

# TABOGLU, ATES & DEMIRHAN

## Newsletter

### ENERGY MARKET UPDATES

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- The Natural Gas Market Certificate Regulation has been amended on 10 April 2007. Accordingly, the voluntary cancellation of the certificate by the certificate holders shall require the approval of the Energy Market Regulatory Board whereas the interim equipment and service lines certificates shall be cancelled by the approval of the company that has been granted with such certificate. Therefore, the 90-day prior application requirement has been lifted. In addition, Annex 6 of the Regulation concerning the qualifications of the engineers has been amended.
- The Prime Minister has stated that Turkey is only able to take advantage of 64% of its water reserves and 540 hydroelectric power plants are required to be constructed to develop all its reserves.
- As stated in the dailies, the Parliament has decided to re-evaluate the Energy Productivity Law, which was vetoed by the President previously. The Law mainly aims to establish Energy Productivity Coordination Board for the supervision and monitoring of the energy productivity in Turkey, in addition to specific incentives to be granted to companies within project values threshold of TRY 500,000.
- In Turkish Asian Pacific Summit organized by TUSCON, it has been reported that Turkish entrepreneurs have displayed their strong interests in carrying out exploration activities in Myanmar.
- It has been reported in the dailies that Shell and TPAO have obtained licenses for engaging in natural gas production in North Iraq.
- The Chairman of the Turkish Atomic Energy Board has highlighted that Turkey does not have enough uranium reserves for a large-scale nuclear energy project.

- As set forth in the dailies, 39.9% of Bursagaz, one of Calik Enerji Group companies, has agreed to be sold to EWE, a German based energy concern. It has been stated that the agreement will be signed in the following days.

### PRIVATIZATION HIGHLIGHTS

- The Supreme Board of Chambers of the Council of State has issued a preliminary injunction for the stay of execution of Privatization High Council's decision on the privatization of Bor, Ereğli and Ilgin sugar premises of Turkseker. These premises were taken within the scope of privatization on 1 December 2005.
- Petrol Is Union has initiated an administrative lawsuit for the cancellation of decision of Privatization High Council on privatization of Petkim, a petrochemical company, through block sale. The privatization decision was taken on 8 February 2007.
- The Chairman of the Savings Deposit Insurance Fund has opined that it would be more appropriate to postpone the sale of Sabah and ATV after the completion of the parliamentary elections.

### NEWS RE BANKING SECTOR

- Akbank's Board of Directors has decided to increase the share capital of the Bank from 2.4 billion to TRY 3 billion. The increase will be covered through extraordinary reserves, immovable, subsidiary sales and inflation correction operations.
- NBG has sold 5% of its shares in Finansbank to IFC, one of the affiliated institutions of World Bank.

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#### Highlights

a. Energy Market Updates

b. Privatization Highlights

c. News re Banking Sector

d. Capital Markets Highlights

e. News re Telecommunication Sector

f. Other News

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- The World Bank has decided to grant a specific amount of loan to Turkey for supporting the employment program and enhancement of the economical competition power. The amount of loan has not been announced yet.
- Isbank has introduced a new consumer loan system which enables the extension of the consumer loans through the use of e-signatures. By the system, consumers will be able to provide loans by the use of their e-signatures which will function with the involvement of the SMS system.

#### **CAPITAL MARKETS HIGHLIGHTS**

- According to the announced balance sheets of 15 cement companies, the shares of which are traded on the Istanbul Stock Exchange, the total profit of such companies have been increased by 37% and reached to TRY 1.184 billion. It has been stated that such increase may be justified by the boost of the housing projects in Turkey.
- According to the Weekly Bulletin of the Capital Markets Board, Anadolu Efes has increased its registered capital to TRY 900 million, Tesco Kipa to TRY 200 million and Klimasan Klima to TRY 40 million.

#### **NEWS RE TELECOMMUNICATIONS SECTOR**

- Turk Telekom's Chairman has announced future plans of the Company and stated that Turk Telekom is willing to carry out the investment amounting to TRY 3 billion for the enhancement of the Company's current infrastructure. He has also remarked that the Company will invest in new generation TV systems called the IPTV.

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- Turkcell has initiated an administrative lawsuit for the cancellation of the Number Portability Regulation. Turkcell CEO has remarked that Turkcell is not against the Regulation but this Regulation currently is in violation of the rights acquired by the license agreement.
- The Chairman of the Telecommunications Board has stated that works on 3G tender specifications have been completed and the tender is planned to be made in the following months.

#### **OTHER NEWS**

- The Turkish Parliament has amended the Free Zones Law lifting 0.5% fee over the traded products within the free zones paid by the free zone companies. The amendments will be effective upon the approval of the President and publication of the same in the Official Gazette.
- Ictas-Fraport Consortium has won the tender opened for the operation of Antalya Airport for the term of 17 years, 3 months and 17 days. Ictas-Fraport will pay Euro 2.371 billion. The consequence of this tender has also attracted interests in the Sabiha Gokcen Airport in Istanbul.
- Cimpor, a Portuguese cement company, has decided to establish a new cement premise in Ankara Hasanoglu. Previously, Cimpor bought Yibitas Lafarge for Euro 535 million.
- AMD Rail has won the tender opened for the second phase of Marmaray Project for Euro 815 million.

*The aim of this weekly newsletter is to highlight mainly the regulatory changes made by the Turkish Government during the relevant week. The content of this bulletin is limited to those areas Taboglu, Ates & Demirhan advises its clients. It contains a general summary of the changes and the areas it covers are broader. Thus, one should not rely on it for specific advice. For further information or advice please contact Taboglu, Ates & Demirhan, a full-service law firm based in Istanbul.*

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