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Thesis Abstract: This thesis offers an empirical study of the motives for the selection of Turkey as a location for foreign direct investment (FDI). In addition to the determinants of selecting Turkey as a location for investment, the thesis also analyzes the issues that affect the investment environment and the reception by the current investors of the recently introduced tax and legal changes intended to enhance Turkey’s attractiveness for FDI. For this purpose, following an extensive literature review on the subject matter and a series of interviews with various executives, a questionnaire is prepared and pre-tested. Then, the questionnaire is applied to the executives of 73 corporations established in Turkey with foreign capital. In the study, first the factors that lead to the selection of Turkey as the location for investment are identified. Then, the main problems that affect the FDI environment in Turkey are determined, and the impact of these problems on the FDI environment and the operations of the firms are measured. Third, the study investigates the progress achieved in the solution of these problems as compared to the dates on which these investments were initiated, and the probability of solutions to the identified problems in the next five-year period. Finally, the impact of the tax and legal changes introduced in the last five years on FDI environment and business plans of firms are analyzed. In the study, the hypotheses which examines the relationship between the determinants, problems, tax and legal changes and investment date, industry, capital size, sales volume, employee size, mode of entry, ownership pattern, country of origin of foreign equity are tested through tests and variation analysis, and the findings are discussed.