



MEETING MINUTES

SME Policy Index 2022: Western Balkans and Turkey

Launch Meeting - Türkiye

Monday, 19 September 2022

9:30 – 11:30 Paris time (10:30 – 12:30 Ankara time)

Zoom



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SME POLICY INDEX 2022 LAUNCH MEETING – TÜRKIYE

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9:30 – 11:30 PARIS TIME (10:30 – 12:30 ANKARA TIME)

VIRTUAL MEETING

9:30-9:50 Opening Remarks

Mr. Karim Dahou, Deputy Director, OECD Global Relations and Cooperation stressed the importance of the SME Policy Index 2022: Western Balkans and Turkey publication for Türkiye, in an economic context marked by challenges caused by the COVID-19 pandemic as well as the full-scale Russian aggression against Ukraine. He highlighted a few achievements made by Türkiye during the assessment period, including the development of digital government services, strengthening the innovation ecosystem and supporting SME greening. He also underlined several recommendations for Türkiye going forward, namely strengthening insolvency prevention measures, revitalising support to financial literacy and fostering linkages to global value chains. Mr. Dahou concluded his opening remarks by expressing thanks to the European Commission, whose financial support was essential in funding the assessment, as well as to the Small and Medium-Sized Businesses Organisation of Türkiye (KOSGEB), who facilitated input collection and collaborated with the OECD team on the assessment. He stressed that the OECD would continue to support Türkiye to foster private sector development for sustainable, inclusive and resilient growth.

Mr. Bartosz Przywara, Head of Trade and Economic Section, European Union Delegation to Türkiye, stated that the SME Policy Index 2022 is the result of a very intensive period of preparation, and provides a very relevant snapshot of the economic and business environment ecosystem in Türkiye. Noting the importance of SMEs for both the EU's and Türkiye's economies, he underlined that the effects of the COVID-19 pandemic and the unjustified Russian invasion of Ukraine are demonstrating the fragility of the global economic order and the pressing need to move to a more resource efficient, sustainable and circular economy. In this regard, he stated that the European Green Deal, announced in 2019, foresees a radical transition to a climate neutral, resource efficient and agile digital economy. For such a transition, full mobilisation is required, not only of big economic actors, but also of SMEs, as this is the key to making the transition inclusive and ensure its spread into all corners of the economic and social fabric. Noting that many European and Turkish companies share the same value chains, he underlined how important it is for decarbonisation efforts to take place along these same value chains. Stressing the importance of Türkiye's economic integration with the EU, by noting that it is the EU's 6th largest trading partner, and the EU Türkiye's largest export market, with volumes of trade increasing (to EUR 157 billion in 2021 and already reaching EUR 100 billion this year) despite current challenges in international trade. Given the intensity of this economic relationship, Mr. Przywara expressed hope that Türkiye will continue its strong SBA implementation record. He noted that in addition to their strong relationship, the EU has been supporting Türkiye's SMEs through various financial programmes, such as the Instrument for Pre-accession Assistance (IPA) I and II, totalling EUR 740 million to support the competitiveness of SMEs in areas such as boosting innovative capacity, energy and resource efficiency and digitalisation. Mr. Przywara stated that this support would continue under IPA III. He also stressed the importance of the COSME programme, Horizon Europe programme for supporting innovative SMEs, and the European Fund for Sustainable Development (EFSD). Stressing that all of these support programmes are in line with the Turkish government's priorities, he noted that the EU is very pleased to see Türkiye's strong performance in the SBA assessment. He thanked the OECD team for preparing the report and Turkish authorities, in particular KOSGEB, for facilitating input collection and wished the participants a fruitful discussion.

Mr. Hasan Basri Kurt, President of KOSGEB, stressed that Türkiye has been part of the *SME Policy Index* assessment since 2009, with KOSGEB playing the role of national co-ordinator. Recounting the assessment process, which started in April 2021, he noted that data collection was done thanks to various parties from the Turkish government and institutions, whom he thanked for their efforts. Underlining Türkiye's strong performance in many areas, he said that Türkiye is a regional leader in many policy dimensions covered by the assessment, and that the SME Policy Index provides recommendations to further improve its performance across the board. He thanked the OECD, European Training Foundation, European Bank for Reconstruction and Development and European Commission for their support and wished the participants an excellent meeting.

9:50-11:15 Presentation of assessment key findings

Ms. Jovana Pavlovic Djukic and **Ms. Marijana Petrovic**, Project Managers at the OECD South East Europe Division, presented the SME Policy Index 2022 main objectives and key features as well as the SME sector's main characteristics in Türkiye.

Subsequently, **Mr. Matija Lojpur**, **Ms. Clémence Girin**, **Ms. Zoe Ryan** and **Ms. Zofia Polakiewicz**, Policy Analysts at the OECD South East Europe Division, presented the SME Policy Index 2022 main findings and recommendations for further improvement. The session also zoomed in on several areas most relevant for future progress in SME policy making, and provided the related OECD and EU good practices.

[See PowerPoint presentation attached to the email.]

Comments from the audience

Ms. Seval Iskender, EU Affairs Manager, Union of Chambers and Commodity Exchangers of Türkiye (TOBB), provided an update on the introduction of the EntreComp Europe framework to Türkiye, thanks to efforts by TOBB and the Ministry of Education. More than 600 teachers took part in this project, and EntreComp Europe was disseminated to hundreds of youth and entrepreneurs, including women entrepreneurs and potential migrant entrepreneurs. Some universities have integrated EntreComp to their curriculum. Ms. Iskender further stressed that entrepreneurial learning is crucial to ensure the competitive development of SMEs. She also noted that TOBB became a partner for a new project, called EntreComp for transition, aiming to address skills mismatches, particularly for entrepreneurial, digital and green skills.

Mr. Ali Celik, Trade Expert, Ministry of Trade, provided a clarification on the establishment of the platform for retail trade (PERBIS), stating that it has not yet become fully operational.

Mr. Niyazi Secgin, Head of Standards Preparation Unit, Turkish Standards Institute, noted the importance of SMEs for production in Türkiye and stated that the Standards Institute is developing, with IPA support, a new software, which would allow SMEs to have better access to information on standardisation processes. SMEs will have access to this software free of charge, in contrast to large companies. Mr. Secgin noted that this project will help raise awareness on standardisation procedures among SMEs, and thanked the OECD team for their work.

OECD team thanked all for providing updates and clarifications and stated that this information will be taken into account for the next assessment cycle.

11:15-11:30 Closing Remarks

Mr. Kerem Alkin, Ambassador of Türkiye to the OECD, shared that from 1998 to 2004 the Secretary of Treasury of Türkiye established a Centre of Excellence for SMEs, along with a special library in Istanbul. In a similar spirit,

with support from the Ministry of Trade, the OECD recently established a centre in Istanbul, providing an opportunity to continue the work on projects for SMEs development. Ambassador Alkin shared his experience as General Secretary of Türkiye's Export Assembly, where he worked on SME innovation. More than 103 000 SMEs are represented through the Assembly and every month 1700 new SMEs become members. Noting the importance of Türkiye's SME sector, he stated that Türkiye can play a key role in Eurasia, through providing a role model of empowerment of private industry and its positive effects on a country's economy. He further stressed that Türkiye will continue to share its experience with its neighbours in South East Europe and the Western Balkans. He also mentioned that Türkiye has projects related to areas such as the green and digital transition, smart transportation and others.

Mr. Fatih Gokyurt, Vice President of KOSGEB and SBA co-ordinator for Türkiye, underlined the importance of SME Policy Index launch event noting that Türkiye has a very high level of alignment with the SBA and EU *acquis* in the area of SME development. He expressed hope that Türkiye-specific recommendations provided in the publication will be implemented, notably through the Twelfth Development Plan, under preparation.

Ms. Anita Richter, thanked Mr. Alkin and Mr. Gokyurt for their remarks and expressed hope that Türkiye will continue to play a leading role in SME development in the region, as well as in cross-regional dialogue. In this regard, she stressed the importance of the OECD's newly established Istanbul Centre. Ms. Richter thanked Mr. Selim Serkan Ercan and Ms. Pınar Işın from KOSGEB, in their role as co-ordinators for the assessment, the representatives of the Turkish Agency for Statistics and other institutions as well as the representatives of international partners such as the European Training Foundation, European Bank for Reconstruction and Development and the European Commission. She thanked all the participants once again for their presence, and noted that she looks forward to continuing discussions on private sector development and other topics relevant for Türkiye and the region.

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