



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Expert Group Meeting on the Promotion of SME Export Consortia

Olbia, Italy, 22-24 September 2005

COUNTRY PAPER TURKEY

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This document has been revised by UNIDO consultant Paul Hesp but has not been formally edited.

A. INFORMATION ON THE COUNTRY'S EXPERIENCE

A.1 Policies and programmes to promote exports

The export promotion strategy of Turkey is defined and implemented by Prime Ministry's Undersecretariat for Foreign Trade (DTM) which reports directly to Ministry of State for Foreign Trade. Turkey has been implementing an export-oriented strategy since 1980s. The basic objective of this strategy is to constitute an outward oriented economic structure in the framework of free market economy and to be integrated with world markets.

With this strategy, measures supporting foreign trade liberalization were developed. In addition to liberal arrangements to improve exports, some support programmes came into effect. The main facilities provided for the exporters were:

- Corporate tax exemption;
- Tax refund;
- Premium to the Resource Utilization and Support Fund;
- Subsidies obtained from the Support and Price Stabilization Fund.

These supports have been gradually eliminated in accordance with international commitments since the second half of 1980s. On the other hand, with the establishment of the Turk Eximbank in 1987, support to exports gained a new dimension. To increase the competitive strength of the Turkish exporters in foreign markets, some credits and guarantee programmes under the international commitments began to be applied to sectors with high export potential.

Particularly with regard to support of exports, foreign trade policies formulated under the conditions of 1980s have been reviewed and modified in view of the developments taken place in the world and Turkey in the 1990s. State incentives and supports prepared in compliance with World Trade Organization regulations and international commitments were put into practice as of 01.06.1995.

The most significant phenomenon in Turkey's foreign trade policy is the Customs Union established between the EU and Turkey as of 01.01.1996. Since then, both import and export regimes have become consistent with the regulations of the EU. The Free Trade Agreements signed with the Central and Eastern European Countries and Israel must be regarded as factors directly affecting Turkey's trade in the consistency framework of the Community's Common Trade Policy.

According to the modifications in the Export Regime, (article 4(e) of the Export Regulation), "an exporter" is defined as a member of the related Exporters' Association. This can be:

- A natural or legal person having a single tax number
- A tradesman or craftsman dealing with production and registered with the Chambers of Tradesmen and Craftsmen
- A joint venture
- A consortium.

In 2004 DTM developed an 'Export Strategic Plan' together with the private sector. The Plan is a programme to eliminate structural problems such as dependence on exports which are not conform with world trends, regional and sectoral dependency and fluctuations in volume (see below for more details). The aim is to maintain a sustainable and healthy growth in Turkish exports.

Five main areas of action identified in the plan are:

- Establishing a Turkish quality trade mark in the global markets and utilizing modern and dynamic marketing techniques
- Information technologies to support export infrastructure
- Finance and support mechanisms
- Bilateral and multilateral trade relationship and corporate structure
- Cooperation and coordination between public and private sectors and NGOs.

This programme will be effective for 2004-2006 and according to the results achieved will be elaborated and renewed after 2006.

Main developments in exports

Table 1
Main Export Sectors 2004

Sectoral Breakdown of Turkey's Exports by WTO Definition (\$ Million)							
	1990	1995	2000	2001	2002	2003	2004
1-Agricultural Products	3 300	4 555	3 855	4 349	4 052	5 257	6 484
i-Food	2 905	4 239	3 543	3 997	3 668	4 735	5 875
ii-Agricultural Raw Materials	395	316	313	352	384	522	609
2-Mining Products	876	1 003	1 157	1 236	1 497	2 011	2 871
3-Manufactures	8 778	16 064	22 699	25 661	30 288	39 594	53 476
i-Iron and Steel	1 490	1 972	1 865	2 500	2 831	3 342	5 974
ii-Chemicals	747	890	1 243	1 367	1 523	1 893	2 563
iii-Other Semi manufactures	672	1 455	2 280	2 625	3 139	4 143	5 480
iv-Machinery and Transport Equip.	855	2 406	5 740	7 153	8 632	12 370	18 265
v-Textiles	1 440	2 532	3 706	3 943	4 268	5 262	6 426
vi-Clothing	3 331	6 121	6 586	6 661	8 094	9 962	11 191
vii-Other Consumer Goods	243	687	1 279	1 413	1 800	2 622	3 477
4-Other Products	5	15	63	89	222	391	285
TOTAL	12 959	21 637	27 775	31 334	36 059	47 253	63 121

Table 2

Sectoral Export Growth (%)						
	1995/1990	2000/1995	2001/2000	2002/2001	2003/2002	2004/2003
1-Agricultural Products	7,6	-3,1	12,8	-6,8	29,7	23,3
i-Food	9,2	-3,3	12,8	-8,2	29,1	24,1
ii-Agricultural Raw Materials	-4,0	-0,2	12,5	9,1	36,0	16,6
2-Mining Products	2,9	3,1	6,8	21,1	34,3	42,8
3-Manufactures	16,6	8,3	13,0	18,0	30,7	34,8
i-Iron and Steel	6,5	-1,1	34,0	13,2	18,1	78,7
ii-Chemicals	3,8	7,9	10,0	11,4	24,3	35,4
iii-Other Semi manufactures	23,3	11,3	15,1	19,6	32,0	32,3
iv-Machinery and Transport Equip.	36,3	27,7	24,6	20,7	43,3	47,7
v-Textiles	15,2	9,3	6,4	8,2	23,3	22,1

vi-Clothing	16,8	1,5	1,1	21,5	23,1	12,3
vii-Other Consumer Goods	36,5	17,2	10,5	27,4	45,6	32,6
4-Other Products	40,0	64,0	41,3	149,4	76,0	-27,0
TOTAL	13,4	5,7	12,8	15,1	31,0	33,6

Table 3

Sectoral Share of Turkey's Exports by WTO Definition (%)							
	1990	1995	2000	2001	2002	2003	2004
1-Agricultural Products	25,5	21,1	13,9	13,9	11,2	11,1	10,3
i-Food	22,4	19,6	12,8	12,8	10,2	10,0	9,3
ii-Agricultural Raw Materials	3,0	1,5	1,1	1,1	1,1	1,1	1,0
2-Mining Products	6,8	4,6	4,2	3,9	4,2	4,3	4,6
3-Manufactures	67,7	74,2	81,7	81,9	84,0	83,8	84,7
i-Iron and Steel	11,5	9,1	6,7	8,0	7,9	7,1	9,5
ii-Chemicals	5,8	4,1	4,5	4,4	4,2	4,0	4,1
iii-Other Semi manufactures	5,2	6,7	8,2	8,4	8,7	8,8	8,7
iv-Machinery and Transport Equip.	6,6	11,1	20,7	22,8	23,9	26,2	29,0
v-Textiles	11,1	11,7	13,3	12,6	11,8	11,1	10,2
vi-Clothing	25,7	28,3	23,7	21,3	22,4	21,1	17,8
vii-Other Consumer Goods	1,9	3,2	4,6	4,5	5,0	5,5	5,5
4-Other Products	0,0	0,1	0,2	0,3	0,6	0,8	0,5
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0

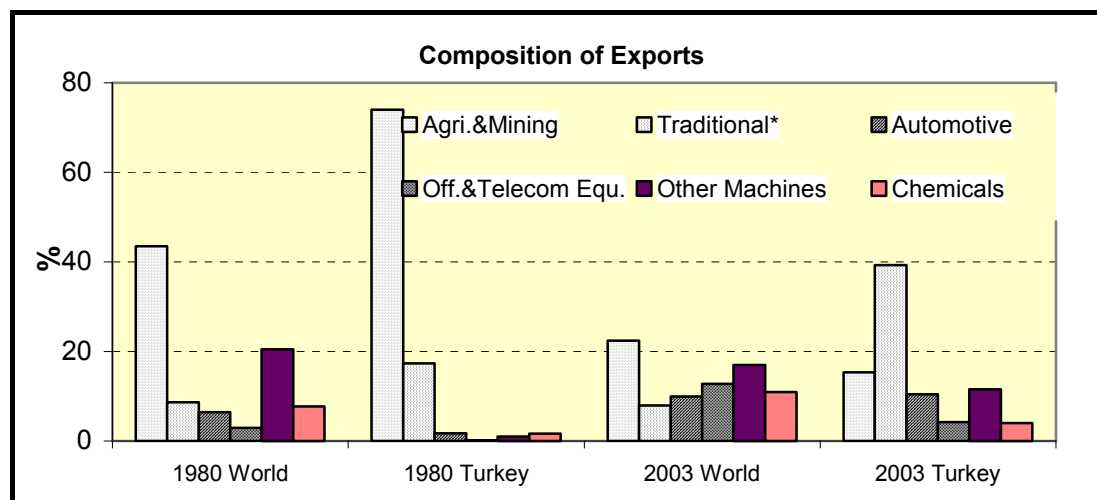
When exports by main sectors are examined there seems to be a steady decrease in the share of exports of agricultural products: their share in total exports decreased from 25.5% in 1990 to 10.3% in 2004. Exports of agricultural products decreased on average by 3.1 percent annually between 1995 and 2000 but showed a good performance especially in 2003 and 2004, with increase rates of 29.7% and 23.3% respectively. But as the increase in agricultural products exports was lower than increase of total exports, the share of agricultural products continued to decline. While the value of exports of mining products has increased from US\$ 876 million in 1990 to US\$ 2.9 billion in 2004, the share of these products in total exports decreased from 6.8% to 4.6%. This share has however shown a slight improvement in the last years.

Manufactured products increased their share in total exports from 67.7% in 1990 to 84.7% in 2004. These exports increased by 16.6 % annually between 1990 and 1995, slowing down to a 8.3% annual increase between 1995 and 2000. But after that, the annual growth rate reached 30.7% in 2003 and 34.8% in 2004.

The machinery and transport equipment sector had the largest share in exports in 2003 and 2004: 29% - up from 6.6% in 1990. Clothing exports made up 28.3% of total exports in 1995 but their share decreased to 17.8% in 2004.

The graph below compares the export structure of Turkey with the world trade structure over time. In 1980 Turkey's share of agricultural and mining products in exports was higher than that of the world as a whole, but it fell below the world level in 2003. In 1980, the share of the exports of the traditional industrial sectors (clothing, textiles, iron and steel) was higher in Turkey, but in 2003 the share of these exports, which had stayed almost constant in world

exports, had risen enormously in Turkey. (Within this sector, the share of clothing has decreased while the share of iron and non-ferrous metals has increased).



Turkey however also performed well in the office and telecom equipment, automotive industry and other machinery exports during this period and the share of these sectors in Turkey's exports has increased considerably. The share of the automotive industry has risen from 1.74% in 1980 to 10.43% in 2003 and thus exceeded the sector's share in world trade. While office and telecom equipment exports of Turkey were nearly non-existent in 1980, they reached a 4.2% share in 2003. Similar developments have occurred in chemicals exports. Other machinery exports have increased their share from 1% to 11.6% between 1980-2003 and the share of this sector has approached its share in world trade.

In addition to the above, the following significant developments can be identified:

- The number of exporters is increasing and now stands at 38.000
- Top ten exporting companies have become global brands and account for 21.4% of all exports
- Exports to neighbouring countries are increasing
- The share of forestry products is increasing
- Exports by foreign companies are increasing (30 % in 2004)

Table 4 shows the distribution of Turkish exports according to export markets. There are significant increases in almost every market. Germany is the leading country for exports for Turkey, second is the UK, third is the US, and fourth is Italy. Growth is concentrated in the UK, Italy, Spain, and Middle East countries. The largest country group is the EU with approximately 55% of total exports.

Table 4
Exports by Country Groups (US\$ million)

	2001	2002	2003	2004	% change 2003/2004
Total Exports	31334	36059	47 253	63 121	33.6
OECD Countries	20615	23533	30 422	40 332	32.5
- USA	3126	3356	3 752	4 827	28.6
EU	16118	18459	25 899	34 310	32.5
EU (10 new members)			1 415	1 852	30.9

	2001	2002	2003	2004	% change 2003/2004
EU (15 old members)			24 484	32 457	32.6
- Germany	5367	5869	7 485	8 725	16.6
- Italy	2342	2376	3 193	4 602	44.1
- UK	2175	3025	3 670	5 533	50.8
- France	1895	2134	2 826	3 662	29.6
- Netherlands	892	1055	1 526	2 130	39.6
- Spain	950	1125	1 789	2 606	45.7
- Belgium	688	693	886	1 178	33.0
- Greece	476	590	920	1 163	26.4
EFTA Countries	316	409	538	655	21.8
Other European Countries	2658	3447	4 857	6 572	35.3
Middle East Countries	3582	3576	5 132	7 238	43.8
- Iraq				1 808	
- Saudi Arabia	501	555	741	767	3.5
African Countries	1521	1697	2 131	2 952	38.5
CIS Countries	1978	2279	2 963	3 933	32.7

Source: IGEME, Export Promotion Centre Turkey

Main obstacles to increases in exports

Turkey's exports have developed considerably in the last 23 years and also went through a substantial change process both quantity and quality wise. However according to the strategy paper of DTM, it still faces some structural problems:

- Regional and industrial sector dependency.
- European Union member states have an unproportionally high share in total exports of Turkey, while the share of especially Asian countries is very small. Similarly, though their share is decreasing, textile and clothing have a very big share in total exports.
- Inability to conform to the world export trends.
- Instability in export development.
- While figures have been relatively stable during the last two years, fluctuations in the general economy have always made entrepreneurs hesitant in investing more in export efforts.

Other than these, the paper identifies the following areas for improvement:

- Efficient and effective promotion: the image of Turkish products should be improved.
- More support for improvements in logistics
- Improved incentive programmes for SME's
- Improved support for R&D activities

A. 2 Legal and incentive framework

Foreign Trade Capital Companies

An important issue in the area of foreign trade is the introduction of new company models, creating a legal environment and organizational basis which enhances competitive strength of firms.

The first step in this direction was the decision regarding Foreign Trade Capital Companies (FTCCs), introduced in 1984. The main aim of this regulation was to encourage large firms to co-operate in the area of exports. This helped various companies to do superior marketing and promotion in the world markets. The firms developed into highly professionalized firms which led the export boom in the 80's and served as institutions of education and training for future foreign trade executive staffs. Today, 46 highly organized and professional 46 FTCCs are operating in Turkey.

Sectoral Foreign Trade Companies

In the 90's, attention focused on small and medium sized Enterprises (SMEs). The flexibility and innovative capacity of these firms offered competitive advantages in the context of the global challenge. Nearly 99% percent of industrial companies in Turkey are SMEs. They account for 53 % of employment and 38 % of GNP. These firms respond quickly to structural changes and adapt easily to changing demand.

In order to orientate these firms toward global markets, DTM created a system known as Sectoral Foreign Trade Companies (SFTC). This organizational structure encourages SMEs in their ambition to open to the outside markets and engage in foreign trade activities. The main element of this new model is to create a framework in which certain numbers of SMEs come together and form a new joint company. Legislation for SFTCs was put into effect in December 1996.

Under current legislation; each company's share is limited to 10 percent of the total capital of SFTC. Founders may be granted the status of STFC for if they fulfill the following requirements:

- US\$ 360,000 initial capital;
- No more than 250 staff;
- Companies must be in the same sector;
- At least 10 partners as founders.

For Turkey's developing regions, the share of each company is limited to 20 percent. SFTC status can in this case be obtained if the founders fulfill the requirements below;

- USD 180,000 initial capital;
- No more than 200 staff;
- At least five partners as founders.

Today, 21 SFTCs are operational.

SFTCs are supported by means of state incentives between 50-75 % - see Table 5.

A.3 Role of support institutions

Export Promotion Centre

The institution in charge of export promotion within DTM Trade is the Export Promotion Centre (IGEME). IGEME is the only public organization in export development. In line with its objective, IGEME acts as an intermediary in establishing business contacts between foreign importers and Turkish exporters. Thus, it provides two-way service, informing Turkish

businessmen and furnishing foreign importers with information on economic conditions, market prospects, exporters and regulations in Turkey. IGEME performs this function in a series of activities which can be categorized in five main areas:

- Research and development
- Training
- Trade information
- Publicity and promotion

With the aim of providing faster services to exporters and catering better for regional needs and requirements, IGEME has branch offices in Istanbul and Izmir. The first overseas office of the Centre, the Turkish Trade Promotion Office (TTPO) was opened in Rotterdam, The Netherlands, in 1988. The second office was opened in the Turkish Republic of Northern Cyprus in 1996.

Exporters' Unions

The Exporters' Unions undertake the following tasks and functions:

- To establish and preserve the traditional principles and values of the related sectors and to establish collaboration and solidarity among the members,
- To work for the development of the exports, contributing to Turkey's overall development,
- To make studies with the aim of harmonizing Turkey's production and export potential, in line with the requirements of the importing countries with regard to the types, qualities and quantities of the exportable items,
- To do research, to organize courses and seminars, and to provide similar services to its members in order to promote and increase their exports,
- To help the members in their disputes with importers, to help protecting the rights of the members when it is proven that the exporter has suffered losses due to the fault or fraud of the importer,
- To establish and develop relations with international organizations, to protect the interests of the members and the country as a whole,
- To establish branches in the foreign countries in order to realize the tasks and functions mentioned,
- To buy, sell and hire real estate needed by members,
- To establish and/or buy shares in other institutions like laboratories, research centres etc. meeting the common needs of the members,
- To organize exhibitions, to participate in fairs and exhibitions, to prepare and launch publicity and promotional activities, to develop common sales contracts,
- To perform other duties given by the Prime Ministry's Undersecretariat for Treasury and Foreign Trade.

There are 13 regional Exporters' Unions, covering all areas of Turkey.

Foreign Economic Relations Board

The Foreign Economic Relations Board (DEIK) is a non-profit, private sector organization established in 1986 by the nine principal private sector institutions in Turkey. The wide constituencies of its founding institutions enable DEIK to have broad access to the Turkish corporate sector. The objective of DEIK is to contribute to the efforts for improving Turkey's external economic relations through business councils. Bilateral business councils operating under the umbrella of DEIK are established by the interested Turkish companies and a cooperation agreement is signed with foreign counterparts for the purpose of promoting business relations more effectively. A structured bilateral business council ensures an

effective follow-up mechanism and enables a continuous flow of information to member companies on trade and industrial cooperation opportunities. The primary objectives of business councils are:

- To encourage business development, to improve the conditions for bilateral trade and industrial cooperation and to identify multilateral collaboration opportunities in third countries.
- To provide a forum for new avenues and forms of bilateral /multilateral cooperation and for policy recommendations to strengthen Turkey's relations with the relevant country. To coordinate joint efforts to collect, combine, analyze, evaluate and disseminate information relating to trade, investment, industrial and technological cooperation.

KOSGEB

KOSGEB is a non-profit, semi-autonomous organization responsible for the development of SMEs in Turkey. KOSGEB's Board has more than forty members, half of them from the Government and half of them from private sector organizations. KOSGEB's mission is:

- To develop and support mechanisms which increase SMEs' competitive capacity both in national and international markets;
- To disseminate appropriate information to SMEs;
- To help create new job opportunities and technology oriented, high value added production fields;
- To encourage entrepreneurship and to realize the abovementioned activities in accordance with determined programme targets and planned priorities;

KOSGEB is particularly responsible for:

- Providing qualified and rapid services to SMEs to help them produce cheap, high quality and advanced products;
- Eliminating all obstacles that SMEs might confront while competing in the domestic and foreign markets.

In order to accomplish its objectives KOSGEB has assumed responsibility for the following:

- Developing SMEs' technological skills;
- Improving their training and access to information;
- Providing appropriate financial mechanisms;
- Improving their management.

Incentives

Incentive schemes provided by Undersecretariat for Treasury and Foreign Trade and KOSGEB are shown in Table 5 and 6.

Table 5**Incentives provided by the Undersecretariat for Treasury and Foreign Trade (US\$)**

TYPE OF ACTIVITY	TYPE OF BENEFICIARY		
	Export associations	Producer's guilds, societies and SFTC's	Individual companies & designers
Branding and promotion: use of "Turquality" mark.			
Advertising, promotion, marketing, market research and strategic business consultancy expenditures	80%, max: US\$ 350,000	%50 max: US\$ 100,000	50% max: US\$ 300,000
Brand registration			50% max: US\$ 50,000
Office or shop rent expenditures			50% max: US\$ 300,000
Corner rent expenditures in shopping malls			50% max: US\$ 200,000
Showroom rent expenditures			50% max: US\$ 200,000
Quality certification expenditures			50% max: US\$ 50,000
Franchise decoration expenditures			50% max: US\$ 50,000
Research and development			
Capital support (max. 2 years)		50% max: US\$ 1.000.000	60% max: US\$ 1,000,000
Strategic focus (max. 1 year)		% 50 max: US\$ 100,000	60% max: US\$ 100,000
Participation in international fairs			
		75% max: US\$ 10,000 -15,000	65% max: US\$ 10,000 - 15,000
Incentives for the international fairs organised in Turkey			
Promotional activities abroad			50% max US\$ 25,000
Transportation costs of important buyers from abroad			50% max US\$ 15,000
Organisation costs for seminars, conferences, and competitions related with the subject the fair.			50% max US\$5.000
Environmental costs			

ISO 9000, ISO14000, CE documentation costs			50%
Market Research			
	US\$ 50,000 per year	US\$ 50,000 per year	US\$ 75,000 per SME
	US\$ 10,000 per project	US\$ 10,000 per project	US\$ 15,000 per year
			US\$ 7,500 per project
Training			
Home (max 3 programmes)		75% max US\$ 15,000	50% max US\$ 5,000
Abroad (max 3 programmes)		75% max US\$ 7,500	50% max US\$ 7,500
Employment			
Manager		75% max US\$ 18,000	
Staff		75% max US\$ 9,000	
Opening up an office, shop, depot abroad and brand promotion activities.			
Furniture and fixtures (once only)		50 Max: US\$ 1,000,000 for number of members above 251	50% max US\$ 20,000
Rent			30% max US\$ 50,000
Advertising expenditures			30% max US\$ 30,000

Table 6**SME incentives provided by KOSGEB (Turkish lira)**

TYPE OF ACTIVITY	Support conditions	TYPE OF ACTIVITY	Support conditions	
Machinery and equipment support for joint use Leasing without payback	50% Max 150,000 YTL	Employment of qualified personnel Employment of university graduates (all areas)	Max 1,000 YTL/month	
	Developed areas		Max 700 YTL/Month	
	60 % Max 150.000 YTL	Employment of vocational high school graduates (only in priority development areas)		
	Conventional areas			
	70 % Max 150,000 YTL	KOSGEB consultancy services support	Developed areas	60% Max 15,000 YTL
	Priority development areas		Conventional areas	70% Max 15,000 YTL
With payback in three years	Priority development areas		80% Max 15,000 YTL	
60% Max 500,000 YTL	Testing, analysis and calibration support	Developed areas	50% Max 10,000 YTL	
Developed areas		Conventional areas	60% Max 10,000 YTL	
70% Max 500,000 YTL		Priority development areas	70% Max 10,000 YTL	
80% Max 500,000 YTL	Testing and analysis support for CE marking	Developed areas	50% Max 20,000 YTL	
Priority development areas		Conventional areas	60% Max 20,000 YTL	
		Priority development areas	70% Max 20,000 YTL	
New entrepreneur support	100% Max 4,000 YTL	General training programmes by KOSGEB	Developed areas	80%
	Business set up support all areas		Conventional areas	90%
	Permanent investment support		Priority development areas	100%
	50% Max 10,000 YTL	Protection of industrial property support	Domestic	70% Max 6,000
	Developed areas		International	70% Max 10,000
	60% Max 10,000 YTL			
70% Max 10,000 YTL				
70% Max 40,000 YTL				
80% Max 40,000 YTL				
90% Max 40,000 YTL				
50% Max 8,000 YTL				
Computer Software Support				
Support for e-commerce orientation				

National e-commerce portals	50% Max 2,000 YTL
International e-commerce portals	50% Max 4,000 YTL
Business development centre support	
Developed areas	60% Max 50,000 YTL
Conventional areas	70% Max 50,000 YTL
Priority development areas	80% Max 50,000 YTL
Local feasibility study support (For chambers, associations, societies and the like)	
Developed areas	60% Max 15,000 YTL
Conventional areas	70% Max 15,000 YTL
Priority development areas	80% Max 15,000 YTL
Young entrepreneur development programme	
	Free training Seminars
Infrastructure and superstructure implementation project support	
Priority development areas	50% Max 10,000 YTL

Special training support	
Developed areas	60% Max 6,000 YTL
Conventional areas	70% Max 6,000 YTL
Priority development areas	80% Max 6,000 YTL
Participation in domestic industrial fairs	
	60% Max 1,440 YTL
Participation in international industrial fairs	
	Max 9,000 YTL
Promotion support	
Brochure	Max 3,000 YTL
CD	Max 6,500 YTL
Web site	Max 500 YTL
	Total Max :10,000 YTL
Branding support	
Brand registration, advertising in sector magazines, advertising in airline magazines, advertising on billboards in airports.	Max :10,000 each, total max: 20,000 YTL

A. 4 Main obstacles to the creation of export consortia and proposals for improvement

- SMEs are usually not willing to cooperate with large companies and public institutions.

Solution: Balance the company sizes in consortia, and if it is necessary to involve large size companies then give these companies relatively higher responsibilities, apply higher fees, use them as locomotives in some activities.

- SMEs are not willing to participate in programmes where they have to pay fees, and it is not always possible to find a support mechanism.

Solution: Find national and/or international support funds to initiate the mechanism, and always issue at least a minimum fee level. SMEs are more committed when they pay for the services, but the level should be appropriate to the sector and size of the company and a supporting fund does help.

- State organizations are not aware of such programmes.

Solution: Training and awareness programmes should be planned targeting the different state organizations which will be involved in the support mechanism and strategic decision level.

- There is rivalry and competition between the companies and usually it is very difficult to convince them to share information and act together.

Solution: Disseminate best practices, concentrate initially on mutually agreed activities. Start partnerships with similar international consortia, exchange information and know how, and organize study tours.

- Long term objectives cannot be visualized by the companies and short term objectives are sometimes difficult to achieve; therefore initiatives lose momentum and companies drop out of the programmes.

Solution: Place activities which can bring successful results to short term, be clear and easily understandable with activities and targets

- Experienced consortium agents are difficult to find.

Solution: Launch special cluster/consortium development agent training programmes run by experienced local experts together with international experts.

NO	NAME	CITY	NUMBER OF PARTNERS	SECTOR	EXPORT MARKETS	PROMOTION /SALES	NO. OF STAFF	EXPORTS IN 2004 (US\$)
1	GBS	GAZİANTEP	15	COTTON YARN-TEXTILE & INTEGRATED INDUSTRIES	Middle East, Uzbekistan, Greece and Ukraine	Sales	7	5,384,618
2	UFE	ANTALYA	20	CUT FLOWERS	EU (mainly England and Belgium) and Russia and former Soviet republics	Sales	2	2.574.484
3	ÇİÇEKÇİLER BİRLİĞİ	ANTALYA	21	CUT FLOWERS				1,484,430
4	OSP	ANKARA	21	HEAVY INDUSTRIAL MACHINERY AND MACHINE TOOLS				819,180
5	KSP	KONYA	12	AUTOMATIVE & MACHINERY				233,034
6	ÇORUM YUMURTA	ÇORUM	163	AGRICULTURAL PRODUCTS				433,367
7	ASD	İSTANBUL	58	SHOE INDUSTRY	Germany and France	Promotion and sales	7	16,461,987
8	GENESIS	ÇORUM	5	CONSTRUCTION MATERIALS				2,451,474
9	ELİT	MARDİN	6	TEXTILE, FORESTRY/AGRICULTURAL PRODUCTS, OIL PRODUCTS, INTERNATIONAL TRANSPORT				7,293,619
10	BİG	İZMİR	48	FOOD	EU and former CIS countries and USA	Sales	1	155,331
11	MALATYA	MALATYA	13	CONSTRUCTION, TOURISM, FOOD, ARCHITECTURE, OIL, FURNITURE, TRANSPORTATION				0

12	DFT	DIYARBAKIR	6	MARBLE, RUG, STEEL-DOOR, GREENHOUSE PRODUCTS , TEXTILE	EU countries	Sales	3	522,000
13	İSTANBUL DIŐ TİCARET	İSTANBUL	48	COTTON YARN-TEXTILE & INTEGRATED INDUSTRIES	EU countries	Sales	4	23,302,727
14	CENK TEKSTİL	İSTANBUL	19	COTTON YARN-TEXTILE & INTEGRATED INDUSTRIES	EU countries especially Germany	Sales	12	2,529,461
15	ETİK	İSTANBUL	19	COTTON YARN-TEXTILE & INTEGRATED INDUSTRIES	EU countries	Sales	3	20,543
16	KOBİSAD	İSTANBUL	12	COTTON YARN-TEXTILE & INTEGRATED INDUSTRIES				8,384,000
17	BİSAD-SARKO	İSTANBUL	10	COTTON YARN-TEXTILE & INTEGRATED INDUSTRIES	EU countries	Sales	19	0
18	İLERİ GİYİM	İSTANBUL	16	COTTON YARN-TEXTILE & INTEGRATED INDUSTRIES	EU countries especially the UK	Sales	4	636,217
19	BTD	ANKARA	11	FURNITURE	EU countries	Sales	3	40,000
20	AKVATÜRK	İZMİR	15	FISHERY	Italy	Promotion and sales	4	0

The Ex-Point Programme of ABIGEM (EU-Turkey Business Centre)

Developed and launched in 2003 by ABIGEM Izmir and by ABIGEM Gaziantep, this is a special programme targeting SMEs in industrial regions of Turkey. Five SMEs from the same industry are grouped as an export consortium and an expert with sector and export experience is assigned to each group. The expert works as an export manager one day in each company and establishes its export department, helping the enterprise with:

- Electronic marketing;
- Quality certification (HACCP, ISO 9000, CE marking, etc.);
- Web design, brochure design;
- Pricing;
- Market research;
- Participation in fairs and exhibitions;
- Product specifications in line with export needs;
- Identifying prospect clients;
- Export logistics.

Seven groups with a total of 35 companies are working in the Izmir region under this programme. Seven experts serve these companies, reporting to a manager in the ABIGEM office. These experts continuously participate in the ABIGEM training programmes for personal development in different fields. Funded by ABIGEM, experts visit international fairs and exhibitions to meet companies, represent their ex-point clients, and transfer know-how and relationship information back to the enterprises. Each company pays € 150 /month for this service. ABIGEM subsidizes the monthly fees of the experts (approximately € 1.100/month). It also organizes free monthly training for all companies on topics such as:

- Industrial design;
- Packaging design;
- Competition law;
- Export marketing;
- Costing and pricing;
- CE marking/ISO 9000/HACCP;
- Brand development.

ABIGEM offers 50% discount to Ex-Point companies for services like:

- Finance management;
- Human resources management;
- Marketing;
- Strategic planning;

Finally, ABIGEM organizes sector specific or multi-sector business missions to target countries in the EU. These missions are generally centered around Ex-Point companies and are successful in penetrating the markets.

Table 8 presents an overview of the consortia.

SECTOR	EXPORT MARKETS	PROMOTION/ SALES	NO. OF STAFF	OTHER ACHIEVEMENTS	EXPORTS IN 2004 (€)
Furniture and decoration	Greece, Hungary	Promotion / Sales	1	Trade fair participations	30,000

Food	France, Germany	Promotion / Sales	1	ISO, HACCP, quality assurance systems	450,000
Auto parts	UK, Germany, Iraq, USA, Netherlands	Promotion / Sales	1	Qualified suppliers for Daimler Chrysler, Electrolux, JCB etc	850,000
Chemicals and packaging	Austria	Promotion / Sales	1	Joint business initiatives in target markets	25,000
Medical	South Africa	Promotion / Sales	1	Joint business initiatives in target markets	50,000
Machinery	Syria, Bulgaria, Greece, Saudi Arabia, Rumania	Promotion / Sales	1	Industrial design projects, ISO system	800,000
Textiles and accessories	Greece, Egypt, Lebanon, Hungary	Promotion / Sales	1	Trade fair participations	150,000
TOTAL					2,355,000