



This Project is co-funded by the European Union
and the Republic of Turkey



EUROCHAMBRES



CIVIL SOCIETY SECTOR



TBB



KONYA TİCARET ODASI
KONYA CHAMBER OF COMMERCE



IHK
Industrie- und Handelskammer
Chamber



KONYA



INVESTMENT IN KONYA WHY and HOW?



ÜYE HİZMET MERKEZİ
BUSINESS SERVICE CENTER

This brochure has been prepared within the scope of Business Service Center project.

Business Service Center is a support unit established in Konya Chamber of Commerce and Aksaray Chamber of Commerce and Industry with our project number CFCU/TR2015.DG.01.A6-02/024, titled "Business Service Center" and conducted with partnership of Konya Chamber of Commerce, Aksaray Chamber of Commerce and Industry and Chemnitz Chamber of Commerce and Industry within the framework of "Turkey-EU Business Dialogue Project" conducted in cooperation with TOBB and EUROCHAMBERS.

Business Service Center was established in order to enable our members to reach relevant authority easily for all kinds of requests, suggestions and complaints, to direct the communication from a single center, to respond to our members as soon as possible and to follow the result.

Business Service Center will provide information service in the following areas:

- **Activities of the chamber**
- **Current announcements**
- **Processes for starting a business and required documents**
- **Investment Areas**
- **Government Supports**

C O N T E N T S

1.	SHORT ANALYSIS OF KONYA FOR INVESTMENT	2
2.	REASONS FOR INDUSTRIAL SECTOR INVESTMENTS	3
3.	INVESTMENT SUBJECTS RECOMMENDED FOR KONYA	10
4.	INVESTMENT INCENTIVE SYSTEM AND KONYA	11

SHORT ANALYSIS OF KONYA FOR INVESTMENT

Konya;

·Konya province is located in the south of Central Anatolia Region with a population of 2.2 million.

·Konya is the largest province of Turkey and covers approximately 5% of the country's territory.

·In terms of geographical location, it is established on the roads connecting Mediterranean Region to Central Anatolia and Aegean Region to East and Southeast and there are road, railway and airway transportation opportunities.

·With its location in the center of Anatolia, it provides easy access to 15 billion customers in Europe, Eurasia, Middle East and North Africa.

·With access opportunity by means of high speed train, it is located on connection point of South-North and Southeast-West railway line.

·Konya-Mersin Railway Line and Antalya-Konya-Aksaray-Nevşehir-Kayseri Accelerated Train Line are planned to be completed until 2023. With completion of this line, Konya's distance to the ports will not be a problem.

·Konya Airport is an international airport. Konya Airport is in the category of civil-military airport and it is 18 km away from the city. Konya Airport is among the

airports where cargo transportation is performed.

·Konya is a province experiencing problems in terms of water resources in Turkey. Projects works regarding water transfer to Konya Closed Basin from outside that are planned to be put into use in the future, continue.

·It is a production base that makes serious contributions to the national economy and that is locomotive to other provinces in the region as an attraction center in both Turkey and Central Anatolia Region in terms of agriculture, trade, industry and tourism.

·Presence of suitable pasture and forage plant production areas and presence of land in suitable size for livestock are important advantages for the sector.

·With its tourism potential, it has provided a basis for important investments in the sector.

·It has suitable conditions for investment with its foreign trade volume, wide export network, historical and cultural background, industrial infrastructure, well-educated and dynamic young population.



REASONS FOR INVESTING IN KONYA



2/1

> Reasons for Industrial Sector Investments

Young, Dynamic, Educated Population

47,7% of the population of 2.2 million people is human capital under the age of 35.

There are 5 universities (Selçuk University, Necmettin Erbakan University, Konya Technical University, KTO Karatay University, Konya Food and Agriculture University).

Konya is in the fourth place in our country with 132.802 students.

There are 28.000 students in vocational and technical high schools.

Full-flexible time and part-time working cultures have been established.



Location Advantage

With the advantage of its strategic location, it has a structure providing easy access to its customers in Europe, Eurasia, Middle East and North Africa and suitable for intermodal transportation.

It has road connections with important centers such as Adana, Ankara, Antalya, İstanbul, İzmir, Mersin and Eskişehir.

High Speed Train (YHT) operations are carried out between Ankara-Konya, Eskişehir-Konya, İstanbul-Konya. In addition to YHT lines, trains passing through Konya are Taurus Express (Konya-Adana) and Konya Blue Train (Konya-Izmir).

Kayack Logistics Center Project that will offer services to investors at international standards together with Konya Organized Industrial Zone, is planned to be completed at the end of 2020.

Konya airport operates internationally.



Richness in Terms of Natural Resources

There are many underground resources in Konya such as aluminum, magnesite, lignite, coal, clay, cement raw materials, marble, lead, zinc and barite.

Konya has an important place in salt production.

Reserves of sodium sulphate and potassium sulphate used in glass, leather, chemical and paper industries.

There are geothermal water resources with different features.

It has rich reserve of olivine which is used in many sub-industries that require high temperature, especially in iron and steel industry, cement sector.



Strong Energy Potential



There are potential areas where wind power plants can be installed.

It has a large and nonarable land stock for solar power plant and high potential in terms of insolation values.

In Konya-Karapınar District, lands were determined to be allocated for solar energy investments by declaring "Energy Specialization Industrial Zone". There are Solar Power Plants in 3 locations in Konya

Organized Industrial Zone with a total of 4,5 MW; 65-85% of energy needs of the facilities and district lighting are met from these plants.

- There are rich rock gas reserves.
- With renewable energy resources, energy source diversity and security of supply are targeted.

➤5

Industrial Infrastructure Advantage

There are 9 Organized Industrial Zones, 48 Small Industrial Areas and 22 Private Industrial Areas in Konya.

There is an infrastructure suitable for Defense Industry.

Konya is in 5th place in trademark registration, in 5th place in industrial design registration and in 6th place in patent registration.

Konya has a strong position in domestic market due to its regional advantage.

It has flexible production capability and industry adapting to changing technologies.



Reasons for Agricultural Sector Investments

Young, Dynamic and Educated Human Resource

Konya province's population is 2,2 million.

Food and Agriculture University which is the only one in its field in our country, is located in Konya.

Presence of suitable vocational course opportunities and faculties that train students for the agricultural sector.

Presence of experienced personnel working in the sector.

Konya hosts Konya Agriculture Fair that is one of the largest agriculture fairs in Turkey.

Strategic Location and Presence of Wide Land

Agriculture is carried out on 1.890.829 hectares of land in Konya.

19,9% of Konya's existing area consists of meadow-pasture and 12% consists of forest areas.

In our country, 98% of tulip production, 66% of carrot production, 29% of sugar beet production, 24% of white bean production and 12,5% of total cereal production are met by Konya.

There are private property lands at affordable cost.

There are large public lands suitable for agricultural investment.

Konya Plain Project

Konya Plain Project Regional Development Administration has been assigned to coordinate public investments for development of the region and to prepare Konya Plain Project Action Plan within the

framework of public investments, projects and activities.

37.000 ha of open network irrigation infrastructure will be converted into a closed system.

It is planned to increase total irrigated area in Konya Plain Project Region from 924.000 ha to 1.100.00 ha.

It is planned to increase consolidated agricultural area to 1.392.000 hectares.

Pasture improvement work will be completed in 20.000 ha of area and green fertilizer will be applied in 10.000 ha of area annually.

Konya is a suitable city in terms of wide and irrigable lands.

>7

Anatolia's first seed fair is held in Konya.

High quality seeds are produced in various products.

Bahri Dağdaş International Agricultural Research Institute which is specialized in seed, is one of the important centers for Konya.

Strong companies operating in the field of seed and their knowledge lead the sector.

Development in Seed Sector

Livestock Potential

There is an Organized Livestock Zone established on an area of 21 million square meters in Konya's Çumra district, 30 kilometers away from the city center.

There are suitable environmental conditions for beekeeping.

There are suitable environmental conditions for sheep breeding (Akkaraman-Anatolian Merino sheep breeds).

Aquaculture and fishing potential is high especially in Beyşehir Lake Basin.

High capacity in meat and milk processing plants.

2/3

Reasons for Service Sector Investments

Young and Qualified Human Resource

47.7% of the population of 2.2 million people is human capital under the age of 35.

There are 5 universities in Konya, of which 3 are state and 2 are foundation universities.

Konya is in the fourth place in our country with 132.802 students.

Full-flexible time and part-time working cultures have been established.

Presence of experienced personnel working in the sector.



8<





Presence of an Active Economic and Commercial Life

Konya Chamber of Commerce is the second chamber of commerce established after Istanbul Chamber of Commerce with a history of 138 years.

Konya Commodity Exchange is the first commercial exchange providing electronic service.

167 incentive certificates have been issued in Konya as of the end of 2018. Konya is in the 10th place in Turkey with this figure.

The strongest fair center of the region is located in Konya. Strong cooperation created by well-organized business world.

>9

Presence of a harmonious working strategy among public sector, private sector and NGOs in the city.

Professional chambers and associations shaped according to Ahi-order.

Presence of Mevlana Development Agency which makes significant contributions to the city.

Presence of Konya Plain Project Regional Development Administration, Small and Medium Industry Development Organization Konya Service Directorate.

Presence of Konya European Union Business Development Center.

Presence of Supporter Institutions to Cooperate

Promising Potential in Health Sector

There are 4 university hospitals in Konya.

There are water resources serving at spa treatment point.

A structure that promises affordable and quality service to patients coming from abroad.

Presence of well-trained expert personnel in their field.

Presence of well-equipped hospitals that provide world class service.

INVESTMENT SUBJECTS RECOMMENDED FOR KONYA

While investment subjects suitable for Konya province are recommended, factors such as Konya's geographical location, socio-economic development level, natural resource potential, agricultural production potential, intensity of industrial production and commercial activities, domestic demand and foreign demand and development dynamics of the province are considered.

Item No	Sector	Recommended Investment Areas
1	Mining Sector	Marble, lignite, sand-gravel, bentonite, clay, kaolin.
2	Energy Sector	Wind Power Plant, Solar Power Plant.
3	Agricultural Sector	Cultivation in greenhouse, forage crop cultivation, bovine-ovine breeding, licensed warehousing.
4	Manufacturing Sector	<p>Food Products: Milk products, red-white meat, chocolate-confectionery, vegetable-fruit drying-processing-packaging facility, vegetable-fruit juices.</p> <p>Leather Processing: shoes-suitcase-handbag production).</p> <p>Paper Products Production: Corrugated cardboard, cardboard box production, folding box from paper-cardboard without corrugation, parcel production).</p> <p>Manufacture of Plastic-Rubber Products: Items such as plastic sprinkling-irrigation equipment, PVC joinery, plastic dispenser size bottle, bottle etc., plastic box, case, crate, etc.</p> <p>Manufacture of Chemical Substance and Products: Adhesive, chemical anchor, liquid detergent, powder detergent, nitrogenous mineral or chemical fertilizers.</p> <p>Except for Machine and Equipment: Fabricated metal products manufacturing, motor land vehicles, aluminum conductor manufacturing, aluminum railing systems, prefabricated building elements made of metal.</p> <p>Manufacture of Machine and Equipment not Classified in Anywhere Else: Manufacture of solar power systems, various agricultural tools and machines, water treatment and mineralization device, mill and flour machines, chocolate-confectionery machines-molds, plastic-aluminum-metal mold, auto headlight and signaling elements, plug in cable-insulated electrical cable.</p> <p>Manufacture of Non-Metallic Mineral Products: Production of ready-mixed concrete, briquette and hollow block, manufacture of pumice block and concrete parquet, prefabricated building elements, heat insulated double glass, tempered glass.</p> <p>Manufacture of Motor Land Vehicle-Trailer and Semi-Trailer: Parts and accessories related to engines of motor land vehicles, truck bed, trailer, dumper, commercial vehicle air conditioners, rim, trailer rotors, trailer lifts, differential, engine, transmission and brake spare parts, tractor parts and accessories.</p> <p>Medical Tools: Manufacture of watches with precision and optical tools.</p>
5	Service Sector	Storing: Cold storages, legume packaging-storing, seed storing-classification-packaging, cereal storage services, packaging and labeling services, egg sorting and packaging, student dormitories, five star-four star hotel, surgical hospital services, medical waste sterilization, plastic recycling.

10<

Konya is in 2nd region in incentive system. Investments to be made in Konya; it is benefited from general, regional and strategic investment incentives according to minimum fixed investment amount, rate and duration of the 2nd region.

All investments to be made in Konya over 1.000.000 TL, except for the investment subjects that will not be supported and can't meet the conditions for the incentive, benefit from;

- VAT Exemption
- Customs Duty Exemption supports.

INVESTMENT INCENTIVE SYSTEM AND KONYA

>11

> Investments to be made in Konya:

If the investment is in OIZ or if it is an investment that will provide integration in the field of joint activity and realized by the investor with at least five partners that are real or legal persons operating in the same sector, it benefits from supports of the 3rd region which is a sub-region, in terms of tax reduction and insurance premium employer's share support.

If it is one of the priority investment subjects, it benefits from supports of 5th Region.

investment, it benefits from VAT exemption, customs duty exemption and interest or profit share supports.

If it is R&D and environmental investment, it benefits from VAT exemption, customs duty exemption and interest or profit share supports. Investments for production of products in medium-high technology industry class according to OECD technology density definition benefit from regional supports applied in 4th Region. In these investments, minimum fixed investment amount is 1 million TL for Konya.



INCENTIVE ISSUES FOR KONYA			REGIONAL		PRIORITY
			OUTSIDE AN OIZ	INSIDE AN OIZ	
VAT EXEMPTION			YES	YES	YES
CUSTOMS DUTY EXEMPTION			YES	YES	YES
INTEREST OR PROFIT SHARE SUPPORT			NO	NO	TL: 5 points FOREIGN CURRENCY: 2 points
INVESTMENT PLACE ALLOCATION			YES	NO	YES
TAX REDUCTION	Until 31.12.2022*	Investment Contribution Rate (%)	35	40	55
		Discount Rate (%)	100	100	100
	As of 01.01.2023	Investment Contribution Rate (%)	20	25	40
		Discount Rate (%)	55	60	80
INSURANCE PREMIUM EMPLOYER'S SHARE SUPPORT		Support Period	3 years	5 years	7 years
		Investment Contribution Rate (%)	15	20	35

These are rates for the investment incentive certificates issued for the manufacturing industry (US-97 Code: 15-37) between 1/1/2017 and 31/12/2022.

12K

Note: For investment expenses to be made between 1/1/2017 and 31/12/2022 within the scope of investment incentive certificates for the manufacturing industry (US-97 Code: 15-37); investment contribution rates to be applied in tax reduction support within the scope of regional and strategic incentive application are applied by adding 15 points to the investment contribution rate applicable in each region without making any operation on the incentive certificate and corporate tax or income tax reduction is 100% in all regions. In addition, VAT refund is refunded in building-construction expenses for investment expenses to be made between 1/1/2017 and 31/12/2021.

SECTORS TO BENEFIT FROM REGIONAL INCENTIVES AND MINIMUM FIXED INVESTMENT AMOUNTS IN KONYA			
SECTOR CODE	US-97 Code	Sectors to Benefit from Regional Incentives	2 nd Region Minimum Fixed Investment Amount
1	021	Integrated livestock investments including integrated breeding stock investments (except for investments that don't comply with minimum capacity requirements specified in footnotes)	1 Million TL
2	0500.0.04	Aquaculture (including tiddler and roe production)	1 Million TL
3	15	Food products and beverage manufacturing (except for investment subjects specified in footnote 6)	2 Million TL
4	17	Textile products manufacturing (except for thread and weaving investments that don't meet the conditions specified in footnote 8)	10 Million TL for a completely new investment in textile finishing**
5	18	Apparel manufacturing	Expansion investments more than 2 Million TL
8	1912 and 1920	Luggage, handbag, leathercraft, shoes, etc. manufacturing	1 Million TL
9	20	Manufacture of wooden and cork products (except for furniture), manufacture of woven items such as wickerwork and similar products	3 Million TL
10	21	Manufacture of paper and paper products	10 Million TL
11	24	Manufacture of chemical substance and products	3 Million TL
24	2695.1	Manufacture of concrete products for construction	3 Million TL
27	2720.273	Metal casting industry, base metal industry other than iron-steel	3 Million TL
28	28	Metalware	3 Million TL
33	31	Manufacture of electrical machines and equipment	3 Million TL
38	3591 and 3592	Motorcycle and bicycle production	3 Million TL
39	361, 3692, 3693, 3694, 3699.3.02-05, 3699.3.18	Manufacture of furniture (except for those made of plastic only), manufacture of musical instruments, manufacture of sports equipment, manufacture of games and toys, manufacture of pens and manufacture of baby carriages and strollers and their parts and components	3 Million TL
40	361	Manufacture of furniture (except for those made of plastic only)	3 Million TL
41	5510.1.01, 5510.2.01, 5510.3.02, 5510.5.02, 5510.5.04	Hotels	3-star and more
42	5510.3.01	Student dormitories	100 students
43	6302.0.01	Cold storage services	1,000 square meters
46	8511.0.01-05, 8511.0.99, 8531.0.01-03	Hospital investment	Hospital; 1 Million TL
	8511.0.01-05, 8511.0.99, 8531.0.01-03	Aged care home	Aged care home; 100 people
48		Waste recycling and disposal facilities	1 Million TL
49		Coal gas production (synthesis gas)	50 Million TL
50		Greenhousing	40 decares

* It is prepared in accordance with Decision ANNEX-2.

** 10 Million TL for a completely new investment in textile finishing, 5 Million TL for expansion investment and 2 Million TL for other investments

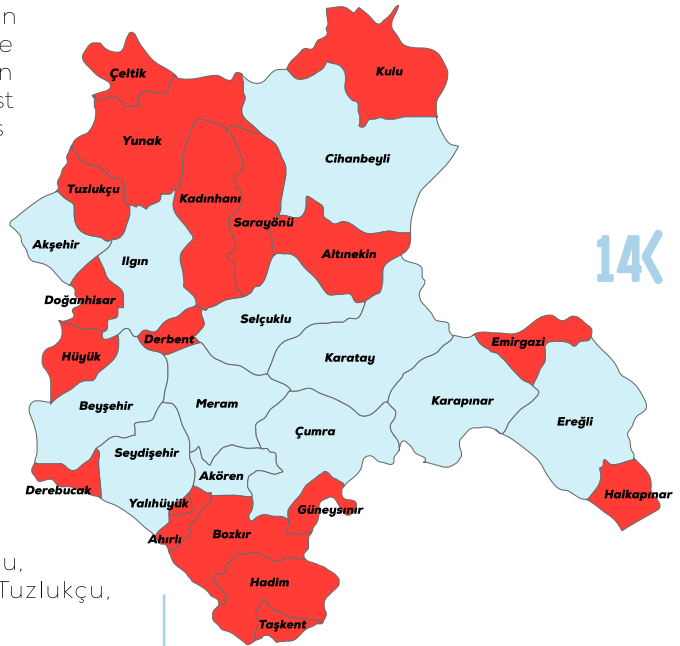
District Based Incentive System

The first step was taken for district based classification in incentive system and design incentives on a district basis with Presidential decision amending "Decision on Government Supports in Investments" published in Official Gazette on August 21, 2020. According to the decision published in Official Gazette, districts of 53 provinces that have been determined will be able to benefit from the incentive.

Selection criteria of the districts to which incentives will be given in the subgroup of the province where they are located have been implemented as being below the development level of the province where they are located. When investment is made in OIZs of districts

selected, it will be benefited from two sub-region incentives. Meanwhile provinces in the 6th Region benefiting from the highest incentive are excluded as they are not sub-regions.

Districts that can benefit from a lower incentive group in Konya according to District Based Incentive System are as follows; Ahırlı, Altınekin, Bozkır, Çeltik, Derebucak, Derbent, Doğanhisar, Emirgazi, Güneysınır, Hadım, Halkapınar, Hüyük, Kadınhanı, Kulu, Sarayönü, Taşkent, Tuzlukçu, Yalnhüyük, Yunak.



Although Konya is located in the 2nd Region in the current situation, it will be benefited from 3rd Region incentives for the investments to be made in the above mentioned 19 districts and if investments are made in OIZs of the districts, it can be benefited from 4th Region incentives.



ÜYE HİZMET MERKEZİ
BUSINESS SERVICE CENTER

Ferhuniye Mahallesi Vatan Caddesi No: Selçuklu / Konya / Türkiye
Phone: 0090 332 221 52 52 Fax: 0090 332 353 5 46

www.kto.org.tr

kto@kto.org.tr