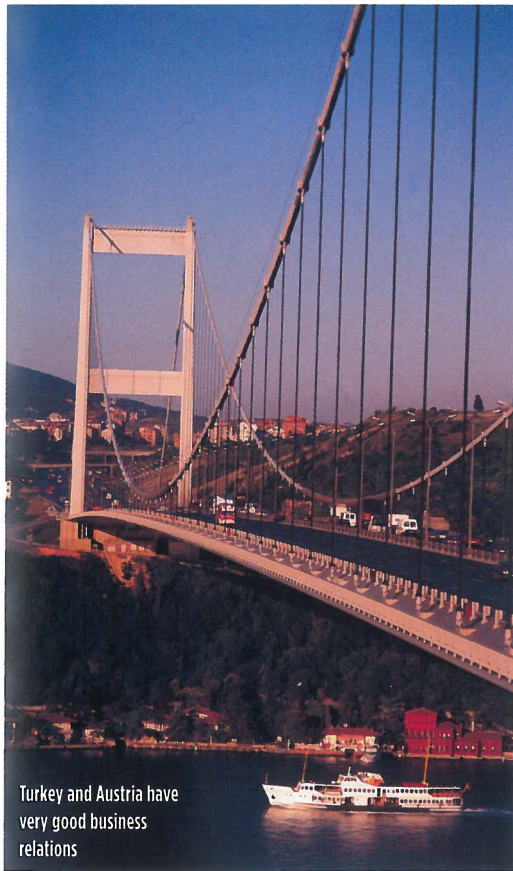


Austria-Turkey: Changing Roles

Austria has been the biggest investor in Turkey for the past three years. Now Turkish investors have become interested in Austria as an investment hub as well.

TEXT: SEZEN ERGEN



Turkey and Austria have very good business relations

Austria and Turkey have always had a good relationship when it comes to trade. Over the past ten years, Turkey has become a very important investment hub for Austria. As the biggest investor in Turkey for three years in a row now, Austria has likewise recently started to attract the attention of Turkish businessmen as an investment location. This new trend along with the long and fruitful economic relations between the two countries have been strengthened by the recent visit in 2012 of Turkey's Minister of Economy, Zafer Caglayan. Turkish investors are now as enthusiastic about Austria as a business location as Austrian investors are about Turkey. Favorable agreements with regard to taxes and social security make things even more interesting.

Austria is considered a small market, yet it is a

small market with a lot of advantages. The political stability of the country, tax advantages as well as legal certainty make Austria an interesting location for foreign investments. Investors can enjoy the benefits of corporation group formation, low tax rates in holding companies or the premium granted to researches as well as other tax benefits, depending on the details of the investment project at hand. Turkey and Austria also have a double taxation agreement and a social security agreement. Subsequently, Turkish investors may avoid high tax leverage.

In addition to that, there are many other factors that should encourage Turkish businessmen to invest in Austria, such as the established bilateral trade system between the two countries. These trade relations further benefit from the strong establishment of the respective Trade Chambers Associations. The Turkish state is also promoting investments abroad by offering many advantages to its businesses and investors. Furthermore, Austria ranks 16th in a worldwide list of business locations. In a recent interview, Austria's Ambassador to Turkey, Dr. Klaus Wölfer, voiced the country's interest in and commitment to attracting Turkish investors and maintaining a balance between the investment amounts of both countries. These efforts are supported by those of the Austrian Business Agency (ABA), which offers support to Turkish investors and businesses.

“THE RED BOOK”

The Viennese-based law firm Lansky, Ganzger + partner (LGP), which has a strong Turkish desk, has joined the efforts to strengthen Austrian-Turkish relations and has hence become the editor of the 4th edition of the book “Austrian-Turkish Economic Relations - An Inventory”; a series also known as “The Red Book”. Its main focus is the bilateral trade relations between the two countries, with an additional focus in this edition on success stories of Turkish Investors in Austria. “The Red Book” in its upcoming 4th edition will showcase the importance of Austria as a business location for Turkish investors.

In the wake of a global financial crisis, it is crucial for countries and businesses to find safe and stable investment hubs. Austria as a business location can provide such a safe and stable haven.



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INFO

LANSKY, GANZGER + PARTNER

With its 140 attorneys and employees from more than 20 countries, Vienna-based law firm Lansky, Ganzger + partner has established itself as one of the leading law firms in Austria and the Slovak Republic. The firm, with offices in Vienna (Austria), Bratislava (Slovak Republic), Baku (Azerbaijan) and Astana (Kazakhstan), has longstanding and profound experience that enables it to deliver an all-encompassing, interdisciplinary and cross-regional service of the highest level.

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