8
Miscellaneous Manufactured Articles	11.3	13.9

 IMPORTS & EXPORTS BY TRADING PARTNERS
(in million US\$ at current prices)

	1985		1986	
	Imp.	Exp.	Imp.	Exp.
Turkey	65.1	5.4	70.1	7.7
U.K.	27.5	31.2	22.7	32.8
Other EEC countries	25.4	3.9	28.6	1.9
Middle Eastern	0.8	4.5	1.7	5.3
Others	24.2	1.3	30.1	4.3
Total	143.0	46.3	153.2	52.0

NO OF TOURISTS	1985	%	1986	%
From Turkey	103,791	83	105,729	80.4
From other countries	21,284	17	25,763	19.6
TOTAL	125,075	100	131,492	100

LIVING STANDARTS	1983	1985
Electricity Consumption (Kwh per head)	1197.3	1348
No. of Telephones on use (per 1000 inhabitants)	85	108
No. of passenger cars in use (per 1000 inhabitants) (Saloon, Buses & Minibuses)	103	156
No. of people per private saloon car	10.2	8.6
Illiteracy Rate (%of pop. aged 6 or more)	3	3
No. of registered radio and T.V. in use (per 1000 inhabitants)	416.1	499
Population per physician	648	1358
Population per hospital bed	175	212
Annual private consumption per inhabitant (US\$)	1012.0	1039

APPENDIX II

Further information may be obtained through our Ministries and Foreign Representations which are given below :

MINISTRIES

Ministry of Foreign Affairs and Defence
Tel : 72241 (3 lines) : Telex : 57178 DIBA TK

Ministry of Finance and Customs
Tel : 71116 (15 lines) : Telex : 57268 EKMA TK

Ministry of Agriculture and Forestry
Tel: 73709 (2 lines) : Telex 57221 TARB TK

Ministry of National Education and Culture
Tel : 72136 (3 lines)

Ministry of Interior, Rural Affairs and Natural Resources
Tel : 73648 (2 lines)

Ministry of Public Works, Communications and Tourism
Tel : 75051 (3 lines)

Ministry of Economy, Trade and Industry
Tel: 71341 (7 lines) : Telex : 57174 STB TK

Ministry of Health and Social Assistance
Tel : 73173 (3 lines)

Ministry of Housing
Tel : 73213 (5 lines)

Ministry of Labour, Youth and Sports
Tel : 73611 (2 lines)

All Ministries are in Lefkosa (Nicosia)
Tel Code: 020

**FAMAGUSTA FREE PORT AND ZONE
ADMINISTRATION**

The Director
Magosa (Famagusta) Free Port and Zone
Administration
Tel: (036) 66164/66165/64775
Telex : 57140 MSLB TK

TRADE ORGANIZATIONS

The Turkish Cypriot Chamber of Commerce
Bedrettin Demirel Avenue
P.O. Box 718
Tel: (020) 78760 Telex: 57137 KTTO TK

The Turkish Cypriot Chamber of Industry
Muftu Raci Street
Ontas Ishani B24
P.O. Box 563
Tel : (020) 74607

For Correspondence the following postal-code is used :

Mersin -10 TURKEY

**FOREIGN REPRESENTATIONS OF THE TURKISH
REPUBLIC OF NORTHERN CYPRUS**

ANKARA Incirli Sokak No. 20
Gazi Osman Pasa 06700
Ankara.
Tel: 376031-379538
Telex: 42575-MAGO-TR

MERSIN Istiklal Caddesi
153. Sok. Ertugrul Ishani
Kat 4 Daire 12
Mersin
Tel: 16228-15820
Telex: 67507 BIBA TK

ISTANBUL Buyukdere Caddesi No.99
Kugu Is Hani
Kat 5. Daire 9
Mecidiyekoy - Istanbul
Tel: 1732990-1732991
Telex: 28203 KFED TR

LONDON 28 Cockspur Str.
London SW1Y 5BN
England
Tel: 01-8395217, 01-8395530
Telex: 8955363 TURCYP G

NEW YORK 821 United Nations Plaza
6th Floor,
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