

AGRICULTURAL MACHINERY

*Past,
Present
And Future
Of Konya
Agricultural
Machinery
Sector*

...





PROJECT OWNER

KONYA CHAMBER OF COMMERCE, EDUCATION
AND HEALTH FOUNDATION



PROJECT CONTROLLER

Hüsamettin GÜNGÖR
Osman Yunus DOĞAN
Nurhan KOYUNCU

PROJECT TEAM



PROJECT COORDINATOR

Ömer Faruk DAĞLIOĞLUGİL



SECTORAL INFORMATION AND STATISTICS

Konya ABİGEM



COMPILED AND PREPARED BY

Konya ABİGEM



1882

KONYA TİCARET ODASI
EĞİTİM VE SAĞLIK VAKFI

**WITHIN THE SCOPE OF
REPUBLIC OF TURKEY
MEVLANA DEVELOPMENT AGENCY
2016 DIRECT ACTIVITY SUPPORT PROGRAM**

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

MARCH 2017

PREPARED BY
KONYA ABİGEM



This catalog was prepared within the scope of
“With Cooperation of University - Industry, Konya’s Investment and Promotion Project”
supported by Republic of Turkey
Mevlana Development Agency, 2016 Direct Activity Support Program

It does not reflect opinion of Republic of Turkey, of Mevlana Development Agency.



1332

KONYA TICARET ODASI
KONYA CHAMBER OF COMMERCE

KONYA TICARET ODASI
YATAP KONYA ULUSLARARASI
PHAR MERKEZİ

41010 / ENTRANCE

KONYA TICARET ODASI
MEHMET AKEREN KAVRANI

TO KASIM KAVRANI

5

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%.

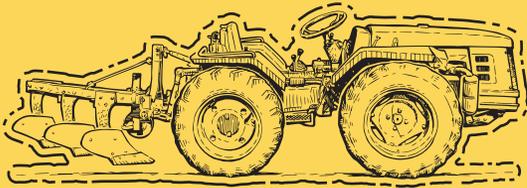


In the last fifteen years, Turkey's average in export has increased 5 times and Konya has increased its export 15 times and has written a success story around the world. Today, Konya has potential to receive 3% share from Turkey's export in the next decade. While Konya industry which allows production 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

CONTENTS

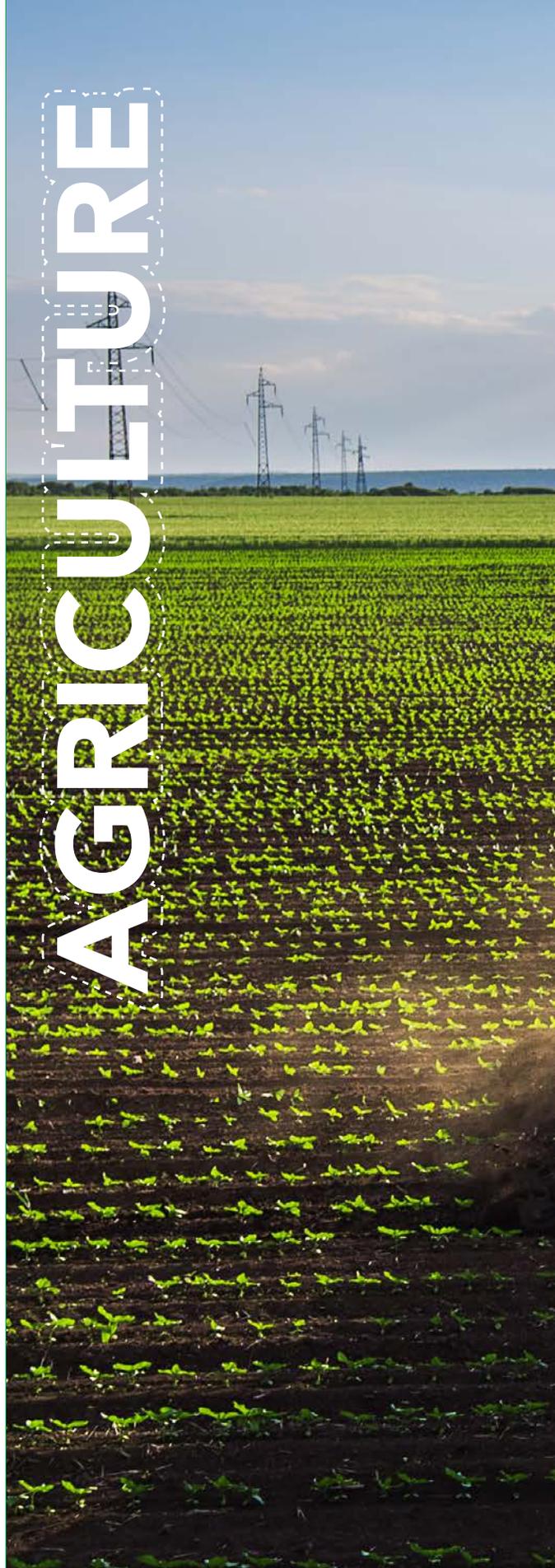
- 5. Introduction
- 9. Overview
- 10. Why Konya?
- 14. Agricultural Machinery Sector in Turkey
- 18. Agricultural Machinery Sector in Konya
- 24. Production Groups of Subsector
- 38. Foreign Trade in Konya Agricultural Machinery Sector
- 39. Investment Incentive Practices in Agricultural Machinery Sector
- 49. Sectoral Advantages
- 53. Konya for Investment, Because ...
- 54. Transportation to Konya



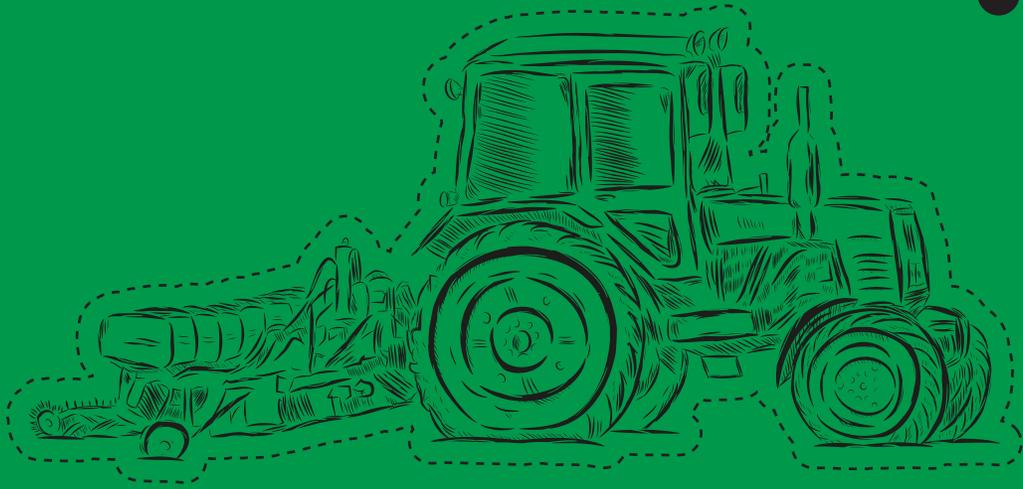
Past,
Present
And Future
**Of Konya
Agricultural
Machinery
Sector**

...

AGRICULTURE







**Konya is
Turkey's number one**
in fertilizer spreader,
sowing machine and mobile
milking machine.

OVERVIEW

Agricultural machinery and equipment industry is a sector where power supply, machinery and equipment which are necessary for agricultural mechanization input whose importance increases at the level of production technology applied among seed, fertilizer, water ... etc. inputs of agricultural production, are produced.

Turkish agricultural machinery sector began in 1930s with production of animal drawn plow and small scale agricultural instruments. The sector has now come to the point where it can manufacture almost all of the mechanization tools needed in agriculture, but now only high-capacity and advanced technological machines (self-propelled harvesting machines, combine harvesters, cotton harvesting machine, etc.) are imported.

According Turkish Union of Chambers and Commodity Exchanges records; 58% of the companies that produce agricultural machinery are in the field of tillage, this rate is followed by companies that produce harvesting machines with 23%. Although number of companies in the sector is high, many companies operate as workshops and small businesses that employ a small number of people.

In Konya which is in the 1st place in combine harvester, fertilizer spreader, sowing machine and mobile milking machine production; in the 2nd place in tractor, plow and water pump production in Turkey, an industrial cluster (KONTARKÜM: Konya Agricultural Machinery Clustering Center) consisting of 45 enterprises was also established in 2012.

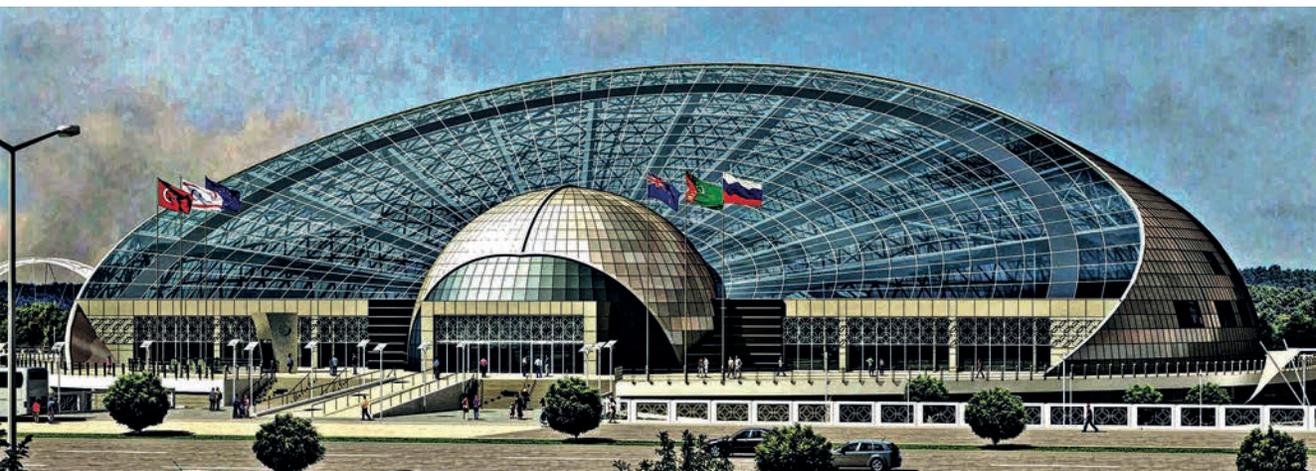


WHY KONYA?

Konya which is described as grain warehouse of Turkey, is suitable for fruit growing, field crop cultivation, organic agriculture and other agriculture sub-sectors in terms of climate and soil structure.

In Konya which has 65% of agricultural machinery and machinery sector in Turkey, presence of large production areas suitable for isolation in plants such as sunflower and corn, the fact that many areas in there have irrigation possibilities and the fact that total of 609.299 hectares of area will be irrigated under the KOP Project, create a serious market for agricultural machinery.

The fact that 60,6% of the population is under 35 years (advantage of young population), 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 (It is necessary in the sector where technical information and equipment are important in terms of meeting the need for personnel), presence of Turkey's third largest techno-city, science centers supported by Scientific and Technological Research Council of Turkey and Regional Innovation Center, are some of the advantages which Konya agricultural machinery sector has.





Being intersection connected to seven provinces with double roads, high-speed train opportunity, presence of international airport, presence of railway connecting Western Anatolia to Southeastern Anatolia, having the first logistic center project of our country and the fact that project of fast railway between Konya - Mersin Port (project will make transportation and freight easy) will be put into practice, are listed as important advantages for Konya in the sector.

In addition to these, the fact that agricultural machinery producers reach raw materials easily, long years of experience in production, high-level mechanization, presence of Organized Industrial Zones, proximity to markets, competitive work force, installed capacity and transfer of information and technology provided by global companies operating in our country, enable Konya to step forward in agricultural machinery sector.









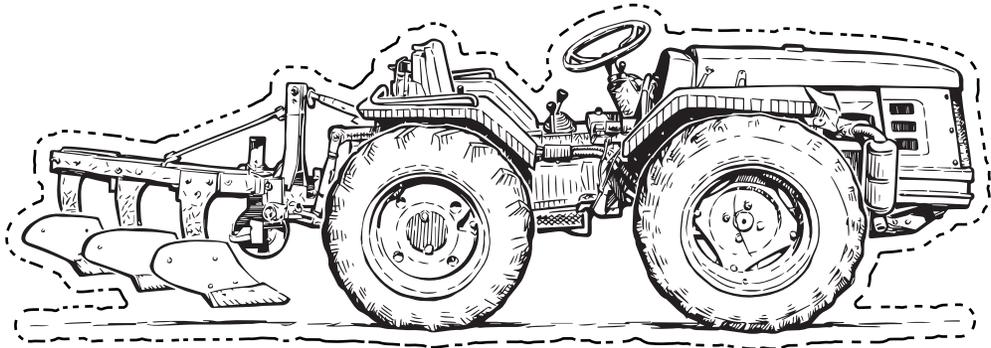
***Konya's
experience
in
agricultural
machinery
sector
has turned
into an
advantage***

...

AGRICULTURAL MACHINERY SECTOR IN TURKEY

Agricultural GDP which was 23,7 billion USD in 2002, rose to 54,65 billion USD in 2015. Turkey which has 11th agricultural economy in the world in 2002, rose to 7th place in 2015 and it became number 1 in Europe.

When its position in agriculture, size of land, number of enterprises and product variety are considered, agriculture of our country is undoubtedly an important market for agricultural machinery.



According to the Turkish Union of Chambers and Commodity Exchanges records, approximately 1.382 companies operate in agricultural machinery sector contributing to the issues such as ensuring work force and field efficiency, improving working conditions in agriculture, increasing competitiveness of producers, more sustainable use of natural resources and giving opportunity to use of small scale and unproductive land. While 232 companies operating in irrigation sector produce products such as pump, irrigation pipes, irrigation nozzles, the area where majority of the companies operate and provides the most employment is tillage machines.





*More than
half of
manufacturers
carry out
export*

...

AGRICULTURAL MACHINERY SECTOR IN KONYA

In Konya which bears traces belonging to pre-republic agricultural machinery sector, agriculture is a significant factor and this situation leads to emergence of agriculture-based industry. It is known that 8 factories were active in 1923 while mill factories were operating in Konya in this period.

In agriculture sector of Konya which has to reached to 5000 - 15.000 m² of production facilities from 50 - 100 m² of repair shops, there is also a work force which was trained by passing through apprenticeship, journeyman, craftsmanship stages.

While shares of companies operating in the field of agricultural machinery

**Konya's
experience in
agricultural
machinery
sector has
turned into
an advantage**

...



increase in Organized Industrial Zones, Konya agricultural machinery manufacturing industry can respond to order requests with supply possibilities that are possessed. Low maintenance and repair cost of machine park in Konya is an economic advantage.

Konya where production of agricultural machinery and spare parts has improved depending on agricultural production, has reached an important level in sowing machine (grain drill) production.

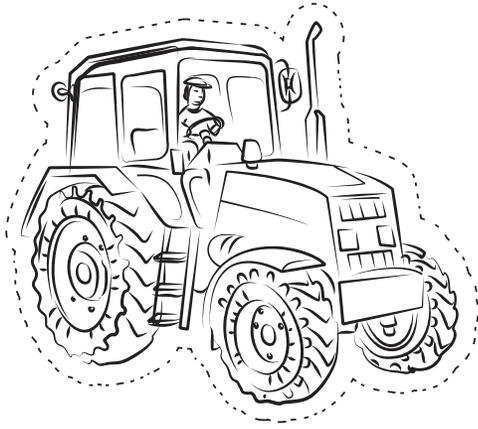
Parts used in the production as semi-finished products or finished products are usually supplied from Konya. While sheet-profile, steel casting, plastic, finished or

semi-finished products, hydraulic systems, connectors, laser cutting and machining products are supplied from Konya, bearings, pneumatics, paint and electro-mechanical systems are supplied from outside the region.

In Konya agricultural machinery sector, more than 60% of manufacturers export.

Agriculture which is carried out in Konya agricultural areas (67.7%), which is much more than the average of Turkey, creates an important demand for agricultural machinery with production value exceeding 10 billion TL in particular. (62% of agricultural land is irrigable and 58,87% is arable land.)





Product groups produced in Konya agricultural machinery sector are as follows;

It is possible to distinguish agricultural machinery produced in Konya as soil tillage and preparation machines, harvesting machines, sowing and planting machines, storage machines, maintenance and agricultural control machines and other agricultural and livestock machines.

Among soil tillage and preparation machines, there are tractor, wheeled, pedestrian controlled semi-trailer, machine and equipment for tillage, machine and equipment for fertilization, plow, harrow and grain drills, mineral or chemical fertilizer spreaders, weed cleaners, chisels, subsoilers, cultivators, rotary tiller, hoeing group machines, hay making machines, rollers, land leveling blades.

While there are transplanters and planters and lifters, lawn and alfalfa mowers, sugar beet topper and harvesting machines, hay and straw baling machines, combine harvester, electric lawn mowers, motor-driven lawn mowers, combine harvesting and threshing machines, sowing and planting machines, seedbed plowing machines, potato planting, lifting machines, storage machines, screw

conveyors, belts and conveyors among harvesting machines, there are spraying machines, pulverizers, irrigation machines, fertilization machines among maintenance and agricultural machines.

Other agricultural machines include milking machines, feed preparation machines, trailers.

Hoeing machine with fertilizer

Hoeing machine with fertilizer which is used for interrow tillage, fertilization and middlebreaking of plants whose sowing space is between 65-80cm such as cotton, corn, sunflower, peanut, soybean and which processes the soil to a certain depth and break formed duff layer, cuts weeds with the help of cutting and digging blades in addition to these operations. Because it performs hoeing, fertilization and middlebreaking operations simultaneously, hoeing machine with fertilizer which provides saving in terms of time, fuel and labor, can be produced as 3 and 5 rows.

Pull-Type Disc Harrow

Pull-type disc harrow is used for breaking root remains in soil after soil is tilled by primary tillage machines such as plow, chisel, it is used after harvest for digging plant remains in by breaking them and for preparing seed bed.

Plow

Plow is an agricultural tool which hoes soil in one direction, can be used in deeper and harder soil easily and consists of handle, plowshare and pieces connecting these parts each other.

The most preferred plow type in tillage is hanger plows attached to the hydraulic arms of tractor and pulled with hangers. Some of other plow types are reversible mouldboard plows and disc-type plows operating by turning in soil.

Milking Machines

While milking machines enable clean milking, they increase milking efficiency at the same time.

Machine and tools for tillage

Tillage tools and machines are hand tools such as shovel, hoe and rake, hoeing machine, tractors, plow, chisels and ripper, as a second class tillage tools; cultivators, rakes, rotary tiller and rollers.

Fertilizer Spreaders

It is possible to classify fertilizer spreaders which facilitate transportation and distribution of farm fertilizer that requires labor and time when it is hand made easy, spread fertilizer equally, provide labor and time savings:

<p>Organic Fertilizer Spreaders</p>	<ul style="list-style-type: none"> *Farm fertilizer spreaders *Liquid fertilizer spreaders *Machines used for supply of plant wastes and green manure
<p>Mineral Fertilizer Spreaders</p>	<ul style="list-style-type: none"> *Machines used for spreading liquid and gas mineral fertilizers *Solid mineral fertilizer spreading machines

A wide-angle photograph of a vast agricultural field. In the foreground, a red plow is visible, partially obscured by dark, rich soil and some dry plant matter. The field extends to the horizon, showing a mix of dark brown soil and patches of green. In the distance, several utility poles and a few small structures are visible against a clear, light blue sky. The overall scene depicts a typical agricultural landscape.

*Konya is
in the **2nd**
place in the
number of
plow...*

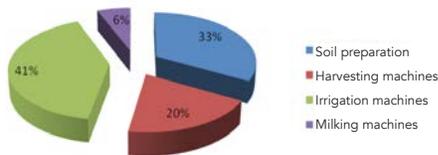


PRODUCTION GROUPS OF SUBSECTOR

It is possible to group agricultural machinery as soil preparation, irrigation, harvesting and milking machines.

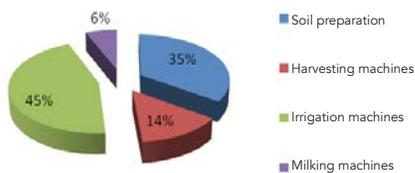
Distribution of agricultural machinery production in Konya according to sub-sectors is as in Figure 1:

Figure 1: Distribution of Konya Agricultural Machinery Enterprises



As it is seen in Figure 2, maximum enterprise number is in irrigation machines with 41% share. This share is followed by soil preparation machines with 33%. Distribution of employment in agricultural machinery in Konya is shown in Figure 2.

Figure 2: Distribution of Employment in Konya Agricultural Machinery Sector



While the highest share of employment is obtained by irrigation machines with 45%, this share is followed by soil preparation machines with 35%.





Production of Soil Preparation Machines

While sub-sector of soil preparation machines reflects full competition market with 186 registered enterprises, it contains a rich variety of products.

Table 1: Konya Soil Preparation Machines -View of Enterprise-

Explanation	Number of Producers	Number of Employees	Capacity (piece)	Producer Share (%)	Employee Share	Employee/Enterprise
Ploughs	23	730	7.564	12%	12%	31,74
Disc Harrows (disc harrows)	18	528	16.973	10%	9%	29,33
Scarifiers and cultivators	18	375	8.906	10%	6%	20,83
Harrows (except disc harrows)	22	609	22.624	12%	10%	27,68
Rotary cultivators	11	352	1.629	6%	6%	32,00
Weed cleaners and hoers	25	1012	31.226	13%	17%	40,48
Centrally driven precision distance grain drills, ones for agricultural or horticultural use	15	715	17.140	8%	12%	47,67
Grain drills, ones for agricultural or horticultural use (except centrally driven precision distance grain drills)	4	197	1.621	2%	3%	49,25
Transplanters and planters and lifters	2	136	*	1%	2%	68,00

Explanation	Number of Producers	Number of Employees	Capacity (piece)	Producer Share (%)	Employee Share	Employee/Enterprise
Mineral or chemical fertilizer spreaders (ones for soil preparation)	23	631	29.466	12%	11%	27,43
Fertilizer spreaders (ones for mineral or chemical fertilizers)	8	198	4.176	4%	3%	24,75
Agriculture, forestry ... etc. machines which are not classified elsewhere; cylinders for lawn or sports fields	10	296	6.657	5%	5%	29,60
Parts of agricultural, horticultural or forestry machines, ones for soil preparation or tillage	7	96		4%	2%	13,71
TOTAL	186	5.875	147.982	100%	100%	

Source: Turkish Union of Chambers and Commodity Exchanges Database

*** No data available.**

According to table, it is seen that group with the largest producer share is weed cleaners group with 13% and it is followed by plows, rakes, mineral or chemical fertilizer spreading machines respectively with 12%.

While weed cleaners are in the front row with a share of 17% in number of employees, it is followed by plows and grain drills with 12% and mineral or chemical fertilizer spreading machines with 11%.





Production of Harvesting Machines

Table 2: Konya Harvesting Machines-View of Enterprise-

Source: Turkish Union of Chambers and Commodity Exchanges Database

Explanation	Number of Producers	Number of Employees	Capacity (piece)	Producer Share (%)	Employee Share	Employee/Enterprise
Lawn mowers (non-electric, ones whose cutter can turn in a horizontal plane), ones for lawns, parks or sports fields	1	8	*	1%	1%	8,00
Lawn mowers (electric), ones for lawns, parks, golf courses or sports fields	1		*	1%	1%	0,00
Lawn mowers (motor-driven) (non-electric, ones whose cutter can turn in a horizontal plane or ones having cutting bars), ones for lawns, parks or sports fields	1	3		1%	0%	3,00
Lawn mowers (motor-driven), (except ones for lawns, parks, golf courses or sports fields)	18	540	26.986	16%	23%	30,00
Hay making machines	7	138		6%	6%	19,71
Combine harvesting and threshing machines	10	140	2.993	9%	6%	14,00
Agricultural threshing machines (except combine harvesting and threshing machines)	10	140	3.678	9%	6%	14,00

*** No data available.**

**Table 2: Konya Harvesting Machines-View of Enterprise-
Source: Turkish Union of Chambers and Commodity Exchanges Database**

Explanation	Number of Producers	Number of Employees	Capacity (piece)	Producer Share (%)	Employee Share	Employee/Enterprise
Potato lifting and harvesting machines	3	154	3.359	3%	7%	51,33
Sugar beet topper and harvesting machines	7	134	1.777	6%	6%	19,14
Animal feed harvesting machines (ones that are self-propelled)	2	171		2%	7%	85,50
Animal feed harvesting machines (except ones that are self-propelled)	1	3	*	1%	0%	3,00
Harvesting machines (including grape harvesting machines) (except combine harvesting and threshing machines, root or tuber harvesting machines, animal feed harvesting machines)	4	149	*	4%	6%	37,25
Cleaning, sorting or grading machines (for eggs, fruit and other agricultural products)	2	21	247	2%	1%	10,50
Parts of machines and equipment within the scope of customs tariff statistics position number 84.33 (Harvesting, blending, mowing; parts of machines and equipment for sorting, cleaning products)	38	755	*	35%	32%	19,87
TOTAL	110	2.356	39.040	100%	100%	

*** No data available.**

In Konya harvesting machines sub-sector, there are different kinds of lawn mowers, hay making machines, potato lifting machines, grape harvesting machines, sugar beet toppers, animal feed harvesting machines and sorting

machines. In the sector with 110 registered enterprises, the largest manufacturing group is group of machines and equipment with 35% and group of lawn mowers with 16%.





Production of Irrigation Machines

It is possible to irrigate large areas in a short period of time due to irrigation machines that irrigate vineyards and gardens in a short time and prevent fruit-vegetables to be damaged and prevent decrease in soil's productivity. Irrigation machines that can be used at very low costs are among the important agricultural machinery today and they are divided into two as spray gun irrigation machines and winged irrigation machines.

Table 3: Konya Irrigation/Product Maintenance and Spraying Machines-View of Enterprise-

Source: Turkish Union of Chambers and Commodity Exchanges Database

Explanation	Number of Producers	Number of Employees	Capacity (piece)	Producer Share (%)	Employee Share	Employee/Enterprise
Irrigation equipment, agricultural or horticultural	32	459	427.037	14%	6%	14,34
Portable mechanical liquid or powder discharging, spreading and spraying equipment (with or without motor), for agricultural or horticultural uses (except irrigation equipment)	41	1140	5.347.125	18%	15%	27,80
Pulverizators (sprayers) and powder spreaders, ones that are designed to be mounted on tractors or pulled by tractors (except irrigation equipment)	51	1041	267.673	22%	14%	20,41
Other agricultural and horticultural equipment	108	5004	267.873	47%	65%	46,33
TOTAL	232	7.644	6.309.708	%100	%100	

While 232 companies operate in Konya irrigation sub-sector, products are varied as irrigation equipment used in horticulture, mechanical liquid or powder spreading equipment, pulverizators. While the largest number of producers in the sector is in the group of other agricultural or horticultural equipment with 47% share, this rate is followed by pulverizators with 22%.

On average, 46 people work in other agriculture and horticulture enterprises, 27 people work in enterprises producing mechanical liquid or powder spreading machines and 20 people work in enterprises producing pulverizators.

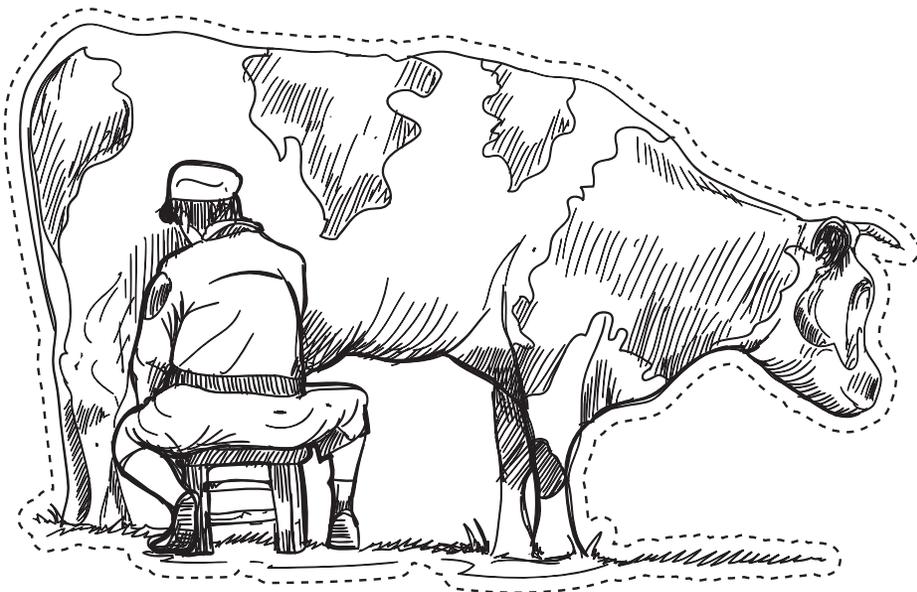
Production of Milking Machines

Table 4: Konya Milking Machines -View of Enterprise-

Source: Turkish Union of Chambers and Commodity Exchanges Database

Explanation	Number of Producers	Number of Employees	Capacity (piece)	Employee/Enterprise
Milking Machines	34	1068	234.662	31,41176

As it can be seen in the table, 34 enterprises operate in the sector. The sector having 1068 employees is characterized by small scale enterprises with an average of 31 employees per enterprise.





Mu





FOREIGN TRADE OF AGRICULTURAL MACHINERY SECTOR IN KONYA

Konya agricultural machinery export increased by 16% on average annually from 39 million USD to 71 million USD. (Import that reached the highest level in 2013, fluctuates.)

Table 5: Countries to which agricultural machinery is exported from Konya

Source: Turkish Statistical Institute

France
Netherlands
Germany
Italy
England
Ireland
Denmark
Greece
Portugal
Spain
Belgium
Luxemburg
Iceland
Norway
Sweden
Finland
Austria
Switzerland
Malta
Estonia

INVESTMENT INCENTIVE PRACTICES IN AGRICULTURAL MACHINERY 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.

•Large Scale Investment Incentive:

Agricultural machinery sector which is mentioned in this Report, is among the sectors determined for the incentive of large scale investments. Minimum fixed investment amount is 50 million TL.

•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.







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

Table 6: 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 gets 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, minimum fixed investment amount for strategic investments is 50 million TL.

Konya için uygulanan yatırım destek uygulamalarının içerikleri şöyle:

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. ödenmemesi şeklinde uygulanır.

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.





Mu Mu

Table 7: Konya Investment Support System (2nd ZONE)

Source: Ministry of Economy

	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	-
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	Machine and Equipment 1.000.000 TL			

Incentive certificates given in Konya agricultural machinery sector in recent years and their details are shown in the following table;

Table 8: Incentive Certificates Given in Konya Agricultural Machinery Sector Investments

Year	Certificate	Fixed Investment (TL)	Imported Machine Equipment (\$)	Investment Type	Employment	Characteristic	Share Fixed Investment
2013	1	5.912.000		Expansion	42	Pneumatic straw elevator, baling machine and wheat screw conveyor 1458 PCS/YEAR	33%
	1	6.582.000	0	Expansion	10	Corn silage machine 800	37%
	1	2.810.549	997.941	Completely New	15	Manufacture of complete feed machine plants 20 PCS/YEAR	16%
	1	1.038.591	1.038.591	Expansion	3	Manufacture of various agricultural machines 5593 PCS/YEAR	6%
	1	1.533.574	709.500	Product Diversification	5	Parts and accessories of lawn mowers 810000 KG/YEAR	9%
Total	5	17.876.714	2.746.032		75		100%

Incentive certificates given in Konya agricultural machinery sector in recent years and their details are shown in the following table.

Table 8: Incentive Certificates Given in Konya Agricultural Machinery Sector Investments

Year	Certificate	Fixed Investment (TL)	Imported Machine Equipment (\$)	Investment Type	Employment	Characteristic	Share Fixed Investment
2014	1	1.110.000		Tevsii	5	Manufacture of various agricultural machines 1150 PCS/YEAR	3%
	1	15.231.359	1.207.860	Tevsii-Nakil	35	Flour mill plant	37%
	1	3.832.950	1.234.570	Tevsii	15	Hydraulic pump	9%
	1	16.791.300	2.535.000	Komple Yeni	35	Various grain drills 5500 PCS/YEAR	41%
						Grain sowing machine 500 PCS/YEAR	0%
						Various plows 3300 PCS/YEAR	0%
	1	1.766.195	660.000	Tevsii	5	Manufacture of complete flour factory 8 PCS/YEAR	4%
						Manufacture of complete salt factory 8 PCS/YEAR	0%
						Manufacture of complete feed factory 21 PCS/YEAR	0%
	1	3.700.000	227.500	Ürün Çeşitlendirme	10	Flour mill plant	9%
Total	5	41.321.804	5.864.930		105		100%
2015	1	7.650.000	584.729	Tevsii	18	Flour mill	22%
	1	7.530.000	0	Tevsii	20	On-vehicle milk transportation tank 353 PCS/YEAR	22%
						Milk Cooling Tanks 298 PCS/YEAR	0%
						Milk Acceptance Tank 240 PCS/YEAR	0%
						Milk counter 653 PCS/YEAR	0%
						Milk filter 1443 PCS/YEAR	0%
	1	16.475.270	1.697.000	Tevsii	60	Manufacture of combine grain drill and spare parts 4956 PCS/YEAR	47%
						Manufacture of vacuum type pneumatic air sowing machine, direct sowing machine and spare parts 1271 PCS/YEAR	0%
	1	3.296.747	601.430	Komple Yeni	7	Milling machine	9%
Total	4	34.952.017	2.883.159		105		100%



SECTORAL ADVANTAGES

Increase in the number of enterprises in organized industrial zones and the ease of access to raw materials for manufacturers, allow majority of agricultural mechanization vehicles needed in the region to be manufactured in the region.

The successful point reached in production structure and product diversity also brings increase in export with it.

Agricultural area of Konya which is larger than the average of Turkey and need for more agricultural mechanization due to land consolidation efforts increase demand in the sector.





MM



M41



53



KONYA FOR INVESTMENT, BECAUSE

...

While search for productivity in agriculture is increasing under high competition conditions, this also affects the demand for agricultural machinery positively. Because farmers want more comfortable and efficient working conditions after their awareness and knowledge are raised and this situation raises demand for agricultural machinery.

In Konya agricultural machinery sector, increase seen in companies operating in organized industrial zones is an indicator of industrial growth in the sector and beginning of geographical aggregation. As a matter of fact, establishment of a cluster of agricultural machines in the sector and the continuation of activities under an association are also gaining importance in terms of efficient use of resources while triggering cooperation among enterprises.

There is no problem in the sector in terms of raw material supply, and capacity is enough to meet orders. (All agricultural machines needed in the region are produced in the region again.) Konya is in a convenient place for domestic distribution because it is close to Eastern Anatolia, Mediterranean and Marmara Regions.

This situation enables an advantage for Konya in reaching the markets. In overseas sales, shipment from Istanbul and Mersin Ports gives an advantage to Konya in terms of both transportation costs and product delivery times.

Exports made to many countries in the sector contribute to manufacturers seeking new markets and diversifying their markets.

TRANSPORTATION TO KONYA

54



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-Istanbul, 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 Izmir 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-Istanbul), Toros Express (Istanbul-Konya- Gaziantep), Central Anatolian Blue Train (Ereğli-Konya-Istanbul) and Meram Express (Istanbul-Konya) lines. With high-speed train, it takes 1,5 hour to Ankara and Eskişehir, 4 hours to Istanbul. 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 Istanbul and Izmir every day, direct flights are made to various points in Europe during the summer months.



