

Turkey

Briefing Notes on Tourism Policy and Institutional Framework



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1 Administrative structure

1.1 General

The Republic of Turkey is a democratic secular constitutional republic (although nominally, 98% of the population is Muslim, most belonging to the Sunni branch of Islam). The head of state is the president (currently Ahmet Necdet Sezer), elected every seven years by the Grand National Assembly. Executive power rests in the Prime Minister (currently Recep Tayyip Erdoğan) and the Council of Ministers, while Legislative power rests in the 550-seat Grand National Assembly representing 81 provinces.

Each province is administered by a governor (*vali*) appointed by the Council of Ministers with the approval of the president. Each district in a province has its own administration consisting of a district chief (*kaymakam*), central government representatives, and a district administrative board. Each district chief is responsible to the governor, serving essentially as his or her agent in supervising and inspecting the activities of government officials in the district.

Municipal governments exist in each provincial and district capital, as well as in all communities with at least 5,000 inhabitants. Municipal governments are responsible for implementing national programs for health and social assistance, public works and transportation. Each municipality (*belediye*) is headed by a mayor (*belediye başkanı*), who is elected by the citizens to a five-year term and is assisted by deputy directors of departments and offices.

1.2 Tourism

At the national level, authority for tourism development is vested with the **Ministry of Tourism and Culture** – formed as a result of a merger between two previously separate ministries in 2003.

Key tourism organisations

Other organisations include:

- The **Turkish Association of Travel Agencies (TÜRSAB)**
- The **Turkish Tourism Investors' Association (TYD)**
- TÜROB** – Touristic Hotels and Investors Association.
- Turkish Hotels Federation (TUROFED) is an alliance of 10 regional and hotel associations.
- The **Tourist Guides' Association (TUREB)**

The Black Sea Economic Cooperation organization (BSEC) is a regional economic body based in Istanbul with eleven participating states: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine. BSEC aims for comprehensive multilateral cooperation in a broad array of fields including tourism.

2.1 Tourism Specific

The most recent tourism policy document is the **Tourism Vision of Turkey 2010** launched in 2004. This stresses principles of sustainability and sets, as a priority, the preservation of cultural heritage. While recognising the value of Turkey's core product of sun, sea and sand tourism, Vision 2010 emphasises a diversification of product including sports (golf, horseriding, skiing etc) and health spas. A further priority is to expand tourism development from the current focal areas (particularly coastal areas) to inland – particularly Anatolia, the focus here being on cultural tours.

A major problem associated with tourism in Turkey has been rapid and unplanned development – the emphasis being on increasing capacity to accommodate ever-growing numbers of tourists. The 2010 Vision abandons this approach, and focuses on quality rather than quantity, with an emphasis on environmental sustainability.

Vision 2010 emphasises regeneration of Istanbul and also highlights Dalaman as the first example of an integrated approach to tourism planning and development. It notes that once completed this will be followed by a similar approach in Cesme and Didim – in these two cases, focussing particularly on the development of health tourism. Cappadocia Region will be developed for golf and conference tourism, while Diyarbakır, Batman, Gaziantep, Adiyaman, Şanlıurfa, Mardin are expected to emphasis cultural tourism. The Black Sea and East Anatolia will feature a mix of tourism products including golf, culture and beach. For Antalya the priority is investment in infrastructure including improved water and sanitation systems and waste management systems.

Revisions to the **1982 Tourism Encouragement Law** provide the regulatory framework for implementing Vision 2010. Under this law all tourism enterprises are required to be certified by the Ministry in order to benefit from the incentives and rights prescribed in Turkish legislation. Legislative changes aim to better regulate the sector – bringing municipality licensing under state control and increasing overall capacity slightly.

Turkey signed up to the **General Agreement on Trade in Services (GATS)** in 1999 and this has a number of implications for tourism:

- Foreign personnel in hotels and restaurants may not exceed 10% of the local workforce.
- Foreign tour operators are not allowed to organise tours abroad, only to bring tourists in.
- The only restriction to selling and marketing is the requirement for foreign suppliers to establish themselves in Turkey.
- Foreigners can buy property in Turkey. Please visit the website of the Economic Counsellor's Office (www.turkischeconomy.org.uk).

Tourism Policy Initiatives and Projects

As an EU candidate country, which has started accession negotiations with the EU, Turkey has started a project to harmonise its tourism legislation with the EU. **Turkey's Tourism Investors' Association** is undertaking a project to harmonise Turkey's tourism legislation with the EU legislation, for reorganisation of the whole regulatory framework for the tourism sector is mandatory under EU accession.

WWF-Mediterranean and **WWF-Turkey** are working to promote responsible tourism on the Lycian coast. WWF's strategy for the region is based on quality over quantity. Instead of increasing the accommodation capacity of the region, improvement of quality in services should be considered. Together with the local stakeholders, WWF aims to prevent the creation of environmentally-harmful tourism centres in the region, and to push for the planning of tourism activities in harmony with natural and cultural values. This approach will be promoted in developed areas such as Kemer as well as in small scale tourism destinations using the model of Çirali.

UNDP and the Turkish Government have been implementing the **Eastern Anatolia Development Project** as a means to stimulate the rural economy through tourism in two key areas: the Erzurum-Palandöken ski resort and the Çoruh Valley (from Ispir to Uzundere).

TOI is working with the municipality of **Side** to develop a practical action plan to promote improvements in key environmental, social and economic aspects of the destination.

The **UK Foreign Office** (through the UK Embassy in Turkey) is also working to promote Cultural and Heritage Tourism: a scoping mission visited Ankara, Istanbul, Diyarbakir and Mardin in July 2004. This was followed by Embassy visits to Edirne, Diyarbakir and Karabuk. HRH the Prince of Wales visited Mardin in October 2005. The Mayors of Diyarbakir and Mardin visited the UK in 2005 to further develop collaboration. Further activities are planned throughout 2006.

2.2 Extra-sectoral Policy

Investment and Fiscal Policy

The Government of Turkey views foreign direct investment as vital to the country's economic development and prosperity. Accordingly, Turkey has one of the most liberal legal regimes for FDI in the OECD. With the exception of some sectors areas open to the Turkish private sector are generally open to foreign participation and investment. However, all companies – regardless of nationality of ownership – face a number of obstacles: excessive bureaucracy, weaknesses in the judicial system, high and inconsistently collected taxes, weaknesses in corporate governance, sometimes unpredictable decisions taken at the municipal level, and frequent, sometimes unclear changes in the legal and regulatory environment. Bureaucratic 'red tape' has been a significant barrier to companies, both foreign and domestic.

Law 4884 of June 2003 simplifies company establishment procedures. The law repeals the permit requirement from the Industry and Commerce Ministry for certain firms, institutes a single company registration form and enables individuals to register their companies through local commercial registry offices of the Turkish Union of Chambers and Commodity Exchanges.

Private entities may freely establish, acquire, and dispose of interests in business enterprises, and foreign participation is permitted up to 100 percent. Turkish law guarantees the free transfer of profits, fees and royalties, and repatriation of capital.

Turkey provides investment incentives to both domestic and foreign investors. These include a corporate tax exemption of 40 percent of specified investment expenses deductible from future taxable profits for investments greater than 5,000 new TL (approximately USD 3,700). (New Turkish currency was issued

on January 1, 2005, with 1 new Turkish lira equal to 1,000,000 (old) Turkish lira.)

Law 5084, which went into effect in early 2004, encourages investment in provinces with annual per capita income below USD 1,500 as well as to high priority development regions. For low income provinces and under certain conditions, the law provides for withholding tax incentives on income tax; social security premium incentives; free land; and electricity price support. These incentives will remain in effect until the end of 2008, except for allocation of free public land, which has no expiration date. The same law also limits certain tax preferences previously enjoyed by Turkey's free zones. The Turkish Government is reported to be considering expanding the number of provinces eligible for the investment incentives.

There are no requirements that nationals own shares in foreign investments, that the shares of foreign equity be reduced over time, or that the investor transfer technology on certain terms. There are no government imposed conditions on permission to invest, including location in specific geographical areas, specific percentage of local content – for goods or services – or local equity, import substitution, export requirements or targets, employment of host country nationals, technology transfer, or local financing.

Environmental policy

Turkey is an EU accession country and so environmental legislation is expected to be harmonised with EU regulations. The National Environmental Action Plan forms the basis for environmental policy. However in 2003, the Ministry of Environment was merged with the Forestry Ministry and has a fairly low profile in terms of political influence.

Progress has been made in the supply of drinking water and wastewater treatment services in tourist areas. Improvement has also been made in bathing water quality. However waste infrastructure is still poor in many areas and wastewater treatment is limited or non-existent in a number of tourist areas. Infrastructure for solid waste treatment is also poor (the **Tour Operators Initiative** has worked with the municipality of Side to address waste management issues).

Legislation for other issues of importance to the tourism sector including hygiene, public transport, health services, fire prevention, emergency services and so on may have been adopted, but implementation is still a long way off.

Human rights

Turkey became an official EU candidate country in 1999 and in line with EU requirements, went on to introduce substantial human rights and economic reforms. The death penalty was abolished, tougher measures were brought in against torture and the penal code was overhauled.

EU membership talks between Turkey and the EU were formerly launched in October 2005 and reforms in Turkey are still in progress.

3 Links to FTO Preferred Code of Practice

Note: Most official Turkish websites are not available in English. Precise details of legislative requirements are therefore difficult to identify. However, Turkey is an EU Accession Country and while it is currently lagging behind the EU – particularly in terms of environmental regulations – tour operators should apply the same standards here as in any other EU country.

<i>Number/Issue</i>	<i>Turkey provisions</i>
RT 01.01.01 – 04 Responsible Tourism Policy	Not destination specific
RT 01.01.05 Membership of community/environmental group	Many of the municipalities have tourism associations that would welcome partnerships with UK tour operators. WWF Turkey is also active in the field of responsible tourism.
RT 01.01.06 Ensuring new developments meet regulatory requirements	The European Commission has made it a requirement of Turkey’s accession to the European Union that Turkey take steps to adopt the EU’s Environmental Impact Assessment (EIA) Directive. Developments should be in line with EU standards.
RT 01.02 Energy management	Turkish energy policy is in the process of harmonisation with EU policy. Tour operators should apply the same standards as on other EU countries. To date, Turkey has met EU requirements in terms of adopting regulations on the energy labelling of fridges/freezers and ballast for fluorescent lighting. Energy efficiency measures and activities are carried out by the National Energy Efficiency Conservation Centre, which is under the responsibility of the Ministry of Energy.
RT 01.03 Renewable Energy	Turkey has substantial renewable energy resources – especially hydroelectric power – and it is currently constructing a series of dams and hydroelectric power plants. There is likely to be a stronger focus on renewables as the accession process continues.
RT 01.04 Water management	The Regulation on Water Pollution Control was brought into force in 1988 and modified in 2004. This defines the principles of pollution control for water sources. Enforcement is weak, however. Water use remains a key issue of concern in many tourist areas.
RT 01.05 Waste water management	Turkey falls way behind EU requirements and wastewater treatment is limited or non-existent in a number of tourist areas. Wastewater management remains one of the pressing environmental concerns. However there are a few local level initiatives trying to tackle this issue. The Zer0-M project is an initiative that aims to achieve optimised closed-loop usage of all water flows in small municipalities or settlements (e.g. tourism facilities)
RT 01.06 Solid waste management/recycling	As with wastewater, infrastructure for solid waste treatment is generally poor and Turkey is not yet in line with EU standards. The Tour Operators Initiative has worked with the municipality of Side to address waste management issues. The UK Foreign Office is also providing support to local NGOs, municipalities and private companies in recycling of waste products, landfill and waste management. With regard to cruise ship tourism, a regulation on <i>Taking Waste From the Ships and Waste Control</i> entered in force at the end of 2004.

RT 01.07
**Nature conservation and
biodiversity**

Legislation of 1990 identifies 12 areas as ‘Special Areas of Environmental Protection’. These areas were selected not so much for their biological characteristics but in order to prevent tourism and construction from encroaching on their natural beauty. Among these Mugla-Köycegiz-Dalyan area has been brought under protection because it is the habitat where *Caretta caretta*, which has recently become the focus of world public attention, lay their eggs. Pamukkale is under protection because of its world-famous calcareous sediment; the Ihlara Valley, due to its historical significance as one of the earliest dwelling places of Christians and because of the presence of churches and temples containing painting and frescoes.

The ‘Black Sea Biodiversity and Landscape Conservation Protocol’ came into force in July 2004.

WWF-Mediterranean and WWF-Turkey have started a new project to conserve nature and to promote responsible tourism on the Lycian coast.

RT 01.08
Employee relations

Turkey is obliged to apply EU employment and social laws to qualify for membership. In 2002, Parliament approved a Job Security Bill, providing basic job security for workers and requiring a valid reason for the termination of the labour contract at the initiative of the employer. In 2003, a revised Labour Law provided employers with greater flexibility in the organization of work and weakened to a certain extent the job security provided by the 2002 law.

In 1995 and 2001, constitutional amendments reduced restrictions on freedom of association and political activity of trade unions.

The UK Foreign Office has provided technical assistance has been provided to the Turkish Ministry of Labour on meeting EU standards in occupational health and safety issues.

RT 01.09
**Using local goods and
services**

There are no government imposed conditions on permission to invest, including location in specific geographical areas, specific percentage of local content – for goods or services – or local equity, import substitution, export requirements or targets, employment of host country nationals, technology transfer, or local financing.

RT 01.10
**Benefiting communities
and vulnerable groups**

Tourism Vision 2010 specifically addresses the integration of local communities into tourism planning and development.

RT 01.11
Nurturing understanding

Not destination specific

4 Directory

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(Last updated: December 2005)

NOTES

**These destination briefing notes are sponsored by
The Travel Foundation – an independent UK charity that aims to help the
outbound travel industry manage tourism more sustainably.**

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