

Talking Turkey

A major market in Asia minor

Cotgrave Place Golf Club
Stragglethorpe
Nottingham
NG12 3HB

Wednesday 23 April 2008
5.15 pm – 8.00 pm



BUSINESS OPPORTUNITIES IN TURKEY
by
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Why Turkey

- **Large, young population**

70.59 million projected to reach 90-95 million in 2050
mean age 28.3

age groups:	0-14	26.4%
	15-64	66.5%
	65+	7.1%

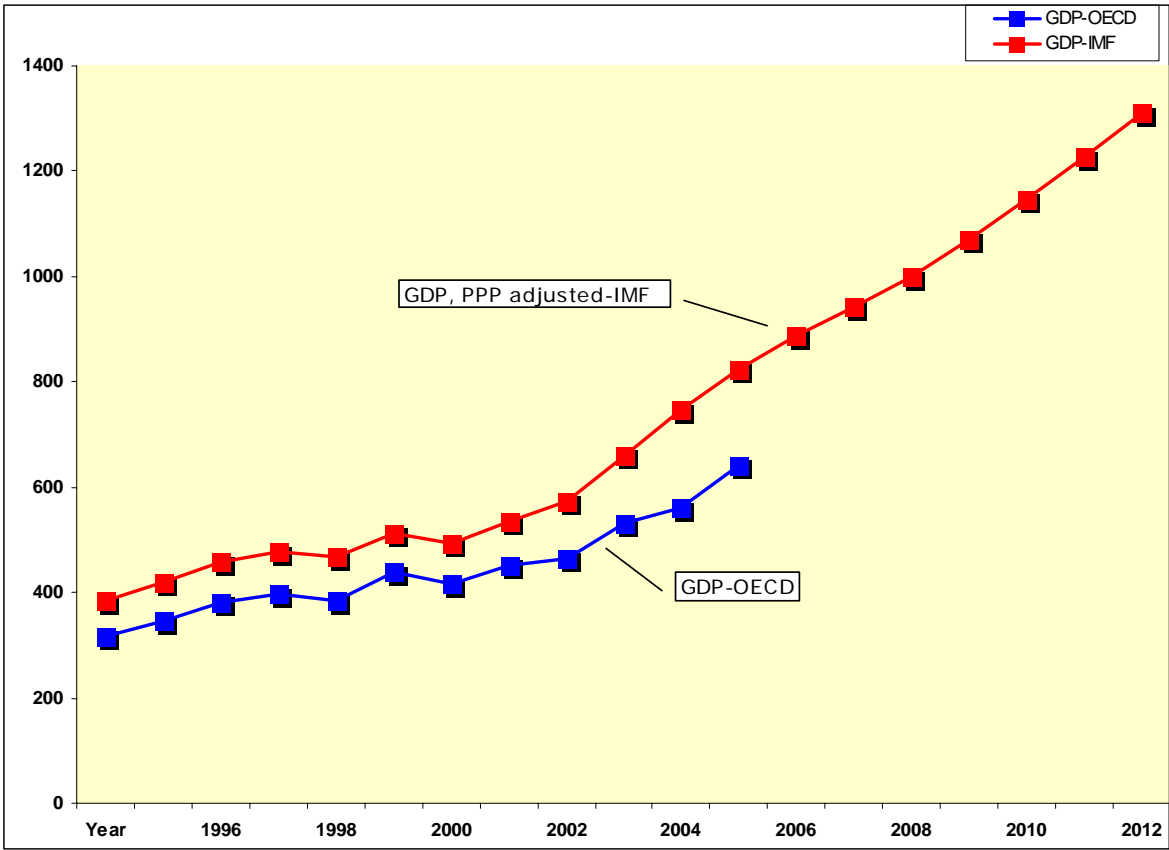
- **High rate of urbanisation**

49.75 million live in cities and towns and the number is growing

- **Economic growth**

	<u>2007</u>	<u>2013</u>
GDP :	US\$887.96 billion	US\$887.96 billion
Per capita :	US\$12,889	US\$17,768

GDP Growth



FOREIGN TRADE

Year	IMPORTS TO TURKEY			EXPORTS FROM TURKEY		
	Total	Total EU	Total UK	Total	Total EU	Total UK
1995	35,709	16,860	1,830	21,637	11,078	1,136
1996	43,627	23,138	2,510	23,224	11,548	1,261
1997	48,559	24,870	2,763	26,261	12,248	1,511
1998	45,921	24,075	2,683	26,974	13,498	1,740
1999	40,687	21,416	2,190	26,587	14,348	1,829
2000	54,503	26,610	2,683	27,775	14,510	2,037
2001	41,399	18,280	2,190	31,334	16,118	2,175
2002	51,554	23,321	2,748	36,059	18,459	3,024
2003	69,340	31,696	2,438	47,252	24,484	3,659
2004	97,362	45,434	4,317	63,075	34,417	5,540
2005	116,774	49,220	4,696	73,476	38,400	5,917
2006	139,577	59,401	5,138	85,535	47,935	6,814
2007	170,048	68,590	5,478	107,184	60,405	8,627
Units US\$ 1 million						

Distribution of Income

Quintile	TURKEY		URBAN		RURAL	
	2004	2005	2004	2005	2004	2005
1st (top income group)	46.2	44.4	46.1	43.5	43.9	44.2
2nd	21.9	22.6	21.4	22.6	22.7	22.6
3rd	15.2	15.8	15.2	16.0	15.8	15.9
4th	10.7	11.1	10.8	11.5	11.2	11.3
5th (lowest income group)	6.0	6.1	6.4	6.4	6.3	6.1
Total	100.0	100.0	100.0	100.0	100.0	100.0
Gini Coefficient	0.40	0.38	0.39	0.37	0.37	0.38
<i>Source: TUIK-TURKSTAT</i>						

How poor are the Turks...

Or...aren't they.....?

•No of households:	17.2 million X 20%	3.44 million
•GDP (PPP adjusted):	US\$887.96 billion X 40%	US\$355.18 billion
•GDP per household:	\$355.18 billion/3.44 million	US\$103,250
•Average no of household members:	4.1	14 million people

Demographics & Distribution of Income

- **Harvey Nichols / Saks Fifth Avenue**
- **Trump Real Estate - Donald Trump**
- **Starbucks - Gloria Jeans - Caffe Nero**
- **213 Porsche, 4,640 Mercedes, 28 Maserati, 29 Ferrari, 19 Bentley, 648 Alfa Romeo cars sold in 2007**
- **Corner shop to retail mall culture**
- **Brand awareness pays a premium**
- **Latest technology**
- **Credit card culture**

Opportunities for Business

General

- Not confined to a few sectors
- Collaboration with Turkish companies in ME and the Caucasus
- Outsourcing
- Younger generation - thirsty for branded and innovative goods
- Senior citizens - care and wellbeing

Sector specific

- | | |
|---------------|--------------------|
| • Environment | Airports |
| • Water | Telecommunications |
| • Ports | Financial Services |
| • Agriculture | Education & Skills |

Opportunities for Business

But do not overlook...

- **Automotive**
- **Oil & Gas - Power**
- **Textiles-technical or “smart” textiles**
- **Tourism industry**

Doing Business in Turkey

- **Get yourself a good distributor/agent**
- **Make sure you reach the decision maker at the top**
- **Handle problems promptly and properly - close knit business community means bad news travels fast**
- **The usual methods of payment are used**
- **In general, Turkish firms have a good payment record**
- **Credit checking facilities are available if needed**
- **Export credits / insurance is available**
- **Target the main cities first - Istanbul, Ankara, Izmir**

2008

Public holidays - Turkey

01 January	New Years Day
23 April	National Sovereignty and Children's Rights Day
19 May	Commemoration of Ataturk, Youth and Sports Day
30 August	Victory Day
29 September PM 30 September 01 October 02 October	Ramadan Feast
28 October PM 29 October	Republic Day
07 December PM 08 December 09 December 10 December 11 December	Sacrifice Feast (Kurban Bayram)

Business Customs

- **European business ethics and modern management practices**
- **Highly (often foreign) educated managers & an increasing skills base**
- **Increasing use of English for business, but fluency varies**
- **Turks will take the time to meet foreign business visitors and entertainment is part of the normal process**
- **Personal relationships are very important, always exchange pleasantries before getting down to business**
- **Accept the offer of a tea/coffee/water when you meet**
- **Be prepared to be invited out to dinner with your contact and maybe even to meet his family**

Could develop into sore spots...

- **Informality with client and staff**
- **Bad communications**
- **Customs**
- **Bureaucracy & corruption**
- **Lack of transparent regulations and information**
- **Lack of patience and persistence on your part**

Epilogue

- **We are no experts**
- **We DO know the experts**
- **Use us! The more enquiries we handle the more efficient we become**
- **We can help you**

THANK YOU

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