

Inmet Mining Corporation

Northeastern Turkey's Cayeli copper/zinc mine is one of four competitive mining operations of Canadian-based international mining company Inmet Mining Corporation. Holding 55-percent interest in Cayeli, Inmet works in partnership with Turkish mining company Eti Holding S.A.

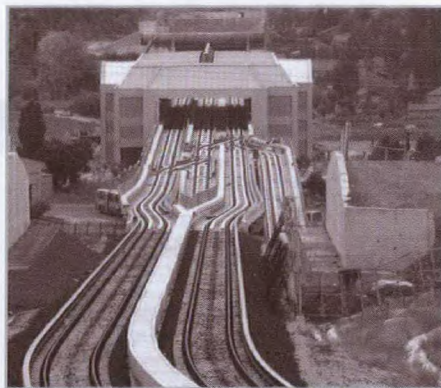
Cayeli, employing more than 400 people, is located on the Black Sea coast in the Rize province. The mine produced its first copper and zinc in late 1994 and has steadily increased production to approximately 40,000 tonnes of both metals. Cayeli exports most of its product to Europe and Asia, and now ranks as one of the lowest-cost underground mines in the world.

"Inmet and its partner have invested over US\$200 million in making Cayeli a world-class competitive mining operation," says Inmet President and CEO Richard Ross. "The plan is to continue expanding and adding value to Cayeli for many years to come."

Various urban transit system projects also offer opportunities for Canadian companies, as does the turnkey construction of the underwater 1.8-km Istanbul Bosphorus Railway Tube Crossing and the 76.3-km suburban railroad (Marmaray), which will be the extension of the Tube on the Asian side of Istanbul. The Directorate General of Railways, Ports, and Airports Construction of the Turkish Ministry of Transportation is the agency responsible for the project.

For more information, contact:

Can Ozguc, Commercial Officer
Canadian Embassy
tel.: (90-312) 459-9353
fax: (90-312) 459-9365
e-mail: can.ozguc@dfait-maeci.gc.ca



ENVIRONMENT

Industrialization, a high rate of population increase and rapid urbanization have created acute and diverse environmental problems in Turkey. Due to limited financial resources, the country has not been able to implement up-to-date technologies.

The establishment of a Ministry of Environment in 1991 has placed increasing emphasis on environmental issues. New regulations regarding sewage, medical waste and power plant production, among other issues, will add to the growth of this sector and create opportunities for sales of pollution control

equipment, an area in which Canadian firms are strong competitors.

There is a need for solutions to water supply problems through developing major water supply projects, improving reservoir management, reducing water losses in distribution systems, and defining alternative water sources.

Since less than 10 percent of wastewater is treated in Turkey, there are numerous opportunities for Canadian companies in the construction and operation of treatment plants. The greatest potential lies in the industrial sector where organizations have the ability to borrow in international markets and have come under pressure to conform to European environmental standards.

For dealing with hazardous wastes, a number of municipalities are experimenting with the use of small incinerators, the supply of which is a potentially promising area for Canadian companies.

For more information, contact:

Akin Kosetorunu, Commercial Officer
Canadian Embassy
tel.: (90-312) 459-9354
fax: (90-312) 459-9365
e-mail: akin.kosetorunu@dfait-maeci.gc.ca

MINING

Turkey is among the richest countries in the world in natural resources. Today, 53 different minerals are produced in the Turkish mining

Nortel Networks/NETAS

The 35th anniversary of Nortel Networks' presence in Turkey was fittingly marked by the winning of a US\$94-million contract by Nortel, its Turkish manufacturing partner NETAS, and its Turkish installation partner Palmat. Under the three-year contract, awarded in September 2002, the consortium is supplying infrastructure equipment and services to Aycell A.S., Turkey's youngest and highly successful mobile operator, to assist in expanding Aycell's GSM 1800 mobile telecommunications network. This latest contract is expected to increase Nortel/NETAS's competitiveness in neighbouring markets.

The largest Canadian investment in Turkey, Nortel Networks/NETAS has pioneered the transfer of the latest telecommunications technology into the country. Nortel has the biggest R&D facility in Turkey and has been a major supplier of switching and networking equipment.

sector, particularly coal, iron ore, copper, bauxite, zinc and lead. Turkey also has precious mineral deposits, mainly gold, available for development. The country, however, lacks both up-to-date technology and the financial capability to exploit these resources. During the last decade, new legislation has allowed private enterprises, including foreign investors, to take an active part in the mining sector.

In addition to making necessary legislative changes, Turkey has launched an ambitious program to privatize Eti Holding S.A., which controls almost 60 percent of domestic mineral production, as well as various state-owned mines and metallurgical plants.

Major opportunities exist in upgrading facilities for coal mining and preparation, as well as for lead and zinc mining and sintering, copper mining, and gold and silver mining and refining. Other opportunities include the modernization of steel mills and sintering plants, geological surveys, mine exploration, engineering services and equipment supply. Turkish companies are actively seeking joint ventures with foreign firms to supply technology and equipment.

For more information, contact:

Akin Kosetorunu, Commercial Officer
Canadian Embassy
tel.: (90-312) 459-9354
fax: (90-312) 459-9365
e-mail: akin.kosetorunu@dfait-maeci.gc.ca

ENERGY (OIL, GAS, ELECTRICITY)

Turkey's oil sector is dominated by public enterprises, namely Turkish Petroleum Corporation (TPAO) for exploration and production, Turkish Petroleum Refineries Corporation (TUPRAS) for refining, and Petroleum Pipeline Corporation (BOTAS) for oil and gas transmission. Although TPAO has the largest share—approximately 80 percent—in oil and gas exploration and production, more than a dozen Turkish and foreign companies are active in the oil business. Refining and transmission are under state monopoly; however, the government has taken steps to privatize TUPRAS.

The existing domestic gas transmission distribution pipeline infrastructure is very limited, serving only 20-25 percent of the population and requiring substantial expansion to inter-connect main urban and industrial centres.

Opportunities exist for oil exploration and oil field development and production technology, services and equipment; engineering, consulting and contracting services for oil pipeline transmission and distribution; pipeline construction and rehabilitation; and materials and equipment such as steel and polyethylene pipes, fittings, SCADA systems, gas meters and auxiliary material.

Turkey also has the only direct conduit for Central Asian oil and gas to the Mediterranean Sea and is a prospective energy terminal for the export of Caspian oil and natural gas.

There is a growing requirement for electrical power systems to supply energy to Turkey's growing population and industry. Demand for electricity will continue rising parallel to industrial growth; the government plans to encourage Turkish and foreign private-sector investments in the power generation and distribution sectors.

For more information, contact:

Akin Kosetorunu, Commercial Officer
Canadian Embassy
tel.: (90-312) 459-9354
fax: (90-312) 459-9365
e-mail: akin.kosetorunu@dfait-maeci.gc.ca

Related Web Sites

World Energy Council Turkish National Committee: www.wec.ankara.edu.tr

United States Energy Information Administration: www.eia.doe.gov/emeu/cabs/turkey.html

Black Sea Regional Energy Centre: www.bsrec.bg/turkey/turkey.html

Turkish Ministry of Energy and Natural Resources: www.enerji.gov.tr

Turkish Petroleum Corporation (TPAO): www.tpao.gov.tr

Petroleum Pipeline Corporation (BOTAS): www.botas.gov.tr

Turkish Petroleum Refineries Corporation (TUPRAS): www.tupras.com.tr

MOU on Hydro-electric Power Generation

The main projects currently pursued by Canadian companies in the Turkish energy sector are covered in a Memorandum of Understanding (MOU) for hydro-electric development. The MOU, signed by Canada and Turkey in 1998, is for the development of five hydro-electric power plants with an approximate value of US\$1 billion. Consortia consisting of Canadian and Turkish firms have been formed for all these projects and Cabinet decrees have been signed on four of them. Negotiations between the Canadian firms and the Turkish Ministry of Energy are in progress.

The MOU, the result of discussions between the Turkish and Canadian governments as well as Canadian companies, should greatly enhance opportunities for Canadian firms in the energy sector.

OZ Optics Limited

At the top of the list of export advice for doing business in Turkey is establishing a local presence. OZ Optics has taken that advice to the ultimate degree: the Carp, Ontario-based supplier of fibre-optic products has located its new manufacturing plant in Izmir, Turkey.

Founded in 1985, OZ Optics has more than 3,000 clients around the globe in the telecommunications, cable television, medical, military, industrial and educational sectors. The company began looking into the possibility of investing in Turkey in 1998. A 1999 feasibility study, funded in part by the Canadian International Development Agency (CIDA), led to the incorporation, in September 2000, of OZ Optics A.S., which subsequently purchased a manufacturing facility in Izmir. For the past year, OZ Optics A.S. has been selling its Turkish-manufactured fibre-optic components to Turkish companies.

The location, in a country that is a member of the EU Customs Union and that has lower labour and infrastructure costs than those of EU countries, provides both strategic and cost-saving advantages for OZ. The company will also benefit from Turkey's close proximity to emerging markets in Asia and Eastern Europe.

INFORMATION AND COMMUNICATIONS TECHNOLOGIES (ICT)

With the exception of Global System for Mobile Communications (GSM) and the Very Small Aperture Terminal (VSAT) and paging networks, state-owned Türk Telekom (TT) is the only carrier for all telephone systems in Turkey. There are four mobile telephone (GSM 900 and 1800) operators, two VSAT operators, and one paging operator licensed by the Turkish Ministry of Communications.

The Turkish telecommunications sector is growing rapidly with an annual network capacity growth rate of around 6-7 percent. Sales revenues in the ICT market are expected to total approximately US\$9.6 billion by the end of 2002.

Turkey's advanced and fast-growing telecommunications infrastructure constitutes a sound base for local and wide area networking operations. The WAN and data communications industries are moving toward satellite communications in order to provide essential services to banks, newspapers, government offices, transportation companies, universities and other organizations. In the last two years, improvements have also been made to Turkey's Internet network, which currently serves about 4.2 million users.

In 2002, it is estimated that approximately 1.3 million digital telephone lines were

procured from local manufacturers and installed. The Turkish government has plans to privatize 45-51 percent of TT's shares in 2003. Pay-phone and CATV networks are also expected to be privatized.

The information technology sector offers tremendous opportunities. Major end-users are banks, stock exchange brokers, large corporate holdings, transportation companies, and media firms.

Computer software and hardware is one of the country's fastest-growing markets. Personal computers constitute the largest segment in the computer hardware market, with about 750,000 PCs sold annually.

For more information, contact:

Can Ozguc, Commercial Officer
Canadian Embassy
tel.: (90-312) 459-9353
fax: (90-312) 459-9365
e-mail: can.ozguc@dfait-maeci.gc.ca

Related Web Sites

Turkish Telecommunications Regulatory Board: www.tgm.gov.tr or www.th.gov.tr

Informatics Association of Turkey: www.tbd.org.tr

Turkish Informatics Foundation: www.tbv.org.tr

Turkish National Information Infrastructure Project Office: www.tuena.tubitak.gov.tr

Turkish Internet Foundation and Association of Internet Technologies: www.inetd.org.tr

Association of Internet Service Providers of Turkey: www.tissad.org

Information Technology Services Association of Turkey: www.tubisad.org.tr