



2016

TUZLUKÇU KÜÇÜK SANAYİ SİTESİ FİZİBİLİTESİ

TUZLUKÇU BELEDİYESİ

TUZLUKÇU SMALL INDUSTRIAL AREA FEASIBILITY PROJECT

TR52/15/DFD/0053

This feasibility report is prepared within the context of the “Tuzlukçu Small Industrial Area Feasibility Project”, which is supported as part of the 2015 Direct Activity Support Program of the Mevlana Development Agency. All responsibility regarding the content belongs to Tuzlukçu Municipality. Does not necessarily reflect the views of Mevlana Development Agency or the Ministry of Development.



This study has been prepared within the context of the “Tuzlukçu Small Industrial Area Feasibility”, reference no TR52/15/DFD/0053, as part of the 2015 Direct Activity Support Program of the Mevlana Development Agency, for Tuzlukçu Municipality by Progem Training Consultancy Ltd. Co. © 2015-2016

A. EXECUTIVE SUMMARY

Regional development, while setting forth the occurrence of a regional economic and social-based structural change, also helps the national economy in many ways. The determination and implementation of the regional development policy holds great importance. Taking part in the regional development process, SME's are the primary factor to putting forth all the creative potential of the country. Supporting the SME's in underdeveloped areas and creating the necessary environment for the establishment of new ones are necessities for regional development and the development of the country.

One of the principles of the foundation of EU is to provide equal and balanced development throughout countries and regions. The fact that regional inequality exists, not only in EU member countries, but within the borders of those countries as well, and that the expansion process will carry different regional inequalities to EU, increases the importance of the effort to get rid of regional equalities.

Introduced as an important tool of planned development, organized industrial sites and small industrial areas consist of small and middle sized enterprises with a high demand for qualified workforce. Within this context, the workplaces, which have been built unplanned and uncontrolled and cause environmental pollution, will be brought together with the establishment of the small industrial area. By contributing to the environmental health and the planned development of the city, inciting the development of underdeveloped areas by popularizing industry in such areas, gathering enterprises that work in similar areas and make subsidiary production into the same area, goals such as providing efficiency and profit growth and supplying needs more economically, shall be reached.

After putting forth the required necessities and hardships encountered in the district in the study of the Tuzlukçu Small Industrial Area Feasibility, the necessity of establishing an industrial site was attempted to put forth, and a feasibility report of the creation of the industrial site was prepared. The study is supported as part of the 2015 Direct Activity Support Program. We sincerely thank the authorities at MEVKA, who have supported this study as a research project from the very beginning.

Adnan HACIBEBEKOĞLU

Progem Training Consultancy Ltd.Co.

General Manager

B. STAFF RESUME

ADNAN HACIBEBEKOĞLU



Born in Kahramanmaraş in 1981, Adnan HACIBEBEKOĞLU has a Business Administration degree from Erciyes University. He has worked in the furniture and finance sectors between 2000-2004. Since 2004, he has been doing consultancy work in the areas of grant programmes, local development and investment. He is currently the general director of Progem Consultancy, a company which gives training and consultancy services to local administrations, chambers and exchanges, NGO's and SME's on these subjects. Also a member to many non-governmental organizations, HACIBEBEKOĞLU is the chairman of the Association of Economic and Social Development. Many of his articles and reports published in local, national and international media organs, HACIBEBEKOĞLU is fluent in English.

ÖZGE MADEN



Born in Antalya in 1989, Özge MADEN has graduated from the Department of Political Science and International Relations of Çankaya University. In 2014, she participated in the Projects Independent Assessor Training, given by the Ministry of Interior Department of Association, and was assigned as an independent assessor. The same year, she worked as a project expert in the government support programs published by institutions such as TÜBİTAK, KOSGEB, TTGV, Development Agency, and wrote and conducted several projects. Since 2014, she has been working as a Project Writer in Progem Consultancy, a company which provides training and consultancy services in the areas of project cycle management and entrepreneurship, for the needs of the private sector, non-governmental organizations and public institutions around Turkey. MADEN is fluent in English.

TUĐCE YAMAN



Born in Ankara in 1988, TuĐce YAMAN has graduated from the Faculty of Agriculture of Ankara University. She is currently continuing her education for master's degree in the same department. YAMAN has qualified knowledge in MS Office programs, and is fluent in English. She has taken part in implementing field work and the relevant analyses in several research projects conducted nationwide. Since 2014, she has been working as a Project Writer in Progem Consultancy, a company which provides training and consultancy services in the areas of project cycle management and entrepreneurship, for the needs of the private sector, non-governmental organizations and public institutions around Turkey.

UMUT AKPINAR

Born in 1987 in İzmir, AKPINAR has graduated from Ege University Faculty of Letters Department of Sociology in 2010, and finished the MBA program of Gediz University Department of Social Sciences in 2014. Between 2006-2008, he took part in the İzmir International Fair organizations, worked as a translator at the Turkish Daily News in 2008, and worked as a factory worker in Gunal Aluminum Industry and Trade Ltd. Co. in 2015. Since 2015, he has been working as a Project Writer in Progem Consultancy, a company which provides training and consultancy services in the areas of project cycle management and entrepreneurship, for the needs of the private sector, non-governmental organizations and public institutions around Turkey.

Index

ABBREVIATIONS	Hata! Yer işareti tanımlanmamış.
PART 1: PREPARATION OF THE FEASIBILITY REPORT	Hata! Yer işareti tanımlanmamış.
1. INTRODUCTION	Hata! Yer işareti tanımlanmamış.
2. PROJECT DEFINITION AND SCOPE	Hata! Yer işareti tanımlanmamış.
2.1. PROJECT BACKGROUND	Hata! Yer işareti tanımlanmamış.
2.1.1. SOCIOECONOMICAL STATUS	12
2.1.2. SECTORAL AND/OR REGIONAL POLICIES AND PROGRAMS	Hata! Yer işareti tanımlanmamış.
2.1.3. ORGANIZATIONAL STRUCTURES AND LEGAL LEGISLATIONS	Hata! Yer işareti tanımlanmamış.
2.1.4. SOURCE AND SUITABILITY OF THE PROJECT IDEA	Hata! Yer işareti tanımlanmamış.
PART 2: MARKET RESEARCH	<1
2.1. REGIONAL-LEVEL NEEDS ANALYSIS	31
2.2. KONYA MONITORING VISIT INTERVIEWS WITH SMALL INDUSTRIAL SITES	31
2.3. REGIONAL-LEVEL ESTIMATION OF FUTURE NEEDS	37
2.4. PROJECT IMPLEMENTATION AREA	37
2.4.1. GEOGRAPHICAL, PHYSICAL AND ECONOMIC FEATURES	39
PART 3: DETERMINING THE EXPENDITURE ITEMS	Hata! Yer işareti tanımlanmamış.
3.1. THE MISSION OF THE SIA	45
3.2. THE OCCUPANCY AND EMPLOYMENT GOALS OF THE SIA	45
3.3. THE QUALITIES OF THE ORGANIZATIONS IN THE SIA	46
3.4. THE SIA'S SITE OF ESTABLISHMENT AND PHYSICAL STRUCTURE	46
3.4.1. CAPACITY OF THE SIA	46
3.4.2. TOTAL INDOOR AREAS, COMMON AREAS AND SIZE INFORMATION	46
3.4.3. ANALYSIS OF ALTERNATIVE TECHNOLOGIES AND TECHNOLOGY SELECTION	47
3.4.4. ENVIRONMENTAL EFFECTS, PROTECTION MEASURES AND COST OF SELECTED TECHNOLOGIES	47
3.4.5. TECHNICAL DESIGN	47
3.5. ORGANIZATIONAL STRUCTURE, MANAGEMENT AND HUMAN RESOURCES	48
3.5.1. ORGANIZATIONAL STRUCTURE AND MANAGEMENT OF THE ESTABLISHMENT	48
3.6. PROJECT IMPLEMENTATION PROGRAM	49
3.6.1. PROJECT IMPLEMENTING ORGANIZATIONS AND THEIR TECHNICAL CAPACITIES	49
3.6.2. PROJECT IMPLEMENTATION PROGRAM (TIME SCHEDULE)	49
3.6.3. IMPLEMENTATION PLAN/LABOUR SCHEDULE	50

3.7. SIA INVESTMENT SCENARIOS	0
3.7.1. SIA INVESTMENT SCENARIOS-1	0
3.7.2. SIA INVESTMENT SCENARIOS-2	24
3.7.3. ASSUMPTIONS	48
3.7.4.THE SHORT TERM OUTPUTS AND MIDDLE-LONG TERM EFFECTS OF SIA ORGANIZATIONS ...	0
3.8. CONCLUSION	0
3.8.1. SIA INVESTMENT SCENARIOS-1	0
3.8.2. SIA INVESTMENT SCENARIOS-2	1
BIBLIOGRAPHY	3

CHARTS

Chart 1- 2009-2012 Employment Shares of the Manufacturing Industry Sector in the Region (%) . Hata! Yer işareti tanımlanmamış.	
Chart 2- Area Sizes of the Established Small Industrial Sites	32
Chart 3- Ratio of the Number of People Working in the SIA's	34
Chart 4- Average Area Sizes of the Establishments in the SIA's	35
Chart 5- Occupancy Rates of the Small Industrial Sites	35
Chart 6- Establishment Years of the Small Industrial Sites	Hata! Yer işareti tanımlanmamış.
Chart 7- Chart of the Increase in Tuzlukçu Population by Years	41

STATEMENTS

Statement 1- 2009-2012 Density Analysis According to Employment Hata! Yer işareti tanımlanmamış.	
Statement 2- Upper Scaled Strategy Papers and Relevance to the Project	Hata! Yer işareti tanımlanmamış.
Statement 3- Regional Distribution of Provinces	Hata! Yer işareti tanımlanmamış.
Statement 4- Topics of Investment and Investment Costs	Hata! Yer işareti tanımlanmamış.
Statement 5- Incentives According to Regions and Investments	Hata! Yer işareti tanımlanmamış.
Statement 6- Income/Corporation Tax Discount Rates	Hata! Yer işareti tanımlanmamış.
Statement 7- Employer's National Insurance Contribution and Periods of Payment	Hata! Yer işareti tanımlanmamış.
Statement 8- Employer's National Insurance Contribution Rates	Hata! Yer işareti tanımlanmamış.
Statement 9- Operating Sectors of the Companies Inside SIA's	33
Statement 10- Rent Costs of the Companies Inside SIA's	36
Statement 11- District Center Population Distribution	40
Statement 12- Population of Tuzlukçu Throughout the Years	40
Statement 13- Age Gap Distribution of the District Population	42
Statement 14- Statement of Cultivated Land Use in Tuzlukçu	42
Statement 15- Statement of Cultivated Farm-Land in Tuzlukçu	43
Statement 16- Statement of Cultivated Fruit-Garden Land in Tuzlukçu	43
Statement 17- Number of Cattle	44
Statement 18- Number of Poultry in Tuzlukçu	44

<u>Statement 19- Current Establishments Operating in Tuzlukçu</u>	45
<u>Statement 20- SIA Capacity Analysis and Selection</u>	Hata! Yer işareti tanımlanmamış.
<u>Statement 21- Distribution of Managerial Land</u>	Hata! Yer işareti tanımlanmamış.
<u>Statement 22- Time Schedule</u>	49
<u>Statement 23- Implementation Plan / Labour Schedule</u>	50
<u>Statement 24- Total Amount of Investment and Distribution Throughout the years-1</u>	0
<u>Statement 25- Marketing Activities-1</u>	1
<u>Statement 26- Investment Costs-1</u>	2
<u>Statement 27- Need for Manpower and Estimated Expenses-1</u>	2
<u>Statement 28- Workplace Renting Service Costs-1</u>	3
<u>Statement 29- Institution Expense Items-1</u>	3
<u>Statement 30- Estimation of SIA Income and Expenses-1</u>	5
<u>Statement 31- Credit Costs-1</u>	7
<u>Statement 32- VAT Types-1</u>	8
<u>Statement 33- Sources of Finance-1</u>	8
<u>Statement 34- Financial Structure of Executive and Operational Establishments-1</u>	9
<u>Statement 35- Pro Forma Balance Sheet-1</u>	12
<u>Statement 36- Financial Analysis Throughout the Years-1</u>	16
<u>Statement 37- Feasibility Results-1</u>	17
<u>Statement 38- Ratio Analysis Results-1</u>	17
<u>Statement 39- Production and Sales Program-1</u>	Hata! Yer işareti tanımlanmamış.
<u>Statement 40- Renting Amount at the First Activity Year-1</u>	Hata! Yer işareti tanımlanmamış.
<u>Statement 41- Level of Production in the First 15 Years-1</u>	Hata! Yer işareti tanımlanmamış.
<u>Statement 42- Amortization of Fixed Assets-1</u>	Hata! Yer işareti tanımlanmamış.
<u>Statement 43- Total Need for Investment-1</u>	21
<u>Statement 44- The Need for Investment in the First Year-1</u>	21
<u>Statement 45- Investment Items-1</u>	22
<u>Statement 46- Investment Values-1</u>	23
<u>Statement 47- Total Amount of Investment and Distribution Throughout the years</u>	24
<u>Statement 48- Marketing Activities-2</u>	25
<u>Statement 49- Investment Costs-2</u>	26
<u>Statement 50- Need for Manpower and Estimated Expenses-2</u>	26
<u>Statement 51- Workplace Renting Service Costs-2</u>	27
<u>Statement 52- Institution Expense Items-2</u>	28
<u>Statement 53- Estimation of SIA Income and Expenses-2</u>	29
<u>Statement 54- Credit Costs-2</u>	31
<u>Statement 55- VAT Types-2</u>	32
<u>Statement 56- Sources of Finance-2</u>	32
<u>Statement 57- Financial Structure of Executive and Operational Establishments-2</u>	33
<u>Statement 58- Pro Forma Balance Sheet-2</u>	36
<u>Statement 59- Financial Analysis Throughout the Years-2</u>	40
<u>Statement 60- Feasibility Results-2</u>	41
<u>Statement 61- Ratio Analysis Results-2</u>	41
<u>Statement 62- Production and Sales Program-2</u>	43
<u>Statement 63- Renting Amount at the First Activity Year-2</u>	43
<u>Statement 64- Level of Production in the First 15 Years-2</u>	44
<u>Statement 65- Amortization of Fixed Assets-2</u>	44
<u>Statement 66- Total Need for Investment-2</u>	45

<u>Statement 67- The Need for Investment in the First Year-2</u>	45
<u>Statement 68- Investment Items-2</u>	46
<u>Statement 69- Investment Values-2</u>	47

ABBREVIATIONS

KOSGEB	Small and Medium Enterprises Development Organization
TSO	Chamber of Commerce and Industry
MEVKA	Mevlana Development Agency
KSS	Small Industrial Area
OSB	Organized Industrial Site
EB	Industrial Sites
SS	Industrial Areas

Part 1: PREPARATION OF THE FEASIBILITY REPORT

1. INTRODUCTION

SME's have an important role in the economic and social development of their country, due to such positive qualities such as fast adaptation to the changing market conditions, flexible production structure, their role in regional development, reducing unemployment and contributions in opening new areas of work.

Industrial Sites are locations where technical and general services, such as transportation, water, electricity, sewage, banks, canteen, telephone, internet, natural gas and first aid, are provided for SME's in a suitable area. These functions increase the efficiency of the SME'S

The main objective of this study, which was financed and made into a project as part of the 2015 Direct Activity Support Program of the Mevlana Development Agency, is to accelerate the establishment of the small industrial area in Tuzlukçu as part of the acceleration of the district's socioeconomical development.

With this research, the acceleration of the establishment of the small industrial area and providing it with an efficient operating system will create an important opportunity for entrepreneurs who are planning to invest in the district.

As part of this study, a feasibility report was prepared about the establishment of the industrial area which is planned to be built in Tuzlukçu. The rest of this report includes detailed information regarding this feasibility.

As part of the project, data was acquired by literature reviewing and interviewing the institutions.. Detailed explanations regarding the data acquiring methods are stated below.

- Literature Review: To determine the current situation of the industry sector in Tuzlukçu and Konya and the hardships encountered in production, an extensive literature review was done on the internet. Theoretical studies, statistics, regional and national development plans, workforce market analyses, action plan, workshops, doctoral theses, applied projects and researches relevant in this area were utilised. The sources of the referenced data were all publications, reports, data and shared wisdom

platforms created by institutions and establishments such as the Ministry of Development, TÜİK, Ministry of Science, Industry and Technology, Konya Provincial Directorate of Environment and Urbanization, and Development Agencies.

- Small Industrial Area Meetings: To acquire the data necessary for the preparation of the feasibility report, 10 of the 39 Small Industrial Areas were operating in the area were visited and contacted via face to face interviews.

2. PROJECT DEFINITION AND SCOPE

The Tuzlukçe Small Industrial Area Feasibility project was supported as part of the 2015 Direct Activity Support Program of MEVKA. The project is run by Tuzlukçu Municipality. Tuzlukçu Municipality has been conducting studies in order to support the socioeconomic development of the district since 1950. It consists of Municipal Chief Editor, Directorate of Financial Services, Municipal Police Commissioner, Directorate of Public Works and Urbanization, Fire Department, Accounting and the Directorate of Water and Sewerage.

The implementation time for the Project was 3 months. The project output is the feasibility report of the Tuzlukçu Small Industrial Area. The information given as part of this report are information on the location where the industrial site will be built, industrial site construction procedures, support towards industrial sites, information on the institutions' needs analysis, the location and physical structure of the industrial site, the mission and strategic goals of the industrial site, services towards institutions, production and organizational structure, work model, sources of income and estimations of income and expenses for the first five years.

As part of the project, the small industrial area, which's establishment feasibility has been prepared, is being planned to be built inside the borders of the Tuzlukçu District of Konya. The purpose of establishment for the Tuzlukçu Small Industrial Site is to gather the production of small industrial institutions in a common area and contribute to the acceleration of the socioeconomic development of the district.

The target group of the project includes machine manufacturing industry, automotive supply industry and enterprises of metal casting industry, farming machines and tool shops, food industry enterprises, Crane manufacturing shops, shoe-making shops, plastic packaging and milling machine enterprises which operate inside Konya.

Tuzlukçu district currently does not have an industrial site. The current industrial site includes 9 85cm² and 2 40m² shops. However, the structure of this established industrial site is rather old and is located in the city. It is required that the structure is moved outside the city and that an industrial infrastructure qualified to supply the needs of the enterprises is built. In addition, Konya has 9 Organized Industrial Areas, 39 Small Industrial Sites and 14 private industry sites. The total size of the OIA's in the city is 24.992 m². However, taking the fact that Konya

encloses 40.196 enterprises into consideration, the confirmations show that a new industrial site is needed in the district.

2. PROJECT BACKGROUND

2.1.1. SOCIOECONOMICAL STATUS

The foundation of the economic life in Konya is agricultural activities. But in recent years, great advances have been recorded in the industry sector. This has paved the way for Konya to change its label in Turkey from a granary to a center of industry.

The industrial activities in Konya have shown to be a steady development. The 1st Organized Industrial Area in Konya, established in 1976, has been built on 115 hectares of land with a capacity for 150 organizations. In time, the number of organized industrial areas have increased to 9 and the total area that the organized industrial areas enclose is 2686 hectares.

According to the data of the Workforce Market Research Report (2015) published by the Konya Provincial Directorate of Labour and Employment Organization, which was based on the 2013 data of the Turkish Statistical Institute (TÜİK), in 2013 the unemployment rate was 4,7%, workforce participation rate was 48,4% and the employment rate was 46,2%.

There have been studies which have put forth the development level of the Konya Karaman Region by multicomponent comparison with the other level 2 regions. According to the Development Index for Provinces and Regions (SEGE), which was prepared By the Ministry of Development in 2011 by using 61 variables in 8 sub categories, Konya province was ranked 20th in 81 provinces, while Karaman was ranked 32nd. In the researches on provincial level competitiveness, another study which is accepted nation-wide is the Interprovincial Competitiveness Index, which is prepared annually by the Research Institute for International Competitiveness (URAK). In the ranking done between 2009-2010, Konya is 17th, while Karaman is 52nd.

In 2013, in Turkey and the TR52 Konya – Karaman region, the most employment generated in the population aged 15 and over was the people below high school graduation. In 2013, in the TR52 Konya-Karaman region, among the 37.000 unemployed people aged 15 and over, 22.000 of them were below high school graduation, 8.000 were graduates of high school and their equivalents, and 7.000 were graduates from higher education. The stated numbers are the most recent data taken from the Household Workforce Research Report published by TÜİK in 2013.

According to the share of people employed in the industry and service sector compared to Turkey in general in 2011, TR52 (Konya-Karaman) region is 2,33%. The data has been taken from TÜİK's Konya: Selected Indicators Report in 2013 and contains the most recent data.

As of 2012, Konya-Karaman Region makes up for the 2,5% of the manufacturing industry employment, and 2,76% of the number of enterprises in Turkey. When viewing the sub-sectors of the manufacturing industry, the sectors which create the most employment in the area are Food Product Manufacturing (%26,5), Fabricated Metal Product Manufacturing (23,5%) and Machine Tool Manufacturing (11%). The employment created in these 3 sectors make for 61% of the total employment created in the manufacturing industry in the area.

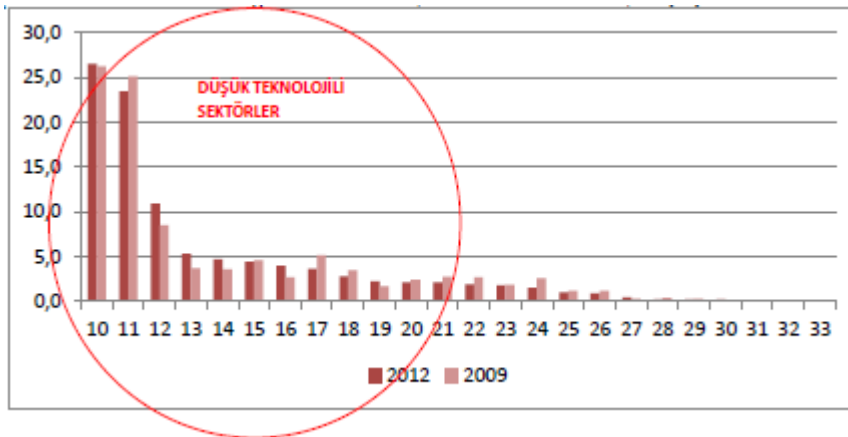


Chart 1-2009-2012 Regional Manufacturing Industry Shares of Employment (%)

Food Product Manufacturing, Manufacturing of Leather and Related Products, Rubber and Plastic Product Manufacturing, Base Metal Manufacturing, the Machine Industry and the Automotive Industry Sectors have been the sectors which have increased their shares inside the manufacturing industry employment. On the other hand, the share of Textile Manufacturing, Wood, Wood Product Manufacturing, Manufacturing of Chemicals and Chemical Products, Fabricated Metal Product Manufacturing, Electrical Equipment Manufacturing and Furniture Manufacturing Industries inside the total employment in the manufacturing industry have been declining.

Food Product Manufacturing, Manufacturing of Leather and Related Products, Wood, Wood Products Manufacturing, Rubber and Plastic Products Manufacturing, Base Metal Manufacturing, Fabricated Metal Products Manufacturing, Machine Tool Manufacturing, and the Automotive Supply Industry Sectors have centered in the area by national reference.

While the LQ (Location Quotient) values of the Furniture Manufacturing (particularly), Installation and Repair of Machines and Equipment, and the Manufacturing of Paper and

Paper Products sectors were higher than 1 in 2009, their concentration in the region has decreased and have been regressed to under 1 in 2012.

In contrast, the Rubber and Plastic Product Manufacturing and the Base Metal Industry Sectors have not shown any concentration in the country in 2009, but have become “rising” sectors in 2012 by increasing their LQ value over 1.

When viewing the sectoral shares of the ruling prices and the regional gross added-value of the TR52 Konya-Karaman Area, the services sector has the biggest share in 2011 with 53,9%. In the same year, the industry sector is second with 23,6%

Statement 1- 2009-2012 Density Analysis According to Employment

CODE	Sectors	Share Within Employment (%)		Density According to Employment		
		2012	2009	2009 (LQ)	2012 (LQ)	Condensation Tendency (2009-2012)
10	Manufacturing of food products	26,5	26,3	2,2	2,3	+
11	Manufacturing of BEVERAGES	23,5	25,1	0,7	0,5	-
12	Tobacco Manufacturing	10,9	8,5	0,00	0,00	-
13	Manufacturing of Textile Products	5,3	3,7	0,2	0,2	-
14	Manufacturing of Clothing	4,7	3,5	0,2	0,2	-
15	Manufacturing of Leather and Related Products	4,4	4,6	1,3	1,3	+
16	Manufacturing of Wood and Wood Products	3,9	2,7	1,2	1,00	+
17	Manufacturing of Paper and Paper Products	3,6	5,1	1,00	0,8	-
18	Printing and Distribution of Recorded Media	2,8	3,5	0,8	0,9	-
19	Manufacturing of Coke and Refined Petrol Products	2,2	1,7	0,4	0,7	-
20	Manufacturing of Chemicals and Chemical Products	2,1	2,4	0,4	0,4	-
21	Manufacturing of Basic Pharmaceutical Products	2,1	2,7	0,00	0,2	-
22	Manufacturing of Rubber and Plastic Products	1,9	2,6	0,8	1,00	+
23	Manufacturing of other non-metallica mineral products	1,8	1,9	0,7	0,7	-
24	Base Metal Industry	1,5	2,5	0,8	1,00	+
25	Manufacturing of Fabricated Metal	1,00	1,1	1,6	1,8	+

	Products					
26	Manufacturing of Computers, Electronics and Optical Products	0,8	1,1	0,2	0,2	-
27	Manufacturing of Electrical Equipment	0,4	0,2	0,9	0,6	-
28	Manufacturing of Machines and Equipment	0,2	0,4	1,6	2,00	+
29	Automotive Supply Industry	0,2	0,3	2,1	1,4	+
30	Manufacturing of Other Transportation Vehicles	0,2	0,1	0,1	0,1	-
31	Furniture Manufacturing	0,1	0,1	2,00	0,5	-
32	Other Manufacturing	0,1	0,00	0,2	0,4	-
33	The Installation and Repair of Machines and Equipment	0,00	0,00	1,00	0,7	-

2.1.1.1 FOOD SECTOR

The food sector is the sector in which the most employment is created in the regional industry. As of 2012, the food sector makes up for 26,5% of the total employment of the manufacturing industry and 14,5% of the total number of enterprises in the Konya Karaman Region, and the sector's average size of enterprises in the region is 1428,8. The fact that during the last three years (2009-2012), the employment rate stayed the same in the total share of employment in the manufacturing sector, despite an annual average increase of 37,7%, shows that the sector parallels the employment increase in the manufacturing industry sector.

2.1.1.2 MACHINE AND EQUIPMENT MANUFACTURING SECTOR

This sector is the 3rd sector to create the most employment for the regional industry. As of 2012, the sector makes up for 10,9% of the total employment in the manufacturing industry and 13,2% of the total number of enterprises in the Konya-Karaman Region, and the sector's average size of enterprises in the region is 13,0. The fact that during the last three years (2009-2012), this sector has not changed its place in the ranking of total employment in the manufacturing industry, despite an annual average increase of 74,6%, shows that this rate of increase is not enough to change the sector's place in the ranking.

2.1.1.3 AUTOMATIVE SUPPLY INDUSTRY SECTOR

The sector has increased its employment rate in the regional manufacturing industry sector from 2009 to 2012. The Automotive Supply Industry Sector makes up for 4,5% of the total number of enterprises, and its regional average enterprise size is 13,7. During the last three years (2009-2012) despite the fact that the annual average of the increase in employment more than 100%, the sector's share in the total employment of the manufacturing industry has stayed somewhere around 4%. This shows that the sector's starting value was too low, and that the sector is a newly developing sector which has just recently finished its incubation period.

2.1.1.4 BASE METAL INDUSTRY SECTOR

This sector could not show a mature aggregation property due to the fact that the sector's share in the nation-wide employment has been less than expected despite the fact that its

been increasing its share of employment in the regional industry. As of 2012, it makes up for 5,3% of the total employment in the manufacturing industry, and 4,7% of the total number of enterprises. The the regional average enterprise size of the Base Metal Sector is 17,6. In the last three years, (2009-2012) this sector's share inside the total employment in the manufacturing industry in the region has increased very little, despite an annual average of 96,4% in employment increase. This is due to the minimally better performance than the employment increase of the manufacturing industry sector.

2.1.1.5 FABRICATED METAL PRODUCTS MANUFACTURING SECTOR

The sector's employment rate in the regional industry has decreased from 2009 to 2012. The Fabricated Metal Product Manufacturing Sector makes up for 19,5% of the total number of enterprises, and it's average enterprise size in the region is 19,5. In the last 3 years (2009-2012), the annual average increase of employment in this sector has been 27%, but its share inside the total employment in the manufacturing industry has dropped in percentage. This points out that the increase of employment in this sector is larger than the increase in the region.

2.1.1.6 RUBBER PLASTIC SECTOR

The sector has been one of the sectors which has increased employment in the last three years (2009-2012). As of 2012, the sector makes up for 4,7% of the total employment in the manufacturing industry in the Konya Karaman Region, and 5,7% of the total number of its enterprises, and its average enterprise size is 13,1. The fact that the sector has an increase in employment by 83% and an increase in the regional share of employment in the last three years (2009-2012) shows that the sector's increase in employment is more than the increase in the manufacturing industry sector.

2.1.1.7 Chemical SECTOR

As of 2012, this sector makes up for 0,8% of the total employment in the manufacturing industry in the Konya Karaman Region, and 1,1% of the total number of its enterprises, and the average enterprise size is 11,4. In the last three years (2009-2012) the sector's share inside the regional total employment in the manufacturing industry has decreased, despite an increase in employment by 0,3%. This shows that the sector's increase in employment was lower than the increase in the manufacturing industry.

2.1.2 SECTORAL AND/OR REGIONAL POLICIES AND PROGRAMS

The Tuzlukçu Small Industrial Area Feasibility Project is qualified for upper-scaled policies, plans and strategies. The relation of the project, which is supported by strategies, plans and policies, to these upper-scaled plans are stated in the chart below.

2.1.2. SECTORAL AND/OR REGIONAL POLICIES AND PROGRAMMES

The project of Tuzlukçu Small Industrial Area (SIA) is feasible with policies, plans and strategies with upper scale. It is a project which is supported with strategy, plans and policies. The table below shows its relationship with upper scale plans.

Table 1- Its Relationships with Upper Scale Strategy Documents and Project

Upper Scale Plan and the Related Purpose/Target/Action Strategy Plans		
2013-2017 Strategic Plan of the Ministry of Science, Industry and Technology	Providing credit support to be used to complete the project of Industrial Area (IA)	Action 1.6.6
	Promotional activities will be organized at national and international level to make Organized Industrial Zones (OIZ), Industrial Zones (IZ) and Industrial Areas (IA) an attraction centre for investors from home and abroad	Objective 1.8
	Supporting the creation of an investment environment with international standards in the industrial field and a planned development of industry	Subgoal 1.2
	Through substructure and superstructure supports it will be contributed to the development of planned industrialization in the regions specified in the investment programme	Objective 1.6
10th Development Plan of the Ministry of Development	The practices of OIZ, TDZ (Technology Development Zones), SIA (Small Industrial Area) and Industry Zones will be developed that they are institutionalized and managed in an effective way so that they provide better service.	698. Policy
	A more effective site selection will be made for production and trade sites being OIZs and SIPs in the first place; it will be provided that these sites are used more effectively and their substructures are renewed, developed or moved.	
National Strategy for Regional Development 2014-2023	Keeping the demand for industrial plots always in mind, it will be given priority to the establishment of specialized Organized Industrial Zones (OIZ) with special focus on clustering through OIZ and SIA	403

	<p>investments in order to canalize production activities out of urban centres, projects to transform Small Industrial Areas to Organized Industrial Zones and regional attraction centres within applications of Business Incubation Centres (BIC) which can offer possibilities of industrial growth.</p>	
	<p>Priority will be given to SMEs development strategies: among these are industrial substructure applications such as OIZ and SIA, development and implementation of industrial support units such as entrepreneur support units through Small and Medium Industry Development Organization (SMIDO).</p>	465
	<p>Supporting the Substructure, Clustering and Partnership Activities</p>	5 th Priority
Support Document for Craftsmen and Shopkeepers	<p>In line with the establishment of Small Industrial Areas the following causes have been specified as main objectives: disciplining the industry, contributing to the planned development of urban areas, ensuring an increase in the productivity and profit in production through production activities of artisans which complement each other and support their by-products within a specified programme, popularizing industrial activities in under developed regions, discipline agricultural areas to use them in industry, establishment of a good, cost-effective, reliable substructure and common social facilities.</p>	Main Objective
	<p>The applications and projects of artisans and craftsmen to establish businesses in small industrial areas which have already been funded will be evaluated and implemented within the scope of protocols to be signed with the relevant units of the central and local government.</p>	5.7
National Strategy and Action Plan for Employment	<p>Within the framework of the National Strategy and Action Plan for Employment, new employment fields will be created with the small industrial area within the objective of resolving the structural problems in the employment market and providing a permanent solution to unemployment by growth in medium and long term and thus the strategic objectives specified will be supported.</p>	

2.1.3. INSTITUTIONAL STRUCTURES AND LEGAL LEGISLATIONS

2.1.3.1. LEGAL LEGISLATIONS

The establishment of small industrial areas aims to;

- contribute to the environmental health and the planned development of urban areas by bringing together the work places established in a dispersed and uncoordinated manner with an unplanned and uncontrolled structure causing pollution and unplanned urbanization,
- ensure an increase in productivity and profitability, and meet the needs in a more economic way by bringing the enterprises that operate in similar business lines and make production in complementary form within the same site,
- boost the development in backward regions in order to extend industry in underdeveloped regions,
- prevent that cultivated areas are used for industrial purposes,
- provide advantages to small industrialists in terms of participatory management which enables them to develop common action plans, share the cost of environmental factors, furthermore enable the enterprises that have developed to a certain extent in industrial areas turn into big businesses and get established in organized industrial zones.

After the establishment of small industrial areas, the cooperatives founded by the enterprises acquire legal entity status. The process is initiated by drawing up the Articles of Association of Small Industrial Site Building Society. This articles of association includes the titles, nationalities, addresses of the enterprises that join the society and the shares they commit in the capital, and thus a building society within a small industrial area is established under the Cooperatives Law no. 1163 with variable partners, variable capital and limited liability. The cooperative acquires legal entity status after having been registered in the Trade Registry. Those who make business or transactions on behalf of the cooperative before the registration are liable personally and severally for such businesses or transactions.

The objective of the cooperative is; to ensure that the artisans, craftsmen and industrialists which operate in the business lines in the fields of production and repair indicated in this articles of association have business premises fulfilling the current technical requirements of a modern facility and establish a small industrial area in which all the facilities intended to meet the general services of the society are available. To this end, the cooperative follows the procedure indicated below:

1. The cooperative purchases the plot or the land, combine them, then get it parcelled out in compliance with the zoning plan, prepares the related substructure, plan, project and cost calculation and builds a collective business site for its associates.
2. It gets the plans and projects done for the substructure, small industrial area and the common facilities.

3. It acquires moveable and immovable properties and rights, sells or hires them, lets them be used or gives them as security. However the cooperatives that have received a loan from the Ministry of Science, Industry and Technology have to obtain permission from the Ministry in this matter.
4. It establishes facilities to meet the social, cultural and economic needs of its associates and transfer these to its partners. However the cooperatives that have received a loan from the Ministry of Science, Industry and Technology have to get the permission of the Ministry in this matter.
5. It transfers the proprietary of the business premises built to its partners in accordance with the selection method indicated in the articles of association.
6. It receives loans from lender institutions and organizations to achieve its objective and provided that the loan given is used properly in line with its objective.
7. It enters into cooperation with the relevant institutions and organizations, participates in the supreme organizations of the building cooperatives of small industrial areas.
8. it established, if a need arises, relief funds for its partners and staff, and carries out trainings, issues publications, does broadcasts, researches and executes similar activities within its field.

The enterprises which later desire to become a partner in small industrial areas have to meet the following conditions:

- 1- They have to be a national of the Republic of Turkey as a natural or legal person with contractual capacity.
- 2- They have to accept to terms of the Articles of Association and the obligations imposed.
- 3- The partners of the building cooperative of a small industrial area which will use credit from the Ministry of Science, Industry and Technology must have no credit debts to the said Ministry.
- 4- They must be registered in the chambers established in accordance with the Law on the Professional Organizations of Merchants and Craftsmen no. 5362 and in the trade and industry chambers established according to the Law on the Union of Chambers and Commodity Exchanges of Turkey, and Chambers and Exchanges no. 5174 and do production or repair business in the business lines of small industry indicated in this articles of association.
- 5- They must have independent business enterprise in one of the business lines of small industry and carry out their profession in the town where the industrial area has been established and prove these facts by documents from the related chamber or tax office they are registered in.
- 6- Those who don't have an independent business enterprise but work in one of the business lines of small industry as engineer, architect, technician depending on a diploma of an industrial vocational high school (Trade School) or certificate of proficiency can also become a partner. However these persons must provide evidence that they paid insurance premiums for at least 360 days backward from the date of their application to become a partner. Should a company be a partner in the Building Cooperatives of Small Industrial Areas, at least one of the activity areas of a company

as published in the Official Gazette must be one of those business lines of small industry indicated in the articles of association, it must be indicated on the actual documents to be obtained from the related tax office and chamber administration that the company operates in these small industry business lines, and furthermore it must be evidenced through a written agreement certified also by a public notary that the company will operate in this activity area in its premises in the area.

2.1.3.2. INCENTIVES FOR SMALL INDUSTRIAL AREAS

The supports and incentives for small industrial areas are implemented in two categories: one for the legal entity of the small industrial area itself and another one for the enterprises which operate in the area. Such supports and incentives are granted as loans through the Ministry and tax exemptions.

While, within the scope of the loans granted by the Ministry, the substructure constructions of the small industrial areas indicated in the Investment Programme of the Ministry of science, Industry and Technology are funded through loans at 100 %, the ones of superstructure can be financed through credits up to 70 %. The Ministry of Science, Industry and Technology grant loans for the substructure and superstructure constructions in small industrial areas under the following interest rates and repayment periods:

- a. An interest rate of 2 % under a total repayment period of 15 years thereof 1 year grace period for loans given in the priority regions for development and the regions affected by natural disasters;
- b. An interest rate of 7 % under a total repayment period of 13 years thereof 1 year grace period is applied for loans granted in normal provinces;
- c. An interest rate of 12 % under a total repayment period of 11 years thereof 1 year grace period is applied for loans granted in developed provinces.

Within the scope of tax exemptions, the legal person of a small industrial area is; exempted from property tax for a period of five years beginning from the budget year following the completion of the construction, plot and workplace deliveries are exempted from corporate income tax and VAT, the building is exempted from the duty of construction and occupancy permit and the regions which run a central waste water treatment facility are exempted from waste water fee.

The enterprises located within the small industrial areas are subjected to tax exemption and profit from supports given by SMIDO (Small and Medium Industry Development Organization) and the ones granted within the scope of SMEs legislation. Within the tax legislation, the enterprises are exempted from charges concerning building construction and occupancy permit. Furthermore the enterprises operating in small industrial areas located within the boundaries of Metropolitan Municipalities in the Priority Regions for Development (PRD) or those in the small industrial areas located within the boundaries of municipalities with a population of less than 5.000 people in provinces that are not in the context of PRD are exempted from the sanitation tax in a rate of 50 %.

Within the supports granted by SMIDO; the organization of SMIDO (KOSGEB) grants partial non-repayable support for the execution of substructure and superstructure application projects to be applied in the small industrial areas that fall within the scope of PRD application.

Within the legislation in connection with SMEs; investment and working capital loans are granted for SME investments, depending on the region and scale, to be made in small industrial areas in the sectors of manufacturing and agricultural industry.

2.1.3.2. THE POSITION OF KONYA IN THE NEW INCENTIVE SYSTEM

The new incentive system is comprised of the following four components:

- **General Incentives:** All the investments over the minimum fixed investment amount can profit from the supports given within this scope regardless of the region excluding the investment areas which cannot be supported and the ones not fulfilling the incentive requirements.
- **Regional Incentives:** The sectors defined by provinces in the Annex no.2 of the Decree will be supported within this context within the terms specified for the respective regions. Below is the table showing the distribution of provinces by regions:

Table 2- The Distribution of Provinces by Regions

1. Region	2. Region	3. Region	4. Region	5. Region	6. Region
Ankara	Adana	Balıkesir	Afyonkarahisar	Adıyaman	Ağrı
Antalya	Aydın	Bilecik	Amasya	Aksaray	Ardahan
Bursa	Bolu	Burdur	Artvin	Bayburt	Batman
Eskişehir	Çanakkale	Gaziantep	Bartın	Çankırı	Bingöl
İstanbul	Denizli	Karabük	Çorum	Erzurum	Bitlis
İzmir	Edirne	Karaman	Düzce	Giresun	Diyarbakır
Kocaeli	Isparta	Manisa	Elazığ	Gümüşhane	Hakkari
Muğla	Kayseri	Mersin	Erzincan	Kahramanmaraş	Iğdır
	Kırklareli	Samsun	Hatay	Kilis	Kars
	Konya	Trabzon	Kastamonu	Niğde	Mardin
	Sakarya	Uşak	Kırıkkale	Ordu	Muş
	Tekirdağ	Zonguldak	Kırşehir	Osmaniye	Siirt
	Yalova		Kütahya	Sinop	Şanlıurfa
			Malatya	Tokat	Şırnak
			Nevşehir	Tunceli	Van
			Rize	Yozgat	
			Sivas		

- **Supports for large-scale investments:** Credits are granted for large-scale investments regardless of the region, but these credits are given in differentiated form for each region. The list of large-scale investments is found in the annex no.3 of the Decree.

As in the previous decree, investments made in 12 sectors have been accepted as large-scale investments in the Decree no. 2012/3305 as well. However a minimum investment amount of over 50 million TL has been laid down for some of these investments. The table below shows the defined investment areas and the minimum investment amounts laid down for each area.

Table 3- Investment Areas and Investment Amounts

Investment Areas	Minimum Fixed Investment Amount (Million)
Manufacturing of chemical substances and products	200
Manufacturing of refined petroleum products	1000
Investments of transportation through pipe lines	50
Basic industry investments in motor land vehicles	200
Sub-industry investments in motor land vehicles	50
Investments in the manufacture of railway and tramway locomotives and/or railway carriages	50
Investments in ports and port services	200
Investments in the electronic industry	50
Investments in the manufacture of medical devices, sensitive and optic devices	50
Investments in the production of medicines	50
Investments in the manufacture of aircrafts and space vehicles and/or the related spare parts	50
Investments in manufacture of machines (including electrical machines and devices)	50
Investments in metal production: investments in the production of finished metal products from the ore and/or concentrate of the metallic minerals of IV/c group indicated in the Mining Law (Including the investments made for integrated mining in such facilities)	50

- Supports for strategic investments: Different rates and terms are indicated for strategic investments in the decree. The Decree contains no definition of the concept of strategic investment. The Evaluation Committee of Strategic Investments to be newly established will determine, within the frame of defined criteria, which investments will be accepted in the concept of strategic investments. The Decree provides that the investments made in products which are dependent on imports and meet all of the criteria indicated below will be qualified as strategic investments:
 - The minimum fixed investment amount must exceed 50 million Turkish Lira;
 - The total domestic production capacity concerning the investment product must be less than the related imports;
 - The investment must provide an added value of 40 % in minimum;

- The total imports concerning the investment product realized within the recent year must exceed 50 million USD.

The table below includes the components of the support by regions and investments.

Table 4- Incentives by Regions and Investments

Support Components	Regions / Investments					
	1-2. Regions	3-4-5. Regions	6. Region	Investments of Priority	Large-Scale Investments	Strategic Investments
VAT exemption	Yes	Yes	Yes	Yes	Yes	Yes
Customs duty exemption	Yes	Yes	Yes	Yes	Yes	Yes
Corporate tax reduction	Yes	Yes	Yes	Yes	Yes	Yes
Support for the employer share of insurance premium	Yes	Yes	Yes	Yes	Yes	Yes
Allocation of investment location	Yes	Yes	Yes	Yes	Yes	Yes
Support of interest	No	Yes	Yes	Yes	No	Yes
Incentive for income tax withholding	No	No	Yes	Yes/No*	Yes/No*	Yes/No*
Support for the worker's share of insurance premium	No	No	Yes	Yes/No*	Yes/No*	Yes/No*
VAT reimbursement	No	No	No	No	No	Yes/No**

* available only in the 6th Region.

** available only in investments with a fixed investment amount of over 500 million TL.

Incentive and Support Components for Konya (First Region)

- Exemption and Reimbursement of Value Added Tax:** The exemption of value added tax is an incentive component which can be applied for all the investments over the minimum investment amount. VAT exemption defined in Art. 13 of the Law on Value Added Tax will continue to be applied just in the same way as it is currently applied. The provisional Article 30 added to the Law on Value Added Tax with the

Law no. 6322 from 31.05.2012, which will remain in effect until the end of the year 2023, provides the reimbursement of the tax imposed as a result of construction works in connection with strategic investments where a minimum amount of 500 million TL is stipulated within the scope of investment incentive documents and cannot be reduced until the end of the year. Within this framework, VAT return can be applied, within the regulations of the Ministry of Finance, for the expenditures in connection with buildings-constructions within the scope of strategic investments that are over a fixed investment amount of 500 million TL.

- b. Customs Duty Exemption:** As in the exemption for VAT, this is also an incentive component which can be applied for all the investments over the minimum investment amount carried out under an incentive certificate excluding the investment areas which cannot be supported and the ones not fulfilling the incentive requirements. Customs duty exemption remains in effect in its general principles as is the case with Value Added Tax reimbursement. However the Decree introduces a new privilege applied for the first time. Should, within this scope, a new investment be realized in car manufacturing field with a production capacity of at least one hundred thousand vehicles/year or the established capacity of an existing facility be increased to a minimum capacity of one hundred thousand vehicles/year, the investors will be allowed, being only to be effective within the investment period, to import cars in the segments of A, B and C without being subject to customs duty.

Income/Corporate Tax Reduction: The article 32/A of the Law on Corporate Tax provides reductions in income/corporate tax rates for incomes generated in investments carried out under an incentive certificate. In the new incentive system; corporate tax reduction is provided to large scale investments, strategic investments and to in investments made in specific sectors defined by each region. The amount of support to be granted by means of corporate tax reduction depends on the amount and the rate of the contribution to the investment as well as the reduced corporate tax rate. The rate of the contribution to the investment, corporate rate reduction rate and the rates of corporate tax to be imposed on the incomes generated from investments in accordance with this rate as defined in the devcree no. 2012/3305 are shown in the table below:

Table 5- Income/Corporate Tax Reduction Rates

Regions	Rate of Contribution to Investment (%)			
	Regional Incentives		Support for Large Scale Investments	
	Investments initiated before 31.12.2013	Investments initiated after 01.01.2014	Investments initiated before 31.12.2013	Investments initiated after 01.01.2014
I	15	10	25	20
II	20	15	30	25
III	25	20	35	30
IV	30	25	40	35

V	40	30	50	40
VI	50	35	60	45

d. Support for the Employer Share of Insurance Premium: In large scale investments, strategic investments and the investments supported within applications at regional level;

- In completely new investments, the part corresponding to the minimum wage of the employer's share of the insurance premium generated within an investment executed under an incentive certificate will be covered by the Ministry of Economy in the periods indicated below;
- in other investments, the part corresponding to the minimum wage of the employer's share of the insurance premium that must be paid for the employment added to the average number of employees notified in the monthly premium and employment declaration submitted to the Social Security Authority in the period of six months before the initiation date of the investment will also be covered by the Ministry of Economy after the completion of the investment in the periods indicated below (The seasonal averages of the previous year in terms of employment are taken into account in the investments with seasonal character).

Table 6- Payment Periods of the Support for Employer's Share of Insurance Premium

Regions	Large Scale Investments and Investments Supported Within the Scope of Regional Applications		Strategic Investments
	Investments initiated before 31.12.2013	Investments initiated after 01.01.2014	
I	2 years	-	7 years
II	3 years	-	7 years
III	5 years	3 years	7 years
IV	6 years	5 years	7 years
V	7 years	6 years	7 years
VI	10 years	7 years	10 years

The amount of support is limited depending on the fixed investment amount. The regulation provides that the amount of the support to be given in connection with the employer's share of insurance premium cannot exceed the rates of the fixed investment amounts indicated below.

Table 7- The Rates of the Support for the Employer Share of Insurance Premium

Regions	Applications Within Regional Incentives (%)	Large Scale Investments (%)	Strategic Investments (%)
I	10	3	15
II	15	5	15

III	20	8	15
IV	25	10	15
V	35	11	15
VI	50	15	15

The following conditions must be met to become entitled to get the support for employer share of insurance premium:

- The employers must have submitted the monthly premium and employment declarations about the insured employers to the Social Security Authority within the legal term and
 - the amount corresponding to all the insured employees' share of insurance premiums and the amount concerning the employer's share not covered by the Ministry must have been also paid within the legal term.
- e. Allocation of Investment Site: It has generally been declared that investment site would be allocated to the investors of large scale investments, strategic investments and the investments to be supported within regional applications and it has been stated that it would be realized within the method to be determined by the Ministry of Finance. The site allocation to investments is a long established practice carried out within the scope of the Laws no. 5425, 5084 and 4706 and it is thought that this practice will undergo no considerable changes. The matter will be regulated in details by the Ministry of Finance.

2.1.4. THE ORIGIN AND SUITABILITY OF THE PROJECT IDEA

2.1.4.1. THE SUITABILITY OF THE PROJECT TO SECTORAL AND/OR REGIONAL DEVELOPMENT OBJECTIVES (POLICIES, PLANS AND PROGRAMMES)

Mevlana Development Agency (MEVKA) was established by the Cabinet Decision no. 2009/15236 on July 14, 2009 based on "The Law on the Establishment, Coordination and Functions of Development Agencies" no. 5449 from 25.01.1996. MEVKA, which operates in the provinces of Konya and Karaman, is an institution which contributes to the development by enhancing the coordination and cooperation between public, private and non-governmental organizations, provides local-specific solutions for local problems and contribute to the sustainable development by promoting the correct and effective usage of sources. It has set itself the essential objective to reduce the intra regional differences in terms of development by providing the coordination and cooperation between public and private sectors, non-governmental organizations and universities. To this end Konya Karaman Regional Plan for 2014-2023 has been designed so as to set the priorities at regional level with scientific methods and a participatory approach. Within the framework of this plan, a model has been set up that would give direction to the development of the region.

The following criteria, which are of great importance for the region, have been defined in upper scale plans in respect of realizing the 2023 vision across the Region in terms of providing and enhancing global competition conditions within the Regional Plan for 2014-2023 for Konya Karaman Region keeping the strong and weak points, and threats and opportunities of the region in mind:

1. Enterprises which are more competitive t national and global level
2. An investment environment with better conditions
3. Investment in human resources: Healthy individuals who can act together extending their knowledge and renewing their skills
4. Reducing the intra regional differences in respect of development and boosting the life in rural areas across the region
5. Achieving a Green Growth maintaining the balance between preservation and usage
6. Creating a multi-centre and balanced spatial organization embracing forms of different intervention in the residence areas across the region
7. Providing a better accessibility to the region by strengthening the substructure logistics services in the region

The objective of "Turning the Region of Konya Karaman into an Economic Development Passageway by Boosting the Inner Dynamics of the Region" will be the main scenario in the region in line with the essential goals defined in the National Strategy of Regional Development as "Enhancing the Competitive Power of the Segments With Growth Capacity" and "Diversification of Economic Activities and Boosting the Economy in the Provinces Having Transformational Capacity".

3 fields of policy development have been specified to realize this main scenario that will enable the region to reach its visionary objectives.

1. Convergence Policy: Increasing the effectiveness of basic public services such as education/health care being in rural areas in the first place in order to reduce the intra regional differences in terms of development, minimising the inevitable employment losses in the agricultural sector and diversifying the economic activities in rural areas to generate income in this sector, employ the people who see no future in agricultural sector in non-agricultural fields, canalize the people who will continue to work in the agricultural sector to production techniques enabling them to utilize water in the most economic way and products with high added value;
2. National Policy for Global Competition (NPGC): Creating, on the other hand, a productive manufacturing industry substructure that can be integrated to global economies with a speedy access to ports through powerful transportation networks, specializing in manufacturing

industry fields requiring medium and high technology by attracting industrial investments and qualified work force to the region;

Thus thanks to these two policies, the Regional Plan of Konya Karaman for 2014-2023 will contribute to reduce intra regional differences in terms of development by activating the potential in rural areas together with the economic activities diversifying as alternatives to agricultural activities. This will raise the incomes which, in turn, will both improve the quality of life in rural areas, reduce the migration to urban centres and raise the environmental sustainability lessening the pressure of agriculture on the limited natural resources. On the other hand, thanks to the manufacturing industry policy of the region designed with special focus on global competition, the competitiveness of our region at national and global level will be enhanced. Thus "The Policy of Growth Centres and Transformation Provinces" defined in NPGC will directly be realized on local level.

Ultimately thanks to these two basic policies of the plan our region will make maximum contribution to the vision of National Policy for Global Competition defined as "A Totally Developed Turkey in A Socio-Economically Integrated Competitive Power and Regions With High Level of Welfare".

3. Spatial Policy: In order to realize the main scenario of the regional plan, the plan will also include a multi-centre and balanced spatial organization policy which is designed as an alternative to the existing spatial development trends in the region and comprises of different intervention practices in the residential areas in the region. This spatial policy will be a reflection of both the policy of reducing the intra regional differences in respect of development and the policy of global competitiveness. In this context the districts in the region have been classified in different groups by the local dynamics, needs and priorities of each district and different intervention and response practices have been set. These groups have been formed taking into account the SEGE-Rating in respect of socio-economic development in the districts, the cross-examination and analyses of gradation survey carried out at district level. Furthermore the reports district strategic development commissions have also been taken into consideration in these groupings.

2.1.4.2. THE RELATIONSHIP OF THE PROJECT WITH PREVIOUS AND ON-GOING PROJECTS AND THE ONES STILL IN PLANNING PHASE

This project includes a feasibility report concerning the establishment of a small industrial area projected to be set up in the district of Tuzlukçu. Even though this project is not linked to any previous or ongoing project, the feasibility report designed within the project can be used as an essential source in the projection of other small industrial areas in the future.

2.1.4.3. ORIGIN OF THE PROJECT IDEA

MSEs are the dynamics of national economies and development. They can easily adapt themselves to new situations with the employment possibilities they create in a flexible production structure and different products they can produce in a easier way. These

characteristics make them actors that play a significant role in the socio-economic development of a country.

A small industrial area can be defined as a structure where small enterprises in industry sector come together to carry out sub-industry activities to the advantage of big industrial enterprises and the industrial development as a whole. They aim to produce specific products that require special skills and present solutions to the problems of industry at local level.¹ The advantages small industrial areas offer are as follows:

- A combined location for the companies enhances the relationship between the companies and boosts productivity growth. Such a growth results from easier technical assistance, the physical vicinity of companies and the increasing efficient scale due to the settlement in these areas.
- It is of great advantage in terms of minimizing the damages to the environment as small industries specialized in different fields come together in an organized area and operate with the capacity of a large unit.
- Since the whole substructure such as water, sewage, energy systems is built on the one and the same plot in a combined manner, it is economically profitable.
- Wide terrains outside of urban areas can be made available in reasonable prices for industrial areas.
- Transactions in government agencies and formalities take time and cause expenses, but in a small industrial area formalities are completed from a central unit at once and in a more economic way.
- Small industrial areas enable small industrial enterprises carrying out production and repair works in different business lines to work in an area with healthy environmental conditions to carry out all the functions they need. In this way the companies can increase their productivity and help big industrial enterprises grow and develop serving them in sub-industries.

The small industrial area planned to be built in the district will decrease production costs and increase profitability with the cost-effective character of a clustering organization, because the companies operating in small industrial areas have better possibilities in terms of transportation and sub-structure. Furthermore incentives with better conditions are provided to these enterprises within incentive systems. The companies which would operate in the Small Industrial Area of Tuzlukçu will also benefit from these advantages.

Small producers, shopkeepers and artisans in the district will have the possibility of working in a joint space with coordinated and disciplined organization and proper substructure. In such a disciplined organization productivity will increase in the sector It will also have positive effects on employment and the clustering of scattered manufacturers in the district in a specific area will also affect the urban structure in the region in a positive way reducing the

¹Türkiye İş Kurumu Genel Müdürlüğü, "Türkiye'de Organize Sanayi Bölgeleri ve Küçük sanayi sitelerinde İhtiyaç Duyulan Meslekler ile Yeterince Karşılanamayan Meslekler Ve Bu Konuda İŞKUR'un Rolü", Emrullah Aslan, Ankara, 2007

pollution such manufacturers cause within the urban area thus making a contribution in terms of a more hygienic environment.

Keeping all these advantages in mind, the establishment of a small industrial area in Tuzlukçu will make a substantial contribution to the economy in the district with the core areas of agriculture and industry. The small industrial area will gather all the enterprises located in a scattered way in the vicinity of the town centre will affect both the environment and the costs in a positive manner.

CHAPTER 2: MAKING MARKET RESEARCH

2.1. REGIONAL LEVEL NEEDS ANALYSIS

Activating all kinds of resources and opportunities has a great importance in achieving economic and social development. A region to be the center of attraction for investors depends on its own specific location and conditions as well as development of the region. District of Tuzlukcu is a district having a development potential due to its socio-economic development level. Diversifying and expediting investment activities in the district will lead to further increase the development and the competitive capacity. Considering the existing potentials, it's seen that industry sector has an important position in the district's development. By improving the industry sector, socio-economic development of the region will be moved to a higher level. The district of Tuzlukcu has an important development potential in industry sector due to its resources.

Researches conducted in the region revealed that industrial infrastructure is developing day by day, but enterprises and entrepreneurs operating within districts should be supported in order to eliminate intraregional differences. Because of insufficient physical spaces where enterprises operating in the district operate, a new Small Industrial Site project should be realized in line with the needs of enterprises operating within the region.

By establishing the small industrial site, institutionalization of small scale enterprises will be provided and their efficiencies will be increased. Besides that an important opportunity will be offered for investments of entrepreneurs planning to make investments in the district. Also, following the establishment of the industrial site, small enterprises in the district will reduce their expenditures due to the joint organisation. This will create opportunities for profitability and economic growth and opportunities that the district has will be transformed into added value. Values that cannot be transformed into added value will not be able to contribute to regional and national economy and also will lead economic development of the district to be in lower levels. Following the realization of small industrial sites, an important support will be provided to strengthen industry branches in the district, realize new investments and increase national and international competitive capacity of the district.

2.2. KONYA FOLLOW-UP VISIT INTERVIEWS WITH SMALL INDUSTRIAL SITES

Face-to-face interviews with 10 of 39 Small Industrial Sites operating within the region have been planned. These Small Industrial Sites to be planned to make interview was determined according to their proximities to the region and detailed information was tried to be obtained to constitute a source for the feasibility. The interviewed SISs are Aksehir-I, Aksehir-II, Ilgin,

Doganhisar, Akoren, Beysehir, Sarayonu, Zafer, Uzman and Anadolu Small Industrial Sites. Only the information of Sarayonu SIS from these SISs were not obtained.

During the interviews, questions about the current status of SISs were put to the management officials of SISs. Answers to questions remained at a limited level due to the low rate of becoming cooperative and inability of the management to operate actively in SISs in question. During the interviews, no answer could be received about number of companies in their bodies, total investment cost, number of cooperatives, services provided in SISs except for place, rent collection situations, problems encountered by the management, incomes of SISs except for rent, number of persons work in the management, annual budgets of cooperatives, additional investments after foundation and joint areas in SISs.

Questions put to the officials during the interviews are as follows;

The first question asked to SISs in the interviews is about the size of the area where SISs were established. Aksehir-I a SIS from SISs in the region stated that it operates on an area of 65.000 m², and Aksehir-II on an area of 55.000 m², Ilgin 75.000 m², Doganhisar 25.000 m², Akoren 1.500 m², Beysehir 40.000 m², Zafer 360.000 m², Uzman 84.000 m² and Anadolu 240.000 m².

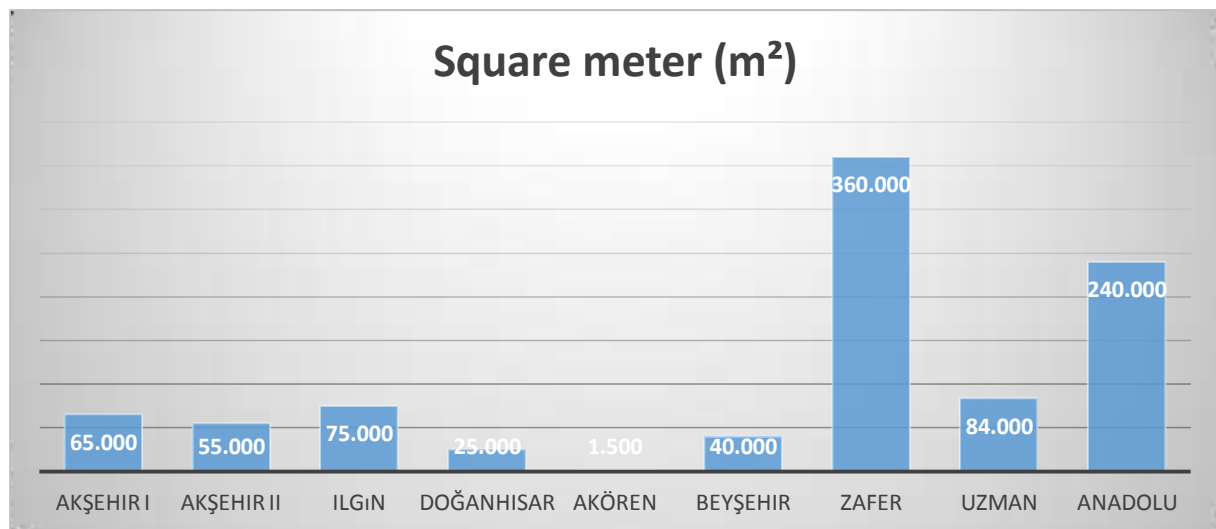


Figure 1- Area Sizes Where Small Industrial Sites Were Established

The second question asked to SISs in the interviews is about sectors where the enterprises in their bodies operate. Aksehir-I and Aksehir-II SISs answered the question as auto repair, auto spare parts, iron joinery, PVC joinery, furniture, food production machinery, heavy vehicle services, agricultural tools, feed and animal products sectors; Ilgin and Doganhisar SISs as auto repair, iron joinery, PVC joinery, carpentry, agricultural tools sectors; Akoren SIS as auto repair, iron joinery, PVC joinery, carpentry, agricultural tools, animal products. It was identified that Companies in Zafer, Uzman and Anadolu SISs operate in similar sectors. These sectors are metal processing machinery, on vehicle equipment manufacturing, agricultural tools, milling machinery, automotive supply industry, base metal industry, food products, fabricated metal products and glass industry sectors.

Table 8- Sectors Where Companies Within SIS Operate

Sectors Where Companies Within SIS Operate	Small Industrial Sites
<p>Auto repair</p> <p>Iron Joinery</p> <p>PVC Joinery</p>	<p>Akşehir-I</p> <p>Akşehir-II</p> <p>Ilgın</p> <p>Doğanhisar</p> <p>Akören</p> <p>Beyşehir</p>
<p>Auto Spare Parts</p> <p>Furniture</p> <p>Food Production Machinery</p> <p>Heavy Vehicle Services</p>	<p>Akşehir-I</p> <p>Akşehir-II</p>
<p>Agricultural Tools</p>	<p>Akşehir-I</p> <p>Akşehir-II</p> <p>Ilgın</p> <p>Doğanhisar</p> <p>Akören</p> <p>Beyşehir</p> <p>Zafer</p> <p>Uzman</p> <p>Anadolu</p>
<p>Feed and Livestock Products</p>	<p>Akşehir-I</p> <p>Akşehir-II</p> <p>Beyşehir</p>
<p>Carpentry</p>	<p>Ilgın</p> <p>Doğanhisar</p>

	Akören
Animal Products	Akören
Metal Processing Machinery	Zafer
On Vehicle Equipment Manufacturing	Uzman
Milling Machinery	Anadolu
Automotive Supply Industry	
Base Metal Industry	
Food Products	
Fabricated Metal Products	
Glass Industry	

Another question put to SISs is about the number of employees within the SIS. Aksehir-I stated that a total of 652 people are employed, Aksehir-II 417 people, Ilgin 168 people, Doganhisar 70 people, Akoren 25 people, Beysehir 125 people, Zafer 1230 people, Uzman 80 people and Anadolu 2600 people.

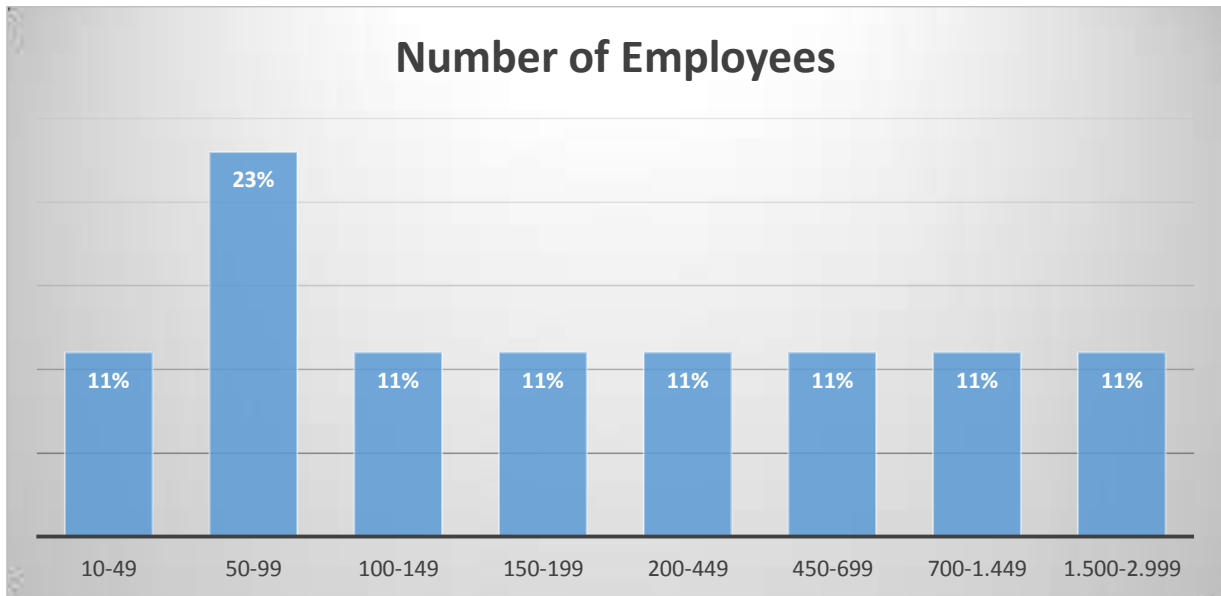


Figure 2- Employee Rates in SISs

Aksehir-I and Aksehir-II answered the question about how many square meters allocated to each company on an average as 75-150 m², Ilgin as 60-100 m², Doganhisar as 120 m², Akoren as 48-96 m², Beysehir as 70-140 m², Zafer as 50-150 m², Uzman as 750 m² and Anadolu as 300 m².

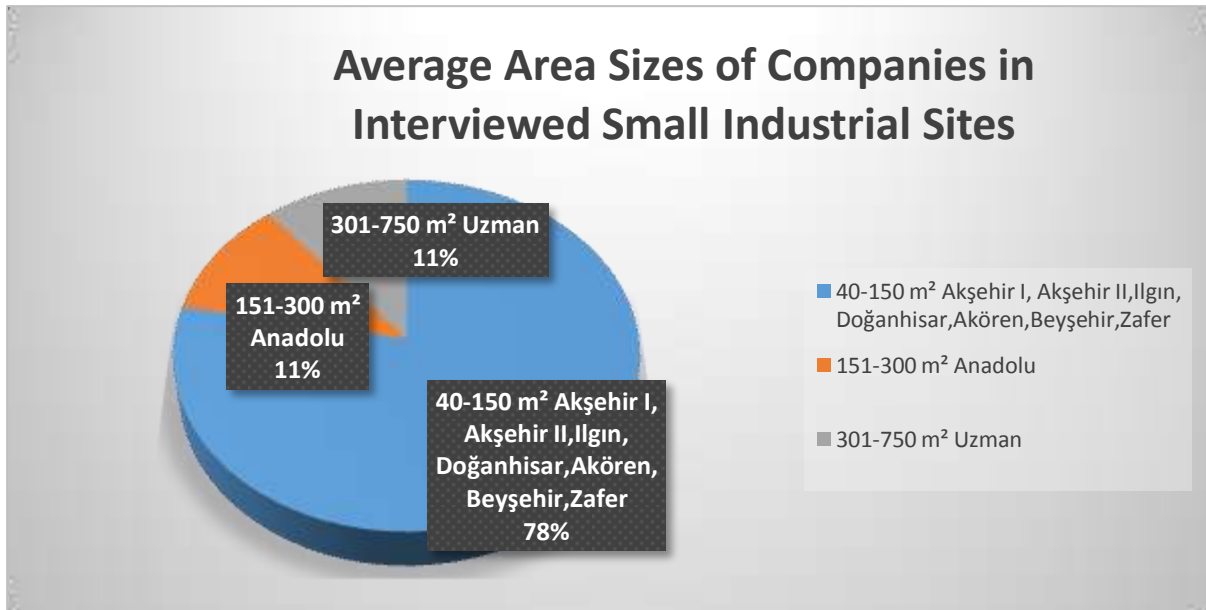


Figure 3- Average Area Sizes of Companies in SISs

As can be seen in Figure 4, area sizes of companies operate in 11% of the interviewed SISs are between 301- 750 m², in 11% between 151-300 m² and in the remaining 78% between 50-150 m².

The fifth question put to SISs is about the occupancy rates. Akşehir-I stated that it has an occupancy rate of 94%, Akşehir-II 97%, Ilgın 92%, Doganhisar, Beyşehir and Anadolu 95%, Akoren 100%, Zafer 94% and Uzman 27%.

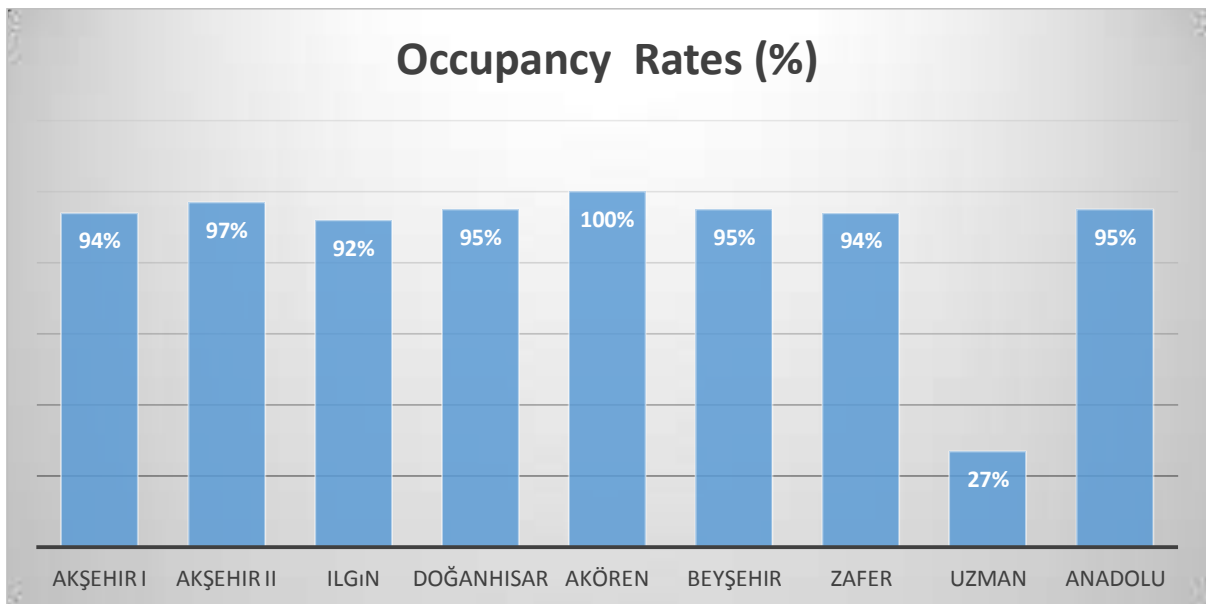


Figure 4- Occupancy Rates of Small Industrial Sites

One of the questions put to the interviewed SISs is about their foundation years. 5 SISs answered this question, but the remaining 4 SISs couldn't answer the question. In line with the received answers, foundation years of SISs are listed in the following table.

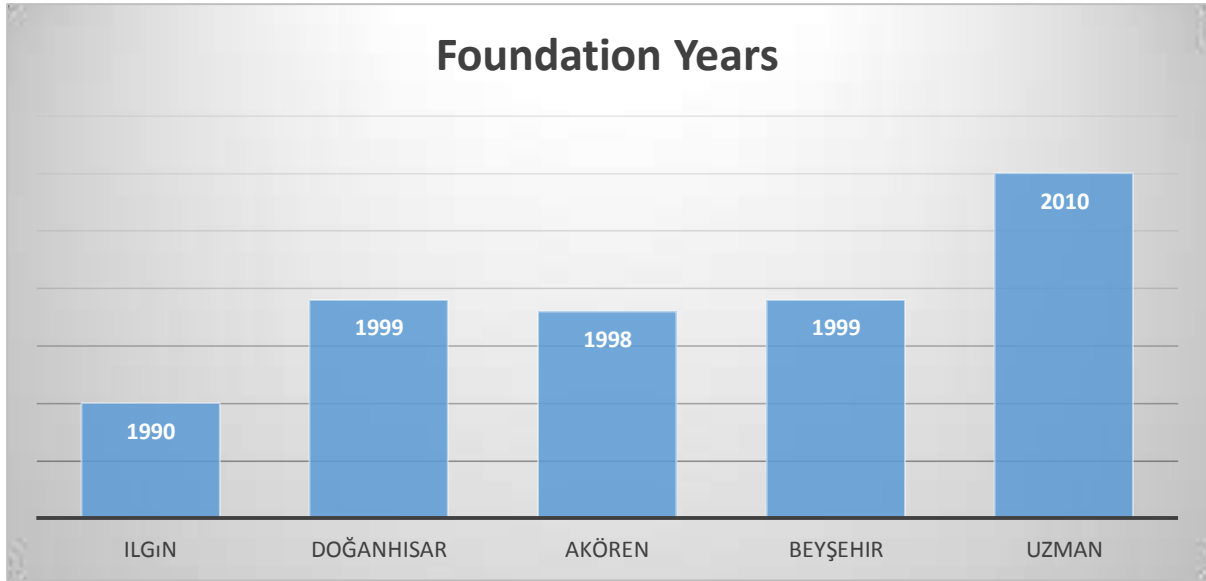


Figure 6 - Foundation Years of Small Industrial Sites

The last question put to SISs is about rentals of companies. Rentals varying according to the area sizes allocated to companies and SISs location and size are stated as 250-600 TL by Akşehir-I and Akşehir-II, 200-500 TL by Ilgın, 400 TL by Doğanhisar, 400-700 TL by Beyşehir, 1.000-1.700 TL by Zafer, 3.200 TL by Uzman and 4.000 TL by Anadolu. The SIS of Akören informed that rentals vary according to the company owners.

Table 9- Rental Prices of Companies Within SIS

Interviewed Small Industrial Sites	Rental Prices of Companies Within SIS (TL)
Akşehir I	250 - 600
Akşehir II	250 - 600
Ilgın	200-500
Doğanhisar	400
Akören	At Operator's Cost
Beyşehir	400-700
Zafer	1000-1700
Uzman	3200
Anadolu	4000

2.3. ESTIMATE OF FUTURE NEEDS AT REGIONAL LEVEL

There are about 9.916 enterprises in the province of Konya as located in 9 organized industrial zones, 39 small industrial sites and 14 private industrial sites. These enterprises are iron-steel, rubber, textile, construction, infrastructure, spare parts, plastics, welding workshops producers.

2014-2023 Konya-Karaman Region's Regional Plan issued by Mevlana Development Agency reveals the necessary policies to enhance international and national competitiveness and also aims to reach national development objectives with 2023 maturity. It's stated that creating Konya-Karaman Region as an economic development corridor by realizing internal dynamics of the region constitutes the main scenario of the Regional Plan. It's expressed that creating a productive manufacturing industry infrastructure, which is integrated to global economies, has a great importance. In addition to this, it also stated that the reduction of development differences within the region has importance in terms of global competition policy. For this reason, in order to increase the competitive capacity of the industry sector of the Region, founding new enterprises in needed areas and spreading entrepreneurial culture in sectors are especially required.

The district of Tuzlukcu has supply of hot water and a large greenhouse is planned to be established in the district with this supply in 2016. Also, areas where vineyards are located are planned to be zoned for construction, viticulture that was decreased due to population migration and molasses production that has a great importance for the district are planned to be increased again. Also, these are planned by means of IPARD supports and livestock investments increasing in the district that population migration of the district are prevented and labor force to work in these areas will be migrated in the district in time. Industrial enterprises within the region are expected to be increased due to all of specified investments. Therefore, a new SIS need in the region will arise for enterprises to be established by new investments.

In the medium term, the new small industrial site planned to be realized in the district of Tuzlukcu meets the needs of the existing enterprises, but the fact that new industrial sites needed to be established in the long term is indicated.

2.4. PROJECT IMPLEMENTATION AREA

Section number of the land planned to be established in the Small Industrial Site is 50-48J and parcel numbers are 5806 and 5535. The land where the SIS to be established is between 38°27'52"N latitude and 31°38'32"E longitude. The land locates near the main road and is 1,5 km far from the county town and 22 km far from the Organized Industrial Site of Aksehir. The land is 10 km far from Ankara-Aksehir highway and 28 km far from Afyon-Konya highway. Also, the land is 30 km far from Aksehir Train Station. The land's distance from the police station is 1,7 km, and the closest distance to a worship center is 1 km and to a hospital is 1,7 km and to pharmacies is 1,8 km. Also, it's 130 km far from the center of Konya. The land has no sewerage infrastructure. But, it's expected that the sewerage infrastructure will be completed by the line to be constructed by KOSKI in the year. There is a water supply network and power line within the land. Electric poles and water supply network pass near the

road where the SIS will be established. A water treatment facility is established in the district. However, the region has no telecommunication infrastructure and it's planned to be established in a short time. Line application for this will be made and it's expected that it will be established in a short time, because a line passes through the near region. In addition, the region has a large number of irrigation wells. Application sketch and implementary development plan related to the implementation area of the project are as follows and enclosed herewith. The parcel where the SIS will be established is currently seen as livestock market in the development plan. Change of the development plan is at proposal phase and its report was prepared. After the change, the development plan will be SIS and municipal service area. Pasture land will be included in the development plan, then the development plan will be changed on the part, which is seen as municipal service area, for the expansion of SIS area and it will be included in the SIS.

2.4.1. GEOGRAPHICAL, PHYSICAL AND ECONOMIC FEATURES

2.4.1.1. GEOGRAPHICAL FEATURES

Tuzlukcu is a district of Konya Province in the Central Anatolia region of Turkey. The district is 127 km far from the city center, its altitude above sea level (altitude) is 1.000 meters. The total area is 616 km². Transportation via land, air and railway is actively provided to the district of Tuzlukcu. The district is located between 38°47' North altitude and 31°63' East longitude and is bordered with Yunak district to the north, Aksehir to the south, Aksehir Lake and Sultandagi district to the west and Ilgin district to the east.

The district is located within a wide plain and constitutes the boundary between Aegean and Central Anatolia Regions. Due to its location and Aksehir Lake to the southwest, settlement of the district generally consists of quaternary alluviums.

The district of Tuzlukcu is bordered with Yunak district to the north, Aksehir to the south, Aksehir Lake and Sultandagi district of Afyon to the west and Ilgin district to the east. The district's transportation is provided generally by road. The district is 7 km far from Aksehir-Yunak highway, therefore transportation opportunities are limited. Rail transport of the district is provided from Aksehir.

There is no river in the district of Tuzlukcu. However, there are small streams in the villages of the district. Aksehir Lake to the southwest of the district is the third largest lake of Konya province. Aksehir Lake water is fresh water. It's fed by snow from Sultan Mountains and stream waters formed by rain waters. In addition to this, excess water of Eber Lake is discharged to Aksehir Lake. Even a little; there are carp and pike in the lake. The Lake was declared as "Natural Protected Area" by The Cultural and Natural Heritage Preservation Board of Konya in 1992 with the decision dated 01.07.1992 and decision number 1368. Vegetation of the district is steppe -as similar to the Central Anatolia Region-. Green areas in the district are very rare.

In the early years of the Republic, Tuzlukcu was a village of the district of Aksehir and became a sub-district by merging upper and lower Tuzlukcu in 1929. The municipal organisation was founded in 1949 as a result of its population over 2000, and became district on 9 May 1990. There are no towns of the district. It has only one central municipality as municipality. The county town consists of 4 neighborhoods as Asagi, Yukari, Orta and Pazar. There are a total of 15 neighborhoods throughout the district. Additionally, there are 11 villages in the district.

Justice Organization in Tuzlukcu district was abolished in 2005. Judicial proceedings are conducted by Aksehir Courthouse. In addition, there is no military entrance processing station in the district, so military transactions are conducted by Aksehir Branch. Postal services are provided by Tuzlukcu P.T.T. directorate by land - auto post, and the relevant services in villages are provided by P.T.T. agencies. The district has sufficient telephone exchange infrastructure. Transportation between Aksehir and the district is provided by buses of the Municipality and private buses and vehicles are continuously available.

2.4.1.2. PHYSICAL FEATURES

The population of Tuzlukcu district is 6.890 in 2014. It consists of 3.322 men and 3.568 women. In percent: 48.21% male and 51.79% female.

Table 10- Population Distribution of County Town

	Men	Women	Total
County Towns	3.322	3.568	6.890
	48,21%	51,79%	

Considering the population difference of the district by years, it can be seen that the population is regularly decreased year by year. The total population in 2014 is 6.890 and 7111 in 2013, 7.199 in 2012 and 7.199 in 2011. Considering the gender distribution of the population for all years, it can be seen that men and women populations in the district have an equal level.

Table 11- The Population of Tuzlukcu by Years

The Population of Tuzlukcu by Years			
Year	Men Population	Women Population	Total Population
2015			
2014	3.322	3.568	6.890
2013	3.459	3.652	7.111
2012	3.493	3.706	7.199
2011	3.645	3.832	7.477
2010	3.724	3.939	7.663
2009	3.817	4.087	7.904
2008	3.968	4.217	8.185
2007	3.972	4.195	8.167

Kaynak: http://www.nufusu.com/ilce/tuzlukcu_konya-nufusu

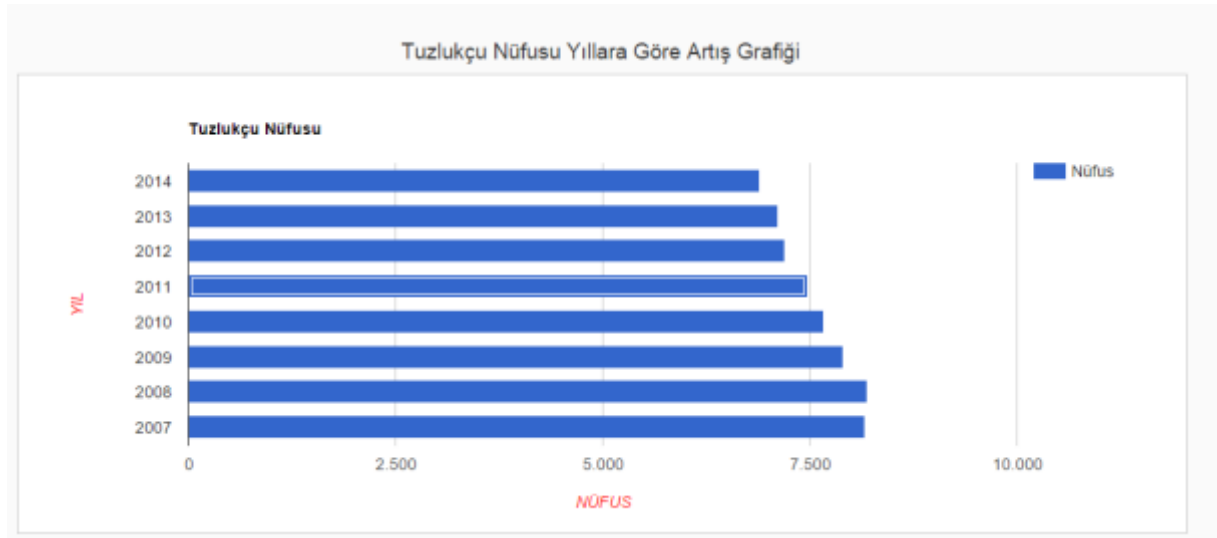


Figure 5- Tuzlukcu's Population Growth Chart by Years

Source: http://www.nufusu.com/ilce/tuzlukcu_konya-nufusu

Tuzlukcu district has a total of 15 neighborhoods. The first 5 neighborhoods with the largest population according to the population distribution are Yukari, Asagi, Korasi, Pazar and Orta. The neighborhood population distribution of the district is given in the following table:

Table 13-Tuzlukcu's Neighbourhoods' Populations

Tuzlukcu's Neighbourhoods' Populations			
Year	District	Neighbourhood Name	Neighbourhood Population
2014	Tuzlukçu	Yukarı	1.071
2014	Tuzlukçu	Aşağı	1.005
2014	Tuzlukçu	Koraşı	888
2014	Tuzlukçu	Pazar	784
2014	Tuzlukçu	Orta	650
2014	Tuzlukçu	Konarı	625
2014	Tuzlukçu	Kundullu	426
2014	Tuzlukçu	Erdoğan	312
2014	Tuzlukçu	Köklüce	264
2014	Tuzlukçu	Mevlütü	224
2014	Tuzlukçu	Gürsu	172
2014	Tuzlukçu	Tursunlu	154
2014	Tuzlukçu	Pazarkaya	120
2014	Tuzlukçu	Çöğürü	100
2014	Tuzlukçu	Subatan	95

TÜİK 2014 data

The most recent data of the district's population distribution according to age are 2014 data published by TÜİK. Considering to these data, it's observed that 15-64 age group is involved as 18,2%, over 65 age group as 19,1%. The rate of 15-64 age group and 0-14 age group of the district is lower than Konya and regional average.

Table 12- Distribution of Population in the District by Age Ranges

Years	Tuzlukçu District Population by Age (%)			Konya Province Population by Age (%)			TR 52 Region Population by Age (%)		
	0-14	15-64	Over 65	0-14	15-64	Over 65	0-14	15-64	Over 65
2012	19,8	62,9	17,3	26,1	66,2	7,7	25,9	66,2	7,9
2013	19,3	63,1	17,6	25,6	66,5	7,9	25,5	66,5	8,1
2014	18,2	62,7	19,1	25,2	66,5	8,3	20,7	69,2	10,1

Kaynak: <https://biruni.tuik.gov.tr/adnksdagitapp/adnks.zul>

TÜİK 2014 data

2.4.1.3. ECONOMIC FEATURES

2.4.1.3.1. AGRICULTURE

The economy of Tuzlukcu district is mainly agriculture based.

The district is located on a bare land in the southern part of Central Anatolia. The average annual temperature is around 14°C. The district shows the highest average temperature in July. The average annual rainfall of the district is about 350-400 mm. It is about. The district is dominated by the harsh continental climate in general. This is why the district is dry and hot in summers, cold and snowy in winters. An average of 40% yield loss is seen in the district in years when spring rains are late.

Table 13- Tuzlukcu Cultivated Land Use Status Table

Cultivated Land Type	Tuzlukçu Cultivated Land		Konya Cultivated Land		Tuzlukçu Cultivated Land	
	(decare)	(%)	(decare)	(%)	Konya Cultivated Land (%)	TR52 Cultivated Land (%)
Farm Land	239.197	63,48	12.935.500	67,75	1,85	1,55
Fallow	133.238	35,36	5.566.735	29,16	2,39	2,38
Vegetable	615	0,16	193.090	1,01	0,32	0,19
Fruit	3.741	0,99	395.490	2,07	0,95	0,51
Ornament Plants		0,00	1.672	0,01	0,00	0,00
Total	376.791	100,00	19.092.486	100,00	1,97	1,67

TÜİK 2014 data

When the cultivated land use table of the district of Tuzlukcu is examined, it can be seen that there is cultivated land of 376.791 da in the district and Konya constitutes 1,97% of the cultivated land. Agricultural land of the district is 239.197 da and constitutes 63,48% of the entire area. The fallow land in the district is 133.238 da and 35,36% of the entire area is allocated to fallow land. Vegetable, fruit and vineyard areas are up to 1%. The district's agricultural land constitutes 1,85% of the Konya's agricultural area and 1,55% of TR 52 Region's agricultural land; its fallow land constitutes 2,39% of Konya's fallow land and 2,38% of TR52 Region's fallow land.

Plant Production

Tablo 14- Tuzlukçu Cultivated Agricultural Land Status Table

Farm Land Sowing Type	Tuzlukçu				Konya			
	Sowing Area		Yield Per Decare Kg/Da	Total Product Amount (Tonnes)	Sowing Area		Yield Per Decare Kg/Da	Total Product Amount (Tonnes)
	Da	%			Da	%		
Wheat (Durum)	83.000	22,0	184	15.234	2.013.178	10,5	276	553.341
Wheat (Other)	60.497	16,1	195	11.816	5.226.966	27,4	263	1.351.959
Corp (Grain)	180	0,0	76	422	381.002	2,0	1.027	382.099
Barley (Other)	65.997	17,5	226	14.889	2.403.777	12,6	280	650.101
Sugar Beet	7.203	1,9	6.090	43.867	727.542	3,8	6.689	4.864.882
Total	216.877	58	605	86.228	10.752.465	56	7.996	7.802.382

Kaynak: <https://biruni.tuik.gov.tr/bitkiselapp/bitkisel.zul>

TÜİK 2014 data

Wheat planting is made on an important part of a cultivated farm land of 239.197 da. Additionally, products such as poppy seed, lentils, chickpeas, etc. are grown in the district. Wheat (durum) is grown in 83.000 decares, wheat (Other) in 60.497 da, corn (grain) in 180 decares, barley (other) in 65.997 decares and sugar beets in 7.203 decares of the agricultural land of the district. Yields of wheat, barley and corn grown in the district are seen lower than yields of wheat, barley and corn in Konya. Yield of wheat (durum) per decare in the district is 184 kg, and wheat (durum) yield is 276 kg in Konya. Likewise, corn yield of the district is 76 kg, and corn yield in Konya is 1.027 kg; barley yield in the district is 226 kg and barley yield in Konya is 280 kg. According to TUIK 2014 data, total wheat (Durum) production in the district is 15.234 tonnes, total wheat (Other) production is 11.816 tonnes, total corn production is 422 tonnes, total barley production is 14.889 tonnes and total sugar beet production is 43.867 tonnes. Likewise, the yield of sugar beet is lower than Konya yield of sugar beet.

Table 15- Tuzlukcu Cultivated Fruit-Vineyard Land Status Table

Fruit-Vineyard	Tuzlukçu			Konya		
	Sowing Area	Average Yield	Total	Ekim Alanı	Average	Total

Lands Sowing Type	Da	%	per tree (kg)	Product Amount (Tonnes)	Da	%	Yield per tree (kg)	Product Amount (Tonnes)
Apple (Other)	102	0,03	20	200	28.472	0,15	18	18.481
Cherry	51	0,01	50	36	66.427	0,35	32	51.201
Total	153	0,04	0	200	94899	0,50	50	18481

TÜİK 2014 data

Mainly grown fruits in the district of Tuzlukcu are apple and cherry. By year 2014, other apple production is made on an area of 0,03%. Average yield per tree is 20 kg. Cherry production in the district is made on an area of 51 da. Cherry yield per tree is 50 kg. Yields of cherry and apple are more than Konya.

Animal Production

Table 16- Numbers of Cattle

Animal Strains	Tuzlukçu Animal Numbers			Konya Animal Numbers			TR52 Animal Numbers		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Cattle (Pure Culture)	6.431	6.128	6.442	398.899	448.047	469.810	430.631	483.673	508.902
Cattle (Culture Hybrid)	1.013	1.446	1.421	193.440	214.100	206.102	212.525	234.956	228.062
Cattle (Native)	216	131	132	54.244	54.025	51.445	55.485	55.410	52.737
Water Buffalo			0	233	311	203	302	365	203
Total	7.660	7.705	7.995	646.816	716.483	521.458	698.943	774.404	228.062

TÜİK 2014 data

According to TUIK 2014 data, which were published as most recent data in relation to the subject matter, there are 7995 cattle in the district and 6.442 of them are pure culture race, 1.421 are culture hybrid race, 132 are native cattle. Native race has a too little rate. Additionally, there is a decrease in native race in 2014 compared to 2012.

District cattle constitute 1,53% of Konya Cattle and 3,5% of TR52 region.

Table 17- Tuzlukcu Numbers of Poultry

Animal Strains	Tuzlukçu Animal Number			Konya Animal Number		
	2012	2013	2014	2012	2013	2014
Broiler Hen	0	0	0	525.000	643.700	760.100
Laying Hen	8.150	8.750	8.690	10.053.182	11.325.549	10.934.035
Turkey	1.100	1.100	1.032	59.513	52.199	47.229
Duck	470	260	156	8.392	7.566	7.066

Total Poultry	9.720	10.110	9.878	10.646.087	12.029.014	11.748.430
----------------------	-------	--------	-------	------------	------------	------------

TÜİK 2014 data

By year 2014, there are 9.878 chickens in Tuzlukcu. 8.690 of chickens in the districts are laying hens. Broiler breeding in the district began in 2010, but the number of laying hen is decreased in the same year. By year 2014, in Tuzlukcu, there are 710 beehives in 2 enterprises operate in beekeeping, a total of 9.925 tonnes production was provided by these hives.

CHAPTER 3: DETERMINATION OF COST ITEMS

3.1. MISSION OF SIS

Small industrial sites can be approached as small scaled industrial infrastructure organisations as industrial markets formed by workshops where merchants and craftsmen are gathered or infrastructure and required social and technical services that provide various opportunities to workshops and small factory units for goods and service production generally in the same production area. The common feature is to have small scaled and sized workshops limited by sales volume, employment structure and production range.²

Mission of the small industrial site planned to be established in Tuzlukcu is to support social and economic development of the region by supporting enterprises that increase production of products, which will ensure to activate the district's industrial potential.

3.2. OCCUPANCY AND EMPLOYMENT OBJECTIVES OF SIS

Potential entrepreneurs and enterprises to take place within the industrial site are enterprises in Tuzlukcu make production and repair works such as iron-steel, rubber, textile, construction, infrastructure, spare parts, plastics, welding workshops. Enterprises operating in the industrial sector are large enough to be able to establish an industrial site in terms of their numbers and income generation capacities. Following the realization of small industrial site investments, opportunities and benefits will be created for existing enterprises in the district and potential entrepreneurs can make business in Tuzlukcu. In the current situation, 4 ironsmiths, 2 carpenters, 1 car electrical repair shop and 1 PVC joinery shop operate in Tuzlukcu. The Small Industrial Site planned to be established will provide the necessary infrastructure for these operating enterprises and enterprises to be founded by new entrepreneurs.

Table 18- Existing Enterprises Operate in Tuzlukcu.

Activity Fields of Enterprises in Tuzlukçu	Number of Enterprises in Tuzlukçu
Iron Joiner	4
Carpenter	2
Auto Electrician	1
PVC Joiner	1

² TMMOB, “Organize Sanayi Bölgeleri Küçük Sanayi Siteleri Teknoparklar”, Yavuz Bayülken, Cahit Kütükoğlu, Ankara, 2012

3.3. QUALIFICATIONS OF ENTERPRISES TO TAKE PLACE IN SIS

- Enterprises to make investment in small industrial site to operate in Tuzlukcu, where the site is established,
- Enterprise to operate in the industrial area,
- Total covered area required for the production work to comply with the sizes of workplaces in small industrial site.

3.4. SITE OF ESTABLISHMENT AND PHYSICAL STRUCTURE OF SIS

3.4.1. CAPACITY OF SIS

Table 20 - Small Industrial Site Capacity Analysis and Selection

Small Industrial Site Area Calculations	Values
m ² Unit Cost for Construction (According to 4A Unit Item Prices of the Ministry of Environment and Urban Planning) (Lira)	430 Liras (II-C)
Land Size (m ²)	8660
Municipal Development Rate (%)	%40
Indoor Area Size of Small Industrial Site (m ²)	1800
Administrative Area Size of Small Industrial Site (m ²)	---
Total Indoor Area Size of Ground Floor Allocated to Enterprises (m ²)	1800
Total Indoor Area Size of Mezzanine Allocated to Enterprises (m ²)	560
Size of Mezzanine per Enterprise(m ²)	112
Indoor Area Size per Enterprise(m ²)	180,00
Total Enterprise Number (Number)	10
Indoor Area Size of Ground Floor per Enterprise(m ²)	180

3.4.2. INFORMATION ABOUT TOTAL COVERED AREA, COMMON AREA AND SIZE

Table 21 - Distribution of Administrative Areas

Administrative Areas	Size (m ²)
Director Room	30
Secretariat and Marketing Unit	20
Meeting and Training Hall	40
Cafeteria	40
Archives and Warehouse	20
Computer Room	30

Toilet and Sink	20
Prayer Room	15
Other (corridor, ventilation etc.)	85
Total Administrative Area	300
Parking lot	700
Total of Common Areas	1000

3.4.3. ANALYSIS OF ALTERNATIVE TECHNOLOGIES AND TECHNOLOGY SELECTION

Goods production is not in question in foundation and operation of small industrial sites, therefore, any production technology need is not in question. Service production is made in small industrial sites by selling and/or renting workplace. So, any goods production is made, therefore alternative technology analysis and technology selection are not in question. Additionally, the contractor will be obliged to make technology selection according to the Construction Works General Specifications in terms of quality of material and equipment to be used in the construction of SIS building.

3.4.4. ENVIRONMENTAL IMPACTS OF SELECTED TECHNOLOGIES, PROTECTION MEASURES AND COSTS

Goods production is not in question in foundation and operation of small industrial sites, therefore, any production technology need is not in question. So, no technology use is expected except for the construction of SIS. Investment making is planned in the period of SIS establishment for sewerage, water supply network establishment. Relevant engineering studies, construction feasibilities, estimation, quantities will be determined before the construction work. Investments related to solid waste, liquid waste treatment and disposal facilities will be able to be planned in the investment period after determining activity fields, waste amounts and waste types of enterprises.

3.4.5. TECHNICAL DESIGN

The small industrial site is planned to be established within the boundaries of Tuzlukcu district of Konya and the map section of the area where SIS will be established is 50-48J and parcel number is 5535 and 5806. The land is currently seen as livestock market in the development plan, but it will be changed as industrial area. The study is expected to be completed in a short time. Therefore, land smoothing and layout works will be made at the investment phase.

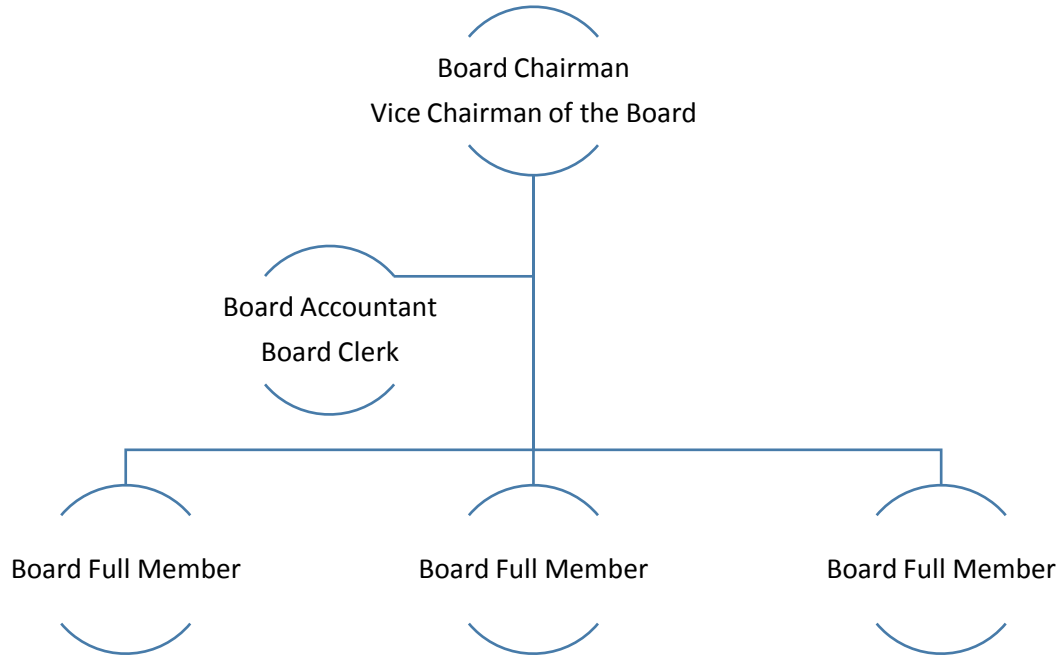
Goods production is not in question in foundation and operation of the small industrial site, so, machine hardware isn't required.

Construction work of the SIS will be given out by contract according to the Construction Works Regulation of the Ministry of Environment and Urban Planning, construction works will be ensured to be completed under the supervision of an inspector according to the Construction Works General Specifications.

3.5. ORGANIZATIONAL STRUCTURE, MANAGEMENT AND HUMAN RESOURCES

3.5.1. ORGANISATION STRUCTURE AND MANAGEMENT

Organization Chart



Board Members of the Industrial Site

Board Members of Tuzlukcu Small Industrial Site will be finalized after the establishment of the industrial site. It's estimated that the board will include Board Chairman, Vice Chairman of the Board of Directors, Board Accountant, Board Clerk, 5 persons-Board's Full Members Group. It's also planned that the Board of Directors has a substitute member group consisting of 8 persons.

Meeting Period of the Board and Method of Taking Meeting Records

It's planned that the Board of Directors is gathered once a month. It's estimated that meeting records will be taken, reported and filed by Secretary of Tuzlukcu Small Industrial Site Board of Directors.

Powers and Duties of the Board

Tuzlukcu Small Industrial Site to be established in Tuzlukcu will be managed by a Board of Directors. Powers of the Board of Directors are:

- Collecting rental, contribution and training/consultancy costs from workplaces in Tuzlukcu Small Industrial Site,
- Meeting needs arising from physical and technical structure of the small industrial site,

- Draw up rental agreement with workplace owners in the small industrial site,
- Select, employ, audit and discharge, when necessary, staff to work in the small industrial site,
- Identify suppliers in Tuzlukcu small industrial site,
- Ensuring the financial sustainability in Tuzlukcu small industrial site,
- To meet once a month,
- Evaluating and confirming applications made by enterprises that want make investments in the small industrial site,
- Determining strategies that Tuzlukcu small industrial site makes social benefits in the region,
- Developing projects for the solution of all kinds of problems arise in the small industrial site,
- Following taken decisions in a decision book.

3.6. PROJECT IMPLEMENTATION PROGRAM

3.6.1. PROJECT COORDINATOR COMPANIES AND THEIR TECHNICAL CAPACITIES

For a possible Small Industrial Site to be established in the region, it's expected that particularly Tuzlukcu Municipality and Chamber of Commerce and Industry, all of founder and executive enterprises are responsible to provide finance required for contribution and expenses outside of the support.

The formation of small industrial sites follows the manner of acquiring legal personality of cooperatives created by enterprises. Small Industrial Site Construction Cooperative Main Contract ensures the process to start. Names, nationalities, addresses and subscribed capital shares of enterprises to be in the cooperative are included in this main contract and changed pursuant to the provisions of Cooperatives Law No. 1163 and a limited Small Industrial Site Building Cooperative with variable capital and partners is allowed to be established.

The whole fixed capital required in the establishment phase is financed by founder enterprises and in the operation phase, it's expected that the operator enterprise manages the Small Industrial Site with a financially sustainable structure.

3.6.2. PROJECT IMPLEMENTATION PROGRAM (TIME SCHEDULE)

Table 19- Time Schedule

No	Activities	1. Year	2. Year	3. Year
1	SIS land selection			
2	Plan and project planning			
3	Application for loan of the Ministry			
4	Construction of the SIS			
5	Employment of the SIS Director and other staff			

3.7. SIS INVESTMENT SCENARIOS

3.7.1. SIS INVESTMENT SCENARIOS -1

3.7.1.1. TOTAL COST OF THE INVESTMENT

Table 21- Total Investment Amount and Its Distribution by Years-1

Item	Unit	Value	Amount (TL)	Resource
Electricity	kWh	400	0,34	Gazelektrik, http://gazelektrik.com/tuzlukcu/tuzlukcu , 2015
Water	Cubic Meter	35	1,30	Konya Metropolitan Municipality Branch Directorate of Tuzlukçu KOski, 2015
Heating	Cubic Meter	250	0,20	Gazelektrik, http://gazelektrik.com/tuzlukcu/tuzlukcu , 2015
Financial Advisory Service	Month	1	351,00	Independent Accountants, Certified Public Accountant, Certified Public Accountancy Minimum Wage Tariff of 2015
Legal Consultancy Service	Month	1	1.250,00	Head of Turkey Bar Association Minimum Fares Tariff of Law 2015
Building Construction	Square Meter	2.000	500,00	Communique about 2015 Construction Approximate Cost to be used for the Calculation of Architectural and Engineering Service Costs Unit Price for Class 4 Group A Buildings
Car Rental and Fuel	Month	1	1.000,00	Private sector research, 2015
Maintenance and Repair	Month	1	2.000,00	Estimated assumption
Indoor Area Rate	%		20,00	Konya Metropolitan Municipality Directorate of Development and Urban Planning, 2015

3.7.1.2. FIXED AND VARIABLE COSTS

Table 22- Marketing Activities-1

Months	Activity 1	Amount	Activity 2	Amount	Total
1	SIS Opening Organization	500	Totem	1500	2.000
2	SIS Signboards	300	SIS Introduction Brochure	400	700
3	SIS Personnel Business Card	150	Flyers	250	400
4	SIS Internet Site	500	Newspaper Ads	200	700
5	SIS A3 Poster	400	Local TV Ads	300	700
6	Newspaper Ads	200	Local TV Ads	300	500
7	Newspaper Ads	200	Local TV Ads	300	500
8	Newspaper Ads	200	Local TV Ads	300	500
9	Newspaper Ads	200	Local TV Ads	300	500
10	Newspaper Ads	200	Local TV Ads	300	500
11	Newspaper Ads	200	Local TV Ads	300	500
12	Newspaper Ads	200	Local TV Ads	300	500
Total					8.000

Table 23- Investment Costs-1

No	Machinery-Equipment and Furnishing	Quantity	Unit Price	Total
1	Director Room Furniture Set	1	5.000	5.000
2	Secretary Furniture Set	1	2.000	2.000
3	Secretary Desktop Computer	1	1.000	1.000
4	Laptop	1	1.500	1.500
5	Common Area Desktop Computer	10	1.000	10.000
6	Multifunctional Printers	1	1.500	1.500
7	Projector and Screen	1	1.500	1.500
8	Meeting Table Set	1	2.000	2.000
Total (VAT Excluded Amounts)				24.500

Table 24- Manpower Requirement and Estimated Costs -1

No	Position	Monthly Gross Wages	Number of Staff	Annual Gross Wages
1	Director	3.500	1	42.000
2	Secretary	2.000	1	24.000
Total			2	66.000

It's expected that secretary to work in Tuzlukcu Small Industrial Site is at least 2 years university graduate. Job definition of secretary is as follows:

- Regularly reporting and presenting financial accounts of the Small Industrial Site,

- Directing incoming and outgoing phone calls, faxes of enterprises in Tuzlukcu Small Industrial Site to whom it may concern,
- Providing exchange service for extensions in the Small Industrial Site,
- To meet visitors and directing to concerned persons,
- Providing and organizing document flow,
- Actively assisting in special projects,
- Actively working in necessary organisations and work coordination,
- Preparing meeting programs within organisations, keeping meeting records, creating reports,
- Following its manager's agendas, informing them,
- Following the manager's daily schedule, supporting his daily activities and administrative/operational works,
- To meet photocopy, printer and scanner requirements of the Small Industrial Site Management.

3.7.1.3. OPERATIONAL CAPITAL NEEDS ANALYSIS

Table 25- Workplace Rental Service Costs-1

Production Types	General Expenses Cost	Personnel Cost	Total Unit Cost	Annual Total Cost	Unit Sales Price	Profitability Ratio Per Workplace	Profitability Ratio Per Workplace
Workplace Rental Service	50,27	559,32	609,60	71.932	3.500,00	82,58%	2.890,40

Table 26- Operating Cost Items-1

Operating Cost Items	Op. Cap. *	2.Year	3.Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year	11. Year	12. Year	13. Year	14. Year	15. Year	Expense Type
Car Rental and Fuel	1.000	1.100	1.210	1.331	1.464	1.611	1.772	1.949	2.144	2.358	2.594	2.853	3.138	3.452	3.797	Fixed
Personnel Costs	5.500	66.000	72.600	79.860	87.846	96.631	106.294	116.923	128.615	141.477	155.625	171.187	188.306	207.136	227.850	Fixed

Marketing-Sales Expenses	667	8.000	8.800	9.680	10.648	11.713	12.884	14.172	15.590	17.149	18.864	20.750	22.825	25.107	27.618	Variable
Electricity	137	1.645	1.809	1.990	2.189	2.408	2.649	2.914	3.206	3.526	3.879	4.267	4.693	5.163	5.679	Fixed
Water	46	546	601	661	727	799	879	967	1.064	1.170	1.287	1.416	1.558	1.714	1.885	Fixed
Heating	50	600	660	726	799	878	966	1.063	1.169	1.286	1.415	1.556	1.712	1.883	2.071	Fixed
Financial Advisor Cost	351	4.212	4.633	5.097	5.606	6.167	6.783	7.462	8.208	9.029	9.932	10.925	12.017	13.219	14.541	Fixed
Legal Consultant Cost	1.250	15.000	16.500	18.150	19.965	21.962	24.158	26.573	29.231	32.154	35.369	38.906	42.797	47.076	51.784	Fixed
Phone	67	800	880	968	1.065	1.171	1.288	1.417	1.559	1.715	1.886	2.075	2.282	2.511	2.762	Fixed
Stationery Expenses	67	800	880	968	1.065	1.171	1.288	1.417	1.559	1.715	1.886	2.075	2.282	2.511	2.762	Fixed
Communication Expenses	67	800	880	968	1.065	1.171	1.288	1.417	1.559	1.715	1.886	2.075	2.282	2.511	2.762	Fixed
Maintenance and Repair	2.000	24.000	26.400	29.040	31.944	35.138	38.652	42.517	46.769	51.446	56.591	62.250	68.475	75.322	82.855	Fixed
General expenses (1%)	112	1.235	1.359	1.494	1.644	1.808	1.989	2.188	2.407	2.647	2.912	3.203	3.524	3.876	4.264	Fixed
Unexpected expenses (10%)	1.120	12.474	13.721	15.093	16.603	18.263	20.089	22.098	24.308	26.739	29.413	32.354	35.589	39.148	43.063	Fixed
Total Amount	12.432	137.212	150.933	166.026	182.629	200.892	220.981	243.079	267.387	294.126	323.538	355.892	391.481	430.629	473.692	

Operating Capital	12.43 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	0	137. 120	150. 832	165.9 15	182.5 07	200.7 58	220.8 33	242.9 17	267.2 08	293.9 29	323.3 22	355.6 54	391.2 20	430.34 2	473.37 6
Deductible VAT	15.94 5	12.8 18	14.1 00	15.51 0	17.06 1	18.76 7	20.64 4	22.70 8	24.97 9	27.47 7	30.22 4	33.24 7	36.57 2	40.229	44.252
Payable VAT	0	45.5 77	71.3 91	82.80 5	96.00 1	111.2 54	128.8 81	149.2 45	172.7 67	199.9 31	231.2 94	267.5 00	309.2 87	357.50 9	413.14 7
Loan Interest Payments	0	93.3 74	88.8 53	83.79 0	78.11 9	71.76 8	64.65 5	56.68 7	47.76 4	37.77 0	26.57 7	14.04 1	0	0	0
Loan Principal Payments	0	37.6 73	42.1 94	47.25 7	52.92 8	59.27 9	66.39 3	74.36 0	83.28 3	93.27 7	104.4 70	117.0 06	0	0	0
Total Cash Outflows	1.095 .652	313. 744	353. 270	379.7 67	409.5 55	443.0 59	480.7 61	523.2 09	571.0 22	624.9 07	685.6 64	754.2 01	700.5 07	787.85 1	886.52 2
Available Cash for the End of the Period	15.94 5	189. 542	396. 712	661.4 52	993.0 81	1.402 .383	1.901 .838	2.505 .878	3.231 .193	4.097 .074	5.125 .817	6.343 .184	7.909 .980	9.729. 529	11.841 .515
Depreciation	169.0 24	169. 024	169. 024	169.0 24	169.0 24	152.6 80	20.00 0	20.00 0	20.00 0	20.00 0	20.00 0	20.00 0	20.00 0	20.000	20.000
Profit Before Tax (Gross Profit / Loss)	- 11.43 2	13.4 82	66.2 41	80.20 6	145.5 44	237.8 55	458.8 10	561.3 30	680.3 33	818.4 00	978.5 14	1.164 .114	1.510 .218	1.759. 312	2.047. 725
Corporation Tax	0	2.69 6	13.2 48	16.04 1	29.10 9	47.57 1	91.76 2	112.2 66	136.0 67	163.6 80	195.7 03	232.8 23	302.0 44	351.86 2	409.54 5
Profit after Tax (Net Profit / Loss)	- 11.43 2	10.7 85	52.9 92	64.16 5	116.4 35	190.2 84	367.0 48	449.0 64	544.2 66	654.7 20	782.8 11	931.2 91	1.208 .174	1.407. 449	1.638. 180

3.7.1.5. FINANCING PROGRAM

Table 28-Loan Amounts-1

Loan Amount		778.118	Maturity (Year)	11	
Annual Interest Rate of Loan		12,0%	Interest Grace Period	0	
Annual Installment Amount		131.047	Total Repayment Amount	1.441.518	
Investment Years	Debt Amount	Principal Payments	Interest Payments	Paid Amount	Remaining Amount
1. Year					
2. Year	778.118	37.673	93.374	131.047	740.445
3. Year	740.445	42.194	88.853	131.047	698.252
4. Year	698.252	47.257	83.790	131.047	650.995
5. Year	650.995	52.928	78.119	131.047	598.067
6. Year	598.067	59.279	71.768	131.047	538.788
7. Year	538.788	66.393	64.655	131.047	472.395
8. Year	472.395	74.360	56.687	131.047	398.036
9. Year	398.036	83.283	47.764	131.047	314.753
10. Year	314.753	93.277	37.770	131.047	221.476
11. Year	221.476	104.470	26.577	131.047	117.006
12. Year	117.006	117.006	14.041	131.047	0
TOTAL		778.118	663.400	1.441.518	
a. In developed provinces, interest and repayment terms are applied with 1 year grace period with an interest rate of 12%.					

Table 29- VAT Types-1

VAT Types / Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Calculated VAT	0	74.340	85.491	98.315	113.062	130.021	149.524	171.953	197.746	227.408	261.519	300.747	345.859	397.738	457.398
Deductible VAT	15.945	12.818	14.100	15.510	17.061	18.767	20.644	22.708	24.979	27.477	30.224	33.247	36.572	40.229	44.252
Payable VAT	0	45.577	71.391	82.805	96.001	111.254	128.881	149.245	172.767	199.931	231.294	267.500	309.287	357.509	413.147
Deferred VAT	15.945	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 30-Financing Resources-1

FINANCING RESOURCES	1. Year	Description
Equity	333.479	Equity amount.
Loans	778.118	Loan amount.
Total Financing Amount	1,111.597	
Equity Utilization Rate *	30%	Distribution of equity and loan utilization rates is determined based on general applications. Accordingly, it's estimated that the cooperative to be established for the SIS investment has this equity.
Loan Utilization Rate	70%	

3.7.1.6. CASH FLOW AFTER OPERATION

Table 31- Financial Structure of Executive and Operator Enterprises -1

INCOME TABLE	2018	2019	2020
A - Gross Sales	0,00	413.000,00	474.950,00
1- Domestic Sales	0,00	413.000,00	474.950,00
2- Foreign Sales	0,00	0,00	0,00
3- Other Incomes	0,00	0,00	0,00
B - Sales Discounts	0,00	0,00	0,00
1- Sales Returns (-)	0,00	0,00	0,00
2- Sales Discounts (-)	0,00	0,00	0,00
3-Other Discounts (-)	0,00	0,00	0,00
C - Net Sales	0,00	413.000,00	474.950,00
D. Cost of Sales (-)	0,00	69.453,29	76.398,62
1. Cost of Products Sold (-)	0,00	69.453,29	76.398,62
2. Cost of Commercial Goods Sold (-)	0,00	0,00	0,00
3. Cost of Services Sold (-)	0,00	0,00	0,00

4- Cost of Other Sales (-)	0,00	0,00	0,00
Gross Sales Profit or Loss	0,00	343.546,71	398.551,38
E - Operating Expenses	11.432,27	236.690,68	243.457,37
1 - Research and Development Expenses (-)	0,00	0,00	0,00
2 - Marketing, Sales and Distribution Expenses (-)	0,00	8.000,00	8.800,00
3 - General Administrative Expenses (-)	11.432,27	228.690,68	234.657,37
Operating Income or Loss	-11.432,27	106.856,02	155.094,01
F - Other Active, Ordinary Income And Profits	0,00	0,00	0,00
1 - Dividend income from associates	0,00	0,00	0,00
2 - Dividend income from subsidiaries	0,00	0,00	0,00
3 - Interest Income	0,00	0,00	0,00
4 - Commission Income	0,00	0,00	0,00
5 - Foreign Exchange Income	0,00	0,00	0,00
6 - Provisions for Doubtful Receivables	0,00	0,00	0,00
7 - Accrued Interest Income	0,00	0,00	0,00
8 - Other Ordinary Income and Profits for the Activity	0,00	0,00	0,00
G - Ordinary Expenses and Losses for Other Activities (-)	0,00	0,00	0,00
1 - Provision Expenses	0,00	0,00	0,00
2 - Foreign Exchange Losses	0,00	0,00	0,00

3 - Accrued Interest Expense	0,00	0,00	0,00
4 - Other Ordinary Expenses and Losses	0,00	0,00	0,00
H - Financial Expenses	0,00	93.374,17	88.853,42
1 - Short-term Borrowing Costs	0,00	0,00	0,00
2 - Medium and Long Term Borrowing Expenses	0,00	93.374,17	88.853,42
Ordinary Profit or Loss	-11.432,27	13.481,86	66.240,59
I. Extraordinary Income and Profits	0,00	0,00	0,00
1 - Prior Period Income and Profits	0,00	0,00	0,00
2 - Other Extraordinary Income and Profits	0,00	0,00	0,00
J - Extraordinary Expenses and Losses	0,00	0,00	0,00
1 - Idle Capacity Expenses and Losses (-)	0,00	0,00	0,00
2 - Prior Period Expenses and Losses (-)	0,00	0,00	0,00
3 - Other Extraordinary Expenses and Losses (-)	0,00	0,00	0,00
Period Profit or Loss	-11.432,27	13.481,86	66.240,59
K - Period Profit Taxes and Other Fiscal Liabilities (-)	0,00	2.696,37	13.248,12
Loss Deduction of the Previous Year	0,00	-11.432,27	13.481,86
Period Profit or Loss	-11.432,27	13.481,86	66.240,59
K - Period Profit Taxes and Other Fiscal Liabilities (-)	0,00	2.696,37	13.248,12
Net Profit or Loss for the Period (-)	-11.432,27	10.785,49	52.992,47

Table 32-Estimated Balance-1

ESTIMATED BALANCE			
ASSETS	2018	2019	2020
Current Assets			
A. Liquid Assets	249.994,53	451.050,28	654.663,67
Safe	0,00	0,00	0,00
Received Cheques	0,00	0,00	0,00
Banks	249.994,53	451.050,28	654.663,67
Given Cheques and Payment Orders(-)	0,00	0,00	0,00
Other Liquid Assets	0,00	0,00	0,00
B. Securities	0,00	0,00	0,00
C. Accounts Receivable	0,00	0,00	0,00
Receivables	0,00	0,00	0,00
Notes Receivables	0,00	0,00	0,00
Rediscount of Notes Receivables (-)	0,00	0,00	0,00
Given Deposits and Guarantees	0,00	0,00	0,00
Doubtful Trade Receivables	0,00	0,00	0,00
Provision for Doubtful Trade Receivables (-)	0,00	0,00	0,00
D. Other Receivables	0,00	0,00	0,00
Receivables from Affiliates	0,00	0,00	0,00
Receivables from Subsidiaries	0,00	0,00	0,00
Other Various Receivables	0,00	0,00	0,00
E. Stocks	0,00	91,67	100,83
Raw Materials and Supplies	0,00	91,67	100,83
Work in Process	0,00	0,00	0,00
Trade Goods	0,00	0,00	0,00
Other Stocks	0,00	0,00	0,00
Other Stocks Inflation Difference	0,00	0,00	0,00
Inventory Impairment Provision (-)	0,00	0,00	0,00
Order Advances Given	0,00	0,00	0,00
F. Short-term Prepaid Expenses and Accrued Income	0,00	0,00	0,00
Prepaid Expenses for Next Months	0,00	0,00	0,00
Prepaid Expenses for Next Months Inflation Difference	0,00	0,00	0,00

Income Accruals	0,00	0,00	0,00
G. Other Current Assets	15.945,34	0,00	0,00
Deductible VAT	15.945,34	0,00	0,00
Work Advances	0,00	0,00	0,00
Employee Advances	0,00	0,00	0,00
Count and Delivery Shortages	0,00	0,00	0,00
Prepaid Taxes and Funds	0,00	0,00	0,00
Provision for Other Current Assets (-)	0,00	0,00	0,00
Total Current Assets	265.939,87	451.141,95	654.764,50
Fixed Assets			
A. Merchandise	0,00	0,00	0,00
B. Other Receivables	0,00	0,00	0,00
C. Financial Assets	0,00	0,00	0,00
Affiliates	0,00	0,00	0,00
Capital Commitments to Affiliates (-)	0,00	0,00	0,00
Subsidiaries Shares Impairment Provision (-)	0,00	0,00	0,00
D. Tangible Assets	1.025.235,00	960.882,23	803.155,30
Lands and Parcels	0,00	0,00	0,00
Land Improvements	0,00	0,00	0,00
Buildings	0,00	1.000.000,00	1.000.000,00
Facility, Machinery and Equipment	24.500,00	117.874,17	117.874,17
Vehicles	0,00	0,00	0,00
Fixtures	735,00	735,00	735,00
Other Tangible Assets	0,00	0,00	0,00
Accumulated Depreciation (-)	0,00	157.726,93	315.453,87
Construction in Progress	1.000.000,00	0,00	0,00
E. Intangible Assets	56.484,60	45.187,68	33.890,76
Establishment and Formation Expenses	56.484,60	56.484,60	56.484,60
Special Costs	0,00	0,00	0,00
Other Intangible Assets	0,00	0,00	0,00
Accumulated Depreciation (-)	0,00	11.296,92	22.593,84
F. Depletable Assets	0,00	0,00	0,00

G. Prepaid Expenses for Future Years	0,00	0,00	0,00
H. Other Fixed Assets	0,00	0,00	0,00
Total Fixed Assets	1.081.719,60	1.006.069,91	837.046,06
Total Assets	1.347.659,47	1.457.211,86	1.491.810,56
LIABILITIES	2018	2019	2020
SHORT TERM LIABILITIES			
A. Financial Liabilities	0,00	131.047,07	131.047,07
Bank Loans	0,00	0,00	0,00
Current Maturities of Long Term Credits and Accrued Interest	0,00	131.047,07	131.047,07
Current Maturities of Bonds and Accrued Interest	0,00	0,00	0,00
Bonds and Notes Issued	0,00	0,00	0,00
Other Securities Issued	0,00	0,00	0,00
Other Difference of Securities Issued (-)	0,00	0,00	0,00
Other Financial Liabilities	0,00	0,00	0,00
B. Trade Payables	0,00	0,00	0,00
Sellers	0,00	0,00	0,00
Notes Payables	0,00	0,00	0,00
Rediscount on Notes Payables (-)	0,00	0,00	0,00
Deposits and Guarantees Received	0,00	0,00	0,00
Other Trade Payables	0,00	0,00	0,00
C. Other Liabilities	0,00	0,00	0,00
Due to Shareholders	0,00	0,00	0,00
Due to Affiliates	0,00	0,00	0,00
Other Liabilities	0,00	0,00	0,00
D. Advances Received	0,00	0,00	0,00
E. Taxes Payable and Other Fiscal Liabilities	0,00	2.696,37	13.248,12
Taxes and Funds Payable	0,00	2.696,37	13.248,12
Social Security Withholdings Payable	0,00	0,00	0,00
Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities	0,00	0,00	0,00
F. Provisions for Liabilities and Expenses	0,00	0,00	0,00
Provisions for Income Taxes and Other Legal Liabilities on Profit	0,00	0,00	0,00
Provisions for Income Taxes and Other Legal Liabilities on Profit (-)	0,00	0,00	0,00

Provisions for Termination Indemnities	0,00	0,00	0,00
G. Income Relating to Future Months and Expense Accruals	0,00	0,00	0,00
Income Relating to Future Months	0,00	0,00	0,00
Expense Accruals	0,00	0,00	0,00
Total Short Term Liabilities	0,00	133.743,44	144.295,18
Middle and Long Terms Liabilities			
A. Financial Liabilities	1.025.612,58	987.939,68	945.746,03
Bank Loans	1.441.517,72	1.310.470,66	1.179.423,59
Costs of Deferred Liabilities (-)	415.905,15	322.530,98	233.677,56
B. Trade Payables	0,00	0,00	0,00
C. Other Payables	0,00	0,00	0,00
Due to Shareholders	0,00	0,00	0,00
D. Advances Received	0,00	0,00	0,00
E. Provisions for Debts Expenses	0,00	0,00	0,00
F. Income Relating to Future Periods and Expense Accruals	0,00	0,00	0,00
Middle and Long Terms Liabilities	1.025.612,58	987.939,68	945.746,03
Equities			
A. Paid-In Capital	333.479,16	333.479,16	333.479,16
Capital	333.479,16	333.479,16	333.479,16
Positive Distinction of Capital	0,00	0,00	0,00
Unpaid Capital	0,00	0,00	0,00
B. Capital Reserves	0,00	0,00	0,00
Share Premium Account	0,00	0,00	0,00
Income on Redemption of Capital Stock	0,00	0,00	0,00
Revaluation Fund of Tangible Assets	0,00	0,00	0,00
Other Capital Reserves	0,00	0,00	0,00
C. Profit Reserves	0,00	0,00	0,00
Legal Reserves	0,00	0,00	0,00
Status Reserves	0,00	0,00	0,00
Extraordinary Reserves	0,00	0,00	0,00
Other Profit Reserves	0,00	0,00	0,00
Special Funds	0,00	0,00	0,00
D. Previous Years' Profits	0,00	0,00	0,00

E. Previous Years' Losses	0,00	-11.432,27	2.049,58
Prior Year Losses Inflation Difference	0,00	0,00	0,00
F. Period Net Profit / Loss	-11.432,27	13.481,86	66.240,59
Total Equities	322.046,89	335.528,75	401.769,34
Total Liabilities	1.347.659,47	1.457.211,86	1.491.810,55

3.7.1.7. BREAKEVEN POINT

Table 33- Financial Analysis by Years-1

Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Cash Flows	- 1.111.5 97	179.80 9	222.0 16	233.1 89	285.4 59	342.9 64	387.0 48	469.06 4	564.26 6	674.72 0	802.81 1	951.29 1	1.228. 174	1.427. 449	1.658.1 80
Total Net Cash Flows	- 1.111.5 97	- 931.78 8	- 709.7 72	- 476.5 83	- 191.1 24	151.8 40	538.8 88	1.007. 952	1.572. 219	2.246. 939	3.049. 750	4.001. 041	5.229. 215	6.656. 665	44.794. 813
Discounted Net Cash Flows	- 1.111.5 97	- 810.25 0	- 536.6 89	- 313.3 61	- 109.2 76	75.49 1	232.9 76	378.92 7	513.96 1	638.72 0	753.85 2	859.99 7	977.37 8	1.081. 894	6.330.7 91
Total NBD (5 Year)	-2.881.173														
Total NBD (10	-1.041.098														

years)															
Total NBD (15 years)	8.962.813														
Discount Rate (10%)	1,00	1,15	1,32	1,52	1,75	2,01	2,31	2,66	3,06	3,52	4,05	4,65	5,35	6,15	7,08
Internal Rate of Return	- 1.111.5 97 0,03	- 1.111.5 97	- 810.2 50	- 536.6 89	- 313.3 61	- 109.2 76	75.49 1	232.97 6	378.92 7	513.96 1	638.72 0	753.85 2	859.99 7	977.37 8	1.081.8 94

Table 34- Feasibility Results -1

Feasibility Results		15. Yıl
1	Return on Investment	147,37%
2	Return On Capital	491,24%
3	Net Added Value (TL)	2.843.152
4	Per Capita Investment Amount (TL)	555.799
5	Investment Return Period (Year)	0,67
6	15-Year Net Present Value (TL)	8.962.813

Table 38. Ratio Analysis Results -1

Ratio Analysis Results				
Liquidity Analysis		2019	2020	Formula Description
1	Current ratio	3,37	4,54	Current Assets/Short-term Liabilities (the best ratio is min. 2).
2	Ratio of Circulating Assets to Active Assets	0,31	0,44	Current Assets/Total Assets (the best ratio is min. 50%).

Financial Structure Analysis		2019	2020	Formula Description
1	Leverage Ratio	0,77	0,73	(Short-term Liabilities + Long-term Liabilities) / Total Active Assets (the best ratio is max. 50%)
2	Equity - Active Assets Ratio	0,23	0,27	Equity/Total Assets (the best ratio is min. 50%)
3	Equity - Liabilities Ratio	0,30	0,37	Equity/(Short-term Liabilities+Long term Liabilities) (the best ratio is min. 1).
4	Short Term Liabilities - Total Liabilities Ratio	0,09	0,10	Short-term Liabilities/Total Liabilities (the best ratio is max. 0,33)
5	Tangible Fixed Assets - Equity Ratio	0,82	1,08	Tangible Fixed Assets (Net)/Equity (the best ratio is 1)
6	Tangible Fixed Assets - Long Term Liabilities Ratio	0,28	0,46	Tangible Fixed Assets (Net)/Long term Liabilities (the best ratio is min. 1)
7	Fixed Assets - Liabilities Ratio	0,25	0,40	Fixed Assets /(Short-term Liabilities+Long term Liabilities)
8	Relationship between Fixed Assets and Equity	3,00	2,08	Fixed Assets/Equity
9	Fixed Assets - Continuous Capital Ratio	0,76	0,62	Fixed Assets/(Long term Liabilities+Equity) (the best ratio is max. 1)
10	Short Term Liabilities - Total Liabilities Ratio	0,12	0,13	Short-term Liabilities / (Short-term Liabilities+Long term Liabilities) (the best ratio is max. 0,50)
11	Tangible Fixed Assets - Total Assets Ratio	0,66	0,54	Tangible Fixed Assets (Net)/Total Assets
Activity Analysis		2019	2020	Formula Description
1	Operating Capital Turnover	0,92	0,73	Net Sales / Current Assets
2	Net Working Capital Turnover	0,71	0,59	Net Sales / (Current Assets - Total Short-Term Liabilities)
3	Tangible Assets Turnover	0,41	0,57	Net Sales / Fixed Assets
4	Equity Turnover	1,23	1,18	Net Sales / Equity
5	Asset Turnover	0,28	0,32	Net Sales / Total Assets
6	Economic Profitability	6,59%	6,84%	(Pre-tax Profit + Financial Expenses) / Total Liabilities
7	Costs - Sales Ratio	16,82%	16,09%	Cost of Sales / Net Sales
8	Operating Expenses - Sales Ratio	57,31%	51,26%	Operating Expenses / Net Sales
9	Interest Expenses - Sales Ratio	22,61%	18,71%	Financial Expenses / Net Sales
Profitability Analysis		2019	2020	Formula Description
1	Profitability Ratio	3,26%	13,95%	Net Profit / Net Sales
2	Pre-tax Rate of Profit to Capital	4,02%	16,49%	Pre-tax Profit / Equity

3	Net Profit - Total Assets Ratio	0,93%	4,44%	Net Profit / Total Assets
4	Operating Profit - Real Used Assets Ratio	7,33%	10,40%	Operating Profit / (Total Assets - Tangible Fixed Assets)

3.7.1.8. 10-YEAR PROJECTION TO DETERMINE INCOME AND EXPENSES FOR OPERATION PROCESS

Table 39 - Production and Sales Program -1

Production Level at Full Capacity													
Products/Months	1	2	3	4	5	6	7	8	9	10	11	12	Total
Workplace Rent Service	10	10	10	10	10	10	10	10	10	10	10	10	120
													120

It's estimated that there will be 10 workplaces in the SIS.

Table 40 - Rental Amount in the First Activity Year - 1

Rental Amount in the First Activity Year															
Products/Months	1	2	3	4	5	6	7	8	9	10	11	12	Total	Sales Price	Annual Income
Workplace Rent Service	8,00	10,00	10,00	10,00	10,00	10,00	10,00	10,00	10,00	10,00	10,00	10,00	118,00	3.500,00	413.000

In creating the sales price, fair rental and workplace size in Tuzlukcu district based on. It's estimated that each workplace in the SIS has a indoor size of 180 square meters. This size was selected, because surveys made in the district showed that enterprises in the district require that size of workplace. Rental fair value is determined as 19,44 TL per square meters. Therefore, rental of a workplace is identified as 19,44 TL x 180 square meters = 3.500 TL.

Table 41 Production Level for the First 15 Years -1

Production Level for the First 15 Years															
Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Products/Capacities	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Workplace Rent Service	413.00	516.25	516.25	516.25	516.25	516.25	516.25	516.25	516.25	516.25	516.25	516.25	516.25	516.25	516.25

3.7.1.9. APPROXIMATELY CONSTRUCTION COST OF THE SIS

Table 42- Tangible Assets Depreciation - 1

Tangible Assets Depreciation			
Investment Expenses	Useful Life (Years)	Depreciation Rate	Amount
Building Construction	50	2%	20.000
Machinery-Equipment and Furnishing	5	20%	4.900
Interest Depreciations	5	20%	132.680
Fixtures	5	20%	147
Total			157.727
Depreciation of Intangible Assets			
Investment Expenses	Useful Life (Years)	Depreciation Rate	Amount
Establishment and Organization Expenses	5	20%	11.297

Table 35- Total Investment Need-1

Total Investment Need		Amount
Fixed Investment Amount		1.083.220
Working Capital		12.432
Fixed Investment and Working Capital VAT		15.945
Total Investment Need		1.111.597

Table 36- Total Investment Need for the First Year-1

TOTAL INVESTMENT NEED	1. Yıl	Description
Fixed Investment Amount	1.083.220	It's the fixed amount for the first investment period of the SIS.
Working Capital	12.432	It's the average monthly operating expense of the SIS.
Payable VAT	15.945	It's Fixed Investment Amount and VAT Amount of the Working Capital.
Total Investment Amount	1.111.597	

Table 37- Investment Items-1

Investment Items	Amount	Cost Description
Study Project Costs	30.000,00	Project design (Estimation, quantities, plan, map, drawing and electricity, construction, etc., engineering) and ground survey costs of building construction
Land Acquisition Costs	0,00	It's estimated that there is no land acquisition cost.
Building Construction	1.000.000,00	Small Industrial Site construction cost.
Machinery-Equipment and Furnishing	24.500,00	VAT excluded amounts of machinery, equipment, furnishing and reinforcements.
Asset Expenditures	735,00	3% of machinery and equipment costs.
Installation Expenses	245,00	Machinery installation costs.
Initial expenses (contract, cooperative organizations, etc.)	5.000,00	It's estimated for the foundation processes of the cooperative.
Electricity Subscription	1.000,00	Unit price is calculated over 1000 TL for electricity subscription for the SIS common area.
Water Subscription	500,00	Unit price is calculated over 500 TL for watersubscription for the SIS common area.
General Expenses	10.619,80	1% of other items total.
Unexpected Expenses	10.619,80	1% of other items total.
Sub-Total of Fixed Investment	1.083.219,60	
Financial expenses for the first year	93.374,17	
General Total of Fixed Investment	1.176.593,77	

Table 38- Investment Values-1

Investment Values	Result
Capacity Utilization Rate As of the First Operation Year	100%
Plant Capacity As of the First Operation Year	118
Employment Capacity As of the First Operation Year	2
Total Amount of Investment	1.111.597
Return on Time of the Investment	0,67
Return On Capital	491,24%
Internal Rate of Return	3,36%
15-Year Net Present Value	8.962.813

3.7.2. SIS INVESTMENT SCENARIOS-2

3.7.2.1. TOTAL COST OF THE INVESTMENT

Table 39- Total Investment Amount and Distribution by Years -2

Item	Unit	Value	Amount (TL)	Resource
Electricity	kWh	400	0,34	Gazelektrik, http://gazelektrik.com/tuzlukcu/tuzlukcu , 2015
Water	Cubic Meters	35	1,30	Konya Metropolitan Municipality Branch Directorate of Tuzlukcu KOski, 2015
Heating	Cubic Meters	250	0,20	Gazelektrik, http://gazelektrik.com/tuzlukcu/tuzlukcu , 2015
Financial Advisory Service	Month	1	351,00	Independent Accountants, Certified Public Accountant, Certified Public Accountancy Minimum Wage Tariff of 2015
Legal Consultancy Service	Month	1	1.250,00	Head of Turkey Bar Association Minimum Fares Tariff of Law 2015
Building Construction	Square Meters	5.500	500,00	Communique about 2015 Construction Approximate Cost to be used for the Calculation of Architectural and Engineering Service Costs Unit Price for Class 4 Group A Buildings
Car Rental and Fuel	Month	1	1.000,00	Private sector research, 2015
Maintenance and Repair	Month	1	2.000,00	Estimated assumption
Indoor Area Rate	%		20,00	Konya Metropolitan Municipality Directorate of Development and Urban Planning, 2015

3.7.2.2. FIXED AND VARIABLE VALUES

Table 40- Marketing Activities-2

Months	Activity 1	Amount	Activity 2	Amount	Total
1	SIS Opening Organization	500	Totem	1000	1.500
2	SIS Signboards	300	SIS Introduction Brochure	400	700
3	SIS Personnel Business Card	150	Flyers	250	400
4	SIS Internet Site	500	Newspaper Ads	200	700
5	SIS A3 Poster	400	Local TV Ads	300	700
6	Newspaper Ads	200	Local TV Ads	300	500
7	Newspaper Ads	200	Local TV Ads	300	500
8	Newspaper Ads	200	Local TV Ads	300	500
9	Newspaper Ads	200	Local TV Ads	300	500
10	Newspaper Ads	200	Local TV Ads	300	500
11	Newspaper Ads	200	Local TV Ads	300	500
12	Newspaper Ads	200	Local TV Ads	300	500
Total					7.500

Table 41- Investment Costs-2

No	Machinery-Equipment and Furnishing	Quantity	Unit Price	Total
1	Director Room Furniture Set	1	3.000	3.000
2	Secretary Furniture Set	1	1.500	1.500
3	Secretary Desktop Computer	1	1.000	1.000
4	Laptop	1	1.500	1.500
5	Common Area Desktop Computer	10	500	5.000
6	Multifunctional Printers	1	1.500	1.500
7	Projector and Screen	1	1.000	1.000
8	Meeting Table Set	1	1.500	1.500
Total (VAT Excluded Amounts)				16.000

Table 42- Manpower Requirement and Estimated Costs -2

No	Position	Monthly Gross Wages	Number of Staff	Annual Gross Wages
1	Director	2.500	1	30.000
2	Secretary	2.000	1	24.000
Total			2	54.000

It's expected that secretary to work in Tuzlukcu Small Industrial Site is at least 2 years university graduate. Job definition of secretary is as follows

- Regularly reporting and presenting financial accounts of the Small Industrial Site,
- Directing incoming and outgoing phone calls, faxes of enterprises in Tuzlukcu Small Industrial Site to whom it may concern,
- Providing exchange service for extensions in the Small Industrial Site,
- To meet visitors and directing to concerned persons,

- Providing and organizing document flow,
- Actively assisting in special projects,
- Actively working in necessary organisations and work coordination,
- Preparing meeting programs within organisations, keeping meeting records, creating reports,
- Following its manager's agendas, informing them,
- Following the manager's daily schedule, supporting his daily activities and administrative/operational works,
- To meet photocopy, printer and scanner requirements of the Small Industrial Site Management.

3.7.2.3. OPERATIONAL CAPITAL NEEDS ANALYSIS

Table 43- Workplace Rental Service Costs -2

Production Types	General Expenses Cost	Personnel Cost	Total Unit Cost	Annual Total Cost	Unit Sales Price	Profitability Ratio Per Workplace	Profitability Ratio Per Workplace
Workplace Rent Service	19,21	180,00	199,21	59.762	500,00	60,16%	300,79

Table 44- Operating Cost Items-2

Operating Cost Items	Op. Cap. *	2.Year	3.Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year	11. Year	12. Year	13. Year	14. Year	15. Year	Expense Type
Car Rental and Fuel	1.00 0	1.100	1.210	1.331	1.464	1.611	1.772	1.949	2.144	2.358	2.594	2.853	3.138	3.452	3.797	Fixed
Personnel Costs	4.50 0	54.00 0	59.40 0	65.34 0	71.87 4	79.06 1	86.96 8	95.66 4	105.2 31	115.7 54	127.3 29	140.0 62	154.0 68	169.4 75	186.4 23	Fixed
Marketing-Sales Expenses	625	7.500	8.250	9.075	9.983	10.98 1	12.07 9	13.28 7	14.61 5	16.07 7	17.68 5	19.45 3	21.39 8	23.53 8	25.89 2	Variable
Electricity	137	1.645	1.809	1.990	2.189	2.408	2.649	2.914	3.206	3.526	3.879	4.267	4.693	5.163	5.679	Fixed
Water	46	546	601	661	727	799	879	967	1.064	1.170	1.287	1.416	1.558	1.714	1.885	Fixed
Heating	50	600	660	726	799	878	966	1.063	1.169	1.286	1.415	1.556	1.712	1.883	2.071	Fixed
Financial Advisor Cost	351	4.212	4.633	5.097	5.606	6.167	6.783	7.462	8.208	9.029	9.932	10.92 5	12.01 7	13.21 9	14.54 1	Fixed
Legal Consultant Cost	1.25 0	15.00 0	16.50 0	18.15 0	19.96 5	21.96 2	24.15 8	26.57 3	29.23 1	32.15 4	35.36 9	38.90 6	42.79 7	47.07 6	51.78 4	Fixed
Phone	63	750	825	908	998	1.098	1.208	1.329	1.462	1.608	1.768	1.945	2.140	2.354	2.589	Fixed
Stationery Expenses	63	750	825	908	998	1.098	1.208	1.329	1.462	1.608	1.768	1.945	2.140	2.354	2.589	Fixed
Communication Expenses	63	750	825	908	998	1.098	1.208	1.329	1.462	1.608	1.768	1.945	2.140	2.354	2.589	Fixed
Maintenance and Repair	2.00 0	24.00 0	26.40 0	29.04 0	31.94 4	35.13 8	38.65 2	42.51 7	46.76 9	51.44 6	56.59 1	62.25 0	68.47 5	75.32 2	82.85 5	Fixed
General expenses (1%)	101	1.109	1.219	1.341	1.475	1.623	1.785	1.964	2.160	2.376	2.614	2.875	3.163	3.479	3.827	Fixed
Unexpected expenses (10%)	1.01 5	11.19 6	12.31 6	13.54 7	14.90 2	16.39 2	18.03 2	19.83 5	21.81 8	24.00 0	26.40 0	29.04 0	31.94 4	35.13 8	38.65 2	Fixed
Total Amount	11.2 62	123.1 58	135.4 73	149.0 21	163.9 23	180.3 15	198.3 47	218.1 81	239.9 99	263.9 99	290.3 99	319.4 39	351.3 83	386.5 21	425.1 74	

3.7.2.4. CASH FLOW BY YEARS

Table 45- SIS Income and Expense Estimation -2

Cash Inflow / Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Available Cash for the Beginning of the Period	0	30.2 31	- 264. 113	- 545. 891	- 829.6 42	- 1.097. 021	- 1.344. 904	- 1.569. 628	- 1.766. 911	- 1.931. 746	- 2.058. 286	- 2.139. 708	- 2.168. 061	- 1.785. 800	- 1.330. 420
Loan Amount	2.067 .972	0	0	0	0	0	1	2	3	4	5	6	7	8	9
Equity	886.2 74	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	0	150. 000	172. 500	198. 375	228.1 31	262.3 51	301.7 04	346.9 59	399.0 03	458.8 53	527.6 81	606.8 34	697.8 59	802.5 38	922.9 18
Calculated VAT	0	27.0 00	31.0 50	35.7 08	41.06 4	47.22 3	54.30 7	62.45 3	71.82 1	82.59 4	94.98 3	109.2 30	125.6 15	144.4 57	166.1 25
Total Cash Inflows	2.954 .246	207. 231	- 60.5 63	- 311. 808	- 560.4 47	- 787.4 47	- 988.8 92	- 1.160. 214	- 1.296. 085	- 1.390. 295	- 1.435. 617	- 1.423. 638	- 1.344. 580	- 838.7 97	- 241.3 67
Cash Outflow / Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Fixed Investment Amount	2.912 .753	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Working Capital	11.26 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	0	123. 066	135. 373	148. 910	163.8 01	180.1 81	198.1 99	218.0 19	239.8 21	263.8 03	290.1 83	319.2 01	351.1 22	386.2 34	424.8 57
Deductible VAT	30.23 1	12.4 48	13.6 93	15.0 63	16.56 9	18.22 6	20.04 8	22.05 3	24.25 8	26.68 4	29.35 3	32.28 8	35.51 7	39.06 8	42.97 5
Payable VAT	0	0	1.67 7	20.6 45	24.49 5	28.99 8	34.25 8	40.40 0	47.56 2	55.90 9	65.63 0	76.94 2	90.09 8	105.3 88	123.1 50

3.7.2.5. FINANCING PROGRAM

Table 46- Loan Amounts-2

Loan Amount		2.067.972	Maturity (Year)	11	
Annual Interest Rate of Loan		12,0%	Interest Grace Period	0	
Annual Installment Amount		348.278	Total Repayment Amount	3.831.063	
Investment Years	Debt Amount	Principal Payments	Interest Payments	Paid Amount	Remaining Amount
1. Year					
2. Year	2.067.972	100.122	248.157	348.278	1.967.851
3. Year	1.967.851	112.136	236.142	348.278	1.855.714
4. Year	1.855.714	125.593	222.686	348.278	1.730.122
5. Year	1.730.122	140.664	207.615	348.278	1.589.458
6. Year	1.589.458	157.543	190.735	348.278	1.431.914
7. Year	1.431.914	176.449	171.830	348.278	1.255.466
8. Year	1.255.466	197.623	150.656	348.278	1.057.843
9. Year	1.057.843	221.337	126.941	348.278	836.506
10. Year	836.506	247.898	100.381	348.278	588.608
11. Year	588.608	277.645	70.633	348.278	310.963
12. Year	310.963	310.963	37.316	348.278	0
TOTAL		2.067.972	1.763.090	3.831.063	
<p>a. In developed provinces, interest and repayment terms are applied with 1 year grace period with an interest rate of 12%.</p>					

Table 47- VAT Types-2

VAT Types / Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Calculated VAT	0	27.000	31.050	35.708	41.064	47.223	54.307	62.453	71.821	82.594	94.983	109.230	125.615	144.457	166.125
Deductible VAT	30.231	12.448	13.693	15.063	16.569	18.226	20.048	22.053	24.258	26.684	29.353	32.288	35.517	39.068	42.975
Payable VAT	0	- 15.680	1.677	20.645	24.495	28.998	34.258	40.400	47.562	55.909	65.630	76.942	90.098	105.388	123.150
Deferred VAT	30.231	15.680	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 48- Financing Resources-2

FINANCING RESOURCES	1. Yıl	Description
Equity	886.274	Equity amount.
Loans	2.067.972	Loan amount.
Total Financing Amount	2.954.246	
Equity Utilization Rate	30%	
Loan Utilization Rate	70%	

3.7.2.6. CASH FLOW AFTER OPERATION

Table 49- Financial Structure of Executive and Operator Enterprises-2

INCOME TABLE	2018	2019	2020
A - Gross Sales	0,00	150.000,00	172.500,00
1- Domestic Sales	0,00	150.000,00	172.500,00
2- Foreign Sales	0,00	0,00	0,00
3- Other Incomes	0,00	0,00	0,00
B - Sales Discounts	0,00	0,00	0,00
1- Sales Returns (-)	0,00	0,00	0,00
2- Sales Discounts (-)	0,00	0,00	0,00
3-Other Discounts (-)	0,00	0,00	0,00
C - Net Sales	0,00	150.000,00	172.500,00
D. Cost of Sales (-)	0,00	57.403,29	63.143,62
1. Cost of Products Sold (-)	0,00	57.403,29	63.143,62
2. Cost of Commercial Goods Sold (-)	0,00	0,00	0,00
3. Cost of Services Sold (-)	0,00	0,00	0,00
4- Cost of Other Sales (-)	0,00	0,00	0,00
Gross Sales Profit or Loss	0,00	92.596,71	109.356,38
E - Operating Expenses	10.262,15	505.531,27	512.097,54
1 - Research and Development Expenses (-)	0,00	0,00	0,00
2 - Marketing, Sales and Distribution Expenses (-)	0,00	7.500,00	8.250,00

3 - General Administrative Expenses (-)	10.262,15	498.031,27	503.847,54
Operating Income or Loss	-10.262,15	-412.934,56	-402.741,16
F - Other Active, Ordinary Income And Profits	0,00	0,00	0,00
1 - Dividend income from associates	0,00	0,00	0,00
2 - Dividend income from subsidiaries	0,00	0,00	0,00
3 - Interest Income	0,00	0,00	0,00
4 - Commission Income	0,00	0,00	0,00
5 - Foreign Exchange Income	0,00	0,00	0,00
6 - Provisions for Doubtful Receivables	0,00	0,00	0,00
7 - Accrued Interest Income	0,00	0,00	0,00
8 - Other Ordinary Income and Profits for the Activity	0,00	0,00	0,00
G - Ordinary Expenses and Losses for Other Activities (-)	0,00	0,00	0,00
1 - Provision Expenses	0,00	0,00	0,00
2 - Foreign Exchange Losses	0,00	0,00	0,00
3 - Accrued Interest Expense	0,00	0,00	0,00
4 - Other Ordinary Expenses and Losses	0,00	0,00	0,00
H - Financial Expenses	0,00	248.156,70	236.142,09
1 - Short-term Borrowing Costs	0,00	0,00	0,00
2 - Medium and Long Term Borrowing Expenses	0,00	248.156,70	236.142,09
Ordinary Profit or Loss	-10.262,15	-661.091,26	-638.883,25
I. Extraordinary Income and Profits	0,00	0,00	0,00

1 - Prior Period Income and Profits	0,00	0,00	0,00
2 - Other Extraordinary Income and Profits	0,00	0,00	0,00
J - Extraordinary Expenses and Losses	0,00	0,00	0,00
1 - Idle Capacity Expenses and Losses (-)	0,00	0,00	0,00
2 - Prior Period Expenses and Losses (-)	0,00	0,00	0,00
3 - Other Extraordinary Expenses and Losses (-)	0,00	0,00	0,00
Period Profit or Loss	-10.262,15	-661.091,26	-638.883,25
K - Period Profit Taxes and Other Fiscal Liabilities (-)	0,00	0,00	0,00
Loss Deduction of the Previous Year	0,00	-10.262,15	-661.091,26
Period Profit or Loss	-10.262,15	-661.091,26	-638.883,25
K - Period Profit Taxes and Other Fiscal Liabilities (-)	0,00	0,00	0,00
Net Profit or Loss for the Period (-)	-10.262,15	-661.091,26	-638.883,25

Table 50- Estimated Balance--2

ESTIMATED BALANCE			
ASSETS	2018	2019	2020
Current Assets			
A. Liquid Assets	424.314,56	306.567,32	126.908,78
Safe	0,00	0,00	0,00
Received Cheques	0,00	0,00	0,00
Banks	424.314,56	306.567,32	126.908,78
Given Cheques and Payment Orders(-)	0,00	0,00	0,00
Other Liquid Assets	0,00	0,00	0,00
B. Securities	0,00	0,00	0,00
C. Accounts Receivable	0,00	0,00	0,00
Receivables	0,00	0,00	0,00
Notes Receivables	0,00	0,00	0,00
Rediscount of Notes Receivables (-)	0,00	0,00	0,00
Given Deposits and Guarantees	0,00	0,00	0,00
Doubtful Trade Receivables	0,00	0,00	0,00
Provision for Doubtful Trade Receivables (-)	0,00	0,00	0,00
D. Other Receivables	0,00	0,00	0,00
Receivables from Affiliates	0,00	0,00	0,00
Receivables from Subsidiaries	0,00	0,00	0,00
Other Various Receivables	0,00	0,00	0,00
E. Stocks	0,00	91,67	100,83
Raw Materials and Supplies	0,00	91,67	100,83
Work in Process	0,00	0,00	0,00
Trade Goods	0,00	0,00	0,00
Other Stocks	0,00	0,00	0,00
Other Stocks Inflation Difference	0,00	0,00	0,00
Inventory Impairment Provision (-)	0,00	0,00	0,00
Order Advances Given	0,00	0,00	0,00
F. Short-term Prepaid Expenses and Accrued Income	0,00	0,00	0,00

Prepaid Expenses for Next Months	0,00	0,00	0,00
Prepaid Expenses for Next Months Inflation Difference	0,00	0,00	0,00
Income Accruals	0,00	0,00	0,00
G. Other Current Assets	30.231,44	15.679,82	0,00
Deductible VAT	30.231,44	15.679,82	0,00
Work Advances	0,00	0,00	0,00
Employee Advances	0,00	0,00	0,00
Count and Delivery Shortages	0,00	0,00	0,00
Prepaid Taxes and Funds	0,00	0,00	0,00
Provision for Other Current Assets (-)	0,00	0,00	0,00
Total Current Assets	454.546,00	322.338,80	127.009,61
Fixed Assets			
A. Merchandise	0,00	0,00	0,00
B. Other Receivables	0,00	0,00	0,00
C. Financial Assets	0,00	0,00	0,00
Affiliates	0,00	0,00	0,00
Capital Commitments to Affiliates (-)	0,00	0,00	0,00
Subsidiaries Shares Impairment Provision (-)	0,00	0,00	0,00
D. Tangible Assets	2.766.480,00	2.603.722,67	2.192.808,64
Lands and Parcels	0,00	0,00	0,00
Land Improvements	0,00	0,00	0,00
Buildings	0,00	2.750.000,00	2.750.000,00
Facility, Machinery and Equipment	16.000,00	264.156,70	264.156,70
Vehicles	0,00	0,00	0,00
Fixtures	480,00	480,00	480,00
Other Tangible Assets	0,00	0,00	0,00
Accumulated Depreciation (-)	0,00	410.914,03	821.828,06
Construction in Progress	2.750.000,00	0,00	0,00
E. Intangible Assets	144.772,80	115.818,24	86.863,68
Establishment and Formation Expenses	144.772,80	144.772,80	144.772,80
Special Costs	0,00	0,00	0,00
Other Intangible Assets	0,00	0,00	0,00

Accumulated Depreciation (-)	0,00	28.954,56	57.909,12
F. Depletable Assets	0,00	0,00	0,00
G. Prepaid Expenses for Future Years	0,00	0,00	0,00
H. Other Fixed Assets	0,00	0,00	0,00
Total Fixed Assets	2.911.252,80	2.719.540,91	2.279.672,32
Total Assets	3.365.798,80	3.041.879,71	2.406.681,93
LIABILITIES	2018	2019	2020
SHORT TERM LIABILITIES			
A. Financial Liabilities	0,00	348.278,42	348.278,42
Bank Loans	0,00	0,00	0,00
Current Maturities of Long Term Credits and Accrued Interest	0,00	348.278,42	348.278,42
Current Maturities of Bonds and Accrued Interest	0,00	0,00	0,00
Bonds and Notes Issued	0,00	0,00	0,00
Other Securities Issued	0,00	0,00	0,00
Other Difference of Securities Issued (-)	0,00	0,00	0,00
Other Financial Liabilities	0,00	0,00	0,00
B. Trade Payables	0,00	0,00	0,00
Sellers	0,00	0,00	0,00
Notes Payables	0,00	0,00	0,00
Rediscount on Notes Payables (-)	0,00	0,00	0,00
Deposits and Guarantees Received	0,00	0,00	0,00
Other Trade Payables	0,00	0,00	0,00
C. Other Liabilities	0,00	0,00	0,00
Due to Shareholders	0,00	0,00	0,00
Due to Affiliates	0,00	0,00	0,00
Other Liabilities	0,00	0,00	0,00
D. Advances Received	0,00	0,00	0,00
E. Taxes Payable and Other Fiscal Liabilities	0,00	0,00	0,00
Taxes and Funds Payable	0,00	0,00	0,00
Social Security Withholdings Payable	0,00	0,00	0,00
Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities	0,00	0,00	0,00

F. Provisions for Liabilities and Expenses	0,00	0,00	0,00
Provisions for Income Taxes and Other Legal Liabilities on Profit	0,00	0,00	0,00
Provisions for Income Taxes and Other Legal Liabilities on Profit (-)	0,00	0,00	0,00
Provisions for Termination Indemnities	0,00	0,00	0,00
G. Income Relating to Future Months and Expense Accruals	0,00	0,00	0,00
Income Relating to Future Months	0,00	0,00	0,00
Expense Accruals	0,00	0,00	0,00
Total Short Term Liabilities	0,00	348.278,42	348.278,42
Middle and Long Terms Liabilities			
A. Financial Liabilities	2.725.728,55	2.625.606,82	2.513.470,49
Bank Loans	3.831.062,62	3.482.784,20	3.134.505,78
Costs of Deferred Liabilities (-)	1.105.334,07	857.177,38	621.035,29
B. Trade Payables	0,00	0,00	0,00
C. Other Payables	0,00	0,00	0,00
Due to Shareholders	0,00	0,00	0,00
D. Advances Received	0,00	0,00	0,00
E. Provisions for Debts Expenses	0,00	0,00	0,00
F. Income Relating to Future Periods and Expense Accruals	0,00	0,00	0,00
Middle and Long Terms Liabilities	2.725.728,55	2.625.606,82	2.513.470,49
Equities			
A. Paid-In Capital	886.273,92	886.273,92	886.273,92
Capital	886.273,92	886.273,92	886.273,92
Positive Distinction of Capital	0,00	0,00	0,00
Unpaid Capital	0,00	0,00	0,00
B. Capital Reserves	0,00	0,00	0,00
Share Premium Account	0,00	0,00	0,00
Income on Redemption of Capital Stock	0,00	0,00	0,00
Revaluation Fund of Tangible Assets	0,00	0,00	0,00
Other Capital Reserves	0,00	0,00	0,00
C. Profit Reserves	0,00	0,00	0,00
Legal Reserves	0,00	0,00	0,00
Status Reserves	0,00	0,00	0,00

Extraordinary Reserves	0,00	0,00	0,00
Other Profit Reserves	0,00	0,00	0,00
Special Funds	0,00	0,00	0,00
D. Previous Years' Profits	0,00	0,00	0,00
E. Previous Years' Losses	0,00	-10.262,15	-671.353,41
Prior Year Losses Inflation Difference	0,00	0,00	0,00
F. Period Net Profit / Loss	-10.262,15	-661.091,26	-638.883,25
Total Equities	876.011,77	214.920,51	-423.962,74
Total Liabilities	3.601.740,31	3.188.805,75	2.437.786,17

3.7.2.7. BREAKEVEN POINT

Table 51- Financial Analysis by Years-2

Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Cash Flows	- 2.954.246	- 221.223	- 199.015	- 298.813	- 283.948	- 266.108	- 244.774	- 219.338	- 189.096	- 153.228	- 110.780	- 60.646	288.390	344.043	409.449
Total Net Cash Flows	- 2.954.246	- 3.175.469	- 3.374.484	- 3.673.297	- 3.957.245	- 4.223.353	- 4.468.127	- 4.687.465	- 4.876.562	- 5.029.789	- 5.140.569	- 5.201.216	- 4.912.826	- 4.568.783	4.848.540
Discounted Net Cash Flows	- 2.954.246	- 2.761.277	- 2.551.594	- 2.415.252	- 2.262.568	- 2.099.753	- 1.931.695	- 1.762.192	- 1.594.157	- 1.429.780	- 1.270.670	- 1.117.966	- 918.242	- 742.555	685.238
Total NBD (5 Year)	-12.944.938														
Total NBD (10 years)	-21.762.515														
Total NBD (15 years)	-25.126.710														

Discount Rate (10%)	1,00	1,15	1,32	1,52	1,75	2,01	2,31	2,66	3,06	3,52	4,05	4,65	5,35	6,15	7,08
Internal Rate of Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2.954.246	2.954.246	2.761.277	2.551.594	2.415.252	2.262.568	2.099.753	1.931.695	1.762.192	1.594.157	1.429.780	1.270.670	1.117.966	918.242	742.555
	0,00														

Table 52- Feasibility Results -2

Feasibility Results		15. Yıl
1	Return on Investment	12,00%
2	Return On Capital	39,99%
3	Net Added Value (TL)	3.556.852
4	Per Capita Investment Amount (TL)	1.477.123
5	Investment Return Period (Year)	7,22
6	15-Year Net Present Value (TL)	-25.126.710

Table 53- Ratio Analysis Results -2

Ratio Analysis Results				
Liquidity Analysis		2019	2020	Formula Description
1	Current ratio	0,93	0,36	Dönen Varlıklar/Kısa Vadeli Yabancı Kaynaklar (İdeal oran asgari 2'dir).
2	Ratio of Circulating Assets to Active Assets	0,11	0,05	Dönen Varlıklar/Aktif Varlıklar Totali (İdeal oran asgari %50'dir).
Financial Structure Analysis		Financial Structure Analysis	2020	Formula Description
1	Leverage Ratio	0,98	1,19	(Short-term Liabilities + Long-term Liabilities) / Total Active Assets (the best ratio is max. 50%)
2	Equity - Active Assets Ratio	0,07	-0,18	Equity/Total Assets (the best ratio is min. 50%)

3	Equity - Liabilities Ratio	0,07	-0,15	Equity/(Short-term Liabilities+Long term Liabilities) (the best ratio is min. 1).
4	Short Term Liabilities - Total Liabilities Ratio	0,11	0,14	Short-term Liabilities/Total Liabilities (the best ratio is max. 0,33)
5	Tangible Fixed Assets - Equity Ratio	3,14	-2,56	Tangible Fixed Assets (Net)/Equity (the best ratio is 1)
6	Tangible Fixed Assets - Long Term Liabilities Ratio	0,26	0,43	Tangible Fixed Assets (Net)/Long term Liabilities (the best ratio is min. 1)
7	Fixed Assets - Liabilities Ratio	0,23	0,38	Fixed Assets /(Short-term Liabilities+Long term Liabilities)
8	Relationship between Fixed Assets and Equity	12,65	-5,38	Fixed Assets/Equity
9	Fixed Assets - Continuous Capital Ratio	0,96	1,09	Fixed Assets/(Long term Liabilities+Equity) (the best ratio is max. 1)
10	Short Term Liabilities - Total Liabilities Ratio	0,12	0,12	Short-term Liabilities / (Short-term Liabilities+Long term Liabilities) (the best ratio is max. 0,50)
11	Tangible Fixed Assets - Total Assets Ratio	0,86	0,91	Tangible Fixed Assets (Net)/Total Assets
Activity Analysis		Activity Analysis	2020	Formula Description
1	Operating Capital Turnover	0,47	1,36	Net Sales / Current Assets
2	Net Working Capital Turnover	0,22	0,36	Net Sales / (Current Assets - Total Short-Term Liabilities)
3	Tangible Assets Turnover	0,06	0,08	Net Sales / Fixed Assets
4	Equity Turnover	0,70	-0,41	Net Sales / Equity
5	Asset Turnover	0,05	0,07	Net Sales / Total Assets
6	Economic Profitability	7,78%	9,69%	(Pre-tax Profit + Financial Expenses) / Total Liabilities
7	Costs - Sales Ratio	38,27%	36,60%	Cost of Sales / Net Sales
8	Operating Expenses - Sales Ratio	337,02%	296,87%	Operating Expenses / Net Sales
9	Interest Expenses - Sales Ratio	165,44%	136,89%	Financial Expenses / Net Sales
Profitability Analysis		Profitability Analysis	2020	Formula Description
1	Profitability Ratio	-440,73%	- 370,37%	Net Profit / Net Sales
2	Pre-tax Rate of Profit to Capital	-307,60%	150,69%	Pre-tax Profit / Equity
3	Net Profit - Total Assets Ratio	-21,73%	-26,55%	Net Profit / Total Assets
4	Operating Profit - Real Used Assets Ratio	-13,57%	-16,73%	Operating Profit / (Total Assets - Tangible Fixed Assets)

3.7.2.8. 10-YEAR PROJECTION TO DETERMINE INCOME AND EXPENSES FOR OPERATION PROCESS

Table 54- Production and Sales Program-2

Production Level at Full Capacity													
Products/Months	1	2	3	4	5	6	7	8	9	10	11	12	Total
Workplace Rent Service	25	25	25	25	25	25	25	25	25	25	25	25	300
													300

It's estimated that there will be 25 workplaces in the SIS

Table 55- Rental Amount in the First Activity Year -2

Rental Amount in the First Activity Year															
Products/Months	1	2	3	4	5	6	7	8	9	10	11	12	Total	Sales Price	Annual Income
Workplace Rent Service	25	25	25	25	25	25	25	25	25	25	25	25	300,00	500,00	150.000

In creating the sales price, fair rental and workplace size in Tuzlukcu district based on. It's estimated that each workplace in the SIS has a indoor size of 180 square meters. This size was selected, because surveys made in the district showed that enterprises in the district require that size of workplace. Rental fair value is determined as about 2,77 TL per square meters. Therefore, rental of a workplace is identified as 2,77 TL x 180 Square Meters = 500 TL.

Table 56- Production Level for the First 15 Years -2

Production Level for the First 15 Years															
Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Products/Capacities	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Workplace Rent Service	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00

3.7.2.9. APPROXIMATELY CONSTRUCTION COST OF THE SIS

Table 57- Tangible Assets Depreciation - 2

Tangible Assets Depreciation			
Investment Expenses	Useful Life (Years)	Depreciation Rate	Amount
Building Construction	50	2%	55.000
Machinery-Equipment and Furnishing	5	20%	3.200
Interest Depreciations	5	20%	352.618
Fixtures	5	20%	96
Total			410.914
Depreciation of Intangible Assets			
Investment Expenses	Useful Life (Years)	Depreciation Rate	Amount
Establishment and Organization Expenses	5	20%	28.955

Table 58- Total Investment Need - 2

Total Investment Need		Amount
Fixed Investment Amount		2.912.753
Working Capital		11.262
Fixed Yatırım ve Working Capital KDV		30.231
Total Investment Need		2.954.246

Table 59- Total Investment Need for the First Year-2

TOTAL INVESTMENT NEED	1. Yıl	Description
Fixed Investment Amount	2.912.753	It's the fixed amount for the first investment period of the SIS.
Working Capital	11.262	It's the average monthly operating expense of the SIS.
Payable VAT	30.231	It's Fixed Investment Amount and VAT Amount of the Working Capital.
Total Investment Amount	2.954.246	

Table 60- Investment Items - 2

Investment Items	Amount	Cost Description
Study Project Costs	82.500,00	Project design (Estimation, quantities, plan, map, drawing and electricity, construction, etc., engineering) and ground survey costs of building construction
Land Acquisition Costs	0,00	It's estimated that there is no land acquisition cost.
Building Construction	2.750.000,00	Small Industrial Site construction cost.
Machinery-Equipment and Furnishing	16.000,00	VAT excluded amounts of machinery, equipment, furnishing and reinforcements.
Asset Expenditures	480,00	3% of machinery and equipment costs.
Installation Expenses	160,00	Machinery installation costs.
Initial expenses (contract, cooperative organizations, etc.)	5.000,00	It's estimated for the foundation processes of the cooperative.
Electricity Subscription	1.000,00	Unit price is calculated over 1000 TL for electricity subscription for the SIS common area.
Water Subscription	500,00	Unit price is calculated over 500 TL for watersubscription for the SIS common area.
General Expenses	28.556,40	1% of other items total.
Unexpected Expenses	28.556,40	1% of other items total.
Sub-Total of Fixed Investment	2.912.752,80	
Financial expenses for the first year	248.156,70	
General Total of Fixed Investment	3.160.909,50	

Table 61- Investment Values -2

Investment Values	Result
Capacity Utilization Rate As of the First Operation Year	100%
Plant Capacity As of the First Operation Year (Workplace)	300
Employment Capacity As of the First Operation Year (Person)	2
Total Investment Amount (Lira)	2.954.246
Investment Return Period (Year)	7,22
Return On Capital (Lira)	39,99%
Internal Rate of Return	0,00%
15-Year Net Present Value	-25.126.710

3.7.3. ASSUMPTIONS

Assumptions of the Tables used in sections SIS Investment Scenarios-1 and SIS Investment Scenarios-2 are as follows:

Investment Items Table

- Study Project Costs are calculated as 3% of the building construction cost.
- Building Construction Cost is obtained by multiplying the value on Building Construction field of the Assumptions Table and the amount cells.
- Fixture costs are calculated as 3% of machinery-equipment and furnishing costs.

Operating Cost Items

- It's assumed that each cost will be increased by 10% compared to the previous year.

VAT Types

- VAT rate is deemed as 18%.

Estimation of SIS Incomes and Expenditures

- It's assumed that sales revenues will be increased by 15% compared to the previous year.

Financial Structure of the Executive and Operator Enterprises

- Values in the cost of products sold are calculated by the total of Car Rental and Fuel, Staff Costs, Electricity, Communication Costs included in Operating Cost Items Table.
- General Management Costs are the total of Water, Heating, Financial Advisory Service, Legal Consultancy Service, Phone, Stationery Costs, Maintenance-Repair, General Expenditures, Unexpected Expenditures (10%), Depreciations of Tangible Assets and Intangible Assets.

— Profit for the Period is calculated as a tax rate of 20% for the Provisions of Tax and Other Legal Liabilities.

Feasibility Results

— Return on Investment: is calculated by dividing the net profit after tax in 15th year into total investment need.

— Return on Capital: is calculated by dividing the net profit after tax in 15th year into equity to be used in the first year for financing resources.

— Net Added Value: is calculated by dividing the total investment need into the net profit after tax in 15th year.

— Per Capita Investment Amount: is calculated by dividing the total investment need into the number of employees.

— Investment Return Period: is calculated by dividing the total investment need into net cash flows in 15th year.

— 15-Year Net Present Value: is 15-year reduced net cash flows.

3.7.4. SHORT-TERM OUTCOMES OF THE SIS ESTABLISHMENT AND LONG-TERM EFFECTS

3.7.4.1. SIS INVESTMENT SCENARIOS -1

According to the studies conducted within the scope of the prepared feasibility, it's estimated that each entity to operate in the Small Industrial Site planned to be established will employ averagely 3 persons in a month. In this case, according to the 10 enterprises assumption addressed in SIS Investment Scenarios 1 Chapter of this feasibility, according to the calculation of 10 enterprises * 3 persons/month * 12 months, an annual employment of 360 persons/month is calculated to be created. So, if the enterprises, for which space allocation will be made in the small industrial site, are newly founded enterprises, it shows that an additional employment for the district will be created. In 5-year medium-term, it can be expected that this employment can reach 1.800 persons/month. In 10-year long-term, a total of 3.600 persons/month can be employed.

3.7.4.2. SIS INVESTMENT SCENARIOS -2

According to the studies conducted within the scope of the prepared feasibility, it's estimated that each entity to operate in the Small Industrial Site planned to be established will employ averagely 3 persons in a month. In this case, according to the 25 enterprises assumption addressed in SIS Investment Scenarios 2 Chapter of this feasibility, according to the calculation of 25 enterprises * 3 persons/month * 12 months, an annual employment of 900 persons/month is calculated to be created. So, if the enterprises, for which space allocation will be made in the small industrial site, are newly founded enterprises, it shows that an additional employment for the district will be created. In 5-year medium-term, it can be expected that this employment can reach 4.500 persons/month. In 10-year long-term, a total of 9.000 persons/month can be employed.

3.8. CONCLUSION

3.8.1. SIS INVESTMENT SCENARIOS - 1

Total cost for a small industrial site investment with a capacity of 10 enterprises consisting of 180 Square Meters to be established in Tuzlukcu district of Konya province is calculated as 1.111.597 TL. The first year is planned as investment year and the operation year of the small industrial site is stated as the second year in the calculations. Considering the Table related to cash flows, it can be seen that the cooperative to be established from the second year will begin gain net profit. It's estimated that after this period, the small industrial site will regularly gain profit.

According to the feasibility scenario with a capacity of 10 workplaces, considering the feasibility results, it's assumed that a monthly rental of 3.500 TL is deemed per enterprise, so that the SIS will be able to be afloat. This amount is higher than regional rental values and it's estimated that it would be useful that the SIS cooperative will be in search of alternatives for the financing of this amount.

It's estimated that 30% of the total investment cost will be financed by equity, and 70% will be financed by loan. In this context, the cooperative to be founded for Tuzlukcu SIS should

have an equity capital of 333.479 liras, and should be able to use a money loan of 778.118 liras.

Considering the calculations related to cash flows, it's projected that 5-year depreciation will be allocated for machinery investment made in the initial period. It's expected that the allocated depreciation depletes as of 6th year of the investment. In this case, it's possible that the profitability is more than previous years.

On the other hand, annually loan principal payments and interest payments will be made till 12th year of the investment. It's expected that these payments are completed after 12th year. Therefore, it will be another fact that will increase the profit of the small industrial site's cooperative.

Tuzlukcu Small Industrial Site investment has social purposes and is a large-scaled investment, so the investment valuation duration is deemed as 15 years. Therefore, the feasibility results are prepared for a 15-year projection.

Investment profitability value in the Feasibility Results Table of SIS Investment Scenarios 1 shows a positive result of 147,37 at the end of 15th year. This result indicates that the investment is economically sustainable. When the investment valuation duration is calculated as 15 years, it's seen that the period for the return of investment is 0,67 (i.e. 241,2 days) year according to the obtained profit amount.

3.8.2. SIS INVESTMENT SCENARIOS - 2

Total cost for a small industrial site investment with a capacity of 25 enterprises consisting of 180 Square Meters to be established in Tuzlukcu district of Konya province is calculated as 2.954.246 TL. The first year is planned as investment year and the operation year of the small industrial site is stated as the second year in the calculations.

It's estimated that 30% of the total investment cost will be financed by equity, and 70% will be financed by loan. In this context, an equity capital of 886.274 liras and money loan of 2.067.972 liras are expected be used for the specified investment.

In the SIS, where workplace rent service will be provided, a rental of 500 liras is assumed to be claimed. From the first year, when rent service is began to be provided, it's expected that all workplaces will have full occupancy rates. Income projections were prepared in this context.

For the workplace area to be allocated for 25 workplaces, land need increases building construction costs and the investment cost. Therefore, it leads the investment return period increases to 7,22 years.

Considering the Table related to cash flows, it can be seen that the investment doesn't obtain profit till 13th year, but after completing machinery depreciations and loan payments, a net profit begins to be obtained. It's expected that the profitability regularly increases after this year.

Investment profitability value in the Feasibility Results Table of SIS Investment Scenarios 2 shows a positive result of 12% at the end of 15th year. This result is lower than similar investments' profitability, but it can be determined as positive in terms of social benefit impact for the region. However, Net Current Value data are negative even at the end of 15th year, therefore, it constitutes a negative result in this scenario.

References

İlçe Stratejik Gelişme Komisyonu Raporu 2013-2023 Tuzlukçu İlçesi. Konya: Mevlana Kalkınma Ajansı.

(2013). *Konya Karaman Bölgesi Bölge Planı.* Konya: Mevlana Kalkınma Ajansı.

(2013). *Konya Karaman Bölgesi İmalat Sanayi Sektörel Rekabet Edebilirlik Analizi.* Konya: Mevlana Kalkınma Ajansı.

(2014). *Seçilmiş Göstergelerle Konya 2013.* Türkiye İstatistik Kurumu.

TR52 Düzey 2 Bölgesi (Konya-Karaman) 2023 Vizyon Raporu. Konya: Mevlana Kalkınma Ajansı.

(2014). *Tuzlukçu İlçe Raporu.* Konya: Mevlana Kalkınma Ajansı.