



# MUĞLA INVESTMENT CLIMATE ASSESMENT REPORT

Muğla Investment Support Office

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## 1. Muğla in General

Muğla Province, which has a coastline of 1.480 km on Mediterranean and Aegean Seas, with its 67% of forest cover, is one of the most green provinces in Turkey. 22% of the total area is Special Environmental Protection Areas. There are 8 nature parks and 73 recreation areas belonging to the forestry administration. Köyceğiz and Yılanlı-Çakmak Wildlife Development Areas are suitable for hunting tourism. There are so many alternatives for activities such as; diving in Bodrum, Fethiye Marmaris, kitesurfing in Akyaka, paragliding in Babadağ, trekking in on hiking trails of ancient Caria and Lycia and rafting on the Dalaman River. All year round flights on 2 international airports (Bodrum&Dalaman) and it is also available nonstop flights to İstanbul and Ankara.

**Table 1 Muğla Special Environmental Protection Areas**

Region	Area(km2)
Gökova	1.093
Köyceğiz-Dalyan	461
Fethiye-Göcek	805
Patara	197
Datça-Bozburun	1.444
<b>Total</b>	<b>4.000</b>

Source: Ministry of Environment and Urbanization(2019)

The districts in Muğla differ from each other geographically and socioeconomically. It is possible to say coastal towns where tourism activities are intense are more developed than inland areas. According to the State Planning Organization's Socioeconomic Development Index Ranking Research based on 2004 socioeconomic data of 872 districts, Marmaris is in the 22nd as the most developed and Kavaklıdere is in the 374th being the least developed district in Muğla Province. From 2004 on, it can be easily estimated that touristic towns with increasing attraction have gone higher in ranking.

**Table 2 National Socioeconomic Development Rankings of Muğla Districts**

District	Ranking	District	Ranking
Marmaris	22	Fethiye	128
Bodrum	27	Milas	165
Menteşe	68	Ula	212
Datça	80	Yatağan	229
Ortaca	104	Köyceğiz	264
Dalaman	113	Kavaklıdere	374

*According to the State Planning Organization's Socioeconomic Development Index Ranking Research based on 2004 socioeconomic data, Muğla is among the most developed regions as the 8th most developed province.*

Source: State Planning Organization(2004)

**Table 3 Muğla's Main Socio-Economic Indicators**

Parameter	Muğla	Türkiye
Socio-Economic Development Index (Ministry of Development, 2011)	8.	-
Gross Value Added Per Capita (TR 32) (TURKSTAT, 2017)	10.268 \$	10.602 \$
Top 1000 Major Companies (İstanbul Chamber of Industry, 2018)	2	-
Foreign Manufacturing Companies (TOBB, 2019)	8	1.282
Total Exports (TİM, 2018)	482 Million \$	163,5 Billion \$
Pre-school Enrolment Rate (5 years old) (MEB, 2015-2016)	% 74,6	% 55,5
Secondary Schooling Rate (Turkey % 79,8) (MEB, 2015-2016)	% 83,8	%79,8

Students Per Class (Primary- Secondary) (MEB, 2015-2016)	18	25
Hospital Beds per 100.000 Population (TURKSTAT, 2017)	215	279
Forest Cover (%) (Muğla Forest Directorate, 2018)	%68	%29
Special Protected Areas (%) (Ministry of Environment and Urbanization, 2016)	%22	%3
Nature Parks (Muğla Forest Directorate, 2018)	8	206
Nights Spent at Tourist Accommodation Facilities	20 Million	-
Bed Capacity of Certified Tourist Accommodation Facilities (Muğla Directorate of Culture and Tourism, 2019)	105.000	935.000
Marinas / Total Capacity (Muğla Directorate of Culture and Tourism, 2019)	27/7.333	-
Unemployment Rate (%) (2013)	7,3	9,7
Labor Force Participation Rate (%) (2013)	55,5	50,8
Population Density (Population/Km2)(2018)	76	105
Average Household Size (2015)	2,9	3,5
Percentage of Faculty Graduates%(2015)	15,96	14,2
Electricity Consumption per Capita (Kwh)(2014)	2.903	2.669
Vehicles per 1000 Population (2015)	195	134
Average Size of Bank Deposits (TL) (2015)	15.458	14.890
Average Size of Bank Loans (TL) (2015)	13.924	17.588

Population densities of Bodrum, Fethiye and Ortaca are above national average, 120 people per square km, on the other hand Köyceğiz, Seydikemer and Kavaklıdere have the least population densities in Muğla. As seen in Table 3, Muğla seems to have a profile of low unemployment rate, a less dense population, high levels of education and welfare.

Table 4 Population Densities of Districts in Muğla .

District	Population	Area (km2)	Population Density (pop./km2)
Bodrum	171.850	650	264
Fethiye	157.745	875	180
Ortaca	48.373	285	170
Marmaris	94.247	906	104
Milas	139.446	2.067	67
Menteşe	112.447	1.659	68
Dalaman	41.351	608	68
Yatağan	44.940	851	53
Ula	25.294	479	53
Datça	22.261	436	51
Kavaklıdere	10.898	302	36
Seydikemer	62.246	2.208	28
Köyceğiz	36.389	1.329	27
<b>Muğla</b>	<b>967.487</b>	<b>12.654</b>	<b>76</b>

Source: General Command of Mapping, Türkiye (2018)

## **2. Summaries of Socio-Economic Evaluation of Districts in Muğla**

One needs to know each and every district's situation in order to have an exact opinion of Muğla due to the socioeconomic differences between districts. The Southern Aegean Development Agency's Economic Research and Planning Unit's Evaluation on Districts demonstrates the socioeconomic situation briefly and well.

### **BODRUM**

In addition to being on the way to branding as a World famous tourism destination, Bodrum attracts millions of domestic and foreign tourists with its different touristic activities every year. It stands out with its facilities, yacht and cruiser ports, blue flag beaches, historical values and natural beauties. However, with its high rural population, agricultural production contributes a lot to Bodrum economy.

### **DALAMAN**

Most of the population resides in the town center. The most contributing sector to Dalaman's economy is agriculture but even a little, tourism sector is important. The Dalaman International Airport offers seasonal employment opportunities. It is one of leading towns in terms of citrus production. General Directorate of Agriculture Operations (TİGEM)'s farm and the airport contribute a lot to the economy. As a result of this, logistics and storage sectors have flourished. Thanks to the magnesite reserves, mining sector has substantial number of businesses and employment. Dalaman is one of the access gates to other touristic destinations in Muğla. The airport is enlarging and developing with new accommodation facilities to meet increasing passenger traffic. Some of the bays known as Göcek Bays are in Dalaman area and they are ideal for blue voyage. Kurşunlu, Akbükü, Gökün, Boynuzbükü, ve Sarsala are among them.

### **DATÇA**

Datça has less agricultural land because of its mountainous and rugged terrain than Muğla in general. Despite this, agricultural activities constitute a significant portion of its economy. Datça has a substantial share in national almond production. Another major source of income is beekeeping. Its economy depending largely on agriculture, Datça's matchless coast and beaches, ancient city of Knidos, natural beauties and unique and untouched lifestyle have a remarkable tourism potential. Therefore, it is expected that Datça, which was marked as an ecological tourism area in the 2023 Tourism Strategy Paper, will flourish as an important tourist destination by solving the problems related to port and transportation. However, this progress is expected to be for the boutique facilities since Datça is not a destination appropriate for mass tourism.

### **FETHİYE**

Besides tourism, sectors of agriculture and industry contribute a lot to economy in Fethiye. It is in the 3rd place in the Province in terms of the number of registered industrial establishments. Fethiye has one of the highest averages in terms of stay-in times and occupancy rates and alternative tourism has developed as well as sea tourism. The Fethiye port serves both as a passenger and cargo port and thereby Fethiye has the second highest number of logistics and storing companies following Bodrum. It has numerous historic and natural beauties, Ölüdeniz (Blue Lagoon) and paragliding area

Babadağ being one of the most renowned. Hundreds of thousands of tourists visiting Fethiye every year is an indicator of this. It is expected that Fethiye's branding and fame will be especially in adventure sports. Fethiye is becoming an irreplaceable destination for adrenalin seekers interested in paragliding and motocross sports. With its ecofriendly industry and agricultural activities sustaining tourism sector, Fethiye is assumed to be a more developed tourism destination in the future.

### **KAVAKLIDERE**

The least populated district in Muğla, Kavaklıdere is among the districts with highest rural population rate. It has significant marble reserves, thus mining and quarrying account for a remarkable share in employment. With copper craft being a traditional production, the district does not have a developed industry except for marble processing.

### **KÖYCEĞİZ**

While rural population rate is high and the economy considerably depends on agriculture and livestock, tourism is among the sources of income in the district. Citrus production is also an important source of income. Besides, fishing in Lake Köyceğiz and migratory beekeeping are common. Being a Citta Slow member, natural and historic beauties like Lake Köyceğiz, remains of Caria Civilization and Caunos add to the touristic importance of Köyceğiz. In addition, thermal springs in Sultaniye make Köyceğiz an important place for health tourism. Ekincik Bay, which is on the Mediterranean coast, with its long beach and yacht marine is an ideal location for watersurf, kayaking and swimming. Köyceğiz, though still predominantly an agrarian district, possesses a significant tourism potential.

### **MARMARİS**

Marmaris stands out as one of the leading tourism destinations in Turkey. It attracts millions of foreigners and nationals with its touristic facilities, cruise and yacht marines. Moreover, the fertile inland soils together with agro-tourism constitutes food sector feeding tourism facilities. Nonetheless, no industry including food processing has flourished yet.

### **MENTEŞE(Central District)**

Menteşe, which has less population and less urban population compared to Aydın's and Denizli's central districts, differs from coastal districts in terms of socio-economic characteristics. Mentese has an economy depending mostly service sector due to its transit location, being administrative district and having a big university campus. Being the central district and located at the transition point in terms of transportation, the services sector, in contrast to the surrounding districts, has a weighted economic structure in Mentese, where agricultural production and tourism doesn't have a significant potential. Although there is no developed industry in the district, there are marble reserves and processing plants which have an important share in national production.

### **MİLAS**

Besides agricultural sector contributes the most to the economy of the region, mining and industry are of great importance in the district as well. The county has the highest numbers of employment and registered industrial establishments in the province. Thanks to Milas Airport and Gulluk Port, the

district is among the prominent districts in the transportation and storage sector. The vast majority of aquacultural production, hatchery, packaging and feedmill is located in Milas and around 68% of Turkey's farmed fish production are met by the region. Feldspar and marble quarries and marble processing facilities are extensively located in the district. The district is ranked second after Yatađan in terms of the number of employees working in the mining sector.

### **ORTACA**

Having an economic structure mainly based on agriculture, the district stands out with its citrus production. On the other hand, Dalyan is one of the most important tourism centers of the region. Although there are small scale citrus processing-packaging facilities in the district in line with citrus production, there is no developed industrial activity. Ortaca economy is dominated by the agricultural sector, but tourism facilities and tourist overnight stays are considerably higher. Ortaca Sarıgerme Beach, Aşı Bay Beach and İztuzu Beach are world famous. It is expected that significant developments in the tourism sector will be experienced in Ortaca together with its agriculture-oriented neighbors such as Köyceđiz and Dalaman in the future.

### **SEYDİKEMER**

Seydikemer, Muđla's newest district, where agriculture and animal husbandry is the main source of income, is the center of Muđla's greenhouse vegetable production. Thanks to its climate, a variety of crops are grown in the district. Mainly, vegetables, especially tomato, pepper, eggplant, green beans and melon are grown. Potato and onion in highlands, apple, pomegranate and olives are cultivated in vast lands. Chrome and marble are important mineral reserves of Seydikemer. In the district, there are ancient settlements such as Tlos, Pinara, Letoon, Sidyma, Araxa and Oionanda, Patara, Xanthos, Telmessos and Kadyanda. In Seydikemer, which has natural beauties besides history, there are both coastal areas and plateaus. Annually, more than 300 thousand tourists visit 18-km- long Saklıkent Canyon. Seki plateau, located at an altitude of 1,300 meters, is one of the rare places appropriate for highland tourism.

### **ULA**

The most important source of livelihood of Ula, which includes Akyaka and Gökova, Ula Canyon, Cave of Seven Holes, Kyllandos (Okkataş) and Sedir Island (Kadrai), is agriculture and animal husbandry. Besides, the district where house boarding and agro-tourism started to develop recently is one of the good examples in this area. With the increasing number of visitors day by day and advantage of proximity to Marmaris and transportation networks, Ula is expected to be one of the important tourism destinations in the future. Ula, which is among the low populated districts of Muđla province, is mostly rural. Apiculture is also an important source of income. On the other hand, thanks to Akyaka and Gökova resorts, which are the coastal settlements of the district, tourism contributes a lot to the district economy. Not many industrial activities are carried out in the district.

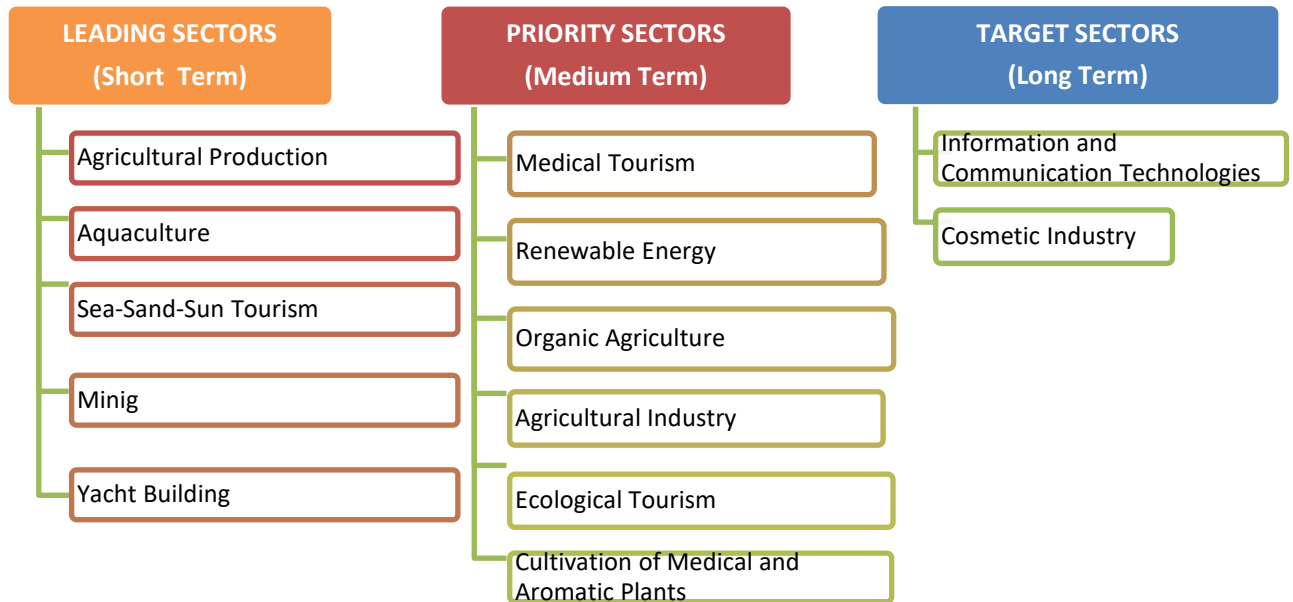
### **YATAĐAN**

The thermal power plant in the district is the lifeblood of its economy. The district has rich mineral reserves, so the mining and quarrying sectors has a substantial employment rate. In the manufacturing sector, one of the prominent sectors in the district employment, the production of

other non-metallic mineral products stands out due to the rich mineral deposits. Besides, olive farming and beekeeping are also among the contributing sectors to the economy of the district.

### 3. Potential Investment Areas

It is aimed that investments will be attracted in the following sectors and the investment environment will be improved in short, mid and long run in Muğla.



#### LEADING SECTORS

##### Agricultural Production

Agriculture and animal husbandry are among the leading sectors of Muğla. Although there are many products ranking in front on the national scale, Aquaculture, Fresh Vegetables and Fruits, especially tomato and honey production, are prominent in terms of the added value they create. In 2015, our province's vegetative production value rose approximately to TL 5 billion from 3.7 billion in 2014, corresponding to approximately 2.5% of the national vegetative production value. The number of enterprises raising Cattle and Small Cattle and growing Vegetative Products is 73.353 in Muğla.

Although the province of Muğla is known for its tourism potential, it is a province with fertile agricultural lands producing significant amounts of agricultural products. According to the Directorate of Food, Agriculture and Livestock of Muğla 2017, the annual output from agricultural production in Muğla province is 10 billion TL.

Table 5 Main Agricultural Products in Muğla Province (tonnes)

Product	2014	2015	2016	2017	2018	2017 National Ranking
Sea Bass (Culture)	44.500	39.500	41.000	46.000	-	1
Sea Bream (Culture)	24.000	31.000	32.000	35.500	-	1
Honey	15.282	15.206	15.875	15.867	14.777	2
Pomegranate	68.347	65.748	73.183	81.403	87.306	2
Small Reddish Bean (Fresh)	14.326	14.006	13.560	15.300	15.284	2



<b>Almond</b>	5.747	5.726	5.281	5.972	5.028	2
<b>Tomatoes(Table)</b>	593.174	595.219	657.750	648.519	674.844	3
<b>Olives(for olive oil)</b>	171.280	147.627	181.919	196.180	38.700	3
<b>Mandarin(Clementin)</b>	7.209	7.317	7.428	10.763	10.962	3
<b>Orange(Washington)</b>	203.705	201.611	216.615	256.323	220.325	3
<b>Lemon</b>	60.411	54.556	52.651	65.933	99.840	4
<b>Greenhouse Area (da)</b>	42.651	38.219	38.952	38.770	39.049	4

**Source: Turkey Statistical Institute (2019)**

Table 5 shows some agricultural products and production quantities ranking Muğla at the top of the national lists. Ranking first in aquaculture and honey production; tomato, pomegranate, citrus products, almond, olive oil, eggplant, zucchini and cucumber are also important products. It has the 4th biggest greenhouse area in our country with approximately 40 thousand decares.

Although done throughout Muğla, beekeeping is widespread especially in Milas, Marmaris and Köyceğiz districts. 90% of Turkey's pine honey production are met from the red pine forests in Muğla. More than three quarters of pomegranate production is provided in Seydikemer and Ortaca districts. All green beans are grown from greenhouses in Fethiye and Seydikemer and Datça Almond, known for its fine peel and quality, constitutes more than 60% of the Muğla almond production. About 250 thousand tons of tomatoes are grown annually in Seydikemer district. Ortaca district on its own grows about 73 thousand tons of Lemon, whose price has recently fluctuated in the market.

Among the agricultural products, tomatoes and other vegetable cultivation in greenhouses are the leading products. Between the years 2014 and 2018, approximately 500 thousand tons of tomatoes annually. Tomato production accounts for about 80% of the vegetables grown in greenhouses. The total production of citrus fruits (orange, lemon, mandarin) has been around 300 thousand tons each year in the last 5 years. Muğla meets 15% of national pomegranate production. Average olives production for olive oil between 2013 and 2017 is 156 thousand tons. Approximately 40% of the agricultural lands of Muğla province are olive groves.

According to the 2018 figures, 256.012 cattle (culture, hybrid, domestic), 399.618 sheep and goats are raised, 355.800 thousand tons of milk and 4.300 tons of red meat are produced in Muğla. White meat and egg production is far from meeting the needs of tourism sector in the province. The value of animal products was rose to 5 Billion TL in 2017. Although varying yearly , Muğla ranks 10th after Antalya, Konya, Mersin, Şanlıurfa, İzmir, Adana, Ankara, Bursa and Manisa in terms of contribution of agriculture and livestock to the national economy.

Apiculture is a very important source of livelihood in Muğla, accounting for 85% of World and 90% of Turkey's pine honey productions. According to 2018 data, it has a 15% national share with 935 thousand hives. From 2014 to 2018 the annual average honey production is over 15 thousand tons. There are approximately 4.900 registered beekeepers and 30-35 thousand people are earning their living from this sector considering their families and all the components of the sector.

In 2018, Muğla's agricultural exports amount was 370 Million \$, 333 Million \$ of that came from aquaculture products.

## Aquaculture

In 2017, the value of aquacultural production was more than 2 Billion TL. In marine aquaculture; sea bream, sea bass, melange and minecops are cultivated. In 2012, the amount of aquacultural products worth 153 million dollars were exported in Muğla, while in 2018, this worth rose up to 333 million \$ that corresponds to to annually 14% growth rate.

10 processing plants with a total capacity of 130.000 tons and 350 production enterprises having 10.000 employees produce approximately 110 thousand tons. 156 land pool operations produce 15.000 tons of fish annually. Trout farming in inland waters is clustered in Seydikemer district and approximately 15.000 tons of trout is produced in 84 enterprises.

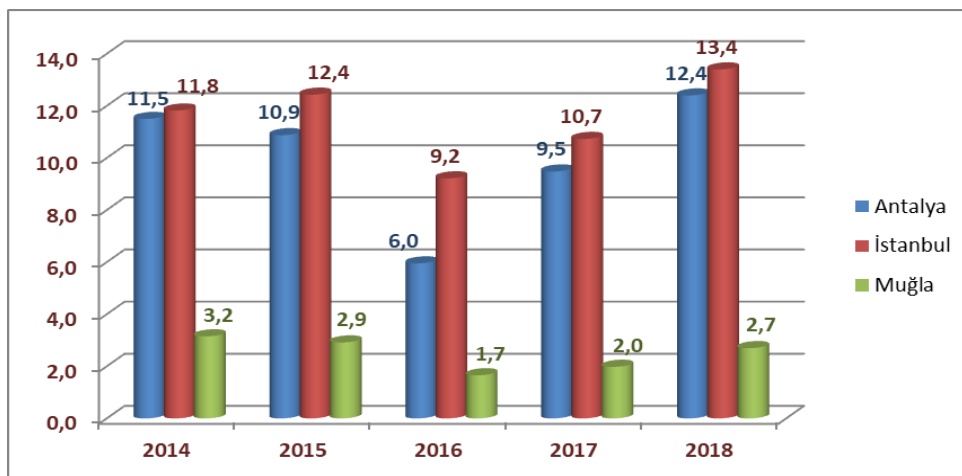
Muğla's 1480 km-coastal line is an important factor for fishing. It is a sector which can not be ignored considering that 1263 licensed boats are fishing with an estimated 30-32 thousand tons and approximately 18.000 people make their living out of fishing.

## Sea-Sand-Sun Tourism

Most visited destinations in Turkey are Istanbul, Antalya and Mugla respectively. Marmaris, Bodrum, Fethiye, Datca, Köyceğiz, Ula, Ortaca and Dalaman districts, whose economies are highly dependent on tourism and which are above the regional average in terms of their bed capacity, number of visitors and tourism assets, are determined as the focus of tourism.

In terms of number of foreign visitors, Istanbul, Antalya and Muğla are the first three provinces respectively. As of 2016, the total number of foreign tourists entering Muğla (the airport and sea border Gates) is 1 million 822 thousand 777 people. The number of tourists arriving in Muğla is approximately 7% of Turkey's total. In 2016, the number of foreign tourists visiting Muğla has decreased dramatically by 41% compared to the previous year. However, the decrease is not unique to Muğla. According to the statistics of arrivals, Turkey in general, Antalya and Istanbul have experienced declines of 31%, 45% and 26% respectively. Thus, as of 2018, the total number of foreign tourists entering Muğla (the airport and sea border Gates) is 2 million 723 thousand 815 people.

Figure 1.Number of Incoming Foreign Visitors to the provinces through their border crossings.



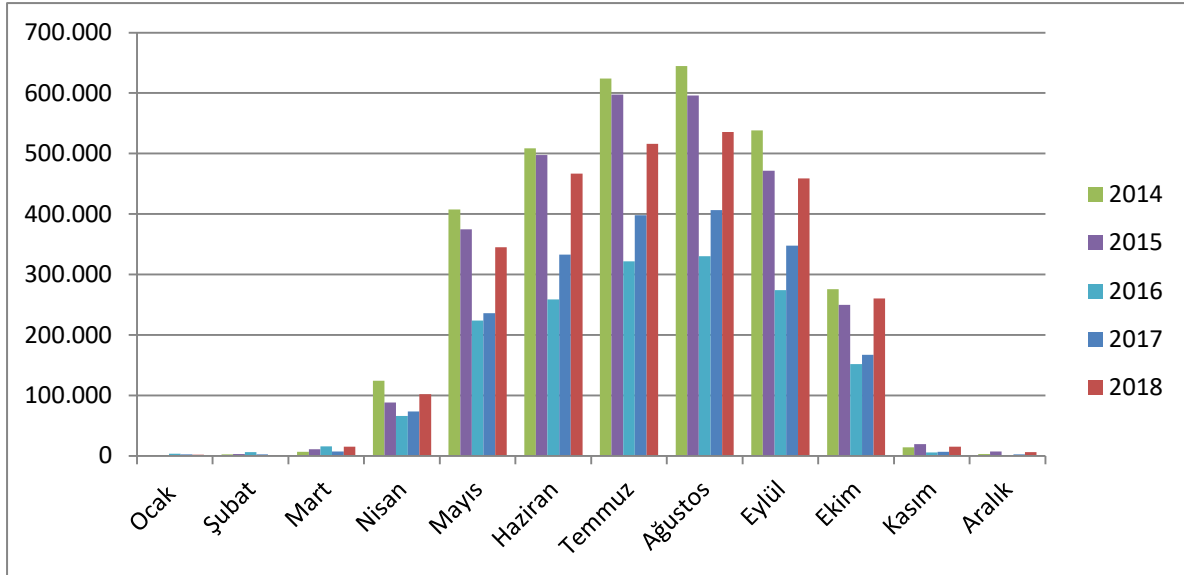
According to foreign tourist entry statistics of Muğla, when the tourists visit our province most intensely is from May to October. According to the statistics of 2018, the share of

Source: T.C. Ministry of Culture and Tourism General Directorate of Investments and Enterprises, Border Entrance Exit Statistics (2019)

foreign tourists visiting our province in the winter period was only 7%. According

to 2018 statistics; Countries with the highest proportion of foreign tourists entering Muğla according to their nationalities are England (37,9%), Russia (14,6%), Germany (8,8%), Netherlands (5,0%), Ukraine (6,5%), Poland (5,5%), and Netherlands (5,0%).

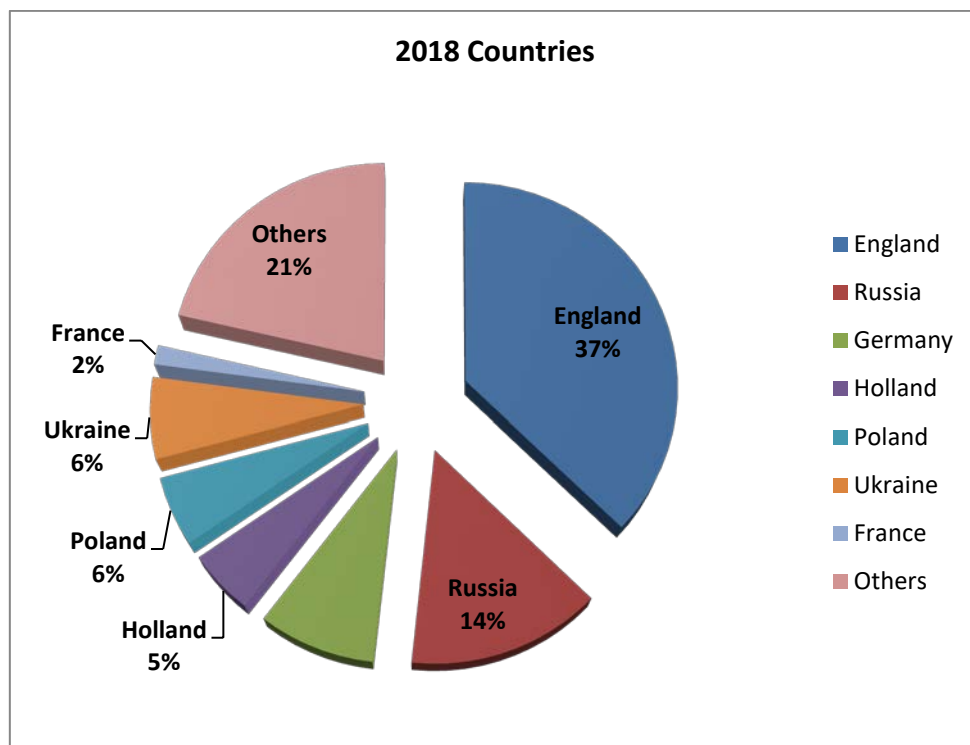
**Figure 2. Monthly Number of Foreign Tourists Arriving in Muğla (2014-2018)**



**Source: Muğla Culture and Tourism Directorate (2019)**

2018 figures show us nationals of England, Germany and the Netherlands visited Muğla the most. Ukraine and Russia are as the two countries showing a rise compared to previous years.

**Figure 3 Distribution of Foreign Visitors Arriving in Muğla by Country**



**Source: Muğla Culture and Tourism Directorate (2019)**

There are 497 accommodation facilities in Muğla province certified by the Ministry of Culture and Tourism; these have 60,360 rooms and 130,611 beds. There are 27 marinas with 6,904 yacht capacity and 538 yacht enterprises with 6,241 passenger capacity. Muğla is a province where more qualified and diversified tourism activities can be carried out compared to Antalya province due to its alternative tourism potential. Having such potentials as Kitesurf in Gökova, Paragliding in Ölüdeniz, Rafting in Yuvarlakçay, Boat Trip in Dalyan Canal, Trekking in Saklıkent Canyon, Canoeing in Akçapınar, sea, bays, nature, historical and cultural richness, Muğla is a perfect location for tourism.

Marmaris and Bodrum rank first and second in terms of accommodation facilities. Table 6 shows only the number of facilities certified by the Ministry of Culture and Tourism. However, there are a large number of facilities certified by municipalities, but these figures are not shown because reliable data cannot be reached. Enterprises certified by the Ministry have the right to a number of incentives, exemptions and facilities. So, it is recommended that investors apply for a Ministry certificate.

**Table 6** Accommodation Facilities certified by the Ministry of Tourism and Culture

District	Tourism Investment Certificate			Tourism Operation Certificate			Total		
	Facilities	Rooms	Beds	Facilities	#Rooms	Beds	Facilities	Rooms	Beds
BODRUM	53	6.795	16.313	161	21.398	47.006	214	28.193	63.319
MARMARIS	21	2.034	4.182	114	15.232	31.667	135	17.266	35.849
FETHİYE	9	795	1.710	67	6.840	14.781	76	7.635	16.491
ORTACA	4	257	536	15	2.523	5.145	19	2.780	5.681
MİLAS	6	593	1.209	9	1.194	2.462	15	1.787	3.671
DATÇA	9	784	1.632	9	472	991	18	1.256	2.623
KÖYCEĞİZ				3	468	986	3	468	986
MENTEŞE				7	420	832	7	420	832
ULA	1	49	98	6	242	524	7	291	622
DALAMAN				2	244	497	2	244	497
YATAĞAN	1	20	40				1	20	40
<b>TOTAL</b>	<b>104</b>	<b>11.327</b>	<b>25.720</b>	<b>393</b>	<b>49.033</b>	<b>104.891</b>	<b>497</b>	<b>60.360</b>	<b>130.611</b>

When looked closely at the number of incoming tourists via the border gates of Muğla province from abroad, it is seen that 3 million tourists regularly enter. Muğla is the third city hosting the most foreign tourists following Istanbul and Antalya. However its current potential, this number is even lower. In 2016, there is a 41% decrease in the number of tourists visiting Muğla. However, with the elimination of the problems, the number of tourists has reached 3 million again in a short time.

**Table 7** Number of Foreign Tourists visiting Muğla Province

Year	Number of Foreign Tourists
2013	3.222.315
2014	3.302.688
2015	3.081.467
2016	1.822.777
2017	1.982.468
2018	2.723.815

Source: Muğla Directorate of Culture and Tourism (2019)

According to statistics of the last 5 years, 41% of tourists arriving to Muğla from abroad are British. Excluding 2016; while the number of Ukrainian and Russian tourists are on the rise, there is a decline in the number of French and Dutch tourists. Muğla differs in terms of foreign tourist profile compared to Antalya where the majority of foreign tourists are Russian. 50% to 55% of incoming foreign tourists arrive at Dalaman airport and 25-30% at Milas-Bodrum airport.

Table 4 Foreign Tourists by Countries

Countries	2014	2015	2016	2017	2018	Average	Pct.
England	1.392.818	1.262.885	817.818	785.021	1.032.511	1.058.211	41%
Russia	269.585	220.324	17.385	306.302	397.765	242.272	9%
Germant	226.668	290.661	169.598	161.080	238.788	217.359	8%
Holland	244.486	220.389	127.749	102.032	137.514	166.434	6%
Poland	141.319	142.779	42.291	60.450	150.135	107.395	4%
Ukraine	40.311	45.353	98.250	141.299	176.761	100.395	4%
France	134.000	81.492	26.969	27.795	41.844	62.420	2%
Others	893.812	862.937	549.686	426.284	590.341	664.612	26%
<b>Total</b>	<b>3.342.999</b>	<b>3.126.820</b>	<b>1.822.777</b>	<b>1.982.468</b>	<b>2.723.815</b>	<b>2.599.776</b>	

Source: Muğla Directorate of Culture and Tourism (2017)

The occupancy rates of facilities having municipality certificates in Yatağan, Marmaris and Ortaca districts are higher than that of Muğla Province. It is noteworthy that the number of overnight stays in Fethiye is low. However, it is known that foreigners who live in the district of Fethiye host the relatives and friends. Therefore, it can be concluded the number of foreign overnight stays is higher.

Table 9. Occupancy Rates of Certified Facilities by Municipalities (2018)

	Foreigners' Overnight Stays	Domestic Overnight Stays	Occupancy Rates(%)
Marmaris	1.075.134	460.837	44,1
Bodrum	335.386	604.818	39,8
Fethiye	169.390	123.612	65,7
Ortaca	29.558	2.369	53,3
Milas	12.628	11.077	59,9
Köyceğiz	11.936	15.065	37,1
Datça	11.631	301.747	26,0
Ula	1.721	27.675	30,4
Menteşe	745	92.261	42,3
Seydikemer	447	1.099	16,8
Yatağan	0	9.425	44,4
<b>Total</b>	<b>1.648.576</b>	<b>1.649.985</b>	<b>41,2</b>

Source: Ministry of Culture and Tourism(2019)

There are two kinds of accommodation facilities; facilities certified by the municipality and facilities certified by the Ministry of Culture and Tourism. These statistics are kept separately by the Ministry. According to statistical studies prepared by the Ministry, while the occupancy rate of 41% of facilities certified by the municipalities, the occupancy rate of facilities certified by the ministry is 56%. It is seen that the rate of foreign nightstays at the facilities certified by the Ministry is 67%, while the rate is 50% in facilities certified by municipalities.

Table 5. Numer of Overnight Stays at facilities certified by the Ministry or Municipalities.(2018)

Indicator	Facilities Certified by Municipalities	Facilities Certified by the Ministry
Overnight Stays of Foreign Toruists	1.648.576	6.546.690
Overnight Stays of Domestic Tourists	1.649.985	3.231.490
Foreign Tourist Overnight Rates	50,0%	67,0%
Domestic Tourist Overnight Rates	50,0%	33,0%
Occupancy Rates	41,2%	56,2%

Source: Ministry of Culture and Tourism(2019)

There are 110 Blue Flag facilities in Muğla province and it is the paradise of Blue Voyage. Some of the natural wonders are Iztuzu Beach, Knidos, Bozburun and Oludeniz. All the natural wonders and being the 3rd most popular tourist destination make Muğla an ideal site for tourism investments.

### Mining

24.71% of the manufacturing industry firms produce marble products and 2.29% of them produce mineral products in Muğla Province. 4 out of the first ten exporters are mining companies. 4250 people are employed in 108 marble companies and 469 people are employed in 10 mining products firms. 68 of the 108 marble producers are also exporters. The export of mines and metals produced in Muğla by companies registered in other provinces is not reflected in the actual export figures of Muğla. Despite this, the export figure of 2018 is over 59 million dollars.

Table 11 Mining Potantial in Muğla

Mining Potantial	Region
Asbest	Köyceğiz-Beyobası, Marmaris-Armutalan
Copper-Lead-Zinc	Bodrum-Karatoprak
Boxite	Yatağan-Meşelik-Kayaderesi-Çaltutmaz-Dededam-Seğdar
Cement Materials	Yatağan-Eskihisar
Iron	Milas-Sakarkaya
Dolomite	Fethiye-İncirköy-Sekiköy, Milas-Ören
Feldspar	Milas-İkiztaş-Çukurköy-Ketendere
Graphite	Milas-Kuşçadağ-Kalemköy-Hasanavku Deresi, Menteşe-Kozağaç
Calcite	Milas, Yatağan
Limestone	Yatağan-Aldağ, Milas-Ören-Sekköy
Chrome	İl genelinde
Sand-Gravel	Menteşe, Köyceğiz-Arıkarası-Ekşiliyurt
Sulphur	Milas-Karacahisar
Lignite	Milas, Yatağan
Manganese	Fethiye-Gökçeovacık-Akseki-Mendos-Dağdibi, Köyceğiz-Elcik
Magnasite	Dalaman-Kızdan-Damdır
Marble	Milas-Kozağaç-Güney-Kalınağıl, Kavaklıdere-Salkım-Başalan
Olivine	Köyceğiz
Emery Rock-Diasphorite	Yatağan, Milas-İsmaildağı-Bencik-Kayaderesi-Savrandağ

Source: MTA(General Directorate of Mineral Research and Exploration)(2016)

46 of the 108 marble producers, have stated that they have new investment plans. 4 out of 10 mining companies have stated that they have investment plans in different sectors (Manufacturing Inventory of Mugla Province, 2016). It is considered that 5th Region incentives for mining and marble extraction and processing investments also have a significant share in having investment plans.

### Yacht Building

Yacht building is a sector with a wide product range, with a value of 10 thousand euros to 10 million euros. Since the sector's product is in the category of luxury consumption, it can be characterized as a high value-added but also high-risk activity. In this sector, firms that build 15 meters and bigger yachts and brands can compete and work with an order based production structure. Roman

Abromovic’s Dream Symphony, which will receive the title of the biggest sailing superyacht in the world is being built by the Turkish masters in Bozburun.

Yacht building is a sector very sensitive to the crisis and needs qualified labor and technological equipment. In addition to building, yacht manufacturers can also obtain a significant economic return from the boat yard and maintenance services during winter. The first item in the yacht owners' expenses is generally maintenance and repair expenditures.

Bodrum Cluster of Yacht Manufacturing with a long history stands out as one of 10 pilot clusters selected in Turkey in the "Development of a Clustering Policy for Turkey" Project supported by the European Union and carried out in coordination with the Ministry of Economy between 2007 and 2009. Following this project, projects were carried out for activities like forming the Advisory Board of the cluster, drawing up the road map, etc. There are 29 manufacturing companies in İçmeler, where the sector is clustered in Bodrum. 80% of these manufacturers export yachts. European countries make up 90% of the importing countries.

Yacht manufacturing sector, with average annual export figure of 18 million dollars between 2012 and 2018 ranks third following aquacultural and mineral exports in Muğla (Turkish Exporters Assembly). Maintenance and repair activities in the yacht manufacturing sector are an important source of income. Revenue from maintenance-repair activities in times of economic crisis is more than income from yacht manufacturing.

The investment area has been allocated to the 31-member cooperative, which is composed of Bodrum yacht manufacturers by the Treasury. As an exemplary production model in the 283-square-meter area in the Ören neighborhood of Milas district, a new, competitive, environmentally-friendly facilities carrying out joint activities and gathering enterprises together will be provided. With this investment, 6 thousand people will be provided with an annual yield of 44 Million Euros.

## PRIMARY SECTORS

### Medical Tourism

Medical tourism, which is a type of health tourism, is travelling people to another country to receive medical treatment. These medical treatments are mainly; medical check-up, health screening, dentistry, heart surgery, prosthetic fitting, cancer treatment, neurosurgery, transplantation and other processes requiring qualified medical interventions.

**Table 6 Number of Patients in Medical Tourism**

Type of Hospital	Number of Patients
State Hospital	8.235
Training and Research Hospital	4.586
Private Hospital	154.696
State University Hospital	1.945
<b>Total</b>	<b>169.462</b>

The main reasons why patients go abroad are the expectation of high quality health care services, cost differences, additional services being provided in the destination country, cultural proximity, shorter waiting times and easier access to services.

**Source: Ministry Of Health**

More than 90% of international patients in medical tourism come by private hospitals. (Evaluation Report on Medical Tourism In Turkey, 2013).

According to the Ministry of Health data shown in Table 13, the number of beds in Muğla province Hospital is lower than the average of the country. It is understood that this number is actually much lower for the summer population growth by 10 times of the touristic regions. This effect indicates that the need for hospital beds. In addition, the Muğla province mortality rate in hospitals is lower than Turkey. This consequence also contributes to the preference of Muğla in medical tourism.

**Table 7 The Health Indicators of Mugla**

Indicators	Muğla	Türkiye
Number of Hospitals	22	2.019
Number of Hospital Beds Per 100.000 Population	215	279
Population Per Family Medicine	3.237	3.207
Number of Visits to Doctors per Patient	9,1	8,9
Number of Visits to Dentists per Patient	0,54	0,61
Mortality Rate in Hospitals(Died)/(Discharged+Died)*1.000	17,0	19,5

Source: Ministry of Health (2017)

The medical tourism potential of Muğla is mainly due to the availability of accommodation facilities with high quality of service, alternative tourism varieties appealing to elderly tourism, the clean nature and the relatively quiet touristic places. In addition, the presence of international flights is important for medical tourism.

Muğla ranks sixth among the first 10 provinces where patients come for medical tourism. When the disease types are examined, it is seen that orthopedic and internal diseases services have higher demand. Compared to Istanbul and Antalya, Muğla has a very small number of patients. With its advantages, it is estimated that Mugla will have a fast growth in medical tourism in the near future.

**Table 8. Top 10 Provinces of International Patients**

Province	Eye Diseases	Orthopedics and Traumatology	Internal Diseases	Ear, Nose and Throat Diseases	Gynecology and Obstetrics	General Surgery	Mouth, Dental &Maxillofacial Diseases& Surgery	Brain and Nerve Surgery	DeOrmatology & Venereal Diseases & Surgery	Pediatrics	Total
İstanbul	11.341	5.127	4.253	3.472	4.147	2.317	2.244	1.906	2.772	3.160	55.985
Antalya	5.355	6.404	7.489	6.858	2.699	4.023	3.436	2.288	1.162	102	47.649
Ankara	1.434	1.602	1.089	1.307	2.039	833	1.151	829	978	773	16.596
Kocaeli	191	370	482	298	991	666	54	311	184	235	13.256
İzmir	673	981	516	613	760	664	1.041	244	506	82	8.324
Muğla	521	712	1.046	344	421	442	304	188	178	16	5.430
Adana	233	697	124	195	302	120	237	262	139	104	3.459
Aydın	79	424	604	299	133	492	218	55	52	423	3.093
Gaziantep	168	208	167	144	256	93	92	219	88	109	2.198
Bursa	171	114	160	111	279	73	353	31	70	116	1.998

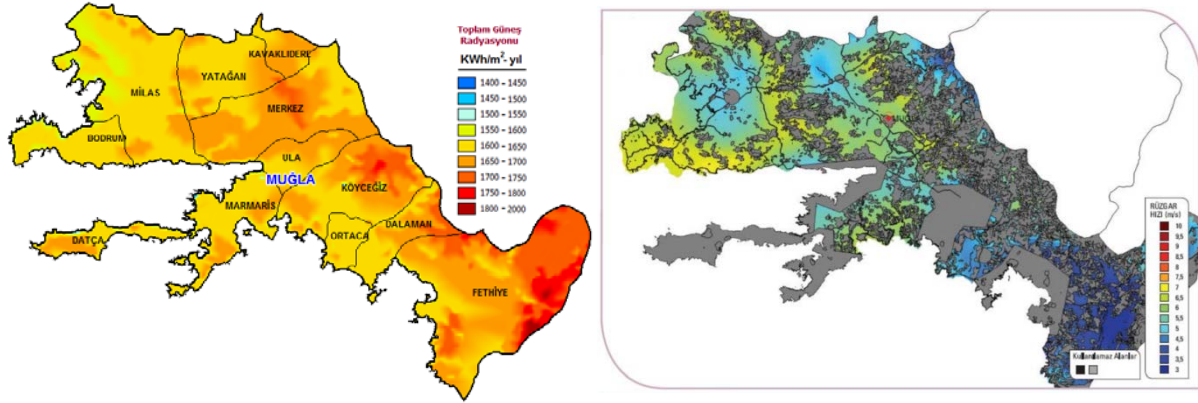
Resource: Evaluation Report on Medical Tourism In Turkey, 2013



## Renewable Energy

Muğla has a significant potential for Solar Power Plant investors with an annual 3.043 hours of sunshine and a global radiation value of 1.621 kW / m<sup>2</sup>. The potential installed capacity for Wind Energy Plant investments is 5.170,86 MW and on 1.034 km<sup>2</sup> area, these plants can be installed.

Graph 1 Maps of Solar Power Plant and Wind Power Plant Potentials



Source: General Directorate Of Renewable Energy(2017)

Table 9. Active Renewable Energy Plants (2019)

Type Of Power Plant	Number Of Power Plants	Actual Capacity (MW)	Under Construction Capacity (MW)
Hydroelectric	10	311,73	-
Wind	9	196	48,8
Solar Thermal	10	3,49	2

Source: www.enerjiatlası.com, Valid Licenses (2019)

In Muğla, there are 10 HEPP with capacity of 311.73 MW, 6 WEPP with capacity of 196 MW and 9 SEPP with capacity of 3.49 MW active facilities during the year 2019. In addition, 3 WEPP with capacity of 48.8 MW and 1 SEPP with capacity of 2 MW are under construction.

Biogas and methane production potential of Muğla is calculated according to waste production potentials of cattle, sheep and poultry quantities obtained from 2016 TURKSTAT data. The coefficients used in the calculation of biogas production value were obtained from the project "Clean Energy from Animal Wastes of Aydın" Breed Cattle Breeders' Association which was supported by our Agency in 2011.

Table 10. Biogas Potential of Muğla

District	Methane Potential (m <sup>3</sup> /year)	Electricity Production (mWhe/year)	Heat Production (kcal/year)	Power Capacity (mWe)
Bodrum	3.361.092	12.948	13.256.591	1,61
Dalaman	1.847.620	7.118	7.287.255	0,88
Datça	400.486	1.543	1.579.568	0,19
Fethiye	2.109.356	8.126	8.319.579	1,01
Kavaklıdere	835.131	3.217	3.293.867	0,40
Köyceğiz	2.845.783	10.963	11.224.142	1,36

District	Methane Potential (m3/year)	Electricity Production (mWhe/year)	Heat Production (kcal/year)	Power Capacity (mWe)
Marmaris	1.193.168	4.597	4.706.011	0,57
Milas	22.020.016	84.830	86.849.847	10,52
Ortaca	1.771.846	6.826	6.988.394	0,85
Ula	2.489.825	9.592	9.820.199	1,19
Yatağan	6.433.996	24.786	25.376.530	3,08
Menteşe	5.743.980	22.128	22.655.015	2,75
Seydikemer	10.115.939	38.971	39.898.599	4,84

Source: Clean Energy from Animal Wastes Project, 2011; TURKSTAT Livestock Statistics, 2019

The amount of bovine, ovine and poultry waste obtained from TURKSTAT data and the amount of electricity and heat that can be produced from these wastes in the biogas plant are shown in Table 16. As it is seen in Table 16, there is a significant amount of biogas potential especially in the Milas and Seydikemer districts. However, as of 2019, there is still no biogas plant established in Muğla.

### Organic Farming

In Muğla, organic farming is being carried out in 88.000 acres of land as of 2016 year. 13 of the 34 commercial organic farming companies produce olive oil. In Muğla, organic farming is becoming increasingly widespread but still far below its current potential. Only 1% of the organic farming lands in the country are located in Muğla.

**Table 11. Active Organic Farming Companies(2016)**

District	Number of Companies	Product (s)	Field Of Activity
Milas	5	Olive Oil	Extraction and Bottling
Milas	6	Olive Oil	Marketing, Sales and Exporting
Milas	1	Fish Meal	Production, Importing
Köyceğiz	2	Pomegranate, Lemon	Production, Exporting
Datça	3	Olive Oil, Honey, Grapes	Processing, Packaging, Marketing
Fethiye	1	Lavender, Truffle	Production
Ula	1	Sesame	Production, Marketing
Bodrum	4	Vegetables, Bread, Mandarin, Olive Oil	Production, Marketing, Importing
Menteşe	3	Vegetables, Fruits, Jam	Production, Marketing
Yatağan	1	Olive Oil	Processing, Packaging, Exporting
Dalaman	1	Unknown	Unknown

Source: Muğla Directorate of Science, Industry and Technology(2016)

As it's seen from Table 17, organic farming companies are mostly located in Milas, Datça, Bodrum and Mentese. In Milas district, there is organic olive production in 40.000 decaire area. The leading organic products of Muğla are olive-olive oil; orange, almond, pomegranate, mandarin, clover, thyme and sage. There is a high potential for investments on processing, storage and packaging of olive-olive oil in Milas, almonds in Datça, vegetables in Fethiye and Seydikemer, citrus in Ortaca and Köyceğiz, sesame in Gökova and pine in Marmaris.

**Table 12. Muğla Organic Crops' Production (2016)**

Type Of Product	Amount(Tonnes)
Olive	7668,6
Orange	713,4
Almond	449,9
Pomegranate	240,5
Mandarin	204,9
Clover	104,7
Thyme	100,0
Sage	100,0

Source: Organic Farming Statistics, Ministry of Food, Agriculture and Livestock, 2017

Çandır Organic Village project is being coordinated by Muğla Directorate of Food, Agriculture and Animal Livestock. The main objectives of the Çandır Organic Village project are to integrate organic farming with tourism and increase awareness of organic farming.

### Agro-Based Industries

Approximately 40% of the manufacturers are in agro-based industry. 85 of the total 238 manufacturers produce olive oil. Only in Milas district, there are 54 olive oil factories. Olive oil manufacturers have major quality and branding problems and therefore not enough added value can be created. Only 16 manufacturers are exporters. Top 3 manufacturers by revenue are Kılıç, Gümüşdoğa and Noordzee seafood firms. These firms are also the largest exporters of Muğla.

**Table 13 Muğla Agro-Based Companies**

District Name	Quantity
Bodrum	22
Dalaman	7
Datça	3
Fethiye	33
Köyceğiz	7
Marmaris	13
Merkez	31
Milas	101
Ortaca	4
Ula	9
Yatağan	8
<b>Total</b>	<b>238</b>

Nevertheless, there are companies with high brand value producing honey and honeycomb. While only one manufacturer is exporter from total 85 olive oil manufacturer, 3 of 6 manufacturers in beekeeping industry are exporters.

Besides, there is a potential for boutique fruit juice manufacturing both in Köyceğiz and Ortaca districts. Large amount of citrus are not collected from trees and this results economic loss. Lemon juice is a good example for value added boutique manufacturing.

Source: Muğla Directorate of Science, Industry and Technology (2016)

The quantity of innovative manufacturers in the agro-based industry is increasing. İmmu-nat company which produces herbal medicine in Bodrum district and Atak Alcoholic Beverages company which produces boutique beer in Menteşe district. This sector needs innovative, value-added, high quality and branded production practices.

## Ecological Tourism

Being one of the tourism centers which is least affected by the negative effects of mass tourism, Muğla has a significant ecological tourism potential. 67% of Muğla's total area is forest area and 21.6% is in the Special Environmental Protection Area. There are 11 nature parks and 73 recreation areas and the Köyceğiz and Yılanlı-Çakmak Wildlife Protection and Improvement Area suitable for hunting tourism. There are diving tourism in Bodrum, Fethiye and Marmaris coasts, Kitesurfing in Akyaka, Paragliding in Babadağ, trekking on historic Karia and Likya ways and rafting on Dalaman River. There are 4336 registered immovable cultural assets such as Letoon and Xanthos, which are included in the UNESCO World Heritage List. Despite the high potential of the province, the number of enterprises providing ecological tourism services is not at the desired level.

The majority of the enterprises engaged in ecological tourism are concentrated around Faralya, Kabak Bay and Yanıklar village of Fethiye.

Table 20. Ecological Tourism Accommodation Facilities

DISTRICT	NUMBER
Fethiye	20
Datça	6
Ortaca	3
Marmaris	2
Milas	2
Bodrum	2

Source: KASALAK, Akdeniz University, Faculty of Tourism(2016)

According to the final report of the project for Determining the Rural Development Potential of Muğla Province supported by the South Aegean Development Agency, studies were conducted in 9 pilot villages with potential for rural tourism and the prominent tourism values for these villages were determined. As seen in Table 21, each village contains different tourism values. However, there are many places that are not included in this study but have high tourism value.

Table 21 Potential Ecotourism Areas in Muğla Province

District	Village/ Neighborhood	Prominent tourism values
Milas	Ortaköy	Archaeological Tourism (Labranda Ancient City, Laddered Rock Tomb, Deliktaş), Faith Tourism (Twin Tomb), Geopark Tourism
Milas	Bozalan	Nature Tourism (Karya Yolu Yolu), Gastronomy Tourism, Cultural Tourism (Carpets)
Yatağan	Turgut	Archaeological Tourism (Ancient Cities of Stratonikeia Lagina, Hekate Temple), Geopark Tourism
Kavaklıdere	District Center	Culture Tourism (Copperism), Cave Tourism (Yerküpe Cave), Archaeological Tourism (Hyllarima, Kyon Ancient Cities)
Menteşe	Göktepe	Nature Tourism (Drunken Stream, Hiking), Speological Tourism (Haney Cave ve Cold Cave), Faith Tourism (Ottoman Cemetery), Gastronomy Tourism
Menteşe	Kozağaç	Nature Tourism (Cold Creek), Camping Tourism (Gökçukur Plateau), Speological Tourism ( Incirli, Eren Yanı and Kara Caves)

District	Village/ Neighborhood	Prominent tourism values
Ula	Karabörtlen	Nature Tourism (Geyik Canyon, Natural Shelters)
Köyceğiz	Pınarköy	Nature Tourism (Yuvarlakçay and Topgözü Canyon, Sweetgum Forest)
Seydikemer	Eşen	Nature Tourism (Saklikent Canyon, Esen Creek, Lycian Way), Archaeological Tourism (Pinara, Letoon, Sidyma, Tlos Ancient Cities)

Source: The Project for Determining the Rural Development Potential of Muğla Province (2015)

### Medicinal and Aromatic Plant Production

The main medicinal and aromatic plants in the province of Muğla are frankincense, bay leaf, thyme, sage and laden leaf, however; sandalwood, centaury, daisy, daffodil, tulip, echinacea, jasmine, lily, violet, rose, magnolia, wild myrtle, citrus peel, citrus blossom and olive leaf can be added to the list. Table 22 shows the amount of plant collected from the nature recorded by the Muğla Forestry Directorate for 2015. However, it is known that the collection is above these figures due to informality.

Table 22 Primary Medicinal Aromatic Plants Collected

Plant	Collected amount (tonnes)
Bay tree / leaf	642
Thyme	469
Sage	260
Laden leaf	131

Source: Muğla Regional Directorate of Forestry (2016)

There is Medical and Aromatic Plants Programme in Köyceğiz Vocational High School in Muğla. In this way, the personnel who are knowledgeable about the medicinal aromatic plant are trained.

Thyme is the most important item in exportation and our country is ranked first in the world to meet the needs of thyme. According to 2016 figures, Turkey's thyme exports were about 60 Million Dollars and 15,000 tons of thyme were exported. 90% of the national thyme production is met by cultivation in Denizli province. In Muğla province, thyme is collected more from nature. Thyme is exported to the United States, Germany, Poland, the Netherlands and Switzerland the most.

Another product having commercial value is bay leaf. Our country, which is also the most important exporter, exported 12,5 thousand tons of bay leaf in 2016 and earned 36 million dollars. The main export countries are Vietnam, the United States, Poland, Germany and Japan.

Although valuable raw parts of medicinal and aromatic plants are sold as drugs, they can be sold with higher value added by taking essential oils of these products. In the market of essential oils, our country realized 40 Million Dollars in 2016, while it realized 25 Million Dollars in imports. All exports of the medicinal and aromatic plants sector annually reach approximately 300 Million Dollars.

In order to ensure the sustainability of medicinal and aromatic plants, the collection from nature must be carried out under strict supervision. Plants with high economic value should be identified and culture cultivation of these plants should be encouraged. Technical assistance and consultancy should be provided to farmers and regular trainings should be provided to achieve the desired quality and standards. In addition, people should be cautious in the use of medicinal and aromatic plants for human health and their unconscious use should be avoided.

#### **A Successful Practice in Muğla Province**

Muğla Sıtkı Koçman University Cosmetic Products Application and Research Center has been operating as the first science center in our country for 3 years. The founder of the center Dr. R & D, production and brand works are under way under the leadership of Nazan Demir and there are 30 production permits including approved skin care products, perfumes and herbal teas from the relevant Ministries of this center.

The Center applied to 2015 Production and Trade Infrastructure Development Financial Support Program announced by GEKA, and the project application was found successful and was entitled to receive financial support. This project is a production center where the production of medicinal and aromatic plants will be made in an area of 25 decares and 600 m<sup>2</sup> in the greenhouse 7 km inside the Muğla-Marmaris highway. In this center, drying, extracting operations will be carried out, aromatic oil, skin care and perfume products will be produced and sold. Training activities will also be carried out at this center; There are practical trainings for students from the department of cosmetics, pharmaceuticals, medicinal and aromatic plants. It is not difficult to guess that this center, which was completed infrastructure in 2018, will be a good example for Muğla by increasing its functionality.

The province of Muğla has the necessary environmental conditions in which health tourism and botanical tourism can be integrated. In the near future; medical and aromatic plants are grown in a sustainable way and high-quality products obtained from these plants are presented to healthy living centers, R & D quality and brand value of the facilities that produce products with a widespread as a province is very likely to see.

#### **4. Industry Infrastructure and Investments**

Leading sector in Muğla is tourism. Besides the manufacturing industry is not developed much, it is seen that major industrial investments are related to the production of fishery products, marble production and processing investments.

When the state of investments which received Investment Incentive Certificate between 2010 and 2018 is analyzed, it is seen that 50% of employment is in tourism sector. The Organized Industrial Zone on an area of 1,062 acres in the Milas district is under construction. With an annual loading capacity of 7 million tons, 10 km away from Bodrum airport, the Port of Gulluk is mainly used in mining exports. Activities on transformation of port to container port are ongoing.

There are 21 Small Industrial Sites in Muğla. The construction of Bodrum Mumcular Small Industrial Site continues.

Table 14 Small Industrial Areas in Muğla Province

#	Small Industrial Area	Since	Total area (m <sup>2</sup> )	Total # of businesses	# of Active Workplaces	# of Empty Workplaces	Occupancy	# of Current Employees
1	Muğla (Merkez)	1972	100.000	318	317	1	99,7	951
2	Yatağan	1978	49.025	158	155	3	98,1	310
3	Cennet Köyceğiz	1986	43.745	55	54	1	98,2	108
4	Ortaca	1975	10.000	348	262	86	75,3	510
5	Bodrum	1978	28.704	130	-			
6	Bodrum Yalıkavak	1993	9875	100	73	27	73,0	150
7	Bodrum Turgutreis	1989	2.400	24	24	0	100	48
8	Bodrum.Mumcular	2009	50.000	18	4	14	22,2	8
9	Bodrum Konacak	1999	60.000	172	172	0	100	516
10	Bodrum Ata	2000	-	100	-			
11	Milas	1989	90.000	271	142	129	52,4	411
12	Milas Güçsan Toplu İşyeri	1978	22.000	75	75	0	100	253
13	Milas Selimiye	1984	8.000	36	36	0	100	71
14	Fethiye Bağkurlular	1976	27.605	87	-	-	-	-
15	Fethiye Kemer	1989	10.000	47	47	0	100	62
16	Fethiye Eşen	1988	12.000	31	8	23	25,8	15
17	Marmaris	1988	8.640	56	56	0	100	140
18	Marmaris Ata	1987	11.124	69	69	0	100	138
19	Marmaris Beldibi	1976	2.668	34	34	0	100	102
20	Dalaman	2004	58.000	180	180	0	100	418
21	Cennet Datça	1989	6.218	50	50	0	100	106

Source: Muğla Science, Industry and Technology Directorate (2016)

Table 15 Investments with Incentive Certificate (2010-2016)

Sector	Number of Certificates	Investment Amount (Million TRY)	Number of employees
Tourism	193	2.651	8.374
Energy	100	1.493	288
Infrastructure – Municipality Services	38	489	172
Extraction and Processing	65	286	797
Health	20	140	1.016
Education	31	156	1.605
Food and Beverages	22	103	749
Other Sectors	64	1.040	1.726
<b>Total</b>	<b>533</b>	<b>6.358</b>	<b>14.727</b>

Source: Ministry of Economy, Investment Incentive Statistics, Muğla Investment Support Office

It is seen that Menteşe, which is the central district of Muğla, is the second most important province of our region after Bodrum in terms of investments made. However, the investment amounting to approximately 400 million TL in Menteşe district is the investment of Muğla Metropolitan Municipality and that investment application area includes for all districts of Muğla.

Table 16 Distribution of Investments by District (2010-2016)

District	Number of Incentive Certificates	Investment Amount (Million TRY)	Number of Employees
Menteşe	72	1.455	1.653
Bodrum	95	1.158	3.674
Dalaman	12	755	709
Milas	75	719	2.131
Fethiye+Seydikemer	94	694	2.416
Yatağan	57	607	447
Marmaris	62	540	2.502
Datça	10	128	153
Ortaca	17	99	455
Ula	16	97	294
Köyceğiz	8	56	103
Kavaklıdere	15	50	190
<b>Total</b>	<b>533</b>	<b>6.358</b>	<b>14.727</b>

Source: Ministry of Economy, Investment Incentive Statistics, Muğla Investment Support Office (2017)

When Table 25 is examined, the major hotel investments in Bodrum, Fethiye, Marmaris and Milas districts, Metropolitan Municipality infrastructure investments and wind power plant investment in the central district, Mentese and the airport domestic terminal investment in Dalaman district increase the total amount of investments. When the 20 biggest investments in Muğla are examined, it is seen that 12 of these investments are hotels / holiday villages and 4 of them are wind power plant investments in Bodrum, Milas, Datça and Mentese. Due to hotel investments, employment figures of investments in Bodrum, Fethiye, Marmaris and Milas districts are high.

When manufacturing firms are examined in terms of sectors, it is seen that most of the firms are in the Food and Marble sectors. According to the findings of the Project, Muğla Province Manufacturing Industry Inventory, which was prepared with the support of the South Aegean Development Agency in cooperation with Muğla Chamber of Commerce and Industry and Muğla University; The marble sector is dominant in the manufacturing industry. Of the 12,439 personnel employed in manufacturing industry firms, only 2,046 women are women. 52% of 437 manufacturing firms are family companies. Electricity is the first source of energy used in production. With the expansion of the natural gas infrastructure in the following periods, more natural gas will be used in the industrial company. As of 2016, natural gas was supplied to Yatağan and Mentese districts. 28% of the firms are exporters. 86% of the products exported are finished products and 14% of products are intermediate products.(Muğla Manufacturing Industry Inventory Direct Activity Support Project, April 2016). 237 of them have Quality Certificates, 236 of them have their own Brands, 139 of them have Patents, 32 of them have Automation Systems and 9 of them have R & D Departments.

Table 17 Sectoral Distribution of Firms in Muğla Province

Sector	Number of Firms
Food	216
Mining	105
Construction	88



<b>Marble</b>	80
<b>Agro-Based Industries</b>	22
<b>Furniture</b>	20
<b>Yacht Building</b>	19
<b>Others</b>	72
<b>Total</b>	<b>622</b>

Source: Muğla Science, Industry and Technology Directorate (2016)

2 Muğla companies in the aquaculture sector, which has a share of three quarters of exports, are in the Top 500 Industrialists category of the Istanbul Chamber of Industry.

**Table 18 Muğla- based Firms in Turkey's Top 500 Industrial Companies**

2018	2017	Company	District	Production Sales(TRY)
158	158	Kılıç Deniz Ürünleri A.Ş.	Bodrum	1.185.935.000
169	233	Gümüşdoğa Su Ürünleri A.Ş.	Milas	1.118.839.528

Source: İstanbul Chamber of Industry (2019)

In the province of Muğla, 27 foreign capital investments with Investment Incentive Certificates between 2010-2018 are listed in Table 28. 19 of these investments are hotel investments. Except for the Datça Wind Power Plant investment, it is seen that all of the major investments are hotel investments.

**Table 19 Foreign Capital Investments in Muğla Province (2010-2018)**

Company	Dominant Country	Foreign capital ratio (%)	District	Characteristics of Investments	Investment Amount(TRY)
Bartu Turizm Yatırımları	İngiltere	50	Fethiye	5 Yıldızlı Otel 439 Oda . 878 Yatak	111.489.430
Ceviz Sırtı Gayrimenkul Yatırımcılığı	Hollanda	100	Milas	5 Yıldızlı Otel 216 Oda . 490 Yatak	62.065.190
BBK Turizm	Azerbaycan	99	Bodrum	220 Oda + 40 Apart Otel 760 Yatak	51.838.434
BYT Turizm Yatırımları	İngiltere	50	Bodrum	4 Yıldızlı Otel 480 Yatak	41.643.540
Dares Datça Rüzgar Enerji	Almanya	50	Datça	Elektrik Enerjisi Üretimi (RES) 41,6 MW	41.443.600
Maksimum Turizm	Rusya	50	Milas	5 Yıldızlı Otel 229 Oda 463 Yatak	40.565.828
PD Turizm	Azerbaycan	100	Bodrum	Butik Otel 54 Yatak	19.500.000
İberotel Otelcilik	Avusturya	100	Ortaca	4 Yıldızlı Otel 794 Yatak	14.100.000
Coca-Cola İçecek	ABD	20	Köyceğiz	Memba Suyu 168.502.200 Litre/Yıl	11.811.684
Ay-Sir Turizm	Kazakistan	75	Bodrum	5 Yıldızlı Otel 532 Yatak	11.120.000
İberotel Otelcilik	Avusturya	100	Ortaca	4 Yıldızlı Otel 794 Yatak	8.915.530
Mavi Denizciler Turizm	İngiltere	100	Fethiye	Butik Otel 64 Yatak	8.360.412

Company	Dominant Country	Foreign capital ratio (%)	District	Characteristics of Investments	Investment Amount(TRY)
Fokus Turizm	Yunanistan	50	Bodrum	3 Yıldızlı Otel 48 Oda	8.033.810
Antalya Consulting	Avusturya	100	Bodrum	3 Yıldızlı Otel 152 Yatak	7.550.000
D.S.V. Yatçılık	İngiltere	30	Marmaris	Yat Kışlama Çekek Yeri 450 Ton	7.420.000
Antalya Consulting	Avusturya	100	Bodrum	3 Yıldızlı Otel 148 Yatak	5.672.985
Kılıç Deniz Ürünleri	Lüksemburg	16	Milas	Balık Yemi 102.000 Ton/Yıl	4.800.000
Balsam Tarım	A.B.D.	100	Seydikemer	Serada Bitkisel Yetiştiricilik 41.200 M2	4.500.000
Hapimag Turizm	İsviçre	100	Bodrum	5 Yıldızlı Otel + 5 Yıldızlı Tatil Köyü 1458 Yatak	2.537.685
Kılıç Deniz Ürünleri	Lüksemburg	16	Milas	Deniz Ürünleri İşleme 4.346 Ton/Yıl	2.240.000
Sarban Turizm	Rusya	100	Fethiye	3 Yıldızlı Otel 25 Oda 50 Yatak	2.115.800
MP Hotel Management	Malta	100	Milas	4 Yıldızlı Otel 288 Yatak	2.046.761
Mod International Yatırım	Özbekistan	50	Bodrum	Kreşler ve Gündüz Bakım Evleri 300 Çocuk/Yıl	2.043.386
Faralyalı Turizm	Yunanistan	50	Fethiye	3 Yıldızlı Otel 174 Yatak	1.541.000
Solar Aromatik Bitkiler ve Turizm	İsveç	30	Marmaris	4 Yıldızlı Otel 190 Yatak	1.506.000
ISR Turizm İşletmeleri	Rusya	60	Bodrum	5 Yıldızlı Otel 1.098 Yatak	1.202.734
Maysun Enerji	Rusya	75	Fethiye	Elektrik Enerjisi Üretimi (GES) 0.28 MW	1.100.000

Source: Ministry of Economy Investment Incentive Statistics, Muğla Investment Support Office(2019)

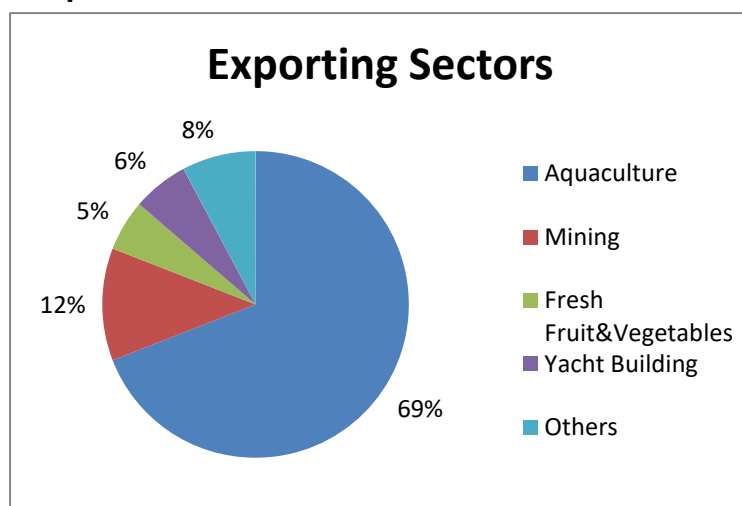
## 5. Exports

The fisheries sector, which is the most important export sector of Muğla province, constitutes 73% of exports together with fish farming and fish processing products. As seen in Table 29, 3 of the 4 Muğla companies in the first 1000 exporters are in the aquaculture sector.

Table 20 Muğla Companies in the First 1000 Exporters in 2017

National Ranking	Company	Sector	Export (\$)
93	KLC Gıda Ürünleri İth.İhr.Ve Tic.A.Ş.(Kılıç Holding)	Aquaculture	153.168.085
196	Gümüşdoğa Su Ürün.Üretim İhr Ve İth.Aş	Aquaculture	76.818.941
454	Noordzee Su Ürün.İhr.San.Ve Tic.A.Ş.	Aquaculture	40.234.642
721	Mikroman Maden Sanayi Ve Tic. A.Ş.	Mining Products	27.110.740

Source: Turkish Exporters Assembly (2019)

**Graph 2**

Source: Turkish Exporters Assembly (2018)

The most important export item in fresh fruit and vegetable sector is tomato. About 15% of the tomato production of our country is grown in Muğla. Annual tomato production has reached 470 thousand tons. Other major export fresh fruits and vegetables are lemon, grapefruit and orange.

When the 5-year period between the years 2014-2018 is examined,

there is a significant increase in the exportation of Muğla province. An important part of this increase is thanks to the increase in export of aquacultural products. The other increasing sector is the mining sector. Marble companies in the mining sector are quite common. 65 of 105 mine quarries are marble quarries. In addition, there are 80 marble processing plants and they provide added value to the sector.

**Table 30 Sectoral Breakdown of Exports by Years (\$)**

Sectors	2014	2015	2016	2017	2018
<b>Aquaculture, Fisheries and Animal Products</b>	198.404.638	220.832.477	281.119.345	296.269.279	333.002.307
<b>Mining Products</b>	33.323.570	38.270.911	41.122.029	49.927.350	57.273.631
<b>Ship and Yacht Building</b>	22.890.380	18.593.567	4.780.789	26.743.584	28.453.837
<b>Fresh Fruits and Vegetables</b>	18.871.354	21.240.660	25.230.089	22.582.639	25.937.906
<b>Other Sectors</b>	31.664.215	42.085.599	34.737.143	33.071.265	37.533.681
<b>Total</b>	<b>305.154.157</b>	<b>341.023.214</b>	<b>386.989.395</b>	<b>428.594.117</b>	<b>482.201.362</b>

Source: Turkish Exporters Assembly (2019)

Another important export sector is yacht building. With a small number of companies, value-added production is realized and approximately 20 Million USD export revenue is generated from this sector annually. Comparing the export values of sectors between the years 2012 and 2016; In 2014 and 2015, a significant increase is observed in the aquaculture, yacht and machinery sectors.

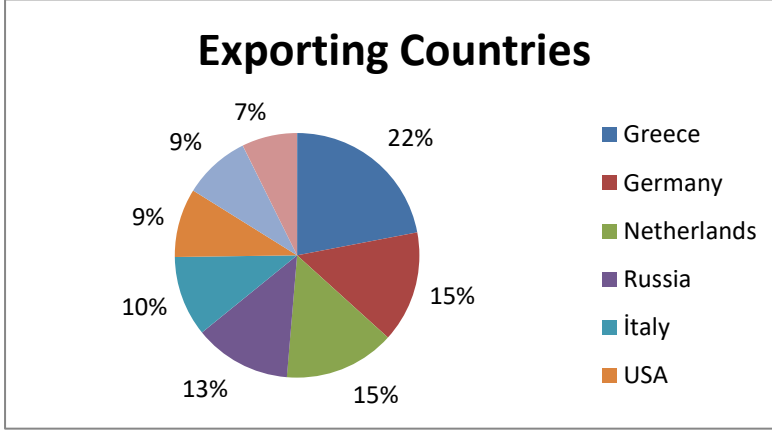
**Table 31 Distribution of Exports by Country**

Ülkeler	2014	2015	2016	2017	2018
Greece	5.794.000	4.370.989	15.315.379	30.246.210	65.303.770
Germany	31.913.049	35.255.646	47.008.184	36.730.398	43.610.521
Netherlands	40.703.379	47.583.838	57.051.055	47.941.606	43.459.087
Russia	35.917.404	37.695.002	26.549.829	28.129.692	38.046.343
Italy	26.728.895	38.732.764	49.758.073	38.473.021	31.520.173
USA	13.829.307	16.117.900	15.230.373	21.774.895	26.985.551
Israel	8.526.000	15.773.254	16.845.522	23.747.152	26.126.565

Ülkeler	2014	2015	2016	2017	2018
UK	16.365.344	20.377.044	25.189.984	26.239.041	21.741.341
Other States	125.376.779	125.116.778	134.040.997	175.312.102	185.408.011

Source: Turkish Exporters Assembly (2019)

**Graph 6**



Source: Turkish Exporters Assembly (2018)

According to the export values to countries, firms in Muğla export most of their products to the EU and Russia. According to the values of 5 years between the years 2014 and 2018, the first 8 countries which constitute two thirds of the total exports are given respectively. In addition, Israel, Dubai, Portugal, Romania and Poland are among the emerging importers. While

there was a decline in exports to Russia in 2015 and 2016, The Netherlands, Italy, Germany, the UK and Greece have seen significant increases. The reason of the rise to Greece is Aqualculture exporting.

## 6. R & D Potential

Although there are not many big industrial investments in Muğla, there are sectors that have the potential for R & D. Small and medium-sized enterprises in many branches of agriculture-based industry need to engage in the R & D and innovation studies in their production processes. The originality of design in yacht manufacturing is the most important value added element. The medicinal and aromatic plants industry can only be the input of pharmaceutical and cosmetic industries with the help of R & D. Muğla Sıtkı Koçman University has 42 Application and Research Centers. Table 32 lists some applications and research centers that may be related to investments.

**Table 32 Application and Research Centers at Muğla Sıtkı Koçman University**

Research Centers
Research Laboratories & Application and Research Center (ALM)
Apiculture and Pine Honey Application and Research Center
Beekeeping and Silk Beetle Research and Application Center
Geographic Information System and Remote Sensing Application and Research Center (CBS & UZAL)
Natural Stone Research and Application Center
Food Analysis Application and Research Center (MUGAM)
Cosmetic Products Application and Research Center
Mushroom Research and Application Center
Health Application and Research Center
Truff Application and Research Center (TRUFMER)
Olives Application and Research Center

Source: Muğla Sıtkı Koçman University (2016)

The laboratories of the Research Laboratories Center have advanced technology equipment and serve the related sectors.

**Table 33 Cost of Machine Tools for Laboratories (2010)**

<b>Laboratory</b>	<b>Cost (TRY)</b>
Magnetic, Biochemistry and Magnetic Materials Research Laboratory	5.000.000
Food Analysis Research and Application Laboratory	2.000.000
Environmental Problems Research and Application Laboratory	400.000
Cosmetic Products Laboratory	100.000
Agricultural Soil, Plant Water Analysis Laboratory	600.000
<b>Total</b>	<b>8.100.000</b>

Source: Muğla Sıtkı Koçman University (2016)

The Technology Transfer Office, which was established on November 12, 2014, has provided consultancy services in projects, patents, innovative ideas, corporate and entrepreneurship activities since then. In addition, Technology Development Zone, shortly called Teknopark, will be established in Muğla University. The company has been approved by the Ministry of Science, Industry and Technology for the establishment of Technopark and the firm to run the Technopark has been established. The tecnopark's total area is 64.310 square meters and the construction of 4.000 square-meter building for the first phase was started in February, 2019. There will be 66 offices within the Technopark, university-industry cooperation will increase and technological knowledge will be produced.

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