

**An Overview of Small and Medium Enterprises (SMEs) in Türkiye: Interactive
Guidebook**

Disclaimer

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Introduction

• Purpose of the Guidebook

This electronic guidebook is designed to help newly emerging SME owners in CICA countries develop their businesses and navigate through relevant government policy measures. It offers opportunities to learn from the experiences and best practices of countries with similar levels of economic development. Through real-world examples and different approaches, the guide aims to equip business owners, policymakers, and other stakeholders with the tools and knowledge to overcome challenges and support the sustainable development of SMEs in their countries and across the CICA region.

Understanding SME Policy in Türkiye

• Business Environment and Legal Framework for SMEs in Türkiye

The Regulation on Small and Medium Enterprises, which was announced by the Presidential Decree dated 24.05.2023 and numbered 7297 and published in the Official Gazette dated 25.05.2023 and numbered 32201, determines all definitions, classifications and regulations regarding SMEs.

In Türkiye, SMEs are evaluated in 3 groups: micro - small – medium our definition of SME is based on the number of employees, annual net sales revenue and financial balance sheet. Businesses employing less than 250 people, whose annual net sales revenue or financial balance sheet does not exceed 500 million Turkish Liras (TL) are defined as SMEs.

Micro-enterprises are enterprises with less than 10 employees and an annual net sales revenue or financial balance sheet of 10 million TL.

Small-enterprises are enterprises with less than 50 employees and an annual net sales revenue or financial balance sheet of 100 million TL.

Medium-enterprises are enterprises with less than 50 employees and an annual net sales revenue or financial balance sheet of 500 million TL.

• Economic Overview of Türkiye

As of May 2025, Türkiye's foreign trade landscape reflects both challenges and opportunities amid global economic shifts.

In 2024, Türkiye's merchandise exports reached approximately \$262 billion, marking a 2.5% increase from the previous year. The top export sectors included:

- Vehicles and Automotive Parts: \$29.46 billion
- Machinery and Mechanical Appliances: \$22.35 billion
- Textiles and Apparel: \$17.15 billion
- Electrical Machinery and Equipment: \$11.45 billion
- Iron and Steel Products: \$10.5 billion
- Imports: Imports totaled around \$344 billion in 2024, a 4.9% decrease from 2023. This reduction led to a narrowing of the trade deficit to \$82.2 billion, down from \$106.2 billion in 2023. The import-to-export ratio improved to 76.1%, up from 50% in 2002.

Türkiye's primary trading partner, with exports to the EU reaching \$108.7 billion in 2024. A customs union with the EU facilitates seamless trade. Exports to the U.S. were approximately \$16.7 billion in 2024, with a similar value of imports. Bilateral trade with Italy reached \$30 billion, with a target set to increase this to \$40 billion. Recent agreements include joint defense projects and infrastructure collaborations

Despite global trade uncertainties, Türkiye's strategic location and robust manufacturing base provide opportunities to attract companies seeking to relocate production due to changing trade dynamics. Ongoing efforts to enhance export sectors and improve the investment climate are expected to bolster Türkiye's position in international trade

• Business Environment for SMEs

The approximate number of SMEs in Türkiye is 3.7 million. The share of SMEs in all enterprises is 99.7%. In addition to this; SMEs constitute 70.6% of employment, 47.5% of personnel costs, 42.5% of turnover, 36.3% of production and 36.4% of value added.

In Türkiye, SMEs are primarily represented in the following sectors:

- Manufacturing (including textiles, automotive, and food processing)
- Construction (real estate development and infrastructure)
- Retail and Wholesale Trade (local stores, distribution, and imports/exports)

- Agriculture and Food Processing (crop production, livestock, and food packaging)
- Services (transport, logistics, tourism, education, healthcare, and IT)
- Tourism (hotels, restaurants, and travel agencies)
- Information and Communication Technology (ICT) (software, e-commerce, and digital services)

These sectors highlight the diverse roles SMEs play in driving economic growth in Türkiye.

In Türkiye, several institutions support the development of SMEs:

- **Turkish Ministry of Industry and Technology:** is a government body responsible for shaping and implementing policies related to industrial development, technological advancement, and innovation in Türkiye. Its main objectives include fostering economic growth, enhancing industrial competitiveness, supporting research and development (R&D), promoting the digital transformation of industries, and ensuring the efficient use of resources across various sectors, with a particular focus on small and medium-sized enterprises (SMEs).

- **KOSGEB (Small and Medium Enterprises Development Organization of Türkiye):** Provides financial support, grants, and training for SMEs, to increase the share and efficiency of small and medium-sized enterprises in meeting the economic and social needs of the country, to increase their competitiveness and to realize the integration in the industry in accordance with the economic developments.

- **TOBB (Union of Chambers and Commodity Exchanges of Türkiye):** Represents SMEs and offers services such as business networking, advocacy, and economic development initiatives.

- **TÜBİTAK (The Scientific and Technological Research Council of Türkiye):** Supports R&D and innovation for SMEs, offering funding and technological assistance.

- **İŞKUR (Turkish Employment Agency):** Provides support for workforce training, employment, and development programs for SME employees.

- **Development Agencies:** Regional organizations that offer funding, guidance, and consultancy to SMEs, particularly for local economic development.

- The Credit Guarantee Fund (KGF): plays a vital role for SMEs in Türkiye by providing them with easier access to financing. It offers credit guarantees to SMEs, helping them secure loans from banks that they might otherwise struggle to obtain due to insufficient collateral or high risk. This support boosts the liquidity of SMEs, enabling them to grow, invest in innovation, and improve their operations. The KGF is crucial in fostering financial inclusion and helping SMEs overcome challenges in accessing capital, which is essential for their sustainability and competitiveness.

These institutions help SMEs with financing, innovation, workforce development, and business growth, driving the sector's overall development in Türkiye.

In the 12th Development Plan of Türkiye, SMEs (Small and Medium-Sized Enterprises) hold a significant place due to their crucial role in the country's economic development. SMEs are recognized as the backbone of the Turkish economy, contributing to employment, innovation, and regional development. The plan emphasizes strengthening SMEs by improving their access to financing, promoting digital transformation, enhancing their competitiveness, and fostering innovation. The aim is to create an environment where SMEs can grow, adapt to global market demands, and contribute to sustainable economic growth.

In Türkiye, several strategies and government programs aim to support and develop the SME sector:

Financial Support and Incentives

KOSGEB offers grants, low-interest loans, and financial assistance for innovation, and international market expansion.

SME Support Programs provide financial aid for technology adoption, product development, and business modernization.

Training and Capacity Building

KOSGEB and TOBB offer training, seminars, and workshops to improve business management, entrepreneurship, and technical skills.

İŞKUR provides workforce training programs to enhance skills in line with industry needs.

Innovation and R&D Support

TÜBİTAK offers funding for research and development projects, promoting innovation in SMEs. Programs focus on increasing SMEs' technological capabilities and product quality.

Export and Market Expansion

The Turkish Exporters Assembly (TİM) supports SMEs in accessing international markets through export training and market development programs.

KOSGEB's Internationalization Programs help SMEs enter global markets.

There are many institutions and organizations supporting SMEs in Türkiye. The mechanisms shared below for the support provided to SMEs include the support provided by public authorities in Türkiye.

Supports provided to SMEs by Small and Medium Enterprises Development Organization of Türkiye (KOSGEB):

Entrepreneur Support Programme

Capacity Building Support Programme

SME Digital Transition Support Programme

Green Industry Support Programme

Employment Protection Support Programme

Global Competitiveness Support Programme

Strategical Product Support Programme

SME Technological Product Investment Support Programme

TEKMER Support Programme

Mentoring and Evaluation Support Programme

Recovery of Businesses after Earthquake Support Programme

Details for these supports can be reached from www.kosgeb.gov.tr

Supports provided to SMEs by The Scientific and Research Council of Türkiye (TÜBİTAK):

1501 Industrial R&D Projects Grant Programme

1503 R&D Project Brokerage Events Grant Programme

1505 University – Industry Collaboration Support Programme

1507 TÜBİTAK SME R&D Start-Up Support Programme

1509 TÜBİTAK International Industrial R&D Projects Grant Programme

1511 Research Technology Development and Innovation Projects in Priority Areas G.P.
(Technology Focused Industrial Movement Programme)

1512 Entrepreneurship Support Programme

1513 Technology Transfer Office Support Programme

1514 Venture Capital Funding Programme (Tech-InvesTR)

1515 Frontier R&D Laboratory Support Programme

1601 Capacity Building for I&E Grant Programme

1602 TÜBİTAK Patent Support Programme

1607 BIGG+ SME Mentorship Interface

1612 BIGG – 1st Phase Implementing Agencies Call

1701 R&D Project Evaluation and Monitoring Call

1702 Patent Based Technology Transfer Support Call

1704 SAYEM – Industrial Innovations Network

1707 SME Support Call for Order-Based R&D Projects

1711 Artificial Intelligence Ecosystem Call

1812 Investment Based Entrepreneurship Support Programme (BIGG Investment)

1831 Climate-Informed and Green Innovation Technology Extension Programme

1832 Call for Green Transformation in Industry

SAYEM Green Transformation Call

Details for these supports can be reached from www.tubitak.gov.tr

Supports Provided by Türkiye Technology Development Unity (TTGV):

Eco-Production Industry Programme

Climate Lab Community Programme

Climate Pioneer Investment Programme

Enterprise Development Portfolio

Step-by-Step Guide to Starting a Business

• Business Registration Process

Türkiye is a dynamic and strategic location for entrepreneurs looking to establish a presence at the crossroads of Europe and Asia. With a growing economy, a young population, and increasing global trade links, the country presents an attractive environment for both local and international business ventures. This article outlines the step-by-step process of registering a business in Türkiye, with a focus on the most common type of company: The Limited Liability Company (Ltd. Şt.).

The first step in registering a business in Türkiye is selecting the appropriate company structure. While options include Sole Proprietorships, Joint Stock Companies (JSC), and Branch Offices, the Limited Liability Company (LLC) is the most popular choice due to its flexibility and relatively simple requirements. Next step is choosing a unique company name. This name must be reserved and verified through the MERSIS (Central Registration System), which is Türkiye's online business registry.

The company's Articles of Association (AoA) are a critical legal document outlining the business structure, activities, shareholders, capital, and management framework. This document must comply

with the Turkish Commercial Code and be registered within the MERSIS system. Once prepared, it must be notarized by a Turkish notary.

According to Turkish law, a minimum capital of 10,000 TRY is required for an LLC. At least 25% of this capital must be deposited into a temporary bank account before registration. The remaining amount must be paid within 24 months after the registration date.

The next step is submitting your documentation to the local Trade Registry Office, which formalizes your company's legal status. The required documents typically include:

Articles of Association, Proof of capital deposit, Identification and signatures of shareholders and directors, Lease agreement for your company's address, Application form and registration fees

Upon successful submission and approval, the company is registered, and its formation is published in the Turkish Trade Registry Gazette.

After registration, the company must be registered with the local Tax Office to receive a tax identification number. If your business activities are subject to Value Added Tax (VAT), you must apply for VAT registration as well.

If your company will employ staff, you must also register with the Social Security Institution (SGK) to ensure compliance with Türkiye's labor laws and social insurance obligations.

Following tax registration, open a permanent corporate bank account under the company's name. This account will be used for all financial operations, including transferring the remaining capital (if applicable), handling client payments, and managing employee salaries.

Certain business activities—such as operating in the food, healthcare, construction, finance, or education sectors—require additional licenses or permits from relevant ministries or local authorities. It is crucial to consult with a legal advisor or business consultant to ensure compliance with sector-specific regulations.

The overall registration process usually takes 1 to 2 weeks, assuming all documents are in order and correctly submitted. The total cost—including legal, notary, translation, and registration fees—generally ranges between \$3,000 to \$5,000 USD, although this may vary depending on the company size and industry.

Türkiye offers a relatively straightforward and business-friendly registration process, especially for LLCs. By following the legal requirements and engaging with the appropriate government bodies, entrepreneurs can establish a legally compliant company and take advantage of Türkiye's growing market and strategic location. For foreign investors, seeking support from a local business consultant or legal expert is highly recommended to navigate regulatory nuances and language barriers.

Licensing and Regulatory Requirements

1. Turkish Commercial Code (TCC) – Law No. 6102

Effective Date: July 1, 2012

The Turkish Commercial Code is the primary piece of legislation regulating all commercial entities in Türkiye, including their incorporation, structure, governance, and liquidation.

Key Provisions:

Defines the types of legal entities (LLC, JSC, partnerships, etc.)

Sets out the rules for incorporation, shareholding, and capital

Regulates financial reporting and auditing obligation

Requires companies to maintain proper corporate governance structure

Mandates registration with the Trade Registry

2. Turkish Code of Obligations – Law No. 6098

Effective Date: July 1, 2012

This code complements the TCC by regulating contractual relationships, including those between shareholders, employers, and third parties.

Relevant Sections:

General provisions on contracts and liabilities

Employment agreements and obligation

Lease and service contracts (relevant to company offices or consultants)

3. Tax Procedure Law – Law No. 213

This law governs all tax-related procedures for individuals and legal entities operating in Türkiye.

Key Requirements:

Taxpayer registration and tax number issuance

Bookkeeping and invoice issuance rules

Value Added Tax (VAT), Corporate Tax, and other obligations

Filing deadlines and penalties for non-compliance

4. Foreign Direct Investment Law – Law No. 4875

Purpose: Encourages and regulates foreign investment in Türkiye.

This law ensures that foreign investors have the same rights and obligations as Turkish citizens when establishing a business.

Investor Rights:

Equal treatment for foreign and domestic investors

No prior approval required for most foreign-owned companies

Free transfer of profits, dividends, and capital

Protection of intellectual property

5. Social Insurance and General Health Insurance Law – Law No. 5510

Covers social security obligations for companies hiring employees.

Requirements:

Register with the Social Security Institution (SGK)

Pay monthly social security premiums

Provide health and retirement benefits

6. Labor Law – Law No. 4857

This law governs employment relationships in Türkiye.

Obligations for Employers:

Minimum wage compliance

Working hours and overtime rules

Severance pay and termination procedures

Occupational health and safety standards

7. Electronic Signature Law – Law No. 5070

Enables businesses to use electronic signatures in official transactions and digital contracts, including company registration through MERSIS (Central Registration System).

Access to Finance and Investment Opportunities

In Türkiye, to facilitate SMEs' access to finance, ensuring that they are able to use credit under appropriate conditions, KOSGEB SME Financing Support Programme has been commenced where all or part of the interest/profit share of the loan is covered by KOSGEB after the bank has provided loans to the enterprises.

Registered and active SMEs which already exists in KOSGEB database with up-to-date SME Information Statement, without any prohibition record under KOSGEB Support Facilities and one of covered business type under this program are eligible for application.

Entrepreneurs and SMEs acting in strategic or priority sectors can benefit from this programme. Within the scope of this programme, loan types are as follows;

Working Capital Loan (up to 18 months and max. loan amount is 50.000 TL, if the entrepreneur is young (under 30 age), female, disabled, veteran or first degree martyr relative. max. loan amount is 70.000 TL)

Machinery and Equipment Loan (up to 36 months and max. loan amount for SMEs in strategic or priority sectors is 500.000 TL)

Financial mechanisms proposed to SMEs in Türkiye are generally conducted by Credit Guarantee Fund (KGF A.Ş.). These mechanisms mainly aim to provide guarantee for banks or public institutions.

Credit Mechanisms Provided to SMEs by Credit Guarantee Fund (KGF A.Ş.):

Export Support Package

Investment Support Package

Support Package for Operating Expenses

Investment-Project Finance Support Package

Manufacturing Industry Support Package

Operating Expenses Support Package for 6th February 2023 Earthquakes

Investment Support Package for 6th February 2023 Earthquakes

Support Package for Severance Payment of Retirement Age Victims

Regional SME Support

Support Package for Activities Generating Fx-Based Income

Support Package for Women Entrepreneurs

Entrepreneur Support Package

Support Package for Green Transformation and Energy Efficiency

Technology Support Package

Support Package for Digital Transformation

Educational Support Package

Financial Energy Support Package for Agricultural Production

Enterprise Expenditures Support Package

TURWIB Programme Support Package

TKYB Support Package

Cold Air Units and Frigorific Vehicles Support Package

Additional Employment Support Package

Manufacturing Based Import Substitution Support Package

Treasury Fund (20 Billion TL) (KOBİ Deger Loans I and II)

Treasury Fund (35 Billion TL)

Treasury Fund (52,5 Billion TL)

Treasury Fund (200 Billion TL)

Ekonomi Deger Loans

TOBB Nefes Loan 2020 Support

Market Entry Strategies

• Finding Business Partners and Networks

Finding business partners and building networks in Türkiye involves a combination of leveraging digital platforms, engaging with local business organizations, and attending relevant events.

Online Platforms

- StartupTürkiye / StartupIstanbul – Platforms promoting the Turkish startup ecosystem. Good for tech and innovation partnerships.
- Kompas Türkiye, Yellow Pages Türkiye, or Türkiye Exporters Directory – For B2B searches by industry.

Chambers of Commerce & Business Councils

- TOBB (The Union of Chambers and Commodity Exchanges of Türkiye) – Main national body. Useful for finding industry-specific contacts.
- DEİK (Foreign Economic Relations Board of Türkiye) – Facilitates international partnerships.
- Local Chambers (e.g., Istanbul Chamber of Commerce) – Valuable for regional networking.

Trade Fairs and Conferences

- CNR Expo Istanbul and TÜYAP Fairs – Major venues hosting international trade fairs across industries.
- Sector-specific expos like WorldFood Istanbul, WIN EURASIA (Industry), or IFM (fashion, construction, etc.).

Embassies and Trade Offices

Business Incubators and Accelerators

- ITU Çekirdek, KWORKS, and Teknopark Istanbul – Support innovation and startups. Excellent for tech collaboration.
- Government support programs like TÜBİTAK and KOSGEB often facilitate partner finding.

Professional and Industry Associations

- Associations like TIM (Turkish Exporters Assembly), TÜSİAD (Turkish Industry and Business Association), or MÜSİAD (Independent Industrialists' and Businessmen's Association).

- **Import-Export Regulations**

Türkiye's position as a bridge between Europe and Asia makes it a vital hub for international trade. The country has harmonized much of its trade legislation with the European Union (EU) due to the EU-Türkiye Customs Union, which facilitates smoother trade relations. Below is a detailed guide to the regulations governing imports and exports in Türkiye.

Legal Framework

Primary Laws and Agreements:

- Customs Law No. 4458: Main legal basis for import/export operations and customs procedures
- Foreign Trade Law No. 1567: Regulates foreign trade policy and controls.
- EU-Türkiye Customs Union Agreement (1995): Eliminates tariffs and quotas on industrial goods between Türkiye and EU member states
- Anti-Smuggling Law No. 5607: Addresses illegal trade and non-compliance.
- VAT Law No. 3065: Governs the application of VAT on imports.

Key Authorities and Institutions

- Ministry of Trade – Oversees all foreign trade regulations and policies.
- Customs Directorate General – Manages customs enforcement and procedures.
- Turkish Standards Institution (TSE) – Ensures product compliance with Turkish standards.
- Union of Chambers and Commodity Exchanges of Türkiye (TOBB) – Issues certain certificates (e.g., Certificates of Origin).
- Exporters' Associations – Handle export registration and documentation.

Import Regulations

- Import License: Not needed for most goods, but required for specific controlled items (e.g., chemicals, medical equipment, food products).
- Customs Declaration: Submitted electronically via Single Window System (Tek Pencere Sistemi).

- Commercial Invoice: Must contain seller, buyer, goods description, value, and Incoterms.
- Bill of Lading or Air Waybill: Proof of shipment.
- Certificate of Origin: Confirms the origin of goods.
- Customs Duties & Taxes:
 - Customs duty
 - Value Added Tax (18% standard rate)
 - Special Consumption Tax (SCT) for specific products (e.g., alcohol, tobacco, cars)

Products must comply with Turkish/European standards. Certain goods require CE marking, TSE certification, or conformity assessment reports.

Export Regulations

Exporter Registration: Company must register with a relevant Exporters' Association.

Electronic Export Declaration (ETGB): Filed via Turkish Customs' online platform.

Standard Export Documents:

Invoice

Packing List

Certificate of Origin

EUR.1 / ATR Movement Certificate (for trade with EU)

Export License (if applicable)

Transport and insurance documents

Customs and Incentives:

Exports are VAT-exempt, but exporters can apply for a VAT refund.

Government incentives include:

Export credits and insurance (via Türk Eximbank)

R&D and marketing support

Trade fairs and international promotion subsidies

Restricted and Prohibited Goods

Examples of Restricted Goods (require permits), Pharmaceuticals, Radioactive materials, Military equipment, Food and agricultural products (require health certificates), Prohibited Items, Narcotics, Obscene materials, Certain pesticides and chemicals (as per EU directives)

Free Zones and Special Trade Areas

Türkiye operates Free Zones (Serbest Bölgeler), which allow companies to:

Import raw materials and export finished products without customs duties or VAT

Benefit from simplified procedures and tax incentives

Be located near major ports (e.g., Istanbul, Mersin, İzmir)

Trade Agreements

Türkiye has signed Free Trade Agreements (FTAs) with over 20 countries, including:

EFTA countries (Switzerland, Norway, etc.)

South Korea

United Kingdom (post-Brexit FTA)

These agreements often provide preferential tariff rates and simplified documentation for eligible goods.

Türkiye's import and export system is modern, integrated with international standards, and particularly streamlined for trade with the EU due to the Customs Union. While the process is generally business-friendly, compliance with product standards, proper documentation, and understanding customs procedures are critical for smooth operations.

Case Studies and Success Stories

Lots of Turkish SMEs and startups have followed successful development path and gained recognition in both local and international markets. Below are three notable examples from different sectors:

1. Trendyol



Trendyol was founded in 2010 by Demet Mutlu, a visionary entrepreneur who sought to revolutionize the Turkish retail market. The idea behind Trendyol was to create an online marketplace that would cater to the needs of Turkish consumers by offering a wide range of products, from fashion to electronics, with the convenience of home delivery.

Demet Mutlu had a background in business and management, having studied at Stanford University. Before launching the company, she had experience working in e-commerce and retail in the United States. This experience helped her understand the dynamics of online shopping and how the Turkish market could benefit from a modern, digital shopping platform.

At the time, the e-commerce landscape in Türkiye was still in its infancy, and the company's business model was based on providing discounted fashion and popular products via a simple and easy-to-navigate website.

Trendyol quickly became one of the largest e-commerce platforms in Türkiye. Its ability to offer a diverse range of products, from clothing to electronics, combined with significant discounts and promotions, resonated with Turkish shoppers.

In 2011, the company secured its first major investment from Tiger Global, a prominent venture capital firm. This allowed the company to scale quickly, investing in technology and logistics.

By 2012, Trendyol's platform had grown to over 1 million registered users. The company also began to expand its product range, introducing categories like home goods, beauty products, and baby care.

As the platform's user base expanded, the company worked on improving its logistics and delivery capabilities. This was crucial in a country like Türkiye, where geographical challenges and varying infrastructure could affect timely deliveries.

During this period, Trendyol made significant strides not only in the Turkish market but also on the international stage.

A defining moment in the company's history came in 2018 when Alibaba invested \$1 billion in the company. Alibaba, the Chinese e-commerce giant, acquired a majority stake, securing 70% ownership. This partnership allowed Trendyol to expand rapidly and benefit from Alibaba's technological expertise, particularly in logistics and cloud computing.

With this backing, the company accelerated its efforts to expand its operations across the Middle East and North Africa (MENA) region. Alibaba's involvement also helped Trendyol improve its technology stack and data analytics, leading to better customer experiences.

By the end of 2019, the company had positioned itself as the market leader in the Turkish e-commerce space. It was already one of the most popular shopping platforms, with millions of active users and a growing product catalog that included over 500,000 products from various sellers.

Trendyol's logistics network was key to its success. It built a strong infrastructure of warehouses, fulfillment centers, and delivery systems to ensure that products could be delivered quickly and efficiently across Türkiye.

In 2021, the company reached a significant milestone when it became Türkiye's first decacorn (a company valued at over \$10 billion). This was a huge achievement not just for the company but for Türkiye's tech startup ecosystem as a whole.

The company's valuation skyrocketed as Alibaba continued to pour money into the platform and the company continued expanding. In 2021, the company also launched its supermarket and grocery delivery service, Trendyol Go, which added a new revenue stream to the business.

In recent years, the company has continued to innovate and build upon its success:

Trendyol has aggressively pursued a quick commerce model with the launch of Trendyol Go in 2022, a delivery service for groceries, fresh food, and other everyday essentials. It aimed to compete with Getir, a leading Turkish quick commerce platform.

Trendyol Go provides 30-minute delivery times and a wide range of grocery products, targeting the growing demand for fast and convenient shopping experiences

Trendyol has heavily invested in AI-powered technology to improve customer experiences and streamline its logistics operations. This includes the use of data analytics to offer personalized shopping experiences, as well as AI-driven recommendations for products.

Its logistics network now includes advanced warehouse robots, smart delivery systems, and artificial intelligence to help optimize supply chains and ensure efficient product fulfillment.

Trendyol has taken significant steps toward sustainability, including working with partners and suppliers to reduce carbon emissions, encourage eco-friendly packaging, and support ethical business practices.

The company has made strides toward green logistics by incorporating electric delivery vehicles into its fleet.

The company has continued expanding into new regions, including Europe and parts of Asia. It is aiming to become a regional e-commerce leader in the MENA (Middle East and North Africa) region and compete with other large platforms like Amazon, Zalando, and AliExpress in neighboring countries.

In 2023, the company made headlines again when Uber expressed interest in acquiring an 85% stake in its grocery delivery service, Trendyol Go, for approximately \$700 million. This deal would bring the company's grocery business under Uber's global umbrella, expanding its footprint in Türkiye and the MENA region.

Looking forward, the company aims to maintain its leadership in the Turkish market while expanding its logistics, fintech, and AI-based services to further increase its reach. With the backing of Alibaba and continued investments in innovation, Trendyol is poised to become a regional powerhouse in e-commerce, continuing its focus on speed, technology, and customer satisfaction.

Key Takeaways from Trendyol's Success:

Strong Initial Focus on Fashion and Lifestyle: Trendyol gained early success by focusing on trendy fashion, offering significant discounts, and providing a streamlined online shopping experience

Technological Investment: Trendyol's continuous focus on improving its platform with AI, logistics technology, and data analytics set it apart in a competitive market.

Global Backing: The strategic partnership with Alibaba was key to Trendyol's rapid scaling and expansion. Alibaba's experience in logistics, tech infrastructure, and market insights helped the platform reach new heights

Adaptability and Diversification: Trendyol didn't just stop at e-commerce. It continuously diversified, adding new services like Trendyol Go (grocery delivery) and expanding into the logistics and fintech spaces.

Trendyol is an excellent example of how a Turkish startup can become a global player in the e-commerce space. Its growth story reflects the increasing potential of Türkiye's tech and startup ecosystem, and its innovative approach to e-commerce, logistics, and quick commerce places it at the forefront of digital commerce in the region.

2. Getir



Getir was founded in 2015 by Nazım Salur, a serial entrepreneur with a background in technology and logistics. The idea for Getir stemmed from Salur's belief that the future of retail was moving towards ultra-fast delivery services, with a focus on convenience and speed for customers. The company was born in Istanbul, Türkiye, and aimed to solve a major pain point in the Turkish market: the lack of quick and efficient delivery services for everyday products, especially groceries.

Salur had previously worked in the tech and logistics sectors, which gave him the experience and expertise to tackle the complex logistics behind a rapid delivery service. His vision was to combine his love for technology with the growing trend of mobile-based services to create a seamless, on-demand solution for everyday products.

Getir's launch was aimed at addressing a growing demand for same-day delivery of everyday essentials. The key difference between Getir and traditional grocery delivery services was its promise to deliver products in 10 minutes or less—a radical new approach to delivery that would change the logistics game in Türkiye.

Initial Product Offering: Initially, the company offered a small selection of essential products, such as snacks, beverages, personal care items, and household goods. The goal was not to replace supermarkets but to serve customers who needed quick access to everyday items, without the hassle of going out to a store.

Getir had to build an intricate logistics network, including micro-warehouses placed strategically around the city to ensure fast delivery. This was an ambitious plan, requiring careful planning and resources, especially in a city like Istanbul, which has challenging traffic conditions.

By 2016, Getir had raised a total of \$25 million in its first round of venture funding, including investment from US-based Vostok New Ventures. This capital allowed the company to scale its operations, adding more products to its catalog and expanding its logistics network to more areas within Istanbul.

2017 marked another milestone for the company when it expanded its operations to Ankara and Izmir, two other major cities in Türkiye. The company continued to develop its logistics system and improve delivery times to maintain its competitive edge.

By 2019, Getir had firmly established itself as the leader in Türkiye's quick commerce space, with thousands of active customers and a fleet of delivery drivers. Getir was becoming synonymous with "fast"—its distinctive model was now widely recognized, with thousands of products available for delivery in less than 10 minutes.

As Getir's business in Türkiye grew, the company began to look beyond its borders. In 2020, it made its first international expansion, venturing into London, UK, marking a significant step toward its vision of becoming a global leader in quick commerce.

Getir's move into London was strategic. The UK had a growing appetite for online grocery shopping, and the COVID-19 pandemic accelerated the demand for fast and reliable delivery services.

In addition to grocery delivery, the company began offering other essential items like pharmaceuticals, household products, and electronics. It also started to integrate AI and data analytics into its operations to enhance delivery routes and inventory management.

In 2021, Getir took a significant leap forward by acquiring Gorillas, a German-based competitor, for \$1.25 billion. Gorillas was another leader in the quick commerce industry, providing 10-minute grocery deliveries across Europe.

This acquisition marked Getir's full entry into the European market, giving it a strong foothold in key countries like Germany, France, and the Netherlands. The merger also expanded Getir's logistical infrastructure and added new customers to its base.

In 2021, Getir made headlines with the closure of a Series E funding round, raising \$768 million and achieving a valuation of \$12 billion. This investment enabled the company to scale its global operations further and solidify its leadership position in the burgeoning quick commerce sector.

2022 saw Getir expand to the United States, starting with New York City. The company aimed to compete with other players like Instacart and Amazon Fresh, but its key differentiator remained its 10-minute delivery promise.

Getir was betting on its ability to navigate the complexities of the US market with its established logistics network and technology. This expansion also opened up new opportunities to experiment with automation, robotic delivery systems, and AI-driven customer experiences.

By this time, Getir had expanded its catalog to include a much wider range of items, from fresh groceries to ready-to-eat meals, drinks, beauty products, and even pet care. The company had quickly diversified its business beyond groceries to cater to every consumer need within the quick commerce framework.

Despite its success, Getir has faced several challenges, particularly in terms of sustainability and competition. As a rapidly growing company, Getir faced issues with profitability, especially with the high costs of running a logistics network and managing the complexities of urban delivery.

Getir's primary competitors in the quick commerce space include Gorillas, Flink, and Zapp in Europe, while companies like DoorDash and Instacart are prominent in the US.

In 2023, Getir faced challenges as the company reduced its operations in some European markets, pulling out of Italy and Spain to focus on more profitable regions. Despite these setbacks, the company remains a formidable player in the quick commerce space, continuously adapting its strategy to local market conditions.

Getir has invested in sustainability initiatives, including the introduction of electric vehicles for deliveries and working with eco-conscious suppliers. This move is aimed at reducing its carbon footprint as it scales globally.

Key Takeaways from Getir's Success:

10-Minute Delivery Promise: Getir is built around the idea of delivering products to customers within 10 minutes. This is made possible by strategically placed micro-warehouses in densely populated urban areas.

Technology and Data: Getir has invested heavily in AI and machine learning to optimize routes, inventory management, and supply chains. This technology plays a crucial role in ensuring speed and efficiency.

Wide Product Range: Getir started with groceries and essentials but quickly expanded to offer a broad range of products, including snacks, beverages, personal care items, pharmaceuticals, and electronics.

Logistics and Delivery Network: Getir has an extensive logistics network that combines micro-warehouses, delivery fleets, and cutting-edge technology to ensure the efficient operation of its 10-minute delivery service.

The future of Getir looks promising as it continues to focus on expanding its global footprint and perfecting its quick commerce model. With its recent acquisitions and continuous innovation in AI and logistics, the company is well-positioned to remain one of the leaders in the rapidly growing sector of ultra-fast delivery services.

As the company pushes into new markets, it will continue to compete with giants in the food delivery and e-commerce industries. At the same time, its ability to diversify its product offerings and maintain efficient operations will likely dictate its continued success.

Getir has transformed the way people think about grocery delivery and quick commerce. From its early days in Istanbul, the company's commitment to speed and convenience has resonated with consumers worldwide. With continuous innovation in logistics, technology, and an aggressive global expansion strategy, Getir is set to continue shaping the future of delivery services globally.

3. Insider



Insider is a Turkish-founded software company that provides a comprehensive customer experience optimization platform. It focuses on data-driven digital marketing, offering a suite of tools for personalization, analytics, customer engagement, and automation. Its solutions help businesses deliver personalized experiences across different digital channels, such as web, mobile, email, and social

media. Insider's platform leverages artificial intelligence (AI) to enhance marketing campaigns and optimize user engagement.

Insider was born out of a desire to help businesses provide more personalized experiences to their customers, utilizing data and AI to optimize customer interactions. At the time of its founding, the marketing automation landscape was still evolving, and Insider saw a gap in the market for a platform that could offer integrated, AI-powered customer engagement tools for businesses of all sizes.

The company focused on providing marketing technology solutions with an emphasis on personalization, data analytics, and marketing automation. They began by offering tools that could help businesses understand and interact with their users more effectively.

Challenges: The initial years were challenging, as Insider had to gain traction in a competitive global market. They needed to prove that their AI-based approach could significantly improve customer engagement and marketing outcomes for businesses.

First Major Customers: Insider gained early attention from local brands, focusing on increasing their customer engagement and sales.

Expansion of Capabilities: Insider gradually expanded its product offerings beyond simple marketing automation, integrating more advanced features like real-time web personalization, A/B testing, segmentation, and advanced analytics.

Key Focus: AI-driven customer experience management became the core value proposition. The platform used machine learning to analyze customer behaviors and predict actions, delivering personalized content to users at the right time.

International Expansion: Around this time, Insider started looking at international expansion. They began offering their services to companies in other markets, initially focusing on Europe, the Middle East, and Asia.

Key Partnerships: Insider collaborated with some well-known brands and enterprises, including Unilever, Samsung, and Coca-Cola, which were some of its early big-name clients.

Series A: In 2017, Insider raised a \$7 million Series A round, which was a critical step for the company's international expansion. This funding allowed them to enhance their product further and scale their team.

Growing Global Presence: By the end of 2017, Insider had expanded into the U.S. and Europe, setting up offices in London and New York. They also increased their presence in Asia and Latin America.

Key Investments: As Insider attracted more attention from venture capital, the company's credibility in the global marketing technology (MarTech) sector grew. This helped them to further build out their platform's capabilities and integrate more advanced AI-driven tools for companies worldwide.

Product Innovations: By 2020, Insider's platform had grown to include more advanced cross-channel personalization, allowing businesses to deliver tailored experiences not just on websites, but across email, mobile, and in-store interactions.

Series B: In 2020, Insider secured \$32 million in a Series B funding round, led by Sequoia India and other global investors. This round further solidified Insider's position as a leading global player in the MarTech space.

Expansion: The capital raised from this round was used to enhance its product suite, expand its global sales and marketing teams, and further invest in research and development.

Global Offices: Insider expanded its offices worldwide, with teams in Singapore, New York, London, Dubai, Madrid, and other cities. By this time, it had built a network of over 700 employees.

Customer Base: Insider began working with major global companies in e-commerce, retail, and travel industries, including AirAsia, L'Oreal, Domino's, and Kuehne+Nagel.

AI-Powered Features: As Insider grew, the company continued to evolve its AI-driven platform. It developed Predictive AI, which was designed to help businesses predict customer behavior, enhance personalization, and optimize marketing spend. Additionally, it enhanced Automation AI, which allowed for the automatic adjustment of content and offers based on real-time data.

Customer Expansion: The company worked with major multinational clients, such as Coca-Cola, Unilever, and IKEA, and expanded into sectors like e-commerce, finance, and media.

Global Leadership in MarTech: By 2022, Insider was recognized as a leader in the Gartner Magic Quadrant for Digital Marketing Analytics, a key benchmark for the industry.

Insider made significant strides in privacy-focused marketing by ensuring that their platform adhered to GDPR (General Data Protection Regulation) and other global data privacy laws. This was increasingly important as data privacy became a significant concern in global markets.

AI and Customer Data Platform (CDP): Insider continued enhancing its AI-powered Customer Data Platform (CDP), which aggregated data across all touchpoints and provided businesses with deeper insights into customer behavior and trends. The platform also helped organizations make smarter marketing decisions and improve their return on investment (ROI).

New Ventures: In 2023, Insider introduced new solutions around mobile app personalization, which further strengthened its position as a leading provider of cross-platform marketing solutions.

Recognition in MarTech: Insider has been consistently recognized in several MarTech industry reports, including being listed in the Forrester Wave for Digital Experience Platforms.

Growth and Impact: By 2025, Insider had a customer base across 30+ countries, and it had established itself as one of the top global players in personalization and customer experience management.

Key Features of Insider's Platform

Cross-Channel Personalization: Offers real-time personalization on websites, mobile apps, email, and in-store channels.

Predictive AI: Uses machine learning algorithms to predict customer behavior and make real-time adjustments to content, messaging, and offers.

Automation Tools: Automates repetitive marketing tasks like email segmentation, A/B testing, and campaign management.

Customer Data Platform (CDP): Centralizes customer data from all touchpoints, providing businesses with a 360-degree view of each customer.

Analytics & Reporting: Offers in-depth analytics, segmentation, and reporting tools to optimize marketing campaigns.

Insider's journey from its humble beginnings in Istanbul to becoming a global leader in customer experience optimization is a testament to its innovative approach to marketing technology. By focusing on AI, predictive analytics, and personalization, Insider has been able to empower businesses around the world to deliver better customer experiences. With ongoing expansion and constant product innovation, Insider continues to set new standards in the MarTech industry.

4. Peak Games



Peak Games is a prominent Turkish mobile gaming company that has achieved significant success in the global gaming industry. Founded in 2010 by Sidar Şahin, the company has evolved from a regional developer to a major player in the international gaming market.

Peak Games was established in Istanbul with the vision of creating a technology company that could reach a global audience. The company initially focused on developing casual and social games tailored for the Turkish and Middle Eastern markets. Its early portfolio included digital versions of traditional Turkish games such as Okey Plus and 101 Okey Plus, which became immensely popular in the region. These titles were designed to offer multiplayer experiences that mirrored traditional social gaming, fostering community engagement.

By 2017, Peak Games had expanded its reach and was generating significant revenue from international markets, particularly the United States and Europe. The company also made a strategic move by selling its card games division, which included titles like Spades Plus, Gin Rummy Plus, and Okey Plus, to Zynga for \$100 million. This transaction was notable as it involved the largest intellectual property rights sale in Türkiye's history at that time.

Peak Games achieved significant milestones with the launch of its puzzle games Toy Blast in 2015 and Toon Blast in 2017. Both games quickly gained popularity worldwide, particularly in the United States, and became staples in the casual gaming genre. By mid-2020, these titles collectively had over

12 million daily active users, contributing to Peak Games' status as one of the top mobile game developers globally.

The company's success was also reflected in its financial performance, with nearly 99% of its revenue coming from international markets. Peak Games ranked among the top 10 mobile gaming companies in the U.S. in terms of both revenue and user base.

In June 2020, Peak Games was acquired by Zynga, a leading U.S.-based social game developer, for approximately \$1.85 billion. This acquisition included both the card games division, which had been sold earlier, and the puzzle game studio responsible for Toy Blast and Toon Blast. Following the acquisition, Peak Games continued to operate independently under its original leadership, with Sidar Şahin remaining as CEO.

The deal marked a significant achievement for the Turkish tech ecosystem, as Peak Games became the first Turkish startup to reach a valuation exceeding \$1 billion, earning it the designation of a "Turcorn".

Peak Games' success has had a profound impact on Türkiye's startup landscape. The company's growth has attracted significant foreign investment into the Turkish gaming sector, making Türkiye one of the most invested countries in Europe for gaming ventures. In the first half of 2022 alone, Turkish gaming startups received a record \$313 million in investments.

Additionally, Peak Games has inspired a new generation of entrepreneurs. Notably, 28 former Peak Games employees have gone on to establish their own startups, many in the gaming industry, contributing to the broader growth of Türkiye's tech ecosystem.

Today, Peak Games continues to operate as a subsidiary of Zynga, maintaining its headquarters in Istanbul. The company remains focused on developing engaging and innovative mobile games, with a commitment to preserving its unique creative culture and brand identity. Through its enduring success, Peak Games has not only solidified its position in the global gaming industry but has also played a pivotal role in elevating Türkiye's presence in the international tech arena.

6. Firefly



Firefly is a technology-driven advertising company founded by Turkish entrepreneurs Kaan Günay and Onur Kardeşler. Established in San Francisco in 2017, Firefly has rapidly grown into a leading player in the digital out-of-home (DOOH) advertising industry, leveraging smart technology to transform urban advertising landscapes.

Firefly was conceived to modernize traditional outdoor advertising by integrating digital screens onto vehicles such as taxis and rideshare cars. These screens display location-based, real-time advertisements, offering brands targeted exposure while providing drivers with an additional revenue stream. The platform also incorporates environmental sensors to collect urban data, which can be utilized for various civic and commercial purposes.

2018: Firefly secured a \$21.5 million seed investment led by GV (formerly Google Ventures) and NFX, marking a significant step in its expansion .

2019: The company raised an additional \$30 million in Series A funding, again led by GV, with participation from NFX. This capital facilitated Firefly's entry into the New York City market, where it acquired the digital operations of Strong Outdoor, a major player in NYC's taxi advertising sector.

2020: Firefly received a \$660,000 investment from Galata Business Angels (GBA), marking GBA's largest single investment at the time. This funding supported Firefly's expansion into new U.S. cities and further technological development.

United States: Firefly operates in major cities including San Francisco, Los Angeles, New York, Chicago, Dallas, and Miami, providing digital advertising solutions across a wide network of vehicles.

United Kingdom: In 2022, Firefly acquired Ubiquitous, a London-based taxi advertising company, marking its entry into the UK market and expanding its international footprint.

Firefly's platform combines hardware and software to deliver dynamic advertising experiences. The company installs smart screens equipped with sensors on vehicles, enabling:

Targeted Advertising: Ads are displayed based on the vehicle's location, time of day, and traffic conditions, ensuring relevance to the audience.

Data Collection: Sensors gather environmental data, such as air quality and temperature, which can be shared with city planners and other stakeholders for urban development and planning.

Driver Revenue Generation: Drivers earn additional income by participating in the advertising program, with some reporting up to a 15% increase in earnings.

Endeavor Selection: In 2020, Firefly was selected as an Endeavor Entrepreneur, joining a global network of high-impact entrepreneurs and gaining access to resources and mentorship to accelerate its growth.

Team Expansion: The company has grown to a team of over 200 employees, with a significant presence in Istanbul, where it employs software developers to support its technological initiatives.

Firefly continues to innovate in the digital advertising space, aiming to:

Expand its network: Increase the number of vehicles equipped with smart screens in existing and new markets.

Enhance technology: Develop more advanced data analytics capabilities and integrate additional sensor technologies.

Foster partnerships: Collaborate with municipalities, advertisers, and other stakeholders to create smarter, more connected urban environments.

With its unique business model and technological edge, Firefly is poised to play a significant role in the evolution of urban advertising and smart city infrastructure.

7. Martı



Martı is a Turkish mobility technology company that has rapidly transformed urban transportation in Türkiye through its electric vehicle-sharing and ride-hailing services. Founded in 2018 by Oğuz Alper Öktem and Sena Öktem, Martı began operations in Istanbul in 2019 and has since expanded to multiple cities across Türkiye.

2018: Martı was established with the vision of providing eco-friendly and efficient urban transportation solutions.

2019: The company launched its electric scooter-sharing service in Istanbul, offering a sustainable alternative to traditional transportation methods.

2020: Martı expanded its services to Ankara, introducing electric scooters to the capital city.

2021: Martı reached a valuation of \$100 million following a successful Series B investment round.

2022: The company introduced its ride-hailing service, Martı TAG, allowing users to share rides with others in the same direction, promoting eco-friendly transportation.

2023: Martı acquired Zoba, a U.S.-based AI startup specializing in fleet optimization for two-wheeled electric vehicles. This acquisition aimed to enhance operational efficiency and service quality.

Fleet Size: As of the end of 2023, Martı operates a fleet of over 38,000 electric scooters, bikes, and mopeds across Türkiye.

Ride-Hailing Service: By December 2023, Martı's ride-hailing service had over 452,000 riders and more than 100,000 registered drivers, exceeding its targets for the year.

Public Listing: In July 2023, Martı's shares began trading on the New York Stock Exchange under the ticker symbol MRT, marking a significant milestone in the company's growth.

Service Areas: Martı's services are available in major Turkish cities, including Istanbul, Ankara, Izmir, Antalya, Kocaeli, Muğla, and Mersin.

Future Plans: The company aims to continue expanding its fleet and services, focusing on sustainability and technological innovation to meet the growing demand for eco-friendly urban transportation solutions.

Martı's commitment to providing sustainable and efficient transportation options has positioned it as a leader in Türkiye's mobility sector, contributing to the global shift towards greener urban transportation solutions.

Annex 1- SME Questionnaire (Türkiye)

1. What are the criteria for defining SMEs in your country?

In Türkiye, SMEs are evaluated in 3 groups: micro - small – medium our definition of SME is based on the number of employees, annual net sales revenue and financial balance sheet. Businesses employing less than 250 people, whose annual net sales revenue or financial balance sheet does not exceed 500 million Turkish Liras (TL) are defined as SMEs.

Micro-enterprises are enterprises with less than 10 employees and an annual net sales revenue or financial balance sheet of 10 million TL.

Small-enterprises are enterprises with less than 50 employees and an annual net sales revenue or financial balance sheet of 100 million TL.

Medium-enterprises are enterprises with less than 50 employees and an annual net sales revenue or financial balance sheet of 500 million TL.

2. What is the number of SMEs in your country and their share in value-added, employment, and exports?

The approximate number of SMEs in Türkiye is 3.7 million. The share of SMEs in all enterprises is 99.7%. In addition to this; SMEs constitute 70.6% of employment, 47.5% of personnel costs, 42.5% of turnover, 36.3% of production and 36.4% of value added.

3. In which economic sectors are SMEs primarily represented in your country?

In Türkiye, SMEs are primarily represented in the following sectors:

- Manufacturing (including textiles, automotive, and food processing)
- Construction (real estate development and infrastructure)
- Retail and Wholesale Trade (local stores, distribution, and imports/exports)
- Agriculture and Food Processing (crop production, livestock, and food packaging)
- Services (transport, logistics, tourism, education, healthcare, and IT)

- Tourism (hotels, restaurants, and travel agencies)
- Information and Communication Technology (ICT) (software, e-commerce, and digital services)

These sectors highlight the diverse roles SMEs play in driving economic growth in Türkiye.

4. What specialized institutions support the development of SMEs in your country?

In Türkiye, several institutions support the development of SMEs:

- **Turkish Ministry of Industry and Technology:** is a government body responsible for shaping and implementing policies related to industrial development, technological advancement, and innovation in Türkiye. Its main objectives include fostering economic growth, enhancing industrial competitiveness, supporting research and development (R&D), promoting the digital transformation of industries, and ensuring the efficient use of resources across various sectors, with a particular focus on small and medium-sized enterprises (SMEs).

- **KOSGEB (Small and Medium Enterprises Development Organization of Türkiye):** Provides financial support, grants, and training for SMEs, to increase the share and efficiency of small and medium-sized enterprises in meeting the economic and social needs of the country, to increase their competitiveness and to realize the integration in the industry in accordance with the economic developments.

- **TOBB (Union of Chambers and Commodity Exchanges of Türkiye):** Represents SMEs and offers services such as business networking, advocacy, and economic development initiatives.

- **TÜBİTAK (The Scientific and Technological Research Council of Türkiye):** Supports R&D and innovation for SMEs, offering funding and technological assistance.

- **İŞKUR (Turkish Employment Agency):** Provides support for workforce training, employment, and development programs for SME employees.

- **Development Agencies:** Regional organizations that offer funding, guidance, and consultancy to SMEs, particularly for local economic development.

- **The Credit Guarantee Fund (KGF):** plays a vital role for SMEs in Türkiye by providing them with easier access to financing. It offers credit guarantees to SMEs, helping them secure loans from

banks that they might otherwise struggle to obtain due to insufficient collateral or high risk. This support boosts the liquidity of SMEs, enabling them to grow, invest in innovation, and improve their operations. The KGF is crucial in fostering financial inclusion and helping SMEs overcome challenges in accessing capital, which is essential for their sustainability and competitiveness.

These institutions help SMEs with financing, innovation, workforce development, and business growth, driving the sector's overall development in Türkiye.

5. What strategies and government programs exist for the development of the SME sector in your country?

In the 12th Development Plan of Türkiye, SMEs (Small and Medium-Sized Enterprises) hold a significant place due to their crucial role in the country's economic development. SMEs are recognized as the backbone of the Turkish economy, contributing to employment, innovation, and regional development. The plan emphasizes strengthening SMEs by improving their access to financing, promoting digital transformation, enhancing their competitiveness, and fostering innovation. The aim is to create an environment where SMEs can grow, adapt to global market demands, and contribute to sustainable economic growth.

In Türkiye, several strategies and government programs aim to support and develop the SME sector:

Financial Support and Incentives

KOSGEB offers grants, low-interest loans, and financial assistance for innovation, and international market expansion.

SME Support Programs provide financial aid for technology adoption, product development, and business modernization.

Training and Capacity Building

KOSGEB and TOBB offer training, seminars, and workshops to improve business management, entrepreneurship, and technical skills.

İŞKUR provides workforce training programs to enhance skills in line with industry needs.

Innovation and R&D Support

TÜBİTAK offers funding for research and development projects, promoting innovation in SMEs. Programs focus on increasing SMEs' technological capabilities and product quality.

Export and Market Expansion

The Turkish Exporters Assembly (TİM) supports SMEs in accessing international markets through export training and market development programs.

KOSGEB's Internationalization Programs help SMEs enter global markets.

6. What support mechanisms are available for SMEs in your country?

There are many institutions and organizations supporting SMEs in Türkiye. The mechanisms shared below for the support provided to SMEs include the support provided by public authorities in Türkiye.

Supports provided to SMEs by Small and Medium Enterprises Development Organization of Türkiye (KOSGEB):

Entrepreneur Support Programme

Capacity Building Support Programme

SME Digital Transition Support Programme

Green Industry Support Programme

Employment Protection Support Programme

Global Competitiveness Support Programme

Strategical Product Support Programme

SME Technological Product Investment Support Programme

TEKMER Support Programme

Mentoring and Evaluation Support Programme

Recovery of Businesses after Earthquake Support Programme

Details for these supports can be reached from www.kosgeb.gov.tr

Supports provided to SMEs by The Scientific and Research Council of Türkiye (TÜBİTAK):

1501 Industrial R&D Projects Grant Programme

1503 R&D Project Brokerage Events Grant Programme

1505 University – Industry Collaboration Support Programme

1507 TÜBİTAK SME R&D Start-Up Support Programme

1509 TÜBİTAK International Industrial R&D Projects Grant Programme

1511 Research Technology Development and Innovation Projects in Priority Areas G.P.
(Technology Focused Industrial Movement Programme)

1512 Entrepreneurship Support Programme

1513 Technology Transfer Office Support Programme

1514 Venture Capital Funding Programme (Tech-InvesTR)

1515 Frontier R&D Laboratory Support Programme

1601 Capacity Building for I&E Grant Programme

1602 TÜBİTAK Patent Support Programme

1607 BIGG+ SME Mentorship Interface

1612 BIGG – 1st Phase Implementing Agencies Call

1701 R&D Project Evaluation and Monitoring Call

1702 Patent Based Technology Transfer Support Call

1704 SAYEM – Industrial Innovations Network

1707 SME Support Call for Order-Based R&D Projects

1711 Artificial Intelligence Ecosystem Call

1812 Investment Based Entrepreneurship Support Programme (BIGG Investment)

1831 Climate-Informed and Green Innovation Technology Extension Programme

1832 Call for Green Transformation in Industry

SAYEM Green Transformation Call

Details for these supports can be reached from www.tubitak.gov.tr

Supports Provided by Türkiye Technology Development Unity (TTGV):

Eco-Production Industry Programme

Climate Lab Community Programme

Climate Pioneer Investment Programme

Enterprise Development Portfolio

Details for these supports can be reached from <https://ttgv.org.tr>

7. What service infrastructure is available for SMEs in your country?

KOSGEB, which is the most important public institution responsible for the development and support of SMEs in Türkiye, has a platform called ‘SME Information System’. This system is directly integrated into the ‘electronic government applications’ system of the Republic of Türkiye. In other words, the owners and signatories of all SMEs operating in Türkiye have gained the right to apply online for the support provided by KOSGEB. Thus, representatives of SMEs do not have to physically reach KOSGEB when applying for support. In addition, the system is compatible with the platforms of other government agencies, and the most up-to-date data on SMEs are automatically reflected in the SME declaration document.

On the other hand, it's a well known fact that SMEs' share in production, exports, added value, and investments are becoming more and more ample, and henceforth their importance for the country's

economy increases day by day. Due to the growth and development of the labour market, creating new business areas and expanding and developing the existing enterprises has great importance.

Adopting the information-based methods to be able to design business-specific supports, KOSGEB has put into service the Business Assessment Report, which will help SMEs to observe their current conditions and develop future-oriented strategies. Based on the understanding of "Every SME is a Value for the Future of the Country" and the motto "We Value You", the Business Assessment Report is the most comprehensive document today prepared using administrative records that will contribute to the development of SMEs. The Business Assessment Report has been made available to all businesses free of charge via the e-Government platform. Today, when information comes to the fore and its significance is better understood, SMEs will be able to reach information about the state of the sector, thanks to the comprehensive data included in the Business Assessment Report. Consequently, the SMEs will have the chance to position themselves in their sectors, in their regions, and throughout Türkiye. The report, which is produced specifically for each enterprise by processing the administrative records of institutions and organizations, can be verified thanks to the QR code in the upper right corner of its pages. Thus, it can be safely used as a reference, especially in foreign and domestic business relations, financial institutions and many similar places.

8. Are there any tax incentives for SMEs in your country?

Tax incentives are financial benefits provided by the government to encourage investment in specific industries, regions, or activities. These incentives can take various forms, including tax exemptions, reductions, allowances, and credits. In Türkiye, tax incentives are a key part of the government's strategy to boost economic growth and development.

a. Investment Incentive Program

The Turkish government offers an Investment Incentive Program designed to encourage both domestic and foreign investments. This program provides a variety of tax benefits depending on the region and sector of investment, including:

Corporate Tax Reductions: Depending on the region, investors can benefit from significant reductions in corporate tax rates, sometimes down to 0%

VAT Exemptions: Exemptions from Value Added Tax (VAT) are available for machinery and equipment purchases related to the investment.

Customs Duty Exemptions: Imported machinery and equipment can be exempt from customs duties.

Social Security Premium Support: The government covers a portion of the employer's social security contributions for a specified period.

Interest Rate Support: Investors can receive support in the form of reduced interest rates on loans.

b. Research and Development (R&D) Incentives

To foster innovation, Türkiye provides generous R&D incentives for companies involved in research and technological development. These include:

R&D Tax Deductions: Up to 100% deduction on R&D expenditures from the taxable income.

Income Tax Withholding Incentives: Reduced income tax withholding for employees working in R&D and innovation activities.

Social Security Premium Support: Exemptions from social security premiums for employees engaged in R&D activities.

R&D Centers: Companies with dedicated R&D centers can benefit from additional tax reductions and exemptions.

c. Technology Development Zones (Technoparks) Incentives

Businesses located in Technology Development Zones (Technoparks) in Türkiye enjoy several tax benefits, including:

Corporate Tax Exemption: Income derived from R&D activities in Technoparks is exempt from corporate tax until 2023.

Income Tax Exemption: Employees working in Technoparks are exempt from income tax on their wages.

VAT Exemption: Sales of software and R&D products developed in Technoparks are exempt from VAT.

d. Free Zones (FZ) Incentives

Türkiye's Free Zones (FZs) are special areas where businesses can benefit from various tax advantages, including:

Corporate Tax Exemption: Companies operating in FZs are exempt from corporate tax on income derived from export activities.

VAT Exemption: Goods and services purchased within the Free Zones are exempt from VAT.

Customs Duty Exemption: No customs duties are applied on goods entering or leaving the Free Zones.

Income Tax Withholding Incentives: 100% exemption from income withholding tax on employee salaries for companies exporting at least 85% of the FOB value of products produced in free zones 100% exemption from income tax on employee salaries.

e. Strategic Investment Incentives

For investments that are considered strategically important for Türkiye's economy, such as subway, bridges, highways and dams additional incentives are provided:

Tax Reductions: Strategic investments may qualify for higher rates of tax reductions.

Interest Rate Support: Strategic projects can receive greater interest rate support.

Land Allocation: The government may allocate land for strategic investments at reduced costs.

9. What financing mechanisms and preferential financial opportunities are available for SMEs in your country?

In Türkiye, to facilitate SMEs' access to finance, ensuring that they are able to use credit under appropriate conditions, KOSGEB SME Financing Support Programme has been commenced where all or part of the interest/profit share of the loan is covered by KOSGEB after the bank has provided loans to the enterprises.

Registered and active SMEs which already exists in KOSGEB database with up-to-date SME Information Statement, without any prohibition record under KOSGEB Support Facilities and one of covered business type under this program are eligible for application.

Entrepreneurs and SMEs acting in strategic or priority sectors can benefit from this programme. Within the scope of this programme, loan types are as follows;

Working Capital Loan (up to 18 months and max. loan amount is 50.000 TL, if the entrepreneur is young (under 30 age), female, disabled, veteran or first degree martyr relative. max. loan amount is 70.000 TL)

Machinery and Equipment Loan (up to 36 months and max. loan amount for SMEs in strategic or priority sectors is 500.000 TL)

Financial mechanisms proposed to SMEs in Türkiye are generally conducted by Credit Guarantee Fund (KGF A.Ş.). These mechanisms mainly aim to provide guarantee for banks or public institutions.

Credit Mechanisms Provided to SMEs by Credit Guarantee Fund (KGF A.Ş.):

Export Support Package

Investment Support Package

Support Package for Operating Expenses

Investment-Project Finance Support Package

Manufacturing Industry Support Package

Operating Expenses Support Package for 6th February 2023 Earthquakes

Investment Support Package for 6th February 2023 Earthquakes

Support Package for Severance Payment of Retirement Age Victims

Regional SME Support

Support Package for Activities Generating Fx-Based Income

Support Package for Women Entrepreneurs

Entrepreneur Support Package

Support Package for Green Transformation and Energy Efficiency

Technology Support Package

Support Package for Digital Transformation

Educational Support Package

Financial Energy Support Package for Agricultural Production

Enterprise Expenditures Support Package

TURWIB Programme Support Package

TKYB Support Package

Cold Air Units and Frigorific Vehicles Support Package

Additional Employment Support Package

Manufacturing Based Import Substitution Support Package

Treasury Fund (20 Billion TL) (KOBİ Deger Loans I and II)

Treasury Fund (35 Billion TL)

Treasury Fund (52,5 Billion TL)

Treasury Fund (200 Billion TL)

Ekonomi Deger Loans

TOBB Nefes Loan 2020 Support

Details for these supports can be reached from www.kgf.com.tr

10. What are the main legislative and regulatory documents governing the SME sector in your country?

The Regulation on Small and Medium Enterprises, which was announced by the Presidential Decree dated 24.05.2023 and numbered 7297 and published in the Official Gazette dated 25.05.2023 and numbered 32201, determines all definitions, classifications and regulations regarding SMEs.

11. What organizational and technical mechanisms exist for protecting SME interests and resolving disputes?

KOSGEB (small and medium enterprises development organization), Chambers Of Commerce and Chambers Tradesmen are the organizations related with SME'S. As of 01.01.2019, mediation has been introduced as a condition of litigation for commercial disputes. In other words, the parties to a commercial dispute must first apply to a mediator, not to the court. If the dispute cannot be resolved through mediation, the parties to the commercial dispute may go to court. Arbitration commission is also another mechanism used in the solution of commercial disputes. Arbitration is the final resolution of a dispute by a third party (arbitrator), limited to disputes that the law allows to be resolved in this way. The disputes which are not solved by mediator or arbitration commission mainly resolved in commercial courts.

12. How is support provided for SMEs' participation in the public procurement process in your country?

The weight of SMEs in public procurement participation rates is low compared to their contribution to the Gross Domestic Product. Furthermore, SMEs' participation in cross-border tenders is also low. In this context, efforts are being made to support SMEs' participation in public procurements, especially those to be held between countries (cross-border), through co-financing actions to be carried out by intermediary institutions.

SMEs with domestic goods certificates have an advantage in tenders. The product must be entirely produced in Türkiye or the important stages in the production process and the final workmanship and stage that are economically necessary must be made in Türkiye. The local contribution rate reached as a result of the calculations to be made regarding the product must be at least 51%. Domestic Goods certificate provides 15% price advantage in public tenders.

In addition to that, Technological Product Experience Certificate (TÜR) is a certificate obtained by the Ministry of Industry and Technology of the Republic of Türkiye, with the examination of TÜBİTAK (in self-funded projects), for the products obtained as a result of R&D studies carried out by a company with public support or its own resources. It replaces the work completion certificate in public tenders.

13. What projects and support tools are implemented for the development of youth and women entrepreneurship?

KOSGEB's Entrepreneurship Support is a non-refundable grant program that aims to alleviate the financial burdens of women entrepreneurs in the process of establishing a business. As of 2025, businesses established as individuals will receive 10,000 TL in establishment support, while businesses established as capital companies will receive 20,000 TL. In addition to all these supports, if the entrepreneur is young, female, disabled, a veteran or a first-degree relative of a martyr, an additional 10,000 TL will be added to these amounts.

Within the scope of Business Development Support, up to 1,500,000 TL and 80% reimbursement support is provided for personnel expenses. The duration of this support is determined as 36 months. This limit increases to 1,650,000 TL for women, young, disabled, veteran or martyr relatives. In addition, machinery-equipment, software and service procurement expenses (training, consultancy, certification, test-analysis, marketing, design, industrial property rights) are also within the scope of support. These supports aim to increase employment and support sustainability in the businesses of women entrepreneurs.

The Opportunities Map in the digital portal created within the scope of the "Young Women Building Their Future Project" carried out by the United Nations Development Program (UNDP) and the Sabancı Foundation in cooperation with the Ministry of Family and Social Policies and the Ministry of Labor and Social Security includes job, internship, education and entrepreneurship supports.

The Ministry of Commerce has also established the "W2W-National Women Exporter Network Platform" in order to develop the institutional capacity of more women entrepreneurs and integrate them into export processes, create the communication network they need and integrate them into export processes.

The General Directorate of Tradesmen, Craftsmen and Cooperatives of the Ministry of Commerce provides grant support within the scope of the KOOPDES program, along with training, entrepreneurship and consultancy support for Women's Initiative Production and Business Cooperatives.

14. How is the digitalization and green transition of SMEs supported?

KOSGEB has two separate supports in these areas: The first one is SME Digital Transformation Support Program and the second one is Green Industry Support Program.

SME Digital Transformation Support Program aims to support digital transformation processes in order to improve and make the business processes of small and medium-sized enterprises more efficient, to increase their competitiveness and to increase their share in the economy. Small or medium-sized enterprises operating in the manufacturing sector whose "Operating Profit" or "Total Equity" of the last 3 (three) fiscal years is not negative can apply this program. Credit upper limit per business is 20.000.000 TL and the duration of the program is 24 months.

The partners of the Türkiye Green Industry Project, which will be carried out with the support of the World Bank, are KOSGEB, TÜBİTAK and the Ministry of Industry and Technology. The project consists of three components.

In the first component, KOSGEB will provide reimbursable support for the green transformation activities of SMEs. The program will support activities to be carried out by industrial SMEs in thematic areas such as renewable energy, resource efficiency, waste management, circular economy, etc.

In the second component, TÜBİTAK will target companies that engage in green innovation activities that involve the development of new green technologies, products or processes in Türkiye or other markets. The supports that green start-ups, SMEs, large companies or company consortiums can apply for will include R&D, prototype development, standard development and new product or process development that contribute to green production or higher energy and/or resource efficiency.

The Ministry of Industry and Technology will ensure effective management of the project by executing the Project Management, Needs Analysis, Capacity Development, Green Industry Academy, Green Monitoring System and Promotion and Dissemination work packages under the third and technical support component of the project.

Providing Energy and Resource Efficiency and Reducing Carbon Emissions for Industrial SMEs

KOSGEB is responsible for providing support for Providing Energy and Resource Efficiency and Reducing Carbon Emissions for Industrial SMEs within the scope of Component 1 of the “Türkiye Green Industry Project” to be carried out with the World Bank.

Supporting Solar Energy Investments for Industrial SMEs

This component aims to decarbonize energy systems in industrial activities and to increase the competitiveness of SMEs by reducing their energy costs. Rooftop solar power plants described as on-

site and combined solar power plants within industrial facilities will be supported within the scope of the project.

Priority will be given to increasing the use of renewable energy resources and ensuring that energy is safe and sustainable in activities related to clean, reliable energy transformation in industry.

15. How is the development of startups supported in your country?

There are many institutions and organizations supporting startups in Türkiye. The mechanisms shared below for the support provided to startups include the support provided by public authorities in Türkiye.

Supports provided to SMEs by Small and Medium Enterprises Development Organization of Türkiye (KOSGEB):

- Entrepreneur Support Program

To ensure the sustainability of newly established businesses by supporting them in sectors determined in line with our country's strategic priorities.

Within the scope of this program;

All businesses operating in sectors supported by KOSGEB can apply for Business Start-up Support,

Business Development Support NACE code;

C-Manufacturing

61-Telecommunications

62-Computer programming, consultancy and related activities

63-IT infrastructure, data processing, hosting and other information service activities

72-Scientific research and development activities

sectors.

KOSGEB's Entrepreneurship Support is a non-refundable grant program that aims to alleviate the financial burdens of women entrepreneurs in the process of establishing a business. As of 2025, businesses established as individuals will receive 10,000 TL in establishment support, while businesses established as capital companies will receive 20,000 TL. In addition to all these supports, if the entrepreneur is young, female, disabled, a veteran or a first-degree relative of a martyr, an additional 10,000 TL will be added to these amounts.

Supports provided to Startups by The Scientific and Research Council of Türkiye (TÜBİTAK):

1507 TÜBİTAK SME R&D Start-up Support Program

R&D is the systematically conducted innovative activities and the use of the knowledge in new applications (product, process) in order to increase scientific and technical knowledge. Innovation refers to a series of scientific, technological, financial and commercial activities aimed at transforming an idea into a developed, improved or new and marketable product or process.

The 1507 SME R&D Start-up Support Program aims to develop the technological and innovation capacities of organizations at the Small and Medium Enterprises (SME) scale, to make them more competitive, to be able to carry out systematic projects, to develop high value-added products, to have a corporate research technology development culture, and to take part more effectively in national and international support programs.

The 1507 SME R&D Support Program is carried out by invitation. The support provided is in the form of a grant (non-refundable). There is no limitation on the subject of the projects unless otherwise stated in the call announcement. Applications can be made for R&D projects from all sectors and in all technology fields.

- 1512 Entrepreneurship Support Program (BİGG)

The BİGG Portal Application, which was created to bring together BİGG companies that form the TÜBİTAK BiGG Ecosystem and work to serve for joint success and growth, with mentors and investment funds, has been launched.

The 1512 Entrepreneurship Support Program aims to support activities from the idea stage to the market so that entrepreneurs can transform their technology and innovation-focused business ideas into enterprises with high added value and qualified employment potential, thus encouraging qualified

entrepreneurship and creating start-up companies that can develop innovative, high-tech products and services with international competitive power.

Within the scope of the program, entrepreneurs are provided with entrepreneurship training, and technical, commercial and administrative support is provided to the entrepreneur by guides with industry experience.

This program consists of three stages explained below for the transformation of innovative business ideas into commercial products/processes/services. The entrepreneur can complete each stage in order and proceed to the next stage if deemed appropriate by TÜBİTAK.

- 1607 BiGG+ SME Mentorship Interface

BiGG + SME Mentor Interface Call was opened with the aim of supporting activities to create and implement mentoring mechanisms to increase the business development and innovation capacities of SMEs.

The main reason for this call is to develop and implement a mentoring mechanism for the commercialization of products and services of SMEs supported within the scope of TÜBİTAK TEYDEB Programs, to enter new markets and to increase the export capacities of these SMEs in order to use public resources allocated to Research and Innovation areas more effectively and efficiently.

Mentoring services are expected to have an impact on SMEs in two dimensions:

Increase in Commercial Maturity (For example, sales by companies in the product development phase, market diversity by companies with sales revenue, export, etc.)

Increase in R&D and innovation capacity (For example, ensuring the continuity of activities in the field of innovation, institutional execution of innovation activities, etc.).