

INDUSTRIAL SECTOR IN THE ISTANBUL METROPOLITAN AREA

Industrial activities have long been attracted to Istanbul as it places them at the centre of largest market in the country with an abundance of cheap labour, easy access to raw materials, technical infrastructure and social facilities. Concurrently, however, agglomeration economies have moved in favour of a more decentralized economic model structure.

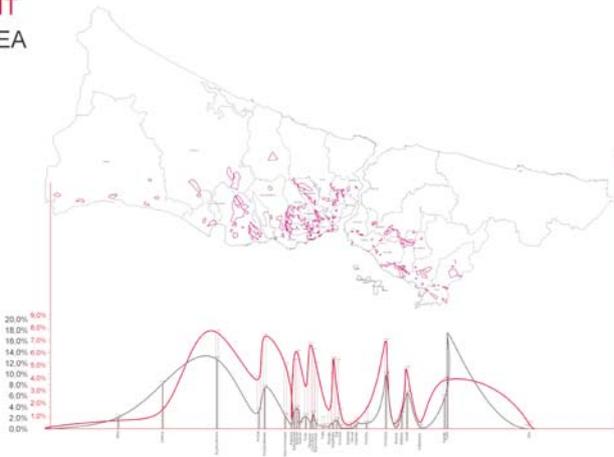
Throughout the 1980s, industrial decentralization has been a key policy objective aimed at providing a more balanced approach to development all over the country. Therefore, improvement in the structure of the industrial sector in Istanbul is proposed by stimulating innovative and high value-added industries. This will increase the competitiveness of the sector, while rehabilitation and reorganization strategies should be developed for the existing industrial activities. In this respect, Istanbul has recorded a noticeable increase in the service sector, which is also expected to continue in the future.

Istanbul Metropolitan Area Industry Figures

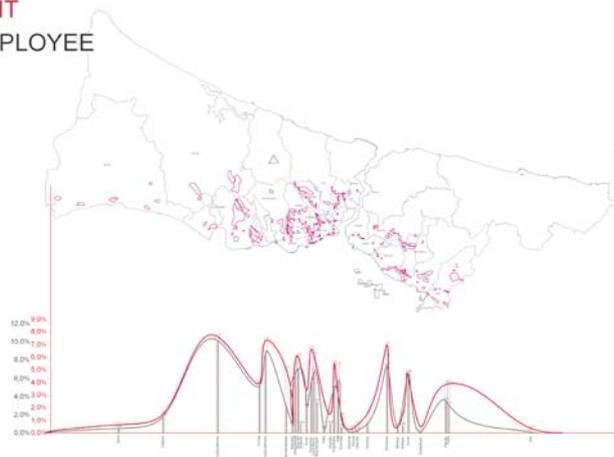
In order to provide a snapshot of the industrial profile of Istanbul, a number of key industry observations are illustrated below:

- Industrial employment takes 32% total active population in Istanbul,
- 76 % of total industrial employment is located in the west and 24% in the east of the metropolitan area,
- The textile industry accounts for 43% of total industrial employment, whilst the establishments of this industry makes up 38% of industrial establishments,
- Unbalanced spatial distribution of industrial establishments and employment capacities can be easily observed in the figures,
- Large industries are located mainly in Tuzla in the east, and in Küçükçekmece in the west, while the number of establishments is increasing and the space is diminishing in the central districts.

UNIT AREA



UNIT EMPLOYEE



Key Intervention Areas

Istanbul's unique location, the geographic configuration, natural thresholds, and the earthquake risk necessitate establishment and administration of a sustainable and habitable population size. Continued economic growth at national and region levels will be attained by increased productivity and efficiency in the economic sectors. In addition to estimated developments in services, cultural industries and the tourism sector, it is also anticipated that the reorganization of industrial production sectors within the city will contribute to the enhancement of quality of life. In order to increase the competitiveness of services, support is required to assist in their transition into advance technology based enterprise sectors.

A strategy is proposed for the decentralization of the industry in Istanbul. Within this strategy, the potential of the industries in the surrounding areas of Istanbul and its region should be evaluated, while mobilizing the local dynamics that stimulate balanced growth outside the region. Conditions for decentralization should be developed for the metropolitan area as well as the surrounding areas. Priority should be given to the types of industries that are disadvantageous by location (e.g. within the watershed or central location) and to those that create pollution and are low in value-added production.

The evaluation of features, potentials and limitations of industrial activities in Istanbul puts forward three main intervention areas for the Metropolis:

- 1 *'Organized Industrial Zones'* should be reorganized in order to realize their full potential in order to alleviate existing problems (İkitelli, Tuzla, Dudulu, Beylikdüzü, Tekstilkent).
- 2 *'Functional Transformation (Regeneration) of Industrial Areas'* are to be determined especially for the industrial activities located in central zones, which have expansion limitations and conflicts with surrounding functions as well as losing their viability in terms of increasing land values. The industrial areas in Zeytinburnu, İkitelli Axis, Bayrampaşa, and Kartal should be considered as potential transformation areas from industry to service activities.
- 3 *'Rehabilitation of Industrial Areas within existing boundaries'* policy envisages no new investments but allows betterment actions in these areas. The neighbouring regions of Istanbul should be also taken into consideration from the perspective of the metropolitan region. Gebze and Çerkezköy are the neighbouring districts of Istanbul in the west and east. These districts display not only the advantages of being close to IMA and consumption markets, but also have OIZs which are yet to fully utilise their capacities. Providing transportation and logistics facilities to these areas will accelerate the agglomeration economies for industrial establishments. Therefore, these regions should be planned and developed as industrial regions with problem solving intentions. ■



Key Principles and Strategies for Industrial Development

The key principles and strategies pertaining to industrial development are to:

- Encourage high-tech and high value added type industries for increasing the competitive power of industry on a global scale,
- Support SMEs (Small and Medium Sized Enterprises) which potentially accelerate the transformation to high-tech and high value added type industries,
- Increase impacts of Techno Parks in the metropolitan region qualitatively and quantitatively,
- Compose incentives for implementing High Technology Research Zones,
- Strengthen collaboration between industry and university,
- Support decentralization of industry from the IMA in order to mitigate the disadvantages of industrial agglomerations,
- Promote local entrepreneurs in industrial zones outside of the IMA in order to diminish the pressure of industry on Istanbul,
- Compose incentives to saturate the capacity of OIZ for decreasing imposition of industry on IMA,

- Provide incentives for highly competitive industrial sectors by assessing their capacity development, and
- Reorganize industrial areas for environmentally friendly development through increasing the level of the quality of urban life.

Key Principles and Strategies Pertaining to Spatial Development

The key principles and strategies pertaining to spatial development are to:

- Compose incentives to saturate the capacity of OIZs on both sides of the IMA,
- Promote development of OIZs close to the boundaries of the IMA in order to create industrial buffer zones,
- Transform industrial areas that are located (especially) in the central zones,
- Determine industry areas that are located in the watershed boundaries as rehabilitation areas within their existing boundaries, and
- Provide incentives for OIZs located in the IMA in order to utilize their full capacities.