



FURNITURE

*Past,
Present
And Future
Of Konya
Furniture
Sector*

...





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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

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KONYA TİCARET ODASI
KONYA CHAMBER OF COMMERCE

KONYA TİCARET ODASI
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Konya Ticaret Odası
MERKEZ BİNASI

KONYA TİCARET ODASI

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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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Past, Present And Future Of Konya Furniture Sector

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FURNITURE







OVERVIEW

All of the things that people use in order to meet basic requirements of daily life such as working, sitting, resting, preparing food, storing their belongings safely and comfortably, are called furniture. Furniture directly affects one's life quality and it also serves social and cultural needs in every aspect of daily life.

Furniture is produced either inside or outside by using any or a combination of production items such as particle board, fiberboard, MDF, melamine coated chipboard, plywood.

While wooden material is used in furniture production generally (it may also be from other natural or artificial materials other than wood such as metal, plastic, marble and glass), it is also considered that the product produced is aesthetic, durable, comfortable, functional and has a unique design.

Demand for furniture is increasing day by day with increasing urbanization, population growth, rising living standard in recent years. Furniture industry which is active in local and national market level with low technology and labor, is moving towards becoming a more information and capital oriented sector than it has been in the past years.

There is a wide range of production in Turkish furniture sector such as panel furniture-solid **furniture (bedroom, dining room, teenager group, kid's room, etc.), upholstered furniture (seat, corner sets, sofas,**



lounging and resting units, etc.), kitchen furniture, bathroom and office furniture, garden furniture, furniture accessories and parts, vehicle furniture, hospital furniture, hotel furniture and accessories.

Furniture sector which is one of the leading sectors in Turkey in terms of number of workplace and employment also makes a name for itself as being a sector where domestic resources are used mostly and dependence on imported products is minimum. Although most of the enterprises in the sector are within the scope of SMEs, it is also true that number of medium and large-scale enterprises has increased recently.

*Comfort
and pleasure
are important
for high
income group,
durability
and
functionality
are important
for middle
**income
group***

...





Turkish furniture sector is one of the ambitious and pioneering sectors for which foreign trade balance is in favor of export as in other sub-sectors of consumer durables sector. Although the point reached by stakeholders in the sector is defined as "good", there is a potential to be "very good". Especially, distance covered by collaboration of private sector-university and vocational high school in the field of design and activities of the laboratories that provide CE certificate, draw attention as the most important tools for actualizing sector's potential.

Although countries which are developed in furniture sector focus on areas with high added value such as design and branding, increased labor and energy costs and a decrease in raw material resources cause many developed countries to withdraw from production. As dominance of chain stores based on automation in especially modern furniture attracts attention, franchise system turns into a similar structure

by becoming widespread in our country.

Furniture sector which can be examined in four main groups consisting of office and hospital furniture, metal furniture, kitchen furniture and seating furniture, has an annual average production volume of 376 billion USD with main items and auxiliary and subsidiary items. Sector hasn't had current account deficit for the last 10 years, this is another plus for the sector.

The world furniture sector also has a remarkable number in terms of employment. With an important level of employment together with furniture produced all over the world, the sector is expanding day by day. While many exhibitions are held in various countries to develop furniture sector more, produced furniture is evaluated in these exhibitions in terms of design, diversity, etc. and it allows direct relationship with producers from the first hand regarding the status of the industry.



you
MUST DO
WHAT
YOU LOVE



Hello!
gorgeous!





good
vibes
only!



CHANGE
IS
GOOD



Enjoy
the
little things



KEEP
IT
SIMPLE



This Week:
A A A A A A A A



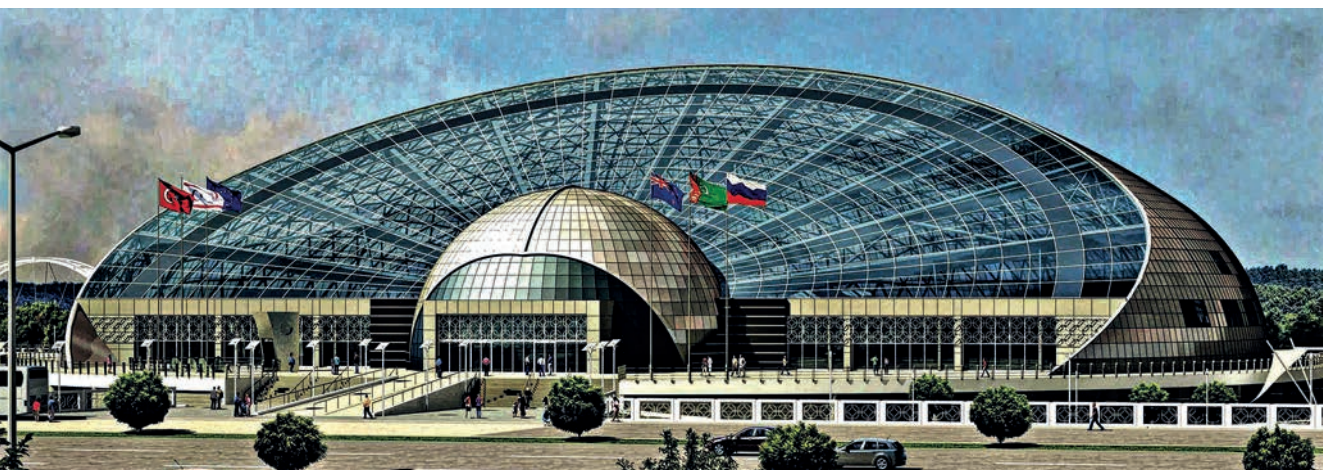


WHY KONYA?

Konya which became frequently visited place of important trade routes throughout history, is a city that also takes advantage of being on the Silk Road. Konya which was the capital of the Anatolian Seljuk Empire and became the center of knowledge, wisdom and wealth in its time as an important province of the Ottoman Empire, acts as locomotive of provinces in its hinterland as an attraction center of agriculture, commerce, industry and tourism in both our country and Central Anatolia Region.

Presenting significant contributions to the country's economy, Konya is now proceeding not only as an agricultural city but also as an industrial city.

In terms of the furniture sector, infrastructure that will provide training for the workforce has a strategic importance. Konya has an important position in Turkey and has a great potential, one of the most important reasons for this is its equipped work force.





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 are only a few of the positive factors in meeting the needs of the industry. There are also many vocational courses in Konya. Compliance between establishments and strong cooperation are also other advantages of Konya.

As export of especially office furniture in Konya is important in terms of increasing export values, the fact that the transportation network is strong is an important factor that facilitates the trade in terms of logistics.



*Furniture sector is one of the oldest and **ongoing sectors in Konya***

...

*Furniture sector means **important opportunities for Konya***

...



*Furniture sector is in **interaction with other sectors...***

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FURNITURE SECTOR IN TURKEY

Globalization in the world economy which has recently been felt, has enabled urban economies to take place in global economy as parameters. In this context, local economies also affected the development performance of their countries due to strategies and policies that they developed in global competition by developing their physical, social and institutional infrastructures.

In the situation which was experienced in Turkey and which was described as "strong growth" and "continuation of uninterrupted growth that has continued since the last quarter of 2009", Turkey's economy grew by about 4%.

Reflections of balanced growth observed in the Turkish economy in the direction of 2023 vision, are absolutely valid for furniture sector. Furniture sector maintains its characteristics to be one of the supporting sectors at the point of entering into global markets for Turkish economy in the shadow of global economic crisis expectations, highly interactive global and regional political instability environment which is intensive in Middle East, Caucasus, Balkans and Africa and other possible risks (raw material crisis ... etc.) and threats (China's trade policies ... etc.). The most basic indicator of this is displaying situation which is partly in favor of export and usually stays in balance in terms of furniture products while balance of products produced in different sectors and export is usually in favor of domestic market.





This can be interpreted as growth in the furniture sector which has higher added value has more positive affect on growth in the country's economy compared to other sectors. At the same time, the sector has power to effect parameters such as employment, capacity utilization and R&D in a positive macroeconomic sense.

In this context, furniture sector where many good and service groups are gathered under a common roof from living room furniture to office and hospital furniture, offers considerable contributions to the country's economy because it invites different sectors related to the quality and quantity of the product (raw materials such as wood-metal-glass, packaging, advertising,

press-publication, logistics, etc.) for economic interaction during determining product in the mind (design) before production.

When import and export are evaluated together, it is observed that foreign trade of Turkey with western countries has lost momentum and it has developed foreign trade with China, Arab countries and neighboring countries. Our export steadily increases by 10-20% every year. There is import which is about 1/3 of export value. Target foreseen for the sector in line with the vision of 2023, is 25 billion US dollars in production and 10 billion US dollars in export.

Furniture is produced in about 45 cities of Turkey. A significant number of the enterprises are in the nature of SME. Although it is not included in records of Turkish Union of Chambers and Commodity Exchanges, it is assumed that the number of them in the sector exceeds 30.000 and more than 200.000 people are employed in these enterprises.

It is known that societies living in our region and neighboring countries which are our target market show intense interest in Turkish goods. It is anticipated that this interest will grow even more when chaos environment and destabilization in the region end and the demand for furniture that will emerge in 5 years will be demanded in the 1 year.

Table 1: Main Indicators of Furniture Sector in Turkey

Source: Turkish Union of Chambers and Commodity Exchanges, Industry Database, 2015

Variables	2009	2010	2011	2012	2013	2014
Number of enterprises	1.348	1.638	2.018	2.445	2.510	2.595
Production amount (thousand pieces)	71.164	81.261	99.290.	102.314	113.200	114.604
Production value (million TL)	394.792	499.431	687.909	760.832	834.819	994.944
Sales amount (thousand pieces)	65.700.	74.618	96.991	101.054	111.096	113.810
Sales value (million TL)	348.155	439.355	592.845	655.834	732.609	860.253

While value of furniture in export increases on dollar basis, there are developments in especially markets of Saudi Arabia and United Arab Emirates.

As in every sector, there is a large number of R&D activities in the furniture sector. 45% of the activities are carried out by universities, 43% by private sector and 11% by the public sector according to distribution of current R&D activities in terms of our country.





FURNITURE SECTOR IN KONYA

According to data of Turkish Union of Chambers and Commodity Exchanges, approximately 1.873 people are employed in 54 registered businesses in 2015. Also, the sector has a large scale with small scale enterprises, enterprises that provide input to the sector and subsidiary enterprises dealing with processing-preparing.

1 of 13 Konya companies among "Turkey's Second Top 500 Industrial Companies" determined according to net sales from production and announced by Istanbul Chamber of Industry for 2015, operates in the

furniture sector.

Among 4 sub-sectors of the furniture sector, "office furniture" emerges as the most important sub-sector. While Konya constitute 2,1% of total installed capacity of furniture sector in Turkey, this figure is 5,9% for office furniture.

When we look at number and existing installed capacity of registered enterprises in Turkey and Konya; it is estimated that it will increase Konya's production capacity every year depending on developments.

Table 2: Appearance of Turkey and Konya Furniture Sector (Number of Businesses, Installed Capacity)
Source. Turkish Union of Chambers and Commodity Exchanges Inventory, 2016

Sector	Turkey/Konya	Number of Registered Businesses	Installed Capacity (Quantity)
	Turkey	578	13.173.954
Office Furniture	Konya	10	771.309
(940330)	Share (%)	1,7	5,9
	Turkey	426	18.625.407
Metal Furniture	Konya	15	170.644
(940310)	Share (%)	3,5	0,9
	Turkey	918	9.411.028
Kitchen Furniture	Konya	27	44.132
(940340)	Share (%)	2,9	0,5
	Turkey	648	6.599.032
Sitting Furniture	Konya	2
(940161)	Share (%)	0,3	...
	Turkey	2.570	47.150.389
TOTAL	Konya	54	986.085
	Share(%)	2,1	2,1

Medium and large scale companies in the furniture sector have begun to realize significance and importance of branding and design for the sector. By increasing importance given by them to this issue, they have begun to increase their production capacities with promotion, marketing, exhibition participations and visits inside and outside Turkey.

Demand for furniture which is consumer good with high income

elasticity and capacity utilization rates undulate in parallel with economic fluctuations. It is thought that manufacturers determine their capacity rates for furniture demands in direction of different factors such as new housing, workplace and hospital constructions, furniture renovation, marriages and export-import demands, economic values, raw material, production park, technology.

Table 3: Product Groups in Konya Furniture Sector

Bedroom Furniture, Accessories and Parts: -Bed, -Bed Base, -Headboard, -Wardrobe, -Bedside Stand, -Bunk Bed, -Chest
Teenager Group, Kid's Room and Baby's Room Furniture, Accessories and Parts: -Bed, -Bed Base, -Headboard, -Wardrobe, -Bedside Stand, -Bunk Bed, -Chest
Living Room Furniture, Accessories and Parts: -Table, -Chair, -Display Cabinet, -Dresser, -Sofa and Sofa Sets, -Coffee Table
Living Room Furniture, Accessories and Parts: -Sofa, -Divan, -Couch, -Oriental Room
Other Furniture and Accessories: -Coat room, -Hall stand, -Bookshelf, -Wall Unit, -Sideboard, -Mirror accessories and parts, -Bathroom cabinet, -Woodwork window, -Wooden solid coated door, -Accordion door, -Wooden sauna, -Wooden stairs, -Mosque doors, -Mosque gathering place railing, -Mihrab, -Muezzin Gathering Place, -Sermon Seat, -Pallet, -Laminated flooring, etc.
Medical Purpose Furniture, Accessories and Parts: -Bed, -Patient's Bed Base, -Rack, -Cabinet, -Examination Bed, -Special Purpose Furniture, -Waiting Seats and Units, -Reception Units
Outdoor Furniture, Accessories and Parts: -Bench used in parks and gardens, -Stool, -Chair, -Seat, -Park Seats, -Summerhouse, -Pergola, -Picnic Table, -Water Bridge, -Railing, -Swing, etc.
Office Furniture, Accessories and Parts: -Computer Table, -Work Table, -Folder Cabinet, -Archive Cabinet, -Bookshelf, -Guest Seat, -Coffee Table Sets, etc.
Kitchen Furniture, Accessories and Parts: -Table, -Chair, -Cupboard, -Stand, etc.
Bambu Furniture
Metal Furniture, Accessories and Parts

PRODUCTION GROUPS OF SUBSECTOR

Total production value of the furniture sector products which are manufactured in 13 sub-sectors as main groups was 11,5 billion TL in 2015 according to Turkish Statistical Institute Annual Industrial Production and Sales Statistics. Turkish furniture sector is moving towards being a more active player in the world market every year.

Table 4: Furniture Sector Activity Areas

Code	Activity Area
31.01.01	Manufacture of furniture of indoor places such as office, school, place of worship, hotel, restaurant, cinema, theater ... etc.(except those made from stone, concrete or ceramic- coat room, file cabinets, mihrabs, minbars, lecterns, student desks, office type chairs and seats... etc.)
31.01.02	Manufacture of workbenches and furniture of laboratories and technical offices (microscope tables, laboratory tables -whether with showcase, gas nozzles, tap equipment... etc. or not-, fume cupboard, drawing tables without equipment... etc.)
31.01.03	Manufacture of special furniture of shops such as bench, counter, showcase, shelve, drawer cupboards... etc. (except those for laboratories and technical offices)
31.01.04	Manufacture of frames of office furniture
31.02.01	Manufacture of kitchen furniture
31.03.01	Manufacture of mattresses (except mattress supports, inflatable rubber mattresses and waterbed mattresses)
31.03.02	Manufacture of mattress supports (with spring or steel wire mesh wood or metal frames, wooden laminated bed bases, spring bed base, bedstead... etc.)
31.09.01	Furniture painting, varnishing, polishing... Etc. performing complementary works
31.09.02	Performing complementary works such as upholstering of chairs, seats... etc. (except recoating of office and home furniture)
31.09.03	Manufacture of furniture such as cabinet, stand... etc. for sewing machine, television, computer... etc.
31.09.05	Manufacture of frames of chair, seat, sofa, hideabad, couch... etc. (frames-except those made from plastic and used in offices-)
31.09.06	Manufacture of furniture used in parks and gardens such as bench, table, stool, chair, seat... etc. -except those made from plastic-
31.09.07	Manufacture of chair, seat, sofa, sitting group, hideabad, couch, settee... etc. (except those made from plastic and used in offices and parks and gardens-)



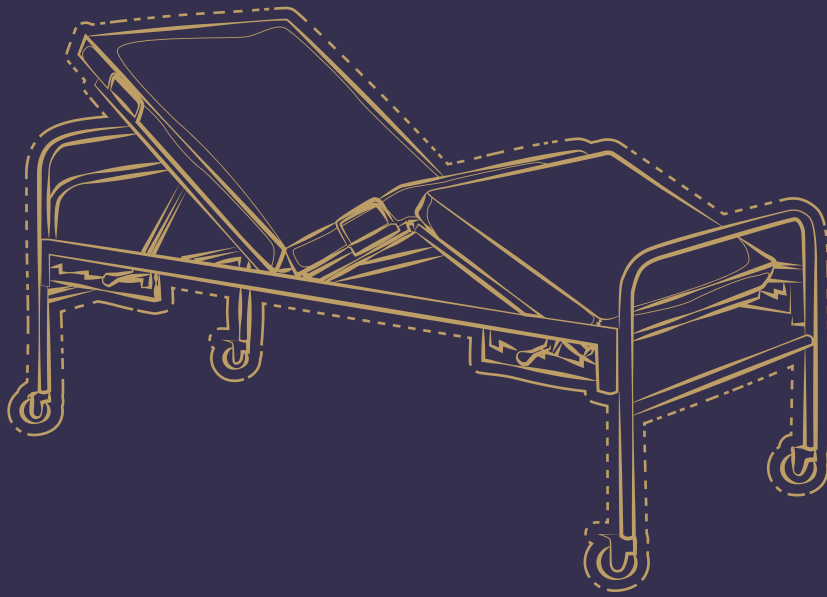




***The biggest
demand in
Konya
is for office
and hospital
furnitures***

...





*The most demanded models are **hospital beds with two motors and piston motor***

Hospital furniture (Parts and Accessories of Medical Purpose Furniture)

In manufacture of hospital furniture, health sector is observed and products that will help to create the most appropriate conditions for patients and hospital staff, are developed. Beds which are equipped with special functions for patients to undergo a comfortable recovery process, provide safety and comfort for carer in patient and elderly care. Hospital beds are divided into various classes according to their functional characteristics, prices and accessories. Today, the most demanded bed models are hospital beds with two motors and piston motor. Hospital furniture in Konya attracts attention as a sector which is open for improvement by making production with the latest technology and creating fund for development of new products.

Products produced in hospital furniture sub-sector in Konya are varied as bed, patient's bed base, rack, cabinet, examination bed, special purpose furniture, waiting seats and units and reception units.

In addition, 11 hospitals that are under construction in Konya mean a great potential for the sector. Moving towards the target of being the health base of the region, Konya is determined to maintain this claim in hospital furniture.

Office Furniture

Among 4 major groups of the furniture sector, "office furniture" emerges as the most important sub-sector. Computer Tables, Work Tables, work seats, cheif tables, Bookshelves, multiple group tables, meeting tables, meeting seats, manager and cheif setas, office sofas, compact archive systems, call center furniture, wooden and steel office cabinets are products produced in Konya office furniture sector.





***R&D support
in furniture
sector
strengthens
the sector
much more***

...



Kitchen Furniture

Although the term "ready made kitchen" which is a result of the fact that modules are prefabricated and stocked, is adopted in spoken language, correct definition is "modular kitchen". Turkey met with the modular kitchen in 1980s. Since 1990, license agreements have been made with foreign companies and domestic production has been started and the sector has started to gain momentum. Today, the number of companies interested in modular kitchen production is increasing. It is reported that modular kitchen market grows by approximately 15% each year. New trend in the sub-sector which has recently undergone significant changes, is "built-in kitchen". Space is left for kitchen appliances in classical modular kitchens, but kitchen appliances such as refrigerator, dishwasher, oven, aspirator are integrated with kitchen furniture in new generation built-in kitchens. Modular kitchen brands make sale in cooperation with producers of built-in appliances. The need for innovation, the increase in the number of houses, the fact that decoration is now more trendy, shorten the renewal period of kitchen and bathroom furniture which is 15-20 years in Turkey. In kitchen furniture sub-sector of Konya furniture sector, products such as table, chair, cupboard and stand are produced.





Garden Furniture

Turkish furniture sector which couldn't get a share from dynamism of eighties and nineties, has entered a new stage together with new millennium. Export volume which gained strength especially after 2005, enabled the sector to evolve. As a result of globalization, furniture sector which has been faced with a market that demands mass production, environmental awareness, human health, ergonomics, aesthetics, quality and design together, has started to carry both its companies and its employees to world standards. Garden furniture sector was also affected by these developments. In addition to wooden furniture produced from native trees, variety of materials in garden furniture has increased with the influence of developing chemistry and iron and steel sectors and the sector has reached significant production volume. Beyond meeting its needs with production of products used in parks and gardens such as bench, stool, chair, park seat, summerhouse, pergola, picnic table, water bridge, railing, swing, etc., Konya attracts attention by exporting these.





Mosque Equipment

Konya comes into prominence as a central base where wooden window casings, stairs, doors, mosque gathering place railing, mihrab, muezzin gathering place, sermon seat and laminated flooring of our mosques which have been constructed or restored lately in our country are produced and sent to almost all over Turkey.



Metal Furniture, Accessories And Parts:

In addition to metal accessories and parts used especially in garden furniture and almost all furniture products, furniture produced mainly from metal are demanded in the whole country. Metal accessories and parts are used for hospital, garden, kitchen and sitting room furniture in addition to furniture produced from metal and for outdoor and landscaping purpose.



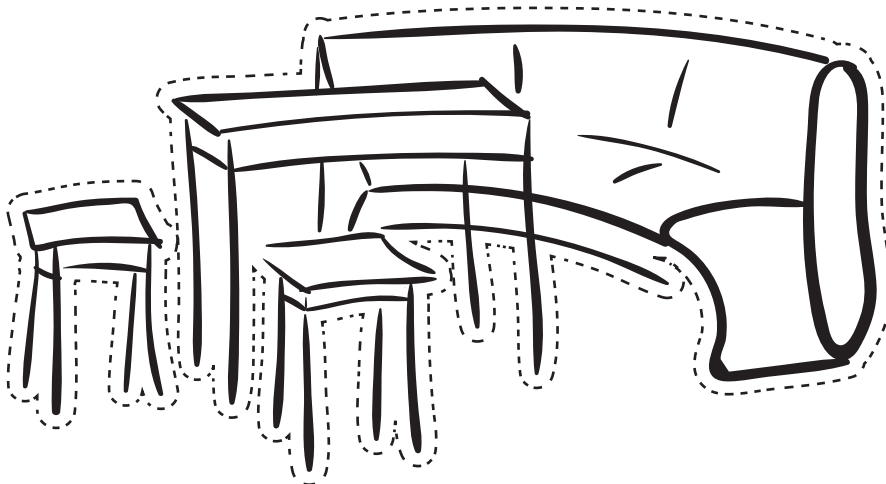
Bambu Furniture:

Bamboo furniture produced in addition to traditional seating and garden furniture is among the important products of the sector in recent years. Demand for these products for middle and high income groups is also increasing rapidly.

Table 5: Main countries to which furniture is exported from Konya**Source: Turkish Statistical Institute****Foreign Trade in Konya Furniture Sector**

When Konya's foreign trade in the furniture sector is evaluated in the period last five years, it is seen that its export is 4 times more than its import. Especially with development of new markets and new production structures suitable for the needs of these markets to be determined, new opportunities will arise. In this regard, new middle income countries in Far East and South America have great potential in addition to Middle East, Africa, Central Asia, Caucasus and Balkan countries.

France
Netherlands
Germany
Italy
England
Ireland
Denmark
Sweden
Finland
Austria
Ukraine
Bosnia and Herzegovina
Kosovo
USA
Saudi Arabia
Kuwait
Bahrain
Qatar





INVESTMENT INCENTIVE PRACTICES IN FURNITURE 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:**

Furniture sector which is mentioned in this Report, is among the sectors determined for the incentive of large scale investments and 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	General 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

Table 7: 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	-
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	3.000.000 TL			

Office furniture, kitchen furniture and metal furniture productions have great potential in terms of investment in Konya...

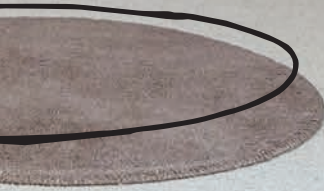
Table 8: Investment Incentive Certificates Received in Konya Furniture Sector
Source: Data of Ministry of Economy, 2016.

Years	City	Fixed Investment (TL)	Imported Machine Equipment (TL)	Employment Provided	Share Fixed Investment	Share Imported Machine Equipment	Share Employment
2013	Konya	35.182.000	10.032.695	130	% 6,5	% 7,8	% 3,3
	Other	503.569.957	118.222.000	3.329	% 93,5	% 92,2	% 96,7
	Total	538.751.957	128.254.695	3.459			
2014	Konya	10.660.000	2.391.722	50	% 1,5	% 1,5	% 2,1
	Other	702.716.127	153.330.010	2.326	% 98,5	% 98,5	% 97,9
	Total	713.376.127	155.721.732	2.376			
2015	Konya	32.700.000	4.026.490	85	% 16	% 16,7	% 5
	Other	169.091.578	20.109.587	1.604	% 84	% 83,3	% 95
	Total	201.791.578	24.136.077	1.689			

According to this; in the furniture sector in 2013, 3.959 people were employed in investments with incentive certificates at the amount of approximately 538,8 million TL. Konya's share in these investments is shaped as 6,5%. In 2015, share of investments with incentive certificates in Turkey was 16%.

Konya has an important potential for innovative office furniture production due to its geographical advantages and its nearness to central and regional offices of institutions. In the same way, new health policies, construction of "central" hospital and health units provide advantages for production of health furniture in Konya.







SECTORAL ADVANTAGES

While furniture sector which is important in other matters such as logistics, marketing, technology and services, is expected to show itself in following areas in addition to its earlier connection with different sectors, studies are carried out in this direction.

Design and R&D: Turkish furniture sector has been unable to produce demanded brands as it has tried to take root in various markets with cheap prices instead of quality and design superiority for years. Whereas, competitiveness of countries in the world market is related to importance given to modern design. Design represents a power that responds to every area from individual expectations to social expectations, from marketers to producers and environmental expectations and at the same time, it represents a power that has social, cultural and political efficiency.

Since 2000s, use and management of design by large scale companies which are actively involved in the furniture sector have helped them for branding. On the other hand, support given by all institutions and organizations to develop design and to draw attention to its importance for the sector, is very important in

terms of development of the sector and reaching deserved place. In this framework, activities such as "Furniture Design Contest" which have been successfully organized for the last 7 years by Secretariat General of Central Anatolian Exporters Association, which have national importance and contributed to reveal good designs in Turkey gain more importance.

Industrial Forestry: One of the main issues that maintains existence of the sector and takes it forward, is enrichment of forest resources by developing in Turkey in the long run. Especially, growing industrial trees, making change in Forestry Law, change to be made in fund on forest products will increase competitive power of the sector.

"Kilo" issue encountered by the sector in export is considered as an encouraging issue by the sector and thus, producers tend towards designs with higher added value.

Export to Middle East: Export markets of Turkish furniture sector are mainly Middle East and African countries. At this point, it is seen that it is focused on production of furniture that appeals to aesthetic perceptions in especially Middle East countries (Iraq, Syria, Libya ... etc.). Bringing depth to the concept of Turkish style furniture which has both traditional and modern tones makes Konya furniture sector advantageous in these markets in the direction of our traditional, cultural and economical hinterland.

It is seen that countries such as North Africa and Nigeria which started to stabilize after "Arab Spring", are potential markets for Konya furniture export. On the other hand, bringing green and minimalist content to the concept of Turkish furniture will make the sector more advantageous for Western markets.

Increase in Time Spent at Home and in Garden: Increase in per capita income, new marriages and developments in the construction sector make interest shown to home furniture continuous. Increase in the time spent at home, especially preference of female consumers to design their houses with their traditional codes, mean increasing demand. This also results in demand

for "new". People used to focus on "durability" and "longevity" concepts in the past, but they have been focusing on concepts such as design, smart furniture, latest fashion, functionality, branded furniture in recent years. Consumer may buy furniture just for aesthetic-decorative reasons.

Dynamism in the construction sector is another important factor affecting consumption of furniture products. Since living spaces become narrow in newly built houses, small furniture is now more popular. Other remarkable details in new housing projects are elements of garden and balcony. Especially, interest shown to garden furniture by young people has increased. On the other hand, interest shown to green products of furniture comes into prominence in furniture itself and its fabric as in other sub-sectors of consumer durables. Nevertheless, leather doesn't lose its importance, leather-based new designs are particularly preferred in offices.

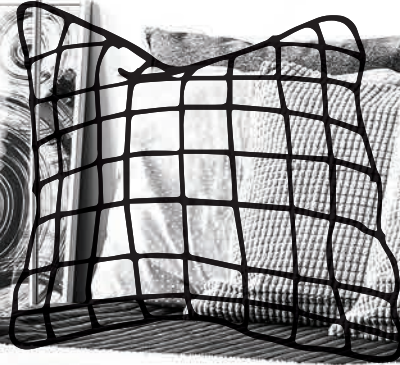
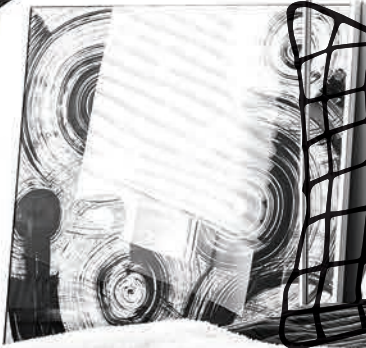
Rising Trend "Office Furniture and Hospital Furnishings": Increase in economic performance of Turkey enables new firms from different

sectors to enter the economy each passing day. There is no doubt that offices are places where economic activities of these companies are organized. Offices are main element that forms a company's work comfort and they are company's showcase and prestige at the same time. Offices find places in plazas or shopping malls in addition to their traditional locations, this brings volume to "office economy".

Other products that can be considered within the scope of office furniture are smart furniture. Making attachments that provide ergonomics for technological products and that allow them to be recharged widespread has become an important need. Addition of office and health furniture to basic expenditure items by companies results in production of office and hospital furniture as more functional, reliable, durable and aesthetic designs and it becomes necessary for R&D works of furniture sector to concentrate on office and hospital furniture. Home-offices becoming widespread from flexible organizational models in business life are gaining importance as multifunctional furniture where business work and everyday work are carried out.

Besides, investment amount for 41 thousand beds that will be needed within the scope of 29 projects for the health sector, whose constructions continue with the cooperation of public and private sectors, is 30 billion. In this regard, Konya is an important working area for the furniture sector.

As a result, Turkish furniture industry that provides almost all of the raw materials from its own country (for example; textile materials used for upholstery, wooden materials, metal and glass materials) has become a sector that produces high added value products. Taking approximately 1,3% share with 2,2 billion USD from 170 billion USD which is the export amount of world furniture sector, Turkey which is the world's 15th largest furniture exporter, clearly shows growth potential. From this point of view; furniture sector which has a great potential to have a say in the world furniture market with its unique and modern designs, will develop more with new investments and partnerships.





It is
focused on
concepts
such as
**latest
fashion,
functionality,
branded
furniture**

...







KONYA FOR INVESTMENT, BECAUSE

...

Increase in the sector in terms of technology transfer and starting to produce smart furniture as a result of technology-supported production enabled increase in variety of products and materials and widespread on-line market opportunities made intercity trade easy. In this context, high level of industrial and business potential, nearness to almost all markets due to geographical location with strategic importance and developed distribution networks reveal pros of making investment in furniture sector in Konya. After giving importance to innovative thinking and design in the recent period, increase in demand for office furniture and health furniture made making investment in Konya attractive. Konya is also assertive about maintaining its development in

the furniture sector. Various works for entering international markets, consumer and customer oriented service and production trends as a result of differentiated thinking and production understandings show that the sector open for improvement and innovation. In light of all these data, Konya furniture sector is moving towards becoming an important manufacturing and showroom center for giant brands in the world due to its resource use in addition to its situation and development, multiplier effect on economic development, earlier and future connections, close relationship with other sectors, employment and foreign trade dimensions.

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-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 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-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 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.

