

THE EBRD IN TURKEY

Innovation, productivity and SMEs

2015-20

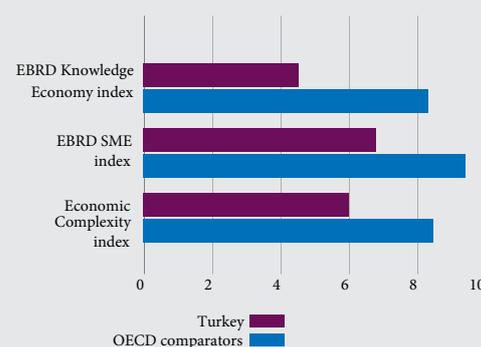
Related SDGs



SMEs play a substantial role in the Turkish economy, but remain relatively unproductive. Access to finance, limited skills and weak corporate governance prevent many mature SMEs from expanding. While Turkey's ability to build a productive economy has improved in recent years, research and development (R&D) and innovation remain modest and more incentives are needed to promote the adoption of the latest technology. Moreover, Turkey's participation in global value chains remains below potential for reasons including its relatively high tariff protection in the agriculture sector. While global value chains are gradually expanding due to the expansion of manufacturing into more complex areas, more needs to be done to fully avail of the potential of local business.

EBRD score

(1-worst, 10-best)



How we work

The EBRD aims to promote SMEs, productivity and innovation through a number of programmes, such as the Knowledge Economy Initiative, the Small Business Initiative and the Venture Capital Investment Programme. In addition to financing, our SME support includes the Advice for Small Businesses (ASB) programme, which focuses on improving corporate governance, sustainability standards and operating practices. In 2017, we launched the Blue Ribbon programme, which focuses on advisory services for a select group of SMEs. The EBRD also actively promotes policy reforms towards a regulatory framework that fosters corporate competitiveness and economic growth.

In numbers

€1.1 billion

Net cumulative investment in SMEs

€21.7 million

Net cumulative investment in seven local start-ups through the EBRD Venture Capital Investment Programme

€1.4 billion

In loans disbursed to SMEs by EBRD partner institutions

Quick links

- > [Advice for Small Businesses](#)
- > [Small Business Initiative](#)
- > [EBRD Knowledge Economy Initiative](#)
- > [Venture Capital Investment Programme](#)
- > [Blue Ribbon programme](#)

Within the Small Business Initiative, we provide finance and business advice to help SMEs grow, succeed, then grow again, becoming genuine catalysts for their local economies and region.



Achievements and results: Innovation, productivity and SMEs

The EBRD supported innovation for private-sector development by:

- ▶ financing corporate investment in innovation and R&D, company-university partnerships and global value-chain integration, including in the automotive and electronics sectors (for example, Vestel Elektronik)
- ▶ providing policy advice on innovation, for example, to the Ministry of Industry and Technology to promote innovation in competitive sectors
- ▶ supporting foreign investment by global companies in local private equity funds (such as Turkven) and providing seed and growth capital (for instance, to Earlybird).

The Bank promoted better standards, skills and business development, particularly for SMEs, by:

- ▶ stepping up skills transfer to producers through cutting-edge, high-density agricultural projects (such as Anatolian Orchards and Peyman)
- ▶ advising businesses on better financing control and certification practices (such as Anadolu Etap in agribusiness) or health, safety and environmental management (for example, Eti Aluminium)
- ▶ providing 565 advisory projects to SMEs across the country through the ABS programme.

More innovation

EBRD projects contributed to the 20 per cent increase in Turkey's total gross domestic spending on R&D between 2015 and 2020.

Better governance

The government accepted EBRD advice to establish a designated project management office for innovative products in competitive sectors.

SME growth

Fifty per cent of SMEs advised by the EBRD hired more people. In total, 3,500 new jobs were created.*

More exports

Thirty-four per cent of SMEs advised by the EBRD grew their exports. In total, the Bank's advisory services contributed to €150 million of new exports.*

Higher productivity

Seventy percent of SMEs advised by the EBRD became more productive.*

Higher turnover

Seventy-nine percent of SMEs advised by the EBRD increased their turnover. In total, the Bank's advisory services contributed to €721 million of additional turnover.*



Read how the EBRD helped the leading Turkish seed company, May Seed, expand its operations and R&D capacity.



Read how an EBRD loan has boosted growth for Turkey's Anadolu Etap agribusiness company.

*within a year after the advisory project ended.

Data relate to EBRD activities in Turkey between 2015 and 2020.