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INVESTMENT CLIMATE IN RiZE



 **RiZE**
INVESTMENT
SUPPORT OFFICE

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INVESTMENT CLIMATE IN
RiZE







Introduction

Rize which is located in northeastern part of Türkiye, due to its typical economic structure and production has a special place in country economy. Along with the fact that 71 percent of the total tea production of Türkiye is performed in Rize, it has also high improvement potential in other sectors such as tourism and mining.

The main purpose of this report is to introduce basic information about economic conditions of the province for the potential investors. The report consists of 14 sections which composed of short information pertaining to selected sectors. This study does not constitute a feasibility report. Another purpose of this report is to give insight about investment opportunities in the province. Besides, it is expected to make contribution to the existing materials that can be used in promotion of the province.

Executive Summary

Population: Province of Rize, which has 12 towns, 18 municipalities and 347 villages, has a population of **345,662** and 233,866 of total population (67.66%) inhabits in city centers, while 111,796 (%33.34) live in rural areas. Population growth rate is recorded as 3.78 ‰ for 2021 (country average is 12.75 ‰). 2021 net migration rate is 1.02 ‰. Population of the city center is 150,414. The land area of the city comprises 3,922 square kilometers and population density is **88** inhabitants per km² while the average population density of Türkiye is 110. The proportion of young population entering into working-age (15-24 age range) is 14.84 ‰. Population in working-age (15-64 age range) represents 67.78% of total population.

Labor Force: According to 2021 year data, TR90¹ has 62.6% labor force participation rate (Türkiye's average is 57.2%). Employment rate is 49.7% (TR average 45.2%). Unemployment rate is 9.9%. According to 2021 data, there are 22,690 unemployed, consisting of 13,026 men and 9,664 women, registered to İŞKUR (Türkiye Employment Agency). According to SGK data, at the end of the 2021 there are 93,792 insured people. Only 13.42% of them are agricultural insured or small business owners. Although people work in different jobs, most of the local people in Rize are engaged in tea farming.

Health: Rize has 4 public hospitals, 1 training and research hospital, 4 district hospitals, 1 private hospital, 1 private medical center. Total bed capacity within these health facilities 1,121. 802 doctors are serving in Rize where there is one doctor for each 431 inhabitants.

Education: Literacy rate is 96.7% in general, comprising 98.4% literacy rate among men, and 94.7% among women. The number of people, who has college or faculty degree or higher, is 55,148. Schooling ratio is above the TR average. The number of students per teacher 14 and 11 for primary and secondary schools whereas it is 18 for general high school. Total number of education institutions of pre-primary, primary education, upper

secondary education, vocational and technical education is 303. Total number of students is 63,395. In addition, there are 13 Public Education Centre in the province. Recep Tayyip Erdoğan University has 42 academic units constituted by 1 institute, 15 faculties, 3 colleges, 6 vocational schools, 17 centers for practice and research. It has 527 academician and 628 academic staff, and totally 17,054 students.

Social and Cultural Life: In Rize during 2011-2021, 228 plays of state theaters had been put on stage 468 times, and 149,852 spectators attended these events. Total number of public libraries in Rize and its districts is 16, which include 222,815 books. In 2021 number of users is 42,170 and 29,199 books had been lended. In addition, there are three museums in Rize, Ethnographic Museum, Atatürk's House Museum and Çaykur Tea Museum.

Underground Resources: Rize has potential for copper, iron, granite, manganese and geothermal resources. Rize constitutes 5.3 percent in metal ore export of Türkiye in 2021. Çayeli- Madenköy copper-lead-zinc area which is operated by Çayeli Copper Co. Inc. is estimated to exhaust in a near future.

Agriculture and Livestock: Agricultural area in Rize is 58,185 ha. 95.2% of its agricultural area is used for tea production. Agricultural activities are limited because of the inadequacy of agricultural lands. Agricultural production of city is 4.08 billion TL in 2021 and constitutes 1.3% of Türkiye overall.

The size of animal husbandry activities is not developed, so total value of live animals and animal products in Rize constitutes just 0.3% of Türkiye's corresponding values.

Eastern Black Sea Region provides around 45% of Turkey's sea products. Rize has the biggest production on sea products after Ordu, Trabzon and İstanbul.

¹ NUTS2 classification region including Artvin, Giresun, Gümüşhane, Ordu, Rize and Trabzon provinces.

Domestic Trade: According to the Entrepreneur Information System data, in Rize, there are 14,672 enterprises in 2020 and the total turnover of these enterprises is 18.37 billion TL.

Most of the turnover in Rize happened in the level of “Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles” (8.44 billion TL). The second place is “Manufacturing” (5.81 billion TL) and “Construction” (1.22 billion TL) is in the third place.

In Rize, 3.65 billion TL worth of retail trade (excluding motor vehicles and motorcycles), 3 billion TL worth of wholesale trade (excluding motor land vehicles and motorcycles), and 1.8 billion TL of repair of motor vehicles and motorcycles by wholesale and retail trade happened in 2020. 90% of the turnover in the manufacturing sector (5.25 billion TL) is at the level of manufacture of food products. The largest share in the manufacture of food products belongs to the coffee and tea-processing sector with a turnover of 4.68 billion TL. It is understood from this that the most important economic activity in Rize trade is the processing of coffee and tea.

According to Yer-Sis data, the five cities that Rize makes the most sales are respectively İstanbul (1.75 billion TL), Ankara (596.1 million TL), Trabzon (462.3 million TL), İzmir (259.2 million TL) and Artvin (193.4 million TL). The top five cities in Rize’s purchases are respectively İstanbul (2.4 billion TL), Ankara (714.9 million TL), Trabzon (701.7 million TL), Kocaeli (487.7 million TL) and Samsun (430.3 million TL).

Foreign Trade: In 2021 Rize made USD 208.43 million of total export. With this amount Rize ranks 10th among 18 Black Sea Region provinces and 47th among all provinces of Türkiye. On the other hand, total import of the province is USD 56.51 million. Rize’s export in mining of metal ores comprises 53.31% of overall exports of the province and 5.3% of Türkiye metal ore export.

A very large part of exports in the province of Rize is carried out by a Canadian company named as First Quantum Mining Co. that owns Çayeli Copper Operations. In addition, although the province’s economy is largely dependent on tea, its contribution to the exports is hardly any, and almost all of tea production is consumed through the domestic market.

Logistics: Transportation in Rize is carried out by road and maritime transport. Currently, air transportation to Rize is provided from Rize-Artvin Airport, which was opened on 14 May 2022. Rize-Artvin airport will improve the transportation infrastructure of the city. Completion of Rize Organized Industrial Zone and Ovit Tunnel, which is gate between Black Sea Area and southern regions of Türkiye making transportation easier and faster, increased importance of Rize in terms of logistics. Rize port with its hub location in transits has 170,000 m2 hinterland and 11,000 m2 indoor space.

Investment: In 2021, public investments with an amount of 4,286,4 million TL has been addressed to Rize. Top three sectors by public investment are transportation (2,052.2 million TL), housing (1,840.1 million TL) and agriculture (153.8 million TL).

According to the Union of Chambers and Commodity Exchanges of Türkiye, there are 247 firms with capacity report in the province. The economic activity of 120 firms is processing of tea, which constitutes nearly half of the total number of firms.



Tourism: In 2019, 1,024,010 tourists visited Rize where 134,173 of them were foreign visitors. However there has been a significant drop in the number of the tourists because of the covid-19 pandemic since 2020. In 2021, 415,718 tourists visited Rize where 25,779 of them were foreign visitors. There are three 5 stars, eight 3 stars, two 2 stars hotels along with 80 bungalow houses and small pensions, most of which are located in Çamlıhemşin district. Total capacity of those facilities consists of 3,076 rooms with 6,767 beds. In addition, there are 9 hotels with investment certificates taken from the Ministry of Culture and Tourism. After the completion of these investments, total accommodation capacity will grow by 498 rooms and 982 beds.

There are two Cultural and Tourism Preservation and Development Regions in Rize; Ayder and Anzer. According to the new investment incentive systems, although Rize is in 3th investment incentive region, tourism investments on these regions benefit from 5th region's incentives.

Industry: According to the data sourced by Provincial Directorate of Industry and Technology, significant amount of the registered industrial businesses composed by tea factories owned by ÇAYKUR and private businesses. 11,783 of 15,490 industrial personnel are employed in tea industry. The number of enterprises registered in the industry in Rize is 445. As the infrastructure of Rize Organized Industrial Zone is completed, companies started the facility investments which will produce 1,300 new job opportunity.

In central Rize and its districts, there are 6 Small Industrial Estates which contain 835 active workplaces.

Banking: There are 11 banks operating with 45 branches in Rize. Number of people per branch is 7,681. Total deposits are 9.13 billion TL while the total loans are 11.21 billion TL. Deposit per branch is 203 million TL, and loan per branch is 249 million TL. In 2021, loan/deposit ratio is 122.8 while it is 94.1 for the average of Türkiye.



Rize at a Glance

Population	345,662 (2021)
Annual Population Growth	3.78 ‰
Net Immigration	1.02 ‰
Unemployment Ratio	9.9 ‰ (2021) (TR90)
Median Age	37.9
Area	3,922 km ² (lakes excluded)
Urbanization	67.66 ‰
Population Density	88 people/km ²
Coordinates	41° 01.2' North 40° 31.2' East
Time Zone	GMT +3
Neighboring Cities	Trabzon, Erzurum, Artvin,
Major Counties (Urban Population)	Centre (119,828), Ardeşen (30,645), Çayeli (24,583), Pazar (17,946)
Climate	Warm and rainy
Telephone Code	+90 464
Country Code Top-Level Domain	.tr
Annual Export	208 million USD (2021)
Annual Import	56.5 million USD (2021)
Chamber of Commerce and Industry Members	4,204
Annual Inflation Rate	36.08% (CPI – 2021/12 TR)
Major Exported Goods	Metallic ore, food and beverage, fishery
Major Imported Goods	Coal, chemicals and products, machine and equipment
Major Agricultural Products	Tea leaves, hazelnut, kiwi, blueberry
Major Underground Sources	Copper, iron, manganese, marble, geothermal
Major Produced Goods	Tea, woven fabric, packaged natural spring water
Trade Agreements	Customs Union Agreement with the EU Free Trade Agreements with Albania, Bosnia Herzegovina, Croatia, EFTA member countries (Switzerland, Norway, Iceland and Liechtenstein), Egypt, Georgia, Israel, Macedonia, Montenegro, Morocco, Palestine, Serbia, Syria, Tunisia
Airport	Rize-Artvin Airport
Distance to border gate	Sarp border gate 104 km.



1. POPULATION

According to Turk Stat, Address Based Population Registration System (ABPRS) 2021 results, province of Rize, which has 12 towns, 18 municipalities and 347 villages, has a population of 345,662. 233,866 of total population (67.66%) inhabits in city centers, while 111,796 (32.34%) live in rural areas. Rize, with its 67.66 % urbanization rate, is below the country average of 93.18 %.

The land area of the city is 3,922 square kilometers and comprises 0.5% of Türkiye's lands. Population density is 88 inhabitants per km² while the average of Türkiye is 110. Population of the city center is 119,828. Most populated towns in Rize are Center, Ardeşen and Çayeli respectively whereas the least populated town is Hemşin. Male population outnumbers the female population with the share of 50.17% (173,430 male, 172,232 female).

The population growth rate of the province is determined by both the difference between the birth and mortality rates and net migration. Population growth rate is recorded as 3.78 ‰ for 2021, while the average population growth rate of the country within the same year is 12.67 ‰.

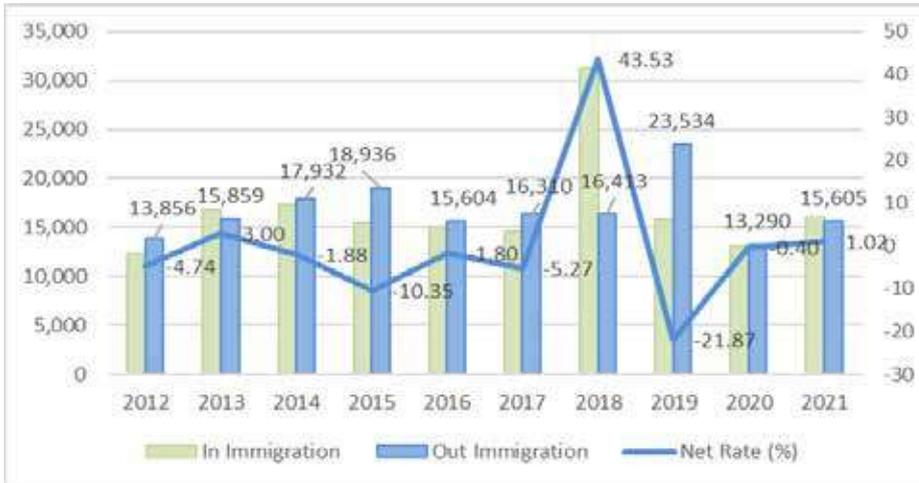
Immigration of the population is an important aspect for Rize demography. Similar to the other provinces in the region, Rize has been a center in which inter-provincial migration and emigration are observed. Figures are shown in Graph 1.

Table 1: Rize Population by Districts

Name	Province/Town Centers	Villages	Total
Merkez	119,828	30,586	150,414
Ardeşen	30,645	11,897	42,542
Çayeli	24,583	18,895	43,478
Pazar	17,946	13,732	31,678
Fındıklı	10,886	5,601	16,487
Kalkandere	6,871	6,640	13,511
Güneysu	8,722	7,344	16,066
İyidere	5,362	3,247	8,609
Derepazarı	3,913	3,144	7,057
İkizdere	1,875	4,534	6,409
Çamlıhemşin	1,763	5,166	6,929
Hemşin	1,472	1,010	2,482
Total	233,866	111,796	345,662

Source: Turk Stat, the Results of ABPRS, 2021

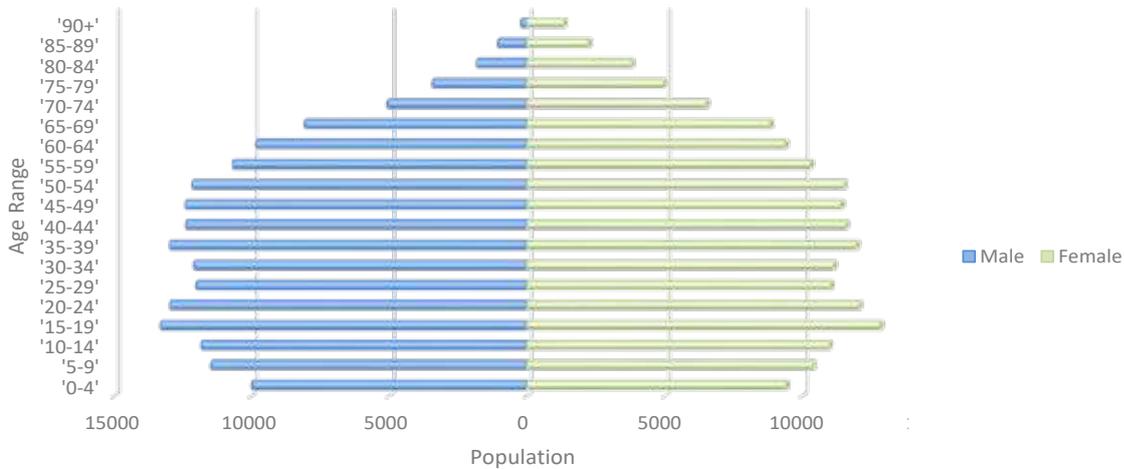
Graph 1: Rize Province Immigration Statistics



Source: Turk Stat, Immigration Stats

Median age is 37.9 and distribution of population by age and gender groups is shown in Graph 2. For the older ages the number of females exceeds males while in other age groups the population of males is more than females.

Graph 2: Population by Age and Gender Groups, 2021



Source: Turk Stat, Address Based Population Registration System Results

The proportion of young population entering into the working-age (15-24 age range) is 14.8% and is in accordance with the 15.6% country-wide average, implies an important potential at labor force supply.

Population in working-age (15-64 age range) represents 67,8% of total population. This ratio is close to the country-wide level of 68.3%. For the rest of the population, 18.5 % (64,061 inhabitants) is constituted by 0-14 age group and 13.2% (47,299 people) belongs to the 65+ age group.

The total dependency ratio demonstrates the number of people outside the working-age, which are 0-14 and 65+, for each 100 people in working-age (15-64). It is the sum of

the youth dependency ratio and the old-age dependency ratio. Lower rate of dependency ratio (higher rate of people in working age) implies a positive condition for economic growth. The values of dependency ratios for the year 2021 are 39, 22.4 and 16.6 percent for total, youth and old age dependency respectively ². With 39 percent dependency ratio, Rize is inline with country wide level of 37.75 percent.

Through those presented statistics above it can be said that Rize has a young human resource potential which can be used for economic development. The province that has a relatively low dependency ratio may generate a fast growing economy, if the population of working-age is well-trained and guided more efficiently.

² Calculations based on Address Based Population Registration System Results, 2020



2 LABOR FORCE

According to Turk Stat, TR90 has 62.6% labor force participation rate, which is significantly more than the level of country average (57.2%). On the other hand, 49.7% employment rate in TR90 according to 2021 data is above the country average that is 45.2%. As for the unemployment rate, TR90 has a percentage of 9.9 which is considerably below the country rate (12%). (Table 2)

Table 2: Basic Labor Force Indicators

Level	Labor force participation rate (%)	Employment rate (%)	Unemployment rate (%)
TR90	62.6	49.7	9.9
Türkiye	57.2	45.2	12

Source: TurkStat, 2021

The number of insured in Rize, according to 2021 data of SGK, is 93,792. 69.67% is wage worker, 16.41% is civil servants and 13.42% is agricultural insured or small business owners. Although people work in different jobs, most of the local people in Rize are engaged in tea farming.

Because of the tea farming based seasonal employment, overall employment rate in Rize may not be unerringly reflected on data. The reason for that is people working in tea farming and factories, are employed for about five months in a year. So, this seasonal characteristic of tea industry, which is the leading economic activity in Rize, does not provide continuous work for the members of the sector. Therefore it can be said that although it cannot be clearly inferred from data, unemployment is regarded as one of the important economic problems in the province. Several public institutions

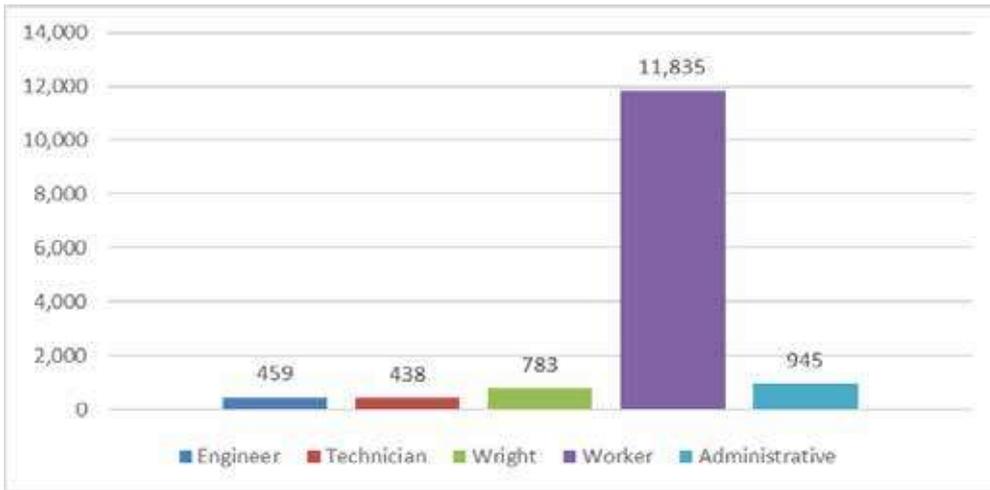
take serious steps in order to improve the qualifications of labor force and alleviate the problem of unemployment. For the purpose of improving labor force quality, different kind of vocational courses have been organized in Public Training Centers. By those courses, between the years 2003-2019 14,504 people were taught feretiko weaving (a traditional fabric made by hemp plant fibers) and created a group of highly qualified labor force for textile industry. In addition, in 2021 İŞKUR (Türkiye Employment Agency) trained 2,108 trainees within its courses related to labor force development and entrepreneurship.

According to 2021 data, there are 22,690 unemployed, consisting of 13,026 men and 9,664 women, registered to İŞKUR. The same data also indicates that 25.74% of the registered unemployed have vocational school or higher level of education.³

³ İSKUR, Türkiye Employment Agency

Graph 3 depicts the distribution of employees in terms of job positions within the firms having capacity report. In those firms, most of which operates in tea industry, non-qualified workers outnumber the employees occupying other positions. In addition, it can be stated that 472 engineers are employed in the province.

Graph 3: Employee Qualifications of the Firms Having Capacity Report, 2021



Source: Türkiye Union of Chambers and Commodity Exchanges

Considering the large proportion of young population and increasing quality of labor force through formal and occupational education, it can be claimed that, Rize has an advantageous position in terms of work force to be employed in new investments.





3 HEALTH

Rize has appropriate conditions in order to invest in health sector. Although the economic and social conditions of province have improved in many aspects, the capacity of healthcare organizations has not increased correspondingly. In addition, the population of province nearly doubles in summer months and so the existing capacity of healthcare organizations does not meet the need for health service. According to the data presented in Table 3, the total bed capacity in Rize province was 1.121 as of 2021.

Health services in the province are mainly provided by public health agencies and institutions. There is only one privately owned hospital in Rize. According to data sourced by Rize Public Health Directorate, the province has following healthcare organizations;

- 4 public hospitals,
- 1 training and research hospital,
- 5 district hospitals,
- 1 private hospital,
- 1 private medical center,
- 10 public health centers,
- 33 family health centers,
- 1 oral and dental health centers,
- 1 maternal and infant health and family planning center,
- 1 community mental health center (within the body of Rize State Hospital),
- 1 cancer early detection center (within the body of Rize State Hospital),
- 1 cancer control unit,
- 42 health houses,
- 27 112 stations.

Table 3: Health Service Capacities, In Terms of Number of Institutions and Beds

Years	Total		Ministry of Health		University		Private	
	A	B	A	B	A	B	A	B
2010	7	894	6	854	0	0	1	40
2011	7	1,012	6	972	0	0	1	40
2012	7	1,012	6	972	0	0	1	40
2013	10	1,018	9	972	0	0	1	46
2014	10	1,018	9	972	0	0	1	46
2015	10	1,018	9	972	0	0	1	46
2016	10	1,100	9	1,052	0	0	1	48
2017	10	1,095	9	1,047	0	0	1	48
2018	10	1,109	9	1,061	0	0	1	48
2019	11	1,121	10	1,073	0	0	1	48
2020	11	1,121	10	1,073	0	0	1	48
2021	11	1,121	10	1,073	0	0	1	48



A: Number of Institutions
B: Number of Beds

Source: Turk Stats, Provincial Directorate of Health

Table 4, presents information about the medical personnel serving in the province. Physical capacity of the health service organizations and the number of medical staff are increasing. However, in terms of number of doctors compared to the country average, Rize seems to be needing improvement. While there is one doctor for every 517 people in Türkiye, in Rize this number equals to 431.⁴



Table 4: Number of Healthcare Providers in Rize by Years

Years	Physicians Total	Specialist Physicians	General Practitioners	Assistant Physicians	Dentists	Nurse	Health Officers	Midwives	Pharmacists
2010	516	264	202	50	80	552	465	247	101
2011	504	222	216	66	86	674	554	258	104
2012	457	190	207	60	79	736	535	283	104
2013	478	198	204	76	77	775	639	316	113
2014	552	226	207	85	89	784	645	283	109
2015	587	292	200	95	94	816	692	250	116
2016	599	276	206	117	92	831	684	241	117
2017	685	307	237	141	97	917	757	240	122
2018	701	322	222	157	140	993	898	254	133
2019	728	326	228	174	174	999	914	257	142
2020	787	318	285	184	57*	977	783	282	124
2021	802	307	316	179	57*	956	757	275	130

* Only dentists working under the Health Directorate are covered.

Source: Turk Stats, Provincial Directorate of Health

Another important issue for the health sector in Rize is the presence of medicine faculty within the body of Recep Tayyip Erdoğan University. This situation can facilitate provision of healthcare staff for the new health investments.

⁴ Calculations based on Turk Stat Address Based Population Registration System Results and Health Statistics



4 EDUCATION

According to 2021 data, literacy rate⁵ in Rize;

- 99.03 %, among men,
- 94.29 %, among women,
- 96.7%, general rate.

Literacy rate of Rize is compatible with countrywide rate that is 96.5%.

Table 5: Population By Literacy Status and Gender (age 6+)

Literacy Status	Total	Men	Women
Illiterate	9,108	855	8,253
Literate	309,756	159,003	150,753
Unknown	1,582	703	879
Total	320,446	160,561	159,885

Source: Turk Stat, 2021

Table 6 presents statistics about population by education levels and gender over age 15. According to table, illiterate population is 8,915 in Rize whereas graduate and upper level educated population is 55,148.

Table 6: Population By Education Levels and Gender (age 15+)

Level of Education	Total	Men	Women
Illiterate	8,915	745	8,170
Literate but not graduated from any school	12,173	1,444	10,729
Primary school graduate (5 years)	53,585	23,096	30,489
Primary school graduate (8 years)	22,383	12,724	9,659
Secondary school graduate or equivalent	47,353	25,552	21,801
High school graduate or equivalent	80,854	46,896	33,958
College or faculty graduate	49,316	26,330	22,986
Master's degree	4,977	2,699	2,278
Doctorate	855	542	313
Unknown	1,485	650	835
Total	281,896	140,678	141,218

Source: Turk Stat, 2020

⁵ Unknowns are not included in the calculation

In Rize the total number of education institutions of pre-primary, primary education, upper secondary education, vocational and technical education is 303 for 2020/2021 period. Within those schools, a total number of 63,395 students are educated by 4,885 teachers.

Table 7: Number of Schools, Students, Teacher

Education Level	Schools	Teachers	Students	Students Per Teacher
Preprimary school	38	204	4,183	21
Primary school	87	1,147	16,100	14
Secondary school	97	1,512	16,870	11
General High School	35	752	13,818	18
Vocational	46	1,270	12,424	10

Source: Provincial Directorate of National Education, 2021

In addition, there are 13 Public Education Centre in the province.

University

Recep Tayyip Erdoğan University, at first was established as Rize University by the law that was put in effect in March 17th 2006. After that, by an amendment in law at April 11th 2012, the university received its current name.

In 2021, the number of students in RTE University is 17,054

The teaching staff in higher education institutions in the province with the establishment of the university has achieved a rapid increase and by 2021 number of academicians reached to 527 while academic staff has reached to 628.

There are 42 academic units constituted by 1 institutes, 15 faculties, 3 colleges, 6 vocational schools and 17 centers for practice and research.





5. SOCIAL AND CULTURAL LIFE



Theatre:

Number of the theatres in Rize is 3. Ismail Kahraman Cultural Center (IKKM) is a multi purpose hall containing two stages. Audience capacity is 820 seats. In Rize, 228 plays of the State Theaters were staged 468 times in 2011-2021 and watched by 149,852 spectators. In 2021, 64 events were held at IKKM.

Cinema:

In Rize, there are three cinemas and the total number of halls is 15 halls. Total number of seats is about 1,450.

Press:

There are 13 local newspapers in Rize. 12 of them are issued in city center and one of them belongs to the districts. In addition, 1 local television channel and 9 local radio station broadcast from Rize.

Libraries:

Total number of public libraries in Rize and its districts is 16. There are 222,815 books in these libraries. During 2021, number of library users was 42,170 and 29,199 books were lended.

Museums:

Rize Museum Directorate was established on 27.12.1985. There are three museums in Rize, Ethnographic Museum, Atatürk's House Museum and Çaykur Tea Museum.

- Rize Etnografya Müzesi (Sarı Ev)



- Rize Atatürk Evi Müzesi (Mehmet Mataracı Konağı)



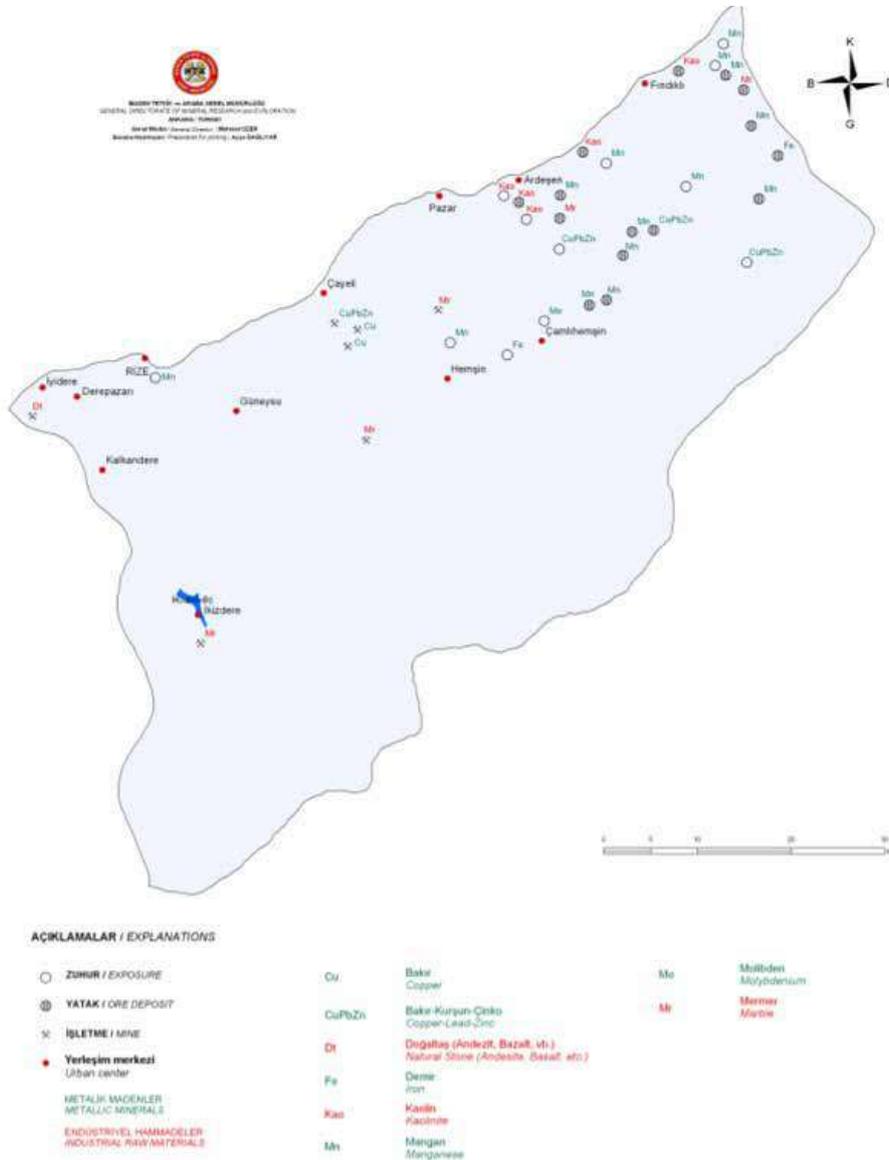
- ÇAYKUR Çay Müzesi (Beyaz Ev)





6 UNDERGROUND RESOURCES

Figure 1: Mining map of Rize



Rize is an important province of Eastern Black Sea region in terms of underground resources. Apart from existence of a large number of deposits, there are also continuing researches carried out by General Directorate of Mineral Research and Exploration.

Rize has observed potential at fixed copper-lead-zinc, kaolinite, manganese, iron, granite and geothermal resources. Mining sector in province makes important contribution to local economy as well as Turkish economy. Turk Stat 2021 data indicate that province's metal ore export, 111.1 million USD, constitutes 5.3 percent in metal ore export of Türkiye. ⁶

Source: General Directorate of Mineral Research and Exploration

⁶ Turk Stat, Foreign Trade Statistics, 2020

Table 8 presents information pertaining to mineral deposits of province. As observed in the table below, province has various deposits with significant potential. However, there is no established facility except for Çayeli-Madenköy.

Table 8: Mineral Resources of Rize

Name of Ore Bed	Tenor (%)	Reserve(t)	Description
Çayeli-Madenköy	7.32 Zn 4.7 Cu 1 gr/ton Au 68 gr/ton Ag	10,600,000	First Quantum
Fındıklı-Kartiba	45 Fe-22.91 SiO ₂	3,600,000	No Facility
Fındıklı-Akkaya	42.15 Fe-25.94 SiO ₂	400,000	No Facility
Fındıklı-Aslandere	23.30 Mn	12,000	No Facility
Çamlıhemşin-Topluca	31.87 Mn	15,000	No Facility
Ardeşen-Bayırcık	46.14 Mn	30,000	No Facility



Source: General Directorate of Mineral Research and Exploration

Underground resources of province can be examined within two subgroups as metallic and industrial raw materials.

In terms of metallic resources the most important minerals are; Copper-Lead-Zink, Iron (Fe), Manganese (Mn)

The most important area of the province in terms of mining is Çayeli- Madenköy copper-lead-zinc area. Çayeli Copper Co. Inc. which operates the mine announced that as of the end of 2021, 2 million tons of reserves remain. In the company copper concentrate with 25 percent tenor and Zinc concentrate with 50 percent tenor is produced. This production is shipped to foreign markets through Rize Port.

Table 9: Important Industry Raw Materials in Rize

Name of Ore Bed	Tenor	Reserve (ton)	Description
Ardeşen province Ayder plateau	7.6 total alkali ve % 3.1 Fe ₂ O ₃ content granite fields	Great potential exists	It can be used as an additive in colored fired ceramics after enrichment. No facility.
Fındıklı-Kube	% 13-20 Al ₂ O ₃ , % 0.5-3.7 Fe ₂ O ₃	365,000	No facility.
Ardeşen-Issızdere	% 15-22 Al ₂ O ₃	240,000	No facility.
İkizdere-Memişoğlu, Keçikayası	Solid Granite	-	Medium quality. No facility.
Ardeşen-Başmahalle	Gabro	-	Good quality. No facility.

Source: General Directorate of Mineral Research and Exploration

As for the industrial raw materials, Rize has Clay-caoline and Granitoid-marble resources. Table 9 presents basic information concerning raw material resources. As observed, there is no established facility which utilizes those resources.

6. UNDERGROUND RESOURCES

Table 10: Thermal Resources in Rize

Location	Year	Length in meters	Flow rate/ Heat	Explanation
Ayder	1986	211.4	12.0 lt/sec - 54o	Operator-City Administration
İkizdere	1998	40	3.0 lt/ sec - 57o	RIDOS
İkizdere	1998	266	6.0 lt/ sec - 65o	RIDOS
Ayder	1999	262	20.0 lt/ sec -	Operator-City Administration

Source: General Directorate of Mineral Research and Exploration

As for the industrial raw materials, Rize has Clay-caoline and Granitoid-marble resources. Table 9 presents basic information concerning raw material resources. As observed, there is no established facility which utilizes those resources.

The province has also important potential for thermal and mineral water springs. Table 11 presents data concerning 4 thermal springs in the province. These springs are used in spa centers and in the heating of facilities around them. Along with the fixed resources, new resources are likely to be found in close areas.

Additionally, Rize hosts 4 quarries, 1 sand and gravet pit. The matters extracted from those pits mostly used as filling materials.

When above mentioned potential of the province for the mining sector is considered, it can be suggested that the province offers important opportunities for the new investors. In addition, new regional investment incentive scheme allows the Turkish mining sector investments to benefit from **5th regions incentives**.







7. AGRICULTURE AND LIVESTOCK

Agriculture

Agricultural area in Rize is **58,185 ha**. 57,654 hectares of that area is used for long-lasting plants, and the rest is other agricultural cultivated area.⁷ Tea plantations comprises 55,394 hectares area (95.2% of the total agricultural area). In 2021, **total tea production of Rize is 1,022,062 metric tons with a share of 70.5% in Türkiye total.**

Agricultural land of Rize constitutes a tiny portion of the total agricultural land (0.25%). So, agricultural activities are limited because of the inadequacy of agricultural lands.

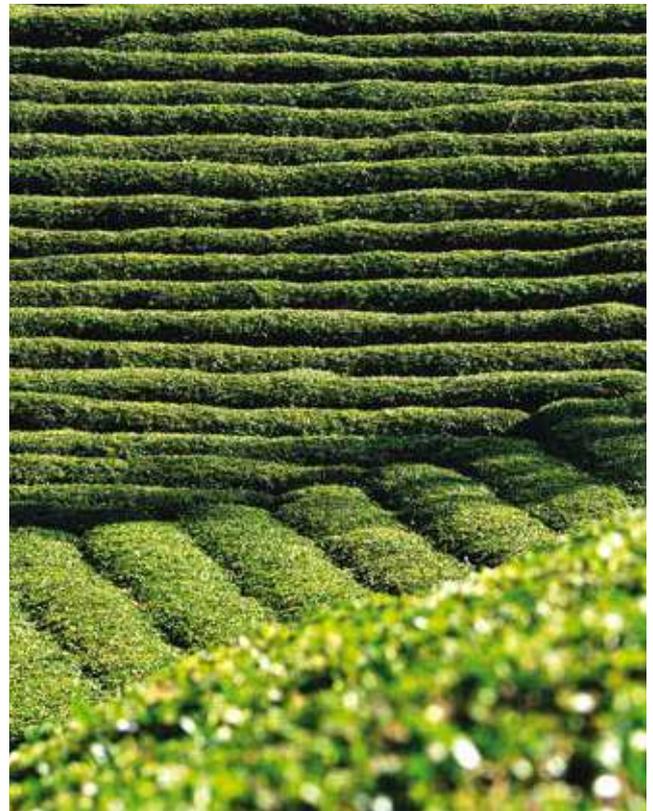
In 2021, Rize has a share of 1.3% in total plant production of Türkiye with a production value of 4.08 billion TL.

In terms of total harvested area, grains are prevalent than the other crops in 2021, with the portion of 89.3%. Dry beans (5.5%) and potatoes (3%) follows grains by share in production.

The total amount of cereals and other crops production in Rize was 1,625 and 2009, whereas in 2021 the amount of production was 627 tons.

On the other hand, amount of total vegetable production in 2009 was 1,985 tons, it is 1993 tons by 2021.

In recent years, fruit production in Rize has increased mainly effected by tea production. Rize with a production of 5,621 tons is the highest kiwi producing province in the country after Yalova, Bursa, Mersin, Samsun and Ordu. Kiwi fruit production popularity tends to decrease in recent years due to the insufficient cold storage infrastructure.



⁷ Turk Stat, 2021

Greenhouse production of vegetables and fruits is not applied in the province of Rize.

There is a considerable potential in Rize for organic farming and production. It is being implemented especially in tea, hazelnut, kiwi and honey production. In 2021, 28,937.2 tons of products were obtained from organic farming activities carried out in an area of 4,075 hectares and 27,745 tons of this is organic tea.

Animal Husbandry

Animal husbandry activities as scale are not developed and they do not reflect the potential of the province. Values of live animals and animal products in Rize constitute just 0.3% of Türkiye's corresponding values. In terms of the value of livestock, Rize is ranked 80 out of 81 provinces, and in terms of animal products Rize takes 66th place.

In 2021, number of is 21,173 cattle, 9,234 sheep and 21,842 goat.

For 2019, cattle milk has the biggest proportion in milk production and total milk production is 29,995 tons.

Besides, honey production decreased to 688 tons in 2021.



Fishing

In terms of fish production, Rize takes fourth place after Ordu, Trabzon and İstanbul. It has a potential for plentiful and good quality fish. Rize fishermen, with their fishing boats carrying 30 to 40 tons, make sea fishing. Through its coasts valuable fish such as anchovies, mullet, mackerel, bonito, turbot, garfish, bream, whiting, bluefish, red snapper, shad and others are abundant.

Eastern Black Sea region constitutes more than 45% of the total production of seafood in Türkiye. 3,839 ships are located in Eastern Black Sea Region while totally 14,243 ships in Türkiye are used in fishing activity. So, in the light of these statements it can be said that comparative productivity is high in this Region.

In Rize, 2021 production of fish breeding and pisciculture activities in inland waters was 1,013 tons, and the production in the sea was 1,645 tons of trout. As a result of the investments and promotional activities carried out in recent years, export figures are increasing remarkably.





8 DOMESTIC TRADE

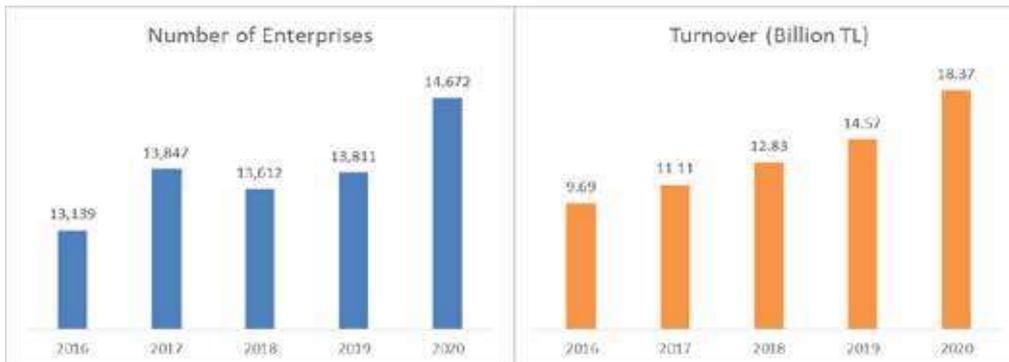
According to the Entrepreneur Information System data, in Rize, there are 14,672 enterprises in 2020 and the total turnover of these enterprises is 18.37 billion TL. The number of enterprises, turnover and number of employees in Rize province by years are shown in Table 11.

Table 11: Entrepreneur Information by Years

Years	Number of Entrepreneur	Turnover (TL)	Number of Paid Employees
2016	13,139	9,686,243,356	36,184
2017	13,847	11,107,440,159	40,384
2018	13,612	12,832,945,849	38,920
2019	13,811	14,570,855,069	28,489
2020	14,672	18,371,860,565	33,201

Source: Entrepreneur Information System

Graph 4: Change in Number of Enterprises and Turnover by Years

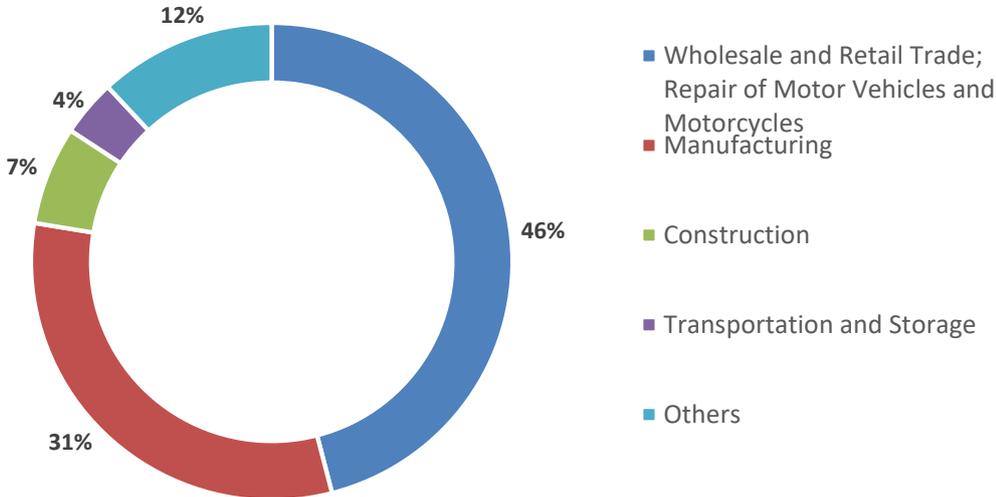


Source: Entrepreneur Information System

It is observed that the turnover in Rize has been increasing continuously. The number of startups has generally increased, except for minor declines over a few years. The number of paid employees, on the other hand, showed significant decreases and increases. In Graph 4, the trend of the number of enterprises and turnover by years can be observed.

Most of the turnover in Rize happened in the level of “Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles” (8.44 billion TL). The second place is “Manufacturing” (5.81 billion TL) and “Construction” (1.22 billion TL) is in the third place. In Graph 5, the sectoral distribution of the realized turnover can be seen.

Graph 5: Sectoral Distribution of The Realized Turnover



Source: Entrepreneur Information System

In Rize, 3.65 billion TL worth of retail trade (excluding motor vehicles and motorcycles), 3 billion TL worth of wholesale trade (excluding motor land vehicles and motorcycles), and 1.8 billion TL of repair of motor vehicles and motorcycles by wholesale and retail trade happened in 2020. 90% of the turnover in the manufacturing sector (5.25 billion TL) is at the level of manufacture of food products. The largest share in the manufacture of food products belongs to the coffee and tea-processing sector with a turnover of 4.68 billion TL. It is understood from this that the most important economic activity in Rize trade is the processing of coffee and tea.

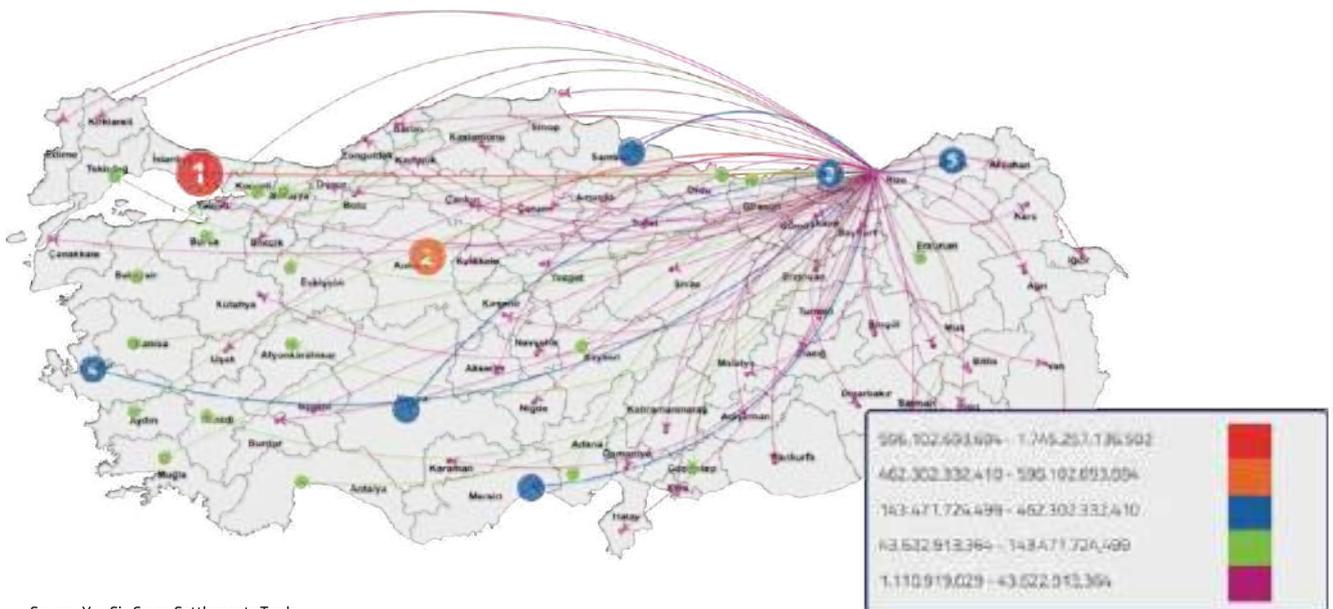


8. DOMESTIC TRADE



When we look at the relations with other cities in Rize trade, it is seen that the most sales from Rize are made to Istanbul, and the most purchases are made from Istanbul. Intercity sales trade from Rize is shown in Figure 2.

Figure 2: Rize's Intercity Trade (Sales)



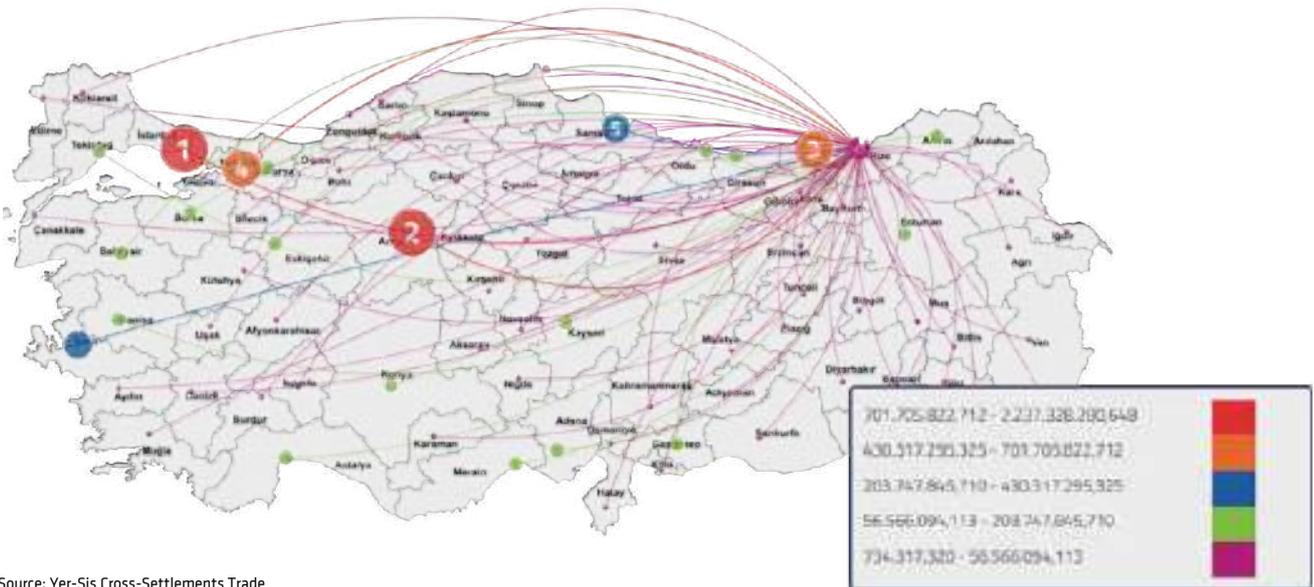
Source: Yer-Sis Cross-Settlements Trade

According to Yer-Sis data, the 5 cities that Rize makes the most sales are respectively İstanbul (1.75 billion TL), Ankara (596.1 million TL), Trabzon (462.3 million TL), İzmir (259.2 million TL) and Artvin (193.4 million TL).



The buying-side trade of Rize from other cities is shown in Figure 3.

Figure 3: Rize's Intercity Trade (Purchase)



Source: Yer-Sis Cross-Settlements Trade

According to Yer-Sis data, the top 5 cities in Rize's purchases are respectively İstanbul (2.4 billion TL), Ankara (714.9 million TL), Trabzon (701.7 million TL), Kocaeli (487.7 million TL) and Samsun (430.3 million TL). As can be seen, the cities in the first three places in terms of both sales and purchases do not change.



9 FOREIGN TRADE

With 208.4 million USD of total export in 2021, Rize ranks 10th among 18 Black Sea Region provinces and 47th among all provinces of Türkiye⁸. 9.76 percent of Eastern Black Sea Region's total export is generated in Rize. Volume of total import on the other hand has realized in the amount 56.51 million USD. The province provides exporters with important advantages such as presence of an important port and closeness to Georgian Border. In addition, Rize free zone established on 5,000 m² area offers important opportunities to exporters. Also, completion of Ovit Tunnel and the planned "Eastern Black Sea Industrial Development Zone" the province will increase its attractiveness to exporters in terms of logistics infrastructure.

Table 12 shows that total export reached to 390 million USD historical peak in 2012. The value of exports and imports per person in 2021 is 603 USD and 163 USD respectively. With these data the province gets a 1 ‰ share in Türkiye's total exports.

Table 12: Foreign Trade Values of Rize (1,000 USD)

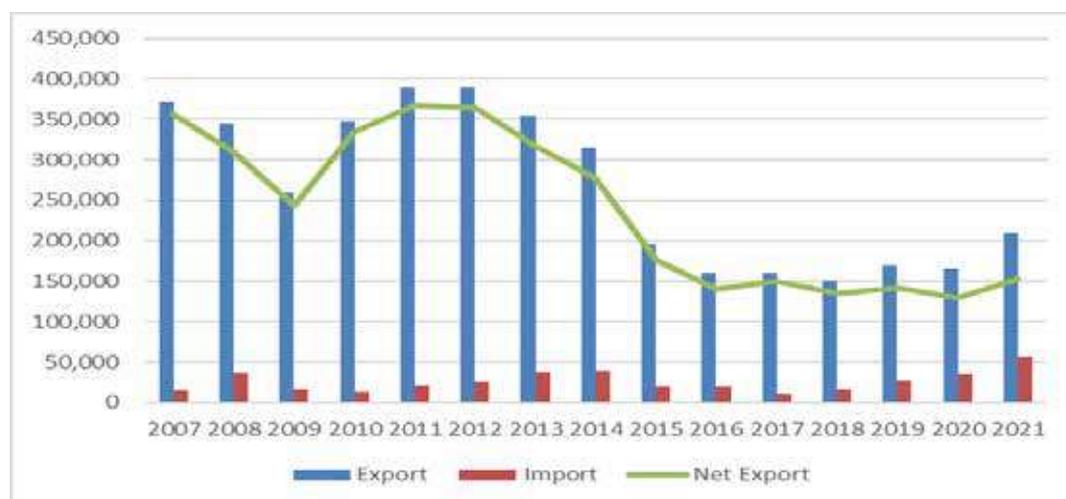
Years	Export	Import	Net Export
2007	371,934	14,974	356,960
2008	345,150	35,759	309,391
2009	259,798	16,161	243,637
2010	348,082	13,597	334,485
2011	389,543	22,099	367,444
2012	390,016	25,940	364,076
2013	354,741	38,155	316,586
2014	315,612	38,423	277,190
2015	196,017	20,596	175,421
2016	160,692	19,911	140,781
2017	160,532	10,622	149,910
2018	150,676	16,093	134,583
2019	169,170	27,442	141,728
2020	165,395	35,321	130,074
2021	208,434	56,512	151,922

Source: Turk Stat, Foreign Trade Statistics

When the course of export and import examined in Graph 6 the total export value increased consistently until 2008 global financial crisis. After the crisis total export recovered quickly and exceeded the 2007 level in 2012. On the other hand, by 2012 a decrease in export is noticed. The main reason behind this is decrease in mining export which constitutes an important share of the Rize export, related to the copper mine reserve exhaustion.

⁸Turk Stat, Foreign Trade Statistics, 2021

Graph 6: Total Export and Import (1,000 USD)



Source: Turk Stat, Foreign Trade Statistics

Table 13 presents data concerning the economic activities in which more than 1 million USD of export obtained. Mining of metal ores takes the first place (53.31%) and followed by “manufacture of food products and beverages” (23.78%) and “fishery” (9.05%) successively. Although there exist export data for 28 industries, export of province mostly depends on the mining of metal ores. The most striking point is that Rize’s export in mining of metal ores comprises 5.3% of countrywide metal ore export.

Table 13: Export Volume of Rize by Economic Activity, 2020

Code	ISIC Rev.3-Level 2 Code	Export USD	Share in Total Export of Province (%)	Share of Rize in Total Export of TR90 (%)
13	Mining of metal ores	111,106,533	53.31	64.94
15	Manufacture of food products and beverages	49,562,975	23.78	8.26
5	Fishery	18,856,202	9.05	66.45
24	Chemicals and products	6,874,351	3.30	27.01
29	Manufacture of machinery and equipment n.e.c.	2,859,336	1.37	3.92
1	Agriculture and husbandry	2,825,399	1.36	0.28
17	Manufacture of textiles	2,594,352	1.24	38.55
31	Manufacture of electrical machinery and apparatus n.e.c.	2,389,344	1.15	66.25
21	Manufacture of paper and paper products	1,935,203	0.93	44.30
25	Manufacture of rubber and plastics products	1,654,662	0.79	12.55
26	Manufacture of other non-metallic mineral products	1,506,424	0.72	8.18
28	Manufacture of fabricated metal products, except machinery and equipment	1,295,804	0.62	10.76
20	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1,188,978	0.57	9.43
35	Other transportation vehicles	1,034,204	0.50	47.80
	Total	208,434,439	98.68	9.74

Source: Turk Stat, Foreign Trade Statistics

9. FOREIGN TRADE

Table 14 shows the main export markets to which the province makes most of its sales. China, Russia, Bulgaria, Georgia, and Belgium are the main export markets that constitute 87.2% of total Rize exports. Due to the high share of metal ore in the export figures, the table is to a large extent influenced by metal ore exports. Excluding Çayeli Copper Mine and Çay-Kur almost all firms export to Georgia.

Table 14: Export Volume of Rize by Countries, 2021

Export Market	Export (USD)	Share in Rize export
China	69,373,592	33.3%
Russia	44,507,852	21.4%
Georgia	32,400,851	15.5%
Bulgaria	25,702,807	12.3%
Azerbaijan	9,709,863	4.7%

Source: Turk Stat, Foreign Trade Statistics

A very large part of exports in the province of Rize is carried out by a Canadian company named as First Quantum Mining Co. which owns Çayeli Copper Operations. The company has been exporting all ore mined. The company exports many industrialized countries. Unless new reserve is found, the company will finish its operations in the near future. According to the information received from the company, the production to be made will decrease by more than 10% every year. This situation is expected to cause a significant decrease in provincial exports.

Considering the non-mineral exports, a significant share of exports belongs to the food and chemical substances.

Table 15: Import Volumes of Rize by Economic Activities, 2021

Code	ISIC Rev.3-Level 2 Code	Import	Share in Total Export of Province	Share of Rize in Total Export of TR90
10	Mine coal, lignite and turb	28,345,848	50.16	53.38
24	Manufacture of chemicals and chemical products	18,072,780	31.98	64.43
23	Manufacture of coke, refined petroleum products and nuclear fuel	3,737,285	6.61	48.67
29	Manufacture of machinery and equipment n.e.c.	2,566,019	4.54	6.32
34	Manufacture of motor vehicles, trailers and semi-trailers	1,049,001	1.86	79.28
1	Agriculture, hunting and related service activities	825,306	1.46	3.78
	Total	56,512,351	96.61	20.57

Source: Turk Stat, Foreign Trade Statistics

This export is largely carried out by non-manufacturing companies with the products that are produced outside the province. Therefore, the province's economy is almost completely dependent on tea. The product of tea is used almost entirely in domestic consumption, and the amount of tea export is about 3% of total exports. Turkish tea is produced without chemical spraying and because it is pesticide-free, it has a significant competitive advantage in international markets. In case of right marketing investments it can contribute to exports of the province.

For non-mineral export products, Georgia and Azerbaijan comprise the market to a large extent. Companies choose Rize as the center for reasons such as proximity to the market and the low density and waiting time of Rize customs in the provinces where the production is made.

As reasons for the small number of exporting firms it can be said that firms could not develop export culture and corporate understanding, and they are lack of qualified personnel to work in this field.

Rize with a total of 56.51 million USD, import figures realized in 2021 is 0.2 % share of imports of Türkiye. The import figures of Rize province remain above exports and the province gives foreign trade surplus.

Table 15 presents the economic activities in which more than 800,000 USD import occurred. In 24 different groups of economic activities the province imports goods and services. Imports of Mine coal, lignite and turb constitutes 50.16 % of the total imports of the city.

Comparing the bundle of exported and imported items it can be said that the province is net exporters of low-value added goods and importer of fossil fuels and industrial products.

Table 16 shows five countries from which Rize imports most. Russia takes first place by far because of the fossil fuel import.

Table 16: Import Volume of Rize by Countries, 2021

Country	Import (USD)	Share in Rize import
Russia	28,521,232	50.5%
Oman	7,711,851	13.6%
Norway	6,127,238	10.8%
China	5,038,469	8.9%
Mexico	3,742,150	6.6%

Source: Foreign Trade Statistics

Rize Free Zone

Free Zones are defined as fenced-in areas in which special regulatory treatment exists for the operating users in order to promote exports of goods and services. According to Free Zones Law Nr. 3218; free zones are regarded as being outside of the customs territory and legislative provisions pertaining to customs and foreign exchange obligations are not applicable in these zones.

The basic tax related advantages that free zone occupants can benefit are:

- Exemption from income and corporate taxes accrued from the revenues generated within the free zones, until the year Türkiye becomes a full member of the European Union.
- Exemption from the income taxes accrued from wages of the workers employed by the occupants that export at least 85 percent of goods produced in free zones.
- Exemption from the stamp duties and fees pertaining to the transactions and arranged documents related to activities of manufacturer users.

Along with these fiscal advantages, free zones provide numerous advantages to the investors such as; reduced bureaucratic procedures and dynamic management, easy access to EU countries, and facilitation of foreign trade. Moreover, transferring the revenue or earning of enterprises, from free zone activities, to abroad or within Türkiye does not require any permission.

Rize Free Zone was established in 1997 and total volume of foreign trade since the year of its establishment until 2018 has been 56.5 million USD. Table 17 shows the trade volume by years 2014 and 2021.

Table 17: Trade Volume of Rize Free Zone, (1,000 USD) (2014-2021)

Years	2014	2015	2016	2017	2018	2019	2020	2021
Trade Volume	3,522	3,185	1,136	918	202	0	8	0

Source: Rize Free Zone Directorate



10. LOGISTICS

Geographical location on historical Silk Road and presence of an important port which is located at the furthest east of the Europe make Rize an important center for logistics. Characteristic of province, in terms of logistics, is shaped by;

- East-West, North-South directional highway connections,
- Important location in Asia-Europe transportation,
- Existing tourism and trade potential

Transportation in Rize is carried out by road and maritime transport. There is no railway in the province. Currently, air transportation is carried out with Rize-Artvin Airport, which was opened in 14 May 2022. The transportation is possible from all other provinces for four seasons.



Road Transport

Road transport is the major mode of freight and passenger transportation in Rize. There is network of highways to Rize from all parts of Türkiye. Moreover, there are Rize-Batum, Rize-Tiflis intercountry bus services for the tourists coming from the Commonwealth of Independent States. Total length of roads within the border of province is 6,285 km consisting of 482 km state and provincial road and 5,707 km village road.

Rize is linked by road with Trabzon (76 km west), Artvin (159 km east), and Erzurum (251 km south). The Black Sea axis is predicted to establish close relations with East Europe and Commonwealth of Independent States. However, this axis is an important hub for the inner lands. By this perspective, East Black Sea Highway which reaches from Samsun to Sarp with a length of 542 km is an important asset for developing trade and tourism of the region. After completion of connection to West Black Sea and third Bosphorus Bridge it will become one of the most important highways on coast in the world.

In addition, there are construction projects aimed to combine Mediterranean and Black Sea on the main road route.

By completion of Ovit Tunnel project which connects Rize and Erzurum, inter-provincial transportation has been continuous for 12 months. Thanks to the tunnel, the transportation of the Black Sea to the Mediterranean and the GAP region is easier and faster. Ovit Tunnel consists 14.7 km double tube highway and 1.5 km avalanche tunnels.



Sea Transport

60 percent of 208.4 million USD exports in 2021 were carried out by sea. Rize port has one of the most appropriate topographic conditions for development, among other Black Sea ports. Since it is connected to Iran with Rize-Erzurum highway, it serves as short cut for transportation between Black Sea Region and Middle East. The hinterland of the port consists of Hopa and Georgia with highway connection from east, Georgian Port of Poti with Roro line in North, Iran from south. Port of Rize has 170,000 m² hinterland and 11,000 m² indoor area. The longest quay is 200 m. In addition, jetty of the port is planned to be extended in two years by government sources. In Table 18, the distance of Rize port to some important ports is shown. The distance to Poti Port of Georgia is remarkably short as observed from the table below.

Table 18: Distance of Rize Port to Some Selected Ports

Ports	Distance
Port of Hopa	45 miles
Port of Trabzon	37 miles
Port of Samsun	190 miles
Port of İstanbul	551 miles
Port of İzmir	800 miles
Port of Mersin	1,284 miles
Port of Poti	84 miles
Port of Malta	1,364 miles
Port of Trieste	1,686 miles
Port of Lisbon	2,633 miles
Port of Rotterdam	3,695 miles
Port of Antwerp	3,700 miles
Port of Singapore	6,334 miles

Source: RIPOPT, Rize Port Administration Co.





11 INVESTMENT

In order to evaluate investment profile and potential of province, it is useful to separate the topic into two parts as public and private investment.

Public Investment

Public investment generally enjoys the quality of capital intensive public spending. Investments such as road, dam, irrigation canal, port and school helps to improve infrastructure and increase the productivity of private sector. Thus, public investment has essential role in the development of the province.

Under the classification of Türkiye Presidency Strategy and Budget Administration Office public investments are viewed under 10 categories as mining, manufacturing, energy, transportation-communication, tourism, housing, health and other public services (OPS). In Table 19, distribution of public investment by sectors and years is shown

Table 19: Public Investment by Sectors and Years (1,000 TL)

Sector	2015	2016	2017	2018	2019	2020	2021
Transportation	730,280	538,835	661,414	908,080	1,184,771	1,533,805	2,052,199
OPS	38,129	39,733	67,900	139,492	140,727	40,794	138,230
Schooling	65,928	53,668	69,449	163,055	79,531	3,155	11,020
Agriculture	55,915	77,694	71,014	116,214	119,600	53,061	153,751
Energy	12,103	13,564	30,402	42,934	13,845	977	23,065
Health	12,730	4,897	875	774	-	-	-
Manufacture	110,766	103,639	226,653	156,014	60,687	20,238	50,063
Housing	1,885	140	140,200	100,000	80,079	887,016	1,840,126
Tourism	6,653	8,497	10,829	36,440	27,286	12,437	17,927
Mining	1,010	202	-	-	1,572	-	-
Total	1,035,399	840,869	1,278,736	1,663,003	1,708,099	2,551,485	4,286,382

Source: Provincial Directorate of Planning and ILYAS Reports

In 2021, public investments with an amount of 4.29 billion TL has been addressed to Rize (last year it was 2.55 billion TL). Top three sectors by public investment are transportation (2.05 billion TL), housing (1.84 billion TL) and agriculture (153.75 million TL).

Private Sector Investment

When the private sector investment pattern is evaluated, it is seen that tea processing, sand and gravel pits, ready mixed concentrate manufacture, other food production and packing has predominance in total investments.

According to the Union of Chambers and Commodity Exchanges of Türkiye 2021 data, there are 247 firms with capacity report in the province. The distribution of these firms by top five economic activities is shown in Table 20. Processing of tea and coffee comes first with the total number of 120, which constitutes nearly half of the total number of firms.

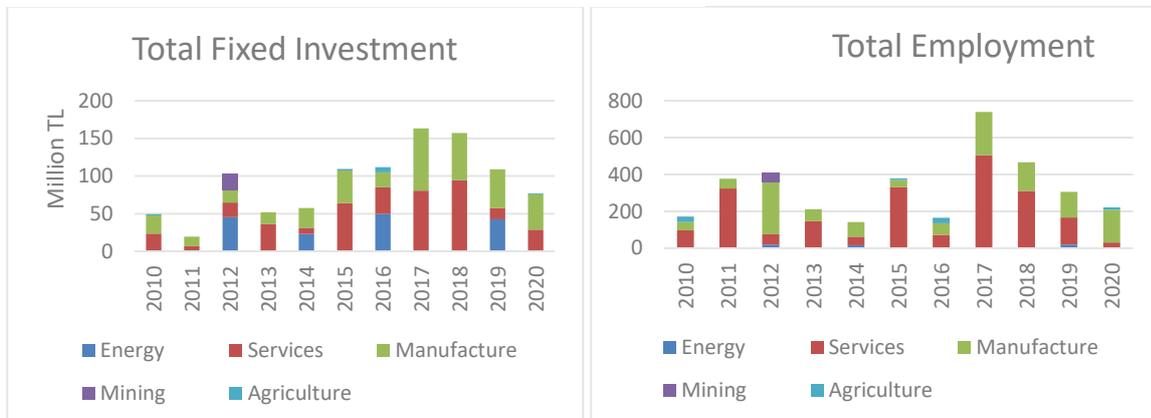
Table 20: Distribution of Firms Operating In Top Five Economic Activities

Rank	Nace Activity Code	Activity	Number of Capacity Report
1	10.83	Processing of tea and coffee	120
2	08.12	Operation of gravel and sand pits; mining of clays and kaolin	20
3	23.63	Manufacture of ready-mixed concrete	16
4	08.11	Quarrying of ornamental and building stones and limestone, gypsum, chalk and slate	15
5	82.92	Packaging activities	14

Source: Türkiye Union of Commerce and Commodity Exchanges, 2021

The 143 investment incentive certificates registered 2009-2021 period give important insight about the current state and areas of the investment. Within this period, investment incentive certificates are mostly on food and beverage manufacture and tourism subsectors. This situation implies that while the interest of investors to tea production increases, the tourism sector flourish as well. Graph 5 illustrates fixed investment and number of employment during 2009-2021 period.

Graph 7: Investments with Incentive Registration After 2009



Incentive certificates that were registered from 2009 to 2021 include 1.314 billion TL fixed investment and employment in Rize is expected to be increased by 3,888 new vacancies.

11. INVESTMENT

Eastern Black Sea Development Agency, Rize Investment Support Office

By the Law on The Establishment and Duties Of Development Agencies, dated 25.01.2006 Investment Support Offices were given right and duty to; “follow and coordinate centrally the permission and license transactions of investors in private sector within duties and authorities of public institutions and organizations and other administrative works and transactions on time specified in the related legislation, inform and guide the investor in accordance with the application conditions and required documents within the framework of the related legislation,”

Rize Investment Support Office is operating on “Menderes Bulvarı no.522 Rize Ticaret Borsası Giriş Katı, Rize/ Türkiye” address and contact information of the personnel in charge is as follow;



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Some Potential Investment Areas

Below is listed some potential investment areas for Rize province:

- **Organic Tea Production:** Because of the climate conditions, chemicals are not used in tea growing in Rize. Although some similar narrow regions available using no chemicals on other countries, there is no land as large as Black Sea. Thanks to this, it is very easy to produce organic tea in Rize just as starting the use of organic fertilizers.
- **Fruit and Vegetables Processing and Storing:** Especially, the increase on kiwi fruit growing is making processing and storing facility more demanded. The investment opportunity in this issue is also analyzed by feasibility reports.
- **Tourism:** Growing interest to the region for natural and alternative tourism also supported the attraction of the investing. The interest of Arabic tourists also assisted the growth of tourism sector in Rize. In addition, Rize has advantage of being the nearest tea growing region to Europe. As tea consumption becomes more popular in Europe, consumers' desire to see plantations can be satisfied with suitable tour programs.
- **Agricultural Industry:** It is possible to produce specialty tea through new investments.
- **Pisciculture and Fish Processing:** Rize has suitable conditions for sea and fresh water pisciculture. Depending on the pisciculture and fishing potential in the province processing and cold storage facility investments become necessary.
- **Machinery and Parts Manufacture:** Some of the machinery demands of the tea 135 factories are supplied by the recent manufacturers but still there is a room for capacity.
- **Wooden Products and Furniture manufacture:** There is a high volume of forestry stock in the province and near geography. Especially, investments focusing on product development for using redwood (*Alnus glutinosa ssp.barbata*), which is very high population in province, as a raw material will have a reasonable advantage.
- **Pistol Manufacture:** Qualified personnel is available for pistol manufacturing in the province as it is a tradition to make handmade pistols.
- **Clothing, Confectionary, Textile and Shoe Manufacture:** Primarily Black Sea region and in addition Russia, Azerbaijan, Iran and Middle Asia countries can be served through a facility in the province.

Investment Incentive System

Investments are supported within the framework of the Council of Ministers Decision dated 19.06.2012 and numbered 2012/3305 and the provisions of the Implementation Communiqué No. 2012/1 regarding the implementation of this Decision. The incentive system consists of 4 different applications.

- 1- General Incentive Practices
- 2- Regional Incentive Practices
- 3- Incentive of Priority Investments
- 4- Incentive of Strategic Investments

The support elements provided in the scope of these applications are shown in Table 21.

Table 21: Incentive System Support Elements

Support Elements	General Incentive Practices	Regional Incentive Practices	Incentive of Priority Investments	Incentive of Strategic Investments
VAT Exemption	✓	✓	✓	✓
Customs Duty Exemption	✓	✓	✓	✓
Tax Discount		✓	✓	✓
Insurance Premium Employer Share Support		✓	✓	✓
Insurance premium (Employee Share) Support*		✓	✓	✓
Interest or Profit Share Support **		✓	✓	✓
Investment Place Allocation		✓	✓	✓
VAT Refund***				✓

* Provided for strategic investments supported within the scope of the Technology Oriented Industrial Move Program (TOSHP) if the investment is made in the 6th Region.

** Provided if the investment is made in the 3rd, 4th, 5th or 6th regions in Regional Incentive Practices.

*** Provided for strategic investments with a fixed investment amount over 500 million TL. Building-construction expenditures related to all investments with incentive certificates to be realized in the manufacturing sector in the years 2017-2024 can also benefit from VAT refund.

11. INVESTMENT

1- General Incentive Practices

Except for investments that will not be incited do not meet the conditions sought for incentives, investments above the minimum fixed investment amount and capacities are supported within the scope of General Incentive Practices, regardless of region, The minimum investment amount for investments with general incentive certificates to be implemented in Rize is 1,500,000 TL.

2. Regional Incentive Practices

With the Provincial SEGE 2017 and District SEGE 2017 studies prepared by the General Directorate

of Development Agencies, the relative rankings and ranks of the provinces and districts were determined. According to the Provincial SEGE 2017 study, Rize is among the 3rd region provinces. In addition, Çamlıhemşin, Derepaşarı, Güneysu, Hemşin, İyidere, İkizdere and Kalkandere districts have been included in the sub-region category according to their development levels and can benefit from the 4th region support. Investments to be made in Rize OIZ, located in the Kalkandere district, will benefit from the support of the 5th region. The minimum fixed investment amount in regional incentives is applied as 2,000,000 TL for Rize province. Information on the support elements of the regional incentive system can be examined in Table 22.

Table 22: Regional Incentive System Support Elements

Support Elements			REGIONS					
			I	II	III	IV	V	VI
VAT Exemption			✓	✓	✓	✓	✓	✓
Customs Duty Exemption			✓	✓	✓	✓	✓	✓
Tax Discount	Contribution to Investment rate (%)*	Inside OIZ	15	20	25	30	40	50
		Outside OIZ	20	25	30	40	50	55
Insurance Premium	Support Period	Inside OIZ	2 years	3 years	5 years	6 years	7 years	10 years
Employer Share Support **		Outside OIZ	3 years	5 years	6 years	7 years	10 years	12 years
Investment Place Allocation			✓	✓	✓	✓	✓	✓
Interest Support	Internal Credit		-	-	3 points	4 points	5 points	7 points
	Foreign Currency indexed		-	-	1 points	1 points	2 points	2 points
Insurance premium Employee Share Support			-	-	-	-	-	10 years

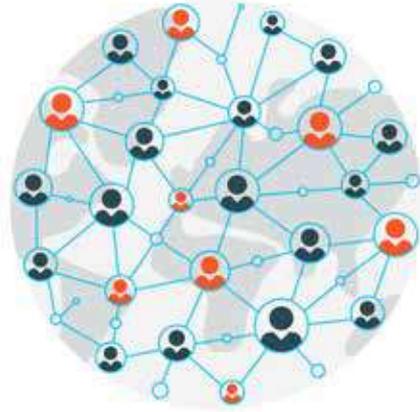
*In the scope of investment incentive certificates issued for the manufacturing industry (US-97 Code: 15-37), 15 points are added to the investment contribution rate valid in each region for the investment expenditures to be made between 1/1/2017 and 31/12/2022. In addition, the tax discount rate is applied as 100% in all regions and the rate of the investment contribution amount that can be used in the investment period is 100%.

** If requested during the application phase of incentive certificate, with the condition of the tax discount is not used, the ratio of the support to the fixed investment amount is increased by half of the investment contribution rate.

Building-construction expenditures related to all investments with incentive certificates to be realized in the manufacturing sector in 2017-2024 can benefit from VAT refund.

3. Incentive of Priority Investments

In line with the needs of the country, the investments to be made in the determined areas were determined as priority investments and even if these investments were made in the 1st, 2nd, 3rd and 4th regions, the support applied in the 5th region was provided. If these investments are made in the 5th and 6th Regions, the supports applied in their own regions are provided.



4. Incentive of Strategic Investments

Investments in the production of intermediate goods or products with high import dependency are supported within the scope of strategic investment incentive practices. Investments to be supported within this scope must meet all of the following criteria.

- Minimum fixed investment amount being 50 million TL,
- The total domestic production capacity of the investment product is less than the import,
- Minimum 40% of the added value provided by the investment (this condition will not be sought for refinery and petrochemical investments),
- The total import value of the product to be produced is at least 50 million USD in the last 1 year.





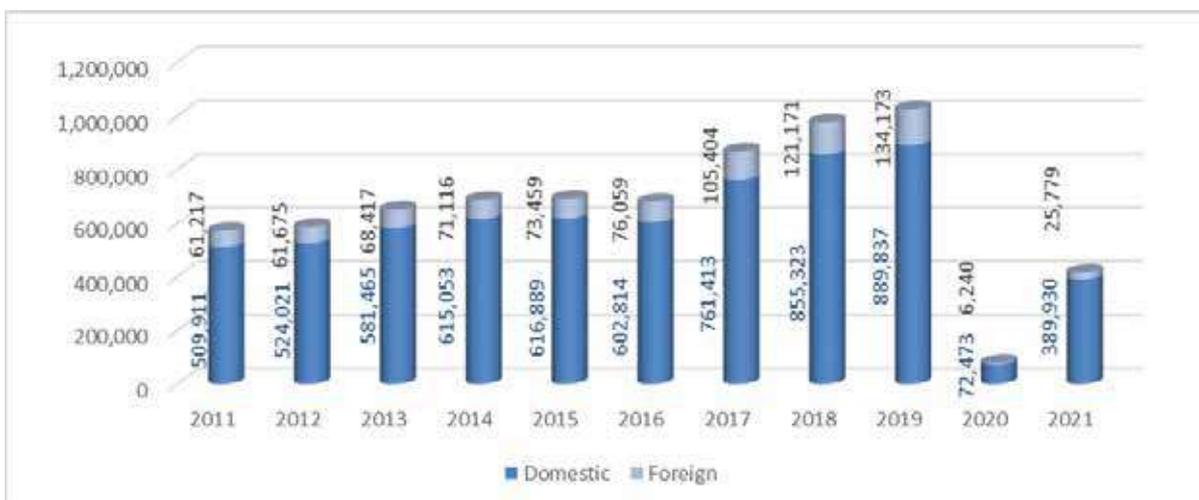
12. TOURISM

Due to its land forms, rich flora and fauna, thermal springs, beaches and historical artifacts, province of Rize has a considerable tourism potential. Furthermore, these characteristics of the province enable various types of touristic activities to be carried out. Especially, owing to the alternative tourism opportunities increasing number of domestic and international tourists are visiting the province.

The number of domestic and international tourists from Directorate of Tourism and Culture's records is illustrated in Graph 6. As observed clearly, both the number of domestic and international tourists increased continuously until 2020. Total number of visitors in

2019 was **1,024,010** which were comprised of 889,837 domestic and 134,173 foreign tourists. Mostly domestic tourists visited the province, and according to data from the last period, during the summer months the province gets its peak visitors (53%). Within the attempts of the regional authorities, aimed at promoting the province abroad, the interest of foreign tourists to the province is expected to increase. However, in 2020, there has been a significant drop in the number of tourists due to covid-19 pandemic. In 2021, a total of 415,718 tourists visited Rize, of which 389,930 were domestic and 25,779 foreign tourists.

Graph 8: Number of Tourists by Years in Rize



Source: Provincial Directorate of Tourism and Culture

Table 23 demonstrates data concerning accommodation facilities located in the province. There are three 5 stars, eight 3 stars, two 2 stars hotels along with 80 bungalow house and small pensions, most of which are located in Çamlıhemşin district. Total capacity of recent 143 facilities consists of 3,092 rooms with 6,799 beds.



Table 23: Tourism Accommodation Facilities in Rize

FACILITIES WITH MINISTRY CERTIFICATION

Location of Facility	Category	Number	Number of Rooms	Number of Beds
RİZE CENTER	5 STAR	2	52	104
ÇAYELİ	3 STAR	2	428	882
ARDEŞEN	3 STAR	2	114	228
ÇAMLIHEMŞİN	3 STAR	3	94	188
ÇAMLIHEMŞİN	MOUNTAIN HOUSE	2	68	138
PAZAR	3 STAR	1	11	22
PAZAR	BOUTIQUE HOTEL	1	53	106
İYİDERE	5 STAR	1	60	120
DEREPAZARI	SPECIAL ACC.	1	114	232
DEREPAZARI	RURAL TOURISM FACILITY	1	7	14
DEREPAZARI	RURAL TOURISM FACILITY	1	14	28
Total		17	1,015	2,062

FACILITIES WITH MUNICIPALITY CERTIFICATION

Location of Facility	Category	Number	Number of Rooms	Number of Beds
RİZE CENTRE	NO Star	20	537	1.081
ÇAMLIHEMŞİN	NO Star	80	1.001	2.433
İKİZDERE	NO Star	2	178	406
ÇAYELİ	NO Star	5	69	233
FINDIKLI	NO Star	11	110	220
ARDEŞEN	NO Star	3	67	139
PAZAR	NO Star	4	80	155
İYİDERE	NO Star	1	35	70
Total		126	2,077	4,737

Source: Provincial Directorate of Tourism and Culture

In addition to above mentioned accommodation facilities, hotels with investment certificate taken from the Ministry of Culture and Tourism, which are under construction are shown in Table 24. After the completion of these investments, total number of accommodation facilities, room and bed numbers will be 152; 3,544 and 7,689 respectively.

There are 58 A group tourism agency in Rize. In addition, there are numerous tour agencies operating in the city despite located outside of the province.

There are two fixed hot water springs in Ayder and İkizdere-İlıcaköy which is used for touristic activities. On Ayder Plateau this spring is made use of by a physiotherapy and rehabilitation center whereas the one in İkizdere is used by a thermal spa hotel. From this aspect, the province has also potential for thermal based health tourism.

Table 24: Accommodation Facilities with Investment Certificates by District

Location of Facility	Category	Number	Number of Rooms	Number of Beds
RİZE MERKEZ	3 STAR	2	144	288
PAZAR	3 STAR	1	30	60
PAZAR	RURAL TOURISM FACILITY	1	14	38
ARDEŞEN	4 STAR	1	80	166
ARDEŞEN	2 STAR	1	24	48
ÇAYELİ	2 STAR	1	12	24
FINDIKLI	3 STAR	1	60	120
FINDIKLI	4 STAR	1	88	146
Total		9	452	890

Source: Provincial Directorate of Tourism and Culture



Cultural and Tourism Preservation and Development Regions (CTPDR)

Cultural and Tourism Preservation and Development Regions are defined as high potential historical cultural and natural regions which are designated to be preserved, materialize sectoral and regional development in a planned manner. Two Cultural and Tourism Preservation and Development Regions are found in Rize. These regions which enjoy special treatment and investment incentives are Rize Anzer and Rize Çamlıhemşin Ayder CTPDR.

In the new investment incentive systems these regions have special place. Although Rize is in 4th investment incentive region, tourism investments made in these areas benefit from 5th region's incentives.



Natural Tourism Values

In Rize that has the climatic characteristics of the Black Sea Region, winter months are rainy and temperate in coastal areas, cold and snowy in mountainous areas. Through the summer months the city is usually mild. The annual average temperature is around 14 °C. The lowest temperature is in January which has an average of -5/-6 °C, whereas the highest temperature is in July that has the average temperature of 32.5 °C. The region is the rainiest in Türkiye. The total annual rainfall is above 2300 mm, and the humidity is over 75%.

- **Streams**

İyidere, Taşlıdere, Büyükdere, Hemşin, Storm, Çağlayan streams are among the well-known streams of Rize. Some of these rivers have the amount of flow regime which is required for river sports (canoeing, rafting). Other than those great streams there are various small watercourses. Fırtına Deresi (Storm Creek), has the highest flow rate.

- **Waterfalls**

Most water flows through the waterfall of Palovit which is located in the Kaçkar Mountains National Park. Another important waterfall is Ağaran Waterfalls in Çayeli district. Other waterfalls are Bulut (Cloud) Waterfall of Tar Stream, Gelintülü Waterfall of Ayder Tourism Center, Çoponi Waterfall of Topluca Village, Manle, Cimil and Eğvane Waterfalls.

- **Lakes**

In the mountainous areas of the city, at 2,400 m altitude, small area lakes are located, which are formed by glacial erosion and deposition. The largest of them is Ambar Lake with an altitude of 2,950 m. Büyükdeniz Lake is located in 2,900 m altitude and Öküzyatağı Lake is found at 2,400 m altitude. Lakes of Kumluk Mountain (BlackSea Lake, Mesuk Lake, Hoç Lake, Çennovit Lake, Meterez Lake ve Great Sea Lakes), lakes of Kaçkar Mountain (Öküzyatağı Lake, Derebaşı Lake ve Sea Lake), Lakes of Karadağ Mountain (Çukur Lake, Anadağ Lakes, Davalı Lake, Döner Lake, Yıldız Lake, Zincirli Lake, Kara Lake and Beşik Lake), Lakes of Dilek Mountain (Yatak Tepe Lakes, Döner Lake, Micovit Lake, Kovdakit Lake) and Kumlu Lake are other lakes of the province.

- **Plateaus**

In the outskirts of Kaçkar Mountains there is a large number of plateaus having potential for touristic attraction. Highland life lasts within the period from the beginning of June to the first week of September. Various events such as festivals take place in those highlands.

There are many plateaus in Rize; Handüzü, Çağırankaya, Vaşa, Petran, Homeze, Sivrikaya, Anzer, Ovit, Göl (Lake), Sal, Pokut, Hazındağ, Samistal, Golezana, Palovit, Elevit, Amlakit, Verçenik, Hacivanak, Lower and Upper Kavron, Ambarlı and Kito.

- **National Parks**

They are located in the boundaries of Çamlıhemşin. It has a rich flora. This karst vegetation (easily solvable terrain) has flora character, both subflora and top of the flora houses endemic species. Kaçkars are one of the rare places in Türkiye where glacial traces belonging to Pleistocene (ice age) can be seen together with current glaciation. In general, on the geological structure of granite and granitic rocks, the deep effects of the Alpine orogeny (3rd Geological Period) are shown. Kaçkar Mountains, comes to the fore as a value belonging to the culture of life and social life in plateau. All the valleys, mainly Fırtına and Hemşin creeks in which plant and animal diversity are concentrated, are worth a visit.

- **Historic and Archaeological Assets**

The name of Rize got its first appearance on the stage of history in 5th century. Through the colonial period, large amounts of rice are grown in the province, and the name of the river Rhizios flowing near the city has been the name of the city. Another view for the source of the city's name is that Greek word "rhiza" which means piedmont gave the city its name. Hittites in 2,000 BC, had settled in Gumushane and Rize which they called this area as Azzi, but they did not have control over this region. By 714 BC, Kimmers settled in the region.

A large number of medieval castles are known to extend across the city. Similar castle structures are seen in the cities of Trabzon and Giresun. They have a strategic position in terms of their location. The castles that worth visit are Ciha Castle in Pazar, Kız Castle in Pazar, Zil Castle, Rize Castle and Bala Castle.

- **Arch bridges**

Rize has an altitude of 2,000 meters above sea level and its topography contains quite steep slopes. Rivers from high above pours into the sea rapidly by forming deep valleys. Therefore, people have needed in order to facilitate accesses through this geography and that leads to stone arch bridge architecture to develop.

Çamlıhemşin Kadıköy Bridge and the Bridge of Yukarı Durak Village are examples of double-arched bridges. Because the bridges are usually constructed on narrow valleys they have generally one-eye structure. Their heights vary according to the size of the depth of valley they were constructed. Their height ranges change from 2-3 meters reaching to 15-20 meters. Besides, their lengths depending on the width of the valley vary from 20 meters to 45 meters.



Types of Tourism

- **Thermal Tourism**

Türkiye has a great wealth of geothermal resources and potential. The main thermal centers in Rize are İkizdere Thermal Springs, Ayder Springs, Andon and Şimşirli Springs and Çayırılı Mineral Water region.

- **Highland Tourism**

Rize, located on the northern outskirts of Kackars, has plateaus, wooden mansions, authentic highland homes, and besides, its living culture, water, nature and landscapes make it an attractive tourist destination. Ayder, which is a well-known and well developed tourist center, with its accommodation and catering facilities, and its proximity to the beginning of the climbing routes hosts thousands of tourists every year. The highlands have variety of accommodation options, ranging from small boarding houses and modest hostels to the luxury mountain hotels. Highlands that worths a visit are: Handüzü, Çağrankaya, Vaşa, Petran, Demirkapı (Homeze), Sivrikaya, Anzer, Ovit, Gölyayla, Sal, Pokut, Hazındağ, Samistal, Golezana, Palovit, Elevit, Amlakit, Çat, Verçenik, Hacivanak, Lower Kavron, Upper Kavron, Ambarlı, Kito.

- **Nature and Sport Tourism**

Mountains and plateaus of Rize accommodates various trails for trekking, high flow rivers suitable for rafting, the rich plant and animal ecology for nature observations, and peak routes for mountain climbing. Rize, with its wealth of nature, has a high potential for nature tourism.

- **Nature Walk**

It is recommended, especially between the months of May and September, but also in the remaining part of the year its winter scenes and different visual richnesses are attractive. For trekking, which is one of the most popular nature activities, Rize is one of the most important centers in Türkiye. The city with its villages and highlands offers many alternatives for nature walks that are a single events combining relaxing, sports, photography, bird watching and botanical interest.

- **Climbing**

Within its borders on the Eastern Black Sea mountain ranges and the high peaks, the city is a paradise for climbing sports. Kaçkar is the highest peak of those mountains (3,937 m) and it is 4th highest mountain of Türkiye. On its northern ridges there are two large ice masses, one of which is the 3rd in Türkiye. Verçenik Mountain (3,709 m), Bulut (Cloud) Mountain (3,562 m) and Altıparmak Mountain (3,492 m) is other high peaks.

- **River Sports (Rafting)**

Together with Fırtına Valley as the most ideal place in Rize that brings together the river sports enthusiasts, Taşlıdere and İkizdere (İyidere) are other great alternatives. Fırtına Creek is composed with the merger of streams cascading from the slopes of Kaçkar Mountains facing the Black Sea. It is 57 km in length. It flows through the route comprising high visual value sights.

- **Bird Watching**

In Rize, where different bird species and endemic species live, bird watching is possible especially in İkizdere. Many predacious birds come to Rize in July and August from eastern direction in their journey to the south, and then in March they fly back with the same route to the Caucasus. This route provides a suitable environment for bird watching.

- **Camping and Caravan Tourism**

Rize plateaus are often preferred by campers because of the fresh air and beautiful nature views. In Kaçkar Mountains National Park there are considerable opportunities for camping and caravan tourism.



- **Congress Tourism**

İsmail Kahraman Culture Center opened in March 2007 has conference, show and exhibition halls. It is well equipped for serving activities, seminars and conferences organized by various institutions, groups and individuals. In addition, four star hotels in the city are other alternatives for this purpose.

- **Heliski (Helicopter Skiing)**

Heliski as one of the most exciting nature sports, until recently could only be performed in the Swiss Alps, the Himalayas and the mountains of Canada. By the year 2004, with the tours organized for the European skiers to Kaçkar Mountains began to be made in Rize.





Tourism Centers (TC)

Tourism centers are defined as parts or places specified to be developed on a priority basis within or outside the Cultural and Tourism Preservation and Development Regions, and are of importance for tourism movements.⁹ 5 of total 233 tourism centers of Türkiye are found in Rize. These are composed of Rize Çamlıhemşin Ayder Thermal TC, Rize Anzer TC within and Rize Çayeli TC, Rize İkizdere Ovit Mountain TC and Güneysu Handüzü TC outside the CTPDR's .

- **Available Public Lands for Tourism Investment**

There are many appropriate public lands which can be allocated to the tourism sector investments. Those lands, some of which are located within Cultural and Tourism Preservation and Development Regions, are stated below;

- Gürcü Düzü area and plateau
- Kamara area (Grubit) public estates
- Rize İkizdere-Anzer Cultural and Tourism Preservation and Development Regions
- Rize-Çamlıhemşin-Ayder Cultural and Tourism Preservation and Development Regions
- Rize Çayeli Kuspa Tourism Center
- Ovit Winter tourism center
- İkizdere Çifteköprü area

⁹Law For the Encouragement of Tourism





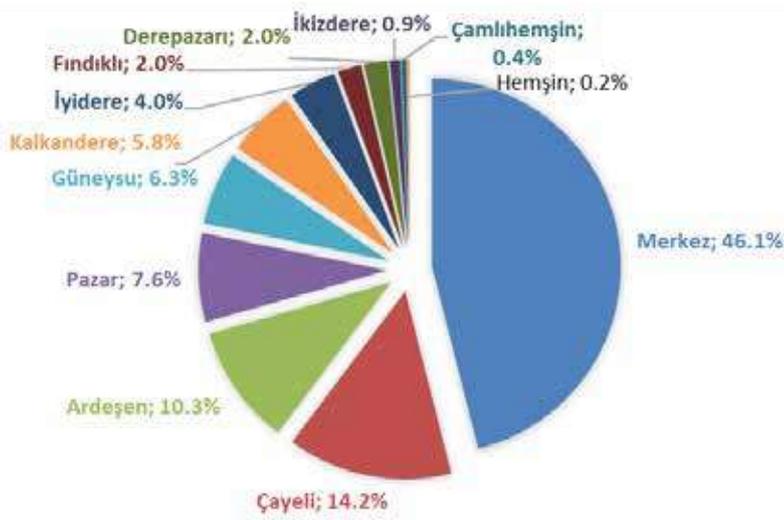
13. INDUSTRY

Structure of the industry in the province is developed around tea production. According to the data sourced by Provincial Directorate of Industry and Technology, significant amount of the registered industrial businesses composed by tea factories owned by ÇAYKUR and private businesses. The tradition of pistol production and Rize fabric production are also distinguishing feature of industry in the province.

The main factor that obstructs the development of the industry is lack of sufficient flat terrain on which industrial facilities could be established. After completing the allocation of the lands to investors in Rize Organized Industrial Zone (OIZ), second phase investment will be started to enlarge the land of Rize OIZ. This way, investment land problem is expected to alleviate.

Based on the total number of industrial enterprises in Türkiye, Rize has a 0.3% share which makes it a developing province. By the year 2021, **the number of enterprises registered in the industry in Rize is 445**. 205 of those companies are located in city center, and the rest is in districts as the rates are shown in Graph 9.

Graph 9: The Distribution of Registered Businesses in Districts of Rize, 2021



Source: Provincial Directorate of Industry and Technology



When the general structure of industry is evaluated by recent data, presence of tea sector intensive industrial production observed such that, **11,783 of 15,490 industrial personnel are employed in tea industry.**¹⁰ Manufacture of food products, including tea production sector, has 46.53% of the industry registered enterprises and is dominant field of production activity. Sectoral distribution of industrial enterprises in RİZE (Top 10 Sectors);

- 46.53% Manufacture of food products,
- 7.20 %, Machine and equipment,
- 6.94 % Manufacture of other non-metallic mineral products,
- 6.43 % Manufacture of rubber and plastic products,
- 6.17 % Metallic products,
- 5.91 % Wood and cork products,
- 4.37 % Furniture.
- 4.11 % Paper and paper products,
- 3.34 % Other mining and quarrying,
- 2.93 % Electricity, gas, steam,

As for the distribution of industrial enterprises operating in the province of Rize in terms of legal statue, it can be seen 52.20 % of them are micro-sized, 31.78 % are small-scale businesses, 12.92 % of them are medium-sized and 3.1 % of them are constituted by large-scale enterprises. Large enterprises by their number of employees are;

- General Directorate of Tea Enterprises, 100.Yıl Tea-Packing Factory,
- Doğu Tea Salarha Factory,
- Çayeli Copper Enterprises,
- General Directorate of Tea Enterprises Ardeşen Tea Factory Directorate,
- Karali Tea Factory,

Tea factories constitute substantial part of the industrial facilities. Since the tea farming is carried out only four months in a year the capacity utilization rate in tea factories remains at very low levels. Recent data indicates that the capacity utilization rate in ÇAYKUR factories is around 25 % whereas in private sector factories it falls to 15 %.



¹⁰ Provincial Directorate of Industry and Technology

Rize Organized Industrial Zone

Attempts towards establishment of Rize Organized Industrial Zone (OIZ) dates back to 1997 investment program of the central government. In the year 2000, agreement on establishment was signed with the Ministry of Industry and Technology and award decision public interest for 1,368,877 m² land was given in 2002. Rize OIZ that was established in 55 hectare area.

Infrastructure construction is completed by 2017 and companies started to establish the facilities. Rize OIZ has the mixed OIZ status in which companies from different sectors and sub-sectors will operate. Board of Rize OIZ approved the allocation of 22 parcel where companies are expected to make 158,044,296 TL fixed investment to generate 1.300 job vacancies. The second phase of Rize OIZ investment will be started after completion of legal procedures.

Ardeşen Organized Industrial Zone

After Kalkandere OIZ reaches a reasonable occupancy rate, a new OIZ is planned to commence operation in Ardeşen. The OIZ which is in expropriation phase is considered to include 50 lots. This OIZ is also determined to host firms from multiple sectors.

Ardeşen Organized Industrial Zone has 523,912.18 m² area.30% of it is Treasury land, 55% belongs to individual owners and a part of 15% is subject to controversies and has been taken to the court. Location determination of Ardeşen OIZ has finished but zoning and subdivision plan could not be finalized yet.



Small Industrial Areas

In central Rize and its districts, there are 6 Small Industrial Estates operating actively as shown in Table 25.

Table 25: Small Industrial Areas in Rize

No	Name of the Small Industrial Area	Founding Date	Activity Date	Number of Work Places	Active Work Place	Empty Work Place	Occupancy Rate (%)
1	Rize Ardeşen SIA	1984	2003	122	122	0	100
2	Rize Çayeli SIA	1970	1994	138	138	0	100
3	Rize Merkez SIA	1968	1984	269	264	5	98.14
4	Rize Modern SIA	1984	2018	127	125	2	98,4
5	Pazar Modern SIA	2000	2018	138	138	0	100
6	Çayeli Örnek SIA	1992	1999	41	41	0	100
Total				835	828	7	99.16





14. BANKING SECTOR

Within the border of Rize there are 11 banks operating with 45 branches in 2021 statistics. The number of branches decreased from 37 to 29 between 2005 and 2000. However, in parallel with the recovery in the Türkiye economy and financial sector after 2001 crisis number of branches increased correspondingly. Rize Centre, Ardeşen, Çayeli and Pazar are the districts at which banking facilities are in relatively more improved position. Table 26 presents banking statistics in Rize.

Table 26: Basic Banking Indicators in Rize, 2021

Description	Rize	TR90	Türkiye	Rank in TR
Number of bank	11	17	49	64
Number of branch	45	315	9,721	43
Number of employees	457	3,786	184,505	46
Deposits (1000 TL)	9,129	72,511	4,921,773	48
Loan (1000 TL)	11,209	67,636	4,396,505	35
Deposits per branch (1000 TL)	203	203	506	55
Loan per branch (1000 TL)	249	193	452	35
Number of ATM	218	1,383	46,214	41
Number of POS	10,485	77,688	4,237,614	49
Number of POS users	13,332	98,338	4,625,902	44

Source: The Bank Association of Türkiye, 2021



When the total resources that Banking sector supply to the economy considered, it is seen that non-specialized loans constitutes overwhelming part of the total bank loans. The nonspecialized loans, which has country wide value of 94.5 percent, increased to 95.2 % in 2021. This situation reflects the increase in credit card usage and consumer loans. Table 27 shows the distribution of loans in the province in 2020.

Loan-deposit ratio, which had 50.4% proportion in 2005, reached 191.4% in 2012 and by 2018 it has realized as 163.1%. As loan-deposit ratio decreased due to the global financial crises in 2008, it exceeds pre-crisis level by 2010. Eventually, loan-deposit ratio remains far above the level in TR90. Bank loan to deposits rates over the years are shown in Table 28.

Table 27: Distribution of Loans by Types (1,000 TL), 2021

Loan Type	Türkiye (A)	%	Rize (B)	%2	(B)/(A)
Specialized Loans					
-Agriculture	135,715	2.9	189	1.7	0.14%
-Immovable	15,283	0.3	49	0.44	0.32%
-Vocational	537	0.0	2	0.0	-
-Maritime	281	0.0	0	0.0	-
-Tourism	9,765	0.2	25	0.2	0.26%
-Other	97,228	2.1	274	2.4	0.28%
Non specialized Loans	4,459,093	94.5	10,671	95.2	0.24%
Total	4,717,903	100	11,209	100	0.24%

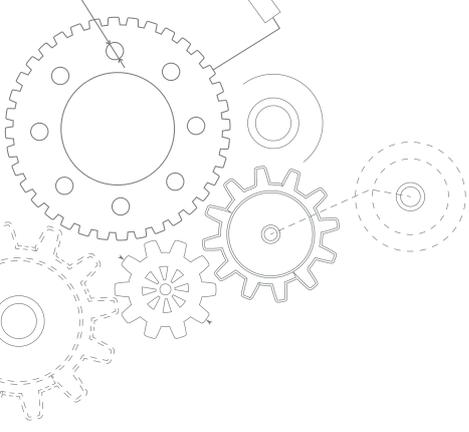
Source: The Bank Association of Türkiye

Table 28: Loan to Deposit Ratio in Rize, TR90 and Türkiye by Years

Level	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rize	186.1	191.4	190.5	194.4	173.5	180.1	165.6	174.2	163.8	163.1	122.8
TR90	127.1	140.8	144.7	148.2	130.0	129.8	131.3	121.0	109.8	124.5	93.3
Türkiye	93.0	99.5	107.0	113.6	115.8	116.5	120.2	116.2	105.0	104.3	94.1

Source: The Bank Association of Türkiye





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