



**General Outlook on Turkish Small & Medium Enterprises**

**FINANCIAL & NON-FINANCIAL SERVICES  
for SME's In TURKEY**

**Prepared for**

**2nd International Occupational Health & Safety Regional Conference**

**“Occupational Health & Safety in Small & Medium Size Enterprises (SMEs)”**

**9-11 October 2002**

**ANKARA**

**Mehmet Atilla SÖĞÜT**

**Counselor to The President of KOSGEB**

## Civilian Employment Status in 2000

| <b>Employment Status</b>           | Employment<br>( X 1000) | %    |
|------------------------------------|-------------------------|------|
| <b>Paid Workers</b>                | 10.198                  | 49.5 |
| <b>Self Employed and Employers</b> | 6.138                   | 29.8 |
| <b>Unpaid Family Workers</b>       | 4.243                   | 20.7 |
| <b>Total</b>                       | 20,597                  | 100  |
| <b>Total Population</b>            | 67.845                  |      |

## Civilian Employment By Sector in 2000

| Civilian Employment By Sector | Employment<br>( X 1000) | %   |
|-------------------------------|-------------------------|-----|
| Agriculture                   | 7.103                   | 34  |
| Industry                      | 3.738                   | 17  |
| Services                      | 9.738                   | 44  |
| Construction                  | 1.313                   | 5   |
| Total                         | 20,597                  | 100 |
| Total Population              | 67.845                  |     |

**Table 1 : Enterprises of Industry Sector in Turkey and Employees Thereto**

| <b>SIZE CATEGORIES</b>   |                | <b>ENTERPRISES</b> |               | <b>EMPLOYMENT</b> |               |
|--------------------------|----------------|--------------------|---------------|-------------------|---------------|
| <b>Number of Workers</b> |                | <b>Number of</b>   | <b>% of</b>   | <b>Number of</b>  | <b>% of</b>   |
|                          | <b>1 - 9</b>   | <b>188 138</b>     |               | <b>508 759</b>    |               |
|                          | <b>10-49</b>   | <b>6 914</b>       |               | <b>160 376</b>    |               |
| <b>Small</b>             | <b>1-49</b>    | <b>195 052</b>     | <b>98.4</b>   | <b>669 135</b>    | <b>46.3</b>   |
| <b>Medium</b>            | <b>50 -199</b> | <b>2 245</b>       | <b>1.1</b>    | <b>217 429</b>    | <b>15.1</b>   |
| <b>Small+Medium</b>      | <b>1-199</b>   | <b>197 297</b>     | <b>99.5</b>   | <b>886 564</b>    | <b>61.4</b>   |
| <b>Large</b>             | <b>200 +</b>   | <b>967</b>         | <b>0.5</b>    | <b>559 108</b>    | <b>38.6</b>   |
| <b>TOTAL</b>             |                | <b>198 264</b>     | <b>100.00</b> | <b>1 574 005</b>  | <b>100.00</b> |

**Small and Medium Industrial Enterprises are predominant in Turkey , account for 99.5 % of overall manufacturing industry and 61.4 % of total employees**

## Table 2: Sectoral Distribution of Firms In Manufacturing Industry\*

| SECTORS                             | Number of Enterprises | %             | Number of Employment | %             |
|-------------------------------------|-----------------------|---------------|----------------------|---------------|
| Food, Beverages & Tobacco           | 22 255                | 11.25         | 258 777              | 16.91         |
| Textile,Wearing , Apparel & Leather | 57 220                | 28.93         | 440 046              | 28.75         |
| Wood Products including Furniture   | 43 794                | 22.14         | 137 036              | 8.95          |
| Paper                               | 6 737                 | 3.41          | 54 252               | 3.54          |
| Chemicals                           | 5 754                 | 2.91          | 114 055              | 7.45          |
| Non Metallic Mineral Products       | 7 413                 | 3.75          | 92 193               | 6.02          |
| Basic Metal Industry                | 2 210                 | 1.12          | 77 501               | 5.06          |
| Fabricated Metal Products           | 49 249                | 24.90         | 342 731              | 22.39         |
| Other Manufacturing Industry        | 3 143                 | 1.59          | 14 154               | 0.92          |
| <b>TOTAL</b>                        | <b>197 775</b>        | <b>100.00</b> | <b>1 530 745</b>     | <b>100.00</b> |

## **ORGANIZATIONAL FEATURES : ORGANIZATIONS of SME's**



### **TESK (Turkish Tradesmen and Craftsmen Confederation)**

**with 2 Million registered members**

**is the most important establishment binding together the small enterprises.**

**These unions act to promote a variety of interests of its members as pressure groups. They are instrumental in setting up cooperatives for building industrial estates. In some instances they are involved in training their members. The unions are organized at the regional level in regional associations, which represent all crafts and professions, and act as channels of communication. At the national level, all the regional associations form TESK.**

**Federations of TESK related with Manufacturing industry are ;**

- Metal Works Artisan Federation (Foundry works, Machining, Metal works.)**
- Electricity and Electronics Technicians Tradesman and Craftsman Federation**
- Wood Craft Artisans Federation**



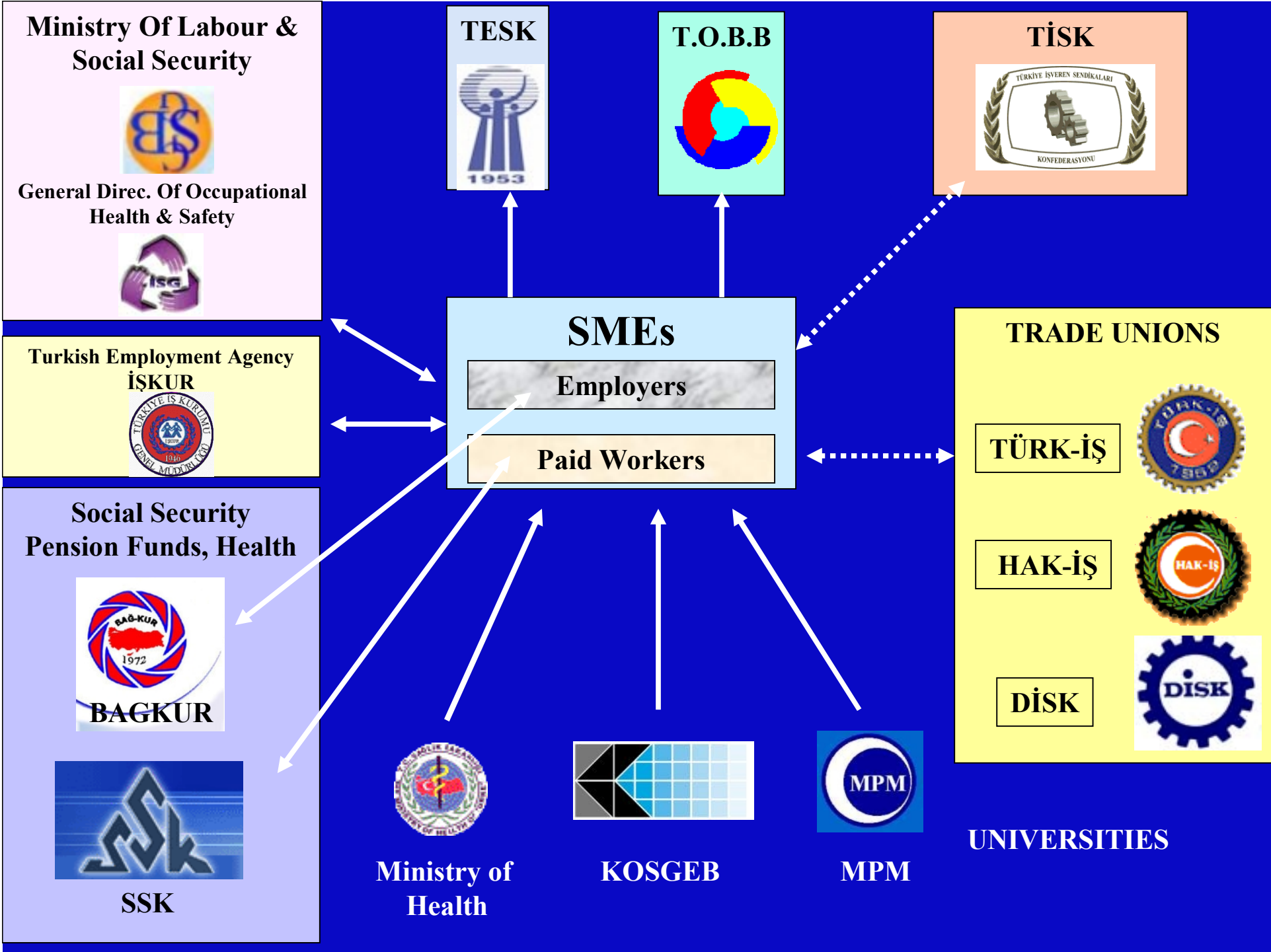
## **TOBB (Turkish Union of Chambers and Commodity Exchanges)**

**TOBB covers medium and large industrialists and small and medium enterprises and this union accommodates 700.000 members.**

**TOBB and Chambers and Commodity Exchanges under the organization of TOBB are professional associations which qualify as public utility organizations.**

**Table 3: Total Number of Chambers and Commodity Exchanges**

|   |            |
|---|------------|
| <b>Chamber of Commerce &amp; Industry</b> | <b>161</b> |
| <b>Chamber of Commerce</b>                | <b>65</b>  |
| <b>Chamber of Industry</b>                | <b>11</b>  |
| <b>Chamber of Marine Trade</b>            | <b>2</b>   |
| <b>Commodity Exchanges</b>                | <b>86</b>  |
| <b>TOTAL</b>                              | <b>325</b> |



### Investment Aids

**Treasury**  
Investment Aids,  
Technopark Aids,  
Environmental Inv

**FTU Foreign Trade Undersec**  
R&D Investments  
Environmental Costs

**KOSGEB**  
Workshops Aids  
Laboratories

### Research & Development Aids

**TUBITAK**  
Industrial design &  
Product Development,  
Project Aids

**TTGV**  
Product development &  
Capital Aids for Strategic projects

**KOSGEB**  
Technology Centers,  
R&D Aids

### Training & Employment Aids

**FTU** Foreign Trade Undersecret

**KOSGEB IGEME**  
Training & Consulting  
Aids, Qualified New  
Personnel Employment

**KOSGEB**  
Training & Consulting Aids  
ISO 9000

### Export Promotion Aids

**FTU** Foreign Trade Undersecret

Participation in International Fairs,  
Market Research Aids,  
Open Stores Abroad.

**Patent Institute**  
Patent, Usable Model Aids

**KOSGEB**  
Participation in Fairs &  
Business trips.

### Artisans & Tradesman Guarantee Cooperatives

28 Union, 869 Cooperatives, 822.148 Members  
Credit Guarantee Capacity : \$ 1.000.000.000

### Credit Garanti Fund JSC.

Application : 1028, Approved : 612  
Credit Garanti Capacity : DM 45.500.000

### Venture Capital , Vakif Risk JSC.

**Investment Finance Companies**  
SME Investment JSC.

### Leasing

% 1 VAT (Advantage in Investment)

Factoring , Barter, Forfaiting, others

### Eximbank

Export Credits Prior to Shipment  
( S.M.E, Dev. Regions ( T.L.D.M. \$ ) )  
Performance Credits,  
Opening Stores Abroad,  
Discount Programs

**Private  
BANKS**

### Ministry of Finance

Tax exemptions & Postpones

Investment with Incentive Certificates

Investments in Dev. in Priority Region

### HALKBANK Credits

SME Operating & Investment ,  
Cooperative , High Technology ,  
VAT Credits for  
Local Machinery & Equipment,  
Environmental Investment ,  
Investment in Turkish Republic,  
Employment Creation,  
Young & women Entrepreneurs

**SME Investment Fund Credits**

### Turkish Development Bank

Investment Credit for Medium Sized Firms



**Investment Aids  
Entrepreneurship Development**

**Entrepreneurship  
Development  
Institute**  
\*Training,  
\*Business plan,  
\*Seed capital

**Regional Development  
Institute**  
\*Support for Investment  
\*Consultancy, Information,  
\*Feasibility,  
\*Common facility Workshop Aids

**Research & Technology  
Development Aids**

**Technology Development Centers**  
METU,  
ITU,  
Ankara,  
Bosphorus,  
Black Sea,  
Yildiz Universities  
Research & Development aids  
Incubation facilities, Office, secretary  
**Technology Development Centers  
without Doors**  
Research & Development Aids

**Research & Development Aids  
together with  
TUBITAK**

**Consulting , Training ,  
Lab. Testing  
& Employment Aids**

**KUGEM**  
**Small Industry Development Centers**  
**29 Center**  
Training & Consulting Aids  
ISO 9000, information,  
  
Training Aids  
Qualified New Personnel  
Employment Aids

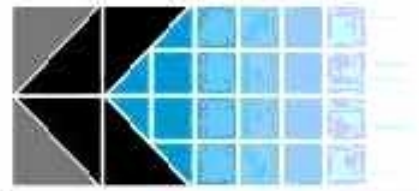
**Export Promotion Aids**

**Export Promotion &  
Market Research  
Institute**  
Participation in  
International Fairs,  
Market Resarch Aids,  
Business Trips

**FORUM JSC.**  
**Fair Organization**  
**( 20 % Share)**

**Investment Finance Companies**  
**SME INVESTMENT JSC.( % 9.4 Share )**

**KOSGEB**  
**Small & Medium Industries  
Development & Support  
Administration**



**Information**  
**KOSGEB Information Centre**  
  
  
 **Euro Info Centre**  
  
 **BC-NET**  
  
 **BRE**

**Investment Finance Companies  
Model of KOSGEB**  
**Target : SME Market  
in  
Istanbul Stok Exchange**



**Credit Guarantee Fund .JSC**  
( 20 % share)  
**KOSGEB Funds**  
1. Fund : 3.500.000 DM  
Teknoloji Fund : 1.250.000 DM



**VENTURE CAPITAL COMPANIES**  
**KOSGEB MODEL is Developing**

Training Services are being organized for the  
**Turkish SME owners**, **workers** and **entrepreneurs**  
in  
KOSGEB **Small Industry Development Centers**  
and  
**Technology Development Centers**  
which have the necessary training infrastructure.

KOSGEB contributes to the occupational Health and Safety  
Activities in Turkey by offering training services.

Within this framework in 2001;  
KOSGEB offered different training programs to 130 enterprises  
through our 10 Service Centers.

**During the activities organized by  
Ministry of Labour and Social Security of Turkey  
under  
Occupational Safety and Health Week  
on May 2002,**



**KOSGEB organized training programs  
to  
489 enterprises  
through our 13 Service Centers.**

# <http://atillasogut.8k.com>

Mehmet Atilla Sogut's homepage - KOSGEB Bilgi Sistemleri tarafından sağlanan Microsoft Internet Explorer

Dosya Düzen Görünüm Sık Kullanılanlar Araçlar Yardım

Geri İleri Dur Yenile Giriş Ara Sık Kullanıla... Ortam Geçmiş Posta Boyut Yazdır

Adres <http://atillasogut.8k.com/> Git

Bağlantılar Ortam Bağlantıları Özelleştir Windows Ücretsiz Hotmail Hakkabaz İnternet Rehberi Windows Media

Y! Customize Search WATERHOUSE Messenger Bookmarks My Yahoo! Yahoo! Finance Yahoo! Mail

## Welcome!

to Mehmet Atilla SÖĞÜT 's Homepage

[About me](#)

[Publications](#)

[Photos](#)

[What is new](#)

[Links](#)

[Mail](#)

[Home Page](#) 



**Experience in Promotion of SME's in Turkey.**

**TURKISH TOURISM , SME's & REGIONAL DEVELOPMENT , " The Role of SME's in Regional Tourism & Local Capacity Building " Meeting in Russian Federation , St.Petersburg , 18-20 November 1999 .** 

**Financial & Non-Financial Services for SME's in Turkey.**UNCTAD Meeting on "Expert Meeting on Sustainable Financial & Non-Financial Services for SME Development", 2-4 June 1999 , Geneva , Switzerland. 

**Experience in Promotion of SME's in Turkey**,"Southeast European Cooperative Initiative ( SECI ) Project , Group Meeting on "Financial Policies to Promote SME's " Conference , 24 April 1997. Bucharest . Romania. <http://www.unece.org/indust/sme/tr-studv.htm> 

Internet