

**INT 113 Module Four Discussion Sample: Government Regulations**

Various measures of government influence on trade and employment:

**Employment Law** (Maascetveli.org, 2015)

- Minimum wage set by the Commission, as of July 2013:
  - 803.68 Turkish lira > 16
  - 700.93 Turkish lira < 16
  - Doorman / 868.27 Turkish lira
- Female employees qualify for 16 weeks of paid maternity leave (8 weeks prior to birth and 8 weeks after birth) – Art. 75 Labour Code, 2003.

**Sales Tax** (DutyCalculator, 2015)

- VAT (sales tax): 18%

**Trade Policies** (Office of the United States Trade Representative, 2014)

- “Import licenses are required for products that need after-sales service. . . and for some agricultural products.”
- High tariffs (85–100%) and special tax treatment for the sale of distilled spirits and tobacco.
- Export subsidies range from 5–20% for some agricultural product categories.
- “Court decisions have on many occasions led to ICTA’s blocking access for all consumers to various Internet-based service providers, such as the weblog hosting site wordpress.com and social networking sites like MySpace, and ICTA’s on-again/off-again ban of video-sharing website YouTube.”

**Business Observations**

- Employment laws in Turkey are fairly progressive for the region, which is likely influenced by the proximity to Europe and the ties to the EU.
- Trade policies regarding the trade of alcohol and tobacco products could be restricting. The high taxes are there to generate further income for Turkey.
- There is a heavy encouragement to export, which is illustrated by the subsidies offered for certain agricultural products. This boosts the Turkish economy.
- The restrictions on information through the ICTA might be concerning for some investors. This could be considered an ethical issue regarding censorship. Companies that heavily utilize marketing through MySpace, WordPress.com, or YouTube might find additional problems.

References

DutyCalculator. (2015). Up to date sales tax rates for 139 countries. *Pitney Bowes*. Retrieved from

[http://www.dutycalculator.com/sales\\_tax\\_rates\\_by\\_country/](http://www.dutycalculator.com/sales_tax_rates_by_country/)

Maascetveli.org. (2015). Business law in Turkey. Retrieved from <http://www.maascetveli.org/home/is-kanunu>

Office of the United States Trade Representative. (2014). Turkey. *USTR*. Retrieved from

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