



KAHRAMANMARAŞ GUIDE For Investors





**Kahramanmaraş
Awaits Your
Investments**

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GENERAL INFORMATION

The south and north of Kahramanmaraş, which is situated at Eastern Mediterranean Region, is divided into two parts by mountains, which are the extensions of the Southeastern Taurus Mountains. There are Elbistan, Maraş, Afşin, Göksun and Narlı Plains on both sides of these mountains. Many climatic types can be seen in different parts of the province, where elevation of land ranges between 350 to 3000 meters. Agricultural and industrial potential of the region makes Kahramanmaraş an attraction center in terms of economy.



Kahramanmaraş

Surface Area	14.525 km ²
Population	1.075.706 (Kahramanmaraş Province) 574.571 (City Center - Onikişubat and Dulkadiroğlu)
Population Density	74 persons / km ²
Population Growth Rate	%1,18

Source: Turkish Statistical Institute (TSI), Regional Statistics Database, 2013

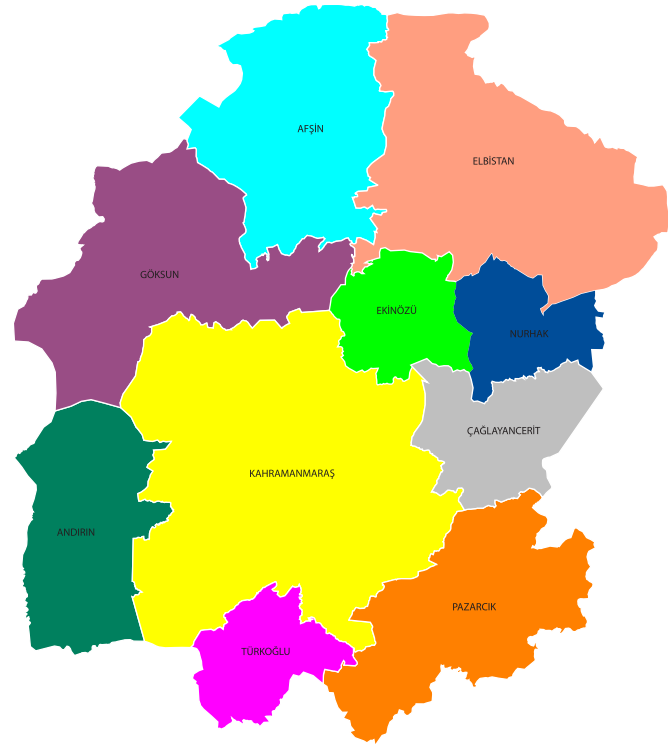


Counties of Kahramanmaraş

Province of Kahramanmaraş has eleven counties, including the central county. As a result of the dynamic nature of commercial life, population of the city center has increased compared to the previous years. Counties and their populations are as follows:

County	Total Population (Including Towns and Villages)
Afşin	82.662
Andırın	35.943
Çağlayancerit	25.276
Ekinözü	13.461
Elbistan	140.493
Göksun	53.157
(City Center - Onikişubat and Dulkadiroğlu)	574.571
Nurhak	13.414
Pazarcık	68.843
Türkoğlu	67.886
Total	1.075.706

Source: TSI, Regional Statistics Database, 2013





Transportation

Tarsus-Adana-Gaziantep Highway passes through the 50 km south of the province. The city center is situated at a distance of 187 km from Adana, 183 km from the Port of Iskenderun, 80 km from Gaziantep, 286 km from Kayseri and 223 km from Malatya.

Our province has an airport; flights are organized to Istanbul daily and to Ankara 4 days per week regularly.

“ Kayseri Highway, which connects Kahramanmaraş to such metropoli as Ankara, İstanbul and counties situated to the north such as Elbistan, Afşin will be upgraded to highway standards in 2015, as a result of divided highway, tunnel and viaduct works. ”





Education

Kahramanmaraş is among socially developing provinces. Kahramanmaraş Sütçü İmam University (KSÜ), which plays an important role in training qualified human capital the city needs, serves with 10 faculties, 3 institutes and 12 vocational schools in the education sector.

In terms of human capital, number of students at various levels of education are as follows:

Number of Students	
Pre-School Education	15.903
Primary Education	98.171
Secondary Education	92.128
High School	35.098
High School (Vocational and Technical)	35.303
Associate's Degree and Bachelor's Degree	26.440
Total	303.043

Source: TSI, Regional Statistics Database, 2012





Health Indicators

Number of hospitals, beds and physicians in Kahramanmaraş, as of 2012, are as follows:

	Number of Hospitals (Public, University)	Number of Hospitals (Private)	Number of Hospital Beds	Number of Beds per 100, 000 People	Number of Physicians (Specialists, Practitioners, Assistants)	Number of People per Physician
Kahramanmaraş	11	6	2.074	195	1.290	824
Turkey	897	541	200.072	265	129.772	582

Source: TSI, Regional Statistics Database, 2012

Because of its population and demand in the sector, Kahramanmaraş, which is below the average in Turkey in terms of the number of people per physician as well as the number of beds per person, stands out as a potential market for investors planning an investment in the health sector, especially in hospitals.





AGRICULTURE

Kahramanmaraş ranks 27th in Turkey’s agricultural production. There is a high agricultural diversity in Kahramanmaraş where the elevation of land ranges between 350 to 3,000 metres. Grains and other crops have a significant part in terms of growing area and amount of product in the agricultural production of the province.

There are 375,309 hectares of agricultural land in the province. Fields constitute 74% of agricultural land. Fruits, vegetables and fallow lands constitute the rest. Although Kahramanmaraş has a scattered land distribution, arable fields have a 26% share, which is a substantial amount.

Prominent products in the province are wheat, red pepper, sunflower seed, walnut and apricot.



	Crop Production Value (₺1000)	Livestock Value (₺1000)	Animal Products Value(₺1000)	Total (₺1000)
Kahramanmaraş	1.256.595	689.640	178.674	2.124.909
Turkey	87.849.892	63.546.623	49.321.861	200.718.376

Source: TSI, Regional Indicators Database, 2012



TYPE OF PRODUCT	AMOUNT OF PRODUCTION	AVERAGE YIELD
Wheat (Including DurumWheat)	366.046 tons	222 kg/da
Sugar Beet	422.172 tons	6.259 kg/da
Sunflower Seed (Snack)	26.987 tons	240 kg/da
Corn(Grain)	142.434 tons	726 kg/da
Corn(For Silage)	110.700 tons	4.412 kg/da
Lathyrus (Grain)	4.500 tons	100 kg/da
Grape	263.237 tons	900 kg/da
Apple	60.557 tons	50 kg/tree
Apricot	14.685 tons	15 kg/tree
Red Pepper	27.030 tons	1.970 kg/da
Pistachio	4.317 tons	5 kg/tree
Olive (For Oil)	3.456 tons	7 kg/tree
Tomatoes (Table)	72.073 tons	-
Watermelon	31.600 tons	-
Cucumber(Table)	24.090 tons	-

Source: Kahramanmaras Provincial Directorate of the Ministry of Agriculture, Food and Livestock, Strategic Plan of 2012-2016

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30% of Red Pepper
18% of Sunflower Seed
7% of Grapes
3% of Fruits
of Turkish production are
produced in Kahramanmaras



Organic Farming

Organic farming practices (mainly for vegetable and olive production) have also been realized recently in Kahramanmaraş. As a result of increasing organic farming practices; wheat, laurel, apple, apricot, cherry, lentil, chickpeas, grapes, walnuts, lathyrus and feed plants can be grown organically. 41 farmers are engaged in organic farming activities in the province and 41196 tons of production was realized on 2578 hectares of land.



Greenhouse Farming Practices

In recent years green farming practices start to develop in Kahramanmaraş. As of year 2012; there are 10 decare glass greenhouses, 32 decare plastic greenhouses.





Animal Production

Kahramanmaras, which has 2,3% of Turkey’s goats, with the investments made in Elbistan county, which has one of Turkey’s important livestock markets, has also begun to be significant in bovine breeding.



	Cattle (Calves, Bovines, Buffaloes, Camels)	Goats and Sheep
K.Maraş	132.646	542.725
Turkey	14.022.347	35.782.519

Source: TSI, Regional Indicators Database, 2012



Agriculture and Rural Development Strategic Plan of Kahramanmaras Province

4 strategic regions have been determined with the help of our Agency in accordance with the Agriculture and Rural Development Strategic Plan of the Province of Kahramanmaras, prepared by Kahramanmaras Provincial Directorate of the Ministry of Agriculture, Food and Livestock, involving the years 2012 and 2016 with the purpose of evaluation the agricultural potential of our province more effectively and the targets are described below.

Strategic Region 1: Effective Use of Agricultural Production Potential

- 1.1. Improving plant production, increasing plant diversity
- 1.2. Increasing animal production
- 1.3. Protecting the rural population and supporting the socio-cultural development of this population
- 1.4. Increasing the effectiveness of Provincial Directorate of the Ministry of Agriculture, Food and Livestock
- 1.5. Improving the quality of agricultural labor force and providing employment in agricultural land
- 1.6. Increasing the effectiveness of agricultural production subsidies

Strategic Region 2: Production Efficiency

- 2.1. Increasing efficiency in plant production
- 2.2. Increasing efficiency in stockbreeding
- 2.3. Effective and efficient use of water resources
- 2.4. Effective and efficient use of agricultural lands
- 2.5. Increasing the effectiveness of R&D activities in agricultural production

Strategic Region 3: Investments for Value-Added Production

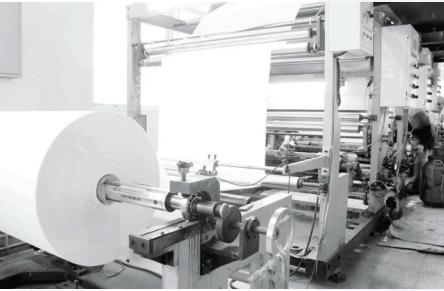
- 3.1. Developing of agricultural trade
- 3.2. Increasing the competitive capacity of special local products in national and international markets
- 3.3. Use of modern techniques in agricultural production and industrialization

Strategic Region 4: Sustainability of Food Safety

- 4.1. Ensuring food safety and production of safe food



INDUSTRY



Economic structure of Kahramanmaras developed based on agriculture, stockbreeding and small handicraft activities after the establishment of the Republic, until the 1980s. Initially, agriculture was the leading sector of the economy owing to its geographical position as well as its suitable climate for farming.

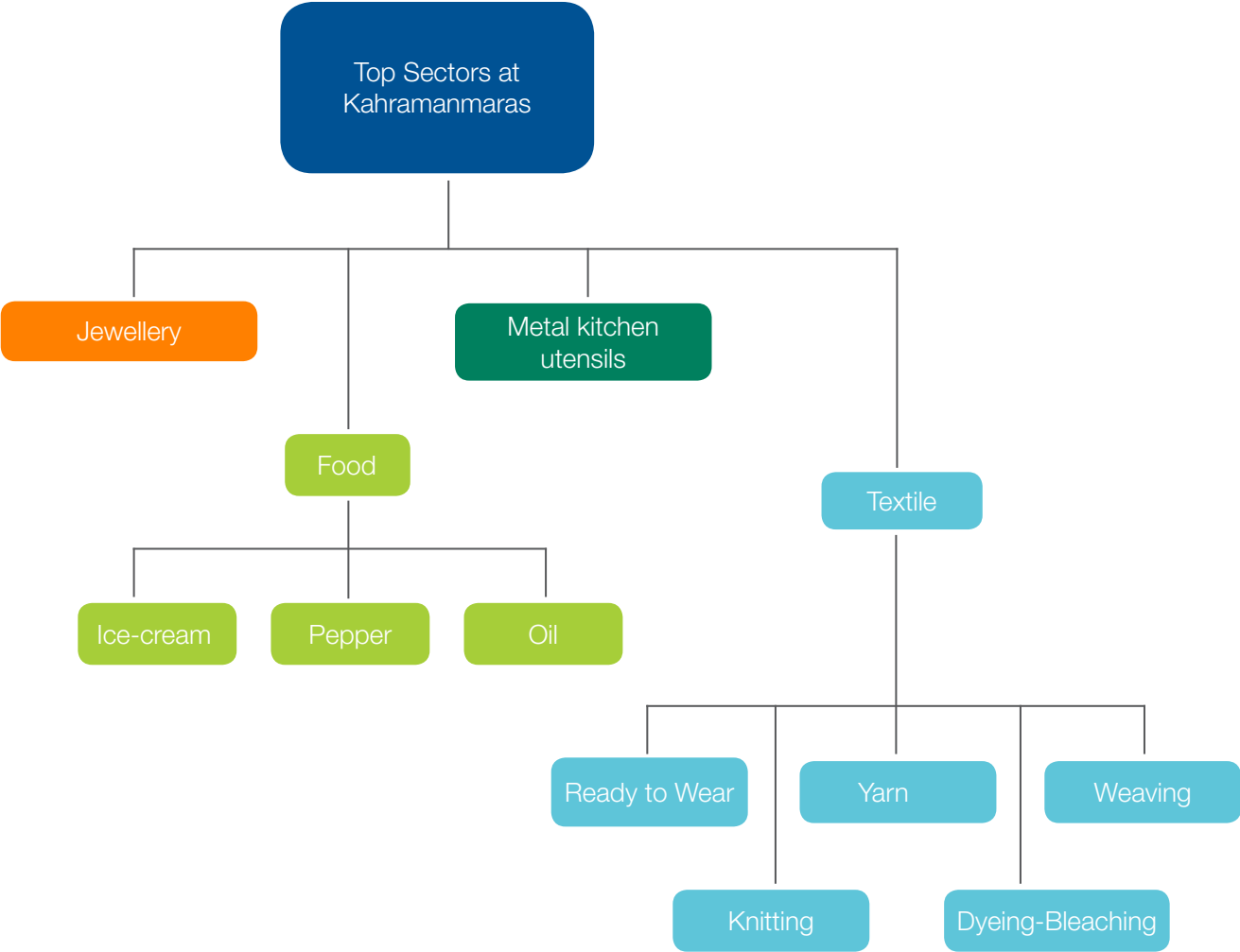
After 1984, when Kahramanmaras ranked among the prominent cities in development, important investments for the textile industry were made with the incentives given to the province. The sectors, which have benefited the most from the incentives are the textile and food industries.

Metal kitchen utensils sector, an extension of aluminium work and coppersmith from the past, received its share from the same trend of industrialization considerably. Therefore, metal kitchen utensils sector is the second important sector after the textile industry.

Certain products in the agriculture and food sectors reached the highest level of production in Turkey. Powdered and flaked red pepper production, among the agriculture based sectors, have a tendency to develop in parallel with industrialization. Ice-cream sector, which contributed to the reputation of our city in the country is among the fastest growing sectors. Kahramanmaras ice-cream was influenced greatly by industrialization, have gone beyond the borders of our country and started to spread, especially in countries nearby and USA, then to countries all over the world. In terms of branding, the sector showed a more different tendency than the city's other sub-industry branches. The sector, which played a major role in the promotion of the city, becomes prominent with the brands, whose reputation extends beyond the domestic borders.

Our province, which hosts integrated investments of region's industrialists in areas other than the above-mentioned sectors, such as paper and cement, thanks to the advantages it has been offering in the last few years, has started to be among the alternative places in the investment decisions of well-known brands, especially in the food sector.

In general; the sectors, which shape the economy of Kahramanmaras and provide dynamism, are textile, metal kitchen utensils, food, paper industries and jewellery.



When the sectoral distribution of industry in Kahramanmaraş is examined, it can be seen that a total of 1,028 industrial plants in 17 branches of industry are active. According to the 2012 data of Kahramanmaraş Chamber of Commerce and Industry (KMTSO) 271 of these are active intextile and apparel, 163 of them in food, 77 of them in kitchen utensils, 105 of them in building, 18 of them in paper and packaging sectors. A total of 51,093 employees are employed at these facilities.



Sector	Number of Companies
Textile and Ready to Wear	271
Food	163
Building	105
Kitchen Utensils	77
Timber and Plastics	35
Milk and Dairy Products	28
Agricultural Production	28
Paper and Packaging	18
Other	303
TOTAL	1.028

Source: Kahramanmaraş Chamber of Commerce and Industry





In our province, where the textile, food, mining and metal ware sectors are prominent, when the industry of Kahramanmaraş is examined by taking into consideration the Industrial Registry records, it can be seen that 63% of the employment is in the textile sector.

Industrial Registry Inventory of K.Maraş

Sector	Company	The Number of Employees
Textile	225	25886
Food	175	4008
Mining	81	3528
Metal ware	86	2739
Energy	11	804
Chemistry (Petroleum, Rebber, Plastics)	35	704
Cement	6	657
Main Metal Industry	38	643
Furniture	29	603
Paper	6	502
Machinery and Equipment	25	304
Glass and other Building Materials	13	275
Packaging, Printing and Publishing	6	253
Total	736	40906

Ministry of Science, Industry and Technology, 2013



Kahramanmaraş is taking firm steps forward with its existing sectors and potential investment areas. When 4.790.000.000 TL of total fixed investment, planned with 320 investment incentive certificates, prepared between 2009 and 2013, is achieved, approximately 10.500 people will be provided with employment opportunities.

Sectoral Distribution of Total Investment Incentive Certificates of Kahramanmaraş Province in 2009-2013

Sector	Number of Certificates	Planned Investment Amount (Million TL)	Planned Employment Number
Textile	140	2825	4890
Paper	5	576	304
Energy	22	486	280
Cement and Concrete	13	210	350
Food	14	117	678
Rubber-Plastic	10	110	214
Tourism	16	98	460
Services	23	95	1100
Metal Kitchen Utensils	24	85	810
Mining	14	49	244
Metal	6	35	136
Agriculture and Stock Breeding	5	28	117
Other	28	76	917
Total	320	4790	10500

Source: Ministry of Economy



Textile Sector

Kahramanmaraş is among the most developed provinces in textile industry in Turkey. There are about 250 companies in the sector, in which approximately 26.000 people are employed. 5 of these companies are among the 500 largest companies in Turkey (ISO 500, 2011). Producers in the textile sector in which there are such sub-sectors as yarn, weaving, knitting, ready to wear and dyeing-bleaching, have reached high-quality manufacturing standards, capable of competing in international markets. The sector made R&D investments in the province with the incentives it has received and integrated manufacturing facilities have been established.

The fact that 26% of yarn and 10% of woven fabric, produced in Turkey are produced in Kahramanmaraş, indicates the power of the city in textile sector.





Metal Kitchen Utensils Sector

There are about 50 active companies this sector and approximately 3.000 people are employed. When evaluated on the basis of products manufactured in Kahramanmaraş (teapot, cooking pot, frying pan etc.), 50% of the production in the sector is executed in our province. Province of Kahramanmaraş reached an important position in kitchen utensils sector recently. Producers from Kahramanmaraş engaged in exporting to many countries, mainly to the EU and the Middle Eastern countries, and USA, Egypt, Argentina, Russia, Belarus and Georgia, have increased exporting, which was 13 million 320 thousand \$ in 2005 by 215% in 2012 and reached 42 million 200 thousand \$ in 2012. (KMTSO)





Food Sector

There are about 180 companies operating in food sector, another prominent sector. Ice-cream and pepper are prominent sub-sectors at both national and international levels, contributing to the economy and the promotion of the province considerably.

Kahramanmaras is the city, where traditional tastes turn into food industry.

Ice-Cream

Because of the fact that it has its own unique flavour as well as being a regional product, Kahramanmaras ice-cream is a dairy product, which is consumed by domestic and foreign consumers in different cultures with great admiration.

Kahramanmaras ice-cream has been greatly influenced by industrialization. In parallel with the increasing demand, it has begun to slide from small-scale ice-cream production to large-scale businesses having integrated facilities, producing branded products whose reputation has exceeded the province's and country's borders. In the next years, with the completion of ongoing investments, sector will reach approximately 40.000 tons of annual production capacity.



Red Pepper

Kahramanmaras, which ranks 27th rank in Turkey in terms of agricultural potential, stands out with production and industry of "Maras Pepper". Red pepper farming and pepper businesses have formed a natural cluster by concentrating in the city center and in the Pazarcık and Turkoglu districts. There are approximately 70 companies, active in the pepper sector in the province of Kahramanmaras. In line with the development of the sector and the realization of branding in the sector, Kahramanmaras Chamber of Commerce and Industry conducts works for the purpose of including in the geographical indication and accreditation of the red pepper.





Jewellery Sector

Jewellery sector, as one of the prominent sectors in Kahramanmaraş, ranks second in Turkey after Istanbul with about 450 companies and workshops and processing 40 tons of gold per year. (and ranks first in the manufacture of 22 carat gold). 3.000 people are employed in the sector, where experience in gold processing is very high.



Organized Industrial Zones

There are 3 Organized Industrial Zones in Kahramanmaraş, one of which is active.

Kahramanmaraş Organized Industrial Zone (2012)

Name	Size (Ha.)	Total Industrial Plots	Allocated Plot	Number of Active Companies	Number of Employees
Kahramanmaraş OIZ	300	56	54	49	6335
Elbistan OIZ	130	-	-	-	-
Türkoğlu OIZ	126	-	-	-	-

Source: <http://osbbs.sanayi.gov.tr/> - OIZ Information System, 2014



Mainly, companies producing textile products, metal kitchen utensils, aluminum plate and bakelite handles are active in Kahramanmaraş OIZ. In addition, 6335 people are employed at the companies in Kahramanmaraş OIZ.

When the OIZ, situated in Türkoğlu district is completed, it will be among significant areas in Turkey; especially in terms of transportation opportunities thanks to Türkoğlu Logistics Center, which will provide 1,9 millions tons of transport and a logistics area of 797 thousand square metres.

Elbistan OIZ is becoming prominent as an important investment area, especially for the investors, who will evaluate the agricultural and livestock products and the potential for the development of subsidiary industry for the thermal power plants of the region.





Small Industrial Zones

There are 11 small industrial zones in the province of Kahramanmaras. 7 of these Industrial Zones are active and approximately 10.500 people are employed at 2.670 businesses. 2 Small industrial zones are in the investment program of the Ministry of Science, Industry and Technology and their construction is in progress.

Small Active Industrial Areas

Name	Year It Became Active	Total Number of Businesses	Current Employment
Kahramanmaras Center SIA I-II-III	1981	1908	7500
Elbistan SIA I-II	1992	419	1650
Göksun SIA	1994	106	320
Afşin SIA I	1990	100	300
Yeni Elbistan SIA	2007	22	66
Narlı SIA	-	50	60
Kahramanmaras Tailors and Garment Manufacturer's SIA	2010	65	500

Source: Ministry of Science, Industry and Technology



R&D Infrastructure

Application and Research Center for the Development of University-Industry-Government Cooperation (ÜSKİM)

The center, established within the structure of KSÜ and began operation in 2008, having fully equipped research and application laboratories and human resources; intends effective, on-site, cheap and fast provision of all the R&D, technology transfer and innovation services the local people, researchers, public enterprises and businesses in our province need and which was previously outsourced.

Kahramanmaras Technology Development Zone (Technocity)

KSÜ Technocity was established in 2011 with the aim of creating investment opportunities in technology-oriented areas, job opportunities for researchers and skilled people and helping the technology transfer; and it began to accept the applications of entrepreneurs in August 2012, following the completion of infrastructure requirements.





Technology Development Center (TEKMER)

Established in 2011 with the cooperation of Small and Medium Industry Development Organizations, KSÜ and Kahramanmaraş Chamber of Commerce and Industry, Tekmer carries out its activities in the services building, allocated in KSÜ.

TEKMER was established in an attempt to ensure that R&D, Innovation and Industrial Application projects of Entrepreneurs and Businesses are supported and provided with incubation services by Small and Medium Industry Development Organizations. In line with this purpose, scientific and technological infrastructure of KSÜ is made available to SMEs in the center, and financial support is provided for R&D, Innovation and Industrial Application projects aiming the development of technological products and production processes, which could be commercialized.





CULTURE AND TOURISM



Kahramanmaraş, which has been home to various civilizations throughout history has a location, which was a transit point of the old caravan routes. Maraş has a name, known at least for 4 thousand years and a history, which goes back 12.000 years. Home of the Hittites, Assyrians, Macedonians, Romans, Byzantines, Arabs, Seljuks and Ottomans respectively, the city was honored with Red Striped Medal of Independence War for the struggle of resistance in World War I. Due to the resistance of the people during the Independence War, "Hero" title was given to Kahramanmaraş, which is one of the few medalled cities in the world, by Grand National Assembly of Turkey and its name was changed as "Kahramanmaraş" on February 7, 1973.

Because of its location and the fact that it has been home to many civilizations, Kahramanmaraş has cultural and nature tourism potential, richness of flora and regional cuisine culture. In the province, where the diversity of tourism exists, cultural tourism, faith tourism and nature tourism are prominent. There are many sight-seeing attractions in the city center. Kahramanmaraş Castle, City Museum, Grand Bazaar, Ulu Mosque and Tas Madrasa are among the prominent places. The province also has great potential for faith tourism. Eshab-ı Kehf (a.k.a. Seven Sleepers) Complex in the Afşin county is an important, popular place in terms of faith tourism.





A topic, which can revitalize the tourism potential of the city is the floor mosaics found as a result of illegal excavations in a house in the city center recently. Floor mosaics, belonging to ancient city “Germenicia,” are expected to attract the attention of both researchers, working in the mosaic area, and tourists.

5th International Symposium of Mosaic Corpus was held in Kahramanmaraş with the supports of DOĞAKA for the research and the international promotion of mosaics, found in the city, in 2011. Many domestic and foreign researchers and academicians participated in the symposium and presentations were made in the fields of mosaic and archaeology and international promotion of Kahramanmaraş mosaics was achieved.





Kahramanmaraş hosts many plants in Kıpıçam, Başkonuş and Yavşan plateaus, as well as with its historical and cultural values.

Kahramanmaraş offers a great variety of accommodation opportunities with hotels, ranging between 2-star to 4-star for both domestic and foreign tourists. In terms of transportation, the city has a highway connection with Mediterranean, Central Anatolia, South-Eastern Anatolia and Eastern Anatolia regions. Bus terminal is in the city center and is very easily accessible. Direct flights from İstanbul are operated daily and flights from Ankara may be on different days of week. Airport is at a distance of 8 km from the city center.





Prominent Places of Interest

Eshab-ı Khef

Eshab-ı Khef (Seven Sleepers) Eshab-ı Khef Cave is believed to have been in the vicinity of Afşin in the Seljuk Period. Seljuk Empire had an Islamic monastery, a small mosque and a madrasa constructed here in the first half of 13th century. The fact that a church had been found during the construction of the complex in the Seljuk Period shows that Anatolian Christians believed their cave friends of had also slept there. 1st International Symposium of Eshab-ı Khef, held by DOĞAKA in 2012 is considered the most important step taken in the promotion of the region so far.



Kahramanmaraş Castle

The Castle situated on an agglomerate hill in the middle of the city and was used in the Hittite, Roman and Ottoman periods and undergone repairs in various periods.



Hurman Castle

It is situated on the precipice in Marabiz village in Afşin, to the north of Hurman Creek. Its exact date of construction is not known. However; based on its technique, it is believed to have been built in Byzantine Period. There are cisterns and food storages, military shelters and a church in the castle.



Uludaz Ladybeetles

Seven-spotted ladybeetles found in the extensions of the 2.273 meter-high Uludaz Hill of Çimen Mountain, situated in the Kahramanmaraş province in the eastern extension, can be seen from 1.500 metres to 2 thousand 271 metres with an extreme intensity in the certain periods of year (August).



Elbistan Pınarbaşı

Picnic area, at the source of Ceyhan River in the Pınarbaşı Neighbourhood of Elbistan county is flooded by nature lovers, especially in the summer months, with its bubbling waters and green vegetations.



Ilıca Thermal Springs

On the foothill of Mount Berit, situated at a distance of 72 km from Kahramanmaraş, Ilıca Thermal Springs, is recently among important tourism areas in our province, especially with its nature.



Ekinözü Mineral Springs

Ekinözü Mineral Springs, situated at a distance of 2 km from Ekinözü town center and emerging at 3 different locations, which are very close to each other, hosts many visitors from surrounding cities, particularly from the Southeast and East Anatolia regions.



Other Must-See Attractions

- Kahramanmaraş Museum, Kahramanmaraş Castle
- Grand Bazaar, Ulu Mosque and Taş Madrasa
- Kapiçam Natural Park, Başkonuş and Yavşan Plateaus
- Menzelet Dam and Ali Cliff
- Döngel Caves, Yeşilgöz
- Hançere Valley, Göksun





ENERGY AND MINING

Kahramanmaraş is one of the most important provinces of Turkey in terms of underground and ground sources. Streams and dam lakes in the vicinity of Kahramanmaraş are among the indicators showing that the province is in fact a realm of water.

Hydroelectric

The fact that 190 km of Ceyhan River, whose total length is 425 km, is within the provincial borders of Kahramanmaraş and this river flows through narrow and deep valleys has created favorable conditions for the construction of hydroelectric power plants and a total of 14 dams, the first of which, Ceyhan HES which started power generation in 1958, have been built on this river and the construction of other 7 major projects is still continuing. With the completion of projects, hydroelectric power of the city will reach approximately 800 megawatts.





Lignite

The province is also very rich in terms of mining. Such mines as lignite, tile, limestone, barite, iron, chrome and manganese are the prominent ones. There are a total of 3,25 billion tons of lignite in the basin within the borders of Afşin and Elbistan counties of Kahramanmaraş. In terms of meeting the growing energy demands of our country and also with its more economic stripping/ lignite rate compared to other lignite sites, lignite basin of Afşin-Elbistan is a site that should be evaluated first. Currently, Afşin-Elbistan (A) thermal plant with a power of 4 x 344 mW has been operating since 1984 in the basin which has a capacity to meet the fuel demands of 16 thermal plant units which have 344 Mw of power. Afşin-Elbistan (B) thermal plant which has 4 x 360 mW power is among the facilities producing our country's energy with domestic resources since 2005.

“ The importance of the region has increased even more with intergovernmental negotiations between Turkey and the several countries regarding the construction of energy power plant with a capacity of 8 thousand MW in Afşin-Elbistan coal field at the beginning of 2013. The construction of new thermal plants is projected with an investment of 12 billion \$ within the scope of the negotiations. Thanks to the project, about 15 thousand people will be employed during the construction period and approximately 8 thousand 500 will be directly employed during the operation period. Such subsidiary industries, such as thermal power plant equipment, lignite and mining technologies are expected to develop after termination of the projects. ”

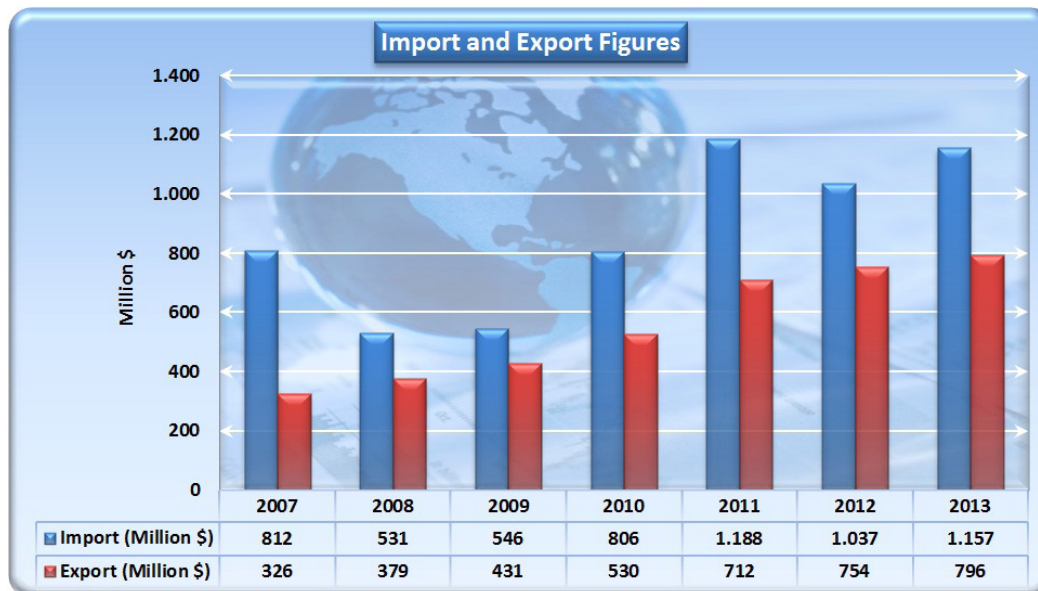




FOREIGN TRADE

Despite the global crises on a global scale, Kahramanmaraş tends to increase its economic performance it has showed in recent years and the level of exports but it has foreign trade deficit in line with the general trend of Turkey. Kahramanmaraş exhibited exports performance of \$ 796 million* and \$ 1.157 million* worth of imports in 2013.

*Temporary Figures as of Feb 25, 2014



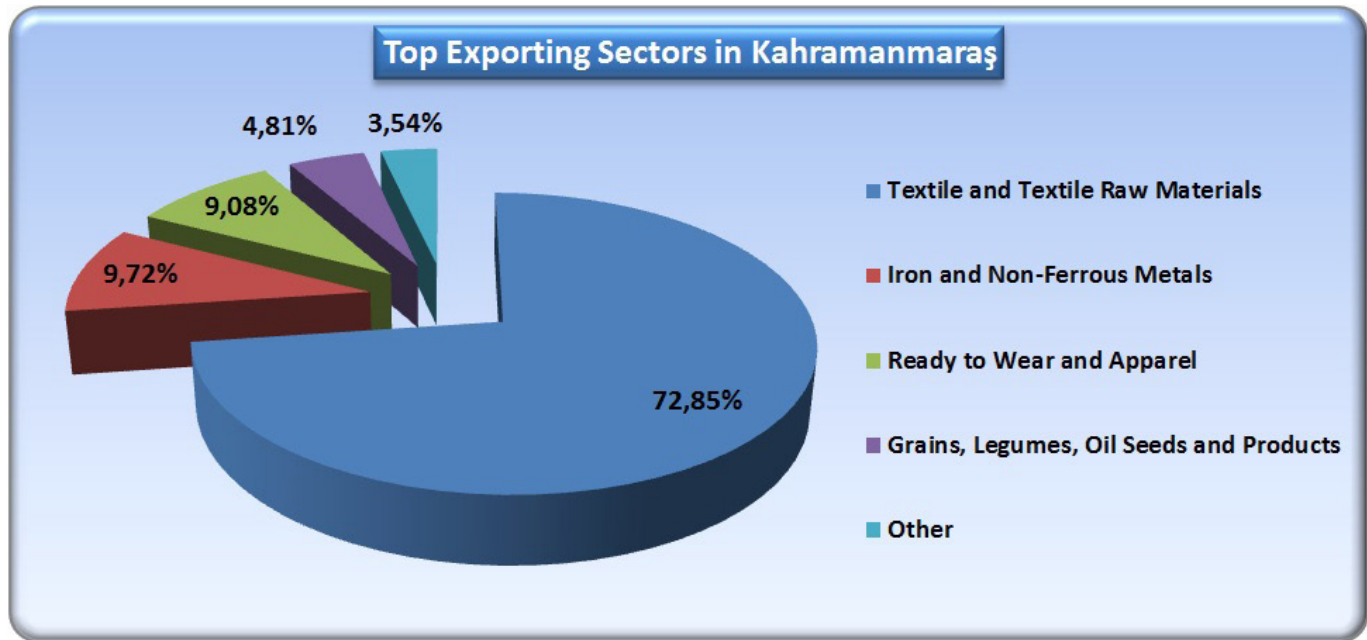
Source: TSI, Foreign Trade Statistics, 2013



Considering the exports data of 2013 on the basis of product groups, it can be seen that textile and textile raw materials exports rank first.

Iron and non-ferrous metals and ready-to-wear and apparel products follow textile and textile raw materials.

Companies, active in Kahramanmaraş, export products to many new markets like Italy, Brazil and the Middle Eastern Countries. Kahramanmaraş exported to a total of 119 countries in 2013.



Source: Turkish Exporters Assembly, 2013



Top 10 Countries, to which of Exports were made in 2013 (\$)

Rank	Country	Export (Million US \$)
1	ITALY	240
2	IRAQ	41
3	BRASIL	38
4	EGYPT	37
5	GERMANY	37
6	RUSSIAN FEDERATION	30
7	SPAIN	30
8	GRECE	29
9	PORTUGAL	27
10	BULGARY	22

Source: Turkish Exporters Assembly - 2013





WHY KAHRAMANMARAS?

1. Advantages of the Industry Sector

- a. Sectoral experience, strong commercial partnership opportunities
- b. Skilled and inexpensive work force
- c. Proximity to emerging markets, such as Middle East.
- d. Proximity to major transportation networks
- e. Government support and incentives, financial support programs, carried out by DOĞAKA on regional basis
- f. Production and trade of handicrafts
- g. Existence of the University





Advantages of Agriculture and Livestock Sector

- a. Presence of region-specific products (Red pepper, grape, walnut, apricot and gherkin)
- b. Greenhouse cultivation potential
- c. Favourable climate conditions for agriculture and livestock breeding (Milk and dairy products, apiculture, olive cultivation activities, production of apple and cherry)
- d. Irrigable agricultural lands
- e. Presence of agro-industries (Milk- ice cream, pepper-pepper paste, peanut – peanut butter, tarhana, sunflower seed)
- f. Presence of aromatic plants



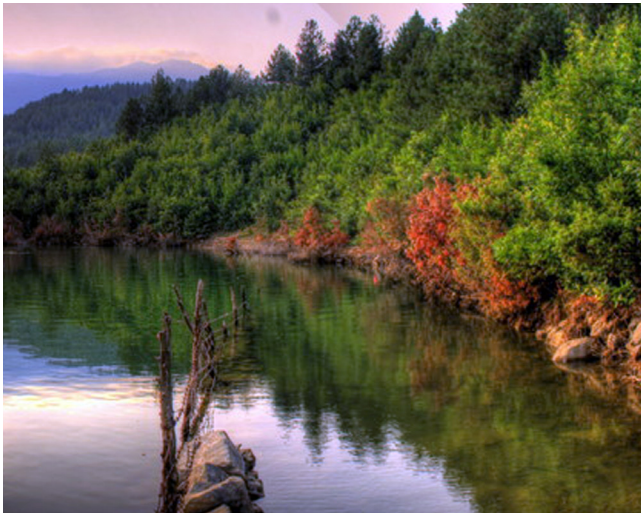


Advantages of the Tourism Sector

- a. Potential for cultural and nature tourism
- b. Rich Geothermal Sources
- c. Richness of Flora
- d. Faith tourism infrastructure
- e. Regional Cuisine Culture
- f. Government support and incentives for tourism

Advantages of Energy and Mining Sector

- a. Potential for Hydroelectric Power and Renewable Energy
- b. Thermal Power Plants and Raw Materials
- c. Utilization of Waste Energy in Agriculture/Greenhousing
- d. Situated at the transit point of Energy Transmission Lines





INCENTIVES AND SUPPORT

The New Incentive System

The new Incentive System entered into force with the publication of the Declaration Related to the Decision Concerning the Government Aid in Investments on 19.06.2012 and the Application of the Decision Concerning the Government Aid in Investments on 20.06.2012 in the official gazette.

A new regulation has been made according to the Socio-economic Development Index of Provinces (2011) and a transition into province-based incentive system has been made with the New Incentive System. Kahramanmaraş is in the 5th zone in the 6-zone new incentive system.

Support elements, to be provided, are shown in the table below.

Incentive Instruments	General Investments	Regional Investments	Large-Scale Investments	Strategic Investments
VAT exemption	✓	✓	✓	✓
Customs Duty Exemption	✓	✓	✓	✓
Tax Deduction		✓	✓	✓
Social Security Premium Support (Employer's Share)		✓	✓	✓
Interest Rate Support		✓		✓
Land Allocation		✓	✓	✓
VAT refund*				✓

*It will be provided for strategic investments, whose fixed investment amount is over 500 million TL.



The new Incentive System consists of 4 different applications:

- General Investment Incentive Scheme
- Regional Investment Incentive Scheme
- Large-Scale Investment Incentive Scheme
- Strategic Investment Incentive Scheme

GENERAL INVESTMENTS

Conditions:

- Minimum fixed investment amount is 500.000 TL, not to be within the scope of investment issues which will not be incentivized and other incentive applications

• Which Supports are provided?

- VAT exemption
- Customs Duty Exemption
- Social Security Premium Support (Employer's Share) (Only for the investments of yards in shipbuilding and on condition that it does not exceed 18 months)

REGIONAL INVESTMENTS

Conditions:

- Fulfilling the conditions in the Annex (Annex 2) of Decision Related to the Government Aid in Investments

• Which Supports are provided?

- VAT Exemption
- Customs Duty Exemption
- Tax Deduction
- Social Security Premium Support (Employer's Share) Interest Rate Support
- Interest Rate Support
- Land Allocation



LARGE-SCALE INVESTMENTS

Conditions:

To be on the list of large-scale investments in the Annex (Annex 3) of Decision Related to the Government Aid in Investments

Which Supports are provided?

- VAT Exemption
- Customs Duty Exemption
- Tax Deduction
- Social Security Premium Support (Employer's Share)
- Land Allocation

STRATEGIC INVESTMENTS

Conditions:

- Minimum fixed investment amount is 50 million TL,
- Total domestic production capacity, related to the product for investment is less than the imports
- Minimum added value to be provided with the investment should be 40% (this condition will not be stipulated for the refinery and petro chemistry investments),
- Total imports amount, related to the product to be produced, being at least \$ 50 million for the previous year (this condition will not be stipulated for the goods, not produced domestically)

The products, which provide all the above-stated conditions will be assessed as strategic investments.

Which Supports Are Provided?

- VAT exemption
- Customs Duty Exemption
- Tax Deduction
- Social Security Premium Support (Employer's Share)
- Land Allocation
- Interest Rate Support
- VAT refund (only for investments over 500 million TL and on condition that it will be valid only in building-construction expenses)



R&D AND ENVIRONMENTAL INVESTMENTS

R&D and environmental investments benefit from VAT exemption, customs duty exemption and interest subsidy.

An Example of Incentive System Implementation

Let’s assume that a company in the metal kitchen utensils sector will provide 50 employment for additional with such an investment, beginning in 2013 as follows:

Land Expenses	: 500.000 TL
Building-Construction Expenses	: 500.000 TL
Imported Machinery-Equipment Expenses	: 2.000.000 TL
Domestic Machinery-Equipment Expenses	: 1.000.000 TL
Total Investment Amount	: 4.000.000 TL

Investment in question is entitled to benefit from the regional investment incentive scheme in terms of its sector and total investment amount.

VAT exemption

VAT exemption is non-payment of the value added tax for the machinery and equipment, investment goods, to be procured from the country or abroad within the scope of the investment incentivized.

In the event that the project of an investor, who will, within the scope of investment project, purchase domestic machinery and equipment from the country amounting to 1, 000, 000 TL and machinery and equipment from abroad amounting to 2, 000, 000 TL, benefits from the VAT exemption incentive, the investor may provide an advantage of approximately 540, 0000 TL.

VAT exemption amount = (Total Cost of Machinery and Equipment) x (Rate of VAT*)

= 3, 000, 000 TL x 0, 18 = 540, 000TL**

* Except for the special conditions specified in the VAT law, the specified rate of VAT for the machinery and equipment, investment goods, procured within the scope of Investment Incentive Certificate is 18%.

** Net contribution of the support for the companies, capable of offsetting the Value Added Tax is the same as the ease of finance until offsetting VAT.



Customs Duty Exemption

Customs Duty exemption is the non-payment of customs duty specified in the import regime for machinery and equipment, investment goods, to be procured from abroad within the scope of the investment incentivized. The annex of "Import Regime Decision" of the Customs Duty Tax Rates on the basis of sections is specified in the lists. In the event that the project of an investor, who will within the scope of investment project purchase imported machinery and equipment from abroad amounting to 2, 000, 000 TL, benefits from the customs duty exemption incentive, the investor may provide an advantage of approximately 40, 000 TL.

$$\begin{aligned} \text{Customs Duty Exemption Amount} &= (\text{Imported Machinery and Equipment Amount}) \times (\text{Rate of Customs Duty}^*) \\ &= \text{TRY } 2, 000, 000 \times (2\%)* = 40, 000 \text{ TL} \end{aligned}$$

* Customs Duty Rate envisaged in the Import Region Decision varies from country to country and 2% can be considered as average rate.

Tax Deduction

Deducted Tax Rate 80%, the contribution rate to the investment 40%, total investment amount: 4 million TL

The company may benefit from a tax deduction, at 1,6 million TL. Until the tax, which will be deducted from the annual tax liabilities reaches this amount, investor will pay the corporate tax, which is 20% in Turkey, on 4%,... Because the application, with which his project is supported, provides the utilization of incentive means even before the investment is completed, investor will be able to use 800 thousand TL of tax reduction, which is total 1, 6 million TL, for the revenues obtained from current activities in the investment period.

Social Security Premium Support (Employer's Share)

Contribution rate to the investment 35% = 4.000.000 TL * 0, 35 = TL 1.400.000 (The Upper Limit of Support)

Duration of Support: 7 Years

Labor costs are aimed to be reduced in the operating period with the Social Security Premium Support (Employer's Share). After the investment is completed, the part of the each additional employee's Social Security Premium Share of Employer corresponding to minimum wage will be paid from the budget of the Ministry of the Economy.

Employer's National Insurance Contribution Amount = (Additional Employment) x (Duration)* x (Employer's Share of National Insurance)**

$$= 50 \text{ employees} \times 84 \text{ months} \times \text{TRY } 141, 90$$

$$= \text{TRY } 595.980$$

We can calculate the number of personnel the company can employ for 7 years without paying Social Security Premium Share of Employer's..



Upper Limit of Support/ f((Duration) x (Employer's Share of National Insurance))

= 1.400.000/(84 Months*141, 90) = 117 People

* "Duration" is the expression of support duration specified in the region in "months".

** The amount which is valid for the first half of 2013. It was assumed to be constant throughout 7 years.

Interest Rate Support

Amount of Loan to be Supported= Total Fixed Investment *0, 75

= 4 million TL *0, 75 = 3 million TL

Subsidy Rate = 5 points in TL loans, 2 points in foreign currency loans

Upper Limit of Subsidy = 700.000 TL

According to this, 5 points of the interest for the 3 million TL part of the loan, which the company used within the scope of the investment may be paid by the Ministry of the Economy, until it reaches 700.000 TL, for 5 years.

Land Allocation

On condition that an appropriate land for investments is present in the province, in which the investment will be made, it can be allocated through tender for large-scale investments, , strategic investments and regional investments, within the framework of the principles and procedures set by the Ministry of Finance.

The total investment amount, to be made on immovables cannot be less than once for the agriculture, livestock and education investments, twice for tourism investments, and three times for other investments the immovable property's current value. Current value of the land claimed can be maximum 1.330.000 TL for an example investment amounting to 4 million TL. Annual rental value of immovable property is specified according to 0.5-2.5% of property tax and this amount is increased each year according to PPI.





2) DOĞAKA Supports

Financial supports are unrequited payments for certain projects and activities, in accordance with the strategies in the Regional Plan, prepared by the agency.

Technical support is the support that the Agency gives to contribute to the works of local actors which are important in terms of regional development but encountering some difficulties in the preparation and application stages due to lack of institutional capacity. The following are targeted with the technical supports given by the Agency;

Support of the planning works of local governments,

Support of the local governments' activities implementing plans of programs of region and enhancing the capacity of local development,

Supporting works of other public institutions and organizations in the region, works, which can contribute to local and regional development,

Financial and technical supports have been given by the Eastern Mediterranean Development Agency since the year 2010, the Eastern Mediterranean Development Agency entered into service. A support of 7, 5 million TL to SMEs and 7 million TL to public institutions and non-governmental organizations in 2010; 15 million TL to SMEs and 8, 5 million TL to public institutions and non-governmental organizations was given in 2011, which corresponds to a total of 38 million TL in supports, within the scope of financial supports. SMEs used a fund of 30 million TL with the "Scheme for the Development of Sustainable Production and Innovative Financial Support" in 2013.

Please visit our web site for detailed information.





DOĞAKA Investment Support Offices

Eastern Mediterranean Development Agency is active with 3 expert personnel in the provinces of Hatay, Kahramanmaraş and Osmaniye 2010.

Authorities, Duties and Responsibilities of Investment Support Office in Kahramanmaraş

- Informing about the New Incentive System,
- Receiving applications for investments, whose fixed investment amount does not exceed 10 million TL, within the framework of General Incentive Application,
- Monitoring of all investments with incentive certificate in Kahramanmaraş and documentation closing procedures,
- A central following of investors' "permission and license" and "other administrative procedures," which are under the realm of authority and duty of state institutions and organizations at the provincial level,
- Providing free consultation services to investors,
- Monitoring investments in the province,
- National and International Promotion of business and investment opportunities in the province,
- Support and Promotion Activities in the province and coordination of these activities,

Support for the conducting of Agency's other activities at provincial level.

Services, provided by Kahramanmaraş Investment Support Office in to investors are free of charge except for fees, prices and other financial obligations, which are prescribed by relevant law and related to permission, license and incentive issues.





3) Other Supports

Other than the supports of the Ministry of Economy and Agency to the investors in Osmaniye, there are such support mechanisms to be benefited from as:

- All information about New Investment Incentive System of Turkey (www.incentives.gov.tr)
- Small and Medium Industry Development Organization Supports for SMEs (For detailed information www.kosgeb.gov.tr)
- Ministry of Science, Industry and Technology Supports (For detailed information www.sanayi.gov.tr)
- Supports of Scientific and Technological Research Council of Turkey (For detailed information www.tubitak.gov.tr)
- Supports of Provincial Directorate of Ministry of Food, Agriculture and Livestock (For detailed information www.tarim.gov.tr)

Note:





**Kahramanmaraş
Awaits Your
Investments**



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