FOOTWEAR TEXTILE

Past, Present And Future Of Konya Footwear - Textile Sector

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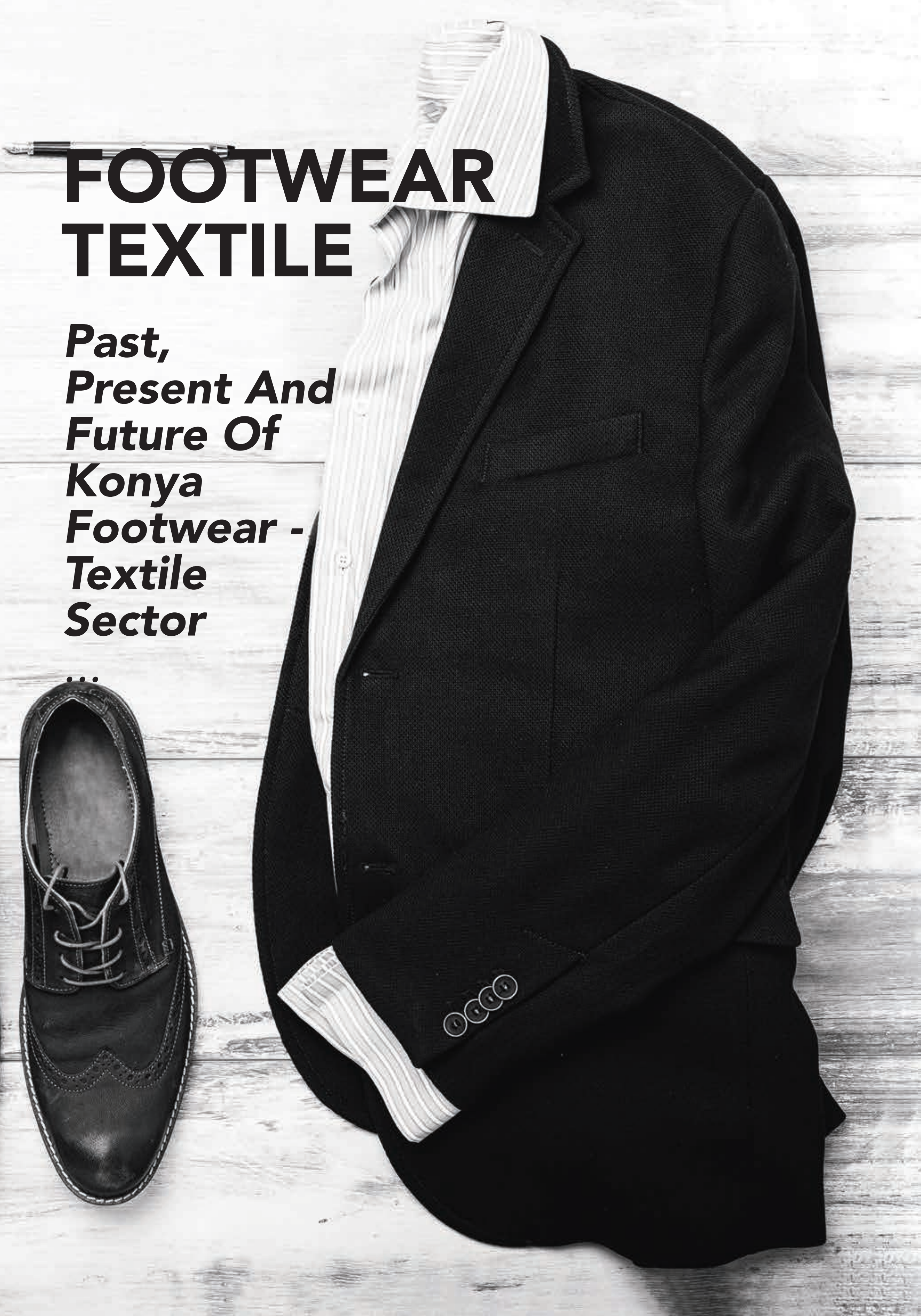

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KONYA CHAMBER OF COMMERCE,
EDUCATION AND HEALTH FOUNDATION
WITH COOPERATION OF UNIVERSITY - INDUSTRY, KONYA'S
INVESTMENT AND PROMOTION PROJECT

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One of the greatest advantages we have gained in the last thirty years is the fact that new production centers have been started to be established in Anatolia. From this point of view, one of the central cities that will bear the production load of Anatolia is Konya with its economic development and potential. With its companies that opened to the world, modern and scientific production and trade, universities, organized industrial zones and international exhibition center, Konya is one of the example cities of Turkey, which has a short history of industrialization, has become a world-renowned production and trade center with moves it has made in the last fifteen years. Konya which is an exceptional city where cultural heritage inherited from its historical accumulation is brought to the present, messages of peace, brotherhood and human love are given to the world, unity and co-existence have become the philosophy of life, modesty and courtesy have ruled for centuries, enabled the city develop economically, socially and culturally with the spirit of unity formed together with its public institutions, non-governmental organizations, chambers and stock exchange. One of the biggest achievements of Konya where unemployment is below 5 percent, is rapidly increasing exports in recent years. Export of Konya which exports to 178 countries and had 03% export share and 100 million dollars of export amount in 2001, , increased at the rate of 1.500% and reached 1.5 billion dollars level in fifteen years and its share in Turkey's export exceeded 1%.

In the last fifteen years, Turkey's average in export has increased 5 times and Konya has increased its export 15 times and has written a success story around the world. Today, Konya has potential to receive 3% share from Turkey's export in the next decade. While Konya industry which allows production in many different sectors instead of a single sector, provides a great advantages to the city in international competition, Konya makes its presence felt in world's market by offering low-cost and better quality products in Food, Machinery, Furniture, Automotive Spare Part, Plastic, On-vehicle Equipment and Lift, Footwear-Textile and Agricultural Machinery sectors. Konya which is one of the cities of Turkey showing high economic performance recently with historical and cultural accumulation, geographical features and entrepreneurs and which continues to rise economically by contributing to our country's objectives as a central city in its region, offers many opportunities for foreign investors and businessmen with its socio-economic advantages.

Selçuk ÖZTÜRK
Konya Chamber of Commerce
President of Board of Directors

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Of Konya Footwear - Textile Sector

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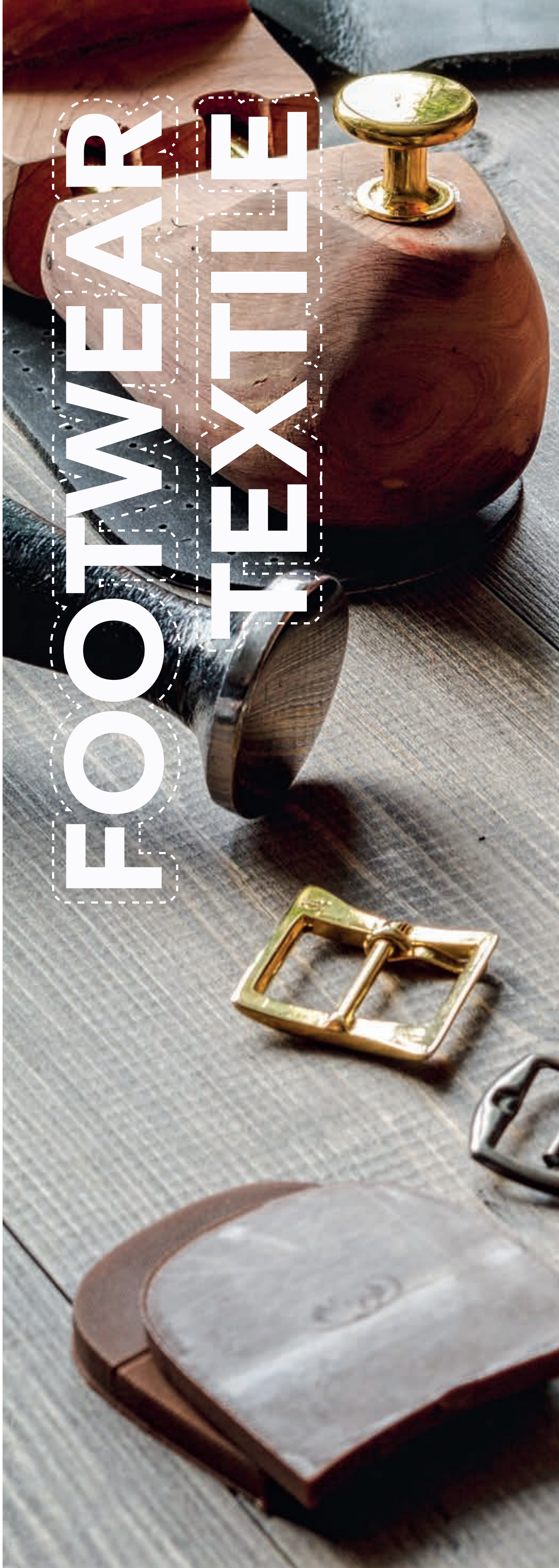


Past, Present And Future ***Of Konya Footwear Textile Sector***

OVERVIEW

Shoe can be described as an item of footwear such as formal shoes, boots, etc. Shoes which can be classified according to gender, age and usage area, can also be classified according to criteria such as manner of holding sole and surface together, heel height, sole length.

According to the sector classification of the Ministry of Development, it is possible to group sector products in manufacturing industry, subdivision of leather and leather products industry as slippers, boots (industry, safety, military), children's shoes, men's shoes, women's and sport shoes.

In shoe production, two separate production ways are followed, these are traditional and injection methods. In traditional method, production of the shoes is made by cutting, sewing upper and sole mounting. Simple tools or machines are used during production, hydraulic presses are used for cutting. These presses can cut inner lining, counterfort, toe puff and sole leather. In injection method, shoe's upper and sole are formed together. This method is generally used in the production of cheap shoes as it is less costly.

Table 1: Distribution of Enterprises in Footwear Sector According to Technology Used

Production Technique	Share in the Sector
Classical production technique	% 15
Semi-mechanized enterprises	Industrial enterprises 40% Enterprises having workshop properties due to low level of mechanization 30%
Mechanized Enterprises	% 15

When developments in world trade are considered, with the exception of the first 15 importer countries, potential markets where competition is relatively lower such as Israel, Saudi Arabia and Qatar attract attention. Among Latin American countries, there are many importers whose imports are between 18 million dollars and 325 million dollars. Chile and Brazil are just a few of these countries leading the way with high imports and needed to be explored and promoted as potential markets. In the Far East, there are countries which import such as Singapore, Malaysia and Thailand.

Ladies' shoes and ballroom shoes produced for men have the biggest share in leather shoes in terms of the number of enterprises with 72%, this product group which has a large number of employees, also has a significant production in the sub-sector. (Leather shoes exports increased significantly in 2011-2013 period with an average increase of 19% per year. Although it fell by 18% in 2015, this decrease was balanced by the constant increase in other shoe groups and the increase in exports has continued. In imports, the leather shoes sub-sector has been on the decline trend since 2013. Decline was 4% in 2014 and 17% in 2015.)

Turkish footwear sector is an important sector that produces 320 million pairs of shoes per year and has a total production capacity of 500 million pairs of shoes. Capacity utilization rate in the sector is 65%.

Konya which is one of the leading provinces in Turkish footwear sector; hascontainedshoesubsidiaryindustry producers, shoe manufacturers, repair shops, wholesalers and retailers in itself since 1970s. Konya footwear sector which remains in the forefront in men's shoes production and ranked second after İstanbul, is in a geographical and economic cluster with horizontal and vertical cooperations.

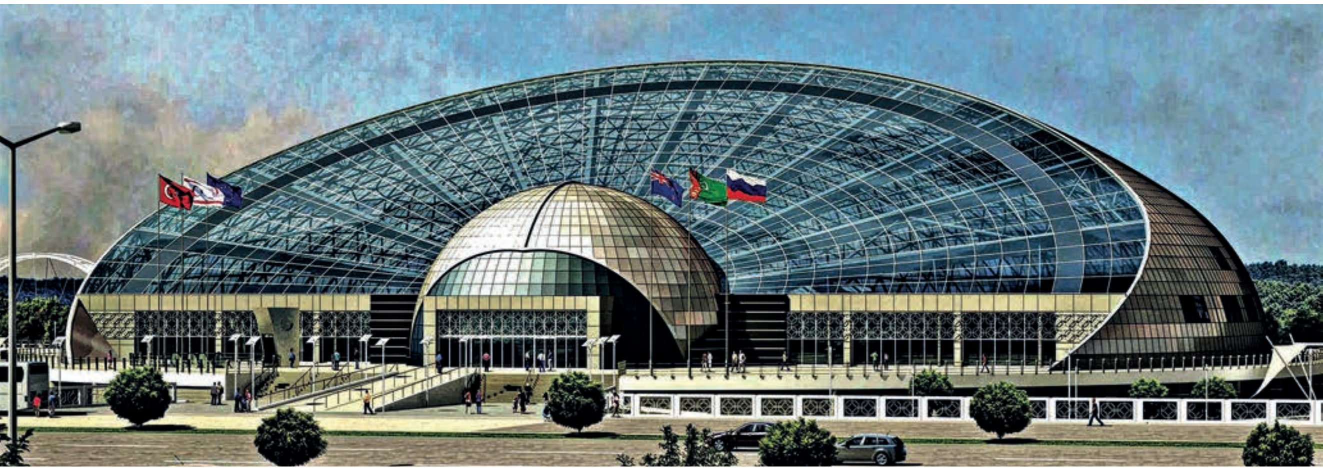
In Konya, shoe production capacity reaches 40 million pairs and the sector uses 50% of its capacity with production of 20 million pairs. 55% of the companies in the sector are small businesses.

Industrialized enterprises in the sector have teeth...

WHY KONYA?

Footwear sector has a long history in Konya. In the sector where specialization in production is considered, the fact that shoe manufacturers are in a geographical gathering, brings various infrastructure and collaboration advantages with it.

While production of important parts such as "shoe sole" is made in Konya, production is also made for other cities such as İstanbul or foreign brands.



Overabundance of existing vocational high school in Konya and approximately 8.180 graduates in each year, presence of many universities and technical education faculties in the city, the fact that 60,6% of the population is under 35 years old are positive factors in meeting employee needs of the industry where technical information and experience are important.

In the sector where logistics has special importance; properties such as being intersection connected to seven provinces with double roads, high-speed train opportunity, presence of international airport and railway connecting Western Anatolia to Southeastern Anatolia, having the first logistic center project of our country and the fact that fast railway project that will make transportation and freight between Konya - Mersin Port easy will be put into practice, enable Konya to step forward in footwear sector.

SHOES SECTOR IN TURKEY

Shoe production which was previosly a craft field in our country, gained the status of an industry consisting of small businesses after 1950s. In footwear sector which continued unchanged in 1960s, liberalization of trade since the 1980s triggered the development of the footwear industry by facilitating both access to the inputs necessary for production and access to production machinery. With the increase in machine park in the sector, 15% of the sector completed its industrialization.

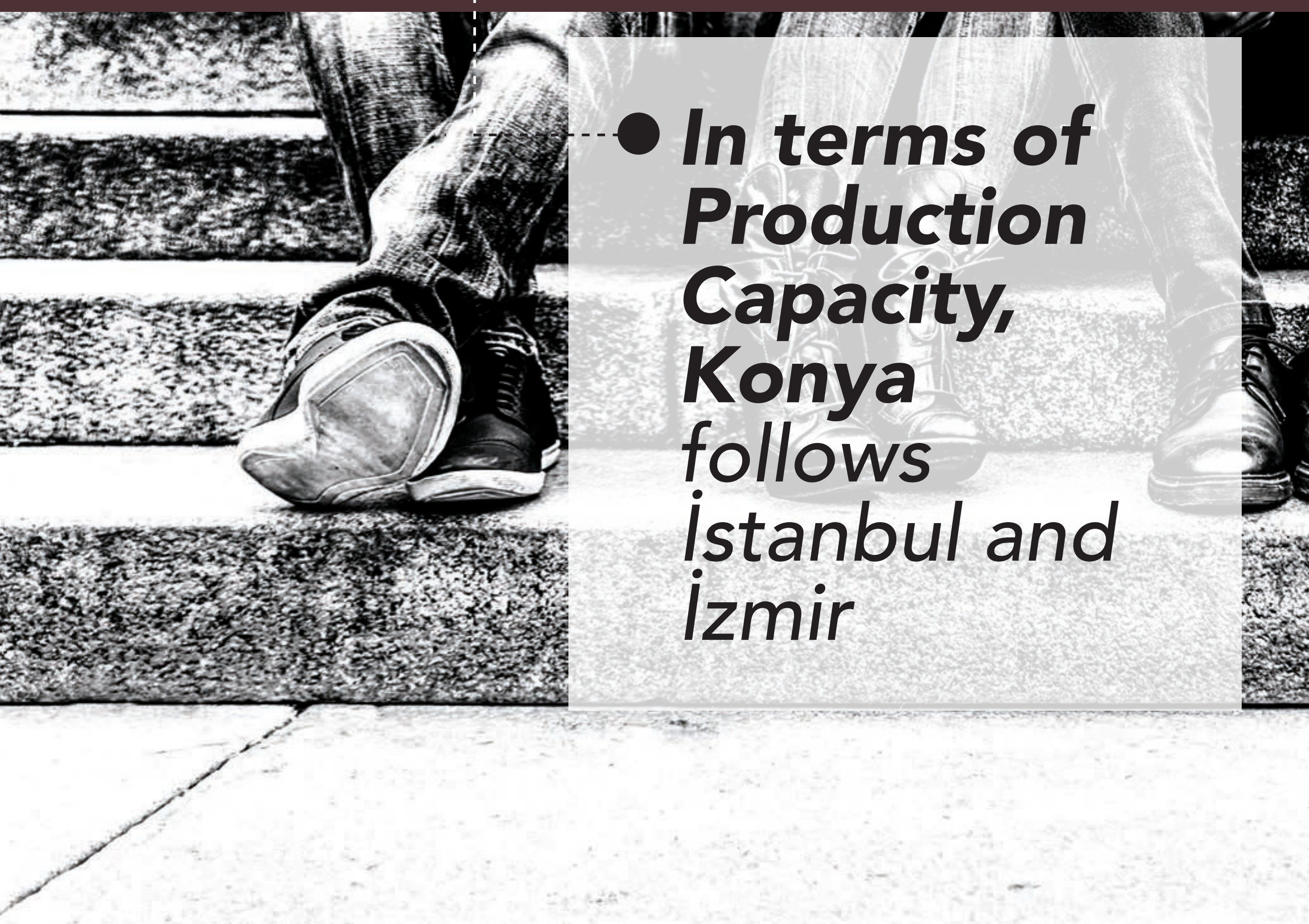
Equipment pool investments made by the private sector after 1980s and which can be considered as quite high, have enabled footwear sector to progress in industrialization. After free trade was allowed in Russian market in 1990s, footwear industry grew very seriously and became an important production sector for Turkish economy. Today, with 18 thousand 500 enterprises and 280 thousand employees, Turkish footwear sector has an input - output relationship with 35 sectors. Contribution of the sector to Turkish economy is annual 7,9 billion dollars.

According to the data obtained from Turkish Footwear Industrialists Association (TASD); 75% of approximately 30.000 enterprises in the sector manufactures in the SME status, 25% continues industrial production and about 300.000 people are employed, 20.000 of them are in industrialized enterprises and 280.000 of them are in the whole country.

A large part (90%) of products whose 67% are produced in industrialized enterprises and 33% are produced in semi-industrialized enterprises or enterprises which produce hand-made goods, is sold to domestic market.

FOOTWEAR SECTOR IN KONYA

Konya footwear industry can be accepted as semi-mechanized. In addition, some shoe production machines are produced in Konya. While soles used in production are supplied completely from Konya, needs for leather and consumables are met from outside Konya and partly from abroad. Due to the changing fashion and cost reasons, shoe-top material "upper" can be imported as finished.



In terms of Production Capacity, Konya *follows İstanbul and İzmir*

In Konya which follows İstanbul and İzmir in terms of production capacity, there is AYKENT industrial site containing shoe producers operating in shoe production sector, upper producers, wholesalers and various subsidiary industries.

Table 2: Distribution of Konya Footwear Enterprises (2016)

		Share
Big Enterprise -Factory	50	2%
Medium Size Enterprise	250	11%
Small Size Enterprise	1.300	55%
Manufacturer Total	1.600	67%
Upper, Repair, Retail, Wholesaler	775	33%
ENTERPRISE GENERAL TOTAL	2.375	100%

Source: Konya Footwear Industrialists Association, Konya Konya Chamber of Shoemakers

In the sector which contains 65 brand applications and 51 brand trademarks which have been registered and where diversity has increased in recent years, 60% of the products produced are men's shoes, 10% are children's shoes, 25% are women's shoes and 5% are thin-soled indoor boots called mest. Some of the machines used in the sector are as follows:

1. Back part mounting machine
2. Counter moulding machine
3. Toe puff machine
4. Computerized cutting benches
5. Cutting press
6. Upper machine
7. Sole attaching compress
8. Quick heating
9. Quick freezing
10. Shaping machine
11. Plastic injection making sole
12. Sole pre-trimming machine

Main types of shoes produced under men's, women's and children's groups in Konya are Comfort, casual, fantasy, sports, outdoor, sandal-slippers, business and medical shoes. Profiles of the enterprises producing products under the customs tariff statistics position code 64.04 (shoes whose outer soles are made from rubber, plastic material, natural or synthetic leather and whose surfaces are made from materials which can be weaved) are shown in the table below:

Table 3: Konya Footwear Sector with customs tariff statistics position code 64.04

Source: Turkish Union of Chambers and Commodity Exchanges Database

Explanation	Number of Registered Businesses	Number of Employeesı	Capacity (pair)	Employee/ Enterprise	Capacity/ Enterprise	Enterprise	Employee	Capacity
Footwear whose sole is wooden and upper is leather such as shoes, boots... etc. (including clogs; except ones having insole or protective metal toe)	3	95	*	32	*	4%	4%	*
Casual/ballroom shoes, those with leather upper, for children (including boots and shoes, but not waterproof ones and ones with protective metal toes)	6	244	467.760	41	77.960	8%	11%	4%
Casual/ballroom shoes, boots... etc., those with leather upper, for men (including boots and shoes, but not waterproof ones and ones with protective metal toes)	33	785	7.729.250	24	234.220	43%	34%	73%
Casual/ballroom shoes, those with leather upper, for women (including boots and shoes, but not waterproof ones and ones with protective metal toes)	22	699	2.073.900	32	94.268	29%	31%	20%
Sandals, those with leather upper, for women (thong sandals and flip flops)	3	185	*	62	*	4%	8%	*
Sandals, those with leather upper, for children (thong sandals and flip flops)	0		0	0	0	0%	0%	0%
Sandals, those with leather upper, for men (thong sandals and flip flops)	2	44	*	22	*	3%	2%	*
Slippers and other footwear worn at home, those with rubber, plastic or leather sole, with leather upper (indoor slippers, dancing slippers (ballet shoes, etc.), snoozies, etc.)	8	227	248.550	28	31.069	10%	10%	2%
General Total	77	2.279	10.519.460	30	136.616	100%	100%	100%

There are about 77 enterprises producing products under the customs tariff statistics position code 64.03 (shoes whose outer soles are made from rubber, plastic material, natural or synthetic leather and whose surfaces are made from leather) in Konya. 2.279 people work in these enterprises. It is thought that total capacity about product code has reached 10.700.000 pairs. The fact that the number of employees per enterprise varies between 24 and 62 indicates that most businesses are small businesses.

There is a company in Konya that produces slippers and shoes worn in house.

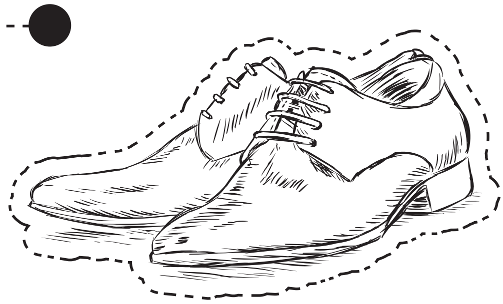
FOREIGN TRADE IN KONYA FOOTWEAR SECTOR

When it is looked at foreign trade of Konya footwear sector, it is seen that export has increased and has reached import over the years. (While export has been increasing by 51% in a year from 834.202 dollars to 4.380.027 dollars between 2011 and 2015, import has decreased continuously and fell from 4.149.097 dollars to 544.838 dollars. Footwear import in 2015 is about 514 dollars) Prominent countries to which shoes are exported from Konya are as follows:

Table 4: Countries to which shoes are exported from Konya

Source: Turkish Statistical Institute and Turkish Exporters Assembly

Countries
Netherlands
Germany
Italy
England
Greece
Spain
Belgium
Norway
Finland
Austria
Estonia
Poland
Czech Republic
Hungary
Romania
Bulgaria
Albania
Ukraine
Russian Federation
Azerbaijan



INVESTMENT INCENTIVE PRACTICES IN SHOES SECTOR

Investment incentive systems applied in our country are as follows;

•General Incentive Practices: Except for investment issues which won't be incentivized or which can't fulfill conditions required for the incentive, investments above minimum fixed investment amount and capacities are supported under General Incentive Practices without making discrimination between regions.

•Regional Incentive Practices: While sectors to be supported by Regional Incentive Practices are determined by considering potentials of provinces and their economic scale sizes, aid intensity differs according to regions' levels of development.

•Privileged Investment Incentive: While investments to be made in areas that will be identified in line with the needs of our country, are determined as privileged investments, supports practiced in the 5th Zone are provided to these investments even if they are carried out in 1st, 2nd, 3rd and 4th Zones.

•Strategic Investment Incentive: Investments for intermediary goods or products with high import dependency are supported within the scope of strategic investment incentive practices.

Criteria that must be met by investments to be supported in this context are as follows;

• Minimum fixed investment amount must be 50 million TL,

• Total domestic production capacity of the investment issue must be less than import,

• Added value provided by investment must be minimum 40% (this condition is not required for refinery and petrochemistry investments),

• Total import value for the product to be produced must be at least 50 million USD in the last 1 year.
50 milyon ABD doları olması.

Support elements provided to investments in the framework of these practices;

Table 5: Support Provided for Investments*

Support	General Incentive Practices	Regional Incentive Practices	Privileged Investment Incentive	Large Scale Investment Incentive	Strategic Investment Incentive
VAT Exception	Yes	Yes	Yes	Yes	Yes
Customs Duty Exemption	Yes	Yes	Yes	Yes	Yes
Tax Reduction		Yes	Yes	Yes	Yes
Insurance Premium Employer's Share Support		Yes	Yes	Yes	Yes
Investment Place Allocation		Yes	Yes	Yes	Yes
VAT Return**					Yes

**Interest support which is not applied in 2nd Zone in which Konya get involved, insurance premium (worker share) support and VAT return are not included.*
***Strategic investments whose fixed investment amount is more than 500 million TL*

Konya is in 2nd Zone among investment zones. In General Incentive Practices for 2nd Zone, minimum investment amount of 1 million TL is foreseen for the footwear sector. In Regional Incentive Practices, minimum fixed investment amount for 2nd Zone including Konya is planned separately for each sector starting from 1 million TL. Minimum fixed investment amount for large scale investments starts from 50 million TL and is defined with different sizes according to the sector, this amount is 50 million TL for strategic investments... Content of investment support practices for Konya is as follows:

VAT Exception: It is applied in a way that value added tax is not paid for investment good, machine and equipment to be provided within the country and from abroad within the scope of the incentive certificate.

Customs Duty Exemption: It is applied in a way that custom duty is not paid for investment good, machine and equipment to be provided from abroad within the scope of the incentive certificate.

Tax Reduction: Application of income or corporation taxes at a reduced rate until they reach up to contribution amount foreseen for investment. Insurance Premium Employer's Share Support: Insurance premium employer share's amount corresponding to minimum wage that must be paid for additional employment provided by investment covered by incentive certificate, is covered by Ministry.

Investment Place Allocation: Allocation of investment place by Ministry of Finance for investments whose incentive certificates are issued within the framework of principles and procedures determined.

VAT Return: Return of VAT collected for building and construction spendings made within the scope of strategic investments more than fixed investment amount of 500 million Turkish Liras.

Table:6 Konya Investment Support System (2nd ZONE)

	Investment Start Date			
	Before 12.12.2015		After 01.01.2016	
	Inside of Organized Industrial Zone	Outside of Organized Industrial Zone	Inside of Organized Industrial Zone	Outside of Organized Industrial Zone
Rate of Contribution to Investment (%)	25	20	20	15
Tax Reduction Rate (%)	60	55	50	40
Insurance Premium Employer's Share (year)	5	3	3	-
Interest Support				
TL Credit (score)	-	-	-	-
Foreign Currency Credit (score)	-	-	-	-
Investment Place Allocation	All investments that will benefit from regional incentives			
VAT Exception	Investments with incentive certificate in all sectors			
Customs Duty Exemption	Investments with incentive certificate in all sectors			
Regional Minimum Investment	Shoes 1.000.000 TL			

Investment incentive certificates seen in Table 7 and taken in footwear sector reveal investment trend in the sector. According to this, in Konya footwear sector, fixed investments related to investment incentive certificates increased by 287% in 2014 when compared to previous year.

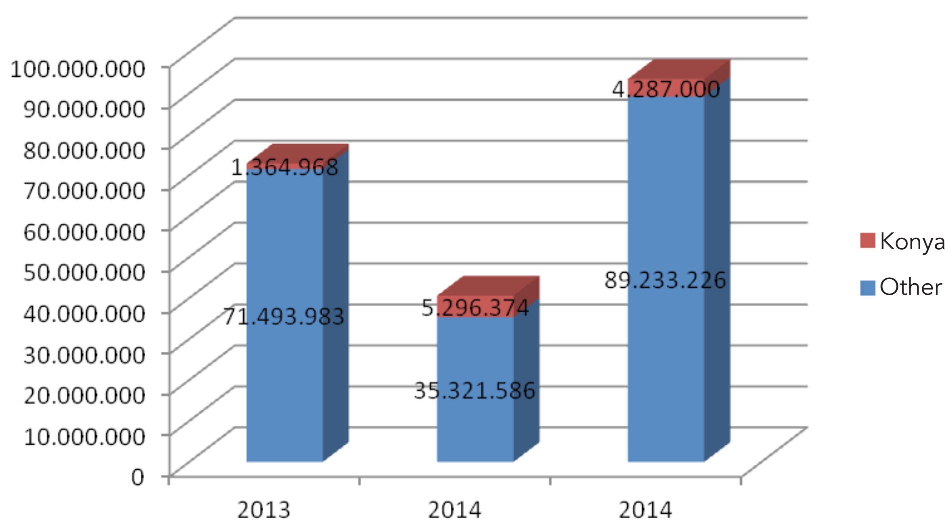
When it is looked at ratio of imported machine equipment in investments for which investment incentive certificate was received, it is seen that there is 43% decrease in 2014 and there is 81% increase in dollars in 2015.

Table 7: Investment Incentive Certificates Received in Footwear Sector

2013	City	Document	Fixed Investment (TL)	Imported Machine Equipment ($)	Employment created	Share Fixed Investment	Share Imported Machine Equipment	Share Emp-loyment
	Konya	1	1.364.968	252.484	18	2%	1%	2%
	Other	19	71.493.983	18.071.347	934	98%	99%	98%
	Total	20	72.858.951	18.323.831	952			
2014	Konya	2	5.296.374	1.069.592	16	13%	10%	4%
	Other	16	35.321.586	9.454.799	410	87%	90%	96%
	Total	18	40.617.960	10.524.391	426			
2015	Konya	2	4.287.000	1.142.904	16	5%	6%	1%
	Other	10	89.233.226	17.965.933	1.062	95%	94%	99%
	Total	12	93.520.226	19.108.837	1.078			

While it is seen that in total fixed investments, footwear sector investments decreased by 45% in 2014 compared to the previous year, it is seen that fixed investments and fixed investments for which investment incentive certificates are issued increased by 130% in 2015.

Figure 1: Footwear Investments



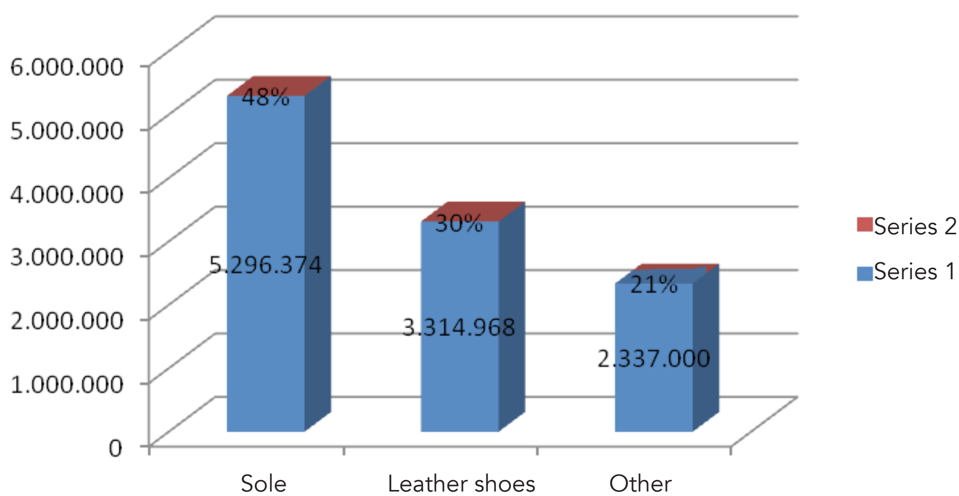
When it is looked at characteristics of investments in table 7 for which investment incentive certificates were received in 2014-2015, it is seen from following table 8 that all of them are expansion investments.

Table 8: Investment Incentive Certificates Received in Konya and Their Characteristics

	Certificate	Fixed Investment	Imported Machine Equipment ($)	Investment Type	Characteristic	Emp-loyment created
2013	1	1.364.968	252.484	Completely New	Leather Shoes	18
2014	1	2.892.190	551.640	Expansion	Sole	6
	1	2.404.184	517.952	Expansion	Sole	10
2015	1	2.337.000	706.904	Expansion	Leather, thermal, PVC shoes	6
	1	1.950.000	436.000	Expansion	Leather Shoes	10

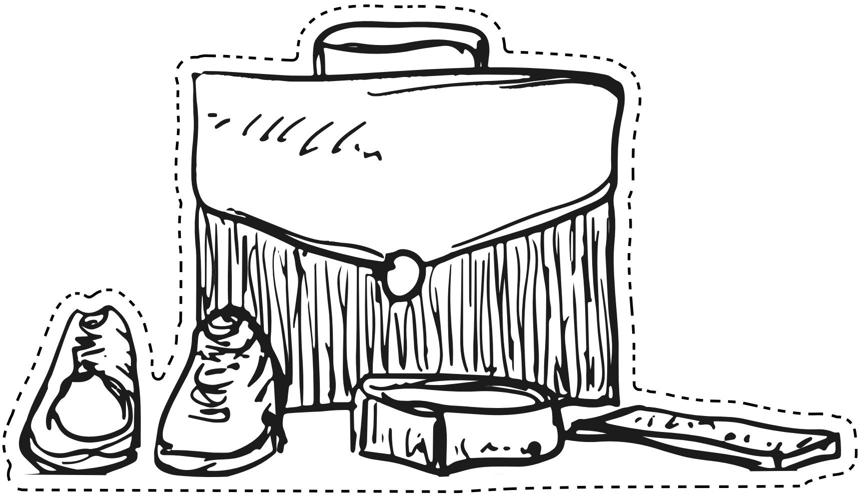
All of the investments for which certificates were issued, were received for leather shoes in 2013 and all of the investments for which certificates were issued, were received for shoe soles in 2014. In the investment trend of 2015, it is seen that the incentive certificate were received by considering product variety (leather, thermal, PVC shoes).

Figure 2: Distribution of investments for which investment incentive certificates were issued between 2013 and 2015 in Konya according to types



48% share of sole production indicates need for investment related to sole in sector.

Footwear sector ***has a long history in Konya...***



SECTORAL ADVANTAGES

Footwear sector is a well-established sector in Konya with its development potential and dynamic structure. Flexible structure caused by existence of small businesses allows shoe sole which is an important intermediate, to be supplied from Konya and a supply potential at the capacity to meet all needs.

The fact that many businesses are gathered in a single industrial site helps the production for brands and development of the footwear subsidiary industry as in İzmir and Gaziantep.

Proximity of Konya to EU markets allows for country diversification in exports and then, increase in exports.

KONYA *FOR INVESTMENT, BECAUSE ...*

Most of the companies making production in Konya footwear sector are small enterprises and some of them are medium sized enterprises. Small enterprise scale provides flexibility for such enterprises to meet different demands.

In Konya, enterprises can also make production for various brands besides their own activities, this situation forces enterprises to achieve specific production standards and also increase production quality.

At the point of meeting needs for raw materials and auxiliary products in footwear production, subsidiary industry also has a special importance. “Sole production” which is one of the major subsidiary industries, is one of Konya’s most prominent areas.

While shoe manufacturers can meet their sole needs from Konya, investment incentive certificates received for expansion investments in sole production also allow increase in quality of sole industry.

There is a success in market diversification in export of shoes having increase trend. Turkey’s important import market such as Russian Federation and its proximity to other major importer markets such as Peru, Mexico, Saudi Arabia, Israel are important advantages of Konya which exports through İstanbul and Mersin ports in terms of sector exports.

Past, Present And Future Of ***Konya Textile Sector***

OVERVIEW

Textile can be defined as everything that means fabric formed by weaving and knitting and can be put on, manufacturing sector which includes some decoration products and all kinds of accessories.

In textile sector which provides the most employment opportunities and has the largest number of exports in Turkey; while export of clothing increased from 15,5 billion dollars to 18,4 billion dollars in 2007-2015, foreign trade surplus in the sector was 13,9 billion dollars in 2015. European Union ranked first in our exports with a share of 72% among all regions.

In Konya textile sector which has a long history and experience, approximately 500 SME firms operates, of which 80% are women apparel and 20% are children's and men's apparel.

It is seen that men's-women's shirts and men's suits - women's suits are produced in Konya. While production becomes dense in certain areas of men's suit, it is seen that 36% of enterprises produce trousers from artificial and synthetic fibers. There is one firm for each of jacket blazers, riding breeches with different fibers and shorts; 28% of the enterprises are in the production of women's suits, synthetic skirts and trouser skirts. In addition, there are also manufacturers operating in many types of products in the sub-sector.

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WHY KONYA?

With Customs Union Agreement, removal of quotas and taxes on Turkish textile products in EU enabled Konya to increase its sector exports. In order to resist global crisis which emerged in textile and ready-made clothing sector in 2008, many companies continued to work with equity capital in the same period while company mergers were becoming fast. After this period, increase in outsourcing for İstanbul led to emergence of new sales opportunities for manufacturers as well.

Focus is on ***knitwear and women's textile*** *products in textile*

...

In Konya textile sector where production is made in many product groups today; apparel production grew by 3,5% in 2015 when compared to the previous year. Product types produced in the sector are shown in the following table;

	MEN'S CLOTHING	WOMEN'S CLOTHING	CHILDREN'S and INFANT CLOTHING
READY-MADE CLOTHINGS FOR WINTER	CLOTHINGS FOR UPPER BODY SUCH AS JACKET, OVERCOAT-COAT, SWEATER, SLIPOVER, VEST, SHIRT, ETC.; CLOTHINGS FOR LOWER BODY SUCH AS SPORT - CLASSIC TROUSERS, SWEATPANTS, PAJAMAS, ETC.	CLOTHINGS FOR UPPER BODY SUCH AS JACKET, OVERCOAT-COAT, TOPCOAT GROUP, BLOUSE, SHIRT, VEST, ETC.; CLOTHINGS FOR LOWER BODY SUCH AS TROUSERS, SWEATPANTS, ETC.	CLOTHINGS FOR UPPER BODY SUCH AS OVERCOAT-COAT, SWEATER, SLIPOVER, VEST, SHIRT, ETC.; CLOTHINGS FOR LOWER BODY SUCH AS SPORT - CLASSIC TROUSERS, ETC.
SEASONAL READY-MADE CLOTHINGS	CLOTHINGS FOR UPPER BODY SUCH AS SUIT, DOWN COAT-TRENCH COAT, SHIRT, SWEATSHIRT, VEST, ETC.; CLOTHINGS FOR LOWER BODY SUCH AS TYPES OF SPORT - CLASSIC TROUSERS, ETC.	CLOTHINGS FOR UPPER BODY SUCH AS SUIT, TOPCOAT ,DOWN COAT-TRENCH COAT, SHIRT, BLOUSE, SWEATSHIRT, CARDIGAN, ETC.; CLOTHINGS FOR LOWER BODY SUCH AS TYPES OF SPORT - CLASSIC TROUSERS, SKIRTS, ETC.	
READY-MADE CLOTHINGS FOR SUMMER	CLOTHINGS FOR UPPER BODY SUCH AS T-SHIRT, SHIRT, ETC.; CLOTHINGS FOR LOWER BODY SUCH AS TROUSERS, SHORTS, ETC.	CLOTHINGS FOR UPPER BODY SUCH AS T-SHIRT, SHIRT, ETC.; CLOTHINGS FOR LOWER BODY SUCH AS TROUSERS, SHORTS, SKIRT, ETC.	CLOTHINGS FOR UPPER BODY SUCH AS T-SHIRT, SHIRT, ETC.; CLOTHINGS FOR LOWER BODY SUCH AS TROUSERS, SHORTS, SKIRT, ETC.
UNDERCLOTHING	UNDERPANTS, UNDERWEAR, UNDERSHIRT, LONG JOHNS, ETC.	UNDERWEAR, NIGHTDRESS, UNDERSHIRT, PAJAMAS, ETC.	UNDERWEAR, UNDERSHIRT, PAJAMAS, BODYSUIT, ETC.
OTHER	SOCKS, HAT, GLOVES, SCARF, HANDKERCHIEF, TIE, ETC.	SHAWL, HEADSCARF, HAT, GLOVES, SOCKS TYPES, ETC.	
TEXTILE PRODUCTS THAT ARE PRODUCED AND OUT OF CATEGORY	WORK CLOTHES EVENING DRESS, SPECIAL EVENING DRESSES HOME TEXTILE (BLANKET, CURTAIN)		

PRODUCTION GROUPS OF SUBSECTOR

Men's Shirt Production

In Konya, there are 5 companies operating in the production of men's shirts and employment is provided for 881 people. Except for 1 company that produces only cotton and wool shirts in the sector, all businesses produce cotton shirts. Number of employees reveals that enterprises operating in this sub-sector are medium-sized enterprises.

Table 1: Konya Men's Shirt Manufacturer Profile

Source: Turkish Union of Chambers and Commodity Exchanges Database

Code	Explanation	Number of Enterprises	Employee	Capacity (Piece)	Employee/ Enterprise	Capacity/ Enterprise	Capacity/ Employee
6205	Shirts for men/ boys; from wool/thin hair (except ones which are knitted or crocheted)	1	53	*	53	*	*
6205	Shirts for men/ boys; from cotton (except ones which are knitted or crocheted)	4	828	105.000	207	26.250	126,8116
	GENERAL TOTAL	5	881	105.000	0	0	0

**Note: In accordance with Article 5429 of Turkish Statistical Law concerning Secret Data, data in the relevant cell are considered as confidential and are not given (*1) if number of statistical unit is less than three, (*2) if information belonging to any unit constitutes more than 80% of the total information in that cell even if number of statistical unit is three or more, (*3) if it constitutes 90% of information belonging to two units.*

Men's Suit Production

It is seen that production becomes dense in certain areas of men's suit in Konya. 36% of total enterprises produce trousers from artificial and synthetic fibers. These products are followed by jackets and blazers and gardener type overalls with 16% share, and suits with 11% share. Other enterprises are distributed in different areas.

Table 2: Konya Men's Suit Manufacturer Profile
Source: Turkish Union of Chambers and Commodity Exchanges Database

Explanation	Enterprise	Employee	Capacity (Piece)	Employee/ Enterprise	Capacity/ Enterprise	Capacity/ Employee
Suits for men/boys (except ones which are knitted or crocheted)	2	209	*	104,50	*	*
Jackets and blazers for men or boys, made from cotton or artificial and synthetic fibers (industrial and occupational)	1	53	*	53,00	*	*
Gardener type work overalls for men or boys, made from cotton or artificial and synthetic fibers (industrial and occupational)	3	839	*	279,67	*	*
Jackets and blazers for men or boys (except ones which are knitted or crocheted)	3	217	*	72,33	*	*
Trousers and riding breeches/underpants for men or boys (including short trousers), made from artificial or synthetic fibers (except ones which are knitted or crocheted and industrial or occupational clothes)	7	156	131.306	22,29		
Trousers and riding breeches/underpants for men or boys (including short trousers), made from weft, velvet and plush (except ones which are knitted or crocheted and denim)	1	173	*	173	*	*
Trousers and riding breeches/underpants for men or boys (including short trousers), made from cotton (except ones which are knitted or crocheted and denim)	1	773	*	773		
Trousers and riding breeches/underpants for men or boys (including short trousers), shorts, gardener type overalls (except ones which are wool, cotton and artificial or synthetic fibers and knitted or crocheted)	1	773	*	773	*	*
GENERAL TOTAL	19	3193	131.306	168,05263		

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Women's Shirt Production

In Konya, there are 6 companies operating in the production of women's shirts, blouses or shirt-blouses. On average 163 people work in each enterpriese, this shows that enterprises are medium-sized enterprises.

Table 3: Konya Women's Shirt Manufacturer Profile

Source: Turkish Union of Chambers and Commodity Exchanges Database

Code	Explanation	Enterprise	Employee	Capacity (Piece)	Employee/ Enterprise	Capacity/ Enterprise	Capacity/ Employee
6206	Blouses, shirts or shirt-blouses for women or girls (except ones which are knitted or crocheted)	6	977	203.872	162,83	33.978,67	208,67

Women's Suit Production

In Konya, synthetic fiber skirts and trouser skirts have the highest share with 28% in terms of number of enterprises. With 20% share, this product is followed by jacket, blazer, dress and shorts, riding breeches and trousers made from cotton and other materials which can be woven. When we look at in terms of employees employed in enterprises, it is seen that there is a focus on two product groups. According to this, skirts and trousers made from cotton have 32% share, trousers, riding breeches and shorts made from cotton and other materials have 36% share. In medium-sized enterprises, average 95 people work per enterprise.

Table 4: Konya Women's Suit Manufacturer Profile
Source: Turkish Union of Chambers and Commodity Exchanges Database

WOMEN'S SUIT							Share	
Explanation	**Enterprise**	**Employee**	**Capacity (Piece)**	**Employee/ Enterprise**	**Capacity/ Enterprise**	**Capacity/ Employee**	**Enterprise**	**Emp-loyee**
Suits for women or girls (except ones which are knitted or crocheted)	2	85	*			*	8%	4%
Jackets and blazers for women or girls (except ones which are knitted or crocheted)	5	161	89.566	32,2	17.913,20	556,31	20%	7%
Dresses for women or girls (including denim dresses) (except ones which are knitted or crocheted)	4	174	102.915	43,5	25.728,75	591,47	16%	7%
Skirts and trouser skirts for women/ girls, made from cotton (except ones which are knitted or crocheted)	1	773	*	773	*	*	4%	32%
Skirts and trouser skirts for women/ girls, made from synthetic fiber (except ones which are knitted or crocheted)	7	261	188.547	37,285714	26.935,29	722,40	28%	11%
Trousers and riding breeches/ underpants for women or girls (including short trousers), knickerbockers, shorts, etc., made from cotton and other materials which can be woven (except ones which are denim and industrial or occupational clothes)	5	852	156.828	170,4	31.365,60	184,07	20%	36%

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FOREIGN TRADE IN KONYA TEXTILE SECTOR

Export of unwoven clothes and accessories which started to rise after 35% fall in 2012, rose by 232% in 2013 and exceeded 1 million dollars. In the sector which shows rise in 2014, distribution of 2015's export according to countries is as follows;

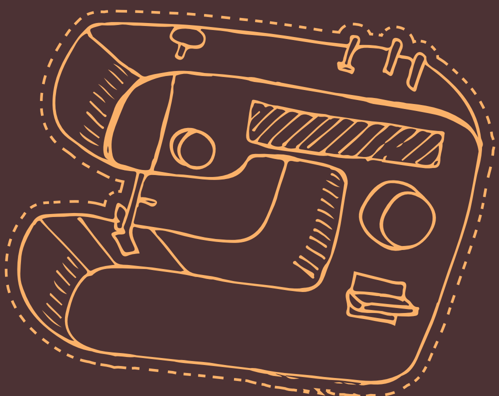


Table 5: Countries to which textile is exported from Konya

Source: Turkish Statistical Institute and Turkish Exporters Assembly

France
Netherlands
Germany
Denmark
Belgium
Norway
Sweden
Austria
Switzerland
Georgia
Kazakhstan
Algeria
Mauretania
Tanzania
Syria
Iraq
Saudi Arabia
UAE
China
Japan
Total

French has the highest share among countries to which unwoven clothing and accessories are exported from Konya in 2015. While France was followed Netherlands, Konya's import of unwoven clothing was at negligible level.

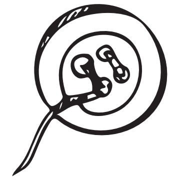
INVESTMENT INCENTIVE PRACTICES IN TEXTILE SECTOR

There is no investment incentive certificate in the area of clothing. Incentive certificates which were received are related to raw material investments more or less.

While 2 investment incentive certificates were received during 2013 - 2014 period, it is seen that these investments were texturized yarn and wool yarn investments. There is no investment trend within the scope of primary products.

Table 6: Konya Incentive Certificate Textile Investments
Source: Ministry of Economy

	Certificate	Fixed Investment (TL)	Imported Machine Equipment ($)	Employment	Investment Type	Characteristic
2013	1	6.040.620	2.426.750	3	Expansion, Modernization	Texturized Yarn 912 tons
						Blanket 741.024 pieces
2014	1	2.740.307	1.055.337	4	Expansion	Wool Yarn 389 tons



Production
in Konya
textile
sector
is intense

...

KONYA *FOR INVESTMENT, BECAUSE ...*

Past of textile sector in Konya strengthens its position much more every passing year. The fact that countries where competition is relatively lower such as Middle East, Latin America countries are potential markets for Konya, high possibilities of obtaining raw materials with quality fibers in production and proximity of Konya to export ports such as İstanbul and Mersin play a big role in this development.

In addition, Konya makes a name for itself in textile sector because medium-sized enterprises help industrialization of the sector and cheaper work force causes competition when compared to western countries.

With expansion of both domestic and foreign market opportunities of large textile companies, business volumes of outsourcers in Konya expand in parallel with this. Proximity of Konya to important textile cities such as İstanbul and Denizli gives an advantage in terms of outsourcing.

TRANSPORTATION TO KONYA

Konya which has been an important center of trade and accommodation throughout history due to its geographical location, connects to other cities through roads going towards north, northwest, northeast, west, east and south directions.

Konya-Afyonkarahisar, Eskişehir-Bursa-İstanbul, Konya-Ankara highways enable connection with Ankara and cities located in the northwest; Konya-Aksaray road enables connection with Nevşehir and northeast cities; Konya-Beyşehir road extending to the west enables connection with İzmir through Isparta-Denizli-Aydın; Konya-Karaman in the south enables access to Mersin and Adana.

In addition, road connecting to Ankara-Adana highway also provides access to Adana and southeastern cities through Ereğli and it provides access to Black Sea cities through Kayseri. Konya-Seydişehir road connects Konya and Central Anatolia Region to the southern coast from the shortest distance.
Railway length passing through the borders of Konya which has 6.6% of the 12,000 km of railway network in Turkey, is about 800 km.

Railway transportation from Konya is provided by High Speed Train (Konya-Ankara/ Konya-Eskişehir/ Konya-İstanbul), Toros Express (İstanbul-Konya- Gaziantep), Central Anatolian Blue Train (Ereğli-Konya-İstanbul) and Meram Express (İstanbul-Konya) lines. With high-speed train, it takes 1,5 hour to Ankara and Eskişehir, 4 hours to İstanbul Airway transportation is also becoming increasingly important day by day in Konya which has one military-civilian airport. The airport which is open to international traffic as a border crossing, is 20 km away from the city center. While flights are regularly carried out to İstanbul and İzmir every day, direct flights are made to various points in Europe during the summer months.

Mevlana
Kalkınma Ajansı
Development Agency

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EĞİTİM VE SAĞLIK VAKFI

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