

The number of firms operating in Turkey under Law No. 6224 rose from 215 in 1984 to 1 109 by the end of 1988. The major field of interest so far has been the manufacturing sector, followed by the tourism sector. The trade and banking sectors have also proven to be attractive for foreign investors.

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

The only Canadian companies with significant investments in Turkey are Northern Telecom, Lavalin Industries (UTDC) and Cominco.

Canada-Turkey Trade

Canada and Turkey are not major trading partners. In 1989, Canadian exports to Turkey were C\$158 million and Turkish exports to Canada were C\$82 million.

Turkey's infrastructure requirements and industrialization program present opportunities for Canadian equipment and machinery manufacturers, particularly in resource-based fields and in the electrical, electronics, telecommunications and transportation sectors.

Opportunities for foreign consultants are increasingly limited to highly specialized fields in which international financing is available or to joint ventures with local partners for turnkey projects. Turkey's immense development program and economic situation mean companies must usually accompany their bids with offers of financing, including financing for the down-payment portion of the loan.

Free Zones

In 1981, the Turkish government decided to establish four free trade and export processing zones aimed at the expansion and diversification of Turkish exports and the promotion of foreign investment. The free zones are located on Turkey's Mediterranean and Aegean Sea coasts at Izmir-Gaziemir (Aegean Sea), Antalya (Mediterranean), Mersin (Mediterranean) and Adana-Yunurtalik (Mediterranean); the Mersin and Antalya free zones were opened in 1987. In 1985, a free trade zones law was passed that regulates the